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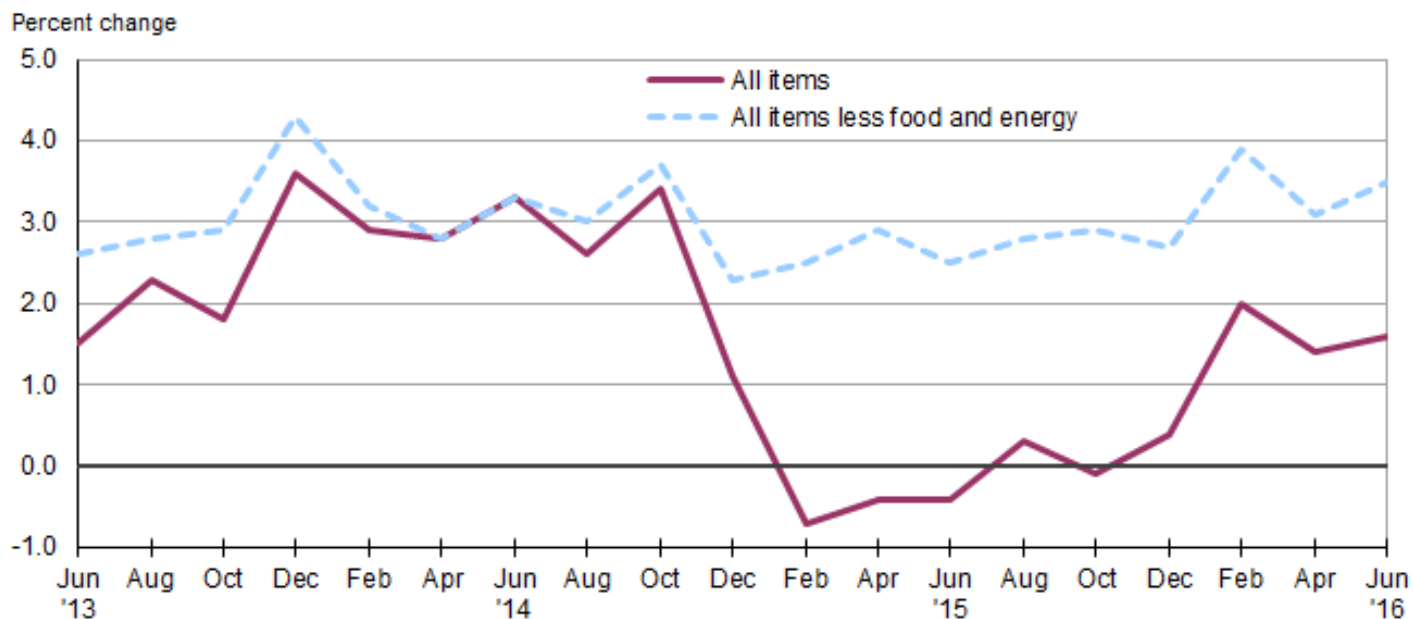
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## **Consumer Price Index, Houston-Galveston-Brazoria – June 2016** **Area prices rise 0.8 percent in May and June; up 1.6 percent over the year**

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area rose 0.8 percent in May and June, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Stanley W. Suchman noted that a 6.9-percent increase in energy costs and a 0.6-percent rise in the index for all items less food and energy were nearly equal contributors to the bimonthly advance; food prices edged down 0.2 percent during the period. (Data in this report are not seasonally adjusted. Accordingly, short-term changes may reflect the impact of seasonal influences.)

During the year ended in June 2016, the all items CPI-U advanced 1.6 percent. (See [chart 1](#).) The index for all items less food and energy increased 3.5 percent over the year. (See [table 1](#).)

**Chart 1. Over-the-year percent change in CPI-U, Houston-Galveston-Brazoria, June 2013–June 2016**



Source: U.S. Bureau of Labor Statistics.

### **Food**

Food prices edged down 0.2 percent in May and June, after registering little change (0.1 percent) in the previous two-month period. Among the two components of the index, prices for food at home were down 0.4 percent, while prices for food away from home (grocery stores) were nearly flat (0.1 percent).

From June 2015 to June 2016, the food index rose 0.4 percent reflecting the combined effects of a 1.2-percent price rise for food away from home and a 0.2 percent dip in grocery store prices.

## **Energy**

The energy index rose 6.9 percent in May and June, following a 6.2-percent gain in March and April. The current advance was primarily the result of a 12.5-percent increase in motor fuel prices, though higher prices for electricity, up 1.2 percent, also contributed. Natural gas costs were unchanged during the period.

During the year ended in June 2016, the energy index registered a 14.9-percent decline as prices decreased for all three energy components. A 16.2-percent drop in motor fuel prices was the biggest factor in the energy decline, though lower natural gas and electricity costs also contributed, down 11.7 and 10.1 percent, respectively.

## **All items less food and energy**

The index for all items less food and energy rose 0.6 percent in May and June, after remaining essentially unchanged (0.1 percent) in March and April. Among the leading factors in the current advance were higher prices for household furnishings and operations (3.5 percent), shelter (0.4 percent), and public transportation, specifically airline fares. Slowing these gains were lower prices for recreation (-1.1 percent) and apparel (-0.7 percent).

