

**COST TRENDS IN SELECTED
CONSUMER GOODS AND
NECESSITIES
ROCHESTER, NY
2003 UPDATE**

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June, 2003
www.cgr.org



*Research to drive informed decisions.
Expertise to create effective solutions.*

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INTRODUCTION

In January 2002, Rochester Gas and Electric (RG&E) asked CGR to identify data on cost and expenditure trends, from 1996 to 2001, for selected consumer goods and expenses. This report is an update of the 2002 report, and includes data through 2002 in most cases. The cost items in this report include median home price, cost of an average automobile, monthly food costs, monthly clothing costs, and health insurance premiums. Data on wages for manufacturing workers in the Rochester region are also included.

The focus of the report is on changes in spending or costs between 1996 and 2002. In some cases, additional years of data prior to 1996 are included for reference.

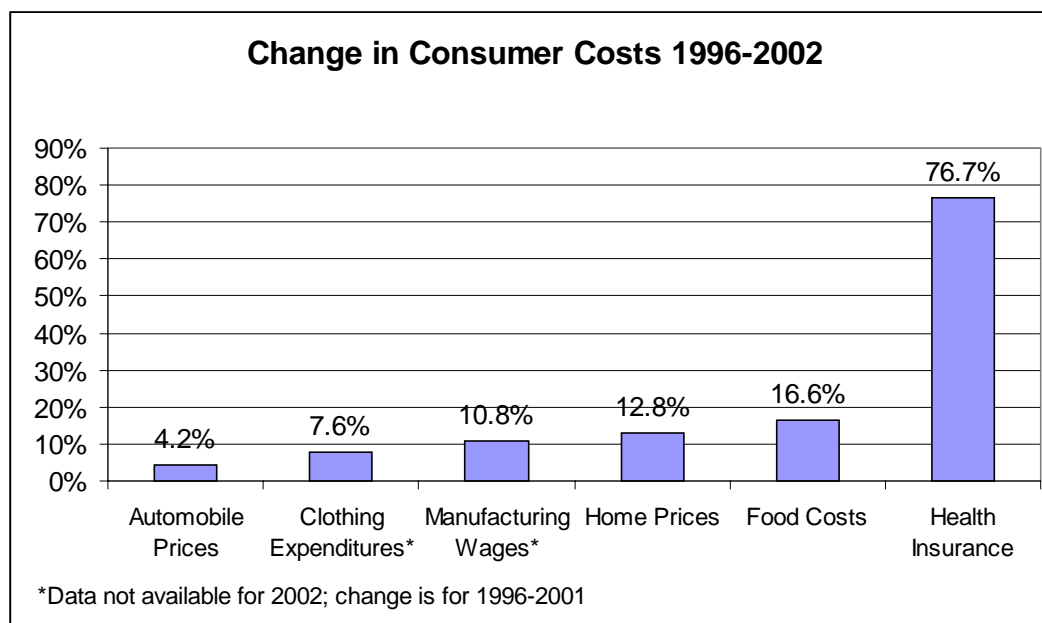
SUMMARY OF TRENDS

A comparison among consumer spending categories (and manufacturing income) reveals that most categories experienced increases ranging from 4% to 17% over the 1996 to 2002 period. The cost of health insurance, which increased by 77% over the same period, is the exception.

