



February 2026

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# Inflation in the Pacific Region

## January 2026

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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)<sup>i</sup> 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.)<sup>ii</sup>*

## **Inflation Still on the Radar: Progress, but Persistent Regional Pressures**

Inflation in the Pacific region continues to run above the national average, even as 2026 begins with a broader national trend of cooling inflation. Over the two months from November 2025 to January 2026, consumer prices in the Pacific region rose by 0.4 percent. On a year-over-year basis, regional inflation remains elevated, driven primarily by significant cost increases in medical care, recreation, and various services.

Over the 12 months ending in January 2026, the Consumer Price Index for All Urban Consumers (CPI-U) in the Pacific region increased 2.9 percent, exceeding the 2.4 percent increase in the U.S. city average. The largest contributors to inflation in the region were medical care, recreation, services, and food.

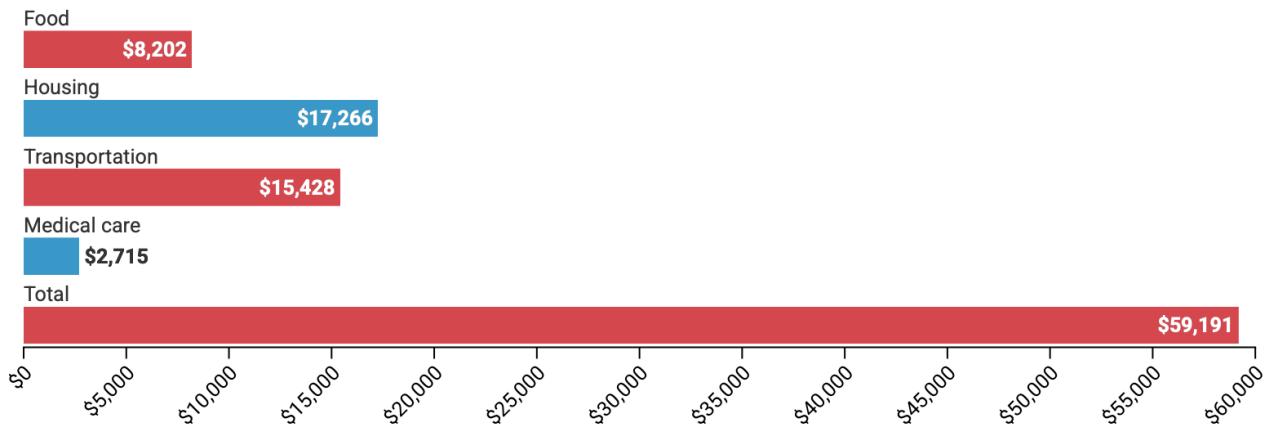
Core inflation—which excludes food and energy—also remains higher in the Pacific region than nationally. Over the same 12-month period, the national core CPI rose 2.5 percent, while regional pressures in medical care and recreation have kept local price growth more robust, 3 percent. This divergence indicates that while headline inflation is moderating, the underlying costs for essential services continue to apply disproportionate pressure on households across the Pacific region.

At the national level, the Federal Reserve paused its cycle of rate cuts at the start of the year. At its January 2026 meeting, the Federal Open Market Committee maintained the federal funds target range at 3.5%–3.75%. This “wait-and-see” approach comes as policymakers weigh a cooling national headline inflation rate against persistent inflation in core services excluding shelter.

