March 2026:

Prices We Pay:
Understanding Washington's Affordability Crisis

Overview

Washington is facing an affordability crisis that is persistent and accelerating, impacting daily life and financial stability for families across every corner of the state.

- **From a national perspective**, Washington is an expensive outlier, ranking as the 5th most expensive place in the nation, and the affordability gap is widening.
- **At the regional level,** the affordability challenge is not isolated to the Central Puget Sound. Communities across Washington—from Bremerton to Mount Vernon, Vancouver, the Tri-Cities and Spokane—are some of the priciest in the nation, with costs outpacing inflation.
- **At the individual level**, this translates to intense pressures on family budgets, with rapidly growing costs for essentials such as housing and utilities, healthcare, and transportation.

While affordability is often discussed in broad terms, measuring it is more nuanced. There are several aspects to defining affordability: from the price of goods and services to consumer spending to the regional cost of living. Each measure has different data sources and methodologies, and different abilities to compare across regions and time spans.

To understand Washington's affordability crisis and its impact on the daily lives of Washingtonians, this report provides a deeper analysis of Washington's affordability picture for everyday Washingtonians. Future research will examine affordability and cost pressures for small businesses in Washington state.

This report dives into both state-level and regional-level affordability differences, triangulating across multiple economic indicators:

- **Measures of Price—**Including Regional Price Parities (RPP) from the U.S. Bureau of Economic Analysis and the Consumer Price Index
- **Measures of Spend—**Including Per Capita Personal Consumption Expenditures (PCE) from the U.S. Bureau of Economic Analysis and Consumer Expenditure Survey in Metropolitan Statistical Areas from the U.S. Bureau of Labor Statistics
- **Measures of Cost of Living—**Including basic need expenses from the MIT Living Wage Calculator and C2ER Cost of Living Index

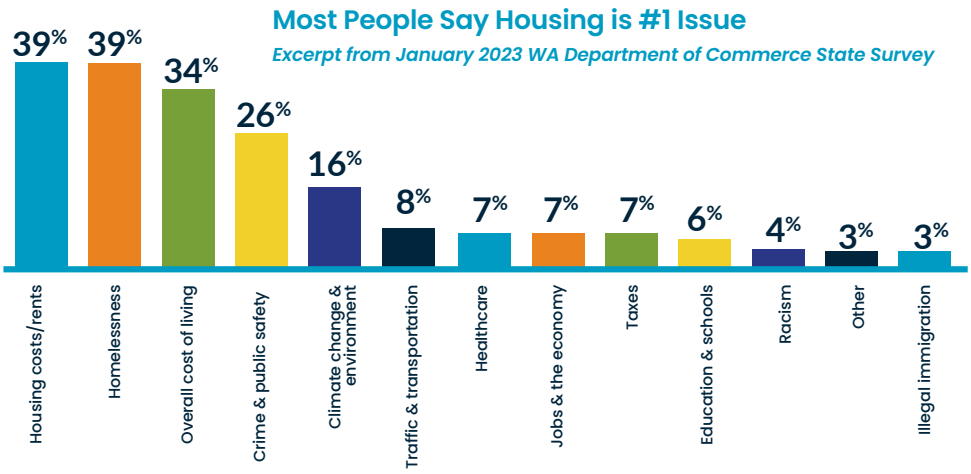
In addition to the data analysis, this report aggregates findings from other researchers who have examined affordability through a lens on specific goods and services, including dining out, childcare, the price of gas, etc.

No matter the metric or source, there Is a consistent theme: Washington prices and household expenses are on the rise and outpacing the national average.

Background

Affordability is a rapidly growing concern for individuals and households across Washington state. In the Seattle metro region, voters rated affordability as a major concern at **nearly double the rate** they did just three years ago.[1]

This trend extends beyond Seattle. A statewide survey conducted for the Washington Department of Commerce found that residents across urban, suburban, and rural communities consistently rank cost of housing, homelessness, and overall cost of living among the top issues facing their communities.[2] Research from the University of Washington's Center for Real Estate reports a sharp decline in housing affordability across cities such as Spokane, Tacoma, Vancouver, and Bellingham, reflecting the widening gap between median incomes and home prices.[3] DHM Research polling in 2024 found that more than six in 10 Washingtonians are concerned about their personal financial situation, with housing affordability/homelessness and the cost of living/inflation identified as some of the most critical challenges.[4] Fulcrum Strategy Group polling in 2026 shows concern is even higher: 81% are worried about their personal financial situation and 85% are concerned about the economy and availability of good-paying jobs.[5]

