

# Economic Outlook and Trends through May 2025 United States and Colorado



**Economic Analysis by  
Colorado-based Business and Economic  
Research, cber.co  
Prepared June 25, 2025**

# Economic Outlook and Trends

## Overview

The purpose of this chartbook is to review the outlook and performance of the U.S. and Colorado economies utilizing data available in the public domain.

Over the past three months, there have been downward revisions to the base forecast used for this analysis. Tariffs and uncertainty in federal policy led many economists to lower their projections for economic activity and the labor market. The uncertainty has also caused unproductive speculation.

This analysis focuses on employment data and metrics that drive economic change. There is both good and bad news at the national and state levels.

Colorado is in a precarious position due to its weak job growth and financial outlook. The state legislature had to navigate a \$1.2 billion shortfall this past session. Next year may be equally as challenging for the state. The cities of Denver and Boulder have also announced budget shortfalls.

Despite its many assets, Colorado is not in a position of strength to deal with uncertainty and federal policies that may cause reductions in economic activity and the labor market.

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# How Will the Economy Perform?

## Uncertainty Will Continue

The Conference Board (TCB) U.S. economic forecast (June 11, 2025) is the base for this analysis. The current forecast is less optimistic than previous projections. TCB expects tariffs to short-circuit economic activity and the labor market. As a result, there will be increased inflation and rate cuts by the Federal Reserve. The cycle of uncertainty, speculation, and more uncertainty will continue. For the first half of 2025, the U.S. economy has outperformed Colorado's economy.

### Watch for the Following Nationally and Internationally

- The U.S. labor market has been resilient with steady gains through May. It will increase at a slower rate in the final half of the year.
- Retail sales are increasing at a faster rate than last year. There appears to have been an anomaly in March and April with greater consumption to avoid higher costs.
- Real disposable personal income per capita has increased. Q1 growth was slow, and April was much stronger.
- The personal savings rate has risen.
- The amount of securitized loans has declined slightly.
- Residential construction will likely increase at a slower rate than last year.
- The global international situation has changed greatly in the past month. Changes will continue in the months ahead.

### Watch for the Following in Colorado

- Economic activity declined and was less than 5% in all quarters of 2024.
- Employment growth was weak in the second half of 2024 and January and February 2025. There was strong employment growth in March, April, and May of 2025.
- In 2025, there will be weak net migration (30,000) and the natural rate of change (19,800). There will be weak retail trade sales this year.
- Building permits for 2025 have been less than in 2024, which was a weak year.
- The legislature had a \$1.2 billion budget shortfall in the 2025-2026 session. The Colorado Legislative Council estimated a shortfall of \$698 million for FY 2026-27.
- In late May, CBS News Colorado reported that Denver has a \$50 million budget shortfall for 2025 and a projected \$200 million budget shortfall for 2026.
- The City of Boulder expects a \$8-\$10 million budget shortfall for 2025.

## U.S. Forecast, GDP, Exports, PCE, and Disposable Personal Income

# U.S. Real GDP Growth

The Conference Board (TCB) Forecast (June 11, 2025)

## Real GDP and Economic Growth

The Conference Board Forecast projects real GDP growth of 1.6% in 2025. Real disposable income will increase by 2.0%, and real personal consumption will increase by 2.3%. There will not be a change in the level of residential investment, although nonresidential investment will increase by 1.1%. The increase in government spending will be at a slower rate (1.6%) than last year.

## Other Economic Factors

Export growth will be slower in 2025 (2.3%). The U.S. unemployment rate is going to rise in 2025 to 4.4%. The annual PCE inflation rate will increase by 2.9%, and the core rate will change by 3.2%. The Fed Funds rate will be 3.875% by the end of the year. *Note that most of the 2025 yearly indicators that should trend upward in a healthy economy are trending downward.*

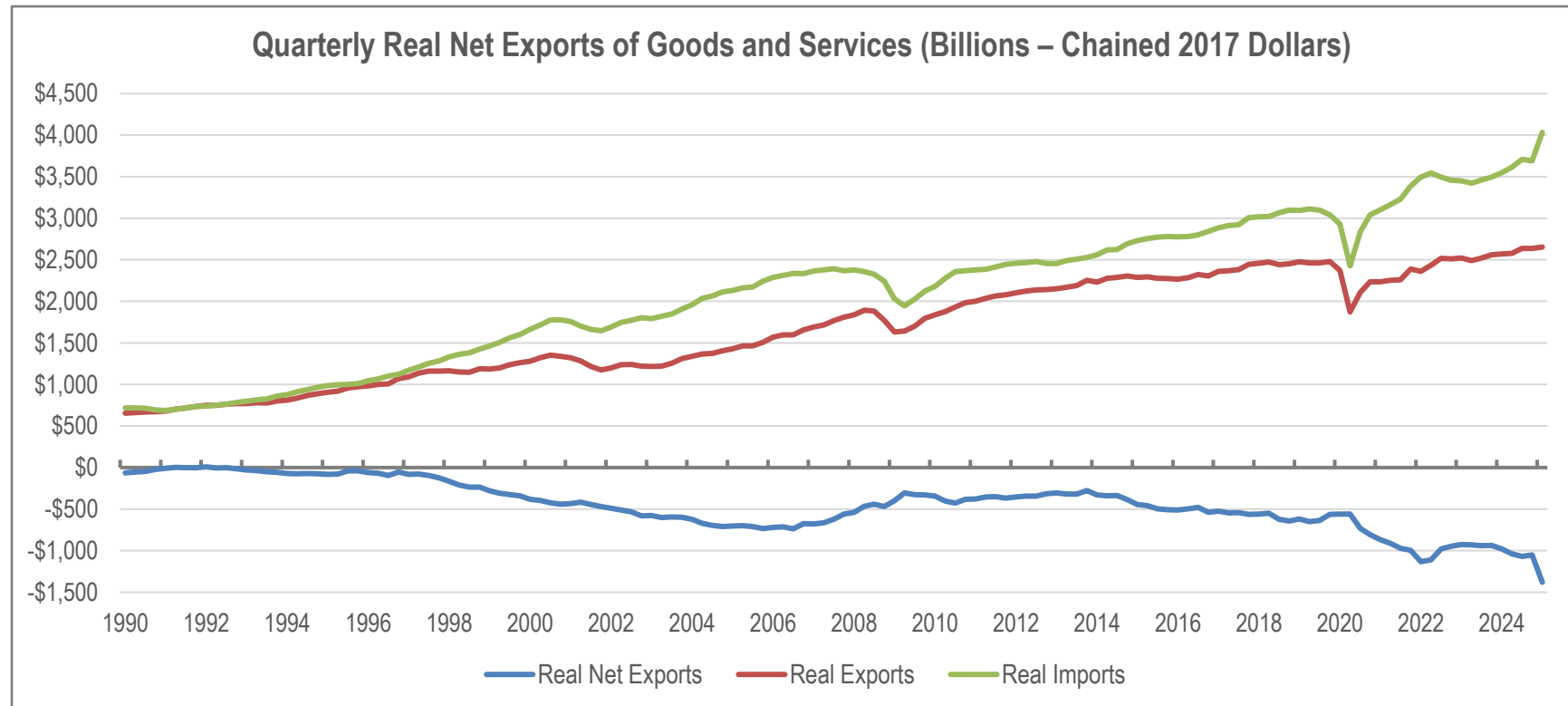
## Conference Board US Real GDP Growth Forecast

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2024	2025	2026
Real GDP	1.6%	3.0%	3.1%	2.4%	-0.2%	2.3%	0.6%	1.4%	2.8%	1.6%	1.4%
Real Disposable Income	5.6%	1.0%	0.2%	2.5%	2.9%	2.0%	1.7%	1.7%	2.7%	2.0%	2.0%
Real Personal Consumption	1.9%	2.8%	3.7%	4.0%	1.2%	2.0%	1.3%	1.4%	2.8%	2.3%	1.9%
Residential Investment	13.7%	-2.8%	-4.3%	5.5%	-0.6%	1.0%	-2.0%	-1.0%	4.2%	0.0%	2.0%
Nonresidential Investment	4.5%	3.9%	4.0%	-3.0%	10.4%	-8.4%	-0.3%	2.5%	3.6%	1.1%	1.6%
Total Gov't. Spending	1.8%	3.0%	5.1%	3.1%	-0.7%	1.8%	0.4%	0.4%	3.4%	1.6%	0.4%
Exports	1.9%	1.0%	9.6%	-0.2%	2.4%	2.0%	1.0%	0.0%	3.3%	2.3%	1.1%
Unemployment Rate	3.8%	4.0%	4.2%	4.1%	4.1%	4.3%	4.4%	4.6%	4.0%	4.4%	4.5%
PCE Inflation (%Y/Y)	2.7%	2.6%	2.3%	2.5%	2.5%	2.9%	3.2%	3.1%	2.5%	2.9%	3.0%
Core PCE Inflation (%Y/Y)	3.0%	2.7%	2.7%	2.8%	2.8%	3.1%	3.5%	3.3%	2.8%	3.2%	3.2%

Source: The Conference Board, <https://www.conference-board.org/publications/Economic-Forecast-US>, cber.co.

# Quarterly Real Net Exports of Goods and Services

## Billions of Chained 2017 Dollars



### Real Net Exports

Since 1997, the trade deficit has increased significantly, which negatively impacts the GDP value.

The formula for GDP is:

$$GDP = C + I + G + X$$

- C = Consumer spending
- I = Business investment
- G = Government spending
- X = Net exports (exports minus imports)

Q1 2025 exports (burgundy) are 3.2% more than Q1 2024, and imports (green) are 13.6% greater.

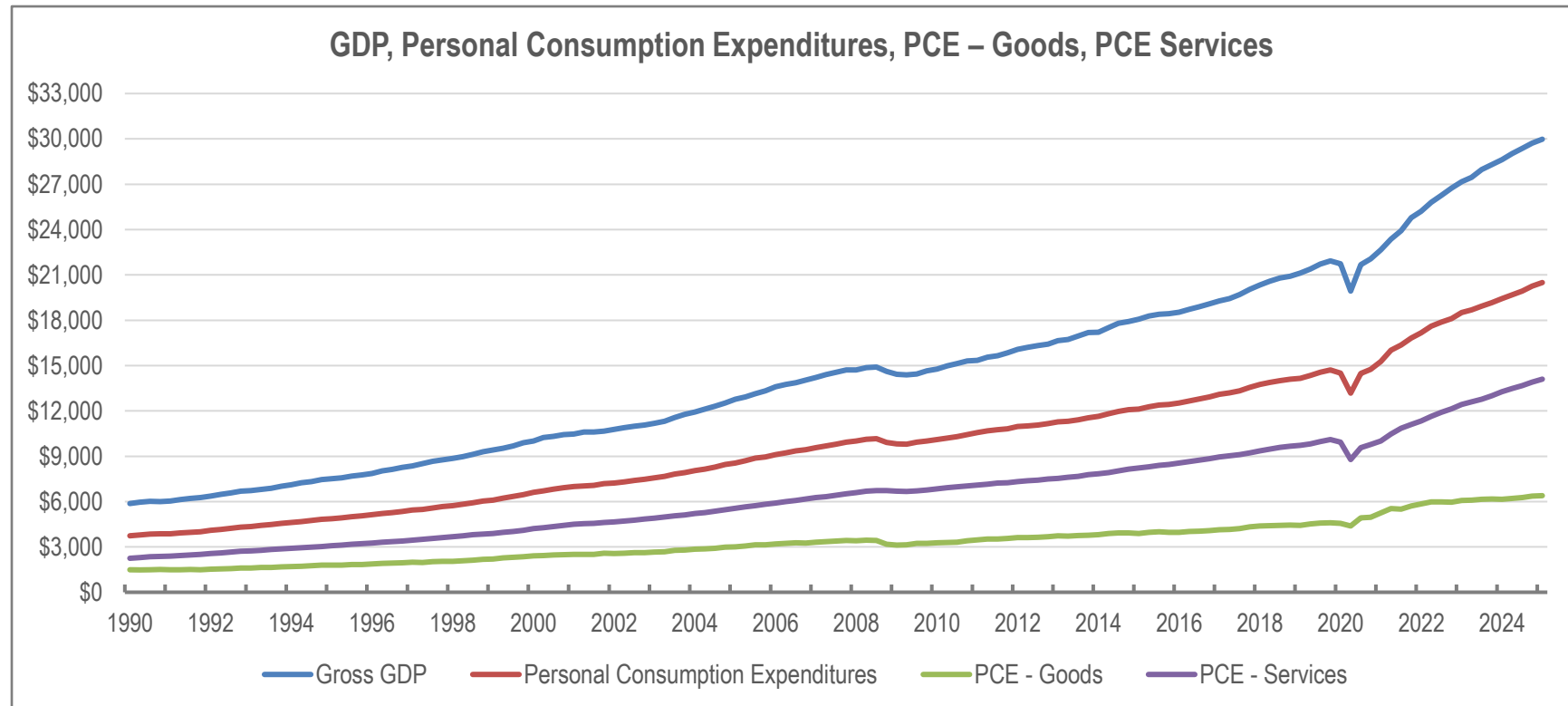
Source: FRED, Federal Reserve Bank of St. Louis, cber.co.

Colorado-based Business and Economic Research <https://cber.co>



# GDP, Personal Consumption Expenditures, PCE – Goods, PCE Services

Billions of Dollars, Quarterly, SAAR



## PCE-Goods and Services

In 1947, Personal Consumption Expenditures (PCE), the burgundy line, accounted for 64% of the GDP. In 2025, PCE is 68% of GDP.

In 1947, 61% of PCE was for the consumption of goods (green). The remaining 39% was the consumption of services (purple).

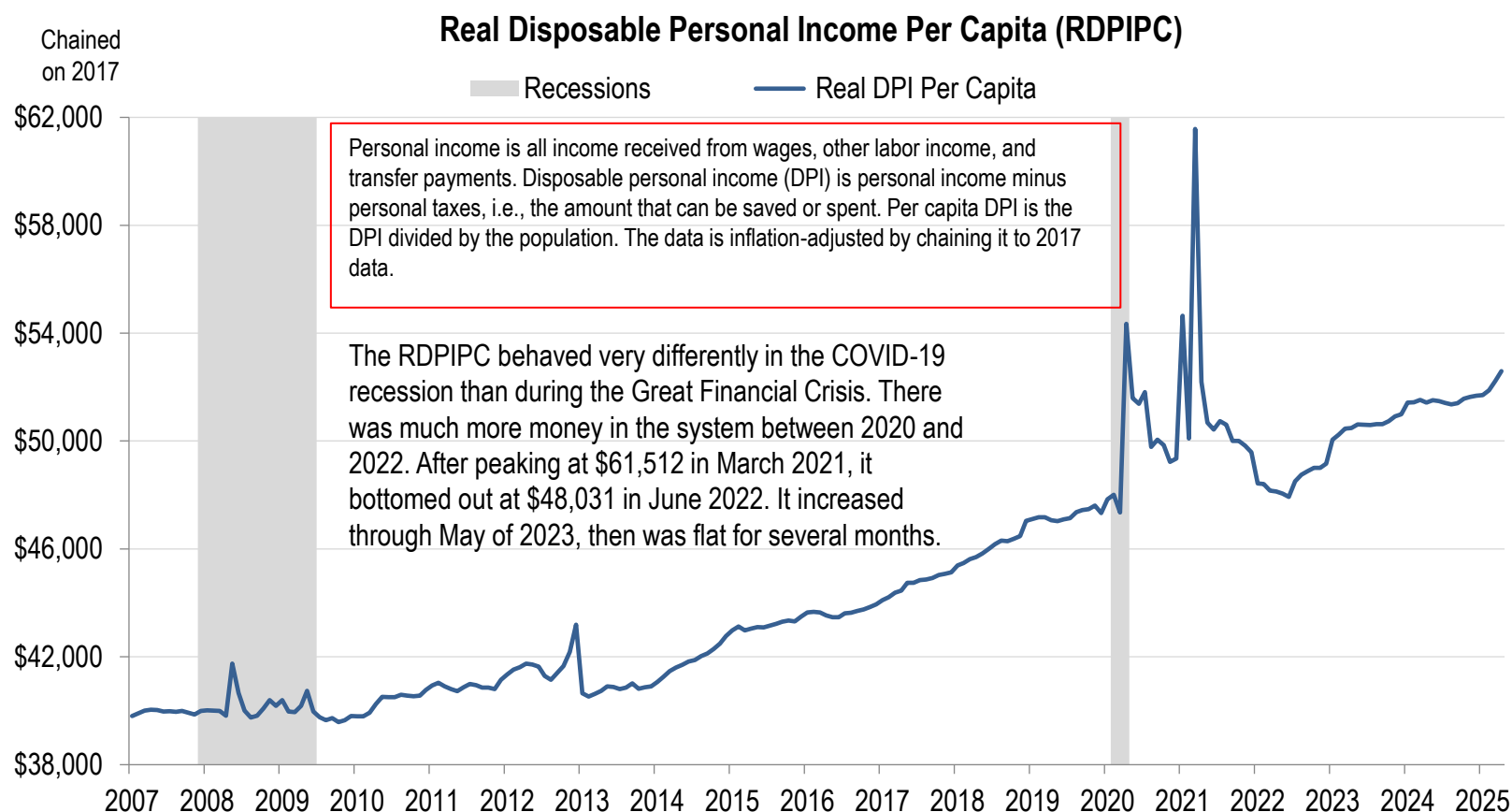
In 2025, the numbers reversed. Thirty-one percent of the PCE was for goods consumption. The remaining 69% was for the consumption of services.

