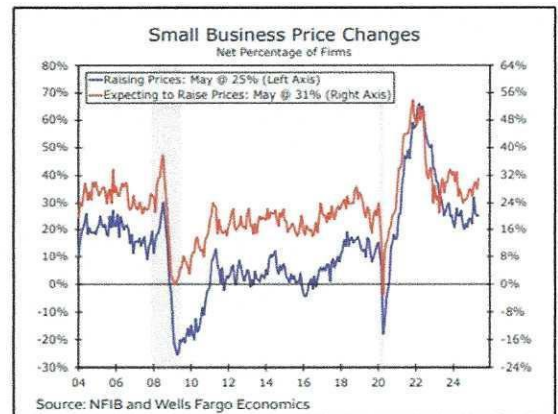


# El Paso County Economic & Workforce Progress Report (EPR)

## Highlights - June 2025

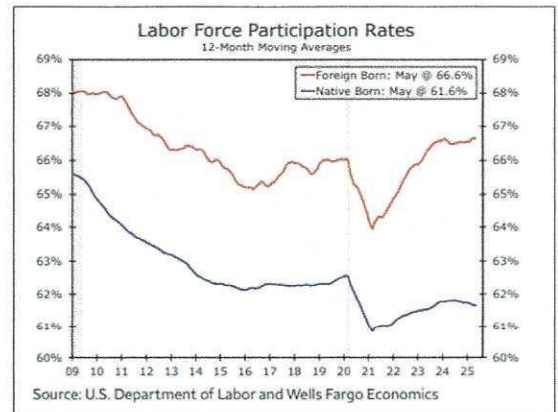
The third and final estimate for **U.S. GDP {Page 3}** in 2025 Q1 was just released, and it showed that the U.S. economy contracted more than we originally thought (-0.5% versus the previous estimate of -0.2%). As I discussed last month, most of this was due to the pulling forward of imports by both businesses and consumers in anticipation of tariff-induced inflation. Since imports are a subtraction to GDP, that pulling forward was quite detrimental. I do not expect to see that impact from imports in Q2. However, part of the reason that Q1's GDP was revised down to -0.5% was that imports were even higher and government spending was lower than originally calculated by the Bureau of Economic Analysis. You've heard me say it before: 2/3 of U.S. GDP is consumerism, so buying hesitancy is a major problem. And since consumers are saying they already have inflation fatigue and are worried about their finances and the economy in general, I suspect 2025 Q2 GDP will be negatively impacted by personal consumption expenditures. For these reasons, in all my recent presentations, I have lower-than-consensus GDP forecasts for this year (at 1.0%) and next (0.8%). That may seem pessimistic, but here are my five primary reasons.

1. **Inflation {Page 3}** Headwinds: Business surveys consistently report cost pressures (see graph), with tariffs jumping from an effective rate of about 3% to roughly 15%—and that's not including any new tariffs that may materialize in July (hopefully not!). Steel and aluminum are ubiquitous input goods, and those tariff rates are now set at 50%. Trade experts state that new tariffs take about 3-6 months to show up as higher prices for you and me. As such, May's CPI only increased 0.1% to 2.4% year-over-year. Core inflation (minus food and energy) stayed the same at 2.8%. We also have heightened geopolitical instability, which could affect energy prices. Even slight inflation increases can keep interest rates elevated, cooling investment. Investment is a positive contributor to GDP/GSP, so higher interest rates can (and have been) significantly dampening U.S. economic activity writ large.



2. **Low Consumer Sentiment {Page 3}** and lower business sentiment around investment. Consumer sentiment in June (60.5) is still sounding alarms even with the halting of triple-digit tariff rates. Inflation fatigue is real, and the prospect of more price hikes have consumers worried. Higher prices dampen personal consumption expenditures, or PCE, which is a positive contributor to GDP. Businesses, meanwhile, are signaling fewer hires and reduced capital investment in addition to planned price increases as shown above. While surveys are considered "soft" economic data, which I still pay attention to, "hard" data from the Bureau of Labor Statistics on **Job openings {Page 3}** remain flat meaning businesses are reticent to hire.

3. **Demographics {Page 5}**: Our aging population means lower labor force participation and a smaller tax base due to fewer workers. Reduced in-migration—both voluntary and forced—negatively impact the number of people of working age. This is true not only because fewer in-migrants mean fewer bodies, but also because foreigners have a significantly higher labor participation rate than native-born Americans. I knew this to some extent, but I was honestly shocked by the differential recently published by Wells Fargo (see graph). The U.S. Department of Labor also estimates the labor participation rate of undocumented workers, and those estimates are even higher (between 70% - 78%). This highlights for me the imperative to figure out orderly, legal immigration. Both the U.S. (at 39.1) and El Paso County (at 35.5) had slight increases in the median age from 2023 to 2024 according to the latest estimates from the Census Bureau.



4. **Tourism {Page 7}**: U.S. tourism, which counts as an export and therefore positive contribution to GDP, is down. The World Travel & Tourism Council estimates a \$12.5 billion decline in international visitor spending for 2025.

[Page 3 - Macroeconomic "Big Picture"](#)

[Page 4 - Local Labor Market](#)

[Page 5 - Demographics](#)



For past reports go to <https://www.ddestrategies.org/>.

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# El Paso County Economic & Workforce Progress Report (EPR)

5. **Debt and Credit:** We have growing deficits and reduced public investment in high ROI (return-on-investment) areas such as education, childcare, research and development, and infrastructure. Our lower credit rating also means we must offer higher returns to those purchasing U.S. Treasuries, which is how we finance our expenditures and the interest we pay on our debt (now at \$36.5 trillion or roughly 120% of annual GDP versus 54% of annual GDP in 1990).

