

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

## Highlights - January 2025

Two of my upcoming presentations in February are open to the public: [Institute in Real Estate Management](#) (which has 2 CE credits available) on February 6 and the [Apartment Association of Southern Colorado](#) on February 26. Please check out the registration links if you are interested in attending! Also, the inaugural printed version of the Colorado Springs Business Journal will be available on February 7<sup>th</sup>, and I have a health-care-economics article in that edition addressing the topic in general as well as the murder of the United Healthcare CEO. You will also be able to access it at [csbj.com](http://csbj.com).

Generally speaking, during 2024 the U.S. economy continued to outperform its typical or “trend” growth rate of ~2.0%. The advanced estimate for **2024 Q4 Gross Domestic Product (GDP) {Page 3}** came in at an annualized rate of 2.3% (or 2.5% year-over-year), which was slightly below expectations and down from the Q3 annualized rate of 3.1%. However, the theme of U.S. resilience is still very much at play and still [largely attributable to consumer spending](#), which increased 4.2% during 2024 Q4. We keep thinking the almighty consumer will tire, but that 4.2% increase was only superseded in the post-pandemic buying frenzy of 2021 (and largely with pandemic checks). According to some surveys, consumers are not only confident about the jobs market, they are also trying to buy ahead, thinking that tariffs will cause further inflation. Business investment differed, however, declining for the first time in more than three years, likely because their inventories were drawn down by consumers. Businesses also expressed caution about future sales with an expectation that (tariff-induced) inflation may crimp demand. On the other hand (as economists love to say), some businesses may pull forward their purchasing in Q1 of this year in anticipation of higher producer prices (again, due to tariffs). February 1<sup>st</sup> (tomorrow!) is the deadline for our two largest trading partners to concede to President Trump’s demands mostly around illegal immigration and drug trafficking in order to avert 25% on all goods (minus oil imports). Most of us don’t think we have a border problem with Canada, but I would like to say my (Canadian) husband is here legally and always has been, FYI.

Regarding tariffs, I recently had someone ask after a presentation why tariffs would increase prices (he thought they would do the opposite). The primary reason is that history shows us that there are always retaliatory tariffs that increase the price of our imports. This wouldn’t necessarily impact us that much on surgical tariffs (as I call specific tariffs on targeted goods that reflect unfair trade practices) but blanket 25% tariffs would impact all goods. As the world’s largest importer (see consumerism resilience comments above and the adjacent visual), higher import prices would be a big hit to 2/3 of our economy, which is consumer expenditures.

Inflation ticked up slightly, with the **Consumer Price Index (CPI) {Page 3}** rising 0.4% for all items between November and December, up from a 0.3% increase the previous month. Prices were up 2.9% year-over-year in December, compared to 2.7% in November. Although I still consider a 2.9% (December) inflation rate troublesome, the “good news” was that the core inflation rate (prices minus food and energy) slightly decreased from November (3.3%) to December (3.2%). I have received many emails from individuals who watch or read my updates, and all of them express frustration with the higher price levels since early 2020 as well as the emphasis on the “core” rate. They ask me, “who doesn’t consume food or energy?” I personally think the CPI needs some revamping.

At the Federal Reserve meeting this week, **Interest Rates {Page 3}** were left unchanged. As long as the jobs market stays healthy and inflation stays somewhat elevated, the Fed will continue to be cautious. Today, the PCE deflator (another inflation measure) was released showing an unchanged rate from the previous month at 2.8% - not good news as that is still well above the desired 2.0%, but at least it didn’t increase. Most experts are assuming there will be two more cuts this year (September and December). With elevated interest rates, it’s not surprising that existing-home sales for all of 2024 were roughly 20% lower than 2019 and the [lowest reported since 1995](#). Rates are partially to blame, but it is also a supply issue. Only about 4 million homes were sold last year compared with 5.5 – 6.0 million in “normal” years according to Zillow CEO, Jeremy Wacksman. This is keeping prices elevated. Other headwinds, particularly for townhome/condo owners is rising HOA fees, which I covered this week on [Fox21](#) and The Gazette (on Sunday).



[Page 3 - Macroeconomic “Big Picture”](#)

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Reflecting concerns about [rising inflation](#) due to possible tariffs, **Consumer Sentiment {Page 3}** softened in January, declining to 71.1 from 74.0 in December. Especially troubling was the big jump in year-ahead inflation expectations. This matters because economic history shows us that high inflation expectations cause distortions such as increased employee demands for wage increases (fueling inflation) and buying forward behaviors (as consumers anticipate inflation, which also fuels inflation). **Job Openings {Page 3}** rose to 8.1 million in November, a 3.3% month-to-month increase demonstrating the labor market resilience. The **Unemployment Rate {Page 3}** fell to 3.8% in December from 4.0% in November, although El Paso County (at 4.6%) and Colorado (4.5%) had higher unemployment rates. This is partially due to a higher labor participation rate in our state, which is a good thing. I am closely watching, however, as we face the demographic headwinds we've largely dodged in previous decades. More retirees, fewer in-migrants, and an aging workforce are all creeping up on us in Colorado. The lower in-migration is complex, but largely attributable to our higher cost of living.

All Colorado labor market data is in question right now, however, due to [data issues](#). The national Bureau of Labor Statistics has made an unprecedented statement that they will not publish Colorado's labor data until it feels more confident about its data collection processes, especially around sample size. Data availability is becoming an issue across the country, in fact, with budget cuts impacting data releases at federal agencies, which I addressed in this [segment](#).

