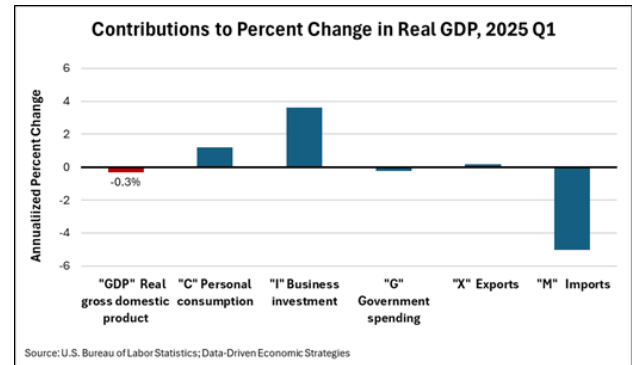


# El Paso County Economic & Workforce Progress Report (EPR)

## Highlights - April 2025

The big news this month is that **GDP, or Gross Domestic Product, {Page 3}** contracted in Q1 of this year. Today's release came in at -0.3% on an annualized basis, marking its first decline in nearly three years. This is a large deviation from GDP in 2024 Q4, which was +2.4%. The current downturn was primarily driven by a significant surge in imports, which are subtracted in GDP calculations. Businesses accelerated purchased imports ahead of further tariffs, leading to a 41.3% increase in imports and a record trade deficit. GDP is calculated as follows:  $GDP = C + I + G + (X - M)$ , or the sum of consumption, business investment, government spending and (exports – imports). "C" or consumption, is about 70% of GDP, and it helped offset a bigger GDP decline as it rose 1.8% largely due to tariff-related "pulled forward" car sales. However, in the final two quarters of 2024, consumer spending rose ~4% each quarter telling me consumers are indeed pulling back. Government spending also declined (-1.4%) including **defense spending (-8.0%)**. The big question now is whether in Q2 of this year consumers will pull back more, how much net exports will adjust, and how much business investment will slow down. The other huge variable is the PCE price index, which is what the Fed uses to track inflation. It increased in Q1 by 3.6% (compared to 2.4% in 2024 Q4). This is critical because it makes it harder for the Fed to reduce interest rates, which makes it unlikely that consumer spending and business investment will be healthy moving forward.



Meanwhile, **Unemployment Rates {Page 3}** fell from February to March and are historically quite low (and yet, consumer sentiment continues to sour, which is discussed below). The U.S. unemployment rate fell from 4.5% in February to 4.2% in March. Colorado saw a similar trend with the unemployment rate falling from 5.2% to 4.6%, and El Paso County experienced a drop from 5.3% to 4.7%.

In terms of **U.S. Job Openings {Page 3}** which is more of a leading indicator for the labor market, openings fell to 7.2 million in March 2025, a 3.9% month-over-month decline and a 11.1% year-over-year drop. That same "JOLTS" report also shows the quits and layoff rates, which both stayed steady indicating that the labor market is at least not yet falling off any cliffs. Job openings in the Colorado Springs MSA moved in the opposite direction and rose modestly from 18,151 in January to 18,605 in March, while the number of unemployed fell from 19,975 to 18,449. This decreased the **Workers Available per Job Opening {Page 4}** to 0.99, a positive sign for the regional labor market.

The **University of Michigan's Consumer Sentiment {Page 3}** fell sharply from 57.0 in March to 52.2 in April. Consumers' (future) expectations were particularly negative while perceptions on current conditions declined more modestly. The graph in the report illustrates this, but as a point of reference, consumer sentiment overall is down 32% year-over-year and consumer expectations for the economy are also down 32% just since January. That is the steepest three-month decline since the 1990 recession. The deterioration was particularly strong for middle-income families, however, expectations worsened across age, education, income, and political affiliation.

**Uncertainty around trade policies** and inflation were largely to blame, but there is creeping concern about the labor market as well. This, of course, spills over into income expectations. This is where it gets somewhat paradoxical and also tricky. Even with low unemployment rates, if consumers are worried about prices and they have any concern about their jobs, they pull back on purchasing goods and services, which is the lion's share of GDP and economic growth writ large as discussed above. This week the Conference Board's consumer confidence index also showed a similar picture with five consecutive months of declines and heightened concern about employment with 32% of survey respondents saying future jobs will be created this year (up from ~17%). As Wells Fargo says, "Pessimism can be a slippery slope."

With respect to prices, the year-ahead inflation expectation in the consumer survey increased to 6.5% (from 5.0% in the March survey), an increase seen across political affiliations. As stated above, this is part of the equation in reducing consumer sentiment and spending. U.S. businesses large and small – publicly traded and not – have expressed unease about this pull back and many have revised their earnings estimates. This is despite an easing of **Inflation {Page 3}** pressures in the March data with the

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

U.S. Consumer Price Index down to 2.4% in March (versus 2.8% in February). Core CPI (excluding food and energy) landed at 2.8% in March (down from 3.1% in February). It is important to note that tariff-related price increases were not part of this March data. Also, as aforementioned, the Fed's PCE price index conversely showed an increase albeit for all of Q1. On an encouraging note, however, a study by SmartAsset ranked Colorado Springs fourth in the nation for cities where the cost of living has decreased the fastest. The study also states that our region's living costs remain slightly above the national average, but I will point out that the 2024 **Cost of Living Index {Page 3}** had Colorado Springs only 1.9% higher than the U.S. urban average.

