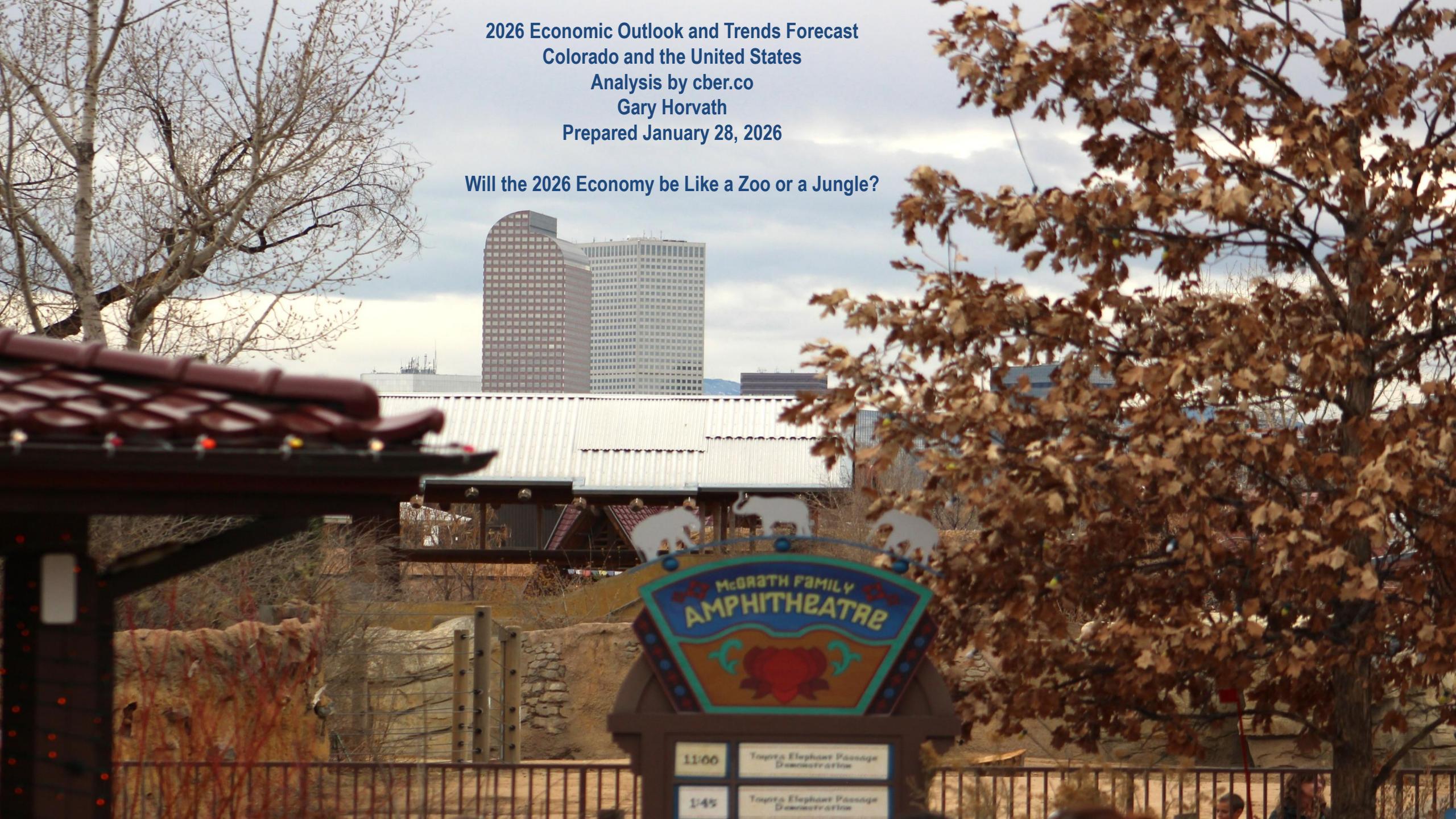


2026 Economic Outlook and Trends Forecast
Colorado and the United States
Analysis by cber.co
Gary Horvath
Prepared January 28, 2026

Will the 2026 Economy be Like a Zoo or a Jungle?



Economic Outlook and Trends

Purpose and Overview

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

The forecast prepared by the Conference Board serves as the base for this analysis. TCB raised the projections for 2025 and 2026 slightly based on the strength of the real GDP report for Q2 and Q3 2025. The U.S. economy closed the year stronger than initially expected. Slower growth is anticipated in 2026 due to uncertainty surrounding the risks (both upside and downside) related to tariffs and changing policy decisions. There will be mixed results from the fiscal policy. Monetary policy will depend on the composition of the Fed and its ability to remain independent.

Affordability, real and perceived, will continue to be a concern for many. The issues addressed in the mid-term elections and their outcome will likely bring about change.

Will the 2026 economy be orderly and serene, like a zoo, or will it more closely resemble life in a jungle?

Contents

This chartbook focuses on the following topics.

- What we Learned from 2025
- U.S. and Colorado Economic Outlook and Trends
- U.S. and Colorado Gross Domestic Product, Inflation, and Real Disposable Personal Income Per Capita
- U.S. Indicators
- U.S. Employment
- Colorado Indicators
- Colorado Population
- Colorado Employment
- What the Data Says and Expectations for the United States
- What the Data Says and Expectations for Colorado
- Summary and 2026 Colorado Economic Outlook

What We Learned from 2025

The first step in preparing a forecast is to review expectations for 2025 and identify what was right and what was wrong. The next step is to evaluate the 2025 data and determine what is likely to happen in 2026. There was unprecedented uncertainty, a government shutdown, and key data was not delivered on schedule. That was a challenge. Given more time, a forecast would look at several scenarios for the direction of the national government. There are also several paths for the state government. Despite the state's many assets, there are fewer optimistic paths than at the national level.

United States

- Uncertainty was a theme for 2025. Many business leaders and consumers have learned to deal with it, but it will be a theme in 2026.
- The labor market was resilient. That will continue to be the case in 2026.
- The Federal Reserve put rate cuts in place to manage inflation. The CPI rate is under 3.0%. This is much lower than the period 2021 to 2023. The rate will continue to move towards the target rate but may not reach it.
- The equity markets had a solid year in 2025.
- Consumer and business sentiment has improved. Consumers continued to spend. U.S. retail sales for 2025 were about 4.0% greater than in 2024.
- The U.S. and international geopolitical situation is unsettled – and scary at times.
- The election at the end of the year will drastically impact the direction of U.S. policy for the next two years.
- State and federal political leaders did not effectively work together to address problems.

Colorado

- The Colorado economy and labor market was weaker than the U.S. economy in 2025. That will likely be the case in 2026.
- Colorado lacks a broad base of companies driving the economy.
- Inflation is slowly approaching the Fed's target rate.
- Retail trade sales improved in 2025. They are estimated to be about 3.5% greater than in 2024.
- Oil production was stable in Colorado in 2025.
- Office vacancies in downtown Denver have created a variety of challenges.
- The state faced major budget problems in 2025. Most major Colorado cities had similar challenges.
- The population is increasing at a slower rate, which impacts school enrollment and the size of the labor force.
- It is estimated that over 30,000 SF and MF permits were issued in 2025 – not enough!

U.S. and Colorado GDP, Inflation, and Real Disposable Personal Income per Capita

U.S. Real GDP Growth

The Conference Board (TCB) Forecast (January 14, 2025)

Real GDP and Economic Growth

The Conference Board Forecast projects real GDP growth of 2.2% in 2025 and 2.1% in 2026. Real disposable income will increase by 1.7%, and real personal consumption will increase by 1.9%. There will be a decline in residential investment (-2.1%) and an increase in nonresidential investment, 3.0%.

Other Economic Factors

Government spending will increase more slowly than last year, 0.9%. Export growth is expected to be 1.8% in 2026. The unemployment rate is projected to increase to 4.6%. The projected PCE inflation rate is 2.6%, and the core rate is 2.7%. The year-end Fed Funds rate is expected to be 3.125%.

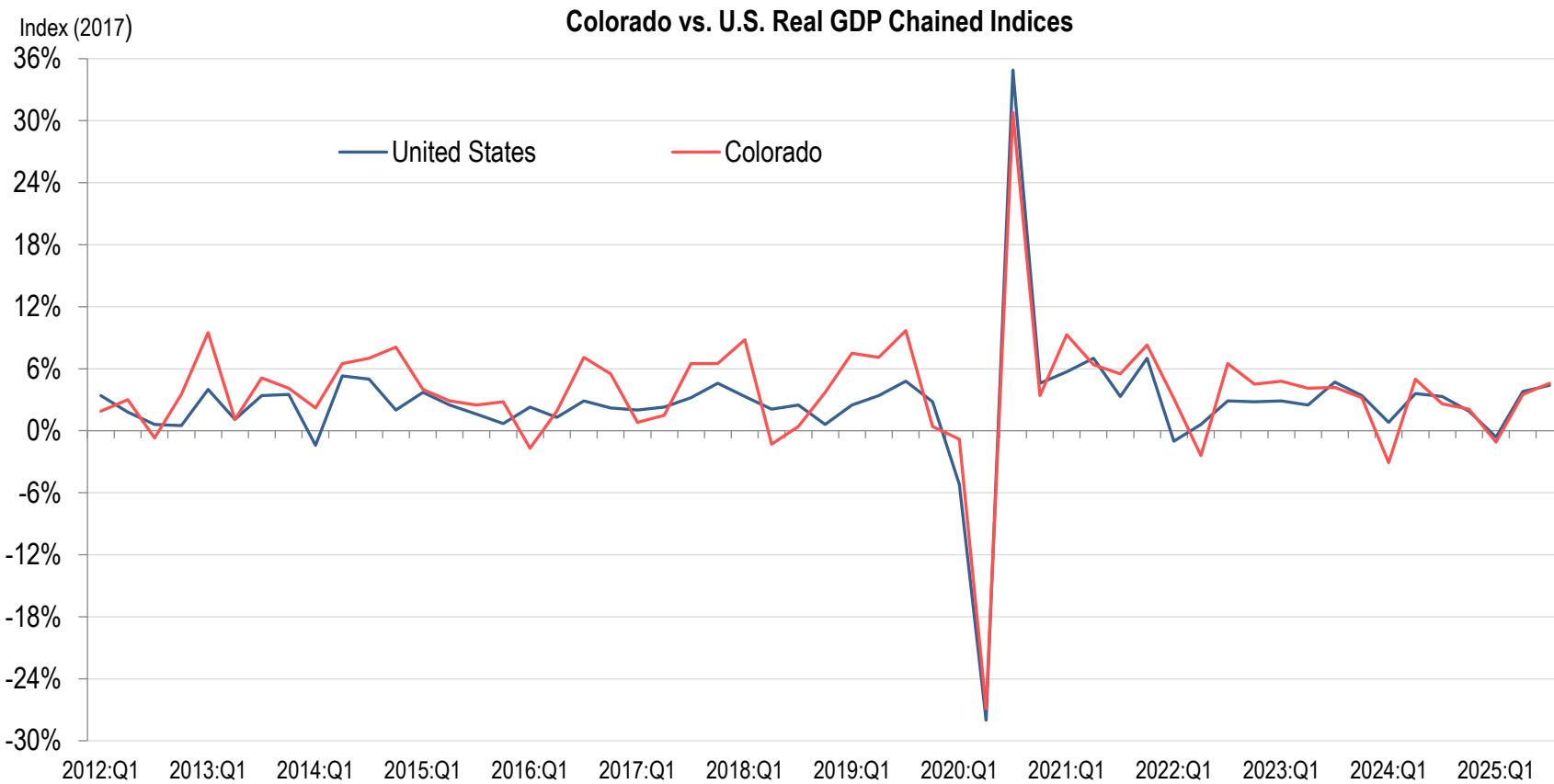
Conference Board US Real GDP Growth Forecast

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026	2025	2026	2027
Real GDP	-0.6%	3.8%	4.4%	2.2%	1.2%	1.5%	1.4%	1.6%	2.2%	2.1%	1.8%
Real Disposable Income	2.3%	1.8%	0.0%	1.7%	1.5%	1.5%	1.6%	1.6%	2.1%	1.7%	1.7%
Real Personal Consumption	0.6%	2.5%	3.5%	1.9%	1.1%	1.8%	1.9%	2.0%	2.6%	1.9%	2.0%
Residential Investment	-1.0%	-5.1%	-5.1%	-2.0%	-2.0%	-1.0%	-1.0%	1.0%	-1.9%	-2.1%	0.3%
Nonresidential Investment	9.5%	7.3%	2.8%	3.3%	1.9%	2.8%	3.0%	3.7%	4.1%	3.0%	3.7%
Total Gov't. Spending	-1.0%	-0.1%	2.2%	0.5%	1.4%	0.8%	0.2%	0.2%	1.5%	0.9%	0.2%
Exports	0.2%	-1.8%	8.8%	2.0%	0.6%	0.6%	1.0%	1.0%	1.8%	1.8%	1.0%
Unemployment Rate	4.1%	4.2%	4.3%	4.5%	4.6%	4.7%	4.6%	4.5%	4.3%	4.6%	4.3%
PCE Inflation (%Y/Y)	2.6%	2.4%	2.7%	2.8%	3.0%	2.6%	2.4%	2.3%	2.6%	2.6%	2.2%
Core PCE Inflation (%Y/Y)	2.8%	2.7%	2.9%	2.9%	3.1%	2.8%	2.4%	2.3%	2.8%	2.7%	2.2%

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

Real Gross Domestic Product

Colorado GDP vs. U.S. GDP Quarterly Growth Rate



Colorado/U.S. GDP
Between Q1 2012 and Q2 2025, the YOY change in the U.S. Real GDP Index (blue) outperformed the Colorado Index (red) in 18 of 54 quarters.

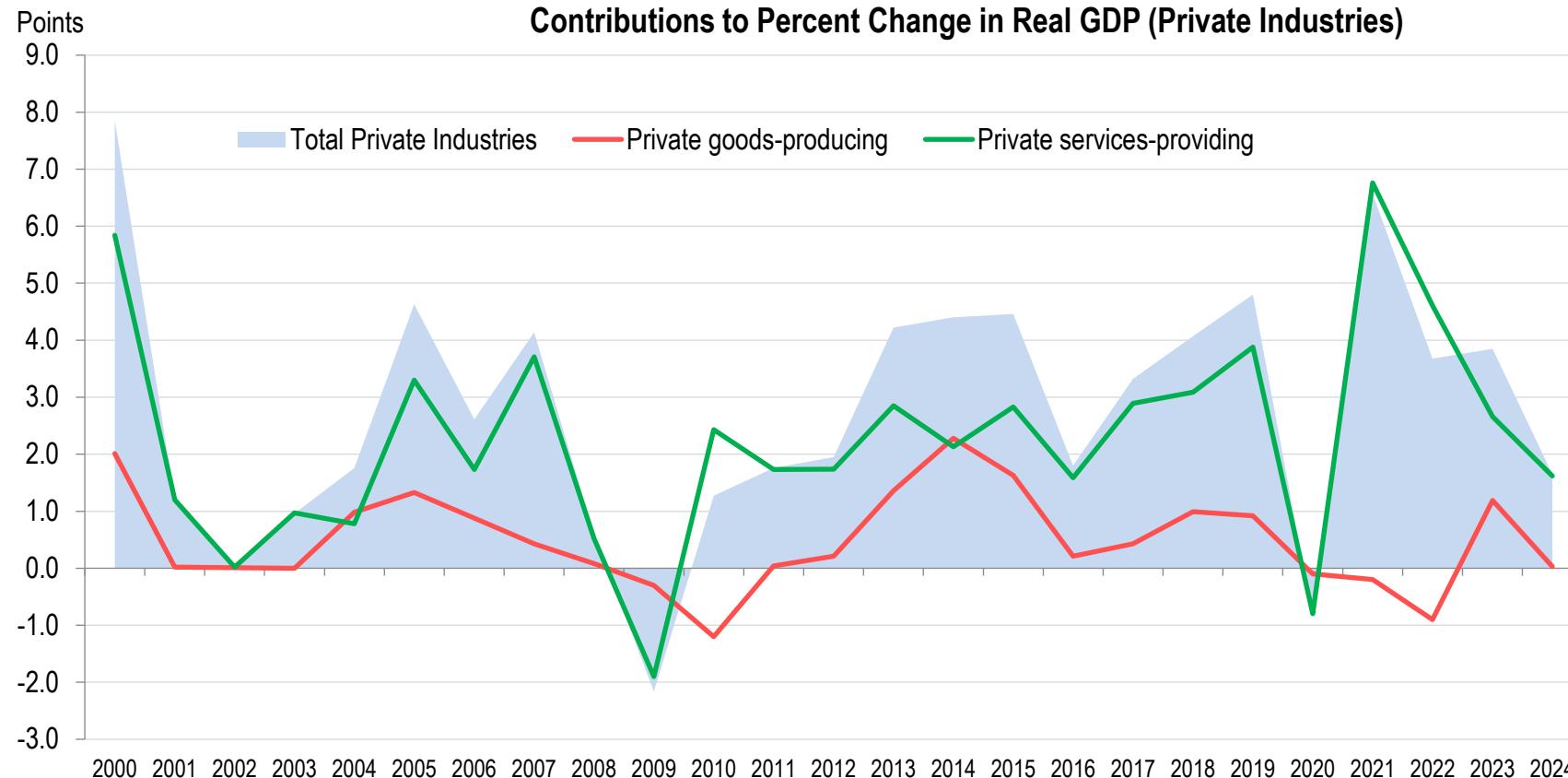
For six of the last nine quarters, the U.S. real GDP has been slightly more than the Colorado rate.

Source: BEA, cber.co.

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

Contributions to Percent Change in Real GDP

Private Industries, Private Goods Producing, Private Services Producing



Contributions to Percent Change in Real Colorado GDP

The contributions to the percent change in real GDP measure the contribution that an industry makes to the GDP. For example, the blue area chart was 7.85 points for 2000. The total real GDP for the private sector was 7.85%. In 2000, the green line was 5.84 points (service-producing), and the red line was 2.01 points (goods-producing).

