UCCS
Economic Forum
COLLEGE OF BUSINESS
UNIVERSITY OF COLORADO
COLORADO SPRINGS

UCCS Economic Forum Dashboard Report

May 2025

Dr. Bill Craighead, Director

Summer greetings from UCCS, where it is suddenly much easier to park!

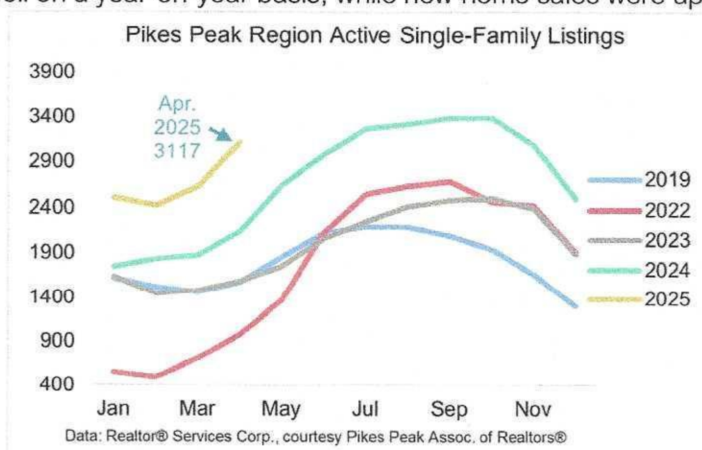
Highlights:

- Local employment growth was healthier in April than it has been recently
- City sales tax revenue for March sales also showed an uptick
- Single-family home sales are running ahead of last year's pace, listings are elevated, and April saw a pickup in residential building permits
- New and revised Census Bureau estimates show population growth for region municipalities
- Even with recent pauses, tariffs are still expected to slow growth and raise prices
- Increased federal borrowing will be a source of upward pressure on interest rates
- Student loans are contributing to more distress among US consumers

Employment: The preliminary local payroll growth estimate for April came in with a gain of 1,300, and March was revised up to an increase of 300. Over the last three months, the average increase has been 500. I'd be cautious about reading too much into this as the monthly numbers can be somewhat noisy, but it is nice to see this looking better than it has recently.

There continues to be a delay with updating the seasonally-adjusted unemployment rates shown in the dashboard at the metro level. On a non-seasonally-adjusted basis our unemployment rate was 4.6% in April, as was the statewide rate; both were higher than the national rate of 3.9%.

Housing and Real Estate: In April, home sales continued to run ahead of last year's pace according to PPAR. Nationally, existing home sales fell on a year-on-year basis, while new home sales were up; locally, both categories increased. The number of listings continues to be elevated for this time of year, which may suggest more activity to come as we move into peak selling season.



April also saw an increase in building permits, with 390 single-family and 266 multi-family dwelling units permitted (compared with 328 and 104 in April 2024) according to PPRBD. This was the highest number of total dwelling units permitted in a month since June 2023.

In the apartment market, rents continue to trend downwards with an elevated vacancy rate, according to Apartment List. According to PPRBD, there were 4,575 apartments still under construction as of April 15.

Retail Activity: Colorado Springs' collections for sales and use tax for March sales were 2.6% higher than March 2024. To some extent this may have reflected purchases to get ahead of tariffs – collections were up year-on-year from auto dealers and furniture, appliances and electronics stores Unfortunately, we're still waiting on a fix from our source of vehicle registration data.

Travel and Tourism: LART collections for March transactions were down 3.4% year-on-year. For April, hotel occupancy rates and revenue per available room were both down from April 2024, but with the number of hotel rooms up by 760 since 2024, the actual amount of hotel usage implied by the data was up very slightly year-on-year.

Municipal Population Estimates: The Census Bureau released updated estimates of city and town populations. The estimates reflect the revised methodology for counting immigration that we've discussed with the March 2025 (county) and January 2025 (state and national) reports.

The update led to a revision upward in their estimate of the population of Colorado Springs – the previous vintage estimated it at 488,664 in 2023. Other municipalities saw an upward adjustment as well.

Population Estimates: Selected Municipalities				
	2023 (prev. est.)	2023	2024	Pct. chg. 2023-24
Colorado Springs	488,664	491,301	493,554	+0.46%
Fountain	28,489	28,574	29,457	+3.09%
Monument	12,088	12,115	13,408	+10.7%
Woodland Park	7,873	7,897	8,043	+1.84%
Manitou Springs	4,622	4,836	4,607	-0.63%
Palmer Lake	2,587	2,590	2,575	-0.58%

Data: US Census Bureau. Estimates for July 1.

We rely primarily on the State Demography Office for population data. They will take the Census Bureau's updates into account for their next set of estimates in October.

