

RIO BLANCO COUNTY ECONOMIC UPDATE

Released August 26th, 2025

The Rio Blanco Economic Update is funded by the
Associated Governments of Northwest Colorado.

Economic Summary

- Rio Blanco County employment has averaged 2,769 through July of 2025, falling from the 2024 average of 2,805.
- The biggest job gains were in manufacturing (24) and mining (20), with losses in accommodation and food services (-32) and construction (-29). Construction peaked in Q3 of 2023 at 176 and is now 146.
- Comparing 2024 to 2025 through July, Meeker sales taxes are up 4.83% while Rangely decreased by 2.2%.
- As of August 7th, reciprocal tariffs have been imposed that are intended to reshape global trade imbalances and generate tariff income. According to the Yale Budget Lab, the current average effective tariff rate is now 18.3%, which is the highest since 1934. Thus far gloomy inflation predictions from many economists have not played out. However, it will take several months for the full inflationary impact of tariffs to be known.

CONTENTS

Local Economic Indicators.....	1
The Local Labor Market	2
Standard of Living Measures	5
Population Trends.....	7
Industry Trends.....	8
Local Real Estate Indicators	10
Regional Energy.....	12
Oil and gas	13
National Economic Indicators	14
GDP, inflation, labor market.....	15
Tariffs and debt/deficits.....	16

LOCAL ECONOMIC INDICATORS

	Q2 2025	Q1 2025	Q2 2024	change since last quarter	change since last year (comparable quarters)
Local Labor Market					
Unemployment Rate Rio Blanco County -NSA	4.13%	5.13%	4.17%	-1.00%	-0.03%
Unemployment Rate Colorado -NSA	4.50%	4.90%	4.00%	-0.40%	0.50%
Unemployment Rate U.S. -NSA	4.10%	4.40%	3.80%	-0.30%	0.30%
Labor Force	2,944	2,876	2,970	68	-26
Employed	2,822	2,729	2,846	93	-24
Unemployed	122	147	124	-24	-1
Business Confidence					
Leeds Colorado Business Confidence	37.9	31.9	50.6	18.81%	-25.10%
Sales/Use Taxes (through July)					
	2025		2024		
Meeker Sales/Use Taxes	\$913,324		\$871,246		4.83%
Rangely Sales/Use Tax	\$578,606		\$591,596		-2.20%
Rio Blanco Sales/Use Taxes	\$3,355,243		\$1,855,882		80.79%
Business Filings					
	2025 (YTD)		2024		
Rio Blanco County New Business Entity Filings (through May)	59		120		

	2023	2022	2021	2020	% change from previous year
Standard of Living and Growth					
Gross Domestic Product (GDP)	\$607,902	\$553,979	\$571,835	\$565,276	9.7%
Personal Income	\$413,959	\$394,247	\$361,183	\$324,281	5.0%
Personal Income Per Capita	\$63,017	\$60,200	\$56,067	\$49,736	4.7%
Median Household Income	\$72,088	\$71,630	\$65,334	\$64,039	0.6%
Percent of Population Below Poverty Line	10.8%	12.9%	11.5%	10.7%	-16.3%
Place of Residence					
Adjustment for Place of Residence (in thousands)	-\$10,870	-\$8,619	-\$7,361	-\$64	26.1%

SOURCES IN ORDER OF LISTING: Local Unemployment Rates: Bureau of Labor Statistics (LAUS); National Unemployment Rate: Bureau of Labor Statistics; Labor Force, Employed, and Unemployed: Colorado Department of Labor and Employment; Business Confidence: Leeds Business Confidence Index; Sales/Use/Lodging Taxes: Town of Meeker, Rangely, and Rio Blanco County; Business Permits: Colorado Secretary of State's Office; Median Household Income, Poverty Rate, Population, and Personal Income: U.S. Bureau of the Census; Gross Regional Product: Bureau of Economic Analysis. Note that in all rows where percentages are presented the % change since last quarter and % change since last year represents the difference between the two percentages, not the actual percentage change.

Local Labor Market

Rio Blanco County employment has averaged 2,769 through July of 2025, falling from the 2024 average of 2,805. This is after recent labor market updates from the Colorado Department of Labor and Employment that changed some of the historical estimates. Note that the employment trend is similar but the numbers have been slightly adjusted upwards for the recent time period. The most recent unemployment estimate was 3.6% in July of 2025. Rio Blanco matched the nation's non-seasonally adjusted unemployment rate at 4.1%, which is lower than Colorado's rate of 4.5%.

Employment growth is happening in Moffat County and Garfield County, but not Rio Blanco County. Boosting employment going into the coal transition is imperative. Colowyo Mine is expected to close at the end of 2025.

This employment data is from the state and has a fairly small sample size at the county level. Employment estimates are by place of residence, and individuals are counted as employed once even if they have multiple jobs.

Another way to gauge employment is to look at the jobs data. Jobs data in Figure 2 comes from the State Demography Office. The jobs data is more accurate than the employment estimates, and counts if a person works more than one job. Top jobs by industry include government (1,291), mining (534), and agriculture (399) (Figure 3).

Other Indicators

Comparing 2024 to 2025 through July, Meeker sales taxes are up 4.83% while Rangely decreased by 2.2%. Rio Blanco County saw an 80.79% increase in sales tax collection, primarily due to industry purchases and State of Colorado sales tax audit revenue.

Rio Blanco County new business entity filings are at 59 midway through the year, on pace to match 2024's 120.

Table 1:

10, 5, and 1 Year Employment Comparison (Yearly Comparisons)

	Labor Force	Employed	Unemployed
Annual	-33	-58	25
5-Year	-265	-275	10
10-Year	-235	-176	-59
Annual %	-1.2%	-2.2%	27.2%
5-Year %	-8.9%	-9.6%	9.3%
10-Year %	-8.0%	-6.4%	-34.1%

Place of Residence

Figure 6 illustrates what is called a "place of residence adjustment." This data is from the Bureau of Economic Analysis, and shows inflows and outflows of income to and from the county. A positive number indicates that more income is flowing into the county from other counties than flowing out. A negative number implies that more income is flowing out of the county to other counties than flowing in.

Rio Blanco County has a history of negative place of residence adjustment. This implies that people from other counties commute to Rio Blanco County and take their earnings back to their county of residence. The obvious example is those living in Craig who work at one of the coal mines in northern Rio Blanco. Moffat has a positive place of residence adjustment, which means workers there are commuting to Routt and Rio Blanco.

