

News

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Bureau of Labor Statistics

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JULY 2008 CONSUMER PRICE INDEXES FOR ENERGY, FOOD AT HOME, AND SHELTER HOUSTON-GALVESTON-BRAZORIA, TEXAS

Energy prices rose 0.8 percent in the Houston-Galveston-Brazoria metropolitan area during July, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Stanley W. Suchman noted that this was the smallest monthly gain since February of this year. Prices for food at home also rose during the month, up 1.8 percent, while shelter costs were little changed. These data are based on the Consumer Price Index for All Urban Consumers (CPI-U).

July's 0.8-percent increase in energy prices followed an 11.4-percent jump in June. The July advance was almost entirely the result of higher motor fuel prices. Gasoline costs rose 1.3 percent during the month, but this still marked a sharp deceleration from earlier in the year. In July, the average price for a gallon of gasoline in the Houston metropolitan area stood at \$4.002. Household energy costs were also subdued in July, registering no change during the month after jumping 19.5 percent in June. Annual increases among the energy components were varied, but all were notably higher. The cost of natural gas service climbed 52.7 percent over the year, gasoline advanced 37.7 percent, and electricity rose 9.4 percent. Combined, these annual movements placed the total cost of energy 27.8 percent above July 2007.

The index for food at home rose 1.8 percent in July after increasing 2.8 percent in June. Higher prices were noted for a variety of foods, including fresh vegetables -- particularly lettuce, eggs, beef steaks, ground beef, bread, and milk. Lower prices were registered for tomatoes, beef roasts, and selected cuts of pork. The cost of grocery items rose 8.4 percent during the last 12 months, the largest annual rate of gain since the year ended in May 1994. The Consumer Price Index (CPI-U) for food at home stood at 205.635 on the 1982-84=100 reference base, meaning that a typical basket of grocery items priced at \$100.00 in 1982-84 would have cost Houston area consumers \$205.64 last month.

Houston Energy, Food at Home, and Shelter Consumer Price Indexes – July 2008 (Cont'd)

The shelter index was little changed in July, edging up 0.1 percent, following a 0.2-percent rise in June. Owners' equivalent rent (homeowners' costs) advanced 0.2 percent in July, but this was nearly balanced by a 0.1-percent dip in the index for rent of a primary residence (renters' costs). During the last 12 months, homeowners' costs rose 3.8 percent and renters' costs increased 2.9 percent. Total shelter costs were 3.3 percent above a year ago.

The Houston-Galveston-Brazoria Consolidated Metropolitan Statistical Area (CMSA) includes Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties. Local area CPI indexes are by-products of the national CPI program. Because each local area index is a small subset of the national index, the sample size is smaller and therefore subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar.

Next Release Date: The Houston-Galveston-Brazoria June CPI for All Items will be released on September 16, 2008.