

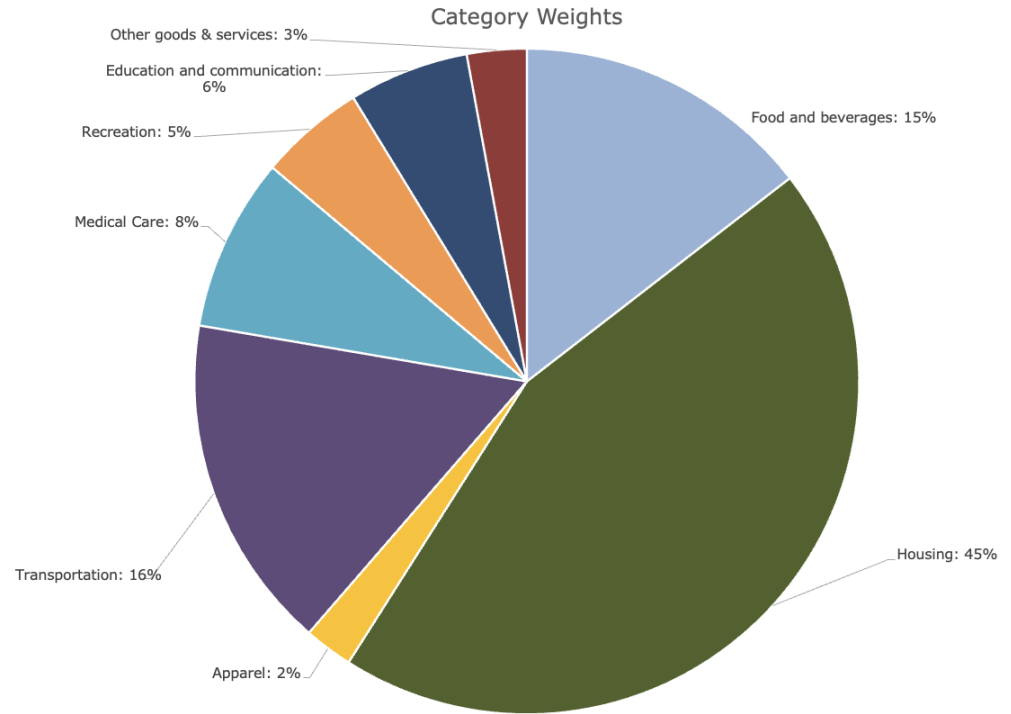
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Local CPI Project Inflation Rates 2025-26

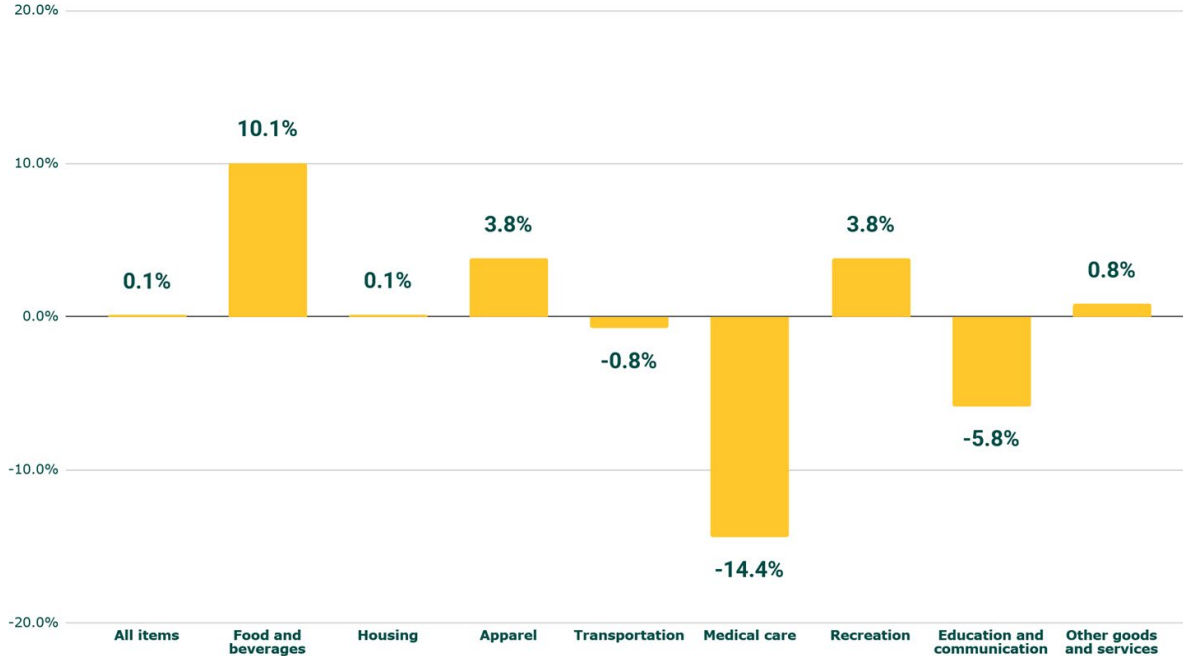
What is the CPI?

