



**April 2024**

# **Inflation in Colorado – March 2024 Update**

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## Prices Tick Up Slightly Over Last Two Months

Prices in the Denver metro area have risen at a slower pace in the last two months than they have nationally, as they have in the last year. However, Denver metro households still bear significantly increased household costs from sustained inflation, particularly in the largest segments of household spending such as direct housing costs and transportation.

Prices in Denver rose by 0.68% during February and March of 2024 after they had fallen by 0.1% over the two prior months. National inflation was higher at 1.3% during February and March of this year and was also elevated year over year with prices increasing 3.5% between March of 2023 and March of this year, while metro Denver’s inflation rose by 2.8% over this time. Although year-over-year inflation in Colorado was outpaced by national inflation, Colorado families spent an average of \$1,230 per month more in February and March of this year since 2020.

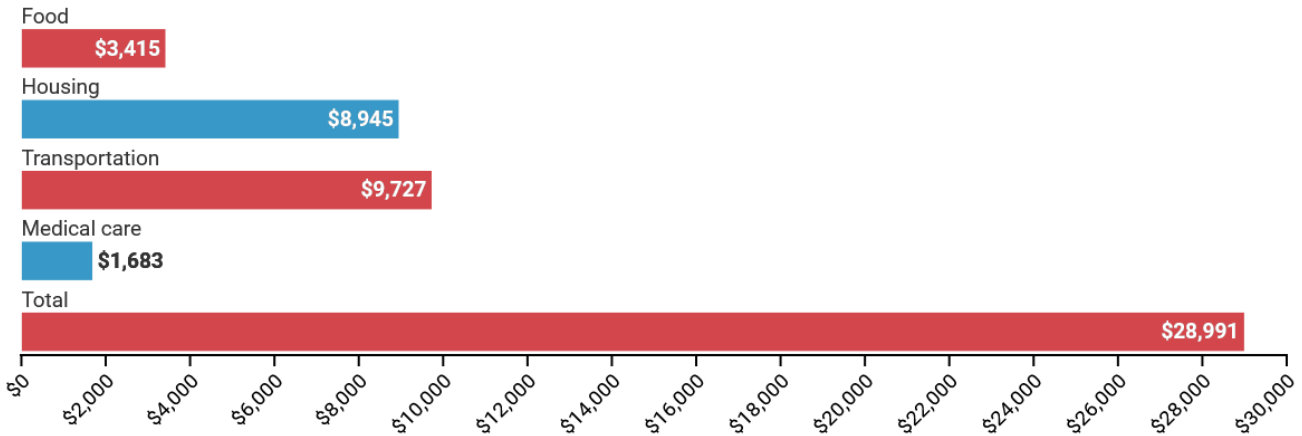
In the months of February and March the prices of medical care (-1.7%) and housing (-0.3%) decreased, while transportation (4.4%), food (0.6%), recreation (1.8%), education (1.5%), and utilities and household fuels (1.4%) increased. Of the 23 metropolitan area CPI series tracked by BLS, Denver’s total price growth since the end of 2020 ranks 9<sup>th</sup>.

- **Between February and March of 2024, prices in Denver increased by 0.68% while national inflation grew by 1.3%.**
- **From March ‘23 to March ‘24, the cost of housing in metro Denver rose 4.9% while nationally it rose 4.7%.** However, so far in 2024, the cost of housing in Denver’s MSA has fallen by 0.03% while it has increased 0.8% across the U.S.
- **Fuels and utility prices have increased by 10% between March ‘23 and March ‘24 while the U.S. average was only 3.3%.**
- **In February and March, the average Colorado household spent \$2,461 more due to inflation than it spent in the same period in 2020—an average of \$1,230 per month.** The average Colorado household has spent \$28,991 more since 2020 because of higher inflation.<sup>i</sup>

