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

Highlights - July 2026

This week, the first estimate of Gross Domestic Product, or **Real GDP Growth {Page 3}** for 2026 Q2 was released, and it showed a slowdown in economic activity across the U.S., although it is still in positive territory at 1.5% annualized (or 2.1% comparing to Q2 of last year). Declines in government spending and increases in imports (which are a subtraction to GDP) both contributed to the subpar economic performance in Q2. Consumer spending and private fixed investment were the largest contributors to growth. If we do not adjust for inflation (called "nominal GDP"), growth stood at 7.9%. Nominal growth is almost always higher than inflation-adjusted growth, but not by that much, indicating the impacts of higher prices. Although it's good to see that consumers are still spending as that drives business growth, it's important to stress that the U.S. savings rate data was also just released, and it's well below the ~8% historical average. June's savings rate stood at 2.7%, highlighting for me that consumer spending appears to be mostly driven by higher-income groups while lower-income groups appear to be drawing down savings. Also significant is the 7.1% serious delinquency rate (90+ days) on credit cards. I would like to see some recalibration of the middle/lower-income household budgets although how to get there is tricky for those households with higher prices alongside stagnant wages.

Some relief in oil prices led to an improvement in **The University of Michigan's Consumer Sentiment Index {Page 3}** in July, which increased to 54.4 after a (second-lowest-on-record) index of 49.5 in June. While confidence remains well below historical averages, households appear somewhat less pessimistic than they were earlier this year as inflation has moderated, financial markets have remained relatively stable, and unemployment rates remain low. Interestingly, recent reporting has questioned whether political polarization has exaggerated swings in consumer sentiment over recent years, reminding us that confidence surveys often measure perceptions (and frustrations) about current politics as much as they measure economic conditions. I would postulate that household budgets largely dictate how people are feeling, and as a country we got very used to low and stable prices pre-pandemic. But that low inflationary period is behind us, and no one can really escape higher prices (across all goods and services) on any given day. They are everywhere and that weighs heavily on people's perceptions of the economy as well as most people's feelings about state and federal government.

Thankfully, inflation did ease some during June following May's oil-related price shock. The **Consumer Price Index {Page 3}** declined 0.4% in June on a seasonally adjusted basis after increasing 0.5% in May. Again, it's all about oil prices. Year-over-year inflation slowed from 4.2% to 3.5%, while core inflation, which excludes food and energy, was unchanged at 2.6%. The fact that the core inflation measure was unchanged highlights that when you pull out energy prices, inflation didn't move from May to June.

This brings up an interesting point. Short-term oil price shocks typically do not cause major disruptions or recessions in the broader economy. Especially with this recent oil shock, prices have not increased as much as the dire predictions, and this is for a host of reasons. The U.S. is now a major oil producer, we've drawn on oil reserves, there are more energy efficiencies, and China is rapidly electrifying (depressing global oil demand and therefore, prices) among other reasons. I go into more detail in last week's Fox21 segment and Gazette article. But what about inflation and overall economic growth (GDP) if energy prices *stay* elevated? Most experts think the probability of a recession in that case is significantly higher. This is true for two reasons. One, higher energy prices dig deeper into production costs that businesses begin to pass onto consumers more so. Two, if gasoline and virtually all other prices stay higher for longer, consumers and businesses begin to expect higher prices in the long term and that changes the behavior of both consumers (e.g., needing higher wages to compensate for higher prices) and businesses (e.g., quickly raising prices to cover recurring cost increases). This is when you can have "runaway inflation," although the U.S. has only made it to two-digit inflation rates three times in its history (not three or four digit inflation rates as other countries have experienced). All to say, inflation can be a slippery slope if it's sustained, and as such, we are not immune to the negative impacts of higher energy prices if prices stay higher for longer.

The IMF estimates that a *sustained* 10% increase in oil prices typically raises headline inflation about a half percentage point. So, if gas prices are up about 30%, that would add almost 1.5% to headline inflation. While that may not sound like a lot, remember that's the average price increase across *all* goods and services.

Now, although inflation abated a bit in June due to the lower gas prices, it is still above target. Therefore, **Interest Rates {Page 3}** remain elevated. The average 30-year mortgage rate edged up from 6.44% in May to 6.49% during June, while the prime lending rate remained at 6.75% (putting average credit card interest rates at 22%). Although borrowing costs have stabilized, they continue to weigh on housing affordability, business investment, and commercial financing decisions.

The other major indicator that the Fed cares about in interest rate decisions is the **U.S. Unemployment Rate {Page 3},** which declined slightly from 4.3% in May to 4.2% in June (seasonally adjusted). Colorado's seasonally adjusted unemployment rate remained unchanged and lower than the U.S. at 3.9%. El Paso County's NSA rate (local data is not available any other way) rose from 3.8% to 4.1%. Following the "Fed

Data-Driven Economic Strategies

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

mandate," these low unemployment rates indicate interest rates should not be cut as this aspect of the economy is just fine. Reinforcing this is the increase in **U.S. Job Openings {Page 3}** over the past couple of months as seen on the graph.

Colorado Springs Job Openings {Page 4} declined modestly from 19,809 in May to 19,173 in June while the number of unemployed residents increased approximately 8% to 15,797. Consequently, the **Workers Available per Job Opening {Page 4}** increased to 0.82 – but this is still a tight labor market with less than one worker available per job. As the top left table on that page shows, registered nurses and personal care aides are both in the top 10 local job openings and as the graph directly to the right of that table shows, health care and social assistance is by far the largest employer. None of this is surprising given our aging U.S. population.

