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# State Inflation Tracker October 2022

JEC REPUBLICANS | NOVEMBER 10, 2022

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Joint Economic Committee Republicans

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## INTRODUCTION

Americans are facing the highest inflation rates in decades, making it harder for them to afford everyday goods and more expensive to raise their families. Each month coinciding with the Bureau of Labor Statistics' release of the Consumer Price Index, JEC Republicans' State Inflation Tracker estimates how much inflation increases costs for American families in each state and how the drivers of inflation continue to vary across the country. Specifically, we ask: how much more must the average household pay today to maintain the same standard of living it achieved in January 2021?

We choose January 2021 as the base month because it was the last time inflation was within recent historical norms. Soon after, prices began to accelerate and inflation continued building with annual inflation rates averaging 3.4 percent in the first half of 2021, 6.0 percent in the second half, and 7.5 percent by January 2022. See [our methodology](#) for a full description of our methods and a [downloadable data file](#) with a detailed breakdown of inflation costs by state.<sup>1</sup>

Prices increased 13.9 percent from January 2021 to October 2022, costing the average American household \$753 in October 2022 alone. Over the 12-month period from November 2022 through October 2023, the inflation that has already occurred will cost the average American household \$9,038 even if prices stop increasing altogether.

Below we report inflation costs by state, inflation costs over time, and inflation costs within four major spending categories.

## INFLATION COSTS BY STATE

Figure 1 displays a map of the United States, color coded to reflect the magnitude of inflation costs across the nation. See [our online State Inflation Tracker](#) for an interactive version showing three separate statistics for each state: (1) price growth since January 2021, (2) inflation costs imposed on American households in October 2022, and (3) the annual cost of inflation households will face from price increases that have already occurred (i.e., assuming no further price increases going forward).

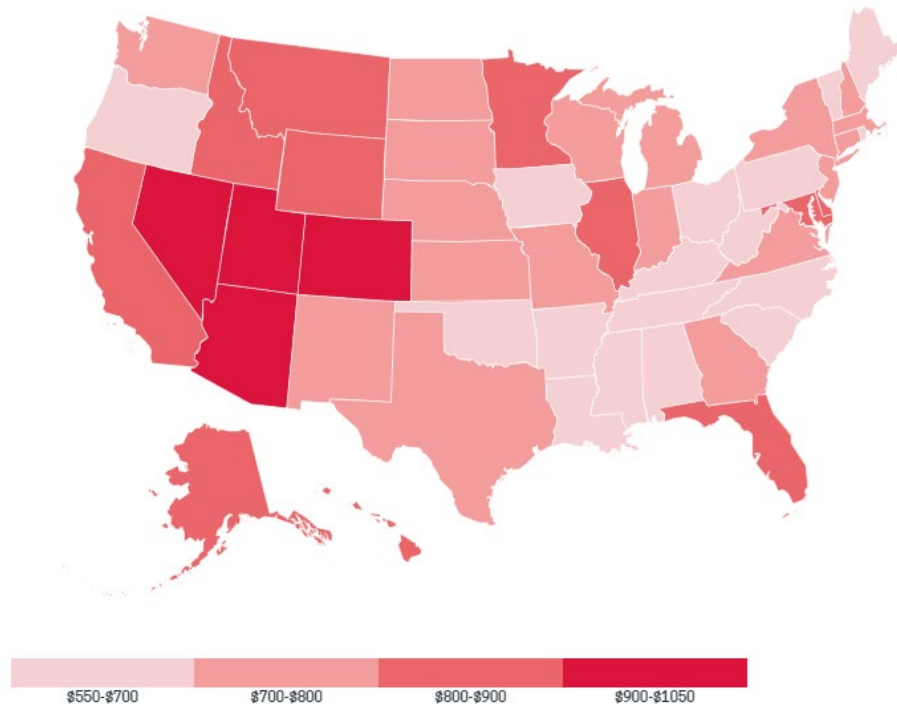
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<sup>1</sup> Jackie Benson, Kevin Corinth, and Kole Nichols. "State Inflation Tracker: Methodology." U.S. Joint Economic Committee Republicans. April 12, 2022.

