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**Workshop on Harmonization of Poverty Statistics to Measure
 SDG 1 and 10**

27 November 2023

Title of contribution	Expanding the family of U.S. CPIs
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Presenter Organization	U.S. Bureau of Labor Statistics
Topic	Inflation and its impact on poverty and inequality
Summary:	
<p>In recent years, there has been increased interest in going beyond headline measures of inflation to better describe the experiences of households. The CPI for All Urban Consumers (CPI-U) targets the inflation experience of over 90 percent of households in the United States, but it may not reflect the inflation experience of an individual household or group of households. This presentation describes two ongoing research efforts at the Bureau of Labor Statistics to expand its offerings of consumer price indexes in ways that allow for a richer description of household experiences. First, in response to increasing user demand, we construct consumer price indexes for different groups along the income distribution. From 2006 to 2023, lower income households generally faced larger inflation rates than higher income households, and the gap is highest when measured using the Chained CPI, which is a closer approximation to a cost-of-living index. We explore how different budget items contribute to this gap, as well as how it changes over time. Second, we estimate a family of price indexes known as Household Cost Indexes (HCI), which aim to measure the average inflation experiences of households as they purchase consumer goods and services. These differ from the usual CPIs in two main respects. First, the upper-level aggregation of the HCIs weights households equally, unlike most headline CPIs which implicitly give more weight to higher-expenditure households. Second, the HCIs use the payments approach to value owner-occupied housing services explicitly using household outlays. In contrast, the U.S. CPIs use rental equivalence. The HCI for all urban consumers has an average 12-month change of 1.51% over December 2011 to December 2021, compared to 1.86% for the CPI-U. Roughly 95% of the difference is due to the payments approach.</p>	
Please select your preferred contribution (you may select both options):	
<input checked="" type="checkbox"/>	Presentation
<input type="checkbox"/>	Paper (to be submitted by 20 October)