In terms of real estate, **Existing Home Sales {Page 6}** across the Pikes Peak region remained virtually unchanged at 1,229 sales in June. Builders pulled substantially more **Permits {Page 6}** for single-family homes during June, while multifamily permitting slowed considerably although this is after robust multi-family permits pulled during 2025. Nationwide and locally, home sales are below historical trends due to higher interest rates on top of higher home prices, which equates to fewer buyers (among other reasons). The bad news here is that there is now some talk about interest rate hikes whereas 18 months ago everyone was assuming interest rates would go down and housing would have a healthy rebound. But the inflation discussion above explains the not-impossible current scenario of interest rate increases or, at a minimum, interest rates that don't change. That does not bode well for home buyers, especially first-time buyers. The Wall Street Journal had a recent article, "See How Owning a Home is Getting More Expensive in Every Way" that shows the percentage increase in the cost of each component of homeownership from 2019 to 2025. Overall, we (painfully) know that the inflation has increased by 26% overall in that period, but homeownership costs including principal, interest, property taxes, insurance, and maintenance/emergency repairs have increased even more so with a 39% increase.

U.S. home existing sales averaged about 4.1 million per year from 2023-25 and the long-term historical norm in prior years was 5.2 million (~20% difference). Meanwhile, if you include all aspects of owning a home, ownership costs have increased 39% since the pandemic, while inflation overall has increased 26%.

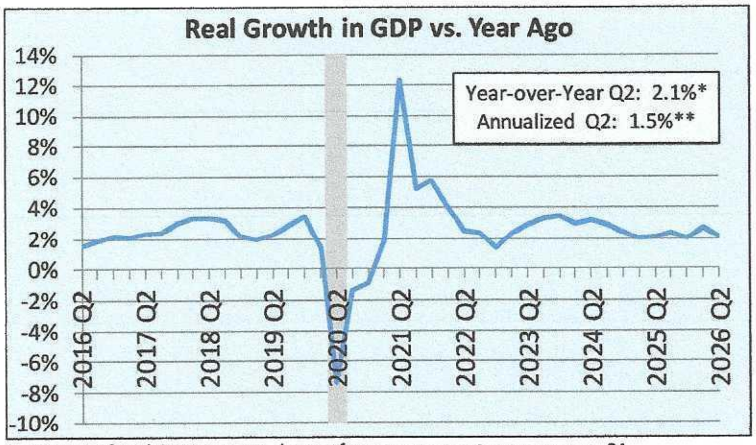
Commercial Real Estate, or CRE, {Page 6} presents an interesting picture. Locally, vacancy rates improved modestly for office and retail space during the second quarter, while industrial vacancy increased somewhat. However, if you look at the graph, vacancies across markets are higher than they were a couple of years ago. In terms of lease rates, office rents continued to rise despite higher vacancies, suggesting that demand remains strongest for high-quality space (and this is a nationwide trend). Medical office vacancies remained unchanged, reflecting continued stability in healthcare-related CRE although I wouldn't say the ~10% vacancy rate is a "healthy" market.

Both nationwide and locally, the CRE market seems increasingly divergent. Office buildings continue to struggle in many cities, while apartments are working through a temporary supply glut. Meanwhile, industrial warehouses, neighborhood retail centers, and especially data centers are seeing much stronger demand. Retail is doing better than expected because relatively little new retail space has been built since The Great Recession and that lower supply has buoyed lease rates while keeping vacancies low. Just a few years ago, office vacancies dominated conversations about commercial real estate, but today one of the industry's biggest challenges isn't finding tenants, it's finding enough electricity to power new data centers. As artificial intelligence, cloud computing, and digital infrastructure continue to expand, power availability and community concerns about energy costs have become some of the primary constraints on commercial real estate development, illustrating just how quickly structural changes can reshape the economy. In this week's segment and article, I talk about how Texas is by far the nation's largest producer of wind energy and that depending on conditions, wind and solar combined provide at a minimum 40% and at a maximum 75% of the state's electricity. That segment also gives the history of this surprising fact as well as how clean energy has given Texas a comparative advantage given AI's electricity demands.

While we are still in peak, local tourism season, I'll lastly highlight the good news that in 2025 our **Tourism Spending {Page 7}** increased to $2.4 billion (up $100 million from 2024). Employment stayed about the same while associated local tax receipts increased to $154 million (+3.3% from 2024). This is quite different than tourism across the U.S., which had modestly lower domestic travel and significantly lower international travel. Americans continued traveling within the U.S., although many opted for shorter and more budget-conscious trips. International tourism declined in 2025, largely because of fewer Canadian visitors (the biggest factor), a strong U.S. dollar, visa and border frictions, and increased competition from overseas destinations. The result was billions of dollars less in U.S. tourism revenues. But this wasn't true locally. We hope you enjoy the remainder of the summer and that you are able to enjoy our local attractions as the tourists do!

Tatiana & Rebecca

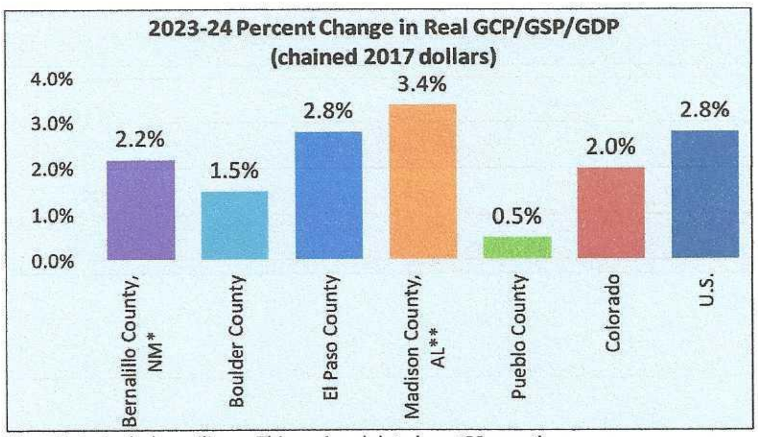
MACROECONOMIC "BIG PICTURE" (PAGE 3)