Full data file can be found here:

[https://www.jec.senate.gov/public/index.cfm?a=files.serve&File\\_id=E52B06B1-BDDC-4D26-A5A7-FF683E3BA8F6](https://www.jec.senate.gov/public/index.cfm?a=files.serve&File_id=E52B06B1-BDDC-4D26-A5A7-FF683E3BA8F6)

Figure 1: Inflation Rates and Average Household Inflation Costs by State, October 2022, Relative to January 2021 Price Levels



Source: JEC Calculations using: Bureau of Economic Analysis, Personal Consumption Expenditures; Bureau of Labor Statistics, Consumer Expenditure Survey; Census Bureau American Community Survey.

Notes: Inflation rates reflect how much prices have increased since January 2021, and inflation costs reflect how much more the average U.S. household must pay in the current month for the same goods and services it purchased in January 2021. See [our methodology](#) for a detailed explanation of these calculations; Jackie Benson, Kevin Corinth, and Kole Nichols. "State Inflation Tracker: Methodology." U.S. Joint Economic Committee Republicans. April 12, 2022.

As Figure 1 shows, inflation rates and inflation costs vary significantly by state. Families in the Mountain West (Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming) are facing the highest inflation rates, with prices today 16.9 percent higher than in January 2021. Due to a combination of higher inflation rates and higher average household spending, inflation is imposing the highest monthly costs on families in the states of Colorado, Utah, and Arizona. Annualized, families in these states are facing inflation costs of \$12,366, \$12,001, and \$10,992 over the next year, respectively.

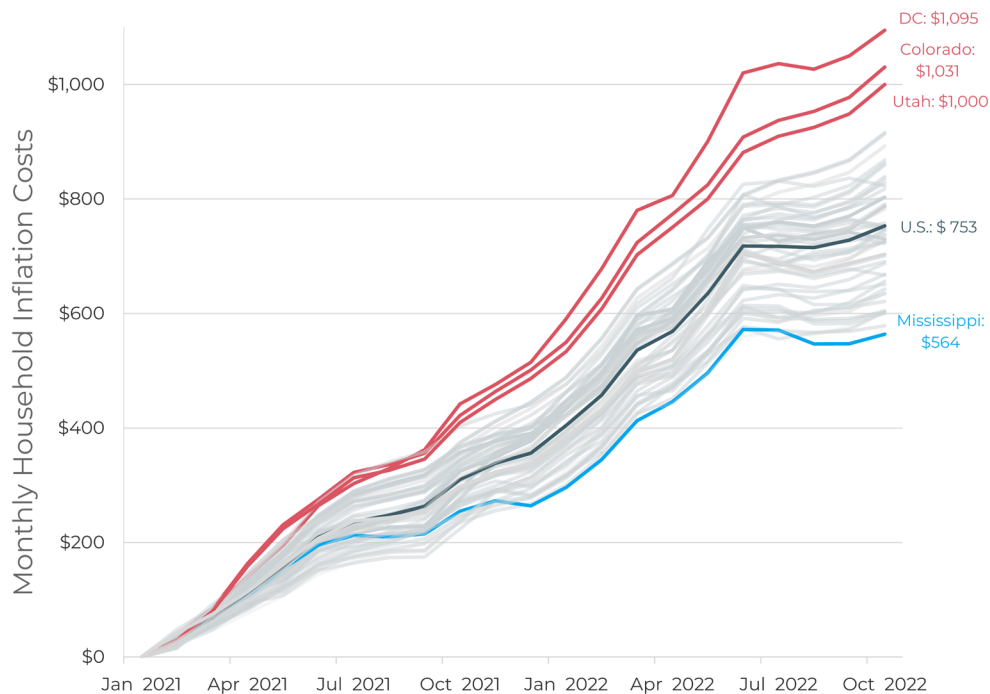
Families in Washington, DC are experiencing relatively higher inflation costs due to higher average spending levels. Inflation costs in Washington, DC are estimated to be \$13,138 per household over the next year.

Although inflation is high everywhere, families in the Northeast (Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont) are facing relatively lower inflation rates with prices 11.6 percent higher today than in January 2021. Families in Mississippi, Arkansas, and Kentucky are facing the lowest inflation costs; however, these costs are still substantial. Assuming prices stop increasing moving forward, families in these states would face \$6,765, \$6,943, and \$7,202 in additional costs over the next year, respectively.

### INFLATION COSTS OVER TIME

As inflation relative to January 2021 rises, so do the monthly costs to American families. Figure 2 details these costs each month, showing the distribution of inflation cost trends across all states and how they compare to the U.S. inflation cost trend overall.

