

The Municipal Cost Index developed by American City & County is designed to show the effects of inflation on the cost of providing municipal services. The MCI draws on the monthly statistical data collected by the U.S. Departments of Commerce and Labor as well as independently compiled data to project a composite cost picture for the municipal budget officer or operating department manager.

The index is useful to local government managers in at least four ways:

- To dramatize, justify or illustrate increased expenditures attributable to inflation when submitting annual budgets.
- To provide the manager with "a feel" for price trends which may affect the city or a particular department allowing time to minimize the effects of a budget shortfall.
- To help control price increases for commodities purchased by a city or county through monitoring of price levels for commodities purchased in quantity, thus making inflationary price jumps more visible.
- To measure the inroads of inflation on city expenditures over time.

The Consumer Price Index (CPI) is used in the composition of the MCI to measure the upward pressure expected on municipal wage rates. Over 8.5 million workers are covered by collective bargaining contracts which provide for increases in wage rates based on increases in the CPI, according to the U.S. Department of Labor. And the number of such clauses is on the increase.

The CPI also measures other municipal cost pressures, however. Many health and welfare program transfer payments paid out of local budgets are tied to this index.

The CPI is a statistical measure of change in the prices of goods and services in major expenditure groups such as food, housing, clothing, transportation, and health and recreation for urban consumers. It measures the purchasing power of the consumer dollar by comparing the cost of a "market basket" of goods and services over time.

There are actually two CPIs compiled and reported by the Department of Labor each month: a CPI for Urban Wage Earners and Clerical Workers and a CPI for All Urban Consumers. Since these separate indices were started in January 1978, there has been little difference between them. The MCI calculation uses the CPI for All Urban Consumers (CPI-U).

<b>2019</b>	<b><u>MCI</u></b>	<b><u>MCI</u> <u>YR-YR%</u> <u>CHANGE</u></b>	<b><u>CPI</u></b>	<b><u>CPI</u> <u>YR-YR%</u> <u>CHANGE</u></b>
Jan	251.43	1.92%	252.67	1.38%
Feb	251.66	1.73%	253.11	1.40%
Mar	252.78	2.01%	254.15	1.88%
Apr	253.32	1.97%	254.96	1.98%
May	253.24	1.29%	255.16	1.84%
Jun	253.27	0.96%	255.31	1.77%
Jul	253.99	0.91%	256.16	1.94%
Aug	253.77	0.88%	256.3	1.77%
Sept	253.48	0.55%	256.36	1.73%
Oct	254.09	0.50%	257.27	1.76%
Nov	254.9	1.12%	257.94	2.00%
Dec	255.23	1.17%	258.44	2.26%

<b>2021</b>	<b><u>MCI</u></b>	<b><u>MCI</u> <u>YR-YR%</u> <u>CHANGE</u></b>	<b><u>CPI</u></b>	<b><u>CPI</u> <u>YR-YR%</u> <u>CHANGE</u></b>
Jan	261.08	2.16%	262.23	1.32%
Feb	263.25	3.29%	263.16	1.59%
Mar	266.61	5.06%	264.79	2.65%
Apr	268.69	6.99%	266.79	4.27%
May	272.79	8.27%	268.55	5.00%
Jun	278.07	9.81%	270.98	5.35%
Jul	281.94	10.87%	272.27	5.23%
Aug	282.73	10.84%	273.01	5.13%
Sept	283.79	10.80%	274.14	5.35%
Oct	286.13	11.40%	276.72	6.30%
Nov	287.85	11.49%	278.88	6.93%
Dec	287.83	10.82%	280.19	7.12%

<b>2020</b>	<b><u>MCI</u></b>	<b><u>MCI</u> <u>YR-YR%</u> <u>CHANGE</u></b>	<b><u>CPI</u></b>	<b><u>CPI</u> <u>YR-YR%</u> <u>CHANGE</u></b>
Jan	255.56	1.64%	258.82	2.43%
Feb	254.87	1.28%	259.05	2.35%
Mar	253.77	0.39%	257.95	1.50%
Apr	251.13	-0.86%	255.90	0.37%
May	252.11	-0.44%	255.77	0.24%
Jun	253.22	-0.02%	257.21	0.75%
Jul	254.29	0.12%	258.72	1.00%
Aug	255.08	0.51%	259.68	1.32%
Sept	256.13	1.04%	260.21	1.50%
Oct	256.84	1.08%	260.33	1.19%
Nov	258.19	1.29%	260.82	1.12%
Dec	259.73	1.77%	261.56	1.21%

<b>2022</b>	<b><u>MCI</u></b>	<b><u>MCI</u> <u>YR-YR%</u> <u>CHANGE</u></b>	<b><u>CPI</u></b>	<b><u>CPI</u> <u>YR-YR%</u> <u>CHANGE</u></b>
Jan	290.21	11.16%	281.93	7.51%
Feb	294.8	11.99%	284.18	7.99%
Mar	299.02	12.16%	287.71	8.66%
Apr	302.31	12.51%	288.66	8.18%
May	306.96	12.45%	291.47	8.54%
Jun	312.09	12.24%	295.33	8.98%
Jul	309.81	9.89%	295.27	8.45%
Aug	309.3	9.40%	295.62	8.28%
Sept	309.72	9.14%	296.76	8.25%
Oct	309.04	8.01%	298.06	7.71%
Nov	308.59	7.21%	298.35	6.98%
Dec	307.1	6.69%	298.11	6.39%