



February 2026

# Inflation in the Midwest

January 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

- **Valentine's Day 2026 costs are expected to rise by 4.8% across the United States.** This year's holiday will see the third fastest price increase in the post-pandemic period.
  - Jewelry (7.1%), dining (4.7%), flowers (6.7%), and candy (7.5%) are contributing most to this cost increase.
- **The Midwest and U.S. both saw year-over-year inflation in January 2026 fall to 2.4%, down from 2.7% in December.**
- Consumer prices in the Midwest are up 26.1% since January 2020.
- **Because of inflation, the average Iowa household has spent over \$50,000 more since 2020 to maintain the same standard of living.**
  - The typical Iowa household is now spending about \$1,283 more per month than in 2020, driven largely by higher housing, transportation, and food costs.
- Midwest monthly inflation edged up from -0.12% in December to 0.40% in January, the second-lowest monthly reading for a post-pandemic January.
- **All but two major spending categories increased year-over-year.** From January 2025 to January 2026,
  - Fuels and utilities (8.1%), housing (4.5%) and recreation (4.2%) **rose over 4%,**
  - Services (3.6%) **rose by at least 3%,**
  - Medical care (2.6%), apparel (2.2%) and food (2.1%) **rose by at least 2%,**
  - Durables (1.1%), education (1.0%), and commodities (0.5%) **rose under 2%.**
  - Transportation (-2.4%) and energy (-0.3%) **saw deflation.**

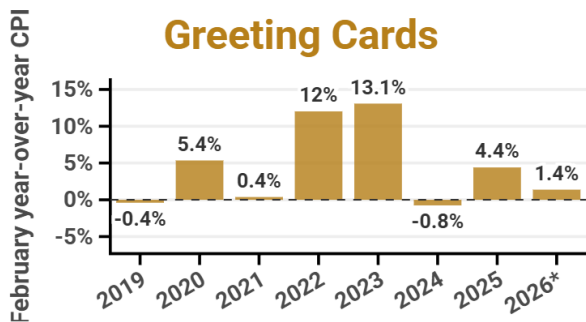
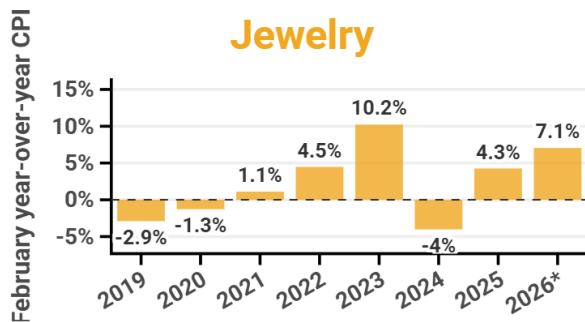
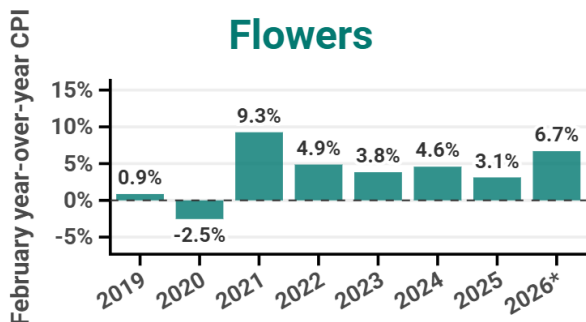
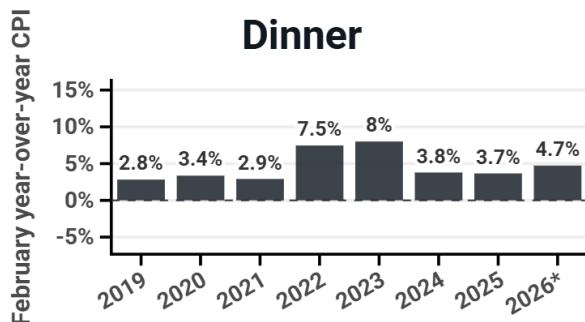
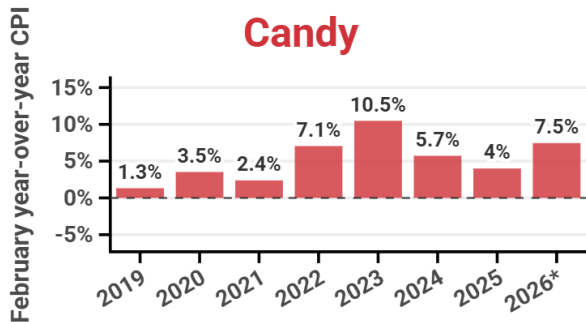
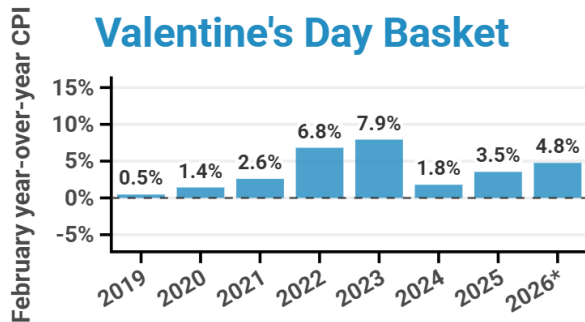
## Valentine's Day 2026 will get more expensive in Iowa

