

UCCS Economic Forum Monthly Dashboard & Message

from the Director Dr. Bill Craighead



Welcome to the UCCS Economic Forum dashboard update for September. Thanks to Joe Craig, who prepared this month's dashboard.

US inflation increased in August – the year-on-year change in the Consumer Price Index (CPI) came in at 3.7%, up from 3.2% in July. The increase is mainly due to higher gas prices, primarily attributed to an extension of production cuts by Saudi Arabia and Russia. In the month of August itself, the CPI increased 0.6% (a 7.8% annualized rate), and the “core” CPI, which excludes food and energy, was up 0.3% (a 3.4% annualized rate). While this inflation report was not as encouraging as the ones we saw in June and July, it did not change my fundamental view that the worst of inflation is well behind us.

As expected, the Fed left its target range for the federal funds rate unchanged. The interesting thing about last week's Federal Open Market Committee meeting was the updates to their economic projections. The participants – all the DC-based board members as well as the regional Fed presidents – each make a forecast of key economic indicators. The median forecast for the federal funds rate next year increased compared with their previous forecast, in June. This reflects that they are now projecting a stronger economy than they were previously. Their current forecast has the US unemployment rate at 4.1% at the end of 2024 – that's still an increase from what it is today, but better than the 4.5% they had in their last projection. A majority of the participants – 12 out of 19 – forecast one more quarter-point federal funds rate increase before the end of this year.

Labor market indicators continued to be decent, both nationwide and locally. On a not seasonally adjusted basis, Colorado's unemployment rate was 3.5%, while the unemployment rate for the Colorado Springs MSA (El Paso and Teller counties) was 3.8%, compared with 3.9% for the US overall. While the local unemployment rate did increase slightly, this was due to an increase in the labor force, not an increase in the number of unemployed people. Unemployment rates are based on surveys of households. The Bureau of Labor Statistics also surveys firms about their payrolls – on a seasonally-adjusted basis, that data showed continued growth in August for the US and Colorado, but payrolls were flat for the Colorado Springs MSA.

Colorado Springs city sales tax revenues fell in August, which is a typical seasonal pattern. This year's August revenues lagged August 2022 collections by about 2%. The main reason for the difference was lower collections from sales of building materials and utilities.

House prices rebounded in August. The median sale price of a single-family home in the region was \$480,000, up from \$472,000 in July. Prices are still below year-ago levels, but only slightly.

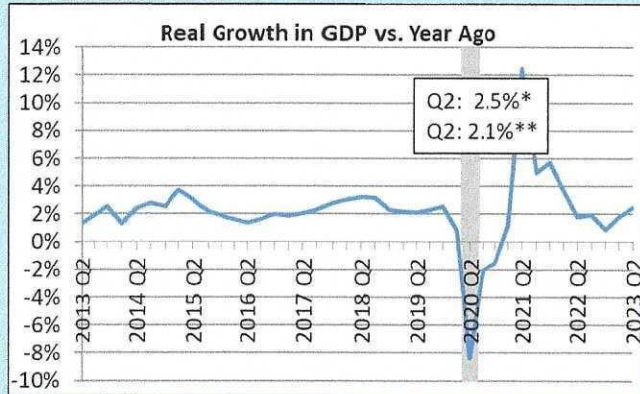
The Census Bureau released the results of the American Community Survey for 2022. It showed that the education level of the area population continued to increase, with the share of El Paso County residents 25 and over holding a bachelor's degree or higher rising to 42.5%, up from 41.7% last year. Our population also continued to grow older – the median age in El Paso County was 35.2 years, up from 34.9 last year.

While the US economy has been remarkably strong in the face of significantly higher interest rates over the past year and a half, some additional headwinds have emerged in the past several weeks. The impact of the autoworker strike and a potential federal government shutdown will depend on how long they go on. Consumers are also facing the resumption of student loan payments – the short-run macroeconomic impact is similar to a tax increase, though it is difficult to quantify because we don't know yet how many borrowers will opt into a more generous income-based repayment plan that was launched last month. Higher gas prices are also a strain on household budgets and a negative for consumer confidence. While none of these alone would have a huge impact on the macroeconomy, their combined effects may be a substantial drag on economic activity and employment for the next several months. Of course, if the federal government shuts down, we may not see the data on this for a while.

