

Price Movements

January 2000

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in January, before seasonal adjustment, to a level of 168.7 (1982-84=100). For the 12-month period ended in January, the CPI-U increased 2.7 percent.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) also rose 0.2 percent in January, prior to seasonal adjustment. The January level of 165.5 was 2.8 percent higher than the index in January 1999.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U rose 0.2 percent in January, the same as in each of the preceding 3 months. The food index declined 0.1 percent in January after registering small increases throughout most of 1999. The energy index continued to advance, up 1.0 percent in January. The index for petroleum-based energy increased 1.9 percent and the index for energy services rose 0.1 percent. Excluding food and energy, the CPI-U rose 0.2 percent in January, following an increase of 0.1 percent in December. The January advance reflects larger increases in shelter costs and educational books, coupled with an upturn in the price of cigarettes.

Note: Seasonal factors have been recalculated to reflect

developments during 1999. For this reason, some of the seasonally adjusted figures above and elsewhere in this report differ from those previously published.

See page 4 for a note on the use of hedonic models to adjust prices of audio and video products in the CPI for changes in quality.

The food and beverages index was unchanged in January. The index for food at home declined 0.2 percent, reflecting decreases in the indexes for fruits and vegetables, for dairy products, and for cereal and bakery products. The index for fruits and vegetables, which increased 0.4 percent in December, declined 1.1 percent in January. Within the fruits and vegetables group, the indexes for fresh fruits and for fresh vegetables declined 1.1 and 2.8 percent, respectively. (Prior to seasonal adjustment, fresh vegetable prices rose 4.2 percent.) Prices for processed fruits and vegetables rose 1.9 percent, following declines in each of the preceding 2 months. The index for dairy products registered its second consecutive decline—down 1.0 percent in January—largely because of a 2.6-percent decrease in the price of milk. The index for cereal and bakery products fell 0.5 percent, reflecting a decline in prices for breakfast cereal. On the other hand, the indexes for nonalcoholic beverages and for meats, poultry, fish, and eggs

Table A. Percent changes in CPI for All Urban Consumers (CPI-U)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended January 2000	Unadjusted 12 months ended January 2000
	Changes from preceding month								
	1999						2000		
	July	August	September	October	November	December	January		
All items	0.3	0.3	0.4	0.2	0.2	0.2	0.2	2.4	2.7
Food and beverages	.1	.2	.2	.2	.2	.1	0	1.2	1.6
Housing	.2	.2	.3	.1	.3	.1	.3	2.7	2.5
Apparel	-.8	-.3	.9	.6	-.4	0	-1.1	-5.9	-.9
Transportation	1.0	.8	.6	.3	.1	.8	.1	4.1	5.6
Medical care	.3	.3	.3	.2	.3	.4	.3	3.7	3.6
Recreation	0	0	-.4	0	.2	.2	.2	2.4	.6
Education and communication	.2	.2	0	.3	.3	.2	.5	4.0	1.8
Other goods and services	.9	-.3	2.0	.2	-.1	0	.6	2.3	3.6
Special indexes:									
Energy	1.8	2.3	1.8	0	.1	1.8	1.0	12.1	14.7
Food	.1	.2	.3	.2	.2	.1	-.1	1.0	1.5
All items less food and energy	.2	.1	.3	.2	.2	.1	.2	1.8	1.9

increased 0.7 and 0.3 percent, respectively, while the index for other food at home was unchanged. Increases in prices for coffee and carbonated beverages were responsible for the increase in the index for nonalcoholic beverages. Within the index for meats, poultry, fish, and eggs, increases in prices for poultry and eggs more than offset a decline in meat prices. The other two components of the food and beverages index—food away from home and alcoholic beverages—each increased 0.2 percent.

The index for housing rose 0.3 percent in January, following an increase of 0.1 percent in December. Each of the three major housing groups—shelter, fuels and utilities, and household furnishings and operations—contributed to the acceleration. Shelter costs, which increased 0.1 percent in December, advanced 0.3 percent in January. Within shelter, the indexes for rent and for owners' equivalent rent each increased 0.3 percent, and the index for lodging away from home rose 0.6 percent. The index for fuels and utilities turned up in January, advancing 0.5 percent after registering a 0.5-percent decrease in December. The index for natural gas, which declined 4.0 percent in December, increased 1.4 percent in January. This upturn more than offset a 0.4-percent downturn in the index for electricity, which had risen 0.2 percent in December. Fuel oil prices, which increased 30.9 percent in all of 1999, continued upwards in January, advancing 7.9 percent. The index for household furnishings and operations increased 0.3 percent in January, following a 0.1-percent rise in December.

The transportation component rose 0.1 percent in January after increasing 0.8 percent in December. Gasoline prices continued to advance, but by less than in December. The index for gasoline increased 1.6 percent in

January, bringing the increase over the last 12 months to 32.4 percent. The index for new vehicles, which was unchanged in December, declined 0.3 percent in January. (As of January, about 82 percent of the new vehicle sample was represented by 2000 models. The 2000 models will continue to be phased in, with appropriate adjustments for quality change, over the next several months, as new models replace old models at dealerships. For a report on quality changes for the 2000 vehicles represented in the Producer Price Index sample, see news release USDL-99-324, dated November 10, 1999.) The index for used cars and trucks declined for the third consecutive month, falling 0.7 percent in January. The index for public transportation declined 0.8 percent, largely because of a 1.4-percent drop in airline fares.

The index for apparel decreased 1.1 percent in January, after registering no change in December. (Prior to seasonal adjustment, apparel prices fell 2.5 percent, reflecting post-holiday discounting.)

Medical care costs rose 0.3 percent in January to a level 3.6 percent higher than a year ago. In January, the index for medical care commodities—prescription drugs, non-prescription drugs, and medical supplies—increased 0.3 percent. The index for medical care services also rose 0.3 percent in January. Charges for physicians' services and for hospital and related services increased 0.5 and 0.3 percent, respectively.

The index for recreation costs increased 0.2 percent in January, the same as in each of the preceding 2 months. Most recreation categories registered small price increases in January; an exception was the index for photography, which declined 0.8 percent.

The index for education and communication increased

Table B. Percent changes in CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Expenditure category	Seasonally adjusted								Unadjusted 12 months ended January 2000
	Changes from preceding month							Compound annual rate, 3 months ended January 2000	
	1999						2000		
	July	August	September	October	November	December	January		
All items	0.4	0.2	0.5	0.2	0.2	0.2	0.2	2.4	2.8
Food and beverages	.1	.2	.2	.3	.2	.1	-1	1.0	1.7
Housing	.2	.2	.3	.1	.3	.1	2	2.5	2.3
Apparel	-.7	-.3	.9	.4	-.3	.1	-1.0	-4.8	-.9
Transportation	1.1	1.0	.8	.1	.1	.9	.2	4.7	6.2
Medical care	.3	.3	.4	.2	.3	.3	.3	3.7	3.5
Recreation	0	-.1	-.4	.1	0	.2	.2	1.6	.2
Education and communication	.2	.2	0	.3	.3	.2	.6	4.4	1.8
Other goods and services	1.3	-.5	2.5	.2	-.2	0	.7	2.1	3.9
Special indexes:									
Energy	1.9	2.7	1.9	-.2	.2	2.1	1.0	13.7	16.0
Food	.1	.2	.3	.2	.2	.1	-.1	1.0	1.6
All items less food and energy	.2	.1	.4	.2	.2	.1	.1	1.6	1.9

0.5 percent in January. Educational costs rose 0.8 percent, reflecting a 6.0-percent increase in educational books and supplies. The index for communication advanced 0.1 percent; a 0.5-percent increase in charges for local telephone services more than offset a 1.7-percent decrease in the index for personal computers and peripheral equipment.

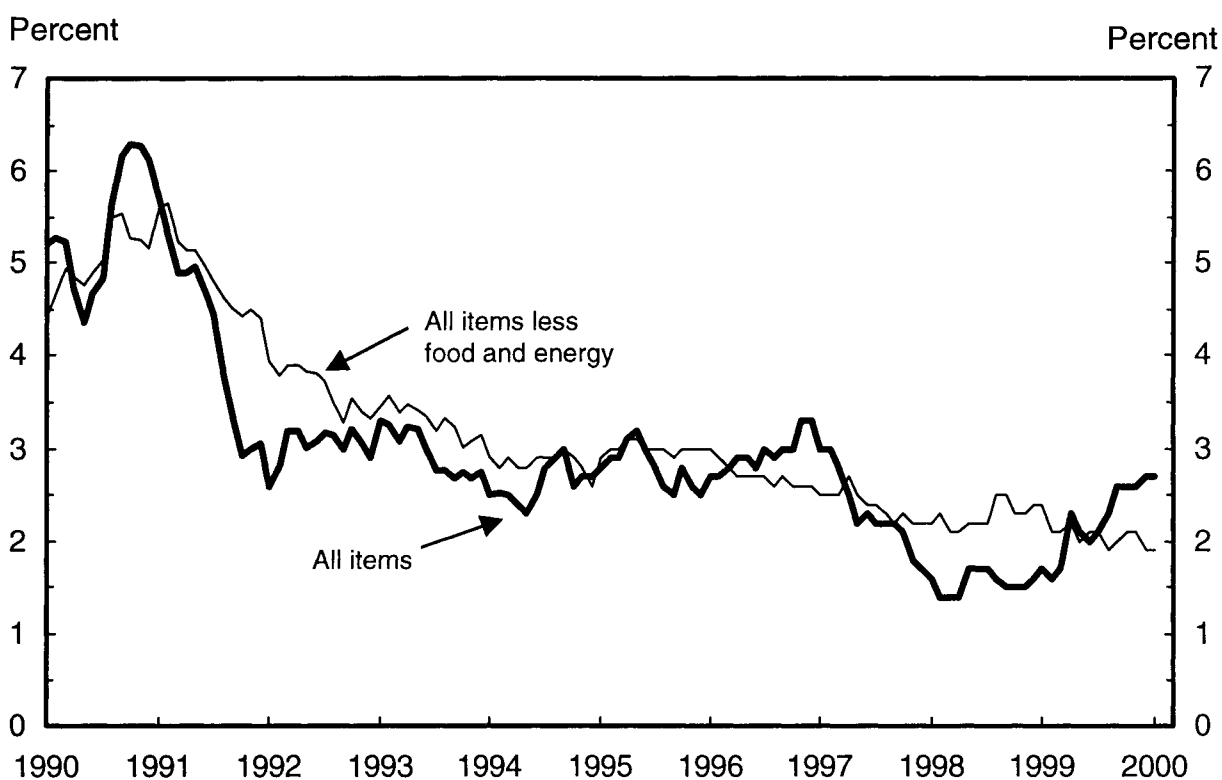
The index for other goods and services advanced 0.6 percent in January, after registering no change in December. The index for cigarettes, which declined in each

of the preceding 3 months, increased 1.7 percent in January, reflecting in part a 13-cents, per pack, increase in the wholesale price introduced in mid-January.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers rose 0.2 percent in January.

CPI-U 12-month changes, 1990 to present



Price Movements

February 2000

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.6 percent in February, before seasonal adjustment, to a level of 169.7 (1982-84=100). For the 12-month period ended in February, the CPI-U increased 3.2 percent.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose 0.5 percent in February, prior to seasonal adjustment. The February level of 166.4 was 3.3 percent higher than the index in February 1999.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U rose 0.5 percent in February, following increases of 0.2 percent in each of the preceding 4 months. The food index, which declined 0.1 percent in January, increased 0.4 percent in February, reflecting in part a sharp jump in meat prices. The energy index rose 4.6 percent, its largest advance since a 6.0-percent rise in April 1999. The index for petroleum-based energy increased 8.0 percent, and the index for energy services rose 1.1 percent. Excluding food and energy, the CPI-U rose 0.2 percent in February, the same as in January.

See page 4 for a note on the use of hedonic models to adjust prices of audio and video products in the CPI for changes in quality.

The food and beverages index advanced 0.4 percent in February. The index for food at home, which declined 0.2 percent in January, rose 0.5 percent in February, primarily as a result of a 1.4-percent rise in the index for meats and an upturn in the index for fruits and vegetables. The index for fruits and vegetables, which declined 1.1 percent in January, increased 0.7 percent in February. Within the fruits and vegetables group, the index for fresh fruits rose 2.7 percent, while the index for fresh vegetables declined 1.0 percent. (Prior to seasonal adjustment, fresh fruit and fresh vegetable prices declined 1.4 and 5.4 percent, respectively.) Prices for processed fruits and vegetables fell 0.2 percent. The index for meats, poultry, fish, and eggs increased 0.9 percent, as price increases for meats and for fish and seafood were partially offset by declines in prices for poultry and for eggs. The indexes for beef and pork rose 1.1 and 2.1 percent, respectively, while poultry prices fell 1.3 percent. Among other major grocery store food groups, the indexes for dairy products and cereal and bakery products each turned up in February, increasing 0.3 percent and 0.1 percent, respectively. The index for nonalcoholic beverages rose 0.4 percent, while the index for other food at home was unchanged for the second consecutive month. The other two components of the food and beverages index—food away from home and alcoholic

Table A. Percent changes in CPI for All Urban Consumers (CPI-U)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended February 2000	Unadjusted 12 months ended February 2000
	Changes from preceding month								
	1999					2000			
	August	September	October	November	December	January	February		
All items	.3	.4	.2	.2	.2	.2	.5	3.9	3.2
Food and beverages	.2	.2	.2	.2	.1	0	.4	1.7	1.8
Housing	.2	.3	.1	.3	.1	.3	.5	3.7	2.8
Apparel	-.3	.9	.6	-.4	0	-1.1	.2	-3.9	-.4
Transportation	.8	.6	.3	.1	.8	.1	1.3	9.3	7.1
Medical care	.3	.3	.2	.3	.4	.3	.4	4.2	3.8
Recreation	0	-.4	0	.2	.2	.2	0	1.6	.7
Education and communication	.2	0	.3	.3	.2	.5	-.5	.8	1.3
Other goods and services	-.3	2.0	.2	-.1	0	.6	.8	5.7	4.6
Special indexes									
Energy	2.3	1.8	0	.1	1.8	1.0	4.6	33.6	19.9
Food	.2	.3	.2	.2	.1	-.1	.4	1.7	1.8
All items less food and energy	.1	.3	.2	.2	.1	.2	.2	1.8	2.1

beverages—each increased 0.2 percent.

The index for housing, which rose 0.3 percent in January, increased 0.5 percent in February, as a result of a sharp rise in household fuel costs. The index for fuels and utilities advanced 2.6 percent in February, after increasing 0.5 percent in January. Each of the three major household fuels contributed to the acceleration in February. The index for fuel oil rose 34.6 percent—its largest monthly increase on record. The index for natural gas, which increased 1.4 percent in January, advanced 1.7 percent in February. The index for electricity rose 0.8 percent, following a 0.4-percent decline in January. Shelter costs increased 0.3 percent in February, the same as in the preceding month. Within shelter, the indexes for rent and for owners' equivalent rent each increased 0.3 percent, while the index for lodging away from home declined 0.3 percent. (Prior to seasonal adjustment, the index for lodging away from home rose 3.4 percent.) The index for household furnishings and operations was unchanged in February, after advancing 0.3 percent in January.

The transportation component rose 1.3 percent in February, after increasing 0.1 percent in January. In February, the index for gasoline registered its largest monthly advance since April 1999—up 6.3 percent—bringing its increase over the last 12 months to 41.2 percent. As of February, the index for gasoline was 1.3 percent lower than its peak level in November 1990. The index for new vehicles declined 0.1 percent in February, following a 0.3-percent drop in January. The index for used cars and trucks declined for the fourth consecutive month—down 0.6 percent in February. The index for public transportation rose 2.4 percent, largely because of a 3.8-percent rise in airline fares.

The index for apparel increased 0.2 percent, following a decline of 1.1 percent in January. (Prior to seasonal adjustment, apparel prices rose 1.9 percent, reflecting the intro-

duction of higher-priced spring summer wear.)

Medical care costs rose 0.4 percent in February to a level 3.8 percent higher than a year ago. In February, the index for medical care commodities—prescription drugs, nonprescription drugs, and medical supplies—was virtually unchanged. The index for medical care services rose 0.5 percent in February. Charges for professional services and for hospital and related services increased 0.6 and 0.5 percent, respectively.

The index for recreation costs was unchanged in February, following increases of 0.2 percent in each of the preceding 3 months. Declines in the indexes for video and audio, for sporting goods, for toys, and for recreation services helped to offset a 1.2-percent rise in the index for pets, pet products and services.

The index for education and communication, which increased 0.5 percent in January, declined 0.5 percent in February. Educational costs rose 0.5 percent, reflecting a 1.6-percent increase in educational books and supplies. The index for communication declined 1.4 percent, reflecting decreases in the indexes for telephone services and for personal computers and peripheral equipment—down 1.5 and 2.8 percent, respectively.

The index for other goods and services advanced 0.8 percent in February, after increasing 0.6 percent in January. The index for cigarettes increased 2.2 percent in February, following a 1.7-percent rise in January. These increases largely reflect the pass-through to retail of a 13-cents-a-pack increase in the wholesale price introduced in mid-January.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers rose 0.5 percent in February.

