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# Inflation in Colorado – January 2024 Update

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# Denver Experiences Deflation

Prices in Colorado fell by 0.1% between November and January of 2024 after falling 0.34% between September and November. The decrease was spurred by declines in energy and transportation costs. After experiencing deflation for the first time in over a year from September to November of 2023, Denver’s MSA has now experienced consecutive bi-monthly periods of deflation.

Aided by this decrease, Colorado’s 12-month inflation rate fell from 4.5% to 3.5% in January, which remains above the national average of 3.1%. The last time Denver’s MSA experienced consecutive bi-monthly periods of deflation was in July–November of 2020.

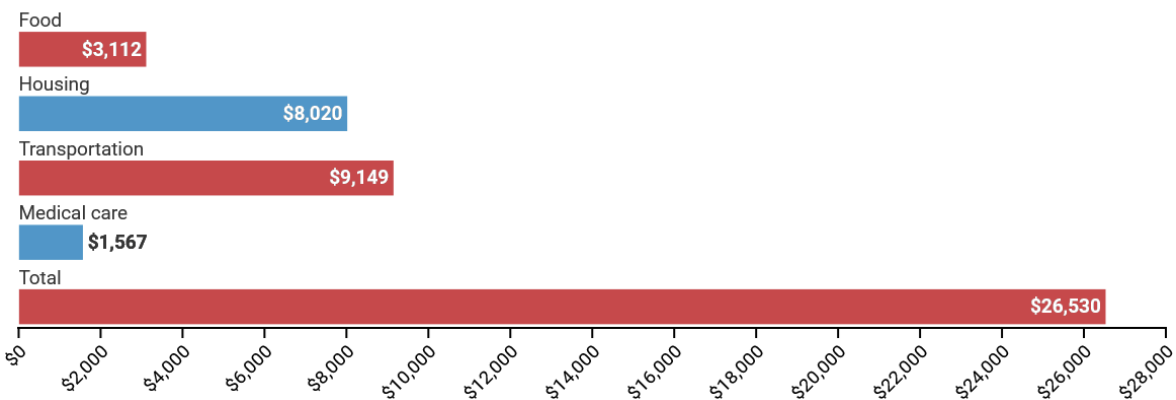
The prices of energy (-6.66%) transportation (-3.67%), and medical care (-2.58%) decreased, while those of recreation (1.32%), food (1.23%), and utilities and household fuels (1.15%) rose. Of the 23 metropolitan area CPI series tracked by BLS, Denver’s total price growth since the end of 2020 ranks 9<sup>th</sup>.

- **Between November and January, prices in Denver fell by .1%.** This was the first consecutive bi-monthly period of deflation since July–November of 2020.
- **From Jan ‘23 to Jan ‘24, Denver’s inflation rate was 3.5% while the average U.S. city’s was 3.1%.**
- **In December ‘23 and January ‘24, the average Colorado household spent \$2,388 more due to inflation—an average of \$1,194 per month.** The average Colorado household has spent \$26,530 more since 2020 because of higher inflation.<sup>i</sup>
- Metro Denver inflation over the past 12 months is the 9<sup>th</sup> highest among the 23 urban consumer price indices tracked by BLS.