Meanwhile, the labor market is sending mixed signals. National **Unemployment Rates {Page 3}** rose slightly from 3.9% in April to 4.0% in May. However, Colorado (4.5%) and El Paso County (also 4.5%) both saw small declines in their unemployment rates (by 0.1%). This is good news as I am cautiously watching employment trends both statewide and locally. In my eleven years here, Colorado has consistently outperformed the nation in employment and GDP, but with our state dynamics changing, it seems we have more headwinds that we will have to astutely navigate if we want to continue to outperform the nation.

**Interest Rates {Page 3}** remain elevated. The prime rate average stayed at 7.50% from January through May of this year. The 30-year mortgage rate rose from 6.73% in April to 6.82% in May, while the fed funds rate average stayed at 4.33%.

In the Colorado Springs MSA, the job market remains relatively tight. **Local Job openings {Page 4}** dipped slightly from 18,772 in April to 18,591 in May, but the number of unemployed fell even more—from a revised 18,503 to 17,982. That leaves us with 0.97 **Workers per Job Opening {Page 4}**. While these are healthy metrics overall, not all groups are seeing the same job access. I recently addressed this in a segment last week about the [increase in the unemployment of recent college graduates](#).

**Average Annual Wages {Page 4}** were released this month, enabling us to make year-over-year comparisons. Wages were up modestly everywhere but were up more in the U.S. and Colorado than in El Paso County. The differentials in wages between our region and the state/U.S. stayed steady between 2023 and 2024 with EPC wages 10.7% lower than U.S. wages and 15.9% lower than Colorado wages. Remember that wage information is not inflation-adjusted, and as such increases in wages are only beneficial in the context of stagnant or declining prices (which is not the case). Real (inflation-adjusted) wages are up only 1.4% across the U.S. year-over-year looking at the latest May data.

Housing activity was steady. The Pikes Peak region saw a similar number of **Permits {Page 6}** issued in May as in April for both single and multifamily units. Condo construction, however, is notably up with 20 new permits issued in Victory Ridge, and 60 total condo permits having been pulled so far this year. That's the highest since 2007. This momentum is likely a result of Governor Polis's signing of House Bill 1272, which lowers defect liability insurance costs for builders of for-sale multifamily units (including "condos," which include apartments, duplexes, and townhomes).

In housing rentals, Colorado Springs **Apartment {Page 6}** vacancy rates dropped to 13.1% in 2025 Q1 from 14.0% in 2024 Q4 but remained higher than Q1 of last year (12.1%). Rents held steady at \$1,486 compared to \$1,478 the previous quarter, though they're down from \$1,524 year-over-year. Now that's good news. Denver and Salt Lake City followed similar patterns, with Salt Lake maintaining lower vacancy but also higher rents than Colorado Springs.

**Sales and Use Tax {Page 7}** collections reflect a bit of a slowdown. Collections in May were down 0.3% compared to May 2024 and fell 2.7% from April to May—dropping about \$0.6 million to \$20.6 million. This is a national trend largely due to lower construction levels (e.g., sales and use tax on building materials) and generally lower consumerism compared to a year ago.

I'd like to end with **Tourism {Page 7}** information especially since our region is shining in that regard. Local **Hotel Occupancy and RevPAR {Page 7}** were both up in May, which is seasonal but also reflects our appeal as a destination. As I mentioned earlier, U.S. tourism is expected to decline by \$12.5 billion this year, but that doesn't appear to be impacting us locally. Looking back, the Pikes Peak region saw 25.5 million visitors in 2024—a 2.7% increase according to Longwoods International Travel report. Those visitors spent \$3.1 billion, up 5.2% from 2023. Of overnight travelers, 73% were repeat visitors and 53% had been here in the last year. The average length of stay increased from 2.2 to 2.7 nights, and 66% reported being very satisfied with their trip. That kind of regional resilience is something to celebrate.

Tatiana & Rebecca

If you wish to unsubscribe from this monthly report, please email [rwilder@ddestrategies.org](mailto:rwilder@ddestrategies.org). If you'd like to know more about supporting our economic reporting and workforce development initiatives, please contact [gglassford@ddestrategies.org](mailto:gglassford@ddestrategies.org).

[Page 3 - Macroeconomic "Big Picture"](#)

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[Page 7 - Crime & Safety](#)



# El Paso County Economic & Workforce Progress Report (EPR)

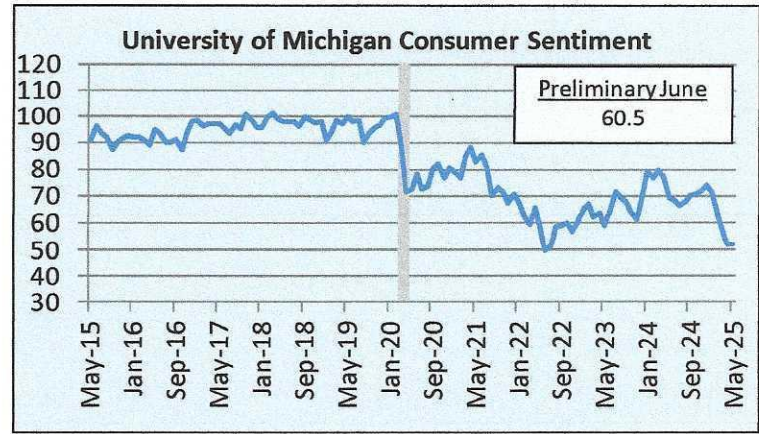
## MACROECONOMIC "BIG PICTURE" (PAGE 3)