**Home Sales in the Pikes Peak Region {Page 6}** rose from 730 in February to 1,059 in March, and single-family permits increased to from 170 to 263 (multi-family permits were virtually nonexistent). Both are improvements, but still historically quite low as the graphs show. There likely was incremental improvement due to the small decline in the **30-year Mortgage Rate {Page 3}** to 6.65% in March from 6.84% in February.

**Colorado Springs Commercial Real Estate {Page 6}** showed some softening. Vacancy rates ticked up across all subsectors: office (10.5%), medical office (9.8%), retail (5.2%), and industrial (3.7%) although the increases were small. Similarly, commercial real estate rents dipped slightly in all categories except retail.

**Colorado Springs Sales and Use Tax {Page 7}** collections were up 0.1% year-over-year in March but fell 1.7% from February to March. If you look at the graph, there is a pattern of lower collections in March, so I don't find this alarming, although I do think we may see some slowing consumer activity in coming months due to the aforementioned sharp decline in consumer confidence. At the airport, infrastructure investments continued, with preparations for the June launch of nonstop international flights to Cancun. Now that just made me want a lime-forward Don Julio Blanco Margarita.

Hotel activity picked up slightly with March **Colorado Springs Hotel Occupancy {Page 7}** rising to 54.0% and Hotel RevPAR (or hotel revenues) increasing to \$60.80 while Denver saw slight declines in both metrics. If we step back and look at hotel availability and more recent hotel construction, [this article](#) highlights that Colorado Springs (13.5%) saw an increase in the number of hotel properties with 168 by the end of 2023 outpacing the national average in hotel growth (7.3%) between 2019 and 2023.

**Traffic Fatality {Page 7}** data for 2024 was released, and it showed moderate improvements nationally, statewide and in our region. The data still highlights, however, a staggering number of auto-related deaths. There were 39,345 traffic fatalities in the U.S in 2024 (down from 40,901 in 2023) with the corresponding fatality rate falling from 12.1 to 11.6 per 100,000 people. In Colorado, traffic fatalities also declined, dropping to 686 fatalities in 2024 from 720 in 2023 and the fatality rate decreasing from 12.3 to 11.6 per 100,000 people. El Paso County had an identical number of fatalities (78) in 2023 and 2024, but since population increased, there was a slight improvement in the fatality rate to 10.4 per 100,000 people in 2024 from 10.5 in 2023. El Paso County maintained a lower traffic fatality rate than both Colorado as a whole and the U.S. overall. My kids have shown me a Facebook group called "719 Can't Drive," and given the infamy of it, I am pleasantly surprised our rates are not worse.

Returning to the macro picture, the Employment Situation report for April will be released this Friday, which includes changes in the number of jobs and the unemployment rate among other metrics. Many experts are saying this report will reflect the heightened uncertainty of employers due to the blanket 10% tariffs with all trade partners imposed on April 5th. [As this segment highlights](#), prior to the current trade tensions the trade weighted (by volume of goods) tariff rates were actually quite low in the U.S. (2.2%) as is true globally. We shall see on Friday, but I think the tariffs are more likely to have negatively impacted GDP as discussed above since GDP incorporates many components. Yes, this all spills into employment, but I am not sure that employment will be impacted as much as GDP at this juncture. As aforementioned, layoffs were still low as of March, and the simple aging of the workforce alongside a shortage of qualified workers (see [small business survey](#)) makes me think drastic employment declines are not likely unless the economy continues to significantly deteriorate.

Ending on a happy note: kudos to Pikes Peak State College whose Associate Degree in Nursing (ADN) program was named the #1 program in Colorado by the State Board of Nursing with a 100% pass rate on the National Council Licensure Examination for its graduates. Congratulations to our regional gem in workforce development!

Tatiana & Rebecca

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

## MACROECONOMIC "BIG PICTURE" (PAGE 3)



\*Estimate of real GDP percent change from same quarter a year ago, SA

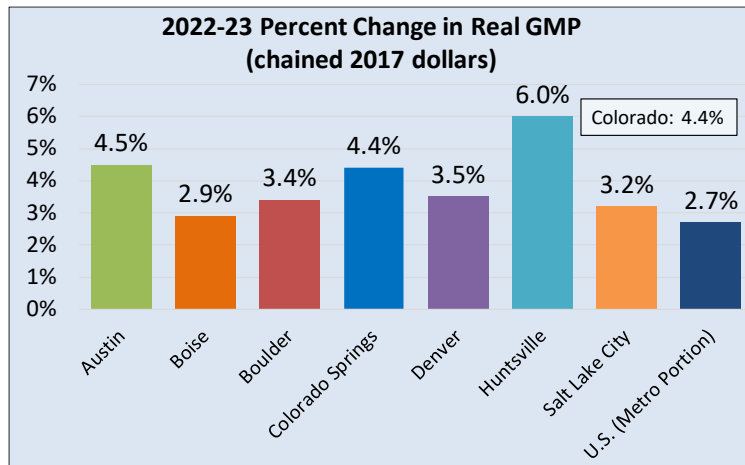
\*\*If quarterly changes were annualized over the year.

