Economic Outlook for the Pikes Peak Region

30th Annual UCCS Economic Forum

October 28, 2026

Bill Craighead,
Program Director



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Outline

- US Economy: Caution Flags
- Colorado Economy: Happy 150th!
- Pikes Peak Region Economy: Bouncing Back

The US Economy:
Caution Flags

Labor Market

4.2%

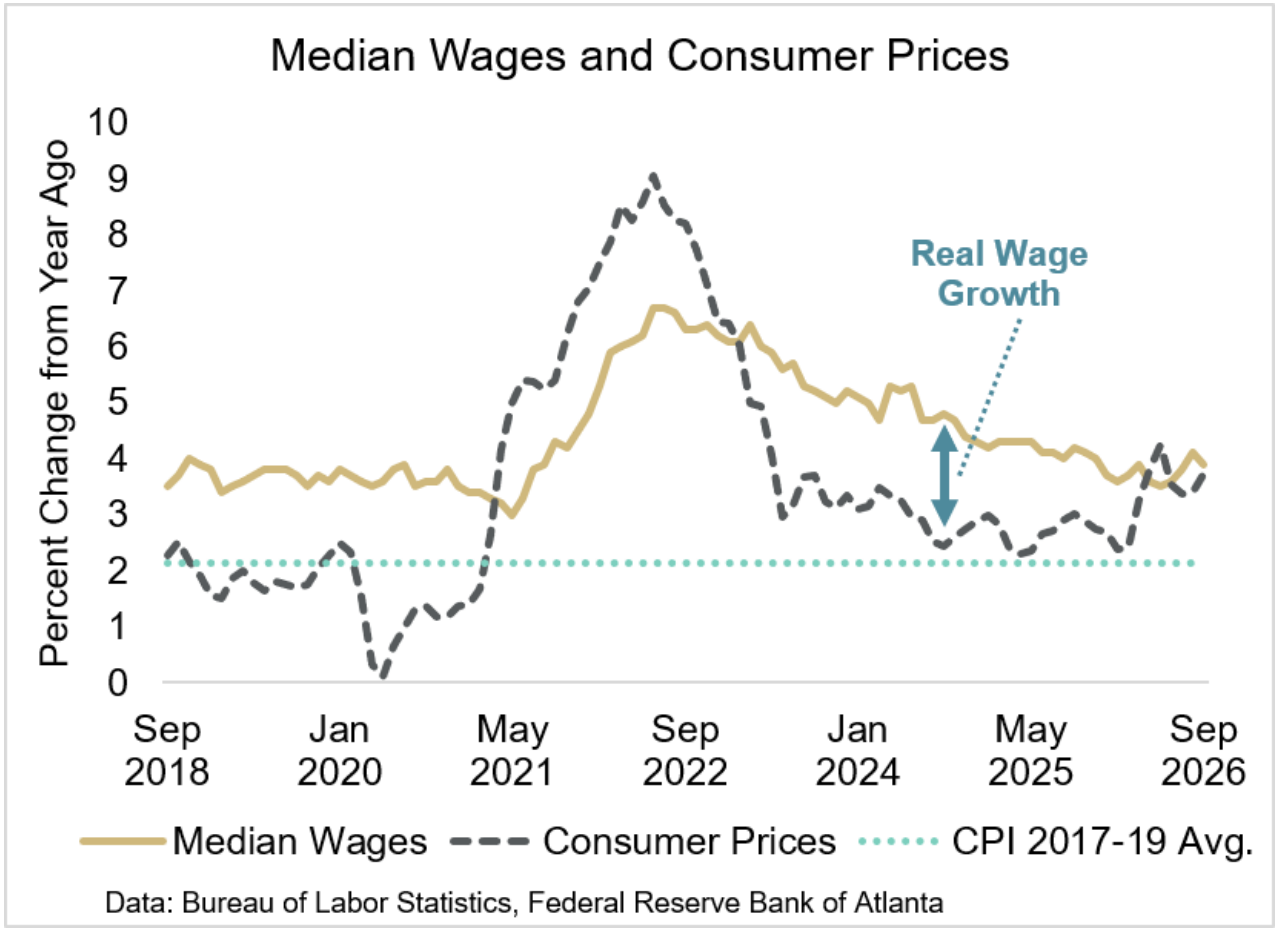
US unemployment rate (September)

Since 1970, unemployment has been higher than 4.2% 85% of the time including all of March 1970 – February 1999

But it is a *cool* 4.2%

- Low hiring and quitting rates (also low layoffs)
- Slowing wage growth

Inflation

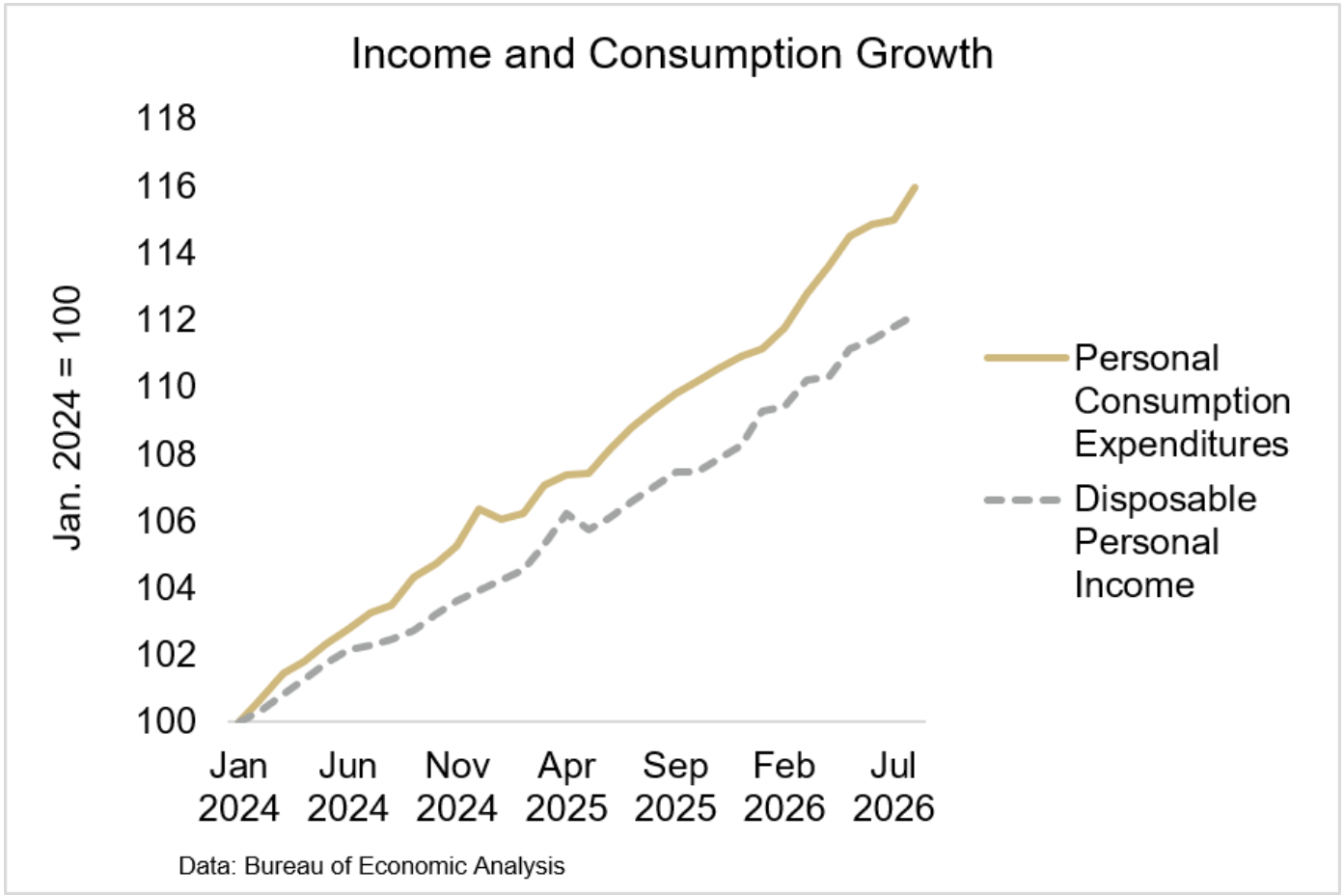


Two "Supply Shocks"

