



CHAIR JODEY ARRINGTON

HOUSE BUDGET COMMITTEE

Monthly CPI Report for May 2023

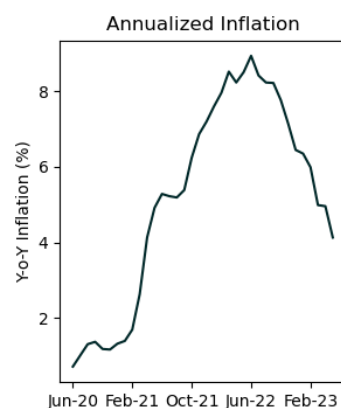
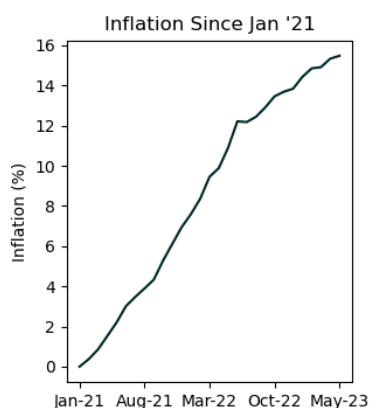
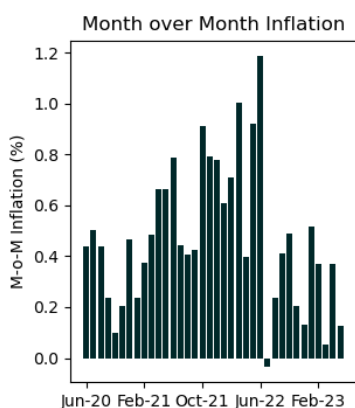
Inflation Overview

When President Biden took office in January 2021, inflation began to rise significantly. Caused in large part by fiscal stimulus enacted by the Biden Administration through the American Rescue Plan, as well as the consequences of reopening a economy shuttered due to COVID, prices began to rise significantly. By the end of 2021, the year-over-year Consumer Price Index (CPI), the most commonly used measure of inflation, rose to 7.2 percent - reaching 40-year highs. In 2022, inflation continued to soar, reaching a peak year-over-year rate of 8.9 percent in June. While increases have since moderated, prices remain high and continue to rise at an unsustainably high rate, with year-over-year **seasonally adjusted** inflation in the most recent month was **4.1 percent**. This report details the most recent month's **seasonally adjusted** inflation data. Top line CPI data is presented for year-over-year estimates, month-over-month estimates, and increases since President Biden took office in January 2021. These same calculations are made for categories of different goods, such as food, housing, and energy. The increase in prices of some subcomponents of the overall categories, such as eggs in the food section and gasoline in the energy section, are also calculated and presented. Estimates for how much more the average family of 4 is paying than in January 2021 are made for each good if requisite data is available. The next section displays overall inflation, followed by food, energy and transportation and housing categories respectively. The methodology used for each calculation is presented at the end of the document in the endnotes/methodology/sources section.

Top Level Inflation as of May 2023

The most recent CPI release as of May 2023 reports year-over-year inflation at **4.1 percent**. Month-over-month, prices increased **0.1 percent**. Since January 2021, prices have increased **15.5 percent**. This means that the average family of four is paying **\$13,717 per year or \$1143 per month** to purchase the same goods and services as in January 2021. While year-over-year inflation has begun to abate relative to the peak, inflation continues to grow month-over-month, and prices have continued to rise since President Biden took office. Overall increases in prices are displayed in the figures below, with the chart on the left showing month-over-month inflation, the middle showing the increase in overall consumer prices since January 2021, and the graph on the right showing year-over-year inflation for the last 36 months.

