



April 2025

Inflation in the Pacific Region

March 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 Inflation Creeps Higher, Outpacing U.S. Average

In March 2025, the U.S. economy continued to show signs of cooling inflation alongside steady labor market conditions. The Consumer Price Index (CPI) declined by 0.1% on a seasonally adjusted basis, marking the first monthly decrease since 2020. Over the past year, the all-items index rose 2.4%, down from 2.8% in February and moving closer to the Federal Reserve's 2% target. Core inflation, which excludes food and energy, increased 2.8%—its slowest pace since March 2021. Food prices rose 3.0% year-over-year, while energy prices fell 3.3%.

With inflation moderating and the labor market remaining healthy, the Federal Reserve has faced no immediate pressure to adjust interest rates. It held the federal funds rate steady at 4.25% to 4.5% in March, reflecting a stable monetary environment. Strong employment data and inflation levels near target suggest that current policy settings are appropriate—there is no urgency to raise rates.

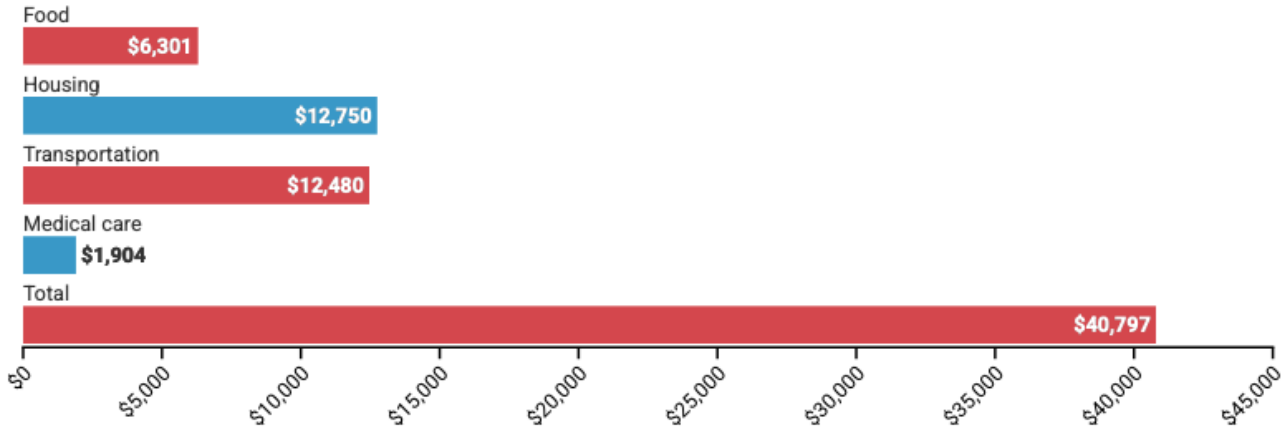
Still, some risks to the outlook remain. While inflation and employment conditions appear stable for now, potential new import tariffs on goods from certain countries and policy proposals to shift global trade dynamics could introduce upward pressure on prices in the coming months. These developments may also contribute to broader economic uncertainty—potentially dampening consumer and business confidence, slowing investment, or cooling future labor market gains. Although these risks are not currently driving monetary policy changes, they remain important to watch as the Federal Reserve balances price stability and full employment. Meanwhile, fiscal policy may face greater strain, particularly if slowing income growth reduces tax revenues or if inflationary pressures re-emerge at the state level.

Inflation in the Pacific region has hovered above the national average in recent months, driven by continued cost pressures in food, medical care, services, and housing. Over the past 15 months, the region experienced a distinct inflation path—peaking at 4.09% in April 2024, before steadily falling to a low of 2.30% in August. Since then, inflation has edged up again, reaching 2.83% in January 2025, 2.92% in February, and 2.61% in March. These figures reflect a moderate rebound but remain relatively stable compared to the highs seen in early 2024.

