



Colorado City and County Management Association

# Soft Landing?

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Government Relations Business Research Division

University of Colorado Boulder

# National Economy Mixed Signals

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GDP outperforming expectations



Employment and income up



ISM Manufacturing Increased



Confidence improving



Consumption up



Prices improving



Debt growing, but at a slower rate



Business Confidence Improving



Interest Rates high



Industrial production leveling

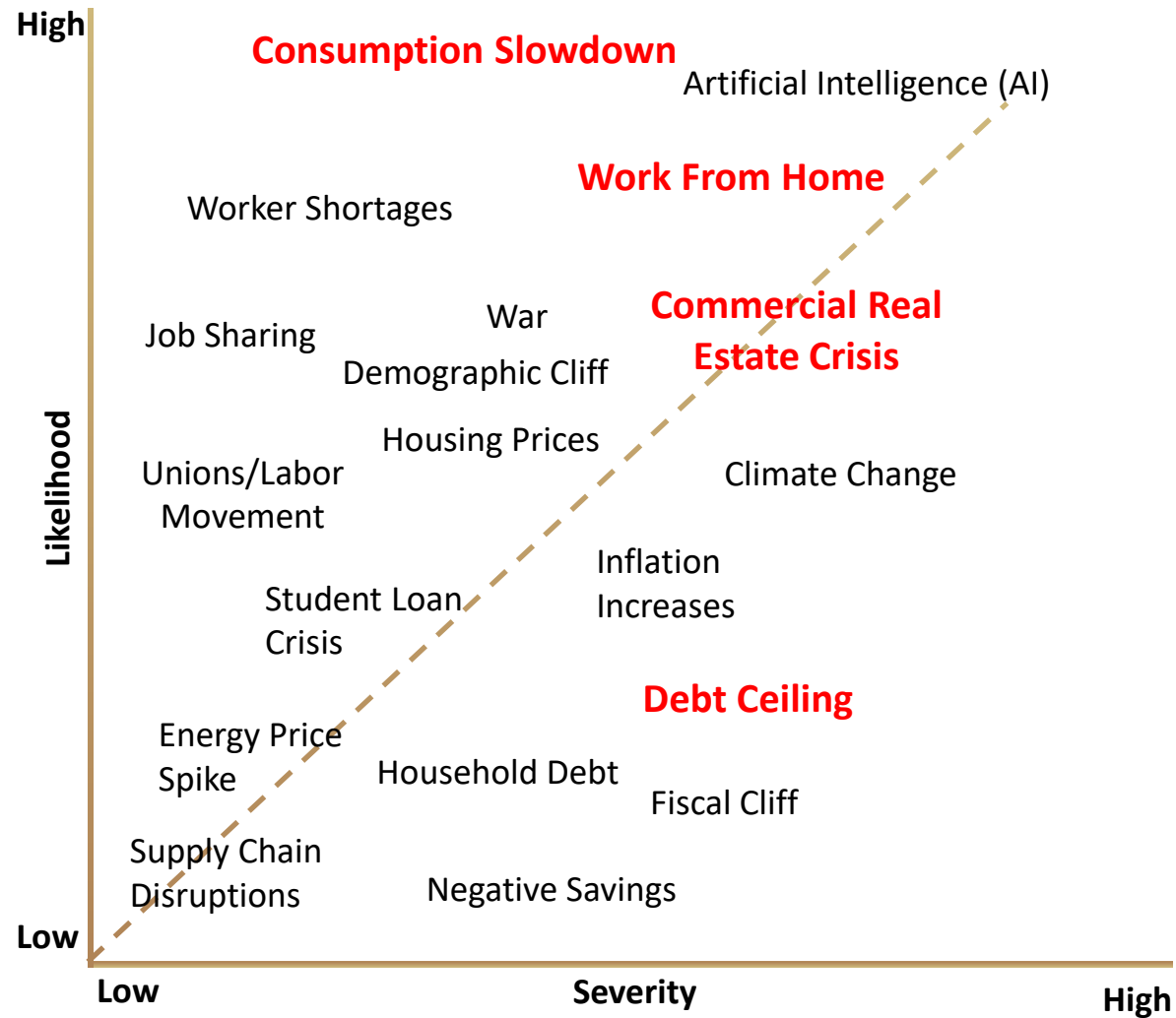


Capacity utilization decreasing



Labor force growing

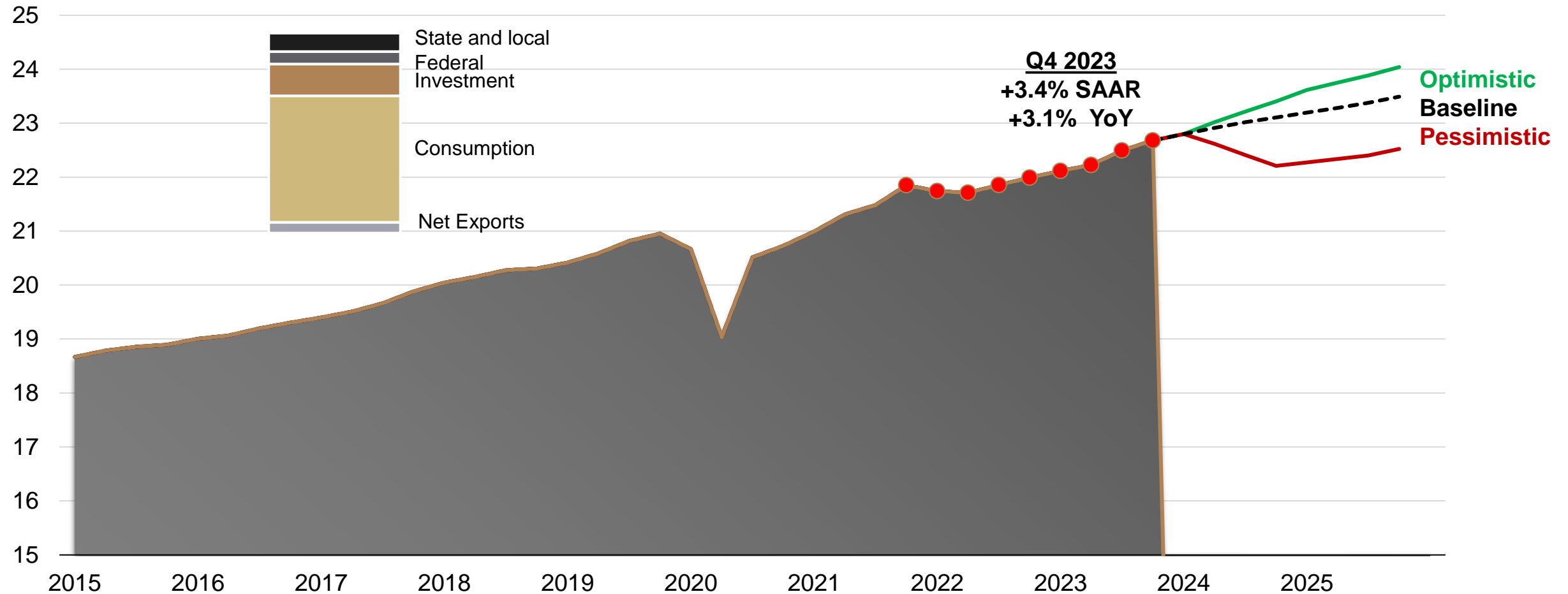
# Risks



Sources: Business Research Division and Moody's Analytics. Framework and select risks based on U.S. Macroeconomic Outlook Baseline and Alternative Scenarios published by Moody's in March 2023.

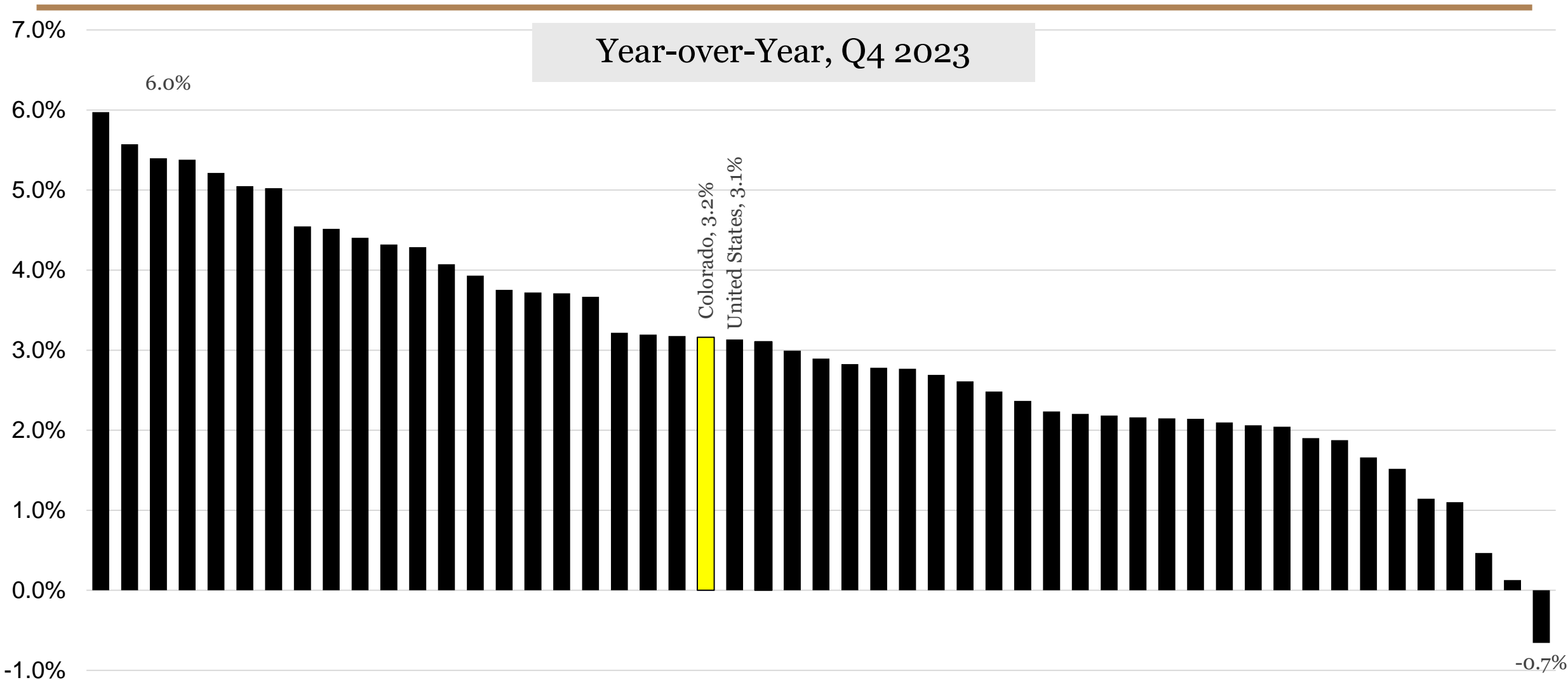
# U.S. Real GDP

U.S. Quarterly GDP, \$ Trillions



• Sources: Bureau of Economic Analysis and Moody's Analytics.

# Real GDP Growth by State





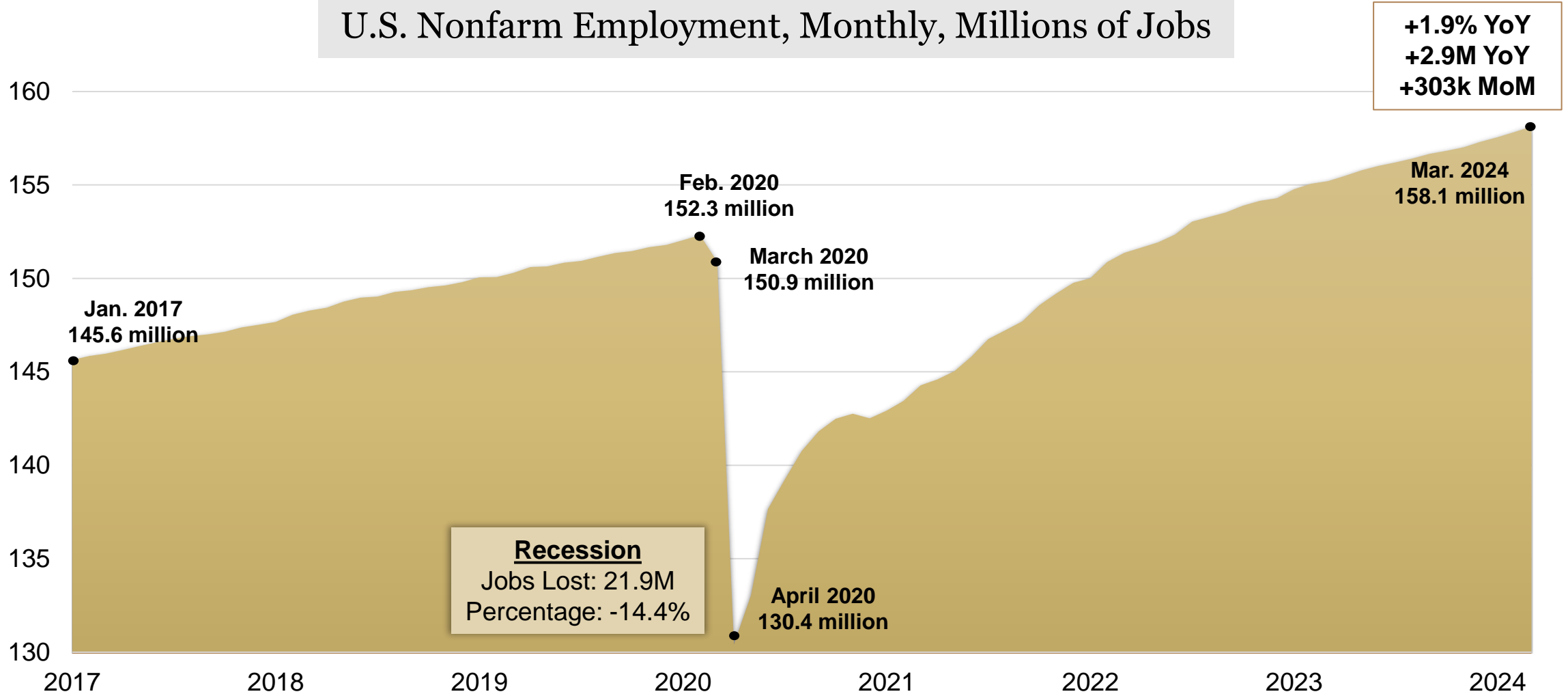
A man with a beard and glasses, wearing a grey shirt, is seen from the side, sitting at a desk and working on a laptop. He is positioned in front of a large window that looks out onto a lush garden with trees displaying vibrant autumn foliage in shades of green, yellow, and red. The interior is dimly lit, with a modern black pendant lamp hanging above the desk on the right. To the left, a light switch and a framed picture are visible on the wall. The overall atmosphere is calm and focused.

# Jobs

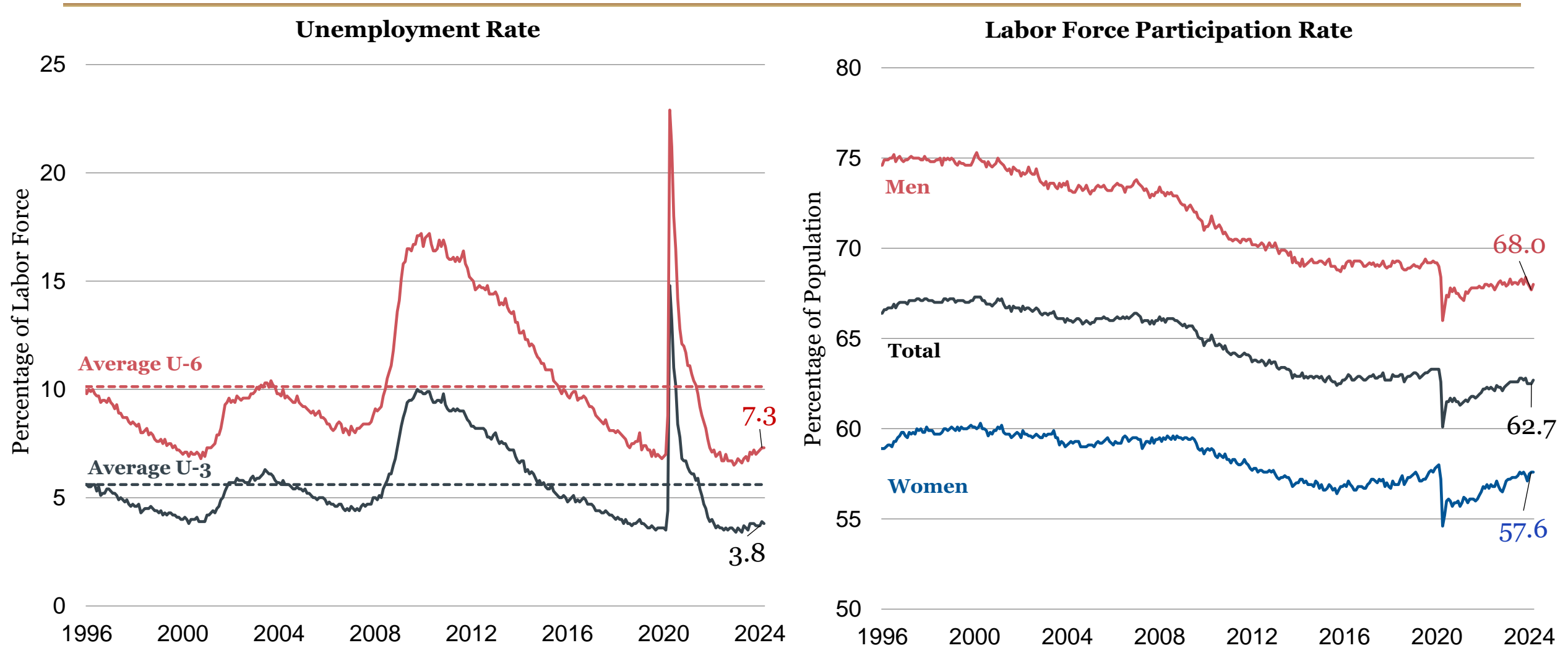


# U.S. Nonfarm Employment

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



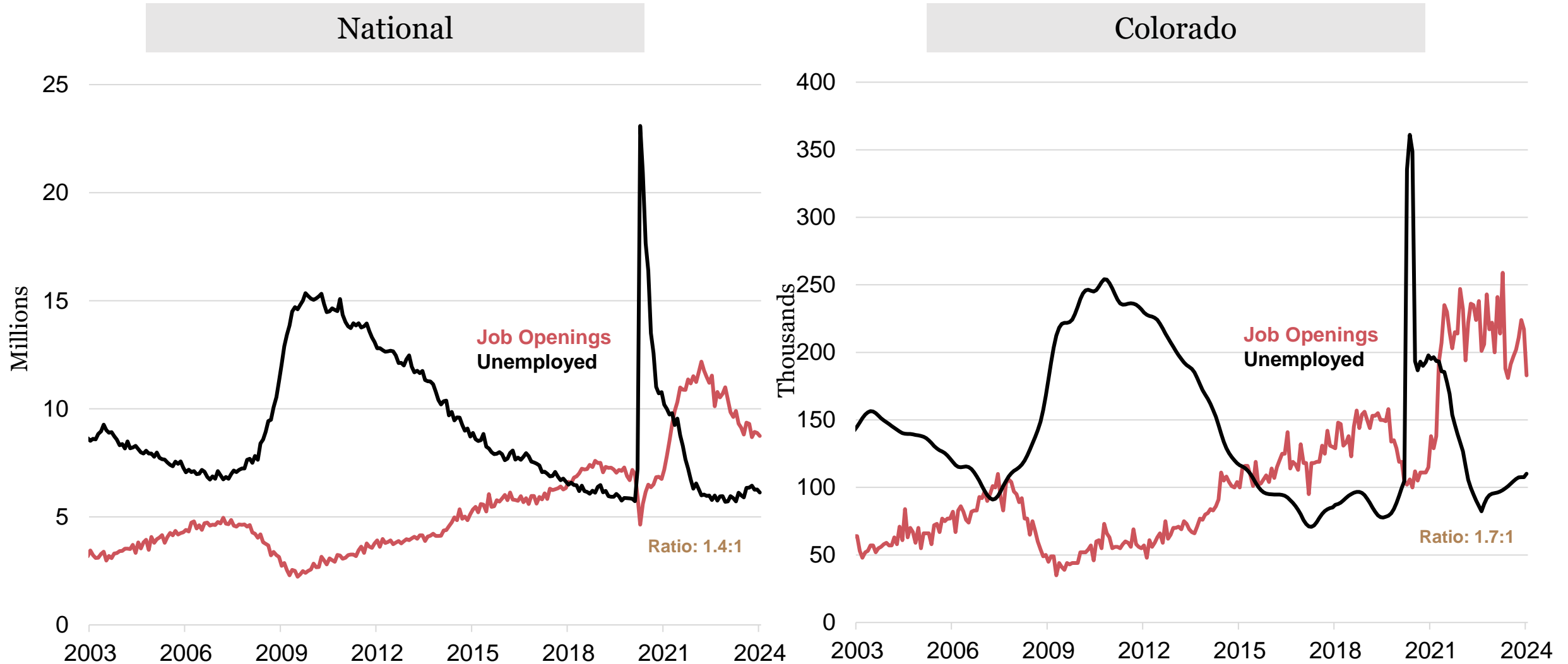
# Labor Underutilization and Participation



Source: Bureau of Labor Statistics (Seasonally Adjusted).



# Labor Shortage



# Worker Shortage

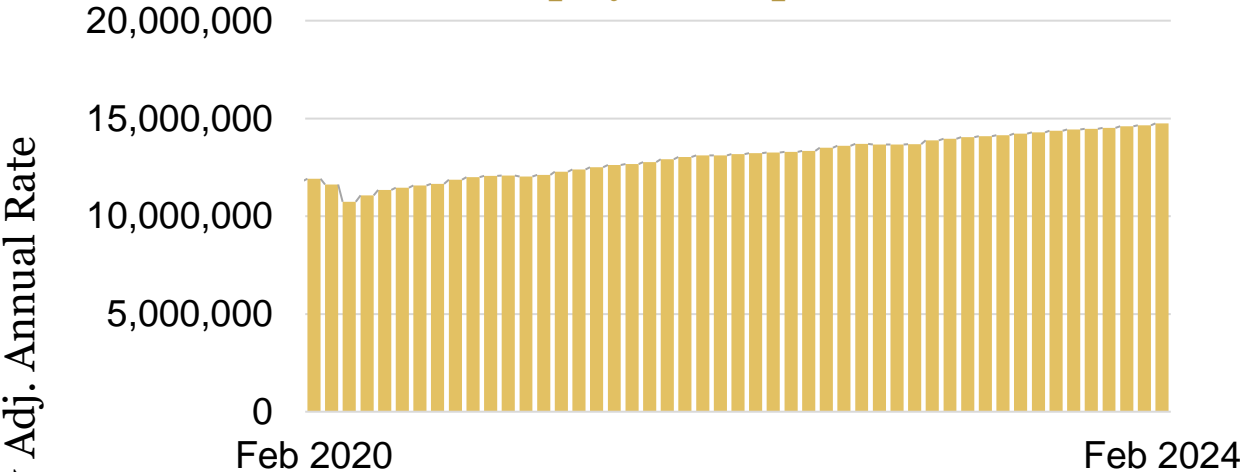
	Job Openings Rate			Unemployment Rate			Openings	Unemployed	Deficit
	Feb. 2023	Feb. 2024		Mar. 2023	Mar. 2024				
Professional and Business Services	7.3	6.4	↓	3.9	4.4	↑	1,564,000	826,000	-738,000
Leisure and Hospitality	8.0	6.4	↓	5.0	5.5	↓	1,146,000	746,000	-400,000
Retail Trade	5.0	3.2	↓	4.5	5.1	↑	511,000	828,000	317,000
Construction	4.9	5.1	↑	5.6	5.4	↔	441,000	570,000	129,000
Real Estate and Rental and Leasing	5.3	6.2	↑	2.1	2.7	↑	166,000	71,000	-95,000
Total	6.0	5.3	↓	3.6	3.9	↑	8,756,000	6,604,000	-2,152,000