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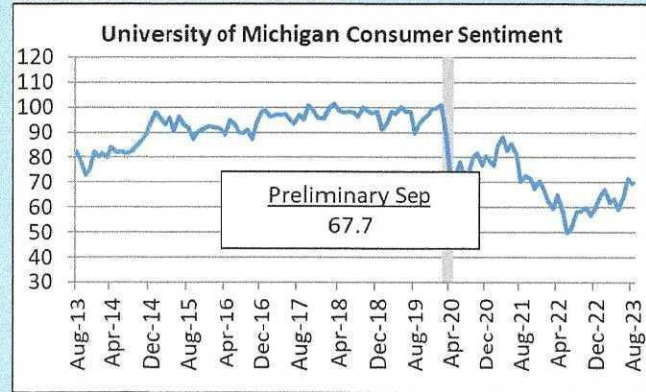
The Big Picture

U.S. Quarterly GDP



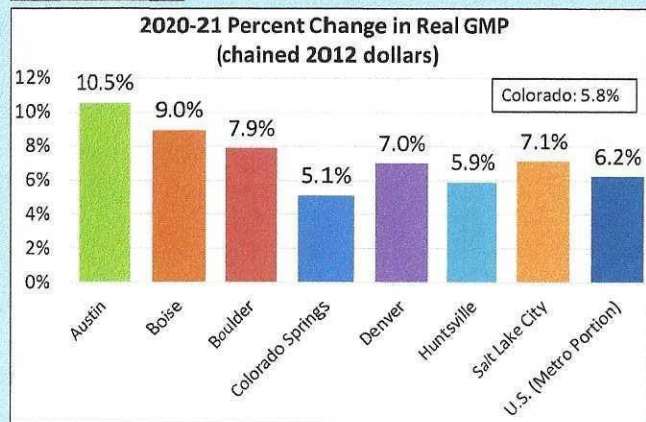
*Real GDP Percent Change from same quarter one year ago, SA
**If Q2 changes were annualized over the year.
Source: US Bureau of Economic Analysis

U.S. Consumer Sentiment



Source: University of Michigan

MSA Real GMP



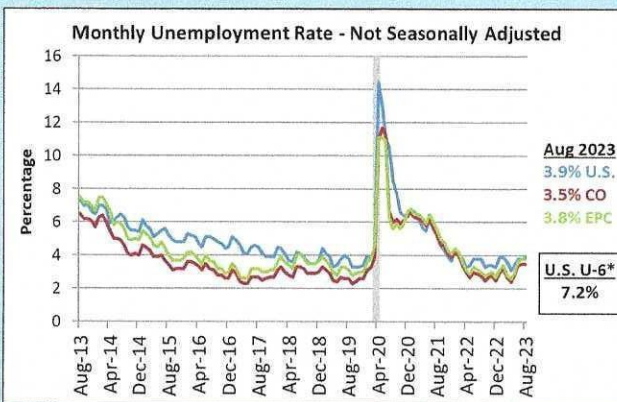
Note: Military data is included in GMP. Real GMP is adjusted for regional price parity (RPP). Percentage change compares 2021 to 2020 real GMP.
Source: U.S. Bureau of Economic Analysis

Labor Force/Employment



Source: U.S. Bureau of Labor Statistics; Job openings data lags.

Unemployment Rate



Note: Data is not seasonally adjusted (NSA).

*U-6 includes unemployed, those marginally attached to the labor force, plus those employed part time who would prefer full-time work.

Sources: U.S. Bureau of Labor Statistics; CO Dept. of Labor & Employment

Inflationary Measures

U.S. Consumer Price Index - August 2023		
	All items	Less food & energy
Change from July 2023 to August 2023 (SA)	0.6%	0.3%
Last 12-months (NSA)	3.7%	4.3%

The 2023 Q1 cost of living in the Colorado Springs MSA was 108.5% of the U.S. according to COLI.org data from CS Chamber and EDC.

