

The May Review

Consumer prices and their measurement are two of the oldest issues addressed by the work of the Bureau of Labor Statistics (BLS). In this issue, Todd Wilson issues the official summary of price developments during 2005. While the overall rate of increase in the Consumer Price Index for All Urban Consumers was not much changed at 3.4 percent, there were significantly larger changes in the indexes for household fuels, telephone services, and airline fares. These were offset by smaller increases in prices for such expenses as motor vehicles, motor vehicle insurance, and motor fuels.

At the end of 1996, the Advisory Commission to Study the Consumer Price Index released its report on the issues facing the BLS measures of consumer price change. David S. Johnson, Stephan B. Reed, and Kenneth J. Stewart catalog the Bureau's response to the "Boskin Report," as it came to be known after the Advisory Commission's Chairman, Michael Boskin. Since the report, BLS has implemented changes ranging from new, geometric-mean formulas for many item strata to alternative aggregations to serve specific user needs.

One such experimental consumer price index is the version introduced by Walter Lane and Mary Lynn Schmidt using methods implemented in the European Union's Harmonized Index of Consumer Prices. This measure makes international comparisons of price movements and price-adjusted product measures more comparable.

Kirk Mueller discusses the assumptions underlying the net business birth-death model used in the payroll survey measures of employment. The article also explains why the model is cyclically sensitive and compares it with the bias adjustment model it replaces.

Michael R. Pergamit and Parvati Krishnamurthy use the National Longitudinal Survey to estimate the rates at which workers are injured on the job over

a period of 8 years. As one might expect, that rate is considerably higher than the single year rates that are the focus of other injury data.

Work and families

The percentage of married-couple families with an employed family member was 83.8 percent in 2005, up from 83.5 percent in 2004. The proportion of married-couple families in which only the husband worked (20.2 percent) edged down in 2005, as did the proportion of married-couple families in which only the wife worked (6.5 percent). The proportion made up of dual-worker couples (both husband and wife employed) rose to 51.3 percent.

In 2005, 5.3 million families had at least one member who was unemployed, down from 5.6 million in 2004. The proportion of black families with an unemployed member (12.7 percent) continued to be about twice that for white families (6.1 percent) and Asian families (6.2 percent). Among Hispanic families, 9.0 percent had an unemployed member in 2005. To learn more, see "Employment Characteristics of Families in 2005," USDL news release 06-731.

Factory productivity

Labor productivity—defined as output per hour—rose in 2004 in each of the four largest manufacturing industries, those with more than 500,000 employees. The largest, motor vehicle parts manufacturing, recorded a productivity gain of 1.1 percent. The next largest industry, printing and related support activities, had a 2.5-percent increase in output per hour. The two other industries, plastics product manufacturing and animal slaughtering and processing, recorded hourly productivity increases of 0.9 percent and 2.0 percent, respectively. Among these four largest industries, two increased output slightly and all four industries posted slight to moderate declines in hours. Additional information is

available from "Productivity and Costs by Industry: Manufacturing, 2004," news release USDL 06-774.

2005 Klein Awards

The Trustees of the Lawrence R. Klein Award announced the winners of the 2005 awards.

The award for best *Review* article by a BLS author went to "Real compensation, 1979 to 2003: analysis from several data sources," (May) by Joseph R. Meisenheimer II.

Among outside authors, Judith Bannister was recognized for her two-part series on China, "Manufacturing employment in China" (July) and "Manufacturing earnings and compensation in China" (August).

The trustees also selected an article with both an inside author and outside authors: "Economic inequality through the prisms of income and consumption," by David S. Johnson of the Office of Prices and Living Conditions (at the time of publication), Timothy M. Smeeding of Syracuse University, and Barbara Boyle Torrey of the Population Reference Bureau (April).

The Klein Awards were established by *Monthly Labor Review* Editor-in-Chief, Lawrence R. Klein, upon his retirement from the Bureau of Labor Statistics in 1968. Instead of accepting a retirement gift, Klein donated it and matched the amount collected to initiate the award. The purpose of the award is to encourage *Review* articles that exhibit originality of ideas or method of analysis, adhere to principles of scientific inquiry, and are well written. Each winning article carries a cash prize. □

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