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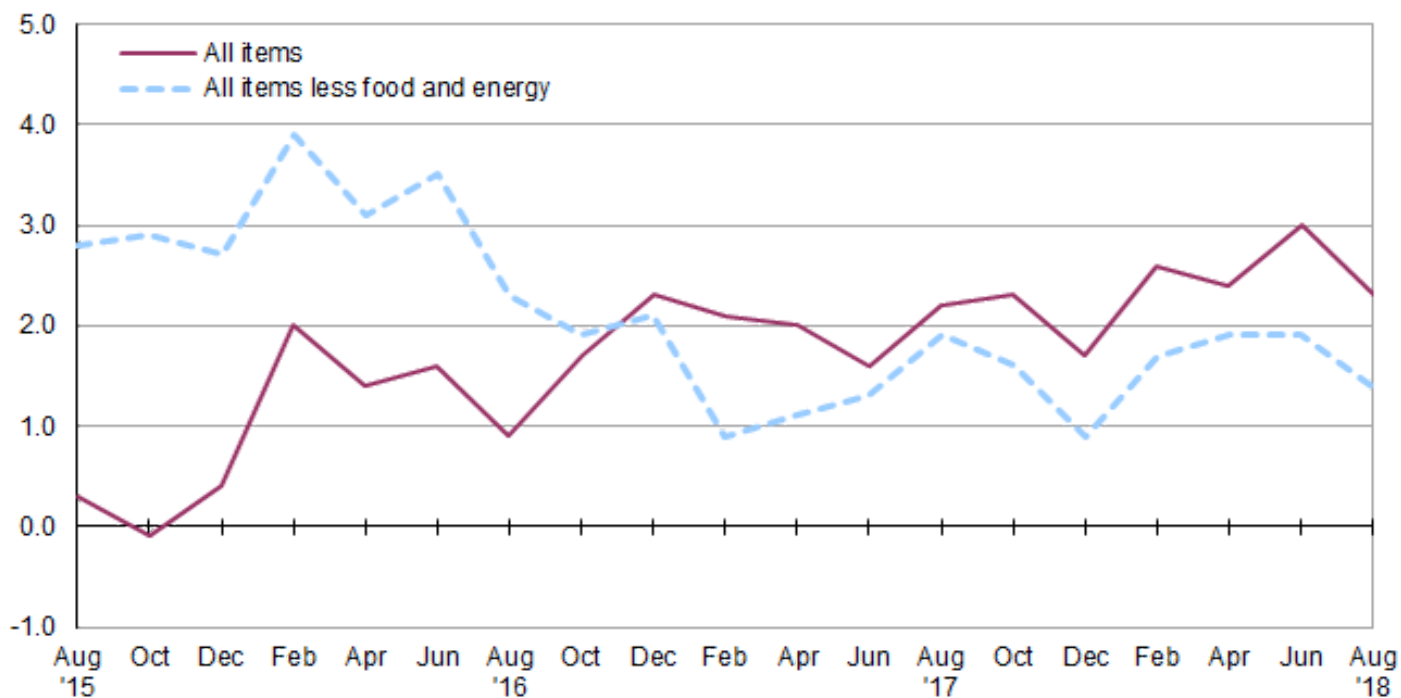
## **Consumer Price Index, Houston-The Woodlands-Sugar Land – August 2018** **Area prices fall 0.5 percent in July and August; up 2.3 percent over the year**

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area declined 0.5 percent in July and August, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Stanley W. Suchman noted that the biggest factor in the decline was a 0.4-percent decrease in the index for all items less food and energy, though lower energy prices, down 3.1 percent, contributed nearly as much to the decline. In contrast, food prices rose 0.8 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 2018, the all items CPI-U advanced 2.3 percent. The index for all items less food and energy rose at a slower 1.4-percent pace. The August annual increases slowed from the June annual rates for both indexes. (See [chart 1](#) and [table 1](#).)

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

Percent change



Source: U.S. Bureau of Labor Statistics.

## **Food**

Local food prices rose 0.8 percent in July and August, after falling 0.7 percent in May and June. Between the two components of the index, prices for food at home (grocery stores) rose 1.3 percent, while prices for food away from home were up 0.5 percent.

From August 2017 to August 2018, the food index advanced 0.8 percent, matching the bimonthly increase. The annual change reflected the combined effects of a 1.8-percent price rise for food away from home and a 0.4-percent price decline for food at home.

## **Energy**

The energy index fell 3.1 percent in July and August, after climbing 5.4 percent in May and June. The current two-month decline was primarily the result of a 3.9-percent decrease in the motor fuel index, but another important contributor was a 2.5-percent decline in electricity costs. In contrast, natural gas prices rose 0.6 percent during the period.

Despite the two-month decline, the energy index advanced 15.5 percent during the year ended in August 2018. Two of the three energy sub-components contributed to the annual increase as motor fuel prices advanced 22.1 percent and electricity prices rose 9.8 percent over the year. During the same period, natural gas costs fell 1.2 percent, the first annual decline for this sub-component since July 2016.

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

The index for all items less food and energy decreased 0.4 percent in July and August, after advancing 0.8 percent in May and June. A number of factors contributed to the decline. During the period, apparel prices fell 3.0 percent, motor vehicle insurance costs were down 3.9 percent, and the index for education and communication decreased 1.7 percent. Price declines were also noted for airline fares and lodging away from home (hotels and motels). The sharp decrease in hotel and motel rates, pushed total shelter costs down 0.1 percent, even as renters' costs rose 0.5 percent and costs for owners' equivalent rent increased 0.4 percent. The index for recreation also rose, up 2.8 percent, its largest bimonthly increase since March and April 1999; higher costs for recreational services were the main contributor.

