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Check Your List Twice: Annual PNC Christmas Price Index Reflects Mostly Re-Opened Economy By Comparing To 2019

- For the 38th year, PNC calculated the cost of Christmas
- Performers return to Index after a year's hiatus
- E-commerce provides pandemic-proof ways to send season's greetings

PITTSBURGH, Nov. 18, 2021 /PRNewswire/ -- Following a bah-humbug year for the country's economy in 2020, PNC's 38th annual Christmas Price Index (PNC CPI) sees a return of performers in the annual calculation and reflects an increase of 5.7% from 2019 to purchase gifts from the classic holiday song, "The 12 Days of Christmas."



A light-hearted take on the Bureau of Labor Statistics' (BLS) Consumer Price Index, which measures the average change in prices consumers pay for goods and services over time, the PNC version applies its own analysis to procuring True Love's 12 perfect gifts at Christmas.

"With most live, in-person performances cancelled in 2020, we removed them from the Index last year, which resulted in an unprecedented 59% drop in the PNC CPI from 2019," said Amanda Agati, chief investment officer for PNC Asset Management Group. "Comparing 2019 data is a better gauge of the impacts of inflation, before the pandemic's effects took hold of the global economy. We are trying to normalize the comparison by excluding a-once-in-a-century pandemic that had an outsized impact on last year's data."

The cost of the 12 gifts is reported on PNC's interactive [website](#), which this year focuses on the fundamental lessons that consumers can learn in a fun and interactive way.

Overall, the PNC CPI increase of 5.7% to \$41,205.58 includes the following highlights:

- **Welcoming back performers:** It is encouraging that live performances have mostly returned in 2021, albeit in a modified form in most instances. But it doesn't come cheaply, as True Love is on the hook for a number of "IOU's" this year and will have to shell out a hefty sum: \$24,939.94, a 7.2% aggregate increase over 2019 for the Ladies Dancing, Lords-a-Leaping, Pipers Piping and Drummers Drumming.
- **Fowl friends flying high:** The largest price increases this year come in the exotic pet categories, with large spikes seen in Six Geese-a-Laying (57%), Two Turtles Doves (50%) and Three French Hens (40%). Inflation is fueling higher costs for raising the birds through higher food and labor prices.
- **Gold rings showing luster:** With the economic recovery still quite uneven, and concerns about inflation continuing to ebb and flow, investors dashed for store-of-value assets like gold again this year. Gold rings are up 8.5% from 2019, reflecting the trend in gold commodity prices.

"In 2021, the inflation story due to COVID-19 as told by the BLS' Consumer Price Index has surprised to the upside, running at 6.2%, well above the Federal Reserve's 2% inflation target. While we expect higher inflation trends to be transitory, it is interesting that our specialty gift basket of goods and services is relatively in line with these elevated price levels," Agati said.

Technology also has taken the wheel in driving new consumer behaviors and providing platforms for retailers to spread holiday cheer from home. As consumers reallocate spending from goods back to services this year, retailers are dashing to deliver satisfying virtual shopping experiences.

Delivery companies are expected to continue to play an integral role during this year's holiday shopping season, which is reflected in the additional travel and shipping costs factored into the PNC CPI internet prices. A tech-savvy True Love will spend an additional \$4,394 by fulfilling their shopping list online, paying a total of \$45,599 for the ease of e-commerce convenience. Free shipping for livestock purchases is still not an option.

The annual PNC CPI tradition includes calculating the "True Cost of Christmas," which is the total cost of items bestowed by a True Love who repeats all the song's verses. Purchasing all 364 gifts will cost \$179,454, which means that spreading cheer in 2021 costs 5.4% more than it did in 2019.

"Like the index, consumer behavior is the drumbeat for the U.S. economy," Agati said. "With 70% of U.S. GDP tied to consumption, consumer health is key to future market performance. Keep an eye on guiding stars like retail sales, savings rates and consumer sentiment as indicators of the success of this holiday season."

Started in 1984 by a PNC predecessor bank in Philadelphia, the PNC Christmas Price Index was initially developed for inclusion in a holiday message to clients. Now designed to share and educate all consumers, the PNC CPI continues to highlight market changes over time.

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[2021 PNC CHRISTMAS PRICE INDEX TABLE FOLLOWS]

2021 PNC Christmas Price Index [®]				INTERNET			
			% Change				% Change
	<u>2019*</u>	<u>2021</u>	<u>2021/19*</u>	<u>2019*</u>	<u>2021</u>	<u>2021/19*</u>	
One Partridge in a Pear Tree	\$ 210.17	\$ 222.68	6.0%	\$ 285.18	\$ 324.18	13.7%	
Partridge	\$ 20.18	\$ 20.18	0.0%	\$ 110.18	\$ 110.18	0.0%	
Pear Tree	\$ 189.99	\$ 202.50	6.6%	\$ 175.00	\$ 214.00	22.3%	
Two Turtle Doves	\$ 300.00	\$ 450.00	50.0%	\$ 375.00	\$ 540.00	44.0%	
Three French Hens	\$ 181.50	\$ 255.00	40.5%	\$ 291.50	\$ 415.00	42.4%	
Four Calling Birds	\$ 599.96	\$ 599.96	0.0%	\$ 418.00	\$ 454.00	8.6%	
Five Gold Rings	\$ 825.00	\$ 895.00	8.5%	\$ 969.75	\$ 969.75	0.0%	
Six Geese-a-Laying	\$ 420.00	\$ 660.00	57.1%	\$ 1,668.00	\$ 2,760.00	65.5%	
Seven Swans-a-Swimming	\$ 13,125.00	\$ 13,125.00	0.0%	\$ 15,165.00	\$ 15,125.00	-0.3%	
Eight Maids-a-Milking	\$ 58.00	\$ 58.00	0.0%	\$ 408.64	\$ 448.32	9.7%	
Nine Ladies Dancing	\$ 7,552.84	\$ 7,552.84	0.0%	\$ 7,552.84	\$ 7,552.84	0.0%	
10 Lords-a-Leaping	\$ 10,000.00	\$ 11,260.00	12.6%	\$ 10,000.00	\$ 11,260.00	12.6%	
11 Pipers Piping	\$ 2,748.87	\$ 2,943.93	7.1%	\$ 2,475.00	\$ 2,750.00	11.1%	
12 Drummers Drumming	\$ 2,972.25	\$ 3,183.17	7.1%	\$ 2,650.00	\$ 3,000.00	13.2%	
Total Christmas Price Index	\$ 38,993.59	\$ 41,205.58	5.7%	\$ 42,258.91	\$ 45,599.09	7.9%	
True cost of Christmas in song	\$170,298.03	\$179,454.19	5.4%	\$194,502.72	\$210,627.12	8.3%	
"Core" index, excluding swans	\$ 25,868.59	\$ 28,080.58	8.6%	\$ 27,093.91	\$ 30,474.09	12.5%	

* Due to the 2020 COVID-19 shutdowns, using 2019 price comparison.

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