

El Paso County Economic & Workforce Progress Report (EPR)

Highlights - September 2026

The September economic data continue to tell a mixed story about the national, state, and local economies. Retailers that reflect discretionary spending (often coined “luxury” goods) mostly report strong sales while retailers like Walmart that reflect more typical consumers report weakened sales. Similarly, there are mixed signals for businesses. According to the [Federal Reserve Bank of Kansas City](#), which represents Colorado, business activity has neither grown nor contracted but they note signs of softening (see text box). These business surveys also hint at further price increases.

“Retailers and manufacturers drew down inventories and limited new purchases to preserve cash and working capital amid elevated input prices and uncertain demand. Cost pressures also broadened, prompting more frequent adjustments to finished goods and retail prices.” ~Federal Reserve Bank of Kansas City

This combination is important because an economy does not typically move uniformly in one direction. Right now, there are clear areas of strength alongside increasing signs of financial strain for households as well as caution amongst businesses. Conditions will never be uniform across household income levels or across all businesses. However, the divergence within those households and businesses is predicated upon whether they reflect the higher or lower end consumer. Historically, that increasing divergence is a predictor of a slowdown in broad based economic growth.

The labor market data embodies these contradictions. The seasonally adjusted U.S. Unemployment Rate {Page 3} held at 4.1% in both July and August. On a non-seasonally adjusted basis (NSA), the national rate edged down from 4.4% to 4.3%. Remember that we report both seasonally and not-seasonally-adjusted because available local county data only reports NSA, and we like to give you an apples-to-apples comparison between the U.S., state and local data.

With that in mind, Colorado and El Paso County moved in the opposite direction to the U.S. Colorado's Unemployment Rate {Page 3} increased from 4.1% in July to 4.6% in August, while El Paso County's Rate {Page 4} increased from 4.3% to 4.7%. The number of unemployed people in the Colorado Springs metropolitan area increased almost 9% from a revised 16,782 in July to 18,258 in August. As the saying goes, one month does not make a trend, but given the employment slowdown across the state and our region (see El Paso County Annual Job Changes, Page 4), the 9% rise in local unemployment is noteworthy. I hope it does not signal further softening in the labor market. Meanwhile, local job openings were unchanged.

The just-released U.S. Job Openings {Page 3} show a decline of 256,000 jobs to 7.08 million openings, although layoffs remain relatively low. That same Federal Reserve report referenced above highlights that businesses are still saying they cannot find the qualified labor they need and that helps explain low layoffs despite tepid business confidence. I often cite the aging of our workforce and the now roughly 40,000 immigrant deportations per month. However, the U.S. Labor Force Participation Rate {Page 3} continues to exacerbate this conundrum with the latest data showing a participation rate of only 61.6% in August. July's rate was similar at 61.4%, which was the lowest level since February 2021. Hence, you have a low unemployment rate, which is “good,” but low business confidence with price pressures and “typical” Americans financially strained. Yes, retail sales continue to increase, but when you adjust for inflation and the increased spending attributable to higher gasoline expenditures, the retail sales numbers are not as impressive. Hence, my earlier comments on an economy with “mixed signals.”

And the price pressures continue. The Consumer Price Index {Page 3} increased 0.4% in August on a seasonally adjusted basis, compared with a 0.1% increase in July. Overall prices were 3.4% higher than a year earlier. Core inflation, which excludes food and energy, increased 0.3% for the month and 2.4% over the year. A separate consumer confidence survey by The Conference Board showed a marked decline in how consumers are feeling, and it's all about prices, while the University of Michigan Sentiment Index {Page 3} is at historic lows (take a look at the very telling graph). As the Iran conflict drags on, consumers are now expecting no resolution anytime soon, and that not only further erodes confidence and “real” income, it also embeds inflation expectations for both businesses and consumers. Economists and the Fed watch these price expectations carefully as they can eventually wreak havoc with medium and longer-term business and consumer decision making that is hard to unravel.

In a recent FOX21 economic update and corresponding Gazette article, I dug further into the topic of rising personal income and how that aggregate statistic “adds up” income across all income levels which doesn't fully reflect the “average American.”

