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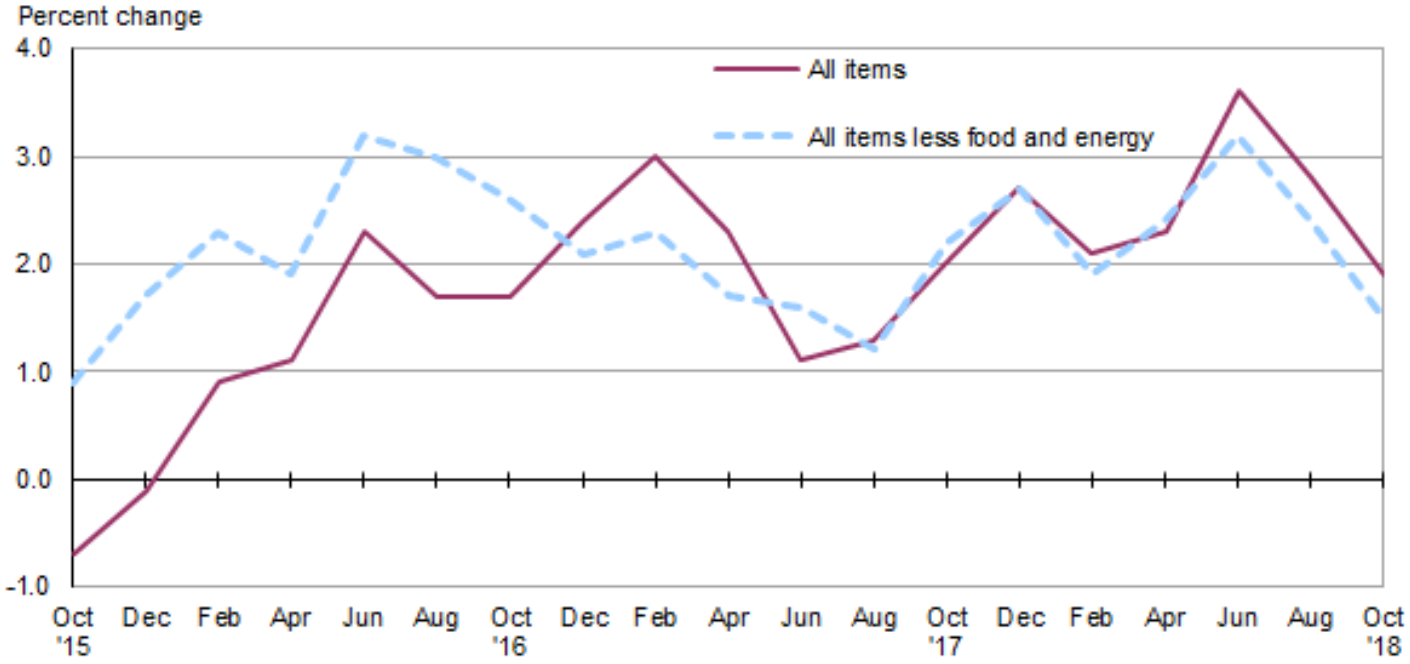
Consumer Price Index, Detroit-Warren-Dearborn — October 2018

Local prices rose 1.9 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Detroit-Warren-Dearborn area was unchanged from August to October, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Charlene Peiffer noted that the food index fell 1.5 percent and the energy index fell 0.5 percent over the bi-monthly period. The index for all items less food and energy increased 0.3 percent from August to October. Among the indexes within the all items less food and energy category, prices were higher for shelter, apparel, and education and communication, but lower for new and used motor vehicles, medical care, and recreation. (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 increased 1.9 percent. (See chart 1 and table A.) The energy index rose 10.3 percent and the food index fell 0.6 percent from October 2017 to October 2018. The index for all items less food and energy rose 1.5 percent over the year. (See table 1.)

Chart 1. Over-the-year percent change in CPI-U, Detroit-Warren-Dearborn, MI, October 2015–October 2018



Source: U.S. Bureau of Labor Statistics.

Food
Food prices decreased 1.5 percent from August to October. Of the two components within the food index, prices for food at home (groceries) fell 1.4 percent and prices for food away from home (restaurant, cafeteria, and vending purchases) decreased 1.5 percent over the bi-monthly period.

Over the year, food prices in the Detroit area were down 0.6 percent. Prices for groceries decreased 1.7 percent, while food away from home prices rose 0.8 percent from October 2017.

Energy
The energy index for Detroit was 0.5 percent lower from August to October, largely due to gasoline prices falling 2.1 percent. Utility (piped) gas service costs and electricity costs were up 2.0 percent and 0.6 percent, respectively, during the same period.

From October 2017 to October 2018, overall energy prices rose 10.3 percent. Gasoline prices increased 17.3 percent over the year. Electricity costs increased 5.8 percent, while utility (piped) gas service costs declined 2.9 percent.

All items less food and energy
The index for all items less food and energy increased 0.3 percent from August to October. Among the index's components, prices were higher for shelter (1.0 percent), apparel (7.2 percent), and education and communication (1.0 percent), but lower for new and used motor vehicles (-3.6 percent), medical care (-1.1 percent), and recreation (-1.4 percent).

Over the year, the index for all items less food and energy rose 1.5 percent. Increases in the indexes for shelter (2.0 percent) and other goods and services (7.0 percent) were contributing factors.

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

Month	2014		2015		2016		2017		2018	
	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month	2-month	12-month
February	1.1	0.7	-0.7	-1.8	0.3	0.9	0.9	3.0	0.3	2.1
April	1.3	2.0	1.2	-1.9	1.4	1.1	0.7	2.3	0.9	2.3
June	0.5	1.3	0.0	-2.4	1.2	2.3	0.0	1.1	1.3	3.6
August	-1.0	1.0	0.6	-0.9	-0.1	1.7	0.1	1.3	-0.6	2.8
October	-0.1	1.0	0.1	-0.7	0.2	1.7	0.9	2.0	0.0	1.9
December	-1.8	-0.1	-1.2	-0.1	-0.6	2.4	0.1	2.7		

The December 2018 Consumer Price Index for Detroit is scheduled to be released on Friday, January 11, 2019.

