

Consumer Prices and Inflation – September 2007

Consumer Price Stats at a Glance

Percent Change 12 Months Ending:	CPI - U	CPI-W	CPI-W, All Items Less Medical Care
September 2003	2.3%	2.3%	2.2%
September 2004	2.5%	2.4%	2.3%
September 2005	4.7%	5.2%	5.3%
September 2006	2.1%	1.7%	1.6%
September 2007	2.8%	2.8%	2.7%
2007 Forecast	2.8%		

Percent changes in consumer prices above are drawn from non-seasonally adjusted data. This is the data used to calculate changes in COLA.

CPI-U is the Consumer Price Index for All Urban Consumers. It is based on a typical "market basket" of goods consumed by urban consumers, including salaried employees, business owners and retirees as well as wage earners.

CPI-W is the Consumer Price Index for All Urban Wage and Clerical Workers. It is based on a typical "market basket" of goods consumed by urban households that receive most of their income from clerical or hourly wage occupations.

Seasonally adjusted prices rose moderately in September, up by 0.3%. During the first nine months of 2007, prices rose at an annual rate of 3.6%, compared to an increase of 2.5% for all of 2006.

The September increase was largely attributable to food and energy prices. The price of food rose 0.5% in September, led by a 1.8% increase in the price of fruits and vegetables. Gasoline prices were up 0.4% in September, the first increase after three straight months of falling prices.

The "core" rate of inflation, which excludes energy and food, is up at an annual rate of just 2.3% in the first nine months of 2007, down from 2.6% for all of 2006.

The Bureau of Labor Stats report can be found at:

<http://www.bls.gov/news.release/cpi.toc.htm>

Next release: the October Consumer Price Index will be released on November 15.

UAW Research Department
October 17, 2007