

El Paso County Economic & Workforce Progress Report (EPR)

Highlights - March 2026

The national economy continued to show signs of slower momentum in the latest revisions. **GDP Growth {Page 3}**, or Gross Domestic Product, for the fourth quarter of 2025 was revised down to 2.0% year-over-year, while annualized growth for the quarter came in at just 0.7%. This “annualized” figure takes the economic activity (e.g., GDP) in one quarter and reflects what growth would be over one year if that level of economic activity stayed the same. A less-than-one-percent growth rate is low compared to our historical trend of roughly 2.0% GDP growth. As I mentioned in [last week's Fox21 segment](#), the government shutdown in Q4 of last year did contribute to the subpar economic performance. However, given the recent geopolitical events and the impacts on oil prices, I don't see us moving away from “stagflation” – the economic term for the simultaneous occurrence of stagnant GDP growth alongside high inflation.

And inflation as reflected by the **Consumer Price Index {Page 3}** has already been creeping up, and that's before the [surge in oil prices](#). Inflation stood at 2.4% in February (the “core” rate without food and energy stood at 2.5%). The Federal Reserve's preferred inflation measure, the PCE (personal consumption expenditures) deflator, came in hotter at 2.8% (and the core rate at 3.1%). These elevated prices do not yet reflect the roughly 40 - 50% increase in price per barrel of oil. Within our state, inflation is typically higher and the Colorado-based Business and Economic Research (<https://cber.co/economic-updates/>) projects a statewide inflation rate of 2.7% for 2026.

Hence, to me there is no doubt we currently have the unfortunate combination of stagnant economic growth rates (e.g., the “stag”) and elevated inflation (e.g., the “flation”) – hence “stagflation.” This is why we are hearing about both interest rate hikes (to try and curb inflation) and interest rate cuts (to try and boost economic growth). What policy tool do you use when there are these nontypical economic forces happening at the same time? Fiscal spending, such as tax cuts or boosts in government spending, isn't favored in a stagflationary environment either because that puts money in people's pockets, which can then fuel inflation. It's called between a rock and a hard place, and I hope we can wiggle out of it.

Typically, in a stagflation scenario you also have high **Unemployment {Page 3}**, but at 4.7% in February for the U.S. (or 4.4% seasonally adjusted), no one will say we have mass layoffs with high unemployment. But as I also state in that above economic segment on stagflation, unemployment is low due to fewer working-age people (record-number retirees alongside past and current low fertility rates), plus roughly 2 million fewer immigrants. Hence, unemployment is structural and not tied to a fleeting business cycle. Low hiring reinforces this notion with **Job Openings {Page 3}** that are at the same level as about 8 years ago when our national population had about 10 million fewer people. Hence, unemployment isn't low because businesses are optimistic and are hiring freely. The low layoffs rate also indicates that businesses know there is a structural shortage of working-age people. We cannot yet say much about recent state or local unemployment rates since those won't be released until April.

The **University of Michigan Consumer Sentiment {Page 3}** index for March stood at 53.3, or about 50% lower than pre-pandemic levels and 25% lower than April of 2020. The UM survey for March had about 2/3 of responses collected after the start of the U.S. military conflict with Iran. The adjacent chart shows how these recent geopolitical developments have in less- than-one-month made the overall economic outlook lower (green bars) and inflation expectations higher (blue bars) post Iranian conflict beginning March 1. The direct impacts of higher energy prices are daunting enough (gas prices at the pump and our utility bills), but when you add in the indirect impacts (shipping/transportation, fertilizer/food production, manufacturing of plastics/chemicals, etc.) the impacts are massive. [Energy accounts for about 30-50% of global inflation](#), and since we are a huge importer of global goods, those impacts do pass through to most goods Americans consume. We are in better shape than wholly energy dependent regions (e.g., most European countries) but energy still accounts for 20-30% of total U.S. inflationary impacts. The ubiquitous need for carbon-based energy (gasoline and natural gas) explains the broad-based fall in consumer sentiment across income groups. We've had four straight weeks of stock market declines (with tech/Nasdaq being hit hardest) approaching correction territory (defined as ~10% off highs).



U.S. Average Annual Wage {Page 4} data for 2025 Q3 was updated enabling comparisons between the U.S. and El Paso County. Nationally and regionally, overall wages increased, but El Paso County wages remained 8.3% below the U.S. (no change from previous quarter) and 14.7% lower than Colorado (a deterioration from 14.4% lower in the previous quarter).

If you take a look at **Pikes Peak Building Permits {Page 6}**, it's evident that three of the last four months have had significant permits pulled for multi-family projects – despite the elevated 13.0% **Colorado Springs Vacancy Rate {Page 6}**. As such, HUD classifies our apartment mar-

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ket as “soft.” At a recent presentation’s Q&A, I got asked about this high vacancy rate and whether that means our narrative of “under supply and under building” is bogus. My response was that we have an undersupply of *affordable* housing, but plenty of product in the higher rent range. This is equally true in terms of owner-occupied single-family housing. The good news on that front is that over the past year, the **Median Existing Single-Family Home Price {Page 6}** has declined by 1.7%. Similarly, the **Cost of Housing Index {Page 6}** reflecting the percentage of the local median pre-tax income needed for a mortgage payment also improved locally to 33% from 37%.

Sales and Use Tax Collections {Page 7} increased 0.9% in February 2026 from February 2025, reflecting January sales activity. On a month-over-month basis, collections fell 25.6%, dropping about \$6.2 million from \$24.1 million in January to \$17.4 million in February. This decline is not unexpected, since January collections reflect holiday spending from December.

Both DIA and the Colorado Springs Airport had relatively steady **Enplanements {Page 7}** in 2025 with an uptick for DIA and slight declines for COS. Diesel fuel prices have been particularly impacted by the Iran conflict mostly because diesel production declined during the pandemic (and never fully rebounded after diesel refineries closed) and because Europe uses diesel proportionately more than the U.S. further restricting supply. And lower supply always means higher prices.

