



Swimming Through Uncertainty: Understanding
Today's Economic Currents

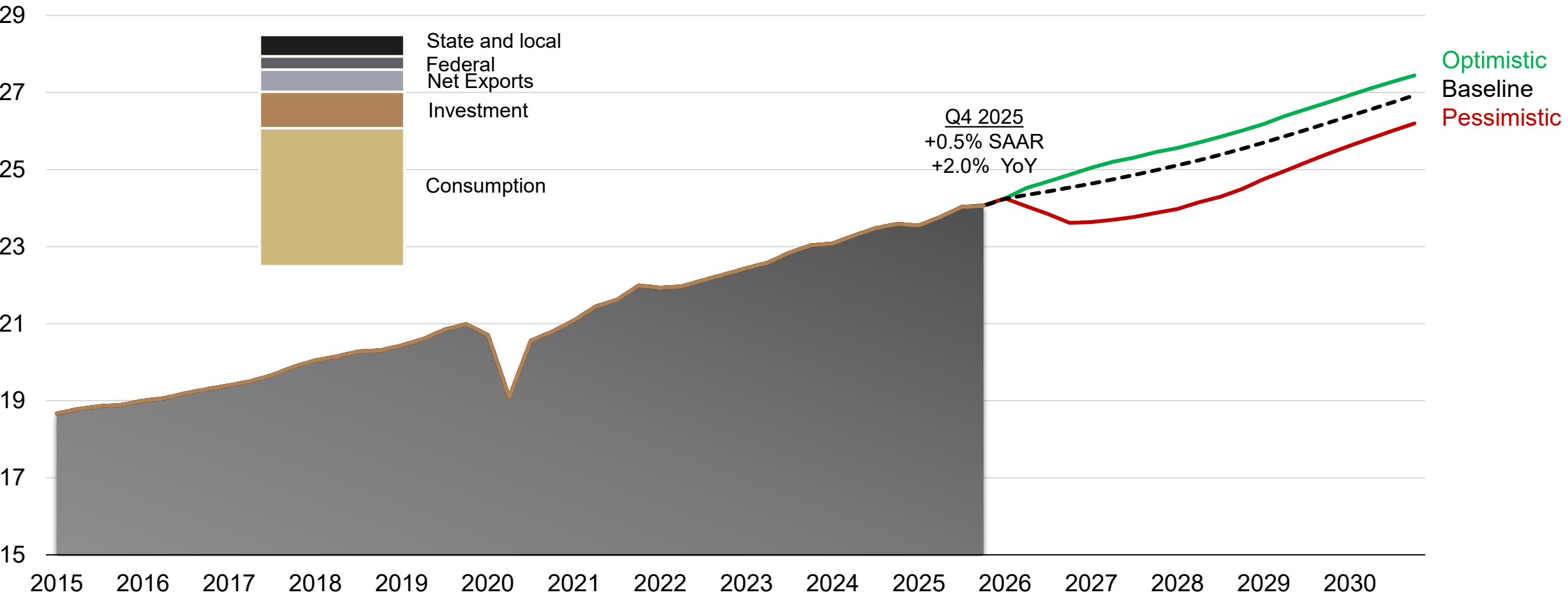
Colorado City and County Management Association

Richard Wobbekind

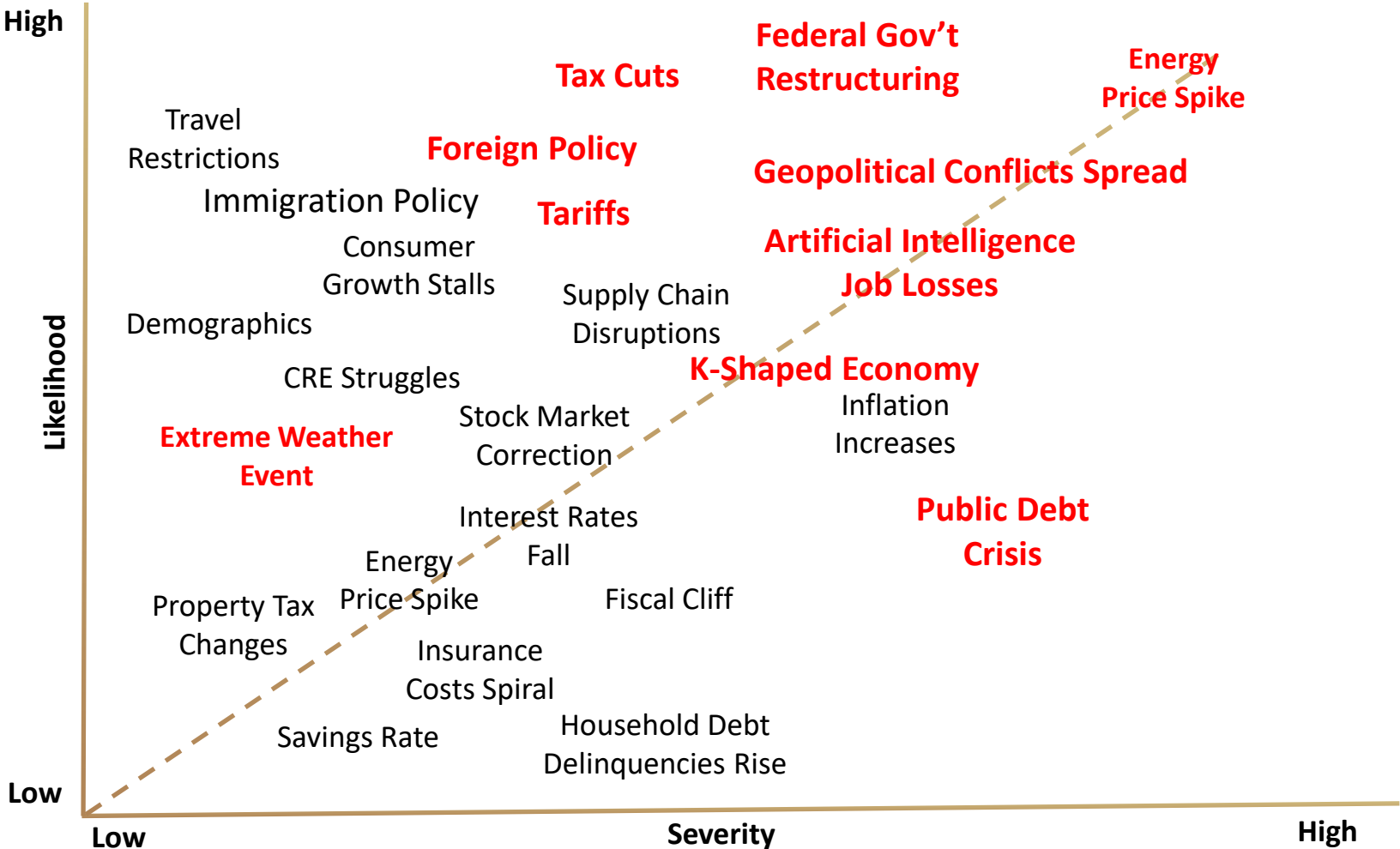
Senior Economist and Associate Dean for
Business and Government Relations
Business Research Division
University of Colorado Boulder

