



April 2026

Inflation in the Midwest

March 2026

Author: Andrzej Wieciorkowski

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

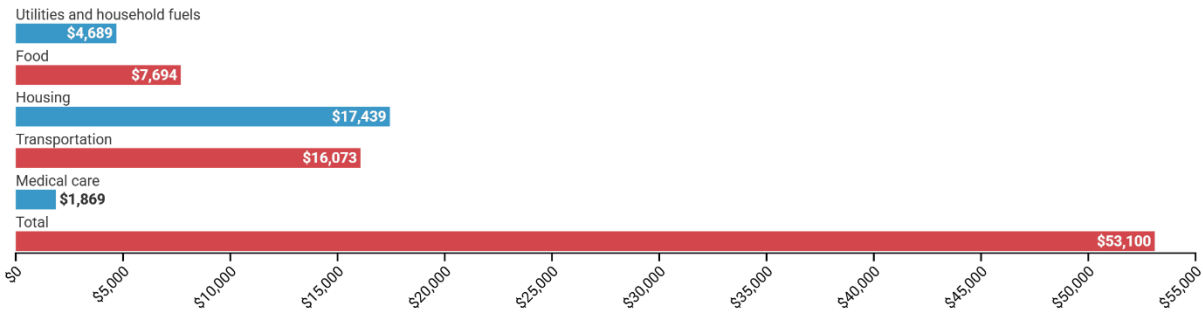
- **Year-over-year inflation rose from 2.4% to 3.3% for the U.S. and from 2.8% to 3.4% for the Midwest in March 2026.**
 - Year-over-year inflation last reached these levels in May 2024 for the United States, and in January 2025 for the Midwest.
- Consumer prices in the Midwest are up 28.1% since January 2020.
- **Because of inflation, the average Iowa household has spent over \$53,000 more since 2020 to maintain the same standard of living.**
 - The typical Iowa household is now spending about \$1,383 more per month than in 2020, driven largely by higher housing, transportation, and food costs.
- Midwest monthly inflation rose from 0.63% in February 2026 to 0.95% in March 2026, tied with the national monthly reading and the highest monthly increase for the Midwest since June 2022.
- **All but two major spending categories increased year-over-year.** From March 2025 to March 2026,
 - Energy (11.3%), fuels and utilities (6.0%), recreation (4.3%) and housing (4.0%) **rose at least 4%,**
 - Medical care (3.9%), services (3.8%), transportation (3.8%), and apparel (3.6%) **rose by at least 3%,**
 - Commodities (2.9%) and food (2.4%) **rose by at least 2%,**
 - Durables (0%) **remained flat,** and education (-0.2%) **saw deflation.**

Iowa households lost over \$53,000 to inflation since 2020

The typical Iowa household must now spend \$1,383 per month more than it did in 2020 to maintain the same standard of living. That same household has spent an additional \$53,100 in total since 2020 to maintain the same standard of living.ⁱ This nominal increase corresponds to a 28.10% rise in consumer prices. The cost increases have been led by a surge in housing, transportation, and food prices, which have risen by \$507, \$325, and \$190 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 March across the United States and Midwest. Year-over-year inflation for the nation grew from 2.4% to 3.3%, while the Midwest region rose from 2.8% to 3.4%. The last time inflation reached these levels was in May 2024 for the United States, and in January 2025 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 April meeting.ⁱⁱ