Vehicle activity was also softer. **El Paso County New Vehicle Registrations {Page 7}** fell to 1,045 in January after an unusually strong December. Luxury utility vehicle registrations were down 3.0% from the prior January perhaps reflecting less confidence among higher income groups. Nationally, vehicle sales were down 4.6% from January 2025 to January 2026 and also down 1.8% in February 2025 (year-over-year).

At this point, I wish I could close and avoid further conversation on the Iranian military conflict, but the impacts on the global and U.S. economies are too large 32 days into this conflict. The situation with Iran and the ~20% reduction in global oil flows through the Strait of Hormuz have sent shockwaves through global energy markets, with consequences that extend well beyond the direct impacts on oil and natural gas prices (as discussed above). The world is now less oil-dependent than it was during the 1973 Arab embargo, the 1979-1981 Iranian hostage crisis, and the Iran/Iraq war because back then the world still burned oil to produce electricity and fuel efficiency wasn’t much of a thing. Those past geopolitical disruptions, however, cut off about half of the global energy supplies compared to today’s events, essentially canceling out the more modern production of electricity and the attained fuel efficiencies. In other words, we are in about the same boat. The 1973 Arab OPEC oil embargo (which cut off oil exports to the U.S.) caused stagflation and a deep, two-year recession. The Iranian revolution in early 1980 that collapsed Iranian oil production caused a (7-month) recession with stagflation. The concomitant early years of the Iran/Iraq war kept oil prices elevated. It’s important to note that to try and mitigate the economic fallout of high energy prices, the Federal Reserve raised interest rates, which many argue made matters worse. One could say that means policy makers should do nothing, but the hands off approach made the ten-year Great Depression the deepest and longest economic downturn in our history. To my earlier point, stagflation is a tough conundrum because federal policies that typically help to some extent (and are truly our only available macroeconomic tools) can be ineffectual.

The recent conflict also impacts global liquefied natural gas (LNG) shipments, one-fifth of which have been halted. This is particularly consequential for regions like Europe and Asia that have grown increasingly reliant on LNG, especially as Europe shifted away from Russian pipeline gas. Asia accounted for roughly 87% of crude oil and 86% of LNG flows through the Strait of Hormuz in 2025, amplifying the global reach of the disruption. Sixty-one percent of homes in the U.S. use natural gas.

While it’s true that the U.S. is in better shape as a meaningful energy producer for both oil and LNG, American and global demand for energy continues to rise. In the U.S., the expansion of energy-intensive data centers is increasing domestic natural gas consumption, limiting our ability to expand LNG exports. At the same time, maritime trade, which I was surprised to learn carries 85% of goods by volume (and 55% by value), is facing mounting risks above and beyond the Strait of Hormuz. For example, the main shipping route between Europe and Asia (Strait of Bab el-Mandab) is subject to piracy and regional wars, the Panama Canal has had 10-50% reductions in transit over the past few years due to low water levels tied to droughts, and the Black Sea has had disruptions due to the Russia/Ukraine war. These and other global examples have all impacted global trade including energy exports/imports.

Countries that failed to replenish strategic energy reserves before the conflict while prices were low (such as the U.S. could have done last year) are particularly vulnerable.

I overheard my dad’s caregiver tell him a joke. “Today, I was robbed while I was at the gas station, and I know who did it.” My dad gasped and said in his Spanish accent, “Who deed it?” The caregiver said, “the gas pump. The same robber is at the grocery store, my insurance agency...He’s everywhere.” At least my dad got a good laugh.

Tatiana & Rebecca

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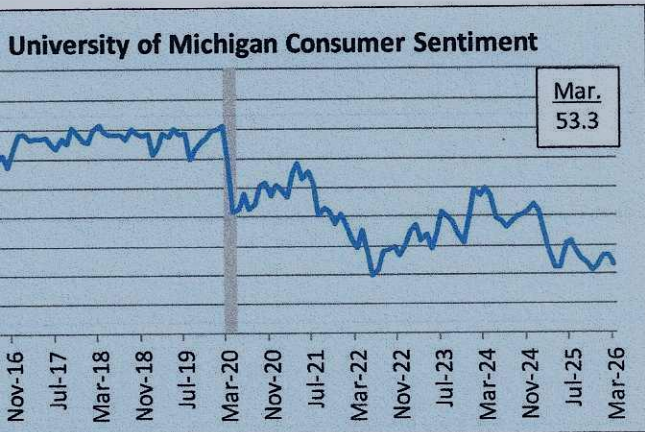


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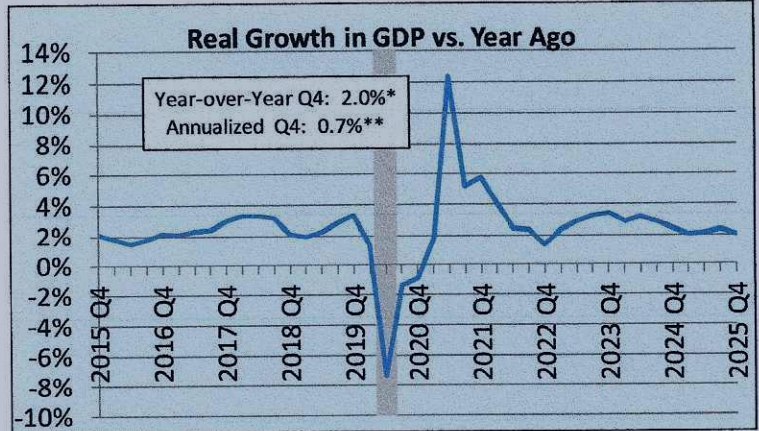
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The government's role in the economy is to provide a public good.