Table B. Percent changes in CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Expenditure category	Seasonally adjusted								Unadjusted 12 months ended February 2000
	Changes from preceding month							Compound annual rate, 3 months ended February 2000	
	1999					2000			
	August	September	October	November	December	January	February		
All items	.2	.5	.2	.2	.2	.2	.5	3.9	3.3
Food and beverages	.2	.2	.3	.2	.1	-.1	.4	1.9	1.9
Housing	.2	.3	.1	.3	.1	.2	.6	3.5	2.7
Apparel	-.3	.9	.4	-.3	.1	-1.0	.1	-3.3	-.5
Transportation	1.0	.8	.1	.1	.9	.2	1.3	9.9	7.8
Medical care	.3	.4	.2	.3	.3	.3	.4	3.8	3.8
Recreation	-.1	-.4	.1	0	.2	.2	-.1	1.2	.3
Education and communication	.2	0	.3	.3	.2	.6	-.5	1.2	1.3
Other goods and services	-.5	2.5	.2	-.2	0	.7	.9	6.6	5.2
Special indexes									
Energy	2.7	1.9	-.2	.2	2.1	1.0	4.5	34.5	21.4
Food	.2	.3	.2	.2	.1	-.1	.4	2.0	1.8
All items less food and energy	.1	.4	.2	.2	.1	.1	.2	1.6	2.0

Price Movements

March 2000

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.8 percent in March, before seasonal adjustment, to a level of 171.1 (1982-84=100). For the 12-month period ended in March, the CPI-U increased 3.7 percent.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) also rose 0.8 percent in March, prior to seasonal adjustment. The March level of 167.8 was 4.0 percent higher than the index in March 1999.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U rose 0.7 percent in March, following an increase of 0.5 percent in February. Rising energy costs—up 4.9 percent in March—accounted for more than half of the monthly change in the overall CPI for the second consecutive month. The index for petroleum-based energy increased 9.1 percent, and the index for energy services rose 0.5 percent. The food index, which increased 0.4 percent in February, rose 0.1 percent in March. Excluding food and energy, the CPI-U rose 0.4 percent in March, following increases of 0.2 percent in the first 2 months of this year. Most major expenditure groups contributed to the larger March advance with increases in the cost of shelter, transportation (other than motor fuels), and household furnishings

and operations accounting for about three-fourths of the acceleration.

See page 5 for a note on the use of hedonic models to adjust prices of audio and video products in the CPI for changes in quality.

For the first 3 months of 2000, the CPI-U advanced at a 5.8-percent seasonally adjusted annual rate (SAAR). This compares with an increase of 2.7 percent in all of 1999. The energy index, which increased 13.4 percent in 1999, accelerated during the first 3 months of 2000, advancing at a 50.5-percent SAAR. Petroleum-based energy costs rose at a 107.9-percent SAAR, and charges for energy services increased at a 6.8-percent annual rate. The food index, which rose 1.9 percent in all of 1999, has increased at a 1.7-percent SAAR thus far in 2000. Grocery store food prices increased at a 1.2-percent SAAR in the first 3 months: The index for meats, poultry, fish, and eggs advanced at a 9.2-percent SAAR, while the indexes for fruits and vegetables and for dairy products declined at SAARs of 7.9 and 7.2 percent, respectively.

The CPI-U excluding food and energy advanced at a 3.2-percent SAAR in the first 3 months of 2000, following a 1.9-percent rise for all of 1999. The acceleration in the first quarter largely reflects rising service costs, as the index for services less energy services rose at a 4.1-percent

Table A. Percent changes in CPI for All Urban Consumers (CPI-U)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended March 2000	Unadjusted 12 months ended March 2000
	Changes from preceding month								
	1999				2000				
	September	October	November	December	January	February	March		
All items	.4	.2	.2	.2	.2	.5	.7	5.8	3.7
Food and beverages	.2	.2	.2	.1	0	.4	.1	1.9	2.1
Housing	.3	.1	.3	.1	.3	.5	.4	4.9	2.9
Apparel	.9	.6	-.4	0	-1.1	.2	.3	-2.7	-.2
Transportation	.6	.3	.1	.8	.1	1.3	2.5	16.9	9.1
Medical care	.3	.2	.3	.4	.3	.4	.5	4.8	3.9
Recreation	-.4	0	.2	.2	.2	0	.4	2.4	1.1
Education and communication	0	.3	.3	.2	.5	-.5	0	0	1.2
Other goods and services	2.0	.2	-.1	0	.6	.8	.5	8.0	5.8
Special indexes									
Energy	1.8	0	.1	1.8	1.0	4.6	4.9	50.5	24.2
Food	.3	.2	.2	.1	-.1	.4	.1	1.7	2.0
All items less food and energy	.3	.2	.2	.1	.2	.2	.4	3.2	2.4

SAAR after advancing 2.7 percent in all of 1999. In particular, rising costs for shelter, for public transportation, and for medical care services contributed to the acceleration. The index for commodities less food and energy commodities rose at a 0.3-percent SAAR in the first 3 months of 2000, after increasing 0.2 percent in all of 1999. The rates for selected groups for the last 5¼ years are shown.

The food and beverages index advanced 0.1 percent in March. The index for food at home rose 0.1 percent in March, following a 0.5-percent increase in February. The indexes for fruits and vegetables and for dairy products, each of which increased in February, declined in March—down 1.7 and 1.1 percent, respectively. Within the fruits and vegetables group, the index for fresh fruits fell 2.3 percent, while the index for fresh vegetables declined 1.9 percent. (Prior to seasonal adjustment, fresh vegetable prices increased 0.5 percent.) Prices for processed fruits and vegetables fell 0.2 percent. The index for meats, poultry, fish, and eggs increased 0.9 percent in March, the same as in February. The indexes for beef and pork rose 0.9 and 2.4 percent, respectively, in March and have advanced 6.4 and 7.5 percent in the last 12 months. Poultry prices increased 0.4 percent in March. Among the other major grocery store food groups, the index for cereal and bakery products increased 0.3 percent; the index for other food at home, 0.6 percent; and the index for nonalcoholic beverages, 0.1 percent. The other two components of the food and beverages index—food away from home and alcoholic beverages—increased 0.2 and 0.3 percent, respectively.

The index for housing, which increased 0.5 percent in February, rose 0.4 percent in March. Shelter costs increased 0.5 percent, following increases of 0.3 percent in the first 2 months of the year. Within shelter, the indexes for rent and for owners' equivalent rent each increased 0.3 percent for the third month in a row. The index for lodging

Table Q1. Annual percent changes in the CPI for All Urban Consumers, 1995-2000

Category	Percentage change 12 months ended in December					SAAR 3 mos. ended in March
	1995	1996	1997	1998	1999	2000
All items	2.5	3.3	1.7	1.6	2.7	5.8
Food and beverages ...	2.1	4.2	1.6	2.3	2.0	1.9
Housing	3.0	2.9	2.4	2.3	2.2	4.9
Apparel	.1	-.2	1.0	-.7	-.5	-2.7
Transportation	1.5	4.4	-1.4	-1.7	5.4	16.9
Medical care	3.9	3.0	2.8	3.4	3.7	4.8
Recreation	2.8	3.0	1.5	1.2	.8	2.4
Education and communication	4.0	3.4	3.0	.7	1.6	0
Other goods and services	4.3	3.6	5.2	8.8	5.1	8.0
Special indexes						
Energy	-1.3	8.6	-3.4	-8.8	13.4	50.5
Energy commodities	-3.3	13.8	-6.9	-15.1	29.5	107.9
Energy services	.8	3.8	0.2	-3.3	1.2	6.8
All items less energy ...	2.9	2.9	2.1	2.4	2.0	2.8
Food	2.1	4.3	1.5	2.3	1.9	1.7
All items less food and energy	3.0	2.6	2.2	2.4	1.9	3.2

away from home, however, rose 3.2 percent in March, after declining 0.3 percent in February. (Prior to seasonal adjustment, the index for lodging away from home rose 5.0 percent in March and has increased 14.3 percent in the first 3 months of the year.) The index for fuels and utilities, which advanced 2.6 percent in February, declined 0.4 percent in March. The index for fuel oil declined 14.2 percent in March, following a record 34.6-percent increase in February. The index for electricity also turned down in March, declining 0.2 percent, after increasing 0.8 percent in the preceding month. The index for natural gas rose substantially for the third consecutive month—up 1.9 percent in March, following increases of 1.4 and 1.7 percent in January and February, respectively. The index for household furnishings and operations, which was un-

Table B. Percent changes in CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended March 2000	Unadjusted 12 months ended March 2000
	Changes from preceding month								
	1999				2000				
	September	October	November	December	January	February	March		
All items	.5	.2	.2	.2	.2	.5	.7	5.9	4.0
Food and beverages	.2	.3	.2	.1	-.1	.4	.2	2.2	2.1
Housing	.3	.1	.3	.1	.2	.6	.2	4.0	2.8
Apparel	.9	.4	-.3	.1	-1.0	.1	.2	-2.7	-.1
Transportation	.8	.1	.1	.9	.2	1.3	2.6	17.6	9.9
Medical care	.4	.2	.3	.3	.3	.4	.5	4.8	4.0
Recreation	-.4	.1	0	.2	.2	-.1	.4	2.0	.7
Education and communication	0	.3	.3	.2	.6	-.5	-.1	0	1.2
Other goods and services	2.5	.2	-.2	0	.7	.9	.6	9.3	6.9
Special indexes									
Energy	1.9	-.2	.2	2.1	1.0	4.5	5.5	53.2	26.1
Food	.3	.2	.2	.1	-.1	.4	.2	2.2	2.0
All items less food and energy	.4	.2	.2	.1	.1	.2	.3	2.5	2.3

changed in February, increased 0.5 percent in March.

The transportation component rose 2.5 percent in March, following a 1.3-percent increase in February. More than four-fifths of the March transportation advance was due to the continued rise in gasoline prices. In March, the index for gasoline registered its largest monthly advance since April 1999—up 11.1 percent—bringing its increase over the last 12 months to 52.6 percent. As of March, the index for gasoline was 10.2 percent higher than its previous peak level of November 1990. The index for new vehicles registered its first increase since September, advancing 0.1 percent in March. The index for used cars and trucks was unchanged, following declines in each of the preceding 4 months. The index for public transportation rose 2.7 percent, largely as a result of a 4.6-percent rise in airline fares.

The index for apparel increased 0.3 percent, following a 0.2-percent rise in February. (Prior to seasonal adjustment, apparel prices rose 2.6 percent, reflecting the further introduction of higher-priced spring summer wear.)

Medical care costs rose 0.5 percent in March to a level 3.9 percent higher than a year ago. In March, the index for medical care commodities—prescription drugs, nonprescription drugs, and medical supplies—rose 0.3 percent. The index for medical care services rose 0.5 percent in March. Charges for professional services and for hospital and related services increased 0.4 and 0.5 percent, respectively.

The index for recreation costs, which was unchanged in February, increased 0.4 percent in March. Upturns in the indexes for admissions to movies, theaters, concerts, and sporting events, for video and audio, and for sporting goods; coupled with a larger increase in the index for club membership dues and fees for participant sports, were principally responsible for the March advance.

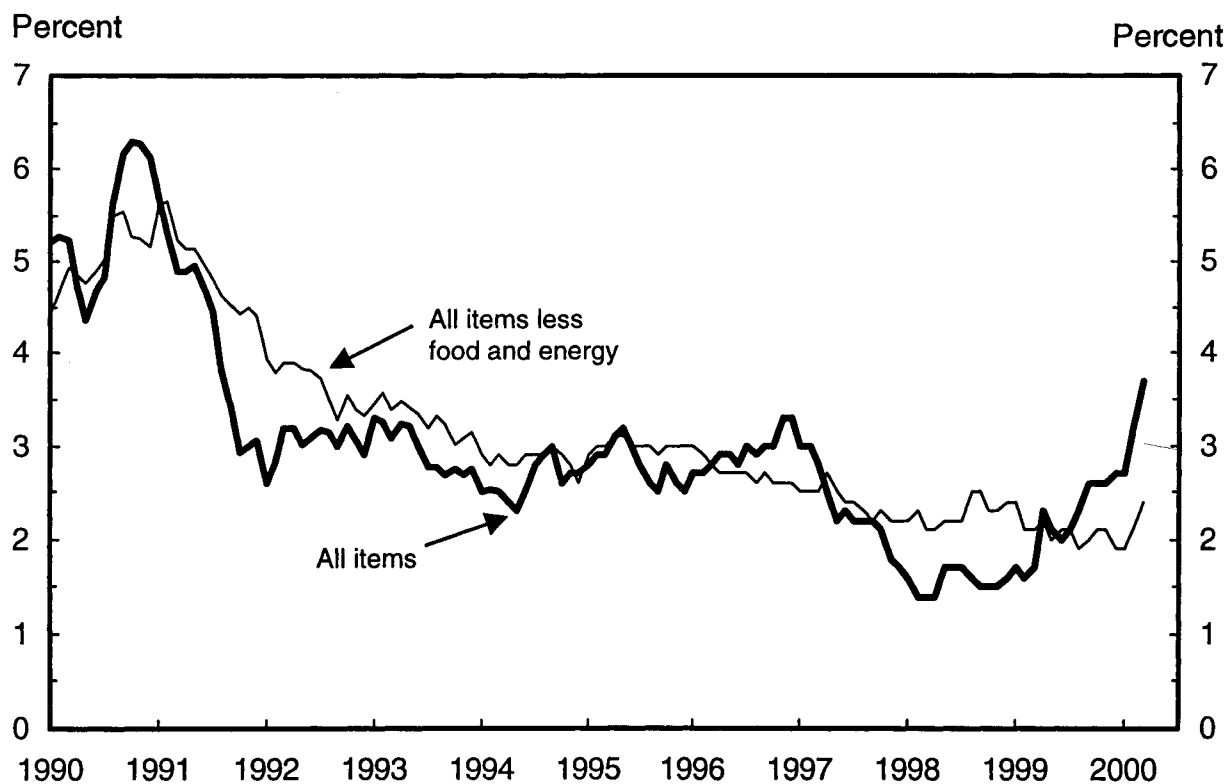
The index for education and communication, which declined 0.5 percent in February, was unchanged in March. Educational costs rose 0.4 percent, reflecting a 0.7-percent increase in the index for child care and nursery school. The index for communication declined 0.4 percent, reflecting decreases in the indexes for telephone services and for personal computers and peripheral equipment—down 0.5 and 2.0 percent, respectively.

The index for other goods and services advanced 0.5 percent in March, after increasing 0.8 percent in February. The index for cigarettes increased 1.1 percent in March, reflecting in part a 55 cent-a-pack tax increase in the State of New York. The cigarette increase accounted for about 60 percent of the March rise in the other goods and services component.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers rose 0.7 percent in March.

CPI-U 12-month changes, 1990 to present



Price Movements

April 2000

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.1 percent in April, before seasonal adjustment, to a level of 171.2 (1982-84=100). For the 12-month period ended in April, the CPI-U increased 3.0 percent.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) also rose 0.1 percent in April, prior to seasonal adjustment. The April level of 167.9 was 3.2 percent higher than the index in April 1999.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U was unchanged in April, following an increase of 0.7 percent in March. The energy index, which rose 4.9 percent in March, declined 1.9 percent in April, registering its first decrease since last June. The index for petroleum-based energy fell 4.1 percent, while the index for energy services rose 0.5 percent. The food index rose 0.1 percent in April, the same as in March. Excluding food and energy, the CPI-U rose 0.2 percent in April, following an increase of 0.4 percent in March. Shelter costs, which increased 0.5 percent in March, rose 0.2 percent in April, accounting for more than half of the April deceleration in the index for all items less food and energy. Also contributing to the

smaller rise in April was the deceleration in the indexes for airline fares, for apparel, and for household furnishings and operations.

See page 4 for a note on the use of hedonic models to adjust prices of selected products in the CPI for changes in quality.

During the first 4 months of 2000, the CPI-U rose at a 4.3-percent seasonally adjusted annual rate (SAAR). This compares with an increase of 2.7 percent for all of 1999. The index for energy, which turned up sharply in 1999—advancing 13.4 percent—accelerated further in the first 4 months of 2000, increasing at a 28.2-percent SAAR. Food costs, which rose 1.9 percent in all of 1999, have increased at a 1.5-percent SAAR thus far in 2000. Excluding food and energy, the CPI-U has advanced at a 2.9-percent rate thus far in 2000, compared with a 1.9-percent rise for all of 1999. Acceleration in the indexes for shelter, for household furnishing and operations, for medical care, and for tobacco and smoking products have contributed to the larger rate of advance thus far this year.