\*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

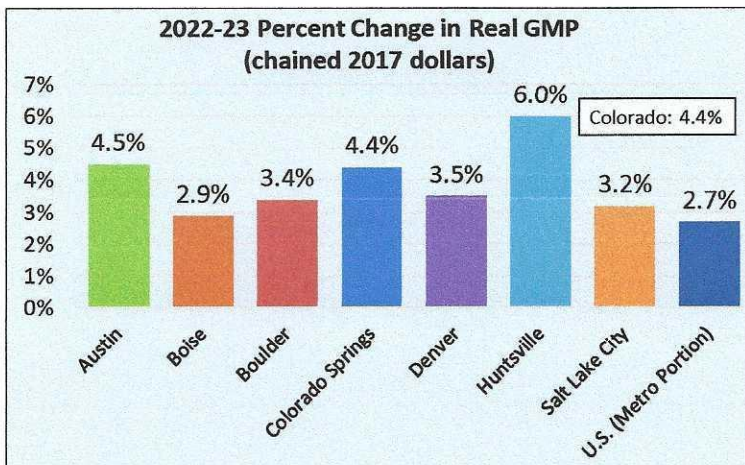


Source: University of Michigan

Forecasts for U.S. Real GDP and Unemployment (SA)				
	2023 Actual	2024 Actual	2025 Forecast	2026 Forecast
Real GDP Growth	2.9%	2.8%	1.0%	0.8%
Unemployment Rate	3.6%	4.0%	4.3%	4.3%

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. Real GMP is adjusted for regional price parity (RPP). This regional data lags ~23 months.

Source: U.S. Bureau of Economic Analysis

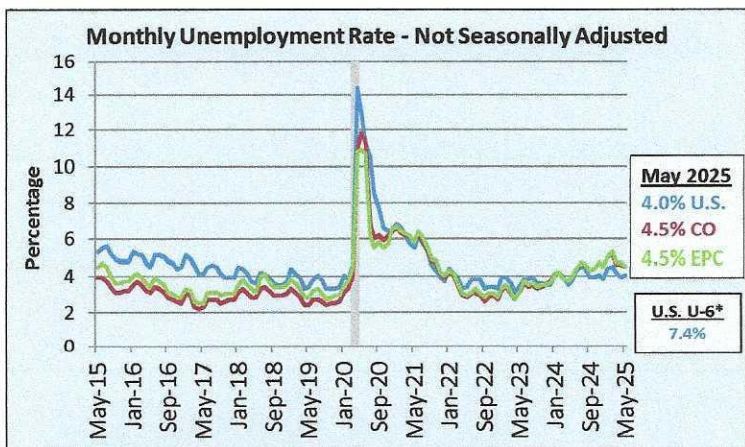


Source: U.S. Bureau of Labor Statistics; Job openings data lags.

U.S. Consumer Price Index - May 2025		
	All items	Less food & energy
Change from April to May 2025 (SA)	0.1%	0.1%
Last 12-months (NSA)	2.4%	2.8%

The 2025 Q1 cost of living in the **Colorado Springs MSA** was 102.6% of the U.S. according to C2ER data provided by the CS Chamber & EDC.

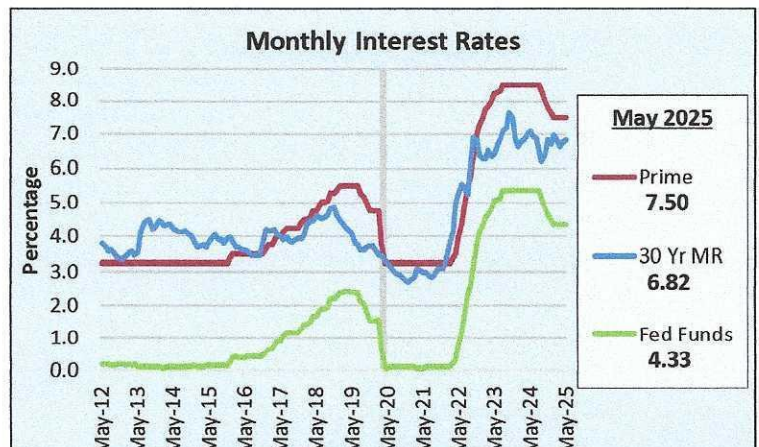
Source: U.S. Bureau of Labor Statistics; all urban consumers (CPI-U)



Note: Data in the graph is NSA to enable comparisons with counties.

\*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



# El Paso County Economic & Workforce Progress Report (EPR)

## LOCAL LABOR MARKET (PAGE 4)

### Top Job Openings, Colorado Springs MSA May 2025

Top Job Titles	# of Job Postings	Median Advertised Salary
Registered Nurses (L)	582	\$93,440
Computer Sys Engineers/Architects (L)	562	\$132,608
Retail Salespersons (M)	525	\$35,456
Software Developers (L)	460	\$125,952
Computer Systems Analysts (L)	397	\$103,680
Heavy & Tractor-Trailer Truck Drivers (H)	350	\$57,216
Customer Service Reps (M)	293	\$41,600
1st-Line Supervisors, Retail Sales (L)	284	\$46,848
Janitors & Cleaners (H)	235	\$107,776
Network & Computer Sys Admins (L)	202	\$39,552

#### Colorado Springs MSA, May 2025

TOTAL Job Openings: 18,591

TOTAL Unemployed: 17,982

Workers Available per Job Opening: 0.97

Risk of Automation: L = Low; M = Medium; H = High  
Sources: The Conference Board®-Lightcast® Help Wanted OnLine® via Pikes Peak Workforce Center; CO Dept. of Labor & Employment

#### 2023 Federal Poverty Level (FPL)

	El Paso County	U.S.
% people at FPL or below	7.0%	12.5%

Note: FPL in 2023 was \$14,580 for an individual and \$30,000 for a family of four.

