

UCCS
Economic Forum
COLLEGE OF BUSINESS
UNIVERSITY OF COLORADO
COLORADO SPRINGS

22nd Annual Economic Update
UCCS
Economic Forum
2018



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Wells Fargo & Company (NYSE: WFC) is proud to have been a lead sponsor of the UCCS Economic Forum for 22 years. We are fortunate in Colorado to have the Forum, where our customers and community have access to local and national economic data to help provide guidance in daily decisions and long-term strategic planning. The annual Forum event includes quality economic information presented by the University of Colorado Colorado Springs and Wells Fargo's award winning economic commentary and research. We appreciate the opportunity to support all business endeavors, large and small, and the community of Colorado Springs.

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In addition to sponsoring the Economic Forum, Wells Fargo donated more than \$9,150,000 to nearly 700 nonprofits and schools through corporate and foundation giving and 30,000 volunteer hours throughout Colorado in 2016. Our philanthropic focus in Colorado is on education and community development as well as affordable housing and homelessness to help support all levels of the community while also fostering a strong business climate.

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Bruce Panter, Senior Vice President, Business Banking Manager, Wells Fargo Bank, N.A.

Welcome from the University



**Venkat Reddy,
Ph.D.**
Chancellor,
University of
Colorado Colorado
Springs

The University of Colorado Colorado Springs is pleased to join with its business partners to present the 22nd annual UCCS Economic Forum. This program provides an excellent assessment of our region’s economic status and quality of life during the past year and gives us a peek at our community’s future. As many of you know, I have been involved with this event as the Dean of the UCCS College of Business for many years, and I remain dedicated as the Chancellor of UCCS.

We are fortunate to have many committed individuals involved in this project. I especially wish to thank Tatiana Bailey and Rebecca Wilder of the College of Business and Administration for their data analyses and its presentation in this report. Also, please join me in welcoming the new Dean of the UCCS College of Business, Dr. Stephen Ferris.

Since its inception, UCCS has worked closely to align itself with the priorities of southern Colorado. The UCCS Economic Forum is an example of our commitment to ensuring the future of our region.

Thank you for attending.



**Stephen P. Ferris,
Ph.D.**
Dean, UCCS College
of Business and
Administration

As the new Dean of the College of Business, I am thrilled to welcome you to the 22nd annual UCCS Economic Forum. UCCS and the Colorado Springs business and civic communities have a long tradition of partnering to achieve regional development and growth. The UCCS Economic Forum is an outstanding example of such partnerships. We are very pleased to have this event hosted on campus at the new Ent Center for the Arts.

While I’ve only been a part of UCCS for four months, it is very evident that UCCS is a thriving, energetic, and growing university that is only now beginning to realize its full potential. UCCS again achieved record enrollment, with 12,574 students registered for the Fall 2018 semester. To accommodate our growing student body, campus continues to expand. Last month, we celebrated the opening of “UCCS Downtown,” a satellite facility designed to connect UCCS with the civic and commercial communities of downtown Colorado Springs. With our UCCS Mini-MBA program already underway at this new location, we look forward to many future programs and activities at UCCS Downtown.

The College of Business continues to reinforce its vision of building successful futures. Our vision would not be possible without the active endorsement of many stakeholders. A few weeks ago, we hosted our largest Career Networking Night with over 350 students and employers in attendance. This success was made possible because of the enthusiastic engagement of our sponsors, employers, and members of the Colorado Springs business community.

The Daniels Fund Ethics Initiative at UCCS now recognizes 47 educators as faculty fellows on the UCCS campus. They continue to champion principle-based ethics in southern Colorado by serving nine colleges and universities in the UCCS Southern Colorado Higher Education Consortium Ethics Champion Program. Last month, we welcomed renowned speaker and author, Stephen M. R. Covey, to discuss the topic “Speed of Trust” in our second annual UCCS Ethics First event.

I anticipate a wonderful afternoon of timely and resourceful updates on our national and local economic trends. Many thanks to Dr. Tatiana Bailey for her fourth year of leadership as the director of the UCCS Economic Forum.

The UCCS Economic Forum would not be possible without the active sponsorship and participation of our business partners. We thank them for their continual encouragement and involvement. Not only do they support the Forum financially, they also provide expertise and networking to help us offer an outstanding program.

About the UCCS Economic Forum

The UCCS Economic Forum provides businesses and other organizations in Colorado Springs with unbiased information that assesses economic conditions in the region. The Forum analyzes and reports upon broad national indicators such as GDP and consumer sentiment, local labor market information, retail and wholesale trade, construction and commercial real estate activity, military employment and expenditures, tourism, sales and use taxes, as well as other economic data. The indicators provide a picture of the economy, the region's quality of life, and help answer the questions of "how are we doing" and "where are we going." No single indicator can provide a complete picture of the economy or the quality of life of our citizenry. Examined collectively, however, economic and quality of life indicators provide a picture of the region's economic health, the welfare and educational attainment of the people who live and work here, and the progress of businesses and organizations that operate here. The Forum provides this information to help business leaders, government officials and others make better and more informed decisions with the greater goal of assisting others in economic development efforts.

To learn more about the services the Forum and the College of Business can provide for your organization contact: Tatiana Bailey, Director, UCCS Economic Forum, (719) 255-3661 or tbailey6@uccs.edu.



**Tatiana Bailey,
Ph.D.**

Director, UCCS
Economic Forum
Research Faculty,
UCCS

Tatiana Bailey holds a Master in Economics and a Doctorate in Public Health, both from the University of Michigan. Since obtaining her doctorate, she has taught micro and macroeconomics as well as health economics and policy at the University of Michigan and Walsh College.

Tatiana has worked in the health care and economic development fields. In the health care arena, she has focused on programs that aim to increase access and quality while reducing costs, particularly for at-risk populations. She also does presentations to audiences who wish to be better informed about the general framework of the health care system in the U.S. In the economic development field, she has focused upon economic growth initiatives. As Director of the UCCS Economic Forum, Tatiana serves as an economic development resource to businesses and government in Colorado Springs and across the state. She aims to inform audiences about our national and local economies and also assists with local economic development initiatives. Her focus this past year has been to continue to provide consistent and reliable data that is uniformly used by various public and private entities. She has also focused upon various community consulting projects such as economic impact analyses and evaluation of nonprofit organizations. Under the leadership of the Forum and in collaboration with the community, Tatiana and Rebecca have spearheaded the Workforce Asset Map (or WAM) detailed on page 29.



Rebecca Wilder



Assistant Data Analyst,
UCCS Economic Forum



Rebecca Wilder joined the UCCS College of Business staff as a part-time Research Assistant for the UCCS Economic Forum in May 2014 while finishing her Master in Business Administration through UCCS. She joined the full-time UCCS College of Business staff as the Assistant Data Analyst for the Forum in June 2015 after her graduation in May. She earned a bachelor's degree in Elementary Education from Taylor University in Indiana.

Rebecca taught for 11.5 years, primarily at the middle school level in math and science. She also worked for Wachovia Securities for five years where she became very familiar with research, analysis and compilation of data. Her love of numbers, organizational skills and background in education give her a unique understanding of what is currently offered and what is needed for young people to be successful, contributing members of our region.

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Introduction



Executive Summary

Employment

National, state and local employment have remained strong in the past year, and this has sustained robust economic growth over the past year.

- ◆ The national, seasonally adjusted unemployment rate was 3.9 percent at the end of August 2018, which is an improvement from August 2017 (4.4%). This is in sharp contrast to the unemployment rate at the height of the recession in October 2009 when it was 10 percent across the U.S.

- ◆ The El Paso County not seasonally adjusted unemployment rate at the end of 2017 stood at 3.4 percent. The rate has edged up to 4.1 percent at the end of August, which is what most experts consider below the “natural” rate of unemployment. The uptick is mostly due to increases in the number of people entering or re-entering the labor force.

- ◆ The Quarterly Census of Employment and Wages (QCEW) for El Paso County indicated total jobs increased by 2.4 percent, or 6,334 positions, in 2017, outperforming last year’s Forum forecast of 2.2 percent.

- ◆ More recent data from the QCEW indicates that El Paso County created 6,023 new jobs from 2017 Q1 to 2018 Q1. This indicates that locally we are still on a trajectory of strong job growth in 2018.

Specific Sectors & Employment

Fifteen of the twenty-one industry sectors in **El Paso County** saw job gains in 2017. The most significant gains were in:

- ◆ health care and social assistance (1,428 jobs)
- ◆ accommodation and food services (1,359)
- ◆ construction (1,358)
- ◆ other services (658)
- ◆ professional and technical services (549)
- ◆ educational services (499)

The strong showing in health care and social assistance combined with accommodation and food services represented 44.0 percent of total job gains in the county. Modest job losses took place in five sectors. The most notable losses occurred in retail trade (-298) and information (-245). Manufacturing stayed the same.

In **Teller County**, which is part of the Colorado Springs metropolitan statistical area (MSA), total jobs increased by 2.0 percent or 140 jobs in 2017. The top five job categories in terms of total employment according to the Quarterly Census of Employment and Wages (QCEW) data for 2017 were accommodation and food services (1,447 total jobs), retail trade (1,012), arts, entertainment and recreation (689), educational services (635), and health care and social assistance (605). Eleven of the twenty-one sectors saw job gains in 2017. The greatest gains were reported in health care and social assistance (89 jobs gained), construction (44), other services (29), administrative and waste services (24), and manufacturing (11). The most significant job losses were in educational services (-70) and accommodation and food services (-10).

Regional Wages

Average wages from the Quarterly Census of Employment and Wages (QCEW) across all categories increased in El Paso County from \$47,216 in 2016 to \$48,932 in 2017, or up 3.6 percent.

- ◆ The average wage in El Paso County remains low compared to Colorado as a whole and was 14.1

Introduction

percent below the state average of \$56,940 in 2017.

- ◆ Average wages in Teller County increased 4.2 percent in 2017 to \$38,480, but the average wage was 32.4 percent below the state average.

Per Capita Personal Income

Per capita personal income increased in El Paso County. This measure is calculated by taking the total income in a region and dividing by the number of people, including children. This metric includes not only net earnings, but also personal dividend and interest income, rental income and transfer payments by government sources. El Paso County per capita personal income increased 1.1 percent to \$44,409 in 2016 over the 2015 level of \$43,945. Data for 2017 is not available until November 2018.

- ◆ The Forum forecasts per capita personal income will end up 5.5 percent higher in 2017 (to \$46,6845) compared to the previous year.
- ◆ At the estimated 2017 level, per capita personal income in El Paso County would be 7.1 percent below the U.S. average and 13.5 percent below the Colorado average.
- ◆ It is important to remember that all “per capita” values will be pulled down by our lower median age since a lower median age inherently means more children will be counted in the denominator of the calculation.

The Forum forecasts per capita personal income in 2018 in El Paso County will increase at a rate of 3.9 percent, while the Colorado Office of Planning and Budgeting forecasts the same rate of increase in Colorado (3.9%) and a slightly lower rate in the U.S. (3.8%).

Residential Real Estate

If the national and local economy is performing well, consumer confidence is high, and interest rates are relatively low, then individuals are more likely to purchase or lease existing properties or build new properties. Highlights in the residential real estate market include:

- ◆ Through August 2018, there were 2,947 single-family permits issued in the Pikes Peak region. This is an increase of 425 permits (up 16.9%) compared to the first 8 months of 2017. The Forum expects approximately 4,100 single-family permits to be issued in the region in 2018, and roughly the same amount in 2019.
- ◆ Through August 2018, multi-family permits for 63 projects and 1,387 units have been pulled. Multi-family permits are expected to end the year at approximately 2,000 units with a forecast for another 2,060 units in 2019.
- ◆ Average, monthly rents for apartments as of the second quarter of 2018 were \$1,144 per month in the Colorado Springs MSA.
- ◆ Home sales in the Pikes Peak region were 16,337 in 2017 and are projected to be 16,164 in 2018 and 16,487 in 2019 as buyers are taking advantage of mortgage rates that are still relatively low and a strong job market.
- ◆ The average sales price of a home, new or existing, is expected to increase to \$347,780 in the Pikes Peak region in 2018, a 10.5 percent increase from \$314,733 in 2017.
- ◆ The median price of a new or exiting single-family home in the Pikes Peak region is expected to increase 11.4 percent to \$311,920 in 2018 compared to \$280,000 in 2017. As a point of reference, median home prices increased 13.9% from 2017 Q2 to 2018 Q2 in Colorado Springs while it increased only 5.3% in the U.S.
- ◆ Foreclosures continue to decline in the region. Annual foreclosures decreased 15.4 percent in 2017 to 1,089. The average number of foreclosures per month in 2018 through August was 78. The average number of monthly foreclosures in 2009 was much higher at 441. The Forum projects there will be 910 foreclosures in 2018 and another 910 foreclosures in 2019.

Introduction

Commercial Real Estate

The commercial real estate market continues to become tighter due to the favorable economic conditions and the local, dwindling supply, especially for industrial and medical space. Highlights include:

- ◆ Commercial office vacancy rates stayed flat at 10.9 percent at the end of 2016 and 2017. As of June 2018, the vacancy rate edged down to 10.7 percent.
- ◆ The industrial vacancy rate increased to 8.7 percent at the end of 2017 from 7.6 percent at the end of 2016. As of June 2018, the vacancy rate had declined to 7.2 percent.
- ◆ Retail vacancy rates declined to 5.3 percent at the end of 2017 from 6.1 percent at the end of 2016. Compared to 2017, retail vacancy rates had increased to 5.8 percent as of June 2018.
- ◆ Medical office vacancy rates decreased to 9.1 percent at the end of 2017 from 9.8 percent at the end of 2016. By June 2018, they were down to 7.6 percent.

Sales and Use Tax

The city of Colorado Springs benefits from strong and growing taxable retail sales since over 50 percent of the city's budget dollars come from these collections. Highlights include:

- ◆ City sales and use tax collections increased 5.0 percent or \$8.1 million from \$162.1 million in 2016 to \$170.2 million in 2017.
- ◆ Sales and use tax collections are expected to increase 5.7 percent this year and another 3.3 percent in 2019 in nominal terms. However, if these nominal sales tax figures are adjusted for both consumer price inflation and population increases, the real value of sales and use tax collections will increase by just 1.2 percent in 2018 and decrease by 1.1 percent in 2019.

Education

- ◆ In fiscal year 2018, Colorado spent \$11,692 per pupil in elementary and secondary schools, while the U.S. average was \$12,450 per pupil (6.1% lower in Colorado).
- ◆ From 2003 through 2017, 4th and 8th grade students in Colorado public schools outscored the nation in mathematics and language arts.
- ◆ In 2016, Colorado had all high school sophomores take the PSAT, and in 2017, all high school juniors began taking the SAT instead of the ACT. In 2018, the Colorado junior average SAT score was 1014, and 5 of the 17 school districts in the Colorado Springs MSA surpassed this state average.
- ◆ In 2017, 11 of the 17 school districts in the Colorado Springs MSA exceeded the state of Colorado's average high school graduation rate of 79.0 percent. The U.S. high school graduation rate in 2016 was 83.2 percent. Six of our local 17 school districts surpassed this national graduation rate.
- ◆ The Colorado Concurrent Enrollment Program Act, passed in 2009, allows students to be simultaneously enrolled in high school as well as in one or more postsecondary courses at an institution of higher education. All districts within the Colorado Springs MSA have seen increased participation in these programs with a total of 1,862 students enrolled concurrently in the 2016-17 school year.
- ◆ In the city of Colorado Springs in 2017, 34.8 percent of the population ages 25 and over had some college or an associate degree, while in the U.S. it was 28.9 percent of that population. For those with a bachelor's degree or higher ages 25 and older, the city of Colorado Springs (39.0%) again had a higher percentage than the U.S. (32.0%).



Introduction

Where is the Economy Heading?

The major economic themes this year have revolved around continued and robust economic growth, the fiscal stimulus via the tax cuts, the possible “new order” implicit in trade protectionism, and questions around the timing of the next downturn. In other words, times are good, but people sense a possible shift occurring in the not-too-distant future. Currently, there is no question that the U.S. economy is performing at high levels. At the center of everything economic is jobs, and our national unemployment rate (3.9%) is the lowest it has been since 1969. Income and consumer confidence are both high, and the beauty of the gains over the past year is that the upticks are across socio-economic groups. The chasm in income is still high as compared to other developed nations with the top 1 percent making 26 times what the bottom 99 percent make. However, the bottom 99 percent have indeed benefited from the strong economy especially during the past year. And growth begets more growth: people with higher income spend more money and that has kept business orders high. Globally, most other developed nations are also in expansionary mode albeit not as robust as the U.S. in most cases. Nonetheless, our major trading partners are doing well and that means some sustained demand for U.S. goods as evidenced by the resurgence in the U.S. manufacturing sector.

In fact, the U.S. economy is performing at a level high enough to be at risk of “overheating,” meaning prices might increase a bit too much due to wage-push inflation (thanks to the low unemployment rate) and high consumer expenditures (thanks to those income gains). Tariffs will undoubtedly exacerbate the high prices although trade experts differ on the exact impact. I am watching this carefully. The last time we had a “trade war” was during The Great Depression about 90 years ago. Global trade was a fraction of what it is today, and it still intensified the global downturn. We now have more final goods crossing borders, but the additional, often underestimated impact is the effect on the supply chain. Parts for finished goods come from all over the world. The price impact of these intermediary goods on the finished products is so complex that it is admittedly hard to measure. Ask just about any business owner, however, and they will tell you that not all of their inputs are U.S. made. The same is true for most goods produced abroad – they often have U.S. parts that are part of the complex supply chain and therefore vulnerable to tariffs.

Another important consideration in the discussions around overheating is the impact of the tax cuts. Right now, there is no question that the cuts implemented in January of 2018 have had a large, positive impact on small business confidence and expenditures. These effects are the main reason Q2 growth rates were so high. Yet, the tax cuts have a downside. The U.S. corporate tax rate needed revision, but the reality is that federal taxes paid by U.S. companies have fallen 33 percent in the past year, and we will be amassing \$100 billion more a year in deficits. Typically, tax cuts are implemented to bolster an anemic economy, and we accept some hopefully, short-term increases to the deficit. But that’s not where we currently are; in fact, we are trying to avoid overheating. Less government spending may appear to be a way out, but our aging population (Medicare) and other payments are baked into our future expenditures. They would be hard to extradite from the U.S. budget and the national psyche.

It is notoriously difficult to put all these factors into account to predict the timing and severity of the next downturn. My view is that it is important to separate out the cyclical factors, like the low unemployment rate, inflation, and interest rate manipulations, from the structural factors, such as the ever-growing debt, the aging of the population, the skills gap, the terms of global trade, and onerous health care and education costs. Business cycles will come and go while we hope that manipulations by the Federal Reserve will help smooth out peaks and valleys. Both nationally and locally, I focus upon the structural issues that impact the sustainability of our growth. What I can definitively say is that locally we seem to be paying more attention to some of those structural issues such as the readiness of our workforce and infrastructure. Colorado Springs reveres and capitalizes upon our high educational attainment while also recognizing a need to further address workforce challenges. We are also willing to fund improvements in infrastructure essential for businesses and for easier work commutes, greenways for tourism and quality of life, and more recently, K-12 education for the training of tomorrow’s workforce. In the end analysis, we are controlling what we can control and doing a good job of it. That insight and resolve is serving us well.

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Acknowledgments

A special thank you goes to our valuable sponsors who provide generous financial support and guidance to the UCCS Economic Forum.