The food and beverages index advanced 0.1 percent in April. The index for food at home was unchanged, following a 0.1-percent rise in March. Declines in the indexes for fruits and vegetables, for nonalcoholic beverages, and for

Table A. Percent changes in CPI for All Urban Consumers (CPI-U)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended April 2000	Unadjusted 12 months ended April 2000
	Changes from preceding month								
	1999			2000					
	October	November	December	January	February	March	April		
All items	0.2	0.2	0.2	0.2	0.5	0.7	0	5.1	3.0
Food and beverages	.2	.2	.1	0	.4	.1	.1	2.2	2.0
Housing	.1	.3	.1	.3	.5	.4	.1	4.2	2.8
Apparel	.6	-.4	0	-1.1	.2	.3	-.5	0	-1.4
Transportation	.3	.1	.8	.1	1.3	2.5	-.7	13.0	6.0
Medical care	.2	.3	.4	.3	.4	.5	.3	4.9	3.9
Recreation	0	.2	.2	.2	0	.4	0	1.6	.9
Education and communication	.3	.3	.2	.5	-.5	0	0	-1.9	1.1
Other goods and services	.2	-.1	0	.6	.8	.5	1.4	11.3	6.2
Special indexes									
Energy	0	.1	1.8	1.0	4.6	4.9	-1.9	33.9	15.0
Food	.2	.2	.1	-.1	.4	.1	.1	2.2	2.0
All items less food and energy	.2	.2	.1	.2	.2	.4	.2	3.2	2.2

other food at home—down 0.4, 0.7, and 0.9 percent, respectively—offset increases in the indexes for meats, poultry, fish, and eggs, for dairy products, and for cereal and bakery products. Within the fruits and vegetables group, the index for fresh fruits dropped 3.0 percent, while the index for fresh vegetables rose 2.7 percent. Prices for processed fruits and vegetables declined 0.7 percent. The index for meats, poultry, fish, and eggs increased 0.6 percent in April. The indexes for beef and pork rose 1.0 and 0.9 percent, respectively, in April and have advanced 6.6 and 8.3 percent in the last 12 months. Poultry prices decreased 0.1 percent in April. Among the other major grocery store food groups, the index for dairy products increased 0.9 percent, following a 1.1-percent drop in March. The index for cereal and bakery products increased 0.3 percent, the same as in March. The other two components of the food and beverages index—food away from home and alcoholic beverages—each increased 0.1 percent in April.

The index for housing increased 0.1 percent in April, following a 0.4-percent rise in March. Shelter costs, which rose 0.5 percent in March, increased 0.2 percent in April. Within shelter, the indexes for rent and for owners' equivalent rent advanced 0.1 and 0.2 percent, respectively, while the index for lodging away from home declined 0.1 percent. (Prior to seasonal adjustment, the index for lodging away from home fell 1.2 percent.) The index for fuels and utilities, which declined 0.4 percent in March, advanced 0.2 percent in April. The index for fuel oil declined for the second consecutive month, down 4.8 percent in April. Despite the recent declines, fuel oil prices are 50.1 percent higher than a year ago. The index for natural gas rose substantially for the fourth consecutive month—up 1.4 percent in April and 6.6 percent in the first 4 months of this year. Charges for electricity rose 0.2 percent in April, fol-

lowing a decline of 0.2 percent in the preceding month. The index for household furnishings and operations, which increased 0.5 percent in March, rose 0.1 percent in April. The transportation component, which rose 2.5 percent in March, declined 0.7 percent in April, largely as a result of a sharp turnaround in gasoline prices. The index for gasoline, which increased 11.1 percent in March, declined 4.1 percent in April. Despite the April decrease, gasoline prices were 27.4 percent higher than in April 1999. The index for new vehicles increased 0.3 percent in April after advancing 0.1 percent in March. The index for used cars and trucks rose 0.7 percent, its first increase in 6 months. Public transportation costs declined 0.3 percent, largely as a result of a 0.5-percent decrease in airline fares.

The index for apparel declined 0.5 percent, following a 0.3-percent rise in March. (Prior to seasonal adjustment, apparel prices rose 0.6 percent.)

Medical care costs rose 0.3 percent in April and were 3.9 percent higher than a year ago. In April, the index for medical care commodities—prescription drugs, nonprescription drugs, and medical supplies—rose 0.1 percent. The index for medical care services rose 0.4 percent in April. Charges for professional services and for hospital and related services increased 0.3 and 0.7 percent, respectively.

The index for recreation costs was unchanged in April. Increases in the indexes for admissions to movies, theaters, concerts, and sporting events, for pets and pet products, and for sporting goods were offset by declines in the indexes for video and audio and for toys.

For the second consecutive month, the index for education and communication was unchanged. Educational costs rose 0.4 percent in April, reflecting an increase in the index for childcare and nursery school. The index for

Table B. Percent changes in CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Expenditure category	Seasonally adjusted								Unadjusted 12 months ended April 2000
	Changes from preceding month							Compound annual rate, 3 months ended April 2000	
	1999			2000					
	October	November	December	January	February	March	April		
All items	0.2	0.2	0.2	0.2	0.5	0.7	0	5.2	3.2
Food and beverages	.3	.2	.1	-.1	.4	.2	.1	2.7	2.1
Housing	.1	.3	.1	.2	.6	.2	.2	4.0	2.6
Apparel	.4	-.3	.1	-1.0	.1	.2	-.5	-.6	-1.4
Transportation	.1	.1	.9	.2	1.3	2.6	-.8	12.7	6.5
Medical care	.2	.3	.3	.3	.4	.5	.4	5.1	3.9
Recreation	.1	0	.2	.2	-.1	.4	0	1.2	.6
Education and communication	.3	.3	.2	.6	-.5	-.1	0	-2.3	1.2
Other goods and services	.2	-.2	0	.7	.9	.6	1.8	13.7	7.1
Special indexes									
Energy	-.2	.2	2.1	1.0	4.5	5.5	-2.4	33.8	15.8
Food	.2	.2	.1	-.1	.4	.2	.1	2.7	2.1
All items less food and energy	.2	.2	.1	.1	.2	.3	.2	3.0	2.2

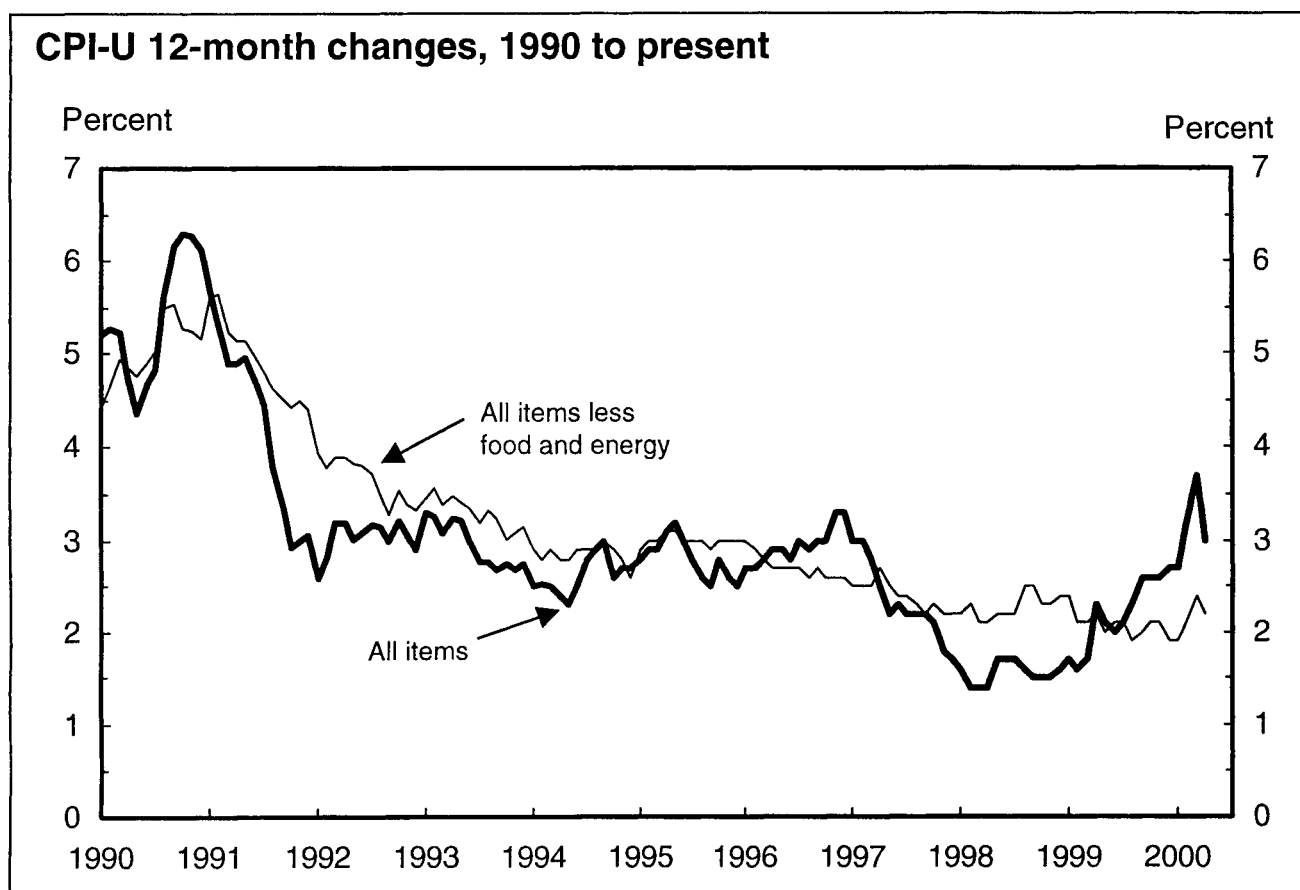
communication declined 0.5 percent, reflecting decreases in the indexes for telephone services and for personal computers and peripheral equipment—down 0.3 and 3.4 percent, respectively.

The index for other goods and services advanced 1.4 percent in April, largely as a result of a 4.7-percent rise in the index for cigarettes. Charges for legal services—up

1.0 percent—also contributed to the April advance in this major group.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers was unchanged in April.



Price Movements

May 2000

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.1 percent in May, before seasonal adjustment, to a level of 171.3 (1982-84=100). For the 12-month period ended in May, the CPI-U increased 3.1 percent.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) also rose 0.1 percent in May, prior to seasonal adjustment. The May level of 168.1 was 3.3 percent higher than the index in May 1999.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U rose 0.1 percent in May after registering no change in April. The energy index declined 1.9 percent in May, the same as in April. In May, the index for petroleum-based energy fell 3.4 percent, and the index for energy services declined 0.1 percent. The food index, which rose 0.1 percent in April, advanced 0.5 percent in May, its largest monthly increase since a 0.6-percent rise in October 1998. The index for food at home, which was unchanged in April, increased 0.7 percent in May with each of the major food at home groups except dairy products contributing to the acceleration. Excluding food and energy, the CPI-U rose

0.2 percent in May, the same as in April. (See page 4 for a note on the use of hedonic models to adjust prices of selected products in the CPI for changes in quality.)

During the first 5 months of 2000, the CPI-U rose at a 3.6-percent seasonally adjusted annual rate (SAAR). This compares with an increase of 2.7 percent for all of 1999. The index for energy, which turned up sharply in 1999—advancing 13.4 percent—accelerated further in the first 5 months of 2000, increasing at a 16.5-percent SAAR. Food costs, which rose 1.9 percent in all of 1999, have increased at a 2.5-percent SAAR thus far in 2000. Excluding food and energy, the CPI-U has advanced at a 2.7-percent rate thus far in 2000, compared with a 1.9-percent rise for all of 1999. Acceleration in the indexes for shelter, for airline fares, for medical care, and for tobacco and smoking products have contributed to the larger rate of advance thus far this year.

The food and beverages index advanced 0.5 percent in May. The index for food at home, which was unchanged in April, rose 0.7 percent in May. Each of the major food at home groups except dairy products contributed to the acceleration in May. The index for fruits and vegetables, which fell 0.4 percent in April, rose 1.6 percent in May.

Table A. Percent changes in CPI for All Urban Consumers (CPI-U)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended May 2000	Unadjusted 12 months ended May 2000
	Changes from preceding month								
	1999		2000						
	November	December	January	February	March	April	May		
All items	0.2	0.2	0.2	0.5	0.7	0	0.1	3.1	3.1
Food and beverages	.2	.1	0	.4	.1	.1	.5	2.7	2.2
Housing	.3	.1	.3	.5	.4	.1	.2	2.9	2.9
Apparel	-.4	0	-1.1	.2	.3	-.5	-.2	-1.5	-1.5
Transportation	.1	.8	.1	1.3	2.5	-.7	-.5	5.4	6.2
Medical care	.3	.4	.3	.4	.5	.3	.3	4.6	4.0
Recreation	.2	.2	.2	0	.4	0	.3	2.8	.9
Education and communication	.3	.2	.5	-.5	0	0	.1	.4	1.4
Other goods and services	-.1	0	.6	.8	.5	1.4	-.6	5.3	5.6
Special indexes									
Energy	.1	1.8	1.0	4.6	4.9	-1.9	-1.9	3.8	14.6
Food	.2	.1	-.1	.4	.1	.1	.5	2.9	2.2
All items less food and energy	.2	.1	.2	.2	.4	.2	.2	3.2	2.4

Within the fruits and vegetables group, increases in the indexes for fresh vegetables and for processed fruits and vegetables—up 5.8 and 1.3 percent, respectively—more than offset a 2.1-percent decline in the index for fresh fruits. The index for meats, poultry, fish, and eggs advanced 0.8 percent in May, after increasing 0.6 percent in April. In May, the indexes for beef, pork, and poultry rose 0.9, 0.4, and 0.7 percent, respectively. The index for cereal and bakery products increased 0.7 percent, following a 0.3-percent rise in April. The indexes for nonalcoholic beverages and other food at home, each of which declined in April, turned up in May. On the other hand, the index for dairy products declined 0.6 percent after increasing 0.9 percent in April. The other two components of the food and beverages index—food away from home and alcoholic beverages—increased 0.1 percent and were unchanged, respectively.

The index for housing increased 0.2 percent in May, following a 0.1-percent rise in April. Shelter costs, which rose 0.2 percent in April, increased 0.3 percent in May. Within shelter, the index for rent increased 0.3 percent; owners' equivalent rent rose 0.2 percent; and the index for lodging away from home advanced 0.7 percent. (Prior to seasonal adjustment, the index for lodging away from home fell 1.6 percent.) The index for fuels and utilities, which rose 0.2 percent in April, declined 0.1 percent in May. The index for fuel oil declined for the third consecutive month, down 1.0 percent in May. Despite the recent declines, fuel oil prices are 47.2 percent higher than a year ago. The index for natural gas rose for the fifth consecutive month—up 0.7 percent in May and 7.4 percent

in the first 5 months of this year. The index for electricity declined 0.4 percent in May. (Prior to seasonal adjustment, charges for electricity rose 0.7 percent.) The index for household furnishings and operations rose 0.1 percent in May, the same as in April.

The transportation component declined for the second consecutive month—down 0.5 percent in May—reflecting another drop in gasoline prices. The index for gasoline declined 3.5 percent in May, following a 4.1-percent drop in April. Despite these recent declines, gasoline prices in May were 26.6 percent higher than a year ago. The index for new vehicles increased 0.2 percent in May, after advancing 0.3 percent in April. (Prior to seasonal adjustment, new vehicle prices fell 0.1 percent.) The index for used cars and trucks rose 0.9 percent. Public transportation costs increased 0.6 percent, largely as a result of a 0.8-percent rise in airline fares.

The index for apparel declined 0.2 percent in May, following a 0.5-percent drop in April. (Prior to seasonal adjustment, apparel prices fell 0.8 percent, reflecting discounting of women's clothing.)

Medical care costs rose 0.3 percent in May and were 4.0 percent higher than a year ago. In May, the index for medical care commodities—prescription drugs, and nonprescription drugs and medical supplies—rose 0.3 percent. The index for medical care services also rose 0.3 percent in May. Charges for professional services and for hospital and related services increased 0.2 and 0.4 percent, respectively.

The index for recreation costs, which was unchanged in April, increased 0.3 percent in May.