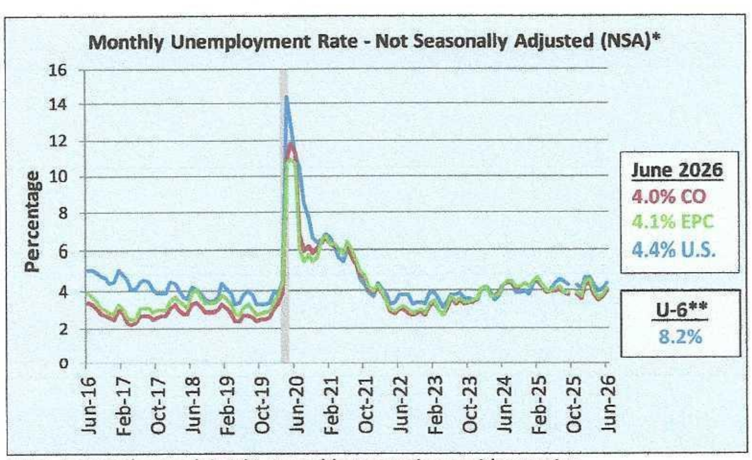
*Estimate of real GDP percent change from same quarter a year ago, SA
**If quarterly changes were annualized over the year.
Source: U.S. Bureau of Economic Analysis

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%

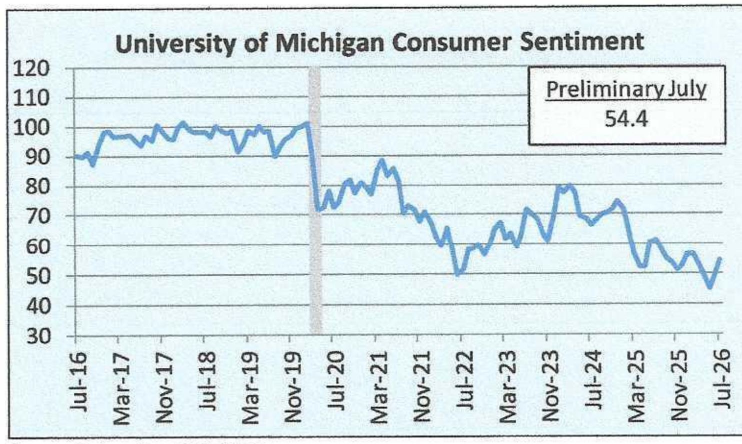
*Rate is actual average for 2025 excluding October which is unavailable due to the government shutdown.
Forecasts by Data-Driven Economic Strategies with input from the Conference Board, Wells Fargo, Colorado Department of Labor & Employment, and other anecdotal resources.
Sources: U.S. Bureau of Economic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



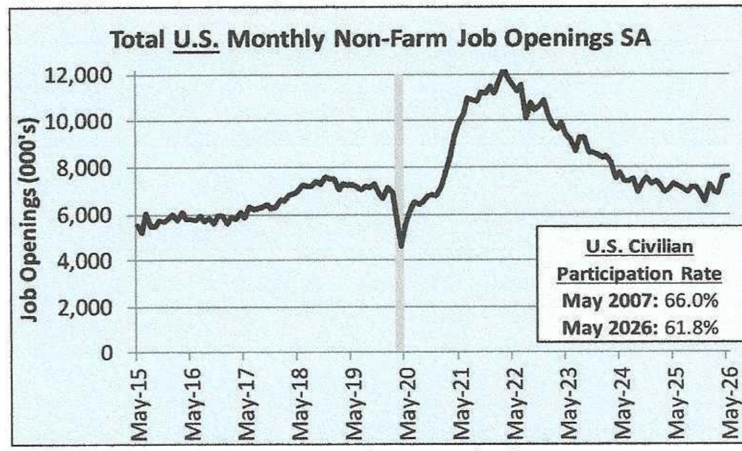
Note: Data includes military. This regional data lags ~23 months.
*This county makes up all of Albuquerque, NM.
**This county makes up half of Huntsville, AL.
Source: U.S. Bureau of Economic Analysis



Note: Data in the graph is NSA to enable comparisons with counties.
*Seasonally adjusted, the U.S. rate in June was 4.2%.
**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: University of Michigan



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

U.S. Consumer Price Index - June 2026		
	All items	Less food & energy
Change from May to June 2026 (SA)	-0.4%	0.0%
Last 12-months (NSA)	3.5%	2.6%
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)

Source: Board of Governors of the Federal Reserve System

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LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Colorado Springs MSA June 2026		
Top Job Titles	**# of Job Postings**	**Median Advertised Salary**
Registered Nurses	803	$93,440
Heavy & Tractor-Trailer Truck Drivers	526	$78,208
Retail Salespersons	517	$35,456
Software Developers	425	$140,032
Computer Sys Engineers/Architects	382	$137,728
1st-Line Supervisors, Retail Sales	321	$47,616
Customer Service Reps	227	$40,832
Personal Care Aides	192	$40,576
General & Operations Managers	187	$100,096
Maintenance & Repair Workers	180	$47,744