Source: U.S. Bureau of Labor Statistics; data for all urban consumers (CPI-U)



Economic Forum

COLLEGE OF BUSINESS

UNIVERSITY OF COLORADO

COLORADO SPRINGS

updated (9/22/2023)

Local Labor Force/Employment

Colorado Springs MSA Job Openings

August 2023

Top Job Titles/ (Risk of Automation)	# of Job Postings	Market Salary
Registered Nurses (L)	1,753	\$87,808
Software Developers, (L)	605	\$121,344
Computer Systems Engineers/ Architects (L)	708	\$119,040
Retail Salespersons (H)	924	\$33,152
Managers (L)	282	\$94,976
Sales Reps, Wholesale & Mfg (M)	506	\$61,056
First-Line Supervisors of Retail Sales Workers (L)	640	\$45,696
Customer Service Reps (M)	875	\$39,552
Maintenance & Repair Workers (M)	439	\$46,464
Information Security Analysts (L)	234	\$114,944

*Risk of Automation: L=Low Risk; M=Medium Risk; H=High Risk

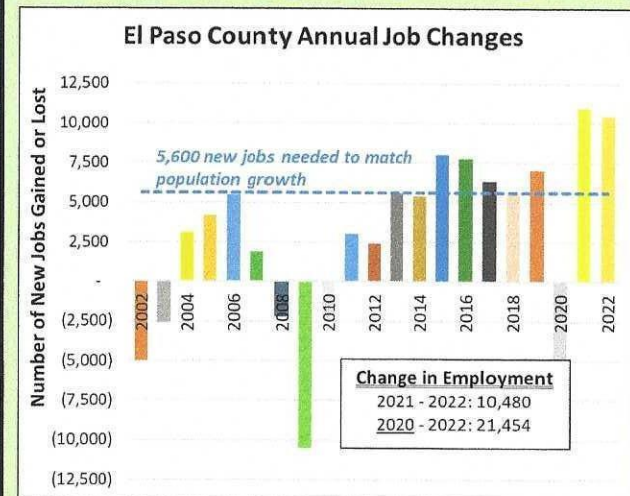
TOTAL Job Openings: 45,505

TOTAL Unemployed: 13,891

Workers Available per Job Opening: 0.31

Sources: Lightcast™ . 2023 via Pikes Peak Workforce Center; CO Dept. of Labor & Employment

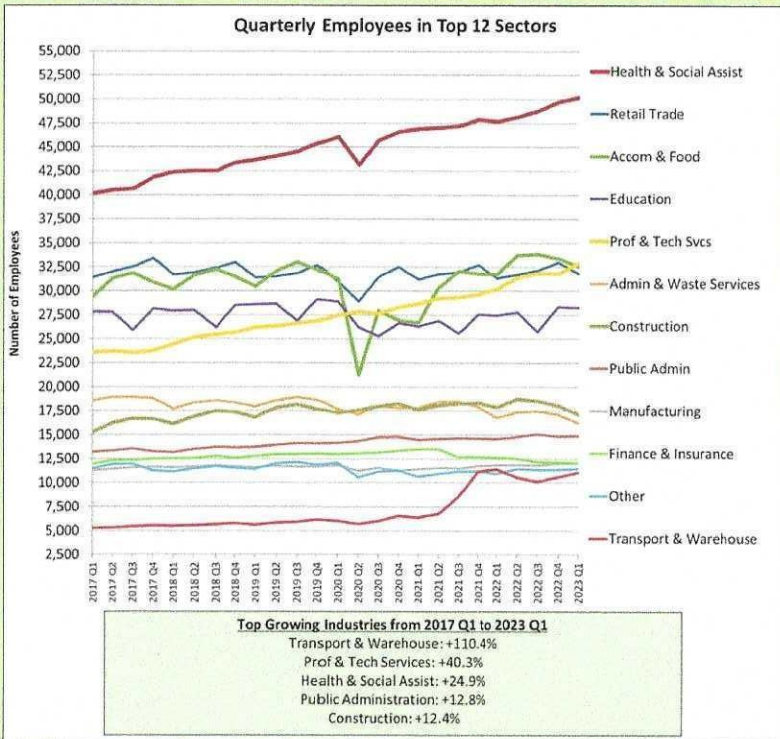
El Paso County New Jobs



An estimated 5,600 jobs are needed based upon population growth and age composition; calculated by the UCCS Economic Forum.

