

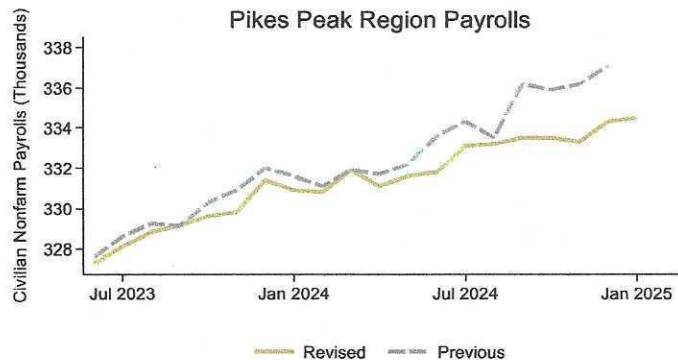
Greetings from Dwire Hall at UCCS!

Highlights:

- Regional and state employment estimates were revised downward and our unemployment rate is somewhat higher than the national level
- New Census population estimates show growth in El Paso and Douglas counties, though the sources differ – El Paso mainly driven by natural increase and Douglas by domestic migration
- The US macro picture appears to have darkened considerably, but it will take time before it becomes clear in the data whether we’ve seen a business cycle turning point

Employment: The Bureau of Labor Statistics released their annual “benchmark” revision of the employment numbers at the state and metro area levels. As expected, the estimates for the Pikes Peak Region and for Colorado were revised downward. The estimate of regional civilian nonfarm payrolls for December was revised down by 2,800 (0.8%), and the revisions reduced the monthly average gain during 2024 to 242, down from 425 previously estimated. This confirms the view that 2024 was a relatively slow year for the regional economy; the average monthly job gain had been 792 in 2022-23.

The statewide total for December was revised down by 32,900 (1.1%), and the state’s monthly average increase in 2024 was reduced from 4,050 to 1,842, compared with 5,567 in 2022-23.



Data: Bureau of Labor Statistics

The benchmark revisions adjust the survey-based monthly numbers to information reported by employers for unemployment insurance. The national estimates had also been revised down in an earlier announcement, though by a smaller percentage (0.4%).

Colorado’s unemployment rate usually is below the national level, but that has not been the case since late 2023. In January, the state’s rate was 4.7%, compared with 4.0% nationally. At the regional level, there will be a delay in releasing the seasonally adjusted metro-level estimates shown in the dashboard since the BLS needs to adjust them to new MSA boundaries (ours didn’t change). On a non-seasonally adjusted basis, both the region and the state had unemployment rates of 5.0% in January, compared with 4.4% nationally (a large bump in unemployment always occurs in January which is removed with seasonal adjustments).

Population: The Census Bureau released new population estimates for metro areas and their constituent counties. These reflect their updated methodology for measuring immigration that was discussed in our January report along with the national and state-level estimates.

As a reminder, while these estimates better capture the recent surge in immigration, we know from Customs and Border Protection that immigration dropped off significantly in 2024, particularly in the second half of the year (the estimates are for July 1).

Over the four years ending July 1, 2024, El Paso County's population is estimated to have grown by 18,968 (2.6%), Teller County's by 117 (0.5%), Pueblo County's by 1,514 (0.9%) and Douglas County's by 33,668 (9.3%!).

The largest part of El Paso County's growth was driven by natural increase (i.e., births minus deaths), with a significant contribution of net international migration, while our estimated net domestic migration is estimated to have been negative for the last three years (barely so in 2022 and 2024). Pueblo County is seeing deaths greater than births, offset by positive net migration. Douglas County has seen very large net domestic migration, which fits with a pattern seen around the pandemic and the shift to remote work of strong growth in areas on the peripheries of major metro areas.

		Population Estimates			
		2021	2022	2023	2024
Population	El Paso	738,811	742,676	746,934	752,772
	Teller	24,951	24,858	24,711	24,862
	Pueblo	169,354	169,485	169,723	169,866
	Douglas	369,826	376,462	385,141	393,995
Natural Increase	El Paso	3,426	3,072	3,371	3,217
	Teller	-73	-94	-31	-18
	Pueblo	-675	-864	-497	-462
	Douglas	1,629	1,754	1,825	1,820
Net Domestic Migration	El Paso	956	-68	-1,144	-40
	Teller	289	-11	-191	72
	Pueblo	1612	932	525	321
	Douglas	7,824	3,916	5,317	5,161
Net International Migration	El Paso	52	1,172	2,221	2,644
	Teller	5	17	78	92
	Pueblo	27	85	233	283
	Douglas	248	1,022	1,504	1,859

Data: US Census Bureau. Estimates for Jul. 1/year ended Jul. 1

Housing and Real Estate: February broke a four-month streak of year-on-year increases in home sales, with 730 homes sold, 7.8% fewer than February 2024. High interest rates in late 2024 and early 2025 may have been a factor (more on interest rates below). The number of homes on the market continues to be higher than a year ago. The [ICE Mortgage Monitor](#) noted an increase in foreclosure starts for VA mortgages following the end of a moratorium. This may be particularly noteworthy locally given our large veteran population – in fiscal year 2024, El Paso County had the third highest number of VA loan originations, behind Bexar County, Texas (San Antonio) and Maricopa County, Arizona (Phoenix).