U.S. Real GDP

U.S. Quarterly GDP, \$ Trillions



Risks



National Economic Signals Mixed



GDP slowed in Q4



Employment stagnating



ISM Mfg above 50 for 3 months



Confidence down



Consumption up



Inflation grew faster



Debt and delinquencies growing



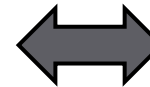
Business confidence decreased



Interest rates remain same



Industrial production leveling



Capacity utilization flat



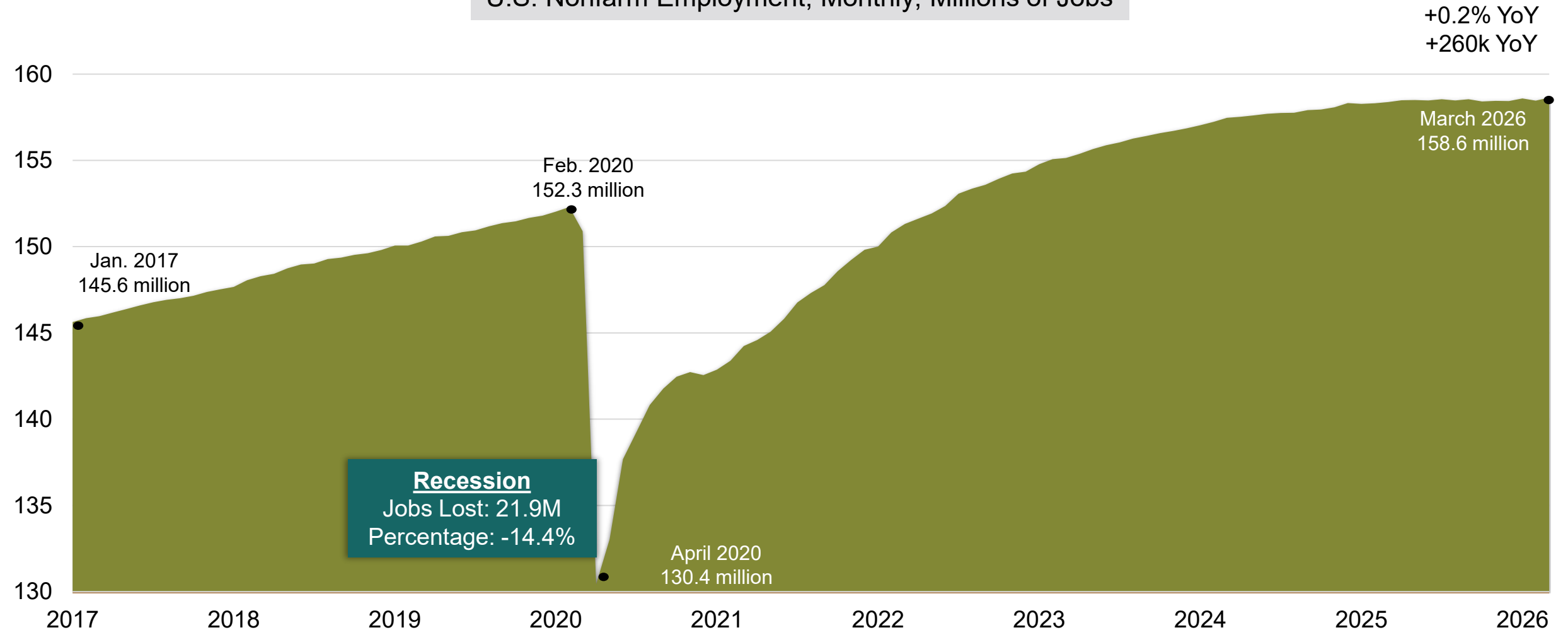
Labor force grew



Employment

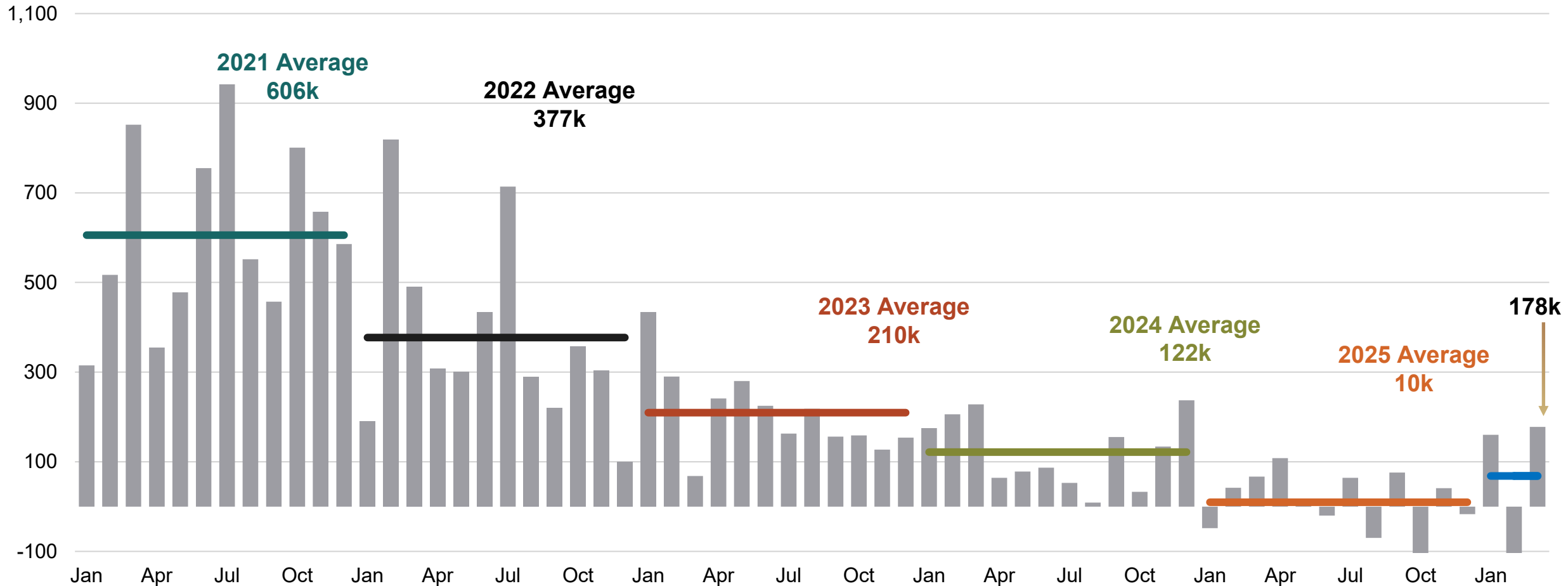
U.S. Nonfarm Employment

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



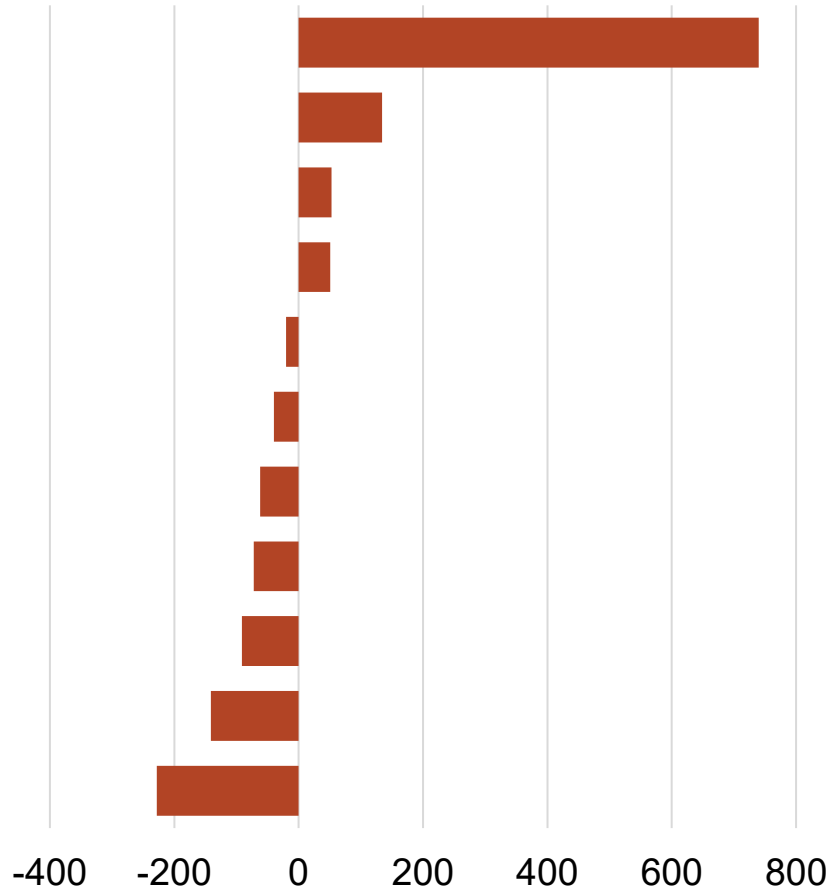
U.S. Nonfarm Employment Growth

Thousands of Jobs Added Per Month



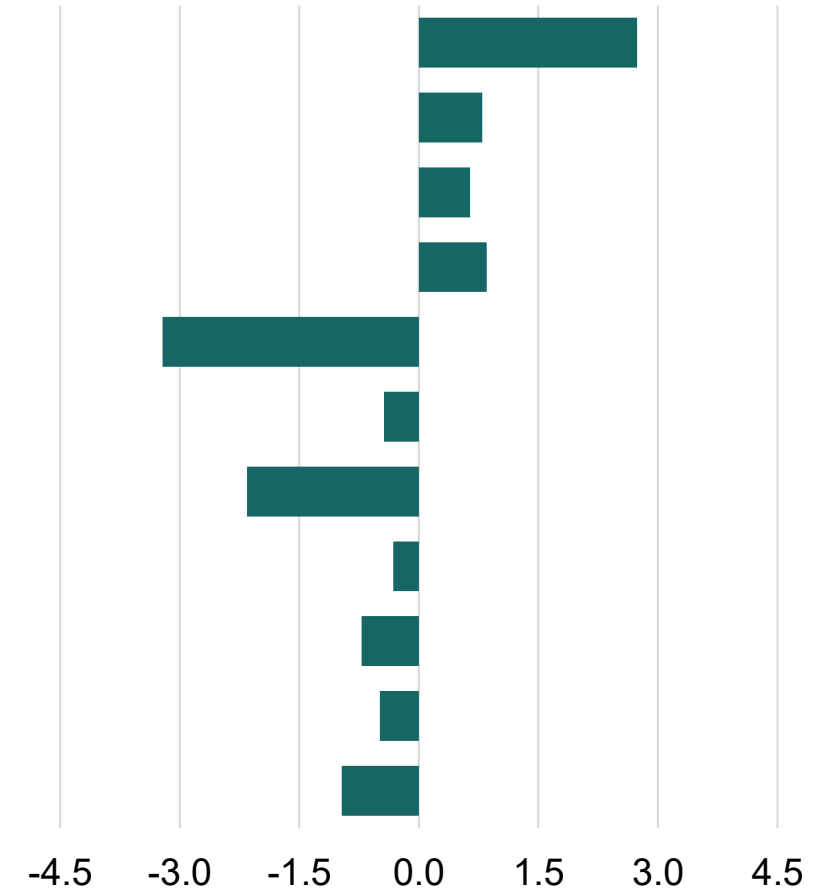
U.S. Employment Change January 2026 YoY

Jobs Added, Thousands



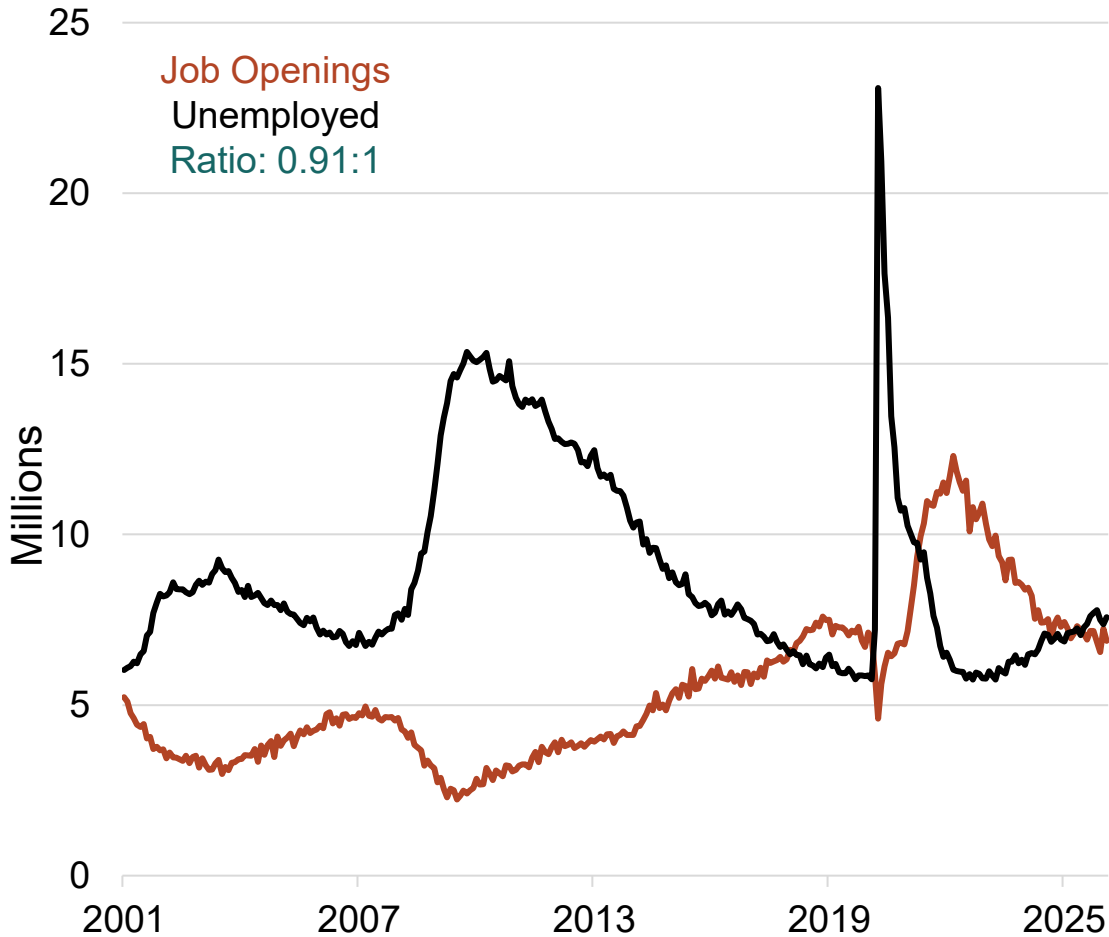
Percent Change

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

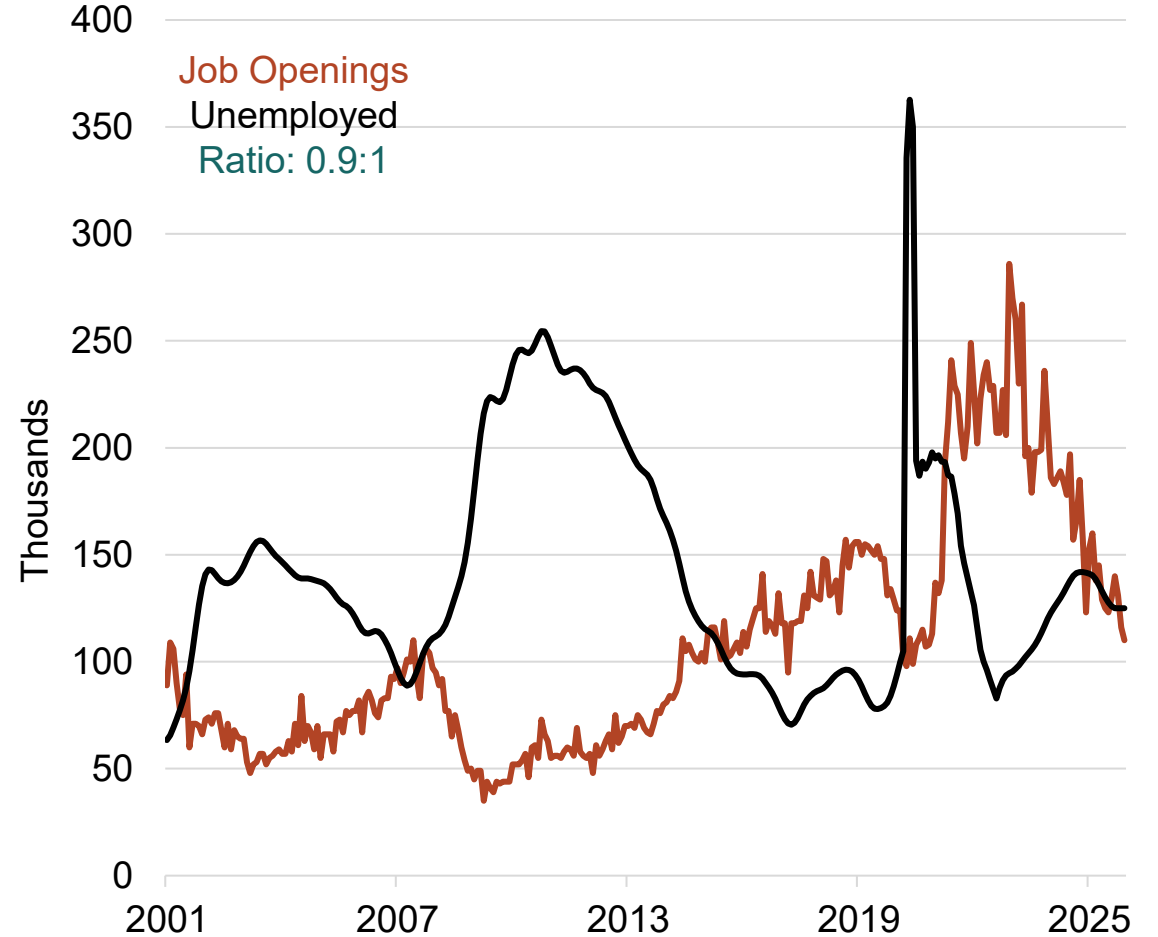


Labor Market

United States



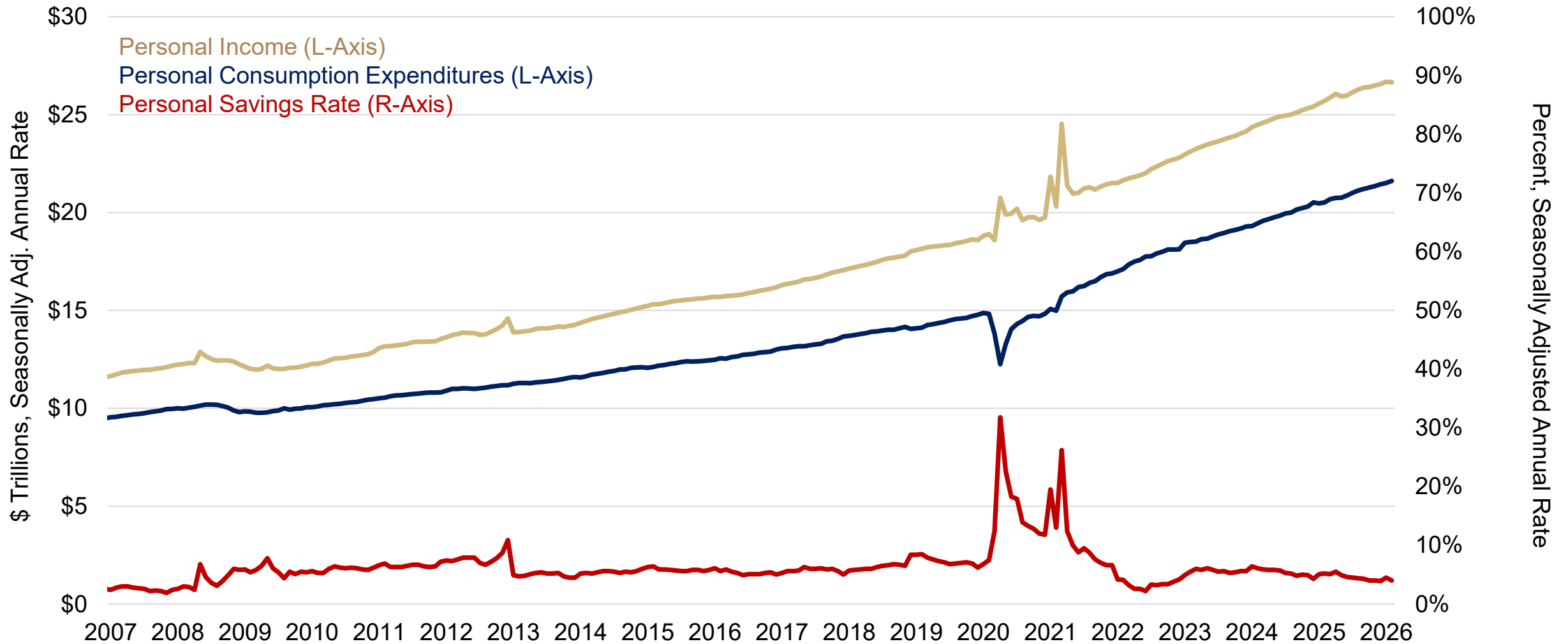
Colorado



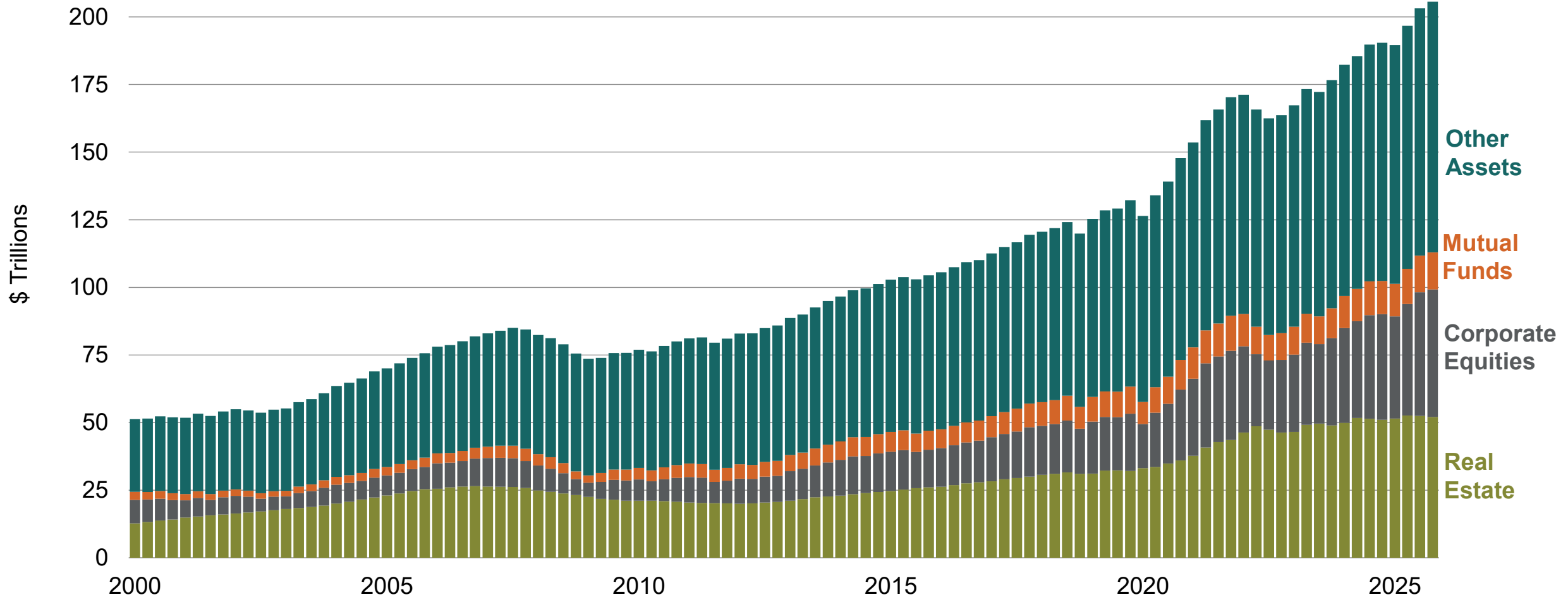


Income, Consumption, and Prices

Personal Income and Savings

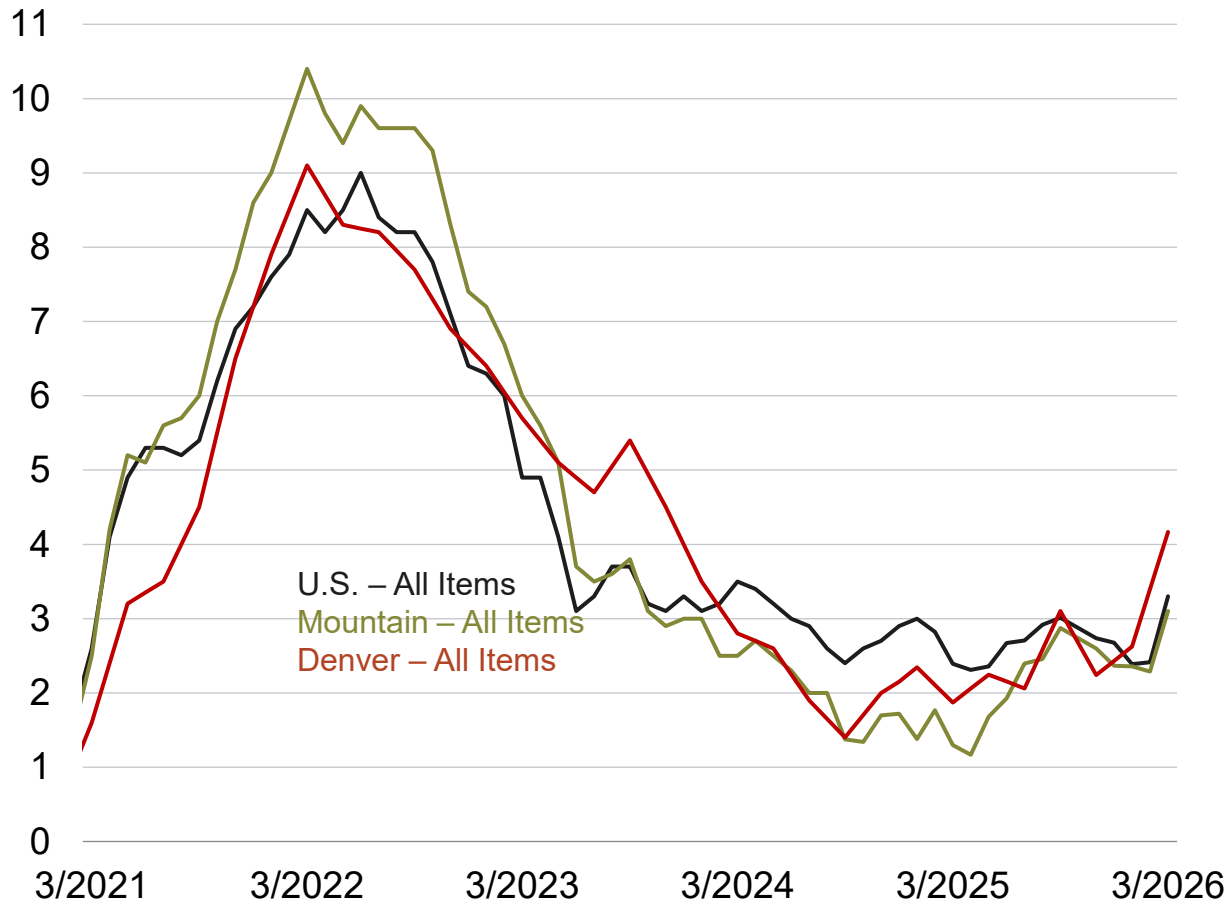


Household and Nonprofits Wealth



Inflation

Consumer Price Index, % Change Year-Over-Year

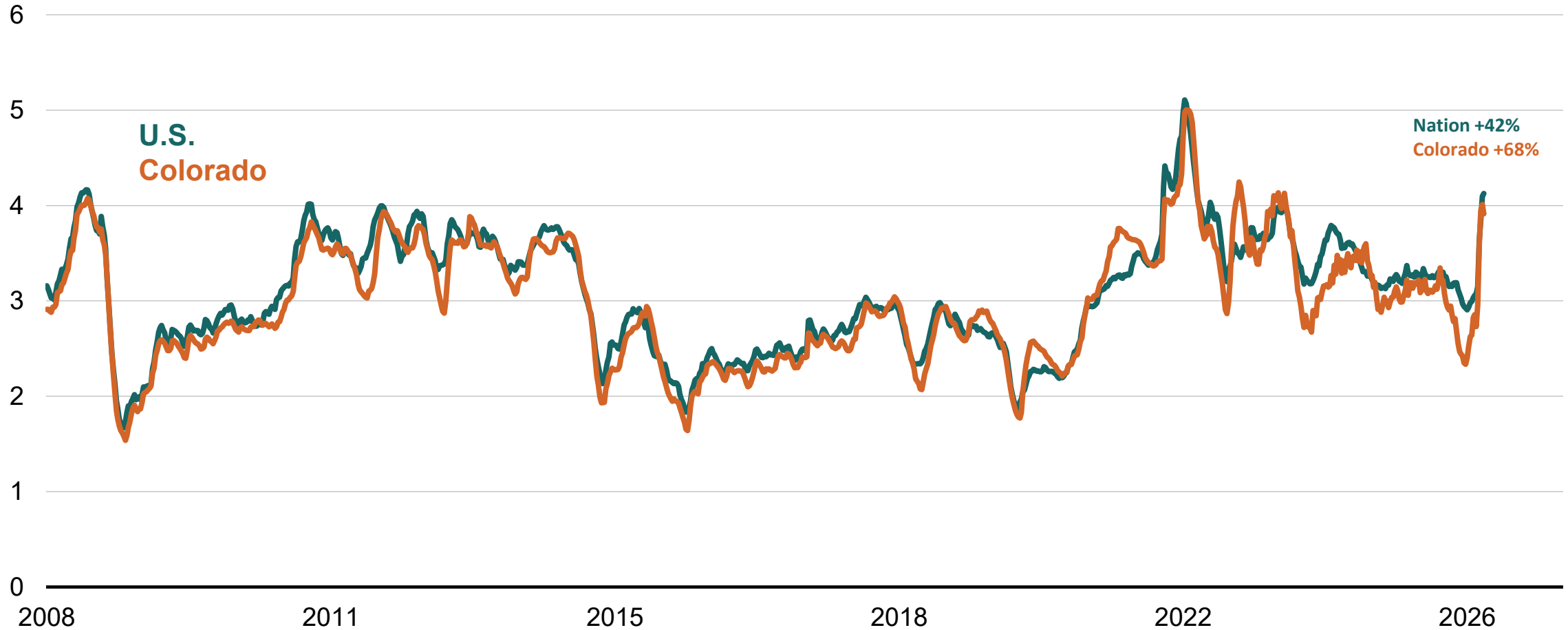


Change by Item, % Change Year-Over-Year

Items	U.S. City Average	Mountain	Denver-Aurora-Lakewood	Item Weights
All items	3.3%	3.1%	4.2%	100.0%
Food and beverages	2.6%	1.8%	2.0%	14.5%
Housing	3.4%	2.3%	4.7%	44.5%
Apparel	3.4%	6.5%	6.5%	2.4%
Transportation	5.0%	4.5%	4.5%	16.3%
Medical care	3.1%	5.1%	5.0%	8.4%
Recreation	2.2%	4.3%	4.6%	5.1%
Education and comm.	0.0%	2.4%	-1.9%	5.1%
Other goods and services	3.8%	4.6%	4.2%	2.9%
Core Inflation	2.6%	2.6%	2.7%	

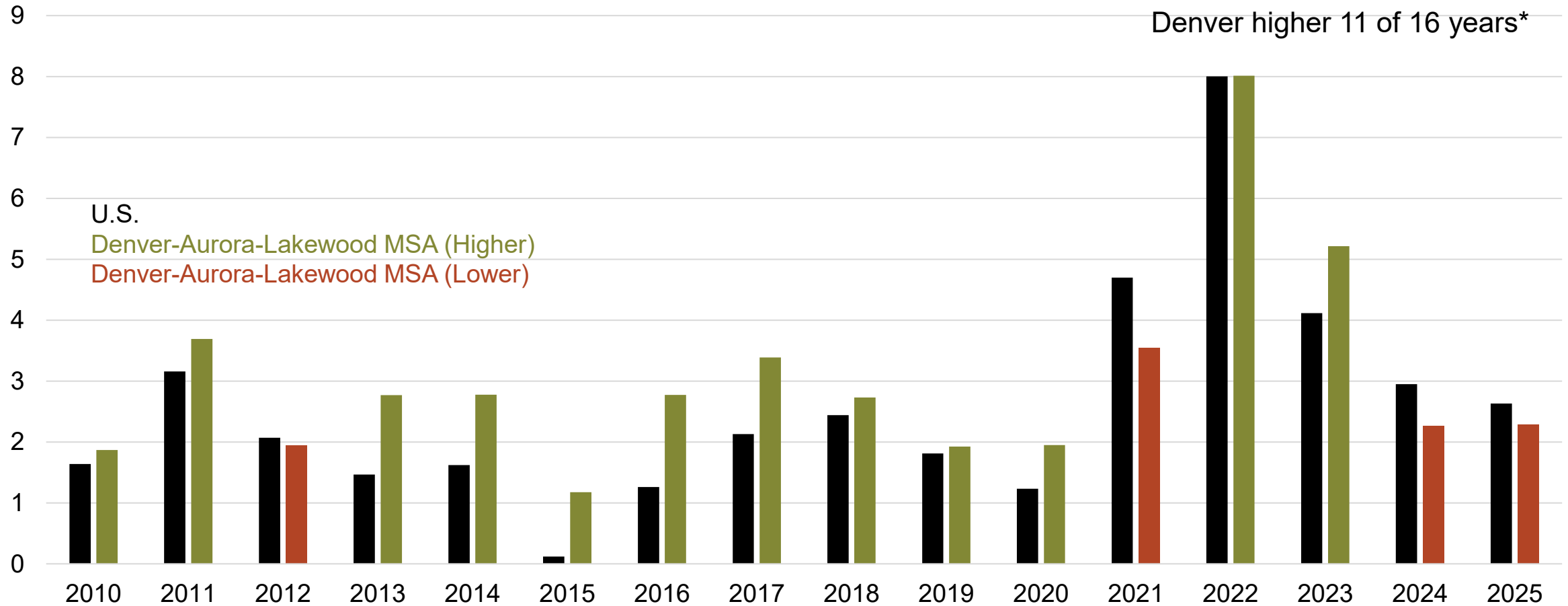
Gasoline

All Grades, All Formulations Retail Gasoline Prices



National v. Local

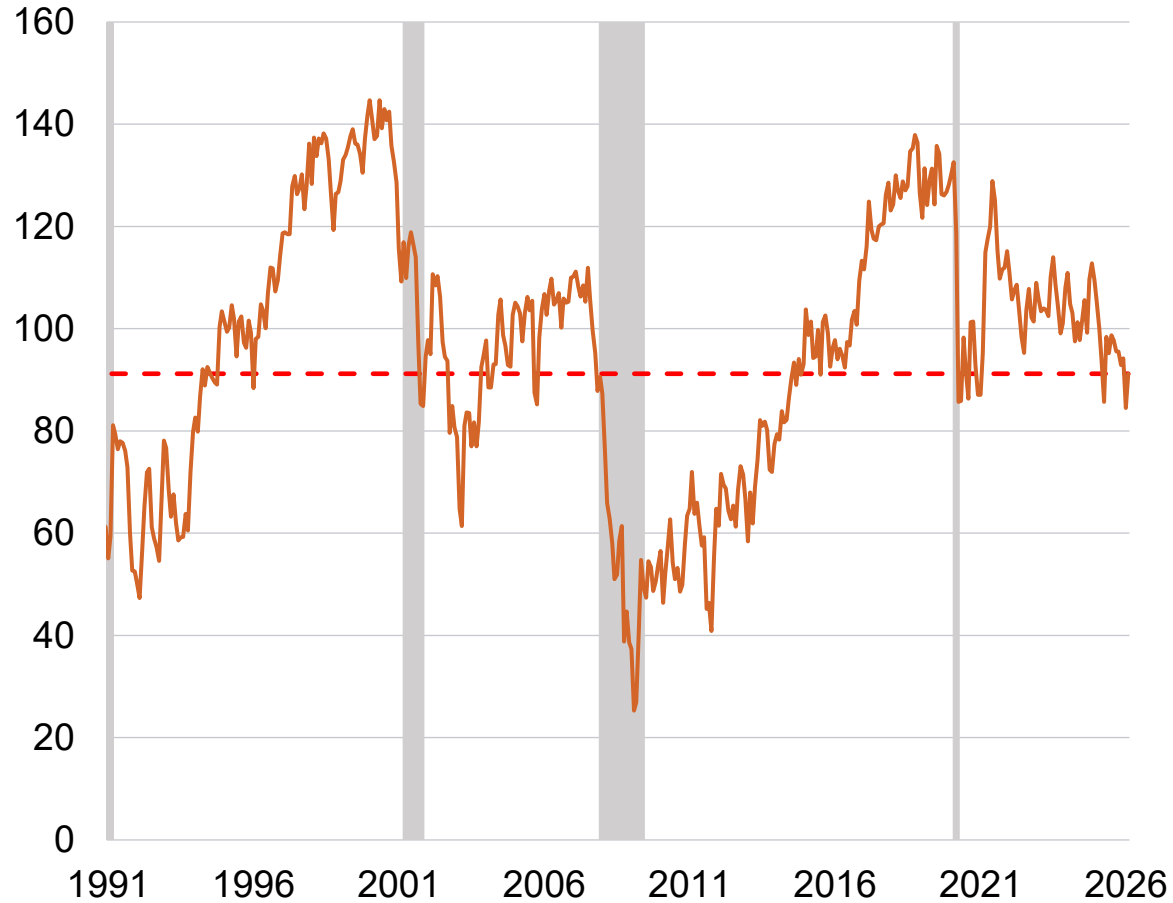
Percent Change



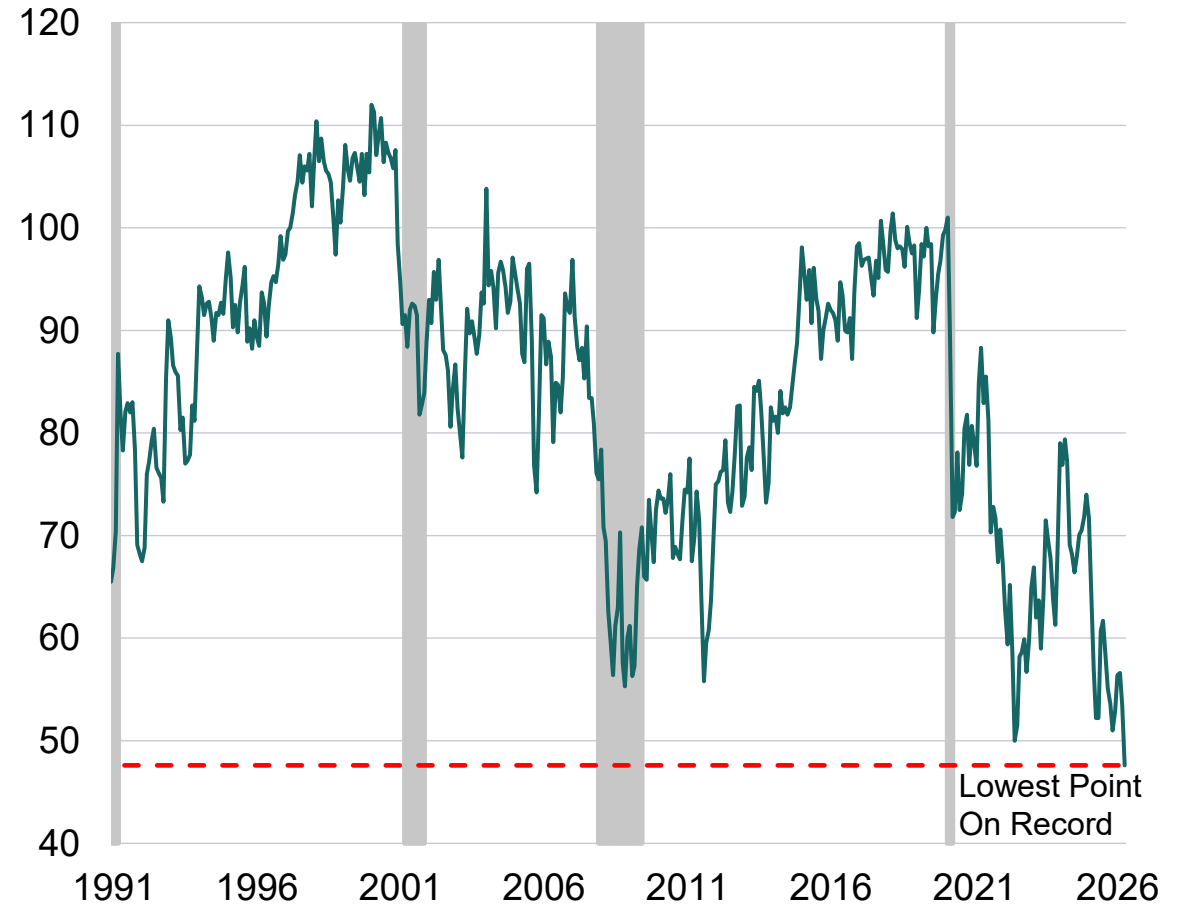
Source: Bureau of Labor Statistics. 2022 was a tie.

