

GUAM

CONSUMER PRICE INDEX

Cost of Living Section

2nd Quarter 2023
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DEFINITION OF THE CONSUMER PRICE INDEX

The CONSUMER PRICE INDEX (CPI) is a measure of the average change in prices over time of goods and services purchased by households, both families and single person living alone. The Guam 2008 CPI is based on the concept of a representative “market basket”, a sample of all goods and services that consumers purchase, as determined by the 2005 Household Income and Expenditure Survey (HIES) funded by the U.S. Dept. of Interior to the U.S. Census Bureau, and a similar in design with the U.S. CPI.

The CPI is measured from a total of 168 items from 8 major groups, and indices are computed at two different levels of aggregation. More than 1,060 price quotations are collected during the middle month of each quarter either by phone or on-site survey by qualified price enumerators. There are approximately 200 business outlets included in the construction of the CPI, ranging from grocery, department and hardware stores to a variety of service establishments. This report provides average price changes for all items, groups, subgroups and special indexes from consecutive quarters to one year earlier. An annual average and annualized inflation rate are also reported. Indexes are subject to revision.

HOW TO INTERPRET INDEX CHANGES

A price change can be expressed as a percentage change between two periods, as a difference in index points between a given period and a base period assigned an index of 100.0. Thus, an index of 110.7 for a given period means the price level has increase by 10.7% from the base period of 100.0. It does not mean a 10.7% change from the immediately preceding period as shown in example 1:

Example I:

Period:	1st Qtr. (base period)	2nd Qtr.	3rd Qtr.
Index:	100.0	108.4	110.7
	-----8.4% change-----	-----2.1% change-----	
	-----10.7% change-----		

Any period, such as the 2nd Quarter in the next example, can be converted to a base period by dividing all indices individually by the periods’ index, then multiplying the results by 100.

Example II:

Period:	1st Qtr. (base period)	2nd Qtr.	3rd Qtr.
Index:	100.0	108.4	110.7
Period:		2nd Qtr. (base period)	3rd Qtr.
Index:		100.0	102.1
		-----2% change-----	

In example II, we dealt with a change in price index from a given quarter to the quarter immediately succeeding it – a 2.1% change from the second to the third quarter. However, many economic statistics, such as personal income, government revenues, and expenditure, are reported on an annual basis. The equivalent annual rate is used to determine what the index would be if a price change during a three-month period continues at the same rate for four quarters, a twelve-month period. The annual rate is often used to achieve uniformity in statistical expression.

Thus, a quarterly change of 1.0% is equivalent to an annual rate of 4.1%. If prices were to increase 1.0% each quarter for four quarters, the annual increase would be 4.1%. Derivation of this figure is shown in the Example III.

Example III:

$$P_n = P_o(1+i)^n \quad \text{where} \quad \begin{array}{l} P_n = \text{equivalent annual rate} \\ P_o = \text{base index (100.0)} \\ i = \text{current rate (1.0\%)} \\ n = \text{number of periods (4)} \end{array}$$

Thus, $104.1 = 100.0 (1 + .01)^4$

However, the equivalent annual rate should not be interpreted as a projection or price forecast. It is only a standard form for showing price changes that have occurred. The CPI only reports what has happened, while annual projections must be based on factors which determine future price

Please see www.bsp.guam.gov, for historical CPI data, and other state data resources.

GUAM CONSUMER PRICE INDEX

1. Number of commodity items:

GROUP	*GROUP WEIGHTS	NO. OF ITEMS ALLOCATED
Food	15.60	69
Housing	32.11	42
Apparel & Upkeep	7.61	23
Transportation	8.60	4
Medical Care	20.42	5
Recreation	2.97	5
Education & Communication	2.77	6
Other Goods & Services	<u>9.92</u>	<u>14</u>
	<u>100.0</u>	<u>168</u>

* Based on the 2005 Household Income and Expenditure Survey (HIES) results.