Figure 2: Average Monthly Household Inflation Costs by State, Relative to January 2021 Price Levels, January 2021 through October 2022



Source: JEC Calculations using: Bureau of Economic Analysis, Personal Consumption Expenditures; Bureau of Labor Statistics, Consumer Expenditure Survey; Census Bureau, American Community Survey.

Notes: Inflation costs reflect how much more the average U.S. household must pay for the same goods and services it purchased in January 2021. See [our methodology](#) for a detailed explanation of these calculations; Jackie Benson, Kevin Corinth, and Kole Nichols. "State Inflation Tracker: Methodology." U.S. Joint Economic Committee Republicans. April 12, 2022.

Inflation costs increased from \$728 in September 2022 to \$753 in October 2022 for the average American household, a \$25 increase in monthly inflation costs. From September to October, inflation costs grew the most in the states of Colorado (\$53), Utah (\$51), and California (\$49). In the remaining states, inflation cost changes ranged from an increase of \$49 to a decrease of \$13. Inflation costs in Washington, DC grew by \$45 from September to October.

## **INFLATION COSTS BY CATEGORY**

Just as inflation costs vary by state and over time, they also vary across product categories. Households that spend disproportionately more on items whose prices increased the most face higher total inflation costs. Overall inflation costs reported above are calculated based on a set basket of goods and services purchased by the average American household.<sup>2</sup> Alternatively, category-specific inflation costs capture the added costs of purchasing specific categories of goods and services on the basis of their specific inflation rates.

Table 1 reports estimates of the additional costs American households face when they purchase items within four spending categories: food, shelter<sup>3</sup>, transportation, and energy.<sup>4</sup>

In the United States overall, the spending category with the highest inflation costs is transportation, driven by rising auto and gas prices since January 2021. Families in Colorado are facing the highest transportation inflation costs (\$371); families in California are facing the highest food inflation costs (\$132); families in Colorado are facing the highest shelter inflation costs (\$197); and families in California are facing the highest energy inflation costs (\$203). Families in Washington, DC are experiencing higher food (\$137) and shelter (\$206) costs than any of the states.

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<sup>2</sup> This analysis uses the Consumer Price Index for All Urban Consumers (CPI-U), which represents about 88 percent of the total U.S. population. According to the Bureau of Labor Statistics, the CPI-U “is based on the expenditures of almost all residents of urban or metropolitan areas, including professionals, the self-employed, the poor, the unemployed, and retired people, as well as urban wage and clerical workers.”

Stephen B. Reed and Kenneth J. Stewart, “Why does BLS provide both the CPI-W and CPI-U?” Bureau of Labor Statistics, February 2014, [https://www.bls.gov/opub/btn/volume-3/why-does-bls-provide-both-the-cpi-w-and-cpi-u.htm#\\_edn2](https://www.bls.gov/opub/btn/volume-3/why-does-bls-provide-both-the-cpi-w-and-cpi-u.htm#_edn2).

<sup>3</sup> Shelter inflation measures how fast housing prices are rising for home buyers and renters.

<sup>4</sup> Inflation costs within transportation and energy are not mutually exclusive because both categories capture rising motor fuel prices.

Table 1: Average Monthly Household Inflation Costs by State and Spending Category, October 2022, Relative to January 2021 Price Levels

