



Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters

Tony D. Cardwell
President

Dale E. Bogart, Jr.
Secretary-Treasurer

July 26, 2024

Dear General Chairpersons,

I am writing to provide an update on the annual rate of inflation, as measured by the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), from 2022, and to share the current economic forecasts on inflation. PEB 250 concluded that “CPI-W has been and remains the most appropriate standard by which to measure the effects of inflation with respect to wage determinations” (PEB 250 Pg. 38). Therefore, the following information is crucial as it impacts our national freight negotiations moving forward.

CPI-W Overview:

The CPI-W measures the average change over time in the prices paid by urban wage earners and clerical workers for a basket of consumer goods and services. This index specifically focuses on urban households that derive more than half of their income from clerical or wage occupations and have at least one earner employed for a minimum of 37 weeks during the previous 12 months.

The CPI-W calculation involves regularly collecting prices for a representative selection of goods and services from various urban outlets. This basket of goods includes categories such as food, housing, apparel, transportation, medical care, recreation, education, and other services. The index measures the percentage change in the cost of this basket over time by comparing prices at different intervals. A base period, typically an average of prices over a specific period such as 1982-1984, is used as a reference point, with the index set to 100 during this period. Changes in the index reflect how prices have risen or fallen relative to this base period, providing a clear measure of inflation affecting urban wage earners and clerical workers.

Example:

Suppose the CPI-W in 2020 was 250, and the base period (1982-1984) CPI-W is 100. This indicates a 150% increase in the price level of the basket of goods and services from the base period to 2020. If the CPI-W increases from 250 to 255 over a year, it indicates a 2% inflation rate for that year for the basket of goods and services considered in the index. As of June 11, 2024, the CPI-W increased by 2.9% over the last 12 months to an index level of 308.054¹.

¹<https://www.bls.gov/news.release/cpi.htm#:~:text=The%20Consumer%20Price%20Index%20for%20Urban%20Wage%20Earners%20and%20Clerical,1982%2D84%3D100.>

Historical Inflation Rates (CPI-W) Since 2022:

The annual rate of inflation under the CPI-W has experienced notable fluctuations in recent years. Below are the annual inflation rates: (<https://www.nrlc.ws/EconomicData/cpi.aspx>)

- 2022: 8.5%
- 2023: 3.8%

These rates reflect significant inflationary pressures, particularly in 2022, influenced by post-pandemic economic recovery, supply chain disruptions, and geopolitical factors.

Current Predicted Inflation Rates:

While inflation projections are highly speculative and often unreliable, current economic forecasts and analyses from a consensus of 70 leading econometricians surveyed by the Wall Street Journal provide the following projected annual inflation rates (as of July 2024²):

- December 2024: 2.83%
- December 2025: 2.31%
- December 2026: 2.21%

These predictions suggest a gradual decline in the rate of inflation, indicating a stabilization of economic conditions. However, it is important to note that these forecasts are subject to change based on unforeseen economic events and policy changes.

Implications:

The information provided here is essential for our strategic planning and negotiations. Understanding the trajectory of inflation helps us better advocate for fair wage adjustments and ensures that our members' purchasing power is protected. As a bargaining unit our objective is to secure real wage growth in our negotiations, rather than merely keeping pace with the current rate of inflation. Nevertheless, it remains crucial that we monitor economic trends as they develop.

We will continue to monitor these trends closely and provide updates as necessary. Should you have any questions or require further details, please do not hesitate to contact me.

Thank you for your continued dedication and support to the membership and our Brotherhood.