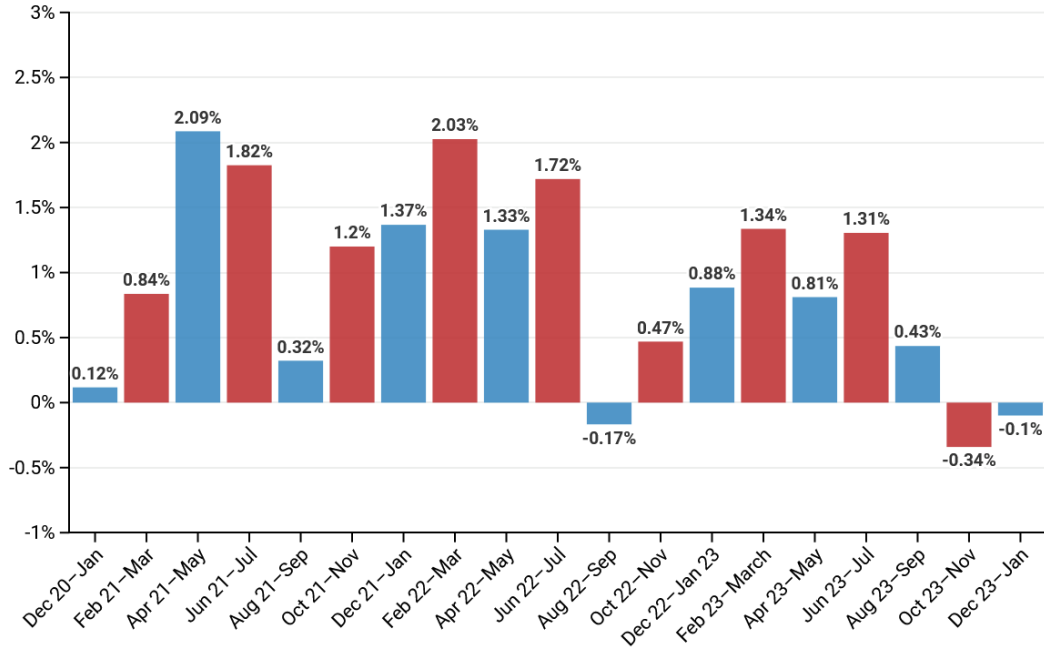
In December and January, the average Colorado household spent \$2,388 more due to inflation—an average of \$1,194 per month. Since September, the Federal Reserve has held its key interest rate steady; if inflation continues to abate, the Reserve is unlikely to resume raising rates.