- ▶ CPI (Consumer Price Index) measures the change in the prices of an urban market basket.
- ▶ The Bureau of Labor Statistics (BLS) publishes CPI data for the country, we collected a local rural market basket using their methodology and weights.



Eureka Overall Inflation Rate: **0.1%**

Inflation Rate per Category



- Consistent physician and hospital services prices are difficult to obtain
- If we assume no change in the medical component, then the inflation rate is **1.4%**

Wage Data

Mean Hourly Wage: \$30.15
Increase of 2.2%

Median Hourly Wage: \$23.11
Increase of 2.8%

Average Annual Salary: \$62,720
Increase of 2.2%



Cannabis Products: Not formally in the CPI

- ▶ Pre rolled joints, flower, edibles, wax cartridges
- ▶ Prices collected from The Fireplace (Arcata)
- ▶ Overall cannabis prices rose on average only 0.6%

Year	2022	2023	2024	2025	2026
Flower	\$19.50	\$21.98	\$23.00	\$23.31	\$23.50
Wax Cartridge	\$48.33	\$53.33	\$48.33	\$46.67	\$50.00
Gummies	\$22.00	\$22.00	\$21.00	\$21.89	\$20.00
Pre-rolls	\$8.33	\$23.33	\$8.67	\$9.33	\$8.33
Period		2022-23	2023-24	2024-25	2025-26
Overall Cannabis Inflation		22.9%	-16.3%	0.2%	0.6%

Why is our rate different from the state average?

0.1%

Local rate

3.4%

CA rate

- The California inflation rate in March was 3.4%
- The California inflation rate includes prices mostly from urban areas
- A much larger number of prices are used.

Why is our rate different from the national average?

0.1%

Local rate

3.3%

U.S. rate

- The U.S. Inflation rate in March was 3.3 percent.
- The national CPI measures prices from all U.S. regions.
- The national CPI is based on tens of thousands of prices.

Why is our inflation rate lower than the other rates?

0.1%

Local rate

3.3%

U.S. rate

3.4%

CA rate

- Consistent physician and hospital services prices are difficult to obtain
- We only collect 500 prices, compared to the tens of thousands collected by the government
- Maybe there just wasn't as much inflation locally

In 2024, the **Eureka CPI series** was expanded.

What Makes The New CPI Different?



The previous CPI was based on only 287 prices.



The new CPI includes 529 prices.




This ensures greater accuracy and is more consistent with the BLS CPI.

