

NEWS BRIEF

March Inflation Rate Up 5% Year Over Year, Lowest Increase in Almost 2 Years



The U.S. Bureau of Labor Statistics (BLS) [reported](#) that the consumer price index (CPI) rose 5% year over year in March, slightly down from 6 % in February. The CPI reached the smallest 12-month increase since May 2021.

The most recent data showed that while inflation is still well above where the Federal Reserve (Fed) feels comfortable, it shows signs of decelerating.

Housing remains a key driver of inflation. The shelter index was “the largest contributor” in March at one-third of the overall inflation index. The shelter index consists of rent prices and the amount a homeowner would pay to rent an equivalent apartment.

“Working Americans are feeling the rising cost of living and are increasingly worried about their financial future, especially when it comes to repaying debt and saving for retirement.”

- Juggy Sihota, chief growth officer, Telus Health

While a more slowly rising inflation rate is promising, there are other economic factors to consider as well. For example, the cost of living is still rising at a high pace and taking a toll on workers. This sustained impact can significantly impact workers’ financial and mental well-being. According to Telus Health’s monthly mental health index, high inflation and financial problems are driving a significant decline in employees’ mental health. Many American workers are living paycheck to paycheck, saving less and taking money from their retirement accounts.

What’s Next?

It remains to be seen how quickly inflation will go away, and a complete inflation deceleration could still be a long process. Individuals should continue to monitor the economy and associated inflation trends, adjusting their financial habits accordingly. They can also check with their employers for financial and mental wellness benefits and related resources.

NXG Insurance Group LLC will keep you updated with any notable changes.

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