

BROWARD-by-the-NUMBERS

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Inflation, wage rates and housing prices

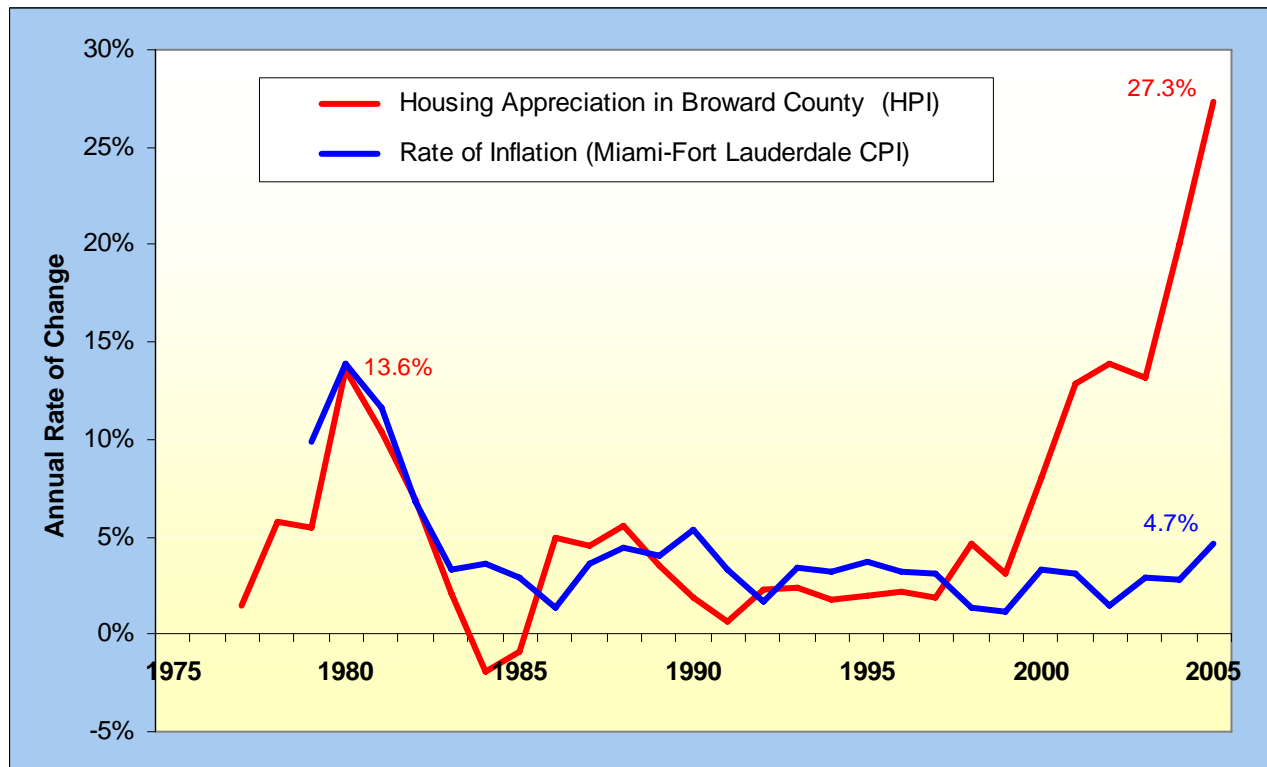
Although income and wage rates in Broward County have risen faster than the Consumer Price Index, they have been outpaced by the increase in housing prices

The Consumer Price Index (CPI) is the most widely used measure of inflation, as experienced by consumers in their day-to-day living expenses. Wage rates are often tied, directly or indirectly, to growth of this index.

In recent years, housing appreciation in Broward County has significantly outpaced inflation. During 2005, the Local CPI (Miami-Fort Lauderdale) increased 4.7 percent, whereas the single family home prices (resale value) increased 27.3 percent in Broward County.

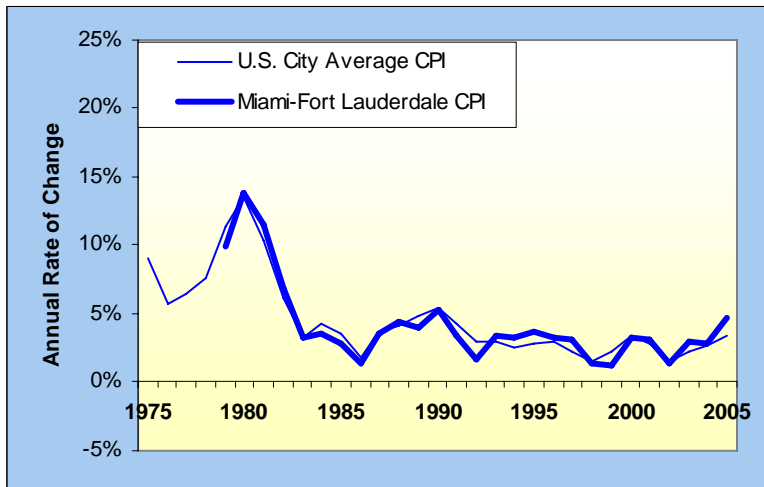
Between 1980 and 2000, the CPI and the Housing Price Index (HPI) tended to adjust together, sometimes with a lag of one or two years. However, since 2000 there has been a rapid increase in the HPI. Income and wage rates have grown at lower rates.

