

## Macro Roundup Article

**Headline:** [What Was Up with Grocery Prices?](#)

### Article

**Link:** <https://libertystreeteconomics.newyorkfed.org/2024/07/what-was-up-with-grocery-prices/>

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**Tweet:** Grocery prices have outpaced inflation due to commodity prices and above-average wage growth for low-paid retail grocery workers. Profit margins have remained steady for food manufacturers and increased by 1.5pp for retailers. @NewYorkFed

**Summary:** The increase in retail grocery workers' wages since 2019 has been roughly 15pp greater than that of wages for the food manufacturing sector and the workforce as a whole. Commodity goods, energy, other inputs in 2023 were up 15% relative to what they were in 2019, while costs for food and beverage retail stores increased 18%. Revenues rose 15% [for food manufacturers] and retail sales data recorded a 25% increase in revenue for food and beverage stores. Putting these results together yields a measure of the profit margin: the ratio of revenue minus operating costs to revenue. For food manufacturing, the margin was little changed, going from 6.9% in 2019 to 6.8% in 2023, while increasing from 2.9% to 4.4% for food and beverage retail stores. But put in context, this increase in grocery store profit margins (revenues over costs) is small compared to the 25% increase in grocery prices over this period.

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**Primary Topic:** Inflation

**Topics:** GDP, Inflation, Op-Ed/Blog Post, Politics, Weekly

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