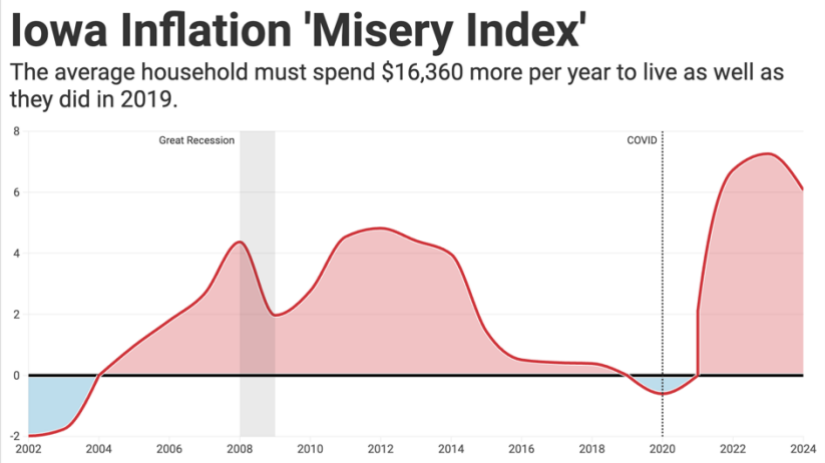


Inflation Misery Index

How much more are we paying to live today?

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The CSI Inflation Misery Index illustrates how expensive it is to live in Iowa today thanks to above-average inflation. This index holds constant consumption preferences through time, and accounts for both “normal” levels of inflation and growth in personal income. In periods where the line is above zero the average person is poorer in terms of their purchasing power relative to 2019, taking into account changes in income as well. People are relatively richer in times when the index is below zero. The index uses 2019 as the reference year because it precedes both the recent inflationary surge and the stimulus income received from the government in response to the pandemic in 2020.



Key Insights

- The Inflation Misery Index reached its highest level in 2023—50% higher than the prior peak in 2012.
- **Individual** – The Average person in Iowa must spend **\$7,336** more per year—about 16.5% of their annual income—to consume the same quantity of goods and services as they did in 2019. Even after factoring out normal price increases of 1.78% per year, Iowans still must spend \$3,906, more per year, or 8.8% of their income.
- **Household** – Excess inflation over the last 43 months means the average household in Iowa must spend **\$16,360** more per year to consume at 2019 levels. This means **the average household earning a median income has effectively lost 15.6% of their income to inflation.**

What does this mean for Iowans?

Because of high inflation, the average household in Iowa must spend...

- **\$2,805** more for housing and utilities
- **\$3,364** more for food
- **\$1,031** more for gasoline and energy
- **\$708** more for recreation

... just to consume the same amount they as did in 2019. It will take a prolonged period of normal or less than normal inflation coupled with strong income growth to recover the purchasing power lost by the post-covid inflationary crisis.