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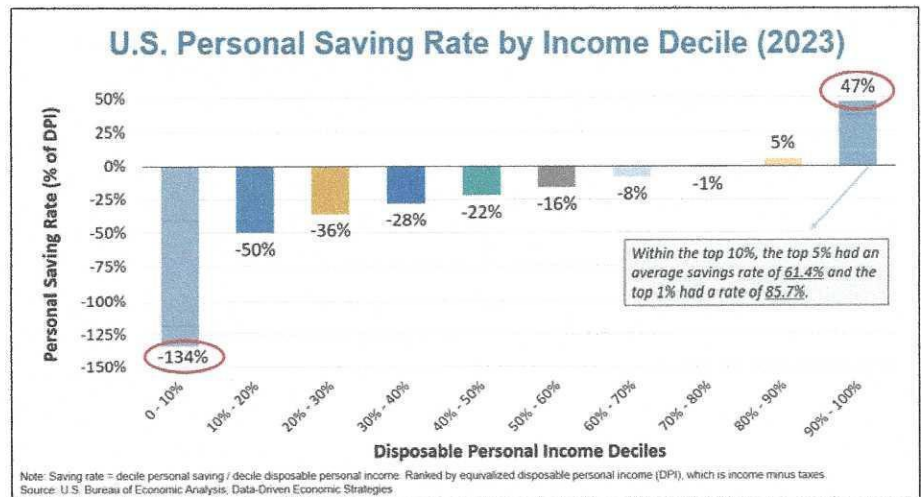
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The same can be said about the U.S. savings rate. The graph shows the incredible difference in terms of the financial buffer depending upon income levels. You would expect higher income Americans to save more, but the difficulty lies in the negative savings rate of such a large proportion of individuals. That Fox21 segment can be accessed here: [Yahoo Finance](#). 2023 is the most recent data available, but I am quite sure this dichotomy in the savings rate is more acute now than it was then as the overall savings rate is lower now, prices are higher, and credit card use and delinquencies are also higher.



Now let's look at the local "typical" American in terms of housing. With the September interest rate hike, the **30-year Mortgage Rate {Page 3}** as of mid-September stood at 6.95%, which further inhibits homebuying. The challenge is particularly acute among first-time buyers. I did an analysis showing that with our median **Pikes Peak Home Price {Page 6}** at \$470,000 in August, a household would need \$94,000 upfront for the 20% downpayment. At current mortgage rates, the estimated monthly housing cost approaches \$3,200 once estimated property taxes and homeowners' insurance are included. Using the conventional guideline that housing costs should remain below 30% of gross income, the household would need an annual income of approximately \$127,760. Yet, the latest available median household income for El Paso County (2024) is \$91,009. That creates an income affordability gap of nearly \$37,000 a year between what the typical household earns, and the income needed to afford the median-priced home under these assumptions. And remember that calculation already assumes the household has accumulated the \$94,000 down payment. I don't believe the lagging (Census) income data materially changes the picture because house prices have actually declined slightly since 2024.

The problem becomes even clearer when we look at the local income distribution. In 2024, 54.7% of El Paso County households earned less than \$100,000, while 74.9% earned less than \$150,000. In other words, most local households do not have the income needed to purchase a median priced home. If we did the same analysis for the average priced home (\$550,000), the barriers are even higher.

Locally, we do have some reasons for optimism. Bliss Mobil, a Netherlands-based manufacturer of premium off-grid living systems (kinda cool), selected Colorado Springs for its U.S. headquarters. The company is expected to invest approximately \$4 million locally and is exploring bringing portions of its manufacturing operations to the United States. Visit Colorado Springs, our local tourism office, was the recipient of the 2026 Governor's Award for Creative Marketing Campaign. The award recognizes particularly creative and effective campaigns promoting Colorado destinations to domestic or international visitors. The project uses videos, web content and an interactive map to showcase attractions and amenities including from lesser known regions/attractions. The campaign generated nearly one million social-media engagements and is designed to encourage visitors to explore lesser-known areas and stay longer. In 2025, our **Local Tourism {Page 7}** industry generated \$2.4 billion in direct spending while employing over 18,000 workers. Now we just have to hope "Super El Niño" will produce a ton of snow for our state economy. (Side note: "El Niño" just means little boy, but since the oceanic warming trends were typically noted by fishermen in December, they named it El Niño because that also refers to the Christ child around Christmas time). In any event, it's always sad to see summer end, but the snowy peaks in Colorado make us all smile – especially skiers and economists.

Tatiana & Rebecca

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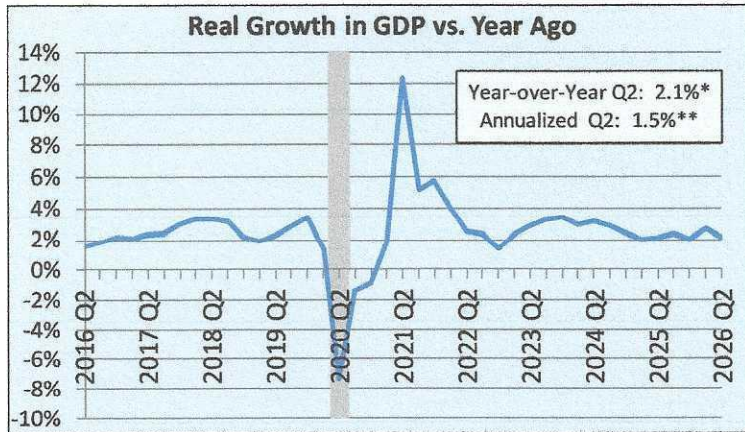
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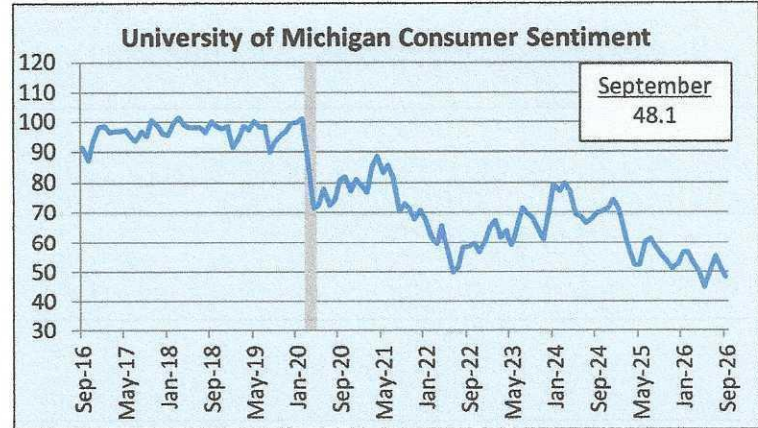
MACROECONOMIC "BIG PICTURE" (PAGE 3)



