

Greetings from Dwire Hall at UCCS!

Highlights:

- Local payroll growth retreated a bit in August, but the unemployment rate is down
- Single-family home prices have seen two consecutive months of modest year-on-year declines; the number of listings continues to be elevated
- Median incomes continued to be in the top 20% of US metro areas in 2024
- Colorado is the #1 state for work-from-home in 2024
- US employment data sending mixed signals, consumer spending continues to be solid
- A federal shutdown could impact approximately 13% of local paychecks

Employment: Regional payrolls gave back some of their recent gains with a decline of 600 in the preliminary August data. This can be a bit volatile, and I wouldn't read too much into a single month. Payroll increases averaged 725 over April-July, after a slow 2024 and first quarter of 2025. The region's unemployment rate was back down to 4.2% in August - it was recently as high as 4.8% in April and May. As a reminder, the payrolls figure and the unemployment rate are from different surveys so they don't always provide consistent indications. Local job listings are subdued – the number of active listings in August was down 10.2% from August 2024.

The employment picture at the state level continues to show improvement. At 4.2%, Colorado's unemployment rate in August was back below the national rate (4.3%) for the first time since November 2023. The state's preliminary payroll increase was 3,000 in August.

Housing and Real Estate: The median sale price of a single-family home here in August was \$480,000. After June's all-time high, this was the second consecutive month of modest year-on-year declines. The number of active listings continued to be very elevated, up 25% over August 2024, and 71% over the same month in 2023. August saw a slight year-on-year decline in sales (2.4%) for the first time since February (August 2025 had one less business day than August 2024). Although we are now past the peak summer selling season, a recent decline in mortgage rates may give a lift to activity.

August was a weak month for building permits, with only 176 single-family dwelling units and no multi-family units permitted.

Apartment rents ticked down again, and, while still elevated, the vacancy rate continues to decline from its April peak. An [analysis by RentCafe](#) of data from Yardi Matrix placed Colorado Springs 15th among US cities for new apartments opening in 2025, with 4,409 units, ahead of Salt Lake City and Los Angeles, and just behind Manhattan.

Retail Activity: City sales and use tax collections in August (for July sales) showed very slight improvement – up 0.6% over August 2024, which was the first year-on-year gain since April. The impact of weakness in sales tax revenue - a trend going back to 2023 heavily influenced by the building materials category - was reflected in the [city's announcement of budget and staffing cuts](#).

Travel and Tourism: LART revenue was down 3% for July transactions compared with July 2024. The hotel data show occupancy rates down slightly from a year ago in both July and August. However, the number of rooms is higher than a year ago. Multiplying the occupancy rates by the number of rooms indicates a slight increase in hotel stays compared with a year ago. Those stays are at a lower price than last year – the average daily rate (ADR) was \$165.86 in July and \$154.19 in August this year, compared with \$187.78 and \$165.57, respectively, last year. So, the LART revenue declines appear to be mainly driven by lower room rates rather than fewer visitors.

Coroner's Report: The [2024 Annual Report of the El Paso County Coroner's Office](#) showed a 27% decline in accidental drug-related deaths and a 17.9% decrease in suicides compared with 2023. While one death is too many in either of these categories, this does represent encouraging progress.

American Community Survey: The Census Bureau released results from the 2024 American Community Survey. This is the source for the data in the “Selected Population Characteristics” table on page 4 of the dashboard. The table reports figures for the county. At the metro level (i.e., El Paso and Teller), median household income was \$90,760, which places us 56th out of 387 US metro areas, and is 11% higher than the US median of \$81,604. Median earnings – this can be a proxy for wages, though it differs by including self-employment income – were \$50,636 in the region, versus \$46,949 nationally – further proof that our wages are not lagging.

At 15.5%, the region ranked 11th for the share of the civilian 25-and-over population that are veterans. The share of the 16-and-over population that is in the military, 5.7%, was 16th highest. Among metro areas with populations above 500,000, we were second for the veteran share, behind Killeen, Texas and third for the share in the military, behind Killeen and Honolulu.