Table B. Percent changes in CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended May 2000	Unadjusted 12 months ended May 2000
	Changes from preceding month								
	1999		2000						
	November	December	January	February	March	April	May		
All items	0.2	0.2	0.2	0.5	0.7	0	0.1	3.2	3.3
Food and beverages	.2	.1	-.1	.4	.2	.1	.5	2.9	2.4
Housing	.3	.1	.2	.6	.2	.2	.2	2.7	2.8
Apparel	-.3	.1	-1.0	.1	.2	-.5	-.2	-1.8	-1.6
Transportation	.1	.9	.2	1.3	2.6	-.8	-.5	5.2	6.6
Medical care	.3	.3	.3	.4	.5	.4	.3	4.8	3.9
Recreation	0	.2	.2	-.1	.4	0	.4	3.2	.8
Education and communication	.3	.2	.6	-.5	-.1	0	.2	.4	1.4
Other goods and services	-.2	0	.7	.9	.6	1.8	-1.0	5.6	6.4
Special indexes									
Energy	.2	2.1	1.0	4.5	5.5	-2.4	-1.9	4.1	15.5
Food	.2	.1	-.1	.4	.2	.1	.5	3.2	2.3
All items less food and energy	.2	.1	.1	.2	.3	.2	.2	3.0	2.3

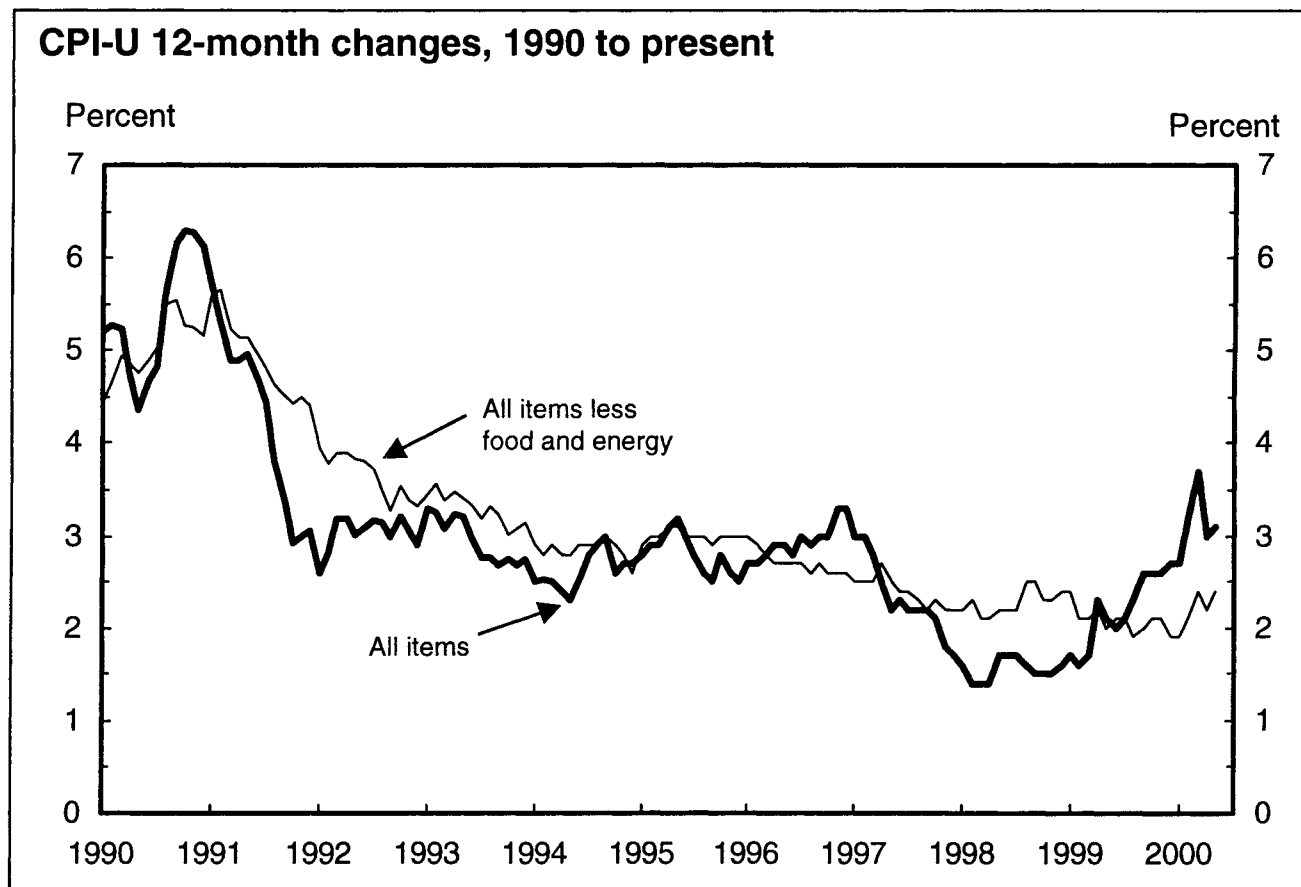
The index for education and communication rose 0.1 percent, following 2 consecutive months of no change. Educational costs rose 0.4 percent in May, while the index for communication declined 0.1 percent. The latter decrease reflects declines in the indexes for telephone services and for personal computers and peripheral equipment—down 0.1 and 0.7 percent, respectively.

The index for other goods and services, which advanced 1.4 percent in April, declined 0.6 percent in May.

Cigarette prices fell 2.8 percent in May, following a 4.7-percent rise in April.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers increased 0.1 percent in May.



Price Movements

June 2000

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.6 percent in June, before seasonal adjustment, to a level of 172.3 (1982-84=100). For the 12-month period ended in June, the CPI-U increased 3.7 percent.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) also rose 0.6 percent in June, prior to seasonal adjustment. The June level of 169.1 was 3.9 percent higher than the index in June 1999.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U rose 0.6 percent in June, after increasing 0.1 percent in May. The energy index, which declined 1.9 percent in May, increased 5.6 percent in June, accounting for three-fourths of the overall CPI-U advance. The index for petroleum-based energy rose 8.1 percent, and the index for energy services increased 2.9 percent. The food index, which advanced 0.5 percent in May, increased 0.1 percent in June. The moderation was largely the result of downturns in the indexes for fruits and vegetables and for cereal and bakery products. Excluding food and energy, the CPI-U rose 0.2 percent in June, the same as in both April and May.

See page 4 for a note on the use of hedonic models to adjust prices of selected products in the CPI for changes in quality.

Consumer prices rose at a seasonally adjusted annual rate (SAAR) of 2.6 percent in the second quarter, after advancing at a 5.8-percent rate in the first 3 months of 2000. This brings the year-to-date annual rate to 4.2 percent and compares with an increase of 2.7 percent for all of 1999. The acceleration in the overall CPI-U thus far in 2000 reflects an even sharper increase in energy prices than in 1999, coupled with slightly larger advances in the indexes for food and for all items less food and energy. The energy index, which rose 13.4 percent in 1999, has continued to accelerate this year, advancing at a 26.6-percent SAAR thus far in 2000. In the first half of 2000, petroleum-based energy costs increased at a 44.6-percent SAAR, and charges for energy services increased at a 10.2-percent annual rate. The food index rose at a 2.2-percent SAAR in the first 6 months of 2000, following an increase of 1.9 percent in all of 1999. Grocery store food prices also rose at a 2.2-percent SAAR in the first 6 months, with the largest increase among the six major grocery store food groups in the index for meats, poultry, fish, and eggs—up at an 8.5-percent rate.

Table A. Percent changes in CPI for All Urban Consumers (CPI-U)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended June 2000	Unadjusted 12 months ended June 2000
	Changes from preceding month								
	1999	2000							
	December	January	February	March	April	May	June		
All items	0.2	0.2	0.5	0.7	0	0.1	0.6	2.6	3.7
Food and beverages	.1	0	.4	.1	.1	.5	.1	2.7	2.3
Housing	.1	.3	.5	.4	.1	.2	.5	3.6	3.2
Apparel	0	-1.1	.2	.3	-.5	-.2	-.6	-5.1	-2.0
Transportation	.8	.1	1.3	2.5	-.7	-.5	1.8	2.6	8.6
Medical care	.4	.3	.4	.5	.3	.3	.4	4.1	4.1
Recreation	.2	.2	0	.4	0	.3	.3	2.4	1.2
Education and communication	.2	.5	-.5	0	0	.1	-.1	0	1.2
Other goods and services	0	.6	.8	.5	1.4	-.6	-.2	2.4	5.4
Special indexes									
Energy	1.8	1.0	4.6	4.9	-1.9	-1.9	5.6	6.6	21.3
Food	.1	-.1	.4	.1	.1	.5	.1	2.7	2.3
All items less food and energy	.1	.2	.2	.4	.2	.2	.2	2.0	2.4

The food and beverages index increased 0.1 percent in June. The index for food at home, which rose 0.7 percent in May, increased 0.1 percent in June. Most of the major food at home groups contributed to the deceleration in June. The index for fruits and vegetables, which rose 1.6 percent in May, decreased 0.7 percent in June. Within the fruits and vegetables group, a 2.8-percent decrease in the index for fresh fruits more than offset increases in the indexes for fresh vegetables and processed fruits and vegetables—up 1.0 and 0.2 percent, respectively. (Prior to seasonal adjustment, fresh vegetable prices fell 0.6 percent.) The indexes for cereal and bakery products and for dairy products also declined in June—down 0.7 and 0.1 percent, respectively. The index for meats, poultry, fish, and eggs rose 0.5 percent in June, after increasing 0.8 percent in May. In June, the index for beef continued to advance—up 1.1 percent—while the indexes for pork and for poultry turned down. During the first 6 months of the year, beef prices have risen at a 10.8-percent SAAR, pork prices at an 11.0-percent SAAR, and poultry prices at a 2.3-percent SAAR. The indexes for nonalcoholic beverages and other food at home each increased 0.4 percent in June. The other two components of the food and beverages index—food away from home and alcoholic beverages—increased 0.2 and 0.6 percent, respectively.

The index for housing increased 0.5 percent in June, following a 0.2-percent rise in May. The index for fuels and utilities, which declined 0.1 percent in May, advanced 2.2 percent in June. The index for natural gas rose a record 7.8 percent in June, its sixth consecutive monthly increase. During the first 6 months this year, this index has advanced at a 34.1-percent SAAR. The index for electricity increased 0.8 percent in June. (Prior to seasonal adjustment, charges for electricity rose 6.6 percent, reflecting the shift to seasonal rates in some areas.) The index for fuel oil

Table Q2. Annual percent changes in the CPI for All Urban Consumers, 1995-2000

Category	Percentage change, 12 months ended in December					SAAR, 6 months ended in June
	1995	1996	1997	1998	1999	
All items	2.5	3.3	1.7	1.6	2.7	4.2
Food and beverages	2.1	4.2	1.6	2.3	2.0	2.3
Housing	3.0	2.9	2.4	2.3	2.2	4.3
Apparel	.1	-.2	1.0	-.7	-.5	-3.9
Transportation	1.5	4.4	-1.4	-1.7	5.4	9.5
Medical care	3.9	3.0	2.8	3.4	3.7	4.4
Recreation	2.8	3.0	1.5	1.2	.8	2.4
Education and communication	4.0	3.4	3.0	.7	1.6	0
Other goods and services	4.3	3.6	5.2	8.8	5.1	5.1
Special indexes						
Energy	-1.3	8.6	-3.4	-8.8	13.4	26.6
Energy commodities	-3.3	13.8	-6.9	-15.1	29.5	44.6
Energy services	.8	3.8	.2	-3.3	1.2	10.2
All items less energy	2.9	2.9	2.1	2.4	2.0	2.5
Food	2.1	4.3	1.5	2.3	1.9	2.2
All items less food and energy ..	3.0	2.6	2.2	2.4	1.9	2.6

turned up in June—advancing 1.1 percent—following declines in each of the 3 preceding months. Through the first 6 months of 2000, fuel oil prices have advanced at a 40.9-percent SAAR. Shelter costs, which rose 0.3 percent in May, increased 0.4 percent in June. Within shelter, the index for rent increased 0.2 percent; owners' equivalent rent rose 0.3 percent; and the index for lodging away from home advanced 1.3 percent. (Prior to seasonal adjustment, the index for lodging away from home rose 2.6 percent.) The index for household furnishings and operations declined 0.1 percent in June.

Table B. Percent changes in CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Expenditure category	Seasonally adjusted								Unadjusted 12 months ended June 2000
	Changes from preceding month							Compound annual rate, 3 months ended June 2000	
	1999	2000							
	December	January	February	March	April	May	June		
All items	0.2	0.2	0.5	0.7	0	0.1	0.6	2.6	3.9
Food and beverages	.1	-.1	.4	.2	.1	.5	.1	2.7	2.4
Housing	.1	.2	.6	.2	.2	.2	.5	3.7	3.1
Apparel	.1	-1.0	.1	.2	-.5	-.2	-.5	-4.6	-1.8
Transportation	.9	.2	1.3	2.6	-.8	-.5	2.0	2.9	9.2
Medical care	.3	.3	.4	.5	.4	.3	.4	4.3	4.1
Recreation	.2	.2	-.1	.4	0	.4	.3	2.8	.9
Education and communication	.2	.6	-.5	-.1	0	.2	-.3	-.4	1.
Other goods and services	0	.7	.9	.6	1.8	-1.0	-.3	1.8	6.1
Special indexes									
Energy	2.1	1.0	4.5	5.5	-2.4	-1.9	6.2	7.2	23.3
Food	.1	-.1	.4	.2	.1	.5	.1	2.7	2.5
All items less food and energy	.1	.1	.2	.3	.2	.2	.1	2.1	2.3

The transportation component, which declined in both April and May, turned up sharply in June, advancing 1.8 percent. More than nine-tenths of the June advance was due to the sharp increase in gasoline prices. The 8.8-percent increase in the index for gasoline more than offset the price declines registered in April and May. As of June, the index for gasoline was 0.6 percent higher than its previous peak level of March 2000. The index for new vehicles declined 0.1 percent in June, after advancing 0.2 percent in May. The index for used cars and trucks rose 0.2 percent. Public transportation costs increased 1.0 percent, largely as a result of a 1.5-percent rise in airline fares. Airline fares have risen at an 18.7-percent SAAR thus far in 2000, after increasing 10.9 percent in all of 1999.

The index for apparel declined for the third consecutive month, down 0.6 percent in June. (Prior to seasonal adjustment, apparel prices fell 3.0 percent, reflecting seasonal price discounting on spring-summer wear.)

Medical care costs rose 0.4 percent in June and were 4.1 percent higher than a year ago. In June, the index for medical care commodities—prescription drugs, and nonprescription drugs and medical supplies—rose 0.2 percent. The index for medical care services rose 0.5 percent in June. Charges for professional services and for

hospital and related services increased 0.4 and 0.8 percent, respectively.

The index for recreation costs increased 0.3 percent in June, the same as in May. The index for admissions to movies, theaters, concerts, and sporting events rose 1.7 percent in June, accounting for about two-thirds of the overall increase in June recreation index.

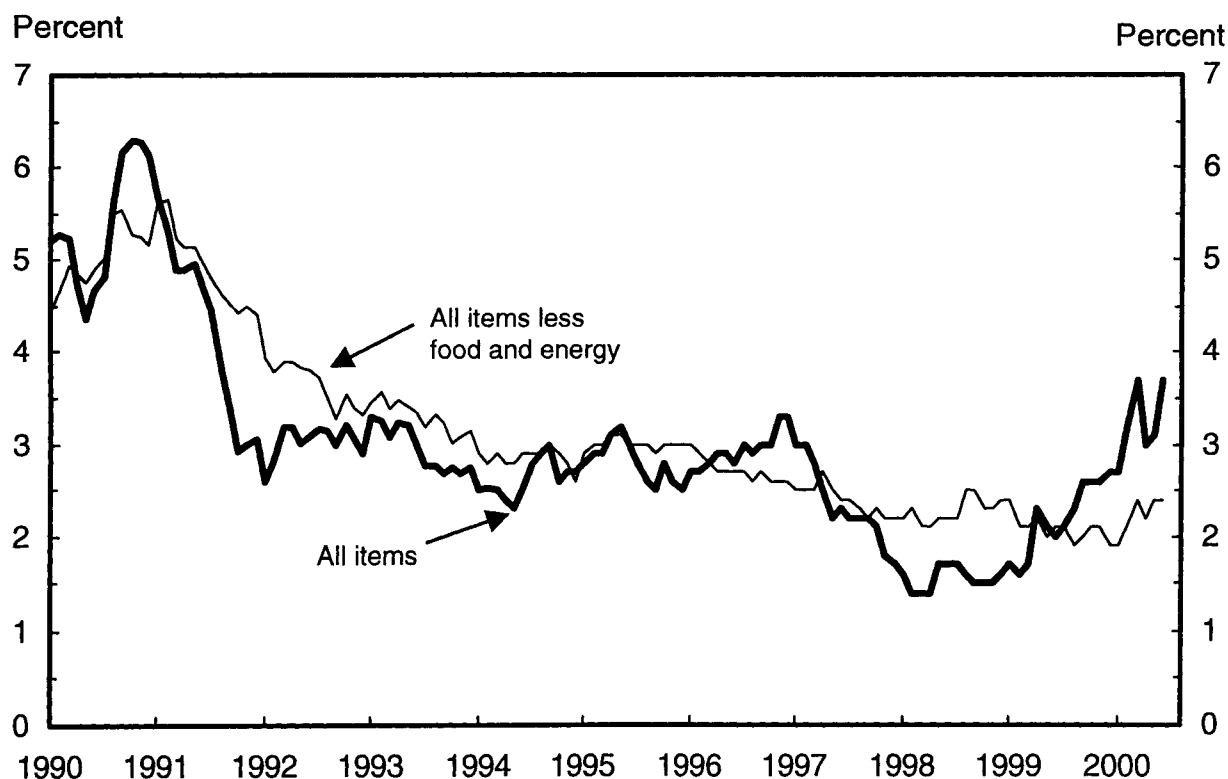
The index for education and communication declined 0.1 percent in June, following a 0.1-percent increase in May. Educational costs rose 0.8 percent in June, while the index for communication declined 1.2 percent. The latter decrease reflects declines in the indexes for telephone services and for personal computers and peripheral equipment—down 1.3 and 2.8 percent, respectively.

The index for other goods and services declined for the second consecutive month, down 0.2 percent in June. Cigarette prices fell 1.4 percent in June, following a 2.8-percent decline in May but have advanced at an 11.0-percent SAAR thus far this year.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers increased 0.6 percent.

CPI-U 12-month changes, 1990 to present



Price Movements

July 2000

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in July, before seasonal adjustment, to a level of 172.6 (1982-84=100). For the 12-month period ended in July, the CPI-U increased 3.5 percent.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose 0.1 percent in July, prior to seasonal adjustment. The July level of 169.3 was 3.7 percent higher than the index in July 1999.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U rose 0.2 percent in July, after increasing 0.6 percent in June. The energy index, which advanced 5.6 percent in June, rose 0.1 percent in July. A 2.0-percent increase in the index for energy services was largely offset by 1.6-percent decline in the index for petroleum-based energy. The food index advanced 0.5 percent in July, following a 0.1-percent increase in June. The index for food at home rose 0.7 percent, reflecting increases of 1.0 percent each in the indexes for fruits and vegetables, cereals and bakery products, and nonalcoholic beverages. Excluding food and energy, the CPI-U rose 0.2 percent in July, the same as in each of the previous 3 months.