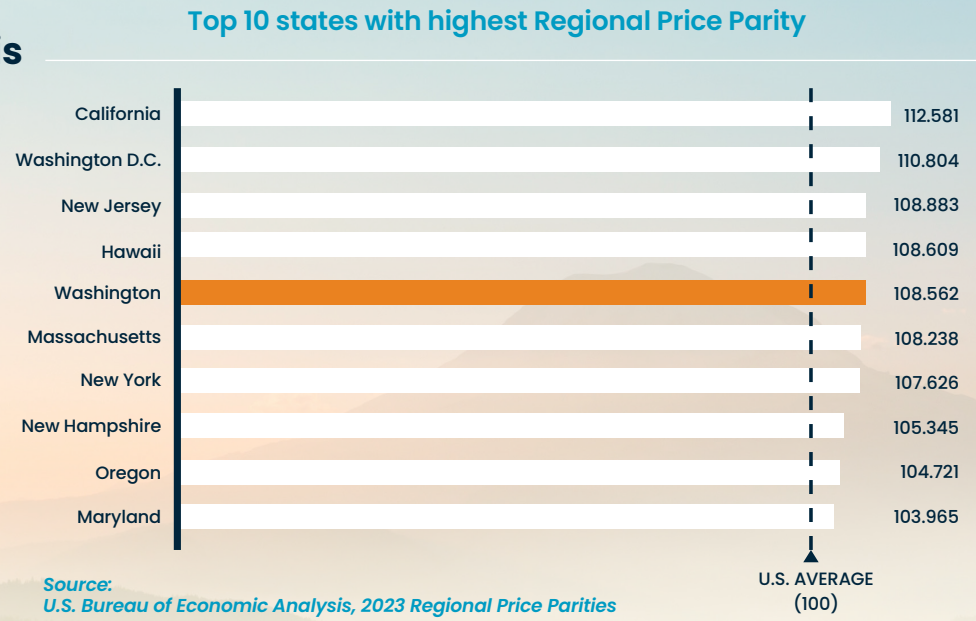


Taken together, these findings demonstrate that the affordability crisis has become a defining issue across the state.

Washington State Analysis

Washington state is the 5th most expensive place in the U.S. when it comes to cost of living, trailing only California, Washington D.C., New Jersey, and Hawaii.

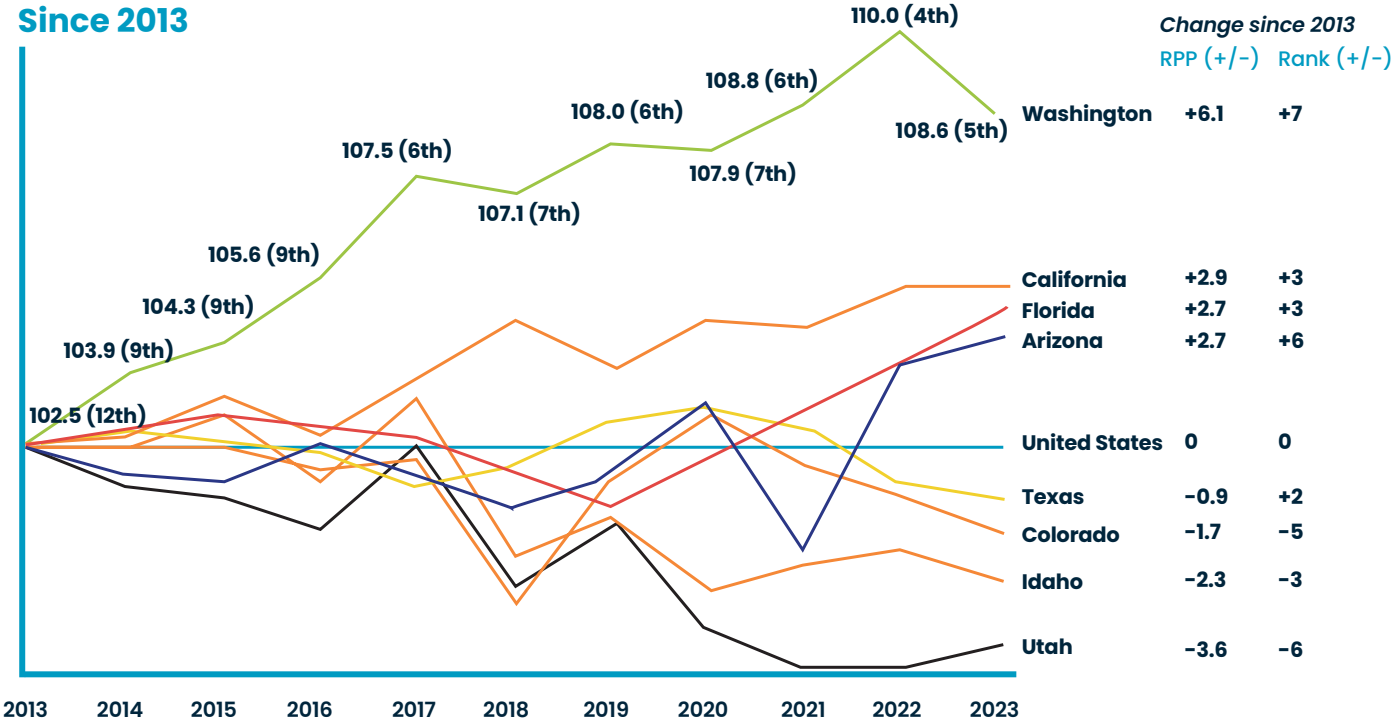
Washington state scored 108.5 in Regional Price Parity (indexed against a national price level of 100) in 2023, and the state has been getting less competitive and more expensive over time. In 2011, Washington scored 103.2 on the same measure ranking 13th overall that year.



1. ***The Index VIII***, Spring 2025—Seattle Metro Chamber
2. State survey: ***Most people say housing is #1 issue***—WA State Department of Commerce
3. ***The State of the State's Housing 2024***—University of Washington
4. Housing Affordability and Homelessness Remain Top Concerns in Washington State—DHM Research
5. Fulcrum Strategy Group, Washington Statewide Survey, Feb. 2 - 8, 2026.

Since 2013, Washington's prices have risen faster than any other state in the country, with Regional Price Parity growing by more than 6.1 points over the past decade. That is more than double the increase in California, the most expensive state, which grew 2.9 points over the same period.