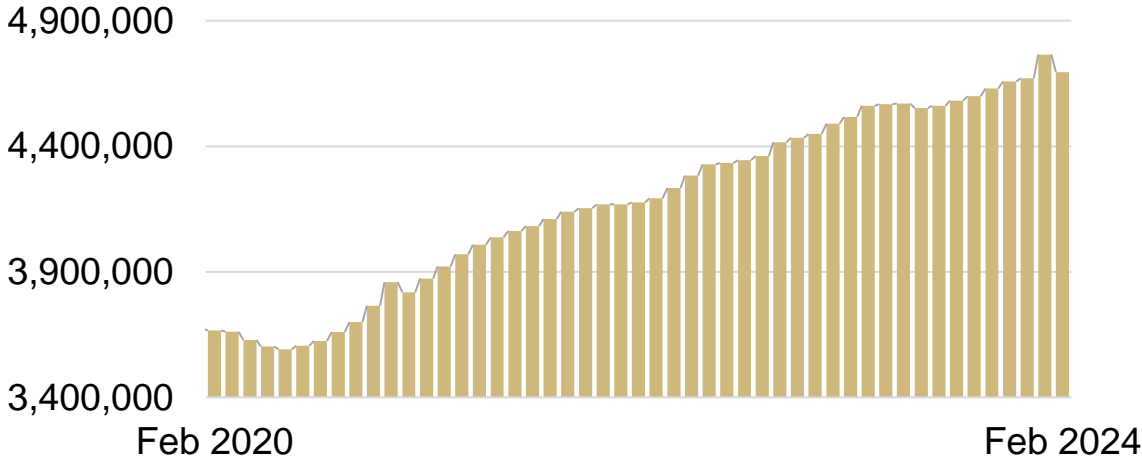
# Income and Prices

# National Personal Income

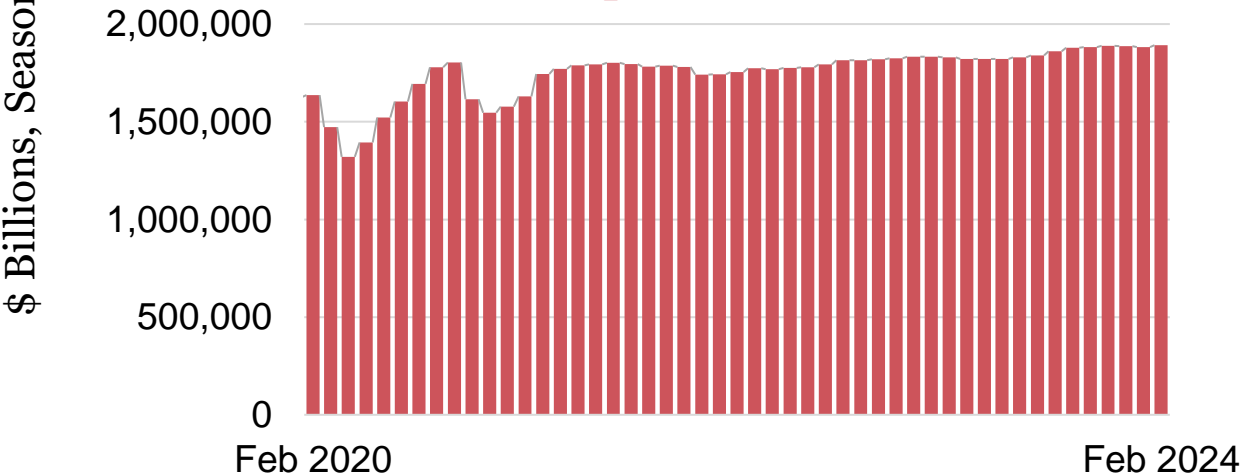
Employee Compensation



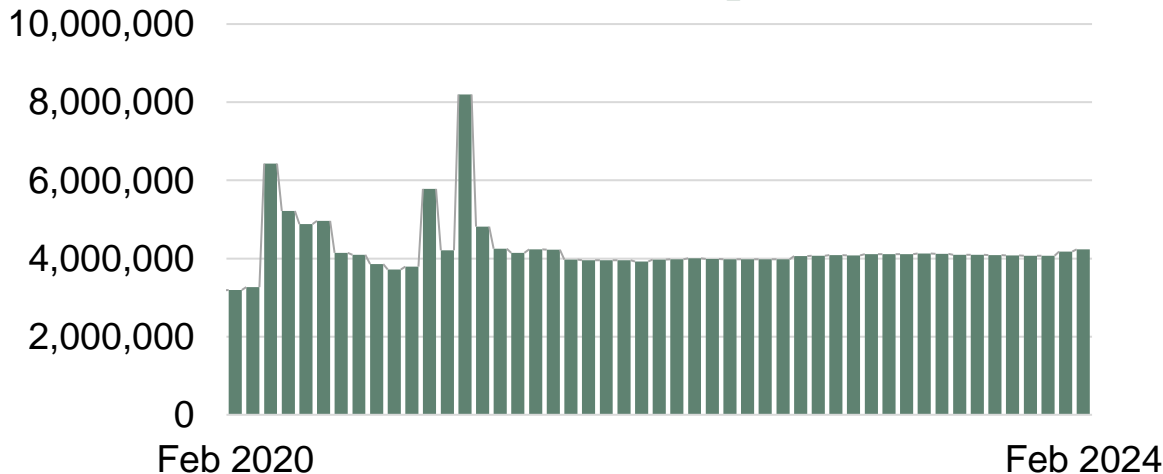
Dividends, Interest, and Rent



Proprietor Income

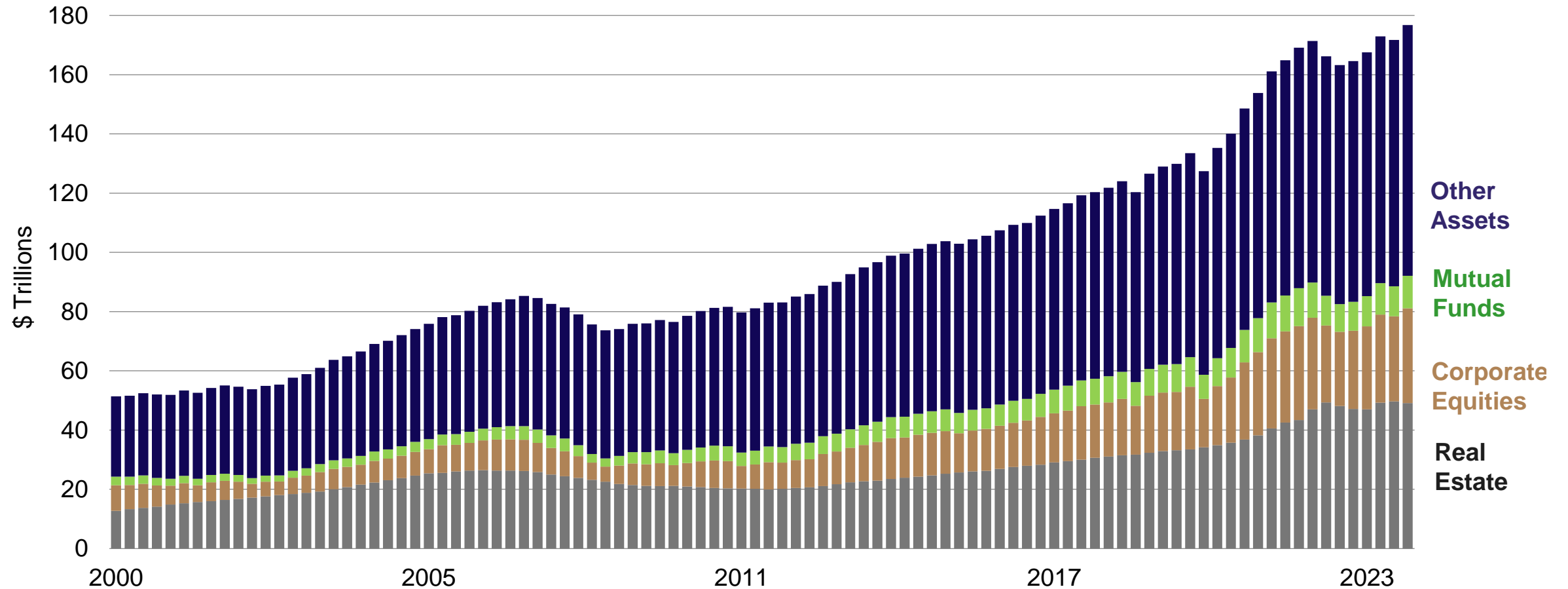


Transfer Receipts



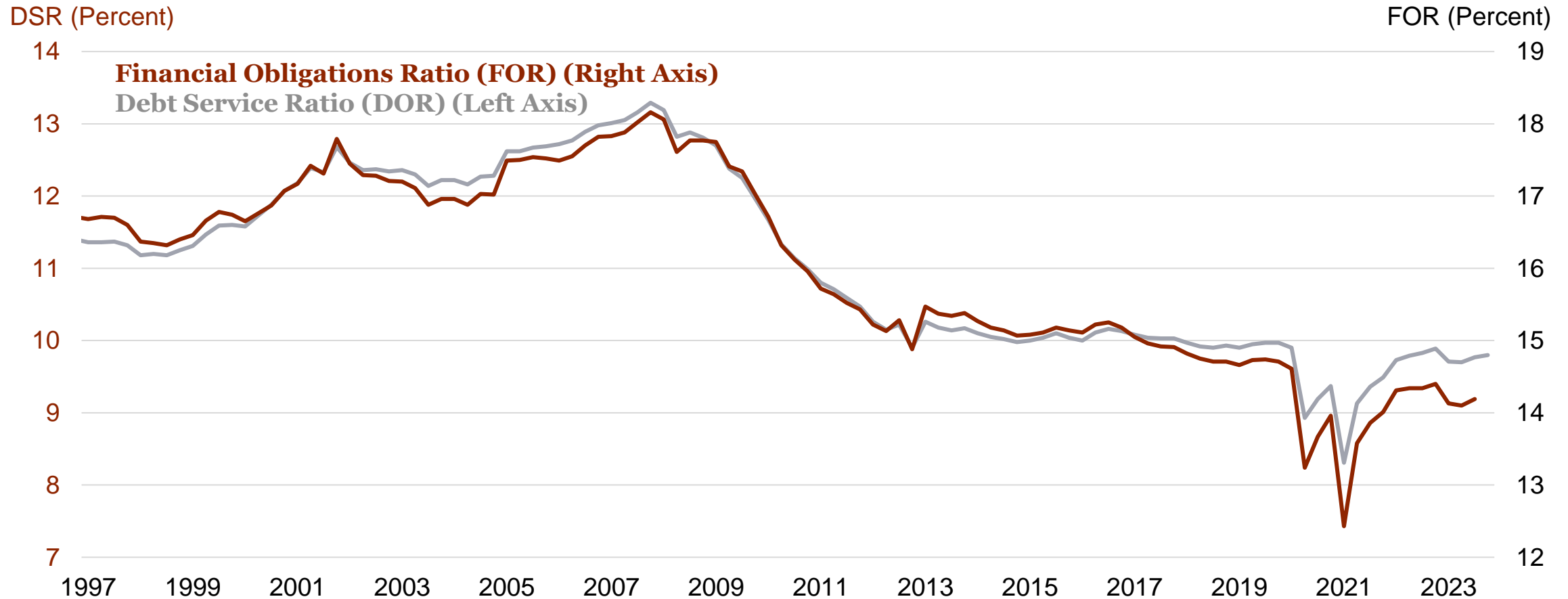


# Household Wealth



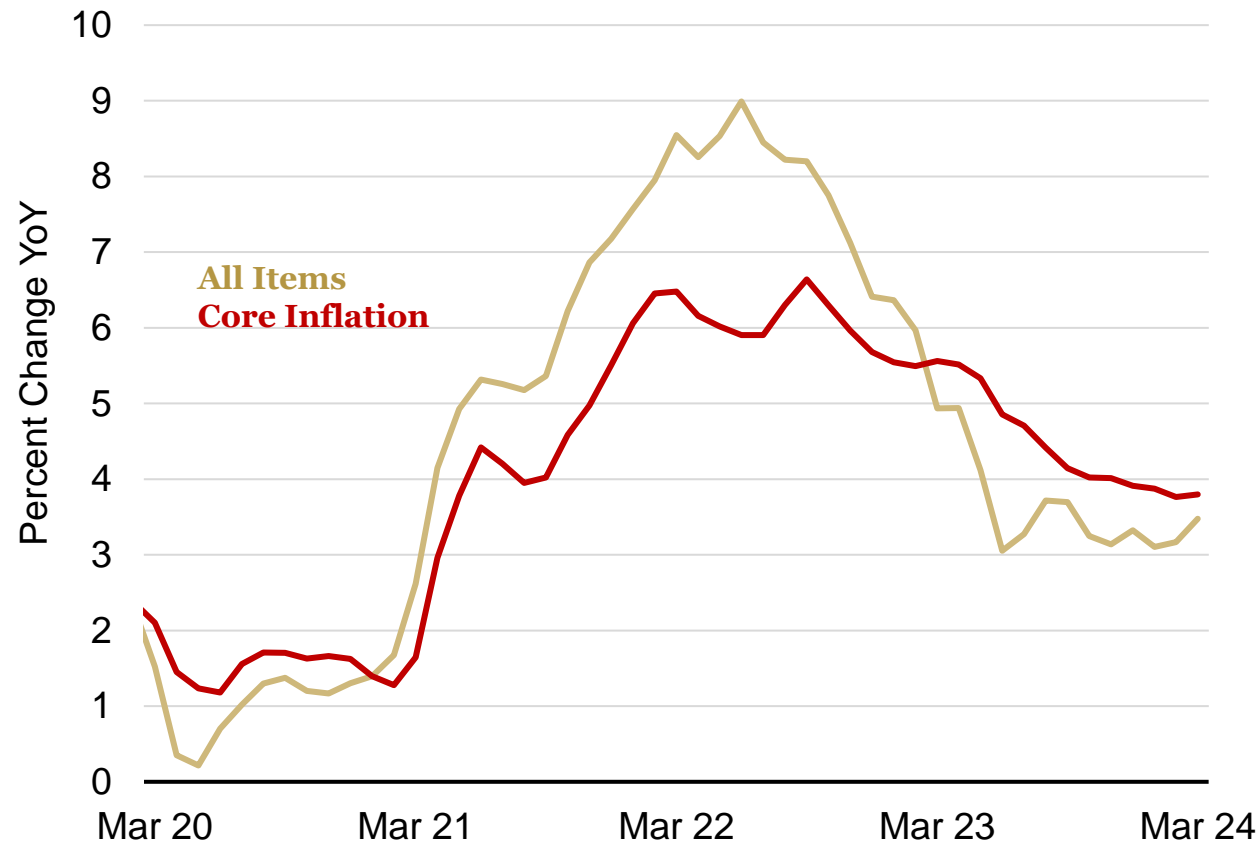
# Household Debt Burden

Percent of Disposable Income

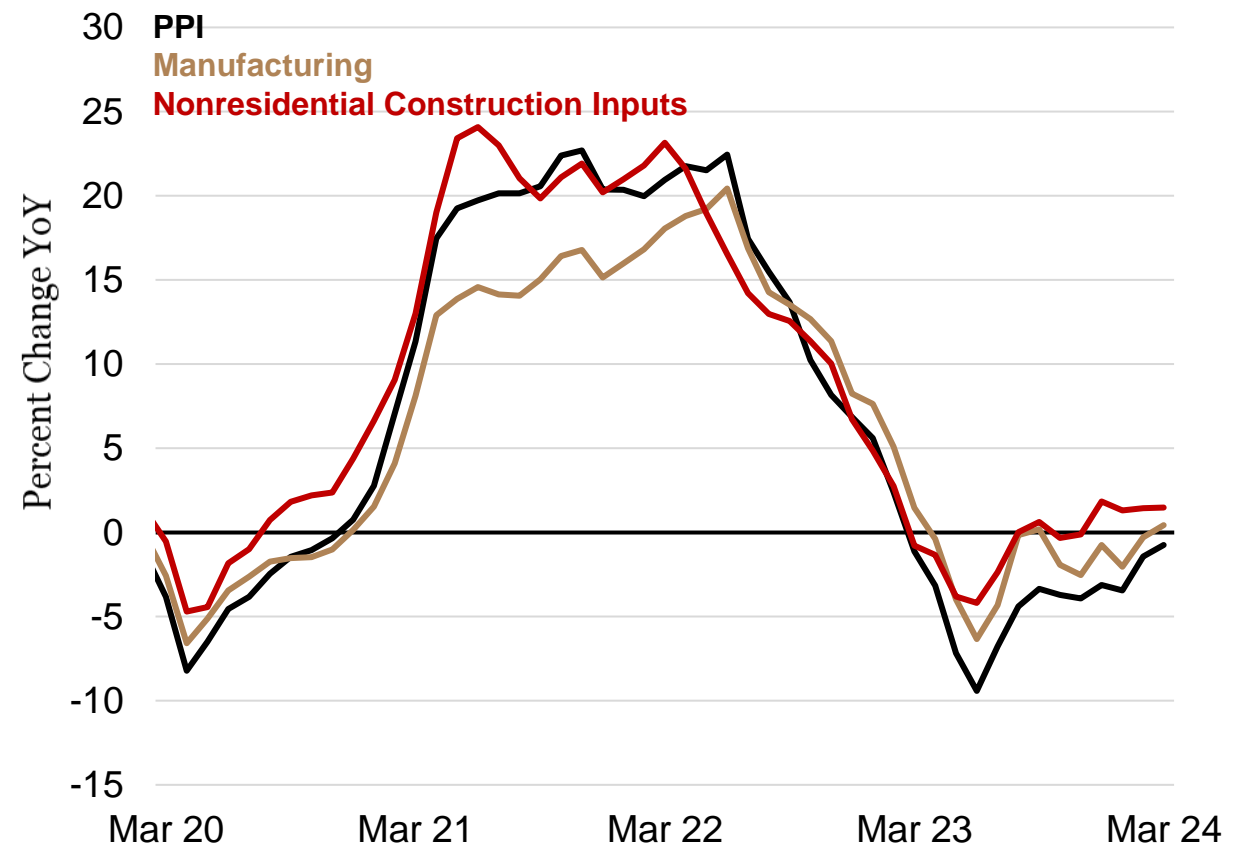


# Inflation

## U.S. Consumer Price Index

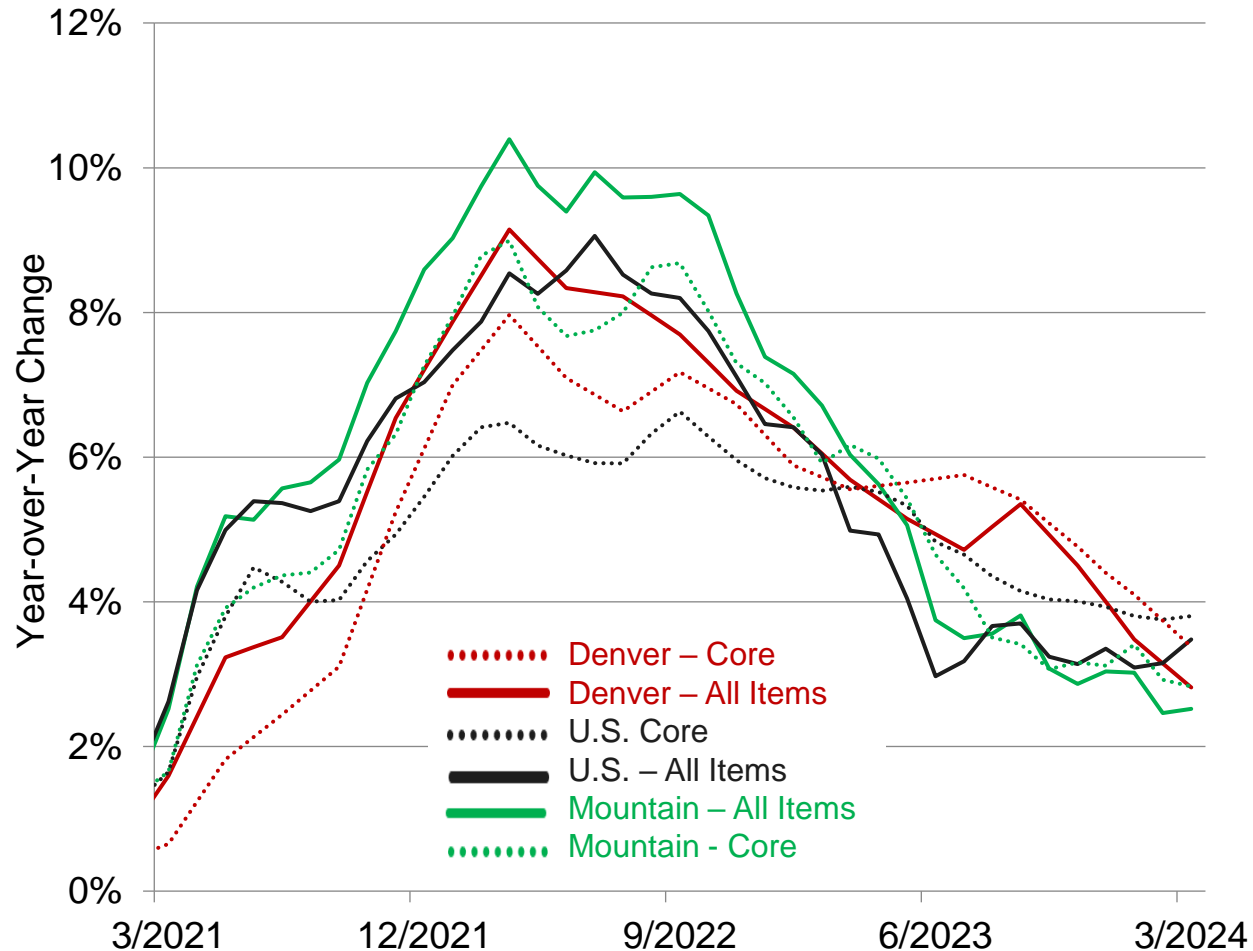


## U.S. Producer Price Index



# Inflation

## Consumer Price Index, Percent Change Year-Over-Year

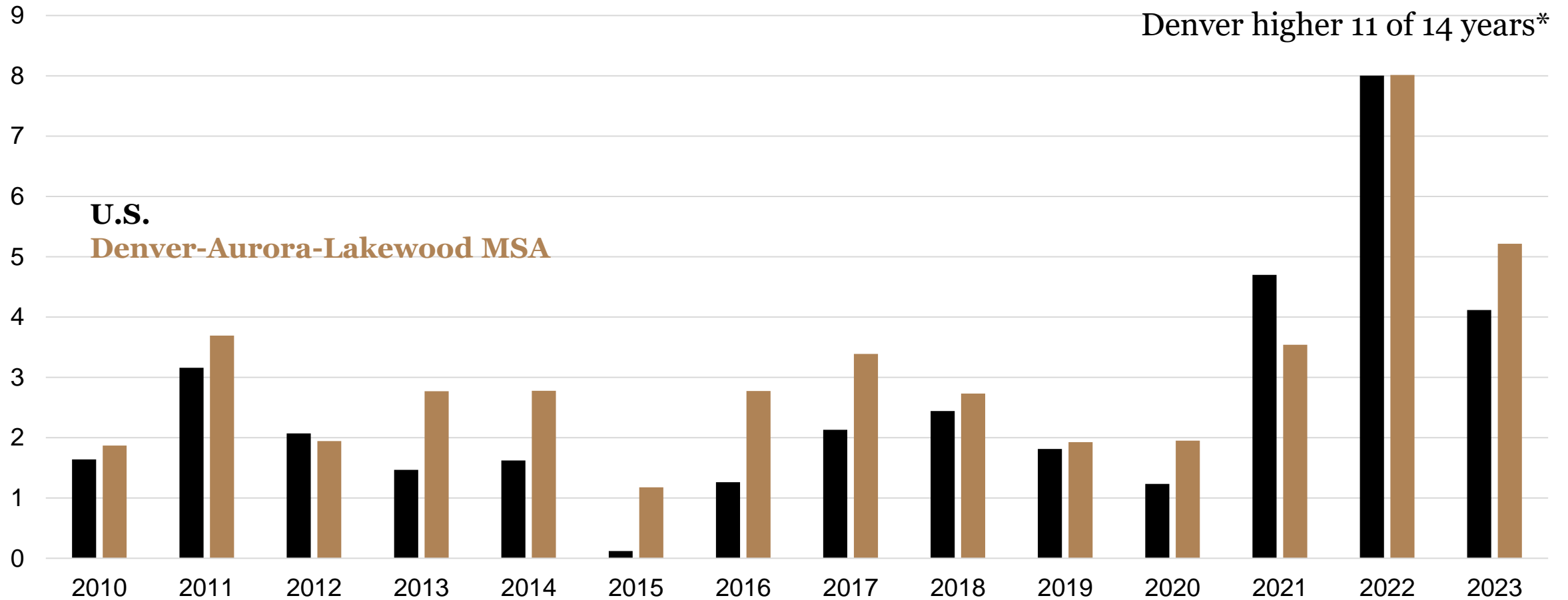


Items	U.S. City Average	Mountain	Denver-Aurora-Lakewood*	Item Weights
<b>All items</b>	<b>3.5%</b>	<b>2.5%</b>	<b>2.8%</b>	<b>100.0%</b>
Food and beverages	2.2%	2.0%	2.5%	14.4%
<b>Housing</b>	<b>4.7%</b>	<b>3.3%</b>	<b>4.9%</b>	<b>44.4%</b>
Apparel	0.4%	-1.6%	-4.5%	2.5%
Transportation	4.0%	3.6%	-1.7%	16.7%
Medical care	2.2%	4.7%	2.3%	8.1%
Recreation	1.8%	-0.5%	3.4%	5.4%
Education and Comm.	0.2%	-0.3%	1.8%	5.8%
Other goods and services	4.7%	-2.0%	0.0%	2.7%
<b>Core Inflation</b>	<b>3.8%</b>	<b>2.8%</b>	<b>3.4%</b>	

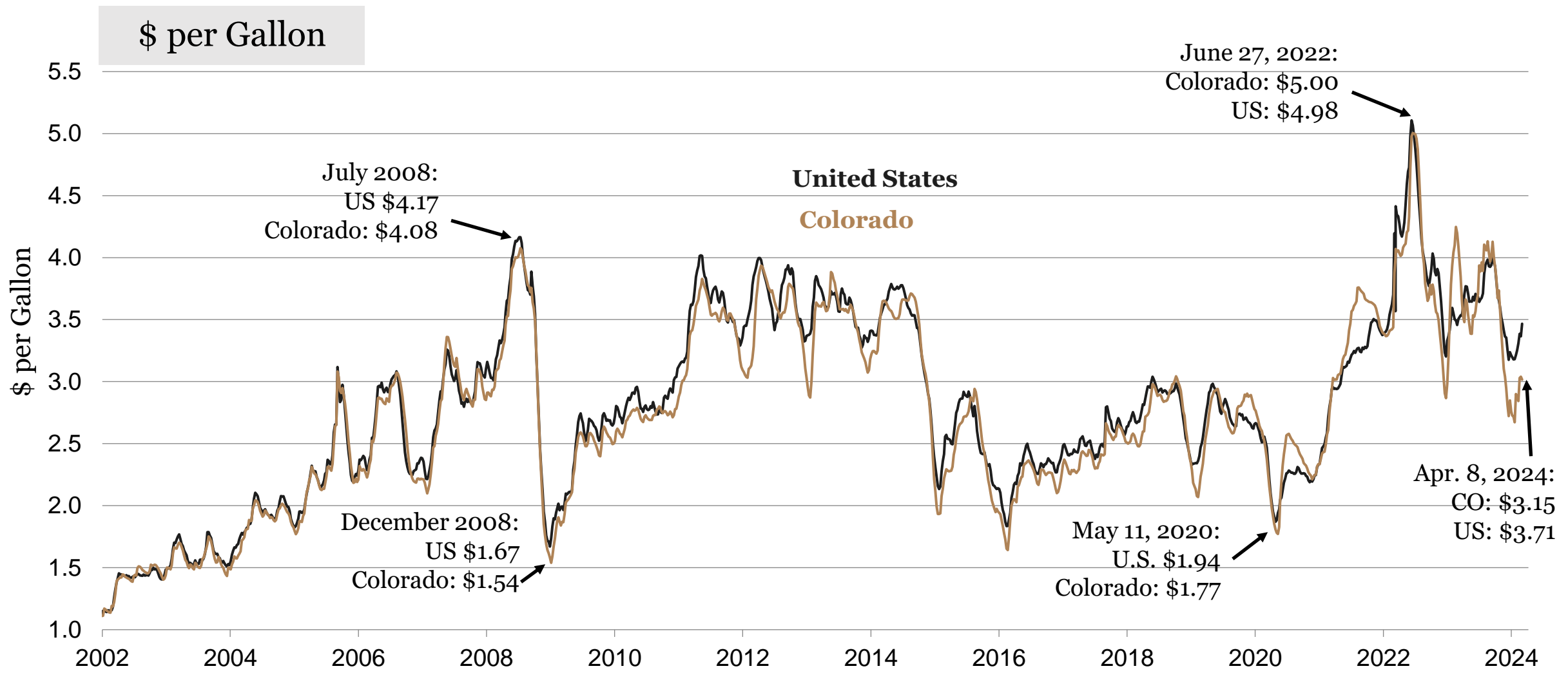


# National v. Local Inflation

Percent Change



# Retail Gasoline



Source: Energy Information Administration (All Grades).

