



The 29th Annual Economic Update

2025 UCCS Economic Forum

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Pikes Peak Workforce Center (PPWFC) helps connect local businesses with the skilled talent they need—while opening career pathways for workers in El Paso and Teller counties.

Through our federally funded Employee Development Funds program, small businesses in high-demand industries receive targeted training dollars to upskill employees. Companies choose the training that best fits their needs, while workers gain skills that lead to higher wages, stability for families, and stronger communities.

Last year alone, PPWFC invested \$345,000 with 54 local businesses, funding professional development for 364 employees in seven critical industries. These investments fuel both business growth and economic vitality across the Pikes Peak region.

Learn more at [PPWFC.org/funds-for-worker-training](https://ppwfc.org/funds-for-worker-training).

Welcome!

We're glad you're here.

About the UCCS Economic Forum

The UCCS Economic Forum is a community resource for data and analysis to help citizens, businesses and civic leaders understand the economic and business conditions affecting the Pikes Peak Region and make better-informed decisions.

Since its origin as the Southern Colorado Business Economic Outlook Forum in 1997, the annual Forum event has been a fixture on the calendars of business and civic leaders in the Pikes Peak Region.

The Economic Forum is possible because of the ongoing support of partners in the business, government and nonprofit sectors. Economic Forum partners receive a monthly dashboard report with analysis of the latest data on the regional economy and invitations to several partner events during the year.

Throughout the year, the Economic Forum helps inform the community through speaking engagements, media appearances, special projects, the “Weekly Economic Snapshot” video series and a monthly column in the Southern Colorado Business Forum & Digest.

Follow the Economic Forum on LinkedIn!

For more information about partnerships contact us at econfm@uccs.edu





Bill Craighead, Ph.D.

Program Director, UCCS Economic Forum

Bill Craighead joined the Economic Forum in 2023 after 18 years as an academic economist focused on macroeconomics. His previous experience includes faculty appointments at the US Air Force Academy and Colorado College. He holds an MA and PhD in Economics from the University of Virginia, and a BA from Carleton College in Northfield Minnesota.



Joe Craig, Ph.D.

Director Emeritus, Chair,
UCCS Economics Department

Joe Craig has been a faculty member at UCCS since 2012 and is chair of the Economics Department. He served as interim director of the Forum in 2022-23 and continues to support the Forum as Director Emeritus. His research interests include industrial organization and economic education. He received his MA and PhD from the University of Colorado Boulder, and BA from Kenyon College in Gambier Ohio.



Jennifer Sobanet, Ed.D.
Chancellor, University of Colorado
Colorado Springs

UCCS is delighted to be once again collaborating with our business partners to present the annual Economic Forum. Today's event is both a celebration of the progress we've made together and a look into the exciting possibilities ahead for our community.

Our university is incredibly fortunate to be part of such a vibrant and engaged city, surrounded by passionate individuals who make this event possible. The Economic Forum is about more than just data - it's about the people and partnerships that define our region.

Thank you for joining us. We are so happy you are here!

Warmly,

Jennifer Sobanet



Thomas Aicher, Ph.D.
Dean, UCCS College of Business

As the Dean of the College of Business, I am excited to welcome you to the 29th Annual UCCS Economic Forum! UCCS and the Colorado Springs business and civic communities have a long tradition of partnering to achieve regional development and growth. The UCCS Economic Forum is an outstanding example of such partnerships.

This publication serves as a comprehensive resource to help inform and guide local businesses through newly presented economic challenges. We are confident this report will provide timely and valuable economic insight to all those determining the direction of business and government.

The UCCS College of Business delivers a future-oriented business education to support workforce and economic development for southern Colorado, the state, the nation, and the world. We prioritize and empower learners at every stage of their educational journey, develop innovative research that contributes to scientific discovery and effective business practice, and serve as a hub for our community in productive discourse, practical learning, and social responsibility.

Our mission would not be possible without the active endorsement of many stakeholders, stakeholders and partners like you.

Many thanks to Dr. Bill Craighead for his leadership as the Director for the UCCS Economic Forum, and all university staff and volunteers for their efforts and support in facilitating this event.

Sincerely,

Thomas (Tommy) Aicher

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Introduction

About this Report

This report is intended to be a reference and resource for information about the economy of the Pikes Peak Region. Data from a variety of sources are presented with context and explanation. Due to the lead times in the publication process, the information in this report is current as of early August 2025. Data is subject to revision. Much of the data is for the Colorado Springs Metropolitan Statistical Area (MSA) which is comprised of El Paso and Teller Counties. This is referred to throughout the report as the Pikes Peak Region.

Executive Summary

The Pikes Peak Region continues to be a prosperous area characterized by high median household incomes and a high level of educational attainment in the population. However, the region's growth slowed in 2024 and the first part of 2025. Although employment continued to increase through this period, it did so at a subdued pace relative to the region's typical fast growth, and City of Colorado Springs sales and use tax revenue stagnated. The impact of higher interest rates continued to show in slow home sales and reduced building permits. Employment estimates in the second quarter of 2025 did show signs of an improvement in growth in the spring.

The region has seen modest progress on its concerns about the cost of housing. Since affordability is measured as cost relative to income and incomes tend to rise over time, the relatively flat single-family home prices in the region in the past several years represent an improvement in affordability. However, trends in other affordability determinants such as interest rates and insurance premiums have not been so favorable. The impact of the surge in multi-family permits in 2021 and 2022 can be seen in declining apartment rents.

Shifts in national policy will impact the region's economy. Tariffs are increasing costs for business, and these increased costs are beginning to be passed on to consumers. A dramatic slowdown in immigration appears to be slowing growth and increased immigration enforcement will be disruptive to some businesses, particularly in agriculture and construction. With the relatively small share of foreign-born people in the region's population, the direct impact may be smaller in the Pikes Peak Region than in many other parts of the country. Higher federal budget deficits will be a source of upward pressure on long-term interest rates.



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Output & Employment

GROSS DOMESTIC PRODUCT

Gross Domestic Product (GDP) measures the total value of goods and services produced in a geographic area in a period of time, typically a year. Real GDP removes the effects of price changes from GDP to measure the quantities of goods and services produced. Estimates at the metro area level are released with a considerable time lag – the most recent data is for 2023.

In 2023, the Pikes Peak Region’s GDP was \$53.1 billion, making it the 78th largest metro economy (out of 384) in the United States. At \$311.9 billion, the Denver metro area was the 18th largest, while Pueblo ranked 301st, with a \$8.6 billion economy.

In per capita terms, the Pikes Peak Region’s GDP

is in the middle of the pack. Colorado’s statewide ranking is elevated by the productivity of the Boulder and Denver metro areas – Boulder’s GDP per capita was \$115,237 (10th highest) and Denver’s was \$103,781 (15th). Pueblo’s GDP per capita was \$50,624, ranking 334th.

Both the region and state experienced faster real GDP growth than the US overall over the period 2018-2023. While metro figures are not available yet for 2024, Colorado’s economy slowed to a 1.9% growth rate, which was slower than the 2.8% growth posted by the national economy. The statewide slowdown as well as the employment data discussed below suggest that, when data become available for 2024, they will show a slower GDP growth rate for the Pikes Peak Region.

Region, State, and National GDP			
	Pikes Peak Region	Colorado	United States
GDP (2023)	\$53.1 bn (78)	\$529.6 bn (15)	\$27.7 tr
GDP Per Capita (2023)	\$69,056 (162)	\$89,747 (10)	\$82,305
Avg. Annual Real GDP Growth	3.8% (51)	3.7% (7)	2.3%
Data: Bureau of Economic Analysis. Ranks in parenthesis (for region, rank is out of 384 Metropolitan Statistical Areas)			

CIVILIAN NONFARM PAYROLLS

Total employment is measured with civilian nonfarm payrolls – which are estimated by surveys of business establishments conducted by the US Bureau of Labor Statistics.

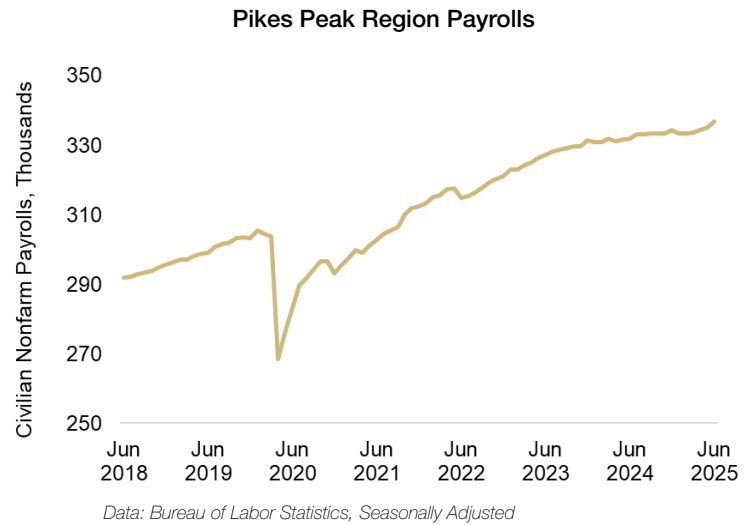
Civilian nonfarm payrolls totaled 336,800 in the region in June 2025 (preliminary estimate). Military employment, which is also very important for the region, is not included in this figure. The Census Bureau estimated there were 38,430 people serving in the armed forces in the region in 2023.

Civilian Nonfarm Payrolls				
	Level	Average Monthly Increase		
	June 2025	1H 2025	2024	2023
Pikes Peak Region	336,800	417	242	867
Colorado	2,984,600	1,250	1,842	4,133
United States	159,466,000	87,333	167,667	216,167
Data: Bureau of Labor Statistics, Seasonally Adjusted.				

CIVILIAN NONFARM PAYROLLS (cont'd)

After a very strong 2023, employment growth slowed down considerably in 2024, both in the Pikes Peak Region and in Colorado. US payroll increases slowed as well, but not as sharply.

