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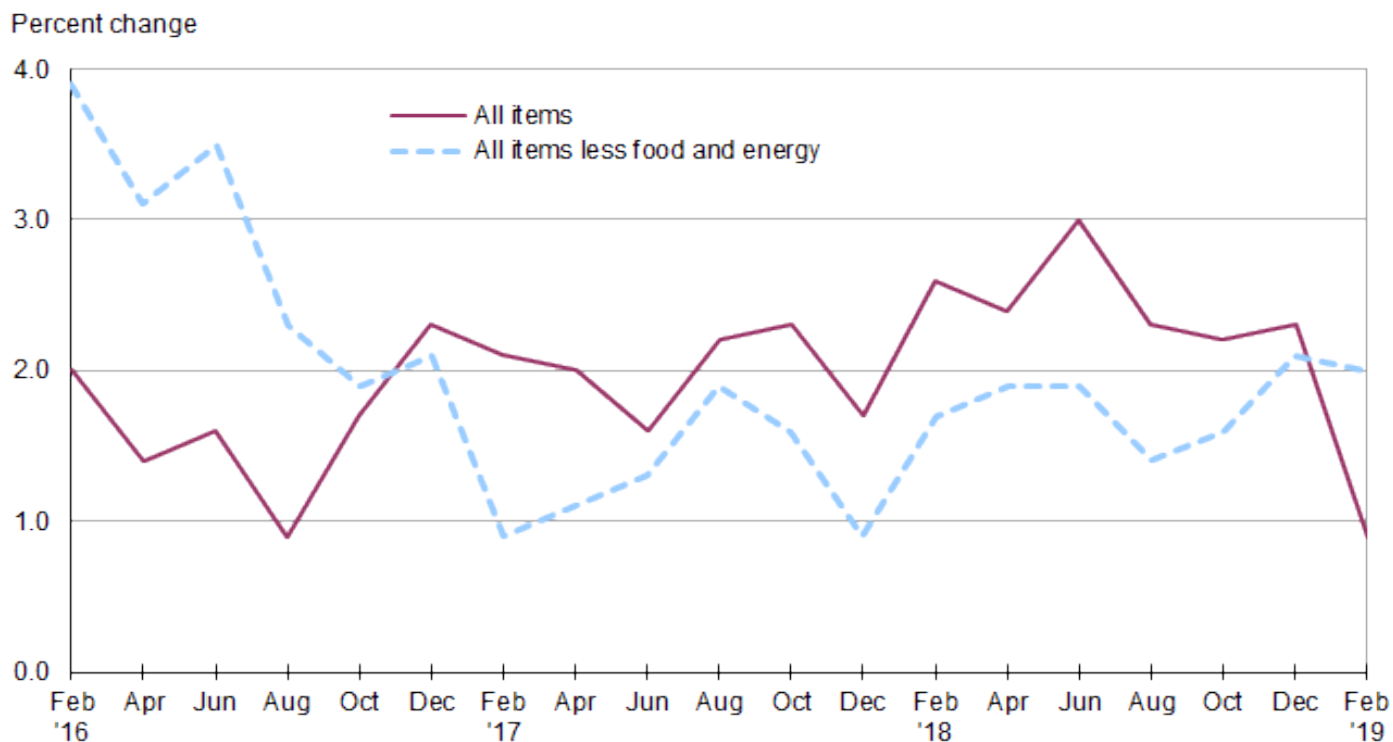
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## **Consumer Price Index, Houston-The Woodlands-Sugar Land – February 2019** **Area prices little changed in January and February; up 0.9 percent over the year**

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area was little changed in January and February, edging up 0.1 percent, the U.S. Bureau of Labor Statistics reported today. Stanley W. Suchman, Assistant Commissioner for Regional Operations, noted that a 1.1-percent increase in the index for all items less food and energy was nearly offset by a 9.0-percent decrease in energy costs; food costs rose 0.3 percent during the two-month 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 February 2019, the all items CPI-U advanced 0.9 percent, its slowest annual rate since August 2016. In contrast, the index for all items less food and energy increased at more than twice the all items rate, up 2.0 percent during the previous 12 months. (See [chart 1](#) and [table 1](#).)

**Chart 1. Over-the-year percent change in CPI-U, Houston, TX, February 2016–February 2019**



Source: U.S. Bureau of Labor Statistics.

## **Food**

Local food prices rose 0.3 percent in January and February, after increasing 0.9 percent in November and December. Between the two components of the index, prices for food at home (grocery store prices) rose 0.4 percent, while prices for food away from home were little changed, edging up 0.1 percent.

From February 2018 to February 2019, the food index advanced 1.7 percent, its fastest 12-month rate since December 2017. The latest annual change reflected the combined effects of a 2.0-percent increase in prices for food away from home and a 1.4-percent rise in grocery store prices.

## **Energy**

The energy index dropped 9.0 percent in January and February, following a 4.6-percent decline in November and December. The biggest contributor to the current decrease was a 14.2-percent decline in electricity costs, though lower motor fuel prices also contributed (-4.7 percent). In contrast, natural gas costs rose 1.7 percent.

During the year ended in February 2019, the energy index fell 9.7 percent, with all sub-components contributing to the decline. Motor fuel costs dropped 15.4 percent over the year, electricity prices fell 4.5 percent, and natural gas costs decreased 0.4 percent.

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

The index for all items less food and energy rose 1.1 percent in January and February, after falling 0.5 percent in November and December. The largest contributors were higher apparel prices, up 7.5 percent, and a 0.9-percent increase in the shelter index. The shelter index rose due increases in the components for owners' equivalent rent (homeowners' costs) and shelter away from home (hotels and motels). In contrast, prices for residential rent slipped 0.2 percent during the period. Increases were noted in other indexes, including medical care (1.4 percent), education and communication (0.9 percent), and recreation (0.5 percent). In contrast, the index for other goods and services fell 0.5 percent during the two-month period.