Colorado Springs MSA, June 2026

TOTAL Job Openings: 19,173

TOTAL Unemployed: 15,797

Workers Available per Job Opening: 0.82

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 Average Annual Wages for All Industries		
El Paso County wages are 9.9% lower than U.S. wages and 15.8% lower than CO wages.		
U.S.	**Colorado**	**El Paso County**
$78,722	$84,157	$70,899
2025 El Paso County Total Employment*		307,996
***Estimated military employment in 2024 (and % of total 2024 EPC who are military).**		59,183 **(16.1%)**

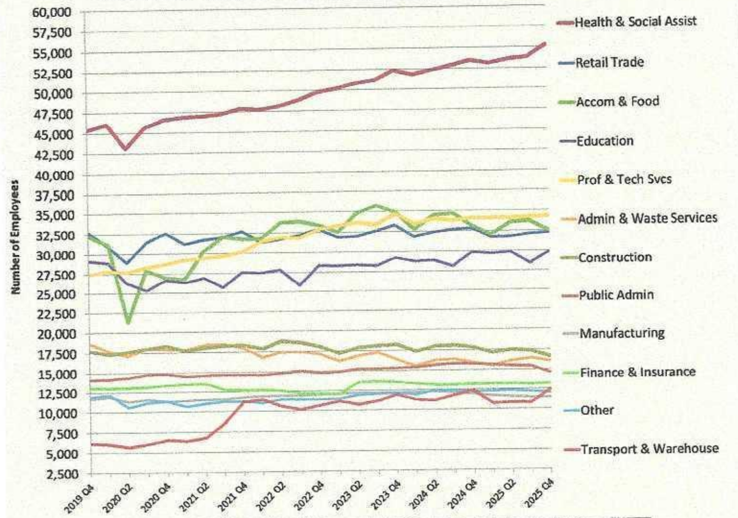
2025-26 Minimum Wage & Living Wage El Paso County		
	Wage/Hr	**Annualized**
Minimum wage salary for full-time worker	$15.16	$31,533
Living wage: HHs with 1 adult, 2 children	$62.65	$130,312
Living wage: HHs with 2 adults (1 working), 2 children	$42.89	$89,211
Living wage: HHs with 2 adults* (2 working),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

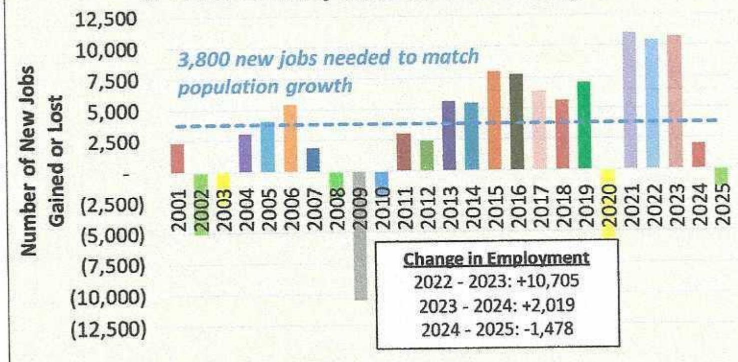
Sources: U.S. Bureau of Labor Statistics and Colorado Department of Labor and Employment, QCEW; Local military installations; U.S. Census Bureau, American Community Survey 1-year estimates; U.S. Department of Health & Human Services; MIT Living Wage Calculator

El Paso County Quarterly Employees in Top 12 Sectors



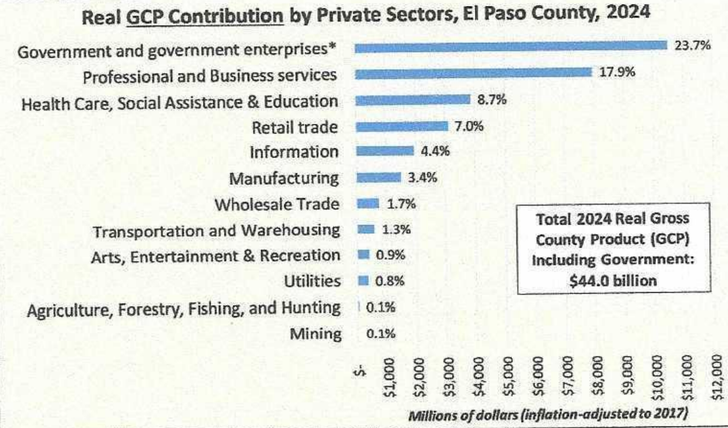
Top Growing Industries from 2019 Q4 to 2025 Q4
Transportation & Warehousing: +101.8%
Professional & Technical Services: +24.7%
Health & Social Assistance: +21.8%
Public Administration: +3.2%
Educational Services: +2.5%

