

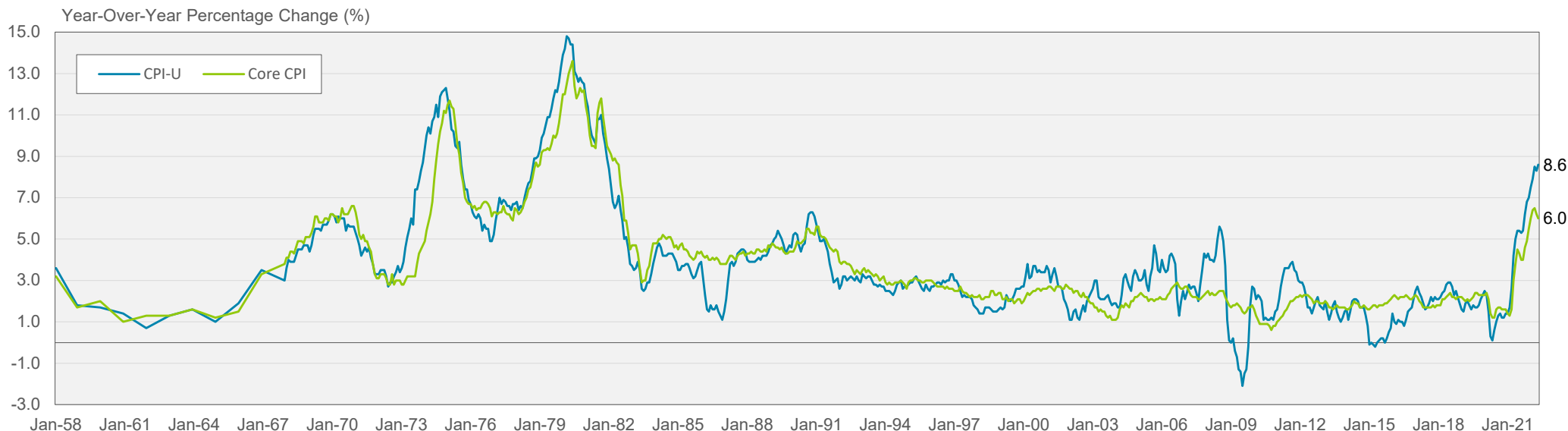
Item 5.d.
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A Closer Look at the Measurement of Inflation

CPI-U & Core CPI Year-over-Year Percentage Change

January 1958 Through May 2022

- The Consumer Price Index for All Urban Consumers (CPI-U) is a measure of the average change in prices over time of goods and services purchased by consumers (inflation). The CPI-U data is calculated on both an unadjusted (chart) and a seasonally adjust basis. While the seasonally adjusted data is often used for analyzing economic trends, the unadjusted data is used extensively for escalation purposes. The May 2022 year-over-year change in CPI-U was 8.6%, the highest level since January 1982.
- The Core Consumer Price Index (Core CPI) is a narrower measure of inflation that excludes the food and energy components of the CPI-U index. These components are often excluded due to their volatility and susceptibility to price shocks that cannot be dampened through monetary policy. Although both the CPI-U and the Core CPI benchmarks have averaged a similar 3.7% and 3.6%, respectively, over the analysis period, the chart clearly shows that the two measures have diverged significantly at various times in their history. The May 2022 year-over-year change in Core CPI was 6.0%.



- The table illustrates the various components of CPI-U as well as the items that are excluded in the measurement of Core CPI. This data is from the May 2022 report from the Bureau of Labor Statistics (BLS). Each major component of the index is made up of several sub-segments.
- Non-food and energy commodity components includes items such as household goods, apparel, new and used vehicles, medical care commodities, recreation commodities, and alcoholic beverages.
- Non-food and energy service components includes items such as shelter, medical care services, and transportation services.