Source: FRED, BEA, cber.co.

Colorado-based Business and Economic Research <https://cber.co>

# Real Disposable Personal Income Per Capita

## United States



### Real Disposable Personal Income Per Capita

In April 2025, RDPIPC was \$52,589. It was 2.3% greater than April 2024.

The monthly YOY change was between 1.4% and 2.7% in 2024. It has been between 0.5% and 2.3% in 2025.

RDPIPC (Average)		
Year	RDPIPC	% Change
2016	\$43,659	1.1%
2017	\$44,710	2.4%
2018	\$46,057	3.0%
2019	\$47,251	2.6%
2020	\$50,056	5.9%
2021	\$51,698	3.3%
2022	\$48,534	-6.1%
2023	\$50,579	4.2%
2024	\$51,491	1.8%

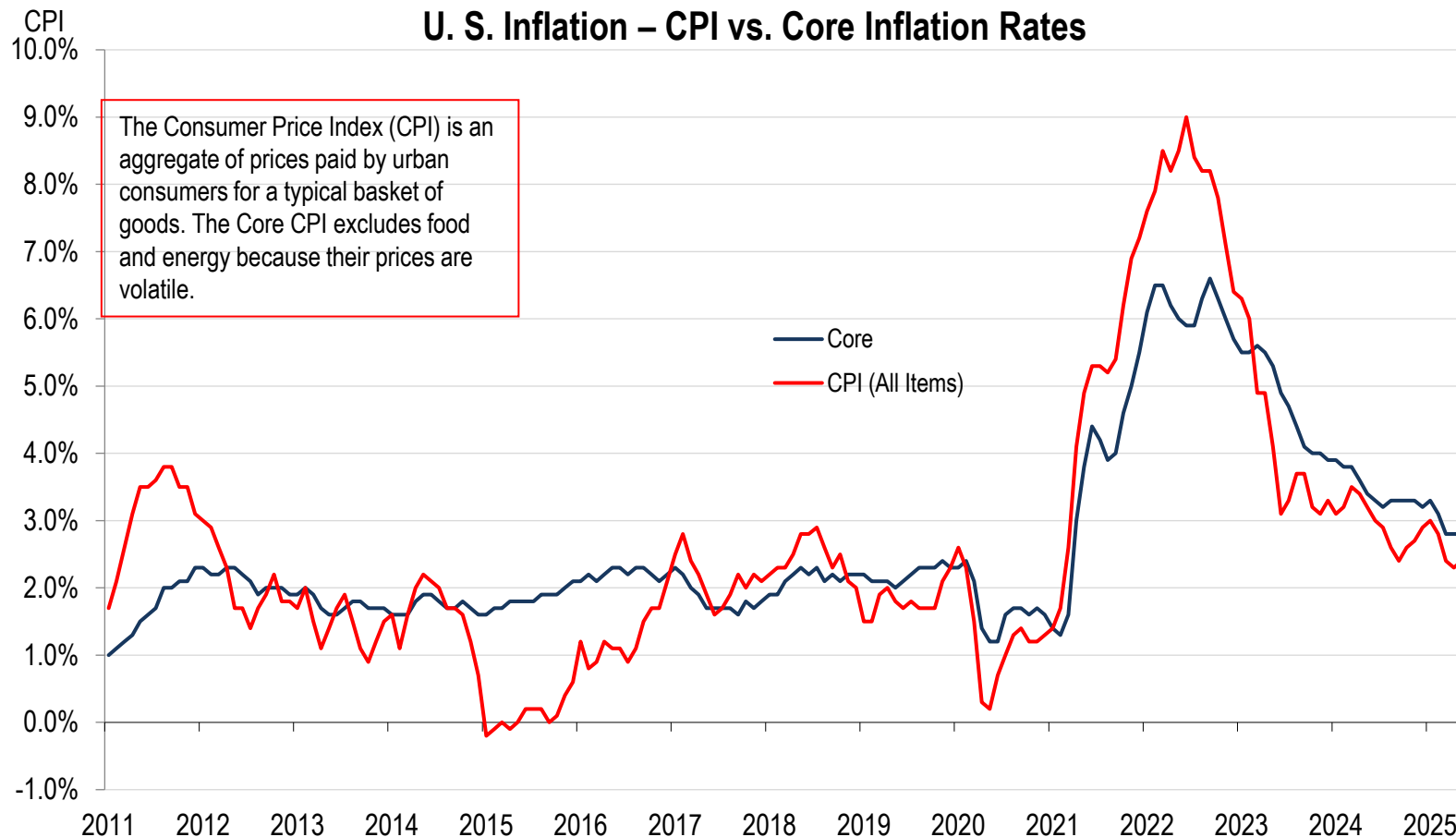
Source: FRED, BEA, SAAR, chained on 2017 dollars, cber.co. Note that the RDPIPC was previously chained on 2012 data. In October 2024, revisions were made to data after 2019.



## United States and Colorado Inflation

# CPI Inflation

## U.S. CPI vs. Core Inflation



Source: Bureau of Labor Statistics, Core Inflation is the CPI less food and energy; CPI All Items City Average SA, cber.co.  
 Colorado-based Business and Economic Research <https://cber.co>

### U.S. CPI vs. Core Inflation

In May 2025, the U.S. CPI rate was 2.4% (red), and the core rate was 2.8% (blue).

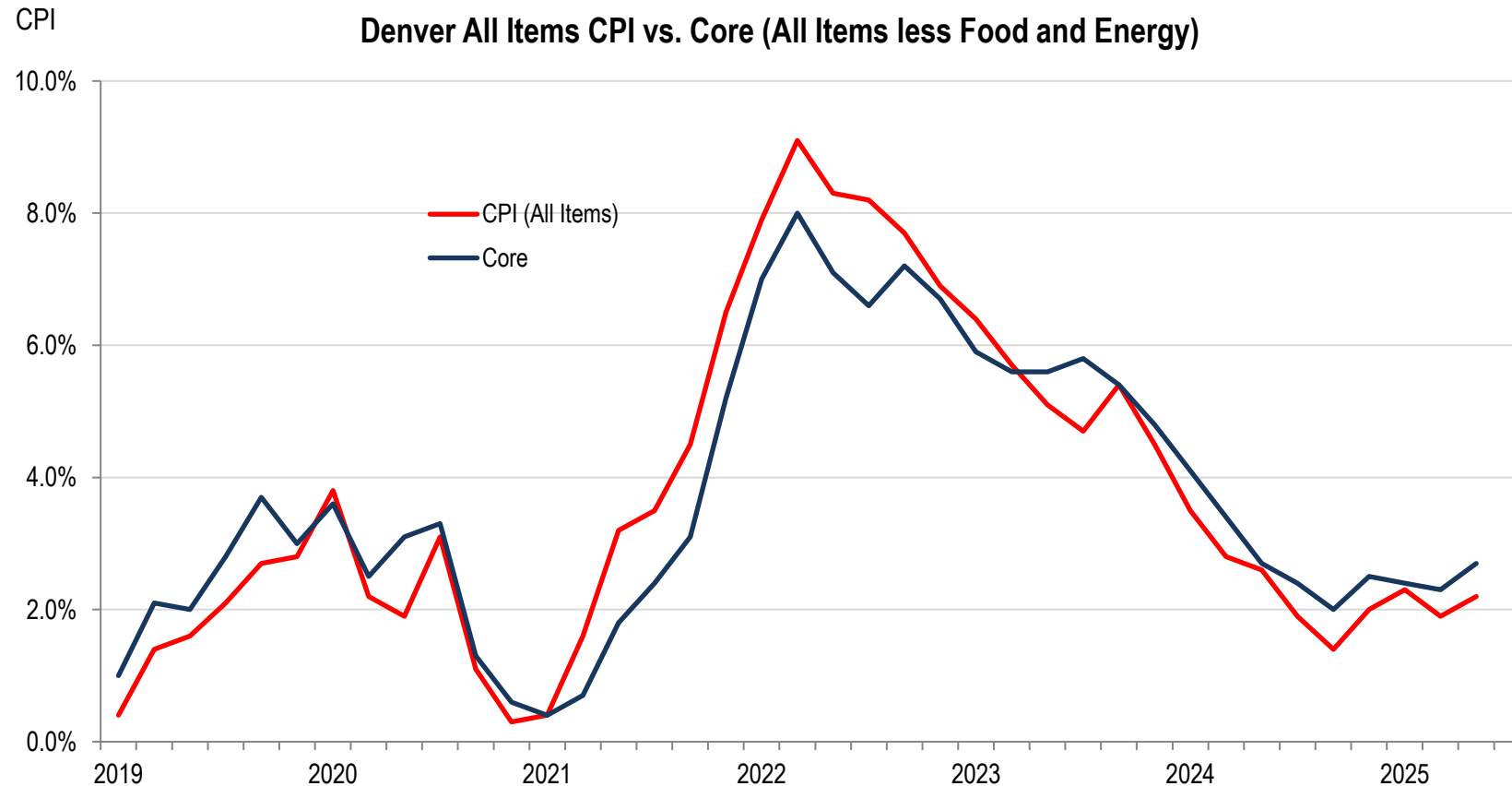
Both are down from their May 2024 values. At that time, the CPI rate was 3.2%, and the core rate was 3.4%.

U.S. and Denver Annual CPI and Core				
Year	U.S.	U.S. Core	Denver	Denver Core
2015	0.1%	1.8%	1.2%	3.3%
2016	1.3%	2.2%	2.8%	4.0%
2017	2.1%	1.8%	3.4%	3.1%
2018	2.4%	2.1%	2.7%	2.5%
2019	1.8%	2.2%	1.9%	2.5%
2020	1.2%	1.7%	2.0%	2.3%
2021	4.7%	3.6%	3.5%	2.5%
2022	8.0%	6.2%	8.0%	7.1%
2023	4.1%	4.8%	5.2%	5.4%
2024	2.9%	3.4%	2.3%	2.7%

Source: BLS, cber.co

# Bi-Monthly Change in Denver-Aurora-Lakewood CPI

## All Items vs. Core



### Denver-Aurora-Lakewood CPI vs. Core Inflation

The Denver inflation rate has generally been higher than the U.S. rate, but the trend reversed in 2024 (not shown). The Denver CPI was the same or greater than the U.S. rate in 8 of 10 years (2015 and 2024).

The Denver CPI rate was 2.2% in May 2025, and the core rate was 2.7%.

The May 2025 CPI rate for the United States was 2.4%, and core inflation was 2.8%.

Note that the Colorado rate is only published bi-monthly and is NSA.

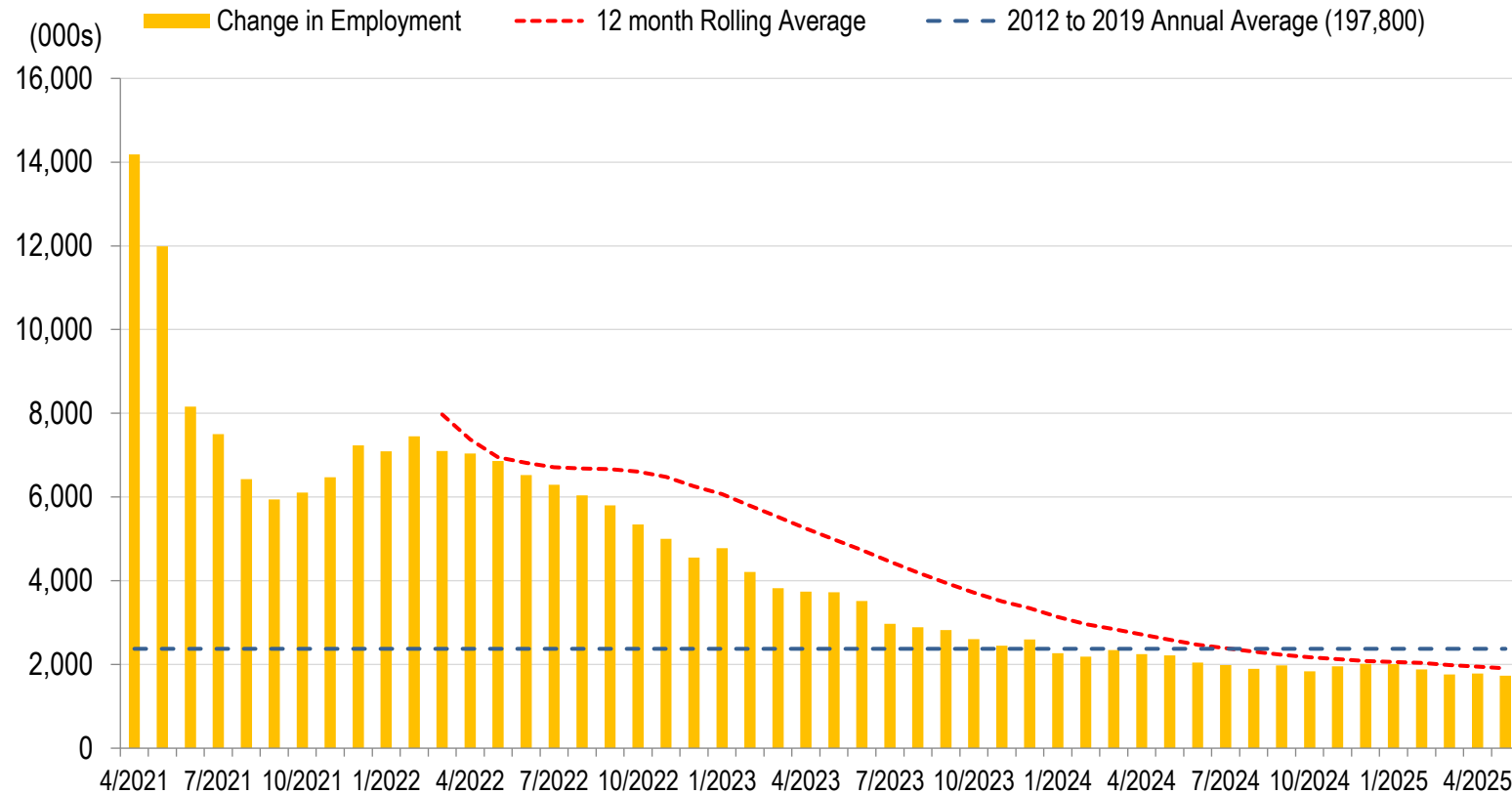
Source: Bureau of Labor Statistics, CPI All Items, NSA, Note: Colorado NSA data is only available on a bi-monthly basis since 2019, cber.co.

## United States Employment

# YOY Change in Employment

United States

## YOY Change in United States Employment



## Change in U.S. Employment

From 2012 to 2019, the average annual change in employment was 2,373,900 (blue dotted line), and the average monthly change was 197,800.

