

# INFLATION

UPDATED THROUGH APRIL 2026 | REGIONAL

Raji Chakrabarti, Thu Pham, Beck Pierce, and Maxim Pinkovskiy

## Takeaways | Inflation (April 2026)

---

- Inflation in the region in April 2026 stood at 5.0%, as compared to 3.7% in the nation. Transportation inflation in the region is far above the regional average, coming in at 9.0%.
- Hispanic and Black households experienced inflation that was 1.0 and 0.8 percentage points above the regional average in April 2026. In contrast, AAPI households saw inflation slightly above the regional average and white households saw inflation that was 0.4 percentage point below the regional average.
- Lower-income households experienced inflation 0.53 percentage point above the regional average in April 2026, while higher-income households experienced inflation 0.62 percentage point below the regional average. College-graduate households experienced inflation that was 0.79 percentage point below that experienced by nongraduates.
- The March 2026 gas price shock is a major contributor to these differences, affecting racial and ethnic, income and educational groups with larger gasoline shares in their consumption baskets.

*Gaps and all other relevant definitions can be found on the data and methods slide.*

## Full Report Highlights through April 2026

---

- **INFLATION**

Inflation rates have diverged following the March 2026 gasoline price shock, with Hispanic, Black, low-income and non-college households experiencing higher inflation than the regional average.

- **EARNINGS**

Average real earnings are higher in the region compared to the national average. Real earnings gaps across racial and ethnic groups, educational groups, and between men and women have generally remained in their long-run ranges.

- **EMPLOYMENT**

Labor market gaps have declined in the region at rates similar to those of the nation as a whole. However, the gender employment gap in the region has tended to decline faster and be lower than the national gender employment gap. Currently, racial and gender gaps have been decreasing, and education gaps have partially rebounded from record lows in accordance with national trends.

- **CONSUMER SPENDING**

Following the March 2026 gas price shock, higher-income groups in the region increased nominal gas spending more and cut real gas consumption less than did lower-income groups.

## Full Report Highlights through April 2026 (continued)

---

- **SMALL BUSINESS**

Small businesses in the region struggled mightily this year, reporting large declines in revenues and employment growth more severe than those of national firms. Expectations of employment in 2026 were the most pessimistic since 2019 while anticipated revenue generation also decreased markedly for 2026.

