

Colorado City & County Management Association

2022 Colorado Economic Outlook



Leeds School of Business
UNIVERSITY OF COLORADO **BOULDER**

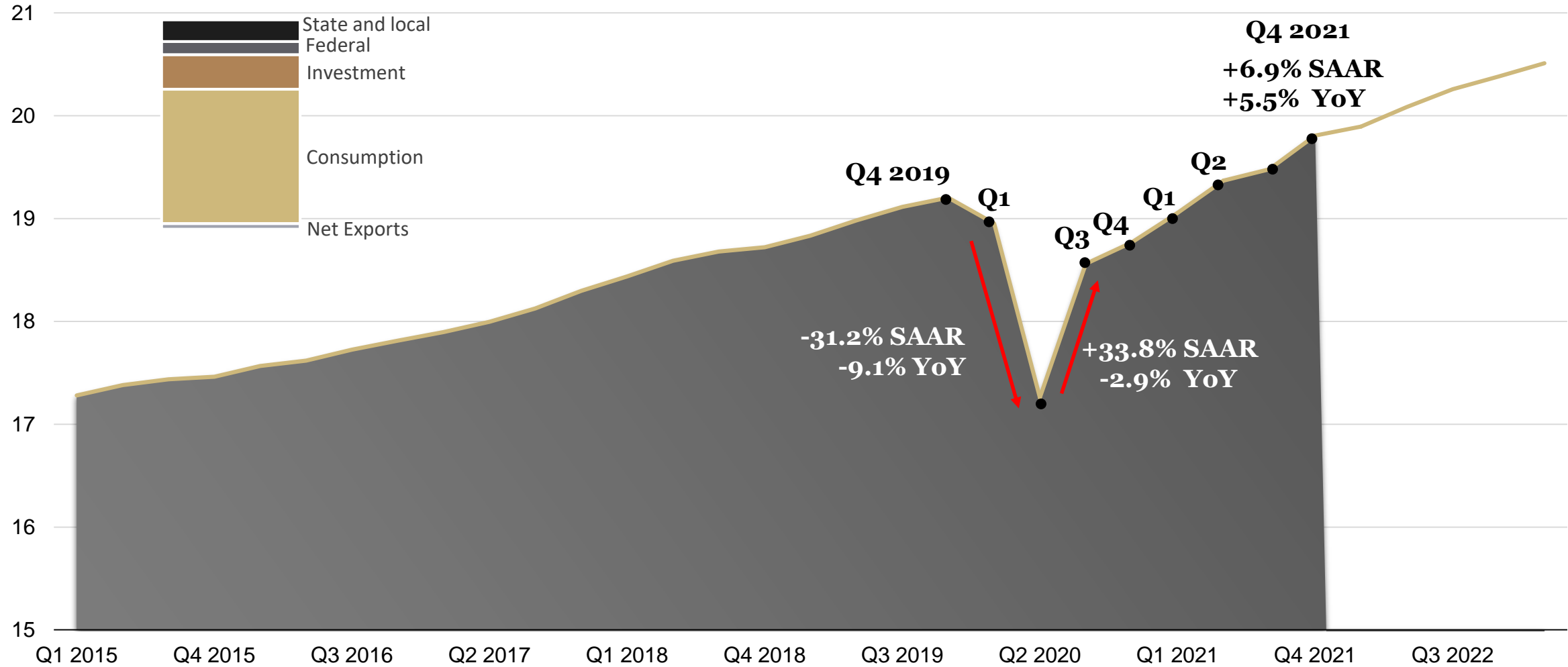
Richard Wobbekind

Senior Economist and Associate Dean for Business and Government Relations
Business Research Division
University of Colorado Boulder



