



October 2023

Inflation in Colorado – September 2023

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Bi-Monthly Inflation Slows

Colorado and Denver inflation continue to outpace national inflation, costing Colorado families thousands more each month than pre-pandemic spending. In the last year, energy prices in particular have risen dramatically in Colorado while dropping nationally.

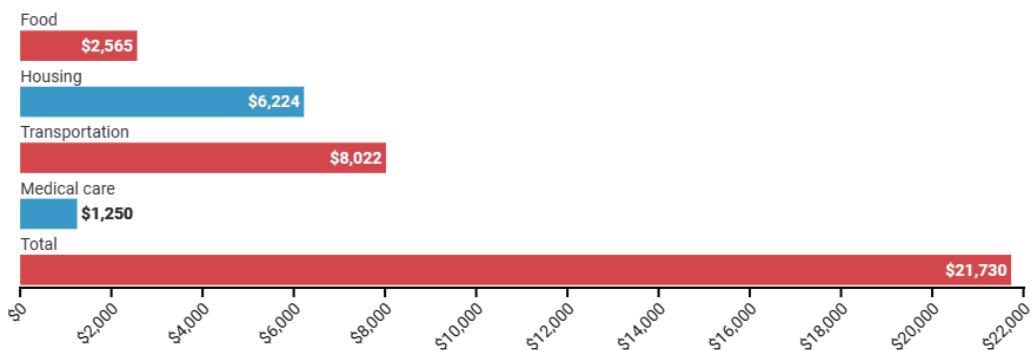
Prices in Colorado increased by 0.43% during August and September, down from a 0.65% increase over the two months prior. Despite this slower rate of increase, Colorado’s 12-month inflation rate jumped from 5.15% to 5.35% during August and September, easily outpacing the 12-month national average of 3.69%. Colorado’s energy sector continues to see rapid price increases. From Sep ‘22 to Sep ‘23, household fuels and utility prices grew by 11% in the Denver MSA, yet nationally, fuels and utility prices dropped 1.52% over this same time period. Out of 23 metro state areas tracked by BLS, Denver ranks 10th total price growth since the end of 2020. Increased prices continue to cost Colorado families. Between August and September, the average Colorado household spent an average of \$2,434 more due to inflation, equal to \$1,217 per month.

- **In August and September, the average Colorado household spent \$2,434 more due to inflation—an average of \$1,217 per month.** The average Colorado household has spent \$21,730 more since 2020 because of inflation.ⁱ
- **From Sep ‘22 to Sep ‘23, household fuels and utility prices grew by 11% in the Denver MSA, yet nationally, fuels and utility prices dropped 1.52% over this same time period.**
- Metro Denver inflation has dramatically outpaced the national average over the last 12 months – **5.35% in Denver compared to 3.69% nationally.**
- According to U.S Census data, Colorado restaurant prices are up 24% between Nov. ‘22 and June ‘23, the largest increase in the nation over this time.ⁱⁱ Since June, food prices in Colorado have increased 0.56%.

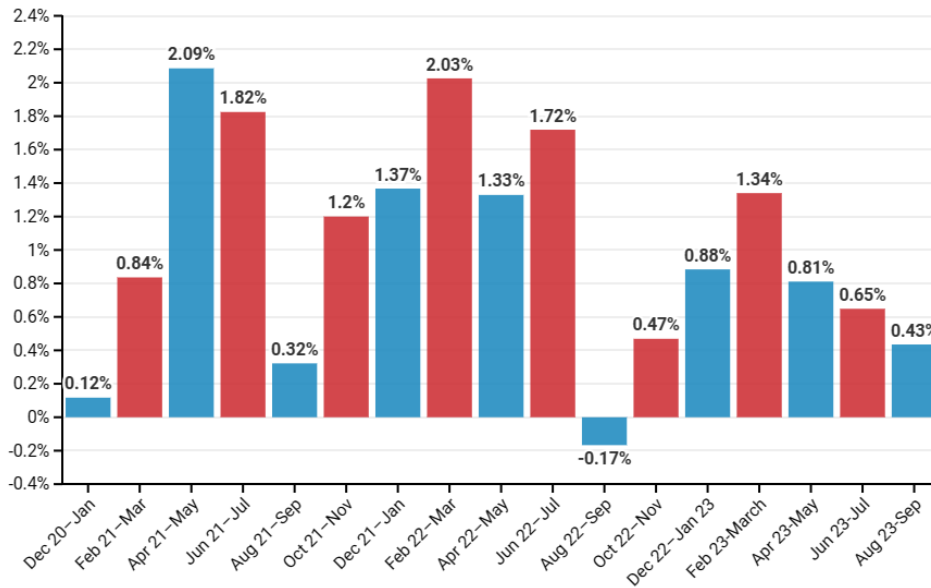
In August and September, the average Colorado household spent \$2,434 more due to inflation—an average of \$1,217 per month. In September, the Federal Reserve held its key interest rate steady but signaled another hike is likely this year amidst high inflation.ⁱⁱⁱ

Inflation's Impact on What We Buy

How much more has the average household spent since 2020 because of inflation?