Figure 1:
Yearly Employment Average

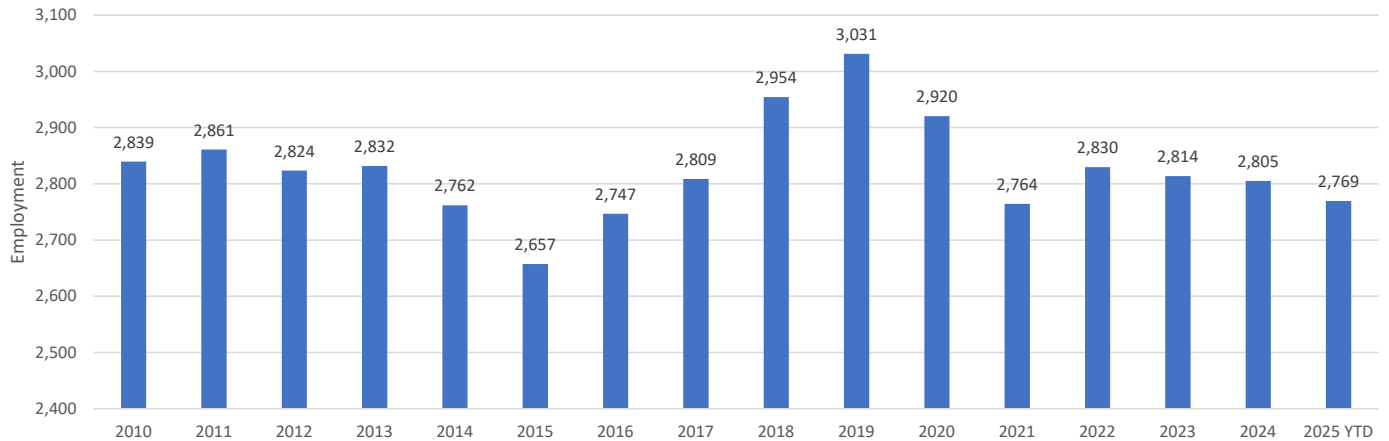


Figure 2:
Total Full and Part Time Jobs

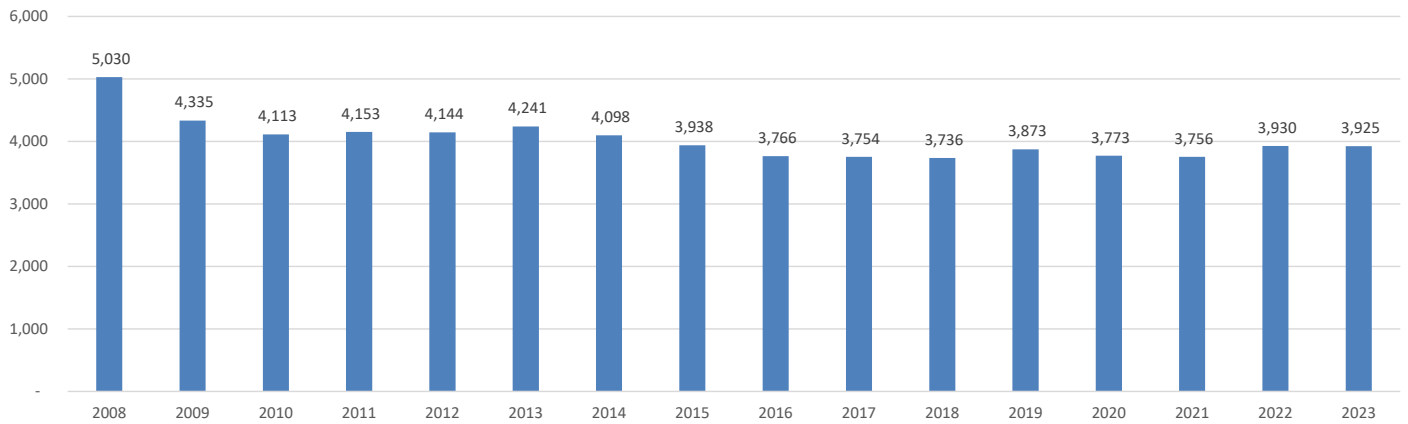


Figure 3:
Jobs by Industry

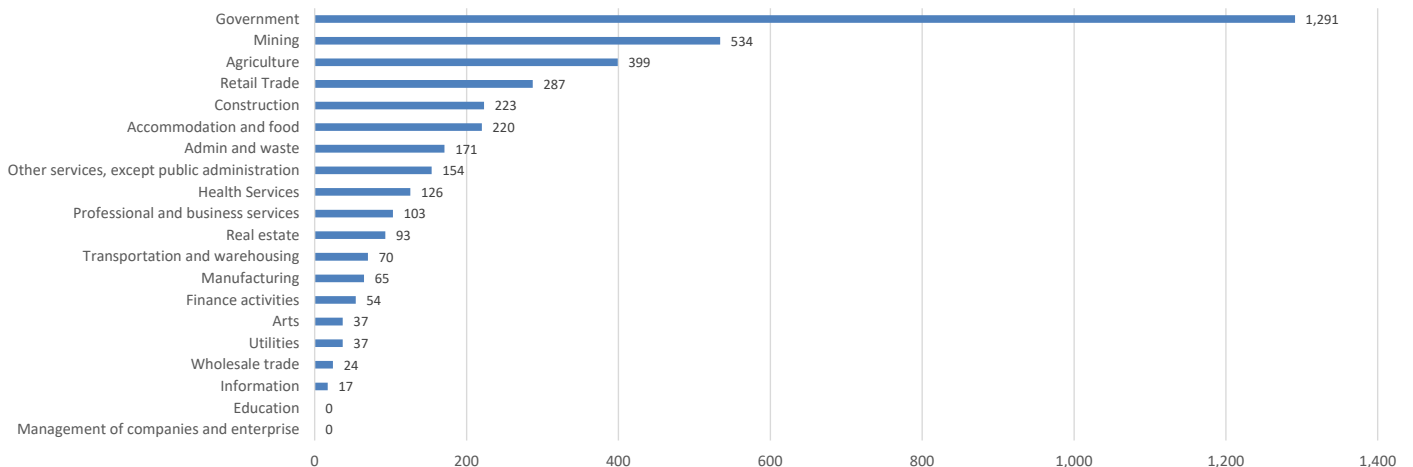


Figure 4:
Sales Taxes

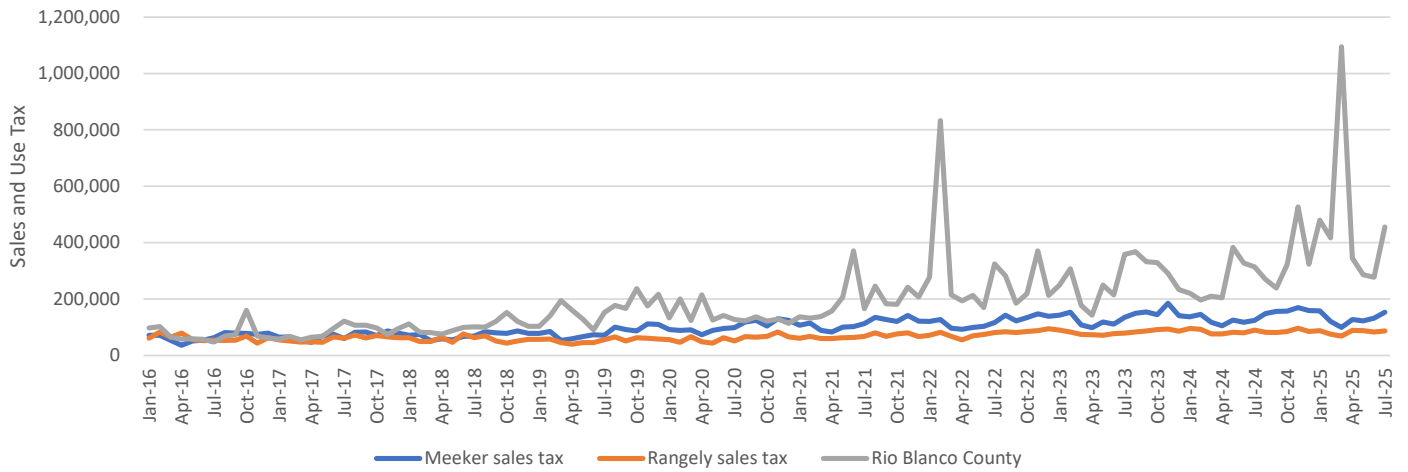


Figure 5:
New Business Entity Filings Rio Blanco

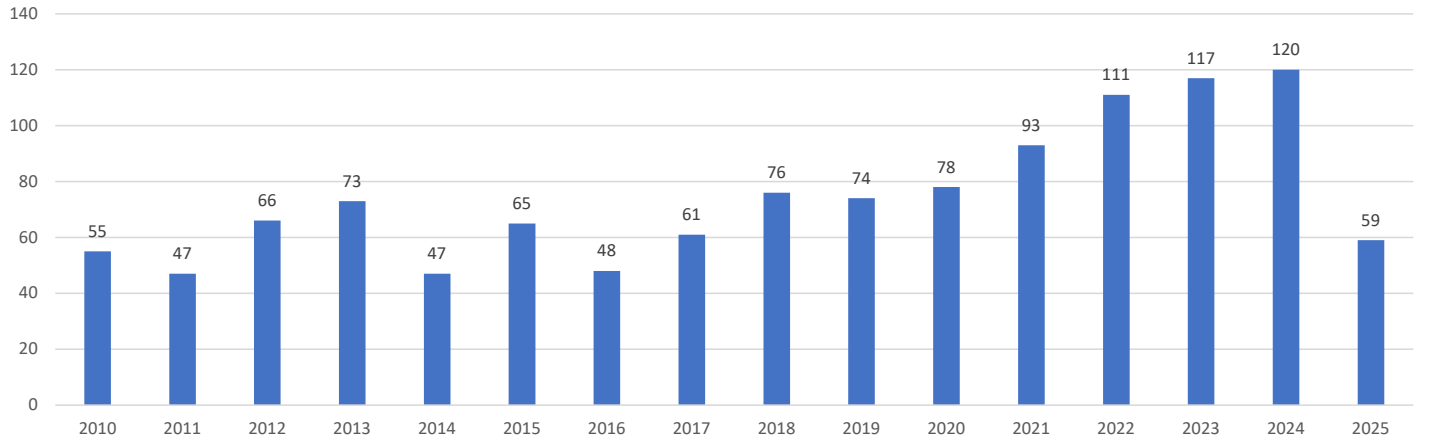
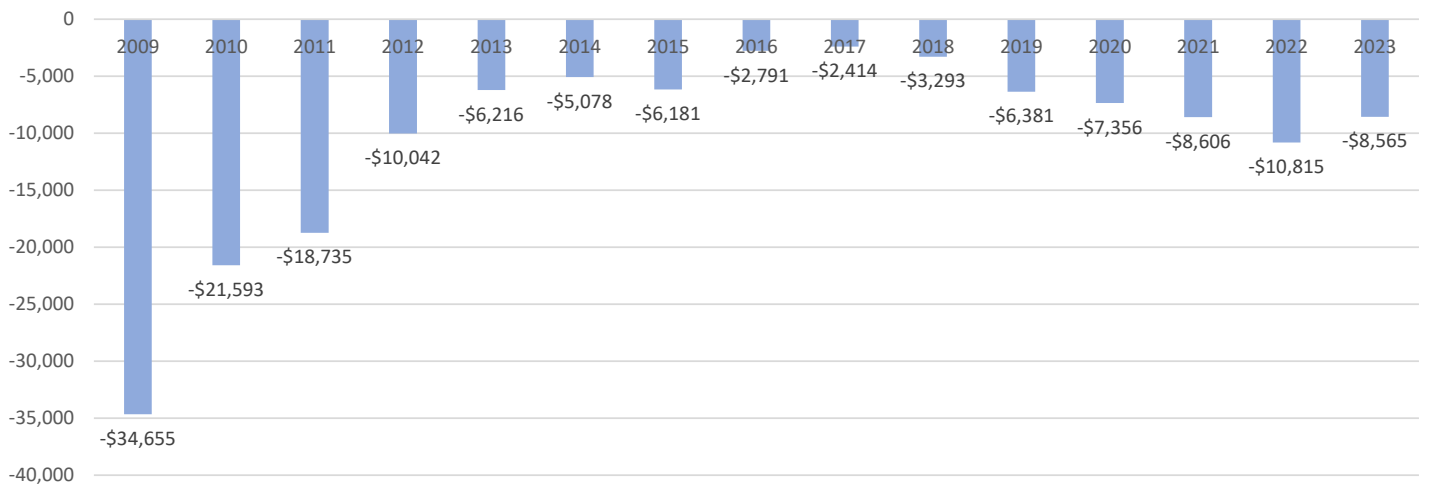


Figure 6:
Place of Residence Adjustment Rio Blanco County (in thousands of dollars)



Standard of Living Measures

Standard of living measures are generally released each year in December for the previous year's data. Rio Blanco County GDP increased by 9.73% for in 2023 (Figure 8). The gain in GDP was led by mining, which increased by 11.7%. Note that GDP is the product of the summation of prices by output, so price changes can change the GDP calculation drastically in a county like Rio Blanco.

Rio Blanco County median household income rose slightly from \$71,630 to \$72,088 (Figure 9). Median household income has been rising slowly since 2018.

The Census Department's SAIPE (Small Area Income and Poverty Estimates) released their most recent poverty estimate, with Rio Blanco County falling from 12.9% in 2022 to 10.8% in 2023.

