

# State-Level Inflation Rates

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## 1 Overview

The dataset described in this note contains state-level quarterly inflation rates for sub-categories of the Consumer Price Index excluding shelter for the period 1978-2017. We do not impute regional data on state-level inflation rates.

When using the dataset please cite:

Hazell, J., J. Herreño, E. Nakamura, and J. Steinsson (2021): “The Slope of the Phillips Curve: Evidence from U.S. States,” *Quarterly Journal of Economics*, forthcoming.

This is a beta version. We want to hear your feedback. Do not hesitate to contact us. In fact, we would also like to see the output you produce using the dataset.

## 2 Dictionary

The following is a dictionary of the variables in this dataset. Some are self-explanatory.

- **state**: Name of the state
- **year**: Year
- **quarter**: Quarter
- **pi**: Annual inflation rate in **state** and **year**
- **pi\_nt**: Annual inflation rate in the non-tradeable sector in **state** and **year**
- **pi\_t**: Annual inflation rate in the tradeable sector in **state** and **year**

### 3 Details

- In order to compute inflation rates, we use the data underlying the construction of the non-shelter component of the CPI. Rent of Primary Residence, and Owner's Equivalent Rent of Residence, are excluded.
- The main reason why our dataset is an unbalanced panel is the lack of full geographical coverage in the underlying microdata. The exception is Arizona, which as stated in footnote 16 of the paper, is currently excluded due to some anomalous trends we have not been able to investigate due to Covid-19 related access restrictions at the BLS.
- Our indexes are quarterly averages of 12-month inflation rates within a quarter year. For example, the inflation rate for 2004.Q1 is the average of 12-month inflation rates of January, February, and March of 2004, with respect to the corresponding months of 2003.
- Appendix B.3. in the paper details the methodology we use to construct the indexes starting from micro level price data.
- Appendix B.4. in the paper clarifies the Entry Level Items (ELIs) that we use to construct our indexes.