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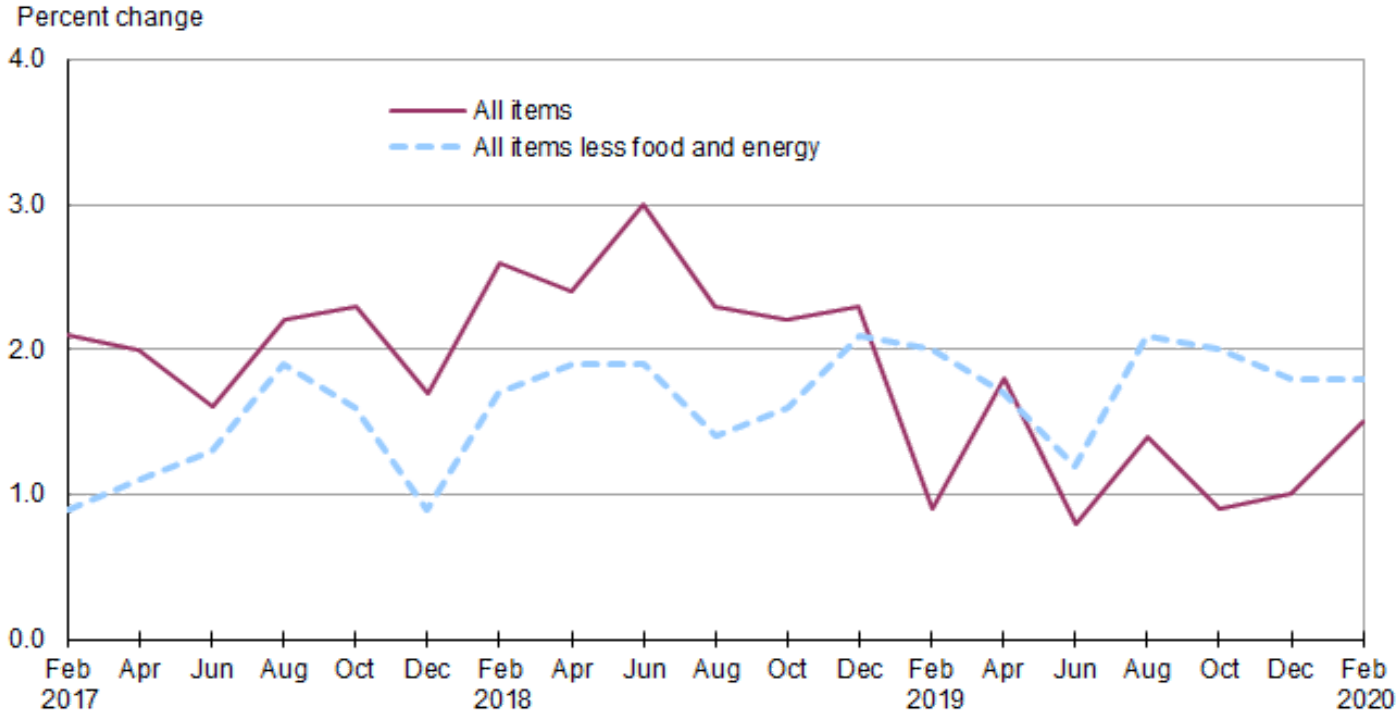
Consumer Price Index, Houston-The Woodlands-Sugar Land – February 2020

Area prices rise 0.6 percent in January and February; up 1.5 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), rose 0.6 percent for the two months ending in February 2020, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Stanley W. Suchman noted that a 1.1-percent increase in the index for all items less food and energy was responsible for nearly all of the two-month rise, as energy costs fell 4.6 percent and food prices were little changed (0.1 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 1.5 percent. (See chart 1.) The index for all items less food and energy advanced 1.8 percent over the year, while food prices increased 1.2 percent. The energy index fell 2.8 percent during the last year. (See table 1.)

Chart 1. Over-the-year percent change in CPI-U, Houston, TX, February 2017–February 2020



Source: U.S. Bureau of Labor Statistics.

Food

Food prices were little changed in January and February, edging up 0.1 percent, after rising 0.6 percent during November and December. Between the two components of the index, prices for food at home (grocery stores) rose 0.4 percent, while prices for food away from home fell 0.2 percent. This was the first bi-monthly decline in prices for food away from home since March and April 2018.

Over the year, food prices rose 1.2 percent. Unlike the bi-monthly change, the annual advance was due to higher prices for food away from home, which increased 2.6 percent. In contrast, prices for food at home declined 0.4 percent.

Energy

The energy index fell 4.6 percent in January and February, following a 1.7-percent decrease in November and December. Energy costs have fallen in each of the previous five bi-monthly periods. The latest movement was the result of price declines in all three of the energy sub-components. During the period, electricity costs fell 6.2 percent, motor fuel costs fell 3.5 percent, and prices for utility (piped) gas service were down 3.6 percent.

From February 2019 to February 2020, the energy index fell 2.8 percent. The decline was the result of lower household energy costs as electricity prices dropped 11.6 percent and prices for natural gas service declined 7.7 percent. In contrast, motor fuel costs rose 6.7 percent over the year.