A special thanks to all of our partners who helped organize this year's Forum and helped to put together our program. We want to also thank our keynote speaker and community participants.

Finally, to all of the Forum partners, attendees and other supporters, we wish you continued success in the coming year.



BIG PICTURE INDICATORS

ACTUAL, ESTIMATED AND FORECAST PERCENT CHANGE IN KEY ECONOMIC INDICATORS: U.S., COLORADO AND EL PASO COUNTY										
		United States			Colorado			El Paso County		
		2017	2018*	2019*	2017	2018*	2019*	2017	2018*	2019*
		Actual	Estimate	Forecast	Actual	Estimate	Forecast	Actual	Estimate	Forecast
1	Population	0.7	0.7	0.7	1.4	1.4	1.3	1.5	1.1	1.7
2	Unemployment Rate (NSA)	4.4	3.9	3.8	2.9	3.0	3.2	3.3	3.5	3.7
3	Real GDP/GSP/GMP ¹	2.2	2.8	2.6	3.6	3.7	3.6	3.3	3.7	3.5
4	Non-Agricultural Employment	1.6	1.4	1.2	2.2	2.3	2.0	2.4	2.5	2.2
5	Aggregate Wage & Salary Income	3.2	5.0	4.9	5.7	5.5	5.2	3.6	4.3	4.0
6	Consumer Price Index (CPI) ²	2.1	2.5	2.3	3.4	3.0	2.8	N/A	N/A	N/A
7	Per Capita Personal Income	2.4	3.8	3.7	4.0	3.9	3.8	5.5	3.9	3.8
8	Retail Sales ³	4.5	4.8	5.1	4.8	4.6	4.5	N/A	N/A	N/A
9	Single-Family Housing Permits ⁴	6.2	6.1	0.9	7.5	20.0	2.1	6.1	10.0	0.2

Sources: Colorado Office of State Planning and Budgeting, June 2018 Revenue Forecast; Federal Reserve Bank of St. Louis; U.S. Bureau of Economic Analysis; Colorado Department of Local Affairs, State Demography Office; Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages, Industry Employment Projections; Kiplinger; Livingston Survey; Wells Fargo; UCCS Economic Forum
¹GMP is for the Colorado Springs MSA so it includes both El Paso and Teller counties.

²Colorado CPI is actually the Denver/Boulder/Greeley CPI.

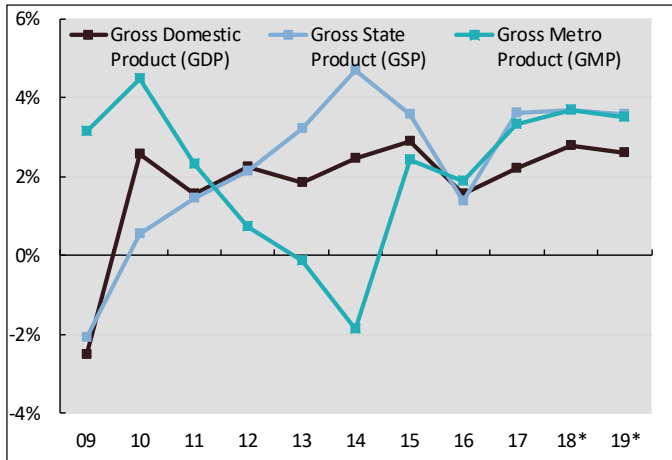
³El Paso County retail sales data is not available at this time.

⁴Includes single-family detached and townhome units.

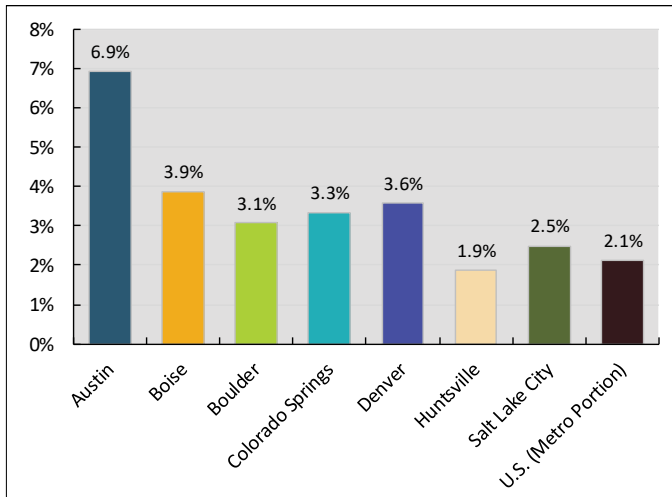
*Estimate/projection

BIG PICTURE INDICATORS

Growth in Real Gross Domestic Product (GDP), Gross State Product (GSP) and Gross Metropolitan Product (GMP)

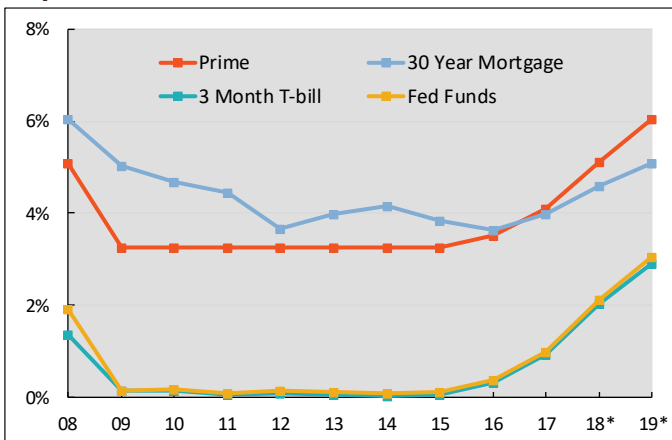


2016-17 Percent Change in Real GMP



Note: Military data is included in GMP. Real GMP is adjusted for regional price differences (RPP).

Key Interest Rates



*GDP, GSP and GMP forecasts are estimated by the UCSS Economic Forum with input from the Colorado Office of State Planning and Budgeting. Key Interest Rates are Wells Fargo forecasts.

Sources: U.S. Bureau of Economic Analysis; Colorado Office of State Planning and Budgeting; Federal Reserve Bank of St. Louis; IHS Global Insight (USA), Inc.

WHY ARE THESE IMPORTANT?

Gross domestic product (GDP) is one of the primary indicators used to gauge the health of the nation's economy. GDP is the monetary value of all finished goods and services produced within a country's border in a specific time period, usually a year. The U.S. Bureau of Economic Analysis also measures gross state product (GSP) and gross metropolitan product (GMP), which are state and local equivalent measures of GDP.

Interest rates are the cost of financing and the reward on investments. Low interest rates encourage borrowing and discourage investment. A notable exception to this is a low interest rate that encourages the investment of buying a home.

HOW ARE WE DOING?

Based on the real GDP series from the U.S. Bureau of Economic Analysis, growth in real GDP was 2.2 percent in 2017 versus a 1.6 percent increase in 2016. The latest GDP estimates indicate the economy will grow 2.8 percent in 2018. Preliminary projections for 2019 suggest real GDP will grow by 2.6 percent.

Colorado's real GSP grew by 3.6 percent in 2017. With assistance from the Colorado Office of State Planning and Budgeting, estimates are for GSP to grow by 3.7 percent in 2018 and 3.6 percent in 2019. It is notable that for both 2018 and 2019, Colorado's economy is expected to grow at a higher rate than in the U.S. mostly due to robust growth rates across many industries and some rebounding in the oil and gas industry. It also appears that some of the labor shortage along the Front Range has been somewhat mitigated by new entrants or re-entrants into the labor force.

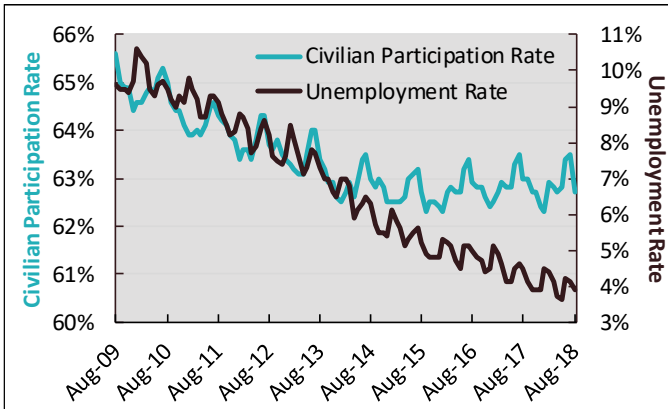
The real growth rate for GMP for Colorado Springs MSA (3.3%) in 2017 was significantly higher than the U.S. (2.2%) and slightly lower than Colorado (3.6%). The Forum is forecasting that GMP will continue to have a high growth rate in 2018 (3.7%) and 2019 (3.5%). This optimistic outlook is based upon robust employment numbers thus far into 2018, persistently high job postings, and continued population growth, particularly among young cohorts. As the chart to the left shows, Colorado Springs has a particularly strong rate of increase in real GMP relative to comparison cities. In general, gains have been strongest in the western region of the United States with all comparison cities having real growth rates above the U.S. (2.1%) except for Huntsville.

Although this is all positive and most definitely in the right direction, it is important to remember that local wages still have ample room for improvement as discussed on page 17.

Interest rates continued to be relatively low. The prime interest rate, which is the interest rate used by banks to lend to customers and businesses, was 5.00 percent as of August 2018. Interest rates were kept low for nine years after the Great Recession to stimulate the economy. The length of time for this quantitative easing is unprecedented, and now the Federal Reserve is in the position of tightening monetary policy. This will be challenging given the \$4.5 trillion balance sheet of bonds it purchased to infuse money into the economy during the recession. Prior to the recession, the Federal Reserve held one-fifth of that amount (\$900 billion). Most experts are expecting one more rate hike in 2018, and three or even four in 2019. The expected endpoint by the end of 2019 for the Fed funds rate is 3.06 while the endpoint for the prime rate is expected to be 6.06 and 5.09 for the 30-year mortgage rate. By August 2018, the Fed funds rate was at 1.91 percent.

BIG PICTURE INDICATORS

U.S. Civilian Participation & Unemployment Rates (NSA)

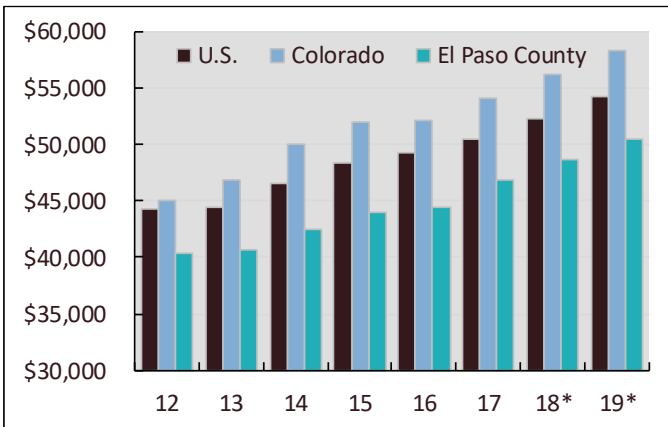


WHY ARE THESE IMPORTANT?

The civilian participation rate measures the percentage of the working population that considers themselves active members of the workforce. A higher civilian participation rate is good because it increases U.S. productivity, GDP and the tax base, while reducing transfer payments such as unemployment and welfare.

Per capita personal income is measured by taking the total income in a region or country and dividing by the total population. Amounts are calculated before taxes and are not adjusted for inflation. This metric is not the “average income” for individuals since the calculation includes children and non-working individuals. The measure can be pulled down by a large dependency ratio (e.g. a high proportion of children and other dependents). Our lower per capita income can partially be explained by our lower median age (see table on page 15).

Per Capita Personal Income



HOW ARE WE DOING?

The civilian participation rate continues to be at historic lows (top left graph) although 2018 has seen a slight improvement in this rate. As of August 2018, the rate is at 62.7 percent, and prior to the recession, it was approximately 67 percent. During the recession, this rate fell, which is characteristic of recessionary periods. However, some of the persistently low rate is likely attributable to the aging of the U.S. population, as well as the misalignment between available jobs and educational/vocational training particularly for younger people. This is a structural issue that needs ongoing, long-term attention.

Estimated local per capita personal income grew 5.5 percent to \$46,845 in 2017. By comparison, the U.S. personal income grew by 2.4 percent, and Colorado’s personal income grew by 4.0 percent. The Forum projects local per capita personal income will experience 3.9 percent growth in 2018 (to \$48,655) and 3.8 percent growth (to \$50,506) in 2019. Projected gains for the U.S. are 3.8 percent (2018) and 3.7 percent (2019). For Colorado, projected gains are 3.9 percent (2018) and 3.8 percent (2019).

*Colorado Office of State Planning and Budgeting and UCCS Economic Forum forecasts
Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics

WHY IS THIS IMPORTANT?

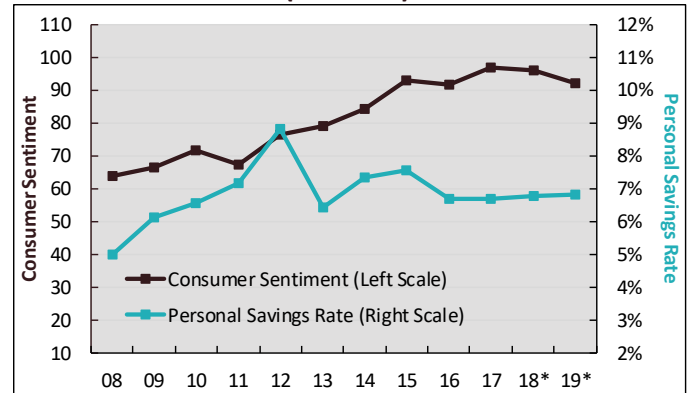
Approximately two-thirds of the American economy is driven by consumer spending. Consumer sentiment is highly correlated to how much individuals are willing to spend. Hence, an understanding of consumer confidence in the economy and expected spending patterns over the next twelve months are essential to effective planning for most businesses. Consumer sentiment measures confidence using 1996-97 as the base year (1996-97=100). The personal savings rate measures the percent of income put into savings, and it is inversely correlated with consumer sentiment. Higher savings rates often indicate that individuals are not as confident about spending any extra money they have, but those saved dollars do create consumption capacity for the future.

HOW ARE WE DOING?

Consumer confidence has remained strong in 2018 mostly due to the low unemployment rate and increases in personal income. Thus far, the upward tick in inflation and interest rates has not superseded these job and income gains. As of August 2018, consumer sentiment was at 96.2. The graph shows annual figures.

In 2017, the personal savings rate was 6.68 percent, which is significantly higher than previous estimates mostly because previous estimates undercounted the savings of proprietors of businesses (e.g. pass throughs). The Forum projects consumer sentiment for the

Consumer Sentiment and Personal Savings Rate Baseline index =100 (1996-97)



*UCCS Economic Forum forecasts
Sources: University of Michigan (Tatiana Bailey’s alma mater); U.S. Bureau of Economic Analysis

remainder of 2018 will be approximately 96.0, and for 2019, it will be 92.0, although it may dip below this level if trade wars start in earnest. The projected, personal savings rate will be 6.78 percent for 2018 and 6.80 percent for 2019. The University of Michigan projects a relatively high 2.6 percent increase in consumer demand through May 2019.

BIG PICTURE INDICATORS

WHY IS THIS IMPORTANT?

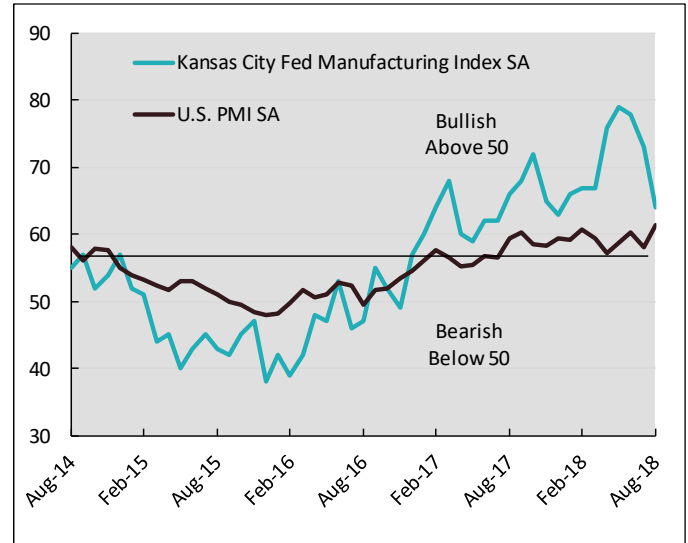
The manufacturing index, also called the purchasing managers index (PMI), is a leading economic indicator measuring the relative health of the manufacturing sector. The manufacturing index is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. A manufacturing index of more than 50 represents expansion of the manufacturing sector compared to the previous month. A reading under 50 represents a contraction, while a reading at 50 indicates no change.

HOW ARE WE DOING?

As of August 2018, the PMI for the seven states that comprise the Kansas City Federal Reserve region was 64.0, and for the nation it was 61.3. Year to date, the average PMI for the Kansas City region has been 71.3, whereas it has been 59.4 in the U.S., both indicating robust growth in the manufacturing sector.

Sixteen of the 18 manufacturing subsectors reported growth in August. Overall, the PMI has been increasing for 24 consecutive months while the economy as a whole has been growing for 112 months. It is worth noting that in the state of Colorado, advanced (e.g. high tech) manufacturing has fueled much of this sector's growth. This low labor, high-tech, efficient and largely automated structure is the new normal for future and successful manufacturing in the U.S.

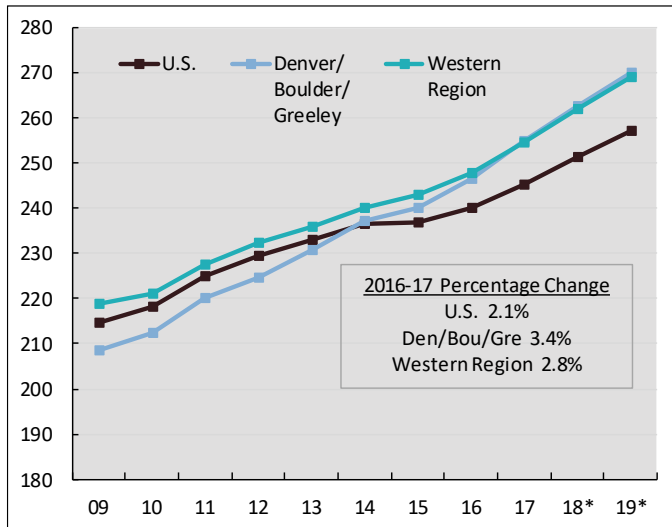
Manufacturing Indices



August 2018	
Kansas City Fed Manufacturing Index SA	U.S. PMI SA
64.0	61.3

Sources: Institute of Supply Management; Federal Reserve Bank of Kansas City

The Western Region, Denver/Boulder/Greeley and U.S. Consumer Price Indices (CPI) for all Urban Consumers (1982-1984=100)



*Wells Fargo Securities, Livingston Survey, Colorado Office of State Planning and Budgeting and UCCS Economic Forum forecasts
Source: U.S. Bureau of Labor Statistics

U.S. Consumer Price Index - July 2018		
	All items	Less food & energy
Change from June 2018 (SA)	0.2%	0.2%
Last 12-months (NSA)	2.9%	2.4%

Note: The Federal Reserve has a target inflation rate of 2.0%.
Source: U.S. Bureau of Labor Statistics

WHY IS THIS IMPORTANT?

