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# State Inflation Tracker

## July 2022

JEC REPUBLICANS | AUGUST 10, 2022

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Ranking Member Mike Lee (R-UT)

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>

While prices did not change from June to July 2021, prices increased 13.3 percent from January 2021 to July 2022, costing the average American household \$717 in July 2022 alone. Over the 12-month period from August 2022 through July 2023, the inflation that has already occurred will cost the average American household \$8,607 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 July 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).

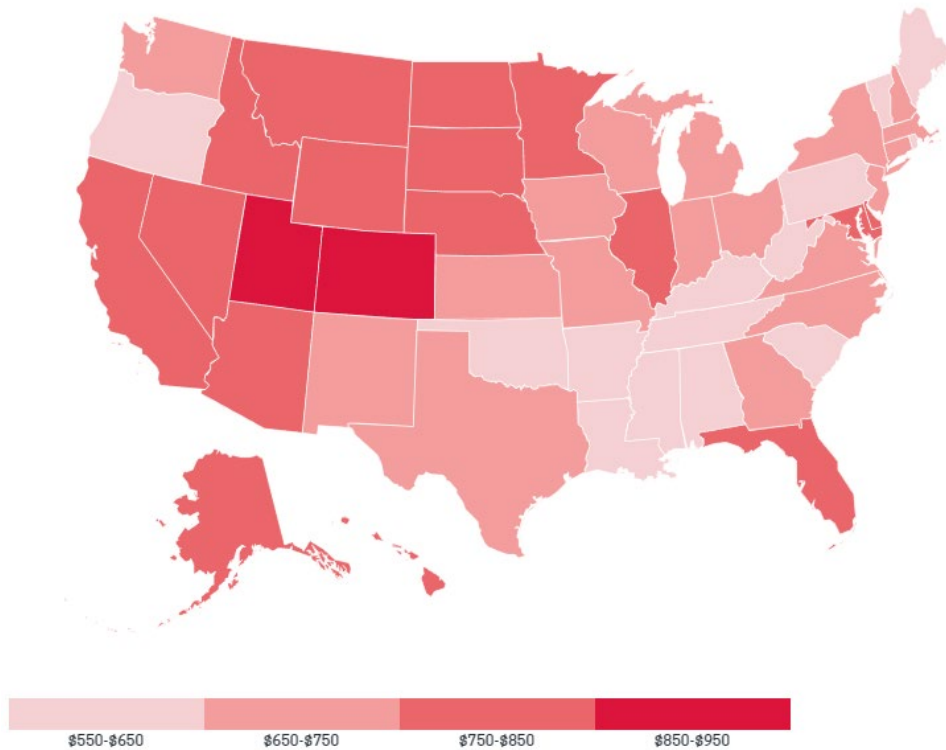
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<sup>1</sup> Jackie Benson, Kevin Corinth, and Kole Nichols. "State Inflation Tracker: Methodology." U.S. Joint Economic Committee Republicans. April 12, 2022.

Full data file can be found here:

[https://www.jec.senate.gov/public/index.cfm?a=files.serve&File\\_id=11846B7D-610F-4CF6-BEDD-1D2B7388DDBF](https://www.jec.senate.gov/public/index.cfm?a=files.serve&File_id=11846B7D-610F-4CF6-BEDD-1D2B7388DDBF).

Figure 1: Inflation Rates and Average Household Inflation Costs by State, July 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 15.4 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 \$11,249, \$10,917, and \$9,999 over the next year, respectively.

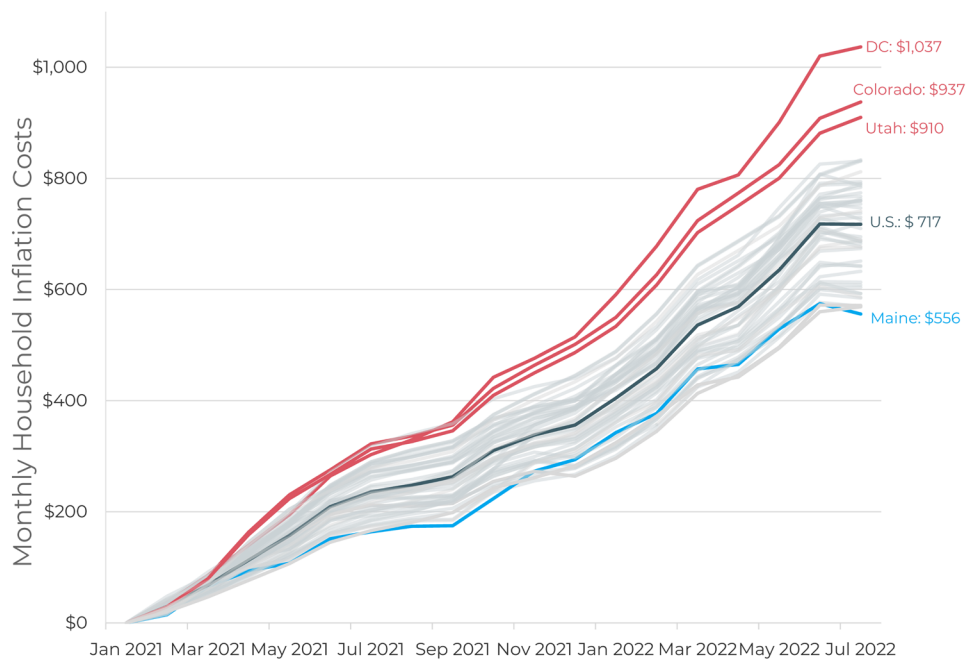
Families in Washington, DC are experiencing relatively higher inflation costs due to higher average spending levels. Inflation costs in Washington, DC are estimated to be \$12,439 per household over the next year.

