



May 2026

Inflation in the Midwest

April 2026

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All the data referenced in this report come from the U.S. Bureau of Labor Statistics' Consumer Price Index (CPI) database. This source produces estimates of price levels neither for Iowa exclusively nor for any metropolitan area within Iowa; therefore, this report references data from the Midwest region (Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin) to represent changes in consumer prices in Iowa.

Key Findings

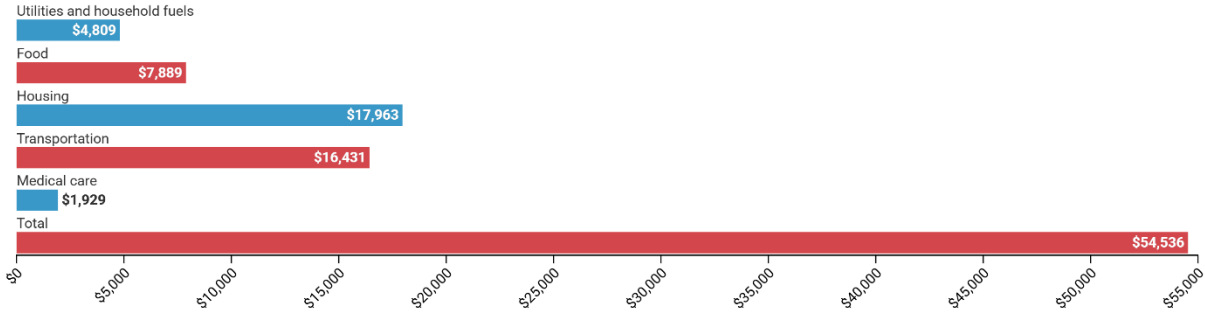
- **Year-over-year inflation rose from 3.3% to 3.8% for the U.S. and from 3.4% to 4.1% for the Midwest in April 2026.**
 - Year-over-year inflation last reached these levels in May 2023 for the United States, and in April 2023 for the Midwest.
- Consumer prices in the Midwest are up 29.2% since January 2020.
- **Because of inflation, the average Iowa household has spent over \$54,000 more since 2020 to maintain the same standard of living.**
 - The typical Iowa household is now spending about \$1,435 more per month than in 2020, driven largely by higher housing, transportation, and food costs.
- Monthly inflation in the Midwest fell from 0.95% in March 2026 to 0.82% in April 2026. This is the highest April month-over-month increase for the region since the pandemic.
- **All but one major spending category increased year-over-year.** From April 2025 to April 2026,
 - Energy (15.7%), fuels and utilities (5.7%), transportation (5.8%) and apparel (5.4%) **rose at least 5%,**
 - Housing (4.7%), recreation (4.2%), services (4.2%), and commodities (4.0%) **rose by at least 4%.**
 - Medical care (3.4%) and food (3.1%) **rose by at least 3%,**
 - Education (0.1%) **remained mostly flat,** and durables (-0.3%) **saw deflation.**

Iowa households lost over \$54,000 to inflation since 2020

The typical Iowa household must now spend \$1,435 per month more than it did in 2020 to maintain the same standard of living. That same household has spent an additional \$54,536 in total since 2020 to maintain the same standard of living.ⁱ This nominal increase corresponds to a 29.2% rise in consumer prices. The cost increases have been led by a surge in housing, transportation, and food prices, which have risen by \$524, \$357, and \$194 per month, respectively, for the typical Midwest household. Figure 1 shows the increase in costs for Iowans in five key consumer categories and the cumulative increases in costs since 2020.

Inflation's Impact on What Iowans Buy

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



Midwest inflation rises and remains above target

Inflation pressures grew in April across the United States and Midwest. Year-over-year inflation for the nation grew from 3.3% to 3.8%, while the Midwest region rose from 3.4% to 4.1%. The last time inflation reached these levels was in May 2023 for the United States, and in April 2023 for the Midwest. Inflation also continues to run well above the Federal Reserve's 2% target, indicating that price stability is still far from being fully restored. The Federal Reserve held rates steady through 2026 and are expected to continue that trend at its June meeting.ⁱⁱ

