



# Legislative Council Staff Economic Outlook

---

CCI Foundation  
Summer Conference  
Keystone, CO  
March 19, 2026

**Elizabeth Ramey**  
Principal Economist  
Legislative Council Staff





# The U.S. economy is expected to continue expansion at a slow-to-moderate rate

Real U.S. Gross Domestic Product  
Percent Change

**Annual Growth**

2024: 2.8%

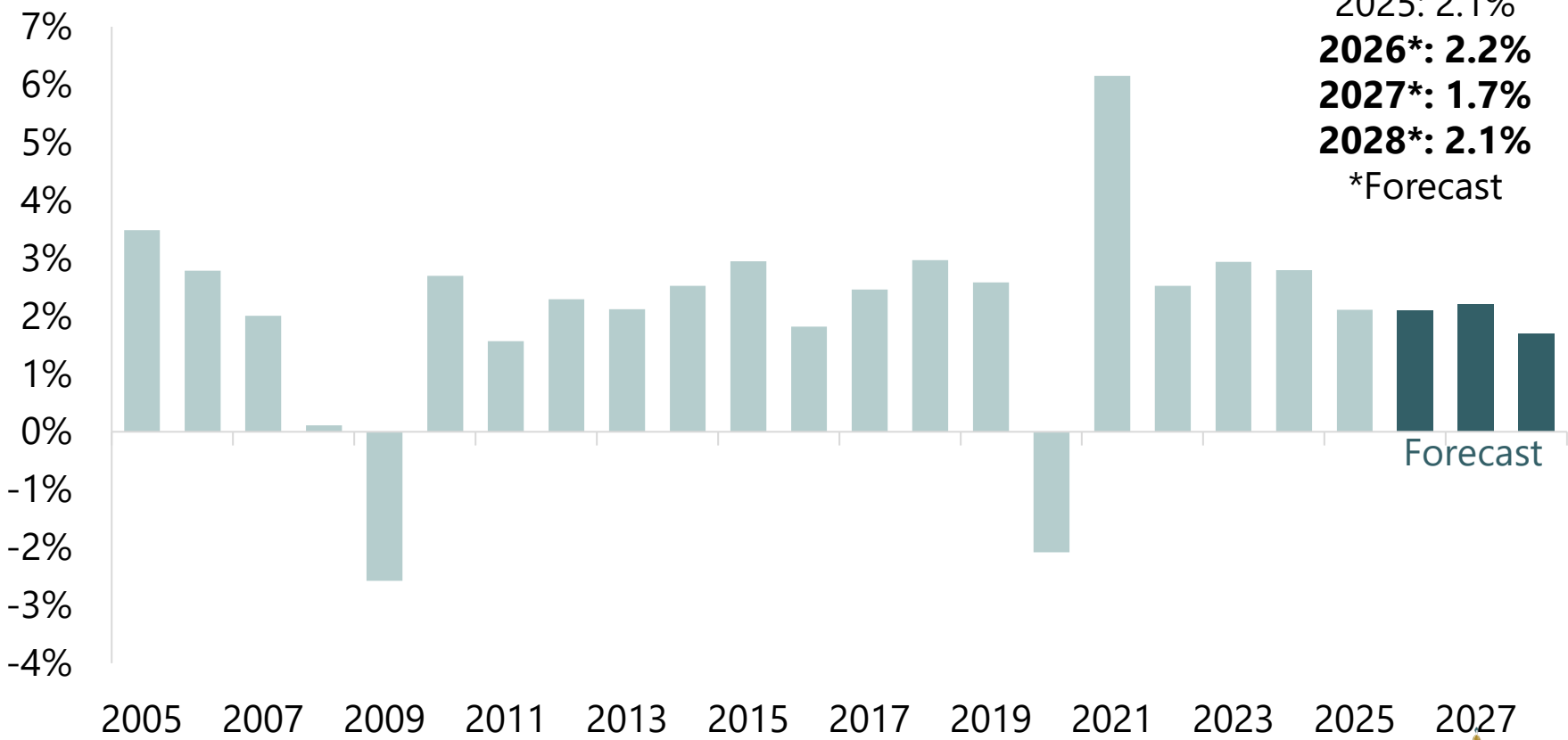
2025: 2.1%

**2026\*: 2.2%**

**2027\*: 1.7%**

**2028\*: 2.1%**

\*Forecast



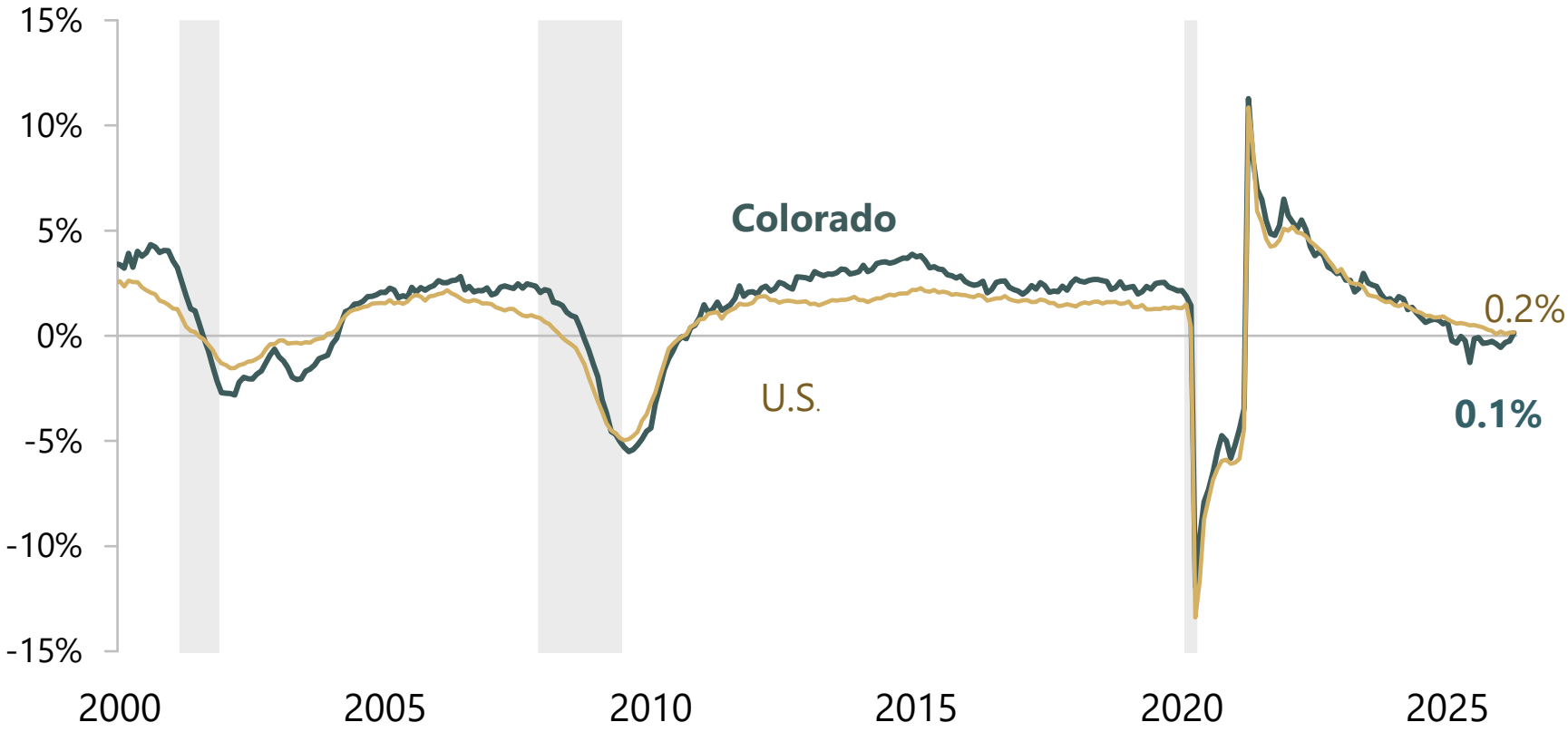
Source: U.S. Bureau of Economic Analysis and Moody's Analytics projections. Real GDP is inflation-adjusted to chained 2017 levels and shown at seasonally adjusted annualized rates.





# Slow employment growth expected to continue in the state and nationwide

## Nonfarm Employment Growth Year-over-year percent change



Source: U.S. Bureau of Labor Statistics. Data are seasonally adjusted and through April 2026.