Index of Consumer Confidence

Consumer Confidence

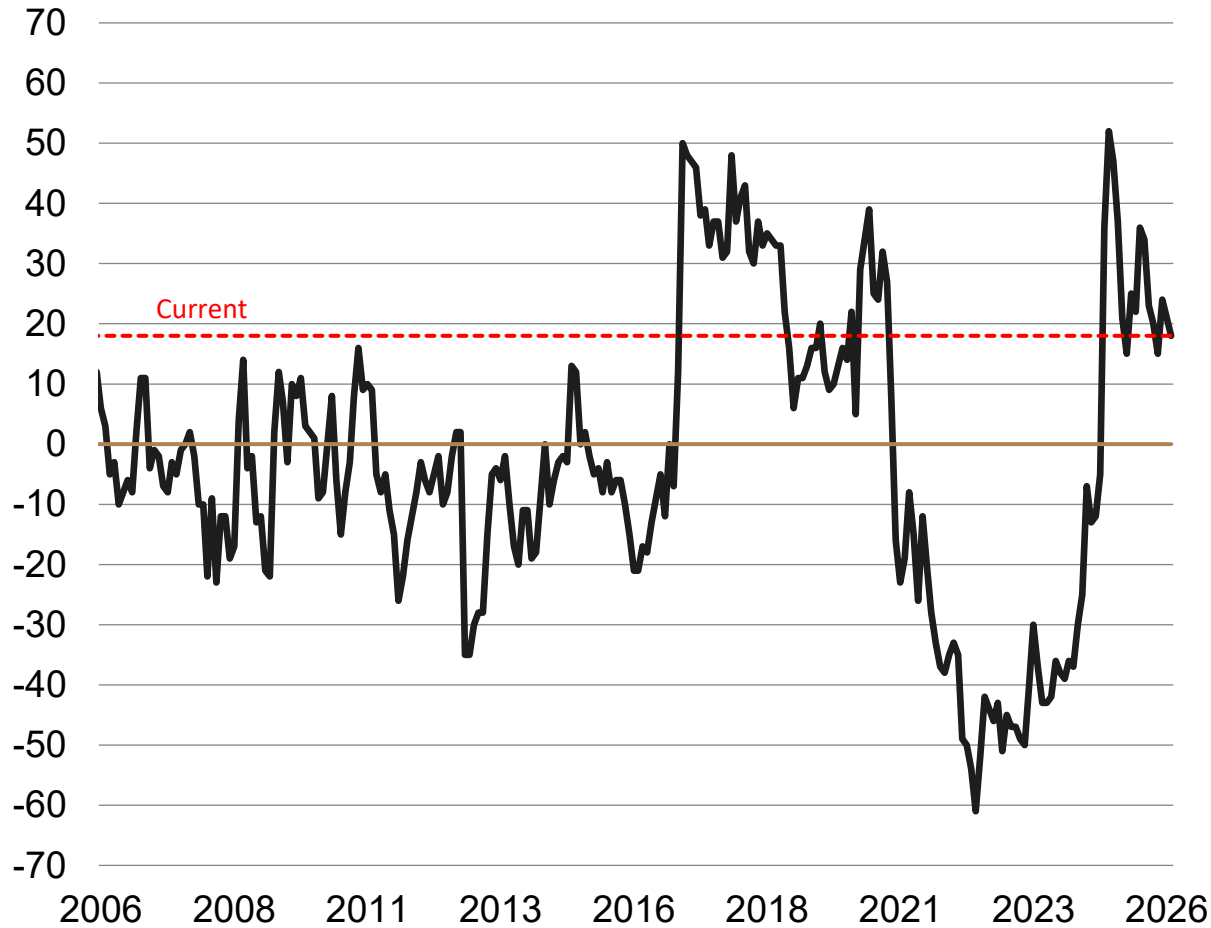


Consumer Sentiment



Small Business Outlook

Business Conditions

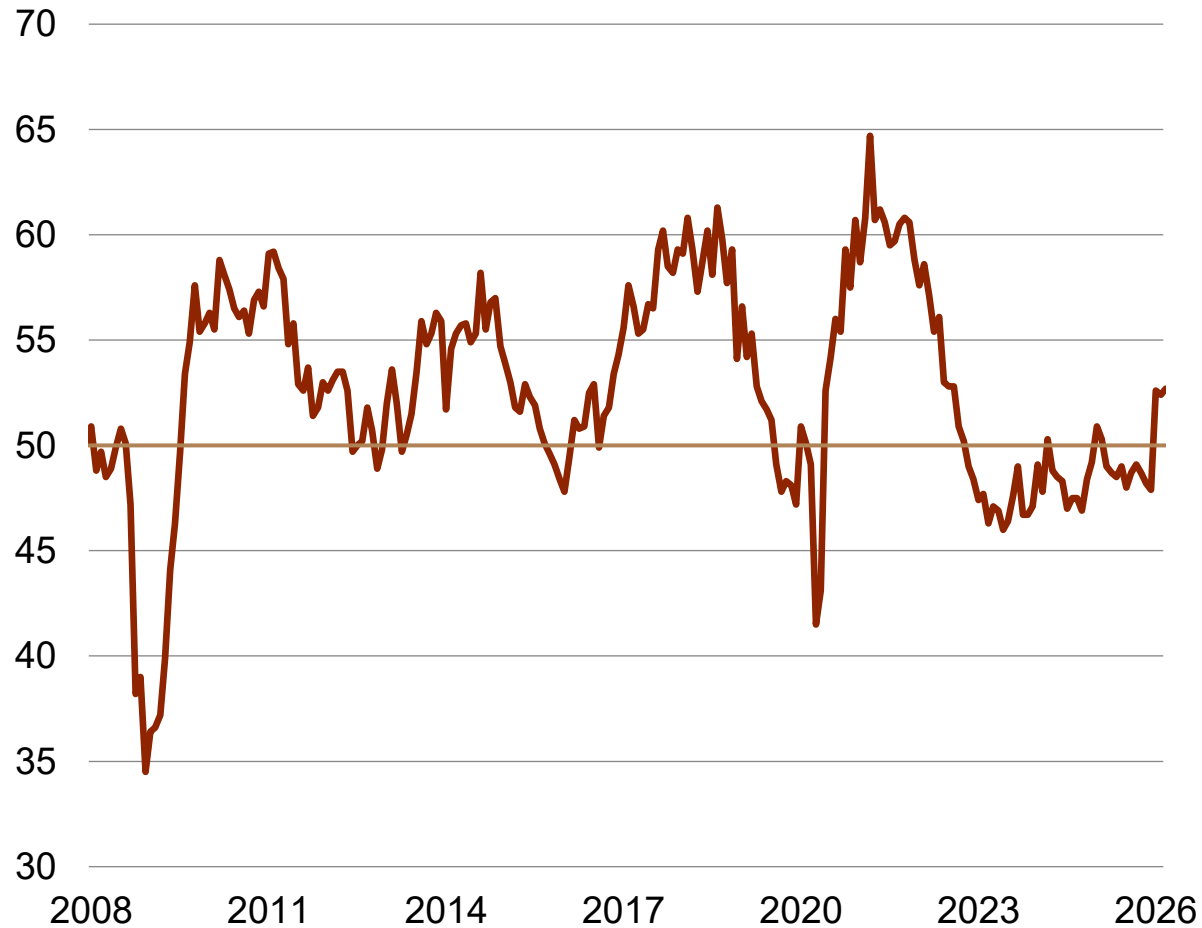


Optimism Index

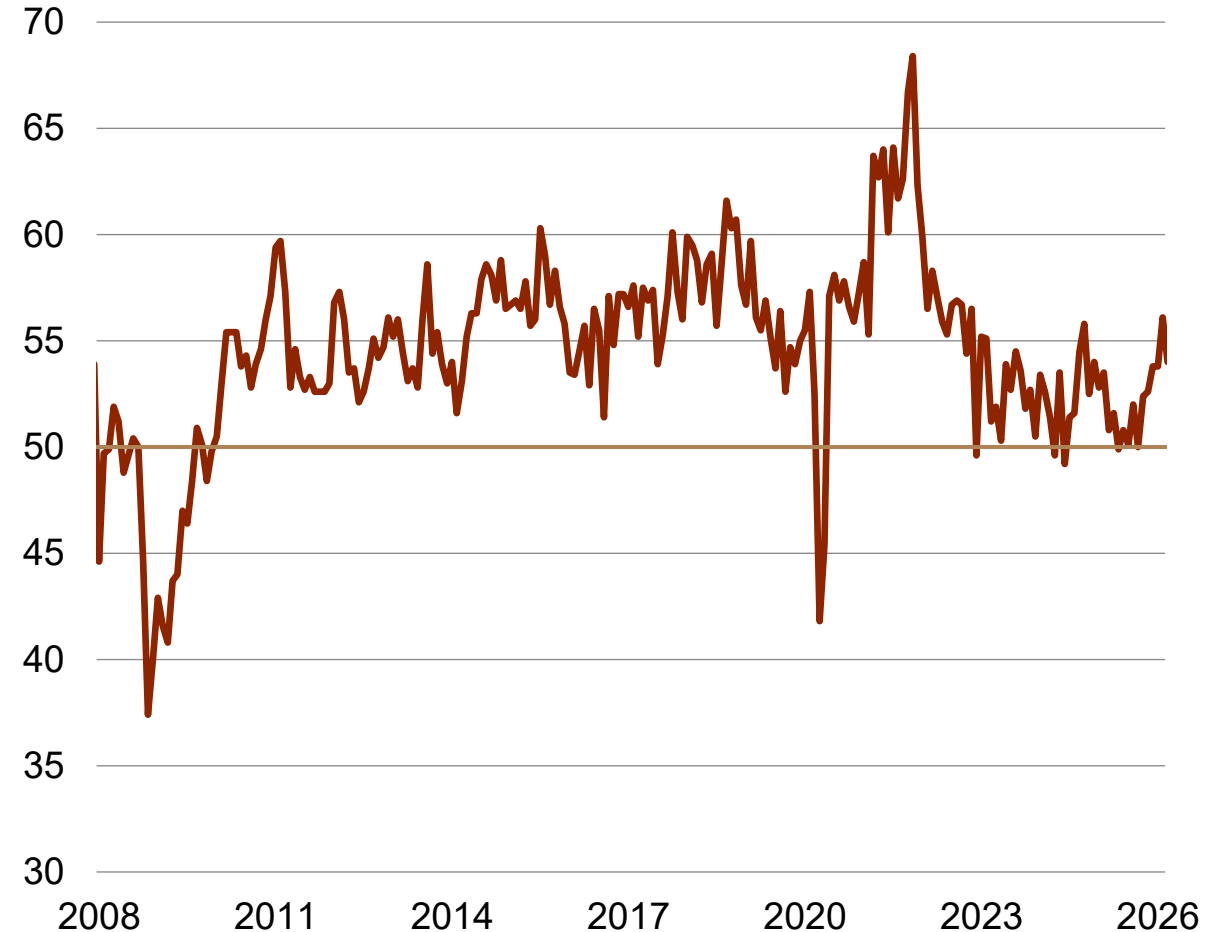


ISM Indices

ISM Manufacturing PMI® Index



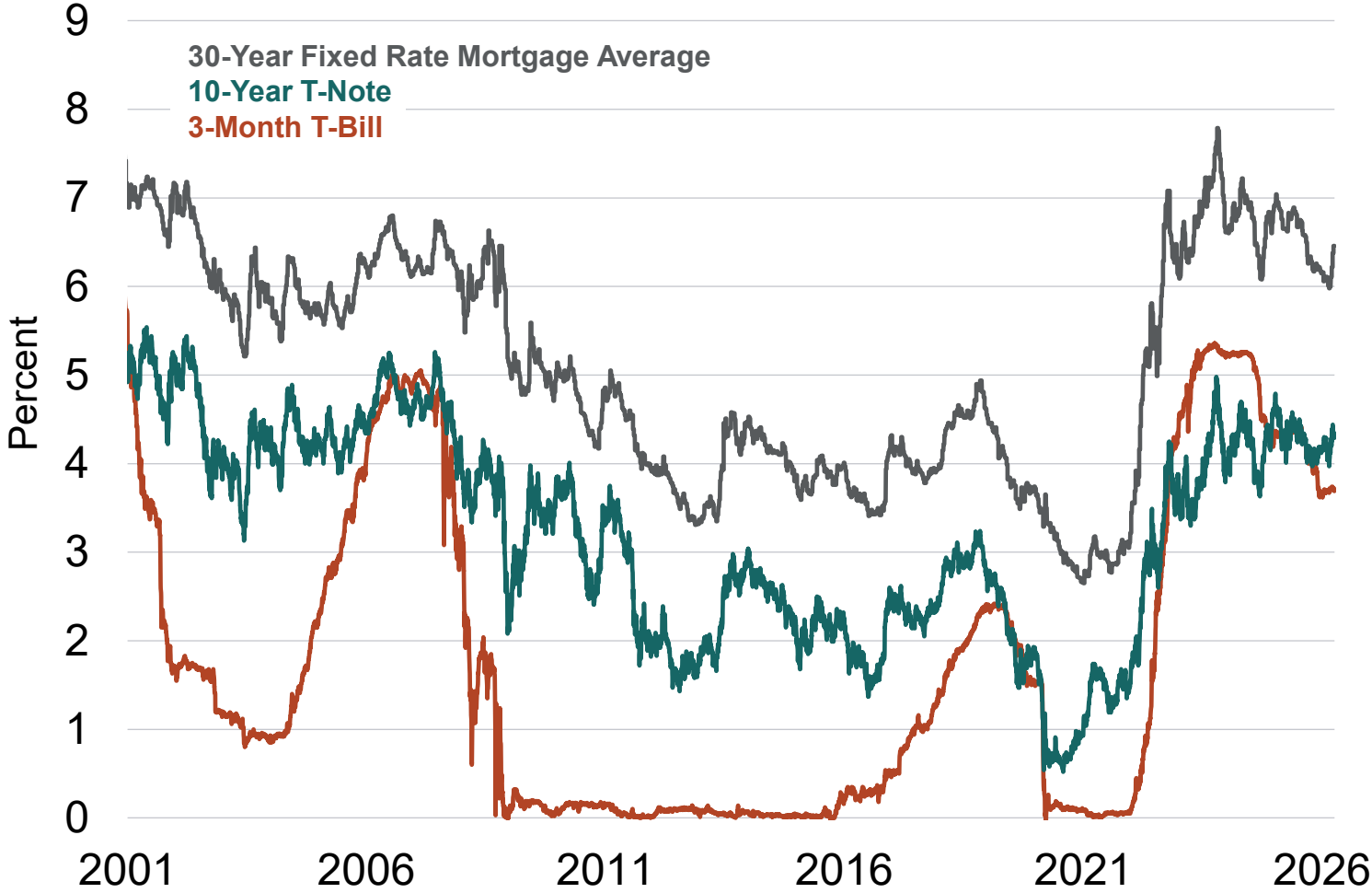
ISM Services PMI® Index



Monetary Policy, Interest Rates and Credit



Interest Rates



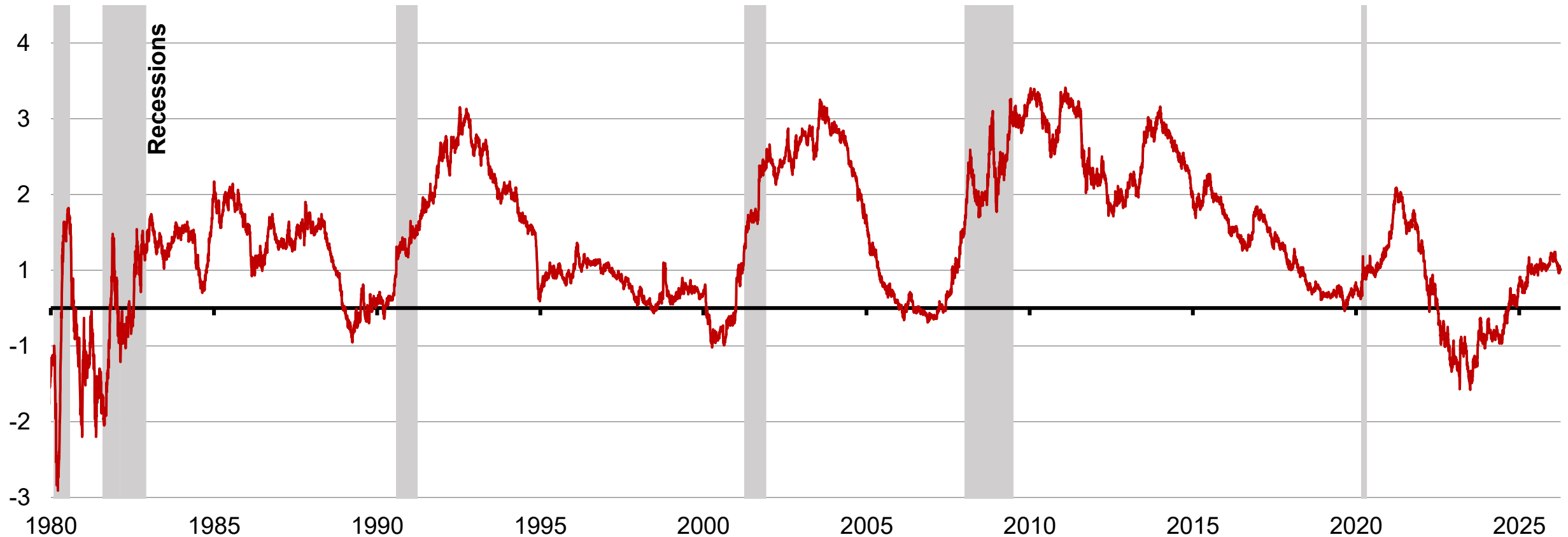
The Federal Open Market Committee left rates unchanged after the March 17-18 meeting

Noted inflationary risks, geopolitics, and the labor market, among other factors

10-year treasury note and 30-year mortgage rate increased in March

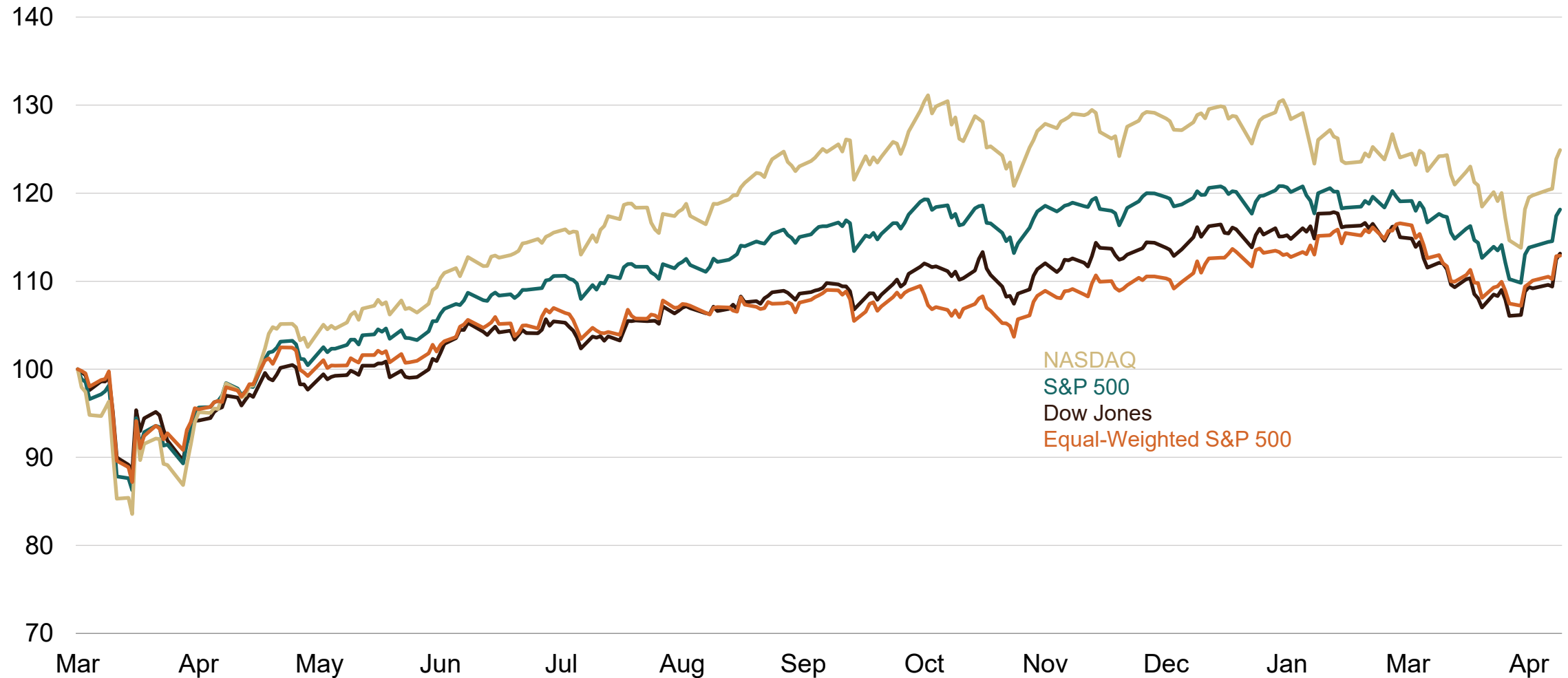
Yield Curve

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



Securities Trends

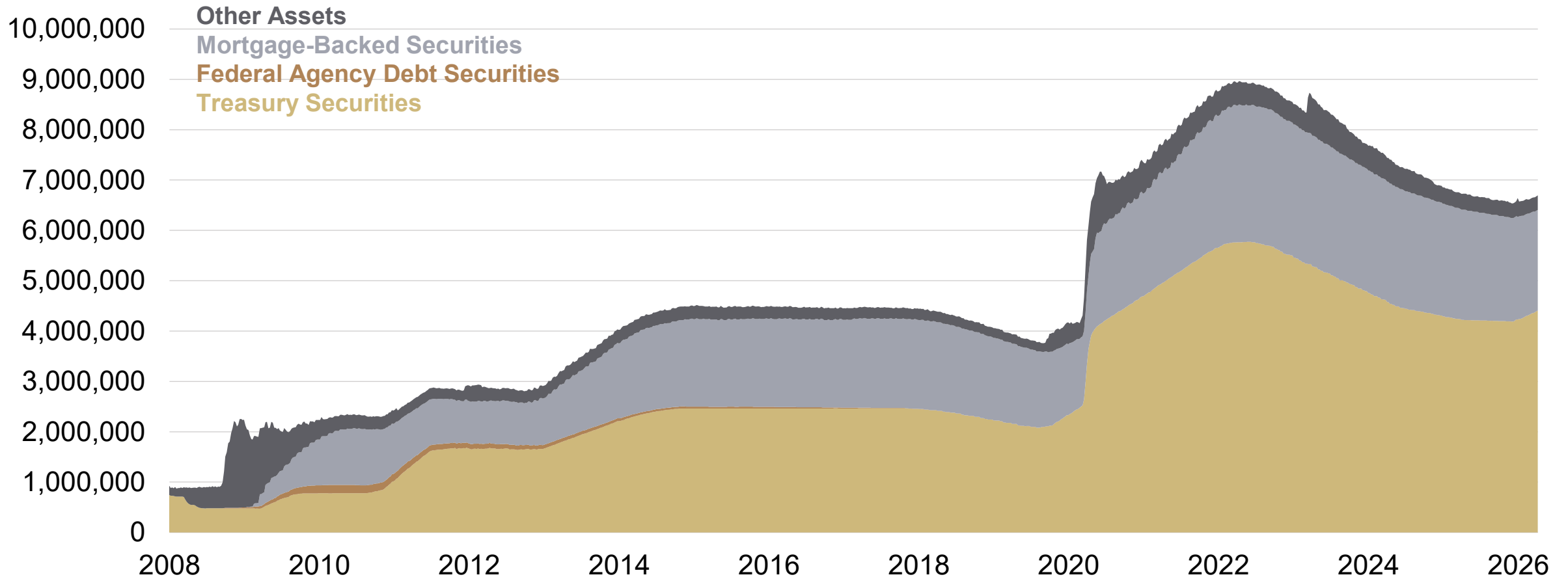
Indexed, March 25, 2025=100



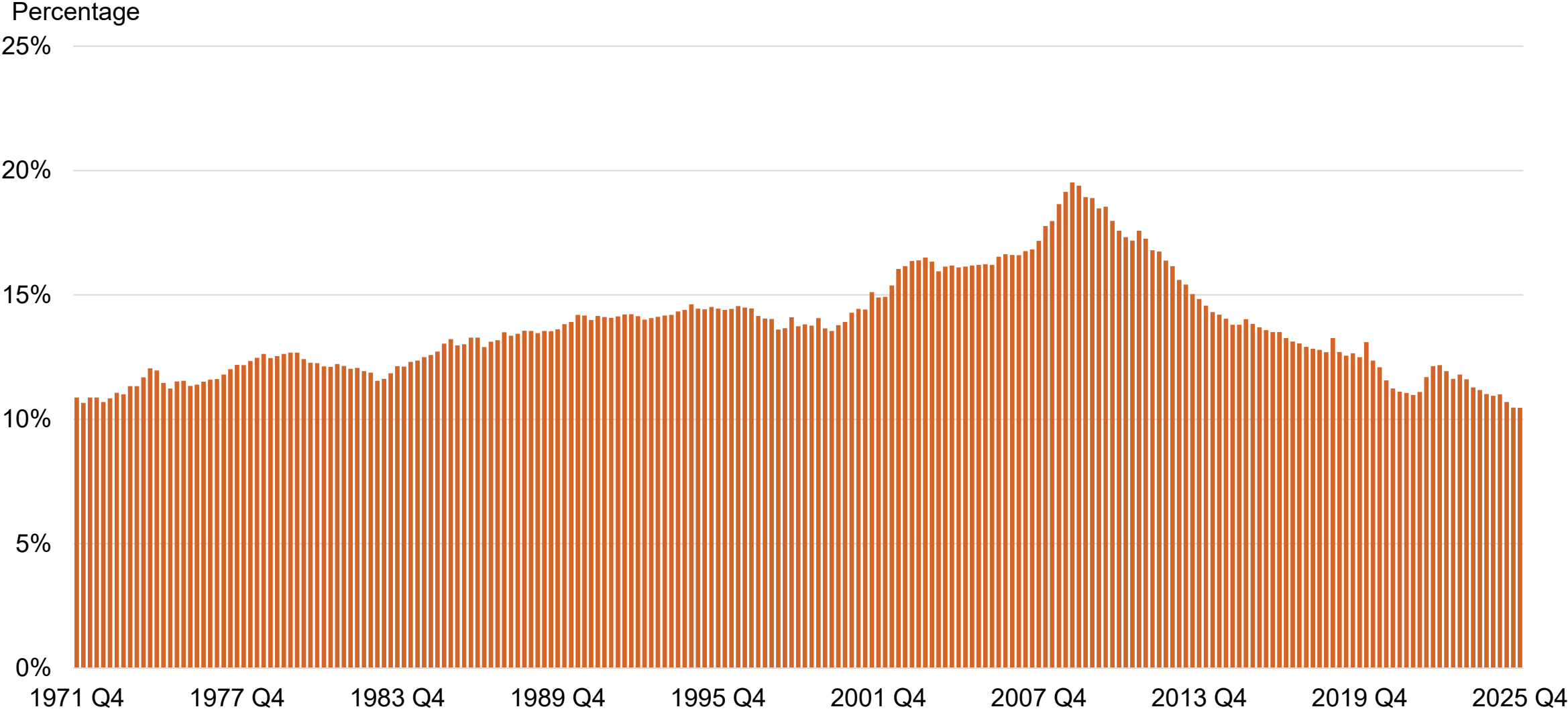
NASDAQ
S&P 500
Dow Jones
Equal-Weighted S&P 500

