

DECEMBER 2023



A GREEDFLATION REPORT:

# SHRINKFLATION

HOW CORPORATIONS ARE SHRINKING PRODUCTS TO SUPER-SIZE PROFITS



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# INTRODUCTION

Greedflation, when corporations use inflation as cover to raise prices and increase their own profits, has been a significant contributor to rising costs for American families over the past few years. While overall inflation rose by 14 percent from July 2020 to July 2022,<sup>1</sup> **corporate profits grew by 74 percent over that same period**<sup>2</sup> – five times as fast as inflation. In fact, Federal Reserve research shows that 41 percent of inflation over this time was due solely to larger corporate profit-making.<sup>3</sup>

It's not uncommon for a company to try to increase profits by raising prices, but some companies found creative ways to make even more money by simply giving customers less. Shrinkflation is the practice of companies reducing product size while maintaining the same retail price. This practice is especially common among companies that sell consumer goods like household paper products, cleaning products, snacks, and candy. As with inflation and greedflation, shrinkflation eats into the purchasing power of American families.

The Bureau of Labor Statistics, which calculates inflation in the economy through its Consumer Price Index (CPI), has determined which product groups are most affected by shrinkflation. The following table shows what product categories have been downsized—or shrunk—in recent years. Unfortunately for American families, popular purchasing categories like household paper products and snacks are most impacted, with about 10 percent of inflation being driven solely by shrinkflation.

Today, household paper products, like toilet paper and paper towels, are 34.9 percent more expensive per unit than they were in January 2019. Of that total cost increase, 10.3 percent is due to producers shrinking the size of rolls and packages. Similarly, snacks like Oreos and Doritos have become 26.4 percent more expensive since January 2019, and 9.8 percent of that price increase has been accomplished by giving families fewer chips and cookies for their dollar.

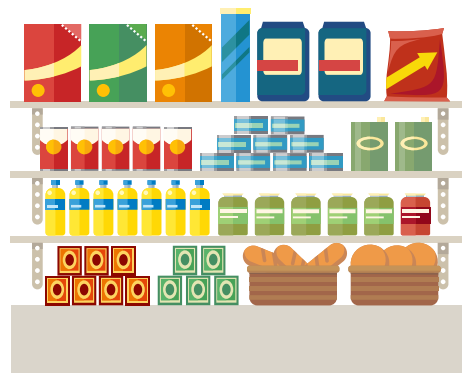
These kinds of changes are often intended to obscure the very real fact that American families are getting less for their money. It is obvious that the cost of toilet paper rose; it is harder to detect that rolls shrank in size. But both have the same effect: American families are getting less and corporations are making more. Any trip to the grocery store can turn up plentiful examples of corporate shrinkflation in action.



**ITEM CATEGORIES WITH THE HIGHEST SHRINKFLATION,  
BY PERCENT, JAN. 2019–OCT. 2023**

<b>Item</b>	<b>Unit Price Change %, Including Shrinkflation Jan 2019-Oct 2023</b>	<b>Unit Price Change %, Excluding Shrinkflation Jan 2019- Oct 2023</b>	<b>% of Measured Price Increase Attributable to Shrinkflation</b>
Household Paper Products	34.9%	31.2%	10.3%
Snacks	26.4%	23.9%	9.8%
Candy & Chewing Gum	29.7%	27.7%	7.0%
Household Cleaning Products	24.5%	22.7%	7.3%
Coffee	22.0%	20.5%	7.2%
Sugar & Artificial Sweeteners	44.5%	43.0%	3.3%
Ice Cream & Related Products	21.4%	20.0%	7.0%
Fresh Biscuits, Rolls, & Muffins	28.1%	26.8%	4.6%
Other Processed Fruits & Veg.	23.7%	22.4%	5.4%
Frozen Prepared Foods	29.3%	28.1%	4.0%

*BLS data provided to the Office of Senator Casey*



# BREAKFAST

**6% DECREASE**  
BY WEIGHT



19.3 OZ



18.1 OZ

## COCOA PUFFS FAMILY SIZE

Many cereal makers, including General Mills, maker of Cocoa Puffs, have used shrinkflation on family favorites. In 2021, General Mills dropped the size of its “Family Size” offerings for multiple cereal products.<sup>4</sup> In the case of Cocoa Puffs, General Mills dropped the “Family Size” box from 19.3 ounces to 18.1 ounces of cereal – and charged the same price, at least at first.<sup>5</sup> Shrinkflation was eventually followed by traditional price hikes. In June 2023, General Mills would brag that it was “getting smart about how we look at pricing”<sup>6</sup> after having previously hiked prices five times from June 2021 to June 2022.<sup>7</sup>

“This weird paste doesn’t melt anymore, ... Why the change? Wait, I know...water is cheaper than oil, but charge the same price!...Shareholders rejoice!  
-George from Boulder, Website Review of Smart Balance, as quoted by Retail Brew in 2022.<sup>8</sup>

**40% DECREASE**  
IN VEGETABLE OIL CONTENT



64%  
VEGETABLE  
OIL



39%  
VEGETABLE  
OIL

## SMART BALANCE

For Americans who prefer toast in the morning, their breakfast isn’t necessarily getting smaller, but may not be as good as it used to be. Sometimes big corporations will try to pull a fast one on American families by using a tactic closely related to shrinkflation – skimpflation. In 2022, ConAgra attempted to quietly reformulate its Smart Balance spread by drastically dropping the product’s vegetable oil content by 40%, resulting in a watery product that sparked consumer backlash.<sup>9</sup> The reception to the new formula was so poor, in fact, that Smart Balance reversed course and went back to the old recipe.<sup>10</sup>



# SNACKS

## 5% DECREASE IN SIZE BY WEIGHT



9.75 OZ



9.25 OZ

## DORITOS

Frito-Lay reduced the size of a bag of Doritos from 9.75 ounces to 9.25 ounces.<sup>11</sup> Frito-Lay blamed the pandemic, but Frito-Lay North America's operating profit increased 9 percent from 2021 to 2022,<sup>12</sup> while Frito-Lay's parent company, PepsiCo, touted the snack-maker's performance.<sup>13</sup> Prices for Doritos increased as volume decreased,<sup>14</sup> and PepsiCo outperformed its earnings expectations.<sup>15</sup>



We took just a little bit out of the bag so we can give you the same price and you can keep enjoying your chips. *-Frito-Lay Representative*<sup>16</sup>

## 12% DECREASE IN SIZE BY WEIGHT



16 OZ



14 OZ

## FAMILY SIZE WHEAT THINS

Fans of Wheat Thins are in the same boat as Dorito lovers. Mondelez International, the parent company of Nabisco, shrunk a family size box of Wheat Thins from 16 ounces to 14 ounces, but kept the price the same.<sup>17</sup> The company did the same with the family size version of the reduced fat Wheat Thins, shrinking them from 14.5 ounces to 12.5 ounces.<sup>18</sup> For Q3 2023, Mondelez reported an adjusted gross profit increase of \$648 million, and issued an improved earnings outlook.<sup>19</sup>



