



October 2025

Inflation in the Pacific Region

September 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 Outpaces U.S. Average as Fed Begins Gradual Rate Cuts

From July to September 2025, consumer prices in the Pacific region increased 0.53%, closely matching the U.S. city average over the same period. Over the year, from September 2024 to September 2025, the Pacific index advanced 3.5%, outpacing the U.S. city average increase of 3%. Price growth in the region was driven by Medical Care, Energy, Transportation, and Services, all of which recorded larger annual gains than the national average.

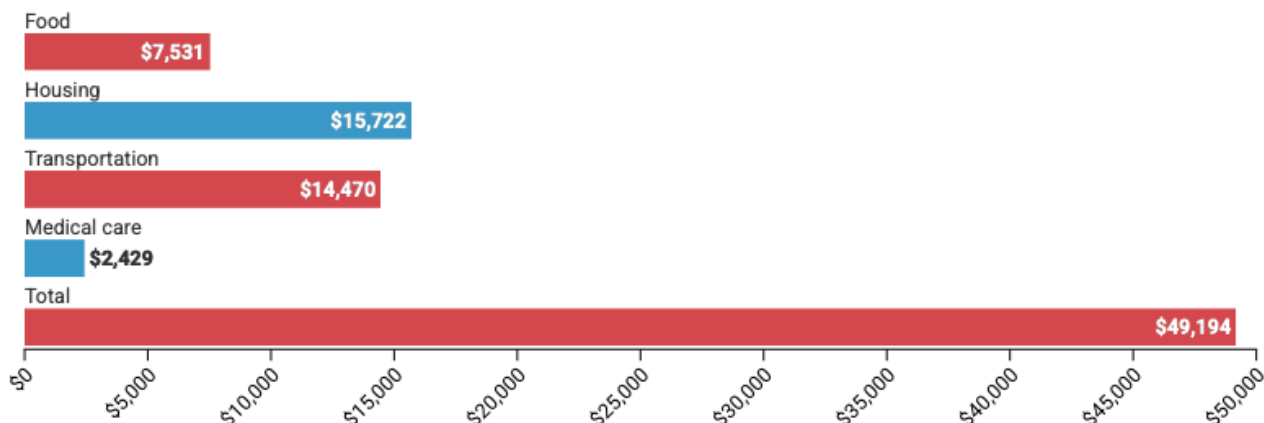
Year-over-year **core inflation**—which excludes food and energy—has hovered close to 3% for most of 2025 in both the Pacific region and the U.S. city average, marking the highest year-over-year core inflation readings so far this year in September for both in the Pacific and nationally.

At the national level, the Federal Reserve cut the federal funds rate by 25 basis points at its September 17, 2025 meeting, setting the target range at 4.00%–4.25%. Policymakers cited signs of a cooling labor market and slowing economic growth, noting that inflation—while still above the 2% target—has eased substantially from earlier peaks. The Committee judged that the risks to its dual mandate of maximum employment and stable prices are now more balanced, warranting a modest policy adjustment. As of October 24, 2025, markets broadly expect another 25-basis-point cut at the October 28–29 meeting, reflecting increased concern about labor-market momentum and overall economic softness.

From July to September 2025, the Consumer Price Index for All Urban Consumers (CPI-U) in the Pacific region increased 0.53% closely matching the U.S. city average. From September 2024 to September 2025, the Pacific index advanced 3.5%, compared with a 3% 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?

