UCCS
Economic Forum
COLLEGE OF BUSINESS
UNIVERSITY OF COLORADO
COLORADO SPRINGS

UCCS Economic Forum Dashboard Report
March 2024
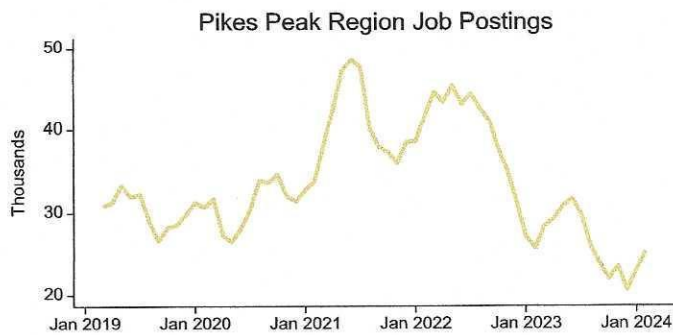## Dr. Bill Craighead, Director

Happy spring from the UCCS Economic Forum!

We've had mixed news on the local employment front. The Bureau of Labor Statistics annual benchmark revisions led to substantial increases in the state and local employment figures for 2023. We already thought the labor market had been strong last year, but the December payroll estimates were upped by 6500 for the Colorado Springs MSA and 47,400 for the state. As revised, the average monthly increase in local payrolls last year was 900, versus 625 pre-revision. For comparison, in 2018-19, the average monthly job gain was 588.

However, while 2023 was even stronger than we thought, the numbers for the first two months of 2024 are showing employment declines. In January and February, local payrolls fell by a total of 900. These estimates are seasonally adjusted, so that's on top of the normal declines we see this time of year. That data is from the survey of business establishments; the numbers from the separate household survey were also negative. The local unemployment rate has risen to 4.3% - that is not seasonally adjusted. We'll have a seasonally adjusted estimate soon – for February, the seasonal adjustment typically reduces the unemployment rate by 0.3-0.5, so we'll almost certainly end up with a higher seasonally adjusted unemployment rate than the 3.6% seen in December and January.

While I wouldn't overreact to two month's data – it can be "noisy," and the February payrolls figure is preliminary – it definitely bears watching to see if a worrisome trend is developing. On a more encouraging note, the number of local job postings has increased in the first two months of 2024, after trending down in the second half of last year.

January is always a slow month for retailers, but Colorado Springs city sales and use tax revenue for February, reflecting January sales, did come in

Pikes Peak Region Job Postings

Data: The Conference Board-Lightcast Help Wanted OnLine®, courtesy Pikes Peak Workforce Center

5.1% ahead of the same month in 2023. That largely reversed the year-on-year decline we'd seen last month. The latest retail sales figures we have for El Paso County are for December and show a 6.9% year-on-year decline; if this follows the same pattern as we've seen in the city data, it will improve in January. For the full year 2023, El Paso County retail sales were essentially flat – up 0.12% over 2022 – mirroring what we saw in the Colorado Springs city sales tax collection data. What happens in 2024 will depend partly on home sales, which can lead to purchases of new furniture and appliances.

The median sale price of a single-family home in the region came in at $455,900 in February, up 1.3% from January and 3.6% from a year ago, though down by 7.9% from the June 2022 peak of $495,000.

Although we're still a few months away from the seasonal peak of activity, the number of active listings is running 26.8% ahead of last year's pace and is also higher than February 2019 and 2020. This is an encouraging sign that we may see a rebound in transaction volume this year. Other things equal, greater supply will put downward pressure on prices (though it is likely there is a considerable amount of pent-up demand as well). One of my favorite

