

Highlights - May 2026

One of the more important realities becoming increasingly evident this year is that economic growth and economic confidence are resoundingly not moving in the same direction. Economic data may suggest a degree of stability, but households appear increasingly uncertain and even despondent about future conditions. This divergence is important because sentiment often influences consumer behavior long before broader economic data begins to deteriorate. Last week's Fox21 economic segment addresses this topic of [which economic reality is true?](#) As one key example, The Great Recession prompted by the housing financial crisis started brewing around 2001 according to most experts, which is well before mortgage defaults began rising sharply (in 2007) and the recession actually hit.

Consumer sentiment provides one of the clearest examples of this disconnect. The [University of Michigan Consumer Sentiment Index {Page 3}](#) fell from 49.8 in April to 44.8 in May. *This is the lowest it's ever been since UM started tracking this metric in 1952.* Consumers continue to express concern about affordability, purchasing power, and overall economic conditions. If we juxtapose this to what's in the typical household's pocketbook, it's worrisome as "real," or inflation-adjusted, disposable income actually fell into negative territory in April (-0.5%). In other words, consumer income actually decreased in April compared to March precisely because of higher prices. As such, it's not surprising that the savings rate is now about 1/3 of what it has historically averaged with April's rate at 2.6%. That's not a lot of financial buffer for most American households. And the low savings rate tells me that consumers are drawing down savings to maintain consumption.

And [Inflation {Page 3}](#) accelerated in April, which suggests price pressures will continue to weigh heavily on the average consumer. April's year-over-year inflation rate increased to 3.8%, which is almost double the rate that is considered stable and desirable. The "core" rate minus food and energy also accelerated to 2.8%. Hence, while the sizable increase in price levels is mostly due to energy costs, the elevated "core" rate means we have inflationary headaches above and beyond energy (think health and home insurance). The Fed's preferred inflationary measure, the Personal Consumption Expenditures (PCE) deflator, also showed inflation significantly accelerating in April with the fastest pace in roughly three years. For those of you who follow this closely, the acceleration in prices is now prompting some Fed officials to talk about *rate hikes*. This is vastly different than the rate cuts everyone was expecting for this year and next. Perhaps as disappointing is the elimination of the Avalanche in the Stanley Cup playoffs. (I'm bitter about both things.)

And most people feel [Interest Rates {Page 3}](#) are already high, which impacts virtually all household and business investments. They are indeed high compared to years past with an average credit card interest rate of 21% and the average 30-year mortgage at about 6.5%. The latter largely explains the disappointing home sales data for April, which showed those new home sales down 11.3% year-over-year across the U.S.

Digging into housing a little more, [Home Sales {Page 6}](#) remain flat overall in the Pikes Peak region although there is typically a bit of a pop in April with spring buying. But if we compare home sales these past few years (since interest rates increased) to trend-level home sales, it's easy to see that higher rates have indeed dampened what had been a solid housing market (from ~2016 to 2022).

At the same time, [Home Price {Page 6}](#) trends indicate moderation. Colorado Springs median single-family home prices declined 1.1% year-over-year to \$459,500. Denver experienced a similar decline while Boise also moved lower. The U.S. overall had a modest increase in home prices (+0.5%). Home sellers and builders alike have to adjust their asking price expectations when interest rates are high as those higher rates price many people out of the market. The good news is that prices *are* moderating, which particularly helps first-time home buyers. If and when interest rates come down, that will be the linchpin for many first-time buyers in terms of affording that new home.

Speaking of affordability, the [Cost of Living Index {Page 6}](#) for Colorado Springs and the United States both at 52%. This measure measures the percentage of the local median pre-tax income needed for mortgage payments (which is why Austin's affordability is about the same as ours – their income is much higher which means they can afford more). I think it's important to remember that affordability challenges, particularly for young families, is a national theme and most definitely a problem. However, in the scheme of things, Colorado Springs is aggressively average in terms of overall housing affordability – at least according to this national data.

Of course, a key tactic to improving affordability is to increase housing supply. The great irony here is that higher interest rates dampen demand, which reduces new construction. However, what we precisely need is more housing because of a structural shortage of housing prompted by the Great Recession. This is true for most U.S. regions, but we are perhaps more challenged locally because people are still moving to the Pikes Peak region. Our [Single-Family Permits {Page 6}](#) declined from 312 in March to 270 in April, while [Multi-family Permits {Page 6}](#) fell from 74 dwelling units to just 8. The textbox on that graph shows we need about 8,500 permits (SF or MF) per

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year, but we are falling short, which circuitously brings us back to low supply and higher prices. This is why you hear such grumbling from builders. They know we need more housing, but they are constrained by higher construction costs (yes) but also limited demand due to high interest rates.

Another macroeconomic indicator that displays strength is the **U.S. Unemployment Rate {Page 3}**, which fell from 4.3% in March to 4.0% in April, while the broader U-6 measure, which includes discouraged workers and individuals working part-time but who want full-time, also declined from 8.0% to 7.7%. Colorado overall had a very respectable increase in employment in April (up 11,800 jobs) after several quarters of unusually low employment gains. This undoubtedly explains the nice declines in (state/local) unemployment rates. The state's unemployment rate fell from 4.4% in February to 3.5% in April, while El Paso County's rate dropped from 4.6% to 3.6% over that same period.