Prices in the Pacific region increased by 1.13% from January to March 2025, exceeding the national average of 0.67%. Year-over-year, prices in the Pacific rose by 2.61% between March 2024 and March 2025—also above the U.S. average of 2.39%.

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 **2.61% year-over-year** from March 2024 to March 2025, slightly **above** the national average of **2.39%**.
- From January to March 2025, prices in the Pacific increased by **1.13%**, compared to **0.67%** nationally.
- The sharpest price increases were in **food, medical care, services and housing**, while **energy and durable goods** saw the steepest declines.

Sectoral Price Changesⁱⁱⁱ

The inflationary environment has cost the **average household in the Pacific region nearly \$40,797** compared to **2020 spending levels**, with **housing and transportation accounting for more than half of this increase**.

From **March 2024 to March 2025**, the largest price increases were seen in:

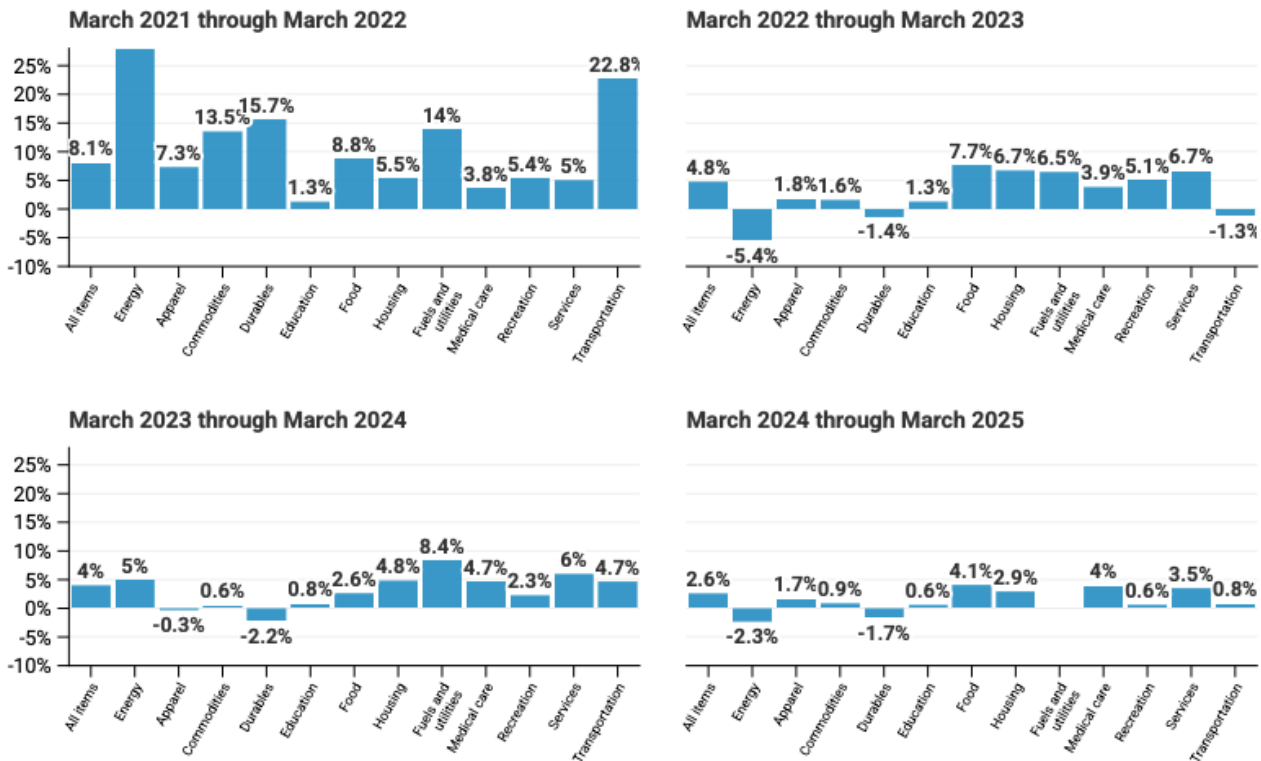
- Food (4.08%), medical care (3.97%), services (3.52%) and housing (2.94%).
- Energy (-2.33%) and durable goods (-1.07%) experienced price declines.