Change in Costs for Selected Items; 1996-2002

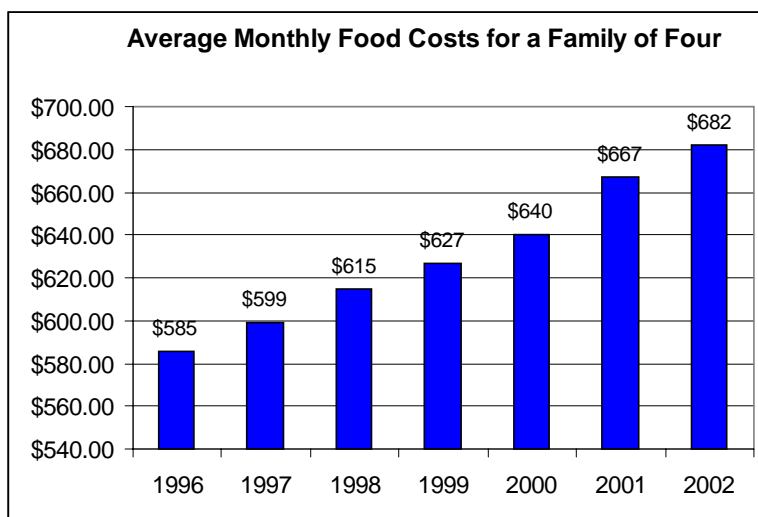
	<u>1996</u>	<u>2002</u>	<u>Change</u>
Automobile Prices	\$17,995	\$18,750	4.2%
Clothing Expenditures*	\$208	\$224	7.6%
Manufacturing Wages*	\$45,172	\$50,063	10.8%
Home Prices	\$86,159	\$97,165	12.8%
Food Costs	\$585	\$682	16.6%
Health Insurance	\$317	\$561	76.7%

*Data not available for 2002; change is for 1996-2001



Food Costs

The monthly cost of food has risen at a steady rate of approximately 2% annually, with the exception of 2000-2001, when average monthly food costs rose 4.2%. The total average monthly food cost for a family of four rose from \$585 in 1996 to \$682 in 2002, for a total increase of 16.6%.



Monthly Food Costs for a Family of Four, Moderate-Cost Plan

	Kids Ages 1-2 and 3-5	Kids Ages 6-8 and 9-11	Average Family Cost	Annual Change
1996	\$531.80	\$638.70	\$585.25	0.0%
1997	\$544.00	\$653.50	\$598.75	2.3%
1998	\$559.00	\$671.20	\$615.10	2.7%
1999	\$569.40	\$683.80	\$626.60	1.9%
2000	\$581.50	\$699.00	\$640.25	2.2%
2001	\$606.30	\$728.10	\$667.20	4.2%
2002	\$620.10	\$744.50	\$682.30	2.3%

