

U.S. Bureau of Labor Statistics

Producer Price Index

Progress Report

September 1, 2001

◆ Weight Revision

Currently, we are revising all the industry based index weights and commodity index weight to 1997 Economic Census data. The indices will be published in January 2002 based on the revised weight data.

◆ Quality Improvement Initiative

In order to address new item bias, a new directed substitution procedure was introduced. Approximately two years prior to the introduction of a new sample into the index all current reporters are contacted to determine if the items they are reporting are still representative. A probability sampling technique is used to determine if a substitution is required. Quality adjustment is attempted on any substitutions.

Specific industry specific quality improvements are being employed. These include use of hedonic models for quality adjustment, alternative quality adjustment techniques, and sample augmentation.

◆ Service Sector Expansion

Indices were published in January 2001, with data back to July 2000 for
Security Brokers, Dealers and Investment Bankers
Miscellaneous Retail Trade Stores (Drug Stores, Liquor Stores, etc.)

Index calculation began in January 2001 for
Television Broadcasting
Data Processing Services
Health and Medical Insurance Carriers
General Merchandise Stores (Department Stores, etc.)
Apparel Stores

Data collection activities are currently underway for
Commercial Banking
Savings Institutions
Insurance Agents
Building Materials, Hardware, Garden Supply Stores
Mobile Home Dealers

Research is currently being conducted for
Home Furniture, Furnishings, and Equipment Stores
Construction Equipment Rental and Leasing
Office Machinery Equipment Rental and Leasing
On-Line Information Services
Merchant Wholesalers
Wholesale Electronic Markets and Agents and Brokers

