



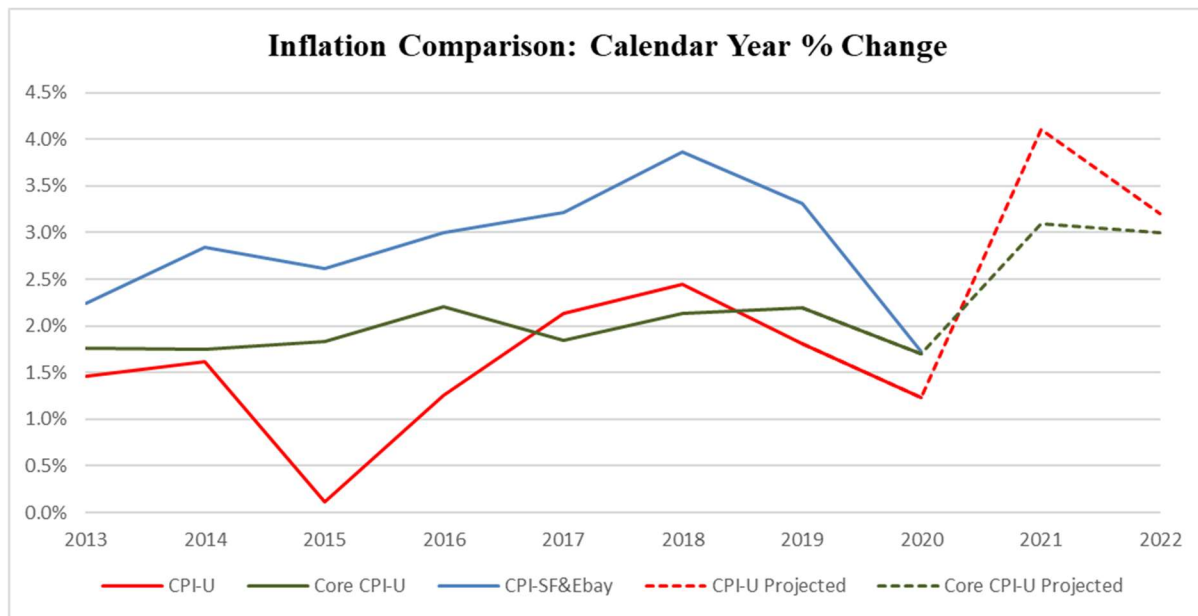
# INFLATION REPORT

## Summer 2021

The Consumer Price Index for all urban consumers (CPI-U) "is a statistical measure of change over time of the prices of goods and services in major expenditure groups--such as food, housing, apparel, transportation and medical care--typically purchased by urban consumers," according to the Bureau of Labor Statistics. The Core CPI-U is another measure of inflation which excludes certain items including food and energy. CPI SF-Oak-Hayward covers all urban consumers in San Francisco, Oakland and Hayward.

The CPI-U increase for calendar year 2020 was 1.2% and Core CPI-U increase was 1.7% according to the Bureau of Labor Statistics on July 8<sup>th</sup>, 2020. For calendar year 2021, Wells Fargo estimates inflation rates to be 4.1% for the CPI-U and 3.1% for Core CPI-U. For calendar year 2022, Wells Fargo estimates inflation rates to be 3.2% for the CPI-U and 3.0% for Core CPI-U.

Another measure of inflation within the higher education industry is the Higher Education Price Index. "The Higher Education Price Index (HEPI) measures the average relative level in the prices of a fixed market basket of goods and services purchased by colleges and universities through current fund educational and general expenditures excluding expenditures for research," according to Commonfund Institute.