April 2021 was the first month after the pandemic that the change in YOY employment (yellow bars) was positive (14.1 million). It trended downward to 1.7 million in May 2025.

The 12-month rolling average (red dotted line) reached its peak at 7.9 million in March 2022. It has trended downward, and in August 2024, it was below the annual average for 2012-2019.

The twelve-month rolling average was slightly more than 1.9 million in May 2025.

The projected yearly job growth (average) in 2025 will be 1.6 million (annually) or 133,000 (monthly).

Source: Bureau of Labor Statistics, NSA cber.co. Note: NSA data used in chart.

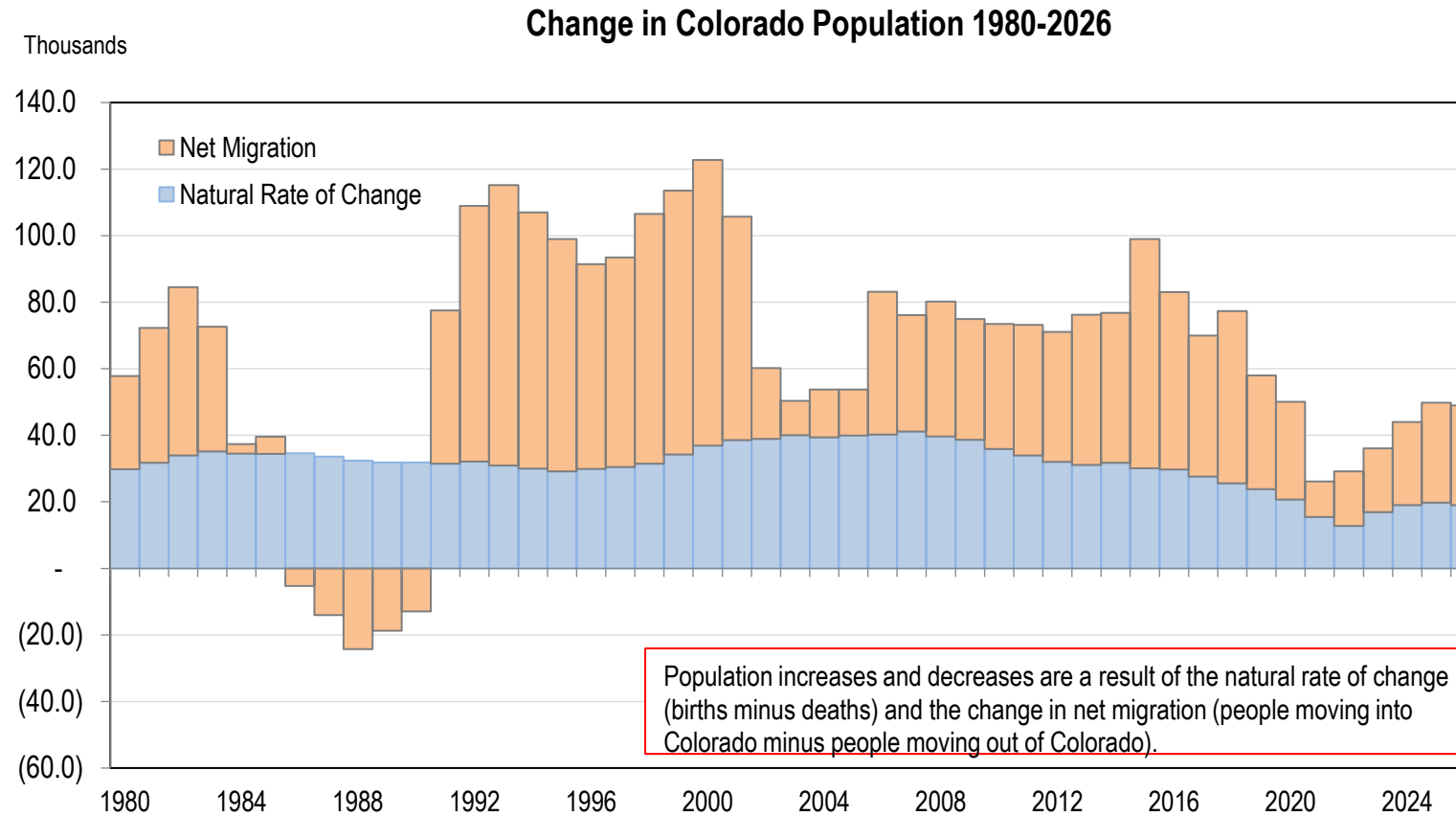
Colorado-based Business and Economic Research <https://cber.co>

## Colorado Population



# Colorado Population

## Components of Change



### Components of Change

Since 2000, the population of Colorado has increased at a decreasing rate. There have been higher death rates, lower fertility rates, altered migration patterns, pandemic-related policies, and aging of the baby boomers. In 2020 and 2021, significant population changes occurred.

In 2025, there will be increases in net migration (30,000) and the natural rate (19,800). The total gain is 49,800 to 5,970,100 in 2025. It will be 6,019,100 in 2026.

The growth rate from 2021 to 2025 is the lowest since 1985 to 1990. During that period, there were five years of negative net migration.

Sources: State Demography Office and cber.co.

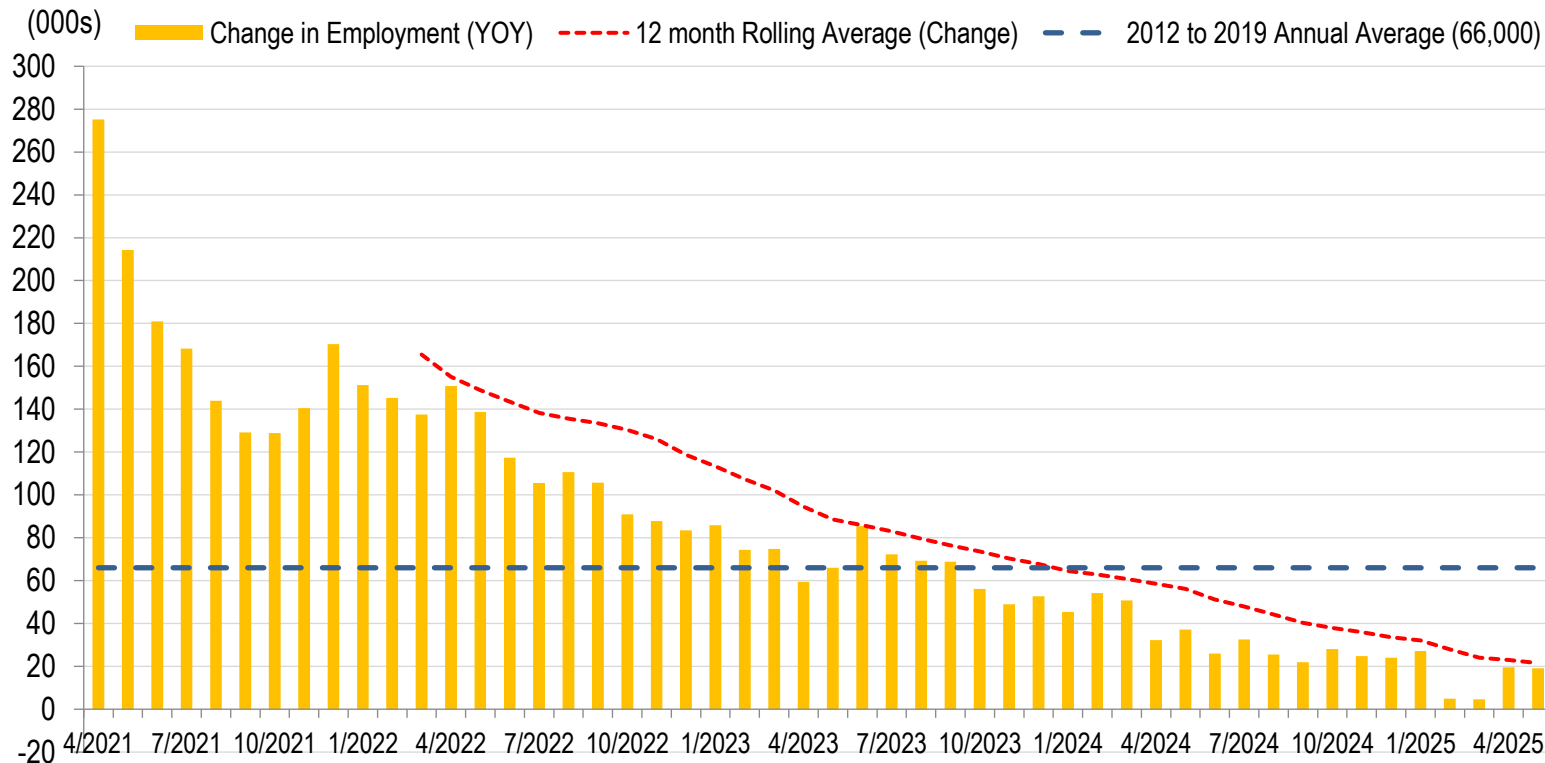
Colorado-based Business and Economic Research <https://cber.co>

## Colorado Employment, Unemployment, and Wages

# YOY Change in Employment

Colorado

## YOY Change in Colorado Employment



Source: Bureau of Labor Statistics, NSA cber.co.

## Change in Colorado Employment

The blue dotted line represents the average annual NSA employment from 2012 to 2019 (66,000). The average monthly change was 5,500.

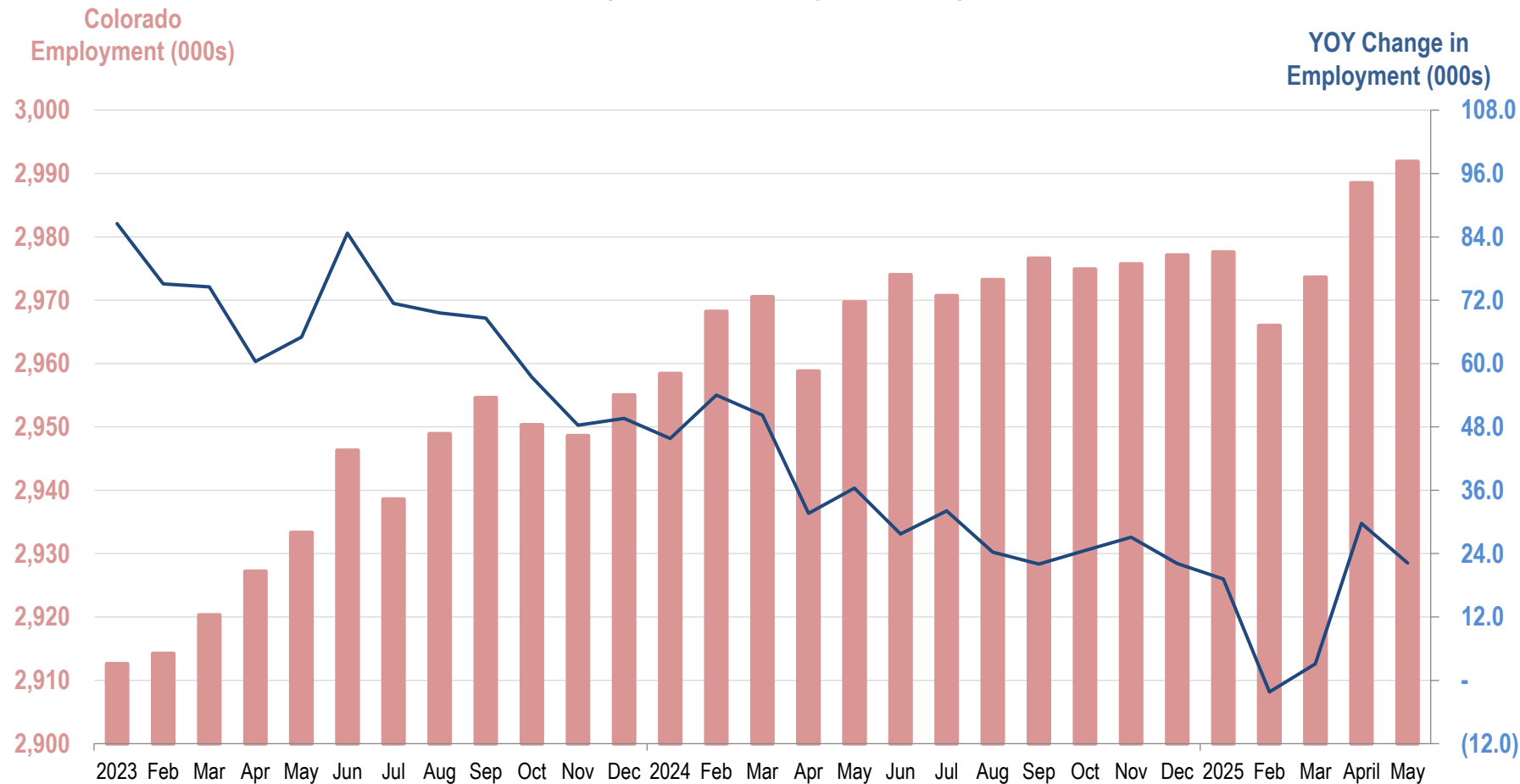
April 2021 was the first month after the pandemic that the change in YOY employment was positive (275,200 – yellow bars). Since then, the YOY monthly employment has trended downward. In May 2024, the YOY employment was 19,100.

The 12-month rolling average (red dashed line) reached a peak in March 2022 at 166,020. It has since trended downwards and was 21,525 in May 2025.

The Colorado labor market is growing at a slower rate than the labor market in the United States. It will continue to underperform the U.S. in the months ahead.

# Colorado Employment 2023 to Current

Colorado Employment and Change in Employment, 2023 to Current



## Colorado Employment and Change in Employment

There was strong monthly YOY employment growth in 2023, ranging from 48,300 to 86,500 (blue line). Employment was between 2.91 million and 2.96 million (pink bars).

In 2024, the employment range was 2.96 million to 2.98 million. The YOY monthly changes were between 22,100 and 54,000.

In 2025, employment was between 2.98 million and 3.00 million. The YOY monthly changes have been between -2,200 to 29,700. In May, YOY employment increased by 22,200.

Weak job growth is expected to continue in Colorado.

Source: BLS, SA, cber.co.

Colorado-based Business and Economic Research <https://cber.co>

# Colorado Employment and Change in Employment

## Private vs. Government Employment

Colorado Employment YOY Change (000s), YOY Percent Change				
Industry Sector	Employment and YOY Change			
Private vs. Government employees	May 2024 (000s)	May 2025 (000s)	YOY Change	Percent YOY
Total Employment	2,969.7	2,991.9	22.2	0.7%
Private Employment	2,484.0	2,494.2	10.2	0.4%
Government Employment	485.7	497.7	12.0	2.5%

Source: BLS, SA, cber.co.

### Highlights

#### Private vs. Government

In May 2025, 16.4% of employment was in the Government Sector, and 83.6% was in the Private sector.

YOY May employment for the Government Sector increased by 12,000, and the Private Sector changed by 10,200.

Overall employment increased by 22,200 or 0.8%.

# Colorado Employment and Change in Employment

## Sectors with more than 145,000 Employees

Colorado Employment YOY Change (000s), YOY Percent Change				
Industry Sector	Employment and YOY Change			
Sectors with more than 145,000 employees	May 2024 (000s)	May 2025 (000s)	YOY Change	Percent YOY
Healthcare	332.1	345.4	13.3	4.0%
Food and Accommodation (F&A)	288.7	296.7	8.0	2.8%
Prof., Scientific, and Tech, Services (PST)	292.2	293.2	1.0	0.3%
Local Government	288.3	293.2	4.9	1.7%
Retail Trade	274.4	272.3	-2.1	-0.8%
Construction	186.8	184.5	-2.3	-1.2%
Financial Activities	178.2	177.0	-1.2	-0.7%
Administrative Services	158.0	151.6	-6.4	-4.1%
Manufacturing	149.9	150.6	0.7	0.5%
State Government	140.6	149.5	8.9	6.3%
Total Sectors >145,000 Employees	2,289.2	2,314.0	24.8	1.1%

Source: BLS, SA, cber.co.

### Highlights

**Sectors with > 145,000 Employment (Sorted by Size – 2025)**  
YOY employment for the ten largest sectors increased by 24,800 or 1.1%. Employment increased in six of the ten industries in this category.

