

NEWS BRIEF

Provided by: Central PA Benefit Solutions

Consumer Price Index Moderates in April, but Remains Up by 8.3%

The Bureau of Labor Statistics (BLS) recently [announced](#) that the U.S. consumer price index (CPI) rose by 8.3% over last year (between April 2021 and April 2022), coming down from an 8.5% increase in March. However, economic experts previously predicted the CPI to increase by 8.1% over the past year. This discrepancy suggests that the CPI's deceleration is going to be slower than expected. On a month-over-month basis, the broadest measure of CPI increased by 0.3% in April, compared to a 1.2% rise in March.

By measuring costs for various goods and services, the CPI reflects inflation trends and highlights whether prices for everyday items will increase. The annual inflation rate moderated for the first time in months, but another closely watched measure actually accelerated. In other words, the CPI's growth has slowed, but still remains high.

Here's a breakdown of the most significant goods and services that contributed to the CPI measurement for April, according to the BLS:

- **Air travel**— Airline costs rose sharply by 18.6%, representing the largest single-month increase recorded since 1963.
- **Vehicles**—Used vehicle prices fell by 0.4% since last month, but new vehicle prices rose by 1.1%. Prices for these items jumped by 22.7% and 13.2% over the past year, respectively.

- **Food**—The food index rose by 0.9% in the past month, while the food-at-home index increased by 1%.
- **Gasoline**—Overall energy prices fell by 2.7% since last month, largely driven by gasoline costs dropping by 6.1%.

A decline in gasoline prices was partially responsible for the slight moderation in April's overall inflation rate. Unfortunately, that's likely not enough to comfort many Americans, whose budgets have already been strained by spiking fuel costs over the past year.

What's Next?

To help combat rising inflation concerns, the Federal Reserve (Fed) has and may continue to raise interest rates through 2023. Economists are monitoring these trends closely for signs of a recession.

It's unclear when Americans may experience relief from soaring inflation rates. Individuals should stay tuned for more developments from the Fed.

In the meantime, reach out to Central PA Benefit Solutions for additional resources on navigating economic uncertainty amid periods of high inflation.



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