*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



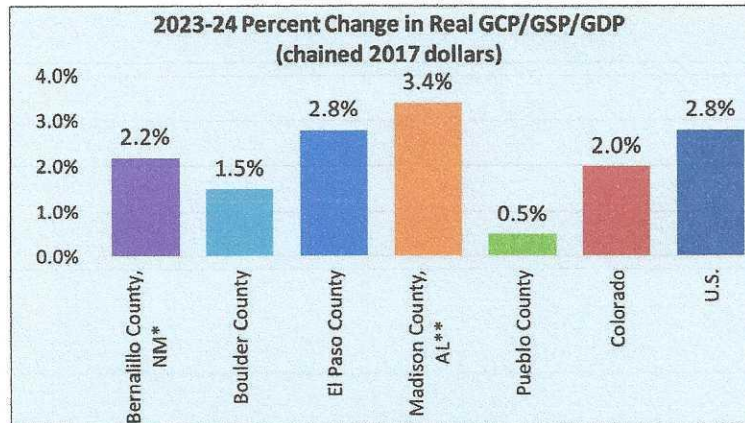
Source: University of Michigan

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



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

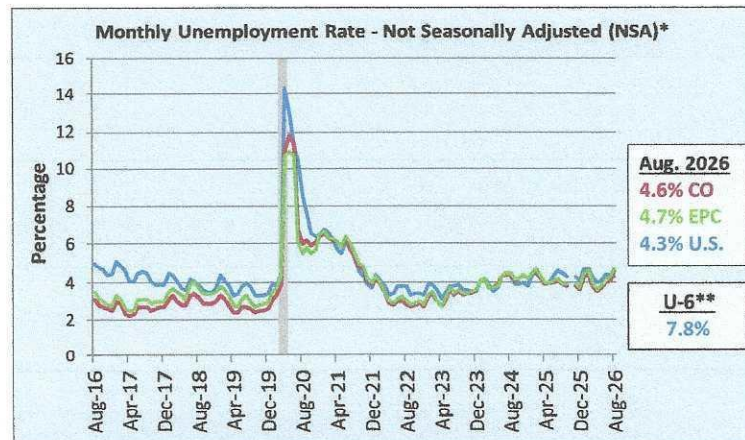


Source: U.S. Bureau of Labor Statistics; Job openings data lags.

U.S. Consumer Price Index - August 2026		
	All items	Less food & energy
Change from July to August 2026 (SA)	0.4%	0.3%
Last 12-months (NSA)	3.4%	2.4%

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)

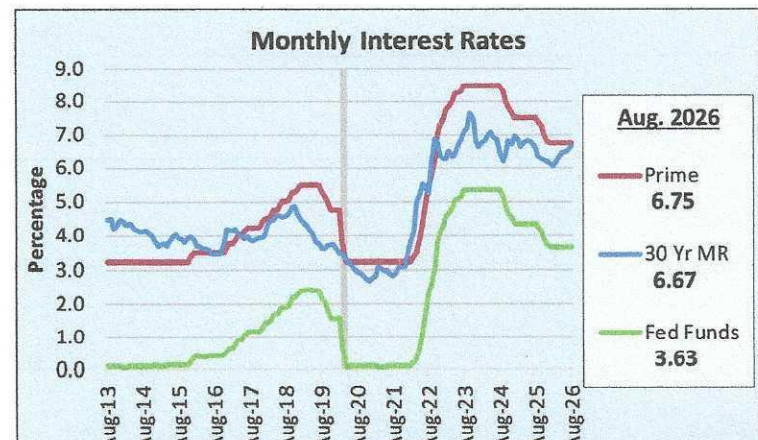


Note: Data in the graph is NSA to enable comparisons with counties.

*Seasonally adjusted, the U.S. rate in July was 4.1%.