Annual Rate of Inflation Since January 2020

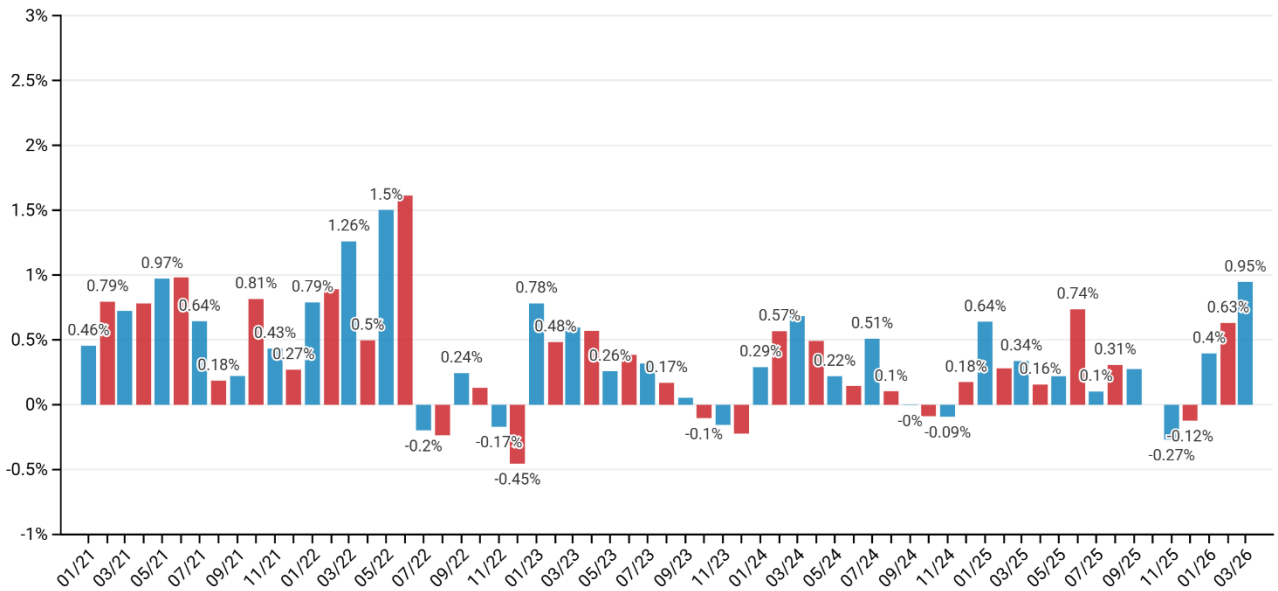


Source: BLS: CPI-U Data

Monthly inflation in the Midwest rose from 0.63% in February 2026 to 0.95% in February 2026 (+0.32%). The March increase marks a continuation of positive month-over-month price growth following the return to positive territory in January, after two consecutive deflationary readings late in 2025. Compared to prior post-

pandemic March readings, the latest increase sits below only the elevated print observed in March 2022 (1.26%), but above March 2021 (0.72%), 2023 (0.60%), 2024 (0.68%), and 2025 (0.34%). Nationwide, non-seasonally adjusted inflation moved from 0.47% in February 2026 to 0.95% in March 2026, tied with the Midwest's monthly reading. The recent monthly data suggests price pressures are reaching relative peaks through the start of 2026. Monthly inflation in March 2026 marked the highest monthly reading since June 2022. Nonetheless, both regional and national readings currently remain well below the elevated levels seen during the peak inflation period earlier in the decade.