Growth in the Consumer Price and Housing Price Indices



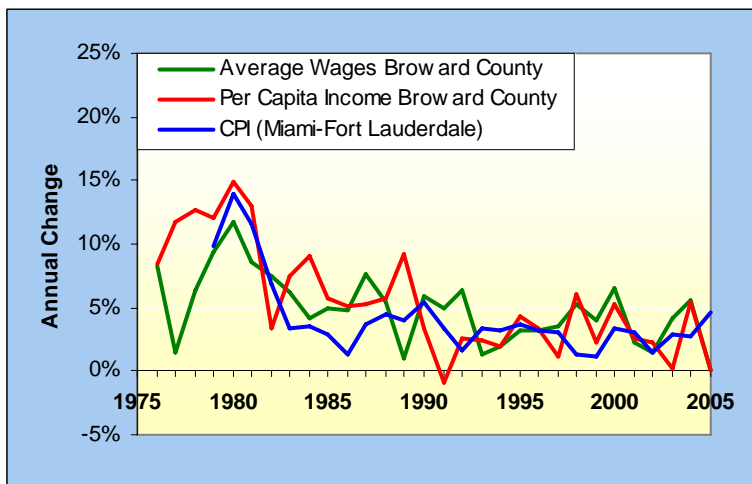
Sources: Bureau of Labor Statistics – CPI All Urban Consumers Annual Average Miami-Fort Lauderdale
Office of Federal Housing Enterprise Oversight – HPI Fort Lauderdale MSA

Historically, the rate of change in the tri-county area CPI has remained close to the national average. However since 2001, the local index has increased slightly more than the national rate.



Source: Bureau of Labor Statistics - CPI

The CPI is used to adjust wage rates for “cost of living” increases, and is often referenced in collective bargaining agreements. In Broward County, between 1979 and 2004 average wages grew by 5.0 percent annually (from \$11,667 to \$37,905). That growth was somewhat higher than the CPI, which grew 4.2 percent during the same 26 year period.



Source: Bureau of Labor Statistics – CPI and Quarterly Census of Employment & Wages (Broward County)

About the data:

What is the CPI?

The Consumer Price Index (CPI) measures the average change in the prices paid for consumer goods and services (including food and beverages, housing, apparel, transportation, medical care, recreation, education and communications, and other goods and services). This index is the most widely used measure of inflation, as experienced by consumers in their day-to-day living expenses. The CPI is also widely used to adjust income payments and make cost-of-living wage adjustments. For example, Social Security payments and eligibility for food stamps are tied to the CPI.

The Miami – Fort Lauderdale CPI includes Broward and Miami-Dade counties.

For more information see the Bureau of Labor Statistics (BLS) website at: <http://www.bls.gov/cpi/cpifaq.htm>

What is the HPI?

The Housing Price Index (HPI) is a broad measure of the movement of single-family house prices (derived from mortgage transactions including refinancing). Because of the breadth of the sample, it provides more information than is available in other house price indexes. The HPI serves as a timely, accurate indicator of house price trends at various geographic levels, including Metropolitan Statistical Areas (MSAs).

For more information see the Office of Federal Housing Enterprise Oversight (OFHEO) website at: <http://www.ofheo.gov/HPIAbout.asp>

