

# INFLATION

UPDATED THROUGH APRIL 2026 | NATIONAL

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## Takeaways | Inflation (April 2026)

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- Transportation inflation stood at 7.06% in April 2026, the highest since November 2022.
- In a reversal, Hispanic households now experience higher inflation than the national average in April 2026, driven by the prominent role of gasoline in their consumption basket. Black, low and middle-income, non-college, rural, Northeastern and Midwestern households are also experiencing inflation above the national average. However, AAPI, high-income, college-educated, young and Southern households have lower inflation than the national average, although Southern households experienced an uptick with rising gas prices.
- Notably, high-income households have a smaller share of gasoline in their consumption basket than low- and middle-income households do (though a larger share of transportation) and therefore are experiencing lower inflation relative to the national average than they did during the 2021-22 inflationary episode.
- Rural households saw inflation that was 0.79 percentage point higher than the national average. All other groups experienced inflation within about 0.4 percentage point of the national average.

## Full Report Highlights through April 2026

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### ▪ INFLATION

- In a reversal, Hispanic, Black, low and middle-income, non-college, rural, Northeastern and Midwestern households saw higher inflation than the national average, in part from higher gasoline prices since March 2026.
- AAPI, high-income, college-educated, young and Southern households saw lower inflation than the average.

### ▪ EARNINGS

- Black and Hispanic workers experienced a decrease in earnings ratio to white workers relative to December 2025.
- Workers without a college degree earned more as a fraction of the earnings of workers with a degree than they did during most of the past six years.
- Women workers' earnings have held steady as a share of men's earnings since December 2025.
- Earnings of workers in large-sized businesses have grown at a higher rate than earnings of workers in medium-sized and small businesses.

### ▪ EMPLOYMENT

- Employment losses and unemployment increases have leveled off for Black workers, though employment remains low and unemployment remains high for them relative to the post-pandemic period.
- Employment gaps between college graduates and nongraduates are close to pre-pandemic levels.
- Workers with disabilities were much less (nearly half as) likely to participate in the labor force and be employed, and more than twice as likely to be unemployed than workers without disabilities.
- Employment has grown faster at large businesses than at small and medium-sized businesses.

## Full Report Highlights through April 2026 (continued)

### ▪ **CONSUMER SPENDING**

- Real gas spending and real retail ex auto spending have fallen for nearly all groups as a result of the March 2026 gas price shocks.
- Lower-income groups generally reduced real gas spending by more than higher-income groups, which in turn increased nominal gas spending by more than lower-income groups.
- Since 2023, high-income households have increased nominal consumption by a higher percentage than have middle-income and low-income households.
- Consumption growth in nominal and real terms since 2023 has also been higher for college graduate relative to nongraduate households, AAPI and white relative to Hispanic and Black households and young relative to old households.

### ▪ **WEALTH**

- Growth in wealth after 2019 was faster for some groups with little wealth growth relative to population.
- This growth did not meaningfully reduce stark wealth inequalities across demographic groups.
- Financial assets have been growing strongly, raising net worth across the board but particularly for high-income and high-wealth groups.
- Real liquid assets grew rapidly for most groups in 2025:Q4, including Hispanic, noncollege and Black households, but did not grow for households in the bottom income quintile.

## Full Report Highlights through April 2026 (continued)

- **SMALL BUSINESS**

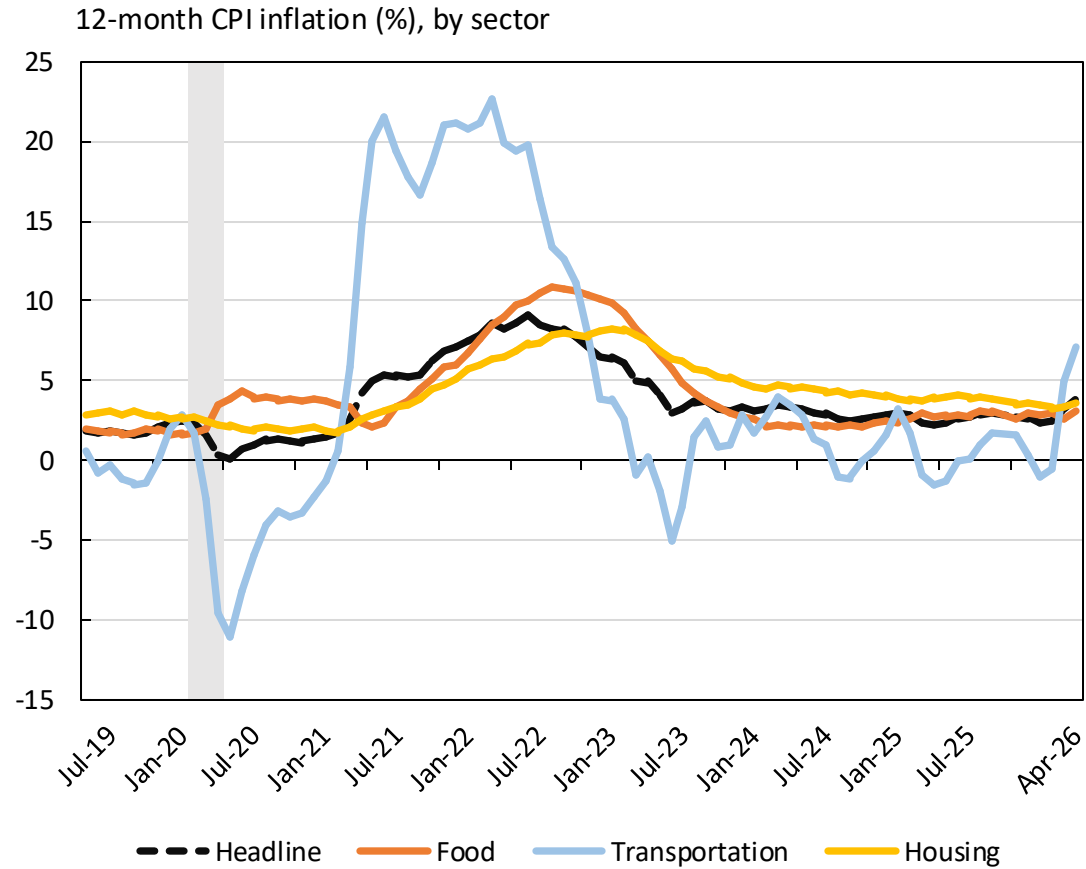
- Small business profitability and employment improved, but revenue growth declined this year. Employment and revenue expectations for 2026 worsened. Trends in revenue and employment varied by firm size: the smallest firms reported decreased revenue growth and increased employment growth, while larger firms had the opposite experience.