## Data & Methods

---

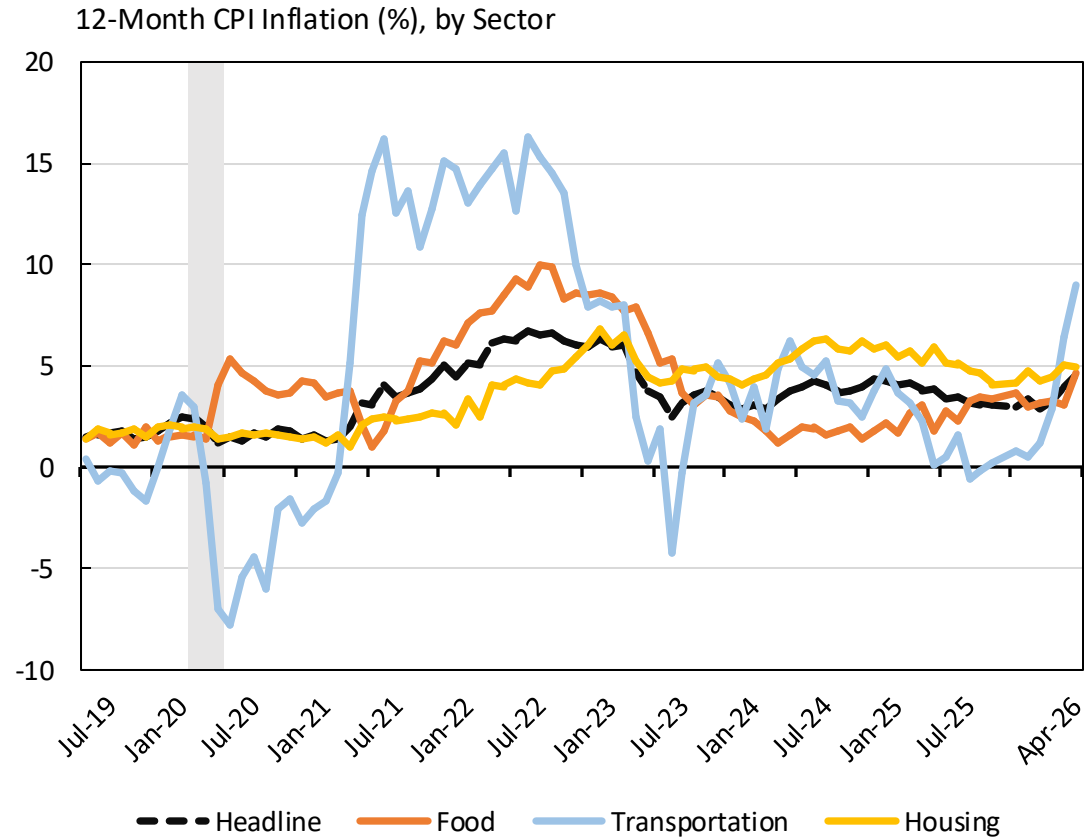
- Data on inflation by demographic groups are not produced by the Bureau of Labor Statistics.
- To calculate demographic inflation, the Consumer Expenditure Survey (CEX) is used to compute spending shares of various consumption categories (for example, cereal, rent, and used cars) by demographic group (for example, Black, Hispanic, some college, and aged 45-54).
- The region in the CEX is defined to be the union of the New York-New Jersey metro area (excluding counties in Pennsylvania) with all other counties in New York State.
- 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 in the Second District to get an inflation index for the demographic group.
- This method is similar to the previous literature, for example, Hobijn 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.

## Data & Methods (continued)

---

- For each month, we use the CEX from the year prior, or the most recent CEX, whichever is available.
- Demographic inflation gaps are calculated as demographic inflation less Second District overall inflation.