Personal income per capita increased from \$60,200 in 2022 to \$63,017 in 2023. Per capita personal income is a measure of all personal income in the county divided by the population. Per capita personal income has increased drastically over the last few years.

Figure 7:
Western Slope GDP % Change 2023

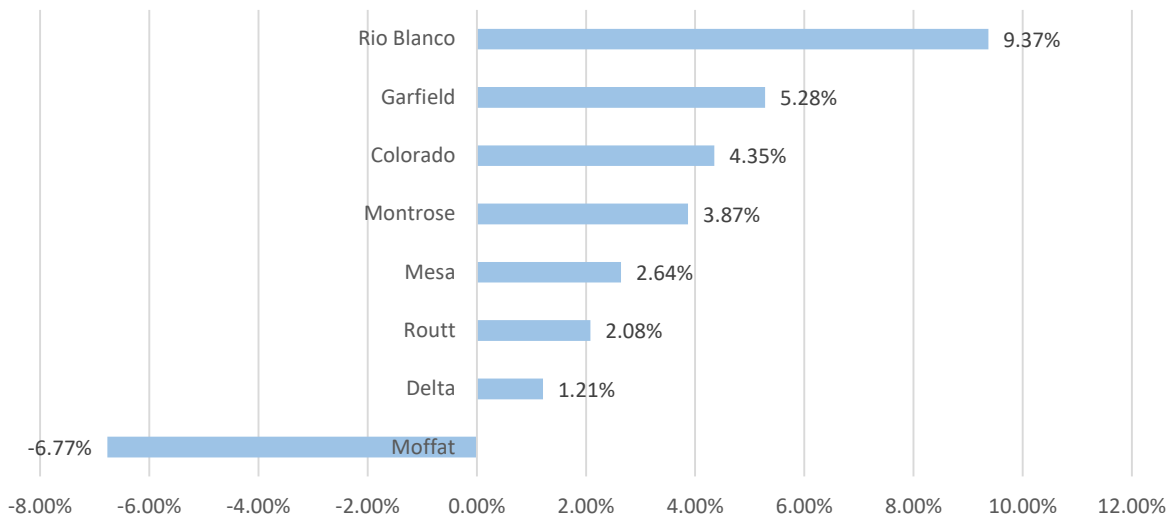


Figure 8:
Rio Blanco County Real GDP % Change (chained 2017 dollars)

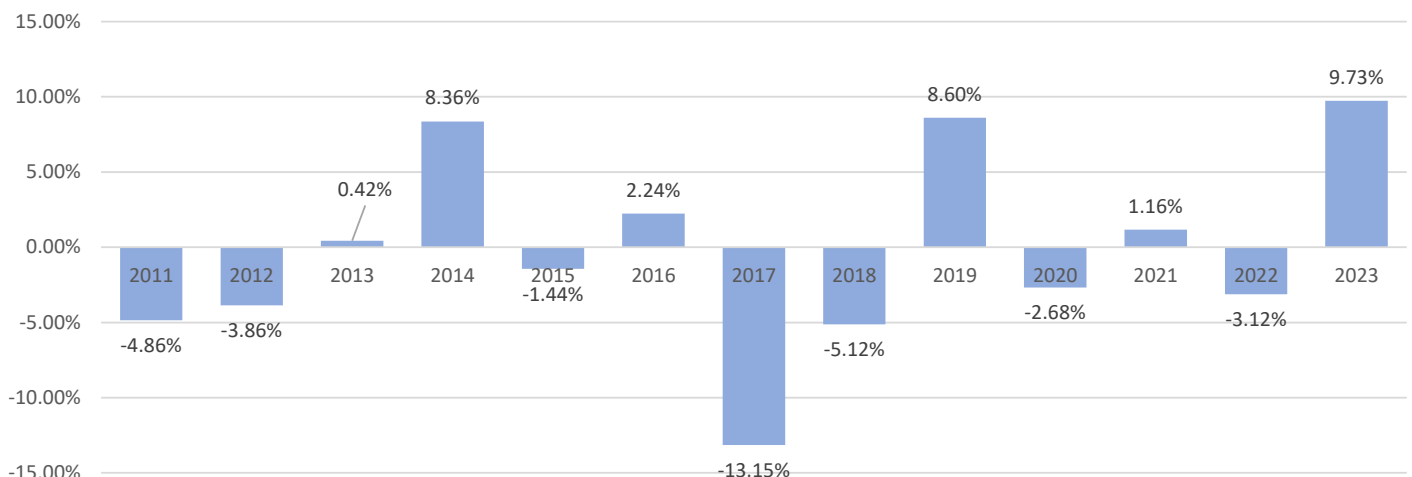


Figure 9:
Rio Blanco County Median Household Income

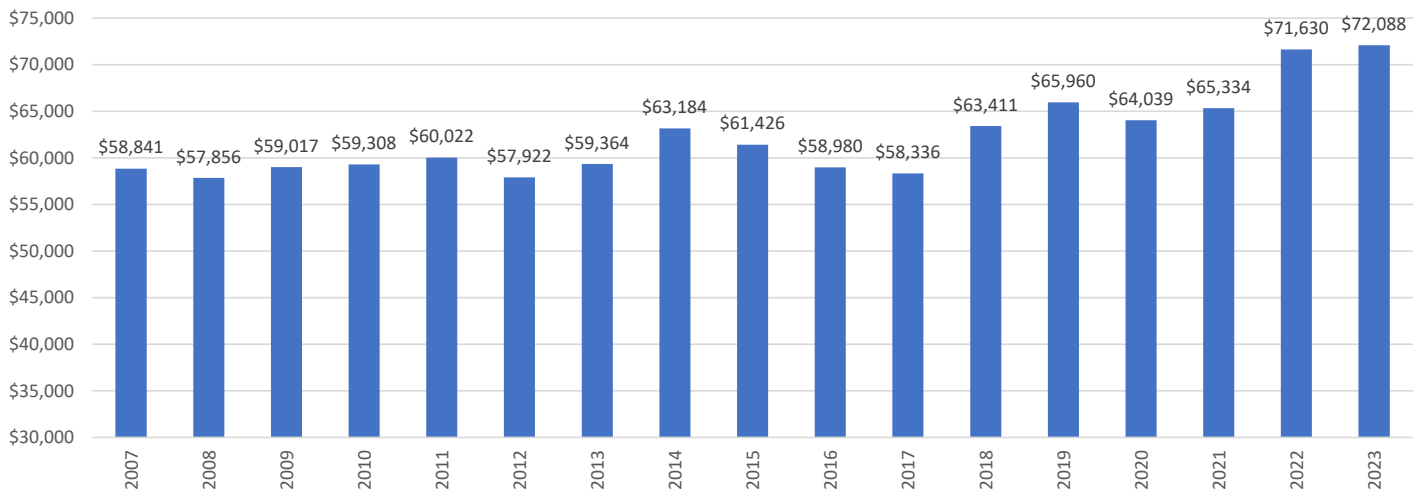


Figure 10:
Rio Blanco County Income Per Capita

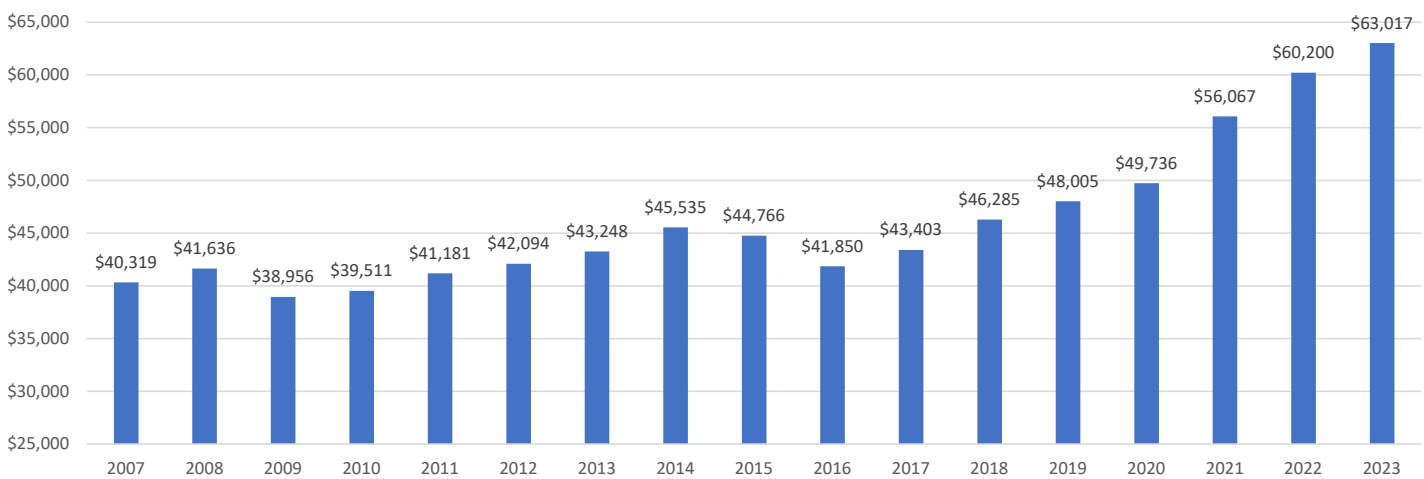
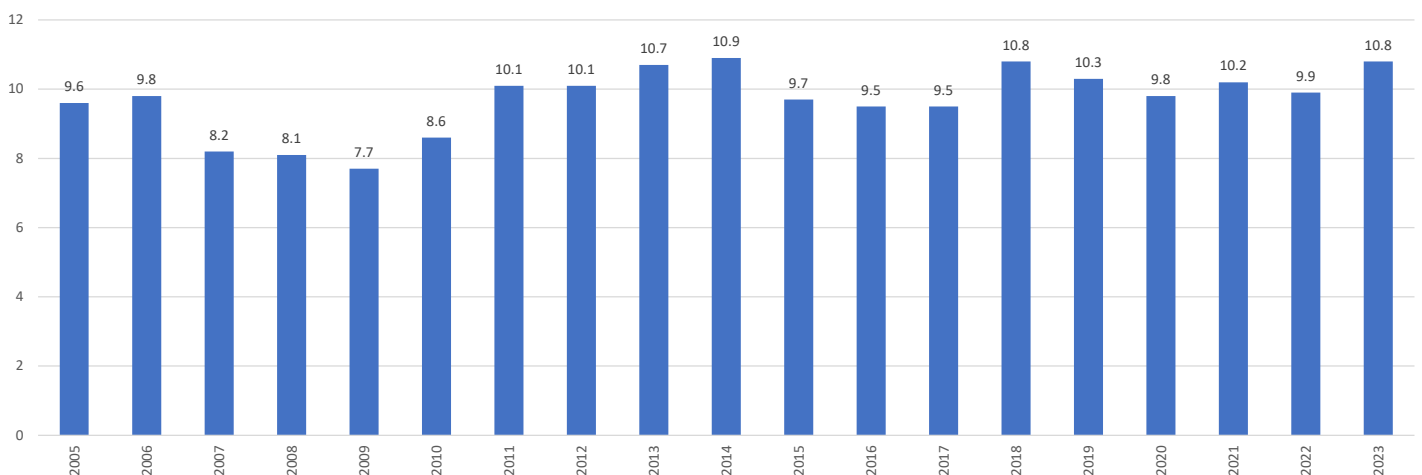