Local Employment/Wages

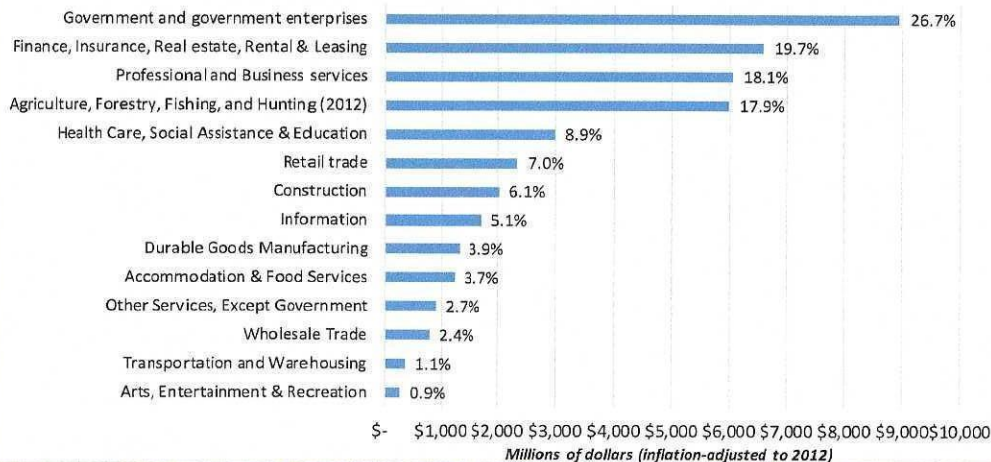
El Paso County Employment in Selected Sectors



Note: QCEW data lags by up to two quarters and does not include military-related employees. Sources: U.S. Bureau of Labor Statistics and Colorado Department of Labor and Employment, QCEW; U.S. Census Bureau, Small Area Income and Poverty Estimates; U.S. Department of Health & Human Services; MIT Living Wage Calculator.

Colorado Springs MSA GMP by Sector

Real GMP Contribution by Sector, Colorado Springs MSA, 2021



Manufacturing and Agriculture data last disclosed in 2012. Government data lags for these metrics and was not released by sector so data shown is for 2016 in 2009 dollars. Source: U.S. Bureau of Economic Analysis

2022 Average Annual Wages for All Industries

El Paso County wages are 11.2% lower than U.S. wages and 16.9% lower than CO wages.

U.S.	Colorado	El Paso County
\$72,696	\$77,636	\$64,532
2022 Q2 El Paso County Total Employment (excluding military)		296,638
*Estimated military employment employees in 2021 (and % of total EPC who are military).		61,489 (17.4%)

2022 Federal Poverty Level (FPL)

	El Paso County	U.S.
% people at FPL or below	8.3%	12.6%

Note: FPL in 2021 was \$13,590 for an individual and \$30,000 for a family of four.

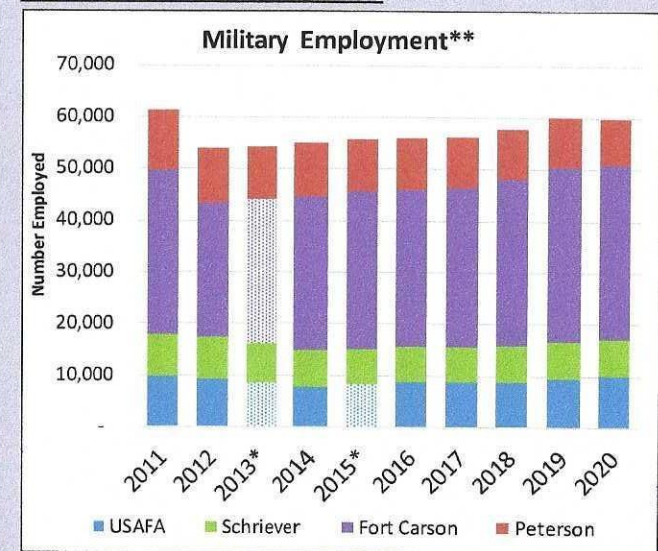
2022-23 Minimum Wage & Living Wage El Paso County

	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$13.65	\$28,392
Living wage: HHs with 1 adult, 2 children	\$49.16	\$102,253
Living wage: HHs with 2 adults (1 working), 2 children	\$41.02	\$85,322
Living wage: HHs with 2 adults* (2 working), 2 children	\$26.74	\$55,619

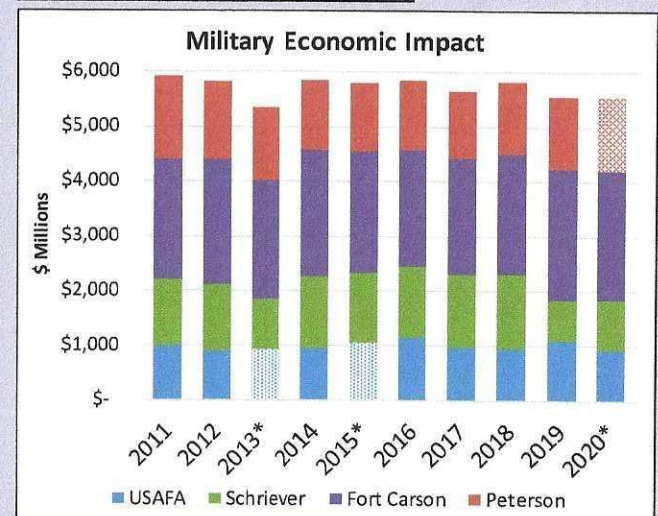
*Living wage is for each working adult. For specifics, go to livingwage.mit.edu.

