

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

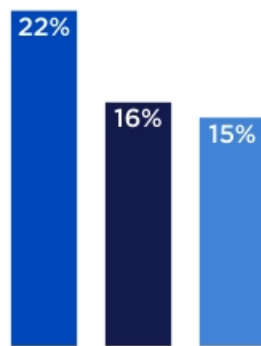
New and used vehicle costs jumped over the course of the pandemic and have remained elevated. The cost of used vehicles is 45.2% higher than June 2021 and new vehicles are up 4.1% over a year ago.²



Construction material costs higher

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

■ Steel
■ Wood
■ Concrete



Interest rates increasing

11x

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

Wages pressure margins

18%

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

2020 damages: **\$95 billion**
2021 damages: **\$158 billion**
2022 damages: **\$176 billion**⁶

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.

1. <https://www.cnn.com/2023/06/13/heres-the-inflation-breakdown-for-may-2023-in-one-chart.html>
2. <https://www.bls.gov/opub/ted/2023/consumer-prices-up-3-0-percent-over-the-year-ended-june-2023.htm>
3. <https://www.gordian.com/resources/2023-construction-cost-trends-infographic/>
4. <https://apnews.com/article/federal-reserve-inflation-interest-rates-economy-jobs-47a78ceb285ac50217ef39e2441112ee>
5. [Which workers have seen wage gains during the pandemic? | Pew Research Center](https://www.pewresearch.org/short-reads/2022/08/04/which-workers-have-seen-wage-gains-during-the-pandemic/)
6. [Billion-Dollar Weather and Climate Disasters | National Centers for Environmental Information \(NCEI\) \(noaa.gov\)](https://www.noaa.gov/news/billion-dollar-weather-and-climate-disasters)
7. <https://www.climate.gov/news-features/blogs/beyond-data/2021-us-billion-dollar-weather-and-climate-disasters-historical>



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