Is the Real Rate of Inflation Significantly Higher Than the Number We’ve Just Been Given?

I warned you that inflation was going to get worse. On Thursday, we learned that the consumer price index was 7.5% higher in January than it was a year ago. We are being told that this was the highest reading since February 1982, and that sounds really bad.

But it isn’t exactly honest, because the truth is that the way the inflation rate is calculated has been changed more than two dozen times since 1980. So if we are going to compare the rate of inflation today to historical numbers, we should actually be doing an apples to apples comparison.

Fortunately, there is someone out there who takes care of the math for us. According to John Williams of , if inflation were still calculated the way it was back in 1990, the official rate of inflation would be above 10% right now. And if inflation were still calculated the way it was back in 1980, the official rate of inflation would be above 15% right now.

In other words, using the same methodology that the government used in 1980 would give us an official rate of inflation that is more than double the official number that we have just been given.

Wow.

Many have compared the current crisis to the Jimmy Carter era, but the truth is that we are now surpassing anything that we witnessed back then.

On her Twitter account, *Washington Post* columnist Heather Long shared some specific numbers from the inflation report which show where American consumers are being hit the hardest:

– Used cars 40.5% yearly.

– Gas 40%.

– Rental cars 29%.

– Utility gas 24%.

– Hotels 21%.

– Furniture 20%.

– Bacon 18%.

– Steak 17%.

– Peanut butter 15.5%.

– Pork 14.5%.

– Fish 13%.

– Eggs 13%.

– New cars 12%.

– Electric 11%.

– Chicken 10%.

– Oranges 10%.

I am particularly concerned about the rise in energy prices.

According to the Labor Department, energy prices overall are up a whopping 27% over the past year: “The Labor Department reported that gasoline prices have skyrocketed 40% over the past year, while natural gas has surged 22.6% and electricity is up 10.7%. A gallon of gas, on average, cost $ nationwide Thursday, according to AAA, up from $ a year ago. In California, gas prices are well over $4 per gallon.”

In all, energy prices have climbed more than 27% over the course of the past 12 months.

A lot of people expect that this new energy crisis will just be “temporary” just like the energy crisis of the 1970s was. But this time is very different.

As I have discussed previously, easily accessible energy reserves are steadily being depleted, and that means that we are going to become increasingly dependent on energy reserves that are more costly to extract.

In addition, major financial institutions have become extremely hesitant to fund projects that have anything to do with traditional forms of energy. They don’t want to be seen as “contributing to global warming,” and so they are focusing on funding alternative energy projects instead.

But alternative energy sources are not producing enough to keep up with global demand. So we are now facing a major crunch, and it isn’t going to go away.

In fact, it is only going to get worse.

On Thursday, Joe Biden promised to “work like the devil to bring gas prices down”.

Really? Exactly how does he plan to do that?

He already ordered a very large release from the Strategic Petroleum Reserve back in November, and that didn’t work.

And that was actually a very stupid thing to do, because we are going to need those reserves someday.

The cost of food continues to rise very aggressively as well. According to CNBC, one way that Americans can cope with this is by eating less meat and less dairy:”

> *Meat and dairy tend to be the more expensive items at the*

supermarket, and especially of late. In response, aim to make more meals that don't rely on them as the central ingredient, Brown said.

"Using meat sparingly as flavor, like adding a bit of bacon to a mushroom risotto, is more economical," she said. Consuming less meat also helps you to lower your environmental footprint, she added.

The elite really don't want us to eat much meat anyway, and so this would work out very well for them.

Of course Biden realizes that ordinary Americans are becoming increasingly frustrated, but he is assuring us that "we will make it through this challenge":

"On higher prices, we have been using every tool at our disposal, and while today is a reminder that Americans' budgets are being stretched in ways that create real stress at the kitchen table, there are also signs that we will make it through this challenge," Biden said in a statement responding to the report.

Unfortunately for Biden, the American people are increasingly losing faith in his leadership.

In fact, CNN just reported on some new approval numbers that are absolutely dismal:

"Nearly 6 in 10 Americans disapprove of how Joe Biden is handling his presidency, with most of that group saying there's literally nothing Biden has done since taking office that they approve of," CNN detailed.

The latest survey, taken January 10-February 6, 2022, shows 58 percent disapproving of Biden's job performance, compared to 41 percent who approve. That reflects a seven-point increase in the number who disapproved from the last survey, taken in December 2021.

So where do we go from here?

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