The contribution of service-producing industries was more than the contribution from goods-producing industries in 22 of 25 years. The contributions for the goods-producing industries were greater in the other three years. There were recessions in those years.

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Source: BEA, cber.co.

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Change in Annual Colorado GDP (Current Dollars)

Sorted by 2024 Sector GDP

Change in Annual Colorado GDP in Millions (Current Dollars)

	2019 GDP	2024	Percent 2024 Total	Difference	Location Quotient
Finance, insurance, real estate, rental, and leasing	\$81,603	\$ 110,533	20.9%	\$ 37,952	1.00
Government and government enterprises	\$47,217	\$ 59,059	11.2%	\$ 15,933	1.00
Professional, scientific, and technical services (PST)	\$39,293	\$ 58,062	11.0%	\$ 22,077	1.37
Health care and social assistance	\$24,717	\$ 31,672	6.0%	\$ 9,482	0.81
Construction	\$24,639	\$ 31,504	5.9%	\$ 7,980	1.35
Information	\$22,626	\$ 31,116	5.9%	\$ 10,510	1.10
Retail trade	\$22,333	\$ 30,789	5.8%	\$ 10,349	0.91
Wholesale trade	\$22,576	\$ 29,762	5.6%	\$ 7,713	0.94
Manufacturing	\$24,253	\$ 28,063	5.3%	\$ 5,805	0.52
Accommodation and food services (AFS)	\$14,298	\$ 21,370	4.0%	\$ 7,049	1.23
Mining, quarrying, and oil and gas extraction	\$14,440	\$ 18,566	3.5%	\$ 2,779	2.36
Transportation and warehousing	\$13,364	\$ 18,354	3.5%	\$ 6,146	1.02
Administrative services	\$12,271	\$ 15,856	3.0%	\$ 3,854	0.94
Other services	\$9,433	\$ 12,173	2.3%	\$ 3,610	1.08
Management of companies and enterprises	\$8,267	\$ 10,239	1.9%	\$ 2,593	1.07
Arts, entertainment, and recreation	\$5,914	\$ 7,756	1.5%	\$ 2,763	1.35
Utilities	\$4,521	\$ 6,922	1.3%	\$ 1,871	0.81
Educational services	\$3,550	\$ 4,392	0.8%	\$ 1,016	0.74
Agriculture, forestry, fishing and hunting	\$2,529	\$ 3,437	0.6%	\$ 305	0.66
Total	\$397,844	\$ 529,627	100.0%	\$ 159,787	

Change in Annual Colorado GDP 2019 to 2024

In 2024, 43.1% of the Colorado GDP was in the FIRE, Government, and PST sectors. They accounted for 47.5% of the change between 2019 and 2024.

The sectors ranked four through nine (Health Care, Construction, Information, Retail, Wholesale, and Manufacturing) accounted for 34.5% of the 2024 Colorado GDP and 32.4% of the change in GDP.

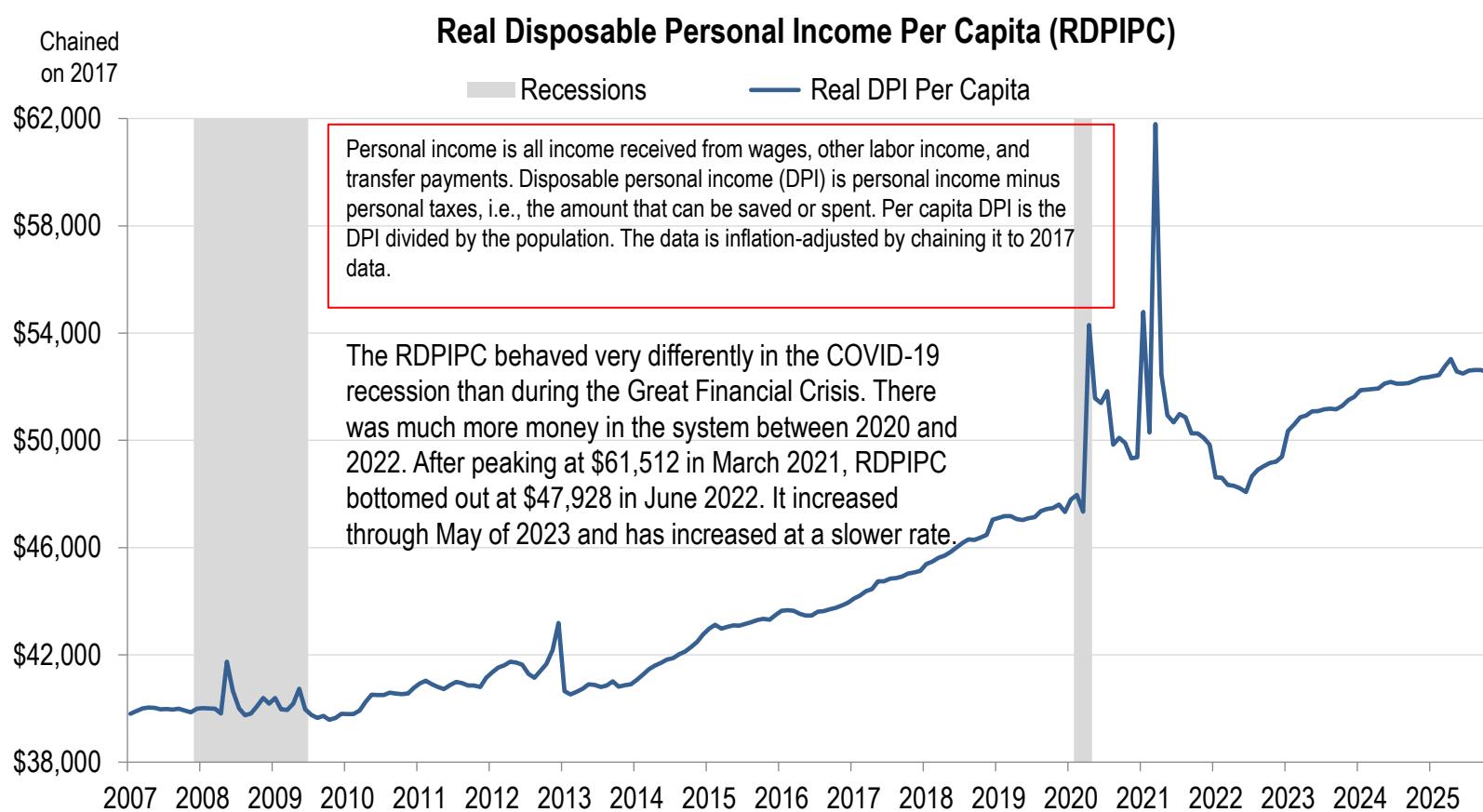
The 2024 sectors with the most significant location quotients were Mining and Extraction (2.36), PST (1.37), Construction (1.35), AER (1.35), AFS (1.23), and Information (1.10). These sectors account for 30.75% of the GDP and 35.8% of the change in GDP.

Source: 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 November 2025, RDPIPC was \$52,557. It was 0.4% greater than the same period in 2024.

The monthly YOY change was between 1.4% and 2.7% in 2024. It has been between 0.4% and 2.1% in 2025. This may raise concerns about purchasing power.

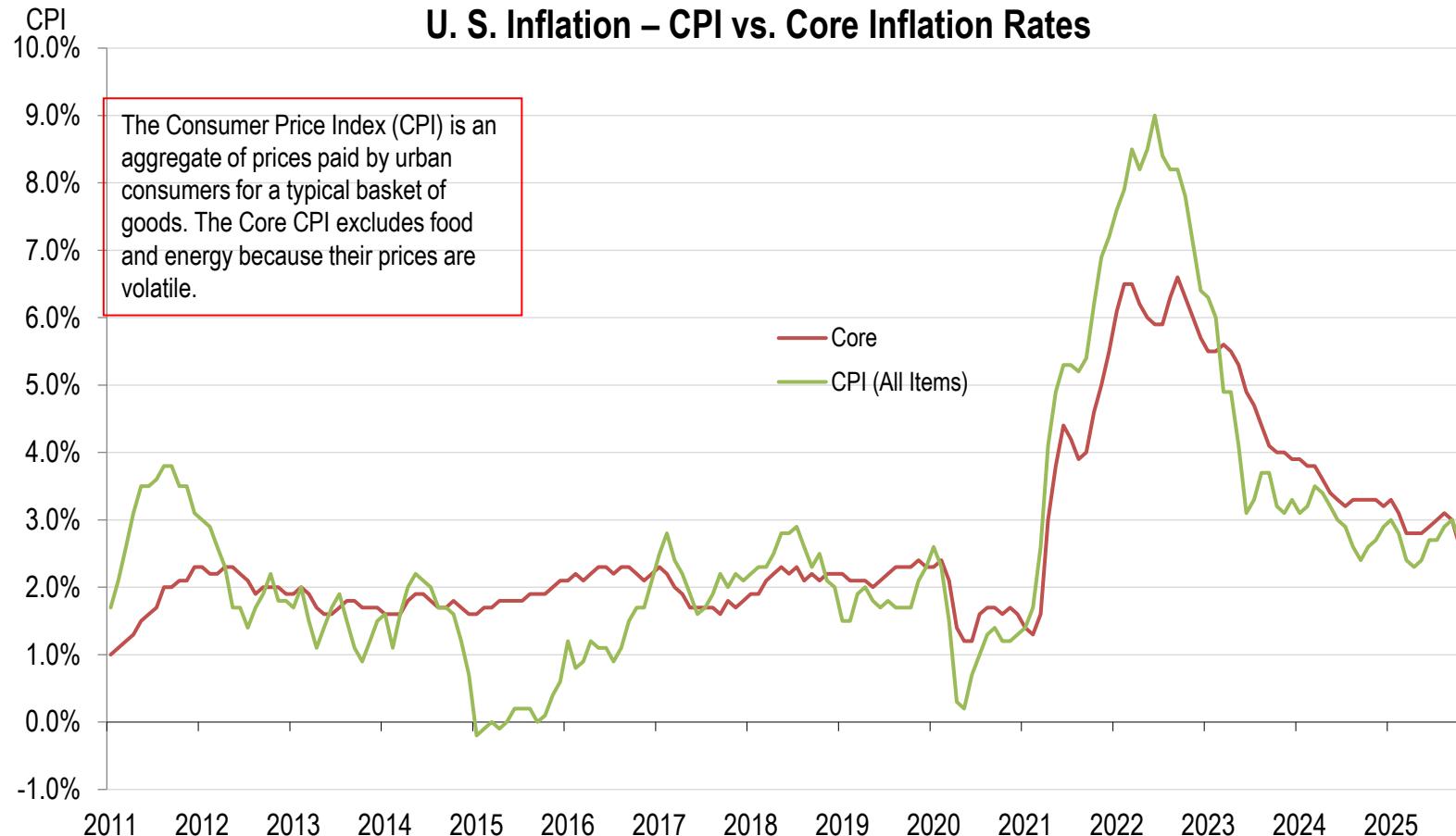
RDPIPC (Average)

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.

CPI Inflation

U.S. CPI vs. Core Inflation



U.S. CPI vs. Core Inflation

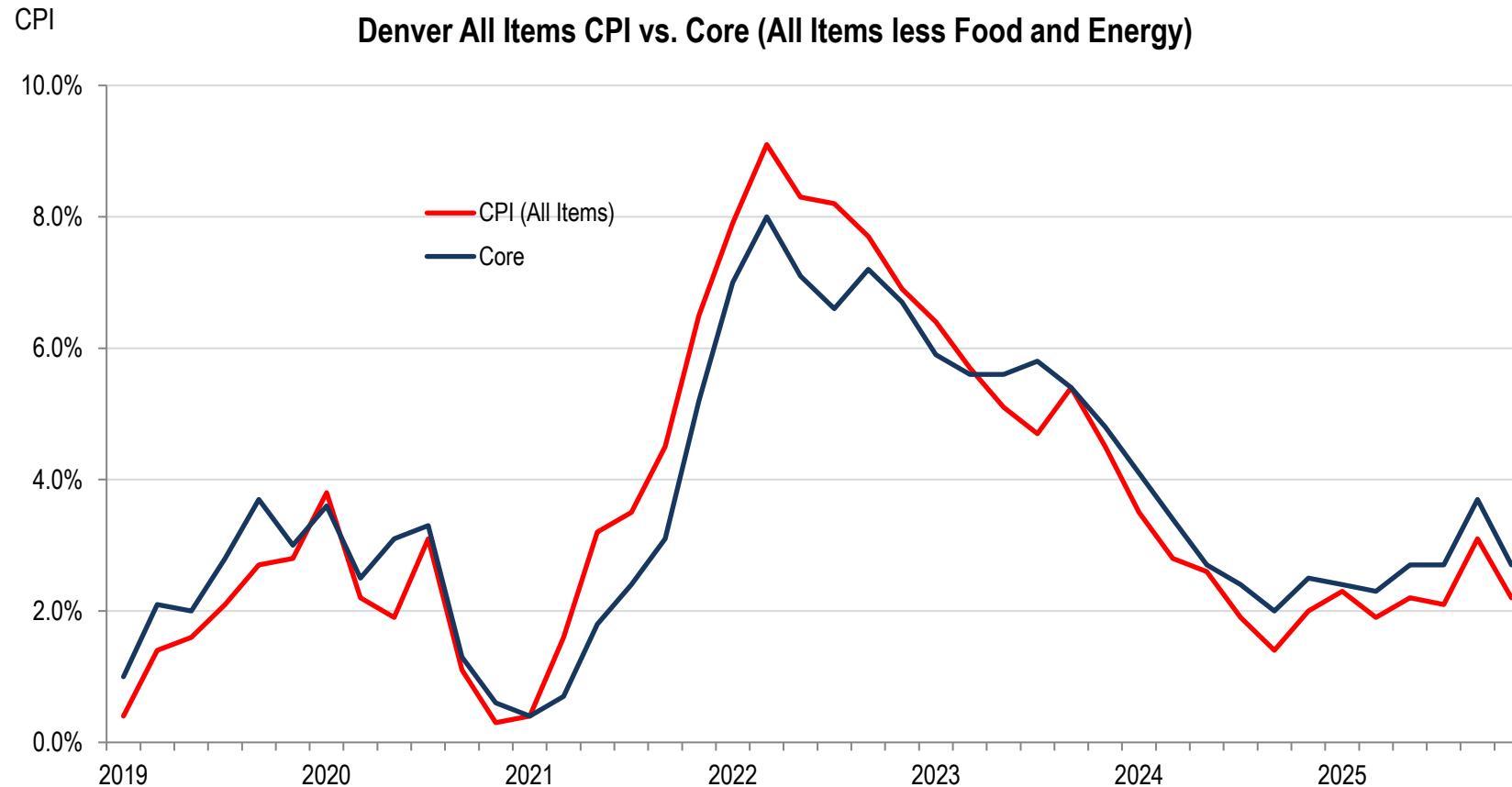
The December 2025 CPI rate for the U.S. was 2.7%. The core rate was 2.6%. The values for October 2025 were not reported because of the government shutdown.

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%
2025	2.6%	2.7%	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 CPI rate for 2025 was 2.3%, and the core rate was 2.7%.

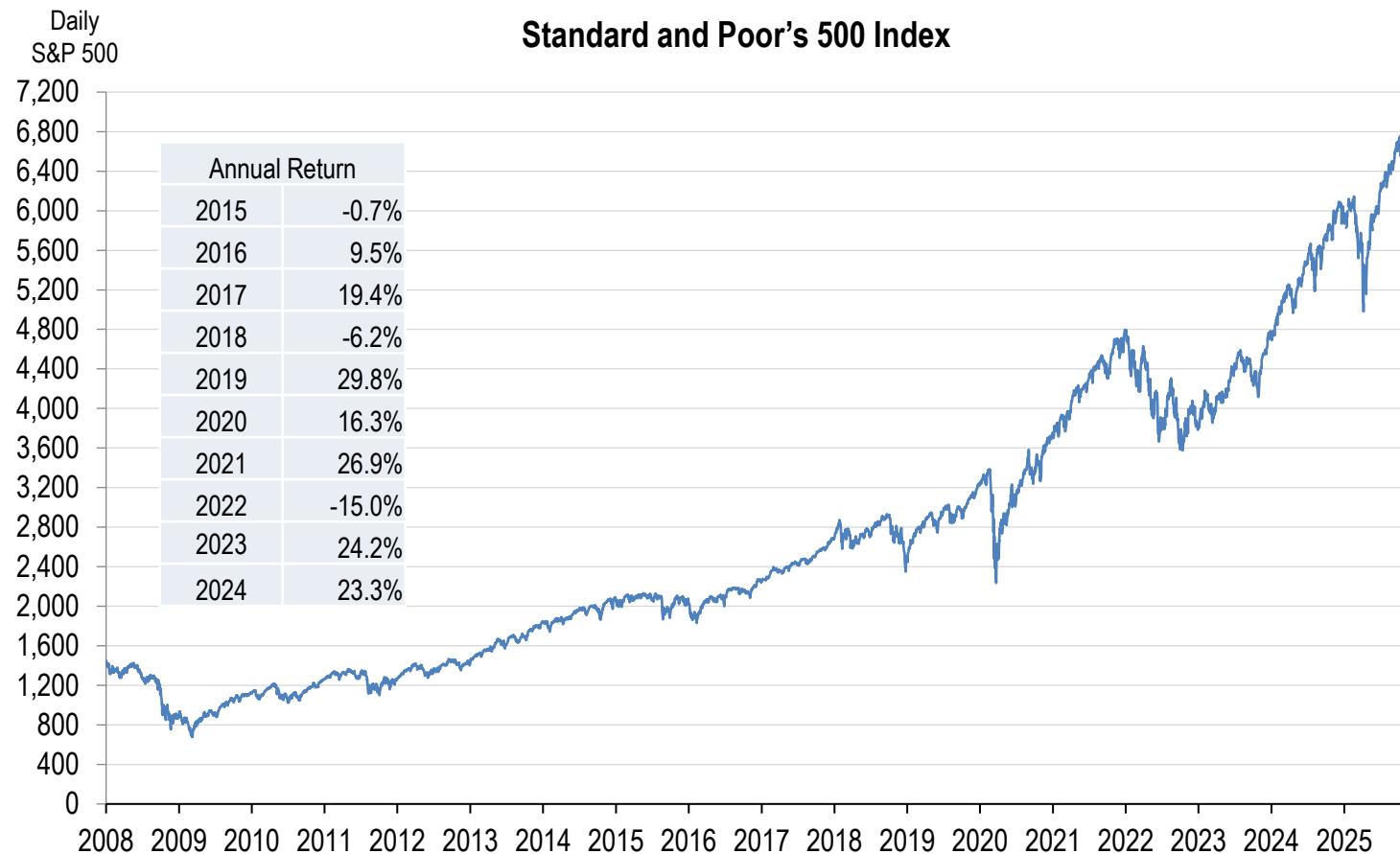
The Denver inflation rate has generally been higher than the U.S. rate, but the trend reversed in 2024 and 2025 (not shown). The Denver CPI was the same or greater than the U.S. rate in 8 of 10 years (2015, 2024, and 2025).