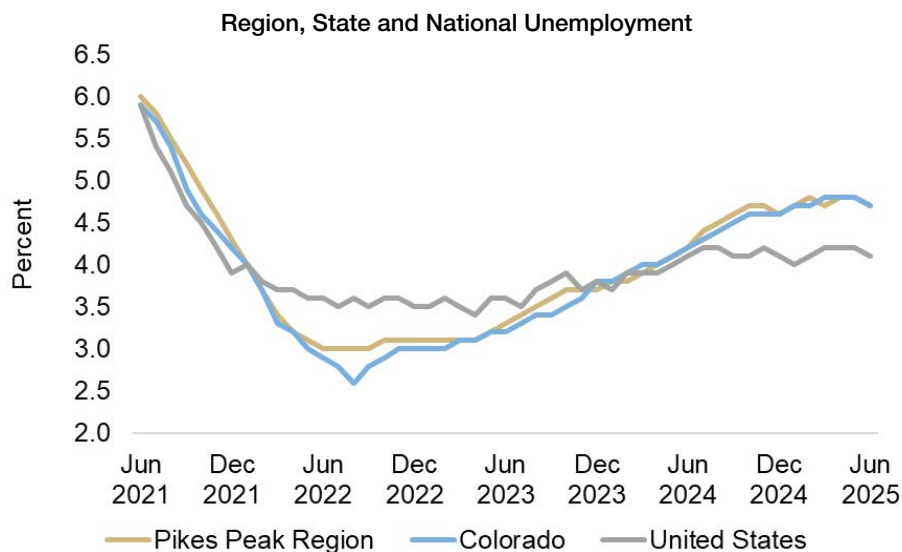
Local job growth did appear to pick up in the spring of 2025, with strong monthly readings in April, May and June, but these data can be somewhat volatile, so a few months of encouraging data are not enough to establish a meaningful change in trend.



UNEMPLOYMENT

The unemployment rate measures the fraction of the labor force that is unemployed. It is calculated based on a survey of households – to be counted as unemployed, a person must be actively looking for work, and the labor force is the sum of the employed plus the unemployed.

Typically, the unemployment rates for Colorado and for the region are lower than the national rate, but since early 2024 that has not been the case. As of June 2025, the Pikes Peak Region and Colorado had unemployment rates of 4.7%, while the US rate was 4.1%.



Data: Bureau of Labor Statistics. Seasonally Adjusted.

Output & Employment

JOB OPENINGS

At the national and state level, job openings are measured by the Job Openings and Labor Turnover Survey (JOLTS) data, which is based on a survey of businesses. The job openings rate is the number of open positions that are being actively recruited for as a share of total employment plus openings.

The job openings rates illustrate how the state and national labor markets have transitioned from being very tight with elevated openings and many workers switching employers in 2021 and 2022 to much lower turnover and fewer openings in 2024 and 2025.

Although the JOLTS data is not available at the local level, private-sector data that tracks

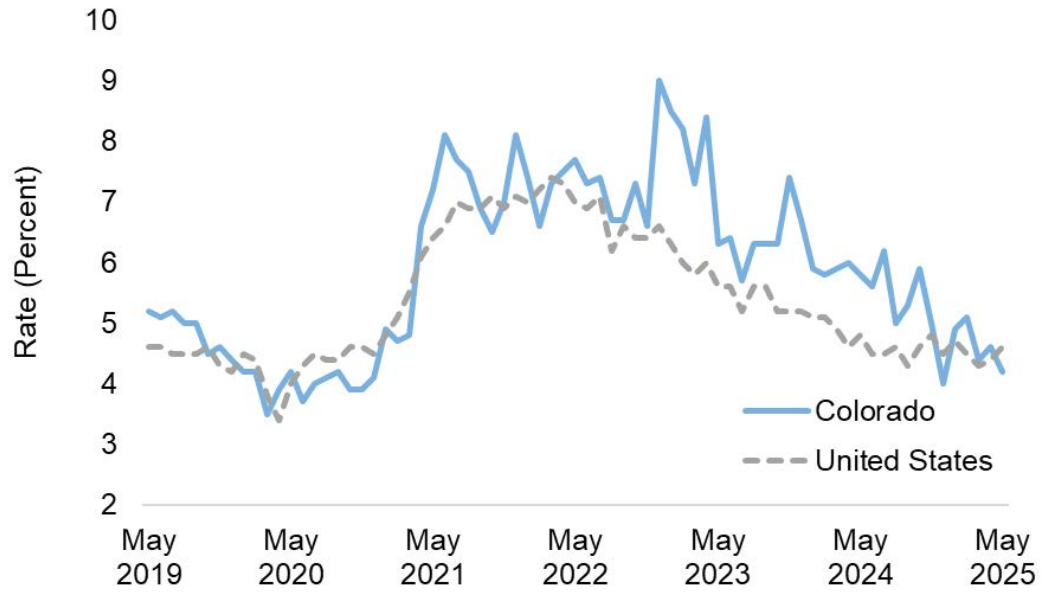
online job listings finds a similar pattern for the Pikes Peak Region, with the number of active postings dramatically increasing in 2021 and remaining elevated through mid-2022. Listings declined in 2023 and 2024 and are slightly below pre-pandemic levels.

The occupation with the highest number of job postings in the region is registered nurses. There is strong demand for computer skills, with a large number of listings for software developers and other computer occupations, which both have median advertised salaries of over \$130,000.

Other occupations with strong demand include truck drivers and retail salespersons.

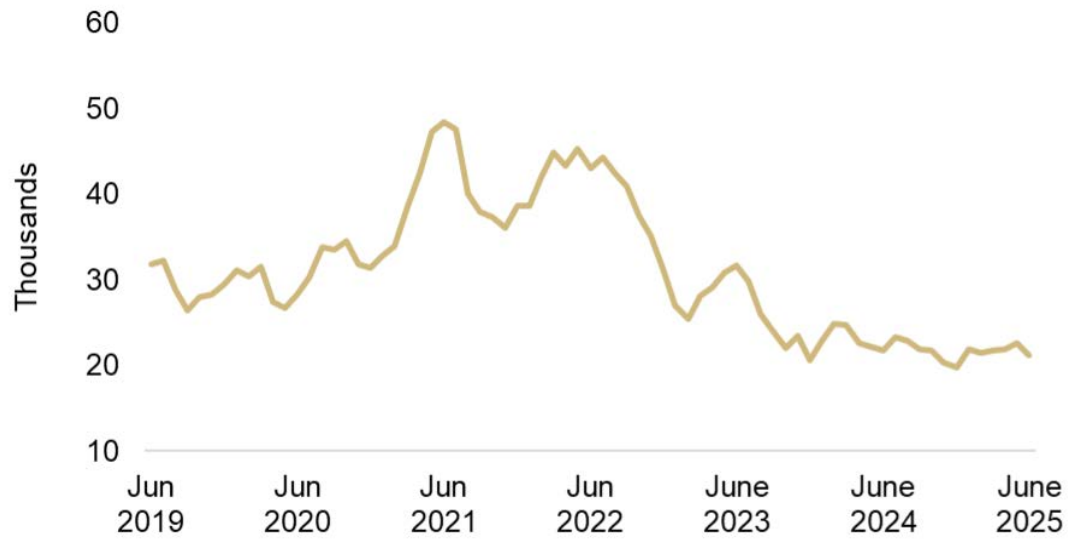
Pikes Peak Region Job Postings, June 2025		
Occupation	Number of Postings	Median Advertised Annual Salary
Registered Nurses	1,056	\$93,440
Other Computer Occupations	795	\$132,864
Retail Salespersons	587	\$35,712
Software Developers	458	\$132,864
Heavy Truck Drivers	454	\$67,968
First-Line Retail Supervisors	304	\$52,480
Maintenance & Repair Workers	240	\$49,920
Home Health & Pers. Care Aides	230	\$37,888
Network & Computer Sys. Admin.	220	\$109,824
Total Openings	22,307	\$55,680
<i>Unique, active postings for top 10 occupations shown. Data: The Conference Board-Lightcast Help Wanted OnLine®, courtesy Pikes Peak Workforce Center</i>		

State and National Job Openings



Data: Bureau of Labor Statistics

Pikes Peak Region Job Listings



Data: The Conference Board-Lightcast Help Wanted OnLine®, courtesy of Pikes Peak Workforce Center

Wages, Incomes, and Poverty

WAGES

Average hourly earnings of private-sector workers in the region are above the national average, but below Colorado’s average, reflecting the very high income and education levels in the state, particularly in the metro Denver area. It is important to bear in mind compositional effects can generate changes in averages – e.g., during the pandemic, average wages jumped as lower-wage workers were disproportionately laid off when many service businesses like restaurants closed. The median annual wage is the wage received by a worker in the middle of the earnings distribution – i.e., exactly half of earners receive less and half receive more. Median wages in the region exceed the nationwide figure, though they are below the statewide median (again reflecting the fact that statewide data is heavily influenced by high earnings in metro Denver).

Medians may be more appropriate than averages for making comparisons intended to represent typical wages and incomes in an area, because averages are impacted by the earnings of those at the very top of the income distribution such as entertainment superstars and executives of major corporations. Since these very high earners are more likely to be found in larger cities, average wages and incomes in mid-size cities such as Colorado Springs will generally be lower, but this does not necessarily mean that wages in the middle of the distribution are lower.

Region, State, and National Wages			
	Average Hourly Earnings		Median Annual Wage
	Jun. 2025	1yr % Change	2024
Pikes Peak Region	\$37.11	6.8%	\$51,410
Colorado	\$39.19	3.6%	\$58,210
United States	\$36.27	3.9%	\$49,500
Data: Bureau of Labor Statistics. Not Seasonally Adjusted.			

INCOME, POVERTY, AND INEQUALITY

The Pikes Peak Region is relatively affluent as measured by median income. The Census Bureau defines a “household” as any person or group of persons sharing a housing unit, including individuals living alone and unrelated people living together, while a “family” is a group of related persons sharing a housing unit. Looking at either households or families, median incomes in the region are higher than the US overall, and the Pikes Peak Region ranks in the top 20% of metro areas. This data also illustrates that Colorado is one of the most affluent states in the country.

Economists use the Gini index as a measure of inequality – it ranges from 0 (perfect equality) to 1 (perfect inequality). If all households had the same income, the Gini index would be 0, if one household received all the income, the Gini index would be 1. Among US metro areas, the Gini index ranges from 0.3828 (Lexington Park, Maryland) to 0.5400 (Bridgeport-Stamford-Norwalk, Connecticut). The Pikes Peak Region has relatively low inequality. This is partly a function of city size as the very top incomes which contribute to greater inequality are more likely to be found in larger metro areas. The importance of the government,

including the military, in local employment may also be a factor as the government sector has a more compressed wage distribution than the private sector.

The poverty rate is the share of people who are in families with incomes below official thresholds defined by the Census Bureau. The thresholds depend on family size and the ages of family members. In 2023, the threshold for a single person under 65 was \$15,850; for a single parent under 65 living with one child, it was \$21,002; for a family of two under-65 adults living with two children, it was \$30,900. The official poverty rate is somewhat limited as a measure – it does not account for government benefits, taxes, and regional cost-of-living differences.