## Data and Methods | Inflation

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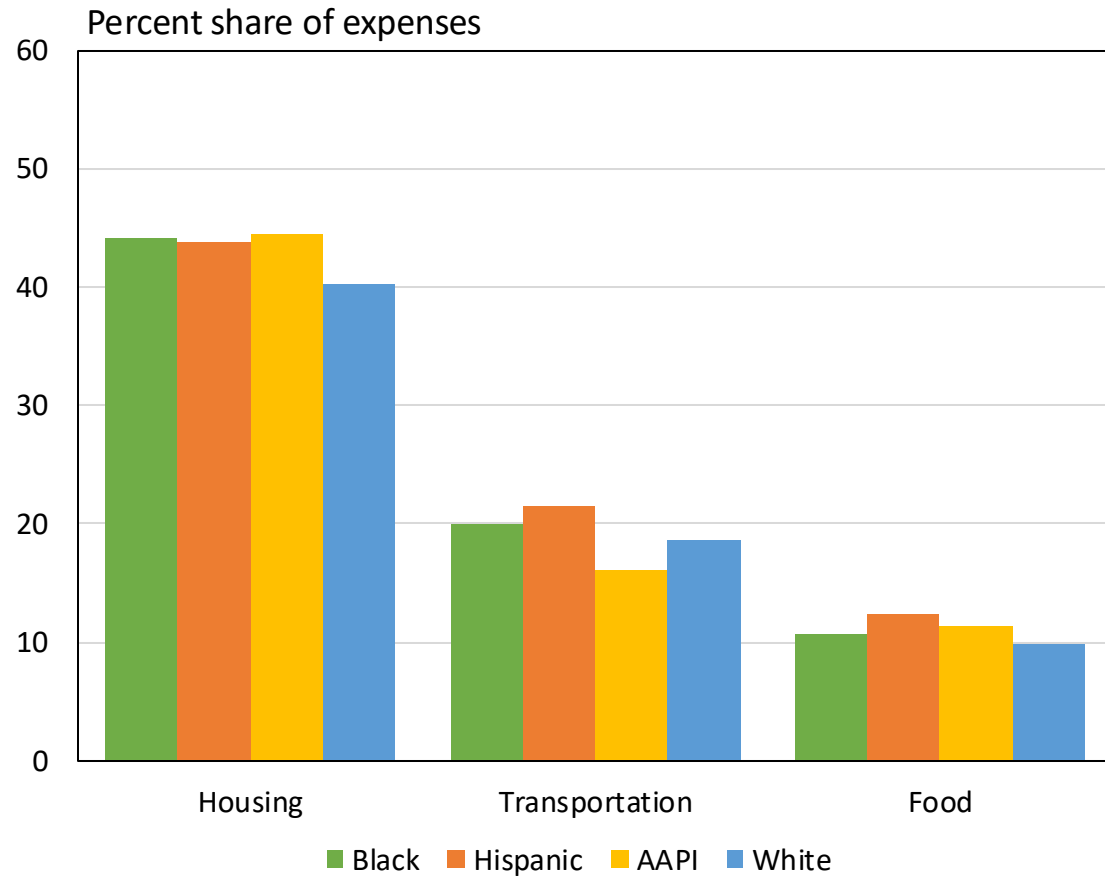
- Data on inflation by demographic groups are not produced by the Bureau of Labor Statistics.
- To calculate demographic inflation, the Consumer Expenditure Survey (CEX) is used to compute spending shares of various consumption categories (for example, cereal, rent, and used cars) by demographic group (for example, Black, Hispanic, some college, and aged 45-54).
- To compute the contribution of a consumption category in a particular city to demographic inflation for a specific group, that group's spending share on that category in that city (from the CEX) in the previous year is multiplied by the twelve-month inflation for that consumption category in that city (from the Consumer Price Index).
- All the contributions are then weighted by the group's population in each city to get an inflation index for the demographic group.
- This method is similar to the previous literature, for example, Hobbijn and Lagakos (2005), McGranahan and Paulson (2006), and Jaravel (2019). The EHIs are the first to exploit price variation across cities whereas the aforementioned studies assume people in different demographic groups and cities face the same prices.
- Inflation gaps are calculated as demographic inflation less overall inflation. Inflation gap by urban status is calculated as rural inflation minus urban inflation.