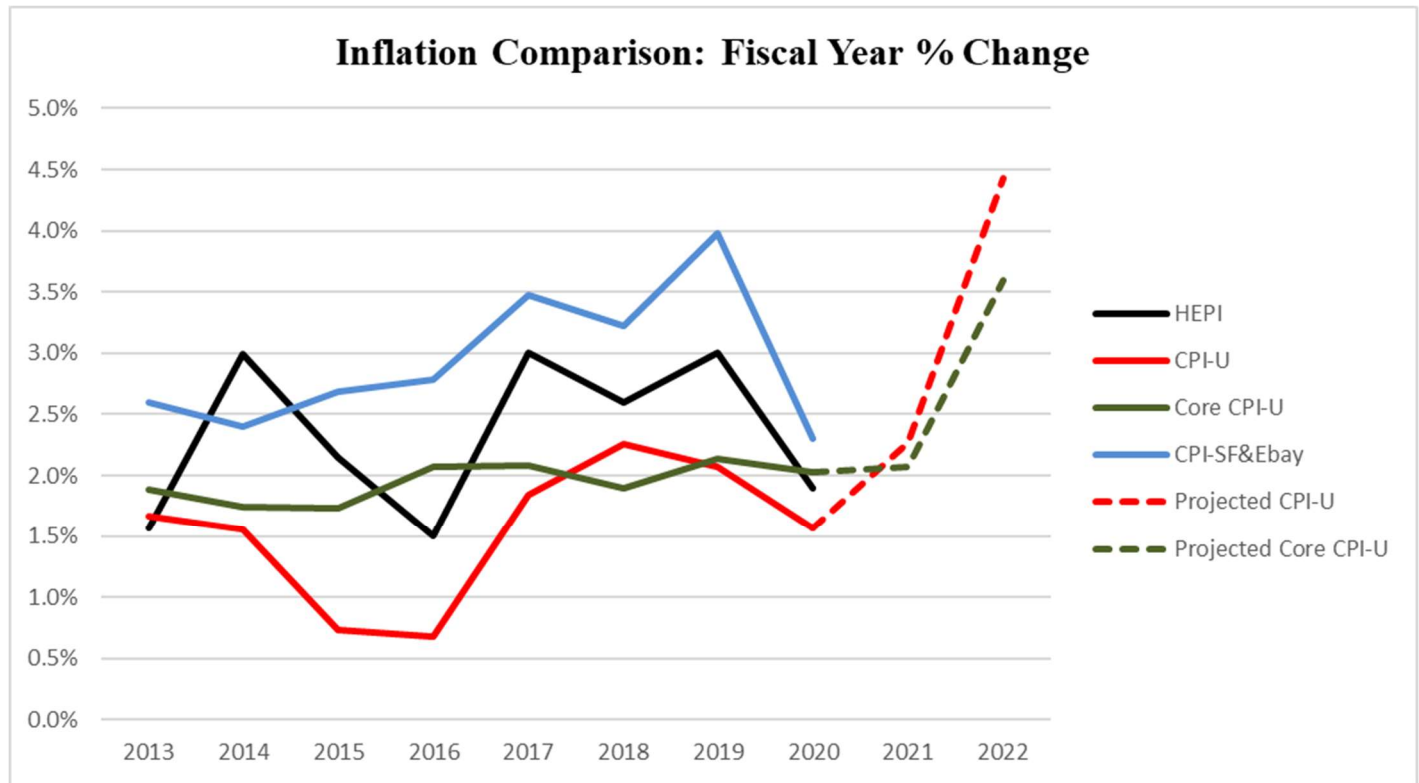
#### CALENDAR YEAR 12- Month

	2013	2014	2015	2016	2017	2018	2019	2020	PROJECTED	
CPI-U	1.5%	1.6%	0.1%	1.3%	2.1%	2.4%	1.8%	1.2%	2021	2022
Core CPI-U	1.8%	1.7%	1.8%	2.2%	1.8%	2.1%	2.2%	1.7%	4.1%	3.2%
CPI SF-Oak-Hayward	2.2%	2.8%	2.6%	3.0%	3.2%	3.9%	3.3%	1.7%	3.1%	3.0%
									N/A	N/A

#### Information sources

- Bureau of Labor Statistics and Wells Fargo Securities, LLC.
- CPI-U and Core CPI-U forecasts from Wells Fargo report, July 8<sup>th</sup>, 2021.
- All the existing CPI data provided by Bureau of Labor Statistics as of July 8<sup>th</sup>, 2021.

**Purpose of Profile:** To adjust Consumer Price Index – All Urban (CPI-U), Core CPI-U and CPI SF-Oak-Hayward and HEPI to an academic fiscal year. To illustrate change in fiscal year indices, actual, and projected, Fiscal Year here is the change from July to June, e.g. FY2020 is the average of July 2019 to June 2020.

