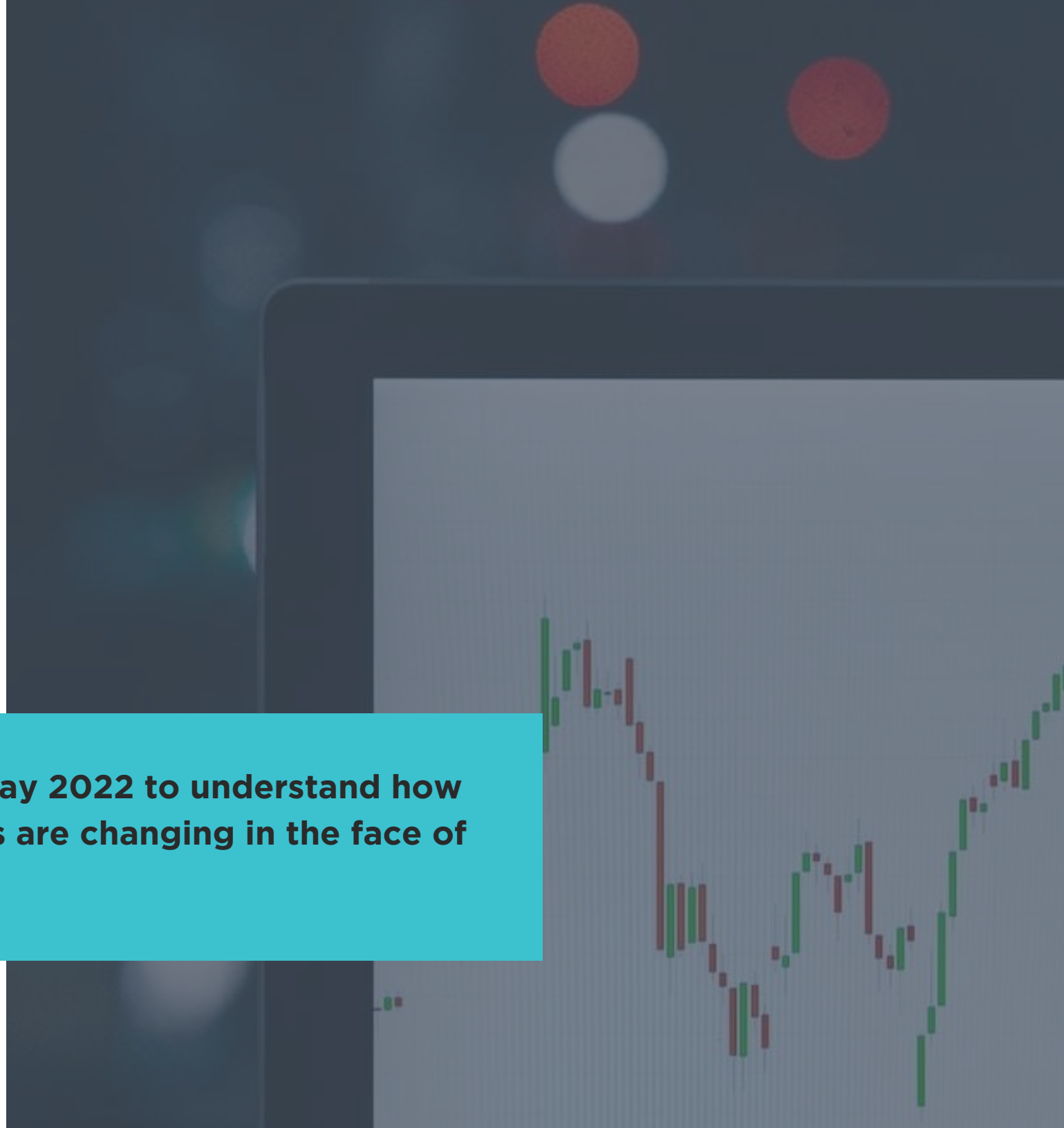


Consumer VIEWS ON inflation

As we continue to face the highest rate of inflation in decades, consumers and businesses are feeling the pain of higher prices on everything from everyday goods and services to rent, groceries and gas.

