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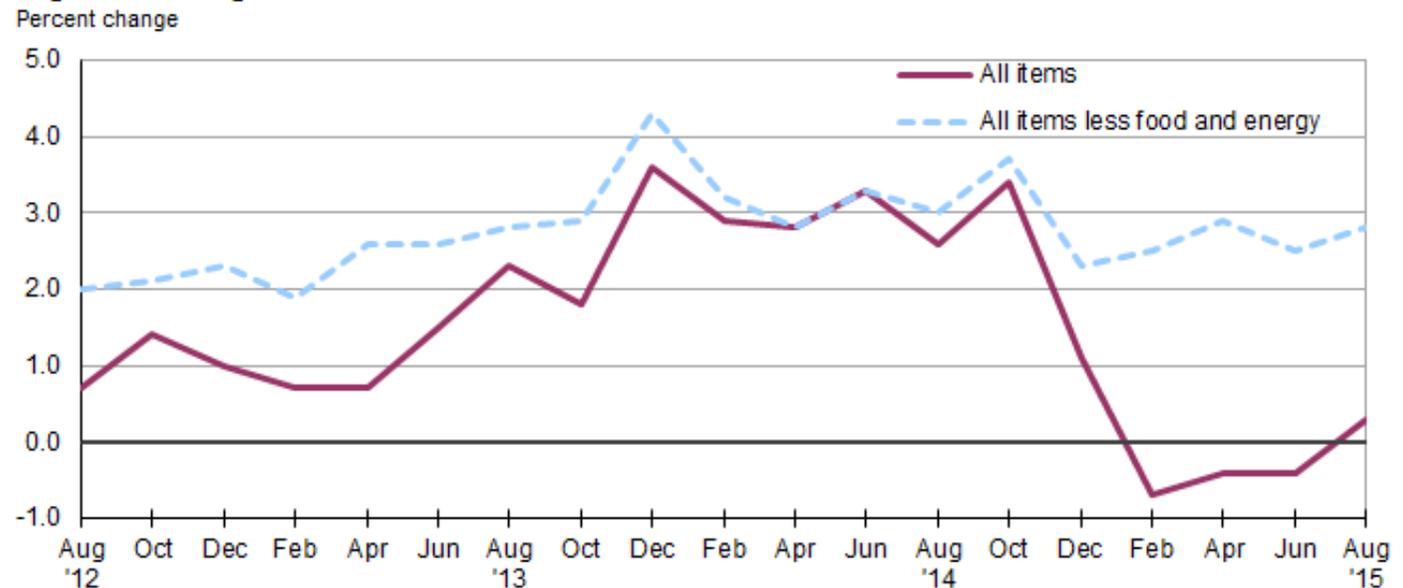
Consumer Price Index, Houston-Galveston-Brazoria – August 2015

Area prices rise 0.4 percent in July and August, up 0.3 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area rose 0.4 percent in July and August, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Stanley W. Suchman noted that 0.7-percent advances in the indexes for both all items less food and energy and for food, were partially offset by a 3.4-percent decline in energy. (Data in this report are not seasonally adjusted. Accordingly, short-term changes may reflect the impact of seasonal influences.)

During the year ended in August 2015, the all items CPI-U rose 0.3 percent, the first 12-month increase since December 2014. (See [chart 1.](#)) The index for all items less food and energy increased 2.8 percent over the year. (See [table 1.](#))

Chart 1. Over-the-year percent change in CPI-U, Houston-Galveston-Brazoria, August 2012–August 2015



Source: U.S. Bureau of Labor Statistics.

Food

Local food prices rose 0.7 percent in July and August, after registering little change in May and June (-0.1 percent). Among the two components of the index, prices for food at home (grocery stores) advanced 1.1 percent, while prices for food away from home edged up 0.2 percent.

From August 2014 to August 2015, the food index rose 2.1 percent, reflecting the combined effects of a 1.7-percent price rise at grocery stores and a 2.5-percent price rise for food away from home.

Energy

The energy index fell 3.4 percent in July and August, after rising 7.7 percent in May and June. The biggest factor in the current two-month decline was a 5.4-percent decrease in the motor fuel index, though lower natural gas prices also contributed, down 5.1 percent. Partially offsetting these increases, electricity prices were up 0.9 percent during the period.

During the year ended in August 2015, energy costs registered a 22.1-percent decrease as prices fell for all three energy components. A 27.2-percent drop in motor fuel prices was the biggest factor in the decrease, but electricity and natural gas costs also fell, down 13.3 and 11.8 percent, respectively.

All items less food and energy

The index for all items less food and energy rose 0.7 percent in July and August, after edging up 0.2 percent in May and June. Among the leading factors in the advance were higher prices for apparel (7.7 percent), shelter (0.9 percent), household furnishings and operations (2.4 percent), and education and communication (1.1 percent). During the period, lower prices were noted for airline fares, recreation, and other goods and services.

