



**Consumer Price Index  
Detroit-Ann Arbor-Flint, MI CMSA  
August 2008**

The Detroit-Ann Arbor-Flint, MI Consumer Price Index for All Urban Consumers (CPI-U) increased 0.9 percent from June to August, the U.S. Department of Labor's Bureau of Labor Statistics reported today. Over the past 12 months, retail price inflation in the Detroit area, as measured by the all items CPI-U was 4.9 percent. This was a much larger gain than the 0.5 percent increase reported over the previous 12-month period ending in August 2007. The August 2008 CPI-U for Detroit was 209.484 (1982-84=100).

Regional Commissioner Jay A. Mousa noted that increases in the components for apparel and recreation were responsible for most of the 0.9 percent increase in the Detroit area all items CPI-U. The components for food and beverages and education and communications also rose, but with lesser impact. Partially offsetting these gains were declines in the components for transportation and other goods and services. Housing and medical care costs were little changed during this bimonthly period.

The apparel component advanced 14.2 percent from June to August as price tags for men's and women's clothing and jewelry all were higher. This latest bimonthly gain contrasts with a decline of 6.6 percent during the same period last year but was close to the 14.6 percent gain in the June-August period in 2006.

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

Expenditure Category	Changes from 2 months ago							12 mo. ended Aug. '08
	2007			2008				
	Aug.	Oct.	Dec.	Feb.	Apr.	June	Aug.	
All items	-0.9	1.1	-0.8	1.1	1.4	1.1	0.9	4.9
Food & beverages	-1.1	1.2	.1	.1	.7	.8	1.0	4.1
Housing	-.4	.3	-2.0	2.1	1.1	.3	-.1	1.8
Apparel	-6.6	4.0	-1.0	7.2	.4	-5.4	14.2	19.7
Transportation	-2.4	1.1	.5	.3	4.9	6.2	-.4	13.1
Medical care	-.1	.5	.1	-1.1	.2	-.3	.1	-.5
Recreation	1.8	2.8	-1.9	.1	-1.2	-1.9	5.8	3.5
Education and communication	.1	2.8	-.1	-.8	-.2	.4	1.3	3.6
Other goods & services	-.5	.6	1.0	-.5	-.2	-.2	-.5	.2

Recreation costs rose 5.8 percent during the bimonthly period partially due to higher charges for cable and satellite television services. This is the largest June-August increase since 2002 when recreation costs rose at the same rate. For the year, recreation costs were up 3.5 percent after declining 4.1 percent in the previous August-August period.

The food and beverages component gained 1.0 percent from June to August with the price of food at home (grocery food items) gaining 1.3 percent and the cost of dining out (food away from home) rising 0.6 percent. For the year, grocery food items cost 5.7 percent more and dining out was 2.6 percent more expensive. For the 12 months, the food and beverages component was 4.1 percent higher. In the previous seven August-August periods food and beverages prices rose at an annual average rate of 1.9 percent with no one-year increase exceeding 2.8 percent. The price of alcoholic beverage rose 0.9 percent from June to August and stood 1.4 percent higher for the year.

The education and communication component gained 1.3 percent over the 2-months and was 3.6 percent higher for the year. This latest annual increase compares with a larger gain of 4.2 percent from August 2006-07.

The medical care component was little changed, up 0.1 percent for the 2-months. For the year, medical care costs were down 0.5 percent.

The cost of transportation declined 0.4 percent in Detroit during the bimonthly period, a smaller decline than the 2.4 percent bimonthly slide in this period a year ago. Gasoline prices dropped 6.0 percent from June to August; still prices at the gasoline pumps are up 26.5 percent thus far in 2008 and 30.1 percent ahead of their year ago level. In the August 2006-07 period, pump prices declined 0.7 percent. Overall transportation costs were 13.1 percent higher for the year.

The housing component was nearly unchanged, declining 0.1 percent. A 0.9 percent decline in the shelter index was almost entirely offset by increases in the household energy index (3.4 percent) and the household furnishings and operations index (1.2 percent). Within the household energy category, the electricity index rose 2.2 percent and the index for utility (piped) gas service rose 5.0 percent. The overall housing component was 1.8 percent higher for the year. Shelter costs declined 0.3 percent and the household energy index rose 14.4 percent over the year. The utility (piped) gas service index increased 23.4 percent and the index for electricity rose 5.7 percent from their year ago August levels.

The other goods and services component declined 0.5 percent from June to August and was 0.2 percent higher for the year. This latest August-August gain compares with an annual average gain of 2.6 percent over the previous three years.