New CPI Method

0.1%

Old CPI Method

4.4%

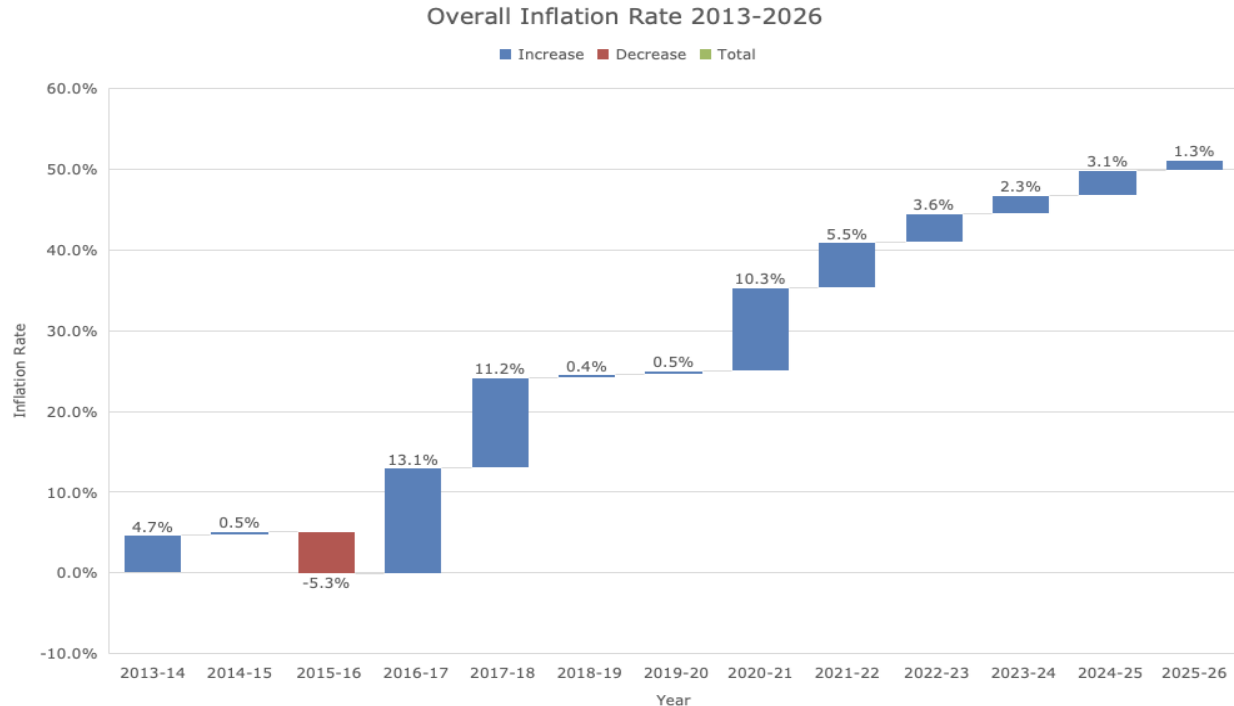


Since the Old CPI has been around longer,
let's use that to see how inflation has changed from
year to year in Eureka

The following slide shows that overall inflation was
greatest 2016-17 and has been slowing since 2020-21