**Job Openings {Page 4}** in Colorado Springs MSA declined to 16,055 in December, down from 17,266 in November. Meanwhile, the **Number of Unemployed Individuals {Page 4}** fell slightly, from 17,856 in November to 17,800 in December. With fewer job openings and a small decrease in the labor force, the **Ratio of Workers per Available Job {Page 4}** increased from 1.03 in November to 1.11 in December, indicating greater competition among job seekers. It's this kind of data that verifies for me at least somewhat that our region and state's higher unemployment rates are indeed true, despite some data issues.

I am heartened, however, with regional and state initiatives around workforce development. We (DDES) are part of a group that received a \$5.75 million Department of Labor grant building and enhancing [career pathway programs](#) in advanced manufacturing. We are so happy to be a part of this work with the incredible partners at Trinidad State College, Pueblo Community College, Colorado Education Initiative and others. We are already working with this awesome group on another (IT-related) workforce development initiative through an Opportunity Now grant. This kind of work is much of the reason we started DDES, so I feel fortunate to be a part of these state-wide programs.

The housing market in the Pikes Peak region saw continued seasonal cooling in December. **Home Sales {Page 6}** fell slightly, from 894 in November to 877. However, building activity showed signs of life, with 183 **Single-Family Permits {Page 6}** pulled in December, up from 162 in November. **Multi-Family Construction {Page 6}** increased significantly and surprisingly, with permits issued for 276 dwelling units in December, compared to 55 in November. This is somewhat surprising because apartment vacancies stand at 12.7%, which typically deters investors. In total, 2024 saw permits for 3,852 dwelling units in the region, far below the estimated "healthy" annual figure of 8,500. This persistent gap underscores the challenges facing the housing market as demand continues to outpace supply.

A shout out to my dear friend, Greg Phillips, who will no longer be the Director of Aviation at the Colorado Springs Airport. He embodies hard work, commitment and integrity and that's much of the reason **Enplanements {Page 7}** in [2024 were the highest they have been in 25 years](#). Thank you for your (prior) military service and your continued service to your community.

With regard to public safety, **Homicides {Page 7}** in the Colorado Springs MSA decreased significantly in 2023, with the rate dropping to 7.4 per 100,000 people, down from 10.2 in 2022. This reflects a broader national trend, as the U.S. homicide rate declined to 6.7 per 100,000 people in 2023. And that's a good note to end on.

Tatiana, Rebecca & Kathryn

If you wish to unsubscribe from this monthly report, please email [rwilder@ddestrategies.org](mailto:rwilder@ddestrategies.org). If you'd like to know more about supporting our economic reporting and workforce development initiatives, please contact [gglassford@ddestrategies.org](mailto:gglassford@ddestrategies.org).

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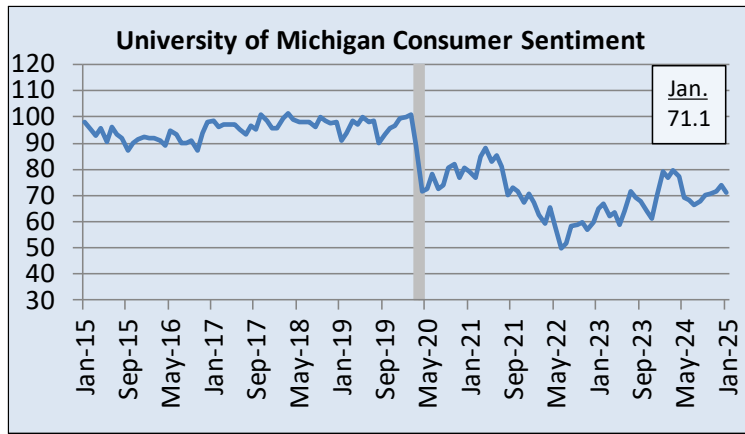
[Page 7 - Crime & Safety](#)

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## MACROECONOMIC "BIG PICTURE" (PAGE 3)



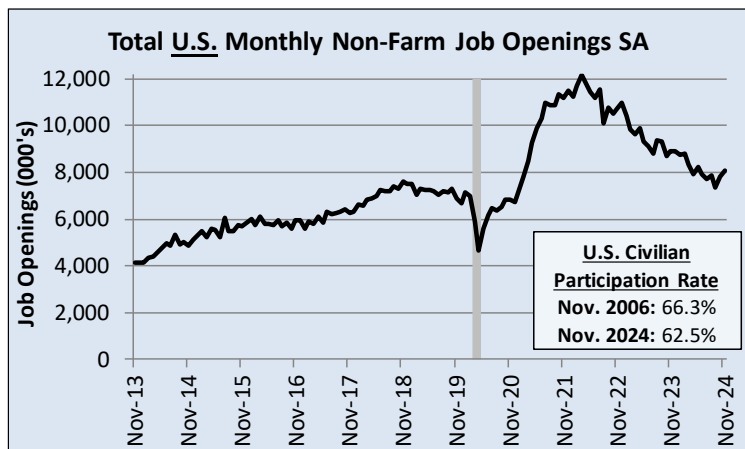
\*Estimate of real GDP percent change from same quarter a year ago, SA  
 \*\*If quarterly changes were annualized over the year.  
 Source: U.S. Bureau of Economic Analysis