State	Rank	Percent Increase in Prices Since Jan 2021	Total Inflation Costs	Food Inflation Costs	Shelter Inflation Costs	Transportation Inflation Costs	Energy Inflation Costs
<b>United States</b>		<b>13.9%</b>	<b>\$753</b>	<b>\$110</b>	<b>\$111</b>	<b>\$270</b>	<b>\$147</b>
Alabama		13.2%	\$605	\$105	\$66	\$234	\$111
Alaska		13.5%	\$859	\$131	\$129	\$329	\$202
Arizona		16.9%	\$916	\$114	\$175	\$330	\$178
Arkansas		15.0%	\$579	\$83	\$72	\$222	\$138
California		13.5%	\$863	\$132	\$130	\$330	\$203
Colorado		16.9%	\$1,031	\$128	\$197	\$371	\$200
Connecticut		11.6%	\$748	\$103	\$90	\$241	\$137
Delaware		14.7%	\$803	\$101	\$151	\$263	\$125
DC		14.7%	\$1,095	\$137	\$206	\$358	\$171
Florida		14.7%	\$828	\$104	\$156	\$271	\$129
Georgia		14.7%	\$727	\$91	\$137	\$238	\$113
Hawaii		13.5%	\$835	\$128	\$126	\$319	\$196
Idaho		16.9%	\$839	\$105	\$160	\$302	\$163
Illinois		14.4%	\$803	\$129	\$97	\$312	
Indiana		14.4%	\$701	\$112	\$85	\$272	
Iowa		13.7%	\$667	\$104	\$72	\$260	\$116
Kansas		13.7%	\$723	\$112	\$78	\$282	\$125
Kentucky		13.2%	\$600	\$104	\$66	\$232	\$110
Louisiana		15.0%	\$651	\$94	\$81	\$250	\$156
Maine		11.6%	\$603	\$83	\$73	\$195	\$110
Maryland		14.7%	\$818	\$102	\$154	\$268	\$128
Massachusetts		11.6%	\$788	\$108	\$95	\$254	\$144
Michigan		14.4%	\$725	\$116	\$88	\$282	
Minnesota		13.7%	\$823	\$128	\$89	\$321	\$143
Mississippi		13.2%	\$564	\$98	\$62	\$218	\$103
Missouri		13.7%	\$730	\$114	\$79	\$285	\$127
Montana		16.9%	\$868	\$108	\$166	\$312	\$169
Nebraska		13.7%	\$746	\$116	\$81	\$291	\$130
Nevada		16.9%	\$914	\$114	\$175	\$329	\$178
New Hampshire		11.6%	\$745	\$102	\$90	\$240	\$136
New Jersey		11.9%	\$738	\$122	\$96	\$230	\$118

Table 1 Continued: Average Monthly Household Inflation Costs by State and Spending Category, October 2022, Relative to January 2021 Price Levels

State	Rank	Percent Increase in Prices Since Jan 2021	Total Inflation Costs	Food Inflation Costs	Shelter Inflation Costs	Transportation Inflation Costs	Energy Inflation Costs
New Mexico		16.9%	\$791	\$99	\$151	\$285	\$154
New York		11.9%	\$725	\$120	\$95	\$226	\$116
North Carolina		14.7%	\$688	\$86	\$130	\$225	\$107
North Dakota		13.7%	\$753	\$117	\$81	\$294	\$131
Ohio		14.4%	\$691	\$111	\$83	\$268	
Oklahoma		15.0%	\$602	\$87	\$75	\$231	\$144
Oregon		13.5%	\$657	\$100	\$99	\$251	\$154
Pennsylvania		11.9%	\$621	\$103	\$81	\$194	\$99
Rhode Island		11.6%	\$643	\$88	\$77	\$208	\$118
South Carolina		14.7%	\$668	\$84	\$126	\$219	\$104
South Dakota		13.7%	\$752	\$117	\$81	\$293	\$130
Tennessee		13.2%	\$635	\$110	\$69	\$246	\$116
Texas		15.0%	\$758	\$109	\$95	\$291	\$181
Utah		16.9%	\$1,000	\$125	\$191	\$360	\$194
Vermont		11.6%	\$636	\$87	\$77	\$205	\$116
Virginia		14.7%	\$783	\$98	\$148	\$256	\$122
Washington		13.5%	\$736	\$112	\$111	\$282	\$173
West Virginia		14.7%	\$601	\$75	\$113	\$197	\$94
Wisconsin		14.4%	\$704	\$113	\$85	\$273	
Wyoming		16.9%	\$892	\$111	\$171	\$321	\$174

Source: JEC Calculations using: Bureau of Economic Analysis, Personal Consumption Expenditures; Bureau of Labor Statistics, Consumer Expenditure Survey; Census Bureau, American Community Survey.

Notes: Inflation rates reflect how much prices have increased since January 2021, and inflation costs reflect how much more the average U.S. household must pay in the current month for the same goods and services it purchased in January 2021. See [our methodology](#) for a detailed explanation of these calculations; Jackie Benson, Kevin Corinth, and Kole Nichols. "State Inflation Tracker: Methodology." U.S. Joint Economic Committee Republicans. April 12, 2022. Energy inflation costs are unavailable for states in the East North Central division (Illinois, Indiana, Michigan, Ohio, and Wisconsin) due to the unavailability of electricity price data for this division.

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