## Inflation by Sector

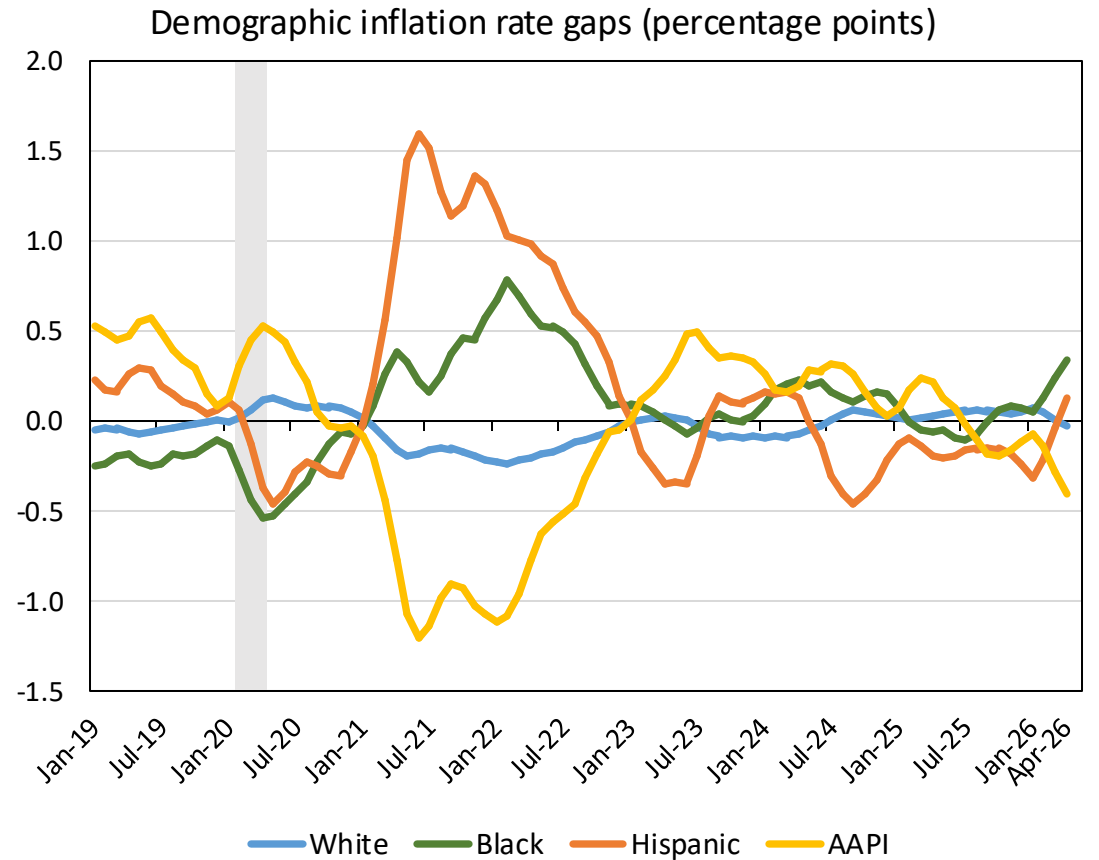


Sources: CPI via Haver Analytics; authors' calculations.  
 Note: Shaded region indicates