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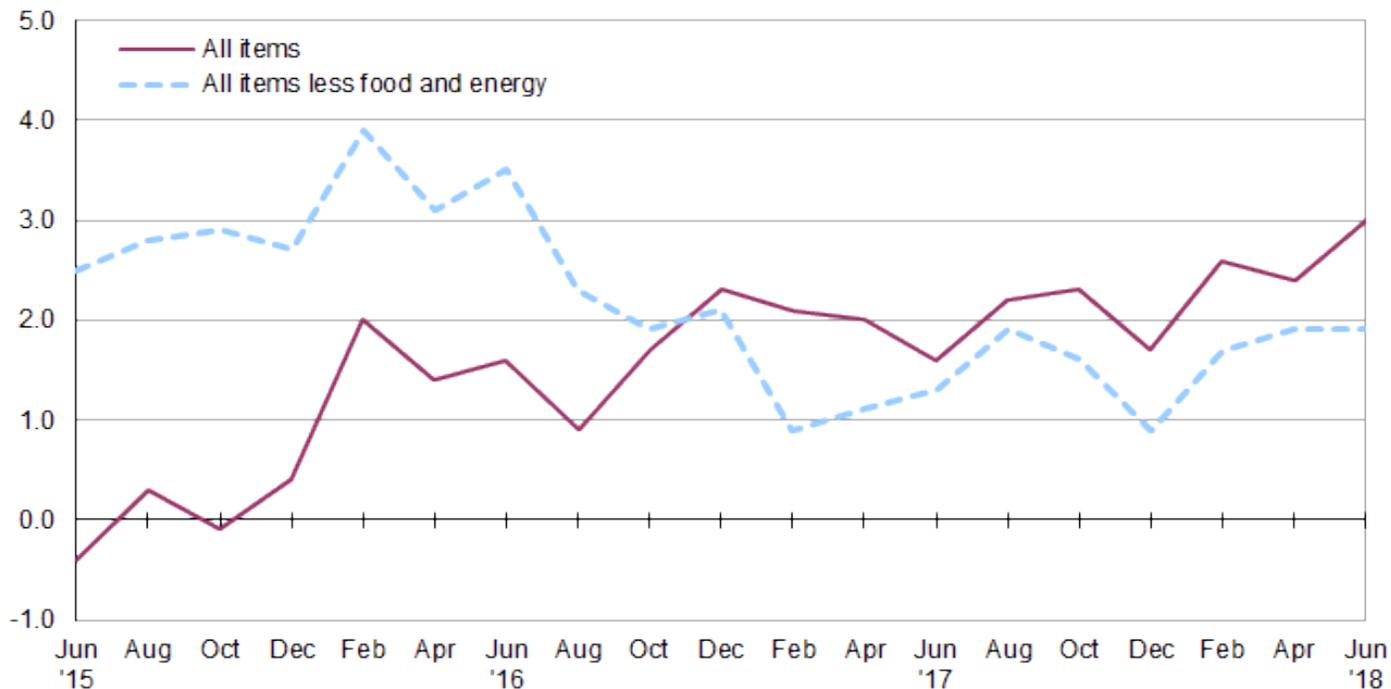
Consumer Price Index, Houston-The Woodlands-Sugar Land – June 2018 **Area prices rise 1.0 percent in May and June; increase 3.0 percent over the year**

The Consumer Price Index for All Urban Consumers (CPI-U) in Houston-The Woodlands-Sugar Land rose 1.0 percent in May and June, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Stanley W. Suchman noted that advances in the indexes for all items less food and energy, up 0.8 percent, as well as energy, up 5.4 percent, contributed to the increase. In contrast, food prices fell 0.7 percent in May and June, partially offsetting the other increases. (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 2018, the all items CPI-U advanced 3.0 percent, its fastest annual rate of gain since October 2014. The index for all items less food and energy rose at a slower 1.9-percent pace. (See [chart 1](#) and [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, Houston, TX, June 2015–June 2018

Percent change



Source: U.S. Bureau of Labor Statistics.

Food

Local food prices fell 0.7 in May and June, after edging up 0.1 percent in March and April. Between the two components of the index, prices for food at home (grocery stores) decreased 2.0 percent, while prices for food away from home increased 0.6 percent.

From June 2017 to June 2018, the food index advanced 1.2 percent. The annual increase in food prices was entirely the result of higher prices for food away from home, which rose 3.6 percent. Tempering this advance, prices for food at home declined 1.3 percent over the year.

Energy

The energy index increased 5.4 percent in May and June, after falling 2.4 percent in March and April. The current increase was primarily the result of an 8.8-percent advance in motor fuel costs, though a 2.1-percent rise in electricity costs also contributed. In contrast, natural gas costs were down 2.6 percent in May and June.

During the year ended in June 2018, the energy index climbed 17.8 percent, with all sub-components contributing. Motor fuel costs were up 27.2 percent over the year, electricity prices rose 8.7 percent, and natural gas costs edged up 0.7 percent.

All items less food and energy

The index for all items less food and energy increased 0.8 percent in May and June, after rising 0.5 percent in March and April. A 0.9-percent increase in shelter costs had the greatest impact, but a 3.1-percent increase in household furnishings and operations also played a major role in the bimonthly rise. Higher medical care prices, up 1.4 percent, were another important factor in the advance. During the period, increases were also noted in the cost of other goods and services, new vehicles, education and communication, and recreation.