Relative Change in Regional Price Parity Since 2013



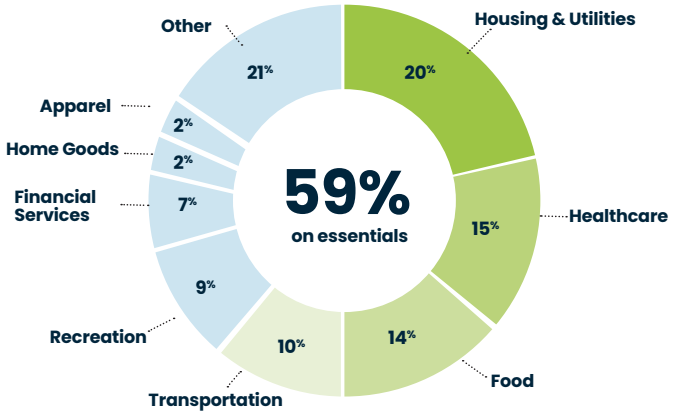
	Change since 2013 RPP (+/-)	Rank (+/-)
Washington	+6.1	+7
California	+2.9	+3
Florida	+2.7	+3
Arizona	+2.7	+6
United States	0	0
Texas	-0.9	+2
Colorado	-1.7	-5
Idaho	-2.3	-3
Utah	-3.6	-6

Source: U.S. Bureau of Economic Analysis, 2023 Regional Price Parities

Consumer Spending

To understand the drivers of price increases, we can look at the U.S. Bureau of Economic Analysis' (BEA) Personal Consumption Expenditures (PCE) metric, which also measures consumer spending on goods and services. BEA also produces state-level PCE data showing how much residents of each state spend and how that changes over time. For the purposes of this report, we will refer to PCE as "consumer spend." **Overall, the total annual consumer spend for Washingtonians has increased from $40,650 per capita in 2015, to $47,285 in 2019, all the way to $62,834 in 2024.**

Washington State Personal Consumption Expenditures



Source: BEA, 2024 Per Capita Personal Consumption Expenditures

Food includes:
1. Food and beverages purchased for off-premises consumption
2. Food services and accommodations

Transportation includes:
1. Gasoline and other energy goods
2. Motor vehicles and parts
3. Transportation services

Recreation includes:
1. Recreation services
2. Recreation goods and vehicles

Other includes:
1. Other durable goods
2. Other nondurable goods
3. Other services
4. Goods and services provided by nonprofit institutions serving households

This nearly 55% increase in consumer spend over the past decade is driven by increases across spending categories, including:

- **Recreation:** Washington ranks 4th in the country, reflecting 10-year growth of 72%
- **Housing and utilities:** Washington ranks 6th in the country, reflecting 10-year growth of 62%
- **Transportation:** Washington ranks 13th in the country, reflecting 10-year growth of 51%; more specifically, Washington ranks 3rd in transportation services (i.e., cars services, transportation-for-hire, etc.), which increased 80% over the last decade
- **Food:** Washington ranks 17th in the country, reflecting 10-year growth of 50%

Washington State Per Capita Consumer Spend

Expense	2024	2019	2015	10-yr. Growth (%)
Housing & Utilities	$12,271	$9,168	$7,597	62%
Healthcare	$9,693	$7,569	$6,732	44%
Food	$8,749	$6,735	$5,838	50%
Transportation	$5,983	$4,690	$3,968	51%
Recreation	$5,854	$4,171	$3,395	72%
Financial Services	$4,370	$3,265	$3,035	44%
Home Goods	$1,489	$1,105	$941	58%
Apparel	$1,483	$1,200	$1,080	37%
Other	$12,942	$9,382	$8,063	61%
TOTAL	$62,834	$47,285	$40,649	55%
CPI INFLATION				**32%**
US AVG. EXPENDITURES				**53%**

Sources: BEA, 2024 Per Capita Personal Consumption Expenditures; BLS CPI Inflation Calculator

Notable spending categories where Washington was closer to or below the 2024 PCE national average include:

- **Healthcare:** Washington ranks 29th, reflecting 10-year growth of 44%
- **Apparel:** Washington ranks 21st, reflecting 10-year growth of 37%
- **Financial services and insurance:** Washington ranks 19th, reflecting 10-year growth of 44%

Housing & Utilities 6th

2024 Rank	2015 Rank	State	10-year Change (%)
1	1	Washington D.C.	55%
2	7	Colorado	67%
3	9	Florida	71%
4	8	Massachusetts	64%
5	10	California	64%
6	**13**	**Washington**	**62%**
7	5	New Hampshire	48%
8	2	Hawaii	45%
9	3	New Jersey	43%
10	14	New York	56%
		U.S. Total	**55%**

Transportation Services 3rd

2024 Rank	2015 Rank	State	10-year Change (%)
1	1	Washington D.C.	60%
2	2	Massachusetts	59%
3	**3**	**Washington**	**80%**
4	8	Alaska	87%
5	4	Connecticut	58%
6	5	California	56%
7	11	Colorado	72%
8	6	New York	52%
9	7	Illinois	55%
10	9	Rhode Island	56%
		U.S. Total	**59%**

Recreation 4th

2024 Rank	2015 Rank	State	10-year Change (%)
1	1	Alaska	70%
2	9	Utah	114%
3	2	Colorado	71%
4	**3**	**Washington**	**72%**
5	11	Washington D.C.	96%
6	5	California	64%
7	4	Massachusetts	52%
8	6	Virginia	61%
9	16	Oregon	78%
10	12	Montana	67%
		U.S. Total	**62%**