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

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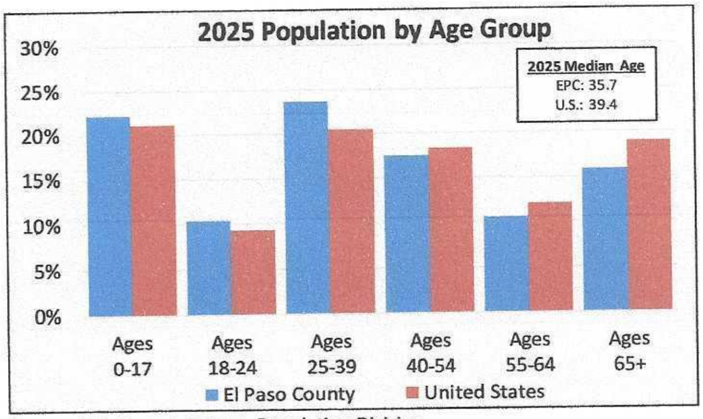
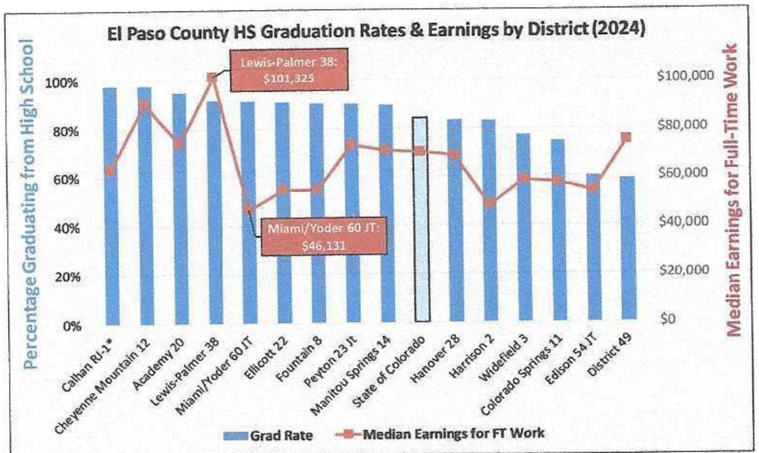
DEMOGRAPHICS (PAGE 5)

Population Estimates	2025	2060
El Paso County	757,067	1,023,604
Colorado	5,989,882	7,544,962

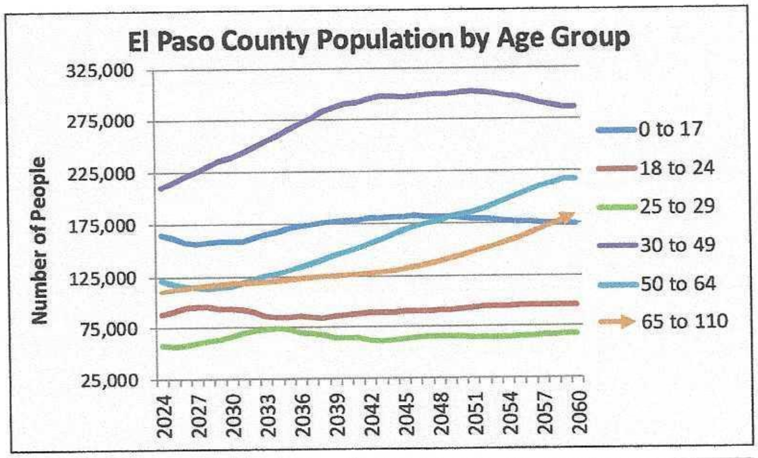
The **City of Colorado Springs** had a population of **494,808** in 2024.
Source: Colorado State Demography Office

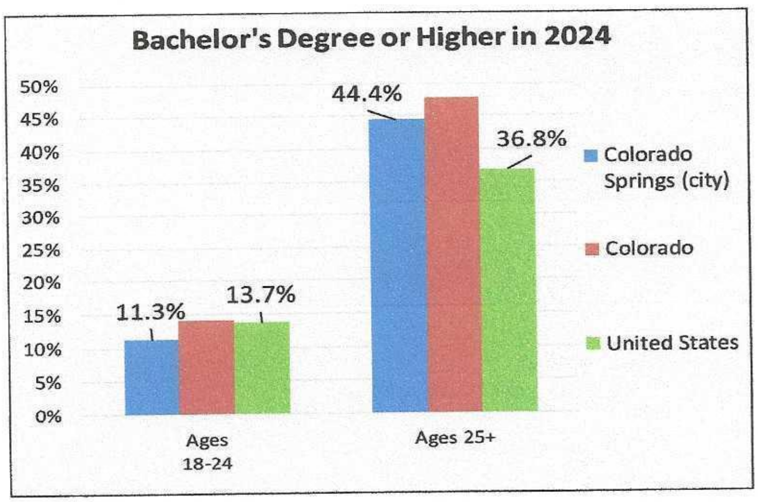


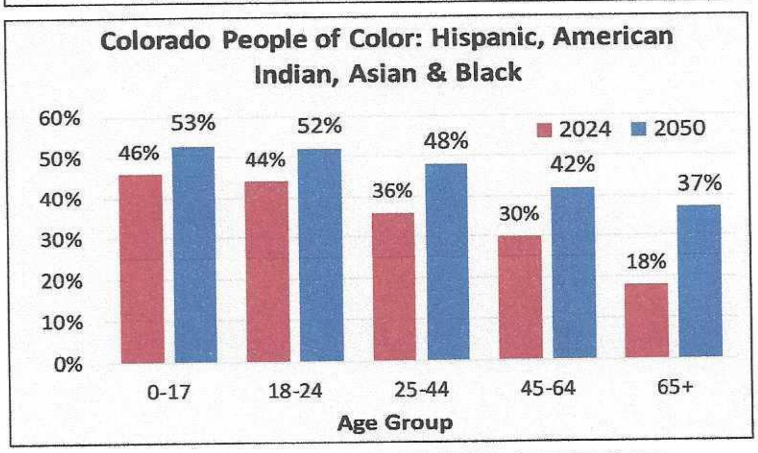
Source: U.S. Census Bureau, Population Division