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 93 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers approximately 29 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 75 urban areas across the country from about 5,000 housing units and approximately 22,000 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/pdf/homch17.pdf.

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-Warren-Dearborn, Mich., Core Based Statistical 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-Warren-Dearborn, MI (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Aug. 2018	Sep. 2018	Oct. 2018	Oct. 2017	Aug. 2018	Sep. 2018
Expenditure category						
All items	233.221	-	233.134	1.9	0.0	-
All items (1967=100)	693.231	-	692.972	-	-	-
Food and beverages	225.129	-	222.004	-0.4	-1.4	-
Food	224.313	-	221.055	-0.6	-1.5	-
Food at home	208.819	207.513	205.875	-1.7	-1.4	-0.8
Cereals and bakery products	260.496	-	262.049	-	0.6	-
Meats, poultry, fish and eggs	218.977	-	218.774	-	-0.1	-
Dairy and related products	161.223	-	159.151	-	-1.3	-
Fruits and vegetables	225.974	-	222.944	-	-1.3	-
Nonalcoholic beverages and beverage materials(1)	193.401	-	188.206	-	-2.7	-
Other food at home	192.049	-	185.686	-	-3.3	-
Food away from home	248.914	-	245.172	0.8	-1.5	-
Alcoholic beverages	230.047	-	228.815	1.1	-0.5	-
Housing	217.991	-	219.919	1.8	0.9	-
Shelter	251.353	251.545	253.815	2.0	1.0	0.9
Rent of primary residence(2)	258.565	258.617	261.310	4.7	1.1	1.0
Owners' equiv. rent of residences(2)(3)	249.827	249.507	251.386	2.1	0.6	0.8
Owners' equiv. rent of primary residence(2)(3)	249.827	249.507	251.386	2.1	0.6	0.8
Fuels and utilities	245.496	-	246.840	3.0	0.5	-
Household energy	187.707	188.653	190.155	3.1	1.3	0.8
Energy services(2)	188.887	189.797	191.076	2.2	1.2	0.7
Electricity(2)	225.557	225.375	226.898	5.8	0.6	0.7
Utility (piped) gas service(2)	139.107	140.960	141.905	-2.9	2.0	0.7
Household furnishings and operations	115.940	-	116.595	-1.2	0.6	-
Apparel	118.482	-	127.009	2.8	7.2	-
Transportation	249.743	-	245.077	6.2	-1.9	-
Private transportation	252.453	-	247.305	7.0	-2.0	-
New and used motor vehicles(4)	109.978	-	106.065	-	-3.6	-
New vehicles(1)	202.396	-	203.703	-	0.6	-
Used cars and trucks(1)	291.911	-	281.401	-	-3.6	-
Motor fuel	265.193	262.696	259.906	17.3	-2.0	-1.1
Gasoline (all types)	263.838	261.270	258.328	17.3	-2.1	-1.1
Gasoline, unleaded regular(5)	265.715	262.953	259.892	17.7	-2.2	-1.2
Gasoline, unleaded midgrade(5)(6)	309.218	306.989	304.487	15.9	-1.5	-0.8
Gasoline, unleaded premium(5)	271.529	270.700	268.437	13.9	-1.1	-0.8
Motor vehicle insurance(1)	1,833.492	-	1,837.545	-	0.2	-
Medical care	441.866	-	436.811	0.2	-1.1	-
Recreation(4)	112.561	-	110.937	-6.3	-1.4	-
Education and communication(4)	144.646	-	146.134	2.2	1.0	-
Tuition, other school fees, and childcare(1)	1,290.200	-	1,303.623	-	1.0	-
Other goods and services	435.020	-	436.627	7.0	0.4	-
Commodity and service group						
All items	233.221	-	233.134	1.9	0.0	-
Commodities	179.174	-	178.770	2.1	-0.2	-
Commodities less food and beverages	155.019	-	155.831	3.8	0.5	-
Nondurables less food and beverages	194.594	-	196.465	6.5	1.0	-
Durables	110.866	-	110.588	-0.7	-0.3	-
Services	288.573	-	288.778	1.8	0.1	-

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods Detroit-Warren-Dearborn, MI (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from-		
	Aug. 2018	Sep. 2018	Oct. 2018	Oct. 2017	Aug. 2018	Sep. 2018
Special aggregate indexes						
All items less medical care	224.805	-	224.965	2.1	0.1	-
All items less shelter	229.268	-	228.152	1.8	-0.5	-
Commodities less food	157.803	-	158.558	3.7	0.5	-
Nondurables	210.220	-	209.761	2.9	-0.2	-
Nondurables less food	197.038	-	198.738	6.1	0.9	-
Services less rent of shelter(3)	342.780	-	340.146	1.6	-0.8	-
Services less medical care services	279.132	-	279.886	2.2	0.3	-
Energy	227.194	226.523	226.014	10.3	-0.5	-0.2
All items less energy	236.751	-	236.767	1.2	0.0	-
All items less food and energy	239.609	-	240.218	1.5	0.3	-

Footnotes
(1) Index on a December 1977=100 base.
(2) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.
(3) Index on a December 1982=100 base.
(4) Indexes on a December 1997=100 base.
(5) Special index based on a substantially smaller sample.
(6) Index on a December 1993=100 base.
- Data not available.
Note: Index applies to a month as a whole, not to any specific date. Data not seasonally adjusted.