Rising costs may be affecting who chooses to live in Washington state. Between 2021 and 2023, Washington lost 153,174 residents and gained only 97,781 new residents, reflecting a net loss of more than 55,000 people. The largest population losses were to Arizona, Idaho, and Texas.[6]

Washington's net out-migration was concentrated among 10 states, all of which have a lower per-capita PCE than Washington. In other words, more residents are leaving for these states than are arriving from them, and these destinations tend to have significantly lower overall household spending levels. Most fall well below the national PCE average, which is comparable to Montana's PCE. This suggests that Washington is losing population to states where common household goods and services cost less and where household budgets stretch further. While we cannot definitively conclude that affordability is the primary driver of these moves, the data offer a useful lens into how cost of living differences may be influencing migration patterns.

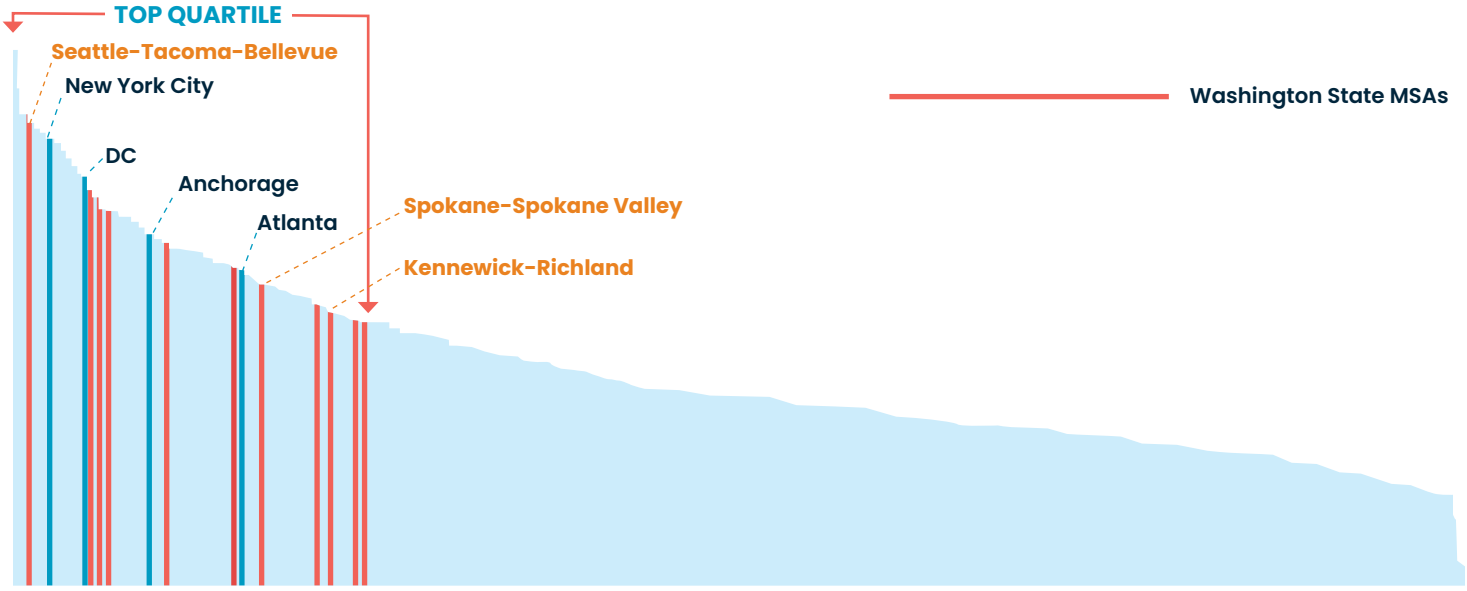
WA consumer spending and price compared to states with greatest net migration (2021-2023)

State	3-year net migration est. — from WA	Spending BEA PCE	Price BEA RPP
Arizona	-27,690	26	16
Idaho	-21,247	48	37
Texas	-21,174	34	22
Kentucky	-9,246	46	38
New Mexico	-7,201	47	39
Montana	-6,840	19	41
Oklahoma	-6,680	50	48
Tennessee	-6,641	40	32
Florida	-5,234	13	12
Wisconsin	-5,183	30	31
Washington	0	11	5

Sources: U.S. Census Bureau, 2023 American Community Survey 1-year estimates: Bureau of Economic Analysis - Personal Consumption Expenditure, and Bureau of Economic Analysis - Regional Price Parities

Regional Comparisons

While the state-level comparisons provide a general barometer of affordability, regional comparisons reveal a much sharper view of the challenges Washingtonians face. All 12 of the MSAs in Washington rank in the top quartile (25%) of priciest MSAs in the country. This includes the Portland-Vancouver-Hillsboro MSA, which includes roughly 500,000 Washington residents. Additionally, eight of the 12 MSAs in Washington state have a Regional Price Parity (RPP) metric above the U.S. average.