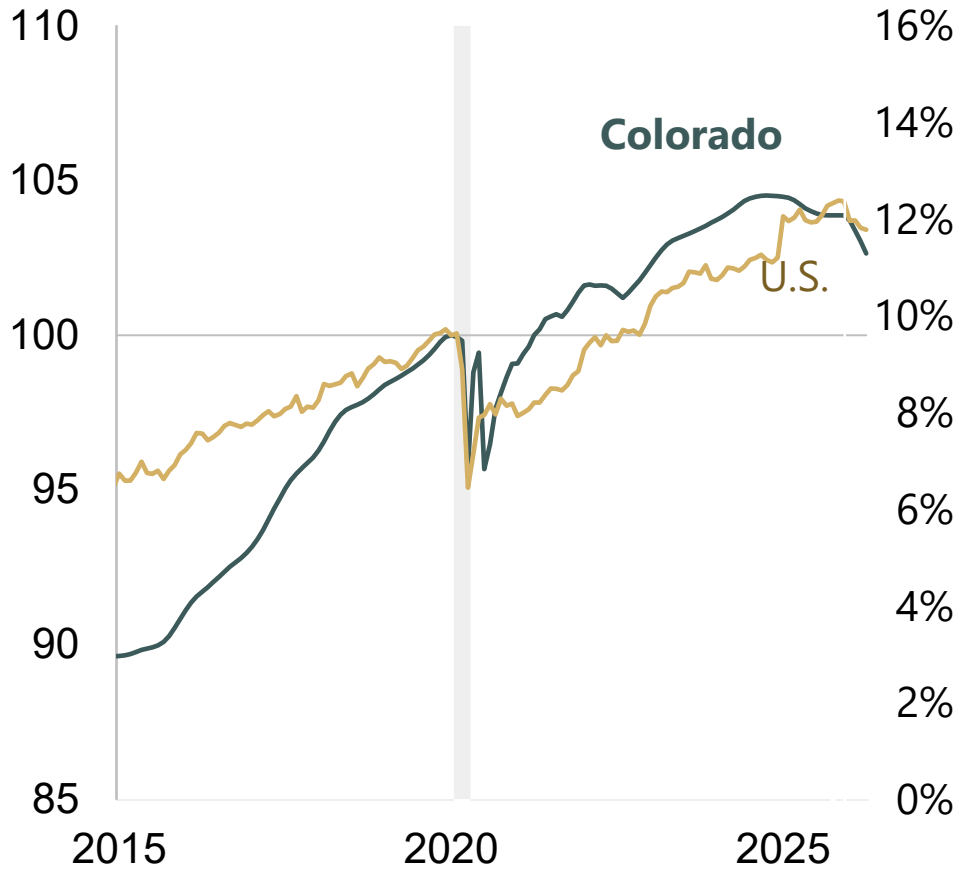




# CO Unemployment rate holds steady as the labor force shrinks

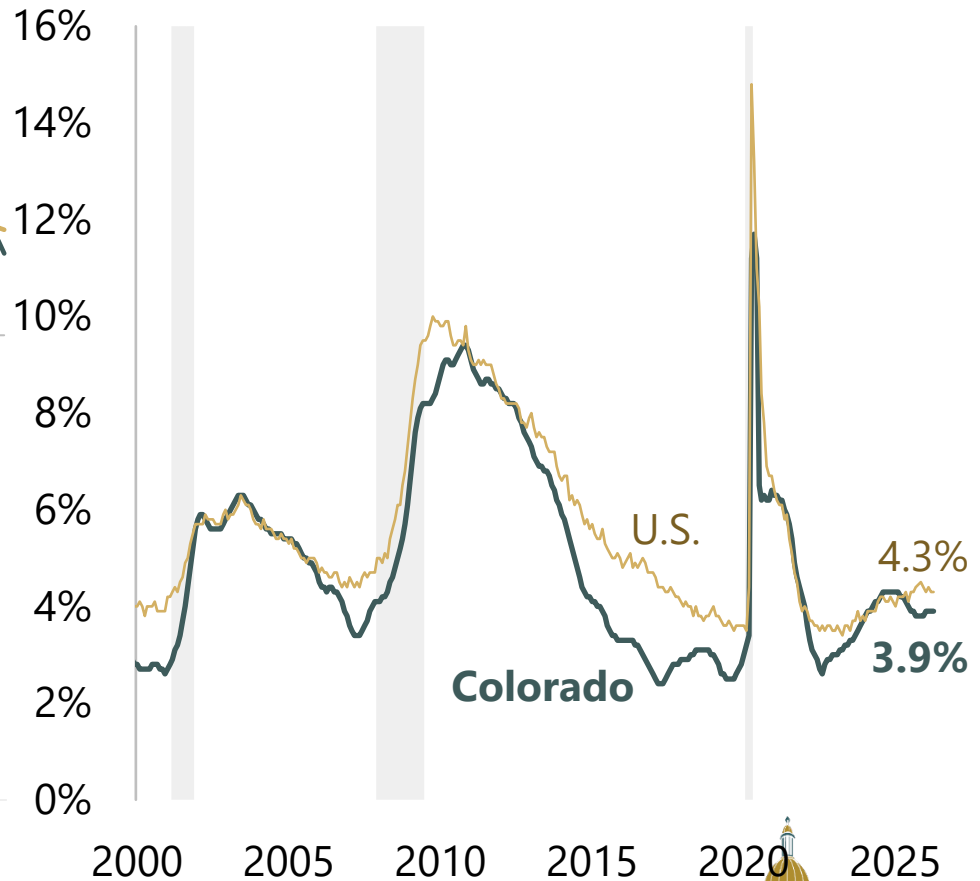
## Index of Civilian Labor Force

Index 100 = January 2020



## Unemployment Rate

Percent



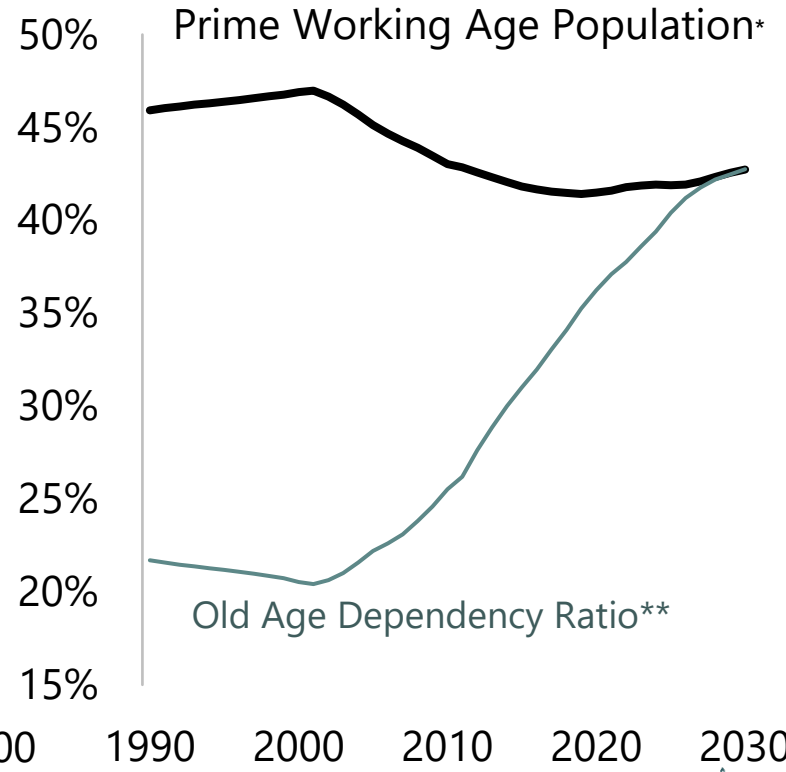
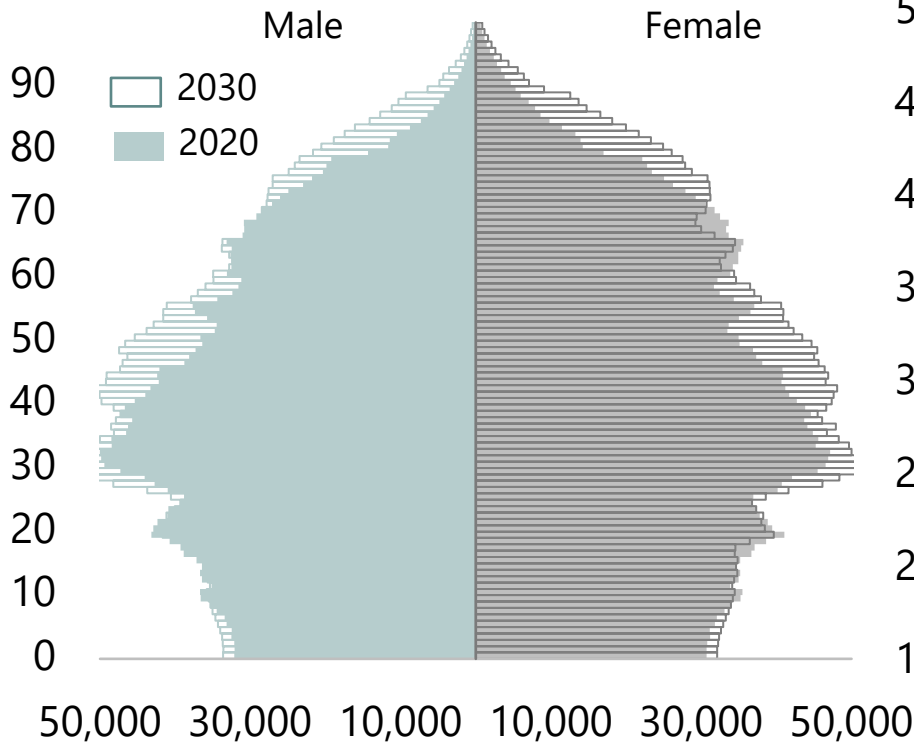
Source: U.S. Bureau of Labor Statistics. Data are seasonally adjusted and through April 2026.