From February 2018 to February 2019, the index for all items less food and energy rose 2.0 percent. The biggest factor in the annual increase was a 3.0-percent rise in shelter costs, led by a 4.1-percent advance in owners' equivalent rent. Other large contributors to the annual increase included higher prices for medical care (3.1 percent), recreation (2.3 percent), and tuition, other school fees, and childcare (4.4 percent). Despite the large bimonthly increase in apparel prices, over the year, the apparel index fell 0.6 percent.

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**The April 2019 Consumer Price Index for All Items for Houston-The Woodlands-Sugar Land is scheduled to be released Friday, May 10, 2019.**

## **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 the counties of Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, and Waller.

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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 -		
	Dec. 2018	Jan. 2019	Feb. 2019	Feb. 2018	Dec. 2018	Jan. 2019
All items.....	226.557	-	226.804	0.9	0.1	-
All items (1967 = 100).....	726.650	-	727.443			
Food and beverages.....	231.520	-	232.257	1.5	0.3	-
Food.....	232.089	-	232.679	1.7	0.3	-
Food at home.....	224.813	227.614	225.717	1.4	0.4	-0.8
Cereals and bakery products.....	262.705	-	264.615	0.4	0.7	-
Meats, poultry, fish, and eggs.....	245.345	-	246.952	2.6	0.7	-
Dairy and related products.....	181.743	-	176.012	-4.3	-3.2	-
Fruits and vegetables.....	282.114	-	282.041	-0.2	0.0	-
Nonalcoholic beverages and beverage materials(1).....	280.779	-	286.993	6.3	2.2	-
Other food at home.....	195.534	-	196.310	1.2	0.4	-
Food away from home.....	235.608	-	235.884	2.0	0.1	-
Alcoholic beverages.....	212.316	-	215.331	-2.1	1.4	-
Housing.....	225.579	-	223.816	2.7	-0.8	-
Shelter.....	262.350	262.973	264.671	3.0	0.9	0.6
Rent of primary residence.....	259.017	258.278	258.411	1.3	-0.2	0.1
Owners' equivalent rent of residences(2).....	244.979	245.718	246.657	4.1	0.7	0.4
Owners' equivalent rent of primary residence(2).....	244.979	245.718	246.657	4.1	0.7	0.4
Fuels and utilities.....	206.773	-	186.061	-1.0	-10.0	-
Household energy.....	187.457	173.068	164.209	-4.0	-12.4	-5.1
Energy services.....	184.731	170.514	161.560	-4.1	-12.5	-5.3
Electricity.....	189.588	173.353	162.753	-4.5	-14.2	-6.1
Utility (piped) gas service.....	138.408	138.350	140.743	-0.4	1.7	1.7
Household furnishings and operations.....	136.260	-	136.086	4.9	-0.1	-
Apparel.....	176.473	-	189.698	-0.6	7.5	-
Transportation.....	179.144	-	178.896	-3.6	-0.1	-
Private transportation.....	179.337	-	178.455	-3.7	-0.5	-
New and used motor vehicles(3).....	88.070	-	88.523	-0.1	0.5	-
New vehicles(1).....	164.192	-	166.326	1.4	1.3	-
Used cars and trucks(1).....	225.532	-	228.222	1.4	1.2	-
Motor fuel.....	187.569	176.930	178.793	-15.4	-4.7	1.1
Gasoline (all types).....	186.580	176.063	178.027	-15.7	-4.6	1.1
Gasoline, unleaded regular(4).....	187.479	176.510	178.778	-16.3	-4.6	1.3
Gasoline, unleaded midgrade(4)(5).....	208.983	199.411	198.352	-12.6	-5.1	-0.5
Gasoline, unleaded premium(4).....	214.269	205.680	205.710	-11.8	-4.0	0.0
Motor vehicle insurance(1).....	726.267	-	732.765	-1.7	0.9	-
Medical care.....	500.584	-	507.833	3.1	1.4	-
Recreation(3).....	105.516	-	106.083	2.3	0.5	-
Education and communication(3).....	119.412	-	120.506	-0.2	0.9	-
Tuition, other school fees, and childcare(1) ...	1,223.237	-	1,260.589	4.4	3.1	-
Other goods and services.....	418.303	-	416.071	1.3	-0.5	-
<b>Commodity and service group</b>						
Commodities.....	172.274	-	172.911	-1.0	0.4	-
Commodities less food and beverages.....	143.868	-	144.443	-2.5	0.4	-
Nondurables less food and beverages.....	190.780	-	191.603	-5.3	0.4	-
Durables.....	99.875	-	100.242	0.6	0.4	-
Services.....	282.115	-	281.962	2.2	-0.1	-
<b>Special aggregate indexes</b>						
All items less shelter.....	213.124	-	212.593	0.0	-0.2	-
All items less medical care.....	213.419	-	213.420	0.8	0.0	-
Commodities less food.....	146.249	-	146.880	-2.4	0.4	-

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 -		
	Dec. 2018	Jan. 2019	Feb. 2019	Feb. 2018	Dec. 2018	Jan. 2019
Nondurables .....	211.252	-	212.036	-1.8	0.4	-
Nondurables less food.....	191.796	-	192.735	-5.1	0.5	-
Services less rent of shelter(2).....	301.810	-	298.719	1.4	-1.0	-
Services less medical care services.....	260.307	-	259.726	2.1	-0.2	-
Energy .....	187.694	174.962	170.874	-9.7	-9.0	-2.3
All items less energy .....	233.366	-	235.652	2.0	1.0	-
All items less food and energy .....	233.409	-	235.986	2.0	1.1	-

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.