Source: U.S. Bureau of Economic Analysis

Forecasts for U.S. Real GDP and Unemployment (SA)				
	2023 Actual	2024 Actual	2025 Forecast	2026 Forecast
Real GDP Growth	2.9%	2.8%	0.8%	1.5%
Unemployment Rate	3.6%	4.0%	4.5%	4.4%

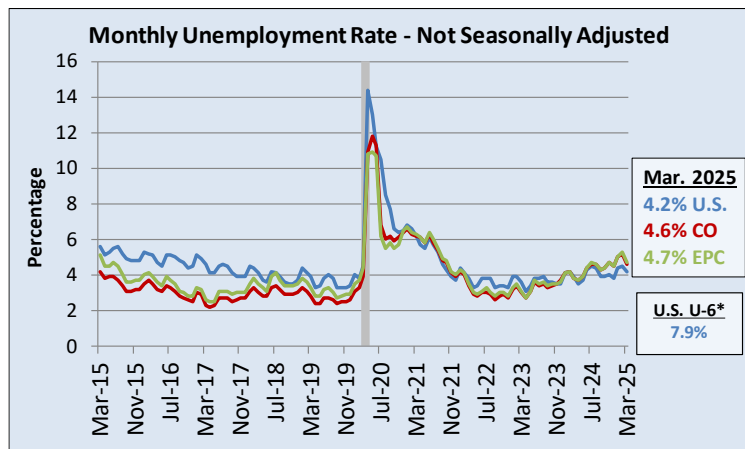
Forecasts by Data-Driven Economic Strategies with input from the Conference Board, Wells Fargo, Colorado Department of Labor & Employment, and other anecdotal resources.

Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics



Note: Data includes military. Real GMP is adjusted for regional price parity (RPP). This regional data lags ~23 months.

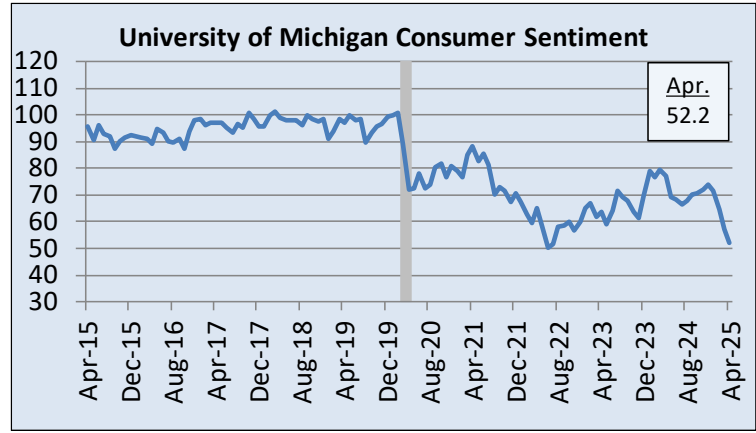
Source: U.S. Bureau of Economic Analysis



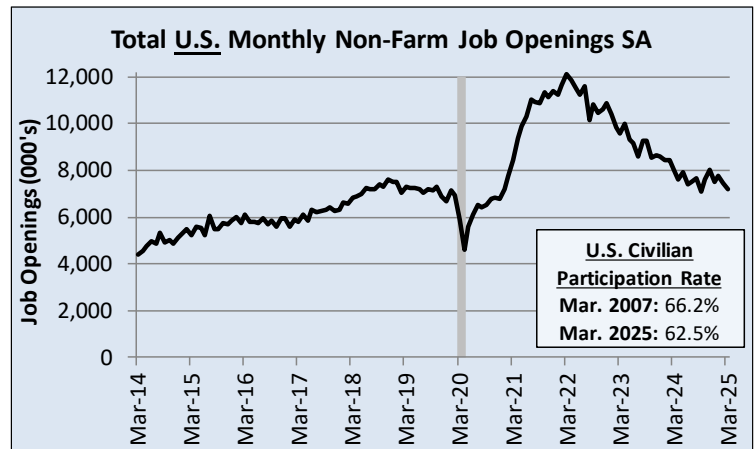
Note: Data in the graph is NSA to enable comparisons with counties.

\*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



Source: University of Michigan

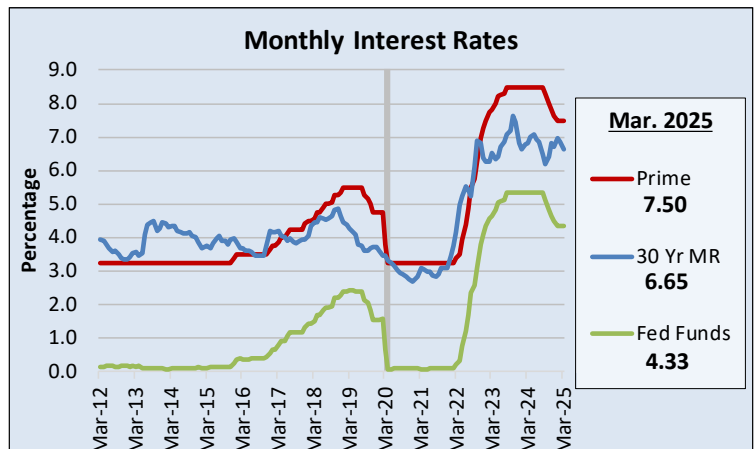


Source: U.S. Bureau of Labor Statistics; Job openings data lags.

U.S. Consumer Price Index - March 2025		
	All items	Less food & energy
Change from February to March 2025 (SA)	-0.1%	0.1%
Last 12-months (NSA)	2.4%	2.8%

The 2024 cost of living in the **Colorado Springs MSA** was **101.9%** of the U.S. according to C2ER data provided by the CS Chamber & EDC.