**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

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LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Colorado Springs MSA August 2026

Top Job Titles	# of Job Postings	Median Advertised Salary
Registered Nurses	775	\$93,440
Retail Salespersons	562	\$35,712
Software Developers	508	\$146,176
Heavy & Tractor-Trailer Truck Drivers	490	\$73,088
Computer Sys Engineers/Architects	433	\$138,752
1st-Line Supervisors, Retail Sales	370	\$47,488
Customer Service Reps	243	\$41,600
General & Operations Managers	224	\$98,560
Maintenance & Repair Workers	220	\$48,640
Medical & Health Services Managers	211	\$69,888

Colorado Springs MSA, August 2026

TOTAL Job Openings: 20,021

TOTAL Unemployed: 18,258

Workers Available per Job Opening: 0.91

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.

2026 Q1 Average Annual Wages for All Industries

**El Paso County wages are
13.2% lower than U.S. wages
and 19.0% lower than CO wages.**

U.S.	Colorado	El Paso County
\$86,008	\$92,144	\$74,620
2026 Q1 El Paso County Total Employment*		303,287
*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

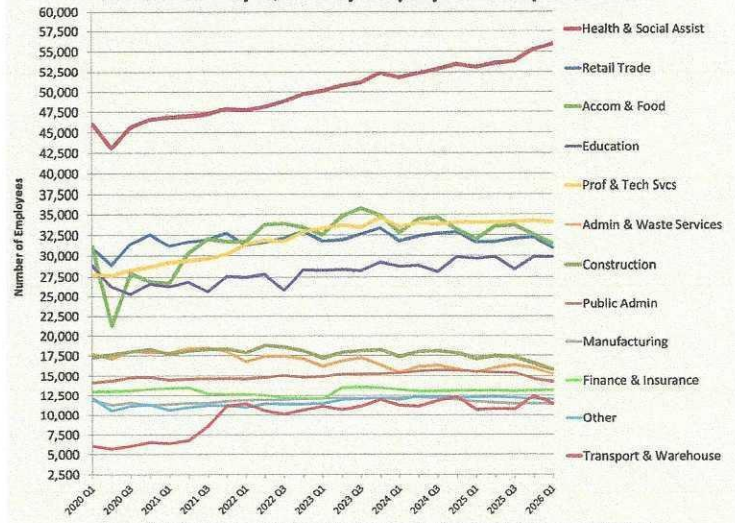
	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$15.16	\$31,533
Living wage: HHs with 1 adult, 2 children	\$62.65	\$130,312
Living wage: HHs with 2 adults (1 working), 2 children	\$42.89	\$89,211
Living wage: HHs with 2 adults* (2 working), 2 children	\$32.52	\$67,642

*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

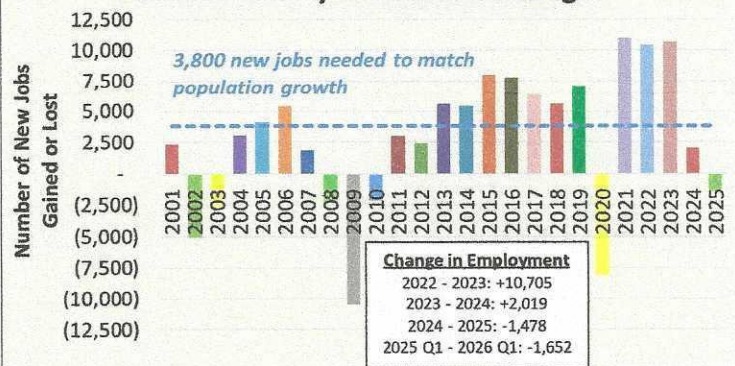
El Paso County Quarterly Employees in Top 12 Sectors



Top Growing Industries from 2020 Q1 to 2026 Q1

Transportation & Warehousing: +89.1%
Professional & Technical Services: +22.4%
Health & Social Assistance: +21.5%
Educational Services: +3.1%
Finance & Insurance: +1.3%

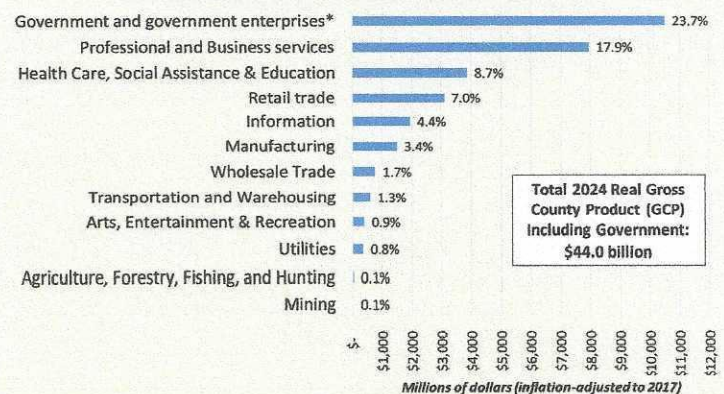
El Paso County Annual Job Changes



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 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