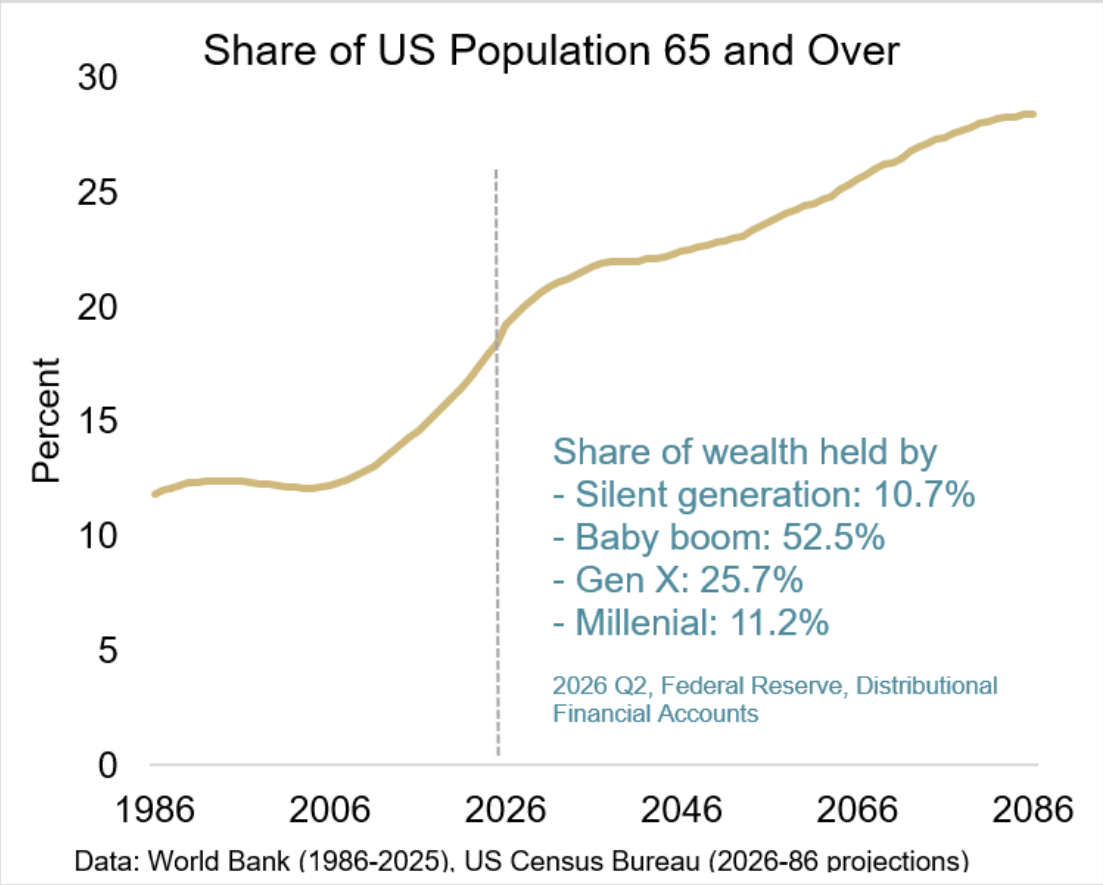
- Trade policy
- Persian Gulf conflict

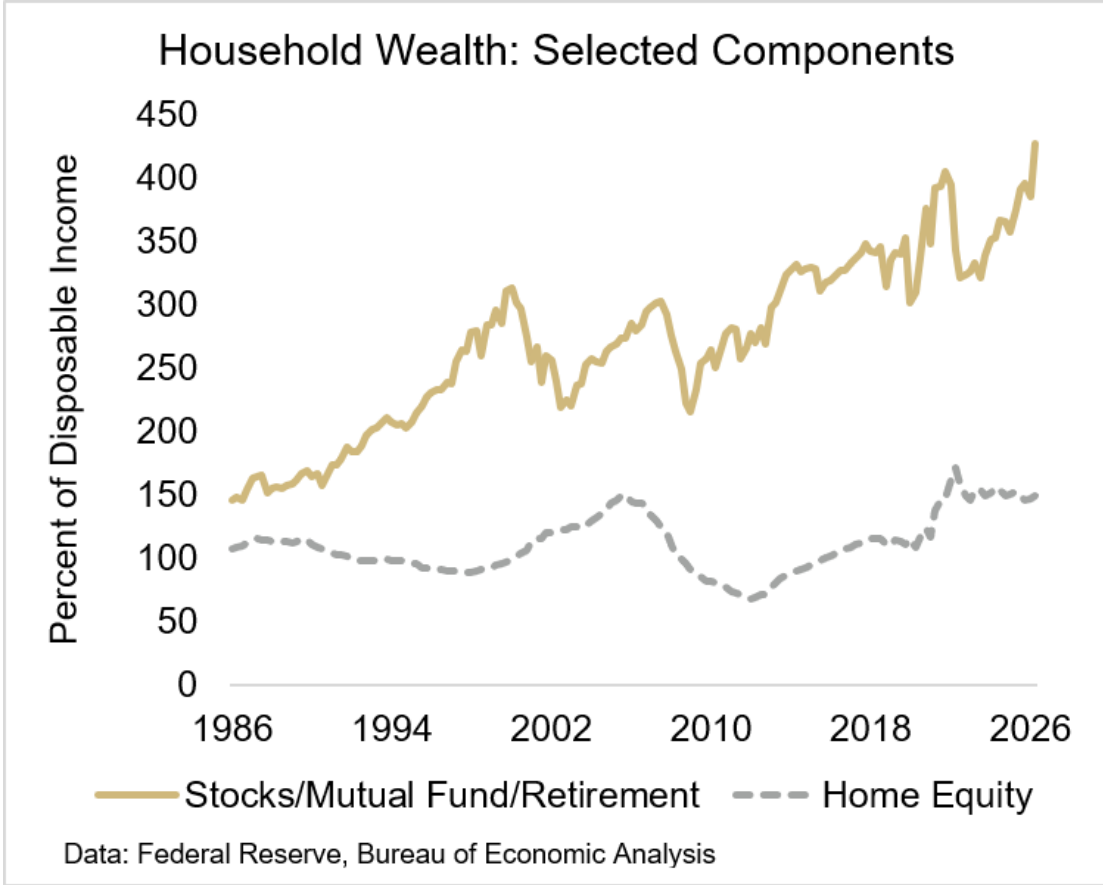
Note: measured using average hourly earnings, real wages were down 0.7% for the year to September

Caution Flag #1: Reliance on Wealth

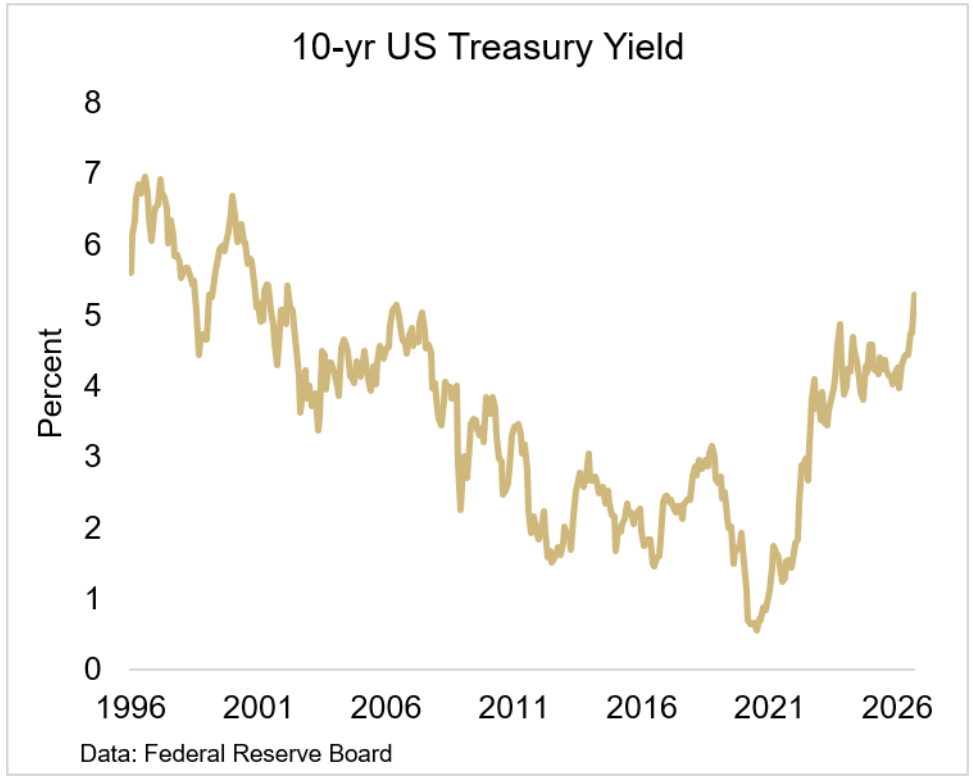


Caution Flag #1: Reliance on Wealth





Household spending more vulnerable to stock market declines



National Missile Defense:

$1.2 trillion

20-yr cost to develop, deploy and operate

Congressional Budget Office, "Potential Costs of a National Missile Defense System, May 12, 2026

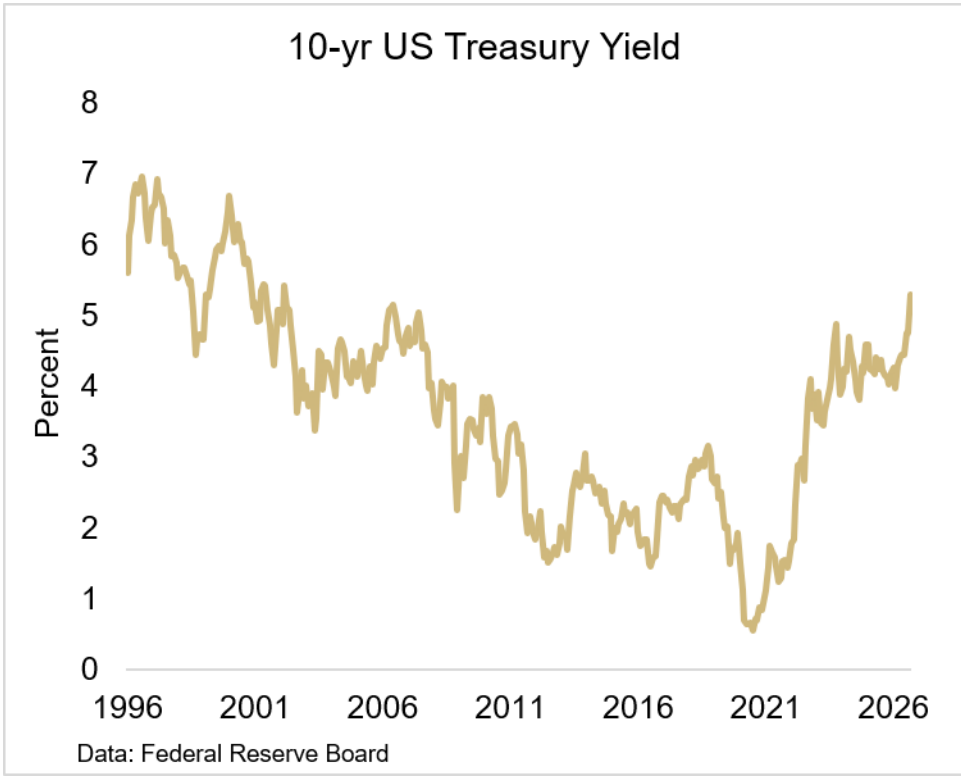
Caution Flag #2: Federal Budget

Federal borrowing is not always a problem

- Important tool for combating slumps
- Small deficits – no big deal

Deficits of 6-7% of GDP when unemployment is low:

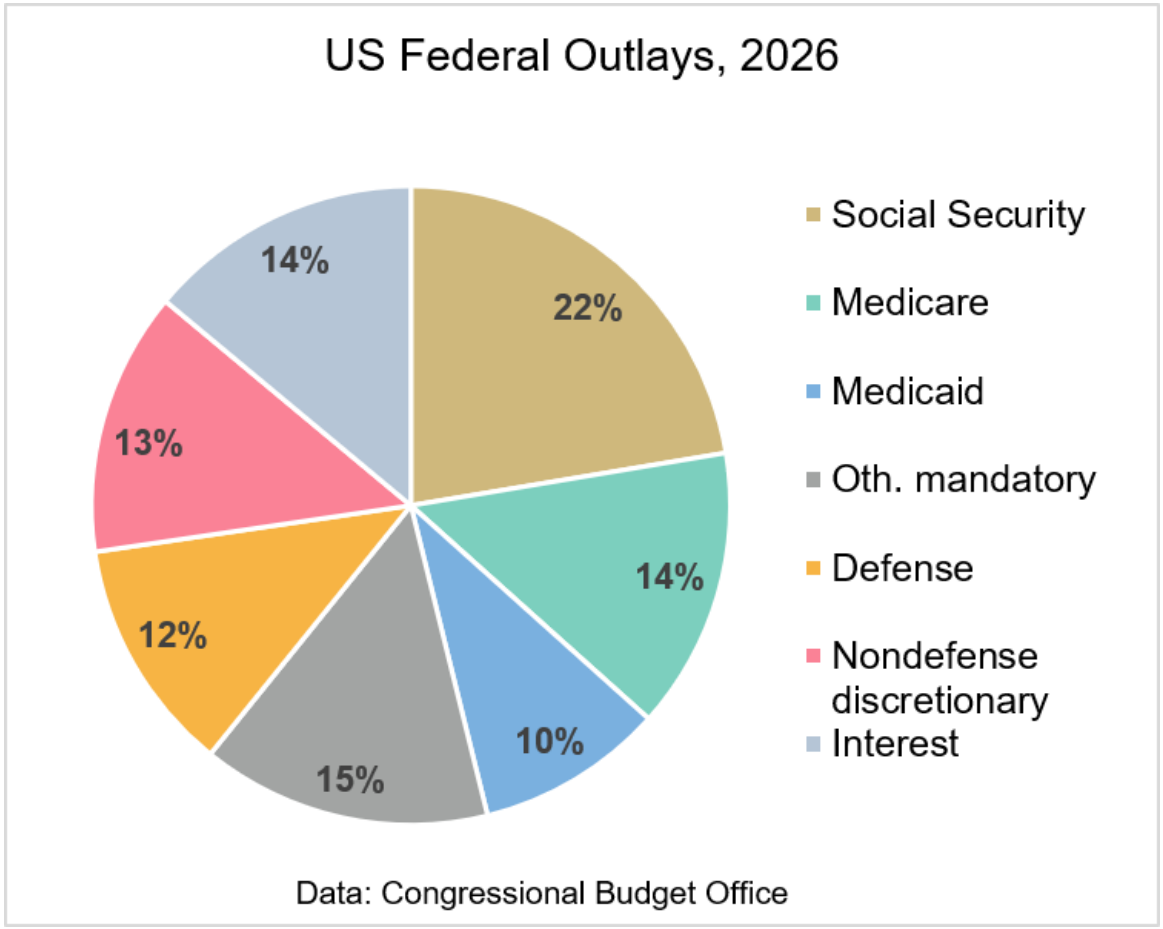
- Higher interest rates, "crowding out" investment



H.R.1 "Big Beautiful Bill": $5.5 trillion of additional borrowing over 10 yrs (w/ extensions of 'temporary' provisions); tariff revenue: $1.8 trillion over 10 yrs

Committee for a Responsible Federal Budget, "What's In the One Big Beautiful Bill Act," Aug. 4, 2025; Budget Lab at Yale, "State of US Tariffs," Aug. 24, 2026

Caution Flag #2: Federal Budget



The Colorado Economy:

Happy 150th!

