



Joint Economic Committee

Republicans

Representative David Schweikert • Vice Chairman

October 2023 PCE Inflation Report

Republican Staff Commentary

KEY TAKEAWAYS

At 8:30am, BLS [announced](#) that in Oct:

- Headline CPI inflation was zero m/m after rising 0.4% last month.
 - The food and shelter indexes both rose by 0.3% m/m.
 - These increases were offset by declines in other categories.
 - Notably, the gasoline index fell by 5.0% m/m.
- Core CPI inflation was 0.2% m/m after rising 0.3% last month.
 - This measure excludes the volatile food and energy categories.
 - Notable increases occurred in rents, car insurance, medical care, and recreation.
- Headline inflation is 3.2% y/y, still well above the Fed's 2% target.

Separately, BLS announced that in Oct:

- Real average hourly earnings rose by 0.2% m/m after falling 0.2% last month.
- However, since President Biden took office, prices have generally risen faster than wages.
 - The consumer price index [is up nearly](#) 17.1% on a seasonally adjusted basis.
 - Meanwhile, average hourly earnings have [only increased](#) 13.6%.
- In other words, real average hourly earnings are down by about 3.5% since Jan 2021.

"Real" = adjusted for inflation.

Table 1. CPI Indicators

11/14/2023

After seasonal adjustment

| | Oct-23 | Sep-23 | Difference |
|------------------------------|--------|--------|------------|
| Consumer Price Index | | | |
| M/M | 0.0% | 0.4% | -0.4% |
| Y/Y | 3.2% | 3.7% | -0.5% |
| Core Consumer Price Index | | | |
| M/M | 0.2% | 0.3% | -0.1% |
| Y/Y | 4.0% | 4.1% | -0.1% |
| Real Average Hourly Earnings | | | |
| M/M | 0.2% | -0.1% | 0.3% |
| Y/Y | 0.8% | 0.5% | 0.3% |

Source: Bureau of Labor Statistics, JEC Republican Staff

* Discrepancy from monthly figures due to rounding.

Table 2. CPI Forecast Error

11/14/2023

| | Actual | Clev. Fed Forecast | Error |
|---------------------------|--------|--------------------|--------------|
| Consumer Price Index | | | |
| M/M | 0.0% | 0.1% | -0.1% |
| Y/Y | 3.2% | 3.3% | -0.1% |
| Core Consumer Price Index | | | |
| M/M | 0.2% | 0.3% | -0.1% |
| Y/Y | 4.0% | 4.2% | -0.2% |

Source: Bureau of Labor Statistics, Cleveland Fed, JEC Republican Staff

* Discrepancy from monthly figures due to rounding.