The FED Balance Sheet

\$ Millions

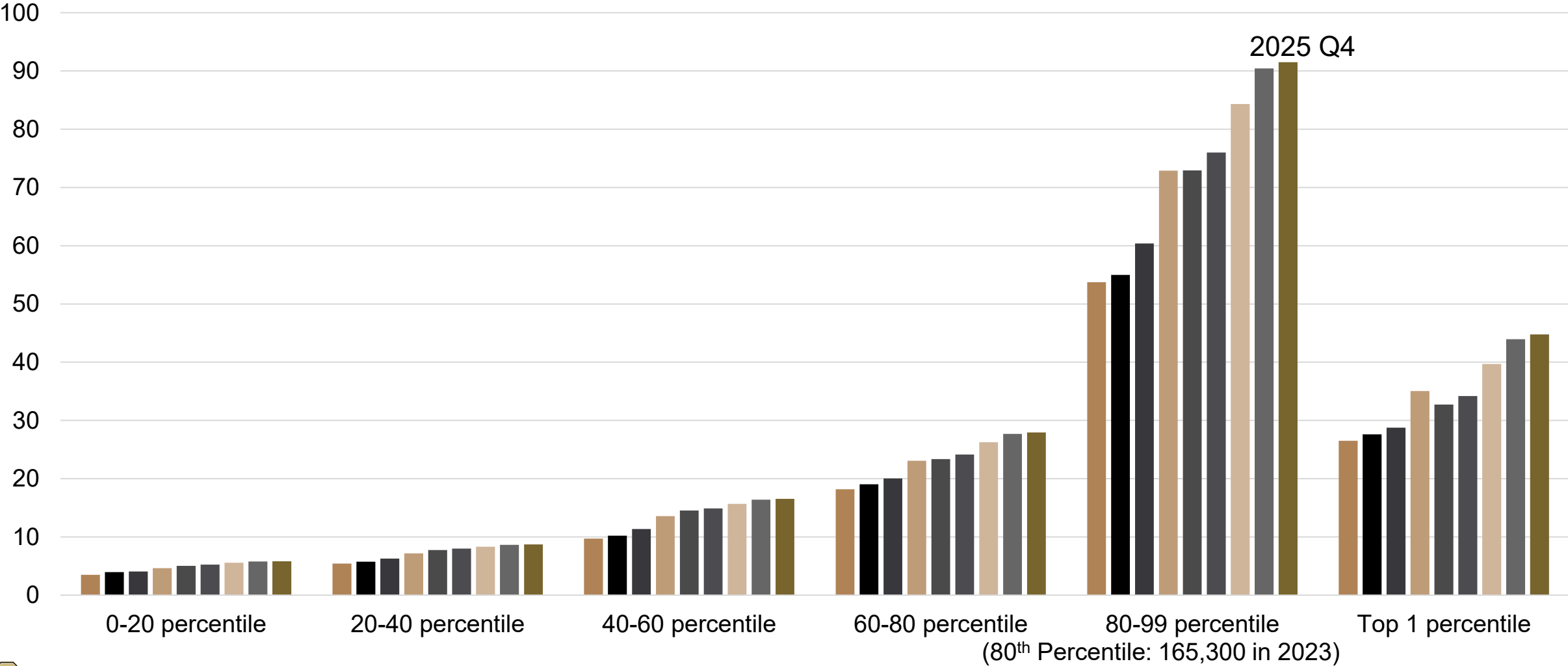


Household Liabilities as Percentage of Household Assets



Assets Across the Income Distribution

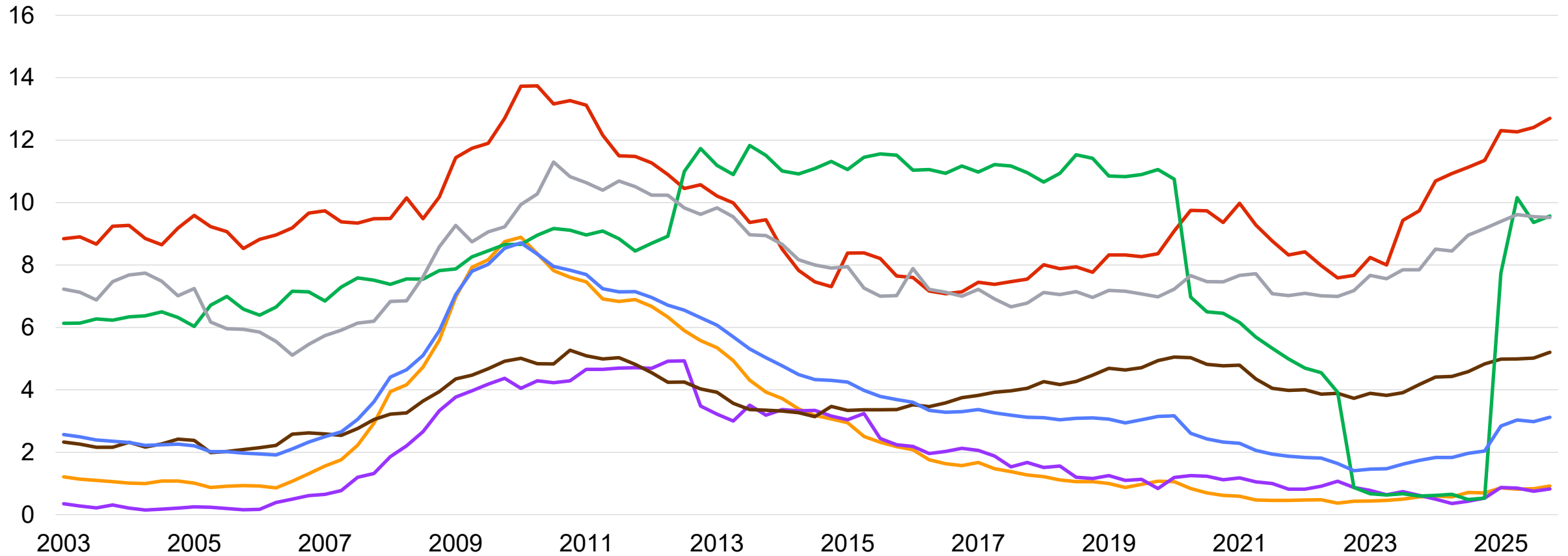
Q3 2018-2025, \$, Trillions



Loan Delinquency

Percent of Balance 90+ Days Delinquent by Loan Type

Mortgage HELOC Auto Credit Card Student Loan Other All



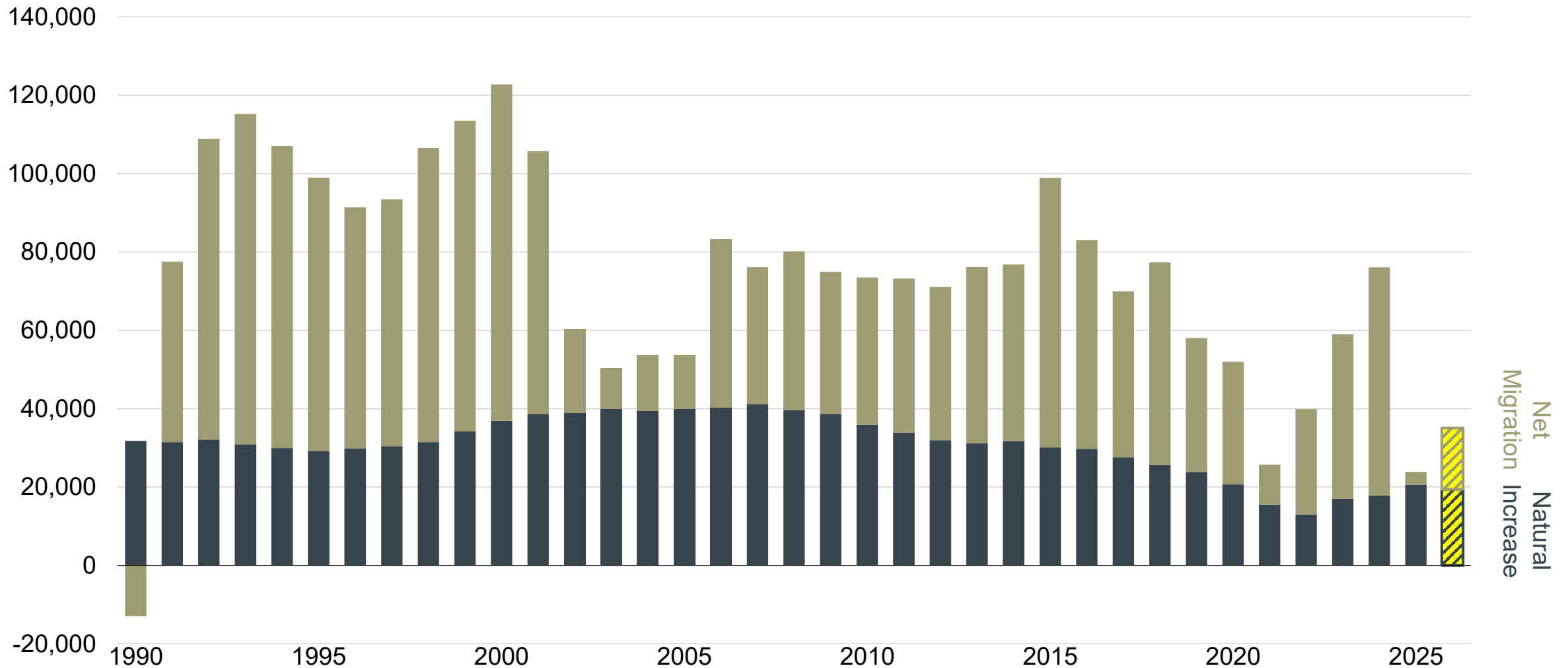


Colorado Population, Employment, and the Economy

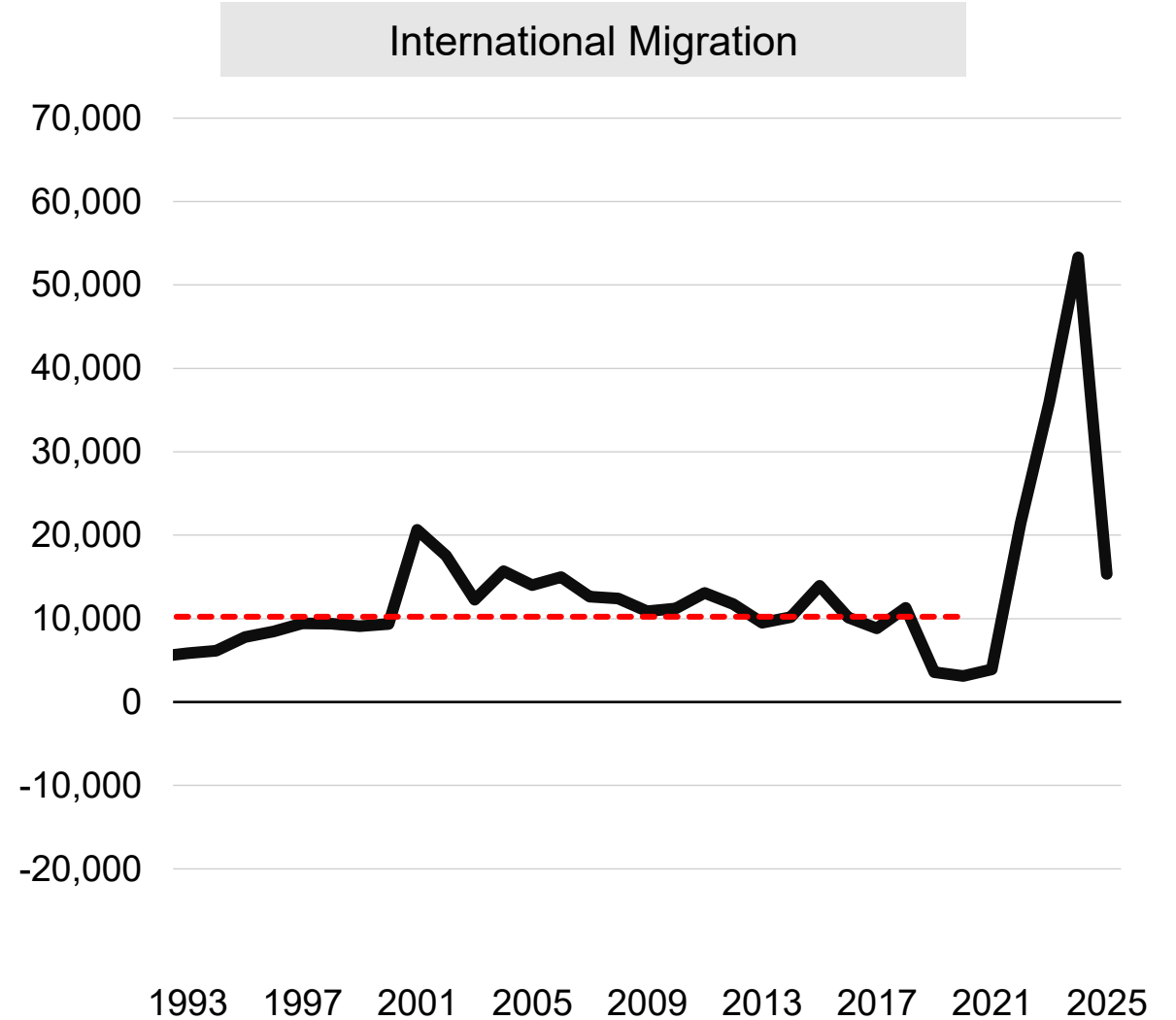
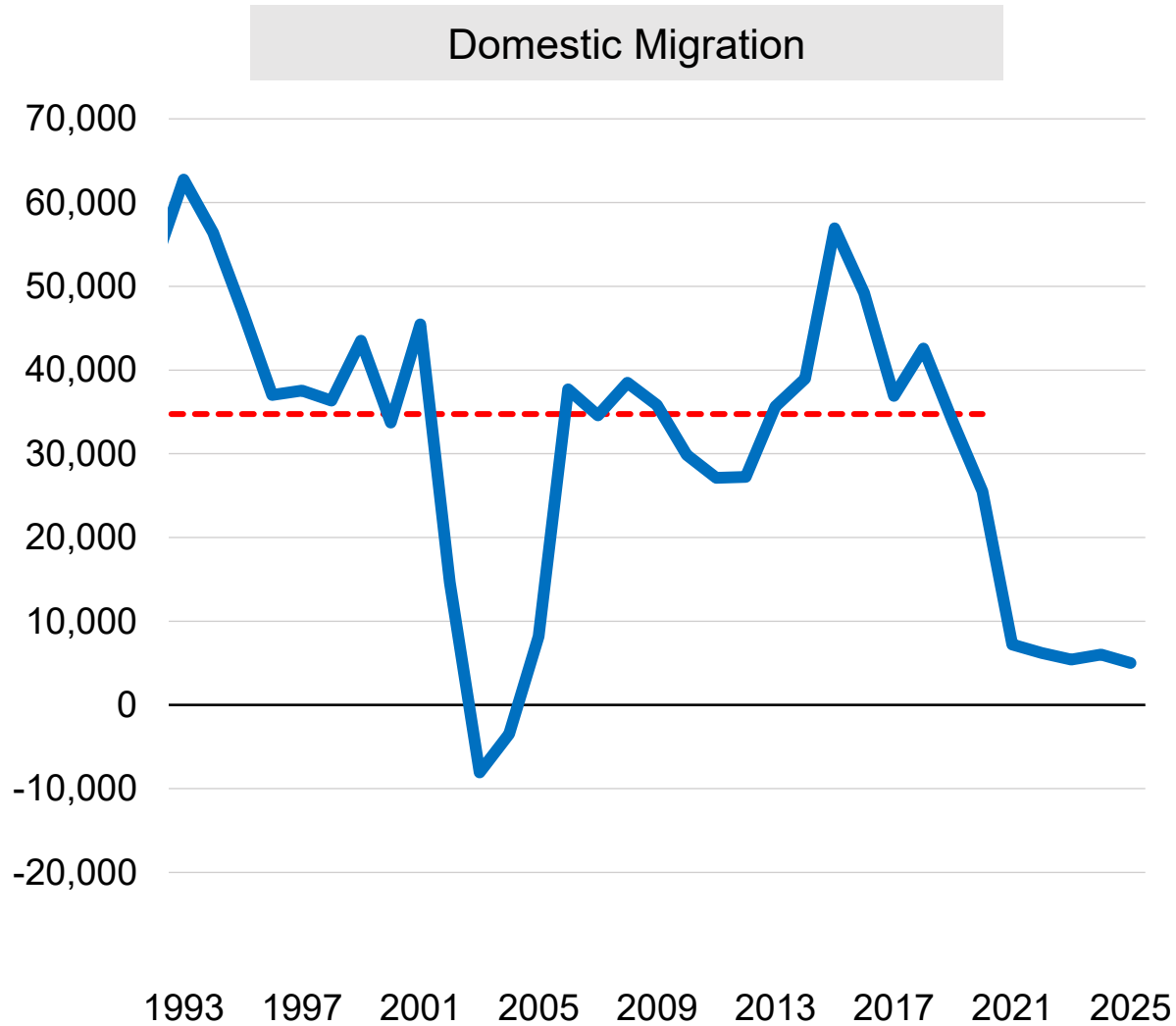
Colorado Rank Among States

Metric	1-Year Change/ Current Level		1-Year Rank
Real GDP Growth	1-Year Change	2.1%	18
Employment Growth	1-Year Change	-0.4%	39
Population Growth	1-Year Change	0.4%	29
Personal Income Growth	1-Year Change	4.4%	29
PCPI Growth	1-Year Change	4.0%	22
PCPI	Current Level	\$87,178	9
Average Hourly Wage % Growth	1-Year Change	1.8%	43
Average Annual Pay % Growth	1-Year Change	4.3%	23
Average Annual Pay	Current Level	\$81,170	7
Unemployment Rate	Current Level	3.9%	21
Labor Force % Growth	1-Year Change	-0.7%	45
LFPR	Current Level	66.8%	8
FHFA Home Price Index Growth	1-Quarter Change	0.6%	22
FHFA Home Price Index Growth	1-Year Change	1.3%	47
Job Openings Rate	Current Level	3.5%	42
Worker Shortage Ratio	Current Level	0.9	40