Locally, **Job Openings {Page 4}** rose from 17,644 in March to 18,283 in April while the number of unemployed individuals declined by 8.2%. As a result, the number of **Available Workers per Job Opening {Page 4}** fell to just 0.76. In practical terms, there is fewer than one unemployed worker available for every open position signaling a tight local labor market.

I hope that labor market strength holds as newly released Quarterly Census of Employment and Wages data for 2025 shows our region once again vastly underperformed in terms of **New Jobs {Page 4}**. El Paso County employment in 2025 *declined* by 1,478 jobs compared to 2024. Other than the initial pandemic year (2020), job losses have not occurred in Colorado Springs since the Great Recession (2009-10). My concern began in 2024, which had only 2,019 new jobs (while 2021 – 2023 had over 10,000 new jobs per year). Let's hope the latest state data that showed strong job gains in April is a new trend that spreads to our region.

Although job losses are job losses, it's important to highlight that we've also adjusted the **Number of New Jobs Needed {Page 4}** to match the number of working-age people moving here. Population growth has been revised downward both statewide and locally – and by significant levels. By extension, that means that the number of jobs required to keep pace with population growth has now been revised downward from approximately 5,600 annually to 3,800. That's a big change.

Local **Sales and Use Tax Collections {Page 7}** increased 4.6% year-over-year in April. This is welcomed in the context of tightened city budgets, however, it's vital to remember that tax collections are in dollars meaning inflation is part of the "increased spending."

Local tourism-related indicators also improved. **Hotel Occupancy {Page 7}** in Colorado Springs increased from 59.1% to 64.9%, while revenue per available room increased substantially. Although airport enplanements experienced a slight year-over-year decline, they rose sharply over the previous month. Local tourism may suffer from higher airfares, particularly from abroad. However, it's also possible we may not be as impacted by higher energy prices because much of our local tourism is from U.S. residents. And many Americans are already shifting to domestic travel instead of international travel because of high airfares (due to higher diesel fuel costs).

Traffic safety trends in 2024 showed improvement nationally. Across the United States, the **Traffic Fatality Rate {Page 7}** declined from a revised 11.6 deaths per 100,000 residents in 2024 to 10.7 in 2025, as total fatalities fell from 39,254 to 36,640—well below the recent peak of 43,230 recorded in 2021 (the pandemic was *not* good for road rage). In contrast, Colorado's fatality rate increased slightly from 11.6 to 11.9 per 100,000 residents, with total traffic deaths rising from 689 to 714. El Paso County continued to perform better than both the state and nation, with its fatality rate edging down from 10.4 to 10.3 per 100,000 residents with 78 traffic fatalities in both 2024 and 2025.

And speaking of transportation, there is some exciting state-wide infrastructure news that may influence future population and economic growth. A major appropriations agreement was signed for the design phase of a Front Range passenger railroad route with three daily trips between Denver and Fort Collins. While this rail agreement does not yet include Colorado Springs, the approval of \$333 million for existing rail improvements (versus the several billion dollars that a new rail corridor would require) is a meaningful step in the right direction. I personally think it is an awesome strategic move for Colorado to have this "Colorado Connector" or "CoCo" (formerly called the Front Range Passenger Rail). Let's use the comparative advantage of an existing rail system to bolster transportation infrastructure and add to the state's (population attracting) amenities.

Have a lovely weekend and as always, thank you to the DDES supporters!

Tatiana & Rebecca

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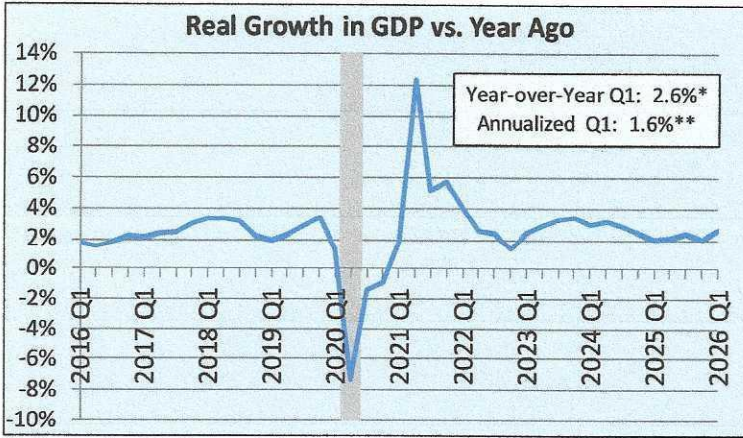
[Page 7 - Taxation, Vehicles, Air & Tourism](#)

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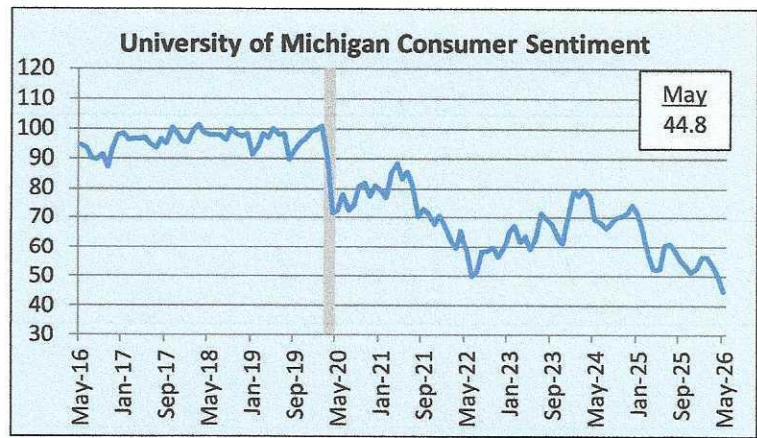
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MACROECONOMIC "BIG PICTURE" (PAGE 3)



