



June 2025

Inflation in Colorado – May 2025 Update

Authors: Cole Anderson, Erik Gamm

Denver Metro Price Growth Outpaces Nation

Between March and May, Denver's price level rose by 1%, its highest recorded change in almost two years and nearly four times the bi-monthly average since August 2023. Housing, transportation, and medical care prices are most responsible for this sudden growth—they rose by 1.5%, 1.4%, and 0.9%, respectively, whereas prices of food and durable goods remained relatively stable. Whatever caused these phenomena must be unique to Colorado, though: on average, the rest of the country experienced only 0.3% inflation over the last two months.

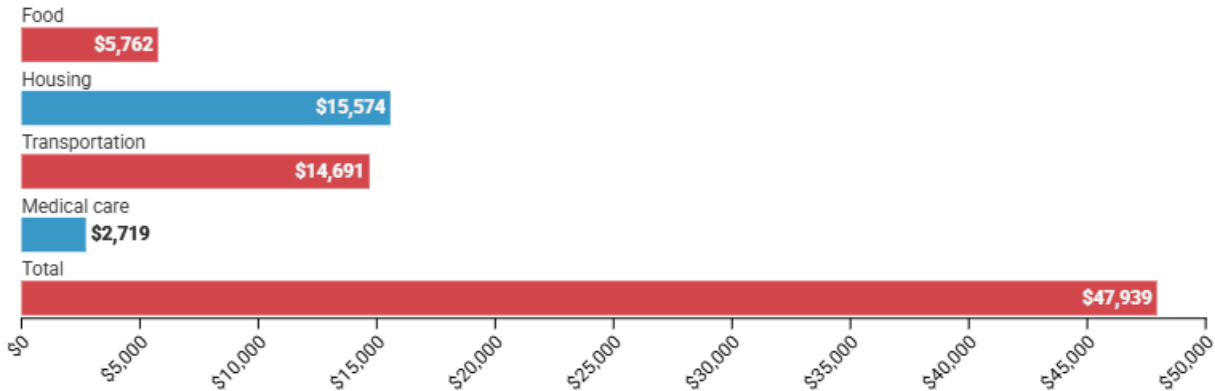
Accordingly, it's unlikely that national policy is to blame for Denver's most recent inflationary trends. The federal funds rate remains at 4.33%, where it's sat since January, and hopes that it would be lowered by the summer have yielded to expectations of no change into the fall.ⁱ Likewise, predictions that new tariffs would substantially raise prices appear not to have materialized, at least yet. Whether Denver's sudden price spikes through May are one-time corrections in a small number of sectors or indicative of something more persistent will become clearer over the coming months.

Key Findings:

- Prices in the Denver metro area rose by 0.96% over April and May of this year, the largest two-month increase since June–July of 2023. Nationally, prices grew by just 0.3% over this time.
- After increasing by just 0.6% between March of 2024 and March of 2025, the price of housing in the Denver metro area increased by 1.5% during April and May of this year.
- Over the last 12 months, prices have increased by 2.25% in the Denver MSA and 2.38% nationally.
- Over the past 12 months, the price of energy in Denver has fallen by 7% while medical care costs have increased by 5.6%.
- Food price growth in the Denver MSA continues to outpace the nation. Over the past year, the price of food rose by 3.43% in the Denver metro compared to just 2.9% on average across the country.
- The average Colorado household has spent \$47,939 more since 2020 because of inflation.ⁱⁱ

Inflation's Impact on What We Buy

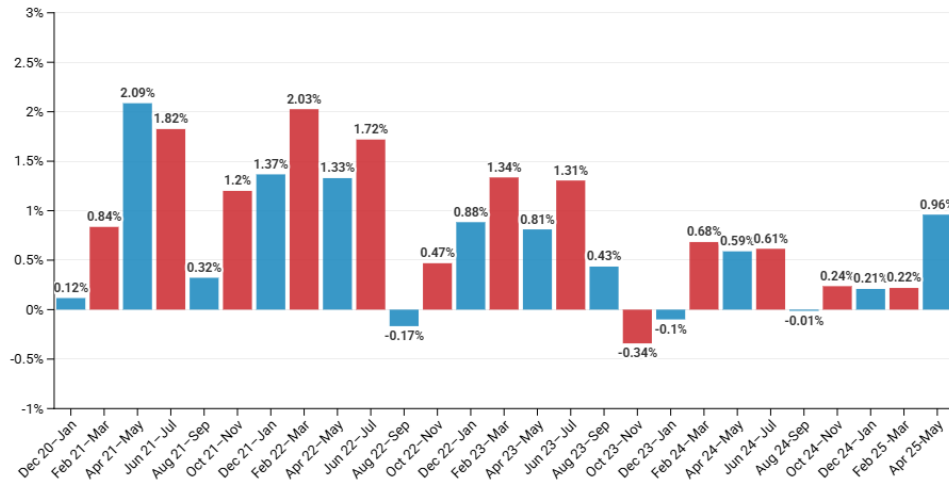
How much more has the average household spent since 2020 because of inflation?



