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Inflation in the Pacific Region

January 2025

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All of the data discussed in this report come from the U.S. Bureau of Labor Statistics' Consumer Price Index (CPI)ⁱ database. This source no longer produces estimates of price levels in Oregon nor any metropolitan area within Oregon, so this report references data from the Pacific region (Alaska, California, Hawaii, Oregon, and Washington.)ⁱⁱ

Inflation Rebounds in the Pacific Region as Expected Market Adjustments Take Hold

In January 2025, inflation in the U.S. picked up momentum, continuing the steady price increases observed in late 2024. The Consumer Price Index (CPI) rose 0.5% on a seasonally adjusted basis, following a 0.4% increase in December, bringing the annual inflation rate to 3.0%, slightly above earlier forecasts¹. However, this development was largely anticipated by markets, with inflation expectations already rising in response to upcoming policy changes, particularly new tariffs on imports and ongoing political uncertainties.

According to the **Federal Reserve Bank of New York's Survey of Consumer Expectations**, long-term inflation expectations edged higher in January, reflecting **growing concerns over the economic impact of tariffs** set to take effect in the coming months.² Meanwhile, businesses across key sectors, particularly **transportation and energy**, had already begun adjusting prices in anticipation of these changes.

In the **Pacific region this inflationary trend was evident**, with notable increases in housing, food and transportation costs. While inflation had moderated slightly in 2023, the **Federal Reserve continues to signal that price stability remains a challenge**, particularly as inflation remains above the **2% target**.

Prices in the Pacific region increased by 0.73% month-over-month from December 2024 to January 2025, slightly exceeding the national increase of 0.7%. Year-over-year, regional prices rose by 2.83% through January 2025.

The inflationary environment has cost the average household in the **Pacific region nearly \$38,717** compared to their spending in **2020**, with **housing and transportation accounting**

¹ <https://www.bls.gov/news.release/cpi.htm>

² <https://www.newyorkfed.org/newsevents/news/research/2024/20240311>

for half of this increase. The disinflationary trend observed through April 2024 came to a halt in January 2025, as monthly inflation in the Pacific region surged to **0.73%**.ⁱⁱⁱ

Over the two-month period from December 2024 to January 2025, prices in the Pacific region increased by **0.69%**, aligning with the national trend. The region's price level is now **20.93% higher than at the start of 2021**, slightly below the **21% increase recorded nationwide**.

Over the past year, inflation in the Pacific region was **2.83%**, slightly below the national average of **3%**³. The region experienced above-average price increases in **transportation, services, food, fuels and utilities, commodities, and medical care**, while price growth in **housing and recreation** remained below the national average. Energy and durable goods saw sharper price declines in the region compared to the national trend.

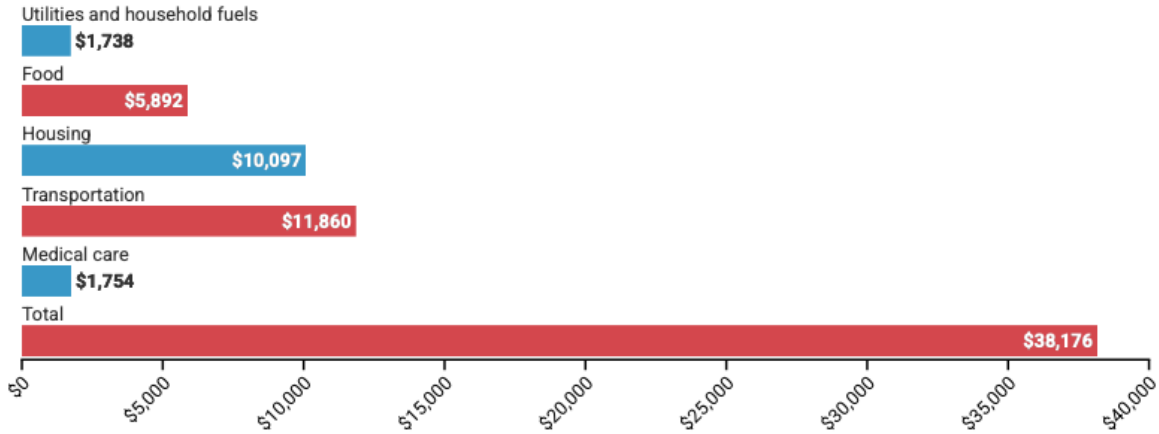
- Between December 2024 and January 2025, prices in the Pacific region rose by **0.69%**, in line with the national trend.
- The Pacific region experienced above-average yearly price growth in **transportation (4.1% vs. 1%), services (4.10% vs. 4.07%), fuels and utilities (5.70% vs. 3%), food (3.35% vs. 3%), commodities (0.46% vs. 0%), and medical care (3.2% vs. 3%)**.
- Local price declines were larger for **energy (-1.99% vs. 1%) and durables (-2.07% vs. -2%)**, while increases in **housing (3.17%) remained below the national increase of 4%**.

