

Macro Roundup Article

Headline: [Importing Shelter Inflation](#)

Article Link: <https://fedguy.com/importing-shelter-inflation/>

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Tweet: [.@FedGuy12 argues that the recent surge of at least 3.3mm immigrants is putting upward pressure on housing costs which make up 30% of the CPI, creating a challenge to the 2% target.](#)

Summary: Shelter inflation accounts for around 30% of CPI and was widely anticipated to slow or even fall into outright deflation. Shelter inflation surged post-pandemic, but was widely expected based on forward looking data to become a major contributor to disinflation. That disinflation has stalled in recent months as monthly shelter inflation appears to be stabilizing at a rate clearly above that seen pre-pandemic. This may potentially be related to the surge to migration [an estimated 3.3 million migrants in 2023], as the housing market is unlikely to be elastic enough to accommodate the unexpected appearance of millions of people. Note that some research also attributes the continued strength in U.S. job growth and consumer spending to the surge in migration. Related: [New Immigration Estimates Help Make Sense Of The Pace Of Employment and The Demographic Outlook: 2024 to 2054 and Immigrants & Their Kids Were 70% of U.S. Labor Force Growth Since 1995](#)

Primary Topic: Housing

Topics: Database, GDP, Housing, Immigration, Inflation, Monetary Policy, Op-Ed/Blog Post, Workforce

Permalink: <https://www.edwardconard.com/macro-roundup/fedguy12-argues-that-the-recent-surge-of-at-least-3-3mm-immigrants-is-putting-upward-pressure-on-housing-costs-which-make-up-30-of-the-cpi-creating-a-challenge-to-the-2-target?view=detail>

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