The poverty rate for the Pikes Peak Region is considerably lower than the national rate, and it is among the lowest in the country. Colorado also has one of the lowest poverty rates among US states.

Income, Poverty, and Inequality			
	Pikes Peak Region	Colorado	United States
Median HH Income	\$89,792 (48)	\$92,911 (9)	\$77,719
Median Family Income	\$104,973 (69)	\$115,335 (6)	\$96,401
Inequality (Gini Index)	0.4273 (341)	0.4575 (34)	0.4828
Poverty Rate	7.1% (380)	9.3% (47)	12.5%
Data: Census Bureau. Ranks in parenthesis (for region, rank is out of 387 Metropolitan Statistical Areas). Data for 2023. Poverty estimates are from the American Community Survey and differ slightly from estimates from the Current Population Survey.			

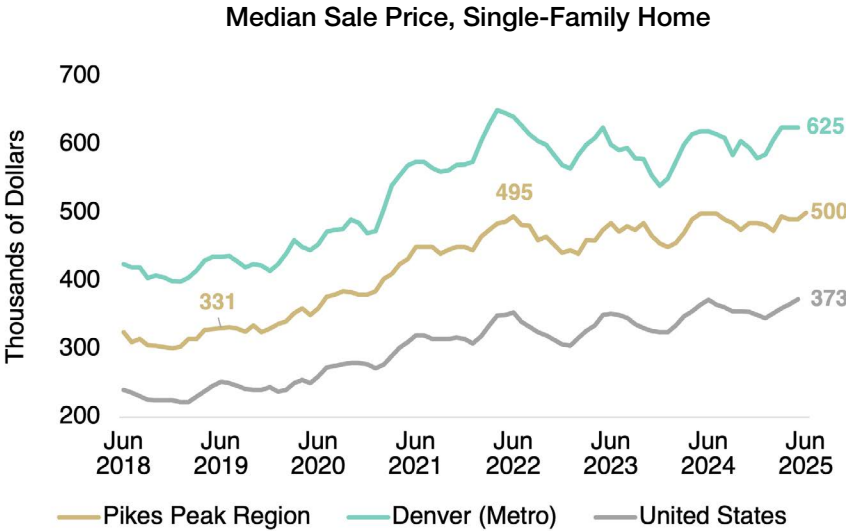
Housing & Real Estate

HOUSE PRICES

The median sale price of a single-family home in the region was steady over the three years through summer of 2025, after a sharp increase in 2020 through mid-2022. Although June 2025’s value of \$500,000 was an all-time high, it was only 1% higher than in June 2022.

Elevated prices combined with mortgage rates that are high by the standards of recent history have contributed to affordability concerns. The Federal Reserve Bank of Atlanta estimates the share of local median income needed for mortgage payments – including estimates of insurance and taxes – on a newly-purchased home at the local median price.

By this metric, affordability sharply deteriorated starting in late 2020. Affordability was at its lowest in October 2023 and has since improved slightly. Note that, since affordability is measured cost relative to income, and incomes generally rise over time, the recent stability in house prices improves affordability. However, trends in interest rates and insurance costs have been less favorable. Also, while homes in Colorado Springs are considerably more expensive than the national average, with the region’s relatively high median incomes, our affordability is not out of line with the nationwide figure.



Data: Realtor® Services Corp., courtesy of Pikes Peak Association of Realtors®, Zillow. Note: Local data includes some properties on regional MLS outside of El Paso and Teller Counties

Mortgage Payment Share of Median Income			
	October 2020	October 2023	April 2025
Pikes Peak Region	29.8%	47.6%	45.5%
Denver (Metro)	31.6%	51.6%	50.7%
United States	28.5%	46.0%	47.7%

Data: Federal Reserve Bank of Atlanta Home Ownership Affordability Monitor

HOME SALES AND APARTMENT RENTS

Home sales have been subdued with higher mortgage rates – annual home sales decreased from 18,172 in 2021 to 11,510 in 2024. The first six months of 2025 have seen a modest pickup, with sales running ahead of their 2024 pace.

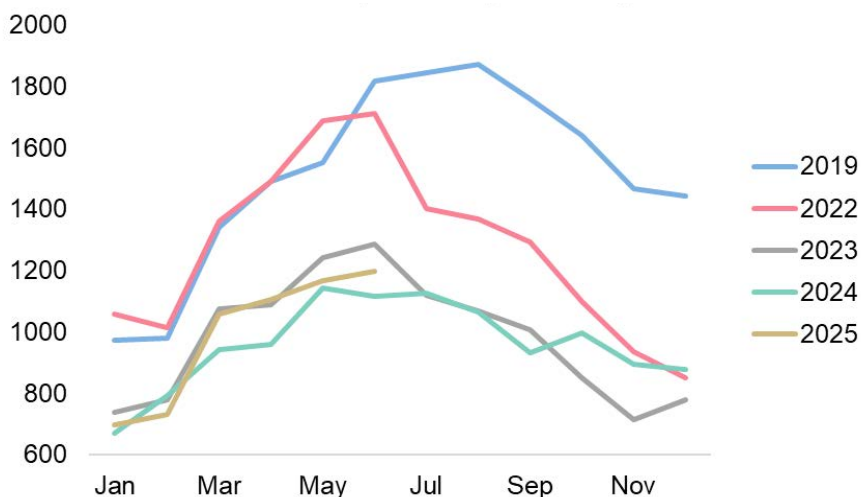
An elevated number of active listings – 4,055 in June 2025 according to the Pikes Peak Association of Realtors®, up 36.3% from June 2024 – may contribute to greater transaction volume but could also be a source of downward pressure on prices.

A surge in apartment building has led to greater supply and apartment rents have fallen in the region since their 2022 peak.

According to Apartment List, the median rent for a two-bedroom apartment in June was \$1,334, down 12.5% from \$1,524 in August 2022.

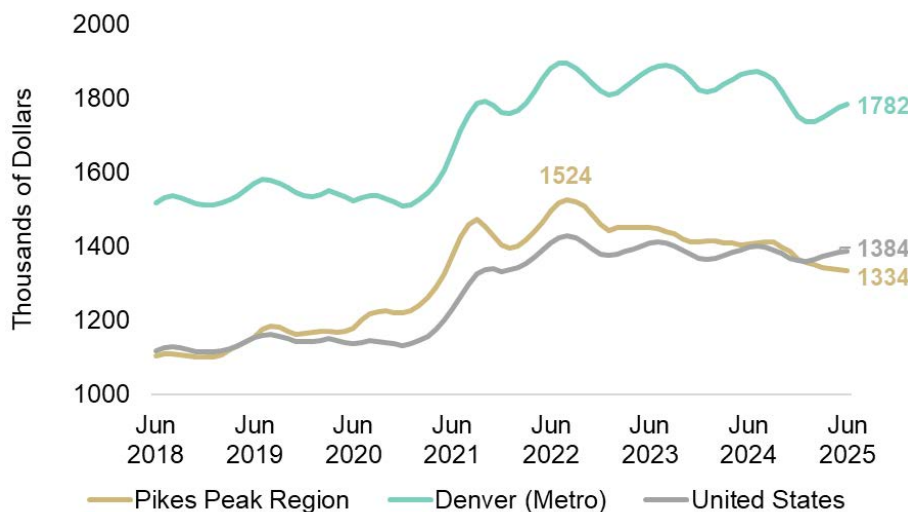
The increase in apartment supply is the result of a surge in building permits in 2021 and 2022.

Pikes Peak Region Home Sales



Data: Realtor® Services Corp., courtesy of Pikes Peak Association of Realtors®.
Note: includes some properties on regional MLS outside of El Paso and Teller Counties

Median Rent, Two-Bedroom Apartment

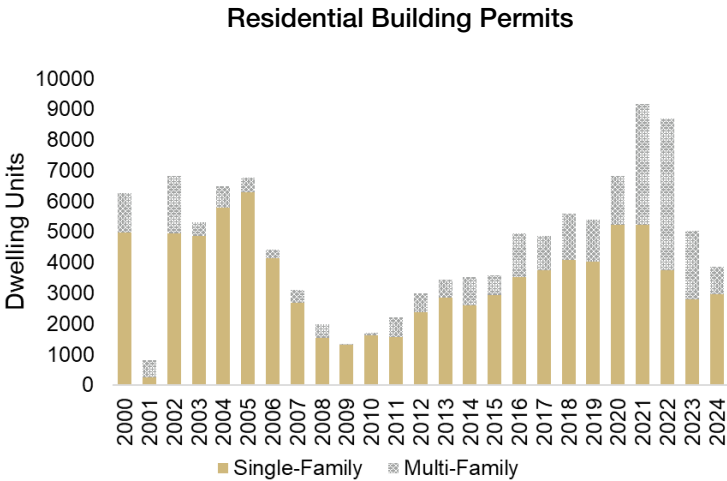


Data: Apartment List

BUILDING PERMITS

In 2021, 3943 multi-family units were permitted and 4963 were permitted in 2022, compared with an annual average of 1350 in 2016-19.

The overall number of dwelling units permitted decreased in 2023 and 2024. The first half of 2025 saw a modest pickup – 2515 units were permitted in January-June, compared with 2346 in the same period of 2024. The gains came from multi-family (924 vs. 547), while single-family units permitted declined from 1799 to 1591.



COMMERCIAL VACANCY RATES

Commercial vacancy rates provide a gauge of the health of the commercial real estate sector. These figures are for the percentage of space that is vacant and available.

As of the second quarter of 2025, Colorado Springs vacancy rates were up modestly from

a year ago. The office vacancy rate continues to be lower than that of many cities more heavily impacted by the shift to remote and hybrid work; Denver's office vacancy rate for Q2 was 20.6%.

Pikes Peak Region Commercial Vacancy Rates				
	Office	Medical Office	Retail	Industrial
Q2 2024	9.7%	7.1%	4.2%	3.7%
Q2 2025	10.0%	7.5%	4.8%	4.9%

Data: CoStar Group™, Courtesy of Olive Real Estate Group, Inc. Percent vacant available.