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

- Food (4.08% vs 2.96%)
- Medical care (3.97% vs. 2.75%)
- Commodities (0.88% vs. 0.03%)
- Education (0.6% vs. 0.55%)

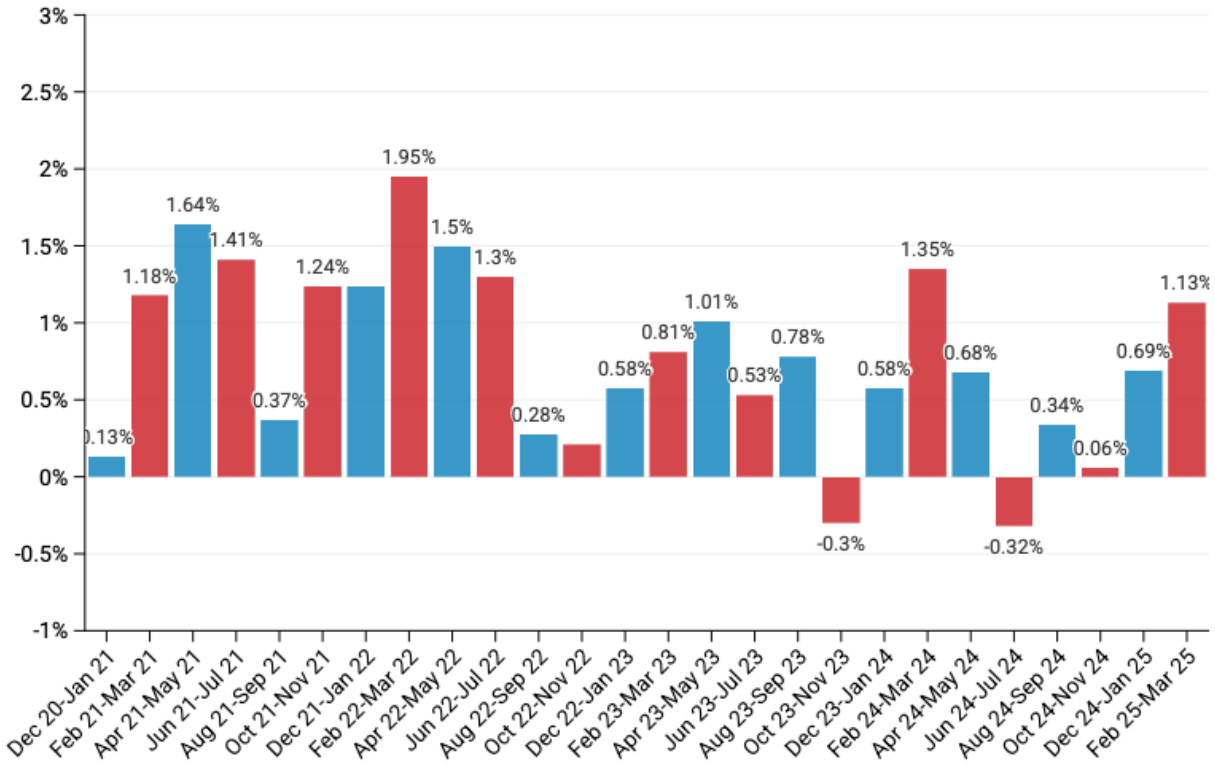
Meanwhile, **apparel (1.68% vs. 2.49%), housing (2.94% vs. 3.77%), recreation (0.62% vs. 2%) and services (3.52% vs. 3.75%)** increased at a slower rate compared to the national average from March 2024 to March 2025.

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.

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.