

Greetings from UCCS, where parking lots are full again!

Highlights:

- Healthy local employment growth continues
- Continued weakness in city sales tax collections
- LART revenue improved for June
- Single-family home inventory continues to be elevated, with modest gains in sales volume
- US employment data shows slowing economy
- Tariff uncertainty and threats to Fed independence continue

Employment: After very slow growth through most of 2024 and the first quarter of 2025, we continue to see healthier increases in regional employment, with an average monthly gain of 750 jobs over the past four months (including the preliminary July estimate). Over the year, the categories with the largest absolute increases have been private education and health services (+2,700) and leisure and hospitality (+2,300), while mining, logging and construction payrolls have declined by 1,100, according to preliminary estimates.

The state saw a decrease in its unemployment rate in July to 4.5% (from 4.7%) – this was the result both of more people being employed and also a modest dip in labor force participation.

Housing and Real Estate: The number of single-family homes on the market continues to be elevated – active listings in July were up 29% over the same month in 2024. Monthly home sales continue to run slightly ahead of last year's (slow) pace and were also a bit above July 2023's rate. Prices are essentially flat – the median sale price in July was \$497,475, compared with \$499,000 in July 2024.

July saw 271 single-family dwelling units permitted in the region, and no multi-family units. While not a standout month, it did compare favorably to July 2024, which also had zero multi-family permits with 219 single-family units. PPRBD also noted strength in commercial permits.

In Apartment List's data, rents for two-bedroom apartments were flat and, at \$1,336, are down 12% from the August 2022 peak of \$1,523. The vacancy rate, while still high, is continuing to decline from its recent peak of 9.8% in April.

Retail Activity: City sales and use tax collections in July (for June sales) were slightly down year-on-year and on a year-to-date basis are essentially flat compared with 2024. The main drag continues to be the building materials category. The city's [recent budget struggles](#) highlight the risks of being heavily reliant on sales taxes. It is also worth noting that some goods are exempt from sales tax, which somewhat narrows the tax base – the Colorado Department of Revenue reported retail sales in

Colorado Springs for January-May 2025 were up 2.2% over the same period in 2024, while city sales and use tax revenue was up only 0.06% in the same timeframe.

Travel and Tourism: We did see a nice boost to LART collections from June sales – they were up 4.1% over the same month a year ago, and this was the first year-on-year increase in five months. June was the month of the US Senior Open at the Broadmoor. As noted last in our last report, national travel and tourism indicators have been weak this year, so this shows how successful local efforts at attracting major events can provide a boost in the face of headwinds.

Regional Wages: The 2024 Occupational Employment and Wage Statistics from the BLS include estimates of median wages at the metro area level. The median annual wage for the Pikes Peak Region was \$51,410, which compares favorably with the national figure of \$49,500 but is lower than the state median of \$58,210. Metro Denver's median was \$61,110 and Pueblo's was \$47,780. Because averages can be impacted by the presence (or absence) of a small number of very high earners, medians provide a much better representation of how wages compare across regions for typical workers.

State Budget: The General Assembly has been called into a special session to deal with a revenue shortfall. This is an unintended consequence of the recent federal budget reconciliation act – because Colorado follows the federal calculation of taxable income, changes made by Congress automatically impact taxes at the state level – this [Colorado Sun article](#) provides a good explanation.

National Macro: The national **employment** report for July was relatively weak, with the unemployment rate ticking up to 4.2% and a (preliminary) increase in payrolls of 73,000. Downward revisions to May and June payrolls brought the three-month average increase down to 35,333. With the significant drop in immigration this year, lower employment growth is to be expected – that is, we need to adjust downward our expectations regarding what constitutes a “healthy” monthly gain. It's not clear by exactly how much, however, which will create some additional difficulty in interpreting this data.

After the report was released, the commissioner of the **Bureau of Labor Statistics** was fired. There is no evidence of any manipulation of the data. For what it's worth, I looked back at the last release prior to the 2024 election – the October report came out on November 1 – and it showed lackluster job growth and included substantial downward revisions. The process the BLS uses is consistent and well-documented, and revisions are a standard part of the process. A large number of people are involved in preparing these releases and the reports are heavily scrutinized by the media, the financial sector and other data users. It seems extremely unlikely that the figures could be manipulated without detection. For that reason, I won't automatically start distrusting the numbers even if a political loyalist is installed to replace the commissioner (unfortunately, that appears to be what the administration intends with its nominee for the post), but I am concerned this could be a first step toward a more fundamental undermining of the data.