Annual Rate of Inflation Since January 2020

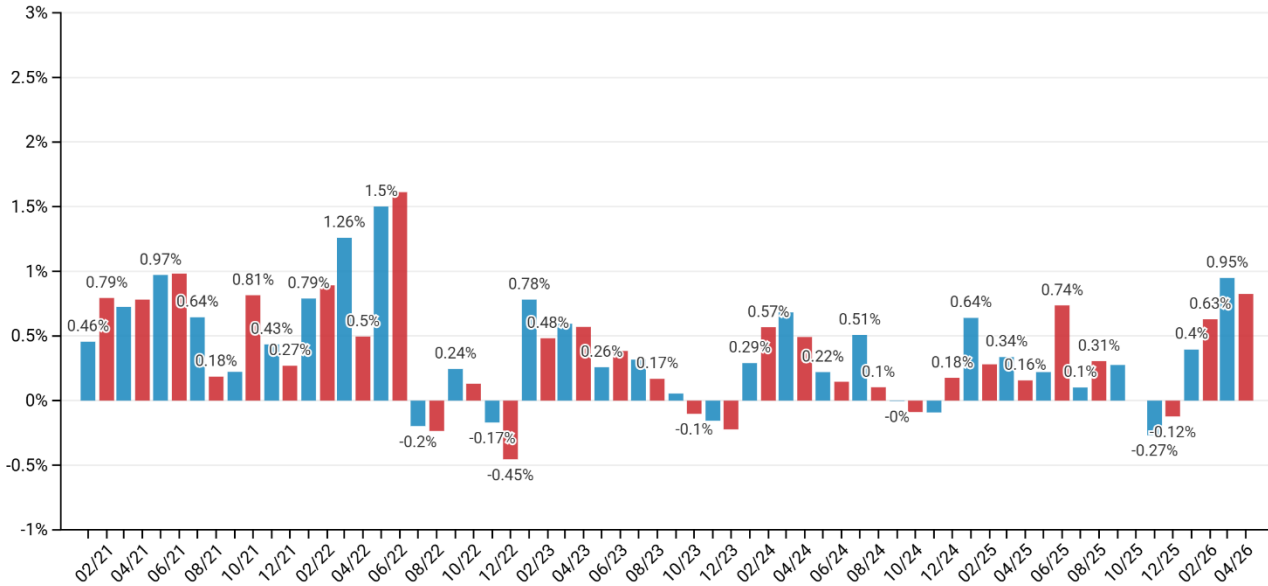


Source: BLS: CPI-U Data

Monthly inflation in the Midwest eased from 0.95% in March 2026 to 0.82% in April 2026, a decline of 0.13 percentage points. Despite this month-over-month slowdown, April's reading remains elevated relative to recent years: April prints in 2021 (0.78%), 2022 (0.50%), 2023 (0.57%), 2024 (0.49%), and 2025 (0.16%) all

came in below this April's figure, making it the highest post-pandemic April reading on record. Nationwide, non-seasonally adjusted inflation followed a similar pattern, moving from 0.95% in March 2026 to 0.85% in April 2026—slightly above the Midwest's monthly reading. Despite the accelerated start to 2026, both regional and national readings remain below the monthly place observed during 2021-2022.