In multi-family, with all the new apartments coming on to the market, rents have continued to decline and vacancy rates are high. The Downtown Partnership's [2025 State of Downtown](#) report provides some interesting detail on the market in downtown Colorado Springs – it notes that while new openings have driven up the vacancy rate downtown, the rate for downtown apartments that have been open more than a year is 8.8%. The Downtown Partnership is also encouraging residents to patronize businesses affected by the Tejon Street Revitalization Project – I have been intending to eat less sugar, but I think that implies a civic responsibility to make a few visits to Mary's Mountain Cookies.

Retail Activity: City of Colorado Springs sales and use tax revenue for January sales was down slightly (0.7%) over the same month last year. The harsher-than-usual weather may have been a factor, as it was for US retail sales. However, the city's collections have been fairly weak for quite a while, which may be a concern given the city's heavy reliance on sales tax (59% of general fund revenue in 2024).

Note that due to an issue with the system which provides our El Paso County motor vehicle registrations, we were not able to update this series. If the problem persists, we may replace it with data on sales tax collections from auto dealers (which unfortunately has a longer time lag).

Travel and Tourism: A bright spot in the city finance department's report was a 9.1% increase in LART collections for January transactions compared with January 2024. The [Gazette reported](#) that this may have been partly due to an (unnamed) convention.

CDOT released the latest [Colorado Aviation Impact Study](#), which attributed \$5.2 billion of business revenue to Colorado Springs Airport in 2023.

[High-profile incidents](#) of tourists being caught up in more aggressive border enforcement may put a damper on international travel to the US.

State Budget and Outlook: The General Assembly is in the midst of a tough budget season. Both the [Legislative Council Staff](#) and the [Office of State Planning and Budgeting](#) have revised down their revenue forecasts based on a weakening macroeconomic outlook. Both still project revenue above the TABOR cap, but just barely.

National Macro: The macroeconomic outlook has been darkening quickly. I am wary about reading too much into sentiment surveys, but the negative vibe shifts in [consumer sentiment](#) and [small business optimism](#) are unmistakable and profit warnings from [retailers](#) and [airlines](#) are concerning as well.

Business cycle turning points take time to become clear in the data – employment is a lagging indicator because firms generally wait to see if a downturn is persistent before starting to cut payrolls. The “official” recession calls from the NBER business cycle dating committee are slow – the December 2007 peak wasn't called until December 1, 2008, and much of the first part of 2008 was spent discussing “are we in a recession?” amidst mixed signals from the data (by the fall it was pretty unmistakable). That said, households and the financial system appear to be in much stronger shape today than they were in 2008, which would tend to mitigate any downturn.

One silver lining of a weakening outlook is a decline in long-term interest rates – this reflects lower anticipated demand for private investment, but it does bring a helpful decrease in mortgage rates. Both 10-year Treasury yields and 30-year mortgage rates are down by about a quarter of a percentage point since mid-February. Things to watch on this going forward are: (i) the budget reconciliation process for FY 2026 – with the narrow congressional majority a wide range of outcomes seem possible (higher projected deficits would lead to higher rates) and (ii) international appetite for US dollar assets.

Last week, the Fed marked up its expectations for inflation and lowered its growth forecast. However, Chair Powell signaled that the Fed wouldn't respond to tariff-induced inflation by raising the federal funds rate target – i.e., they will “look through” the transitory inflation, and he appeared relatively unconcerned about the possibility of a de-anchoring of inflation expectations that would risk a 1970's “stagflation” scenario.

We are expecting the administration's next tariff announcement on April 2. A week out, it is still very unclear what we are going to get. Any tariffs are bad for the US economy, but if we get something milder than anticipated, it will likely be greeted with relief in markets. As we await “reciprocal” tariffs, it is worth noting that the result of decades of multilateral trade negotiations is that, for the most part, our trading partners' tariffs are low, though developing countries tend to have higher rates. The table shows selected average MFN rates – i.e., the rates applied to fellow WTO members without any further free trade agreements – and averages conceal some variation (e.g., the US figure is 2.2%, but we have a 25% tariff on light trucks).