# An aging population will challenge Colorado's labor force

Colorado Population by Age and Gender

Aging of the Colorado Population



Source: Colorado State Demography Office, 2024 projections; \*Population ages 25 to 54 as share of the total population; \*\*Population ages 65 and older relative to the prime working age population



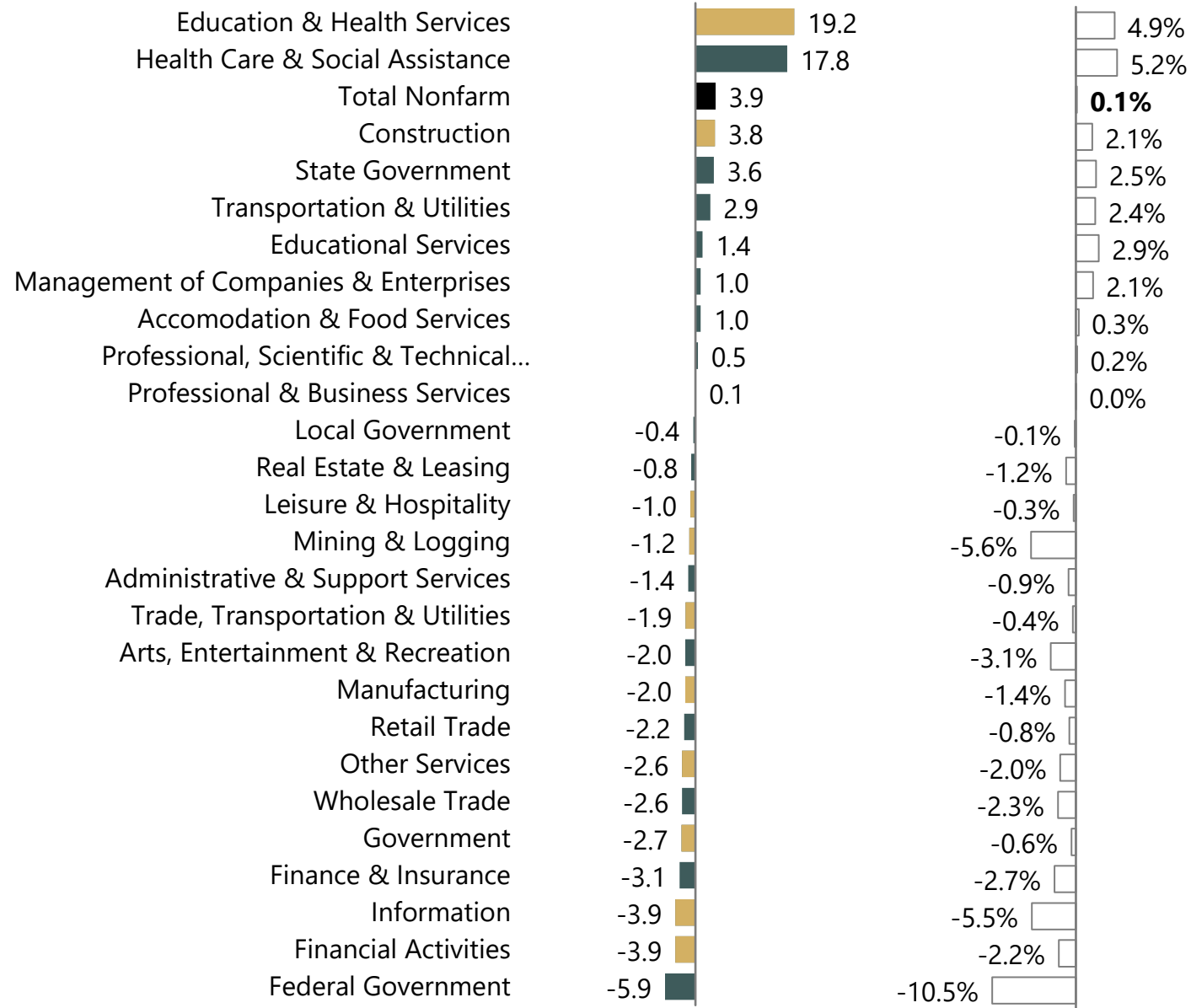


# Colorado Jobs Gains and Losses by Industry - April 2026

## Year-over-Year Change

### Thousands of Jobs

### Percent Change

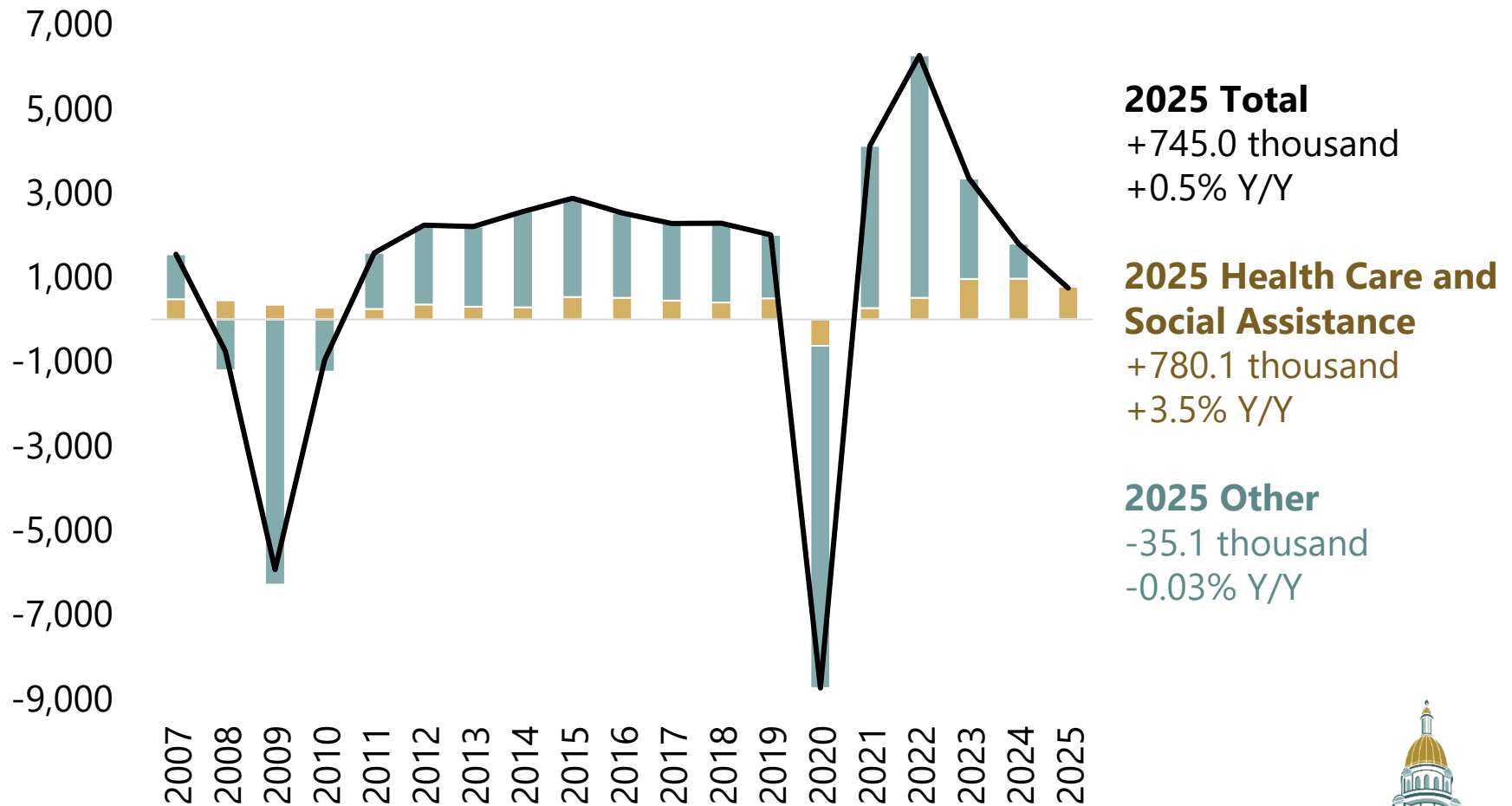


Source: U.S. Bureau of Labor Statistics. Data are seasonally adjusted. Gold shading indicates a supersector, green a subsector.



