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RELEASE IS EMBARGOED UNTIL
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**Consumer Price Index
Detroit-Ann Arbor-Flint, MI CMSA
October 2004**

The Detroit-Ann Arbor-Flint, MI Consumer Price Index for All Urban Consumers (CPI-U) rose 0.4 percent from August to October, according to a report issued today by the U.S. Department of Labor's Bureau of Labor Statistics. This was the first increase for this bimonthly period since 2000 following declines averaging 0.2 percent in each of the past three August-October periods. Over the past year, Detroit area retail price inflation as measured by the CPI-U was 2.3 percent. This was in-line with the 2.2 percent average annual increase over the previous three years.

Regional Commissioner Jay A. Mousa stated that nearly two-thirds of the latest rise was attributed to an increase in the transportation component. Most of the remaining gain was due to large increases in the apparel component and the other goods and services component. The components for recreation and education and communication posted moderate gains, and the medical care and food and beverages components were little changed. The housing component decreased, partially offsetting these increases.

The transportation component jumped 3.7 percent from August to October. The cost of new and used vehicles, gasoline, and motor vehicle insurance were all higher over the two month period. Gasoline prices alone were up 6.0 percent from August. Overall

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 Oct. '04
	2003		2004					
	Oct.	Dec.	Feb.	Apr.	June	Aug.	Oct.	
All items	-0.2	-1.1	1.2	0.7	0.6	0.5	0.4	2.3
Food & beverages	.5	.2	.4	-.3	.5	.2	.2	1.1
Housing	-1.8	-.2	.9	.5	1.6	.6	-1.7	1.7
Apparel	4.1	-5.8	2.1	1.4	-5.0	5.6	4.0	1.6
Transportation	.5	-3.2	2.7	.7	1.4	-1.1	3.7	4.1
Medical care	1.0	.2	-.1	2.0	.6	1.7	.1	4.6
Recreation	.2	-1.8	1.4	1.1	-.5	-1.5	.8	-.6
Education and communication	.3	.6	.9	.5	-.5	.3	.8	2.6
Other goods & services	.6	-2.1	.8	2.3	-1.9	5.1	2.2	6.5

transportation costs rose 4.1 percent for the year, due in part to a 26.3 percent increase in prices at the gas pumps.

The apparel component increased 4.0 percent from August, in-line with the 4.1 percent increase for this bimonthly period in 2003. An increase in footwear prices was a contributing factor in the latest rise. On an annual basis, apparel prices rose 1.6 percent following a 0.7 percent gain in the previous 12 months.

The other goods and services component rose 2.2 percent, following a 0.7 percent average bimonthly gain for this period in the previous two years. On an annual basis, the component rose 6.5 percent following a gain of only 1.6 percent the previous year.

The housing component fell 1.7 percent from August. Shelter costs declined 2.7 percent and accounted for most of the decline; lower hotel and motel costs were a major factor. Fuel and utility costs rose 0.3 percent. Within this category, the index for utility (piped) gas service increased 0.5 percent and the electricity index fell 0.8 percent. The index for household furnishings and operations rose 2.9 percent. Over the past 12 months, the housing component increased 1.7 percent. Fuel and utility costs rose 7.6 percent over the year, led by a 12.7 percent jump in the utility (piped) gas service index. The electricity index was little changed from 12 months ago (0.2 percent increase) and the household furnishings and operation index was lower by 0.7 percent.

The recreation component rose 0.8 percent, following an increase of 0.2 percent for the previous August-October period. A rise in admission prices, which includes movies, theaters, concerts, and other recurring events, contributed to the increase. For the year, recreation costs declined 0.6 percent, in-line with a 0.7 percent decrease in the year ending October 2003.

The component for education and communication increased 0.8 percent over the past two months. For the year, the component was up 2.6 percent after posting an annual average gain of 2.2 percent over the previous three years.

The component for medical care increased 0.1 percent following a 1.0 percent gain in the previous August-October period. Over the past 12 months, medical care costs were up 4.6 percent. This was above the 3.4 percent annual average gain recorded over the previous two years.

The component for food and beverages increased 0.2 percent from August. This follows average gains of 0.4 percent in the same bimonthly period over the past three years. Most of the latest rise was attributed to a 0.3 percent increase in the cost of grocery food (food at home), and to a lesser extent a 0.1 percent increase in the index for food away from home (restaurant meals and vending machine purchases, for example). The alcoholic beverages index declined 0.6 percent, only partially offsetting these gains. Over the last 12 months, food and beverage costs were up 1.1 percent, after rising 1.8 percent in the previous 12-month period.

