

The 1988 Consumer Price Index User Survey—Results and Responses

Ken Stewart

In recent years, the Consumer Price Index (CPI) has made many improvements to its procedures. Better timeliness of released data and improved reporting of calculation procedures have contributed to greater accuracy and more complete analysis of economic indicators. These changes were made in response to a CPI user survey conducted in 1988. Results of that survey were summarized in *Consumer Price Index Survey Results, Report 789* (June 1990). This article summarizes the results of the user survey and the corresponding changes instituted by the CPI office.

Increased timeliness of the CPI release. The chart shows that the single most important improvement that could be made in the eyes of CPI users was to decrease the amount of time between the CPI reference month and the release of CPI data.

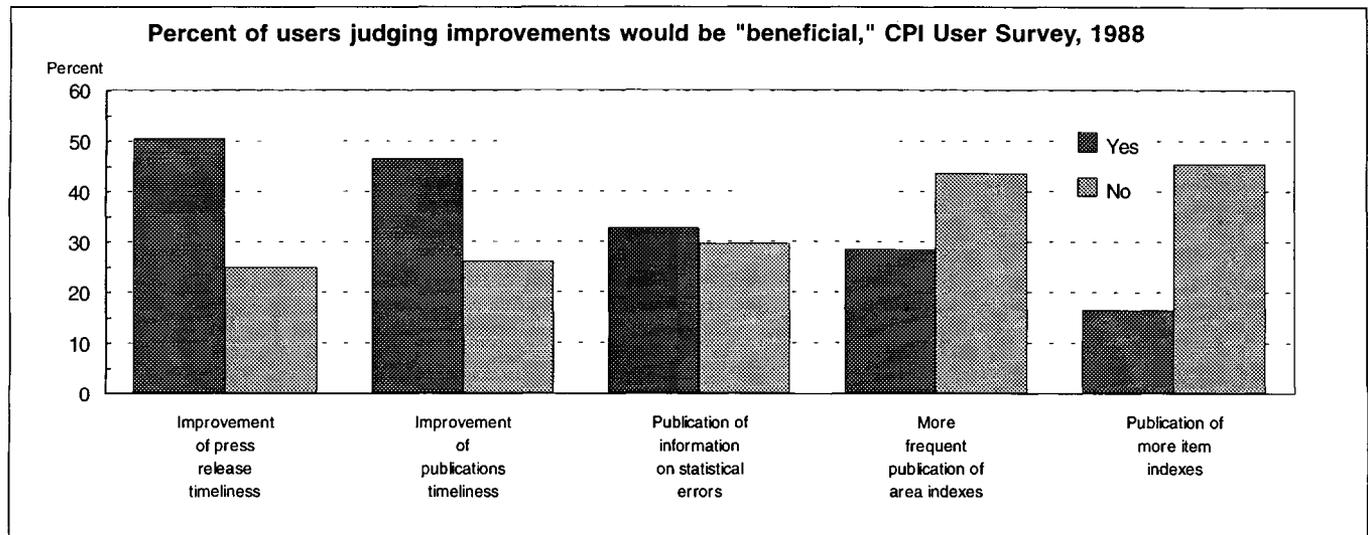
In response to this, timeliness of the release of CPI data became a top priority of the entire CPI program. In nearly every part of the CPI, quality improvement teams were formed to streamline their part of the CPI survey process. Among other things, timeliness improvements were made in the data collection process, the data review process, and in the pre-release process (the time between final index calculations and their release to the public).

The author is an economist in the Division of Consumer Prices and Price Indexes, Bureau of Labor Statistics.

For decades, the CPI had been released around the 23rd of the calendar month following the reference month. The table shows the improvement in timeliness made in recent years. For 1994, the average release date is the 14th, an improvement of 10 days over past levels.

Year	Release time in average number of days following reference month
1953-86	23.5
1987	22.5
1988	21.5
1989	19.0
1990	17.4
1991	15.3
1992	13.9
1993	13.4
1994	13.8

This improvement in timeliness also has improved the accuracy of other Government programs which use CPI data to deflate nominal estimates. For example, the Bureau of Economic Analysis is now able to use more CPI data (and less imputation) in its preliminary publication of many Personal Consumption Expenditure (PCE) components of the gross



domestic product (GDP). This improvement has the potential to make smaller subsequent revisions to the GDP.

Increased timeliness of the CPI Detailed Report. The second most requested change by users was to reduce the time between CPI release day and the day CPI publications actually reach users.

In response to this suggestion, a team was formed to improve the timeliness of the *CPI Detailed Report*. The team succeeded in reducing the amount of time from 41 calendar days in 1990 to 25 calendar days in 1993. Continued improvement is still expected.

Increased timeliness in Summary Data Index newsletter. Improved timeliness also occurred in the release of our summary data newsletter. The newsletter reaches approximately 30,000 customers each month. It provides users with the most

current index and percent change values. The timeliness of the newsletter has improved from an average of 21 days in 1992 to approximately 14 days in 1993-94. Efforts to decrease the time to when users actually receive the newsletter are still in progress.

Estimates of precision of the CPI. There was only one other item that a majority of users requested—estimates of error in the CPI. Accordingly, estimates of sampling error were first published in the *CPI Detailed Report* in February 1991, and continue to be published there on a periodic basis.

CPI soon will conduct a second comprehensive survey of its customers. The response to the first survey was instrumental in improving the timeliness CPI data. Further response from CPI data users will contribute to future CPI program changes.