# Employment gains in health care reflect demographic shifts and offset broader weakness

Year-over-year Level Changes to U.S. Nonfarm Employment  
Thousands of Jobs

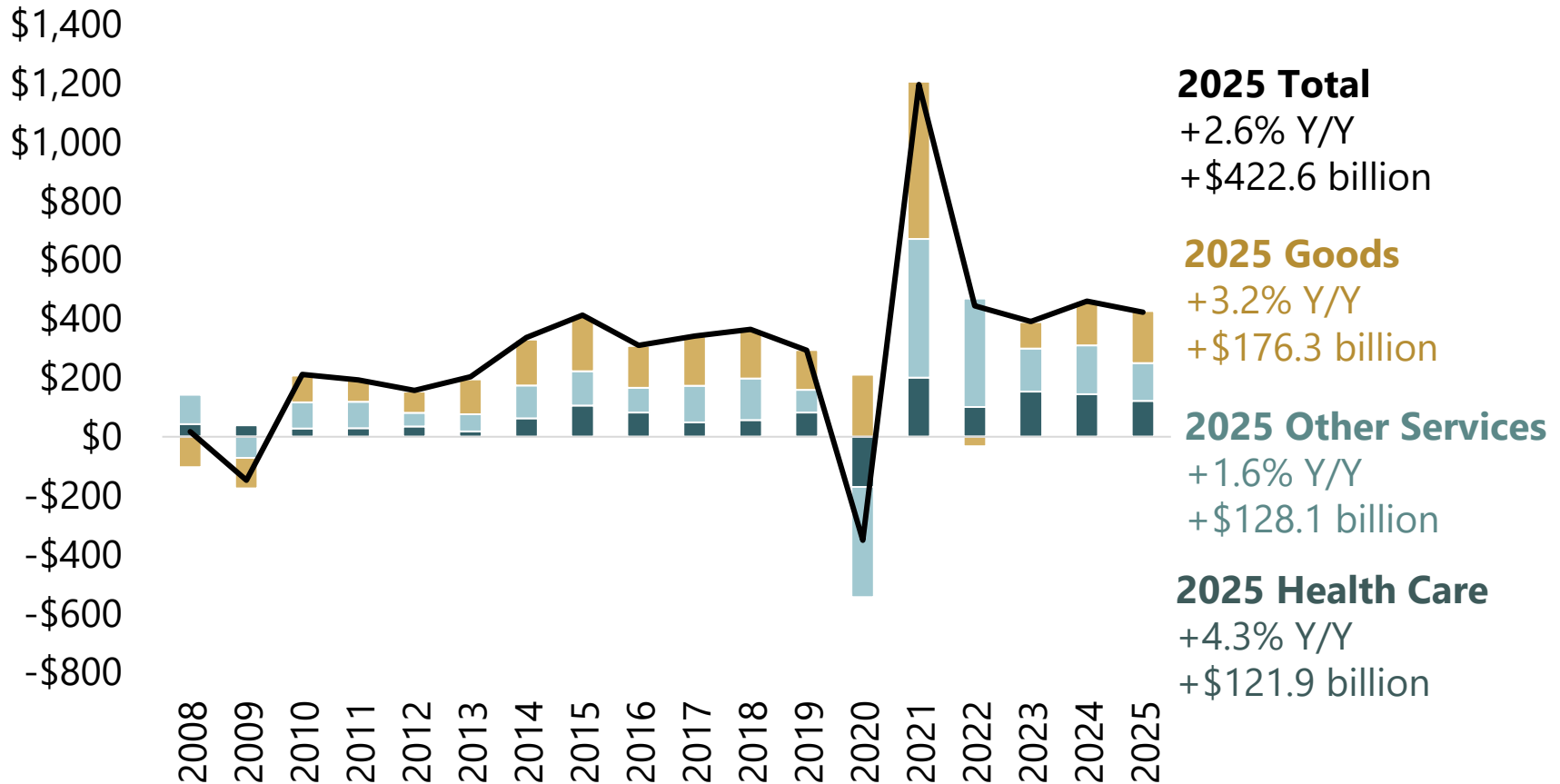


Source: U.S. Bureau of Labor Statistics. Data through 2025.



# Non-cyclical growth in health care spending buoys national consumer spending

Year-over-Year Level Changes to U.S. Personal Consumption Expenditures  
Billions of Dollars



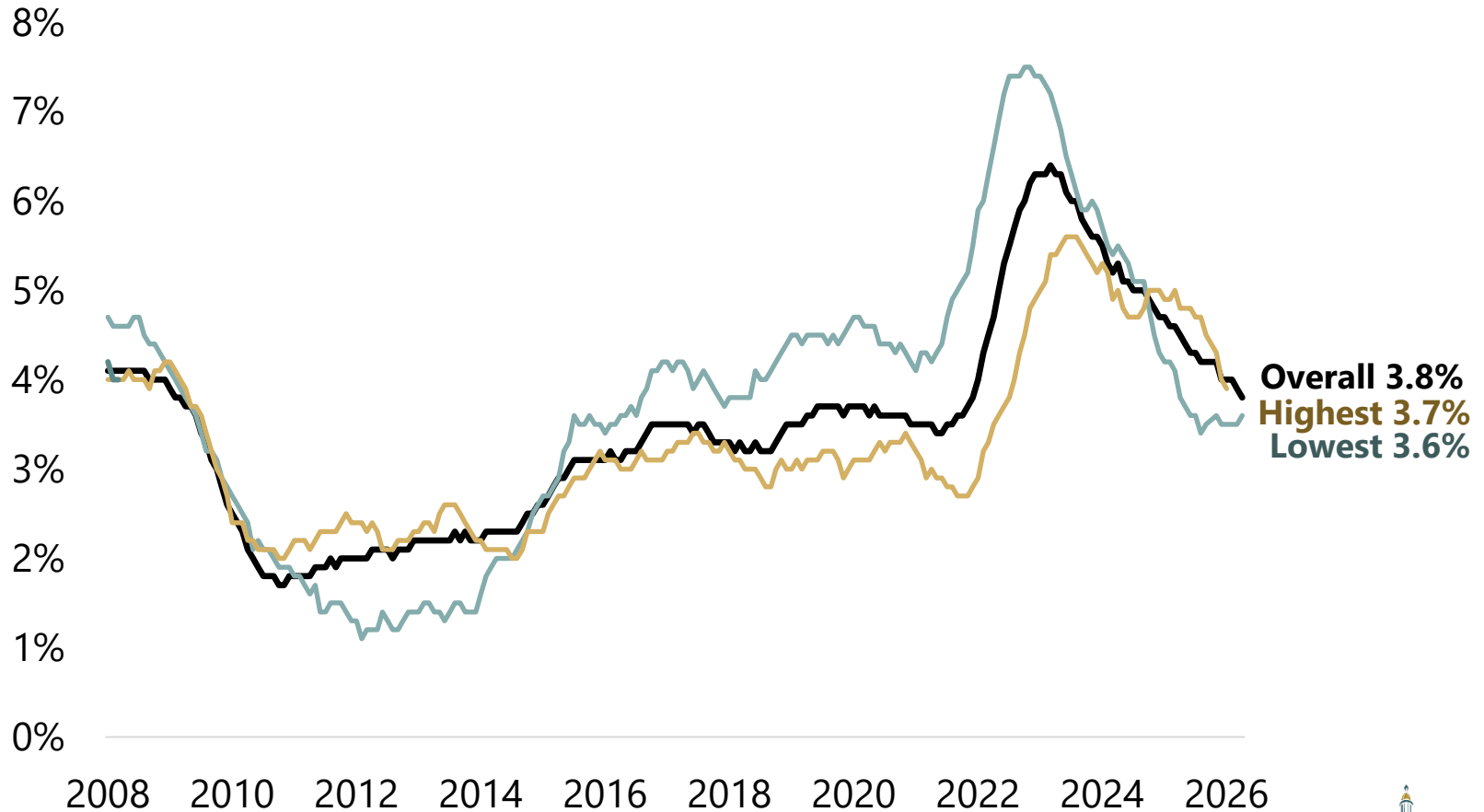
Source: U.S. Bureau of Economic Analysis data through 2025. Data are inflation-adjusted to chained 2017 levels.



# Wage growth is not keeping pace with inflation

## Nominal Hourly Wage Growth by Wage Quartile

Year-over-Year Percent Change, 12-Month Moving Average

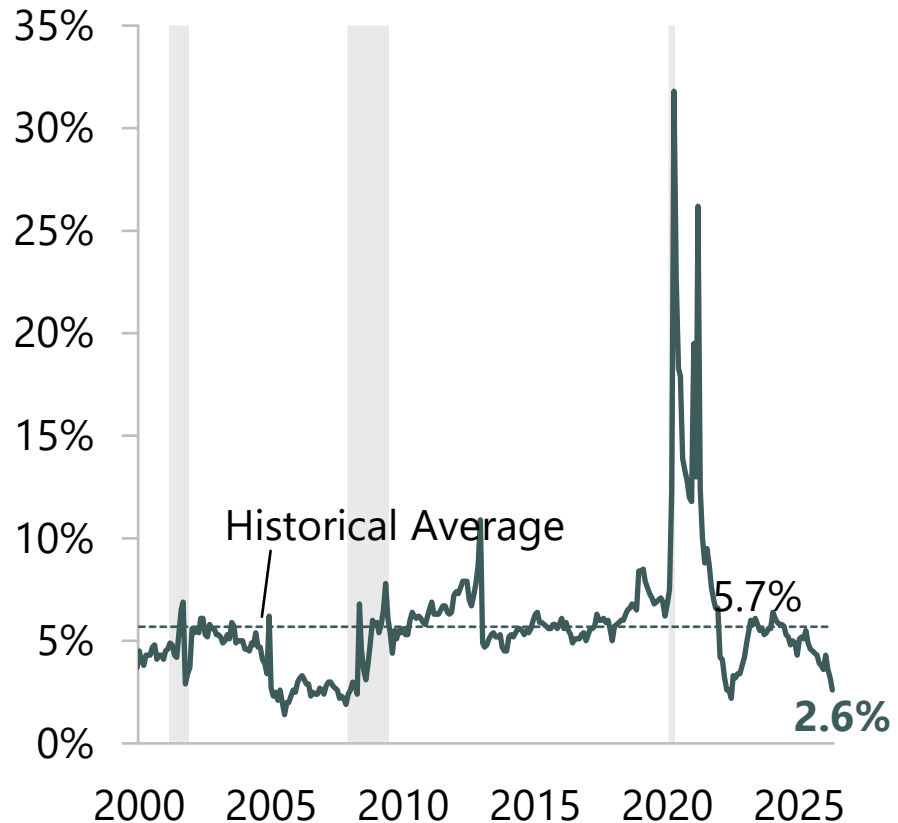


Source: Atlanta Fed Wage Growth Tracker. Data are through April 2026.

