

Article

# **CPIH-consistent inflation rate estimates for UK household groups: July to October 2022**

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## 1. Main points

- The Consumer Prices Index including owner occupiers' housing costs (CPIH) is our most comprehensive measure of consumer price inflation, while the Consumer Prices Index (CPI) is a measure that is internationally comparable.
- Producing CPIH and CPI-consistent inflation rates for different household groups provides an insight into how price changes can vary between these groups, within an established framework based on economic principles.
- In addition to the monthly estimates for Quarter 3 (July to Sept) 2022, we have included the latest estimates for October 2022 to show the impact of the introduction of the Energy Price Guarantee.
- Supporting analysis published today is provided in the article, <u>Inflation and the cost of living for household groups</u>; October 2022.

## 2. CPIH-consistent inflation rate estimates for UK household groups: July to October 2022 data

#### CPIH-consistent inflation rate estimates for UK household groups (democratic weighting)

Dataset | Released 16 November 2022

Quarterly data on democratically weighted and CPIH-consistent indices, annual inflation rates, expenditure shares.

#### CPIH-consistent inflation rate estimates for UK household groups (plutocratic weighting)

Dataset | Released 16 November 2022

Quarterly data on plutocratically weighted and CPIH-consistent indices, annual inflation rates, expenditure shares and contributions for UK household groups.

#### CPI-consistent inflation rate estimates for UK household groups (democratic weighting)

Dataset | Released 16 November 2022

Quarterly data on democratically weighted and CPI-consistent indices, annual inflation rates, expenditure shares.

#### CPI-consistent inflation rate estimates for UK household groups (plutocratic weighting)

Dataset | Released 16 November 2022

Quarterly data on plutocratically weighted and CPI-consistent indices, annual inflation rates, expenditure shares and contributions for UK household groups.

## 3. Measuring the Data

## Weights

Price indices are constructed using price and expenditure data. These expenditure shares can be calculated using different methodological approaches; the main two are democratic and plutocratic weighting. The plutocratic approach is consistent with the approach used for our all-households <a href="Consumer Prices Index">Consumer Prices Index</a> including <a href="Owner occupiers">Owner occupiers</a>' housing costs (CPIH) and Consumer Prices Index (CPI) National Statistic series. Indices for both methodological approaches can be found in the data downloads section. We have produced a methodology article, <a href="Investigating the impact of different weighting methods on CPIH">Investigating the impact of different weighting methods on CPIH</a> that compares the two approaches, alongside additional approaches to weighting a price index.

#### Limitations

This analysis uses the same items collected in CPIH and CPI, along with the same prices, so the differences between the household groups are driven by differing spending patterns, rather than differing items, price increases or substitutions. An analysis of household-group-specific inflation rates would ideally use price indices and expenditure weights specific to each household group. This would reflect the fact that different households will purchase goods and services from different outlets and therefore face different prices.

The subgroup-specific spending patterns used in this analysis are at a two-year lag, for example, the 2022 data use spending pattern information from 2020. These spending patterns are constrained to all-household spending estimates for CPIH. For 2022, these all-household spending estimates are based on estimated spending in 2021 (for more information, please refer to Section 8 of the Consumer Price Inflation bulletin). Given that spending patterns have changed throughout the coronavirus (COVID-19) pandemic, it is important to bear this in mind as a limitation.

For more information on the methodology used to construct this analysis, please see the related <u>Methodology to calculate CPIH-consistent inflation rates for UK household groups</u>.

### Quality

Users should note that the CPIH-consistent inflation rates for different household groups are experimental indices and therefore we would caution against any use other than for research purposes.

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in our Methodology to calculate CPIH-consistent inflation rates for UK household groups.

## 4. Related Links

#### Consumer Price Inflation, UK: October 2022

Bulletin | Released 16 November 2022

Price indices, percentage changes, and weights for the different measures of consumer price inflation.

Household Costs Indices, UK: fourth preliminary estimates, 2005 to 2021

Bulletin | Released 4 May 2022

UK households' experience of changing prices and costs. These are 2005 to 2021 estimates of the Household Costs Indices, a set of measures currently in development.

Inflation and the cost of living for household groups: October 2022

Article | Released 16 November 2022

Analysis of inflation rates for different types of household in the UK on a Consumer Prices Index including owner occupiers' housing costs (CPIH)-consistent basis, and on a CPI-consistent basis.

## 5. Cite this article

Office for National Statistics (ONS), released 16 November 2022, ONS website, article, <u>CPIH-consistent inflation rate estimates for UK household groups: July to October 2022</u>