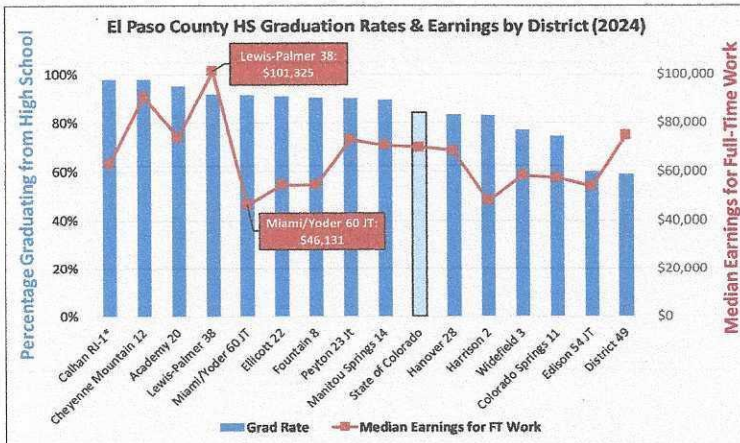
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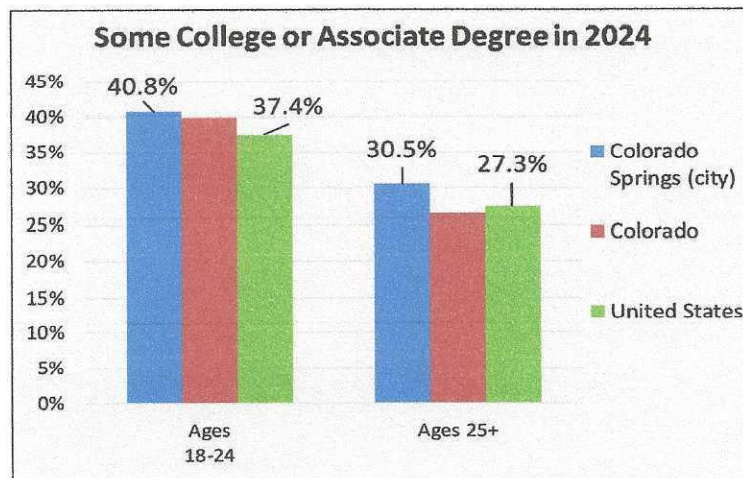
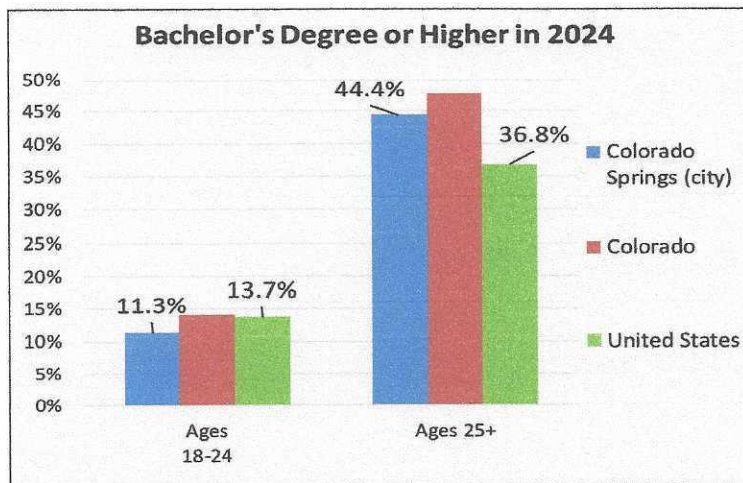
DEMOGRAPHICS (PAGE 5)

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

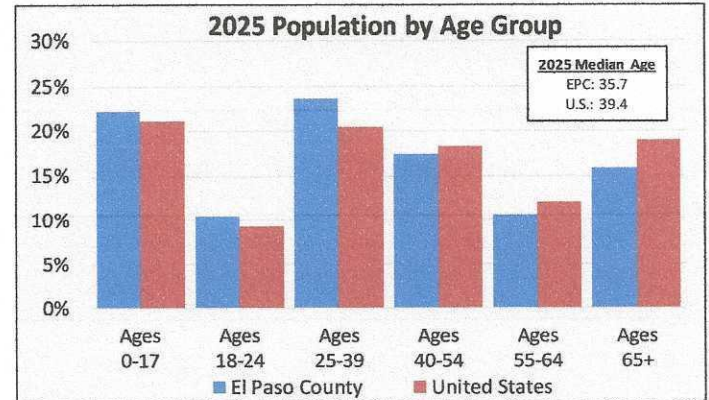
The City of Colorado Springs had a population of 494,808 in 2024.
Source: Colorado State Demography Office