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.

U.S. Indicators

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

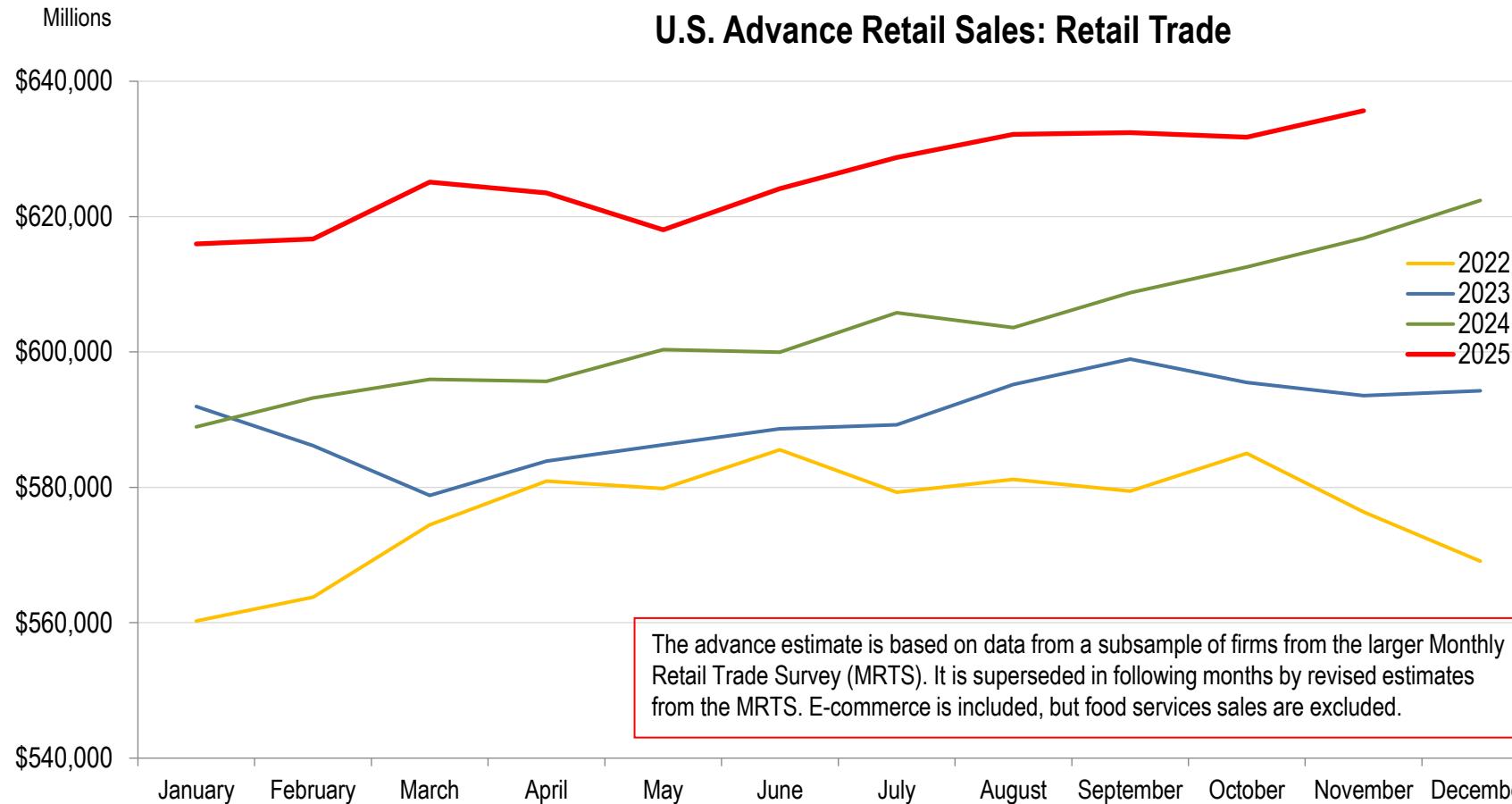
December 31, 2024 5,882, a change of **+23.3%**.

2025 Bull Market

December 31, 2025 6,845, a change of **+16.4%**

U.S. Advance Retail Sales: Retail Trade

Monthly



Advance Retail Sales
Retail sales were weak in 2023 and 2024. YTD 2025 sales through November (red) were \$6.9 trillion, 3.96% greater than for the same period in 2024 (green).

Consumers are cautious, but they are continuing to spend.

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%

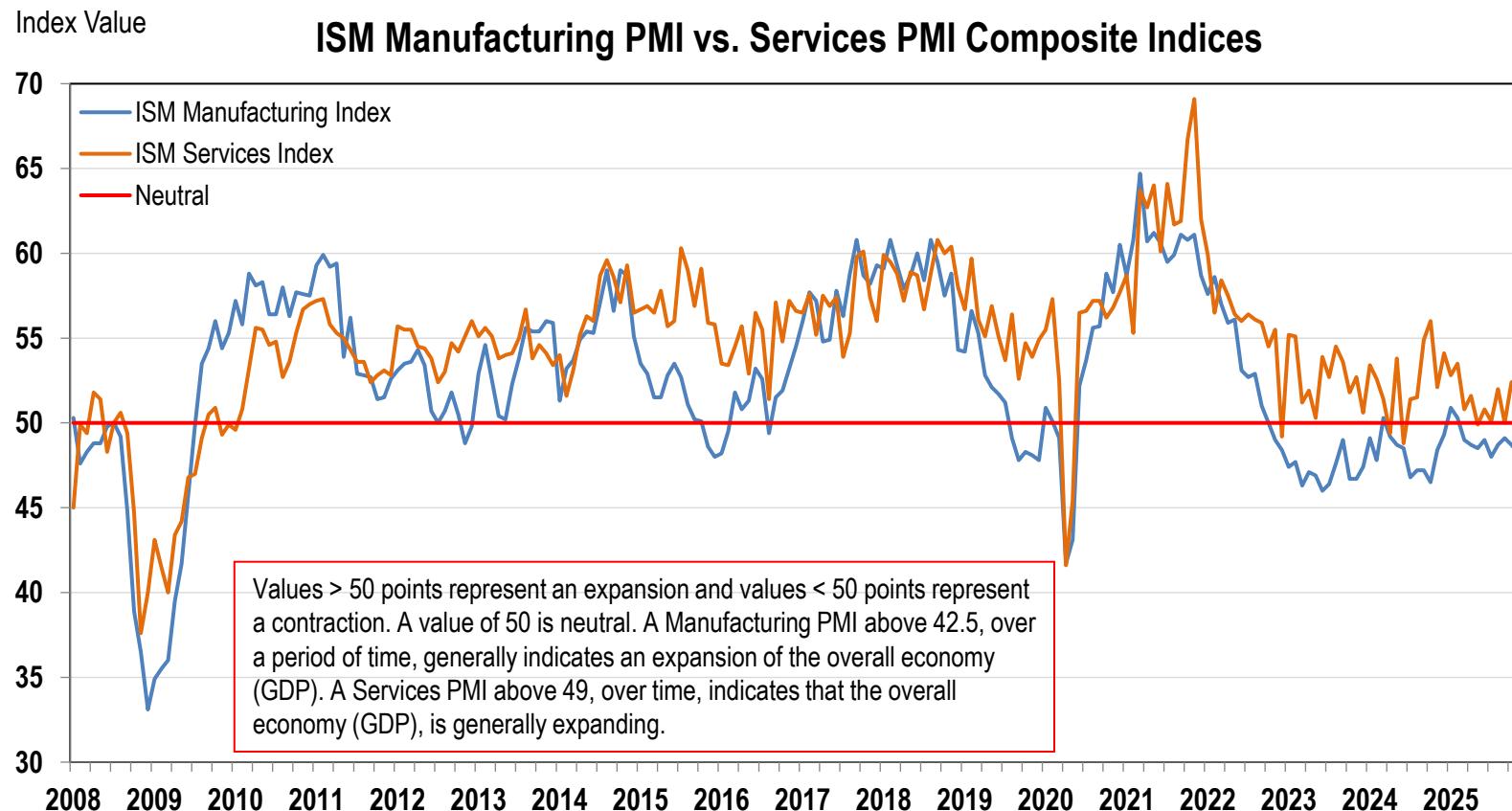
Source: Census, cber.co

Source: U.S. Census Bureau, RXSFS, FRED, cber.co. Note: Not adjusted for inflation.

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ISM Purchasing Managers Composite Indices

Manufacturing vs. Services



Manufacturing and Services PMI

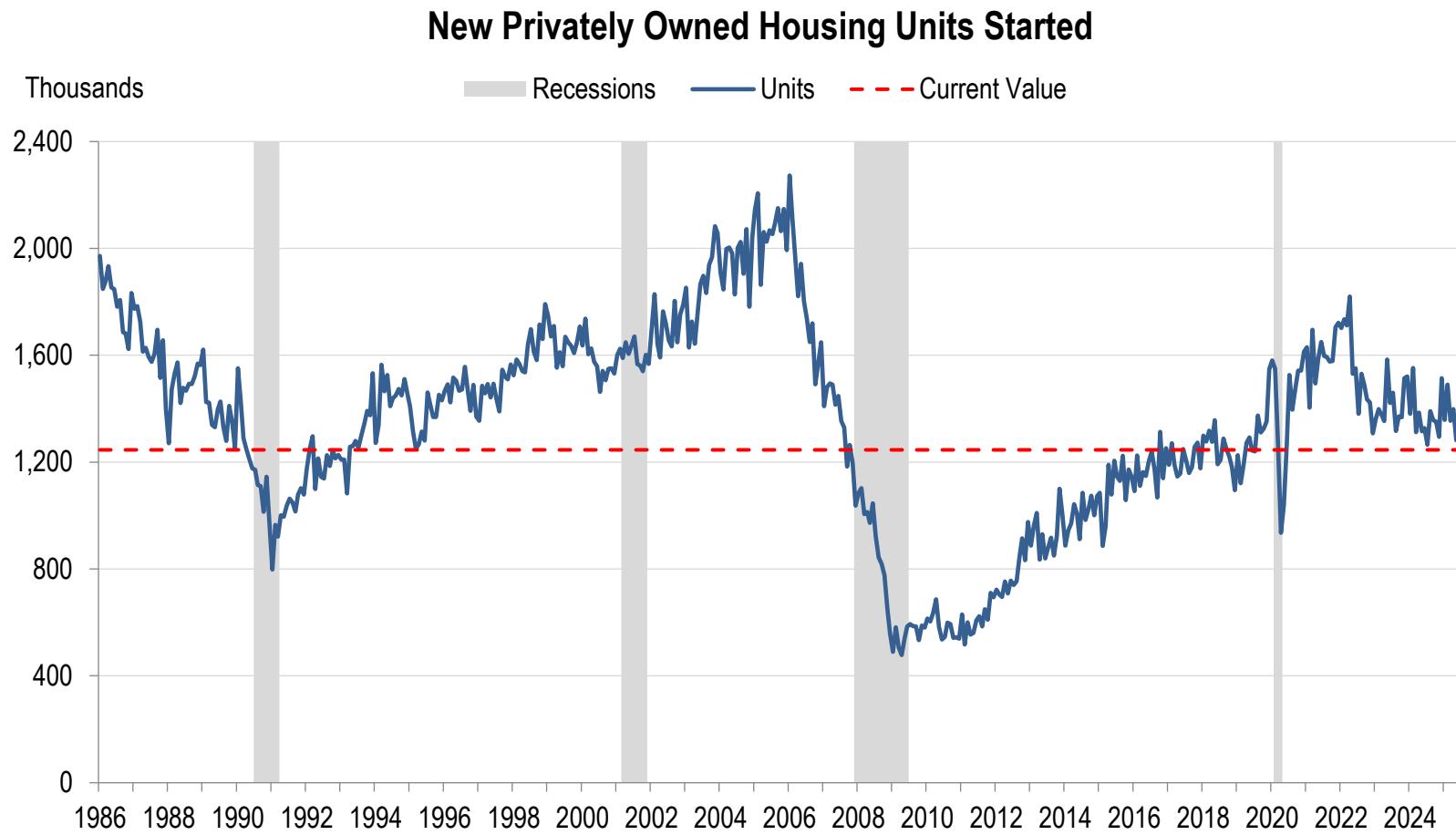
Since October 2022, the ISM manufacturing index (blue) has been below 50 for 36 of 38 months.

During 2025, the ISM services index was below 51 on four occasions. Since 2023, the index has been historically weak; however, it was generally positive.

Despite the low index levels, the economy is still expanding (see note).

New Privately-Owned Housing Units Started

United States



New Privately Owned Housing Units Started, SAAR

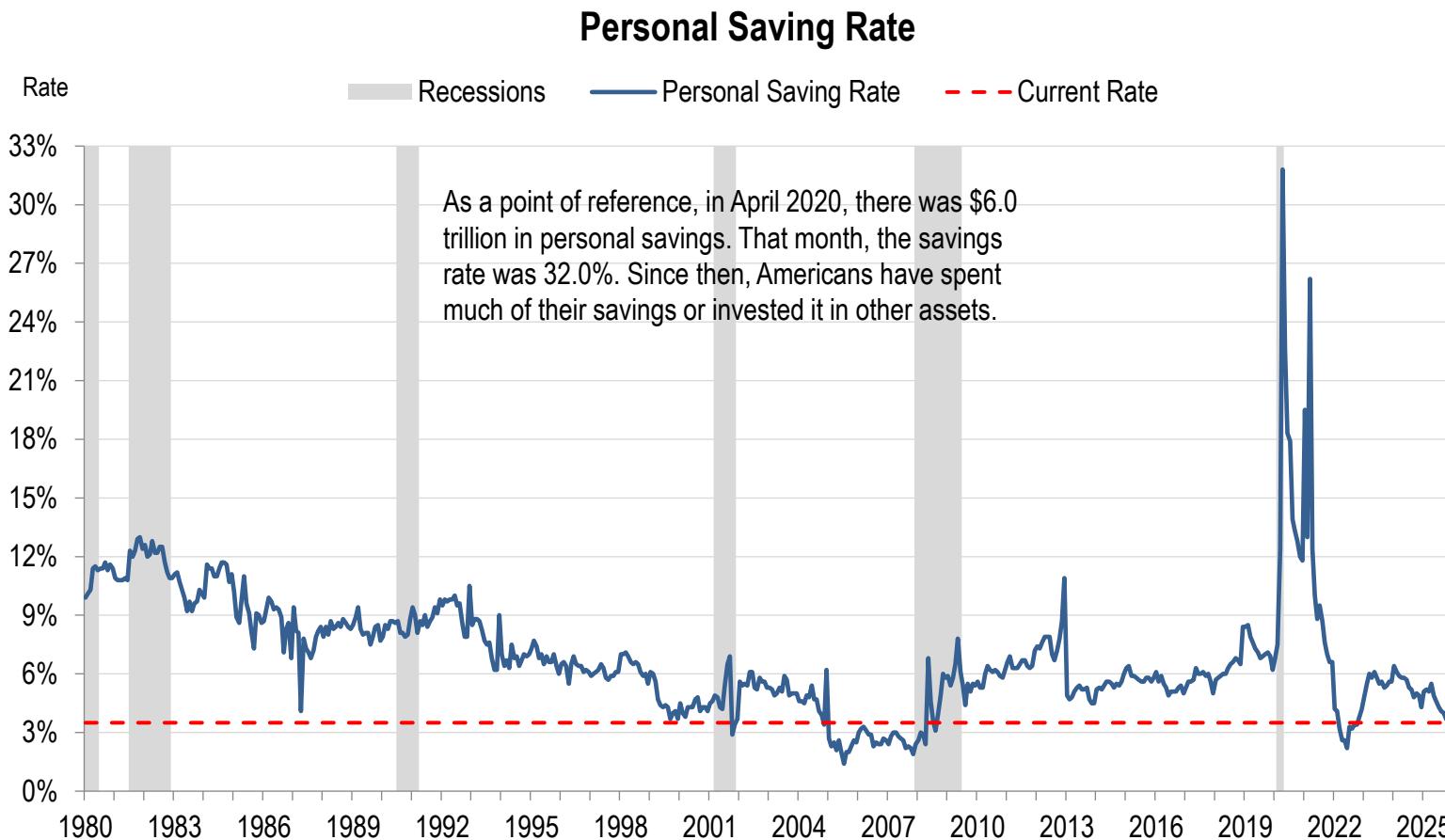
The demand for housing is high. There were 1.2 million starts in October 2025 (red line). In April 2009, housing starts dropped to 478,000.