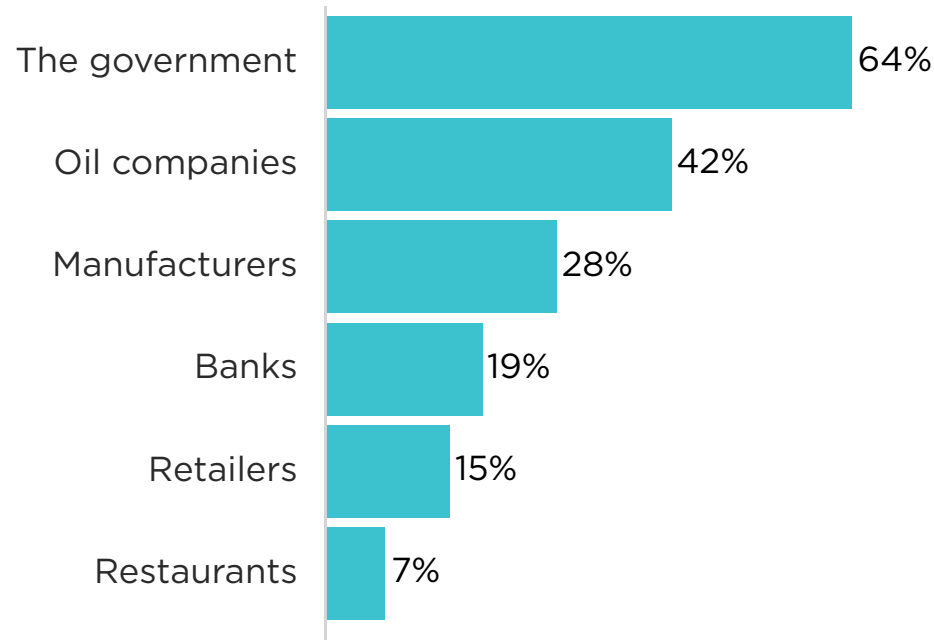
NRF surveyed shoppers in May 2022 to understand how their behaviors and attitudes are changing in the face of higher prices.



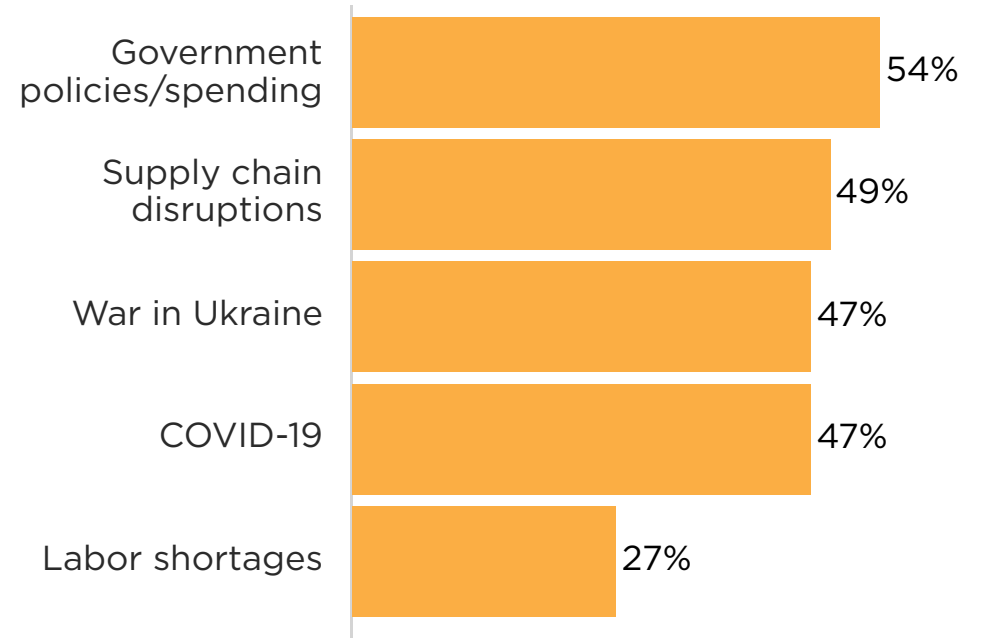


Consumers hold the government, specifically, government spending and policies, responsible for inflation.

Who do you think is most to blame for inflation right now?