University of Michigan



*Estimate of real GDP percent change from same quarter a year ago, SA

**If quarterly changes were annualized over the year.

Source: U.S. Bureau of Economic Analysis



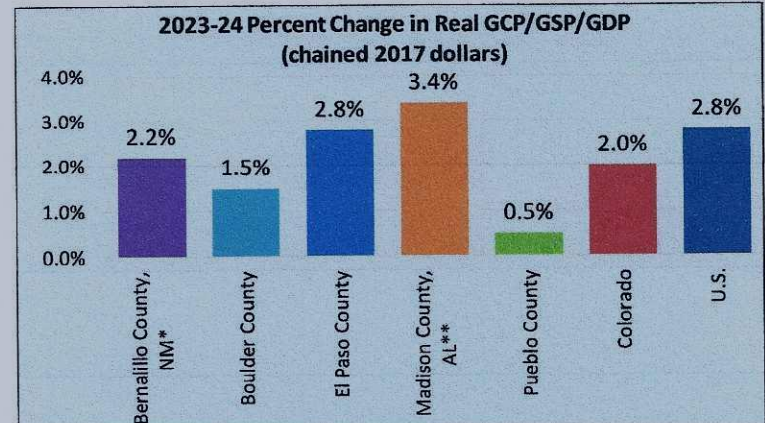
U.S. Bureau of Labor Statistics; Job openings data lags.

Forecasts for U.S. Real GDP and Unemployment (SA)

	2024 Actual	2025 Actual	2026 Forecast	2027 Forecast
Real GDP Growth	2.8%	2.1%	1.6%	1.5%
Unemployment Rate	4.0%	A	4.6%	4.5%

*Rate is actual average for 2025 excluding October which is unavailable due to the government shutdown. Forecasts by Data-Driven Economic Strategies with input from the Conference Board, Wells Fargo, Colorado Department of Labor & Employment, and other anecdotal resources.

Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics



Note: Data includes military. This regional data lags ~23 months.

*This county makes up all of Albuquerque, NM.

**This county makes up half of Huntsville, AL.

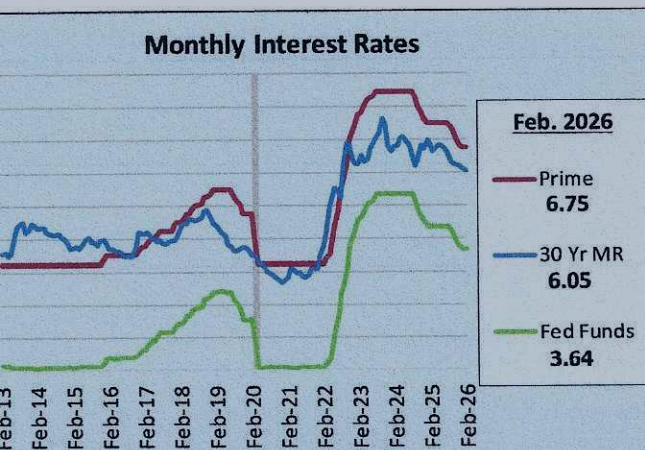
Source: U.S. Bureau of Economic Analysis

U.S. Consumer Price Index - February 2026

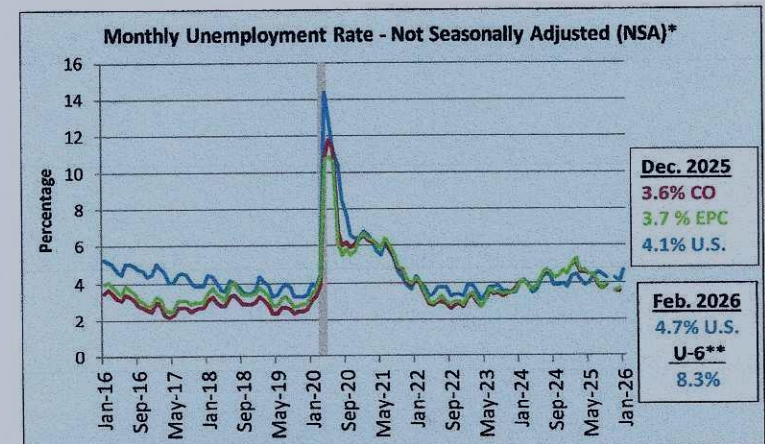
	All items	Less food & energy
Change from January to February 2026 (SA)	0.3%	0.2%
Change at 12-months (NSA)	2.4%	2.5%

Cost of living in the Colorado Springs MSA was 100.9% of the U.S. according to C2ER data provided by the CS Chamber & EDC.

Source: U.S. Bureau of Labor Statistics; all urban consumers (CPI-U)



Board of Governors of the Federal Reserve System



Note: Data in the graph is NSA to enable comparisons with counties. Local data is delayed until April and May this year.

*Seasonally adjusted, the U.S. Dec. rate was 4.4%, Jan. was 4.3%, and Feb. was 4.4%.

**U-6 includes unemployed, those marginally attached to the labor force, plus those employed part time who would prefer full-time work.