Source: U.S. Bureau of Labor Statistics; all urban consumers (CPI-U)



Source: Board of Governors of the Federal Reserve System

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

## LOCAL LABOR MARKET (PAGE 4)

### Top Job Openings, Colorado Springs MSA March 2025

Top Job Titles	# of Job Postings	Median Advertised Salary
Registered Nurses (L)	663	\$93,440
Computer Sys Engineers/Architects (L)	531	\$139,776
Retail Salespersons (M)	525	\$35,456
Software Developers (L)	436	\$129,536
Heavy & Tractor-Trailer Truck Drivers (H)	281	\$52,096
1st-Line Supervisors, Retail Sales (L)	273	\$48,384
Customer Service Reps (M)	269	\$41,600
Maintenance & Repair Workers (H)	215	\$47,744
Sales Reps, Wholesale & Manufacturing (M)	209	\$66,944
Medical & Health Services Managers (L)	207	\$64,256

#### Colorado Springs MSA, March 2025

TOTAL Job Openings: 18,605

TOTAL Unemployed: 18,449

Workers Available per Job Opening: 0.99

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 Q3 Average Annual Wages for All Industries

*El Paso County wages are  
9.8% lower than U.S. wages  
and 15.3% lower than CO wages.*

U.S.	Colorado	El Paso County
\$72,488	\$77,272	\$65,416
<b>2024 Q3 El Paso County Total Employment*</b>		311,490

#### 2024-25 Minimum Wage & Living Wage El Paso County

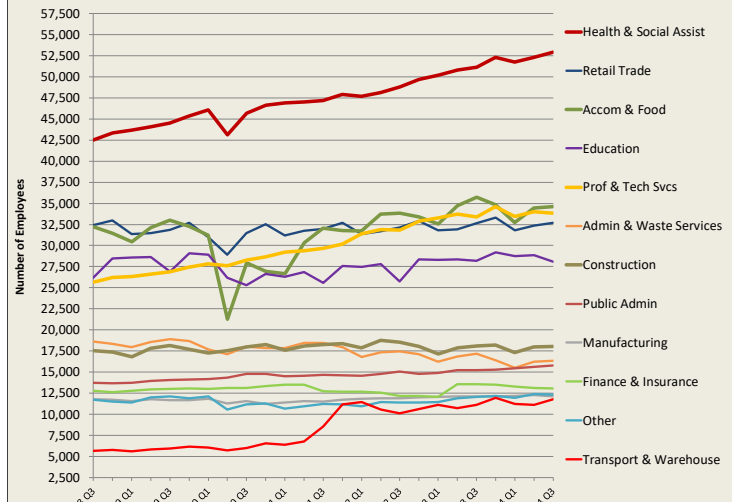
	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$14.81	\$30,805
Living wage: HHS with 1 adult, 2 children	\$58.48	\$121,638
Living wage: HHS with 2 adults (1 working), 2 children	\$44.31	\$92,165
Living wage: HHS with 2 adults* (2 working), 2 children	\$31.61	\$65,749

\*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

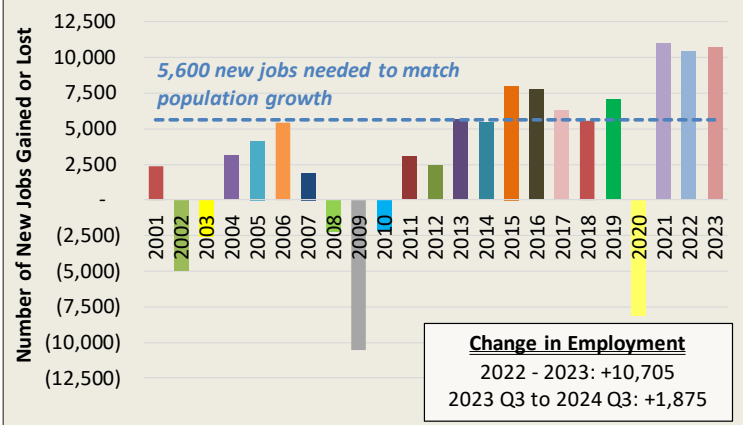
#### El Paso County Quarterly Employees in Top 12 Sectors



#### Top Growing Industries from 2018 Q3 to 2024 Q3

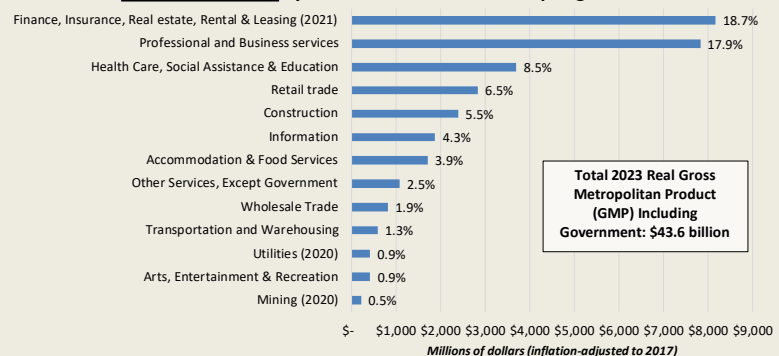
Transport & Warehouse: +108.5%  
Prof & Tech Services: +31.7%  
Health & Social Assist: +24.4%  
Public Administration: +15.0%  
Accommodation & Food Services: +7.5%

#### El Paso County Annual Job Changes



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)