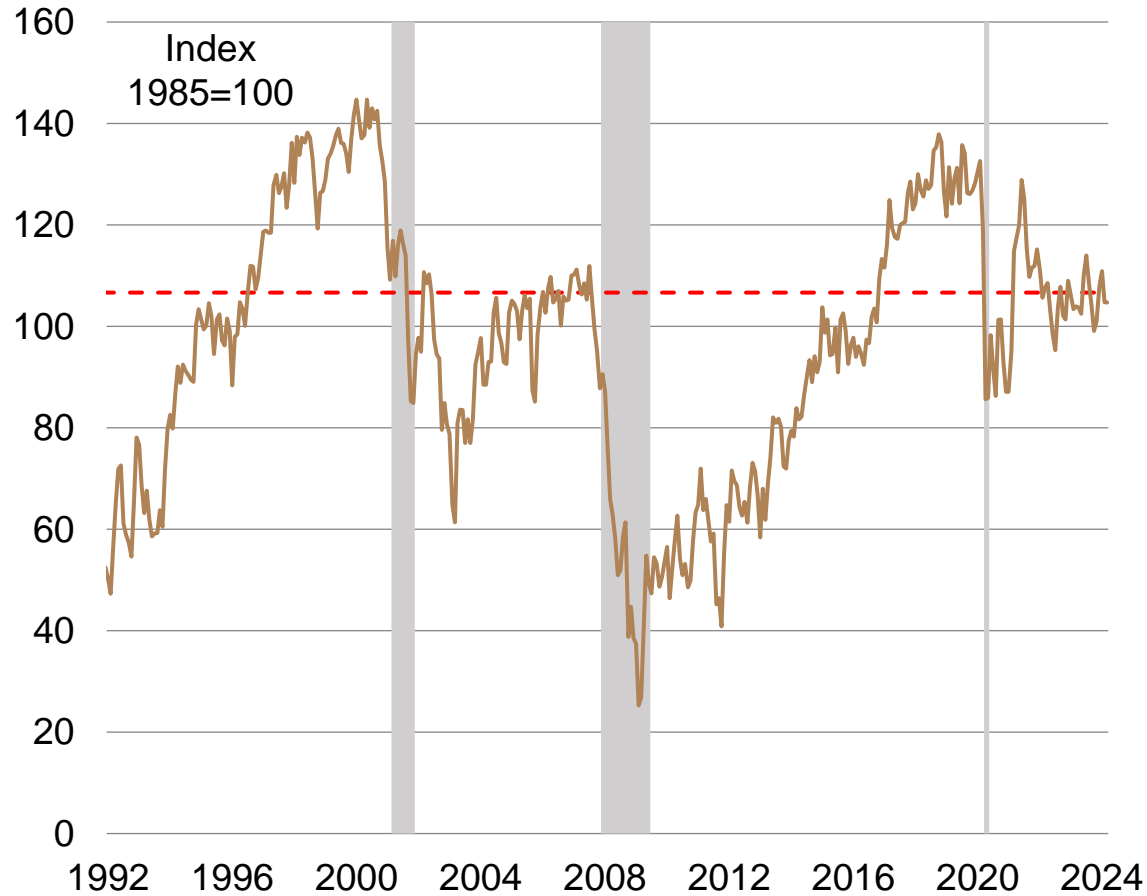


# Confidence

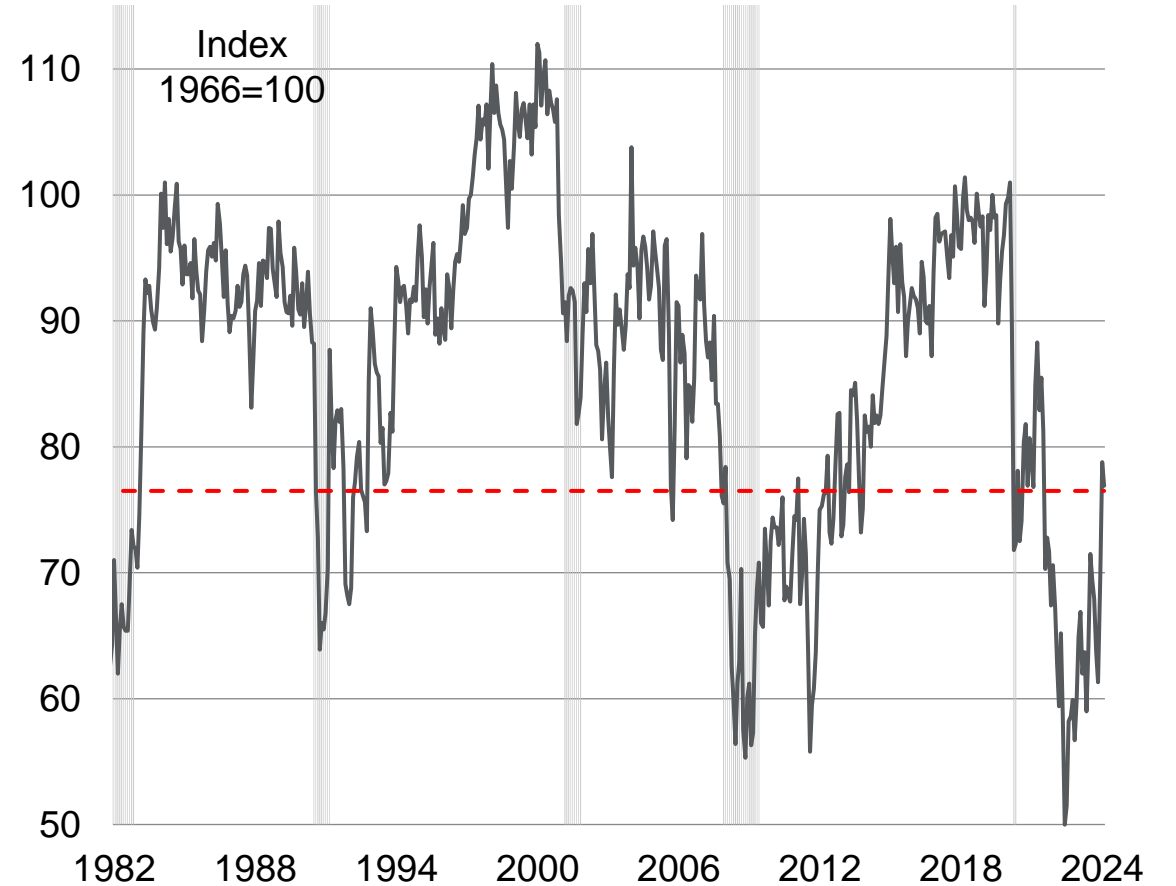
Photo by Etienne Girardet on Unsplash.

# Index of Consumer Confidence

## Consumer Confidence



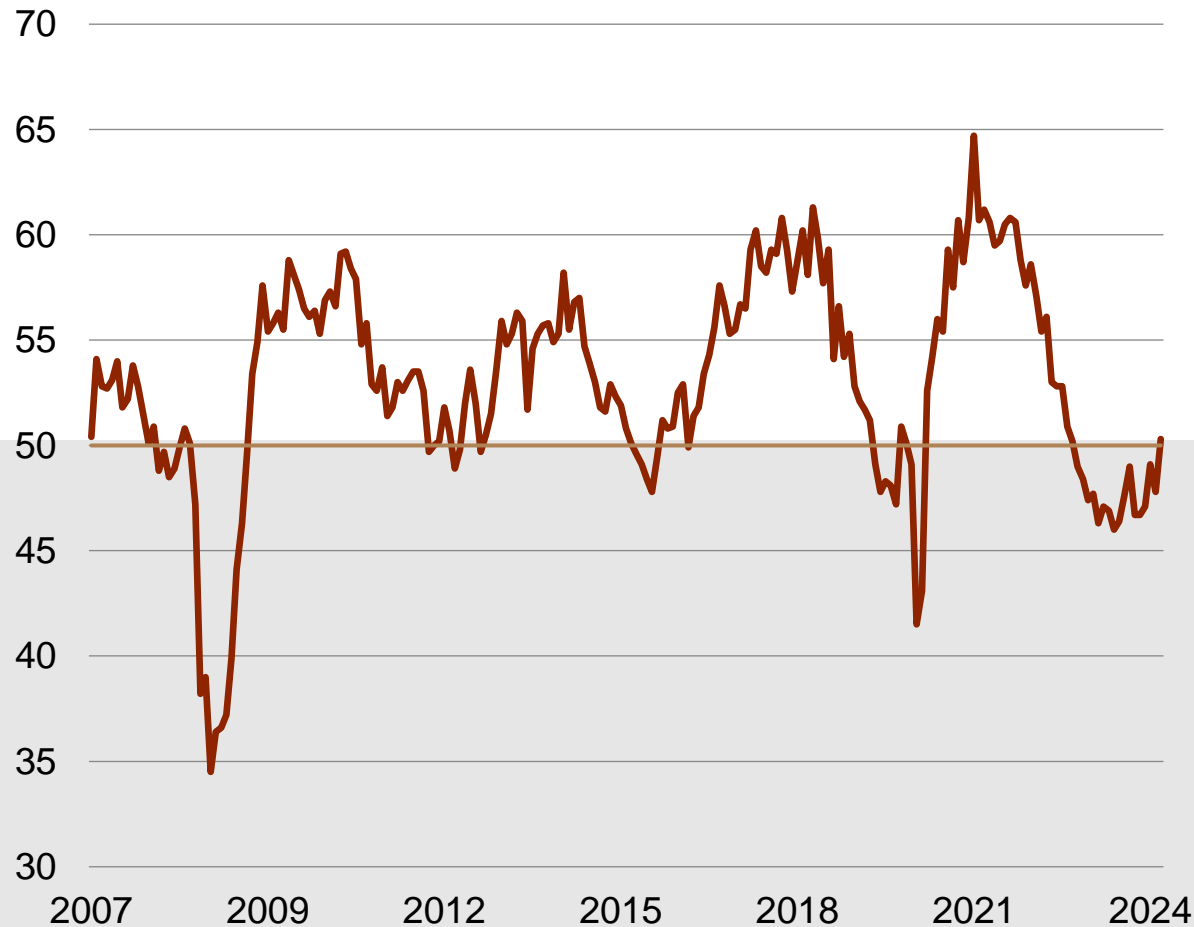
## Consumer Sentiment



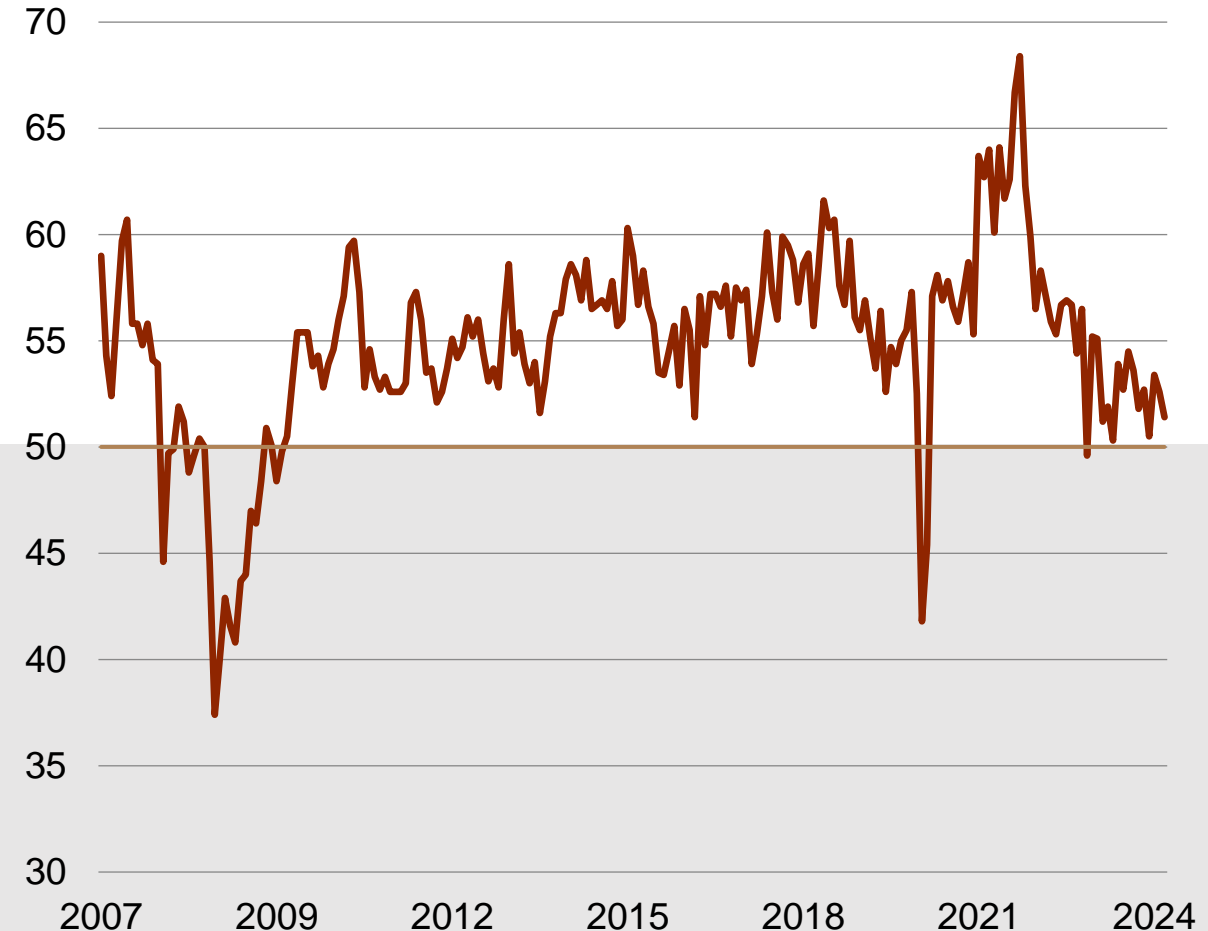


# ISM Indices

## ISM Manufacturing PMI® Index



## ISM Services PMI® Index

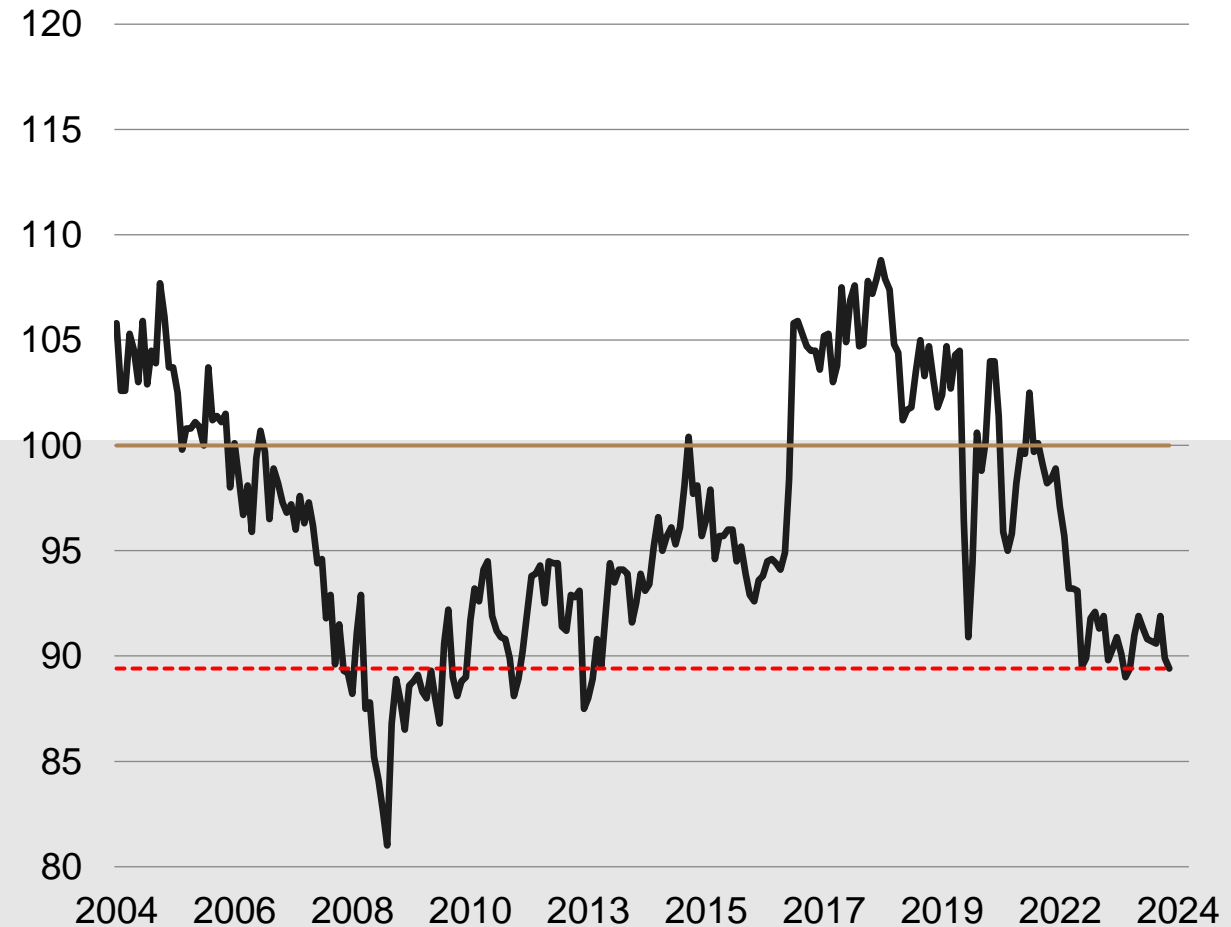


# Small Business Outlook

## Business Conditions



## Optimism Index

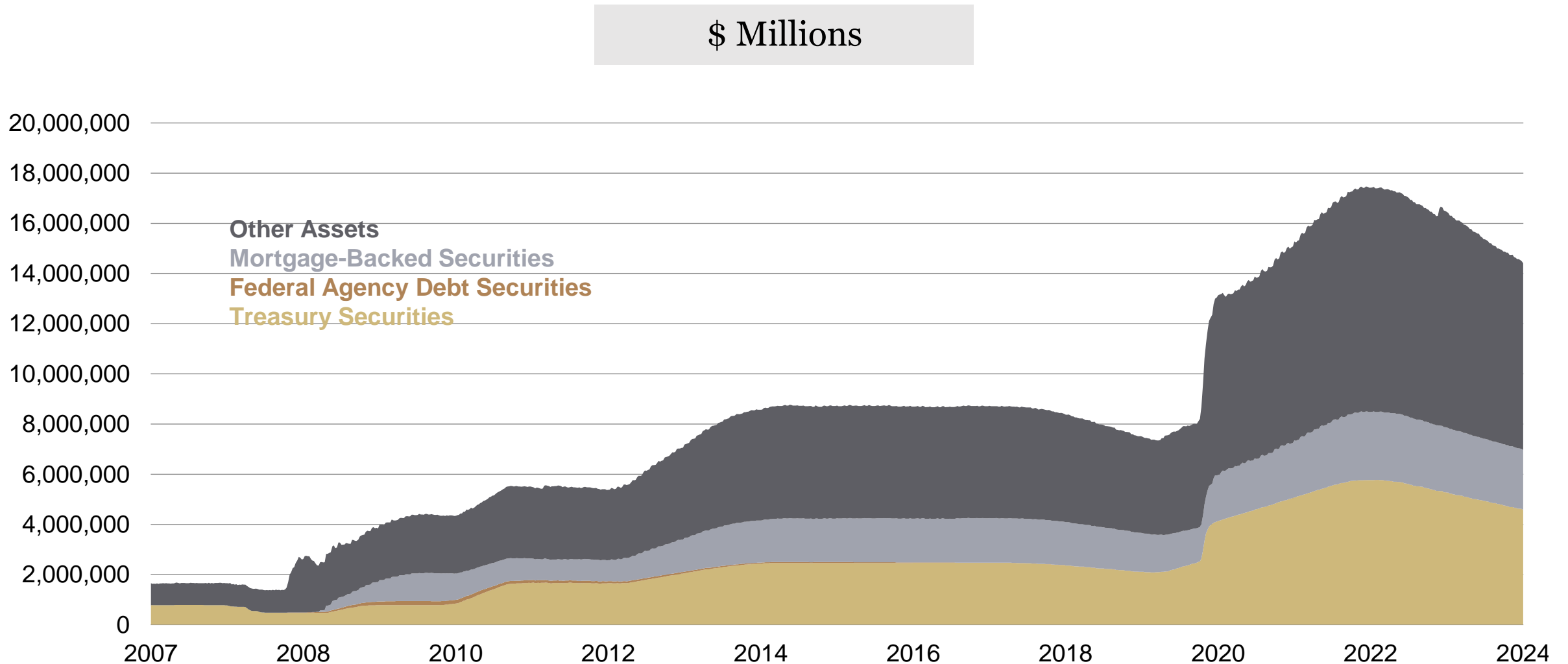


# Monetary Policy and Interest Rates



Photo by Giorgio Trovato on Unsplash.

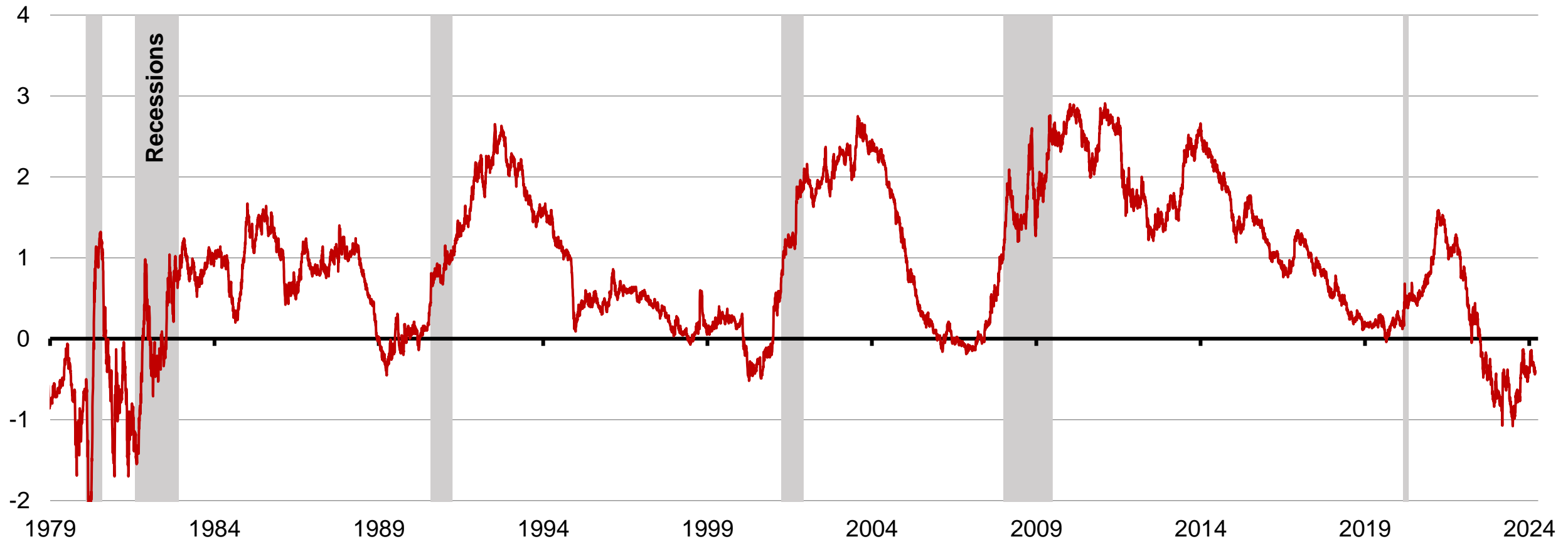
# The FED Balance Sheet



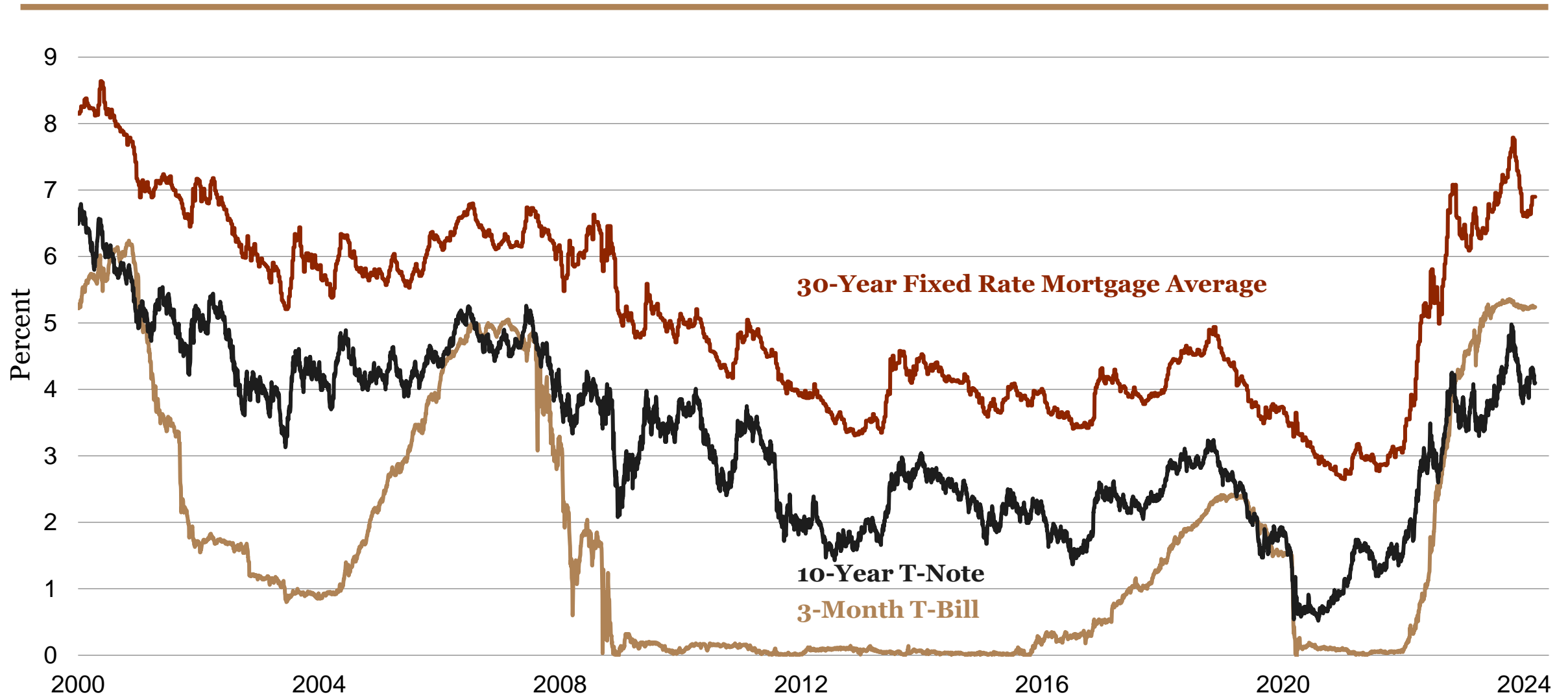


# Yield Curve

10-Year Treasury Constant Maturity Minus 2-Year Treasury Constant Maturity



# Interest Rates







# Colorado Population, Employment, and the Economy

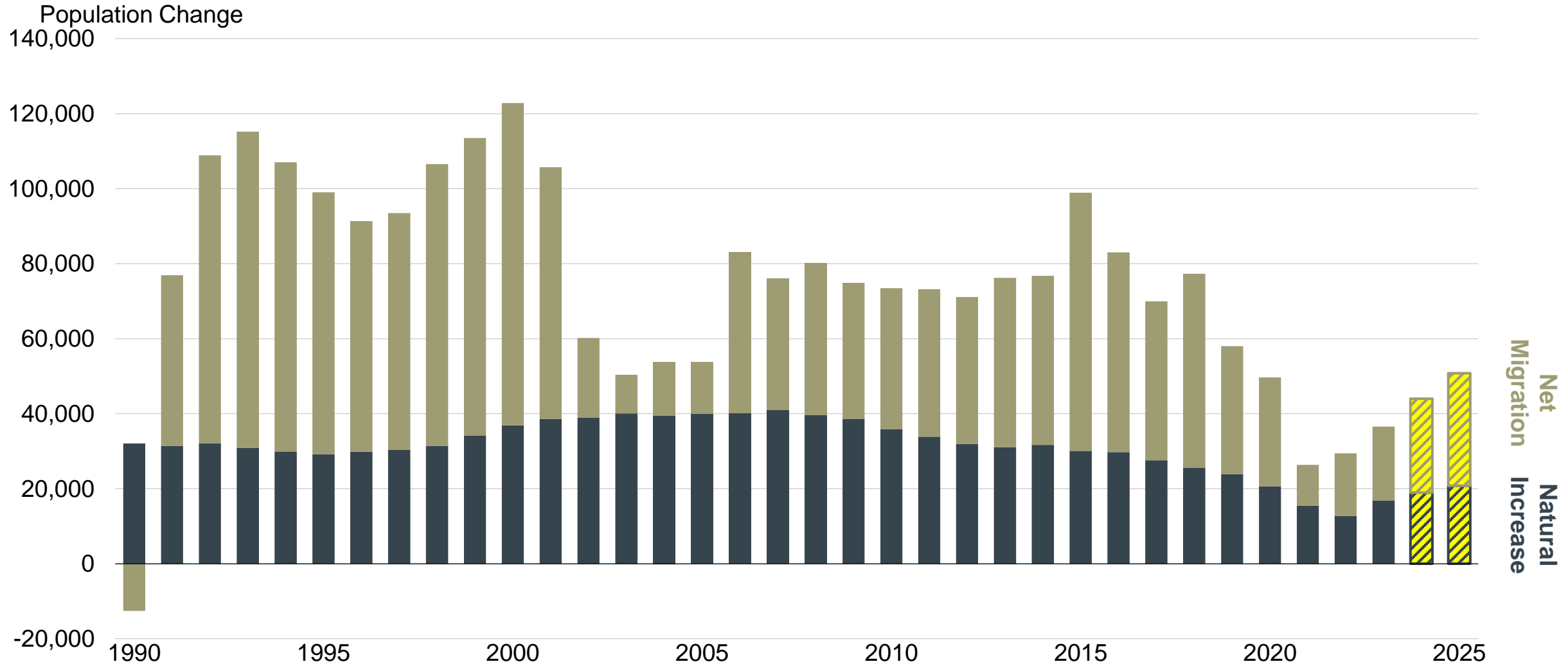
Photo by Annie Spratt on Unsplash.