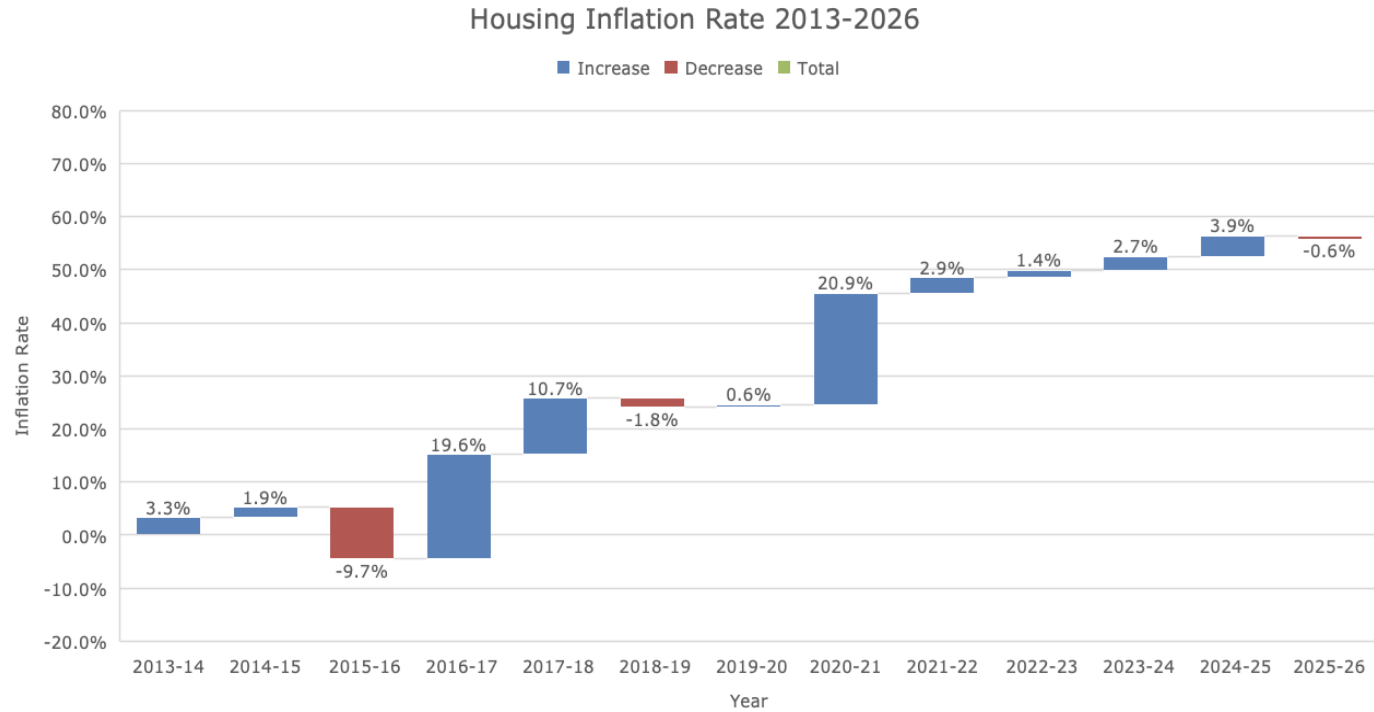
Overall Inflation Rate Using Old CPI

- ▶ Overall inflation rate of 1.3% from 2025-26.
- ▶ Largest increase was Transportation at 13.7%



Housing-using Old CPI

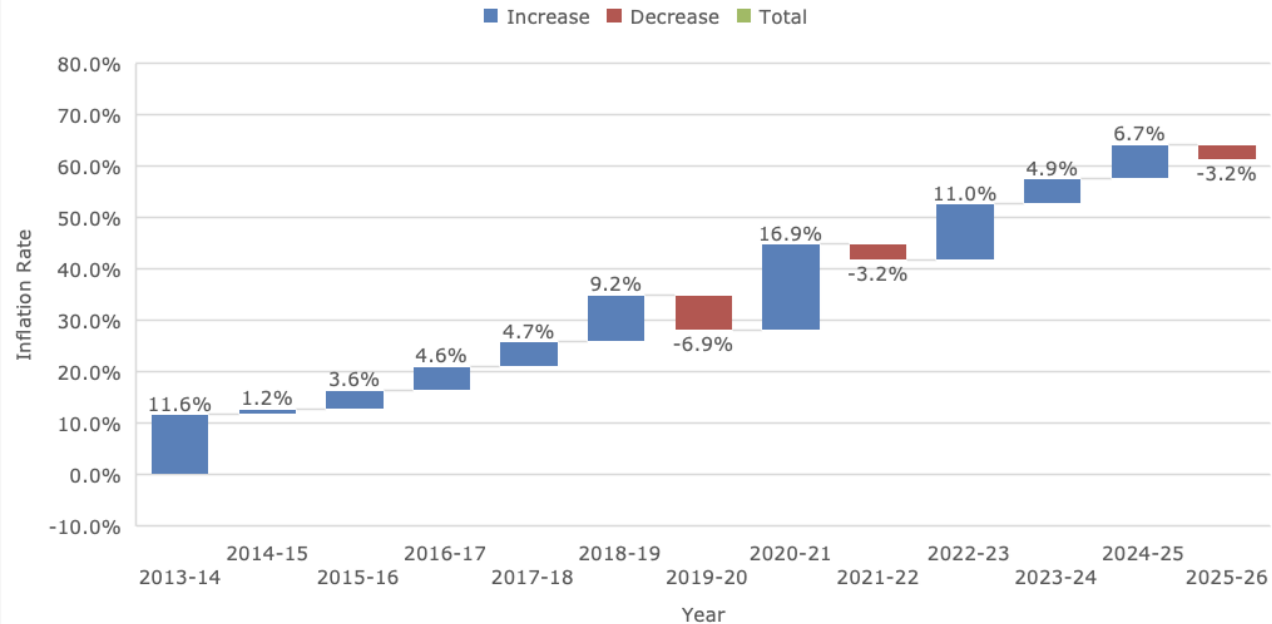
- ▶ Inflation Rate: -0.6%
- ▶ Category Weight: 44.5%
- ▶ Prices: Craigslist apartments and houses rental rates



