

NBC's *Today*

09/14/22

7:00:56 a.m. [TEASE]

18 seconds

[ON-SCREEN HEADLINE: Going Up]

SAVANNAH GUTHRIE: Going up. A key report on inflation confirming what most Americans know. Prices on just about everything still rising. Food, rent, prescriptions.

[PEOPLE CHEERING AT NEW YORK STOCK EXCHANGE BELL RINGING]

GUTHRIE: And stocks plummet on the news the market's worst day in more than two years. Just ahead, the impact on your bottom line.

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7:02:31 a.m.

18 seconds

HODA KOTB: And in just a moment, guys, we're going to get to the fallout over that sort of unexpected, worse than expected inflation report. It sent stocks into a freefall yesterday. And coming up, we're going to let you know what it means for your family's budget and also maybe tips that will help you make the most of your spending this fall.

GUTHRIE: Yeah, that's the big economic story here.

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7:09:10 a.m.

2 minutes and 52 seconds

KOTB: Another major story this morning, troubling new signs for the U.S. economy.

[ON-SCREEN HEADLINE: Inflation Report Sparks Wall Street Fears]

GUTHRIE: Yeah, a key measure of inflation was not what investors or the average American wanted to see. The consumer price index, predicted to fall in August, actually rose, an increase of 8.3 percent if you look from a year ago.

KOTB: Yeah, that sent stocks into a tailspin. The Dow dropped nearly 1,300 points. Its worst day in more than two years. So, what does all of this mean for your bottom line?

GUTHRIE: Well, here to break it all down is Melissa Lee, host of *Fast Money* on CNBC. Melissa, good morning. People were really disappointed, investors, of course, but also people on

main street as well because it was hoped that what the Federal Reserve has been doing in raising interest rates would have an effect sooner. So, was this pretty unexpected?

MELISSA LEE: Well, there were a lot of things that were, in fact, going right. Gas prices came down tremendously, down 26 percent from its peak. It was \$5 a gallon in June. We are paying 3.70 on average according to AAA right now, so that came down. Supply chains issues? They started to work out and a lot of retailers have a lot of inventory, they marked a lot of things down. So, all of those things were seen as driving prices lower. And so, that's why there was a hope we had seen the worse of it when it came to inflation. But there were other pockets of inflation that actually went higher.

GUTHRIE: Oh.

LEE: Food prices went up 0.8 percent. You know, housing went up 0.7 percent. Housing is one-third of CPI. And housing is sticky. Think about it, you sign a lease, it's usual for a year.

GUTHRIE: Yeah.

LEE: It's going to take a time for the price to come down.

KOTB: The Fed seems to keep raising interest rates like that was supposed to be the solution, the answer. So, is — do we know if it's working or do we still have to wait — give it time to see if it'll kick in?

LEE: We have to wait and give it time. It takes six months or so for any interest rates hikes to work themselves into the economy. We've already seen two back-to-back 75 basis point interest hikes in the past two meetings. There is another meeting next week. Now it's believed because the inflation number came in much hotter it will be 75 basis points again. Three —

KOTB: Wow.

LEE: — back to back to back. That's unprecedented.

GUTHRIE: It's so interesting, though, if you have to wait six months —

KOTB: Yeah.

GUTHRIE: — to see if it works, here the Fed is in the position of well, maybe we'll do another rate hike without knowing if the first couple of rate hikes have made an impact.

LEE: It's like — it's like a two-lane highway. The Fed is going really fast one lane, hiking interest rates, and we've got the data coming in and it's sort of a backward indicator. It's what we're seeing in the month of August. And so, the question is do they pass each other and does the Fed go too far? And so, a lot of investors are concerned at this point in time, which is why we saw the stock market gyrate like we did yesterday —

KOTB: Yeah.

LEE: — that we might have gone too far.

KOTB: Any light at the end the tunnel, quickly?

LEE: It will get better eventually. It will get better eventually.

GUTHRIE: Alright. That leaves a long tunnel.

KOTB: Yeah. Exactly. Thank you, Melissa.

GUTHRIE: Melissa Lee, thanks you so much. And still ahead, with prices so stubbornly high, we're going to bring you some creative solutions, help you save money while filling your family's pantry.

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8:00:43 a.m. [TEASE]

9 seconds

[ON-SCREEN HEADLINE: Crunching the Numbers]

GUTHRIE: Then crunching the numbers. A new report on inflation causing the Dow to tumble. What it means for your bottom line, including creative tips on how you can curb your costs.

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8:05:07 a.m.

3 minutes and 2 seconds

[ON-SCREEN HEADLINE: News at 8; Fighting Rising Inflation]

KOTB: Now, let's take a closer look at the impact of inflation on our everyday lives. Most Americans didn't need to see yesterday's new numbers to confirm what they already knew: Prices of most items remain stubbornly high. NBC's Emilie Ikea is here with ways you can save. Hey, Emily. Good morning

EMILIE IKEDA: Good morning. It's no secret inflation is hammering Americans from just about every angle with industry analysis revealing the average household is spending \$460 more a month than a year ago. But even in this tough and uncertain economic climate, there are strategies to ease the pain. It just takes some planning and creativity. This morning, stubbornly high prices are weighing on Americans.

FOOD BANK WORKER: It's not just food. It's everything.

IKEDA: According to the newest government data, overall consumer prices increased at a faster pace than anticipated, up 8.3 percent compared to last year. That's despite recent relief at the pump with gas prices falling more than 90 days in a row. The national average for a gallon of gas is now \$3.70, dropping 1.31 from June's record high over \$5. For other every day necessities, bills are still sky high. Electricity up 15.8 percent, rent rising 6.7 percent, and groceries increasing 13.5 percent. Food inflation a 40-year high sending more Americans to search for help at food banks like this one in Burlington, New Jersey.

FOOD BANK WORKER: I've noticed that lines have gotten longer and longer. You know, just people who — who need food.

IKEDA: Filling your pantry is taking a bigger bite out of Americans' wallets.

ERIN CHASE: Having that rice and bean option is going to be really budget friendly for you. [IN COOKING VIDEO] We are going to mix this all together.

IKEDA: Erin Chase shares tips how to create budget-saving meals online.

CHASE: Really focus on the meat and produce that's on sale.

IKEDA: The \$5 Dinners Mom saying it's key to be creative with what's already in your pantry, research what's on sale, and make a shopping list before heading to the grocery store. Outside of essentials, financial experts say it's still important to plan ahead for extras like vacations, holiday gifts, or even dinners out with friends.

CINDY ZUNIGA-SANCHEZ: You should budget for the things that you value and then start making a plan for it now.

IKEDA: Cindy Zuniga-Sanchez posts ways to execute those plans to her Instagram, Zero-Based Budget. She says now is the time to start an emergency fund, prioritize paying off high interest debt like credit cards, and make budgeting a habit.

ZUNIGA-SANCHEZ: It's a habit that you can start small. But it is important to start now so that you can step into whatever period we're going to experience with more confidence and ease.

IKEDA: And there's room for savings outside of food too. You want to think thinking about stretching your household supplies the furthest. Maybe that's cutting dryer sheets in half or even looking for cleaner concentrates and then relying on your own refillable bottles. That will help shorten your grocery list and, therefore, your bill.

KOTB: All good tips. Alright, Emilie, thank you so much.