#### 2024 Average Annual Wages for All Industries

**El Paso County wages are  
10.7% lower than U.S. wages  
and 15.9% lower than CO wages.**

U.S.	Colorado	El Paso County
\$75,608	\$80,288	\$67,548
<b>2024 El Paso County Total Employment*</b>		309,474

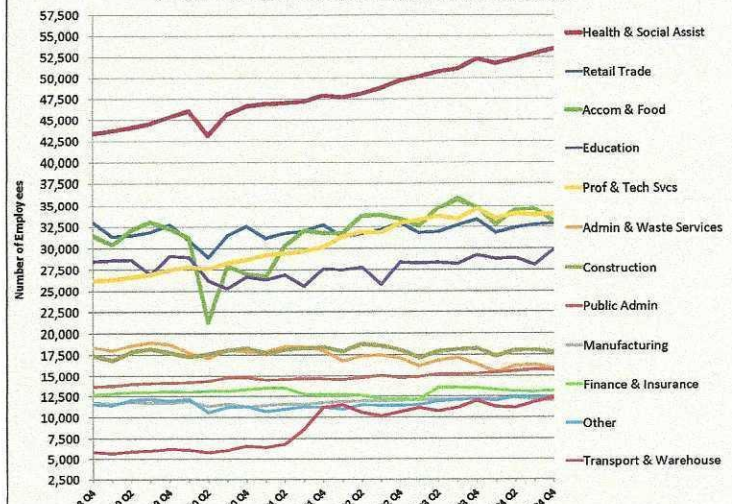
#### 2024-25 Minimum Wage & Living Wage El Paso County

	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$14.81	\$30,805
Living wage: HHs with 1 adult, 2 children	\$58.48	\$121,638
Living wage: HHs with 2 adults (1 working), 2 children	\$44.31	\$92,165
Living wage: HHs with 2 adults* (2 working), 2 children	\$31.61	\$65,749

\*Living wage is for each working adult. For specifics, go to [livingwage.mit.edu](http://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

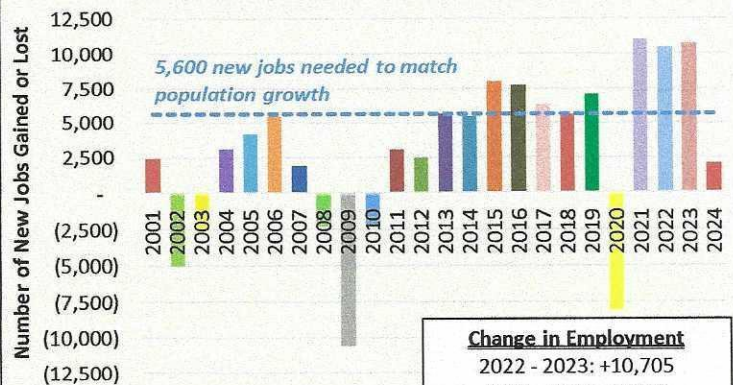
#### El Paso County Quarterly Employees in Top 12 Sectors



#### Top Growing Industries from 2018 Q4 to 2024 Q4

Transport & Warehouse: +112.4%  
Prof & Tech Services: +29.8%  
Health & Social Assist: +23.3%  
Public Administration: +15.0%  
Other Services: +6.0%

#### El Paso County Annual Job Changes



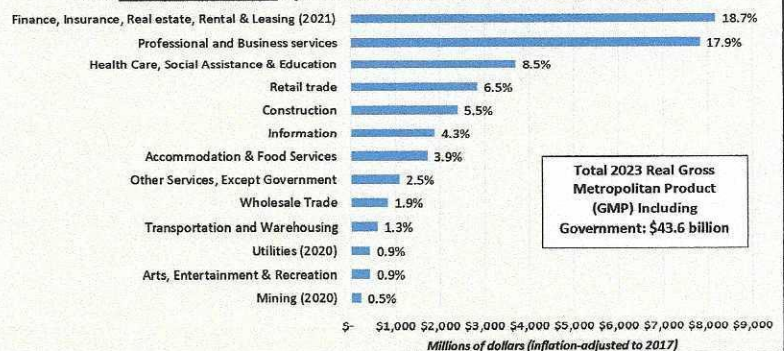
#### Change in Employment

2022 - 2023: +10,705  
2023 - 2024: +2,019

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)

#### Real GMP Contribution by Private Sectors, Colorado Springs MSA, 2023



Total 2023 Real Gross Metropolitan Product (GMP) including Government: \$43.6 billion

Manufacturing data last disclosed in 2012 when it was 7.1% of real GMP. Government data is no longer released by sector for 2016 when federal military was 12.7%, state & local government was 8.2% and federal civilian government was 5.3% of real GMP. Utilities and Mining data last disclosed in 2020. Finance, insurance, real estate & leasing was last disclosed in 2021. GMP (local) data lags by approximately 23 months. GMP is the same as GDP for the nation but at the local level.  
Source: U.S. Bureau of Economic Analysis