They trended upward until April 2022, with 1.8 million housing starts. Since then, they have trended downward.

Units Started (Annual)			
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	1,603
2011	612	2022	1,552
2012	784	2023	1,421
2013	928	2024	1,371
2014	1,000		
2015	1,107		

U.S. Personal Saving Amount and Rate

Percentage of Disposable Personal Income (DPI)



Personal Saving Rate

In November 2025, the saving rate was 3.2%. Savings were \$799.7 billion. The rate is below the pre-pandemic rate.

The saving rate peaked in April 2020 at 32.0%. By June 2022, Americans had drained their savings account as the rate dropped to 2.0%. The rate was 6.4% in January 2024, and it fell to 4.3% in December 2024.

Year End Personal Savings (Billions) and Rate

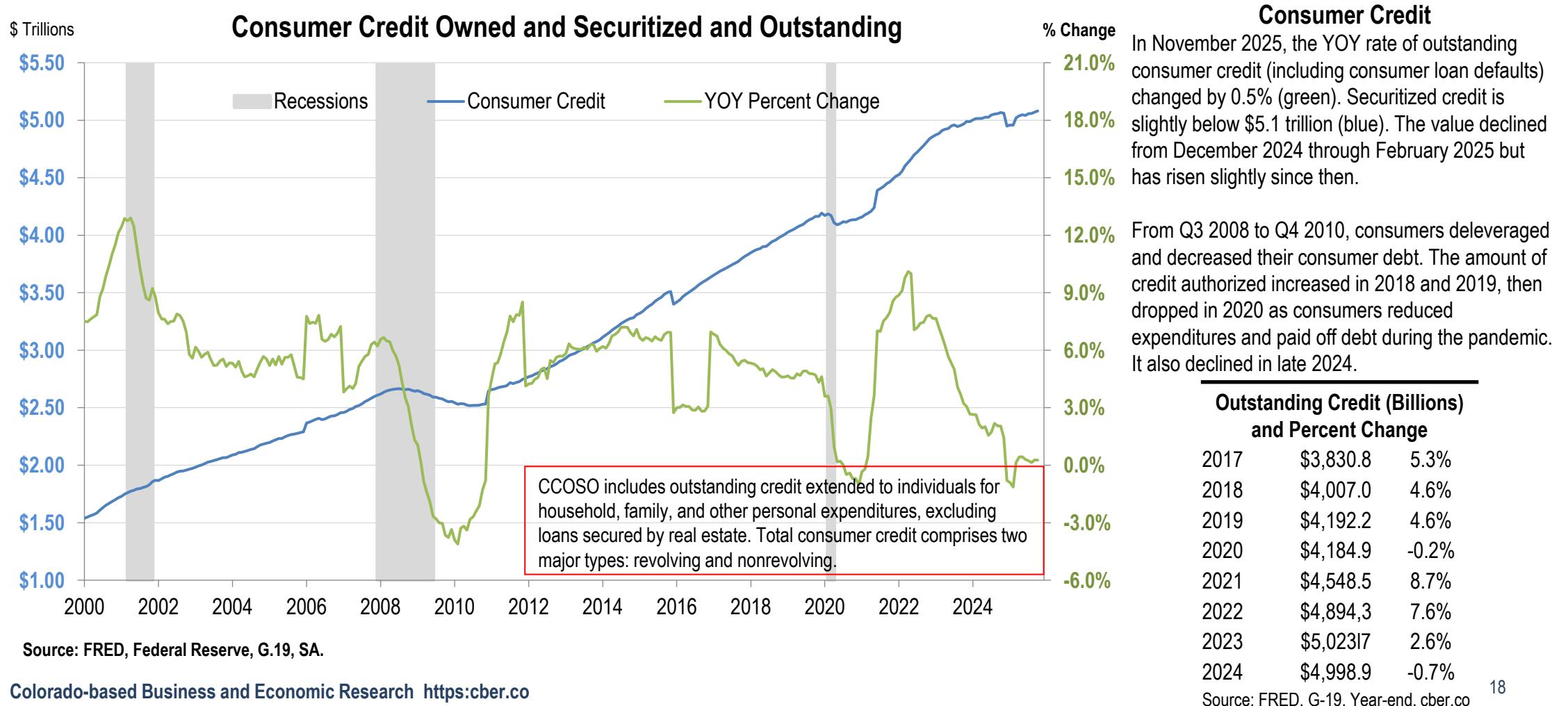
2017	\$748.0	5.0%
2018	\$1,338.9	8.4%
2019	\$1,020.1	6.2%
2020	\$2,038.0	11.8%
2021	\$1,119.6	6.0%
2022	\$715.8	3.7%
2023	\$919.9	4.4%
2024	\$724.1	3.3%

Source: BEA, cber.co

Source: Federal Reserve, FRED, cber.co. Note: In October 2024 the data was updated, going back to 2019. It was revised again in December 2025.

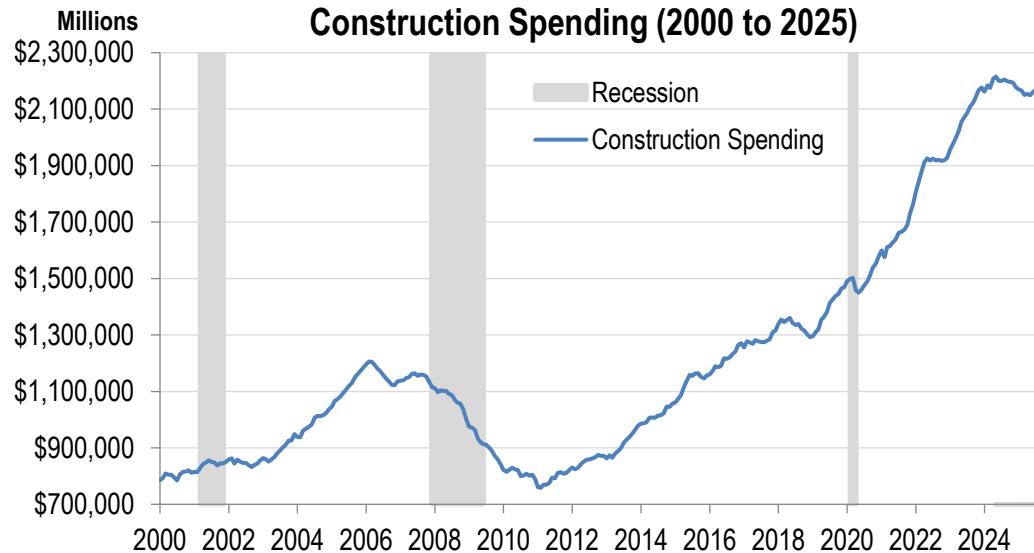
U.S. Consumer Credit Outstanding

United States



Construction Spending

United States



Construction Spending

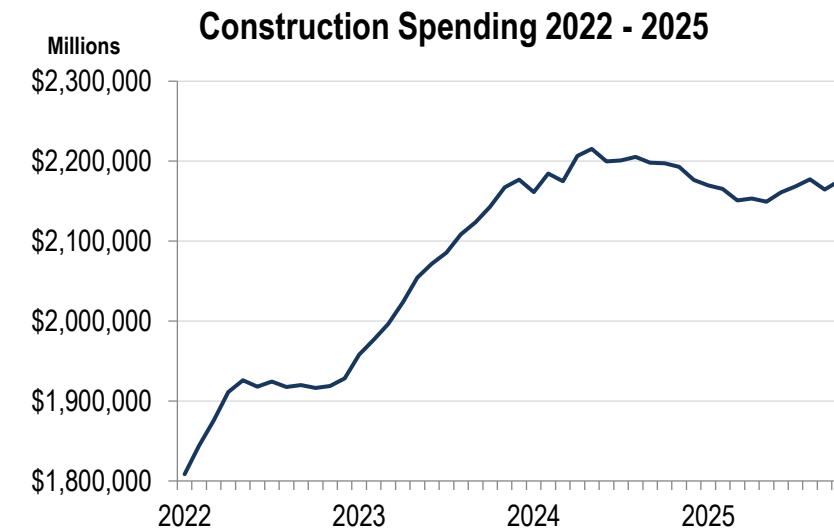
Upper Left: Between 2006 and 2011, construction spending declined. It then trended upward through early 2024. For the first 10 months of 2025, construction spending is 1.4% less than the same period in 2024.

Upper Right: This chart shows construction spending beginning in May 2022. It peaked in May 2024 and has since trended downward.

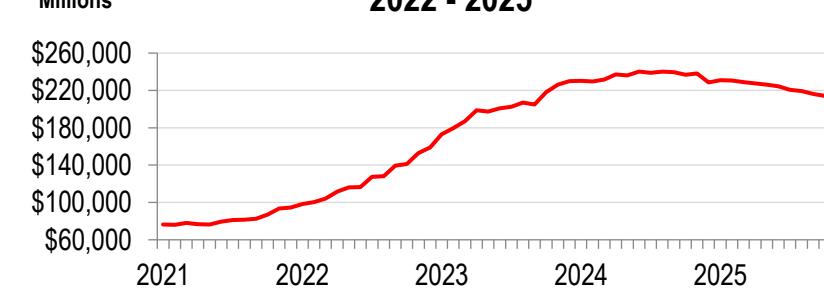
Lower Right: Federal funds have supported the construction of manufacturing facilities since 2022. Through 10/25, YTD spending is 5.2% below the same period in 2024.

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

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



Construction Spending – Manufacturing 2022 - 2025

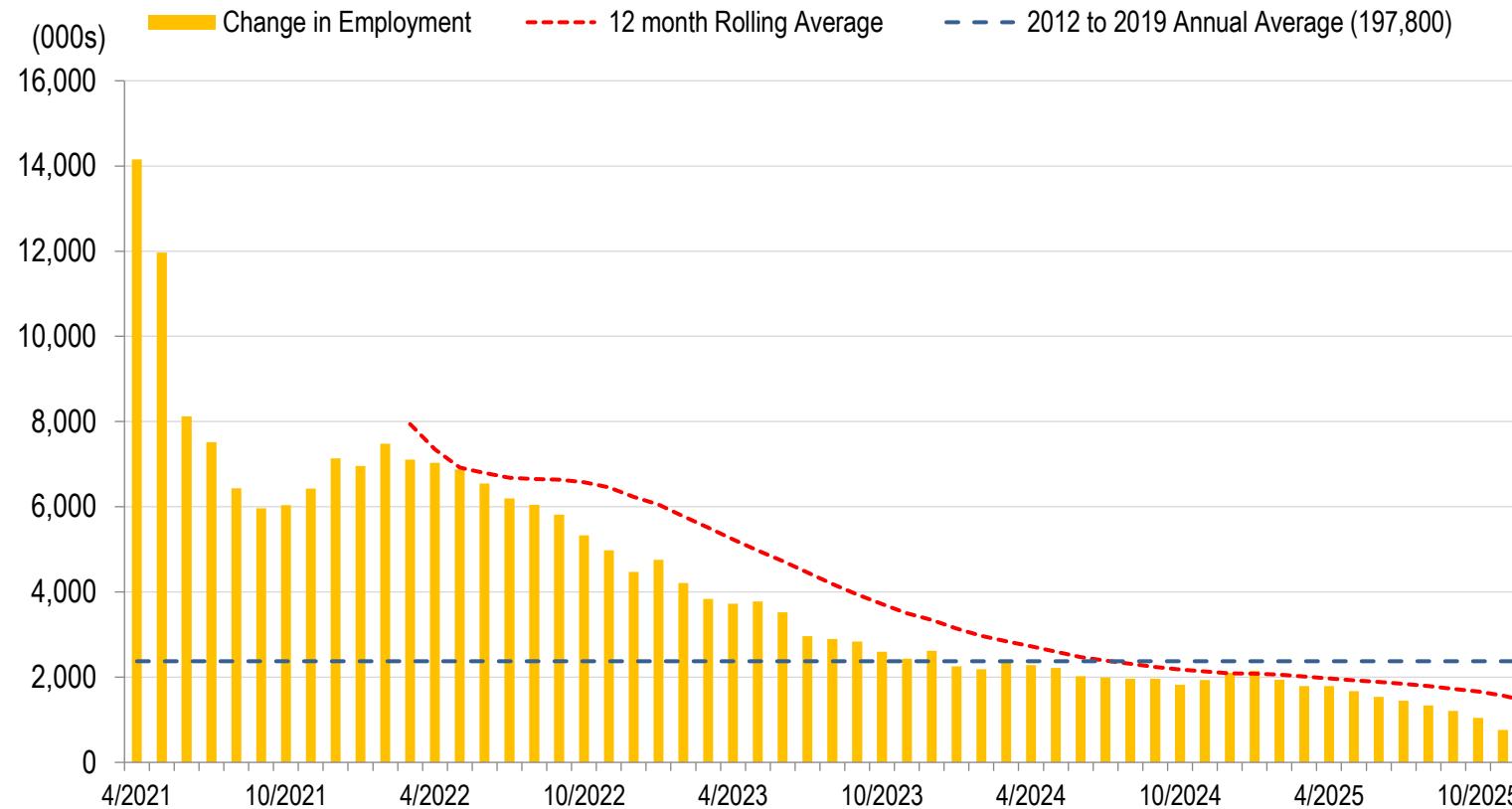


U.S. Employment

YOY Change in Employment

United States

YOY Change in United States Employment



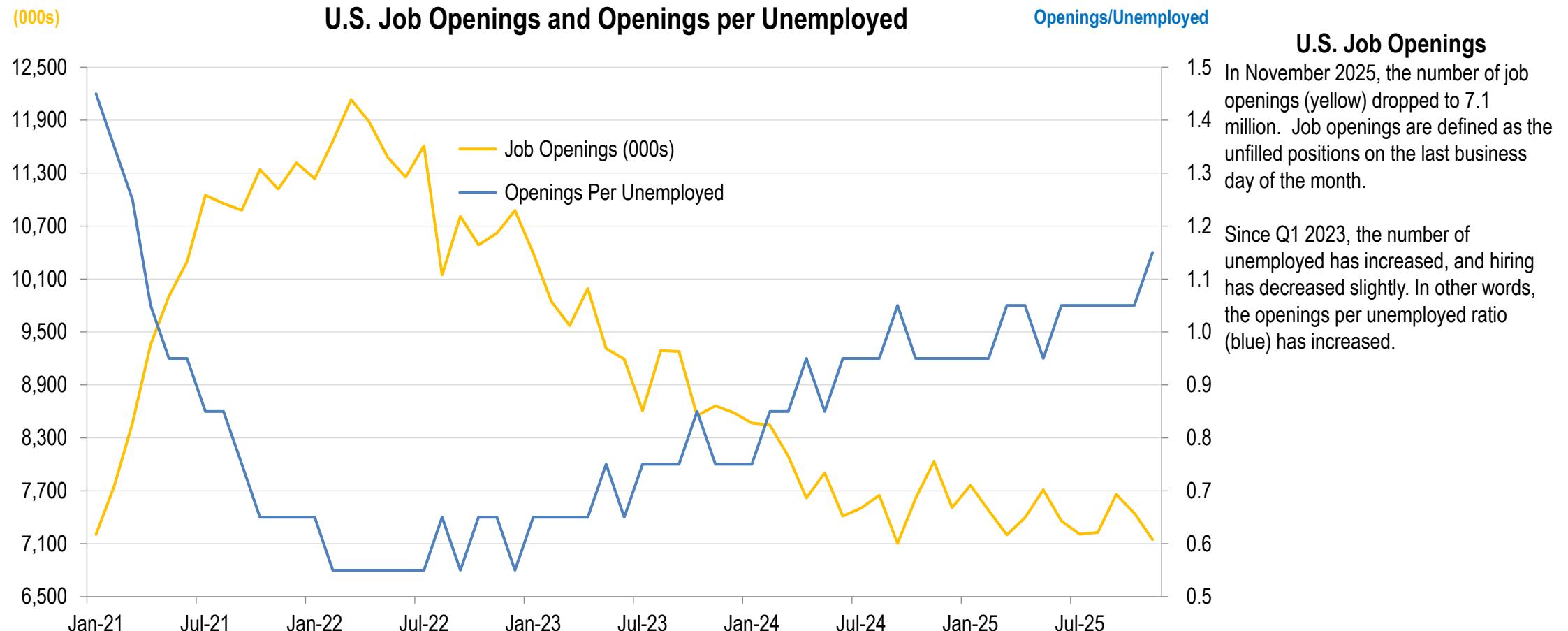
Change in U.S. Employment

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 was positive (yellow bars). It was 14.1 million. It trended downward to 525,000 in December 2025.

The 12-month rolling average (red dotted line) reached its peak at 7.9 million in March 2022. It has fallen to 1.43 million in December 2025. The yearly job growth (average) in 2025 was 119,000 on a monthly basis.