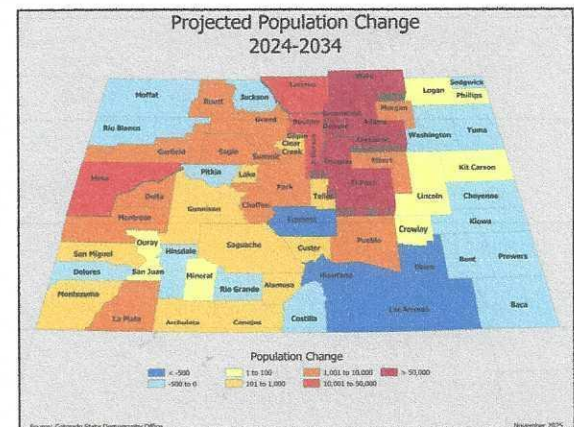
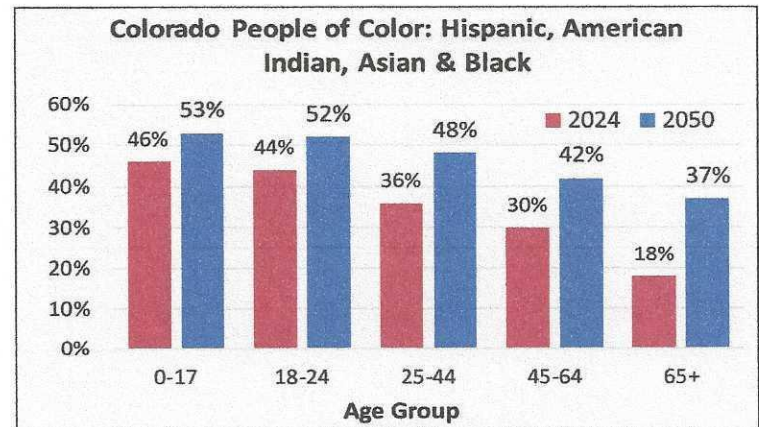
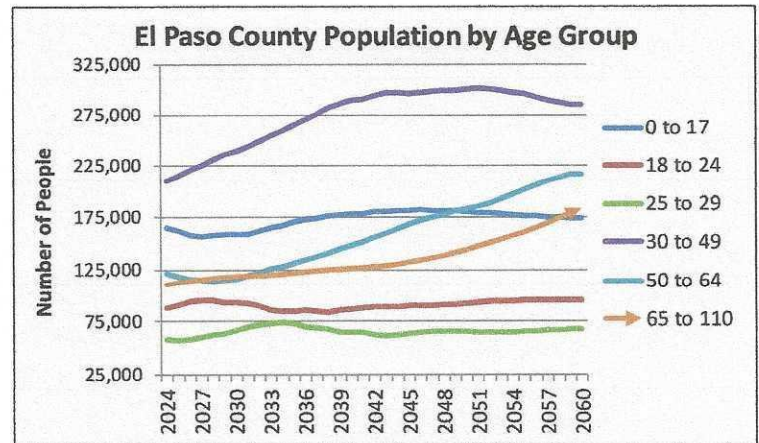
Note: Calhan, Ellicott, Peyton, Hanover, Edison, and Miami/Yoder districts all have fewer than 100 students. District 49 has a significant number of online students, which pull down the districtwide average. (Without the largest online school, the district average is 87%.) *Calhan had ≥ 98% graduation 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



Source: U.S. Census Bureau, Population Division



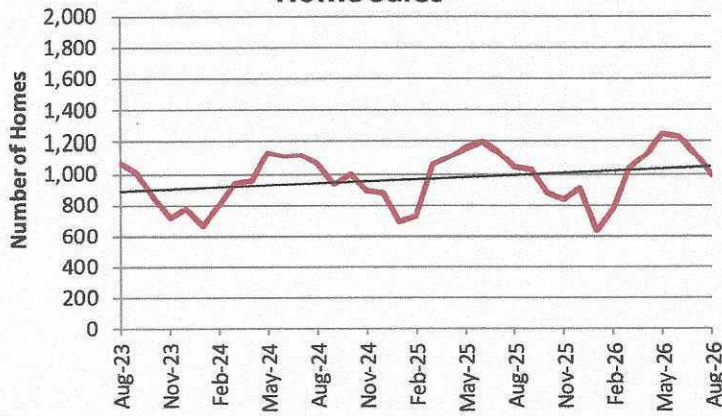
Note: The Colorado People of Color data is vintage 2024.
Source: Colorado State Demography Office

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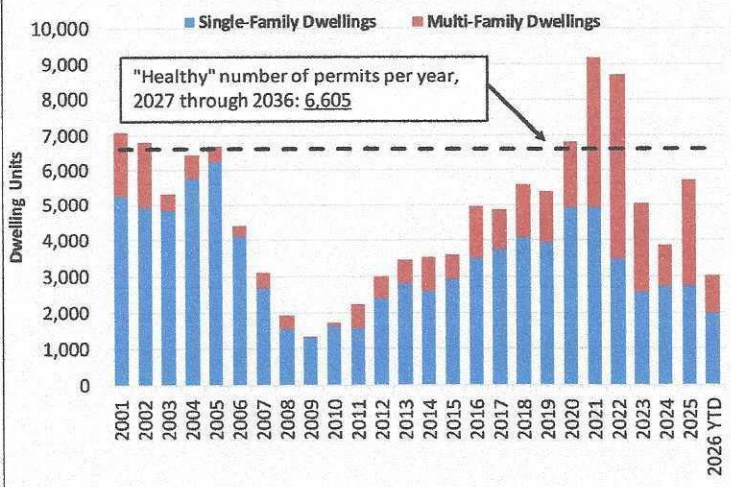
REAL ESTATE (PAGE 6)

Pikes Peak Region New & Existing Home Sales



Source: Pikes Peak REALTOR® Services Corp.

