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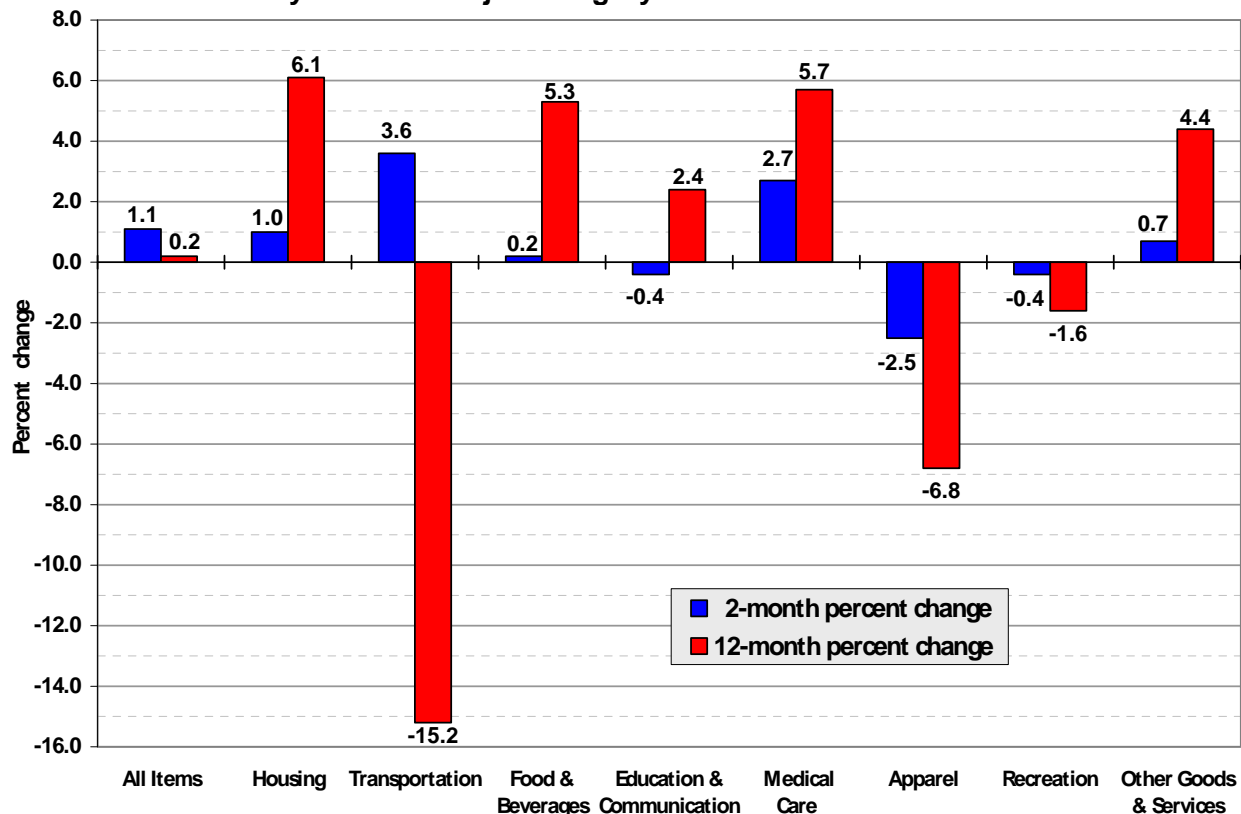
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## CONSUMER PRICE INDEX FOR HOUSTON-GALVESTON-BRAZORIA FEBRUARY 2009

### Area Prices Rise for the First Time in Six Months

Prices in the Houston-Galveston-Brazoria area rose 1.1 percent during January and February, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Stanley W. Suchman noted that this was the first increase since July and August 2008 and was primarily the result of higher transportation costs, although increased shelter and medical care costs also contributed. During the year ended in February 2009, overall prices were nearly unchanged, edging up 0.2 percent. These data are based on the Consumer Price Index for All Urban Consumers (CPI-U).

