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ERRATA

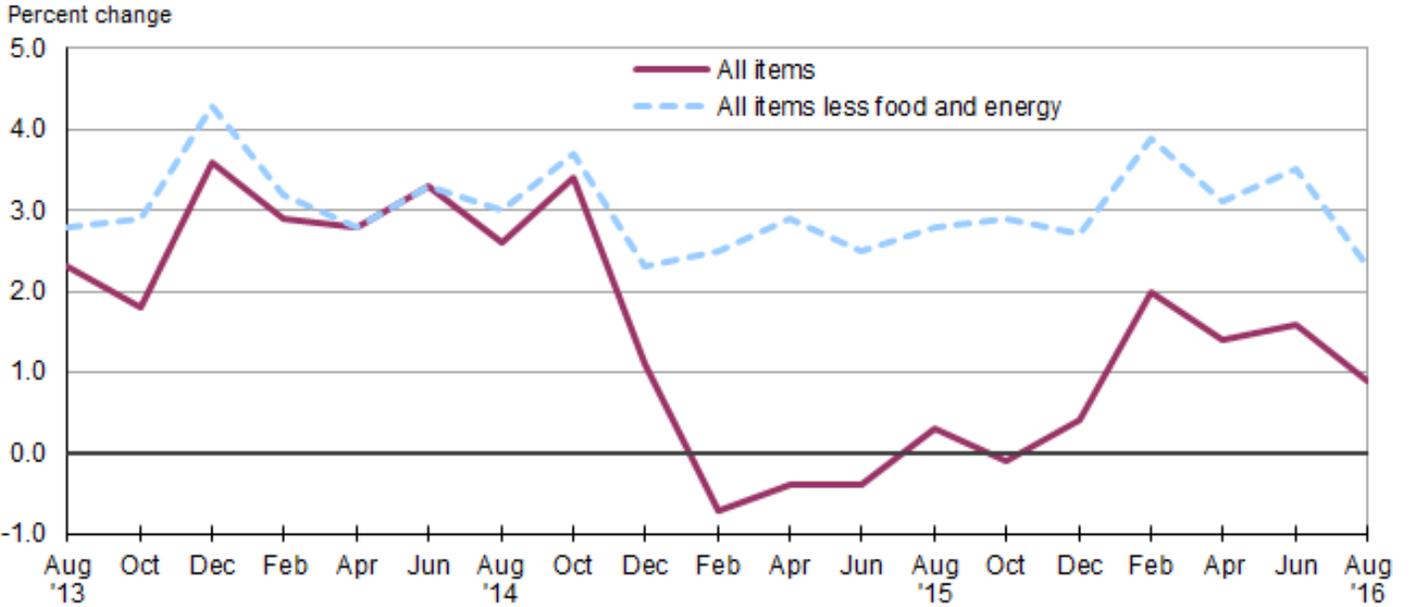
Incorrect prices for prescription drugs were used for the CPI-U and CPI-W indexes from May through August 2016 in a number of areas. Several indexes were affected, including the all items and medical care indexes. A list of the series affected can be found at www.bls.gov/bls/errata/cpi-price-corrections-10182016.htm, and the corrected data are available in the CPI database (www.bls.gov/cpi/data.htm).

Consumer Price Index, Houston-Galveston-Brazoria – August 2016
Area prices down 0.3 percent in July and August; up 0.9 percent over the year

The Consumer Price Index for All Urban Consumers (CPI-U) in the Houston area slipped 0.3 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 food prices, down 0.3 percent, also contributed. In contrast, energy costs rose 0.7 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 2016, the all items CPI-U advanced 0.9 percent and the index for all items less food and energy increased 2.3 percent. (See [chart 1](#) and [table 1](#).)

Chart 1. Over-the-year percent change in CPI-U, Houston-Galveston-Brazoria, August 2013–August 2016



Source: U.S. Bureau of Labor Statistics.

Food

Food prices fell 0.3 percent in July and August, after dipping 0.2 percent in the previous bimonthly period. Among the two components of the index, prices for food at home were down 0.7 percent, while prices for food away from home (grocery stores) edged up 0.2 percent.

From August 2015 to August 2016, the food index fell 0.6 percent, reflecting the combined effects of a 2.0-percent decline in grocery store prices and a 1.2-percent rise in prices for food away from home.

Energy

The energy index rose 0.7 percent in July and August, following a 6.9-percent rise in May and June. The increase was the result of higher household energy costs as electricity prices rose 10.2 percent and costs for utility (piped) gas service rose 10.8 percent. Offsetting a large portion of these advances, prices for motor fuel fell 7.3 percent in July and August, the first bimonthly decline since January and February 2016.

During the year ended in August 2016, the energy index registered an 11.3-percent decline, with prices falling for two of the three energy components. A 17.8-percent drop in motor fuel prices was the biggest factor in the energy decline, but electricity costs also fell, down 1.9 percent. In contrast, natural gas prices rose 3.1 percent, the first 12-month increase in this category since the year ended in April 2014.