Military

El Paso County Employment



Expenditures in El Paso County



*2013 and 2015 data was not available for all locations. Textured bars are an estimate in 2013 and 2015 made by the UCCS Economic Forum. Peterson's economic impact number from 2019 is also shown in 2020 as the updated number is not yet ready for release.

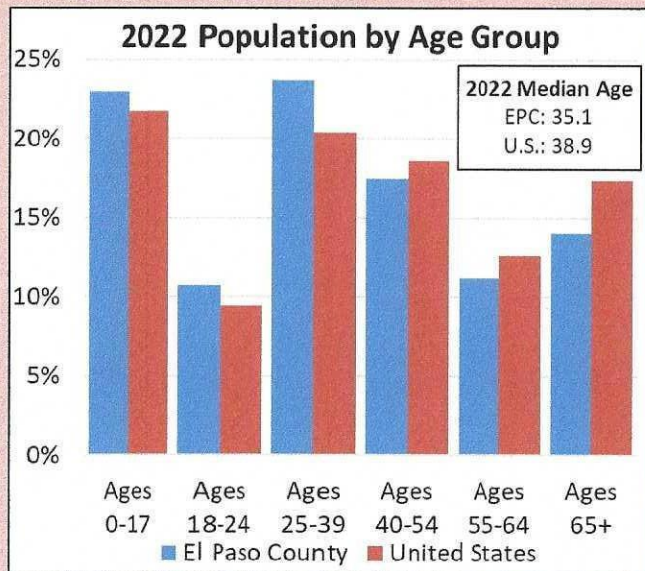
**The employment numbers for Schriever and Peterson include significant numbers of civilian contractors. The employment numbers for USAFA include cadets and several kinds of contract workers.

Note: Schriever had a new methodology for calculating economic impact in 2019.

Sources: Department of Military and Veteran Affairs; Colorado Springs Chamber of Commerce & EDC; respective military installations

