



December 2024

Inflation in the Pacific Region

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Author: Mark McMullen, Serra Kirsch

All of the data discussed in this report come from the U.S. Bureau of Labor Statistics' Consumer Price Index (CPI) 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).

Pacific Region Inflation Data Reflects Stability, Supporting Fed's Recent Rate Cuts

The inflationary environment has cost the average household in the Pacific region nearly **\$35,722** compared to their spending in 2020. While prices surged at the start of 2024, growth has slowed in recent months across the country, with a slight increase in November for the Pacific region. **Bi-monthly inflation from September to November 2024** saw prices in the Pacific region rise by **0.063%**, slightly above the national trend of **0.056%**. The region's price level is now **20.10% higher than it was at the start of 2021**, slightly below the **21% increase seen nationwide**.¹

The Federal Reserve initiated two interest rate cuts in late 2024. The first occurred in September, with a 50 basis point reduction, and the second in November, with a 25 basis point cut, bringing the federal funds target range to 4.50%–4.75%. These actions reflect the Fed's strategy to recalibrate monetary policy as inflation trends downward while maintaining a balance between price stability and economic growth. Policymakers anticipate further adjustments as inflation moderates further.

Over the past year, the price level in the Pacific region increased by **2.72%**, slightly below the national average of **2.73%**. Regional prices for fuels and utilities, medical care, and housing rose at a faster pace than the national average. In contrast, prices for energy, commodities, and durable goods saw sharper declines locally compared to national trends. Core inflation, which excludes food and energy, increased by 0.13% in the past two months.

Over the past two months, regional prices for **energy (-1.85%)**, **transportation (-0.61%)**, and **commodities (-0.58%)** declined. Prices for **food (0.51%)**, **housing (0.51%)**, **fuels and utilities (0.55%)**, **medical care (0.47%)**, and **services (0.40%)** increased slightly during this period.

Prices in the Pacific region declined by **0.06% month-over-month (October through November)**, contrasting with a **0.3% increase nationally**, while rising **2.72% year-over-year through November 2024**.

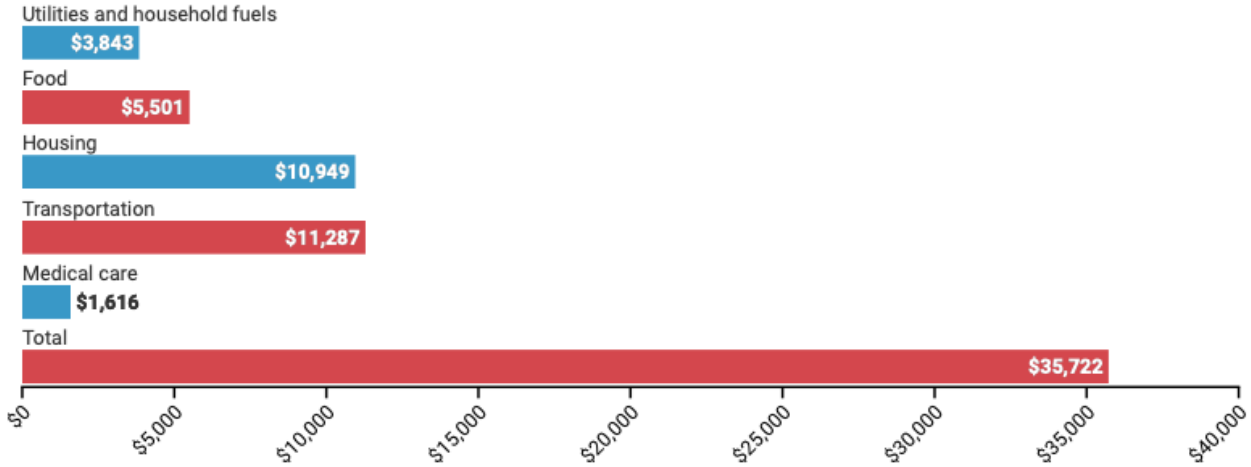
- **Between September and November 2024 (bi-monthly)**, prices in the Pacific region rose by 0.06%, slightly above the national increase.
- **Over the past 12 months**, inflation in the Pacific region was slightly lower than the national average—**2.72% in the Pacific region compared to 2.73% across the U.S.**
- The Pacific region experienced above-average price growth in fuels and utilities (**5.51% vs. 2.89%**), medical care (**3.75% vs. 3.08%**), and housing (**3.57% vs. 4.13%**).

¹ 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.

