



Search FRED Blog

Recent Posts

- [Assets and liabilities of younger vs. older households](#)
- [Has US-China decoupling energized American manufacturing?](#)
- [Pie charts about pie on \$\pi\$ day](#)
- [The largest sources of imported goods](#)
- [Gimme shelter: The lag in inflation for living spaces](#)

The FRED® Blog

How housing prices have impacted PCE inflation

Two new measures of PCE inflation from the BEA



Posted on October 30, 2023



CPI +3.2 % Chg. from Yr.
Ago on Feb 2024

Civ. Unemploy. Rate 3.9 %
on Feb 2024

10-Yr. Treas. Rate 4.27 %
on 2024-03-21

Real GDP +3.2 %, Comp.
Annual Rate of Chg.
on Q4 2023

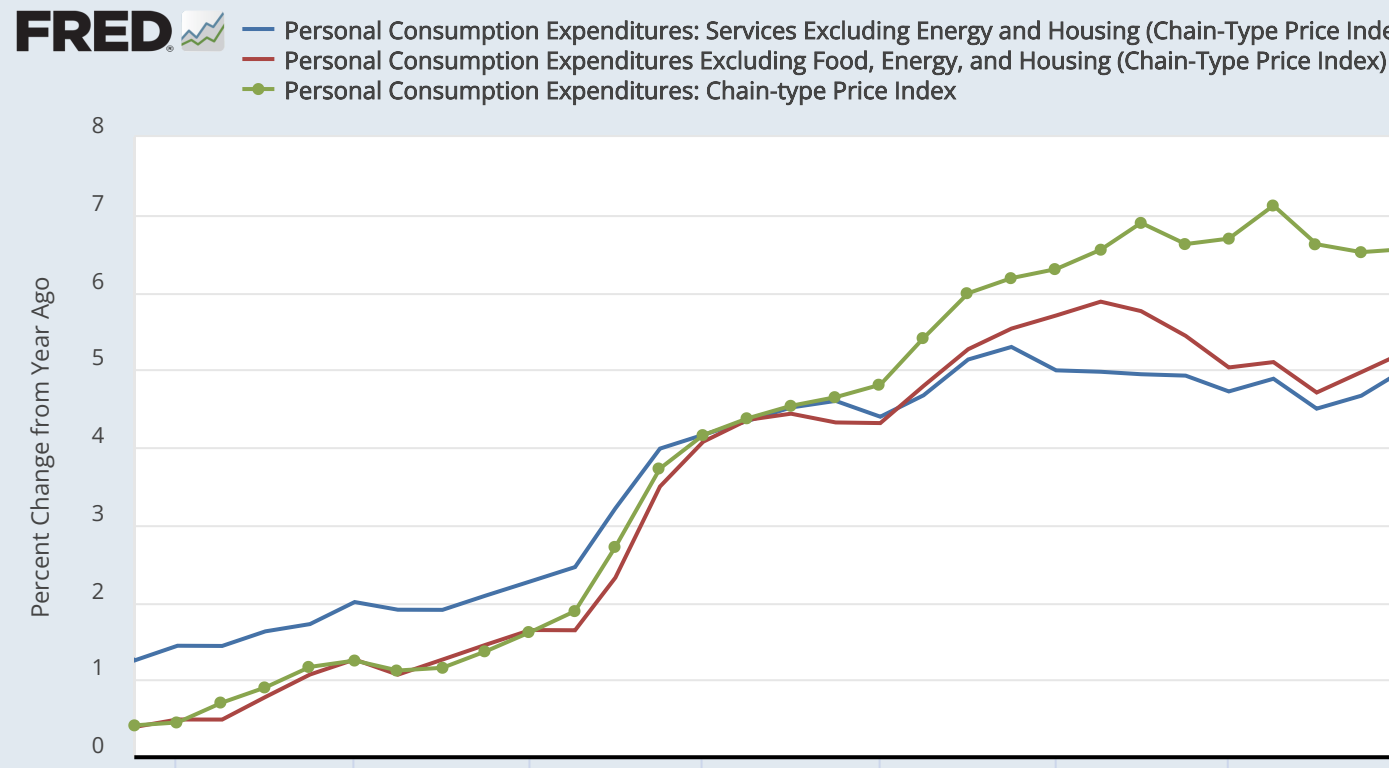
IP +0.1 % Chg.
on Feb 2024

Payroll Employment +275 Chg., Thous. of
Persons on Feb 2024

... and 823,000+ more series in FRED

Recent St. Louis Fed research

- [What To Know About the Rise of Services](#)
- [Why Have a Strategic Petroleum Reserve?](#)
- [By the Generations: Location Patterns of Different Cohorts](#)



FRED recently added [two new personal consumption expenditures \(PCE\) price index data series](#) from the US Bureau of Economic Analysis: one excluding the energy and housing categories from the all-items PCE price index and a second one excluding the food, energy, and housing categories. These series are timely additions to FRED's substantial repository of [measures of trend inflation](#).

The FRED graph above shows these two new PCE price index series from the BEA (blue and red lines), along with the all-items price index (green line). The data are plotted as inflation rates, or percent changes from a year ago.

Between April 2020 (the end of the COVID-19-induced [recession](#)) and roughly the last quarter of 2021, the three measures of PCE inflation moved broadly in sync. However, during the better part of 2022, food, energy, and housing prices changed at a different pace from the remaining PCE price categories. Russia's invasion of Ukraine was a large shock to [international energy and food markets](#), but housing markets are local. So, what happened to those prices?

- [Accounting for the Effects of Fiscal Policy Shocks on Exchange Rates through Markup Dynamics](#)
- [Trade Risk and Food Security](#)

Archives

- [March 2024](#)
- [February 2024](#)
- [January 2024](#)
- [December 2023](#)
- [November 2023](#)
- [October 2023](#)
- [September 2023](#)
- [August 2023](#)
- [July 2023](#)
- [June 2023](#)
- [May 2023](#)
- [April 2023](#)
- [March 2023](#)
- [February 2023](#)
- [January 2023](#)
- [December 2022](#)
- [November 2022](#)
- [October 2022](#)
- [September 2022](#)
- [August 2022](#)
- [July 2022](#)
- [June 2022](#)
- [May 2022](#)
- [April 2022](#)
- [March 2022](#)
- [February 2022](#)
- [January 2022](#)
- [December 2021](#)
- [November 2021](#)
- [October 2021](#)
- [September 2021](#)

In short, and [paraphrasing Jerome Powell](#), because rental leases are renewed annually or even less frequently, housing price inflation tends to lag other prices after speedups or slowdowns in overall inflation. This apparent lack of co-movement between the all-items PCE inflation and the other two measures of personal consumption expenditure prices was due to the timing of new housing data, particularly rental prices. This phenomenon has also been visible during other time periods when inflation changed its direction of growth, particularly during the 2007-2009 recession: See [this FRED graph](#) with the three PCE series plotted since 1960.

How this graph was created: In [FRED](#), search for and select “Personal Consumption Expenditures: Services Excluding Energy and Housing (Chain-Type Price Index).” From the “Edit Graph” panel, use the “Add Line” tab to search and select “Personal Consumption Expenditures Excluding Food, Energy, and Housing (Chain-Type Price Index).” Repeat the last step to add “Personal Consumption Expenditures: Chain-type Price Index.” Lastly, use the “Edit Lines” tab to change the units into “Percent Change from Year Ago” and click on the “Copy to all” button to apply the change to the other two series in the graph.

Suggested by [Diego Mendez-Carbajo](#).