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Scheduled release date for the November 2004 CPI:
Friday, December 17, 2004

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.

BLS FAX-ON-DEMAND SERVICE OFFERS CPI DATA 24 HOURS A DAY

If you have a fax machine and a touch-tone telephone, you can order current and historical CPI data and receive it within minutes by fax. The BLS Fax-on-Demand service offers over 300 documents containing the most popular BLS data including more than 65 documents containing CPI data for the nation, four regions, and 27 metropolitan areas. To receive a catalog of available documents by fax, call (312) 353-1880, select menu option 1, and order document 1000 when prompted.

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)

Item and Group	Indexes			Percent change from—		
	Aug. 2004	Sep. 2004	Oct. 2004	Oct. 2003	Aug. 2004	Sep. 2004
Expenditure category						
All items	186.8	-	187.6	2.3	0.4	-
All items (1967=100)	555.3	-	557.6	-	-	-
Food and beverages	177.5	-	177.8	1.1	.2	-
Food	176.9	-	177.3	1.1	.2	-
Food at home	176.6	174.9	177.1	.4	.3	1.3
Food away from home	178.2	-	178.4	1.9	.1	-
Alcoholic beverages	179.2	-	178.2	1.4	-.6	-
Housing	178.8	-	175.8	1.7	-1.7	-
Shelter	206.8	203.2	201.3	1.0	-2.7	-.9
Rent of primary residence ¹	193.5	193.2	193.7	1.5	.1	.3
Owners' equivalent rent of primary residence ^{1 2}	207.8	205.7	207.1	.2	-.3	.7
Fuels and utilities	175.4	-	176.0	7.6	.3	-
Fuels	144.2	143.9	144.4	7.4	.1	.3
Gas (piped) and electricity ¹	146.9	146.8	146.8	7.0	-.1	.0
Electricity ¹	131.6	131.6	130.5	.2	-.8	-.8
Utility (piped) gas service ¹	165.5	165.2	166.3	12.7	.5	.7
Household furnishings and operations	112.2	-	115.5	.7	2.9	-
Apparel	125.3	-	130.3	1.6	4.0	-
Transportation	176.7	-	183.2	4.1	3.7	-
Private transportation	175.5	-	182.3	4.5	3.9	-
Motor fuel	164.9	159.8	174.9	26.3	6.1	9.4
Gasoline (all types)	164.2	159.1	174.1	26.3	6.0	9.4
Gasoline, unleaded regular ³	167.5	162.2	178.0	26.7	6.3	9.7
Gasoline, unleaded midgrade ^{3 4}	182.4	177.2	192.7	25.8	5.6	8.7
Gasoline, unleaded premium ³	161.9	156.8	170.5	24.5	5.3	8.7
Medical care	308.3	-	308.7	4.6	.1	-
Recreation ⁵	118.8	-	119.7	-.6	.8	-
Education and communication ⁵	117.8	-	118.8	2.6	.8	-
Other goods and services	323.1	-	330.3	6.5	2.2	-
Commodity and service group						
All items	186.8	-	187.6	2.3	.4	-
Commodities	150.6	-	154.1	2.6	2.3	-
Commodities less food and beverages	135.9	-	140.7	3.2	3.5	-
Nondurables less food and beverages	157.8	-	163.3	7.0	3.5	-
Durables	108.6	-	112.6	-2.0	3.7	-
Services	225.0	-	223.0	2.2	-.9	-
Special aggregate indexes						
All items less medical care	181.8	-	182.5	2.2	.4	-
All items less shelter	181.4	-	184.7	3.0	1.8	-
Commodities less food	137.6	-	142.3	3.1	3.4	-
Nondurables	168.0	-	171.1	4.3	1.8	-
Nondurables less food	159.1	-	164.3	6.7	3.3	-
Services less rent of shelter ²	251.0	-	253.7	3.5	1.1	-
Services less medical care services	217.9	-	215.9	2.0	-.9	-
Energy	154.7	152.2	159.2	15.7	2.9	4.6
All items less energy	192.4	-	192.8	1.3	.2	-
All items less food and energy	196.1	-	196.5	1.3	.2	-

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.

⁵ Indexes on a December 1997=100 base.

- Data not available.

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