6 things you'll pay more for in 2012

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Airfare

Not only does it already cost more to fly than it did a year ago, but airfares are only going to continue to climb in 2012.

"My overall prediction is that we're going to see a 10% to 15% average increase in domestic and international airfares this year," said Harlan Platt, a finance professor at Northeastern University's College of Business Administration in Boston.

As major airlines struggle with year-over-year losses -- and even bankruptcy in American Airlines' case -- carriers are reducing the number of destinations they fly to and flying less frequently to popular routes. By limiting supply, prices will continue to escalate.

"The most important driver is the continued discipline of airlines to maintain the leanest fleet they can possibly run," Platt said, and "until the economy shows clear and certain signs of recovery, no airlines are bringing more planes out of mothball status."

Meat and Fish

Higher prices for groceries will be enough to kill most consumers' appetites in 2012, especially since shoppers already had to stomach some substantial price hikes last year.

"Just about all items are up -- but the biggest ones are the center of the plate foods like beef, pork and seafood," said Brian Todd, president of the Food Institute, a nonprofit research group in Elmwood Park, NJ.

Soaring demand coupled with the high cost of fuel is weighing on seafood prices, while the increased cost of corn and feed is pressuring farmers to pass on their added expense, Todd explained.

Expect prices to rise another 4% this year -- after last year's 8% increase, he said.

All of these price hikes will likely take their toll on already cash-strapped consumers who spend about 13% of their budget at the grocery store and on eating out. In 2012, more shoppers will be forced to find cheaper alternatives or opt for store brands as substitutes, Todd said.

Coffee

In addition to your meals costing more, your mocha java will, too.

Wholesale coffee prices have been on a tear for two years, rising 18% last year alone. That means that consumers are going to get a jolt when they pick up a pound of their favorite blend or even just a cup of joe.

This month, Starbucks already started charging more for its coffee drinks in the Northeast and Sunbelt regions, blaming the increase on the rising cost of coffee beans and other ingredients.

Gas

Gas prices are poised to skyrocket in the months ahead, particularly over tensions in the Middle East.

Iran has been threatening to shut down a key passageway for oil exports, and recent fighting in Iraq could curtail exports from that nation. Add on the closure of a large refinery in Delaware and a potential rebound in economic activity worldwide and drivers are likely to see a spike in prices at the pump, said Robert Sinclair Jr., a spokesman for auto club AAA NY.

"There's definitely a risk for prices to rise above $3.50" in the first half of the year, according to Phil Thompson, manager of market analytics at Mobius Risk Group, a firm that advises energy producers and big energy consumers. That's up 5% from the current average of $3.32 a gallon.

But weak demand, because of high unemployment and stagnant wages, will temper any long-term pricing pressure, he said.

Where gas prices ultimately settle by the end of the year is still anyone's guess. "Take a set of dice and roll them," Sinclair said, "anything is possible."
Mail

As the financially troubled U.S. Postal Services tries one measure after another to cut costs, including closing post offices, mail processing plants and even slashing Saturday mail service to remain afloat, higher mail prices are guaranteed for delivery in 2012.

Starting on Jan. 22, the cost of a first-class stamp will rise to 45 cents from 44 cents, while priority mail prices will jump 3.1% and the cost of using express mail will be 3.4% higher.

On the upside, forever stamps won't require any additional postage, despite the new prices. "They will be good after January and a hundred years from now," said David Partenheimer, USPS spokesman.

And since the post office only adjusts its pricing once a year, that one-penny hike should do it until 2013.

Clothes

Apparel prices have also been on the rise, although with such steep sales around the holidays it's been hard to tell.

Going forward, retailers will continue to try and pass along higher transportation and raw material costs, which means you'll pay more for your clothes -- when they aren't on sale.

"Look for the average apparel product to be raised about 8% to 10%," said Marshal Cohen, chief industry analyst at the market research firm NPD Group.

The biggest hikes will be on cotton clothing, like underwear, socks and jeans, he said. As farmers favored the higher returns from soybeans and corn, last year's cotton shortfall sent prices through the roof. While that might mean paying just a dollar more on $20 jeans it could translate into a $20 hike on popular premium denim that typically costs upwards of $150 a pair.

Of course, that only applies to those that pay retail. Savvy shoppers who take advantage of all the discounts and promotions retailers are offering these days will be able to sidestep this year's markups, Cohen said. That way, "it will look like a price increase but it won't feel like one," he said.