# Colorado Rank Among Other States

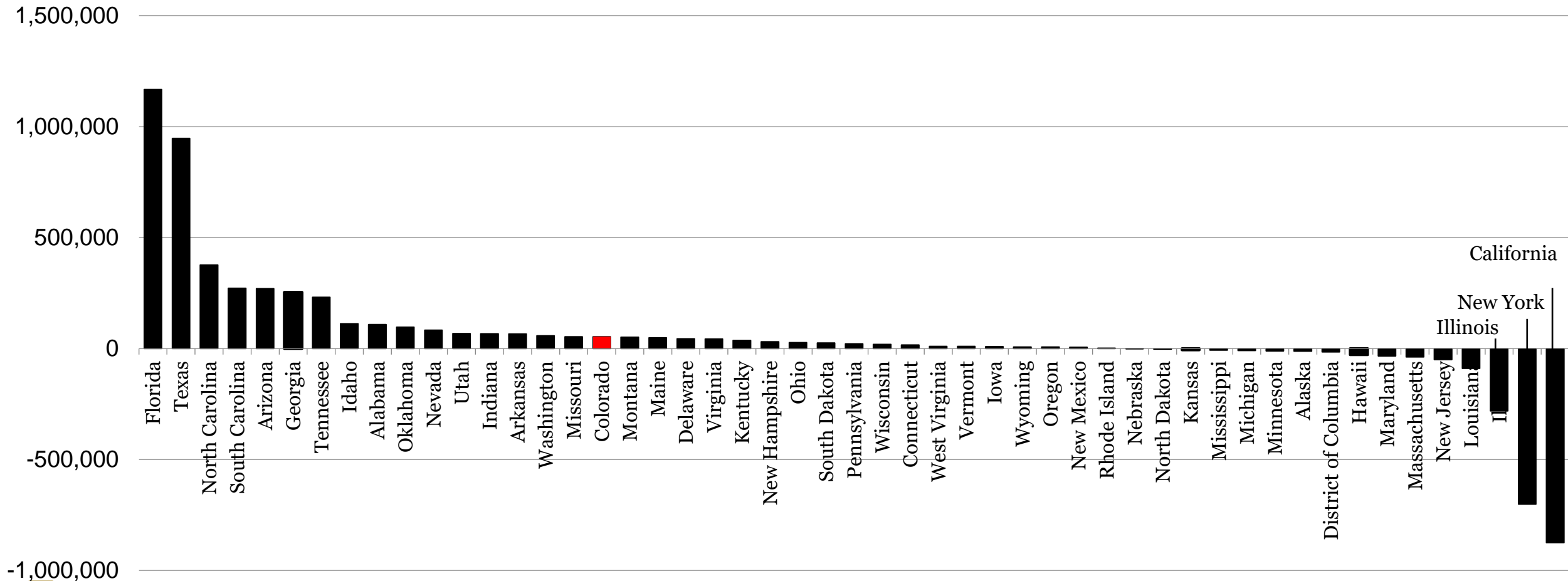
Metric		1-Year Change/ Current Level	1-Year Rank
Real GDP Growth	1-Year Change	3.2%	22
Employment Growth	1-Year Change	2.1%	9
Population Growth	1-Year Change	0.6%	17
Personal Income Growth	1-Year Change	4.8%	22
Per Capita Personal Income Growth	1-Year Change	4.2%	24
Per Capita Personal Income	Current Level	\$79,835	7
Average Hourly Wage % Growth	1-Year Change	5.4%	8
Average Annual Pay % Growth	1-Year Change	7.4%	18
Average Annual Pay	Current Level	\$75,799	7
Unemployment Rate	Current Level	3.7%	31
Labor Force % Growth	1-Year Change	0.5%	34
Labor Force Participation Rate	Current Level	68.0%	4 (tied)
FHFA Home Price Index Growth	1-Quarter Change	-1.2%	42
FHFA Home Price Index Growth	1-Year Change	2.3%	44

# Colorado Change in Population



# Net Migration

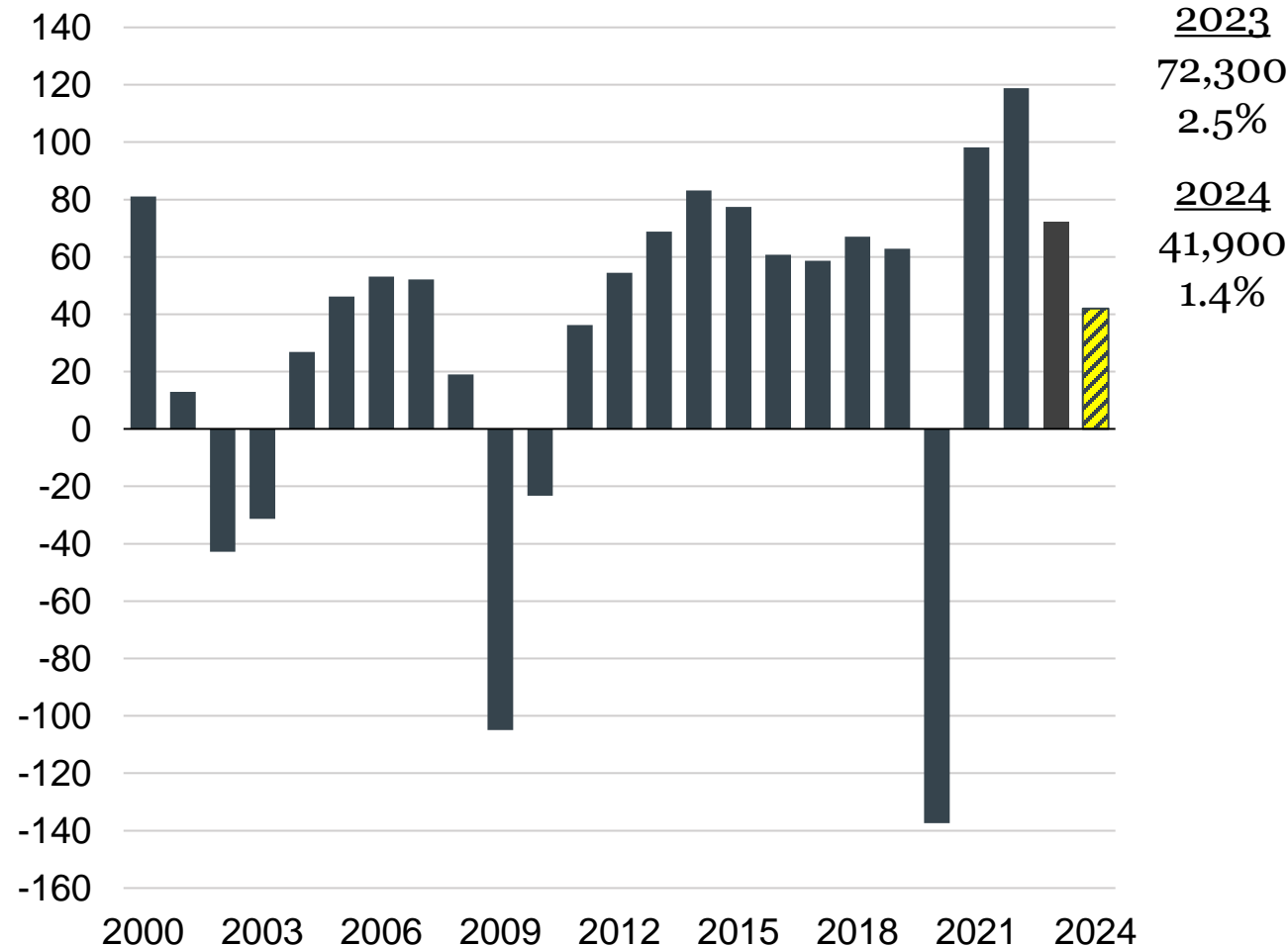
Three-Year Change



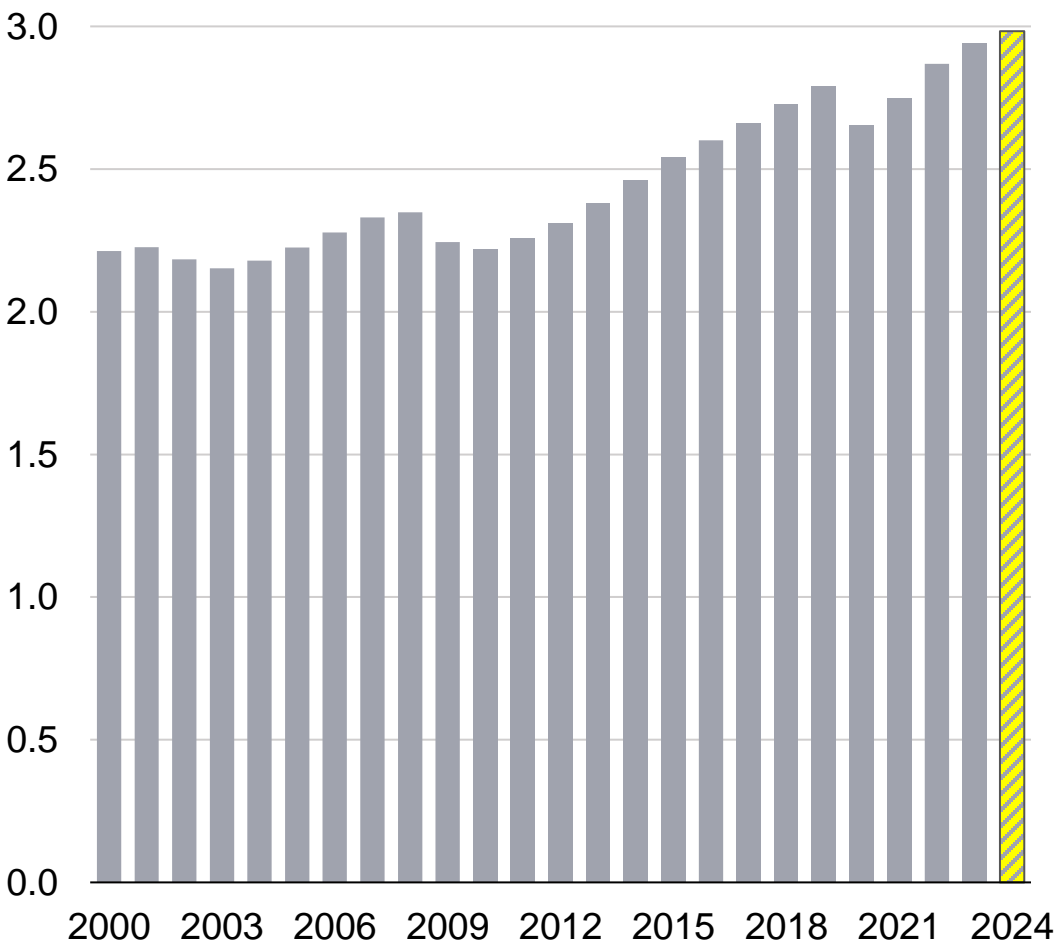


# Colorado Employment Forecast

Jobs Added, Thousands, 2000-2024

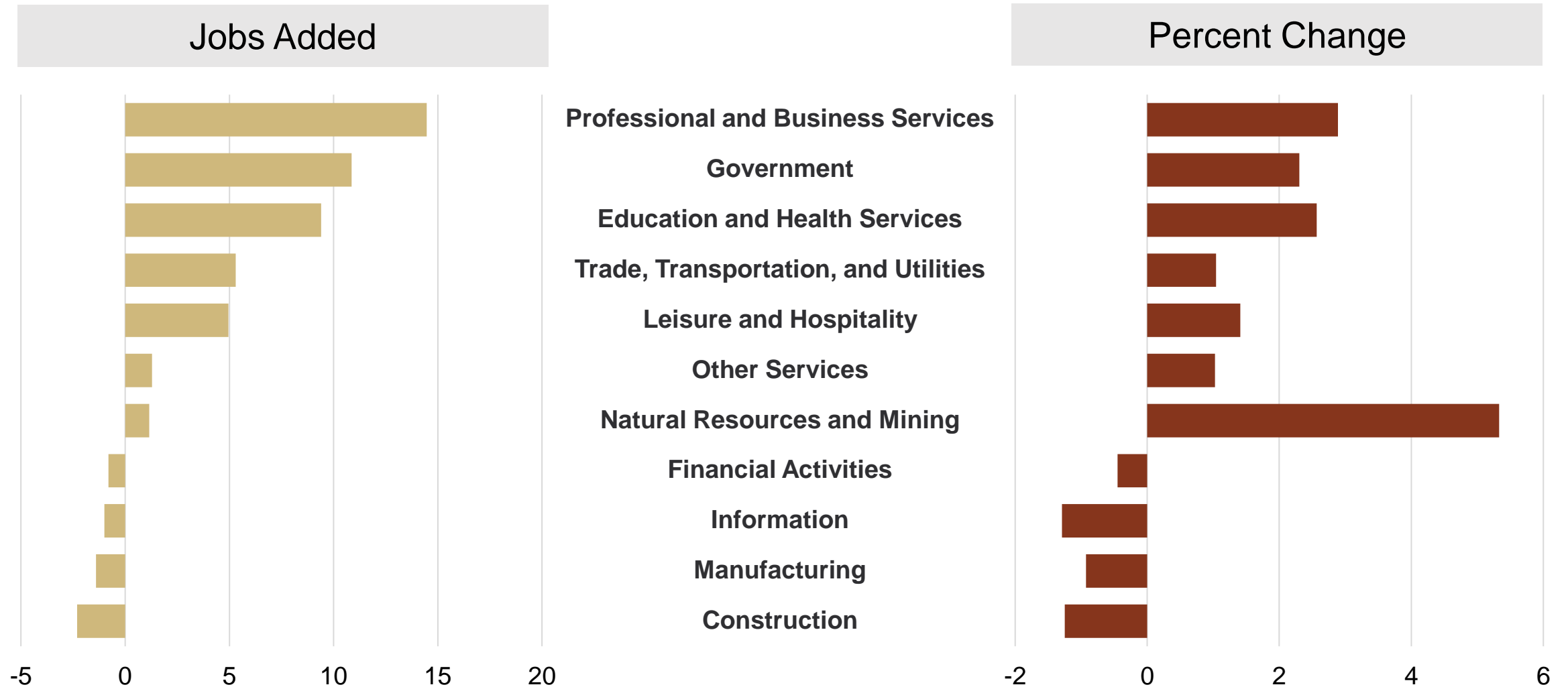


Total, Thousands, 2000-2024

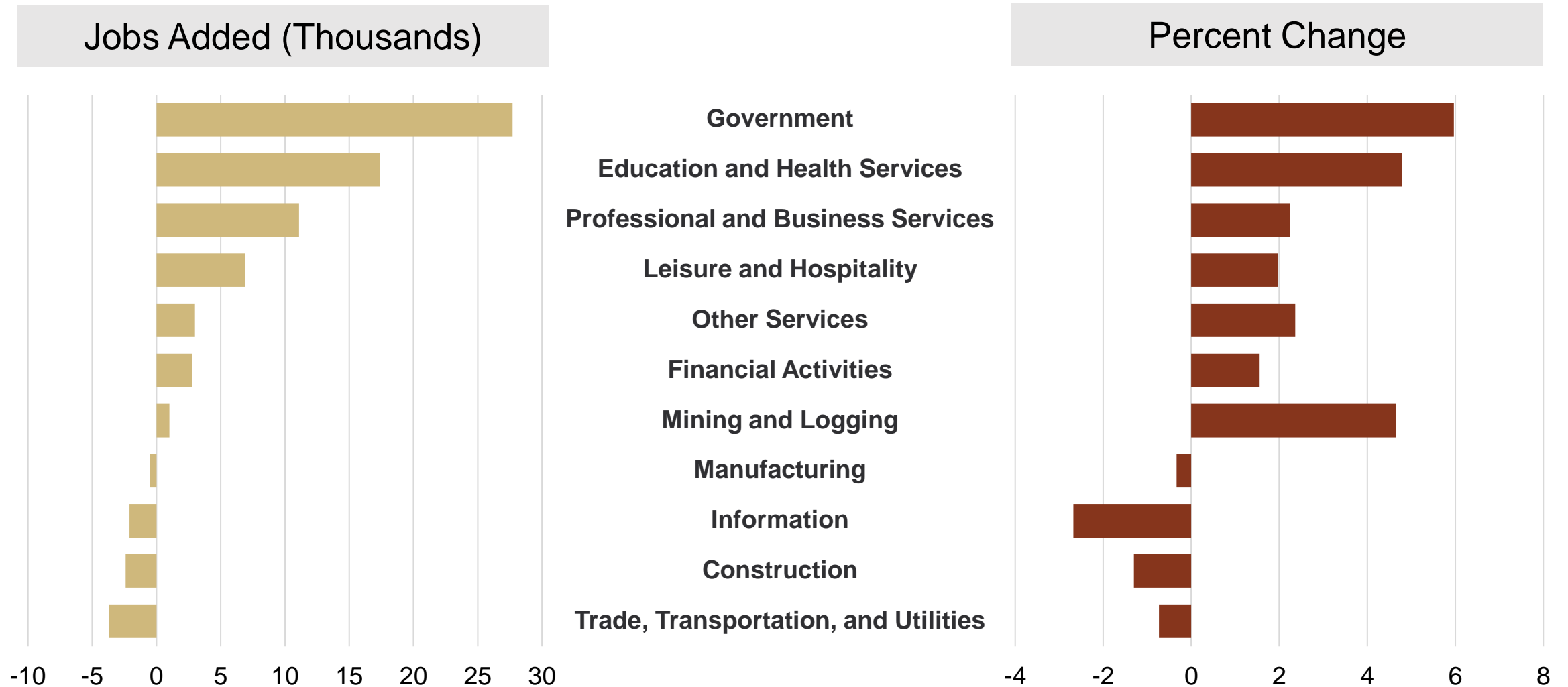


Sources: Colorado Department of Labor and Employment and the Colorado Business Economic Outlook Committee.

# Colorado 2024 Estimated Employment Change

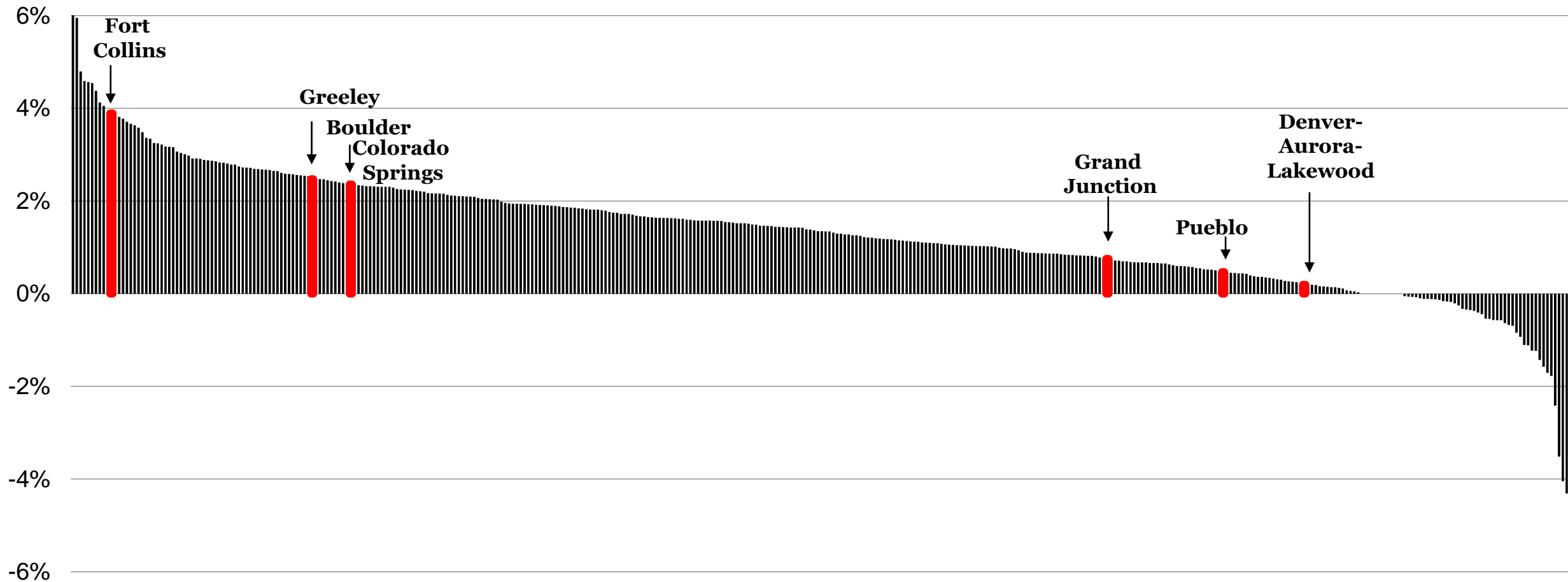


# Colorado Employment Change March 2024, YoY



# Colorado MSA Employment Growth

Year-over-Year Growth, March 2024







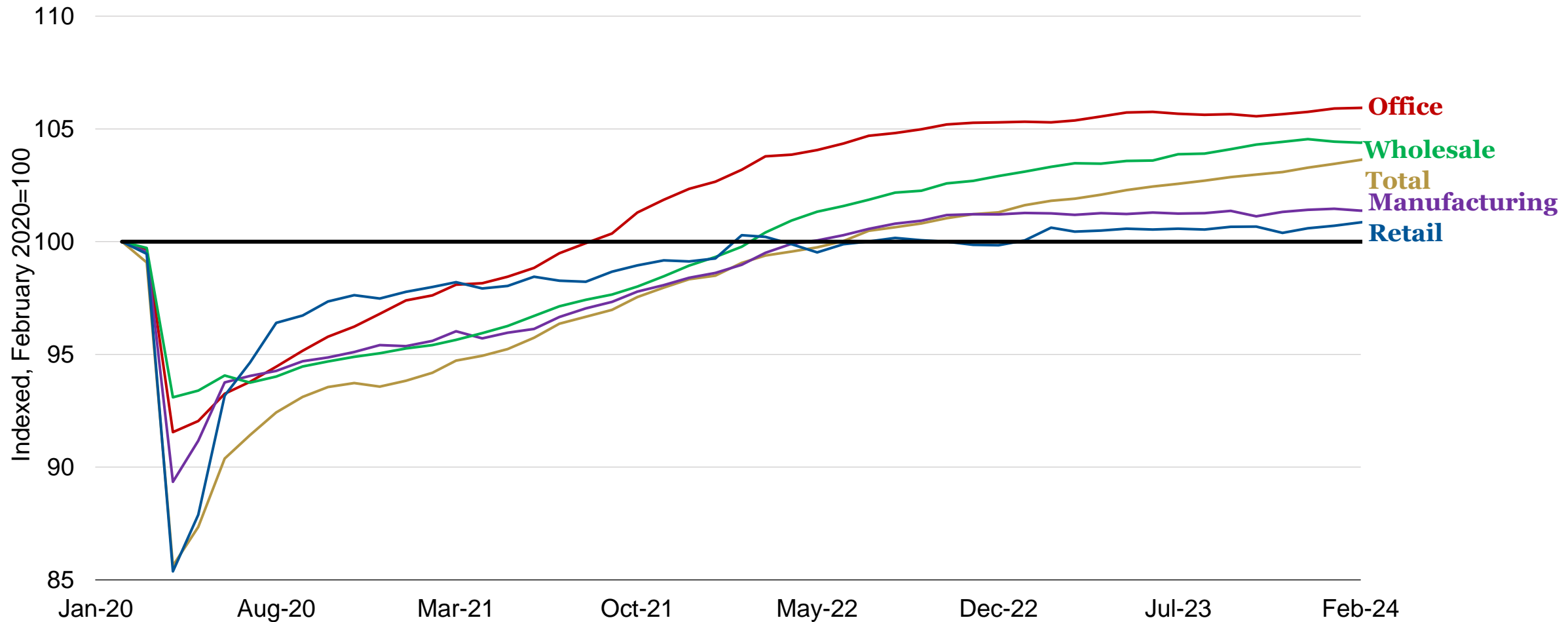
# Real Estate and Construction



Photo by Etienne Girardet on Unsplash.