National Macro: Recession fears eased after the administration backed off somewhat on tariffs on imports from China with a 90 day pause – they will still be high (30% instead of 145%, on top of previous tariffs – the Peterson Institute for International Economics estimates the combination of new and preexisting tariffs gives an average rate of 51.1%), but no longer at levels that essentially shut down bilateral trade. Overall, while things seem less dire than they did a month ago, the US economy is still facing a significant negative shock which is expected to become more apparent in the data as inventories of goods imported prior to the tariffs run down. The Budget Lab at Yale estimates the current tariff configuration yields (after accounting for substitution) an average tariff rate of 16.4% with a 1.4% increase in the price level and a $2,300 cost per household.

The pauses leave consumers and businesses facing a considerable degree of uncertainty. A recent CPR News story about the closure of Borealis Fat Bikes in Colorado Springs – a bike manufacturer which used Chinese parts – illustrates how the costs of the uncertainty and policy shifts may be particularly hard on small business, and how tariffs are not necessarily beneficial for manufacturers.

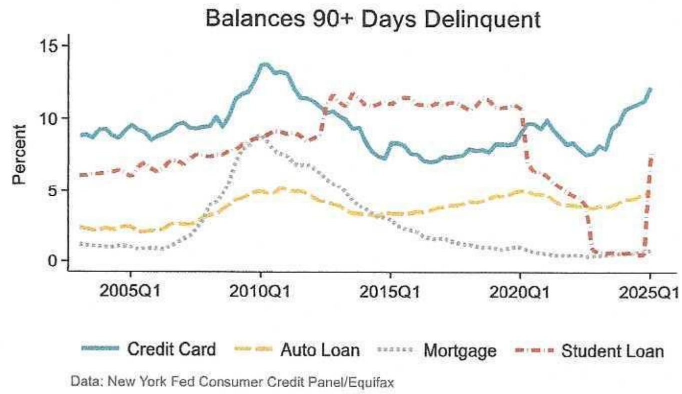
The House passed a budget reconciliation package – the "One Big Beautiful Bill Act," which now is before the Senate. The Committee for a Responsible Federal Budget (CRFB) finds that it would add about $3.1 trillion to federal borrowing over a decade (they've adjusted Congressional Budget Office estimates to account for interactions among previsions and interest costs). The largest item is extension of parts of the 2017 Tax Cuts and Jobs Act (TCJA). The CRFB notes that some of the tax cut provisions are scheduled to expire – this makes the 10-year headline estimates of the cost smaller – but if the expiring provisions are made permanent (as there will likely be pressure to do when the time comes), the deficit impact will be even larger.

The legislation includes significant cuts to Medicare – since responsibility for this program is shared with the states, we can expect to see some very difficult conversations at the state level. It also curbs many of the incentives for green energy and energy efficiency that were put in place with the 2022 Inflation Reduction Act, so investments in these areas may be cut back.

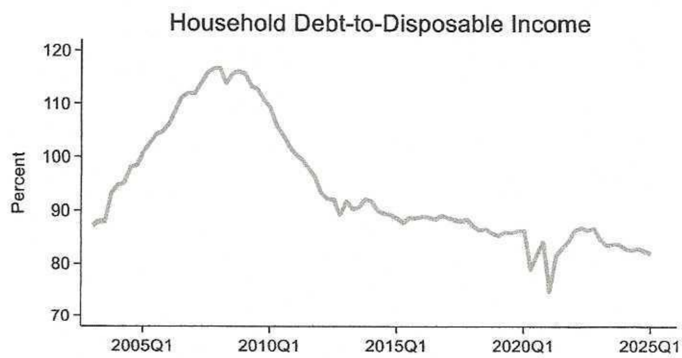
The tax cut provisions may be a short-run boost to output and employment, though this would also create more inflationary pressure and make it less likely that the Fed would reduce the federal funds rate. Conversely, if the TCJA cuts were not extended, we'd see a short-run drag on activity. However, over the longer run, the main impact of the increased government borrowing will be higher long-term interest rates, including mortgage rates, leading to lower investment. This is because the federal government taps into the same pool of global saving that finances business investment and by doing so, drives up the cost of funds. If this, or something like it, passes it will exacerbate the concerns about the sustainability of the US government's debt trajectory. These concerns were reflected in the downgrade of the US government credit rating by Moody's. A declining dollar suggests less foreign appetite for US assets, which also would put upward pressure on borrowing costs. The Treasury estimates that the US may hit the debt ceiling in August, so more drama and concern may be in the offing.

The deficit estimates do not include tariff revenue – since the tariff changes aren't being legislated and their duration is unknown, we don't know for how long the government will be collecting additional revenue. Tariffs will reduce the deficit while in place (tariffs are taxes – albeit very inefficient ones). The Budget Lab at Yale estimates that, if the current tariffs were kept in place for a decade, they would raise about $2.3 trillion, after accounting for economic impacts.

