



January 2024

Consumer Price Index

Released February 13, 2024

Headline CPI-U inflation increased 0.3 percent m/m.

- The food price index increased 0.4 percent m/m.
- The energy index decreased 0.9 percent m/m.

Core CPI-U inflation increased 0.4 percent m/m.

- Core inflation excludes food and energy prices, which tend to be more volatile.

Real average weekly earnings for all employees decreased by 0.3 percent m/m.

- Real average weekly earnings for production and non-supervisory employees decreased by 0.4 percent m/m.
- Weekly earnings are a better estimate of income than hourly earnings.

Year-over-year inflation:

- Headline CPI-U inflation increased 3.1 percent y/y.
 - The food price index increased 2.6 percent y/y.
 - The energy price index decreased 4.6 percent y/y.
- Core CPI inflation increased 3.9 percent y/y.

Year-over-year earnings:

- Real average weekly earnings for all employees decreased 0.1 percent y/y.
 - Real average weekly earnings for production and non-supervisory employees increased 0.3 percent y/y.

Since January 2021:

- Headline CPI-U inflation has increased 17.9 percent.
 - The food price index increased 20.8 percent.
 - The energy price index increased 31.7 percent.
- Core CPI-U inflation increased 16.3 percent.
- Real average weekly earnings for all employees decreased by 4.4 percent.
 - Real average weekly earnings for production and non-supervisory employees decreased 3.1 percent.

Economic Context

- All-items inflation saw an uptick in January, rising at the fastest month-over-month rate since the energy price spike in August and September 2023.
- Core inflation in January saw the fastest month-over-month increase since April 2023.
- The largest contributor to the overall m/m changes was rising prices for services:
 - Medical care has seen substantial price increases over the last 3 months (after being relatively flat), and transportation and housing continued to experience rapid price growth.
 - These rises were balanced by price decreases in the energy and non-food commodity sectors.
- Meanwhile, although real average hourly earnings for all employees rose by 0.3 percent month-over-month, real average weekly earnings *fell* by 0.3 percent because the average workweek shrank by 0.6 percent.
 - This highlights why weekly earnings offer a better metric for measuring workers’ income than hourly earnings.
- Similarly, real average weekly earnings decreased by 0.1 percent over the previous 12 months.
 - The 1.4 percent increase in real average hourly earnings was balanced out by a 1.4 percent decrease in the average workweek.
 - Part-time employment has not risen enough in the last 12 months to explain the decrease in the average workweek—this may merit more attention.

Table 1. CPI Indicators

Feb 13, 2024

After seasonal adjustment

	Jan 2024	Dec 2023	Difference
Consumer Price Index			
M/M	0.31%	0.23%	0.07 pp
Y/Y	3.11%	3.32%	-0.22 pp
Core Consumer Price Index			
M/M	0.39%	0.28%	0.12 pp
Y/Y	3.87%	3.91%	-0.04 pp

Source: Bureau of Labor Statistics, JEC Republican Staff

* Discrepancy from monthly figures due to rounding

Table 2. Real Average Earnings

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After seasonal adjustment

	Jan 2024	Dec 2023	Difference
Production Non-Supervisory			
Hourly Earnings			
M/M	0.21%	0.10%	0.10 pp
Y/Y	1.77%	1.35%	0.42 pp
Weekly Earnings			
M/M	-0.36%	0.13%	-0.49 pp
Y/Y	0.29%	0.98%	-0.69 pp
All Employees			
Hourly Earnings			
M/M	0.27%	0.18%	0.09 pp
Y/Y	1.36%	1.00%	0.36 pp
Weekly Earnings			
M/M	-0.34%	-0.14%	-0.19 pp
Y/Y	-0.13%	0.66%	-0.80 pp

Source: Bureau of Labor Statistics, JEC Republican Staff
 * Discrepancy from monthly figures due to rounding

Table 3. CPI Forecast Error

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	Actual	Cleveland Fed Forecast	Error
Consumer Price Index			
M/M	0.31%	0.13%	0.18 pp
Y/Y	3.11%	2.94%	0.17 pp
Core Consumer Price Index			
M/M	0.39%	0.32%	0.07 pp
Y/Y	3.87%	3.81%	0.06 pp

Source: Bureau of Labor Statistics, JEC Republican Staff
 * Discrepancy from monthly figures due to rounding

Upcoming Data Releases

Date	Time (EST)	Release	Source
Feb 29	8:30 AM	Personal Income and Outlays	Bureau of Economic Analysis
Mar 08	8:30 AM	Employment Situation	Bureau of Labor Statistics
Mar 12	8:30 AM	Consumer Price Index	Bureau of Labor Statistics

Legend

m/m = month over month; q/q = quarter over year; y/y = year over year

SA = seasonally adjusted; NSA = non-seasonally adjusted

pp = percentage points