Sources: U.S. Bureau of Labor Statistics; CO Dept. of Labor & Employment

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LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Colorado Springs MSA February 2026		
Top Job Titles	# of Job Postings	Median Advertised Salary
Registered Nurses	704	\$93,440
Retail Salespersons	425	\$36,480
Software Developers	302	\$132,864
Heavy & Tractor-Trailer Truck Drivers	282	\$65,408
1st-Line Supervisors, Retail Sales	279	\$46,976
Customer Service Reps	221	\$41,088
Computer Sys Engineers/Architects	214	\$140,800
Personal Care Aides	198	\$39,552
Maintenance & Repair Workers	195	\$48,768
Medical & Health Services Managers	182	\$64,768

Colorado Springs MSA, December 2025
TOTAL Job Openings: 12,953
TOTAL Unemployed: 14,342
Workers Available per Job Opening: 1.11

Sources: The Conference Board®-Lightcast® Help Wanted OnLine® via Pikes Peak Workforce Center; CO Dept. of Labor & Employment

2024 Federal Poverty Level (FPL)		
	El Paso County	U.S.
% people at FPL or below	8.5%	12.1%

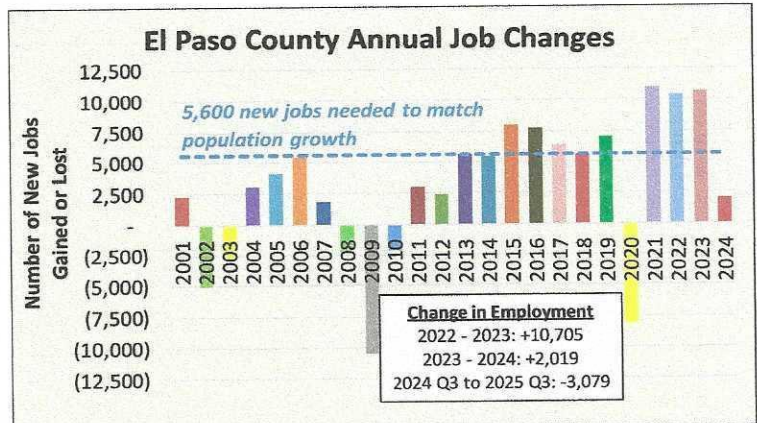
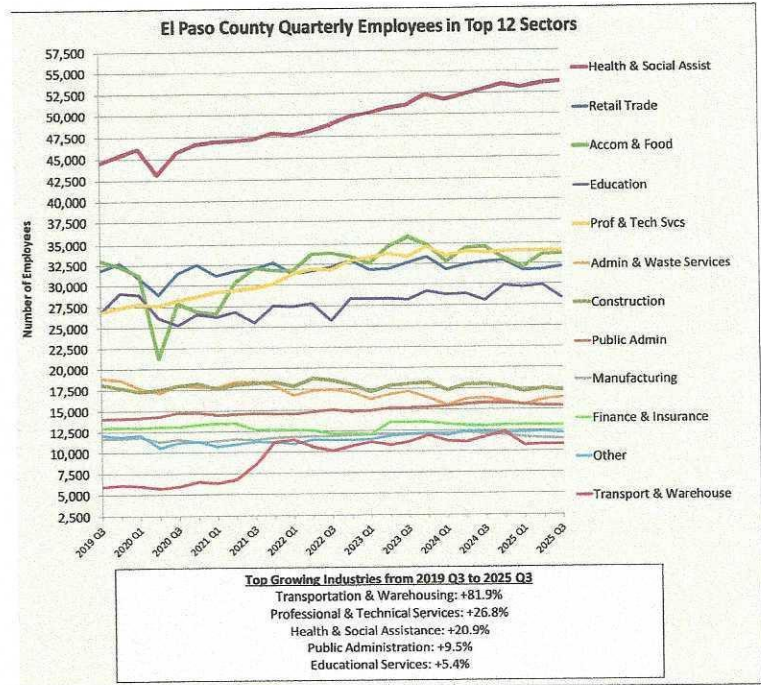
Note: FPL in 2024 was \$15,060 for an individual and \$31,200 for a family of four.

2025 Q3 Average Annual Wages for All Industries		
El Paso County wages are 8.3% lower than U.S. wages and 14.7% lower than CO wages.		
U.S.	Colorado	El Paso County
\$75,868	\$81,588	\$69,576
2025 Q3 El Paso County Total Employment*		308,411
*Estimated military employment in 2024 (and % of total 2024 EPC who are military).		59,183 (16.1%)

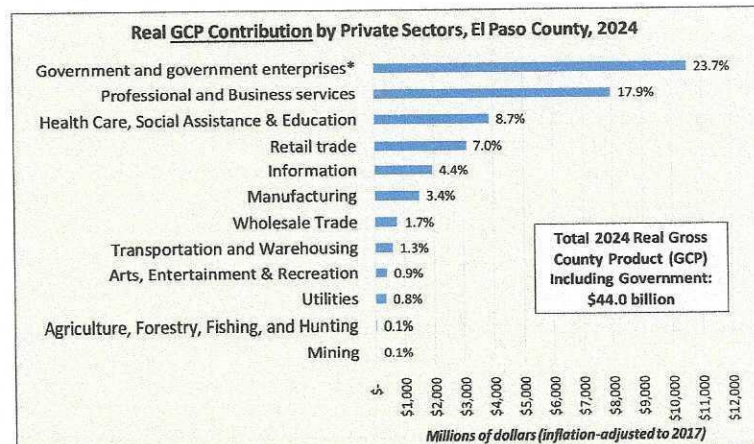
2025-26 Minimum Wage & Living Wage El Paso County		
	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$15.16	\$31,533
Living wage: HHs with 1 adult, 2 children	\$62.65	\$130,312
Living wage: HHs with 2 adults (1 working), 2 children	\$42.89	\$89,211
Living wage: HHs with 2 adults* (2 working), 2 children	\$32.52	\$67,642

*Living wage is for each working adult. For specifics, go to livingwage.mit.edu.