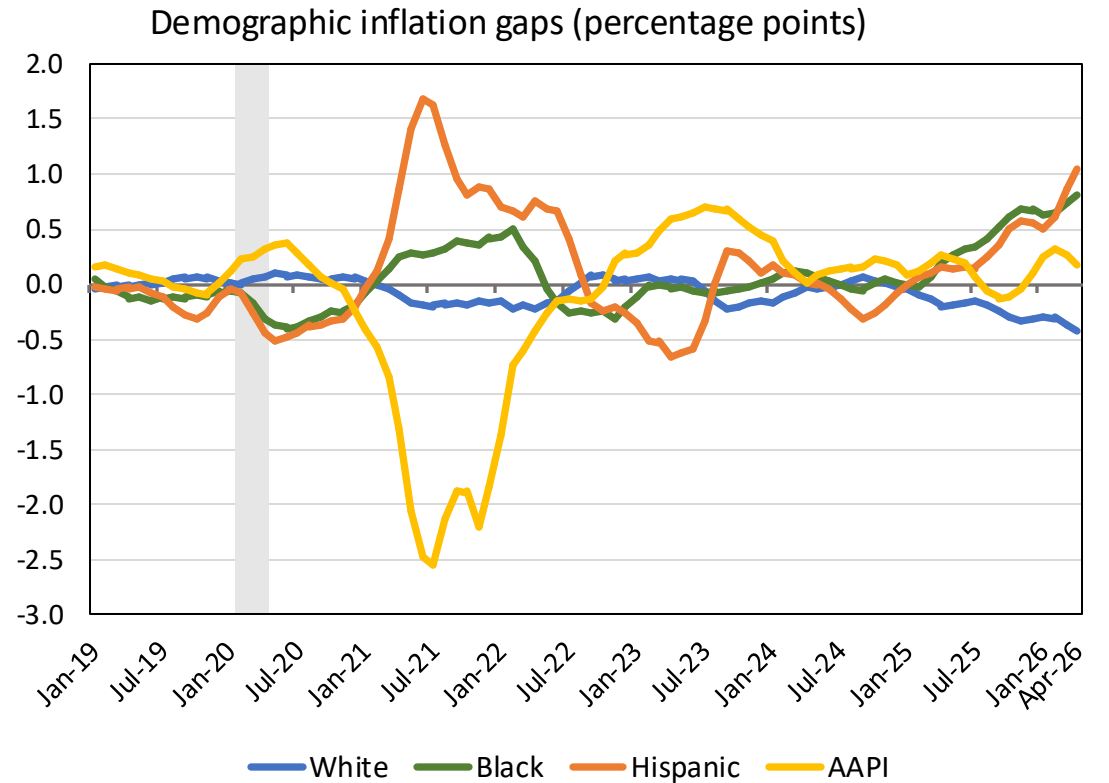
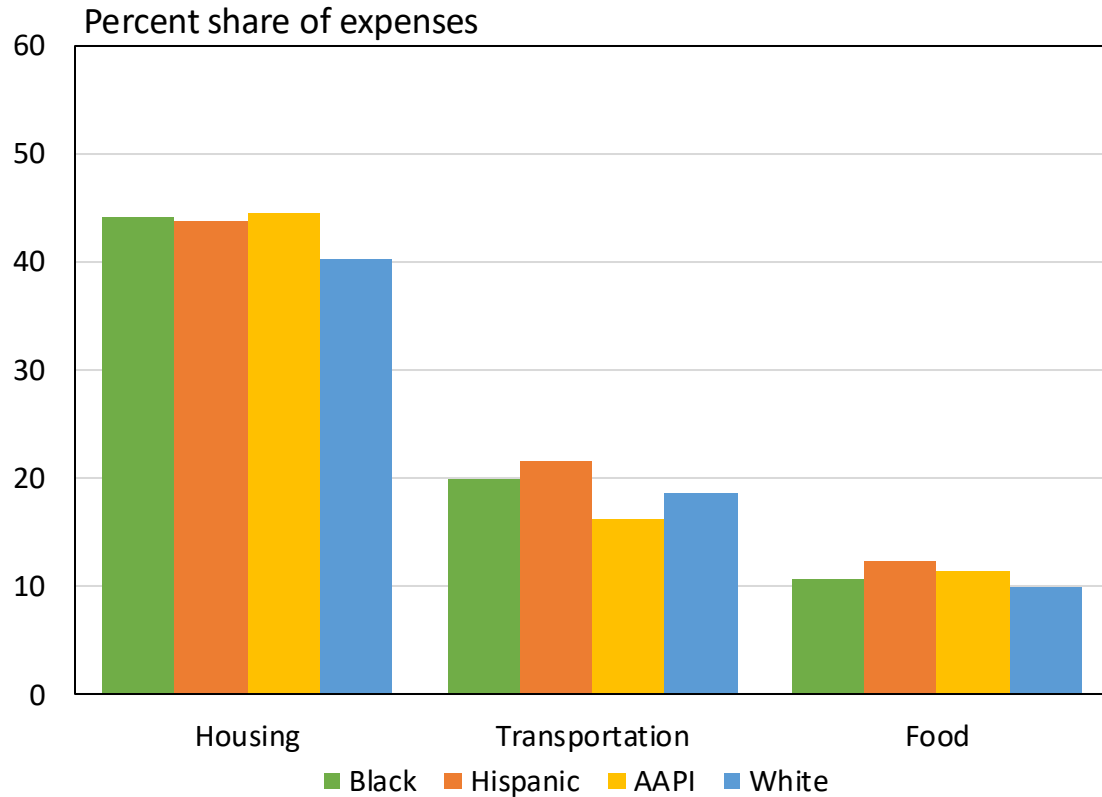
## Inflation by Sector



Sources: CPI via Haver Analytics; authors' calculations.

