



August 2025

Inflation in the Pacific Region

July 2025

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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)ⁱ 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.)ⁱⁱ

Pacific Region Inflation Remains Above National Average in July 2025

From May to July 2025, consumer prices in the Pacific region increased 0.24%, compared with a 0.49% rise in the U.S. city average over the same period. Over the year, from July 2024 to July 2025, the Pacific index advanced 3.27%, outpacing the U.S. city average increase of 2.7%. Price growth in the region was driven by medical care, services, housing, and food, all of which recorded larger annual gains than the national average.

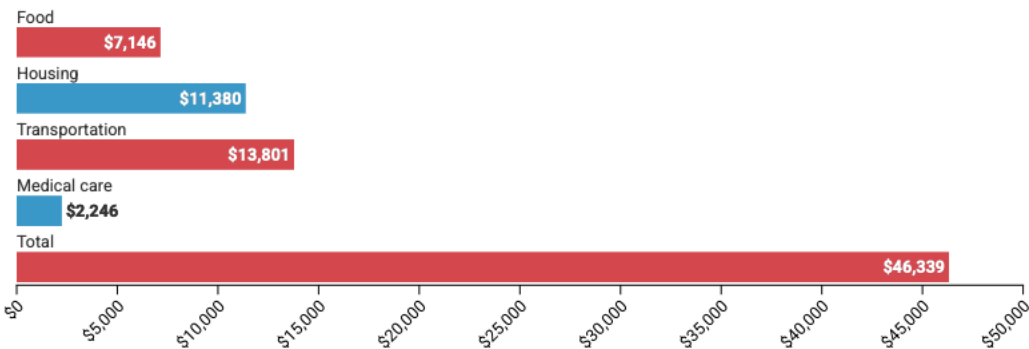
Year-over-year **core inflation**—which excludes food and energy—has hovered close to 3% for most of 2025 in both the Pacific region and the U.S. city average, marking the highest year-over-year core inflation readings so far this year for both in July: 3.32% in the Pacific and 3.17% nationally. This comes after a brief slowdown earlier in the spring.

At the national level, the Federal Reserve held interest rates steady at 4.25%–4.50% during its July meeting, emphasizing that any rate cuts will hinge on clear evidence of continued disinflation and a cooling economy. Officials noted that while inflation has eased from its highs, it remains above the Fed's 2% target, warranting caution before making any policy shifts. Market expectations now point to the possibility of a rate reduction later in the year if disinflation continues and broader economic conditions soften.

From May to July 2025, the Consumer Price Index for All Urban Consumers (CPI-U) in the Pacific region increased 0.24%. The U.S. city average rose 0.49% over the same period. From July 2024 to July 2025, the Pacific index advanced 3.27%, compared with a 2.7% 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?

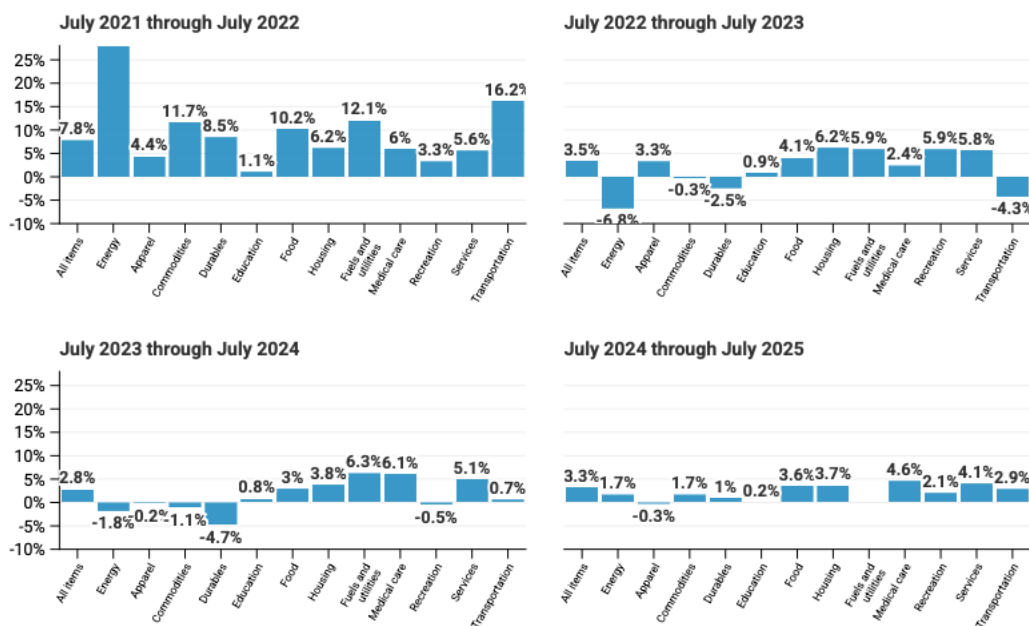


The Bureau of Labor Statistics discontinued the reporting of 'Fuels and Utilities' data for the Pacific region as of 2025