*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



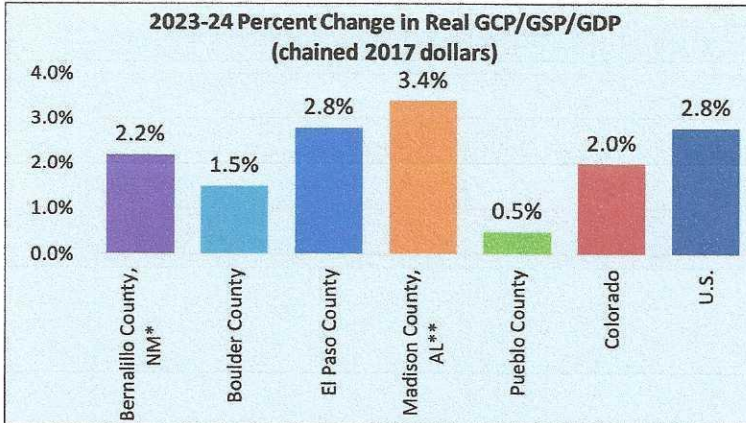
Source: University of Michigan

Forecasts for U.S. Real GDP and Unemployment (SA)				
	2024 Actual	2025 Actual	2026 Forecast	2027 Forecast
Real GDP Growth	2.8%	2.1%	1.9%	1.5%
Unemployment Rate	4.0%	4.3%	4.5%	4.8%

*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



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

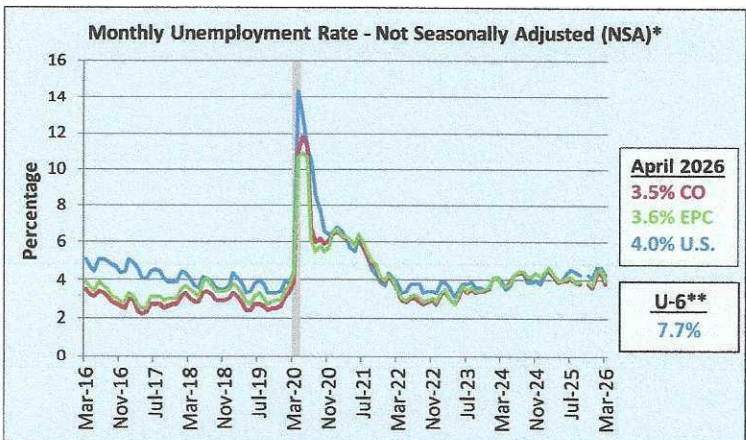


Note: Data includes military. This regional data lags ~23 months.
*This county makes up all of Albuquerque, NM.
**This county makes up half of Huntsville, AL.
Source: U.S. Bureau of Economic Analysis

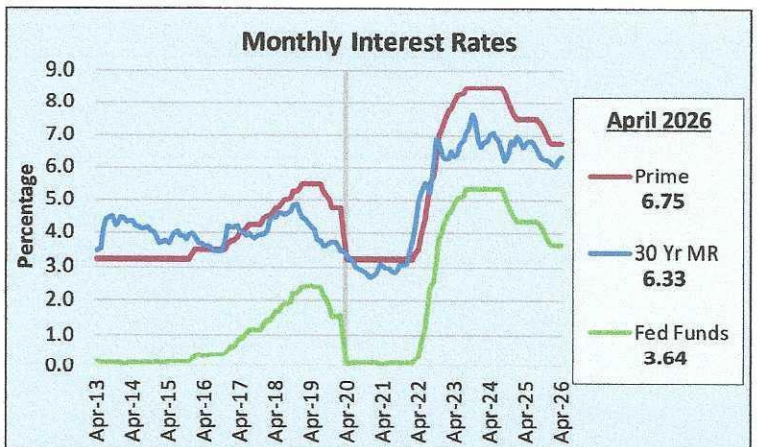
U.S. Consumer Price Index - April 2026		
	All items	Less food & energy
Change from March to April 2026 (SA)	0.6%	0.4%
Last 12-months (NSA)	3.8%	2.8%

The 2026 Q1 cost of living in the Colorado Springs MSA was 98.9% 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)



Note: Data in the graph is NSA to enable comparisons with counties. Local data is delayed until May this year.
*Seasonally adjusted, the U.S. rate in April was 4.3%.
**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



Source: Board of Governors of the Federal Reserve System

LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Colorado Springs MSA April 2026

Top Job Titles	# of Job Postings	Median Advertised Salary
Registered Nurses	742	\$93,440
Retail Salespersons	566	\$36,224
Heavy & Tractor-Trailer Truck Drivers	379	\$76,160
Software Developers	371	\$143,104
1st-Line Supervisors, Retail Sales	313	\$46,720
Computer Sys Engineers/Architects	268	\$142,848
Customer Service Reps	235	\$40,576
Personal Care Aides	208	\$40,576
Secondary School Teachers	207	\$65,792
Maintenance & Repair Workers	201	\$48,768

