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**Consumer Price Index  
Detroit-Ann Arbor-Flint, MI CMSA  
August 2004**

The Detroit-Ann Arbor-Flint, MI Consumer Price Index for All Urban Consumers (CPI-U) increased 0.5 percent from June to August, according to a report issued today by the U.S. Department of Labor's Bureau of Labor Statistics. This gain was similar to the 0.4 percent rise during the same period a year earlier. The August 2004 All Items CPI-U for the Detroit area was 186.8 (1982-84=100). Detroit area retail prices rose 1.7 percent over the past 12 months after gaining 1.5 percent during the previous August - August period. Retail prices in Detroit increased an average 3.3 percent per year between August 2000 and August 2002.

Higher prices for women's apparel and utility gas service along with a sharp hike in the other goods and services component were responsible for most of the latest bimonthly increase in the Detroit area CPI-U, according the Regional Commissioner Jay A. Mousa in Chicago. Also contributing to the rise, but with less impact, were increases in the components for food and beverages, medical care, and education and communications. Partially offsetting these advances were declines in the cost of gasoline and recreation.

The apparel component jumped 5.6 percent from June to August due largely to higher price tags on women's apparel. Detroit area apparel prices are traditionally volatile during this bimonthly period. For example, in two months ending in August 2003, apparel prices fell 1.2 percent. But in the same two-month period in 2002, apparel costs rose 5.6 percent. Over the 12 months ending in August 2004, apparel prices gained 1.8 percent.

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. '04
	2003			2004				
	Aug.	Oct.	Dec.	Feb.	Apr.	June	Aug.	
All items	0.4	-0.2	-1.1	1.2	0.7	0.6	0.5	1.7
Food & beverages	-.3	.5	.2	.4	-.3	.5	.2	1.4
Housing	.9	-1.8	-.2	.9	.5	1.6	.6	1.6
Apparel	-1.2	4.1	-5.8	2.1	1.4	-5.0	5.6	1.8
Transportation	1.1	.5	-3.2	2.7	.7	1.4	-1.1	.9
Medical care	0	1.0	.2	-.1	2.0	.6	1.7	5.5
Recreation	-1.4	.2	-1.8	1.4	1.1	-.5	-1.5	-1.1
Education and communication	1.2	.3	.6	.9	.5	-.5	.3	2.0
Other goods & services	1.8	.6	-2.1	.8	2.3	-1.9	5.1	4.7

Housing costs were 0.6 percent higher for the two months ending in August primarily due to the 6.0 percent jump in fuels and utilities prices. The costs of utility natural gas services gained 11.3 percent, were 11.1 percent higher than a year ago, and 60.0 percent higher than in August 2001. The electricity index was unchanged for the two months and up 0.2 percent over the year. Shelter costs rose 0.2 percent and were 1.6 percent above their year ago level. The overall housing component advanced 1.6 percent for the year, below the 2.7 percent average annual gain recorded over the prior three years.

The transportation component dropped 1.1 percent during this bimonthly period. Private transportation costs fell 0.8 percent as prices for new motor vehicles and gasoline both declined. Gasoline costs were down 4.1 percent from June, 15.3 percent higher than a year ago, and 73.6 percent above their most recent August low in 1998. The overall transportation component rose 0.9 percent during the 12 months. This annual gain was below the 3.5 percent increase a year earlier.

The other goods and services component jumped 5.1 percent between June and August primarily due to higher prices for tobacco and smoking products and, to a lesser extent, personal care items. Over the past 12 months, the component advanced 4.7 percent, above the 1.7 percent rise during the same period in 2003, but close to the average increase of 4.4 percent annually between August 2000 and August 2002.

The medical care component rose 1.7 percent from June to August and was 5.5 percent higher than a year ago. Medical care costs have gained an average of 4.5 percent per year since August 1998.

The food and beverages component edged up 0.2 percent from June. A decline of 0.1 percent in the cost of grocery food items (food at home) was offset by a 0.5 percent gain in the cost of dining out (food away from home) and a 0.3 percent gain in the alcoholic beverages index. Over the past 12 months, the food and beverages component was up 1.4 percent. This gain was similar to a 1.7 percent increase in 2003 and a 1.8 percent rise in 2002

The education and communication component gained 0.3 percent from June to August and posted a 2.0 percent increase for the year. This annual rise is ahead of the 0.2 percent increase in 2003 but below the 5.9 percent annual gain recorded in August 2002.