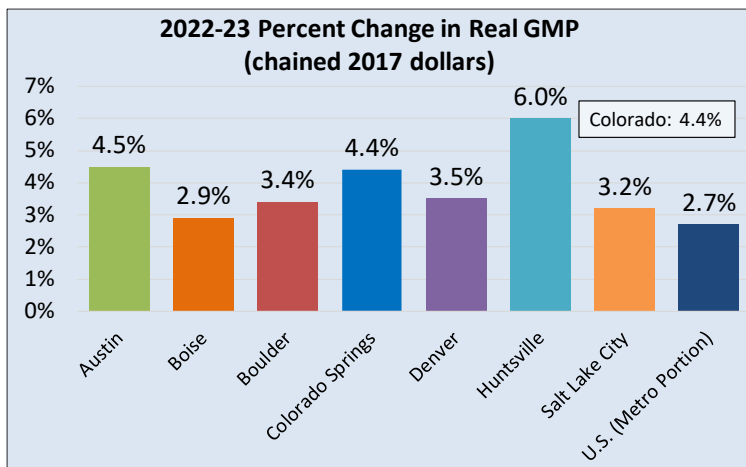
Source: University of Michigan

Forecasts for U.S. Real GDP and Unemployment (SA)				
	2022 Actual	2023 Actual	2024 Forecast	2025 Forecast
Real GDP Growth	2.5%	2.9%	2.8%	2.3%
Unemployment Rate	3.7%	3.6%	4.1%	4.1%

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



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

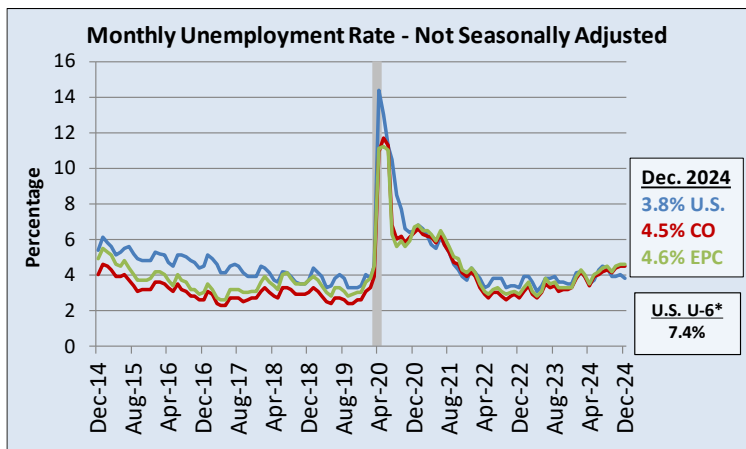


Note: Data includes military. Real GMP is adjusted for regional price parity (RPP). This regional data lags ~23 months.  
 Source: U.S. Bureau of Economic Analysis

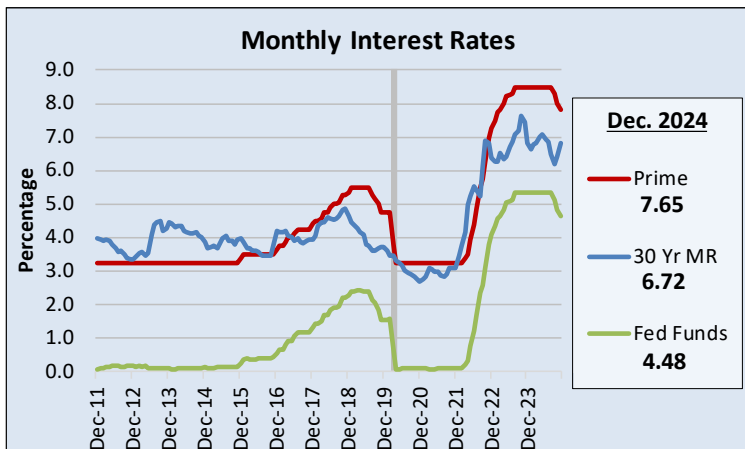
U.S. Consumer Price Index - December 2024		
	All items	Less food & energy
Change from November to December 2024 (SA)	0.4%	0.2%
Last 12-months (NSA)	2.9%	3.2%

The 2024 Q33 cost of living in the **Colorado Springs MSA** was **102.1%** 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.  
 \*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



\*The latest monthly rate is the average expected as of the date in the text box.  
 Source: Board of Governors of the Federal Reserve System

## LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Colorado Springs MSA December 2024		
Top Job Titles	# of Job Postings	Median Advertised Salary
Registered Nurses (L)	586	\$93,440
Retail Salespersons (M)	504	\$33,408
Software Developers (L)	464	\$130,048
Computer Sys Engineers/Architects (L)	451	\$140,032
Food Service Managers (H)	244	\$40,448
1st-Line Supervisors, Retail Sales (L)	242	\$44,672
Customer Service Reps (M)	237	\$40,064
Heavy & Tractor-Trailer Truck Drivers (H)	230	\$53,376
Maintenance & Repair Workers (H)	216	\$47,616
Medical & Health Services Managers (L)	196	\$56,448

**Colorado Springs MSA, December 2024**  
**TOTAL Job Openings: 16,055**  
**TOTAL Unemployed: 17,800**  
**Workers Available per Job Opening: 1.11**

Risk of Automation: L = Low; M = Medium; H = High  
 Sources: The Conference Board® Lightcast® Help Wanted OnLine® via Pikes Peak Workforce Center; CO Dept. of Labor & Employment