2. Base period: 4th Quarter 2007 = 100.0

3. Formula:

The index is computed by using base-weighted arithmetic average of prices. The formula used is either in the weighted aggregated form,

$$I_{oi} = \frac{\sum p_i q_o}{\sum p_o q_o} \times 100$$

or its equivalent, the weighted average of price relatives

$$I_{oi} = \frac{\sum p_o q_o \left(\frac{P_i}{P_o} \right)}{\sum p_o q_o} \times 100$$

where p_i = the price of the commodity in the reporting period.
 p_o = the price of the commodity in the base period, and
 q_o = the quantity of commodity sold in the base period.

4. Weights:

Based on the 2005 Household Income and Expenditure Survey (HIES)

Guam Consumer Price Index (CPI)

The Guam 2023 2nd Quarter CPI of 164.3 shows an increase of 0.4 percent over the 1st quarter of 2023, and 11.1 percent when compared to the same period one year earlier. The All Items Less Food Index increased by .04 percent, Energy decreased by 0.2 percent, All Items Less Food and Energy (core) Index increased by 0.5 percent, Commodities Less Food increased by 1.2 percent, and Services decreased by 0.2 percent, as compared to 1st quarter of 2023. The purchasing power of the dollar dropped this quarter by \$0.00 (chained to q4 2007 dollar)

The Food Group Index of 189.3 shows an increase of 1.0 percent over the preceding quarter and 8.1 percent when compared to the same period one year earlier. Egg product prices decreased 22.7 percent over the preceding quarter but increased 12.4 percent when compared to the same period one year earlier. Pork, other meats, and dairy products also saw a decrease in price when compared to the previous quarter.

The Housing Group Index of 149.7 remained relatively the same when compared to the preceding quarter but it was still a 13.2 percent increase when compared to the same period one year earlier. Electricity prices remained relatively the same over the preceding quarter but when compared to the same period one year earlier there was an increase of 35.5 percent. Water, Sewer, and Trash prices remained relatively the same over the preceding quarter but when compared to the same period one year earlier there was an increase of 6 percent.

The Transportation Group Index of 126.9 shows an increase of 0.4 percent over the preceding quarter and 0 percent when compared to the same period one year earlier. Motor fuel prices decreased 3.0 percent over the preceding quarter and decreased 21.0 percent when compared to the same period one year earlier.

The Medical Care Group Index of 229.2 remained the same over the preceding quarter.

The Recreation Group Index of 141.6 shows an increase of 0.3 percent over the preceding quarter.

The Education and Communication Group Index of 121.7 shows an increase of 1.0 percent over the preceding quarter.

The Apparel and Upkeep Group Index of 92.2 shows a decrease of 0.9 percent over the preceding quarter.

TABLE A
CONSUMER PRICE INDEX
(1st Qtr. 2007 = 100.00)

GROUP	CY 2022 QUARTERS				CY 2023 QUARTERS			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th
ALL ITEMS	143.7	147.9	151.1	156.8	163.6	164.3		
FOOD	169.4	175.1	178.0	183.7	187.4	189.3		
HOUSING	119.2	132.3	137.2	144.6	149.8	149.7		
APPAREL & UPKEEP	86.7	88.2	89.9	89.3	93.0	92.2		
TRANSPORTATION	123.4	127.0	125.1	124.2	126.4	126.9		
MEDICAL CARE	200.4	203.9	203.9	214.6	229.2	229.2		
RECREATION	138.9	136.8	136.4	140.1	141.1	141.6		
EDUCATION & COMMUNICATION	117.3	117.7	117.7	117.2	120.5	121.7		
OTHER GOODS & SERVICES	136.2	132.8	128.3	131.2	141.0	144.6		
SPECIAL INDEXES								
ALL ITEMS LESS FOOD	139.0	144.8	146.2	151.8	159.2	159.6		
ENERGY ¹	122.9	137.4	142.1	149.5	153.3	152.9		
ALL ITEMS LESS FOOD AND ENERGY	145.4	147.8	147.7	152.8	161.6	162.3		
COMMODITIES LESS FOOD	115.5	116.5	114.4	115.7	119.7	121.1		
SERVICES	157.8	167.6	171.6	180.8	190.8	190.5		
ALL ITEMS LESS HOSPITAL REL'D SVS	131.6	137.0	138.8	145.0	152.5	153.3		
Purchase Power of Consumer								
Dollar (3rd Qtr. 1996 = 100.00)	.47	.46	.45	.43	.42	.41		
Dollar (4th Qtr. 2007 = 100.00)	.70	.68	.66	.64	.61	.61		