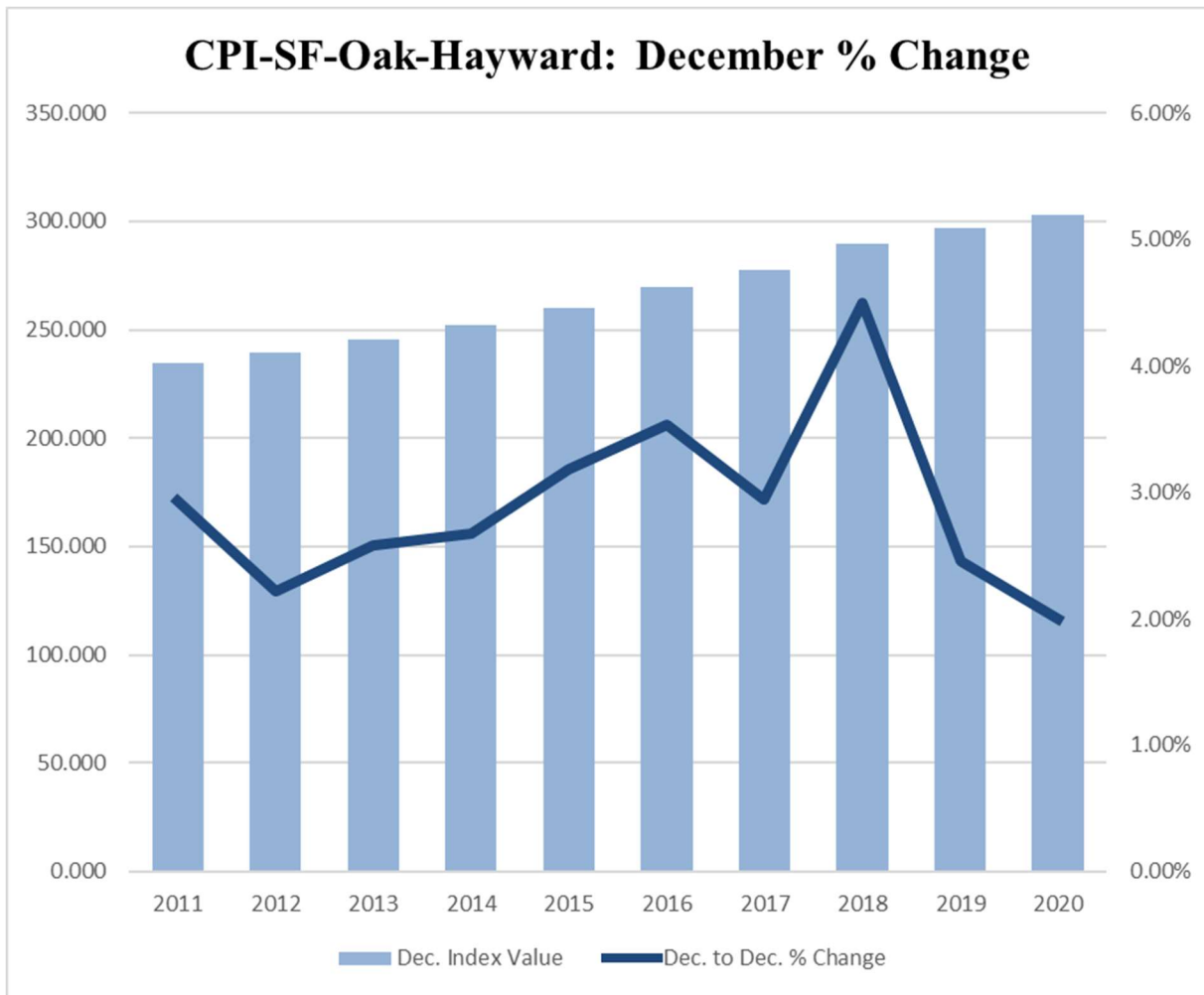


Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	Projected	
									2021	2022
HEPI	1.6%	3.0%	2.2%	1.5%	3.0%	2.6%	3.0%	1.9%	N/A	N/A
CPI-U	1.7%	1.6%	0.7%	0.7%	1.8%	2.3%	2.1%	1.6%	2.3%	4.4%
Core CPI-U	1.9%	1.7%	1.7%	2.1%	2.1%	1.9%	2.1%	2.0%	2.1%	3.6%
CPI SF-Oak-Hayward	2.6%	2.4%	2.7%	2.8%	3.5%	3.2%	4.0%	2.3%	N/A	N/A