At 15.4%, the share of people here who “usually” work at home was 53rd highest. Among US metros, Boulder was highest at 28.7%, Denver ranked 4th (22.6%) and Ft. Collins-Loveland was 8th (20.9%). Given that, it is not surprising that Colorado was the #1 state in this category, at 19.9%, compared with a national figure of 13.3%. This underestimates of the extent of work-from-home - because of the question wording, it misses many people who work from home less than 50% of the time.

Teacher Salaries: The Economic Policy Institute released [estimates](#) of the “teacher wage penalty” measuring how much less teachers are paid relative to other workers with comparable demographic characteristics and educational attainment. Colorado had the largest penalty at 38.5%. I didn't find this surprising: as a state with relatively low teacher salaries (Colorado ranked 28th in Federal data for 2021-22 with salaries 11.9% below the national average) and relatively high wages – Colorado's median earnings of people with a bachelor's degree were 8th highest among states in 2024 – our teachers are experiencing a considerable gap with comparably-educated workers.

National Macro: August's preliminary US *job growth* was only 22,000, and the average over the past three months is only 29,333. That is very weak by the standards of recent history, but the sharp

decrease in immigration means that our expectations need to be revised down. But we don't know by exactly how much, since we don't have a clear picture of monthly changes in the working-age population. As a point of reference, Jed Kolko of the Peterson Institute for International Economics [estimates](#) that the "breakeven" rate of payroll growth – i.e., the monthly increase needed to keep up with the labor force – would be 27,000 if net immigration was zero.

The August numbers from the household survey were more positive – though the **unemployment rate** ticked up from 4.2% to 4.3% (highest since October 2021), it was driven mainly by an increase in labor force participation (more people looking for work).

The BLS released the **preliminary benchmark revision** which indicated that the payrolls total will be shifted down by about 911,000 for March 2025 when the final benchmark revision is released with the January 2026 jobs report. That routine annual revision, which comes from adjusting the monthly survey results to line up with data collected from business for unemployment insurance, will impact the April 2024-March 2025 period. While a downward revision sounds like bad news, lower employment growth over this period would imply that productivity (output per unit of labor) was stronger. In percentage terms, Colorado's revision was the largest, -1.8% (-51,200 jobs), compared with -0.6% for the US overall.

The August Consumer Price Index came in with a 2.9% year-on-year increase, and 3.1% for the core (excluding food and energy) CPI. Price increases in goods categories such as tools, hardware, outdoor equipment and supplies suggest that tariffs are having an impact (typically, inflation is mainly driven by services, with goods prices flat or declining). The Fed's preferred **inflation** gauge, the Personal Consumption Expenditures (PCE) price index saw an annual change of 2.7% in August (2.9% core). PCE inflation generally is a bit lower than CPI inflation.

Personal income and consumption expenditures data showed decent growth in August. Spending is somewhat outpacing income growth, so the saving rate ticked down to 4.6% (from 4.8% in July and 5.2% a year ago). While there are signs of strains (e.g., rising credit card delinquency) and unhappiness (gloomy consumer sentiment readings), overall consumer spending is still holding up.

The Fed announced a quarter-point reduction in the target range for the **federal funds rate**. Chair Powell described it as a "risk management cut." While the median projection from the committee participants (which includes non-voting members) indicated further reductions totaling 0.5 pt. this year, the projections did not show a consensus – a shift by one committee member would have changed the median to 0.25 pt. The fact is, the current data show the economy to be considerably further away from the Fed's 2.0% PCE inflation target than its maximum employment goal – it doesn't officially state a target for this, but its "longer-run" projection of a 4.2% unemployment rate provides a proxy. The argument for further reductions in the fed funds rate target rests on beliefs that (i) the superficially ok unemployment rate conceals a deeper weakening in the labor market and (ii) the modest acceleration of inflation is a "transitory" effect of tariffs. I cautiously agree with both, but it is easy to see why the Fed is in a difficult position. It is important to bear in mind that the Fed doesn't control "interest rates" – it is adjusting a single short-term rate, and that can impact other rates through financial markets, mainly via expectations. In Mortgage News Daily's tracker, mortgage rates took steps down after the July and August employment reports, as well after on the Fed's announcement, though they have rebounded somewhat since then.