Monthly Inflation in the Midwest Region since January 2021



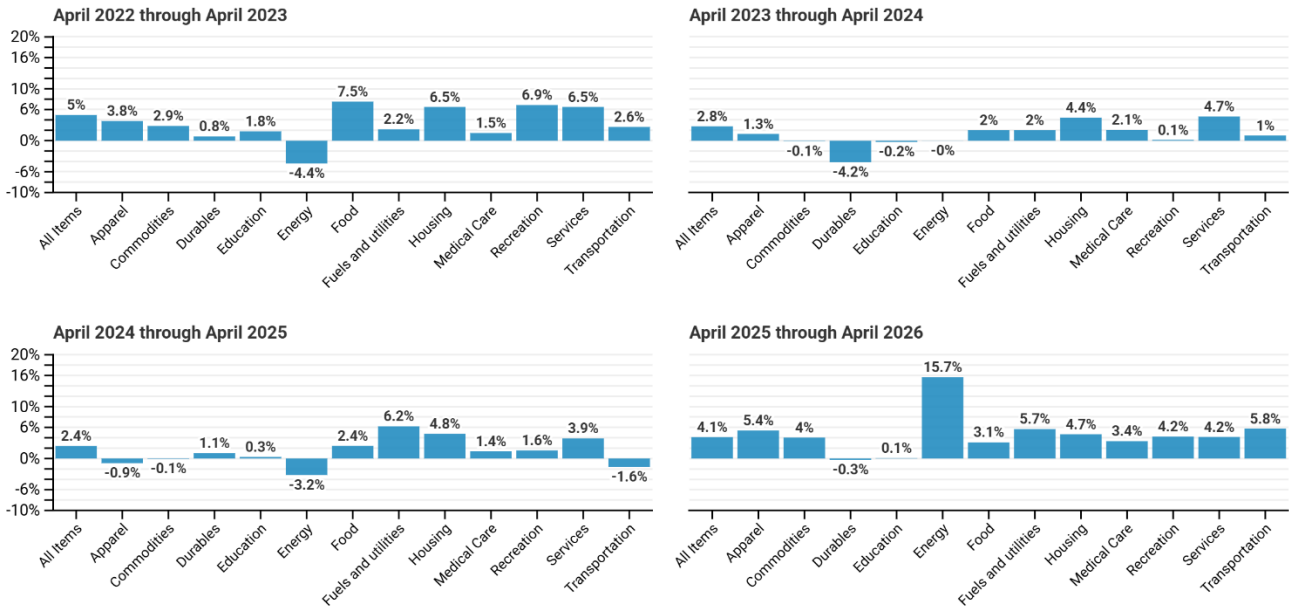
Source: BLS CPI-U Data

Inflation spread across all major categories

Between April 2025 and April 2026, nearly every major category posted year-over-year price increases in the Midwest. The largest gains occurred in energy (15.7%), transportation (5.8%), fuels and utilities (5.7%), apparel (5.4%), housing (4.7%), recreation (4.2%), services (4.2%) and commodities (4.0%). Medical care (3.4%) and food (3.1%) also grew by over 3% year-over-year. Education was roughly flat, while durables (-0.3%) were the only category to experience a meaningful year-over-year decline, posting the sharpest deflation among major components.

Price Changes in the Midwest over Previous Years

Source: BLS CPI-U Data



Bottom Line

Inflation pressures continued to build in April 2026, with year-over-year price growth rising both nationally and in the Midwest. National inflation rose from 3.3% to 3.8%, while Midwest inflation rose from 3.4% to 4.1%—the highest year-over-year readings since May 2023 nationally and April 2023 regionally. Monthly inflation eased modestly in the Midwest, falling from 0.95% in March to 0.82% in April, but the April print still marks the highest post-pandemic April reading on record for the region. Both regional and national figures remain below the peak inflation period earlier in the decade, but the broad-based acceleration entering 2026 indicates that price stability remains well out of reach of the Federal Reserve's 2% target.

Price increases remain broad-based across nearly every major spending category. Energy (15.7%) led year-over-year gains in the Midwest, followed by transportation (5.8%), fuels and utilities (5.7%), and apparel (5.4%). Housing (4.7%), recreation (4.2%), services (4.2%), and commodities (4.0%) each rose by at least 4%, while medical care (3.4%) and food (3.1%) added further pressure on household budgets. Only durables (-0.3%) posted a year-over-year decline, and education (0.1%) was effectively flat. These increases suggest inflationary pressure is not confined to a single sector but is moving through the broader Midwest economy.

The cumulative effect of inflation since 2020 continues to weigh heavily on Iowa households. Consumer prices across the Midwest have risen 29.2% since January 2020, requiring the typical Iowa household to spend approximately \$1,435 more per month to maintain the same standard of living. Since January 2020, the typical Iowa household has spent an additional \$54,536 altogether just to stand still. With the Federal Reserve expected to hold rates steady at its June meeting, price levels are unlikely to reverse, and the cumulative toll on Iowa household budgets will continue to grow.

ⁱ Impacts on household spending are generated by distributing the consumer expenditure estimates from https://web.archive.org/web/20220121095708/https://www.bls.gov/regions/midwest/data/consumerexpenditures_selectedareas_table.htm across individual months, weighting them according to their corresponding CPI levels, and adjusting them according to the latter’s growth history.

ⁱⁱ CME Group, “FedWatch,” accessed May 12, 2026 at 8:00am CST, <https://www.cmegroup.com/markets/interest-rates/cme-fedwatch-tool.html>.