Overall Inflation Figures



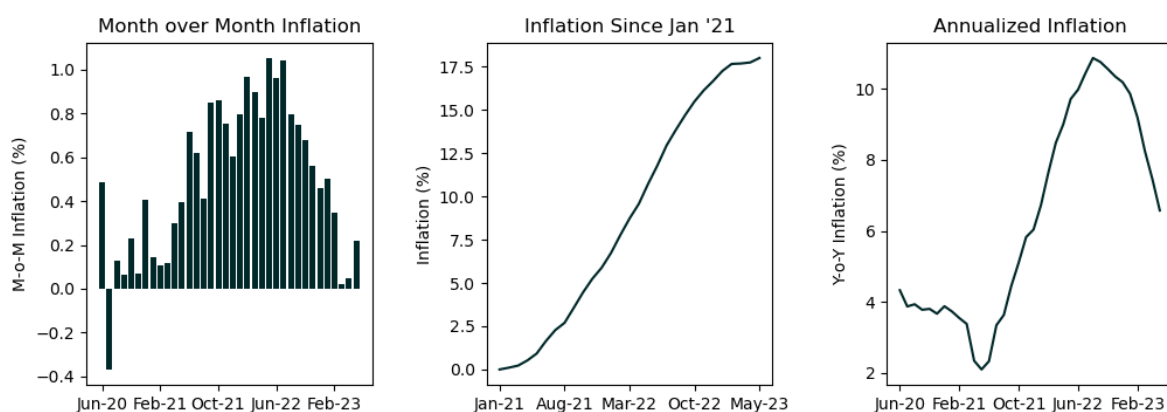
Food Inflation as of May 2023

Rising food prices have devastated the pocketbooks and kitchen tables of American families. **Seasonally adjusted** year-over year inflation is up **6.6 percent**. Last month, food prices rose **0.2 percentage points**. Since President Biden took office, food prices are up **18.0 percent**. This means that the average family of four is paying **\$2,053 per year or \$171 per month** to purchase the same quantity of food as in January 2021. Below are some examples of the increase in food prices, both year-over-year and since President Biden took office. These examples are followed by figures on overall food inflation, with the figure on the left showing month-over-month inflation, the middle figure showing the increase in overall food prices since January 2021, and the figure on the right showing year-over-year food inflation for the last 36 months.

Food Inflation Examples

- **Egg** prices are down **-0.4 percent** year-over-year. Since President Biden took office, **egg** prices are up **35.9 percent**. This means that the average American family of four is paying **\$34 per year or \$2 per month** more to purchase the same quantity of **eggs** relative to January 2021.
- **Dairy** prices are up **4.6 percent** year-over-year. Since President Biden took office, **milk** prices are up **15.5 percent**. This means that the average American family of four is paying **\$112 per year or \$9 per month** more to purchase the same quantity of **dairy** relative to January 2021.
- **Butter, fats and oil** prices are up **11.8 percent** year-over-year. Since President Biden took office, **butter, fats and oil** prices are up **33.3 percent**. This means that the average American family of four is paying **\$64 per year or \$5 per month** more to purchase the same quantity of **fats and oils** relative to January 2021.
- **Bakery product** prices are up **11.4 percent** year-over-year. Since President Biden took office, **bakery product** prices are up **25.8 percent**. This means that the average American family of four is paying **\$177 per year or \$14 per month** more to purchase the same quantity of **bakery products** relative to January 2021.
- **Cereal and grain** prices are up **9.3 percent** year-over-year. Since President Biden took office, **cereal and grain** prices are up **23.1 percent**. This means that the average American family of four is paying **\$75 per year or \$6 per month** more to purchase the same quantity of **cereal and grains** relative to January 2021.
- **Fruit and vegetable** prices are up **2.7 percent** year-over-year. Since President Biden took office, **fruit and vegetable** prices are up **13.0 percent**. This means that the average American family of four is paying **\$198 per year or \$16 per month** more to purchase the same quantity of **fruit and vegetables** relative to January 2021.
- **Beef** prices are up **1.0 percent** year-over-year. Since President Biden took office, **beef** prices are up **16.5 percent**. This means that the average American family of four is paying **\$71 per year or \$5 per month** more to purchase the same quantity of **beef** relative to January 2021.
- **Pork** prices are down **-2.9 percent** year-over-year. Since President Biden took office, **pork** prices are up **13.1 percent**. This means that the average American family of four is paying **\$40 per year or \$3 per month** more to purchase the same quantity of **pork** relative to January 2021.
- **Poultry** prices are up **2.1 percent** year-over-year. Since President Biden took office, **poultry** prices are up **22.8 percent**. This means that the average American family of four is paying **\$63 per year or \$5 per month** more to purchase the same quantity of **poultry** relative to January 2021.
- **Fish and Seafood** prices are down **-1.1 percent** year-over-year. Since President Biden took office, **fish and seafood** prices are up **11.9 percent**. This means that the average American family of four is paying **\$31 per year or \$2 per month** more to purchase the same quantity of **fish and seafood** relative to January 2021.

Overall Food Inflation Figures



Energy and Transportation Inflation as of May 2023

Due to President Biden's anti-energy policies that have stifled American production, prices for gasoline, electricity, natural gas, and other energy products are up across the board. Transportation costs are up as well, due to increased energy costs, but also due to increased prices for vehicles, both new and used. Energy and transportation costs make up a significant portion of Americans' paychecks, as increased prices don't only show up when they drive to work or heat their homes, they also show up in all goods across the country due to increased costs of transporting goods to market. **Seasonally adjusted** year-over-year prices for energy products are down **-11.3 percent**. Last month, energy prices fell **-3.6 percentage points**. **Since President Biden took office**, prices have risen **28.5 percent**. For transportation goods and services, prices are down **-1.7 percent**. Last month, transportation prices fell **-0.2 percentage points**. **Since President Biden took office**, prices have risen **26.2 percent**. Below are some examples of inflation in energy and transportation goods and services, both year-over-year and since President Biden took office. These examples are followed by a set of figures showing overall energy inflation and the second set showing transportation inflation. Within each set, the figure on the left showing month-over-month inflation, the middle figures showing the increase in overall energy and transportation prices since January 2021, and the figure on the right showing year-over-year inflation for the last 36 months.