#### Real GMP Contribution by Private Sectors, Colorado Springs MSA, 2023



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

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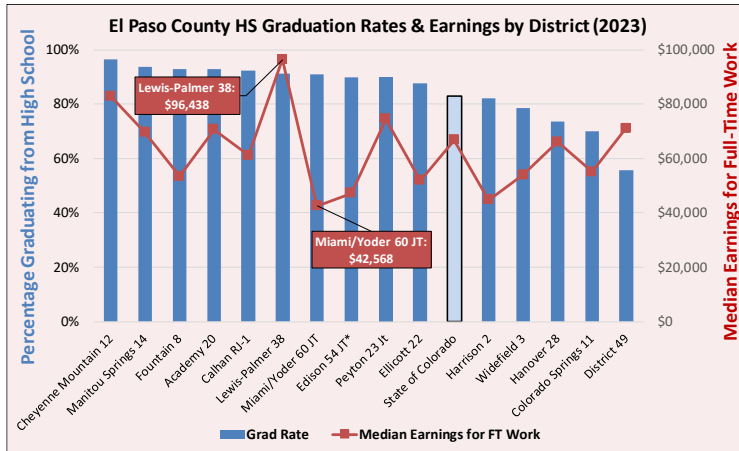


# El Paso County Economic & Workforce Progress Report (EPR)

## DEMOGRAPHICS (PAGE 5)

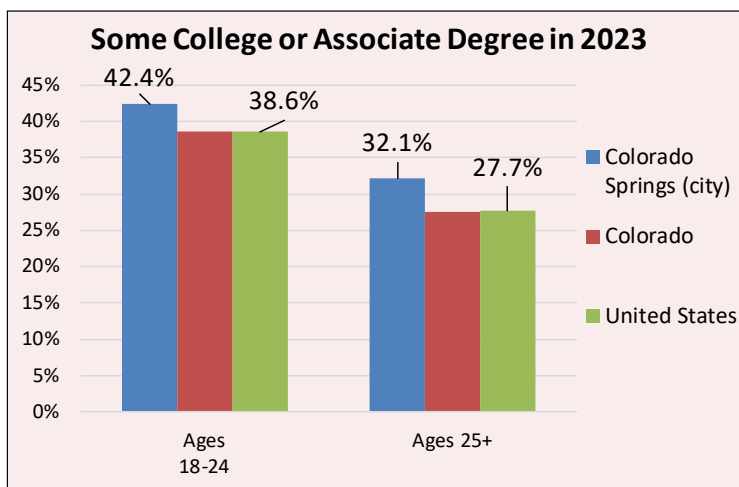
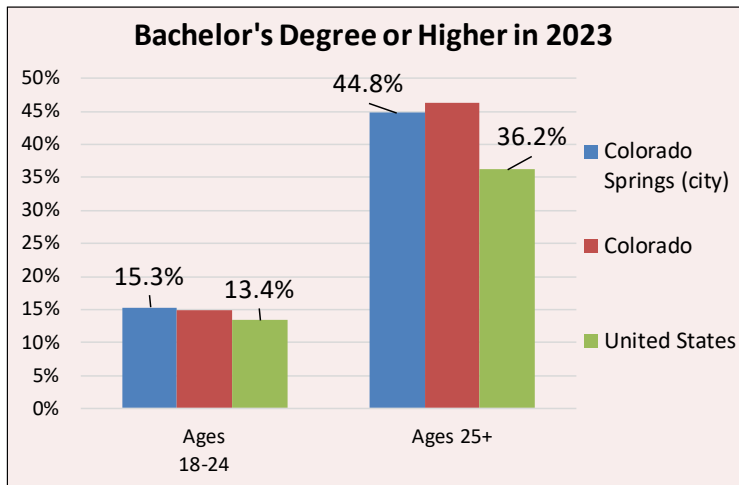
Population Estimates		
	2023	2050
<b>El Paso County</b>	744,153	1,001,087
<b>Colorado</b>	5,876,300	7,416,589

The City of Colorado Springs had a population of 488,164 in 2023.  
Source: Colorado State Demography Office

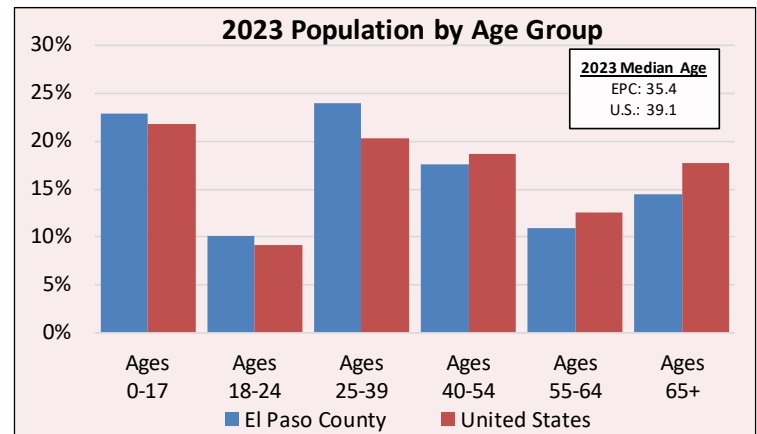


Note: Calhan, Ellicott, Peyton, Hanover, Edison, and Miami/Yoder districts all have fewer than 100 students. District 49 has a significant number of online students, which pull down the districtwide average. (Without the largest online school, the district average is 88%.) \*Edison had ≥ 90% graduation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