Colorado Springs MSA, April 2026

TOTAL Job Openings: 18,283

TOTAL Unemployed: 13,822

Workers Available per Job Opening: 0.76

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

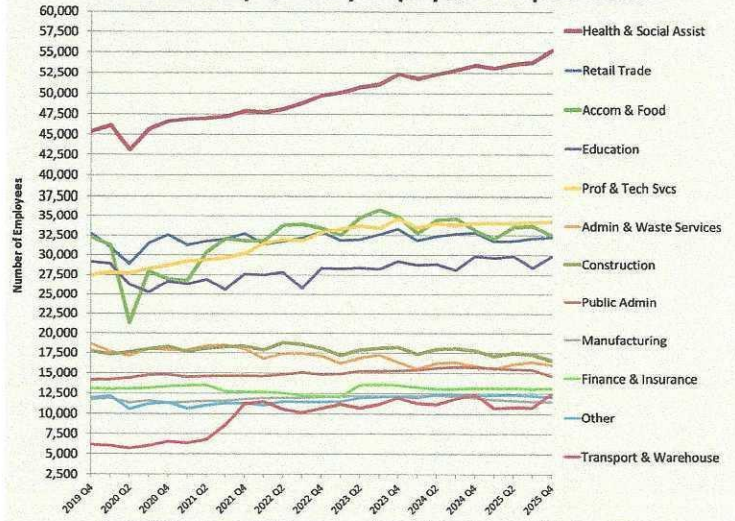
	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$15.16	\$31,533
Living wage: HHs with 1 adult, 2 children	\$62.65	\$130,312
Living wage: HHs with 2 adults (1 working), 2 children	\$42.89	\$89,211
Living wage: HHs with 2 adults* (2 working), 2 children	\$32.52	\$67,642

*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

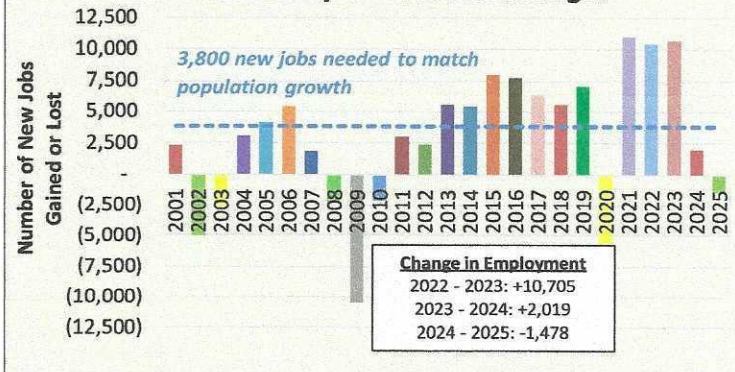
El Paso County Quarterly Employees in Top 12 Sectors



Top Growing Industries from 2019 Q4 to 2025 Q4

Transportation & Warehousing: +101.8%
Professional & Technical Services: +24.7%
Health & Social Assistance: +21.8%
Public Administration: +3.2%
Educational Services: +2.5%

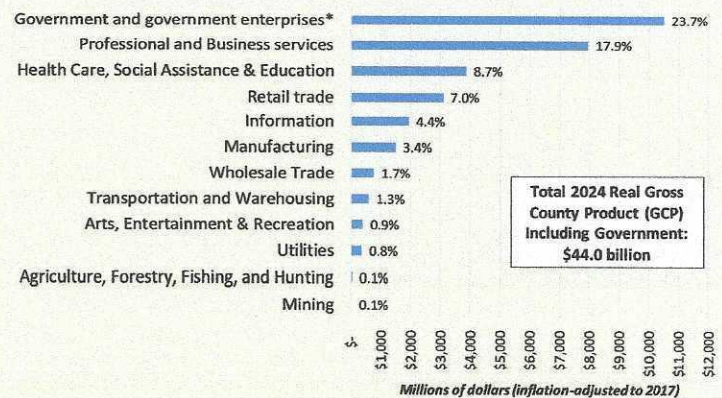
El Paso County Annual Job Changes



An estimated 3,800 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)

Real GCP Contribution by Private Sectors, El Paso County, 2024



*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.

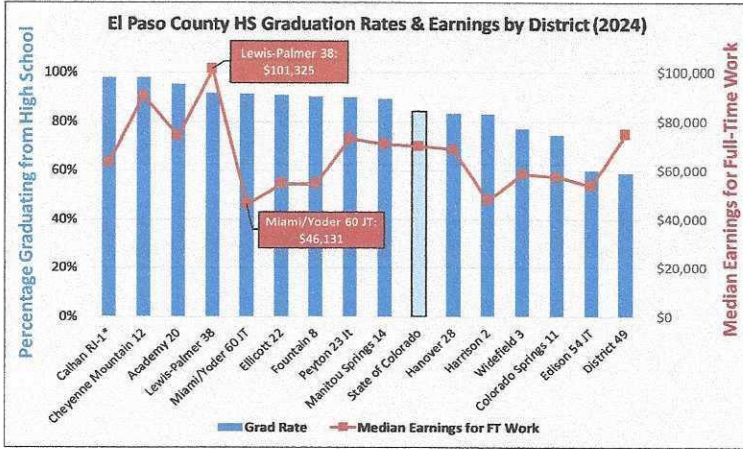
GCP (local) data lags by approximately 23 months. GCP is the same as GDP for the nation but at the local level.

