

# THE INFLATION HANGOVER

## HOW THE POST-PANDEMIC PRICE SURGE RESHAPED AFFORDABILITY IN OREGON

Just how much more are Oregon families having to spend on basic necessities today compared to 2019? The newest CSI report “*The Inflation Hangover: How the Post-Pandemic Price Surge Reshaped Affordability in America*” answers this question. **CSI estimates that households in Oregon needed to spend \$18,300 more in 2025** to cover shelter and utilities, groceries, health and car insurance, gas, and child care – more than the \$15,400 increase seen on average across the country. **Oregon is the 5th least affordable state in the nation** – a ranking unchanged from where the state was in 2019.

**Oregon households saw their incomes rise nearly 34% between 2019 and 2025**, but this increase was slightly lower than the growth in household expenses during the same period. As a result, CSI estimates that households in the state effectively lost 2.4% of their gross income to higher prices in 2025 compared to 2019.

**Shelter costs** remain a major barrier to affordability in Oregon. CSI estimates that shelter and utilities accounted for 21.3% of household income, ranking the state as the 10th least affordable in the nation for housing costs. Housing shortages plague every large population center in the state. Between 2019 and 2025, shelter and utilities costs increased 33.4%. In addition to high house prices and rents, Oregon is losing its traditional advantage in energy costs provided by its access to hydropower. Electricity and natural gas prices are now rising and are likely to rise further going forward due to a lack of transmission capacity and recent state policies (Clean Energy Plan & Climate Protection Program).

**Child care** is another significant cost pressure for Oregon’s families. For a four-person household, child care costs account for an estimated 19.2% of household income in Oregon –the 10th highest share in nation- and increased 55.4% between 2019 and 2025. In practical terms, the cost of child care for two children would consume nearly 44% of the gross income earned by one parent working full time at the prevailing median hourly wage. Access is a challenge across the state. According to the most recent annual report from Oregon State University, thirty-four of Oregon’s 36 counties are considered “childcare deserts” where there are more than three times as many children as available licensed childcare spots. Child care capacity is limited in Oregon due to three primary factors: a lack of qualified physical space, a shortage of ready workforce, and challenges in building a sustainable business model without public subsidies.

### Household Annual Cost Increases by Category



**+\$5,904**  
Shelter and Utilities



**+\$947**  
Car Insurance



**+\$3,204**  
Groceries



**+\$488**  
Gas



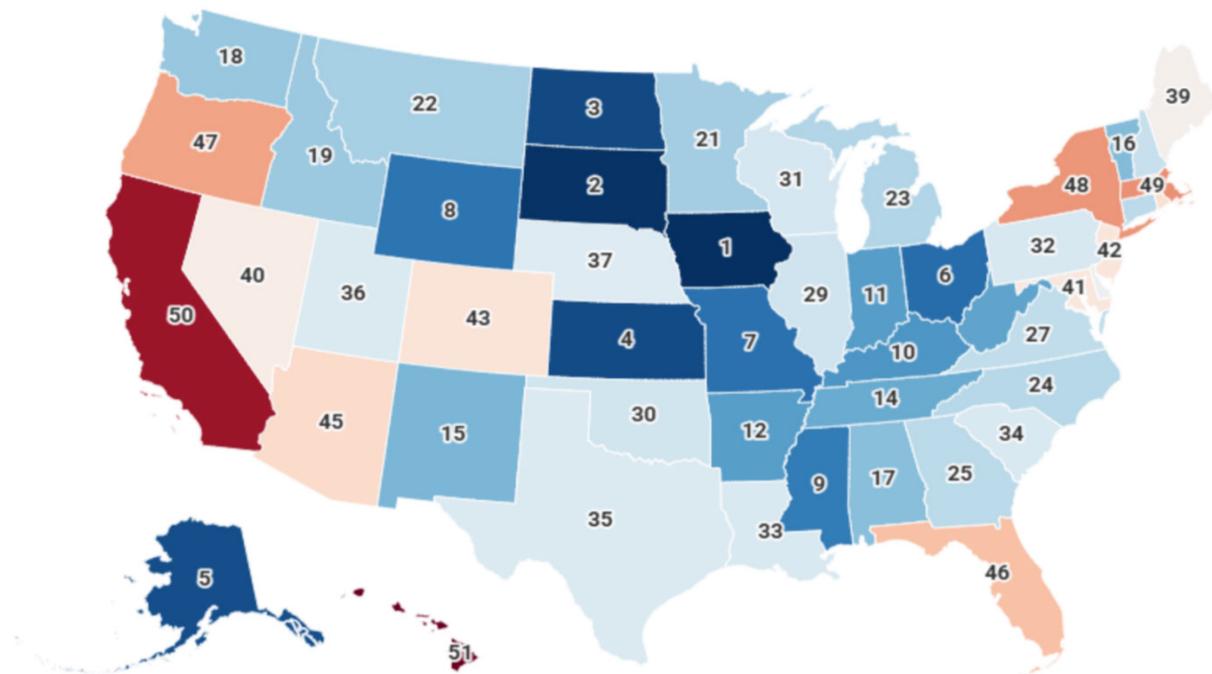
**+\$180**  
Health Insurance



**+\$7,530**  
Child Care

## State Affordability Rankings, 2025

States in the mid west are some of the most affordable states in the nation, while states like Hawaii, Massachusetts, and California represent the low end of affordability. **Households in the 5 most affordable states have to commit around two-thirds of their income to cover necessary expenses, while households in the 5 least affordable states commit over 86%.**



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

**Gasoline prices** are also very high in Oregon relative to those in other states. Bottlenecks in the Western refinery network and high fuel taxes are largely to blame. Fuel tax rates increased significantly during the study period with additional increases being voted on this year. Also, as the state's Clean Fuels Program ramps up, fuel prices will face further upward pressure.

**Health insurance** costs are relatively more affordable compared to other states. CSI estimates these costs account for about 5.1% of household income, ranking Oregon as the second most affordable state in the nation for health insurance in this analysis. Oregon has long been an early and eager participant in federal health care programs. With cuts to federal support now taking place, insurance costs will likely rise going forward.

**Oregon households face the second-highest income tax burden among all states largely due to the lack of a general sales tax and strict restrictions on property tax rates.** Also, Oregon's income tax rates are more progressive than in most states. Collections have increased sharply during the study period along with large income gains among the highest earning households. Taxable nonwage income sources such as capital gains and business income have led the way. Although not included in the study methodology, Oregon recently enacted a large gross receipts tax further increasing the overall tax burden.