

# BUREAU OF LABOR STATISTICS

## INPUTS TO INDUSTRY PRICE INDEXES

The inputs to industry price indexes are an experimental BLS satellite series that measure monthly price change for the inputs consumed by most 3-digit North American Industry Classification System (NAICS) industry groupings. These indexes are constructed using Producer Price indexes (PPIs) and Import Price Indexes (MPIs).



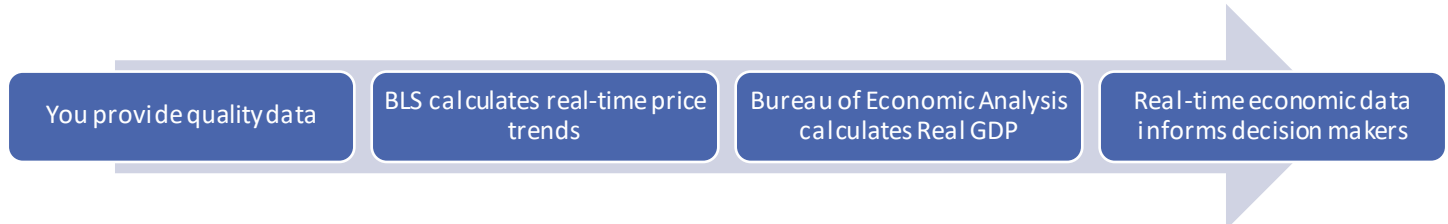
### Including costs of...

- ✓ Goods – such as fuel and materials
- ✓ Services – such as transportation and accounting fees
- ✓ Maintenance and repair construction
- ✓ Imports – purchases of goods from outside the United States

### Excluding costs of...

- × Capital Investment - such as new equipment and structures
- × Labor - wages and benefits to employees

### Your Participation Matters:



### Use for:

- Industry cost analysis
- Price transmission analysis
- Contract price adjustment
- Deflation

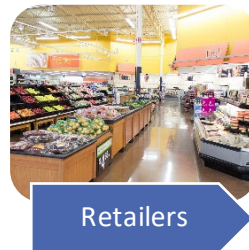


### Learn more:

[www.bls.gov/ppi/input-indexes](http://www.bls.gov/ppi/input-indexes)

[A new BLS satellite series of net inputs to industry price indexes: methodology and uses](#)

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## What makes up an input index? How is it calculated?



Inputs to industry price indexes are calculated using PPIs and MPIs. Commodity PPIs measure price change for domestically produced inputs. MPIs measure price change for imported inputs. The components are weighted and combined to form an index that measures the average change in input costs for a given industry.

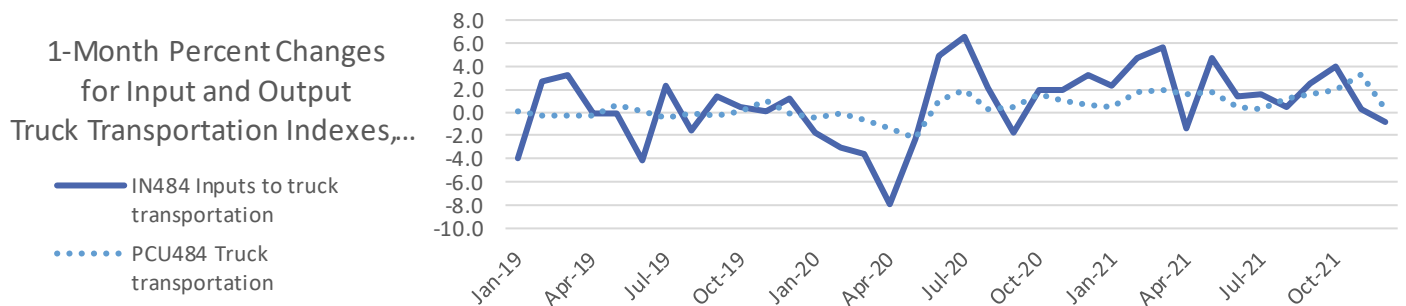
For a simplified example, imagine the inputs to a lemonade stand are cups, lemons, electricity, and marketing. The PPIs and MPIs for cups, lemons, electricity, and marketing services would each be weighted by the percent of costs they make up for the average lemonade stand operator and combined to form one input index for lemonade stands.

## How are input indexes different from other PPIs and MPIs?

Other PPIs are output indexes which measure the selling prices *received* by producers for their sales. MPIs measure changes in the prices of goods and services purchased from abroad by U.S. residents. Input price indexes measure the average changes in industry input costs from domestically produced goods and services and imports.

## How can I use the inputs to industry indexes?

- For [contract price adjustment](#), input price indexes are ideal, especially when used together with an index tracking industry wages (such as the [Employment Cost Index](#)).
- As a substitute when an output price index for an industry is not available and you can't find an alternative. For example, PPIs for residential construction are not calculated, however there are input indexes for residential construction industries.
- To determine what might be driving the changes in selling prices reflected in output PPIs. This can be useful for business owners and analysts who want to better understand what is going on in their industry.



## How can I get the data?

Each month, after Producer Price Index and Import Price Index data are released, the input price index data table is updated with new data for the current period and revised data for the four months prior to the current period.

[Input price index data table](#)

[Input price index relative importance table](#)