U.S. Real GDP

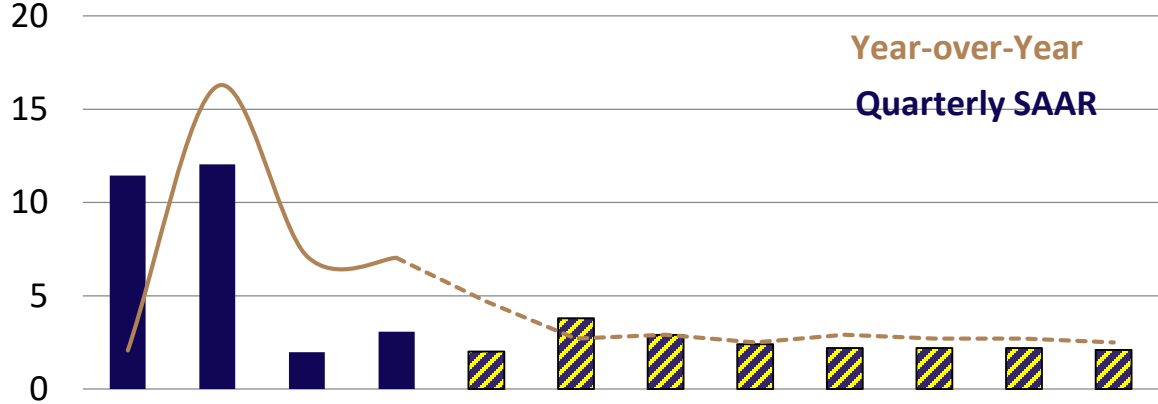
U.S. Quarterly GDP, \$ Trillions



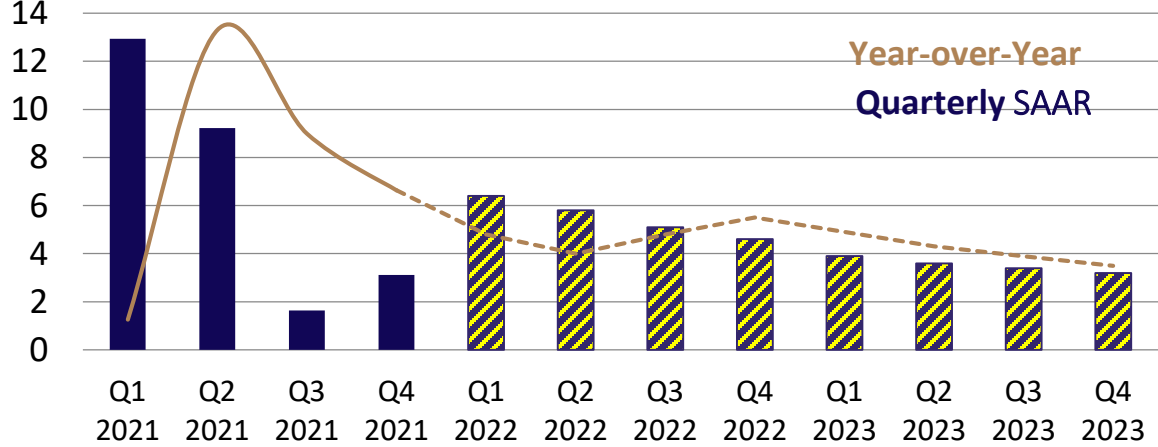
Economic Growth

Components of GDP: C+I+G+X

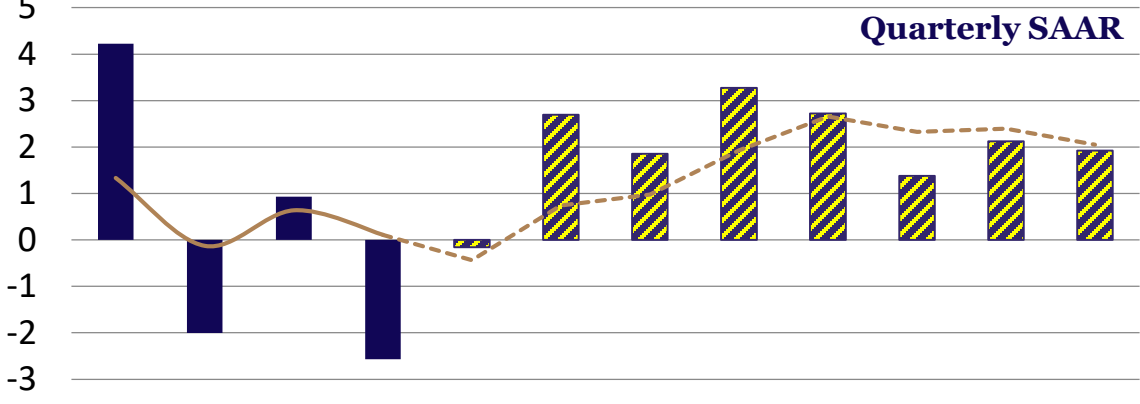
Personal Consumption Expenditures



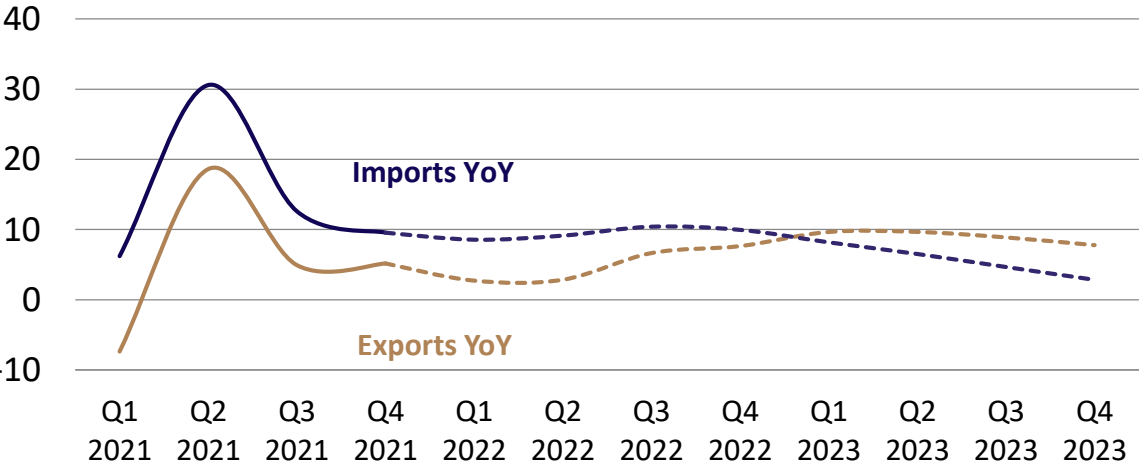
Fixed Business Investment



Government Spending

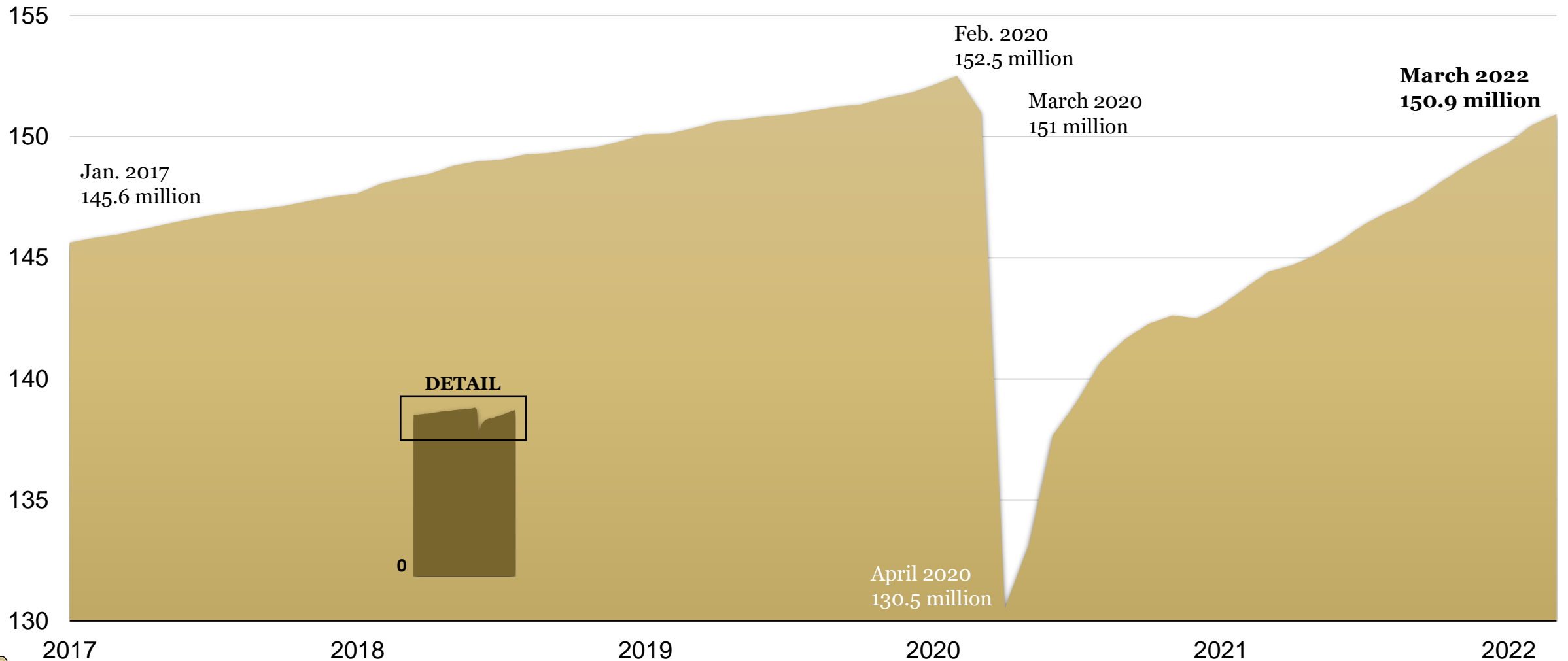


Net Exports



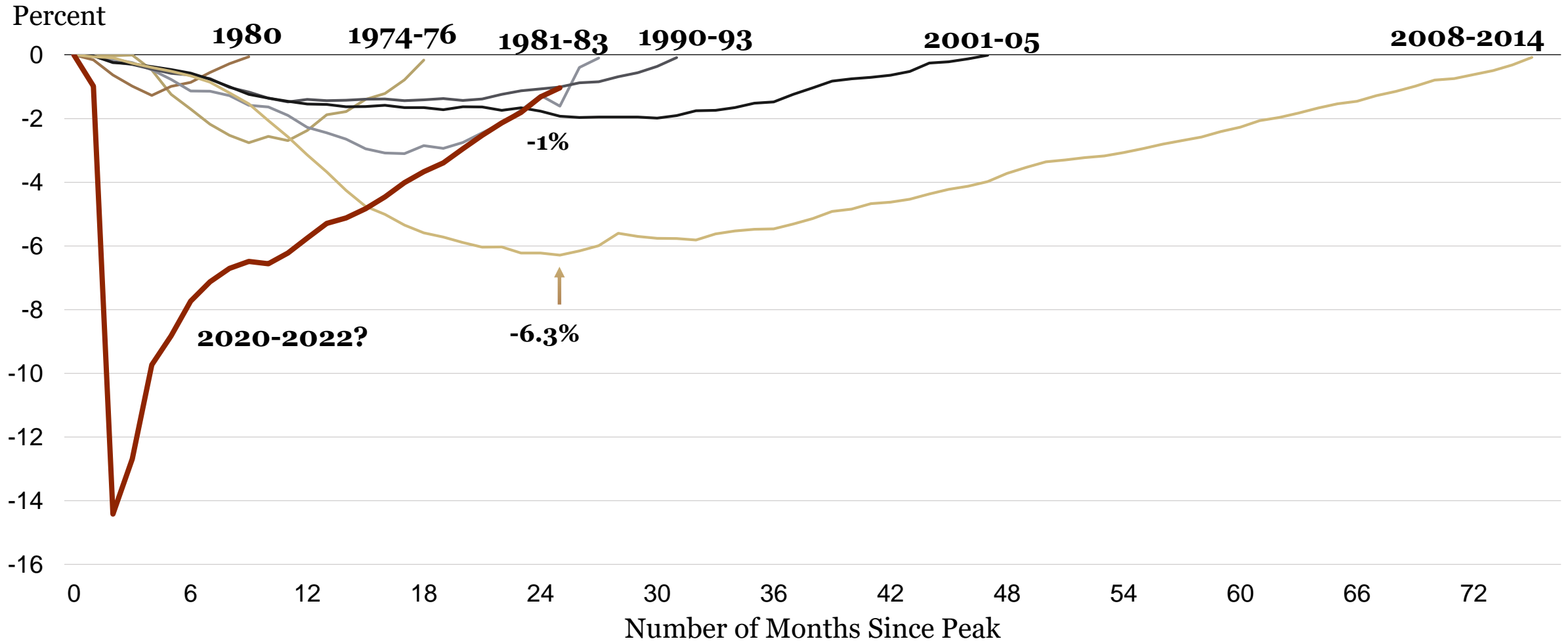
U.S. Nonfarm Employment

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



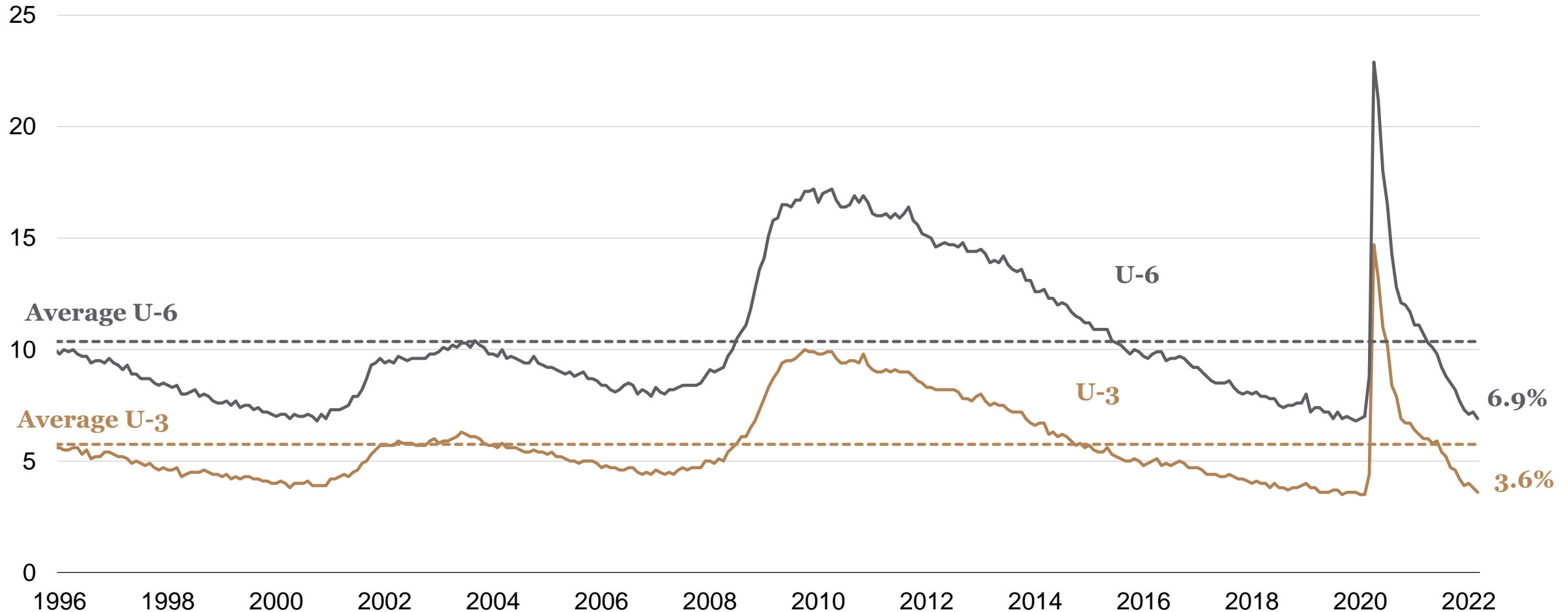
Months to Recovery from Recessions

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



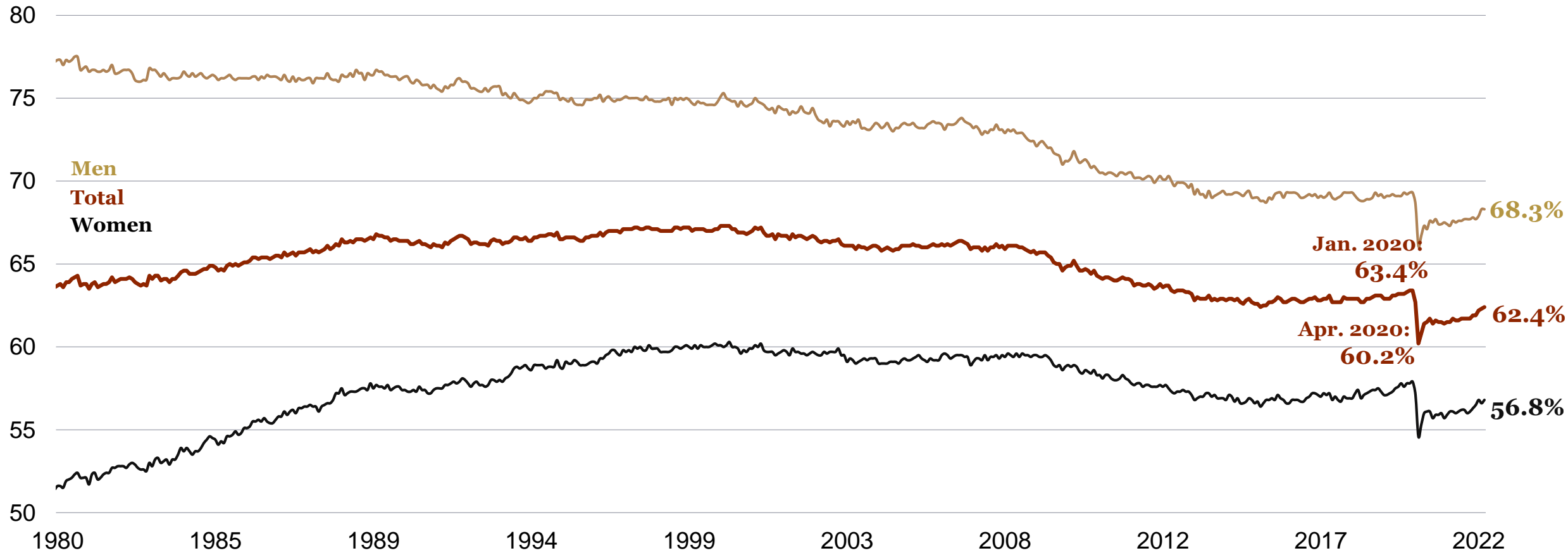
National Unemployment

U.S. Unemployment Rate, Monthly



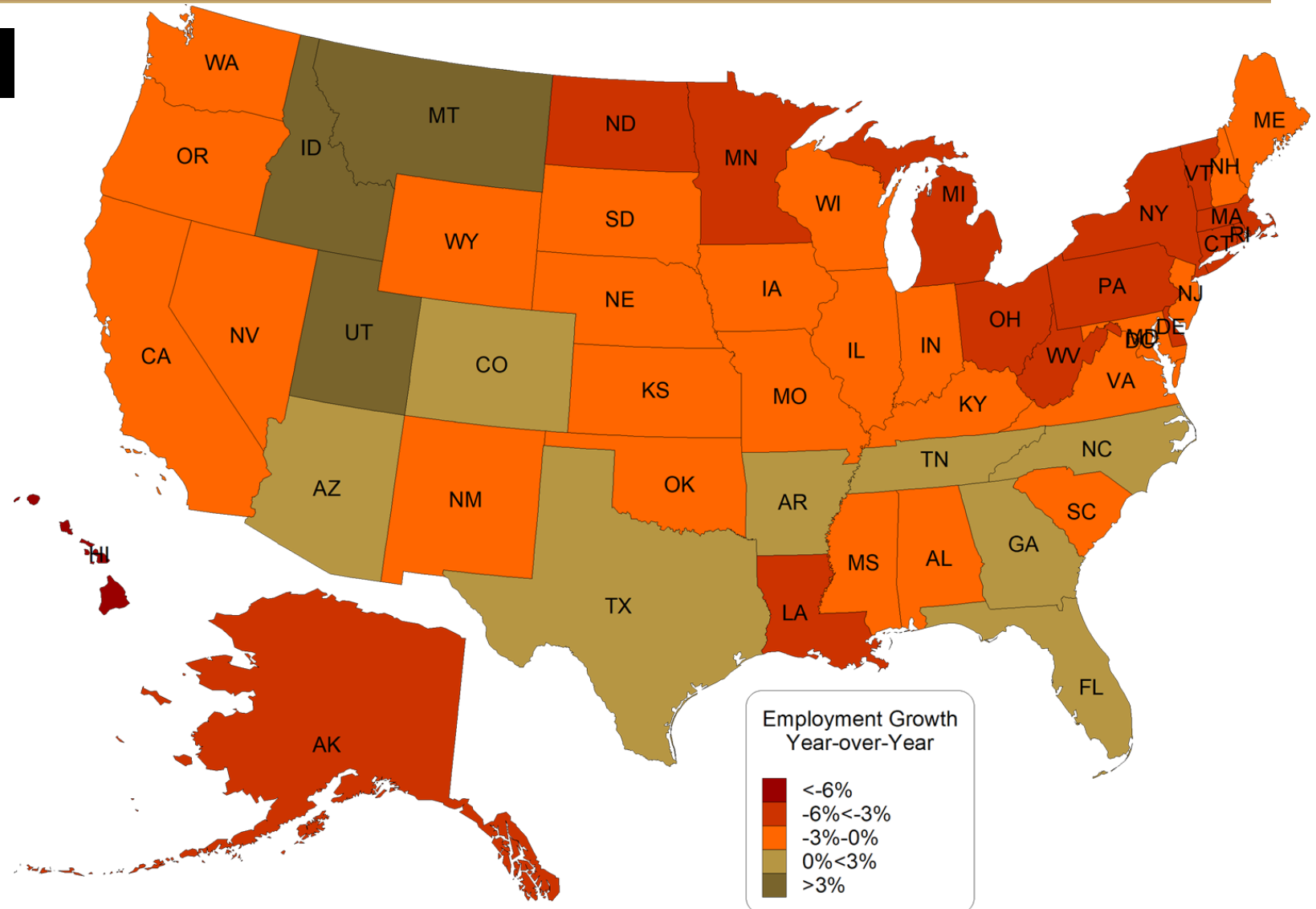
Labor Force Participation Rate

Percent of Population, 16 and Over

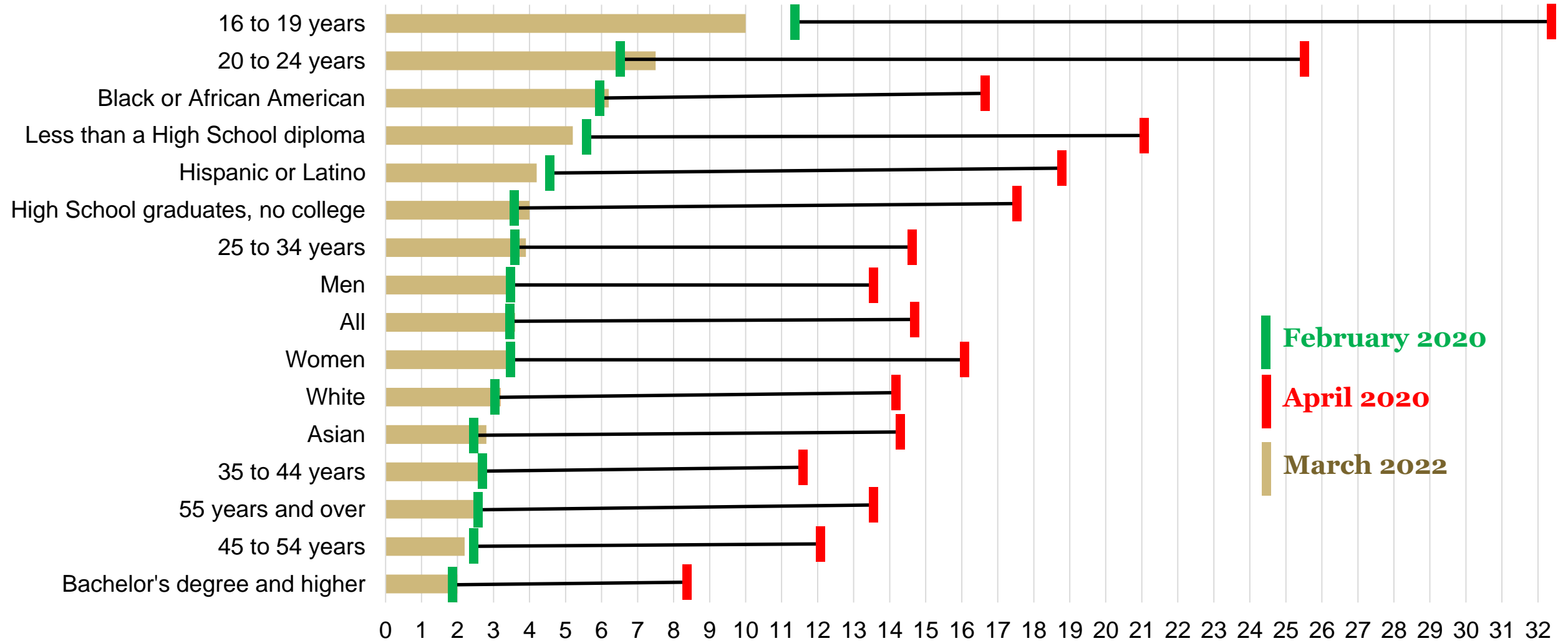


Employment Recovery

Change from Prerecession Peak



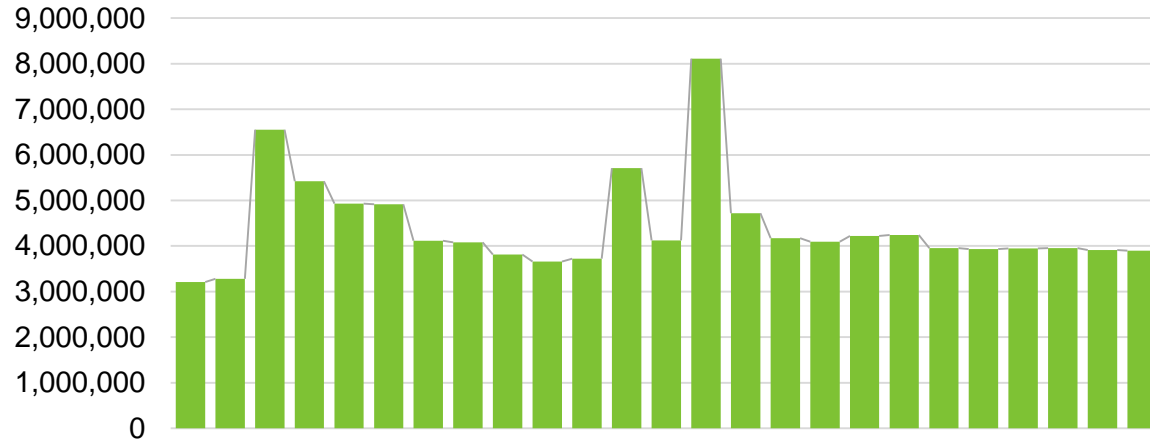
National Unemployment Rate



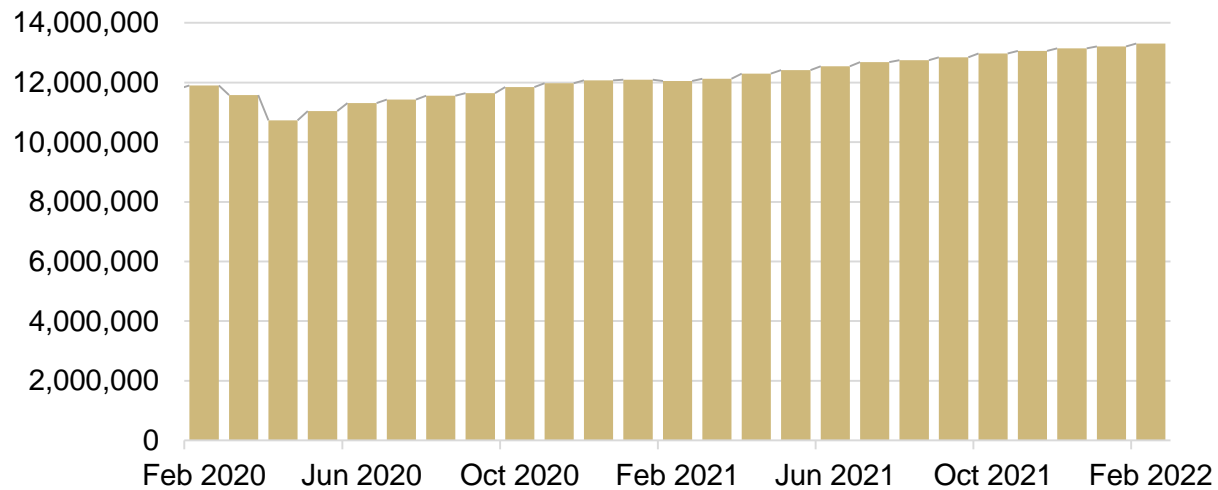
National Personal Income

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

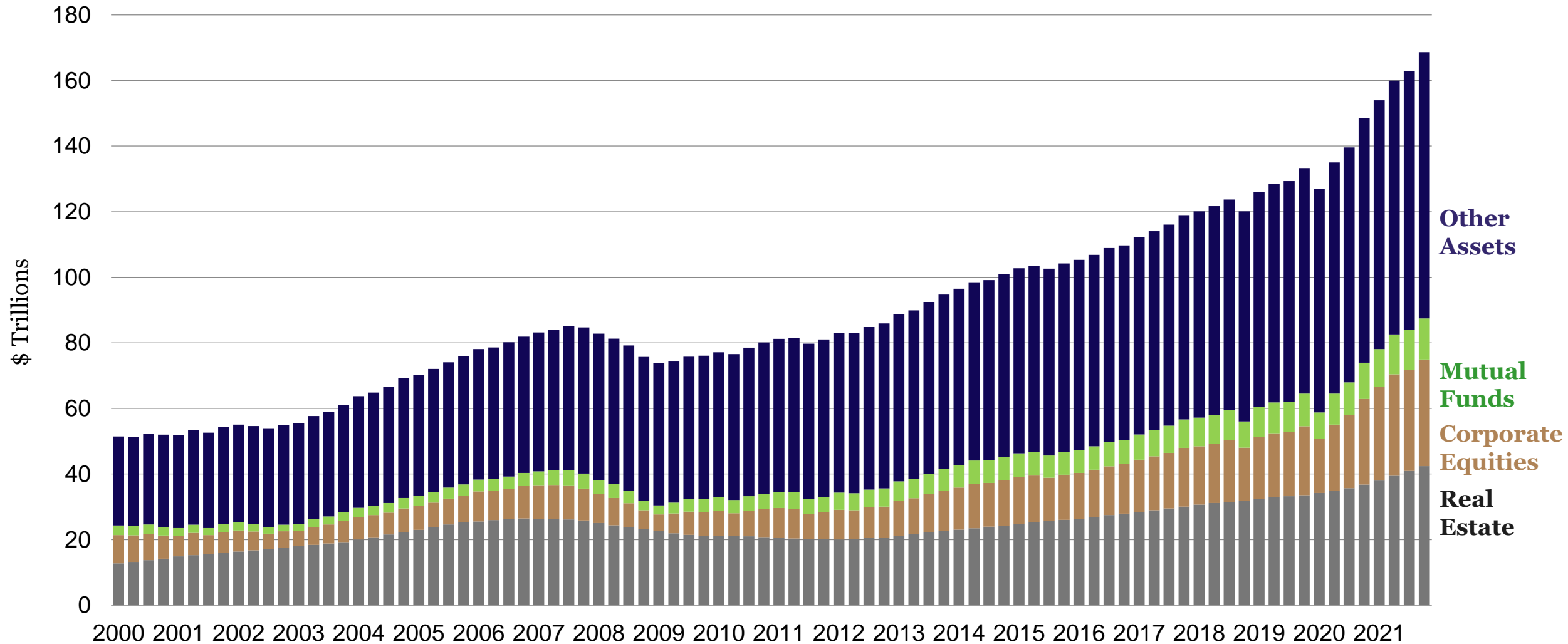
Transfer Receipts



Employee Compensation

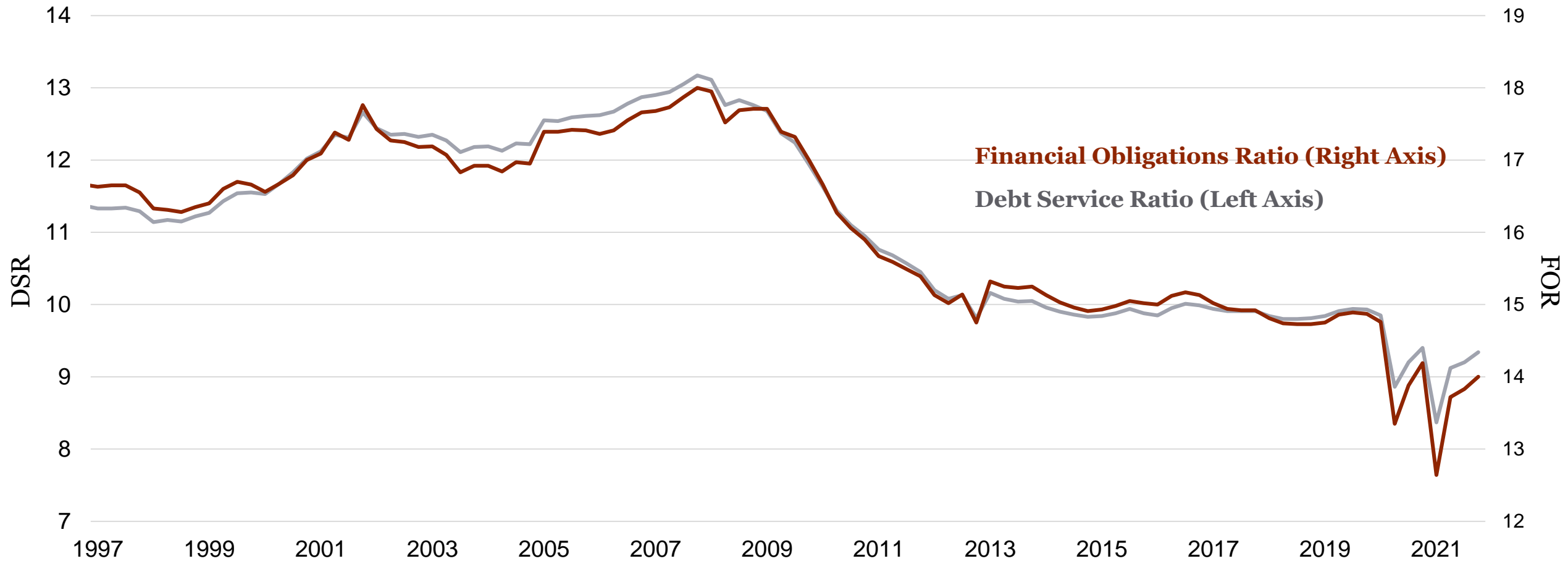


Household Wealth

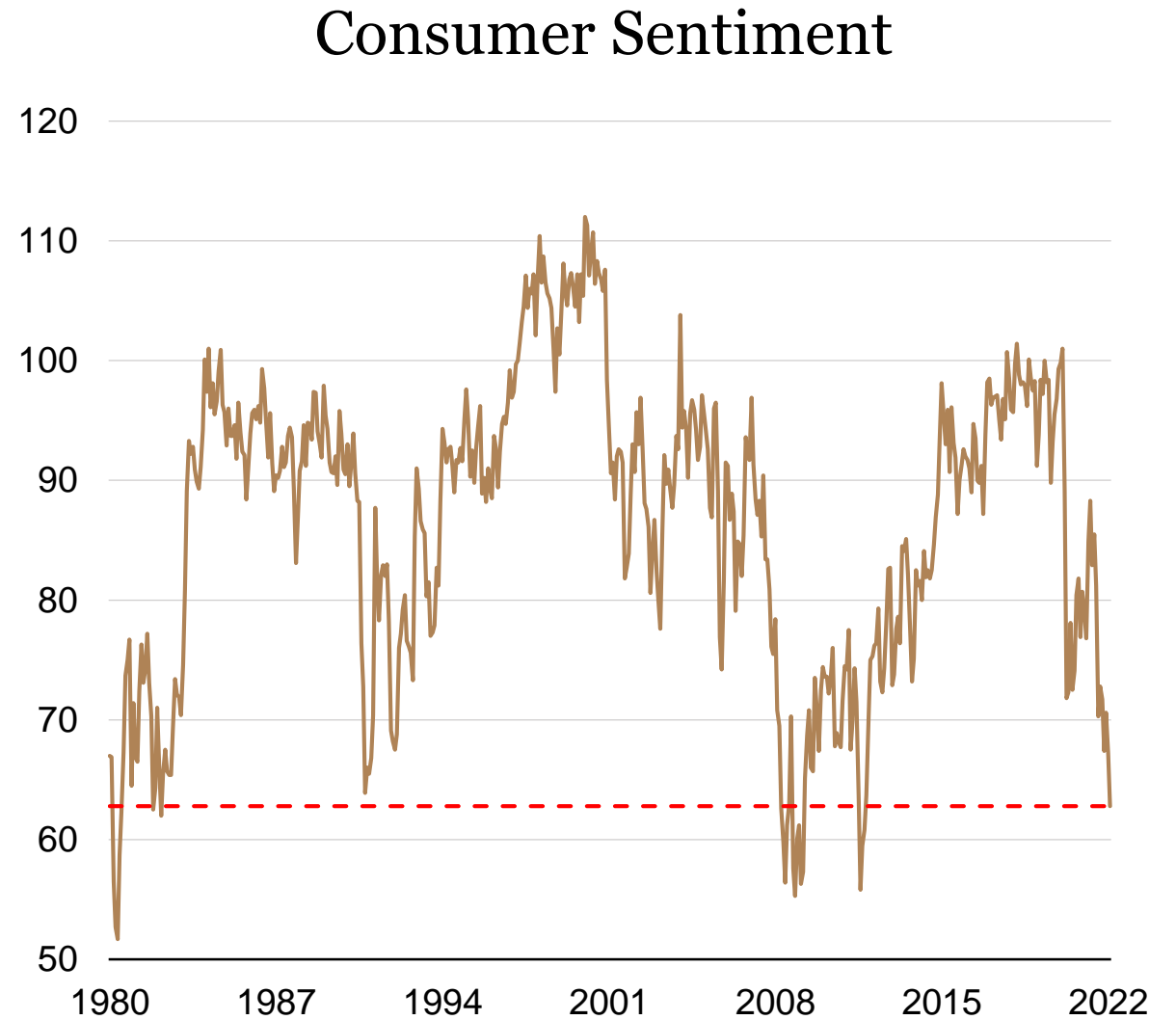
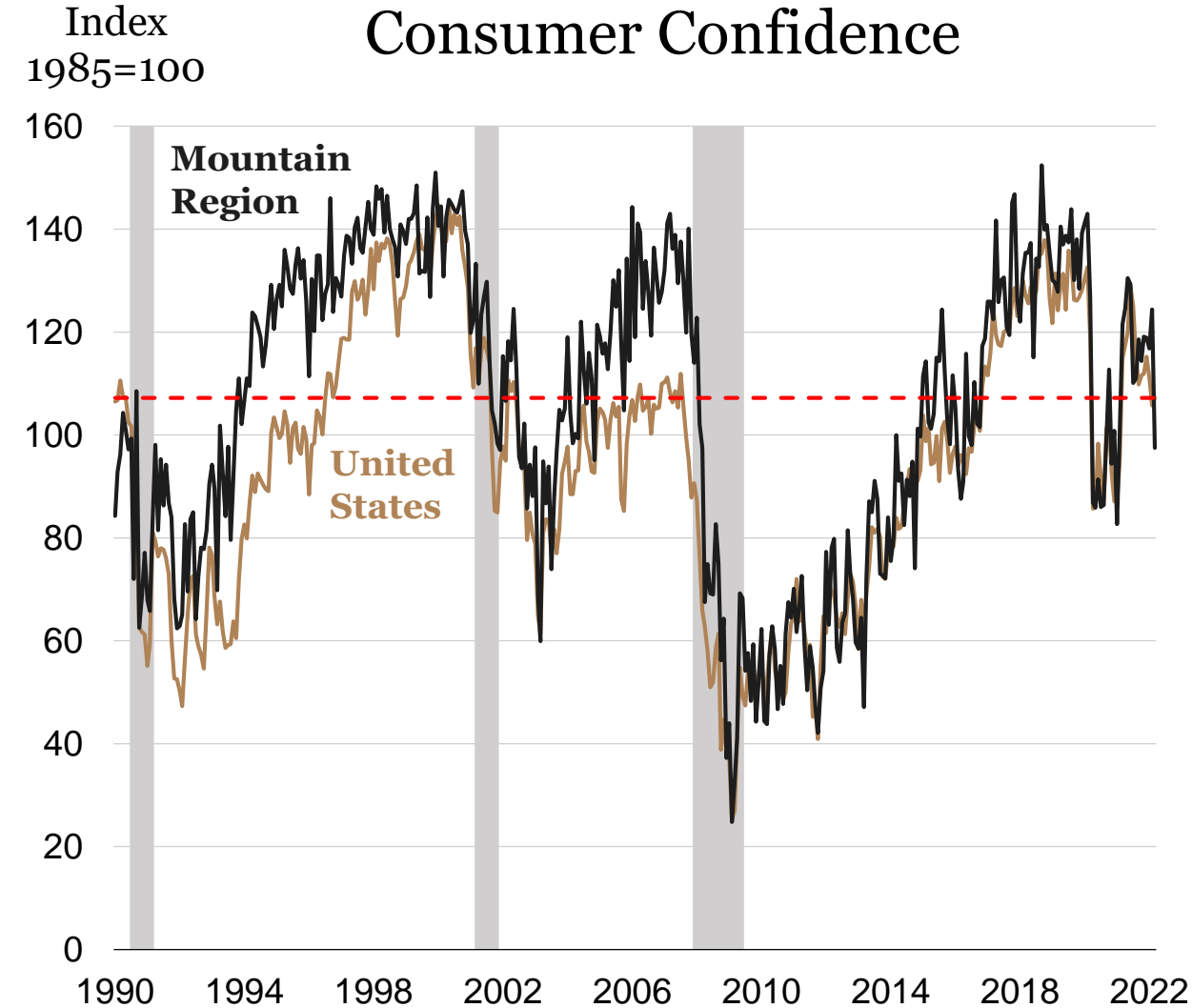


