



June 2024

Inflation in Colorado – May 2024 Update

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Prices Continue to Increase Over the Last Two Months

Price increases in the Denver metro area over the last two months outpaced national growth. The Denver metro saw the price of goods increase by 0.59% through April and May of this year while the U.S. average was 0.56%. This marks the second straight bi-monthly period that prices have increased in the Denver metro, and 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.

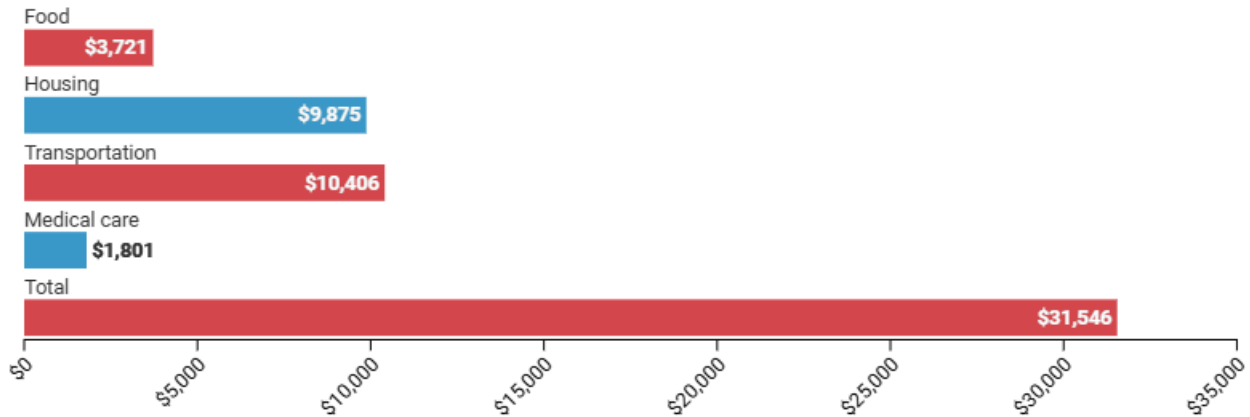
The Denver metro experienced consecutive bi-monthly periods of deflation where prices fell by 0.44% between October and January of 2023. However, following this small decrease, prices have now risen a cumulative 1.27% between February and May of this year, wiping away any previous price decreases and continuing to raise prices on Coloradans. It's estimated that the average Coloradan household has spent over \$31,000 since 2020 due to inflation despite buying the same basket of goods.

In the months of April and May the prices of utilities and household fuels (-2.1%), recreation (-1%), and education (-0.3%) decreased, while transportation (3.4%), food (0.1%), medical care (0.9%), and housing (0.1%) increased. Of the 23 metropolitan area CPI series tracked by BLS, Denver's total price growth since the end of 2020 ranks 13th.

- **Between April and May of 2024, prices in Denver increased by 0.59% while national inflation grew by 0.56%.**
- **From May '23 to May '24, the cost of fuels and utilities in metro Denver rose 6.6% while nationally it rose just 4.6%.**
- The newly implemented reformulated gas mandate across the Denver metro and North Front Range will cost the average Coloradan household (2 drivers) an additional **\$90 to \$260 over the months of June and July.**
- **In April and May, the average Colorado household spent \$2,555 more due to inflation than it spent in the same period in 2020—an average of \$1,277 per month.** The average Colorado household has spent \$31,546 more since 2020 because of higher inflation.ⁱ

Inflation's Impact on What We Buy

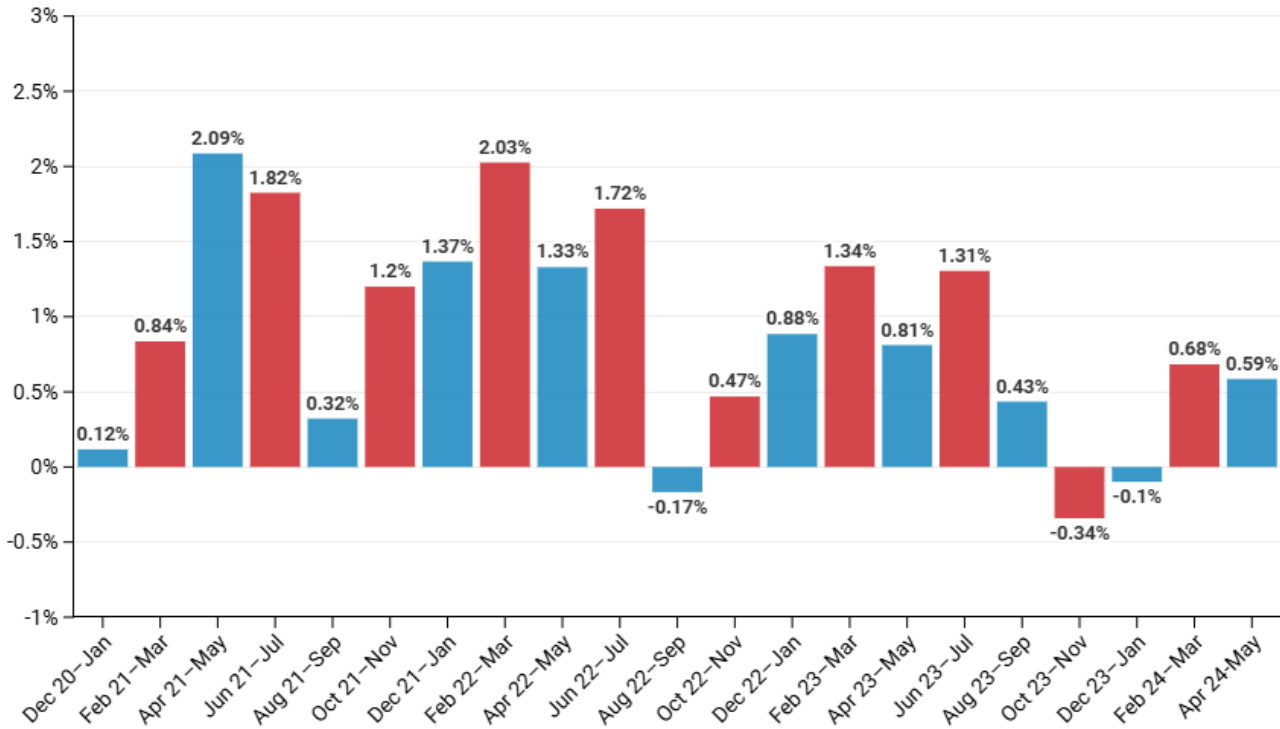
How much more has the average household spent since 2020 because of inflation?