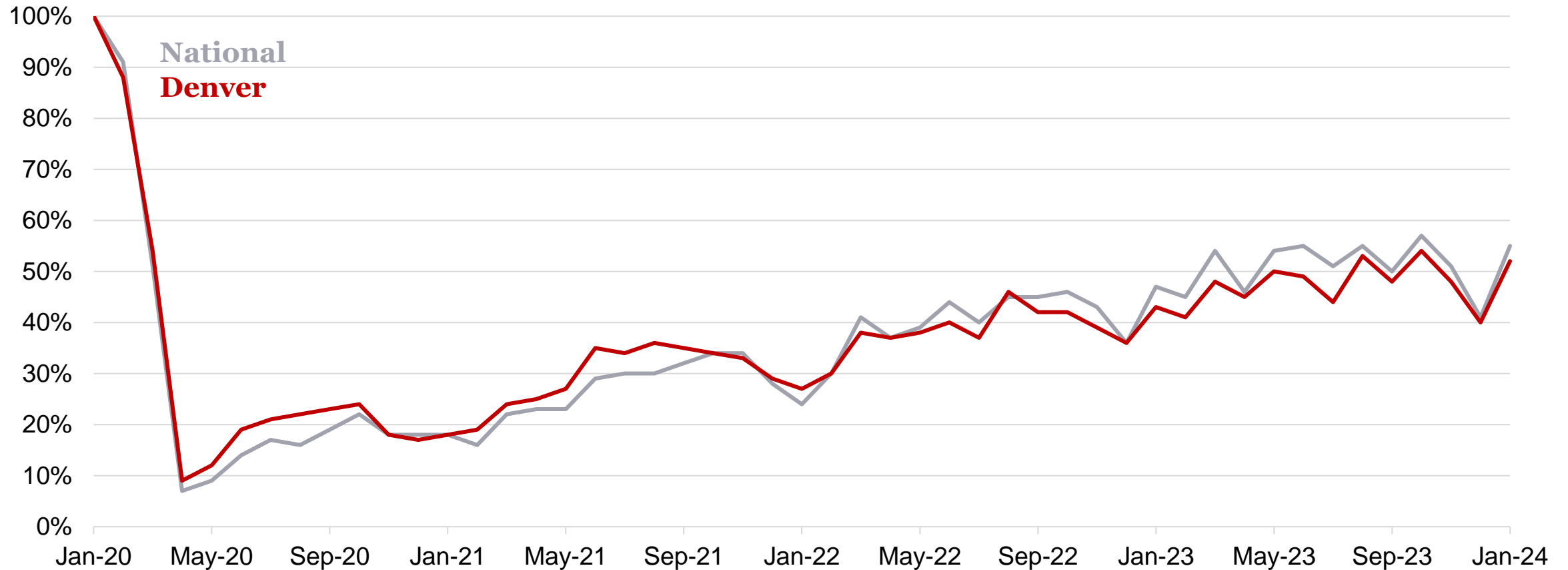
# National Industry Employment Recovery





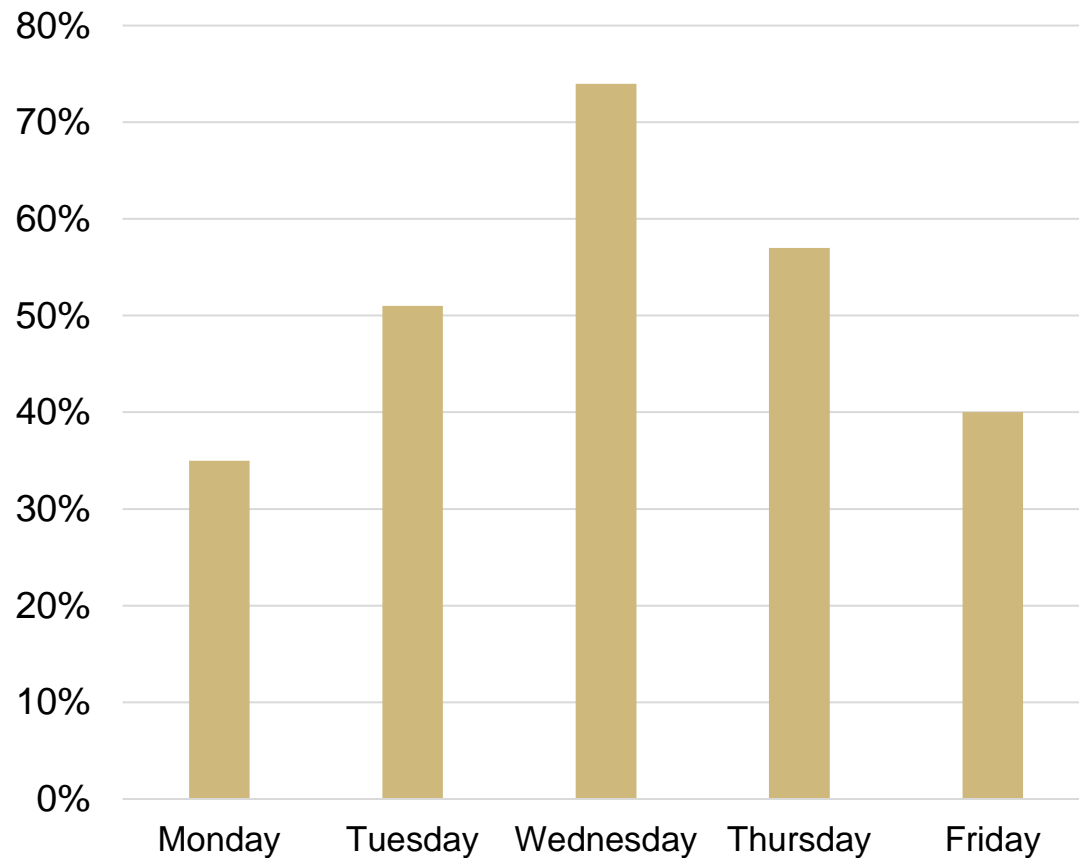
# Return to Office Trends: Recovery From Pandemic

Monthly Recovery Rates from Jan. 2020 – Jan. 2024, All Office Building Types

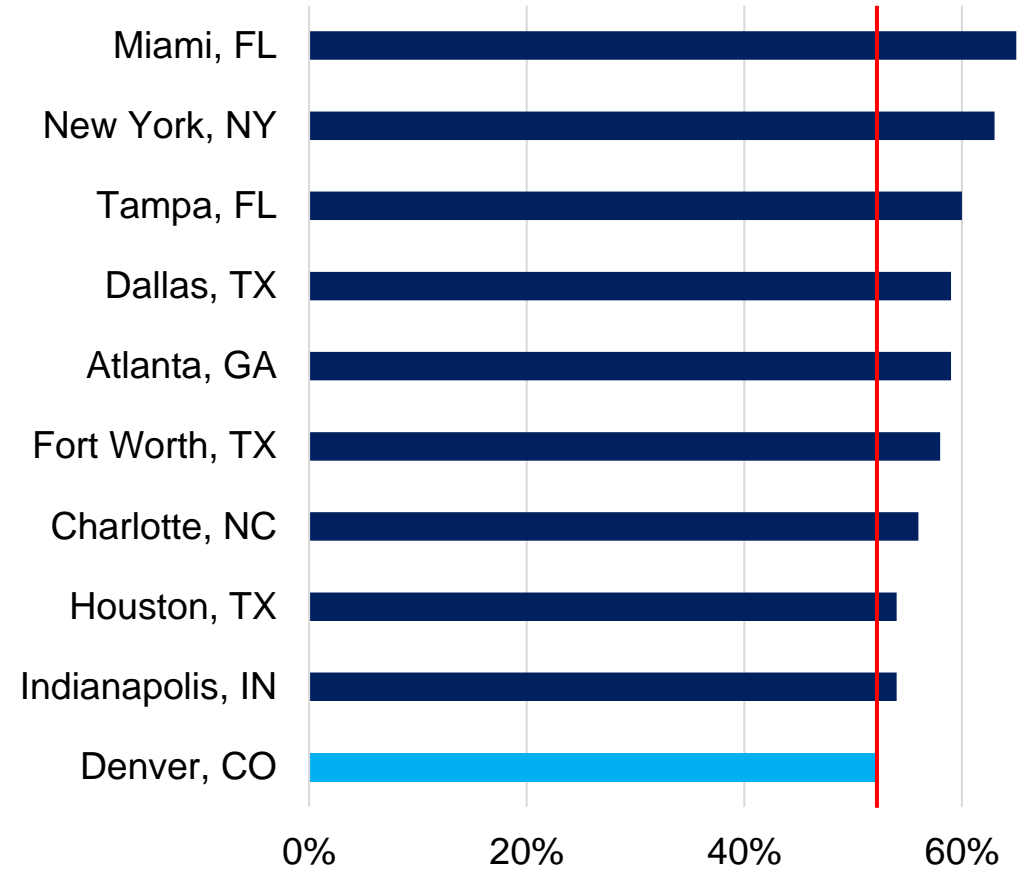


# Return to Office

## Denver Recovery Rate by Weekday

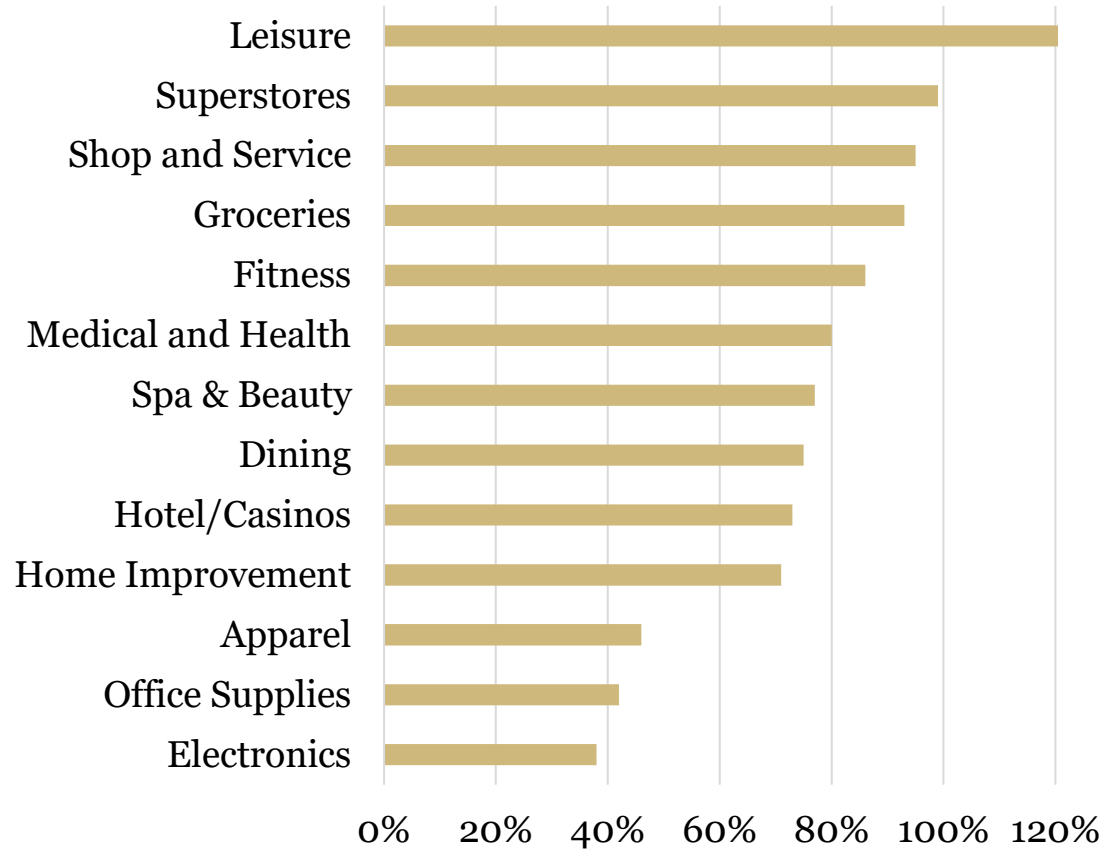


## Recovery Rate by City

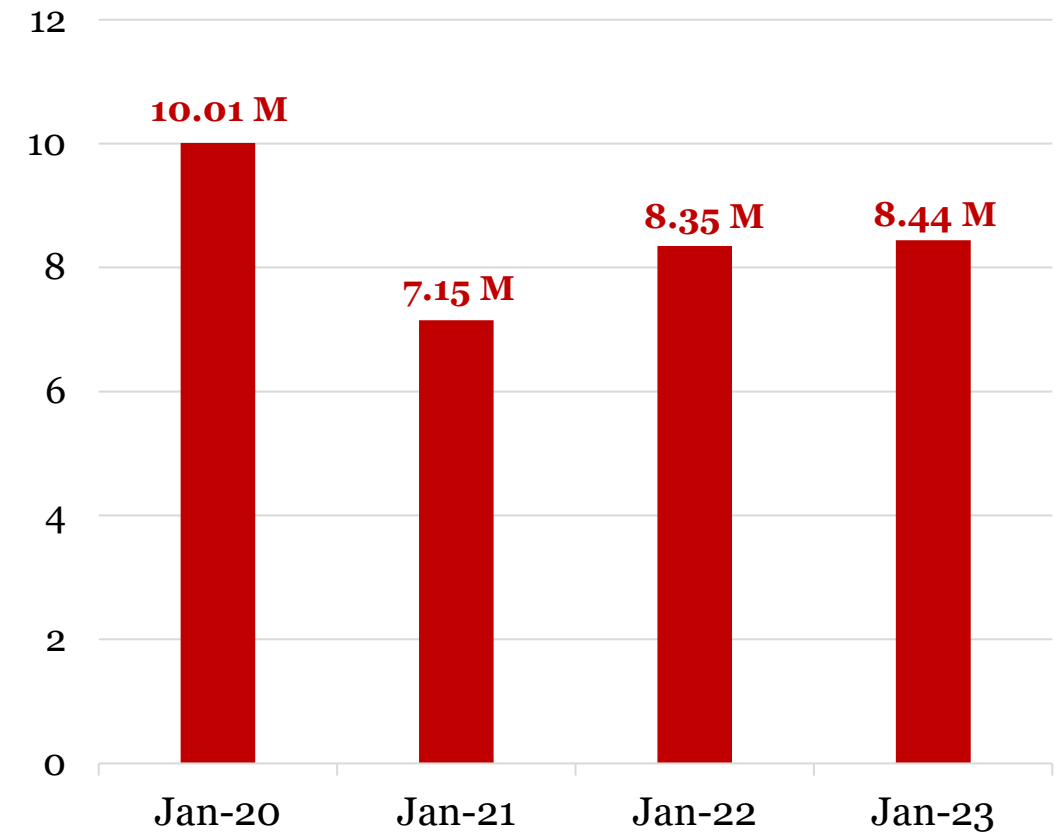


# Retail Recovery from Pandemic

## Denver Foot Traffic Recovery by Retail Category

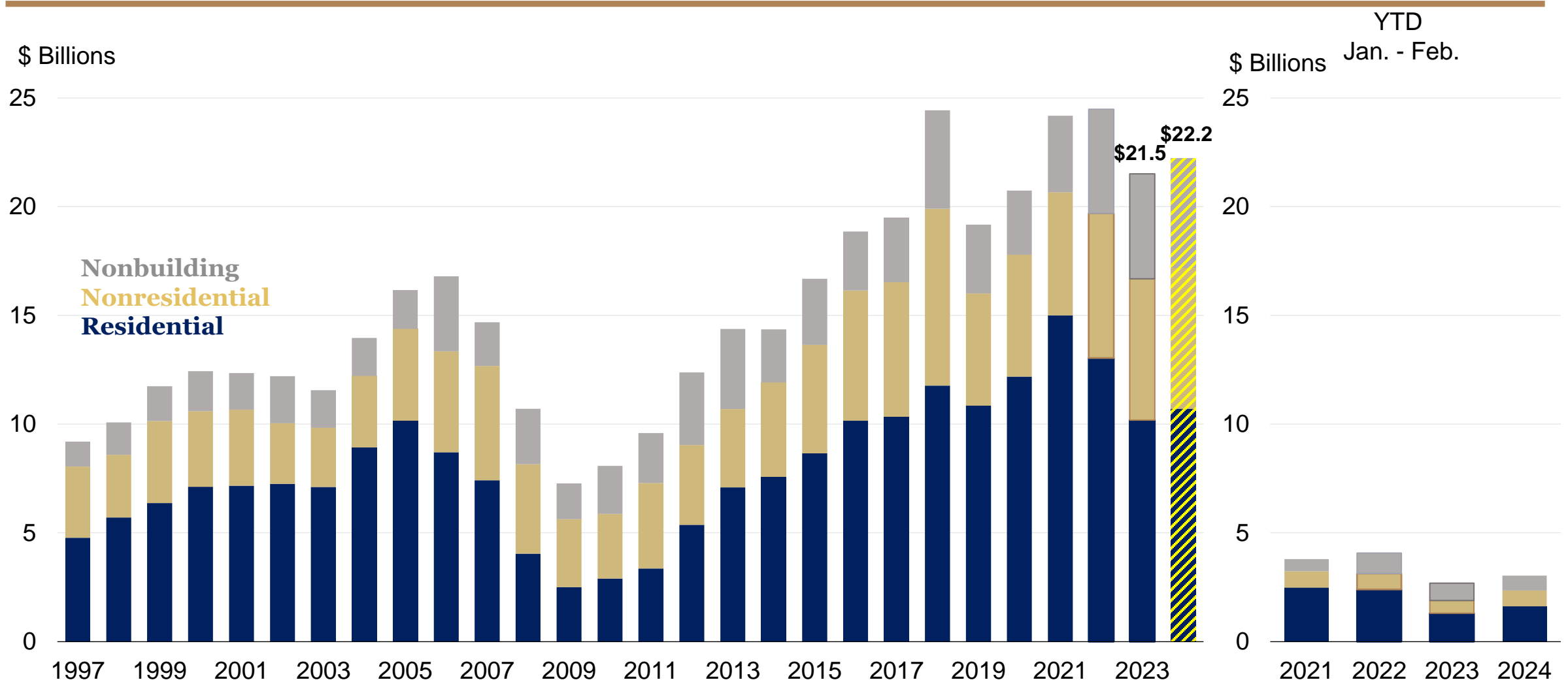


## Denver Retail Foot Traffic Counts, Millions

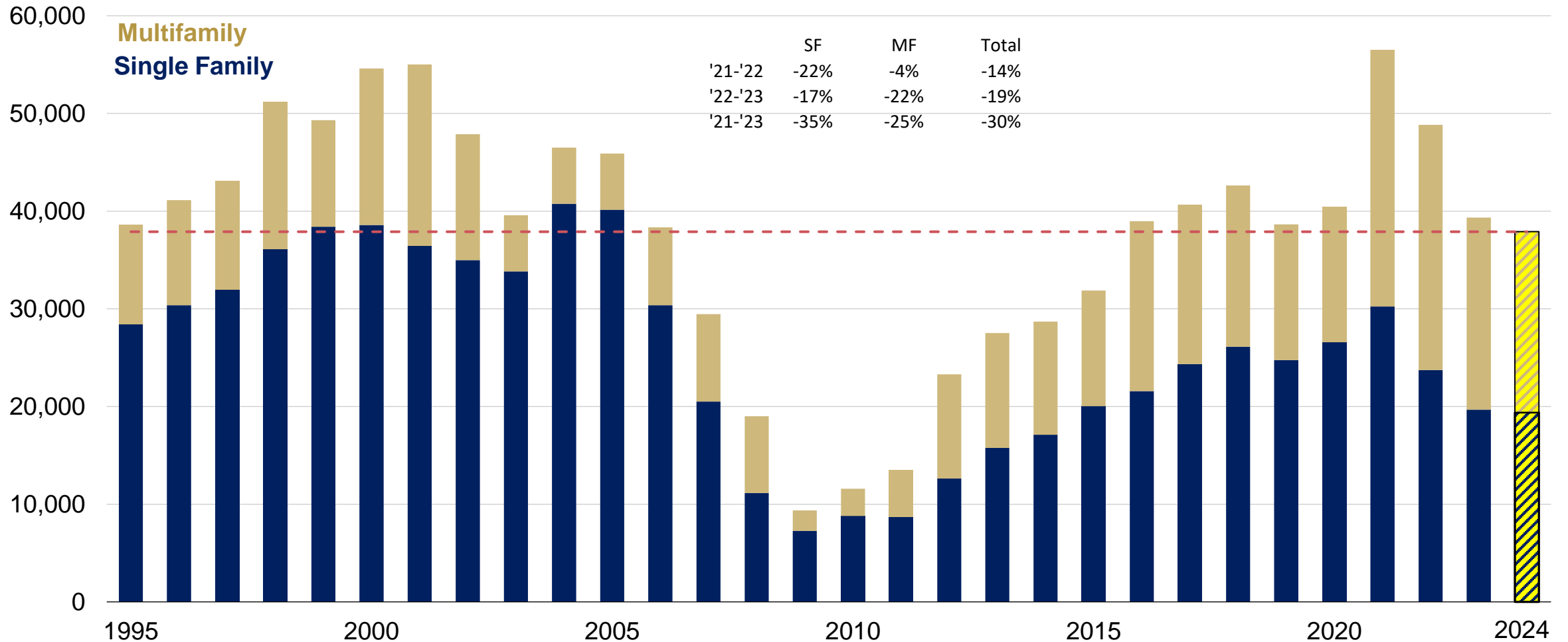


Source: Placer.ai COVID Recovery Advanced Report.

# Colorado Total Value of Construction

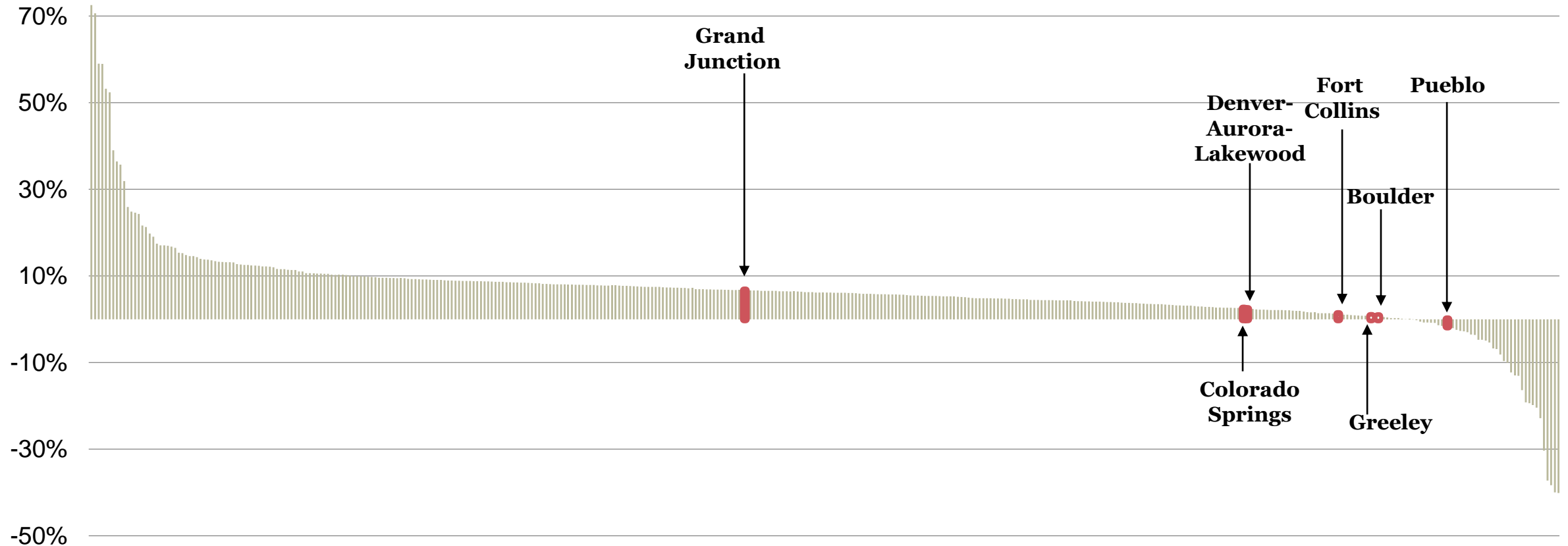


# Colorado Residential Building Permits



# FHFA Home Price Index by MSA

1-Year Home Price Change, Q4 2023

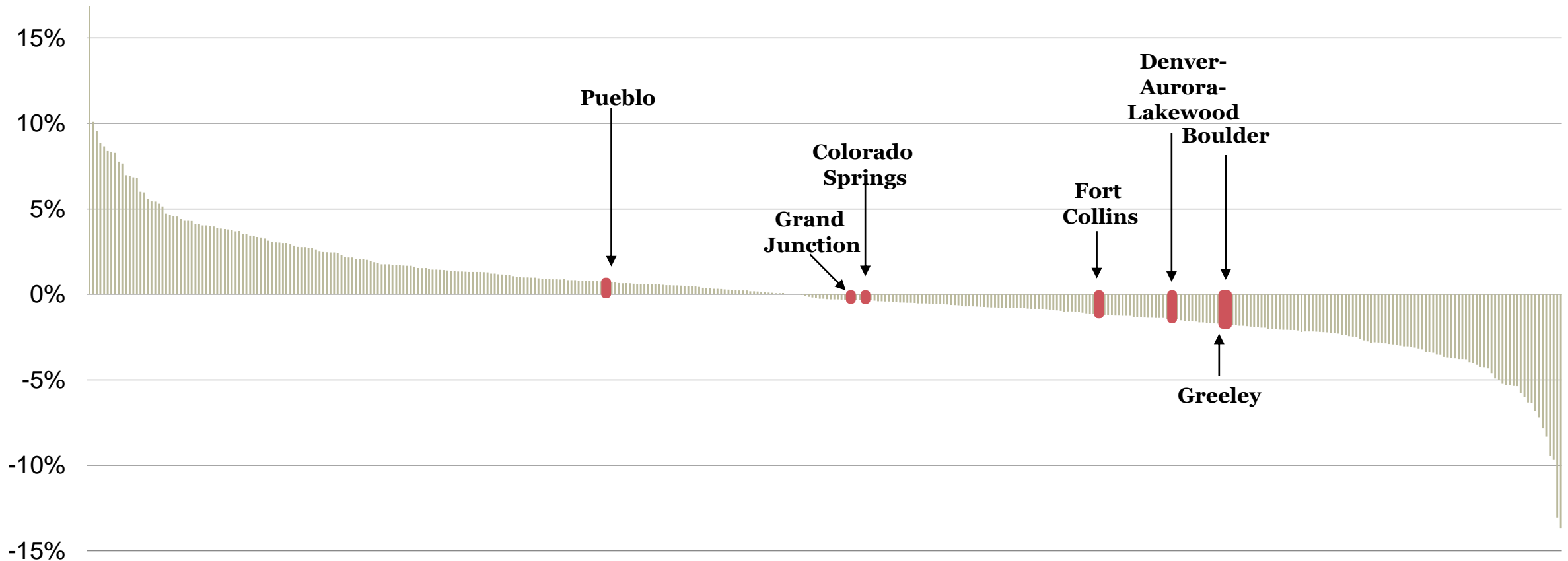


Source: Federal Housing Finance Agency, All Transactions Index (Not Seasonally Adjusted).