Source: U.S. Bureau of Economic Analysis

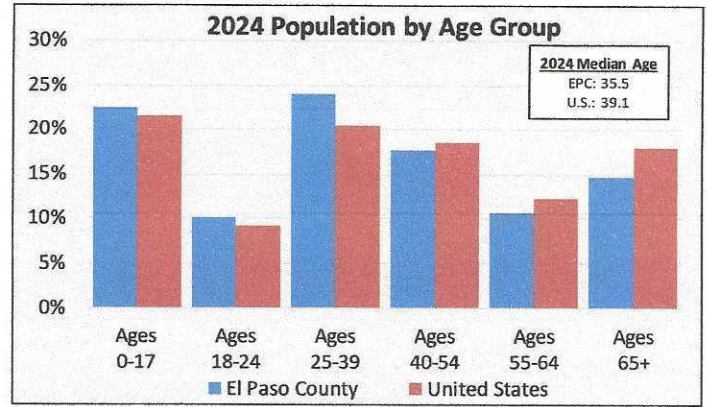
DEMOGRAPHICS (PAGE 5)

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

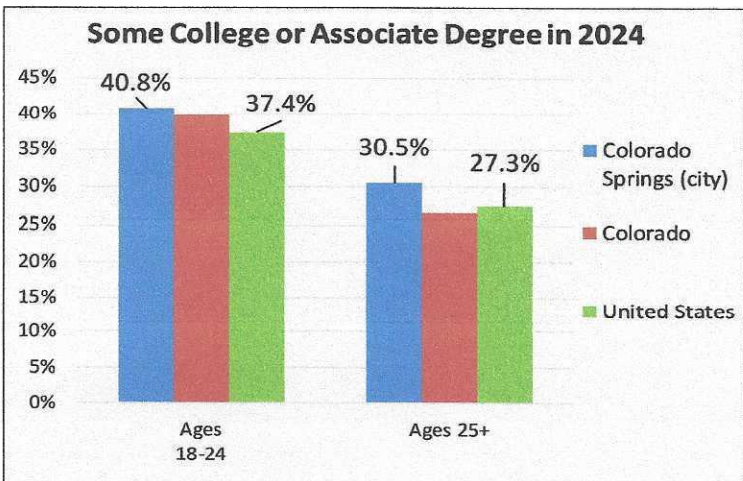
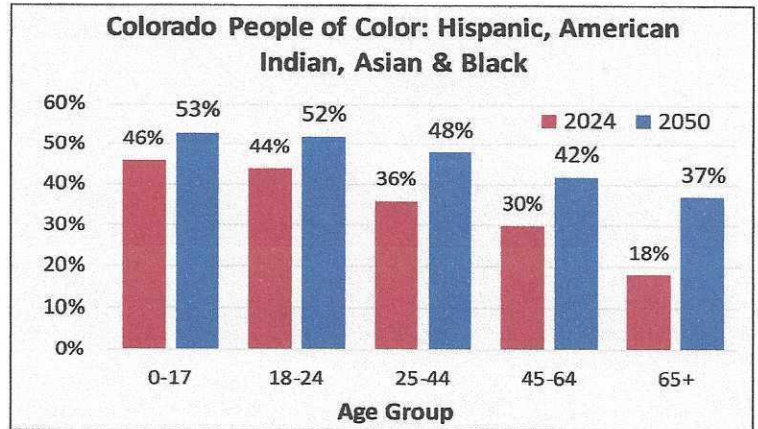
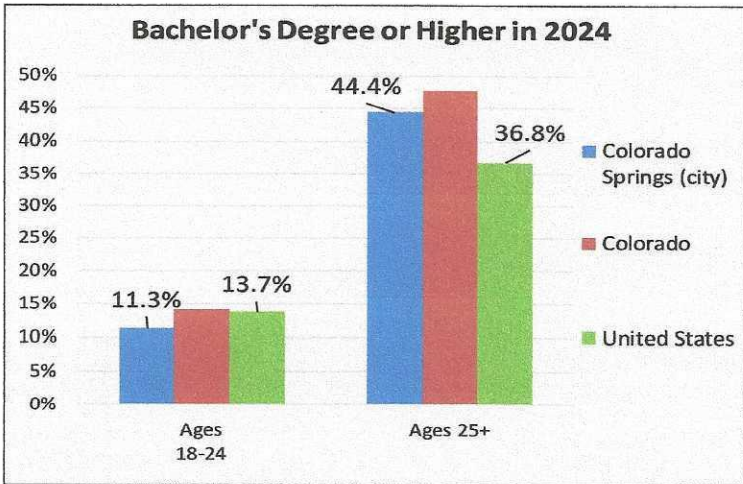
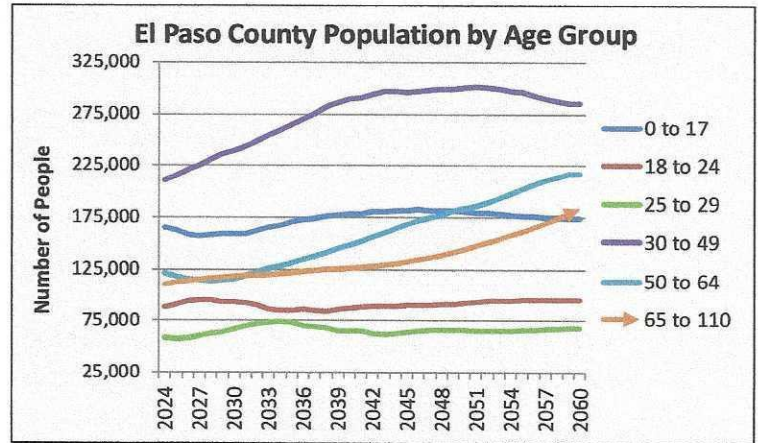
The City of Colorado Springs had a population of 494,808 in 2024.
Source: Colorado State Demography Office