Recent consumer credit data paints a mixed picture – rising credit card and auto loan delinquency indicates a growing share of US consumers are in distress (and these rates are now above pre-pandemic levels) but the aggregate ratio of debt to disposable income is actually trending down. The major recent exacerbating factor has been student loans – a pause on repayments ended in September 2023, but this was followed by a hold on reports to credit bureaus that ended in October 2024. Now, missed payments



are being reported and reaching the 90 days past due mark. This is leading to many borrowers seeing their credit scores downgraded, which will impede their ability to spend. In some cases, this appears to be the unfortunate result of confusion – e.g., borrowers whose loan servicers changed failing to open mail from an unfamiliar company. Overall, while the deterioration in some measures is worrisome, the consumer picture still looks much healthier than it did prior to the financial crisis – debt was 116.7% of disposable income in the fourth quarter of 2007, compared with 81.9% in the first quarter of 2025.



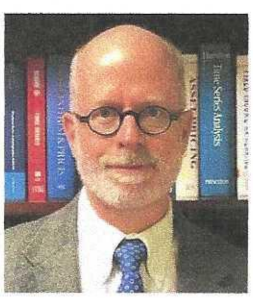
Data: New York Fed Consumer Credit Panel/Equifax, Bureau of Economic Analysis

The national headline employment data for April looked healthy, with a (preliminary) gain of 177,000 in payrolls and the unemployment rate steady at 4.2%, though February and March payroll increases were revised downward. The share of 25-54-year-olds who were employed ticked up to 80.7% (a little off the recent high of 80.9%, last seen in September 2024). In general, the labor market is clearly softer than it was in 2022 and 2023 but not showing anything alarming yet.

The April Consumer Price Index inflation readings were fine(-ish) – the overall year-on-year change in consumer prices came in at 2.3%, and the "core" measure (excluding food and energy) was 2.8%.

The first-quarter GDP data was distorted by a surge in imports to get ahead of tariffs. Real final sales to private domestic purchasers – a measure of private-sector demand – increased at a solid 3.0% annualized pace (this is in the advance estimate – this report was prepared before the release of the second estimate on May 29).

Overall, things look slightly better than a month ago, but we are still waiting for the impact of tariffs to show in the data. While the latest batch of local indicators was mostly more positive, there is still good reason to expect the national macroeconomic picture to darken – it is unclear whether the negative forces will be enough to tip us into recession, but that remains a serious possibility.



Thank you for your support!

Bill

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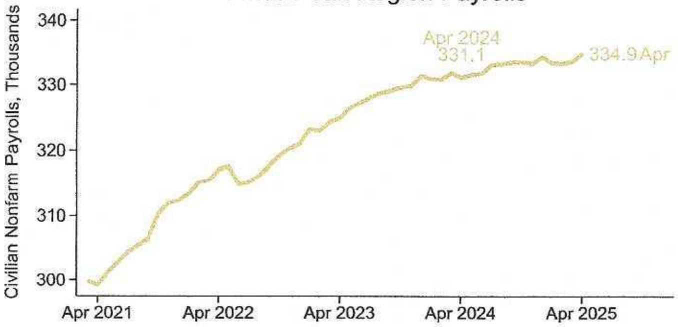
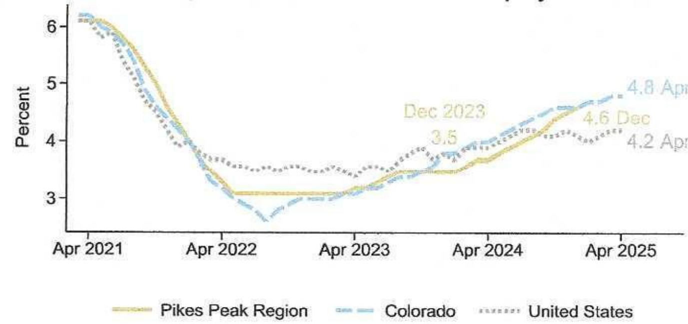
Labor Market

Pikes Peak Region Payrolls



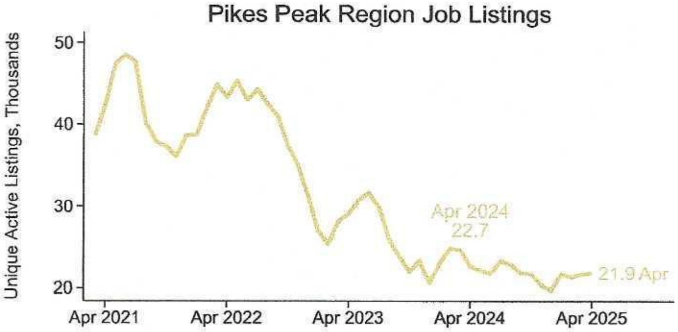
Data: Bureau of Labor Statistics, Seasonally Adjusted