# FHFA Home Price Index by MSA

Quarter-over-Quarter Home Price Change, Q4 2023





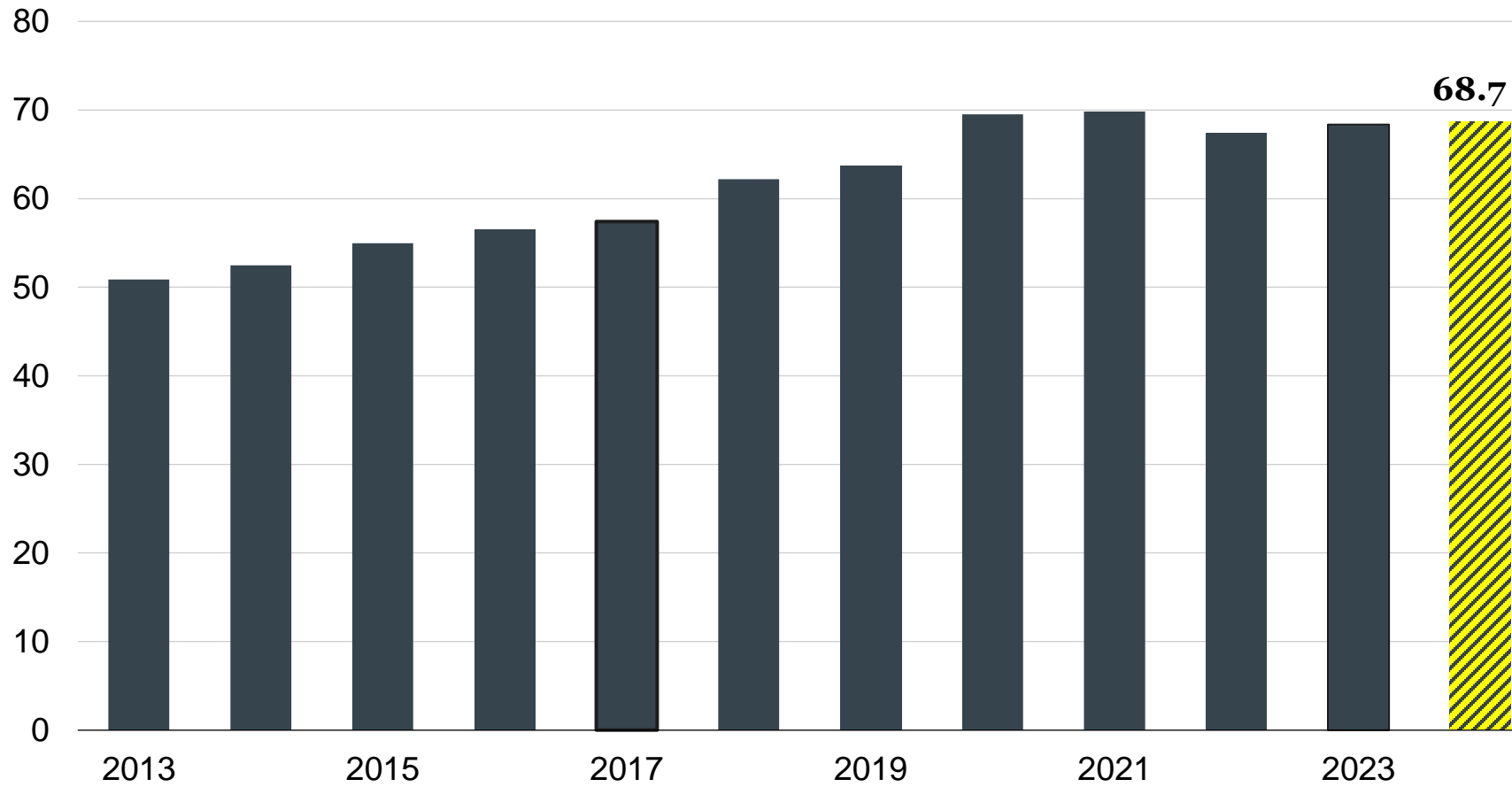
# Retail and Tourism



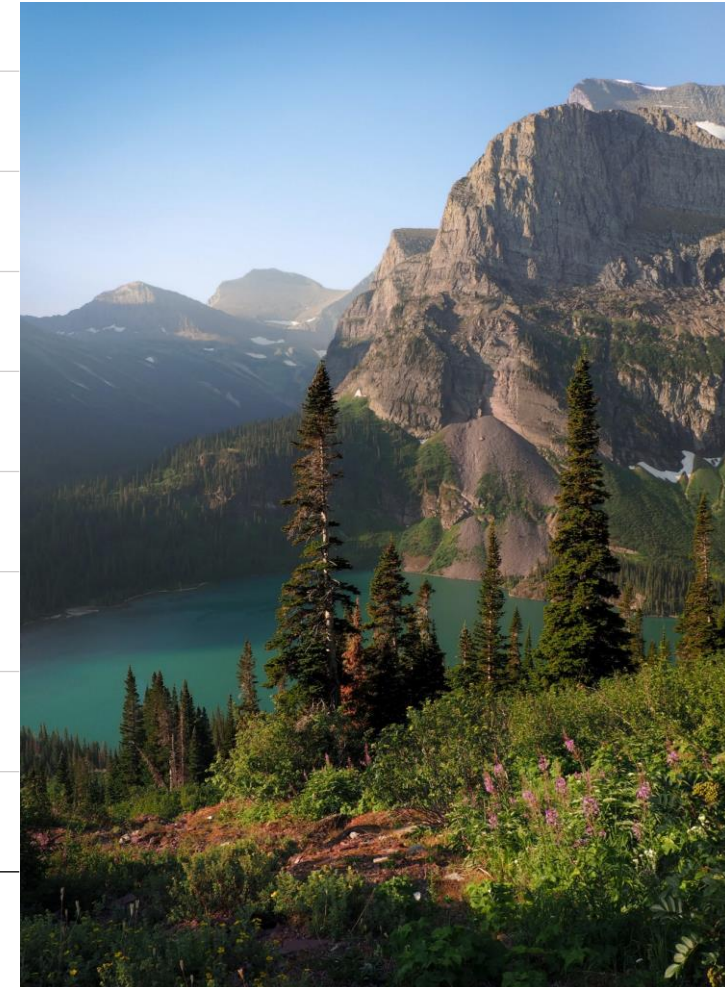


# Colorado Public Lands Visits

Colorado Public Land Visits, Millions, 2014-2024

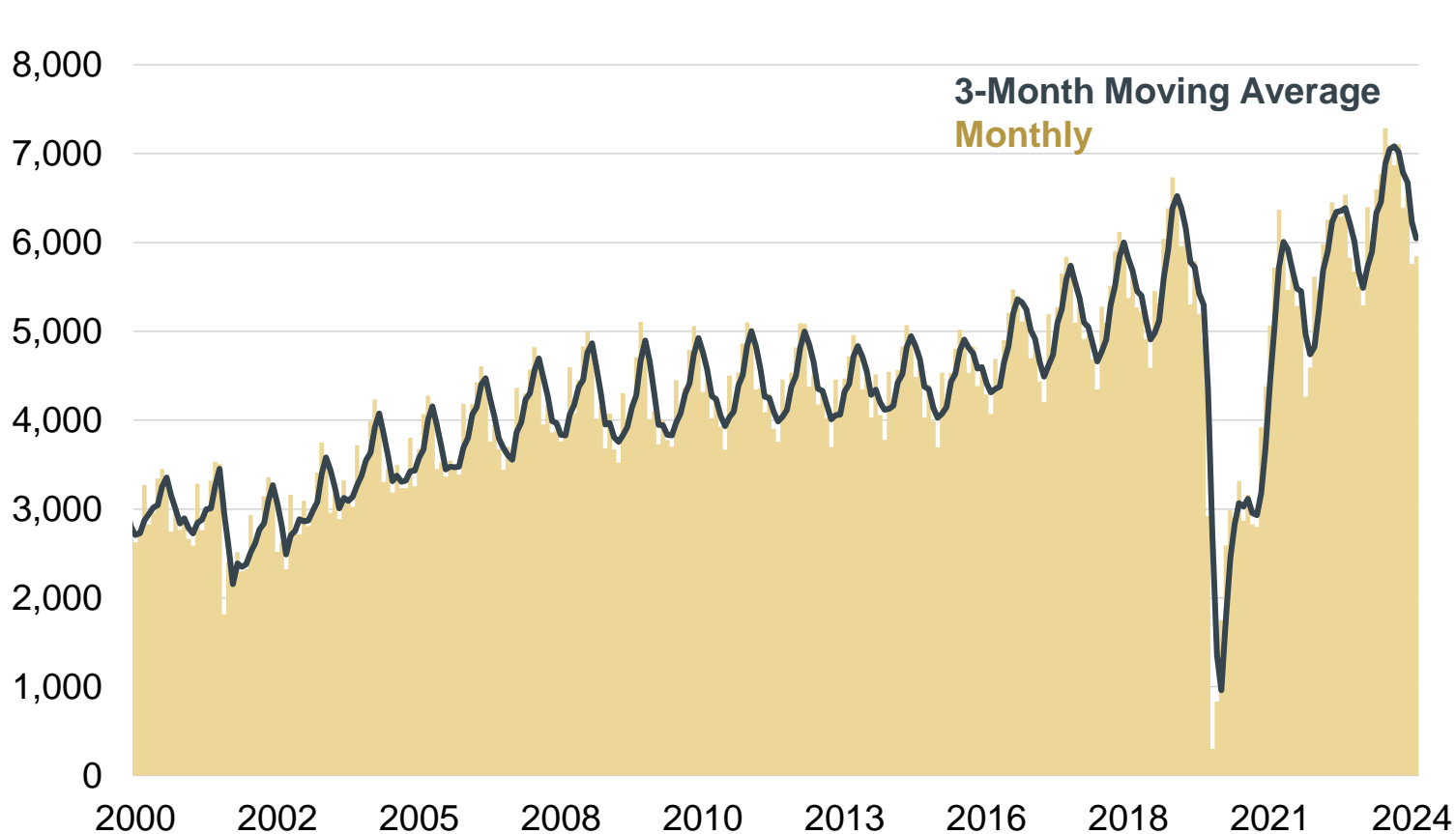


Sources: National Park Service and Colorado Business Economic Outlook Committee. Photo by Dylan Taylor on Unsplash

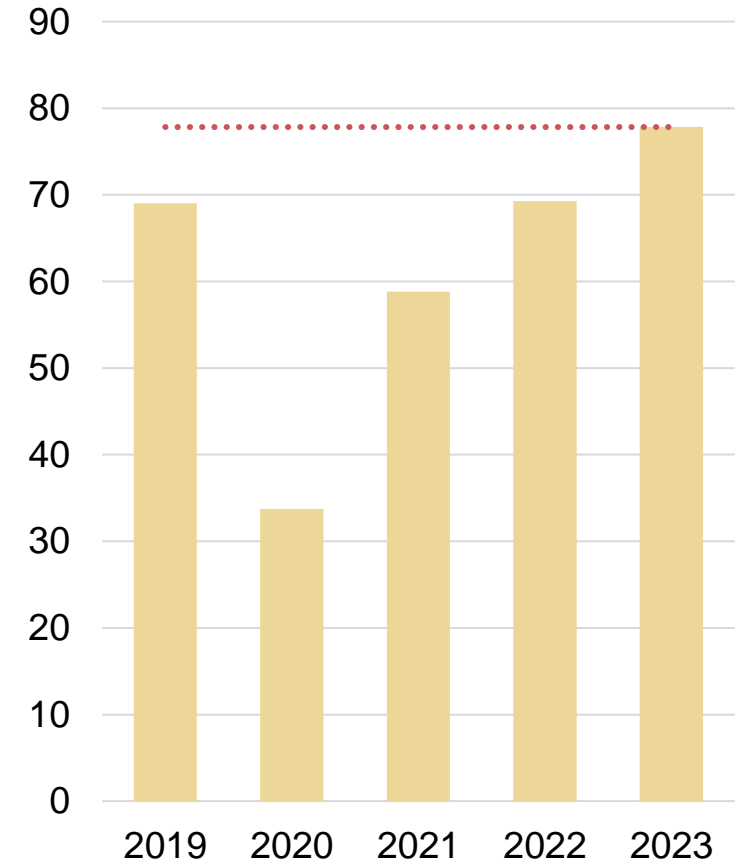


# DIA Enplanements and Deplanements

DIA Monthly Passenger Traffic, Thousands, 2000-2023

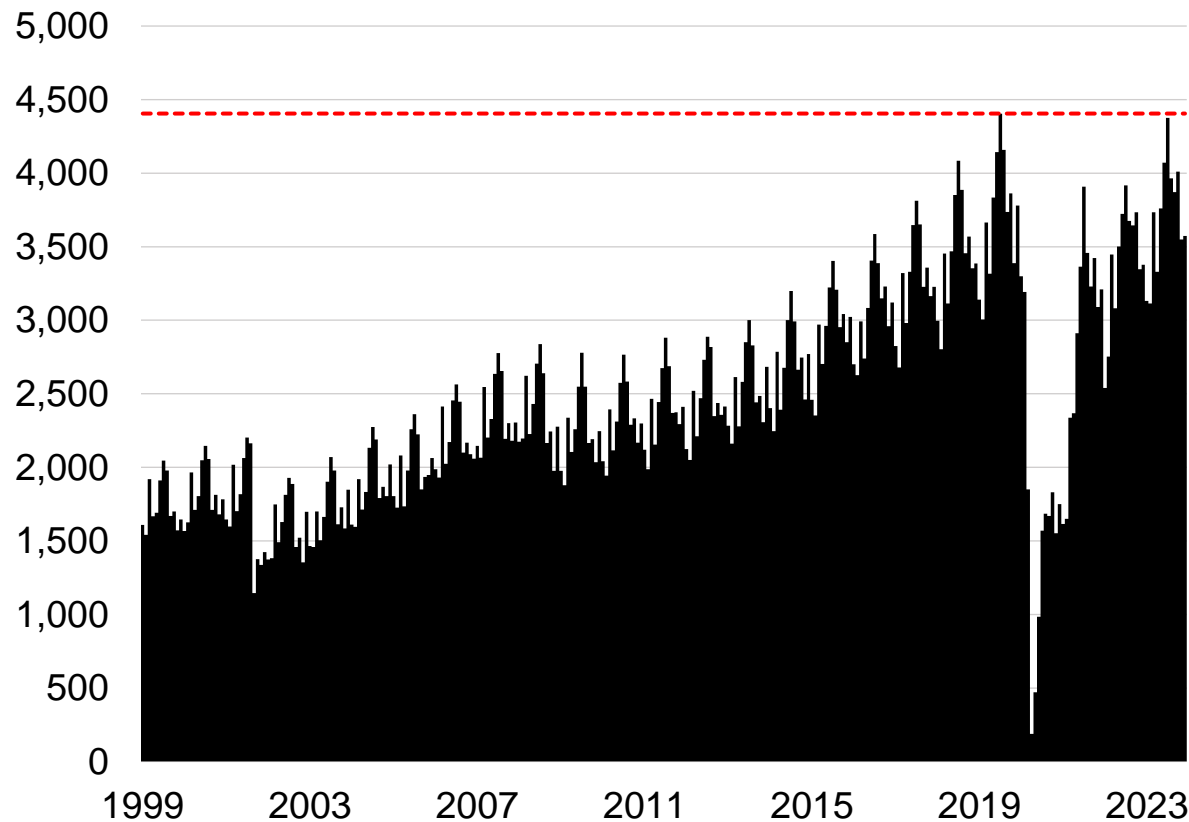


Annual (Millions)

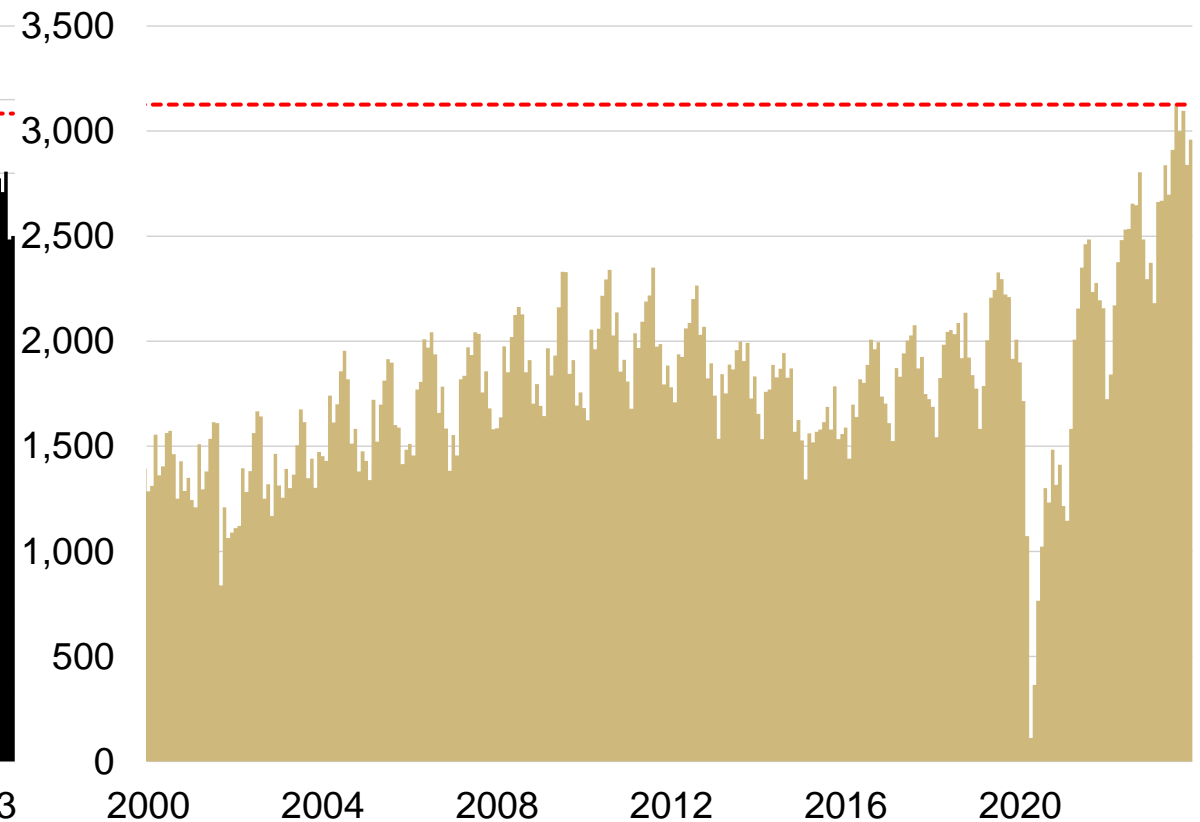


# DIA Enplanements and Deplanements

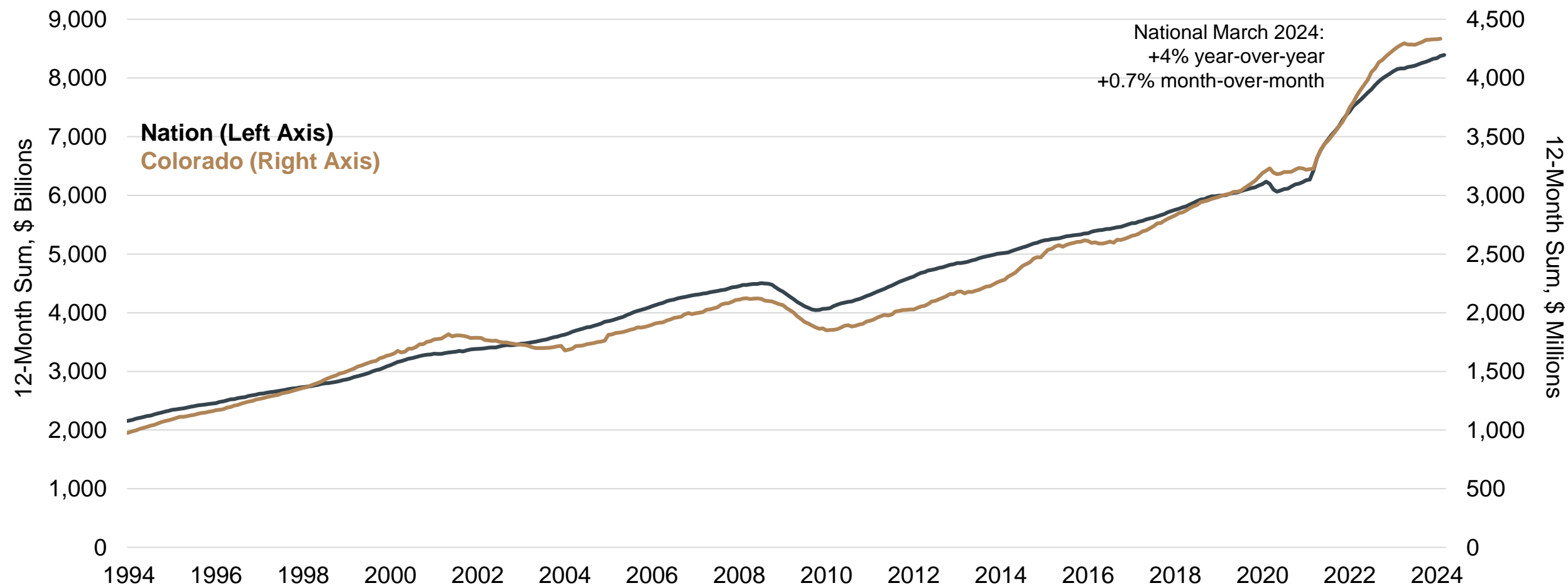
Originating and Destination, Thousands



Transfers, Thousands



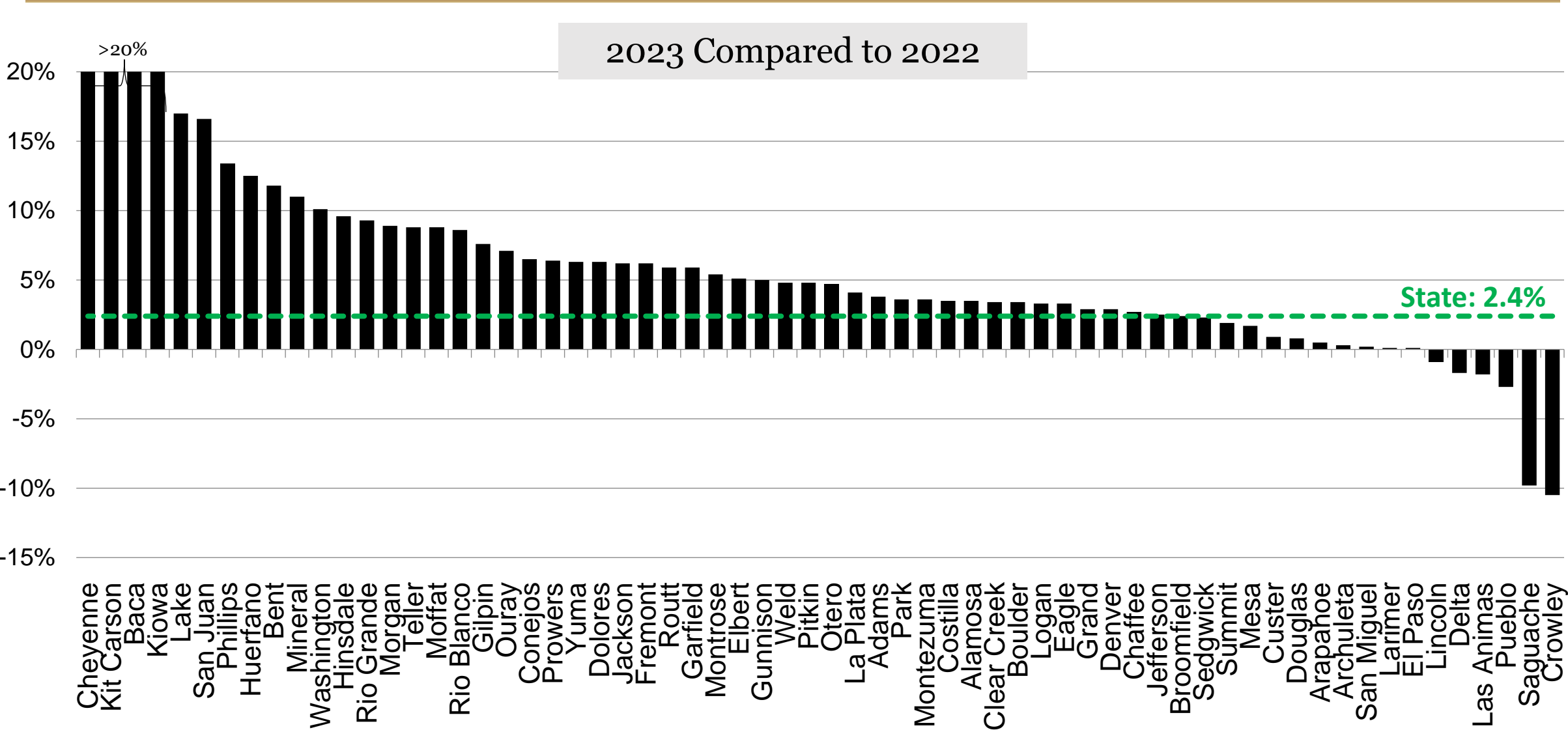
# National Retail Sales vs. Colorado Taxable Sales



Source: U.S. Census Bureau. Series not seasonally adjusted. Summary text seasonally adjusted.

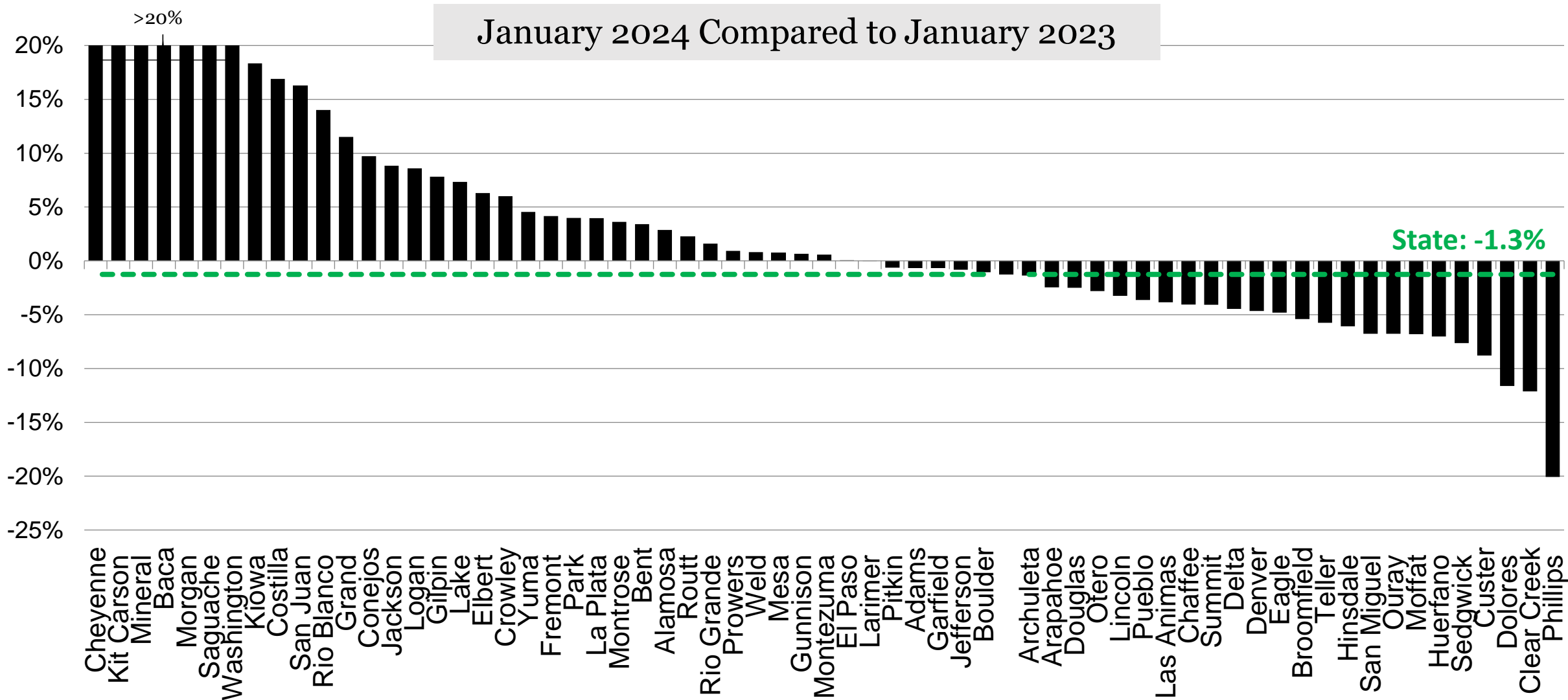


# State Taxable Sales 1-Year Change



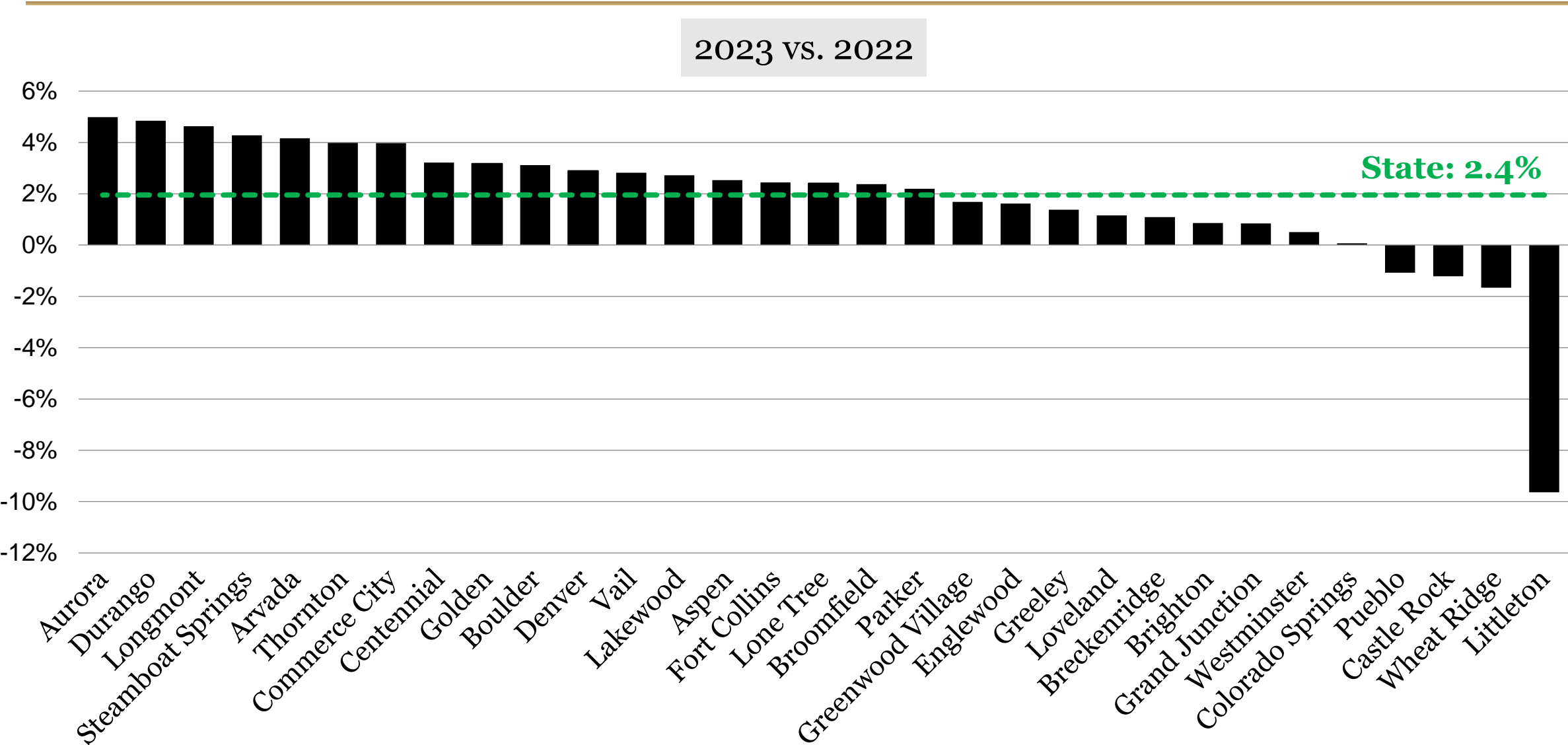
Source: Colorado Department of Revenue.