Average Tariff Rate, 2024	
Brazil	9.3%
China	3.0%
EU	3.0%
Japan	2.7%
UK	3.5%

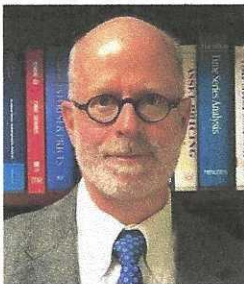
Data: World Trade Organization.
Trade-weighted MFN Rates.

Matching other countries' tariff rates would be fiendishly complicated – the document listing all US tariff rates, the Harmonized Tariff Schedule (HTS), has 99 chapters, so it would be quite an undertaking to develop a different schedule for each trading partner. While our trading partners' tariffs are mostly low, the administration appears to be setting up higher rates based on claims of “unfair” trading practices.

The data for February feels like ancient history at this point, but for the record, the jobs report was mixed and the inflation numbers were modestly encouraging.

The headline payroll figure – a preliminary gain of 151,000 jobs in February – was healthy. The unemployment rate remained low at 4.1%, but this conceals some weakness in the household survey data. The labor force participation rate fell from 62.6% to 62.4% and the share of 25-54-year-olds who were employed dropped to 80.5% (from 80.7%). The labor market is particularly weak for recent graduates.

The monthly increase in both the overall and core (excluding food and energy) Consumer Price Indexes came in at 0.2 from February, a relief after the high monthly readings in January. Year-on-year, overall CPI inflation is at 2.8% and the core CPI has shown a 3.1% increase. We'll get the Fed's preferred inflation measure, the PCE index, on Friday.

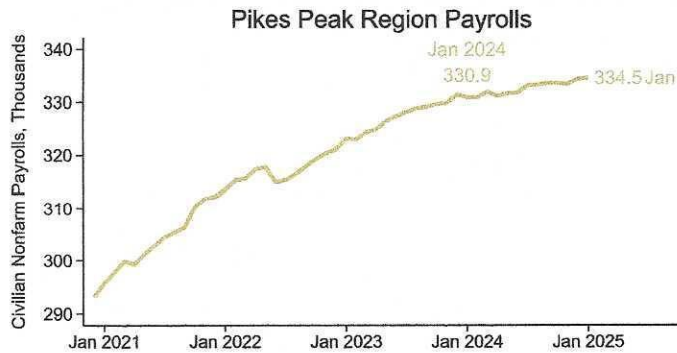


Thank you for your support!

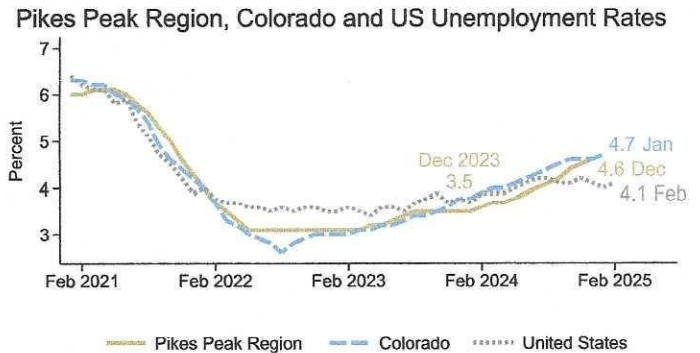
A handwritten signature in blue ink that reads "Bill".

Bill Craighead, Ph.D.
Director, UCCS Economic Forum
craighead@uccs.edu

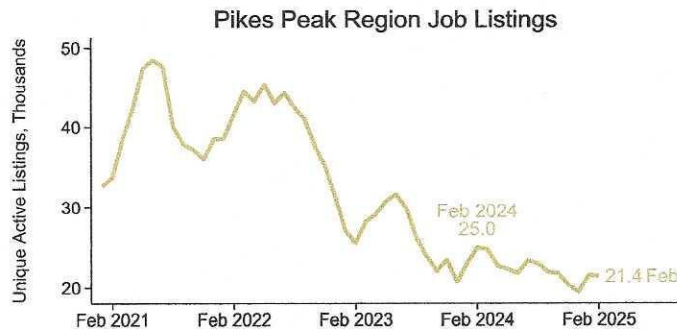
Labor Market



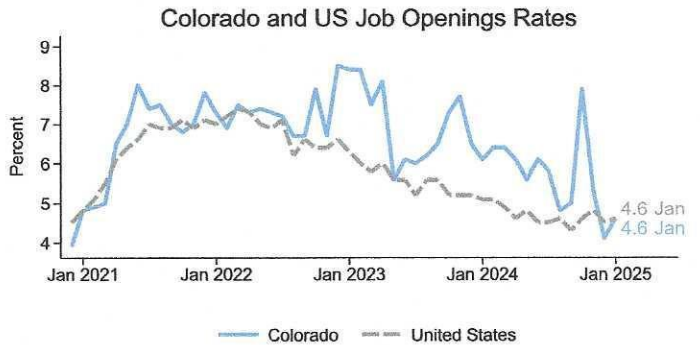
Data: Bureau of Labor Statistics, Seasonally Adjusted