HOMELESSNESS

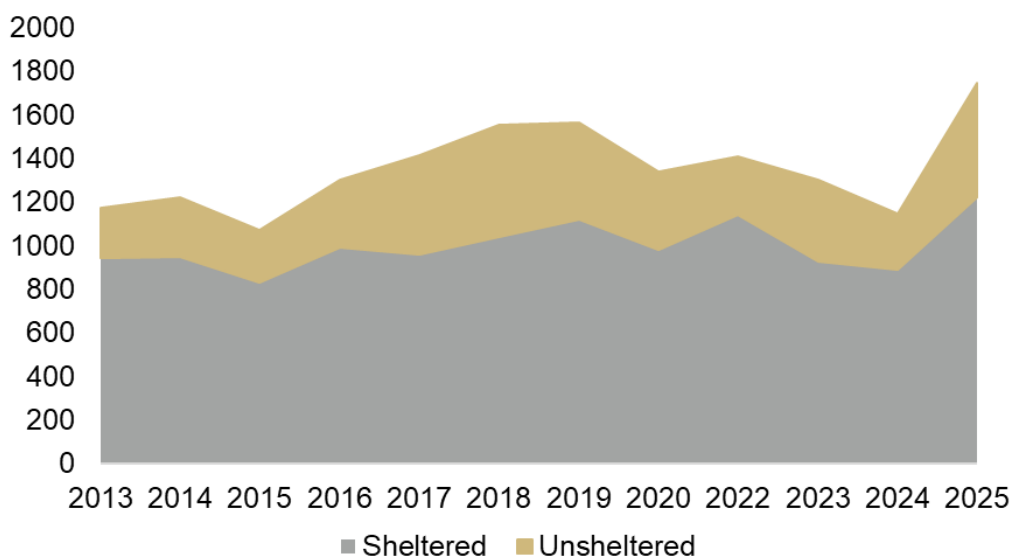
Estimates of homelessness are provided by the annual point-in-time counts conducted by regional continuum of care organizations that coordinate planning of homeless services. The estimates are from an annual census of the homeless population, usually conducted on a single night in January.

The point-in-time counts are considered undercounts, and they are limited by the

fact that they are conducted on a single night and subject to variation due to factors such as the availability of volunteers and weather. The increased count seen in 2025 partly reflected a significantly improved surveying effort.

The state's continuum of care organizations recently released the First Annual Colorado State of Homelessness Report, available at comhis.org/soh2024. It reported that 6,846 people sought housing and homelessness-related services in El Paso County in 2024 out of a statewide total of 52,806.

El Paso County Point-In-Time Homelessness Count



Data: Department of Housing and Urban Development, Pikes Peak Continuum of Care. 2021 is omitted because unsheltered homeless were not counted that year.

Business & Consumers

COLORADO BUSINESS CONFIDENCE

The Business Research Division of the Leeds School of Business at CU Boulder conducts a quarterly survey of Colorado business leaders. The survey asks respondents about their expectations regarding the state and national economies as well as industry sales, profits, hiring and capital expenditures. The responses are aggregated into a measure of Colorado business confidence – the Leeds Business Confidence Index (LBCI).

The survey takes place near the end of a quarter and asks for the outlook for the next two quarters. The index is set so that values below 50 represent a negative outlook and above 50 are positive. The index took a sharp downward turn in the second quarter of 2025. In the survey conducted in June for the outlook for the third and fourth quarters, the top three reasons cited for responses were economic uncertainty, tariffs and federal policy. More details can be found in the Business Research Division's informative reports, available on their website:

www.colorado.edu/business/business-research-division

BUSINESS ENTITY FILINGS

The Colorado Secretary of State maintains a database of business entity filings. From this data, the Economic Forum extracts the new entity filings that list places in the Pikes Peak Region as the “principal city.” This data suggests continued strong activity in the region – filings in the first half of 2025 were up 5.7% over the first half of 2024.

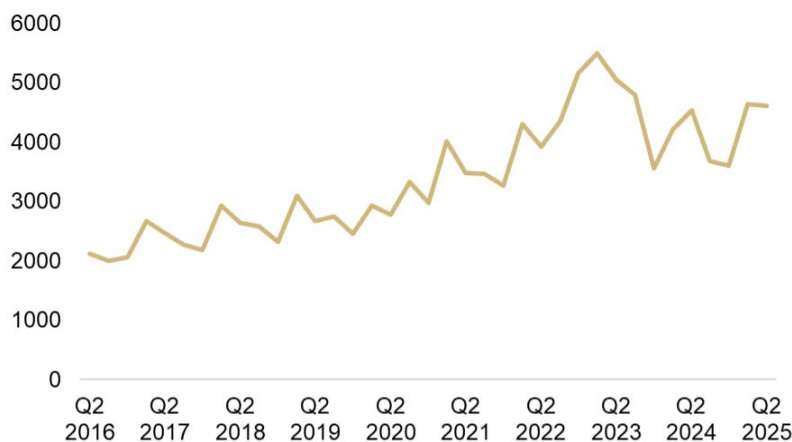
The timing of filings may have been impacted by a fee credit program that reduced the cost of filing between July 2022 and May 2023, which helps account for the peak seen in Q1 2023.

Leeds Business Confidence Index



Data: Business Research Division, CU Boulder Leeds School of Business

Pikes Peak Region New Business Entities



Data: Colorado Secretary of State

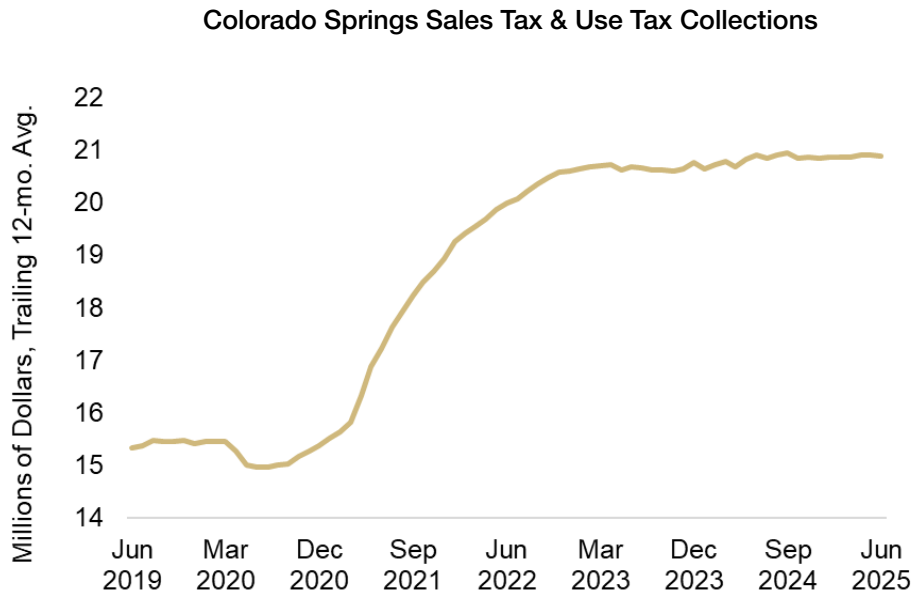
CITY SALES AND USE TAX COLLECTIONS

Colorado Springs city sales and use tax collections provide a barometer of retail activity in the city. Because of seasonal patterns, the data is represented as a trailing 12-month average.

The combination of post-pandemic recovery and inflation generated a sharp increase in 2021 and 2022. However, collections levelled out after 2022 – collections for sales in 2024 were only up 1.1% from 2022. Declining revenue from the building materials category has been a significant

drag on the total. This weakness continued in the first part of 2025, with revenue for sales in January-May up only 0.06% from first five months of 2024. This has created financial strains for the city budget.

It is worth noting that not all sales are subject to sales and use tax – a somewhat broader measure of retail sales by the Colorado Department of Revenue showed retail sales in Colorado Springs up 2.2% in the first five months of 2025 compared to the same period in 2024.



Data: City of Colorado Springs Finance Department. Collections are for Prior Month Sales.

Travel & Tourism

LODGERS & AUTO RENTAL TAX (LART) REVENUE

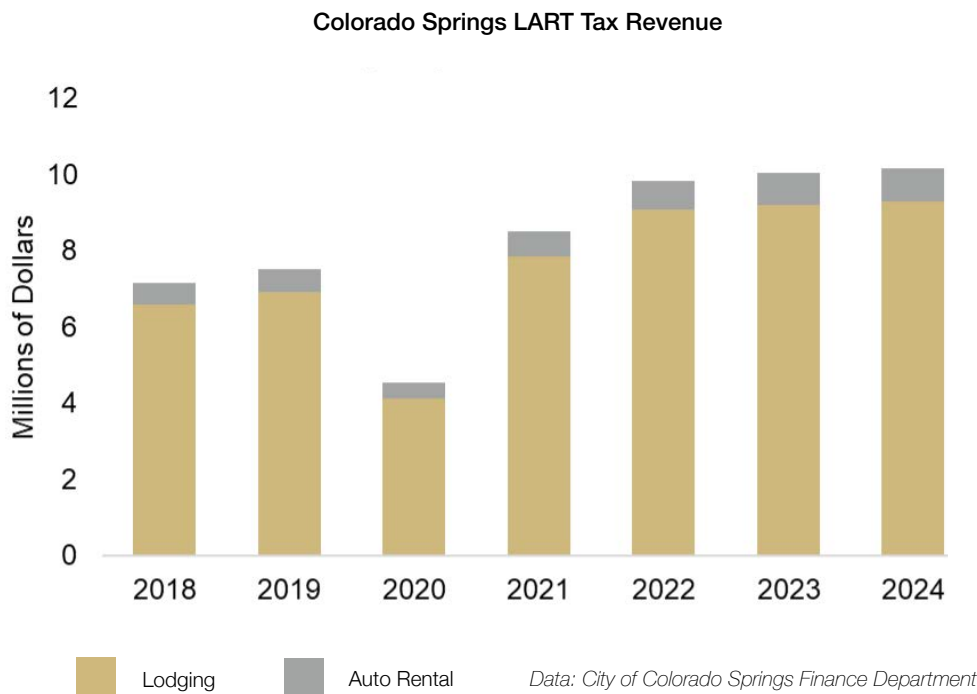
Collections from Colorado Springs’ 2% lodgers tax on hotel accommodations and 1% auto rental tax – which together constitute Lodgers and Auto Rental Tax (LART) revenue – provide a barometer of travel and tourism activity.

Travel and tourism activity rebounded strongly after 2020. However, growth slowed in 2024 – LART revenue for 2024 transactions was up only 1.1% over the previous year. This reflected a national slowdown in the growth of travel spending as the post-pandemic “revenge travel” boom waned.

According to the Longwoods International Travel USA Visitor Profile study, commissioned

by Visit Colorado Springs, visitation to Colorado Springs rose to 25.5 million in 2024, up from 24.8 million in 2023. That study estimated an increase of 5.2% increase in visitor spending in 2024, to \$3.1 billion.