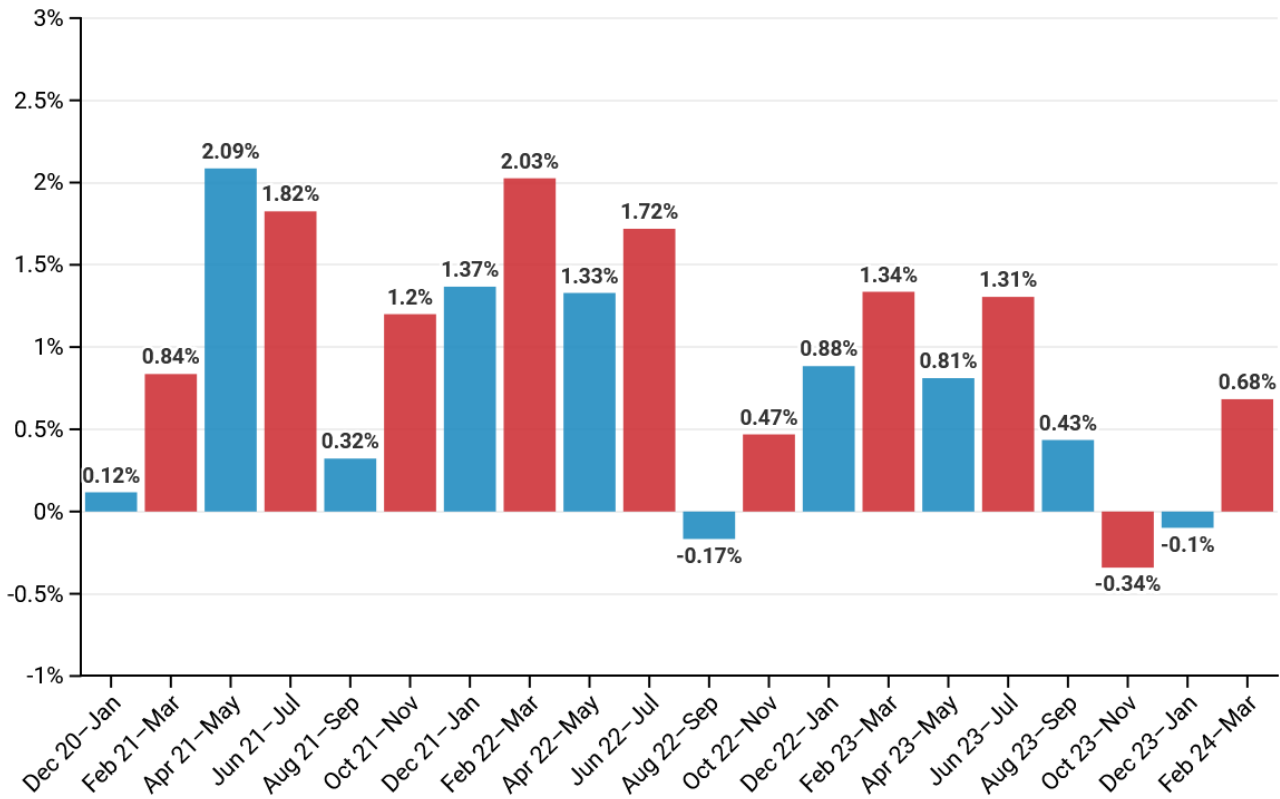
With the consumer price index rising at a faster than anticipated rate in February and March, it is unlikely that the Fed will cut rates in the near future.