Data: Bureau of Labor Statistics, Seasonally Adjusted
Note: Local estimates released later than national and state data



Data: The Conference Board-Lightcast Help Wanted OnLine®, courtesy Pikes Peak Workforce Center, Not Seasonally Adjusted



Openings Rate is Openings as a Percentage of Employment Plus Openings
Data: Bureau of Labor Statistics, Seasonally Adjusted

Pikes Peak Region Payrolls by Sector, Jan. 2025

Sector	Employment	1 yr. % chg.
Government	59,000	+2.3
Professional & Bus. Services	52,700	-0.9
Private Education & Health Serv.	49,400	+6.2
Leisure & Hospitality	40,000	+2.0
Retail Trade	33,000	-0.3
Other Services	23,400	+0.4
Financial Activities	19,200	-3.0
Mining, Logging & Construction	17,100	-4.5
Transport, Warehouse & Utilities	12,300	+10.8
Manufacturing	12,200	-0.8
Wholesale Trade	6,700	-1.5
Information	4,900	-2.0

Data: Colorado Labor Market Information, Current Employment Statistics Program; Bureau of Labor Statistics. Not seasonally adjusted.

Pikes Peak Region Job Postings, February 2025

Occupation	No. of Postings	Median Advertised Ann. Salary
Registered Nurses	1,033	\$93,440
Other Computer Occupations	939	\$138,112
Retail Salespersons	519	\$35,456
Software Developers	510	\$129,792
Heavy Truck Drivers	317	\$60,032
Customer Service Reps.	293	\$41,600
First-Line Retail Supervisors	268	\$45,696
Home Health & Pers. Care Aides	240	\$37,504
Sales Reps., Wholesale & Mfg.	235	\$67,456
General and Operations Mgrs.	233	\$75,136
Total Openings	21,386	\$64,384

Unique, active postings for top 10 occupations shown. Data: The Conference Board-Lightcast Help Wanted OnLine®, courtesy Pikes Peak Workforce Center

Armed Forces in El Paso County

2023	2022
38,320	36,190

Data: Census Bureau

Average Hourly Earnings

	Jan.	1 yr. % chg.
Pikes Peak Region	\$36.62	+6.7%
Colorado	\$39.80	+6.4%
United States	\$36.00	+3.9%

Data: Bureau of Labor Statistics. Private Sector, Not Seasonally Adjusted.

Pikes Peak Region Employment

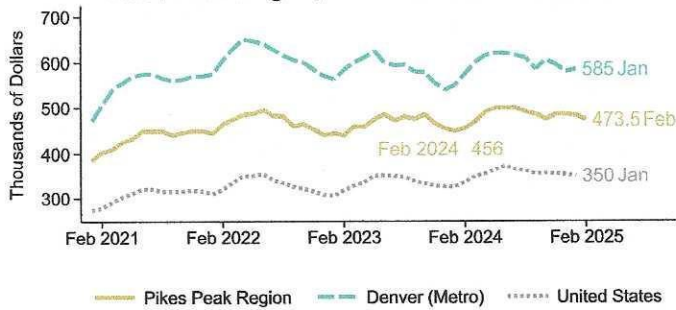
	January	December
Employed	378,609	378,741
Unemployed	19,979	17,866

Household survey data, includes self-employed, *not* seasonally adjusted. Data: Colorado Department of Labor & Employment; Bureau of Labor Statistics

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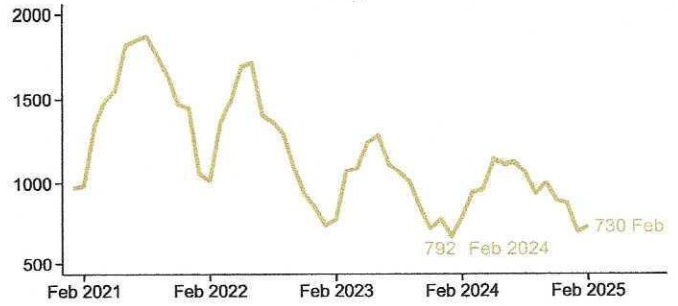
Real Estate