The consumer price index (CPI) measures the average price change (inflation) for a basket of goods and services selected by the U.S. Bureau of Labor Statistics. The CPI measures the period-to-period loss of purchasing power of a dollar caused by rising prices. The CPI is often used to compute real wages, income and wealth to help determine whether consumer purchasing power and household wealth are increasing, decreasing, or remaining constant in "real" terms.

The Fed prefers a CPI increase of around 2.0 percent. Although lower prices are desirable, prices that rise too slowly or even fall can have negative effects on the economy if consumers and businesses delay their consumption and investment (thinking prices will fall further) and by making loans more expensive to service (banks receive fewer dollars on fixed rate loans when low inflation expectations are built into loans they make today). Conversely, prices that rise too quickly are characteristic of an "overheated" economy typically caused by low unemployment rates and higher wages. This is one of the triggers for the Fed to increase interest rates. See "Where We Are Headed" on page 9.

HOW ARE WE DOING?

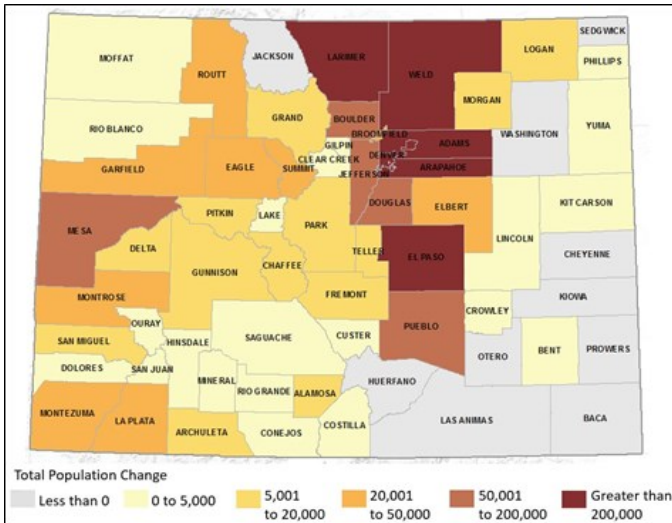
The Denver/Boulder/Greeley CPI rose 3.4 percent in 2017 after increasing 2.8 percent in 2016. Inflation is expected to be 3.0 percent in 2018 and 2.8 percent in 2019 for the Denver/Boulder/Greeley CPI. The Forum is now tracking the "Western Region" CPI since the Denver/Boulder/Greeley measure is quite high due to inflationary pressures in that part of the state. The Western region is also higher than the U.S., but not growing as quickly as the Denver metric and may be a better indicator of regional CPI.

The U.S. urban CPI rose 2.1 percent in 2017 after increasing 1.3 percent in 2016. U.S. inflation is expected to be 2.5 percent in 2018 and 2.3 percent in 2019.



DEMOGRAPHIC INDICATORS

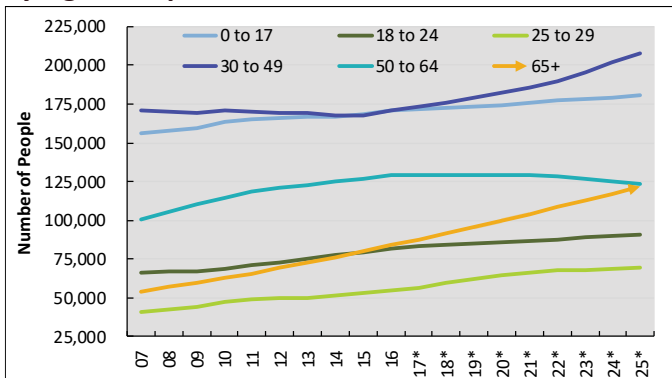
Projected Population Change: 2015 to 2050



Population Estimates

	2015	2050
El Paso County	674,993	1,083,676
Colorado	5,448,055	8,461,295

El Paso County Annual Population Projections by Age Group



*Colorado Department of Local Affairs, State Demography Office estimates
Source: Colorado Department of Local Affairs, State Demography Office

2017 Components of Population Change

	Percent of Population Change from Births minus Deaths	Percent of Population Change from Net Migration
Colorado Springs MSA	37.7%	62.3%
Colorado	32.7%	67.3%

Colorado Department of Local Affairs, State Demography projections
Source: Colorado Department of Local Affairs, State Demography Office

2017 Median Age

El Paso County	United States
34.2	38.0

Source: U.S. Census Bureau, American Community Survey 1-year estimates

WHY ARE THESE IMPORTANT?

Population growth is important because it influences the labor market, education and other infrastructure needs, the tax base, the future planning and conservation of resources, as well as the health of the economy in general. Understanding population trends helps government officials, businesses and others plan for the future. Population estimates are used for planning and evaluation, state revenue sharing, and distribution of funds by public and private agencies.

Population changes come from natural increase (births minus deaths) and from net in-migration (or out-migration). The sum of these components is the change in population. Identifying trends in these indicators helps project future changes in the county's population, the workforce, and the proportion of the population that is dependent on the workforce, such as children and the non-working elderly. Knowing these trends helps us understand all of these groups' respective impact on the economy.

HOW ARE WE DOING?

There was a slowdown in the rate of population growth in El Paso County if you compare the 1990s to the 2000s. El Paso County's population grew at an average annual rate of 3.1 percent from 1990 to 2000, whereas it grew only 2.1 percent from 2000 to 2010. The Colorado Department of Local Affairs estimates El Paso County's population to again grow at a higher rate (2.9%) from 2017 to 2019. Estimates are for El Paso County to grow by 20,284 people from 2017 to 2019. That will bring El Paso County's population to 721,567 by 2019.

The Colorado State Demography Office states that El Paso County is projected to be one of six counties in the state to have a population increase of at least 200,000 between 2015 and 2050 as can be seen on the map. This means El Paso County will have over a million people by 2043. An increase of this magnitude will have large implications for residents, government and businesses.

The second graph shows that the projected increases will be seen mostly in the age 65 and older cohort, but also in the 30 to 49 year old cohort, which is favorable given that those are the prime working ages. Increases will also be seen in the ages leading up to that cohort (ages 0 to 29), while there are projected decreases for the pre-retirement cohort (ages 50 to 64).

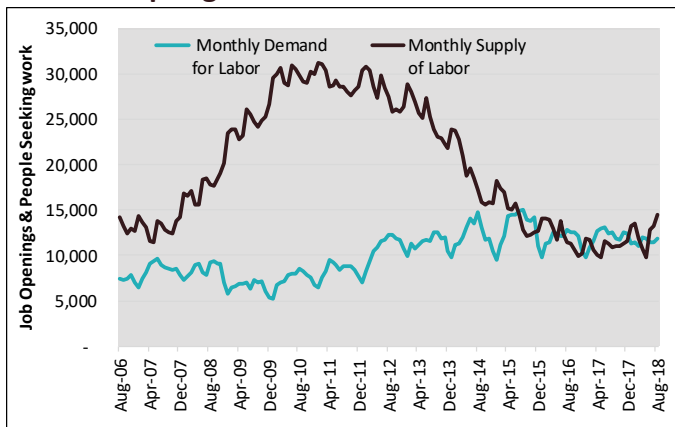
The natural increase (births minus deaths) in the El Paso County population was estimated to be 4,800 in 2017 and net in-migration was 7,401. Projections from the Colorado Department of Local Affairs for 2018 have births staying relatively steady, but have a relatively large, projected in-migration increase for 2018 (6,190) and another large increase for 2019 (6,161). As the (second to bottom) table shows, both Colorado and Colorado Springs have a high proportion of population growth emanating from net migration.

Contrary to popular belief, the median age in El Paso County is well below the U.S. median age. The bottom table shows that in 2017, the local median age was 34.2 years old, whereas it was 38.0 years old in the U.S. Although this raises our dependency ratio and can pull down some "per capita" metrics such as per capita income due to more children in the denominator, overall it is a good thing to have ample young people in a community because they are our future workforce.



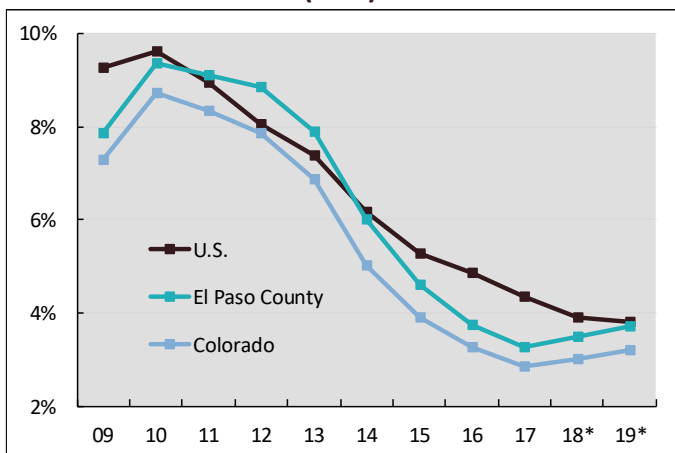
EMPLOYMENT & WAGE INDICATORS

Monthly Labor Supply and Demand in the Colorado Springs MSA

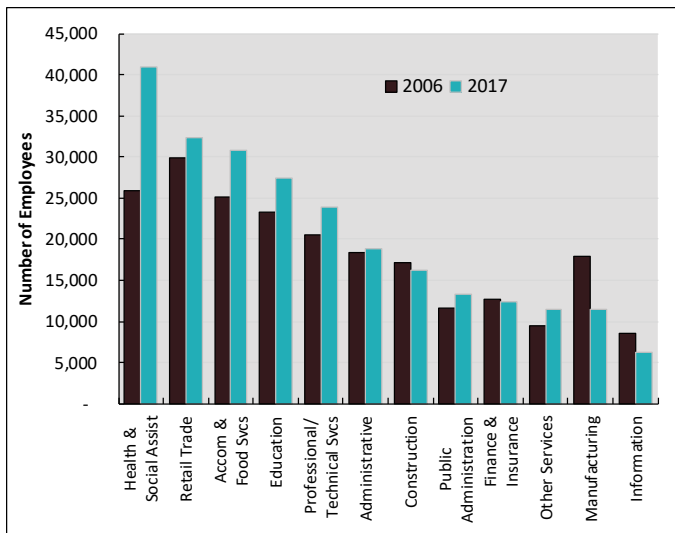


Sources: Pikes Peak Workforce Center, CEB TalentNeuron™, U.S. Bureau of Labor Statistics; UCCS Economic Forum

The Unemployment Rate in El Paso County, Colorado and the U.S. (NSA)



El Paso County Employment in Selected Sectors for 2006 and 2017



*CO Office of State Planning and Budgeting and UCCS Economic Forum forecasts
Sources: U.S. Bureau of Labor Statistics; Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW)

WHY ARE THESE IMPORTANT?

The number and types of jobs available and filled is perhaps the most important indicator of economic health and sustainability in a given community. While the presence of large, profitable companies in a community is a positive thing, approximately 50 percent of private sector employment derives from small businesses (defined as 500 employees or less). Since the recession, almost 70 percent of new jobs have been from small businesses. This means that entrepreneurial, start-up companies are central to regional economic prosperity. Likewise, a healthy number of small companies usually means economic diversity, which is also of paramount importance since it is risky for a region to be too dependent on one or a few employers (e.g. the military).

The unemployment rate represents the percentage of people who are looking for work who do not have jobs. There will always be some unemployment due to seasonal factors, workers between jobs, recent graduates looking for work and other causes. The optimal scenario is one where unemployment for individuals is temporary, there are enough jobs for job-seeking individuals, and there are enough skilled workers for businesses to fulfill their production needs.

HOW ARE WE DOING?

As the top graph shows, the gap between supply of labor and demand for labor was large during the recession, but that gap has closed significantly. In fact, since July 2015, there have been many months when there have been more job postings than people looking for work. Job postings are a prospective measure for total employment, as well as a good indicator of the health of businesses and the local economy overall.

The U.S. unemployment rate for all of 2016 was 4.9 percent and fell to 4.4 percent in 2017. Colorado's unemployment rate fell from 3.3 percent in 2016 to 2.9 percent in 2017. For El Paso County, the rate moved from 3.7 percent in 2016 to 3.3 percent in 2017 (all data not seasonally adjusted).

Colorado was outperforming the nation with a 3.1 percent not seasonally adjusted unemployment rate in July of 2018, a 4.1 percent rate for the U.S. and a 3.7 percent rate for El Paso County. The Colorado Office of State Planning and Budgeting projects the state unemployment rate will average 3.0 percent in 2018 and 3.2 percent in 2019, indicating continued, robust growth in the overall state economy. The Forum projects El Paso County unemployment will average 3.5 percent in 2018 and 3.67 percent in 2019. Both the state and El Paso County are projected to outperform the nation in terms of employment trends.

The Quarterly Census of Employment and Wages (QCEW) total employment in the county just prior to the recession in 2006 was 245,230. As of 2017, total employment was 270,781, which represents a 10.4 percent increase (or 25,551 jobs). During that same time period, the population increased 20 percent. Page 18 shows that the "ideal" number of new jobs needed in El Paso County to match population growth is approximately 5,400 per year.

The bottom graph shows that in El Paso County, the sectors with the greatest rate of increase in terms of employment have been health and social assistance, accommodation and food services, education, and professional and technical services. Manufacturing has seen the most decline, which is a nation-wide trend mostly due to automation, robotics and other efficiencies. See page 14 for comments on the manufacturing sector.

EMPLOYMENT & WAGE INDICATORS

Private* Industry Employment and Annual Pay in 2017				
	<i>El Paso County Percentage of Total Employment (Number of Employees)</i>	<i>El Paso County Average Annual Pay</i>	<i>% Difference EPC to CO Annual Pay</i>	<i>% Difference EPC to U.S.** Annual Pay</i>
Total, All Private Industries	221,746	\$47,804	-17.5%	-13.6%
Agriculture, Forestry, Fishing & Hunting	0.2% of total employment (481 employees)	\$31,646	-13.2%	-8.2%
Utilities (not CSU)	0.2% (489)	\$115,710	16.0%	8.0%
Construction	7.3% (16,117)	\$53,043	-10.8%	-12.7%
Manufacturing	5.2% (11,480)	\$70,713	1.8%	5.8%
Wholesale Trade	2.5% (5,578)	\$67,365	-18.8%	-11.3%
Retail Trade	14.5% (32,139)	\$30,165	-4.4%	-3.4%
Transportation & Warehousing	1.9% (4,192)	\$40,707	-27.2%	-21.3%
Information	2.5% (5,650)	\$77,171	-23.4%	-26.7%
Finance & Insurance	5.6% (12,315)	\$67,640	-26.9%	-36.3%
Real Estate, Rental & Leasing	2.1% (4,757)	\$42,883	-25.1%	-24.7%
Professional & Technical Services	10.7% (23,743)	\$87,371	-6.7%	-6.8%
Management of Companies & Enterprises	0.6% (1,247)	\$176,963	18.9%	47.7%
Administrative & Waste Services	8.5% (18,825)	\$38,679	-5.8%	-2.3%
Educational Services	2.0% (4,334)	\$36,614	-9.2%	-26.9%
Health Care & Social Assistance	15.1% (33,391)	\$45,127	-9.3%	-8.0%
Arts, Entertainment & Recreation	2.3% (5,017)	\$21,511	-40.4%	-43.0%
Accommodation & Food Services	13.9% (30,755)	\$19,514	-11.8%	-5.9%
Other Services (incl. nonprofits)	5.0% (11,161)	\$42,257	6.8%	13.2%

*Average pay in these tables does NOT include government workers. Also, mining and unclassified industry groups were excluded, which had a combined total of 76 employees in 2017. **U.S. private annual pay is for all U.S. locations (urban and rural).

Sources for both tables on this page: U.S. Bureau of Labor Statistics; Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages; UCCS Economic Forum

WHY ARE THESE IMPORTANT?

Competitive salaries are an important part of attracting and retaining labor. The Colorado Springs region has grown in population and has become more economically diverse. As recently as 2013, the local unemployment rate was above both the Colorado and national averages. For most of the last four years, our region has had lower unemployment rates than the U.S., and since 2015, the rate has been at or below what most economists consider the “natural” or equilibrium unemployment rate.

HOW ARE WE DOING?

Across the nation and in El Paso County, wages have proven to be very “sticky,” meaning they have been slow to respond to the pressures of low unemployment. This has been particularly disadvantageous for our region because we started at a baseline of lower average pay many years ago. As the table above shows, across all private industries, which excludes government, El Paso County average pay was 13.6 percent lower than the U.S. average pay in 2017. When comparing our region to the state of Colorado, average pay was a full 17.5 percentage points lower in El Paso County. The industry detail shows that it is not a few sectors that are pulling down the overall average. Salaries in El Paso County are lower for the vast majority of industries.

Early data for 2018 indicates that wages in El Paso County are starting to increase. In 2018 Q1, wages in private industries were a full 3.3 percent higher than a year ago, which is significant given that wages have been relatively stagnant. The state went up 3.5 percent in the same time period. Our regional wages will need to increase well above the national rates in order for us to at least match national wages.

2018 Q1 for All Private Industries		
<i>Colorado Average Annual Wage</i>	<i>El Paso County Average Annual Wage</i>	<i>El Paso County Total Employment</i>
\$62,036	\$49,920	220,876



EMPLOYMENT & WAGE INDICATORS

Colorado Springs MSA: September 2018	
Average daily job openings	13,291
Average posting duration	33 days
Median salary of posted jobs	\$78,000
Colorado median salary	\$73,125
Top Job Titles	
Registered Nurse	1,589 jobs
Software Engineer	893 jobs
Customer Service Rep	867 jobs
Systems Engineer	828 jobs
Systems Administrator	743 jobs
Medical Assistant	742 jobs
Administrative Assistant	677 jobs
Certified Nursing Assistant	676 jobs
Teller	594 jobs
Sales Rep	588 jobs
Actual new jobs in El Paso County 2017 Q1 to 2018 Q1: 6,023	

Sources: Pikes Peak Workforce Center, CEB TalentNeuron™; CO Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW); UCCS Economic Forum

WHY ARE THESE IMPORTANT?

The Forum tracks the number of job openings (labor demand) and the number of individuals seeking work (labor supply) in its monthly dashboard. This enables the community to gauge the health of the local labor market. To provide further detail, the Forum is also tracking the types of jobs that are in highest demand. This can help inform job seekers but also the relevant training institutions such as community

WHY ARE THESE IMPORTANT?

The military has been a part of the local economy since World War II. Approximately 55,000 military and civilian workers are employed by this sector at either the United States Air Force Academy (USAFA), Peterson, Schriever or Fort Carson.

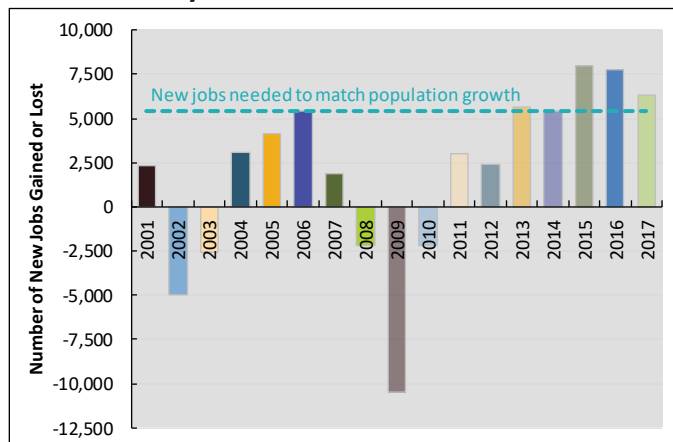
HOW ARE WE DOING?