Household Debt Burden

Percent of Disposable Income

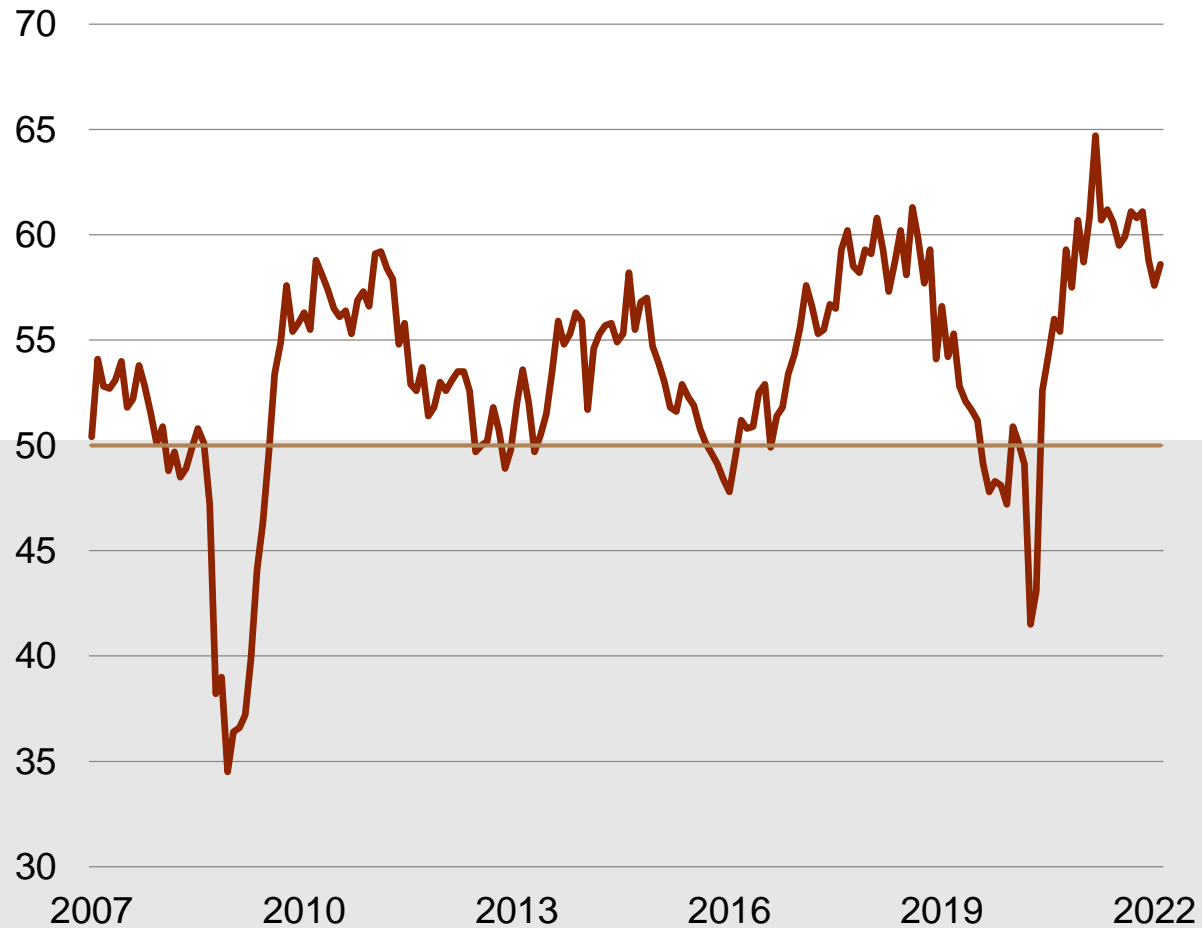


Index of Consumer Confidence

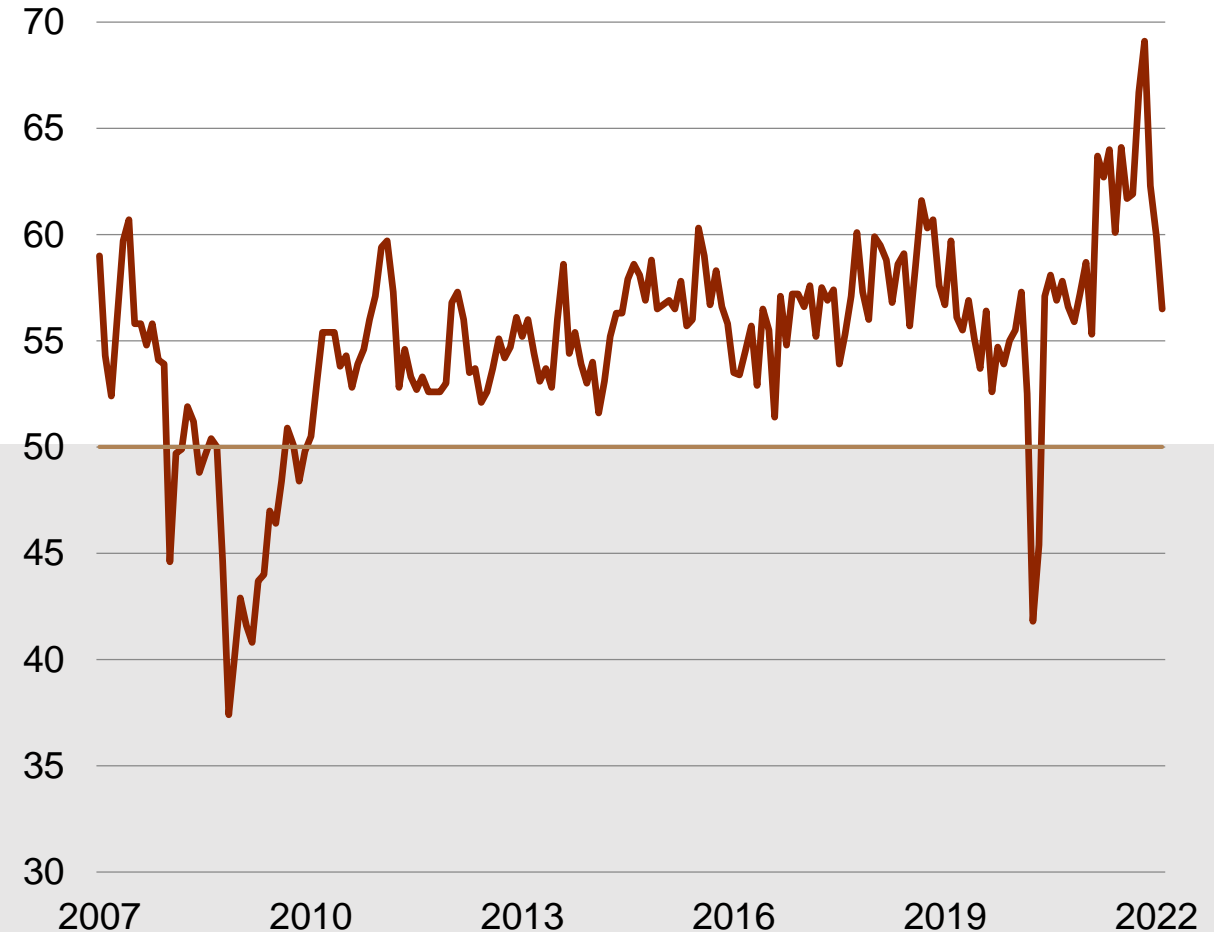


ISM Indices

ISM Manufacturing PMI® Index

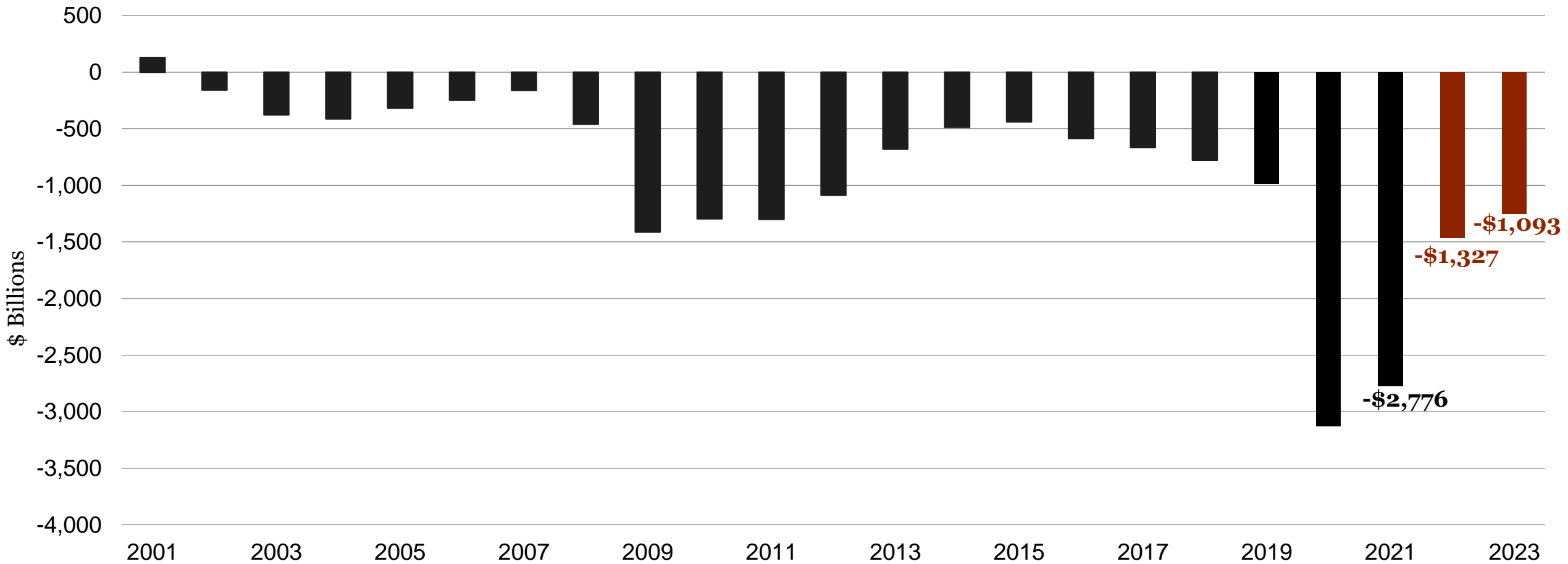


ISM Services PMI® Index



Federal Budget Balance

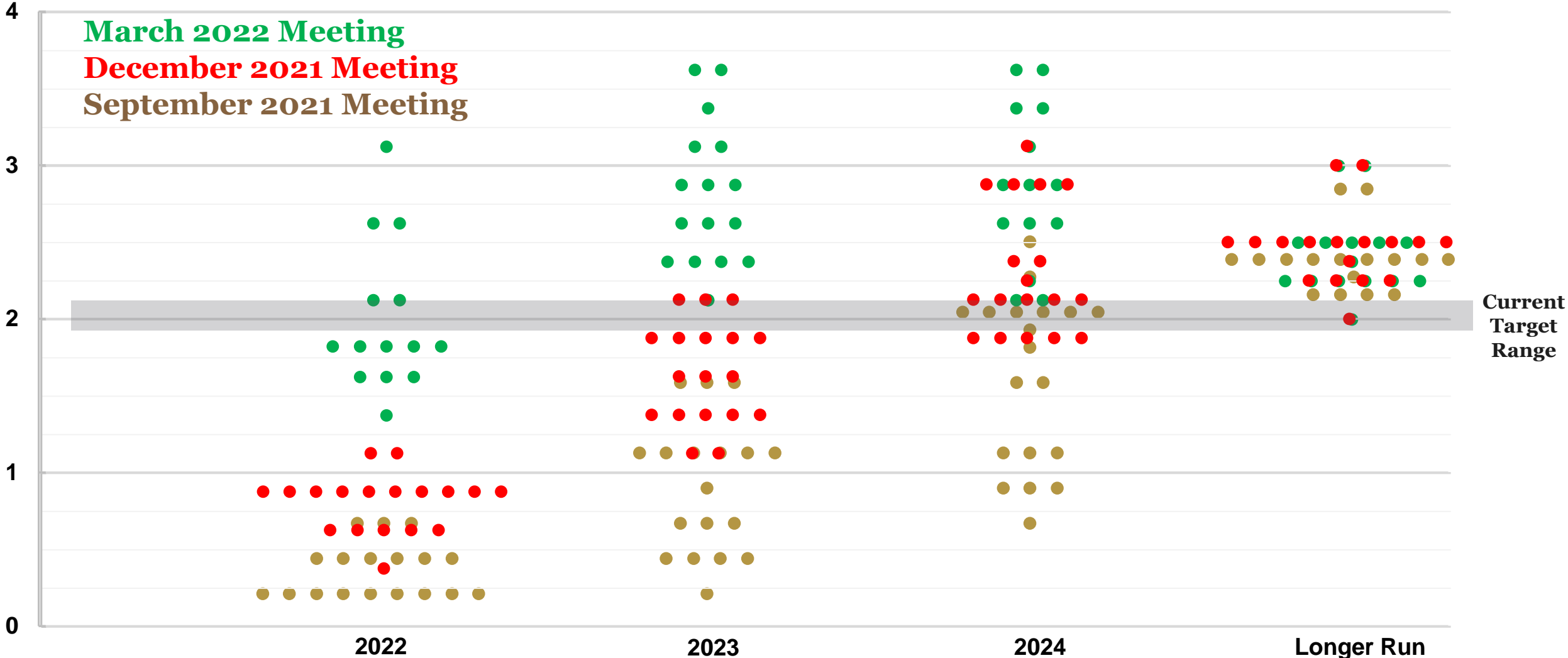
2000 to 2023



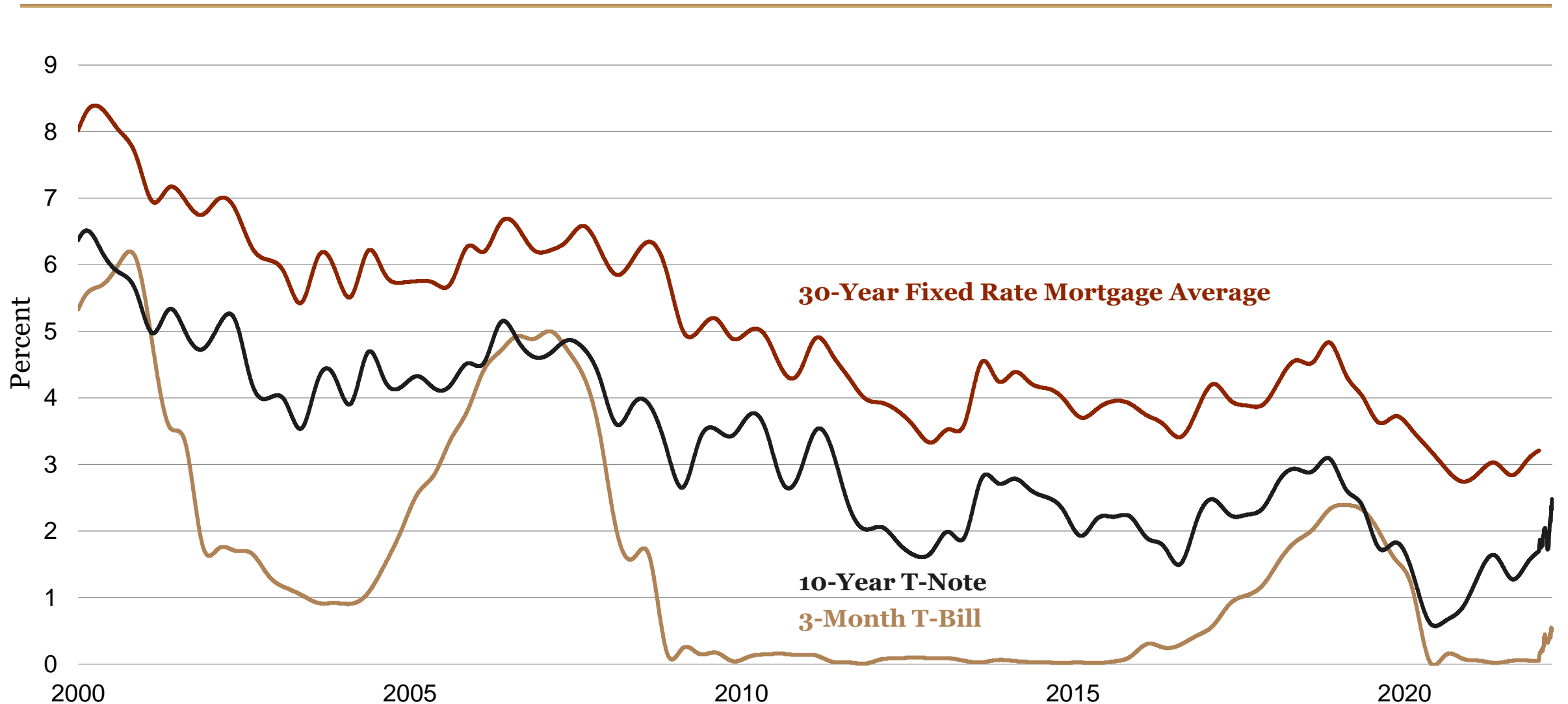
Money, Interest Rates and Prices



Federal Funds Rate Outlook



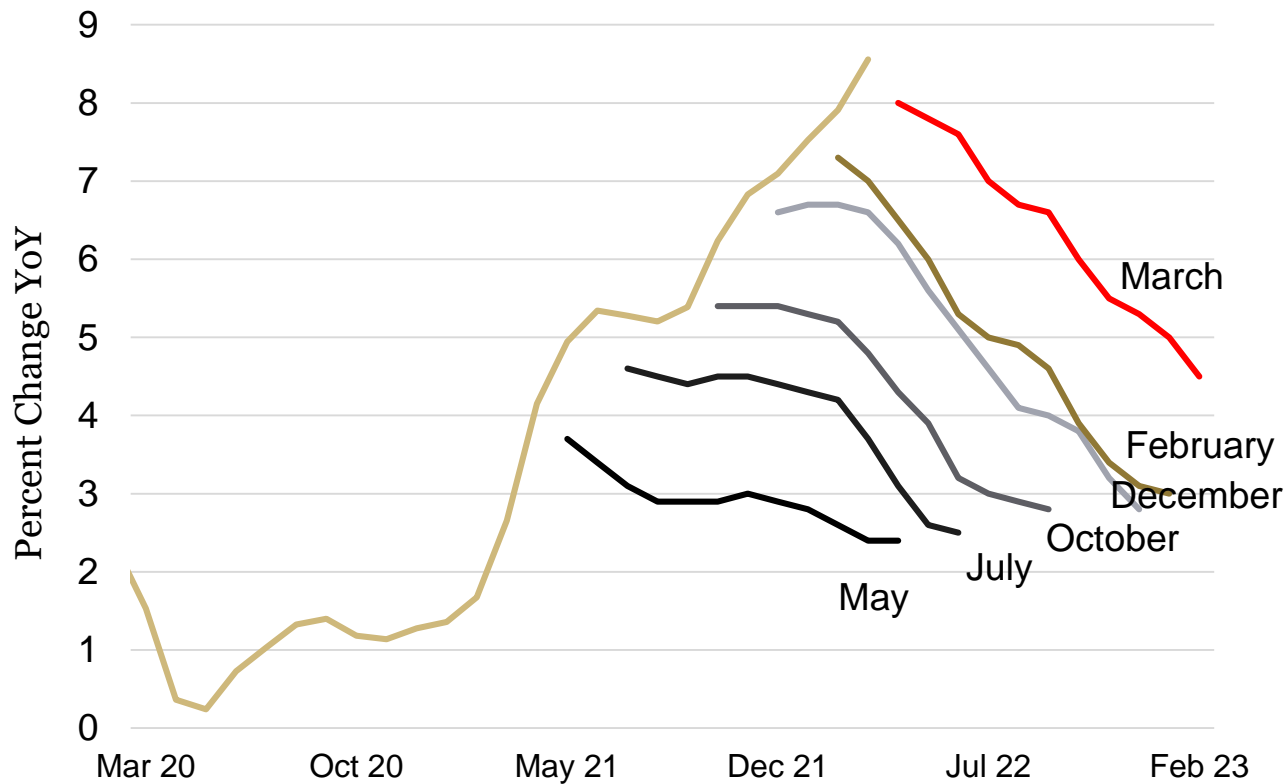
Interest Rates



Inflation

Consumer Price Index, Percent Change Year-Over-Year

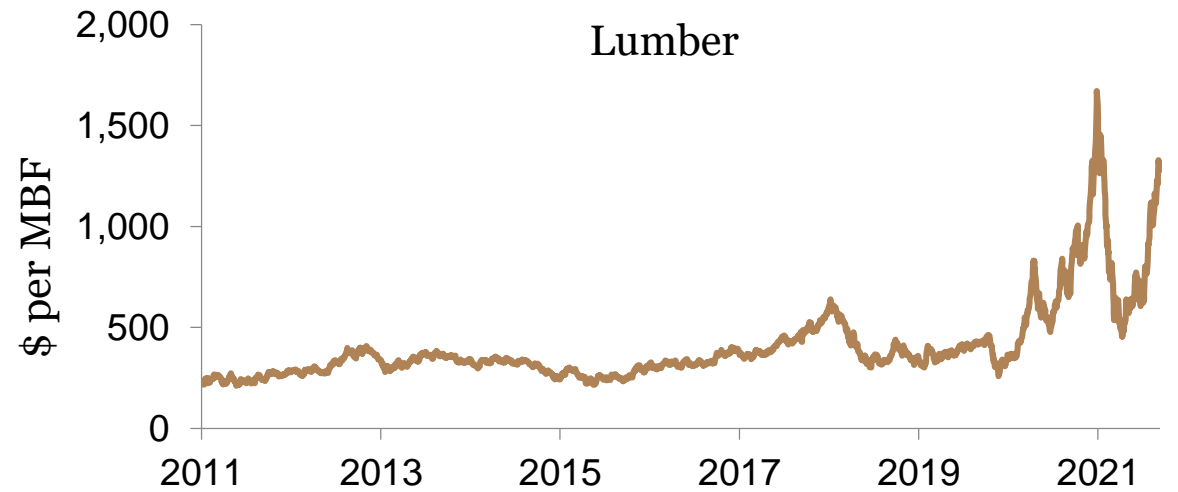
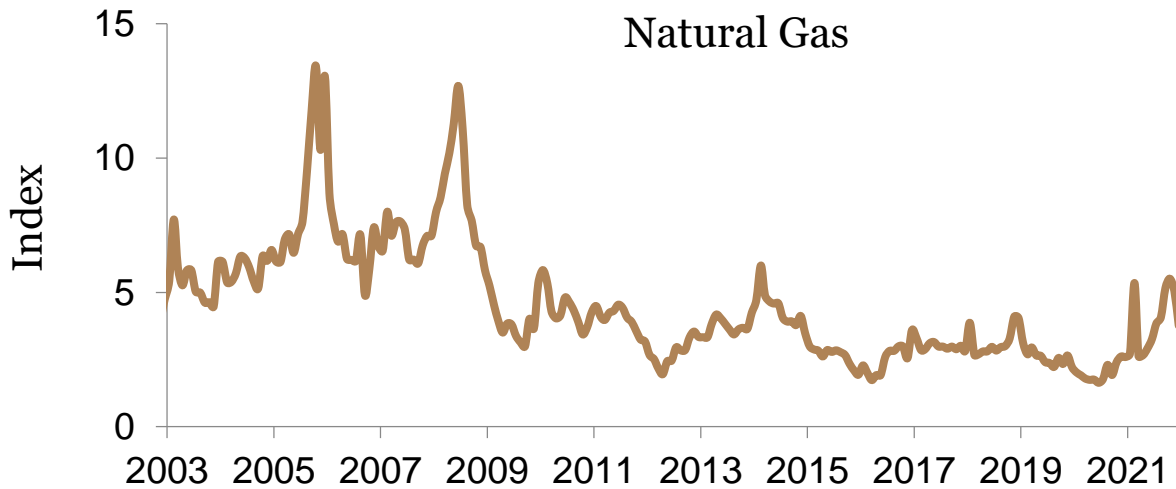
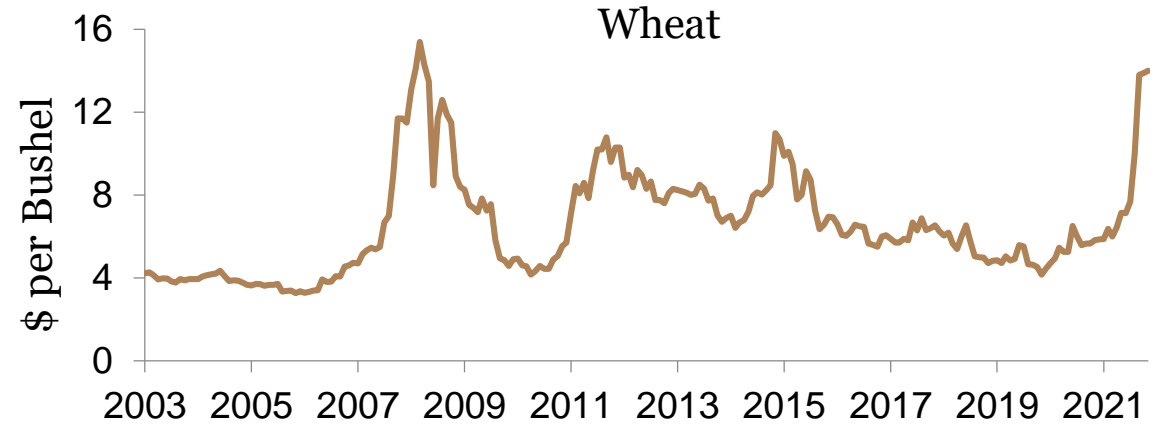
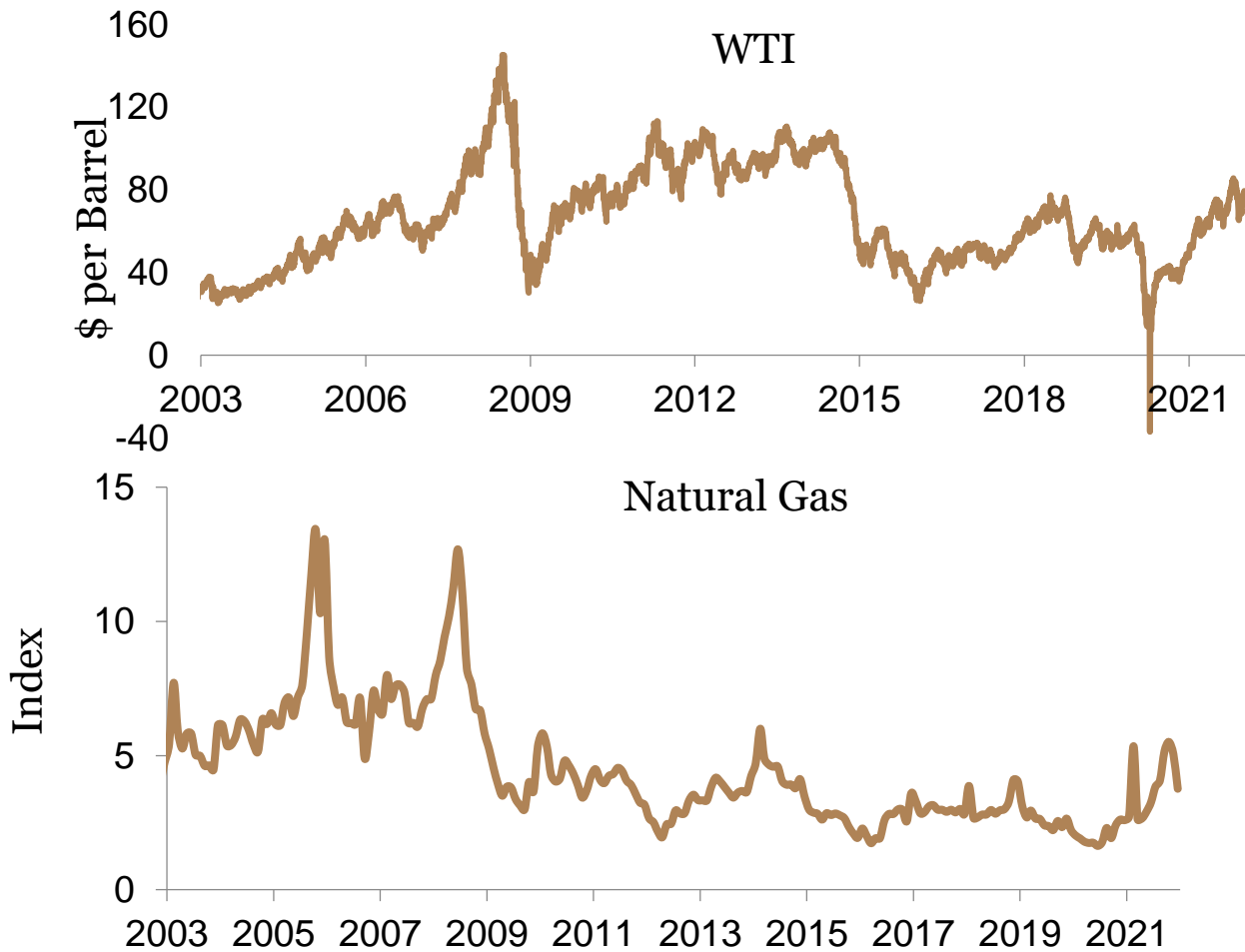
National CPI: All Items



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

Source: Bureau of Labor Statistics, CPI for All Urban Consumers (CPI-U).