Colorado Change in Population

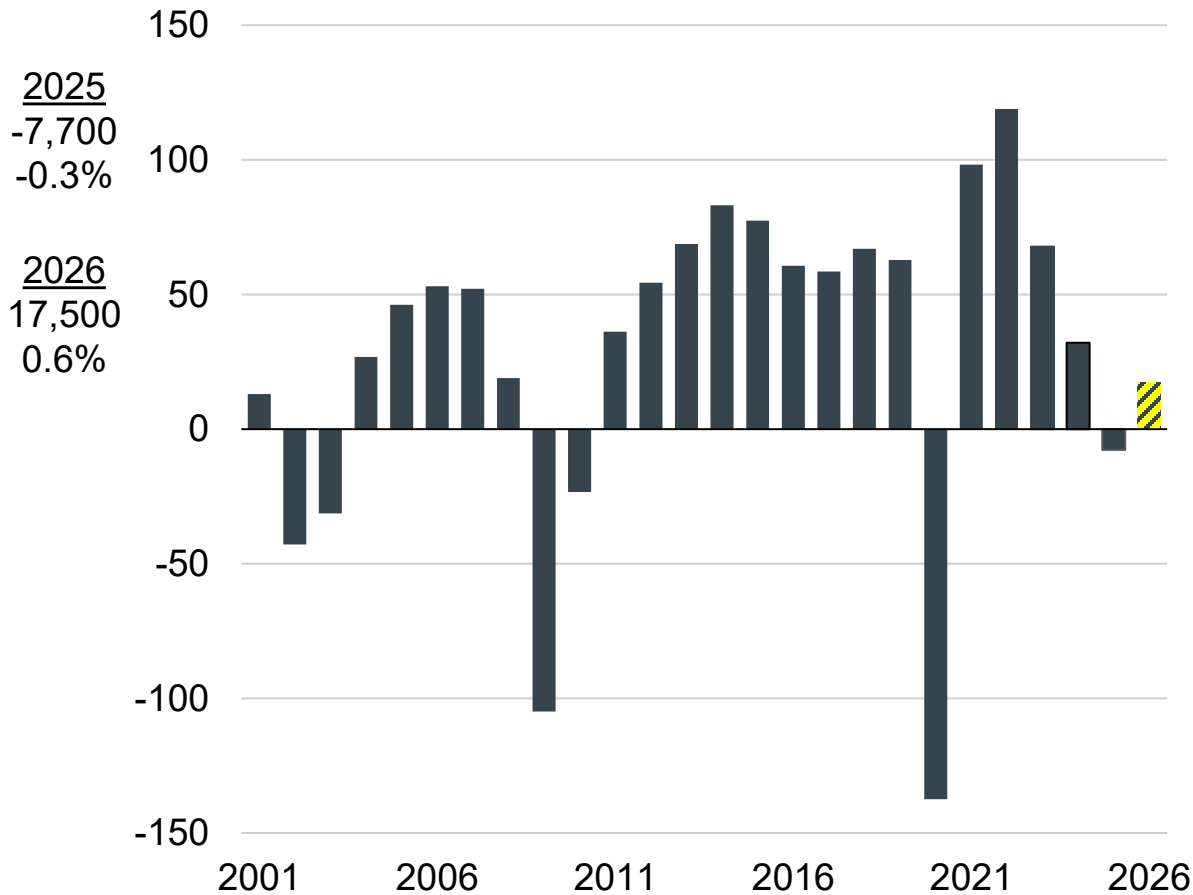


Colorado Net Migration

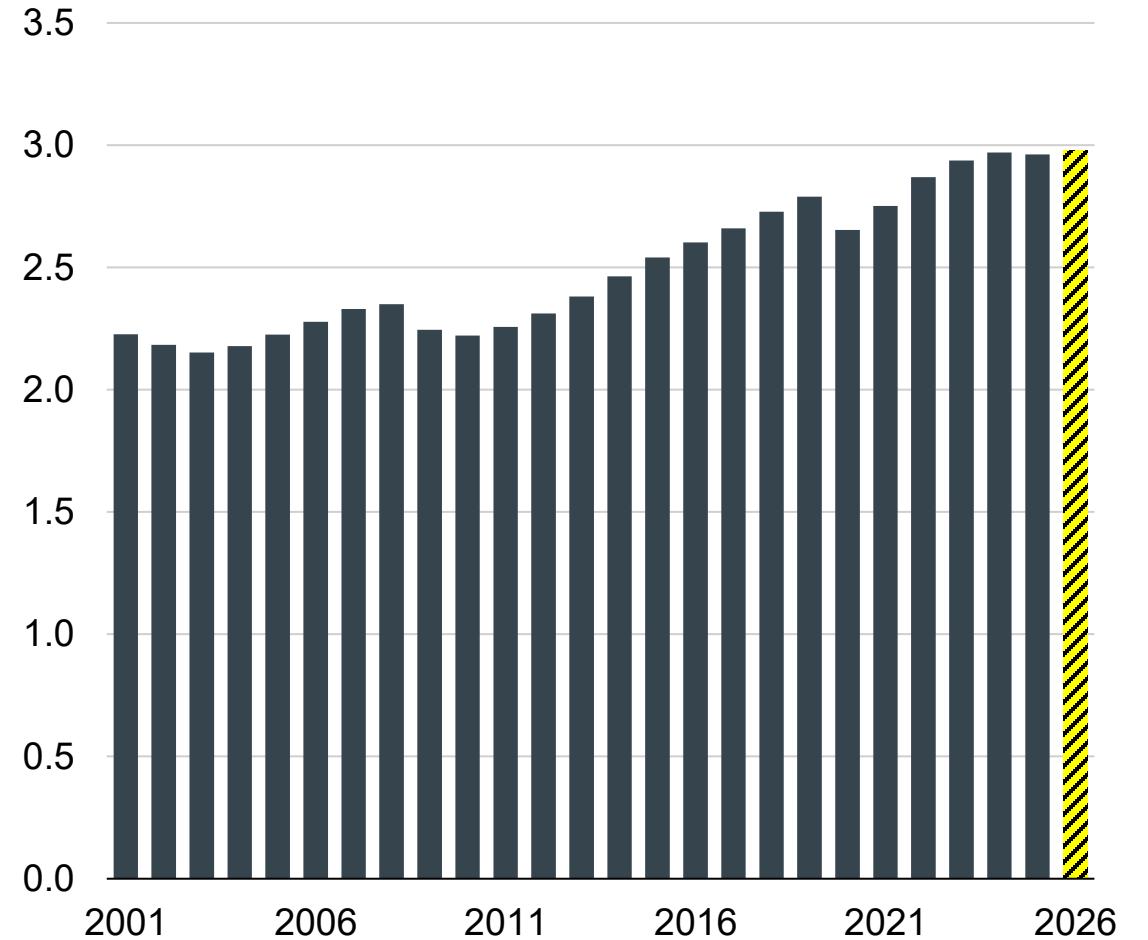


Colorado Employment Forecast

Jobs Added, Thousands, 2001-2026

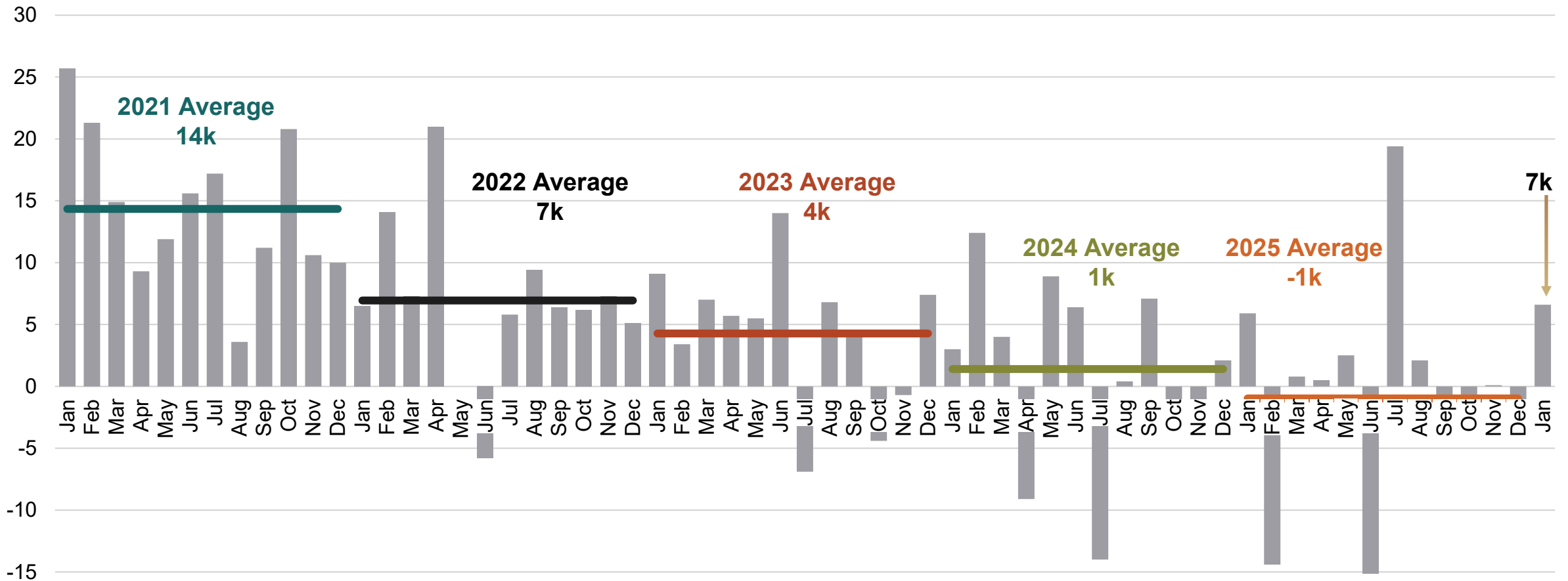


Total Jobs, Millions, 2001-2026

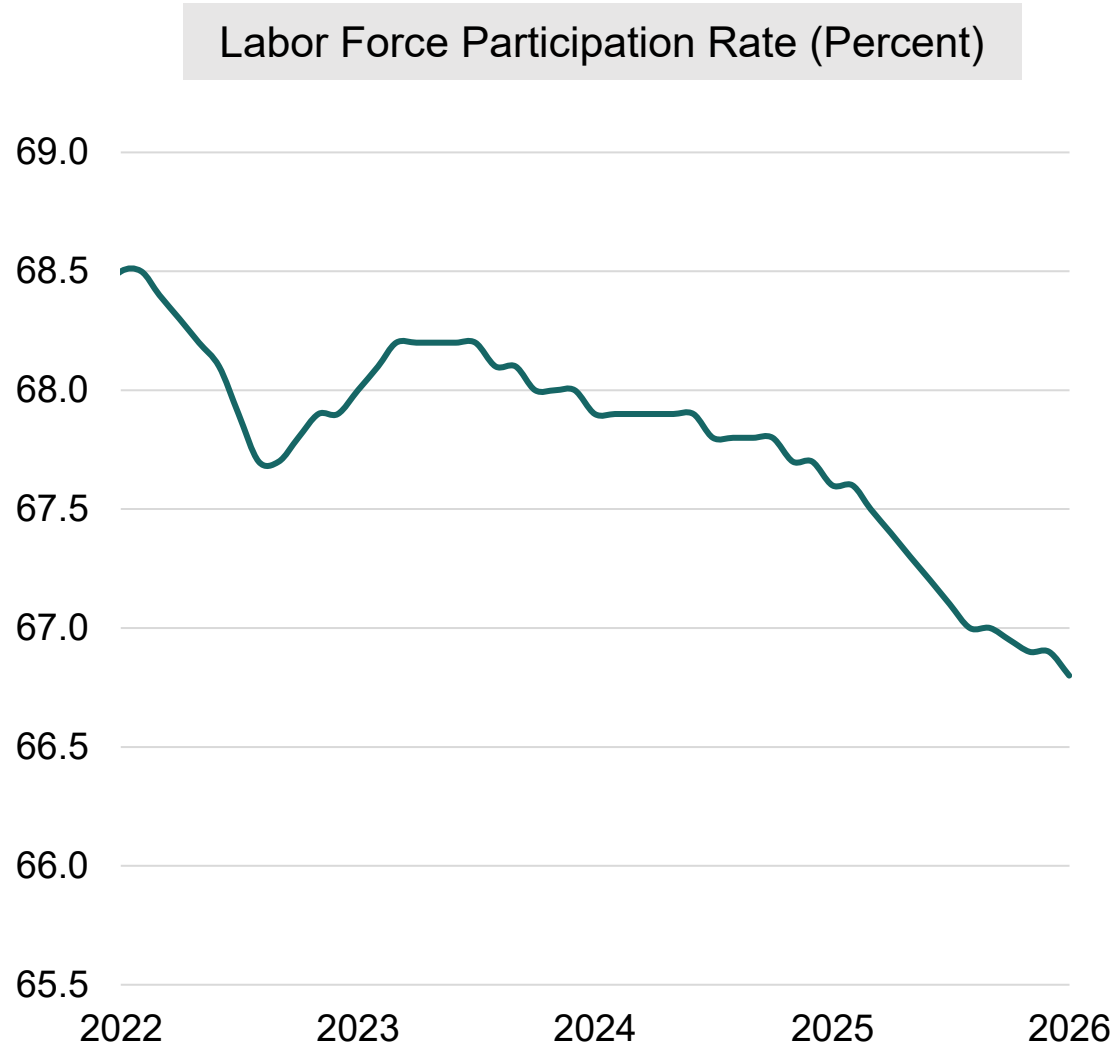
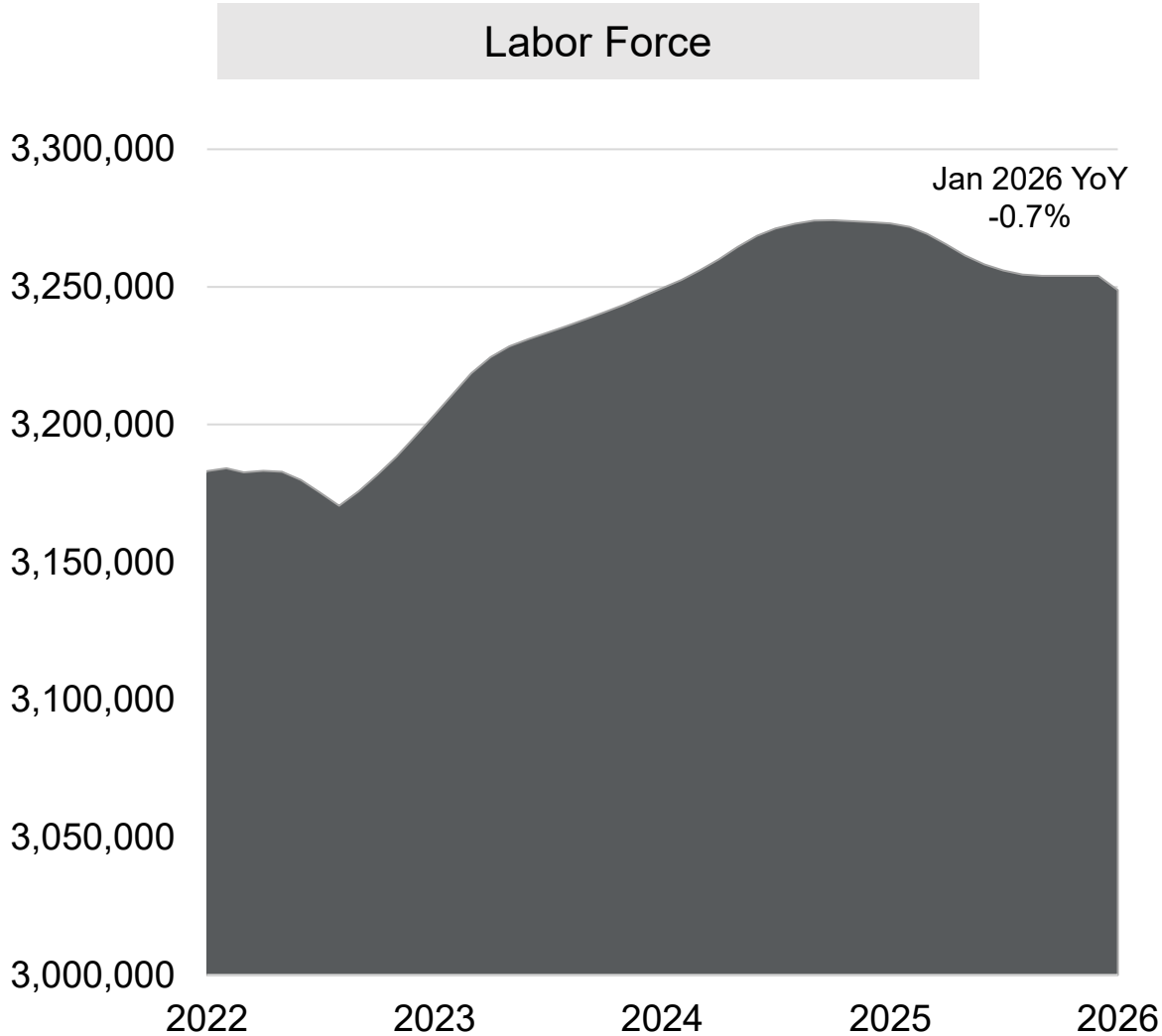