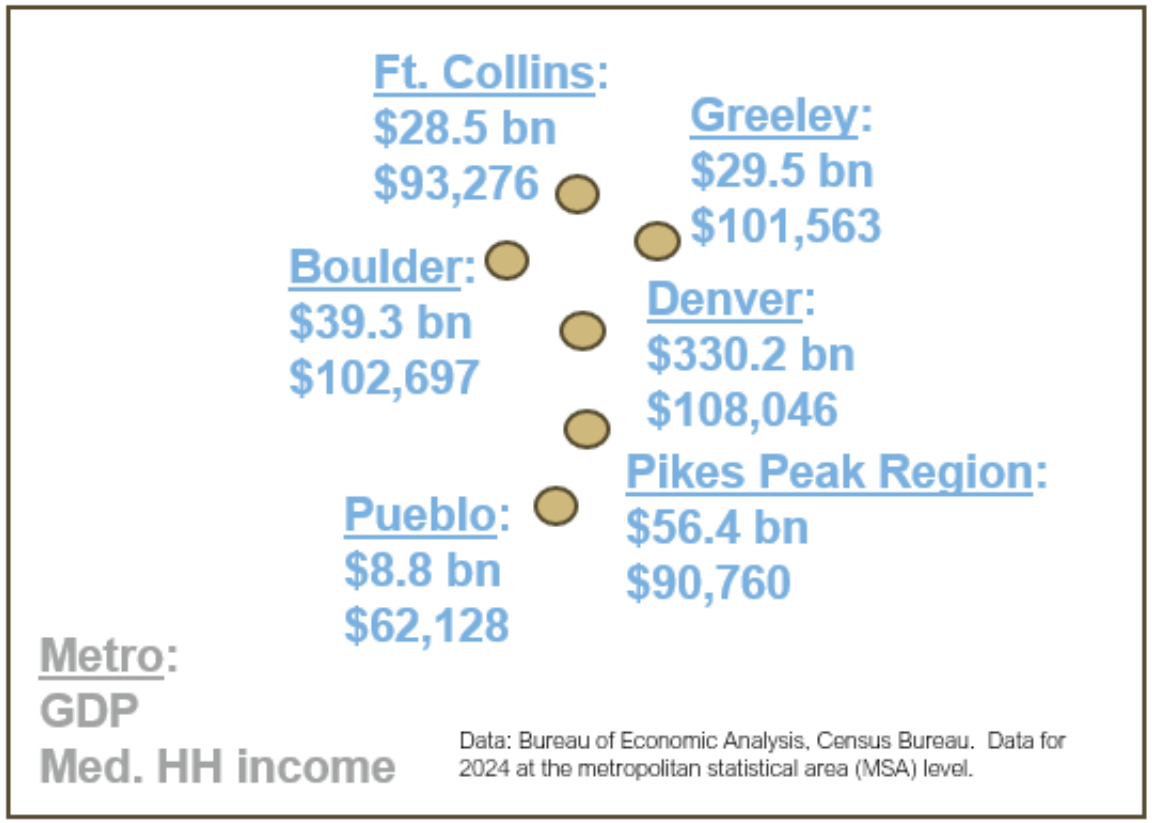
Productive, Affluent and Educated

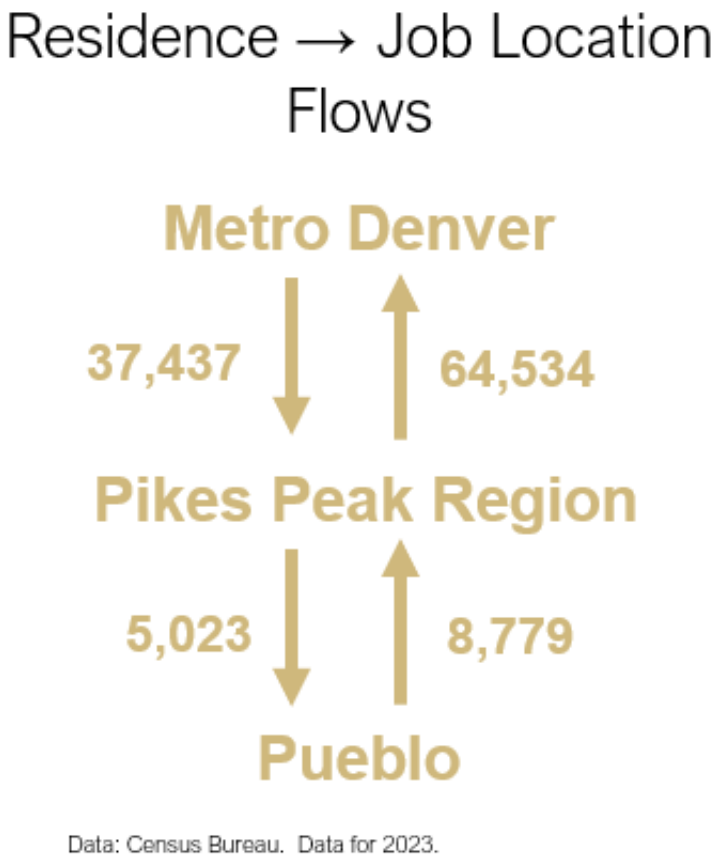


- GDP: $574.9 bn (17th)
- GDP per Capita: $95,610 (11th)
- Median Household Income: $97,113 (8th)
- With a Bachelor's Degree: 47.8% (2nd)

Data: Bureau of Economic Analysis, Census Bureau. GDP for 2025, income and bachelor's degree share for 2024. Bachelor's degree share is of population 25 and over. Ranks out of 50 states (DC not included).

The Front Range Economy





"Pikes Peak Region" – Colorado Springs metropolitan statistical area (El Paso and Teller Counties)

But It's So Expensive….



98.5 KYGO
https://kygo.com › colorado-now-third-most-expensive-state-in-the-nation-report-finds

Colora o now third-most expensive state in the nation, report n...

May 20, 2026 Colorado's mountain views, craft beer and 300 days of sunshine now co with a price tag to match: Th tate is the third-most expensive in the country to live in, accordi to the Colorado Chamber of Comme e's latest scorecard. The ranking, released late last year an ining renewed...

Denver Gazette
https://denvergazette.co › 2025 › 12 › 11 › colorados-cost-of-living ars-ranks-third-most-expe...

Colorado's cost of livin soars, ranks third-m st expensive in the ...

Dec 11, 2025 · Colorado is now the thi ost expensive sta o live in, according to a new report by a business group. Released on Thursday, th olorado Sc ard "presents a mixed outlook," according to the state chamber's president and CEO, L a Furm

rockymountainvoice.com
https://rockymountainvoice.com › 202 5 › 18 › l ilies-struggle-as-colorado-climbs-to-third-...

Families Struggle as Colo do Climbs to hird Most Expensive St...

May 18, 2026 · Colorado is now th hird-most expensive state he country to live in, ranking 47th in affordability in 2025. Colorado nked 46th for cost of living in 202 nd four years ago in 2022 had the 34th-highest cost of living tionally, a ranking that has dropped every ar since, according to the...

FOX21 News olorado
https://ww ox21news.com › top-stories › colorados-cost-of-living-soars-ra third-highest-in-...

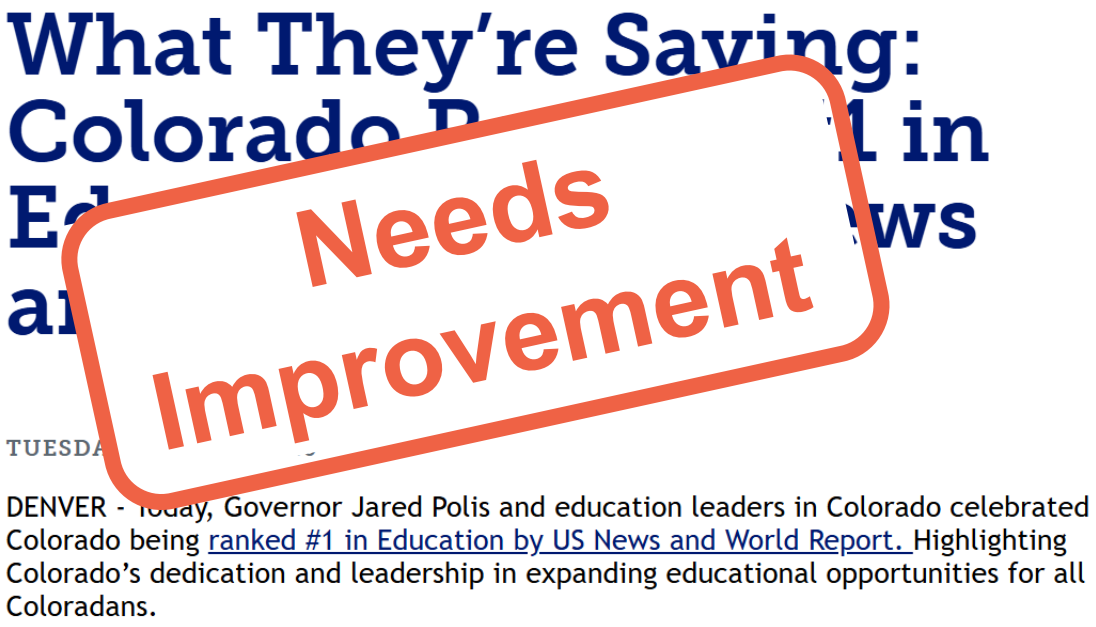
Colorad s cost of living: Third highest in the US

May 18 026 · (COLORADO SPRINGS) — The cost of living in Colorado is continuing to i ase, with the ate recently ranked as the third most expensive place to live in the country, according the Colorado ...

Regional Price Parities (US =100)	CO RPP	CO Rank
Overall	103.1	12
Goods	98.8	15
Housing	127.4	4
Utilities	85.0	32
Other Services	99.6	25

Data: Bureau of Economic Analysis. Data for 2024.

