



Q2 2026 Local Consumer Price Index Report Martin, Tennessee

1. Summary

Using the base month of January 2025 (CPI = 100), the urban-weighted Consumer Price Index for Martin, TN averaged 107.98 during the second quarter of 2026, indicating that consumer prices stood approximately 8.0% above their January 2025 level. The quarterly average rose 3.4% relative to the first quarter of 2026 (104.38) and 8.4% relative to the second quarter of 2025 (99.63). The rural-weighted index averaged 105.81, a 6.6% increase over the same quarter one year earlier. At the close of the quarter, the urban index stood at 107.11 in June 2026, an 8.7% increase over June 2025. Both urban and rural index values are presented as the rural weights are fixed while urban weights adjust monthly.

Over the comparable period, the national Consumer Price Index for All Urban Consumers (CPI-U), not seasonally adjusted, rose 4.2% over the twelve months ending May 2026; the June national figure is scheduled for release on July 14, 2026, and is therefore not yet reflected here. Annual inflation in Martin thus ran at roughly twice the national rate, continuing a divergence first documented in early 2025. This gap is consistent with the higher transportation costs, localized scarcity, and limited retail competition that characterize Martin and other isolated rural markets, where a small number of price movements (particularly in fuel) can exert outsized pressure on the local cost of living.

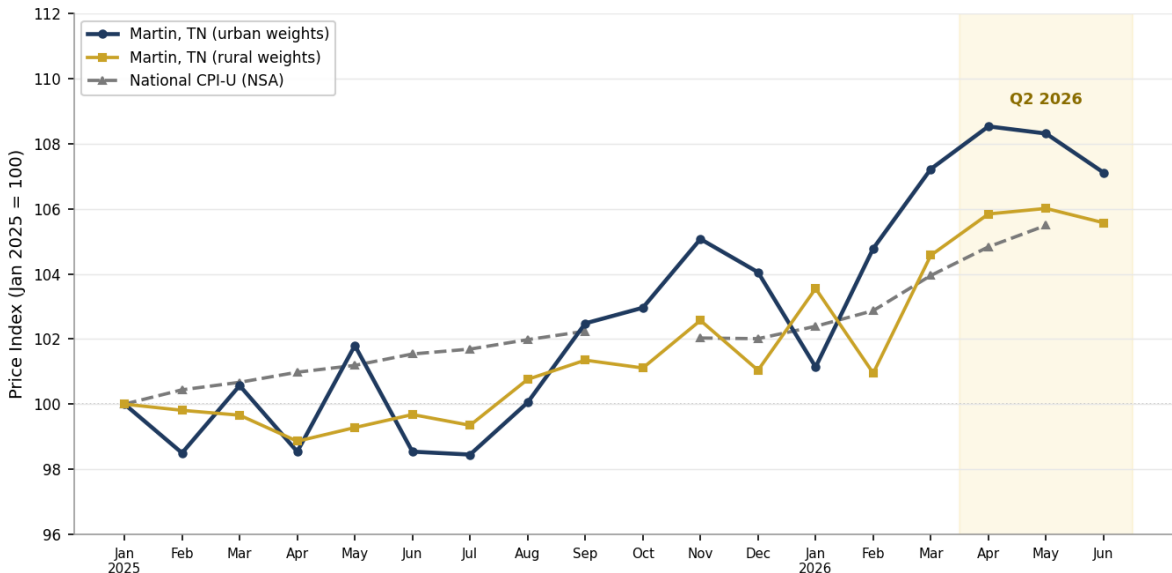


Figure 1. Martin, TN Consumer Price Index (urban and rural weights) compared with the national CPI-U, January 2025–June 2026, rebased to January 2025 = 100. The shaded band (right) marks Q2 of 2026.

Within the quarter, the urban index peaked in April (108.53) and eased through May (108.31) and June (107.11). This pattern, and nearly all of the quarter’s movement, was driven by volatility in

energy and transportation prices: the all-items index was essentially unchanged from the end of the first quarter (March, 107.22) to the end of the second (June, 107.11), even as its underlying components moved sharply in opposing directions. Figure 1 presents the Martin urban and rural indexes alongside the rebased national CPI-U from January 2025 through June 2026 for simple comparison.

2. Detailed Report

The defining development of the second quarter was a pronounced increase in energy and transportation prices, largely stemming from the war between the U.S. and Iran and the uncertainty of access to the Strait of Hormuz. The supplementary energy index rose 21.2% over the quarter and 31.8% over the year, reflecting motor-fuel prices that climbed from roughly \$2.55 to between \$3.85 and \$4.30 per gallon during the period. Because energy is embedded within the housing and transportation groups rather than counted separately, this surge propagated into a 21.6% quarterly increase in transportation (up 22.3% year-over-year) and accounted for substantially all of the quarter's upward price pressure.

At the all-items level, these energy-driven gains were offset by declines elsewhere. The housing sector in Martin fell 4.4% over the quarter (though it remained 7.7% above its prior-year level) reflecting movement in the shelter and owners'-equivalent-rent components. Apparel declined 6.7%, consistent with seasonal patterns, and the other goods and services group fell 5.4%. The net result was an all-items urban index essentially flat across the quarter despite large, offsetting category movements.

Table 1. Martin, TN index levels and changes by major expenditure group, second quarter 2026 (base January 2025 = 100).

