

Washington is greatly underestimating Inflation

The CPI continues to be manipulated lower and its negative impact is felt mainly by those whose income increases are derived tied to the CPI.

PLANO, TEXAS, UNITED STATES, January 23, 2023 /EINPresswire.com/ -- Washington Is Greatly Underestimating [Inflation](#)

The federal government's underestimation of inflation is hurting tens of millions of Americans

Scandalously, the federal government is cheating tens of millions of Americans by depriving them of adequate cost-of-living adjustments (COLAs). That's because the consumer price index ([CPI](#)), which Washington uses to calculate COLAs, underestimates the actual, "real-life" inflation rate by a huge amount.

Indeed, the Chapwood Index (please see below for more information on the index) shows that the actual U.S. inflation rate for the 12 months that ended in May was 15.4%. That's nearly double the inaccurate 8.6% inflation rate derived from the CPI for the same period.

As a result, Social Security recipients and federal employees, along with many private-sector employees, will receive COLAs that are nearly seven percentage points too low to keep up with the actual inflation rate, causing their standard of living to drop significantly each year.

The discrepancies between true cost-of-living increases and the CPI badly hurt tens of millions of middle-class Americans, including those making \$50,000 per year and less.

What Is the Chapwood Index? Why Was It Created?

The Chapwood Index is an extremely accurate alternative to the CPI created by Dallas financial advisor Ed Butowsky.

Beginning in 1983, Washington changed the CPI, causing it to drastically underestimate the true inflation rate. Consequently, the federal government has been able to save hundreds of billions of dollars at the expense of citizens whose benefits do not come close to keeping up with their

true cost-of-living hikes.

“Somehow, Inflation has become politicized,” said Butowsky, who is also the founder of Chapwood Investments. “The original CPI measured a ‘basket’ of frequently purchased goods and services, and it seemed fairly indicative of inflation’s impact on spending power. But over the past few decades, the government has changed what and how spending is measured by the index.”

He explained that, in 1983, the government altered how the components of the CPI are measured. For example, cheaper foods have been substituted for more expensive foods, and real estate prices are now tied to rental increases.

“As an alternative, we put together a list of 500 products and services that virtually everyone buys. This is a much more accurate measure of buying power,” Butowsky explained.

According to Butowsky and other economic experts, the mismeasurement of inflation by the CPI is causing many Americans to fall farther and farther behind.

“An 8% pay increase tied to the CPI doesn’t cover a true 15%-plus jump in prices.” Butowsky stated.

The 2021-2022 Chapwood Index

The Chapwood Index was paused for two years due to the pandemic. This year’s index measures the increase in prices from mid-2021 through mid- 2022 and relies on a survey of consumers in the 50 largest cities in the U.S.

The cities experiencing the highest rates of inflation since mid-2021 were Chicago, 18.83%; Fresno, CA, 18.66%; and San Diego, 18.51%.

The cities with the lowest rates of inflation during that same period were Minneapolis, 11.28%; Detroit, 11.69%; followed by Kansas City, MO and Omaha, which tied at 12.35%.

Here are the increases in the Chapwood Index from mid-2021 through mid- 2022 for all 50 cities covered by the index, followed by the average increases over the last three data releases for each city. In addition to the latest reading of the index, data released for 2018 and the first half of 2019 were factored into the averages below,

1. New York 18.44%: 14.38%
2. Los Angeles 18.3% 14.33%
3. Chicago: 18.83% 13.81%
4. Houston: 13.36% 10.62%
5. Philadelphia 12.84% 11.55%
6. Phoenix 15.86% 10.29%

7. San Antonio 16.12% 11.73%
8. San Diego 18.51% 13.8%
9. Dallas 16.54% 11.2%
10. San Jose 18.11% 14.5%
11. Jacksonville 17.13% 11.33%
12. Indianapolis 13.64% 11.08%
13. San Francisco 18.33% 14.34%
14. Austin 17.3% 12.97%
15. Columbus 18.38% 12.83%
16. Fort Worth 15% 11.37%
17. Charlotte 12.92% 10%
18. Detroit 11.7% 11.23%
19. El Paso 16% 12%
20. Memphis 14.87% 11%
21. Baltimore 13.4% 12.27%
22. Boston 18.24% 12.27%
23. Seattle 14.35% 12.92%
24. Washington 13.5% 12.4%
25. Nashville 13.34% 9.93%
26. Denver 14.12% 9.93%
27. Louisville 13.3% 10.1%
28. Milwaukee 14% 12.2%
29. Portland 14.65% 12%
30. Las Vegas 14.6% 11%
31. Oklahoma City 15.1% 10.77%
32. Albuquerque 14.67% 10.56%
33. Tucson 15.45% 10.58%
34. Fresno 18.66% 14.13%
35. Sacramento 17.7% 14%
36. Long Beach 18.5% 14.2%
37. Kansas City 12.35% 9.18%
38. Mesa 15% 9.12%
39. Virginia Beach 13.55% 11.1%
40. Atlanta 16.4% 11.4%
41. Colorado Springs 15.8% 11.6%
42. Omaha 12.35% 8.88%
43. Raleigh 15.15% 9.82%
44. Miami 18% 12.53%
45. Cleveland 15.5% 12.17%
46. Tulsa 13.2% 10.1%
47. Oakland 18.4% 14.73%
48. Minneapolis 11.3% 10.16%
49. Wichita 14% 9.83%

50. Arlington 14.6% 11.13%

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