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<https://www.wsj.com/economy/consumers/grocery-prices-inflation-coffee-milk-903aead6>

ECONOMY | CONSUMERS

We Still Don't Believe How Much Things Cost

The high prices of items like coffee and milk have consumers grumbling about inflation across the board, even as it has cooled

By *Rachel Wolfe* [Follow](#) and *Rachel Louise Ensign* [Follow](#)

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Deodorant was what changed Rob Cooper's mind about the economy.

After paying under \$4 for his signature Old Spice Stronger Swagger for a decade, the 49-year-old was shocked last year to see it priced at \$7.99.

"My brain just cannot rationalize paying twice as much," says Cooper, the Ambler, Pa.-based financial officer of a retail chain. "It doesn't feel right."

Consumer-behavior researchers call Cooper's expectation of \$4 deodorant a reference price.

A yearslong run of higher prices has unmoored many Americans' expectations of what daily purchases should cost, from a cup of coffee to a package of paper towels. Shoppers are also put off by paying the same or higher prices for smaller amounts of stuff, [what's known as shrinkflation](#).

Altogether, those researchers say, people no longer feel they're getting the value they once did, and that is souring the national mood.

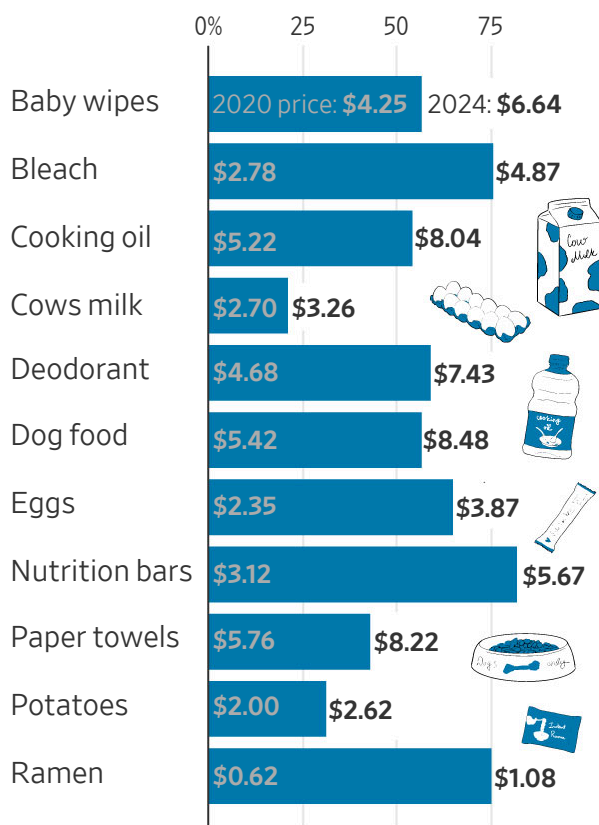
The pace of inflation has [slowed to 3.2%](#) from its recent peak in June 2022, according to the Labor Department. But prices are still rising, just at a slower rate. They remain markedly higher than they were before the pandemic began,

and Americans' expectations for how much goods and services should cost haven't caught up.

Expecting to see one total at checkout then paying far more is contributing to a disconnect: widespread malaise in an [otherwise strong economy](#), economists and consumers say.

Pricing Pain

February 2024 prices for select products, and their change from February 2020



Source: NielsenIQ

consumer analytics company NielsenIQ.

The Federal Reserve is pleased with its progress against inflation, but more than two-thirds of respondents to a late February [Wall Street Journal poll](#) said they felt inflation moved in the wrong direction over the past year. Meanwhile, wages are rising and consumer spending is robust, but nearly three-quarters of poll respondents said that higher prices outstripped gains in their household incomes in the past few years.