Pikes Peak Region Active Single-Family Listings

Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®

metrics of housing affordability, the share of local median income needed for the payments on a house purchased at the local median price, calculated by the Atlanta Fed, improved to 40.1% in January. That's down from 45.4% last October, but still well above the government's affordability benchmark of 30%, which Colorado Springs met until mid-2021.
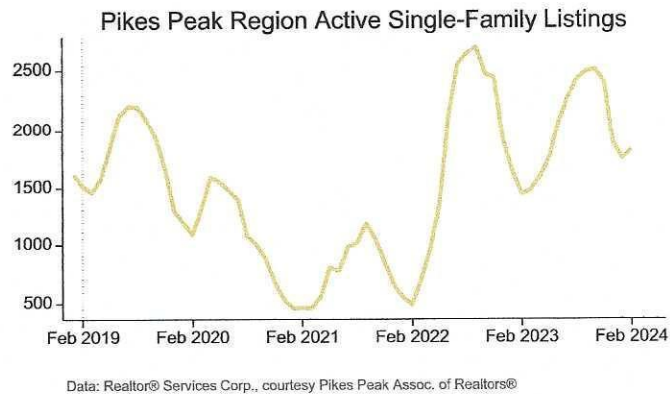
Nationally, employment growth continues to be strong with payrolls increasing by 275,000 in February (subject to revision). As has often been the case recently, the data from the household survey was considerably weaker, with the unemployment rate increasing from 3.7% to 3.9%. The payrolls figure comes from the survey of business establishments, which is considered more statistically reliable because of a larger sample size. The same pattern was seen in the data for Colorado, where payrolls increased in February, but so did the unemployment rate (from 3.4% to 3.5%). Some have expressed concern about the US labor force participation rate – it was unchanged in February at 62.5%, but still below the February 2020 mark of 63.3%. However, the participation rates for persons aged 25-54 and 55-64 are higher than in February 2020; the decline in the overall rate has been driven mainly by a decline in participation rates among those over 65, as well as an increased share of over-65's as the population ages.

Inflation readings from the Consumer Price Index (CPI) have been higher than hoped-for in the first two months of the year. On a year-on-year basis, overall February inflation was 3.2% and core inflation, which excludes food and energy, was 3.8%. Last week, the Fed signaled that is not changing course based on these numbers. We'll have the Fed's preferred inflation measure, the Personal Consumption Expenditures (PCE) price index, for February on March 29.
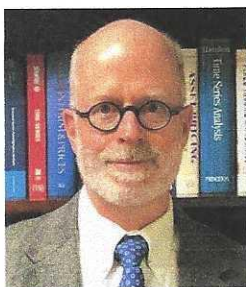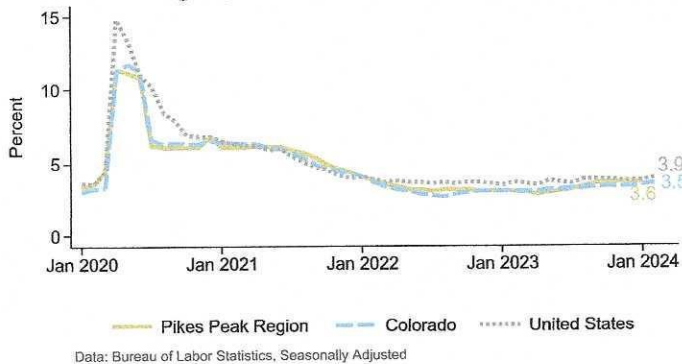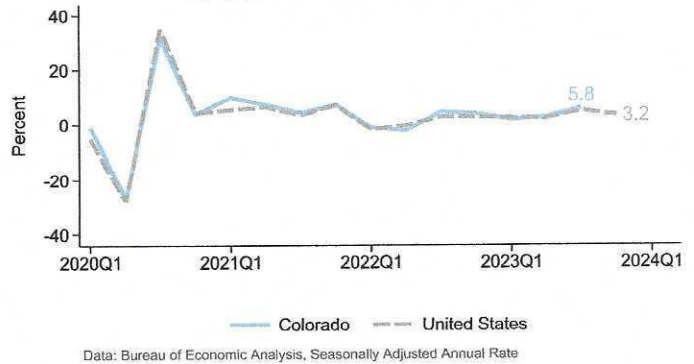
Thank you for your support!

