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MARKETSPERSONAL FINANCE

Americans Are Having an Inflation ‘Aha’ Moment

Many people knew inflation was here. But now they say they can feel it—at the gas pump, the local coffee shop and the grocery store.

By *Julia Carpenter* [Follow](#)

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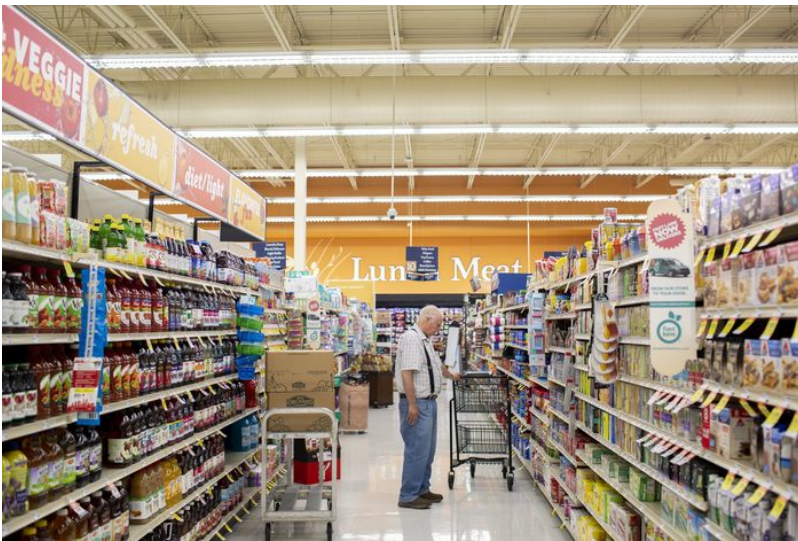
The fastest climb in inflation of the last four decades became real for Matthew Rivera when he ordered a plate of chicken wings last month at a restaurant in the Catskill Mountains. He normally pays \$8-10, and this time it was \$20. The old, lower price was crossed out on the menu.

“‘Inflation,’ ” was the explanation from the waitress, he said. He ordered wings for his children but pledged not to do it again. “It wasn’t worth it.”

Inflation has been a fixture of news headlines for months, as prices ballooned for food, utilities and energy. Many people say the escalations are just now hitting home in their everyday lives. For some, it’s sticker shock while filling up at the pump. For others, it’s the higher price of their morning joe at Starbucks, or the cost of strawberries at the local grocery store.

More such moments are likely in the coming weeks. Cost pressures are expected to build as the West responds to the Ukraine crisis with sanctions against Moscow and a new pandemic lockdown in China further roils battered global supply chains. The Labor Department recently reported the February Consumer Price Index, a monthly measure of the cost of different goods and services, climbed at its fastest rate since 1982. On Wednesday, the Federal Reserve said it would combat inflation by raising interest rates for the first time since 2018.

“A lot of people have heard it in the media for a while: ‘Oh, inflation, inflation,’ ” said Charlotte Geletka, managing partner and owner at Silver Penny Financial, a financial advisory firm in Atlanta. “But they didn’t have the ‘Aha!’ moment until it got to something that affects their everyday lives.”



Some people are feeling the effects of inflation at the grocery store.

PHOTO: KRISTEN NORMAN FOR THE WALL STREET JOURNAL

Plenty are having that experience while filling their gas tanks, opening a utility bill or looking for a place to live. The national average price for gasoline recently climbed above \$4, hitting its highest point since July 2008. Electricity bills climbed more than 4% in 2021 and are up again this year, sparking complaints on social networks such as Nextdoor. The average cost of a one-bedroom apartment is up nearly 25% year over year, according to Rent.com's latest report. Home-lending costs are also rising; the average rate for a 30-year fixed mortgage topped 4% for the first time since May 2019, Freddie Mac said Thursday.

People expect their purchasing power to weaken further, according to a University of Michigan measure of consumer confidence that fell to its lowest level in a decade last month. For Americans under 40, this is the highest inflation they have seen in their lifetimes.

Alyssa Susnjara, a 27-year-old San Diegan who works in education communications, had one of her "aha" moments while getting gas. Weekend trips for the avid snowboarder now cost her more than \$80 in gas compared with \$44 in previous months, even after hunting for cheaper deals at various stations.