Pikes Peak Region, Denver and US House Prices



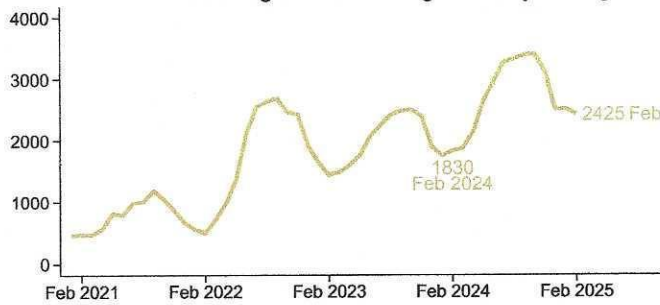
Median Sales Price, Single-Family Homes
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®; Zillow
Local data includes properties on regional MLS outside El Paso and Teller Counties

Pikes Peak Region Home Sales



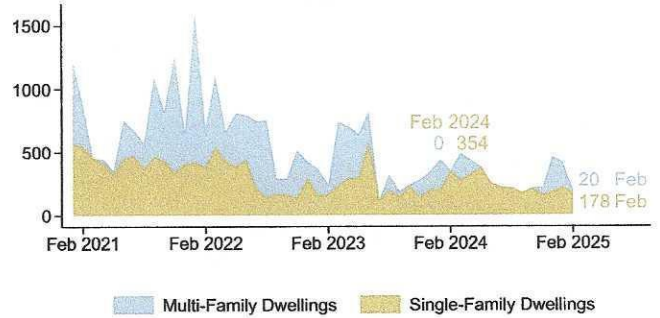
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®
Includes properties on regional MLS outside El Paso and Teller Counties

Pikes Peak Region Active Single-Family Listings



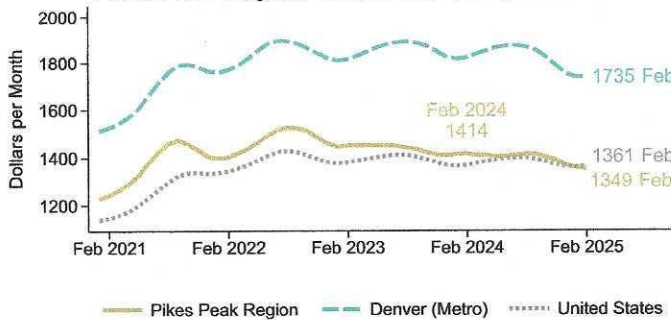
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®
Includes properties on regional MLS outside El Paso and Teller Counties

Pikes Peak Region Building Permits



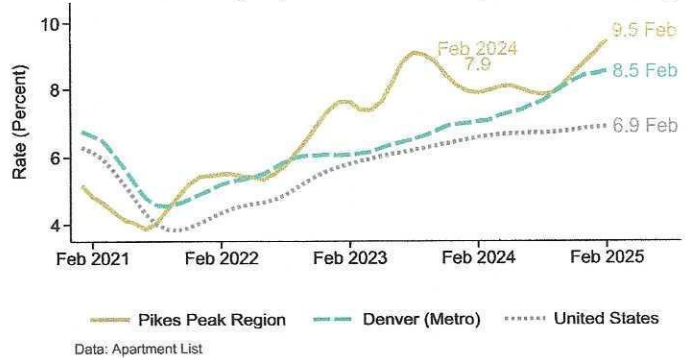
A June 30 2023 change in building code caused some permitting to be pulled forward
Data: Pikes Peak Regional Building Department; serves El Paso County and Woodland Park

Pikes Peak Region, Denver and US Apartment Rents



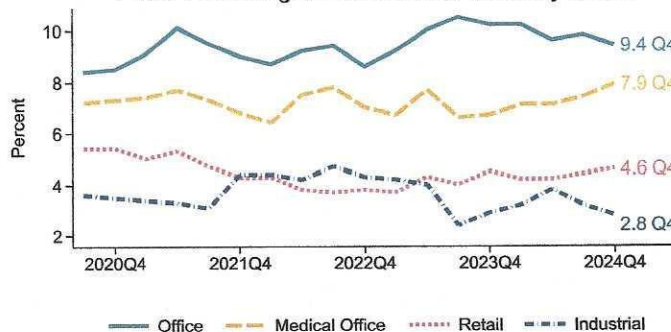
Median Rent of Two-Bedroom Apartment
Data: Apartment List

Pikes Peak Region, Denver and US Apartment Vacancy



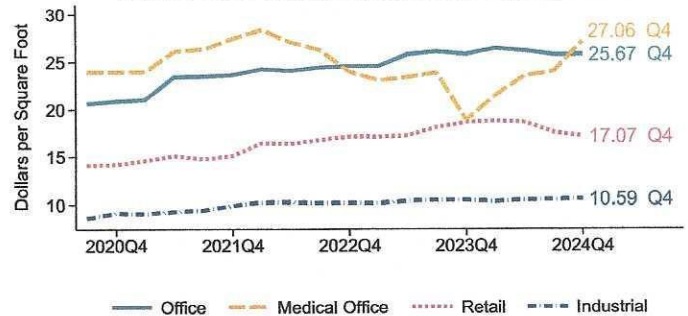
Data: Apartment List

Pikes Peak Region Commercial Vacancy Rates



Percent vacant and available. Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.