One thing that could have a significant impact on interest rates would be if the Supreme Court allows the President to fire members of the Board of Governors (Lisa Cook is the particular case at hand). The importance of **Fed credibility**, which is rooted in its political independence, is one of the key lessons the economics profession took from the high inflation of the 1970s (and the high cost of ending it in the early 1980s). An [amicus brief](#) submitted to the Supreme Court opposing the administration's position was signed by all of the living former Fed chairs as well as a bipartisan group of former Treasury Secretaries and chairs of the Council of Economic Advisors. I worry that markets have underestimated the risks – a loss of Fed independence would ultimately result in higher long-term interest rates to compensate for the perceived additional risks of holding long-term dollar assets.

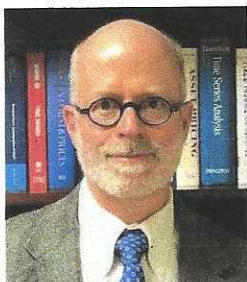
On social media, the President announced 50% **tariffs** on kitchen cabinets and bathroom vanities – another blow to the beleaguered homebuilding industry – 30% tariffs on upholstered furniture, 25% tariffs on heavy trucks, and 100% tariffs on pharmaceuticals (though these are expected to come with significant exceptions). Details are unclear, but it appears likely they will be based on a national security justification under Section 232 of the Trade Expansion Act of 1962.

We appear likely to have a **Federal Government shutdown**. Historically, these have tended to be short and had modest macroeconomic impacts. One likely topic of negotiations will be an extension of tax credits to subsidize purchases of insurance on the individual marketplaces established under the Affordable Care Act (locally, Connect for Health Colorado). The expiration of these subsidies at the end of this year would significantly increase cost for many and lead to some of them dropping coverage – there are [approximately 282,000 people enrolled](#) in Connect for Health Colorado and the [Urban Institute estimated](#) 63,000 more Coloradoans would become uninsured if the subsidies expire.

While shutdowns typically only have minor impacts on the national economy, it could be more significant locally – with 13,800 Federal civilian employees plus approximately 35,500 in the armed forces, about 13% of local paychecks could be delayed. While the employees and servicemembers would ultimately receive back pay, the uncertainty about how long it might take would likely lead many households to cut back on spending.

A shutdown would delay releases of economic data, including the September employment report due on Friday, and a long shutdown could also impact data collection.

See you Thursday at the Economic Forum! For those not able to join us, we will put a link on our website in the “Economic Forum Archive” section to KOAA’s recording when it becomes available.



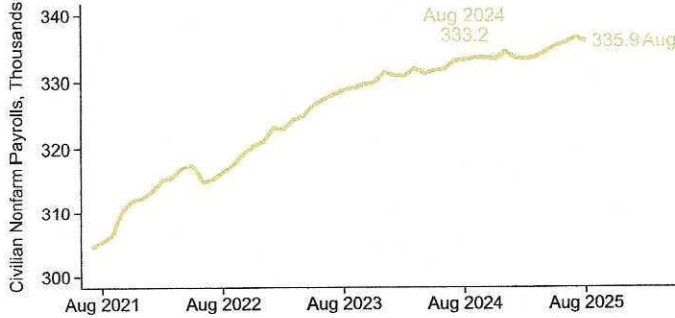
Thank you for your support!