*QCEW data does not include military-related employees.
 Sources: U.S. Bureau of Labor Statistics and Colorado Department of Labor and Employment, QCEW; Local military installations; U.S. Census Bureau, American Community Survey 1-year estimates; U.S. Department of Health & Human Services; MIT Living Wage Calculator



An estimated 5,600 new jobs are needed based upon population growth and age composition. This QCEW data lags up to three quarters and includes public and private employment, but not military-related employees.
 Source: Colorado Dept. of Labor & Employment, Quarterly Census of Employment and Wages (QCEW)

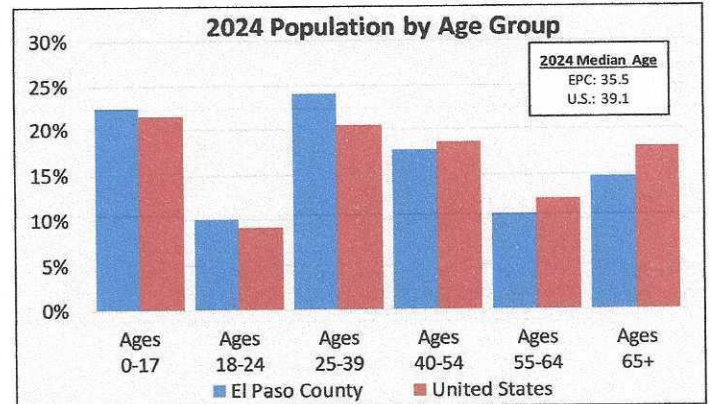


*Government and Government Enterprises sector includes market and nonmarket goods/services. Examples of nonmarket include public safety and education, and market enterprises include postal service, airports, utilities (in some regions), transit systems, etc.
 GCP (local) data lags by approximately 23 months. GCP is the same as GDP for the nation but at the local level.
 Source: U.S. Bureau of Economic Analysis

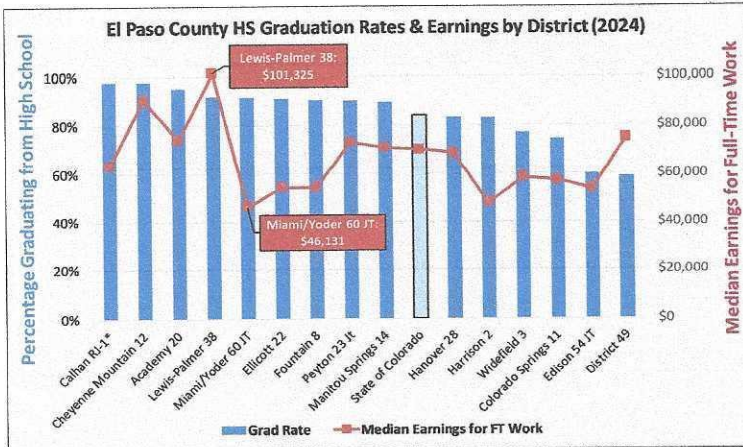
DEMOGRAPHICS (PAGE 5)

Population Estimates		
	2024	2060
El Paso County	752,892	1,023,604
Colorado	5,956,729	7,544,962

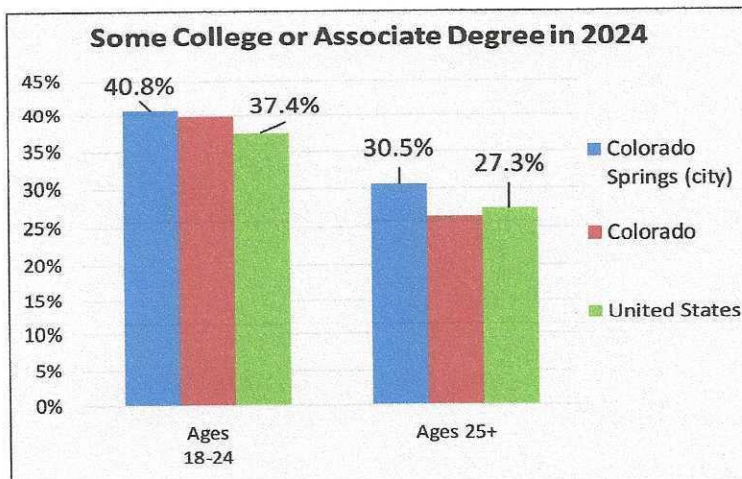
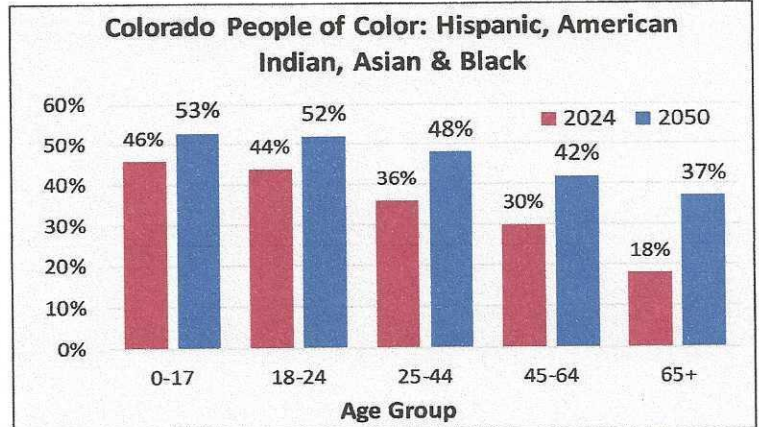
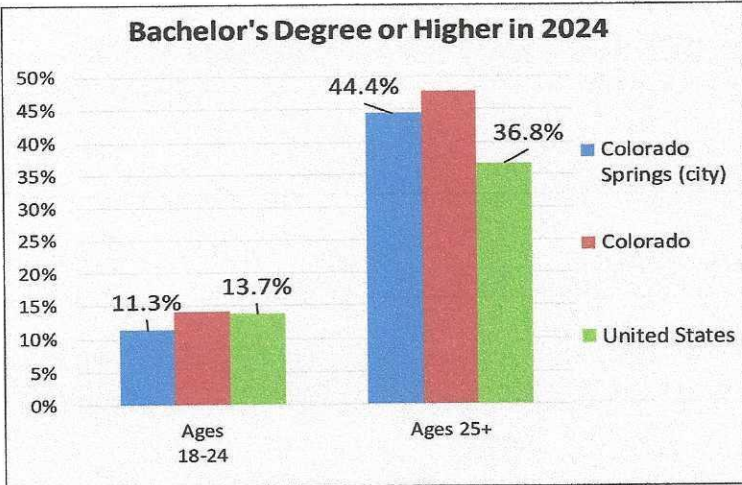
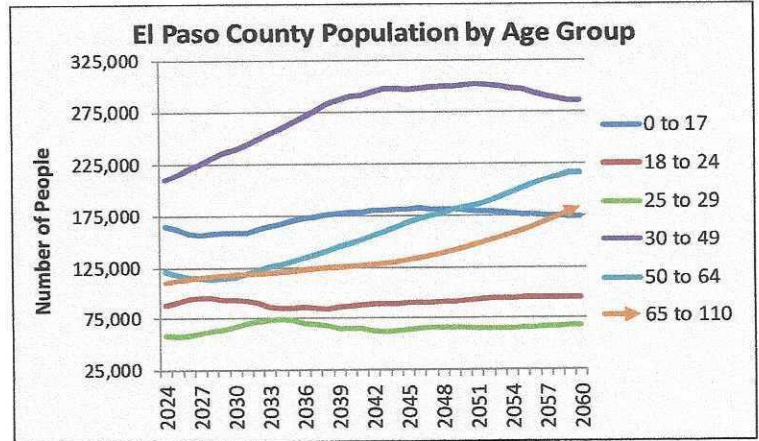
The City of Colorado Springs had a population of 494,808 in 2024. Source: Colorado State Demography Office