From June 2017 to June 2018, the index for all items less food and energy rose 1.9 percent. The biggest factor in the annual increase was a 2.6-percent rise in shelter costs, though higher prices for medical care (1.9 percent) also contributed. The only major category to register an annual decline was recreation, where prices slipped 0.5 percent over the year.

The August 2018 Consumer Price Index for Houston-The Woodlands-Sugar Land is scheduled to be released Thursday, September 13, 2018.

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 93 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 29 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 75 urban areas across the country from about 5,000 housing units and approximately

22,000 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-The Woodlands-Sugar Land, Texas, Core Based Statistical Area** includes Austin, 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-The Woodlands-Sugar Land, TX (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from -		
	Apr. 2018	May 2018	Jun. 2018	Jun. 2017	Apr. 2018	May 2018
All items.....	225.116	-	227.393	3.0	1.0	-
All items (1967 = 100).....	722.027	-	729.332			
Food and beverages.....	228.759	-	227.687	1.2	-0.5	-
Food.....	228.930	-	227.430	1.2	-0.7	-
Food at home.....	223.472	219.579	218.928	-1.3	-2.0	-0.3
Cereals and bakery products.....	265.589	-	264.866	-	-0.3	-
Meats, poultry, fish, and eggs.....	247.072	-	236.736	-	-4.2	-
Dairy and related products.....	179.201	-	176.187	-	-1.7	-
Fruits and vegetables.....	279.262	-	273.374	-	-2.1	-
Nonalcoholic beverages and beverage materials(1).....	277.855	-	270.220	-	-2.7	-
Other food at home.....	191.412	-	190.916	-	-0.3	-
Food away from home.....	230.734	-	232.207	3.6	0.6	-
Alcoholic beverages.....	215.923	-	221.611	2.2	2.6	-
Housing.....	217.326	-	219.868	3.4	1.2	-
Shelter.....	258.971	260.329	261.349	2.6	0.9	0.4
Rent of primary residence(2).....	256.814	257.663	258.371	2.6	0.6	0.3
Owners' equivalent rent of residences(2)(3).....	239.472	240.309	241.311	3.0	0.8	0.4
Owners' equivalent rent of primary residence(2)(3).....	239.472	240.309	241.311	3.0	0.8	0.4
Fuels and utilities.....	174.462	-	176.406	8.1	1.1	-
Household energy.....	151.793	153.260	153.975	7.3	1.4	0.5
Energy services(2).....	149.195	150.603	151.400	7.3	1.5	0.5
Electricity(2).....	148.199	150.380	151.291	8.7	2.1	0.6
Utility (piped) gas service(2).....	143.497	139.807	139.804	0.7	-2.6	0.0
Household furnishings and operations.....	130.362	-	134.394	5.5	3.1	-
Apparel.....	196.048	-	192.678	2.2	-1.7	-
Transportation.....	187.610	-	191.944	4.8	2.3	-
Private transportation.....	187.010	-	191.845	5.4	2.6	-
New and used motor vehicles(4).....	87.965	-	88.531	-	0.6	-
New vehicles(1).....	161.496	-	163.306	-	1.1	-
Used cars and trucks(1).....	228.248	-	228.058	-	-0.1	-
Motor fuel.....	225.283	239.337	245.145	27.2	8.8	2.4
Gasoline (all types).....	225.577	239.684	245.442	27.2	8.8	2.4
Gasoline, unleaded regular(5).....	228.491	242.946	248.889	27.6	8.9	2.4
Gasoline, unleaded midgrade(5)(6).....	238.807	253.449	260.582	25.1	9.1	2.8
Gasoline, unleaded premium(5).....	244.690	258.545	263.567	23.6	7.7	1.9
Motor vehicle insurance(1).....	734.547	-	736.452	-	0.3	-
Medical care.....	490.156	-	497.146	1.9	1.4	-
Recreation(4).....	103.633	-	104.046	-0.5	0.4	-
Education and communication(4).....	121.258	-	122.003	1.6	0.6	-
Tuition, other school fees, and childcare(1) ...	1,220.822	-	1,237.367	-	1.4	-
Other goods and services.....	411.378	-	415.954	1.9	1.1	-
Commodity and service group						
Commodities.....	176.434	-	178.072	2.9	0.9	-
Commodities less food and beverages.....	150.348	-	152.895	3.6	1.7	-
Nondurables less food and beverages.....	208.255	-	214.462	9.2	3.0	-
Durables.....	99.560	-	99.794	-2.5	0.2	-
Services.....	274.929	-	277.861	2.9	1.1	-
Special aggregate indexes						
All items less shelter.....	212.410	-	214.650	3.2	1.1	-
All items less medical care.....	212.312	-	214.389	3.1	1.0	-

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods, Houston-The Woodlands-Sugar Land, TX (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from -		
	Apr. 2018	May 2018	Jun. 2018	Jun. 2017	Apr. 2018	May 2018
Commodities less food	152.709	-	155.340	3.6	1.7	-
Nondurables	218.957	-	221.649	5.1	1.2	-
Nondurables less food.....	208.519	-	214.694	8.8	3.0	-
Services less rent of shelter(3).....	290.307	-	293.802	3.1	1.2	-
Services less medical care services.....	253.619	-	256.181	3.0	1.0	-
Energy	184.700	191.779	194.765	17.8	5.4	1.6
All items less energy	232.096	-	233.466	1.8	0.6	-
All items less food and energy	232.466	-	234.330	1.9	0.8	-

Footnotes

(1) Indexes on an April 1978=100 base.

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

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

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

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

(6) Index on a December 1993=100.

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