While there is no reason to question the integrity of the BLS, it has suffered from under-funding and staff reductions. One place the impact can be seen is with the Consumer Price Index data, where data collections have been suspended in Lincoln, NE, Provo, UT and Buffalo, NY, and the use of imputations – where statistical techniques are used to fill in missing observations – has increased significantly. While this should not bias the direction of the CPI, it does reduce its precision. My

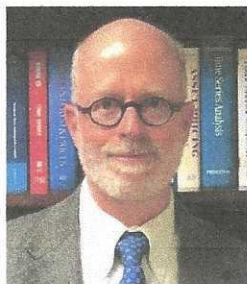
experience as Economic Forum director has deepened my appreciation for the work of the BLS and other federal statistical agencies. These reports would certainly not be possible without it.

The pause on the **tariffs** announced on April 2 expired. While there has been considerable relief that the new levels are mostly short of what was initially announced, importers are now facing higher costs than they did over the summer. The Budget Lab at Yale estimates the tariff configuration as of August 7 gives an average tariff rate of 17.7%, after accounting for substitution effects (compared with 2.5% in 2024). The administration's approach still leaves quite a bit of uncertainty remaining. The "truce" with China, which leaves considerable tariffs in place, been extended again and will now expire in November. The lack of detail in some of the recent trade "deals" is already creating [concerns about whether the US is following through](#) on commitments. Recently, the list of "derivative goods" that are subject to the steel and aluminum tariffs under Section 232 (a national security-based authority) was [expanded to include more categories](#) such as motorcycles and tableware – this came abruptly and applied to goods already in transit. The administration also [announced potential tariffs on furniture under a Section 232 investigation](#). Meanwhile, the application of the International Emergency Economic Powers Act (IEEPA) that is the basis for most of the country-by-country tariffs continues to be under a legal challenge. So, while everyone would like to believe the tariff picture is becoming more settled, businesses are still facing a high degree of uncertainty.

The administration resumed its attacks on the political independence of the **Federal Reserve** by making allegations against Lisa Cook, who was a highly-regarded academic economist before joining the Federal Reserve Board. From the standpoint of reducing interest rates, which seems to be the goal here, this is counterproductive. Markets mostly have seemed to shrug off these attacks so far, but if they see the Fed's independence as seriously compromised, they will require higher returns to compensate for the additional inflation risk, resulting in higher US Treasury yields and increased mortgage rates.

Much of the discussion of the July Consumer Price Index data focused on the emerging signs of tariff-induced **inflation** – e.g., large monthly price increases in footwear as well as for the tools, hardware, outdoor equipment and supplies category. However, it may be even more concerning there is also still quite a bit of inflation in non-housing services prices. That may give pause to the Fed, even those on the Board like Governor Waller who believe the Fed should "look through" tariff-related goods price increases as one-off events.

My colleague Tamsin Cowdery will be contacting partners for your registrations for the 29th Annual UCCS Economic Forum on Oct. 2 – I'm looking forward to seeing you there!



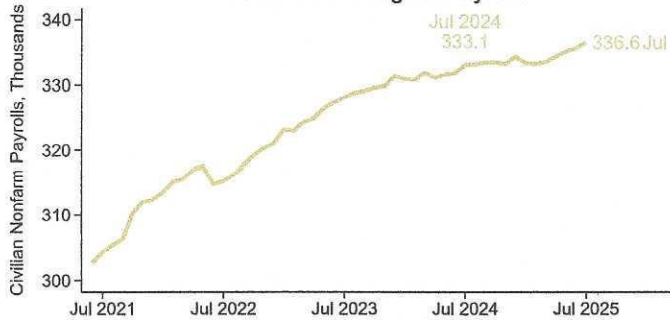
Thank you for your support!

A handwritten signature in blue ink that reads "Bill".