Pikes Peak Region, Colorado and US Unemployment Rates



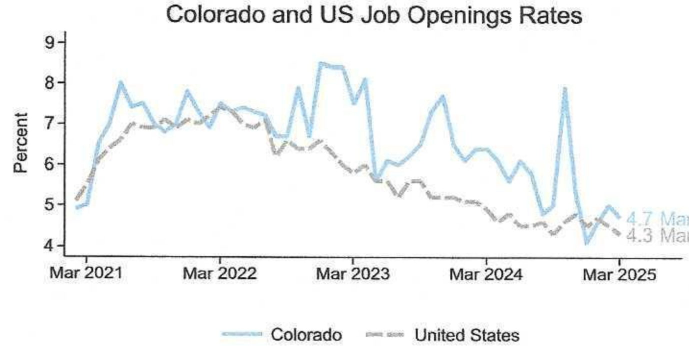
Data: Bureau of Labor Statistics, Seasonally Adjusted
Note: Local estimates released later than national and state data and are currently paused

Pikes Peak Region Job Listings



Data: The Conference Board-Lightcast Help Wanted OnLine®, courtesy Pikes Peak Workforce Center, Not Seasonally Adjusted

Colorado and US Job Openings Rates



Openings Rate is Openings as a Percentage of Employment Plus Openings
Data: Bureau of Labor Statistics, Seasonally Adjusted

Pikes Peak Region Payrolls by Sector, Apr. 2025

Sector	Employment	1 yr. % chg.
Government	60,100	+1.2
Professional & Bus. Services	53,700	-0.6
Private Education & Health Serv.	49,900	+3.7
Leisure & Hospitality	42,100	+6.0
Retail Trade	32,900	+0.0
Other Services	23,300	-1.7
Financial Activities	19,200	-1.5
Mining, Logging & Construction	17,700	-1.1
Manufacturing	12,300	+0.0
Transport, Warehouse & Utilities	11,500	+4.5
Wholesale Trade	6,600	-2.9
Information	4,900	-2.0

Data: Colorado Labor Market Information, Current Employment Statistics Program; Bureau of Labor Statistics. Not seasonally adjusted.

Pikes Peak Region Job Postings, April 2025

Occupation	No. of Postings	Median Advertised Ann. Salary
Registered Nurses	1,084	$94,464
Other Computer Occupations	973	$134,912
Retail Salespersons	554	$35,456
Software Developers	499	$132,608
Heavy Truck Drivers	425	$62,336
Customer Service Reps.	312	$41,600
First-Line Retail Supervisors	281	$46,976
Maintenance & Repair Workers	251	$47,744
Network & Computer Sys. Admin.	241	$109,824
Janitors & Cleaners	226	$39,040
Total Openings	21,865	$63,360

Unique, active postings for top 10 occupations shown. Data: The Conference Board-Lightcast Help Wanted OnLine®, courtesy Pikes Peak Workforce Center

Armed Forces in El Paso County

2023	2022
38,320	36,190

Data: Census Bureau

Average Hourly Earnings

	Apr.	1 yr. % chg.
Pikes Peak Region	$36.72	+7.2%
Colorado	$39.10	+3.4%
United States	$36.14	+3.7%

Data: Bureau of Labor Statistics. Private Sector, Not Seasonally Adjusted.

Pikes Peak Region Employment

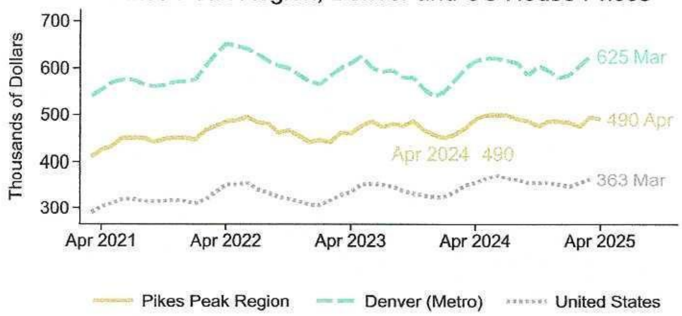
	April	March
Employed	380,436	376,604
Unemployed	18,429	18,438

Household survey data, includes self-employed, ***not*** seasonally adjusted. Data: Colorado Department of Labor & Employment; Bureau of Labor Statisics

Note: "Pikes Peak Region" refers to the metropolitan statistical area of El Paso and Teller counties unless otherwise specified. Data subject to revisions. Please do not reprduce without permission.

