



August 2023

Inflation in Colorado – July 2023 Update

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Bi-Monthly Inflation Slows

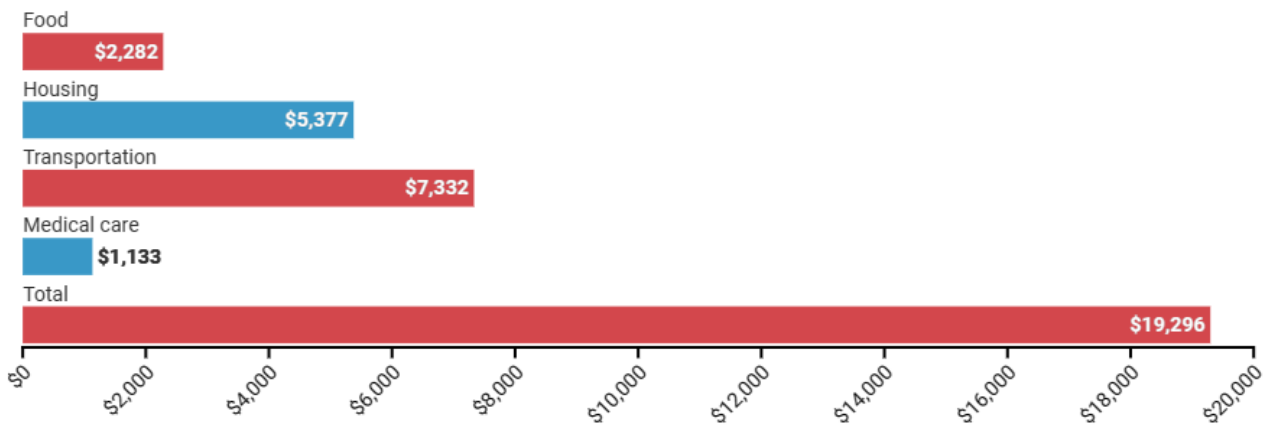
Prices in Colorado increased by 0.65% during June and July, down from a 0.81% increase over the two months prior. Aided by this slower increase, Colorado’s 12-month inflation rate dropped from 5.15% to 4.72%. The primary cause of this change was a significant decrease in the price of energy, including oil and gas, which saw its price level decrease by 6.5% since last July. Despite this strong decrease in energy prices, household fuel and utility prices grew by a whopping 16.45% over the last year. This inverted relation between energy and household fuel and utility prices can largely be attributed to a lag between wholesale energy prices and what consumers pay in their monthly utility bill.ⁱ In addition, decreasing inflation does not directly correlate to decreasing prices.

- **In June and July, the average Colorado household spent \$2,336 more due to inflation—an average of \$1,167 per month.** The average Colorado household has spent \$19,295 more since 2020 because of inflation.ⁱⁱ
- Metro Denver inflation has dramatically outpaced the national average over the last 12 months – 4.7% in Denver compared to 3.3% 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.ⁱⁱⁱ
- From May ‘23 to July ‘23, household fuels and utility prices grew by 7.5% in the Denver MSA, the largest two-month price jump since Jan ‘22 to March ‘22.

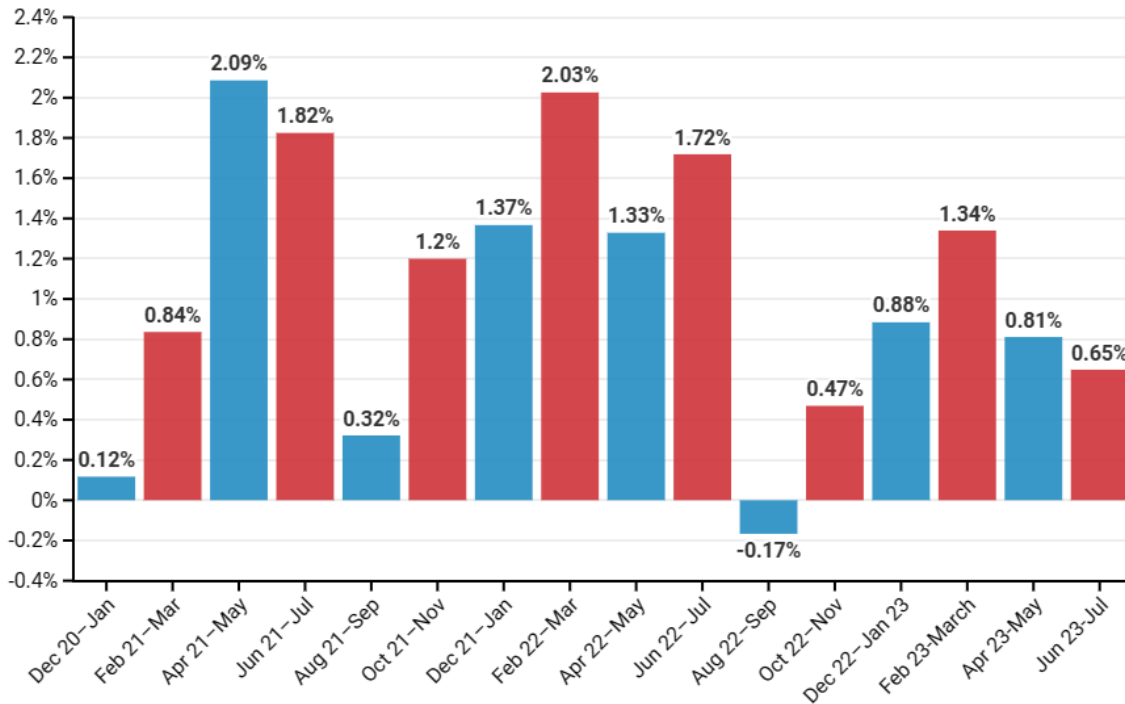
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Inflation's Impact on What We Buy