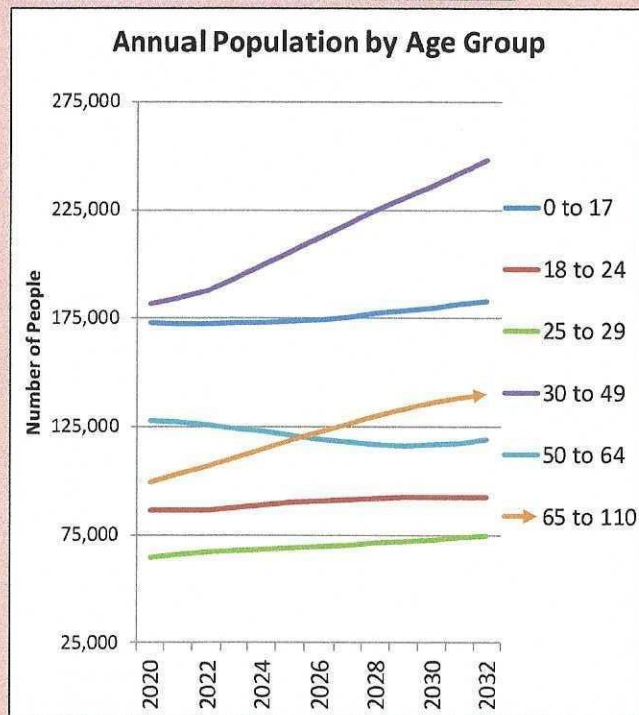
Demographics

El Paso County & U.S. Age Groups



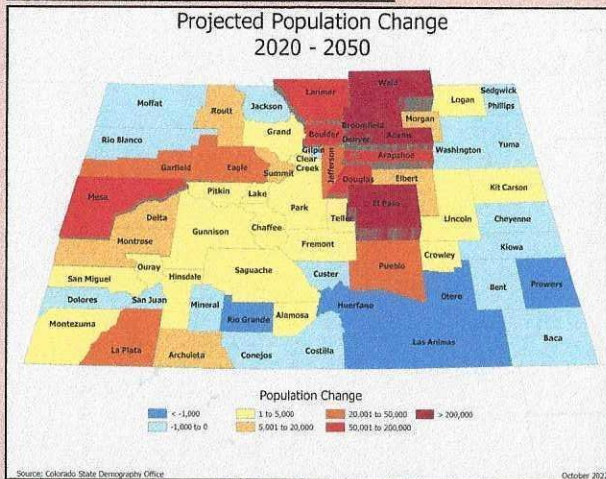
Sources: State Demography Office; U.S. Census Bureau, Population Division; Age groups from the U.S. Census Bureau's Population Estimates Program

El Paso County—Population Projections



Note: Data was updated with projections off of the 2020 Census counts.
Source: Colorado Department of Local Affairs, State Demography Office

Population Growth 2020-2050

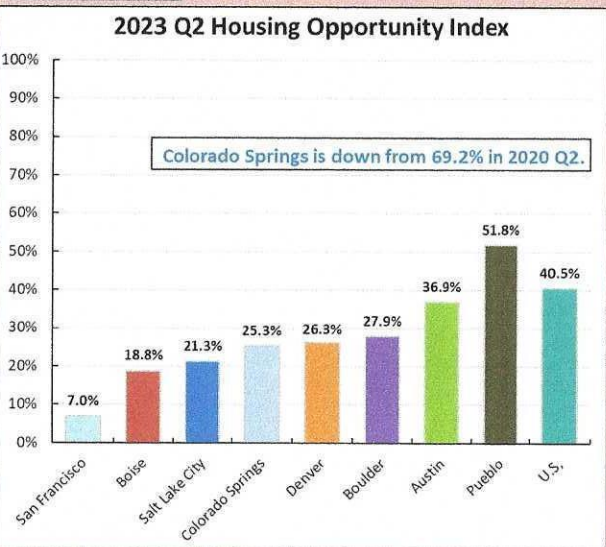


The State Demography Office projects a population increase of **262,500** additional people between 2020 and 2050 in El Paso County.

Population Estimates		
	2020	2050
El Paso County	732,053	1,004,032
Colorado	5,784,140	7,486,323

The city of Colorado Springs population in 2020 was **479,257**.
Source: Colorado Department of Local Affairs, State Demography Office

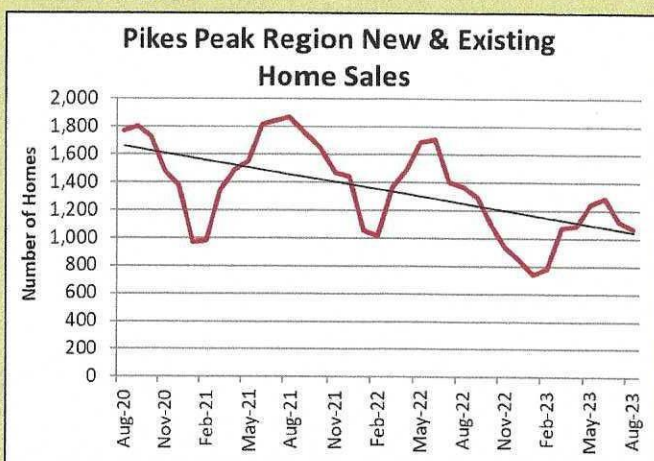
Cost of Living



Notes: The Housing Opportunity Index (HOI) is defined as the share of homes sold in that area that are affordable to a family earning the local median income, based on standard mortgage underwriting criteria. It includes new and existing homes.
Sources: National Association of Home Builders; Wells Fargo