Colorado Nonfarm Employment Growth

Thousands of Jobs Added Per Month

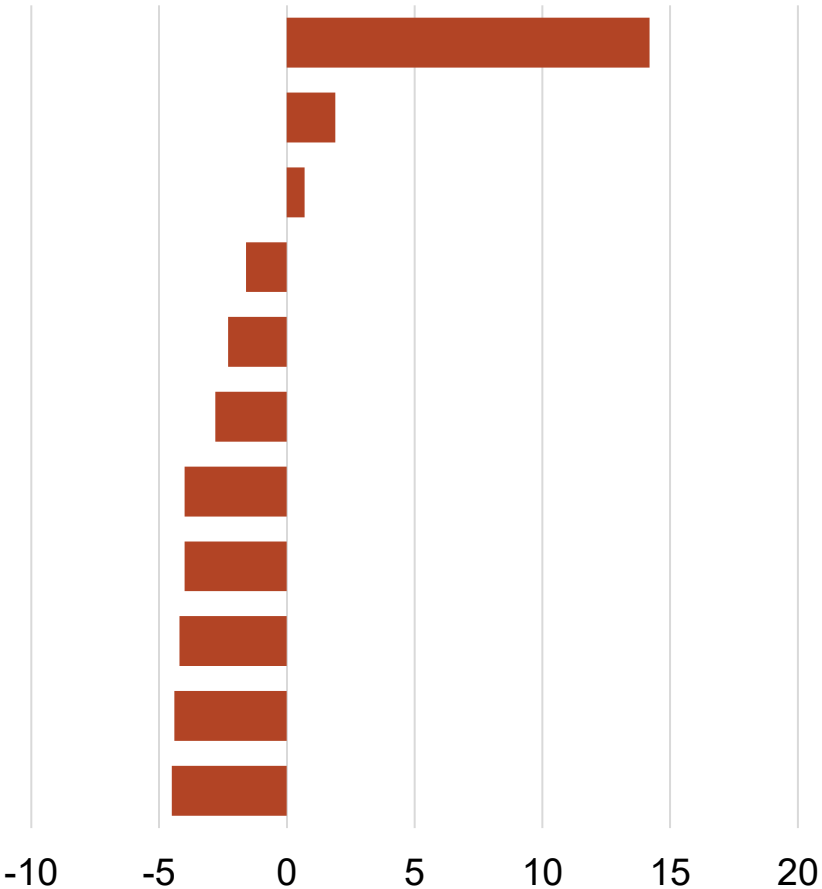


Colorado Labor Force and Participation

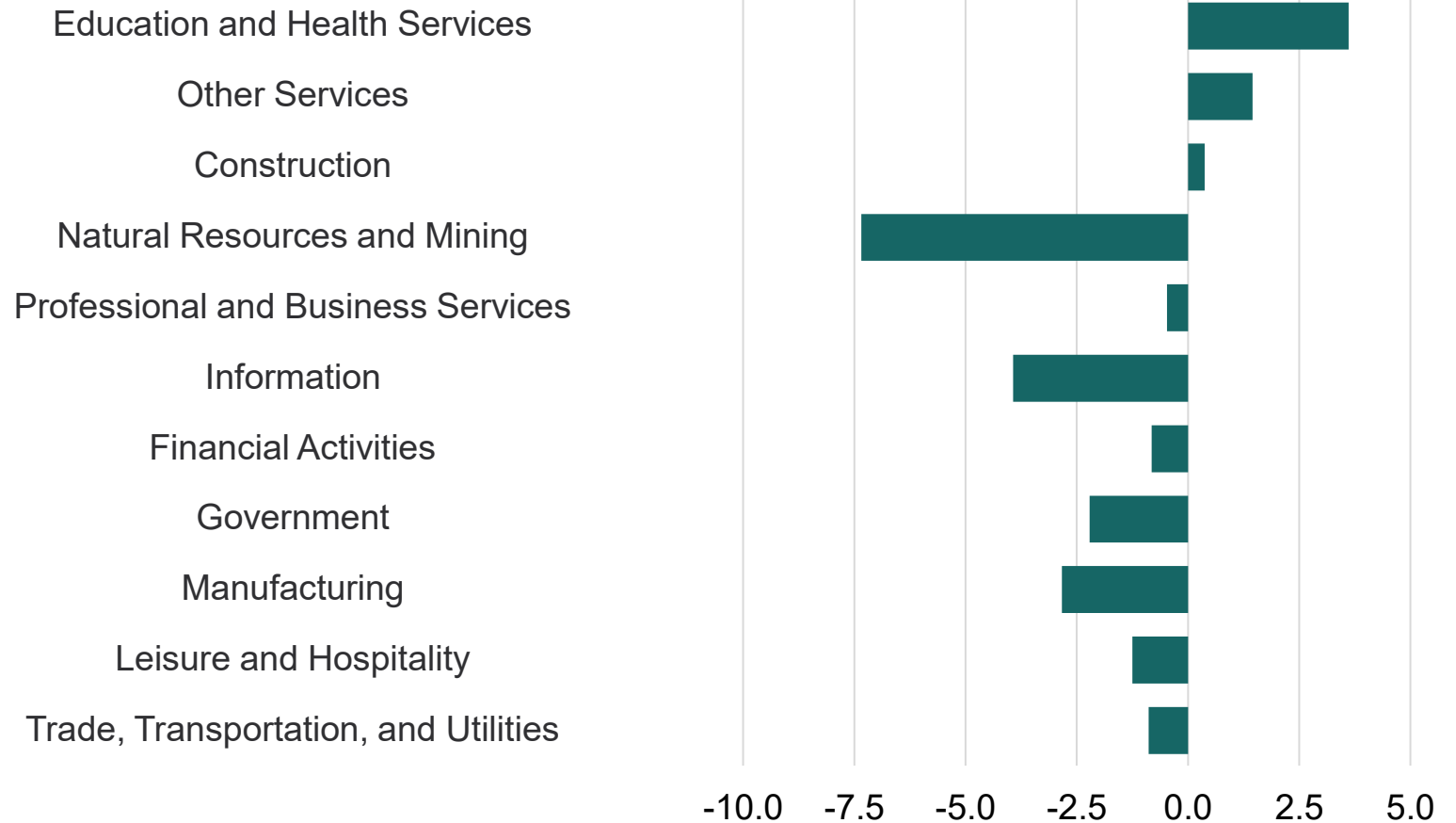


Colorado Employment Change January 2026 YoY

Jobs Added, Thousands



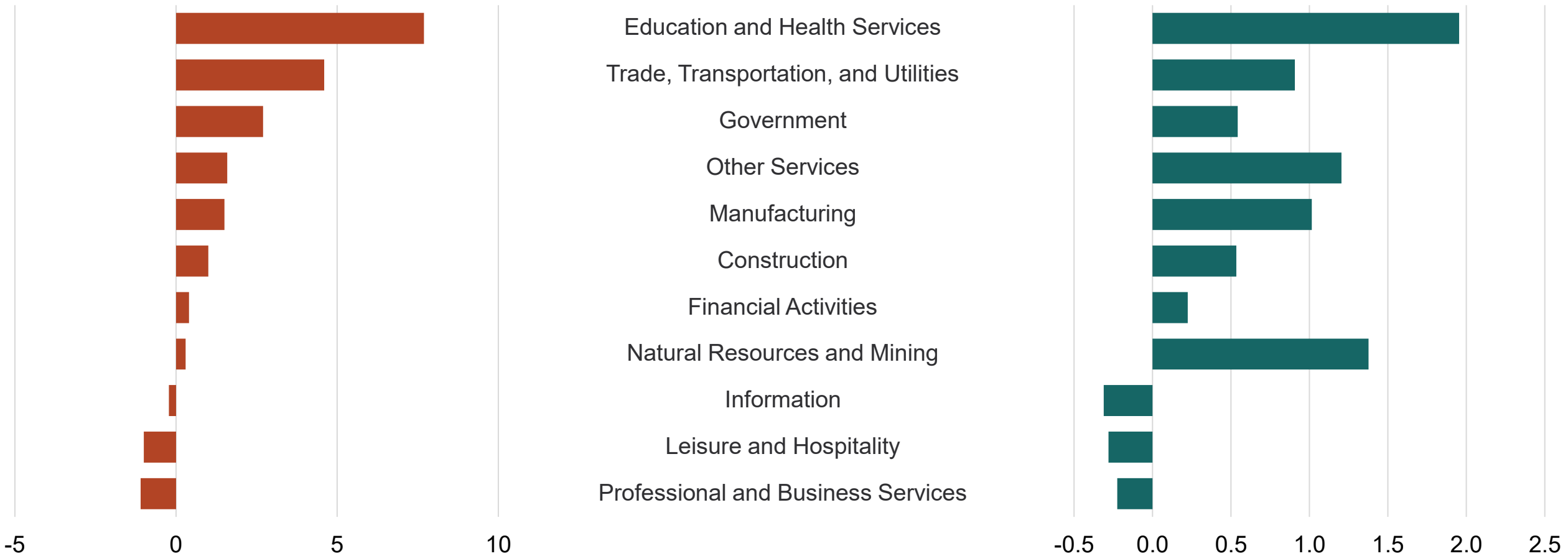
Percent Change



Colorado Projected Employment Change 2026

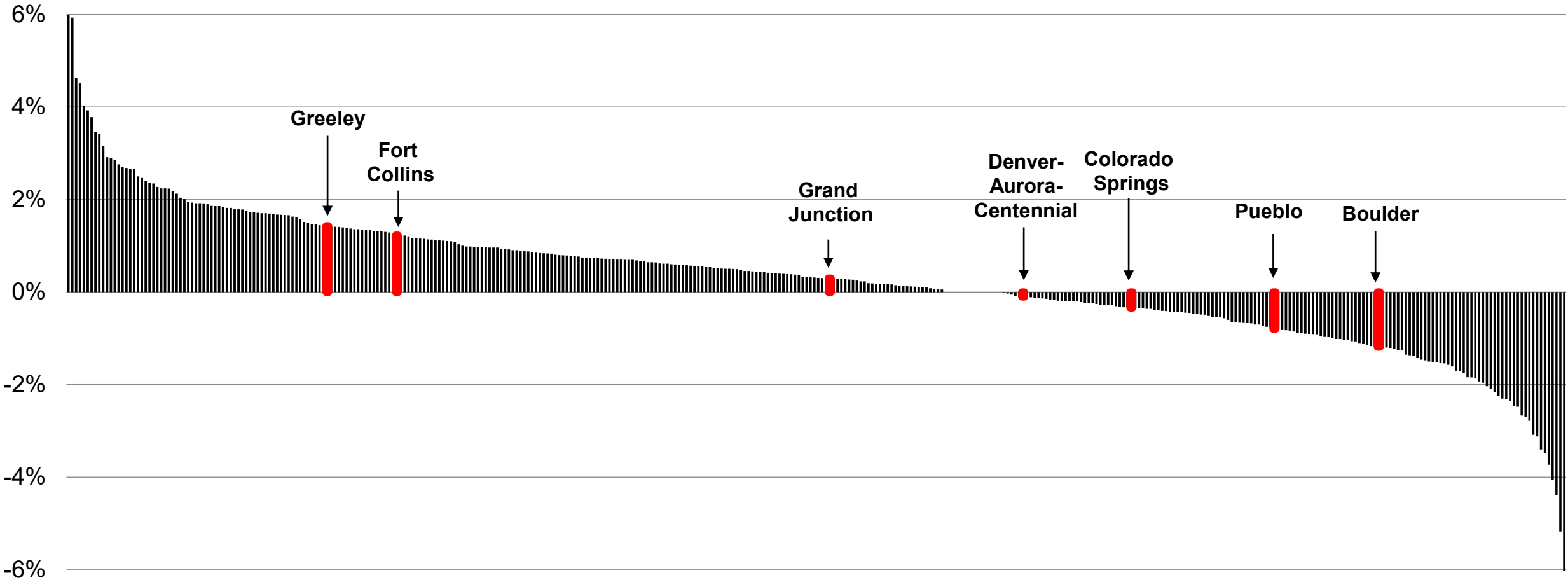
Jobs Added, Thousands

Percent Change



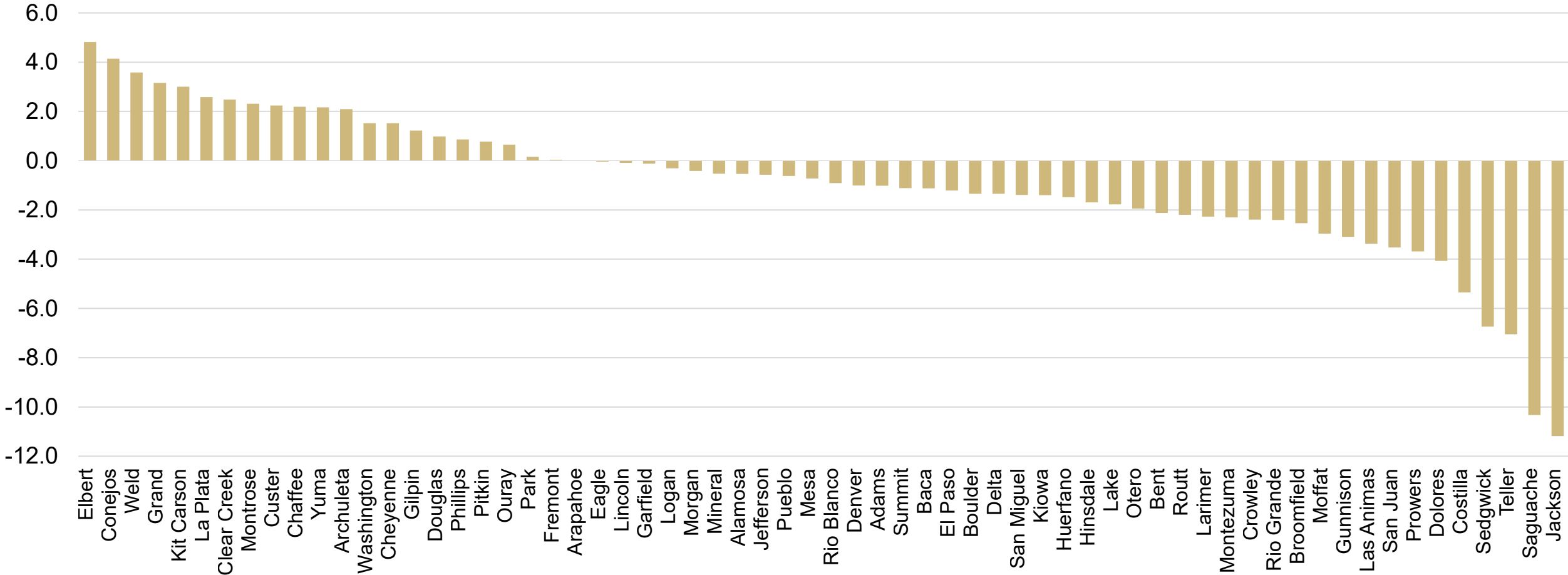
Colorado MSA Employment Growth

Year-over-Year Growth, January 2026



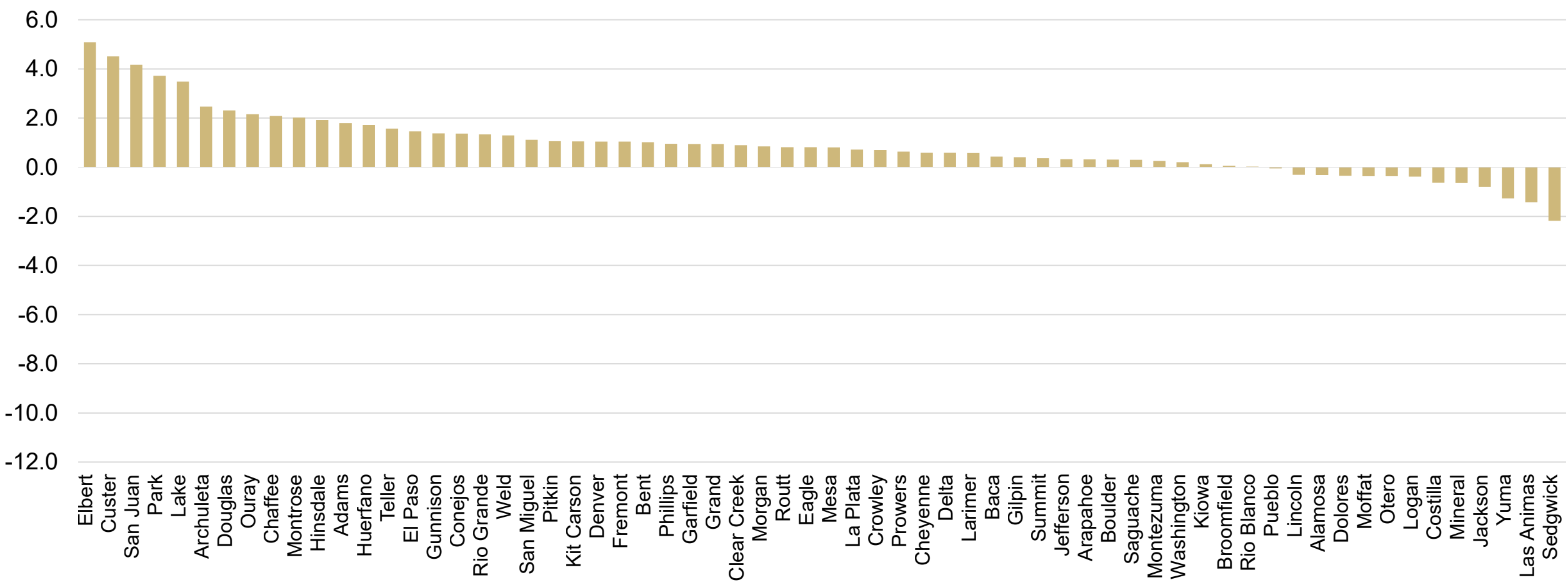
Employment Growth by County

September 2025, YoY, Percent Change

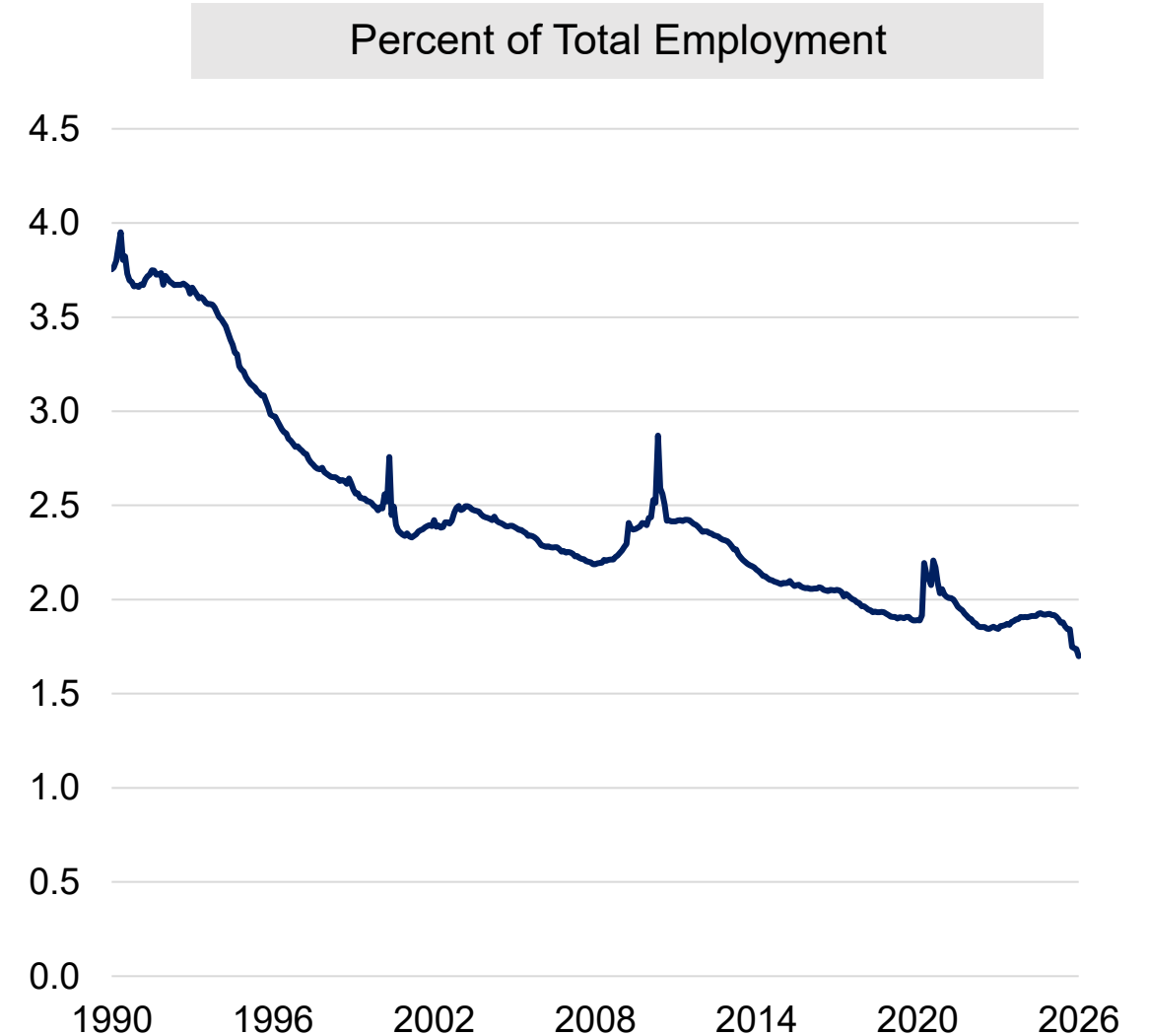
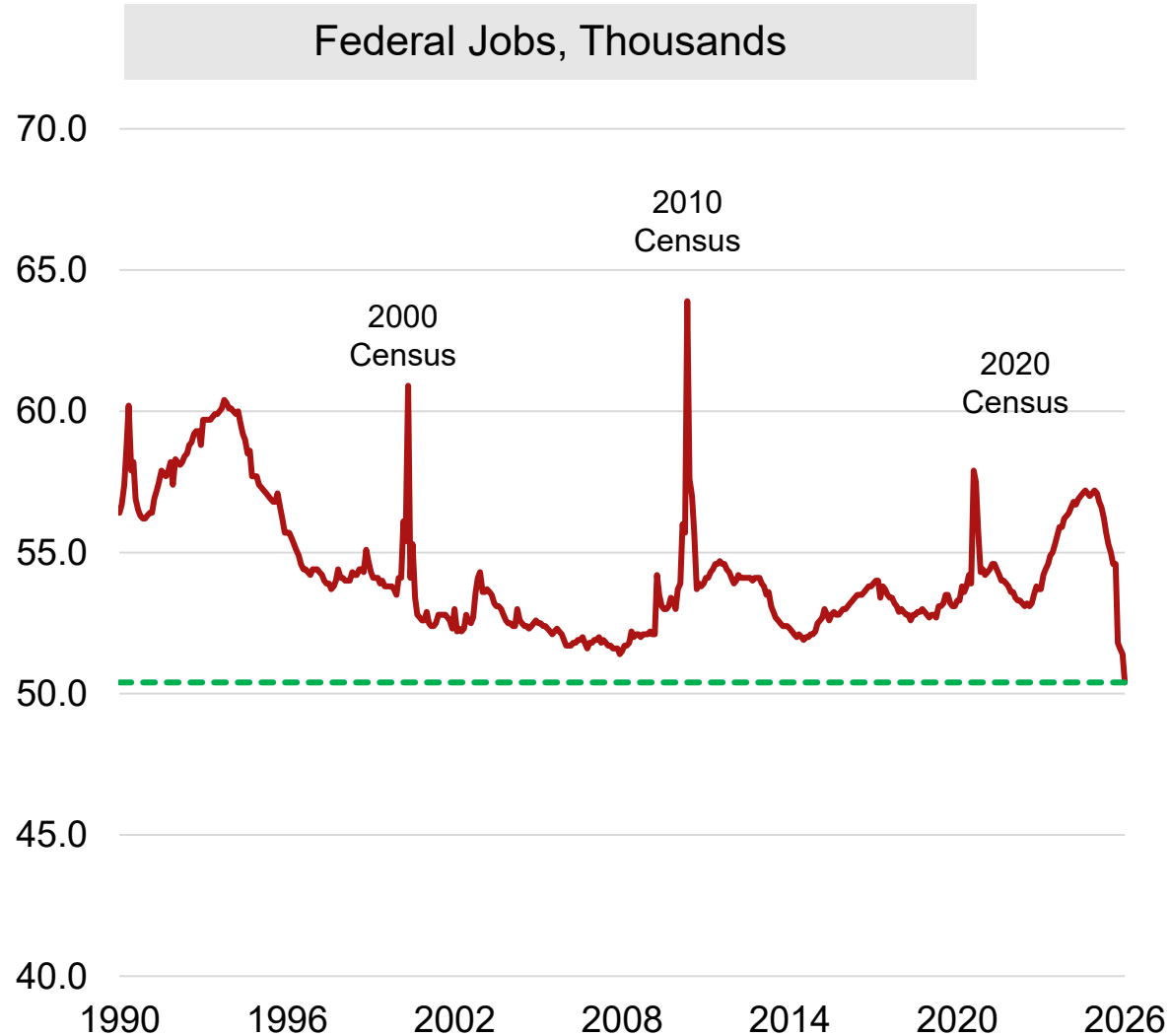


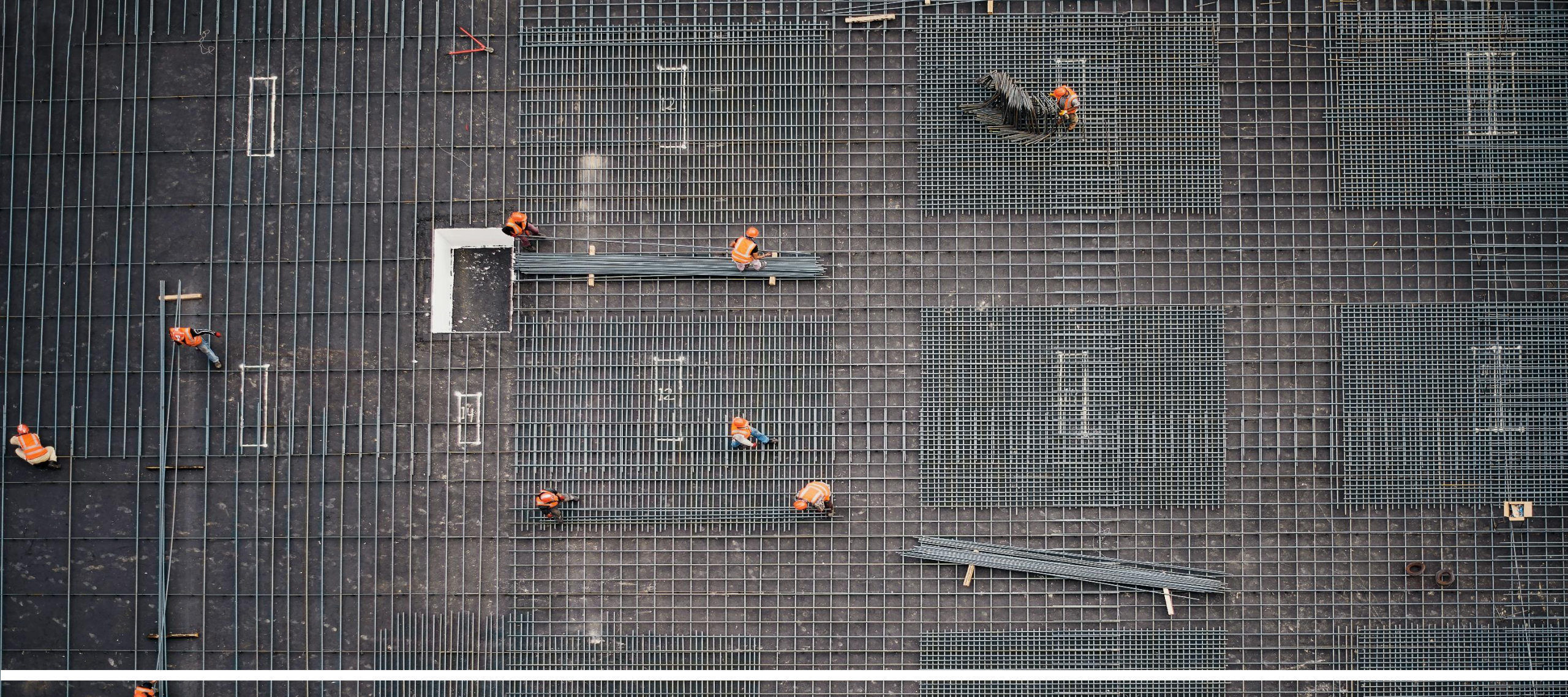
Employment Growth by County

Sept. 2025 YTD vs. Sept. 2019 YTD, Percent Change, CAGR



Federal Employment in Colorado

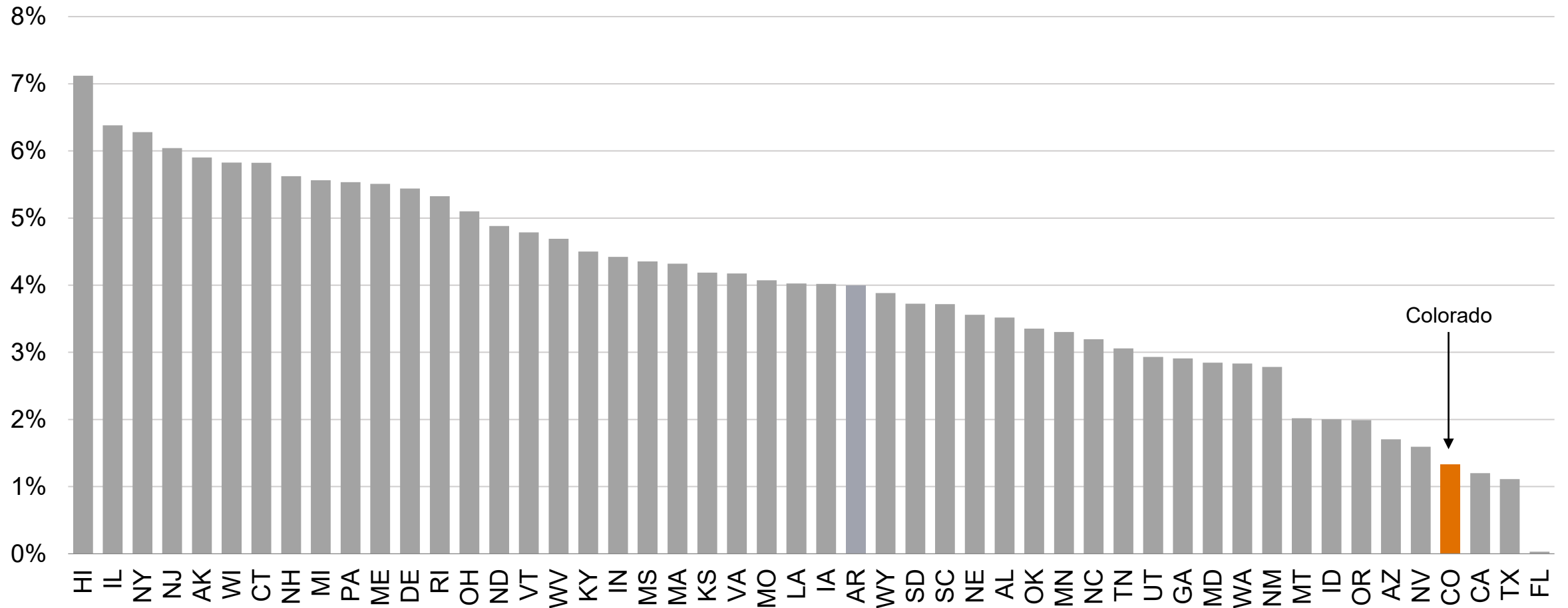




Construction and Real Estate

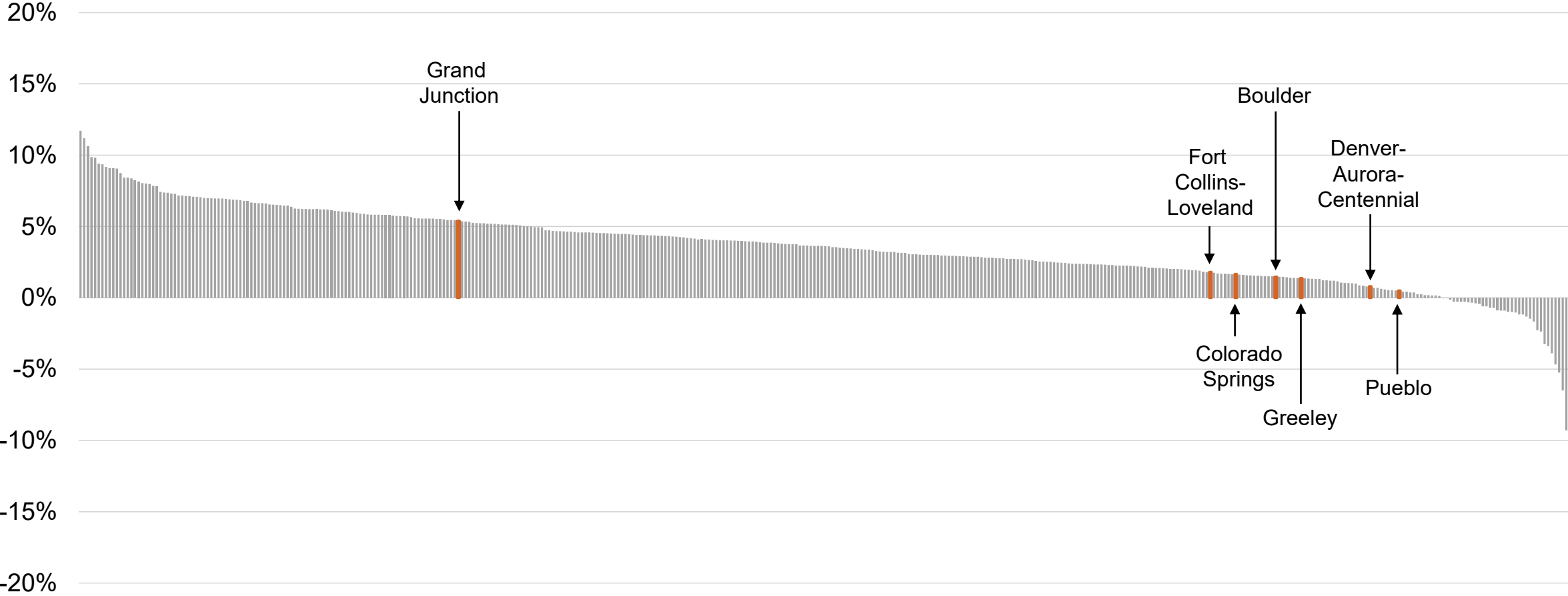
FHFA Home Price Index by State

One-Year Home Price Percent Change, Q4 2025

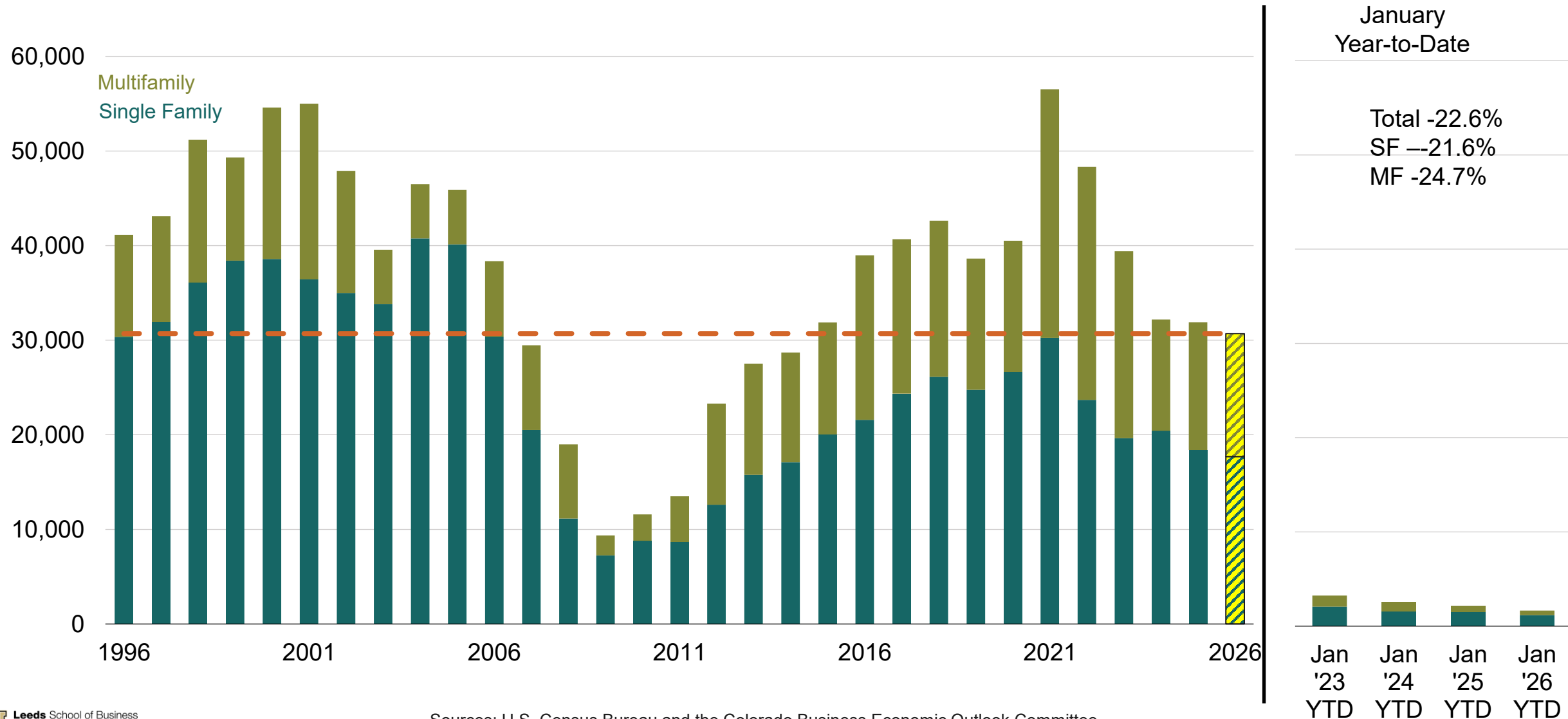


FHFA Home Price Index by MSA

One-Year Home Price Percent Change, Q4 2025

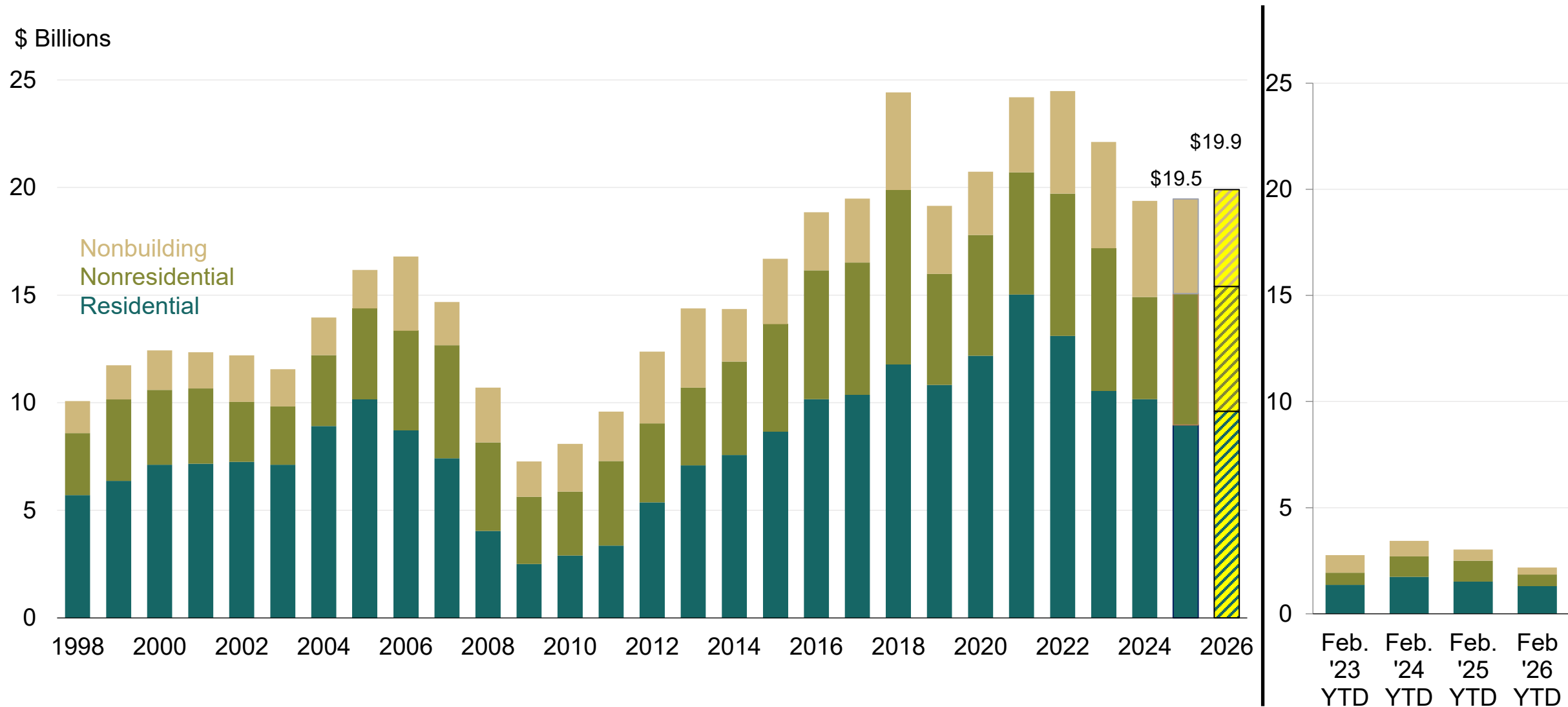


Colorado Residential Building Permits



Year	Single Family	Multifamily	Total
Jan '23 YTD	~10,000	~2,000	~12,000
Jan '24 YTD	~8,000	~2,000	~10,000
Jan '25 YTD	~7,000	~1,000	~8,000
Jan '26 YTD	~6,000	~1,000	~7,000