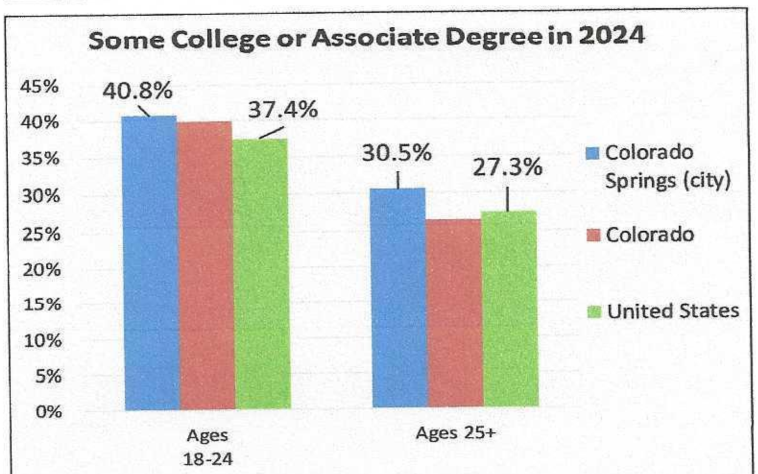


Note: Calhan, Ellicott, Peyton, Hanover, Edison, and Miami/Yoder districts all have fewer than 100 students. District 49 has a significant number of online students, which pull down the districtwide average. (Without the largest online school, the district average is 87%.) *Calhan had ≥ 98% graduation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

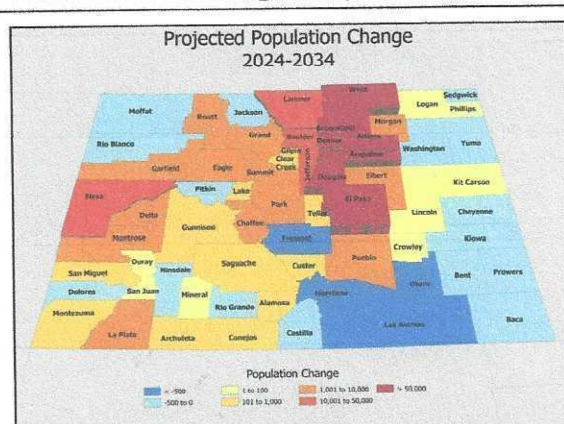








Source: U.S. Census Bureau, American Community Survey 1-year estimates



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

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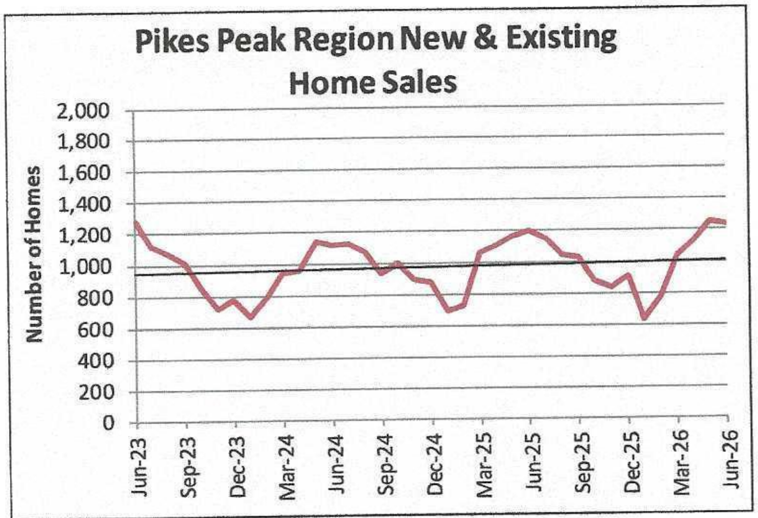
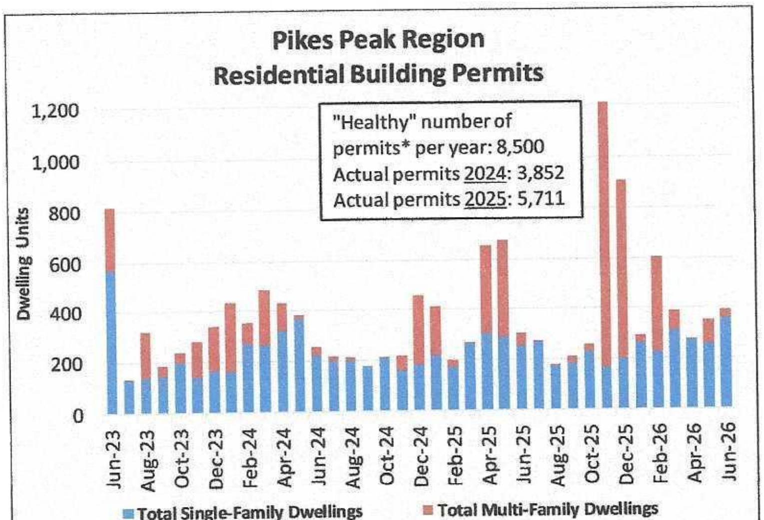
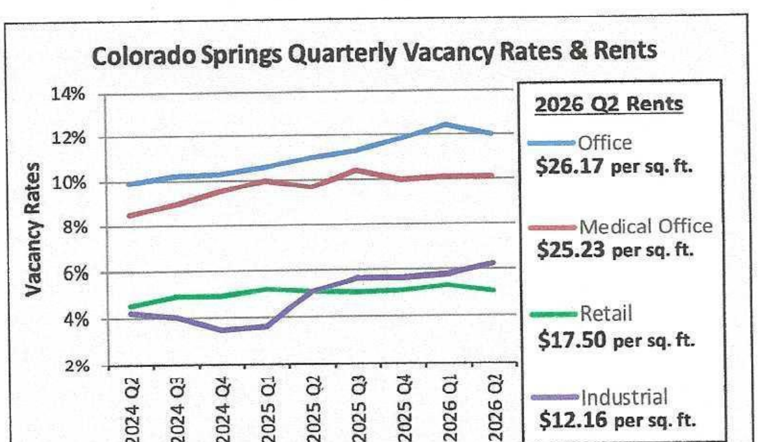
REAL ESTATE (PAGE 6)



Source: Pikes Peak REALTOR® Services Corp.