The leaders in absolute job growth were healthcare, state government, Food and Accommodation, and local government. Total YOY employment in these four sectors increased by 35,100. These sectors are critical to a well-rounded economy; unfortunately, they will not drive sustained economic growth.

PST and manufacturing employment increased by 1,700.

Employment in the following sectors changed by a total of -12,000: administrative services, construction, retail trade, and financial activities.



# Colorado Employment and Change in Employment Sectors with less than 145,000 Employees

Colorado Employment YOY Change (000s), YOY Percent Change				
Industry Sector	Employment and YOY Change			
Sectors with less than 145,000 employees	May 2024 (000s)	May 2025 (000s)	YOY Change	Percent YOY
Other Services (Personal)	132.6	132.3	-0.3	-0.2%
Transp., Warehousing, and Utilities (TWU)	117.1	119.7	2.6	2.2%
Wholesale Trade	117.8	113.9	-3.9	-3.3%
Information	73.8	76.0	2.2	3.0%
Arts, Entertainment, Recreation (AER)	63.7	64.6	0.9	1.4%
Federal Government	56.8	55.0	-1.8	-3.2%
Mgmt. of Corporations/Enterprises (MCE)	46.5	48.1	1.6	3.4%
Education (Private)	50.5	46.4	-4.1	-8.1%
Extractive Industries	21.7	21.9	0.2	0.9%
Total Sectors <145,000 Employees	680.5	677.9	-2.6	-0.4%

Source: BLS, SA, cber.co.

## Highlights

### Sectors with < 145,000 Employment (Sorted by Size - 2025)

YOY employment for these nine sectors changed by -2,600, or -0.4%. Employment increased in five of these areas.

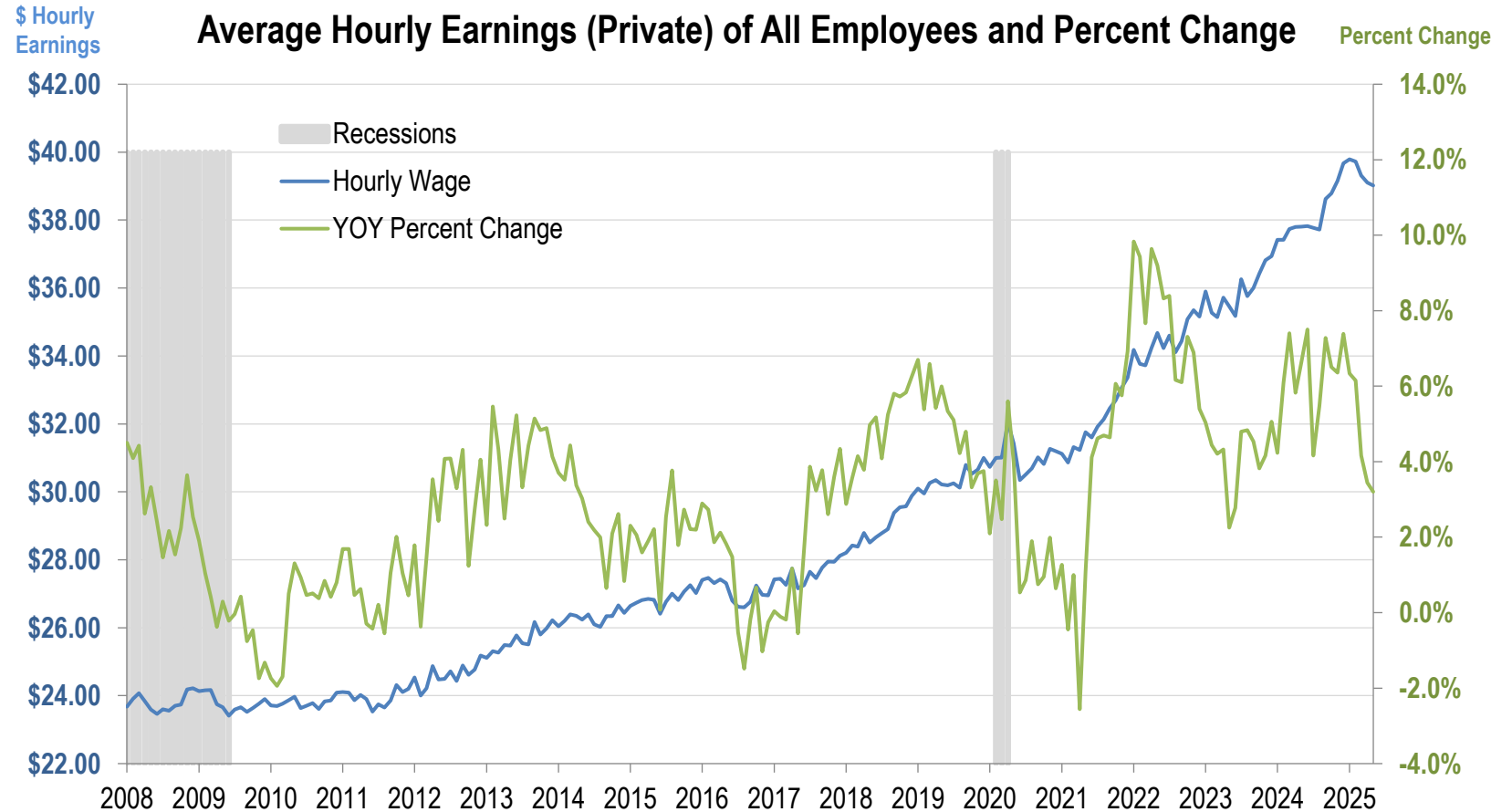
TWU and information were the leading sectors (private) in absolute job growth. Employment in these two sectors increased by 4,800.

MCE, AER, and the extractive industries added 2,700.

Employment in the other four sectors changed by -10,100.

# Average Hourly Earnings of All Employees (Private)

## Colorado



Source: BLS, NSA, cber.co.

**Hourly Earnings, Percent Change, and CPI**  
 The May 2025 private hourly earnings for Colorado (blue) were \$39.02, a YOY increase of 3.4% (green). Hourly earnings decreased in February, March, April, and May. The rate of YOY earnings growth peaked at 9.4% in February 2022. For 2021 through 2023, the change in YOY hourly earnings was less than the increase in inflation. The increase in 2025 wage rates is above the Colorado inflation rate.

### Colorado Hourly Earnings and Change

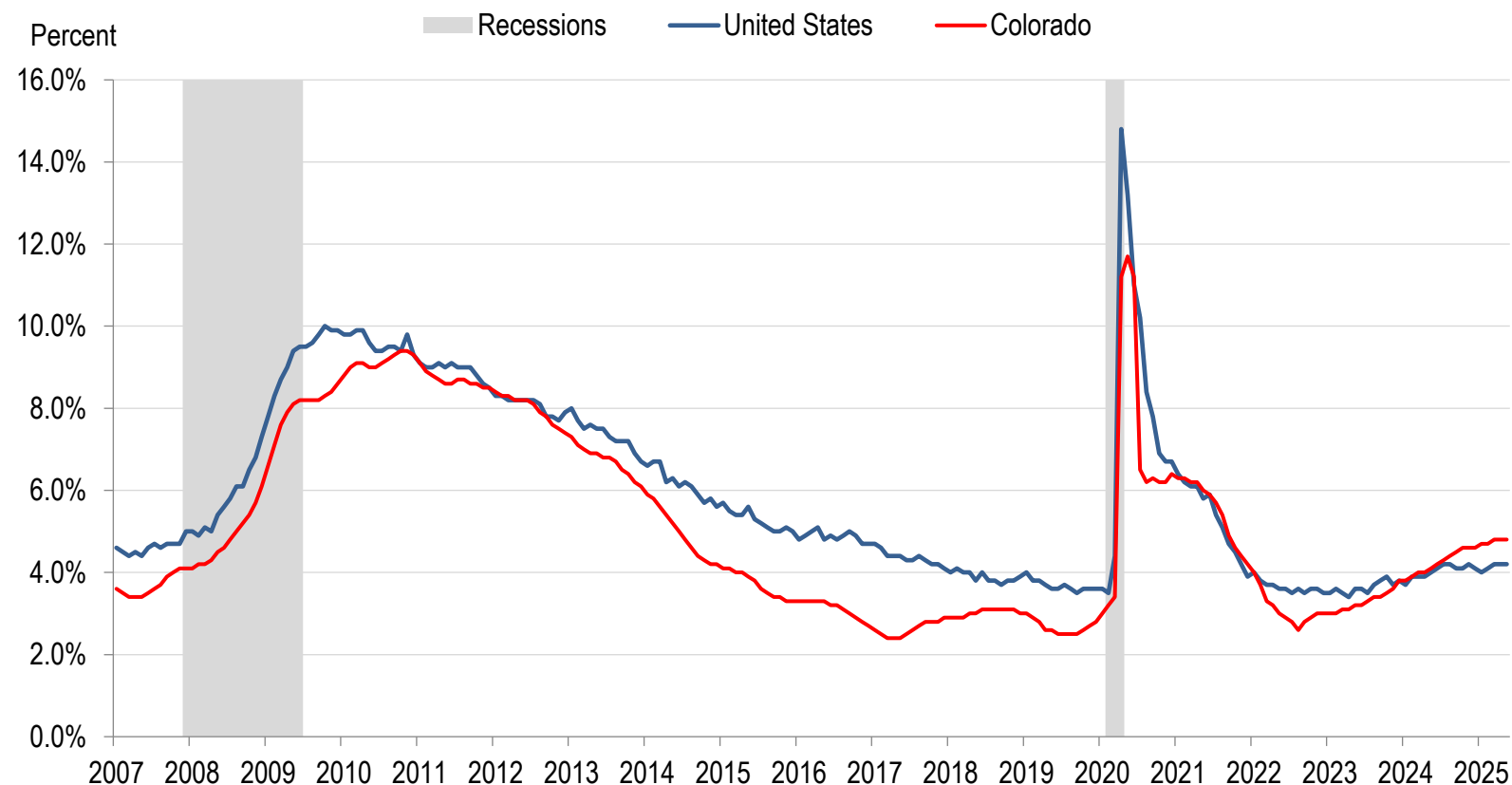
Year	CO CPI	Earnings	Change
2017	3.4%	\$27.60	2.0%
2018	2.7%	\$28.92	4.8%
2019	1.9%	\$30.37	5.0%
2020	2.0%	\$30.99	2.0%
2021	3.5%	\$31.97	3.2%
2022	8.0%	\$34.47	7.8%
2023	5.2%	\$35.91	4.2%
2024	2.3%	\$38.10	6.1%

Source: BLS, cber.co

# Unemployment Rate

## United States and Colorado

U.S. and Colorado Unemployment



Source: BLS, SA, cber.co.

### Unemployment Rate

The Colorado unemployment rate (red line) was 4.8% in March, April, and May 2025. The U.S. rate (blue line) was 4.2% in each of the months.

Since 2007, about 90% of the months, the Colorado unemployment rate was less than the U.S. rate. That was not the case in 2024, and it is not the case in 2025.

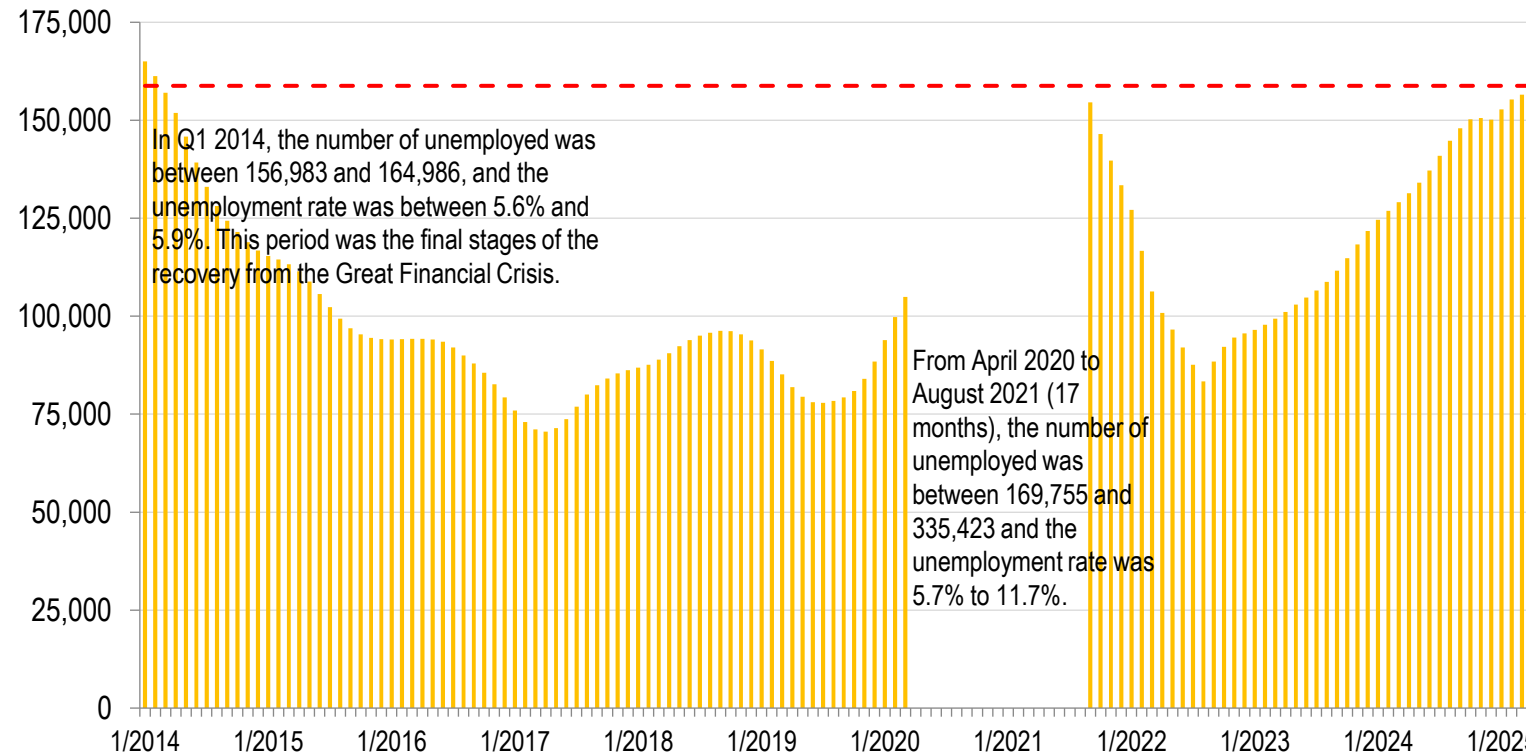
#### Annual Unemployment Rate

Year	United States	Colorado
2016	4.9%	3.1%
2017	4.4%	2.6%
2018	3.9%	3.0%
2019	3.7%	2.7%
2020	8.1%	6.8%
2021	5.3%	5.5%
2022	3.6%	3.1%
2023	3.6%	3.3%
2024	4.0%	4.3%

# Number of Unemployed 2014 to Current

Colorado

## Number of Unemployed 2014 to Current



## Number of Unemployed

In May 2025, the number of unemployed in Colorado was 158,670 (red dotted line), and the unemployment rate was 4.8%.

Between January 2014 and May 2025, there were 135 months. The May 2025 total number of unemployed (158,670) was less than the 17 months of unemployment related to COVID-19 policies (blank area on chart) and the three months of January 2014, February 2014, and April 2025. In other words, the current number of unemployed workers is high, given that the unemployment rate is 4.8%.

