

2026-4-19

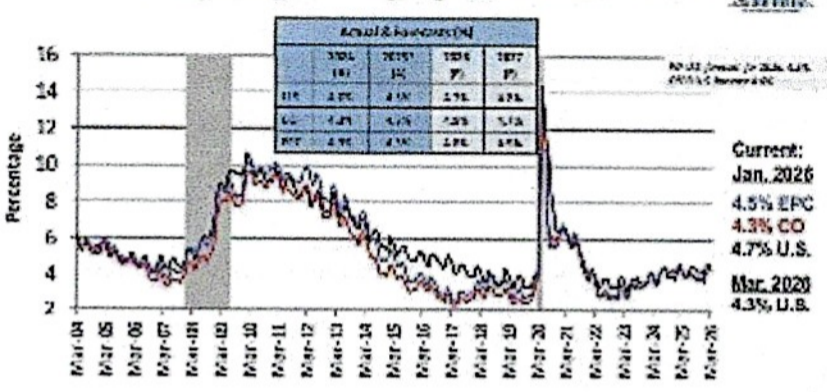
Job picture, inflation complicate Fed decision

ECO

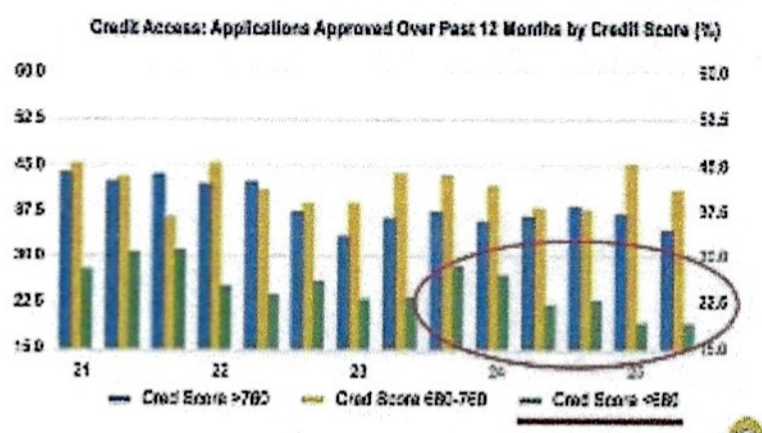
The Denver Gazette · 19 Apr 2026 · C4 · Tatiana Bailey is executive director of the nonprofit Data-Driven Economic Strategies (ddestrategies.org).

The recently released March jobs report showed what appears to be a relatively normal month on the surface, with solid gains of 178,000 new jobs and unemployment edging down.

1. Monthly Unemployment Rate – NSA



2. Those Who Need Credit the Most Are Not Getting It



Note
Note

The most recent unemployment data for El Paso County lags behind U.S. data and reflects January. Our local unemployment rate stands at 4.5%, slightly higher than Colorado's rate of 4.3% that month. In January, the U.S. rate stood a tad higher at 4.7%, but fell to 4.3% in March, not seasonally adjusted. All in, unemployment rates remain in a historically low range. And as I've often discussed, our unemployment rates are low mostly due to an aging U.S. population, which has made workers more scarce. This may seem favorable for workers, but we've also heard about the "low-hire, low-fire" environment, meaning employers are hesitant to bring on new employees but are also reticent to fire employees. This makes things appear stable, but in reality, this makes our national and local labor markets stagnant and stale.

Note

Note

Workers like the option to change jobs and increase their wages, and the economy typically benefits from job mobility because workers can grow their skill sets and increase productivity when they switch jobs.

Yet the average working American is pretty astute about the low hire conditions, and they know that times are uncertain, so businesses aren't as likely to hire.

They also know the cost of living is further increasing, with the latest inflation rate at 3.3%, and that Wells Fargo and other forecasters are projecting a nearly 4.0% inflation rate for this year. Workers know it's imperative to hold onto their current job, and that's why the quit rate is also low.

For younger workers, difficulty finding that first job isn't new, but what is new is not only competing with AI, but also having a much higher cost of living including, for many, student loan payments. It's no wonder a record number of young people live with parents or other family members or triple up with roommates.

Another challenge is that the most financially strained households with lower credit scores are not getting approved for additional credit, which will likely further increase credit card and auto loan defaults, putting many households at risk.

This all translates into a somewhat unprecedented situation for the Federal Reserve in terms of interest rate decisions. Higher prices imply no rate cuts, while lower growth implies rate cuts. Unemployment is OK, but not for good reasons. It's a catch-22 for households and for policymakers at the Federal Reserve.

Note