Price trends for common Valentine's Day purchases indicate consumers will face moderate but widespread cost increases in 2026. Based on BLS U.S. CPI data, inflation across major Valentine's Day spending categories generally ranges between roughly 2% and 7% year-over-year entering 2026. This places 2026 among the faster price growth years of the post-pandemic period—remaining below the peak inflation experienced in 2022 and 2023 but above the slower growth observed in 2024 and parts of 2025.

Since last year's Valentine's Day, jewelry (7.1%), dining (4.7%), flowers (6.7%), and candy (7.5%) all recorded notable price increases in the latest data, while greeting cards (1.4%) saw only moderate inflation. When weighing each category by its share of total Valentine's Day spending, the estimated composite Valentine's Day inflation rate is approximately 4.8% entering 2026.<sup>1</sup> Jewelry and dining remain the primary drivers of overall spending increases due to their large expenditure shares and sustained price growth. Overall, while Valentine's Day inflation has moderated from peak pandemic-era levels, price increases across most major gift categories suggest households will continue facing elevated holiday spending costs relative to prior years.

# February Year-Over-Year CPI for Valentine's Day Items since 2019

U.S., Seasonally Adjusted



Source: BLS CPI-U Data

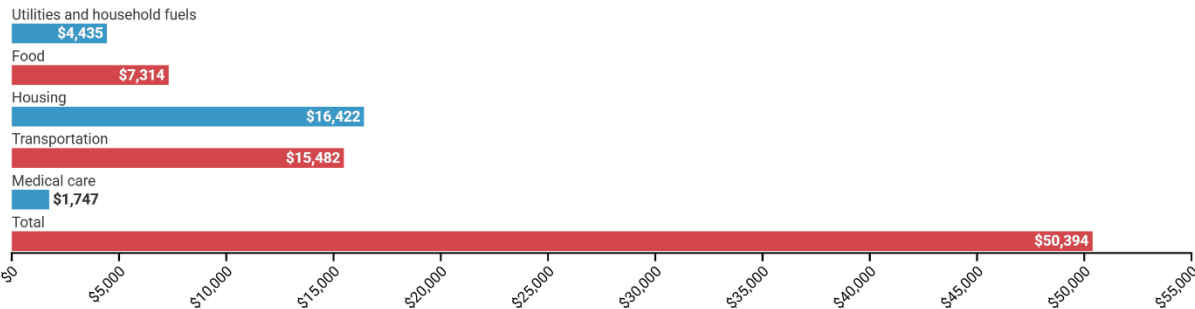
\*January year-over-year estimates

# Iowa households lost over \$50,000 to inflation since 2020

The typical Iowa household must now spend \$1,283 per month more than it did in 2020 to maintain the same standard of living. That same household has spent an additional \$50,393 in total since 2020 to maintain the same standard of living.<sup>ii</sup> This nominal increase corresponds to a 26.10% rise in consumer prices. The cost increases have been led by a surge in housing, transportation, and food prices, which have risen by \$494, \$260, and \$182 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 eases but remains above target