FOOTNOTE: "1" Index items selected by the Guam Energy Office

SOURCE: Cost of Living Section, Business and Economic Statistics Program, Bureau of Statistics and Plans, Government of Guam

TABLE B
CONSUMER PRICE INDEX
(1st Qtr. 2007 = 100.00)

GROUP	Relative Importance	Index	Index	Index	% Change to	
		for 2nd Qtr. CY 2022	for 1st Qtr. CY 2023	for 2nd Qtr. CY 2023	2nd Qtr. 2023 from Previous Quarter	2nd Qtr. 2023 from One Year Earlier
All Items	100.00	147.9	163.6	164.3	0.4%	11.1%
All Items Less Food	84.41	144.8	159.2	159.6	0.3%	10.2%
Energy ¹	24.09	137.4	153.3	152.9	-0.2%	11.3%
All Items Less Food and Energy	60.32	147.8	161.6	162.3	0.5%	9.8%
Commodities Less Food	37.54	116.5	119.7	121.1	1.2%	4.0%
Services	46.86	167.6	190.8	190.5	-0.2%	13.7%
All Items Less Hospital Rel'd Svcs*	90.62	137.0	152.5	153.3	0.5%	11.9%

GROUP	Relative Importance	Index	Index	Index	% Change to	
		for 2nd Qtr. CY 2022	for 1st Qtr. CY 2023	for 2nd Qtr. CY 2023	2nd Qtr. 2023 from Previous Quarter	2nd Qtr. 2023 from One Year Earlier
Food	15.60	175.1	187.4	189.3	1.0%	8.1%
Cereals and Cereal Products	1.37	170.3	203.4	209.5	3.0%	23.0%
Bakery Products	0.47	171.5	184.9	186.1	0.7%	8.5%
Beef	1.57	216.9	206.5	214.6	3.9%	-1.1%
Pork	1.10	152.0	150.0	149.6	-0.3%	-1.6%
Other Meats	0.73	231.1	255.7	253.0	-1.1%	9.5%
Poultry	2.20	165.9	172.5	174.7	1.3%	5.3%
Fish and Seafood	1.19	190.9	196.7	204.6	4.0%	7.2%
Eggs	0.26	214.4	311.9	241.0	-22.7%	12.4%
Dairy Products	0.70	167.9	175.7	175.3	-0.2%	4.4%
Fresh Fruits	0.71	149.1	161.8	162.0	0.1%	8.6%
Fresh Vegetables	1.01	145.8	158.7	161.1	1.5%	10.5%
Juice and Non-Alcoholic Drinks	1.53	149.8	170.7	173.1	1.4%	15.6%
Sugar and Sweets	0.25	179.0	201.8	201.3	-0.3%	12.4%
Fats and Oils	0.13	229.9	278.7	278.7	0.0%	21.2%
Other Foods	1.47	184.0	191.6	198.4	3.5%	7.8%
Meals Away from Home	0.66	166.8	182.2	182.4	0.1%	9.4%
Alcoholic Beverages	0.25	147.7	157.6	155.8	-1.2%	5.5%

FOOTNOTE: "1" Index items selected by the Guam Energy Office

SOURCE: Cost of Living Section, Business and Economic Statistics Program, Bureau of Statistics and Plans, Government of Guam

TABLE B
(continued)