the COVID-19 recession.

## Demographic Inflation by Race/Ethnicity

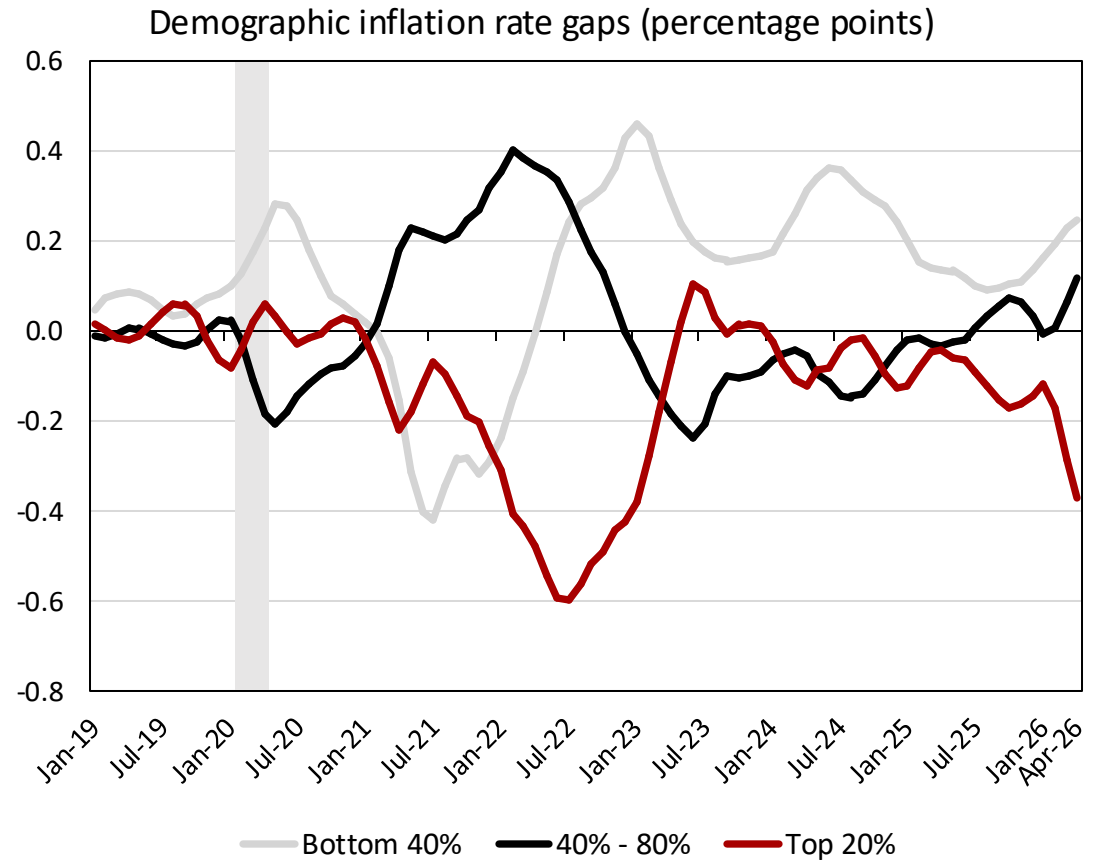
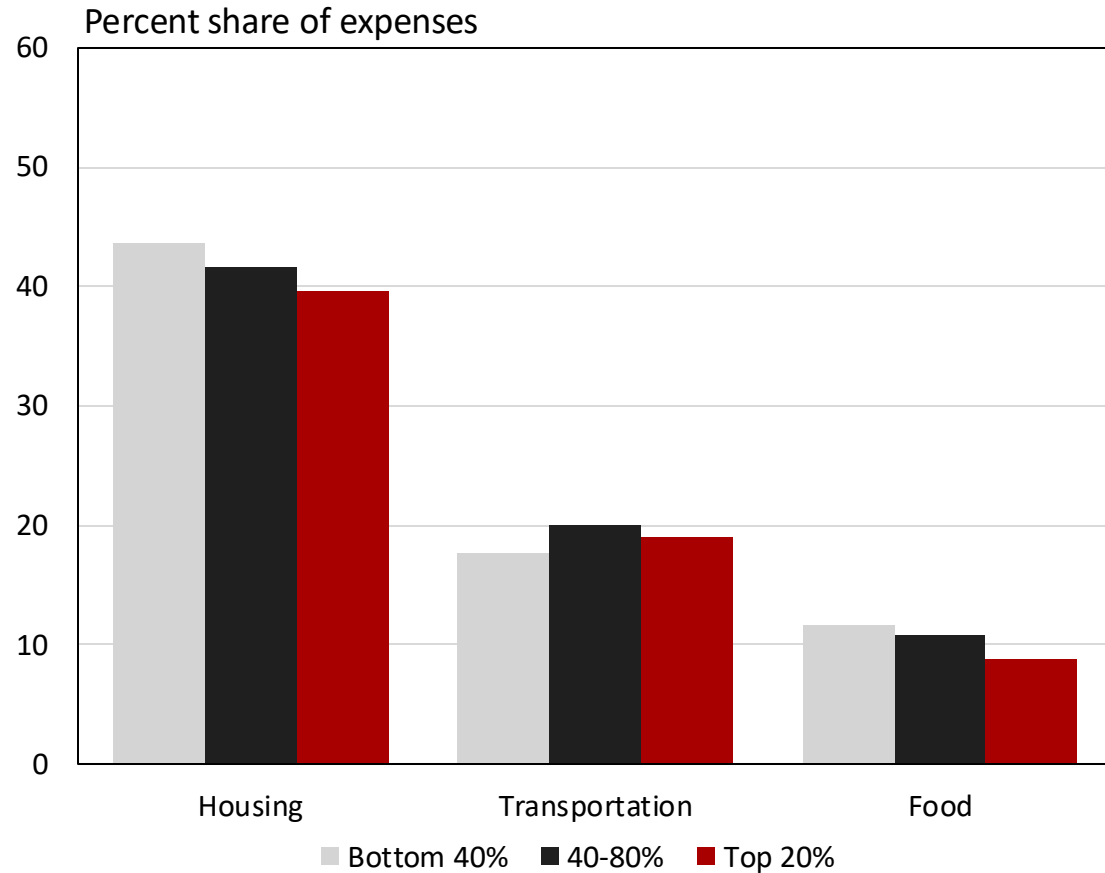