See page 4 for a note on the use of hedonic models to adjust prices of selected products in the CPI for changes in quality.

During the first 7 months of 2000, the CPI-U rose at a 4.0-percent seasonally adjusted annual rate (SAAR). This compares with an increase of 2.7 percent for all of 1999. The acceleration thus far in 2000 largely has been due to energy costs, which increased at a 22.6-percent annual rate in the first 7 months of 2000, after advancing 13.4 percent in all of 1999. Food costs, which rose 1.9 percent in 1999, have risen at a 2.8-percent SAAR in the first 7 months of 2000. Excluding food and energy, the CPI-U has advanced at a 2.6-percent rate, compared with a 1.9-percent rise for all of 1999.

The food and beverages index increased 0.5 percent in July. The index for food at home, which rose 0.1 percent in June, increased 0.7 percent in July. Most of the major food-at-home groups contributed to the acceleration in July. The indexes for cereals and bakery products and fruits and vegetables, each of which declined 0.7 percent in June, turned up in July, each advancing 1.0 percent. The index for nonalcoholic beverages also increased 1.0 percent, reflecting a 1.5-percent rise in the index for carbonated drinks. Within the fruits and vegetables group, a 3.2-

Table A. Percent changes in CPI for All Urban Consumers (CPI-U)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended July 2000	Unadjusted 12 months ended July 2000
	Changes from preceding month								
	2000								
	January	February	March	April	May	June	July		
All items	0.2	0.5	0.7	0	0.1	0.6	0.2	3.6	3.5
Food and beverages	0	.4	.1	.1	.5	.1	.5	4.6	2.7
Housing	.3	.5	.4	.1	.2	.5	.4	4.6	3.5
Apparel	-1.1	.2	.3	-.5	-.2	-.6	-1.0	-7.2	-2.2
Transportation	.1	1.3	2.5	-.7	-.5	1.8	-.3	4.5	7.1
Medical care	.3	.4	.5	.3	.3	.4	.3	4.2	4.1
Recreation	.2	0	.4	0	.3	.3	.3	3.6	1.5
Education and communication	.5	-.5	0	0	.1	-.1	.6	2.4	1.6
Other goods and services	.6	.8	.5	1.4	-.6	-.2	1.0	.6	5.4
Special indexes									
Energy	1.0	4.6	4.9	-1.9	-1.9	5.6	.1	15.6	19.3
Food	-.1	.4	.1	.1	.5	.1	.5	4.6	2.6
All items less food and energy	.2	.2	.4	.2	.2	.2	.2	2.2	2.4

percent increase in the index for fresh fruits more than offset a 0.7-percent decline in the index for fresh vegetables. The index for processed fruits and vegetables rose 0.3 percent. The index for dairy products turned up in July, advancing 0.6 percent, largely as a result of a 1.2-percent increase in milk prices. The index for meats, poultry, fish, and eggs rose 0.5 percent in July, the same as in June. In July, the indexes for pork and for poultry turned up, increasing 0.8 and 1.6 percent, respectively. The index for beef, which had risen 0.9 percent or more in each of the preceding 5 months, rose 0.1 percent in July. The index for other food at home was the only major grocery store food group to advance less in July than in the previous month, rising 0.2 percent after increasing 0.4 percent in June. The other two components of the food and beverages index—food away from home and alcoholic beverages—increased 0.3 and 0.6 percent, respectively.

The index for housing increased 0.4 percent in July, following a 0.5-percent rise in June. The index for fuels and utilities rose sharply for the second consecutive month, advancing 1.6 percent in July, after rising 2.2 percent in June. The index for natural gas, which rose 7.8 percent in June, increased 3.8 percent in July and has risen 20.1 percent in the first 7 months of 2000. The index for electricity increased 1.1 percent in July. The index for fuel oil increased 1.5 percent in July and has risen 45.4 percent over the past 12 months. Shelter costs, which rose 0.4 percent in June, increased 0.2 percent in July. Within shelter, the indexes for rent and for owners' equivalent rent rose 0.4 and 0.2 percent, respectively, while the index for lodging away from home declined 0.5 percent. (Prior to seasonal adjustment, the index for lodging away from home rose 1.9 percent.) The index for household furnishings and operations, which declined slightly in June, advanced 0.5 percent in July, reflecting a 2.5-percent increase in the index for win-

dow and floor coverings and other linens.

The transportation component, which advanced 1.8 percent in June, declined 0.3 percent in July. The index for gasoline fell 2.0 percent, following an 8.8-percent increase in June. Despite the July decline, gasoline prices have advanced 18.3 percent since December, after advancing 30.1 percent in all of 1999. The index for new vehicles, which declined 0.1 percent in June, rose 0.2 percent in July. (Prior to seasonal adjustment, new vehicle prices fell 0.3 percent in July.) The index for used cars and trucks turned down in July, declining 0.3 percent. Public transportation costs increased 0.5 percent, largely as a result of a 0.7-percent rise in airline fares. Airline fares have risen 9.7 percent, thus far in 2000.

The index for apparel declined for the fourth consecutive month, down 1.0 percent in July. (Prior to seasonal adjustment, apparel prices fell 3.0 percent, reflecting seasonal price discounting on spring-summer wear.)

Medical care costs rose 0.3 percent in July to a level 4.1 percent higher than a year ago. In July, the index for medical care commodities—prescription drugs and nonprescription drugs and medical supplies—rose 0.2 percent. The index for medical care services rose 0.4 percent. Charges for professional services and for hospital and related services increased 0.2 and 0.6 percent, respectively.

The index for recreation costs increased 0.3 percent in July, the same as in each of the preceding 2 months. The index for admissions to movies, theaters, concerts, and sporting events rose 1.1 percent in July, accounting for more than half of the overall increase in the July recreation index.

The index for education and communication rose 0.6 percent in July, following a 0.1-percent decrease in June. Educational costs rose 0.5 percent in July. The index for communication recorded its first increase since January,

Table B. Percent changes in CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended July 2000	Unadjusted 12 months ended July 2000
	Changes from preceding month								
	2000								
	January	February	March	April	May	June	July		
All items	0.2	0.5	0.7	0	0.1	0.6	0.2	3.4	3.7
Food and beverages	-.1	.4	.2	.1	.5	.1	.5	4.6	2.8
Housing	.2	.6	.2	.2	.2	.5	.5	5.0	3.4
Apparel	-1.0	.1	.2	-.5	-.2	-.5	-1.2	-7.3	-2.2
Transportation	.2	1.3	2.6	-.8	-.5	2.0	-.5	4.5	7.4
Medical care	.3	.4	.5	.4	.3	.4	.3	4.3	4.1
Recreation	.2	-.1	.4	0	.4	.3	.1	3.2	
Education and communication	.6	-.5	-.1	0	.2	-.3	.6	2.0	1.4
Other goods and services	.7	.9	.6	1.8	-1.0	-.3	1.2	-.3	6.1
Special indexes									
Energy	1.0	4.5	5.5	-2.4	-1.9	6.2	-.5	15.9	20.0
Food	-.1	.4	.2	.1	.5	.1	.5	4.4	2.8
All items less food and energy	.1	.2	.3	.2	.2	.1	.2	2.1	2.3

advancing 0.8 percent. An increase in the index for telephone services, reflecting a 1.4-percent rise in local charges, more than offset a 2.2-percent decrease in prices for personal computers and peripheral equipment.

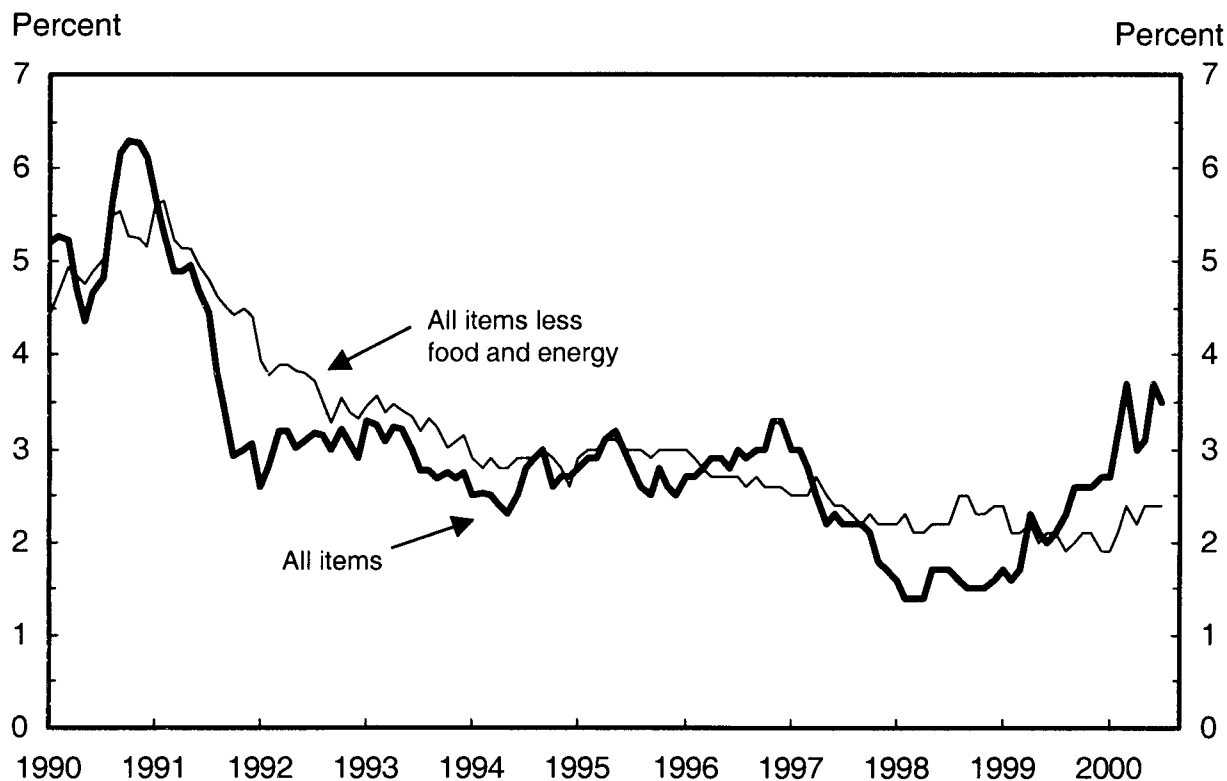
The index for other goods and services increased 1.0 percent in July, following declines in each of the preceding 2 months. Cigarette prices, which fell 1.4 percent in

June, rose 3.2 percent in July and have risen 8.8 percent, thus far in 2000.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers increased 0.2 percent in July.

CPI-U 12-month changes, 1990 to present



Price Movements

August 2000

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.1 percent in August, before seasonal adjustment, to a level of 172.7 (1982-84=100). For the 12-month period ended in August, the CPI-U increased 3.4 percent.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) declined 0.1 percent in August, prior to seasonal adjustment. The August level of 169.2 was 3.3 percent higher than the index in August 1999.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U declined 0.1 percent in August, after increasing 0.2 percent in July. The energy index, which rose 0.1 percent in July, fell 2.9 percent in August. The indexes for petroleum-based energy and for energy services declined 5.5 and 0.2 percent, respectively. The food index rose 0.2 percent in August. The index for food at home increased 0.3 percent, after advancing 0.7 percent in July, with each of the major food at home groups except fruits and vegetables contributing to the deceleration. Excluding food and energy, the CPI-U rose 0.2 percent in August, the same as in each of the previous 4 months.

See page 4 for a note on the use of hedonic models to adjust prices of selected products in the CPI for changes in quality.

During the first 8 months of 2000, the CPI-U rose at a 3.4-percent seasonally adjusted annual rate (SAAR). This compares with an increase of 2.7 percent for all of 1999. Energy costs have increased at a 14.3-percent annual rate in the first 8 months of 2000, after advancing 13.4 percent in all of 1999. Food costs, which rose 1.9 percent in 1999, have risen at a 2.8-percent SAAR, thus far this year. Excluding food and energy, the CPI-U has advanced at a 2.6-percent rate compared with a 1.9-percent rise for all of 1999.

The food and beverages index increased 0.2 percent in August. The index for food at home, which rose 0.7 percent in July, increased 0.3 percent in August. Each of the major food at home groups—except fruits and vegetables—contributed to the deceleration in August. The index for fruits and vegetables rose 1.2 percent in August, following a 1.0-percent rise in July. Over the past 12 months, however, fruit and vegetable prices have risen only 0.2 percent. In August, within the fruits and vegetables group, the indexes for fresh fruits and fresh vegetables rose 0.5 and 2.3 percent, respectively. The index for processed

Table A. Percent changes in CPI for All Urban Consumers (CPI-U)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended August 2000	Unadjusted 12 months ended August 2000
	Changes from preceding month								
	2000								
	February	March	April	May	June	July	August		
All items	0.5	0.7	0	0.1	0.6	0.2	-0.1	3.1	3.4
Food and beverages	.4	.1	.1	.5	.1	.5	.2	3.6	2.7
Housing	.5	.4	.1	.2	.5	.4	.2	4.4	3.5
Apparel	.2	.3	-.5	-.2	-.6	-1.0	.2	-5.7	-1.7
Transportation	1.3	2.5	-.7	-.5	1.8	-.3	-1.1	1.8	5.1
Medical care	.4	.5	.3	.3	.4	.3	.4	4.7	4.2
Recreation	0	.4	0	.3	.3	.3	.1	2.7	1.7
Education and communication	-.5	0	0	.1	-.1	.6	.2	2.8	1.6
Other goods and services	.8	.5	1.4	-.6	-.2	1.0	-.3	2.1	5.4
Special indexes									
Energy	4.6	4.9	-1.9	-1.9	5.6	.1	-2.9	10.7	13.1
Food	.4	.1	.1	.5	.1	.5	.2	3.4	2.7
All items less food and energy	.2	.4	.2	.2	.2	.2	.2	2.5	2.5

fruits and vegetables rose 0.5 percent. Among the other major food at home groups, the indexes for cereal and bakery products and for dairy products each increased 0.3 percent. The index for meats, poultry, fish, and eggs rose 0.2 percent in August. Meat prices continue to advance; the indexes for beef and for pork rose 0.5 and 0.8 percent, respectively, in August and are up 8.4 and 9.8 percent in the past 12 months. Poultry prices turned down in August, declining 0.3 percent, and have risen only 1.8 percent since August 1999. The index for other food at home rose 0.1 percent in August, while the index for nonalcoholic beverages declined 0.3 percent. The other two components of the food and beverages index—food away from home and alcoholic beverages—each increased 0.2 percent in August.

The index for housing increased 0.2 percent in August, following a 0.4-percent rise in July. The index for fuels and utilities, which rose sharply in both June and July, turned down in August. Each of the three principal household fuels failed to advance in August. The index for fuel oil decreased 0.1 percent in August, following a 20.5-percent rise over the past 7 months. The index for natural gas, which rose 20.1 percent in the first 7 months of 2000, declined 0.7 percent in August. The index for electricity was unchanged in August, after increasing 1.9 percent in the first 7 months of the year. (Prior to seasonal adjustment, charges for electricity fell 0.4 percent in August, after increasing 9.4 percent in the first 7 months of 2000.) Shelter costs, which rose 0.2 percent in July, increased 0.3 percent in August. Within shelter, the indexes for rent and for owners' equivalent rent each rose 0.3 percent, while the index for lodging away from home was unchanged. The index for household furnishings and operations, which advanced 0.5 percent in July, rose 0.1 percent in August.

The transportation component declined for the second consecutive month, down 1.1 percent in August. The index for gasoline fell 6.0 percent, following a 2.0-percent decrease in July. Despite the recent declines, gasoline prices have advanced 11.2 percent since December, after advancing 30.1 percent in all of 1999. The index for new vehicles, which rose 0.2 percent in July, declined 0.2 percent in August. The index for used cars and trucks fell 0.1 percent. Public transportation costs increased 0.9 percent, largely as a result of a 1.5-percent rise in airline fares. Airline fares have risen 11.3 percent, thus far in 2000.

The index for apparel rose 0.2 percent in August, its first monthly increase since March. Price increases associated with the introduction of fall-winter wear more than offset price declines on spring-summer clothing.

Medical care costs rose 0.4 percent in August to a level 4.2 percent higher than a year ago. In August, the index for medical care commodities—prescription and nonprescription drugs and medical supplies—rose 0.3 percent. The index for medical care services rose 0.4 percent. Charges for professional services and for hospital and related services increased 0.4 and 0.8 percent, respectively.

The index for recreation costs increased 0.1 percent in August, following increases of 0.3 percent in each of the preceding 3 months. Smaller increases in the indexes for admissions to movies, theaters, concerts, and sporting events and for club membership dues and fees for participant sports were largely responsible for the moderation.

