



June 2026

Inflation in the Pacific Region

May 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)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

Inflation Reaches Three-Year High as Energy Surge and Iran Conflict Push Prices Higher

Consumer prices in the Pacific region continued to rise through May 2026, but remained below the national average. The CPI-U for the Pacific region increased 1.2 percent over the two months from March to May 2026, with prices rising 3.5 percent over the 12 months ending in May — below the national increase of 4.2 percent. The national 12-month rate marks the fastest national pace of inflation since April 2023, driven overwhelmingly by surging energy costs.

The May data arrived amid an intensifying geopolitical backdrop. The outbreak of conflict involving Iran disrupted Middle Eastern oil supplies, driving sharp increases in energy prices that accounted for more than 60 percent of the overall monthly increase in consumer prices nationally on a seasonally adjusted basis. Energy prices rose 3.9 percent in May alone (seasonally adjusted), and gasoline prices surged 40.5 percent over the year nationally. Tariffs continued to exert upward pressure on select goods categories, though core commodities declined slightly in May, suggesting limited pass-through to consumers thus far.

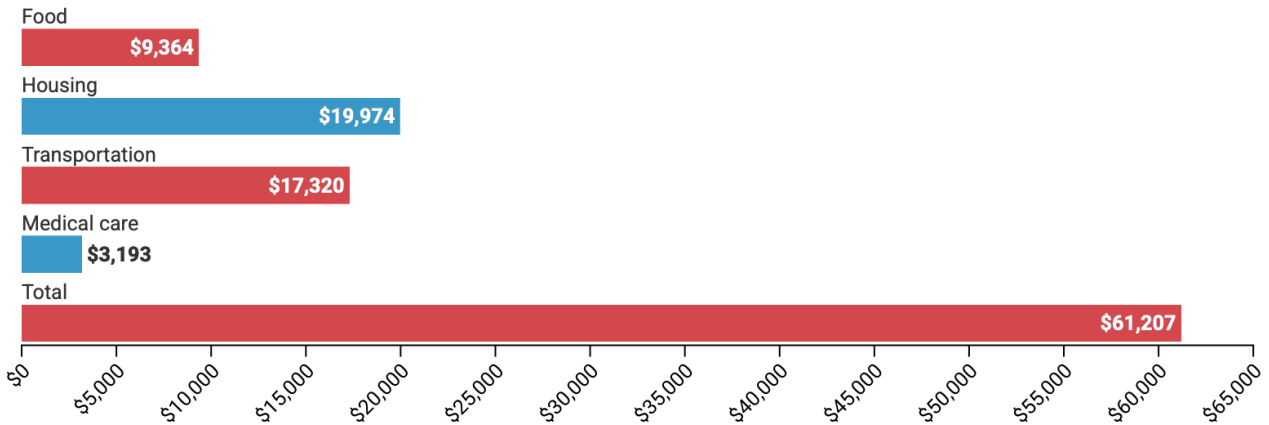
Energy prices were the dominant driver of inflation in both the Pacific region and nationally over the 12-month period. Over the 12 months ending in May 2026, energy prices rose 23.5 percent nationally and 18.9 percent in the Pacific region. The Pacific region's smaller energy increase relative to the national average — reflecting in part the region's higher share of electric vehicles and California's energy policy environment — helped keep the region's overall inflation rate below the national average.

Despite elevated headline inflation, underlying price pressures remained more contained nationally. The index for all items less food and energy rose 2.9 percent nationally over the 12 months ending in May 2026, compared with 3.7 percent in the Pacific region. The higher core rate in the Pacific region reflects persistently elevated shelter and services costs. The gap between headline and core inflation nationally underscores that the current inflation surge is concentrated in energy rather than broadly distributed across the economy.

The CPI-U for the Pacific region increased 1.2 percent over the 2 months from March 2026 to May 2026. Over the 12 months ending in May, prices rose 3.5 percent, below the 4.2 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?