It has become increasingly difficult to obtain this information from the military installations. For this reason, the provided graphics have shaded bars to indicate estimates due to missing data. Total military and civilian employment decreased in 2017 at Peterson and USAFA, while it increased at Fort Carson and Schriever. When employment changes were combined, there was a 0.4 percent growth in total military employment compared to the 2016 estimate. Of note, Schriever included 4,891 civilian employees, and Fort Carson included approximately 6,500 civilian employees in 2017.

When comparing 2017 to 2016, Schriever's economic impact increased to \$1.33 billion (up 1.2%), while Peterson's impact decreased to \$1.24 billion (down 2.1%), USAFA's impact decreased to \$987 million (down 14.1%), and Fort Carson's impact decreased to \$2.10 billion from (down 0.9%). Combined the economic impact was estimated to be 3.3 percent lower in 2017 than in 2016.

It is important to note that three military installations will have increases in employment and economic impact. Fort Carson will house 800 new soldiers as part of the Security Forces Assistance Brigade (SFAB) and 200 new soldiers as part of the Stryker Brigade Combat Team. Peterson and Schriever will increase personnel as part of the National Security Space components.

El Paso County New Jobs



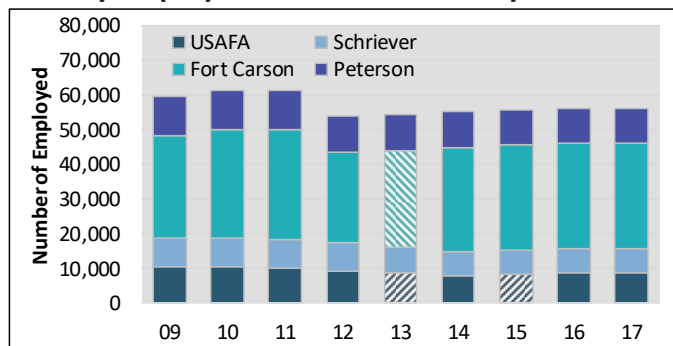
Sources: Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW); UCCS Economic Forum

colleges, industry training programs, and four-year universities.

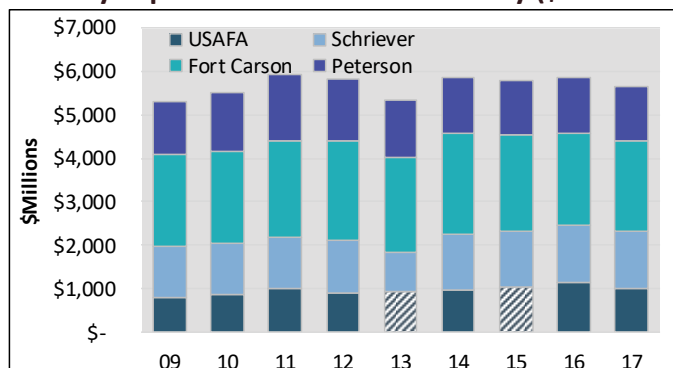
HOW ARE WE DOING?

As the table shows, many of the posted jobs are professional jobs, which pulls up the median salary of all jobs in the region. It was in April 2015 that Colorado Springs surpassed the state in the median salary of posted jobs. According to QCEW data, there were 6,334 actual new jobs in 2017 in El Paso County. As the graph above shows, we need approximately 5,400 new jobs per year to match population growth in our region. In August 2018, there were an average of 11,853 job openings, while 14,452 people were looking for work.

Military Employment in El Paso County



Military Expenditures in El Paso County (\$ millions)

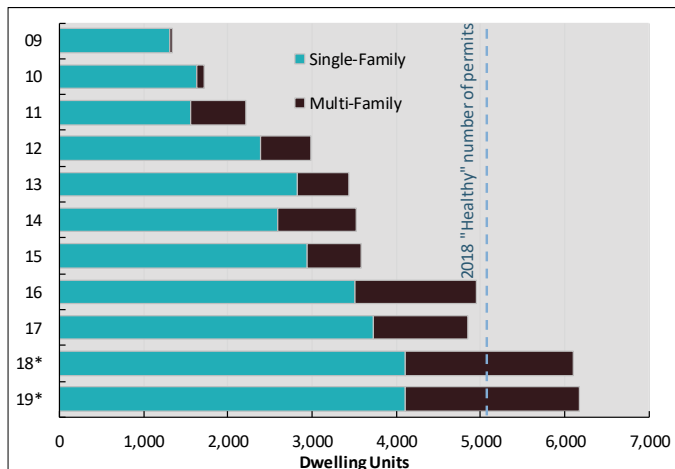


NOTE: Shaded data indicate UCCS Economic Forum estimates.

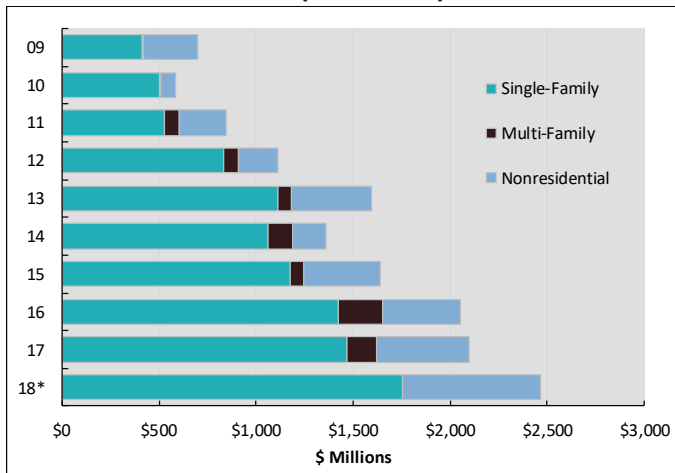
Sources: Colorado Springs Chamber & EDC; Respective military installations

REAL ESTATE INDICATORS

Residential Building Permits (Dwelling Units)



Value of Construction (\$ millions)



*UCCS Economic Forum forecasts with input from Classic Homes, Vantage Homes, Bruce Betts and Cary Bruteig.
Source: Pikes Peak Regional Building Department

WHY IS THIS IMPORTANT?

A negative indicator for the housing market is an increasing foreclosure rate. Foreclosures are normally used by economists as a lagging indicator since they tend to peak just about the time an economic recovery commences.

HOW ARE WE DOING?

There were 1,089 foreclosures in 2017, a decrease of 15.4 percent from 2016 when there were 1,287 foreclosures. Through July 2018, there were 531 foreclosures compared to 635 through July 2017. At the current rate, the Forum anticipates there will be 910 foreclosures in 2018 and another 910 in 2019.

Foreclosures depend on housing values, employment, and income levels of homeowners holding a mortgage. Interest rates remain relatively low, making housing and a mortgage more affordable, although the Federal Reserve has been slowly raising interest rates since December 2015, and the increases are expected to continue through the end of 2019 (see page 12). It is notable that the average number of foreclosures prior to the recession (2005-2007) were 233 per month. By contrast, the average number of foreclosures in 2017 were 91 per month.

WHY ARE THESE IMPORTANT?

Residential building permits reflect the general demand for housing and also the type of housing that local residents prefer. If there is natural population growth and in-migration, there will be demand for new homes, and if consumer preferences lean towards new construction, the demand may be greater. El Paso County has had an average population growth rate over the last 10 years of 1.7 percent. Given this continued growth and the projected high growth in the next 25 years, it is likely that demand for residential building permits will continue, especially if mortgage rates stay within reach.

HOW ARE WE DOING?

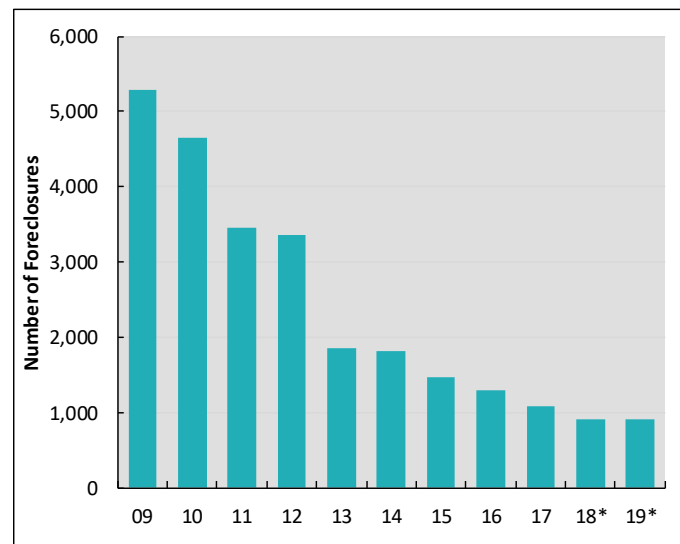
Residential building decreased slightly from 2016 to 2017 led by a decrease in multi-family permits. There was an increase in single-family permits. There were 3,728 single-family permits during 2017, which was a 6.1 percent increase from the 3,514 permits in 2016. Through August 2018, permits for 2,947 single-family dwellings have been issued whereas the comparable number for 2017 was 2,521.

After nearly nonexistent multi-family home building in 2009 and 2010, permits for this type of housing have rebounded nicely. In 2010, there were only 88 permits issued in Colorado Springs. In 2017, there were permits issued for 1,126 multi-family dwelling units, indicating the strength in the local economy.

Estimates from the Forum have suggested that for the population size of Colorado Springs in 2018, roughly 5,075 single and multi-family building permits per year is a healthy equilibrium. This is important because housing “bubbles” have proven to be problematic for many communities.

The value of nonresidential construction was \$475.0 million in 2017. Many commercial real estate brokers and lenders in the region have stated that there has been a marked increase in investment in commercial construction, especially from external investors who find this region to have high growth potential.

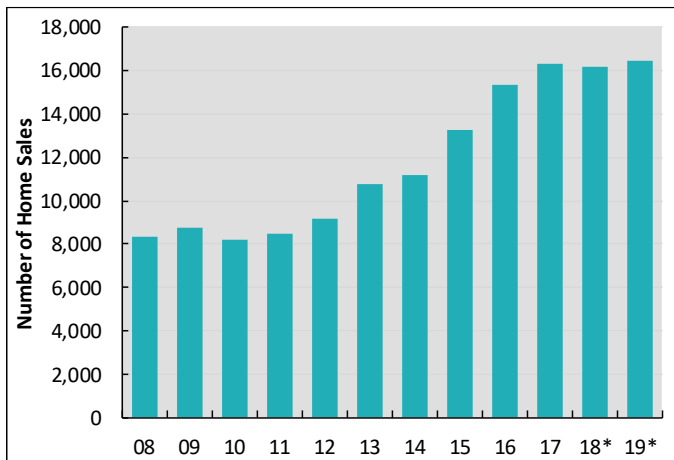
Foreclosures in El Paso County



*UCCS Economic Forum forecasts
Source: El Paso County Public Trustee

REAL ESTATE INDICATORS

Pikes Peak Region Single-Family Home Sales



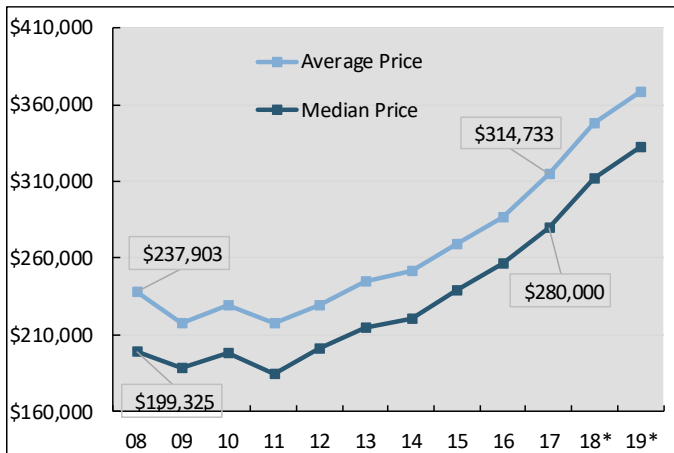
WHY ARE THESE IMPORTANT?

Home sales are an indicator of vitality in the local real estate market. Home values are one of the indicators of the wealth of the community. Home owners want to see an increase in the value of one of their largest assets. Home valuation forms the basis of local residential property taxes. Property taxes, in turn, are used to support public schools in the area.

HOW ARE WE DOING?

In the Pikes Peak region, sales for new and existing single-family homes were 16,337 in 2017, up 6.7 percent (1,019 more sales than in 2016). Estimates are highly dependent upon general economic trends including job growth, possible mortgage rate increases, and other factors. The Forum forecasts home sales will decrease 1.1 percent in 2018 to 16,164 and then increase 2.0 percent in 2019 to 16,487. These projections are based upon year-to-date activity compared to the previous year.

Pikes Peak Region Mean and Median Prices of Single-Family Homes Sold



Current market conditions point to an average home sales price increase to \$347,780 in 2018, up 10.5 percent from \$314,733 in 2017 in the Pikes Peak region. The average price is expected to be \$368,647 in 2019. Similar gains are expected for the median price: \$311,920 for 2018 and \$332,195 in 2019. The increase in housing sales and prices reflects lower mortgage rates, an increase in population, higher employment levels, and a decline in available housing for sale. National experts are citing average price increases for all of 2018 in the 5.0 percent range across the nation.

For comparative purposes, the table below shows housing price data for Colorado Springs, Denver, Boise and the U.S. Locally, we have higher prices than the U.S. and Boise, but significantly lower prices than Denver. We also have experienced year-to-year increases above the U.S. and Denver averages.

2018 Q2 Median Home Price				
Location:	Colorado Springs	Denver	Boise	United States
Price:	\$323,600	\$462,900	\$262,800	\$269,000
1-year % Change:	13.9% increase	9.0% increase	15.4% increase	5.3% increase
MSA Rank:	26	13	53	n/a

Source: National Association of REALTORS®

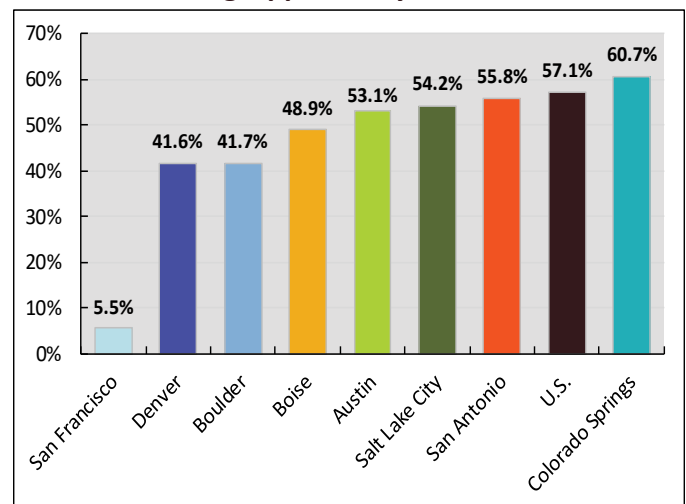
WHY IS THIS IMPORTANT?

Housing affordability is a major consideration for individuals and families when they think about moving to the region or staying in the region. The National Association of Home Builders and Wells Fargo measure housing opportunity by looking at the percentage of homes sold that a family earning the local median income could afford.

HOW ARE WE DOING?

The housing opportunity index for 2018 Q2 showed that Colorado Springs is still quite affordable compared to the other MSAs with 60.7 percent of the homes sold affordable to families with our local median income. Similarly in the U.S. at that time, 57.1 percent of the homes sold were affordable for families earning the national median income. Despite recent increases in home prices, our region is still relatively affordable. Having said that, the double-digit increases we have seen in local home prices is good reason to monitor the trend of growing unaffordability locally and indeed nationally. First time buyers across the U.S., who are typically younger, have low ownership rates (36.5% in 2018 Q2) and this is important to address in the long term.

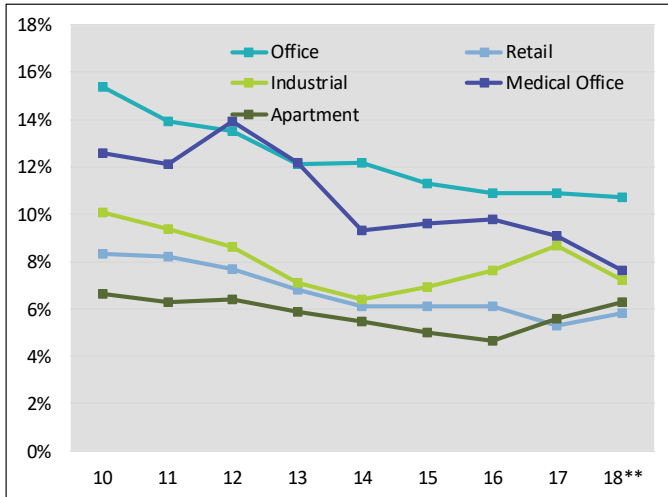
2018 Q2 Housing Opportunity Index



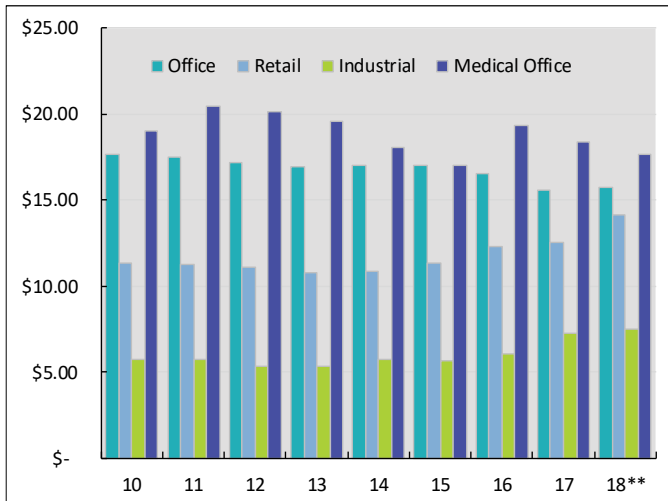
Sources: National Association of Home Builders; Wells Fargo

REAL ESTATE INDICATORS

Colorado Springs Average Vacancy Rates for Apartment, Office, Retail, Industrial and Medical Spaces



Colorado Springs Average Asking Rents for Office, Retail, Industrial and Medical Spaces



Vacancy Rates and Rents (per Sq. Ft. NNN)		
Property Type	2017	Jan. - Jun. 2018
Office	10.9% (\$15.53)	10.7% (\$15.73)
Retail	5.3% (\$12.49)	5.8% (\$14.16)
Industrial	8.7% (\$7.28)	7.2% (\$7.47)
Medical Office	9.1% (\$18.39)	7.6% (\$17.64)
Apartment	5.6% (\$1,113.03)	6.3% (\$1,143.50)

**January through June 2018

Note: NNN stands for triple net lease, which means that the tenant is responsible for net real estate taxes on the leased assets, net building insurance and net common area maintenance.

Sources: CoStar Group™; Olive Real Estate Group, Inc.; Colorado Department of Local Affairs, Ron L. Throupe, Ph.D. of The Daniels College of Business at the University of Denver & Jennifer L. Von Stroh

WHY ARE THESE IMPORTANT?

Vacancy rates are a key indicator of economic activity. Declining vacancy rates put upward pressure on lease rates. Low vacancy rates reduce location choices for businesses. The availability of adequate and affordable commercial space allows existing companies to expand and helps attract new companies to the area. This may be particularly relevant for Colorado Springs given the high lease rates in the Denver metropolitan area.

HOW ARE WE DOING?

