



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

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## Study Objective:

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

## Period of Analysis 2022:

### Method of Analysis

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

## YoY Inflation Growth Rates

Month Type	Jan YoY	June YoY	Sep. YoY	Oct. YoY	Nov. YoY	Dec. YoY	Jan YoY	Feb YoY
Services	4.57%	6.22%	7.37%	7.24%	7.22%	7.51%	7.64%	7.61%
Shelter	4.44%	5.66%	6.67%	6.99%	7.19%	7.58%	7.96%	8.18%
Energy Services	13.44%	19.55%	19.75%	15.62%	14.25%	15.60%	15.62%	13.34%
Transportation Services	5.34%	9.06%	14.59%	15.32%	14.27%	14.38%	14.57%	14.57%
Other Services	3.29%	3.34%	2.83%	2.75%	3.81%	3.88%	4.06%	4.32%
CPI All	7.60%	8.93%	8.21%	7.76%	7.14%	6.44%	6.35%	5.99%

## Quarterly Inflation Growth Rates Annualized

Month Type	Jan 3 Month	June 3 Month	Sep. 3 Month	Oct. 3 Month	Nov. 3 Month	Dec. 3 Month	Jan 3 Month	Feb 3 Month
Services	5.63%	9.25%	7.58%	7.88%	6.82%	6.38%	7.21%	7.46%
Shelter	5.32%	7.02%	8.29%	8.99%	8.91%	9.04%	9.19%	9.48%
Energy Services	14.71%	33.00%	12.63%	9.42%	-0.34%	2.59%	14.67%	9.48%
Transportation Services	10.31%	24.85%	10.40%	14.90%	11.91%	6.40%	7.46%	11.02%
Other Services	1.79%	3.16%	2.24%	3.04%	6.27%	6.38%	7.10%	5.92%
CPI All	9.08%	10.49%	2.48%	4.64%	4.51%	3.35%	3.47%	4.15%

## Service Components

1. Services
2. Shelter
3. Energy Services
4. Transportation Services
5. Other Services
6. CPI All

## Inflation Growth Rate Findings

1. YoY no peak in trend QTR peaked in June
2. YoY trending upward QTR trending upward
3. YoY peaked in Sep. QTR peaked in June
4. YoY peaked in Oct. QTR peaked in June
5. YoY peaked in Dec. QTR peaked in Dec.
6. YoY Peaked in June QTR peaked in June