

News

United States
Department
of Labor



Bureau of Labor Statistics

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FOR RELEASE:
April 15, 2009
7:30 A.M. (CT)

**CONSUMER PRICE INDEXES
ENERGY, FOOD AT HOME, AND SHELTER
HOUSTON-GALVESTON-BRAZORIA, MARCH 2009**

Energy and Food Prices Fall During the Month

Energy prices decreased 0.5 percent in the Houston-Galveston-Brazoria metropolitan area during March 2009, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Stanley W. Suchman noted that the decline followed two consecutive months of increasing energy costs. Prices for food at home also fell during the month, down 0.9 percent, while shelter costs edged up 0.2 percent. These data are based on the Consumer Price Index for All Urban Consumers (CPI-U).

The 0.5-percent decline in the energy index was the result of decreases in electricity and motor fuel prices. The motor fuel index fell 0.5 percent in March as lower prices were registered for diesel and selected grades of gasoline. The average price for a gallon of gasoline in the Houston metropolitan area stood at \$1.884 in March 2009. Household energy costs declined 0.6 percent during the month reflecting a 0.6-percent decrease in electricity prices; natural gas prices were unchanged. Over the year, the cost of electricity climbed 21.5 percent while natural gas rose 1.0 percent. In sharp contrast, gasoline prices dropped 41.3 percent during the last 12 months. Combined, these annual movements left the total energy index 18.5 percent below a year ago.

The cost of food at home fell 0.9 percent in March following a 1.8-percent decrease in February. Declines were noted for beef roasts, pork chops, citrus fruits, eggs, and milk. These decreases were partially offset by higher prices for beef steaks, tomatoes, and selected bakery products. During the last 12 months the cost of grocery items rose 4.3 percent. The Consumer Price Index (CPI-U) for food at home stood at 202.312 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 \$202.31 in March 2009.

The shelter index increased 0.2 percent in March, matching the gain registered in February. Costs for owners' equivalent rent (homeowners' costs) increased 0.5 percent during the month while rent of a primary residence (renters' costs) rose 0.4 percent. The rate of gain in total shelter costs was slowed by a decline in charges for lodging away from home (hotel and motel rates). During the previous 12 months, homeowners' costs advanced 6.5 percent and renters' costs rose 3.9 percent. The total shelter index increased 4.7 percent over the year.

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 April CPI for All Items will be released on May 15, 2009.