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

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

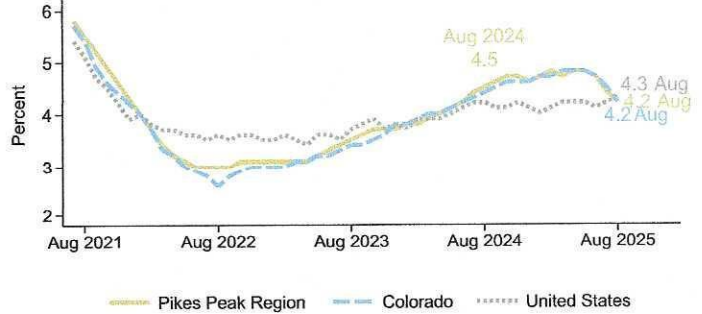
Labor Market

Pikes Peak Region Payrolls



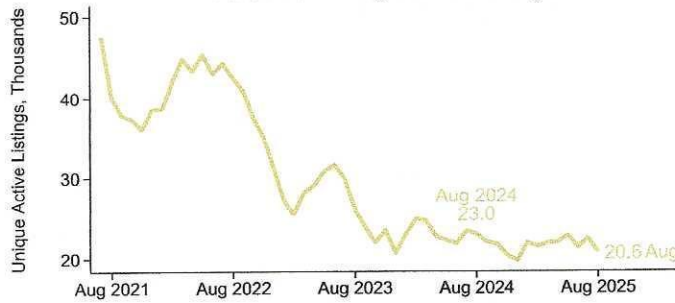
Data: Bureau of Labor Statistics, Seasonally Adjusted

Pikes Peak Region, Colorado and US Unemployment Rates



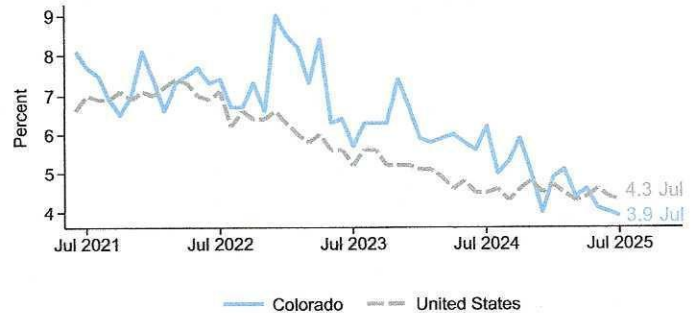
Data: Bureau of Labor Statistics, Seasonally Adjusted
Note: Local estimates released later than national and state data

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, August 2025

Sector	Employment	1 yr. % chg.
Government	57,700	-0.5
Professional & Bus. Services	54,400	+1.3
Private Education & Health Serv.	50,100	+5.5
Leisure & Hospitality	45,100	+2.5
Retail Trade	33,200	-1.5
Other Services	23,500	-2.9
Financial Activities	19,000	-3.6
Mining, Logging & Construction	17,700	-5.9
Manufacturing	12,200	+0.0
Transport, Warehouse & Utilities	12,200	+8.0
Wholesale Trade	6,500	-4.4
Information	4,900	+0.0

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

Pikes Peak Region Job Postings, August 2025

Occupation	No. of Postings	Median Advertised Ann. Salary
Registered Nurses	1,454	\$93,440
Other Computer Occupations	592	\$129,792
Retail Salespersons	541	\$35,456
Software Developers	433	\$134,912
Heavy Truck Drivers	386	\$70,016
Customer Service Reps.	326	\$47,488
First-Line Retail Supervisors	320	\$47,616
Home Health & Pers. Care Aides	222	\$38,528
Medical & Health Services Mgrs.	220	\$88,320
Maintenance & Repair Workers	212	\$47,616
Total Openings	20,609	\$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

2024	2023
35,535	38,320

Data: Census Bureau

Average Hourly Earnings

	August	1 yr. % chg.
Pikes Peak Region	\$37.82	+7.5%
Colorado	\$39.13	+3.7%
United States	\$36.31	+3.7%

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

Pikes Peak Region Employment

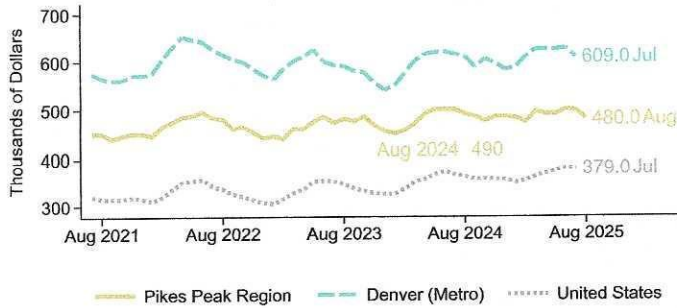
	August	July
Employed	385,347	386,494
Unemployed	14,768	16,026