Bill Craighead, Ph.D.
Director, UCCS Economic Forum
craighead@uccs.edu

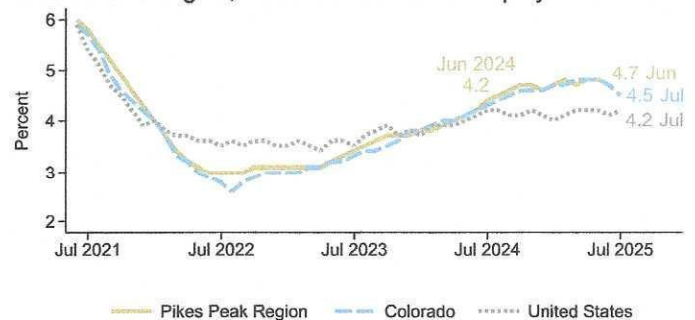
Labor Market

Pikes Peak Region Payrolls

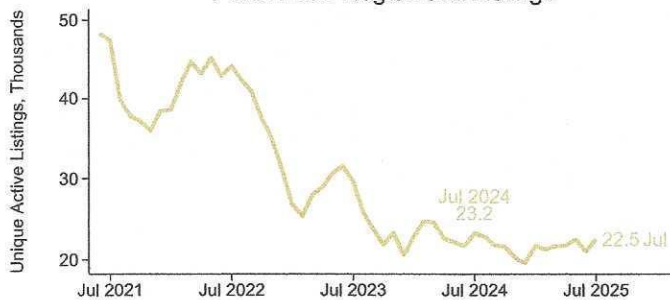


Data: Bureau of Labor Statistics, Seasonally Adjusted

Pikes Peak Region, Colorado and US Unemployment Rates

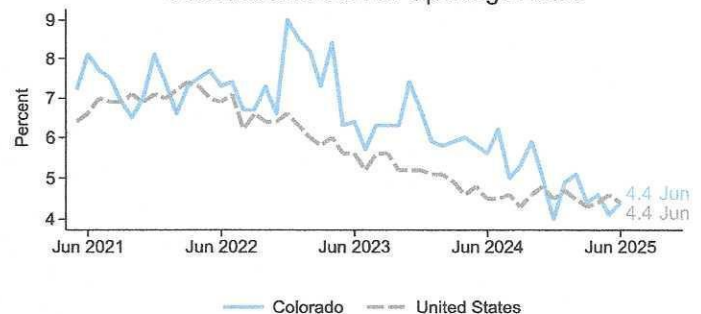
Data: Bureau of Labor Statistics, Seasonally Adjusted
Note: Local estimates released later than national and state data

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, July 2025

Sector	Employment	1 yr. % chg.
Government	57,900	+0.2
Professional & Bus. Services	54,000	+0.4
Private Education & Health Serv.	49,800	+5.7
Leisure & Hospitality	46,600	+5.2
Retail Trade	33,400	-0.3
Other Services	23,600	-3.3
Financial Activities	19,200	-3.0
Mining, Logging & Construction	17,900	-5.8
Manufacturing	12,200	-0.8
Transport, Warehouse & Utilities	12,200	+7.0
Wholesale Trade	6,500	-4.4
Information	5,000	+2.0

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

Pikes Peak Region Job Postings, July 2025

Occupation	No. of Postings	Median Advertised Ann. Salary
Registered Nurses	1,515	\$93,440
Other Computer Occupations	728	\$129,792
Retail Salespersons	571	\$35,712
Heavy Truck Drivers	475	\$67,968
Software Developers	440	\$140,032
Customer Service Reps.	402	\$47,744
First-Line Retail Supervisors	332	\$48,896
Medical & Health Services Mgrs.	243	\$94,464
Sales Reps., Wholesale & Mfg.	227	\$75,008
Home Health & Pers. Care Aides	224	\$38,016
Total Openings	22,537	\$68,992

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

	July	1 yr. % chg.
Pikes Peak Region	\$37.18	+6.4%
Colorado	\$38.93	+5.5%
United States	\$36.26	+3.8%

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

Pikes Peak Region Employment

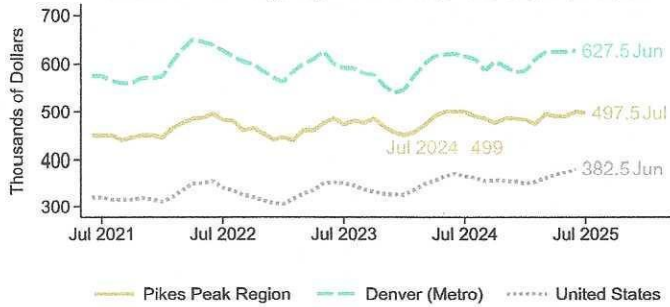
	July	June
Employed	386,331	384,921
Unemployed	16,025	18,120

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

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 reproduce without permission.