Colorado Total Value of Construction

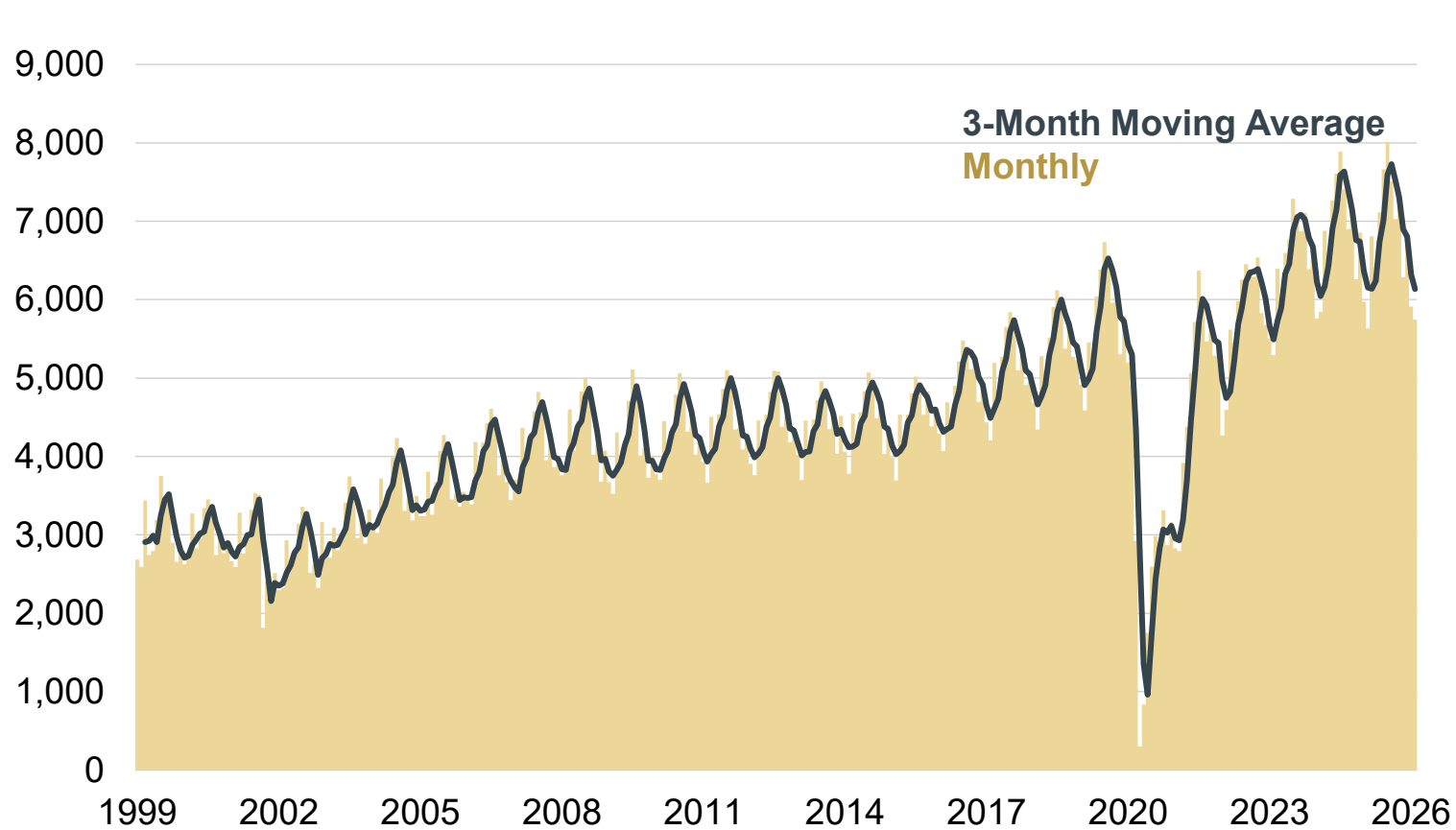




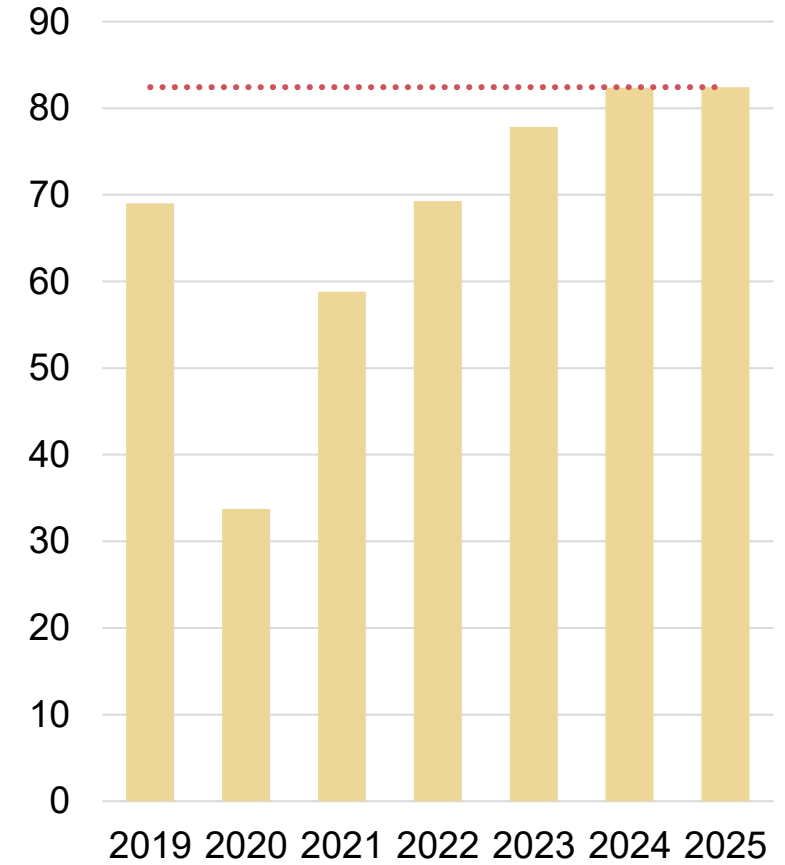
Tourism & Consumption

DIA Enplanements and Deplanements

DIA Monthly Passenger Traffic, Thousands, 1999-2026



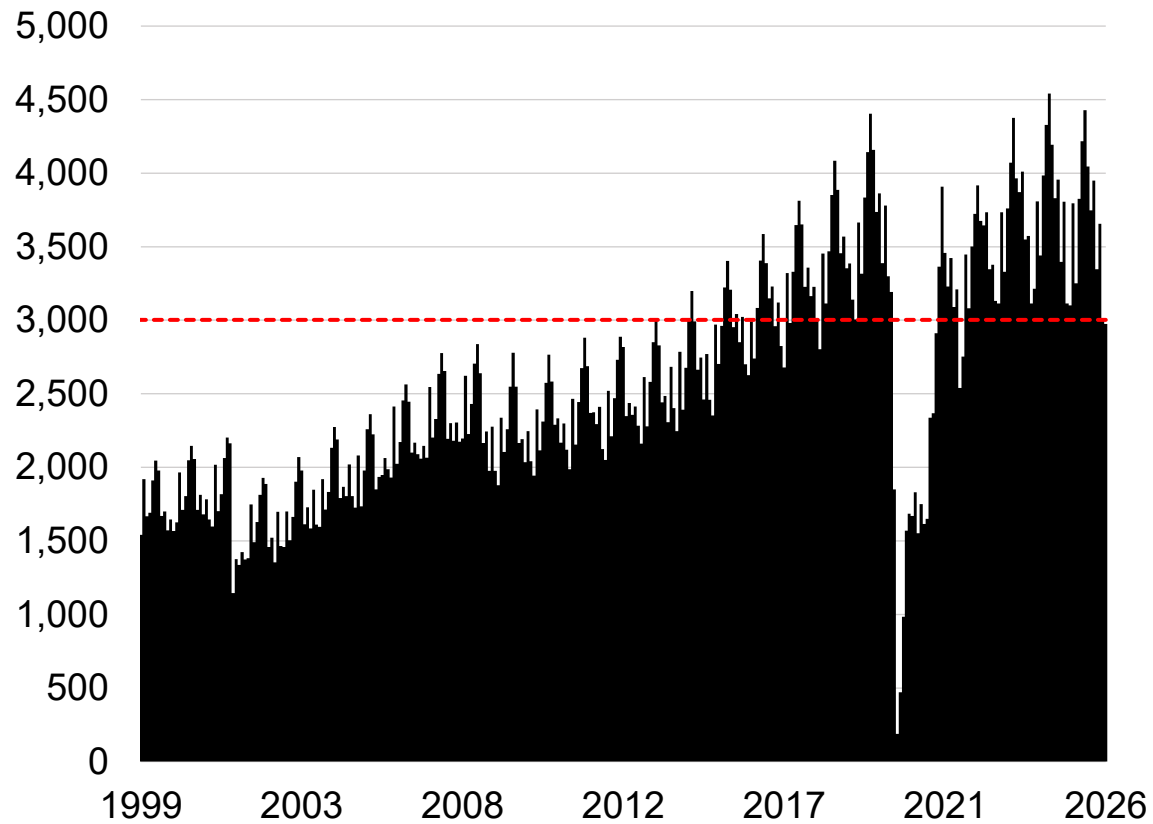
Annual Total (Millions)



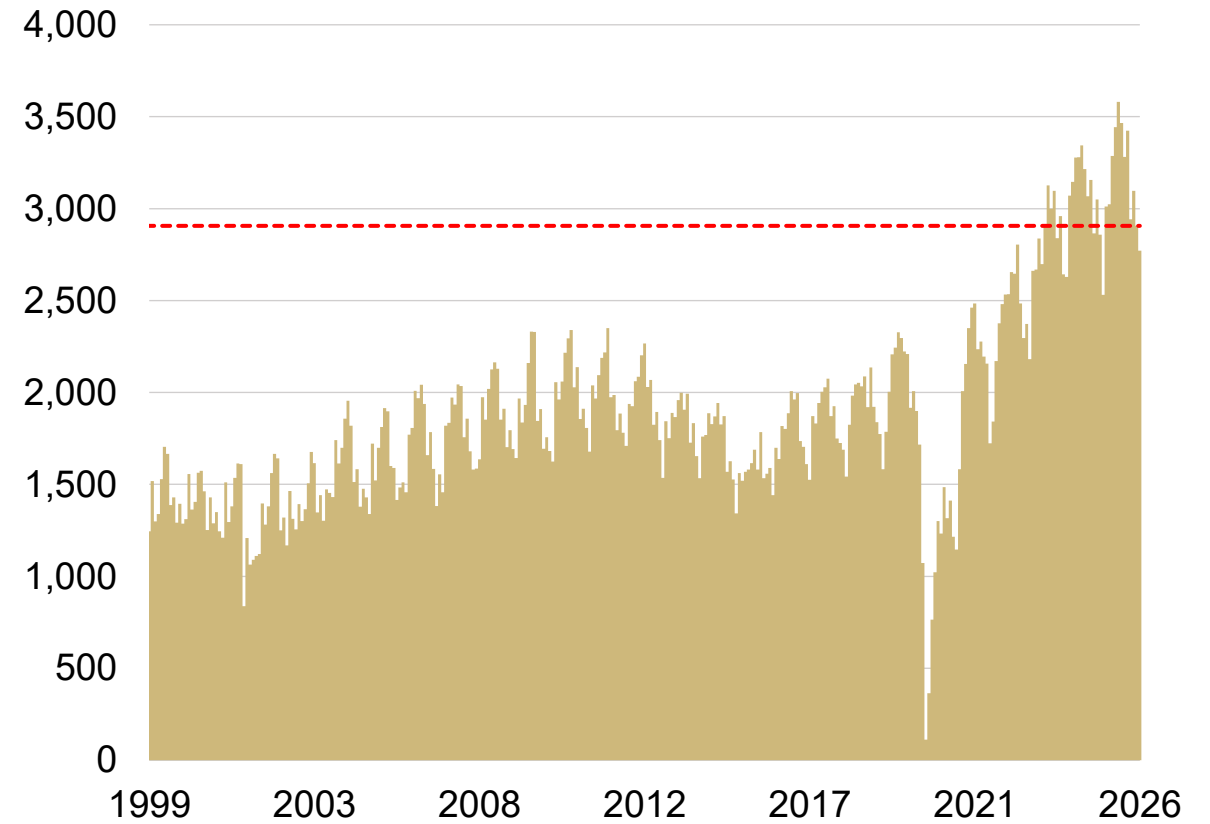
Source: Denver International Airport.