Bill

Bill Craighead, Ph.D.
Director, UCCS Economic Forum
craighead@uccs.edu
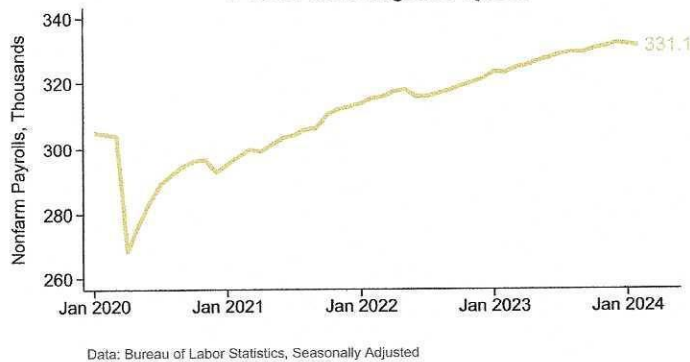
Output, Employment and Wages

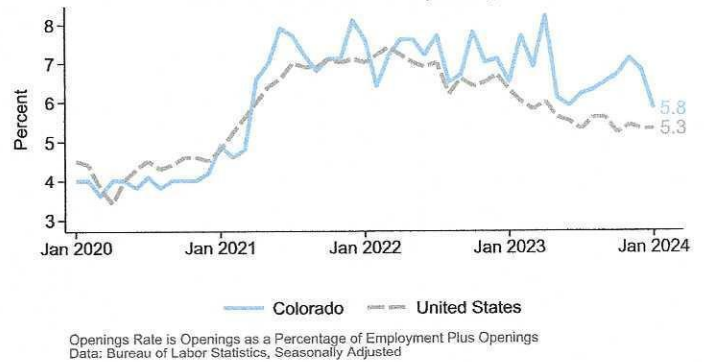### Pikes Peak Region, Colorado and US Unemployment Rates

3.9
3.5
3.6

Legend: Pikes Peak Region — Colorado (dashed) — United States (dotted)

Data: Bureau of Labor Statistics, Seasonally Adjusted

Colorado and US Real GDP Growth

5.8
3.2

Legend: Colorado — United States (dashed)

Data: Bureau of Economic Analysis, Seasonally Adjusted Annual Rate

Pikes Peak Region Payrolls

331.1

Data: Bureau of Labor Statistics, Seasonally Adjusted

Colorado and US Job Openings Rates

5.8
5.3

Legend: Colorado — United States (dashed)

Openings Rate is Openings as a Percentage of Employment Plus Openings
Data: Bureau of Labor Statistics, Seasonally Adjusted

El Paso County Employment by Industry, Q3 2023

Industry	Employment	1 yr. % chg.
Health Care & Social Assistance	51,136	+4.8
Accomodation & Food Services	35,737	+5.6
Professional & Tech. Services	33,370	+4.9
Retail Trade	32,633	+1.6
Educational Services	28,212	+9.6
Construction	18,092	-2.4
Administrative & Waste Services	17,183	-1.5
Public Administration	15,246	+1.1
Finance & Insurance	13,575	+11.5
Manufacturing	12,084	+1.7
Other Services, ex. Public Admin.	12,042	+5.7
Transportation & Warehousing	11,090	+9.6

Top 12 industries shown. Data: Colorado Labor Market Information, Quarterly Census of Employment and Wages Program

Pikes Peak Region Job Postings, Feb. 2024

Occupation	No. of Postings	Median Advertised Ann. Salary
Registered Nurses	1,490	$87,808
Retail Salespersons	641	$33,408
Other Computer Occupations	614	$132,864
Software Developers	571	$129,792
Sales Reps., Wholesale & Mfg.	511	$64,896
Fast Food & Counter Workers	437	$33,408
First-Line Retail Supervisors	394	$46,720
Customer Service Reps.	365	$41,600
Managers	357	$119,552
Maintenance & Repair Workers	336	$48,256
Total Openings	25,247	$59,264