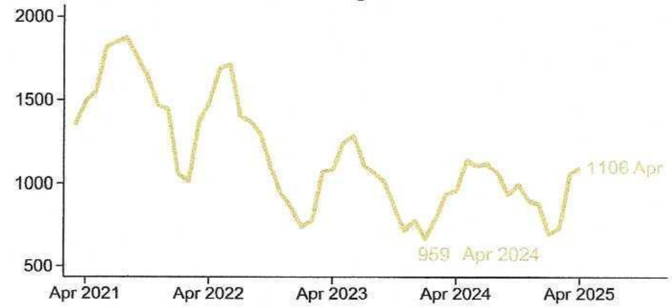
Real Estate

Pikes Peak Region, Denver and US House Prices



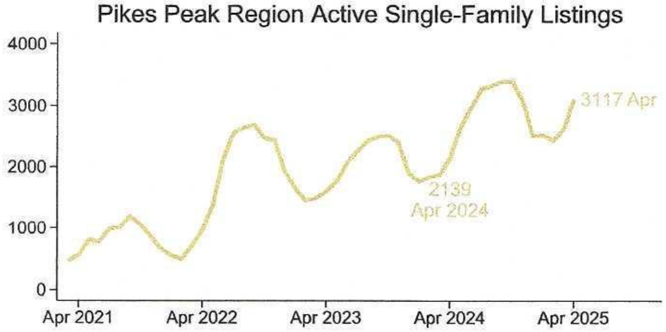
Median Sales Price, Single-Family Homes
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®; Zillow
Local data includes properties on regional MLS outside El Paso and Teller Counties

Pikes Peak Region Home Sales



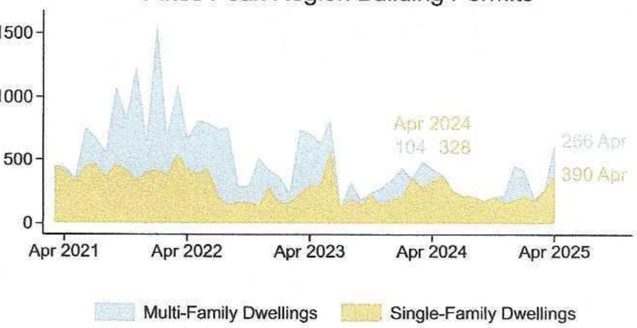
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®
Includes properties on regional MLS outside El Paso and Teller Counties

Pikes Peak Region Active Single-Family Listings



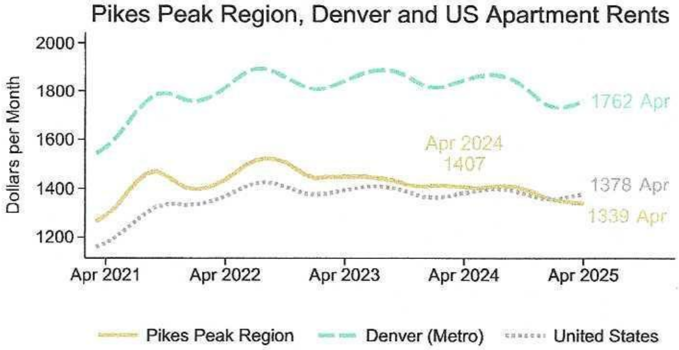
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®
Includes properties on regional MLS outside El Paso and Teller Counties

Pikes Peak Region Building Permits



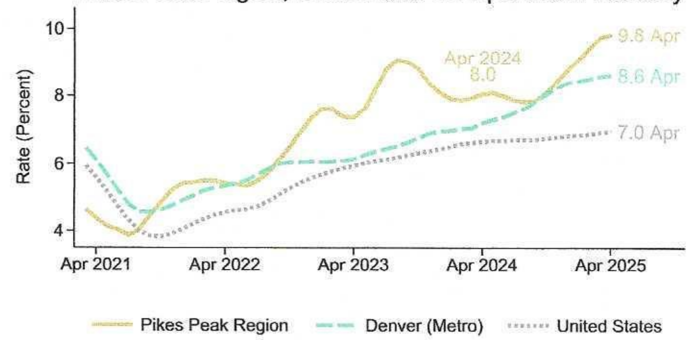
A June 30 2023 change in building code caused some permitting to be pulled forward
Data: Pikes Peak Regional Building Department; serves El Paso County and Woodland Park

Pikes Peak Region, Denver and US Apartment Rents



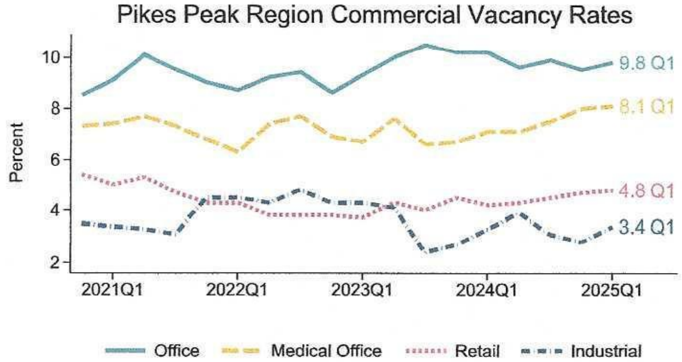
Median Rent of Two-Bedroom Apartment for New Leases
Data: Apartment List