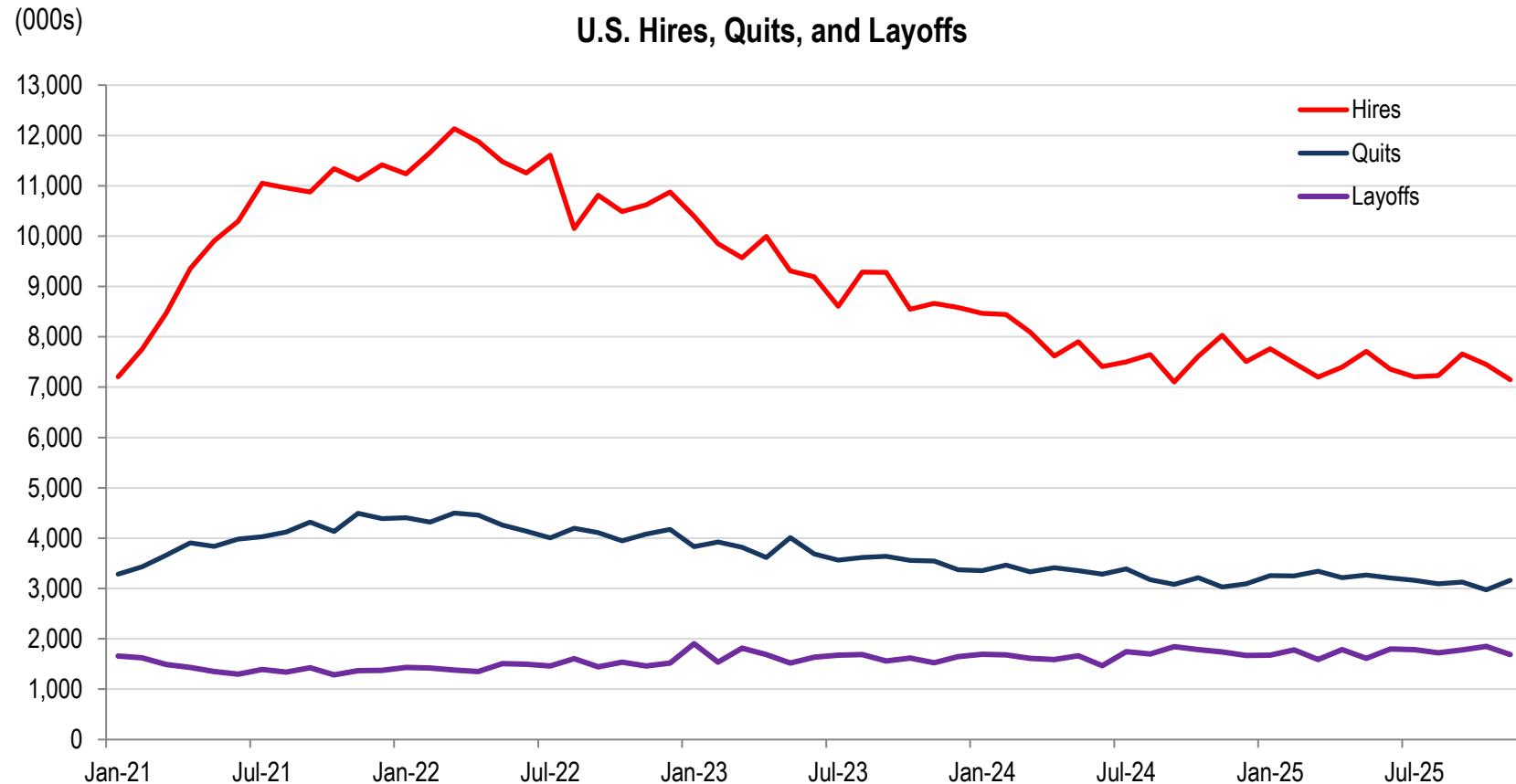
U.S. Job Openings and Openings per Unemployed



Source: BLS, JOLTS, SA, cber.co. Note: Openings per Unemployed not collected in October 25 because of government shutdown.

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

Hires, Quits, and Layoffs



Source: BLS, JOLTS, SA, cber.co.

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

U.S. Hires, Quits, and Layoffs

For the past year, the number of hires, quits, and layoffs has been fairly constant. Without significant changes in the hires and separations, the number of employees is changing slowly.

Hires measure the actual additions to a company's payroll during the entire month. The number of hires (red line) trended downward after Q2-2022. The number of hires leveled out in mid-2024.

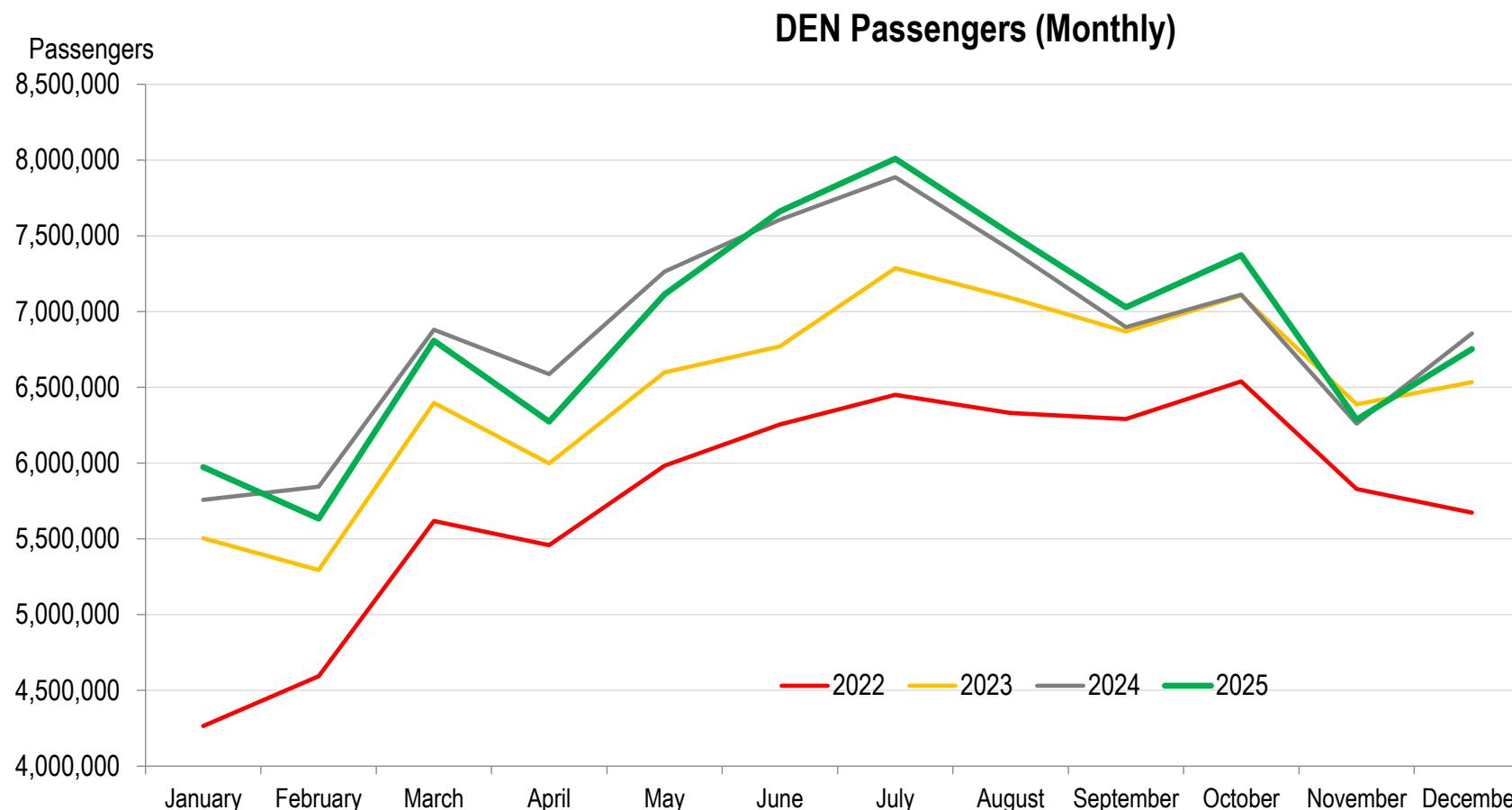
Following the pandemic era, there was an increase in the number of quits (dark-blue). This period was referred to as the Great Resignation. Since Q2 2024, the number of quits has been more constant.

Between 2021 and November 2025, the total number of layoffs (purple) has remained consistent.

Colorado Indicators

DEN and COS Passengers

Monthly



Air Travel
There were 82.4 million passengers through DIA in 2024 (grey line), a YOY increase of 5.8%. In 2025, there were 69,218 more passengers (green) than in 2024. The growth rate was 0.1%.

There were 2.47 million passengers through COS in 2024. For the first 11 months of 2025, there were 20,613 fewer passengers than during the same period in 2024.

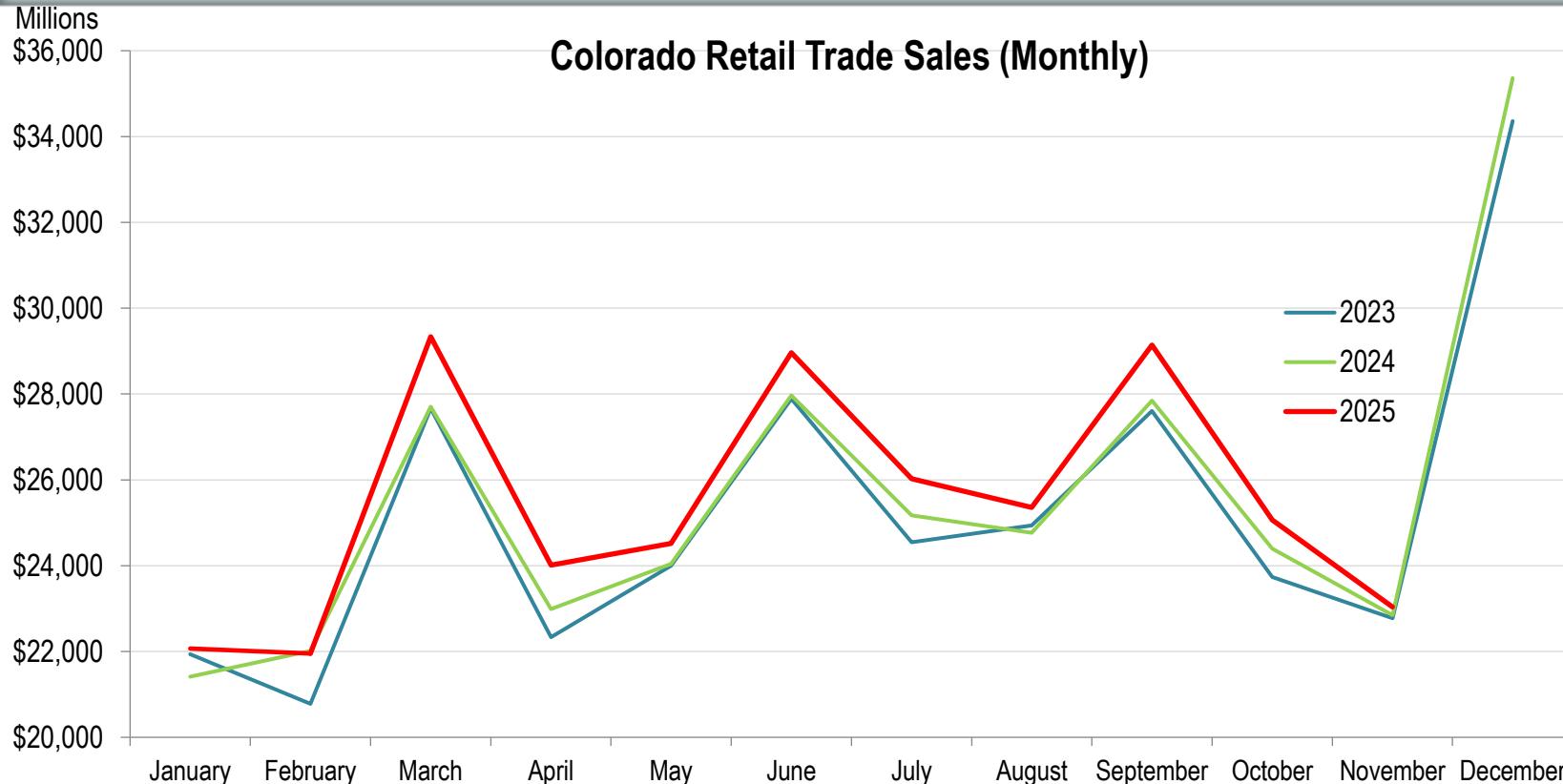
The passenger traffic at both airports is strong.

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

Colorado Retail Trade Sales

Monthly



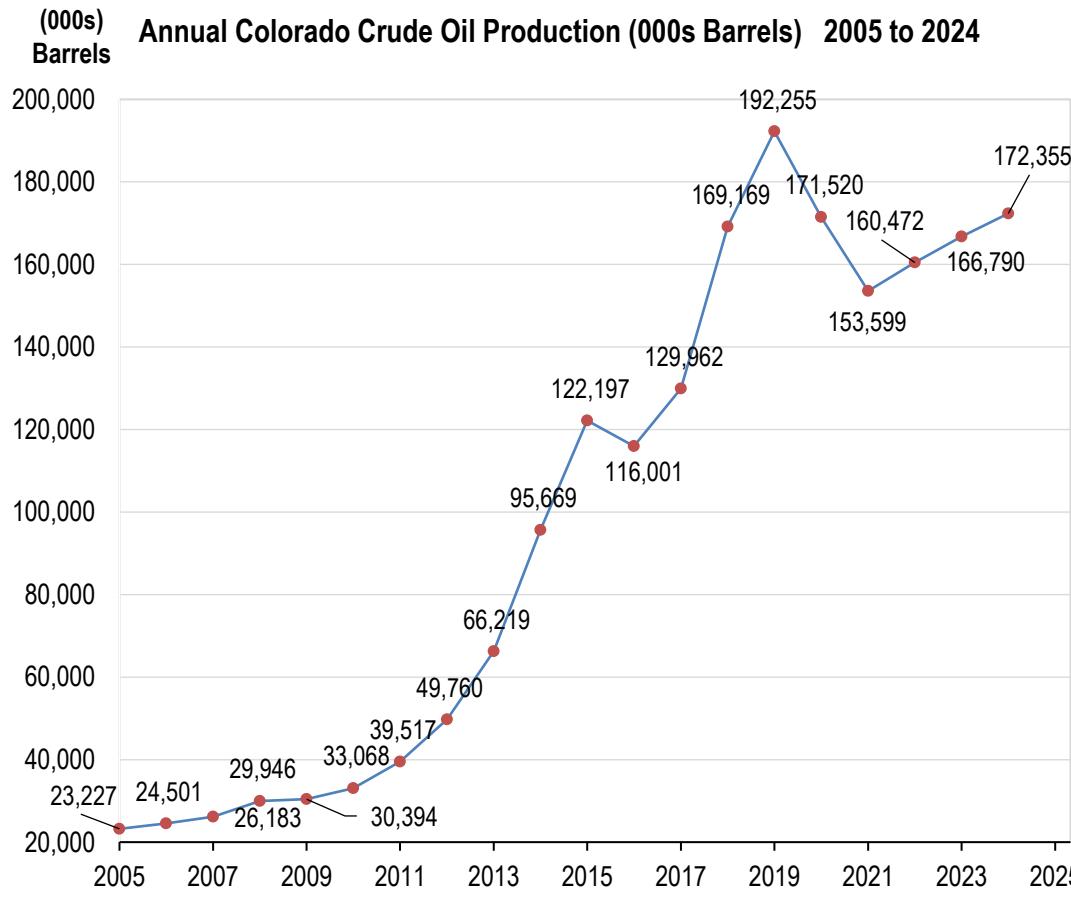
Colorado Retail Trade Sales
YTD sales through November 2025 were 3.1% greater than the same period in 2024. Retail trade sales for 2025 are likely to be 3.0% to 3.3% higher than in 2024. Consumers are spending, but at a lower rate than the U.S. rate.

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%

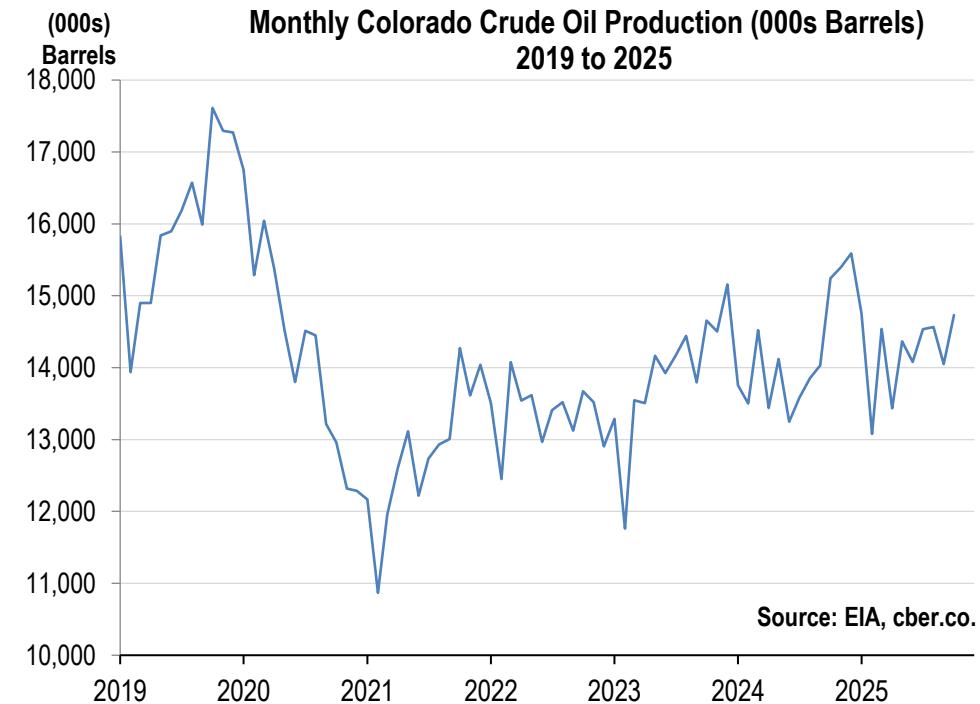
Source: Colorado Department of Revenue, <https://cdor.colorado.gov/retail-sales-reports>, cber.co. Note: Not adjusted for inflation.