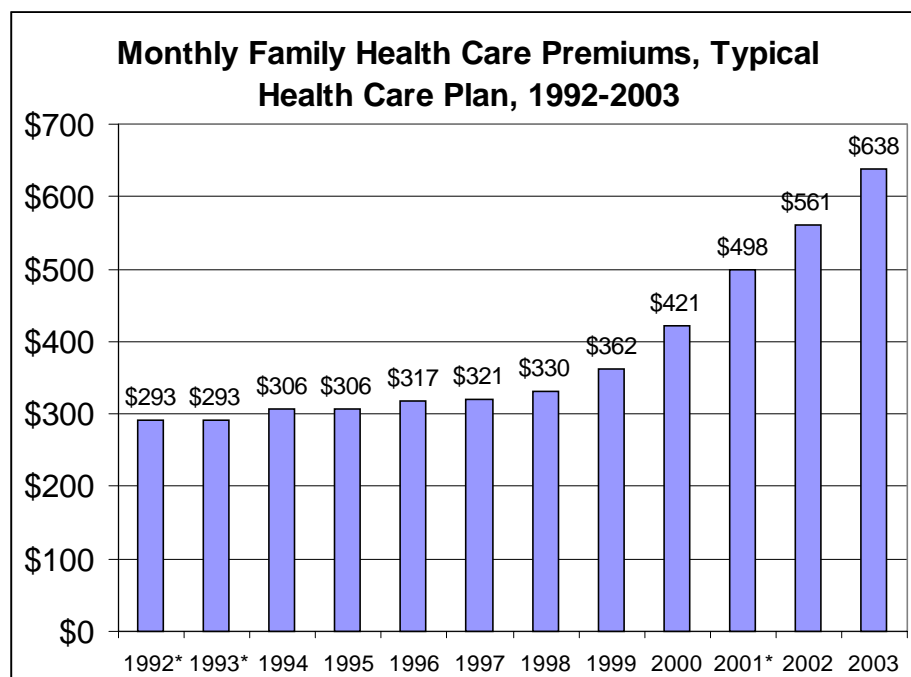
Total Growth (1996-2002) 16.6%

Source: Family Economics and Nutrition Review; www.usda.gov/cnpp/FENR

Health Insurance

The cost of health insurance rose more steeply than any other cost

category examined in this analysis. Increases were especially large from 2000 through 2003. The Blue Choice Select plan is widely held in the Rochester area, and was the plan used for this analysis. The average monthly cost for the family health care premium increased by 76.7% between 1996 and 2002.



Monthly Family Premiums: Blue Choice Select

	Monthly Premium	Annual Change
1992*	\$292.50	NA
1993*	\$292.50	0.0%
1994	\$305.96	4.6%
1995	\$305.96	0.0%
1996	\$317.41	3.7%
1997	\$320.79	1.1%
1998	\$330.42	3.0%
1999	\$361.81	9.5%
2000	\$420.80	16.3%
2001*	\$498.24	18.4%
2002	\$560.89	12.6%
2003	\$638.39	13.8%

Total Growth (1996-2002) 76.7%

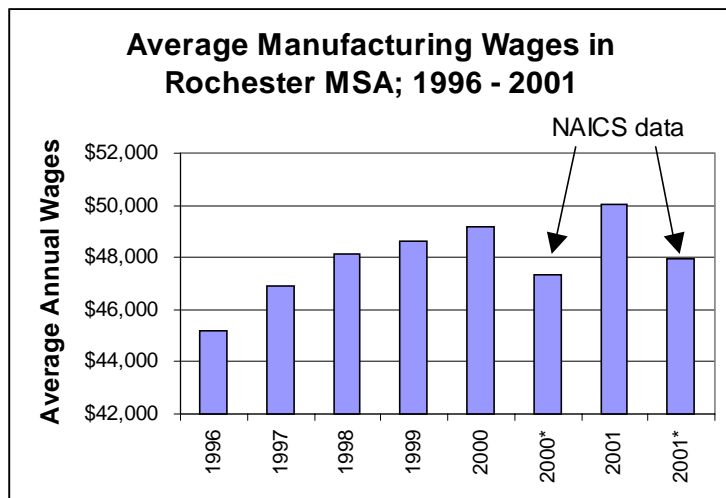
*Note slight revisions in premiums compared to 2002 report for 1992, 1993, and 2001.

Source: Excellus Inc. (www.bchsra.com); personal communication.

Manufacturing Wages

Total manufacturing wages in the Rochester metropolitan statistical area (Monroe, Orleans, Genesee, Livingston, Ontario, and Wayne counties) increased by 11% from 1996 to 2001. The average manufacturing wage (based on SIC data*) in the Rochester

MSA rose from \$45,172 in 1996 to \$50,063 in 2001. 2002 data are not yet available.



*Data Limitation: The Bureau of Labor Statistics (BLS) changed its method of industry classification in 2002. Prior to 2002, the classifying system was SIC (Standard Industrial Classification). As of 2002, the new system is NAICS (North American Industry Classification System). The BLS has generated both SIC and NAICS-based data for both 2000 and 2001, and both are presented below. SIC and NAICS-based data are not directly comparable.

