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Consumer Price Index, Detroit-Ann Arbor-Flint – February 2015

Local prices down 1.8 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Detroit-Ann Arbor-Flint area declined 0.7 percent from December to February, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Charlene Peiffer noted that the energy index decreased 9.1 percent while the food index fell 0.2 percent over the bi-monthly period. The index for all items less food and energy rose 0.2 percent from December to February. Among the indexes within the all items less food and energy category, prices were higher for recreation, apparel, and new and used motor vehicles. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect the impact of seasonal influences.)

Over the past 12 months the Detroit all items CPI-U fell 1.8 percent. (See [chart 1](#) and [table A](#).) The energy index fell 20.1 percent over the year due to annual declines in gasoline prices. The index for all items less food and energy was little changed at -0.1 percent over the year. (See [table 1](#).)

Food

Food prices declined 0.2 percent from December to February following a 0.8 percent increase over the previous bi-monthly period. Between the two components of the food index, prices for food at home (groceries) increased 0.2 percent while prices for food away from home (restaurant, cafeteria, and vending purchases) fell 0.9 percent.

Grocery prices were up 2.3 percent from February a year ago, while prices for food away from home were 2.9 percent higher. From February 2014 to February 2015, overall food prices rose 2.5 percent in the Detroit area.

Energy

The energy index for Detroit fell 9.1 percent from December to February. Declines were recorded in the indexes for gasoline (-14.7 percent), electricity (-4.2 percent), and utility (piped) gas service (-4.2 percent) from December to February.

From February 2014 to February 2015, overall energy prices decreased 20.1 percent. Prices for gasoline and electricity fell 35.1 percent and 3.7 percent, respectively, over the year. In contrast, costs for utility (piped) gas service were up 1.5 percent compared to last February.

All items less food and energy

The index for all items less food and energy increased 0.2 percent from December to February. Among the index's components, prices were higher for recreation (2.3 percent), apparel (4.0 percent) and new and used motor vehicles.

Over the year, the index for all items less food and energy edged down 0.1 percent. Annual decreases in costs for medical care (-5.4 percent) and apparel (-8.4 percent) were the major contributing factors. In contrast, the indexes for shelter (1.0 percent) and new and used motor vehicles rose over the year.

Table A. Detroit CPI-U 2-month and 12-month percent changes, all items index, not seasonally adjusted

Month	2011		2012		2013		2014		2015	
	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month
February.....	0.2	1.7	0.2	3.9	1.1	1.9	1.1	0.7	-0.7	-1.8
April.....	2.3	3.1	2.3	2.1	0.0	1.3	1.3	2.0		
June.....	0.9	4.2	0.9	0.4	1.2	3.3	0.5	1.3		
August.....	0.2	4.1	0.2	1.5	-0.7	1.3	-1.0	1.0		
October.....	-0.5	3.5	-0.5	2.4	-0.1	0.7	-0.1	1.0		
December.....	0.3	3.5	0.3	1.4	-0.7	0.8	-1.8	-0.1		

The April 2015 Consumer Price Index for Detroit is scheduled to be released on Friday, May 22, 2015, at 8:30 a.m. (ET).

Technical Note

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 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 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. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 26,000 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.

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.

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. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **Note: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The **Detroit-Ann Arbor-Flint, Mich.** consolidated area covered in this release is comprised of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne Counties in Michigan.

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Table 1. 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-		
	Dec. 2014	Jan. 2015	Feb. 2015	Feb. 2014	Dec. 2014	Jan. 2015
Expenditure category						
All items.....	218.083	-	216.488	-1.8	-0.7	-
All items (1967=100).....	648.234	-	643.491	-	-	-
Food and beverages.....	221.685	-	221.417	2.7	-0.1	-
Food.....	221.989	-	221.539	2.5	-0.2	-
Food at home.....	214.142	214.392	214.656	2.3	0.2	0.1
Food away from home.....	234.188	-	232.147	2.9	-0.9	-
Alcoholic beverages.....	211.592	-	213.729	4.4	1.0	-
Housing.....	200.300	-	199.847	0.5	-0.2	-
Shelter.....	223.969	224.468	224.681	1.0	0.3	0.1
Rent of primary residence ⁽¹⁾	228.227	228.594	228.893	1.8	0.3	0.1
Owners' equiv. rent of residences ^{(1) (2)}	222.573	222.416	221.991	0.3	-0.3	-0.2
Owners' equiv. rent of primary residence ^{(1) (2)}	222.573	222.416	221.991	0.3	-0.3	-0.2
Fuels and utilities.....	246.489	-	238.104	-0.8	-3.4	-
Household energy.....	195.358	190.844	187.254	-2.5	-4.1	-1.9
Energy services ⁽¹⁾	197.523	193.045	189.277	-1.5	-4.2	-2.0
Electricity ⁽¹⁾	208.526	200.016	199.794	-3.7	-4.2	-0.1
Utility (piped) gas service ⁽¹⁾	173.530	173.631	166.315	1.5	-4.2	-4.2
Household furnishings and operations.....	118.569	-	119.002	-0.9	0.4	-
Apparel.....	108.200	-	112.523	-8.4	4.0	-
Transportation.....	229.864	-	222.313	-9.6	-3.3	-
Private transportation.....	228.624	-	221.731	-9.3	-3.0	-
Motor fuel.....	223.991	171.043	190.895	-35.1	-14.8	11.6
Gasoline (all types).....	222.128	169.511	189.461	-35.1	-14.7	11.8
Gasoline, unleaded regular ⁽³⁾	226.304	171.119	191.769	-36.0	-15.3	12.1
Gasoline, unleaded midgrade ^{(3) (4)}	254.012	199.862	220.689	-32.7	-13.1	10.4
Gasoline, unleaded premium ⁽³⁾	218.467	173.720	192.870	-30.1	-11.7	11.0
Medical care.....	397.765	-	379.401	-5.4	-4.6	-
Recreation ⁽⁵⁾	111.136	-	113.674	-0.2	2.3	-
Education and communication ⁽⁵⁾	144.111	-	145.344	1.4	0.9	-
Other goods and services.....	392.248	-	393.600	-2.7	0.3	-
Commodity and service group						
All items.....	218.083	-	216.488	-1.8	-0.7	-
Commodities.....	173.485	-	171.772	-4.8	-1.0	-
Commodities less food & beverages.....	148.727	-	146.345	-9.5	-1.6	-
Nondurables less food & beverages.....	176.429	-	169.828	-15.4	-3.7	-
Durables.....	115.139	-	116.938	0.5	1.6	-
Services.....	264.131	-	262.627	0.1	-0.6	-
Special aggregate indexes						
All items less medical care.....	210.915	-	210.080	-1.5	-0.4	-
All items less shelter.....	218.844	-	216.240	-3.0	-1.2	-
Commodities less food.....	151.046	-	148.807	-8.9	-1.5	-
Nondurables.....	198.771	-	195.242	-6.3	-1.8	-
Nondurables less food.....	178.615	-	172.564	-14.2	-3.4	-
Services less rent of shelter ⁽²⁾	320.913	-	316.353	-0.7	-1.4	-
Services less medical care services.....	254.809	-	255.083	1.0	0.1	-
Energy.....	212.490	186.316	193.080	-20.1	-9.1	3.6

Table 1. 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) - Continued

Item and Group	Indexes			Percent change from-		
	Dec. 2014	Jan. 2015	Feb. 2015	Feb. 2014	Dec. 2014	Jan. 2015
All items less energy.....	221.194	-	221.476	0.3	0.1	-
All items less food and energy.....	221.537	-	221.964	-0.1	0.2	-

(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.