



**For Release: Tuesday, March 13, 2018**

**18-349-DAL**

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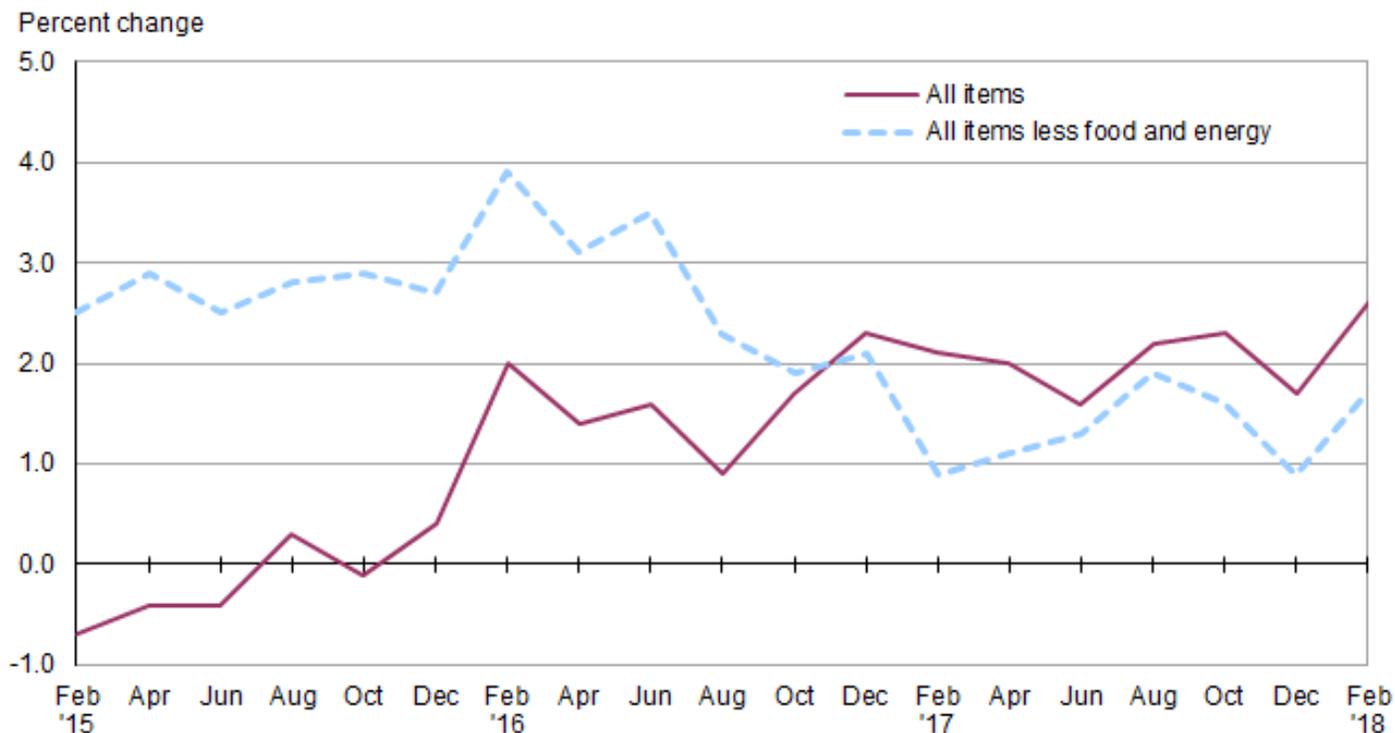
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**Consumer Price Index, Houston-The Woodlands-Sugar Land – February 2018**  
**Area prices rise 1.4 percent in January and February and increase 2.6 percent over the year**

The Consumer Price Index for All Urban Consumers (CPI-U) in Houston-The Woodlands-Sugar Land rose 1.4 percent in January and February, the U.S. Bureau of Labor Statistics reported today. Assistant Commissioner for Regional Operations Stanley W. Suchman noted that the increase followed a decline of 0.7 percent in the previous two-month period and was the largest increase since the same period in 2013. More than one-half of the current movement was the result of a 1.2-percent advance in the all items less food and energy index, but a 5.9-percent increase in energy costs was also an important contributor. Food costs slipped 0.3 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 February 2018, the all items CPI-U advanced 2.6 percent. This was the fastest annual rate of increase since the year ended in October 2014 when prices rose 3.4 percent. The index for all items less food and energy rose at a 1.7-percent pace. (See [chart 1](#) and [table 1](#).)