## 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



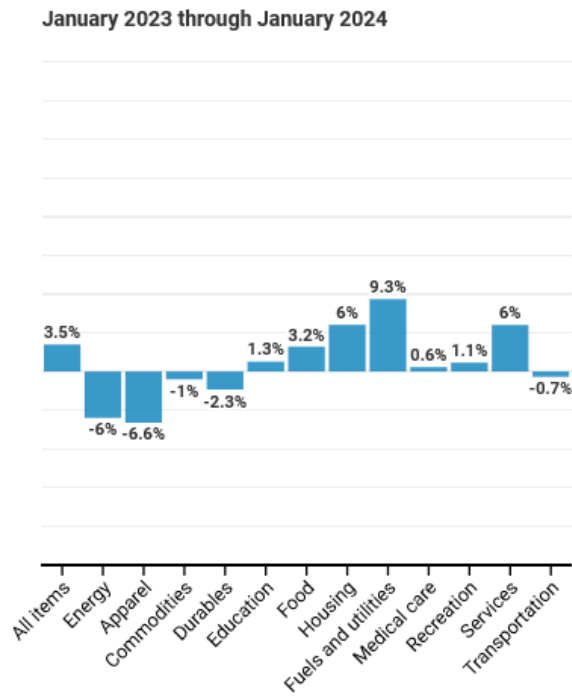
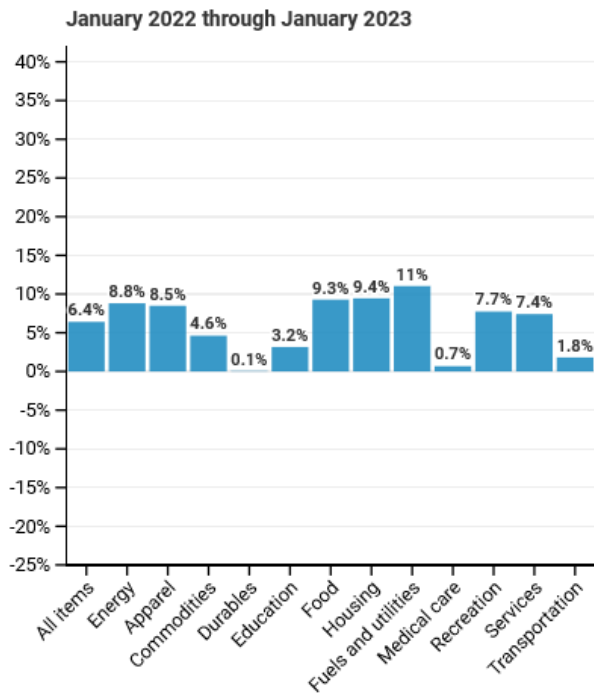
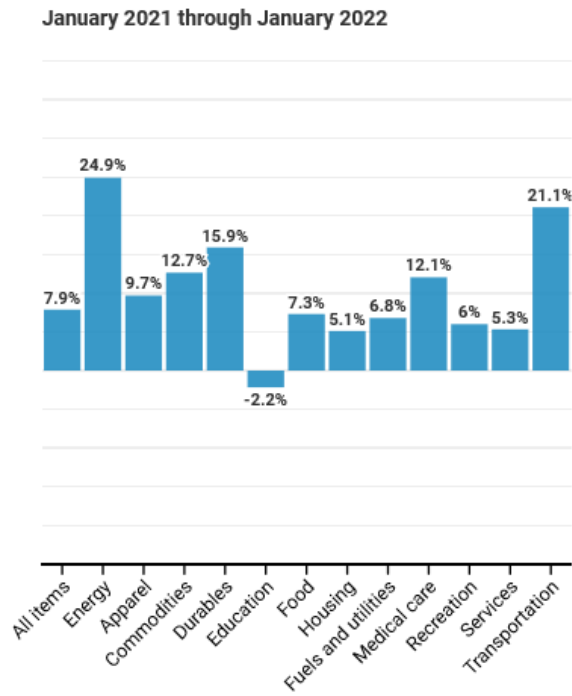
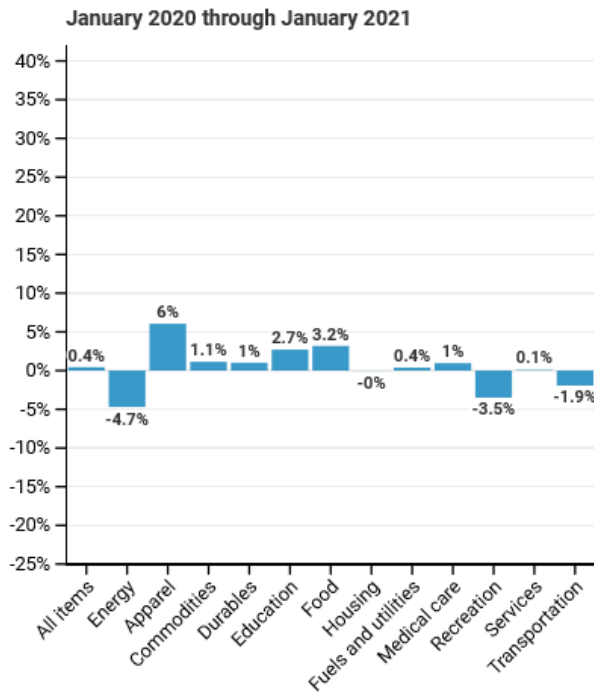
Source: BLS CPI-U Data

**Inflation in metro Denver over the last 12 months was 3.5%—.4 of a percentage point above 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 January 2023, 5 of the categories shown on page 4 have grown by more than that and 8 have grown by less.
- The two price categories that grew the fastest over the last 12 months were fuel and utilities and services, which grew by 9.3% and 6%, respectively.

## Price Changes in Metro Denver over the Previous Year

Source: BLS CPI-U Data



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<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/>