**6% DECREASE  
IN SIZE BY WEIGHT**



**1 LB 4 OZ**



**1 LB 2.71 OZ**

**DOUBLE STUF OREOS**

Even iconic snacks have not been spared from shrinkflation. Oreo enthusiasts claim that Mondelez International tampered with the amount of filling in each Oreo – a claim that Mondelez denies.<sup>20</sup> While changes to the cookie's creme ratio remain unverified, Mondelez indisputably shrank its family size packs of Double Stuf Oreos. Where family size packages were once 1 pound, 4 ounces, they are now 1 pound, 2.71 ounces.<sup>21</sup>



# DRINKS

## 12% DECREASE IN DRINK VOLUME



32 OZ

28 OZ

## GATORADE

PepsiCo recently replaced their 32 oz Gatorade bottle with a 28 oz bottle for the same price.<sup>22</sup> While the company tried to claim the bottle redesign made the materials “a bit more expensive,” a marketing expert said the difference in cost between the two bottle shapes was “probably less than 2 cents.”<sup>23</sup> Likewise, the company tried to claim the bottle redesign was driven by a desire to make the bottle “more aerodynamic,”<sup>24</sup> though the company has yet to market the 28 oz Gatorade bottle as a football alternative.

“This is as good an example of shrinkflation as you can see in the consumer goods market, their ability to change the size on certain products, make them a little smaller, keep the price the same.” -*The Motley Fool's Chris Hill*<sup>25</sup>

## 7% DECREASE IN DRINK VOLUME



64 OZ

59 OZ

## GOLD PEAK TEA

PepsiCo's traditional rival, Coca-Cola, has also practiced shrinkflation. The company has a long pre-pandemic history of the domestic and international shrinkflation of its beverages.<sup>26</sup> Over the past few years, Coca-Cola began to reduce its half gallon (64 ounce) Gold Peak Tea bottles to 59 ounces.<sup>27</sup> Coca-Cola's Chairman and CEO stated that “package innovation” is taking a bigger role in their strategy.<sup>28</sup> Modern Retail put it in simpler terms: “Shrinkflation is boosting Coca-Cola's bottom line.”<sup>29</sup> Not that Coca-Cola's enthusiasm for shrinkflation dulled the company's desire to hike prices directly: their CEO proclaimed in February 2023 that his company “earned the right” to hike prices.<sup>30</sup>



# HOUSEHOLD GOODS

**7% DECREASE**  
IN SHEET COUNT



**264 SHEETS**

**244 SHEETS**

## CHARMIN ULTRA SOFT

Toilet paper has returned to the shelves after the pandemic shortages of 2020. Unfortunately, American families often get less paper for the same price. Charmin Ultra Soft Mega rolls decreased from 264 double-ply sheets a roll to 244 sheets, while Ultra Soft Super Mega rolls have decreased from 396 sheets to 366.<sup>31</sup> The trend is not limited to a single brand, as Cottonelle's one-ply mega rolls went from 340 to 312 sheets while its two-ply sheets went from 284 to 268.<sup>32</sup> Although Scott's toilet paper has remained at 1,000 sheets per roll, one investigator found it has become thinner, effectively shrinking the product without changing the number of sheets per roll.<sup>33</sup>

**7% DECREASE**  
IN NUMBER OF TISSUES



**65 SHEETS**

**60 SHEETS**

## KLEENEX ULTRA SOFT

Families may look to stock up on tissues as we enter cold and flu season, but it will come at the health of their wallets. In the past, a small box of Kleenex tissues had 65 tissues. It now has 60.<sup>34</sup> Kimberly-Clark, the maker of Cottonelle, Scott, and Kleenex, reported a decrease in the cost to make their products – at the same time it spent more on marketing and executive compensation,<sup>35</sup> When asked by the Associated Press, “Kimberly-Clark... didn't respond to requests for comment on the reduced package sizes.”<sup>36</sup>





**28% DECREASE**  
**IN NUMBER OF SHEETS**



**168 SHEETS    120 SHEETS**

**GREAT VALUE ULTRA STRONG**

Trying to save money by purchasing store-brand paper towels may not help. Walmart's Great Value paper towels shrank from 168 two-ply sheets per roll to 120.<sup>37</sup>

**DAWN ULTRA**

**7% LESS**  
**SOAP IN THE SAME BOTTLE**



**7 FL OZ    6.5 FL OZ**

One of the sneakiest examples of shrinkflation is a change made to Dawn Ultra & Dawn Ultra Platinum dish soap. Proctor & Gamble, the makers of Dawn, reduced the formerly 7-ounce dish soap to 6.5 ounces but left the bottle the same physical size with the same price.<sup>38</sup> They simply filled the bottle with slightly less liquid and hoped families would not notice. The following year, P&G reported it did not see a need to offer sales or price cuts<sup>39</sup> and celebrated returning “\$3.8 billion of cash to shareowners via approximately \$2.3 billion of dividend payments and \$1.5 billion of common stock repurchases.”

Dawn filled the bottle with slightly less liquid and hoped families wouldn't notice.



# CONCLUSION

There is no denying that shrinkflation is real and that it is having a measurable impact on family budgets, but there is still much to learn about the tactic and its full effect on American consumers. To better protect families' pocketbooks, Senator Casey is demanding answers about pricing strategies and package size practices from the trade associations representing household consumer products, and food and beverage corporations. His letters to the Consumer Brands Association, representing food and beverage manufacturers; the American Beverage Association, representing non-alcoholic beverage companies; SNAC International, the trade association for the snack industry; and the Personal Care Products Council, representing personal care products companies, are at the end of this report. American families deserve to know how and when they are getting less for their money, and corporations should not be able to hide price hikes with shrinkflation.

More broadly, Senator Casey believes we can lower costs for working families by doing four simple things:

1. Put more money in the pockets of working families;
2. Make big corporations pay their fair share;
3. Fight unfair corporate pricing gouging; and
4. Take on corporate monopolies to increase competition and lower costs.

Senator Casey will continue to fight to level the playing field for Pennsylvania's working families in Washington.



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# ADDENDUM

ROBERT P. CASEY, JR.  
PENNSYLVANIA

COMMITTEES:  
FINANCE

HEALTH, EDUCATION,  
LABOR, AND PENSIONS

SELECT COMMITTEE  
ON INTELLIGENCE

SPECIAL COMMITTEE ON AGING

United States Senate

WASHINGTON, DC 20510

December 13, 2023

David Chavern  
President and CEO  
Consumer Brands Association  
1001 19th St N  
Arlington, VA 22209

Dear Mr. Chavern:

I write to you with growing concern about working families in Pennsylvania and across our Nation being pinched by big corporations raising prices despite reporting a string of record profits. In recent weeks, I have released reports detailing the consequences of greedflation, whereby big corporations have used economic turmoil as cover to raise prices beyond the rate of inflation. While consumers bear higher prices, Federal Reserve data show that corporate profits rose five times as fast as the rate of inflation from July 2020 to July 2022<sup>1</sup> and accounted for 41 percent of inflation during America's post-pandemic recovery.<sup>2</sup> It is hard to square how corporate executives can trumpet record profits at the same time Pennsylvania families have kitchen table conversations about stretching every dollar. The Consumer Brands Association (CBA) represents dozens of companies that produce nearly 2,000 brands ranging from household and personal care to food and beverage products. I therefore seek your assistance in gathering information about steps the association's members can take to reduce economic pressure on working families across our Nation.