Commodities





Elements of Complete Plan

- Executive Summary
- Company Summary
- Products and/or Services
- Market Analysis
- Management
- Financial Plan
- Appendix
- Team
- Risk analysis



Colorado Population, Employment, and the Economy

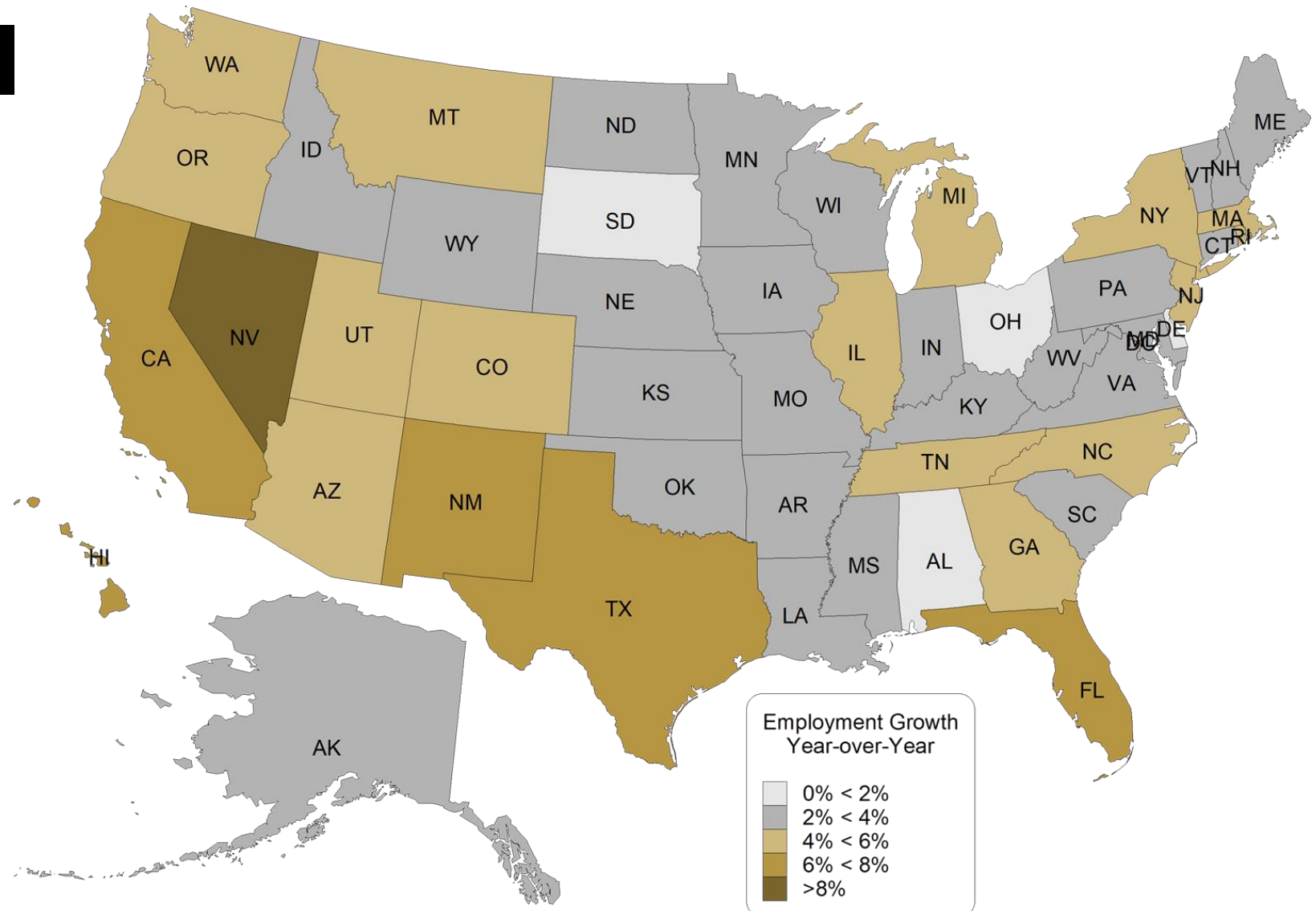
Colorado Rank Among Other States

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

Data Sources: Bureau of Economic Analysis (2021), Bureau of Labor Statistics (2/22), U.S. Census Bureau (2020), Bureau of Labor Statistics (2022), Federal Housing Finance Agency All Transactions Index (Q4 2021), BRD calculations. *Unemployment rate for the last month.

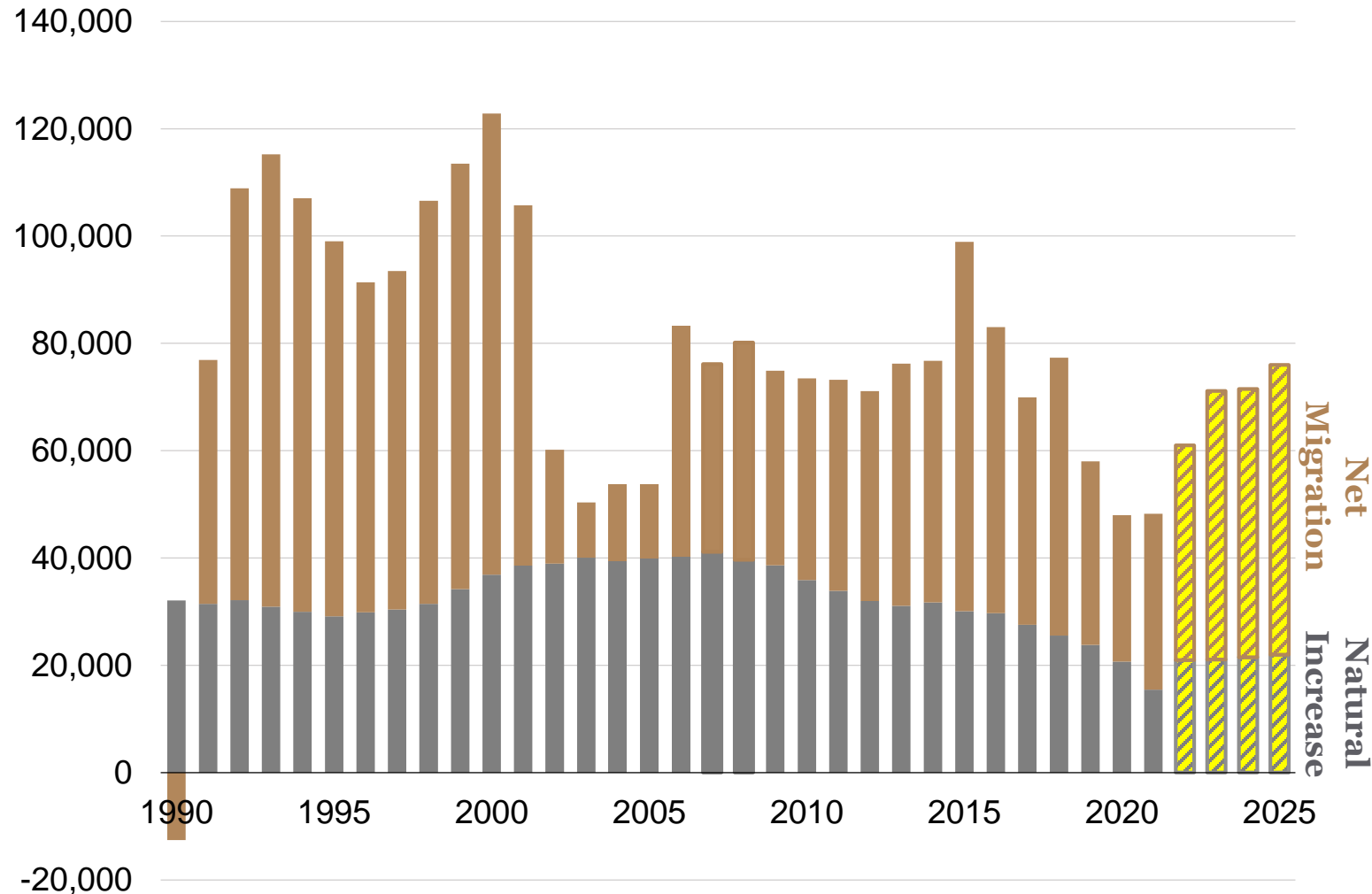
Employment Growth

1-Year Growth February 2022



Source: Bureau of Labor Statistics, Current Employment Statistics (Seasonally Adjusted).

Colorado Change in Population



Colorado's population changes:

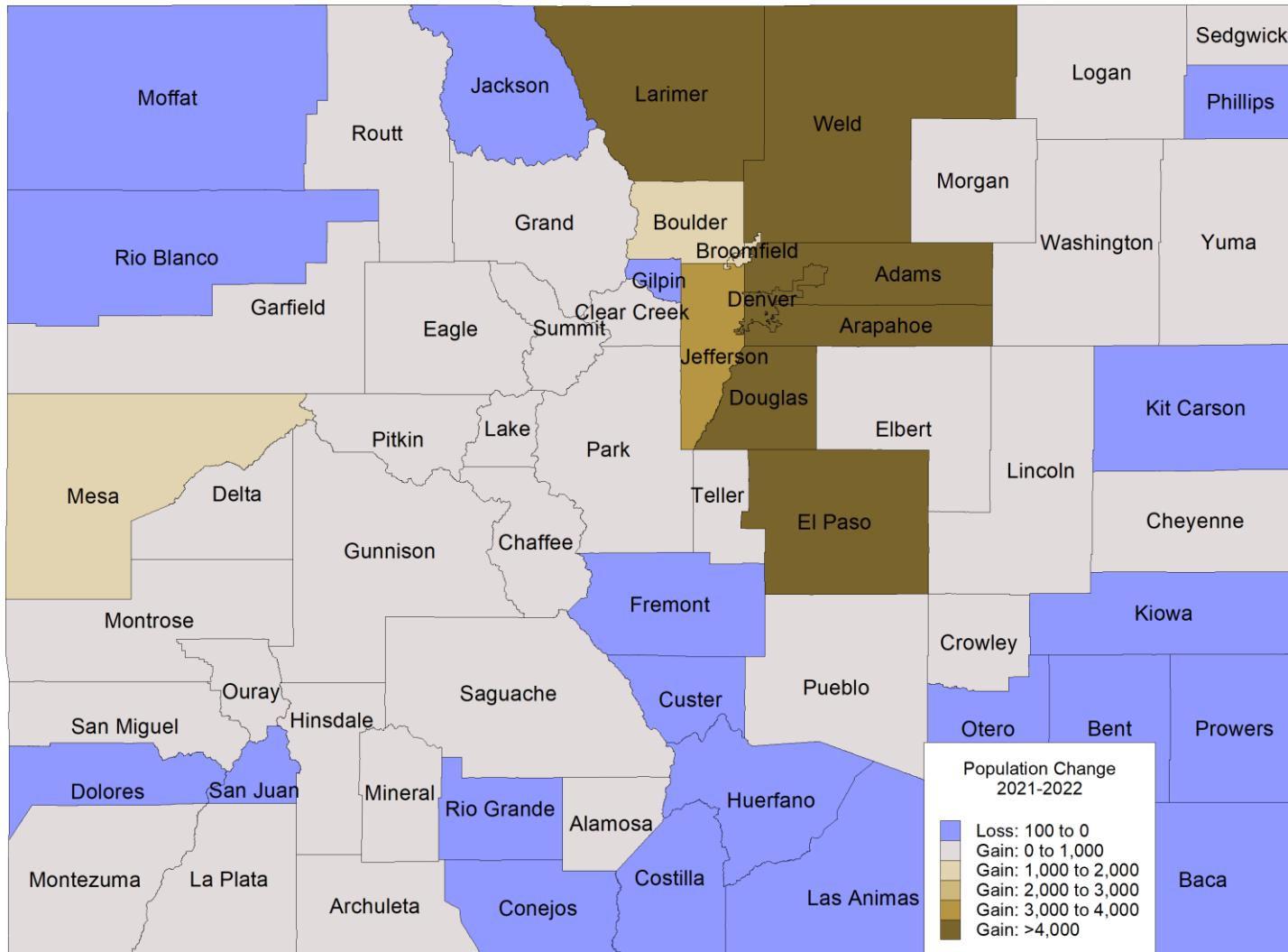
- **48k in 2020**
- **48k in 2021**
- **61k in 2022**

COVID impact on migration

Slowest population growth since 1990

Slowest net migration since 2005

Population Change by County, 2021 - 2022



2022 Forecast

Population Growth of **61,560**

Urban:

- **57,150**
- 1.1%
- 1 county losing population

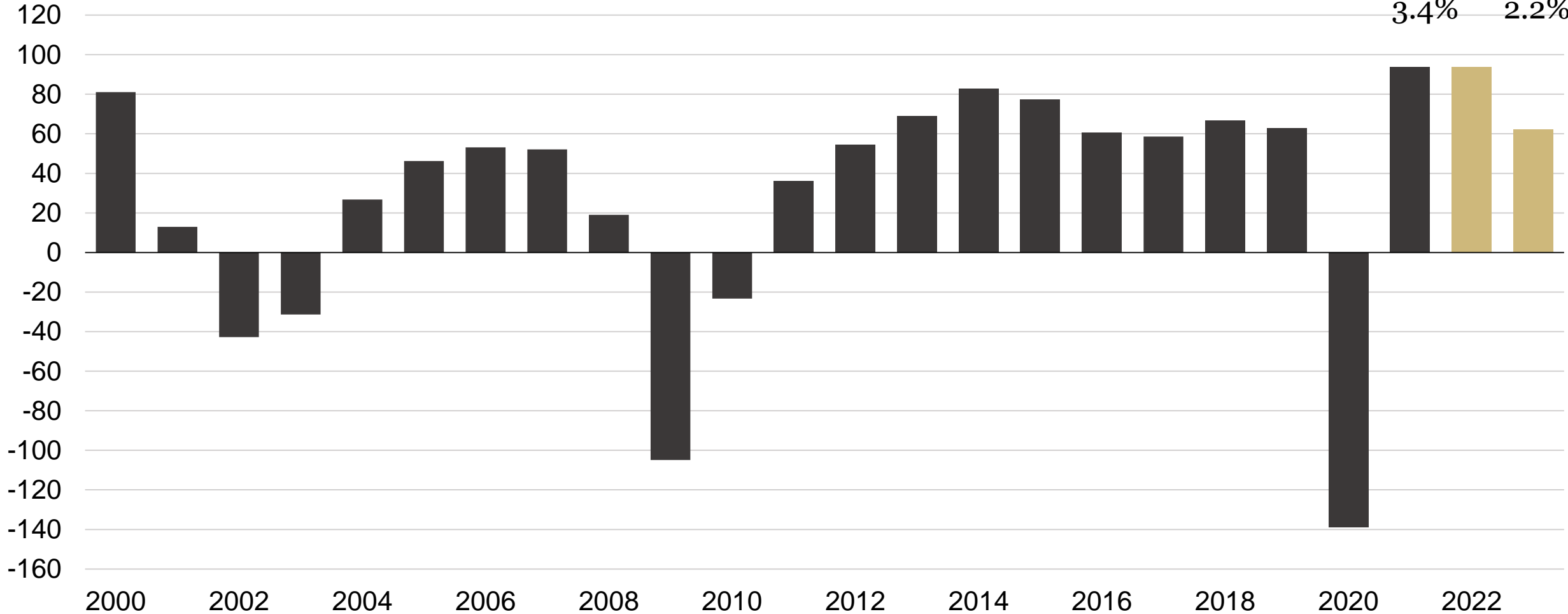
Rural:

- **4,510**
- 0.6%
- 19 counties losing population

Colorado Employment Growth

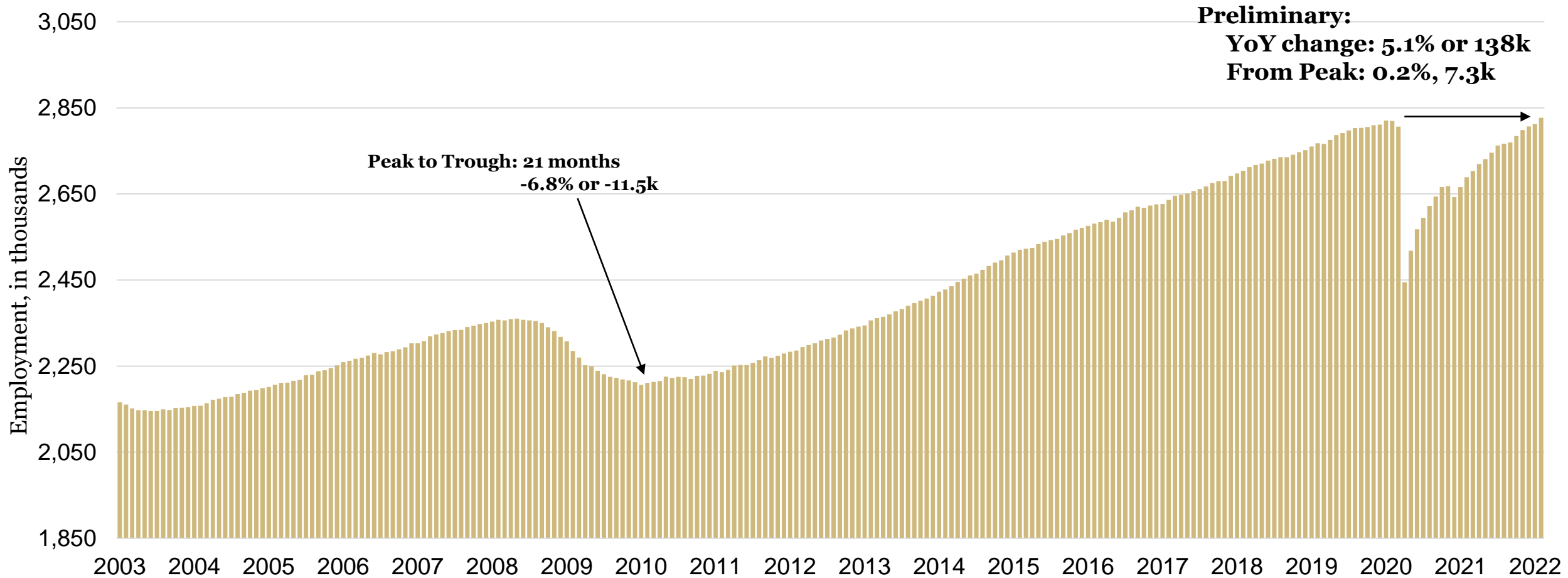
Jobs Added, Thousands, 2000-2022

<u>2022</u>	<u>2023</u>
93,700	62,200
3.4%	2.2%



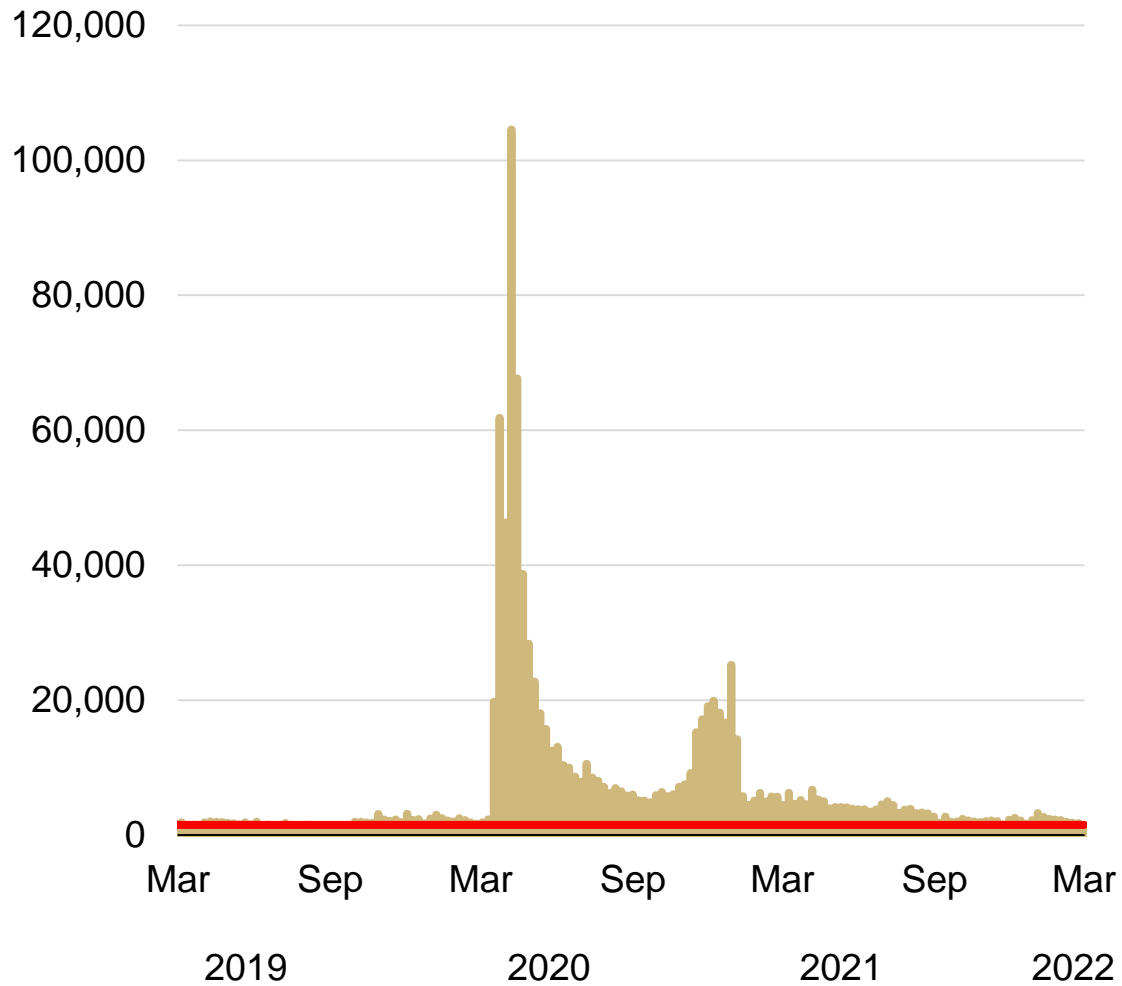
Employment

Colorado

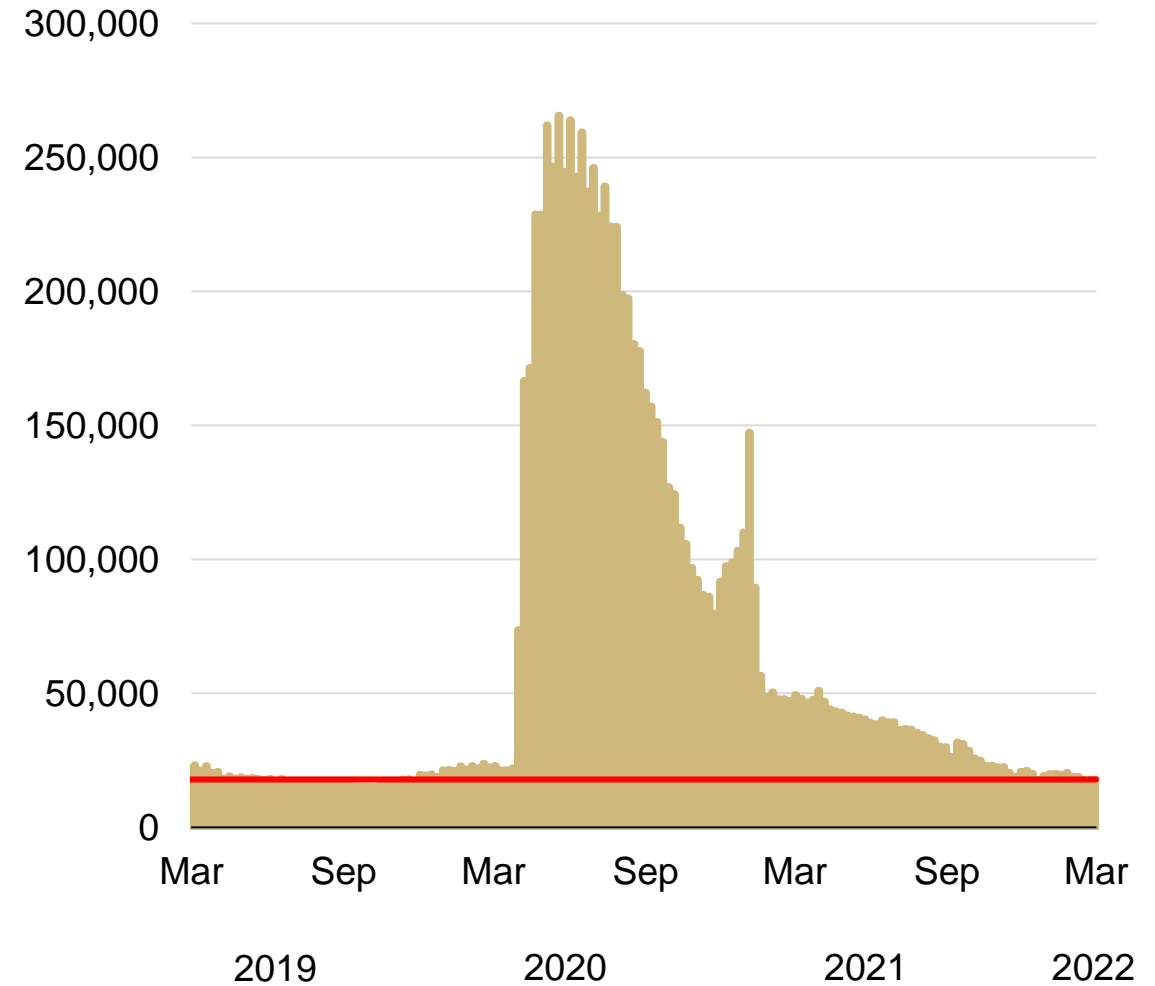


Jobless Claims in Colorado

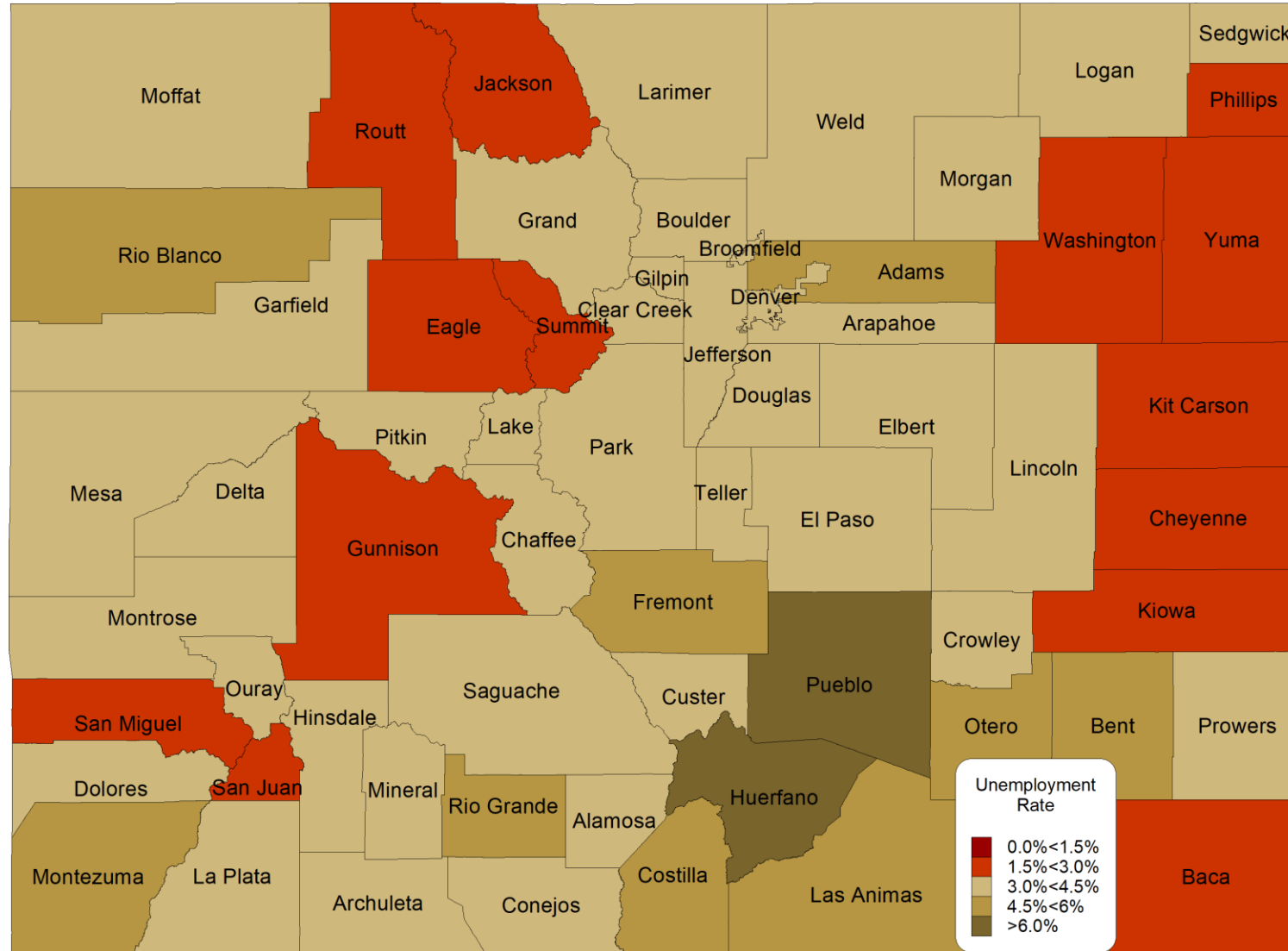
Initial Jobless Claims, Weekly



Continued Jobless Claims, Weekly



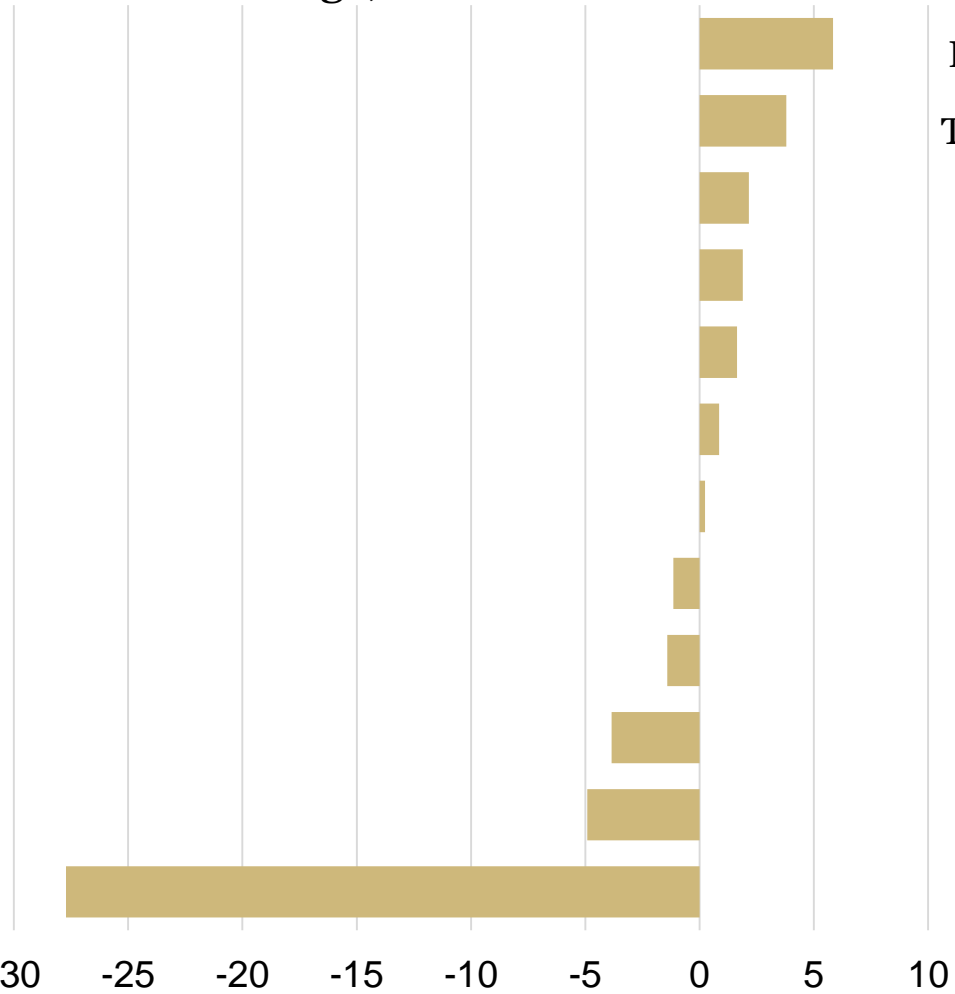
Unemployment Rate by County, February 2022



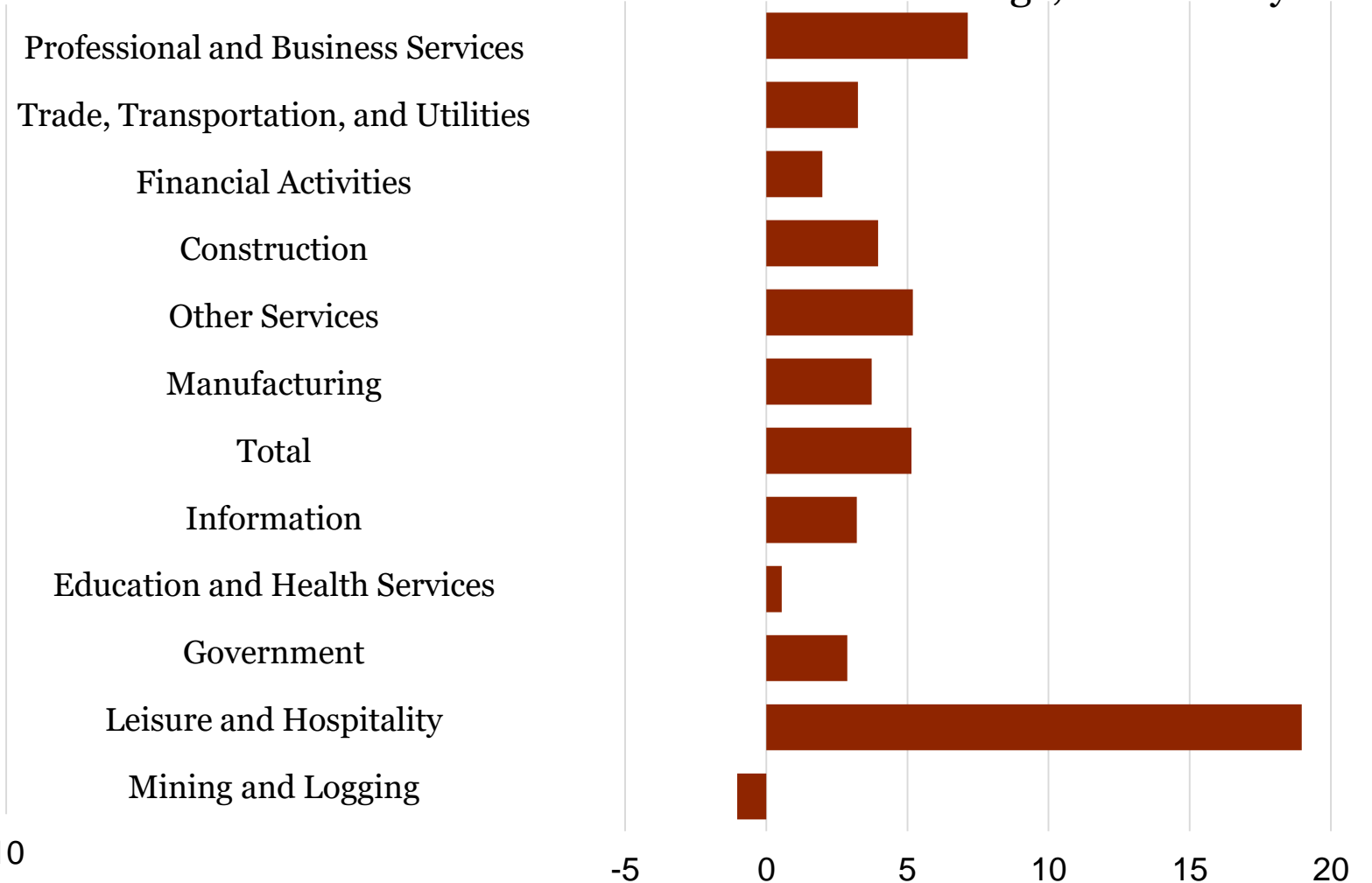
Source: Bureau of Labor Statistics (Not Seasonally Adjusted),

Colorado Employment Change (as of Feb. 2022)

Pct. Change, Jan. 2020-Feb. 2022



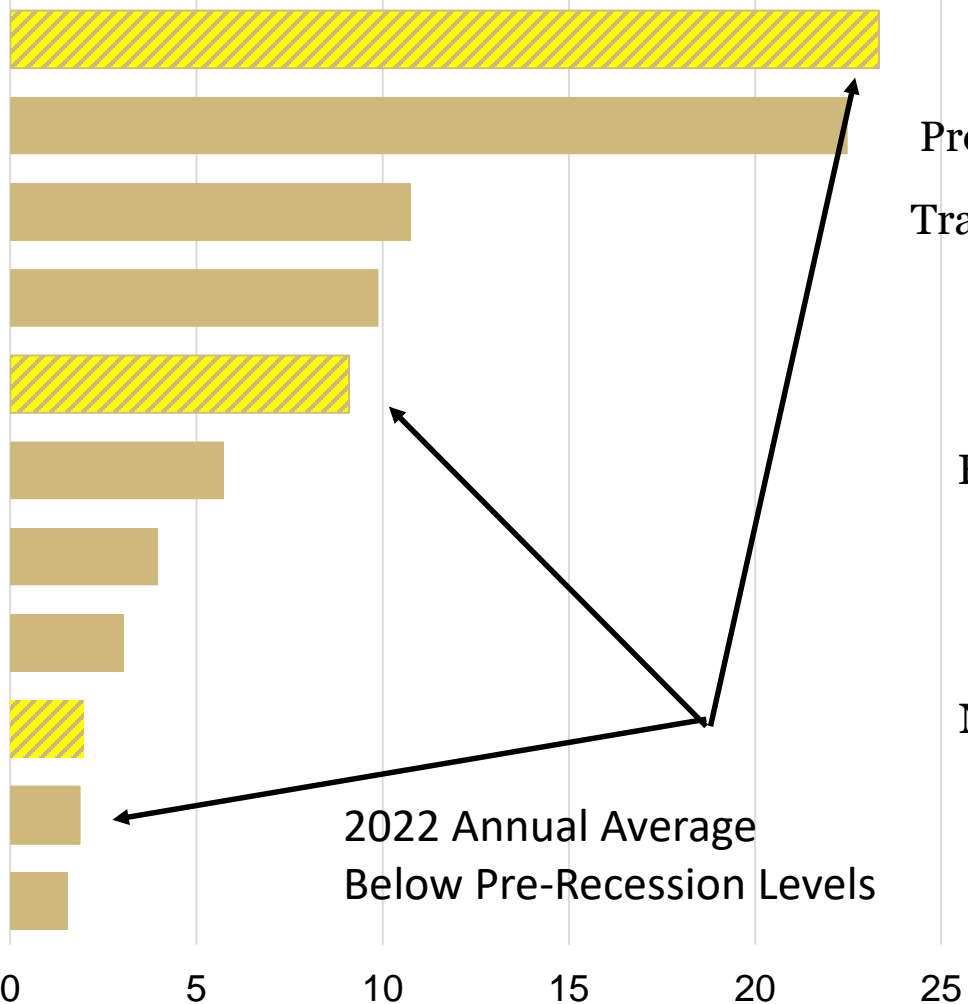
Pct. Change, Year-over-year



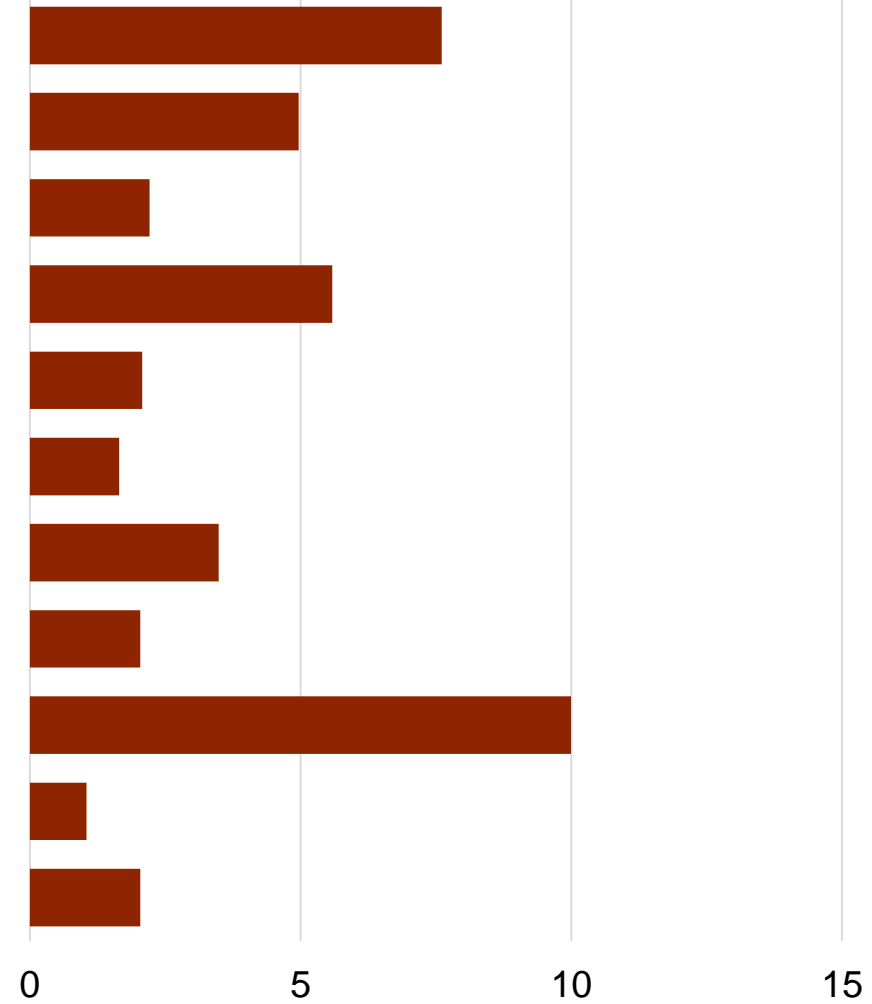
Colorado 2022 Employment Change

Jobs Added (Thousands)

Percent Change



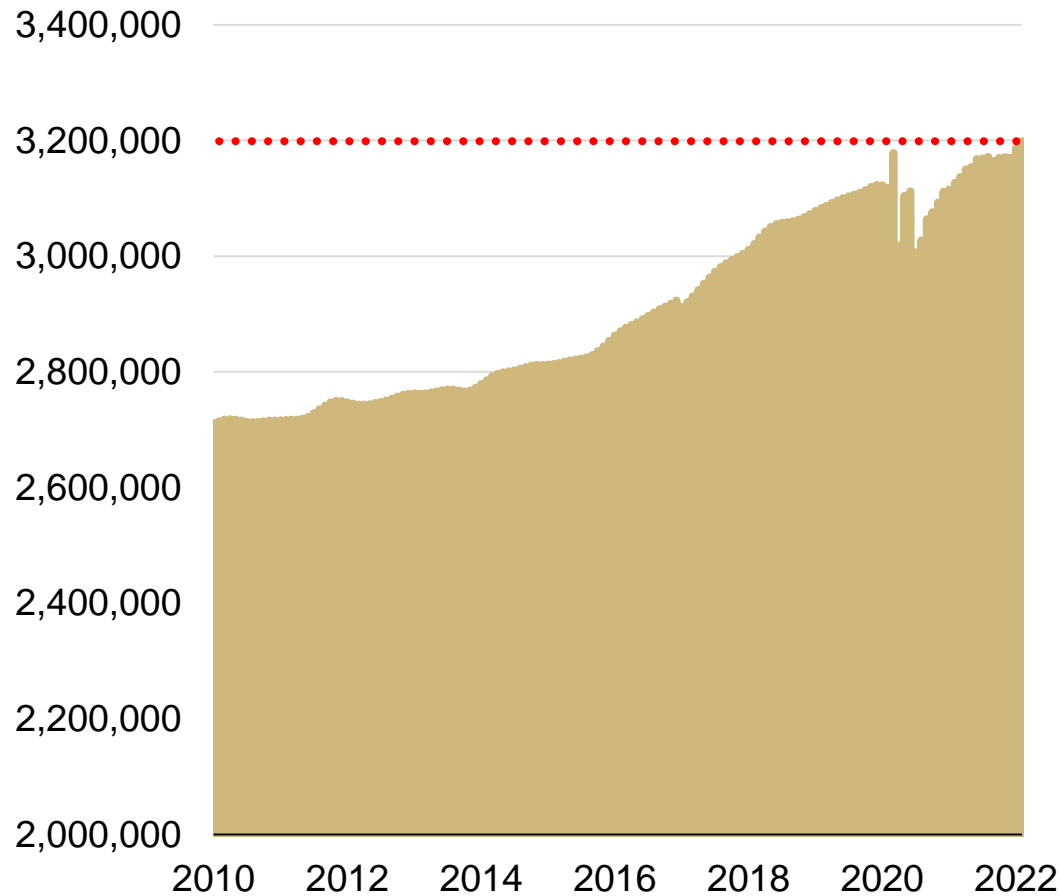
- Leisure and Hospitality
- Professional and Business Services
- Trade, Transportation, and Utilities
- Construction
- Government
- Education and Health Services
- Other Services
- Manufacturing
- Natural Resources and Mining
- Financial Activities
- Information



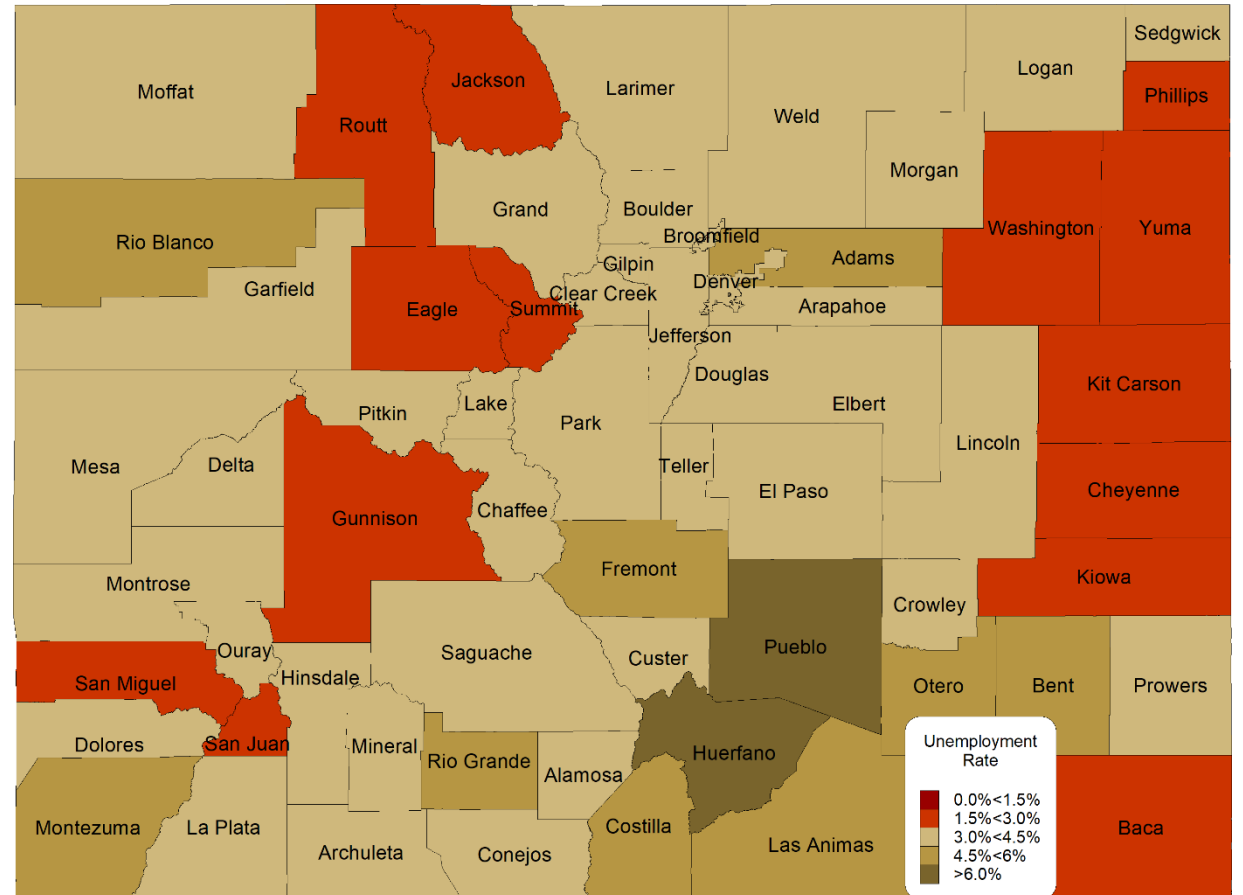
2022 Annual Average
Below Pre-Recession Levels