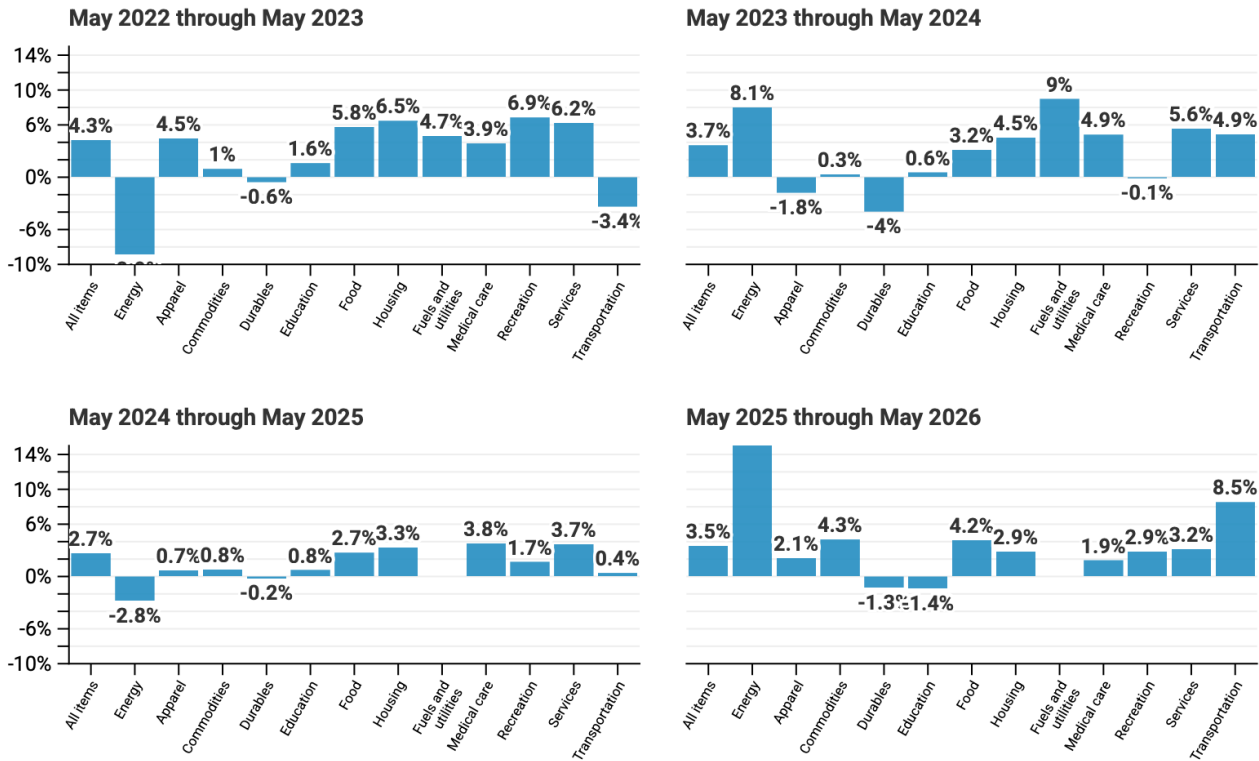


The Bureau of Labor Statistics discontinued the reporting of 'Fuels and Utilities' data for the Pacific region as of 2025

Key Takeaways:

- Over the 12 months ending in May 2026, the CPI for the Pacific region rose 3.5 percent, below the national average of 4.2 percent.
- *The Consumer Price Index for All Urban Consumers in the Pacific region increased 1.2 percent over the 2 months from March 2026 to May 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 Changesⁱⁱⁱ

The inflationary environment has cost the average household in the Pacific region nearly **\$61,000** compared to 2020 spending levels, with **Housing** and **Transportation** accounting for nearly 60 percent of this increase.