My recent reports examining greedflation cited numerous examples of corporate executives touting their ability to hike prices in recent years, including multiple members of the association. For example, General Mills, hiked prices five times between June 2021 and June 2022,<sup>3</sup> reporting on an earnings call that the company was, "getting smart about how we look at pricing."<sup>4</sup> Similarly, the CFO of Conagra Brands, Inc. (Conagra) said that food companies "tend to do better" when times are rough "because people... don't go out to eat as much," which "plays well for us."<sup>5</sup> A Goldman Sachs analyst noted that Conagra "had been able to price its profits above inflation rates and recovered its profit margins."<sup>6</sup> The *Wall Street Journal* noted that the

<sup>1</sup> <https://www.casey.senate.gov/imo/media/doc/greedflation1.pdf> at 1; see also <https://fred.stlouisfed.org/graph/?g=1aF4V> and <https://fred.stlouisfed.org/graph/?g=1aF9q>

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<sup>6</sup> <https://www.nytimes.com/2022/11/01/business/food-prices-profits.html>



company took a series of double-digit percentage price increases in 2022.<sup>7</sup> Companies outside of the food industry also took similar approaches: Colgate-Palmolive, a major toothpaste and dish soap producer, hiked prices 12 percent throughout the first quarters of 2022 and 2023, driving profits higher even as sales volume fell.<sup>8</sup> Its chief executive touted how the company “led pricing” in the sector, noting that as other competitors followed Colgate-Palmolive’s lead, there was less pressure to cut prices.<sup>9</sup>

In addition to these public pronouncements of price hikes, corporations are also downsizing products without adjusting prices or clearly notifying consumers. Known as shrinkflation, these hidden price increases hurt working families in Pennsylvania and across our Nation by raising the unit cost of everyday items like food and household products. Despite corporate efforts to pass on higher prices without detection, a November poll found that 50 percent of U.S. respondents reported noticing food product sizes getting smaller, while prices remained the same.<sup>10</sup> Reports from multiple states have even shown that families participating in food assistance programs lost access to certain brands of milk,<sup>11</sup> orange juice,<sup>12</sup> oatmeal, and grits,<sup>13</sup> after companies downsized them. Shrinkflation has become so commonplace that *Merriam-Webster* added the word to its dictionary in 2022.<sup>14</sup>

Experts have found that corporations use a variety of methods to carry out shrinkflation, many of which are hard for everyday consumers to identify.<sup>15</sup> For example, corporations may reduce the size of containers by a few ounces,<sup>16</sup> add air to a package, or even increase the divot at the bottom of a jar,<sup>17</sup> all while maintaining the same prices – or even raising them. Unfortunately, product sizes do not typically return to normal with time.<sup>18</sup> If shrunken products are later “upsized,” corporations often advertise them as “bonus buy” or “more for the money,” and sometimes sell them at a higher price.<sup>19</sup> Companies have used shrinkflation for a variety of products, including baby formula,<sup>20</sup> toilet paper,<sup>21</sup> snack food,<sup>22</sup> paper towels,<sup>23</sup> beverages,<sup>24</sup>

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<sup>24</sup> <https://qz.com/2129426/inflation-and-supply-chain-snags-are-shrinking-your-products>

cleaning products,<sup>25</sup> and even pet food.<sup>26</sup> Procter & Gamble, a CBA member and the maker of Dawn Ultra and Dawn Ultra Platinum dish soap, opted to reduce a 7-ounce Dawn bottle to 6.5-ounces but did not lower the price.<sup>27</sup> Mondelez International, Inc., another association member, chose to shrink family size packages of Double Stuf Oreos from 1 pound, 4 ounces to 1 pound, 2.71 ounces.<sup>28</sup> Rather than paying less and getting more, the veiled corporate tactics of shrinkflation lead consumers to unwittingly pay more and get less, increasing day-to-day costs and reducing the buying power of working families.

Given CBA's convening power among the most influential leaders of the consumer packaged-goods industry, I request that you provide answers to the following questions no later than January 24, 2024:

1. My November report found that association members increased prices by more than 10 percent over the past year.<sup>29</sup> Among all association members, please identify which companies increased the price of individual products by 10 percent or more compared to the previous year at any time since January 1, 2021. Additionally, please provide a detailed description of how association members make product pricing decisions, including factors such as material costs, market demand, target profit margins, and target customers.
2. Bureau of Labor Statistics (BLS) data show that certain item categories have experienced more downsizing, or shrinkflation, than other product categories. For instance, snacks today are 26 percent more expensive compared to January 2019, and ten percent of that change is linked solely to shrinkflation.<sup>30</sup> Similarly, cleaning products prices increased 24 percent over the same period, over seven percent of which is tied to shrinkflation.<sup>31</sup> How do association members evaluate costs to consumers when they choose to effectively increase the unit prices by downsizing products?
3. Public and private actors have adopted commonsense steps to help inform consumers and protect them from shrinkflation.<sup>32</sup> For example, grocery stores typically list unit prices for products<sup>33</sup> and the French government is implementing a label requirement for products that have been reduced in weight.<sup>34</sup> How have association members sought to notify and inform consumers about changes in the size of their products? Has CBA considered the feasibility of adding unit price adjustments to its consumer tool, SmartLabel?

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<sup>25</sup> <https://www.pbs.org/newshour/show/manufacturers-use-shrinkflation-to-pass-costs-on-to-consumers>

<sup>26</sup> <https://www.washingtonpost.com/business/2021/06/01/package-sizes-shrink-inflation/>

<sup>27</sup> <https://www.abc15.com/news/local-news/valley-consumers-start-to-notice-shrinkflation>

<sup>28</sup> <https://www.nprillinois.org/illinois/2023-05-30/shrinkflation-still-hitting-store-shelves>

<sup>29</sup> Greedflation report; *see also* <https://www.nytimes.com/2023/05/30/business/economy/inflation-companies-profits-higher-prices.html#> and <https://www.reuters.com/business/retail-consumer/clorox-forecasts-strong-annual-profit-higher-prices-steady-demand-2023-08-02/>

<sup>30</sup> BLS Data Prepared at the Request of Senator Casey's Office

<sup>31</sup> BLS Data Prepared at the Request of Senator Casey's office

<sup>32</sup> <https://www.bloomberg.com/opinion/articles/2021-06-24/shrinkflation-is-the-grocery-store-s-inflation-secret>

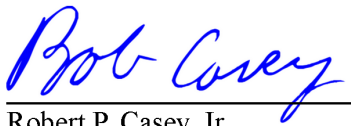
<sup>33</sup> <https://www.cnbc.com/2023/04/27/how-to-avoid-shrinkflation.html>

<sup>34</sup> <https://www.gamberorossointernational.com/news/what-is-shrinkflation-and-how-france-is-fighting-to-reduce-it/>

4. I am concerned about shrinkflation's effect on the efficacy of federal programs, particularly those serving low-income and middle-class Americans. Recent reports from multiple states show how shrinkflation creates barriers for families and older adults purchasing groceries through the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). How has the association and its members evaluated the effect of downsizing products on recipients of state-administered food programs such as WIC and the Supplemental Nutrition Assistance Program (SNAP)? What steps has the association and its members taken to work with states to ensure that everyday necessities remain accessible to beneficiaries?