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

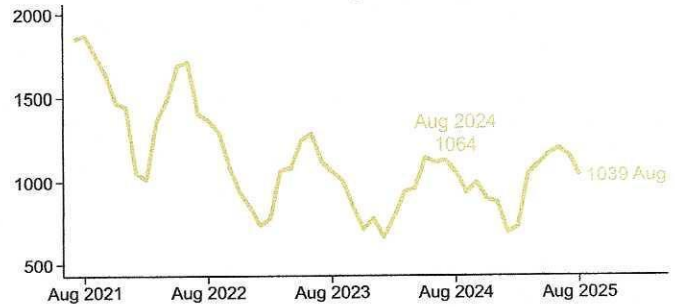
Note: "Pikes Peak Region" refers to the metropolitan statistical area of El Paso and Teller counties unless otherwise specified. Data subject to revisions. Please do not reproduce without permission.

Real Estate

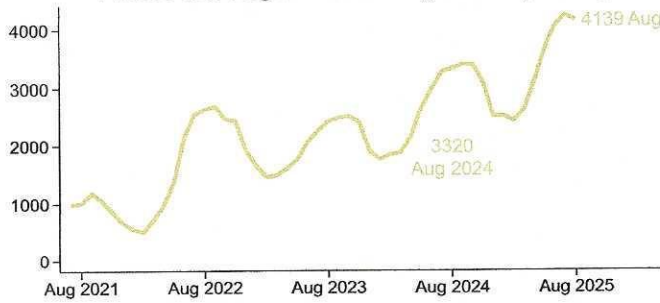
Pikes Peak Region, Denver and US House Prices



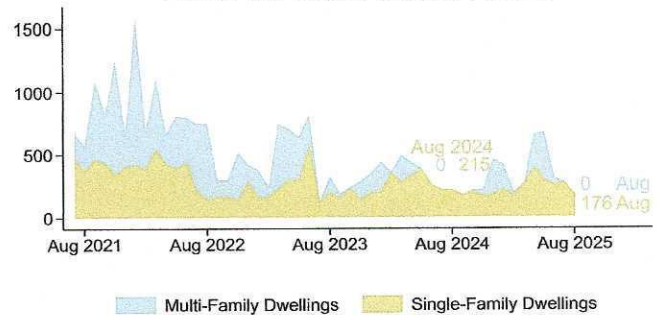
Pikes Peak Region Home Sales



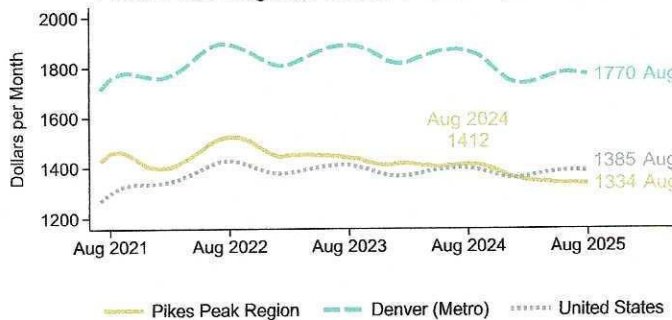
Pikes Peak Region Active Single-Family Listings



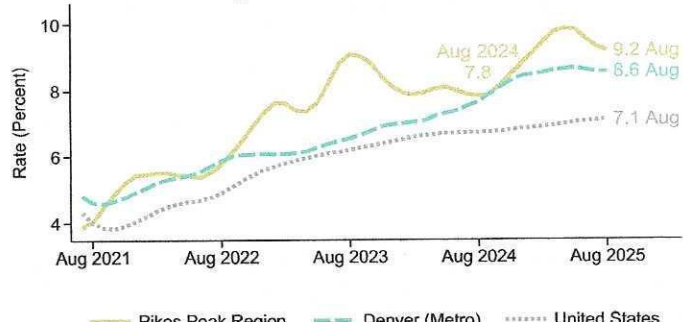
Pikes Peak Region Building Permits



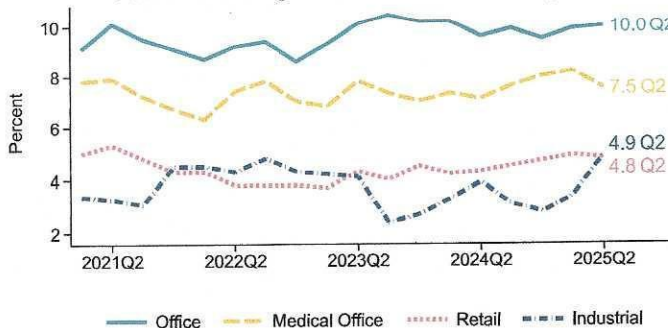
Pikes Peak Region, Denver and US Apartment Rents