Real Estate

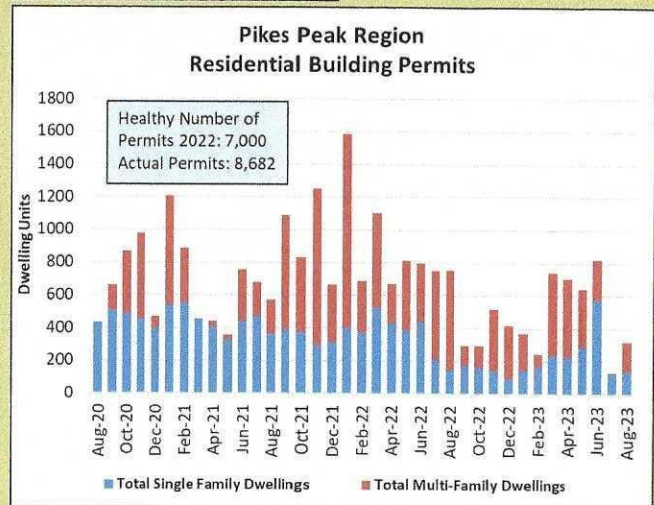
Monthly Home Sales



Median Existing Single-Family Home Price 2023 Q2				
Location	Colorado Springs	Denver	Boise	United States
Price	\$467,100	\$674,500	\$450,400	\$402,600
1-year % Change	2.9% decrease	3.1% decrease	7.9% decrease	2.4% decrease
MSA Rank	44	17	41	n/a

Sources: Pikes Peak REALTOR® Services Corp. (RSC); National Association of REALTORS® includes existing homes only.

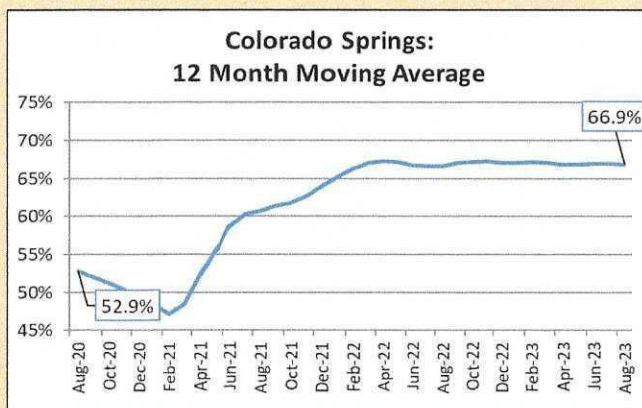
Monthly Building Permits



The National Association of Realtors has calculated that the U.S. has underbuilt roughly 6.5 million homes since the Great Recession. The Forum has calculated a local shortage of 12,351 homes.
Source: Pikes Peak Regional Building Department

Tourism

Hotel Occupancy Rate

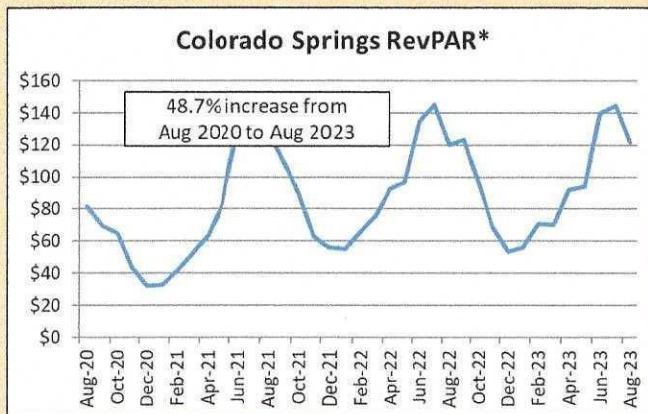


Hotel Occupancy Rate August 2023

Colorado Springs	Denver	Colorado
75.9%	77.1%	74.5%

Source: Colorado Hotel & Lodging Assoc., Rocky Mountain Lodging Report

Hotel RevPAR



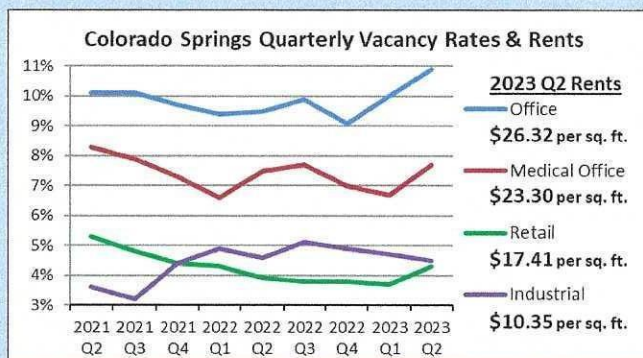
Hotel RevPAR August 2023

Colorado Springs	Denver	Colorado
\$121.75	\$132.47	\$142.17

Source: Colorado Hotel & Lodging Assoc., Rocky Mountain Lodging Report
*RevPAR measures hotel revenue by taking the average room rate times hotel occupancy.