Expenditure Group	Index (Jun 2026)	Change over Q2 (Mar–Jun)	12-Month Change (Jun)
Food at Home	101.03	+1.7%	+0.5%
Food Away from Home	102.54	+1.0%	+1.0%
Housing	103.95	-4.4%	+7.7%
Apparel	105.22	-6.7%	+3.5%
Transportation	124.89	+21.6%	+22.3%
Medical Care	119.21	-0.9%	+21.1%
Recreation	118.24	+14.0%	+16.9%
Education & Communication	104.59	+2.8%	+4.5%
Other Goods and Services	98.49	-5.4%	+2.5%
All Items (Urban)	107.11	-0.1%	+8.7%
<i>Energy (supplementary)</i>	<i>128.02</i>	<i>+21.2%</i>	<i>+31.8%</i>

Energy is shown for reference and is embedded within the Housing and Transportation groups; it is not added to the all-items total.

On a 12-month basis, the largest increases were concentrated in transportation (+22.3%), medical care (+21.1%), and recreation (+16.9%), while food prices remained comparatively stable (food at home +0.5%, food away from home +1.0%). Table 1 reports index levels and changes by major expenditure group. The medical care, recreation, and other-services figures rest on relatively few sampled items and should be read as indicative of direction rather than precise magnitudes (see Section 4 below).

Table 2 situates the Martin indexes against the national benchmark for the months of the quarter. The national CPI-U registered twelve-month increases of 3.8% in April and 4.2% in May 2026; the corresponding Martin urban increases were 10.1% and 6.4%. The wider month-to-month swings in our Martin series reflect both the smaller local sample and genuine local volatility (again, particularly in fuel) relative to the broad national index.

Table 2. *Martin, TN indexes and the national CPI-U, second quarter 2026 (base January 2025 = 100).*

Month	Martin Urban	Martin Rural	National CPI-U
April 2026	108.53	105.84	104.83
May 2026	108.31	106.01	105.49
June 2026	107.11	105.57	<i>Not yet released</i>
Q2 2026 average	107.98	105.81	105.16

National Q2 average reflects April and May only, as the June national index has not been released.

3. Methods

This index follows the architecture of the national CPI while adapting it to a small rural market. It was initially modeled on the Local Economic Indicators Project (LEIP) established by Dr. Paul Mason at the University of North Florida (University of North Florida, 2025) and incorporates modern collection and weighting practices (Graf, 2020; Konny, 2020).

Prices are first converted to relatives against the January 2025 base period. Item relatives are combined within approximately twenty-six expenditure sub-groups (e.g., rent, household energy, dairy, and medical services) using a geometric mean, the elementary-aggregation formula used for most components of the national CPI. Sub-group indexes are then combined into all-items measures using expenditure weights, with any sub-group lacking data in a given month dropped and the remaining weights renormalized. Two parallel indexes are produced: an urban-weighted index using Bureau of Labor Statistics relative-importance weights, and a rural-weighted index using twelve harmonized (R-HICP) expenditure classes. Weights are held fixed within the calendar year and updated annually.

Prices are collected on the first Wednesday of each month from area retailers and service providers, including grocery and general-merchandise stores, restaurants, utilities, and healthcare, housing, and personal-service providers. These are supplemented by published rates for standardized national and state-priced items. Collecting on a fixed first-Wednesday schedule reduces distortions from weekend pricing, store closures, and within-month perishability cycles.

For comparison, the national CPI-U (all items, not seasonally adjusted; BLS series CUUR0000SA0) is rebased to the January 2025 base and compared on a twelve-month basis, with not-seasonally-adjusted figures used on both sides to ensure comparability. The methodology described here was strengthened in mid-2026, when item-level sub-group weighting replaced an earlier aggregation procedure; all months back to January 2025 were recomputed on this consistent basis, so the series reported here is internally comparable across its full length and may differ modestly from figures in earlier monthly releases.

4. Data Quality and Limitations

Several features of this index warrant caution in interpretation. The sample is drawn from a single small market and is concentrated in a limited number of outlets, so an isolated promotion or stockout can move a thin category more than it would move the national index. Shelter, the largest single component, currently rests on a small number of observations, including one tracked rental

unit and several owners'-equivalent-rent estimates; additional rental observations are being incorporated to strengthen this component, but those changes will take time to be incorporated accurately into future estimates. The quarter's energy and transportation results depend heavily on a small number of motor-fuel quotations and should be regarded as provisional pending further verification. Results for the medical care and recreation groups, which draw on few items, are likewise best read as indicative of direction rather than precise magnitudes.

Two gaps affect the national comparison. The national index for October 2025 was not published owing to the 2025 lapse in federal appropriations, and the national figure for June 2026 will not be released until after this report is prepared. Both appear as missing values in Figure 1 and Table 2. This report may be amended in the future to account for that missing value.

5. Acknowledgements / Attribution

This report is a product of the Economics and Business Innovation Lab (EBIL) at the University of Tennessee at Martin and was produced by its founding director, Dr. Anthony R. Delmond, who conducted the analysis. Data were collected by Dr. Delmond, Chayil Watkins, Sara Ullrich, and Reyna Joyner. Claude (Anthropic, Claude Opus 4.8) was used in report construction and formatting.

6. References

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ABOUT EBIL

The Economics and Business Innovation Lab (EBIL) at the University of Tennessee at Martin conducts applied economic research and analysis for West Tennessee and the surrounding region, including regional economic indicators, economic-impact studies, and business-innovation initiatives. The Martin, TN Consumer Price Index is a recurring EBIL data product, maintained to give local businesses, policymakers, and residents a timely, locally grounded measure of price change in their own market.