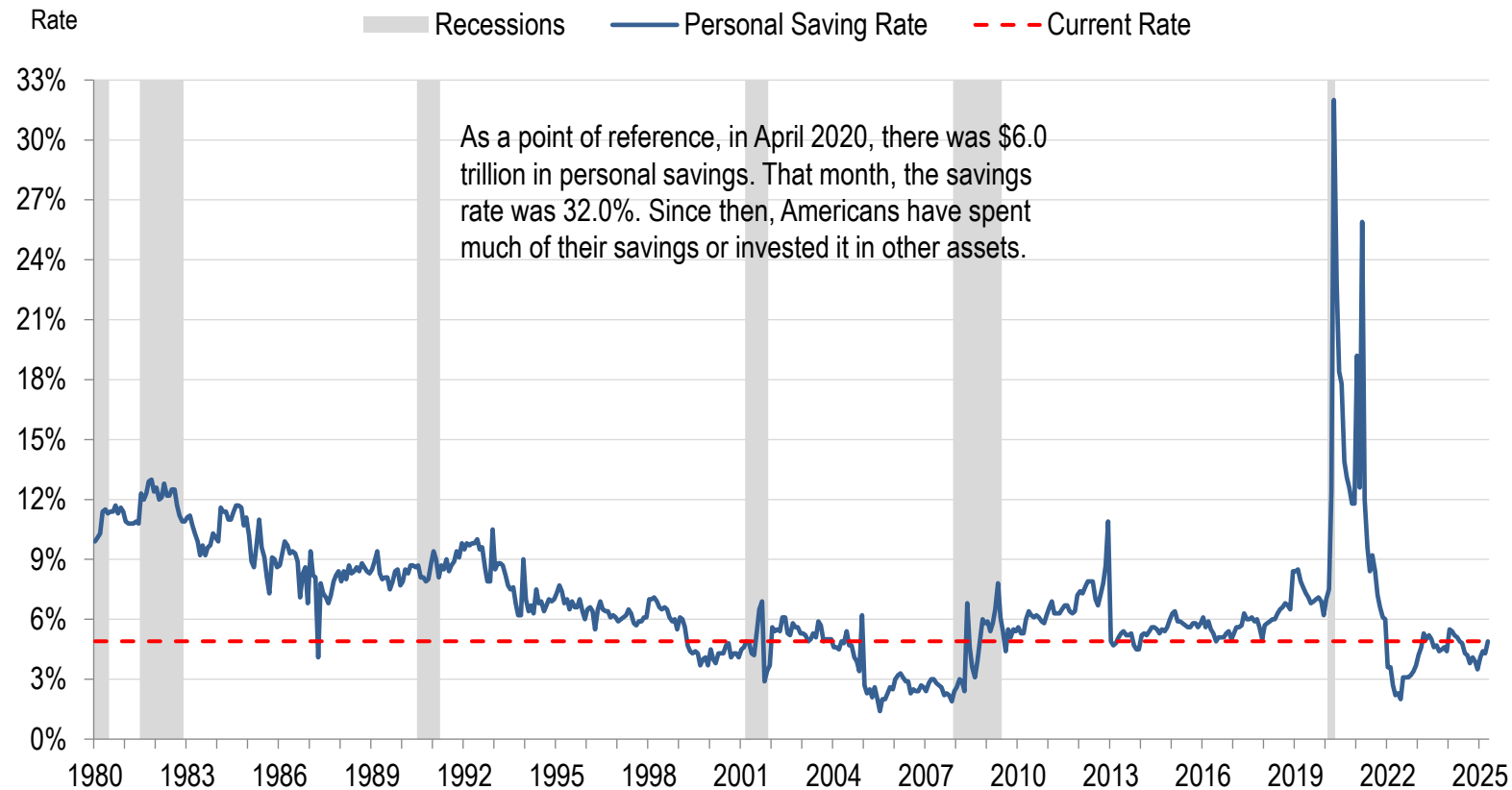
August 2022 provides a point of reference for the recent increase. That month, the number of unemployed was 83,375. It has almost doubled since then, and the unemployment rate has increased from 2.6% in August 2022 to 4.8% in May 2025.

## Saving, Borrowing, Consumption, and the Wealth Effect

# U.S. Personal Saving Amount and Rate

## Percentage of Disposable Personal Income (DPI)

### Personal Saving Rate



Source: Federal Reserve, FRED, cber.co. Note: In October 2024 the data was updated, going back to 2019.

### Personal Saving Rate

In April 2025, the saving rate was 4.9%. Savings were \$1,116.9 billion, the highest level since March 2024. The saving rate peaked in April 2020. By June 2022, Americans had drained their savings account as the rate dropped to 2.0%. The rate was 5.5% in January 2024 and fell to 3.5% in December 2024.

### Year End Personal Savings (Billions) and Rate

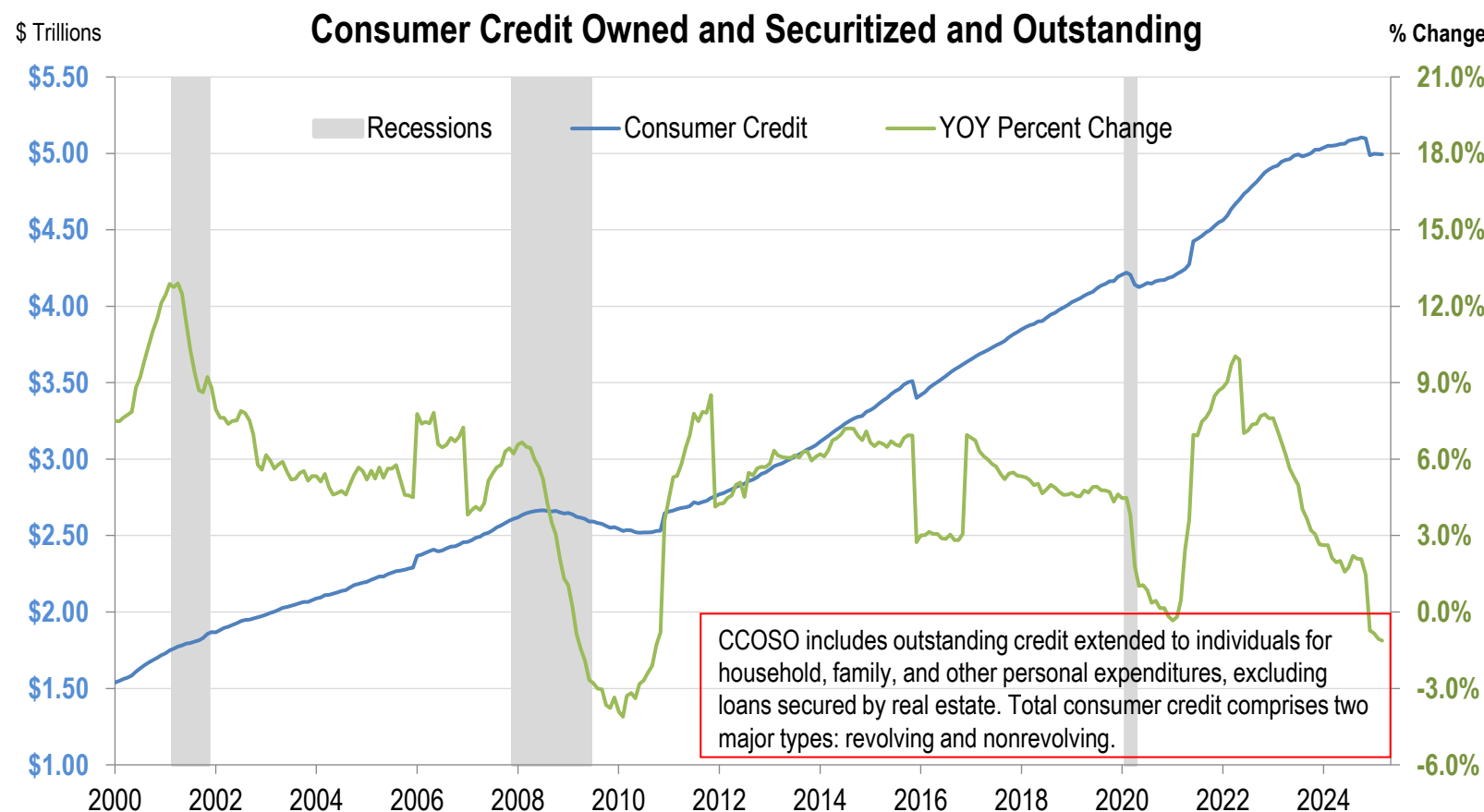
2017	\$748.0	5.0%
2018	\$1,338.9	8.4%
2019	\$1,020.1	6.2%
2020	\$2,038.0	11.8%
2021	\$1,119.6	6.0%
2022	\$715.8	3.7%
2023	\$919.9	4.4%
2024	\$724.1	3.3%

Source: BEA, cber.co



# U.S. Consumer Credit Outstanding

## United States



Source: FRED, Federal Reserve, G.19, SA.

### Consumer Credit

In April 2025, the YOY rate of outstanding consumer credit (including consumer loan defaults) changed by -0.8% (green). Securitized credit is slightly above \$5.0 trillion. The value has declined for five consecutive months (blue).

From Q3 2008 to Q4 2010, consumers deleveraged and decreased the amount of consumer debt. The amount of credit authorized increased in 2018 and 2019, then declined in 2020 as consumers reduced expenditures and paid off debt during the pandemic (blue).

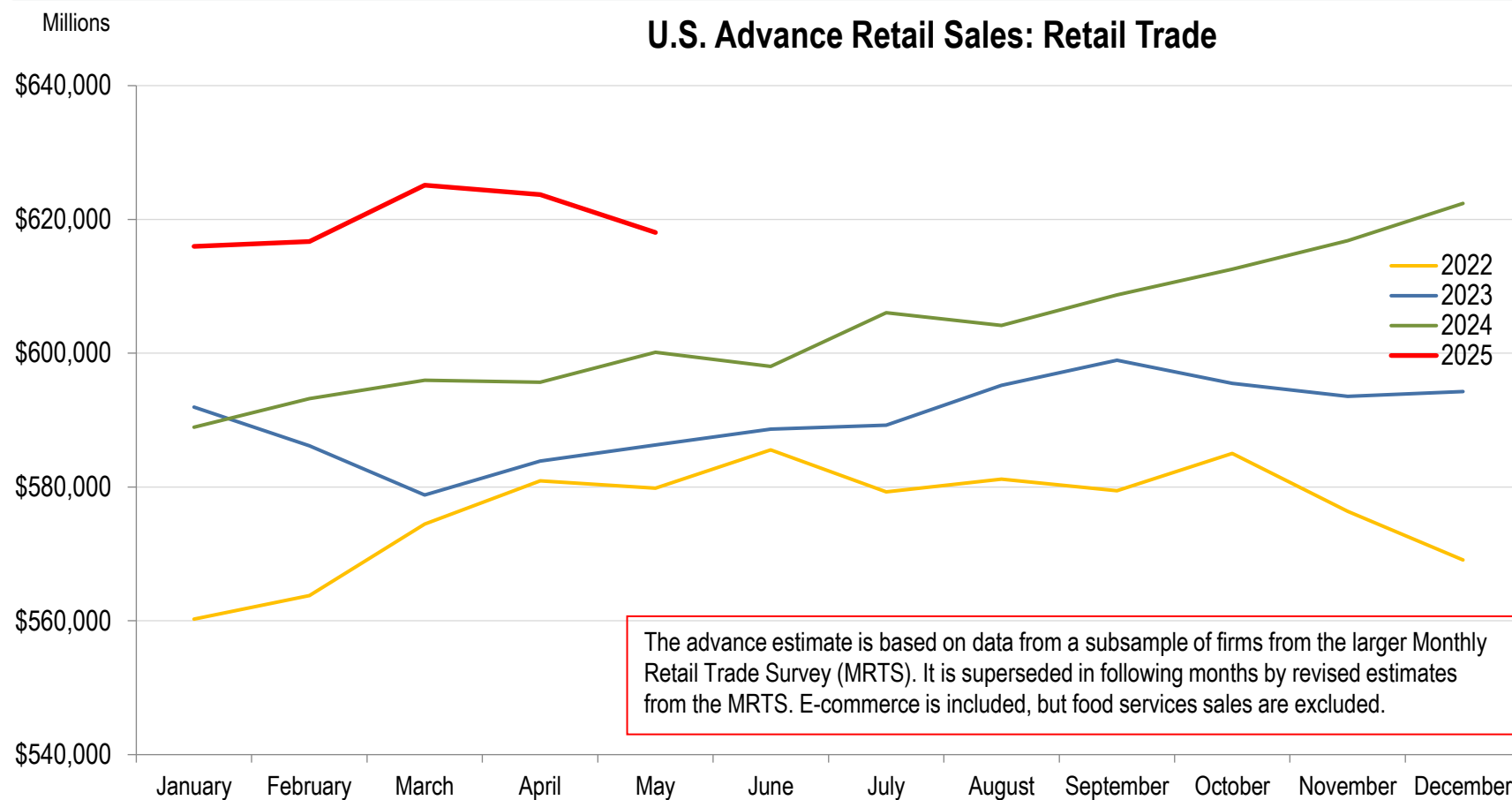
### Outstanding Credit (Billions) and Percent Change

2017	\$3,830.8	5.3%
2018	\$4,007.0	4.6%
2019	\$4,192.2	4.6%
2020	\$4,184.9	-0.2%
2021	\$4,548.5	8.7%
2022	\$4,894.3	7.6%
2023	\$5,023.7	2.6%
2024	\$4,998.9	-0.7%

Source: FRED, G-19, Year-end, cber.co

# U.S. Advance Retail Sales: Retail Trade

## Monthly



### Advance Retail Sales

Retail sales were weak in 2023 and 2024. YTD 2025 sales through May (red) were \$3.10 trillion, 4.2% greater than for the same period in 2024 (green).

Consumers are spending. It appears that the uptick in March and April was an anomaly. Consumption may have occurred to avoid price increases caused by tariffs and other federal policies.

### Annual Retail Sales (Trillions)

2017	\$4.13	4.5%
2018	\$4.30	4.2%
2019	\$4.42	2.8%
2020	\$4.55	3.0%
2021	\$5.33	17.0%
2022	\$5.76	8.2%
2023	\$5.90	2.4%
2024	\$6.04	2.3%

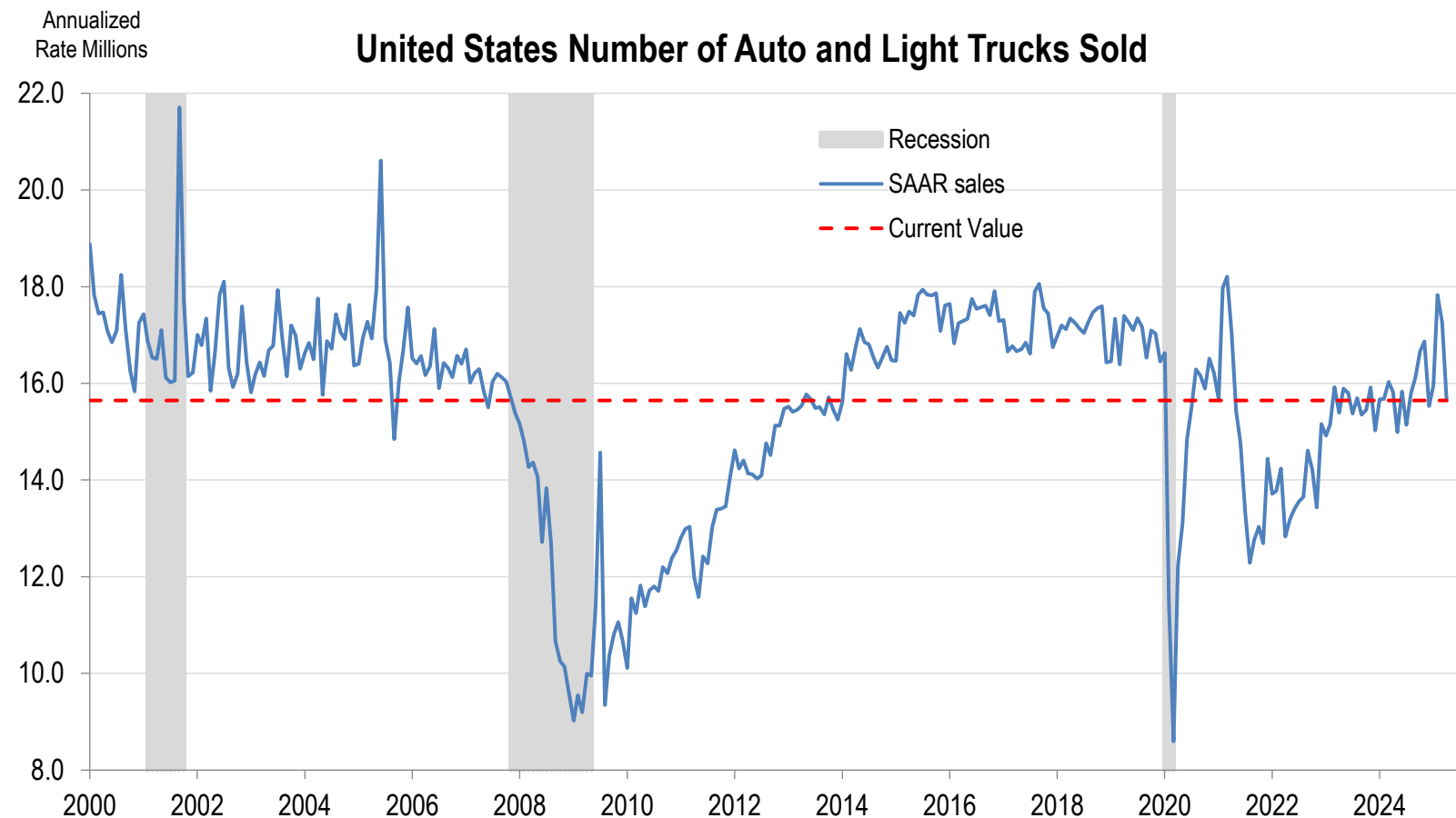
Source: Census, cber.co

Source: U.S. Census Bureau, RXSFS, FRED, cber.co. Data updated in April 2024. Note: Not adjusted for inflation.