Monthly Inflation in the Midwest Region since January 2021



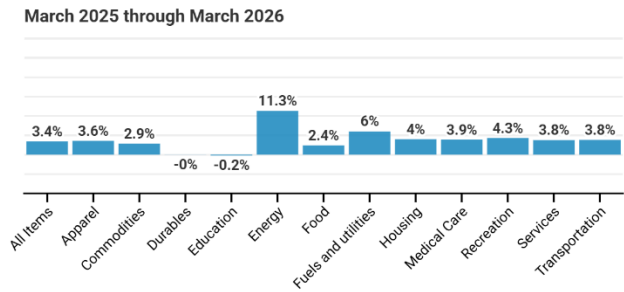
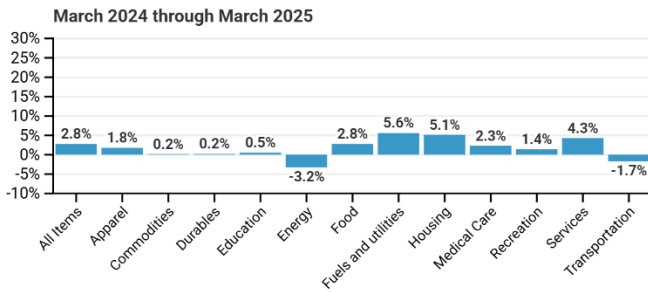
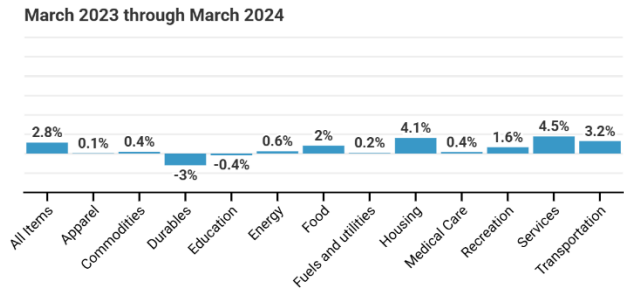
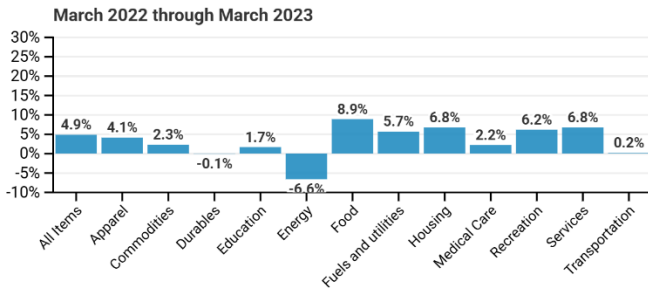
Source: BLS CPI-U Data

Inflation spread across all major categories

Between March 2025 and March 2026, nearly every major category posted year-over-year price increases in the Midwest. The largest gains occurred in energy (11.3%), fuels and utilities (6.0%), recreation (4.3%), housing (4.0%), medical care (3.9%), services (3.8%) and transportation (3.8%). Apparel (3.6%), commodities (2.9%), and food (2.4%) also grew by over 2% year-over-year. Durables were roughly flat, while education (-0.2%) was 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 accelerated in March 2026, with year-over-year price growth rising both nationally and in the Midwest. National inflation increased from 2.4% to 3.3%, while Midwest inflation rose from 2.8% to 3.4%, marking the highest year-over-year levels since May 2024 nationally and January 2025 regionally. Monthly inflation trends show a sharp pickup in both the Midwest (0.95%) and nationally (0.95%) in March, with the Midwest posting its highest monthly reading since June 2022. While these figures remain below the surge seen during the peak inflation period earlier in the decade, the recent acceleration indicates growing price pressures through the start of 2026.

Price increases remain broad-based, driven heavily by energy-related disruptions stemming from the conflict in the Middle East. The recent conflict has triggered a widespread supply disruption in global oil markets, with shipping through the Strait of Hormuz reduced to a trickle and crude oil prices surging above \$100 per barrel.ⁱⁱⁱ Energy (11.3%) and fuels and utilities (6.0%) therefore led to high year-over-year gains in the Midwest and increased production and distribution costs across other major items and the broader economy. While these energy-driven pressures could ease if geopolitical tensions subside and shipping routes reopen, the trajectory of the conflict and its future impact on inflation remain uncertain.

The cumulative effect of inflation since 2020 continues to have a substantial financial impact on Iowa households. Consumer prices across the Midwest have increased 28.1% since 2020, requiring the typical Iowa household to spend approximately \$1,383 more per month to maintain the same standard of living. Since January 2020, the typical Iowa household has spent an extra \$53,100 altogether just to maintain their standard of living. With the Federal Reserve expected to hold rates steady at its April 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 April 10, 2026 at 8:00am CST, <https://www.cmegroup.com/markets/interest-rates/cme-fedwatch-tool.html>.

ⁱⁱⁱ Steve Copack, “Oil hits \$100 per barrel for first time since July 2022,” NBC News, March 8, 2026, <https://www.nbcnews.com/business/markets/oil-hits-100-barrel-first-time-july-2022-iran-war-rcna262347>