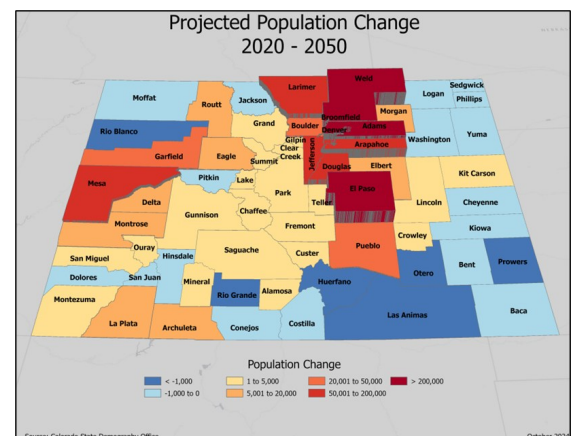
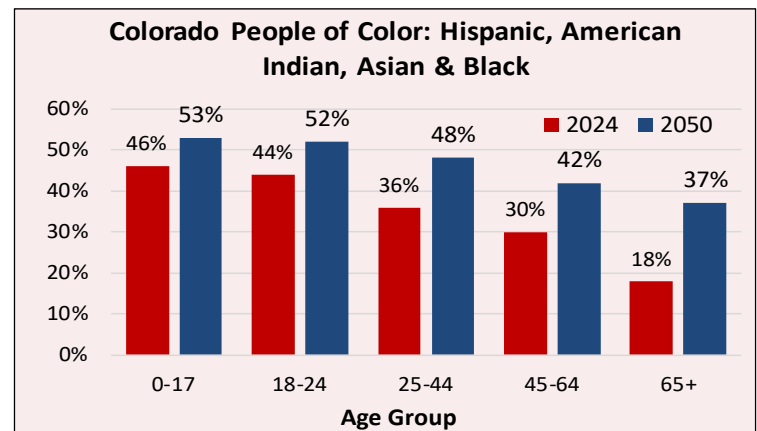
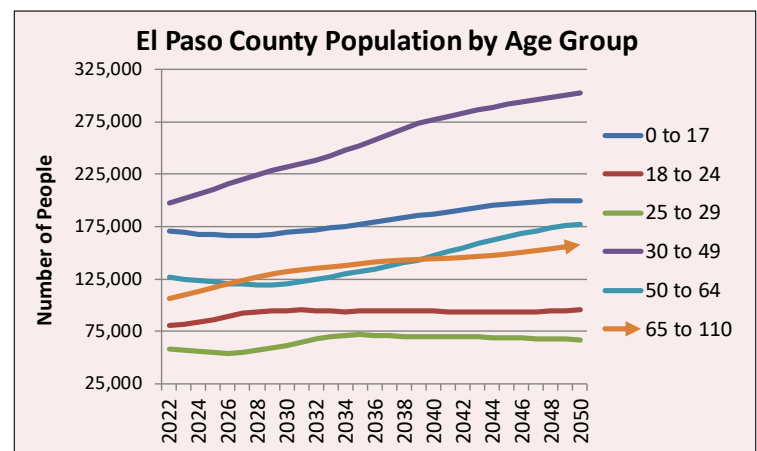
Sources: Colorado Department of Education; U.S. Census Bureau, American Community Survey 5-year estimates



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



Source: U.S. Census Bureau, Population Division



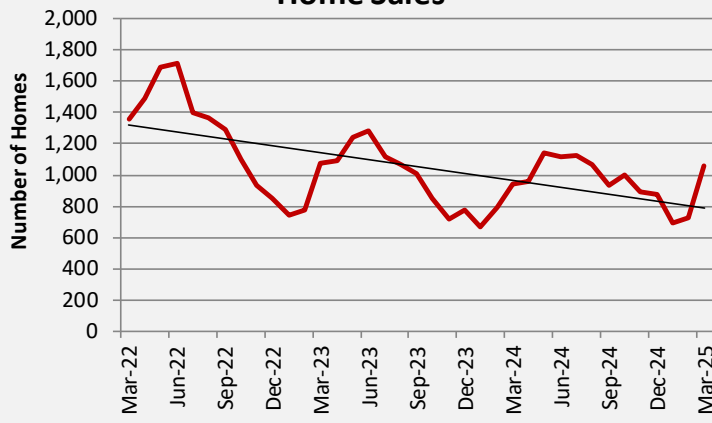
Source: Colorado State Demography Office

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

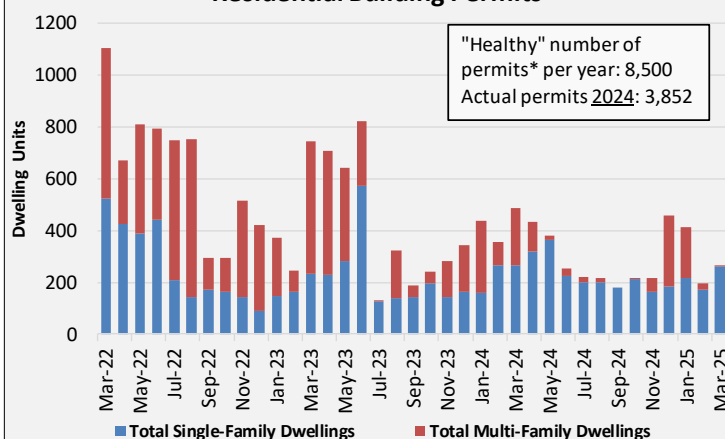
## REAL ESTATE (PAGE 6)

### Pikes Peak Region New & Existing Home Sales



Source: Pikes Peak REALTOR® Services Corp.