From August 2017 to August 2018, the index for all items less food and energy rose 1.4 percent. The biggest factor in the annual increase was a 1.4-percent rise in shelter costs. Within shelter, the indexes for both owners' equivalent rent (2.2 percent) and renters' costs (2.6 percent) rose at a faster pace. Other large contributors to the annual increase included higher prices for household furnishings and operations (4.9 percent) and medical care (2.7 percent). Helping to offset some of these increases, apparel prices fell over the year, down 0.8 percent.

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**The October 2018 Consumer Price Index for All Items for Houston-The Woodlands-Sugar Land is scheduled to be released Wednesday, November 14, 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](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-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 -		
	Jun. 2018	Jul. 2018	Aug. 2018	Aug. 2017	Jun. 2018	Jul. 2018
All items .....	227.393	-	226.307	2.3	-0.5	-
All items (1967 = 100) .....	729.332	-	725.849			
Food and beverages .....	227.687	-	229.249	0.8	0.7	-
Food .....	227.430	-	229.332	0.8	0.8	-
Food at home .....	218.928	221.443	221.683	-0.4	1.3	0.1
Cereals and bakery products .....	264.866	-	265.554	-	0.3	-
Meats, poultry, fish, and eggs .....	236.736	-	249.171	-	5.3	-
Dairy and related products .....	176.187	-	175.378	-	-0.5	-
Fruits and vegetables .....	273.374	-	269.208	-	-1.5	-
Nonalcoholic beverages and beverage materials(1) .....	270.220	-	264.463	-	-2.1	-
Other food at home .....	190.916	-	195.481	-	2.4	-
Food away from home .....	232.207	-	233.254	1.8	0.5	-
Alcoholic beverages .....	221.611	-	217.778	0.5	-1.7	-
Housing .....	219.868	-	219.311	2.4	-0.3	-
Shelter .....	261.349	262.318	261.049	1.4	-0.1	-0.5
Rent of primary residence .....	258.371	259.392	259.775	2.6	0.5	0.1
Owners' equivalent rent of residences(2) .....	241.311	242.713	242.300	2.2	0.4	-0.2
Owners' equivalent rent of primary residence(2) .....	241.311	242.713	242.300	2.2	0.4	-0.2
Fuels and utilities .....	176.406	-	173.558	8.3	-1.6	-
Household energy .....	153.975	153.531	150.903	7.7	-2.0	-1.7
Energy services .....	151.400	150.885	148.261	7.7	-2.1	-1.7
Electricity .....	151.291	150.317	147.573	9.8	-2.5	-1.8
Utility (piped) gas service .....	139.804	142.287	140.653	-1.2	0.6	-1.1
Household furnishings and operations .....	134.394	-	134.867	4.9	0.4	-
Apparel .....	192.678	-	186.986	-0.8	-3.0	-
Transportation .....	191.944	-	188.096	3.4	-2.0	-
Private transportation .....	191.845	-	188.645	3.9	-1.7	-
New and used motor vehicles(3) .....	88.531	-	88.503	-	0.0	-
New vehicles(1) .....	163.306	-	162.878	-	-0.3	-
Used cars and trucks(1) .....	228.058	-	231.369	-	1.5	-
Motor fuel .....	245.145	239.853	235.482	22.1	-3.9	-1.8
Gasoline (all types) .....	245.442	240.042	235.585	22.0	-4.0	-1.9
Gasoline, unleaded regular(4) .....	248.889	243.222	238.552	22.4	-4.2	-1.9
Gasoline, unleaded midgrade(4)(5) .....	260.582	256.161	251.940	19.8	-3.3	-1.6
Gasoline, unleaded premium(4) .....	263.567	259.229	255.709	19.3	-3.0	-1.4
Motor vehicle insurance(1) .....	736.452	-	707.829	-	-3.9	-
Medical care .....	497.146	-	498.109	2.7	0.2	-
Recreation(3) .....	104.046	-	106.974	2.5	2.8	-
Education and communication(3) .....	122.003	-	119.937	1.0	-1.7	-
Tuition, other school fees, and childcare(1) .....	1,237.367	-	1,215.478	-	-1.8	-
Other goods and services .....	415.954	-	414.876	1.8	-0.3	-
<b>Commodity and service group</b>						
Commodities .....	178.072	-	177.378	2.5	-0.4	-
Commodities less food and beverages .....	152.895	-	151.417	3.4	-1.0	-
Nondurables less food and beverages .....	214.462	-	209.389	7.3	-2.4	-
Durables .....	99.794	-	100.455	-1.0	0.7	-
Services .....	277.861	-	276.374	2.1	-0.5	-
<b>Special aggregate indexes</b>						
All items less shelter .....	214.650	-	213.269	2.7	-0.6	-
All items less medical care .....	214.389	-	213.250	2.2	-0.5	-
Commodities less food .....	155.340	-	153.802	3.3	-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 -		
	Jun. 2018	Jul. 2018	Aug. 2018	Aug. 2017	Jun. 2018	Jul. 2018
Nondurables .....	221.649	-	219.782	3.9	-0.8	-
Nondurables less food.....	214.694	-	209.690	6.9	-2.3	-
Services less rent of shelter(2).....	293.802	-	290.947	2.5	-1.0	-
Services less medical care services.....	256.181	-	254.636	2.0	-0.6	-
Energy .....	194.765	192.160	188.752	15.5	-3.1	-1.8
All items less energy .....	233.466	-	232.958	1.3	-0.2	-
All items less food and energy .....	234.330	-	233.406	1.4	-0.4	-

Footnotes

- (1) Indexes on an April 1978=100 base.
  - (2) Indexes on a December 1982=100 base.
  - (3) Indexes on a December 1997=100 base.
  - (4) Special index based on a substantially smaller sample.
  - (5) Index on a December 1993=100.
- Data not available.