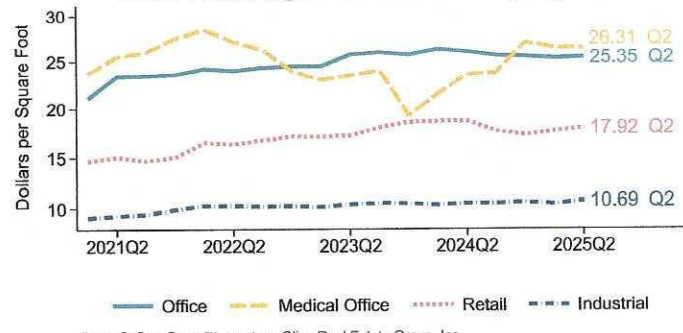
Pikes Peak Region, Denver and US Apartment Vacancy



Pikes Peak Region Commercial Vacancy Rates



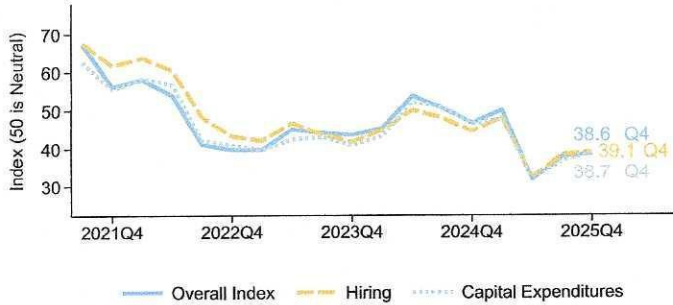
Pikes Peak Region Commercial Property Rents



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.

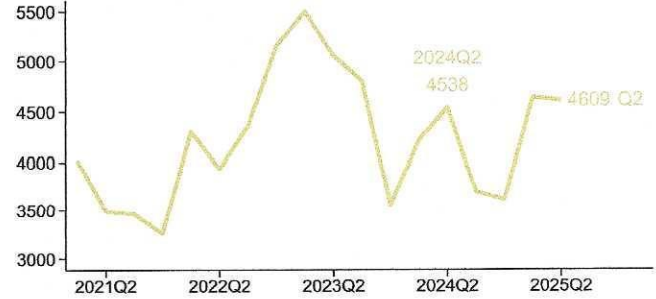
Business

Colorado Business Confidence



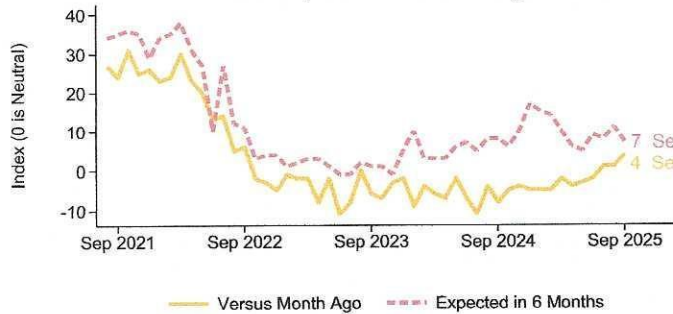
Expectations of Industry Hiring Plans and Industry Capital Expenditures are 2 of 6 components of the Leeds Business Confidence Index (LBCI)
Data: Business Research Division, CU Boulder Leeds School of Business