### Pikes Peak Region Residential Building Permits

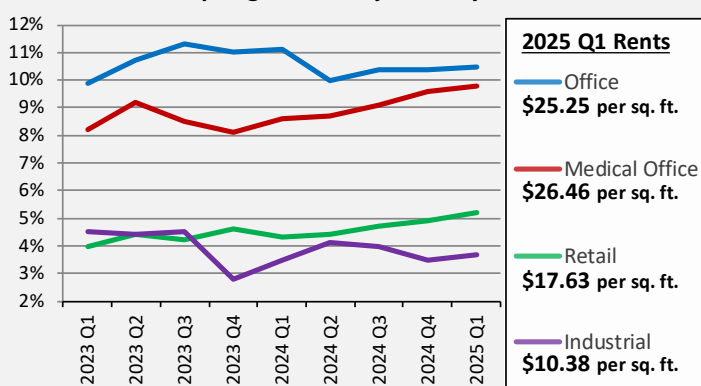


\*The methodology for "healthy permits" now includes single-family and multi-family dwellings needed if we incorporate both population growth and the existing shortage of housing between 2023 and 2028. These calculations by Data-Driven Economic Strategies incorporate research by Common Sense Institute 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

### Colorado Springs Quarterly Vacancy Rates & Rents



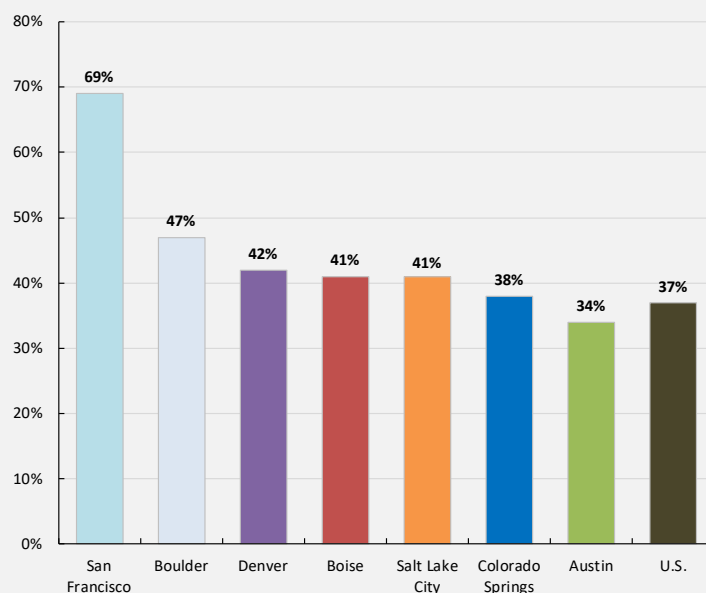
Sources: CoStar Group™; Olive Real Estate Group, Inc.

### Median Existing Single-Family Home Price 2024 Q4

Location	Colorado Springs	Denver	Boise	United States
Price	\$464,100	\$650,900	\$482,600	\$410,100
1-year % Change	1.0% increase	0.2% decrease	0.9% increase	4.8% increase
MSA Rank	47	21	40	n/a

Sources: National Association of REALTORS®

### 2024 Q4 Cost of Housing Index for Existing Homes



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

Sources: National Association of Home Builders; Wells Fargo

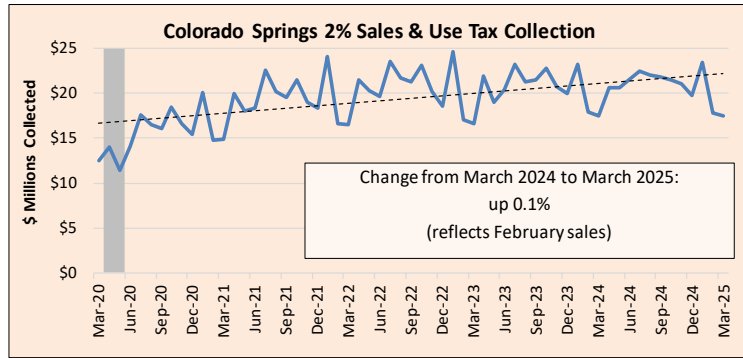
### Apartment Rental Information

	Colorado Springs	Denver	Salt Lake City
Market Conditions 2024 Q4	Soft	Soft	Soft
Vacancy Rate 2023 Q4	10.9%	8.6%	11.1%
Vacancy Rate 2024 Q4	14.0%	11.1%	10.9%
Average Rent 2023 Q4	\$1,519	\$1,870	\$1,613
Average Rent 2024 Q4	\$1,478	\$1,818	\$1,594

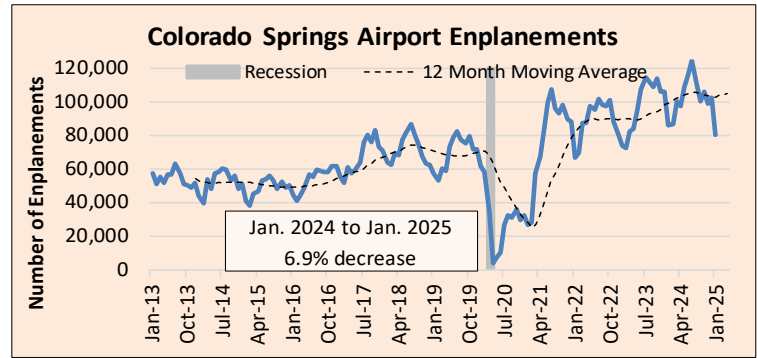
Source: U.S. Department of Housing & Urban Development (HUD), U.S. Market Conditions report