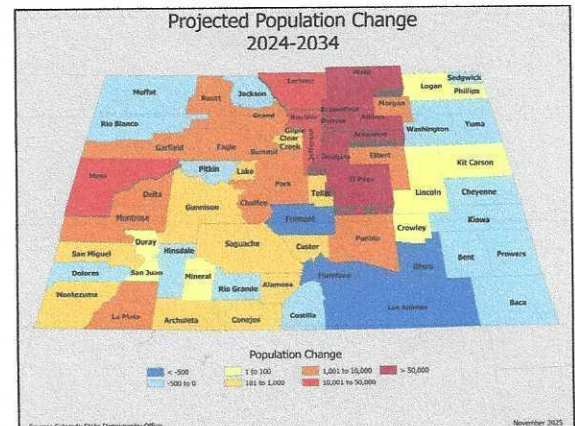
Source: U.S. Census Bureau, Population Division



Note: Calhan, Ellicott, Peyton, Hanover, Edison, and Miami/Yoder districts all have fewer than 100 students. District 49 has a significant number of online students, which pull down the districtwide average. (Without the largest online school, the district average is 87%.) *Calhan had ≥ 98% graduation rate. Sources: Colorado Department of Education; U.S. Census Bureau, American Community Survey 5-year estimates



Source: U.S. Census Bureau, American Community Survey 1-year estimates



Note: The Colorado People of Color data is vintage 2024. Source: Colorado State Demography Office

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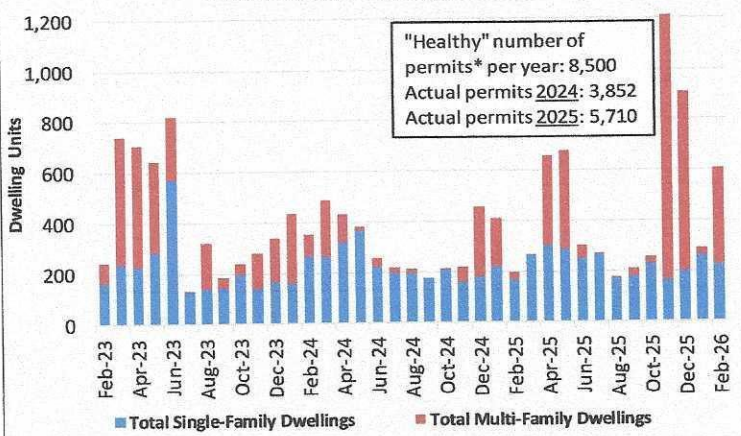
REAL ESTATE (PAGE 6)

Pikes Peak Region New & Existing Home Sales



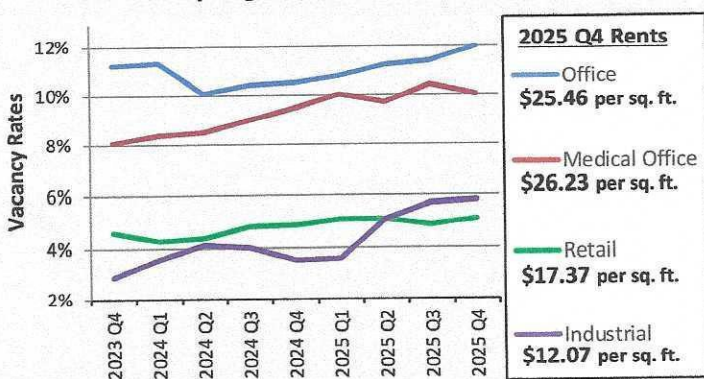
Source: Pikes Peak REALTOR® Services Corp.