Unique, active postings for top 10 occupations shown. Data: The Conference Board-Lightcast Help Wanted OnLine®, courtesy Pikes Peak Workforce Center

Average Annual Pay, Q3 2023

El Paso County	$63,336
Colorado	$74,360
United States	$69,368

Data: Bureau of Labor Statistics

Armed Forces in El Paso County

2022	2021
36,190	32,938

Data: Census Bureau

Pikes Peak Region Employment

	Feb.	Jan.
Employed	363,795	364,734
Unemployed	16,247	14,829

Household survey data, includes self-employed, *not* seasonally adjusted. Data: Colorado Department of Labor & Employment; Bureau of Labor statisics

Note: "Pikes Peak Region" refers to the metropolitan statistical area of El Paso and Teller counties unless otherwise specified. Data subject to revisions. Please do not reprduce without permission.

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Inflation and Interest Rates

US Inflation

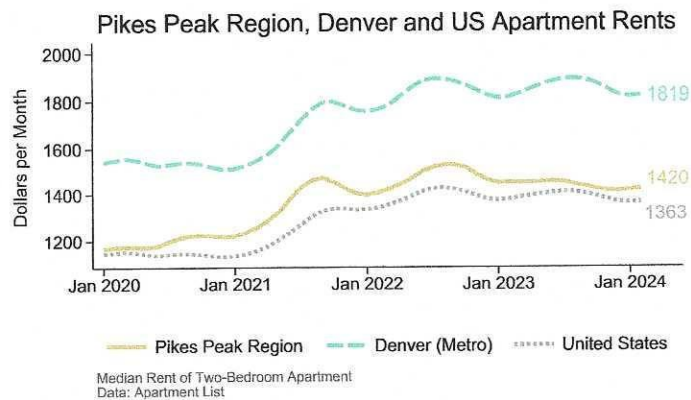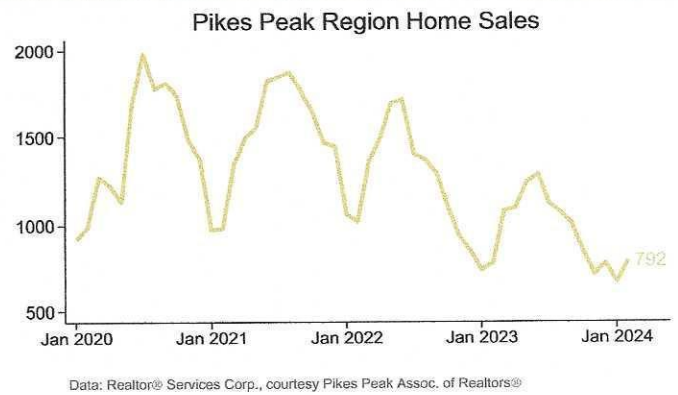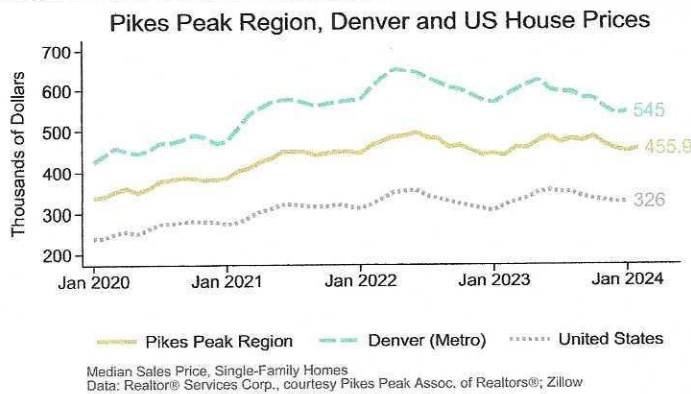Legend: Consumer Price Index (CPI) — CPI ex. Food and Energy