**Table 3. How much did Bidenflation cost
U.S. families this month?**

11/14/2023

| Rank | State | Overall | Food | Shelter | Energy |
|------|----------------------|----------|--------|---------|--------|
| 41 | Alabama | \$ 822 | \$ 124 | \$ 142 | \$ 122 |
| 7 | Alaska | \$ 1,102 | \$ 162 | \$ 224 | \$ 166 |
| 4 | Arizona | \$ 1,111 | \$ 146 | \$ 238 | \$ 125 |
| 51 | Arkansas | \$ 711 | \$ 103 | \$ 123 | \$ 110 |
| 6 | California | \$ 1,107 | \$ 163 | \$ 225 | \$ 184 |
| 2 | Colorado | \$ 1,250 | \$ 164 | \$ 267 | \$ 171 |
| 31 | Connecticut | \$ 894 | \$ 131 | \$ 184 | \$ 108 |
| 14 | Delaware | \$ 1,046 | \$ 127 | \$ 247 | \$ 94 |
| 1 | District of Columbia | \$ 1,426 | \$ 173 | \$ 337 | \$ 99 |
| 10 | Florida | \$ 1,078 | \$ 131 | \$ 255 | \$ 108 |
| 24 | Georgia | \$ 947 | \$ 115 | \$ 224 | \$ 102 |
| 11 | Hawaii | \$ 1,070 | \$ 158 | \$ 218 | \$ 121 |
| 16 | Idaho | \$ 1,017 | \$ 134 | \$ 218 | \$ 97 |
| 20 | Illinois | \$ 964 | \$ 156 | \$ 175 | \$ 124 |
| 39 | Indiana | \$ 841 | \$ 136 | \$ 153 | \$ 127 |
| 33 | Iowa | \$ 877 | \$ 122 | \$ 132 | \$ 97 |
| 23 | Kansas | \$ 950 | \$ 132 | \$ 143 | \$ 123 |
| 42 | Kentucky | \$ 815 | \$ 123 | \$ 140 | \$ 96 |
| 43 | Louisiana | \$ 800 | \$ 116 | \$ 138 | \$ 109 |
| 50 | Maine | \$ 721 | \$ 106 | \$ 148 | \$ 177 |
| 12 | Maryland | \$ 1,065 | \$ 129 | \$ 252 | \$ 111 |
| 27 | Massachusetts | \$ 941 | \$ 138 | \$ 194 | \$ 187 |
| 35 | Michigan | \$ 870 | \$ 141 | \$ 158 | \$ 120 |
| 9 | Minnesota | \$ 1,081 | \$ 151 | \$ 163 | \$ 103 |
| 47 | Mississippi | \$ 766 | \$ 115 | \$ 132 | \$ 162 |
| 22 | Missouri | \$ 959 | \$ 134 | \$ 145 | \$ 101 |
| 13 | Montana | \$ 1,053 | \$ 139 | \$ 225 | \$ 104 |
| 19 | Nebraska | \$ 981 | \$ 137 | \$ 148 | \$ 112 |
| 5 | Nevada | \$ 1,108 | \$ 146 | \$ 237 | \$ 93 |
| 32 | New Hampshire | \$ 890 | \$ 130 | \$ 183 | \$ 112 |
| 26 | New Jersey | \$ 942 | \$ 150 | \$ 188 | \$ 145 |
| 21 | New Mexico | \$ 959 | \$ 126 | \$ 205 | \$ 86 |
| 29 | New York | \$ 925 | \$ 148 | \$ 185 | \$ 104 |
| 30 | North Carolina | \$ 896 | \$ 109 | \$ 212 | \$ 101 |
| 17 | North Dakota | \$ 989 | \$ 138 | \$ 149 | \$ 112 |
| 40 | Ohio | \$ 829 | \$ 134 | \$ 151 | \$ 108 |
| 49 | Oklahoma | \$ 739 | \$ 107 | \$ 127 | \$ 141 |
| 38 | Oregon | \$ 842 | \$ 124 | \$ 171 | \$ 145 |
| 44 | Pennsylvania | \$ 793 | \$ 126 | \$ 158 | \$ 86 |
| 46 | Rhode Island | \$ 768 | \$ 113 | \$ 158 | \$ 104 |
| 34 | South Carolina | \$ 870 | \$ 106 | \$ 206 | \$ 101 |
| 18 | South Dakota | \$ 987 | \$ 138 | \$ 149 | \$ 112 |
| 36 | Tennessee | \$ 862 | \$ 130 | \$ 148 | \$ 108 |
| 28 | Texas | \$ 931 | \$ 135 | \$ 161 | \$ 141 |
| 3 | Utah | \$ 1,213 | \$ 160 | \$ 260 | \$ 204 |
| 48 | Vermont | \$ 760 | \$ 111 | \$ 156 | \$ 103 |
| 15 | Virginia | \$ 1,019 | \$ 124 | \$ 241 | \$ 118 |
| 25 | Washington | \$ 944 | \$ 139 | \$ 192 | \$ 162 |
| 45 | West Virginia | \$ 782 | \$ 95 | \$ 185 | \$ 91 |
| 37 | Wisconsin | \$ 844 | \$ 137 | \$ 153 | \$ 95 |
| 8 | Wyoming | \$ 1,082 | \$ 142 | \$ 232 | \$ 182 |
| | U.S. Average | \$ 953 | \$ 136 | \$ 191 | \$ 128 |

Source: Bureau of Labor Statistics, JEC Republican Staff

| Date | Time (ET) | Release |
|-------------|------------------|------------------------------|
| Nov 17 | 10:00AM | State-level Unemployment |
| Nov 30 | 08:30AM | Personal Income and Outlays |
| Dec 08 | 08:30AM | Employment Situation Report |
| Dec 12 | 08:30AM | Consumer Price Index |
| Dec 13 | 02:00PM | Federal Reserve Announcement |
| | 02:30PM | Fed Chairman Powell Presser |

Legend

m/m = month over month; q/q = quarter over year; y/y = year over year
SA = seasonally adjusted; SAAR = seasonally adjusted annual rate
% = percentage points; bps = basis points (1/100ths of a %)