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Inflation in Colorado – January 2025 Update

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Prices See Modest Increase in Past Two Months

Prices in the Denver metro area rose at a slower pace in the last two months than they have nationally, as they did in the last year. Despite this, Denver metro households are still dealing with increased household costs, particularly in the largest segments of household spending such as medical care.

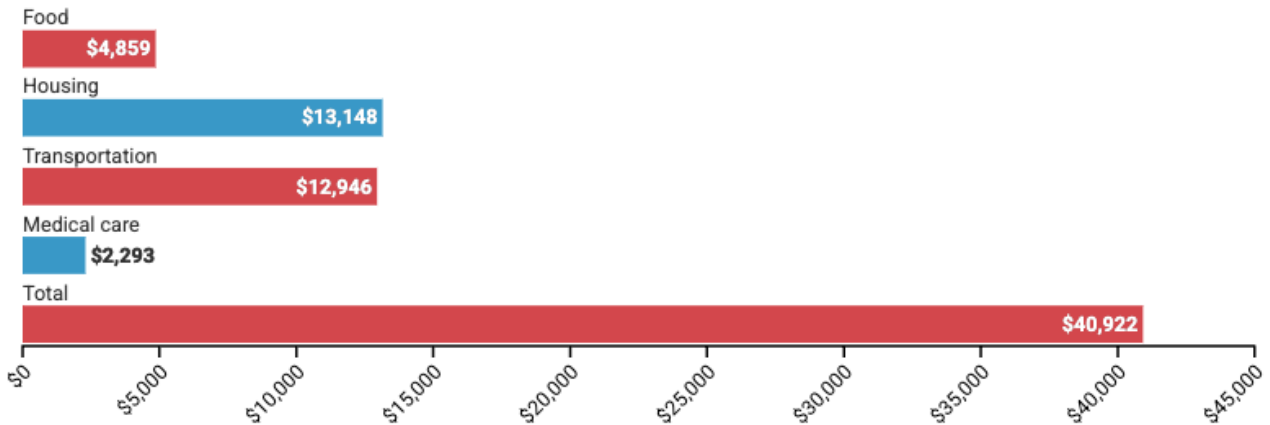
Prices in Denver rose by 0.2% over December 2024 and January 2025. National inflation was higher at 0.47% during this same time. The Federal Reserve has indicated that rate cuts are not imminent given that national inflation was 3% over the past year, above their target rate.ⁱ Denver's year-over-year inflation rate was 2.34%, helped in part by a 2.5% decline in energy prices, and housing costs increasing by just 0.01% compared to the national growth of 3.84%.

In the months of December 2024 and January 2025 the prices of education (-4.62%), housing (-0.14%), and transportation (-1.07%) decreased, while food (1.64%), medical care (1.15%), recreation (2.23%), and utilities and household fuels (1.16%) increased. Of the 23 metropolitan area CPI series tracked by BLS, Denver's total price growth since the end of 2020 ranks 12th.

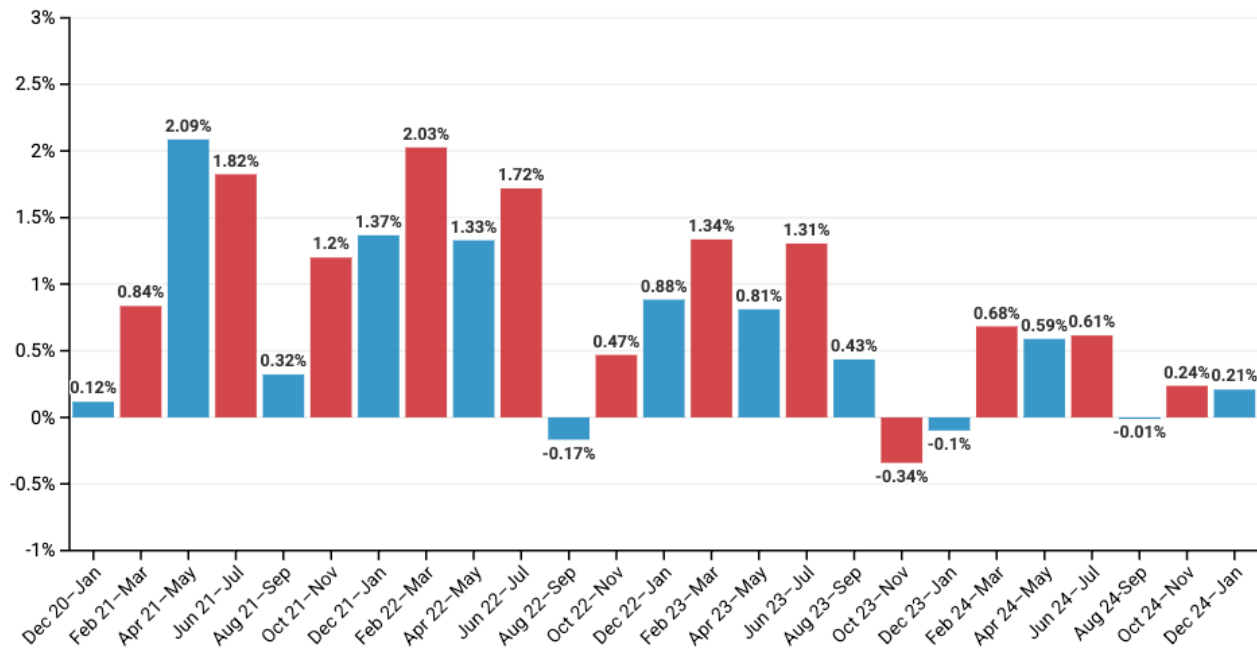
- **Between December 2024 and January 2025, prices in Denver increased by 0.20%, while national inflation was 0.47%.**
- **The average Colorado household has spent \$40,922 more since 2020 because of higher inflation.ⁱⁱ**
- **Between January '24 and January '25, the cost of energy in Denver's MSA decreased by 2.54%, while the nationwide average grew by 0.8% during that period.**
- **Nationwide between January '24 and January '25, housing costs increased by 3.84%, while housing costs in Denver's MSA grew by 0.01% during this same period.**
- **The national average for transportation cost growth was 2.43% between January '24 and January '25, while the Denver metro area's growth almost quadrupled the national amount at 8.3%.**