Colorado Field Production of Crude Oil

2005 to 2025 (Thousand Barrels)



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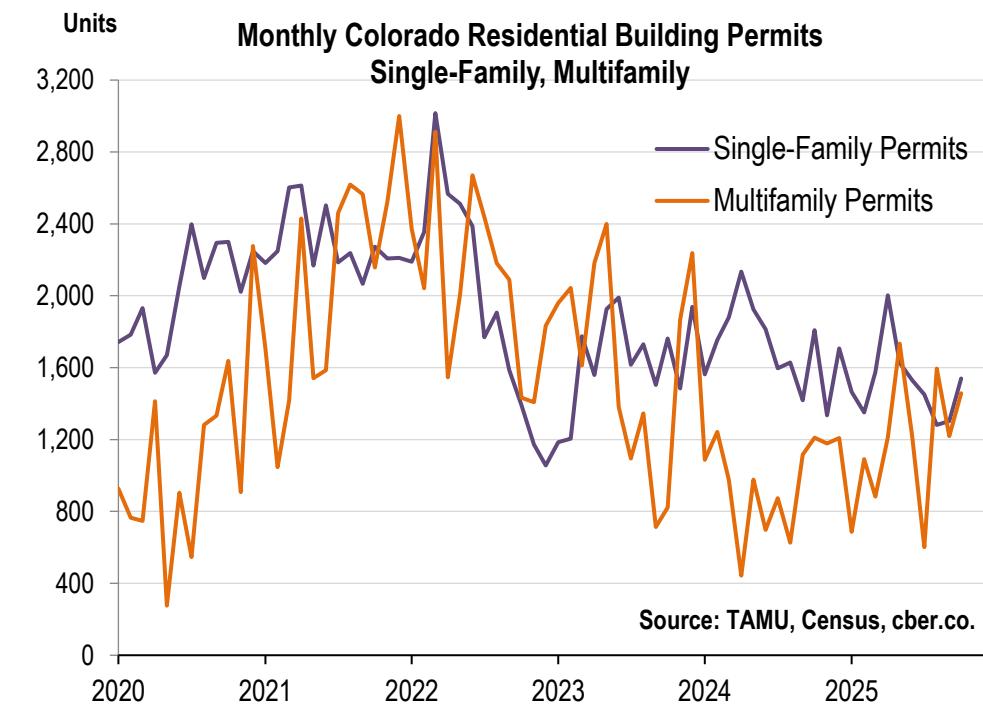
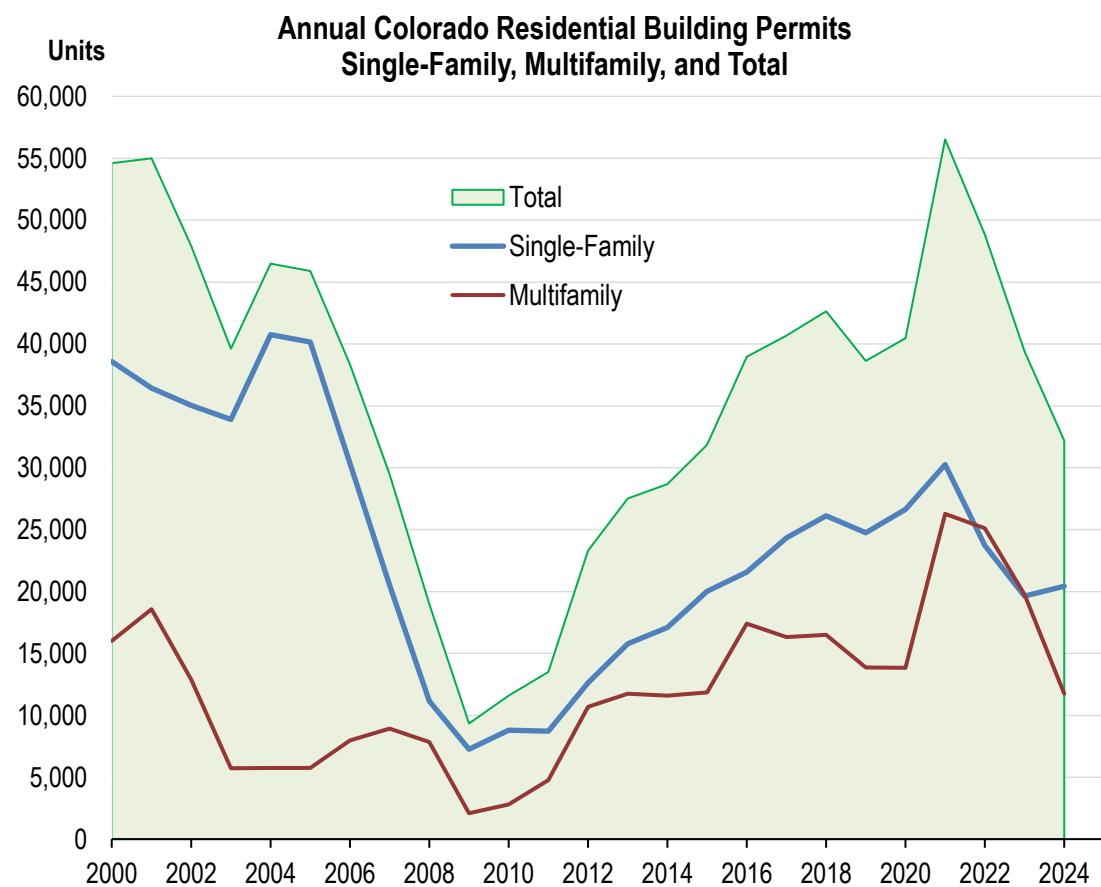


Above (Monthly): Production dropped in 2020 and increased at a steady rate between 2021 and 2024. So far in 2025, monthly production has been between 13,000 and 14,800 thousand barrels. The number of barrels produced through October 2025 is 2.0% greater than the same period in 2024.

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 was steady growth from 2022 through 2024.

Colorado Residential Building Permits

Single Family and Multifamily Units



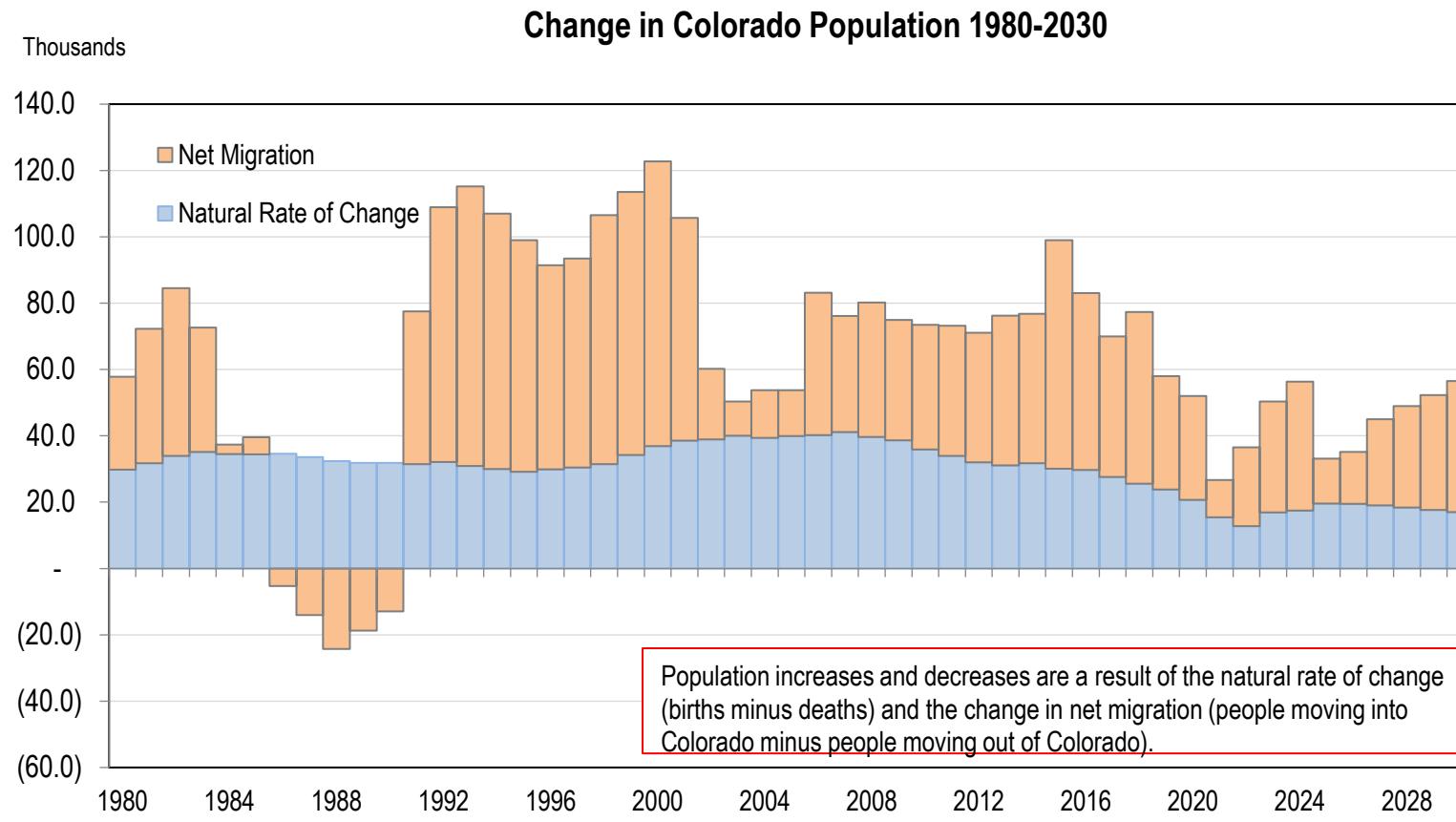
Above (Monthly): The total number of single-family permits for the first 10 months of 2025 changed by -14.0% (blue) compared to the same period in 2024, and multifamily permits changed by +26.0% (red).

Left (Annual): Over the past 25 years, the total number of permits (green) has ranged from 9,355 units in 2009 to 56,524 in 2021. There is currently a shortage of affordable housing, but the demand is not being met.

CO Population – The Economy Begins with a Job and a Person for the Job

Colorado Population

Components of Change



Components of Change

Since 2000, the population of Colorado has increased at a decreasing rate. Changes have occurred because of higher death rates, lower fertility rates, altered migration patterns, pandemic-related policies, and the aging of the baby boomers. Significant declines occurred in 2020 and 2021. International immigration decreased in 2025. It will likely decrease in 2026.

In 2026, there will be increases in net migration (15,654) and the natural rate (19,458). The total gain is 35,112 to 6,024,996.

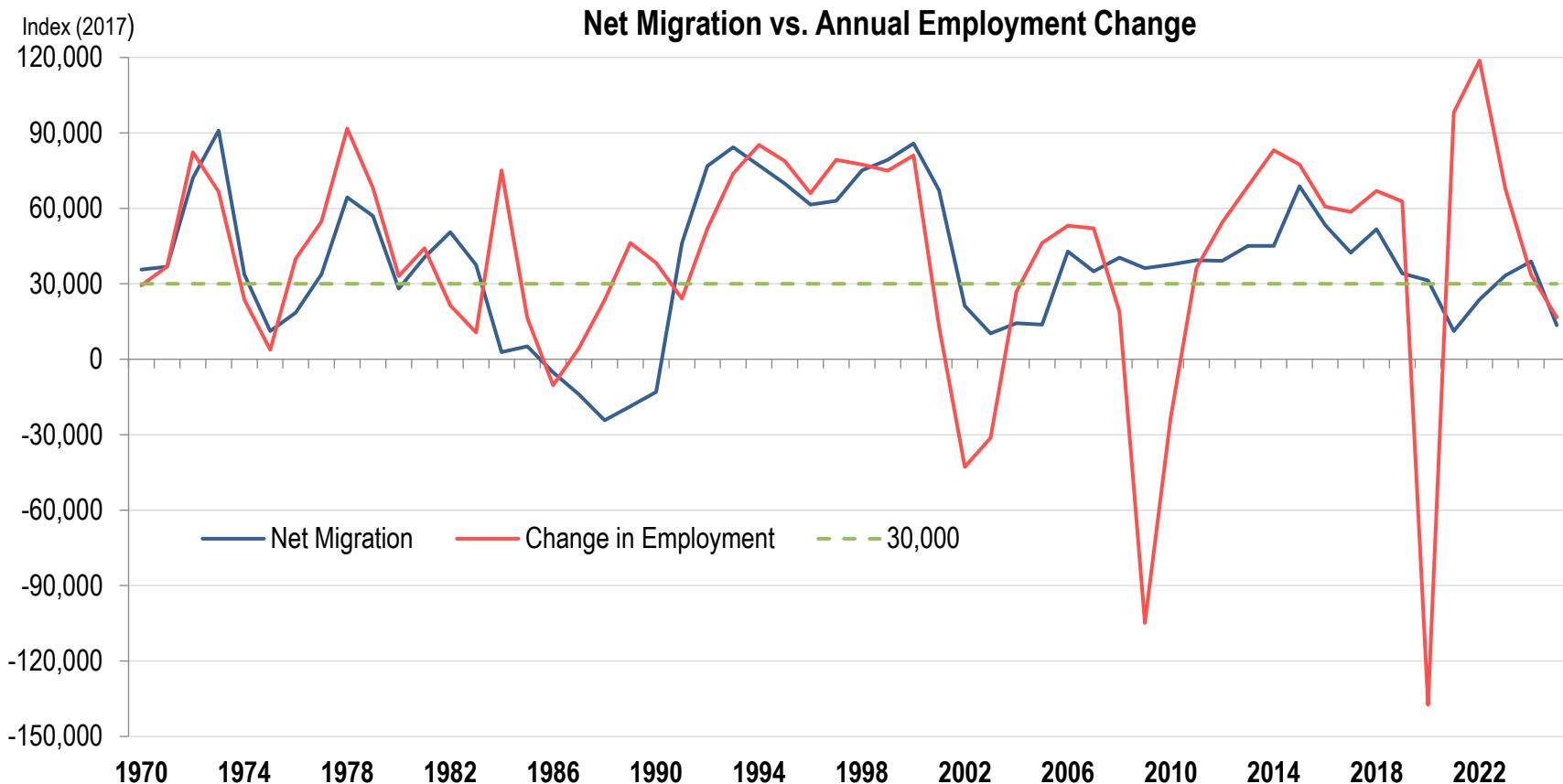
Despite the decrease in the natural rate of change and immigration, the population growth between 2021 and 2024 is positive. Between 1985 and 1990, there were five years of negative net migration.

Reduced job growth is often a function of low population growth.

Sources: State Demography Office, January 2026, and cber.co. Note: The data reflects changes released at the 2025 Demography Summit.

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Net Migration and Annual Employment Change



Net Migration vs. Annual Employment Change
Every job starts with a person!

Population change is dictated by the change in net migration and the natural rate of change (births minus deaths). Net migration is more volatile.

When net migration (blue line) drops below 30,000 (green dotted line), there is usually a decline in employment (red line).

The most notable decline in net migration occurred during the second half of the 1980s. In 1982, Exxon abruptly shut down its Colony oil shale project in Parachute, laying off over 2,000 workers. This was followed by the savings and loan debacle and the failure of Silverado Savings.

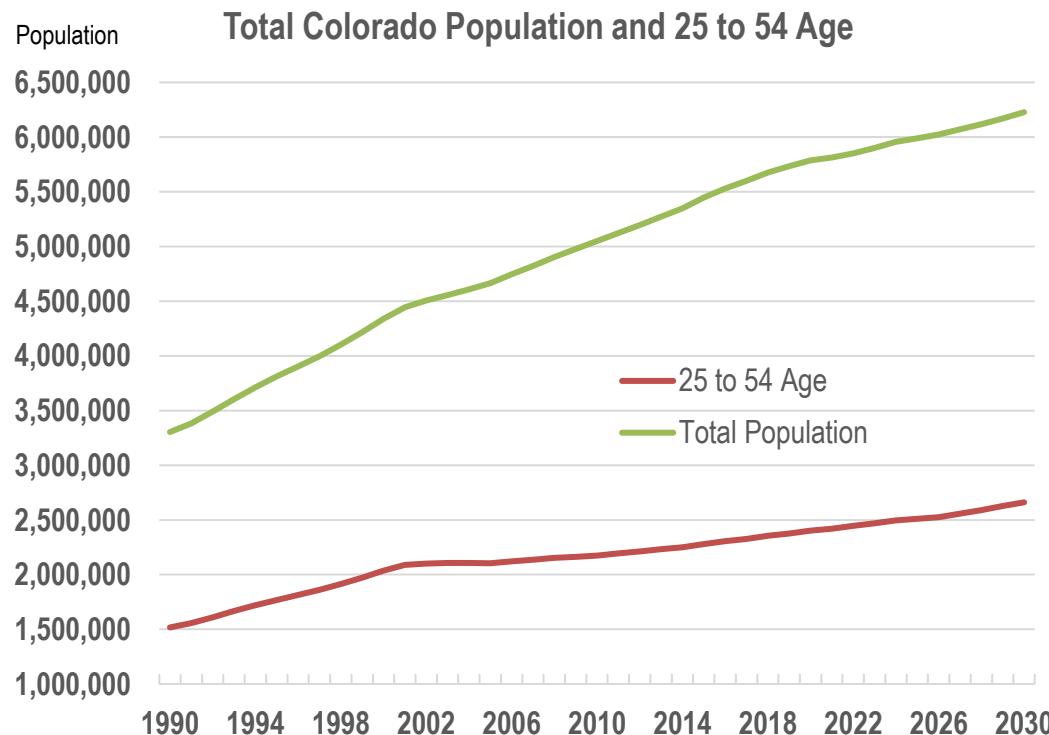
Source: BEA, SQGDP8, Chain-type quantity indexes for real GDP by State, cber.co.

