

News

United States
Department
of Labor



Bureau of Labor Statistics

Dallas, TX 75202

Dallas/Kansas City Regional Office
Cheryl Abbot
Economist
(214) 767-6970
<http://www.bls.gov/ro6/home.htm>

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**SEPTEMBER 2004 CONSUMER PRICE INDEXES
FOR ENERGY, SHELTER, AND FOOD AT HOME
HOUSTON-GALVESTON-BRAZORIA, TEXAS**

The cost of food at home (grocery items) fell 1.8 percent in the Houston-Galveston-Brazoria metropolitan area during September, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. Acting Regional Commissioner Stanley W. Suchman stated that energy prices also declined, down 0.3 percent, while the cost of shelter edged up 0.2 percent during the month. Acting Regional Commissioner Suchman also noted that because these data are not adjusted for seasonal variation, consumers and businesses should be cautious in drawing conclusions about long-term retail price trends from short-term changes in area Consumer Price Indexes.

The 1.8-percent September decrease in grocery prices followed a 2.6-percent increase in August. In the latest period, lower prices were registered for a wide variety of foods, but most notably for beef and veal, dairy products, snacks, apples, and eggs. These declines were only slightly countered by price increases for pork, fish and seafood, and tomatoes. During the 12-months ended in September, grocery prices slipped 0.3 percent -- the first annual decline since the year ended in December 2002. The food at home index (CPI-U, 1982-84=100) stood at 174.0, meaning that a typical basket of grocery items priced at \$100.00 in 1982-84 cost area consumers \$174.00 last month.

Energy costs slipped 0.3 percent in September as a result of lower gasoline prices. The gasoline index fell 0.9 percent during the month following no change in August and a 5.3-percent drop in July. However, this followed a 35.3-percent surge during the first six months of the year. As a result, despite recent declines, the cost of gasoline was still 13.3 percent higher than a year ago. The average price of a gallon of gasoline in the Houston metropolitan area stood at \$1.802 in September. The cost of electricity edged up 0.1 percent during the month while utility (piped) gas service was unchanged. During the year ended in September, natural gas prices rose 3.1 percent and electricity prices rose 0.3 percent. In conjunction with the larger annual rise in gasoline prices, these movements placed the total energy index 6.5 percent above the year-ago level.

Houston Energy, Shelter, & Food At Home Consumer Price Indexes – September 2004 (Cont'd)

The shelter index advanced 0.2 percent in September following a 1.2 percent rise in August. The increase was the result of a 0.1-percent gain in owners' equivalent rent (homeowners' costs) combined with a sharper rise in hotel and motel charges. The index for rent of a primary residence (renters' costs) was unchanged. Over the year, homeowners' costs increased 1.4 percent and renters' costs moved up 0.4 percent. Total shelter costs were 1.0 percent higher than a year ago.