2023 Federal Poverty Level (FPL)		
	El Paso County	U.S.
% people at FPL or below	7.0%	12.5%

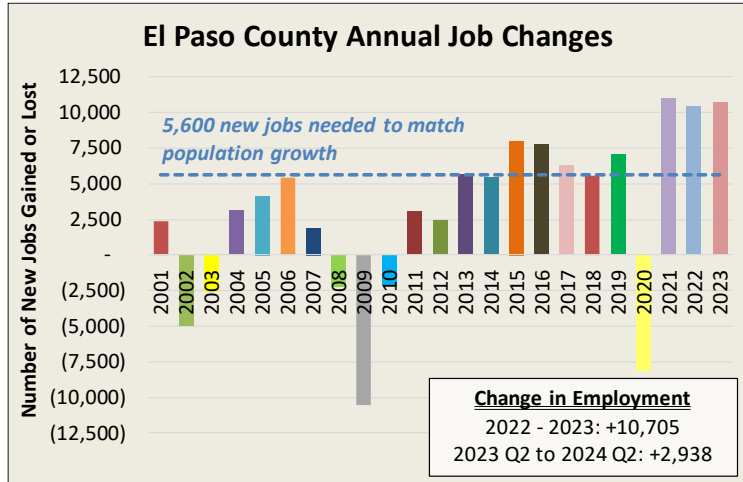
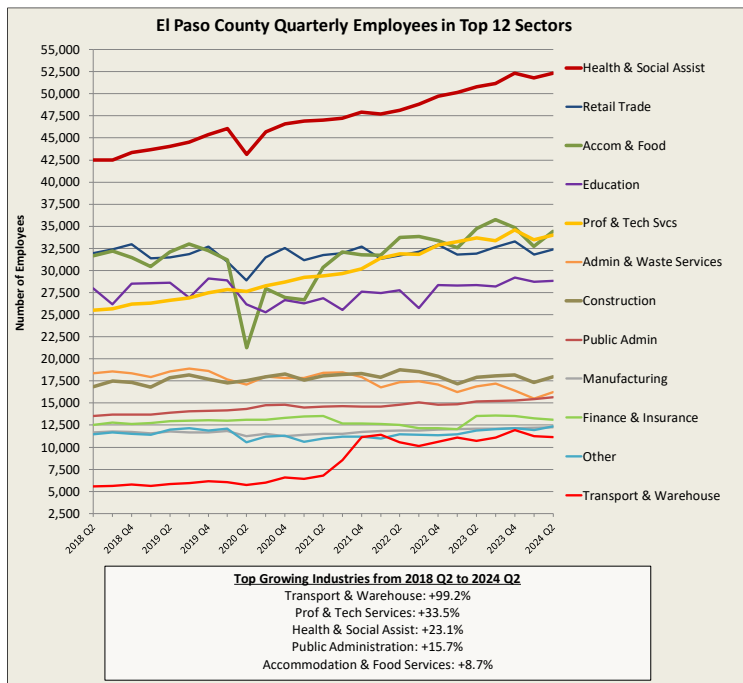
*Note: FPL in 2023 was \$14,580 for an individual and \$30,000 for a family of four.*

2024 Q2 Average Annual Wages for All Industries		
<i>El Paso County wages are 9.2% lower than U.S. wages and 15.1% lower than CO wages.</i>		
U.S.	Colorado	El Paso County
\$72,280	\$77,272	\$65,624
<b>2024 Q2 El Paso County Total Employment*</b>		310,036

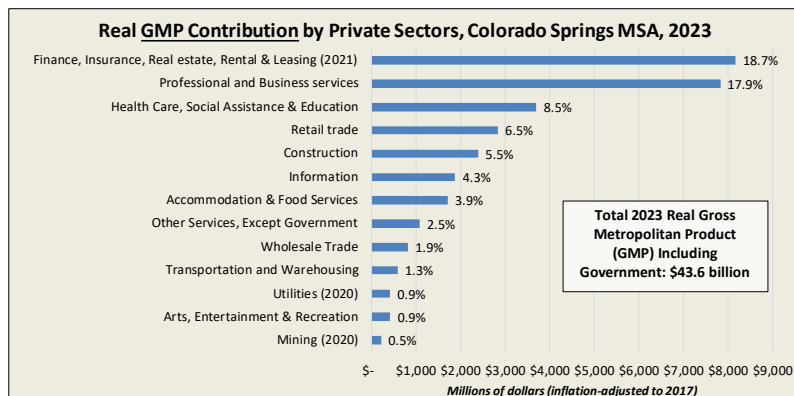
2023-24 Minimum Wage & Living Wage El Paso County		
	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$14.42	\$29,994
Living wage: HHS with 1 adult, 2 children	\$56.05	\$116,584
Living wage: HHS with 2 adults (1 working), 2 children	\$43.68	\$90,854
Living wage: HHS with 2 adults* (2 working), 2 children	\$30.39	\$63,211

*\*Living wage is for each working adult. For specifics, go to [livingwage.mit.edu](http://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



An estimated 5,600 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)

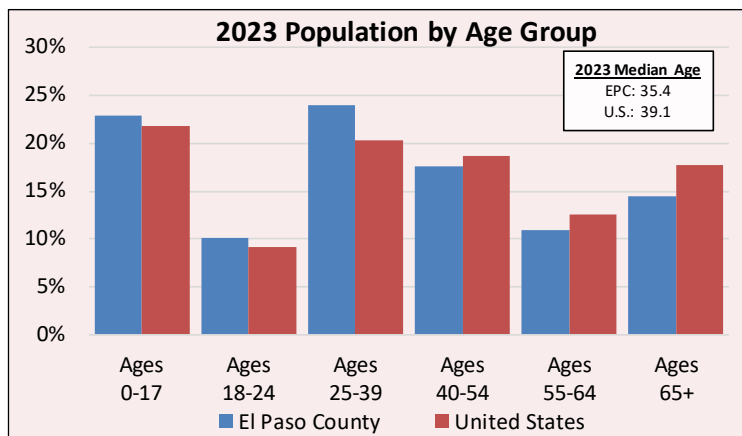


Manufacturing data last disclosed in 2012 when it was 7.1% of real GMP. Government data is no longer released by sector for 2016 when federal military was 12.7%, state & local government was 8.2% and federal civilian government was 5.3% of real GMP. Utilities and Mining data last disclosed in 2020. Finance, insurance, real estate & leasing was last disclosed in 2021. GMP (local) data lags by approximately 23 months. GMP is the same as GDP for the nation but at the local level.  
 Source: U.S. Bureau of Economic Analysis