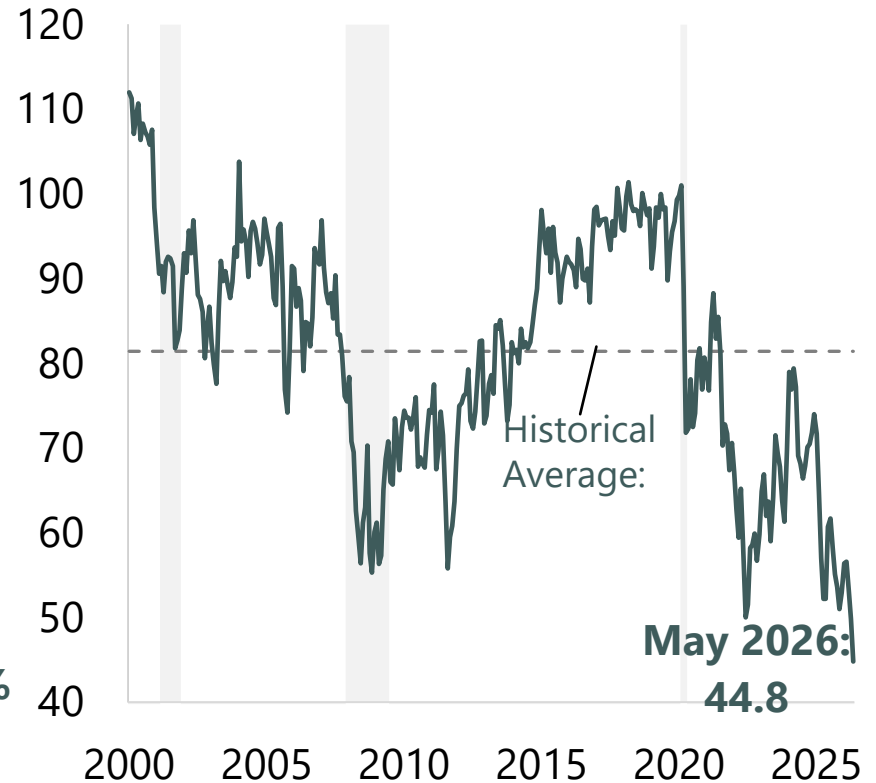


# Real U.S. household savings are declining as consumer confidence plummets

## Historical Personal Savings Rate



## Consumer Sentiment Index Index Value 1996 = 100



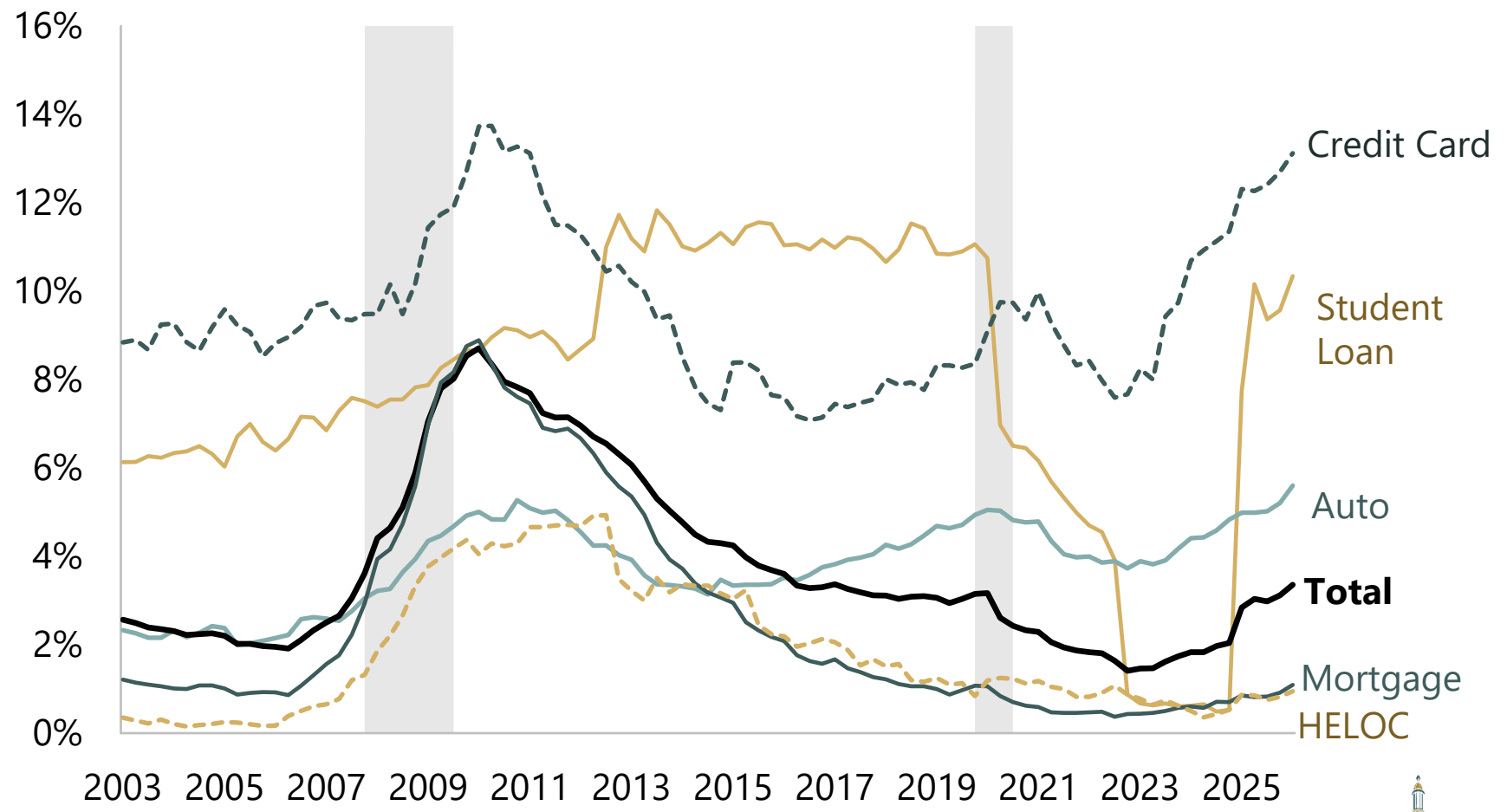
Source: Left: U.S. Bureau of Economic Analysis. Data are through April 2026. The personal savings rate is calculated as the ratio of personal saving as a percentage of disposable personal income. Data are shown as seasonally adjusted annual rates. Right: University of Michigan, Survey of Consumers.





# Credit card delinquencies are rising nationwide

U.S. Serious Delinquency Rates by Loan Type  
Percent of Loans



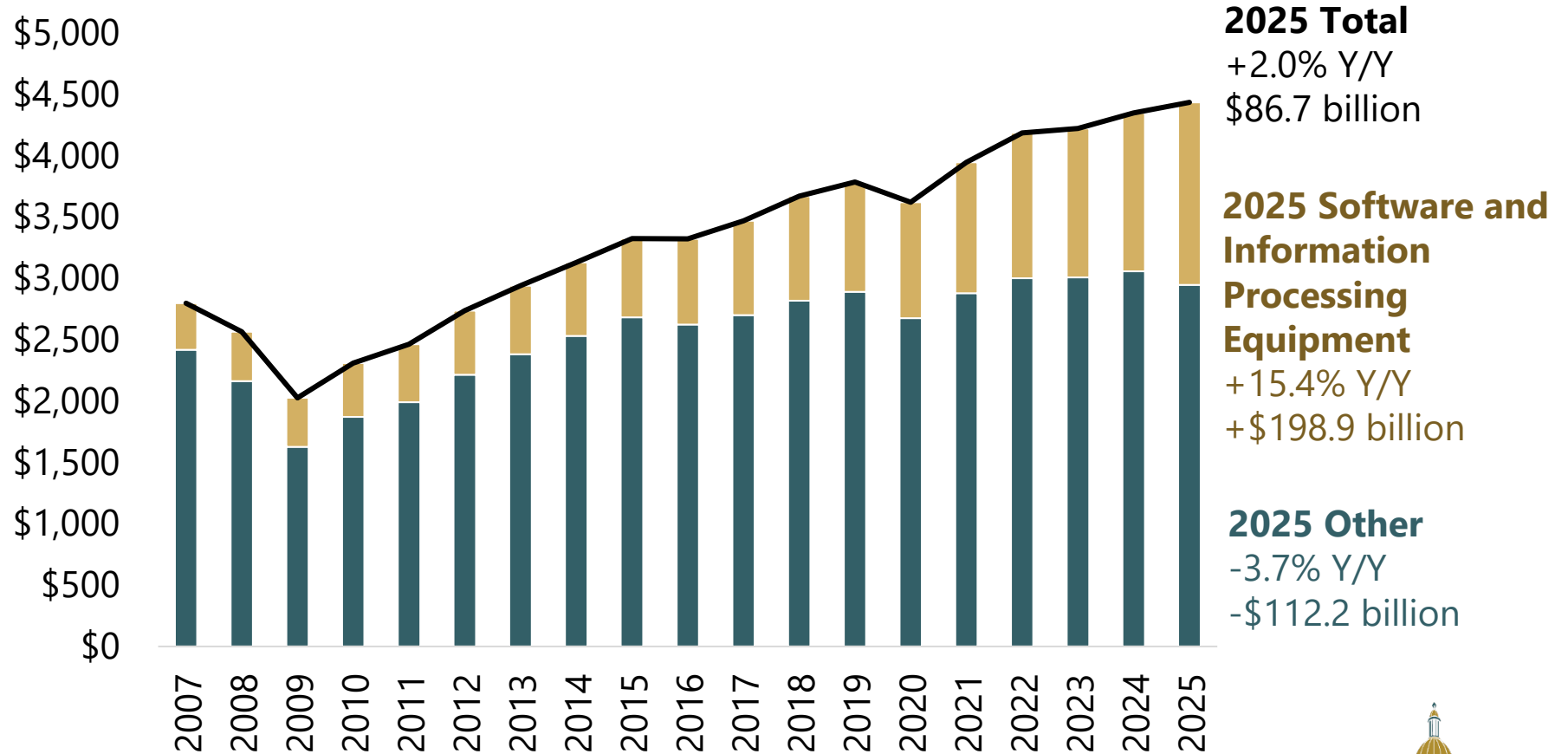
Source: New York Fed Consumer Credit Panel/Equifax. Data are through 2026Q1. Serious delinquency rates are the percentage of total debt that is delinquent by 90 days or more.