Figure 11:
Rio Blanco County Poverty Rate Estimate



Population Trends

The Colorado State Demography Office produces population estimates and population forecasts. Table 2 illustrates these forecasts for counties in the Western Slope. Rio Blanco County is expected to lose population, falling from 6,510 in 2025 to 6,317 in 2030, to 5,774 in 2040, and 5,213 in 2050.

Population is a function of birth rate, death rate, and migration. Rio Blanco County population decline is expected to be driven by out-migration. Rio Blanco has a slightly positive natural rate of increase (births minus deaths) but the out-migration is driving the negative population growth. Moffat County has a similar forecast. As the region moves towards different economic development ideas to replace coal, it is possible that this out-migration forecast will change over the decade.

Table 2:
**Population Estimates Table (2020-2050),
Colorado State Demography Office**

	Mesa	Montrose	Delta	Garfield	Rio Blanco	Moffat	Routt
2020	155,993	44,832	31,052	61,791	6,521	13,265	24,834
2025	162,123	47,255	32,325	63,668	6,510	13,221	25,332
2030	173,194	49,652	34,040	68,594	6,317	13,023	26,785
2035	185,317	51,510	35,530	74,980	6,041	12,855	28,404
2040	195,212	52,695	36,713	81,467	5,774	12,700	29,898
2045	202,778	53,212	37,584	87,161	5,498	12,528	31,059
2050	208,260	54,586	38,168	91,068	5,213	12,320	31,839

Table 3:
**Rio Blanco County Population Change Breakdown,
Colorado State Demography Office**

	Population	Change	Births	Deaths	Net Migration
2020	6,522	-6	54	46	-14
2021	6,442	-80	57	68	-69
2022	6,551	109	64	73	118
2023	6,576	25	50	57	32
2024	6,545	-31	41	50	-22
2025	6,510	-35	41	59	-17
2030	6,317	-38	40	61	-17

Rio Blanco County Employment Trends

Q4 2024 Quarterly Census of Employment and Wage data shows overall jobs fell by 11 from Q4 of 2023, with wages rising by \$2,378,225. The biggest job gains were in manufacturing (24) and mining (20), with losses in accommodation and food services (-32) and construction (-29). Neighboring Moffat County has lost a significant number of construction jobs over three quarters and this may be spilling over into Rio Blanco. Construction peaked in Q3 of 2023 at 176 and is now 146.

Figure 13 illustrates Rio Blanco County mining vs non-mining jobs. This data is from the state demography office jobs data similar to Figures 2 and 3. Figure 13 shows that mining jobs are falling but non-mining jobs are holding constant, not increasing significantly. There should be an increase in non-mining jobs going into coal transition. This is seen in the Moffat County data. Figure 14 shows the percentage of mining jobs of total jobs and shows that it has held steady at around 15% for several years.

Table 2:

Quarterly Census of Employment and Wages (QCEW) Q2 2023 Compared to Q2 2024

Sector	Average Employment	Total Quarterly Wages	Average Weekly Wage	Total Employment Change	Total Wage Change
Total, All Industries	2,919	\$47,725,379	\$1,258	-11	\$2,378,225
Mining	522	\$14,935,141	\$2,201	20	\$368,919
Health Care and Social Assistance	447	\$6,994,198	1,203	0	\$106,606
Public Administration	361	\$5,031,091	\$1,073	-16	\$352,054
Educational Services	389	\$4,406,872	\$871	10	\$284,144
Construction	146	\$3,209,474	\$1,695	-29	\$430,750
Administrative and Waste Services	122	\$2,069,487	\$1,308	16	\$267,848
Retail Trade	222	\$1,883,413	\$653	-14	\$25,178
Utilities	37	\$1,332,209	\$894	-1	\$32,853
Accommodation and Food Services	185	\$1,331,981	\$553	-32	\$17,360
Transportation and Warehousing	61	\$1,076,757	\$1,358	10	\$145,725
Other Services, Ex. Public Admin	62	\$943,322	\$1,164	-1	-\$63,535
Professional and Technical Services	49	\$876,442	\$1,367	5	\$202,917
Manufacturing	81	\$815,711	\$771	24	\$186,558
Finance and Insurance	45	\$802,315	\$1,382	4	\$69,831
Agriculture, Forestry, Fishing & Hunting	42	\$677,121	\$1,230	1	-\$91,965
Arts, Entertainment, and Recreation	82	\$603,097	\$563	-6	-\$14,948
Real Estate and Rental and Leasing	25	\$361,278	\$1,097	1	\$96,272
Wholesale Trade	15	\$178,261	\$894	-2	-\$2,973
Information	20	\$157,945	\$607	-4	-\$61,466

SOURCE: Colorado Department of Labor and Employment (QCEW). The most recent quarterly data available is reported.

Figure 12:
Total Jobs Change Q4 2023 to Q4 2024

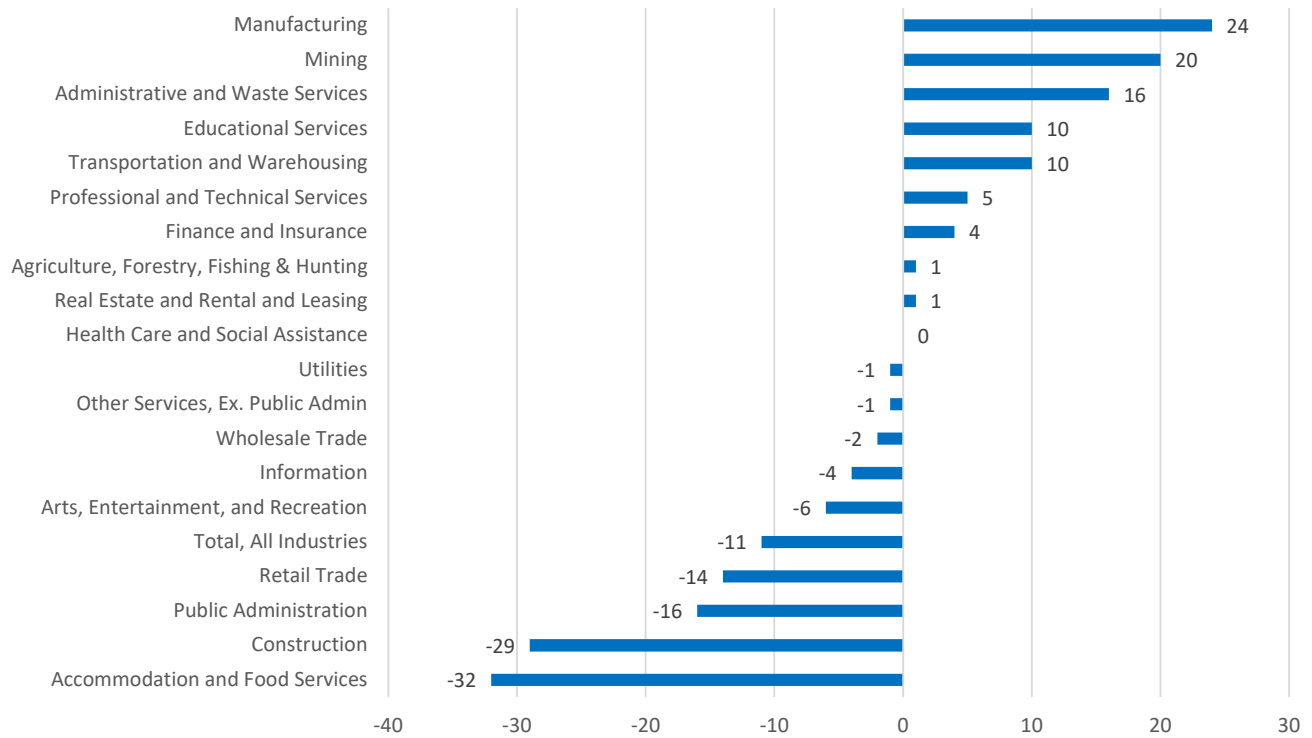


Figure 13:
Mining vs. Non-Mining Jobs

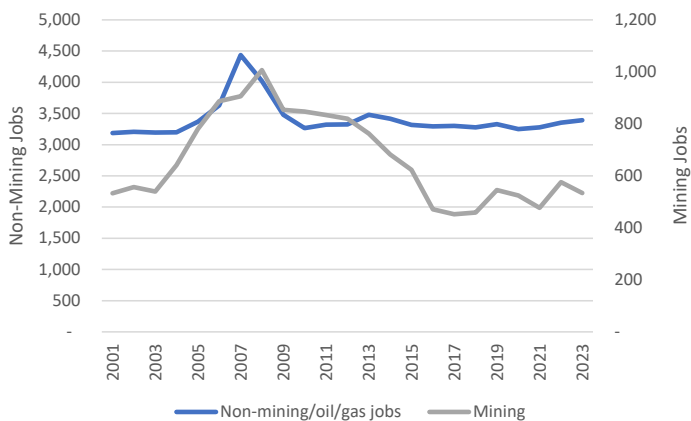
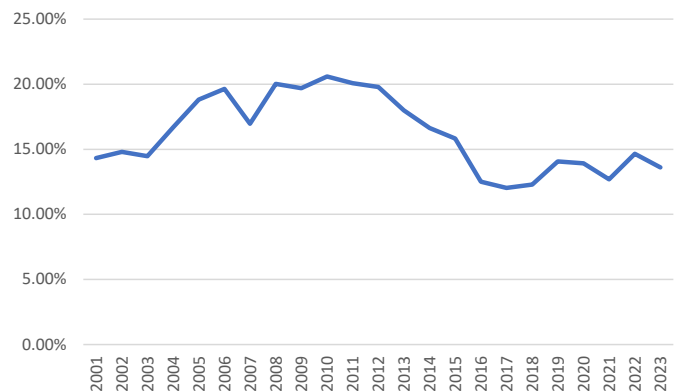