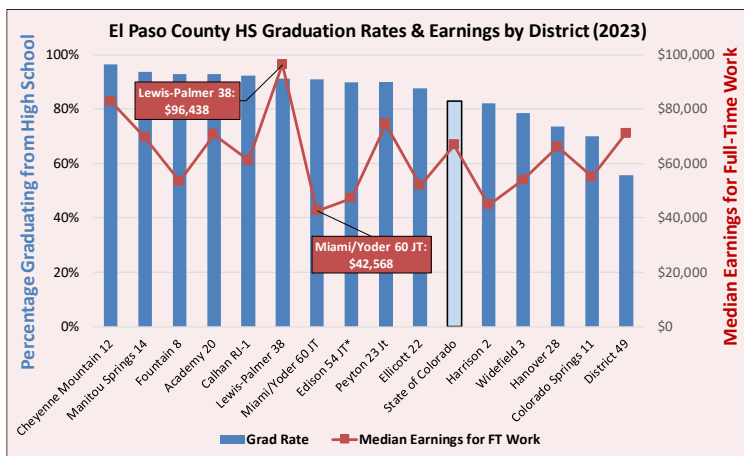
## DEMOGRAPHICS (PAGE 5)

Population Estimates		
	2023	2050
<b>El Paso County</b>	744,153	1,001,087
<b>Colorado</b>	5,876,300	7,416,589

The City of Colorado Springs had a population of 485,143 in 2022.  
Source: Colorado State Demography Office

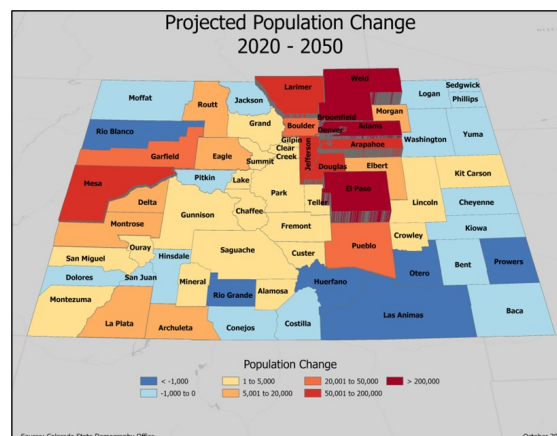
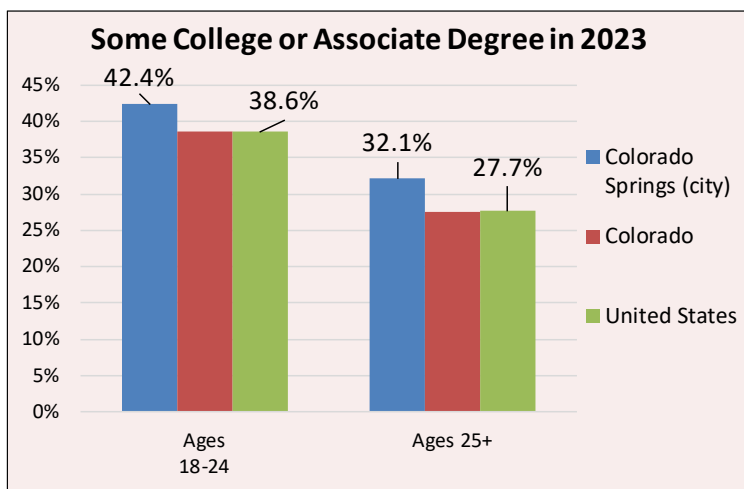
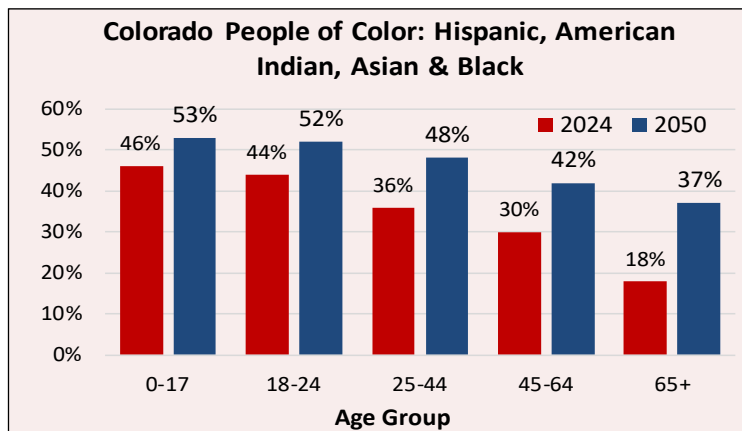
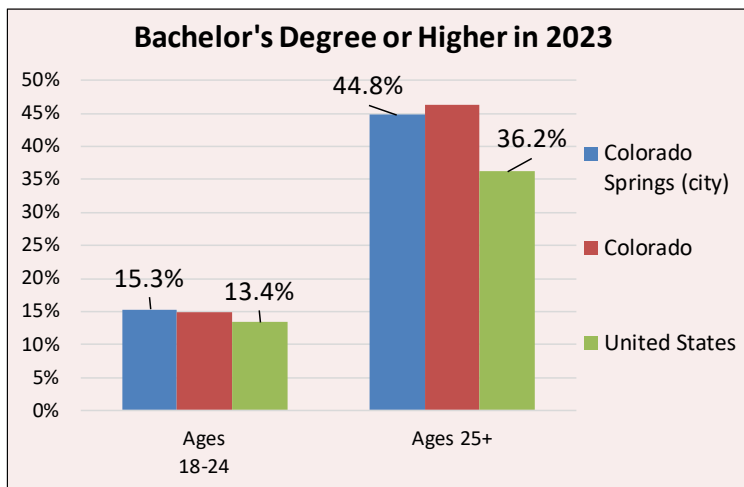
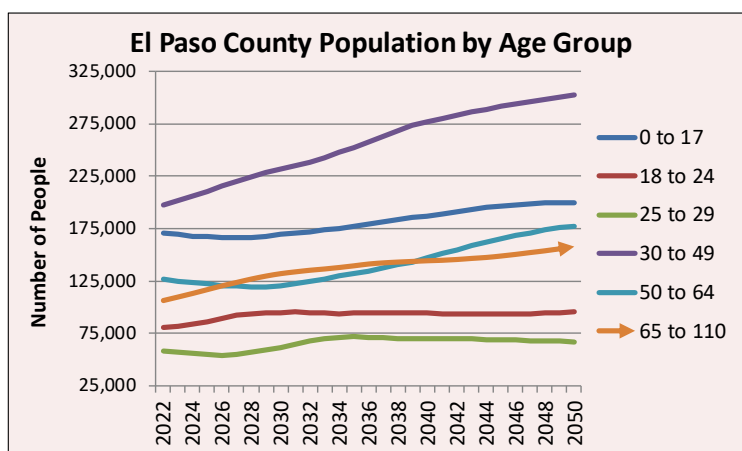


