

# News

United States  
Department  
of Labor



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## **REPORT ON QUALITY CHANGES FOR 2008 MODEL VEHICLES**

### **Passenger Cars**

The value of quality changes for a sample of nine 2008 model year domestically produced passenger cars included in the Producer Price Index (PPI) for October averaged \$158.04, according to estimates by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor. There was an average \$67.55 increase in manufacturers' invoice prices for this year's models as compared with last year's models.

The retail equivalent value of these quality changes averaged \$170.17. Average manufacturer's suggested list prices increased \$64.12.

The \$170.17 estimated retail value of quality change breaks down as follows:

- \$82.39 for safety improvements such as changes to tire pressure monitor sensors and airbag systems;
- \$87.78 for other quality changes such as changes in audio systems and changes in levels of standard or optional equipment.

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## **Light Trucks**

The value of quality changes for a sample of twenty-one 2008 model year domestically produced light trucks included in the PPI for October averaged \$256.06. There was an average \$305.64 increase in manufacturers' invoice prices for this year's models as compared with last year's models.

The retail equivalent value of quality changes for domestically produced light trucks averaged \$276.92. There was an average increase of \$342.60 in manufacturer's suggested list prices.

The \$276.92 estimated retail value of quality change breaks down as follows:

- \$126.69 for safety improvements such as stability control and airbag systems;
- \$150.23 for other quality changes such as changes to audio systems, theft protection, and changes in levels of standard or optional equipment.

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Estimates of the value of quality change are based on a review by the BLS of data supplied by producers for similarly equipped 2007 and 2008 domestically produced models priced for the Producer Price Index. Most of the estimates of quality changes in this release are derived from information supplied for the Producer Price Index for October. These data also form the basis of the new vehicle quality adjustment for the Consumer Price Index (CPI). However, it should be noted that, effective with the release of data for January 1999, changes made solely for the purpose of meeting air pollution standards are no longer considered quality improvements for CPI calculation purposes.