**Chart 1. Over-the-year percent change in CPI-U, Houston, TX, February 2015–February 2018**



Source: U.S. Bureau of Labor Statistics.

## **Food**

Local food prices fell 0.3 percent in January and February, after rising 0.9 percent in November and December. Between the two components of the index, prices for food at home (grocery stores) fell 1.1 percent, while prices for food away from home rose 0.5 percent.

From February 2017 to February 2018, the food index advanced 1.6 percent, slowing from December's annual rate of 2.4 percent. The latest annual increase in food prices reflected the combined effects of a 3.0-percent price rise for food away from home and a 0.3-percent price rise for food at home.

## **Energy**

The energy index rose 5.9 percent in January and February, after decreasing 0.7 percent in November and December. The current two-month increase was the result of a 6.7-percent rise in motor fuel costs and a 5.9-percent increase in electricity costs. During the period, natural gas costs fell 0.9 percent.

During the year ended in February 2018, the energy index climbed 14.1 percent, due mainly to double-digit increases in electricity and motor fuel costs, though higher natural gas costs also contributed. Electricity prices rose 16.9 percent over the year, motor fuel prices increased 13.1 percent, and natural gas costs advanced 3.8 percent.

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

The index for all items less food and energy increased 1.2 percent in January and February, after decreasing 1.0 percent in November and December. A 5.6-percent increase in apparel prices had the greatest impact, but this followed a 9.7-percent decline in November and December. Higher prices for new vehicles, motor vehicle insurance, and medical care were also important factors in the overall increase. In contrast, prices slipped for owners' equivalent rent, down 0.2 percent, and fell 0.7 percent for other goods and services.

From February 2017 to February 2018, the index for all items less food and energy rose 1.7 percent. The biggest factor in the annual increase was a 1.6-percent rise in shelter costs, though higher prices for medical care (4.4 percent) also contributed. Helping to offset some of these increases, prices fell over the year for education and communication (-0.7 percent) and for household furnishings and operations (-0.7 percent).

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**The April 2018 Consumer Price Index for All Items for Houston-The Woodlands-Sugar Land is scheduled to be released Thursday, May 10, 2018.**

### **Consumer Price Index Geographic Revision for 2018**

In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI). As part of the new sample, the index for this area was renamed from Houston-Galveston-Brazoria to Houston-The Woodlands-Sugar Land; Austin County was added to the area definition. The indexes using the new structure are published for the first time this month. Additional information on the geographic revision is available at [www.bls.gov/cpi/additional-resources/geographic-revision-2018.htm](http://www.bls.gov/cpi/additional-resources/geographic-revision-2018.htm).

## 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 Austin, 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-The Woodlands-Sugar Land, TX (1982-84=100 unless otherwise noted)**