Average vacancy rates were down in 2017 compared to 2016 for medical office space (from 9.8% to 9.1%) and retail space (6.1% to 5.3%). Vacancy rates increased for industrial space (from 7.6% to 8.7%) and apartments (4.6% to 5.6%), while they stayed the same for office space (10.9% average for both years). In the first half of 2018 (from January through June), office vacancy rates were 10.7 percent, medical office vacancy rates were 7.6 percent, industrial vacancy rates were 7.2 percent, and retail vacancy rates were 5.8 percent. Apartment vacancy rates have averaged 6.3 percent during the first half of 2018.

As the top graph shows, the overall trend in vacancy rates has been favorable since the recession. The vacancy rates have come down the most for office and medical space. It is important to note that according to local commercial real estate experts from the Olive Real Estate Group, the posted vacancy rates are higher than the true vacancy rates because much of our existing, local commercial space is obsolete. Because some space is obsolete, population continues to increase, and vacancy rates are generally lower, it is likely that there will be more upward pressure on asking lease rates.

The average lease rates for each property type are listed in the bottom left table. Office lease rates averaged \$15.53 per square foot in 2017 with higher rates in the first half of 2018 (\$15.73). Retail lease rates averaged \$12.49 per square foot in 2017 with higher rates in the first half of 2018 (\$14.16). Industrial lease rates averaged \$7.28 in 2017 with higher rates in the first half of 2018 (\$7.47). Medical office lease rates were notably higher in 2017 (\$18.39) than in the first half of 2018 (\$17.64). It is important to note that these are averages and do not take into account the quality of space. Apartment lease rates were \$1,112 in 2017 and \$1,144 in the first half of 2018.

Our proximity to the Denver/Boulder area will become more of a factor for both residential and commercial real estate. The table below shows that as of 2018 Q2, retail space in Denver is 39.8 percent higher per square foot than comparable space in Colorado Springs. Office space rents in Denver are on average 49.3 percent higher than Colorado Springs. Industrial space is 0.8 percent higher in Denver, and medical office space is 39.0 percent per square foot higher compared to Colorado Springs.

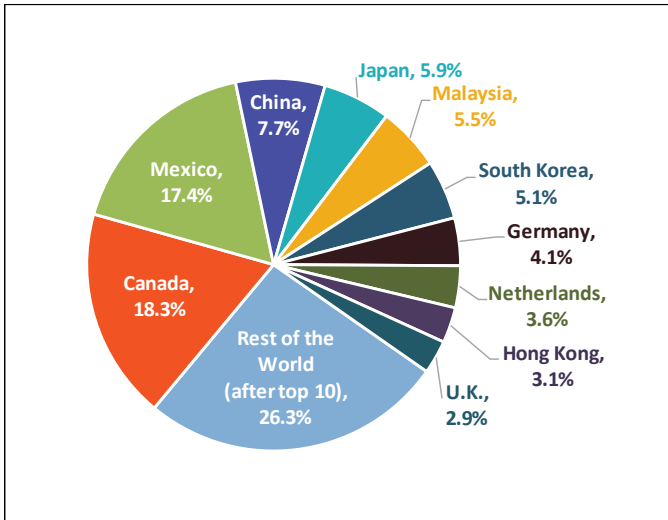
Comparative Rents per Square Foot

2018 Q2				
	Retail	Office	Industrial	Medical Office
Colorado Springs	\$13.37	\$15.60	\$7.40	\$17.24
Denver	\$22.20	\$30.75	\$7.46	\$28.24
% Difference	-39.8%	-49.3%	-0.8%	-39.0%

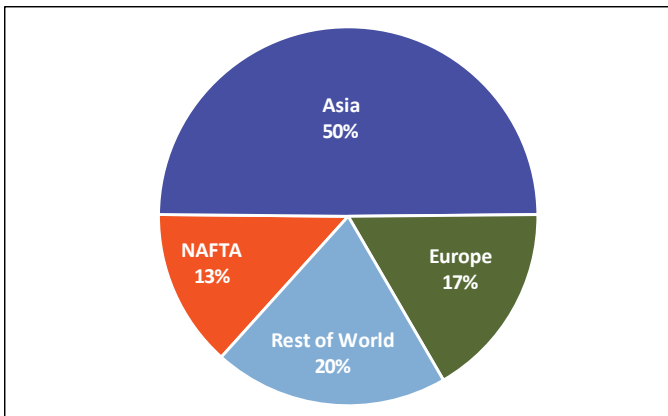
Sources: CoStar Group™; Olive Real Estate Group, Inc.

SALES & TAX INDICATORS

2017 Colorado Exports to Selected Destinations



2017 Colorado Springs MSA Exports



Note: All calculations are in U.S. dollars.
Source: Office of Trade and Economic Analysis, International Trade Administration

WHY ARE THESE IMPORTANT?

One indicator of the state and local competitiveness in a global economy is the ability to export goods and services. A higher level of export activity translates into more jobs in the state and local region and more income and wealth. Economies that expect to compete in today's global economy need to grow export activity.

HOW ARE WE DOING?

As the graph shows, approximately one-third of Colorado exports go to Canada and Mexico, which are the two North American Free Trade Agreement, or NAFTA, countries. Approximately another quarter go to primarily Asian countries including China, Japan, South Korea, Malaysia and Hong Kong. Almost 11 percent of Colorado exports go to Germany, the Netherlands and the United Kingdom. The remaining quarter goes to the rest of the world. This profile is similar to that of all U.S. exports; however, in 2017, it is notable that 8.0 percent of the U.S. GDP emanated from export activity whereas in Colorado, only 2.3 percent of GSP emanated from export activity.

Twenty of 31 manufacturing categories in Colorado increased exports in 2017. The largest dollar gains were in food manufactures, \$241 million (up 16.3%); nonmetallic mineral products, \$63 million (66.2%); plastic & rubber products, \$45 million (25.3%); machinery except electrical, \$45 (5.8%); and agricultural products, \$43 million (64.2%). Significant export declines took place in leather & allied products, -\$64 million (-54.5%); oil & gas, -\$41 million (-66.0%); used or second-hand merchandise, -\$21 million (-28.9%); and miscellaneous manufactured commodities, -\$12 million (-2.4%).

The second graph to the left shows that Colorado Springs exports are more heavily skewed towards Asia at 50 percent of all exports. Tariffs imposed by China could disproportionately impact our region, although exports only make up 2.5 percent of GMP. NAFTA countries have a lower percentage of exports coming from Colorado Springs at 13 percent. Also noteworthy is the decline in total, local export activity. From 2008 to 2016, Colorado Springs exports declined 57.6 percent.

WHY ARE THESE IMPORTANT?

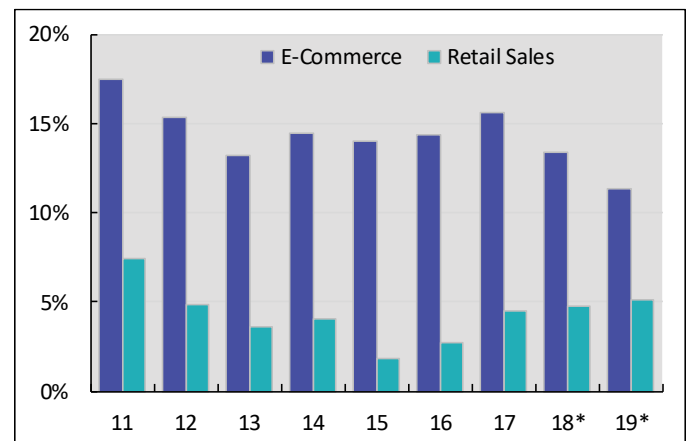
Retail sales are finished goods and services sold to consumers and businesses. Traditionally, retail sales follow the general trends in the economy meaning if there is economic expansion occurring, retail sales typically are growing as well. E-commerce is the buying and selling of goods and services via the internet. E-commerce sales can occur between consumers and businesses although some e-commerce is business-to-business or consumer-to-consumer.

HOW ARE WE DOING?

Brick-and-mortar retail has performed better than expected in the past year while e-commerce has continued to soar. Kiplinger forecasts that retail sales excluding gasoline will rise by about 5.1 percent in all of 2018. Wells Fargo forecasts a 4.8 percent increase in all retail for 2018 and another 5.1 percent increase in 2019. The National Retail Federation's projections are a bit lower.

For e-commerce, Kiplinger projects a double-digit increase of 14.0 percent for all of 2018. Statista projects a 12.8 percent increase in 2018 in e-commerce with another 11.3 percent increase in 2019. The National Retail Federation projects an increase in all retail including brick-and-mortar and e-commerce in the range of 3.8 to 4.4 percent 2018. It is worth noting that retail sales can be a very

E-Commerce versus Retail Sales Growth in the U.S.

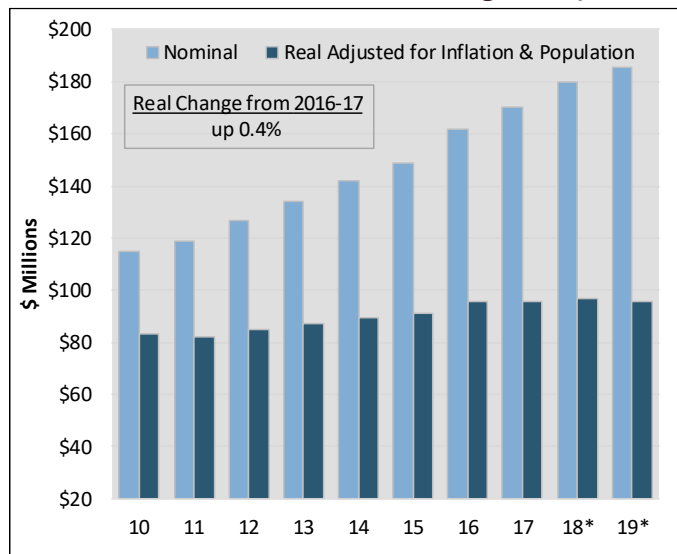


*Wells Fargo, Statista and Kiplinger forecasts
Source: U.S. Department of Commerce

good indicator of the overall economy. In past business cycles, retail sales have begun to decline about 6 to 12 months prior to a downturn. Thus far into 2018, we have not seen a decline in retail sales.

SALES & TAX INDICATORS

Colorado Springs Sales and Use Tax Collections (Nominal in actual \$ millions. Real indexed for inflation: 2001=100 and adjusted for population growth)



*City of Colorado Springs and UCCS Economic Forum forecasts
Sources: City of Colorado Springs; UCCS Economic Forum

WHY IS THIS IMPORTANT?

City sales and use tax revenues are used for municipal operations by the city of Colorado Springs for such purposes as law enforcement, fire protection, street repair and park maintenance. It is critical that these revenues increase along with community growth in order for the city to provide necessary services.

HOW ARE WE DOING?

City sales and use tax collections were \$170.2 million in 2017 (nominal dollars). This is \$8.1 million higher (5.0%) than in 2016. Through July 2018, combined sales and use tax collections were up \$4.29 million (5.3%) over the same period in 2017. The sales and use tax collections for 2018 are expected to increase by 5.7 percent to \$179.9 million and by 3.3 percent in 2019 to \$185.7 million. If we account for inflation and population increases, “real” sales and use tax collections have been relatively flat (darker bars on the graph) and are expected to increase by 1.2 percent in 2018 and decrease by 1.1 percent in 2019 using Forum calculations.

Through August 2018, all sales tax revenue categories were higher than year ago amounts except medical marijuana (-7.5%). The largest gains were in commercial machines (25.2%), business services (17.5%), and grocery stores (11.3%).

WHY ARE THESE IMPORTANT?

The Forum tracks registrations for new vehicles purchased directly from dealers. Since vehicles are a relatively large purchase for most households, tracking new sales and registration helps gauge the consumer confidence and economic health in a given area. Lodger’s and automobile rental tax collections are also a way of gauging the robustness of the tourism sector.

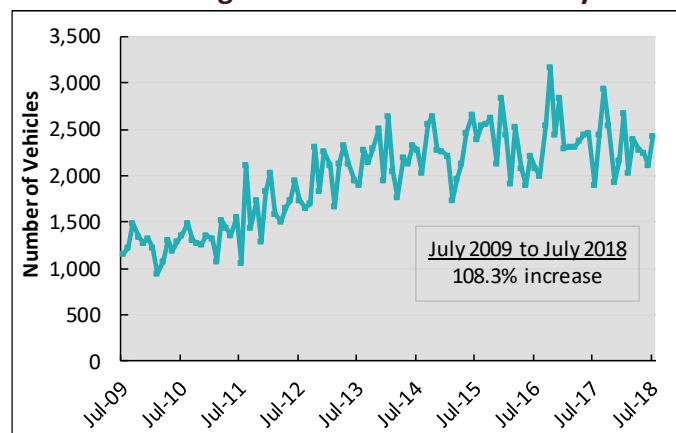
HOW ARE WE DOING?

From January through July 2018, there have been an average of 2,307 new vehicle registrations per month. By contrast, in the first seven months of 2009, average new vehicle registrations were 1,099. Overall, the graph shows the rebound of the new car industry within El Paso County over the past several years with a 108.3 percent higher registration rate in July 2018 compared to July 2009.

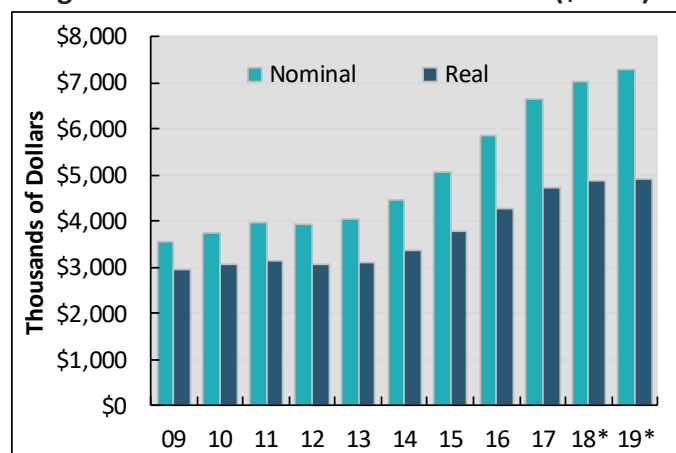
In Colorado Springs, lodger’s and automobile rental taxes (LART) increased from \$5,846,258 in 2016 to \$6,645,021 in 2017, a 13.7 percent increase. The city of Colorado Springs projects a 5.9 percent actual increase (to \$7,035,000) for 2018 and a 3.3 percent increase (to \$7,270,000) in 2019.

It is notable that the “real,” or inflation-adjusted LART collections, were relatively flat up until 2014. From 2014 through the middle of 2018, LART collections have been on an upward trend, both in “real” and nominal terms, although real LART collections have moderated in 2018. This is reflective not only of strong state and national economies but also of our increasing visibility as a highly desirable tourist location. Lower gas prices have undoubtedly also contributed although modest increases in gas prices may begin to curb LART collections.

New Vehicle Registrations in El Paso County



Lodger’s and Automobile Tax Collections (\$000s)



*City of Colorado Springs forecasts
Sources: El Paso County Commissioners Office; City of Colorado Springs Finance Department, Sales Tax Division; UCCS Economic Forum

EDUCATION INDICATORS

WHY ARE THESE IMPORTANT?

The amount a region spends on educating its future workforce is critical in terms of sustainable economic growth. Although there are certainly other factors at play, sufficient funding to provide high quality, mass education is one of the most important variables in educational and life outcomes.

HOW ARE WE DOING?

The top table shows that per pupil spending varies greatly by school district. Average per pupil spending ranges from a high of \$14,737 in the Cripple Creek school district to a low of \$8,228 in the Widefield school district. It is important to remember, however, that per pupil spending can be higher in smaller districts because they cannot reap the economies of scale in purchasing materials as can the larger school districts.

In terms of comparing Colorado to the U.S. pupil expenditures, the middle graph is telling. In 1982, our state spent on average \$232 more per student than the national average. By 2015, Colorado spent \$2,153 less per student than the national average. This lower level of funding is likely what is driving the lower Colorado teacher pay and potentially contributing to the teacher shortage. The average starting salary in 2016-17 for Colorado was \$32,980 and for the U.S. it was \$38,617. This is ironic given that Colorado ranked number 2 in the nation in terms of GSP growth in 2017. If Colorado is to continue on its positive, economic growth trajectory, we will have to not only import educated people, we will also need to properly educate children born and raised in Colorado.

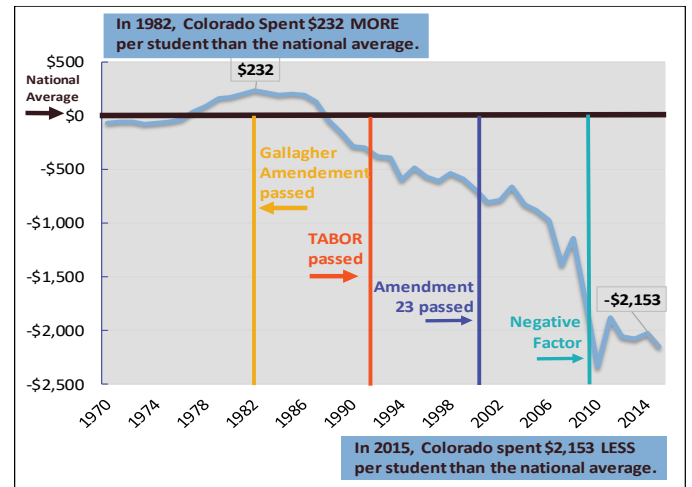
For students wanting to pursue postsecondary education, funding continues to be a growing challenge. For publicly-funded institutions, the bar chart at the bottom shows that U.S. students are paying, on average, almost half of the total costs of tuition. In the state of Colorado, students are paying about 70 percent of their total tuition costs. According to the Pew Research Center, about 40 percent of all U.S. students have student debt and 53 percent of young adults pursuing education beyond a bachelor's degree have student debt. In 2017, the average student debt was \$37,172. Seven percent of all student borrowers owed \$100,000 or more.