Colorado-based Business and Economic Research <https://cber.co>

# U.S. Auto and Light Truck (ALT) Sales

## Monthly (Seasonally Adjusted Annualized Rate in Millions)



### Auto and Light Truck Sales SAAR

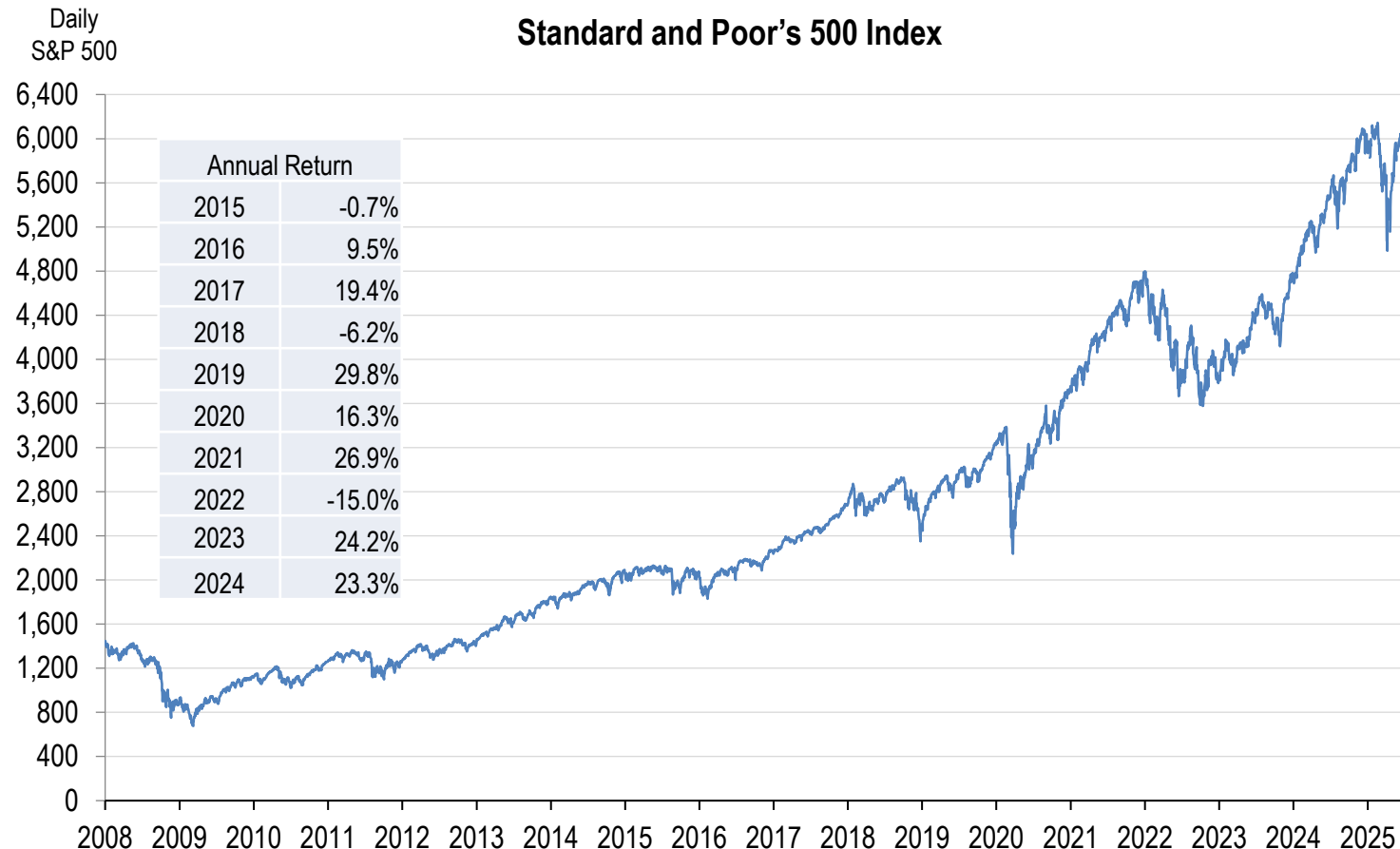
In May 2025, auto and light truck sales dropped to 15.6 million (red dotted line). Sales accelerated in March as consumers purchased vehicles to avoid higher prices caused by tariffs. This level of growth was not sustainable. The industry faces challenges from high insurance costs, potential tariffs, and a lack of enthusiasm for electric vehicles.

ALT Unit Sales	
Year	Units Sold (Millions)
2016	17.5
2017	17.2
2018	17.2
2019	17.0
2020	14.5
2021	14.9
2022	13.8
2023	15.5
2024	15.8

Source: FRED, BEA, Seasonally Adjusted Annualized Rates (SAAR), cber.co.

Colorado-based Business and Economic Research <https://cber.co>

# Standard and Poor's 500 Index



Source: FRED, S&P 500, cber.co.

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## Market Returns

### 2020 COVID-19 Policies

February 19, 2020 3,386  
March 23, 2020 2,237 a change of **-34%** to 1,148  
August 18, 2020 3,386 bear market was 149 days  
2020 change was **+16.3%**

### 2021 COVID Recovery Bull Market

For most of 2021 – steady growth  
December 31, 2021 4,766, a change of **+26.9%**

### 2022 Bear Market

December 31, 2022 3,839, a change of **-15.0%**

### 2023 Bull Market

Helped by a Santa Claus rally in December  
December 29, 2023 4,739, a change of **+24.2%**

### 2024 Bull Market

December 31, 2024 5,882, YTD change **+23.3%**.

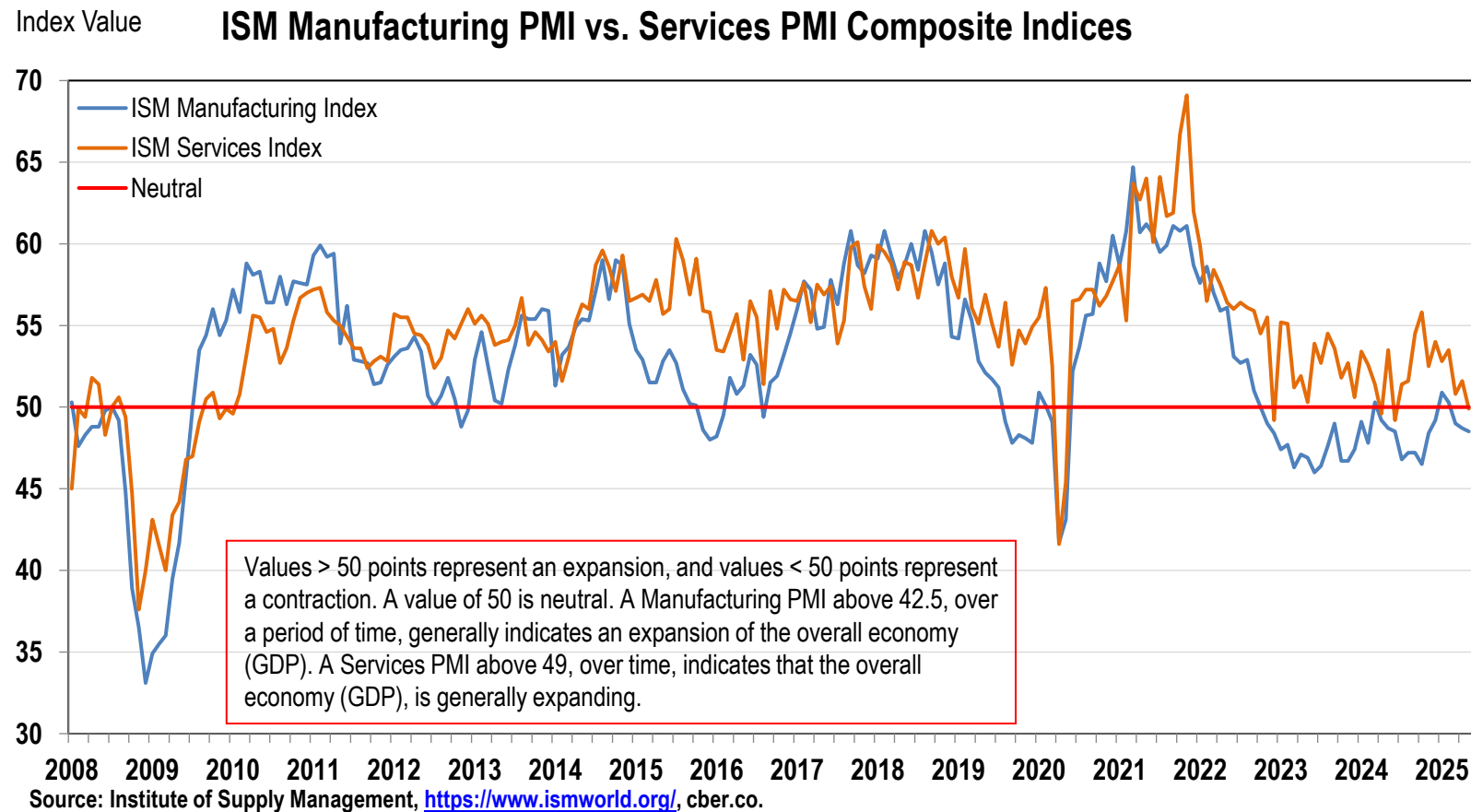
### 2025

June 25, 2025 6,092, YTD change **+3.6%**

## U.S. Indicators

# ISM Purchasing Managers Composite Indices

## Manufacturing vs. Services



### Manufacturing and Services PMI

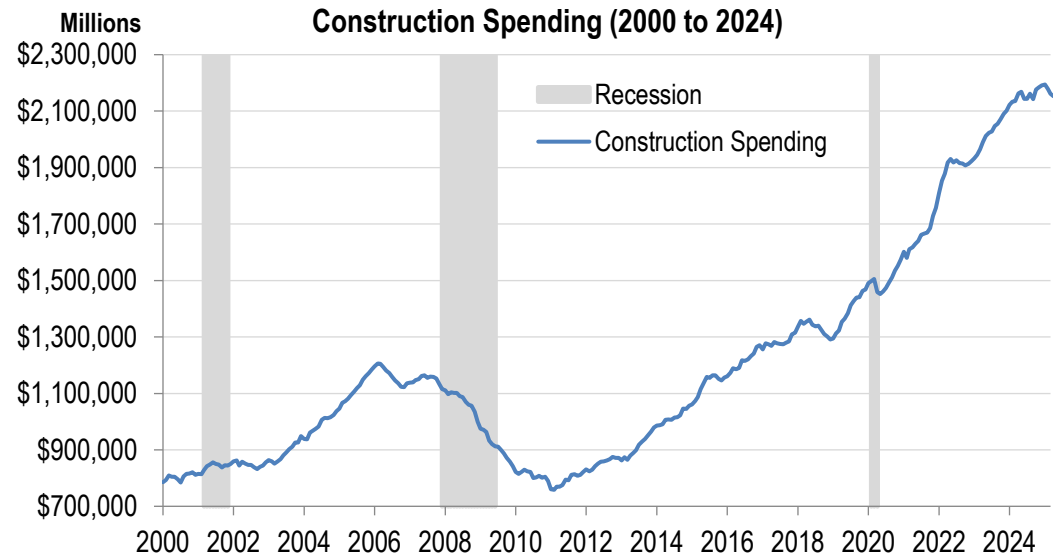
The ISM manufacturing index (blue) was below 50 for all but two months beginning in November 2022, a total of 31 months.

The Manufacturing Index value for May dropped to 48.7. Leaders were concerned about low inventories, contracting employment, new orders, backlogs, rising prices, and slowing imports and exports. Demand and production were weak. Businesses with about 57% of manufacturing gross GDP declined in May.

In November 2021, the ISM service index (orange) reached a peak of 69.1. For 2024 and 2025, the index has been between 49.2 and 55.8. In May, the service index fell to 49.9. This decrease is not considered a severe contraction but a measure of economic uncertainty. Ten industries reported growth in May, while eight reported contractions.

# Construction Spending

## United States



### Construction Spending

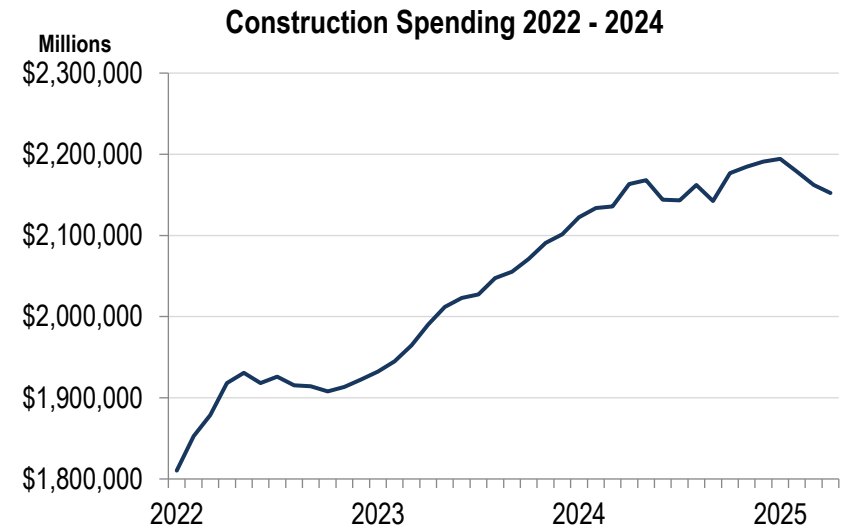
**Upper Left:** Between 2006 and 2011, construction spending declined. It then trended upward through 2024. It has declined for three months in 2025 (February through April).

**Upper Right:** Construction spending trended down beginning in May 2022 and remained stagnant through the end of the year. Spending was solid in 2023 but increased more slowly in 2024. It declined from February through April in 2025.

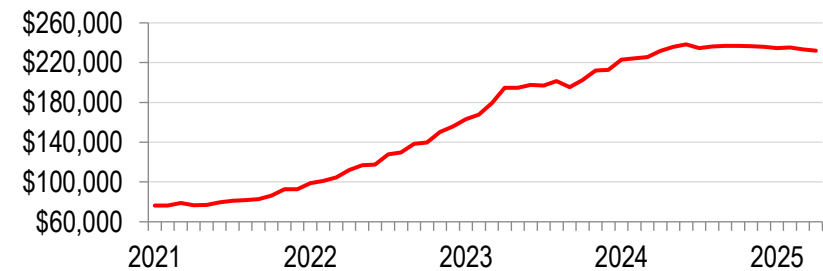
**Lower Right:** Federal funds have supported the construction of manufacturing facilities since 2022. Spending began trending downward starting in July 2024.