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TECHNICAL APPENDIX

Table 1 – Consumer Price Index (CPI) for All Urban Consumers, 1975-2005

Base Period: 1982-84=100

Year	United States City Average		Miami-Fort Lauderdale CMSA*	
	Average CPI	Annual Change	Average CPI	Annual Change
1975	53.8	9.1%	n/a	n/a
1976	56.9	5.8%	n/a	n/a
1977	60.6	6.5%	n/a	n/a
1978	65.2	7.6%	64.8	n/a
1979	72.6	11.3%	71.2	9.9%
1980	82.4	13.5%	81.1	13.9%
1981	90.9	10.3%	90.5	11.6%
1982	96.5	6.2%	96.7	6.9%
1983	99.6	3.2%	99.9	3.3%
1984	103.9	4.3%	103.5	3.6%
1985	107.6	3.6%	106.5	2.9%
1986	109.6	1.9%	107.9	1.3%
1987	113.6	3.6%	111.8	3.6%
1988	118.3	4.1%	116.8	4.5%
1989	124.0	4.8%	121.5	4.0%
1990	130.7	5.4%	128	5.3%
1991	136.2	4.2%	132.3	3.4%
1992	140.3	3.0%	134.5	1.7%
1993	144.5	3.0%	139.1	3.4%
1994	148.2	2.6%	143.6	3.2%
1995	152.4	2.8%	148.9	3.7%
1996	156.9	3.0%	153.7	3.2%
1997	160.5	2.3%	158.4	3.1%
1998	163.0	1.6%	160.5	1.3%
1999	166.6	2.2%	162.4	1.2%
2000	172.2	3.4%	167.8	3.3%
2001	177.1	2.8%	173	3.1%
2002	179.9	1.6%	175.5	1.4%
2003	184.0	2.3%	180.6	2.9%
2004	188.9	2.7%	185.6	2.8%
2005	195.3	3.4%	194.3	4.7%

* Includes Broward and Miami-Dade counties.

Source: Bureau of Labor Statistics

Table 2 – Housing Price Index for Broward County, 1976-2005

Year	Average HPI	Annual change
1976	50.70	n/a
1977	51.46	1.5%
1978	54.45	5.8%
1979	57.42	5.5%
1980	65.22	13.6%
1981	71.98	10.4%
1982	76.98	7.0%
1983	78.58	2.1%
1984	77.11	-1.9%
1985	76.45	-0.9%
1986	80.21	4.9%
1987	83.82	4.5%
1988	88.52	5.6%
1989	91.67	3.6%
1990	93.37	1.9%
1991	93.97	0.6%
1992	96.08	2.2%
1993	98.37	2.4%
1994	100.08	1.7%
1995	102.08	2.0%
1996	104.37	2.2%
1997	106.33	1.9%
1998	111.32	4.7%
1999	114.75	3.1%
2000	123.96	8.0%
2001	139.87	12.8%
2002	159.25	13.9%
2003	180.14	13.1%
2004	216.20	20.0%
2005	275.31	27.3%

Source: Office of Federal Housing Enterprise Oversight (OFHEO)

Table 3 – Average Wages and Income in Broward County, 1975-2004

Year	Average Annual Wages *	Per Capita Personal Income (PCI)	Annual Change in Wages	Annual Change in PCI
1975	\$9,126	\$6,906	n/a	n/a
1976	\$9,877	\$7,489	8.2%	8.4%
1977	\$10,027	\$8,366	1.5%	11.7%
1978	\$10,664	\$9,429	6.4%	12.7%
1979	\$11,667	\$10,572	9.4%	12.1%
1980	\$13,038	\$12,143	11.7%	14.9%
1981	\$14,150	\$13,717	8.5%	13.0%
1982	\$15,213	\$14,174	7.5%	3.3%
1983	\$16,162	\$15,231	6.2%	7.5%
1984	\$16,832	\$16,606	4.1%	9.0%
1985	\$17,675	\$17,546	5.0%	5.7%
1986	\$18,510	\$18,453	4.7%	5.2%
1987	\$19,913	\$19,434	7.6%	5.3%
1988	\$20,983	\$20,538	5.4%	5.7%
1989	\$21,199	\$22,432	1.0%	9.2%
1990	\$22,436	\$23,203	5.8%	3.4%
1991	\$23,543	\$22,993	4.9%	-0.9%
1992	\$25,029	\$23,571	6.3%	2.5%
1993	\$25,365	\$24,153	1.3%	2.5%
1994	\$25,853	\$24,618	1.9%	1.9%
1995	\$26,691	\$25,689	3.2%	4.4%
1996	\$27,546	\$26,564	3.2%	3.4%
1997	\$28,502	\$26,888	3.5%	1.2%
1998	\$30,006	\$28,506	5.3%	6.0%
1999	\$31,208	\$29,158	4.0%	2.3%
2000	\$33,234	\$30,709	6.5%	5.3%
2001	\$33,966	\$31,496	2.2%	2.6%
2002	\$34,475	\$32,189	1.5%	2.2%
2003	\$35,911	\$32,280	4.2%	0.3%
2004	\$37,905	\$34,008	5.6%	5.4%
2005	n/a	n/a	n/a	n/a

* Public and private sector employment

Source: (1) Bureau of Labor Statistics Quarterly Census of Employment and Wages
(2) Bureau of Economic Analysis – Per Capita Personal Income