2016-17 K-12 Enrollment and Per Pupil Spending

School District	County	Pupil Enrollment	Per Pupil Spending
<i>Cripple Creek-Victor RE-1</i>	Teller	374	\$14,737
<i>Miami-Yoder 60 JT</i>	El Paso	300	\$13,202
<i>Hanover 28</i>	El Paso	270	\$12,839
<i>Colorado Springs 11</i>	El Paso	27,911	\$10,781
<i>Manitou Springs 14</i>	El Paso	1,488	\$10,731
<i>Edison 54 JT</i>	El Paso	231	\$10,404
<i>Harrison 2</i>	El Paso	11,746	\$10,151
<i>Fountain 8</i>	El Paso	8,185	\$9,957
<i>Ellicott 22</i>	El Paso	1,043	\$9,919
<i>Peyton 23 JT</i>	El Paso	652	\$9,855
<i>Calhan RJ-1</i>	El Paso	442	\$9,672
<i>Woodland Park RE-2</i>	Teller	2,480	\$9,229
<i>Academy 20</i>	El Paso	25,591	\$9,006
<i>Cheyenne Mountain 12</i>	El Paso	5,224	\$8,949
<i>Lewis-Palmer 38</i>	El Paso	6,577	\$8,499
<i>Falcon 49</i>	El Paso	20,834	\$8,490
<i>Widefield 3</i>	El Paso	9,634	\$8,228

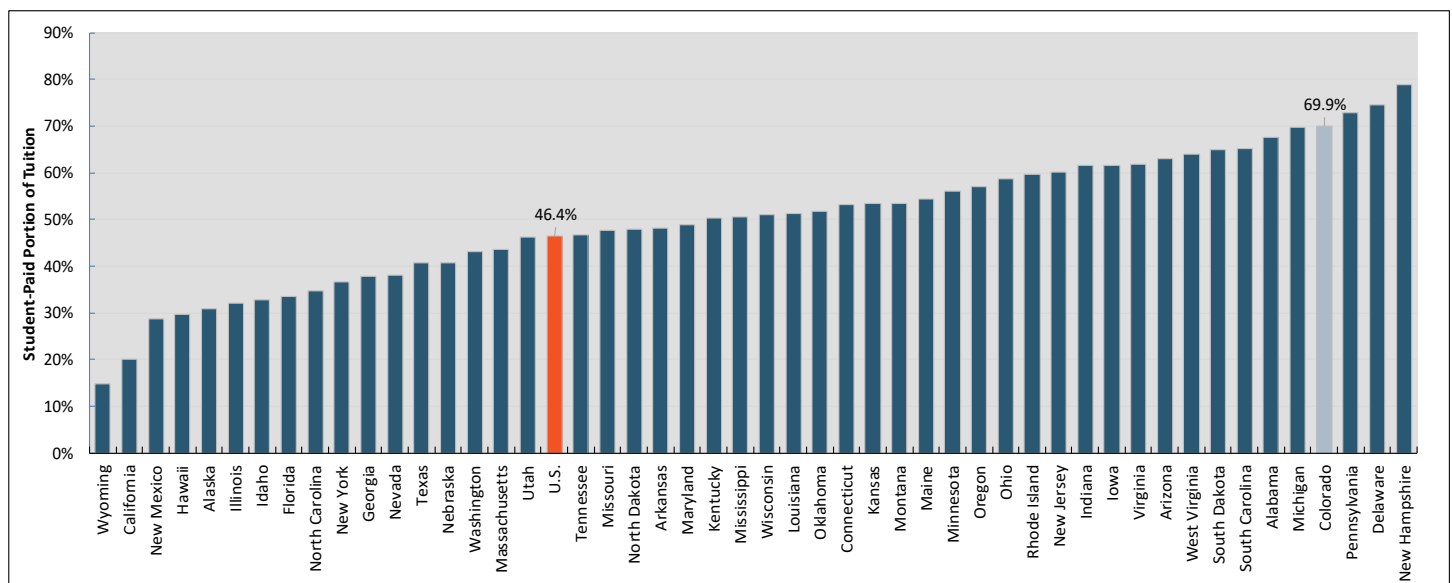
Source: Colorado Department of Education

K-12 Per Pupil Expenditures: Colorado versus National Average



Sources: National Center for Education Statistics; Great Education Colorado

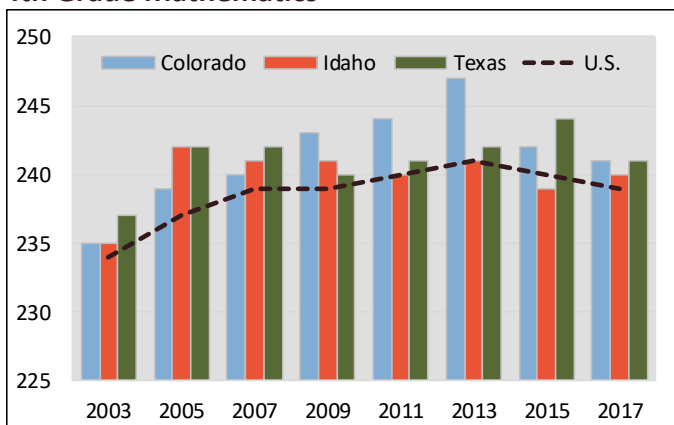
Student-Paid Portion of Higher Education Tuition at Public Institutions in 2017



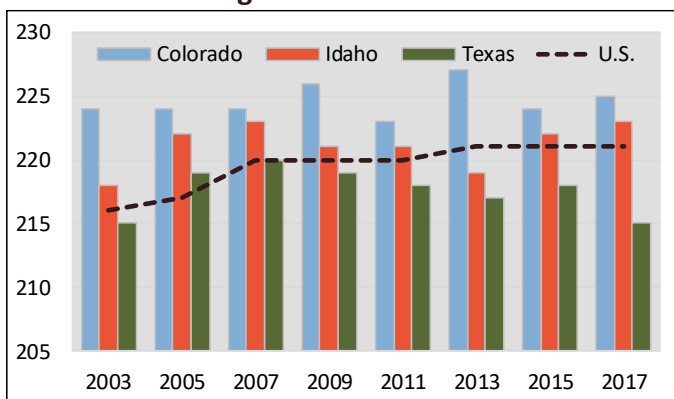
Source: 2017 SHEF Report, State Higher Education Executive Officers

EDUCATION INDICATORS

4th Grade Mathematics



4th Grade Reading



Source for all test scores on this page: U.S. Department of Education, National Center for Education Statistics

WHY ARE THESE IMPORTANT?

The National Assessment of Educational Progress (NAEP) tests can be used again in later ages to assess how students are learning compared to the U.S. and other states. This is useful information in terms of gauging whether Colorado students are progressing through the K-12 system in a way that prepares them for entering the workforce or pursuing higher education.

HOW ARE WE DOING?

The dashed lines on the graphs show the national averages. Colorado 8th graders in public schools also average consistently higher scores than the U.S. average for public and private school students. As the graph shows, in 8th grade math skills, Colorado students outperform both Idaho and Texas. In 8th grade reading skills, Colorado students perform significantly better than Texas, but the same as Idaho.

It is again important to point out that for 8th graders in Colorado, math scores were on an upward trajectory from 2005 to 2011, but then declined in from 2013 to 2017. In reading, scores declined for Colorado 8th graders from 2013 to 2015 but rose in 2017. This dip in 8th grade NAEP scores in both reading and math appears to be a national trend.

The table to the right shows the average spending per pupil for Colorado, Idaho, Texas and the U.S. As the data shows, Colorado spent more per pupil than Idaho and Texas, however, all three states rank quite low with respect to per pupil spending. It is interesting to note that despite the lower per pupil spending, NAEP scores (graphs above) show that Colorado outperformed the U.S. in reading and math assessments.

WHY ARE THESE IMPORTANT?

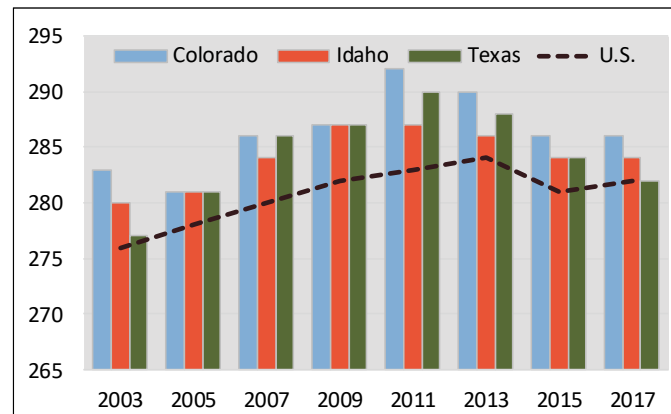
Every two years, representative samples of students in public schools in each state are tested using the National Assessment of Educational Progress (NAEP) to compile state scores in mathematics and reading, among other subjects. Students from both public and private schools are assessed to compile the national score. The NAEP is one of three valid estimates of U.S. national academic performance, and it allows us to compare students across the nation over time.

HOW ARE WE DOING?

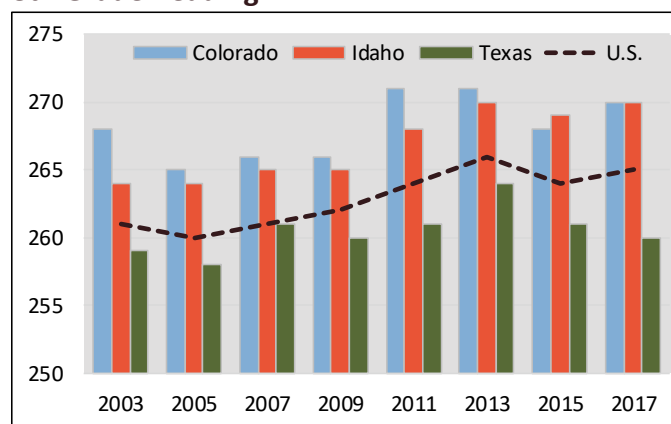
The dashed lines on the graphs show the national averages. Colorado 4th graders in public schools consistently score higher than students in public and private schools across the U.S. in both math and reading. Compared to Texas in 2017, Colorado scored the same in math but much higher in reading. Compared to Idaho, Colorado scored slightly higher in both subjects.

It is important to note that for both Colorado and the U.S., math scores have fallen between 2013 and 2017 after a consistently upward trend. From 2003 to 2007 across the U.S., there were increases in 4th grade reading scores, although they have been level since then.

8th Grade Mathematics



8th Grade Reading



2017-18 Average per Pupil Spending	
Colorado (28th)	\$11,692
Idaho (50th)	\$7,142
Texas (37th)	\$9,969
United States	\$12,450

Source: National Education Association

EDUCATION INDICATORS

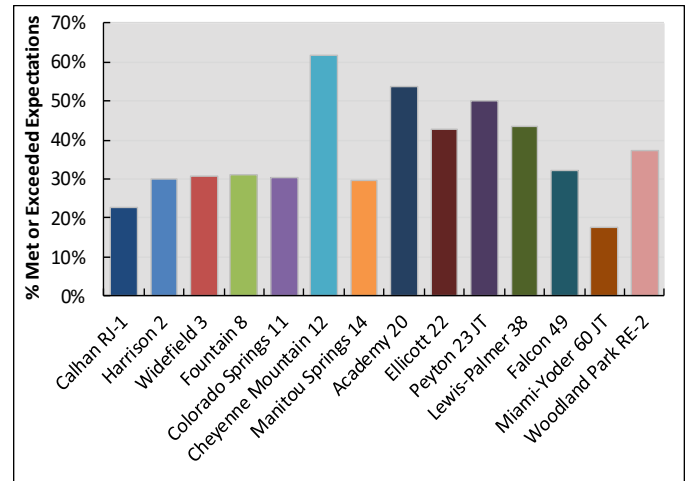
WHY ARE THESE IMPORTANT?

During the 2014-15 school year, Colorado began administering the Colorado Measures of Academic Success (CMAS) in mathematics and English language arts. These new, computer-based assessments incorporate the Common Core State Standards but also contain “unique to Colorado” standards. Because of these changes, a new baseline is being established so only the latest results from the 2017-18 school year are shown here for the school districts in the Colorado Springs MSA. While these tests lend a uniform source of information on how proficient Colorado students are at meeting the standards, it is critical to remember that these tests do not represent the whole picture of student learning.

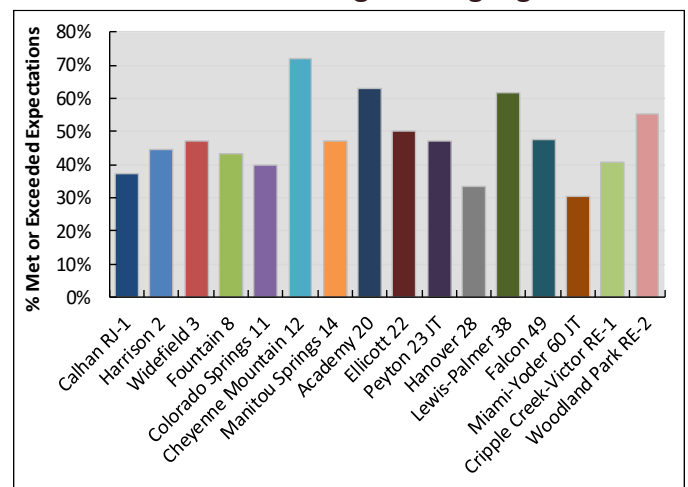
HOW ARE WE DOING?

Overall, 4th graders did better on English language arts than mathematics testing in the 2017-18 school year. For 4th grade mathematics, results range from 17 percent meeting or exceeding expectations in Miami-Yoder to 62 percent in Cheyenne Mountain. For 4th grade English language arts, results range from 30 percent meeting or exceeding expectations in Miami-Yoder to 72 percent in Cheyenne Mountain.

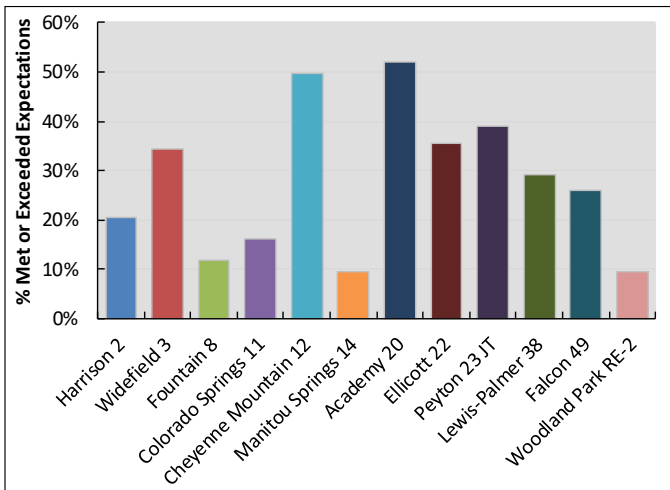
2018 CMAS: 4th Grade Mathematics



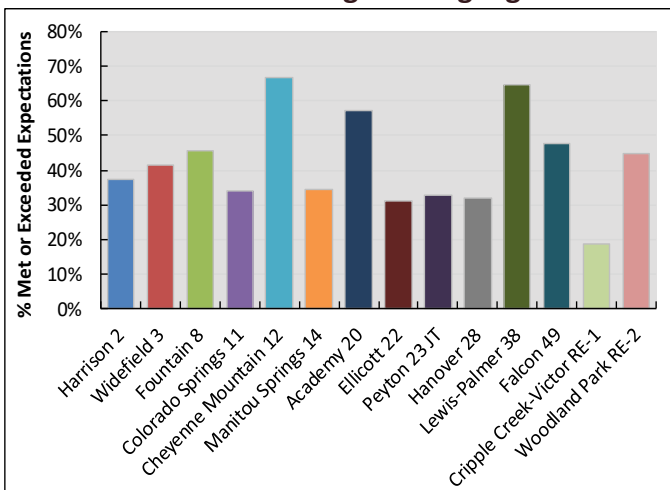
2018 CMAS: 4th Grade English Language Arts



2018 CMAS: 8th Grade Mathematics



2018 CMAS: 8th Grade English Language Arts



Note: Some districts' scores are not available due to the small number of students. Source for all CMAS information: Colorado Department of Education

WHY ARE THESE IMPORTANT?

The new Colorado Measures of Academic Success (CMAS) tests are also administered in higher grades. All 8th graders take the same English language arts test, however, not all students take the 8th grade general mathematics test. Approximately 16 percent of 8th graders in the Colorado Springs MSA took a mathematics test related to their specific course of study (e.g. Algebra I or Geometry). The scores shown here only include the 84 percent who took the general 8th grade math test.

HOW ARE WE DOING?

The same trend of higher English language arts scores than math scores seen in 4th graders holds true for 8th graders. It is also true that that there is great variation between school districts. For 8th grade math, results range from 9 percent meeting or exceeding expectations in Manitou Springs and Woodland Park to 52 percent in Academy 20. As aforementioned, the math scores represent the 84 percent of students who take the general 8th grade math test (and not the 16% who take a specific test for Algebra or Geometry). For 8th grade English language arts, scores range from 19 percent meeting or exceeding expectations in Cripple Creek-Victor to 67 percent in Cheyenne Mountain.

Although these tests do not present the whole picture of student learning, the high deviation in scores provides important information about the disparity in school outcomes by region.

EDUCATION INDICATORS

WHY IS THIS IMPORTANT?

Academic performance of high school students is an important indicator of the knowledge base of the future workforce. In our highly specialized economy this is especially significant. In 2017, all high school juniors began taking the SAT instead of the ACT because this college entrance exam is more closely aligned with Colorado Academic Standards and provides free test preparation services for all students. A perfect score is 1600 (not including the optional essay).

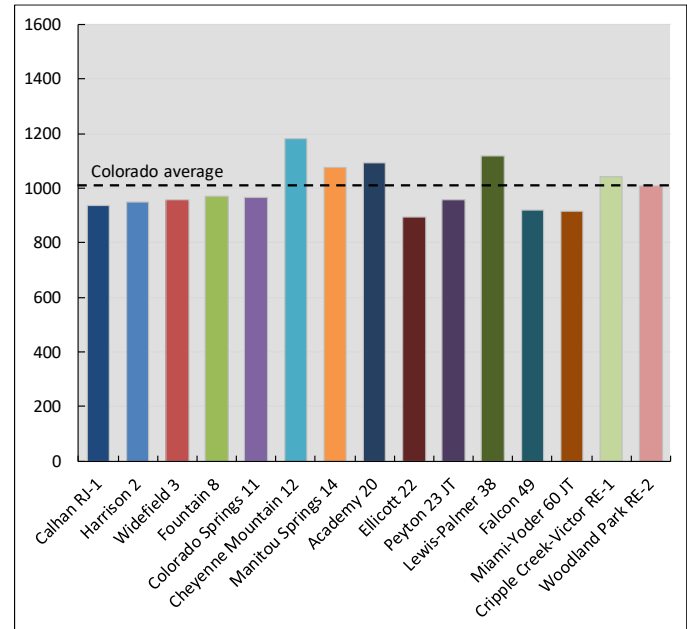
HOW ARE WE DOING?

In 2018, the Colorado Department of Education reported that Colorado juniors had an average SAT score of 1014. The juniors in Cheyenne Mountain 12 (1181), Manitou Springs 14 (1078) Academy 20 (1095), Lewis-Palmer 38 (1117), and Cripple Creek-Victor RE-1 (1044) all had average SAT scores higher than the state average.

Colorado creates a downward bias in SAT results by requiring that all high school juniors take the SAT, not just those who are college bound. Any other students from other grades, including seniors, are not included in the Colorado composite SAT results. Hence, only juniors' SAT scores are measured in the Colorado averages.

Starting in 2016 in Colorado, all 10th graders started taking the PSAT as preparation for the SAT they will take in 11th grade.

High School Junior SAT Scores in Colorado Springs MSA, 2018



Note: Scores for Hanover 28 and Edison 54 JT were not available.
Source: Colorado Department of Education

WHY ARE THESE IMPORTANT?

Dropout rates are indicators of possible future societal costs from underemployment or unemployment and low earning potential. In a global economy, a skilled workforce is a requirement for personal and societal success. Today, a high school degree is a bare minimum requirement for virtually any job in the U.S. Providing a quality education to all racial and ethnic groups is important to our economic well-being especially as globalization has increased the need for an educated workforce.

