



**Budget Committee**

**Fiscal 2008 Budget Review Item V – A3**

**January 11, 2007**

**Requested Budget Analysis: Review of Inflation**

## Washington Metropolitan Area Transportation Authority Board Action/Information Summary

Action  
 Information

MEAD Number:

Resolution:  
 Yes  No

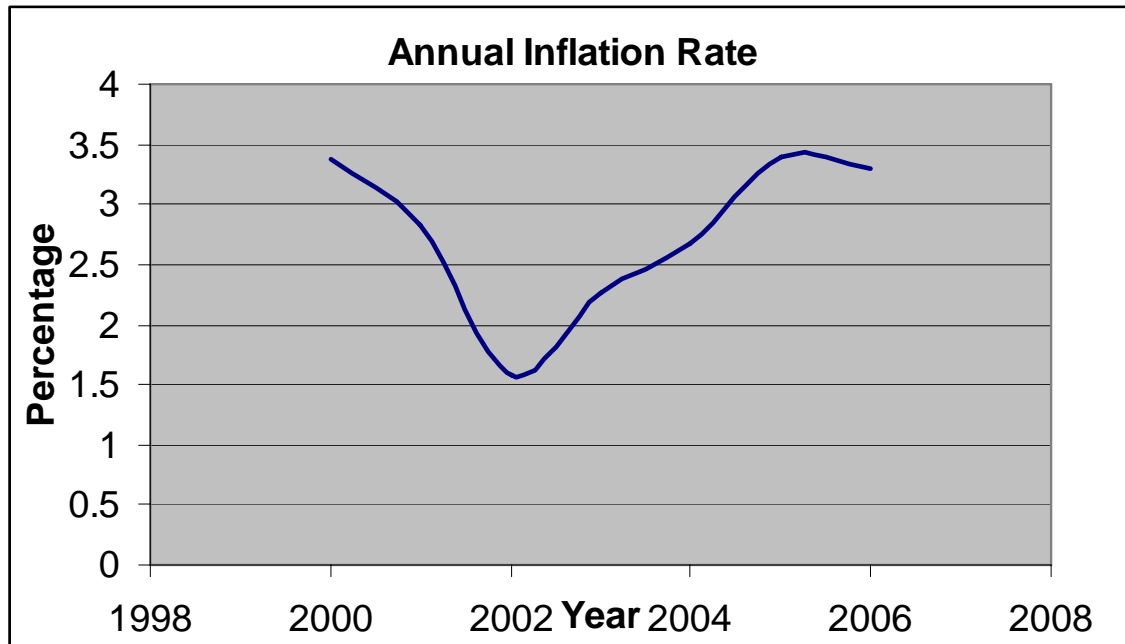
### SUBJECT

Assumption of a 3% inflation rate

### DESCRIPTION

The Inflation rate is calculated from the Consumer Price Index (CPI-U), which is compiled by the Bureau of Labor Statistics. The below chart plots the average annual inflation rates starting in January 2000:

The below chart plots the current annual inflation rate starting in January 2000:



### SUMMARY

Historically, the inflation assumptions made by area institutions to estimate revenue and operating costs are as follows:

Maryland Department of Transportation	2.2% - 3.6%
District of Columbia Government Financial Plan	2.5% - 3.3%
City of Alexandria	± 3.7%