Labor Force and Unemployment, February 2022

Labor Force

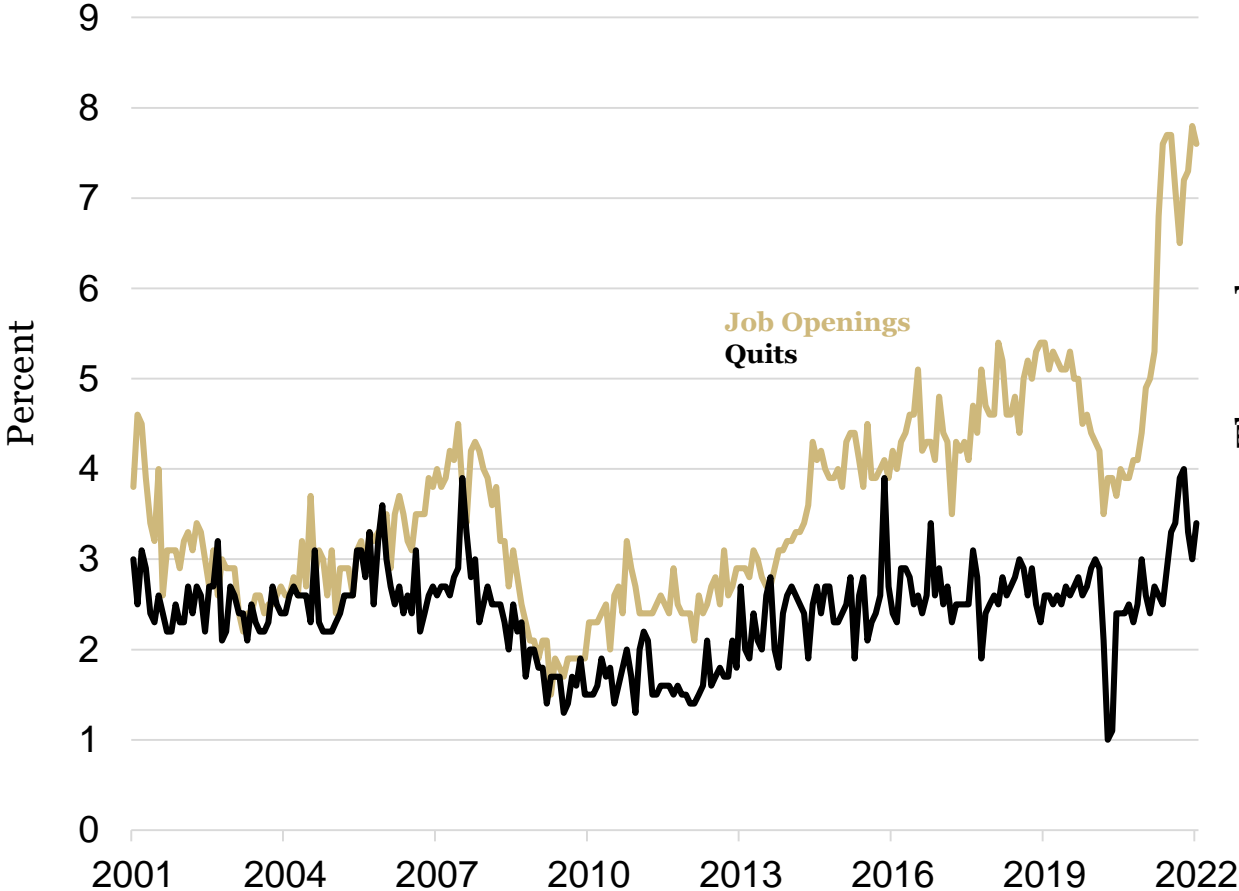


Unemployment Rate

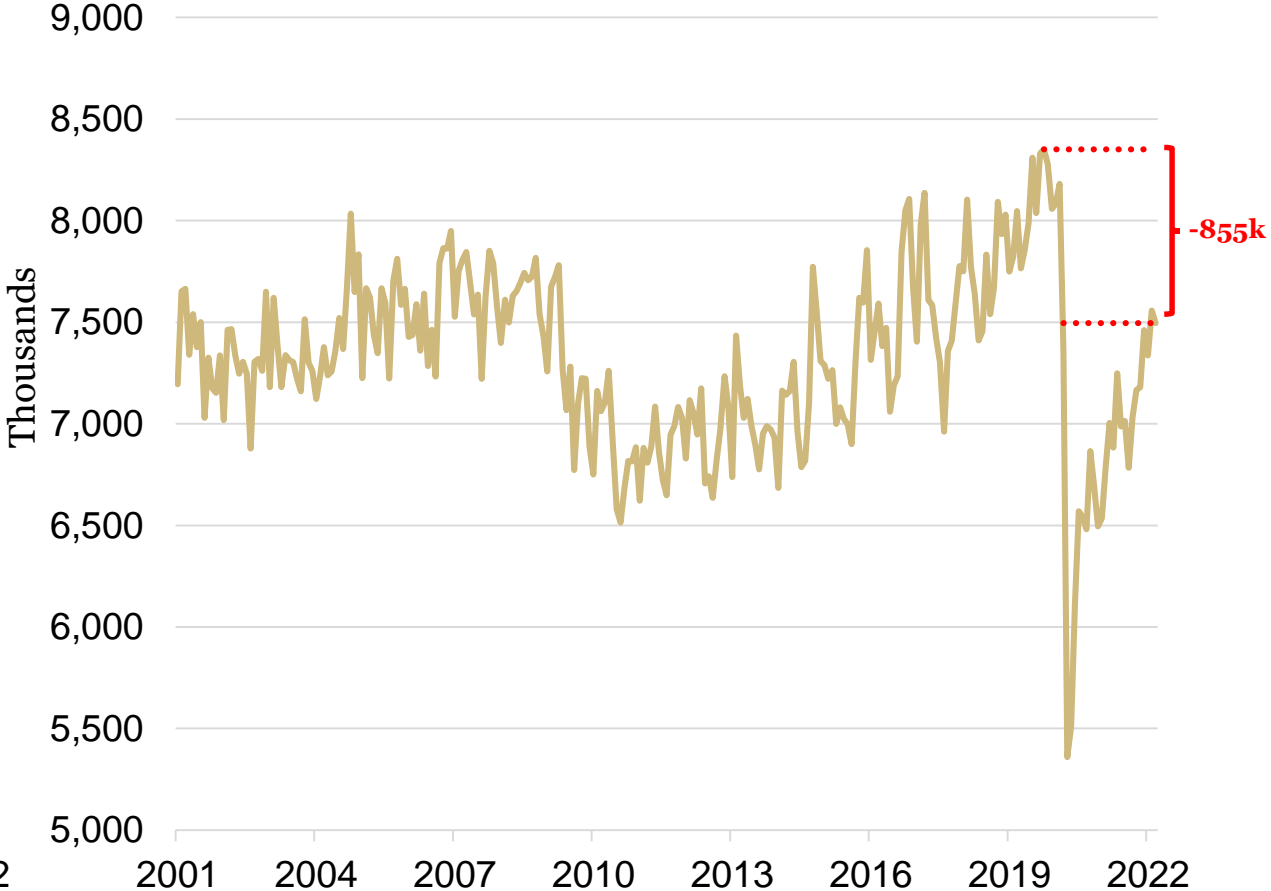


Labor Shortage

Colorado Job Openings and Quits

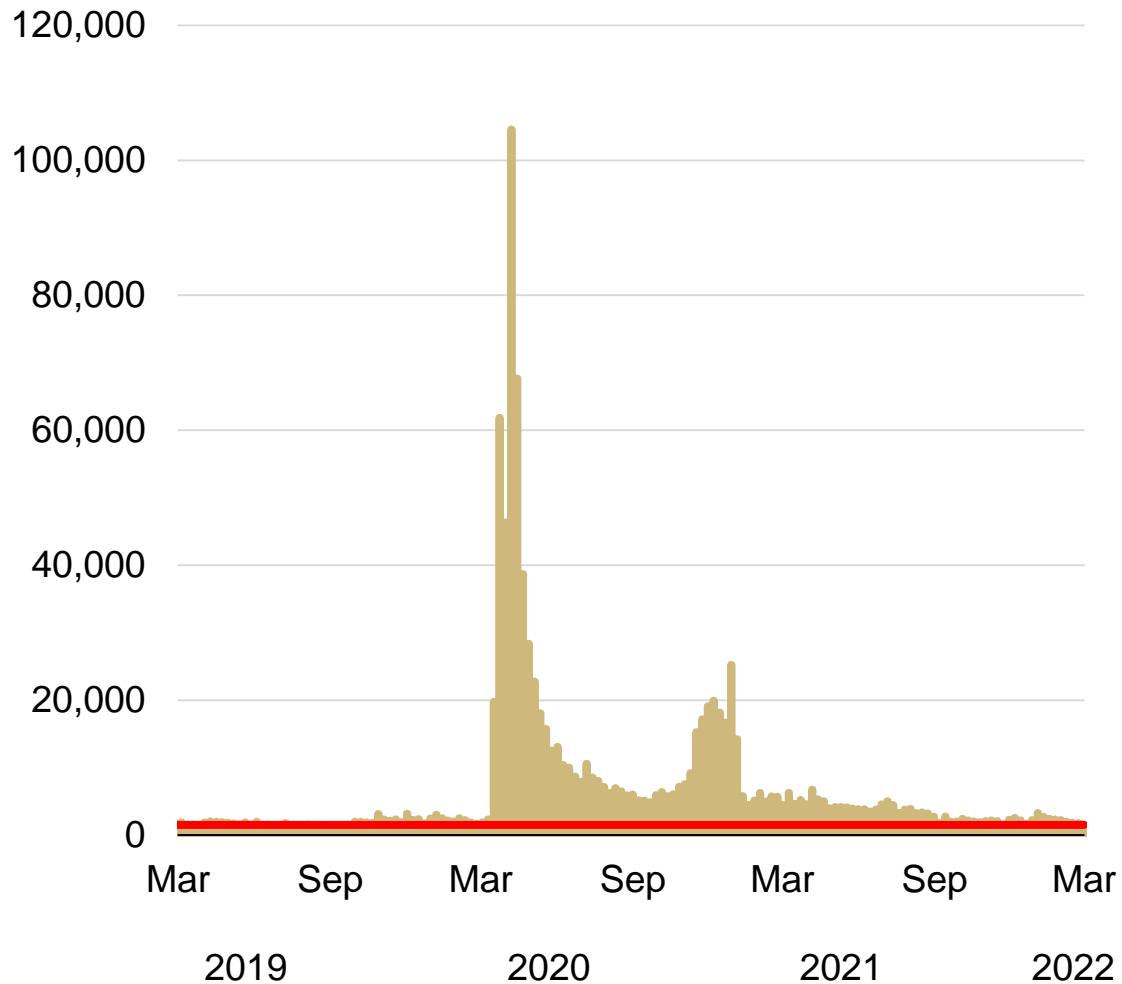


National Multiple Jobholders

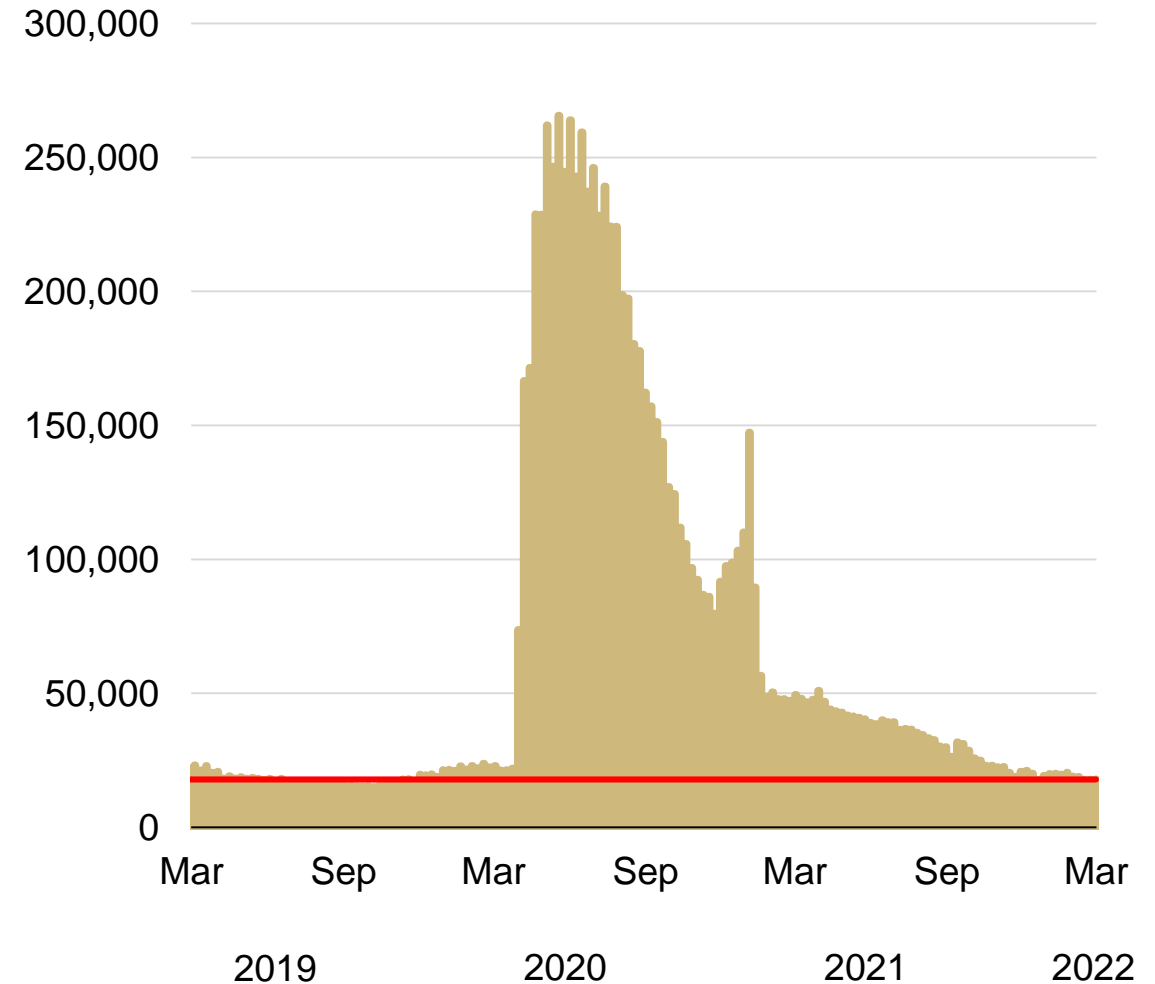


Jobless Claims in Colorado

Initial Jobless Claims, Weekly

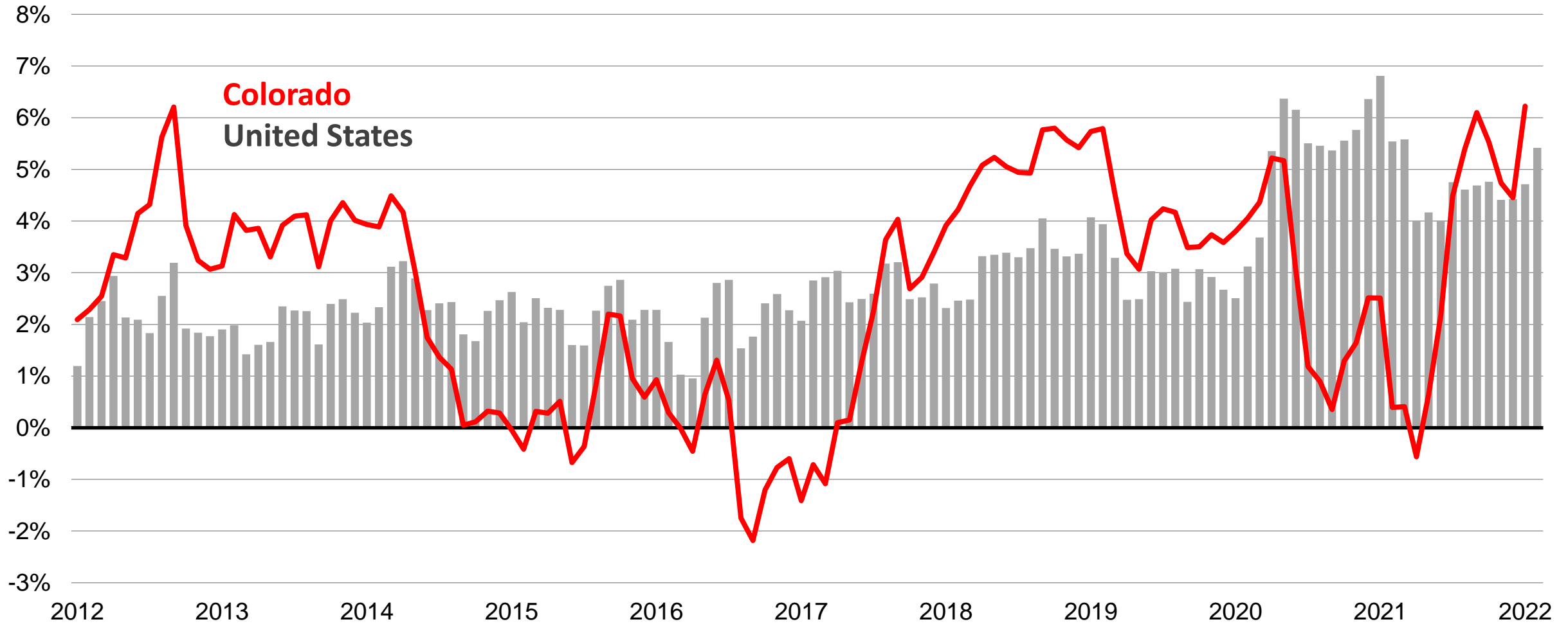


Continued Jobless Claims, Weekly



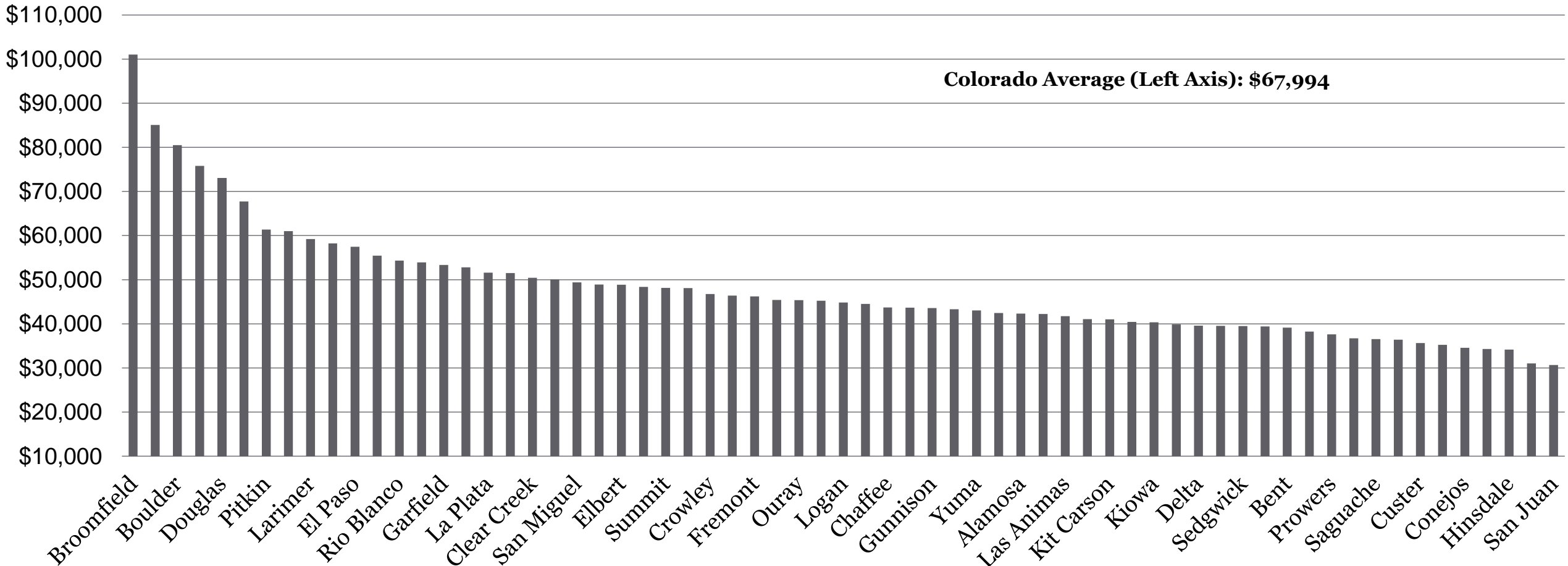
Average Weekly Wage Growth

Year-over-Year Changes (3-Mo. Average)



