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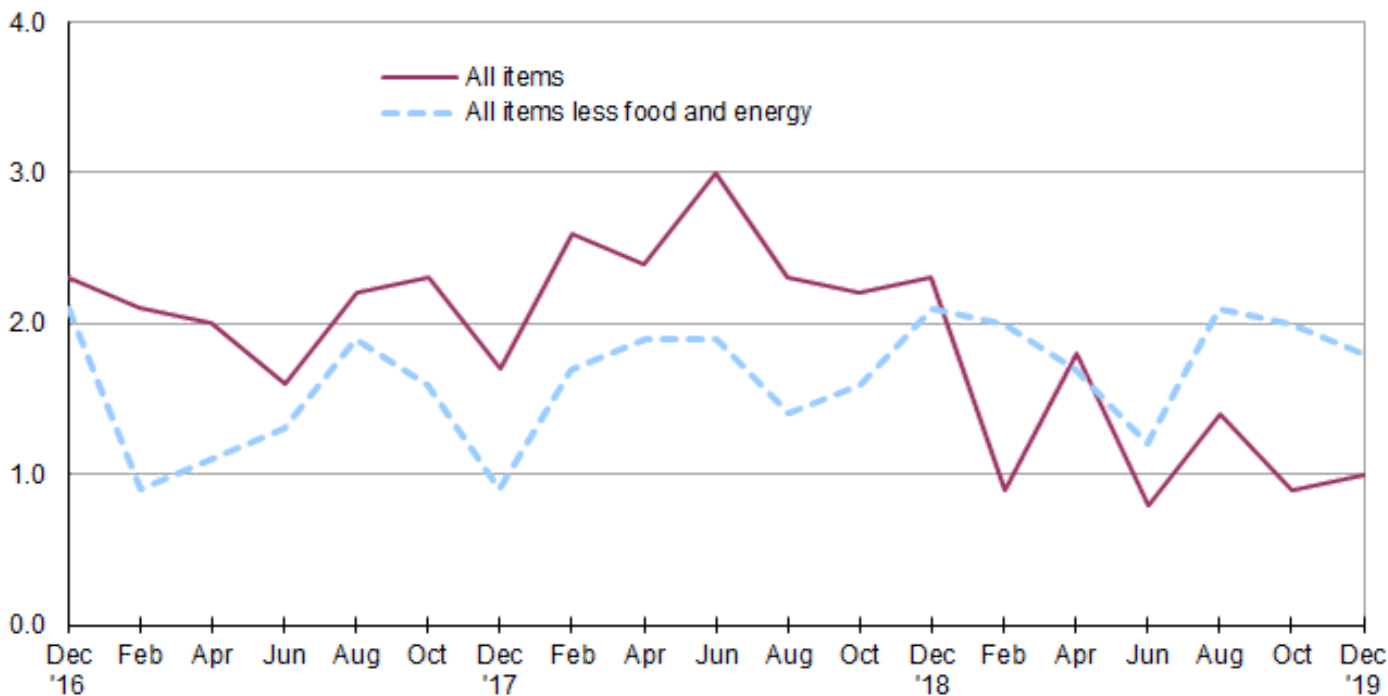
Consumer Price Index, Houston-The Woodlands-Sugar Land – December 2019 **Area prices down 0.6 percent in November and December; up 1.0 percent over the year**

Prices in the Houston-The Woodlands-Sugar Land area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), fell 0.6 percent for the two months ending in December 2019, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Stanley W. Suchman noted that a 0.6-percent decrease in the index for all items less food and energy was the biggest factor in the two-month decline, though lower energy prices (-1.7 percent) also contributed. In contrast, food costs rose 0.6 percent during the period. (Data in this report are not seasonally adjusted. Accordingly, bi-monthly changes may reflect seasonal influences.)

Over the last 12 months, the all items CPI-U increased 1.0 percent. (See [chart 1](#).) The index for all items less food and energy advanced 1.8 percent over the year, while food prices increased 1.3 percent. The energy index fell 7.2 percent during the last year. (See [table 1](#).)

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

Percent change



Source: U.S. Bureau of Labor Statistics.

Food

Food prices rose 0.6 percent in November and December, following little movement in September and October (0.1 percent). The latest increase was entirely the result of higher prices for food away from home (1.2 percent), as prices for food at home were unchanged.

Over the year, food prices rose 1.3 percent. As with the bi-monthly change, the annual advance was due to higher prices for food away from home, up 2.9 percent. In contrast, prices for food at home declined 0.4 percent.

Energy

The energy index fell 1.7 percent in November and December, following a 0.3-percent decrease in September and October. Energy costs fell in five of the six bi-monthly periods in 2019. The latest movement was the result of a 3.9-percent decline in gasoline prices. Electricity costs were up 0.6 percent during the period, while prices for natural gas service were unchanged.

From December 2018 to December 2019, the energy index fell 7.2 percent. The decline was the result of lower household energy costs as electricity prices dropped 19.2 percent and prices for natural gas service declined 2.6 percent. In contrast, gasoline costs rose 5.7 percent over the year.

All items less food and energy

The index for all items less food and energy decreased 0.6 percent in November and December, the first bi-monthly decline since the same period a year ago. During the latest period, a 6.9-percent decline in apparel prices had the greatest impact, but lower prices for recreation (-2.6 percent) and household furnishings and operations (-2.5 percent) were also large contributors. In contrast, the indexes for new vehicles and medical care rose during the two-month period, up 1.7 and 0.3 percent, respectively.

