

Consumers Expect Inflation To Rise - Inflationary Pressures

Even though traditional government data has current inflation at 1.2%, consumers have a different perspective with higher inflation expectations. The Federal Reserve Bank of New York tracks and maintains consumer inflation expectations every month, separate from traditional inflation data tracked by the Bureau of Labor Statistics.

The median one-year inflation expectation by consumers is 2.96% as of November 2020, nearly 2 1/2 times what the current inflation rate is. Unlike the traditional prices of goods and services translated into an inflation rate, as represented by the Consumer Price Index (CPI), actual consumer expectations are gathered and measured. Many economists view consumer expectations as a more accurate reading on inflation versus the CPI, since it tends to mimic consumer sentiment rather than a basket of stagnant goods and services.

Recent inflation expectations did rise during the pandemic, as consumers witnessed first hand price increases with groceries and essential items such as toilet paper and hand sanitizers.

Source: Bureau of Labor Statistics



PlanRock offers investment due diligence services for Investment professionals. PlanRock offers Exchange Traded Funds on the New York Stock Exchange. See prospectus for more details. Please contact 800-677-6025 or go to www.PlanRock.com for more information about how we can help you reach your goals.

© PlanRock Investments, LLC. The content above is available for use only by authorized subscribers, clients and where permissible as such. This content is not authorized for resale. Past performance does not guarantee future results. The sources we use are believed to be reliable, but their accuracy is not guaranteed.