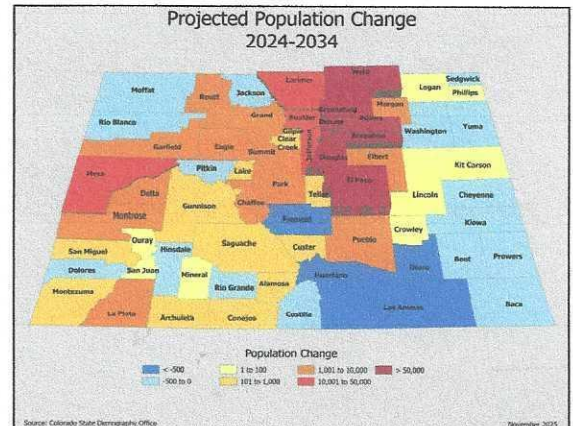
Note: Calhan, Ellicott, Peyton, Hanover, Edison, and Miami/Yoder districts all have fewer than 100 students. District 49 has a significant number of online students, which pull down the districtwide average. (Without the largest online school, the district average is 87%.) *Calhan had ≥ 98% graduation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



Source: U.S. Census Bureau, Population Division

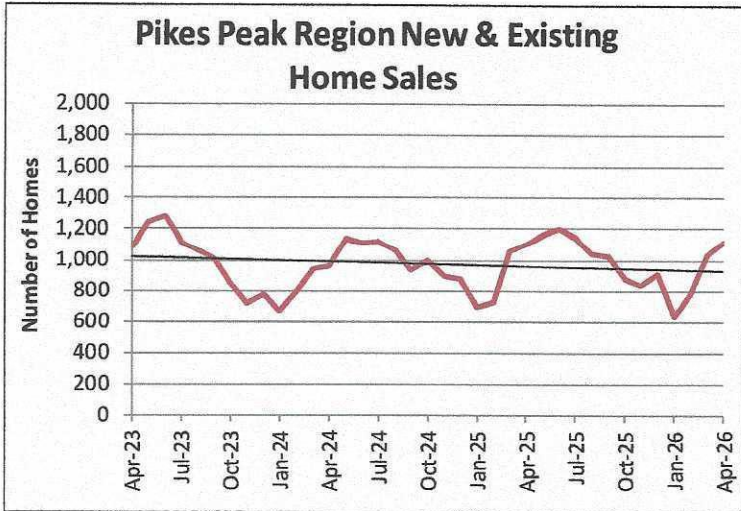


Source: U.S. Census Bureau, American Community Survey 1-year estimates



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

REAL ESTATE (PAGE 6)

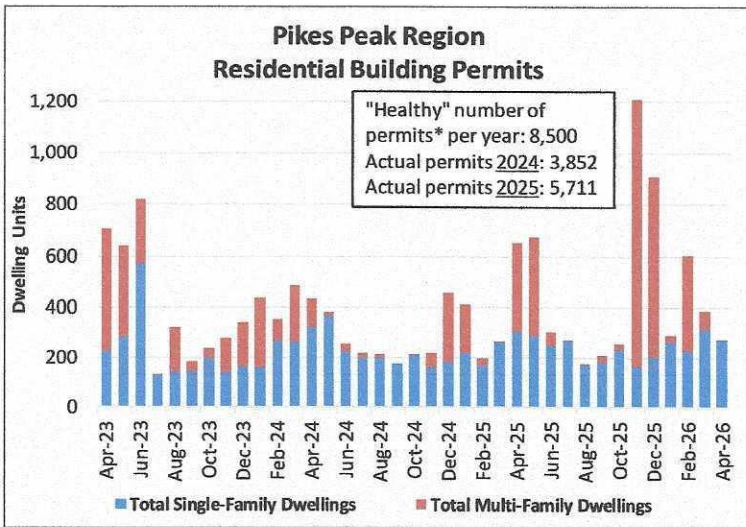


Source: Pikes Peak REALTOR® Services Corp.

