## **Quality Changes for 2025 Model Vehicles**

In accordance with usual practice, most new-model-year passenger cars and light motor trucks were introduced into the Producer Price Index (PPI) with the release of data for October 2024.

## **Passenger Cars**

The value of quality changes for a sample of 2025-model-year domestically produced passenger cars included in the PPI for October averaged \$76.36, according to estimates by the U.S. Bureau of Labor Statistics (BLS). This change represents 8.9 percent of the average \$857.71 increase in manufacturer invoice prices for 2025 models as compared with models from the prior year.

The retail equivalent value of these quality changes averaged \$81.74, representing 9.3 percent of the average \$880.18 over-the-year increase in manufacturer suggested list prices.

## **Light Trucks**

The value of quality changes for a sample of 2025-model-year domestically produced light trucks included in the PPI for October averaged \$96.79. This change represents 11.8 percent of the average \$817.22 increase in manufacturer invoice prices for 2025 models as compared with models from the prior year.

The retail equivalent value of these quality changes averaged \$102.41, representing 12.1 percent of the average \$845.72 over-the-year increase in manufacturer suggested list prices.

The \$102.41 estimated retail value of quality change breaks down as follows:

- \$6.95 for improvements to infotainment systems.
- \$41.98 for improvements to safety.
- \$53.48 for other changes, such as improvements to powertrains and changes in levels of standard or optional equipment.

For technical information regarding quality changes for 2025-model-year motor vehicles, contact Jonathan McQuade at McQuade.Jonathan@bls.gov or (202) 691-7747. For general PPI information, contact the PPI Section of Index Analysis and Public Information, at ppi-info@bls.gov or (202) 691-7705.

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Estimates of the value of quality change are based on a review by the BLS of data supplied by producers for similarly equipped 2024 and 2025 domestic 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 the new vehicle quality adjustment 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 not considered quality improvements for CPI calculation purposes.

Producer Price Index U.S. Bureau of Labor Statistics November 14, 2024