Other Goods and Services- using Old CPI

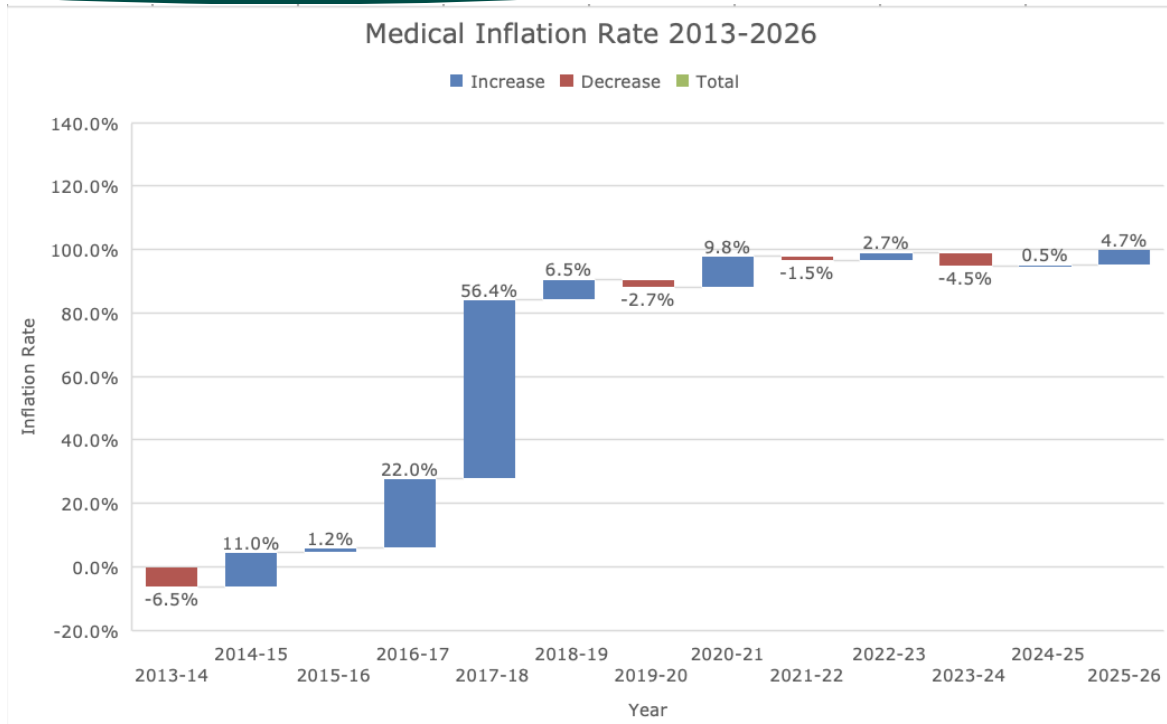
- ▶ Inflation Rate: -3.2%
- ▶ Category Weight: 2.9%
- ▶ Prices: Personal care products, haircuts, tobacco products