The index for education and communication rose 0.2 percent in August, following a 0.6-percent rise in July. Educational costs declined 0.2 percent, partially offsetting a 0.4-percent increase in the index for communication. The index for tuition, other school fees, and child care

Table B. Percent changes in CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended August 2000	Unadjusted 12 months ended August 2000
	Changes from preceding month								
	2000								
	February	March	April	May	June	July	August		
All items	0.5	0.7	0	0.1	0.6	0.2	-0.1	2.6	3.3
Food and beverages	.4	.2	.1	.5	.1	.5	.2	3.4	2.9
Housing	.6	.2	.2	.2	.5	.5	.1	4.2	3.3
Apparel	.1	.2	-.5	-.2	-.5	-1.2	.1	-6.1	-1.9
Transportation	1.3	2.6	-.8	-.5	2.0	-.5	-1.3	1.1	5.0
Medical care	.4	.5	.4	.3	.4	.3	.4	4.7	4.3
Recreation	-.1	.4	0	.4	.3	.1	.1	2.0	1.4
Education and communication	-.5	-.1	0	.2	-.3	.6	.2	2.0	1.5
Other goods and services	.9	.6	1.8	-1.0	-.3	1.2	-.4	2.0	6.2
Special indexes									
Energy	4.5	5.5	-2.4	-1.9	6.2	-.5	-3.4	8.9	13.1
Food	.4	.2	.1	.5	.1	.5	.2	3.2	2.8
All items less food and energy	.2	.3	.2	.2	.1	.2	.1	1.8	2.4

declined 0.2 percent. (Prior to seasonal adjustment, this index rose 1.2 percent.) Within the index for communication, the index for telephone services rose 0.7 percent, as a 2.0-percent rise in local charges more than offset a 0.7-percent decrease in long distance charges.

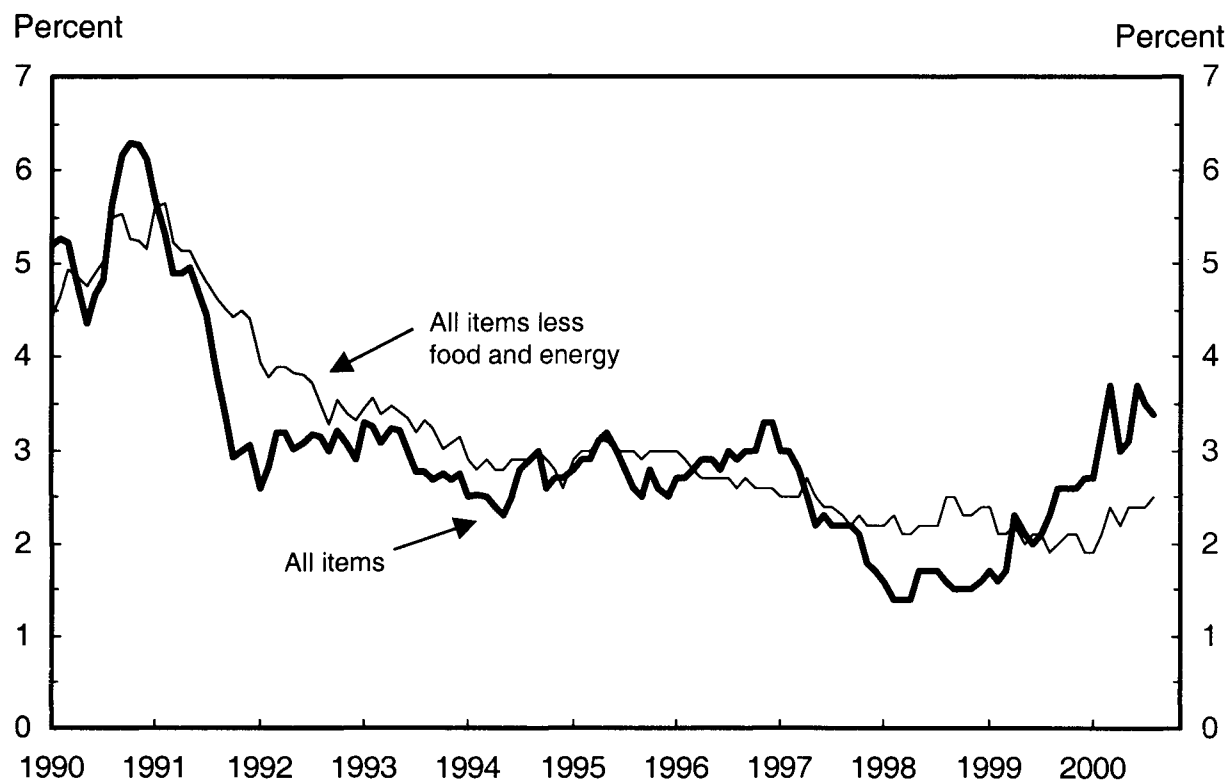
The index for other goods and services decreased 0.3 percent in August, following a 1.0-percent rise in July.

Cigarette prices, which rose 3.2 percent in July, declined 1.7 percent.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers declined 0.1 percent in August.

CPI-U 12-month changes, 1990 to present



Price Movements

September 2000

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.5 percent in September, before seasonal adjustment, to a level of 173.7 (1982-84=100). For the 12-month period ended in September, the CPI-U increased 3.5 percent.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose 0.6 percent in September, prior to seasonal adjustment. The September level of 170.4 was 3.5 percent higher than the index in September 1999.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U rose 0.5 percent in September, following a 0.1 percent decline in August. The upturn reflects a sharp turnaround in the energy index, which increased 3.8 percent in September, after declining 2.9 percent in August. In September, the indexes for petroleum-based energy and for energy services increased 5.9 and 1.7 percent, respectively. The food index rose 0.2 percent. The index for food at home increased 0.1 percent, after advancing 0.3 percent in August. An increase in the index for fruits and vegetables more than offset declines in the indexes for cereal and bakery products, meats, poultry,

fish, and eggs, and nonalcoholic beverages. Excluding food and energy, the CPI-U rose 0.3 percent in September, following five consecutive monthly increases of 0.2 percent. A sharp increase in apparel prices and an upturn in the tobacco index were principally responsible for the larger advance in September.

Consumer prices rose at a seasonally adjusted annual rate (SAAR) of 2.8 percent in the third quarter. This followed increases in the first and second quarters at annual rates of 6.1 and 2.6 percent rates, respectively, and brings the year-to-date annual rate to 3.8 percent. This compares with an increase of 2.7 percent for all of 1999. Energy prices, which turned up sharply in 1999, have continued their advance, thus far in 2000. The energy index, which increased 13.4 percent in 1999, has risen at an 18.4-percent SAAR, thus far in 2000. In the first 9 months of 2000, petroleum-based energy costs increased at a 25.2-percent SAAR, and charges for energy services rose at an 11.7-percent annual rate. The food index has risen at a 2.7-percent SAAR, thus far in 2000, following a 1.9-percent increase for all of 1999. The index for food at home, which advanced 1.7 percent in 1999, has risen at a 2.8-percent rate, thus far in 2000. Among the major grocery store food groups, the index for meats, poultry,

Table A. Percent changes in CPI for All Urban Consumers (CPI-U)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended September 2000	Unadjusted 12 months ended September 2000
	Changes from preceding month								
	2000								
	March	April	May	June	July	August	September		
All items	0.7	0	0.1	0.5r	0.2	-0.1	0.5	2.8	3.5
Food and beverages	.1	.1	.5	.1	.5	.2	.1	3.6	2.6
Housing	.4	.1	.2	.5	.3r	.2	.4	3.8	3.8
Apparel	.3	-.5	-.2	-.6	-1.0	.2	1.6	2.8	-1.1
Transportation	2.5	-.7	-.5	1.8	-.3	-1.1	1.0	-1.3	5.6
Medical care	.5	.3	.3	.4	.3	.4	.4	4.7	4.3
Recreation	.4	0	.3	.3	.3	.1	.1	2.0	2.1
Education and communication	0	0	.1	-.1	.6	.2	-.7	.4	1.0
Other goods and services	.5	1.4	-.6	-.2	1.0	-.3	1.1	7.6	4.6
Special indexes									
Energy	4.9	-1.9	-1.9	5.6	.1	-2.9	3.8	3.5	15.4
Food	.1	.1	.5	.1	.5	.2	.2	3.9	2.6
All items less food and energy	.4	.2	.2	.2	.2	.2	.3	2.7	2.6

r = Revised percent changes based on indexes recalculated to correct for an error in the residential rent and owners' equivalent rent components of the index. For this reason, some of the figures above and elsewhere in this report differ from those previously published. Information on the error and all corrected index values were

made available on September 28. For details, see *Revisions in January to August 2000 CPI Data* on page 6. This information is also available from the BLS website (<http://stats.bls.gov/cpihome.htm>) or contact (202) 691-7000.

fish, and eggs, has shown the sharpest advance. In particular, meat prices, which began to rise in mid-1999, have continued to increase throughout most of the first 9 months of 2000, advancing at a 7.1-percent SAAR, after increasing 3.6 percent in all of 1999.

Excluding food and energy, the CPI-U advanced at a 2.7-percent SAAR in the third quarter, following increases of 3.4 and 2.2 percent, respectively, in the first two quarters of 2000. The 2.8 percent SAAR in the first 9 months of 2000 compares with a 1.9-percent rise for all of 1999. Shelter costs, which have risen at a 3.6-percent SAAR thus far this year, after increasing 2.5 percent in all of 1999, and medical care costs have been largely responsible for the acceleration, thus far in 2000. The rates for selected groups for the last 5¾ years are shown below.

The food and beverages index increased 0.1 percent in September. The index for food at home, which rose 0.3 percent in August, increased 0.1 percent in September. The index for fruits and vegetables rose 0.8 percent in September, following increases of 1.0 and 1.2 percent in July and August, respectively. Over the past 12 months, however, fruit and vegetable prices have risen 1.0 percent. In September, within the fruits and vegetables group, the indexes for fresh fruits and for fresh vegetables rose 0.9 and 1.7 percent, respectively. The index for processed fruits and vegetables declined 0.7 percent. The indexes for cereals and bakery products, nonalcoholic beverages, and meats, poultry, fish, and eggs each declined in September. Meat prices turned down in September; the indexes for beef and for pork declined 0.4 and 0.8 percent, respectively. However, over the past 12 months, beef and pork prices are up 7.1 and 7.8 percent, respectively. Poultry prices declined for the second consecutive month—down 0.2 percent in September—but have risen 0.7 percent since September

Table Q3. Annual percent changes in the CPI for All Urban Consumers, 1995-2000

Category	Percentage change 12 months ended in December					SAAR 9 mos. ended in Sept.
	1995	1996	1997	1998	1999	2000
All items	2.5	3.3	1.7	1.6	2.7	3.8
Food and beverages	2.1	4.2	1.6	2.3	2.0	2.7
Housing	3.0	2.9	2.4	2.3	2.2	4.4
Apparel	.1	-.2	1.0	-.7	-.5	-1.7
Transportation	1.5	4.4	-1.4	-1.7	5.4	5.8
Medical care	3.9	3.0	2.8	3.4	3.7	4.5
Recreation	2.8	3.0	1.5	1.2	.8	2.2
Education and communication	4.0	3.4	3.0	0.7	1.6	0.1
Other goods and services	4.3	3.6	5.2	8.8	5.1	6.0
Special indexes						
Energy	-1.3	8.6	-3.4	-8.8	13.4	18.4
Energy commodities	-3.3	13.8	-6.9	-15.1	29.5	25.2
Energy services	0.8	3.8	0.2	-3.3	1.2	11.7
All items less energy	2.9	2.9	2.1	2.4	2.0	2.7
Food	2.1	4.3	1.5	2.3	1.9	2.
All items less food and energy	3.0	2.6	2.2	2.4	1.9	2.8

1999. The index for dairy products rose 0.4 percent, and the index for other food at home increased 0.1 percent in September. The other two components of the food and beverages index—food away from home and alcoholic beverages—increased 0.3 and declined 0.2 percent, respectively.

The housing index increased 0.4 percent in September, following a 0.2-percent rise in August. The index for fuels and utilities, which declined 0.1 percent in August, increased 2.0 percent in September. The index for fuel oil increased 12.2 percent in September, after declining 0.1

Table B. Percent changes in CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Expenditure category	Seasonally adjusted								Unadjusted 12 months ended September 2000
	Changes from preceding month							Compound annual rate, 3 months ended September 2000	
	2000								
	March	April	May	June	July	August	September		
All items	0.8r	0	0.1	0.6	0.2	-0.2r	0.6	2.6	3.5
Food and beverages	.2	.1	.5	.1	.5	.2	.2	3.6	2.7
Housing	.2	.2	.2	.5	.4r	.1	.5	4.2	3.7
Apparel	.2	-.5	-.2	-.5	-1.2	.1	1.4	1.3	-1.4
Transportation	2.6	-.8	-.5	2.0	-.5	-1.3	1.3	-1.8	5.6
Medical care	.5	.4	.3	.4	.3	.4	.4	4.5	4.3
Recreation	.4	0	.4	.3	.1	.1	.1	1.2	1.8
Education and communication	-.1	0	.2	-.3	.6	.2	-.7	.4	.8
Other goods and services	.6	1.8	-1.0	-.3	1.2	-.4	1.5	9.6	5.1
Special indexes									
Energy	5.5	-2.4	-1.9	6.2	-.5	-3.4	4.2	.9	15.7
Food	.2	.1	.5	.1	.5	.2	.2	3.6	2.7
All items less food and energy	.3	.2	.2	.1	.2	.2r	.3	2.7	2.4

r = revised

percent in August and has advanced 35.1 percent over the past 9 months. The index for natural gas, which declined 0.7 percent in August, rose 5.1 percent in September and has risen 25.4 percent, thus far in 2000. The index for electricity, which was unchanged in August, increased 0.1 percent in September and has risen 2.0 percent in the first 9 months of the year. Shelter costs increased 0.2 percent in September. Within shelter, the indexes for rent and for owners' equivalent rent increased 0.4 percent and 0.3 percent, respectively, while the index for lodging away from home fell 0.1 percent. The index for household furnishings and operations rose 0.2 percent in September.

The transportation component, which declined in each of the preceding 2 months, turned back up in September, advancing 1.0 percent. Gasoline prices resumed their upward trend in September—increasing 5.4 percent—after registering declines in each of the preceding 2 months. Gasoline prices have advanced 20.4 percent since December, after advancing 30.1 percent in all of 1999. The index for new vehicles declined 0.2 percent in September, the same as in August. Price declines on 2000 models more than offset price increases associated with the 2001 models. (About 10 percent of the new vehicle sample in September were represented by 2001 models.) The index for used cars and trucks increased 0.6 percent in September, following declines in each of the preceding 2 months. Public transportation costs decreased 1.3 percent, largely as a result of a 2.2-percent decline in airline fares. Despite the September drop, airline fares have risen 8.9 percent, thus far in 2000.

The index for apparel rose 1.6 percent in September, after advancing 0.2 percent in August. (Prior to seasonal adjustment, apparel prices rose 4.1 percent, reflecting the

introduction of higher-priced fall-winter wear.)

Medical care costs rose 0.4 percent in September to a level 4.3 percent higher than a year ago. In September, the index for medical care commodities—prescription and non-prescription drugs and medical supplies—rose 0.2 percent. The index for medical care services rose 0.4 percent. Charges for professional services and for hospital and related services increased 0.3 and 0.6 percent, respectively.

The index for recreation costs increased 0.1 percent in September, the same as in August.

The index for education and communication declined 0.7 percent in September. Educational costs rose 0.4 percent, partially offsetting a 1.7-percent decrease in the index for tuition, other school fees, and childcare increased 0.4 percent. (Prior to seasonal adjustment, this index rose 1.7 percent.) Within the index for communication, the indexes for telephone services and for personal computers and peripheral equipment fell 1.9 and 1.5 percent, respectively.

The index for other goods and services increased 1.1 percent in September, following a 0.3-percent decrease in August. Cigarette prices, which declined 1.7 percent in August, increased 3.8 percent in September, accounting for about 85 percent of the overall September advance in this major group.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers rose 0.6 percent in September.

Price Movements

October 2000

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.2 percent in October, before seasonal adjustment, to a level of 174.0 (1982-84=100). For the 12-month period ended in October, the CPI-U increased 3.4 percent.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose 0.1 percent in October, prior to seasonal adjustment. The October level of 170.6 was 3.4 percent higher than the index in October 1999.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U rose 0.2 percent in October, following a 0.5-percent increase in September. Deceleration in the energy index—up 0.2 percent in October, following a 3.8-percent rise in September—was largely responsible for the moderation in the October CPI-U. In October, the index for petroleum-based energy declined 1.2 percent, while the index for energy services increased 1.5 percent. The food index, which increased 0.2 percent in September, rose 0.1 percent in October. Excluding food and energy, the CPI-U rose 0.2 percent, following a 0.3-percent rise in September. A smaller increase in apparel prices and a downturn in the tobacco

index were principally responsible for the more moderate advance in October.

See page 4 for a note on the use of hedonic models to adjust prices of selected products in the CPI for changes in quality.

During the first 10 months of 2000, the CPI-U rose at a 3.6-percent seasonally adjusted annual rate (SAAR). This compares with an increase of 2.7 percent for all of 1999. The energy index, which increased 13.4 percent in 1999, has risen at a 16.6-percent SAAR, thus far in 2000. In the first 10 months of 2000, petroleum-based energy costs increased at a 20.7-percent SAAR, and charges for energy services rose at a 12.5-percent annual rate. The food index has risen at a 2.6-percent SAAR thus far in 2000, following a 1.9-percent increase for all of 1999. Excluding food and energy, the CPI-U has advanced at a 2.7-percent rate thus far in 2000, compared with a 1.9-percent rise for all of 1999.