Values shown: 3.8, 3.2

Data: Bureau of Labor Statistics

US Interest Rates

Legend: Fed Funds — 30-yr Mortgage — Prime

Values shown: 8.5, 6.8, 5.3

Data: Federal Reserve Board, Freddie Mac

Real Estate

Pikes Peak Region, Denver and US House Prices

Values shown: 545, 455.9, 326

Legend: Pikes Peak Region — Denver (Metro) — United States

Median Sales Price, Single-Family Homes
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®; Zillow

Pikes Peak Region Home Sales

Value shown: 792

Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®

Pikes Peak Region, Denver and US Apartment Rents

Values shown: 1819, 1420, 1363

Legend: Pikes Peak Region — Denver (Metro) — United States

Median Rent of Two-Bedroom Apartment
Data: Apartment List

Pikes Peak Region Building Permits

Values shown: 68, 266

Legend: Multi-Family Dwellings — Single-Family Dwellings

A June 30 2023 change in building code caused some permitting to be pulled forward
Data: Pikes Peak Regional Building Department; serves El Paso county and Woodland Park

Pikes Peak Region Commercial Vacancy Rates

Values shown: 10.7, 6.4, 4.6, 2.9

Legend: Office — Medical Office — Retail — Industrial

Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.

Pikes Peak Region Commercial Property Rents

Values shown: 25.82, 18.81, 18.46, 10.49

Legend: Office — Medical Office — Retail — Industrial
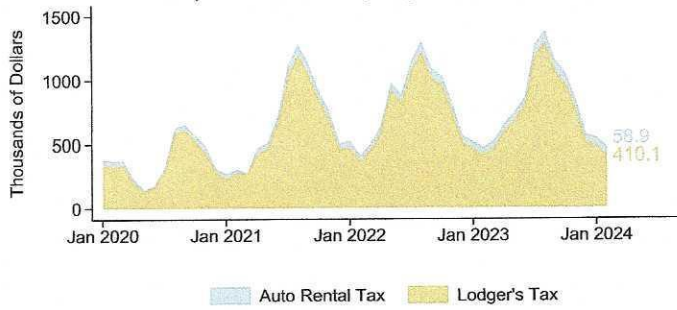
Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.

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Travel and Tourism

City of Colorado Springs LART Revenue

Auto Rental Tax   Lodger's Tax

58.9
410.1

Lodger's (2%) and Auto Rental (1%) Tax Collections Reflect Prior Month Sales
May 2022 Lodger's Tax Collections Include Delinquent Revenue from Prior Periods
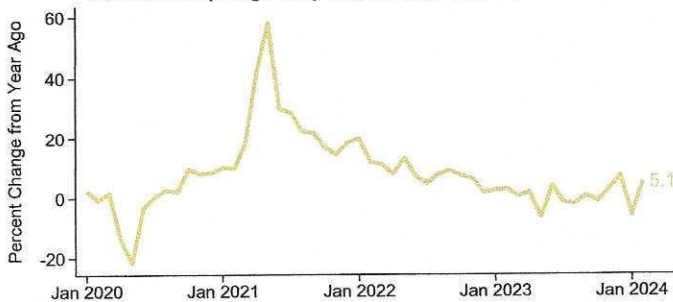Data: City of Colorado Springs Finance Department

