Colorado City & County Management Association

2022 Colorado Economic Outlook

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U.S. Real GDP

Source: Bureau of Economic Analysis and Consensus Forecasts.
Economic Growth

Components of GDP: C+I+G+X

- Personal Consumption Expenditures
- Fixed Business Investment
- Government Spending
- Net Exports

Sources: Bureau of Economic Analysis, Moody’s Analytics, and Consensus Forecasts
U.S. Nonfarm Employment

U.S. Nonfarm Employment, Monthly, Millions of Jobs

Jan. 2017 145.6 million
Feb. 2020 152.5 million
March 2020 151 million
April 2020 130.5 million
Feb. 2020 152.5 million
March 2022 150.9 million

Months to Recovery from Recessions

U.S. Nonfarm Employment, Number of Months Since Recession Peak

Source: Bureau of Labor Statistics (Seasonally Adjusted).
National Unemployment

U.S. Unemployment Rate, Monthly

Sources: Bureau of Labor Statistics (Seasonally Adjusted).
Labor Force Participation Rate

Percent of Population, 16 and Over

Sources: Bureau of Labor Statistics (Seasonally Adjusted).
Employment Recovery

Change from Prerecession Peak

National Personal Income

U.S. Personal Income, Monthly, $ Millions, Seasonally Adjusted Annual Rate

Source: Bureau of Economic Analysis.
Household Wealth

Source: Federal Reserve Board, Balance Sheet of Households and Nonprofit Organizations (B.101) (Not Seasonally Adjusted).
Household Debt Burden

Source: Federal Reserve, Household Debt Service and Obligations Ratios.
Index of Consumer Confidence

Federal Budget Balance

2000 to 2023

Sources: Office of Management and Budget, Consensus Forecasts, and the Business Research Division.
Money, Interest Rates and Prices
Federal Funds Rate Outlook

March 2022 Meeting
December 2021 Meeting
September 2021 Meeting

Source: Federal Reserve, March 2022 Meeting.
Interest Rates

Sources: Federal Reserve, Freddie Mac, and Moody's Analytics.
Inflation

Consumer Price Index, Percent Change Year-Over-Year

National CPI: All Items

<table>
<thead>
<tr>
<th>Items</th>
<th>US</th>
<th>Denver-Aurora-Lakewood</th>
<th>Item Weights</th>
</tr>
</thead>
<tbody>
<tr>
<td>All items</td>
<td>8.5%</td>
<td>9.1%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Food and beverages</td>
<td>8.5%</td>
<td>8.8%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Housing</td>
<td>6.4%</td>
<td>7.9%</td>
<td>42.4%</td>
</tr>
<tr>
<td>Apparel</td>
<td>6.8%</td>
<td>3.9%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Transportation</td>
<td>22.6%</td>
<td>21.7%</td>
<td>18.2%</td>
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<tr>
<td>Medical care</td>
<td>2.9%</td>
<td>7.6%</td>
<td>8.5%</td>
</tr>
<tr>
<td>Recreation</td>
<td>4.8%</td>
<td>6.7%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Education and comm</td>
<td>1.5%</td>
<td>-1.6%</td>
<td>6.4%</td>
</tr>
<tr>
<td>Other goods and services</td>
<td>5.5%</td>
<td>9.6%</td>
<td>2.7%</td>
</tr>
</tbody>
</table>


Commodities

Source: EIA, USDA Economic Research Service, NASDAQ.
Colorado Population, Employment, and the Economy
## Colorado Rank Among Other States

<table>
<thead>
<tr>
<th>Metric</th>
<th>1-Year</th>
<th>3-Year</th>
<th>5-Year</th>
<th>10-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP Growth</td>
<td>12</td>
<td>11</td>
<td>8</td>
<td>5</td>
</tr>
<tr>
<td>Employment Growth</td>
<td>12</td>
<td>11</td>
<td>8</td>
<td>6</td>
</tr>
<tr>
<td>Population Growth</td>
<td>12</td>
<td>9</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Personal Income Growth</td>
<td>7</td>
<td>16</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>PCPI Growth</td>
<td>7</td>
<td>16</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>PCPI</td>
<td>8</td>
<td>11</td>
<td>12</td>
<td>21</td>
</tr>
<tr>
<td>Average Hourly Wage % Growth</td>
<td>13</td>
<td>37</td>
<td>21</td>
<td>22</td>
</tr>
<tr>
<td>Average Annual Pay % Growth</td>
<td>27</td>
<td>10</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Average Annual Pay</td>
<td>8</td>
<td>9</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>28</td>
<td>10</td>
<td>5</td>
<td>28</td>
</tr>
<tr>
<td>Labor Force % Growth</td>
<td>5</td>
<td>6</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>LFPR</td>
<td>3</td>
<td>4</td>
<td>6</td>
<td>11</td>
</tr>
<tr>
<td>FHFA Home Price Index Growth</td>
<td>20</td>
<td>16</td>
<td>13</td>
<td>8</td>
</tr>
</tbody>
</table>

Employment Growth

1-Year Growth February 2022

Colorado Change in Population

Colorado’s population changes:
- 48k in 2020
- 48k in 2021
- 61k in 2022

COVID impact on migration
Slowest population growth since 1990
Slowest net migration since 2005

Sources: Colorado Demography Office, U.S. Census Bureau, and the Business Research Division.
Population Change by County, 2021 - 2022

2022 Forecast

Population Growth of 61,560

Urban:
- 57,150
- 1.1%
- 1 county losing population

Rural:
- 4,510
- 0.6%
- 19 counties losing population

Source: Colorado Demography Office.
Colorado Employment Growth

Jobs Added, Thousands, 2000-2022

Sources: Colorado Department of Labor and Employment and the Colorado Business Economic Outlook Committee.