Source: BLS Consumer Expenditure Survey microdata; BLS Consumer Price Indexes.  
 Notes: Expenditure shares use 2021 CEX microdata. Shaded region indicates the COVID-19 recession.



Demographic inflation gaps are calculated as demographic inflation less overall inflation and use three-month moving averages.

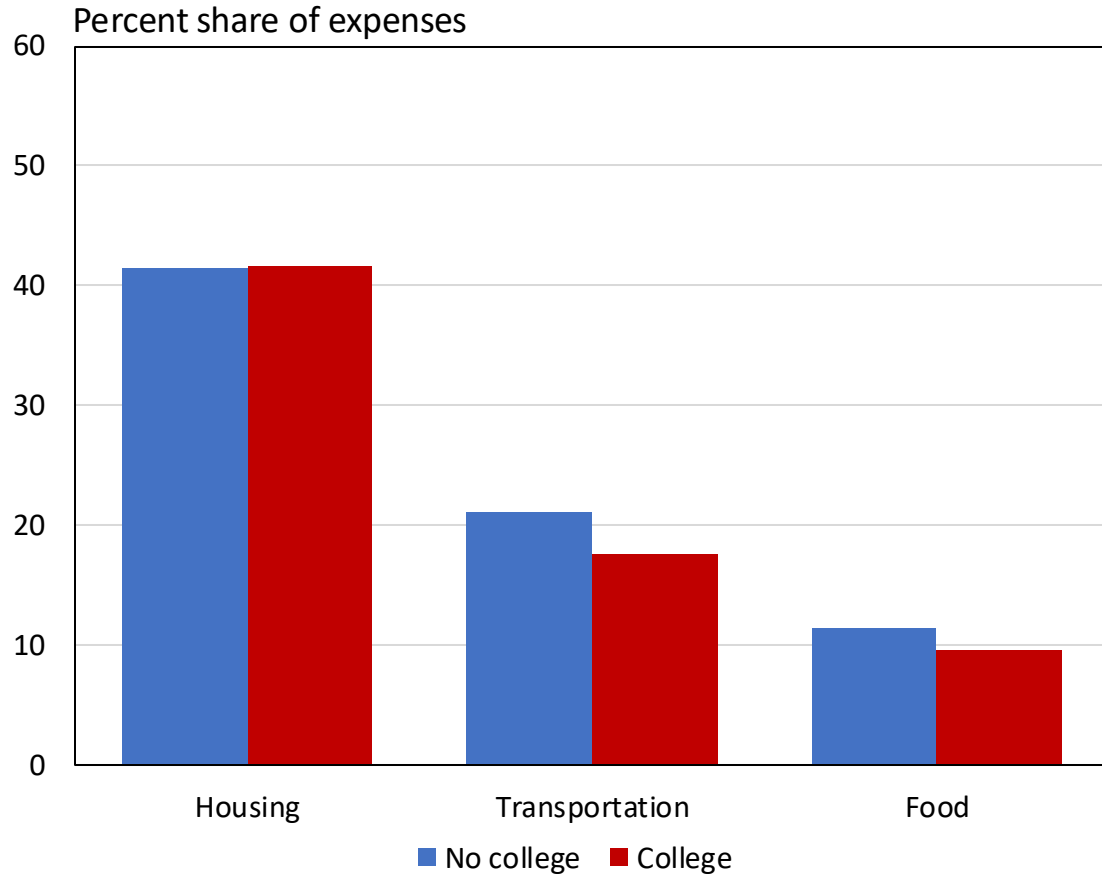
## Demographic Inflation by Income



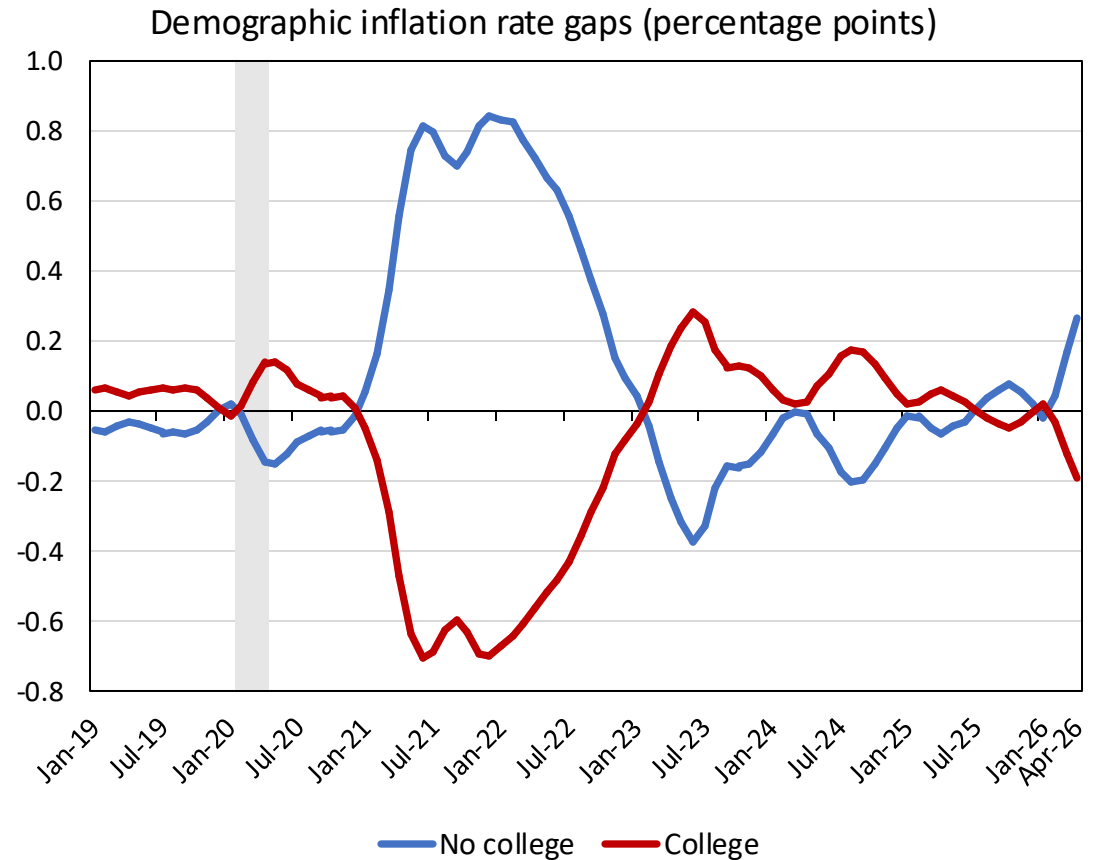
Source: BLS Consumer Expenditure Survey microdata; BLS Consumer Price Indexes.  
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## Demographic Inflation by Education

