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# Rising Energy and Food Prices: Effects on Families

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# Purpose

- 1) review recent trends in consumer prices
- 2) review recent trends in wages
- 3) explore implications for families

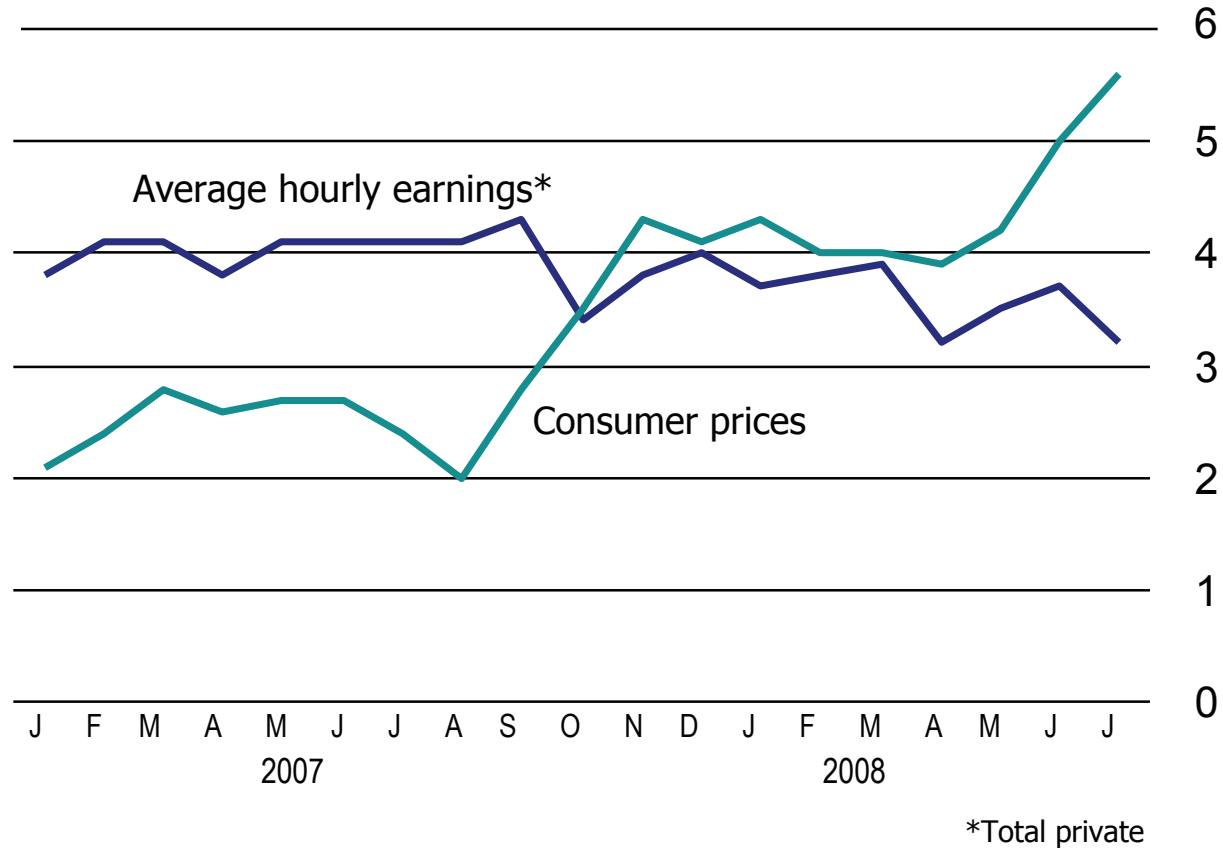
# Consumer Price Index for All Urban Consumers (CPI-U)

Expenditure Category	Relative importance, December 2007	% change 12-mos. ended July 2008 (unadjusted)
All items	100.0	5.6
Food and beverages	14.9	5.8
Housing	42.4	3.9
Apparel	3.7	.8
Transportation	17.7	13.4
Medical care	6.2	3.5
Recreation	5.6	1.7
Education and communication	6.1	3.7
Other goods and services	3.3	4.0
Special indexes:		
Energy	9.7	29.3
Food	13.8	6.0
All items less food and energy	76.5	2.5