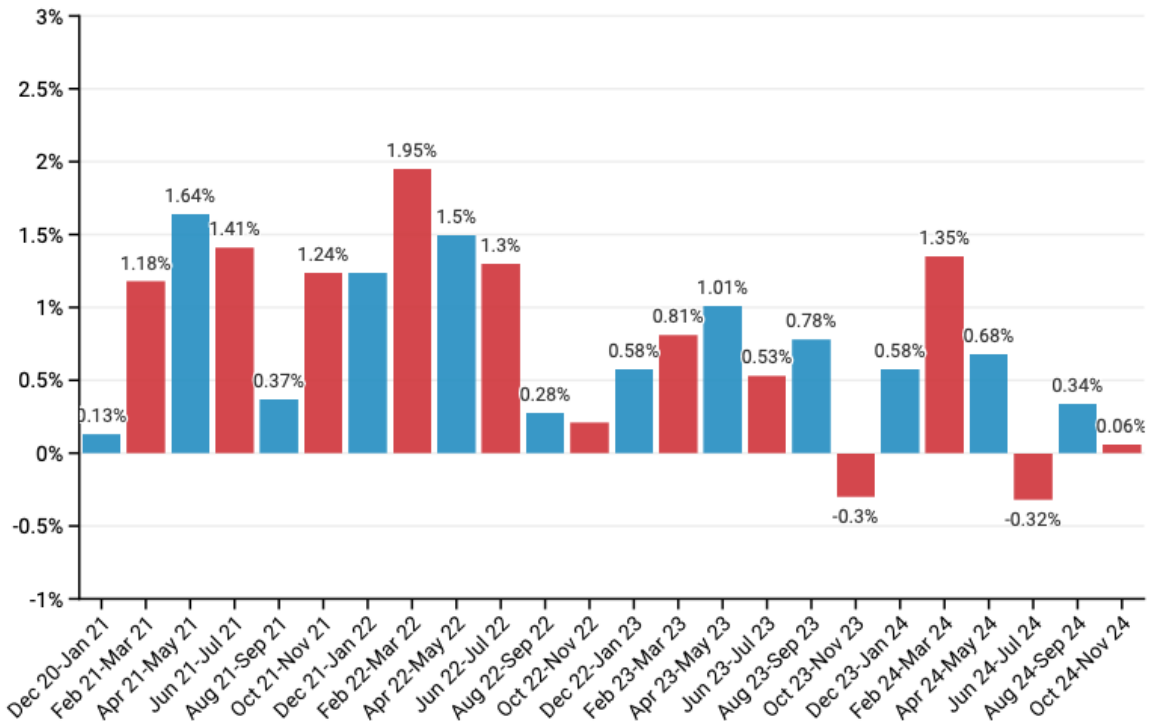
- Local price decreases were larger for energy (-5.12% vs. -3.15%), durables (-2.16% vs. -2.01%), and commodities (-0.37% vs. -0.29%).

Inflation's Impact on What Oregonians Buy

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



Bi-monthly Inflation in the Pacific Region since January 2021

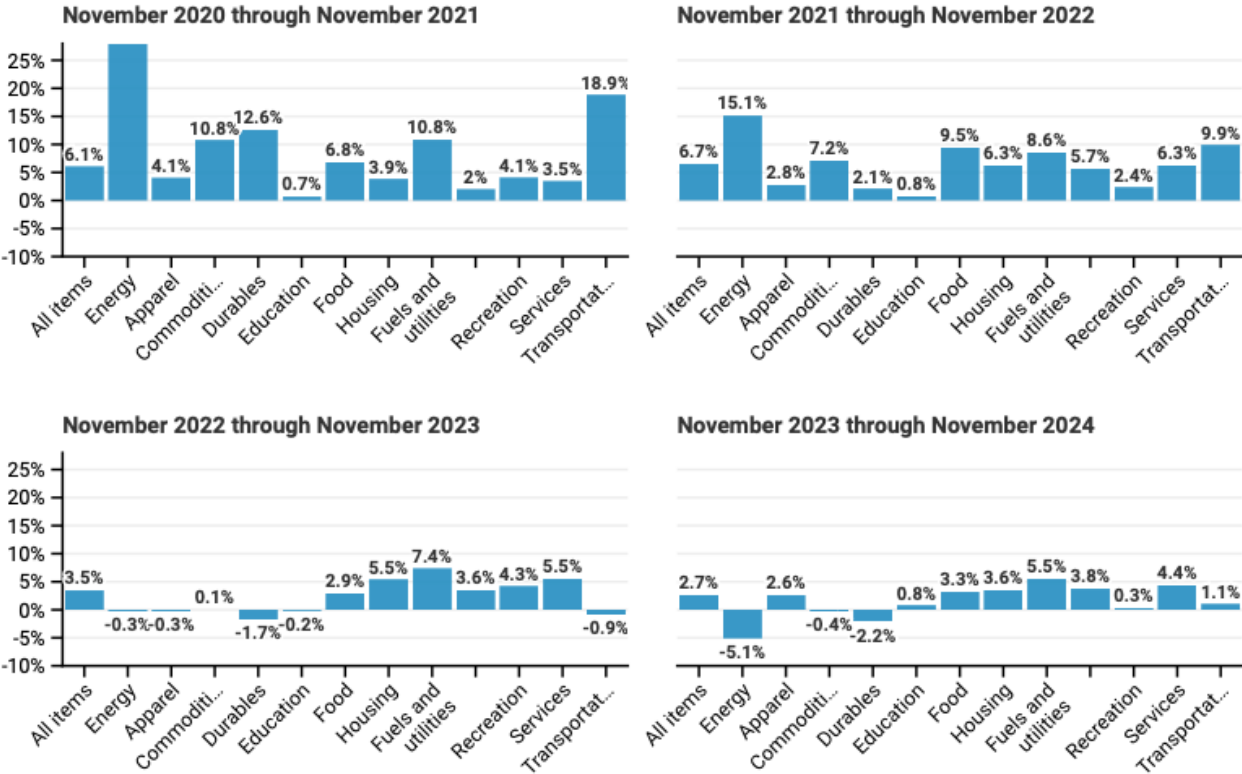


Source: BLS CPI-U Data • Pacific region comprises Alaska, California, Hawaii, Oregon, and Washington

Inflation in the Pacific region over the last 12 months was 2.72%— approximately the same with the national average of 2.73%(BLS CPI Survey)²

- Over the last year, fuels and utilities (5.51%) and services (4.41%) experienced the largest price increases in the Pacific region, followed by medical care (3.75%), housing (3.57%), and food (3.28%).
- The two categories with the largest price declines in the region over the past 12 months were energy (-5.12%) and durables (-2.16%).

Year-over-Year Price Changes in the Pacific Region



Source: CPI-U Data

² <https://www.bls.gov/cpi/>