<table>
<thead>
<tr>
<th>Year</th>
<th>Jobs Added, Thousands</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>93,700</td>
<td>-1.6%</td>
</tr>
<tr>
<td>2022</td>
<td>62,200</td>
<td>3.4%</td>
</tr>
<tr>
<td>2023</td>
<td>55,200</td>
<td>2.2%</td>
</tr>
</tbody>
</table>
Employment

Colorado

Preliminary:
YoY change: 5.1% or 138k
From Peak: 0.2%, 7.3k

Peak to Trough: 21 months
-6.8% or -11.5k

Jobless Claims in Colorado

**Initial Jobless Claims, Weekly**

- 2019: 0
- 2020: 20,000
- 2021: 60,000
- 2022: 100,000

**Continued Jobless Claims, Weekly**

- 2019: 0
- 2020: 300,000
- 2021: 250,000
- 2022: 200,000

Sources: United States Department of Labor Employment & Training Administration, Unemployment Insurance Weekly Claims, Seasonally Adjusted. Note: Excludes PUA claims.
Unemployment Rate by County, February 2022

Source: Bureau of Labor Statistics (Not Seasonally Adjusted),
Colorado Employment Change (as of Feb. 2022)


-30 -25 -20 -15 -10 -5 0 5

- Professional and Business Services
- Trade, Transportation, and Utilities
- Financial Activities
- Construction
- Other Services
- Manufacturing
- Total
- Information
- Education and Health Services
- Government
- Leisure and Hospitality
- Mining and Logging

Pct. Change, Year-over-year

-30 -25 -20 -15 -10 -5 0 5 10 15 20

Sources: Colorado Department of Labor and Employment.
Colorado 2022 Employment Change

Jobs Added (Thousands)

2022 Annual Average Below Pre-Recession Levels

- Leisure and Hospitality
- Professional and Business Services
- Trade, Transportation, and Utilities
- Construction
- Government
- Education and Health Services
- Other Services
- Manufacturing
- Natural Resources and Mining
- Financial Activities
- Information

Percent Change

Sources: Colorado Department of Labor and Employment and Colorado Business Economic Outlook Committee.
Labor Shortage

Colorado Job Openings and Quits

National Multiple Jobholders

Source: Bureau of Labor Statistics, JOLTS.
Jobless Claims in Colorado

Sources: United States Department of Labor Employment & Training Administration, Unemployment Insurance Weekly Claims, Seasonally Adjusted. Note: Excludes PUA claims.
Average Annual Wages

Front Range Counties

Colorado Employment by Wage Group

Percent Change from January 2020

Source: Bureau of Labor Statistics CES (Seasonally Adjusted).

Note: Wage terciles are determined by calculating the average annual wage for each industry as of Q1 2020 and grouping each industry's total employment.
Agriculture

Photo courtesy of Shelby Chesnut.
Gross Farm Revenue and Net Income

Sources: Colorado Business Economic Outlook Committee. Photo courtesy of Shelby Chesnut.
Construction
Colorado New Housing Units and Households

2001-2007 – 17,128 more housing units than households per year

2008-2019 – 6,420 more households than housing units per year

Source: Colorado Department of Local Affairs, State Demography Office.
Colorado Total Value of Construction

Total Value of Construction, $ Billions

Nonbuilding
Nonresidential
Residential

$23.6 B
$24.6 B

Colorado Residential Building Permits

Permits, 1994-2022

Sources: U.S. Census Bureau and the Colorado Business Economic Outlook Committee.
FHFA Home Price Index by MSA

1-Year Home Price Change, Q4 2021

Source: Federal Housing Finance Agency, All Transactions Index (Not Seasonally Adjusted).
Residential Building Permits

2010-2020

Colorado
Ranked 9th
344k 2010-2020

Source: U.S. Census Bureau.
Colorado Tourism

Photo courtesy of Dustin Doskocil/CPW.
DIA Enplanements and Deplanements

DIA Monthly Passenger Traffic, Thousands, 2001-2021

Source: Denver International Airport.
Colorado Public Lands Visits

Colorado Public Land Visits, Millions, 2012 - 2022

Sources: National Park Service and Colorado Business Economic Outlook Committee.
Sales Tax Collections

State of Colorado

February (12 Mo.) YoY: 17.6%

Industry composition
- Tourism
- Commuters
- Retail mix
- Development
- Population growth

Source: Colorado Department of Revenue.
Indicators

Photo by Riccardo Annandale on Unsplash.
Colorado Bankruptcy Filings

Chapter 7
Chapter 11
Chapter 13

Sources: U.S. Bankruptcy Courts.
Employment and New Entity Filings

Sources: Colorado Secretary of State’s Office; Bureau of Labor Statistics, Current Employment Statistics (CES), calculations by BRD research team.
Young Businesses and Employment Growth

Expectations for the U.S. and Colorado Economies

Q1 2003 – Q1 2022

Index (50=Neutral)

Source: Business Research Division.