*Source: Bureau of Labor Statistics*

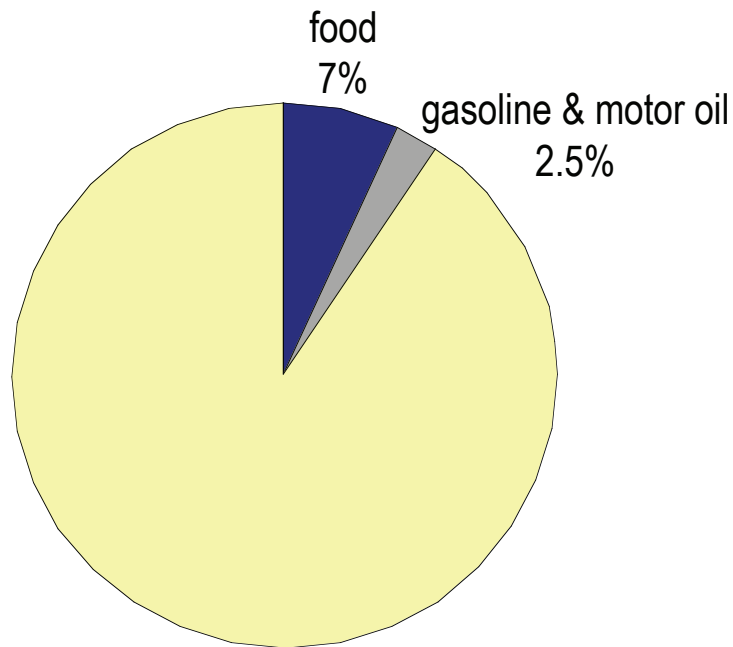
# Wage and Price Trends 2007-2008

% increase on a year earlier

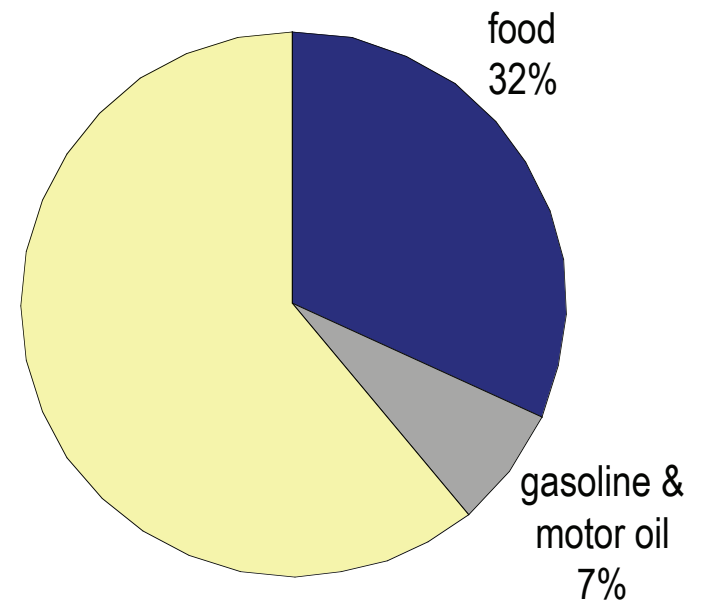


Source: US Bureau of Labor Statistics

# Differential Effects of Rising Prices

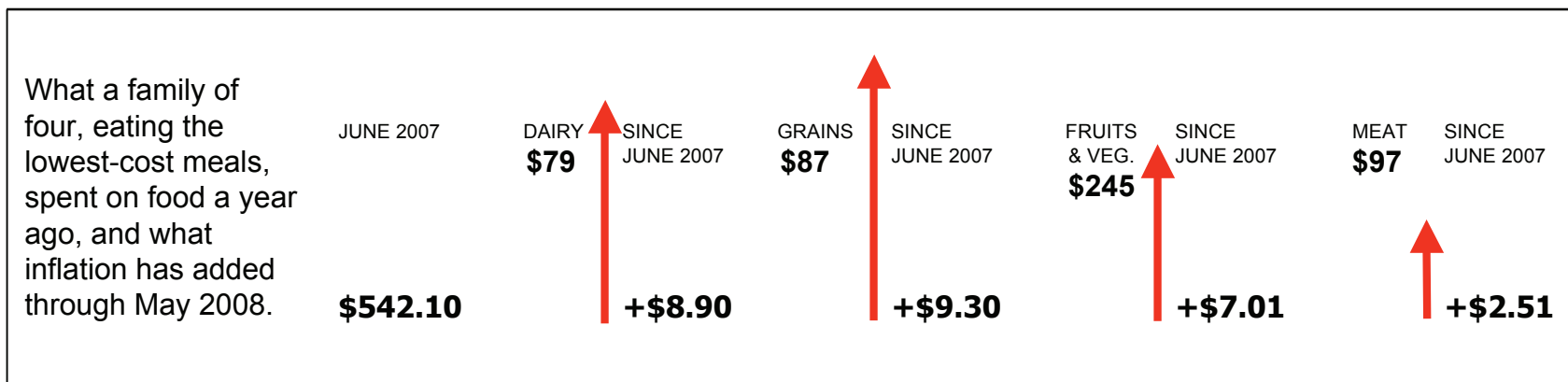


**High-income families**  
(% of after-tax income)



**Low-income families**  
(% of after-tax income)

# Rising Prices for Lowest-Cost Meals



Source: Statistics from the United States Department of Agriculture and the Bureau of Labor Statistics, New York Times, June 22, 2008.

# Implications? Ask Questions

- local food banks & pantries
- school food service
- congregated meals
- utility shut-offs & LIHEAP demand
- home & business retro fitting
- dependency on private transportation

# Challenging Times in Iowa Communities

- growing disparities in income
- widening gap in consumption levels
- increasing unmet basic needs

# Opportunities in Iowa Communities

- emphasize conservation & efficient use of resources
- develop sustainable lifestyles—food, housing, transportation
- address underlying causes of growing inequality
- identify individual, community, national & global response