Notes: Shaded region indicates the COVID-19 recession. Includes all counties belonging to the Federal Reserve Second District excluding Puerto Rico, the U.S. Virgin Islands, Warren County, NJ, and Fairfield County, CT, and additionally including Ocean County, NJ.

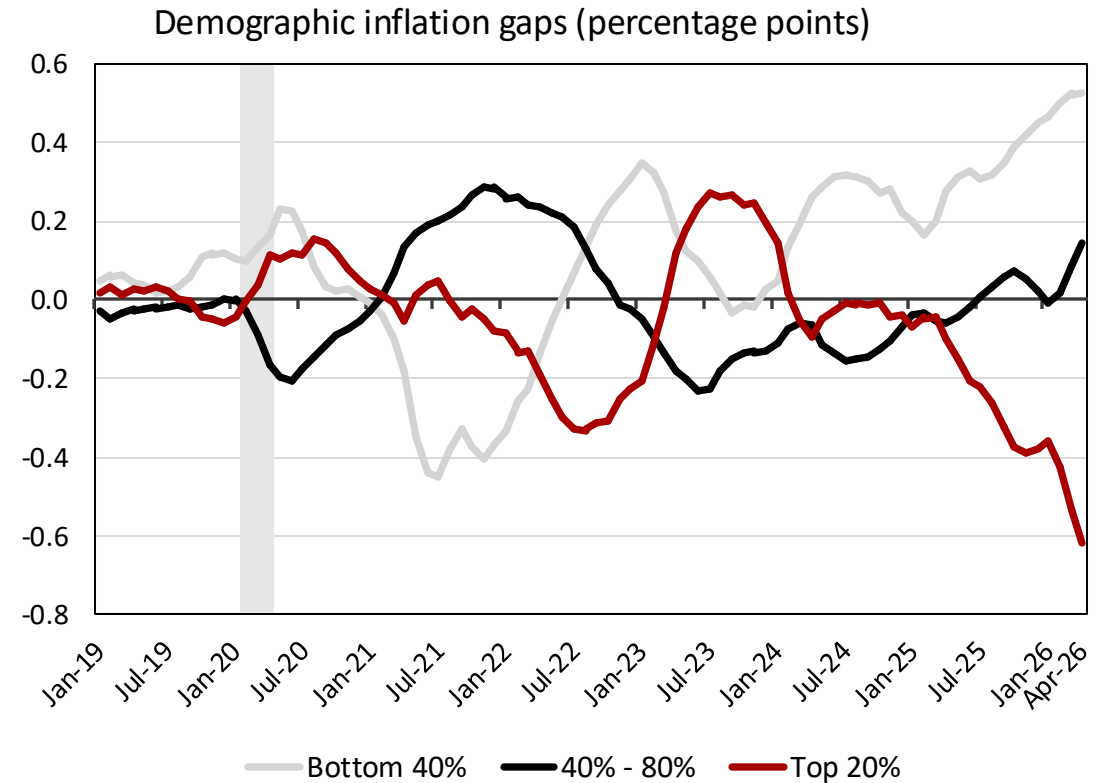
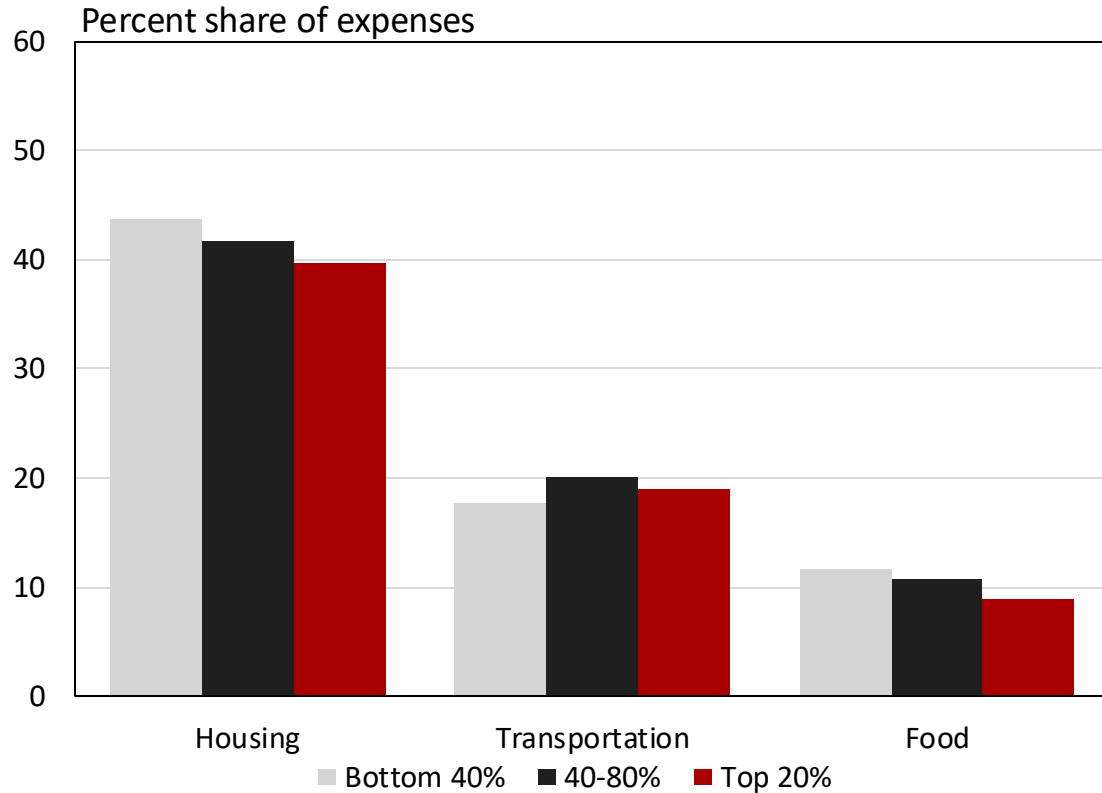
## Demographic Inflation by Race/Ethnicity



