

SOUTHWEST INFORMATION OFFICE
Dallas, Texas

For release: 7:30 a.m. (CT) Friday, September 14, 2012

12-1818-DAL

Contact information: (972) 850-4800 • BLSInfoDallas@bls.gov • www.bls.gov/ro6

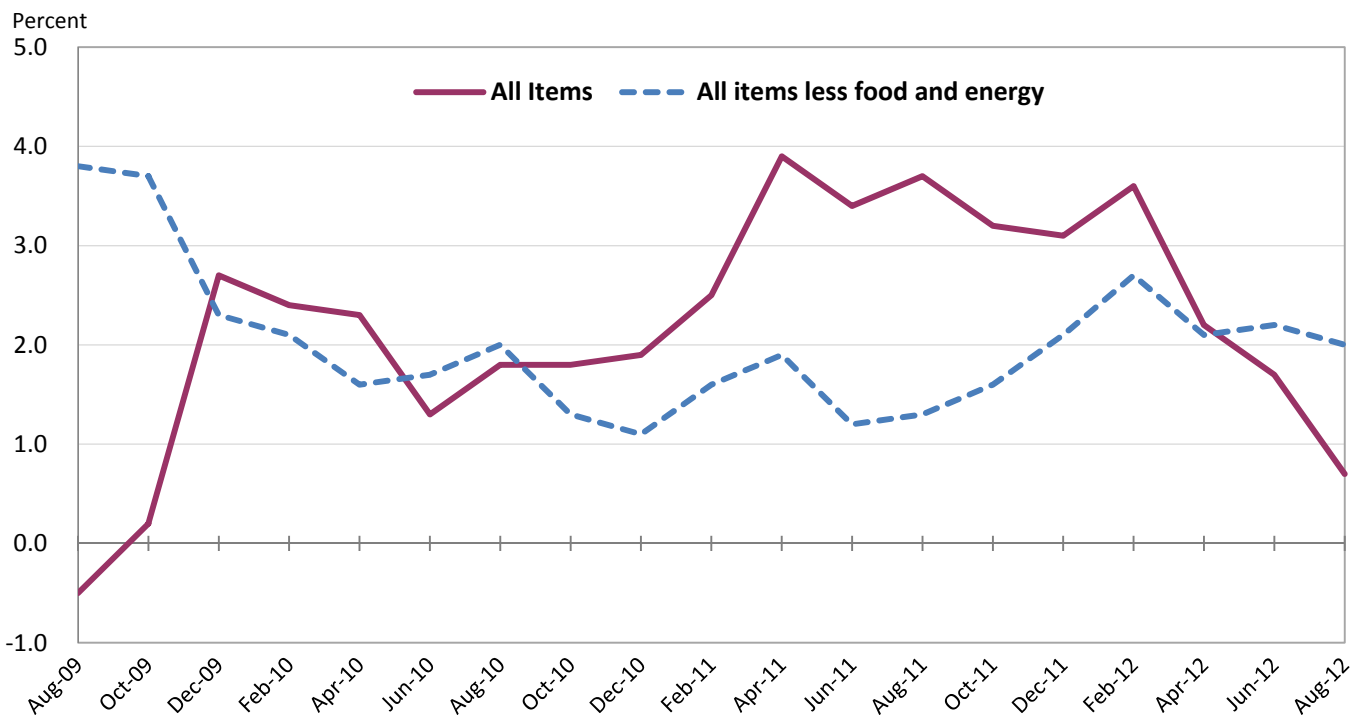
CONSUMER PRICE INDEX, HOUSTON-GALVESTON-BRAZORIA – AUGUST 2012

Area prices down 0.4 percent during two-month period, rise 0.7 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area fell 0.4 percent in July and August, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Stanley W. Suchman noted that an 8.0-percent decrease in energy costs was partially offset by increases in the indexes for food (0.8 percent) and for all items less food and energy (0.4 percent). (Data in this report are not seasonally adjusted. Accordingly, short-term changes may reflect the impact of seasonal influences.)

Over the last 12 months, the all items CPI-U rose 0.7 percent – the slowest annual increase since the year ended October 2009. (See chart 1.) Among the major categories, annual increases were recorded for food (2.3 percent) and all items less food and energy (2.0 percent), while energy costs fell 9.2 percent over the year.

Chart 1. Over-the-year percent change in CPI-U, Houston-Galveston-Brazoria, August 2009–August 2012



Source: U.S. Bureau of Labor Statistics

Food

Food prices rose 0.8 percent in July and August, after registering no change in May and June. Among the two components of the index, prices for food at home (grocery prices) rose 0.9 percent and prices for food away from home, 0.6 percent. Higher prices were noted for a number of items within the grocery group, including citrus fruits, steaks, and salad dressings. At the same time, lower prices were registered for cheese and ice cream.

From August 2011 to August 2012, total food prices rose 2.3 percent, reflecting the combined effects of a 1.9-percent rise in grocery prices and a 2.9-percent increase in prices for food away from home. Annual increases for grocery items have been less than 3.0 percent since May of this year, a marked slowdown from the recent peak of 7.0 percent posted in December 2011.

Energy

The energy index fell 8.0 percent in July and August, after decreasing 5.8 percent in May and June. Although total energy costs declined during the period, gasoline prices rose 3.3 percent. The average price for a gallon of gasoline in the Houston metropolitan area stood at \$3.491 in August.