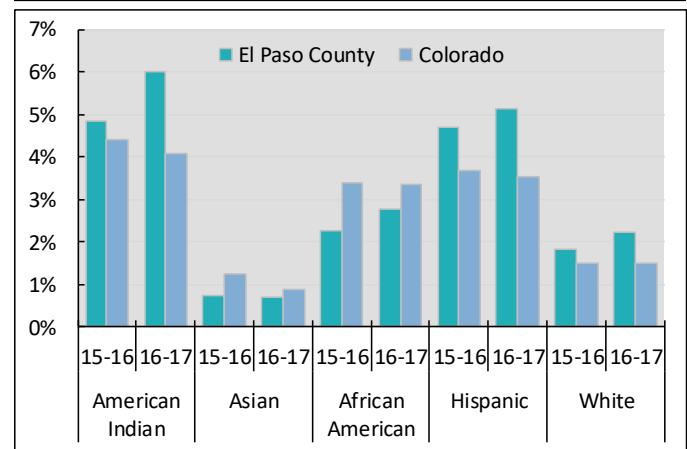
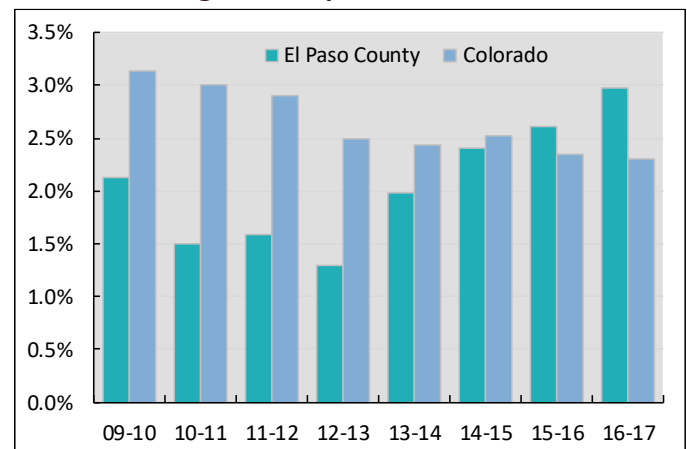
HOW ARE WE DOING?

Dropout rates in El Paso County (3.0%) were higher than Colorado (2.3%) in 2017. In El Paso County, dropout rates have been increasing for several years and went from 2.6 percent in 2016 to 3.0 percent in 2017. Conversely, in the state of Colorado, dropout rates have been decreasing and stayed at 2.3 percent in 2016 and 2017.

Dropout rates in El Paso County are highest among American Indian/Alaskan Native and Hispanic students, and there was a significant increase in both of these populations' drop out rates from 2016 to 2017. Dropout rates are lowest among Asian and White students, which is consistent with national trends. In El Paso County in 2017, the lowest drop out rate was for Asian students (0.7%), whereas the highest dropout rate was for American Indians (6.0%).

According to a comprehensive study by the U.S. Department of Education, in 2012, 35.4 percent of 16-24 year olds who were institutionalized (incarcerated) were dropouts. This compares to 6.6 percent of the 16-24 year olds who were dropouts in the general (noninstitutionalized) population. From a simple earnings perspective, the median income of 18-67 year olds who had not completed high school was \$25,000 in 2012, compared to \$46,000 for someone with at least a high school credential.

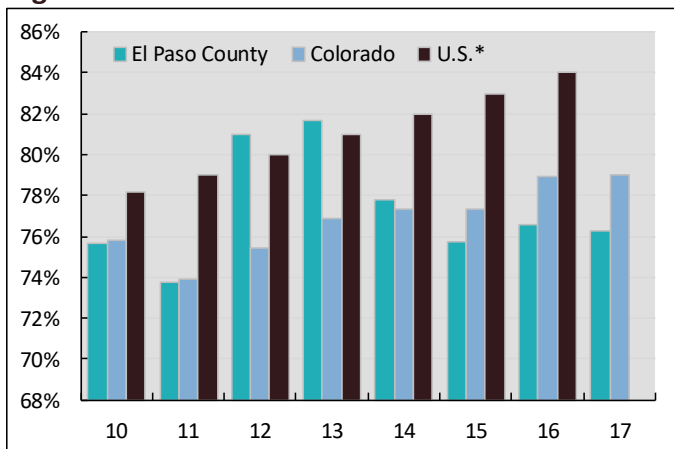
Grade 7 through 12 Dropout Rates



Note: The information above the racial/ethnic groups represent 2015-16 and 2016-17. Source: Colorado Department of Education

EDUCATION INDICATORS

High School Graduation Rates



*Estimate based on state data collected by the U.S. Department of Education; U.S. data lags a year
Sources: Colorado Department of Education; U.S. Department of Education, National Center for Education Statistics

WHY IS THIS IMPORTANT?

A skilled workforce is essential for an economy to be competitive in world markets. Completion of high school is the minimal requirement to obtain needed skills in the 21st century. Low high school graduation rates are an indicator of possible future societal costs from underemployment or unemployment and low earning potential.

HOW ARE WE DOING?

In 2010, the formula for calculating high school graduation rates in Colorado was changed to include only those students who graduate in four years to align with calculations made by other states. The El Paso County graduation rate had a high of 81.7 percent in 2013. Part of the decline seen in 2014 and 2015 is due to the addition of a group of students in online schools who take longer than four years to graduate. In 2017, Colorado's graduation rate (79.0%) was higher than the overall rate for El Paso County (76.3%); however, eleven of the fifteen El Paso County school districts had higher graduation rates than the state.

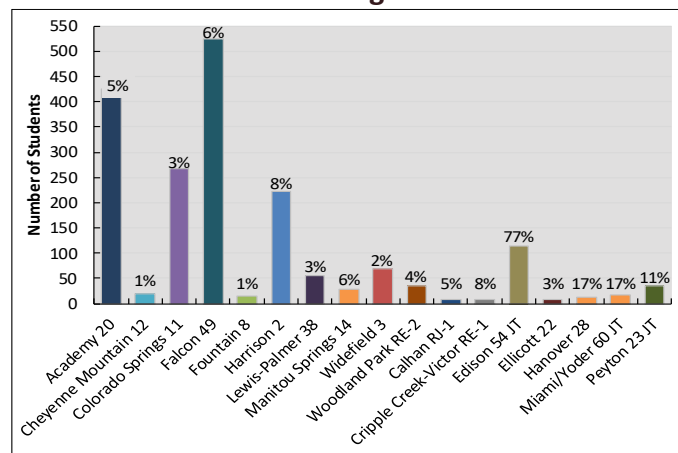
WHY IS THIS IMPORTANT?

Concurrent or dual enrollment gives high school students the opportunity to earn postsecondary school credit by taking college or certificate program courses or course work related to an apprenticeship program or internship. Concurrent enrollment provides many benefits, including increased readiness for college coursework, reduced time to graduate with a postsecondary degree or certificate, and reduced tuition costs.

HOW ARE WE DOING?

Participation in concurrent enrollment programs has seen sustained increases, with 28,290 students participating statewide (up 10% from the previous year) and 1,862 students in the Colorado Springs MSA in the 2016-17 school year. Statewide, the largest increases in concurrent enrollment were for Hispanic and Asian students year over year. Students passed 94 percent of their concurrent enrollment hours taken in 2016-17. During the 2016-17 school year, more students enrolled in credential-seeking programs than non-credential seeking programs for the second time.

Students in Concurrent Programs in 2016-17



Note: Labels show the percentage of high school students in each district in concurrent enrollment programs.
Source: Colorado Department of Education, Legislative Reports

WHY IS THIS IMPORTANT?

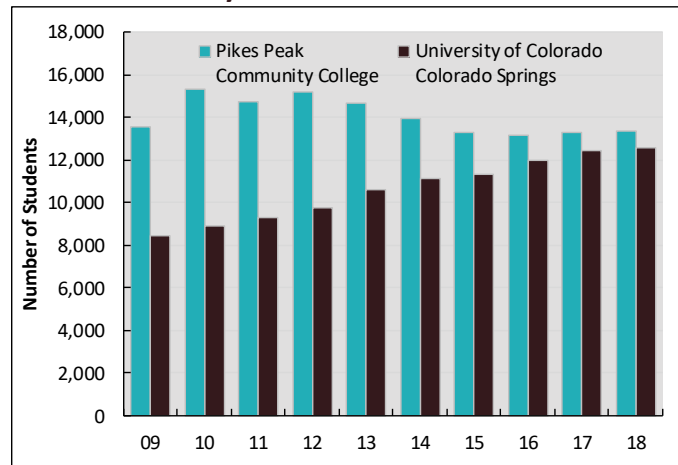
With a population of almost 700,000 and a demand for skilled labor, El Paso County needs quality public higher education institutions in order to have economic growth and vitality. Higher education enrollments are an indicator of the future supply of qualified workers. Having various, local institutions of higher learning including UCCS, Colorado College, Pikes Peak Community College, the U.S. Air Force Academy and other smaller, local training institutions is an asset given current and future workforce needs.

HOW ARE WE DOING?

Enrollment at the University of Colorado Colorado Springs (UCCS) increased from 12,422 in 2017 to 12,574 students in the fall of 2018 (up 1.2%). Since 2006, enrollment at UCCS has grown 66.6 percent (7,547 to 12,574). The UCCS Sports Medicine and Performance Center is expected to open in 2019.

Pikes Peak Community College (PPCC) enrollment increased by 0.8 percent to 13,381 in 2018 from 13,275 in 2017. Enrollment is up 27.1 percent since 2006 (10,526 to 13,381) at PPCC.

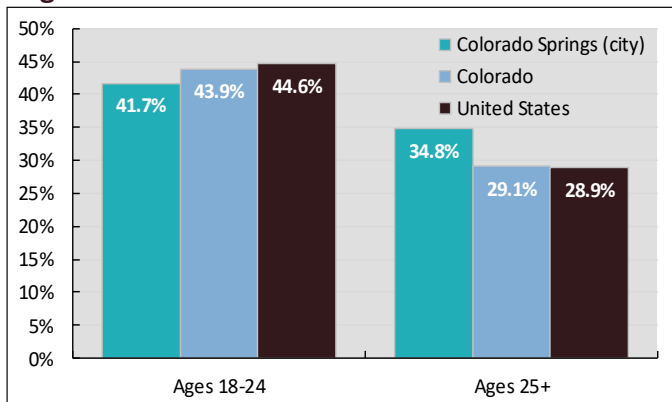
Enrollment at Public Institutions of Higher Learning in El Paso County



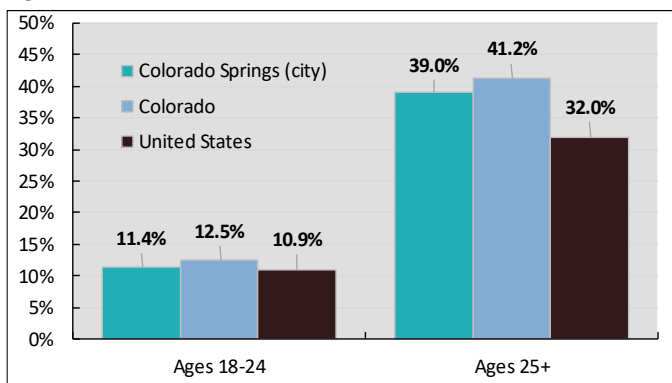
Sources: Institutional Effectiveness Office at Pikes Peak Community College; UCCS Institutional Research

EDUCATION INDICATORS

Population with Some College or an Associate Degree in 2017



Population with Bachelor's Degree or Higher in 2017



Source: U.S. Census Bureau, American Community Survey 1-year estimates

Highest % of Associate Degree or College-Experienced Adults		Highest % of Bachelor's Degree Holders	
1	Colorado	1	Massachusetts
2	Utah	2	Colorado
3	Washington	3	Maryland
4	Minnesota	4	Connecticut
5	Oregon	5	New Jersey

Source: "2018's Most & Least Educated States" *WalletHub*, January 23, 2018.



WHY ARE THESE IMPORTANT?

The higher educational attainment of a region's populace is important because well-trained individuals are necessary for business growth and, therefore, overall economic growth. Seventy-four percent of jobs in the state will require some form of postsecondary education by 2020. This puts Colorado third in the nation in terms of postsecondary educational requirements.

HOW ARE WE DOING?

In 2017, Colorado Springs had 34.8 percent of its population ages 25 and older with some college or an associate degree, which is significantly higher than the state (29.1%) and the U.S. (28.9%). Given that many current and projected high-demand jobs are considered "middle skill" jobs, some technical training or an associate degree can be quite helpful in fulfilling local business needs as well as providing a livable wage for workers. Tracking the highly demanded jobs in the region (page 18) is important because job postings give us tailored information about workforce needs and the corresponding training programs that should be present in our community.

In 2017, Colorado Springs had 39.0 percent of its population ages 25 and older attaining a bachelor's degree or higher, which is comparable to the state (41.2%) and significantly higher than the U.S. (32.0%).

According to a 2018 *WalletHub* analysis using U.S. Census Bureau and National Center for Education statistics, Colorado ranks number two in the nation for the highest percentage of bachelor's degree holders (behind Massachusetts), and number one in the nation for the highest percentage of associate degree holders or college-experienced adults. The tables to the left show the top five states in each category.

In large part to address the national and local workforce shortage and skills gap, the UCCS Economic Forum and various member of the Colorado Springs community came together in 2016 and 2017 to create a web-based platform called *WAM*. The mission statement for *WAM* is in the box below. The Forum is now working with the community to audit the number of graduates in various fields and the number of jobs demanded in those fields so we can assess whether local training institutions are training a sufficient number of people for the highest demand occupations.

WAM is intended to be a "one-stop" resource for job seekers, employers and students where they can access all available workforce-related resources. This includes links to organizations and other sources of information related to looking for a job; finding qualified workers; building internships and apprenticeships; obtaining occupational supply and demand data; finding entry-level, mid-career, and experienced average salary levels; and finding current, available training programs including number of graduates by occupational group. Veteran-specific programs are easily found with a symbol.

Visit the Workforce Asset Map (*WAM*) at wam.uccs.edu.

QUALITY OF LIFE, TOURISM AND OTHER INDICATORS

WHY IS THIS IMPORTANT?

As a city grows, increased traffic leads to congestion, longer travel times, and more pollution. Although roadway improvements can alleviate some congestion, it may not be the total solution. Communities interested in quality of life and mobility will seek alternatives to relieve traffic congestion. These may include expanding and improving public transit, better location planning, and walking and biking infrastructure.

HOW ARE WE DOING?

The U.S. Census Bureau's American Community Survey has collected data on travel time to work for workers ages 16 and older who do not work from home. Travel time to work refers to the total number of minutes that it usually took the person to get from home to work each day during the reference week.

The Colorado Springs MSA had a mean travel time to work of 24.5 minutes in 2017, up significantly from 22.1 minutes in 2007. Denver's mean travel time to work (28.1 minutes in 2017) is higher than the U.S. mean travel time to work (26.9 minutes). For comparative purposes, you can see that Boise (22.7 minutes) had a lower mean travel time than Colorado Springs in 2017 as did Salt Lake City (22.6 minutes). It is interesting to note that in the last year the U.S. (up 0.2 minutes) and the other comparative MSAs had more modest increases in travel time than Colorado Springs (up 1.7 minutes).

WHY IS THIS IMPORTANT?

Air service can have a profound impact on the local economy, particularly on air-dependent industries. The travel and tourism industry is heavily dependent on quality air service. Companies also need convenient and efficient service in order to maximize productivity and minimize travel time. Company location and expansion decisions are impacted by local air service.

HOW ARE WE DOING?

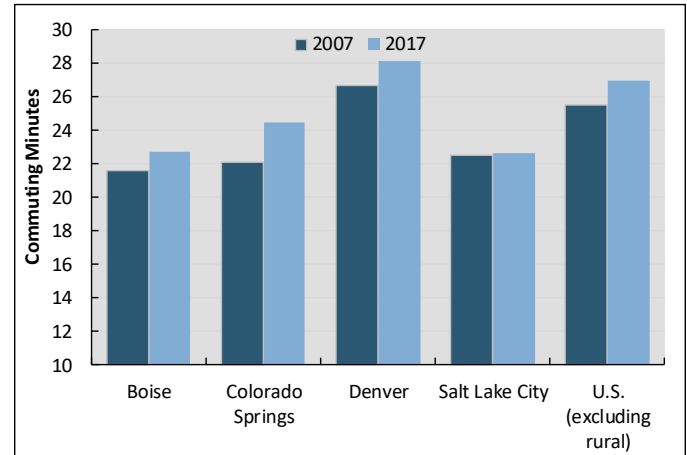
Total enplanements at the Colorado Springs Airport were 840,661 in 2017, which is up from 649,190 in 2016: an increase of 29.3 percent. In the past couple of years the Colorado Springs airport has seen increases, which has not happened since 2012. It is highly advantageous for the airport to continue along the path of expansion since more activity leads to more interest by airlines to add or expand flights. Businesses also benefit from accessible flights. The addition of Sierra Nevada and Sierra Completions has further boosted investment and activity at the airport.

Listed to the right are the cities now serviced by Colorado Springs. Some cities are only serviced seasonally.

Airport officials forecast that enplanements will be at 871,169 in 2018 (up 3.6% over the prior year), and at 831,827 in 2019 (down 4.5% over the prior year). This is taking the mid-level projections from the leadership at the local airport.

Over the past two years, a significant number of airport infrastructure projects are underway or have been completed. These include pavement reconstruction, taxiways to new large hangars by the Sierra Nevada Corporation, a new general aviation terminal by Cutter Aviation, and a significant expansion by the National WWII Aviation Museum. These projects and others in the

MSA Mean Travel Time to Work

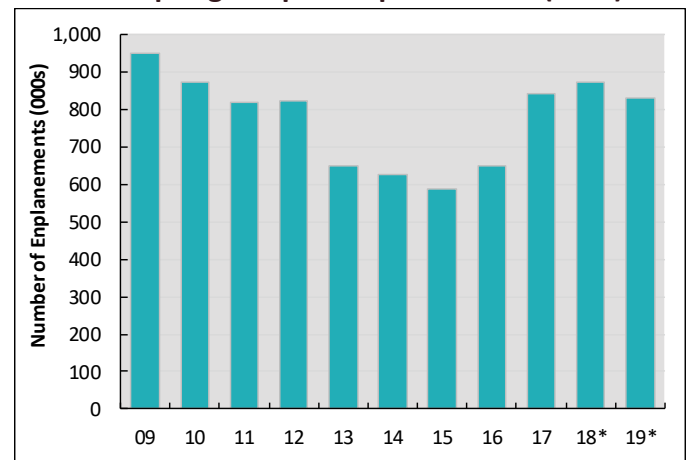


2017 MSA Mean Travel Time to Work

Boise	22.7 min.
Colorado Springs	24.5 min.
Denver	28.1 min.
Salt Lake City	22.6 min.
U.S. (excluding rural)	26.9 min.

Source: U.S. Census Bureau, American Community Survey 1-year estimates

Colorado Springs Airport Enplanements (000s)



*Colorado Springs Airport forecasts

Source: Colorado Springs Airport

Look before you book!

The Colorado Springs Airport now has direct flights to Atlanta, Chicago, Dallas, Denver, Houston, Las Vegas, Los Angeles, Minneapolis/Saint Paul, Orlando, Phoenix, Salt Lake City, San Antonio, San Diego, Seattle, and Washington D.C.

works take advantage of significant tax breaks and incentives offered by the Colorado Springs Airport, the city of Colorado Springs, and El Paso County.

To view a full report on Quality of Life Indicators, visit ppunitedway.org.

QUALITY OF LIFE, TOURISM AND OTHER INDICATORS

WHY ARE THESE IMPORTANT?

The hotel and lodging industry uses two primary mechanisms to gauge how their sector is performing. Hotel occupancy is one major indicator, and it simply measures the percentage of rooms that are occupied out of the total number of rooms available. The other indicator is “RevPAR,” or revenue per available room, which is the occupancy rate multiplied by the average room rate. RevPAR is a measurement tool that hotel managers and market observers use to analyze the impact of changes in occupancy and average daily rate on hotel revenues, as well as to assess the overall health of the market.