Other Goods & Services Inflation Rate 2013-2026



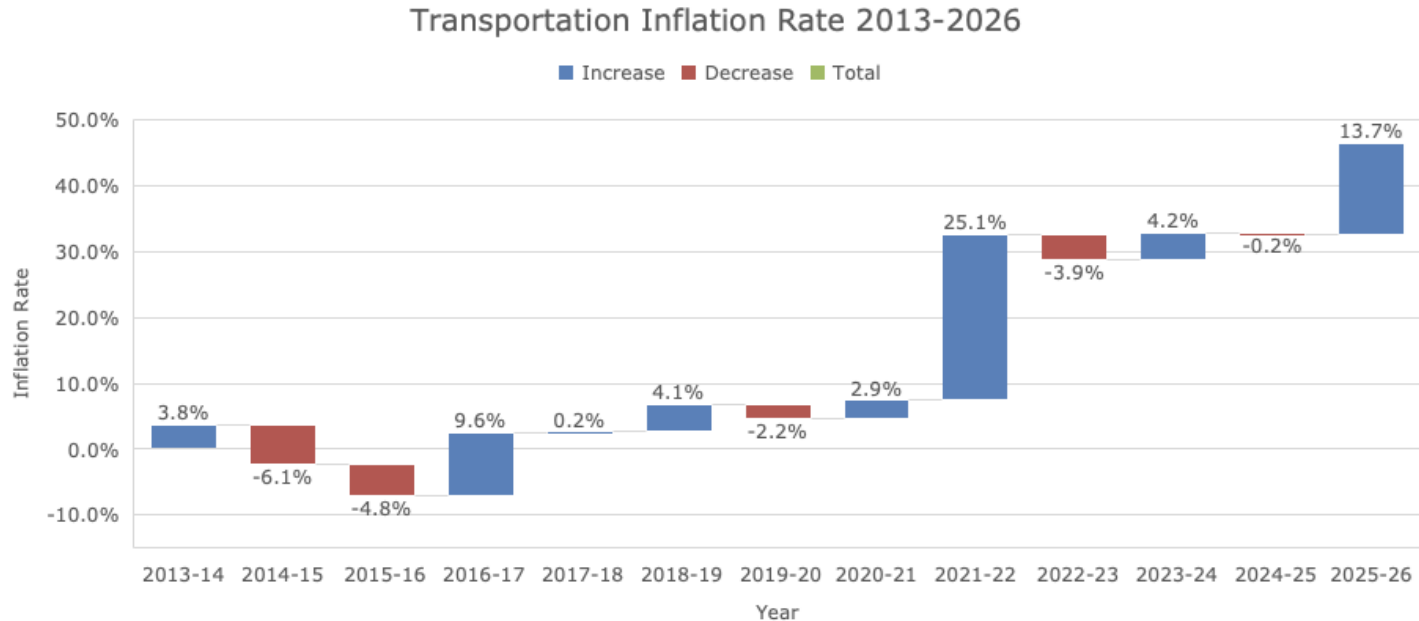
Medical-using Old CPI

- ▶ Inflation Rate: 4.7%
- ▶ Category Weight: 8.4%
- ▶ Prices: Walgreens, Safeway, CVS, various local medical centers