Education



Bright Spots/Recent Progress

- Above Average Scores on NAEP ("Nation's Report Card")
- Standardized Tests
- Healthy School Meals for All
- "Universal" Pre-K

Education

Educational Attainment ≠ Education

4-yr High School Graduation Rate, 2024	
US	Colorado
89.0%	88.2% (25)

Data: National Center for Education Statistics. AFGR; Averaged Freshman Graduation Rate. A more accurate measure, the ACGR: Adjusted Cohort Graduation Rate was 82.3% for Colorado in 2022, compared with 86.6% nationally, in 2022.

Colorado Matriculation Rates	
4-yr	38.3%
2-yr	14.2%
CTE	11.3%
Military	1.5%
Other	2.7%

Data: Colorado Department of Education. Data for 2025. Other refers to ASCENT, P-TECH and TREP

CWDC Talent Pipeline Report: Out of 100 Colorado 9th Graders, 18 will earn a bachelor's degree within 150% of required time

Education

Education Funding	US	Colorado
Per Pupil Elementary and Secondary Spending	$17,619	$15,908 (27)
Public Higher Ed Appropriations per FTE	$12,082	$8,529 (36)

Data: Census Bureau (Elementary and Secondary, data for 2024); State Higher Education Executive Officers Association (Higher Ed, data for 2025)

So, how is Colorado's educational attainment so high?

- 77.3% of Coloradans with bachelor's degrees were born out of state, 5th-highest share

Data: Census Bureau, Data for 2024

Historically, people age 25-34 have been the largest group of movers to Colorado, but the national population in this range will be shrinking

Competitiveness

- Governor's Competitiveness Council: "Roadmap for Shared Prosperity"
- SB26-137 "Measures to Reduce Administrative Burdens"
  - Regulations reviewed every 5 yrs
  - Passed Senate 35-0, House 55-8

The Pikes Peak Region Economy:
Bouncing Back

UCCS College of Business
UNIVERSITY OF COLORADO **COLORADO SPRINGS**

30th Annual UCCS Economic Forum – October 28, 2026

How We Compare

El Paso County GDP

$55.1 billion

- 106th largest US county economy
- Larger than Vermont, Wyoming

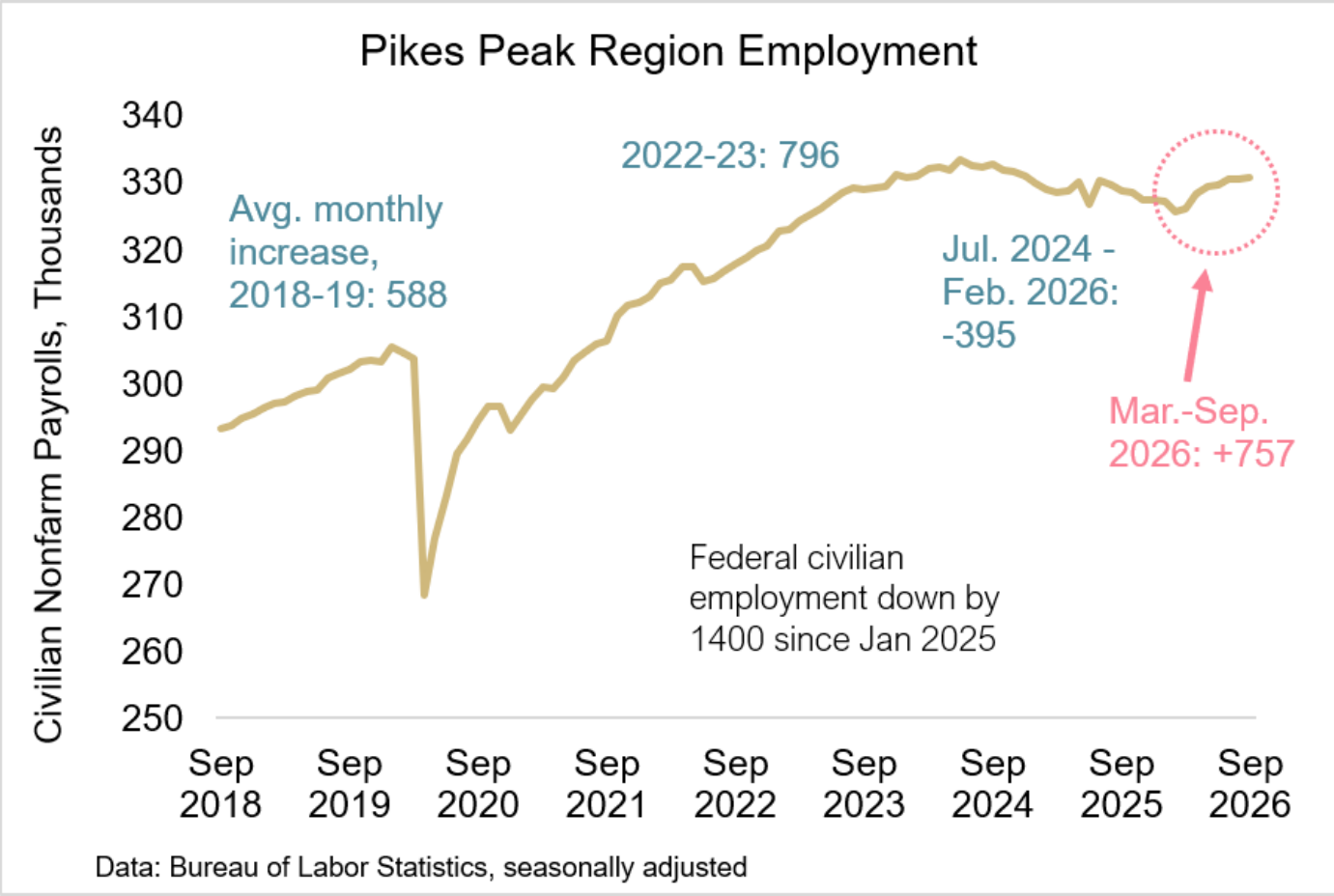
Data: Bureau of Economic Analysis, data for 2024

		United States	Pikes Peak Region
Median household income		$81,604	$91,009
Bachelor's degree (25 and over)		36.8%	44.1%
Armed Forces (16 and over)		0.5%	5.9%
Veteran (civilians, 18 and over)		5.9%	15.5%
Veteran characteristics	*Median income*	*$55,122*	*$72,612*
	Bachelor's deg.	*32.8%*	*47.0%*

Data: Census Bureau, Data for 2024

"Pikes Peak Region" – Colorado Springs metropolitan statistical area (El Paso and Teller Counties)

