Now in its 40th Year, the PNC Christmas Price Index Increases 2.7%, Less Than the U.S. Consumer Price Index

- PNC calculates the cost of Christmas from the holiday song "The 12 Days of Christmas"
- Increases in the Index are largely driven by labor costs, mirroring the U.S. economy
- Five of 12 Gifts had no increase in price compared to 2022

PITTSBURGH, Nov. 16, 2023 /PRNewswire/ -- True Loves get a bit of a break this year as PNC Bank's 40th annual Christmas Price Index® (PNC CPI) edged up 2.7%, noticeably lower than last year's hefty 10.5% increase and slightly less than the Consumer Price Index topline, which is at 3.2% year over year. The PNC CPI is a light-hearted take on the Bureau of Labor Statistics' (BLS) CPI, which measures the change in prices consumers could expect to pay for True Love's gifts, outlined in the classic holiday carol, "The Twelve Days of Christmas."

Overall, the 12 gifts that compose the PNC CPI increased to$46,729.86 this year.

"The most aggressive Federal Reserve interest rate hiking cycle in history and slowing growth in some of the largest global economies, along with other macroeconomic crosscurrents, have helped lower the PNC CPI compared to recent years," said Amanda Agati, chief investment officer for PNC's Asset Management Group. "Certain industries are experiencing stickier inflation than others, some of which is well beyond the Fed's control. The good news is that wage growth is now higher than the PNC CPI, which should help True Loves deck the halls this year, considering we are still in a high-inflation environment."

Agati said that the PNC CPI, introduced in 1984 by the chief economist of a PNC predecessor bank inPhiladelphia, has often mirrored trends in the U.S. economy, with some exceptions.

"We crunched the numbers and found that since the PNC CPI launched, the BLS CPI has increased 191%, while the PNC CPI increased 133%. The methodology differences are obviously going to give distinct results, but the overall inflation trends have remained remarkably consistent over the years," she said.

There were no price increases this year for five of the gifts of the Index, including the Four Calling Birds, Five Gold Rings, Seven Swans-A-Swimming, Eight Maids-A-Milking and Nine Ladies Dancing.

Although the Partridge cost was unchanged, there was a 15% jump for the Pear Tree — a proxy for housing costs that continue to move higher despite the highest mortgage rates since 2000.

True Loves Will Fork Out More for Most Performers in 2023

While True Loves benefit from little to no increases in goods on their shopping list, rising wages for skilled labor, represented by the performers, make a bigger dent in their holiday budget this year. Although the cost of Nine Ladies Dancing did not increase, Ten Lords-a-Leaping jumped to new heights, Eleven Pipers Piping rose to a higher pitch and the 12 Drummers Drumming drummed up a higher sum. In aggregate, prices for performers increased 3.3% this year, substantially lower than last year's 14.6% surge.

The cost of all 12 gifts is reported on PNC's interactivewebsite, which is meant to be as fun as it is educational.

Technology Comes With a Price; Goods and Services Cartwheel Over 40 Years

- **Price of E-Commerce Convenience:** Using technology does not add up to savings this year. Buying all 12 gifts online costs 4.8% more than in 2022 for a price tag of $52,024.03. The convenience of shopping from home is still impacted by elevated shipping and packaging costs that have yet to ease since the pandemic.
- **Experiences and Services Outpace Goods:** During the last 40 years, the PNC CPI has evolved alongside changes in U.S. GDP as the economy has shifted from a manufacturing focus to one led by services. In 1984, PNC CPI goods composed 70% of the index, and today it is 37%. Forty years ago, services composed 30%, and in 2023, they are 63%, an almost complete reversal.
- **Core Index Rises**: PNC CPI's Core Index, which excludes the Seven Swans-a-Swimming, crept up 3.7%. Swans typically represent the most volatile price among items in the Index. However, their price remains flat again this year. That might be a positive sign for investors who have been bracing for investment "black swan" events or fear finding coal in their stockings as recession concerns linger.
- **Turtle Doves Soar to New Heights:** These exotic doves are rare, and due to limited supply, experienced this year's largest percentage increase at an eye-popping 25%.