Median Existing Single-Family Home Price 2026 Q1

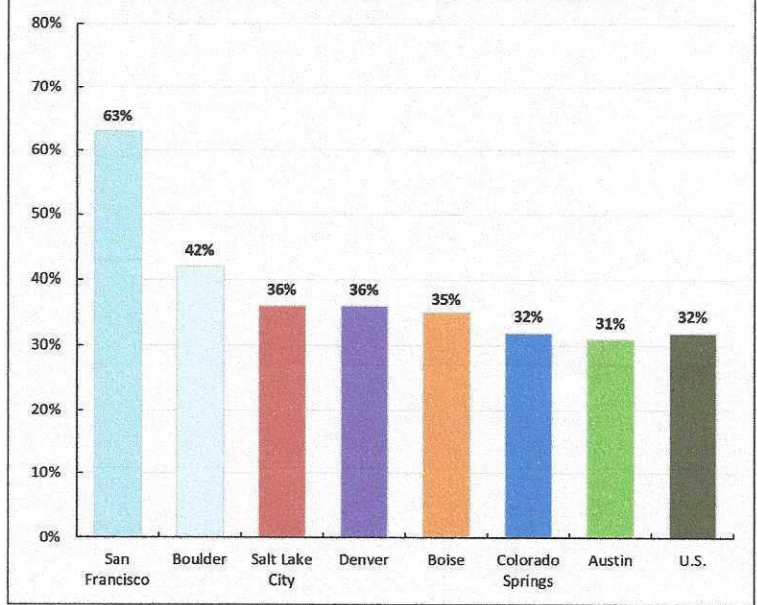
Location	Colorado Springs	Denver	Boise	United States
Price	\$459,500	\$641,300	\$484,000	\$404,300
1-year % Change	1.1% decrease	1.0% decrease	0.7% decrease	0.5% increase
MSA Rank	53	23	43	n/a

Sources: National Association of REALTORS®

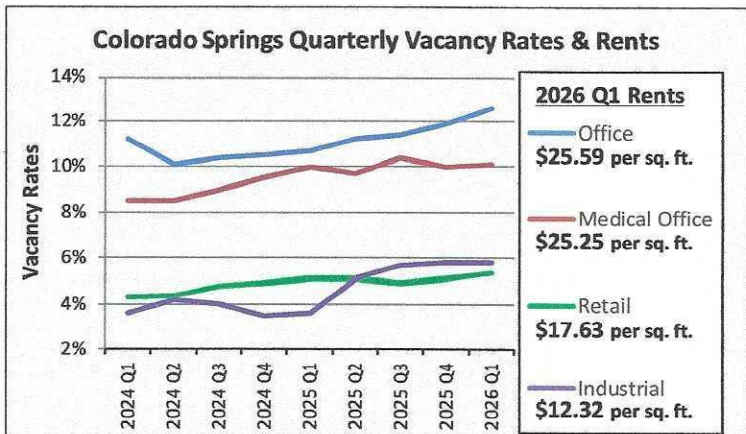


*The methodology for "healthy permits" now includes single-family and multi-family dwellings needed if we incorporate both population growth and the existing shortage of housing between 2023 and 2028. These calculations by Data-Driven Economic Strategies incorporate research by Common Sense Institute 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

2026 Q1 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



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

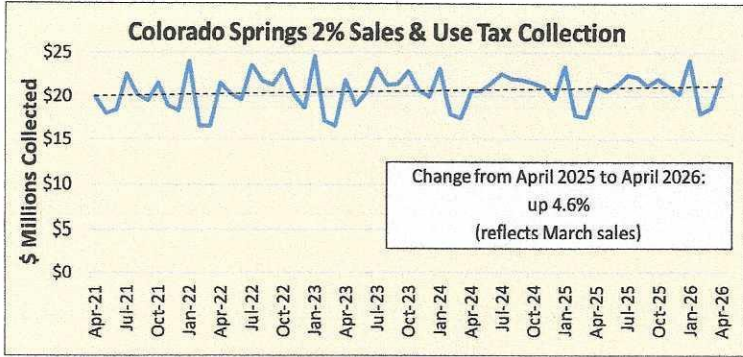
Apartment Rental Information

	Colorado Springs	Denver	Salt Lake City
Market Conditions 2025 Q4	Soft	Soft	Slightly Soft
Vacancy Rate 2024 Q4	14.4%	11.4%	10.8%
Vacancy Rate 2025 Q4	<u>13.1%</u>	12.2%	11.3%
Average Rent 2024 Q4	\$1,504	\$1,839	\$1,622
Average Rent 2025 Q4	<u>\$1,457</u>	\$1,777	\$1,591

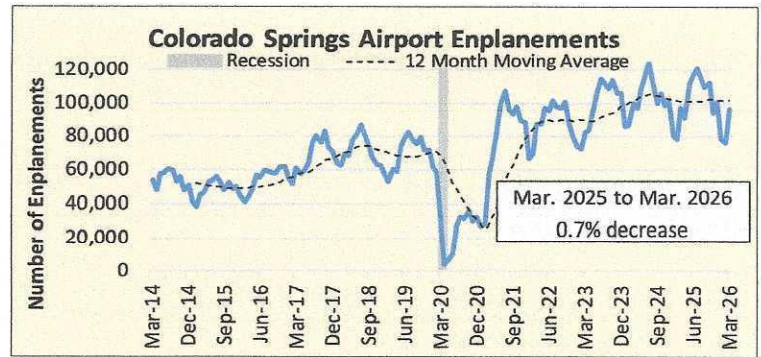
Source: U.S. Department of Housing & Urban Development (HUD), U.S. Market Conditions report

