

Updated CPI-U-RS, All Items and All items less food and energy, 1978-2017

BLS Statement on the Use of the CPI-U-RS

The Bureau of Labor Statistics (BLS) has made numerous improvements to the Consumer Price Index (CPI) over the past several decades. While these improvements make the present and future CPI more accurate, historical price index series are not adjusted to reflect the improvements. Many researchers, however, expressed an interest in having a historical series that was measured consistently over the entire period. Accordingly, the Consumer Price Index research series using current methods (CPI-U-RS) presents an estimate of the CPI for all Urban Consumers (CPI-U) from 1978 to present that incorporates most of the improvements made over that time span into the entire series.

The CPI-U-RS has some limitations. First, most estimates are based on BLS research covering a short period of time and extrapolated to a longer period. Therefore, there is considerable uncertainty surrounding the magnitude of the adjustments. Second, there have been several improvements in the CPI not incorporated into the CPI-U-RS, either because they do not represent changes in methodology, because they had negligible impacts on the CPI's growth rate, or because it was impossible to systematically estimate the impacts of the new methods in past years.

Nonetheless, the CPI-U-RS can serve as a valuable proxy for researchers needing a historical estimate of inflation using current methods. The direct adjustment of individual CPI index series makes this the most detailed and systematic estimate available of a consistent CPI series.

Note that most of the improvements occurred prior to 2000 and the percent change in the CPI-U-RS is very similar to the published CPI-U for years after 2001; many of the differences prior to 1999, however, are substantial.

There is a new adjustment introduced this year; in 2016 the index for prescription drugs was switched from a geometric means formula to a Laspeyres formula. This year's research series incorporates the effect of that change from 2010 through 2015, the period during which the prescription drugs index was calculated using a geometric means formula. So, index values for those years will be different from previous versions of the research series.