- From May 2025 to May 2026, the largest price increases were seen in: **Energy** (18.9%), **Transportation** (8.5%) and **Commodities** (4.3%).
- The prices of **Durables** and **Education** declined slightly on a year over year basis.

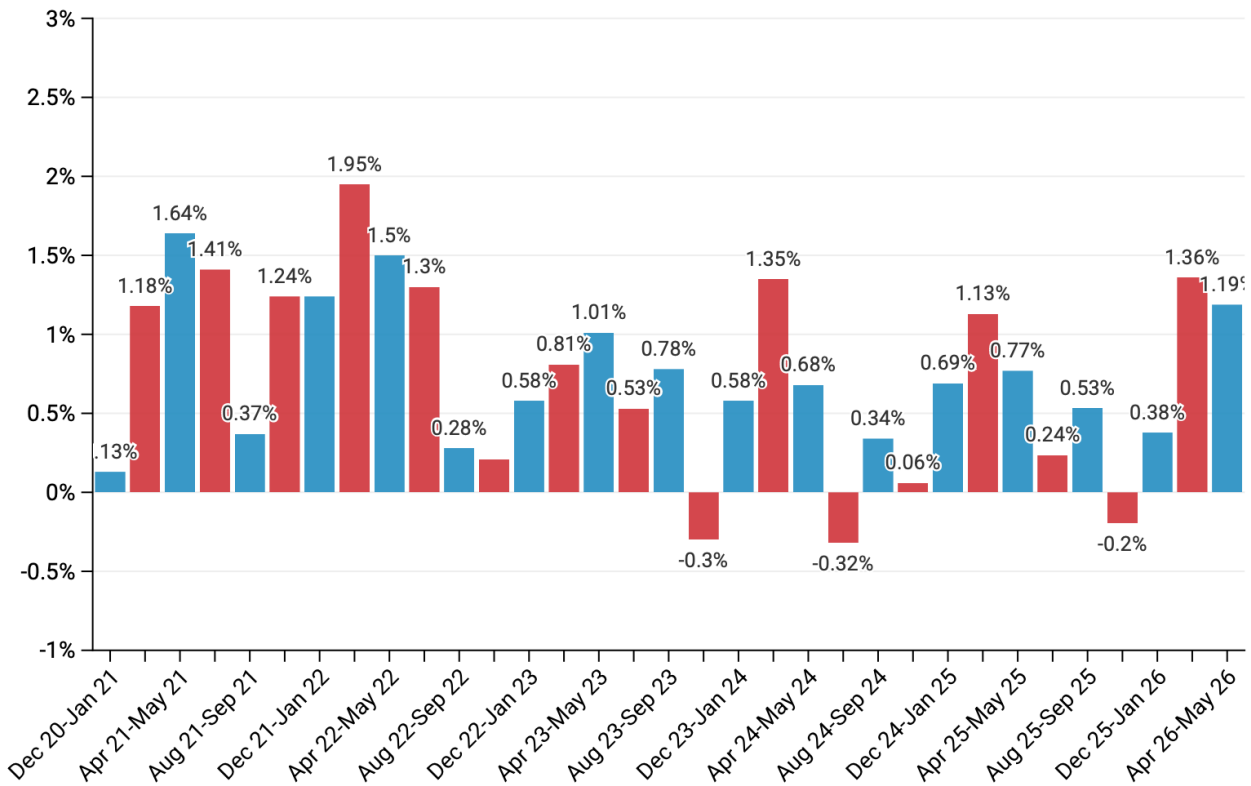
The Pacific region saw above-average annual price growth in:

- **Food** (4.2% vs. 3.1%)
- **Recreation** (2.9% vs. 2.6%)

- **Core inflation** (3.7% vs. 2.9%)

From May 2025 to May 2026, price growth in the Pacific region was slower than the national average across several categories—**Energy** (18.9% vs. 23.5%), **Apparel** (2.1% vs. 4.8%) and **Commodities** (4.3% vs. 5.5%).

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.