GROUP	Relative Importance	Index for	Index for	Index for	% Change to	
		1st Qtr. CY 2022	1st Qtr. CY 2023	2nd Qtr. CY 2023	2nd Qtr. 2023 from	
					Previous Quarter	One Year Earlier
HOUSING	32.11	132.3	149.8	149.7	0.0%	13.2%
Rent and Lodging	5.13	126.4	133.0	133.2	0.2%	5.4%
Home Fuel	3.22	151.6	143.7	143.2	-0.4%	-5.6%
Electricity	8.09	143.4	194.6	194.4	-0.1%	35.5%
Water, Sewer and Trash	3.37	157.8	167.3	167.3	0.0%	6.0%
Floor Coverings	0.17	140.5	144.0	145.2	0.8%	3.4%
Furniture and Bedding	0.75	60.4	62.3	62.5	0.3%	3.4%
Appliances	0.93	106.3	82.3	77.5	-5.8%	-27.1%
Tools, Hardware, Outdoor Equip	0.91	121.9	148.1	138.8	-6.3%	13.8%
Housekeeping Supplies	7.95	115.0	127.4	133.8	5.0%	16.3%
Housekeeping Operations	1.58	141.9	144.6	121.7	-15.9%	-14.3%

GROUP	Relative Importance	Index for	Index for	Index for	% Change to	
		1st Qtr. CY 2022	1st Qtr. CY 2023	2nd Qtr. CY 2023	2nd Qtr. 2023 from	
					Previous Quarter	One Year Earlier
APPAREL & UPKEEP	7.61	88.2	93.0	92.2	-0.9%	4.5%
Men's Apparel	2.09	103.7	103.9	99.0	-4.7%	-4.5%
Boy's Apparel	0.54	89.2	112.7	108.1	-4.1%	21.2%
Women's Apparel	2.03	95.8	109.4	112.6	3.0%	17.6%
Girl's Apparel	0.33	66.8	73.6	73.6	0.0%	10.1%
Footwear	1.37	42.1	38.5	38.5	-0.1%	-8.6%
Infant's & Toddler's Apparel	0.38	118.9	136.2	138.3	1.6%	16.3%
Jewelry	0.87	100.3	91.2	89.7	-1.6%	-10.6%

SOURCE: Cost of Living Section, Business and Economic Statistics Program, Bureau of Statistics and Plans, Government of Guiz

TABLE B
(continued)

GROUP	Relative Importance	Index	Index	Index	% Change to	
		for 2nd Qtr. CY 2022	for 1st Qtr. CY 2023	for 2nd Qtr. CY 2023	2nd Qtr. 2023 from Previous Quarter	One Year Earlier
TRANSPORTATION	8.6	127.0	126.4	126.9	0.4%	0.0%
New Cars	5.2	122.2	125.0	126.1	0.9%	3.2%
Motor Fuel	1.4	165.9	135.1	131.1	-3.0%	-21.0%
Car Maintenance	1.0	118.5	138.6	143.3	3.4%	21.0%
Car Insurance	1.0	104.9	109.6	109.6	0.0%	4.5%

GROUP	Relative Importance	Index	Index	Index	% Change to	
		for 2nd Qtr. CY 2022	for 1st Qtr. CY 2023	for 2nd Qtr. CY 2023	2nd Qtr. 2023 from Previous Quarter	One Year Earlier
MEDICAL CARE	20.42	203.9	229.2	229.2	0.0%	12.4%
Prescription Drugs	0.67	179.6	183.5	183.5	0.0%	2.2%
Physician Services	2.07	204.2	214.3	214.3	0.0%	4.9%
Other Medical Practitioner C	0.47	158.6	155.7	155.7	0.0%	-1.8%
Hospital and Related Service	17.22	206.1	234.8	234.8	0.0%	13.9%

GROUP	Relative Importance	Index	Index	Index	% Change to	
		for 2nd Qtr. CY 2022	for 1st Qtr. CY 2023	for 2nd Qtr. CY 2023	2nd Qtr. 2023 from Previous Quarter	One Year Earlier
RECREATION	2.97	136.8	141.1	141.6	0.3%	3.5%
Audio and Video	2.63	134.8	137.7	137.7	0.0%	2.1%
Pet and Pet Products	0.19	166.7	205.6	208.7	1.5%	25.2%
Sporting Goods	0.14	131.4	115.7	120.5	4.2%	-8.3%