Pikes Peak Region Residential Building Permits



*The methodology for "healthy permits" now includes single-family and multi-family dwellings needed if we incorporate both population growth and the existing shortage of housing between 2023 and 2028. These calculations by Data-Driven Economic Strategies incorporate research by Common Sense Institute and input from the Colorado State Demography Office. The National Association of REALTORS® has calculated that the U.S. has underbuilt roughly 6.5 million homes since the Great Recession.
Source: Pikes Peak Regional Building Department

Colorado Springs Quarterly Vacancy Rates & Rents



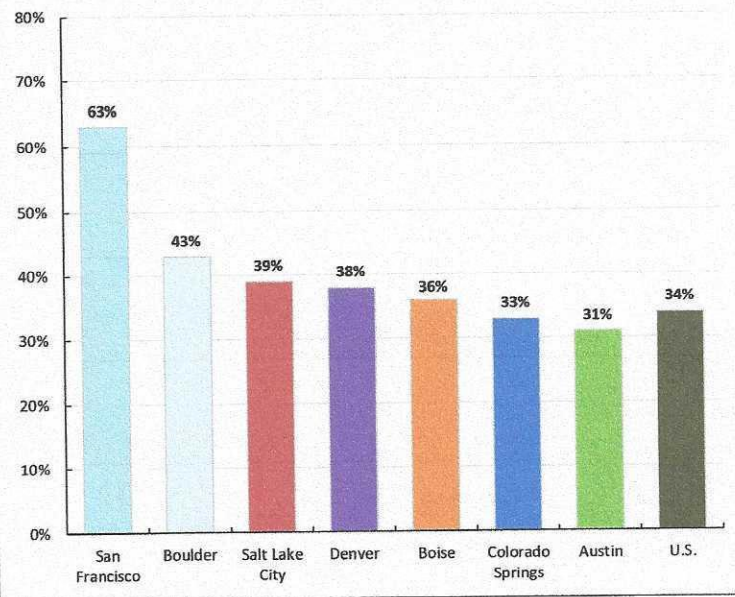
Sources: CoStar Group™; Olive Real Estate Group, Inc.

Median Existing Single-Family Home Price 2025 Q4

Location	Colorado Springs	Denver	Boise	United States
Price	\$456,200	\$644,100	\$489,000	\$414,900
1-year % Change	1.7% decrease	1.0% decrease	1.3% increase	1.2% increase
MSA Rank	54	21	41	n/a

Sources: National Association of REALTORS®

2025 Q4 Cost of Housing Index for Existing Homes



Notes: The Cost of Housing Index (CHI) is defined as the percentage of the local median pre-tax income needed for mortgage payments, based on standard mortgage underwriting criteria. It includes only existing home prices.
Sources: National Association of Home Builders; Wells Fargo

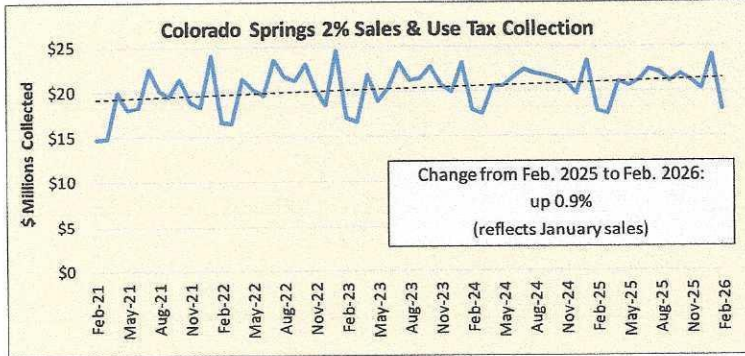
Apartment Rental Information

	Colorado Springs	Denver	Salt Lake City
Market Conditions	Soft	Soft	Slightly Soft
Vacancy Rate 2025 Q3	13.8%	10.8%	10.8%
Vacancy Rate 2024 Q3	<u>13.0%</u>	11.6%	11.0%
Average Rent 2024 Q3	\$1,524	\$1,901	\$1,633
Average Rent 2025 Q3	<u>\$1,472</u>	\$1,810	\$1,611

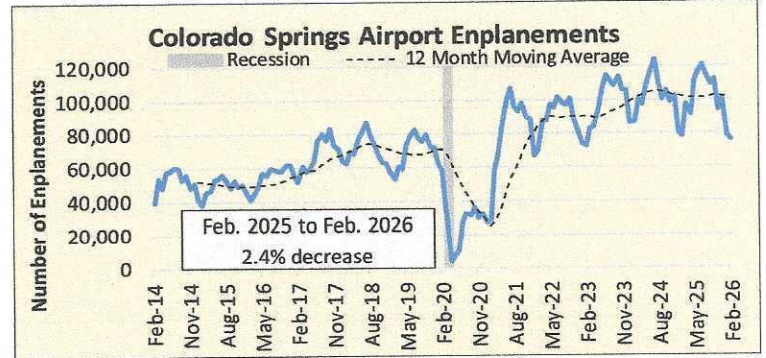
Source: U.S. Department of Housing & Urban Development (HUD), U.S. Market Conditions report

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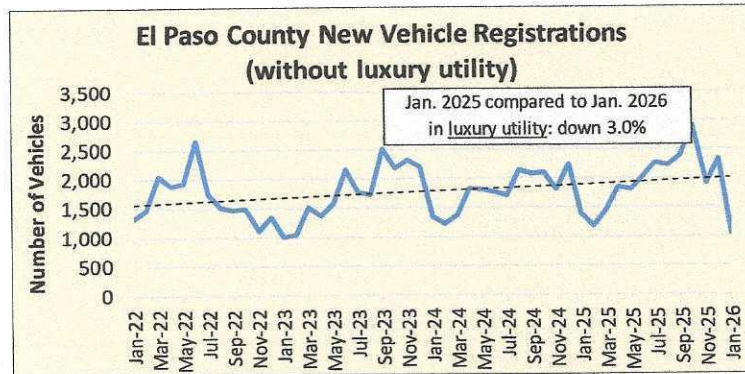
TAXATION, VEHICLE SALES, AIR QUALITY, AND TOURISM (PAGE 7)