Pikes Peak Region New Business Entities



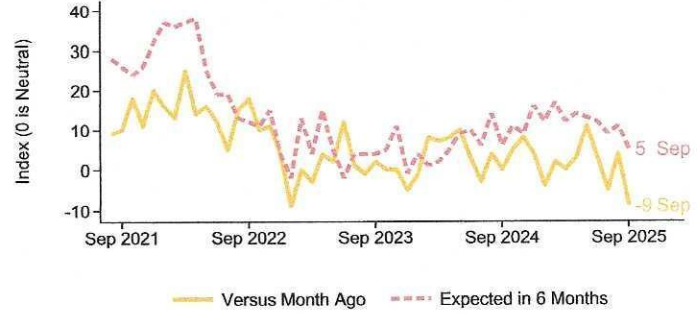
Data: Colorado Department of State
Note: Filing fees were reduced from \$50 to \$1 between July 2022 and May 2023

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

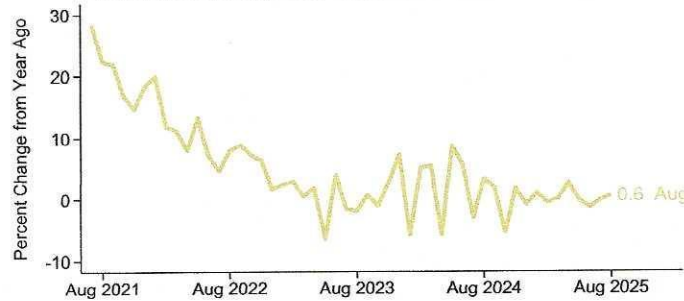
Kansas City Fed Services Index



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

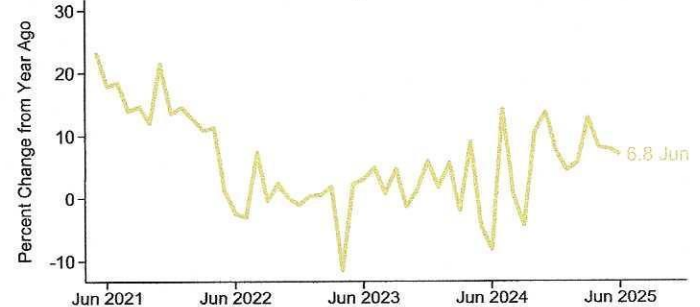
Consumers

Colorado Springs City Sales and Use Tax Collections



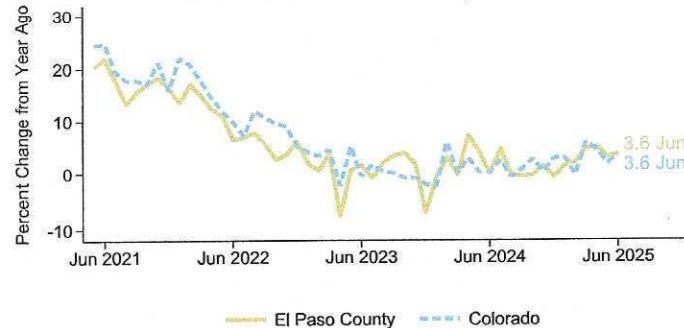
Collections reflect sales in the prior month
Data: City of Colorado Springs Finance Department

El Paso County Auto Dealer Sales



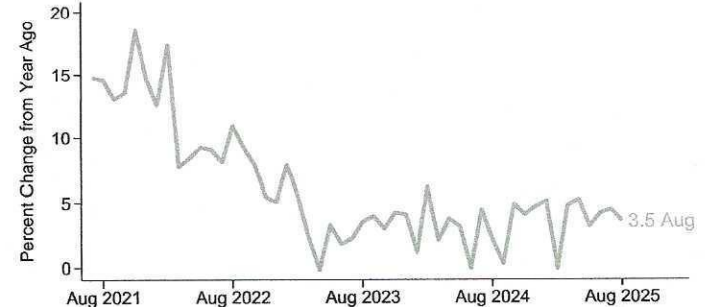
Dollar value of sales. Data: Colorado Department of Revenue