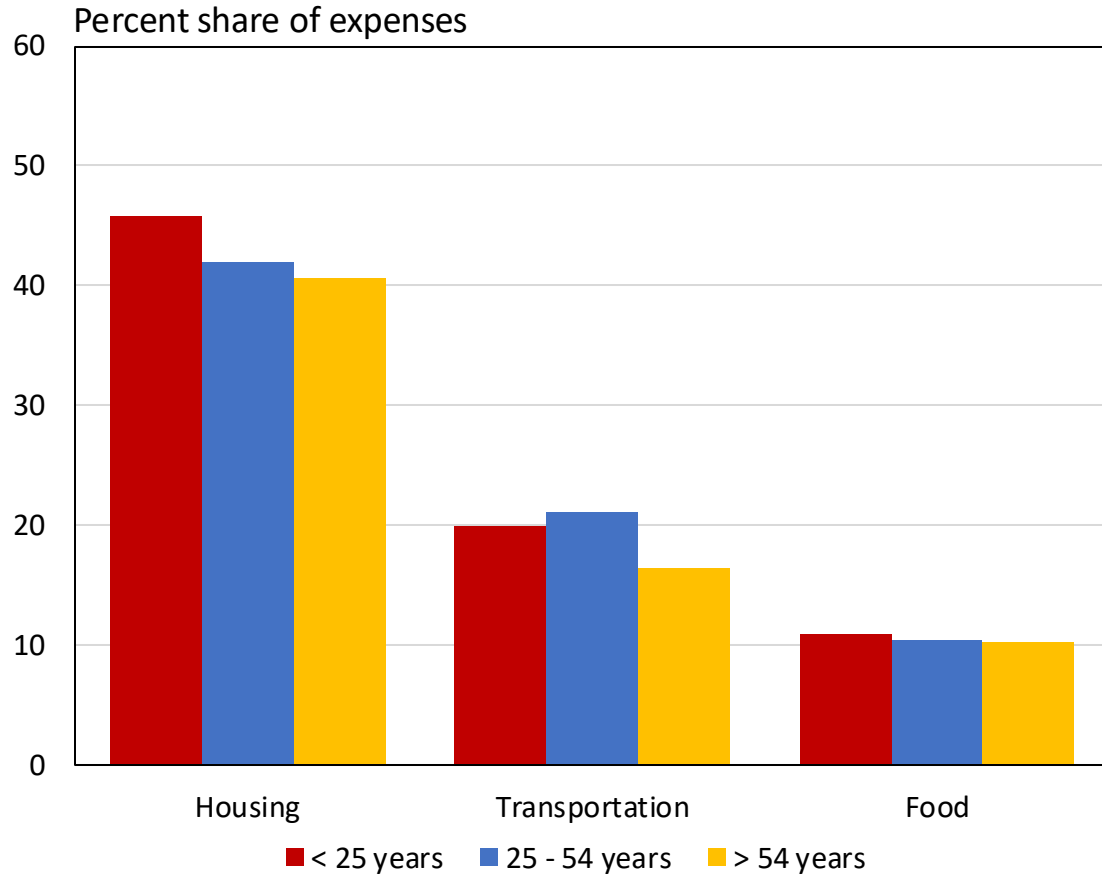


Source: BLS Consumer Expenditure Survey microdata; BLS Consumer Price Indexes.  
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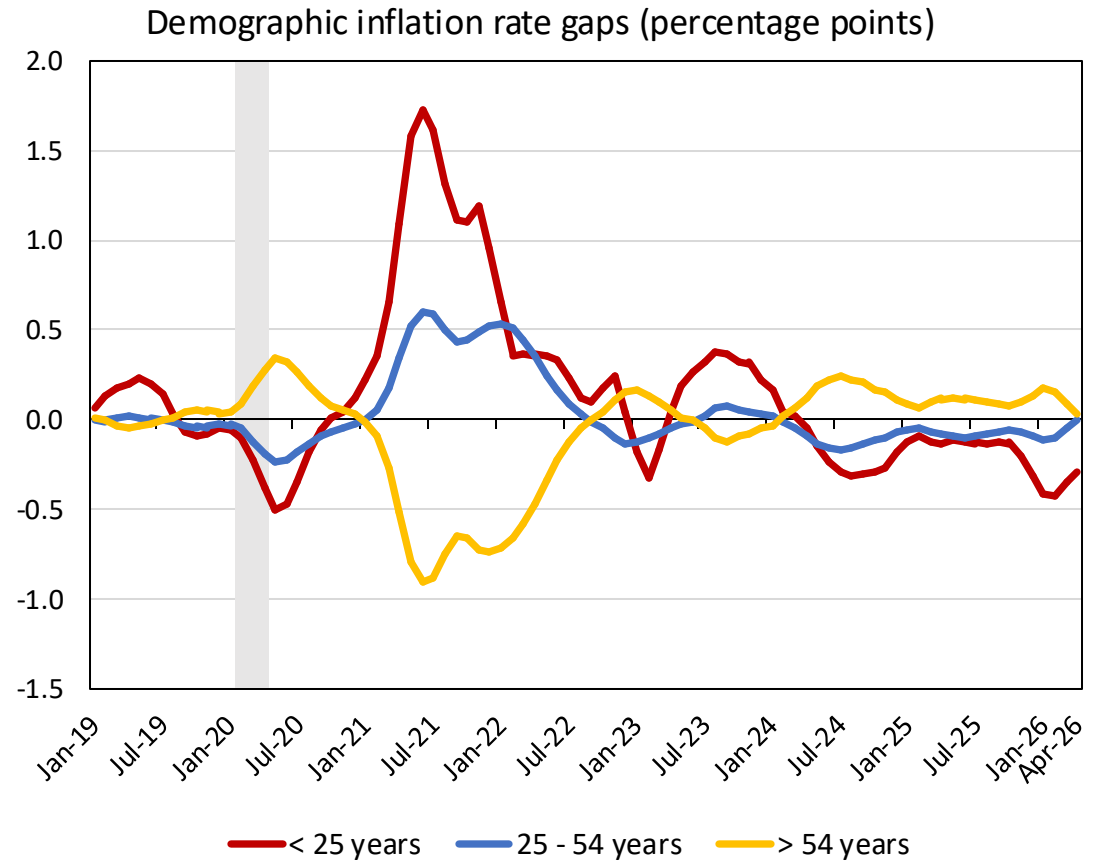


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## Demographic Inflation by Age