Inflation in metro Denver over the last 12 months was 2.25%, while the national average growth was 2.38% (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 2021.
- Food prices in the Denver MSA grew by 3.43% during the last 12 months, outpacing the national food price average of 2.9%.
- The price of medical care saw the largest increase of any consumer good, rising 5.58% over the last 12 months in the Denver MSA.

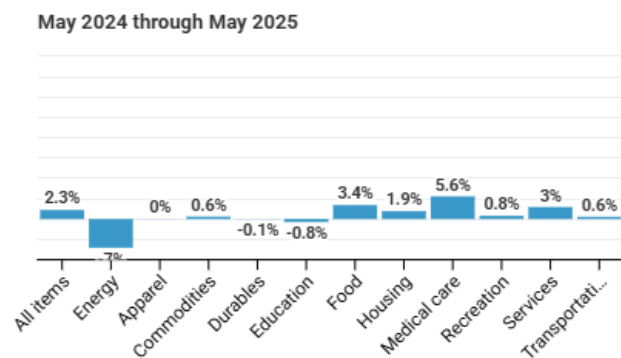
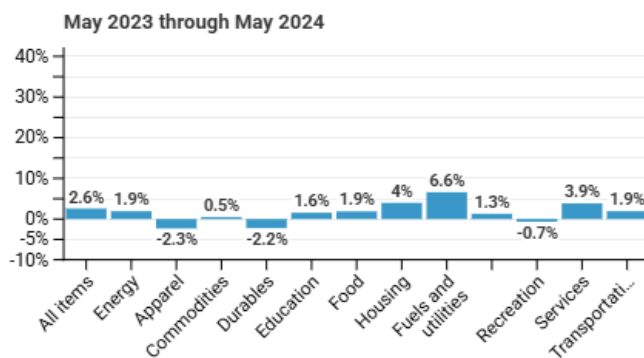
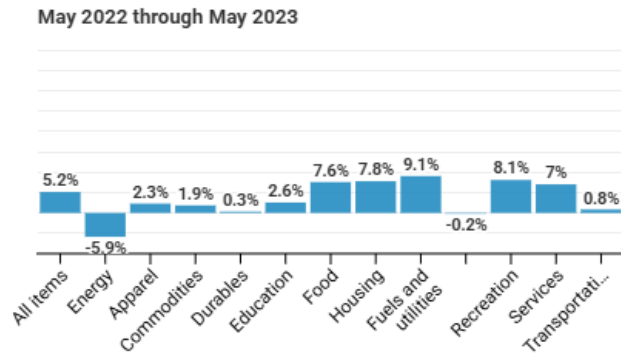
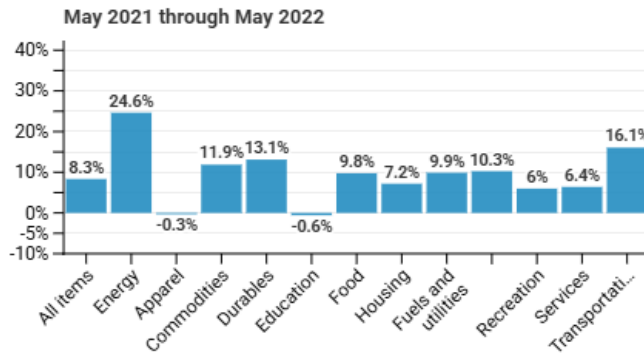
Bi-monthly Inflation in Metro Denver since January 2021



Source: BLS CPI-U Data

Price Changes in Metro Denver over the Previous Year

Source: BLS CPI-U Data



ⁱ [Hopes For Fed Rate Cuts Are Fading](#)

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/>