Pikes Peak Region, Denver and US Apartment Vacancy



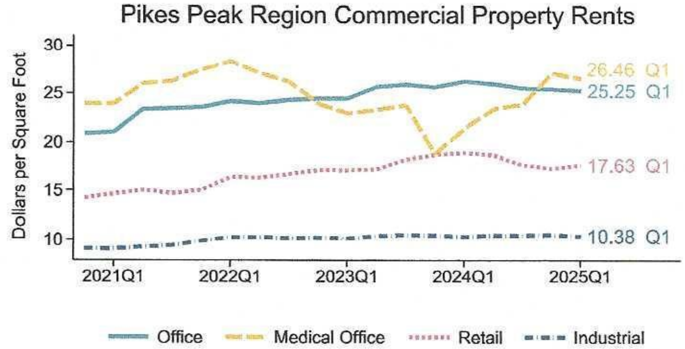
Data: Apartment List

Pikes Peak Region Commercial Vacancy Rates



Percent vacant and available. Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.

Pikes Peak Region Commercial Property Rents



Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.
Retail and industrial are triple net, office and medical office are gross rent

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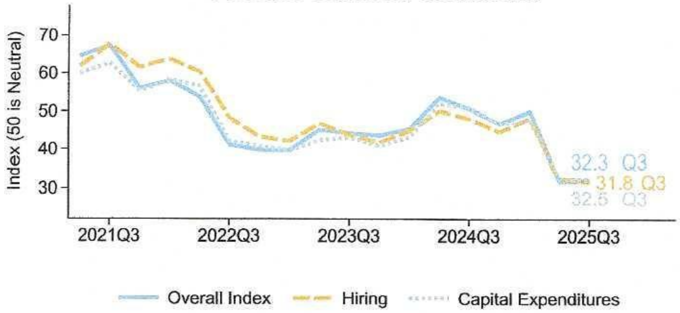
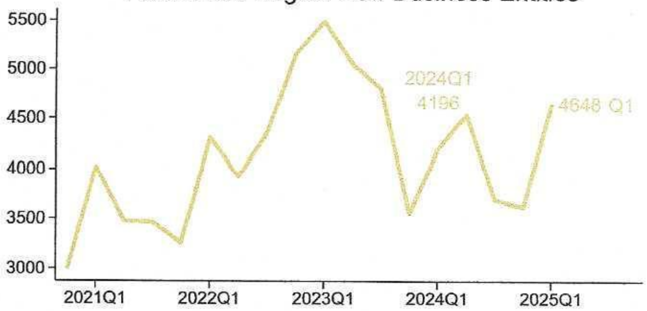
Business

Colorado Business Confidence



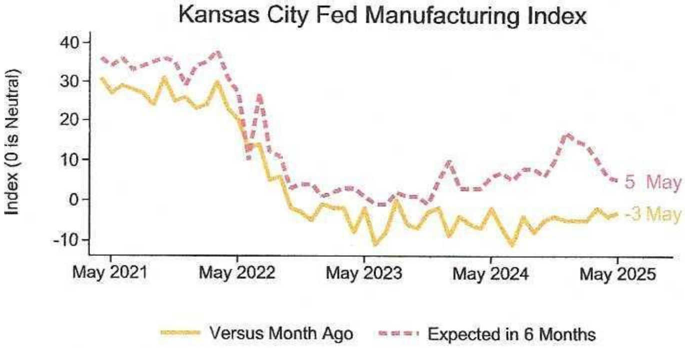
Expectations of Industry Hiring Plans and Industry Capital Expenditures are 2 of 6 components of the Leeds Business Confidence Index (LBCI)
Data: Business Research Division, CU Boulder Leeds School of Business

Pikes Peak Region New Business Entities



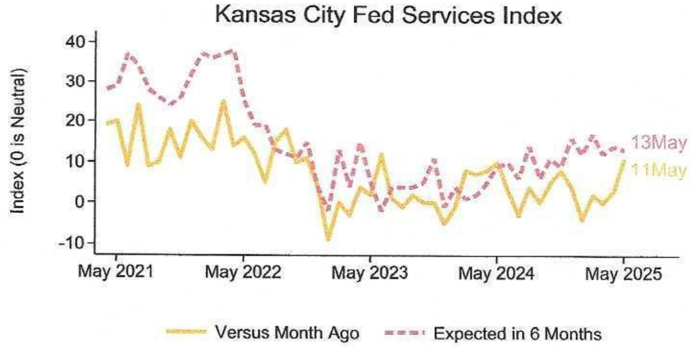
Data: Colorado Department of State
Note: Filing fees were reduced from $50 to $1 between July 2022 and May 2023