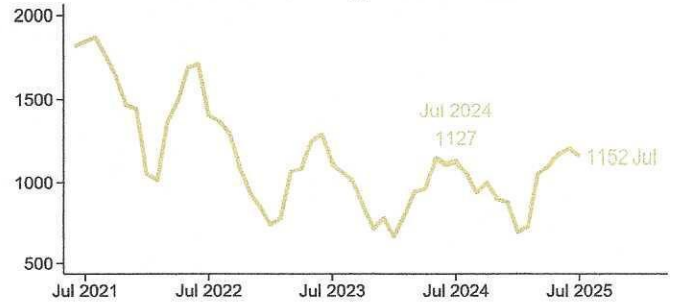
Real Estate

Pikes Peak Region, Denver and US House Prices



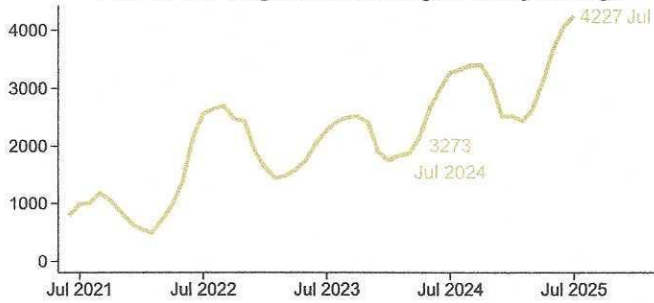
Median Sales Price, Single-Family Homes
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®; Zillow
Local data includes properties on regional MLS outside El Paso and Teller Counties

Pikes Peak Region Home Sales



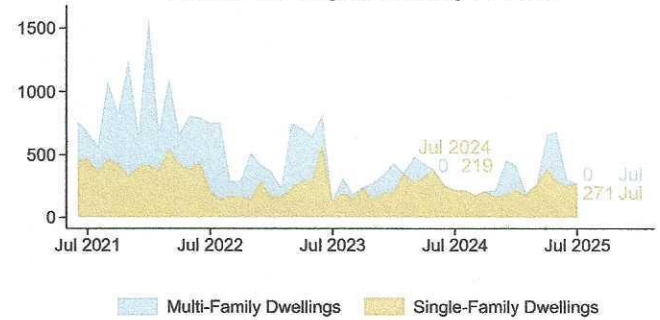
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®
Includes properties on regional MLS outside El Paso and Teller Counties

Pikes Peak Region Active Single-Family Listings



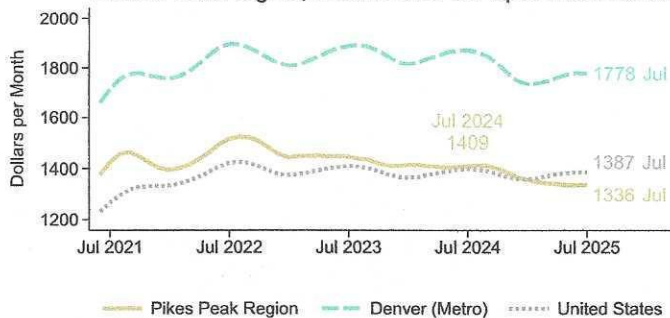
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®
Includes properties on regional MLS outside El Paso and Teller Counties

Pikes Peak Region Building Permits



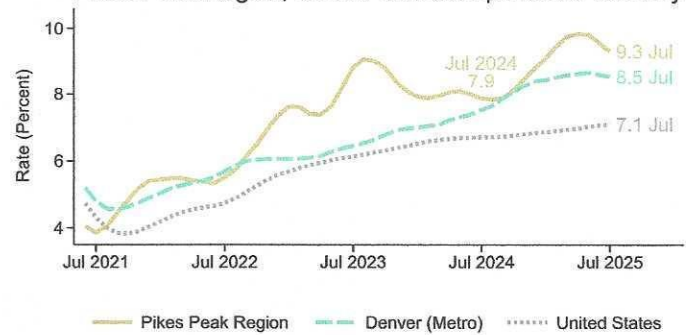
A June 30 2023 change in building code caused some permitting to be pulled forward
Data: Pikes Peak Regional Building Department; serves El Paso County and Woodland Park

