

Article

CPIH-consistent inflation rate estimates for UK household groups: April to June 2022

Estimates of inflation rates for different types of household in the UK on a Consumer Prices Index including owner occupiers' housing costs (CPIH)-consistent basis.

Contact:
Chris Payne
cpi@ons.gov.uk
+44 1633 456900

Release date:
17 August 2022

Next release:
16 November 2022

Table of contents

1. [Main points](#)
2. [CPIH-consistent inflation rate estimates for UK household groups: January to June 2022 data](#)
3. [Measuring the Data](#)
4. [Related Links](#)

1 . Main points

- The Consumer Prices Index including owner occupiers' housing costs (CPIH) is our most comprehensive measure of consumer price inflation; we have produced CPIH-consistent inflation rates for different household groups to provide an insight into how price changes can vary between different groups.
- CPIH annual inflation stood at 8.7% for low-income households (those in the second income decile) and at 7.8% for high-income households (those in the ninth income decile) in the year to June 2022, compared with an all-households rate of 8.2%; the gap of 0.9 percentage points is the largest since June 2010, when higher-income households saw a higher inflation rate than low-income households.
- Rising energy prices pushed low-income households' inflation rates above those for high-income households in the first half of 2022, with food and non-alcoholic beverages also contributing more to inflation for low-income households.
- Energy, food and drink tends to reflect a greater proportion of lower-income households' spending; therefore, greater weight is given to price changes for these spending categories in the low-income households group.
- From the perspective of housing tenure, CPIH annual inflation for subsidised renters stood at 9.8%, which is higher than for owner occupiers or private renters, with a difference of 1.7 and 2.1 percentage points, respectively; these are the largest differences since the series began in January 2006.
- Higher contributions from energy, and food and non-alcoholic beverages for subsidised renters led to the differences between tenure types in the first half of 2022.

2 . CPIH-consistent inflation rate estimates for UK household groups: January to June 2022 data

[CPIH-consistent inflation rate estimates for UK household groups \(democratic weighting\)](#)

Dataset | Released 17 August 2022

Quarterly data on democratically weighted and CPIH-consistent indices, annual inflation rates, and expenditure shares.

[CPIH-consistent inflation rate estimates for UK household groups \(plutocratic weighting\)](#)

Dataset | Released 17 August 2022

Quarterly data on plutocratically weighted and CPIH-consistent indices, annual inflation rates, expenditure shares and contributions for UK household groups.

3 . Measuring the Data

Price indices are constructed using price and expenditure data. These expenditure shares can be calculated using different methodological approaches: the main two are democratic and plutocratic weighting. Indices for both methodological approaches can be found in the data downloads section. We have produced a methodology article, [Investigating the impact of different weighting methods on CPIH](#), which compares the two approaches, alongside additional approaches to weighting a price index.

Limitations

This analysis uses the same items collected in the Consumer Prices Index including owner occupiers' housing costs (CPIH), along with the same prices, so the differences between the household groups are driven by differing spending patterns, rather than differing items, price increases or substitutions. An analysis of household-group-specific inflation rates would ideally use price indices and expenditure weights specific to each household group. This would reflect the fact that different households will purchase goods and services from different outlets and therefore face different prices.

The subgroup-specific spending patterns used in this analysis are at a two-year lag, for example, the 2022 data use spending pattern information from 2020. These spending patterns are constrained to all-household spending estimates for CPIH. For 2022, weights are based on estimated spending in 2021 (for more information, please refer to [Section 8 of the Consumer Price Inflation bulletin](#)). Given that spending patterns have changed throughout the coronavirus (COVID-19) pandemic, it is important to bear this in mind as a limitation.

For more information on the methodology used to construct this analysis, please see the related [Methodology to calculate CPIH-consistent inflation rates for UK household groups](#).

Quality

Users should note that the CPIH-consistent inflation rates for different household groups are experimental indices and therefore we would caution against any use other than for research purposes.

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the [Methodology to calculate CPIH-consistent inflation rates for UK household groups](#).

4 . Related Links

[Consumer Price Inflation](#)

Bulletin | Released 17 August 2022

Price indices, percentage changes, and weights for the different measures of consumer price inflation.

[Household Costs Indices](#)

Bulletin | Released 4 May 2022

UK households' experience of changing prices and costs. These are 2005 to 2021 estimates of the Household Costs Indices, a set of measures currently in development.