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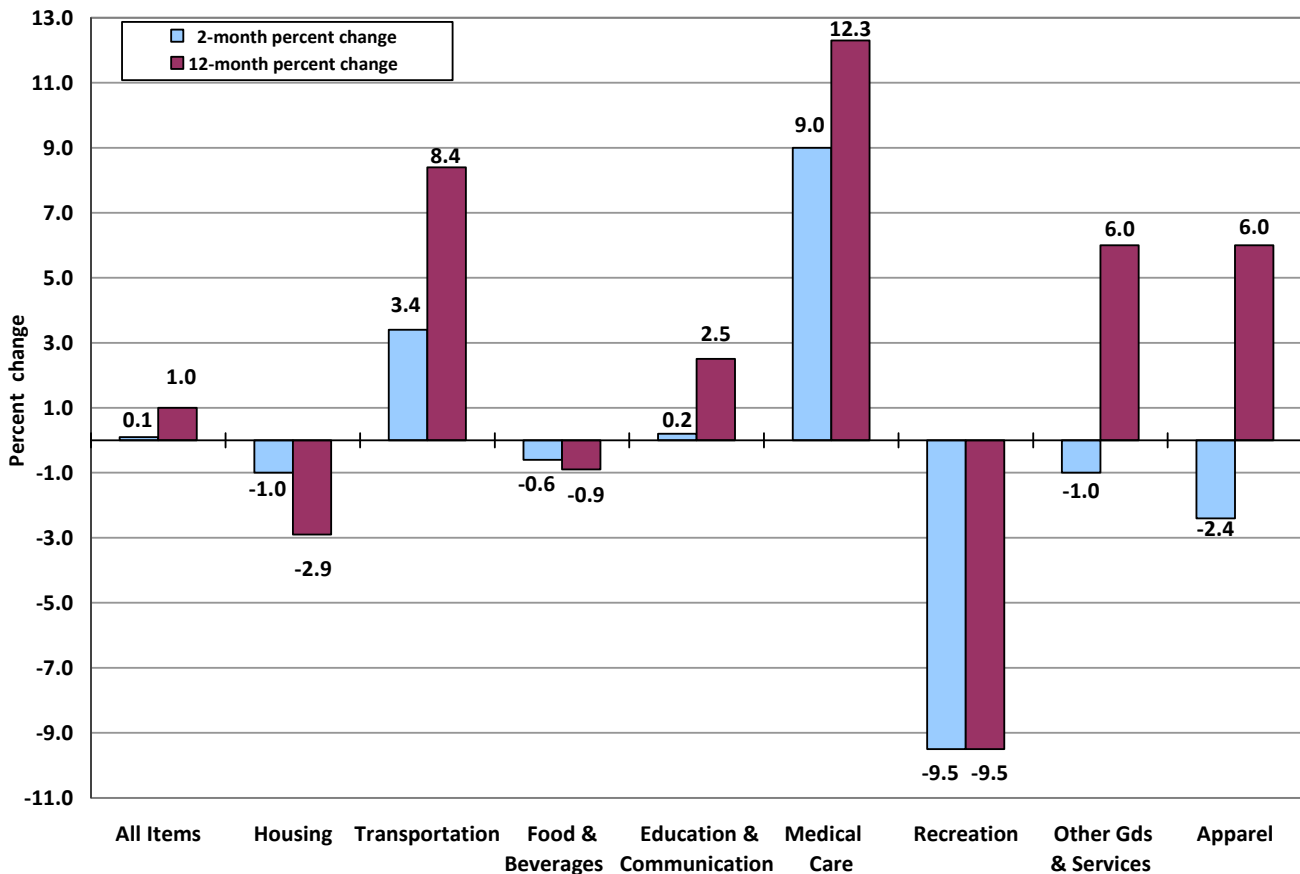
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DALLAS-FORT WORTH CONSUMER PRICE INDEX – NOVEMBER 2009
Area Prices Little Changed in Two-month Period, but Rise over the Year

Prices in the Dallas-Fort Worth metropolitan area were little changed during October and November, edging up 0.1 percent, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Stanley W. Suchman noted that increases in costs for transportation and medical care were nearly balanced by declines in five of the eight major categories. During the year ended in November 2009, local prices rose 1.0 percent, the first annual increase since the 12-month period ended in March 2009. These data are based on the Consumer Price Index for All Urban Consumers (CPI-U).

Chart 1. Percent change in Dallas-Fort Worth CPI-U by major category, November 2009



The transportation index rose 3.4 percent in October and November after slipping 0.1 percent in August and September. The gain was mainly the result of higher prices for gasoline (5.8 percent) and new and used automobiles, but increased costs for airlines fares, motor vehicle insurance, and motor vehicle repair also contributed. During the 12 months ended in November 2009, gasoline costs climbed 24.0 percent, marking the first annual increase since October 2008 and an abrupt turnaround from last month when gasoline prices dropped 24.8 percent over the year. The sharp annual rise in motor fuel costs was the biggest factor in the total transportation rise of 8.4 percent for the year ended in November 2009.

