

SOUTHWEST INFORMATION OFFICE
Dallas, Texas

For release: 7:30 a.m. (CT) Tuesday, May 15, 2012

12-942-DAL

Contact information: (972) 850-4800 • BLSInfoDallas@bls.gov • www.bls.gov/ro6

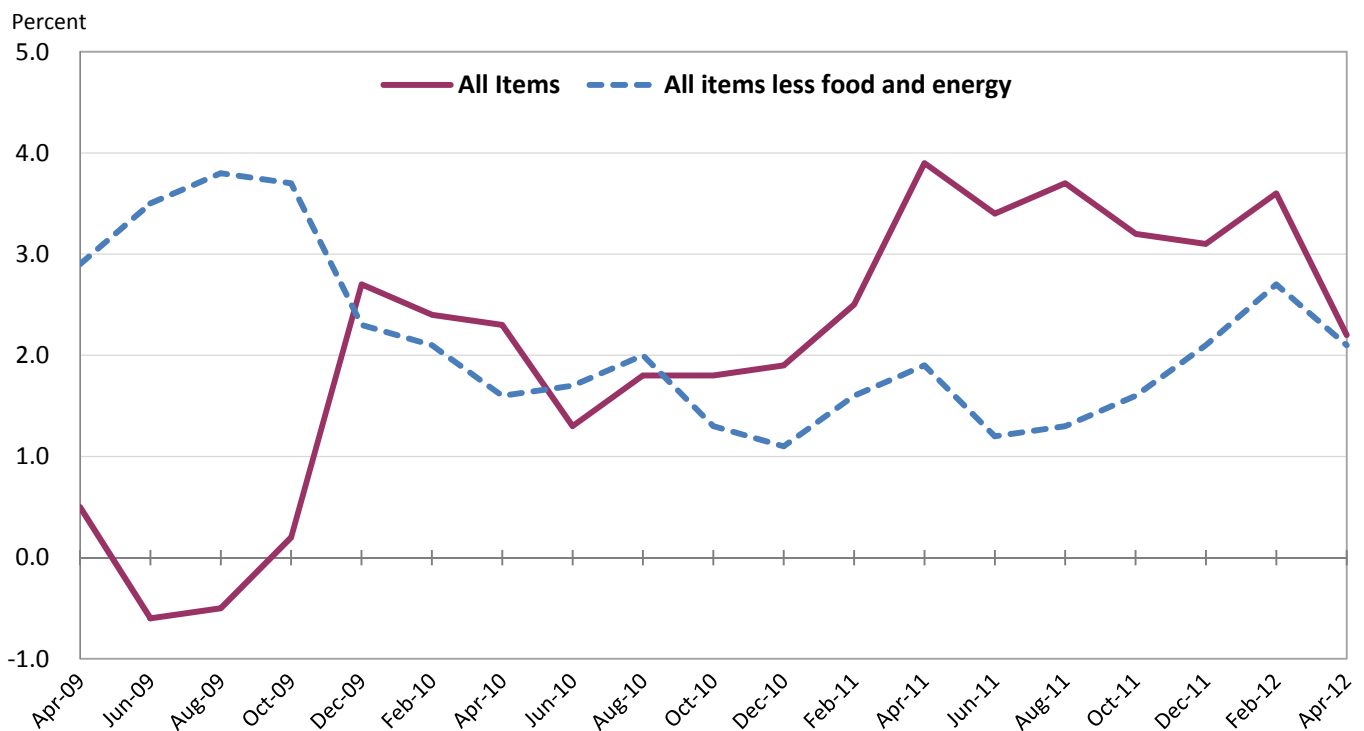
CONSUMER PRICE INDEX, HOUSTON-GALVESTON-BRAZORIA – APRIL 2012

Area prices up 0.9 percent during two-month period, rise 2.2 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area rose 0.9 percent in March and April, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Stanley W. Suchman noted that more than three-fourths of the current gain was the result of a 6.3-percent advance in the energy index, but higher prices within the all items less food and energy category were also a large contributor. (Data in this report are not seasonally adjusted. Accordingly, short-term changes may reflect the impact of seasonal influences.)

Over the last 12 months, the all items CPI-U rose 2.2 percent – the slowest annual increase since December 2010. (See chart 1.) Among the three major components, food prices rose at the fastest rate, up 3.3 percent, followed by energy costs (2.4 percent), and the index for all items less food and energy (2.1 percent).

Chart 1. Over-the-year percent change in CPI-U, Houston-Galveston-Brazoria, April 2009–April 2012



Source: U.S. Bureau of Labor Statistics

Food

After increasing 0.5 percent in the first two months of the year, food prices edged up 0.1 percent in March and April. Among the two components of the index, prices for food at home (grocery prices) rose 0.7 percent, but this increase was nearly offset by a 0.7-percent decrease in prices for food away from home. Within the grocery group, higher prices were noted for a host of fresh vegetables, including tomatoes, as well as for chicken, steak, and carbonated drinks. At the same time, lower prices were registered for milk.

From April 2011 to April 2012, total food prices rose 3.3 percent, reflecting the combined effects of a 4.3-percent rise in grocery prices and a 2.0-percent increase in prices for food away from home.

Energy

The energy index advanced 6.3 percent in March and April, about the same as the 6.2-percent increase registered in January and February. The current increase was almost entirely due to higher gasoline prices, which climbed 11.9 percent; natural gas costs edged up 0.1 percent. Partially offsetting these increases, electricity prices fell 1.4 percent, the first two-month decline since March and April 2011.