***The CPI-U for the Pacific region increased 0.4 percent over the 2 months from November 2025 to January 2026. Over the 12 months ending in November, prices rose 2.9 percent, exceeding the 2.4 percent increase in the U.S. city average.***

## Inflation's Impact on What Oregonians Buy

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

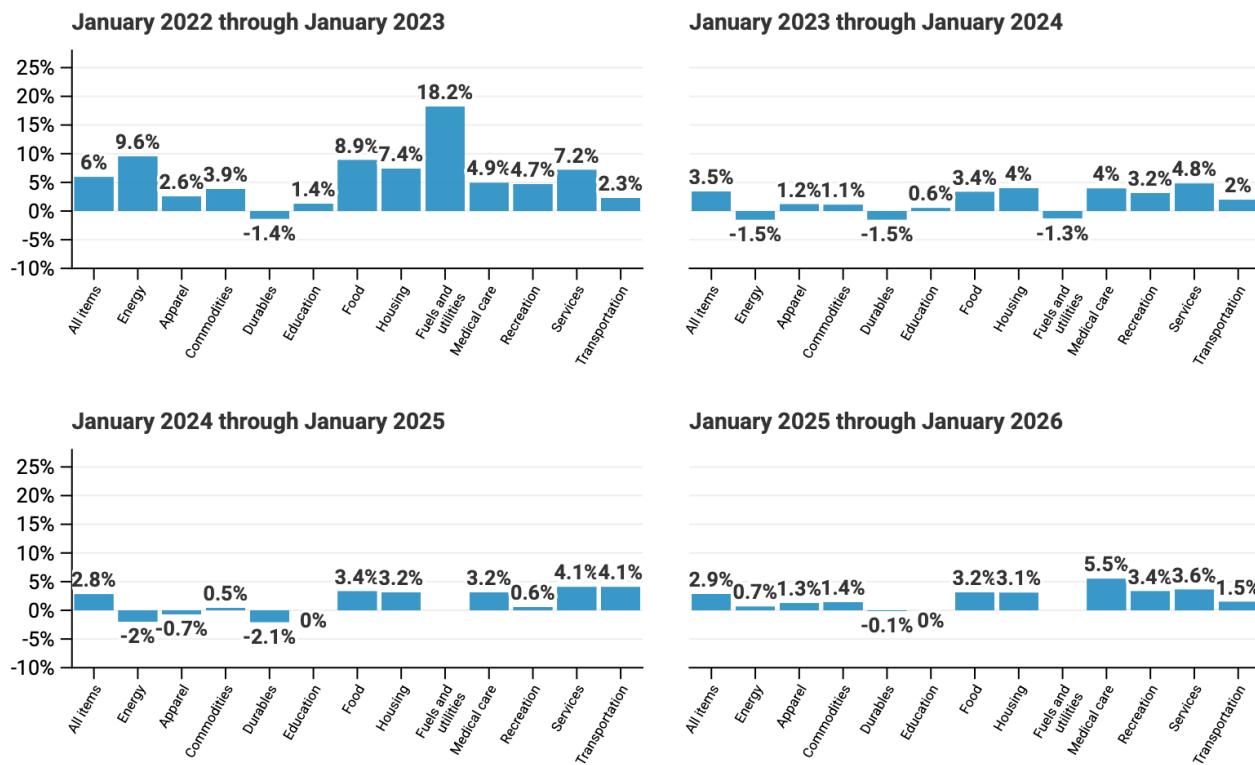


The Bureau of Labor Statistics discontinued the reporting of 'Fuels and Utilities' data for the Pacific region as of 2025

### Key Takeaways:

- Over the 12 months ending in January 2026, the CPI for the Pacific region rose 2.9 percent, exceeding the national average of 2.4 percent. The largest contributors to the increase were medical care, recreation, services, and food.
- The Consumer Price Index for All Urban Consumers in the Pacific region increased 0.4 percent over the 2 months from November 2025 to January 2026.*

## Year-over-Year Price Changes in the Pacific Region



Source: CPI-U Data • The Bureau of Labor Statistics discontinued the reporting of 'Fuels and Utilities' data for the Pacific region as of 2025.

### Sectoral Price Changes<sup>iii</sup>

The inflationary environment has cost the average household in the Pacific region nearly **\$59,000** compared to 2020 spending levels, with **Housing** and **Transportation** accounting for nearly 55% of this increase.

- From January 2025 to January 2026, the largest price increases were seen in: **Medical Care** (5.5%), **Services** (3.6%) and **Recreation** (3.4%).
- Inflation in Durables, Education and Energy** prices were the smallest.