Although inflation is high everywhere, families in the New England (Maine, New Hampshire, Vermont, Massachusetts, Connecticut, and Rhode Island) are facing relatively lower inflation rates with prices 10.7 percent higher today than in January 2021. Families in Maine, West Virginia, and Arkansas are facing the lowest inflation costs; however, these costs are still substantial. Assuming prices stop increasing moving forward, families in these states would face \$6,670, \$6,827, and \$6,841 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 July 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.

In July, 28 states saw inflation costs increases and 22 states saw inflation costs decreases. For the average American household, inflation costs were essentially unchanged from June to July, decreasing by \$1. From June to July, inflation costs grew the most in the states of Colorado (\$29), Utah (\$28), and Arizona and Nevada (\$26 each). Inflation costs fell the most in Massachusetts (\$25), New Hampshire and Connecticut (\$23 each), and Illinois (\$21). In the remaining states, inflation cost changes ranged from a \$20 decline to a \$25 increase.

## **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 (\$410) and shelter inflation costs (\$160); families in California are facing the highest food inflation costs (\$117); and families in Texas are facing the highest energy inflation costs (\$253). Families in Washington, DC are experiencing higher shelter inflation (\$161) and transportation inflation costs (\$449) 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, July 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>13.3%</b>	<b>\$717</b>	<b>\$93</b>	<b>\$88</b>	<b>\$318</b>	<b>\$190</b>
Alabama	41	13.4%	613	\$90	\$52	\$300	\$168
Alaska	9	12.5%	790	\$116	\$101	\$345	\$197
Arizona	4	15.4%	833	\$96	\$142	\$364	\$200
Arkansas	49	14.8%	570	\$69	\$56	\$271	\$193
California	8	12.5%	794	\$117	\$101	\$347	\$198
Colorado	2	15.4%	937	\$108	\$160	\$410	\$225
Connecticut	28	10.7%	689	\$70	\$65	\$314	\$192
Delaware	16	13.9%	760	\$84	\$118	\$330	\$181
DC	1	13.9%	1037	\$114	\$161	\$449	\$247
Florida	12	13.9%	784	\$87	\$122	\$340	\$186
Georgia	30	13.9%	688	\$76	\$107	\$298	\$164
Hawaii	14	12.5%	768	\$113	\$98	\$335	\$191
Idaho	15	15.4%	763	\$88	\$130	\$334	\$183
Illinois	11	14.1%	787	\$111	\$82	\$355	\$230
Indiana	31	14.1%	686	\$97	\$72	\$309	\$200
Iowa	36	13.8%	674	\$89	\$60	\$315	\$184
Kansas	23	13.8%	730	\$97	\$65	\$342	\$199
Kentucky	42	13.4%	608	\$90	\$52	\$297	\$167
Louisiana	39	14.8%	641	\$77	\$63	\$305	\$218
Maine	51	10.7%	556	\$57	\$52	\$253	\$155
Maryland	13	13.9%	774	\$85	\$120	\$336	\$184
Massachusetts	24	10.7%	726	\$74	\$68	\$330	\$202
Michigan	26	14.1%	710	\$100	\$74	\$320	\$207
Minnesota	6	13.8%	831	\$110	\$74	\$389	\$227
Mississippi	48	13.4%	571	\$84	\$48	\$279	\$157
Missouri	22	13.8%	737	\$98	\$66	\$345	\$201
Montana	10	15.4%	790	\$91	\$135	\$345	\$189
Nebraska	19	13.8%	754	\$100	\$67	\$353	\$205
Nevada	5	15.4%	831	\$95	\$142	\$364	\$199
New Hampshire	32	10.7%	686	\$70	\$65	\$312	\$191
New Jersey	27	11.2%	695	\$105	\$74	\$275	\$162

Table 1 Continued: Average Monthly Household Inflation Costs by State and Spending Category, July 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	25	15.4%	\$720	\$83	\$123	\$315	\$173
New York	33	11.2%	\$683	\$103	\$72	\$270	\$159
North Carolina	37	13.9%	\$651	\$72	\$101	\$282	\$155
North Dakota	17	13.8%	\$760	\$101	\$68	\$356	\$207
Ohio	35	14.1%	\$677	\$96	\$71	\$305	\$197
Oklahoma	44	14.8%	\$593	\$71	\$58	\$282	\$201
Oregon	43	12.5%	\$604	\$89	\$77	\$264	\$150
Pennsylvania	47	11.2%	\$585	\$89	\$62	\$231	\$136
Rhode Island	45	10.7%	\$592	\$60	\$56	\$270	\$165
South Carolina	40	13.9%	\$633	\$70	\$98	\$274	\$151
South Dakota	18	13.8%	\$759	\$101	\$67	\$355	\$207
Tennessee	38	13.4%	\$643	\$95	\$54	\$315	\$176
Texas	20	14.8%	\$747	\$90	\$73	\$355	\$253
Utah	3	15.4%	\$910	\$104	\$156	\$398	\$218
Vermont	46	10.7%	\$586	\$60	\$55	\$267	\$163
Virginia	21	13.9%	\$741	\$82	\$115	\$321	\$176
Washington	34	12.5%	\$677	\$100	\$86	\$295	\$169
West Virginia	50	13.9%	\$569	\$63	\$88	\$247	\$135
Wisconsin	29	14.1%	\$689	\$97	\$72	\$311	\$201
Wyoming	7	15.4%	\$812	\$93	\$139	\$355	\$195

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

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