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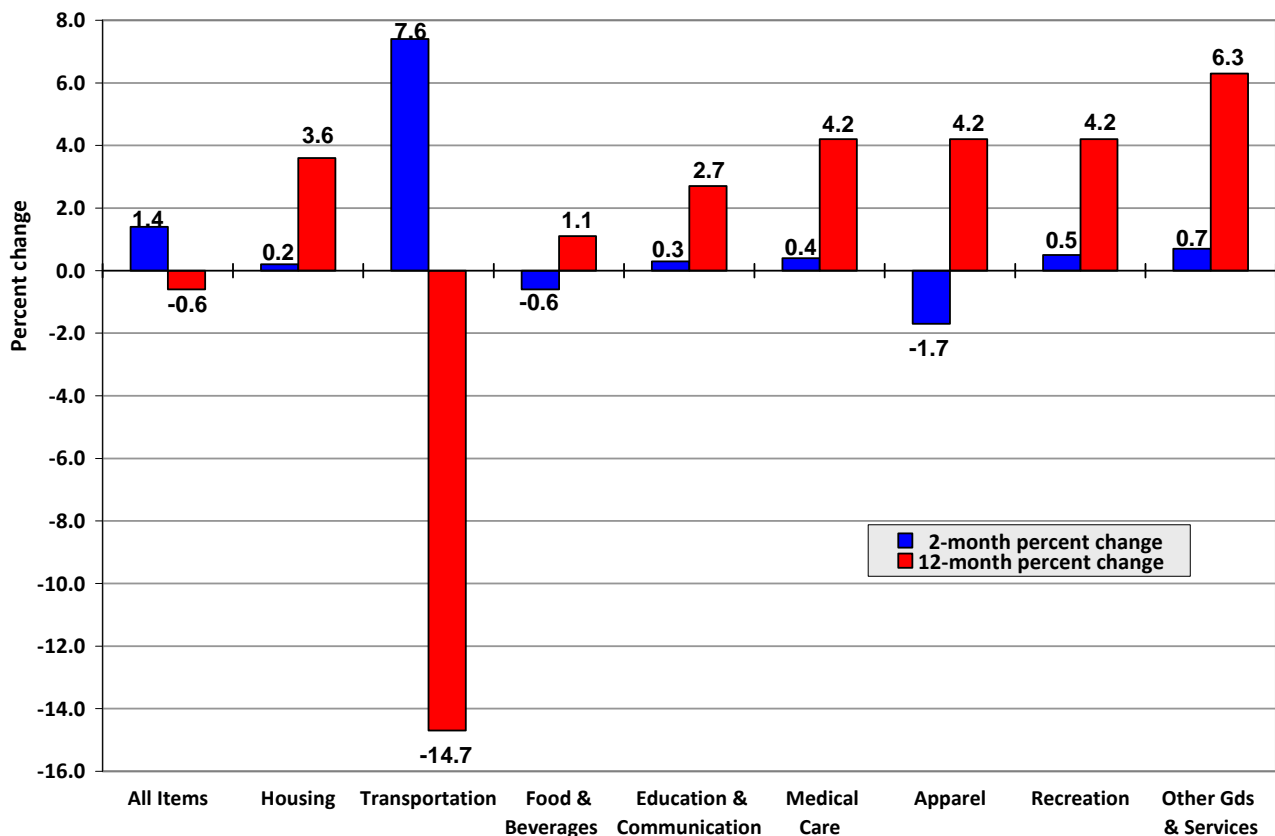
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CONSUMER PRICE INDEX FOR HOUSTON-GALVESTON-BRAZORIA JUNE 2009

Motor Fuel Prices Main Factor in Two-month CPI Increase and Annual Decline

Prices in the Houston-Galveston-Brazoria area rose 1.4 percent during May and June, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Stanley W. Suchman noted that more than two-thirds of the overall increase was due to higher costs for motor fuel. Relatively small increases were registered in five other major categories while declines were recorded for food and apparel items. During the year ended in June 2009, local prices fell 0.6 percent, primarily as a result of the sharp annual drop in motor fuel costs. These data are based on the Consumer Price Index for All Urban Consumers (CPI-U).

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



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

The transportation index rose 7.6 percent in May and June, the largest two-month increase since comparable records began in 1978. The biggest factor in the transportation gain was sharply higher motor fuel costs which climbed 20.9 percent during the two-month period. The average price for a gallon of gasoline in the Houston area stood at \$2.515 in June. Increases were also noted in new and used motor vehicle prices, as well as airline fares. Despite the latest surge in gasoline costs, these prices were 36.3 percent lower than a year ago and helped to push the total cost of transportation down 14.7 percent during the previous 12 months. Transportation was the only major category to register an annual decline.

Prices fell in two major categories during May and June. The cost of food and beverages declined 0.6 percent, the third decline in the last four bimonthly periods. Prices for food at home (groceries) fell 0.9 percent and costs for food away from home (restaurant meals) decreased 0.8 percent. In contrast, prices for alcoholic beverages rose 1.1 percent in May and June. Over the year, the food at home index declined 1.4 percent – notably different from the year-ago increase of 7.5 percent. Prices for food away from home rose 2.9 percent during the previous 12 months and prices for alcoholic beverages increased 6.3 percent. Combined, these annual movements left total food and beverage costs 1.1 percent above the June 2008 level.

Apparel costs declined 1.7 percent in May and June following an 8.9-percent rise in March and April. Movements were mixed in the latest period, but decreases were more evident among men's clothing such as men's furnishings and footwear. Despite registering declines in four of the previous five bimonthly periods, overall apparel costs rose 4.2 percent over the year – the first annual increase for this category since the year ended in December 2007.

Small increases were registered in the five remaining categories during May and June. The housing index edged up 0.2 percent reflecting higher costs for utilities and household furnishings combined with a 0.1-percent dip in the shelter index. Electricity prices rose 1.3 percent during the two-month period while charges for utility (piped) gas were unchanged. Costs for household furnishings and operations increased 1.0 percent in May and June. The 0.1-percent dip in the shelter index was the result of a sharp decline in the cost of shelter away from home (hotel and motel rates) as owners' equivalent rent rose 1.0 percent and rent of a primary residence was up 0.3 percent during the period. On an annual basis, a 19.4-percent drop in natural gas prices more than offset a 2.0-percent rise in electricity charges and pushed prices for total fuels and utilities down 1.1 percent. However, shelter costs increased 5.0 percent over the year and charges for household furnishings and operations were up 2.4 percent. Combined, these annual movements placed the housing index 3.6 percent above a year ago.

The index for other goods and services rose 0.7 percent in May and June following a 4.3-percent jump in the previous two-month period. Increases in both periods were primarily due to higher prices for cigarettes. During the last 12 months, prices for other goods and services advanced 6.3 percent.

The cost of recreation rose 0.5 percent in May and June as higher charges for a number of recreational items and services, including photographic equipment and supplies, offset lower prices for televisions. Over the year, recreation costs rose 4.2 percent.

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

Medical care costs increased 0.4 percent in May and June, the same amount as March and April. During the latest period, higher prices were noted for internal and respiratory over-the-counter drugs. The total cost of medical care was up 4.2 percent since June 2008.

Costs within the education and communication category rose 0.3 percent during May and June, after edging up 0.1 percent in March and April. Over the year, this index rose 2.7 percent.

The CPI-U for the Houston-Galveston-Brazoria area stood at 192.325 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 \$192.33 in June 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: July 2009 Consumer Price Indexes for Energy, Food At Home, and Shelter for Houston-Galveston-Brazoria will be released on August 14, 2009.