



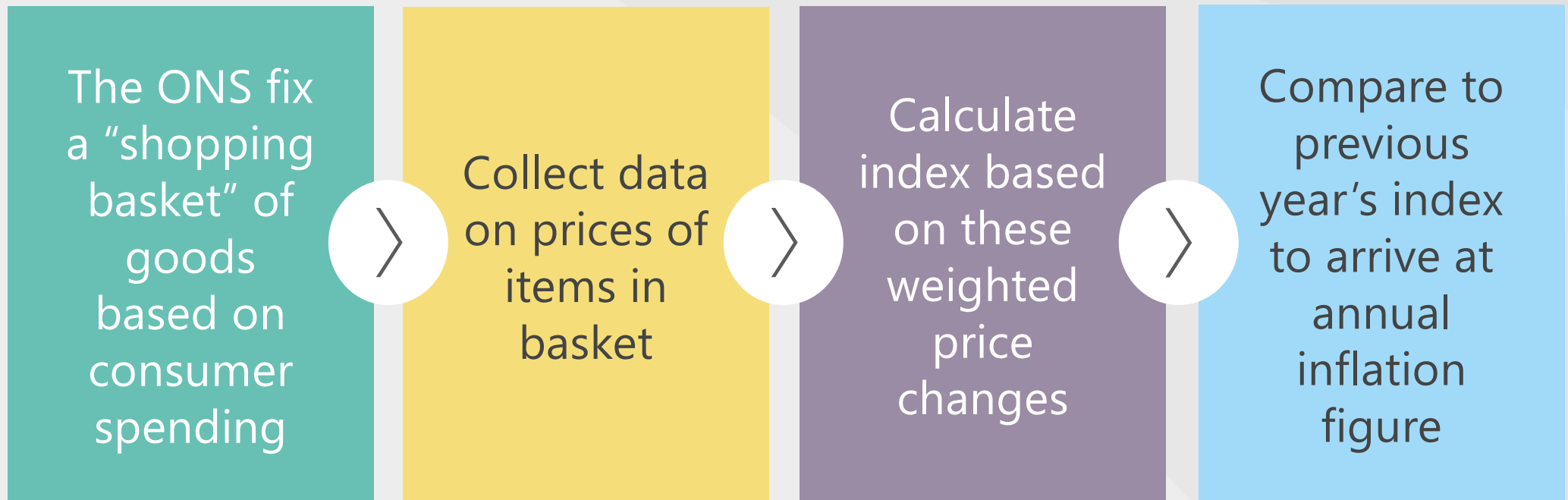
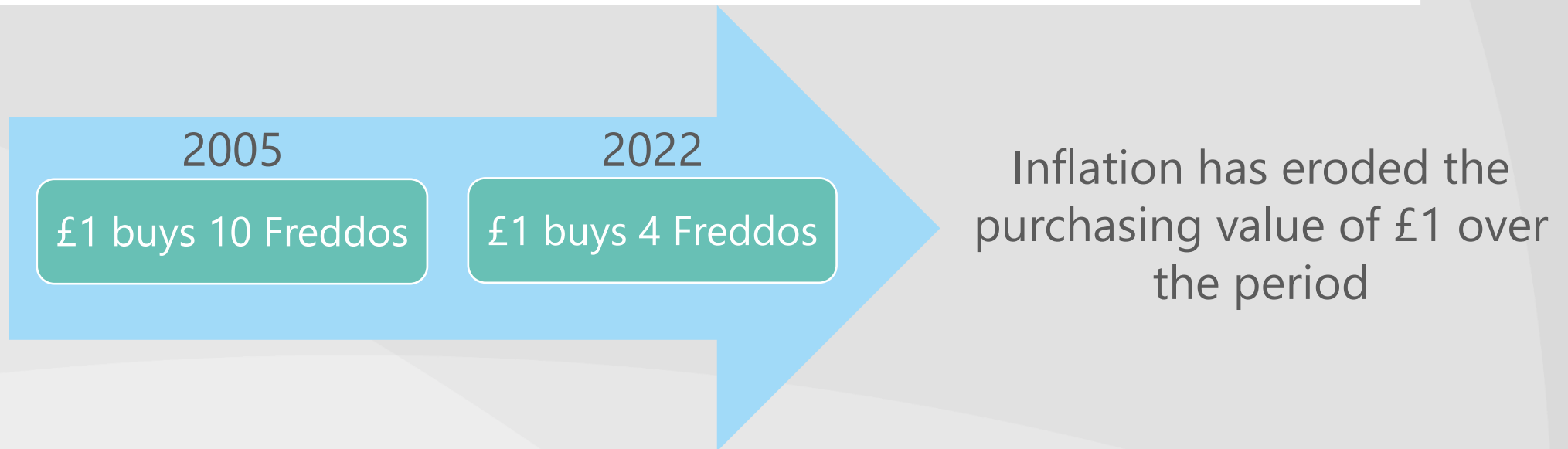
Inflation