6. U.S. Census Bureau, 2023 American Community Survey

Based on the BEA's metro Regional Price Parity data, we can analyze the price levels in 386 Metropolitan Statistical Areas (MSAs) across the country, including 12 in Washington.[7]

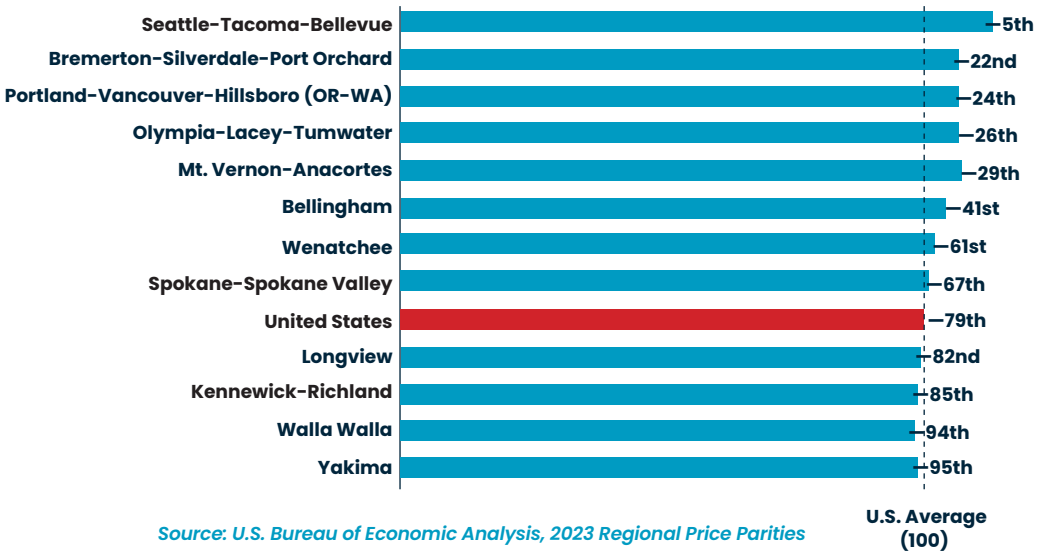
Seattle-Tacoma-Bellevue

Ranks as the 5th most expensive out of 386 MSAs nationwide, trailing only San Francisco, Los Angeles, Santa Barbara, and Oxnard/Ventura—making it the highest priced MSA in the U.S. outside of California

Four other Washington MSAs rank in the top 10% priciest of 386 MSAs nationwide:

- **Bremerton-Silverdale-Port Orchard**— 22nd most expensive
- **Portland-Vancouver-Hillsboro**— 24th most expensive
- **Olympia-Lacey-Tumwater**— 26th most expensive
- **Mount Vernon-Anacortes**— 29th most expensive.

Washington MSA Regional Price Parity rankings among 386 U.S. MSAs



Source: U.S. Bureau of Economic Analysis, 2023 Regional Price Parities

To better understand the affordability story and regional differences across Washington, this analysis focuses on three regions representing eastern, western, and central Washington.

Using data from the MIT Living Wage Calculator, each region is compared to peer metro areas across the country. These peer metros were selected based on comparable economic scale and provide meaningful benchmarks for evaluating how Washington regions perform relative to national counterparts.

In addition, we used data from the Bureau of Labor Statistics (BLS) Consumer Expenditure Survey (2014-2023) to compare actual household spending across categories such as housing, food, transportation, and healthcare across time and between 17 MSAs.[8] This enables a deeper understanding of how cost pressures in Washington compare to other large metros nationwide.

7. For the purposes of this report, we removed the Lewiston Metropolitan Statistical Area, which is largely represented by residents in Idaho.

8. MSAs with BLS CEX data: Atlanta, GA; Baltimore, MD; Boston, MA; Chicago, IL; Dallas-Fort Worth, TX; Detroit, MI; Houston, TX; Los Angeles, CA; Minneapolis-St. Paul, MN; New York, NY; Philadelphia, PA; Phoenix, AZ; San Diego, CA; San Francisco, CA; Seattle, WA; Washington DC

Seattle-Tacoma-Bellevue

Affordability can be viewed through three lenses: overall price levels, the cost of basic needs, and household spending patterns. Together, these comparisons show how Seattle stacks up against economically similar metro areas across the country and highlight where cost pressures are hitting hardest.

Overall Price Levels: We selected 11 MSAs to compare with the Seattle-Tacoma-Bellevue (Seattle) MSA, based on comparable economic scale and relevance for cost of living analysis. Using BEA's Regional Price Parity, we looked at overall price comparisons and found that **the Seattle MSA ranks as the second most expensive metro in the group**, trailing only San Francisco-Oakland-Berkeley.

Peer MSAs used as Seattle comparisons

- Atlanta-Sandy Springs-Alpharetta, GA
- Austin-Round Rock-Georgetown, TX
- Boston-Cambridge-Newton, MA-NH
- Chicago-Naperville-Elgin, IL-IN-WI
- Denver-Aurora-Lakewood, CO
- Minneapolis-St. Paul-Bloomington, MN-WI
- Nashville-Davidson—Murfreesboro—Franklin, TN
- Phoenix-Mesa-Chandler, AZ
- Salt Lake City, UT
- San Francisco-Oakland-Berkeley, CA
- Washington-Arlington-Alexandria, DC-VA-MD-WV

Cost for Basic Needs: Using the same comparison group of 11 peer MSAs, we reviewed annual costs for basic needs as calculated by the MIT Living Wage Institute. These basic needs include childcare, food, civic engagement, healthcare, housing, internet and mobile services, transportation, taxes, and other essential expenses. For a family with two working adults and one child, **Seattle ranked as the 3rd most expensive metro in the comparison set**, behind only San Francisco and Boston. Breaking down the individual cost categories, Seattle ranked: 1st for internet and mobile costs, 3rd for housing costs, and 4th for both childcare and food costs.