Figure 14:
Mining Jobs as a % of Total Jobs



LOCAL REAL ESTATE

	Q2 2025	Q2 2024	% change since last year
Real Estate			
Inventory of Homes for Sale (3 month avg)	25	21	17.46%
New Residential listings (3 month total)	30	28	7.14%
Sold Residential Listings (3 month total)	15	16	-6.25%
Median Sales Price	\$288,167	\$307,333	-6.24%
Average Sales Price	\$320,768	\$282,986	13.35%
Days on Market	87.67	82.67	6.05%
Months Supply of Inventory	4.47	3.53	26.42%
Building Permits and House Price Data			
	2024	2023	
House Price Index (Federal Housing Finance Agency)	274.45	252.14	8.85%
New Private Housing Structures (All types, Census)	8.00	10.00	-20.00%
Foreclosures			
	2024	2023	
Foreclosure Filings (YTD)	10	10	0%
Mortgage Rates			
	July 2025	July 2024	
15 Year Mortgage Rate	5.86%	6.14%	-0.28%
30 year Mortgage Rate	6.72%	6.85%	-0.13%

SOURCES: Real Estate: Colorado Association of Realtors Market Trends Program through ShowingTime. Note that real estate data is just single family homes; Foreclosure Filings and Sales: Moffat County Treasurer and Public Trustee; Mortgage rates: Freddie Mac.

Local Real Estate Indicators

The Rio Blanco real estate market is seeing a slight uptick in inventory, rising from 21 in Q2 of 2024 to 25 in Q2 of 2025 (Figure 15). Many counties are seeing inventory rise. For multiple years sellers have waited for better market conditions to sell, but buyers still struggle to buy at these interest rate levels. This is leading to an increase in months supply of inventory in several counties, including Rio Blanco.

Months supply of inventory in Rio Blanco County rose to 4.47 from 3.53 the same time last year. Generally speaking, a months supply of inventory of five indicates a switch from a sellers market to a buyers market. The median sales price has dropped, but it is likely do the the low inventory creating price volatility in the median data. The median sales price fell from \$307,333 to \$288,167. The rolling average for median home values shows an average sell price of \$277,583. Figure 17 shows the volatility in the Rio Blanco sales price data. Note that the rolling average point on the graph is slowly rising, and this is a better indicator of the trend of home sale prices.

The Federal Housing Finance Agency house price index for Rio Blanco shows that homes increased in value by 8.85% from 2023 to 2024. The Census department shows that new private housing structures of all types have fallen from 32 in 2022, to 10 in 2023, and to 8 in 2024. Falling building permits and structures is a trend across the Western Slope.

As of August 2025, U.S. mortgage rates remain elevated, with the average 30-year fixed-rate mortgage at 6.72%, having been elevated since late 2022. Those hoping for lower interest rates because of potential Federal Reserve intervention may be disappointed. Although there is a relationship between the Federal Funds Rate and the 10 year treasury (the treasury that the 30 year mortgage is based on), they can operate as separate markets and many economists are anticipating even as the federal funds rate goes lower due to potential Fed cuts, the 10 year treasury and hence mortgage rates will not fall proportionately. Markets are showing close to a 90% chance of a rate cut in September, primarily due to the poor job numbers discussed earlier. However, the Fed will likley remain cautious with rate cuts until the full inflationary impact of tariffs is known, which could be several months.

Figure 15:
Inventory of Active Listings

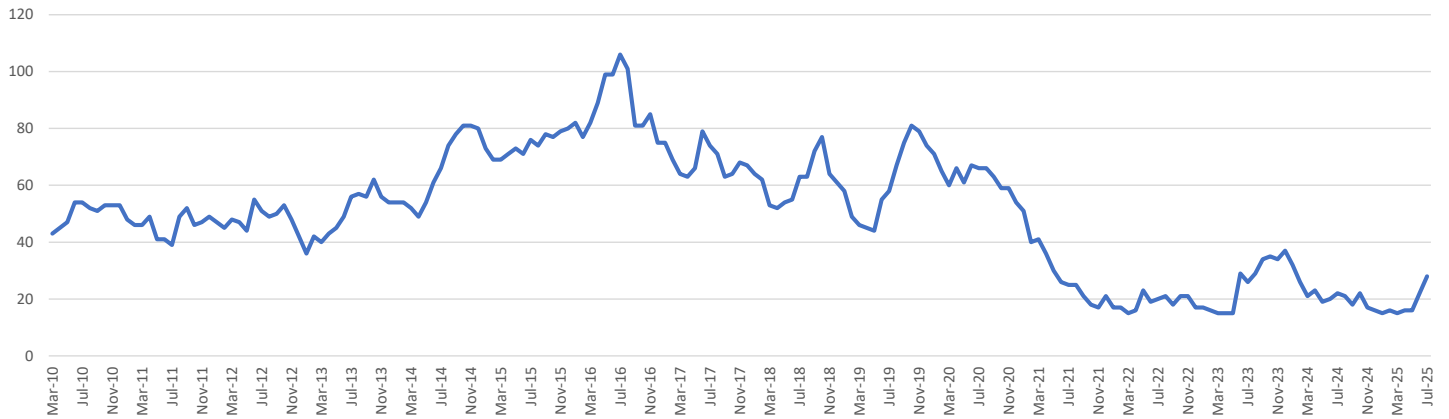


Figure 16:
Census Housing Permits

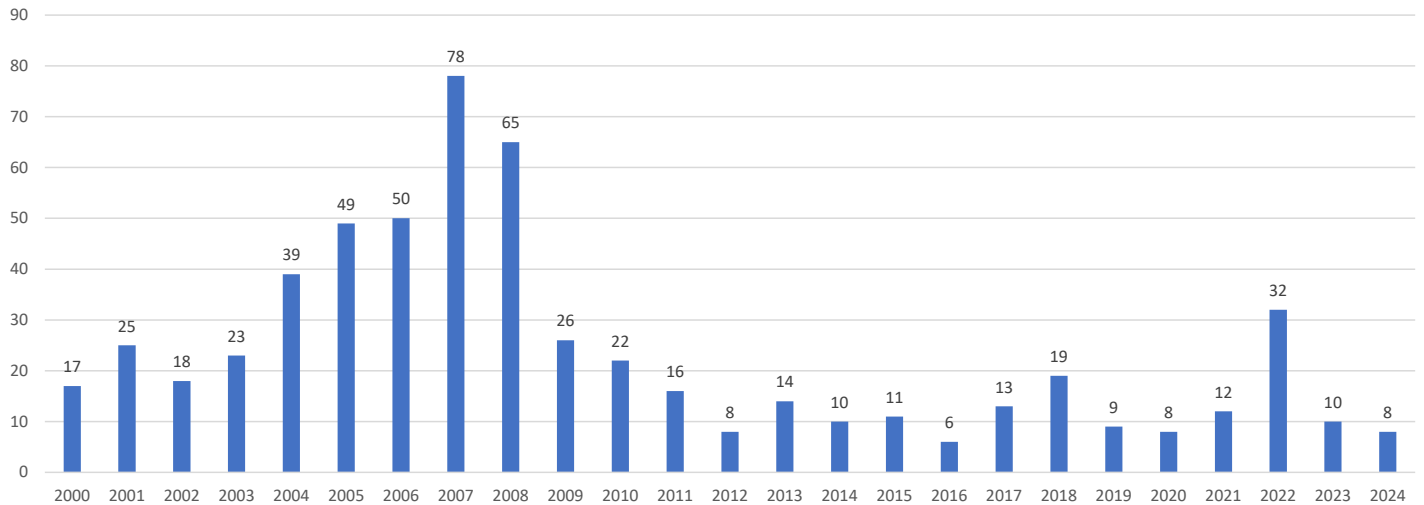
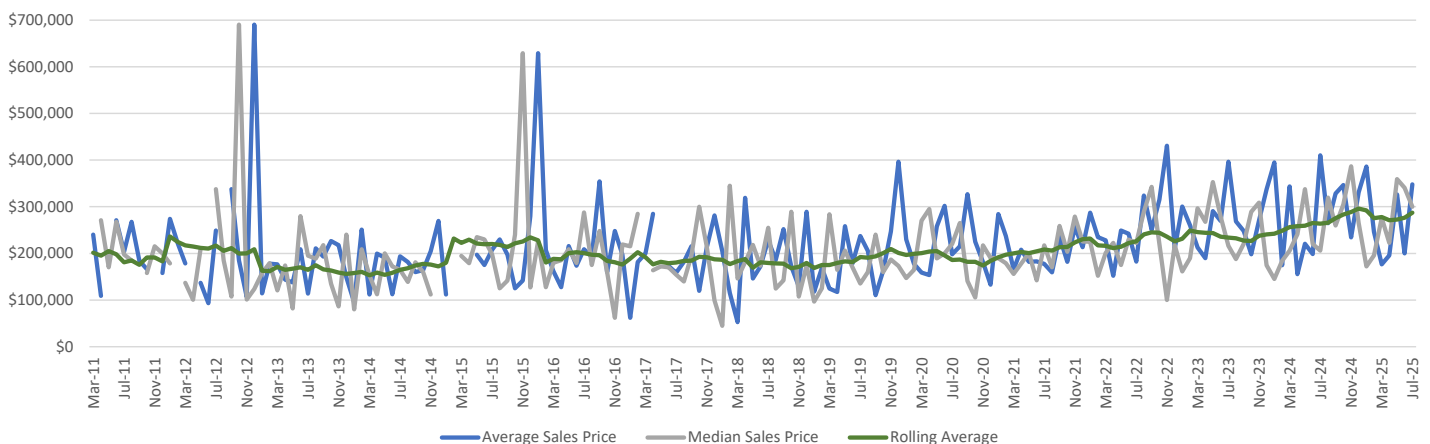


