



Inflation in a Rising Interest Rate Environment; An Empirical Analysis of Inflation Growth Rate Trends for the Education and Communication Component of CPI, 2022

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Study Objective:

1. Determine the trend in the education and communication component of CPI.
2. Determine if the inflation growth rates in CPI All and the education and communication component are trending together.

YoY Inflation Growth Rates

Month	Jan.	June	Sep.	Oct.	Nov.	Dec.	Jan. 23	Feb 23.
Type	YoY	YoY	YoY	YoY	YoY	YoY	YoY	YoY
Education and Communication	1.67%	0.82%	0.16%	0.02%	0.69%	0.78%	0.98%	1.03%
Computers and Smart Home	3.48%	-0.61%	-3.63%	-3.06%	-4.42%	-5.80%	-6.16%	-5.62%
Info Tech	2.09%	-1.14%	-4.30%	-4.20%	-4.14%	-4.55%	-4.22%	-3.83%
Educational Books and Supplies	2.59%	3.68%	4.56%	4.65%	5.26%	5.41%	2.17%	2.65%
CPI	7.60%	8.93%	8.21%	7.76%	7.14%	6.44%	6.35%	5.99%

Period of Analysis 2022:

Analysis Protocol

- Calculate YoY inflation growth rates by month for key components of education and communication/CPI
- Calculate 3-month inflation growth rates annualized for education and communication CPI
- Repeat the process for CPI All

Quarterly Inflation Growth Rates Annualized

Month	Jan.	June	Sep.	Oct.	Nov.	Dec.	Jan. 23	Feb. 23
Type	3 Month	3 Month	3 Month	3 Month	3 Month	3 Month	3 Month	3 Month
Education and Communication	0.76%	-0.22%	0.18%	0.86%	3.22%	3.38%	4.69%	2.08%
Computers and Smart Home	-6.38%	-8.46%	-2.47%	3.74%	-4.59%	-19.43%	-17.78%	-3.20%
Info Tech	-0.54%	-6.76%	-6.03%	-3.40%	-2.71%	-2.83%	-0.62%	0.56%
Educational Books and Supplies	9.96%	8.45%	-0.55%	0.43%	-0.24%	2.47%	-0.13%	-0.64%
CPI	9.08%	10.49%	2.48%	4.64%	4.51%	3.35%	3.47%	4.15%

Education and Communication Components:

1. Education and Communication
2. Computers and Smart Home
3. Info Tech
4. Educational Books and Supplies
5. CPI All

Education and Communication Inflation Growth Rate Trends

YoY in downward trend qtr troughs in October, qtr troughs in June
 YoY has negative growth rates and qtr also negative growth rates
 YoY has negative growth rates and qtr also negative growth rates
 YoY peaked in December qtr in downtrend with qtr in general downtrend
 YoY peaked in June and qtr also peaked in June