

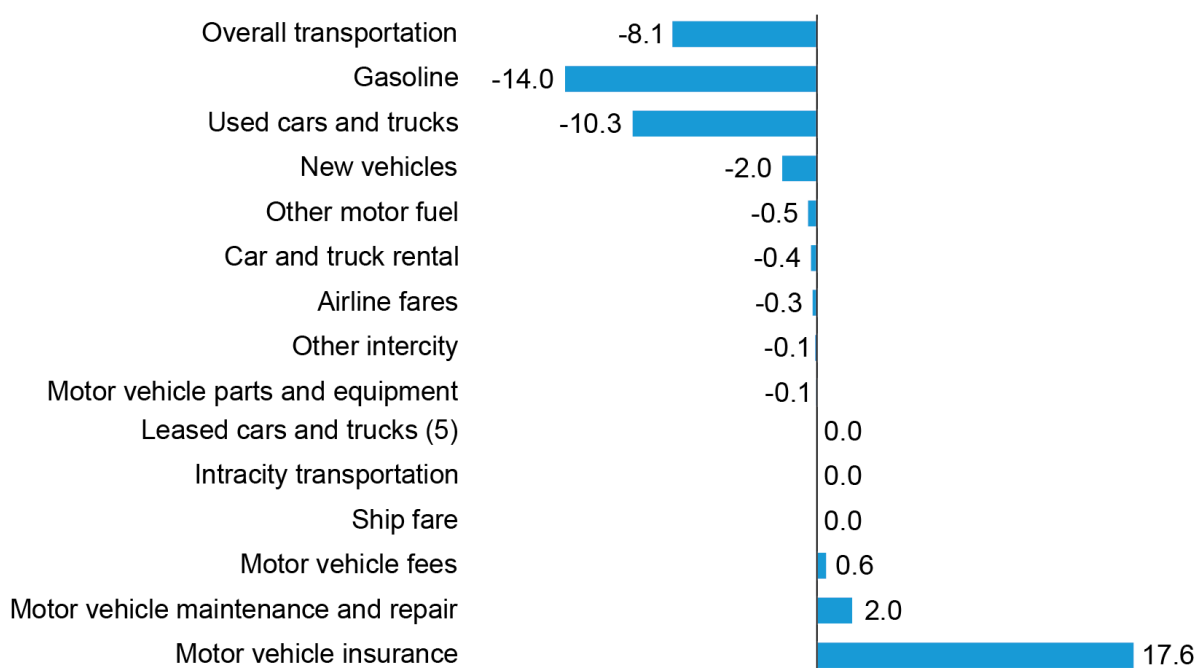


Transportation costs slow inflation for first month since July 2023

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In August 2024, transportation dampened inflation by 8.1%, for the first time since July 2023, due to year-over-year declines in the price for most transportation goods and services (Figure 1). Motor vehicle insurance, however, continued to positively contribute to inflation, at 17.6% in August 2024 – the greatest contribution since July 2016 (with records beginning in 2012). Excluding motor vehicle insurance, transportation would have dampened inflation by 25.7% in August 2024. Motor vehicle maintenance and repair and motor vehicle fees also positively contributed to inflation in August 2024 but to a lesser extent at 2.0% and 0.6%, respectively.

Figure 1. Contribution of Transportation to Inflation, August 2024



Percent contribution to year-over-year, unadjusted change in all transportation and non-transportation items