The medical care index climbed 9.0 percent in October and November following very modest increases throughout the previous bimonthly periods of 2009. The latest rise was primarily the result of sharply higher prices for hospital and related services. During the 12 months ended in November the cost of medical care was up 12.3 percent, accelerating from the November 2008 annual advance of 4.5 percent. Although the latest two-month increase was the largest on record, the annual gain was far below the local increases of approximately 20 percent recorded from late 1981 through early 1982.

Nearly countering the October-November medical care increase was a decline of 9.5 percent in the cost of recreation. Decreases occurred in a number of items, including video equipment and sports equipment. Price movements earlier in the year were marginal and as a result, the annual change matched the two-month change as recreation costs fell 9.5 percent over the year.

The housing index fell 1.0 percent with all three housing sub-components registering declines during the two months ended in November. The cost of shelter fell 0.8 percent as charges for both renters and homeowners decreased during the period. The index for fuels and utilities fell 2.5 percent in October and November as electricity prices declined 4.4 percent; costs for utility (piped) gas service rose 5.1 percent. Prices for household furnishings and operations fell 0.9 percent during the two-month period with lower prices recorded for items ranging from appliances to household cleaning products. During the year ended in November 2009, total housing costs fell 2.9 percent, the fastest annual rate of decline on record since the series inception in 1975. Annual decreases occurred in all three housing sub-categories, but were led by an 11.7-percent drop in prices for fuels and utilities.

The food and beverages index fell 0.6 percent in October and November after recording no change in the previous period. Prices declined for food at home (-1.1 percent) and alcoholic beverages (-1.0 percent), while costs for food away from home were little changed. Over the year, total food and beverage costs decreased 0.9 percent due entirely to lower costs for food at home. The 4.1-percent annual decline in food at home prices was the fourth-largest on record since the series inception in 1964 and compared to a year-ago annual increase of 7.3 percent.

The apparel index registered a 2.4-percent decrease in October and November after climbing 15.8 percent in August and September. In the latest two months, discounting was most pervasive among boys' and girls' apparel, but also notable among women's suits and separates as well as dresses. Despite the latest decline, clothing costs were 6.0 percent higher than a year ago, marking a sharp turnaround from the 2008 decline of 11.9 percent.

Movements in the two remaining categories had smaller impacts on the overall October-November price change. The index for other goods and services fell 1.0 percent during the two-month period, but rose 6.0 percent over the year. Reflecting higher prices for personal computers and local land-line telephone services, costs for education and communication edged up 0.2 percent in October and November; the index rose 2.5 percent during the year ended in November 2009.

The CPI-U for the Dallas-Fort Worth area stood at 201.958 on the 1982-84=100 reference base, meaning that a market basket of goods and services which averaged \$100.0 in 1982-84 would have cost local consumers \$201.96 in November 2009.

Year in review

The All Items Consumer Price Index for Dallas-Fort Worth registered 12-month decreases in May, July, and September 2009 – the longest such string since the series inception in 1963. During October and November 2009 the transportation category turned sharply positive on an annual basis and helped push the total inflation rate back to a positive change of 1.0 percent. This was largely attributable to the turnaround in gasoline costs which rose 24.0 percent during the 12 months ended in November 2009 compared to a drop of 31.4 percent during the 12 months ended in November 2008. In sharp contrast, household energy costs fell in 2009 after rising sharply in 2008. During 2009, costs for natural gas decreased 21.2 percent and prices for electricity fell 14.3 percent. The lower household energy costs were the biggest factor in the 2009 decline in the housing index. Due to an annual decline in grocery stores prices, the food and beverage index recorded a similar reversal, registering a decline of 0.9 percent in 2009 compared to an increase of 6.2 percent in 2008. Recreation costs moved in the same fashion, dropping 9.5 percent in 2009 after rising 4.0 percent in 2008. The apparel category also registered a turnaround, but in the opposite direction, as clothing prices rose 6.0 percent in 2009 after falling 11.9 percent in 2008. Two additional categories, medical care and other goods and services, registered accelerated rates of gain in 2009 compared with 2008.

The Dallas-Fort Worth Consolidated Metropolitan Statistical Area (CMSA) includes Collin, Dallas, Denton, Ellis, Henderson, Hood, Hunt, Johnson, Kaufman, Parker, Rockwall, and Tarrant 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: December Consumer Prices Indexes for Energy, Food At Home, and Shelter for Dallas-Fort Worth will be released on January 15, 2010.