Callum Smith
Research Analyst

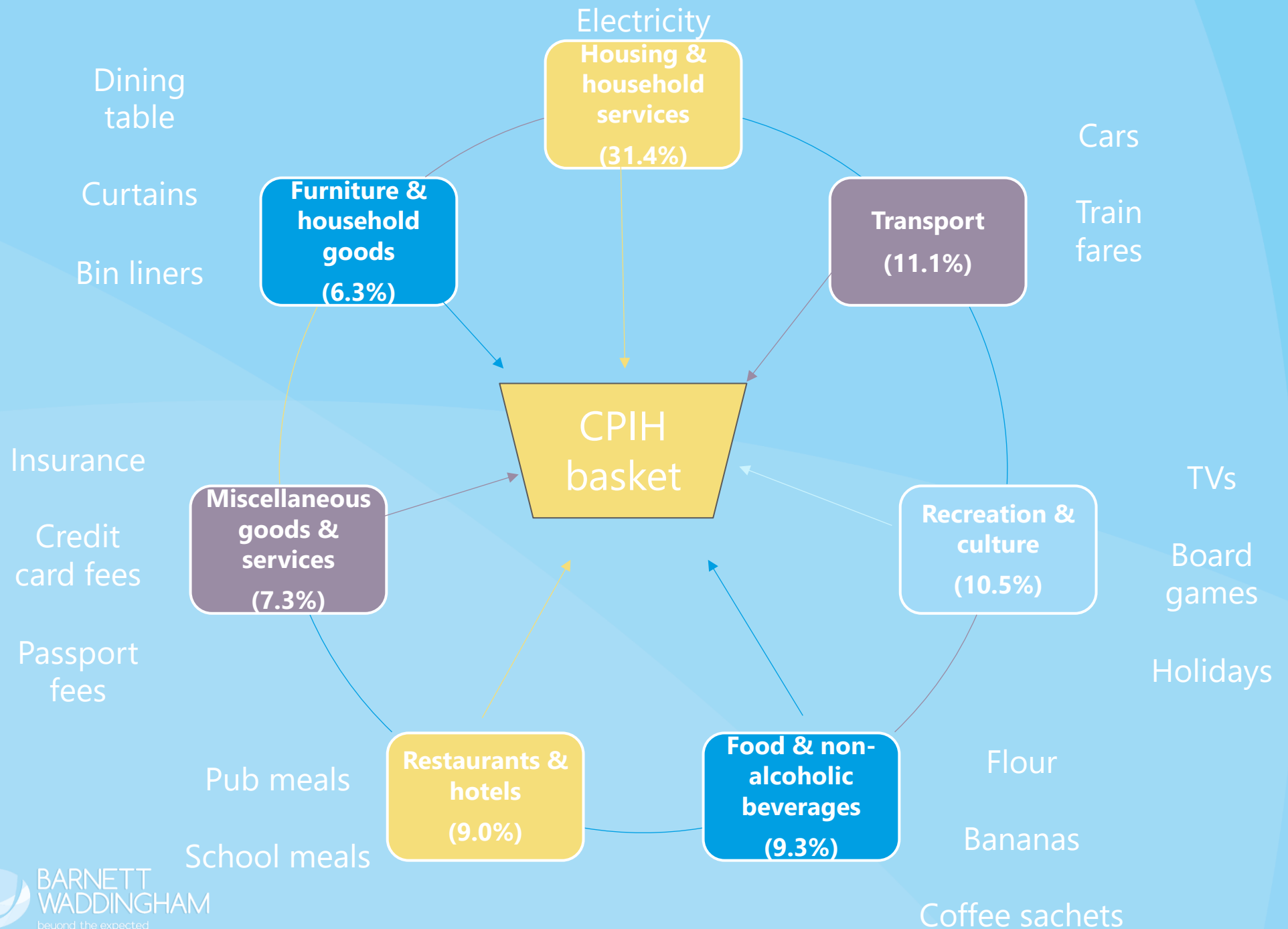
What's in this presentation

- › What is inflation?
- › Different measures of UK inflation
- › How these differ between household groups

