

Christmas trees are more expensive than ever in Colorado — what gives?

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All festive products are getting more expensive.

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The holiday season sparks a significant increase in consumer spending. This year, Black Friday alone saw consumers shell out a record US\$11.8 billion. It's the time of year when many Americans make purchases to decorate for the holidays — lights, ornaments and Christmas trees.

If you bought a Christmas tree in Denver this year, you may have noticed a pretty steep price tag. It turns out that all festive products are getting more expensive, and that includes Christmas trees, both freshly cut and artificial.

I study the psychology of consumption at the University of Denver. I've always been curious about how people make financial decisions under certain circumstances, including around the holidays. Christmas trees are an interesting case study.

What's driving the increase

The cost of real Christmas trees is directly impacted by a long production cycle and transportation costs, particularly for landlocked markets like Denver.

Christmas trees take 7 to 10 years to grow. Currently, supply is tight, pushing tree prices up, which is a direct and delayed consequence of reduced planting rates that followed the Great Recession – which began in late 2007. This planting deficit effectively drove up wholesale prices and doubled the average price of pre-cut trees over the past decade after adjusting for inflation.

Raising tiny tree seedlings to a marketable size is a fraught business. Growers are exposed to a decade of weather, labor and pest risks, which increases the financial uncertainty of any planting season. This long lead time has made the supply unpredictable, putting constant pressure on Christmas tree wholesale prices.



Colorado gets some of its Christmas trees from North Carolina, which grows more than 26% of the Christmas trees in the U.S.

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For Denver retailers, transportation adds disproportionately to the final cost, since most Christmas trees in Denver are brought in from the Pacific Northwest and North Carolina using long-haul freight.

A retailer in Denver must also cover local operational overhead, such as labor costs, storage and the rental of temporary sales lots, which increases prices by about 10% on average based on wholesale Christmas tree prices. This is especially true for large trees, those taller than 9 feet (2.74 meters), as they do not grow in Colorado. Having said that, there are Christmas tree growers in Colorado, and the Douglas Fir is native to Colorado and grows naturally throughout its mountains.

Psychology of Christmas tree purchase decisions

The choice between a pre-cut Christmas tree and an artificial one is classic behavioral economics, which is the combination of economics and psychology to understand how and why people behave the way they do in the real world. It involves a trade-off between two readily available choices.

One option offers an emotional appeal, while the second choice may have to do more with cost savings and perceived environmental impact.

Buyers of real trees are driven by pleasure, satisfaction and emotional fulfillment. Often, buyers of fresh-cut trees are driven by nostalgia and a desire to inhale the powerful scent. Depending on the qualities of the tree, like how long it keeps its needles, how stiff the branches are and how rare it is, Denver customers often spend between \$50 and \$870 annually on fresh-cut Christmas trees.

On the flip side, artificial tree buyers prioritize the ease of buying a tree at the store and then bringing it out of storage each year. These customers seek convenience, low maintenance and the ability to control how the tree looks from a product that can cost between \$250 to \$700 initially. Being a durable good, artificial trees are typically replaced only once every five years.

In 2025, however, the decision to buy an artificial tree may feel less rational. Retailers are raising prices by 10% to 15% due to tariffs.



Artificial Christmas trees have a higher up-front cost than many real trees, but over time are more affordable.

UCG/GettyImages

The financial and environmental superiority of the artificial tree is dependent on how long a consumer plans to keep and use it.

The financial break-even point is reached only when the artificial tree is reused for at least five years. The environmental break-even point is higher — around 10 years — due to the carbon emissions from manufacturing and global shipping of artificial trees. Their carbon footprint can be up to 10 times greater than a properly disposed-of real tree.

Behavioral changes in consumption

What about a third option that may appeal to Coloradans' love of the outdoors? Choose-and-cut businesses invite customers to visit a farm to select their tree and cut it down themselves. The tree is no longer just something you buy — it is the center of an experience you share.

Advocates go so far as to argue that the outdoor farm environment acts as a therapeutic escape from the stressful holiday season.



Choose-and-cut Christmas tree farms enhance profitability by transferring the high cost of harvesting labor directly to the customer.

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For the grower, this model is a highly effective form of agritourism, which makes use of the farm environment to boost revenue. It dramatically enhances profitability by transferring the high cost of harvesting labor – which can run from \$15,000 to \$50,000 annually – directly to the customer as a labor of love. The purchase of a tree may be the main point of the visit, but growers can improve their bottom lines through the sale of profitable goods and services like wreaths, hot chocolate, food and carriage rides. Motivated consumers are willing to pay more for the experience and the opportunity to recreate a meaningful ritual.

If this option excites you, there are a couple of spots where you can cut your own tree in Colorado, including at the Arapaho and Roosevelt National Forests. Most of these places, however, require a permit to chop down a tree.

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