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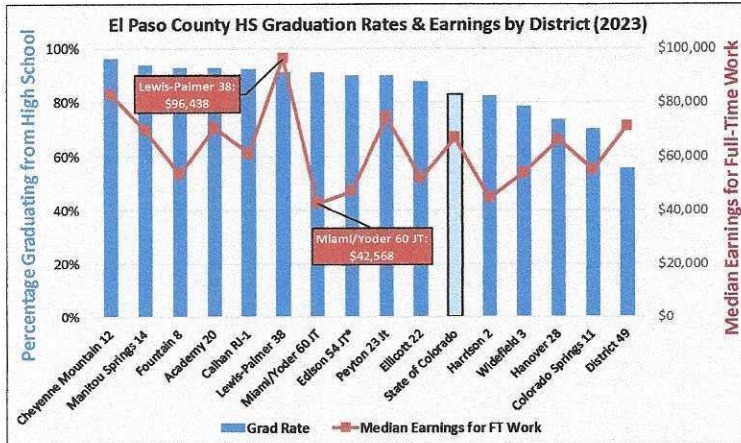
# El Paso County Economic & Workforce Progress Report (EPR)

## DEMOGRAPHICS (PAGE 5)

### Population Estimates

	2023	2050
<b>El Paso County</b>	744,153	1,001,087
<b>Colorado</b>	5,876,300	7,416,589

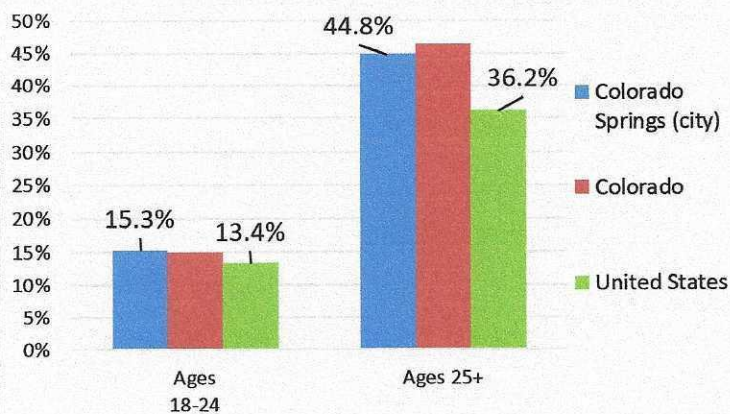
The City of Colorado Springs had a population of 488,164 in 2023.  
Source: Colorado State Demography Office



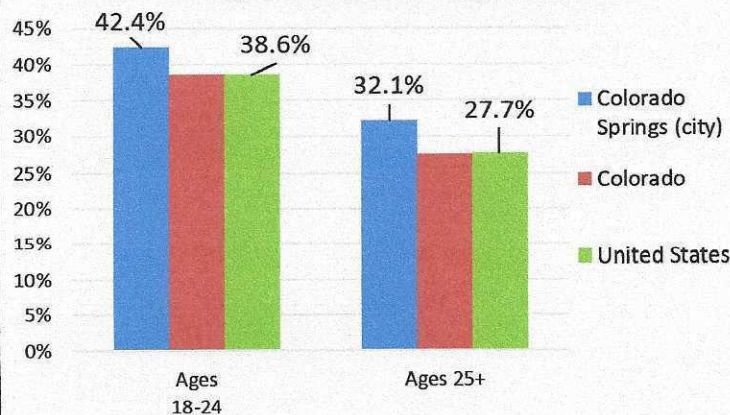
Note: Calhan, Ellicott, Peyton, Hanover, Edison, and Miami/Yoder districts all have fewer than 100 students. District 49 has a significant number of online students, which pull down the districtwide average. (Without the largest online school, the district average is 88%.) \*Edison had ≥ 90% graduation rate.

Sources: Colorado Department of Education; U.S. Census Bureau, American Community Survey 5-year estimates

