Inflation impacting business

Inflation is continuing to have a negative effect on many industries. The rise in material and vehicle-related costs are leading to higher claims costs and can make it more expensive to recover after an incident if not insured to value.

**19.7%**

The cost to repair a vehicle has climbed nearly 20% over the past year.¹

**Vehicle costs continuing to climb**

New and used vehicle costs jumped over the course of the pandemic and have remained elevated. The cost of used vehicles is 45.2% higher than June 2021 and new vehicles are up 4.1% over a year ago.²

**Construction material costs higher**

Key construction materials costs remain higher than pre-pandemic levels as average unit cost increases show.³

**Wages pressure margins**

Labor costs for some positions have risen more than 18% compared to pre-Covid levels, pressuring profit margins.⁵

**Interest rates increasing**

The Federal Reserve has raised interest rates 11 times since March 2022, making more expensive to borrow money and make investments.⁴

**Severe weather damage rising**

- Costs of storm damage continue to rise, driven by frequency, severity and inflation of material costs.⁶
- 86 high-cost events occurred in the last five years vs. 63 occurring from 2000-2009 (adjusted for inflation).⁷

Get resources to help avoid costly losses and disruptions at mylosscontrolservices.com.

5. Which workers have seen wage gains during the pandemic? | Pew Research Center