Inflation is a measure of the rate at which prices increase



Owner occupier housing costs including council tax



Measures of UK inflation



CPI

**Consumer Price
Index**

Measures weighted
average change of
the price of goods
consumed by the
average household



CPIH

**Consumer Price
Index with Housing
costs**

Identical to the CPI
+ owner occupier's
housing costs

+ council tax



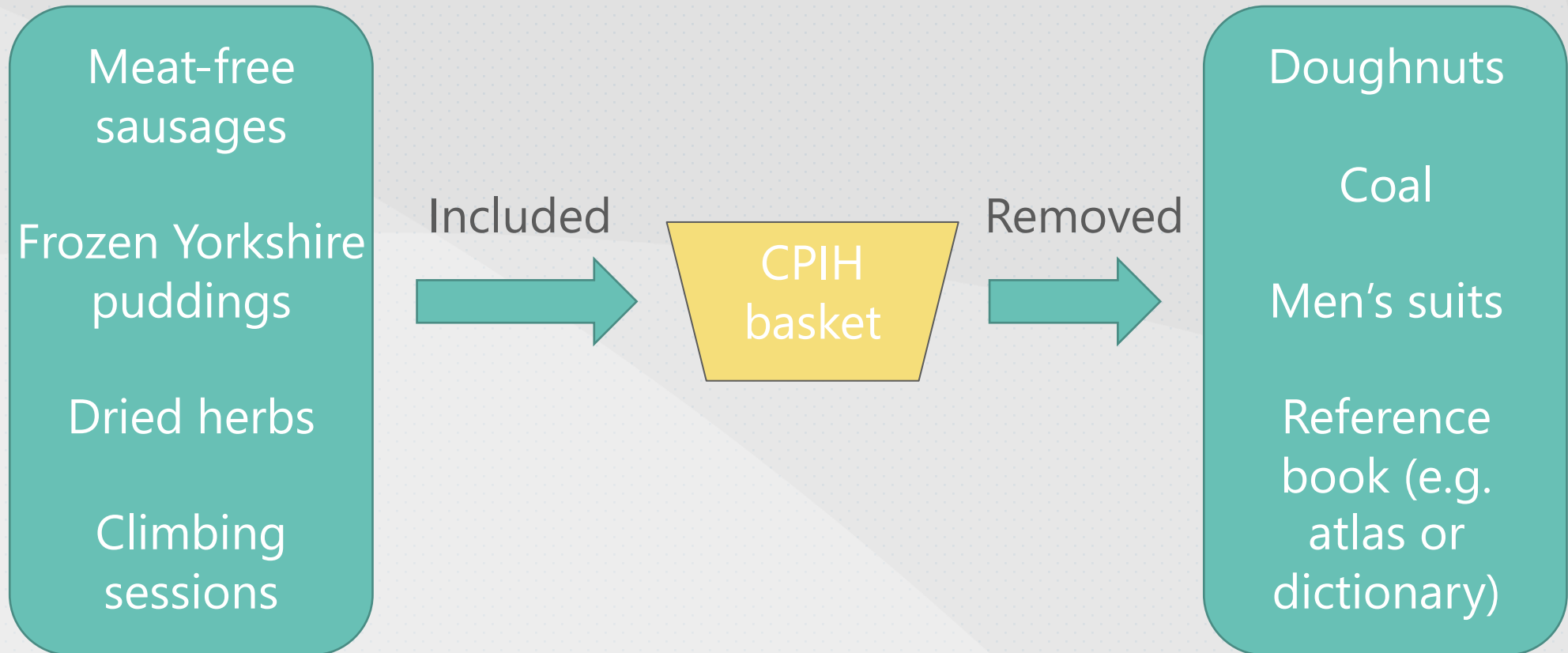
RPI

Retail Price Index

Measures weighted
average change of
retail price of goods
and services

Changes to basket items

Each year, the items in the baskets are reviewed and updated to reflect changes in consumer spending patterns



Low income vs High income

12-month CPI inflation rate

Low-income household
housing-related costs,
such as energy bills

High-income household
transport, restaurants,
furniture, recreation and
health.



Retired vs non-retired

These two household groups have experienced similar annual inflation rates since April 2021

Retired household
housing-related costs,
recreation, food, non-
alcoholic drinks,
furniture and health
costs.

Non-retired household
inflation experience
more influenced by
transport and
education costs



Get in touch



callum.smith@barnett-waddingham.co.uk



0333 11 11 222

www.barnett-waddingham.co.uk