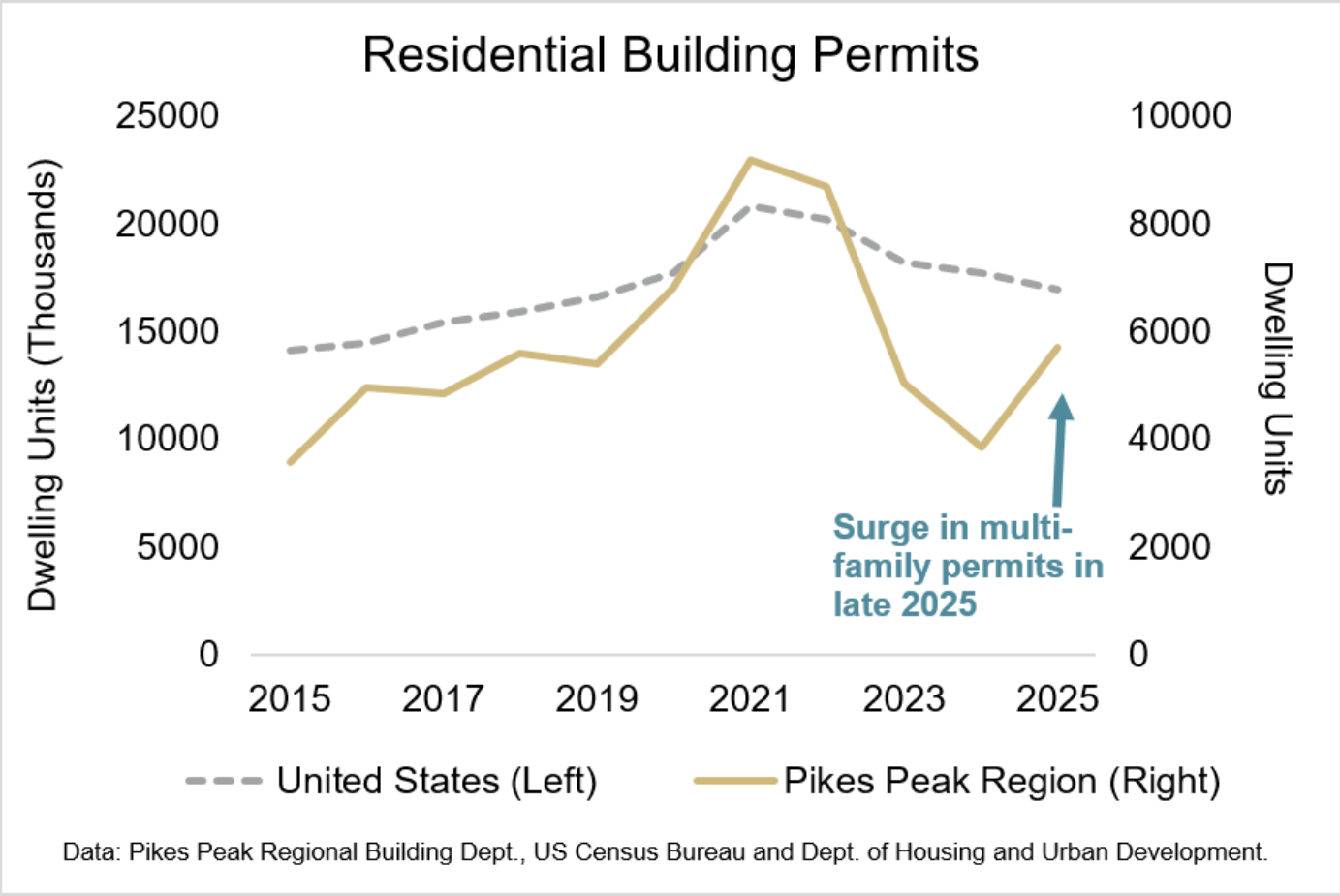
Turning a Corner



Slower growth in working-age population → less job growth needed to keep unemployment low

Regional unemployment rate peaked at 4.4% in second half of 2024

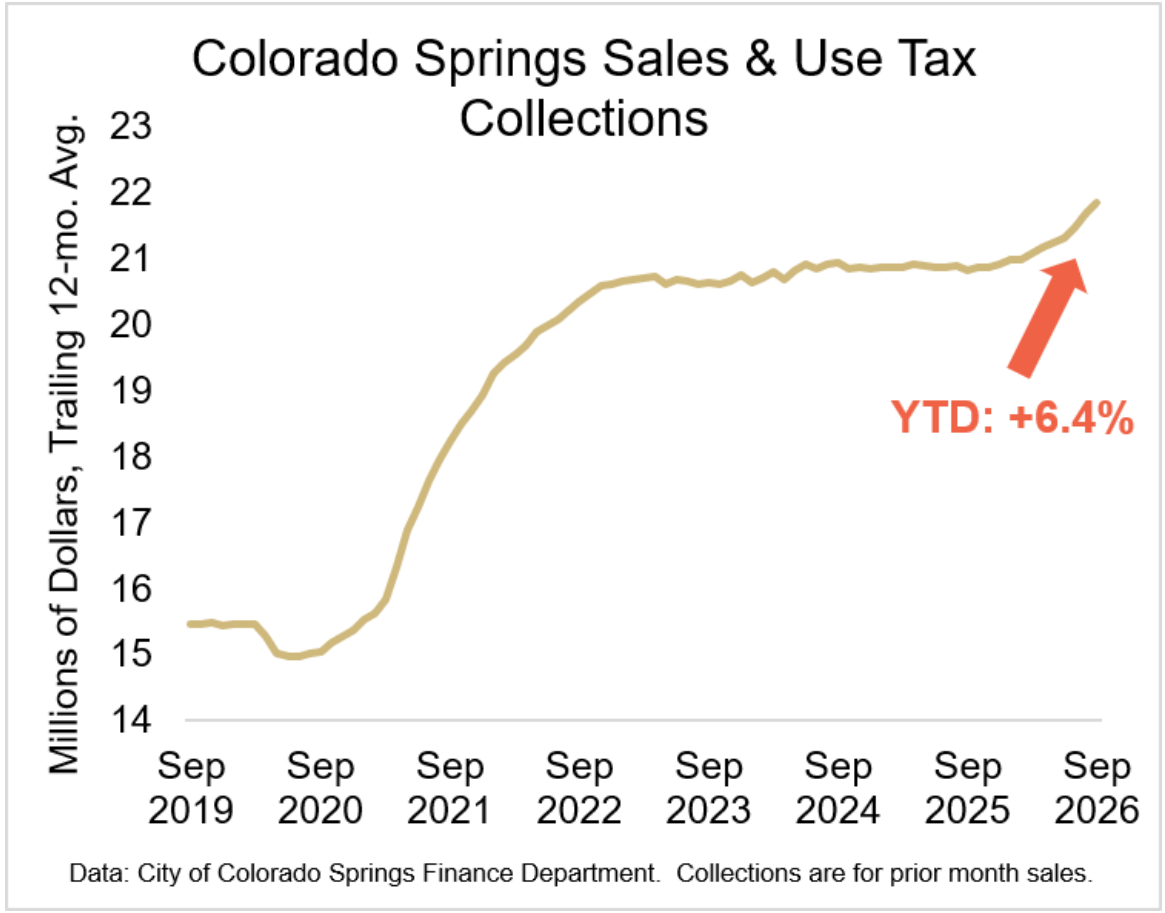
Why Was 2024-25 Sluggish?



Dwelling Units Permitted, Jan.-Sep.		
	Single-Family	Multi-Family
2025	2219	952
2026	2374	798

Data: Pikes Peak Reginal Building Department

Other Recovery Signs



Building Materials
(12% of Sales Tax):
2025: -10.3%
2026 YTD: +4.8%

Retail Sales:
2025: +2.1%
2026 YTD: +2.5%

Data: Colorado Department of Revenue

Travel and Tourism

2025

- US consumer spending on hotel and motel accommodations: -1.3%
- LART revenue: -0.9%
- Colorado Springs visitation: +0.4%
- Enplanements: -0.7% (US: -0.9%)
  - Since 2019, COS: +46.3%, US: +4.9%

Data: Colorado Springs City Finance Department, Longwoods International/VisitCOS, Bureau of Economic Analysis, Colorado Springs Airport, Bureau of Transportation Statistics