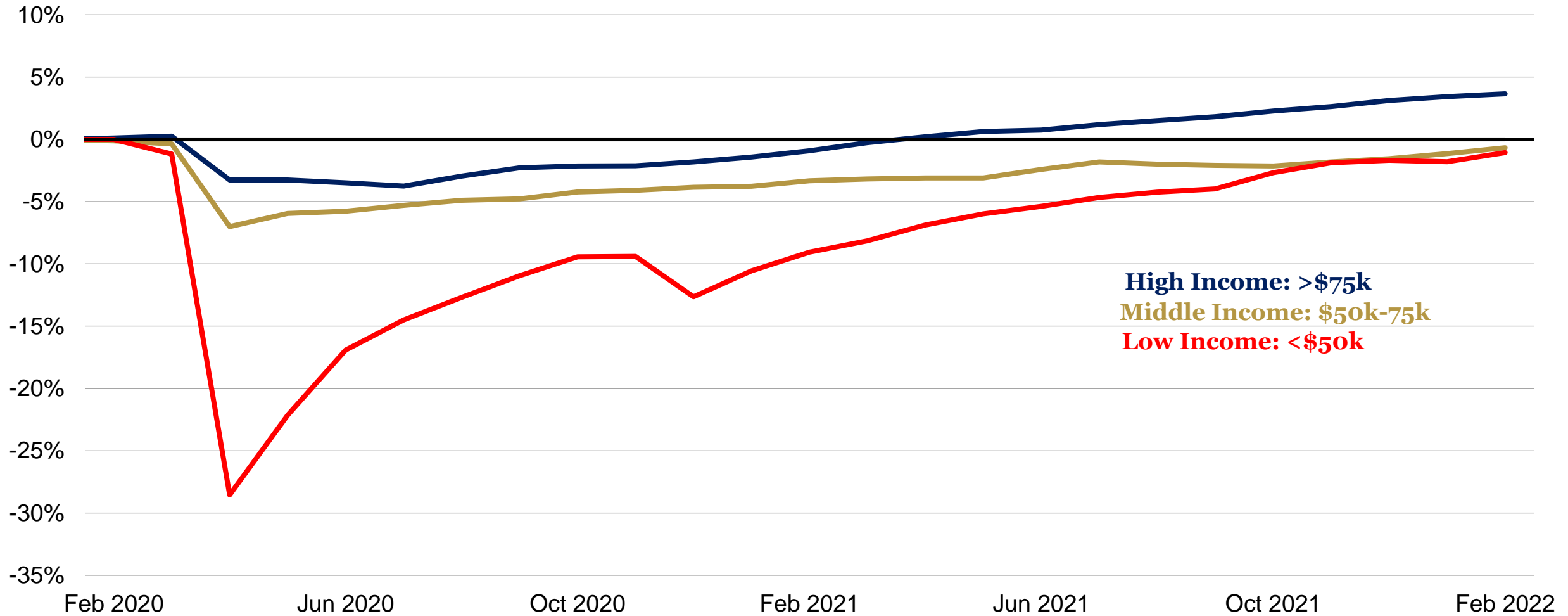
Average Annual Wages

Front Range Counties

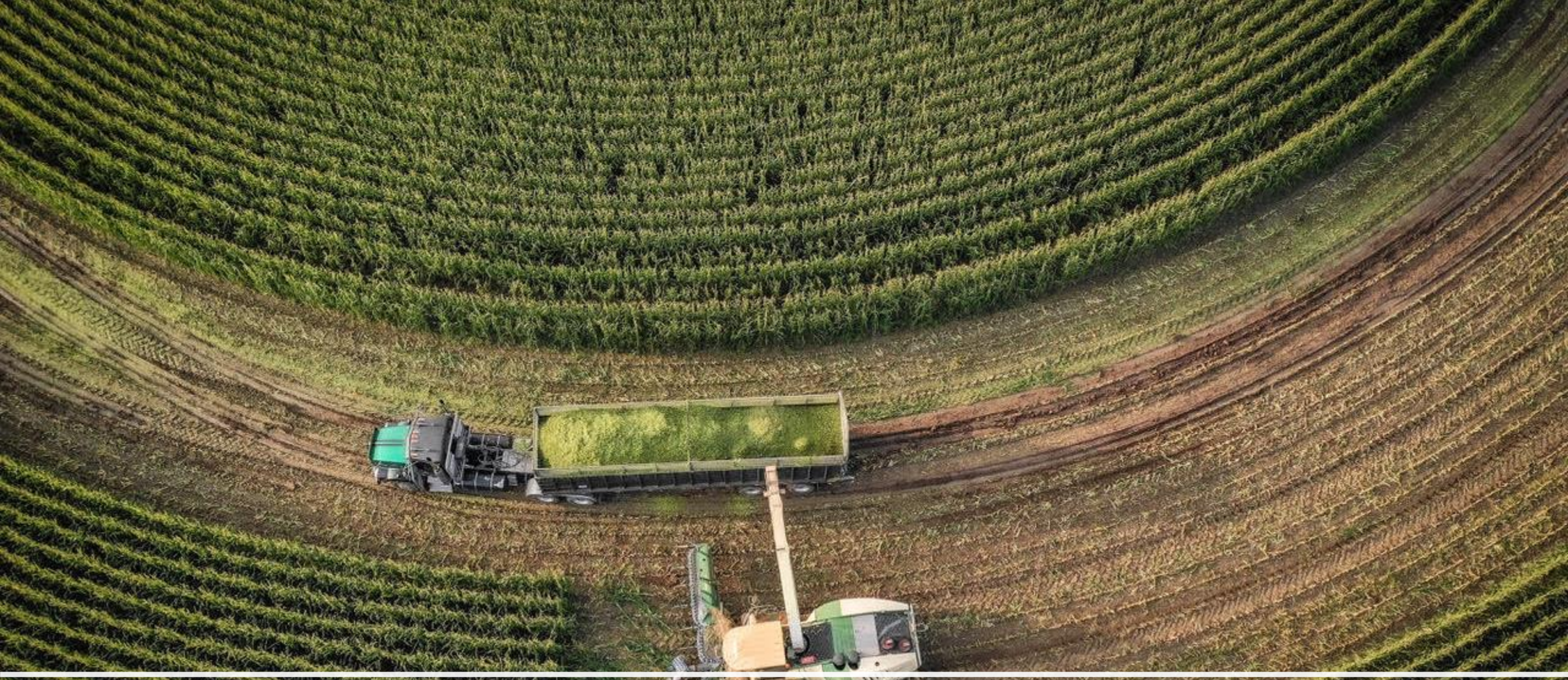


Colorado Employment by Wage Group

Percent Change from January 2020



High Income: >\$75k
Middle Income: \$50k-75k
Low Income: <\$50k

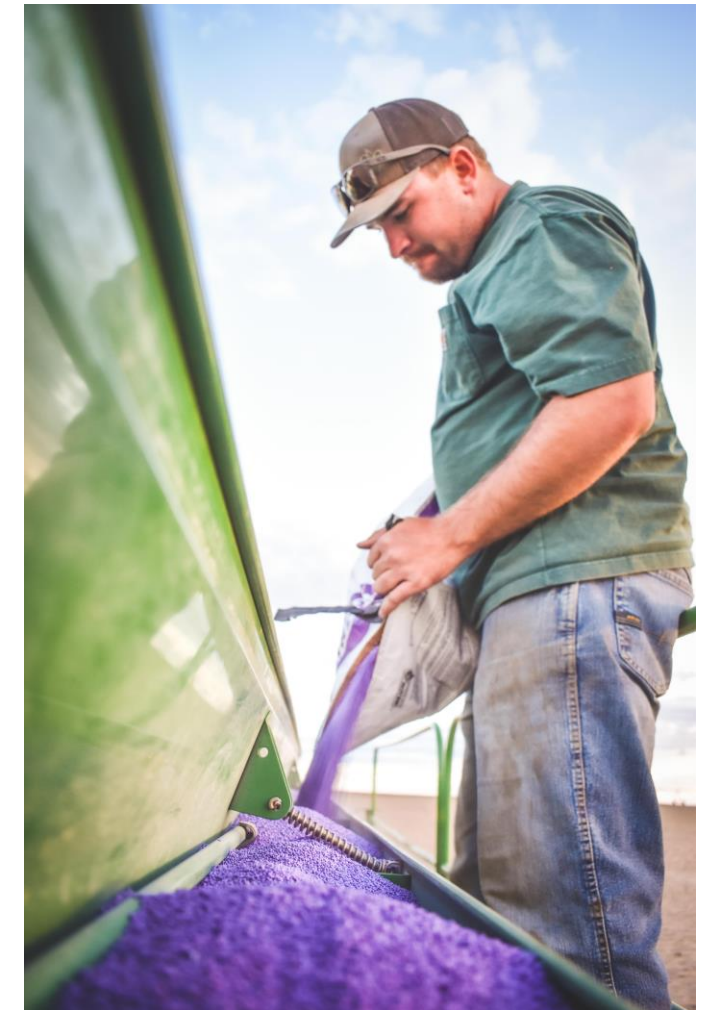
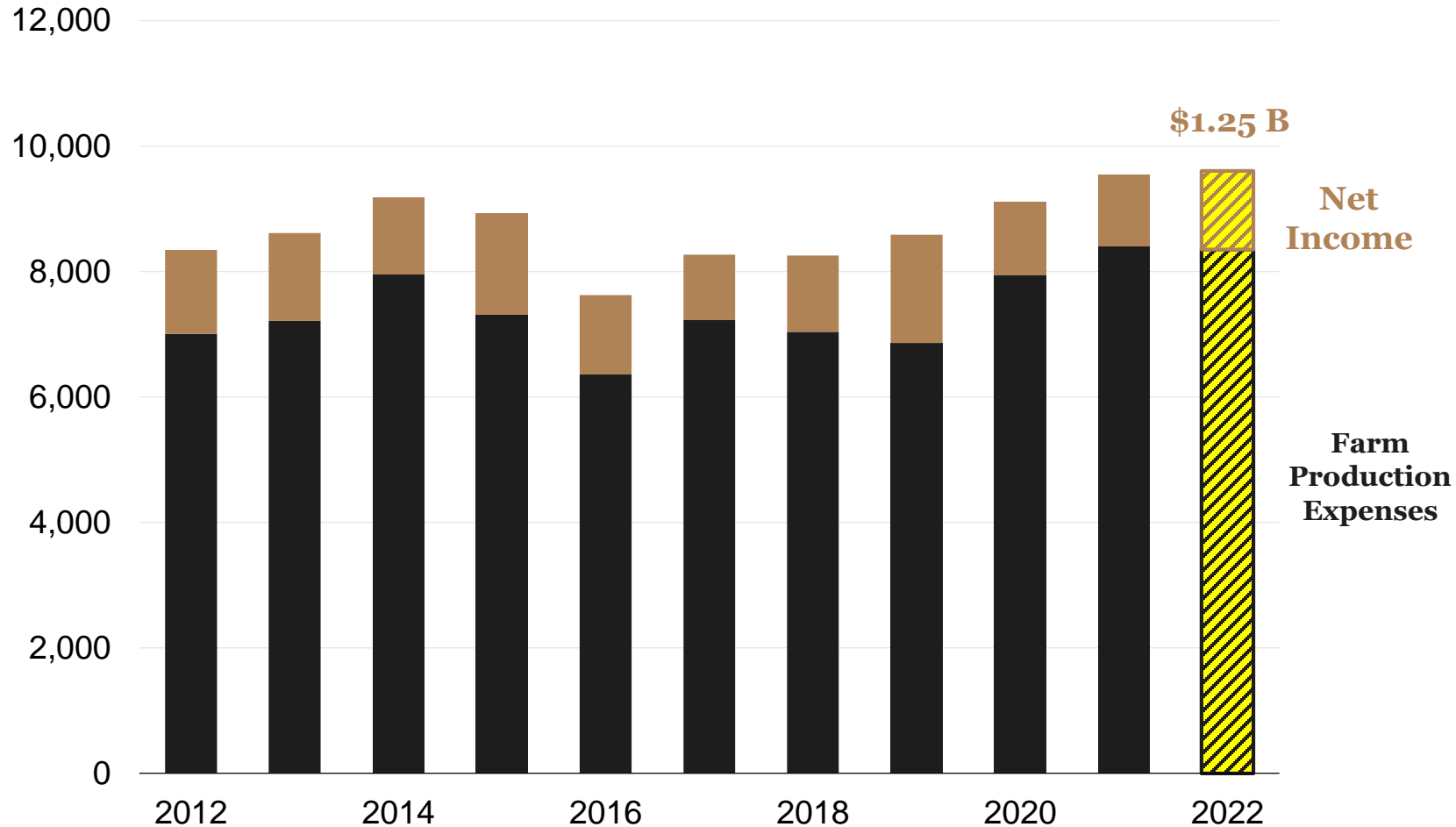


Agriculture

Photo courtesy of Shelby Chesnut.

Gross Farm Revenue and Net Income

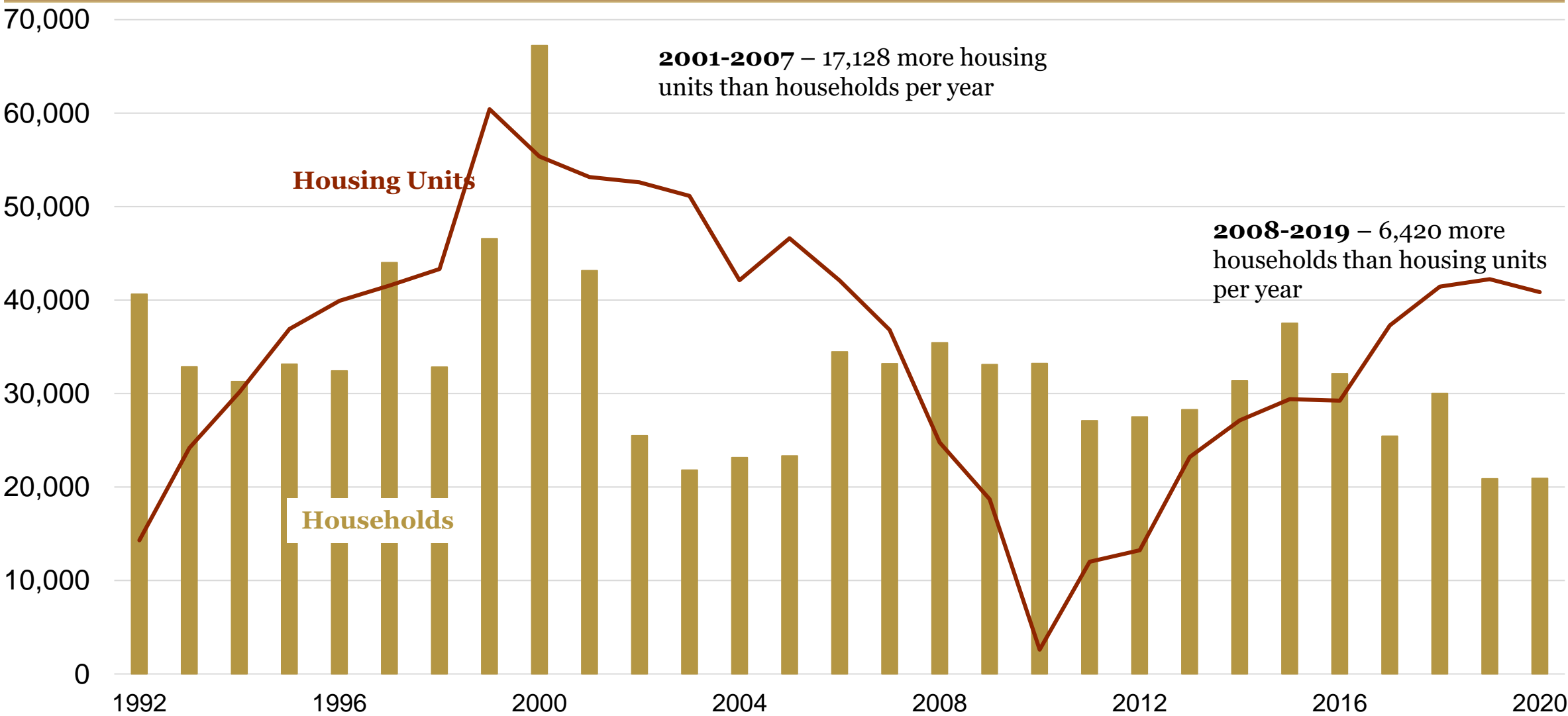
Gross Farm Revenue, Millions





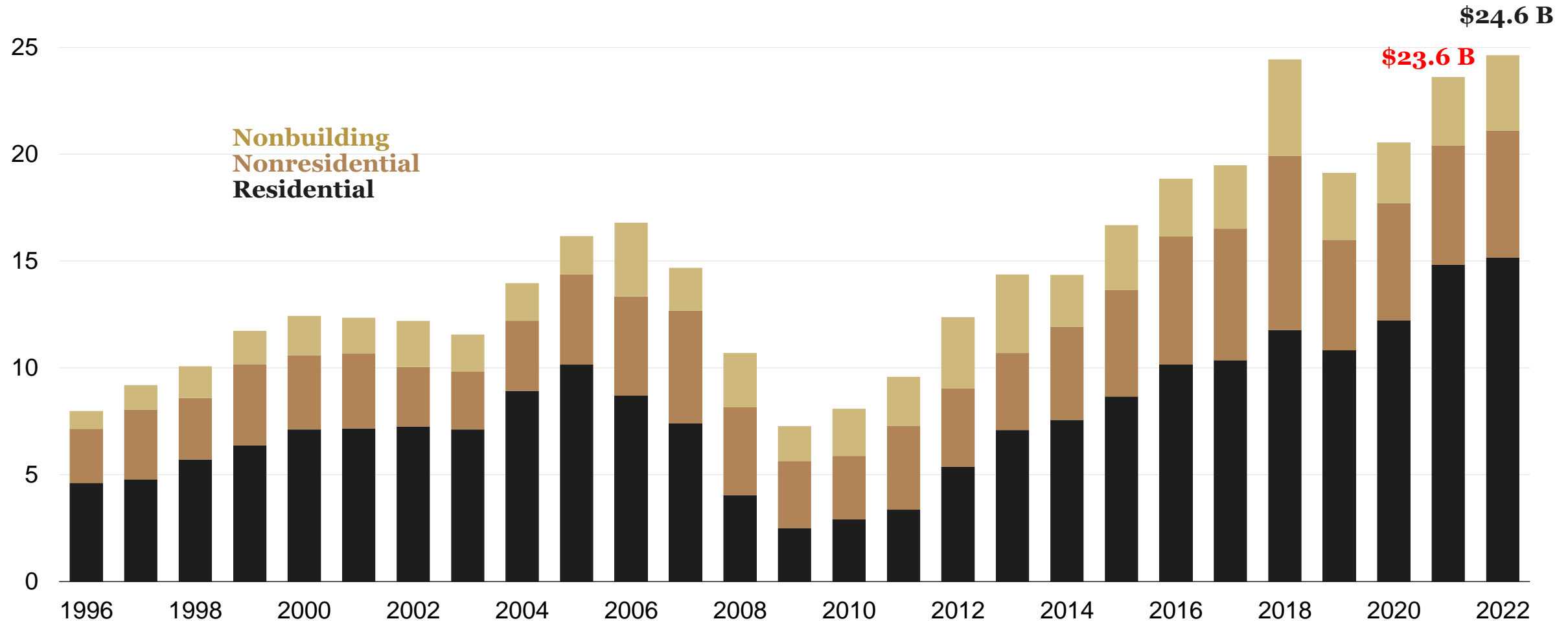
Construction

Colorado New Housing Units and Households



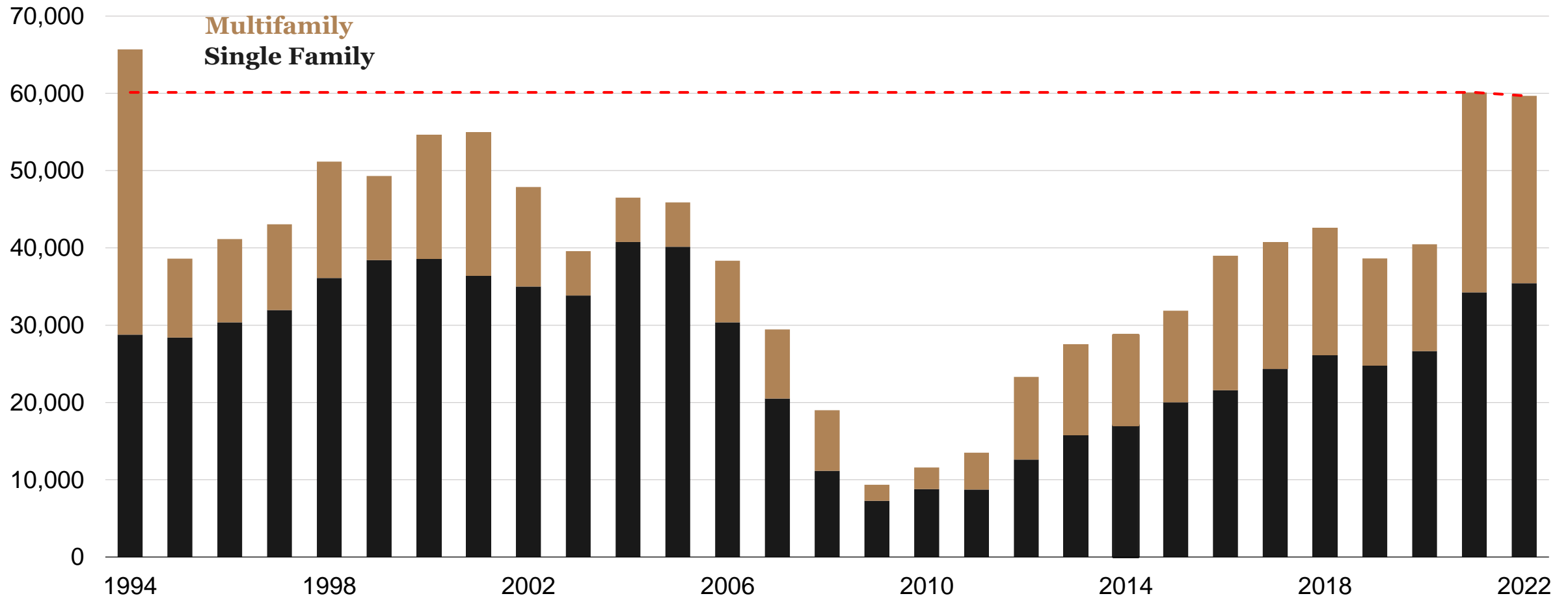
Colorado Total Value of Construction

Total Value of Construction, \$ Billions



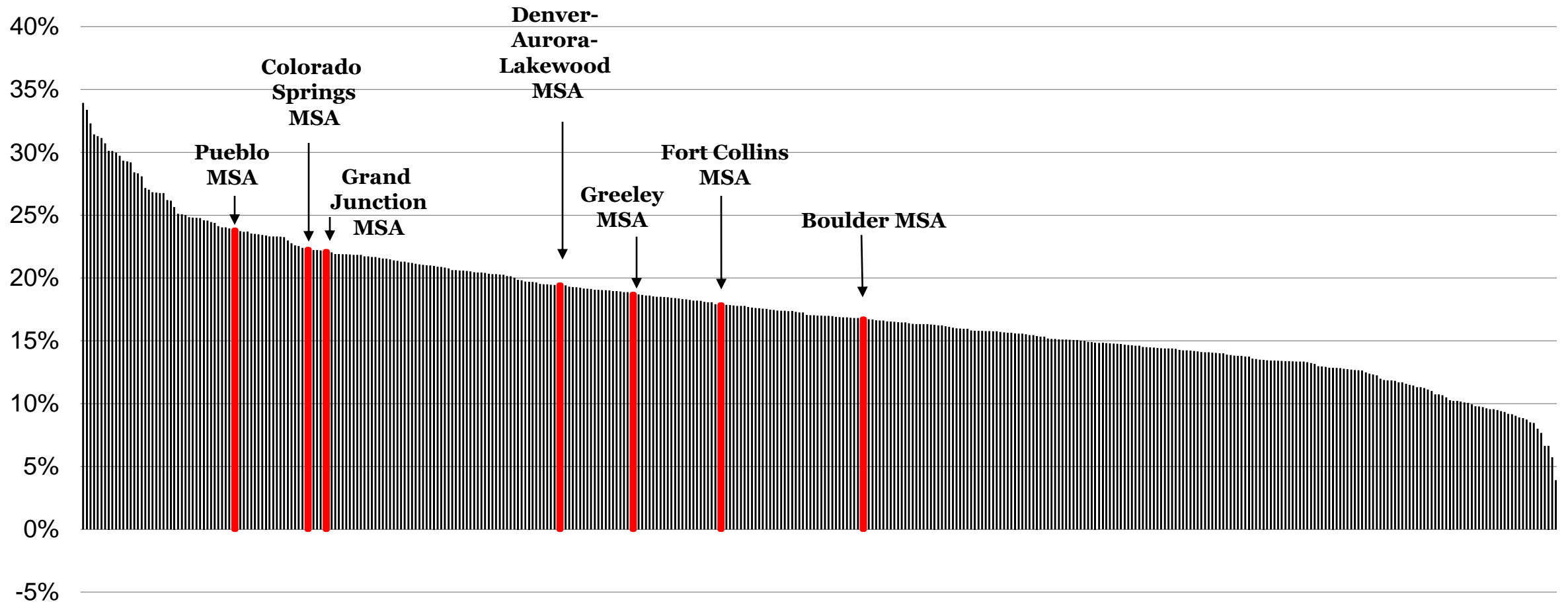
Colorado Residential Building Permits

Permits, 1994-2022



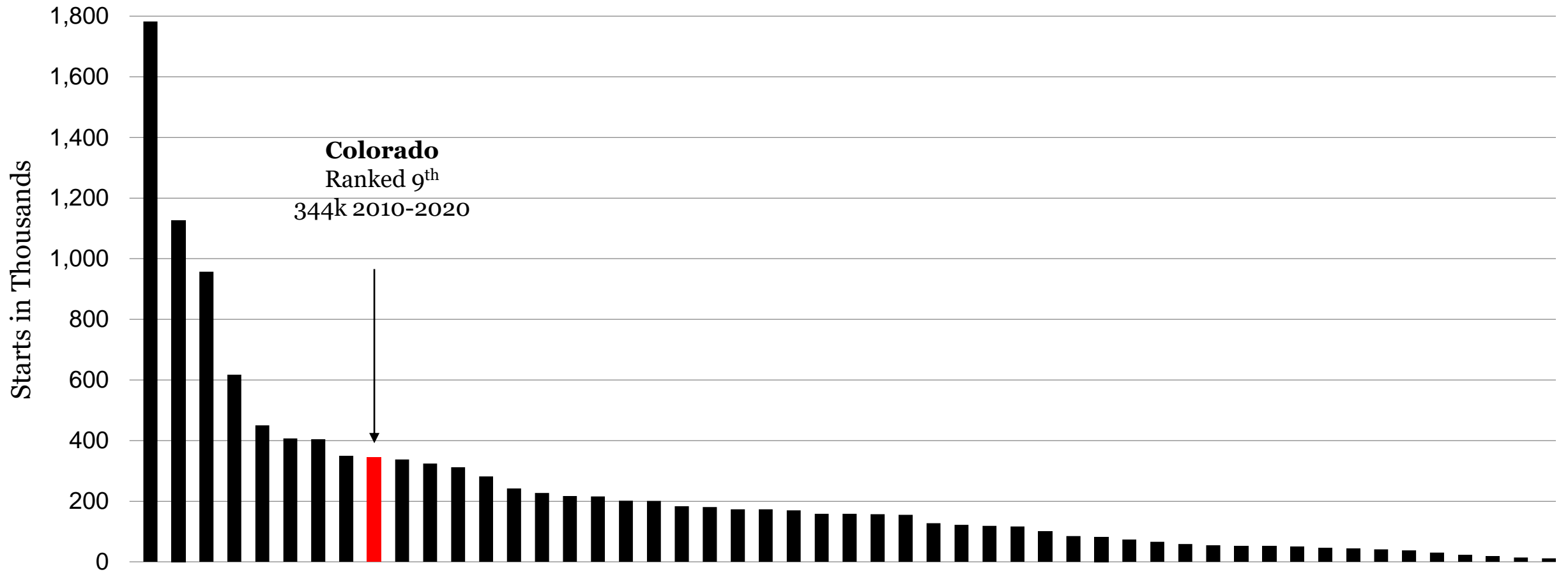
FHFA Home Price Index by MSA

1-Year Home Price Change, Q4 2021



Residential Building Permits

2010-2020



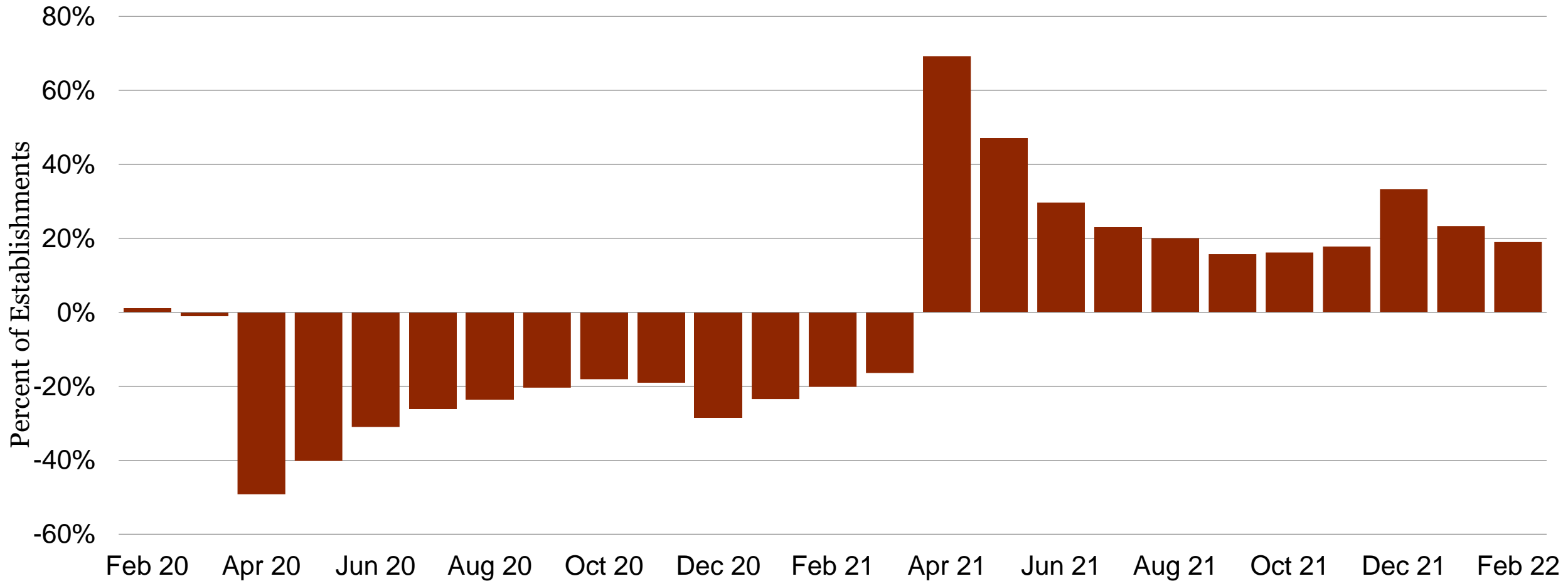
Colorado Tourism



Photo courtesy of Dustin Doscocil/CPW.