"I'm the girl who drives on fumes," she said of one recent trip to the pump. "It broke my heart a little."

She also came face to face with inflation while searching for a new apartment. She and her boyfriend were in the market for a larger two-bedroom unit in the San Diego area because they both work remotely and wanted an extra room for a home office. But Ms. Susnjara said units she once expected to rent for \$2,300 or \$2,400 a month now go for up to \$2,700. They decided to stick with their one-bedroom apartment.

“It’s a whiplash effect for a lot of renters,” she said.

In Chicago, the moment inflation became reality for 35-year-old Emily Achler was when she noticed higher prices at the grocery store and then at Starbucks, where she said her usual—a triple grande 2% cappuccino—hit \$6. It used to be closer to \$4, she said. Ms. Achler has since cut back on her coffee visits.

She and her partner are used to tightening their household expenses. They did so in 2020 when they gave up full-time salaries to launch startup business Italic Type, a digital reading platform. Now they are doing it again.

“The phase we’re in today is asking ourselves: ‘Do we need xyz right now? Or not?’ ” she said. “Most of the time, the answer is, ‘No, I don’t need three cappuccinos a week.’ ”

For Lani Assaf, a 25-year-old marketing employee living in Brooklyn, her inflation breakthrough happened in the Trader Joe’s checkout line.

“I don’t buy strawberries anymore,” she said. The price has jumped by nearly \$1 over the past six months, according to data from the Federal Reserve Bank of St. Louis, rising from around \$2 a pint of fresh strawberries to now more than \$3 for the same amount. “I’m sticking to bananas. They’ve been 19 cents at Trader Joe’s for forever.”

Ms. Assaf has swapped fresh fruit for frozen fruit in her usual morning smoothie and paid closer attention to the prices on other items in her grocery cart.

“It doesn’t seem like a lot, but it’s 40 cents or 50 cents,” she said. “Then at the end, you’re buying all these things and it does add up and you notice it.”



Prices on display outside of a Manhattan business in January, as inflation pushed prices up on everything from gas to furniture.

PHOTO: SPENCER PLATT/GETTY IMAGES

Inflation is intruding on daily life not just for people under 40. The moment it became a serious matter in the life of Deb Schaffer, the 63-year-old owner of Enchanted Botanicals in Lovettsville, Va., was the day she noticed that the price of a soy wax she uses for her candles had nearly doubled.

A 45-pound box now costs \$90, she said, compared with the \$48 she used to pay for a slightly heavier 50-pound box. Her store sells candles, soaps and incense.



Deb Schaffer, the owner of Enchanted Botanicals in Lovettsville, Va., noticed the price of a soy wax had doubled.

PHOTO: DAVID SCHAFFER

She said she now plays “budgeting Tetris” as she looks for deals on jars, bulk buys and chances to move more product so she doesn’t have to raise her prices. When she sees a deal or bundle, she goes for the purchase even if it means crowding her candle studio with packages and boxes.

“It’s a tricky game to play,” she said.

Jeff Fugate, the 53-year-old owner of Empty Bowl Queso in Leesburg, Va., is making a similar gamble as he wrestles with rising prices on items he needs to produce his Hatch New Mexico green chile queso, from the cheese to the vegetables to the packaging. But Mr. Fugate can only buy so much in bulk, since his fresh ingredients spoil.

Because of inflation he decided to make sacrifices in his personal life, cutting cable channels and giving up his family’s Washington Capitals season tickets. His household budget has been

under a microscope since 2020, when he was let go from a job and then started his new business.



Jeff Fugate, the owner of Empty Bowl Queso in Leesburg, Va., is giving up his family's Washington Capitals season tickets as he tightens expenses.

PHOTO: JEFF FUGATE

He said he knows he will have to pass costs on to customers with a price hike of his own. The businesses that buy his queso to sell it are currently asking their customers to pay between \$9 and \$11 a pint, which Mr. Fugate said already makes it a splurge for many shoppers.

He told one client how hard it was to give up his season tickets. The client offered to trade queso for hockey tickets, which he did.

“You got to do what you got to do,” he said.

Corrections & Amplifications

The Labor Department recently reported the February consumer price index, a monthly measure of the cost of different goods and services, climbed at its fastest rate since 1982. An earlier version of this article incorrectly said the index was at its highest level since 1982. (Corrected on March 18)

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