Household Spending Patterns: Data from the U.S. Bureau of Labor Statistics Consumer Expenditure Survey enables comparison of household spending across major expense categories in 17 large MSAs.[9] **Seattle ranked 3rd highest in average annual household expenditures**. Across all expenditure categories, expenses for Seattle-area residents have outpaced inflation, with the fastest growth in housing (shelter), food (both groceries and dining out), and entertainment.

Seattle ranked in the bottom half of the 17 MSAs examined based on consumer spending on healthcare (9th), education (10th), apparel (11th), and transportation (13th). That said, expenses are still rising quickly. For example, transportation expenses increased 34%, and healthcare expenses increased 54%.

Housing (shelter) **3rd**

2023 Rank	2014 Rank	Metro	10-year Change (%)
1	2	San Francisco	70%
2	4	San Diego	51%
3	**6**	**Seattle**	**71%**
4	3	New York	39%
5	8	Boston	69%
6	1	Washington D.C.	19%
7	5	Los Angeles	44%
8	12	Philadelphia	49%
9	13	Miami	58%
10	15	Phoenix	76%
11	11	Minn./St.Paul	41%
12	9	Baltimore	32%
13	14	Dallas-Fort Worth	49%
14	7	Chicago	21%
15	16	Atlanta	70%
16	10	Houston	27%
17	17	Detroit	42%

Seattle ranked 3rd most expensive among the 17 large MSAs in 2023, up three places from 2014, with housing expenditures having increased 71% over the decade.

Food (groceries & dining out) **3rd**

2023 Rank	2014 Rank	Metro	10-year Change (%)
1	1	San Francisco	73%
2	6	Boston	69%
3	**4**	**Seattle**	**60%**
4	2	Washington D.C.	50%
5	12	Philadelphia	66%
6	11	Los Angeles	60%
7	15	San Diego	68%
8	9	New York	54%
9	10	Baltimore	55%
10	7	Chicago	40%
11	8	Minn./St.Paul	41%
12	16	Atlanta	66%
13	5	Dallas-Fort Worth	22%
14	13	Phoenix	32%
15	14	Detroit	27%
16	3	Houston	4%
17	17	Miami	46%

Seattle ranked 3rd most expensive in 2023, up one spot from 2014, with household food spending having increased 60% over the decade.

Entertainment **1st**

2023 Rank	2014 Rank	Metro	10-year Change (%)
1	**1**	**Seattle**	**93%**
2	2	Minn./St.Paul	37%
3	3	Washington D.C.	33%
4	12	Chicago	63%
5	8	Boston	48%
6	11	Baltimore	47%
7	10	Phoenix	44%
8	4	San Francisco	14%
9	9	San Diego	31%
10	13	Philadelphia	37%
11	14	New York	39%
12	5	Houston	10%
13	15	Los Angeles	40%
14	17	Miami	114%
15	7	Dallas-Fort Worth	7%
16	16	Atlanta	53%
17	6	Detroit	-6%

Seattle ranked 1st out of the 17 MSAs for entertainment spending in 2014 and remained in the lead in 2023, with entertainment spending rising 93% over the past decade.

9. The BLS Consumer Expenditure Survey is only published for selected MSAs because sample sizes in many metros are too small to meet reliability and confidentiality standards for producing statistically valid estimates. This analysis focuses on the 17 MSAs with available data between 2014 and 2023.

Spokane MSA & Tri-Cities MSA

The Spokane-Spokane Valley (Spokane) and Kennewick–Richland (Tri-Cities) MSAs posted similar cost rankings, making them a logical comparison set for analyzing regional affordability. To place these regions in context, each was compared with 11 MSAs of similar economic scale. Using 2023 data from the Bureau of Economic Analysis Regional Price Parity Index, both Spokane and Tri-Cities rank within the top 25% of the most expensive MSAs nationwide, out of 386 metro areas.

Additional analysis using the MIT Living Wage Calculator examined the annual cost of basic needs across the same set of peer MSAs for a family with two working adults and one child.

Peer MSAs used as Spokane & Tri-Cities Comparisons

- Albuquerque, NM
- Boise City, ID
- Colorado Springs, CO
- Des Moines-West Des Moines, IA
- Eugene-Springfield, OR
- Fayetteville-Springdale-Rogers, AR
- Fresno, CA
- Madison, WI
- Peoria, IL
- Reno, NV
- Tucson, AZ

- Overall, the Spokane MSA is slightly more affordable than the Tri-Cities MSA, with annual basic needs for a family of 2 working adults and 1 child averaging $93,890 and $96,117, respectively.
- Over a five-year period, from 2021-2025, the annual cost of basic needs grew by about 30% for both Spokane and Tri-Cities MSAs, with the greatest growth in costs to healthcare, taxes, and housing.
- Family spending on basic needs in Spokane and Tri-Cities is middle of the pack, with a few notable exceptions.