Pikes Peak Region Commercial Property Rents

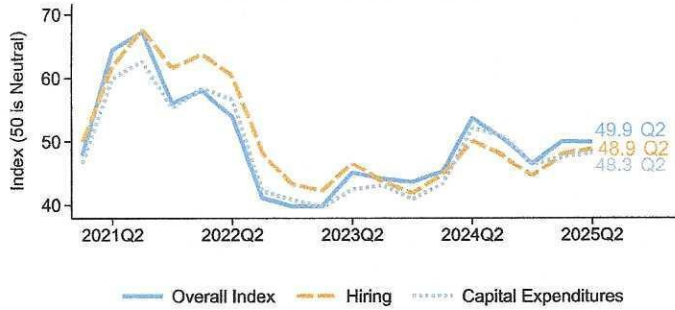


Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.
Retail and industrial are triple net, office and medical office are gross rent

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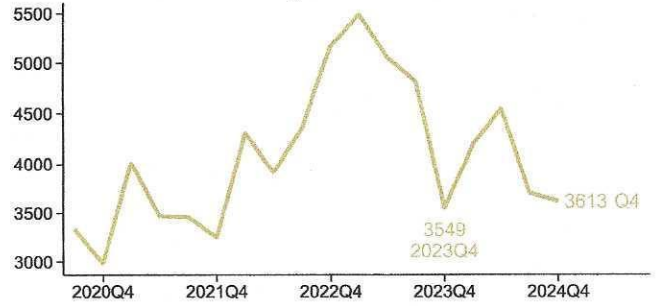
Business

Colorado Business Confidence



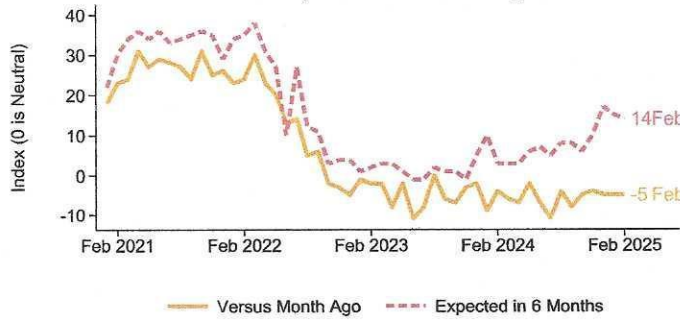
Expectations of Industry Hiring Plans and Industry Capital Expenditures are 2 of 6 components of the Leeds Business Confidence Index (LBCI)
Data: Business Research Division, CU Boulder Leeds School of Business

Pikes Peak Region New Business Entities



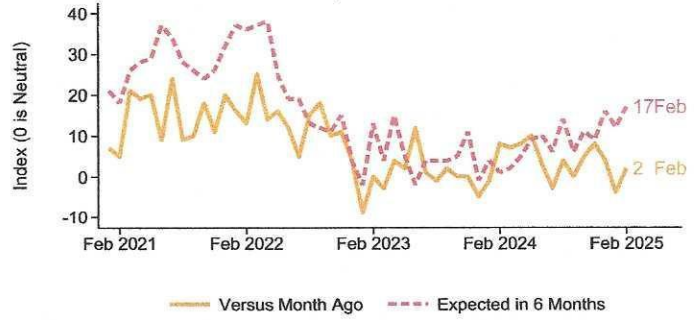
Data: Colorado Department of State
Note: Filing fees were reduced from \$50 to \$1 between July 2022 and May 2023

Kansas City Fed Manufacturing Index



Includes Colorado, Kansas, Nebraska, Oklahoma, Wyoming, Northern New Mexico and Western Missouri. Data: Federal Reserve Bank of Kansas City, Seasonally Adjusted