DIA Enplanements and Deplanements

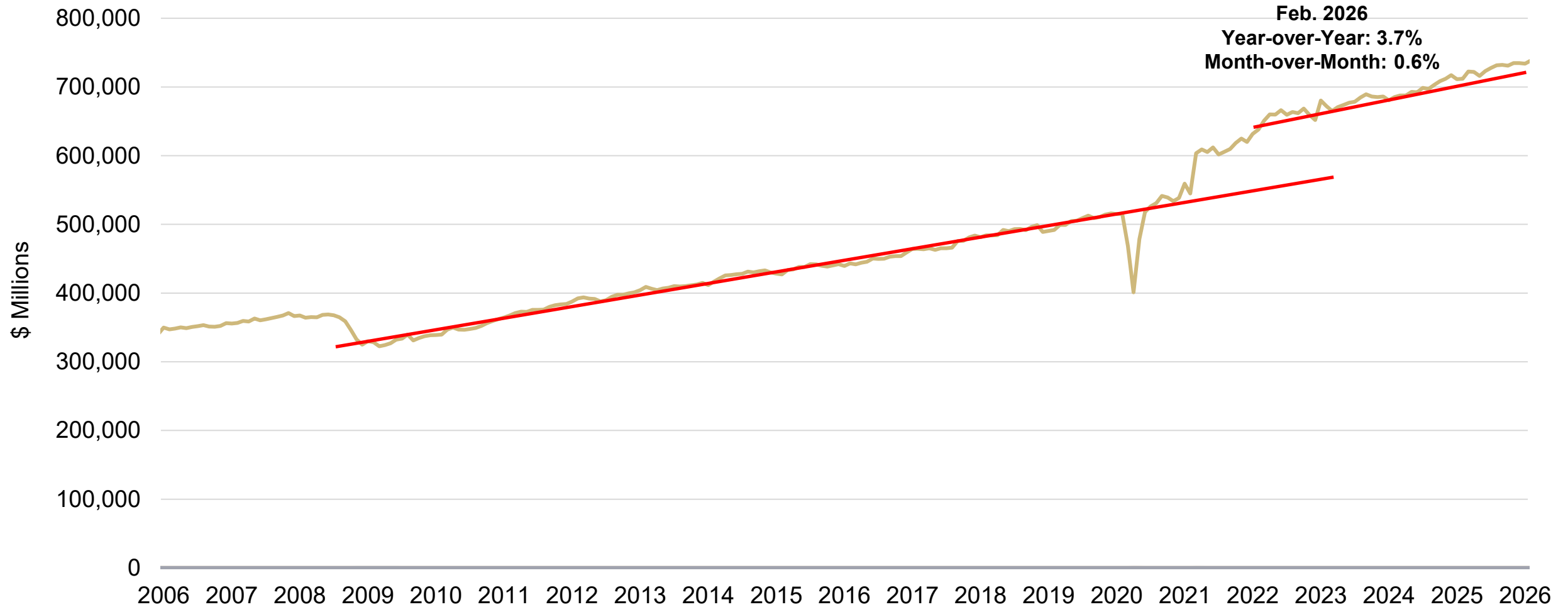
Originating and Destination, Thousands



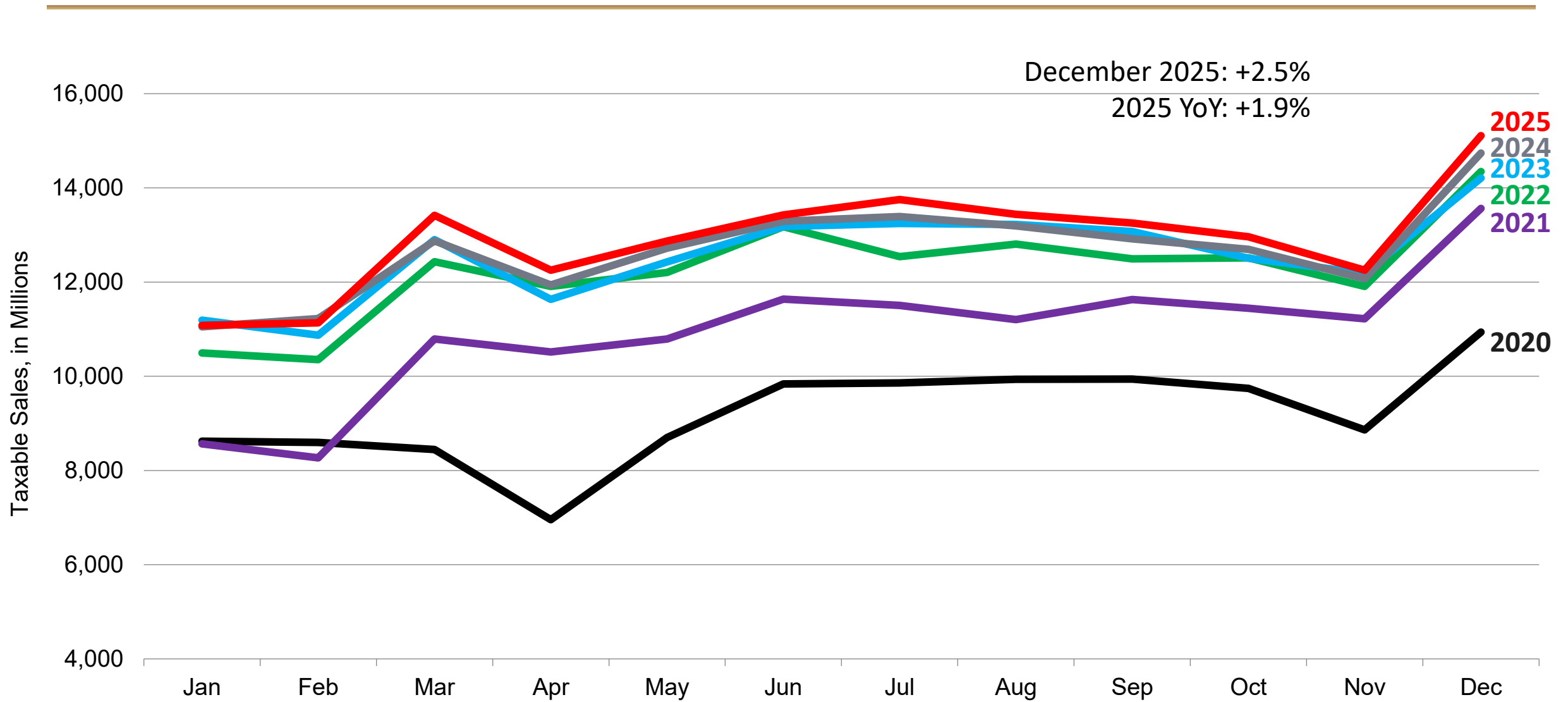
Transfers, Thousands



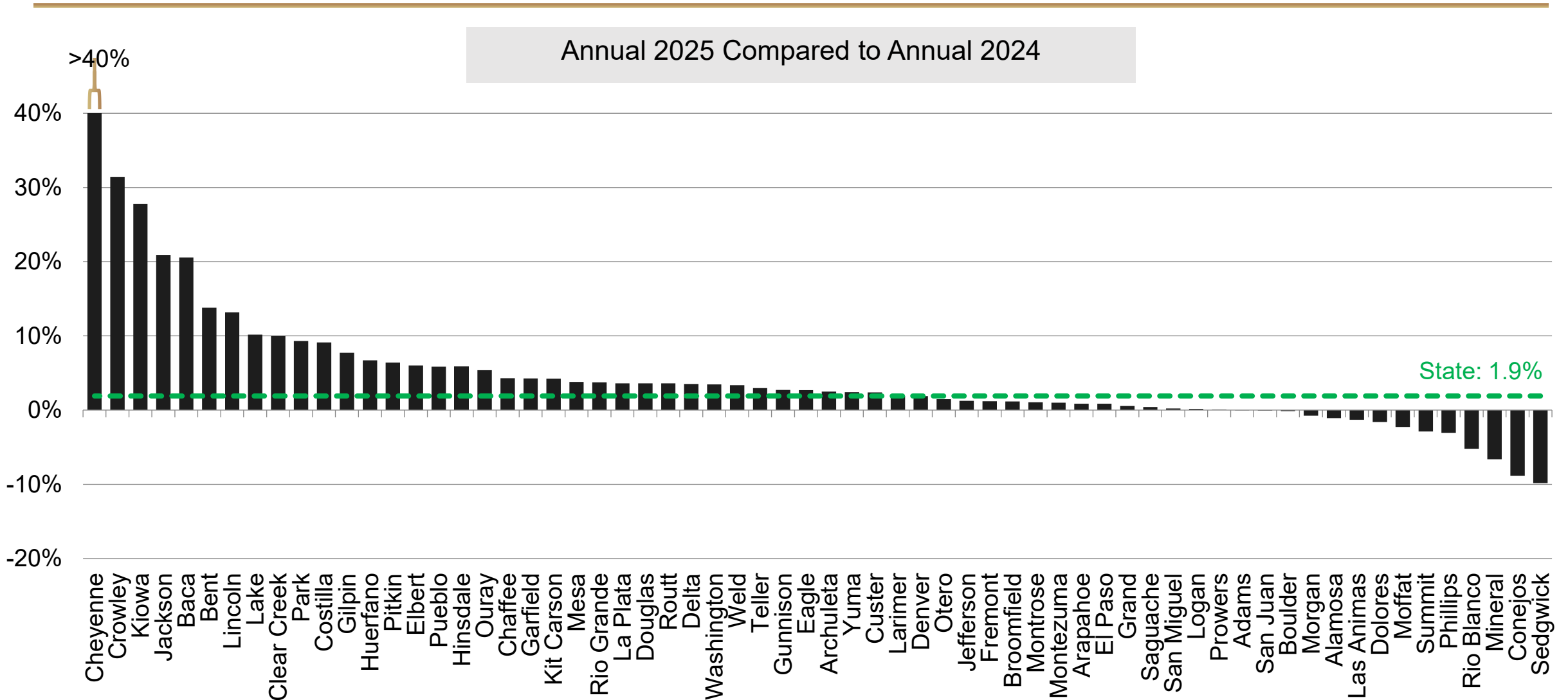
National Retail and Food Services Sales



State's Taxable Sales

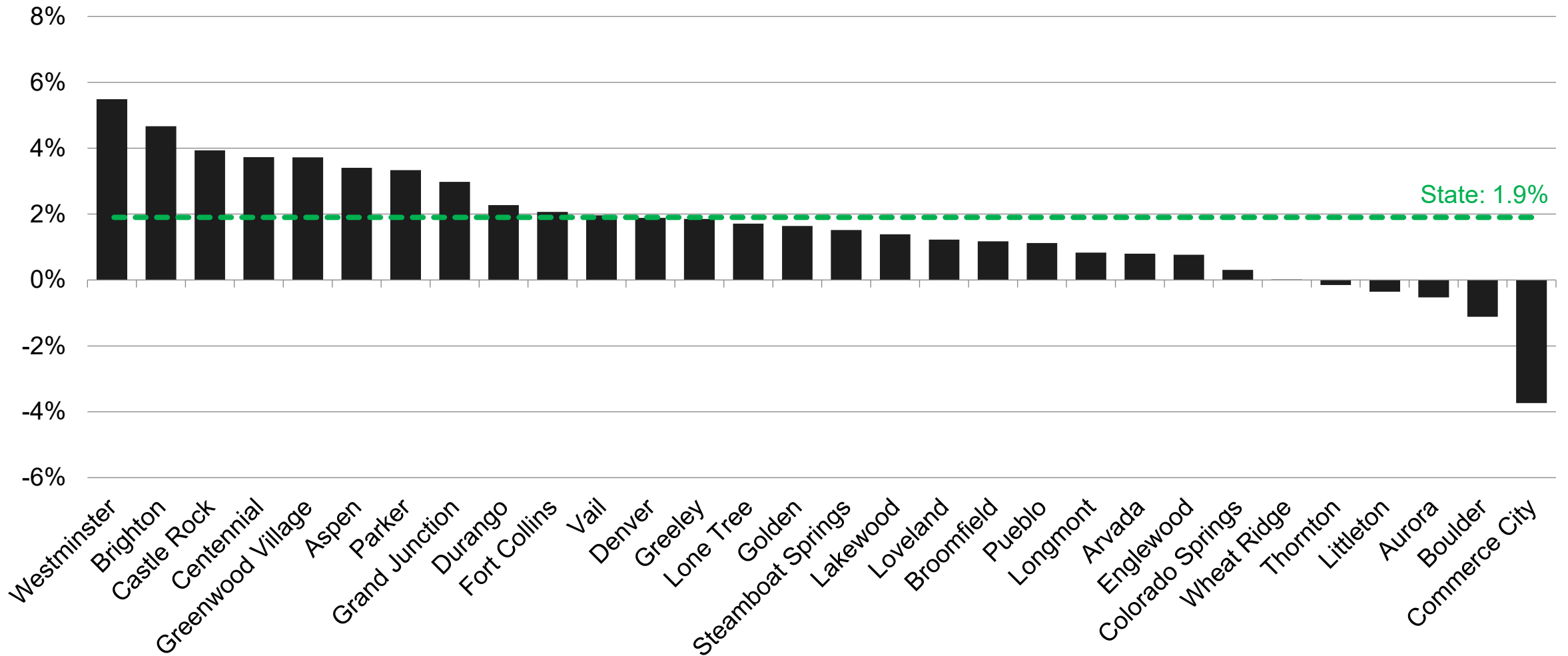


State Taxable Sales from Counties



State Taxable Sales from 30 Cities

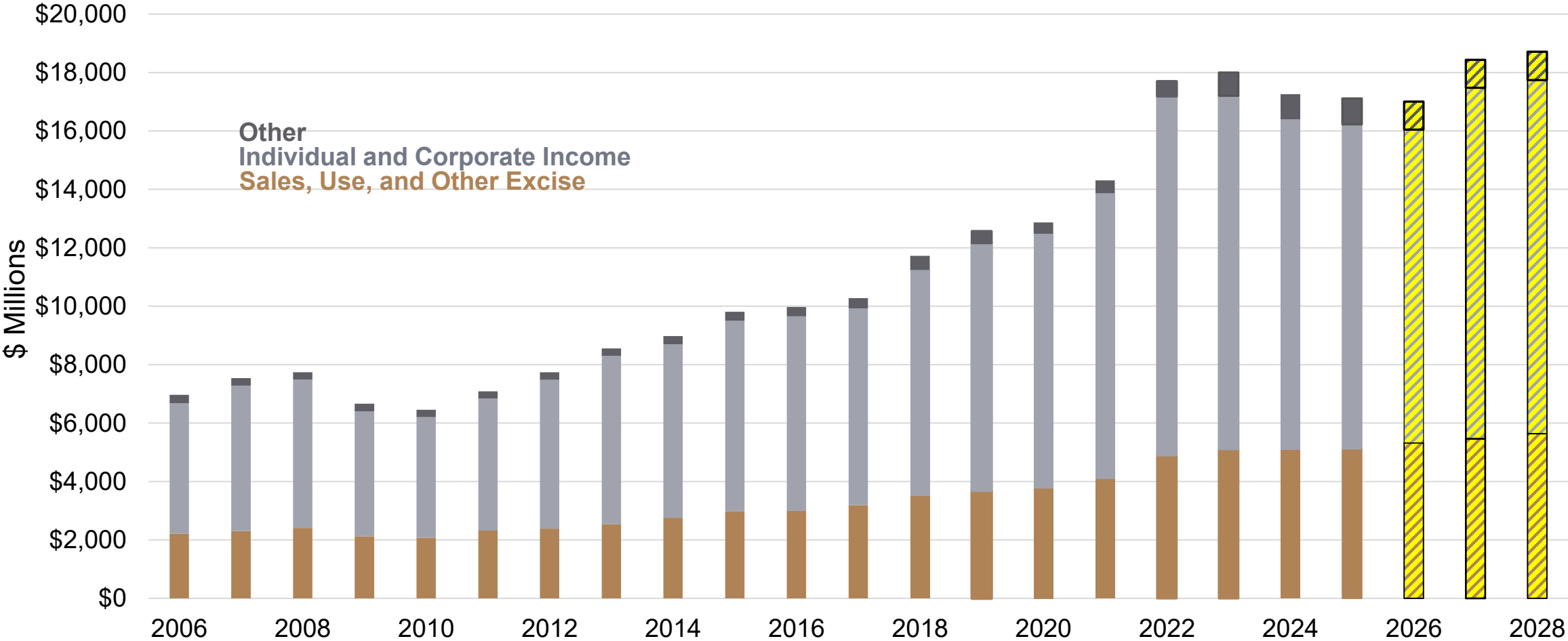
Annual 2025 Compared to Annual 2024





Among the Risks

Colorado General Fund



How The Budget May Be Balanced

\$46.5B Total Proposed Budget
\$16.9B in General Fund Spending

+\$352.6M Health care policy & financing increase

+\$185.4M Statewide K-12 education spending increase

+\$172.8M Cash fund transfer to General Fund

+\$23.9M Early childhood programs expanded

+1.6% Medicaid provider rate increase

+\$33.3M Judicial operations funding increase

-\$1.2B State agency operations cuts, costs shifted to local governments

-\$71.0M Delayed transfers to State Highway Fund

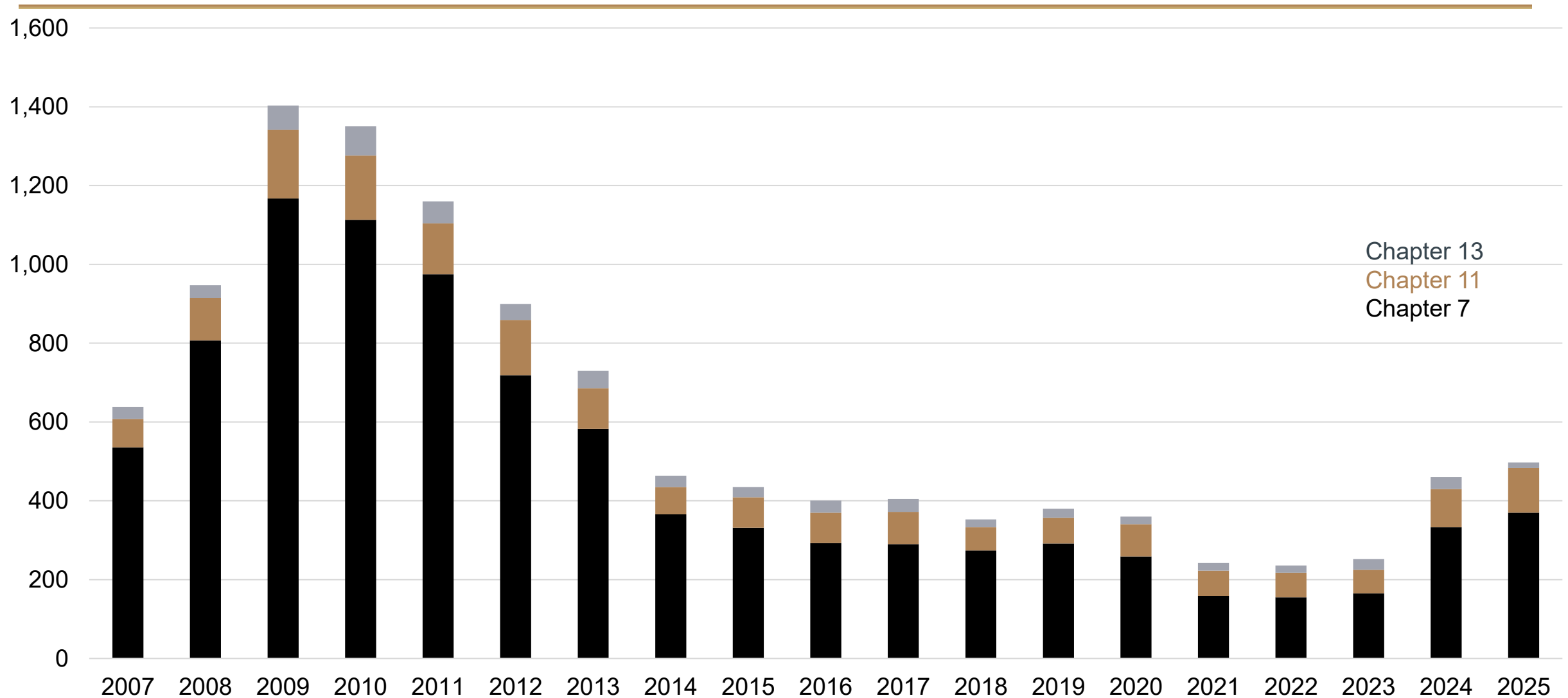
-\$42.2M Cut from Health School Meals for All program

-\$7.0M Transfer eliminated from Revitalizing Main Street Program

-\$3.7M Consolidation of crisis response services

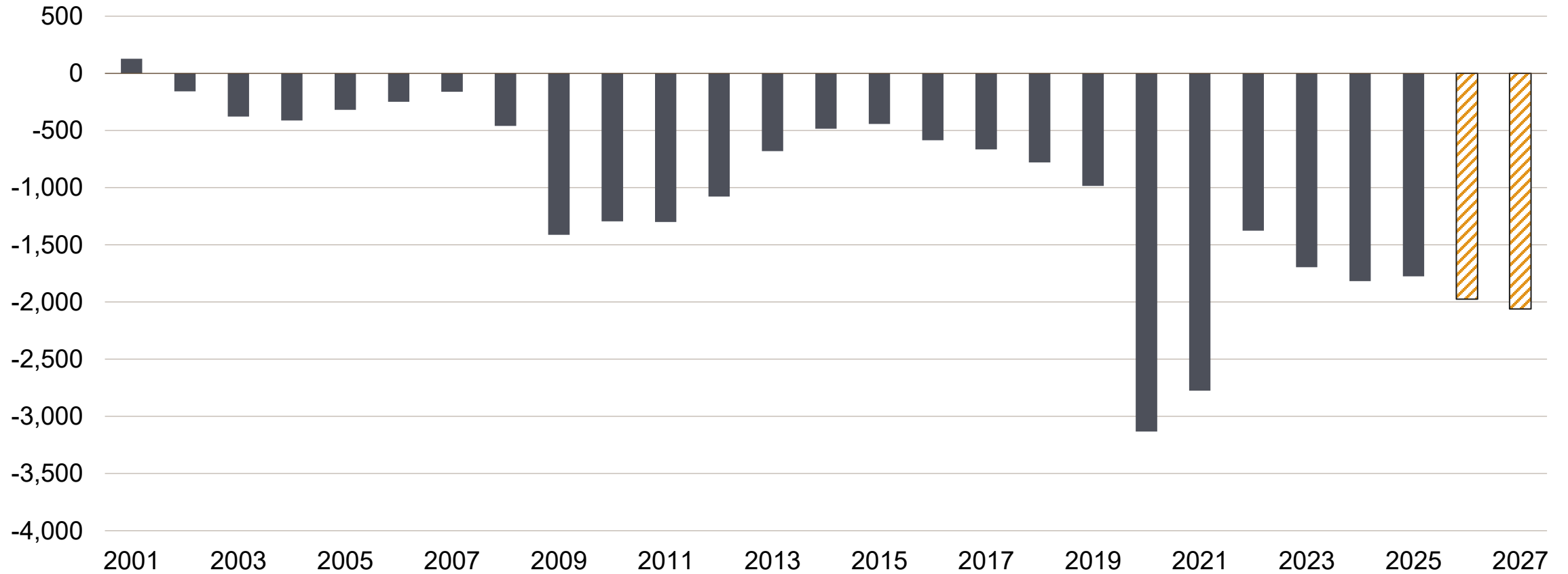
Repeal of Kidney Disease Task Force, community health workers reimbursement program, school mental health screenings, Inclusive Higher Education Act, and other education/social programs

Colorado Bankruptcy Filings

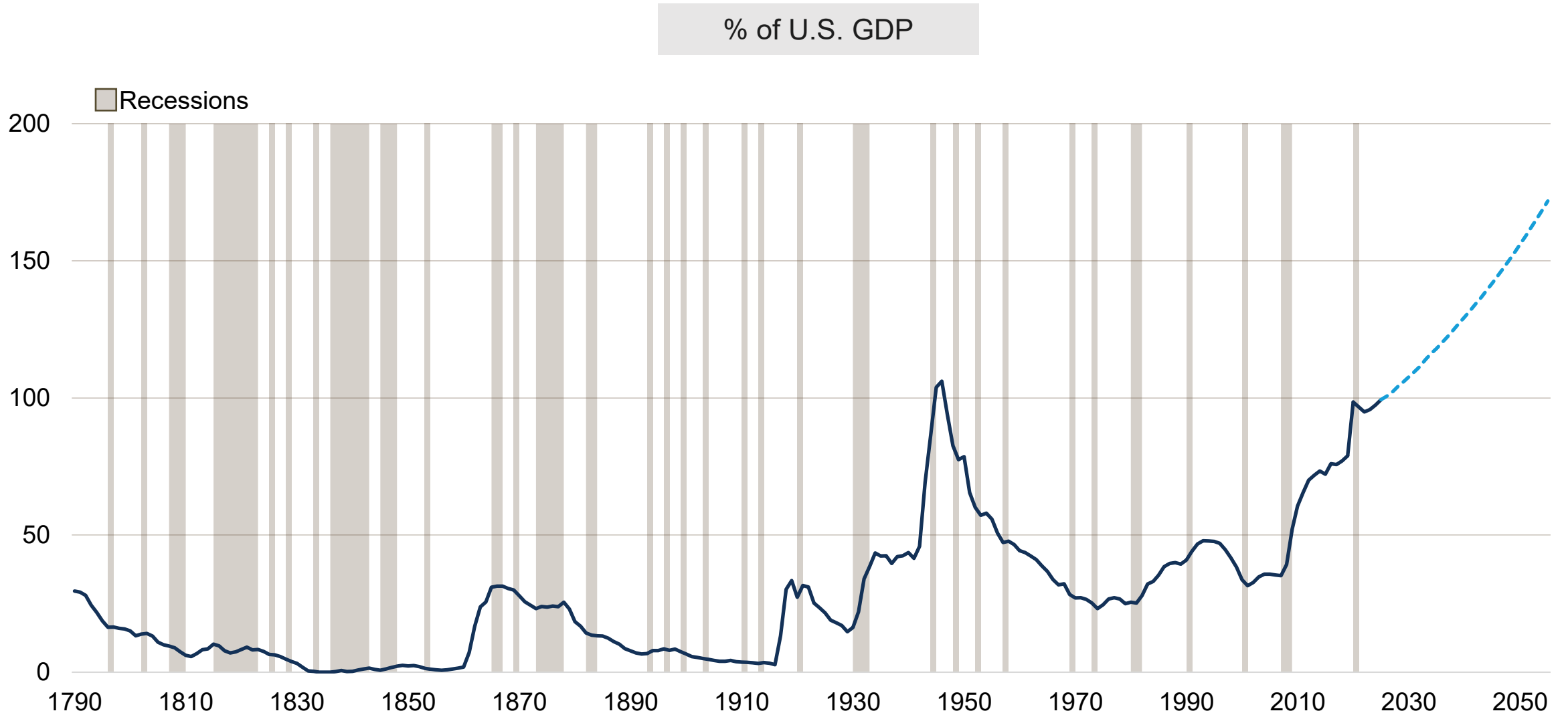


Federal Budget Balance

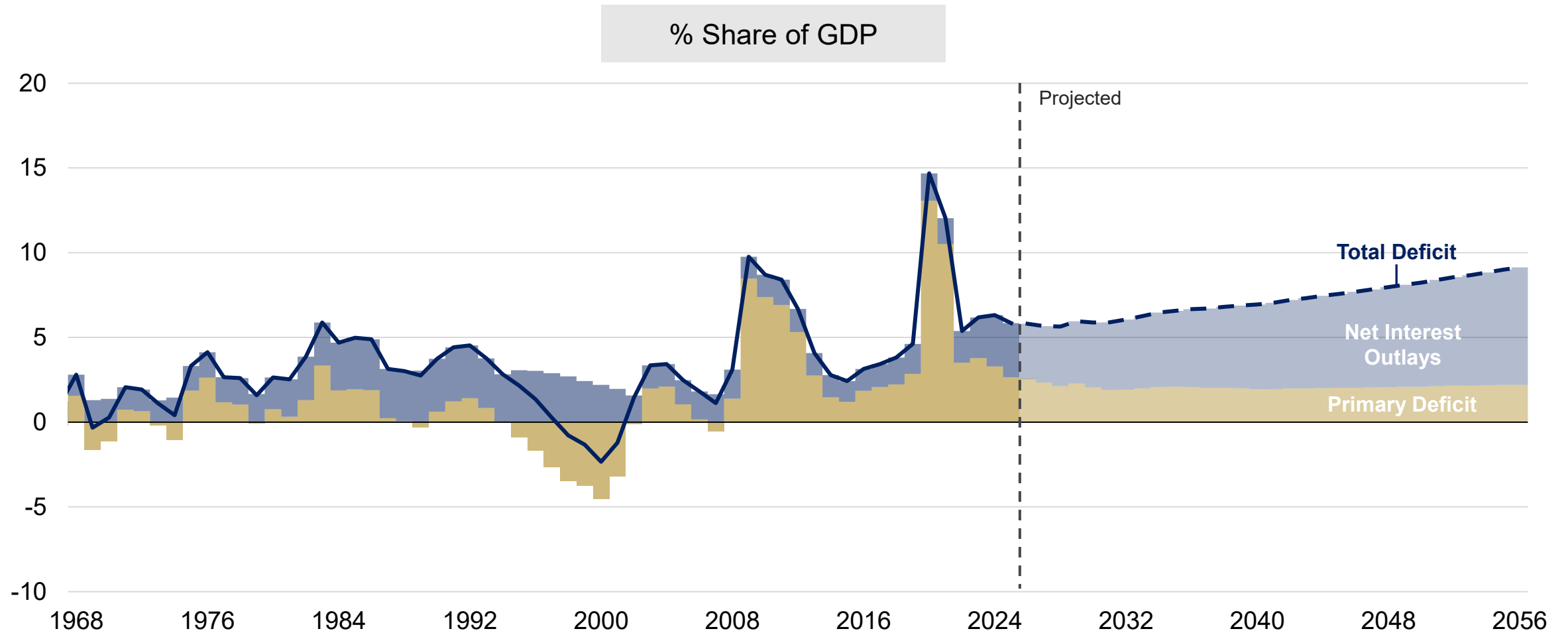
Balance, \$ Billions



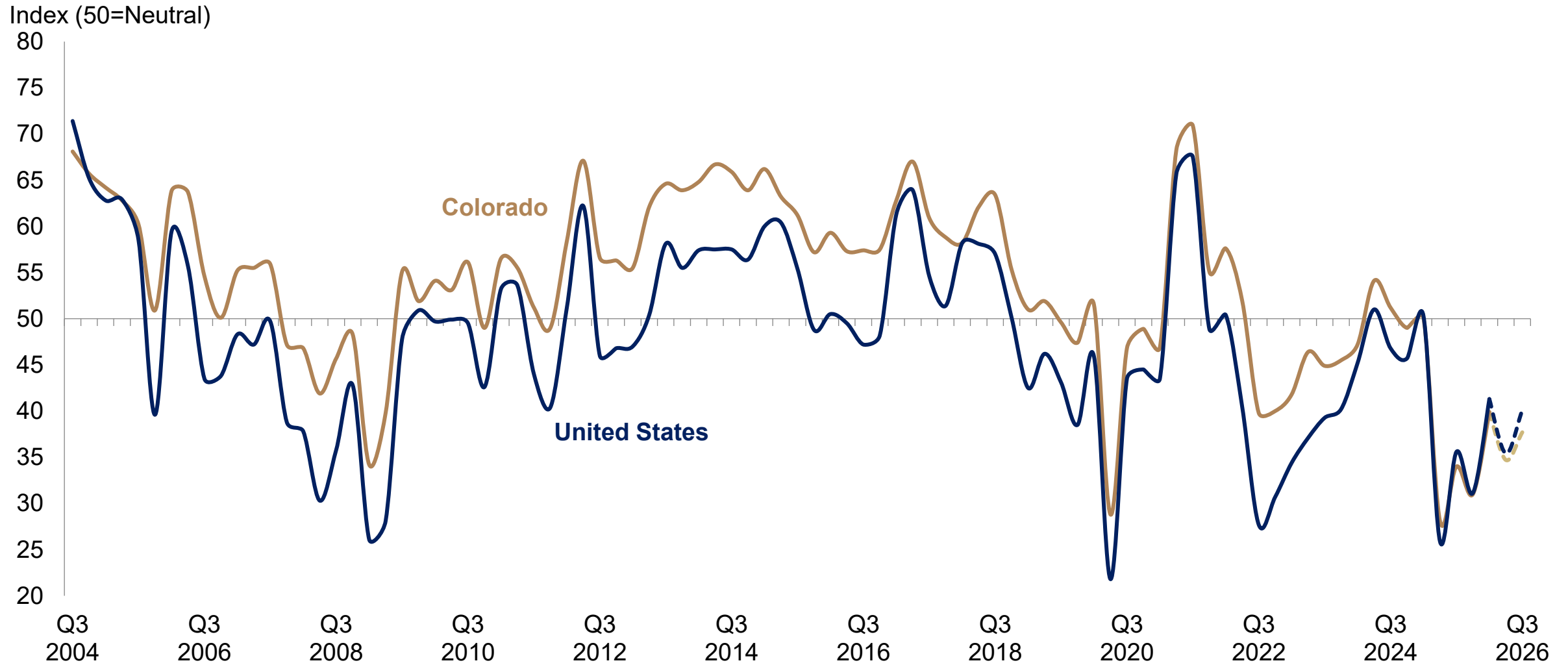
Federal Debt



Total and Primary Deficits



National and State Expectations



BRD Publications and Confidence Index



Register and Receive Free Access to:

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



Tailwinds versus Headwinds

Continued consumption

H.R.1:

- Lower taxes (higher return, lower withholding rate)
- Overtime pay and tips
- Encouraging investment

Less trade war uncertainty

Increased wealth

Slow growth in:

- Population
- Labor force
- Employment

High and increasing cost of living

Loan delinquencies

Weakening economic growth

Water

Bankruptcies up (but dissolutions are down)

Federal deficit and debt rising

Federal restructuring