#### Information Sources

- Bureau of Labor Statistics Website as of July 8th, 2021
- Wells Fargo Securities, LLC Report, July 8th, 2021.
- Higher Education Price Index Report, 2020 December Update.

**Purpose of Profile:** To track inflation index used by the University for various formula adjustments.



CPI SF-Oak-Hayward	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Dec. Index Value	234.327	239.533	245.711	252.273	260.289	269.483	277.414	289.896	297.007	302.948
Dec. to Dec. % Change	2.93%	2.22%	2.58%	2.67%	3.18%	3.53%	2.94%	4.50%	2.45%	2.00%

#### Information Sources

- Bureau of Labor Statistics Website as of July 8th, 2021

## Appendix

Bureau of Labor Statistics Data: CPI, July 8th, 2021	A1
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## A1: Consumer Price Index – All Urban Consumers



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#### CPI for All Urban Consumers (CPI-U)

**Series Id:** CUUR0000SA0  
Not Seasonally Adjusted  
**Series Title:** All items in U.S. city average, all urban consumers, not seasonally adjusted  
**Area:** U.S. city average  
**Item:** All items  
**Base Period:** 1982-84=100

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2011	220.223	221.309	223.467	224.906	225.964	225.722	225.922	226.545	226.889	226.421	226.230	225.672	224.939	223.598	226.280
2012	226.665	227.663	229.392	230.085	229.815	229.478	229.104	230.379	231.407	231.317	230.221	229.601	229.594	228.850	230.338
2013	230.280	232.166	232.773	232.531	232.945	233.504	233.596	233.877	234.149	233.546	233.069	233.049	232.957	232.366	233.548
2014	233.916	234.781	236.293	237.072	237.900	238.343	238.250	237.852	238.031	237.433	236.151	234.812	236.736	236.384	237.088
2015	233.707	234.722	236.119	236.599	237.805	238.638	238.654	238.316	237.945	237.838	237.336	236.525	237.017	236.265	237.769
2016	236.916	237.111	238.132	239.261	240.229	241.018	240.628	240.849	241.428	241.729	241.353	241.432	240.007	238.778	241.237
2017	242.839	243.603	243.801	244.524	244.733	244.955	244.786	245.519	246.819	246.663	246.669	246.524	245.120	244.076	246.163
2018	247.867	248.991	249.554	250.546	251.588	251.989	252.006	252.146	252.439	252.885	252.038	251.233	251.107	250.089	252.125
2019	251.712	252.776	254.202	255.548	256.092	256.143	256.571	256.558	256.759	257.346	257.208	256.974	255.657	254.412	256.903
2020	257.971	258.678	258.115	256.389	256.394	257.797	259.101	259.918	260.280	260.388	260.229	260.474	258.811	257.557	260.065
2021	261.582	263.014	264.877	267.054	269.195										

## A2: Core Consumer Price Index – All Urban Consumers



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#### CPI for All Urban Consumers (CPI-U)