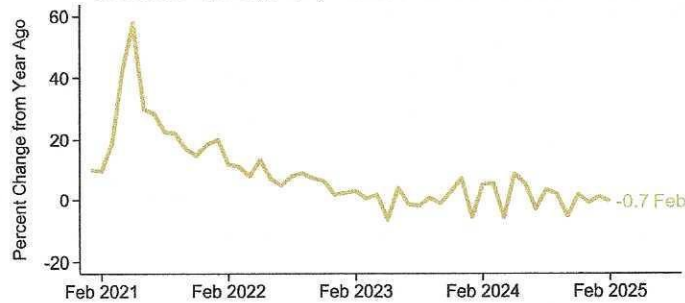
Kansas City Fed Services Index



Includes Colorado, Kansas, Nebraska, Oklahoma, Wyoming, Northern New Mexico and Western Missouri. Data: Federal Reserve Bank of Kansas City, Seasonally Adjusted

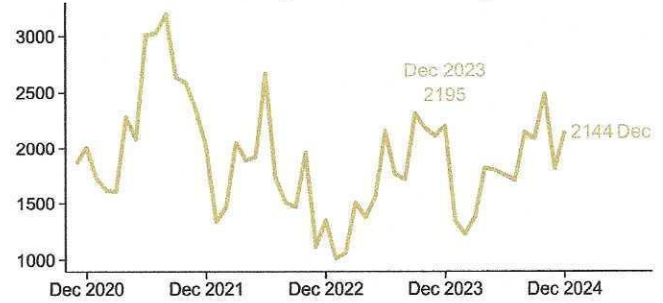
Consumers

Colorado Springs City Sales and Use Tax Collections



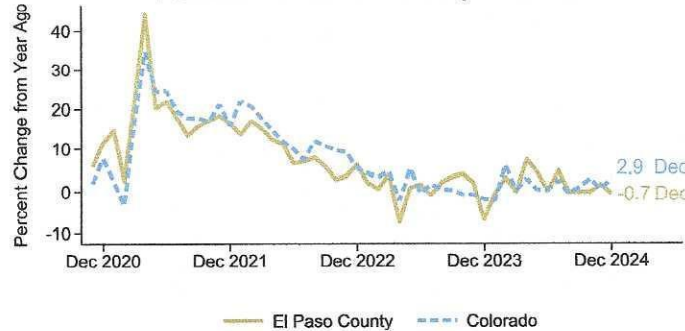
Collections reflect sales in the prior month
Data: City of Colorado Springs Finance Department

El Paso County New Vehicle Registrations



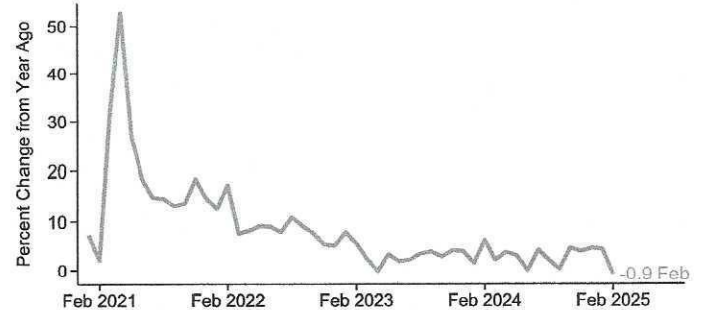
Excludes all terrain, camper trailer, trailer coach and trailer utility categories
Data: El Paso County Clerk & Recorder, Colorado Interactive LLC

Colorado and El Paso County Retail Sales



Data: Colorado Department of Revenue

US Retail and Food Service Sales

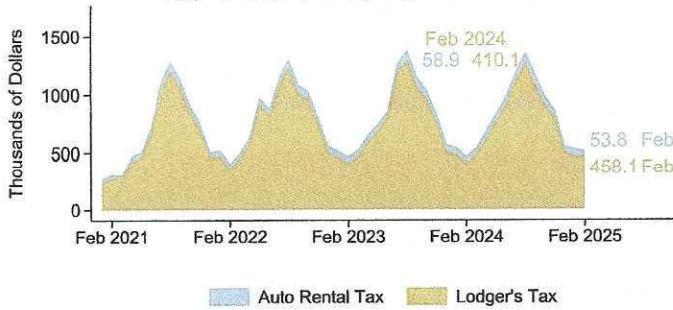


Data: US Census Bureau. Most recent observation is advance estimate.