Colorado Springs Airport Enplanements
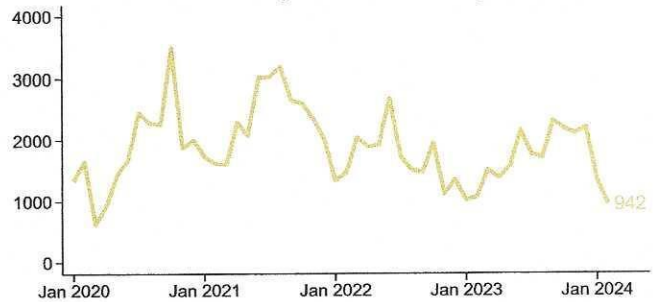

86.2
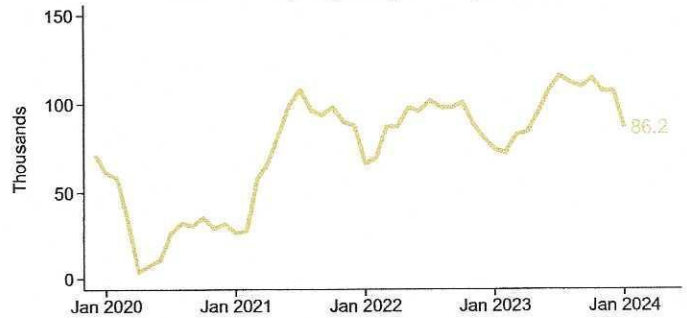
Data: Colorado Springs Airport

Consumers

### Colorado Springs City Sales and Use Tax Collections

5.1

Collections reflect sales in the prior month
Data: City of Colorado Springs Finance Department
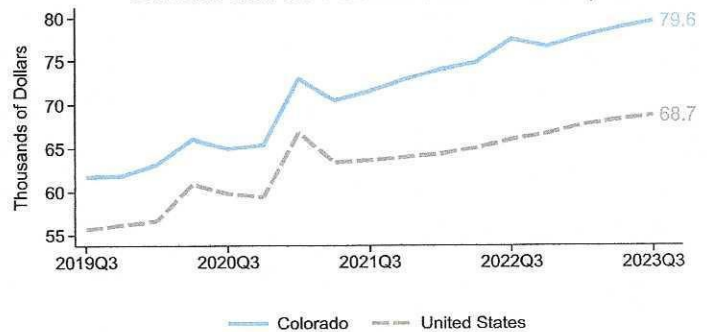
El Paso County New Vehicle Registrations

942

Excludes all terrain, camper trailer, trailer coach and trailer utility categories
Data: El Paso County Clerk & Recorder, Colorado Interactive LLC
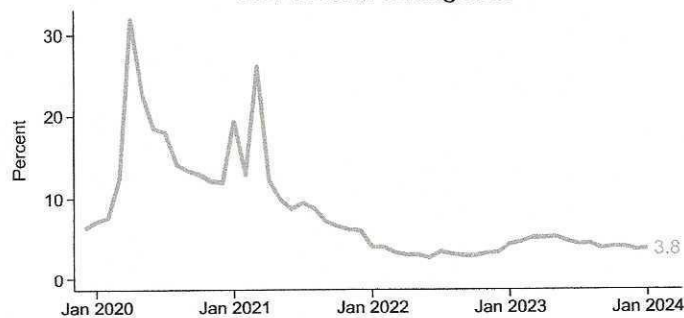
El Paso County Retail Sales

-6.9
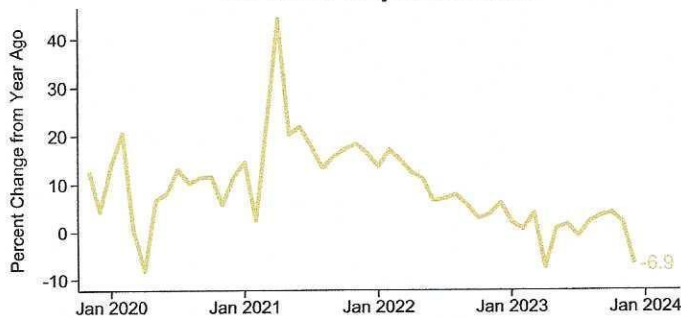
Data: Colorado Department of Revenue

