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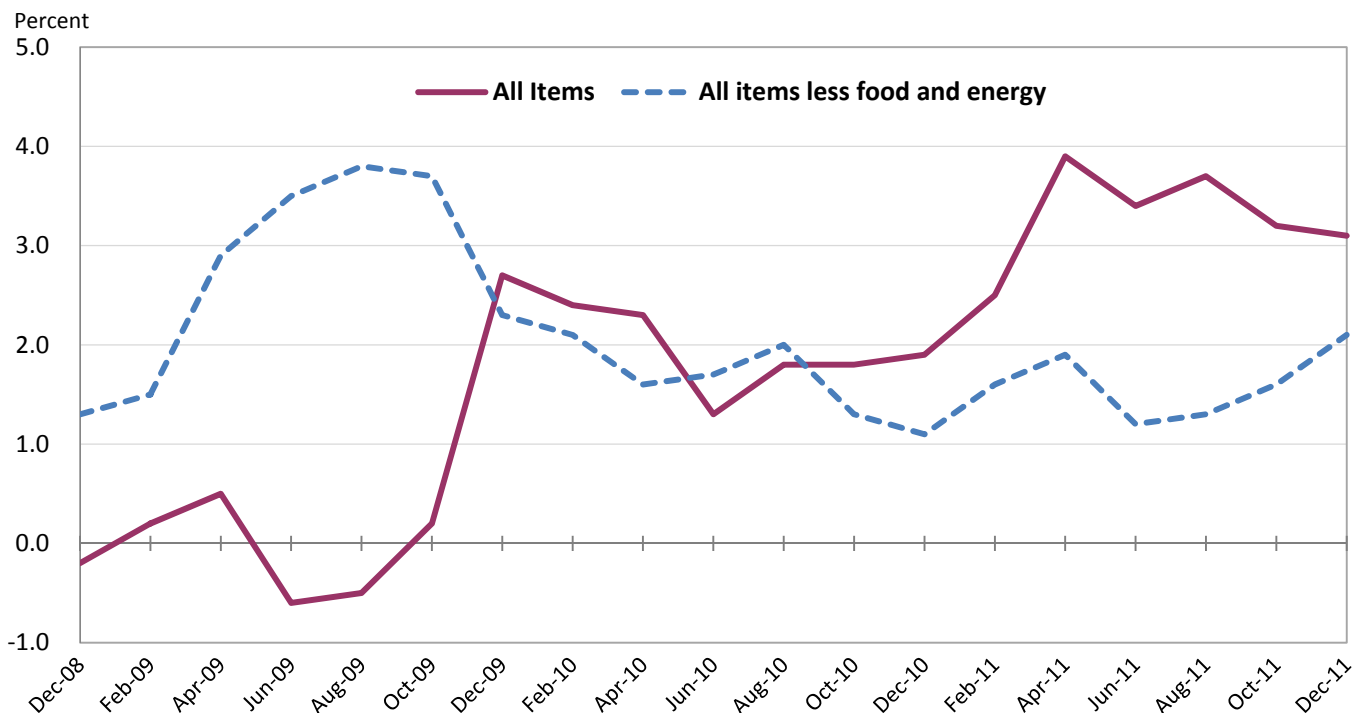
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CONSUMER PRICE INDEX, HOUSTON-GALVESTON-BRAZORIA – DECEMBER 2011
Area prices fall 0.5 percent during the two-month period, but rise 3.1 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area fell 0.5 percent in November and December, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Stanley W. Suchman attributed the two-month decline to decreases in the indexes for energy (-1.6 percent) and all items less food and energy (-0.4 percent). Within this last group, lower apparel prices were the largest factor in the decrease. In contrast, food prices rose 0.2 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 3.1 percent. (See chart 1.) Energy costs recorded the greatest increase during the last year, up 7.7 percent, but annual increases were also recorded for food (4.8 percent) and for all items less food and energy (2.1 percent).

Chart 1. Over-the-year percent change in CPI-U, Houston-Galveston-Brazoria, December 2008–December 2011



Source: U.S. Bureau of Labor Statistics

Food

Food prices rose 0.2 percent in November and December, after increasing 0.8 percent in September and October. Among the two components of the index, prices for food at home (grocery prices) rose 0.5 percent while prices for food away from home slipped 0.1 percent. Within the grocery group, higher prices were noted for chicken, ground beef, and cereal. At the same time, lower prices were registered for bacon and candy.

From December 2010 to December 2011, total food prices rose 4.8 percent, reflecting the combined effects of a 7.0-percent rise in grocery prices and a 2.4-percent increase in prices for food away from home. The annual increase in grocery prices was the largest since a matching 7.0-percent gain during the year ended November 2008.

Energy

The energy index fell 1.6 percent in November and December, after decreasing 5.6 percent in September and October. The current decline resulted from a 4.5-percent decrease in gasoline prices. Partially offsetting the gasoline decline, electricity costs rose 2.6 percent during the period; natural gas prices were unchanged.

