

Recent Causes of Inflation and Adverse Consequences for Consumers: New American Consumer Institute Report

Price increases are outpacing wage increases; consumers are expected to lose an average of \$4,400 per household in just this year

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/EINPresswire.com/ -- Today, the American Consumer Institute [released](#)

a new report investigating the chief causes of the spike in consumer prices, what the impact has been on families and households, and how policymakers can take steps to tame spiraling inflation.



Consumers agree that the biggest problem facing the United States is inflation, as record price

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increases have made it harder for families to make ends meet. This report outlines the factors that created an inflationary spiral and what can be done to help lower prices for consumers. The report's highlights include:

- Increased government spending and stimulus checks have created more demand than supply, leading to demand-pull inflation;
- Energy prices surged as projects have been shelved, and the regulatory environment has become increasingly less conducive to domestic production, thereby leading to cost-push inflation;
- Low-income consumers are disproportionately hurt by

higher prices, as the increase in energy and transportation prices alone will cost households earning less than \$15,000 per year nearly \$1,000 more in 2022; and

• Increases in various general regulations have increased operational costs for businesses, and the potential for increased taxes will increase consumer costs of food and other goods.

The combination of increased spending, energy shortages, and increased regulations have led to

increases in inflation that have far outpaced wage increases. Based on our analysis and those of others, consumers are likely to lose thousands of dollars this year alone — by one measure, \$4,400 per household in 2022 — disproportionately hurting poorer Americans and those on fixed incomes. Fortunately, inflation is likely to slow a bit with the recent easing of commodity prices and a decrease in gas prices at the pump. However, continued spending on the legislative agenda does not bode well for keeping inflation to a minimum.

With higher interest rates to cool excessive demand, policy solutions are necessary to cut onerous regulations, encourage domestic energy production, and contain future government spending and tax increases. These actions will help reduce high inflationary over the next year.

The full report is [available here](#) or visit the American Consumer Institute [for more information](#).

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