



June 2025

# Inflation in the Pacific Region

May 2025

Author: Mark McMullen, Serra Kirsch

*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>*

## U.S. Inflation Remains Moderate in May, but Economic Risks Persist

In May 2025, inflation remained relatively stable nationwide, based on the U.S. City Average Consumer Price Index. Consumer prices rose 0.5% over the March–May period and 2.35% year-over-year—slightly higher than the previous month but still close to the Federal Reserve's 2% target. Core inflation, which excludes food and energy, held steady at 2.8% over the year. Food prices continued to rise moderately year-over-year, while energy prices posted annual declines for the fourth consecutive month.

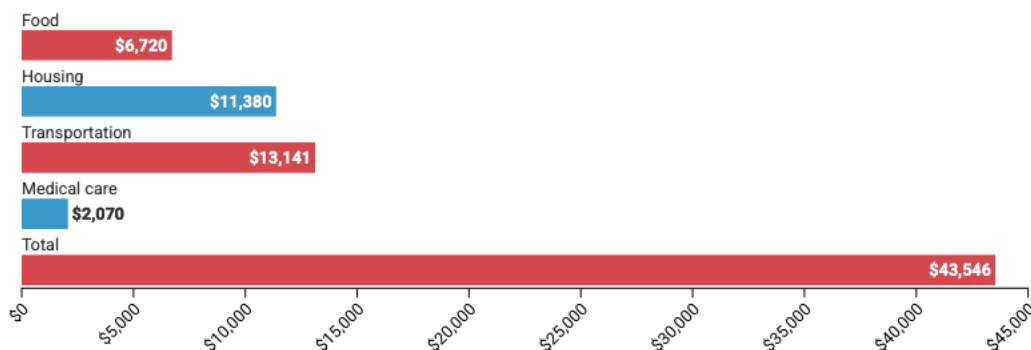
With inflation cooling and the labor market remaining strong, the Federal Reserve held interest rates steady at 4.25%–4.50% during its May meeting.<sup>iii</sup> As of early June, officials are widely expected to maintain that rate range, signaling continued caution as they monitor inflation data and broader economic risks. Concerns around global trade tensions, supply chain pressures, and fiscal strain remain key factors that could influence future policy decisions.

In the Pacific region, prices continued to grow faster than the national average. Year-over-year, inflation reached 2.7% in May, driven by persistent increases in Food, Medical Care, Services, and Housing. Over the March–May period, prices in the region rose 0.77%, also exceeding the national bi-monthly average. While inflation remains well below its 2022–2023 peaks, recent trends suggest that price pressures in the Pacific have been more resilient than in other parts of the country.

***Prices in the Pacific region rose by 0.77% from March to May 2025, outpacing the national average of 0.52%. Over the year, prices increased by 2.7% in the Pacific between May 2024 and May 2025—also above the U.S. average of 2.35%.***

## 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 2.7% year-over-year from May 2024 to May 2025, above the national average of 2.4%.
- From March to May 2025, prices in the Pacific increased by 0.77%.
- The sharpest increases were in Food, Medical care, Services, and Housing, while Energy and Durable goods saw the steepest declines. These trends have held steady in recent months.

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

The inflationary environment has cost the average household in the Pacific region nearly **\$43,546** compared to 2020 spending levels, with **Housing** and **Transportation** accounting for more than half of this increase.

- From May 2024 to May 2025, the largest price increases were seen in: **Food** (3.75%), **Medical Care** (3.83%), **Services** (3.70%), and **Housing** (3.30%).
- **Energy** prices declined by 2.79%, and **Durable Goods** fell by 0.24%.

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

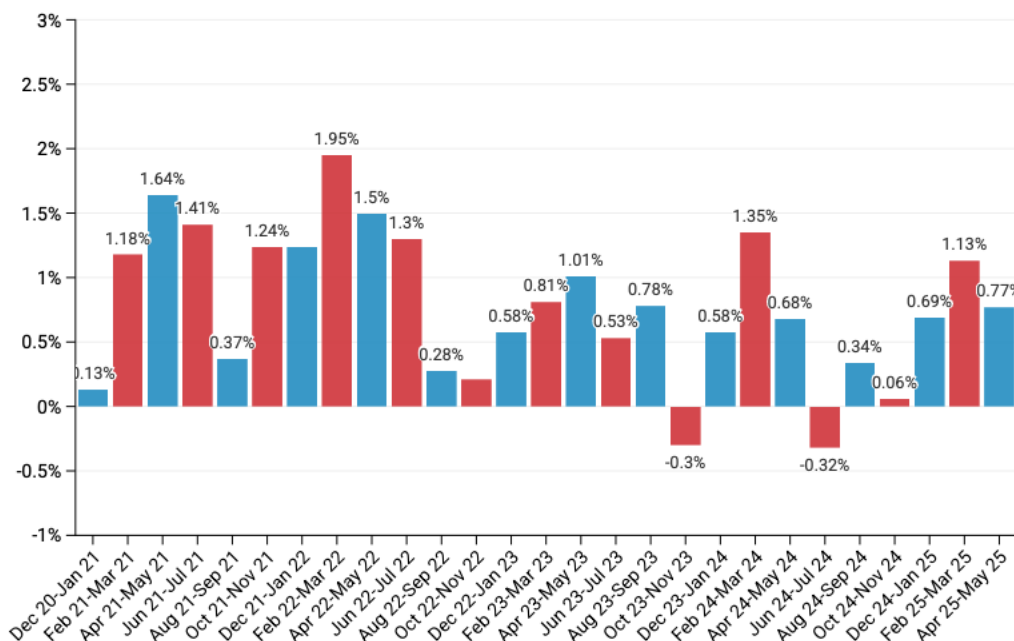
- **Food** (3.75% vs. 2.88%)
- **Medical Care** (3.83% vs. 2.39%)
- **Commodities** (0.80% vs. 0.50%)

- **Education** (0.76% vs. 0.30%)
- **Transportation** (0.41% vs. 0.19%)
- **Apparel** (0.70% vs. -0.55%)

Meanwhile, **Energy** prices fell more sharply in the Pacific than nationwide (-2.79% vs. -1.47%), and **Durable Goods** saw a modest decline in the region while increasing nationally (-0.24% vs. 0.39%).

From March 2024 to March 2025, the Pacific region recorded slower price growth than the national average in **Housing** (3.33% vs. 3.97%), **Recreation** (1.69% vs. 1.91%), and **Services** (3.70% vs. 3.81%).

**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> <https://www.federalreserve.gov/newsevents/pressreleases/monetary20250507a.htm>

<sup>iv</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.