High comparative spending on healthcare:

2025 Rank	2021 Rank	Metro	5-year Change (%)
1	**9**	**Kennewick-Richland, WA**	**69%**
2	**11**	**Spokane-Spokane Valley, WA**	**69%**
3	4	Des Moines-West Des Moines, IA	33%
4	5	Fresno, CA	35%
5	1	Fayetteville-Springdale-Rogers, AR	8%
6	2	Peoria, IL	21%
7	12	Boise City, ID	50%
8	7	Madison, WI	25%
9	13	Tucson, AZ	50%
10	10	Reno, NV	31%
11	3	Albuquerque, NM	13%
12	8	Colorado Springs, CO	17%
13	6	Eugene-Springfield, OR	-4%

As compared to the peer group in 2025, Tri-Cities and Spokane ranked 1st and 2nd, respectively, when it comes to healthcare, both in terms of dollars spent by a family as well as growth of nearly 70% in healthcare spending.

Divergent transportation costs:

2025 Rank	2021 Rank	Metro	5-year Change (%)
1	7	Fayetteville-Springdale-Rogers, AR	24%
2	**1**	**Kennewick-Richland, WA**	**14%**
3	2	Boise City, ID	22%
4	6	Des Moines-West Des Moines, IA	23%
5	4	Reno, NV	22%
6	5	Peoria, IL	18%
7	3	Fresno, CA	17%
8	8	Madison, WI	21%
9	9	Colorado Springs, CO	15%
10	12	Albuquerque, NM	22%
11	**10**	**Spokane-Spokane Valley, WA**	**14%**
12	11	Tucson, AZ	16%
13	13	Eugene-Springfield, OR	16%

In 2025, the Spokane MSA ranked 11th among the MSAs examined, while Tri-Cities ranked 2nd highest. While dollar spend is split, both regions saw the lowest rate of growth in transportation expenses for consumers among the MSAs examined.

Individual tax burden:

2025 Rank	2021 Rank	Metro	5-year Change (%)
1	1	Eugene-Springfield, OR	31%
2	2	Colorado Springs, CO	40%
3	8	Boise City, ID	73%
4	3	Madison, WI	25%
5	5	Peoria, IL	30%
6	7	Albuquerque, NM	45%
7	4	Des Moines-West Des Moines, IA	25%
8	10	Fresno, CA	57%
9	6	Reno, NV	36%
10	**12**	**Kennewick-Richland, WA**	**57%**
11	11	Fayetteville-Springdale-Rogers, AR	47%
12	9	Tucson, AZ	41%
13	**13**	**Spokane-Spokane Valley, WA**	**51%**

On individual taxes, both the Spokane and Tri-Cities MSAs ranked in the bottom third among peers, likely due to no state income tax requirements. However, the rate of growth in individual taxes for both regions is faster than most of their peer MSAs, with tax costs in the Tri-Cities and Spokane MSAs growing upwards of 50%.

Literature Review

Affordability is a multifaceted issue that benefits from both national and regional contexts. A review of multiple independent studies and national data sets confirms and reinforces the affordability challenges emerging in Washington's state-level data.

Among the most comprehensive resources available is The Urban Institute's American Affordability Tracker, a tool that sheds light on Americans' finances and everyday costs. It draws on high-quality national data from sources such as AAA's Fuel Price Finder, Child Care Aware's Annual Price of Care reports, Kaiser Family Foundation's annual analyses of local costs of Affordable Care Act Marketplace plans, Federal Housing Finance Agency (FHFA) House Price Index, and others. Together, these data sets provide a detailed and credible view of cost pressures facing American families.

Across five out of the nine affordability indicators examined, Washington ranks among the top five most expensive states, with two additional dimensions in or approaching the top 10. Independent, national data reinforce what many in Washington are already feeling: concerns about affordability are not exaggerated—they are backed by hard evidence.

	Rank	Estimated Cost	Note	Key Sources
Dining Out	**1st** most expensive	**$20–$30** for a casual sit-down lunch	Menu prices at the nation's largest restaurant chains are 13.6% higher than the national average.	Washington Hospitality Association; LivingCost.org
Groceries	**7th** most expensive	**$1,184** per month for a family of four	Washington families pay an extra $151 each month compared to the national average of $1,033.	URBAN INSTITUTE
Buying a Home	**5th** most expensive	**$662,190** average sale price of houses	Prices in Seattle are especially high. The median sale price in Seattle is $899,000.	Redfin; URBAN INSTITUTE
Renting a Home	**13th** most expensive	**$2,088** average monthly rent	Seattle's median rental price is modestly higher, at $2,130.	Redfin; URBAN INSTITUTE
Rideshare	**1st** most expensive	**$53.46** average price of a 30-minute ride	Among America's 100 biggest cities, Seattle is the most expensive at $60.00 for a 30-minute trip.	NetCredit
Gas	**2nd** most expensive	**$4.38** per gallon	Washington residents pay $1.25 more per gallon than the nationwide average ($3.13).	URBAN INSTITUTE
Utilities	**37th** most expensive	**$401.20** per month	Washington residents pay less than the national average for energy (42nd most expensive), but more for water (4th most expensive).	Forbes
Childcare	**5th** most expensive	**$38,256** per year for a family with an infant and a 4-year-old	A Washington family with an infant and a 4-year-old will pay $9,152 more than the nationwide average ($29,104).	URBAN INSTITUTE
Health Insurance	**42nd** most expensive	**$420** per month for a 40-year-old	The monthly price of health insurance is $420 in Washington, compared with $491 nationwide.	URBAN INSTITUTE

Conclusions & Implications for Further Research

Washington's affordability challenge is real, measurable, and growing. Our state ranks as the 5th most expensive place in the nation. From housing and utilities to food and transportation, rising costs are reshaping household budgets and narrowing everyday decisions about where and how people live, work, and plan for the future. And, it isn't just Seattle. From Bremerton to Mount Vernon, the Tri-Cities, and Spokane, **all 12 metropolitan statistical areas in Washington rank in the top 25% most expensive nationally.**