Source: U.S. Census Bureau, Population Division



Note: Calhan, Ellicott, Peyton, Hanover, Edison, and Miami/Yoder districts all have fewer than 100 students. District 49 has a significant number of online students, which pull down the districtwide average. (Without the largest online school, the district average is 88%.) \*Edison had ≥ 90% graduation rate.

Sources: Colorado Department of Education; U.S. Census Bureau, American Community Survey 5-year estimates

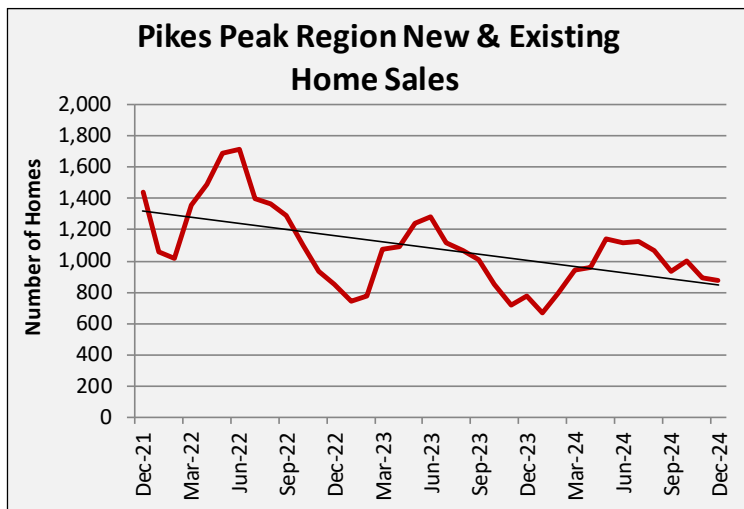


Source: Colorado State Demography Office

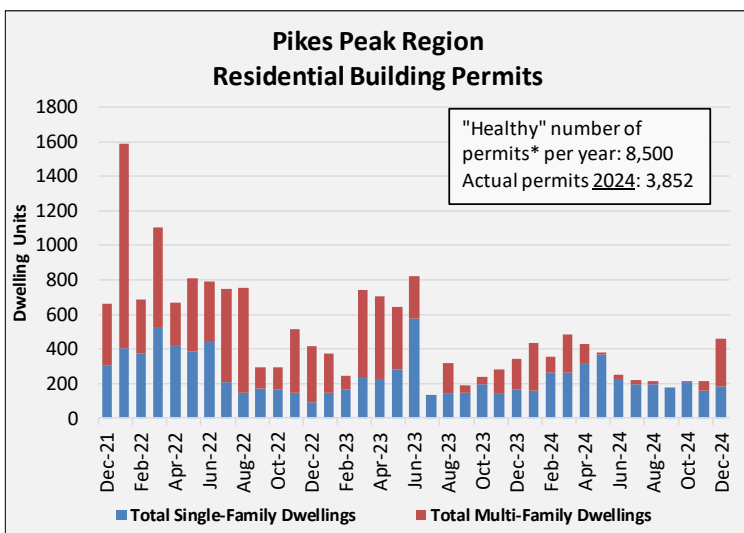
Source: U.S. Census Bureau, American Community Survey 1-year estimates

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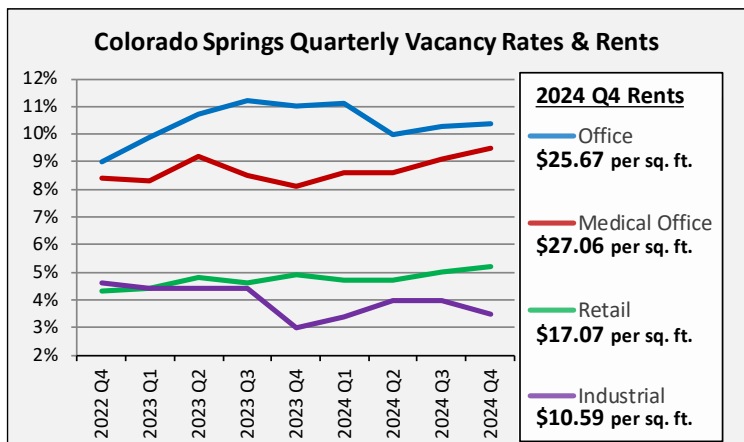
## REAL ESTATE (PAGE 6)



Source: Pikes Peak REALTOR® Services Corp.



