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SOUTHWEST INFORMATION OFFICE: Dallas, Texas

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

Media contact: (972) 850-4800

## **Consumer Price Index, Houston-Galveston-Brazoria – August 2017**

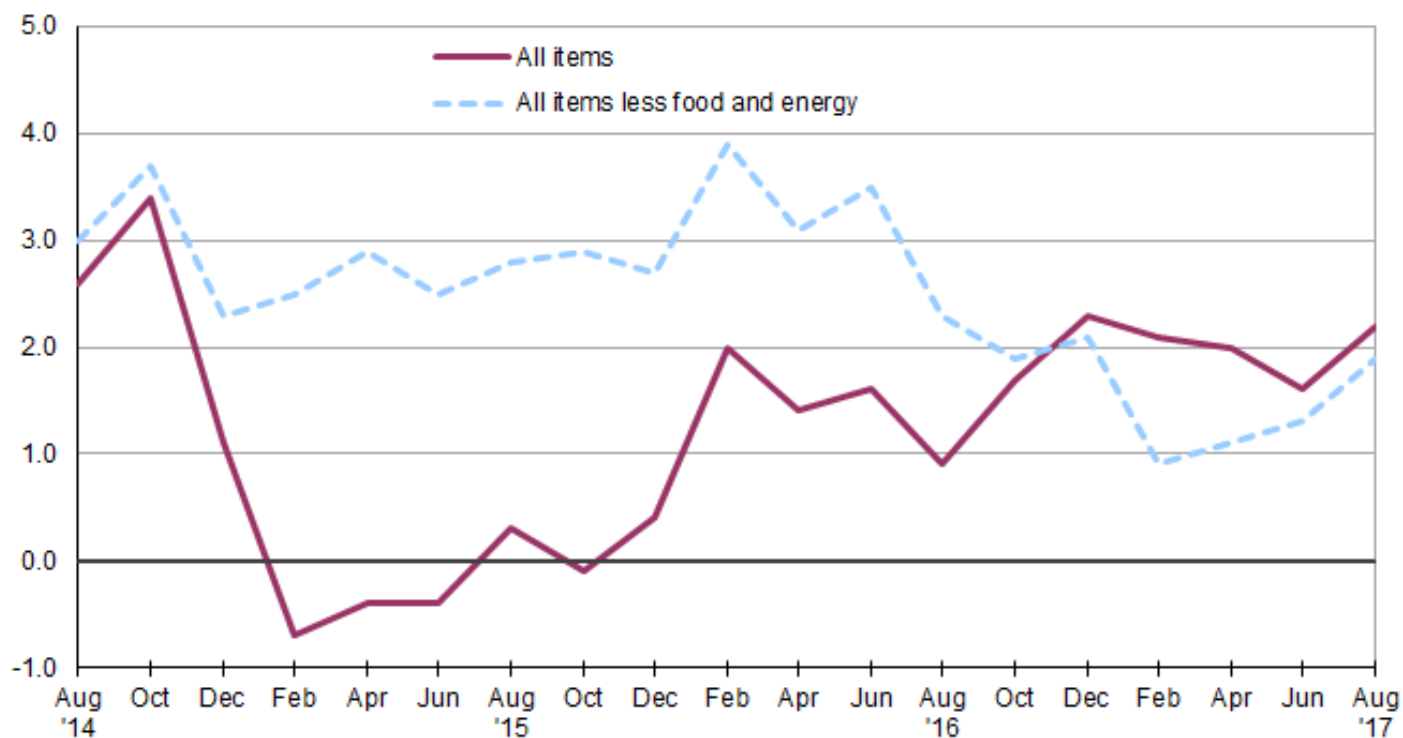
### **Area prices rise 0.2 percent in July and August; up 2.2 percent over the year**

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area rose 0.2 percent in July and August, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Stanley W. Suchman noted that higher prices within both the food index (1.2 percent) and the index for all items less food and energy (0.2 percent) led to the increase, as energy prices fell 1.2 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 August 2017, the all items CPI-U advanced 2.2 percent, while 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, August 2014–August 2017**

Percent change



Source: U.S. Bureau of Labor Statistics.

## **Food**

Food prices increased 1.2 percent in July and August, after falling 0.5 percent in May and June. This was the fastest local two-month rate of increase since May and June 2014. During the latest period, prices for food away from home rose 2.2 percent, while prices for food at home (grocery stores) rose at a slower 0.4-percent pace.

From August 2016 to August 2017, the food index rose 1.8 percent, its fastest annual rate of gain since July and August 2015. Between the two components of the index, prices for food away from home increased 3.2 percent over the year as prices for food at home rose 0.6 percent.

## **Energy**

The energy index declined 1.2 percent in July and August, following a 2.0-percent decrease in the previous two-month period. The current decline resulted from a 3.4-percent decrease in electricity rates as gasoline prices were unchanged and natural gas prices rose 2.5 percent.

During the 12-month period ended in August 2017, the energy index rose 6.2 percent. All three energy sub-components contributed to the annual price increase though their contributions differed. Motor fuel prices rose 9.4 percent over the year, natural gas costs rose 9.5 percent, and electricity prices increased 1.7 percent.

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

The index for all items less food and energy advanced 0.2 percent in July and August, after increasing 0.8 percent in May and June. The biggest factor in the current advance was a 1.0-percent increase in the shelter index, driven in particular by the 1.2-percent increase in the sub-component, owners' equivalent rent. Higher prices for household furnishings and operations also contributed. In contrast, prices for education and communication (-1.1 percent) and medical care (-0.6 percent) declined during the bimonthly period.

