

# INFLATION

**Abdulrahman Alamoudi**

23 May 2023

—

Economic

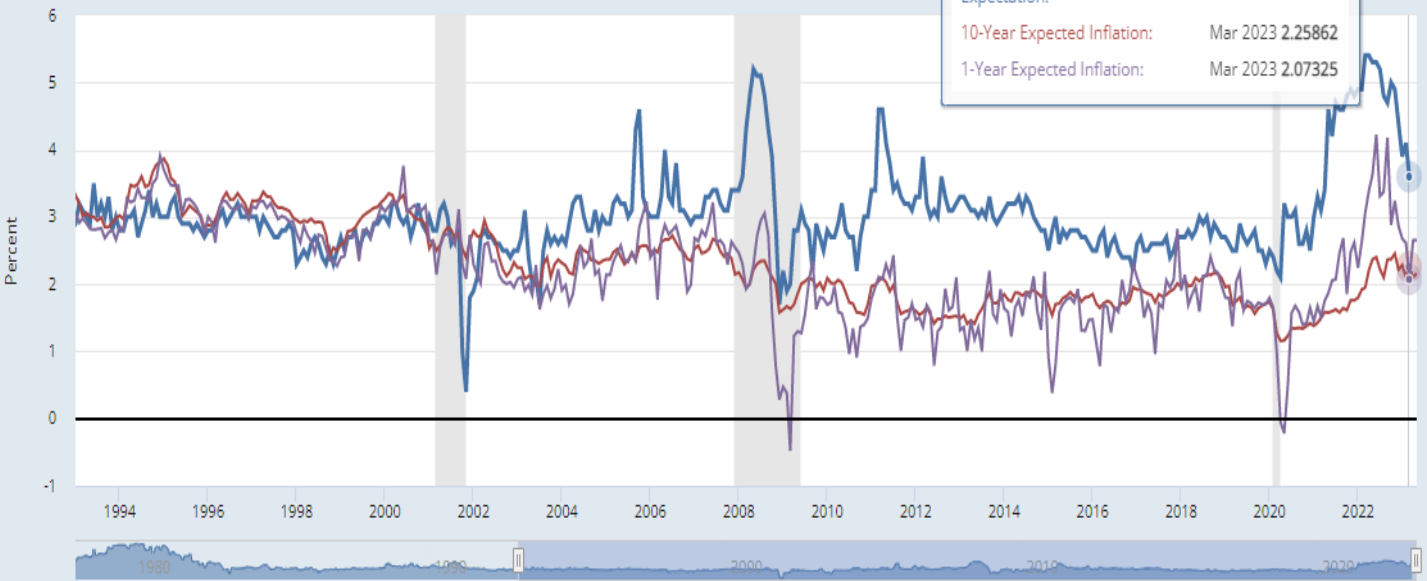
—

@Alamoudison

---



— University of Michigan: Inflation Expectation  
— 10-Year Expected Inflation  
— 1-Year Expected Inflation

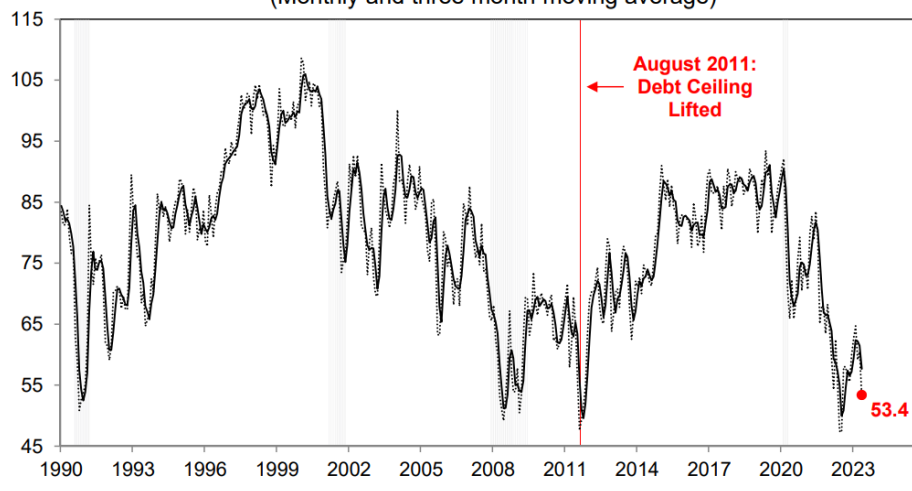


Sources: Federal Reserve Bank of Cleveland; University of Michigan

fred.stlouisfed.org



### Consumer Expectations Index (Monthly and three month moving average)



## THE PROCESS

---

### Calculation:

To calculate the inflation rate between March 2022 and March 2023 using the CPI data, you can follow these steps:

1. Subtract the CPI value for March 2022 (121.30100) from the CPI value for March 2023 (127.34783).

$$127.34783 - 121.30100 = 6.04683$$

2. Divide the result by the CPI value for March 2022 (121.30100).

$$6.04683 / 121.30100 = 0.0499$$

3. Multiply the quotient by 100 to express it as a percentage.

$$0.0499 * 100 = 4.99\%$$

Therefore, the inflation rate between March 2022 and March 2023, based on the provided CPI data, is approximately 4.99%.

---

### What it means?

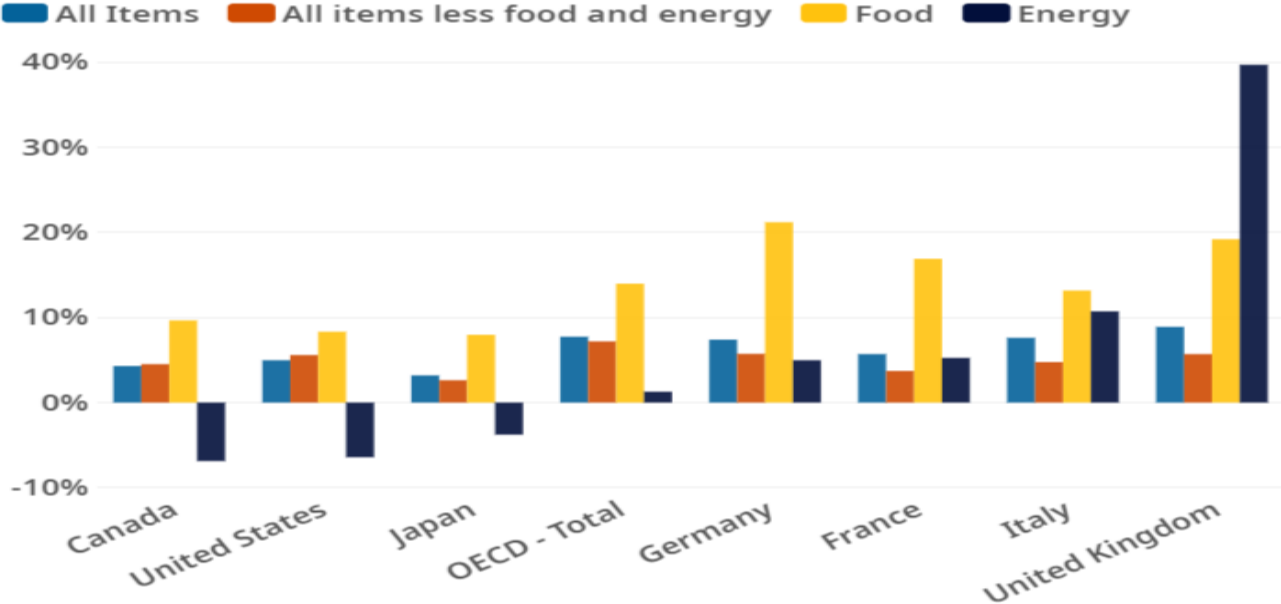
A 4.99% inflation rate means that, on average, consumer prices for goods and services increased by approximately 4.99% between March 2022 and March 2023.

In other words, if you had a basket of goods and services that cost \$100 in March 2022, it would cost around \$104.99 in March 2023 due to the increase in prices. This indicates a general rise in the overall level of prices in the economy.

The inflation rate provides a measure of the pace at which prices are increasing, and it is an important economic indicator that affects individuals, businesses, and policymakers. High inflation rates can erode purchasing power, while low inflation rates can indicate stagnant economic conditions.

# Consumer prices, year-on-year inflation rate

March 2023, G7 economies and OECD



Source : OECD (2023), Inflation (CPI) (indicator) (Accessed on 05 May 2023)