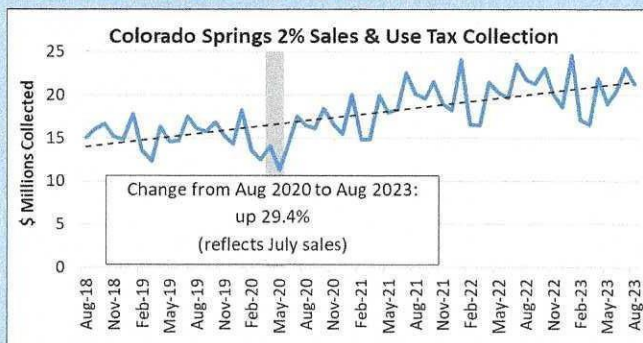
Additional Metrics

Colorado Springs Commercial Real Estate



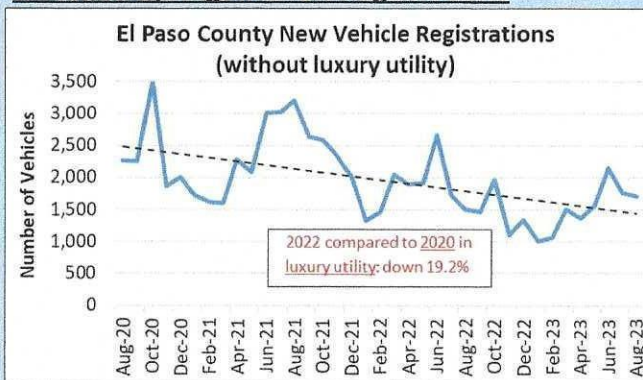
Sources: CoStar Group™, Olive Real Estate Group, Inc.

Monthly Sales & Use Tax Collection



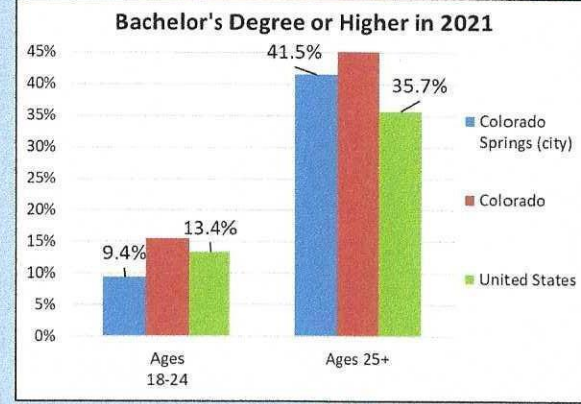
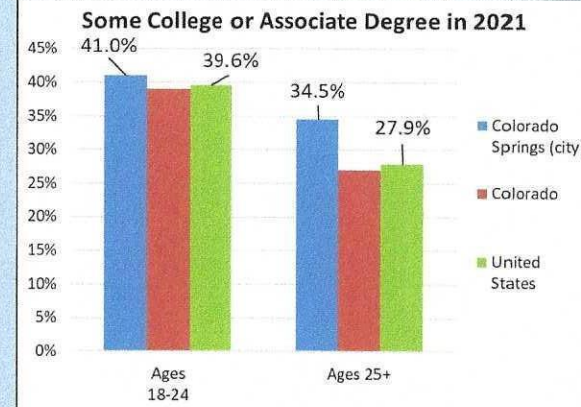
Source: City of Colorado Springs

Colorado Springs Vehicle Registrations



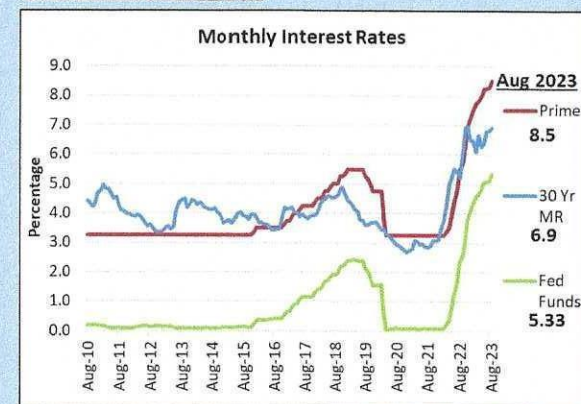
Luxury utility categories (all terrain, camper trailer, trailer coach and trailer utility) are not included in graph line above, but % change in this category is noted in the text box. Sources: El Paso County Clerk & Recorder; Colorado Interactive LLC

Educational Attainment



Source: U.S. Census Bureau, American Community Survey

U.S. Interest Rates



Source: Board of Governors of the U.S. Federal Reserve System; Freddie Mac

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