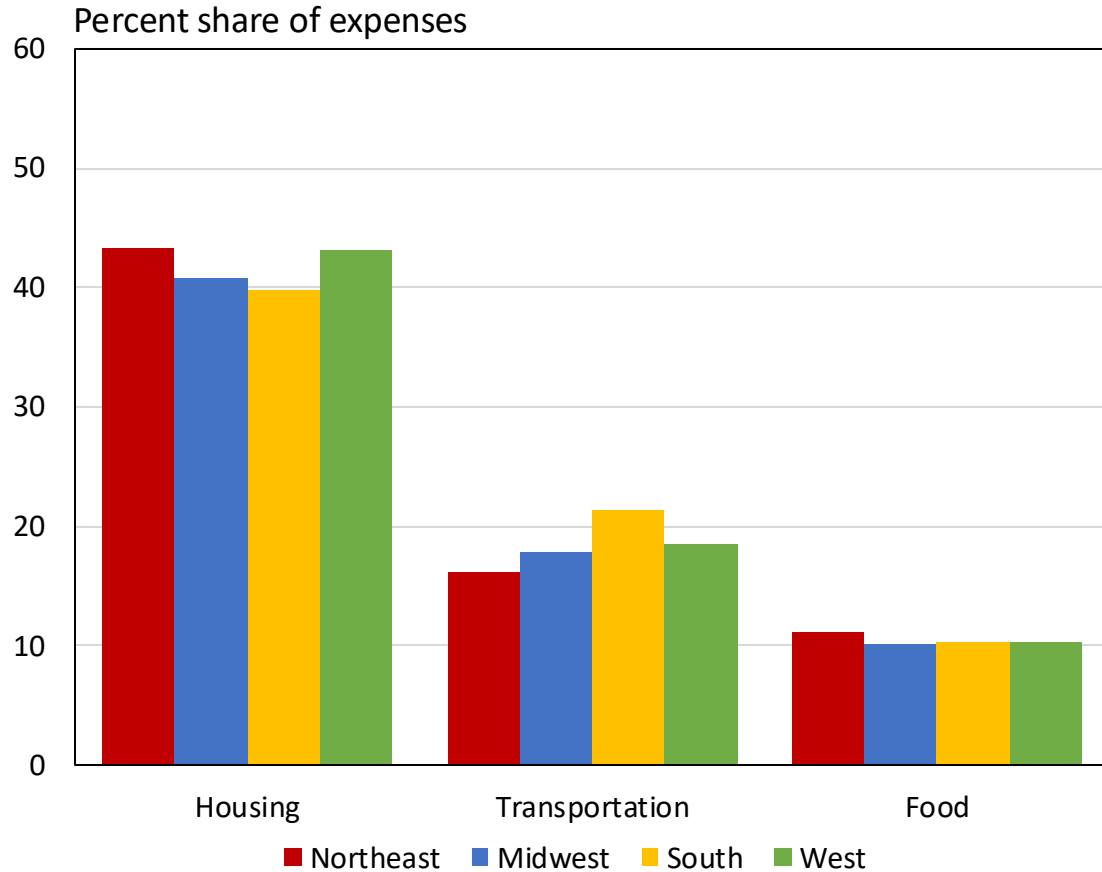


Source: BLS Consumer Expenditure Survey microdata; BLS Consumer Price Indexes.  
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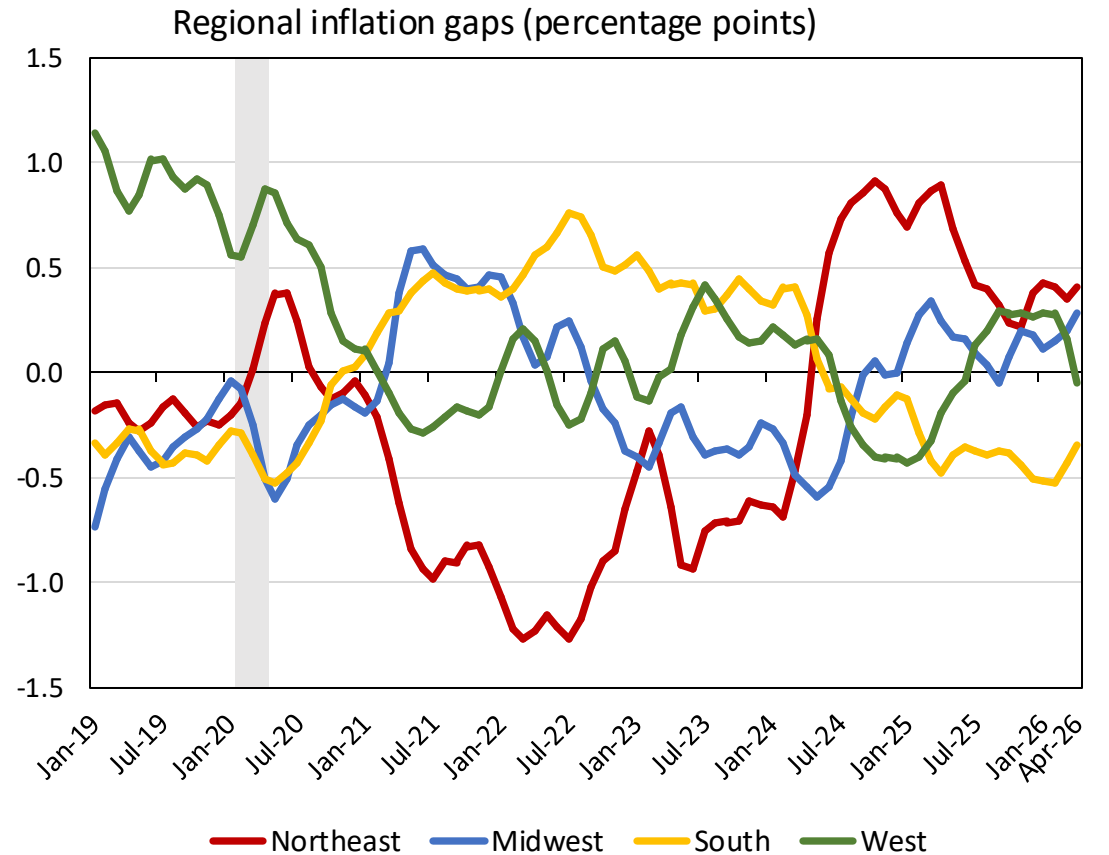


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## Demographic Inflation by U.S. Region