From June 2015 to June 2016, the index for all items less food and energy advanced 3.5 percent. The biggest factor in the annual increase was a 4.2-percent rise in shelter costs. Within the shelter component, increases were registered for both renters' costs (5.8 percent) and owners' equivalent rent (4.0 percent). Other large contributors to the annual rise included higher prices for household furnishings and operations (12.4 percent), apparel (5.8 percent), and medical care (2.5 percent).

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**The August 2016 Consumer Price Index for All Items for Houston-Galveston-Brazoria will be released Friday, September 16, 2016.**

## **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](http://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/pdf/homch17.pdf](http://www.bls.gov/opub/hom/pdf/homch17.pdf).

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 -		
	Apr. 2016	May 2016	Jun. 2016	Jun. 2015	Apr. 2016	May 2016
All items .....	215.513	-	217.305	1.6	0.8	-
All items (1967 = 100) .....	691.229	-	696.976			
Food and beverages .....	224.928	-	224.458	0.5	-0.2	-
Food .....	224.621	-	224.188	0.4	-0.2	-
Food at home .....	223.935	222.800	222.928	-0.2	-0.4	0.1
Food away from home .....	221.077	-	221.338	1.2	0.1	-
Alcoholic beverages .....	219.250	-	218.247	1.3	-0.5	-
Housing .....	207.554	-	209.228	3.9	0.8	-
Shelter .....	249.574	250.600	250.610	4.2	0.4	0.0
Rent of primary residence <sup>(1)</sup> .....	243.361	244.191	245.179	5.8	0.7	0.4
Owners' equivalent rent of residences <sup>(1)</sup> <sup>(2)</sup> .....	231.215	231.812	231.799	4.0	0.3	0.0
Owners' equivalent rent of primary residence <sup>(1)</sup> <sup>(2)</sup> .....	231.215	231.812	231.799	4.0	0.3	0.0
Fuels and utilities .....	145.097	-	146.125	-6.9	0.7	-
Household energy .....	122.332	124.014	123.537	-10.4	1.0	-0.4
Energy services <sup>(1)</sup> <sup>(3)</sup> .....	120.140	121.811	121.324	-10.4	1.0	-0.4
Electricity <sup>(1)</sup> .....	118.642	120.612	120.038	-10.1	1.2	-0.5
Utility (piped) gas service <sup>(1)</sup> .....	117.371	117.365	117.364	-11.7	0.0	0.0
Household furnishings and operations .....	132.049	-	136.693	12.4	3.5	-
Apparel .....	179.409	-	178.113	5.8	-0.7	-
Transportation .....	172.545	-	177.902	-2.5	3.1	-
Private transportation .....	170.502	-	173.935	-3.4	2.0	-
Motor fuel .....	169.024	181.148	190.167	-16.2	12.5	5.0
Gasoline (all types) .....	169.585	181.790	190.767	-16.3	12.5	4.9
Gasoline, unleaded regular <sup>(4)</sup> .....	171.422	184.363	193.671	-16.9	13.0	5.0
Gasoline, unleaded midgrade <sup>(4)</sup> <sup>(5)</sup> .....	182.953	194.552	204.179	-14.4	11.6	4.9
Gasoline, unleaded premium <sup>(4)</sup> .....	186.940	196.600	204.653	-13.0	9.5	4.1
Medical care .....	457.132	-	461.683	2.5	1.0	-
Recreation <sup>(6)</sup> .....	104.367	-	103.260	0.7	-1.1	-
Education and communication <sup>(6)</sup> .....	125.385	-	125.055	0.7	-0.3	-
Other goods and services .....	395.776	-	400.535	2.5	1.2	-
<b>Commodity and service group</b>						
Commodities .....	171.407	-	172.588	-1.7	0.7	-
Commodities less food and beverages .....	145.301	-	147.143	-2.9	1.3	-
Nondurables less food and beverages .....	186.048	-	191.716	-4.3	3.0	-
Durables .....	105.501	-	104.691	-1.0	-0.8	-
Services .....	261.290	-	263.675	3.9	0.9	-
<b>Special aggregate indexes</b>						
All items less shelter .....	202.732	-	204.833	0.5	1.0	-
All items less medical care .....	203.684	-	205.351	1.5	0.8	-
Commodities less food .....	147.825	-	149.602	-2.8	1.2	-
Nondurables .....	205.677	-	208.280	-1.9	1.3	-
Nondurables less food .....	187.775	-	193.040	-4.0	2.8	-
Services less rent of shelter <sup>(2)</sup> .....	272.588	-	276.461	3.7	1.4	-
Services less medical care services .....	241.770	-	243.831	4.0	0.9	-
Energy .....	142.994	149.196	152.821	-14.9	6.9	2.4
All items less energy .....	225.652	-	226.660	3.0	0.4	-
All items less food and energy .....	225.649	-	226.897	3.5	0.6	-

Note: See footnotes at end of table.

(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.