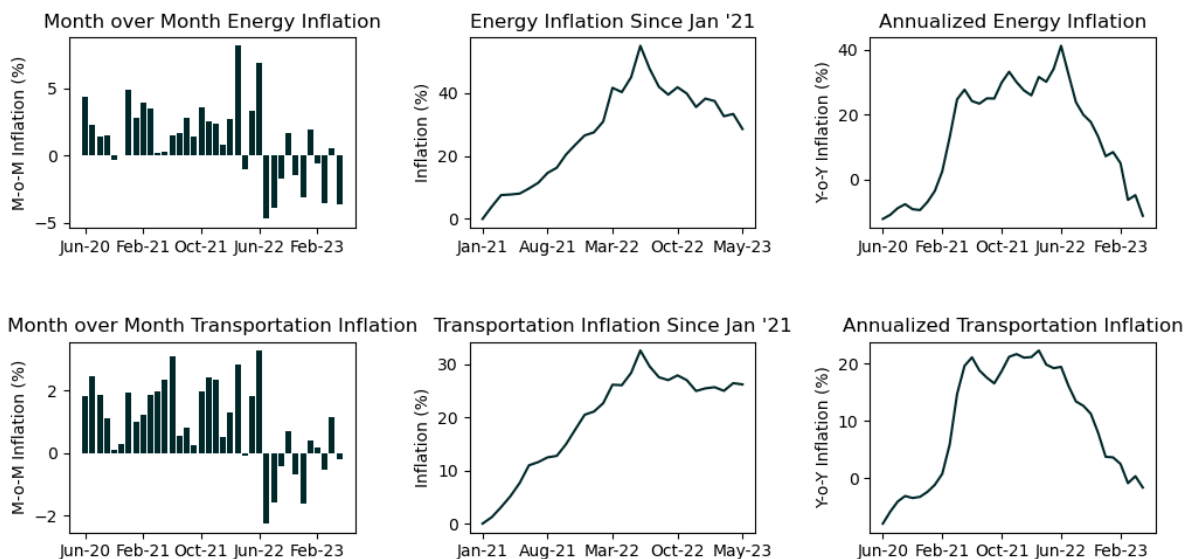
Energy Inflation Examples

- **Gasoline** prices are down **-19.7 percent** year-over-year. Since President Biden took office, **gasoline** prices are up **34.0 percent**. This means that the average American family of four is paying **\$921 per year or \$76 per month** more to purchase the same quantity of **gasoline** relative to January 2021.
- **Other fuel oil** prices are down **-28.6 percent** year-over-year. Since President Biden took office, **fuel oil** prices are up **39.8 percent**. This means that the average American family of four is paying **\$44 per year or \$3 per month** more to purchase the same quantity of **fuel oil** relative to January 2021.
- **Natural Gas** prices are down **-11.0 percent** year-over-year. Since President Biden took office, **gasoline** prices are up **24.4 percent**. This means that the average American family of four is paying **\$135 per year or \$11 per month** more to purchase the same quantity of **natural gas** relative to January 2021.
- **Electricity** prices are up **5.9 percent** year-over-year. Since President Biden took office, **electricity** prices are up **21.2 percent**. This means that the average American family of four is paying **\$406 per year or \$33 per month** more to purchase the same quantity of **electricity** relative to January 2021.

Transportation Inflation Examples

- **New vehicle** prices are up **4.7 percent** year-over-year. Since President Biden took office, **new vehicle** prices are up **18.9 percent**.
- **Used vehicle** prices are down **-4.2 percent** year-over-year. Since President Biden took office, **used vehicle** prices are up **30.8 percent**.
- **Public transportation** prices are down **-8.9 percent** year-over-year. Since President Biden took office, **public transportation** prices are up **24.7 percent**.