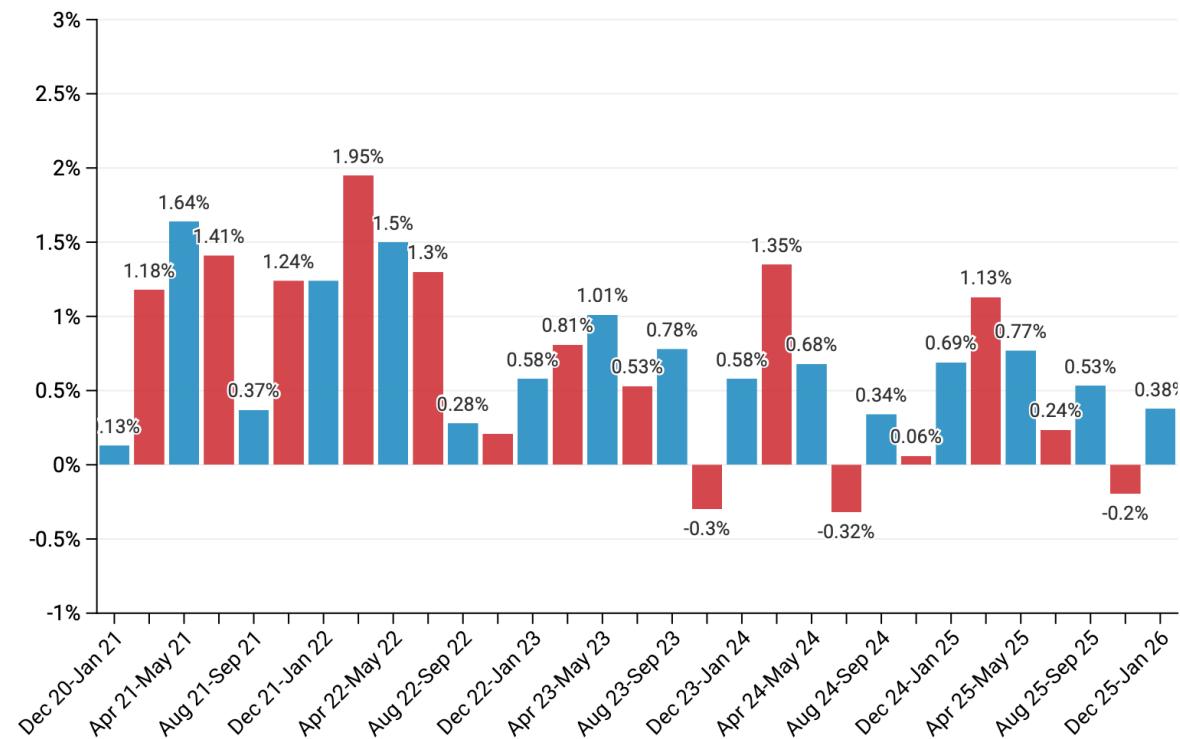
The Pacific region saw above-average annual price growth in:

- Medical Care** (5.5% vs. 3.2%)
- Recreation** (3.4% vs. 2.6%)

- **Food** (3.2% vs. 2.9%)
- **Transportation** (1.5% vs. -1.1%)
- **Services** (3.6% vs. 3.2%)
- **Energy** (0.7% vs. -0.1%)
- **Commodities** (1.4% vs. 1%)

From January 2025 to January 2026, price growth in the Pacific region was slower than the national average across several categories—**Apparel** (1.3% vs. 1.7%), **Durables** (-0.1% vs. 0.5%), **Education** (0% vs. 0.6%), **Housing** (3.1% vs. 3.4%).

## Bi-monthly Inflation in the Pacific Region since January 2021



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

<sup>i</sup> <https://www.bls.gov/cpi/>

<sup>ii</sup> 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.

<sup>iii</sup> 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.