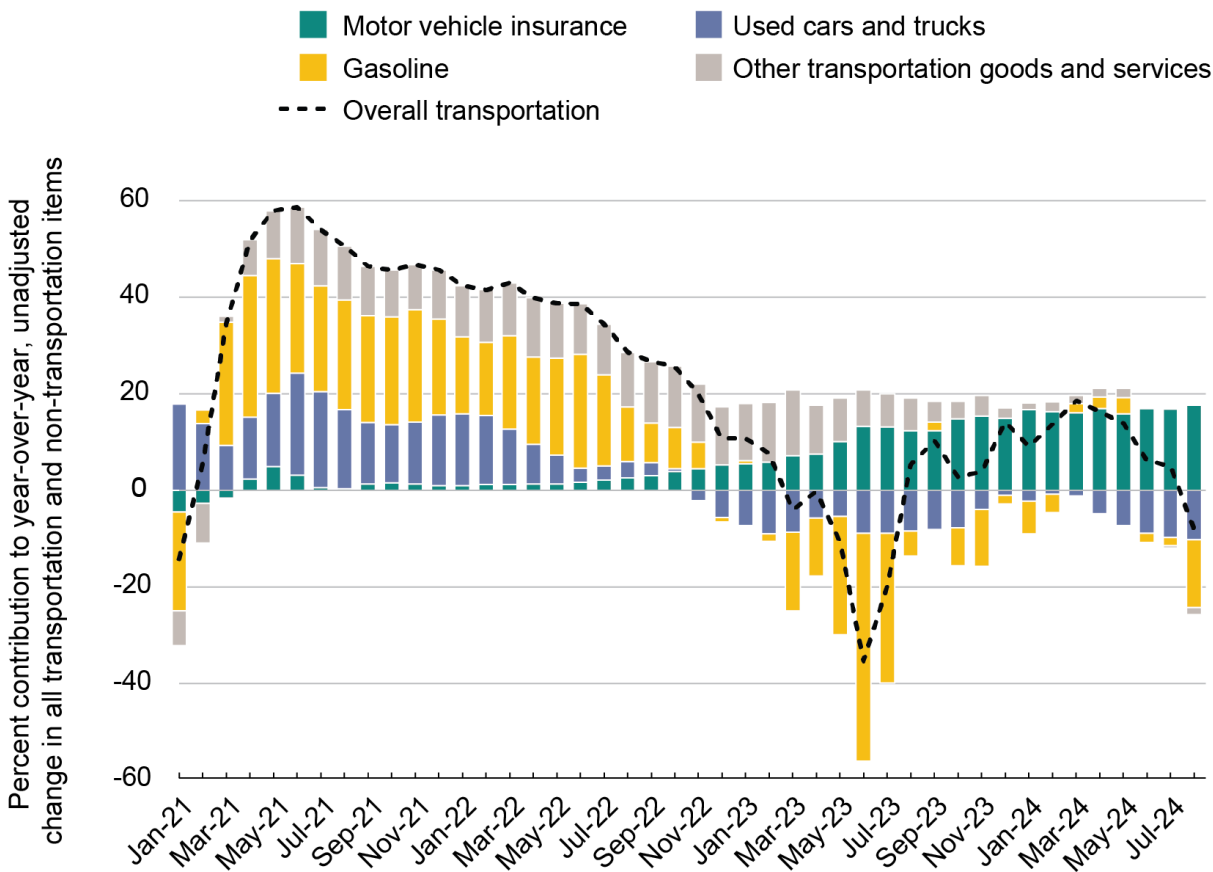
NOTE: Items sum to less than overall transportation's contribution to inflation due to rounding.

SOURCE: U.S. Department of Transportation, Bureau of Transportation Statistics' calculations from U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index, available at www.bls.gov/cpi as of September 13, 2024.

Motor vehicle insurance became the top transportation contributor to inflation in December 2022 and as of August 2024, remains the top contributor. From June 2021, when transportation costs reach

an all-time high and contributed the most on record to inflation, to November 2022, gasoline contributed more to inflation than any other transportation good or service. In 4 of the 18 months from June 2021 through November 2022, the contribution of used cars and trucks to inflation differed from the contribution of gasoline by less than 2 percentage points, making used cars and trucks the second largest transportation contributor to inflation.

Figure 2. Contribution of Selected Transportation Goods and Services to Inflation by Month



SOURCE: U.S. Department of Transportation, Bureau of Transportation Statistics' calculations from U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index, available at www.bls.gov/cpi as of September 13, 2024.