Thank you for your attention to this important issue. If you or your staff have any questions, please contact Corey Husak on my staff at 202-224-6324.

Sincerely,



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Robert P. Casey, Jr.  
United States Senator





ROBERT P. CASEY, JR.  
PENNSYLVANIA

COMMITTEES:  
FINANCE

HEALTH, EDUCATION,  
LABOR, AND PENSIONS

SELECT COMMITTEE  
ON INTELLIGENCE

SPECIAL COMMITTEE ON AGING

# United States Senate

WASHINGTON, DC 20510

December 13, 2023

Kevin W. Keane  
President & CEO  
American Beverage Association  
1275 Pennsylvania Ave, NW  
Suite 1100  
Washington, DC 20004

Dear Mr. Keane:

I write to you with growing concern about working families in Pennsylvania and across our Nation being pinched by big corporations raising prices despite reporting a string of record profits. In recent weeks, I have released reports detailing the consequences of greedflation, whereby big corporations have used economic turmoil as cover to raise prices beyond the rate of inflation. While consumers bear higher prices, Federal Reserve data show that corporate profits rose five times as fast as the rate of inflation from July 2020 to July 2022<sup>1</sup> and accounted for 41 percent of inflation during America's post-pandemic recovery.<sup>2</sup> It is hard to square how corporate executives can trumpet record profits at the same time Pennsylvania families have kitchen table conversations about stretching every dollar. The American Beverage Association (ABA) represents hundreds of non-alcoholic beverage producers, distributors, and franchise companies. I therefore seek your assistance in gathering information about steps the association's members can take to reduce economic pressure on working families across our Nation.

My recent reports examining greedflation cited numerous examples of corporate executives touting their ability to hike prices in recent years, including multiple members of ABA. For example, the Coca-Cola Company (Coca-Cola) increased the price of its products by 11 percent over the course of 2022.<sup>3</sup> The company's chief executive said at the time that Coca-Cola had "earned the right" to hike prices for consumers.<sup>4</sup> Coca-Cola's rival, and another association member, PepsiCo Inc. (PepsiCo), also significantly increased prices. In April, PepsiCo stated that it had increased prices 16 percent during the first quarter of 2023.<sup>5</sup> On an earnings call, executives went a step further: PepsiCo's chief executive told investors that even though

<sup>1</sup> <https://www.casey.senate.gov/imo/media/doc/greedflation1.pdf> at 1; *see also* <https://fred.stlouisfed.org/graph/?g=1aF4V> and <https://fred.stlouisfed.org/graph/?g=1aF9q>

<sup>2</sup> <https://www.casey.senate.gov/imo/media/doc/greedflation1.pdf> at 2; *see also* <https://www.kansascityfed.org/research/economic-bulletin/corporate-profits-contributed-a-lot-to-inflation-in-2021-but-little-in-2022/>

<sup>3</sup> <https://www.reuters.com/business/retail-consumer/coca-cola-sees-annual-profit-above-estimates-resilient-demand-price-hikes-2023-02-14/>

<sup>4</sup> <https://www.reuters.com/business/retail-consumer/raise-prices-or-not-consumer-goods-makers-weigh-bets-buyer-strength-2023-02-20/>

<sup>5</sup> <https://www.nytimes.com/2023/05/30/business/economy/inflation-companies-profits-higher-prices.html>



inflation was declining, their prices would not,<sup>6</sup> a message reinforced by the company’s chief financial officer, who said in a television interview that “consumers generally look at our products and say ‘you know what – they are worth paying a little bit more for.’”<sup>7</sup>

In addition to these public pronouncements of price hikes, corporations are also downsizing products without adjusting prices or clearly notifying consumers. Known as shrinkflation, these hidden price increases hurt working families in Pennsylvania and across our Nation by raising the unit cost of everyday items like food and household products. Despite corporate efforts to pass on higher prices without detection, a November poll found that 50 percent of U.S. respondents reported noticing food product sizes getting smaller, while prices remained the same.<sup>8</sup> Reports from multiple states have even shown that families participating in food assistance programs lost access to certain brands of milk,<sup>9</sup> orange juice,<sup>10</sup> oatmeal, and grits,<sup>11</sup> after companies downsized them. Shrinkflation has become so commonplace that *Merriam-Webster* added the word to its dictionary in 2022.<sup>12</sup>

Experts have found that corporations use a variety of methods to carry out shrinkflation, many of which are hard for everyday consumers to identify.<sup>13</sup> For example, corporations may reduce the size of containers by a few ounces,<sup>14</sup> add air to a package, or even increase the divot at the bottom of a jar,<sup>15</sup> all while maintaining the same prices – or even raising them. Unfortunately, product sizes do not typically return to normal with time.<sup>16</sup> If shrunken products are later “upsized,” corporations often advertise them as “bonus buy” or “more for the money,” and sometimes sell them at a higher price.<sup>17</sup> Companies have used shrinkflation for a variety of products, including baby formula,<sup>18</sup> toilet paper,<sup>19</sup> snack food,<sup>20</sup> paper towels,<sup>21</sup> beverages,<sup>22</sup> cleaning products,<sup>23</sup> and even pet food.<sup>24</sup> In addition to hiking prices, PepsiCo engaged in shrinkflation: the company opted to change the size of one of its most popular products, Gatorade. PepsiCo unveiled a new “aerodynamic” 28-ounce bottle in lieu of its standard 32-

<sup>6</sup> <https://seekingalpha.com/article/4596343-pepsico-inc-pep-q1-2023-earnings-call-transcript>

<sup>7</sup> <https://www.bloomberg.com/news/videos/2023-04-25/people-are-willing-to-pay-more-for-pepsi-cfo-says-video>

<sup>8</sup> <https://www.ipsos.com/sites/default/files/ct/news/documents/2023-11/Ipsos-global-inflation-monitor-Nov-23.pdf>, at 23.

