

News

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Department
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Report On Quality Changes For 2007 Model Vehicles

Passenger Cars

The value of quality changes for a sample of twelve 2007 model year domestically produced passenger cars included in the Producer Price Index (PPI) for October averaged \$139.96, according to estimates by the Bureau of Labor Statistics (BLS) of the U.S. Department of Labor. The estimated retail equivalent value of these quality changes averaged \$150.91.

The estimated retail value of quality changes includes:

- \$56.57 for safety improvements such as changes in airbags and tire pressure monitor systems;
- \$94.34 for other quality changes, such as changes in audio systems, warranty changes, 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 2007 model year domestically produced light trucks included in the PPI for October averaged \$361.76. The estimated retail equivalent value of quality changes for domestically produced light trucks averaged \$392.10.

The estimated retail value of quality changes includes:

- \$160.09 for federally mandated and non-mandated safety improvements such as tire pressure monitor systems, stability control, and airbag systems improvements;
- \$58.01 for powertrain improvements;
- \$174.00 for other quality changes, such as emissions improvements, warranty changes, changes to audio systems, and changes in levels of standard or optional equipment.

Estimates of the value of quality changes are based on a review by the BLS of data supplied by producers for similarly equipped 2006 and 2007 domestically produced models priced for the PPI. Most of the estimates of quality changes in this release are derived from information supplied for the PPI for October. These data also form the basis of new vehicle quality adjustments 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.