



abacus
advice

**Out goes hand
sanitiser, in
comes vinyl...**



Mike Hardy DipFA
Director
Abacus Advice

Foreward

Abacus Advice helps you to look ahead, preparing and planning for a better future.

Most of you reading this will know me but hopefully this and subsequent articles will reach a wider audience if I can persuade you to pass this on to family, friends and colleagues.

Abacus Advice is a small firm of financial advisers directly authorised by the Financial Conduct Authority, providing quality financial advice to individuals, companies and trusts.

Financial advice can be complex, so I do my best to make it as digestible as possible.

Call me on **01892 320449** or email **mike@aaltd.co.uk** if you have any questions.

Every year in March, the ONS announces the results of a review of the approximately 750 items which it uses to compute inflation indices, such as the Consumer Price Index (CPI).



Out goes hand sanitiser, in comes vinyl...

The Office for National Statistics (ONS) has been sorting through its inflation shopping basket.

Every year in March, the ONS announces the results of a review of the approximately 750 items which it uses to compute inflation indices, such as the Consumer Price Index (CPI). The annual review is a reminder that the calculation of inflation is not a simple exercise: our spending habits – what we buy and stop buying – evolve alongside changing prices.

The 2024 revision saw 16 items added to the shopping basket and 15 ejected. Among the more interesting changes were:

In

- Gluten free bread has been added “to reflect the increasing shelf space and range of gluten free products”.
- Air fryer prices are now being collected. The ONS says that spending on cooking items rose by over 30% between 2021 and 2022.
- Sunflower and pumpkin seeds make an entrance because of their “growing popularity”.
- Vinyl records have returned to the shopping basket after an absence of over 30 years.

Out

- Hand sanitiser gel, a product that was hard to avoid in 2020, has been dropped.
- Draught stout has been rationalised away, in part because its price movements are “very similar” to draught bitter.

- Sofa beds have left the basket because of “a drop in popularity, with pull out beds possibly becoming more widespread”.
- Hot rotisserie cooked whole chicken has gone as supermarkets shift to selling smaller portions “to satisfy the lunchtime market”.

As well as shuffling the basket’s contents, the ONS has also changed the weights given to each of its 12 divisions of goods and/or services, based on average expenditure in 2022. This explains why inflation numbers might differ from your own experience, because your spending patterns might not match ONS weightings. For example, the largest single category, accounting for 14.5% of the CPI, is restaurants and hotels, closely followed at 14.3% by recreation and culture. Food comes in fifth position at 11.3%.

While inflation is expected to fall this year, it will remain a fact of life and one that needs to be factored into any financial planning. ■

Out goes hand sanitiser, in comes vinyl...

If you want to discuss your finances or business, please contact us on **01892 320 449** or email info@aaltd.co.uk for more information.

Out goes hand sanitiser, in comes vinyl...

The Office for National Statistics (ONS) has been sorting through its inflation shopping basket.

If you want to discuss your finances or business, please contact us for more information.

We look forward to hearing from you.



Abacus Advice,
Pluto House, 6 Vale Avenue,
Tunbridge Wells, Kent, TN1 1DJ
Tel: 01892 320 449 **Email:** info@aaltd.co.uk

www.aaltd.co.uk

Abacus Advice Limited is authorised and regulated by the (Financial Conduct Authority no: (402725) and is bound by its rules.
The Financial Conduct Authority does not regulate tax advice.