Over the year, the energy index increased 7.7 percent primarily reflecting a 10.7-percent rise in gasoline prices. Also contributing were increased costs for natural gas and electricity, up 5.5 and 2.8 percent, respectively, from December 2010 to December 2011.

All items less food and energy

The index for all items less food and energy fell 0.4 percent in November and December, the first bimonthly decrease since a 0.9-percent decline recorded a year ago in November and December 2010. The largest contributor to the latest decrease was lower costs for apparel, down 6.1 percent, particularly for women's clothing, infants' apparel, and footwear. Price decreases were also noted for lodging away from home (hotels and motels) and financial services. During the same period, small price increases were registered for medical care, recreation, and education and communication.

Over the year, the index for all items less food and energy rose 2.1 percent, the fastest annual rate of change for this index since February 2010 (2.1 percent). The December 2011 annual advance primarily reflected the combined effects of increased prices for apparel (6.6 percent), medical care (5.2 percent), and shelter (1.6 percent). The recreation index was the only major component to decline over the year, down 1.6 percent.

Next Release Date: The February 2012 *Consumer Price Index for All Items for Houston-Galveston-Brazoria* will be released on March 16, 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 87 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 32 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 25,000 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/pub/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.

For personal assistance or further information on Consumer Price Indexes, as well as other Bureau products, contact the Southwest Information Office at (972) 850-4800 from 8:00 a.m. to 11:00 a.m. and 1:00 p.m. to 4:00 p.m. CT.

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—		
	Oct. 2011	Nov. 2011	Dec. 2011	Dec. 2010	Oct. 2011	Nov. 2011
Expenditure category						
All items	201.398	-	200.477	3.1	-0.5	-
All items (1967=100)	645.956	-	643.002	-	-	-
Food and beverages	209.940	-	210.641	4.7	.3	-
Food	209.266	-	209.683	4.8	.2	-
Food at home	212.840	212.030	213.905	7.0	.5	0.9
Food away from home	200.786	-	200.517	2.4	-.1	-
Alcoholic beverages	211.026	-	214.938	3.6	1.9	-
Housing	184.450	-	184.725	1.7	.1	-
Shelter	207.503	207.920	207.231	1.6	-.1	-.3
Rent of primary residence ¹	195.830	196.700	196.266	1.2	.2	-.2
Owners' equivalent rent of residences ^{1 2}	194.204	194.785	194.252	2.0	.0	-.3
Owners' equivalent rent of primary residence ^{1 2}	194.204	194.785	194.252	2.0	.0	-.3
Fuels and utilities	192.561	-	196.133	3.0	1.9	-
Household energy	185.607	189.901	189.785	3.2	2.3	-.1
Energy services ¹	182.612	186.862	186.862	3.1	2.3	.0
Electricity ¹	187.046	191.923	191.923	2.8	2.6	.0
Utility (piped) gas service ¹	145.592	145.588	145.588	5.5	.0	.0
Household furnishings and operations	122.810	-	122.608	.1	-.2	-
Apparel	162.926	-	152.984	6.6	-6.1	-
Transportation	184.203	-	180.791	5.4	-1.9	-
Private transportation	182.921	-	179.631	5.7	-1.8	-
Motor fuel	283.598	282.120	271.470	11.1	-4.3	-3.8
Gasoline (all types)	283.070	281.261	270.223	10.7	-4.5	-3.9
Gasoline, unleaded regular ³	293.000	291.115	279.411	10.8	-4.6	-4.0
Gasoline, unleaded midgrade ^{3 4}	288.697	285.863	274.984	10.1	-4.7	-3.8
Gasoline, unleaded premium ³	271.037	270.621	261.654	10.6	-3.5	-3.3
Medical care	392.762	-	394.457	5.2	.4	-
Recreation ⁵	105.508	-	105.954	-1.6	.4	-
Education and communication ⁵	115.565	-	115.885	1.7	.3	-
Other goods and services	347.538	-	342.939	2.3	-1.3	-
Commodity and service group						
All items	201.398	-	200.477	3.1	-.5	-
Commodities	174.945	-	172.848	4.9	-1.2	-
Commodities less food and beverages	156.053	-	152.868	5.1	-2.0	-
Nondurables less food and beverages	210.636	-	204.219	6.5	-3.0	-
Durables	107.298	-	106.861	3.0	-.4	-
Services	229.459	-	229.640	1.8	.1	-
Special aggregate indexes						
All items less medical care	191.533	-	190.534	2.9	-.5	-
All items less shelter	199.171	-	197.982	3.7	-.6	-
Commodities less food	158.145	-	155.181	5.0	-1.9	-
Nondurables	211.114	-	208.039	5.6	-1.5	-
Nondurables less food	210.484	-	204.768	6.2	-2.7	-
Services less rent of shelter ²	251.820	-	252.561	1.9	.3	-
Services less medical care services	212.664	-	212.734	1.4	.0	-
Energy	232.028	233.475	228.223	7.7	-1.6	-2.2
All items less energy	200.632	-	200.025	2.5	-.3	-
All items less food and energy	199.002	-	198.217	2.1	-.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.

- Data not available.

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