Source: FRED, U.S. Census Bureau, [cber.co](https://fred.stlouisfed.org/).

Colorado-based Business and Economic Research <https://cber.co>



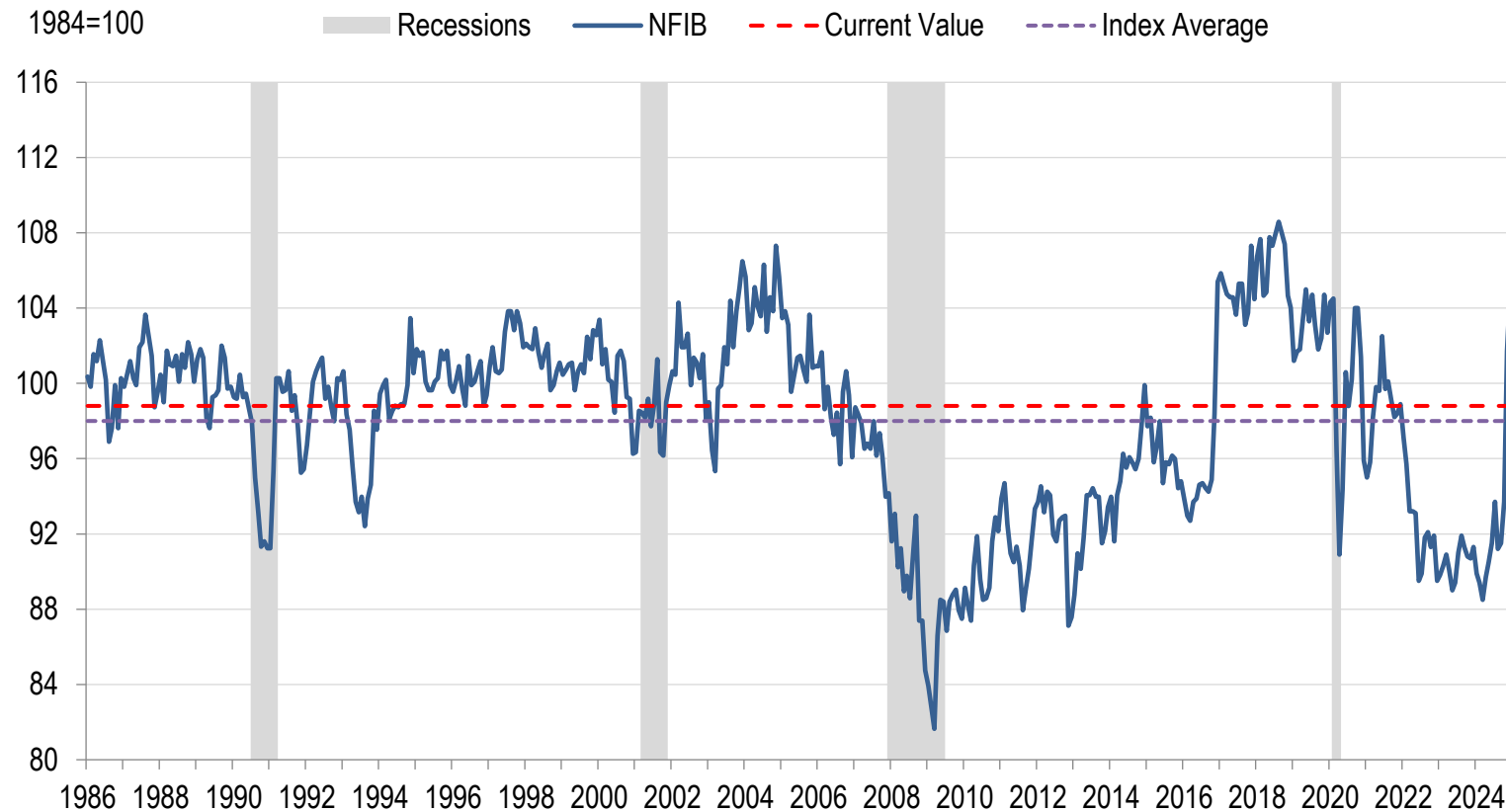
### Construction Spending – Manufacturing 2022 - 2024



# NFIB Small Business Optimism Index

## United States

### NFIB Small Business Optimism Index



### NFIB Small Business Index

In May 2025, the NFIB index rose to 98.8 (red dotted line). It is slightly above the purple dotted line, the 51-year average of 98.0 for the index. In May, seven of the ten index optimism components increased, two decreased, and one was unchanged.

Despite improvement in the index, leaders do not expect strong job growth in the near term. The economy will struggle as long as there is severe uncertainty. NFIB stated that it is hard to steer a ship in the fog.

For more details, the NFIB monthly SBET report is available at <https://www.nfib.com/>.

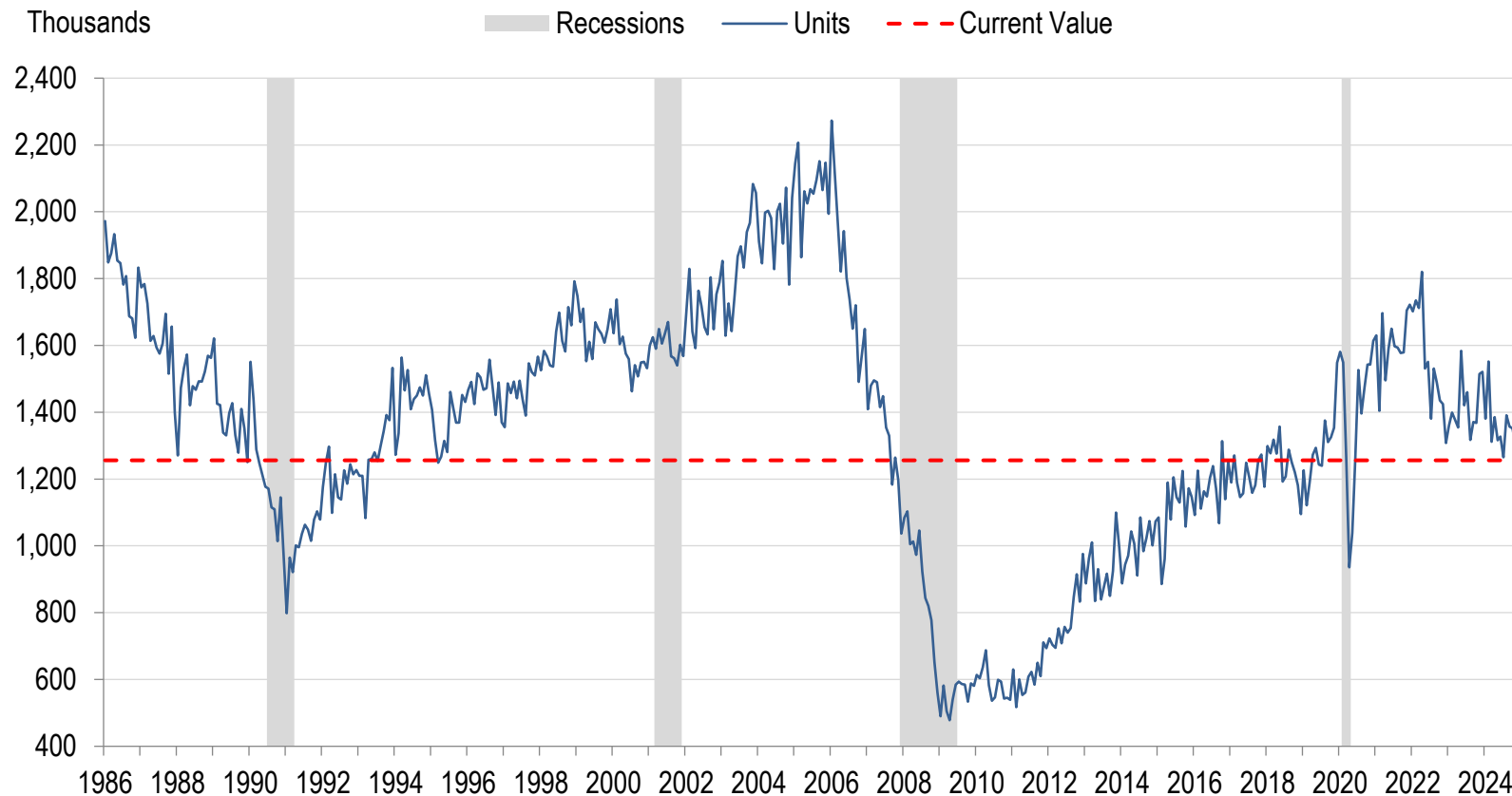
Source: NFIB, cber.co.



# New Privately-Owned Housing Units Started

## United States

### New Privately Owned Housing Units Started



Source: U.S. Census Bureau, SAAR, FRED, NAHB, cber.co.

### New Privately Owned Housing Units Started

The demand for housing is high. There were 1.26 million starts in May 2025 (red-dotted line); however, this is the lowest number of starts since May 2020. Starts have been below 1.83 million units SAAR since April 2022.

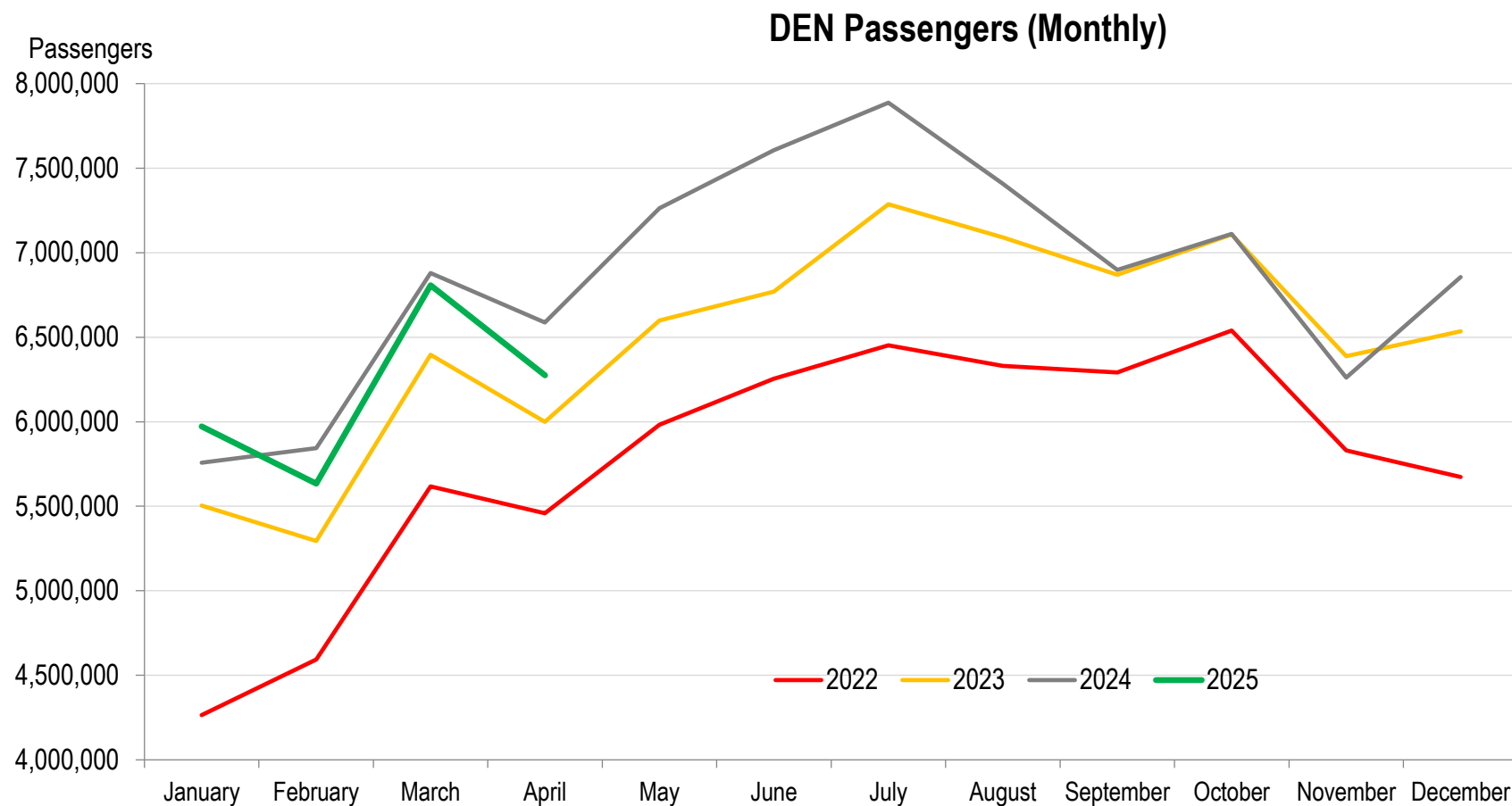
Despite the need for housing, NAHB projects there will be market uncertainty and slower growth in 2025.

Units Started (Annual) <sup>1</sup>			
Year	Units	Year	Units
2005	2,073	2016	1,177
2006	1,812	2017	1,205
2007	1,342	2018	1,247
2008	900	2019	1,292
2009	554	2020	1,394
2010	586	2021	1,605
2011	612	2022	1,552
2012	784	2023	1,421
2013	928	2024	1,368
2014	1,000		
2015	1,107		

## Colorado Indicators

# DEN and COS Passengers

## Monthly



### Air Travel

There were 82.4 million passengers through DIA in 2024 (grey line), an increase of 5.8% compared to 2023. Through the first four months of 2025, there were 24.7 million passengers, about 400,000 less than the same period in 2024.

There were 2.47 million passengers through COS in 2024. Through April 2025, there have been 691,149 passengers. There have been 6.3% fewer passengers compared to the same period in 2024.

Year	DIA Passengers
2016	58,266,515
2017	61,379,396
2018	64,494,613
2019	69,015,703
2020	33,741,129
2021	58,828,552
2022	69,286,461
2023	77,837,917
2024	82,358,744

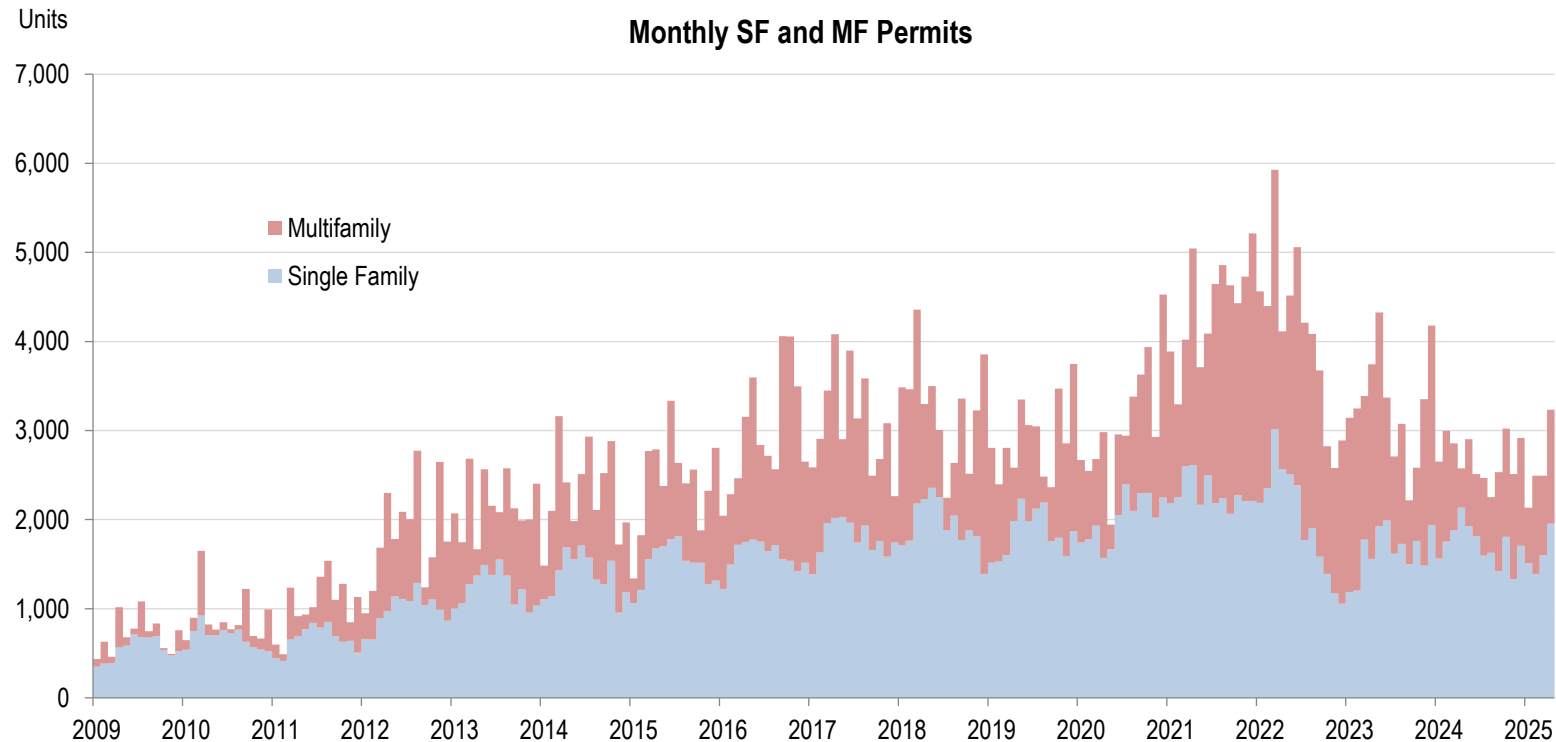
Source: flydenver.com, <https://www.flydenver.com/about-den/governance/reports-and-financials/>, administration/governance, COS airport, <https://coloradosprings.gov/flycos/monthly-traffic-reports>, cber.co.

