

Inflation holds steady ahead of coming tariffs

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Lower gasoline prices and flat rents are keeping a lid on consumer inflation in metro Denver this summer, limiting annual gains to a 2.1% pace, according to a July update of the local Consumer Price Index from the U.S. Bureau of Labor Statistics.

That pace is below May's 2.2% pace and March's 2.4% rate. It is also below the U.S. consumer inflation rate of 2.7% in July.

Shelter costs are the biggest component in the overall CPI calculation, representing a third of the index. Those were up 1.7% over the past year in metro Denver, with flat rents balancing out a 4% gain in an equivalent measure for homeowners. *Note*

Lower energy costs, down 7.7%, have helped keep overall inflation in check. Gasoline prices specifically are down 10% over the past year and 3.3% since May. Gasoline represents about 3.7% of the Denver CPI index.

Food costs rose 2% over the past year, with meat and egg prices up 4.5% and non-alcoholic beverages up 5.2%.

Those gains were offset by a 2.6% decline in dairy prices, a 1.3% decline in fruits and vegetables and a 0.7% decline in cereals and baked goods.

New tariffs on key trading partners are expected to show up in higher imported goods prices in the coming months. But the signals are mixed. Furniture prices are up 5% over the past year, but down 0.6% over the past two months. Clothing costs are up 4.9% over the past year, but down 1.4% since May.

New car prices remain stable, up 0.6% over the past year, while used car prices are accelerating, up 4.7%.

Several types of services are experiencing elevated inflation, with medical care inflation up 6.4%; tuition and school fees up 4%, and other goods and services up 6.8%.