<sup>9</sup> <https://alaskapublic.org/2023/06/07/darigolds-milk-size-change-limits-choices-for-wic-participants/>; <https://doh.wa.gov/sites/default/files/2023-01/963-117-RetailerE-Bulletin-Jan2023.pdf?uid=6438df821782f>, at 2

<sup>10</sup> <https://www.modernretail.co/marketing/its-dishonest-how-shrinkflation-took-over-shoppers-minds-and-social-media-accounts/>

<sup>11</sup> <https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Assistance-Programs/WIC-Media/Vendor-Communications/Vendor-Newsletters/2022-Winter.pdf?rev=cfd9153b98ad4a7cb197ebb6b5aed112&hash=9D8DA9558C6355A58DCD0202C008D420> at 4.

<sup>12</sup> <https://www.merriam-webster.com/wordplay/shrinkflation-words-were-watching>

<sup>13</sup> <https://www.bls.gov/opub/btn/volume-12/measuring-shrinkflation-and-its-impact-on-inflation.htm>

<sup>14</sup> <https://finance.yahoo.com/news/shrinkflation-does-impact-shoppers-150015512.html>

<sup>15</sup> <https://www.bls.gov/opub/btn/volume-12/measuring-shrinkflation-and-its-impact-on-inflation.htm>

<sup>16</sup> <https://www.bbc.com/worklife/article/20230922-shrinkflation-isnt-a-trend-its-a-permanent-hit-to-your-wallet>

<sup>17</sup> <https://www.bls.gov/opub/btn/volume-12/measuring-shrinkflation-and-its-impact-on-inflation.htm>

<sup>18</sup> <https://www.bbc.com/worklife/article/20230922-shrinkflation-isnt-a-trend-its-a-permanent-hit-to-your-wallet>

<sup>19</sup> <https://www.inquirer.com/business/shrinkflation-2022-rising-prices-inflation-profits-20220315.html>

<sup>20</sup> <https://www.forbes.com/advisor/personal-finance/what-is-shrinkflation/>

<sup>21</sup> <https://www.aarp.org/money/budgeting-saving/info-2022/products-impacted-by-shrinkflation.html>

<sup>22</sup> <https://qz.com/2129426/inflation-and-supply-chain-snags-are-shrinking-your-products>

<sup>23</sup> <https://www.pbs.org/newshour/show/manufacturers-use-shrinkflation-to-pass-costs-on-to-consumers>

<sup>24</sup> <https://www.washingtonpost.com/business/2021/06/01/package-sizes-shrink-inflation/>

ounce size.<sup>25</sup> Despite the change in size, PepsiCo did not change the price—increasing costs for consumers by 14 percent.<sup>26</sup> Rather than paying less and getting more, the veiled corporate tactics of shrinkflation lead consumers to unwittingly pay more and get less, increasing day-to-day costs and reducing the buying power of working families.

Given the ABA’s convening power among the most influential leaders of the beverage industry, I request that you provide answers to the following questions no later than January 24, 2024:

1. My November report found that association members increased prices by more than 10 percent in the last year.<sup>27</sup> Among all association members, please identify which companies increased the price of individual products by 10 percent or more compared to the previous year at any time since January 1, 2021. Additionally, please provide a detailed description of how association members make product pricing decisions, including factors such as material costs, market demand, target profit margins, and target customers.
2. Bureau of Labor Statistics (BLS) data show that certain item categories have experienced more downsizing, or shrinkflation, than other product categories. For instance, coffee is 22 percent more expensive today than it was in January 2019; seven percent of that increase is tied to shrinkflation.<sup>28</sup> Similarly, sugar and artificial sweetener prices increased 45 percent over the same period, three percent of which is tied to shrinkflation.<sup>29</sup> How do association members evaluate costs to consumers when they choose to effectively increase the unit prices by downsizing products?
3. Public and private actors have adopted commonsense steps to help inform consumers and protect them from shrinkflation.<sup>30</sup> For example, grocery stores typically list unit prices for products<sup>31</sup> and the French government is implementing a label requirement for products that have been reduced in weight.<sup>32</sup> How have association members sought to notify and inform consumers about changes in the size of their products?
4. I am concerned about shrinkflation’s effect on the efficacy of federal programs, particularly those serving low-income and middle-class Americans. Recent reports from multiple states show how shrinkflation creates barriers for families and older adults purchasing groceries through the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). How has the association and its members evaluated the effect of downsizing products on recipients of state-administered food programs such as WIC and the Supplemental Nutrition Assistance Program (SNAP)? What steps has the

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<sup>25</sup> <https://qz.com/2129426/inflation-and-supply-chain-snags-are-shrinking-your-products>

<sup>26</sup> <https://qz.com/2129426/inflation-and-supply-chain-snags-are-shrinking-your-products>

<sup>27</sup> Greedflation report; *see also* <https://www.nytimes.com/2023/05/30/business/economy/inflation-companies-profits-higher-prices.html#> and <https://www.reuters.com/business/retail-consumer/coca-cola-sees-annual-profit-above-estimates-resilient-demand-price-hikes-2023-02-14/>

<sup>28</sup> BLS Data Prepared at the Request of Senator Casey's office

<sup>29</sup> BLS Data Prepared at the Request of Senator Casey's office

<sup>30</sup> <https://www.bloomberg.com/opinion/articles/2021-06-24/shrinkflation-is-the-grocery-store-s-inflation-secret>

<sup>31</sup> <https://www.cnbc.com/2023/04/27/how-to-avoid-shrinkflation.html>

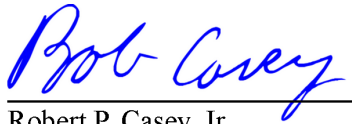
<sup>32</sup> <https://www.gamberorossointernational.com/news/what-is-shrinkflation-and-how-france-is-fighting-to-reduce-it/>



association and its members taken to work with states to ensure that everyday necessities remain accessible to beneficiaries?

Thank you for your attention to this important issue. If you or your staff have any questions, please contact Corey Husak on my staff at 202-224-6324.

Sincerely,



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Robert P. Casey, Jr.  
United States Senator



ROBERT P. CASEY, JR.  
PENNSYLVANIA

COMMITTEES:  
FINANCE

HEALTH, EDUCATION,  
LABOR, AND PENSIONS

SELECT COMMITTEE  
ON INTELLIGENCE

SPECIAL COMMITTEE ON AGING

## United States Senate

WASHINGTON, DC 20510

December 13, 2023

Ms. Christine Cochran  
President & CEO  
SNAC International  
1300 17th Street North  
Suite 540  
Arlington, VA 22209

Dear Ms. Cochran:

I write to you with growing concern about working families in Pennsylvania and across our Nation being pinched by big corporations raising prices despite reporting a string of record profits. In recent weeks, I have released reports detailing the consequences of greedflation, whereby big corporations have used economic turmoil as cover to raise prices beyond the rate of inflation. While consumers bear higher prices, Federal Reserve data show that corporate profits rose five times as fast as the rate of inflation from July 2020 to July 2022<sup>1</sup> and accounted for 41 percent of inflation during America's post-pandemic recovery.<sup>2</sup> It is hard to square how corporate executives can trumpet record profits at the same time Pennsylvania families have kitchen table conversations about stretching every dollar. SNAC International (SNAC) represents more than 400 companies in the snack industry worldwide, including suppliers and manufacturers. I therefore seek your assistance in gathering information about steps SNAC members can take to reduce economic pressure on working families across our Nation.

