

## Macro Roundup Article

**Headline:** [Inflation Usually Hits America's Poor Hardest. Not This Time](#)

**Article Link:** <https://www.economist.com/graphic-detail/2023/02/02/inflation-usually-hits-americas-poor-hardest-not-this-time>

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**Tweet:** .@TheEconomist reports that between mid-2020-2022 America's lower earners saw cumulative inflation of 13.5% whereas middle earners saw 15.5%. The difference was largely driven by car prices and fuel expenditures. @XJaravel

**Summary:** Middle-income earners, not the poorest, appear to have borne the brunt of America's current bout of inflation. Research by Xavier Jaravel of the London School of Economics has yielded a distinctive shape—an inverted-U curve—that illustrates the distributional effects of inflation in America from mid-2020 to mid-2022. For the lowest earners, inflation was about 13.5%. For those in the middle of the spectrum, inflation was closer to 15.5%. The wealthiest faced inflation of about 14%. Since 2020 nominal wages have increased at an average annual rate of about 4.2% for Americans as a whole. The lowest-earning quartile, however, has seen the biggest gains, with their wages up by 5.3% on average during the same period.

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