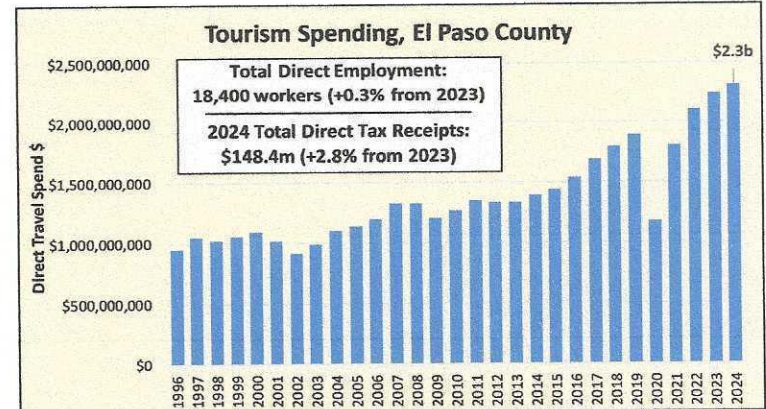
Source: City of Colorado Springs



Source: Colorado Springs Airport



Note: Luxury utility categories (all terrain, camper trailer, trailer coach and trailer utility) are not included in graph line above, but % change in this category is noted in text box.
Source: Colorado Interactive LLC



Note: Direct travel includes day and overnight visitors.
Source: Colorado Tourism Office

2024 Air Quality		
	Colorado Springs*	U.S. Standard
Carbon Monoxide (CO) Concentration (ppm)	0.7	9.0
Particulate Matter ($\mu\text{g}/\text{m}^3$)	5.67	9.00
Ozone (ppm) at USAFA	0.070	0.070
Ozone (ppm) at Manitou Springs	0.073	0.070

*Locations of measurements: CO at 690 W. Hwy 24; Particulate Matter at Colorado College

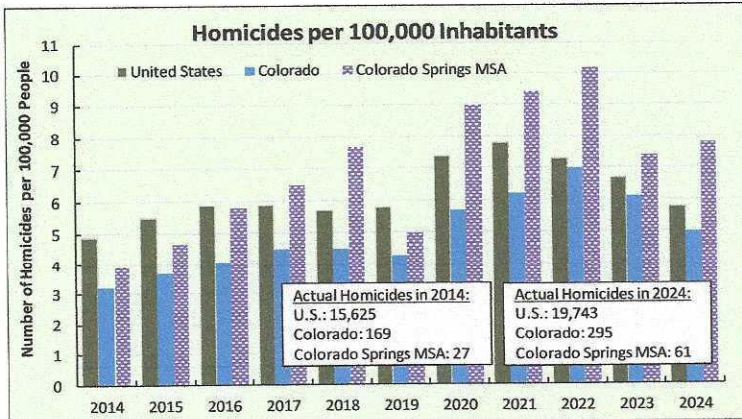
Source: Colorado Department of Public Health & Environment

Hotel Occupancy Rate February 2026	
Colorado Springs	Denver
52.1%	62.2%

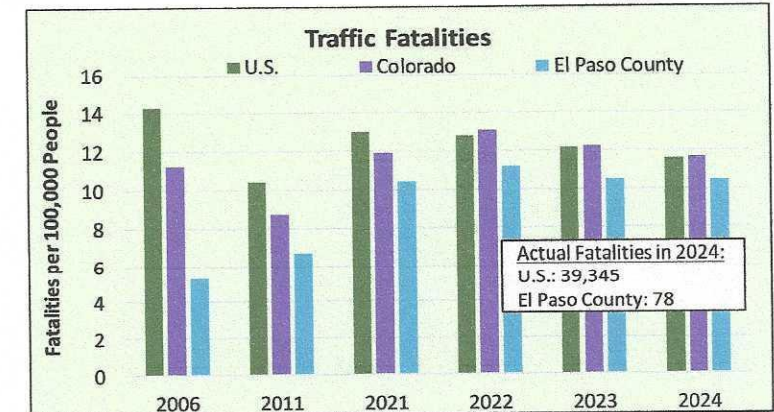
Hotel RevPAR* February 2026	
Colorado Springs	Denver
\$57.12	\$83.72

*RevPAR measures hotel revenue by taking the average room rate times hotel occupancy.
Source: CoStar Group™; Olive Real Estate Group, Inc.

CRIME & SAFETY (PAGE 7)



Source: United States Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, Underlying Cause of Death on CDC WONDER online Database.



Sources: National Highway Safety Administration; Colorado Department of Transportation; World Bank; U.S. Census Bureau; Colorado State Demography Offices; Data-Driven Economic Strategies

Note: "Each year when Crime in the United States is published, some entities use reported figures to compile rankings of cities and counties. These rough rankings provide no insight into the numerous variables that mold crime in a particular town, city, county, state, or region. Consequently, they lead to simplistic and/or incomplete analyses that often create misleading perceptions adversely affecting communities and their residents. Valid assessments are possible only with careful study and analysis of the range of unique conditions affecting each local law enforcement jurisdiction. The data user is, therefore, cautioned against comparing statistical data of individual reporting units from cities, metropolitan areas, states, or colleges or universities solely on the basis of their population coverage or student enrollment."
- Federal Bureau of Investigation

2023 Mortality Rates due to Homicide per 100,000 Population				
Canada	Germany	Italy	Japan	United States
2.0	0.9	0.6	0.2	5.8

Sources: UN, World Population Prospects (2024); United Nations Office on Drugs and Crime (2025) – with major processing by Our World in Data

Sworn Police Officers Per 10,000 Inhabitants in 2024	
City of Colorado Springs	14.8
City of Boise	14.0
Kansas City	21.6
City of Omaha	17.0

Sources: Federal Bureau of Investigation, Uniform Crime Report; U.S. Census Bureau, Population Division

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SUPPORTERS (PAGE 8)



THANK YOU!