Kansas City Fed Manufacturing Index



Includes Colorado, Kansas, Nebraska, Oklahoma, Wyoming, Northern New Mexico and Western Missouri. Data: Federal Reserve Bank of Kansas City, Seasonally Adjusted

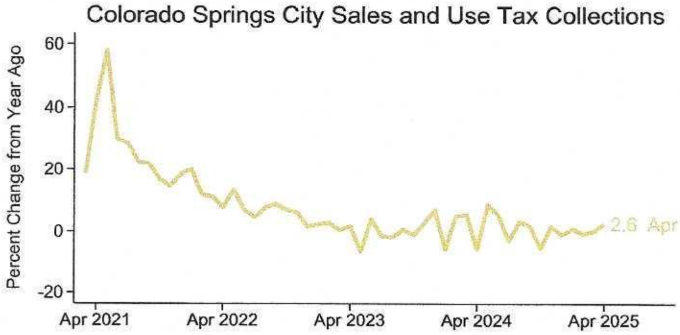
Kansas City Fed Services Index



Includes Colorado, Kansas, Nebraska, Oklahoma, Wyoming, Northern New Mexico and Western Missouri. Data: Federal Reserve Bank of Kansas City, Seasonally Adjusted

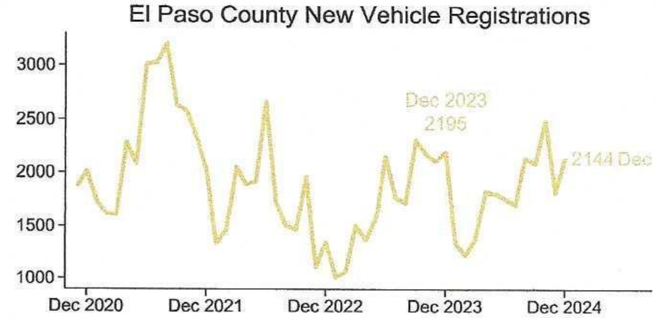
Consumers

Colorado Springs City Sales and Use Tax Collections



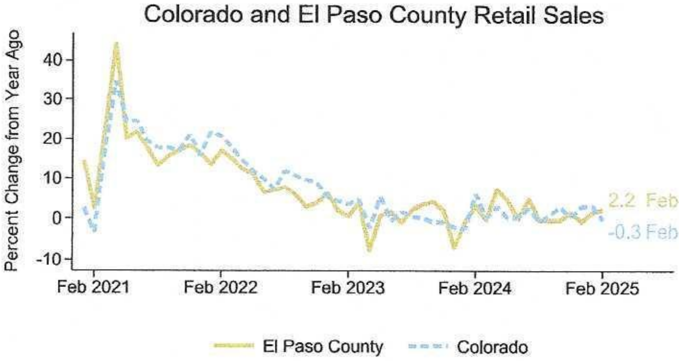
Collections reflect sales in the prior month
Data: City of Colorado Springs Finance Department

El Paso County New Vehicle Registrations



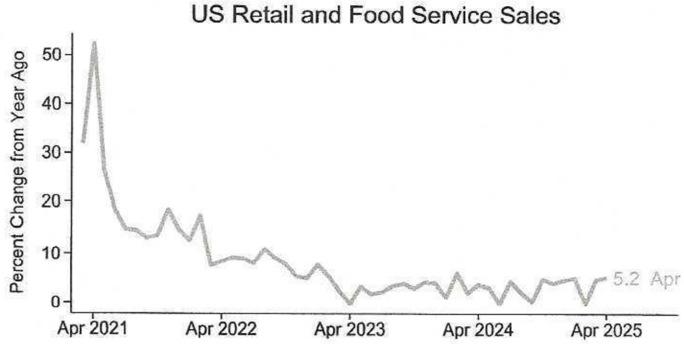
Excludes all terrain, camper trailer, trailer coach and trailer utility categories
Data: El Paso County Clerk & Recorder, Colorado Interactive LLC
Note: Updates Delayed

Colorado and El Paso County Retail Sales



Data: Colorado Department of Revenue

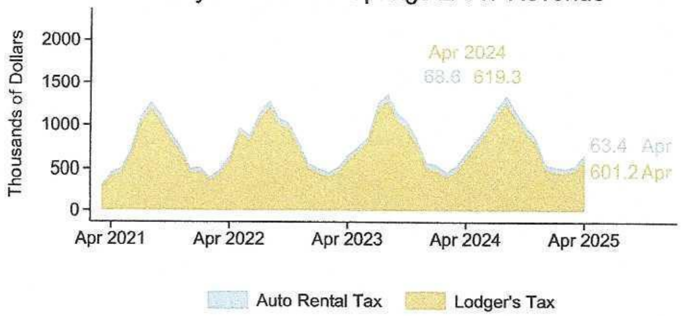
US Retail and Food Service Sales



Data: US Census Bureau. Most recent observation is advance estimate.