Though he can afford to absorb the increase, Cooper says he's resorted to hunting local [discount store aisles](#) for deodorant sticks marked down to what he always paid. Deodorant prices are up 59% overall, from a median of \$4.68 to \$7.43 between February 2020 and February 2024, according to

In St. Louis, Dan Kreher says the [dry cleaner](#) is where he feels the greatest sticker shock. The price to clean a single dress shirt has nearly tripled, from \$1.50 in 2020 to \$4 last month.

“It used to be an expense you didn’t think about,” says the 59-year-old mergers and acquisitions adviser. “Now it hurts.”

Unclear explanations

Consumers say they could understand paying more for staples at the height of the pandemic amid [supply-chain disruptions](#), [worker shortages](#) and [surging demand](#).

But they viewed those price hikes as temporary, says Stephanie Tully, who studies consumer financial decision-making as a professor at the University of Southern California’s Marshall School of Business. “The fact that they’re not and they’re continuing to go up is frustrating.”

The Federal Reserve’s [rate-rising campaign](#) has sought to tamp down the pace of price increases, not lower them. Economywide deflation is rare and usually seen as a sign of stagnant or deeply depressed demand.

Still, what consumers want is a little deflation—to lower the level of prices back to where they remember them.

Mary Kay Owen started listening in on company earnings calls to try to figure out why she continues to pay so much more for staples like milk (up 20% between February 2020 and February 2024, according to the Labor Department) and pet food (up 21%).

“It’s unfair, and it’s not sustainable, and nobody will explain it,” says Owen, a 65-year-old substitute teacher in Downingtown, Pa.

She’s also frustrated by shrinkflation in the form of nearly empty bags of chips “they must be sprinkling gold flakes in or something.”

She traded down to a cheaper brand of dog food after a 35-pound bag of Science Diet jumped from \$37 to \$46. And she stopped buying treats she enjoyed her

whole life, like Drake's coffee cakes and Hostess cherry pies.



Grocery prices are up 25% between March 2020 and January 2024, according to the Labor Department. PHOTO: SHELBY TAUBER/BLOOMBERG

The cutbacks leave her livid and sad about the state of the economy and her own well-being.

“When nobody can figure out what it’s going to cost when they go to the supermarket this week, something has to change,” she says.

Across the spectrum

Some people are worse off financially than they were a few years ago, like workers whose wage increases haven’t kept up with inflation. Others are gloomy about the economy though they have benefited from [big raises](#), [higher rates on savings accounts](#) and [increases to the value of their homes](#).

Price jumps on everyday goods are likely a big reason, says Ravi Dhar, director of the Yale Center for Customer Insights.

“When the latte goes up from \$4 to \$4.75, 75 cents is not changing my life,” he says. At the same time, he says, the price hike sticks in people’s minds.

Coffee runs are an especially sharp pain point. The smallest available lattes at chain brands with over 250 locations cost a median of \$6.82 in the fourth quarter of 2023, according to food and beverage analytics company Datassential. That's a 110% jump from the \$3.25 they cost in 2019.

Tyler Crawford, 31, earned a \$30,000 pay bump when he switched jobs three years ago and has continued to get raises, more than covering increases in what he pays for food and rent.

That doesn't make him any less annoyed that one of his go-to [Starbucks](#) orders, a vanilla bean Frappuccino with caramel, is up to nearly \$7 from around \$5 in 2020.

At Chipotle, a classic chicken bowl with chips, guacamole and a drink rose to about \$20 recently. He remembers paying less than \$8 in college when he would go to the restaurant. His feeling at the register when the clerk rang up the total: "Shock and anxiety."

The airport operations worker, who lives in Washington, D.C., says he visits the restaurant less frequently now and orders a cheaper item. When he picks up food with colleagues, the prices are a frequent topic of conversation.

"I don't think people understand that things won't go back to the way they were," he says. "People will finally get used to it, I'm not sure when."

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Corrections & Amplifications

Rob Cooper is 49 years old. An earlier version of this article incorrectly said he was 39. (Corrected on March 13)