Pikes Peak Region, Denver and US Apartment Rents



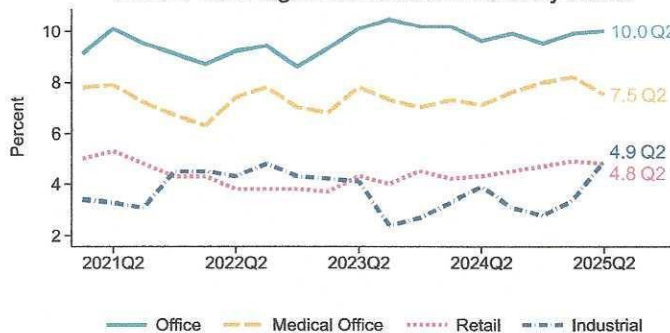
Median Rent of Two-Bedroom Apartment for New Leases
Data: Apartment List

Pikes Peak Region, Denver and US Apartment Vacancy



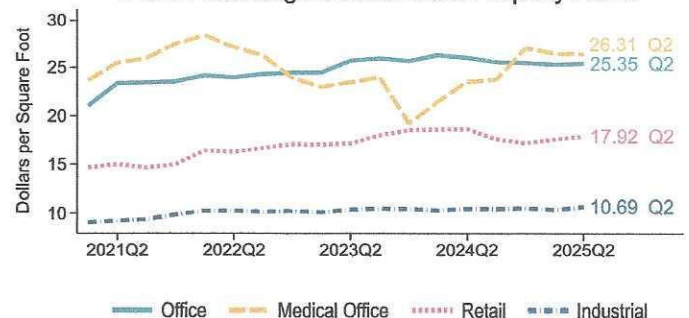
Data: Apartment List

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

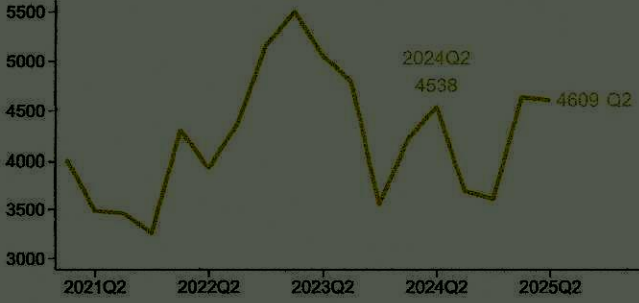


Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.
Retail and industrial are triple net, office and medical office are gross rent

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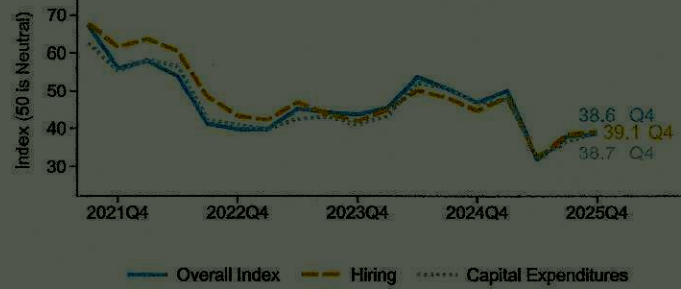
Business

Colorado Business Confidence



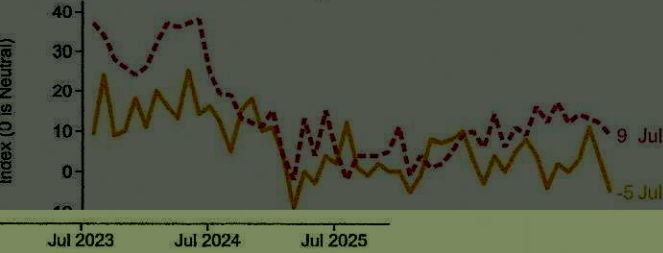
Data: Colorado Department of State
Note: Filing fees were reduced from \$50 to \$1 between July 2022 and May 2023

Pikes Peak Region New Business Entries

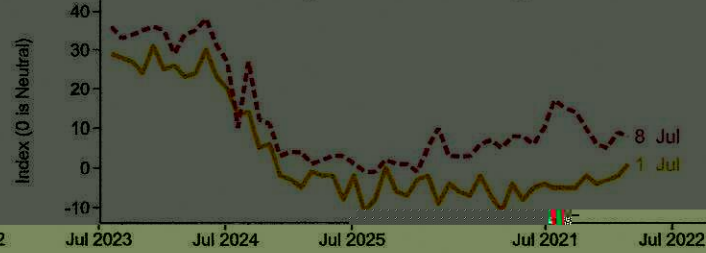


Expectations of Industry Hiring Plans and Industry Capital Expenditures are 2 of 6 components of the Leads Business Confidence Index (LBCI)
Data: Business Research Division, CU Boulder Leeds School of Business