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



Bi-monthly Inflation in Metro Denver since January 2021



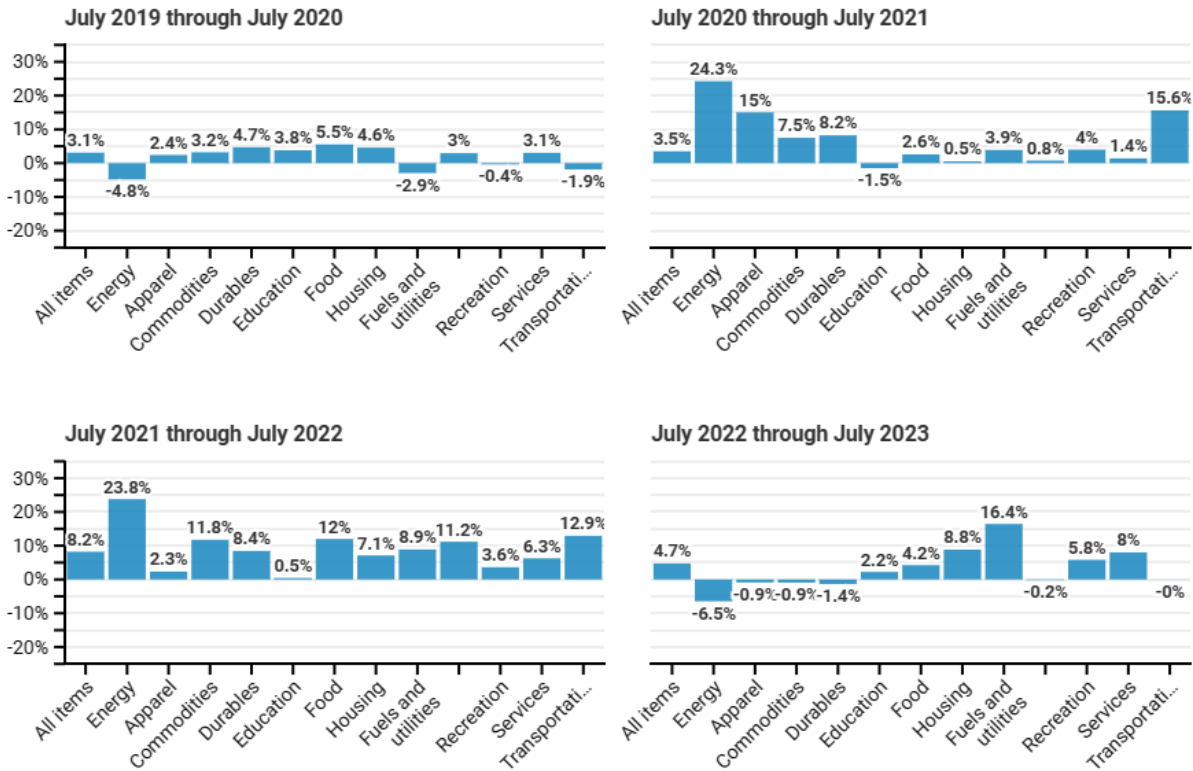
Source: BLS CPI-U Data

Inflation in metro Denver over the last 12 months was 4.7%—1.4 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 7th in total growth since the end of 2020.
- Average annual inflation between 2010 and 2020 was 2.51%. Since July 2022, 6 of the categories shown on page 4 have grown by more than that and 7 have grown by less.
- The two price categories that grew the fastest over the last 12 months were fuel and services, which grew by 16.45% and 8.02%, respectively.

Price Changes in Metro Denver over the Previous Year

Source: BLS CPI-U Data



ⁱ [Inflation is falling, but not your electricity bill. Here's why. - CBS News](#)
ⁱⁱ 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.
ⁱⁱⁱ [Household Pulse Survey \(census.gov\)](#)
^{iv} <https://www.bls.gov/cpi/>