All items less food and energy

The index for all items less food and energy fell 0.4 percent in July and August, after increasing 0.6 percent in May and June. Among the leading factors in the decline were lower prices for household furnishings and operations (-2.4 percent), recreation (-1.7 percent), apparel (-2.7 percent), and public transportation, specifically airline fares. Also contributing to the decline, the bimonthly rates of change in shelter and medical care costs were essentially flat, at 0.1 and 0.0 percent, respectively.

From August 2015 to August 2016, the index for all items less food and energy advanced 2.3 percent. A 3.3-percent annual increase in shelter costs was the most important factor in the rise. Within the shelter component, increases were registered for both owners' equivalent rent (3.2 percent) and renters' costs (4.7 percent). Other large contributors to the annual rise included higher prices for household furnishings and operations (7.2 percent) and medical care (2.1 percent). Balancing a portion of these increases, apparel prices fell 4.4 percent over the year, the first annual decline since December 2015.

The October 2016 Consumer Price Index for All Items for Houston-Galveston-Brazoria will be released Thursday, November 17, 2016.

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 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 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 6,000 housing units and approximately 24,000 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/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-Galveston-Brazoria, Texas, Consolidated Metropolitan Statistical Area (CMSA)** includes 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-Galveston-Brazoria, TX (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from -		
	Jun. 2016	Jul. 2016	Aug. 2016	Aug. 2015	Jun. 2016	Jul. 2016
All items	217.305	-	216.573	0.9	-0.3	-
All items (1967 = 100)	696.976	-	694.629			
Food and beverages	224.458	-	223.642	-0.5	-0.4	-
Food	224.188	-	223.527	-0.6	-0.3	-
Food at home	222.928	221.815	221.276	-2.0	-0.7	-0.2
Food away from home	221.338	-	221.871	1.2	0.2	-
Alcoholic beverages	218.247	-	215.177	-0.1	-1.4	-
Housing	209.228	-	210.248	3.4	0.5	-
Shelter	250.610	250.387	250.796	3.3	0.1	0.2
Rent of primary residence ⁽¹⁾	245.179	245.223	245.520	4.7	0.1	0.1
Owners' equivalent rent of residences ⁽¹⁾ ⁽²⁾	231.799	231.349	231.954	3.2	0.1	0.3
Owners' equivalent rent of primary residence ⁽¹⁾ ⁽²⁾	231.799	231.349	231.954	3.2	0.1	0.3
Fuels and utilities	146.125	-	156.869	0.1	7.4	-
Household energy	123.537	137.887	136.038	-1.2	10.1	-1.3
Energy services ⁽¹⁾ ⁽³⁾	121.324	135.635	133.799	-1.0	10.3	-1.4
Electricity ⁽¹⁾	120.038	136.631	132.259	-1.9	10.2	-3.2
Utility (piped) gas service ⁽¹⁾	117.364	118.708	130.056	3.1	10.8	9.6
Household furnishings and operations	136.693	-	133.480	7.2	-2.4	-
Apparel	178.113	-	173.359	-4.4	-2.7	-
Transportation	177.902	-	174.569	-2.1	-1.9	-
Private transportation	173.935	-	172.868	-2.3	-0.6	-
Motor fuel	190.167	184.318	176.237	-17.8	-7.3	-4.4
Gasoline (all types)	190.767	184.749	176.509	-18.0	-7.5	-4.5
Gasoline, unleaded regular ⁽⁴⁾	193.671	187.206	178.363	-18.7	-7.9	-4.7
Gasoline, unleaded midgrade ⁽⁴⁾ ⁽⁵⁾	204.179	198.704	191.473	-15.7	-6.2	-3.6
Gasoline, unleaded premium ⁽⁴⁾	204.653	200.358	194.270	-14.2	-5.1	-3.0
Medical care	461.683	-	461.792	2.1	0.0	-
Recreation ⁽⁶⁾	103.260	-	101.533	0.4	-1.7	-
Education and communication ⁽⁶⁾	125.055	-	125.179	-0.3	0.1	-
Other goods and services	400.535	-	398.772	2.2	-0.4	-
Commodity and service group						
Commodities	172.588	-	169.979	-3.1	-1.5	-
Commodities less food and beverages	147.143	-	143.845	-4.7	-2.2	-
Nondurables less food and beverages	191.716	-	185.695	-7.5	-3.1	-
Durables	104.691	-	103.463	-1.0	-1.2	-
Services	263.675	-	264.559	3.6	0.3	-
Special aggregate indexes						
All items less shelter	204.833	-	203.732	-0.2	-0.5	-
All items less medical care	205.351	-	204.601	0.8	-0.4	-
Commodities less food	149.602	-	146.295	-4.5	-2.2	-
Nondurables	208.280	-	204.857	-4.0	-1.6	-
Nondurables less food	193.040	-	187.202	-7.1	-3.0	-
Services less rent of shelter ⁽²⁾	276.461	-	278.126	4.0	0.6	-
Services less medical care services	243.831	-	244.707	3.7	0.4	-
Energy	152.821	158.498	153.948	-11.3	0.7	-2.9
All items less energy	226.660	-	225.732	1.9	-0.4	-
All items less food and energy	226.897	-	225.925	2.3	-0.4	-

Note: See footnotes at end of table.

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

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

(3) Prior to January 2011 this series was titled Gas (piped) and electricity.

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

(5) Indexes on a December 1993=100 base.

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

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