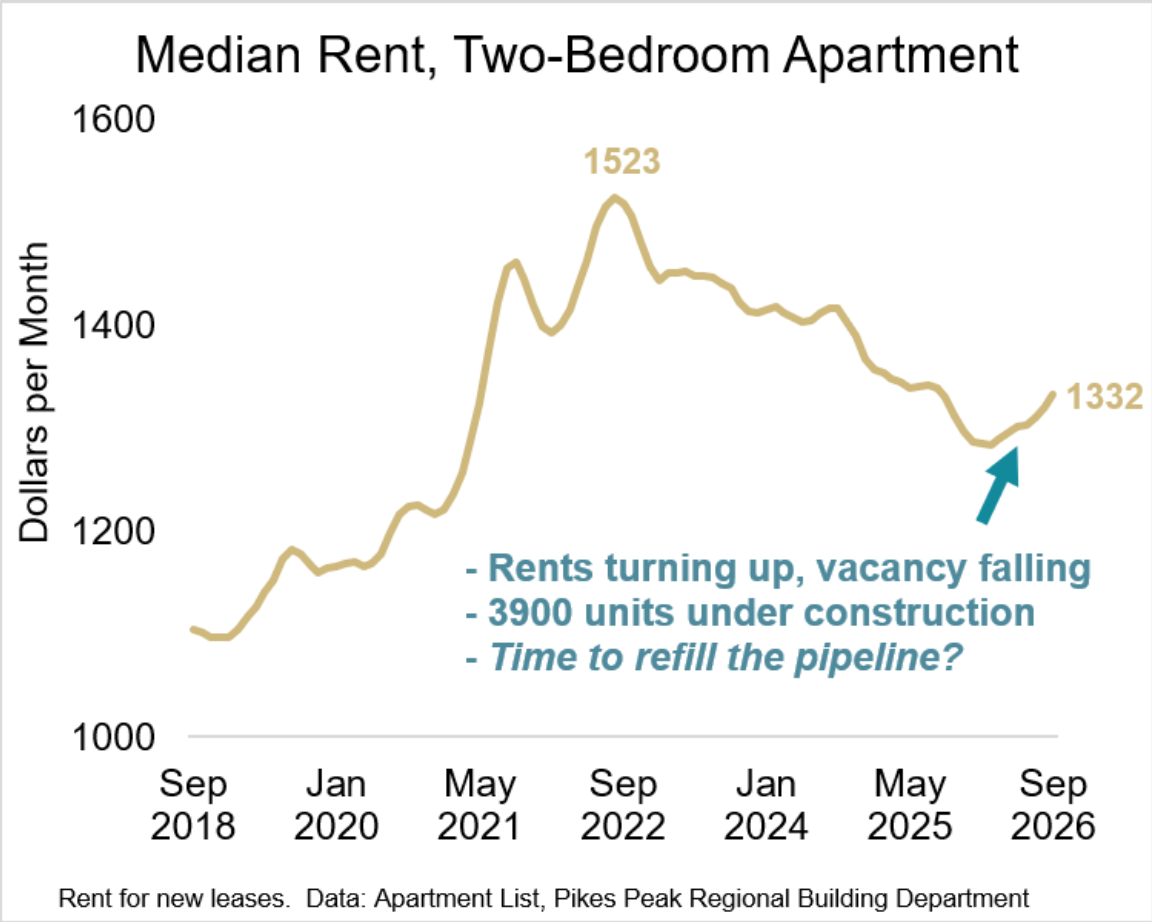


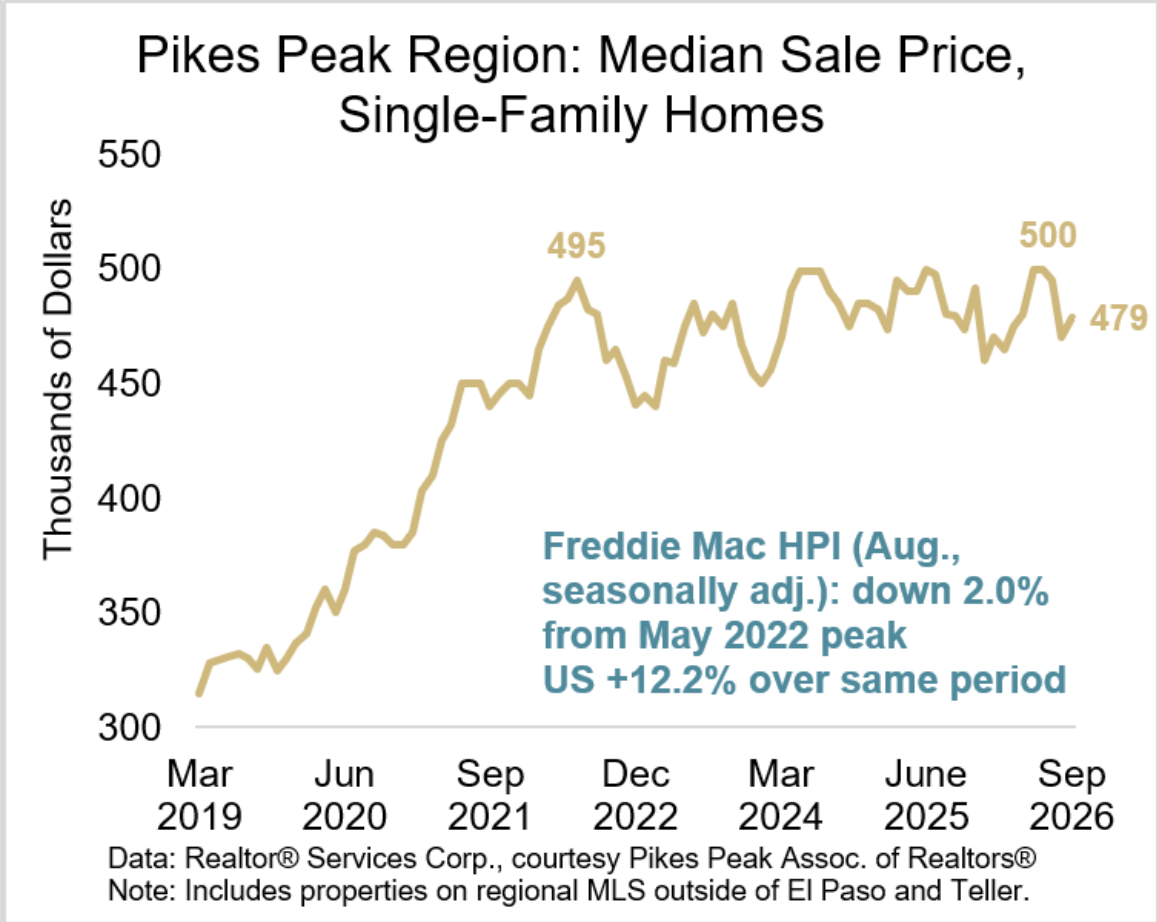
2026

LART collections for peak summer travel season (June-August):