Inflation pressures eased in January across both the United States and Midwest. Year-over-year inflation for both the nation and region fell from 2.7% to 2.4%. These readings reinforce the broader disinflation trend underway over the past year. Even so, inflation remains above the Federal Reserve's 2% target, indicating that price stability has not yet been fully restored. The Federal Reserve lowered the federal funds rate by 25 basis points at its December Federal Open Market Committee meeting, signaling confidence that inflation is trending in the right direction while balancing risks to the job market. At its January meeting, rates were steady and are widely expected to maintain current levels through at least March as the Federal Reserve continues monitoring inflation and economic data.<sup>iii</sup>

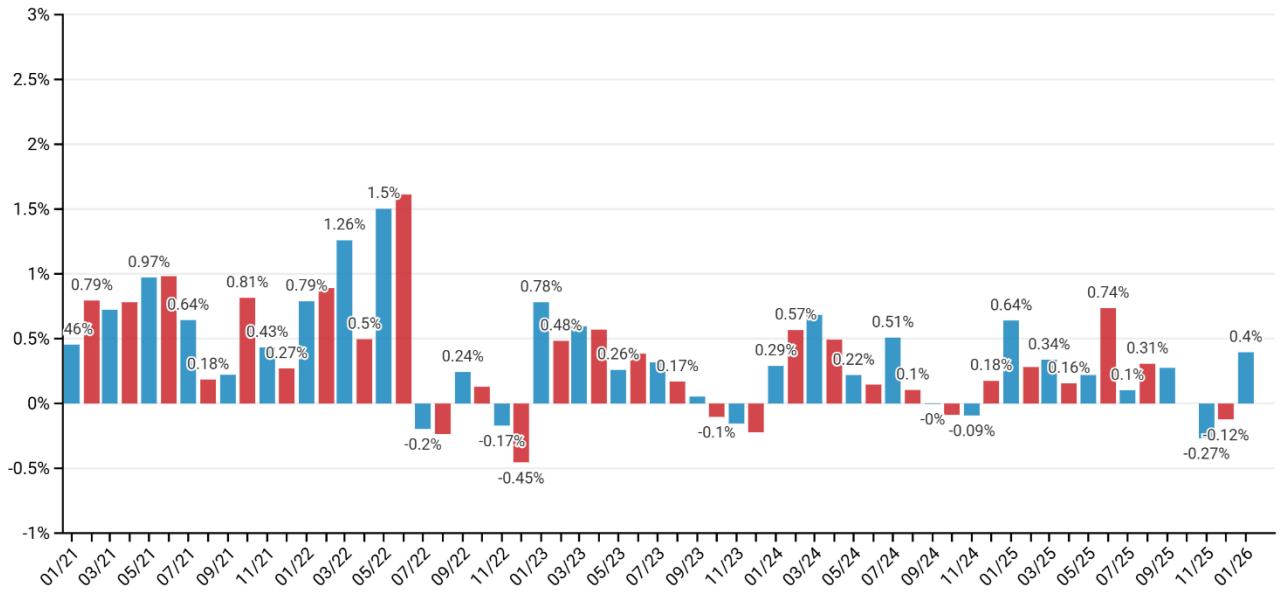
## Annual Rate of Inflation Since January 2020



Source: BLS: CPI-U Data

Monthly inflation in the Midwest ticked up from -0.12% in December 2025 to 0.40% in January 2026 (+0.52%). The January increase marked a return to positive month-over-month price growth following two consecutive deflationary readings late in 2025. Compared to prior post-pandemic January readings, the latest increase sits below the elevated prints observed in January 2021 (0.46%), 2022 (0.79%), 2023 (0.78%), and 2025 (0.64%), but above January 2024 (0.29%). Nationwide, non-seasonally adjusted inflation rose from -0.02% in December 2025 to 0.37% in January 2026 (+0.39%), below the Midwest's deflationary reading. The recent monthly data suggests regional price pressures are typical at the start the year, but 2026 remains notably cooler than the surge experienced during the peak inflation period earlier in the decade.

