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SOUTHWEST INFORMATION OFFICE: Dallas, Texas

Technical information: (972) 850-4800 BLSInfoDallas@bls.gov www.bls.gov/regions/southwest

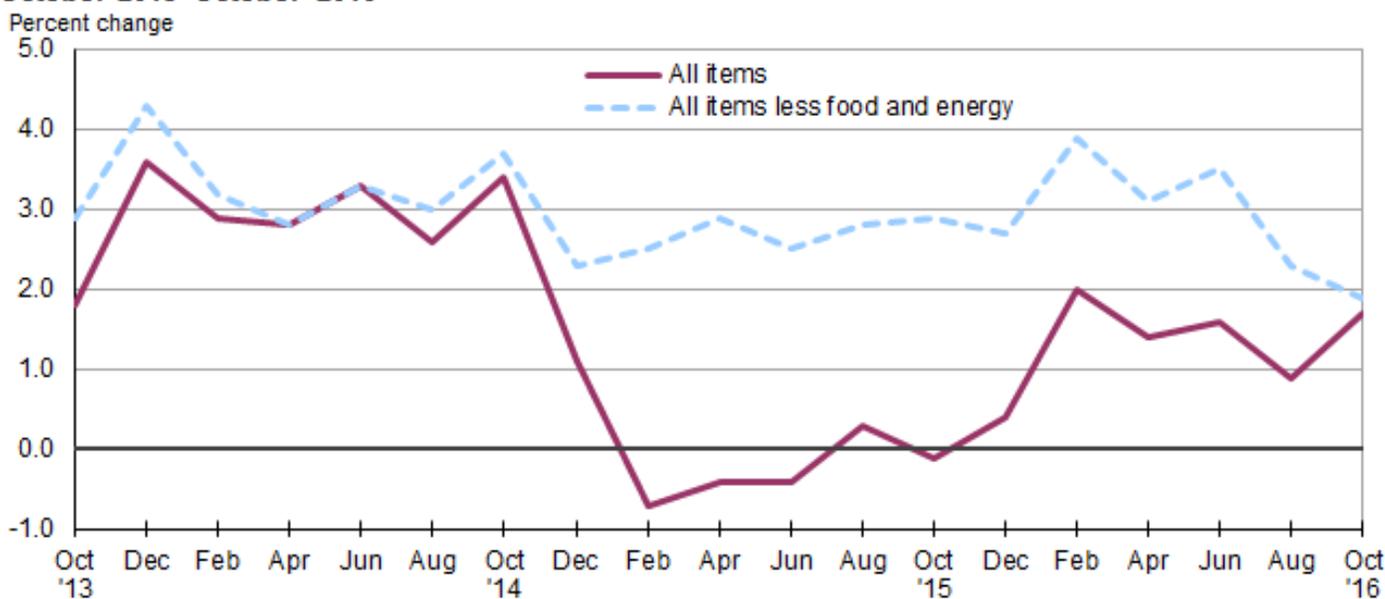
Media contact: (972) 850-4800

Consumer Price Index, Houston-Galveston-Brazoria – October 2016
Area prices rise 0.7 percent in September and October; up 1.7 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area rose 0.7 percent in September and October, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Stanley W. Suchman noted that the largest contributor to the increase was a 0.6-percent rise in the index for all items less food and energy, though higher energy prices (3.9 percent) accounted for about one-third of the total advance; food prices were essentially unchanged (0.1 percent). (Data in this report are not seasonally adjusted. Accordingly, short-term changes may reflect the impact of seasonal influences.)

During the year ended in October 2016, the all items CPI-U advanced 1.7 percent and the index for all items less food and energy increased 1.9 percent. (See [chart 1](#) and [table 1](#).)

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



Source: U.S. Bureau of Labor Statistics.

Food

Food prices were essentially unchanged (up 0.1 percent) in September and October, after falling slightly in each of the two previous bimonthly periods. Among the two components of the index, prices for food at home (grocery stores) were unchanged (0.0 percent), while prices for food away from home rose 0.3 percent.

From October 2015 to October 2016, the food index slipped 0.2 percent, reflecting the combined effects of a 1.2-percent decline in grocery store prices and a 1.2-percent rise in prices for food away from home.

Energy

The energy index rose 3.9 percent in September and October, its fourth consecutive bimonthly increase after as many bimonthly declines. The latest increase was primarily the result of higher electricity costs (5.7 percent), though motor fuel costs also rose (2.9 percent). Prices for utility (piped) gas service were unchanged.

During the year ended in October 2016, the energy index registered a 2.7-percent rise, the first annual increase in local energy costs since the year ended in October 2014. A 6.0-percent increase in electricity prices was the largest factor in the annual increase, but natural gas costs also rose over the year, up 3.2 percent. Motor fuel costs increased 0.9 percent during the previous 12 months, the first annual increase in motor fuel prices since July 2014.

