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**'12 DAYS OF CHRISTMAS' GIFTS RISE ONLY 0.7 PERCENT IN PRICE;
IN-STORE SHOPPERS GET THE BIGGEST BARGAINS**

- PNC marks 33rd year of putting price tag on holiday classic
- Slight rise reflects government CPI, slow U.S. economic growth
- Consumers urged to take advantage of bargains
- The convenience of online shopping comes at a cost

PITTSBURGH, Dec. 1, 2016 – If you want to buy that special someone the gifts included in the holiday classic “The 12 Days of Christmas,” they will only cost 0.7 percent more than last year, according to the 33rd annual economic analysis by The PNC Financial Services Group. The small price rise in the [PNC Christmas Price Index](#)[®] reflects slow economic growth, and wage inflation caused an increase in some holiday entertainment options.

PNC’s whimsical economic analysis calculated the price tag for the Christmas Price Index at \$34,363.49, just \$232.50 or 0.7 percent more than last year’s cost and less than the government’s Consumer Price Index, which has increased 1.6 percent over the past 12 months.

Thomas P. Melcher, chief investment officer for PNC Asset Management Group, noted that consumers should consider shopping early to take advantage of this year’s bargains before a potential Federal Reserve rate increase, which will likely raise consumer borrowing costs.

“The economy continues to expand, and it is likely the Federal Reserve will raise interest rates this month or early next year,” Melcher said. “Consumers appear to be cautiously optimistic spenders this year, and we’re anticipating a slight improvement in the holiday retail season.”

Brick-and-Mortar Bargains

The PNC CPI also calculates the cost of shopping for the 12 gifts online. As internet prices tend to be higher, convenience comes at a cost this year. Those who prefer shopping online will have to spend \$44,602 for the gifts, \$10,239 more than buying them at a store.

Gift Cost Changes

The cost of each item was revealed this morning on PNC’s interactive website (pnc.co/ChristmasPriceIndex), which teaches consumers about the index and features a historical comparison of index data. Of the 12 items measured by the index, eight remained the same price as last year. Highlights include:

- **Pipers Piping:** Wage inflation will make some entertainment options more costly this year, including pipers piping. The cost for 11 pipers piping increased for the first time since 2013, rising 2.8 percent from \$2,635 to \$2,708.

- **Drummers Drumming:** The price for 12 drummers drumming also rose 2.8 percent to \$2,934 due to increased pay. For bargain entertainment, the prices for nine ladies dancing (\$7,552) and 10 Lords-a-leaping (\$5,508) held steady this year.
- **Turtle Doves:** The cost of two turtle doves soared 29 percent to \$375 this year due to a shortage of birds. A turtle dove only lays two to three clutches a year, with only two eggs per clutch, making these lovebirds a hard gift to find.
- **A Partridge in a Pear Tree:** The real bargain this year is the partridge, which fell 20 percent in price to \$20 due to an increase in supply. Combined with the pear tree, the price for this gift fell 2.3 percent this year to \$210.
- **Gold Rings:** Despite a rise in gold commodity prices this year, the cost of five gold rings stayed surprisingly the same at \$750. The rings appear less volatile as the underlying commodity, having held steady for four consecutive years.

The PNC index's sources include retailers, hatcheries, the Philadelphia-based PHILADANCO and the Pennsylvania Ballet Company.

To mirror the government's core CPI, which excludes energy and food prices, PNC removes the Swans – typically the most volatile item in the index – from its total index. With the Swans excluded, the core PNC CPI rose 1.1 percent, similar to the 2.1 percent increase in the government's core CPI, which is also rising faster than the overall index.

Historical Reflection

A PNC predecessor bank in Philadelphia began estimating the cost of the 12 Christmas gifts in 1984 as a holiday client letter. This year's price is 82 percent higher than the inaugural report 33 years ago.

As part of its annual tradition, PNC also tabulates the "True Cost of Christmas," which is the total cost of items bestowed by a "true love" who repeats all the song's verses. Purchasing all 364 gifts will require \$156,507, up more than \$1,000 from last year and more than \$56,000 from 1984.

Opportunity to Educate with Holiday Fun

The PNC CPI website pnc.co/ChristmasPriceIndex also includes interactive educational tools for students and teachers who want to learn about the stock market, as well as a downloadable coloring book for kids of all ages. Each year, educators across the country use the PNC CPI to teach middle and high school students about inflation and economic trends.

Teachers who visit the site will have access to a lesson plan from the Securities Industry and Financial Markets Association (SIFMA) (www.sifma.org/foundation) that explains the PNC CPI, its significance and how to interpret its results. The activities in the lesson plan also help students make predictions about this year's cost of Christmas. The SIFMA Foundation is dedicated to providing youth of all backgrounds with an understanding of the capital markets. Its most popular program is The Stock Market Game™.

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2016 PNC Christmas Price Index®

Based on the song "The Twelve Days of Christmas"

	TRADITIONAL			INTERNET		
	2015	2016	% Change 2016/15	2015	2016	% Change 2016/15
One Partridge in a Pear Tree	\$ 214.99	\$ 209.99	-2.3%	\$ 234.94	\$ 244.94	4.3%
Partridge	\$ 25.00	\$ 20.00	-20.0%	\$ 85.00	\$ 95.00	11.8%
Pear Tree	\$ 189.99	\$ 189.99	0.0%	\$ 149.94	\$ 149.94	0.0%
Two Turtle Doves	\$ 290.00	\$ 375.00	29.3%	\$ 365.00	\$ 450.00	23.3%
Three French Hen	\$ 181.50	\$ 181.50	0.0%	\$ 281.50	\$ 281.50	0.0%
Four Calling Birds	\$ 599.96	\$ 599.96	0.0%	\$ 495.00	\$ 370.00	-25.3%
Five Gold Rings	\$ 750.00	\$ 750.00	0.0%	\$ 874.75	\$ 899.75	2.9%
Six Geese-a-Laying	\$ 360.00	\$ 360.00	0.0%	\$ 1,140.00	\$ 1,350.00	18.4%
Seven Swans-a-Swimming	\$ 13,125.00	\$ 13,125.00	0.0%	\$ 14,367.00	\$ 15,125.00	5.3%
Eight Maids-a-Milking	\$ 58.00	\$ 58.00	0.0%	\$ 352.64	\$ 365.44	3.6%
Nine Ladies Dancing	\$ 7,552.84	\$ 7,552.84	0.0%	\$ 8,322.55	\$ 8,322.55	0.0%
10 Lords-a-Leaping	\$ 5,508.70	\$ 5,508.70	0.0%	\$ 13,373.35	\$ 13,373.35	0.0%
11 Pipers Piping	\$ 2,635.20	\$ 2,708.40	2.8%	\$ 2,200.00	\$ 2,200.00	0.0%
12 Drummers Drumming	\$ 2,854.80	\$ 2,934.10	2.8%	\$ 1,620.00	\$ 1,620.00	0.0%
Total Christmas Price Index	\$ 34,130.99	\$ 34,363.49	0.7%	\$ 43,626.73	\$ 44,602.53	2.2%
True cost of Christmas in song	\$ 155,407.18	\$ 156,507.88	0.7%	\$ 196,477.73	\$ 202,689.73	3.2%
"Core" index, excluding swans	\$ 21,005.99	\$ 21,238.49	1.1%	\$ 29,259.73	\$ 29,477.53	0.7%