Sources: BLS Consumer Expenditure Survey microdata; BLS Consumer Price Indexes; three-month moving averages.

Notes: Expenditure shares use 2021 CEX microdata. Shaded region indicates the COVID-19 recession. Includes all counties belonging to the Federal Reserve Second District excluding Puerto Rico, the U.S. Virgin Islands, Warren County, NJ, and Fairfield County, CT, and additionally including Ocean County, NJ.

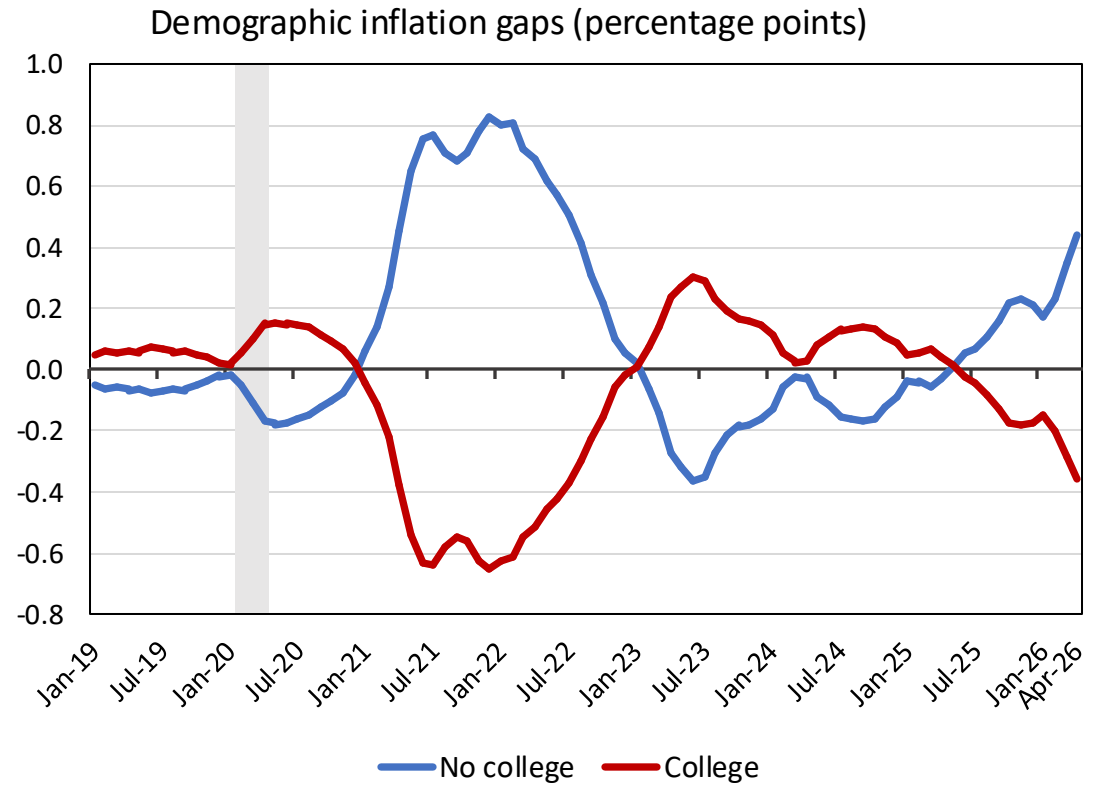
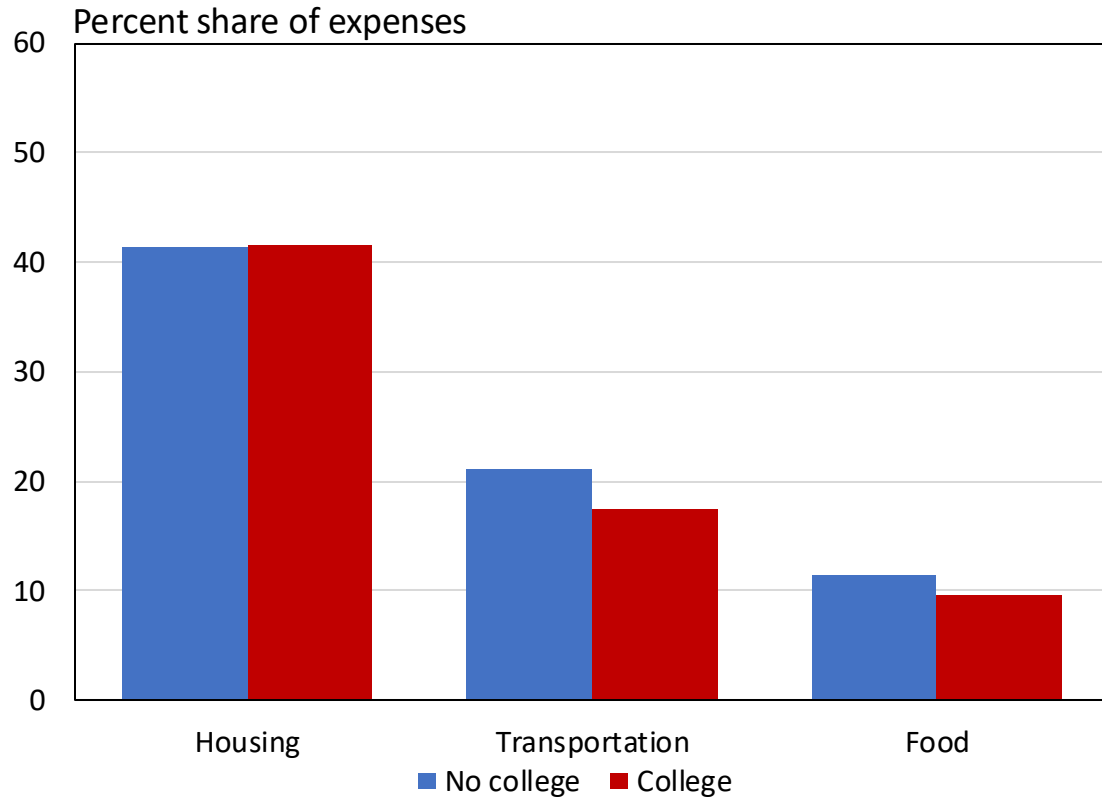
## Demographic Inflation by Income