# Downward pressures on broader business investment offset by AI-related investments

Gross Domestic Private Investment  
Billions of Dollars



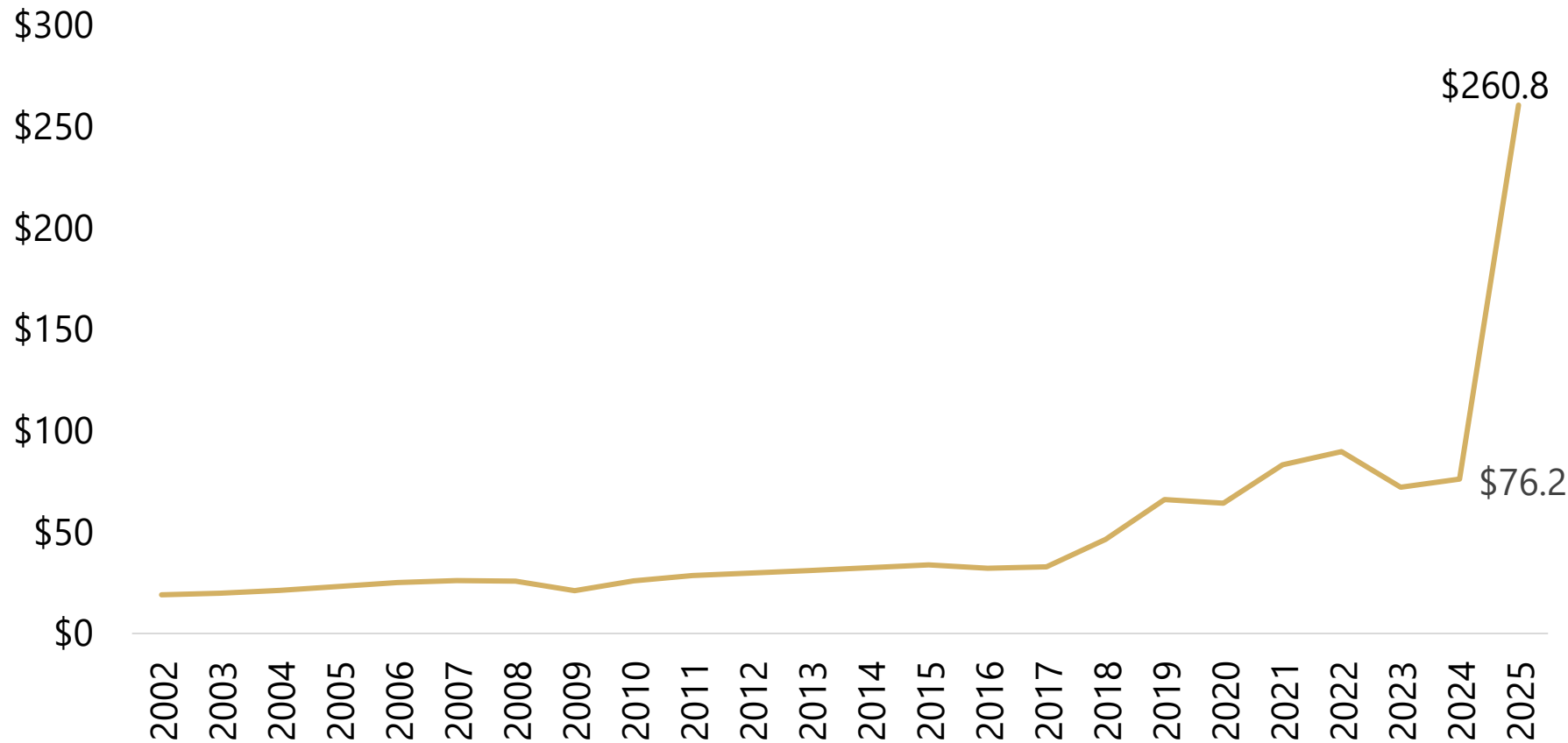
Source: U.S. Bureau of Economic Analysis data through 2025. Data are inflation-adjusted to chained 2017 levels.





# Tariff payments expected to remain at historical highs despite IEEPA tariff ruling

U.S. Tariffs Paid  
Billions of Dollars



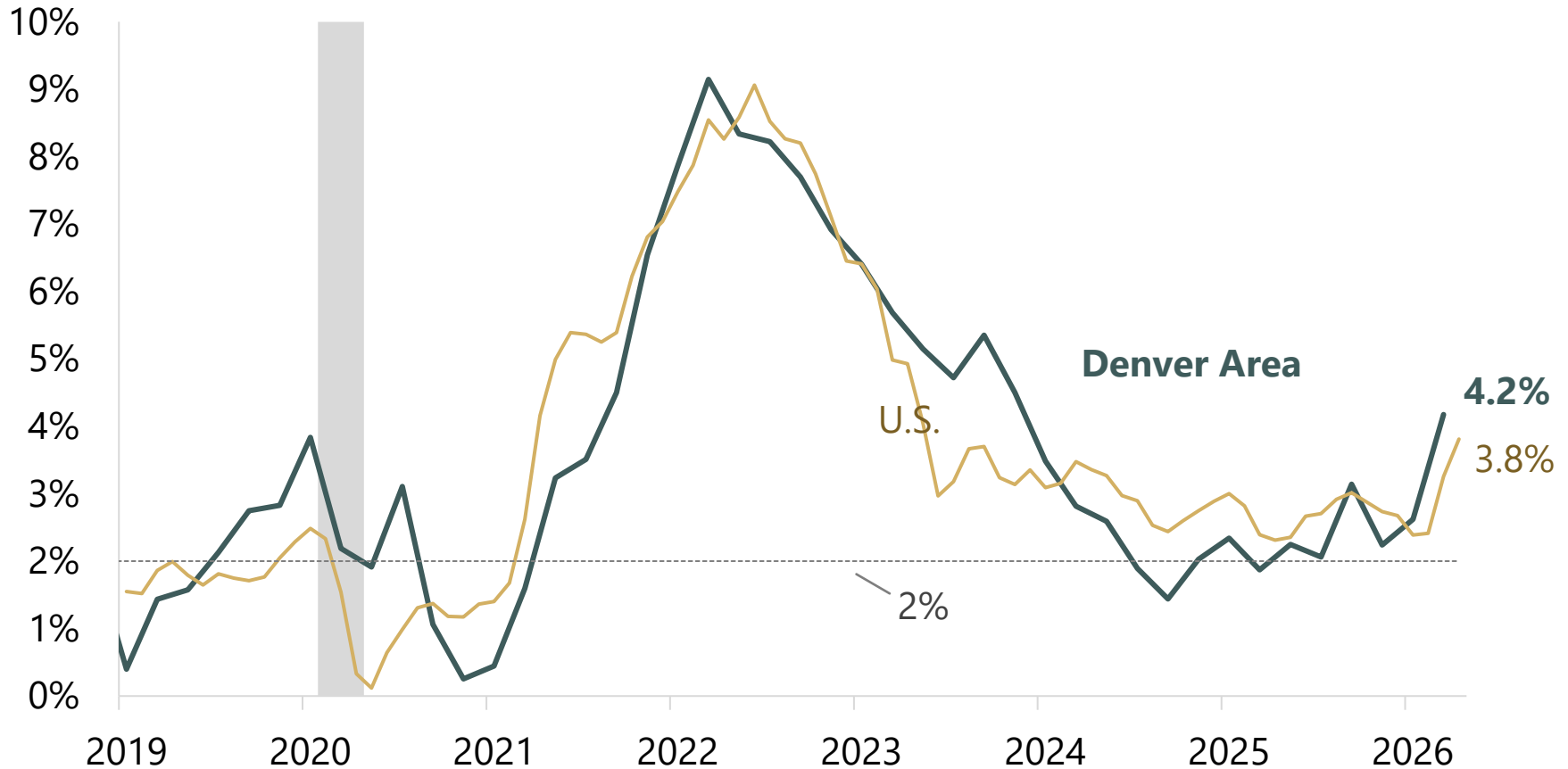
Source: U.S. Census Bureau, Economic Indicators Division; U.S. Import and Export Merchandise trade statistics through December 2025.





# Inflation hovers above target and expected to creep up in 2026

## Headline CPI-U Inflation Year-over-Year Change in Prices

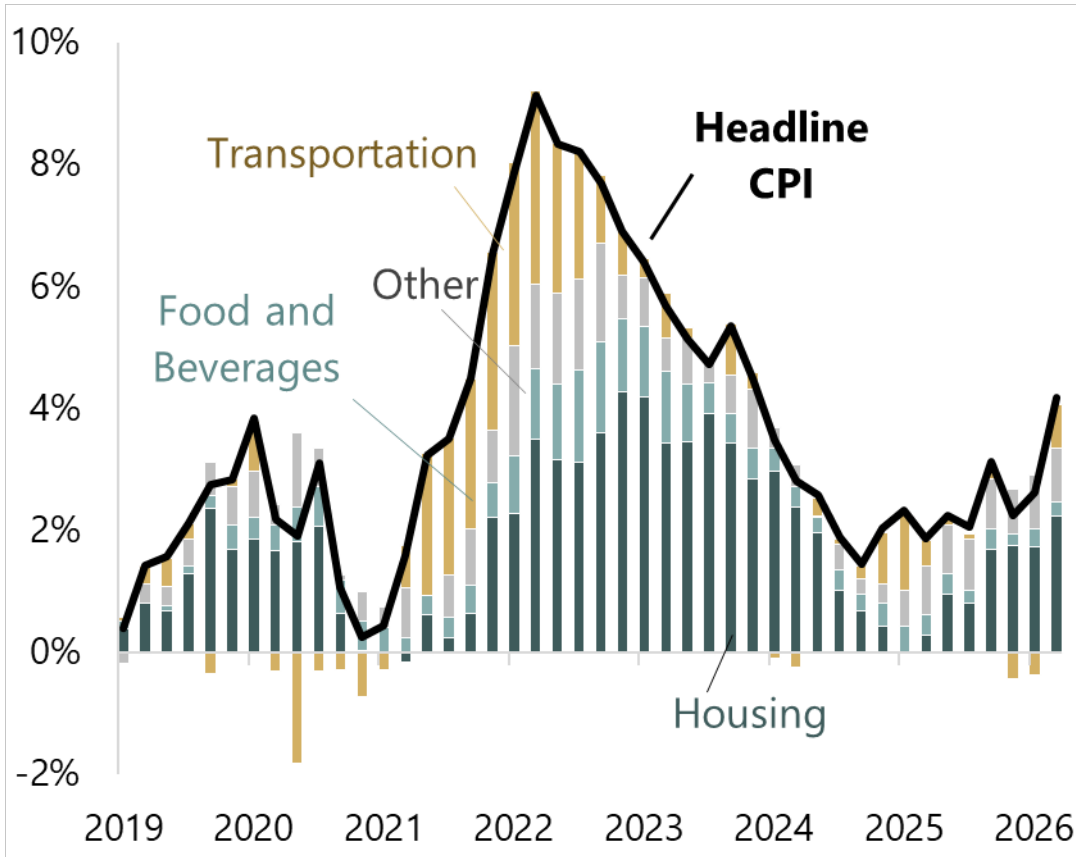


Source: U.S. Bureau of Labor Statistics. Denver area inflation is measured using prices in the Denver-Aurora-Lakewood metropolitan area. Data are through January 2026 for the Denver area and February 2026 for the U.S.