Over the past year, **transportation and services (4.1%) saw the largest price increases in the Pacific region**, followed by **food (3.35%), medical care (3.20%), and housing (3.17%)**. The two categories with the largest price declines in the region over the past 12 months were **energy (-1.99%) and durables (-2.07%)**.

³ Not seasonally adjusted

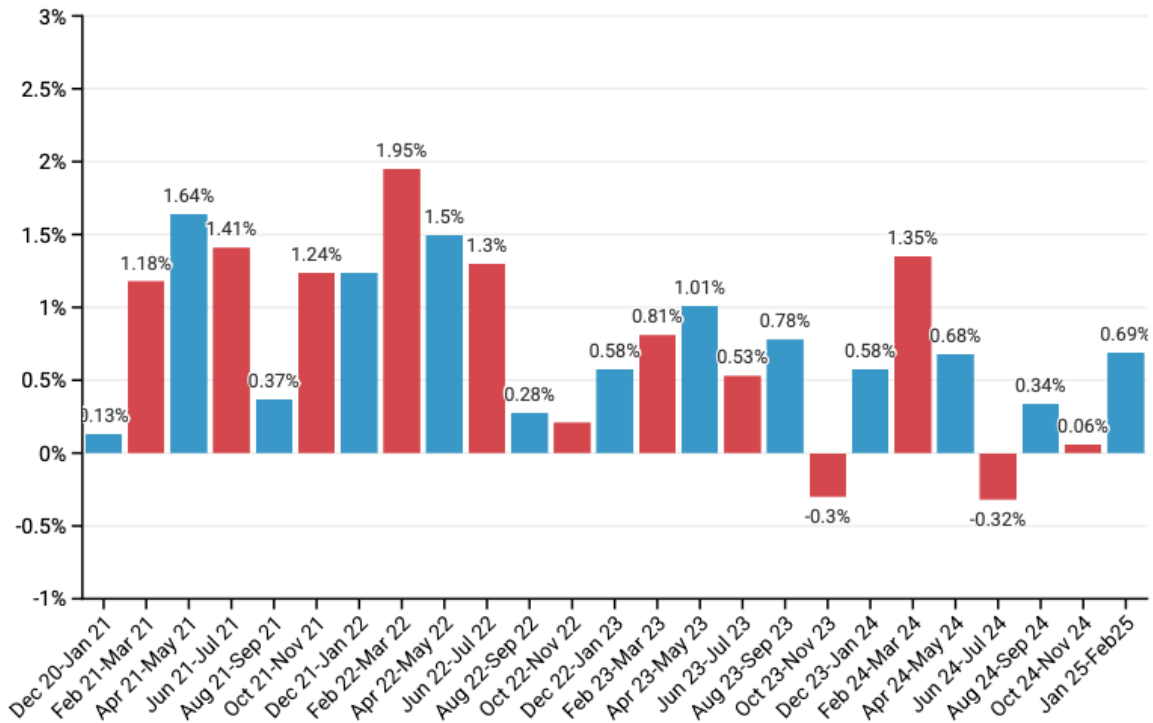
Inflation's Impact on What Oregonians Buy

How much more has the average Pacific Region household spent since 2020 because of inflation?



Utilities and household fuels data is reported up to 2024.