\*The methodology for "healthy permits" now includes single-family and multi-family dwellings needed if we incorporate both population growth and the existing shortage of housing between 2023 and 2028. These calculations by Data-Driven Economic Strategies incorporate research by Common Sense Institute and input from the Colorado State Demography Office. The National Association of REALTORS® has calculated that the U.S. has underbuilt roughly 6.5 million homes since the Great Recession. Source: Pikes Peak Regional Building Department

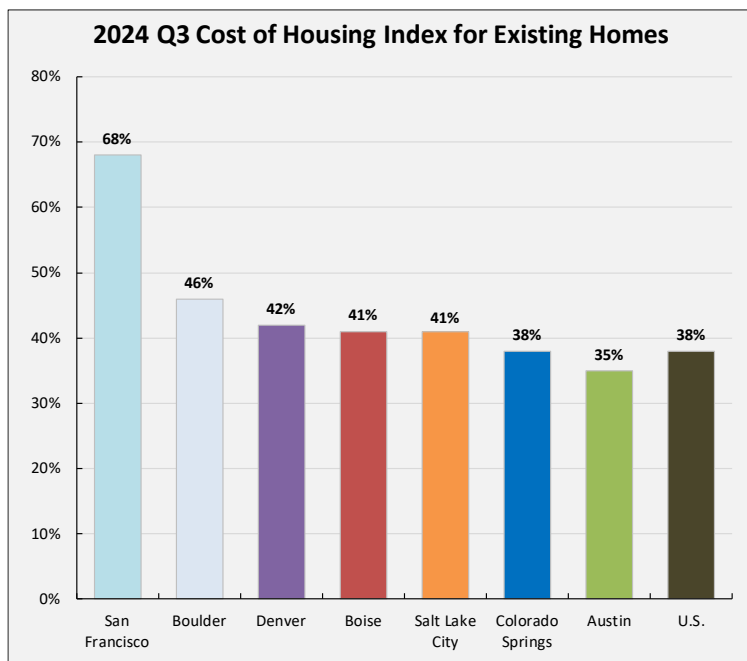


Sources: CoStar Group™; Olive Real Estate Group, Inc.

### Median Existing Single-Family Home Price 2024 Q3

Location	Colorado Springs	Denver	Boise	United States
Price	\$473,200	\$654,600	\$491,800	\$418,700
1-year % Change	1.5% increase	2.7% decrease	1.2% increase	3.1% increase
MSA Rank	48	21	40	n/a

Sources: National Association of REALTORS®



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

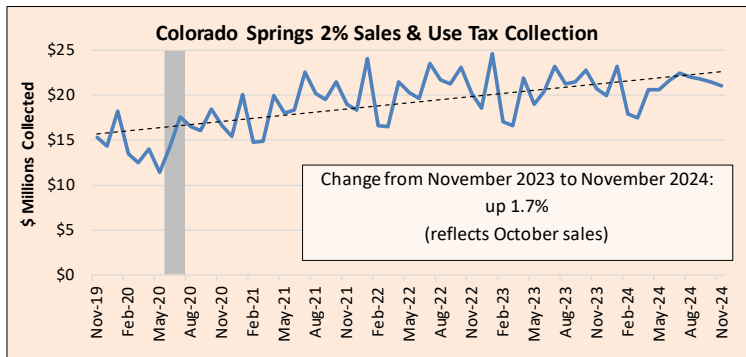
### Apartment Rental Information

	Colorado Springs	Denver	Salt Lake City
Market Conditions <u>2024 Q3</u>	<u>Soft</u>	Slightly Soft	Slightly Soft
Vacancy Rate <u>2023 Q3</u>	11.4%	8.0%	10.9%
Vacancy Rate <u>2024 Q3</u>	<u>12.7%</u>	10.2%	11.1%
Average Rent <u>2023 Q3</u>	\$1,481	\$1,853	\$1,602
Average Rent <u>2024 Q3</u>	<u>\$1,483</u>	\$1,867	\$1,591

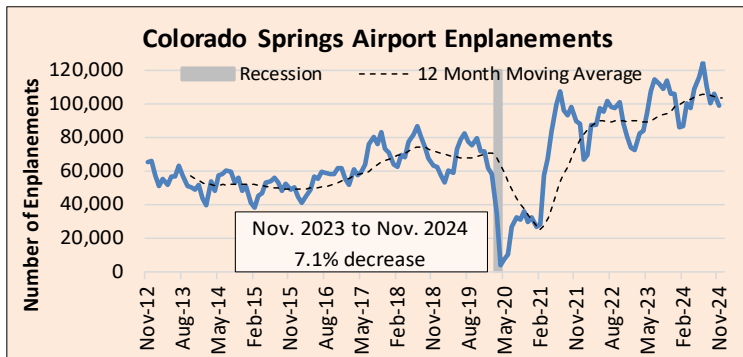
Source: U.S. Department of Housing & Urban Development (HUD), U.S. Market Conditions report

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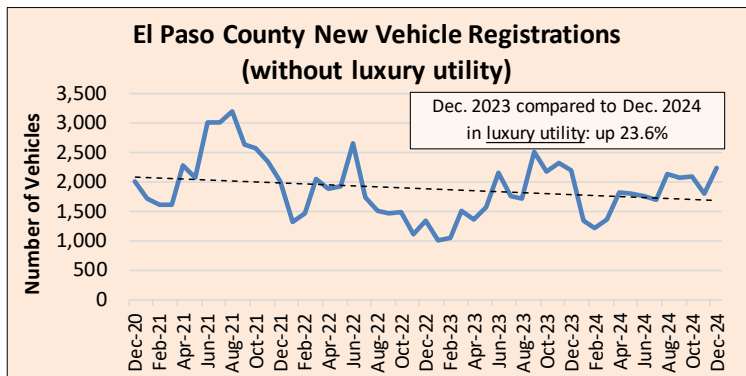
## TAXATION, VEHICLE SALES, AIR QUALITY, AND TOURISM (PAGE 7)