**Series Id:** CUUR0000SA0L1E

Not Seasonally Adjusted

**Series Title:** All items less food and energy in U.S. city average, all urban consumers, not seasonally adjusted

**Area:** U.S. city average

**Item:** All items less food and energy

**Base Period:** 1982-84=100

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2011	222.177	223.011	223.690	224.118	224.534	224.891	225.164	225.874	226.289	226.743	226.859	226.740	225.008	223.737	226.278
2012	227.237	227.865	228.735	229.303	229.602	229.879	229.893	230.196	230.780	231.276	231.263	231.033	229.755	228.770	230.740
2013	231.612	232.432	233.052	233.236	233.462	233.640	233.792	234.258	234.782	235.162	235.243	235.000	233.806	232.906	234.706
2014	235.367	236.075	236.913	237.509	238.029	238.157	238.138	238.296	238.841	239.413	239.248	238.775	237.897	237.008	238.785
2015	239.248	240.083	241.067	241.802	242.119	242.354	242.436	242.651	243.359	243.985	244.075	243.779	242.247	241.112	243.381
2016	244.528	245.680	246.358	246.992	247.544	247.794	247.744	248.278	248.731	249.218	249.227	249.134	247.602	246.483	248.722
2017	250.083	251.143	251.290	251.642	251.835	252.014	251.936	252.460	252.941	253.638	253.492	253.558	252.169	251.335	253.004
2018	254.638	255.783	256.610	257.025	257.469	257.697	257.867	258.012	258.429	259.063	259.105	259.083	257.565	256.537	258.593
2019	260.122	261.114	261.836	262.332	262.590	263.177	263.566	264.169	264.522	265.059	265.108	264.935	263.211	261.862	264.560
2020	266.004	267.268	267.312	266.089	265.799	266.302	267.703	268.756	269.054	269.328	269.473	269.226	267.693	266.462	268.923
2021	269.755	270.696	271.713	273.968	275.893										



### A3: Consumer Price Index – SF-Oak-Hayward



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#### CPI for All Urban Consumers (CPI-U)

**Series Id:** CUURS49BSA0, CUUSS49BSA0

Not Seasonally Adjusted

**Series Title:** All items in San Francisco-Oakland-Hayward, CA, all urban consumers, not seasonally adjusted

**Area:** San Francisco-Oakland-Hayward, CA

**Item:** All items

**Base Period:** 1982-84=100

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Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2011		229.981		234.121		233.646		234.608		235.331		234.327	233.390	232.082	234.698
2012		236.880		238.985		239.806		241.170		242.834		239.533	239.650	238.099	241.201
2013		242.677		244.675		245.935		246.072		246.617		245.711	245.023	243.894	246.152
2014		248.615		251.495		253.317		253.354		254.503		252.273	251.985	250.507	253.463
2015		254.910		257.622		259.117		259.917		261.019		260.289	258.572	256.723	260.421
2016		262.600		264.565		266.041		267.853		270.306		269.483	266.344	263.911	268.777
2017		271.626		274.589		275.304		275.893		277.570		277.414	274.924	273.306	276.542
2018		281.308		283.422		286.062		287.664		289.673		289.896	285.550	282.666	288.435
2019		291.227		294.801		295.259		295.490		298.443		297.007	295.004	293.150	296.859
2020		299.690		298.074		300.032		300.182		301.736		302.948	300.084	299.109	301.059
2021		304.387		309.419											