Why do you think we are seeing inflation right now? (Top 5)





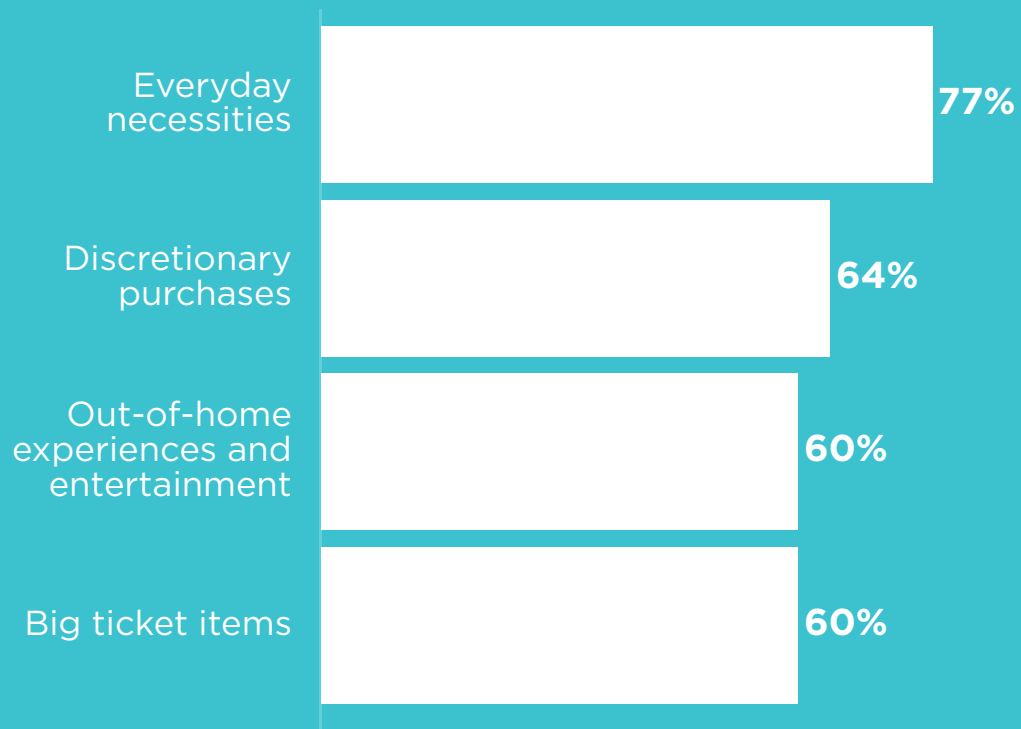
Consumers understand that it is a challenging environment for many businesses.



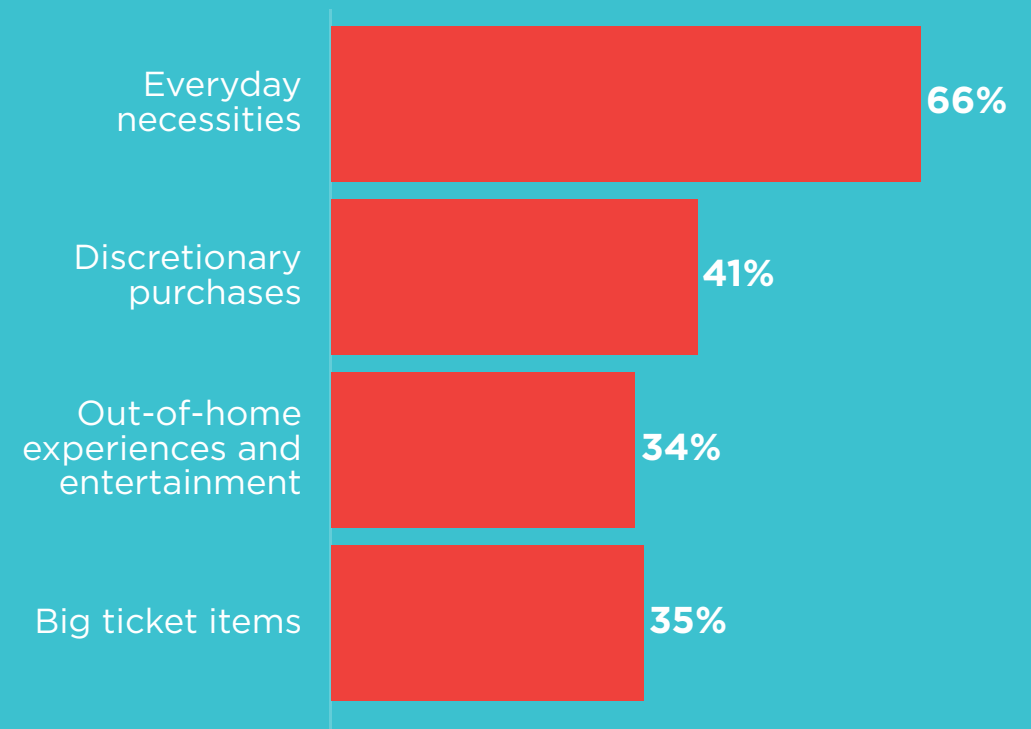
Percent who agree that the COVID-19 pandemic and the conflict in Ukraine have increased many business owners' operating costs, including labor, energy, shipping and raw materials. Businesses **may have to raise prices** in order to continue operating and employing their workers.