Monthly Inflation in the Midwest Region since January 2021



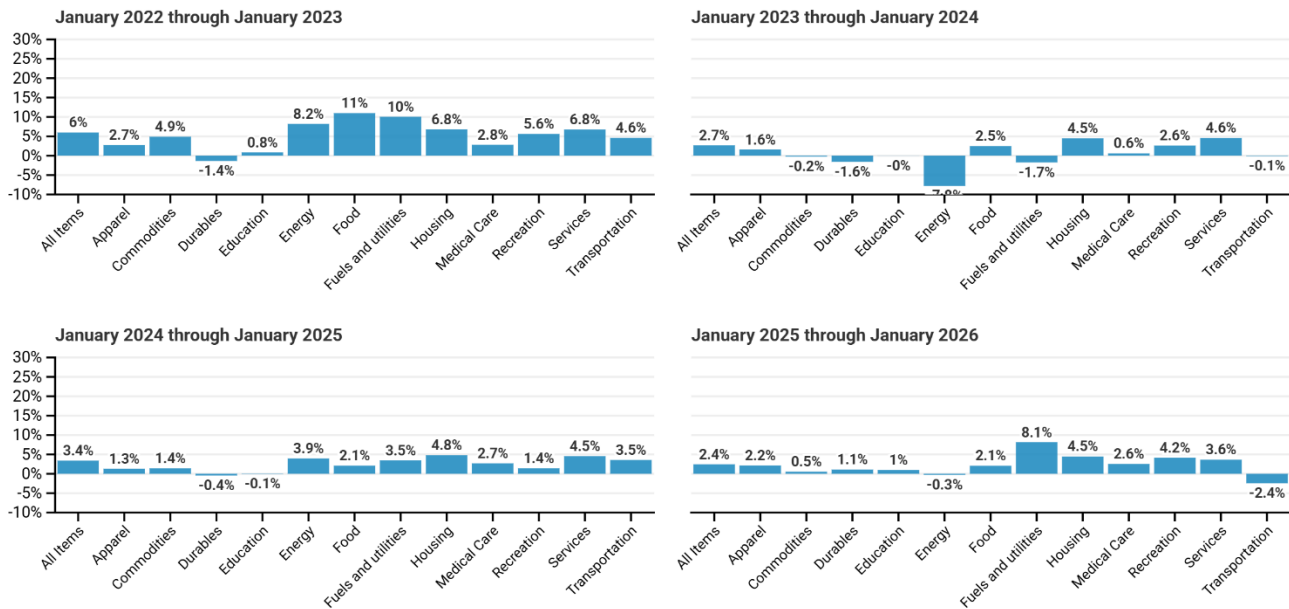
Source: BLS CPI-U Data

## Inflation spread across all major categories

Between January 2025 and January 2026, nearly every major category posted year-over-year price increases in the Midwest. The largest gains occurred in fuels and utilities (8.1%), housing (4.5%), recreation (4.2%), and services (3.6%). Medical care (2.6%), apparel (2.2%), food (2.1%), durables (1.1%), commodities (0.5%), and education (1.0%) also rose over the past year, though at more moderate rates. Energy (-0.3%) and transportation (-2.4%) were the only categories to experience year-over-year declines, with transportation 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 moderating entering 2026, with year-over-year price growth slowing across both the Midwest and United States. National and regional inflation declined to 2.4%, reflecting continued progress toward price stabilization following several years of elevated cost growth. Monthly inflation trends show a return to typical seasonal increases early in the year, suggesting price pressures remain present but more stable than during the peak inflation period earlier in the decade.

Despite slowing inflation, price increases remain broad-based. Most major spending categories continue to rise year-over-year, led by fuels and utilities, housing, recreation, and services. While select categories such as transportation and energy provided some relief, cost pressures across essential household expenses remain persistent.

For Iowa households, cumulative inflation continues to drive the largest financial impact. Consumer prices across the Midwest have risen more than 26% since 2020, requiring the typical Iowa household to spend approximately \$1,283 more per month to maintain the same standard of living. Since January 2020, the typical Iowa household has spent an extra \$50,000 altogether just to maintain their standard of living. Based on BLS data, CSI estimates the cost of Valentine's Day will be about 4.8% higher than it was in 2025, driven primarily by sustained price increases in jewelry, dining, flowers, and candy. While inflation has slowed from pandemic-era peaks, household purchasing power remains significantly reduced compared to pre-2020.

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<sup>i</sup> CapitalOne Shopping Research, “Valentine’s Day Shopping Statistics,” CapitalOne, January 7, 2026, <https://capitaloneshopping.com/research/valentines-day-shopping-statistics/>

<sup>ii</sup> 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](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.

<sup>iii</sup> CME Group, “FedWatch,” accessed February 13, 2026 at 8:00am CST, <https://www.cmegroup.com/markets/interest-rates/cme-fedwatch-tool.html>.