In addition to inflationary pressures being felt across all goods and services, Coloradan drivers in the Denver metro and North Front Range have also begun paying a premium price for reformulated gas.ⁱⁱ Due to ozone levels breaching federally acceptable limits, the EPA mandated the use of cleaner burning reformulated gas to be sold at all gas stations in these designated areas through the summer.

This additional cost has not been captured by the latest CPI numbers as the gas began hitting the pumps at the beginning of June and there is much contention around how much the premium gas will drive up costs. Before the next CPI report in August captures this increased cost, the average Coloradan household (2 drivers) paying for reformulated gas can expect to see an additional cost of anywhere from \$90 to \$260 over the months of June and July.

Bi-monthly Inflation in Metro Denver since January 2021



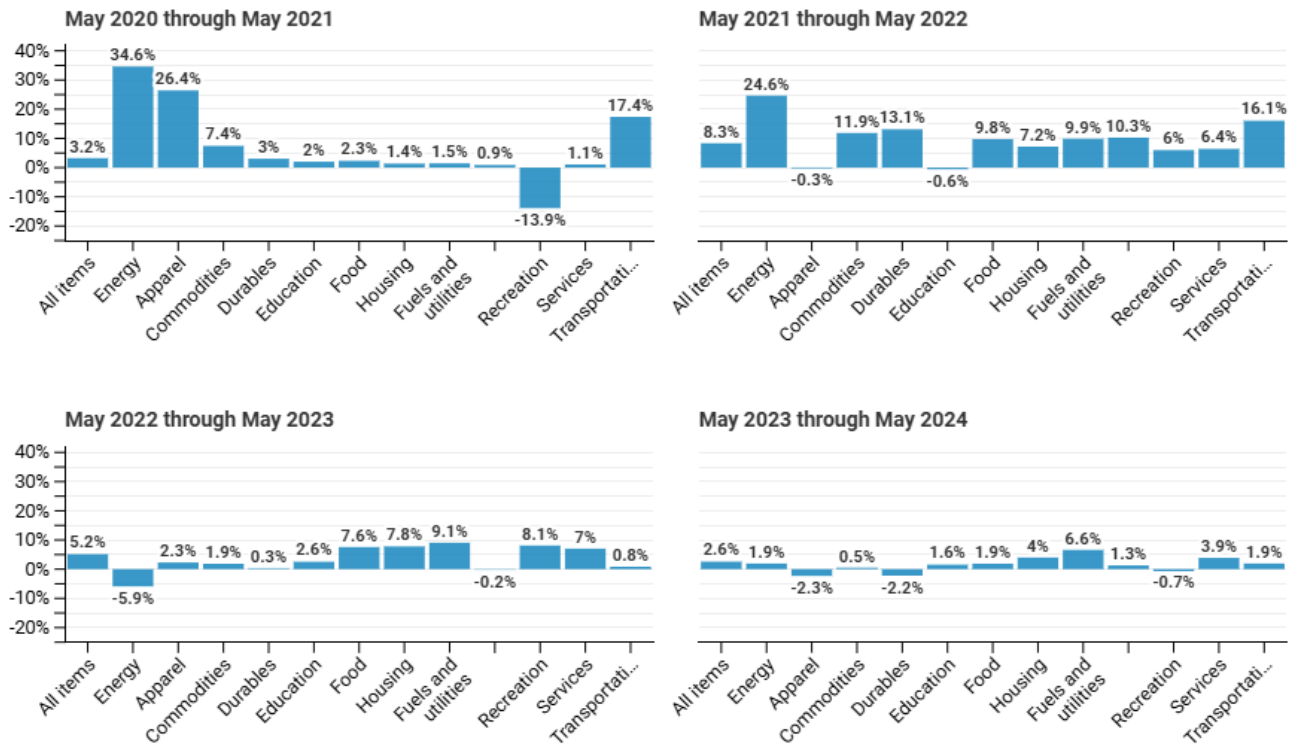
Source: BLS CPI-U Data

Inflation in metro Denver over the last 12 months was 2.6%—0.7 of a percentage point below the national average (BLS CPI Survey)ⁱⁱⁱ

- Of the 23 urban consumer price indices tracked by the BLS, Denver–Aurora–Lakewood's ranks 13th in total growth since the end of 2020.
- Average annual inflation between 2010 and 2020 was 2.51%. Since May 2023, four of the prices shown below have grown by more than that. Nine have grown by less.
- The two price groups that grew the fastest over the last 12 months were fuel and utilities, and housing, which grew by 6.6% and 4%, 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 [What to expect from Pueblo gas prices as Colorado adopts reformulated gasoline \(msn.com\)](https://www.msn.com)

ⁱⁱⁱ <https://www.bls.gov/cpi/>