My recent reports examining greedflation cited numerous examples of corporate executives touting their ability to hike prices in recent years, including multiple members of SNAC. For example, PepsiCo, Inc. (PepsiCo), a SNAC member, raised the average price of its products by 16 percent during the first three months of 2023, following similar price increases at the end of 2022.<sup>3</sup> PepsiCo's chief executive told investors that even though inflation was declining, their prices would not,<sup>4</sup> a message reinforced by the company's chief financial officer (CFO), who said in a television interview that "consumers generally look at our products and say 'you know what – they are worth paying a little bit more for.'"<sup>5</sup> Similarly, the CFO of Conagra Brands, Inc. (Conagra) said that food companies "tend to do better" when times are rough "because people... don't go out to eat as much," which "plays well for us."<sup>6</sup> A Goldman Sachs analyst noted that

<sup>1</sup> <https://www.casey.senate.gov/imo/media/doc/greedflation1.pdf> at 1; *see also* <https://fred.stlouisfed.org/graph/?g=1aF4V> and <https://fred.stlouisfed.org/graph/?g=1aF9q>

<sup>2</sup> <https://www.casey.senate.gov/imo/media/doc/greedflation1.pdf> at 2; *see also* <https://www.kansascityfed.org/research/economic-bulletin/corporate-profits-contributed-a-lot-to-inflation-in-2021-but-little-in-2022/>

<sup>3</sup> <https://www.nytimes.com/2023/05/30/business/economy/inflation-companies-profits-higher-prices.html>

<sup>4</sup> <https://seekingalpha.com/article/4596343-pepsico-inc-pep-q1-2023-earnings-call-transcript>

<sup>5</sup> <https://www.bloomberg.com/news/videos/2023-04-25/people-are-willing-to-pay-more-for-pepsi-cfo-says-video>

<sup>6</sup> <https://www.wsj.com/articles/conagra-cfo-doesnt-see-need-for-big-price-increases-in-near-term-11673561602>



Conagra “had been able to price its profits above inflation rates and recovered its profit margins.”<sup>7</sup> The *Wall Street Journal* further noted that the company took a series of double-digit percentage price increases in 2022.<sup>8</sup>

In addition to these public pronouncements of price hikes, corporations are also downsizing products without adjusting prices or clearly notifying consumers. Known as shrinkflation, these hidden price increases hurt working families in Pennsylvania and across our Nation by raising the unit cost of everyday items like food and household products. Despite corporate efforts to pass on higher prices without detection, a November poll found that 50 percent of U.S. respondents reported noticing food product sizes getting smaller, while prices remained the same.<sup>9</sup> Reports from multiple states have even shown that families participating in food assistance programs lost access to certain brands of milk,<sup>10</sup> orange juice,<sup>11</sup> oatmeal, and grits,<sup>12</sup> after companies downsized them. Shrinkflation has become so commonplace that *Merriam-Webster* added the word to its dictionary in 2022.<sup>13</sup>

Experts have found that corporations use a variety of methods to carry out shrinkflation, many of which are hard for everyday consumers to identify.<sup>14</sup> For example, corporations may reduce the size of containers by a few ounces,<sup>15</sup> add air to a package, or even increase the divot at the bottom of a jar,<sup>16</sup> all while maintaining the same prices – or even raising them. Unfortunately, product sizes do not typically return to normal with time.<sup>17</sup> If shrunken products are later “upsized,” corporations often advertise them as “bonus buy” or “more for the money,” and sometimes sell them at a higher price.<sup>18</sup> Companies have used shrinkflation for a variety of products, including baby formula,<sup>19</sup> toilet paper,<sup>20</sup> snack food,<sup>21</sup> paper towels,<sup>22</sup> beverages,<sup>23</sup> cleaning products,<sup>24</sup> and even pet food.<sup>25</sup> PepsiCo subsidiary Frito-Lay North America (Frito-Lay), has also utilized shrinkflation as a tactic. Frito-Lay reduced the size of Doritos bags by five

<sup>7</sup> <https://www.nytimes.com/2022/11/01/business/food-prices-profits.html>

<sup>8</sup> <https://www.wsj.com/articles/conagra-cfo-doesnt-see-need-for-big-price-increases-in-near-term-11673561602>

<sup>9</sup> <https://www.ipsos.com/sites/default/files/ct/news/documents/2023-11/Ipsos-global-inflation-monitor-Nov-23.pdf>, at 23.

<sup>10</sup> <https://alaskapublic.org/2023/06/07/darigolds-milk-size-change-limits-choices-for-wic-participants/>; <https://doh.wa.gov/sites/default/files/2023-01/963-117-RetailerE-Bulletin-Jan2023.pdf?uid=6438df821782f>, at 2

<sup>11</sup> <https://www.modernretail.co/marketing/its-dishonest-how-shrinkflation-took-over-shoppers-minds-and-social-media-accounts/>

<sup>12</sup> <https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Assistance-Programs/WIC-Media/Vendor-Communications/Vendor-Newsletters/2022-Winter.pdf?rev=cfd9153b98ad4a7cb197ebb6b5aed112&hash=9D8DA9558C6355A58DCD0202C008D420> at 4.

<sup>13</sup> <https://www.merriam-webster.com/wordplay/shrinkflation-words-were-watching>

<sup>14</sup> <https://www.bls.gov/opub/btn/volume-12/measuring-shrinkflation-and-its-impact-on-inflation.htm>

<sup>15</sup> <https://finance.yahoo.com/news/shrinkflation-does-impact-shoppers-150015512.html>

<sup>16</sup> <https://www.bls.gov/opub/btn/volume-12/measuring-shrinkflation-and-its-impact-on-inflation.htm>

<sup>17</sup> <https://www.bbc.com/worklife/article/20230922-shrinkflation-isnt-a-trend-its-a-permanent-hit-to-your-wallet>

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<sup>20</sup> <https://www.inquirer.com/business/shrinkflation-2022-rising-prices-inflation-profits-20220315.html>

<sup>21</sup> <https://www.forbes.com/advisor/personal-finance/what-is-shrinkflation/>

<sup>22</sup> <https://www.aarp.org/money/budgeting-saving/info-2022/products-impacted-by-shrinkflation.html>

<sup>23</sup> <https://qz.com/2129426/inflation-and-supply-chain-snags-are-shrinking-your-products>

<sup>24</sup> <https://www.pbs.org/newshour/show/manufacturers-use-shrinkflation-to-pass-costs-on-to-consumers>

<sup>25</sup> <https://www.washingtonpost.com/business/2021/06/01/package-sizes-shrink-inflation/>

percent without adjusting the price.<sup>26</sup> The company publicly acknowledged the change, saying, “we took just a little bit out of the bag so we can give you the same price and you can keep enjoying your chips.”<sup>27</sup> Rather than paying less and getting more, the veiled corporate tactics of shrinkflation lead consumers to unwittingly pay more and get less, increasing day-to-day costs and reducing the buying power of working families.