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Scheduled release date for the September 2008 CPI:  
Thursday, October 16, 2008

## CPI HOTLINE SERVICE PROVIDES LATEST INDEXES 24 HOURS A DAY

The all items CPI-U and CPI-W for the U.S. City Average and for the Detroit area are available to the public 24 hours a day, 7 days a week through the Bureau's CPI Hotline service. This recorded message also provides percent changes from the prior period and from a year earlier, as well as the scheduled release date for the next CPI issuance. The Hotline number in Detroit is (313) 226-7558.

### 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](http://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](http://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)

Item and Group	Indexes			Percent change from—		
	June 2008	July 2008	Aug. 2008	Aug. 2007	June 2008	July 2008
<b>Expenditure category</b>						
All items .....	207.593	-	209.484	4.9	0.9	-
All items (1967=100) .....	617.054	-	622.673	-	-	-
Food and beverages .....	193.940	-	195.868	4.1	1.0	-
Food .....	193.850	-	195.787	4.3	1.0	-
Food at home .....	191.077	192.145	193.518	5.7	1.3	0.7
Food away from home .....	198.272	-	199.523	2.6	.6	-
Alcoholic beverages .....	188.986	-	190.732	1.4	.9	-
Housing .....	193.789	-	193.596	1.8	-.1	-
Shelter .....	216.245	215.055	214.257	-.3	-.9	-.4
Rent of primary residence <sup>1</sup> .....	204.935	204.201	203.302	-1.3	-.8	-.4
Owners' equivalent rent of primary residence <sup>1 2</sup> .....	216.098	215.820	215.177	.5	-.4	-.3
Fuels and utilities .....	233.308	-	240.632	12.9	3.1	-
Household energy .....	197.989	203.002	204.715	14.4	3.4	.8
Gas (piped) and electricity <sup>1</sup> .....	199.201	204.246	206.469	14.2	3.6	1.1
Electricity <sup>1</sup> .....	160.828	161.668	164.394	5.7	2.2	1.7
Utility (piped) gas service <sup>1</sup> .....	240.864	251.436	252.834	23.4	5.0	.6
Household furnishings and operations .....	120.648	-	122.120	2.7	1.2	-
Apparel .....	105.794	-	120.865	19.7	14.2	-
Transportation .....	233.414	-	232.413	13.1	-.4	-
Private transportation .....	231.842	-	230.617	12.8	-.5	-
Motor fuel .....	350.804	351.151	329.586	30.1	-6.0	-6.1
Gasoline (all types) .....	349.042	349.372	328.167	30.1	-6.0	-6.1
Gasoline, unleaded regular <sup>3</sup> .....	361.029	360.442	338.846	30.5	-6.1	-6.0
Gasoline, unleaded midgrade <sup>3 4</sup> .....	379.379	386.126	363.134	30.0	-4.3	-6.0
Gasoline, unleaded premium <sup>3</sup> .....	324.192	324.728	303.025	27.5	-6.5	-6.7
Medical care .....	350.469	-	350.847	-.5	.1	-
Recreation <sup>5</sup> .....	114.985	-	121.597	3.5	5.8	-
Education and communication <sup>5</sup> .....	129.696	-	131.428	3.6	1.3	-
Other goods and services .....	350.875	-	349.260	.2	-.5	-
<b>Commodity and service group</b>						
All items .....	207.593	-	209.484	4.9	.9	-
Commodities .....	172.670	-	173.161	8.3	.3	-
Commodities less food and beverages .....	160.526	-	160.309	11.0	-.1	-
Nondurables less food and beverages .....	200.856	-	201.397	16.9	.3	-
Durables .....	113.809	-	112.743	1.1	-.9	-
Services .....	244.490	-	247.820	2.6	1.4	-
<b>Special aggregate indexes</b>						
All items less medical care .....	201.815	-	203.741	5.2	1.0	-
All items less shelter .....	207.189	-	210.711	7.3	1.7	-
Commodities less food .....	161.801	-	161.652	10.6	-.1	-
Nondurables .....	198.255	-	199.465	10.5	.6	-
Nondurables less food .....	200.158	-	200.776	15.8	.3	-
Services less rent of shelter <sup>2</sup> .....	283.795	-	294.510	5.8	3.8	-
Services less medical care services .....	236.422	-	239.866	2.9	1.5	-
Energy .....	271.089	273.921	264.645	23.1	-2.4	-3.4
All items less energy .....	203.183	-	206.014	2.8	1.4	-
All items less food and energy .....	205.678	-	208.705	2.5	1.5	-

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

<sup>2</sup> Index is on a December 1982=100 base.

<sup>3</sup> Special index based on a substantially smaller sample.

<sup>4</sup> Indexes on a December 1993=100 base.

<sup>5</sup> Indexes on a December 1997=100 base.

- Data not available.

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