Colorado and US Personal Income Per Capita

79.6
68.7

Colorado   United States

Data: Bureau of Economic Analysis, Seasonally Adjusted Annual Rate

US Personal Saving Rate

3.8

Data: Bureau of Economic Analysis, Seasonally Adjusted

US Consumer Sentiment

76.5
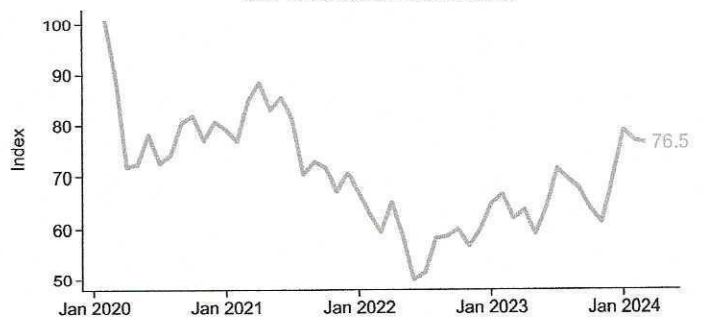
Data: University of Michigan

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Business

Colorado Business Confidence

Index (50 is Neutral)

49.6
47.3
47.3

Overall Index — Hiring — Capital Expenditures

Expectations of Industry Hiring Plans and Industry Capital Expenditures
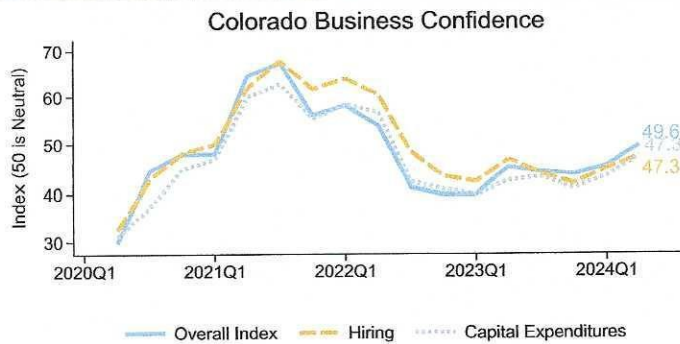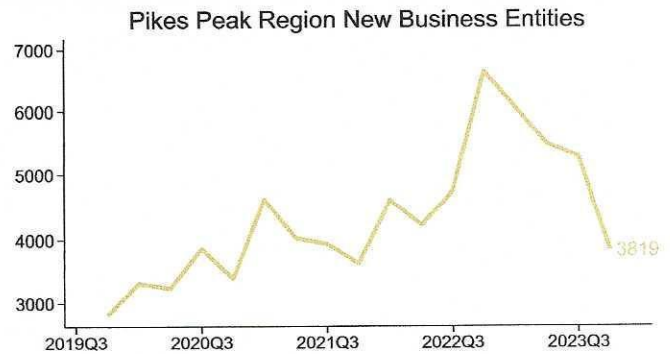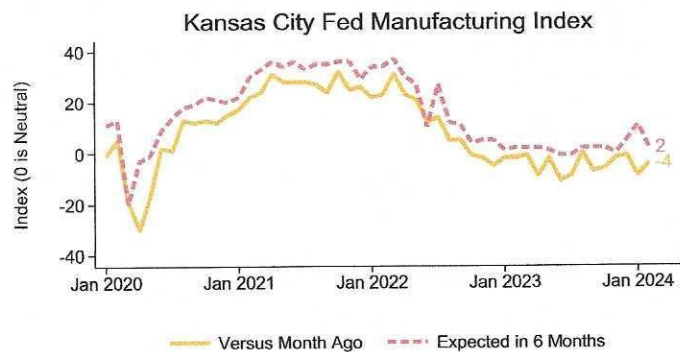are 2 of 6 components of the Leeds Business Confidence Index (LBCI)
Data: Business Research Division, CU Boulder Leeds School of Business