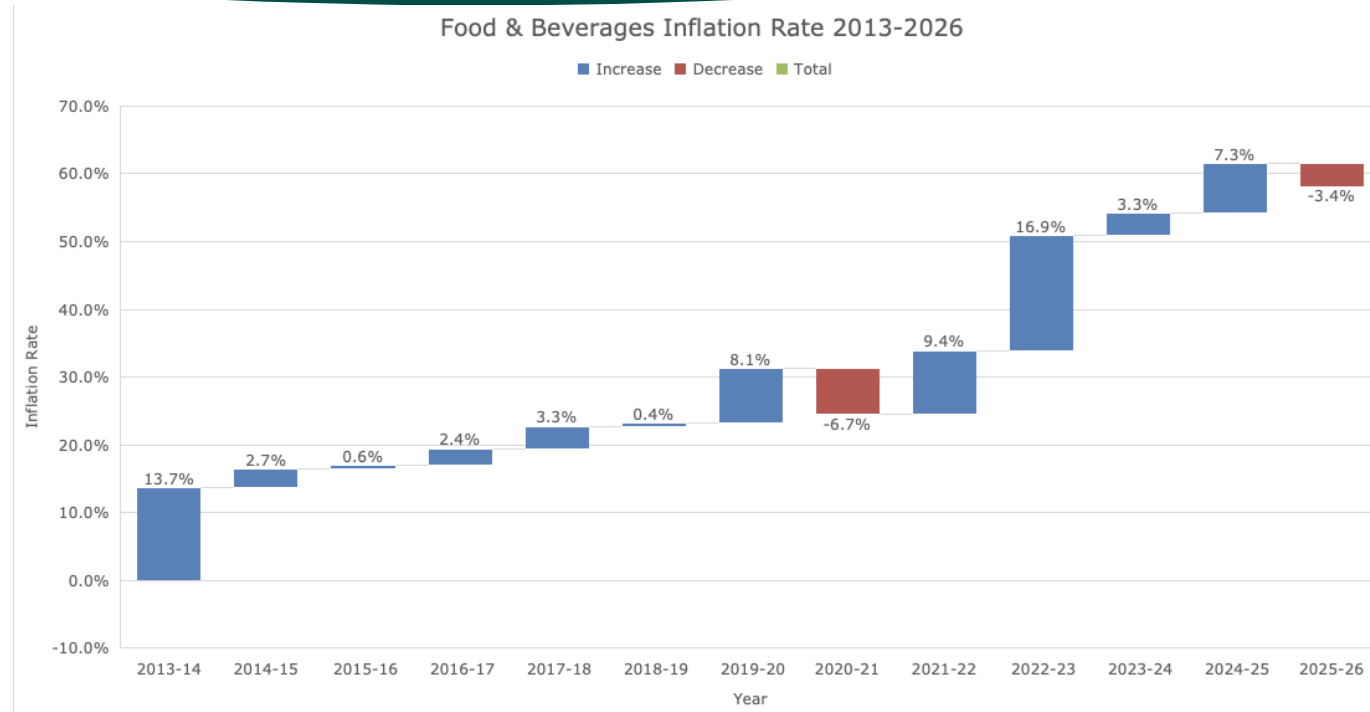
Transportation-using Old CPI

- ▶ Inflation Rate: 13.7%
- ▶ Category Weight: 16.3%
- ▶ Prices: Gas, Insurance from AAA and Geico, United and Breeze, Bus fare



Food and Beverage-using Old CPI

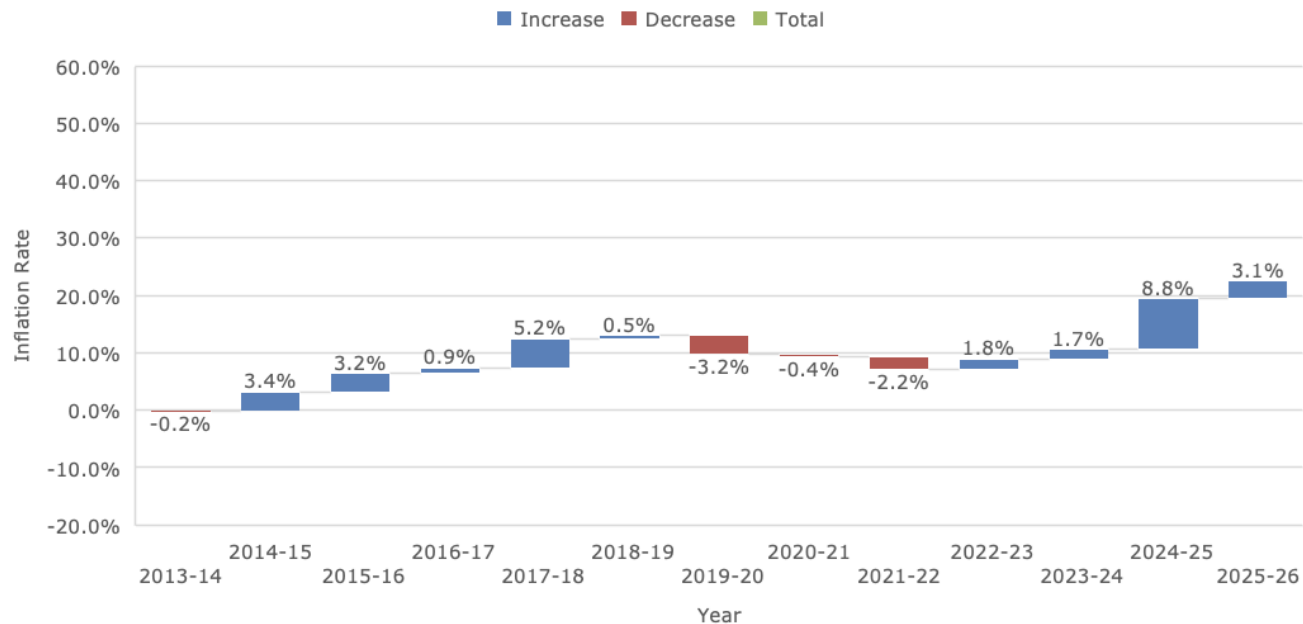
- ▶ Inflation Rate: -3.4%
- ▶ Category Weight: 14.5%
- ▶ Prices: Safeway, Winco