Data on transactions for the first five months of 2025 showed a slowdown – LART collections were down 2.2% over the same period in 2024. Cutbacks in federal government travel may have impacted the region, but national consumer spending on accommodation has also slowed down – decreasing 3.3% for January - May 2025 compared with the year prior, according to the Bureau of Economic Analysis. The region has attracted some significant events which are not reflected in the data available as of this writing, including the US Senior Open at the Broadmoor (June) and the Warrior Games (July).



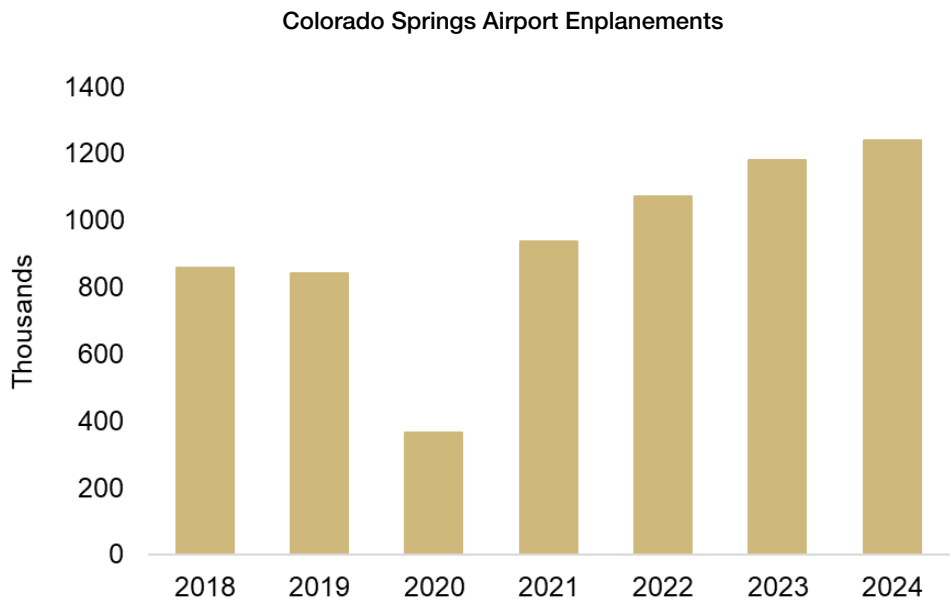
COLORADO SPRINGS AIRPORT ENPLANEMENTS

Colorado Springs Airport enplanements – that is, the number of passengers boarding planes – continued to show growth in 2024. At 1.24 million, 2024's enplanements were up 5.1% over 2023, and 47.3% higher than in 2019. However, enplanements have been down modestly (3.3%) in the first six months of 2025 compared with the same period in the previous year. Nationally, air travel has been experiencing headwinds – TSA data showed

a slight decline (-0.7%) in passenger volumes in the first half of 2025 relative to the first half of 2024.

The 2025 Colorado Aviation Economic Impact Study conducted by the Colorado Department of Transportation Division of Aeronautics estimated that Colorado Springs Airport generated \$5.2 billion of total business revenue in 2023.

The airport celebrated its first international route – seasonal Southwest Airlines service to Cancun, Mexico – and is upgrading its concourse through the ElevateCOS project.



Data: Colorado Springs Airport

Population & Demographics

EL PASO COUNTY POPULATION

The region's population has grown rapidly in recent decades. The number of people living in El Paso County increased from 397,889 in 1990 to 744,151 in 2023. The Colorado State Demography Office forecasts growth to continue, with the county's population reaching 1 million in 2050.

Over the decade 2025-35, the county is forecast to add 109,258 people, a 14.4% increase. A 16.8% increase in the 0-5 population is projected and the number of persons 65 and over is expected to grow by 19.4%. The school age (6-17) population is forecast to remain roughly constant, in

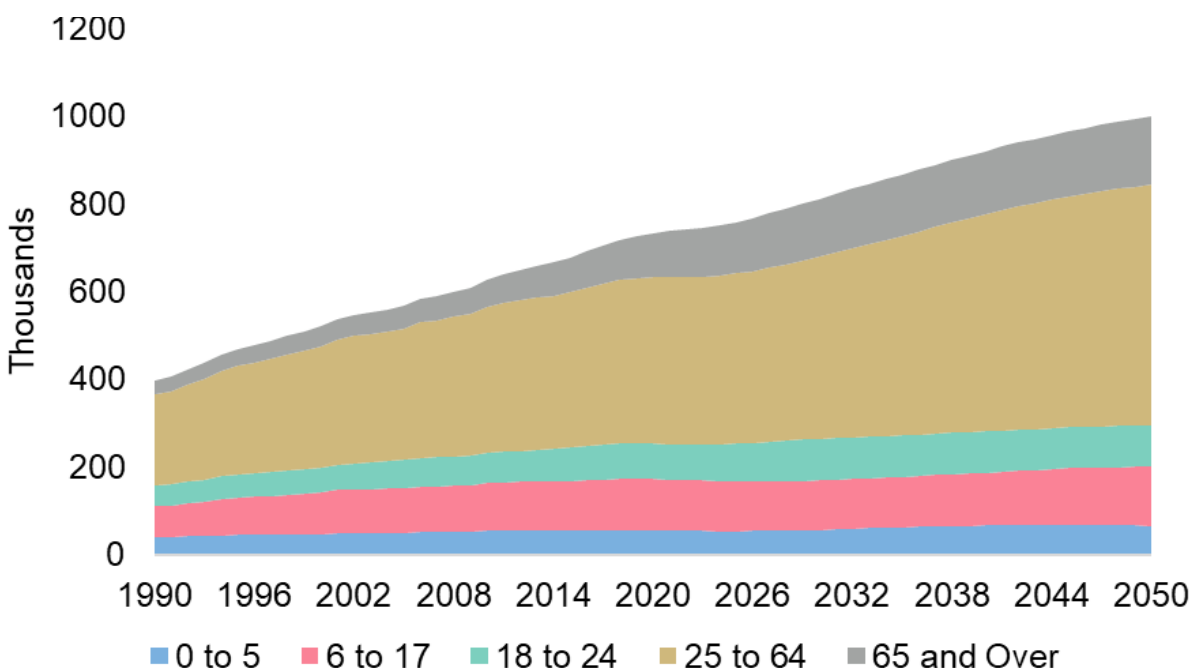
contrast to many other areas where it is expected to decrease.

Over the same 10-year period, the State Demography Office projects Colorado's population to increase by 8.2%, and the Census Bureau forecasts a 3.8% increase in the national population.

With the 65-and-over population growing faster than the overall population, the share of the population in this age group will increase. However, while the population is aging, El Paso County's population will remain younger than the state and national populations, which are also growing older.

It should be noted that these population forecasts do not reflect recent changes to US immigration policy.

El Paso County Population



Data: Colorado State Demography Office. 1990 - 2023 values are estimates, forecasts thereafter

El Paso County Population Forecasts by Age						
	0 to 5	6 to 17	18 to 24	25 to 64	65+	Total
2025	53,870	113,149	86,020	388,101	117,097	758,146
2035	32,935	114,320	94,317	456,074	139,758	867,404
% Change	16.8	1.0	9.6	17.5	19.4	14.4
Data: Colorado State Demography Office						

Share of Population that is 65 and Over			
	El Paso County	Colorado	United States
2025	15.4%	19.1%	18.7%
2035	16.1%	19.8%	21.6%
Data: Colorado State Demography Office, US Census Bureau			

Population & Demographics

POPULATION CHARACTERISTICS

As measured by median age, the region’s population is young relative to the rest of the state and country. The region stands out for its large share of veterans and of people in the armed forces, ranking 11th and 12th, respectively, in these categories out of 387 metropolitan statistical areas.

The share of the population that moved from a different state in the past year is relatively high in the region. In part, this reflects the significant presence of the military.

Compared with the US overall, a lower share of the region’s population is foreign-born or speaks a language other than English at home.

According to Census data on race and ethnicity, the share of persons identifying as Hispanic or Latino, Black or African-American or as Asian is lower in the region compared with the rest of the United States.

Selected Population Characteristics			
	Pikes Peak Region	Colorado	United States
Median Age	35.8	37.9	39.2
Veteran (18 and Over)	15.3%	7.2%	6.1%
Armed Forces (16 and Over)	6.2%	1.0%	0.5%
Moved from a Different State Last Year	6.4%	4.0%	2.3%
Foreign-Born	6.8%	9.6%	14.3%
Language Other than English Spoken at Home (5 and Over)	11.1%	16.0%	22.5%
White*	71.2%	70.4%	60.5%
Black or African American*	5.9%	3.9%	12.1%
American Indian and Alaska Native*	1.1%	1.2%	1.0%
Asian*	3.1%	3.3%	6.0%
Native Hawaiian and Other Pacific Islanders*	0.3%	0.2%	0.2%
Some Other Race*	5.4%	6.3%	7.4%
Multiracial	13.0%	14.7%	12.8%
Hispanic or Latino	18.8%	22.7%	19.4%

*Persons identifying as having one race. Hispanic or Latino can be of any race. Data: Census Bureau. Data for 2023

Health & Quality of Life

COMMUTE MODES AND TIMES

The region benefits from commute times that are lower than the national and state averages. In terms of commuting modes, the share of workers using public transport in the region is very low, but the percentage that walk to work is higher than state and national figures.

The share of residents in the region who typically work from home is higher than the US overall, but lower than the statewide figure. It is down from 18.0% in 2021 but still considerably higher than in 2019 when it was 8.0% (no data for 2020). It is noteworthy that among 387 US metropolitan statistical areas, Boulder (28.1%), Denver-Aurora-Centennial (22.3%) and Ft. Collins-Loveland (20.4%) are in the top 10 for the share that work from home.