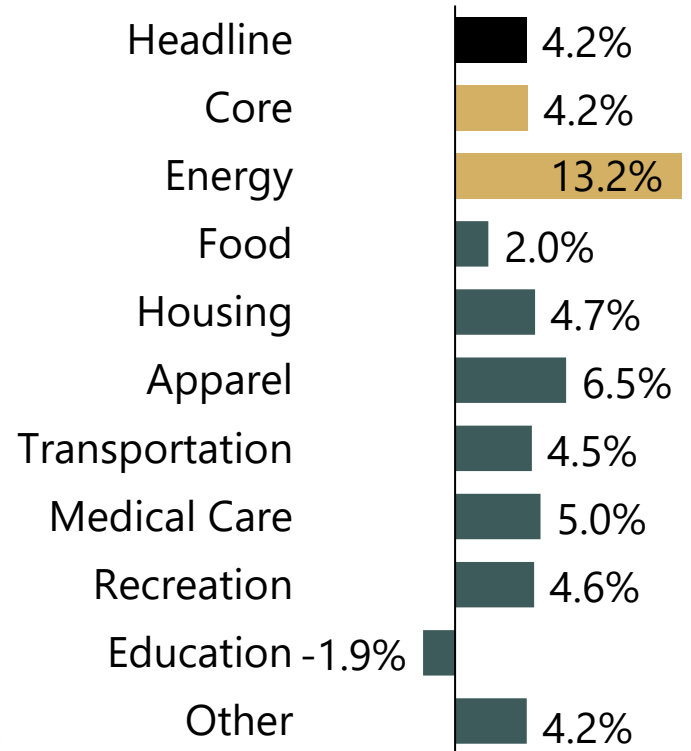


# Higher Inflation in the Denver area is expected to continue through 2026

## Denver-Aurora-Lakewood Consumer Price Index Year-over-Year Percent Change in Prices



### Selected Components, March 2026



Source: U.S. Bureau of Labor Statistics and Legislative Council Staff calculations.

Headline inflation includes all products and services. Transportation includes new and used vehicles, vehicle parts, and motor fuel. Housing includes the cost of rent, homeowner rental equivalent, utilities, and other housing costs.

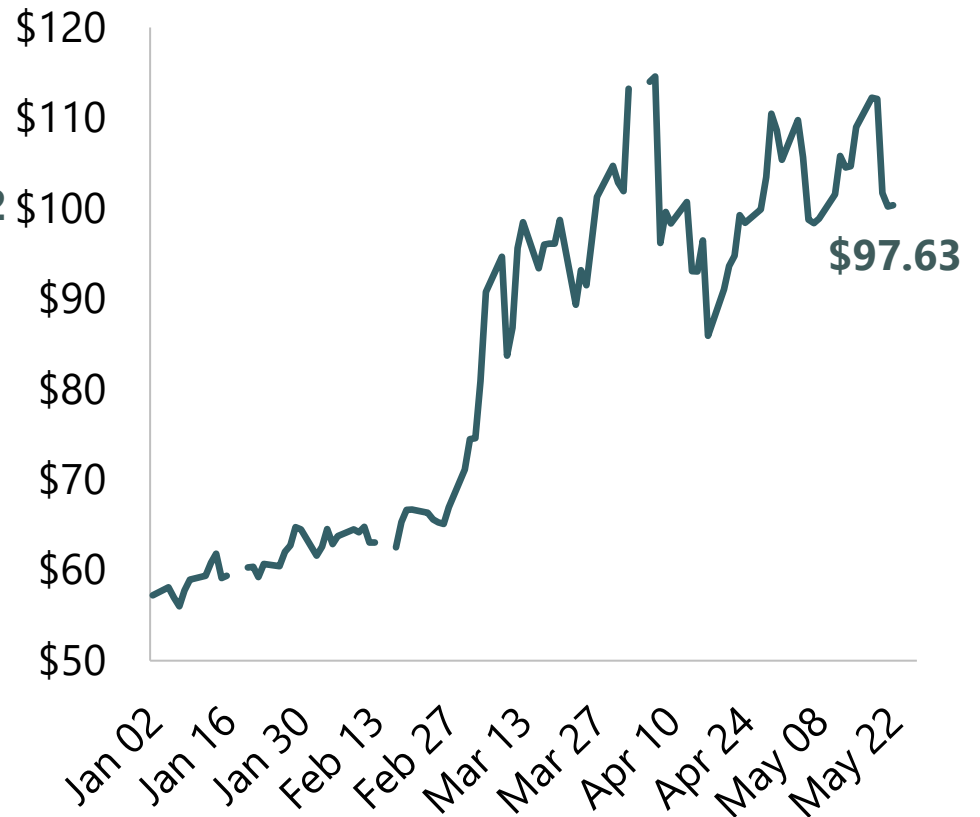


# Crude oil prices spiked beginning in March

Average Weekly Price - WTI  
Dollars per Barrel



Daily Price, 2026 - WTI  
Dollars per Barrel



Source: Federal Reserve Bank of St. Louis, FRED Database for West Texas Intermediate price. Weekly average prices (left). Daily prices (right).