All items less food and energy

The index for all items less food and energy increased 1.1 percent, after falling 0.6 percent in November and December. Apparel prices were the biggest factor in both periods as these costs climbed 11.8 percent in January and February, after falling 6.9 percent in the previous bi-monthly period. During the latest period, other large contributors included higher prices for lodging away from home (i.e., hotel and motel costs) and public transportation. Price increases were also noted for recreation (2.1 percent), medical care (1.0 percent), and other goods and services (2.2 percent). In contrast, prices for new and used motor vehicles fell 1.3 percent in the bi-monthly period.

During the 12 months ending in February 2020, the index for all items less food and energy advanced 1.8 percent. The largest factor in the annual change was a 2.6-percent rise in shelter costs. Other components contributing to the increase included higher prices for medical care (2.9 percent) and recreation (2.6 percent). Partly countering these increases, the index for new and used motor vehicles fell 2.0 percent over the year.

The April 2020 Consumer Price Index for All Items for Houston-The Woodlands-Sugar Land is scheduled to be released Tuesday, May 12, 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 -		
	Dec. 2019	Jan. 2020	Feb. 2020	Feb. 2019	Dec. 2019	Jan. 2020
All items	228.765	-	230.147	1.5	0.6	-
All items (1967 = 100)	733.731	-	738.165			
Food and beverages	234.695	-	235.511	1.4	0.3	-
Food	235.203	-	235.471	1.2	0.1	-
Food at home	223.933	224.725	224.901	-0.4	0.4	0.1
Cereals and bakery products	263.223	-	267.005	0.9	1.4	-
Meats, poultry, fish, and eggs	245.297	-	245.861	-0.4	0.2	-
Dairy and related products	174.465	-	174.540	-0.8	0.0	-
Fruits and vegetables	290.375	-	285.885	1.4	-1.5	-
Nonalcoholic beverages and beverage materials(1)	262.618	-	266.698	-7.1	1.6	-
Other food at home	197.734	-	200.134	1.9	1.2	-
Food away from home	242.546	-	242.033	2.6	-0.2	-
Alcoholic beverages	216.316	-	223.723	3.9	3.4	-
Housing	226.530	-	226.723	1.3	0.1	-
Shelter	269.998	269.567	271.677	2.6	0.6	0.8
Rent of primary residence	265.311	265.653	267.301	3.4	0.8	0.6
Owners' equivalent rent of residences(2)	252.648	252.486	252.770	2.5	0.0	0.1
Owners' equivalent rent of primary residence(2)	252.648	252.486	252.770	2.5	0.0	0.1
Fuels and utilities	178.288	-	170.256	-8.5	-4.5	-
Household energy	154.969	150.684	146.041	-11.1	-5.8	-3.1
Energy services	152.444	148.212	143.586	-11.1	-5.8	-3.1
Electricity	153.266	148.579	143.813	-11.6	-6.2	-3.2
Utility (piped) gas service	134.761	133.382	129.923	-7.7	-3.6	-2.6
Household furnishings and operations	138.866	-	139.573	2.6	0.5	-
Apparel	171.007	-	191.257	0.8	11.8	-
Transportation	182.235	-	181.471	1.4	-0.4	-
Private transportation	182.295	-	180.035	0.9	-1.2	-
New and used motor vehicles(3)	87.835	-	86.724	-2.0	-1.3	-
New vehicles(1)	166.002	-	163.426	-1.7	-1.6	-
Used cars and trucks(1)	223.778	-	224.373	-1.7	0.3	-
Motor fuel	197.597	204.967	190.695	6.7	-3.5	-7.0
Gasoline (all types)	197.222	204.685	190.325	6.9	-3.5	-7.0
Gasoline, unleaded regular(4)	198.179	206.216	191.056	6.9	-3.6	-7.4
Gasoline, unleaded midgrade(4)(5)	218.829	224.888	211.127	6.4	-3.5	-6.1
Gasoline, unleaded premium(4)	226.870	230.714	220.837	7.4	-2.7	-4.3
Motor vehicle insurance(1)	740.494	-	754.132	2.9	1.8	-
Medical care	517.474	-	522.778	2.9	1.0	-
Recreation(3)	106.616	-	108.874	2.6	2.1	-
Education and communication(3)	122.579	-	121.251	0.6	-1.1	-
Tuition, other school fees, and childcare(1)	1,243.079	-	1,245.819	-1.2	0.2	-
Other goods and services	408.344	-	417.520	0.3	2.2	-
Commodity and service group						
Commodities	172.430	-	174.383	0.9	1.1	-
Commodities less food and beverages	142.930	-	145.186	0.5	1.6	-
Nondurables less food and beverages	188.998	-	195.691	2.1	3.5	-
Durables	99.516	-	99.238	-1.0	-0.3	-
Services	286.427	-	287.233	1.9	0.3	-
Special aggregate indexes						
All items less shelter	213.290	-	214.560	0.9	0.6	-
All items less medical care	215.084	-	216.305	1.4	0.6	-
Commodities less food	145.410	-	147.809	0.6	1.6	-

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. 2019	Jan. 2020	Feb. 2020	Feb. 2019	Dec. 2019	Jan. 2020
Nondurables	211.872	-	215.728	1.7	1.8	-
Nondurables less food	190.324	-	197.048	2.2	3.5	-
Services less rent of shelter(2)	302.063	-	301.773	1.0	-0.1	-
Services less medical care services	263.206	-	263.754	1.6	0.2	-
Energy	174.124	175.015	166.085	-2.8	-4.6	-5.1
All items less energy	237.478	-	239.794	1.8	1.0	-
All items less food and energy	237.690	-	240.332	1.8	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.