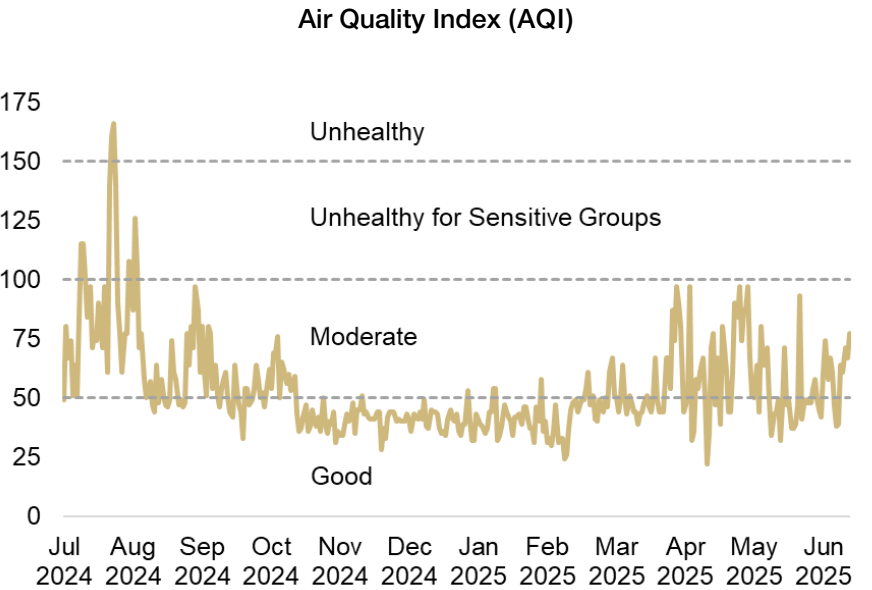
These estimates are from a survey question asking respondents how they “usually” travel to work, so likely understate the extent of remote work by missing some hybrid arrangements where people work from home, but less than 50% of the time. According to a national study¹, as of June 2025, 27.0% of US workers had hybrid arrangements, 11.6% were fully remote and 61.4% were fully on-site.

AIR QUALITY

The region generally enjoys good air quality. During the year July 1, 2024 – June 30, 2025, the region’s Air Quality Index (AQI) was good (50 or below) on 60% of days, and the region only saw eleven days with an AQI above 100, of which two were above 150. The AQI is based on ozone and particulate matter concentrations, and each day’s figure is the highest daily value from monitors in the region. Ozone was the primary pollutant on 92% of days.

Commute Modes and Times			
	Pikes Peak Region	Colorado	United States
Drove Alone	68.8%	66.0%	69.2%
Carpooled	9.1%	7.9%	9.0%
Public Transport	0.3%	1.6%	3.5%
Walked	3.2%	2.4%	2.4%
Other	1.9%	2.2%	2.0%
Worked from Home	16.7%	19.9%	13.8%
Avg. Commute Time	24.1 min.	25.5 min.	26.8 min.

Data: Census Bureau. Data for 2023



Data: US Environmental Protection Agency

¹Barrero, Jose Maria, Nicholas Bloom, and Steven J. Davis, 2021. "Why Working From Home will Stick," National Bureau of Economic Research Working Paper 28731. Updated data at [wfhresearch.com](https://www.wfhresearch.com)

HEALTH INSURANCE COVERAGE

The share population without health insurance coverage is lower in the region than it is statewide and nationally.

The number of uninsured is likely to rise in coming years as subsidies for purchasing health insurance on Affordable Care Act marketplaces such as Connect for Health Colorado not been continued for 2026 as of this writing, and funding for Medicaid (Health First Colorado) is being reduced as a result of the recent federal budget reconciliation act, with many of the provisions scheduled to take effect in 2027.

CAUSES OF DEATH

State and national vital statistics data include information on causes of death. Age-adjustment removes the effect of differences in the age composition of different populations to facilitate comparisons.

Relative to the rest of the US, Colorado suffers from relatively high rates of death due to suicide, firearm injury and alcohol, and all of these rates are even more severe in El Paso County.

CRIME RATES

Rates of violent and property crime are higher in the region and state than in the US overall, but homicide rates are lower. Note that data on homicide reported by law enforcement agencies to the FBI differ from deaths from homicides recorded in vital statistics.

Caution is advised with crime data – due to concerns about the consistency of reporting across jurisdictions, some experts prefer to focus on homicide rates because they are better measured than other types of crime.

Share of Persons Without Health Insurance Coverage		
	Overall	Under 19
Pikes Peak Region	5.9%	3.8%
Colorado	6.8%	4.1%
United States	7.9%	5.5%
Civilian Noninstitutional Population. Data; Census Bureau. Data for 2023.		

Age-Adjusted Death Rates, Selected Causes			
	El Paso County	Colorado	United States
Motor Vehicle Accidents	12.8	12.9	12.9
Suicide	25.7	20.9	14.1
Homicide and Legal Intervention	5.5	6.7	7.3
Injury by Firearm	20.8	16.6	13.7
Drug-Induced Deaths	30.9	31.7	32.4
Alcohol-Induced Deaths	28.3	23.7	12.6
Data: Colorado Dept. of Public Health & Environment, CDC. Rates are per 100,000 for underlying cause of death. Data for 2023.			

Crime Rates (per 100,000 inhabitants)			
	Pikes Peak Region	Colorado	United States
Homicide	5.1	5.4	5.8
Violent Crime	559.0	481.4	366.8
Property Crime	2973.0	2911.4	1861.8
Data: Federal Bureau of Investigation (crime), US Census Bureau (population) Data for 2022.			

Schools & Education

EDUCATIONAL ATTAINMENT

Educational attainment in the region is relatively high – the share of the population 25 and over with at least a bachelor’s degree is 44.2%, considerably higher than the national figure of 36.2%. Local educational attainment is somewhat lower than statewide, but Colorado is one of the most highly-educated states in the country. At 46.4%, the share of the state’s 25-and-over population with at least a bachelor’s degree is the second-highest among US states; only Massachusetts is higher, at 47.8% (the District of Columbia is also higher, at 65.9%).

HIGH SCHOOL GRADUATION RATE

Four-year graduation rates vary considerably across the region’s districts – this is the percentage of students graduating high school in the standard four-year time frame and does not include students who graduate after longer periods.

FREE AND REDUCED SCHOOL LUNCHES

The percentage of students eligible for free and reduced school lunches provides a proxy for the share of students served by a school district from lower-income families. Students are eligible for free school lunch if their family incomes are below 130% of the federal poverty guideline, and for reduced-price lunch with incomes below 185% of the poverty guideline. Statewide, 45.8% of students were eligible in 2023-24. Colorado’s rate of eligibility is lower than nationwide – in 2022-23, the share of Colorado students eligible was 42.4%, compared with 53.3% nationwide, according to the National Center for Education Statistics.

Highest Level of Education Attained, Population 25 Years Old and Over			
	Pikes Peak Region	Colorado	United States
Graduate or Professional Degree	18.2%	18.1%	14.3%
Bachelor's Degree	26.0%	28.3%	21.8%
Associate's Degree	10.7%	8.2%	8.8%
Some College, No Degree	22.0%	19.3%	19.1%
High School Graduate	18.5%	19.3%	25.9%
9th-12th Grade, No Diploma	2.9%	3.8%	5.6%
Less Than 9th Grade	1.7%	2.9%	4.6%

Data: Census Bureau. Data for 2023

Schools & Education

Pikes Peak Region School District Data						
District	K-12 Students	Free & Reduced Lunch	Four-Year Graduation Rate	Matriculation Rate	Avg. Teacher Salary	Spending per Student
Calhan RJ-1	392	51.8%	>= 98%	43.5%	\$49,878	\$15,714
Harrison 2	12,301	66.3%	83.1%	52.4%	\$56,991	\$14,567
Widefield 3	8,913	45.0%	77.2%	55.6%	\$65,529	\$13,617
Fountain 8	7,454	47.0%	90.4%	52.8%	\$67,331	\$15,062
Colorado Springs 11	22,265	58.2%	74.5%	38.7%	\$62,908	\$18,243
Cheyenne Mtn. 12	3,585	19.9%	97.9%	72.4%	\$72,066	\$13,789
Manitou Springs 14	1,113	36.6%	89.6%	72.3%	\$65,287	\$18,925
Academy 20	26,217	21.4%	95.2%	67.5%	\$65,098	\$12,371
Ellicott 22	923	59.6%	91.0%	41.9%	\$46,830	\$14,627
Peyton 23 JT	574	28.0%	90.2%	55.4%	\$51,857	\$13,353
Hanover 28	251	Not Reported	83.3%	Not Reported	\$49,607	\$20,729
Lewis-Palmer 38	6,345	16.0%	91.9%	69.5%	\$57,582	\$12,595
District 49	26,150	41.2%	59.0%*	34.4%	\$58,262	\$12,478
Edison 54 JT	84	Not Reported	60.0%	Not Reported	\$37,059	\$29,948
Miami/Yoder 60 JT	362	55.5%	91.7%	25.0%	\$49,446	\$14,605
Cripple Creek-Victor RE-1	269	72.5%	67.9%	21.1%	\$48,387	\$28,805
Woodland Park RE-2	1,749	35.8%	78.3%	61.2%	\$56,793	\$15,686
Pikes Peak Region	118,947	41.4%	79.9%*	51.0%	\$61,814	\$14,255
Colorado	849,204	44.9%	84.2%	57.2%	\$72,781	\$15,752

Data: Colorado Department of Education. Data for 2024-25, except matriculation rates (2023) and graduation rates and per student spending (2023-24). Pikes Peak Region totals calculated as average of school district data, weighted by students (except for total students, which is the sum across district totals).

*District 49's state-reported graduation rate is affected by the inclusion of data from the GOAL state-wide alternative education charter school serving over 5500 high-needs students. Without this, its graduation rate would have been 86.3% in 2022, according to the district. Excluding District 49, the weighted average graduation rate for the region is 85.8%.

TEACHER SALARIES,
SCHOOL SPENDING &
MATRICULATION

Teacher salaries in all of the region's districts were below the statewide average of \$72,781 in 2024-25. Note that the data include salaries of charter school teachers, which are generally below non-charter teacher salaries. Of the districts in the region, District 49 and Harrison 2 are most affected, with charter teachers accounting for 42.7% and 31.7% of full-time equivalents (FTEs), respectively.

Statewide, per student school spending was \$15,752, and the regional average is modestly lower.

The matriculation rate measures the percentage of graduates entering (i) 2-year colleges, (ii) 4-year colleges, (iii) career and technical education (CTE) programs, (iv) the military and (v) postsecondary programs². For the Pikes Peak Region, the matriculation rate was 15.7% for two-year colleges, 31.5% for four-year institutions, 3.8% for CTE, 2.0% for the military and 2.2% for the postsecondary programs.

COLORADO MEASURES OF
ACADEMIC SUCCESS (CMAS)

The Colorado Measures of Academic Success (CMAS) tests are used to measure whether students have mastered the Colorado Academic Standards set by the State Board of Education.

Mathematics and English Language Arts are assessed in grades 3 through 8. There are science assessments in grades 5,

8 and 11, and social studies assessments in grades 4 and 7 for selected schools. The results reported in the table indicate that, overall, the region's students fare slightly better than statewide, though with considerable variation across districts.