# State Taxable Sales 1-Year Change



Source: Colorado Department of Revenue.

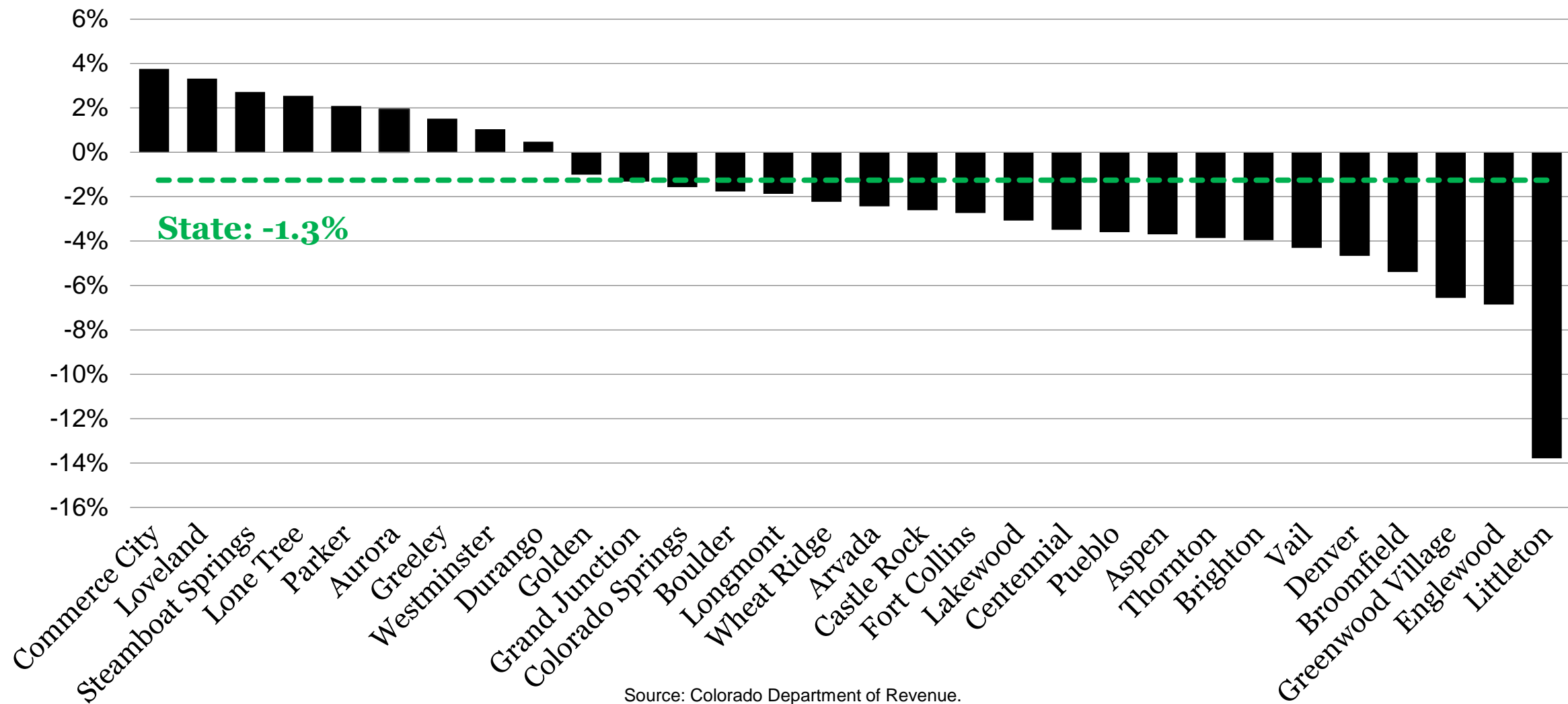
# State Taxable Sales Growth – 30 Largest City Collections



Source: Colorado Department of Revenue.

# State Taxable Sales Growth – 30 Largest City Collections

January 2024 vs. January 2023



Source: Colorado Department of Revenue.

# Indicators

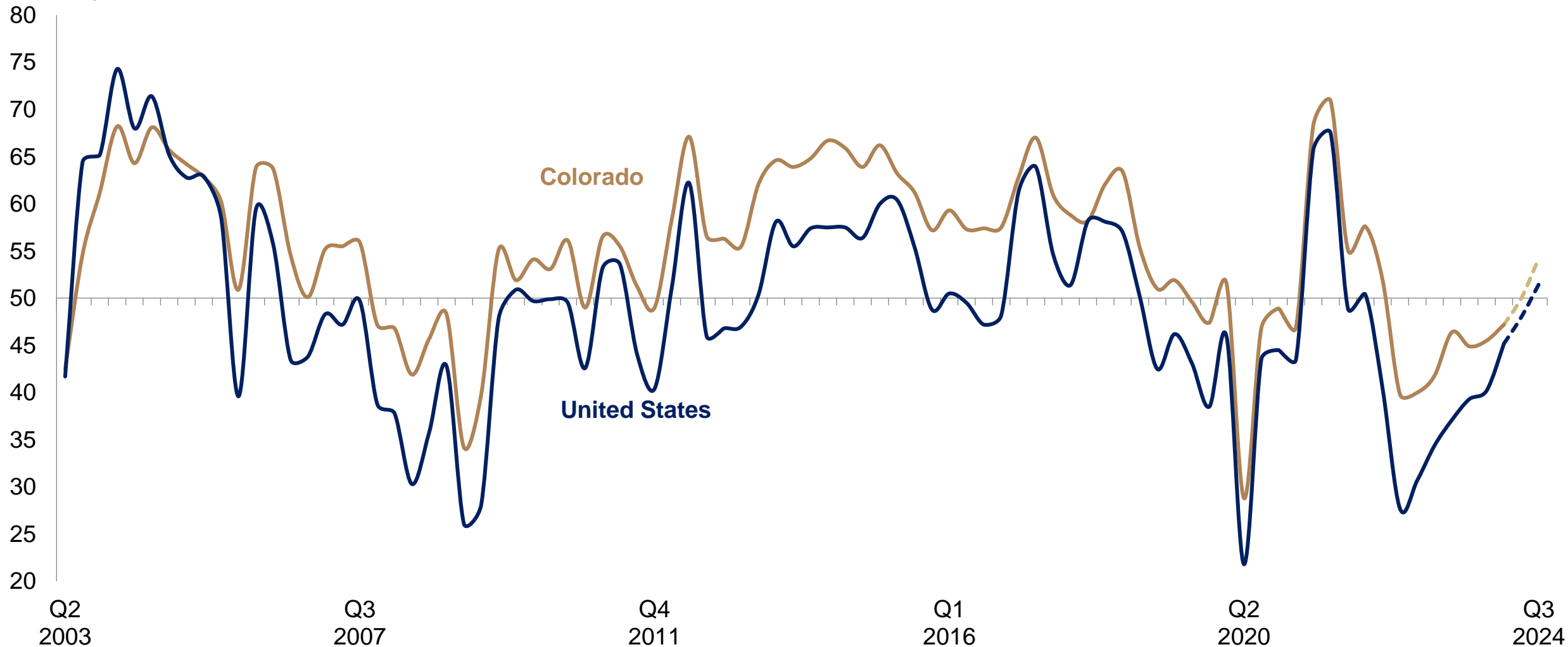
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Photo by Riccardo Annandale on Unsplash.

# National and State Expectations

Index (50=Neutral)



Source: LBCI



# BRD Publications and Confidence Index

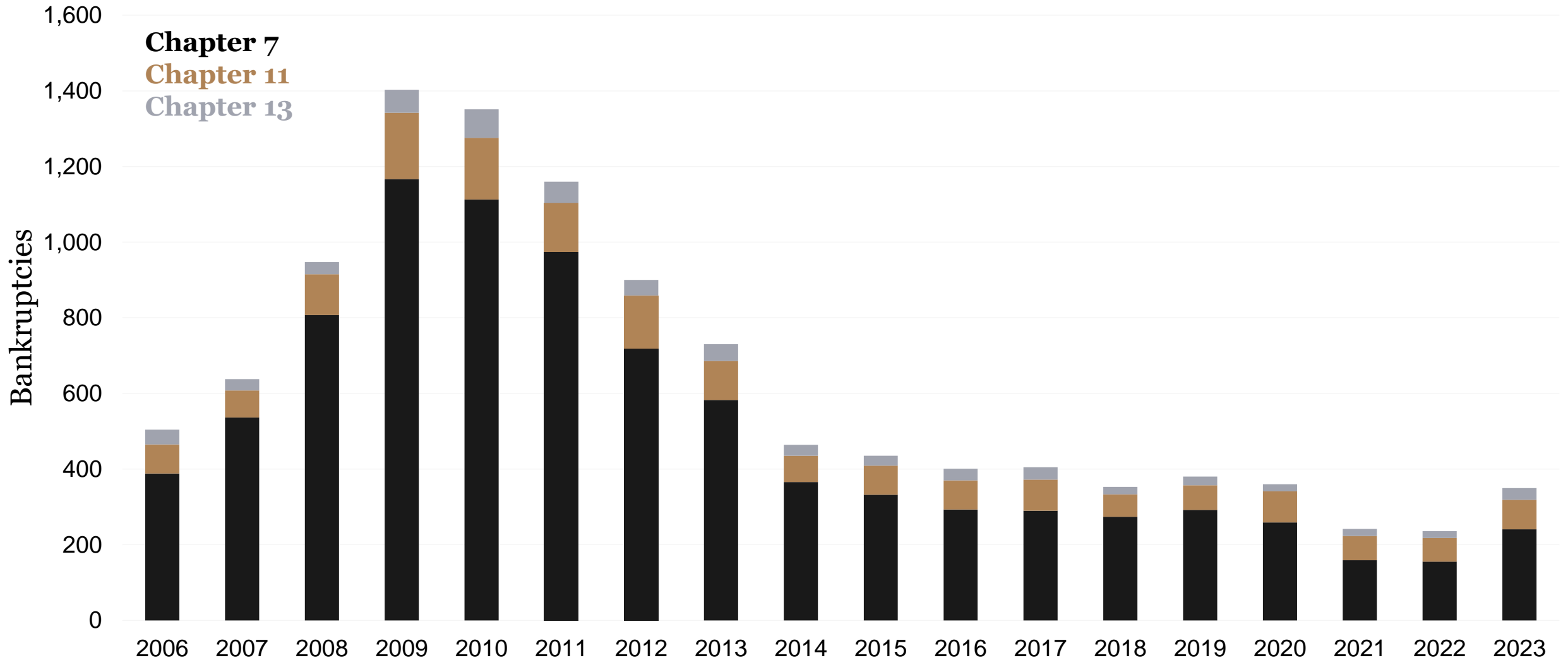
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Register and Receive Free Access to:

- Colorado Business Economic Outlook
- Colorado Business Review
- Leeds Business Confidence Index
- Quarterly Indicators Report
- Research Publications

# Colorado Bankruptcy Filings



Sources: U.S. Bankruptcy Courts.

## Tailwinds

Employment Growth  
Key Industry Clusters  
Productivity  
Consumption  
Energy  
Income Growth  
Infrastructure Spending

## Headwinds

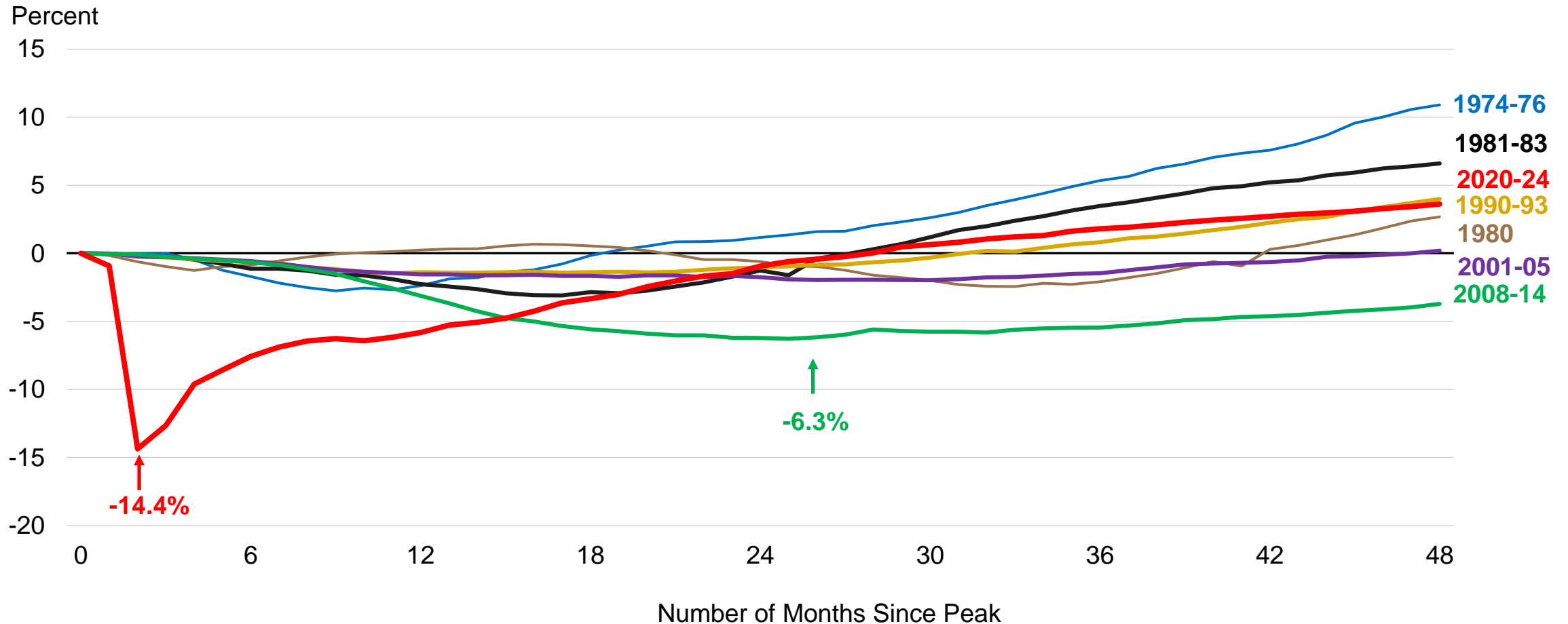
Inflation  
Property Taxes  
Commercial Real Estate  
Interest Rates  
Worker Shortages  
Fed Policy  
Demographics  
Fiscal Cliff  
Climate Change  
War  
Water

## Unknowns

AI  
Labor Participation  
Supply Chain Disruptions  
Human Behavior  
Global Trade  
Remote Work  
Consumption

# Months to Recovery from Recessions

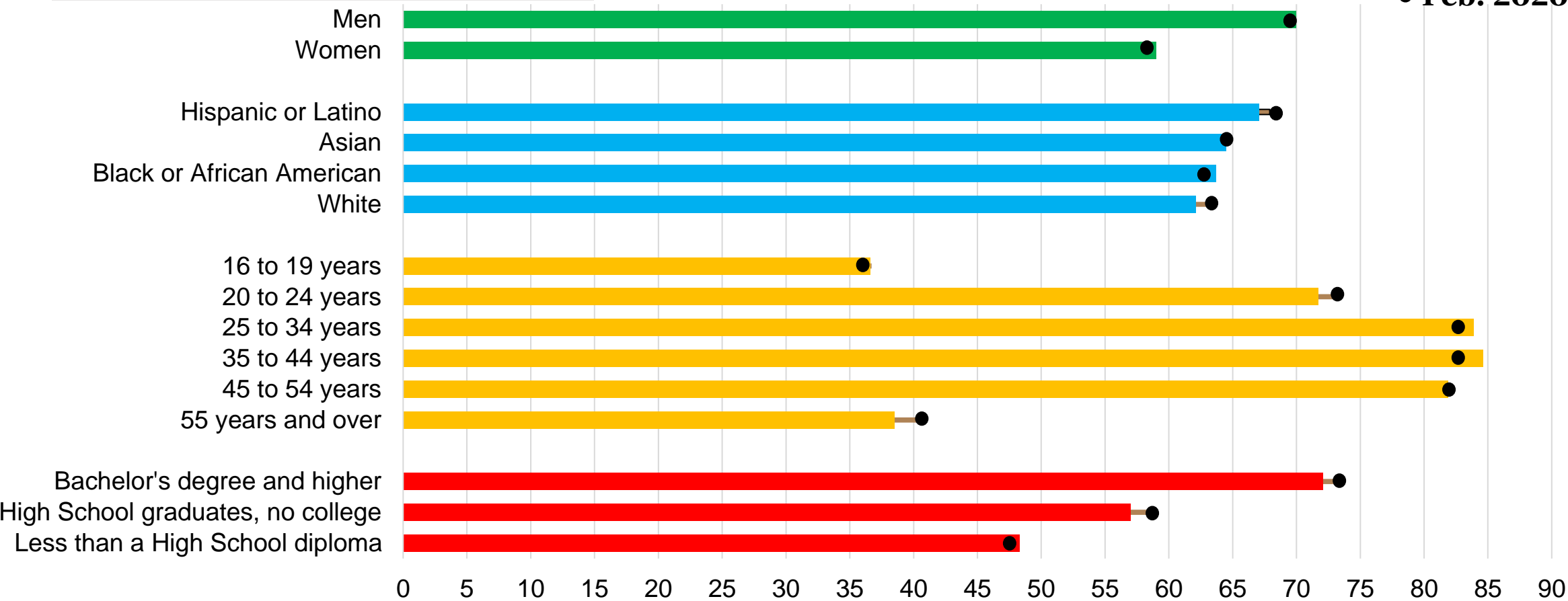
U.S. Nonfarm Employment, Number of Months Since Recession Peak



# National Labor Force Participation Rate

Percent, Feb. 2024 v. Feb. 2020

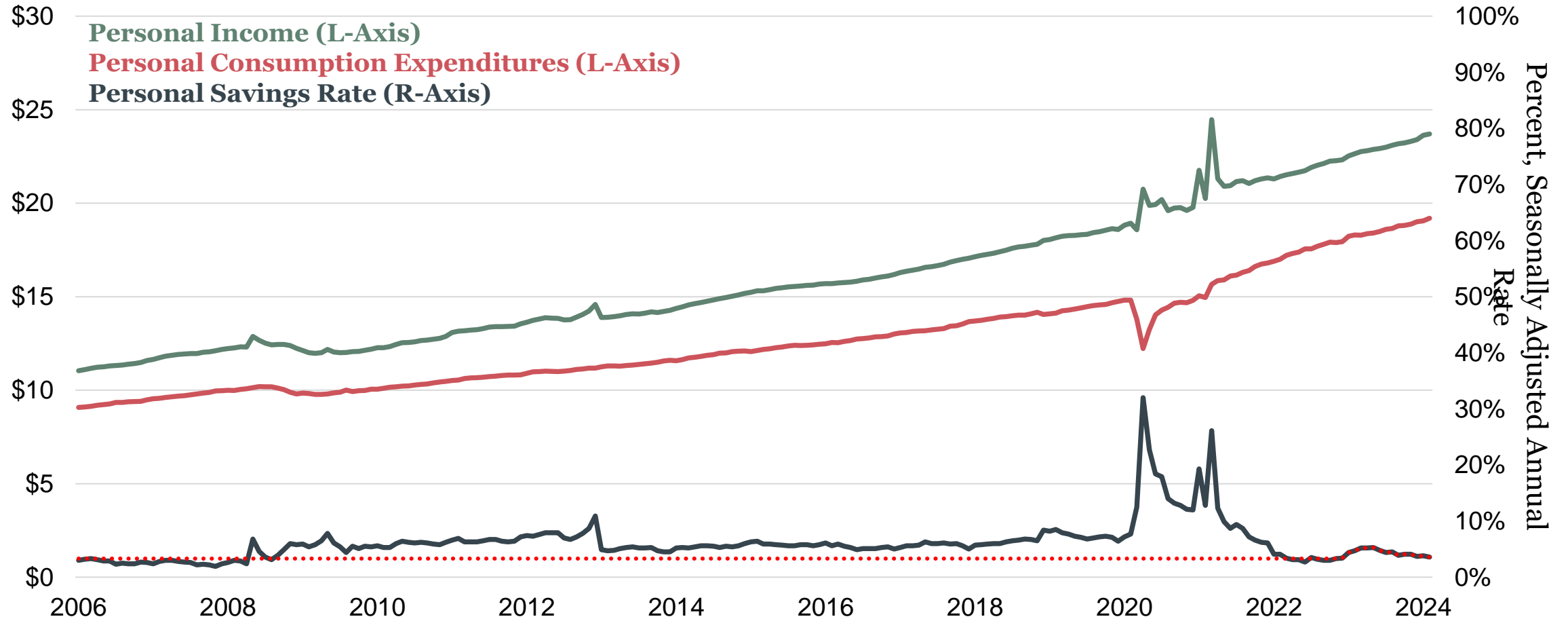
• Feb. 2020



Source: Bureau of Labor Statistics, Seasonally Adjusted.