Average Manufacturing Wages, Rochester MSA

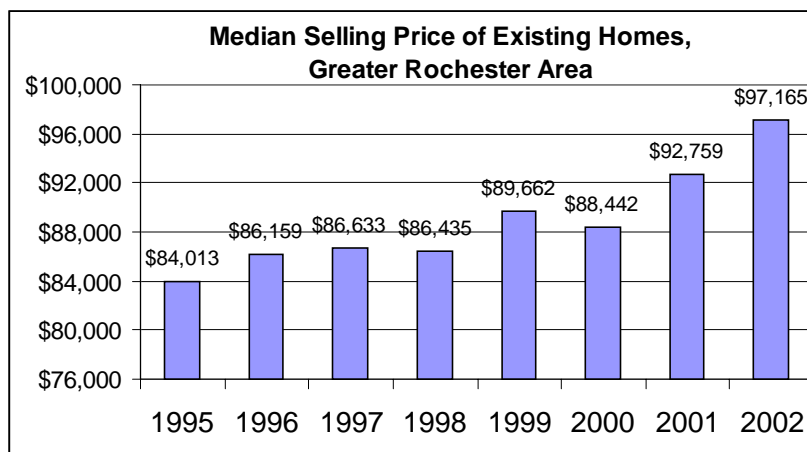
	<u>SIC*</u>			<u>NAICS</u>	
	Average Annual Wage	Average Monthly Wage	Annual Change	Average Annual Wage	Annual Change
1996	\$45,172	\$3,764			
1997	\$46,878	\$3,906	3.8%		
1998	\$48,120	\$4,010	2.7%		
1999	\$48,632	\$4,053	1.1%		
2000	\$49,178	\$4,098	1.1%	\$47,327	
2001	\$50,063	\$4,172	1.8%	\$47,956	1.3%
Total Growth (1996-2001)			10.8%		

*Note: data slightly revised compared to 2002 report.

Source: Bureau of Labor Statistics (BLS).

Home Prices

The median sales price of an existing home increased from \$84,013 in 1995 to \$97,165 in 2002. The largest increase (4.9%) came between 2000 and 2001, after a small dip in median price in the year 2000.



**Change in Median Selling Price of
an Existing Home,
Greater Rochester Area, 1995-2002***

	Median Price of Existing Home	Annual Change
1995	\$84,013	NA
1996	\$86,159	2.6%
1997	\$86,633	0.6%
1998	\$86,435	-0.2%
1999	\$89,662	3.7%
2000	\$88,442	-1.4%
2001	\$92,759	4.9%
2002	\$97,165	4.8%
Total Growth (1996-2002)		12.8%

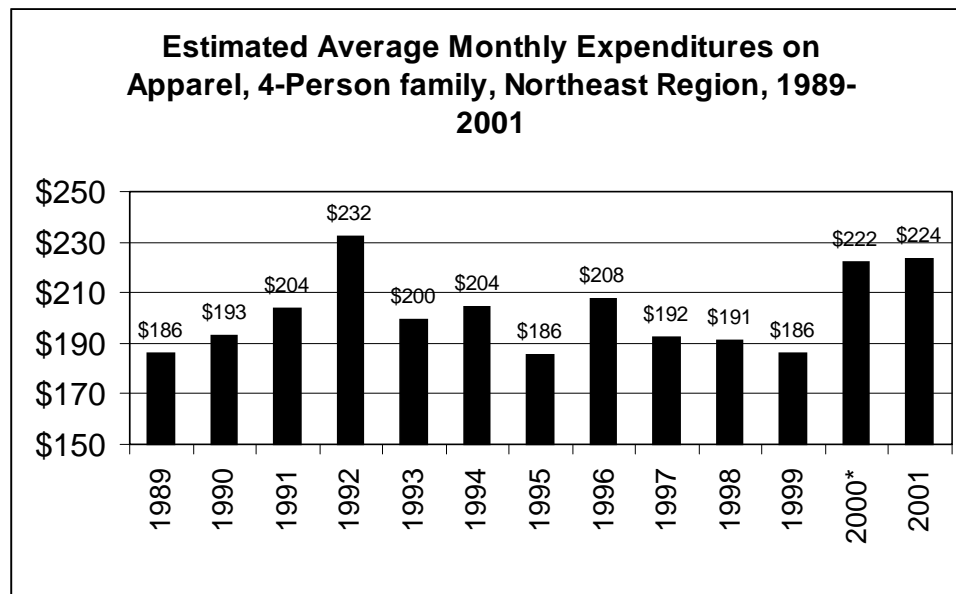
* Note: data slightly revised compared to 2001 report.