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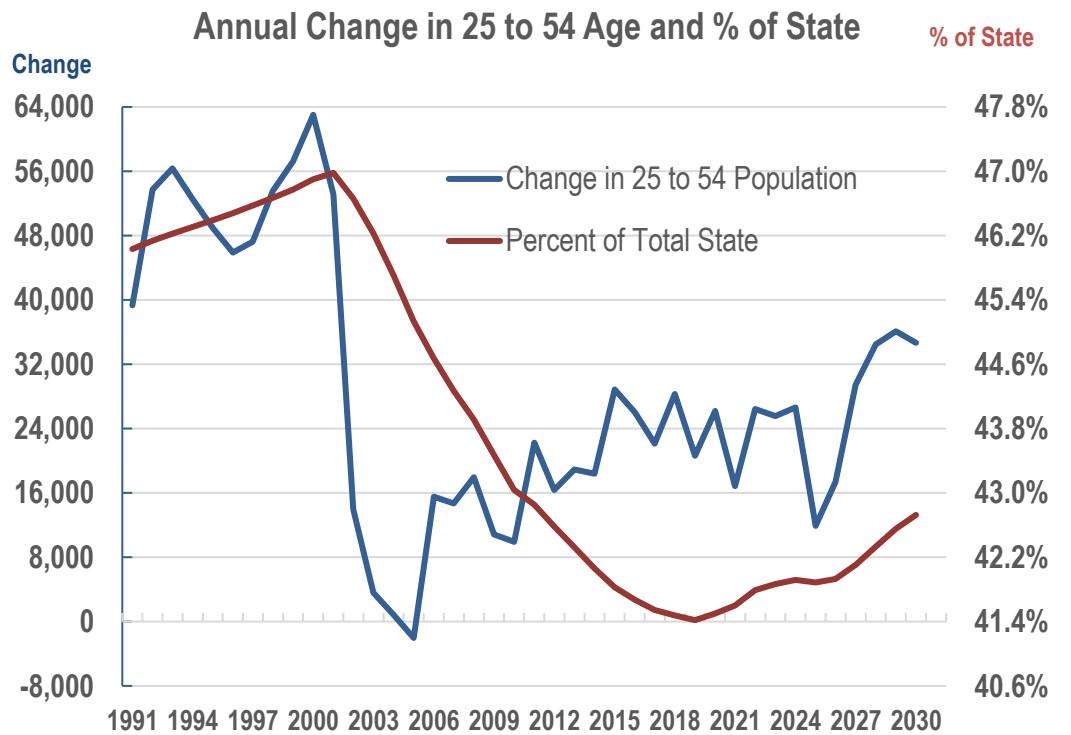
Colorado Population

25 to 64 Age

Primary Market - The primary age category of the workforce is 25-to-54 years (burgundy line). Between 1990 and 2030, the size of this age group increased at a slower rate than the overall population (green line), from 1.5 million to 2.7 million in 2030. The population increased from 3.3 million to 6.2 million over that same period.



Change in Age Category - From 1991 to 2030, the change in the 25-to-54 age category is volatile (blue). The smallest change was -2,000 in 2005, and the largest change was 63,000 in 2000. In 1991, the age category was 46% (burgundy) of the population. It is projected to be 42.7% in 2030.



Sources: State Demography Office, January 2026, and cber.co. Note: The data reflects changes released at the 2025 Demography Summit.

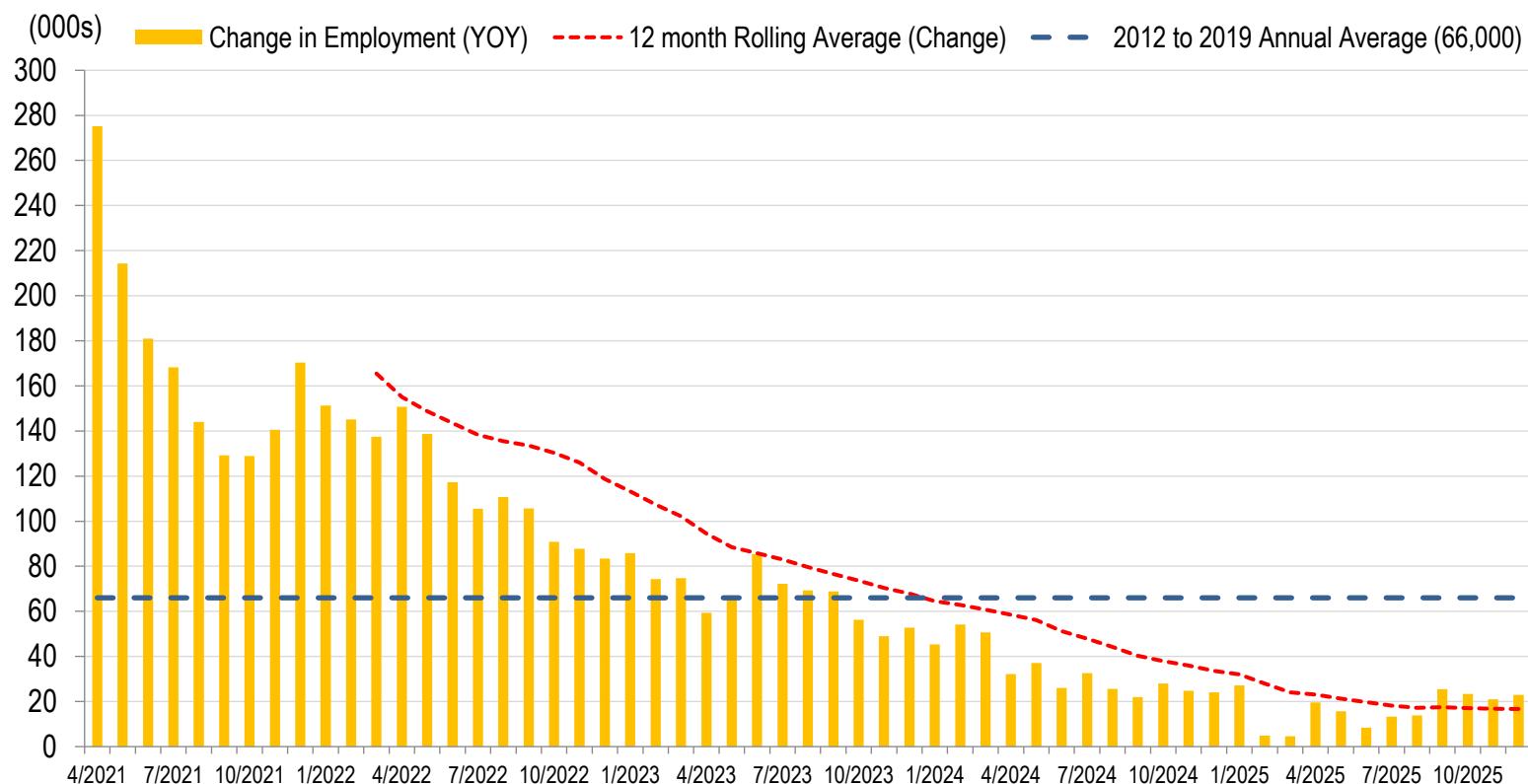
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Colorado Employment and Unemployment Rate

YOY Change in Employment

Colorado

YOY Change in Colorado Employment



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 (yellow bars). The change was 275,200. Since then, the YOY monthly employment has trended downward. In December 2025, the YOY NSA employment was 22,900.

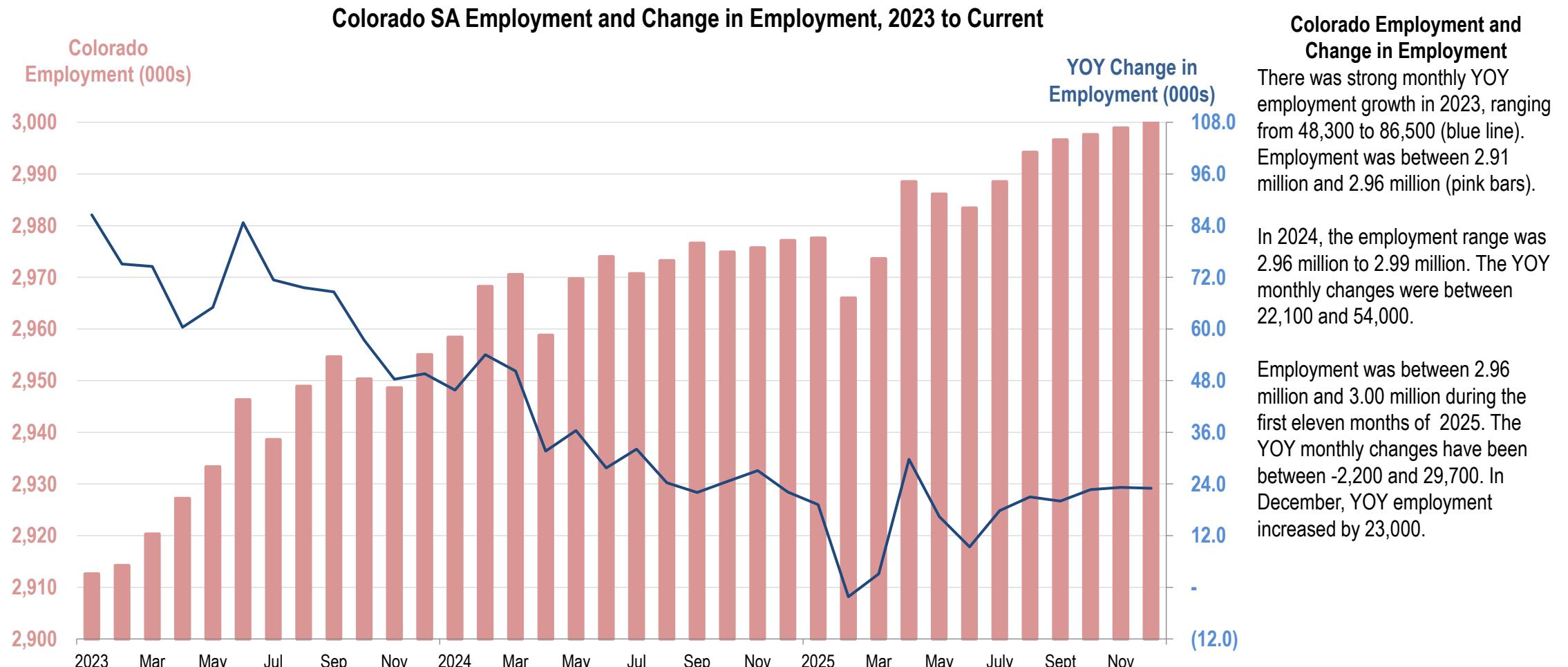
The 12-month rolling average (red dashed line) reached a peak in March 2022 at 165,500. It has since trended downwards and was 16,700 in December 2025.

The Colorado labor market has grown at a slower rate than the labor market in the United States. Weak growth will continue through 2026.

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

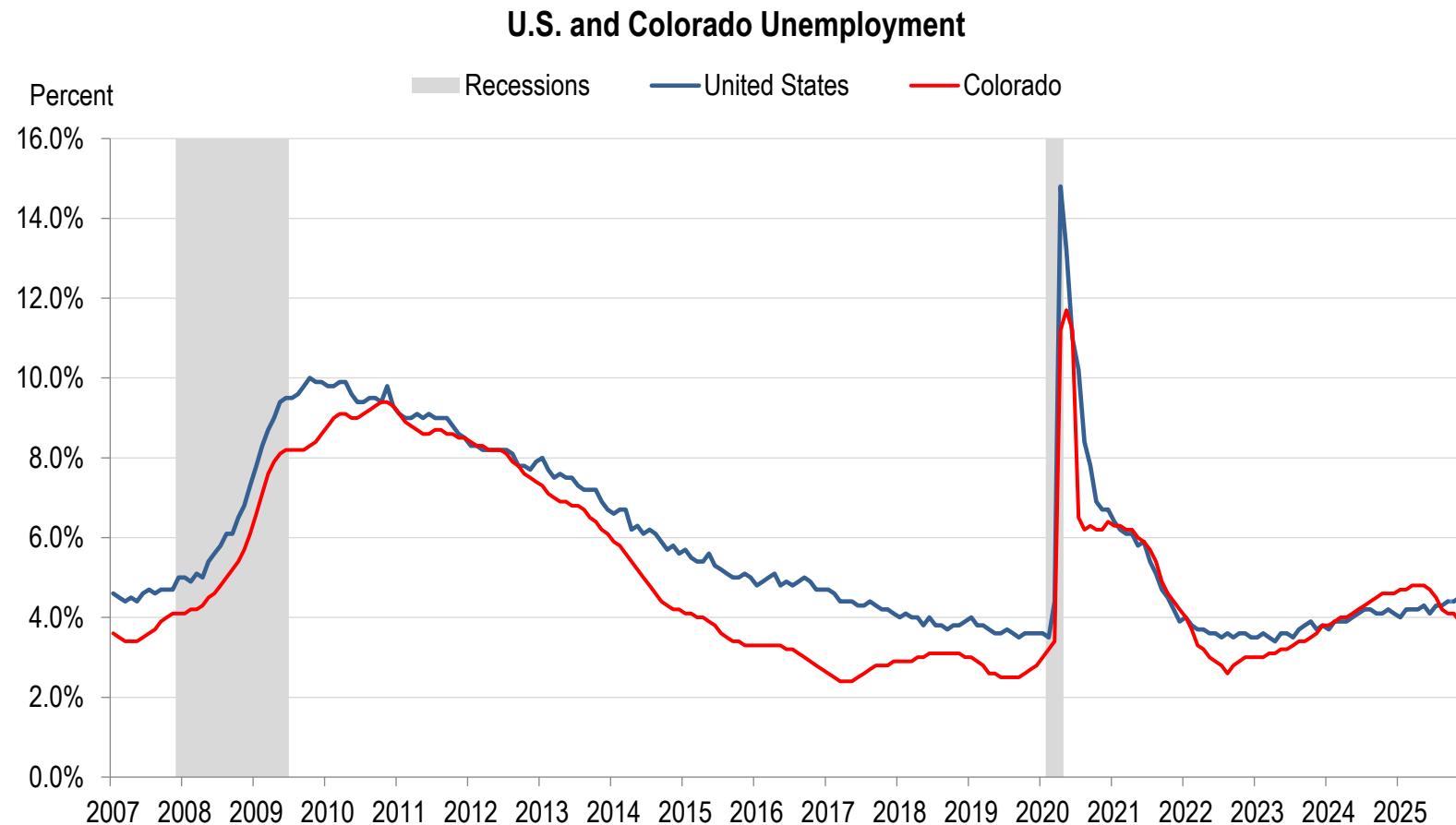
Colorado Employment

2023 to Current



Unemployment Rate

United States and Colorado



Unemployment Rate

The Colorado unemployment rate (red line) was 3.8% in December 2025. The U.S. rate (blue line) was 4.4% in December. Because of the government shutdown, the rate for October was not calculated.

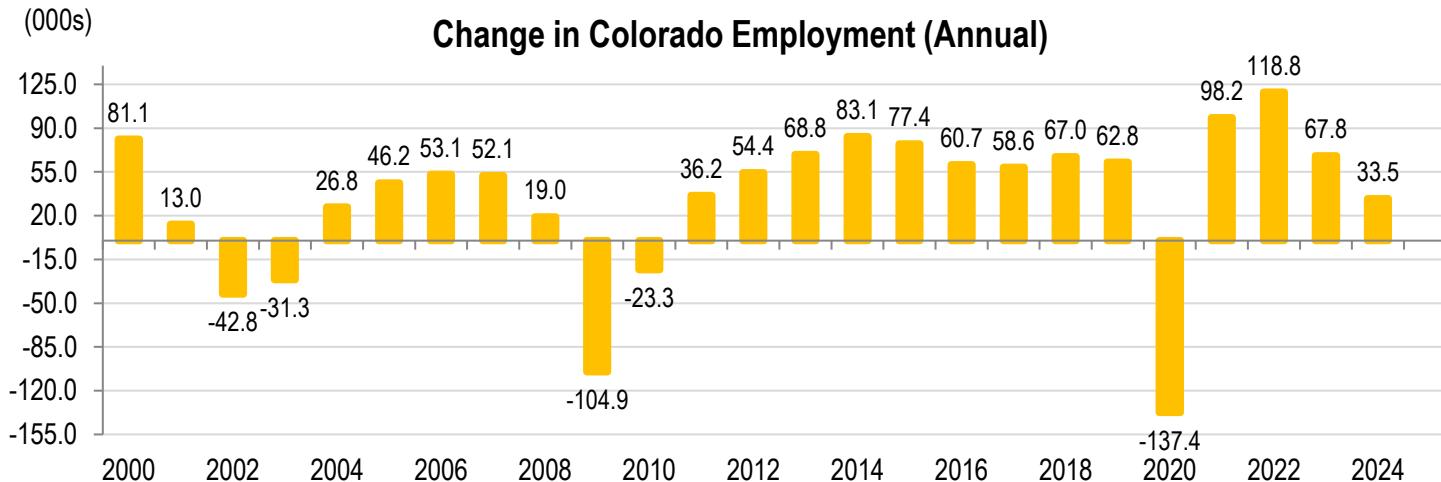
Since 2007, in about 90% of the months, the Colorado unemployment rate was less than the U.S. rate. That was not the case in 2024 and the first seven months of 2025.

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%

Change in Colorado Employment

Colorado 2000 to 2024



Change in Colorado Employment – 2000 to 2024

The chart to the left shows the annual change in employment for the 25 years between 2000 and 2024. The period includes three recessions, as shown by five years when the change in employment was negative.

The purpose of Table I is to show whether the change in the economy shows broad-based growth or decline based on the change in the 22 sectors evaluated.

For example, in 2002, the change in 10 sectors was negative, and the change in 5 sectors was between zero and two percent.

The years (2002, 2003, 2009, 2010, and 2020 – highlighted in red) clearly lacked broad-based growth. For the period of strong growth (2013 to 2019, there were between one and two sectors that had negative changes in growth and between 12 and 17 sectors that posted growth greater than 2.0%. There was weak growth in 2024. When the 2025 data is finalized, it will show that there was weak growth in 2025.