Bi-monthly Inflation in Metro Denver since January 2021



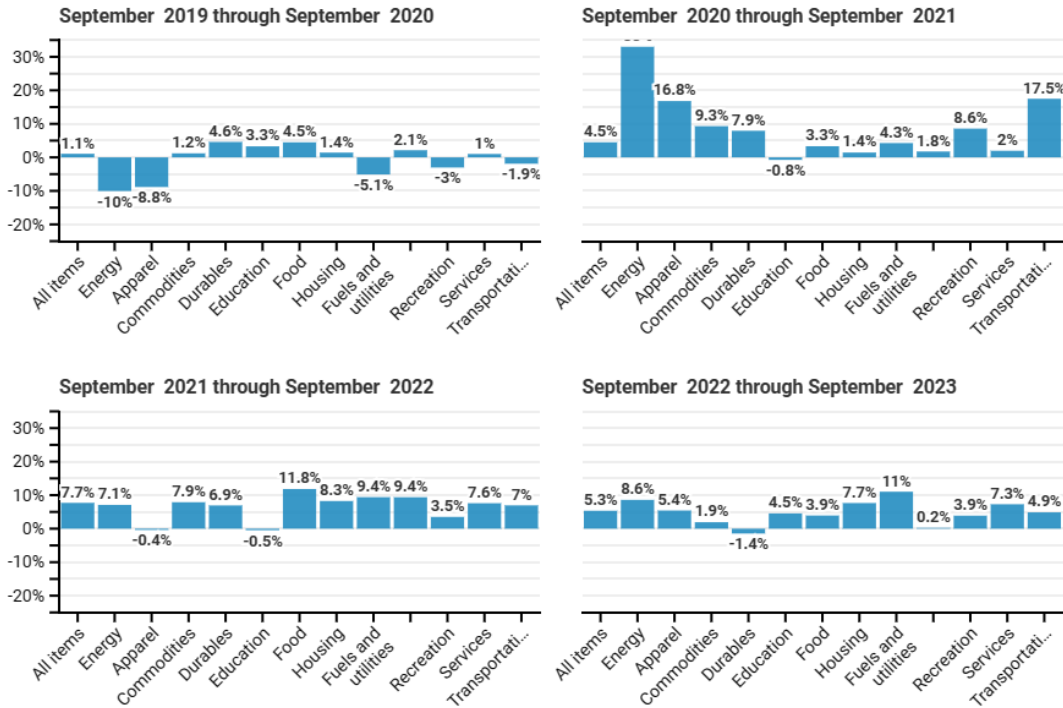
Source: BLS CPI-U Data

Inflation in metro Denver over the last 12 months was 5.35%—1.61 percentage points above the national average (BLS CPI Survey)^{iv}

- Of the 23 urban consumer price indices tracked by the BLS, Denver–Aurora–Lakewood's ranks 10th in total growth since the end of 2020.
- Average annual inflation between 2010 and 2020 was 2.51%. Since September 2022, 10 of the categories shown on page 4 have grown by more than that and only 3 have grown by less.
- The two price categories that grew the fastest over the last 12 months were fuel and utilities and energy, which grew by 11% and 8.6%, respectively.

Price Changes in Metro Denver over the Previous Year

Source: BLS CPI-U Data



ⁱ Impacts on household spending are generated by distributing the consumer expenditure estimates from https://www.bls.gov/regions/mountain-plains/news-release/consumerexpenditures_denver.htm across individual months, weighting them according to their corresponding CPI levels, and adjusting them according to the latter's growth history.

ⁱⁱ [Household Pulse Survey \(census.gov\)](https://www.census.gov/household-pulse-survey/)

ⁱⁱⁱ [Fed holds interest rates steady, signals another hike this year \(usatoday.com\)](https://www.usatoday.com/story/money/economy/2023/09/20/fed-holds-interest-rates-steady-signals-another-hike-this-year/1234567890/)

^{iv} <https://www.bls.gov/cpi/>