### Bachelor's Degree or Higher in 2023

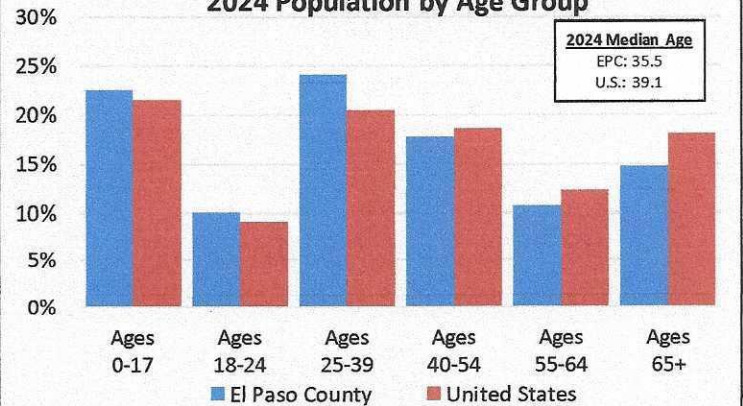


### Some College or Associate Degree in 2023



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

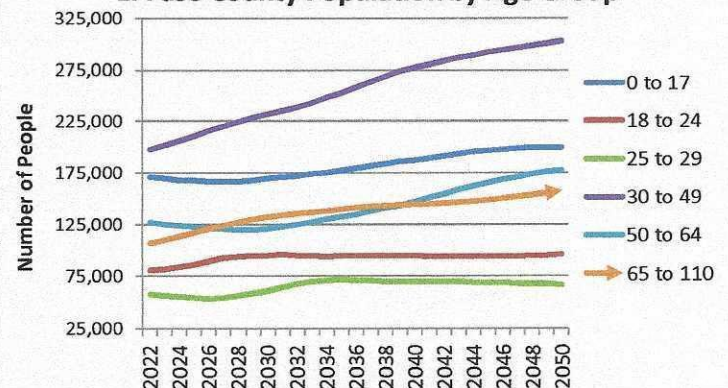
### 2024 Population by Age Group



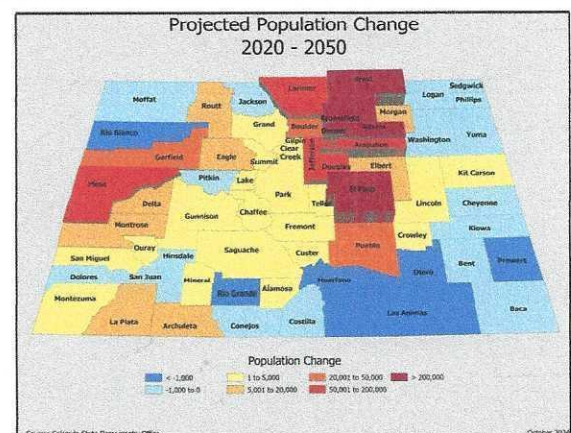
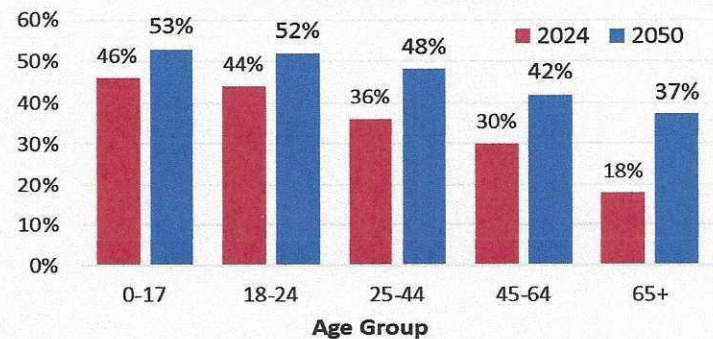
**2024 Median Age**  
EPC: 35.5  
U.S.: 39.1

Source: U.S. Census Bureau, Population Division

### El Paso County Population by Age Group



### Colorado People of Color: Hispanic, American Indian, Asian & Black



Source: Colorado State Demography Office

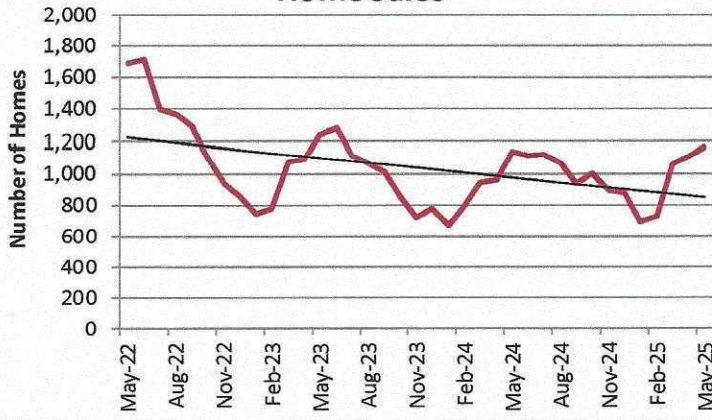
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# El Paso County Economic & Workforce Progress Report (EPR)

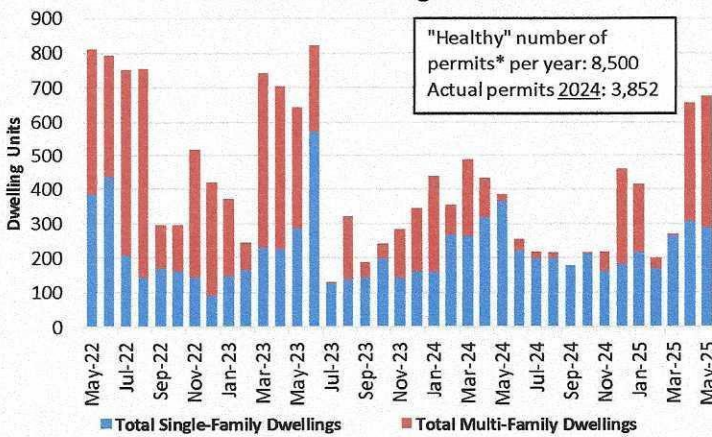
## REAL ESTATE (PAGE 6)

### Pikes Peak Region New & Existing Home Sales



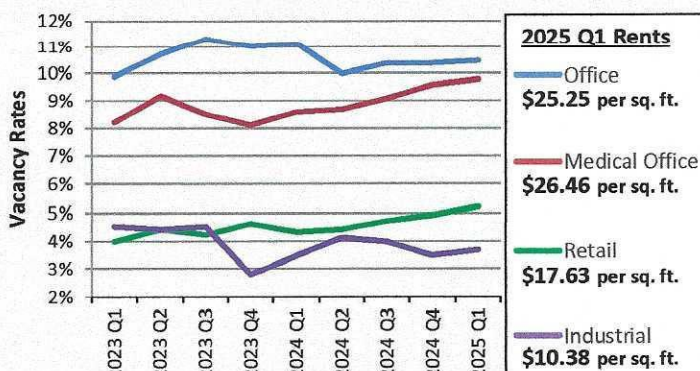
Source: Pikes Peak REALTOR® Services Corp.