Figure 17:
Median and Average Sales Price



REGIONAL ENERGY

	Q2 2025	Q1 2025	Q2 2024	% change since last quarter	% change since last year (comparable quarters)
Energy Prices					
WTI Crude Oil	\$64.57	\$71.78	\$81.81	-10.04%	-21.07%
Henry Hub Natural gas	\$3.19	\$4.15	\$2.09	-23.13%	52.63%
Retail Gasoline Price	\$3.04	\$2.99	\$3.42	1.61%	-11.18%
Drilling Permits					
	2025 (YTD)	2024	2023	2022	2021
Drilling Permits (Mesa County)	2	40	0	0	1
Drilling Permits (Rio Blanco County)	12	67	40	40	33
Drilling Permits (Garfield County)	35	18	139	133	127
Drilling Permits (Moffat County)	0	10	3	4	1
Total Permits (Mesa, Rio Blanco, Garfield, Moffat)	49	135	182	177	162
Total Permits (Colorado)	260	980	1,005	805	1,543
Local Rig Count					
	25-Aug	25-May	Feb-23	Aug-22	
Rig Count (Western Colorado, Mesa, Rio Blanco, Garfield, Moffat)	1	1	3	4	
Regional Coal Industry					
	2024	2023	% Change		
Moffat, Rio Blanco, Routt Average Monthly Employment for Coal Mining	639	643	-0.67%		
Moffat, Rio Blanco, Routt Coal Production (tons)	563,190	632,619	-10.97%		

SOURCES: All energy prices: Energy Information Agency; All permit data from Colorado Oil and Gas Conservation Commission (COGCC); Local Rig Count: Baker Hughes Rig Count; Coal data from the Colorado Division of Reclamation, Mining, and Safety.

Figure 18:
Oil and Natural Gas Prices

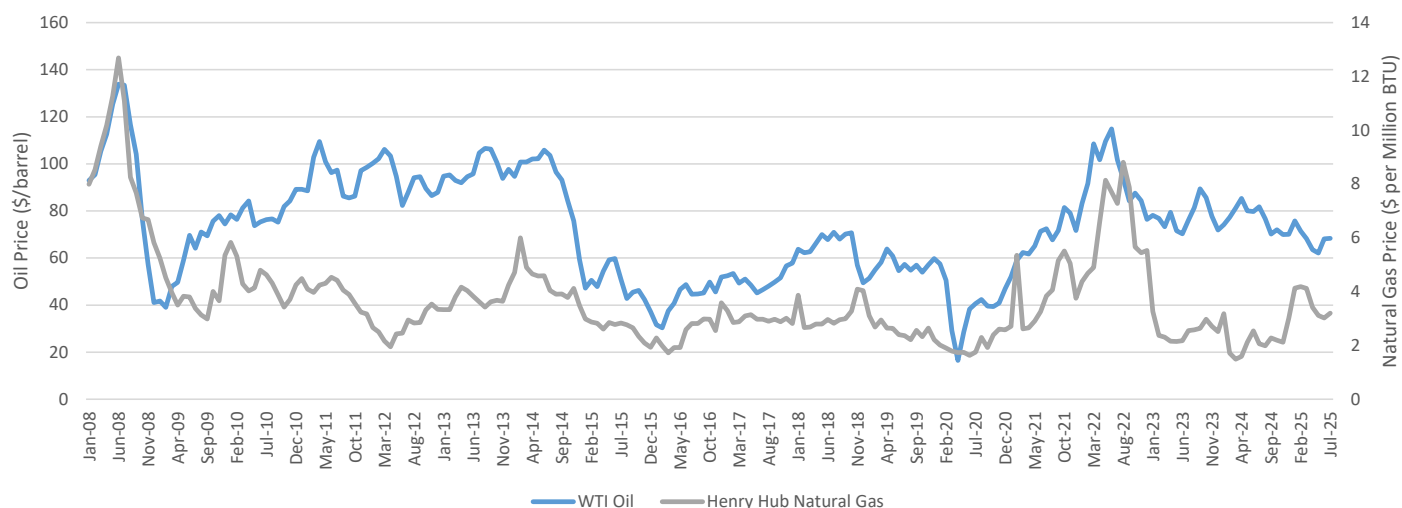


Figure 19:
Coal Jobs by Mine

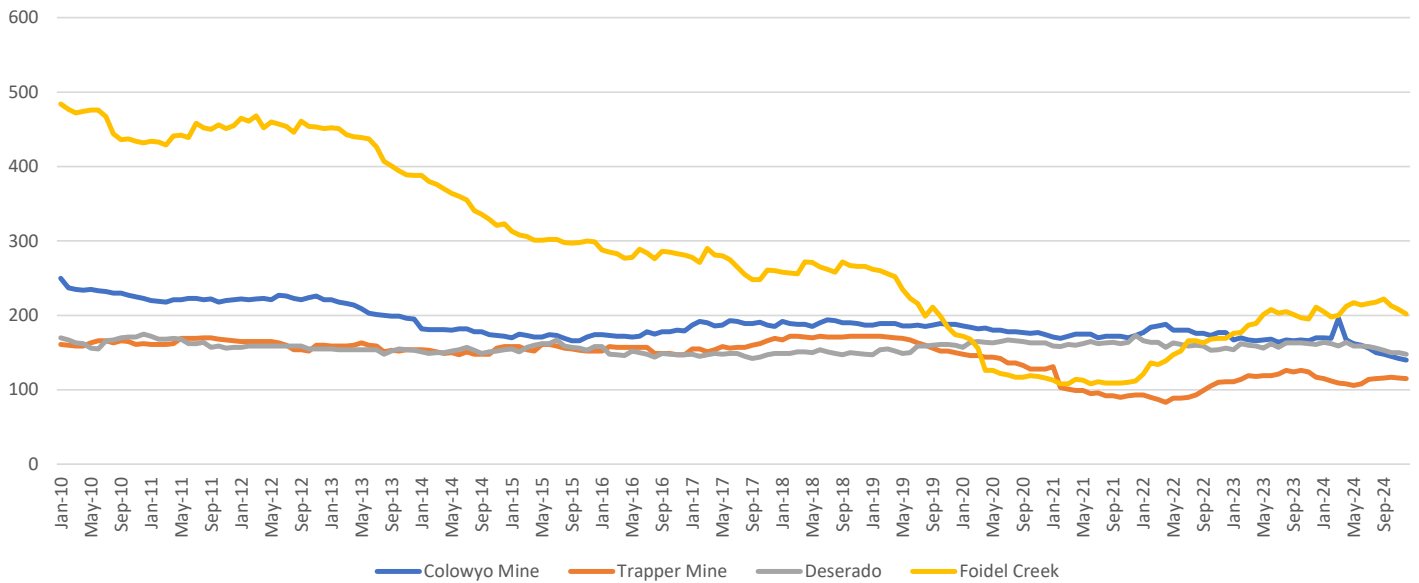
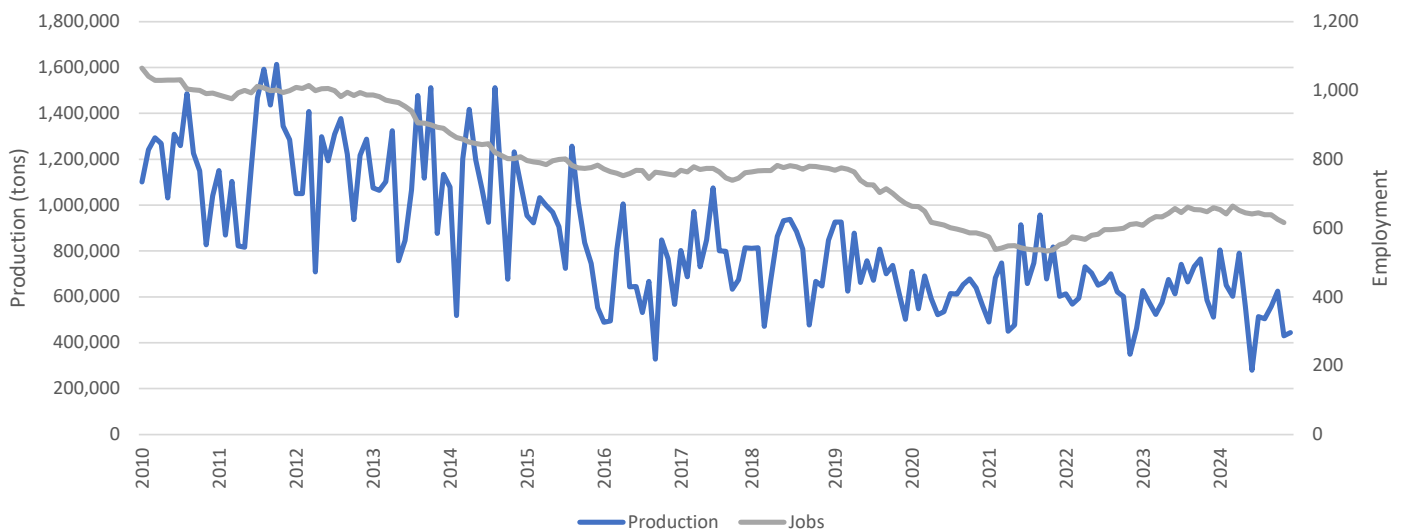


Figure 20:
NW Colorado Coal Jobs and Production



Western Slope Oil and Gas Activity

Natural gas prices averaged \$3.19/per million British thermal units (MMBtu) in Q2 of 2025. The U.S. Energy Information Administration (EIA) projects the Henry Hub spot price to average \$3.40/MMBtu in Q3, and \$3.70/MMBtu by the end of the year, rising to \$4.40/MMBtu in 2026. This increase is driven by several factors including increasing storage levels this summer, slightly falling production, and increased liquified natural gas export demand.