Pikes Peak Region Annual Residential Building Permits

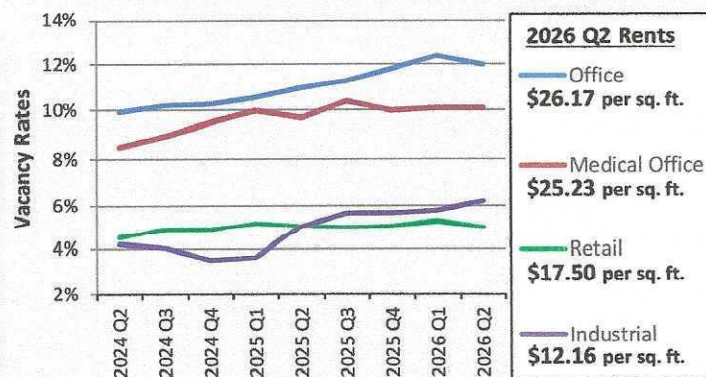


The methodology for "healthy permits" now includes single-family and multi-family dwellings needed if we incorporate both population growth and the existing shortage of housing from 2027 through 2036. These calculations by Data-Driven Economic Strategies were reviewed in August 2026 and incorporate research by Common Sense Institute, Matrix Design Group, Inc., 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



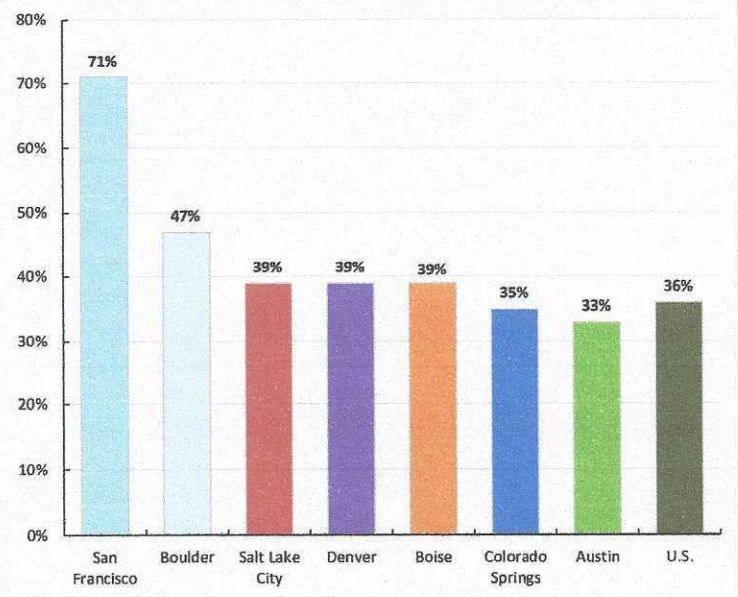
Sources: CoStar Group™

Median Existing Single-Family Home Price 2026 Q2

Location	Colorado Springs	Denver	Boise	United States
Price	\$479,500	\$668,300	\$521,600	\$434,900
1-year % Change	0.2% decrease	0.2% increase	5.5% increase	1.5% increase
MSA Rank	52	23	41	n/a

Sources: National Association of REALTORS®

2026 Q2 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

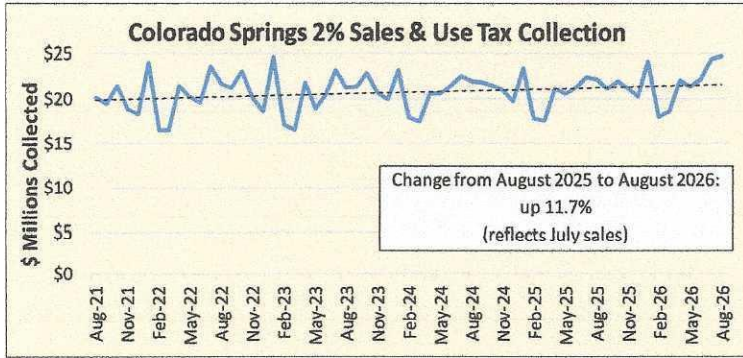
	Colorado Springs	Denver	Salt Lake City
Market Conditions 2026 Q2	<u>Soft</u>	Slightly Soft	Slightly Soft
Vacancy Rate 2025 Q2	13.0%	11.6%	11.0%
Vacancy Rate 2026 Q2	<u>10.7%</u>	10.6%	9.3%
Average Rent 2025 Q2	\$1,505	\$1,866	\$1,641
Average Rent 2026 Q2	<u>\$1,490</u>	\$1,823	\$1,625

