

Macro Roundup Article

Headline: [A Better AEI Graphic of Inflation Over the Past 20 Years](#)

Article Link: <https://mikekonczal.substack.com/p/a-better-aei-graphic-of-inflation>

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Tweet: [@mtkonczal updates @Mark_J_Perry price changes graph and argues the implication isn't government regulation drives price shifts but that goods have deflated and services have inflated.](#)

Summary: In our version of the AEI chart the number one item isn't health care but 'delivery services,' which is "fees for delivery of items such as letters, documents, and packages at non-US Postal Services facilities." Think UPS or FedEx. This is pretty far from a government monopoly, indeed it's the private sector alternative to a government program. But it is services and it is labor intensive. The biggest thing, to me, isn't "regulations" but whether it's a service or a good. This is academically well known, check out The Missing Inflation Puzzle: The Role of the Wage-Price Pass-Through, which finds that the low inflation of pre-pandemic era "can be traced to a growing disconnect between unemployment and core goods inflation" and that "increased import competition and rising market concentration reduce pass-through from wages to prices" when it comes to goods.

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Primary Topic: Inflation

Topics: Database, Graph, Inflation, Op-Ed/Blog Post

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