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CONSUMER PRICE INDEX DETROIT-ANN ARBOR-FLINT, MI JUNE 2009

The Detroit-Ann Arbor-Flint, MI Consumer Price Index for All Urban Consumers (CPI-U) increased 1.1 percent from April to June, the U.S. Department of Labor's Bureau of Labor Statistics reported today. This is the same as the 1.1 percent increase in the pervious April-June period. Over the past 12 months, retail prices in the Detroit area were down 1.5 percent. This marked a change from the previous 12-month period when prices rose 3.0 percent. The June 2009 CPI-U for Detroit was 204.537 (1982-84=100).

Jay A. Mousa, regional commissioner for the Bureau in Chicago, stated that an increase in gasoline prices was the largest contributing factor in the latest bimonthly gain in the Detroit area all items CPI-U. Increases in the components for housing and other goods and services also contributed to the bimonthly gain. Partially offsetting these increases were declines in the categories of food, apparel, and medical care. The recreation and education and communication components were little changed from April to June.

The <u>transportation</u> component increased 7.1 percent as gasoline prices rose 37.0 percent from April to June. This most recent increase followed a sharp decline in gasoline prices from July 2008 to February 2009 (-52.8 percent). Compared with last June, gasoline prices in the Detroit area were down 30.6 percent. For the 12-month period ended in June

Table A. Percent Changes in the CPI-II. Detroit-Ann Arbor-Flint, MI (not seasonally adjusted)

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Expenditure		2	2008			12 mo. ended					
Category	June	Aug.	Oct.	Dec.	Feb.	Apr.	June	June '09			
All items	1.1	0.9	-2.0	-3.5	2.0	.2	1.1	-1.5			
Food & beverages	.8	1.0	1.5	2	.6	.1	5	2.4			
Housing	.3	1	1	-2.0	1.3	6	.5	-1.1			
Apparel	-5.4	14.2	-7.8	-7.9	6.8	2.9	-7.0	9			
Transportation	6.2	4	-9.2	-13.1	6.3	.7	7.1	-9.7			
Medical care	3	.1	.2	.1	.9	.0	6	.7			
Recreation	-1.9	5.8	-3.2	.3	.0	.3	.0	3.0			
Education and communication	.4	1.3	1.0	1	.1	.0	1	2.2			
Other goods & services	2	5	.2	.4	1	6.3	1.0	7.5			

2009, transportation costs in general were down 9.7 percent. During the previous 12-month period, transportation prices rose 11.0 percent.

The <u>housing</u> component in the Detroit area rose 0.5 percent from April-June. This increase was almost entirely due to rising prices for fuels and utilities. From April to June, costs for utility (piped) gas service rose 5.0 percent while electricity costs increased 4.3 percent. Conversely, the heavily-weighted shelter index was almost unchanged, edging down 0.1 percent. Prices for household furnishings and operations were down 0.3 percent from April to June. Over the year, the housing component fell 1.1 percent with shelter costs declining 1.5 percent and costs for utility (piped) gas service dropping 14.1 percent. In the previous 12-month period (June 2007-08), the housing component in the Detroit area rose 1.5 percent.

The <u>other goods and services</u> component rose 1.0 percent from April to June and over the past 12 months was 7.5 percent higher. During the prior annual period, the component rose 0.2 percent.

<u>Recreation</u> costs in the Detroit area were unchanged from April to June. For the year, recreation costs were up 3.0 percent. The <u>education and communication</u> component was little changed over the month, but was 2.2 percent higher than in June 2008.

Prices for <u>food and beverages</u> fell 0.5 percent from April to June. The food at home index (grocery food items) fell 1.3 percent while the food away from home index (restaurant meals and vending machine purchases, for example) edged down 0.1 percent. The cost of alcoholic beverages rose 2.5 from April to June. Over the year, the food and beverages component gained 2.4 percent, with grocery costs increasing 1.3 percent and prices for food away from home rising 3.7 percent.

The <u>medical care</u> component declined 0.6 percent during this bimonthly period and was 0.7 percent higher than a year ago. During the previous 12-month period, medical care costs in the area fell 0.7 percent.

The <u>apparel</u> component declined 7.0 percent during the bimonthly period, reflecting end-of-season sales on spring and summer merchandise. This latest decline was greater than the 5.4 percent bimonthly drop reported for the same time period in 2008. On an annual basis, the apparel component was down 0.9 percent.