Sources: BLS Consumer Expenditure Survey microdata; BLS Consumer Price Indexes; three-month moving averages.

Notes: Expenditure shares use 2021 CEX microdata. Shaded region indicates the COVID-19 recession. Includes all counties belonging to the Federal Reserve Second District excluding Puerto Rico, the U.S. Virgin Islands, Warren County, NJ, and Fairfield County, CT, and additionally including Ocean County, NJ.

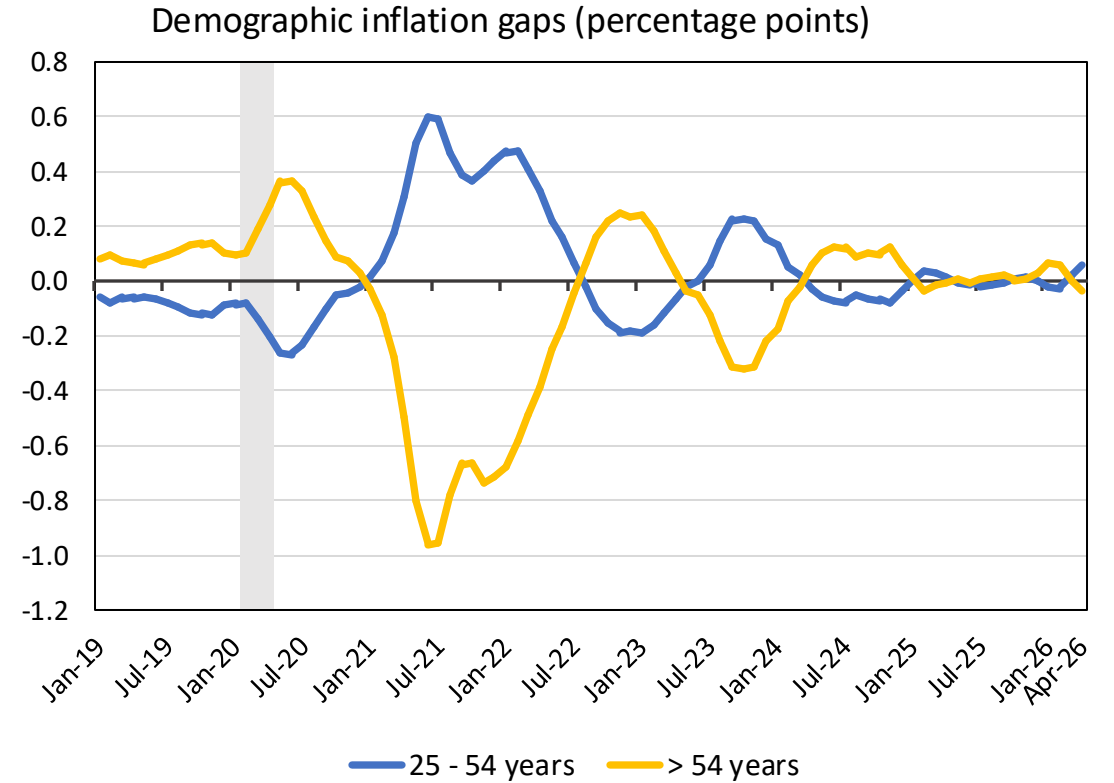
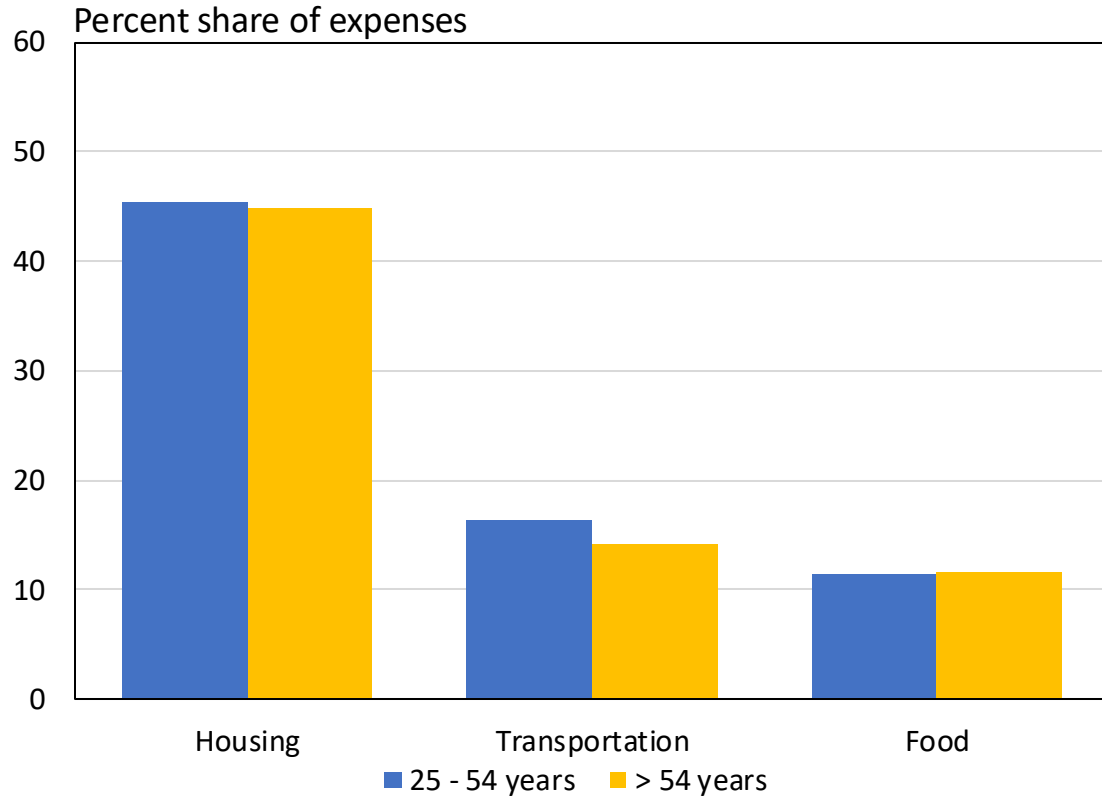
## Demographic Inflation by Education



Sources: BLS Consumer Expenditure Survey microdata; BLS Consumer Price Indexes; three-month moving averages.

Notes: Expenditure shares use 2021 CEX microdata. Shaded region indicates the COVID-19 recession. Includes all counties belonging to the Federal Reserve Second District excluding Puerto Rico, the U.S. Virgin Islands, Warren County, NJ, and Fairfield County, CT, and additionally including Ocean County, NJ.

## Demographic Inflation by Age



Sources: BLS Consumer Expenditure Survey microdata; BLS Consumer Price Indexes; three-month moving averages.

Notes: Expenditure shares use 2021 CEX microdata. Shaded region indicates the COVID-19 recession. Includes all counties belonging to the Federal Reserve Second District excluding Puerto Rico, the U.S. Virgin Islands, Warren County, NJ, and Fairfield County, CT, and additionally including Ocean County, NJ.