# Personal Income and Savings

Trillions, Seasonally Adjusted Annual Rate

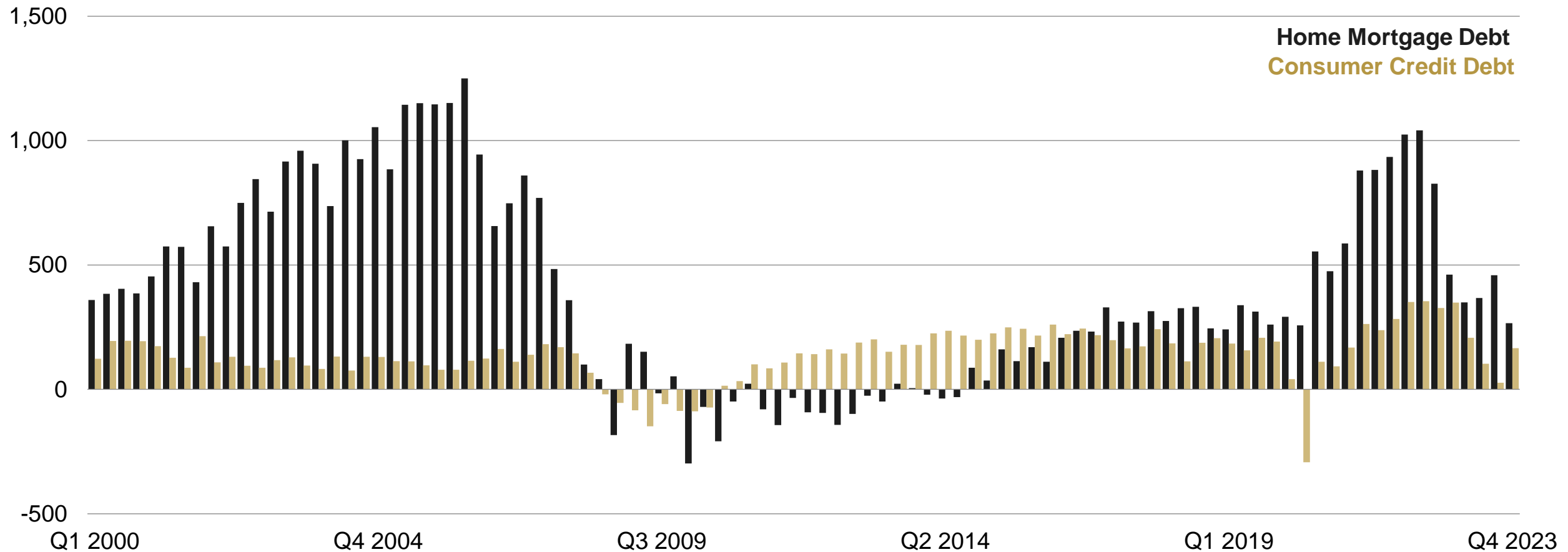




# Household Debt Growth

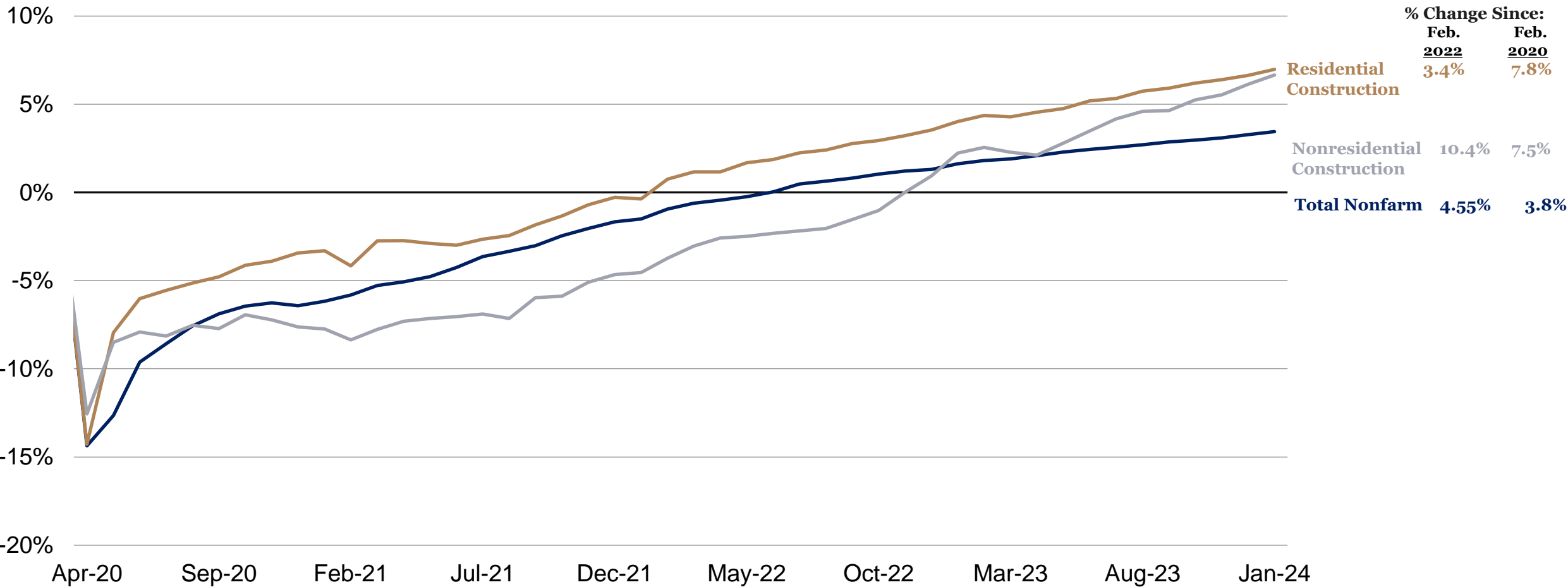
\$ Millions

Home Mortgage Debt  
Consumer Credit Debt

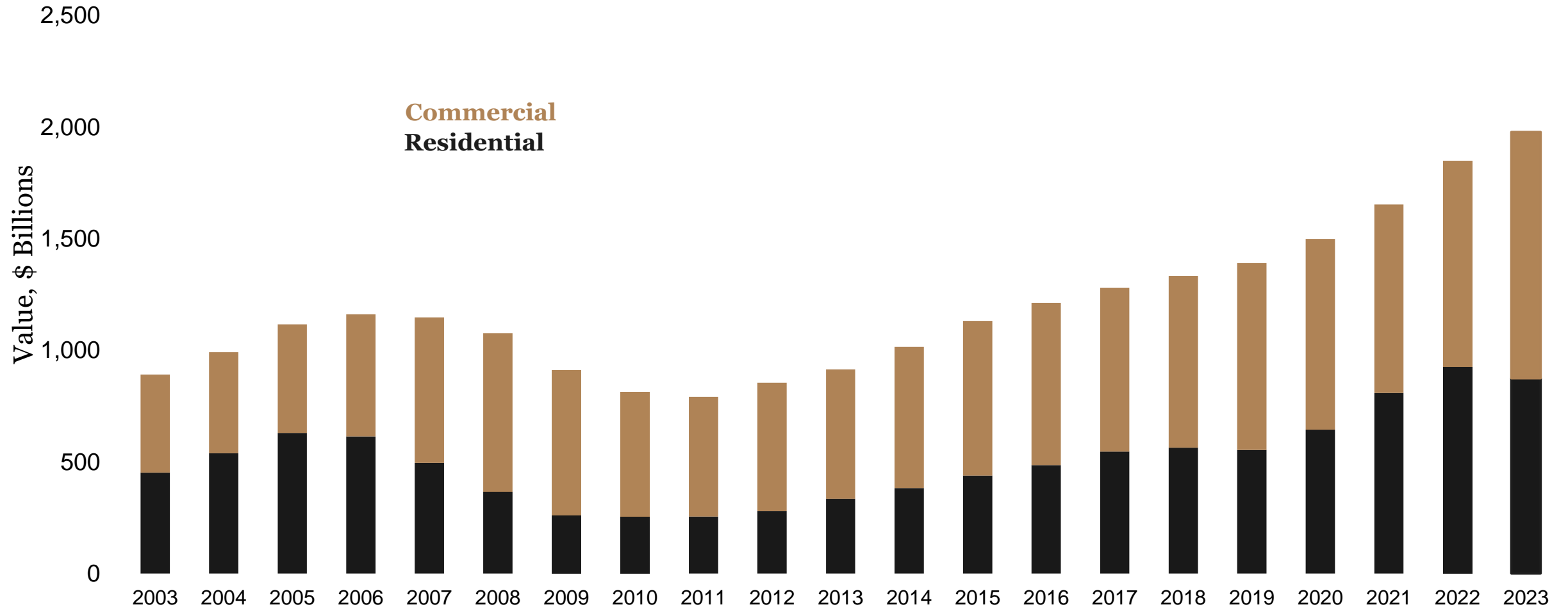


# Total Nonfarm and Construction Employment

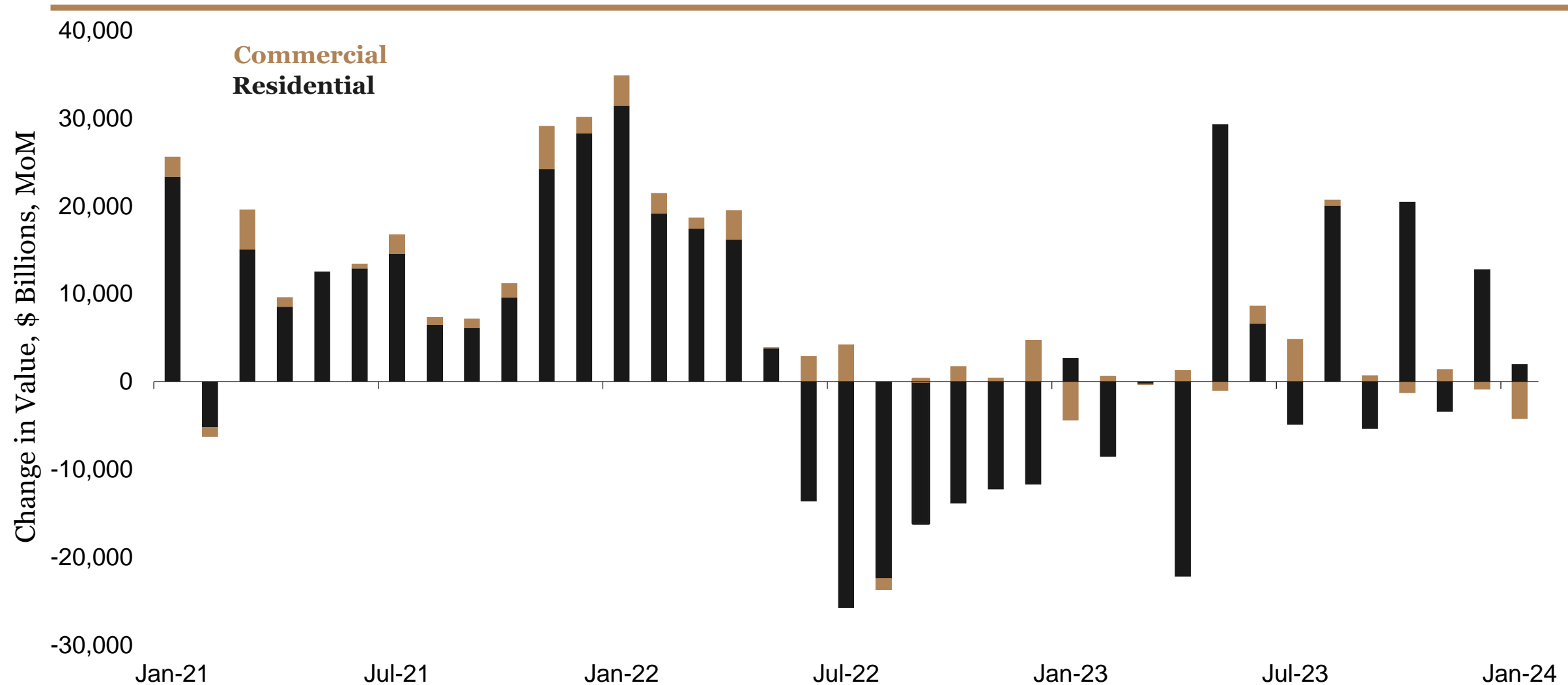
February 2020 – March 2024, Cumulative Change



# National Value of Construction

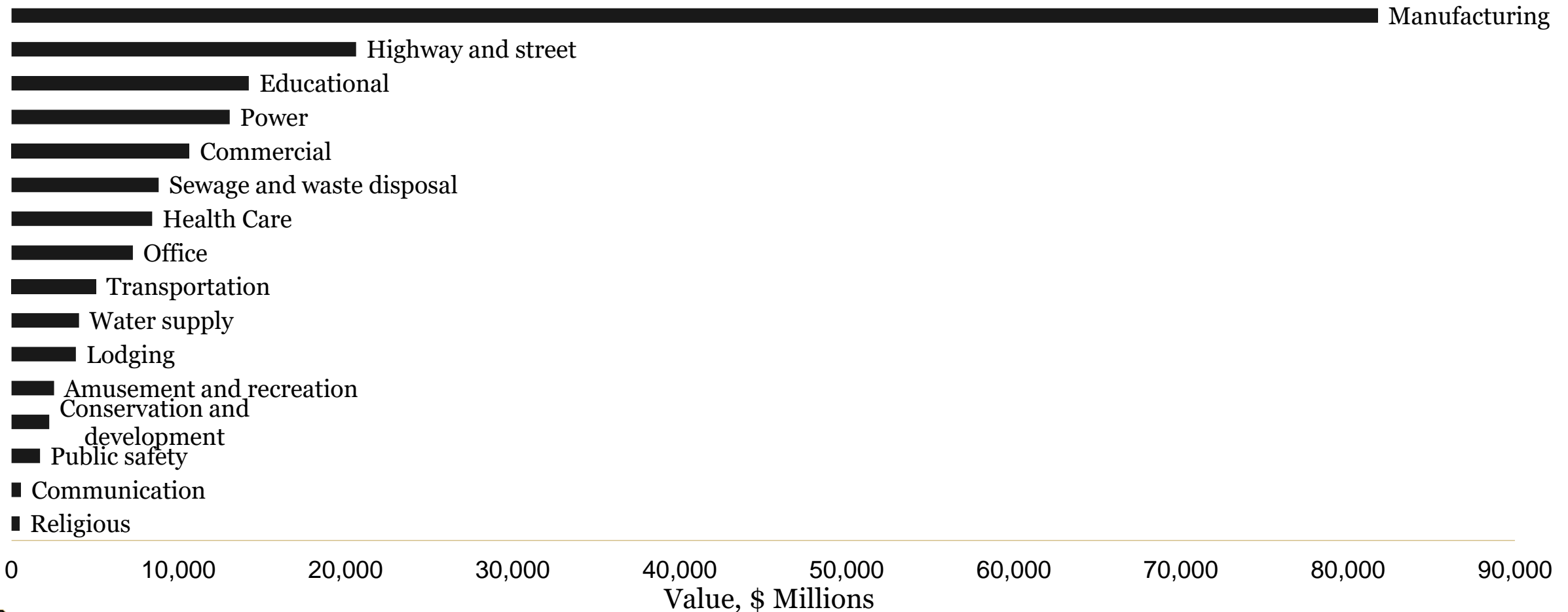


# National Value of Construction

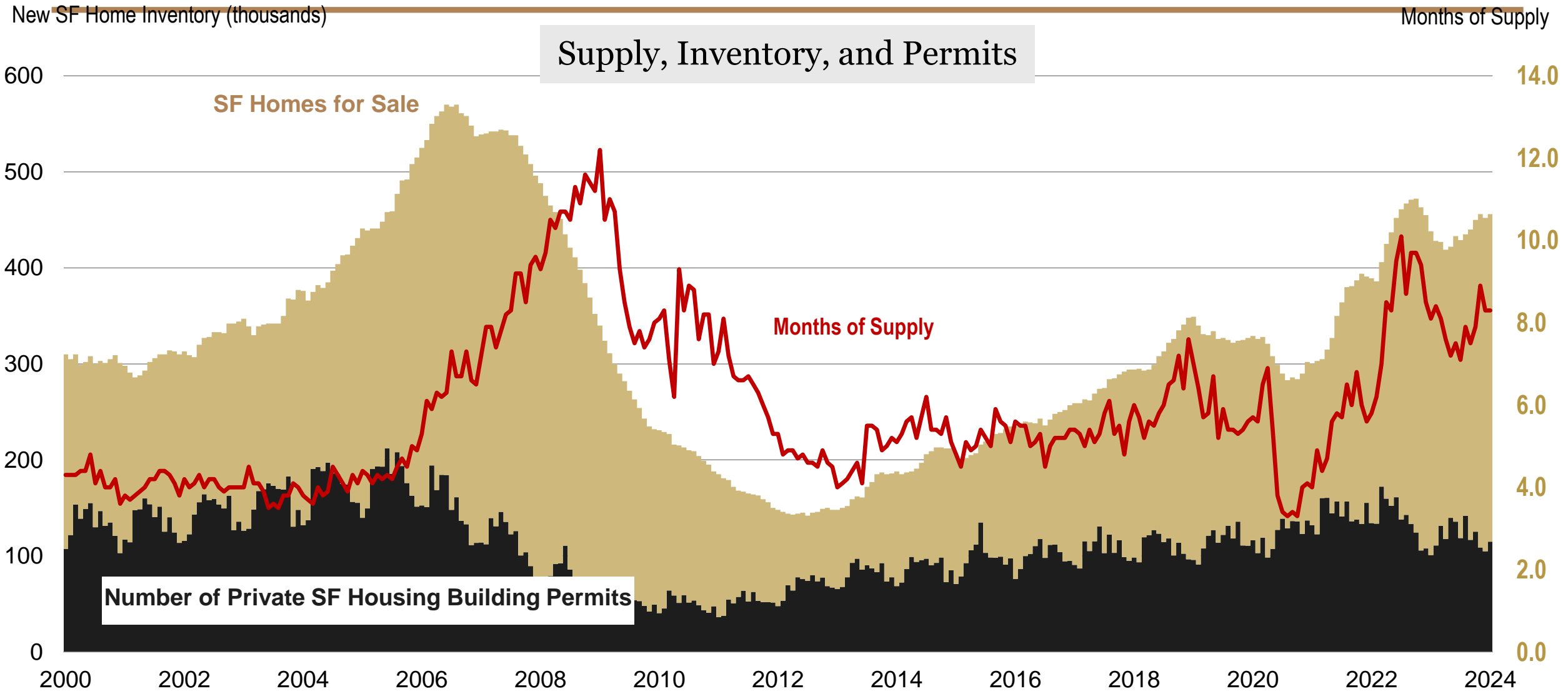


# Change in National Value of Construction Put in Place

2023 Year-over-Year

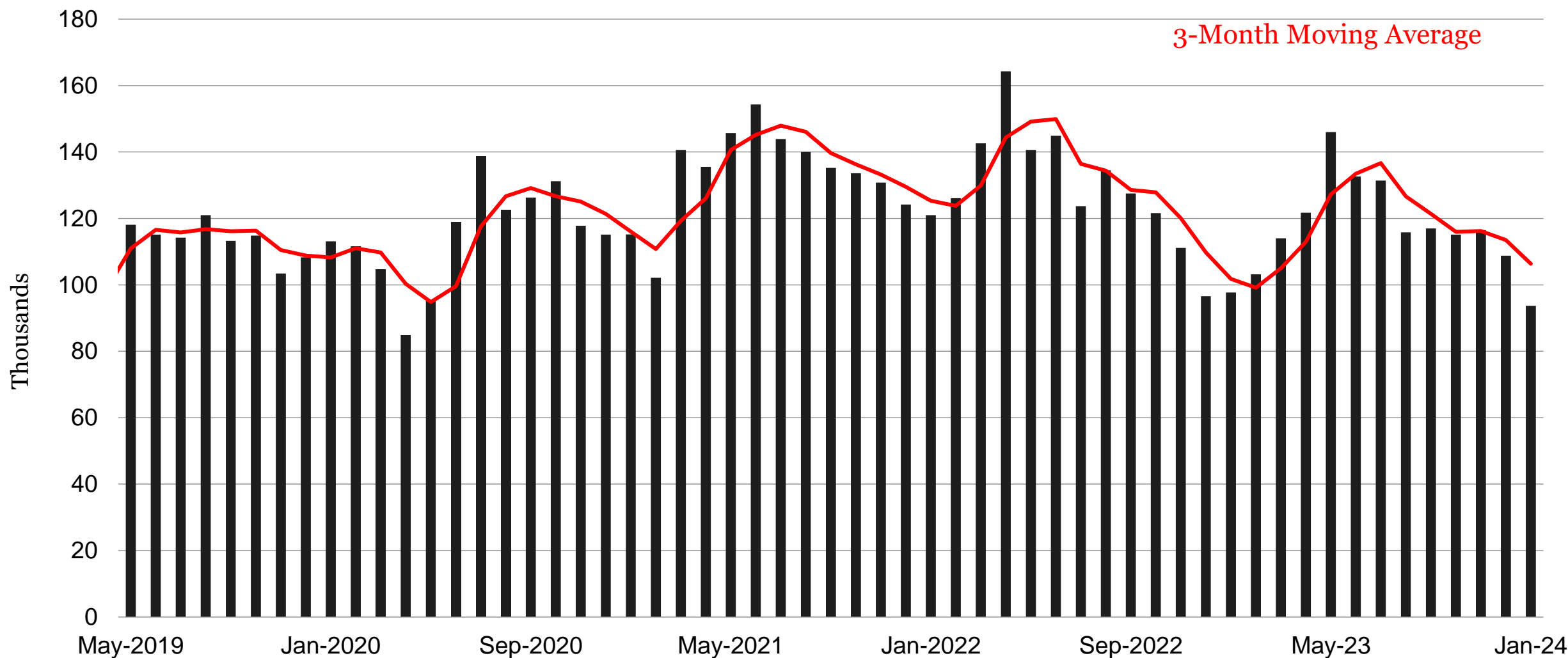


# U.S. Housing

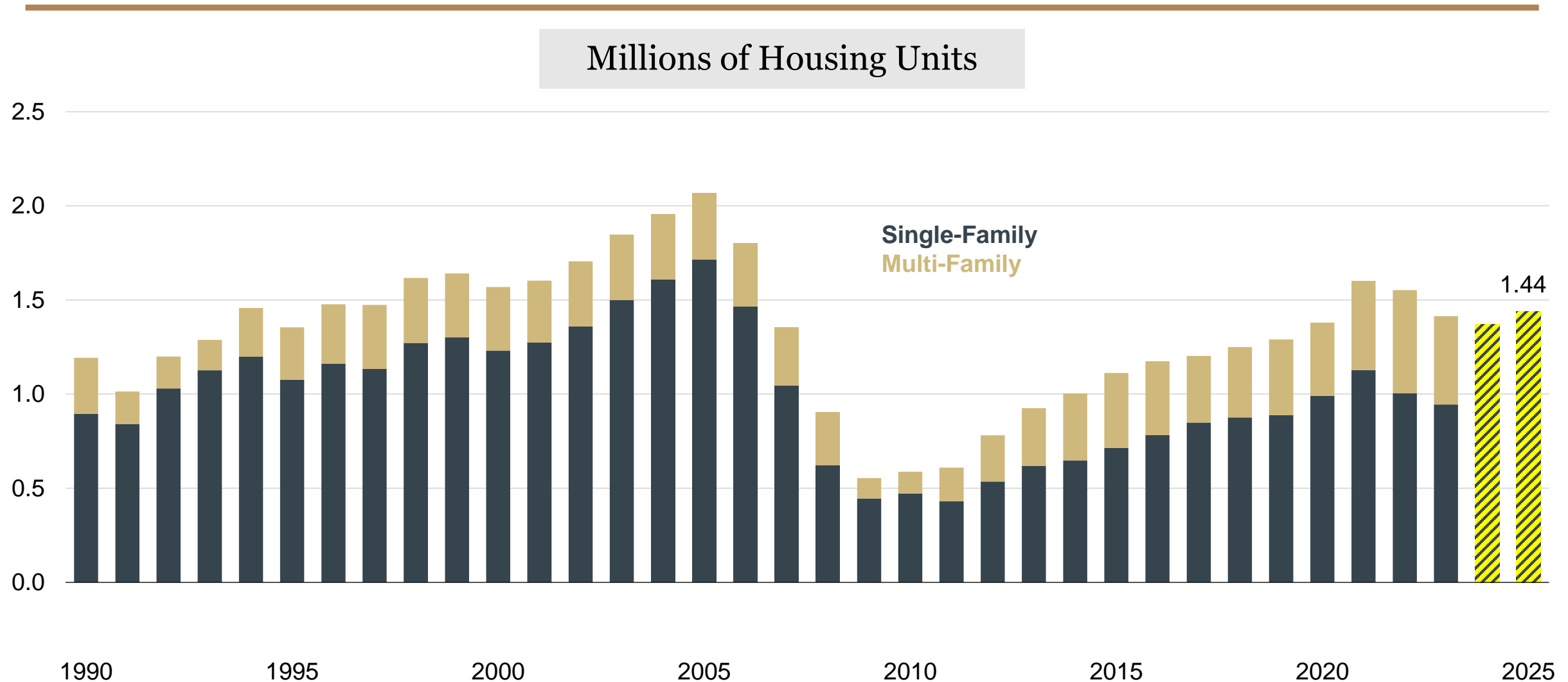




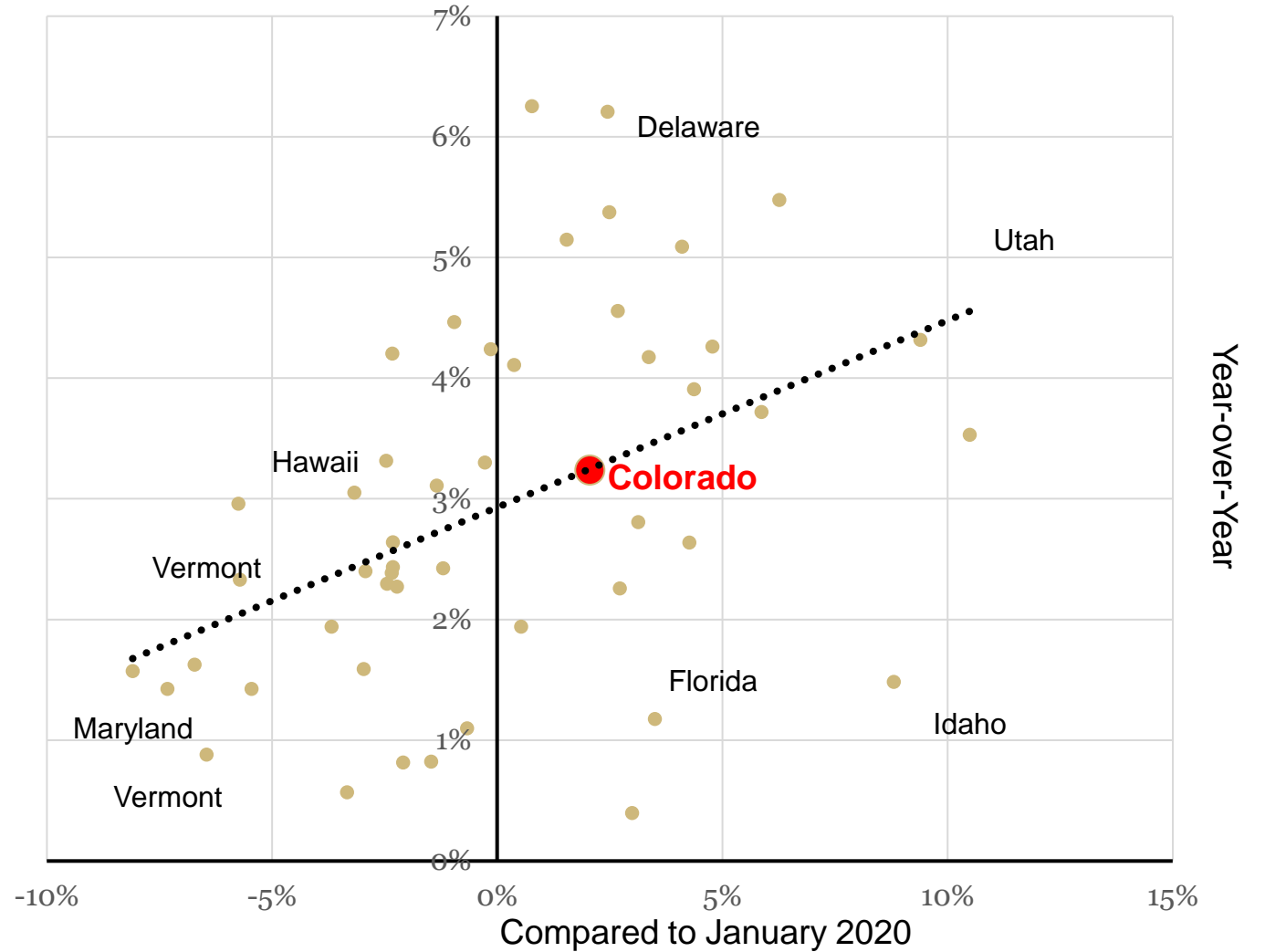
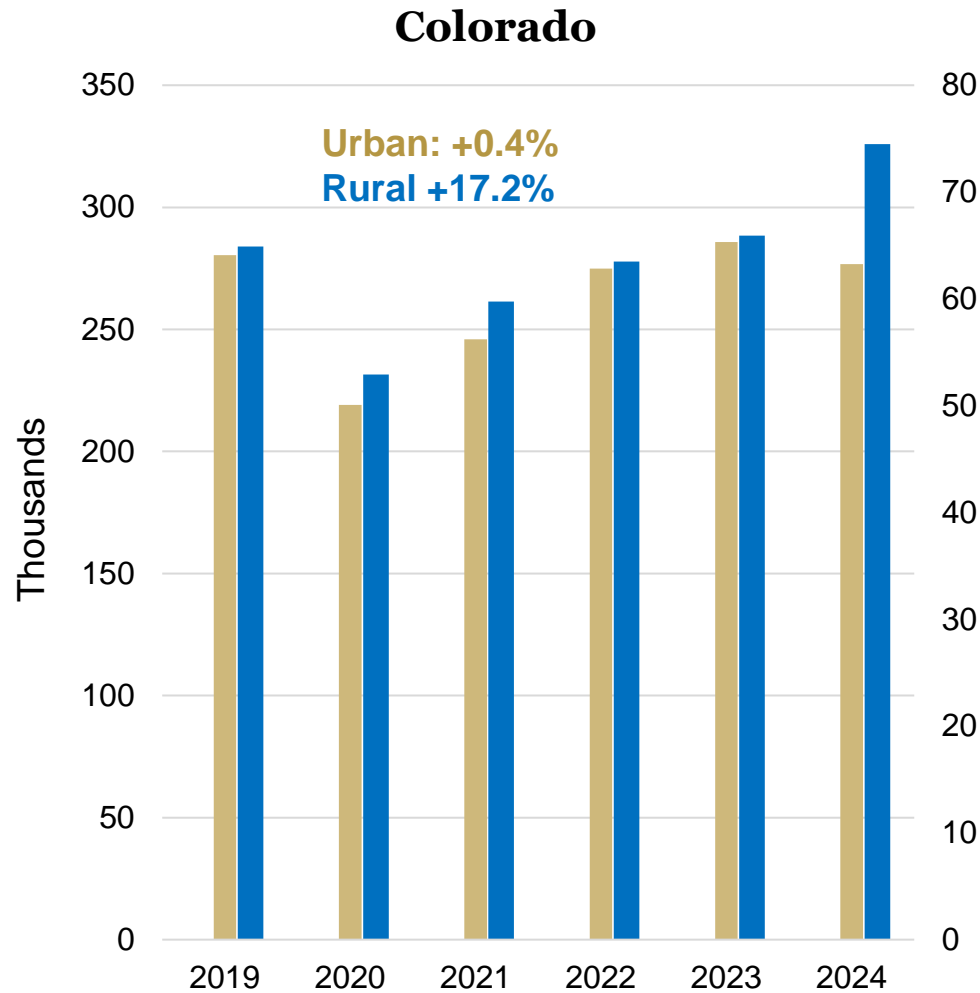
# National Housing Starts



# National Housing Starts



# Tourism Covered Employment



Source: Bureau of Labor Statistics.