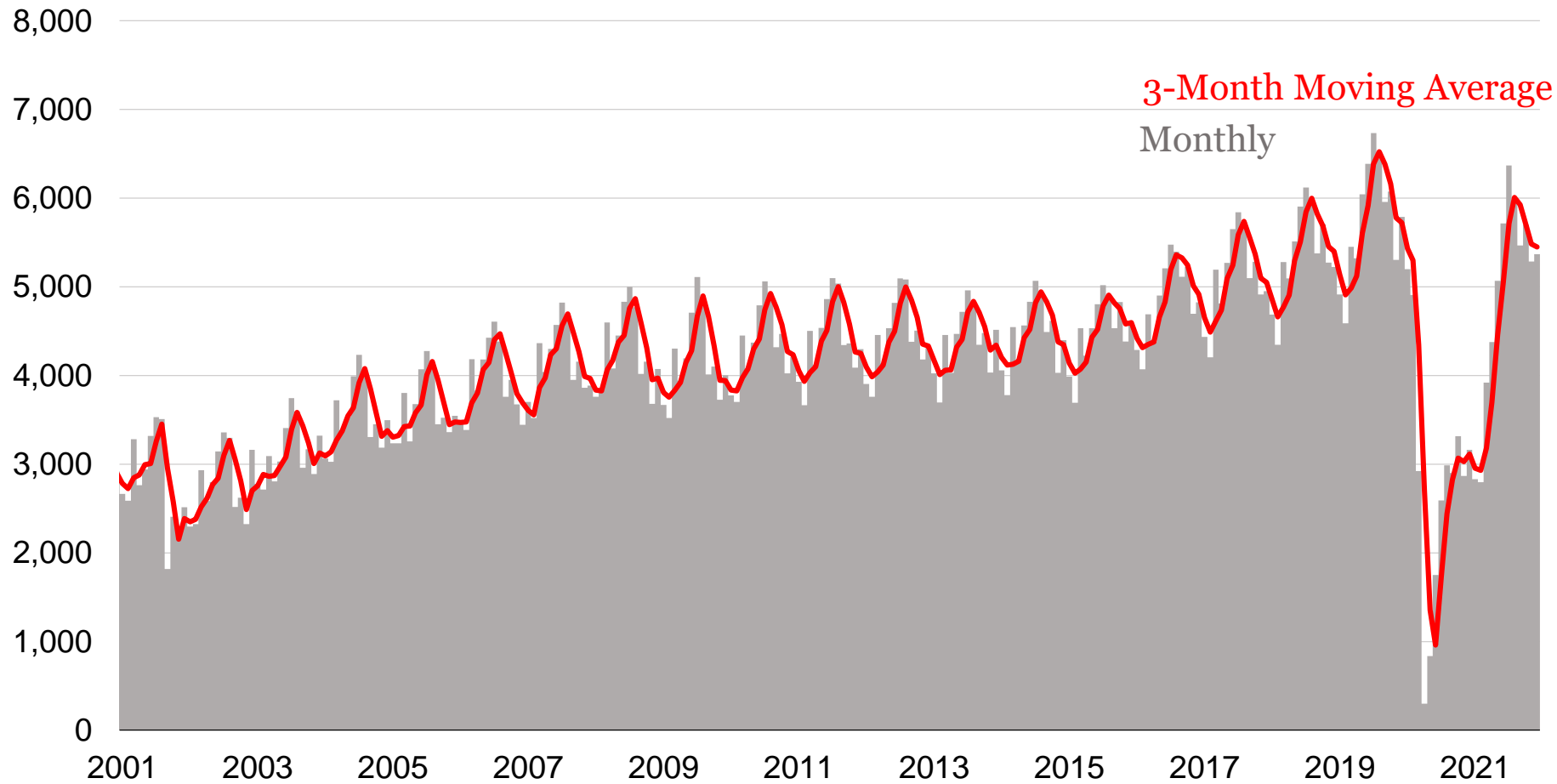
Leisure & Hospitality Employment

Year-Over-Year Percent Change in Leisure & Hospitality Employment

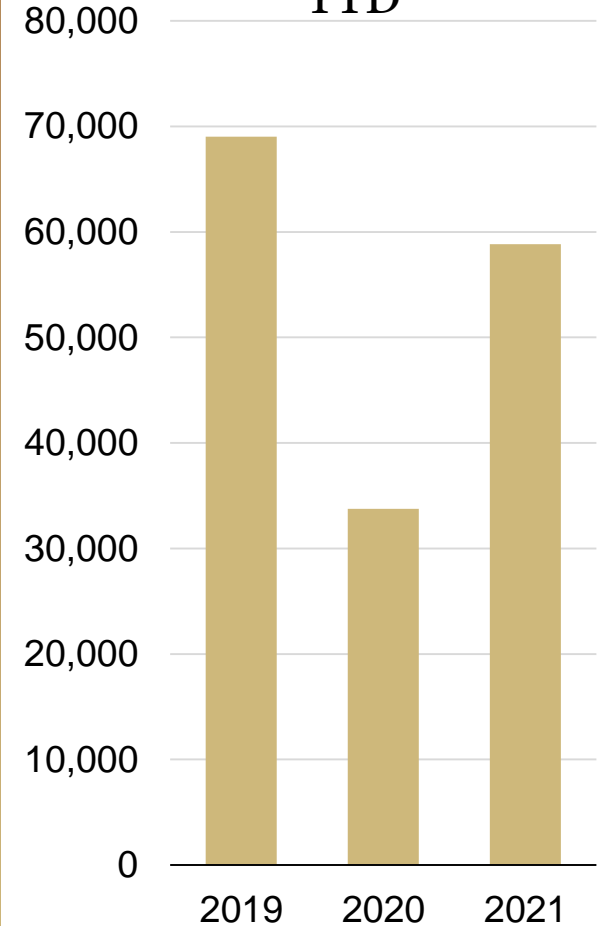


DIA Enplanements and Deplanements

DIA Monthly Passenger Traffic, Thousands, 2001-2021

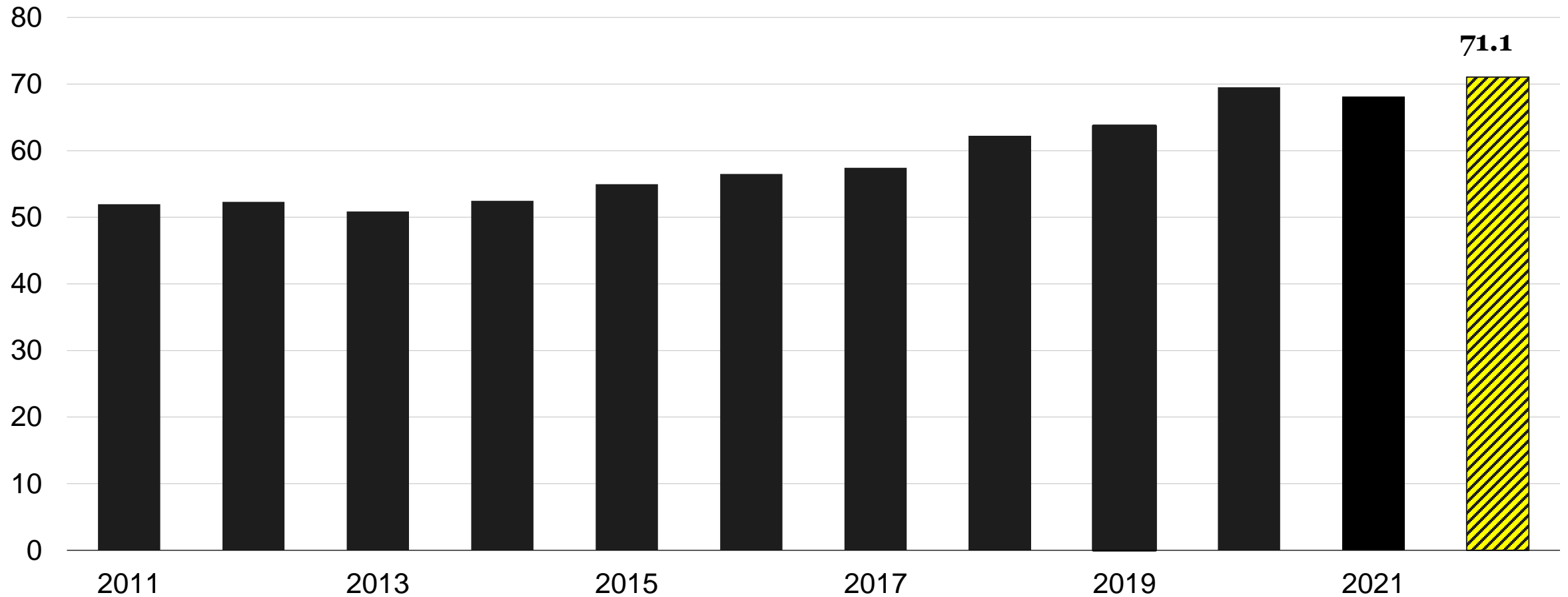


December
YTD



Colorado Public Lands Visits

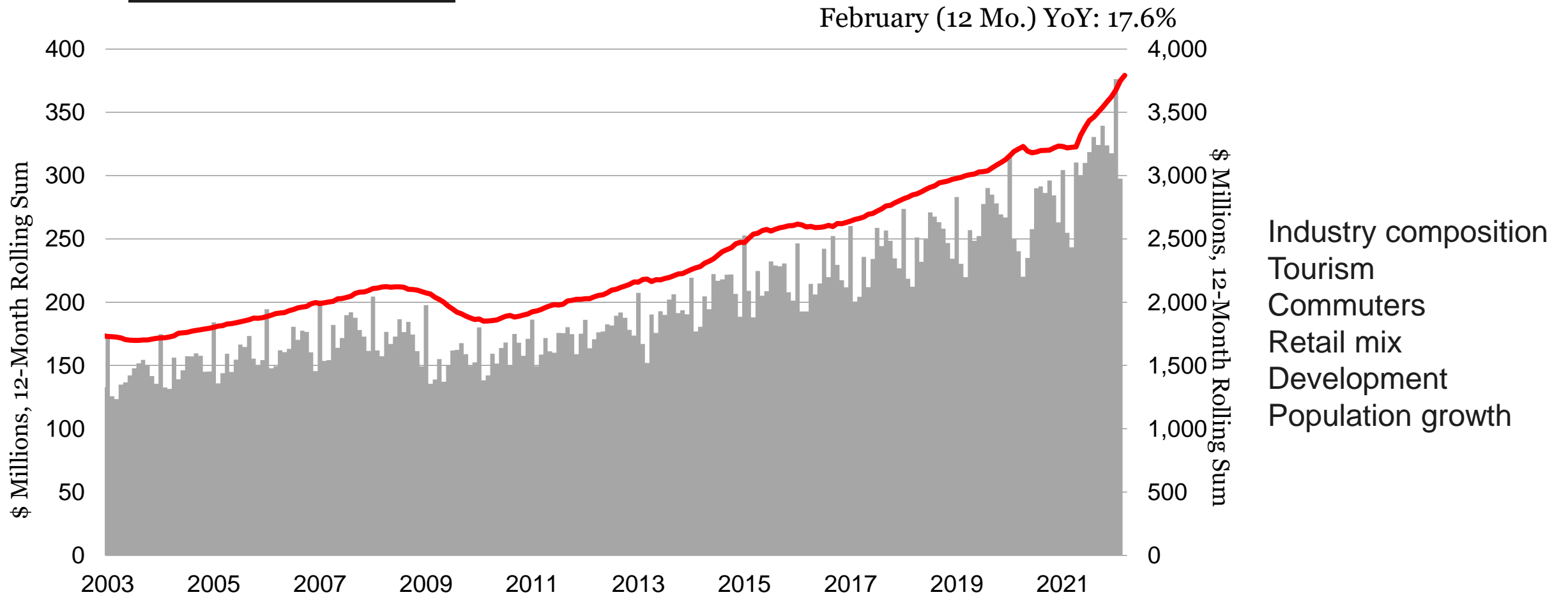
Colorado Public Land Visits, Millions, 2012 - 2022



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

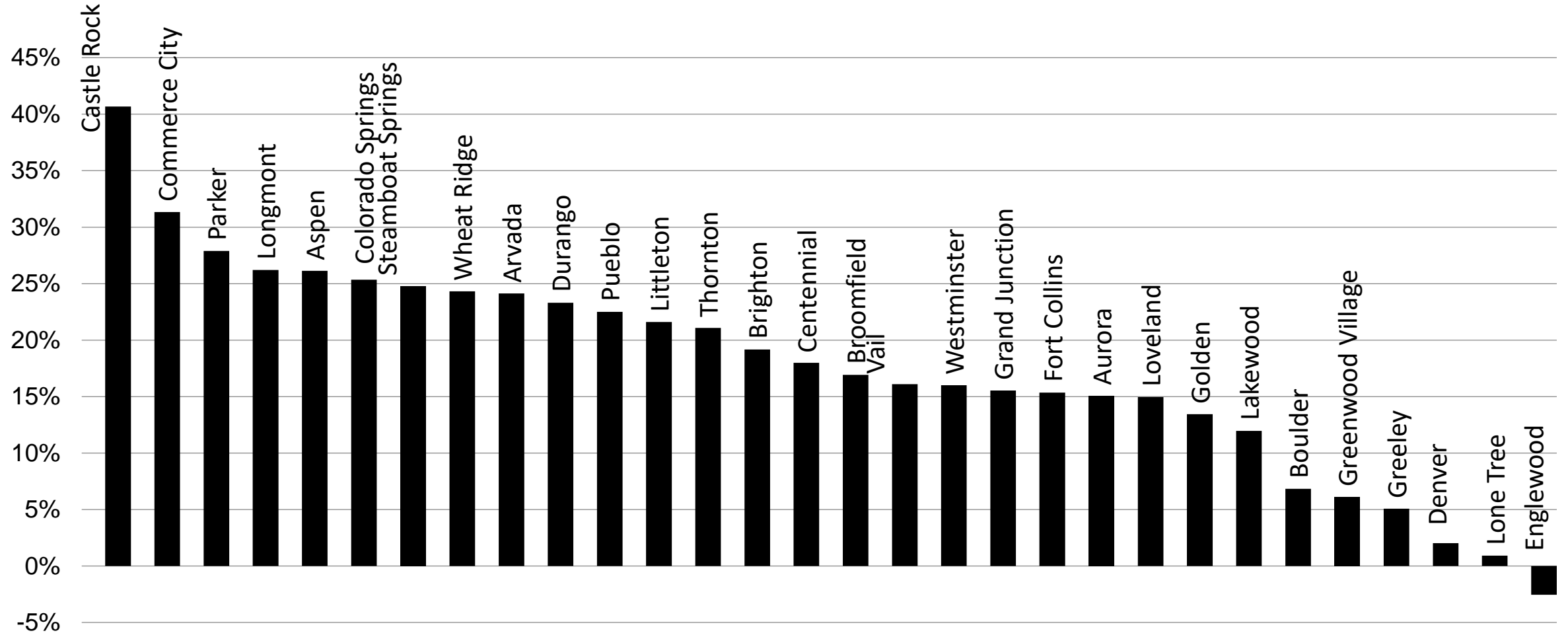
Sales Tax Collections

State of Colorado



State Net Taxable Sales by City

2021 compared to 2019

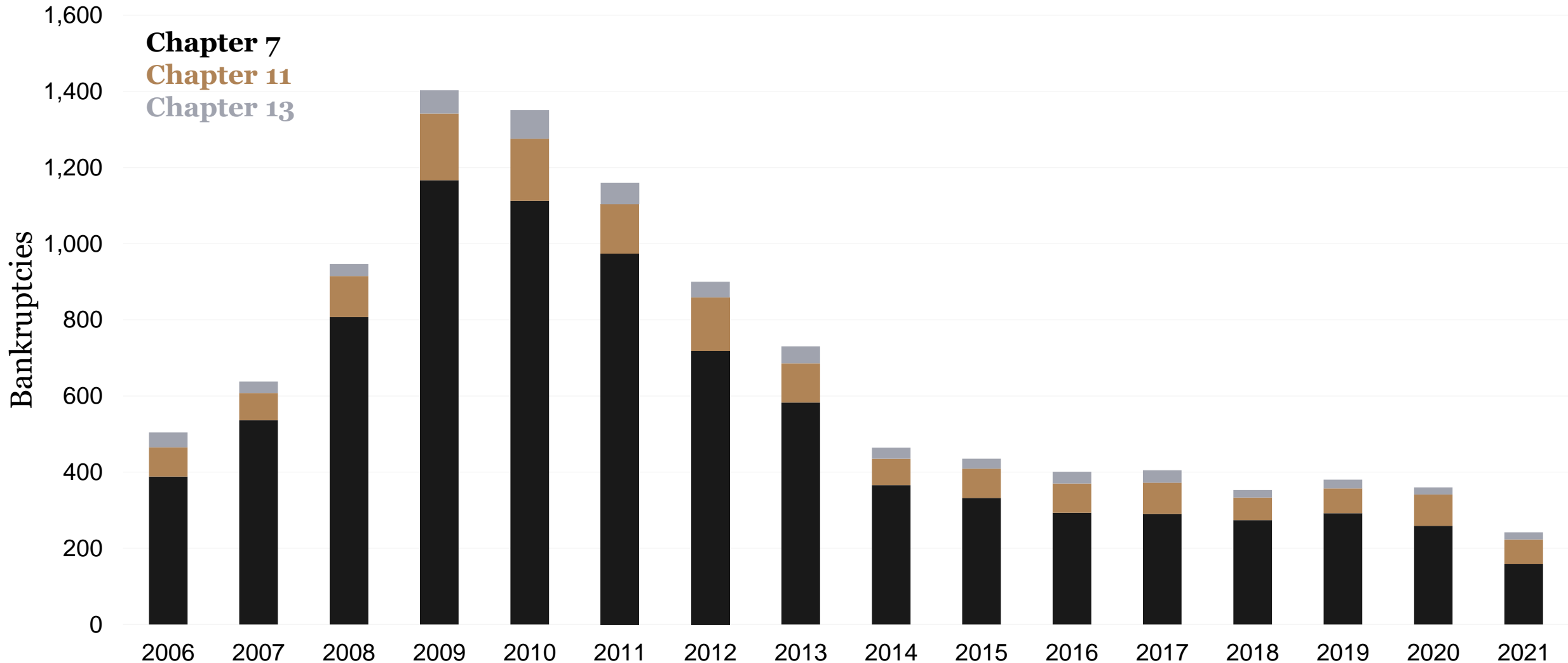


Indicators



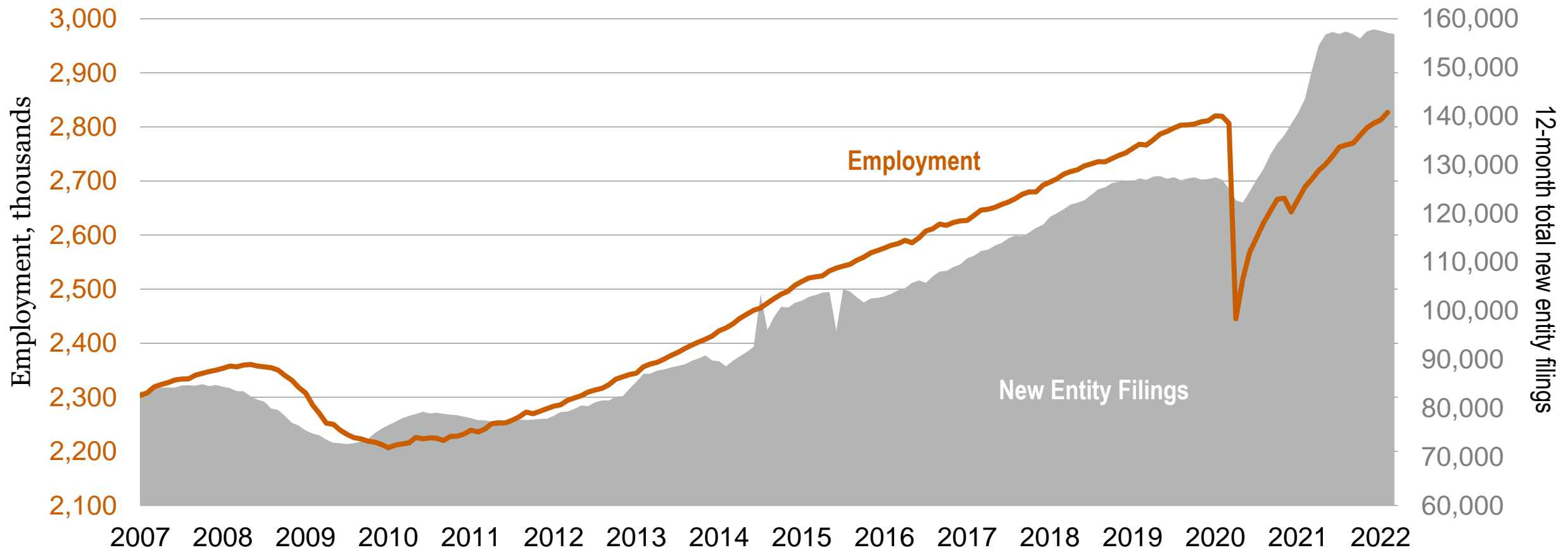
Photo by Riccardo Annandale on Unsplash.

Colorado Bankruptcy Filings

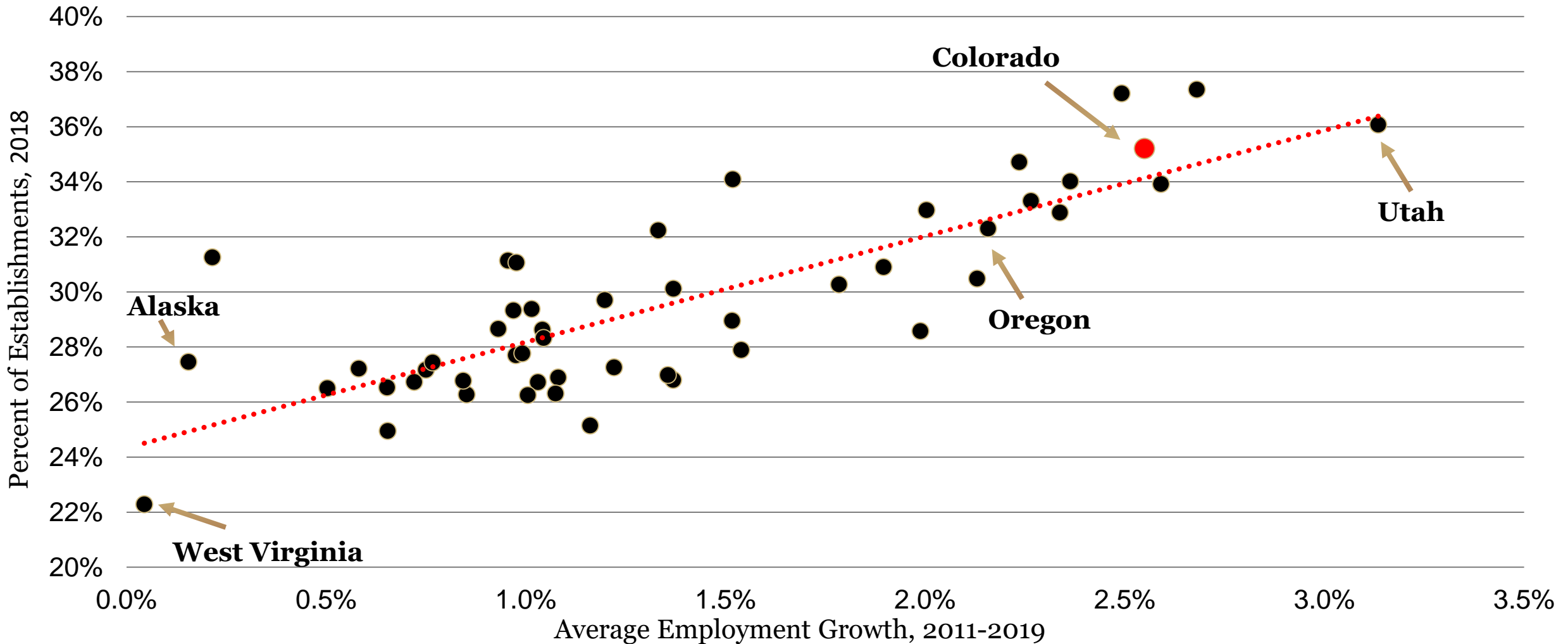


Sources: U.S. Bankruptcy Courts.

Employment and New Entity Filings

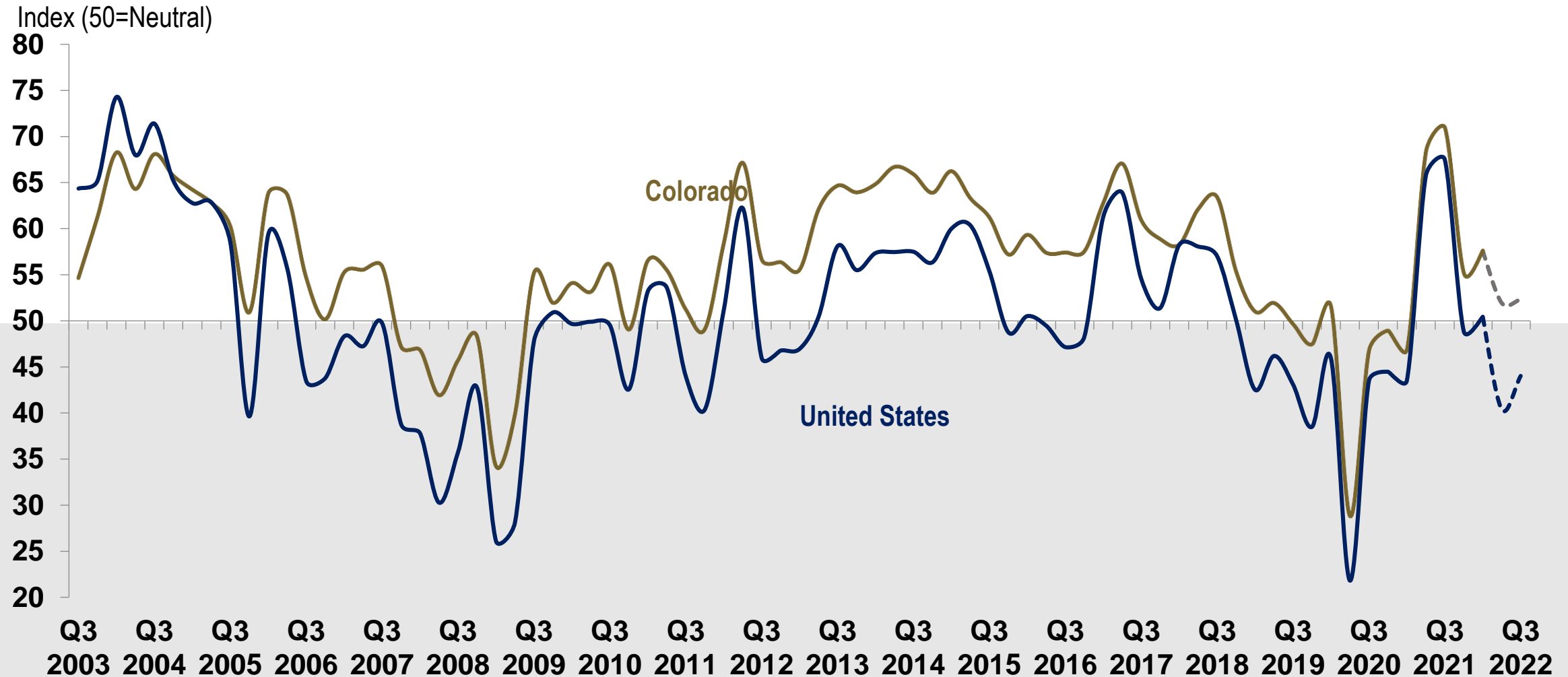


Young Businesses and Employment Growth



Expectations for the U.S. and Colorado Economies

Q1 2003 – Q1 2022



Q&A