Key Takeaways:

- Inflation in the Pacific region rose 3.27% year-over-year from July 2024 to July 2025, above the national average of 2.7%. The sharpest increases were in Medical care, Services, Housing and Food. These trends have held steady in recent months.
- From May to July 2025, prices in the Pacific increased by 0.24%.

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 Changesⁱⁱⁱ

The inflationary environment has cost the average household in the Pacific region nearly **\$46,339** compared to 2020 spending levels, with **Housing** and **Transportation** accounting for more than half of this increase.

- From July 2024 to July 2025, the largest price increases were seen in: **Medical Care** (4.64%), **Services** (4.09%), **Housing** (3.67%), **Food** (3.65%).
- **Apparel** prices declined by 0.3%.

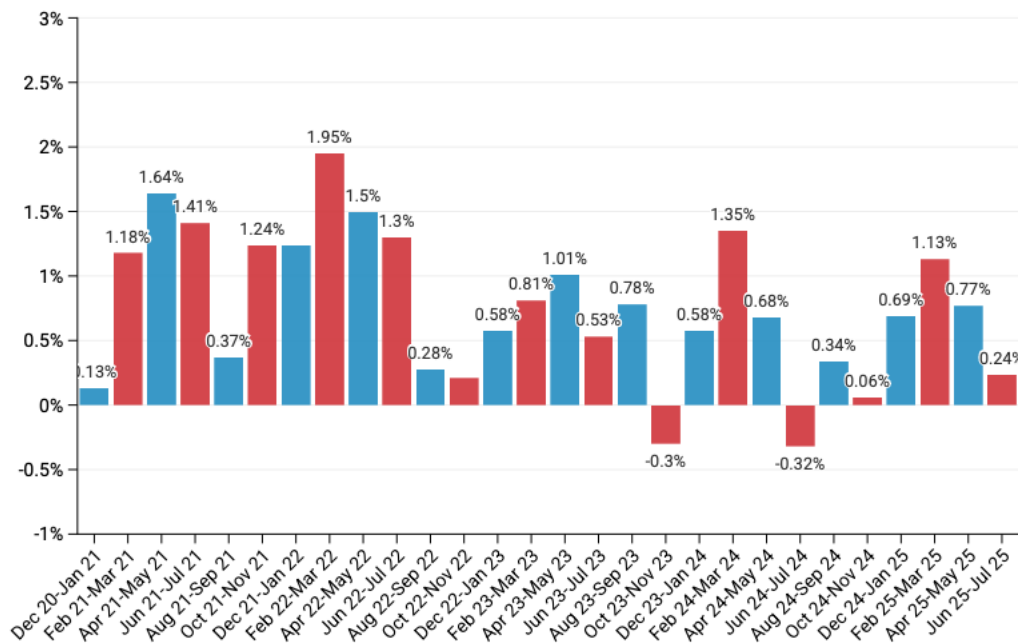
The Pacific region also saw above-average annual price growth in:

- **Food** (3.65% vs. 2.87%)
- **Medical Care** (4.64% vs. 3.46%)
- **Commodities** (1.71% vs. 1.35%)
- **Transportation** (2.91% vs. 1.81%)
- **Services** (4.09% vs. 3.97%)

From July 2024 to July 2025, the Pacific region recorded slower price growth than the national average in **Durables** (1.01% vs. 2.08%), **Education** (0.18% vs.

0.35%), **Housing** (3.67% vs. 4.09%), and **Recreation** (2.08% vs. 3.96%), while **Energy** price changes matched the national level at 1.71%.

Bi-monthly Inflation in the Pacific Region since January 2021



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

ⁱ <https://www.bls.gov/cpi/>

ⁱⁱ 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.

ⁱⁱⁱ 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.