Overall Energy and Transportation Inflation Figures



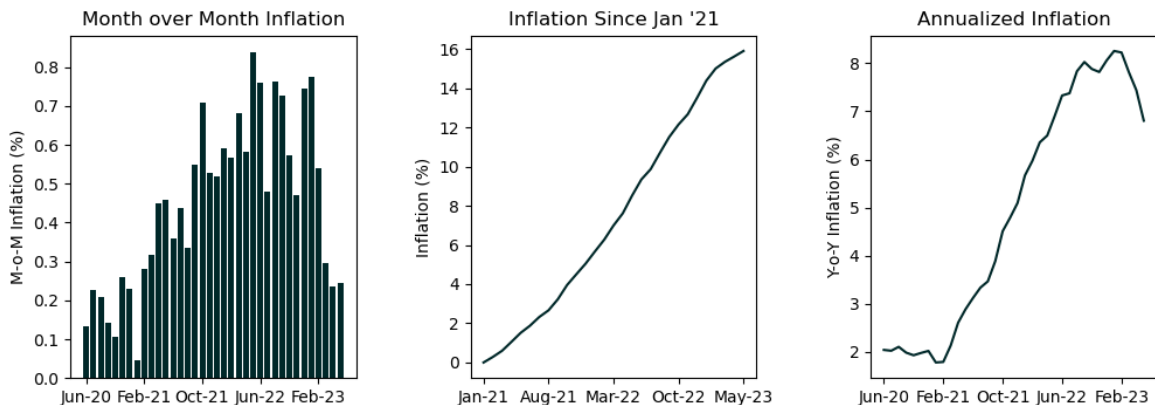
Housing and Shelter Inflation as of May 2023

Rising housing and shelter prices have made it nearly impossible for young people and new families to afford an adequate place to live. **Seasonally adjusted** year-over year housing inflation is up **6.8 percent**. Last month, housing prices, which aggregate renting, ownership, lodging, and other associated housing costs, rose **0.2 percentage points**. Since President Biden took office, Housing prices are up **15.9 percent**. This means that American families are paying **\$4,562 per year or \$171 per month** to purchase the same housing as in January 2021. Below are some examples of the increase in housing prices, both year-over-year and since President Biden took office. These examples are followed by figures over overall housing inflation, with the figure on the left showing month-over-month housing inflation, the middle figure showing the increase in overall housing prices since January 2021, and the figure on the right showing year-over-year housing inflation for the last 36 months.

Housing Inflation Examples

- **Rent** is up **8.7 percent** year-over-year. Since President Biden took office, **rent** is up **15.3 percent**. This means that the average American family of four is paying **\$651 per year or \$54 per month** more per year to purchase the same **rented housing** relative to January 2021.
- **Owner's equivalent rent**, or the price it would cost rent an owned home, is up **8.0 percent** year-over-year. Since President Biden took office, **owner's equivalent rent** is up **14.7 percent**. This means that the average American family of four is paying **\$1,597 per year or \$133 per month** more per year to purchase the same of **owner's equivalent rented housing** relative to January 2021.
- **Lodging** prices are up **3.4 percent** year-over-year. Since President Biden took office, **lodging** prices are up **34.7 percent**. This means that the average American family of four is paying **\$384 per year or \$32 per month** more per year to purchase the same **lodging** relative to January 2021.
- **Home furnishings and equipment** prices are up **4.2 percent** year-over-year. Since President Biden took office, **housing furniture** prices are up **16.3 percent**. This means that the average American family of four is paying **\$506 per year or \$42 per month** more to purchase the same quantity of **home furnishings and equipment** relative to January 2021.

Overall Housing Inflation Figures



Summary

This report calculates month-over-month inflation, year-over-year inflation, and inflation since January 2021 across major categories and for numerous individual goods. Where possible, dollar estimates for the increased costs that the average American family of four has to pay for a respective good relative to January 2021 are presented. A new report will be created and distributed next CPI release. Please email kole.nichols@mail.house.gov with any questions regarding the report.

Endnotes/Methodology/Sources

Data is from the [Bureau of Labor Statistics \(BLS\)](#). Inflation statistics come from the BLS' [CPI database](#). **Seasonally adjusted series** are utilized. Month-over-month calculations are made by dividing the CPI index value in the current month from the previous month for all series. Year-over-year calculations are made by dividing the CPI index in the current month by the CPI index in same month, one year prior for each series. Inflation since January 2021 calculations are made by dividing the CPI index in the current month by the CPI index in January 2021 for each series.

Increased monthly cost calculations are made by multiplying the increased CPI for each series since January 2021 by spending estimates for each good or service developed by the BLS' [Consumer Expenditure Survey \(CE\)](#). The CE provides spending estimates for different household units based on size, income, demographics, etc. To estimate the spending for the average family of four, the consumer unit option used is "Four People in Consumer Unit" for each data series. The average of the values provided for the "Four People in Consumer Unit" by CE category in 2020 and 2021 is estimated and used as the base for calculation. This is done because January 2021 is in the middle of the observation periods for 2020 and 2021 - picking one year over the other would seem methodologically inappropriate. For series where CE and CPI can be matched, increased inflation estimates since January 2021 are multiplied by the estimated CE value for each category to generate the increased yearly cost estimates.