Over the year, the energy index rose 2.4 percent, its smallest increase since August 2010. Electricity prices were up 3.9 percent and gasoline costs rose 3.5 percent. Slowing the increase in total energy prices, natural gas prices recorded a 10.5-percent decline during the year ended in April 2012.

All items less food and energy

The index for all items less food and energy rose 0.2 percent in March and April, following the relatively large January and February advance of 1.6 percent. The biggest factor in the current period's gain was a 0.8-percent increase in shelter costs. Higher prices were also noted for miscellaneous personal services (which includes items ranging from financial services to funeral fees), personal computers, used cars and trucks, and airline fares. In contrast, the apparel index fell 7.9 percent during the period, after registering a near-record bimonthly advance of 13.6 percent in January and February. The cost of recreation also fell, down 1.5 percent, due in part to lower prices for televisions.

Over the year, the index for all items less food and energy rose 2.1 percent. Higher shelter prices, up 2.4 percent, were the largest factor in the category's annual increase just as they were in the bimonthly increase. Other large contributors to the annual gain included higher costs for medical care (4.0 percent) and other goods and services (4.3 percent).

Next Release Date: The June 2012 *Consumer Price Index for All Items for Houston-Galveston-Brazoria* will be released on July 17, 2012.

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 88 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 87 urban areas across the country from about 4,000 housing units and approximately 26,000 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/pub/hom/homch17_a.htm.

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.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: 202-691-5200; TDD message referral phone number: 1-800-877-8339.

For personal assistance or further information on Consumer Price Indexes, as well as other Bureau products, contact the Southwest Information Office at (972) 850-4800 from 8:00 a.m. to 11:00 a.m. and 1:00 p.m. to 4:00 p.m. CT.

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—		
	Feb. 2012	Mar. 2012	Apr. 2012	Apr. 2011	Feb. 2012	Mar. 2012
Expenditure category						
All items	204.291	-	206.088	2.2	0.9	-
All items (1967=100)	655.235	-	661.000	-	-	-
Food and beverages	211.826	-	211.994	3.2	.1	-
Food	210.660	-	210.841	3.3	.1	-
Food at home	214.940	214.763	216.399	4.3	.7	0.8
Food away from home	201.404	-	200.032	2.0	-.7	-
Alcoholic beverages	218.943	-	218.923	2.9	.0	-
Housing	185.781	-	186.747	2.1	.5	-
Shelter	208.725	208.935	210.451	2.4	.8	.7
Rent of primary residence ¹	197.890	198.268	198.837	2.6	.5	.3
Owners' equivalent rent of residences ^{1 2}	195.295	195.521	196.486	2.5	.6	.5
Owners' equivalent rent of primary residence ^{1 2}	195.295	195.521	196.486	2.5	.6	.5
Fuels and utilities	196.019	-	194.172	2.2	-.9	-
Household energy	188.624	186.427	186.427	2.0	-1.2	.0
Energy services ¹	185.623	183.355	183.360	2.0	-1.2	.0
Electricity ¹	194.891	192.197	192.197	3.9	-1.4	.0
Utility (piped) gas service ¹	123.314	123.375	123.405	-10.5	.1	.0
Household furnishings and operations	123.033	-	123.347	-.4	.3	-
Apparel	173.747	-	159.993	1.2	-7.9	-
Transportation	189.535	-	198.378	2.7	4.7	-
Private transportation	188.541	-	196.746	2.3	4.4	-
Motor fuel	302.716	324.039	337.380	3.3	11.5	4.1
Gasoline (all types)	302.528	324.229	338.428	3.5	11.9	4.4
Gasoline, unleaded regular ³	313.155	335.907	351.056	3.6	12.1	4.5
Gasoline, unleaded midgrade ^{3 4}	308.050	329.419	341.954	3.2	11.0	3.8
Gasoline, unleaded premium ³	290.171	309.753	322.440	3.6	11.1	4.1
Medical care	401.603	-	402.477	4.0	.2	-
Recreation ⁵	107.038	-	105.396	-1.7	-1.5	-
Education and communication ⁵	116.073	-	117.025	2.3	.8	-
Other goods and services	344.692	-	357.700	4.3	3.8	-
Commodity and service group						
All items	204.291	-	206.088	2.2	.9	-
Commodities	179.253	-	181.330	2.4	1.2	-
Commodities less food and beverages	161.346	-	164.186	2.1	1.8	-
Nondurables less food and beverages	220.719	-	226.434	2.2	2.6	-
Durables	108.589	-	109.016	2.1	.4	-
Services	231.236	-	232.825	2.1	.7	-
Special aggregate indexes						
All items less medical care	194.172	-	195.974	2.1	.9	-
All items less shelter	202.756	-	204.584	2.2	.9	-
Commodities less food	163.565	-	166.335	2.2	1.7	-
Nondurables	217.175	-	220.222	2.6	1.4	-
Nondurables less food	220.516	-	225.887	2.3	2.4	-
Services less rent of shelter ²	254.224	-	255.614	1.8	.5	-
Services less medical care services	214.126	-	215.682	1.9	.7	-
Energy	242.351	251.251	257.544	2.4	6.3	2.5
All items less energy	202.833	-	203.286	2.3	.2	-
All items less food and energy	201.338	-	201.838	2.1	.2	-

¹ This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

² Index is on a December 1982=100 base.

³ Special index based on a substantially smaller sample.

⁴ Indexes on a December 1993=100 base.

⁵ Indexes on a December 1997=100 base.

- Data not available.

NOTE: Index applies to a month as a whole, not to any specific date.