#### 12 Month Percent Change

## A4: Wells Fargo Economic Forecast

# U.S. Economic Forecast

Wells Fargo Securities U.S. Economic Forecast																				
	Actual								Forecast								Actual		Forecast	
	2019				2020				2021				2022				2019	2020	2021	2022
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
Real Gross Domestic Product (a)	2.9	1.5	2.6	2.4	-5.0	-31.4	33.4	4.3	6.4	9.2	8.8	8.1	5.8	3.4	2.6	2.2	2.2	-3.5	7.0	5.7
Personal Consumption	1.8	3.7	2.7	1.6	-6.9	-33.2	41.0	2.3	11.4	12.9	8.6	7.5	5.1	2.8	2.4	2.3	2.4	-3.9	9.0	5.5
Business Fixed Investment	4.2	0.0	1.9	-0.3	-6.7	-27.2	22.9	13.1	11.7	11.3	6.8	6.7	6.1	5.4	5.2	4.9	2.9	-4.0	9.3	6.3
Equipment	2.0	-3.8	-1.7	-1.7	-15.2	-35.9	68.2	25.4	15.0	9.1	7.7	8.0	7.3	6.1	5.8	5.2	2.1	-5.0	15.4	7.0
Intellectual Property Products	4.5	4.1	5.3	4.6	2.4	-11.4	8.4	10.5	15.3	9.4	7.5	6.8	6.0	5.6	5.1	4.9	6.4	1.7	9.1	6.3
Structures	8.2	1.6	3.6	-5.3	-3.7	-33.6	-17.4	-6.2	-2.0	1.2	2.6	2.8	3.0	3.2	3.5	3.7	-0.6	-11.0	-6.0	2.9
Residential Investment	-1.7	-2.1	4.6	5.8	19.0	-35.6	63.0	36.6	13.1	1.1	6.5	7.5	7.0	6.0	4.5	3.5	-1.7	6.1	14.4	5.9
Government Purchases	2.5	5.0	2.1	2.4	1.3	2.5	-4.8	-0.8	5.7	2.8	1.0	2.7	2.2	1.8	1.4	1.1	2.3	1.1	1.6	1.9
Net Exports	-907.4	-951.4	-950.2	-861.5	-788.0	-775.1	-1019.0	-1122.0	-1212.3	-1209.9	-1235.8	-1245.2	-1250.2	-1263.0	-1274.9	-1278.7	-917.6	-926.0	-1225.8	-1266.7
Pct. Point Contribution to GDP	0.6	-0.8	0.0	1.5	1.1	0.6	-3.2	-1.5	-1.5	0.1	-0.5	-0.2	-0.1	-0.2	-0.2	-0.1	-0.2	0.0	-1.6	-0.2
Inventory Change	101.7	49.4	44.0	-11.1	-80.9	-287.0	-3.7	62.1	-87.0	-80.0	5.0	65.0	100.0	120.0	120.0	100.0	48.5	-77.4	-24.2	110.0
Pct. Point Contribution to GDP	0.2	-1.0	-0.1	-0.8	-1.3	-3.5	6.6	1.4	-2.7	0.1	1.8	1.2	0.7	0.4	0.0	-0.4	0.0	-0.7	0.3	0.7
Nominal GDP (a)	4.0	4.1	4.0	3.9	-3.4	-32.8	38.3	6.3	11.0	16.4	13.5	11.0	8.3	5.9	5.0	4.5	4.0	-2.3	10.9	8.8
Real Final Sales	2.7	2.5	2.7	3.2	-3.6	-28.1	25.9	2.9	9.2	9.9	6.9	6.8	5.1	3.0	2.7	2.6	2.2	-2.9	6.8	5.0
Retail Sales (b)	2.5	3.1	3.6	3.9	1.2	-7.9	4.0	3.9	14.8	31.3	14.0	14.0	4.2	0.7	1.2	1.3	3.3	0.3	18.2	1.8
Inflation Indicators (b)																				
PCE Deflator	1.4	1.5	1.5	1.5	1.7	0.6	1.2	1.2	1.8	3.8	4.0	4.3	4.0	3.0	2.5	2.4	1.5	1.2	3.5	2.9
"Core" PCE Deflator	1.7	1.7	1.8	1.6	1.8	1.0	1.4	1.4	1.6	3.3	3.3	3.7	3.6	2.7	2.4	2.4	1.7	1.4	3.0	2.7
Consumer Price Index	1.6	1.8	1.8	2.0	2.1	0.4	1.3	1.2	1.9	4.7	4.8	5.0	4.6	3.3	2.6	2.6	1.8	1.2	4.1	3.2
"Core" Consumer Price Index	2.1	2.1	2.3	2.3	2.2	1.3	1.7	1.6	1.4	3.6	3.6	3.8	4.1	2.9	2.5	2.5	2.2	1.7	3.1	3.0
Producer Price Index (Final Demand)	1.9	2.0	1.7	1.1	1.1	-1.0	0.0	0.7	2.9	6.4	6.5	6.2	4.6	3.0	2.4	2.3	1.7	0.2	5.5	3.1
Employment Cost Index	2.8	2.7	2.8	2.7	2.8	2.7	2.4	2.5	2.6	2.9	3.1	3.0	2.7	2.5	2.5	2.5	2.7	2.6	2.9	2.5
Real Disposable Income (b)	3.2	2.1	1.8	1.6	1.4	12.2	6.4	3.9	16.4	-2.5	0.8	1.6	-9.0	-1.0	0.1	1.9	2.2	6.0	3.8	-2.2