From August 2014 to August 2015, the index for all items less food and energy rose 2.8 percent. The biggest factor in the annual increase was a 5.1-percent rise in shelter costs, as the indexes rose for both renters' costs and owners' equivalent rent. Another large contributor to the annual increase was higher prices for medical care, up 4.4 percent. In contrast, prices fell over the year for recreation and apparel, down 3.9 and 3.1 percent, respectively.

The October 2015 Consumer Price Index for All Items for Houston-Galveston-Brazoria will be released on November 17, 2015.

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 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 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 6,000 housing units and approximately 24,000 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.

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Table 1. 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 -		
	Jun. 2015	Jul. 2015	Aug. 2015	Aug. 2014	Jun. 2015	Jul. 2015
All items.....	213.896		214.652	0.3	0.4	
All items (1967 = 100).....	686.042		688.465			
Food and beverages.....	223.350		224.849	2.1	0.7	
Food.....	223.195		224.800	2.1	0.7	
Food at home.....	223.329	224.834	225.811	1.7	1.1	0.4
Food away from home.....	218.702		219.234	2.5	0.2	
Alcoholic beverages.....	215.502		215.340	1.9	-0.1	
Housing.....	201.293		203.299	3.1	1.0	
Shelter.....	240.485	242.401	242.757	5.1	0.9	0.1
Rent of primary residence ⁽¹⁾	231.640	232.827	234.455	6.7	1.2	0.7
Owners' equivalent rent of residences ^{(1) (2)}	222.943	223.785	224.813	5.4	0.8	0.5
Owners' equivalent rent of primary residence ^{(1) (2)}	222.943	223.785	224.813	5.4	0.8	0.5
Fuels and utilities.....	156.907		156.698	-9.2	-0.1	
Household energy.....	137.896	137.200	137.641	-13.1	-0.2	0.3
Energy services ^{(1) (3)}	135.355	134.718	135.185	-13.0	-0.1	0.3
Electricity ⁽¹⁾	133.533	132.773	134.792	-13.3	0.9	1.5
Utility (piped) gas service ⁽¹⁾	132.858	132.839	126.098	-11.8	-5.1	-5.1
Household furnishings and operations.....	121.568		124.469	2.7	2.4	
Apparel.....	168.409		181.352	-3.1	7.7	
Transportation.....	182.505		178.316	-6.9	-2.3	
Private transportation.....	180.135		176.991	-6.9	-1.7	
Motor fuel.....	226.862	226.619	214.506	-27.2	-5.4	-5.3
Gasoline (all types).....	227.958	227.797	215.309	-27.1	-5.5	-5.5
Gasoline, unleaded regular ⁽⁴⁾	233.115	232.752	219.477	-28.0	-5.9	-5.7
Gasoline, unleaded midgrade ^{(4) (5)}	238.509	239.176	227.010	-24.7	-4.8	-5.1
Gasoline, unleaded premium ⁽⁴⁾	235.266	236.018	226.415	-21.9	-3.8	-4.1
Medical care.....	450.545		452.245	4.4	0.4	
Recreation ⁽⁶⁾	102.509		101.118	-3.9	-1.4	
Education and communication ⁽⁶⁾	124.188		125.593	2.4	1.1	
Other goods and services.....	390.923		390.153	2.2	-0.2	
COMMODITY AND SERVICE GROUP.....						
Commodities.....	175.529		175.478	-3.5	0.0	
Commodities less food and beverages.....	151.537		150.867	-6.6	-0.4	
Nondurables less food and beverages.....	200.416		200.746	-10.7	0.2	
Durables.....	105.780		104.507	-0.7	-1.2	
Services.....	253.830		255.404	3.1	0.6	
SPECIAL AGGREGATE INDEXES.....						
All items less shelter.....	203.853		204.052	-1.7	0.1	
All items less medical care.....	202.275		202.985	0.0	0.4	
Commodities less food.....	153.850		153.188	-6.3	-0.4	
Nondurables.....	212.379		213.283	-4.6	0.4	
Nondurables less food.....	201.136		201.438	-10.1	0.2	
Services less rent of shelter ⁽²⁾	266.624		267.350	1.0	0.3	
Services less medical care services.....	234.412		235.980	3.0	0.7	
Energy.....	179.632	179.158	173.567	-22.1	-3.4	-3.1
All items less energy.....	220.027		221.505	2.7	0.7	

Table 1. 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) - Continued

Item and Group	Indexes			Percent change from -		
	Jun. 2015	Jul. 2015	Aug. 2015	Aug. 2014	Jun. 2015	Jul. 2015
All items less food and energy.....	219.320		220.774	2.8	0.7	

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

(2) Indexes on a December 1982=100 base.

(3) Prior to January 2011 this series was titled Gas (piped) and electricity.

(4) Special index based on a substantially smaller sample.

(5) Indexes on a December 1993=100 base.

(6) Indexes on a December 1997=100 base.

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