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Chapwood Index shows flaw in government reporting on CPI

Cost of living increase is far greater than what the government says it is

PLANO, TX, UNITED STATES, May 21, 2025 /EINPresswire.com/ -- Pre-Release Summary: The Chapwood Index – Real Cost of Living Increases Across Major U.S. Cities (2017–2024)

Context:
Unlike traditional CPI metrics that understate inflation, the Chapwood Index tracks the actual rise in the cost of living across America's largest cities—grounded in the real prices of essential goods and services. This data cuts through federal underreporting to reveal the truth: most Americans are falling behind, especially in cities with double-digit annual increases.

□ Top Cities Where the Cost of Living is Surging (8-Year Average):
Oakland – 14.19%
San Francisco – 14.16%
San Jose – 13.96%
Long Beach – 14.04%
Los Angeles – 13.34%

Implication: California's urban centers are pricing people out at breakneck speed. These cities have persistently high inflation, making wage increases in those regions feel hollow. Even 6-figure incomes can barely keep pace.

□ National Average Benchmark: ~11–12%
This renders the Fed's 2% inflation narrative irrelevant in practical life. In nearly every city, real inflation is 5–6x what's officially reported. Most portfolios, salaries, and retirement plans are built on faulty assumptions.

□ Other Notables:
Boston: 13.03% – Despite a more diversified economy, inflation in essential living costs remains severe.
Miami: 12.12% – No longer just a retirement hub, now feeling cost pressures due to migration and housing demand.
Denver & Raleigh: Under 10% – Relatively more affordable among Tier 1 migration destinations, but still unsustainable without asset growth.

□ Under-the-Radar Cities Still Experiencing High Increases:
Even cities like Omaha (9.08%), Tulsa (9.75%), and Mesa (9.25%), long thought of as affordable, are crossing critical inflation thresholds that erode purchasing power silently.

□ Strategic Implications:
For Individuals:
Wages are not keeping pace. Every year, you're losing purchasing power unless you own appreciating assets.

Retirement assumptions built on CPI need a rethink. Real inflation should be modeled at 10–12%, not 2–3%.

For Investors & Financial Advisors:
Portfolios must beat the real inflation rate (Chapwood) just to maintain living standards.

Traditional 6–7% return targets are inadequate. If you're making 7% in a 12% inflation world, you're losing ground.

For Employers:
Cost-of-living adjustments (COLAs) based on CPI are functionally wage cuts.

Talent retention in high-index cities will become unsustainable without structural compensation increases.

□ Final Thought:
The Chapwood Index doesn't just tell a different story—it tells the truth. The average American is being slowly suffocated by silent inflation. The numbers are clear. The question is whether financial strategies, public policy, and personal decisions will catch up to reality.

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