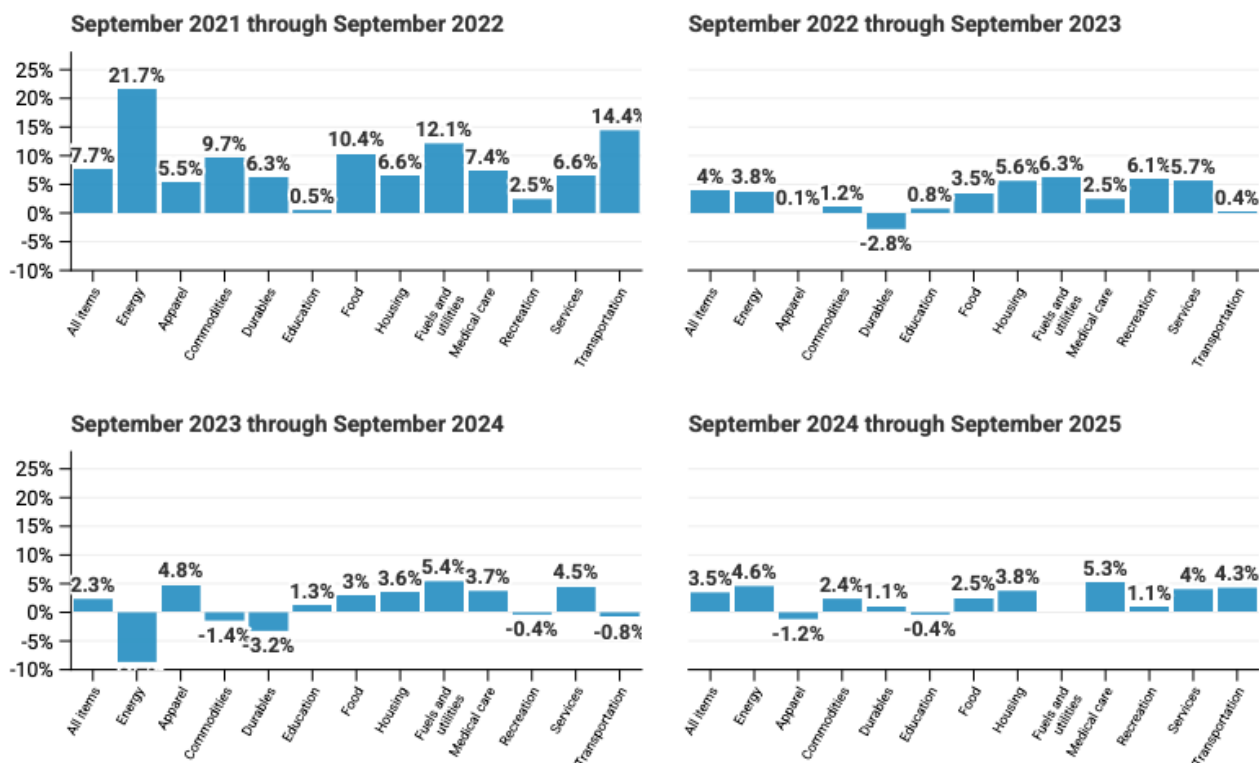


The Bureau of Labor Statistics discontinued the reporting of 'Fuels and Utilities' data for the Pacific region as of 2025

Key Takeaways:

- September 2025, exceeding the **national average of 3%**. The largest increases were in **medical care, energy, services, and transportation**.
- **Energy prices reversed their previous decline** and have been rising year-over-year since **July 2025**. The annual change in energy prices climbed from **1.7% in July** to **4.6% in September 2025**.
- Overall, **Pacific region prices increased by 0.53%** between **July and September 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.

Sectoral Price Changesⁱⁱⁱ

The inflationary environment has cost the average household in the Pacific region nearly **\$49,194** compared to 2020 spending levels, with **Housing** and **Transportation** accounting for 61% of this increase.

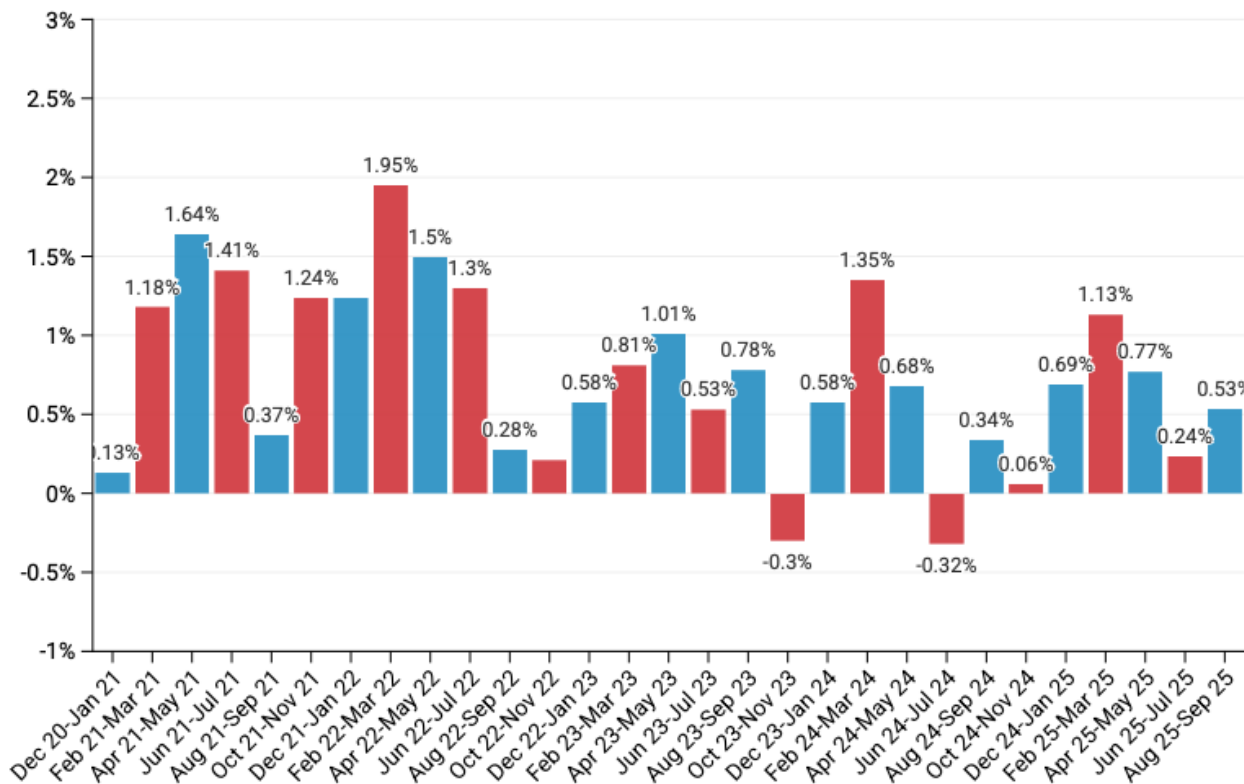
- From September 2024 to September 2025, the largest price increases were seen in: **Medical Care** (5.3%), **Energy** (4.6%), **Transportation** (4.3%) and **Services** (4%).
- **Apparel** prices continued its decline (-1.2%) and **Education** prices declined by (-0.4%)

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

- **Energy** (3.5% vs. 3%)
- **Commodities** (2.4% vs. 1.9%)
- **Medical Care** (5.3% vs. 3.3%)
- **Transportation** (4.3% vs. 2.2%)
- **Services** (4% vs. 3.6%)

From September 2024 to September 2025, price growth in the Pacific region was slower than the national average across several categories—**Durables** (1.1% vs. 1.6%), **Food** (2.5% vs. 3.1%), **Housing** (3.8% vs. 3.9%), and **Recreation** (1.1% vs. 3.1%). Prices in **Apparel** (-1.2% vs. 1.6%) and **Education** (-0.4% vs. 0.4%) declined in the Pacific, while they rose nationally.

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.