Households are spending more on average, with housing, healthcare, food, and transportation accounting for 59% of consumer spending. These pressures coincide with increased outmigration to lower-cost states. At a time when we should be bending the cost curve, **the affordability gap in Washington is growing, and prices have risen faster than anywhere else.**

Understanding what's behind these pressures requires a look across multiple measures and data sources. This report brings together national and regional data to establish a shared fact base, examining how Washington compares, where pressures are most acute, and how they have intensified over the last decade. **The conclusion is consistent: Washington's cost of living is high, rising quickly, and shaping decisions for families, workers, employers, and communities statewide.**

Even with this comprehensive review, important questions remain, particularly around how affordability challenges affect small businesses and, in turn, consumers. Addressing these gaps will require targeted research into the cost structures and pressures faced by small enterprises across Washington.

Our next report will focus on the intersection of small business viability and consumer affordability. It will examine how the cost of doing business in Washington has changed over time, and how those costs ultimately affect Washington families. By exploring these connections, we aim to surface actionable insights to support a more affordable future for everyone.

Methodology

Our state and regional analyses incorporate a number of sources to provide a comprehensive assessment of affordability in Washington. We selected metrics that capture both average expenditures, cost of basic needs, and regional price differences. This approach allows us to compare Washington's cost landscape to national benchmarks and to account for local variations in purchasing power.

Metrics and sources include:

- **Per Capita Personal Consumption Expenditures (PCE):** Measures average spending on goods and services, enabling state-to-state and year-over-year comparisons. Per capita PCE has limitations in that it doesn't actually measure the price of goods. ***Source: https://www.bea.gov/data/consumer-spending/state***

- **Regional Price Parities (RPP):** Adjusts for differences in price levels across states and metropolitan areas, providing insight into relative purchasing power. Price levels are indexed against the national price level (100) with scores expressed as a percent of the national level. For example, 110 = prices 10% above national levels. The RPP data only breaks down overall prices into four categories "Goods", "Housing (rents)", "Utilities", and "Other" which makes it limited in its ability to explain the drivers of price differences. ***Source: https://www.bea.gov/data/prices-inflation/regional-price-parities-state-and-metro-area.***

- **Consumer Expenditure Survey (BLS):** Captures actual household spending across categories, reflecting behavioral and demographic influences. Survey results are only available for large MSAs and are based on self-reported data that may be impacted by under or over reporting. ***Source: https://www.bls.gov/cex/***

- **MIT Living Wage Calculator:** Estimates basic needs costs for different family compositions, allowing for regional and peer city comparisons. Sources include the U.S. Department of Labor's Women's Bureau National Database of Childcare Prices and Child Care Aware reports; USDA Food Plans; the Medical Expenditure Panel Survey and U.S. Bureau of Labor Statistics Consumer Expenditure Survey (including Tables 1400 and 1502); U.S. Department of Housing and Urban Development Fair Market Rents; BroadbandNow broadband statistics; the Center for Neighborhood Technology H+T Index; and the National Bureau of Economic Research TAXSIM model. ***Source: https://livingwage.mit.edu/***

- **Literature Review:** Synthesizes findings from recent research to contextualize Washington's affordability challenges.

It is important to note that no single data source captures every dimension of affordability. By triangulating multiple data sets, our intent is to mitigate the limitations of any single measure and provide a more robust and nuanced analysis.

Methodology for Regional Comparisons

This analysis leverages the Bureau of Labor Statistics Consumer Expenditure Survey, a dataset that measures what households actually spend money on across multiple categories, including: housing, food, transportation, healthcare, and entertainment. It's important to note that this measure analyzes actual expenditures and not prices. So, while it's a leading indicator of affordability, it could be influenced by discretionary income, preferences, differences in lifestyles, demographic differences, etc. This BLS data is also a survey of consumers which has some strengths in that it measures what individuals are actually spending, but it's behavioral and could have some under- or over-reporting, as with any survey tool. That said, it does help with cross-comparability across other metros and with changes over time.

To round out our picture of Seattle-Tacoma-Bellevue Metropolitan Statistical Area (MSA), we also included data from the MIT Living Wage Calculator to draw comparisons to like MSAs, including San Francisco, Boston, Denver, Washington D.C., Minneapolis, Phoenix, Chicago, Salt Lake City, Austin, Atlanta, and Nashville.[10]

The Living Wage Calculator's estimate of living wage includes eight typical expenses or basic needs – childcare, civic engagement, food, health care, housing, internet and mobile, transportation, and other necessities. In addition to these basic needs, the Calculator also accounts for the additional cost to families associated with income and payroll taxes. Our analysis considers two family compositions: 2 working adults, 1 child and 1 working adult, no children to account for the impact of childcare costs and considers change over five years (2021-2025).

Bureau of Labor Statistics Consumer Expenditure Survey data was not readily available for Spokane, Tri-Cities, and comparable regions. In order to conduct an analysis for smaller regions, we relied on data from the MIT Living Wage Calculator to draw comparisons to Colorado Springs, CO; Eugene, OR; Boise City, ID; Reno, NV; Fresno, CA; Madison, WI; Albuquerque, NM; Tucson, AZ; Des Moines, IA; Peoria, IL; and Fayetteville, AR.

10. MIT Living Wage Calculator methodology