During the 12 months ending in December 2019, the index for all items less food and energy advanced 1.8 percent. The largest factor in the annual change was a 2.9-percent rise in the index for shelter. Other components contributing to the increase included higher prices for medical care (3.4 percent), education and communication (2.7 percent), household furnishings and operations (1.9 percent), and motor vehicle insurance (2.0 percent). Partly countering these increases, the indexes for apparel and for other goods and services declined over the year, down 3.1 and 2.4 percent, respectively.

The February 2020 Consumer Price Index for All Items for Houston-The Woodlands-Sugar Land is scheduled to be released Wednesday, March 11, 2020.

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 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 -		
	Oct. 2019	Nov. 2019	Dec. 2019	Dec. 2018	Oct. 2019	Nov. 2019
All items.....	230.041	-	228.765	1.0	-0.6	-
All items (1967 = 100).....	737.825	-	733.731			
Food and beverages.....	233.211	-	234.695	1.4	0.6	-
Food.....	233.717	-	235.203	1.3	0.6	-
Food at home.....	223.822	222.775	223.933	-0.4	0.0	0.5
Cereals and bakery products.....	264.436	-	263.223	0.2	-0.5	-
Meats, poultry, fish, and eggs.....	245.002	-	245.297	0.0	0.1	-
Dairy and related products.....	170.265	-	174.465	-4.0	2.5	-
Fruits and vegetables.....	284.524	-	290.375	2.9	2.1	-
Nonalcoholic beverages and beverage materials(1).....	266.242	-	262.618	-6.5	-1.4	-
Other food at home.....	200.352	-	197.734	1.1	-1.3	-
Food away from home.....	239.750	-	242.546	2.9	1.2	-
Alcoholic beverages.....	214.917	-	216.316	1.9	0.7	-
Housing.....	226.742	-	226.530	0.4	-0.1	-
Shelter.....	269.545	270.141	269.998	2.9	0.2	-0.1
Rent of primary residence.....	264.805	265.115	265.311	2.4	0.2	0.1
Owners' equivalent rent of residences(2)....	253.141	253.279	252.648	3.1	-0.2	-0.2
Owners' equivalent rent of primary residence(2).....	253.141	253.279	252.648	3.1	-0.2	-0.2
Fuels and utilities.....	177.524	-	178.288	-13.8	0.4	-
Household energy.....	154.112	156.676	154.969	-17.3	0.6	-1.1
Energy services.....	151.659	154.202	152.444	-17.5	0.5	-1.1
Electricity.....	152.364	155.271	153.266	-19.2	0.6	-1.3
Utility (piped) gas service.....	134.796	134.783	134.761	-2.6	0.0	0.0
Household furnishings and operations.....	142.454	-	138.866	1.9	-2.5	-
Apparel.....	183.776	-	171.007	-3.1	-6.9	-
Transportation.....	184.078	-	182.235	1.7	-1.0	-
Private transportation.....	183.445	-	182.295	1.6	-0.6	-
New and used motor vehicles(3).....	87.376	-	87.835	-0.3	0.5	-
New vehicles(1).....	163.216	-	166.002	1.1	1.7	-
Used cars and trucks(1).....	225.040	-	223.778	-0.8	-0.6	-
Motor fuel.....	205.525	202.954	197.597	5.3	-3.9	-2.6
Gasoline (all types).....	205.287	202.714	197.222	5.7	-3.9	-2.7
Gasoline, unleaded regular(4).....	206.637	204.009	198.179	5.7	-4.1	-2.9
Gasoline, unleaded midgrade(4)(5)....	226.776	223.738	218.829	4.7	-3.5	-2.2
Gasoline, unleaded premium(4).....	232.917	230.401	226.870	5.9	-2.6	-1.5
Motor vehicle insurance(1).....	740.494	-	740.494	2.0	0.0	-
Medical care.....	516.048	-	517.474	3.4	0.3	-
Recreation(3).....	109.433	-	106.616	1.0	-2.6	-
Education and communication(3).....	122.462	-	122.579	2.7	0.1	-
Tuition, other school fees, and childcare(1) ...	1,242.534	-	1,243.079	1.6	0.0	-
Other goods and services.....	416.903	-	408.344	-2.4	-2.1	-
Commodity and service group						
Commodities.....	174.450	-	172.430	0.1	-1.2	-
Commodities less food and beverages.....	146.129	-	142.930	-0.7	-2.2	-
Nondurables less food and beverages.....	197.188	-	188.998	-0.9	-4.2	-
Durables.....	99.598	-	99.516	-0.4	-0.1	-
Services.....	286.939	-	286.427	1.5	-0.2	-
Special aggregate indexes						
All items less shelter.....	215.215	-	213.290	0.1	-0.9	-
All items less medical care.....	216.433	-	215.084	0.8	-0.6	-
Commodities less food.....	148.532	-	145.410	-0.6	-2.1	-

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 -		
	Oct. 2019	Nov. 2019	Dec. 2019	Dec. 2018	Oct. 2019	Nov. 2019
Nondurables	215.391	-	211.872	0.3	-1.6	-
Nondurables less food.....	197.997	-	190.324	-0.8	-3.9	-
Services less rent of shelter(2).....	303.712	-	302.063	0.1	-0.5	-
Services less medical care services.....	263.933	-	263.206	1.1	-0.3	-
Energy	177.182	177.460	174.124	-7.2	-1.7	-1.9
All items less energy	238.554	-	237.478	1.8	-0.5	-
All items less food and energy	239.207	-	237.690	1.8	-0.6	-

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.