The food and beverages index increased 0.1 percent in October, the same as in September. The index for food at home also increased 0.1 percent for the second consecutive month. Among the six major food-at-home groups, the index for cereal and bakery products registered the largest advance—up 0.9 percent in October. A sharp increase in

Table A. Percent changes in CPI for All Urban Consumers (CPI-U)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended October 2000	Unadjusted 12 months ended October 2000
	Changes from preceding month								
	2000								
	April	May	June	July	August	September	October		
All items	0	0.1	0.5	0.2	-0.1	0.5	0.2	2.6	3.4
Food and beverages	.1	.5	.1	.5	.2	.1	.1	1.9	2.5
Housing	.1	.2	.5	.3	.2	.4	.5	4.6	4.1
Apparel	-.5	-.2	-.6	-1.0	.2	1.6	.3	8.4	-1.3
Transportation	-.7	-.5	1.8	-.3	-1.1	1.0	-.4	-1.8	4.8
Medical care	.3	.3	.4	.3	.4	.4	.3	4.5	4.3
Recreation	0	.3	.3	.3	.1	.1	0	.8	2.0
Education and communication	0	.1	-.1	.6	.2	-.7	.8	1.2	1.5
Other goods and services	1.4	-.6	-.2	1.0	-.3	1.1	-.6	1.0	3.7
Special indexes									
Energy	-1.9	-1.9	5.6	.1	-2.9	3.8	.2	3.8	15.9
Food	.1	.5	.1	.5	.2	.2	.1	2.2	2.4
All items less food and energy	.2	.2	.2	.2	.2	.3	.2	2.4	2.5

flour prices also contributed to an increase in prices for most bakery products. The index for fruits and vegetables rose 0.5 percent in October. Within the fruits and vegetables group, the index for fresh fruits rose 3.0 percent, more than offsetting a 2.1-percent decline in the index for fresh vegetables. The index for processed fruits and vegetables increased 0.7 percent. The index for dairy products rose 0.2 percent. The index for meats, poultry, fish, and eggs was unchanged in October. Meat prices declined for the second consecutive month; the indexes for beef and for other meats declined 1.1 and 0.3 percent, respectively, while the index for pork rose 0.2 percent. The indexes for poultry and for eggs each increased in October—up 0.7 and 4.7 percent, respectively. Egg prices have risen 13.6 percent during the past 12 months. In October, the indexes for nonalcoholic beverages and for other food at home decreased 0.5 and 0.6 percent, respectively. The other two components of the food and beverages index—food away from home and alcoholic beverages—each increased 0.2 percent in October.

The housing index increased 0.5 percent in October. The index for fuels and utilities, which rose 2.0 percent in September, advanced 1.3 percent in October. The index for fuel oil increased 1.3 percent in October and has advanced 36.8 percent over the past 10 months. The index for natural gas rose 5.1 percent in October and has risen 31.7 percent, thus far in 2000. The index for electricity declined 0.1 percent in October, but has increased 1.9 percent in the first 10 months of the year. Shelter costs increased 0.4 percent in October, following a 0.2-percent rise in September. Within shelter, the index for rent rose 0.4 percent; owners' equivalent rent increased 0.3 percent; and the index for lodging away from home advanced 0.6 percent. The index

for household furnishings and operations was unchanged in October.

The transportation component, which increased 1.0 percent in September, turned back down in October, declining 0.4 percent. Gasoline prices declined 1.4 percent in October, after increasing 5.4 percent in September. Despite the October decline, gasoline prices have risen 18.7 percent since December. The index for new vehicles declined for the third consecutive month, down 0.4 percent in October. (Prior to seasonal adjustment, new vehicle prices rose 0.1 percent. As of October, about 27 percent of the new vehicle sample were represented by 2001 models. The 2001 models will continue to be phased in over the next several months, as they replace old models at dealerships, with appropriate adjustments for quality change. For a report on quality changes for the 2001 vehicles represented in the Producer Price Index sample, see news release USDL-00-331, dated November 9, 2000.) The index for used cars and trucks increased 1.1 percent in October. Public transportation costs decreased 2.3 percent, largely as a result of a 3.5-percent decline in airline fares. Despite recent declines, airline fares have risen 5.1 percent, thus far in 2000.

The index for apparel rose 0.3 percent in October, after advancing 1.6 percent in September. (Prior to seasonal adjustment, apparel prices rose 1.8 percent, reflecting the continued introduction of higher-priced fall-winter wear.)

Medical care costs rose 0.3 percent in October to a level 4.3 percent higher than a year ago. In October, the index for medical care commodities—prescription and nonprescription drugs and medical supplies—rose 0.2

Table B. Percent changes in CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Expenditure category	Seasonally adjusted								Unadjusted 12 months ended October 2000
	Changes from preceding month							Compound annual rate, 3 months ended October 2000	
	2000								
	April	May	June	July	August	September	October		
All items	0	0.1	0.6	0.2	-0.2	0.6	0.1	2.1	3.4
Food and beverages	.1	.5	.1	.5	.2	.2	.1	1.9	2.6
Housing	.2	.2	.5	.4	.1	.5	.4	4.2	4.0
Apparel	-.5	-.2	-.5	-1.2	.1	1.4	.4	7.8	-1.4
Transportation	-.8	-.5	2.0	-.5	-1.3	1.3	-.3	-1.3	5.0
Medical care	.4	.3	.4	.3	.4	.4	.3	4.2	4.3
Recreation	0	.4	.3	.1	.1	.1	0	.8	1.7
Education and communication	0	.2	-.3	.6	.2	-.7	.9	1.6	1.4
Other goods and services	1.8	-1.0	-.3	1.2	-.4	1.5	-1.0	.4	3.8
Special indexes									
Energy	-2.4	-1.9	6.2	-.5	-3.4	4.2	0	2.9	16.1
Food	.1	.5	.1	.5	.2	.2	.1	2.2	2.5
All items less food and energy	.2	.2	.1	.2	.2	.3	.1	2.3	2.3

The index for recreation costs was unchanged in October, following increases of 0.1 percent in each of the preceding 2 months. Price declines for video and audio equipment offset small price increases for most other recreation categories.

The index for education and communication increased 0.8 percent in October, following a 0.7-percent decline in September. Educational costs rose 0.5 percent. The index for tuition, other school fees, and child care increased 0.6 percent. The index for communication, which declined 1.7 percent in September, increased 1.1 percent in October. Within the index for communication, the indexes for telephone services rose 1.3 percent, while the index for personal computers and peripheral equipment fell 1.5 percent.

The index for other goods and services, which increased 1.1 percent in September, declined 0.6 percent in October.

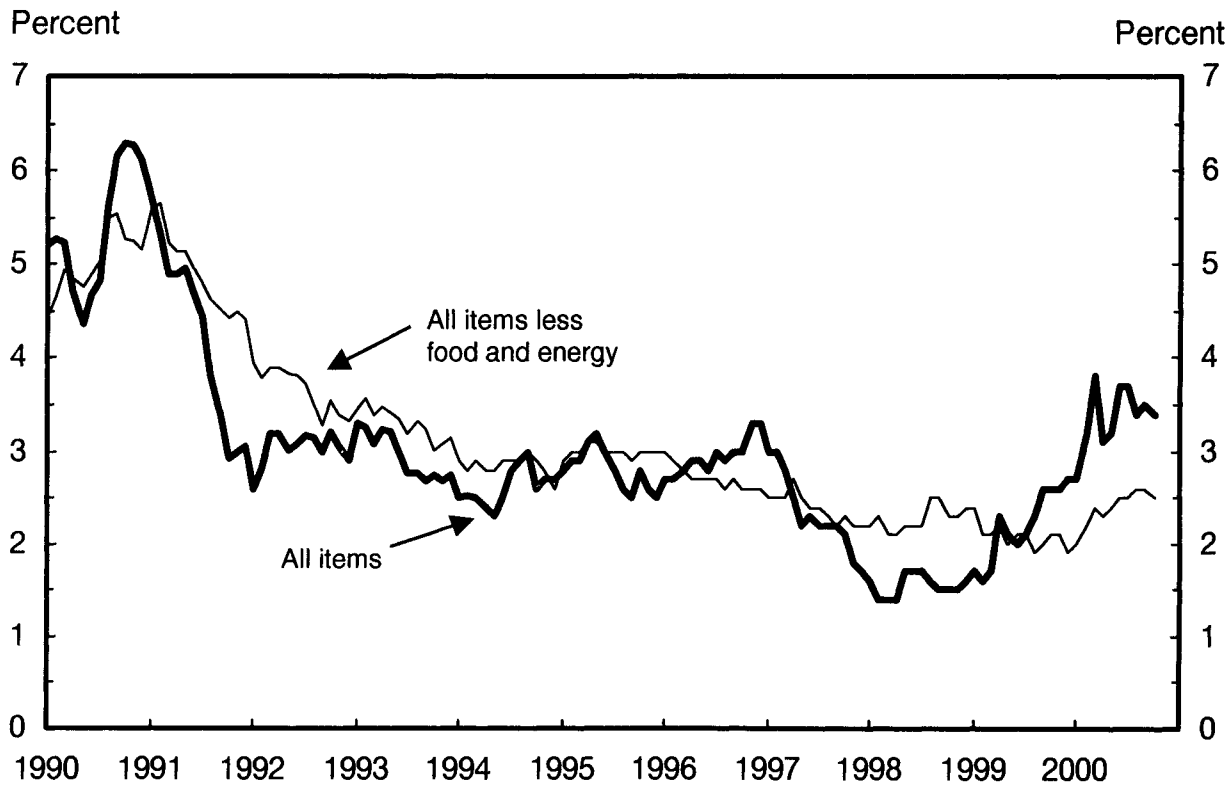
Cigarette prices, which increased 3.8 percent in September, fell 2.8 percent in October, accounting for the downturn in this major group.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers rose 0.1 percent in October.

On September 28, The Bureau of Labor Statistics issued corrected Consumer Price Index data for the period from January to August 2000. All the data in this report incorporate these corrections. For details, see *Revisions in January to August 2000 CPI Data* on the BLS website (<http://stats.bls.gov/cpihome.htm>) or contact (202) 691-7000.

CPI-U 12-month changes, 1990 to present



Price Movements

November 2000

The Consumer Price Index for All Urban Consumers (CPI-U) increased 0.1 percent in November, before seasonal adjustment, to a level of 174.1 (1982-84=100). For the 12-month period ended in November, the CPI-U increased 3.4 percent.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) rose 0.2 percent in November, prior to seasonal adjustment. The November level of 170.9 was 3.5 percent higher than the index in November 1999.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U rose 0.2 percent in November, the same as in October. The food index, which rose 0.1 percent in October, was unchanged in November. The energy index increased 0.1 percent in November, following a 0.2-percent rise in October. In November, the index for petroleum-based energy increased 0.2 percent, while the index for energy services declined 0.1 percent. Excluding food and energy, the CPI-U rose 0.3 percent, following a 0.2-percent rise in October. A sharp upturn in the tobacco index was principally responsible for the larger advance in November.

During the first 11 months of 2000, the CPI-U rose at a 3.5-percent seasonally adjusted annual rate (SAAR). This compares with an increase of 2.7 percent for all of 1999. The energy index, which increased 13.4 percent in 1999, has risen at a 15.1-percent SAAR thus far in 2000. In the first 11 months of 2000, petroleum-based energy costs increased at an 18.9-percent SAAR, and charges for energy services rose at an 11.2-percent annual rate. The food index has risen at a 2.4-percent SAAR thus far in 2000, following a 1.9-percent increase for all of 1999. Excluding food and energy, the CPI-U has advanced at a 2.7-percent rate thus far in 2000, compared with a 1.9-percent rise for all of 1999.

The food and beverages index increased 0.1 percent in November, the same as in each of the preceding 2 months. The index for food at home declined 0.1 percent in November. The index for meats, poultry, fish, and eggs declined 1.0 percent in November. Poultry prices fell 3.0 percent as the index for other poultry, including turkey, declined 5.1 percent. Meat prices declined for the third consecutive month; a 1.2-percent drop in pork prices more than offset a 1.2-percent rise in the index for other meats, while the index for beef was unchanged. The indexes for

Table A. Percent changes in CPI for All Urban Consumers (CPI-U)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended November 2000	Unadjusted 12 months ended November 2000
	Changes from preceding month								
	2000								
	May	June	July	August	September	October	November		
All items	0.1	0.5	0.2	-0.1	0.5	0.2	0.2	3.5	3.4
Food and beverages	.5	.1	.5	.2	.1	.1	.1	1.2	2.3
Housing	.2	.5	.3	.2	.4	.5	.2	4.5	4.1
Apparel	-2	-6	-1.0	.2	1.6	.3	-.4	6.1	-1.3
Transportation	-5	1.8	-3	-1.1	1.0	-.4	.3	4.0	5.1
Medical care	.3	.4	.3	.4	.4	.3	.2	3.5	4.3
Recreation	.3	.3	.3	.1	.1	0	-.1	0	1.8
Education and communication	.1	-.1	.6	.2	-.7	.8	-.2	-.4	1.0
Other goods and services	-.6	-.2	1.0	-.3	1.1	-.6	1.2	6.9	5.0
Special indexes									
Energy	-1.9	5.6	.1	-2.9	3.8	.2	.1	17.3	16.0
Food	.5	.1	.5	.2	.2	.1	0	1.2	2.2
All items less food and energy	.2	.2	.2	.2	.3	.2	.3	2.9	2.6

cereal and bakery products and for dairy products each declined 0.3 percent. The index for fruits and vegetables rose 0.7 percent in November. Within the fruits and vegetables group, the indexes for fresh fruits and for fresh vegetables rose 2.0 and 0.9 percent, respectively, more than offsetting a 2.0-percent decline in the index for processed fruits and vegetables. The index for nonalcoholic beverages rose 0.7 percent, reflecting a 1.5-percent increase in the index for carbonated drinks. The index for other food at home increased 0.6 percent. The other two components of the food and beverages index—food away from home and alcoholic beverages—increased 0.1 and 0.5 percent, respectively, in November.

The housing index increased 0.2 percent in November, following a 0.5-percent rise in October. The index for fuels and utilities, which advanced 1.3 percent in October, rose 0.1 percent in November. In November, the indexes for fuel oil and for electricity increased 0.1 and 0.2 percent, respectively, while the index for natural gas declined 0.7 percent. (Prior to seasonal adjustment, prices for fuel oil increased 2.1 percent; and charges for natural gas rose 2.0 percent, while charges for electricity declined 2.0 percent.) During the past 12 months, prices for fuel oil have increased 45.2 percent; charges for natural gas 25.6 percent. Charges for electricity have risen 2.3 percent. Shelter costs increased 0.3 percent in November, following a 0.4-percent rise in October. Within shelter, the indexes for rent and for owners' equivalent rent each increased 0.3 percent, and the index for lodging away from home rose 0.2 percent. The index for household furnishings and operations, which was unchanged in October, advanced 0.4 percent in November.

The transportation component turned back up in November, advancing 0.3 percent after declining 0.4 percent in October. The index for gasoline prices, which declined 1.4 percent in October, rose 0.3 percent in

November. (Prior to seasonal adjustment, gasoline prices declined 0.1 percent.) During the past 12 months, gasoline prices have risen 21.6 percent. The index for new vehicles turned up in November, advancing 0.1 percent, following declines in each of the 3 preceding months. (Prior to seasonal adjustment, new vehicle prices rose 0.8 percent.) As of November, about 48 percent of the new vehicle sample was represented by 2001 models; in November 1999 new models represented about 58 percent of the sample. As they replace old models at dealerships, the 2001 models will continue to be phased in over the next several months, with appropriate adjustments for quality change. (For a report on quality changes for the 2001 vehicles represented in the Producer Price Index sample, see news release USDL-00-331, dated November 9, 2000.) The index for used cars and trucks increased 0.9 percent in November. Public transportation costs rose 0.5 percent, reflecting a 0.7-percent increase in airline fares. Airline fares have risen 5.1 percent during the past 12 months.

The index for apparel fell 0.4 percent in November, its first decline in 4 months. (Prior to seasonal adjustment, apparel prices declined 0.8 percent, reflecting the discounting of prices for women's wear.)

Medical care costs rose 0.2 percent in November to a level 4.3 percent higher than a year ago. In November, the index for medical care commodities—prescription and nonprescription drugs and medical supplies—rose 0.3 percent. The index for medical care services rose 0.1 percent. Charges for professional services and for hospital and related services increased 0.1 and 0.4 percent, respectively.