Source: Greater Rochester Area Realtors. Includes Monroe, Ontario, Livingston, Wayne, Genesee, Orleans, Wyoming, Steuben, Seneca, Yates, and Allegany counties.

Clothing Expenditures

According to the Bureau of Labor Statistics Consumer Expenditure Survey, average annual expenditures on apparel in the

Northeast United States among boys and men increased slightly from \$442 in 1996 to \$539 in 2001 (2002 data are not available). Expenditures for women and girls, with the exception of a large increase in 2000, decreased or remained steady over the same time period.



Average Annual / Monthly Expenditures Northeast Region

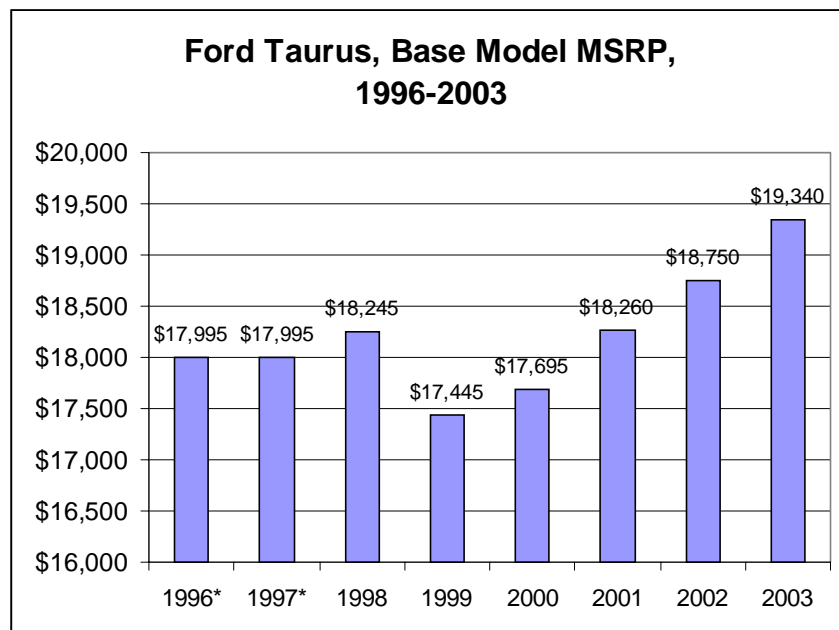
	Annual Expenditures for Boys/Men	Annual Expenditures for Girls/Women	Estimated Annual Expenditure for 4-person family
1989	\$398	\$718	\$2,232
1990	\$416	\$744	\$2,320
1991	\$411	\$812	\$2,446
1992	\$586	\$808	\$2,788
1993	\$486	\$712	\$2,396
1994	\$439	\$786	\$2,450
1995	\$420	\$694	\$2,228
1996	\$442	\$805	\$2,494
1997	\$432	\$722	\$2,308
1998	\$462	\$686	\$2,296
1999	\$434	\$684	\$2,236
2000*	\$484	\$849	\$2,666
2001	\$539	\$803	\$2,684
2002	NA	NA	NA
Total			

*Note: 2000 data were revised compared to 2001 report.

Source: BLS Consumer Expenditure Survey; <http://data.bls.gov/lahjava/outs>

Automobile Prices

The Ford Taurus is a popular automobile nationwide. The manufacturers suggested retail price (MSRP) between 1996 and 2003 has increased between one and three percent per year between 1999 and 2003. In 1999 the manufacturer removed some standard options from the base model, causing the dip in pricing in 1999.



Ford Taurus, Base Model (Sedan, 4DR, LX)MSRP

	<u>Price</u>	<u>Annual Change</u>
1996*	\$17,995	NA
1997*	\$17,995	0.0%
1998	\$18,245	1.4%
1999	\$17,445	-4.4%
2000	\$17,695	1.4%
2001	\$18,260	3.2%
2002	\$18,750	2.7%
2003	\$19,340	3.1%
Total Growth (1996-2002)		4.2%

*In 1996 and 1997 the base model was "4DG."

Source: NADA Quarterly reports; personal communication (6/17/03)