Oil prices (WTI) averaged \$64.57 in Q2, falling from the previous quarter and previous year. The EIA forecasts Brent oil prices to average \$69 per barrel through the rest of the year. The EIA forecasts an even lower oil price for 2026, expecting Brent crude oil to average \$58 per barrel. This is based on rising global inventory. U.S. crude oil production is expected to fall due to falling prices, with 13.4 million barrels per day in Q2 of 2025, and a predicted decline to 13.3 million barrels per day by Q4 2026.

Regional Mining Activity

Total coal production of coal in NW Colorado is down compared to 2023. Note that the production and jobs numbers compare January through December of 2023 and 2024, as 2025 data has not been released as of the writing of this report. Production fell 10.97% compared to last year, while jobs remain even at 639.

NATIONAL ECONOMIC INDICATORS

	Q2 2025	Q1 2025	Q2 2024	% change since last period	% change since last year (comparable quarters)
Business Cycle Indicators					
Real GDP	3.00%	-0.50%	3.00%	3.50%	0.00%
Personal Consumption Expenditures	1.40%	0.50%	2.80%	0.90%	-1.40%
Gross Private Domestic Investment	-15.60%	23.80%	8.30%	-39.40%	-23.90%
National Consumer Confidence	55.0	64.5	71.5	-14.73%	-23.08%
Industrial Production Index	103.8	103.5	102.9	0.28%	0.90%
Initial Weekly Unemployment Claims (4 week MA)	232,154	220,212	221,558	5.42%	4.78%
Non Farm Payroll Change (in thousands)	289,333	521,333	513,667	-44.50%	-43.67%
Unemployment					
Unemployment Rate-U3-SA	4.20%	4.10%	4.00%	0.10%	0.20%
Unemployment Rate-U6-SA	7.80%	7.80%	7.40%	0.00%	0.40%
Interest Rates					
Federal Funds Rate	4.33%	4.33%	5.33%	0.00%	-1.00%
10 Year U.S. Treasury	4.36%	4.45%	4.44%	-0.09%	-0.08%
30 Year U.S. Treasury	4.83%	4.71%	4.58%	0.12%	0.25%
Inflation Measures					
Inflation Rate (CPI)	2.46%	2.74%	3.19%	-0.28%	-0.73%
Core Inflation Rate (All Items Less Food and Energy)	2.82%	3.08%	3.42%	-0.26%	-0.61%
Inflation Rate (Shelter)	3.90%	4.21%	5.35%	-0.32%	-1.46%
Producer Price Index (PPI)	1.14%	1.84%	0.49%	-0.70%	0.65%
Employment Cost Index	3.62%	3.60%	4.03%	0.02%	-0.40%
Stock Prices					
S&P 500	5,732	5,895	5,247	-2.76%	9.25%
Dow Jones Industrial Average	41,478	43,240	38,807	-4.08%	6.88%
Trade Balance and Debt					
Trade Balance (% of GDP)	-872.384	-1245.141	-906.87	-29.94%	-3.80%
Federal Debt (% of GDP)*	120.9%	121.9%	120.8%	-1.0%	0.0%

SOURCES: GDP, Consumption, Investment, and Trade Balance: Bureau of Economic Analysis; Consumer Confidence: University of Michigan; Industrial Production, Interest Rates and USD Exchange Rate: Board of Governors of the Federal Reserve System; Weekly Unemployment Claims: U.S. Employment and Training Administration. Non-Farm Payroll, Unemployment Rates, Inflation Measures: Bureau of Labor Statistics; Stock Prices: S&P Dow Jones Indices, LLC.; USD Exchange Rate: Board of Governors of the Federal Reserve; Trade Balance: BEA; Federal Debt: U.S. Office of Management and Budget. * indicates data is lagged by one quarter. Regional CPI data from the Bureau of Labor Statistics. Yield Curve from the Federal Reserve Board. Tariff rate from (10.5281/zenodo.15151391).

Figure 21:
Real GDP for U.S.

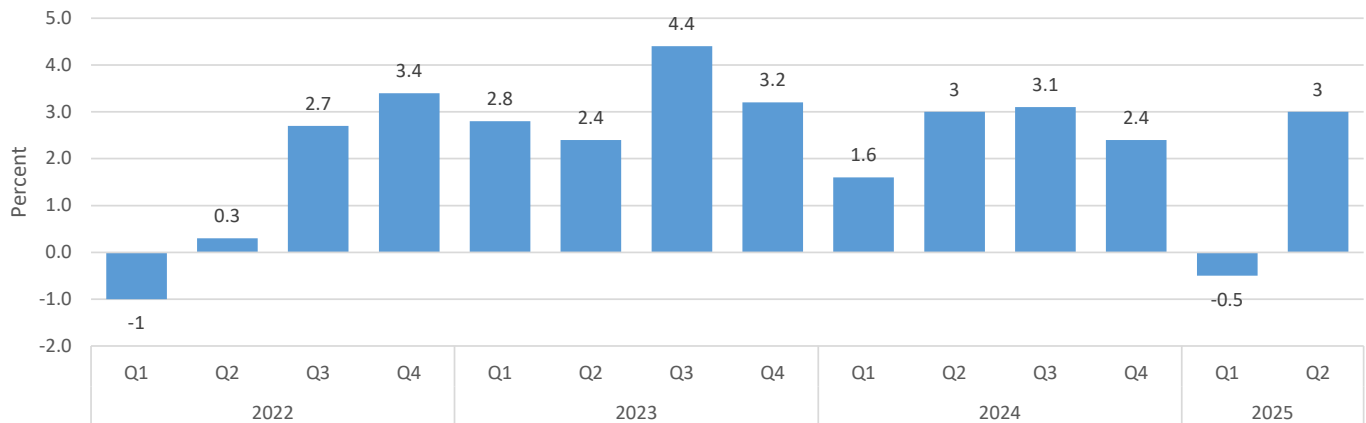
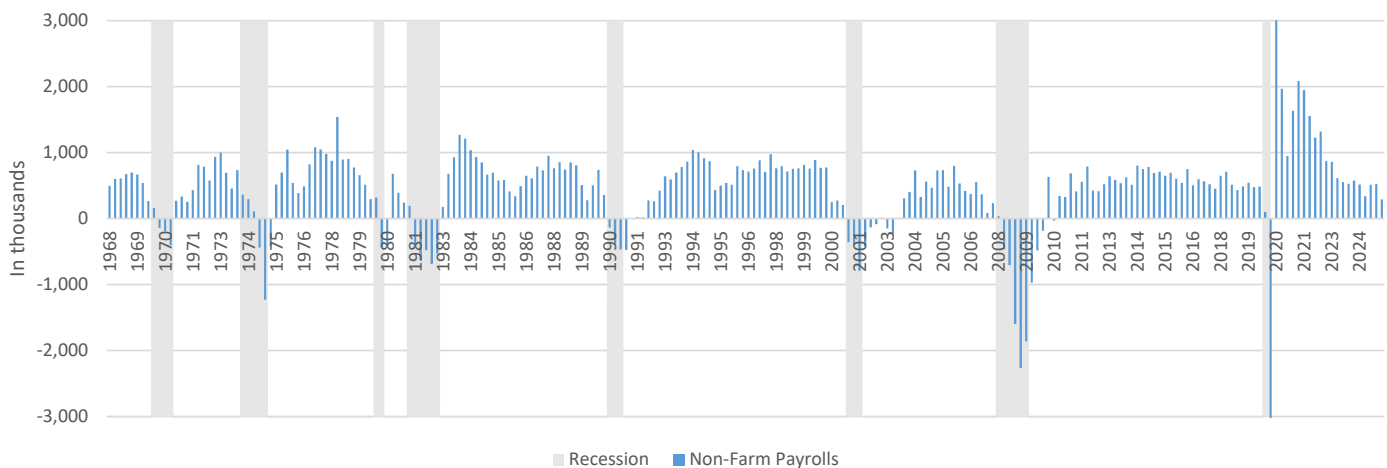


Figure 22:
Non-Farm Payrolls (Quarterly)



Economic Growth

U.S. GDP growth for Q2 2025 was 3%, rising from last quarter's -0.3% (Figure 21). This was expected, the Q1 negative number was due to large pre-tariff purchases that pushed imports up (a subtraction from GDP) due to businesses buying inventory from overseas before tariffs hit, while Q2 had less business imports for the exact opposite reason. As of August 7th, the Atlanta Federal Reserve's GDPNow forecasts Q3 GDP at 2.5%. Many are watching the tariff situation closely to see how it impacts growth. So far growth seems strong but the full impact of the tariffs has not been felt. The Wall Street Journal's quarterly economist survey (published July 18th) shows a 12 month recession probability of 33%.

Labor Market

The seasonally adjusted unemployment rate has been at 4.2% for several months, while Colorado's seasonally adjusted unemployment rate has hovered around 4.8%. Ultimately, labor market data still shows a stagnating labor market. Layoffs are not accelerating, but neither is hiring.

A recent jobs report caused controversy as the Bureau of Labor Statistics (BLS) revised a payroll report from May and June significantly downward, erasing 258,000 from the spring job estimates. The July jobs number showed 73,000 jobs, far below estimates. This revision was unexpected and was due to poor establishment survey response rate, a seasonality correction, and some sector-specific misestimates. The newly updated data now fits the narrative of other labor market data, that layoffs are low but job gains are declining leading to a stagnating labor market. Figure 25 illustrates the drop in job estimates.

Inflation

July inflation landed at 2.7%, a 0.2% increase for the month of June. Figure 28 illustrates the inflation rate along with the 10 year treasury bond yield. Figures 29 show the change in money supply (M2). M2 has fallen from its COVID-19 high but has crept up again. M2 is theoretically associated with rising inflation. Wages continue to fall from their peak as seen in the employment cost index. This is good news for inflation, but bad news for workers hoping for wage gains. All eyes on are tariffs and how they will impact inflation over the next several months.

