

## Macro Roundup Article

**Headline:** [The Layers of Inflation Persistence](#)

### Article

**Link:** <https://libertystreeteconomics.newyorkfed.org/2023/01/the-layers-of-inflation-persistence/>

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Publication	Federal Reserve Bank of New York
Publication Date	January 05, 2023

**Tweet:** [@NewYorkFed](#) notes evidence of an ongoing decline in core PCE inflation starting in September 2022, with the exception of housing costs.

**Summary:** We find evidence of a decline in the size of the persistent component of core PCE inflation starting in September 2022. The decline follows a long period of high and essentially constant inflation persistence. Dissecting the layers of aggregate inflation provides further insights: core goods and core services ex-housing have been moderating since early 2022, reflecting the evolution of the common component, while housing has continued to move up, driven by its own sector-specific trend. The chart below shows a sectoral decomposition of the increase in inflation from its pre-pandemic average. The chart shows that the persistent component of housing represents a fair amount of the overall increase in trend, comparable to the contribution of core goods and core services ex-housing.

**Primary Topic:** Inflation

**Topics:** Factoid, GDP, Government/NGO, Inflation, Sell-by Date

**Permalink:** <https://www.edwardconard.com/macro-roundup/newyorkfed-notes-evidence-of-an-ongoing-decline-in-core-pce-inflation-starting-in-september-2022-with-the-exception-of-housing-costs?view=detail>

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