

THE INFLATION HANGOVER

HOW THE POST-PANDEMIC PRICE SURGE RESHAPED AFFORDABILITY IN IOWA

#1 IOWA IS #1 FOR AFFORDABILITY

Iowa is now the most affordable state in the nation according to CSI's recent report, *"The Inflation Hangover: How the Post-Pandemic Price Surge Reshaped Affordability in America."*

Just how much more do Iowa families spend on basic necessities today compared to 2019? **CSI estimates households in Iowa spent \$9,000 more in 2025** to cover shelter and utilities, groceries, health and car insurance, gas, and childcare—**significantly less than the \$15,400 increase seen on average across the country.** Iowa's top affordability rank is thanks in part to some of the nation's lowest housing costs relative to incomes.

INCOME

↑ 30%

EXPENSES

↑ 22%

Although household incomes in Iowa rose **30%** between 2019 and 2025—just the 31st fastest in the nation—household expenses increased only **22%** in the same time frame—the 4th slowest in the nation.

6th In 2019, Iowa ranked as the **6th** most affordable state in the nation.

Overall affordability defined as household costs as a share of household income improved in the state since 2019, despite rising prices. Iowa's improvement in affordability was the 6th best in the nation.

Household Annual Cost Increases by Category



+\$2,800
Shelter and Utilities



+\$818
Car Insurance



+\$2,300
Groceries



+\$234
Gas



+\$971
Health Insurance



+\$1,893
Child Care

4%

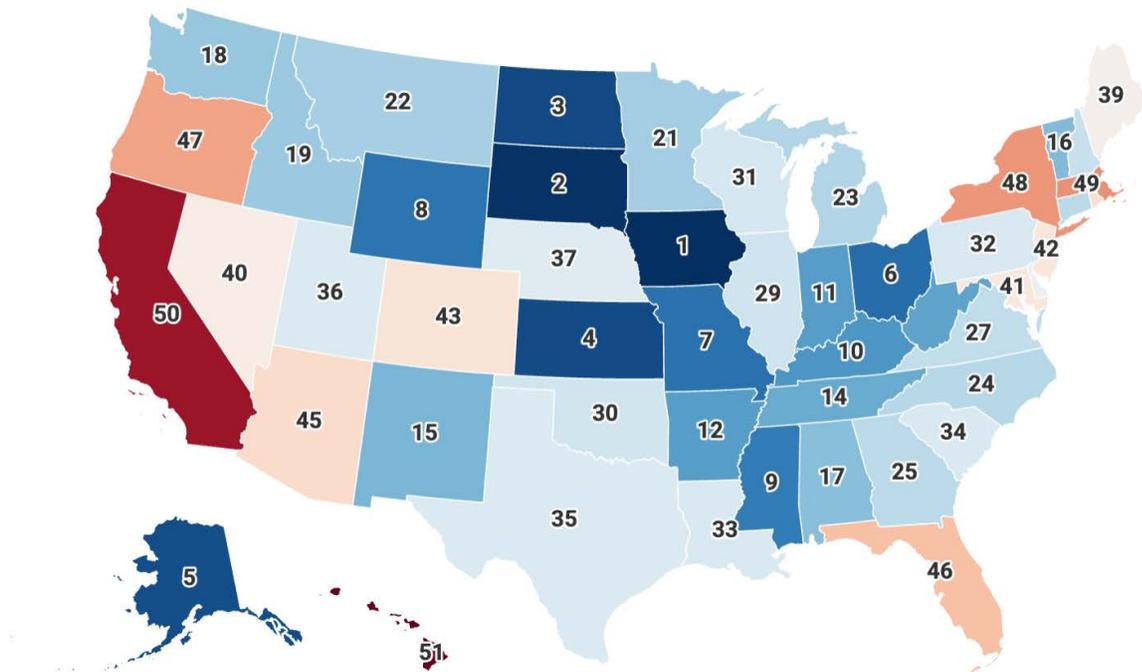


CSI estimates that even though prices have increased, households in Iowa have seen their spending power increase. Households now retain nearly **4%** more of their gross income after necessary expenses compared to in 2019.

To read the full report, visit
www.commonsenseinstituteus.org

State Affordability Rankings, 2025

Households in Iowa retained **10% more** of their gross income after covering necessary expenses in 2025 compared to the U.S. average.



Source: Bureau of Labor Statistics, US Census Bureau, CSI Calculations • NOTE: For a full list of sources see the Appendix in "The Inflation Hangover" by CSI
 Colors reflect degree of affordability as measured by % of gross income left after measured expenses.

24%

Shelter costs **increased 24%** in the state between 2019 and 2025, compared to a national average of about 33.9% over that period. Iowa's increase was the 12th slowest.



4th lowest

Childcare costs as a share of household income in Iowa were the **4th lowest** in the nation in 2025. Estimated expenses for groceries, car insurance, and gasoline were also some of the lowest in the nation.