

News

United States
Department
of Labor



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AUGUST 2004 CONSUMER PRICE INDEX HOUSTON-GALVESTON-BRAZORIA, TEXAS

Retail prices in the Houston-Galveston-Brazoria metropolitan area were essentially unchanged from June to August, slipping 0.1 percent, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Acting Regional Commissioner John Gordon stated that price movements were mixed among the eight major components with one-half exhibiting decreases and one-half registering gains. The Acting Regional Commissioner noted that because these data are not adjusted for seasonal price variation, consumers and businesses should be cautious in drawing conclusions about long-term retail price trends from short-term changes in the Consumer Price Index.

The Houston Consumer Price Index for All Urban Consumers (CPI-U) stood at 169.1 (1982-84=100) in August, 3.0 percent above the year-ago level. This compared to an increase of 2.5 percent during the year ended in August 2003. The index means that a typical market basket of goods and services that cost \$100.00 for Houston consumers in 1982-84, cost \$169.10 last month.

Transportation costs dropped 2.5 percent during the two months ended in August following a 3.0-percent increase in the previous bimonthly period. Lower prices for gasoline and new vehicles contributed equally to the latest decline. Gasoline costs dropped 5.3 percent from June to August, but were still 17.7 percent above a year ago. The average price of a gallon of gasoline stood at \$1.819 in August. The sharp annual rise in gasoline costs was moderated by lower prices for new and used vehicles during the last 12 months. Total transportation costs rose 3.3 percent over the year.

The apparel index fell 1.1 during the two months ended in August. Lower prices for boys' and women's apparel, particularly women's suits and separates, more than offset higher prices for selected men's clothing. During the year ended in August, apparel prices overall rose 4.1 percent.

Houston-Galveston-Brazoria Consumer Price Index – August 2004 (Continued)

Two other major components -- medical care and recreation -- also registered declines during the latest bimonthly period. Medical care prices fell 0.6 percent from June to August, the second decrease in the last three periods. Despite the recent declines, medical care prices have risen 5.3 percent during the last year. This was the sharpest annual gain among the eight major categories and notably higher than the year-ago medical care increase of 0.7 percent. The cost of recreation slipped 0.1 percent during the two months ended in August. Over the year, recreation costs rose 3.4 percent.

Increases in the remaining categories nearly balanced the previously discussed declines. Most notably, food and beverage costs rose 1.1 percent from June to August, following two periods of little change. The cost of food at home increased 1.2 percent as higher prices were noted for beef and veal, citrus fruits, and lettuce. The indexes for food away from home and alcoholic beverages also registered advances. Over the year, the cost of food and beverages rose 3.6 percent.

The housing index moved up 0.3 percent during the two months ended in August. The biggest factor in the gain was a 0.4-percent increase in shelter costs. The index for rent of a primary residence (renters' costs) advanced 0.5 percent and when combined with higher prices for lodging away from home, more than offset a 0.2-percent decrease in owners' equivalent rent (homeowners' costs). The index for fuels and utilities also rose during the bimonthly period as natural gas prices increased 2.5 percent and electricity costs edged up 0.1 percent. Over the year, natural gas and electricity charges rose 3.1 percent and 0.4 percent, respectively. Since August 2003, shelter prices advanced 2.4 percent and the cost of household furnishings and operations rose 2.8 percent. The housing index overall increased 2.3 percent during the year ended in August.

The category of education and communication registered a 1.8-percent gain during the latest bimonthly period as higher school tuition and fees more than offset lower long distance telephone charges. Over the year, education and communication costs rose 1.2 percent -- the first annual increase in this component since the year ended in April 2003. The index for other goods and services advanced 1.9 percent from June to August and 3.9 percent during the last year.