²The postsecondary programs are: P-TECH: Pathways in Technology Early College High Schools, a partnership program between school districts, community colleges and employers; ASCENT: Accelerating Students through Concurrent Enrollment, a program which allows students to participate in concurrent postsecondary enrollment after 12th grade; and TREP: Teacher Recruitment Education and Preparation, which allows for concurrent enrollment in postsecondary courses by students in an educator career path.

National Assessment of Educational Progress Scores								
	4th Grade Mathematics		4th Grade Reading		8th Grade Mathematics		8th Grade Reading	
	Colorado	United States	Colorado	United States	Colorado	United States	Colorado	United States
2024	239	237	221	215	278	274	265	258
2022	236	236	223	217	275	274	263	260
2019	242	241	225	220	285	282	267	263
Data: National Center for Education Statistics								

Schools & Education

CMAS - Percent Meeting or Exceeding Expectations				
	Fourth Grade		Eighth Grade	
District	English Language Arts	Mathematics	English Language Arts	Mathematics
Calhan RJ-1	52.2%	Not Reported	57.7%	46.2%
Harrison 2	33.5%	27.0%	39.1%	25.2%
Widefield 3	37.7%	27.0%	44.9%	23.5%
Fountain 8	29.1%	24.2%	37.4%	19.1%
Colorado Springs 11	35.1%	28.6%	35.2%	23.8%
Cheyenne Mtn. 12	69.6%	57.5%	70.5%	65.8%
Manitou Springs 14	44.0%	20.9%	51.5%	27.9%
Academy 20	59.0%	49.7%	64.8%	55.4%
Ellicott 22	24.2%	15.2%	20.3%	Not Reported
Peyton 23 JT	46.5%	27.9%	48.9%	31.1%
Hanover 28	12.5%	Not Reported	38.9%	38.9%
Lewis-Palmer 38	52.9%	41.7%	55.9%	52.6%
District 49	43.3%	34.4%	48.2%	28.6%
Edison 54 JT	Not Reported	Not Reported	Not Reported	Not Reported
Miami/Yoder 60 JT	40.9%	18.2%	22.7%	Not Reported
Cripple Creek-Victor RE-1	Not Reported	Not Reported	26.3%	15.8%
Woodland Park RE-2	56.6%	40.7%	47.7%	46.9%
Pikes Peak Region	43.6%	35.0%	48.3%	34.8%
Colorado	42.0%	34.1%	42.8%	32.5%

Data: Colorado Department of Education. Data for 2024. Not reported for some smaller districts for privacy reasons.

EDUCATION IN COLORADO

Comparing Colorado with national figures show that the percentage of students eligible for free and reduced school lunch in the state is lower than nationwide. Colorado’s teacher salaries and per student spending are lower than the national average. The state’s cohort-adjusted graduation rate is also quite low – ranking 40th among states. Colorado also provides a comparatively low level of higher education funding per student.

It should be noted that much of this data is from the Digest of Education Statistics, which is published by the National Center for Education Statistics, part of the US Department of

Education. Staffing for this agency has been severely cut – some of the data updates are delayed and their future is unclear.

The state’s scores on the National Assessment of Educational Progress (NAEP) are slightly above national averages. The NAEP is a set of national standardized tests, sometimes referred to as “the nation’s report card,” overseen by the National Center for Education Statistics, which is part of the US Department of Education.

Scores are still below their 2019 levels, but mathematics scores improved in 2024 compared with 2022. The continued national decline in reading scores is a subject of concern, but Colorado was an exception, at least for 8th graders, who saw a slight improvement in reading scores in 2024.

Education in Colorado		
	Colorado	United States
Free and Reduced School Lunch (2022-23)	42.4% (32)	53.3%
High School Graduation Rate (2021-22)	82.3% (40)	86.6%
Per Student Public School Spending (2020-21)	\$12,233 (31)	\$14,295
Average Teacher Salary (2021-22)	\$58,481 (28)	\$66,397
Public Higher Ed Appropriations per FTE (FY 2024)	\$7,776 (38)	\$11,683
State rank in parenthesis. Data: US Department of Education, Digest of Education Statistics; State higher Education Executive Officers Association, State Higher Education Finance Report. High School Graduation Rate is four-year cohort-adjusted graduation rate. FTE: full-time enrollment.		

Schools & Education

EARLY CHILDHOOD EDUCATION (ECE)

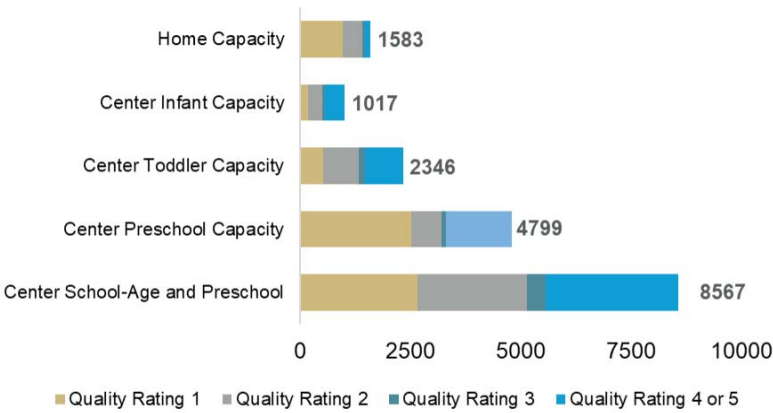
The availability of Early Childhood Education places in the region is limited. Between home-based and center-based facilities, there were 9,745 licensed places for infants, toddlers and preschoolers in the Pikes Peak Region. Including slots at centers licensed for both preschoolers and school-age children increases the total to 18,312, which is up 1.8% from a year ago. The number of available places is far short of the region’s population of 0-4-year-olds, which the State Demography Office projected as 45,943 for 2025.

The Colorado Department of Early Childhood rates childcare providers through a quality rating and improvement system called Colorado Shines. Providers are rated at level 1 on being licensed and progress to level 2 by submitting a quality indicator assessment and improvement program and completing required training. Levels 3-5 are based on a points system with measures of (i) workforce qualifications and professional development, (ii) family partnerships, (iii) leadership, management and administration, (iv) learning environment and (v) family health. Of the spaces in categories included in the figure, 38.0% are at providers rated at level 1, 26.4% at level 2, 4.3% at level 3 and 33.1% at level 4 or 5 (compared with 28.9% a year ago).

The need for childcare is expected to increase – the State Demography Office forecasts the number of 0-4-year-olds in the region to start growing rapidly in coming years and peak at 57,316 in 2043.

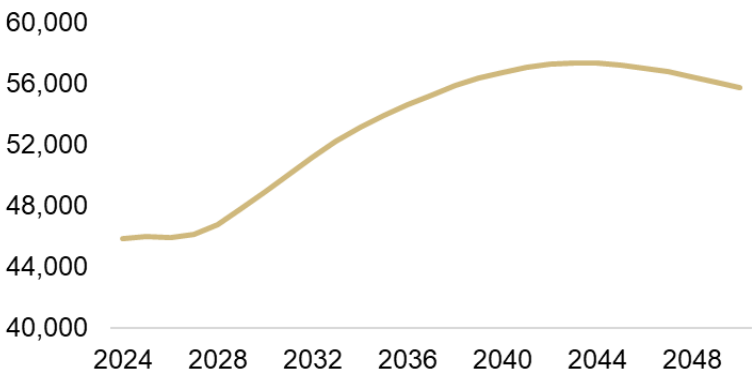
The impact of the region’s limited childcare availability can be seen in the labor force participation rate of parents with children under 6. According to the Census Bureau, in 2023, 62.7% of children 6 in the region had all parents in the family participating in the labor force, compared with 69.3% for the United States and 70.3% statewide in Colorado (the Census Bureau defines a “family” as a group of related persons sharing a housing unit).

Pikes Peak Region Licensed Childcare Capacity



Data: Colorado Department of Early Childhood, July 15, 2025

Pikes Peak Region Population Age 0-4



Data: Bureau of Labor Statistics, Census Bureau. Data for 2022

Macroeconomic Outlook

INFLATION AND TARIFFS

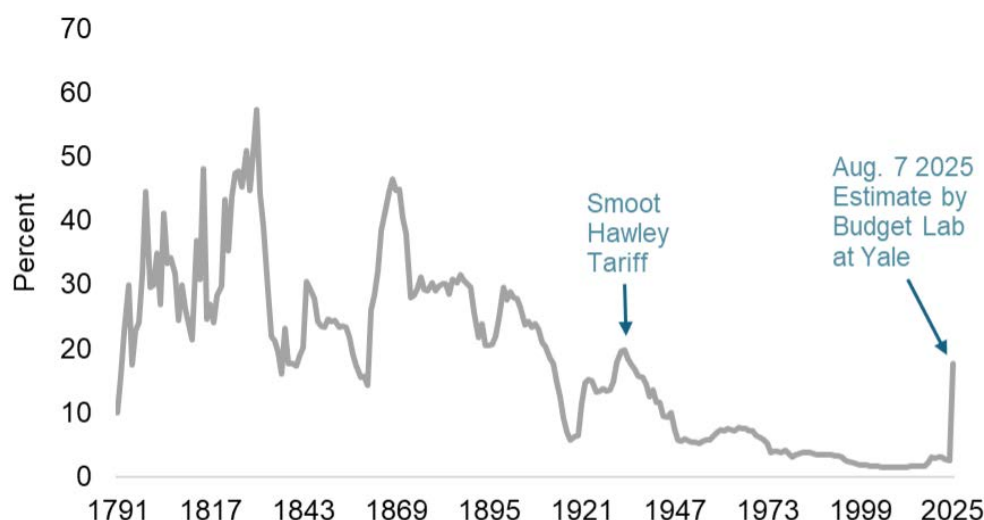
The US economy entered 2025 appearing on course to achieve a “soft landing” with inflation returning to normal without a decline in overall economic activity. By the beginning of the year, inflation had come down considerably from its peak in mid-2022 though it was still slightly above its pre-pandemic pace. Wage pressures and labor turnover had also subsided, but employment and GDP growth rates continued to be healthy. However, disruptive effects of shifts in trade and immigration policy were beginning to show in the data by the middle of the year, with the expectation of further impacts yet to come.

The new administration used authorities under Section 232 of the Trade Expansion Act of 1962 and the International Emergency Economic Powers Act (IEEPA) of 1977 to impose sweeping tariffs (the application of IEEPA is under a legal challenge). Tariffs varied by type of good and by country, and the

announced tariff rates shifted frequently – in some cases based on negotiations with trading partners – creating a considerable degree of complexity and uncertainty. The Budget Lab at Yale estimated that announced tariff levels as of August 7 would lead to a 17.7% average tariff rate, after accounting for substitution, a considerable increase from 2.5% in 2024.