SOURCE: Cost of Living Section, Business and Economic Statistics Program, Bureau of Statistics and Plans, Government of Guam

TABLE B
(continued)

GROUP	Relative Importance	Index for	Index for	Index for	% Change to	
		2nd Qtr. CY 2022	1st Qtr. CY 2023	2nd Qtr. CY 2023	2nd Qtr. 2023 from Previous Quarter One Year Earlier	
EDUCATION & COMMUNICATION	2.77	117.3	120.5	121.7	1.0%	3.8%
Educational Books & Supplies	0.18	123.4	119.1	114.8	-3.6%	-6.9%
Tuition & Other School Fees	0.38	117.9	119.2	130.3	9.4%	10.6%
Telephone Services	1.48	111.0	117.2	117.2	0.0%	5.5%
Computers	0.34	108.6	105.8	105.8	0.0%	-2.6%
Internet Services	0.39	145.8	148.1	148.1	0.0%	1.6%

GROUP	Relative Importance	Index for	Index for	Index for	% Change to	
		2nd Qtr. CY 2022	1st Qtr. CY 2023	2nd Qtr. CY 2023	2nd Qtr. 2023 from Previous Quarter One Year Earlier	
OTHER GOODS & SERVICES	9.92	136.2	141.0	144.6	2.6%	6.2%
Tobacco Products	1.04	254.2	277.5	275.3	-0.8%	8.3%
Personal Care Products	5.36	106.6	101.7	106.3	4.6%	-0.3%
Personal Care Services	0.66	162.2	189.9	189.9	0.0%	17.1%
Miscellaneous Personal Services	0.16	201.9	199.9	199.9	0.0%	-1.0%
Funeral Expenses	0.93	133.3	164.1	164.1	0.0%	23.1%
Financial Services	0.47	131.6	131.6	131.6	0.0%	0.0%
Other Special Occasions	1.31	146.5	148.7	158.8	6.8%	8.4%

SOURCE: Cost of Living Section, Business and Economic Statistics Program, Bureau of Statistics and Plans, Government of Guam

