

DALLAS REGIONAL OFFICE

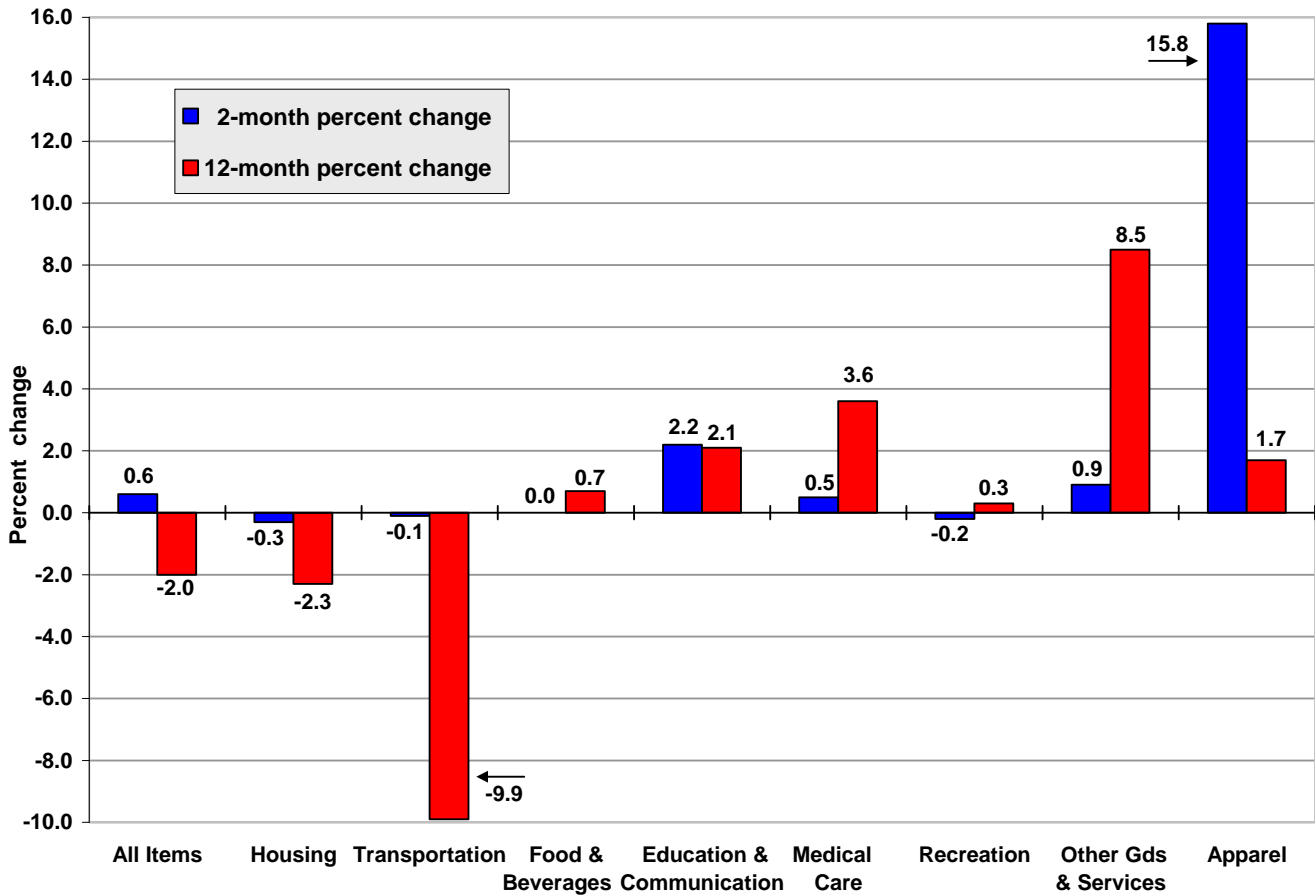
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DALLAS-FORT WORTH CONSUMER PRICE INDEX – SEPTEMBER 2009
Area Prices Rise During Two-month Period, but Decline over the Year