Pikes Peak Region New Business Entities

3819

Data: Colorado Department of State

Kansas City Fed Manufacturing Index

Index (0 is Neutral)

2
-4

Versus Month Ago — — Expected in 6 Months

Includes Colorado, Kansas, Nebraska, Oklahoma, Northern New Mexico and Western Missouri
Data: Federal Reserve Bank of Kansas City, Seasonally Adjusted

Kansas City Fed Services Index

Index (0 is Neutral)

12
-3

Versus Month Ago — — Expected in 6 Months
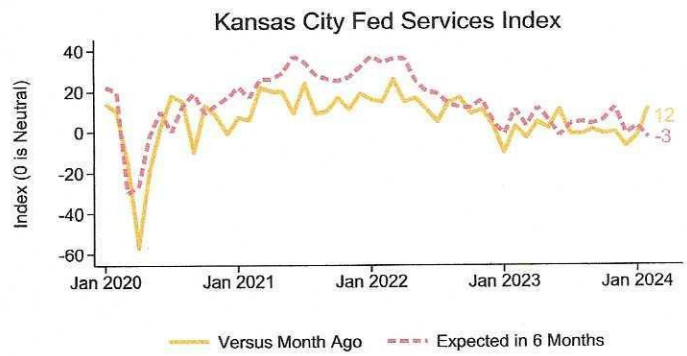
Includes Colorado, Kansas, Nebraska, Oklahoma, Northern New Mexico and Western Missouri
Data: Federal Reserve Bank of Kansas City, Seasonally Adjusted

Demographics and Cost of Living

Population and Population Forecasts

		2010		2022		2030		2040	
El Paso County		627,232		740,543		828,389		935,372	
	0-17	163,464	(26.1%)	171,203	(23.1%)	179,681	(21.7%)	198,326	(21.2%)
	18-24	68,665	(10.9%)	79,685	(10.8%)	89,273	(10.8%)	88,758	(9.6%)
	25-29	42,277	(7.5%)	58,372	(7.9%)	59,158	(7.1%)	63,169	(6.8%)
	30-49	170,628	(27.2%)	198,385	(26.8%)	242,953	(29.3%)	280,861	(30.0%)
	50-64	114,362	(18.2%)	126,271	(17.1%)	122,125	(14.7%)	153,881	(16.5%)
	65+	62,836	(10.0%)	106,627	(14.4%)	135,189	(16.3%)	150,377	(16.1%)
Colorado		5.05 mil.		5.84 mil.		6.39 mil.		7.05 mil.	
United States		313.98 mil.		334.52 mil.		347.20 mil.		361.46 mil.	

Age group shares of total in parentheses. Data: Colorado State Demography Office, Congressional Budget Office

Housing Opportunity Index Q4 2023

Pikes Peak Region	21.1
Denver (Metro)	23.9
United States	37.7

Share of homes sold in an area affordable to a family earning area median income.
Data: Nat'l Assoc. of Home Builders/Wells Fargo

Cost of Living Index 2023

Pikes Peak Region	107.9
Denver (Metro)	110.6

Relative to National Average of 100
Data: Council for Community and Economic Research, courtesy Co Springs Chamber & EDC

Selected Population Characteristics, 2022

	El Paso County	Colorado	United States
Median Household Income	$82,389	$89,302	$74,755
Poverty Rate	8.3%	9.4%	12.6%
Median Age	35.2	37.7	39.0
Bachelor's Deg. or Higher (>25)	42.5%	45.9%	35.7%
Veteran (>18)	15.1%	7.4%	6.2%
Military (>16)	6.1%	0.9%	0.5%

Data: Census Bureau

Pikes Peak Region Estimated Living Wages

Living Wage: 1 Adult with No Children	$23.03/hr
Living Wage: 1 Adult with 2 Children	$56.08/hr
Living Wage: 2 Working Adults w/ 2 Children	$30.41/hr (per adult)

Data: MIT Living Wage Calculator

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Page 4

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