## 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



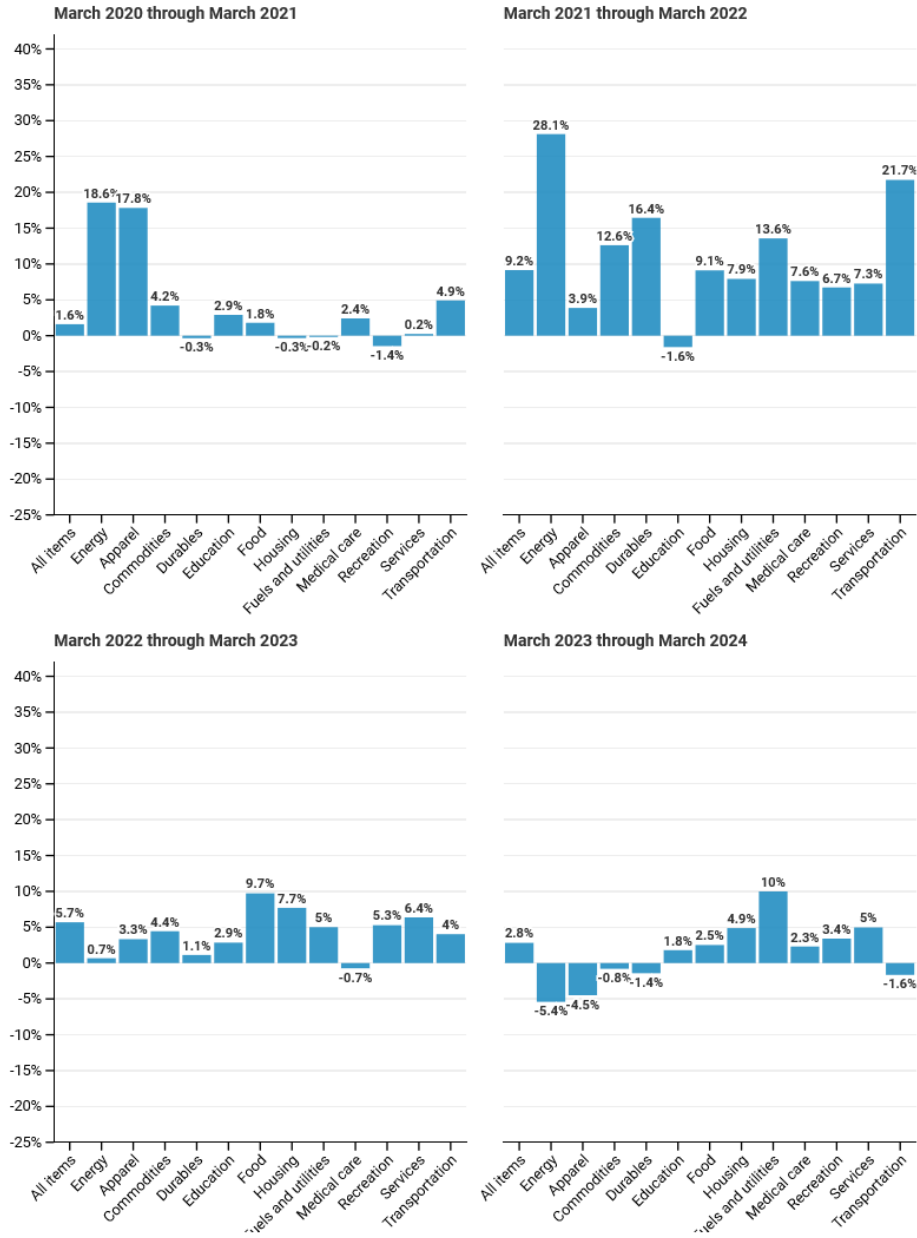
Source: BLS CPI-U Data

**Inflation in metro Denver over the last 12 months was 2.8%—0.7 of a percentage point below the national average (BLS CPI Survey)<sup>ii</sup>**

- Of the 23 urban consumer price indices tracked by the BLS, Denver–Aurora–Lakewood's ranks 9<sup>th</sup> in total growth since the end of 2020.
- Average annual inflation between 2010 and 2020 was 2.51%. Since March 2024, six of the prices shown on page 4 have grown by more than that. Seven have grown by less.
- The two prices that grew the fastest over the last 12 months were those of fuel and utilities and services, which grew by 10% and 5%, respectively.

### Price Changes in Metro Denver over the Previous Year

Source: BLS CPI-U Data



<sup>i</sup> 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](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.

<sup>ii</sup> <https://www.bls.gov/cpi/>