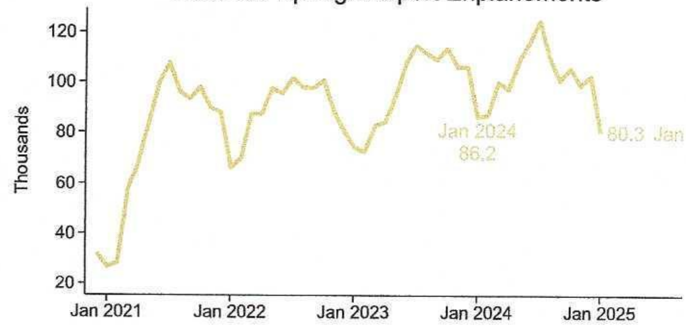
Travel and Tourism

City of Colorado Springs LART Revenue



Lodger's (2%) and Auto Rental (1%) Tax Collections Reflect Prior Month Sales
May 2022 Lodger's Tax Collections Include Delinquent Revenue from Prior Periods
Data: City of Colorado Springs Finance Department

Colorado Springs Airport Enplanements

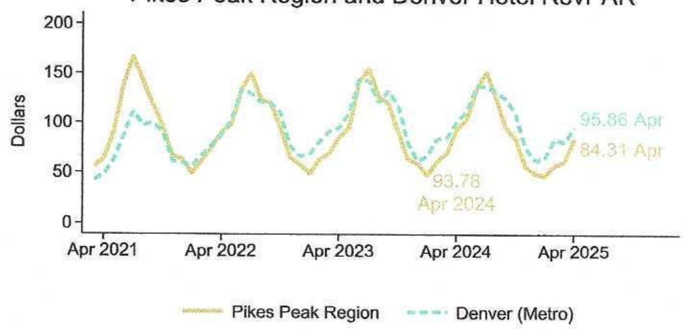


Data: Colorado Springs Airport

Pikes Peak Region and Denver Hotel Occupancy

Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.

Pikes Peak Region and Denver Hotel RevPAR



Revenue Per Available Room
Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.

Demographics and Cost of Living

Population and Population Forecasts

	2010		2023		2030		2040	
El Paso County	627,232		744,151		810,949		920,109	
0-17	163,464	(26.1%)	169,255	(22.7%)	169,317	(20.9%)	187,366	(20.4%)
18-24	68,665	(10.9%)	81,782	(11.0%)	94,993	(11.7%)	94,258	(10.2%)
25-29	42,277	(7.5%)	56,829	(7.6%)	61,407	(7.6%)	69,716	(7.6%)
30-49	170,628	(27.2%)	201,399	(27.1%)	232,182	(28.6%)	277,240	(30.1%)
50-64	114,362	(18.2%)	124,822	(16.8%)	120,749	(14.9%)	146,990	(16.0%)
65+	62,836	(10.0%)	110,064	(14.8%)	132,301	(16.3%)	144,539	(15.7%)
Colorado	5.05 mil.		5.88 mil.		6.32 mil.		6.97 mil.	
United States	313.99 mil.		342.84 mil.		358.62 mil.		367.95 mil.	

Age group shares of total in parentheses. Data: Colorado State Demography Office, Congressional Budget Office

Mortgage Payment Share of Median Income, Feb. 2025

Pikes Peak Region	45.0%
Denver (Metro)	48.7%
United States	46.0%

Estimated monthly payment for home purchased at local median price as share of median income.
Data: Federal Reserve Bank of Atlanta

Cost of Living Index 2024

Pikes Peak Region	101.9
Denver (Metro)	108.6

Relative to National Average of 100
Data: Council for Community and Economic Research, courtesy Co Springs Chamber & EDC

Selected Population Characteristics, 2023

	El Paso County	Colorado	United States
Median Household Income	$89,549	$92,911	$77,719
Poverty Rate	7.0%	9.3%	12.5%
Median Age	35.4	37.9	39.2
Bachelor's Deg. or Higher (≥25)	44.3%	46.4%	36.2%
Veteran (civilian pop. ≥18)	15.1%	7.2%	6.1%
Military (≥16)	6.5%	1.0%	0.5%

Data: Census Bureau

Pikes Peak Region Estimated Living Wages

Living Wage: 1 Adult with No Children	$23.88/hr
Living Wage: 1 Adult with 2 Children	$58.26/hr
Living Wage: 2 Working Adults w/ 2 Children	$31.51/hr (per adult)

Data: MIT Living Wage Calculator

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