Given SNAC’s convening power among the most influential leaders of the snack industry, I request that you provide answers to the following questions no later than January 24, 2024:

1. My November report found that SNAC members increased prices by more than 10 percent over the last year.<sup>28</sup> Among all association members, please identify which companies increased the price of individual products by 10 percent or more compared to the previous year at any time since January 1, 2021. Additionally, please provide a detailed description of how association members make product pricing decisions, including factors such as material costs, market demand, target profit margins, and target customers.
2. Bureau of Labor Statistics (BLS) data show that certain item categories have experienced more downsizing, or shrinkflation, than other product categories. For instance, snacks today are 26 percent more expensive compared to January 2019, and 10 percent of that change is linked solely to shrinkflation.<sup>29</sup> Similarly, household cleaning products prices increased 24 percent over the same period, seven percent of which is tied to shrinkflation.<sup>30</sup> How do SNAC members evaluate costs to consumers when they choose to effectively increase the unit prices by downsizing products?
3. Public and private actors have adopted commonsense steps to help inform consumers and protect them from shrinkflation.<sup>31</sup> For example, grocery stores typically list unit prices for products<sup>32</sup> and the French government is implementing a label requirement for products that have been reduced in weight.<sup>33</sup> How have association members sought to notify and inform consumers about changes in the size of their products?
4. I am concerned about shrinkflation’s effect on the efficacy of federal programs, particularly those serving low-income and middle-class Americans. Recent reports from multiple states show how shrinkflation creates barriers for families and older adults purchasing groceries through the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). How has the association and its members evaluated the effect of downsizing products on recipients of state-administered food programs such as WIC and the Supplemental Nutrition Assistance Program (SNAP)? What steps has

<sup>26</sup> <https://qz.com/2129426/inflation-and-supply-chain-snags-are-shrinking-your-products>

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<sup>28</sup> Greedflation report; *see also* <https://www.nytimes.com/2023/05/30/business/economy/inflation-companies-profits-higher-prices.html#> and <https://www.wsj.com/articles/conagra-cfo-doesnt-see-need-for-big-price-increases-in-near-term-11673561602>

<sup>29</sup> BLS Data Prepared at the Request of Senator Casey's office

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<sup>31</sup> <https://www.bloomberg.com/opinion/articles/2021-06-24/shrinkflation-is-the-grocery-store-s-inflation-secret>

<sup>32</sup> <https://www.cnbc.com/2023/04/27/how-to-avoid-shrinkflation.html>

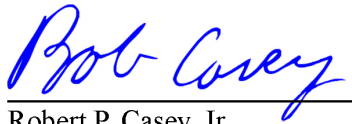
<sup>33</sup> <https://www.gamberorossointernational.com/news/what-is-shrinkflation-and-how-france-is-fighting-to-reduce-it/>



SNAC and its members taken to work with states to ensure that everyday necessities remain accessible to beneficiaries?

Thank you for your attention to this important issue. If you or your staff have any questions, please contact Corey Husak on my staff at 202-224-6324.

Sincerely,



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Robert P. Casey, Jr.  
United States Senator





ROBERT P. CASEY, JR.  
PENNSYLVANIA

COMMITTEES:  
FINANCE

HEALTH, EDUCATION,  
LABOR, AND PENSIONS

SELECT COMMITTEE  
ON INTELLIGENCE

SPECIAL COMMITTEE ON AGING

## United States Senate

WASHINGTON, DC 20510

December 13, 2023

Ms. Lezlee Westine  
President & CEO  
Personal Care Products Council  
1620 L Street, NW  
Suite 1200  
Washington, DC 20036

Dear Ms. Westine:

I write to you with growing concern about working families in Pennsylvania and across our Nation being pinched by big corporations raising prices despite reporting a string of record profits. In recent weeks, I have released reports detailing the consequences of greedflation, whereby big corporations have used economic turmoil as cover to raise prices beyond the rate of inflation. While consumers bear higher prices, Federal Reserve data show that corporate profits rose five times as fast as the rate of inflation from July 2020 to July 2022<sup>1</sup> and accounted for 41 percent of inflation during America's post-pandemic recovery.<sup>2</sup> It is hard to square how corporate executives can trumpet record profits at the same time Pennsylvania families have kitchen table conversations about stretching every dollar. The Personal Care Products Council (PCPC) represents 600 companies in the beauty and personal care industry. I therefore seek your assistance in gathering information about steps PCPC's members can take to reduce economic pressure on working families across our Nation.

My recent reports examining greedflation cited numerous examples of corporate executives touting their ability to hike prices in recent years, including multiple members of PCPC. For example, Colgate-Palmolive, a major toothpaste and dish soap producer, hiked prices 12 percent between the first quarters of 2022 and 2023, driving profits higher even as sales volume fell.<sup>3</sup> Its chief executive touted how the company "led pricing" in the sector, noting that as other competitors followed Colgate-Palmolive's lead, there was less pressure to cut prices.<sup>4</sup> One of those competitors, Procter & Gamble (P&G), which sells Crest toothpaste and numerous other products, increased prices an average of seven percent across multiple product categories between the fourth quarters of 2022 and 2023.<sup>5</sup> Another council member, Kimberly-Clark Corporation, credited a combination of higher prices—and lower input costs—for higher profits,

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<sup>1</sup> <https://www.casey.senate.gov/imo/media/doc/greedflation1.pdf> at 1; see also <https://fred.stlouisfed.org/graph/?g=1aF4V> and <https://fred.stlouisfed.org/graph/?g=1aF9q>

<sup>2</sup> <https://www.casey.senate.gov/imo/media/doc/greedflation1.pdf> at 2; see also <https://www.kansascityfed.org/research/economic-bulletin/corporate-profits-contributed-a-lot-to-inflation-in-2021-but-little-in-2022/>

<sup>3</sup> <https://www.nytimes.com/2023/05/30/business/economy/inflation-companies-profits-higher-prices.html>

<sup>4</sup> Q3 2022 ColgatePalmolive Co Earnings Call, LexisNexis, accessed 11/3/2023

<sup>5</sup> <https://apnews.com/article/pg-earnings-inflation-7dbf16980b3aa22462d6ff84faad212a>



which increased \$100 million between the third quarters of 2022 and 2023.<sup>6</sup> In fact, Kimberly-Clark raised prices by 10 percent for two straight quarters in 2023.<sup>7</sup>