Nominal Personal Income (b)	4.7	4.1	3.5	3.5	3.2	10.7	6.8	4.7	16.6	2.3	4.7	5.3	-4.9	1.7	2.6	4.3	3.9	6.3	7.1	0.8
Industrial Production (a)	-3.6	-2.3	0.0	-2.6	-6.7	-42.4	44.5	8.2	3.6	6.4	5.2	5.0	4.2	3.8	3.4	3.0	-0.8	-7.2	5.7	4.4
Capacity Utilization	78.3	77.5	77.2	76.6	75.3	65.6	71.9	73.4	74.1	75.1	75.8	76.6	77.4	78.1	78.7	79.3	77.4	71.6	75.4	78.4
Corporate Profits Before Taxes (b)	-1.1	1.7	-0.5	1.3	-6.7	-19.3	3.5	-0.7	15.5	30.0	4.0	9.0	10.0	8.0	6.0	4.0	0.3	-5.8	13.7	6.9
Corporate Profits After Taxes	-3.3	0.5	-0.3	1.3	-5.7	-18.8	2.8	-2.4	11.5	27.6	1.8	8.8	10.9	7.5	6.1	4.1	-0.4	-6.0	11.6	7.1
Federal Budget Balance (c)	-372	-56	-237	-357	-387	-2001	-388	-573	-1133	-580	-714	-367	-505	-50	-278	-297	-984	-3132	-3000	-1200
Trade Weighted Dollar Index (d)	109.9	109.8	111.2	110.0	112.8	110.4	106.6	103.3	104.2	102.9	103.0	101.8	100.5	99.5	99.0	98.5	110.2	109.1	103.0	99.4
Nonfarm Payroll Change (e)	118	152	203	197	-360	-4333	1342	213	518	567	633	483	343	275	265	255	168	-785	551	285
Unemployment Rate	3.9	3.7	3.6	3.6	3.8	13.1	8.8	6.8	6.2	5.9	5.5	4.9	4.5	4.3	4.2	4.1	3.7	8.1	5.6	4.3
Housing Starts (f)	1.20	1.27	1.29	1.41	1.49	1.09	1.44	1.58	1.60	1.55	1.63	1.63	1.63	1.65	1.63	1.61	1.29	1.38	1.60	1.63
Light Vehicle Sales (g)	16.9	17.0	17.0	16.9	15.0	11.3	15.3	16.1	16.8	17.0	15.7	16.1	16.1	16.9	17.1	17.2	17.0	14.4	16.4	16.8
Crude Oil - Brent - Front Contract (h)	63.8	67.6	61.5	61.7	51.0	34.7	43.8	45.5	60.9	68.6	77.5	75.0	71.5	69.5	67.5	65.5	63.6	43.7	70.5	68.5
Quarter-End Interest Rates (i)																				
Federal Funds Target Rate	2.50	2.50	2.00	1.75	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	2.25	0.50	0.25	0.25
Secured Overnight Financing Rate (h)	2.43	2.43	2.28	1.67	1.23	0.05	0.09	0.09	0.04	0.02	0.05	0.05	0.05	0.05	0.05	0.05	2.20	0.36	0.04	0.05
3 Month LIBOR	2.60	2.32	2.09	1.91	1.45	0.30	0.23	0.24	0.19	0.15	0.15	0.15	0.15	0.15	0.15	0.15	2.33	0.65	0.16	0.15
Prime Rate	5.50	5.50	5.00	4.75	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	5.25	3.50	3.25	3.25
Conventional Mortgage Rate	4.28	3.80	3.61	3.72	3.45	3.16	2.89	2.69	3.08	2.98	3.25	3.50	3.65	3.75	3.80	3.85	3.94	3.12	3.20	3.76
3 Month Bill	2.40	2.12	1.88	1.55	0.11	0.16	0.10	0.09	0.03	0.05	0.05	0.05	0.05	0.05	0.05	0.05	2.11	0.36	0.05	0.05
6 Month Bill	2.44	2.09	1.83	1.60	0.15	0.18	0.11	0.09	0.05	0.06	0.05	0.05	0.05	0.05	0.05	0.10	2.11	0.37	0.05	0.06
1 Year Bill	2.40	1.92	1.75	1.59	0.17	0.16	0.12	0.10	0.07	0.07	0.10	0.10	0.15	0.20	0.30	0.40	2.05	0.37	0.09	0.26
2 Year Note	2.27	1.75	1.63	1.58	0.23	0.16	0.13	0.13	0.16	0.25	0.25	0.30	0.40	0.50	0.65	0.80	1.97	0.39	0.24	0.59
5 Year Note	2.23	1.76	1.55	1.69	0.37	0.29	0.28	0.36	0.92	0.87	1.00	1.15	1.30	1.40	1.50	1.55	1.95	0.53	0.99	1.44
10 Year Note	2.41	2.00	1.68	1.92	0.70	0.66	0.69	0.93	1.74	1.45	1.80	2.00	2.10	2.15	2.20	2.25	2.14	0.89	1.75	2.18
30 Year Bond	2.81	2.52	2.12	2.39	1.35	1.41	1.46	1.65	2.41	2.06	2.45	2.60	2.70	2.75	2.80	2.80	2.58	1.56	2.38	2.76