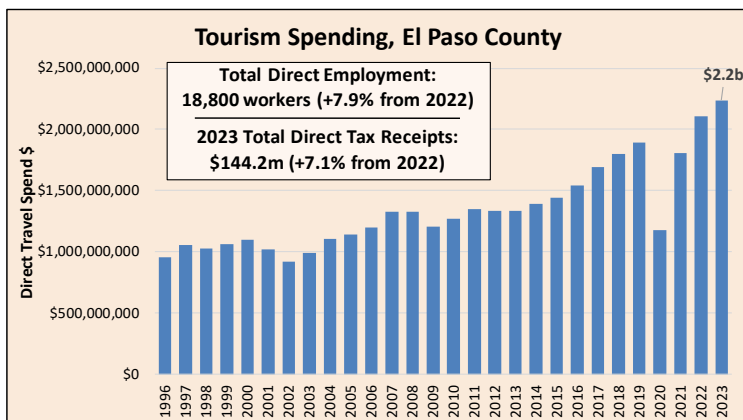
Source: City of Colorado Springs



Source: Colorado Springs Airport



Luxury utility categories (all terrain, camper trailer, trailer coach and trailer utility) are not included in graph line above, but % change in this category is noted in text box.  
Source: Colorado Interactive LLC



Note: Direct travel includes day and overnight visitors.

Source: Colorado Tourism Office

2023 Air Quality		
	Colorado Springs*	U.S. Standard
Carbon Monoxide (CO) Concentration (ppm)	1.1	9.0
Particulate Matter ( $\mu\text{g}/\text{m}^3$ )	7.75	12.00
Ozone (ppm) at USAFA	0.069	0.070
Ozone (ppm) at Manitou Springs	0.071	0.070
Sulfur Dioxide ( $\text{SO}_2$ ) (ppb)	4.8	75.0

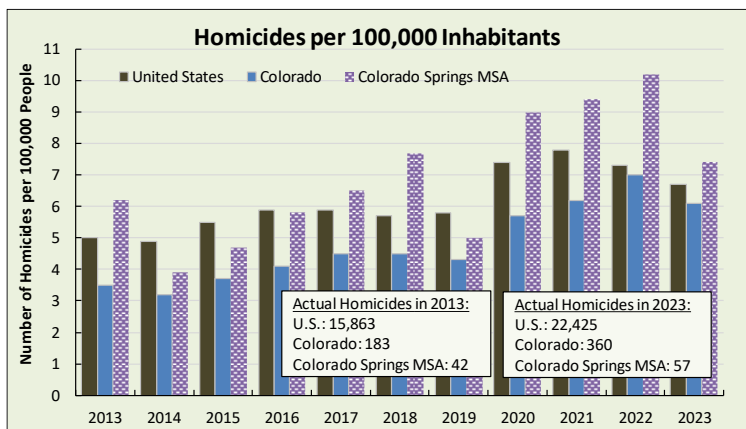
\*Locations of measurements: CO at 690 W. Hwy 24; Particulate Matter at Colorado College;  $\text{SO}_2$  at Hwy 24  
Source: Colorado Department of Public Health & Environment

Hotel Occupancy Rate December 2024	
Colorado Springs	Denver
46.5%	53.8%

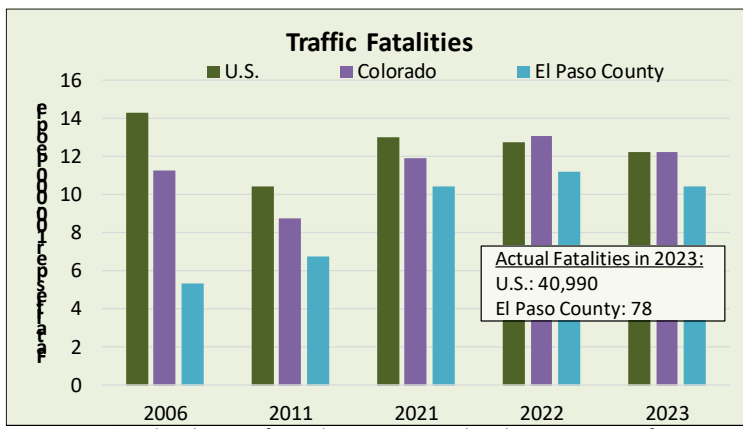
Hotel RevPAR* December 2024	
Colorado Springs	Denver
\$54.80	\$64.57

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

## CRIME & SAFETY (PAGE 7)



Source: United States Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, Underlying Cause of Death on CDC WONDER online Database.



Sources: National Highway Safety Administration; Colorado Department of Transportation; World Bank; U.S. Census Bureau; Colorado State Demography Offices; Data-Driven Economic Strategies

2021 Mortality Rates due to Homicide per 100,000 Population				
Canada	Germany	Italy	Japan	United States
2.1	0.8	0.5	0.2	6.8

Source: UN Office on Drug and Crime's International Homicide Statistics database through The World Bank and World Population Review

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

Sworn Police Officers Per 10,000 Inhabitants in 2023	
City of Colorado Springs	15.8
City of Boise	12.4
Kansas City	21.4
City of Omaha	16.9

Sources: Federal Bureau of Investigation, Uniform Crime Report; U.S. Census Bureau, Population Division

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



## SUPPORTERS (PAGE 8)



# THANK YOU!