Energy costs fell 9.2 percent during the year ended in August 2012 as prices fell for each of the energy components. The biggest factor in the current period's decrease was a 21.9-percent decline in electricity prices, though lower prices were also registered for natural gas (-7.9 percent) and motor fuel (-1.8 percent); a year ago, motor fuel prices were rising at a 38.1-percent pace.

All items less food and energy

The index for all items less food and energy rose 0.4 percent in July and August, after registering little change in May and June. The largest contributor to the current period's gain was a 0.8-percent increase in owners' equivalent rent of a primary residence. Higher prices were also noted for college tuition and fees, medical care, and car and truck rentals. In contrast, apparel prices fell 2.7 percent during the period with lower prices noted for women's suits and separates, as well as women's footwear; apparel costs have decreased in five of the last six bimonthly periods.

For the year ended in August 2012, the index for all items less food and energy rose 2.0 percent, in line with recent annual rates, but higher than a year ago (1.3 percent). Leading factors in the current increase included higher prices for shelter, medical care, and education and communication. In contrast, apparel prices fell 7.6 percent over the year, their first annual decline since August 2009.

Next Release Date: The October 2012 *Consumer Price Index for All Items for Houston-Galveston-Brazoria* will be released on November 15, 2012.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 88 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 29 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 4,000 housing units and approximately 26,000 retail establishments – department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details, see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, *The Consumer Price Index*, available on the Internet at www.bls.gov/opub/hom/homch17_a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is 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. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The **Houston-Galveston-Brazoria, Texas, Consolidated Metropolitan Statistical Area (CMSA)** includes Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller Counties.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone number: 1-800-877-8339.

Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods

Houston-Galveston-Brazoria, TX (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from—		
	June 2012	July 2012	Aug. 2012	Aug. 2011	June 2012	July 2012
Expenditure category						
All items	204.829	-	203.959	0.7	-0.4	-
All items (1967=100)	656.961	-	654.169	-	-	-
Food and beverages	211.901	-	212.788	2.2	.4	-
Food	210.843	-	212.492	2.3	.8	-
Food at home	213.225	215.129	215.139	1.9	.9	0.0
Food away from home	203.886	-	205.182	2.9	.6	-
Alcoholic beverages	217.525	-	207.877	-5	-4.4	-
Housing	188.160	-	183.903	-.3	-2.3	-
Shelter	210.892	211.534	212.192	2.2	.6	.3
Rent of primary residence ¹	200.961	201.256	202.529	3.9	.8	.6
Owners' equivalent rent of residences ^{1 2}	196.521	197.357	198.165	1.8	.8	.4
Owners' equivalent rent of primary residence ^{1 2}	196.521	197.357	198.165	1.8	.8	.4
Fuels and utilities	NA	-	164.537	-14.8	-	-
Household energy	NA	143.323	150.328	-19.4	-	4.9
Energy services ¹	NA	140.428	147.416	-19.7	-	5.0
Electricity ¹	NA	141.440	145.868	-21.9	-	3.1
Utility (piped) gas service ¹	123.433	123.436	142.697	-7.9	15.6	15.6
Household furnishings and operations	123.731	-	122.829	.8	-.7	-
Apparel	157.906	-	153.669	-7.6	-2.7	-
Transportation	189.372	-	192.127	.7	1.5	-
Private transportation	188.869	-	190.969	.5	1.1	-
Motor fuel	295.412	286.958	305.011	-1.8	3.2	6.3
Gasoline (all types)	295.628	287.085	305.335	-1.8	3.3	6.4
Gasoline, unleaded regular ³	306.041	297.007	315.813	-2.1	3.2	6.3
Gasoline, unleaded midgrade ^{3 4}	299.749	292.468	311.129	-1.1	3.8	6.4
Gasoline, unleaded premium ³	284.921	276.387	294.412	-9	3.3	6.5
Medical care	405.580	-	411.818	6.6	1.5	-
Recreation ⁵	105.778	-	105.849	.7	.1	-
Education and communication ⁵	116.993	-	118.720	2.9	1.5	-
Other goods and services	353.146	-	355.888	2.7	.8	-
Commodity and service group						
All items	204.829	-	203.959	.7	-.4	-
Commodities	177.305	-	177.697	.1	.2	-
Commodities less food and beverages	158.582	-	158.754	-9	.1	-
Nondurables less food and beverages	213.556	-	215.391	-1.8	.9	-
Durables	109.474	-	108.292	.6	-1.1	-
Services	233.999	-	231.985	1.2	-9	-
Special aggregate indexes						
All items less medical care	194.579	-	193.469	.3	-.6	-
All items less shelter	202.625	-	200.860	.1	-.9	-
Commodities less food	160.829	-	160.725	-9	-.1	-
Nondurables	213.495	-	214.877	.0	.6	-
Nondurables less food	213.698	-	214.848	-1.6	.5	-
Services less rent of shelter ²	257.629	-	251.710	.3	-2.3	-
Services less medical care services	216.733	-	214.319	.8	-1.1	-
Energy	242.650	211.010	223.223	-9.2	-8.0	5.8
All items less energy	203.402	-	204.413	2.1	.5	-
All items less food and energy	201.973	-	202.873	2.0	.4	-

¹ This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

² Index is on a December 1982=100 base.

³ Special index based on a substantially smaller sample.

⁴ Indexes on a December 1993=100 base.

⁵ Indexes on a December 1997=100 base.

NA Data not adequate for publication.

- Data not available.

NOTE: Index applies to a month as a whole, not to any specific date.