These changes highlight significant shift in US trade policy. In the 19th century, tariffs had been a primary source of federal government revenue, which was relatively small as a share of GDP at that time. Following the US Constitution, tariffs were set by Congress. An increase in 1930 – the Smoot-Hawley tariff – was opposed by economists at the time. These tariffs, and the retaliation by trading partners, came to be seen as exacerbating the Great Depression. A turning point came in 1934 with passage of the Reciprocal Trade Agreements Act, which delegated authority to the president to negotiate trade agreements, subject to congressional ratification. From that point onward until 2017, when the US pulled out of the Trans-Pacific Partnership agreement, US trade policy generally pushed in the direction of more open trade and lower tariffs.

US Average Tariff Rate



Customs revenue as percent of goods imports Sources: Historical Statistics of the United States, Bureau of Economic Analysis, Budget Lab at Yale.

INFLATION AND TARIFFS (cont'd.)

The expectation of increased tariffs led to a surge in imports in the first quarter of 2024, which served to delay the impact on business costs and consumer prices as pre-tariff inventories were drawn down. Impacts were starting to become apparent in the inflation

data by the middle of the year, with categories such as household furnishings and supplies and toys showing price increases. Overall, the Budget Lab at Yale estimated a loss of consumer purchasing power of \$2,400 from the tariffs announced as of Aug. 7. The increased cost of imported goods would be expected to reduce consumer spending on services as well.

EMPLOYMENT AND IMMIGRATION

A surge in immigration had contributed to strong US GDP and payroll growth in 2023 and 2024. Immigration slowed in mid-2024, and then further declined after the new administration took office. Reduced immigration lowers the level of employment growth needed to keep the unemployment rate from rising, sometimes called the “breakeven” rate. With reduced employment growth, GDP growth would also be slower.

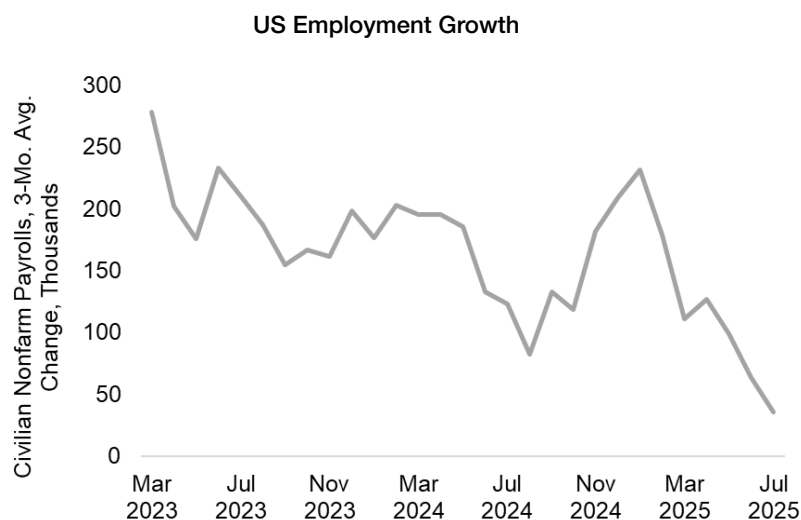
US real GDP growth slowed in the first half of 2025 to a 1.2% annualized rate (according to the advance Q2 estimate), down from 2.8% in 2024. Employment growth also slowed sharply, though the unemployment rate remained low, at 4.2% in July 2025.

To some extent, the slowdown in payroll and GDP growth seen in the first half of the year reflected changing population dynamics. However, other indicators pointed to a deeper deterioration in economic activity. Indicators of homebuilding activity showed weakness, with falling single-family permits and housing starts. On the consumer side, spending on discretionary categories such as airfares and hotel stays was declining as of mid-2025. While unemployment continued to be low, firms showed reluctance to hire and continuing claims for unemployment insurance gradually trended upward.

Beyond slowing the economy’s growth rate, shifts in immigration policy may have considerable disruptive effects, depending on the administration’s implementation of its deportation goals. This could be particularly significant in agriculture and construction which are estimated to have high shares of undocumented immigrants in their workforces.

The Burning Glass Institute, which studies labor markets, estimated the undocumented shares at 40.9% for farming, fishing and forestry occupations and 18.8% for construction and extraction occupations in 2023. The severing of employment and customer relationships due to deportations may have a broader negative impact on business and economic activity. An examination of increased immigration enforcement through the Secure Communities program³ found that it resulted in reduced employment for US-born workers as it was implemented in 2008-13.

³Chloe N. East, Annie L. Hines, Phillip Luck, Hani Mansour and Andrea Velásquez (2023), “The Labor Market Effects of Immigration Enforcement,” *Journal of Labor Economics* 41(4): 957-996.



Data: Bureau of Economic Analysis. Seasonally adjusted annual rate.

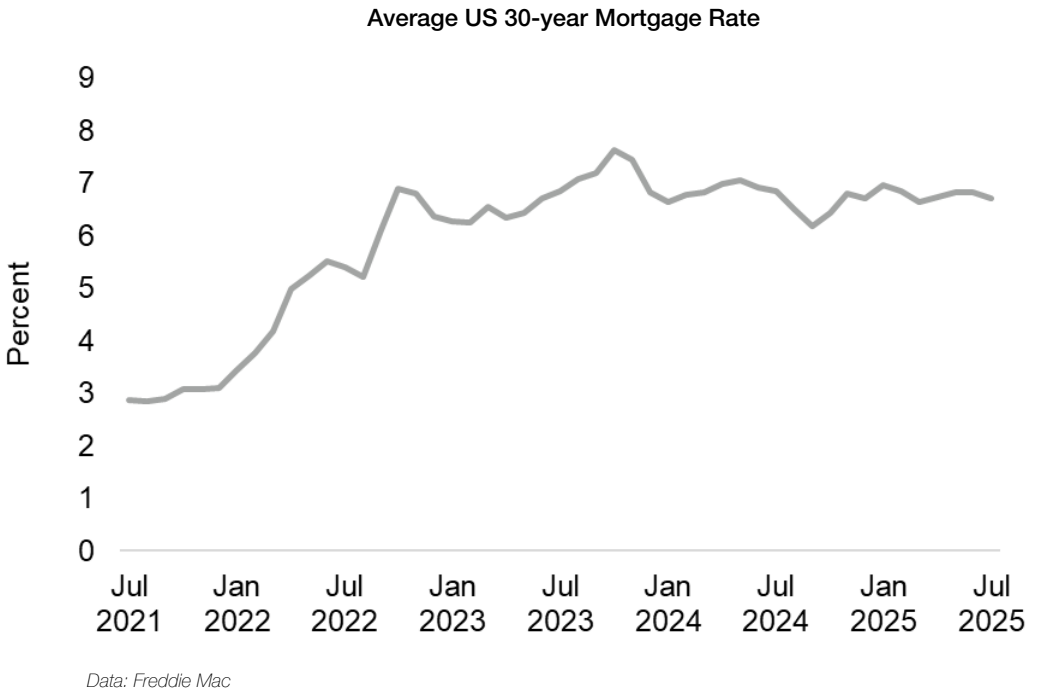
INTEREST RATES

Business and consumers have continued to face interest rates that are high by recent standards. With the cooling of inflation, the Federal Reserve had initiated an easing cycle lowering the target range for the federal funds rate by one percent in three steps in late 2024. However, concern about the inflationary impact of tariffs put further reductions on hold. The “stagflationary” effects – higher inflation and lower employment – of tariffs put the Fed in a bind by creating a tension between its dual mandate goals of price stability and maximum employment. Higher inflation would be a reason to tighten policy (i.e., raise the federal funds rate), while the opposite response would be appropriate for weakening labor markets.

Expectations of the federal funds rate – the interest rate on overnight interbank loans – have an impact on longer-term rates such as mortgage rates, but they are not the only

factor. Long-term rates may be facing pressure from reduced foreign demand for US assets, as evidenced by a significant drop in the exchange value of the US dollar in the first half of 2025. Threats to the political independence of the Fed also push long-term rates up due to increased market perception of risk.

Another factor pushing up long-term rates will be the federal budget deficit – when it borrows, the government taps the same pool of global saving that finances housing and business investment. The Congressional Budget Office estimated that the budget reconciliation package signed by the president in July would add \$3.4 trillion to US deficits over the next decade. That figure increases to \$5 trillion if temporary tax cuts are extended and the impact of higher interest payments is accounted for. However, a weakening macroeconomic outlook would tend to reduce long-term rates and the additional deficits from the budget reconciliation act may be partially offset by tariff revenue.



Macroeconomic Outlook

ECONOMIC FORECASTS

The budget reconciliation bill averted a return to income tax rates prevailing before the 2017 Tax Cuts and Jobs Act, which would have been a modest drag on demand in the short run. Provisions for expensing of business investment and research and development expenditures are seen as positive for long-run growth. The bill may also have some positive effects on housing through expansion of the low-income housing tax credit and opportunity zones. However, cuts to support for clean energy development will lead to project cancellations and higher energy costs.

An unintended consequence of the bill is a significant strain on the Colorado state budget, as the state follows the federal calculation of taxable income. The state’s finances will also be impacted by cuts to

Medicaid, which is a shared responsibility between federal and state governments (many of the Medicaid cuts take effect in 2027). These cuts, in combination with the expected expiration of tax credit subsidies for the purchase of individual health insurance through the exchanges established by the Affordable Care Act (Colorado’s is Connect for Health Colorado) are likely to lead to an increase in the share of people without health insurance.

Professional forecasters are projecting continued growth for the US economy, though at a relatively slow rate. Unemployment is forecast to increase modestly next year, and inflation to gradually come down over the next two years.

Forecasts for the US Economy			
	Real GDP Growth	Unemployment Rate	Inflation (CPI)
2025	1.7%	4.2%	2.9%
2026	1.6%	4.5%	2.5%
2027	2.1%	4.4%	2.3%

Data: Federal Reserve Bank of Philadelphia, August 15, 2025. Real GDP and the unemployment rate are on an annual average basis, inflation is a Q4-Q4 annual average.

UCCS Economic Forum

College of Business

University of Colorado Colorado Springs

(719) 255-3722

business.uccs.edu/economic-forum

University of Colorado Colorado Springs

1420 Austin Bluffs Parkway

Colorado Springs, CO 80918

www.uccs.edu

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