From August 2016 to August 2017, the index for all items less food and energy advanced 1.9 percent, its fastest annual rate of increase since year-end 2016. A 2.6-percent increase in shelter costs was the most important factor in the annual rise, as prices were up for both renters' costs (3.1 percent) and owners' equivalent rent (2.2 percent). Other large contributors to the annual increase included higher prices for medical care (4.9 percent) and apparel (8.7 percent). Helping to offset some of these increases, prices fell over the year for education and communication (-5.1 percent), as well as household furnishings and operations (-3.7 percent).

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**The October 2017 Consumer Price Index for All Items for Houston-Galveston-Brazoria is scheduled to be released Wednesday, November 15, 2017.**

## Consumer Price Index Geographic Revision for 2018

In January 2018, BLS will introduce a new geographic area sample for the Consumer Price Index (CPI). As part of the new sample, the index for this area will be renamed. The first indexes using the new structure will be published in February 2018. Additional information on the geographic revision is available at [www.bls.gov/cpi/additional-resources/geographic-revision-2018.htm](http://www.bls.gov/cpi/additional-resources/geographic-revision-2018.htm).

### Hurricane Harvey

Hurricane Harvey had a very small effect on survey response rates in August. Price collection late in the month was disrupted in 2 of the 87 collection areas nationwide.

### 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 -		
	Jun. 2017	Jul. 2017	Aug. 2017	Aug. 2016	Jun. 2017	Jul. 2017
All items .....	220.805	-	221.255	2.2	0.2	-
All items (1967 = 100) .....	708.203	-	709.646			
Food and beverages .....	224.981	-	227.524	1.7	1.1	-
Food .....	224.842	-	227.549	1.8	1.2	-
Food at home .....	221.752	221.024	222.575	0.6	0.4	0.7
Food away from home .....	224.162	-	229.063	3.2	2.2	-
Alcoholic beverages .....	216.788	-	216.789	0.7	0.0	-
Housing .....	212.595	-	214.150	1.9	0.7	-
Shelter .....	254.749	253.025	257.414	2.6	1.0	1.7
Rent of primary residence(1) .....	251.871	250.832	253.249	3.1	0.5	1.0
Owners' equivalent rent of residences(1) (2) .....	234.295	233.072	237.164	2.2	1.2	1.8
Owners' equivalent rent of primary residence(1)(2) .....	234.295	233.072	237.164	2.2	1.2	1.8
Fuels and utilities .....	163.246	-	160.297	2.2	-1.8	-
Household energy .....	143.564	141.254	140.105	3.0	-2.4	-0.8
Energy services(1)(3) .....	141.148	138.840	137.694	2.9	-2.4	-0.8
Electricity(1) .....	139.197	136.192	134.443	1.7	-3.4	-1.3
Utility (piped) gas service(1) .....	138.877	140.351	142.397	9.5	2.5	1.5
Household furnishings and operations .....	127.380	-	128.587	-3.7	0.9	-
Apparel .....	188.617	-	188.454	8.7	-0.1	-
Transportation .....	183.150	-	181.969	4.2	-0.6	-
Private transportation .....	182.094	-	181.494	5.0	-0.3	-
Motor fuel .....	192.696	184.946	192.786	9.4	0.0	4.2
Gasoline (all types) .....	193.011	185.199	193.138	9.4	0.1	4.3
Gasoline, unleaded regular(4) .....	195.028	186.654	194.874	9.3	-0.1	4.4
Gasoline, unleaded midgrade(4)(5) .....	208.331	201.480	210.314	9.8	1.0	4.4
Gasoline, unleaded premium(4) .....	213.298	207.518	214.413	10.4	0.5	3.3
Medical care .....	487.767	-	484.876	4.9	-0.6	-
Recreation(6) .....	104.619	-	104.377	2.8	-0.2	-
Education and communication(6) .....	120.048	-	118.754	-5.1	-1.1	-
Other goods and services .....	408.370	-	407.378	2.2	-0.2	-
<b>Commodity and service group</b>						
Commodities .....	173.074	-	173.034	1.8	0.0	-
Commodities less food and beverages .....	147.603	-	146.488	1.8	-0.8	-
Nondurables less food and beverages .....	196.351	-	195.072	5.0	-0.7	-
Durables .....	102.399	-	101.493	-1.9	-0.9	-
Services .....	269.926	-	270.820	2.4	0.3	-
<b>Special aggregate indexes</b>						
All items less shelter .....	208.092	-	207.657	1.9	-0.2	-
All items less medical care .....	208.001	-	208.562	1.9	0.3	-
Commodities less food .....	150.014	-	148.923	1.8	-0.7	-
Nondurables .....	210.863	-	211.494	3.2	0.3	-
Nondurables less food .....	197.308	-	196.106	4.7	-0.6	-
Services less rent of shelter(2) .....	285.083	-	283.907	2.1	-0.4	-
Services less medical care services .....	248.723	-	249.621	2.0	0.4	-
Energy .....	165.365	160.694	163.425	6.2	-1.2	1.7
All items less energy .....	229.298	-	229.994	1.9	0.3	-
All items less food and energy .....	229.864	-	230.224	1.9	0.2	-

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.

Note: See footnotes at end of table.

- (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.