In addition to these public pronouncements of price hikes, corporations are also downsizing products without adjusting prices or clearly notifying consumers. Known as shrinkflation, these hidden price increases hurt working families in Pennsylvania and across our Nation by raising the unit cost of everyday items like food and household products. Despite corporate efforts to pass on higher prices without detection, a November poll found that 50 percent of U.S. respondents reported noticing food product sizes getting smaller, while prices remained the same.<sup>8</sup> Shrinkflation has become so commonplace that *Merriam-Webster* added the word to its dictionary in 2022.<sup>9</sup>

Experts have found that corporations use a variety of methods to carry out shrinkflation, many of which are hard for everyday consumers to identify.<sup>10</sup> For example, corporations may reduce the size of containers by a few ounces,<sup>11</sup> add air to a package, or even increase the divot at the bottom of a jar,<sup>12</sup> all while maintaining the same prices – or even raising them. Unfortunately, product sizes do not typically return to normal with time.<sup>13</sup> If shrunken products are later “upsized,” corporations often advertise them as “bonus buy” or “more for the money,” and sometimes sell them at a higher price.<sup>14</sup> Companies have used shrinkflation for a variety of products, including baby formula,<sup>15</sup> toilet paper,<sup>16</sup> snack food,<sup>17</sup> paper towels,<sup>18</sup> beverages,<sup>19</sup> cleaning products,<sup>20</sup> and even pet food.<sup>21</sup> Kimberly-Clark and P&G have engaged in this tactic. In the past, a small box of Kimberly-Clark’s tissue brand, Kleenex, had 65 tissues compared to the 60 tissues in a box today.<sup>22</sup> P&G, the makers of Dawn Ultra and Dawn Ultra Platinum dish soap, opted to reduce a 7-ounce Dawn bottle to 6.5-ounces and chose not to adjust the price.<sup>23</sup> Rather than paying less and getting more, the veiled corporate tactics of shrinkflation lead consumers to unwittingly pay more and get less, increasing day-to-day costs and reducing the buying power of working families.

<sup>6</sup> <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000055785/000005578523000064/kmb-20230930.htm> at 16

<sup>7</sup> <https://www.marketwatch.com/story/greedflation-is-replacing-inflation-as-companies-raise-prices-for-bigger-profits-report-finds-bfb51060>

<sup>8</sup> <https://www.ipsos.com/sites/default/files/ct/news/documents/2023-11/ipsos-global-inflation-monitor-nov-23.pdf>, at 23.

<sup>9</sup> <https://www.merriam-webster.com/wordplay/shrinkflation-words-were-watching>

<sup>10</sup> <https://www.bls.gov/opub/btn/volume-12/measuring-shrinkflation-and-its-impact-on-inflation.htm>

<sup>11</sup> <https://finance.yahoo.com/news/shrinkflation-does-impact-shoppers-150015512.html>

<sup>12</sup> <https://www.bls.gov/opub/btn/volume-12/measuring-shrinkflation-and-its-impact-on-inflation.htm>

<sup>13</sup> <https://www.bbc.com/worklife/article/20230922-shrinkflation-isnt-a-trend-its-a-permanent-hit-to-your-wallet>

<sup>14</sup> <https://www.bls.gov/opub/btn/volume-12/measuring-shrinkflation-and-its-impact-on-inflation.htm>

<sup>15</sup> <https://www.bbc.com/worklife/article/20230922-shrinkflation-isnt-a-trend-its-a-permanent-hit-to-your-wallet>

<sup>16</sup> <https://www.inquirer.com/business/shrinkflation-2022-rising-prices-inflation-profits-20220315.html>

<sup>17</sup> <https://www.forbes.com/advisor/personal-finance/what-is-shrinkflation/>

<sup>18</sup> <https://www.aarp.org/money/budgeting-saving/info-2022/products-impacted-by-shrinkflation.html>

<sup>19</sup> <https://qz.com/2129426/inflation-and-supply-chain-snags-are-shrinking-your-products>

<sup>20</sup> <https://www.pbs.org/newshour/show/manufacturers-use-shrinkflation-to-pass-costs-on-to-consumers>

<sup>21</sup> <https://www.washingtonpost.com/business/2021/06/01/package-sizes-shrink-inflation/>

<sup>22</sup> <https://why.org/articles/shrinkflation-packaging-sizes-smaller-inflation/>

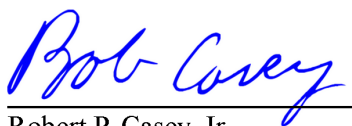
<sup>23</sup> <https://www.abcl5.com/news/local-news/valley-consumers-start-to-notice-shrinkflation>

Given the council's convening power among the most influential leaders of the personal care industry, I request that you provide answers to the following questions no later than January 24, 2024:

1. My November report found that PCPC members increased prices by more than 10 percent over the last year.<sup>24</sup> Among all council members, please identify which companies increased the price of individual products by 10 percent or more compared to the previous year at any time since January 1, 2021, and if there were specific input cost increases that forced them to raise the price to that level. Additionally, please provide a detailed description of how council members make product pricing decisions, including factors such as material costs, market demand, target profit margins, and target customers.
2. Bureau of Labor Statistics (BLS) data show that certain item categories have experienced more downsizing, or shrinkflation, than other product categories. For instance, household paper products are 35 percent more expensive compared to January 2019, and over 10 percent of that change is linked solely to shrinkflation.<sup>25</sup> Similarly, cleaning products prices increased 24 percent over the same period, over seven percent of which is tied to shrinkflation.<sup>26</sup> How do PCPC members evaluate costs to consumers when they choose to effectively increase the unit prices by downsizing products?
3. Public and private actors have adopted commonsense steps to help inform consumers and protect them from shrinkflation.<sup>27</sup> For example, grocery stores typically list unit prices for products<sup>28</sup> and the French government is implementing a label requirement for products that have been reduced in weight.<sup>29</sup> How have council members sought to notify and inform consumers about changes in the size of their products?

Thank you for your attention to this important issue. If you or your staff have any questions, please contact Corey Husak on my staff at 202-224-6324.

Sincerely,



Robert P. Casey, Jr.  
United States Senator

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<sup>24</sup> Greedflation Report; *see also* <https://www.nytimes.com/2023/05/30/business/economy/inflation-companies-profits-higher-prices.html> and <https://www.reuters.com/business/retail-consumer/clorox-forecasts-strong-annual-profit-higher-prices-steady-demand-2023-08-02/>

<sup>25</sup> BLS Data Prepared at the Request of Senator Casey's office

<sup>26</sup> BLS Data Prepared at the Request of Senator Casey's office

<sup>27</sup> <https://www.bloomberg.com/opinion/articles/2021-06-24/shrinkflation-is-the-grocery-store-s-inflation-secret>

<sup>28</sup> <https://www.cnbc.com/2023/04/27/how-to-avoid-shrinkflation.html>

<sup>29</sup> <https://www.gamberorosointernational.com/news/what-is-shrinkflation-and-how-france-is-fighting-to-reduce-it/>