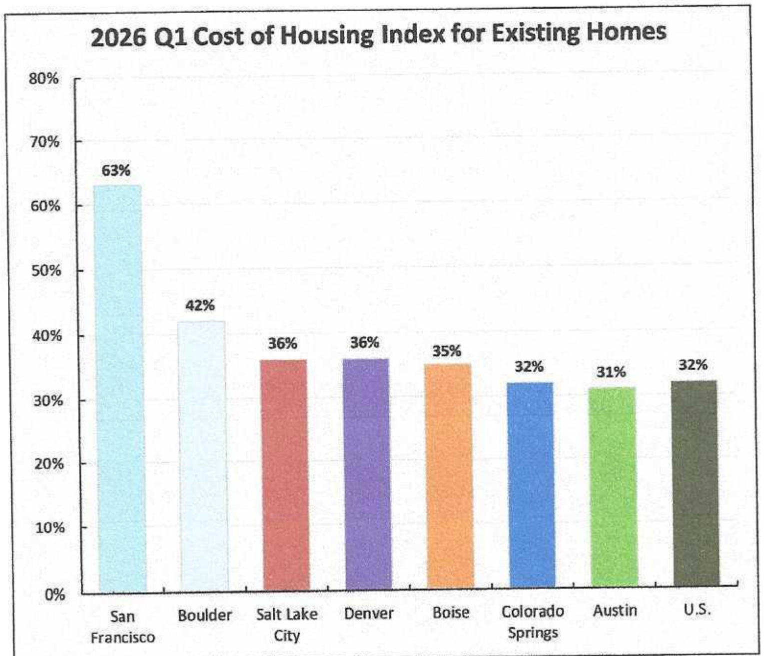
*The methodology for "healthy permits" now includes single-family and multi-family dwellings needed if we incorporate both population growth and the existing shortage of housing between 2025 and 2030. These calculations by Data-Driven Economic Strategies were reviewed in April 2026 and incorporate research 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



Sources: CoStar Group™

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®

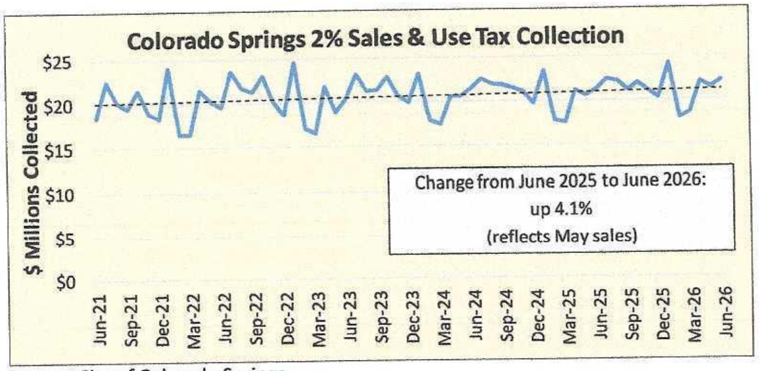


Notes: The Cost of Housing Index (CHI) is defined as the percentage of the local median pre-tax income needed for mortgage payments, based on standard mortgage underwriting criteria. It includes only existing home prices.
Sources: National Association of Home Builders; Wells Fargo

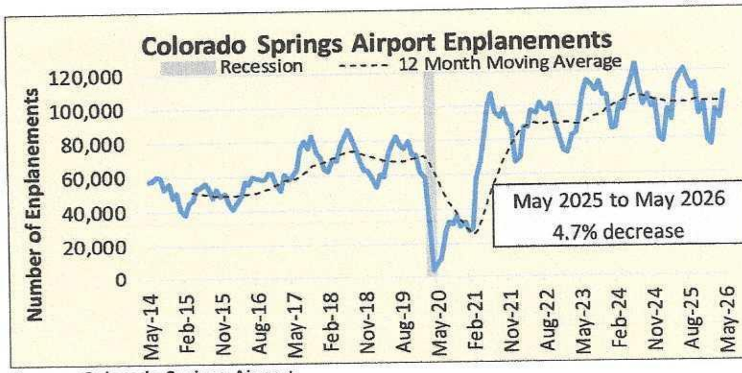
Apartment Rental Information			
	Colorado Springs	Denver	Salt Lake City
Market Conditions 2025 Q4	Soft	Soft	Slightly Soft
Vacancy Rate 2024 Q4	*14.4%*	*11.4%*	*10.8%*
Vacancy Rate 2025 Q4	13.1%	12.2%	11.3%
Average Rent 2024 Q4	*$1,504*	*$1,839*	*$1,622*
Average Rent 2025 Q4	$1,457	$1,777	$1,591

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

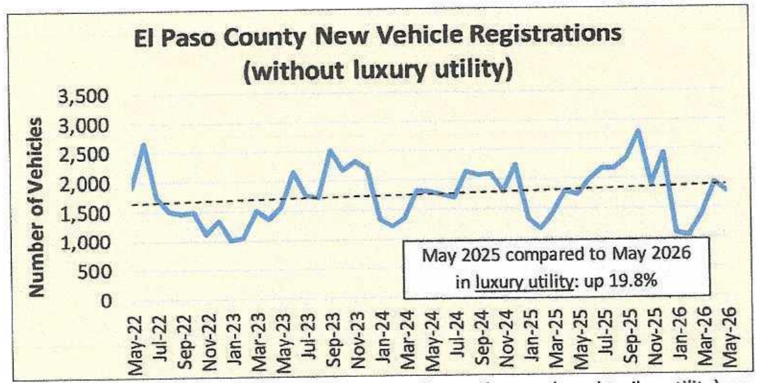
TAXATION, VEHICLE SALES, AIR QUALITY, AND TOURISM (PAGE 7)