Apparel-using Old CPI

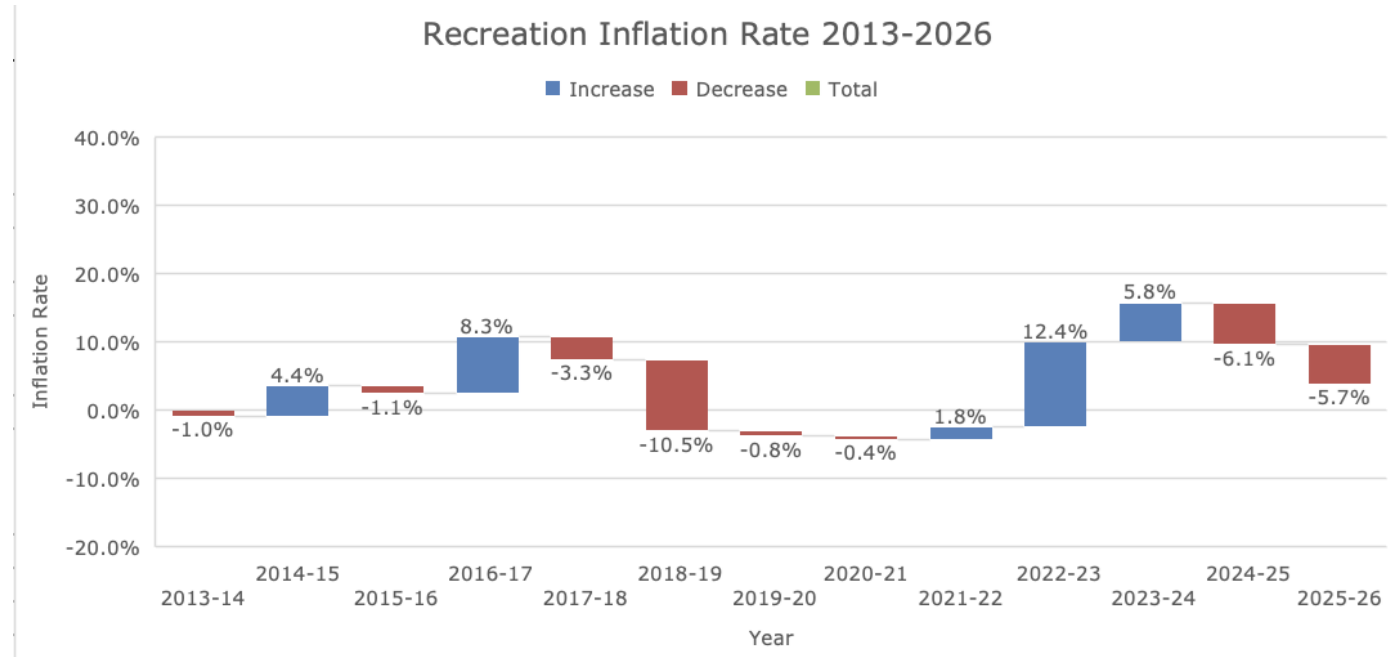
- ▶ Inflation Rate: 3.1%
- ▶ Category Weight: 2.4%
- ▶ Prices: Target, Kohls, Safeway

Apparel Inflation Rate 2013-2026



Recreation-using Old CPI

- ▶ Inflation rate: -5.7%
- ▶ Category Weight: 5.1%
- ▶ Prices: TV, Internet, Gym



Education and Communication- using Old CPI

- ▶ Inflation rate: -1.2%
- ▶ Category Weight: 5.8%
- ▶ Prices: Tuition, Postage delivery prices, informational technology and telephone services