All items less food and energy

The index for all items less food and energy rose 0.6 percent in September and October, after falling 0.4 percent in July and August. The leading factor in the bimonthly increase was a 1.1-percent rise in shelter costs, reflecting a 1.1-percent rise in owners' equivalent rent of a primary residence and 1.3-percent increase in renters' costs. Another important contributor was a 4.0-percent increase in apparel prices, the first bimonthly increase in clothing prices since January and February 2016. In contrast, some price declines were registered in other sub-components of the all items less food and energy index, including new and used motor vehicles, professional medical care services, and telephone services.

From October 2015 to October 2016, the index for all items less food and energy advanced 1.9 percent. A 3.3-percent annual increase in shelter costs was the most important factor in the rise, as prices rose for both owners' equivalent rent (3.3 percent) and renters' costs (4.2 percent). Other large contributors to the annual rise included higher prices for household furnishings and operations (5.8 percent), medical care (3.1 percent), and motor vehicle insurance. Helping to slow the rate of increase, prices fell for apparel (-4.9 percent), and for education and communication (-1.2 percent), while recreation costs were unchanged over the year.

The December 2016 Consumer Price Index for All Items for Houston-Galveston-Brazoria will be released Wednesday, January 18, 2017.

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/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 -		
	Aug. 2016	Sep. 2016	Oct. 2016	Oct. 2015	Aug. 2016	Sep. 2016
All items	(r) 216.582	-	218.200	1.7	(r) 0.7	-
All items (1967 = 100)	(r) 694.657	-	699.846			
Food and beverages	223.642	-	224.204	-0.1	0.3	-
Food	223.527	-	223.828	-0.2	0.1	-
Food at home	221.276	221.639	221.207	-1.2	0.0	-0.2
Food away from home	221.871	-	222.609	1.2	0.3	-
Alcoholic beverages	215.177	-	219.576	0.7	2.0	-
Housing	210.248	-	212.721	3.8	1.2	-
Shelter	250.796	251.564	253.672	3.3	1.1	0.8
Rent of primary residence (1)	245.520	246.029	248.634	4.2	1.3	1.1
Owners' equivalent rent of residences (1) (2)	231.954	232.781	234.554	3.3	1.1	0.8
Owners' equivalent rent of primary residence (1) (2)	231.954	232.781	234.554	3.3	1.1	0.8
Fuels and utilities	156.869	-	162.321	4.9	3.5	-
Household energy	136.038	144.781	142.531	5.5	4.8	-1.6
Energy services (1) (3)	133.799	142.484	140.243	5.6	4.8	-1.6
Electricity (1)	132.259	142.487	139.849	6.0	5.7	-1.9
Utility (piped) gas service (1)	130.056	130.056	130.056	3.2	0.0	0.0
Household furnishings and operations	133.480	-	132.592	5.8	-0.7	-
Apparel	173.359	-	180.224	-4.9	4.0	-
Transportation	174.569	-	175.737	1.6	0.7	-
Private transportation	172.868	-	173.067	1.2	0.1	-
Motor fuel	176.237	178.520	181.427	0.9	2.9	1.6
Gasoline (all types)	176.509	178.790	181.697	1.0	2.9	1.6
Gasoline, unleaded regular (4)	178.363	180.600	183.650	0.8	3.0	1.7
Gasoline, unleaded midgrade (4) (5)	191.473	194.322	197.024	1.5	2.9	1.4
Gasoline, unleaded premium (4)	194.270	197.073	199.668	2.0	2.8	1.3
Medical care	(r) 462.045	-	461.346	3.1	(r) -0.2	-
Recreation (6)	101.533	-	101.904	0.0	0.4	-
Education and communication (6)	125.179	-	124.664	-1.2	-0.4	-
Other goods and services	398.772	-	399.801	1.3	0.3	-
Commodity and service group						
Commodities	(r) 169.996	-	170.294	-1.6	(r) 0.2	-
Commodities less food and beverages	(r) 143.869	-	144.051	-2.5	(r) 0.1	-
Nondurables less food and beverages	(r) 185.754	-	189.466	-1.5	(r) 2.0	-
Durables	103.463	-	101.337	-3.5	-2.1	-
Services	(r) 264.561	-	267.385	3.8	(r) 1.1	-
Special aggregate indexes						
All items less shelter	(r) 203.744	-	204.864	1.0	(r) 0.5	-
All items less medical care	204.601	-	206.276	1.6	0.8	-
Commodities less food	(r) 146.319	-	146.610	-2.3	(r) 0.2	-
Nondurables	(r) 204.887	-	207.026	-0.9	(r) 1.0	-
Nondurables less food	(r) 187.257	-	191.005	-1.4	(r) 2.0	-
Services less rent of shelter (2)	(r) 278.129	-	280.811	4.4	(r) 1.0	-
Services less medical care services	244.707	-	247.676	3.8	1.2	-
Energy	153.948	159.934	159.904	2.7	3.9	0.0
All items less energy	(r) 225.741	-	226.945	1.6	(r) 0.5	-
All items less food and energy	(r) 225.937	-	227.290	1.9	(r) 0.6	-

Note: See footnotes at end of table.

Footnotes

(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.

(R) Revised

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