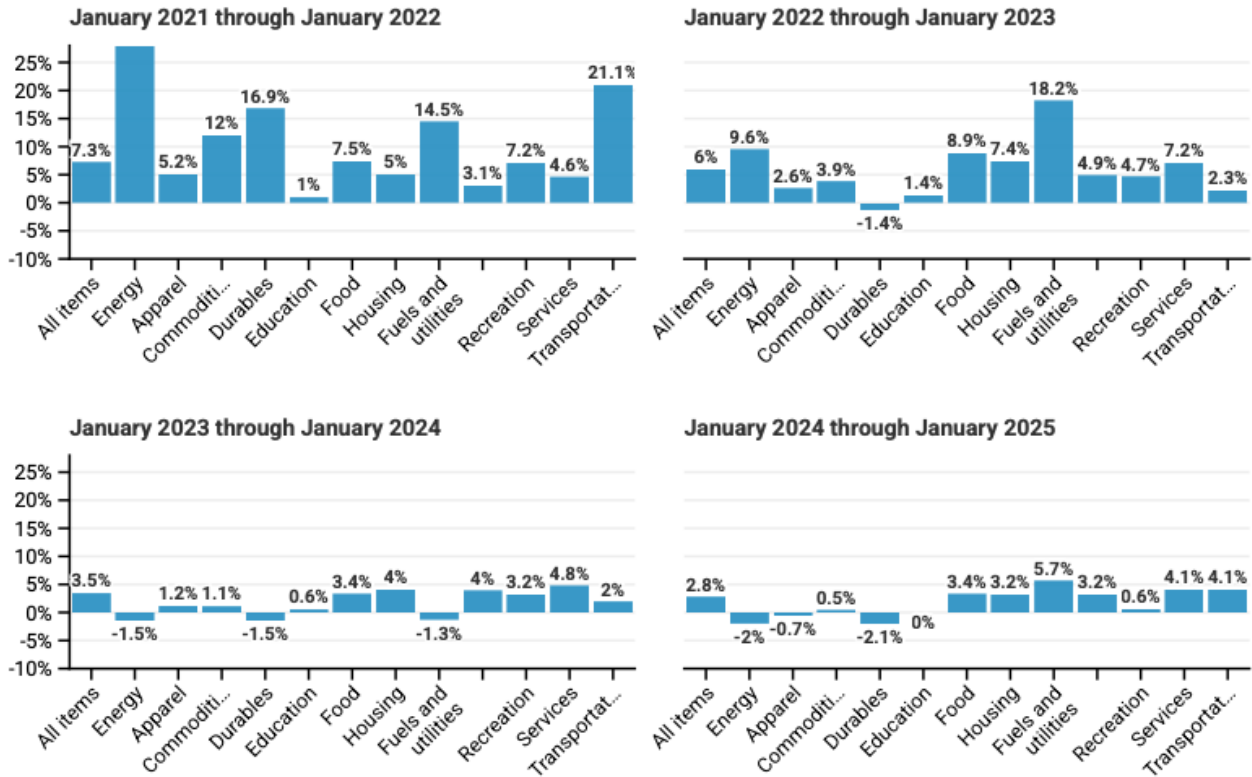
Bi-monthly Inflation in the Pacific Region since January 2021



Source: BLS CPI-U Data • Pacific region comprises Alaska, California, Hawaii, Oregon, and Washington

- Over the last year, transportation and services (%4.1) experienced the largest price increases in the Pacific region, followed by food (3.35%), medical care (3.20%), and housing (3.17%).
- The two categories with the largest price declines in the region over the past 12 months were energy (-1.99%) and durables (-2.07%).

Year-over-Year Price Changes in the Pacific Region



Source: CPI-U Data • For the last graph (2024-2025), the fuels and utilities figure is reported until December 2024.

ⁱ <https://www.bls.gov/cpi/>

ⁱⁱ Starting with the release of January 2025 data in February 2025, the **BLS discontinued several indexes and average price series**. Among them, the index for **fuels and utilities is no longer available** at the regional level, including for the Pacific region. Therefore, in this report, **fuels and utilities data is reported only through December 2024**.

ⁱⁱⁱ The U.S. Bureau of Labor Statistics (does not provide seasonally adjusted Consumer Price Index data for the Pacific region; therefore, this report utilizes non-seasonally adjusted figures for regional analysis.