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

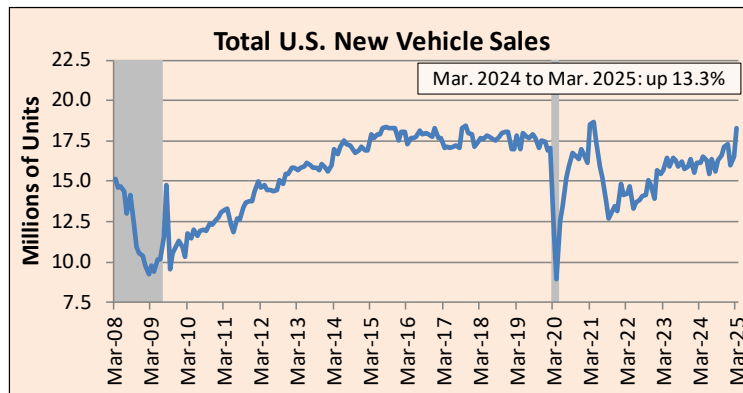
## TAXATION, VEHICLE SALES, AIR QUALITY, AND TOURISM (PAGE 7)



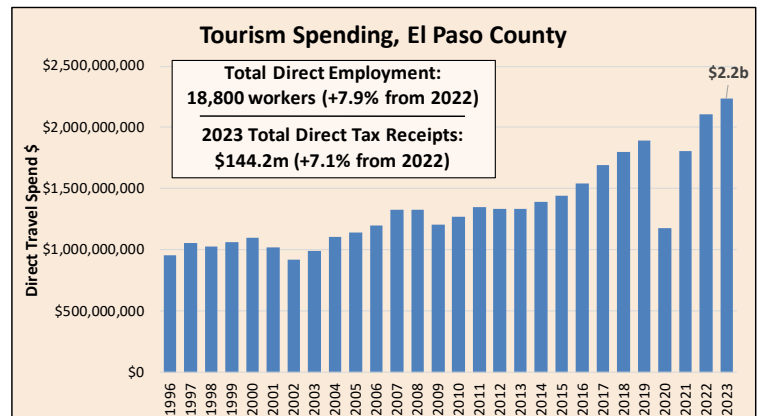
Source: City of Colorado Springs



Source: Colorado Springs Airport



Source: U.S. Bureau of Economic Analysis



Note: Direct travel includes day and overnight visitors.

Source: Colorado Tourism Office

2024 Air Quality		
	Colorado Springs*	U.S. Standard
Carbon Monoxide (CO) Concentration (ppm)	0.7	9.0
Particulate Matter ( $\mu\text{g}/\text{m}^3$ )	5.67	9.00
Ozone (ppm) at USAFA	0.070	0.070
Ozone (ppm) at Manitou Springs	0.073	0.070

\*Locations of measurements: CO at 690 W. Hwy 24; Particulate Matter at Colorado College

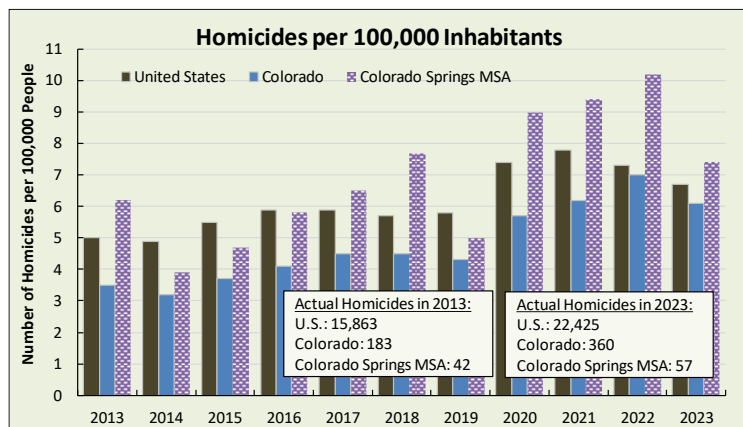
Source: Colorado Department of Public Health & Environment

Hotel Occupancy Rate March 2025	
Colorado Springs	Denver
54.0%	60.4%

Hotel RevPAR* March 2025	
Colorado Springs	Denver
\$60.80	\$80.52

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

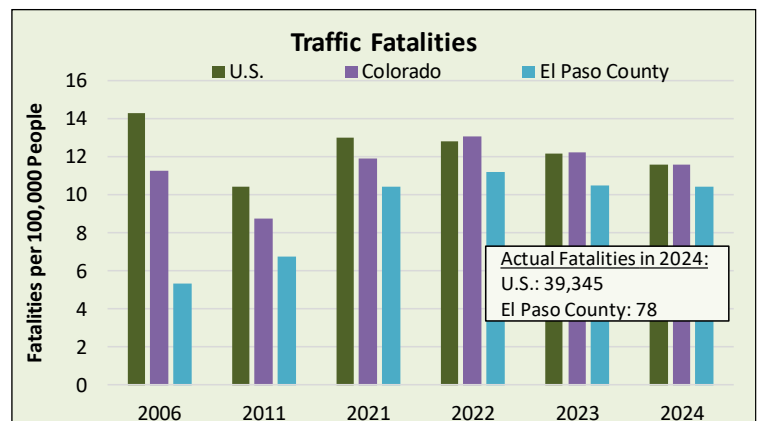
## CRIME & SAFETY (PAGE 7)



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.

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



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

Note: "Each year when Crime in the United States is published, some entities use reported figures to compile rankings of cities and counties. These rough rankings provide no insight into the numerous variables that mold crime in a particular town, city, county, state, or region. Consequently, they lead to simplistic and/or incomplete analyses that often create misleading perceptions adversely affecting communities and their residents. Valid assessments are possible only with careful study and analysis of the range of unique conditions affecting each local law enforcement jurisdiction. The data user is, therefore, cautioned against comparing statistical data of individual reporting units from cities, metropolitan areas, states, or colleges or universities solely on the

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

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



## SUPPORTERS (PAGE 8)



# THANK YOU!