The index for recreation costs, which was unchanged in October, declined 0.1 percent in November. Price declines for toys, sporting goods, and video and audio

Table B. Percent changes in CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended November 2000	Unadjusted 12 months ended November 2000
	Changes from preceding month								
	2000								
	May	June	July	August	September	October	November		
All items	0.1	0.6	0.2	-0.2	0.6	0.1	0.2	3.8	3.5
Food and beverages	.5	.1	.5	.2	.2	.1	0	1.2	2.4
Housing	.2	.5	.4	.1	.5	.4	.3	4.9	4.0
Apparel	-.2	-.5	-1.2	.1	1.4	.4	-.3	6.1	-1.4
Transportation	-.5	2.0	-.5	-1.3	1.3	-.3	.4	5.6	5.4
Medical care	.3	.4	.3	.4	.4	.3	.2	3.4	4.2
Recreation	.4	.3	.1	.1	.1	0	-.1	0	1.7
Education and communication	.2	-.3	.6	.2	-.7	.9	-.3	-.4	.7
Other goods and services	-1.0	-.3	1.2	-.4	1.5	-1.0	1.5	8.2	5.6
Special indexes									
Energy	-1.9	6.2	-.5	-3.4	4.2	0	.2	18.8	16.2
Food	.5	.1	.5	.2	.2	.1	0	1.2	2.3
All items less food and energy	.2	.1	.2	.2	.3	.1	.3	3.0	2.5

equipment were largely offset by price increases for books, photography, and cable television.

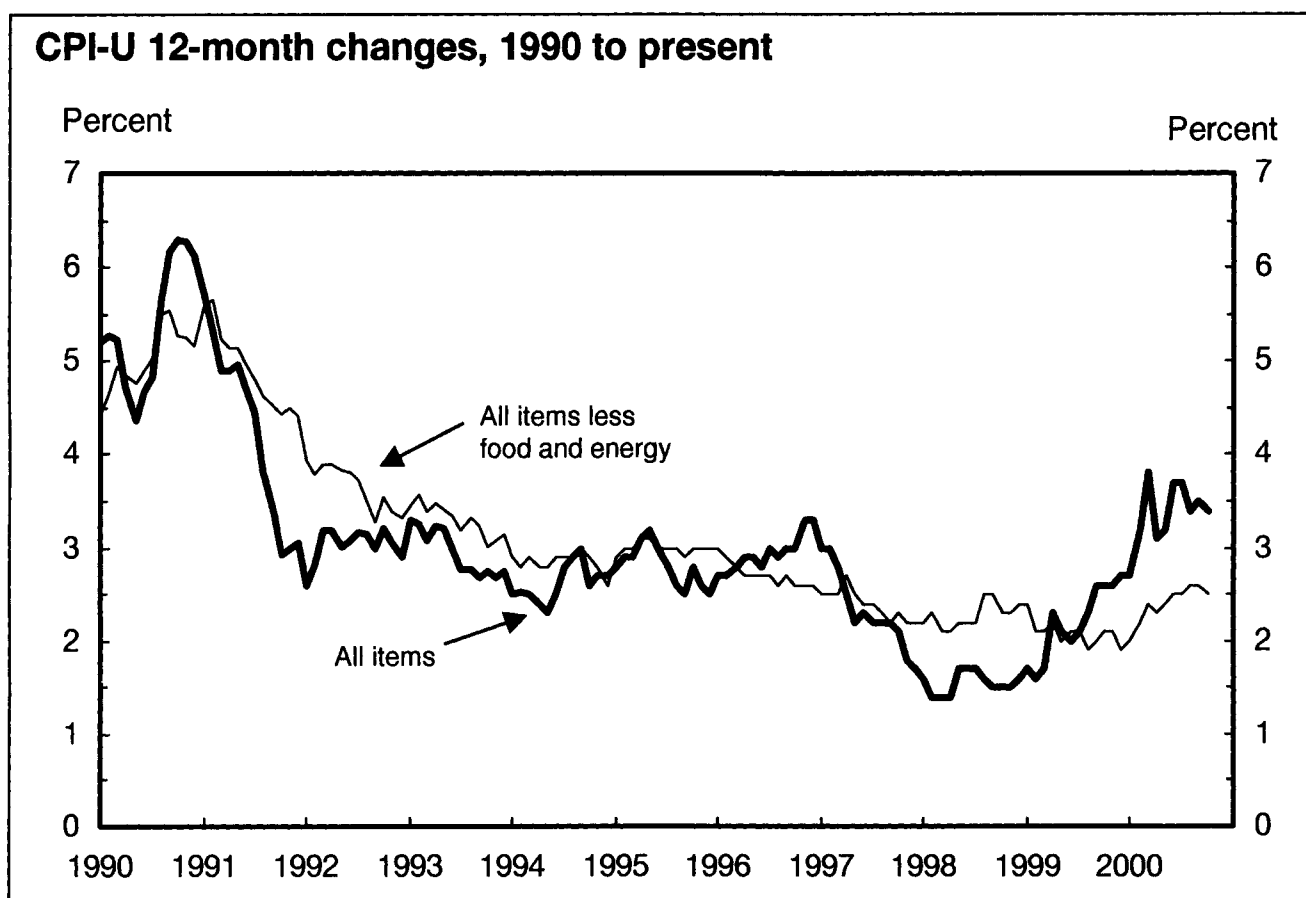
The index for education and communication declined 0.2 percent in November. Educational costs rose 0.4 percent, while the index for communication declined 0.9 percent. Within the communication group, the indexes for telephone services and for personal computers and peripheral equipment fell 0.8 and 2.6 percent, respectively.

The index for other goods and services, which declined 0.6 percent in October, increased 1.2 percent in November.

Cigarette prices, which fell 2.8 percent in October, increased 3.7 percent in November, accounting for the upturn in this major group.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers rose 0.2 percent in November.



Price Movements

December 2000

The Consumer Price Index for All Urban Consumers (CPI-U) declined 0.1 percent in December, before seasonal adjustment, to a level of 174.0 (1982-84=100). For the 12-month period ended in December, the CPI-U increased 3.4 percent.

The Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) also declined 0.1 percent in December, prior to seasonal adjustment. The December level of 170.7 was 3.4 percent higher than the index in December 1999.

CPI for All Urban Consumers (CPI-U)

On a seasonally adjusted basis, the CPI-U rose 0.2 percent in December, the same as in each of the preceding 2 months. The food index advanced 0.5 percent in December, following a 0.1-percent increase in October and no change in November. The energy index rose 0.2 percent in December, following increases of 0.2 and 0.1 percent in October and November, respectively. In December, the index for petroleum-based energy declined 1.4 percent, while the index for energy services advanced 1.8 percent. Excluding food and energy, the CPI-U rose 0.1 percent in December after advancing 0.2 percent in

October and 0.3 percent in November. A sharp downturn in the tobacco index and a smaller increase in shelter costs were responsible for the smaller advance in December than in November.

Consumer prices rose at a seasonally adjusted annual rate (SAAR) of 2.1 percent in the fourth quarter. This followed increases in the first three quarters at rates of 6.1, 2.6, and 2.8 percent, respectively. For the 12-month period ended in December, the CPI-U rose 3.4 percent. This compares with an increase of 2.7 percent for all of 1999 and was the largest annual advance since a 6.1-percent rise in 1990. Each of the three special index groups—food, energy, and all items less food and energy—contributed to the acceleration in 2000. The energy index, which had turned up sharply in 1999 after declining in 1998, increased 14.2 percent in 2000. Petroleum-based energy costs continued to advance sharply—up 15.7 percent—but only about half as much as in 1999. Charges for energy services, which rose 1.2 percent in 1999, surged in 2000, advancing 12.7 percent. Charges for natural gas increased 36.7 percent and those for electricity rose 2.6 percent. The food index, which rose 1.9 percent in 1999, increased 2.8 percent in 2000. Grocery store food prices increased 2.9

Table A. Percent changes in CPI for All Urban Consumers (CPI-U)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended December 2000	Unadjusted 12 months ended December 2000
	Changes from preceding month								
	2000								
	June	July	August	September	October	November	December		
All items	0.5	0.2	-0.1	0.5	0.2	0.2	0.2	2.1	3.4
Food and beverages	.1	.5	.2	.1	.1	.1	.5	2.6	2.8
Housing	.5	.3	.2	.4	.5	.2	.2	3.8	4.3
Apparel	-.6	-1.0	.2	1.6	.3	-.4	-.4	-1.8	-1.8
Transportation	1.8	-.3	-1.1	1.0	-.4	.3	-.1	-.8	4.1
Medical care	.4	.3	.4	.4	.3	.2	.3	3.4	4.2
Recreation	.3	.3	.1	.1	0	-.1	.1	0	1.7
Education and communication	-.1	.6	.2	-.7	.8	-.2	.6	4.8	1.3
Other goods and services	-.2	1.0	-.3	1.1	-.6	1.2	-.8	-1.0	4.2
Special indexes									
Energy	5.6	.1	-2.9	3.8	.2	.1	.2	1.6	14.2
Food	.1	.5	.2	.2	.1	0	.5	2.6	2.8
All items less food and energy	.2	.2	.2	.3	.2	.3	.1	2.0	2.6

percent, following a 1.7-percent rise in 1999. Larger increases in the indexes for meats, poultry, fish, and eggs and for fruits and vegetables were primarily responsible for the acceleration.

Excluding food and energy, the CPI-U advanced at a 2.0-percent SAAR in the fourth quarter, following increases at rates of 3.4, 2.2, and 2.7 percent, respectively, in the first three quarters of 2000. The 2.6-percent rise in 2000 compares with a 1.9-percent rise in 1999. The rising cost of shelter—up 3.4 percent in 2000 compared with 2.5 percent in 1999—was the principal factor accounting for this acceleration. Also contributing to the acceleration in 2000 were large, but still moderate, increases in the indexes for household furnishings and operations and for recreation, coupled with a substantial rise in the index for hospital and related services. The rates for selected groups for the last 7 years are shown below.

The food and beverages index rose 0.5 percent in December. The index for food at home increased 0.8 percent, the largest monthly advance since October 1998, when it also rose 0.8 percent. In December, the index for fruits and vegetables advanced 2.6 percent. Within the fruits and vegetables group, the index for fresh fruits increased 0.1 percent; and the index for fresh vegetables rose 6.2 percent. (Prior to seasonal adjustment, fresh fruit prices increased 2.4 percent, and fresh vegetable prices rose 6.9 percent.) The index for processed fruits and vegetables rose 0.8 percent, following a 2.0-percent decline in November. For the 12-month period ended in December, fresh fruit prices have risen 0.8 percent and fresh vegetable prices, 12.2 percent. The indexes for meats, poultry, fish, and eggs and for cereal and bakery products turned up in December, each advancing 0.8 percent. Within the former group, the indexes for poultry, beef and pork increased 2.2, 1.0, and 0.7 percent, respectively, in December. Poultry, beef, and

Table Q4. Annual percent changes in the CPI for All Urban Consumers, 1995-2000

Category	Percent change 12 months ended in December					
	1995	1996	1997	1998	1999	2000
All items	2.5	3.3	1.7	1.6	2.7	3.4
Food and beverages	2.1	4.2	1.6	2.3	2.0	2.8
Housing	3.0	2.9	2.4	2.3	2.2	4.3
Apparel	.1	-.2	1.0	-.7	-.5	-1.8
Transportation	1.5	4.4	-1.4	-1.7	5.4	4.1
Medical care	3.9	3.0	2.8	3.4	3.7	4.2
Recreation	2.8	3.0	1.5	1.2	.8	1.7
Education and communication	4.0	3.4	3.0	.7	1.6	1.3
Other goods and services	4.3	3.6	5.2	8.8	5.1	4.2
Special indexes						
Energy	-1.3	8.6	-3.4	-8.8	13.4	14.2
Energy commodities ..	-3.3	13.8	-6.9	-15.1	29.5	15.7
Energy services	.8	3.8	.2	-3.3	1.2	12.7
All items less energy	2.9	2.9	2.1	2.4	2.0	2.6
Food	2.1	4.3	1.5	2.3	1.9	2.8
All items less food and energy	3.0	2.6	2.2	2.4	1.9	2.6

pork prices have advanced 2.0, 5.5, and 5.8 percent, respectively, in the last 12 months. In December, the indexes for dairy products and for other food at home each increased 0.1 percent, while the index for non-alcoholic beverages declined 0.4 percent. The other two components of the food and beverages index—food away from home and alcoholic beverages—increased 0.2 and declined 0.1 percent, respectively, in December and rose 2.4 and 2.7 percent in all of 2000.

The index for housing rose 0.2 percent in December, the same as in November. Shelter costs, which advanced 0.3 percent in November, increased 0.1 percent in December. Within shelter, the indexes for rent and for owners' equivalent rent increased 0.4 and 0.3 percent,

Table B. Percent changes in CPI for Urban Wage Earners and Clerical Workers (CPI-W)

Expenditure category	Seasonally adjusted							Compound annual rate, 3 months ended December 2000	Unadjusted 12 months ended December 2000
	Changes from preceding month								
	2000								
	June	July	August	September	October	November	December		
All item	0.6	0.2	-0.2	0.6	0.1	0.2	0.2	2.1	3.4
Food and beverages	.1	.5	.2	.2	.1	0	.5	2.6	2.8
Housing	.5	.4	.1	.5	.4	.3	.3	4.1	4.3
Apparel	-.5	-1.2	.1	1.4	.4	-.3	-.4	-1.2	-1.9
Transportation	2.0	-.5	-1.3	1.3	-.3	.4	-.2	-.5	4.3
Medical care	.4	.3	.4	.4	.3	.2	.3	3.2	4.2
Recreation	.3	.1	.1	.1	0	-.1	0	-.4	1.4
Education and communication	-.3	.6	.2	-.7	.9	-.3	.6	4.8	1.2
Other goods and services	-.3	1.2	-.4	1.5	-1.0	1.5	-1.1	-2.4	4.5
Special indexes									
Energy	6.2	-.5	-3.4	4.2	0	.2	-.1	.3	13.8
Food	.1	.5	.2	.2	.1	0	.5	2.6	2.8
All items less food and energy	.1	.2	.2	.3	.1	.3	.1	2.0	2.4

respectively, while the index for lodging away from home declined 2.7 percent. The index for fuels and utilities increased 1.5 percent in December, following a 0.1-percent rise in November. The index for natural gas, which declined 0.7 percent in November, increased 4.4 percent in December and 36.7 percent in all of 2000. In December, the indexes for fuel oil and for electricity rose 2.5 and 0.5 percent, respectively. Fuel oil prices, which increased 30.9 percent in 1999, advanced 40.5 percent in 2000. Charges for electricity rose 2.6 percent over the past 12 months. The index for household furnishings and operations declined 0.2 percent in December, but rose 1.7 percent in 2000 after declining 0.2 percent in 1999.

The transportation component declined 0.1 percent in December, reflecting a 1.7-percent decrease in the index for gasoline. (Prior to seasonal adjustment, gasoline prices fell 3.9 percent in December.) Despite the December decline, gasoline prices registered a 13.9-percent increase during the last 12 months, after advancing 30.1 percent in all of 1999. The index for new vehicles increased 0.4 percent in December but was unchanged over the last 12 months. (As of December, about two-thirds of the new vehicle sample was represented by 2001 models. The 2001 models will continue to be phased in, with appropriate adjustments for quality change, over the next several months, as they replace old models at dealerships. For a report on quality changes for the 2001 vehicles represented in the Producer Price Index sample, see news release USDL-00-331, dated November 9, 2000.) The index for used cars and trucks advanced 0.6 percent in December and 3.4 percent in all of 2000. The index for public transportation rose 0.2 percent in December. Airline fares increased 0.1 percent in December and 5.9 percent during the last 12 months.

The index for apparel declined 0.4 percent in December. (Prior to seasonal adjustment, apparel prices fell 3.0 percent, reflecting preholiday discounting.) During the 12-month period ended in December, apparel prices fell 1.8 percent, their third consecutive annual decline.

Medical care costs rose 0.3 percent in December to a level 4.2 percent higher than a year ago. In December, the index for medical care commodities—prescription drugs, nonprescription drugs, and medical supplies—increased

0.3 percent, with the index for prescription drugs up 0.5 percent. Prescription drug prices rose 3.6 percent in all of 2000. The index for medical care services rose 0.3 percent in December. Charges for professional services and hospital and related services increased 0.4 and 0.1 percent, respectively, in December and 3.7 and 6.2 percent in 2000.

The index for recreation costs increased 0.1 percent in December and 1.7 percent in 2000. During the last 12 months, increases in recreation services—admissions to movies, theaters, concerts, and sporting events, club membership dues, and fees for lesson or instructions—rose 3.8 percent, accounting for about 70 percent of the overall change in this major group.

The index for education and communication increased 0.6 percent in December and 1.3 percent in all of 2000. During the 12 months ended in December, education costs rose 5.7 percent, while communication costs declined 3.0 percent. In December, educational costs increased 0.4 percent; and the index for communication rose 0.8 percent. Within the latter group, the index for telephone services increased 0.9 percent, reflecting a 2.6-percent rise in long-distance charges. Local telephone charges declined 0.3 percent in December. During the 12-month period ended in December, however, local charges rose 5.5 percent, while long-distance charges declined 9.2 percent. The index for personal computers and peripheral equipment declined 2.1 percent in December and 22.7 percent over the past 12 months.

The index for other goods and services declined 0.8 percent in December, reflecting a 3.5-percent decline in prices for tobacco and smoking products. The index for cigarettes declined 3.8 percent in December—reflecting discounting of selected major brands. During the past 12 months, however, cigarette prices have risen 7.6 percent. This compares with increases of 33.7 percent in 1998 and 11.5 percent in 1999.

CPI for Urban Wage Earners and Clerical Workers (CPI-W)

On a seasonally adjusted basis, the CPI for Urban Wage Earners and Clerical Workers rose 0.2 percent in December.