**2-Month and 12-Month Percent Change Ended February 2009  
CPI-U by Selected Major Category for Houston-Galveston-Brazoria**



## Houston-Galveston-Brazoria Consumer Price Index – February 2009 (Continued)

The transportation index rose 3.6 percent in the first two months of the year, following a 15.4-percent drop in the final two months of 2008. The biggest factor in the increase was higher gasoline prices which climbed 16.5 percent. The average price for a gallon of gasoline in the Houston area stood at \$1.895 in February. Higher prices for new vehicles also contributed to the bimonthly gain, while declines were registered in used car prices and airline fares. Despite the recent hike in gasoline costs, these prices were 36.9 percent below a year ago. The total cost of transportation declined 15.2 percent during the previous 12 months, a notable change from a year ago when transportation costs rose 10.7 percent over the year.

The housing index increased 1.0 percent during the two-month period, primarily as a result of higher costs for shelter. Owners' equivalent rent (homeowners' costs) increased 1.0 percent and rent of a primary residence (renters' costs) rose 0.5 percent in January and February. Prices for household furnishings and operations also advanced 0.5 percent. In contrast, the index for household energy slipped 0.3 percent during the bimonthly period as a 9.4-percent decline in charges for natural gas service more than offset a 1.3-percent rise in electricity costs. On an annual basis, electricity prices were up 22.5 percent while natural gas costs rose 1.0 percent. Combined with a 6.6-percent price rise for household furnishings and operations as well as a 4.1-percent increase in shelter costs, the housing index was 6.1 percent above a year ago.

Medical care costs advanced 2.7 percent in January and February, the first sizeable increase since March and April 2008 when prices rose 1.9 percent. During the latest period, higher charges were noted for professional services and prescription drugs. The total cost of medical care was up 5.7 percent since February 2008.

Smaller increases were registered in two other major categories during the first two months of 2009. The index for other goods and services rose 0.7 percent in January and February, mainly due to higher prices for cigarettes and personal care products. During the last 12 months, the cost of other goods and services rose 4.4 percent.

Prices for food and beverages edged up 0.2 percent during the first two months of the year after slipping 0.3 percent in the final two months of 2008. The increase resulted from a 2.2-percent rise in alcoholic beverage prices and a 0.5-percent increase in costs for food away from home (restaurant meals). Prices for food at home (groceries) fell for the second consecutive bimonthly period, down 0.5 percent in January and February. Grocery store decreases were widespread and included fresh fruit and vegetables, dairy products, and beef and veal. In contrast, breakfast cereal prices continued to rise. Over the year, the food at home index increased 4.8 percent, trending lower from its recent annual peak of 9.9 percent in August 2008. Total food and beverages costs rose 5.3 percent during the previous 12 months.

Three categories recorded lower prices in January and February. The largest decline was a 2.5-percent decrease in apparel prices which have fallen in four of the last five bimonthly periods. Movements were mixed in the latest period, but of particular note were sharply lower prices for men's shirts and sweaters and sharply higher prices for girls' clothing. During the last 12 months apparel costs overall have declined 6.8 percent.

## Houston-Galveston-Brazoria Consumer Price Index – February 2009 (Continued)

Prices fell 0.4 percent for both the recreation index and the education and communication index during the first two months of the year. This was the first bimonthly decrease in education and communication costs since September and October 2007; over the year, the index rose 2.4 percent. Recreation prices registered their third consecutive annual decline, down 1.6 percent during the 12-months ended in February 2009.

The CPI-U for the Houston-Galveston-Brazoria area stood at 187.972 on the 1982-84=100 reference base, meaning that a market basket of goods and services that averaged \$100.00 in 1982-84 would have cost \$187.97 in February 2009.

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:** March 2009 Consumer Price Indexes for Energy, Food At Home, and Shelter for Houston-Galveston-Brazoria will be released on April 15, 2009.