### 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



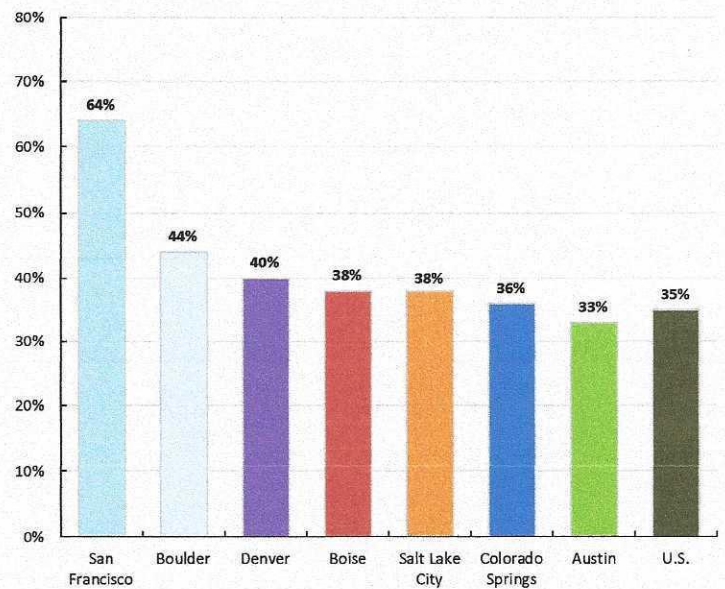
Sources: CoStar Group™; Olive Real Estate Group, Inc.

### Median Existing Single-Family Home Price 2025 Q1

Location	Colorado Springs	Denver	Boise	United States
Price	\$464,700	\$647,800	\$487,300	\$410,100
1-year % Change	3.5% increase	0.5% decrease	3.4% increase	4.8% increase
MSA Rank	47	21	41	n/a

Sources: National Association of REALTORS®

### 2025 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

### Apartment Rental Information

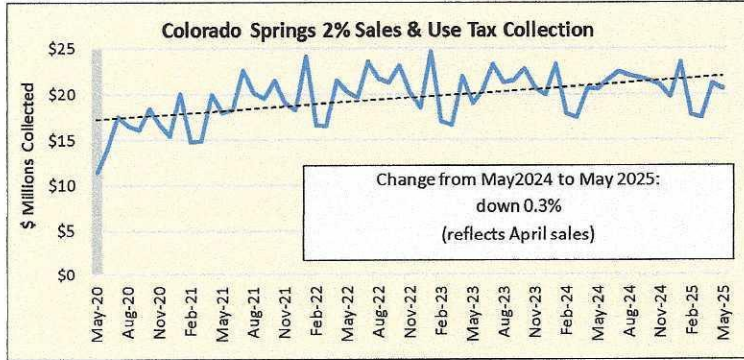
	Colorado Springs	Denver	Salt Lake City
Market Conditions 2025 Q1	Soft	Soft	Slightly Soft
Vacancy Rate 2024 Q1	12.1%	9.1%	10.8%
Vacancy Rate 2025 Q1	13.1%	11.5%	10.8%
Average Rent 2024 Q1	\$1,524	\$1,901	\$1,633
Average Rent 2025 Q1	\$1,486	\$1,843	\$1,618

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

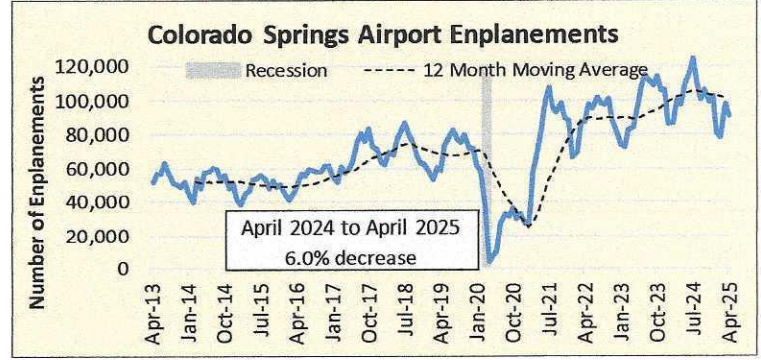


# El Paso County Economic & Workforce Progress Report (EPR)

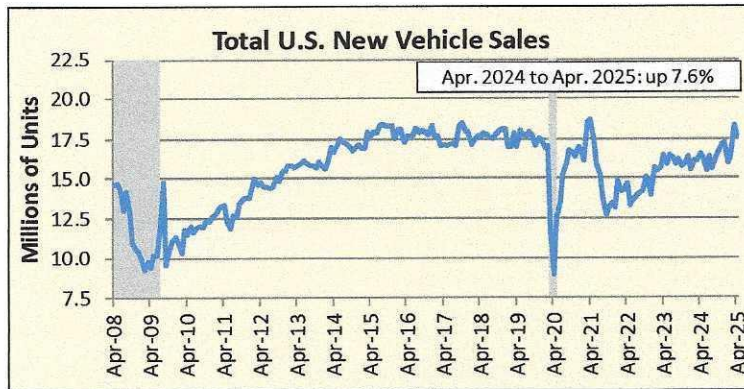
## TAXATION, VEHICLE SALES, AIR QUALITY, AND TOURISM (PAGE 7)



