



Daytona Regional CHAMBER OF COMMERCE



ADVOCACY IN ACTION

10/27/2021

Out of Stock

It's no secret that America is suffering from supply chain issues. From empty shelves at the grocery stores to gas inching closer to \$4 per gallon every day. But what is the actual impact, and how is it affecting Americans/Floridians, when will it end, and will we ever see prices go back down?

Let's break down why the cost is going up. We see items like consumer goods and services go up because of the rise of all the supply chain issues. As we come away from the pandemic, we see a surge in product demand, and many industries are not ready for it. That, plus the shortage of trucks to move those goods from shipping yards to the warehouse, adds another delay. Around 90% of all goods travel across an ocean to reach a consumer; 40% of those goods come through two California ports.

The Consumer Price Index shows the alarming increase of everyday items that consumers are feeling in real-time. In the last 12 months (unadjusted), most goods and services saw a price increase, with some things seeing an almost 50% increase. During the previous 12 months, ending in September(2021), Americans saw food overall increase 5.4%, with food at home (4.6%^) being slightly higher than food away from home (4.5%^). We have all noticed the increases at the pumps. Over the last 18 months, Floridians have seen the price of gas go from \$1.74 per gallon to around \$3.30 per gallon. If you are looking to buy a new or used car, you will also have to pay more; over the last 12 months (unadjusted), used car prices have increased more than 24%, and if you can find a new car, you will be paying over 8% more for a 2021 model.

Shawn Richmond
Director of Advocacy
Daytona Regional Chamber of Commerce
shawn@daytonachamber.com

Out of Stock

Price increases and supply chain issues affect all businesses, not just companies like Procter & Gamble (P&G), which will be increasing its commodity and freight cost from \$1.9 billion to \$2.3 billion. In September, P&G prices rose 0.5%, up 8.6% overall over the prior year. Supply chain issues are hurting not just multinational businesses like P&G, but they also impact small businesses. According to the U.S. Census Small Business Pulse Survey, the number of small companies with domestic supplier delays rose to 45%, up from 26.7 during the first week of the year.

When will all these supply chain issues and price increases end? Moody's Analytics warns that the supply chain disruption will get worst before it gets better. And, if you want to believe Federal Reserve Jerome Powell, Americans will still be feeling the pain through 2022.