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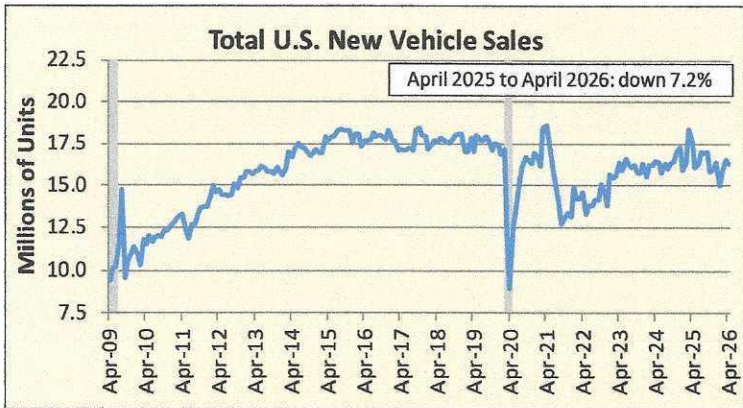
TAXATION, VEHICLE SALES, AIR QUALITY, AND TOURISM (PAGE 7)



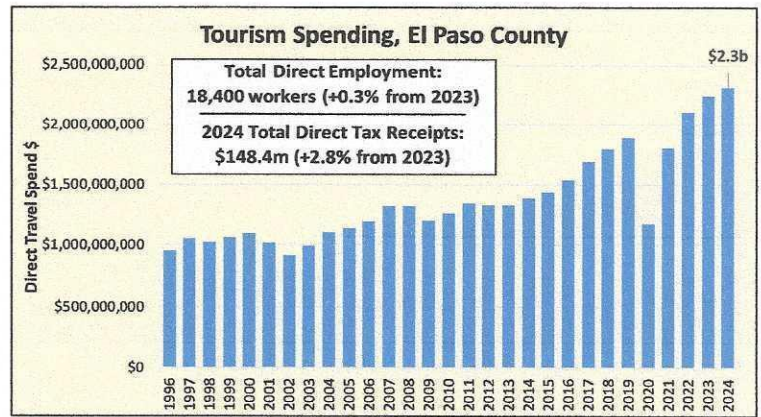
Source: City of Colorado Springs



Source: Colorado Springs Airport



Source: U.S. Bureau of Economic Analysis



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

2025 Air Quality		
	Colorado Springs*	U.S. Standard
Carbon Monoxide (CO) Concentration (ppm)	0.7	9.0
Particulate Matter (µg/m ³)	4.74	9.00
Ozone (ppm) at USAFA	0.068	0.070
Ozone (ppm) at Manitou Springs	0.073	0.070

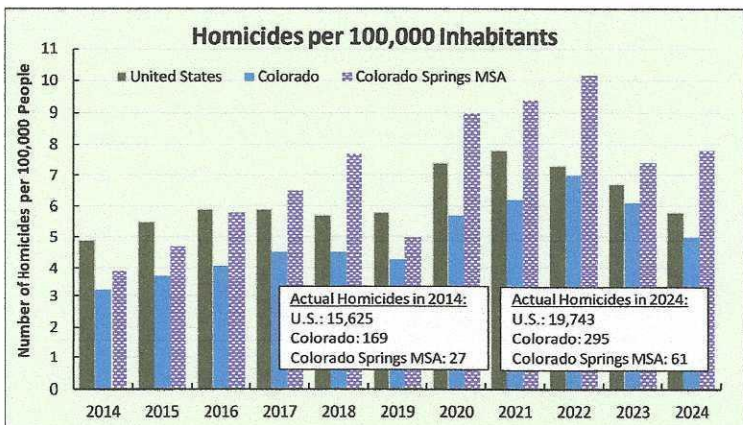
*Locations of measurements: CO and Particulate Matter at Colorado College
Source: Colorado Department of Public Health & Environment

Hotel Occupancy Rate April 2026	
Colorado Springs	Denver
64.9%	65.8%

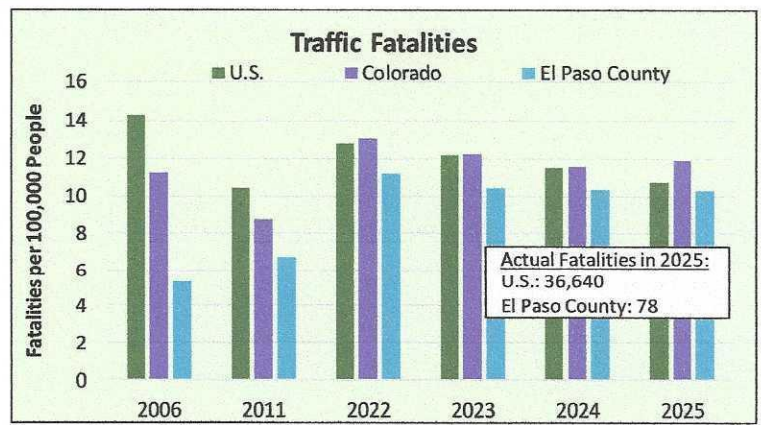
Hotel RevPAR* April 2026	
Colorado Springs	Denver
\$88.79	\$95.72

*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

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 2025	
City of Colorado Springs	15.1
City of Boise	13.7
Kansas City	21.6
City of Omaha	16.1

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

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

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SUPPORTERS (PAGE 8)



THANK YOU!