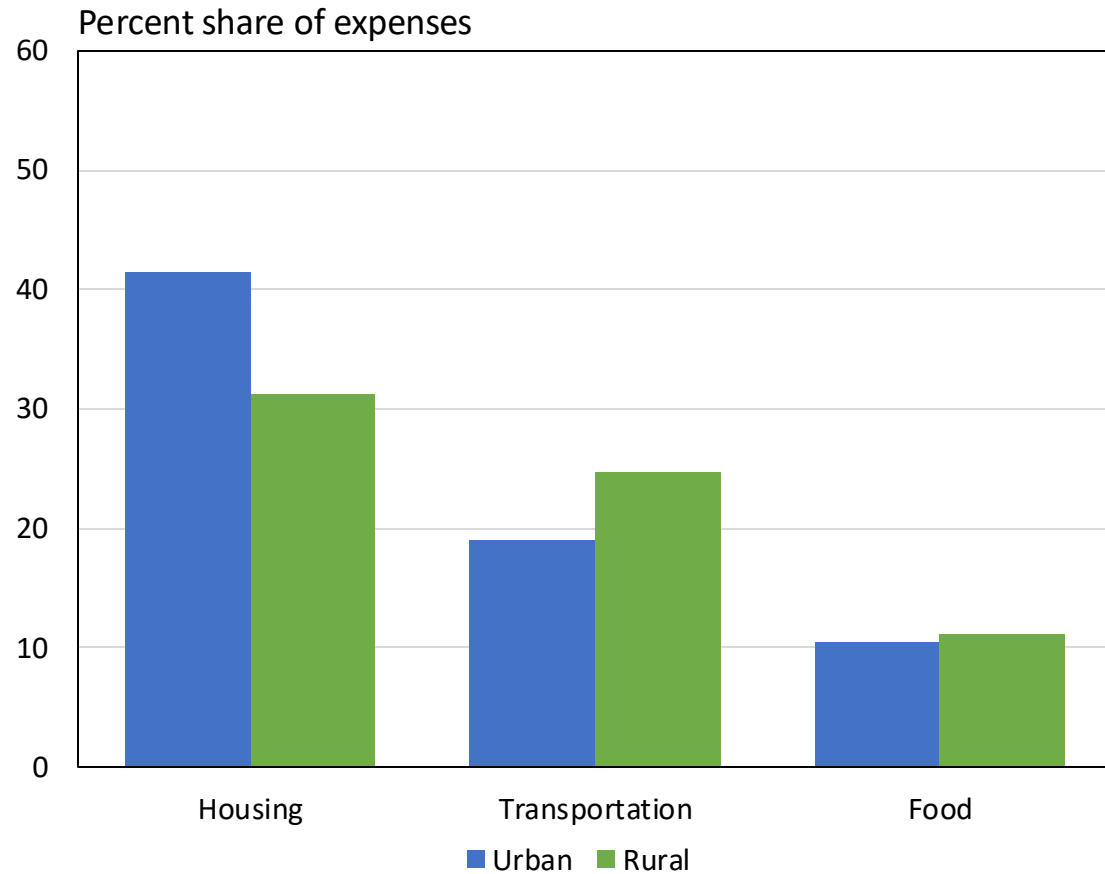


Source: BLS Consumer Expenditure Survey microdata; BLS Consumer Price Indexes.  
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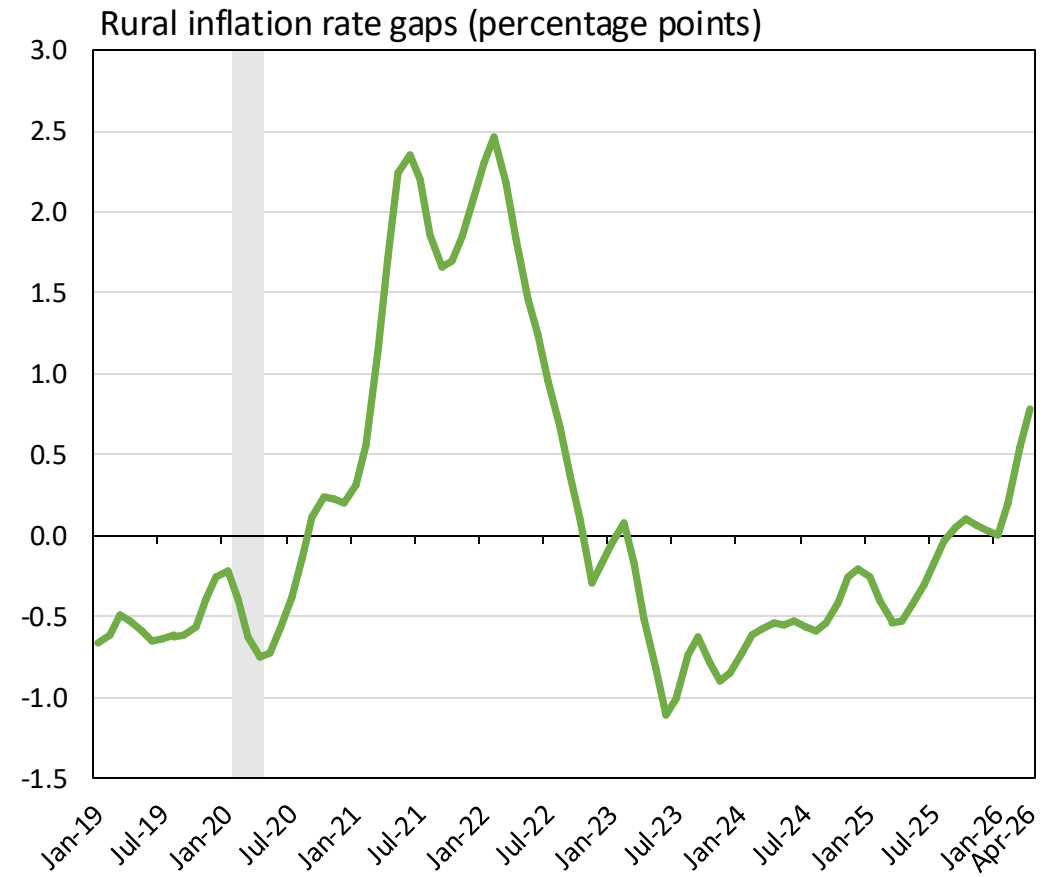


Regional inflation gaps are calculated as inflation of the region less overall inflation and use three-month moving averages.

## Demographic Inflation by Urban Status



Source: BLS Consumer Expenditure Survey microdata; BLS Consumer Price Indexes.  
 Notes: Expenditure shares use 2021 CEX microdata. Shaded region indicates the COVID-19 recession.



The rural inflation gap is calculated relative to urban inflation and uses three month-moving averages.