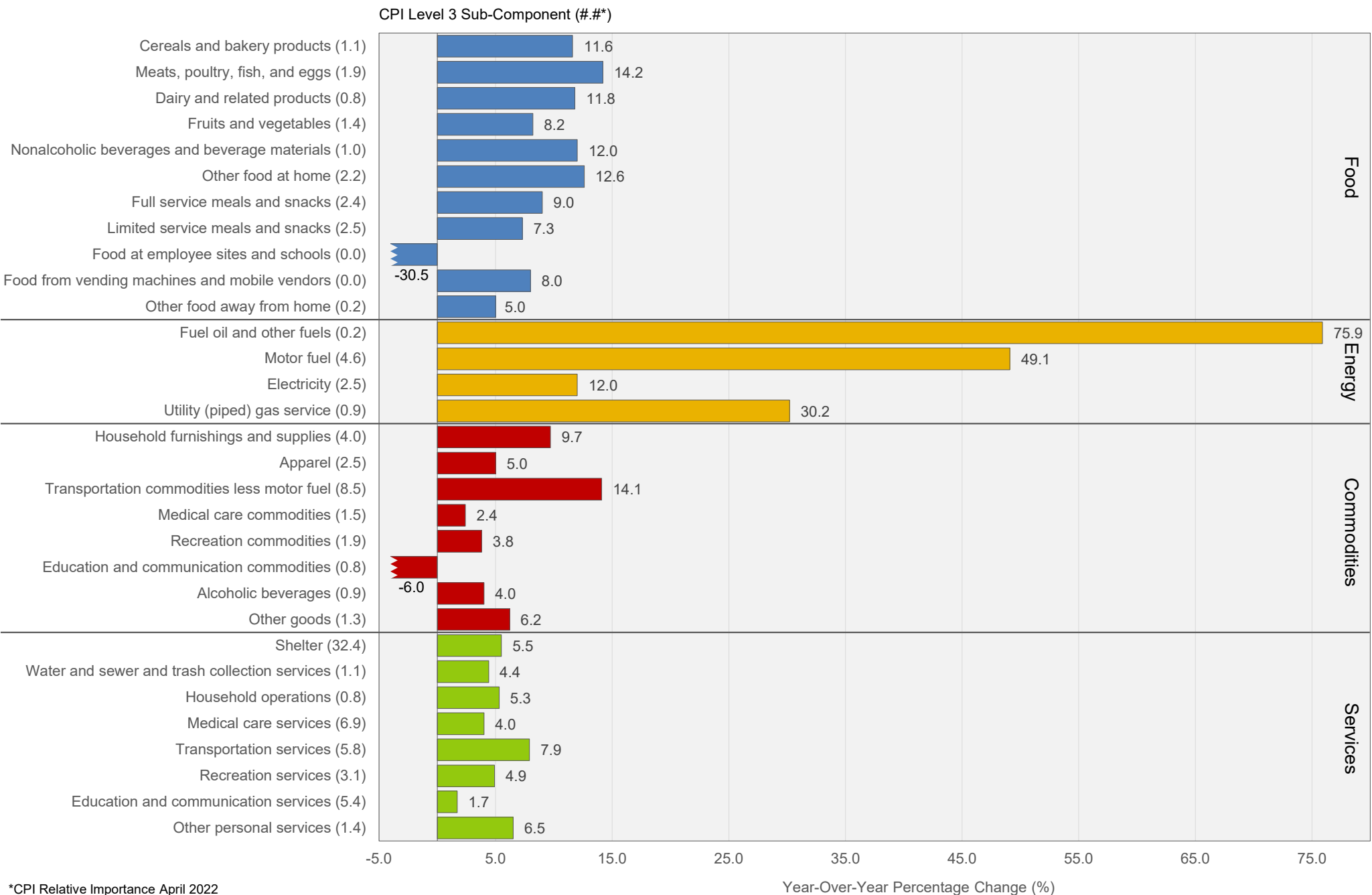
CPI Components	CPI Weight*	Y-Y % Change
Commodities (Level 2)	21.40%	8.5%
Services (Level 2)	56.92%	5.2%
Core CPI	78.32%	6.0%
Food (Level 1)	13.42%	10.1%
Energy (Level 1)	8.26%	34.6%
CPI-U	100.00%	8.6%

*CPI Relative Importance April 2022

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Year-over-Year Percentage Change & Relative Importance (Weight) in CPI Level 3 Sub-Components

May 2021 - May 2022



*CPI Relative Importance April 2022

Source: Bureau of Labor Statistics. Data as of June 10, 2022



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