Kansas City Fed Services Index



Kansas City Fed Manufacturing Index

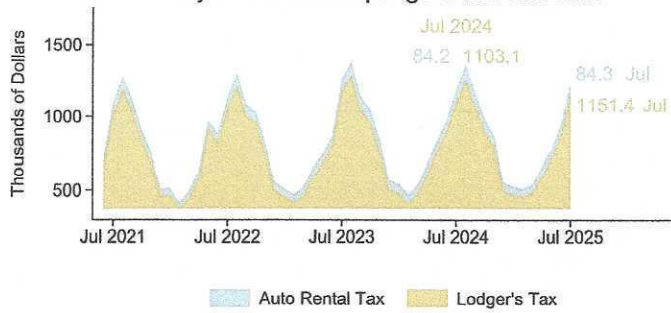


Versus Month Ago Expected in 6 Months

Versus Month Ago Expected in 6 Months
Includes Colorado, Kansas, Nebraska, Oklahoma

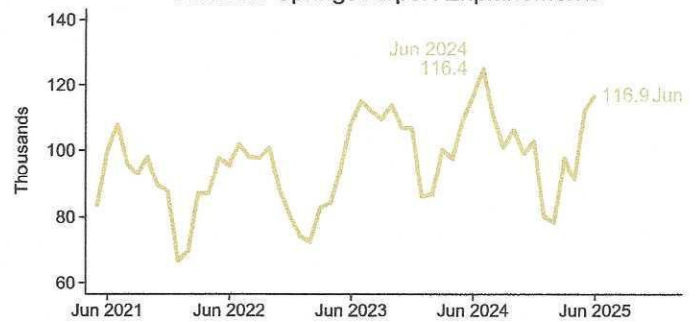
Travel and Tourism

City of Colorado Springs LART Revenue



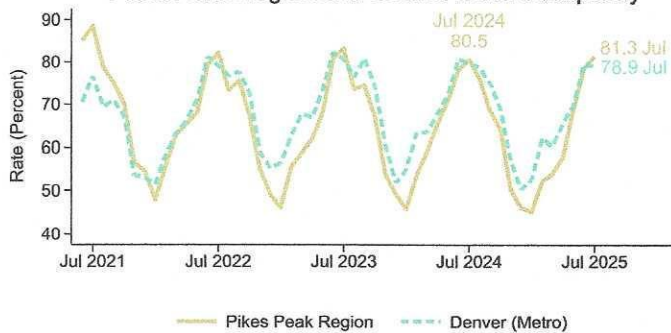
Lodger's (2%) and Auto Rental (1%) Tax Collections Reflect Prior Month Sales
May 2022 Lodger's Tax Collections Include Delinquent Revenue from Prior Periods
Data: City of Colorado Springs Finance Department

Colorado Springs Airport Enplanements



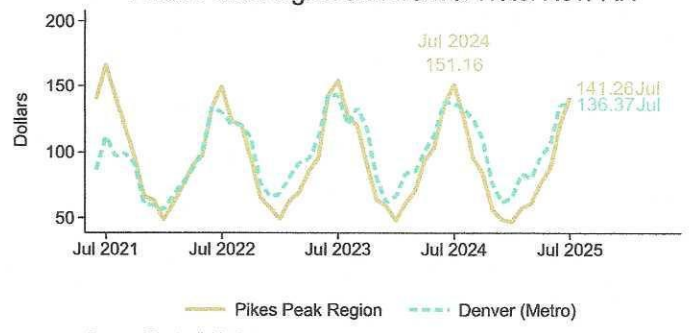
Data: Colorado Springs Airport

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

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

Mortgage Payment Share of Median Income, May 2025

Pikes Peak Region	45.5%
Denver (Metro)	50.6%
United States	47.7%

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
Q1 2025

Pikes Peak Region	102.6
Denver (Metro)	110.4

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

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 (per adult)	\$31.51/hr

Data: MIT Living Wage Calculator

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