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Scheduled release date for the July 2009 CPI: Friday, August 14, 2009

BRIEF EXPLANATION OF THE CPI

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 87 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as

professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Prices are collected in 87 urban areas across the country from about 50,000 housing units and approximately 23,000 retail establishments—department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index. Prices of food, fuels, and a few other items are obtained every month in all 87 locations. Prices of most other commodities and services are collected every month in the three largest geographic areas and every other month in other areas. Prices of most goods and services are obtained by personal visits of the Bureau's trained representatives.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Separate indexes are also published by size of city, by region of the country, for cross-classifications of regions and population-size classes, and for 27 local areas. Area indexes do not measure differences in the level of prices among cities; they only measure the average change in prices for each area since the base period.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65.

For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/homch17_a.htm.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods

Detroit-Ann Arbor-Flint, MI (1982-84=100 unless otherwise noted)

		Indexes		Percent change from—		
Item and Group	Apr. 2009	May 2009	June 2009	June 2008	Apr. 2009	May 2009
Expenditure category						
All items	202.373	-	204.537	-1.5	1.1	-
All items (1967=100)	601.538	-	607.969	-	-	-
Food and beverages	199.699	-	198.626	2.4	5	-
Food	199.887	-	198.347	2.3	8	-
Food at home	196.006	193.975	193.515	1.3	-1.3	-0.2
Food away from home	205.850 191.080	-	205.612 195.902	3.7 3.7	1 2.5	-
Housing	190.811	_	191.716	-1.1	.5	_
HousingShelter	213.225	212.057	213.018	-1.1 -1.5	.5 1	.5
Rent of primary residence ¹	207.968	207.595	207.895	1.4	.0	.1
Owners' equivalent rent of primary residence 1 2	214.512	213.752	214.658	7	.1	.4
Fuels and utilities	220.344	-	229.744	-1.5	4.3	-
Household energy	184.350	185.645	192.394	-2.8	4.4	3.6
Gas (piped) and electricity 1	186.670	188.410	195.298	-2.0	4.6	3.7
Electricity 1	171.435	171.242	178.880	11.2	4.3	4.5
Utility (piped) gas service ¹ Household furnishings and operations	197.049 123.661	201.363	206.819 123.330	-14.1 2.2	5.0 3	2.7
Apparel	112.718	-	104.794	9	-7.0	-
Transportation	196.613	-	210.662	-9.7	7.1	-
Private transportation	194.636	-	208.919	-9.9	7.1	-
Motor fuel	177.107	204.089	241.402	-31.2	36.3	18.3
Gasoline (all types)	176.905	204.788	242.329	-30.6	37.0	18.3
Gasoline, unleaded regular ³	180.181	209.013	248.156	-31.3	37.7	18.7
Gasoline, unleaded midgrade 3 4	201.407	233.419	272.561	-28.2	35.3	16.8
Gasoline, unleaded premium ³	173.722	198.195	232.438	-28.3	33.8	17.3
Medical care	355.106	-	352.981	.7	6	-
Recreation ⁵	118.355	-	118.414	3.0	.0	-
Education and communication ⁵	132.683	-	132.488	2.2	1	-
Other goods and services	373.329	-	377.180	7.5	1.0	-
Commodity and service group						
All items	202.373	-	204.537	-1.5	1.1	-
Commodities	159.841	-	164.549	-4.7	2.9	-
Commodities less food and beverages	138.717	-	146.212	-8.9	5.4	-
Nondurables less food and beverages	162.474	-	175.849	-12.5	8.2	-
Durables Services	110.804 247.007	-	111.630 246.585	-1.9 .9	.7 2	-
Special aggregate indexes						
All items less medical care	196.317	-	198.602	-1.6	1.2	-
All items less shelter	200.980	-	204.156	-1.5	1.6	-
Commodities less food	140.791	-	148.205	-8.4	5.3	-
Nondurables	180.990	-	187.456	-5.4	3.6	-
Nondurables less food	164.348	-	177.181	-11.5	7.8	-
Services less rent of shelter ²	294.221	-	293.505	3.4	2	-
Services less medical care services	238.921	195.212	238.478	.9 -20.2	2 19.1	10.9
Energy	181.776 207.156	190.414	216.430 205.770	1.3	7	10.9
All items less food and energy	209.226	-	207.869	1.3	6	-
	200.220		207.000		.5	

¹ This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

2 Index is on a December 1982=100 base.

3 Special index based on a substantially smaller sample.

4 Indexes on a December 1993=100 base.

NOTE: Index applies to a month as a whole, not to any specific date.

⁵ Indexes on a December 1997=100 base.

Data not available.