

Macro Roundup Article

Headline: [Young, Less Educated Faced Higher Inflation in 2021—But Gaps Now Closed](#)

Article Link: <https://libertystreeteconomics.newyorkfed.org/2023/01/young-less-educated-faced-higher-inflation-in-2021-but-gaps-now-closed/>

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Tweet: During 2021 and 2022, inflation disproportionately impacted young people and those without a college degree (largely driven by used car and fuel expenses), though inflation for those groups has now converged with older and college workers. @NYFedResearch

Summary: During the inflationary period of 2021-22, younger people and people without a college degree faced the highest inflation, with steadily widening gaps relative to the overall average between early 2021 and June 2022, followed by a rapid narrowing of the gaps and a reversal of some of them by December 2022. This pattern arises primarily from a greater share of the expenditures of younger people and people without a college degree being devoted to transportation—particularly used cars and motor fuel—which led the 2021 inflationary episode but has since converged to general inflation. As of December 2022, the disparity has reversed, with no-college households experiencing lower inflation over the last twelve months than college households did. The reversal of the earlier rise in inflation disparities can be explained by 1) transportation inflation, which affects no-college households relatively more, declining back to the headline CPI, and 2) housing inflation, which affects college households relatively more, rising faster than headline CPI.

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Primary Topic: Inflation

Topics: Factoid, GDP, Inflation, Monetary Policy, Op-Ed/Blog Post, Sell-by Date

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