It has been years... well actually decades, since we have felt the impact of inflation. Simply put, it is the impact of rising prices on goods and services, that can have a significant impact on your quality of life.

Like so many things, if you are well off financially, you barely feel it. If you are in a lower income bracket or fixed income, like so many seniors, you feel it a lot. From the cost of food to housing to gas everything costs more. The bad news: Currently we are above the Fed’s 2% target.

The good news: many economists feel that this is another of the post-Pandemic issues that are temporary and that as the supply chains return to normal, the inflation that is being felt will also subside. Only time will tell.

Fed officials say recent consumer price increases are transitory, tied to the Covid-19 crisis. Measures of inflation expectations are steady.

Barry Bosworth, a Brookings Institution senior fellow who served as director of Jimmy Carter’s Council on Wage and Price Stability from 1977 to August 1979, said he suspects policy makers will ultimately conclude they pumped too much money into the economy in response to the pandemic. Will we see Americans in the streets again protesting out-of-control prices? Not if policy makers heed the lessons of the past.

WHEN AMERICANS TOOK TO THE STREETS OVER INFLATION

In the 1960s and 1970s, spiraling prices for staples like meat and gasoline wreaked havoc on the U.S. economy, thanks to political and policy mistakes that offer a warning for today

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INFLATION’S UPS AND DOWNS: CONSUMER PRICE INDEX, MONTHLY, PERCENTAGE CHANGE FROM PREVIOUS YEAR

Source: U.S. Bureau of Labor Statistics
Source: https://www.wsj.com/articles/when-americans-took-to-the-streets-over-inflation-11623412801