Sincerely,



Zachary J. Wood
BMWED Director of Strategic
Coordination and Research

CC: ND Officers
ND Executive Board
ND Directors

² Attachment A

Attachment A

WSJ Economic Survey July 2024

Name:	Organization:	CPI (Year-over-Year Percent Change)					
		Dec 2024	June 2025	Dec 2025	June 2026	Dec 2026	Dec 2026
Bill Adams	Comerica Bank	2.80	2.30	2.20	2.20	2.20	2.20
Eugenio J. Alemán/Giampiero Fuentes	Raymond James Financial	2.90	1.80	2.80	2.30	1.00	
Paul Ashworth	Capital Economics	2.70	2.20	2.10	2.10	2.20	
Bernard Baumohl	The Economic Outlook Group	2.80	3.00	2.80	2.30	2.30	
David W. Berson	Cumberland Advisors	2.50	2.10	1.90	1.70	1.90	
Wayne Best/Michael Brown	Visa	2.80	1.20	1.80			
Brian Bethune	Boston College Economics	2.80	2.40	2.30	2.30	2.20	
Steven Blitz*	TS Lombard						
Kathy Bostjancic	Nationwide	2.80	2.20	2.30	2.30	2.10	
Joe Brusuelas	RSM US	2.60	2.50	2.50			
Jay Bryson	Wells Fargo	3.00	2.50	2.40			
Mike Cosgrove	Econoclast	2.80	2.40	2.20	2.20	2.30	
Lou Crandall	Wrightson ICAP	2.70	2.30	2.30	2.30	2.30	
Kevin Cummins	NatWest Markets	3.00	2.30	2.10			
Amy Crews Cutts	AC Cutts and Associates	3.00	2.10	2.00	2.00	2.10	
Gregory Daco	EY-Parthenon	2.70	2.20	2.10	2.10	2.10	
Rajeev Dhawan	Georgia State University	2.70	2.10	2.00	2.20	2.30	
Robert Dietz*	National Association of Home Builders						
Douglas Duncan	Fannie Mae	2.90	2.70	2.80			
Augustine Faucher	PNC Financial Services Group	3.40	2.90	2.70	2.50	2.30	
Matthew Fienup/Dan Hamilton	California Lutheran University	3.20	3.09	2.98			
Mike Fratantoni	Mortgage Bankers Association	3.00	2.40	2.20	2.10	2.00	
Robert Fry	Robert Fry Economics	3.00	2.50	2.30	2.30	2.30	
Stephen Gallagher	Societe Generale	2.80	2.40	2.30	2.30	2.30	
Michael Gapen	Bank of America Securities	2.50	2.20	2.00	1.90	1.90	
Robyn Gibbard	Deloitte Insights	2.69	2.31	2.36	2.25	2.14	
Timothy Gill	American Financial Services Association	3.10	2.60	2.50	2.40	2.30	
Jan Hatzius	Goldman Sachs Group	3.10	2.80	2.50	2.30	2.30	
Selma Hepp	Corelogic	2.30	2.10	2.60	2.30	2.00	
Ben Herzon/Patrick Newport	S&P Global Market Intelligence	2.70	2.20	2.40	2.80	2.40	
Andrew Hollenhorst/Veronica Clark	Citigroup	3.10	2.40	2.10			
Derek Holt	Scotiabank	2.90	2.50	2.20			
Ed Hyman/Stan Shipley*	Evercore ISI						
Jack Kleinhenz	National Retail Federation	2.60	2.40	2.20			
James Knightley	ING Financial Markets	2.70	2.10	1.80	2.00	2.00	
John Lonski	The Lonski Group	2.75	2.00	2.10	1.90	2.10	
Erik Lundh	The Conference Board						
Daniil Manaenkov	Research Seminar in Quantitative Economi	2.90	2.50	2.40	2.40	2.40	
Patrick Manzi	National Automobile Dealers Association	2.20	2.30	2.50			
Philip Marey*	Rabobank						
Drew T. Matus	MetLife Investment Management	3.10		2.80			
Chad Moutray	National Restaurant Association	2.90	2.50	2.40	2.30	2.30	
Joel Naroff	Naroff Economics	2.90	2.50	2.20	2.10	2.20	
Jerry Nickelsburg	UCLA Anderson Forecast	3.20	2.80	2.40	2.20	2.20	
Satyam Panday	S&P Global Ratings	2.70	1.90	2.10	2.10	2.00	
Lindsey Piegza	Stifel, Nicolaus and Company						
Jonathan Pingle	UBS Securities	3.10	2.70	2.40	2.40	2.40	
Doug Porter/Scott Anderson	BMO Capital Markets	3.00	2.40	2.20	2.20	2.20	
Russell Price	Ameriprise Financial	2.50	1.60	1.80	2.00	2.00	
Rogier Quaadvlieg*	ABN AMRO						
Belinda Román	St. Mary's University College of Arts, Hum	3.10	3.30	3.10	3.30	3.20	
Brett Ryan/Matthew Luzzetti	Deutsche Bank Securities	2.80	2.30	2.60	2.60	2.30	
Ian Shepherdson	Pantheon Macroeconomics	2.70	2.00	1.80	2.00	2.00	
Yelena Shulyatyeva	BNP Paribas	2.70	2.30	2.30			
Allen Sinai	Decision Economics	2.70	2.60	2.30	2.20	2.20	
James F. Smith	EconForecaster	2.20	1.90	1.80	1.70	1.70	

Sean M. Snaith	University of Central Florida	3.00	2.00	2.20	2.50	2.20
Sung Won Sohn	SS Economics	3.00	2.80	2.70	2.50	2.50
Stephen Stanley	Santander US Capital Markets	2.90	2.50	2.60	2.60	2.70
Susan M. Sterne	Economic Analysis Associates	2.90	2.40	2.30	2.50	2.90
Carlton M. Strong	JPMorgan	3.12	2.52	2.31		
Ryan Sweet	Oxford Economics	3.21	2.73	2.38	2.28	2.27
Kevin Swift	Independent Commodity Intelligence Servi	2.90	2.60	2.40	2.50	2.60
Diane Swonk	KPMG	2.60	2.00	2.30	2.50	2.50
Carl Tannenbaum	Northern Trust	3.10	2.40	2.30	2.10	2.00
David Teolis/Paul Traub	ACT Research	2.20	2.00	2.00	2.00	2.00
Christopher Thornberg	Beacon Economics	3.30	2.70	2.50	2.40	2.20
Luke Tilley	Wilmington Trust Investment Advisors	3.00	2.50			
U.S. Economics	Nomura Securities International	2.70	2.20	2.30		
Nicholas Van Ness	Credit Agricole CIB	3.00	2.40	2.50		
Jordan Vickers	Eaton	2.70	2.50	2.30	2.30	2.30
Lawrence Werther*	Daiwa Capital Markets America					
Brian S. Wesbury/Robert Stein	First Trust Advisors	2.40	1.50	1.80		
Lawrence Yun*	National Association of Realtors					
Ellen Zentner	Morgan Stanley	2.70	2.00	2.20		
	July 2024	2.83	2.35	2.31	2.27	2.21
	April 2024	2.73	2.32	2.29	2.32	2.30
	January 2024	2.33	2.22	2.25	2.28	2.28
	October 2023	2.41	2.27	2.24	2.24	2.27
	July 2023	2.39	2.29	2.31	-	-
	April 2023	2.47	2.34	2.27	-	-
	January 2023	2.35	2.32	2.32	-	-
	October 2022	2.42	2.33	2.25	-	-
	July 2022	2.31	-	-	-	-
	June 2022	-	-	-	-	-
	April 2022	2.35	-	-	-	-
	January 2022	2.33	-	-	-	-

* No forecasts submitted for this survey.

Economists are listed in alphabetical order; averages are for economists polled at time of survey.

For more about the survey, including archival stories and data, visit:

<https://www.wsj.com/articles/economic-forecasting-survey-archive-11617814998>

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