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Trends in the DC’s Consumer Price Index (CPI)

The Consumer Price Index (CPI), commonly known as inflation, is a measure of the average change over time in the cost of typical goods and services. The CPI is determined by measuring the retail price in a given region for a “market basket” of goods and services — including food, housing, clothing, transportation and medical care — and then comparing the changes in cost over time.

When calculating the Consumer Price Index, the Bureau of Labor Statistics chooses a particular year to serve as a base year and sets the index at 100 for that year. In this instance, the CPI for November 1996 was set at 100. Changes in prices are measured against that baseline. So for example, a CPI of 110 in a given month means that the price for the market basket rose 10 percent since the base period. In this way, the CPI can be used to measure inflation in one year or over any period of months or years by measuring the percent change in the index over any periods.

From January 2000 to January 2013, the CPI for the Washington-Baltimore region rose from 107.5 to 153.0, a 42 percent increase. This means that as of January 2013 consumers spent 42 percent more for everyday goods and services than they did in 2000. The CPI increased at an average rate of 2.8 percent per year from 2000 to 2013. Recently, the CPI rose from 151.4 in January 2013 to 154.1 in January 2014 for an increase of about 2 percent.

Washington-Baltimore Area ¹ Consumer Price Index of Annual Averages	
Year	Average CPI
2000	107.5
2001	110.2
2002	112.6
2003	115.7
2004	119.0
2005	124.1
2006	128.3
2007	132.9
2008	139.0
2009	139.2
2010	142.2
2011	147.6
2012	150.9
2013	153.0

Source: Bureau of Labor Statistics, Branch of Economic Analysis and Information

¹ The Washington-Baltimore, D.C.-Md.-Va.-W.Va. area includes the District of Columbia; Anne Arundel, Baltimore, Calvert, Carroll, Charles, Frederick, Harford, Howard, Montgomery, Prince George's, Queen Anne's, and Washington Counties and Baltimore City in Maryland; Arlington, Clarke, Fairfax, Fauquier, King George, Loudoun, Prince William, Rappahannock, Spotsylvania, Stafford, and Warren Counties, and Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, and Manassas Park Cities in Virginia; and Berkeley and Jefferson Counties in West Virginia.

Washington-Baltimore Area¹ Consumer Price Index for Recent Months

Month	CPI
Jan-13	151.4
Mar-13	152.8
May-13	152.3
Jul-13	153.2
Sep-13	154.1
Nov-13	153.5
Jan-14	154.1

Source: Bureau of Labor Statistics, Branch of Economic Analysis and Information

CPI Trends in the District of Columbia

