



# DENVER, CO

## Headlines

- **The Denver metro area labor market has moderated since mid-2025.**
- Notwithstanding the slowdown in job growth, the unemployment rate in Denver has been trending lower.
- **The still-tight – though cooling – labor market is putting upper pressure on wages.**
- The relative outperformance in wage growth is a positive support to consumer spending in the metro area in the near term.
- **The Denver housing market continues to struggle.** Home sales declined annually from February through August 2025 before rebounding 3.3% in September.
- The primary cause of weak home demand is low affordability as home prices in the metro area surged 38.2% from February 2020 to October 2025 according to the S&P Cotality Case-Shiller Home Price Index.

## KEY FACTS



**Population:** 3.1 mil.  
(ranked 13/411 MSAs)

Source: Bureau of Census; Moody's Analytics



**GDP:** 1.9%  
(ranked 249/411 MSAs)

Source: Bureau of Economic Analysis;  
Moody's Analytics



**Job Growth:** 0.1%  
(ranked 282/411 MSAs)

Source: Bureau of Labor Statistics



**HPI Growth:** -1.5%  
(ranked 372/411 MSAs)

Source: CoreLogic, Inc.; Moody's Analytics



**“Denver’s economy is forecast to exceed regional and national performance in 2026, bolstered by significant investment in emerging technologies.”**

**The Denver metro area labor market has moderated since mid-2025.** Strong job gains in the spring – month-on-month growth averaged 0.4% from March through May – was followed by roughly flat employment during the summer and fall. Moreover, nonfarm employment is unchanged from the end of 2024 through November, compared to a 0.3% advance for the nation. Year-to-date declines in mining, logging & construction (-3.1%), manufacturing (-2.2%), professional & business services (-1.6%) and leisure & hospitality (-1.2%) weighed on employment growth. These four sectors jointly comprised over 40% of total employment in November. Conversely, **solid year-to-date gains in information (+7.0%), education & healthcare (+4.0%) and other services (+1.7%) prevented overall employment from declining.**

The recent weakness pushed year earlier growth in total employment down to just 0.1% in November with the largest drops in mining, logging & construction (-3.5%), professional & business services (-1.5%), manufacturing (-1.2%) and trade, transportation & utilities (-1.0%). On a more positive note, information employment rebounded in March after falling from a year earlier for 24 consecutive months, with particularly sturdy growth of 8.3% in September, 8.4% in October and 7.1% in November. A surge in AI and learning machine investment supported the sharp, sustained rebound in information employment.

The developing slack in the labor market is discouraging new entrants into the Denver labor force, with month-on-month drops for the last three months through September, compared to an average monthly gain of 0.2% for the nation over the same period. The October labor force data is missing due to the government shutdown so the month-on-month growth for November cannot be calculated.

Furthermore, the labor force declined 0.4% year-on-year in November – the second straight decline – and growth in the metro area’s labor force has underperformed the U.S. for the past 10 months through November.

**Notwithstanding the slowdown in job growth, the unemployment rate in Denver has been trending lower.**

The jobless rate in November 2025 was 3.8%, down from 4.8% in May. Moreover, the unemployment rate is below the statewide and national average of 3.9% and 4.4% respectively and is well below the long run average of 4.7% from 1990-2024, pointing to a still somewhat tight labor market.

**The still-tight – though cooling – labor market is putting upper pressure on wages.**

Nominal average hourly earnings growth averaged 4.4% year-on-year for the first 11 months of 2025 compared to 3.8% for the nation. Moreover, annual growth in Denver has eclipsed that of the U.S. for the last five months through November, including robust growth of 6.2% in October and November. **The relative outperformance in wage growth is a positive support to consumer spending in the metro area in the near term.**

**The Denver housing market continues to struggle.**

Home sales declined annually from February through August 2025 before rebounding 3.3% in September. Despite the modest rebound, home sales are 41.7% lower than they were in February 2020 compared to a more modest 25.8% decline in U.S. home sales. **The primary cause of weak home demand is low affordability as home prices in the metro area surged 38.2% from February 2020 to October 2025 according to the S&P Cotality Case-Shiller Home Price Index.** However, affordability is being slowly restored with home prices falling year-on-year for the last six months through October. Furthermore, home prices should continue to soften amid rising inventory: **the number of homes for sale surged 644.8% from the low in January 2022 to November 2025 according to Realtor.com.**

Denver’s economy is forecast to exceed regional and national performance in 2026, bolstered by significant investment in emerging technologies. Specifically, **the**