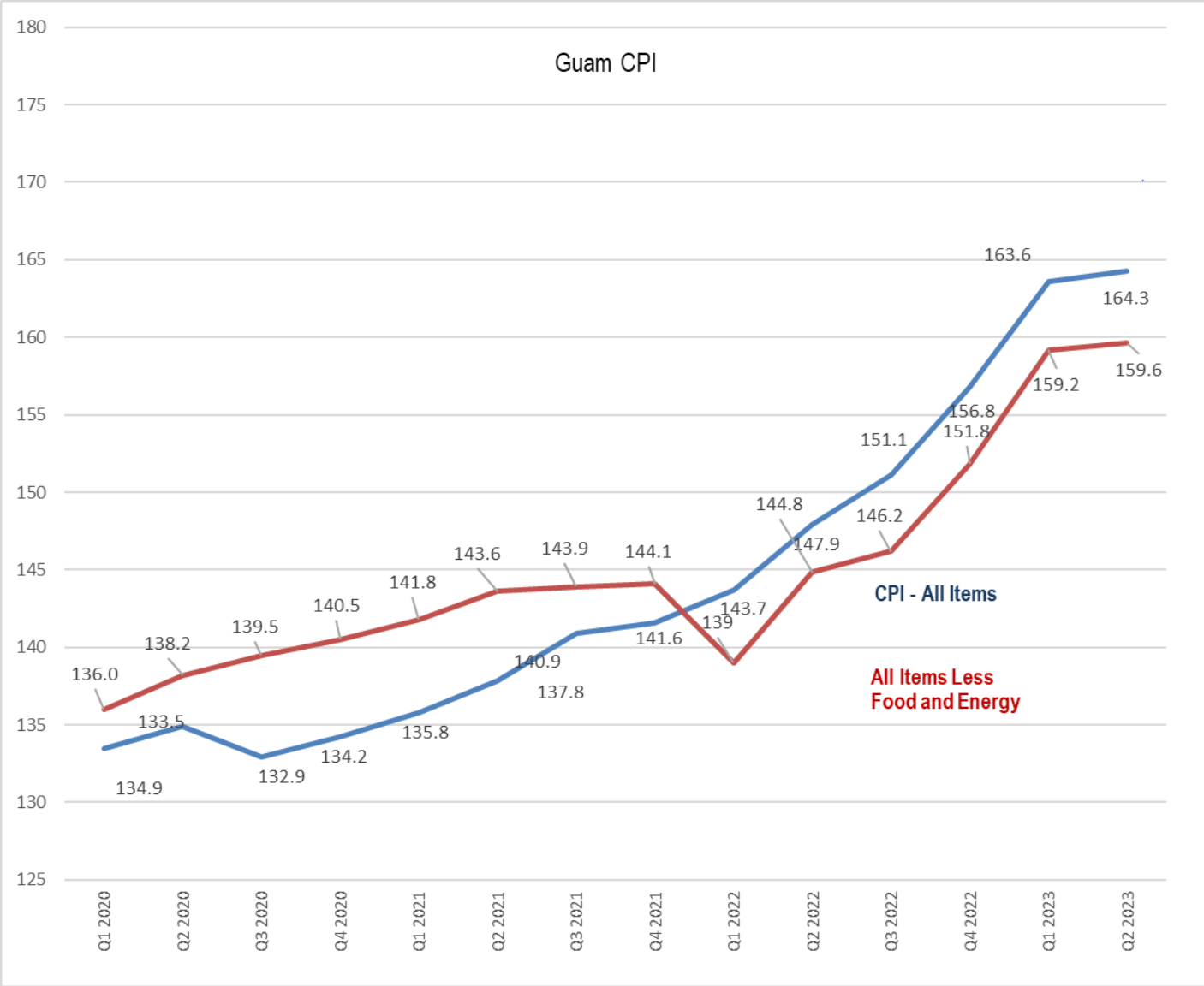
TABLE C
CONSUMER PRICE INDEX (CPI)
(1st Qtr. 2007 = 100.00)

Rebased Indexes², Average Annual Percent Change

Calendar Year	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Annual Average	Average Annual Percent Change
2005	79.3	80.9	81.5	88.1	82.5	7.7%
2006	88.8	91.3	92.4	95.5	92.0	11.6%
2007	97.2	98.1	97.6	100.0	98.2	6.8%
2008	101.1	104.1	106.0	106.1	104.3	6.2%
2009	105.6	105.4	106.9	106.5	106.1	1.7%
2010	107.8	108.9	109.4	110.6	109.2	2.9%
2011	109.8	112.9	113.3	115.0	112.8	3.3%
2012	116.0	116.4	116.6	116.3	116.3	3.2%
2013	116.8	117.0	115.5	115.8	116.3	0.0%
2014	116.4	117.1	117.2	117.9	117.2	0.8%
2015	116.0	116.5	116.4	115.4	116.1	-0.9%
2016	121.3	123.5	123.6	123.6	123.0	6.0%
2017	124.1	126.1	126.4	127.6	126.1	2.5%
2018	127.6	129.3	129.9	130.5	129.3	2.6%
2019	130.1	131.6	131.8	132.9	131.6	1.8%
2020	133.5	134.9	132.9	134.2	133.9	1.7%
2021	135.8	137.8	140.9	141.3	139.0	3.8%
2022	143.7	147.9	151.1	156.8	149.9	7.9%
2023	163.6	164.3			163.9	9.4%

FOOTNOTE: "2" See page (i) Example II, for the discussion on rebasing indexes.

SOURCE: Cost of Living Section, Business and Economic Statistics Program, Bureau of Statistics and Plans, Government of Guam





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