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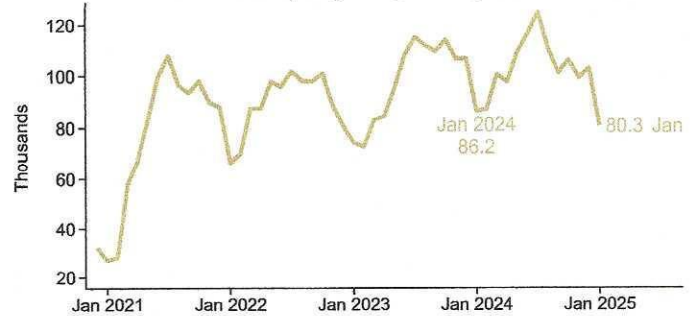
Travel and Tourism

City of Colorado Springs LART Revenue



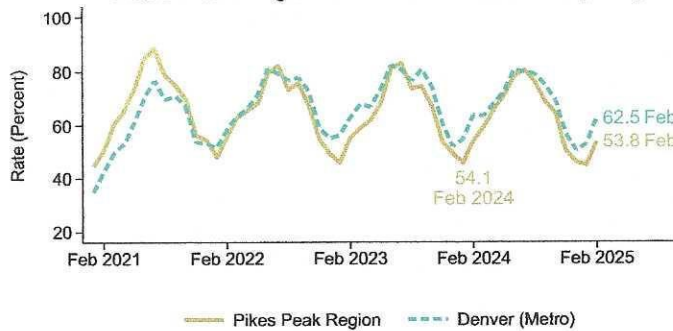
Lodger's (2%) and Auto Rental (1%) Tax Collections Reflect Prior Month Sales
 May 2022 Lodger's Tax Collections Include Delinquent Revenue from Prior Periods
 Data: City of Colorado Springs Finance Department

Colorado Springs Airport Enplanements



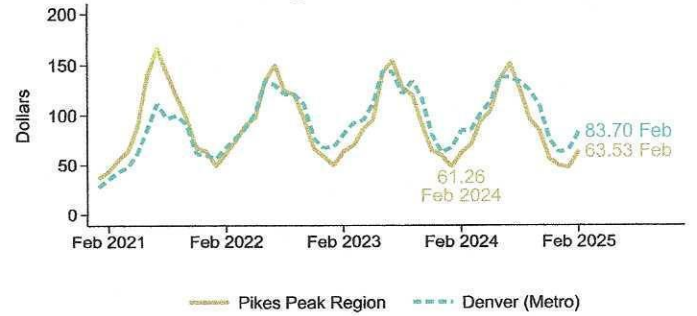
Data: Colorado Springs Airport

Pikes Peak Region and Denver Hotel Occupancy



Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.

Pikes Peak Region and Denver Hotel RevPAR



Revenue Per Available Room
 Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.

Demographics and Cost of Living

Population and Population Forecasts

	2010	2023	2030	2040
El Paso County	627,232	744,151	810,949	920,109
0-17	163,464 (26.1%)	169,255 (22.7%)	169,317 (20.9%)	187,366 (20.4%)
18-24	68,665 (10.9%)	81,782 (11.0%)	94,993 (11.7%)	94,258 (10.2%)
25-29	42,277 (7.5%)	56,829 (7.6%)	61,407 (7.6%)	69,716 (7.6%)
30-49	170,628 (27.2%)	201,399 (27.1%)	232,182 (28.6%)	277,240 (30.1%)
50-64	114,362 (18.2%)	124,822 (16.8%)	120,749 (14.9%)	146,990 (16.0%)
65+	62,836 (10.0%)	110,064 (14.8%)	132,301 (16.3%)	144,539 (15.7%)
Colorado	5.05 mil.	5.88 mil.	6.32 mil.	6.97 mil.
United States	313.99 mil.	342.84 mil.	358.62 mil.	367.95 mil.

Age group shares of total in parentheses. Data: Colorado State Demography Office, Congressional Budget Office

Mortgage Payment Share of Median Income, Jan. 2025

Pikes Peak Region	45.3%
Denver (Metro)	48.3%
United States	47.0%

Estimated monthly payment for home purchased at local median price as share of median income.
 Data: Federal Reserve Bank of Atlanta

Cost of Living Index 2024

Pikes Peak Region	101.9
Denver (Metro)	108.6

Relative to National Average of 100
 Data: Council for Community and Economic Research, courtesy Co Springs Chamber & EDC

Selected Population Characteristics, 2023

	El Paso County	Colorado	United States
Median Household Income	\$89,549	\$92,911	\$77,719
Poverty Rate	7.0%	9.3%	12.5%
Median Age	35.4	37.9	39.2
Bachelor's Deg. or Higher (≥25)	44.3%	46.4%	36.2%
Veteran (civilian pop. ≥18)	15.1%	7.2%	6.1%
Military (≥16)	6.5%	1.0%	0.5%

Data: Census Bureau

Pikes Peak Region Estimated Living Wages

Living Wage: 1 Adult with No Children	\$23.88/hr
Living Wage: 1 Adult with 2 Children	\$58.26/hr
Living Wage: 2 Working Adults w/ 2 Children (per adult)	\$31.51/hr

Data: MIT Living Wage Calculator

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