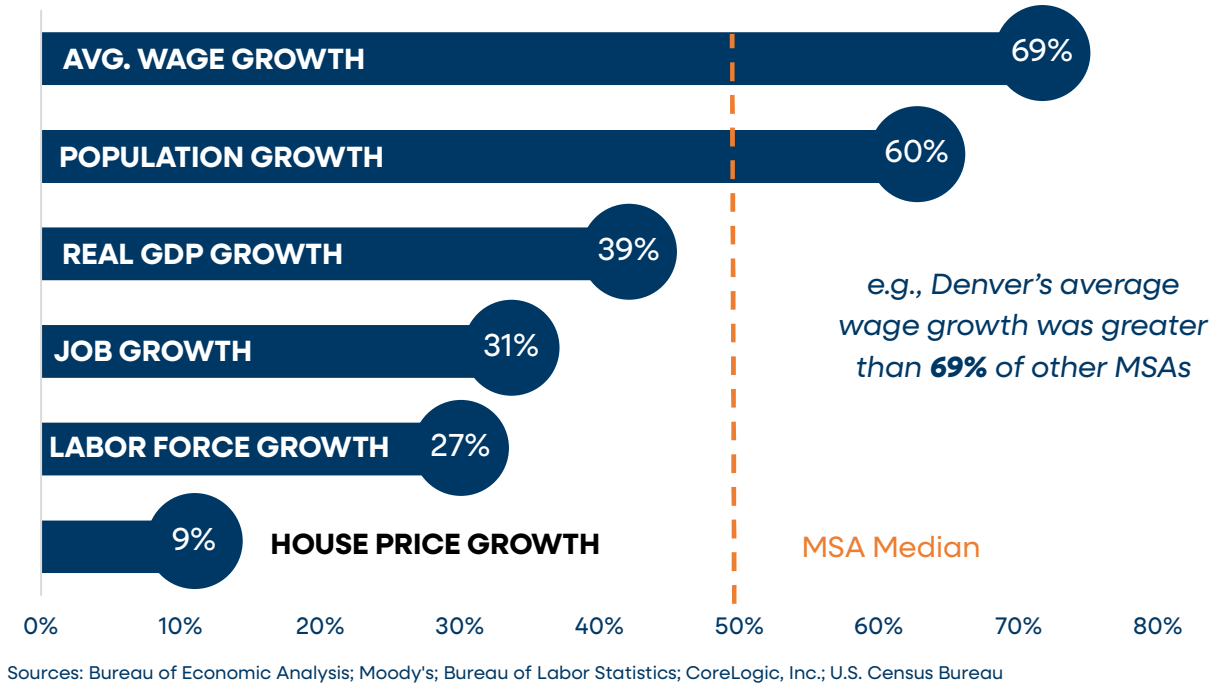


**Denver metro area has been designated a hub for quantum research, and a substantial sum of federal money has already been awarded to advance research in conjunction with local universities.** Longer term, a diverse economy, high quality of life and an abundance of outdoor activities will continue to attract individuals to the area.

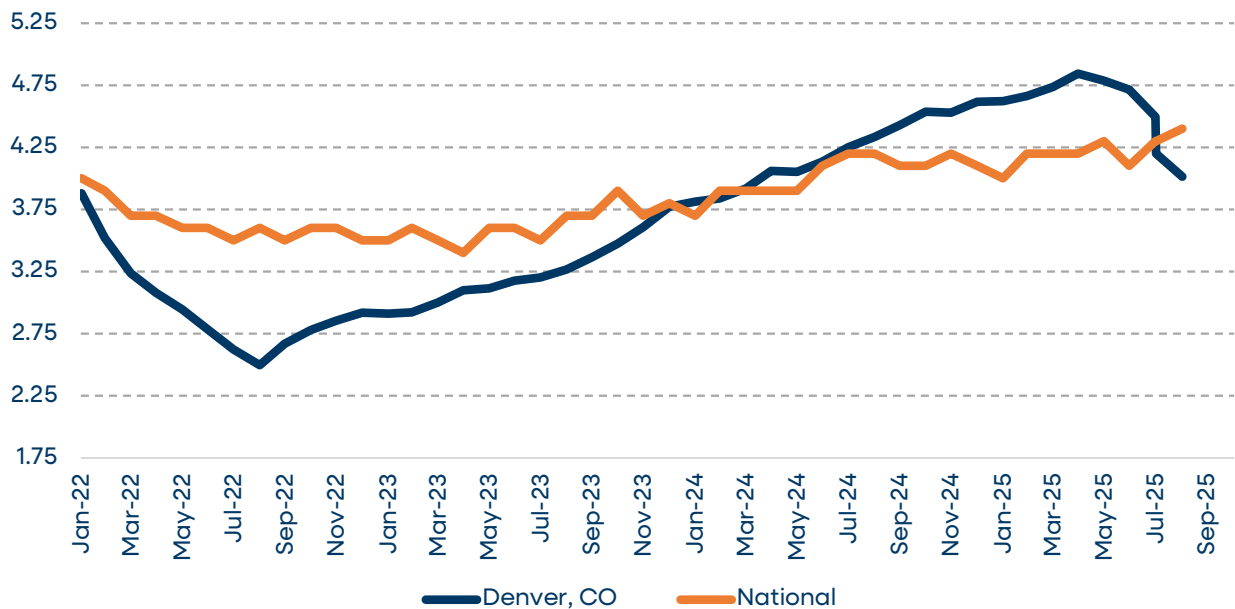


### Key Charts and Figures

**Figure 1: Key Metric Percentiles – Denver, CO vs. the Rest of the Country**



**Figure 2: Unemployment Rate: Denver, CO vs. National Average**





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