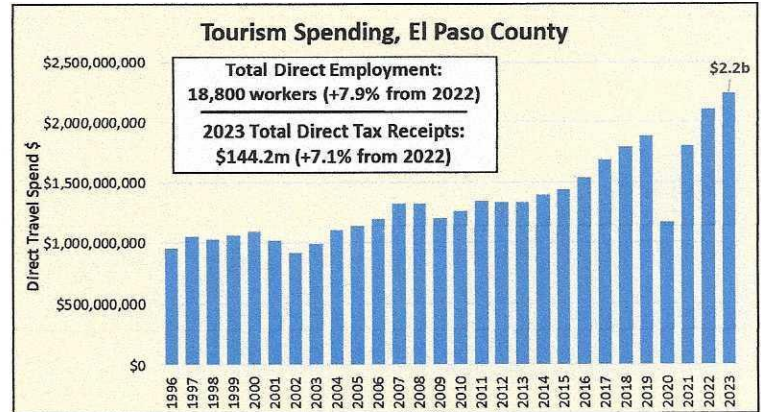
Source: City of Colorado Springs



Source: Colorado Springs Airport



Source: U.S. Bureau of Economic Analysis



Note: Direct travel includes day and overnight visitors.

Source: Colorado Tourism Office

2024 Air Quality		
	Colorado Springs*	U.S. Standard
Carbon Monoxide (CO) Concentration (ppm)	0.7	9.0
Particulate Matter (µg/m³)	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

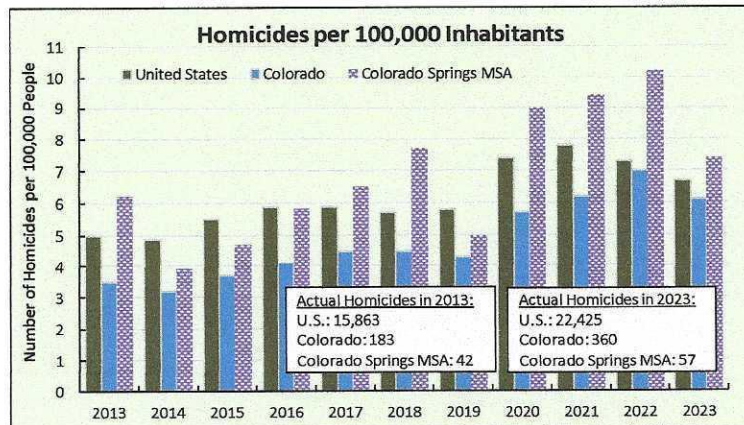
Source: Colorado Department of Public Health & Environment

Hotel Occupancy Rate May 2025	
Colorado Springs	Denver
68.9%	69.9%

Hotel RevPAR* May 2025	
Colorado Springs	Denver
\$87.95	\$105.71

\*RevPAR measures hotel revenue by taking the average room rate times hotel occupancy.

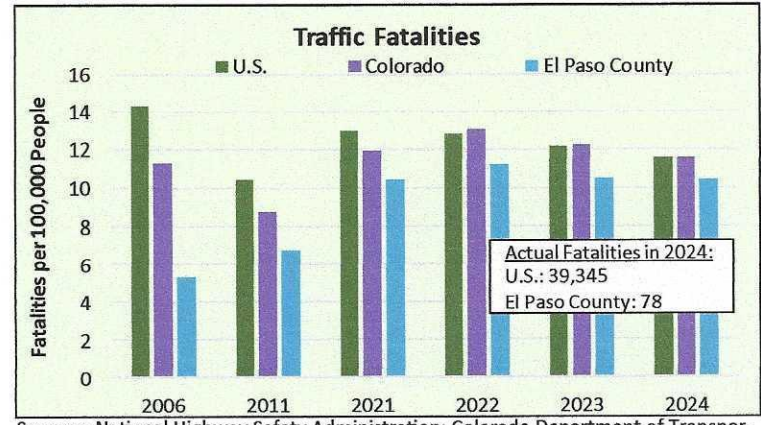
## CRIME & SAFETY (PAGE 7)



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.

2021 Mortality Rates due to Homicide per 100,000 Population				
Canada	Germany	Italy	Japan	United States
2.1	0.8	0.5	0.2	6.8

Source: UN Office on Drug and Crime's International Homicide Statistics database through The World Bank and World Population Review



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

Sworn Police Officers Per 10,000 Inhabitants in 2023	
City of Colorado Springs	15.8
City of Boise	12.4
Kansas City	21.4
City of Omaha	16.9

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

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# El Paso County Economic & Workforce Progress Report (EPR)



## SUPPORTERS (PAGE 8)



# THANK YOU!



**Matrix Consulting**

PO Box 50048

\*\*\*\*\* NOTE ADDRESS CHANGE \*\*\*\*\*

Colorado Springs, CO 80949

INVOICE

**Salzman Real Estate Services, LTD**

P.O. BOx 49003

Colorado Springs, CO 80949

**Invoice 24198**

<b>Date</b>	Jun 30, 2025
<b>Terms</b>	N/A
<b>Service Thru</b>	Jun 30, 2025

**In Reference To: Non Project-Related (Expenses)**

<b>Date</b>	<b>By</b>	<b>Expenses</b>	<b>Amount</b>
06/30/2025	SW	Miscellaneous: Monthly Microsoft exchange email accounts	\$ 25.00

**Total Expenses** \$ 25.00**Total Invoice Amount** \$ 25.00**Previous Balance** \$ 140.00**Balance (Amount Due)** \$ 25.00**Payment History:**

<b>Date</b>	<b>Type</b>	<b>Payment Description</b>	<b>Amount</b>
06/05/2025	Payment - Check		(\$140.00)