Prices in the Dallas-Fort Worth area rose 0.6 percent during August and September, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Regional Commissioner Stanley W. Suchman noted that a sharp increase in apparel prices accounted for the majority of the gain as prices were unchanged or lower in four of the eight major categories. During the year ended in September 2009, local prices fell 2.0 percent, primarily as a result of a 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 September 2009
CPI-U by Major Category for Dallas-Fort Worth



Apparel costs climbed 15.8 percent in August and September following two consecutive bimonthly declines totaling 13.0 percent. Sharp gains often occur at this time of year as new fall and winter lines are introduced; August and September increases were smaller in 2008 and 2007, but larger in 2006 and 2005. In the latest period, higher prices were registered for many items, but most notably for women's dresses, suits and separates, and footwear, as well as men's suits, sport coats, and outerwear. Despite the recent surge, the apparel index was up only 1.7 percent over the year.

Education and communication costs rose 2.2 percent in August and September and were another large contributor to the overall local CPI advance. Sharper than normal increases tend to occur during these months as higher tuition rates typically go into effect. The current 2.2-percent increase compared to a 2.0-percent gain in the same period in 2008. In August and September 2009, higher prices were also registered for local land-line telephone service, while lower prices were recorded for personal computers. Over the year, the education and communication index rose 2.1 percent.

Two categories recorded smaller gains in August and September. The other goods and services index increased 0.9 percent during the period primarily as a result of higher prices for personal care products. The medical care index was up 0.5 percent mainly on the strength of increased charges for prescription drugs. During the year ended in September 2009, total medical care costs rose 3.6 percent, about the same as the year-ago increase of 3.9 percent. In contrast, the other goods and services index advanced 8.5 percent in the latest 12-month period, notably higher than the September 2008 annual increase of 2.2 percent.

Local costs for food and beverages were unchanged in August and September as lower prices for food at home (grocery prices) were balanced by higher charges for food away from home (restaurant meals) and alcoholic beverages. Grocery costs fell 0.5 percent, but prices for food away from home and alcoholic beverages rose 0.5 and 0.7 percent, respectively. Over the year, prices for food at home declined 2.3 percent, while prices for food away from home advanced 3.7 percent, and costs for alcoholic beverages rose 4.6 percent. Combined, these movements left the total food and beverages index 0.7 percent above a year ago, the slowest annual increase since March 2005 when prices slipped 0.1 percent.

Slowing the overall rate of CPI increase, the housing index fell 0.3 percent during August and September. The most important factor in the housing decline was a 2.0-percent decrease in household furnishings and operations, the largest bimonthly price decline since October and November 2003. The index for fuels and utilities also fell during the period, down 0.4 percent, as lower electricity charges countered higher natural gas prices. Despite a 0.6-percent rise in homeowners' costs, the shelter index was unchanged as a result of no change in renters' costs combined with a decline in hotel and motel charges. Annual movements within the housing component were varied with prices for fuels and utilities dropping 14.9 percent, household furnishings and operations falling 3.3 percent, and shelter costs rising 1.0 percent. Combined, these annual movements left total housing costs 2.3 percent below a year ago.

Prices in the two remaining categories edged downward in August and September. Transportation costs slipped 0.1 percent during the period with lower prices for motor fuels (down 1.5 percent) and new vehicles balancing higher prices for airline fares and used vehicles. During the previous 12 months, motor fuel prices dropped 34.2 percent, significantly contributing to the total annual transportation decrease of 9.9 percent. The cost of recreation edged down 0.2 percent in August and September and was also little changed over the year, up 0.3 percent.

The CPI-U for the Dallas-Fort Worth area stood at 201.802 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 \$201.80 in September 2009.

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: October Consumer Prices Indexes for Energy, Food At Home, and Shelter for Dallas-Fort Worth will be released on November 18, 2009.