Table I - Breakdown by Growth Rate by Number of NAICS Sectors (2000 to 2012)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Negative	2	5	10	12	5	3	4	3	5	15	12	6	3
0% to 2.0%	4	7	5	6	9	8	6	3	7	3	6	6	4
More than 2.0%	16	10	7	4	8	11	12	16	10	4	4	10	15
Total Sectors	22	22	22	22	22	22	22	22	22	22	22	22	22

Table I (continued) - Breakdown by Growth Rate by Number of NAICS Sectors (2013 to 2025)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Negative	2	1	1	1	1	1	1	18	4	1	5	6	
0% to 2.0%	8	5	4	7	8	6	8	1	5	3	2	7	
More than 2.0%	12	16	17	14	13	15	13	3	13	18	15	9	
Total Sectors	22	22	22	22	22	22	22	22	22	22	22	22	0

The years highlighted in green (2013 to 2019) were years with broad-based growth.

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

Change in Colorado Employment By Sector 2000 to 2024

Change in Large Colorado Employment Sectors (2000 to 2024)				
Industry	Empl.	>2.0%	0.0% to 2.0%	< 0.0%
Healthcare	333.8	20	4	1
Prof, Scien, Tech	291.4	18	2	5
Acc. Food Serv.	289.9	14	8	3
Retail Trade	274.3	7	10	8
Construction	186.6	13	5	7
Financial Activities	178.5	9	7	9
Admin. Services	157.6	12	4	9
Manufacturing	149.1	7	5	13
Local Education	145.6	10	10	5
Local Government	142.8	12	9	4
Other Services	132.3	15	7	3

Of the eleven largest industries, healthcare and PST are the most reliable sectors for job creation, followed by other services and AFS. Healthcare employment declined only once since 2000.

Construction, administrative services, and local K-12 education and government are modest and inconsistent contributors. Many factors drive construction employment growth. Administrative services have evolved, and funding has had a significant impact on local government.

Manufacturing, retail trade, and financial activities are the most volatile, with weaker contributions. Manufacturing and retail trade have experienced significant change over this period.

Colorado Employment 2000 to 2024

There have been fifteen years of job growth greater than 2.0%, five years between 0.0% and 2.0%, and five years of job losses.

Change in Small Colorado Employment Sectors (2000 to 2024)

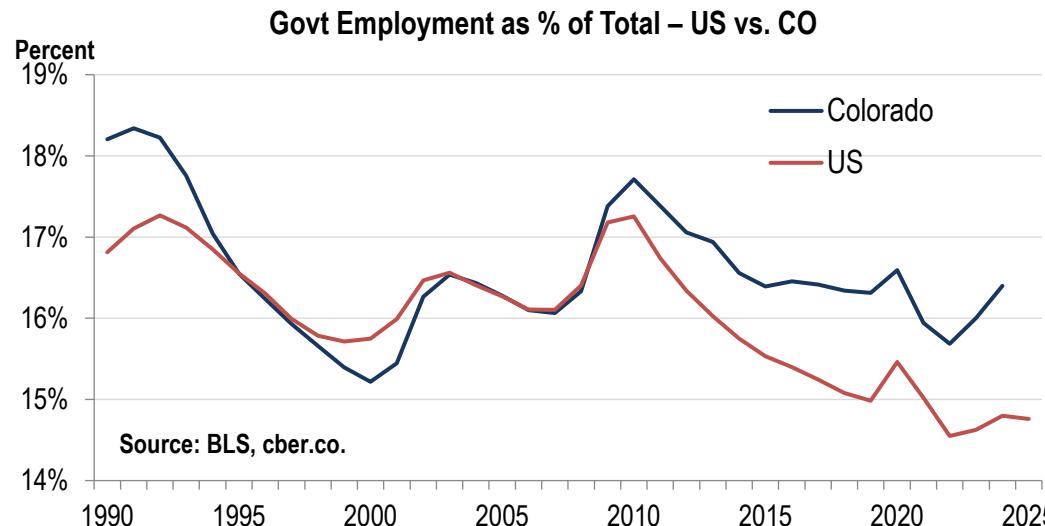
Industry	Empl.	>2.0%	0.0% to 2.0%	< 0.0%
Transp., Whs. Util.	118.0	15	6	4
Wholesale Trade	116.9	10	8	7
State Higher Ed.	82.9	17	5	3
Information	74.3	3	9	13
Arts, Ent. Rec	63.5	15	5	5
State, Excl. Ed.	58.9	14	9	2
Federal Gov't.	57.0	5	8	12
Educ. (Private)	48.8	20	4	1
Mgmt. Corp. & Ent.	47.3	20	3	2
Extractive Ind.	21.7	14	5	6

Of the ten smallest industries, the most reliable sectors for job growth have been management of corporations and enterprises, private education, and state higher education. Job losses were rare, and these sectors have enjoyed strong growth in most years.

The following four sectors have demonstrated modest job growth over time: AER (part of leisure and hospitality), TWU, state government, and extractive industries.

The three weakest industries are wholesale trade, federal government, and information.

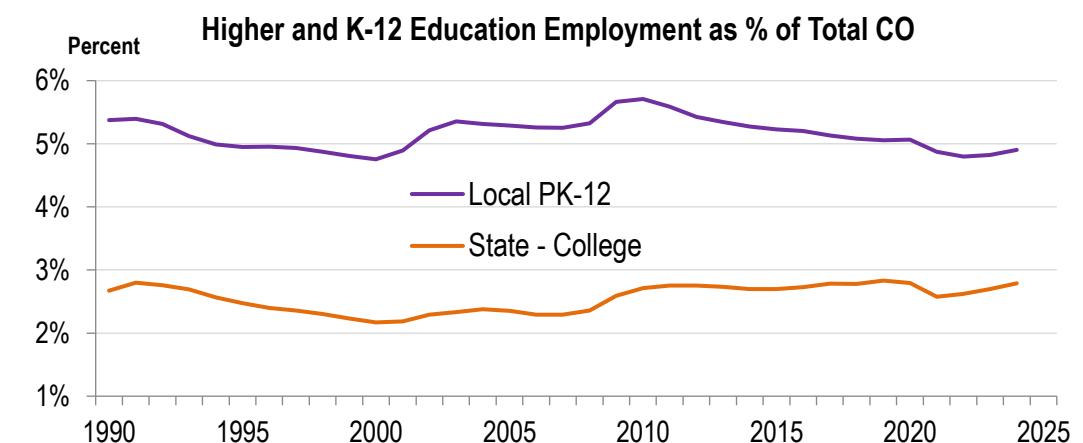
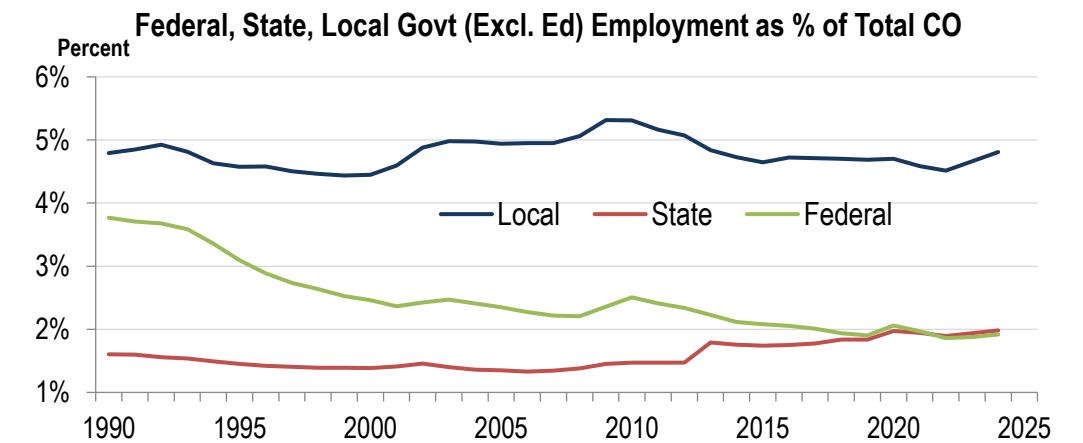
Government as a Percent of Total Employment



Upper Left: As employment increases, government employment becomes a smaller percentage of the total. Colorado government employment (16.4%) as a percentage of total employment has been greater than the U.S. percentage (14.8%) since 2009.

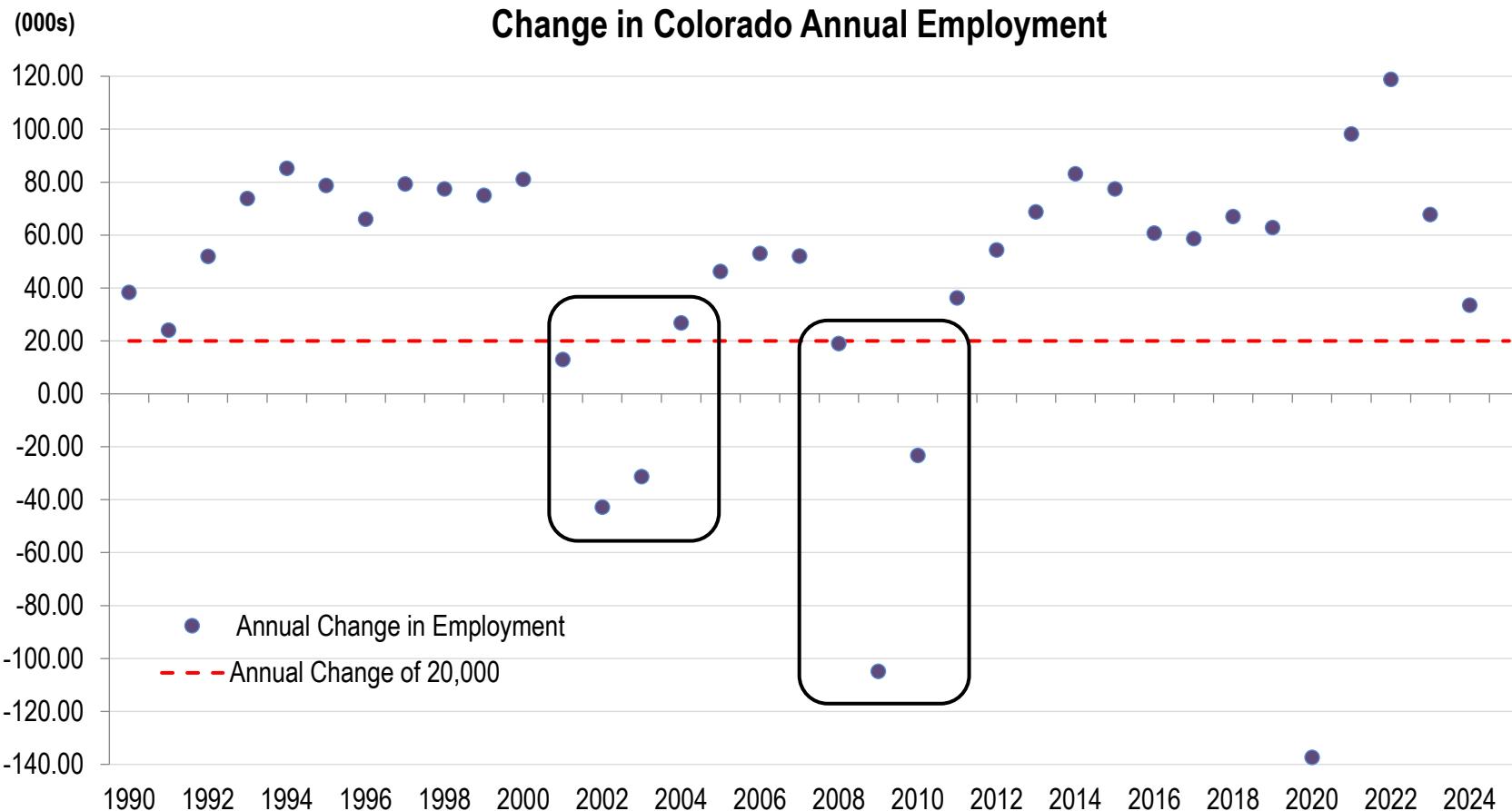
Upper Right: Over time, the share of local government (blue) has remained relatively flat, federal employment (green) has declined, and state government (red) has increased

Lower Right: Both local (purple) and state (orange) education employment have maintained a steady percentage of employment during this period.



Colorado Employment

Annual Change 1990 to 2024



Annual Change in Employment
Between 1990 and 2024 (35 years), the change in employment was greater than 20,000 for 28 years. It was less than zero in five years and between zero and 20,000 in two years. In 2001, the increase was 13,000 (black rectangle on the left). This preceded job losses in 2002 and 2003, with weak job growth in 2004.

In 2008, employment increased by 19,000. This was before job losses in 2009 and 2010 (black rectangle on the right).

In 2020, there were record job losses associated with the pandemic.

The only time the increase in employment was between zero and 20,000 was in years when employment was weak, because it was associated with a recession.

Source: BLS, SA, cber.co.

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Colorado Economic Forecast Summary

What the Data Says and Expectations for the United States

U.S. Gross Domestic Product

- The strong growth in Q2 2025 and Q3 2025 is unlikely to be replicated in near terms. In 2026, real GDP growth is expected to be more subdued.
- The service-producing sectors drive the Colorado and U.S. real GDPs.

Disposable Personal Income per Capita, Credit Owned, and Savings

- The monthly change for real disposable personal income per capita has plateaued. This may foretell slower spending in the future.
- In addition, the Consumer Credit Owned and Securitized data is flat. This may be an indicator that consumers are becoming cautious.
- Finally, the savings rate has decreased. Households are spending more of their after-tax income rather than saving it.

Inflation

- CPI Inflation will likely remain between 2.5% and 3.0%. This is lower than from 2021 to 2023, when it peaked at 9.0%.
- In an ideal world, the Federal Reserve would like for inflation to reach the target rate of 2.0%. That is unlikely.

U.S. Indicators

- The S&P 500 increased by 24% in 2023, 25% in 2024, and 16% in 2026. The bull market is expected to continue during the first part of the year and possibly longer.
- The ISM indices point to weakness in manufacturing and modest growth in the services industries. The service industries will continue to drive the economy. The manufacturing sector must show stronger growth for the economy to show sustained growth in the future.
- Retail sales increased by about 4.0% in 2025. This was modest growth, but stronger than in 2023 and 2024. There will be modest growth in 2026.
- Construction spending trended downward in 2025.

U.S. Employment

- In 2024, average monthly employment increased by 174,000. In 2025, the monthly average was 119,000. Job growth will be constrained by the lack of workers.
- JOLTS data showed that hiring was declining. It was a tough market to enter. Quits and layoffs were flat.

What the Data Says and Expectations for Colorado

Colorado Gross Domestic Product

- The Colorado GDP has been slightly more robust than the U.S. real GDP.
- The Service Producing Industries drive the Colorado and U.S. GDP.

Colorado Population

- The 25 to 54 age group is growing at a slower rate than other age groups.
- Population growth has slowed because the lower fertility rates have reduced the natural rate of change. In addition, reduced net migration will prevent employment from increasing at a faster rate if there is not enough workers to meet the demand.

Colorado Indicators

- Colorado retail trade sales increase by 3.1% in 2025, lower than the national rate. Sales are expected to be more modest in 2026.
- A total of about 32,000 SF and MF permits were issued in 2024 and 2025, despite a shortage of affordable housing.
- Crude oil production increased in 2025 by about 2%. A similar increase is expected in 2026.
- There is strong air travel at DIA and COS.

Colorado Employment

- YOY Colorado employment has been weak since mid-2024. The preliminary growth for the year was 16,700 more than in 2024.
- Colorado's unemployment rate was 3.8% in December 2025. It declined from a peak of 4.8% earlier in the year. The December rate was less than the U.S. rate of 4.4%.
- There was broad-based weakness across sectors in 2024 and 2025.
- Healthcare, PST, other services, and AFS have been the dominant job creators.
- About 16.4% of Colorado employment is government employees compared to 14.8% for U.S. employment. Over time, the share of state government employment has increased, and the federal share of government employment decreased. Employment share for education and local government was flat.
- During the 35 years between 1990 and 2024, annual employment was greater than 30,000 in 21 years. The weak growth experienced in 2024 and 2025 is expected to continue in 2026.

Colorado Economic Forecast 2025 Summary

Colorado Economic Forecast					
	2023	2024	2025	2026	
Real GDP growth (Colorado) slowed in 2024. It has been subdued since then.	Real GDP Value (billions) (chained 2017)	\$440.2	\$448.8	\$458.5	\$467.9
	% Change Real GDP	4.0%	2.0%	2.2%	2.1%
The population (Colorado) will increase by 35,200 people in 2026, or 0.6%.	Colorado Population	5,900.4	5,956.7	5,989.8	6,025.0
	Annual Change (thousands)	50.3	56.3	33.2	35.2
Colorado employment is expected to increase by 30,000 in 2025 and remain weak through 2027. As a result, Colorado's unemployment rate is expected to increase.	CES Employment (thousands)	2,937.5	2,971.0	2,996.0	3,026.0
	Annual Change (thousands)	67.8	33.5	25.0	30.0
	% Change	2.4%	1.1%	0.8%	1.0%
	Unemployment Rate	3.2	4.3%	4.4%	4.8%
Consumers will be resilient, but careful. Retail sales improved in 2025. Sales will drop off slightly in 2026.	Retail Sales (billions)	\$302.6	\$306.4	\$316.6	\$324.2
	% Change	0.9%	1.3%	3.3%	2.4%
The inflation rate has declined from the high point between 2021 and 2023. The accumulated effect of those high rates can still be felt. Colorado inflation is forecasted to be 2.7% in 2026.	Consumer Price Index (CPI)	320.3	327.6	335.1	344.1
	% Change	5.2%	2.3%	2.3%	2.7%
	DIA Passengers (millions)	77.8	82.3	82.3	82.0
	Single Family (SF) Permits	19,641	20,534	18,100	17,500
	Multi-family (MF) Permits	19,763	11,751	14,100	13,500
	Oil Production (thousands) barrels	166,790	172,355	175,500	179,000

cber.co
Economic Outlook and Trends, Forecast for 2026
Colorado and the United States

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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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.