



Written by [David Kelly](#) on October 14, 2022

No Surprise With September CPI Report: Inflation at 8.2 Percent

Thursday's release of September's [Consumer Price Index](#) (CPI) Summary came as no October surprise, as the U.S. Bureau of Labor Statistics reported that over the last 12 months, the all-items index increased 8.2 percent before seasonal adjustment.

The core consumer price index, which excludes food and energy, increased 6.6 percent from a year ago, the highest level since 1982, and from a month earlier, the core CPI climbed 0.6 percent for a second month. The rise is attributed to price increases for shelter, medical care, motor vehicle insurance, new vehicles, household furnishings, business operations, and education costs. Prices for used vehicles, apparel, communications, and gasoline declined slightly.



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In contrast to a solid jobs report last week, and with this inflation data, the Fed is now expected to add "an additional 75-basis point interest rate hike" at its November policy meeting, and could very well do another rate hike of that size in December.

"The CPI report stresses how high inflation has broadened across the economy, eroding Americans' paychecks and forcing many to rely on savings and credit cards to keep up. While consumer price growth is expected to moderate in the coming months, it'll be a slow trek down to the Fed's goal," Bloomberg [reported](#).

Thursday's CPI report will be the last one before next month's nationwide midterm elections. Democrats across the country will find it challenging to sell the public on why they should remain in office, especially with high inflation, rising interest rates, and out-of-control government spending brought about by Biden and his woke socialist policies. Add OPEC's recent announcement of oil production cuts and a potential gasoline export ban by the Biden administration, and inflation will most likely remain high, causing voters to use the ballot box to express their displeasure with the current government.

To add to Biden's woes with controlling inflation, the National Federation of Independent Business (NFIB) released a [survey](#) showing that 30 percent of business owners named inflation as the single-most important problem in running their business.

"Inflation and worker shortages continue to be the hardest challenges facing small business owners," [said](#) NFIB Chief Economist Bill Dunkelberg. "Even with these challenges, owners are still seeking opportunities to grow their business in the current period." This has caused many business owners to



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raise their prices, passing some of those costs on to consumers.

“The net percent of owners raising average selling prices decreased two points from August to a net 51 percent (seasonally adjusted),” NFIB [said](#) in a press release. Furthermore,

Unadjusted, 9% of owners reported lower average selling prices and 59% reported higher average prices. Price hikes were the most frequent in retail (73% higher, 11% lower), construction (69% higher, 3% lower), transportation (68% higher, 5% lower), and wholesale (64% higher, 0% lower). Seasonally adjusted, a net 31% of owners plan price hikes.

Even Biden’s so-called Inflation Reduction Act won’t be able to slow down inflation, as it is nothing more than increased government spending on woke programs and green-energy rabbit holes. Plus, Biden’s plans and government overspending have only added to the national debt, which sits at over \$31 trillion; with interest rates on the rise, taxpayers will be footing the bill, specifically, in the form of higher interest payments. Total interest payments on the government’s debt could come in at nearly \$580 billion this fiscal year, up from \$399 billion in recently completed fiscal 2022.

The rapid inflation, fast-rising interest rates, and massive government spending must be giving President Jimmy Carter a sense of *déjà vu*. Inflation reached as high as 14.8 percent, and interest rates reached as high as 18 percent during the period 1977-1981.

The nation has seen this current high-inflation and interest-rate scenario before. And as many politicians await an October surprise to affect the midterms, the surprise is really already upon us — with an economy on the precipice of a recession or worse.

But the last time our government placed us in the economic predicament we’re in today, the voters revolted and voted out the offenders. That may just be what’s on the horizon, and hopefully a change in both houses of Congress can end the economic duress brought about by our current hubris-infected politicians and their economic myopia.



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