Colorado and El Paso County Retail Sales



Data: Colorado Department of Revenue

US Retail and Food Service Sales

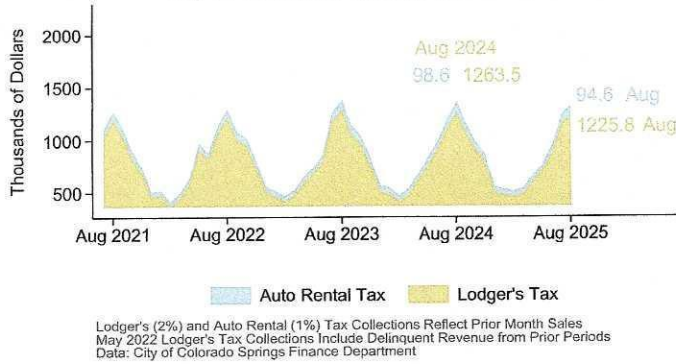


Data: US Census Bureau. Most recent observation is advance estimate.

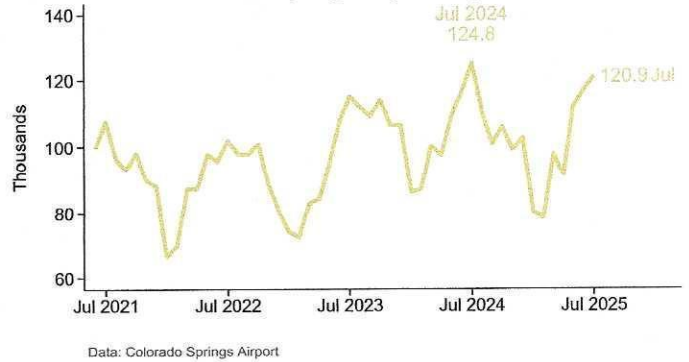
Note: "Pikes Peak Region" refers to the metropolitan statistical area of El Paso and Teller counties unless otherwise specified. Data subject to revisions. Please do not reproduce without permission.

Travel and Tourism

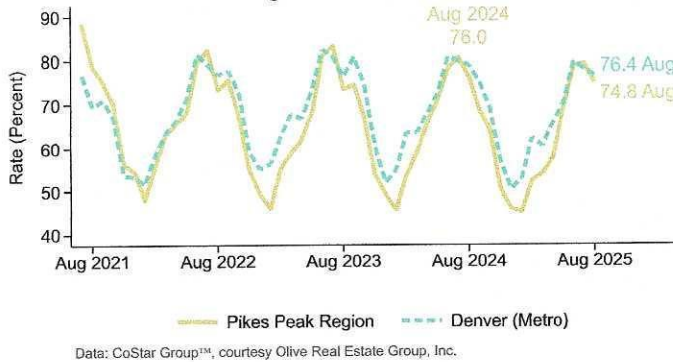
City of Colorado Springs LART Revenue



Colorado Springs Airport Enplanements



Pikes Peak Region and Denver Hotel Occupancy



Pikes Peak Region and Denver Hotel RevPAR



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, 2024

	El Paso County	Colorado	United States
Median Household Income	\$91,009	\$97,113	\$81,604
Poverty Rate	8.5%	9.6%	12.1%
Median Age	35.5	38.0	39.2
Bachelor's Deg. or Higher (≥25)	42.8%	47.8%	36.8%
Veteran (civilian pop. ≥18)	15.6%	7.0%	5.9%
Military (≥16)	5.9%	0.9%	0.5%

Data: Census Bureau

Mortgage Payment Share of Median Income, July 2025

Pikes Peak Region	45.0%
Denver (Metro)	49.6%
United States	47.2%

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 Q2 2025

Pikes Peak Region	101.5
Denver (Metro)	109.3

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

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.

THANK YOU TO ALL UCCS ECONOMIC FORUM PARTNERS!

Platinum Partner:



Gold Partners:



Silver Partners:



Media Partners:



Sustaining Partners:

ABC Bank | Blazer Electric Supply Co | City Of Fountain | Classic Homes | Financial Planning Association of Southern Colorado | FirstBank Holding | Housing & Building Association of Colorado Springs | Integrity Bank & Trust | InnovaFlex Foundry | Nunn Construction, Inc. | Olive Real Estate Group | Sparks Willson | US Bank | Visit Colorado Springs