"Despite the Federal Reserve's progress in bringing down inflation, it remains above the Fed's 2% long-term target level against a backdrop of a tight labor market and resilient consumers," Agati said. "Investors continue to focus on two critical variables for the path forward: signs that inflation is moving back toward the Fed's target and an end to the most aggressive rate hiking cycle in history. In the absence of confirmation on both, we think markets are likely to stay choppy."

The annual PNC CPI tradition also includes calculating the "True Cost of Christmas," which is buying the gifts with verses repeated. Purchasing all 364 gifts crossed the $200,000 threshold for the first time, settling in at$201,972.66, or 2.5% more than last year.

"Much like the index, consumer behavior is the drumbeat for the U.S. economy," Agati said. "We will be keeping an eye on guiding stars like retail sales, wage growth, savings rates and consumer sentiment as indicators of the success of this holiday season."

PNC Bank, N.A., is a member of The PNC Financial Services Group, Inc. (NYSE: PNC). PNC is one of the largest diversified financial services institutions in the United States, organized around its customers and communities for strong relationships and local delivery of retail and business banking including a full range of lending products; specialized services for corporations and government entities, including corporate banking, real estate finance and asset-based lending; wealth management and asset management. For information about PNC, visit www.pnc.com.

[2023 PNC Christmas Price Index Follows]

2023 PNC Christmas Price Index®

	TRADITIONAL			INTERNET		
	2022	2023	% Change 2023/2022	2022	2023	% Change 2023/2022
One Partridge in a Pear Tree	$ 280.18	$ 319.18	13.9 %	$ 400.18	$ 479.18	19.7 %
Partridge	$ 20.18	$ 20.18	0.0 %	$ 110.18	$ 110.18	0.0 %
Pear Tree	$ 260.00	$ 299.00	15.0 %	$ 290.00	$ 369.00	27.2 %
Two Turtle Doves	$ 600.00	$ 750.00	25.0 %	$ 695.00	$ 845.00	21.6 %
Three French Hens	$ 318.75	$ 330.00	3.5 %	$ 518.75	$ 540.00	4.1 %
Four Calling Birds	$ 599.96	$ 599.96	0.0 %	$ 500.00	$ 560.00	12.0 %
Five Gold Rings	$ 1,245.00	$ 1,245.00	0.0 %	$ 1,089.75	$ 1,469.75	34.9 %
Six Geese-a-Laying	$ 720.00	$ 780.00	8.3 %	$ 2,841.00	$ 3,030.00	6.7 %
Seven Swans-a-Swimming	$ 13,124.93	$ 13,125.00	0.0 %	$ 15,124.93	$ 15,325.00	1.3 %
Eight Maids-a-Milking	$ 58.00	$ 58.00	0.0 %	$ 456.00	$ 545.28	19.6 %
Nine Ladies Dancing	$ 8,308.12	$ 8,308.12	0.0 %	$ 8,308.12	$ 8,308.12	0.0 %
10 Lords-a-Leaping	$ 13,980.00	$ 14,539.20	4.0 %	$ 13,980.00	$ 14,539.20	4.0 %
11 Pipers Piping	$ 3,021.40	$ 3,207.38	6.2 %	$ 2,750.00	$ 3,052.50	11.0 %
12 Drummers Drumming	$ 3,266.93	$ 3,468.02	6.2 %	$ 3,000.00	$ 3,330.00	11.0 %

Total Christmas Price Index	**$ 45,523.27**	**$ 46,729.86**	**2.7 %**		**$ 49,663.73**	**$ 52,024.03**	**4.8 %**	
True cost of Christmas in song	**$ 197,071.09**	**$ 201,972.66**	**2.5 %**		**$ 227,441.72**	**$ 239,414.64**	**5.3 %**	
"Core" index, excluding swans	**$ 32,398.34**	**$ 33,604.86**	**3.7 %**		**$ 34,538.80**	**$ 36,699.03**	**5.3 %**	

CONTACT:

Alan Aldinger
(412) 768-3711
alan.aldinger@pnc.com

SOURCE PNC Bank

Additional assets available online: Photos (3) Documents (1)

https://pnc.mediaroom.com/2023-11-16-Now-in-its-40th-Year,-the-PNC-Christmas-Price-Index-Increases-2-7-,-Less-Than-the-U-S-Consumer-Price-Index