

The July Review

Prices and their measurement are the central focus of this latest issue of the *Monthly Labor Review*.

Quite often in the July issue, we publish a retrospective look at changes in the prices of goods and materials as measured by the BLS Producer Price Index. Joseph Kowal, Antonio Lombardozzi, Scott Sager, and William Snyders assess the trends in producer prices for calendar year 2007 and find inflation was notably on the rise. Prices for finished goods rose sharply—more than 6 percent—after having grown by only about 1 percent in 2006. The index for intermediate materials, which reflects the prices of goods produced at an earlier stage of processing, increased by about 7 percent in 2007, more than double the previous year's rate. The prices for crude materials rose steeply—nearly 20 percent—after having fallen slightly less than 5 percent in 2006.

Much of these noticeable upturns were due to higher prices for energy and foods. Prices for refined petroleum products, and especially for crude petroleum, moved up more than they had the year before, and, at each stage of processing, overall energy goods and materials accelerated well into the double digits. Similarly, prices for foods at each level of processing were up much more than in 2006.

How the prices for new vehicles are measured across the Bureau's various price measurement programs is the subject of a comparative study by five BLS economists. There are few industries in the world that receive as much attention as auto manufacturing and sales, especially as vehicle production and consumer purchasing continue to

become ever more global. This article is designed to elucidate the differences among the Consumer, Producer, and International Price Programs in methods of index calculation and how such differences might explain differentials in price trends for new vehicles.

For those analysts with particular interests in price index construction, Brendan Williams provides a look into the development of a hedonic model for making quality adjustments to a very visible service industry, namely, access to Internet services. The practice of making hedonic-based price adjustments to remove the effects of quality changes in goods and services that enter into the calculation of the Consumer Price Index has been in effect for some time now, but thus far has focused mainly on such items as consumer electronics, appliances, housing, and apparel. Williams explores some alternative pathways to hedonic adjustments for Internet access services and recommends that a hedonically adjusted index be considered.

Redesigned BLS Web site

The Bureau first began publishing reports—with good old ink and paper—in the 1880s. Over time, BLS has worked hard to keep abreast of the latest styles and modes of communication. Since widespread public use of the Internet began in the 1990s, BLS, like other private- and public-sector organizations, has had to adapt quickly to utilize the Net's vast potential. For an agency in the information collection and dissemination business, developing and maintaining an informative and user-friendly World Wide Web site has been an ongoing priority. The

Bureau first launched a Web site in 1995, with a few dozen pages, and issued a major redesign in 2001.

In July 2008, after more than 2 years of significant testing and sifting of alternative designs, BLS launched its latest sweeping redesign of its Web site (found at www.bls.gov). Primary features of the newly redesigned site include improved BLS and program office home pages, each with new user-tested navigation paths to make browsing as convenient as possible; fresh content on the Bureau home page each working day; an upgraded search engine; new tailored resources for different visitors (such as the news media, students, investors, and so on); a new "Guide to Geographic Data," intended to help data users to quickly determine what types of data are available from BLS at every level of geographic detail; a more comprehensive calendar of release dates for BLS news releases; an expanded index; an enhanced section on careers at BLS; and our initial foray into audio files, the first accompanying a new *Spotlight on Statistics* feature focusing on older workers.

BLS has developed multiple tutorials to guide Web site users through the new features, including the use of video, audio, and text. (To access these multimedia tools, simply go to the "tutorials" tab in the upper right section of the BLS home page.) For those of you who may have had different sections of our previous site bookmarked, relax: the vast majority of Web addresses are unchanged. We hope that all of our visitors will find the new design helpful. It will be interesting to see what changes might be made to the site in future years, as customer needs and expectations, as well as technology, continue to evolve. □