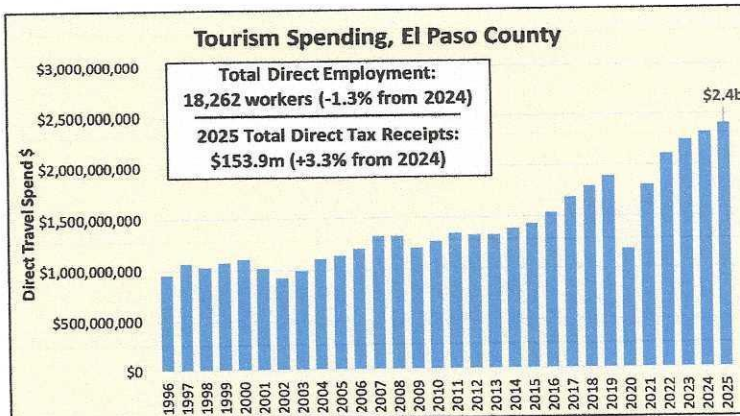
Source: City of Colorado Springs



Source: Colorado Springs Airport



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

2025 Air Quality		
	Colorado Springs*	U.S. Standard
Carbon Monoxide (CO) Concentration (ppm)	0.7	9.0
Particulate Matter ($\mu g/m^3$)	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

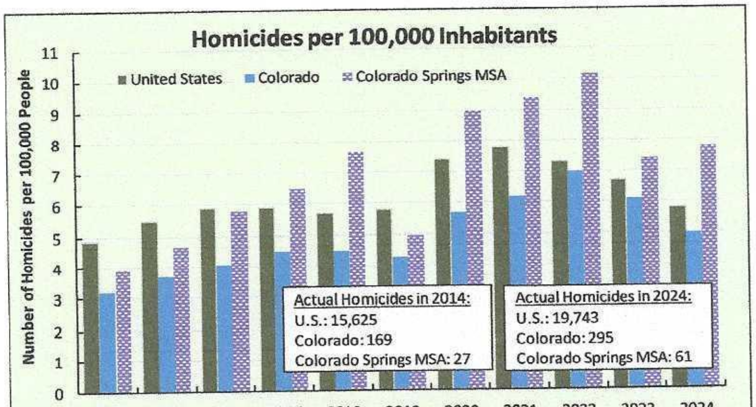
Source: Colorado Department of Public Health & Environment

Hotel Occupancy Rate June 2026	
Colorado Springs	Denver
77.9%	79.2%

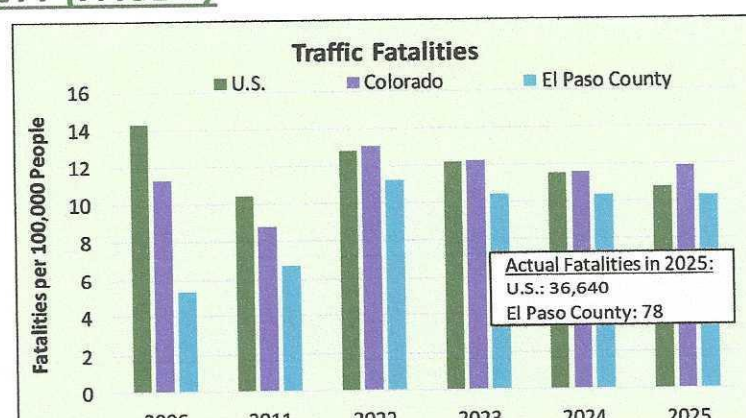
Hotel RevPAR* June 2026	
Colorado Springs	Denver
$118.02	$135.31

*RevPAR measures hotel revenue by taking the average room rate times hotel occupancy.
Source: CoStar Group™

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

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

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

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SUPPORTERS (PAGE 8)

AC-REP
Invested in Greater Adams County

AMNET
The IT Department for Your Business

AASC
APARTMENT ASSOCIATION
OF SOUTHERN COLORADO

Bank of Colorado

BANNING LEWIS RANCH
AN OAKWOOD HOMES COMMUNITY

BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS

BLAZER
ELECTRIC SUPPLY COMPANY

CLASSIC HOMES

Colorado Institute of Family Medicine

COLORADO SPRINGS

COLORADO SPRINGS AIRPORT

Community Banks of Colorado

COPPR
CULTURAL OFFICE OF THE PIKES PEAK REGION

EL POMAR FOUNDATION

EL PASO COUNTY
COLORADO

Ent Credit Union

banking for good 1stBANK

FOX 21 LOCAL NEWS

FRONT RANGE COMMUNITY COLLEGE

The Gazette

DISTRICT TWO HARRISON SCHOOLS

HUB

INBANK

Integrity BANK & TRUST

LEGACY INSTITUTE

NUNN CONSTRUCTION

OLIVE REAL ESTATE GROUP

Pikes Peak Area Council of Governments
Communities Working Together

PIKES PEAK STATE COLLEGE

PIKES PEAK WORKFORCE CENTER

PUEBLO ECONOMIC DEVELOPMENT CORP

THE ROCK BRIDGE GROUP

R
kw ASPIRE

SALZMAN REAL ESTATE SERVICES
50 YEARS AND COUNTING

uchealth

VECTRABANK COLORADO

visit COLORADO SPRINGS

WIDEFIELD SCHOOL DISTRICT 3

THANK YOU!

Data updated on 07/30/2026.

Contact info@ddestrategies.org.