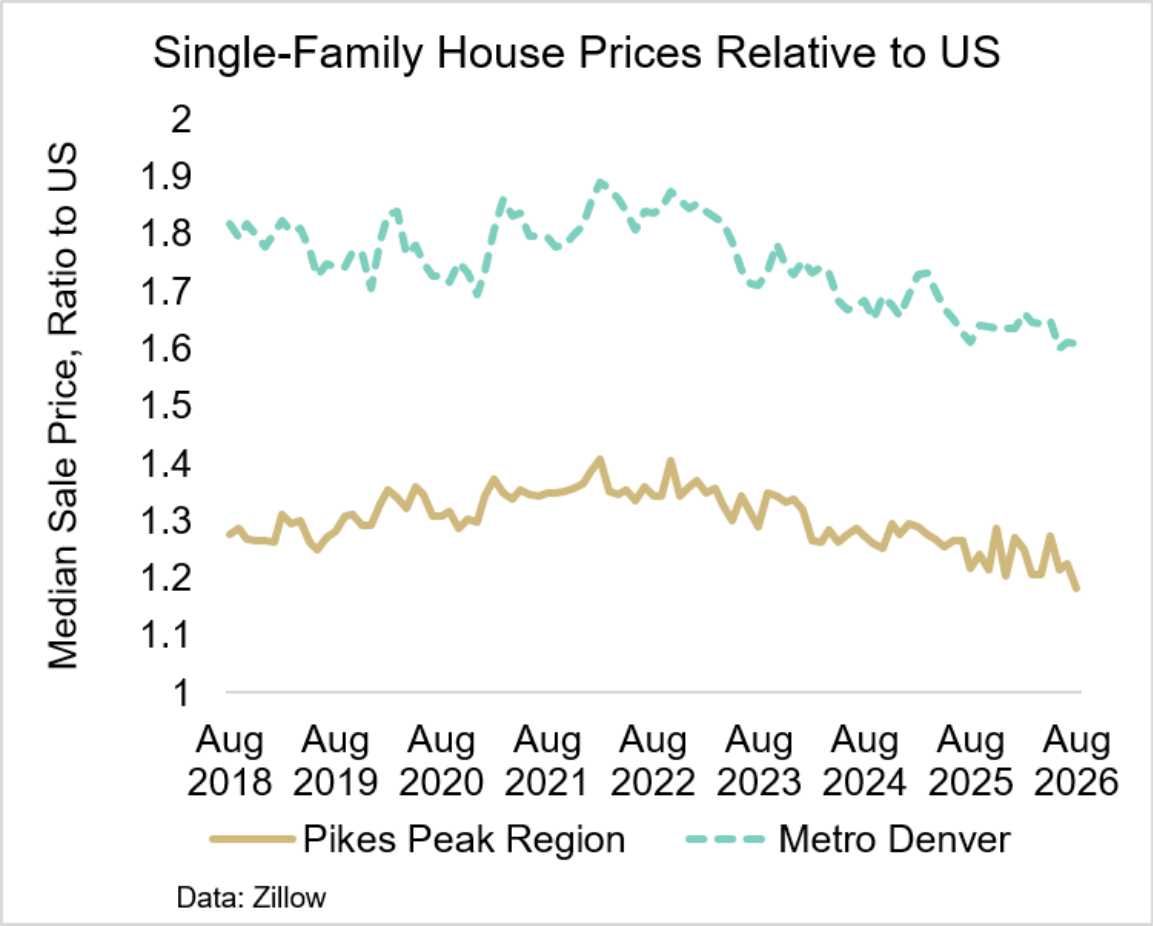
+3.7%

Progress on Housing Affordability





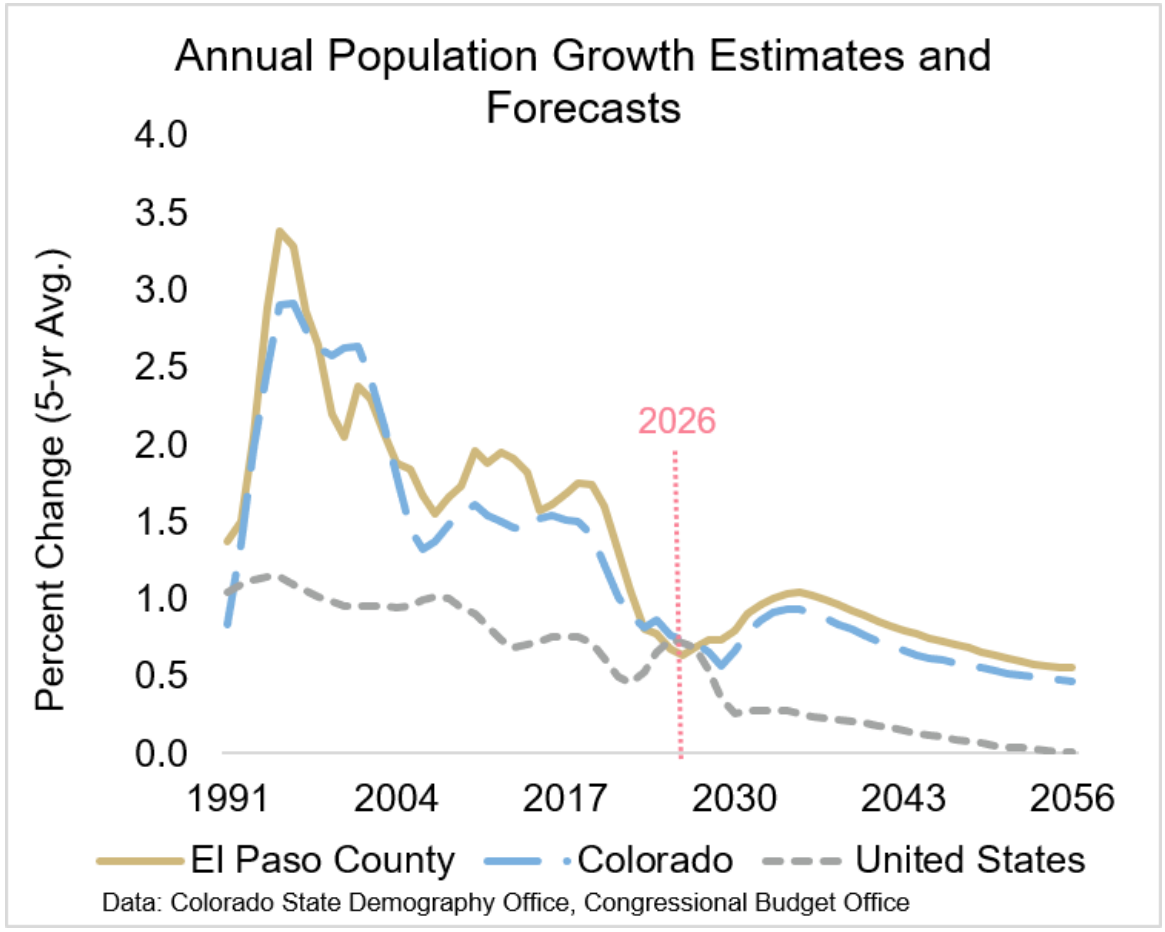
Relative Affordability



	2022	YTD 2026
Metro Denver	1.85	1.63
Pikes Peak Region	1.36	1.23

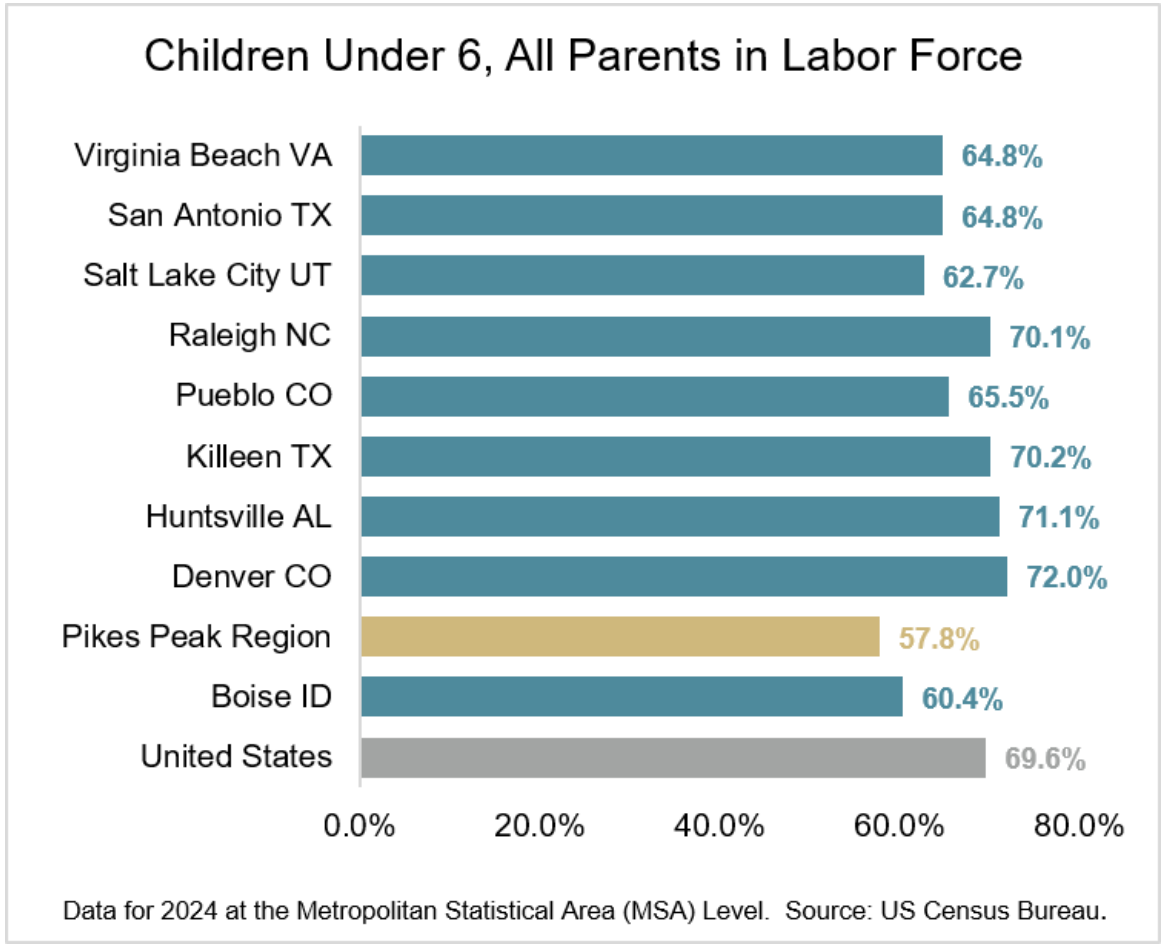
The cost gap with the rest of the US for buying homes Colorado Springs and Denver has narrowed

Population Growth



Even with slower growth, region is projected to add over 76,000 people in next decade

Work to Do?



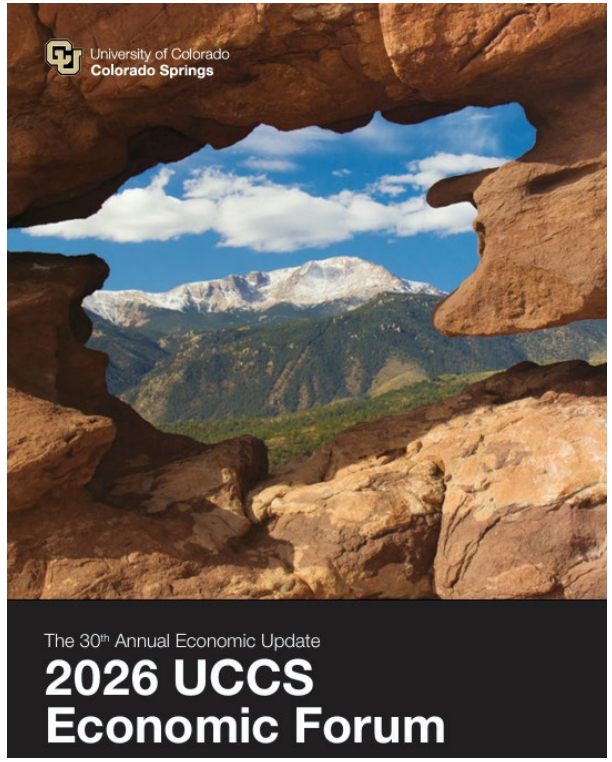
Out of 111 metro areas with populations larger than 500,000, the Pikes Peak Region is 106th

We are 107th for labor force participation by women with children 6 and under

Questions?

Thank You!!!

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