Forecast as of: July 08, 2021

Notes: (a) Compound Annual Growth Rate Quarter-over-Quarter

(b) Year-over-Year Percentage Change

(c) Quarterly Sum - Billions USD; Annual Data Represents Fiscal Yr.

(d) Federal Reserve Advanced Foreign Economies Index, 2006=100 - Quarter End

(e) Average Monthly Change

(f) Millions of Units - Annual Data - Not Seasonally Adjusted

(g) Quarterly Data - Average Monthly SAAR; Annual Data - Actual Total Vehicles Sold

(h) Quarterly Average of Daily Close

(i) Annual Numbers Represent Averages

Source: U.S. Department of Commerce, U.S. Department of Labor, Federal Reserve System and Wells Fargo Securities



## A5: Higher Education Prices Index, 2020 updates

PERSPECTIVES | PRESS RELEASES

# 2020 HEPI Report Released

DECEMBER 28, 2020 | 5 MINUTE READ | SHARE: [f](#) [t](#) [in](#)

Inflation for U.S. Higher Education Institutions rises 1.9% in fiscal 2020, lowest since 2016.

**WILTON, CT, December 28, 2020** – Data from the annual Commonfund Higher Education Price Index® (HEPI) show that inflation for U.S. colleges and universities rose 1.9 percent in fiscal year 2020, a decline from last fiscal year's 3.0<sup>1</sup> percent rate and the lowest reading since 1.5 percent in FY2016. The FY2020 inflation rate was also significantly below the average annual rate of 2.9 percent for the preceding three years. (Fiscal year 2020 covers the period from July 1, 2019, to June 30, 2020, and coincides with the budget year of most institutions of higher education.)

Year over year, costs in FY2020 rose in six of the eight components tracked by HEPI and declined in two. Faculty salaries, the most heavily weighted component of the index at 35 percent, rose 2.7 percent compared with 2.6 percent in FY2019. Clerical costs, the second-heaviest weighting at 18 percent, rose 3.2 percent, a lower rate than 3.5 percent in FY2019. Fringe benefits, 13 percent of the index, rose 2.9 percent, which was also below last fiscal year's 3.5 percent increase.

For the first time since FY2016 costs compared with the previous year declined in two categories: utilities, where costs were 15.7 percent lower, and supplies and materials, which declined 3.5 percent. Respectively the two components represent 7 percent and 6 percent of the index. Utility costs have been highly volatile in recent years, declining 13.2 percent in FY 2015 and 20.2 percent in FY2016 only to increase 14.5 percent in FY2017.

Costs for service employees showed the steepest year-over-year increase, at 4.0 percent, but this rate was unchanged compared with the previous fiscal year. Costs in this category have risen an average of 3.4 percent annually for the past five years, the highest among the eight components.

Other cost increases in FY2020 were 1.5 percent for administrative salaries and 2.8 percent for miscellaneous services. The former represents 11 percent of the index while the latter accounts for 2 percent.

Figure 1 tracks annual changes in HEPI over the last five fiscal years.

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