Tariffs

In April, the Trump administration imposed a 10% across the board tariff on U.S. trading partners while they evaluated trade agreements and trade imbalances. As of August 7th, reciprocal tariffs have been imposed that are intended to reshape global trade imbalances and generate tariff income. According to the Yale Budget Lab, the current average effective tariff rate is now 18.3%, which is the highest since 1934.

In addition to across the board tariffs, several materials have had tariffs imposed including aluminum, copper, lumber, and steel. So far, the April tariffs have not contributed significantly to inflation. Some economists argue it's going to take longer for an impact. Economic theory shows that tariffs would have to increase prices or decrease profitability, unless businesses find cheaper alternatives for their input sourcing. Some of the tariffs will be pushed on to the consumer, while some will be absorbed by the firm. We see some signs of tariff impact in the July CPI report, but so far no major price increases from tariffs. We will find out precisely how this plays out over the next several months. For now, the gloomy inflation predictions of many economists have not come to fruition.

Deficit/Debt

Another important economic topic that has hit the national stage is the U.S. debt and deficit. The debt is the total amount owed, while the deficit is the yearly accrual of debt. The U.S. is currently at a 121% debt/GDP ratio. Some like to view the total value of the debt, which is close to \$36 trillion, however, the best way to view it historically is as a percentage of GDP (Figure 24). The current deficit is -6.2% of GDP (Figure 23), which is very high compared to the post WW2 era.

The debt can be burdensome on the economy through a variety of channels. The first is that future taxpayers have to pay it back. The second is that the long term treasury market prices in more risk as debt levels rise, which pushes long term interest rates up. This is one of the main obstacles to lower rates. There are two solutions, the first is to raise taxes or cut spending. The second is to grow our way out of it. Ultimately as the debt continues to expand, interest rates will begin to slowly drift higher. It also puts a damper on fiscal policy if the U.S. enters into a recession.

Figure 23:
Deficit/GDP

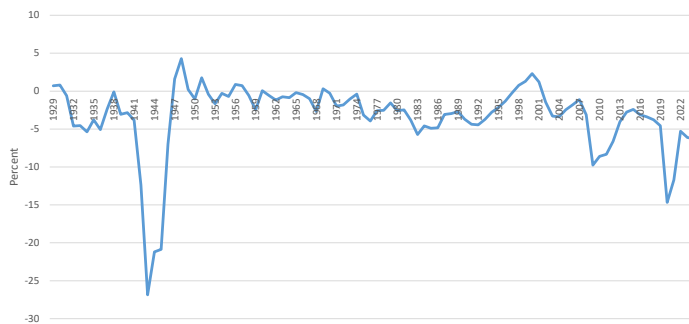


Figure 24:
Debt/GDP

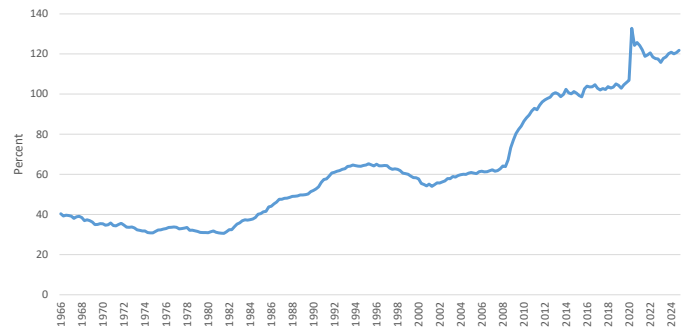


Figure 25:
Inflation and the 10 Year Treasury

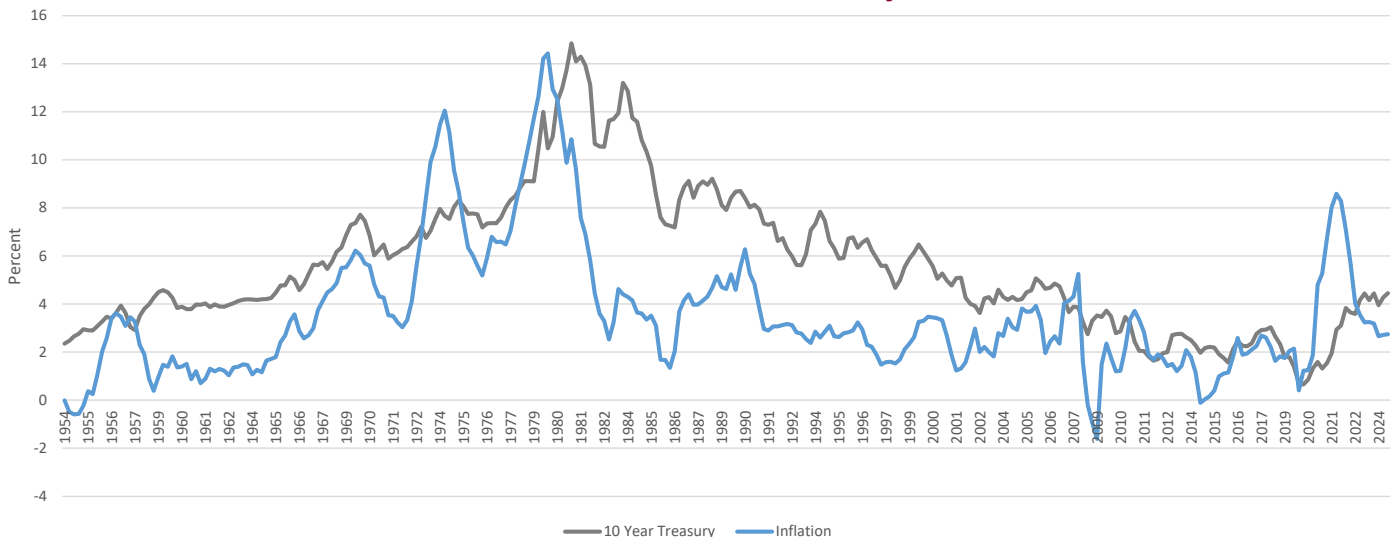


Figure 26:
Change in M2

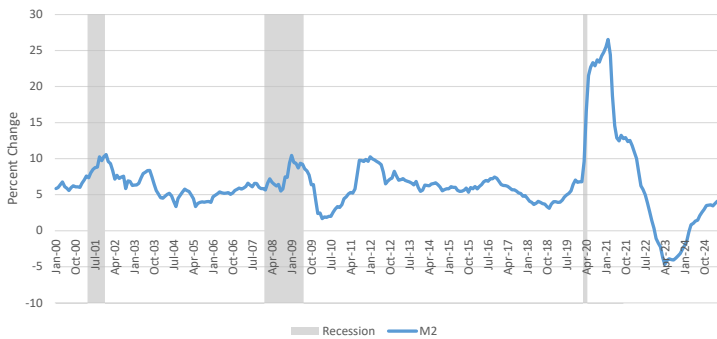


Figure 27:
University of Michigan Consumer Confidence Index

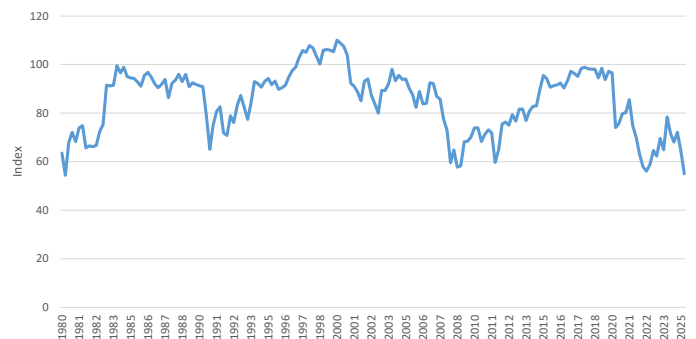


Figure 28:
Unemployment Rate

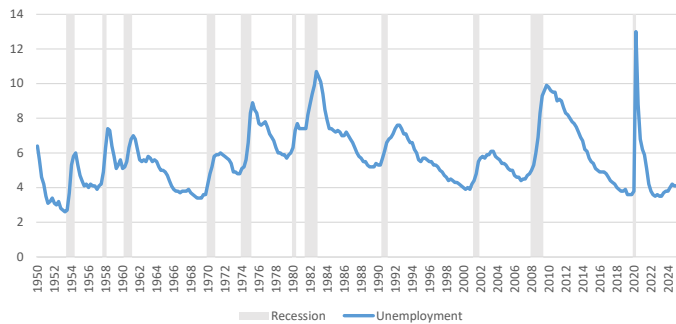
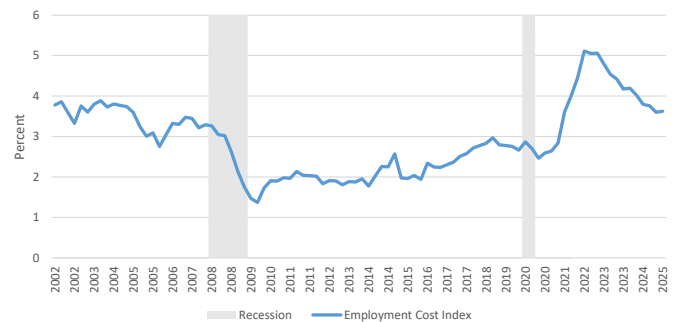


Figure 29:
Employment Cost Index



ASSOCIATED GOVERNMENTS
OF NORTHWEST COLORADO
ECONOMIC DEVELOPMENT DISTRICT

The Garfield Economic Update is funded by the
Associated Governments of Northwest Colorado



The Rio Blanco County Economic Update is compiled and
written by Dr. Nathan Perry, Professor of Economics at
Colorado Mesa University, and funded by the Associated
Governments of Northwest Colorado.

970.248.1888
naperry@coloradomesa.edu



1100 North Avenue
Grand Junction, Colorado 81501-3122
970.248.1778 • 970.248.1138 (f)
coloradomesa.edu