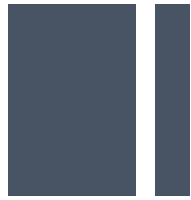
Consumers are feeling the impact of inflation in nearly every part of their lives.

Percent who say prices on the following items have **increased** over the last six months.



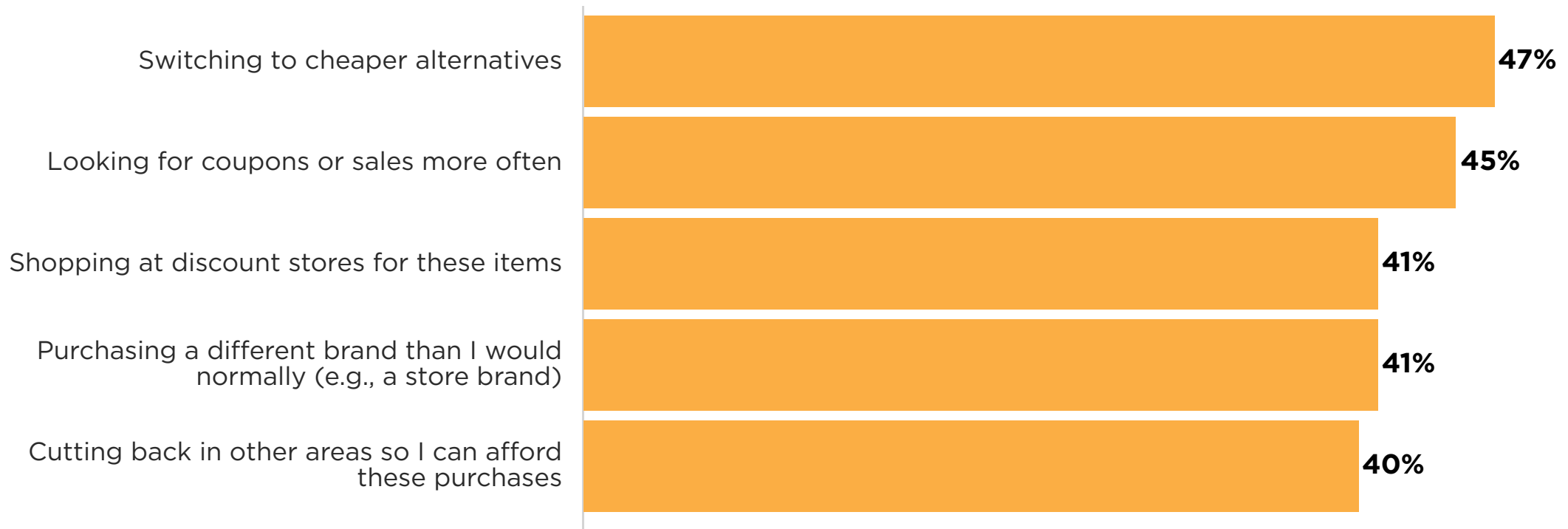
Percent who are worried about higher prices on the following items.