Lower admission fees contributed to a 1.5 percent bimonthly decline in the recreation component. This decline was similar to the 1.4 percent June to August retreat a year ago. Over the past 12 months, recreation costs declined 1.1 percent. This was below a 2.9 percent drop experienced during the previous August - August period.

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Scheduled release date for the September 2004 CPI:  
Tuesday, October 19, 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](http://www.bls.gov/cpi) and the BLS Handbook of Methods, Bulletin 2490, April 1997, Chapter 17, The Consumer Price Index, also 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 2004	July 2004	Aug. 2004	Aug. 2003	June 2004	July 2004
<b>Expenditure category</b>						
All items .....	185.8	-	186.8	1.7	0.5	-
All items (1967=100) .....	552.2	-	555.3	-	-	-
Food and beverages .....	177.2	-	177.5	1.4	.2	-
Food .....	176.7	-	176.9	1.3	.1	-
Food at home .....	176.8	179.3	176.6	1.0	-.1	-1.5
Food away from home .....	177.4	-	178.2	1.8	.5	-
Alcoholic beverages .....	178.6	-	179.2	2.2	.3	-
Housing .....	177.8	-	178.8	1.6	.6	-
Shelter .....	206.3	207.5	206.8	1.6	.2	-.3
Rent of primary residence <sup>1</sup> .....	193.9	194.0	193.5	1.8	-.2	-.3
Owners' equivalent rent of primary residence <sup>1 2</sup> .....	207.2	207.6	207.8	.5	.3	.1
Fuels and utilities .....	165.4	-	175.4	6.4	6.0	-
Fuels .....	135.8	143.8	144.2	6.5	6.2	.3
Gas (piped) and electricity <sup>1</sup> .....	138.4	147.0	146.9	6.1	6.1	-.1
Electricity <sup>1</sup> .....	131.6	131.6	131.6	.2	.0	.0
Utility (piped) gas service <sup>1</sup> .....	148.7	165.6	165.5	11.1	11.3	-.1
Household furnishings and operations .....	115.6	-	112.2	-2.7	-2.9	-
Apparel .....	118.7	-	125.3	1.8	5.6	-
Transportation .....	178.6	-	176.7	.9	-1.1	-
Private transportation .....	177.0	-	175.5	1.2	-.8	-
Motor fuel .....	172.0	166.7	164.9	15.3	-4.1	-1.1
Gasoline (all types) .....	171.3	166.0	164.2	15.3	-4.1	-1.1
Gasoline, unleaded regular <sup>3</sup> .....	175.0	169.7	167.5	15.4	-4.3	-1.3
Gasoline, unleaded midgrade <sup>3 4</sup> .....	190.6	183.7	182.4	15.4	-4.3	-.7
Gasoline, unleaded premium <sup>3</sup> .....	167.1	162.6	161.9	14.3	-3.1	-.4
Medical care .....	303.0	-	308.3	5.5	1.7	-
Recreation <sup>5</sup> .....	120.6	-	118.8	-1.1	-1.5	-
Education and communication <sup>5</sup> .....	117.5	-	117.8	2.0	.3	-
Other goods and services .....	307.3	-	323.1	4.7	5.1	-
<b>Commodity and service group</b>						
All items .....	185.8	-	186.8	1.7	.5	-
Commodities .....	150.2	-	150.6	1.2	.3	-
Commodities less food and beverages .....	135.4	-	135.9	.9	.4	-
Nondurables less food and beverages .....	155.2	-	157.8	4.9	1.7	-
Durables .....	110.3	-	108.6	-4.5	-1.5	-
Services .....	223.3	-	225.0	2.1	.8	-
<b>Special aggregate indexes</b>						
All items less medical care .....	180.9	-	181.8	1.6	.5	-
All items less shelter .....	180.1	-	181.4	1.8	.7	-
Commodities less food .....	137.1	-	137.6	.9	.4	-
Nondurables .....	166.5	-	168.0	3.3	.9	-
Nondurables less food .....	156.7	-	159.1	4.6	1.5	-
Services less rent of shelter <sup>2</sup> .....	247.8	-	251.0	2.5	1.3	-
Services less medical care services .....	216.4	-	217.9	1.9	.7	-
Energy .....	153.1	155.3	154.7	10.3	1.0	-.4
All items less energy .....	191.4	-	192.4	1.0	.5	-
All items less food and energy .....	195.0	-	196.1	.9	.6	-

<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.