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



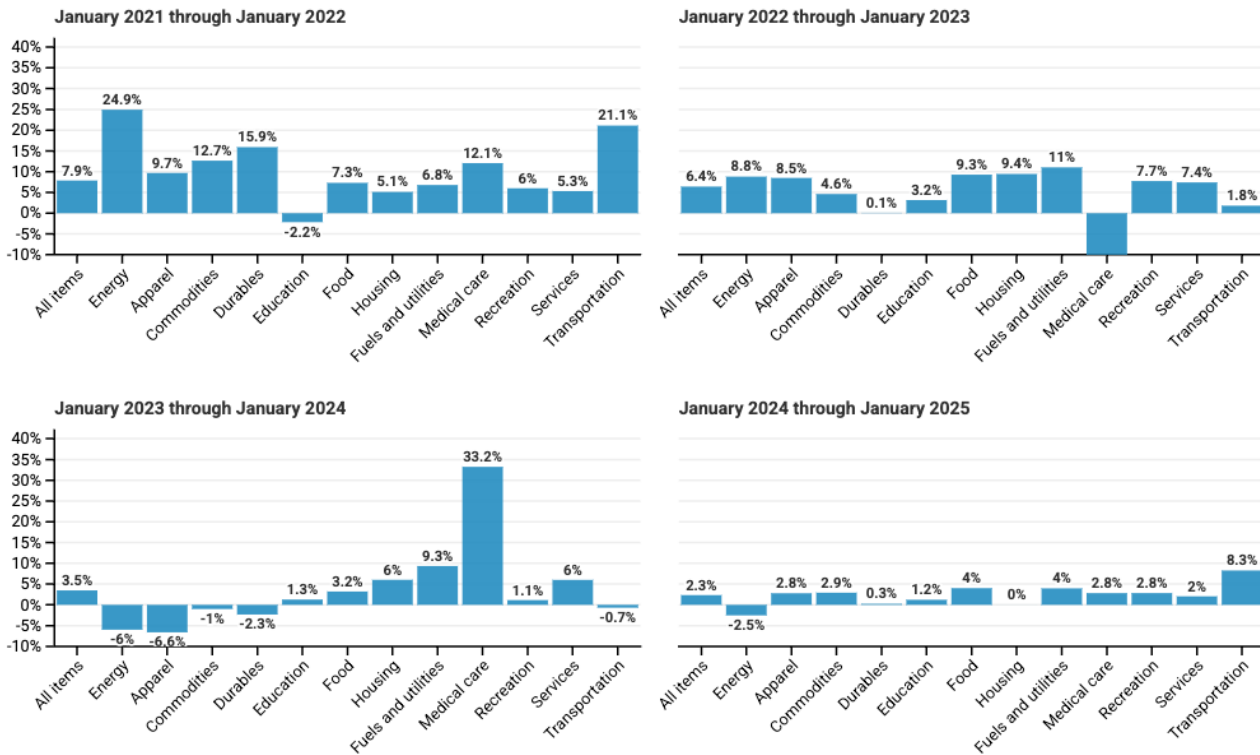
Source: BLS CPI-U Data

Inflation in metro Denver over the last 12 months was 2.34%, while the national average growth was 3.0% (BLS CPI Survey)ⁱⁱⁱ

- Of the 23 urban consumer price indices tracked by the BLS, Denver–Aurora–Lakewood's ranks 12th in total growth since the end of 2020.
- Food prices in the Denver MSA grew by 4.02% during the last 12 months, outpacing the national food price average of 2.5%.
- The price that grew the fastest over the last 12 months transportation, which grew by 8.27%.

Price Changes in Metro Denver over the Previous Year

Source: BLS CPI-U Data



ⁱ [Key takeaways from Fed Chair Jerome Powell’s congressional hearing](#)

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