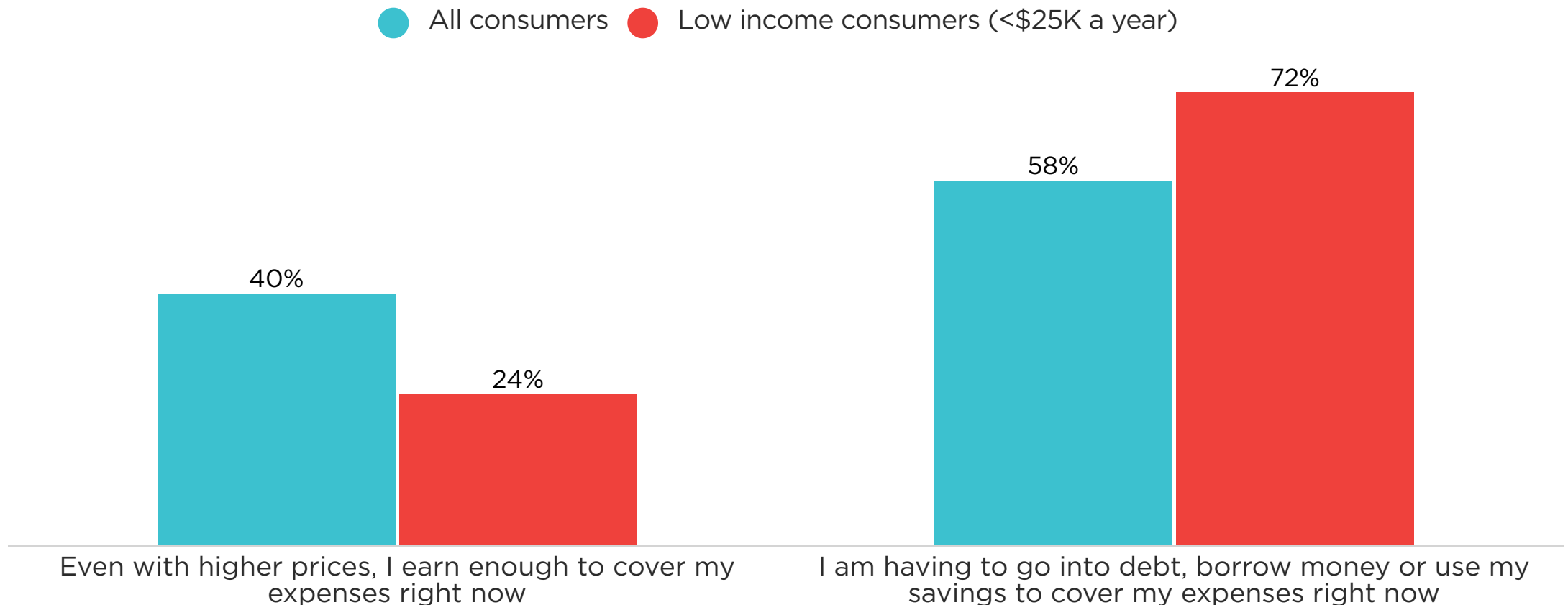
Consumers are smart. When prices rise, they adjust how they shop and rebalance their household budget.

Top five ways consumers are reacting to higher prices on everyday necessities



Even with these steps, many consumers are having to dip into their savings or take on debt to cover the cost of living.

Lower-income households are particularly vulnerable. The majority (71%) of those earning less than \$25K a year are having to borrow money, go into debt or take from their savings in order to cover their expenses.



Consumers support a variety of solutions that will ease the pain of inflation.

Consumers were most likely to say that fixing supply chain issues and lowering the tariff tax would be effective at addressing inflation.

76%
Agree

To address supply chain disruptions, the government needs to make it easier for businesses to stock their shelves.

75%
Agree

Lowering the tariff tax means that businesses will be able to pass these savings on to their shoppers.

66%
Agree

The government should make it easier for employers to fill positions with both foreign and domestic workers.



Conclusion

To wring out the broad-based inflation in the economy, the Federal Reserve must rely on two very blunt tools at its disposal — shrinking its balance sheet and raising interest rates. Without additional non-inflationary measures out of Washington, the Fed's solutions are likely to inflict significant and lasting damage to consumers. The Biden administration and Congress would be wise to take actions that alleviate inflation pressures in the economy and provide targeted pain relief to consumers until the Fed's job is done. Specifically:

- The administration should **repeal the Section 301 tariffs** on goods from China — which cost each household \$1,200 in 2020, according to the Congressional Budget Office — and have only yielded higher costs for businesses and higher prices for consumers.
- Congress can ease supply chain constraints by **passing the Ocean Shipping Reform Act of 2021**, helping to end shortages and delays of imported goods that have contributed to inflation.
- Policymakers can take steps to address labor shortages through **comprehensive immigration reform** that can ease upward pressure in wages.



About the survey

NRF conducted a nationally representative survey of 2,000 U.S. consumers between May 6 and May 10 to better understand consumer attitudes about inflation and the economy and how shoppers are changing their behavior and spending as a result of inflation and high prices. The margin of error is +/-2%. Research was conducted using Toluna QuickSurveys.

About NRF

The National Retail Federation, the world's largest retail trade association, passionately advocates for the people, brands, policies and ideas that help retail thrive. From its headquarters in Washington, D.C., NRF empowers the industry that powers the economy. Retail is the nation's largest private-sector employer, contributing \$3.9 trillion to annual GDP and supporting one in four U.S. jobs — 52 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies. [nrf.com](https://www.nrf.com)