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

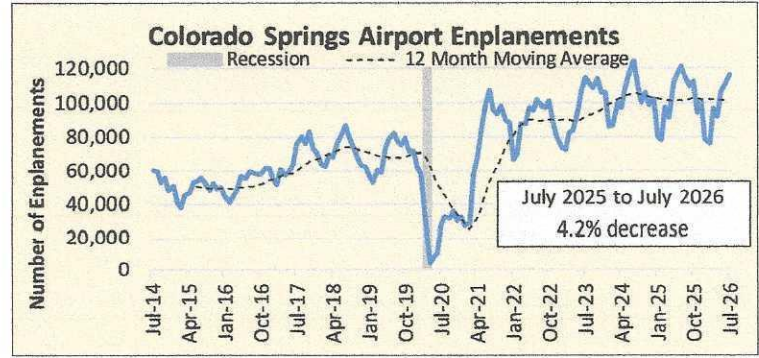
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TAXATION, VEHICLE SALES, AIR QUALITY, AND TOURISM (PAGE 7)



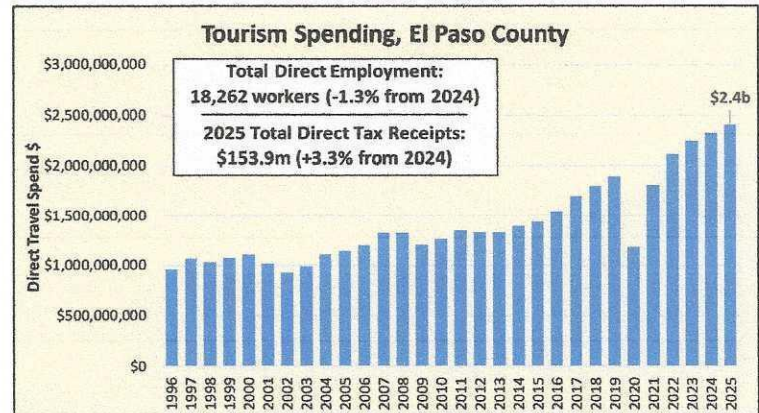
Source: City of Colorado Springs



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 ($\mu\text{g}/\text{m}^3$)	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

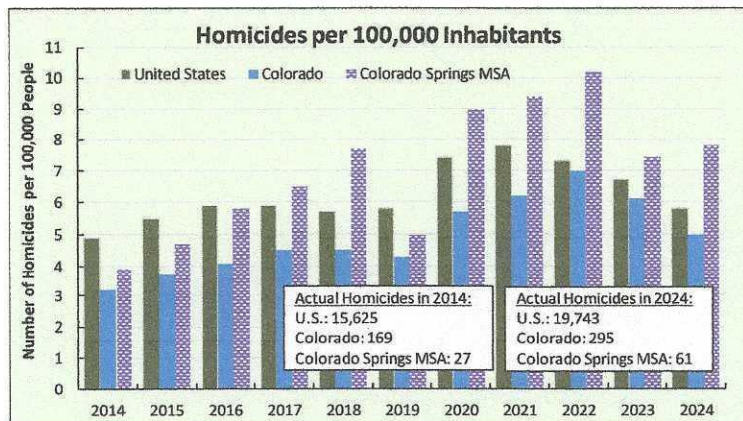
Hotel Occupancy Rate August 2026	
Colorado Springs	Denver
73.9%	76.9%

Hotel RevPAR* August 2026	
Colorado Springs	Denver
\$111.20	\$125.49

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

Source: CoStar Group™

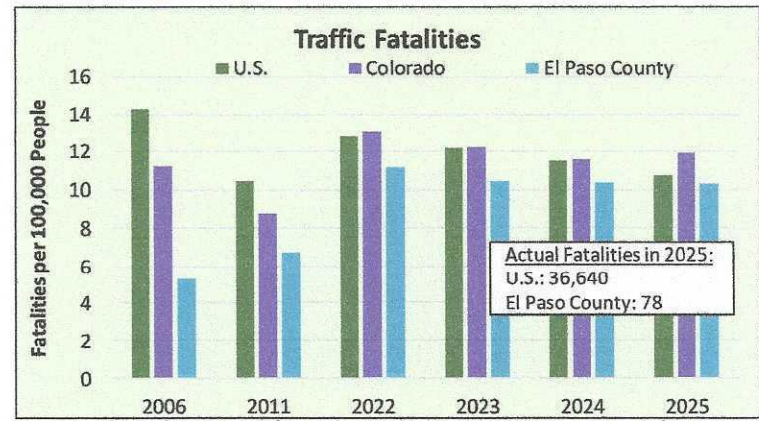
CRIME & SAFETY (PAGE 7)



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.

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



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

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)



THANK YOU!