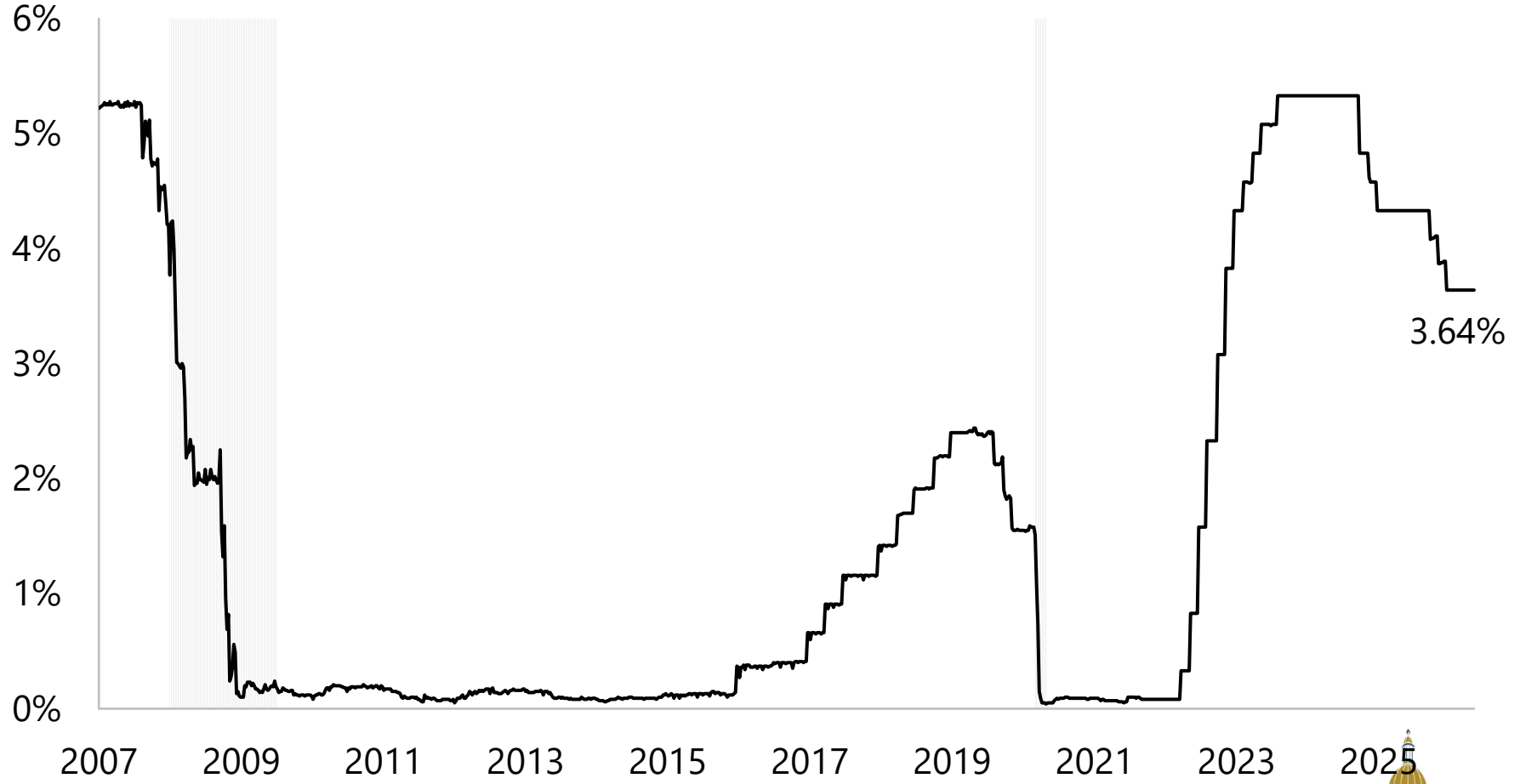




# Federal Reserve cuts interest rates in 2025, but path remains unclear

## Effective Federal Funds Rate

Percent



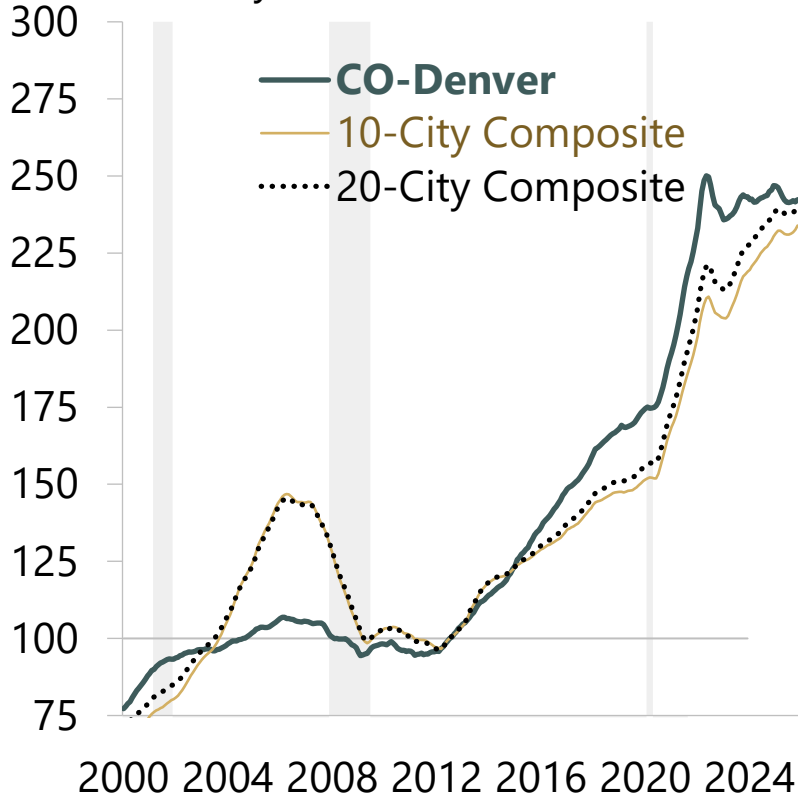
Source: Board of Governors of the Federal Reserve System, H.15 Selected Interest Rates



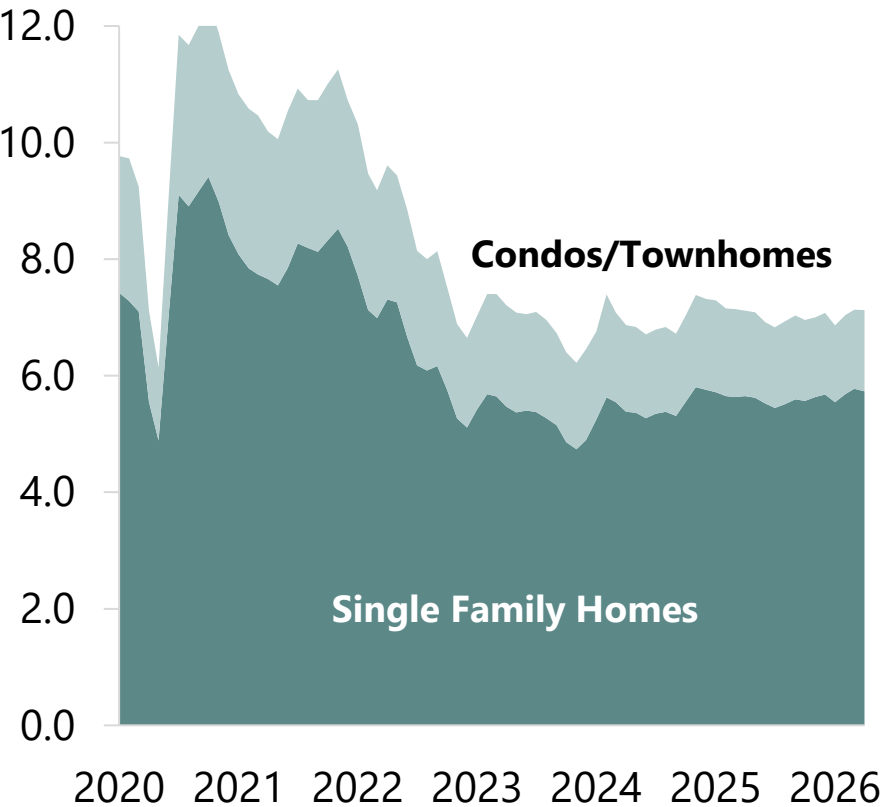
# Colorado home sales and prices decline as mortgage rates remain elevated

## Home Price Indices

Index 100=July 2012



## Colorado monthly home sales

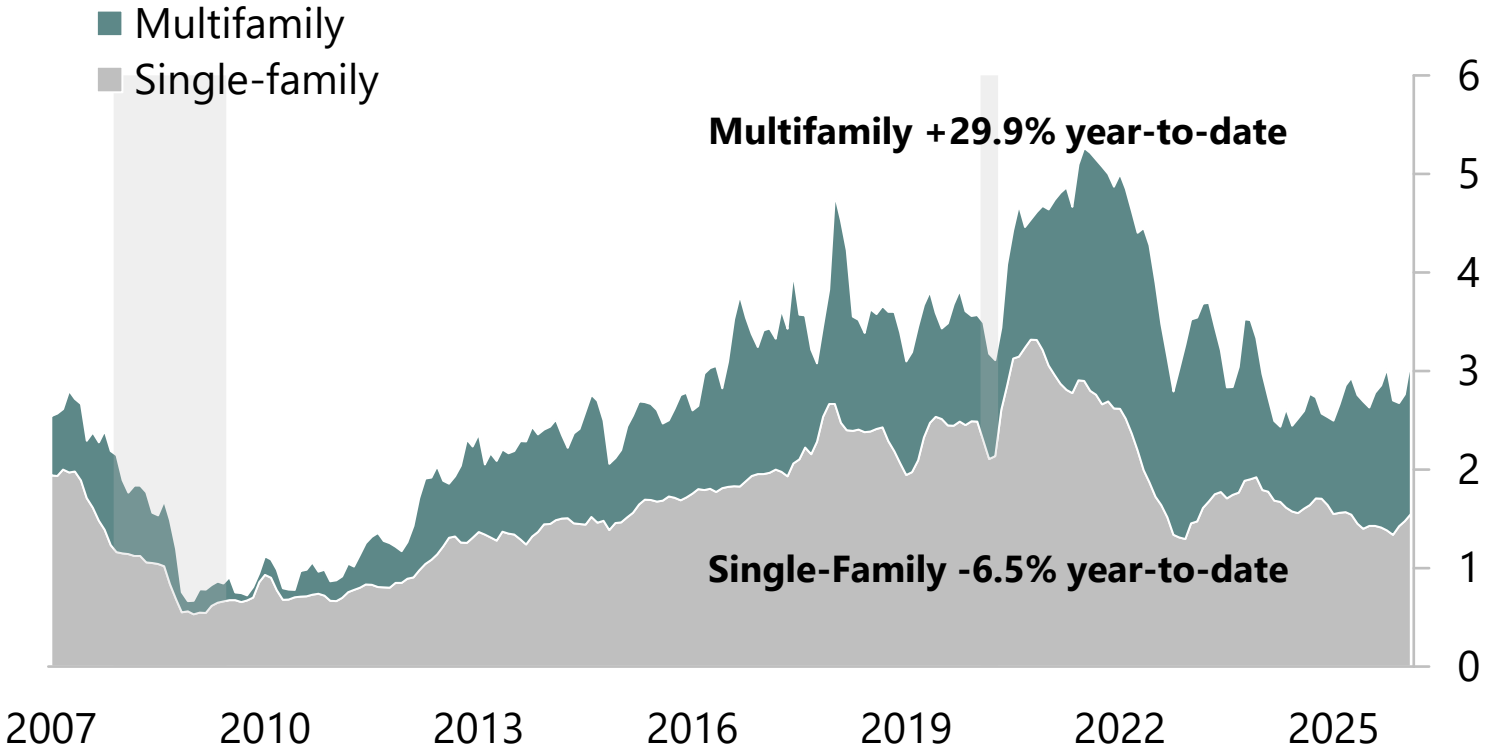


Source: S&P Dow Jones Indices LLC. Data are seasonally adjusted and are through March 2026 (left). Colorado Association of Realtors. Data are seasonally adjusted by LCS and are through April 2026 (right).



# Housing permits up 7.7 percent through April

Colorado Residential Building Permits  
Thousands of Units, Three-Month Moving Average



Source: U.S. Census Bureau and LCS calculations. Data are three-month moving averages through April 2026.



# The forecast anticipates a continued, slowing expansion, with balanced risks more severe on the downside

## **Downside Risks:**

- Escalating conflict in Middle East disrupts oil supply and trade flows for a more extended period of time
- Weak household finances impact consumer spending
- AI market correction

## **Upside Risks:**

- Shift in trade policy
- Wealth gains from AI investment accelerate consumer spending
- Inflation eases, with monetary policy following



# Questions?

**Elizabeth Ramey**

**Principal Economist**

Elizabeth.Ramey@coleg.gov | 303-866-3522