Item and Group	Indexes			Percent change from -		
	Dec. 2017	Jan. 2018	Feb. 2018	Feb. 2017	Dec. 2017	Jan. 2018
All items.....	221.568	-	224.711	2.6	1.4	-
All items (1967 = 100).....	710.648	-	720.728			
Food and beverages.....	229.108	-	228.839	1.6	-0.1	-
Food.....	229.427	-	228.760	1.6	-0.3	-
Food at home.....	225.128	222.585	222.548	0.3	-1.1	0.0
Cereals and bakery products.....	260.285	-	263.618	-	1.3	-
Meats, poultry, fish, and eggs.....	248.426	-	240.695	-	-3.1	-
Dairy and related products.....	189.908	-	183.930	-	-3.1	-
Fruits and vegetables.....	278.473	-	282.621	-	1.5	-
Nonalcoholic beverages and beverage materials(1).....	268.169	-	270.072	-	0.7	-
Other food at home.....	199.501	-	193.942	-	-2.8	-
Food away from home.....	230.100	-	231.299	3.0	0.5	-
Alcoholic beverages.....	213.927	-	219.906	1.8	2.8	-
Housing.....	216.566	-	218.023	2.6	0.7	-
Shelter.....	256.654	257.603	256.965	1.6	0.1	-0.2
Rent of primary residence(2).....	254.786	254.775	255.000	1.6	0.1	0.1
Owners' equivalent rent of residences(2)(3).....	237.386	238.094	237.003	1.6	-0.2	-0.5
Owners' equivalent rent of primary residence(2)(3).....	237.386	238.094	237.003	1.6	-0.2	-0.5
Fuels and utilities.....	180.502	-	187.982	12.1	4.1	-
Household energy.....	162.758	157.281	171.122	15.0	5.1	8.8
Energy services(2).....	160.206	154.664	168.396	15.1	5.1	8.9
Electricity(2).....	160.921	154.600	170.466	16.9	5.9	10.3
Utility (piped) gas service(2).....	142.586	142.508	141.369	3.8	-0.9	-0.8
Household furnishings and operations.....	129.183	-	129.692	-0.7	0.4	-
Apparel.....	180.807	-	190.898	0.7	5.6	-
Transportation.....	178.708	-	185.493	4.8	3.8	-
Private transportation.....	178.514	-	185.398	5.8	3.9	-
New and used motor vehicles(4).....	86.864	-	88.596	-	2.0	-
New vehicles(1).....	159.556	-	164.004	-	2.8	-
Used cars and trucks(1).....	222.474	-	225.068	-	1.2	-
Motor fuel.....	198.180	204.313	211.417	13.1	6.7	3.5
Gasoline (all types).....	198.098	204.223	211.290	12.9	6.7	3.5
Gasoline, unleaded regular(5).....	199.738	206.295	213.519	12.8	6.9	3.5
Gasoline, unleaded midgrade(5)(6).....	216.826	220.345	226.862	12.1	4.6	3.0
Gasoline, unleaded premium(5).....	221.950	225.898	233.151	13.8	5.0	3.2
Motor vehicle insurance(1).....	723.625	-	745.087	-	3.0	-
Medical care.....	484.366	-	492.756	4.4	1.7	-
Recreation(4).....	102.851	-	103.711	0.1	0.8	-
Education and communication(4).....	119.286	-	120.711	-0.7	1.2	-
Tuition, other school fees, and childcare(1) ...	1,196.408	-	1,207.972	-	1.0	-
Other goods and services.....	413.749	-	410.710	2.0	-0.7	-
<b>Commodity and service group</b>						
Commodities.....	171.828	-	174.742	1.2	1.7	-
Commodities less food and beverages.....	144.147	-	148.088	0.8	2.7	-
Nondurables less food and beverages.....	194.177	-	202.264	3.8	4.2	-
Durables.....	98.429	-	99.614	-2.6	1.2	-
Services.....	272.469	-	275.844	3.3	1.2	-
<b>Special aggregate indexes</b>						
All items less shelter.....	208.400	-	212.606	3.0	2.0	-
All items less medical care.....	208.899	-	211.810	2.4	1.4	-

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. 2017	Jan. 2018	Feb. 2018	Feb. 2017	Dec. 2017	Jan. 2018
Commodities less food .....	146.558	-	150.568	0.8	2.7	-
Nondurables .....	211.839	-	215.894	2.7	1.9	-
Nondurables less food.....	195.096	-	203.064	3.6	4.1	-
Services less rent of shelter(3).....	287.647	-	294.682	4.9	2.4	-
Services less medical care services.....	251.433	-	254.418	3.1	1.2	-
Energy .....	178.709	178.401	189.253	14.1	5.9	6.1
All items less energy .....	228.806	-	231.096	1.7	1.0	-
All items less food and energy .....	228.525	-	231.323	1.7	1.2	-

Footnotes

(1) Indexes on an April 1978=100 base.

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

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

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

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

(6) Index on a December 1993=100.

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