# Colorado Residential Building Permits

## Single Family and Multifamily Units

### Total Colorado Single Family and Multifamily Building Permits (Monthly) – Permits are Stacked Showing Total Permits

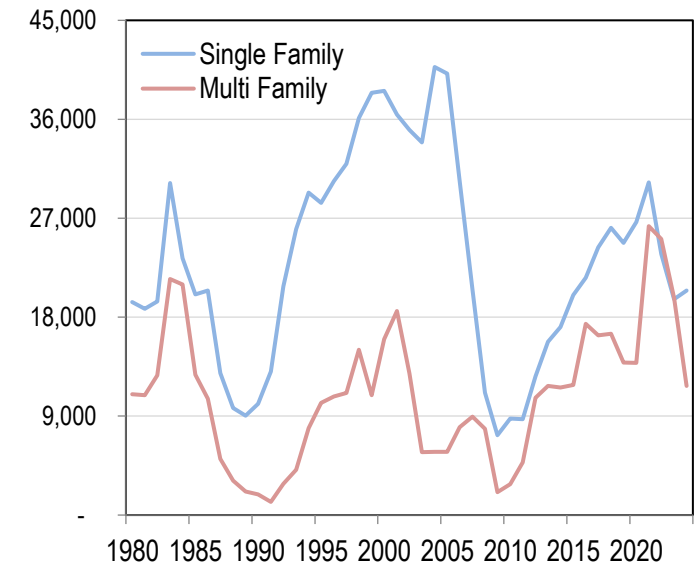
The total number of single-family permits for the first four months of 2025 changed by -11.9% (blue) compared to the same period in 2024, and multifamily permits changed by 4.0% (red). Through four months, there were 6,455 SF permits and 3,900 MF permits.



### Annual SF and MF Permits

The total number of SF and MF permits increased from 2010 to 2021. They trended downward from 2022 through 2024.

### Annual SF and MF Permits



Source: TAMU Real Estate Center, U.S. Census Bureau, [cber.co](https://cber.co).

Colorado-based Business and Economic Research <https://cber.co>

# Colorado Single Family Market Review

## Colorado Statewide Report

Colorado Single Family Market Review						
May 2024	May 2025	% Change		YTD 2024	YTD 2025	% Change
10,926	11,816	8.1%	<b>New Listings</b>	39,623	45,993	16.1%
6,388	7,140	11.8%	<b>Pending/Under Contract</b>	29,002	30,733	6.0%
6,758	6,716	-0.6%	<b>Sold Listings</b>	26,186	26,780	2.3%
\$ 597,000	\$ 590,000	-1.2%	<b>Median Sales Price</b>	\$ 577,114	\$ 585,000	1.4%
\$ 749,905	\$ 755,143	0.7%	<b>Average Sales Price</b>	\$ 748,063	\$ 759,283	1.5%
99.4%	99.0%	-0.4%	<b>Percent of List Price Received</b>	99.1%	98.8%	-0.3%
44	49	11.4%	<b>Days on Market Until Sale</b>	54	61	13.0%
67	69	3.0%	<b>Housing Affordability Index</b>	69	69	0.0%
18,103	22,601	24.8%	<b>Inventory Active Listings</b>			
3.4	4.1	20.6%	<b>Months Supply of Inventory</b>			

### Colorado Single Family Market Review

The YTD data through May reports increased new listings, pending contracts, and sold listings compared to the same period in 2024. YTD median sales prices were higher than a year ago, though median prices for May were slightly lower. There were 4.1 months of inventory in May 2025.

**New Listings** – Measures new supply coming onto the market.

**Pending/Under Contract** – A leading indicator of buyer demand.

**Sold Listings** – Home sales that are closed during the period.

**Median Sales Price** – It is the midpoint. Half of the activity is above the median, and half is below this value.

**Average Sales Price** – The average is the sum of all home sales prices divided by the number of houses sold.

**Percent of List Price Received** – The percent difference between the last list price and the sales price.

**Days on Market Until Sale** – The average number of days it takes homes to sell.

**Affordability Index** – A higher number means greater affordability.

**Inventory of Active Listings** – The number of homes available for sale at a given time. The inventory level may affect home prices.

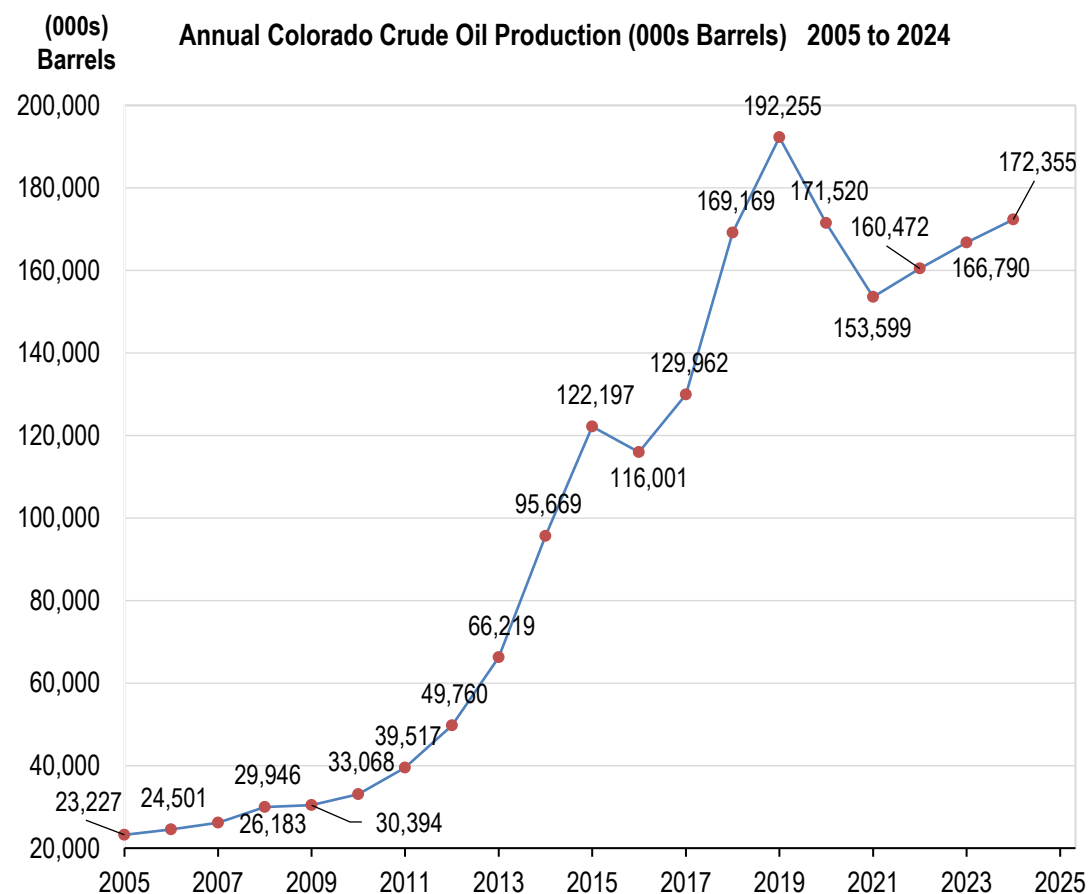
**Supply of Inventory** – Measure of the balance between buyers and sellers. A balanced market ranges from four to seven months. A buyer's market has a higher number.

Source: CAR, <https://coloradorealtors.com/>, cber.co.

Colorado-based Business and Economic Research <https://cber.co>

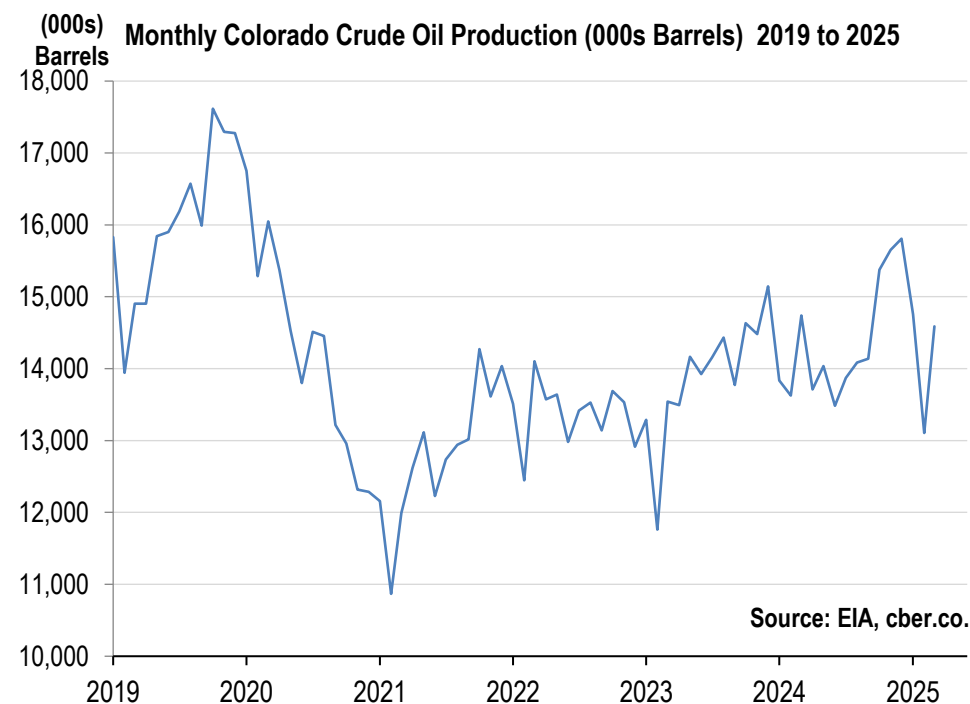
# Colorado Field Production of Crude Oil

## 2005 to 2025 (Thousand Barrels)



Source: EIA, cber.co.

Colorado-based Business and Economic Research <https://cber.co>



**Above (Monthly):** Production peaked in 2019. It dropped in 2020 because of state regulations and lower demand (COVID-19). Between 2021 and 2024, production increased at a steady rate. It has been volatile in 2025.

**Left (Annual):** Over the past 20 years, oil production has become a critical part of the Colorado economy. The downturn in 2020 was a result of state energy regulations and reduced demand from COVID-related policies. In 2021, the annual monthly production hit a low point. There has been steady growth through 2024.

# Colorado Retail Sales

## Monthly



### Colorado Retail Sales

The annual retail sales growth rates for 2023 and 2024 were weaker than in 2020. YTD sales through March are 3.1% greater than the same period in 2024. The spike in March sales is likely an anomaly caused by purchases to avoid higher prices from tariffs. Sales in 2025 will be slightly better than in 2023 and 2024.

#### Annual Retail Sales (Billions)

2017	\$194.6	5.4%
2018	\$206.2	5.9%
2019	\$224.6	9.0%
2020	\$228.8	1.9%
2021	\$268.3	17.3%
2022	\$299.9	11.8%
2023	\$302.6	0.9%
2024	\$306.5	1.3%

Source: Colorado Department of Revenue, <https://cdor.colorado.gov/retail-sales-reports>, cber.co. Note: Not adjusted for inflation.

## Colorado Forecast



# Colorado Economic Forecast 2025

Colorado Economic Forecast					
		2022	2023	2024	2025
Real GDP growth (Colorado) slowed in 2024. There will be a slower growth rate in 2025.	Real GDP Value (billions) (chained 2017)	\$418.8	\$437.1	\$445.3	\$453.3
	% Change Real GDP	3.0%	4.4%	1.9%	1.8%
The population (Colorado) will increase by 49,800 people in 2025, or 0.8%.	Colorado Population	5,840.2	5,876.3	5,920.3	5,970.1
	Annual Change (thousands)	29.1	36.1	44.0	49.8
In 2025, Colorado employment will increase by 31,000 and remain weak through 2027. The unemployment rate increase will be higher than the U.S. rate.	CES Employment (thousands)	2,869.7	2,937.5	2,971.0	3,002.0
	Annual Change (thousands)	118.7	67.8	33.5	31.0
	% Change	4.3%	2.4%	1.1%	1.0%
	Unemployment Rate	3.1%	3.2	4.3%	4.6%
Consumers will continue to be resilient. Retail sales for 2024 were sluggish. Sales for 2025 will improve. The inflation rate has declined, but the accumulated effect is problematic for many. Colorado inflation will be 2.8% in 2025, lower than for 2021 through 2023.	Retail Sales (billions)	\$299.9	\$302.6	\$306.4	\$314.1
	% Change	11.8%	0.9%	1.3%	2.5%
	Consumer Price Index (CPI)	304.4	320.3	327.6	336.7
	% Change	8.0%	5.2%	2.3%	2.8%
	DIA Passengers (millions)	69.3	77.8	82.3	86.0
	Single Family (SF) Permits	23,728	19,641	20,500	18,000
	Multi-family (MF) Permits	25,111	19,763	11,600	14,000
	Oil Production (thousands) barrels	160,472	166,790	172,355	175,000

In 2024, 82.3 million passengers flew through DIA. Officials project it might be possible to have 100 million passengers by 2027. More than 2.5 million passengers will travel through the Colorado Springs (COS) airport in 2025.

In 2024, the total number of unit building permits declined. In 2025, the number of permits issued will be similar (18,000 SF and 14,000 MF). The volatility in housing and real estate markets may ease if interest rates are more favorable in 2025.

The annual production of crude oil has increased since 2021. Fossil fuels will play an integral role in the U.S. and Colorado economies in the future.

cber.co  
Economic Outlook and Trends For 2025  
Colorado and the United States, May 2025

This analysis is for informational purposes only. Any opinions or interpretations of data are those of the presenter. As such, they do not represent the viewpoints of any group or particular organization.

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#### ABOUT THE AUTHOR

Gary Horvath has produced annual employment forecasts of the state economy for over 30 years. They have been supplemented by monthly economic updates and indices that track economic performance over the short term. In addition, he has directed three statewide analyses that included reviews of all 64 county economies.

Horvath was the principal investigator for a state and federally funded project to prepare a nanotechnology roadmap for Colorado. As well, he was a co-founder of the Colorado Photonics Industry Association, a trade group for Colorado's Photonics cluster. Horvath has been an active board member of the group since its inception.

Horvath has also served on the Board of Directors for the Economic Development Council of Colorado, Northwest Denver Business Partnership, Adams County Regional Economic Partnership, and Broomfield Economic Development Corporation. Horvath has also been the chair of the electronics committee in the Governor's Office of Economic Development and International Trade early stage and proof of concept Advanced Industries grant program, and he served on the 2021 Colorado Legislative Redistricting Commission.