All compiled statistics are from voluntary surveys. Communication with the source reveals there is somewhat of a selection bias in this information because larger hotels more typically participate in the survey, which means smaller lodging establishments are not as well represented. Also, the Broadmoor Hotel and the Cheyenne Mountain Resort are not included in the hotel category because they are “resorts,” as opposed to hotels.

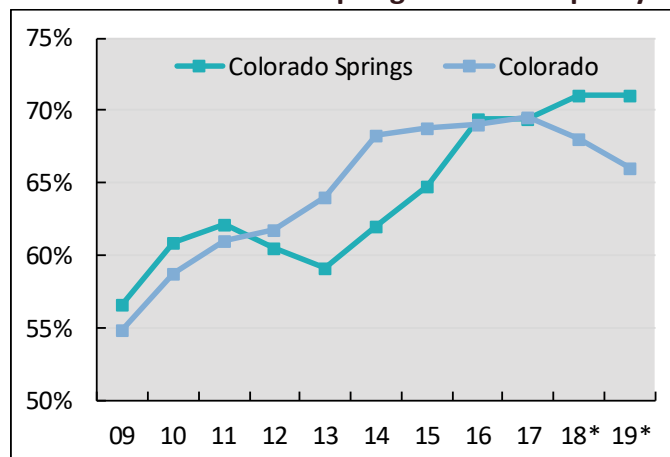
In 2017, the Pikes Peak region had approximately 23 million visitors (up 1% from 2016) spending \$2.31 billion (up 3%). This resulted in over \$96 million in local tax receipts. About 10 million of those visitors stayed overnight, generating over \$1.6 billion (up 7%) in revenue and \$72 million in local tax receipts. This makes tourism a major economic sector.

Narrative Source: Longwoods International, Pikes Peak Region 2017 Visitor Research provided by the Colorado Springs Convention & Visitors Bureau

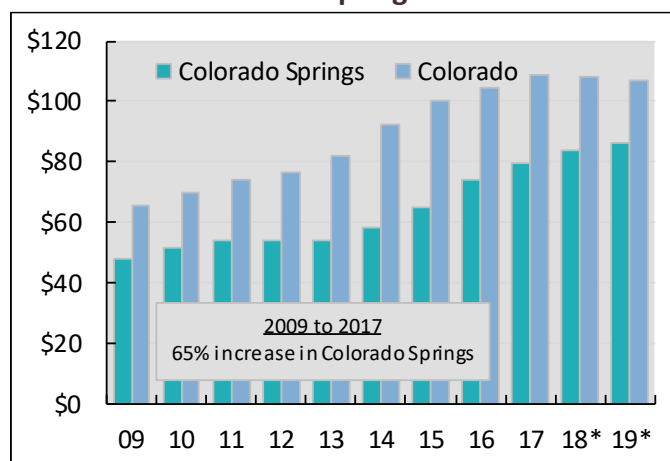
HOW ARE WE DOING?

Hotel lodging in Colorado Springs in 2017 stayed flat at 69.4 percent as measured by the occupancy rates. For the entire state of Colorado, occupancy rates went from 69.1 percent in 2016 to 69.6 percent in 2017, while RevPAR increased from \$104.69 in 2016 to \$108.54 in 2017. RevPAR also increased in Colorado Springs from a value of \$74.24 in 2016 to \$79.48 in 2017 (a 7.1% increase). RevPAR is forecasted to be \$84 in 2018 and \$86 for 2019 in Colorado Springs.

Colorado and Colorado Springs Hotel Occupancy



Colorado and Colorado Springs RevPAR Trends



*Robert S. Benton & Associates, Inc. forecasts
Source: Colorado Hotel and Lodging Association, Rocky Mountain Lodging Report

City* Park Acres per 1,000 Residents in 2017



*Parkland includes city, county, metro, state and federal acres within city limits.

Source: The Trust for Public Land, 2018 City Park Facts Report

WHY IS THIS IMPORTANT?

Open space, trails and parkland provide important areas for recreation and leisure activity, support natural habitat and enhance the visual appeal of the region. Open space has a significant impact on the quality of life and even health in the area. The beauty and attraction of the region is enhanced by parks and other open space available for public use.

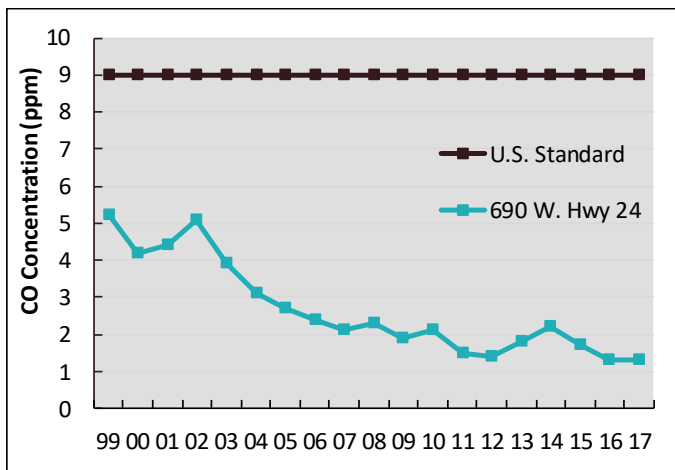
HOW ARE WE DOING?

The entire Pikes Peak region is blessed with beautiful views and natural, scenic areas. Together, the city and county managed 25,026 acres of open space and parkland or 35.7 acres per 1,000 residents in 2017. Managing this many acres of parks, open space and trails is a heavy fiscal responsibility for the county and city, but increased tourism is favorable for local businesses. The city of Colorado Springs has 17,171 acres of parkland and open space under management. El Paso County manages 7,855 acres of trails and open space. Parkland and open space has increased 76.1 percent since 2000.

The graph shows that compared to other cities and to the U.S. median, Colorado Springs has a high number of acres of parkland per 1,000 residents. Colorado Springs has 23.9 acres per 1,000 residents, which is significantly higher than the U.S. median of the 100 cities studied (12.9 per 1,000) and higher than all other comparison cities.

QUALITY OF LIFE, TOURISM AND OTHER INDICATORS

Carbon Monoxide



WHY ARE THESE IMPORTANT?

Air and water quality are fundamental to community health, the environment and the economy. There is growing concern over the interdependence between the health of the environment and the economy. Many people move to Colorado to enjoy sunny days, clean air, and overall healthy living. While there is no overall index of environmental health, carbon monoxide, particulate concentrations and ozone levels provide an indication of air quality. There are various components to measuring water quality, which are further discussed below.

HOW ARE WE DOING?

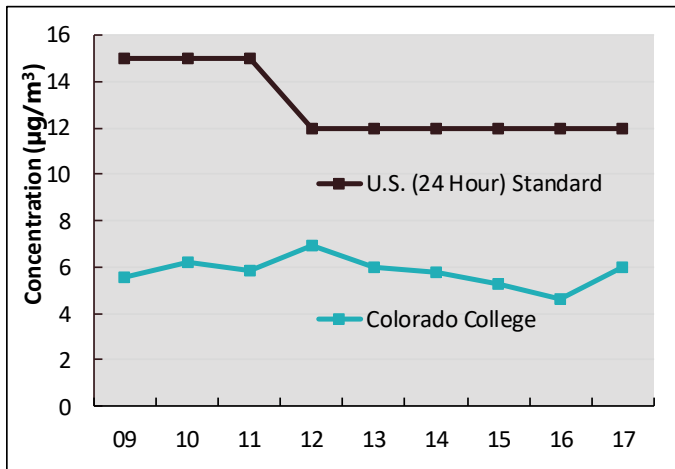
Carbon monoxide levels have been falling mostly due to tighter emission standards over the years, as well as the technology of newer cars that aim to adhere to the lower emission standards. As older cars are replaced by newer ones, this trend should continue. Population growth will likely (negatively) impact this metric, but that could also be mitigated if the region invests in a more robust public transportation system. In 2017, Colorado Springs had a carbon monoxide concentration of 1.3 parts per million (ppm), well below the U.S. maximum standard of 9.0 ppm.

According to the Environmental Protection Agency (EPA), particulate matter is a complex mixture of extremely small particles and liquid droplets that get into the air. Once inhaled, these particles can affect the heart and lungs and cause serious health effects. The “haze” associated with pollution is due to particulate matter. The threshold for the U.S. standard in particulate matter changed in 2012 to an annual standard of 12 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$). Even with the lower threshold, our region still has relatively clean air and is well below the EPA-set standard at $6.0 \mu\text{g}/\text{m}^3$ in 2017.

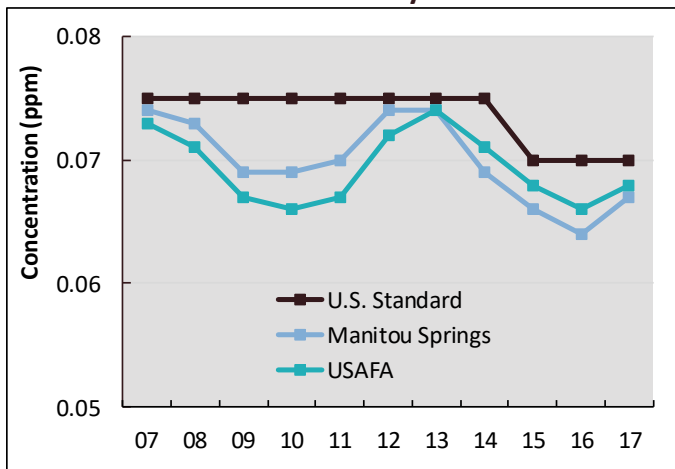
Ozone is a toxic gas not directly emitted into the air, but formed by a reaction of volatile organic compounds and nitrogen oxides in the presence of heat and sunlight. Volatile organic compounds are emitted by motor vehicles, chemical plants, refineries and other types of factories. Local ozone level readings were on an upward trend from 2010 to 2013, most likely due to a variety of factors including the forest fires and increased vehicle use. The national standard for ozone dropped to 0.070 ppm in 2015. While our region’s ozone levels had been decreasing since 2013, the readings increased slightly in 2017 at the U.S. Air Force Academy (0.068 ppm) and in Manitou Springs (0.067 ppm) so that our region is close to exceeding this new U.S. standard. This is likely impacted by the proximity of a coal-burning power plant to the city.

Overall, our region has good water. Some important parameters to monitor closely include arsenic (should be less than $10 \mu\text{g}/\text{L}$), lead (action level is $15 \mu\text{g}/\text{L}$), pH (not hazardous but it is favorable for water that is “slightly basic”), mercury (less than $0.002 \text{ mg}/\text{L}$) and fluoride (less than $4.0 \text{ mg}/\text{L}$). The hardness of water is often a concern for citizens. There is no maximum contaminant level for hardness, however, water with a higher hardness value can require more soap for cleaning and have a stronger taste. Colorado Springs Utilities routinely collects samples and reports readings for 28 water quality metrics from various water sources both local and transmountain. It is important to note that each region has its own dynamic in terms of potential contaminants primarily from industries in or around the region.

Particulate Matter



Ozone Trends in El Paso County



Note: 2012 saw a change in EPA standards for particulate matter. 2007 and 2015 saw changes in EPA standards for ozone.

Source: Colorado Department of Public Health and Environment

For the full water quality reports, visit csu.org/Pages/waterqualityreports-b.aspx.

To view a full report on Quality of Life Indicators, visit ppunitedway.org.

QUALITY OF LIFE, TOURISM AND OTHER INDICATORS

WHY ARE THESE IMPORTANT?

Violent and property crimes result in the loss of life and property. Fighting crime is expensive and uses valuable community resources. Crime affects the business climate, as well as individual perceptions of the quality of life in the community. The graphs show peer comparisons to Colorado Springs MSA. The two comparison MSAs also fall between 500,000 to 999,999.

HOW ARE WE DOING?

From 2006 to 2017, the number of violent crimes per 100,000 inhabitants decreased by 25.5 percent in the Colorado Springs MSA even as the population increased by 121,915 according to the Federal Bureau of Investigation. During that same period, property crimes per 100,000 inhabitants decreased by 30.0 percent in the Colorado Springs MSA.

While the graph shows data for several MSAs and for cities with similar population to the Colorado Springs MSA, the FBI strongly cautions against simplistic comparisons (see note below).

The table below shows that both the city of Colorado Springs and the entire MSA have fewer sworn police officers per 10,000 than the average for cities with a population of 500,000 to 999,000.

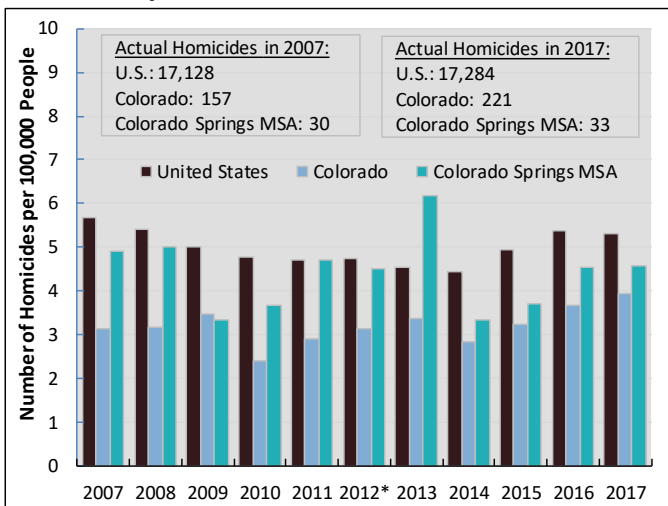
Sworn Police Officers per 10,000 Inhabitants in 2017

City of Colorado Springs	14.9
Colorado Springs MSA	8.0
Cities with Population 500,000-999,999	23.4

Source: Federal Bureau of Investigation, Uniform Crime Report

Note: "Each year when Crime in the United States is published, some entities use reported figures to compile rankings of cities and counties. These rough rankings provide no insight into the numerous variables that mold crime in a particular town, city, county, state, or region. Consequently, they lead to simplistic and/or incomplete analyses that often create misleading perceptions adversely affecting communities and their residents. Valid assessments are possible only with careful study and analysis of the range of unique conditions affecting each local law enforcement jurisdiction. The data user is, therefore, cautioned against comparing statistical data of individual reporting units from cities, metropolitan areas, states, or colleges or universities solely on the basis of their population coverage or student enrollment."

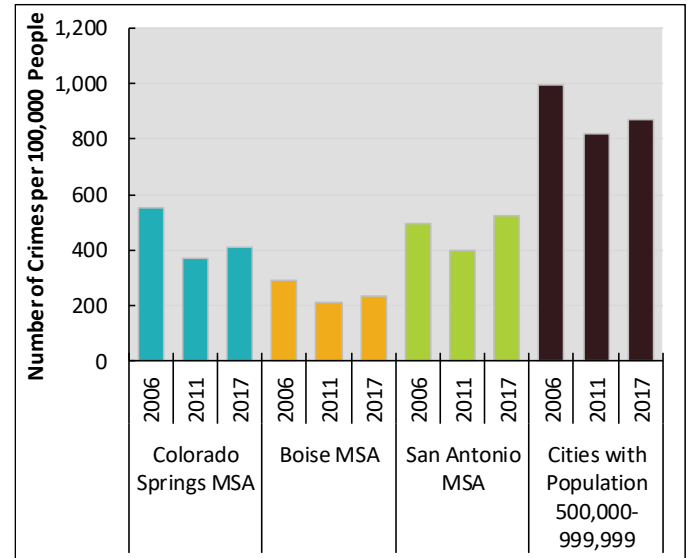
Homicides per 100,000 Inhabitants



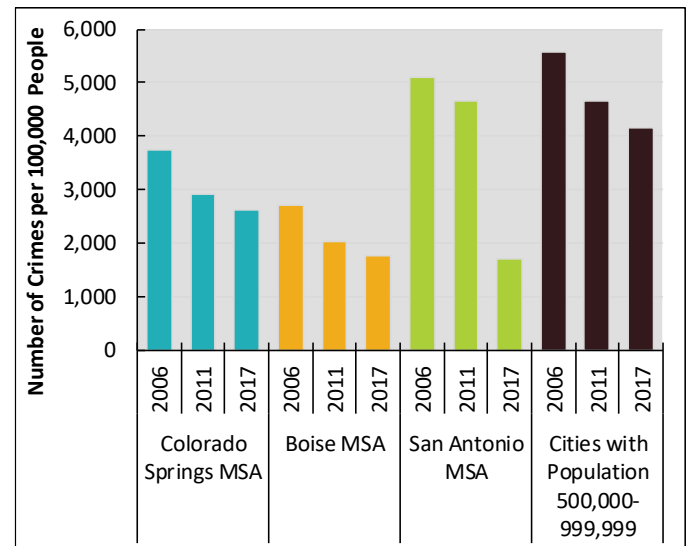
*2012 data for the Colorado Springs MSA is from the Centers for Disease Control & Prevention

Source: Federal Bureau of Investigation, Uniform Crime Report

Violent Crimes per 100,000 Inhabitants



Property Crimes per 100,000 Inhabitants



Source: Federal Bureau of Investigation, Uniform Crime Report

Homicides are a subcategory under violent crimes. The Colorado Springs MSA has consistently been below the U.S. average except in 2011 and 2013. Our region has had a higher homicide rate than the state since 2010. Please note that the FBI strongly cautions against simplistic comparisons.

The World Health Organization tracks mortality rates due to homicide per 100,000 people. As seen in the table below, the U.S. rate of 6.5 per 100,000 was well above other developed nations in 2016. The U.S. rate went up from 2015 to 2016 while the other countries went down or stayed flat.

2016 Mortality Rates due to Homicide per 100,000 Population

Country	Canada	Germany	Italy	Japan	United States
Rate	1.5	0.7	0.8	0.3	6.5

Source: Global Health Observatory, World Health Organization 2018

QUALITY OF LIFE, TOURISM AND OTHER INDICATORS

WHY ARE THESE IMPORTANT?

Most people would agree that the indicators that are of greatest importance in terms of quality of life are related to health status. The World Health Organization defines health as “a state of complete physical, mental and social well-being, and not merely the absence of disease.” Life expectancy, causes of death, death rates and access to health care are often-used metrics to at least partially assess overall health. These metrics are discussed below.

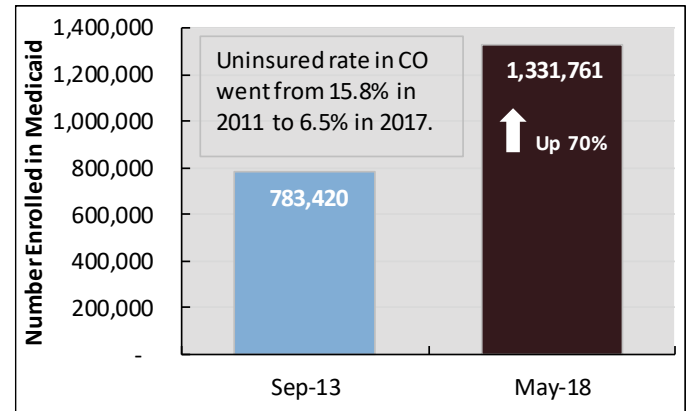
HOW ARE WE DOING?

Colorado expanded Medicaid under the Affordable Care Act (ACA) in 2013. From September 2013 to May 2018, an additional 548,341 people had acquired medical insurance across the state although there was a drop from May 2017 to May 2018. Most of this increase was due to the Medicaid expansion, but some of it was also due to an increase in the eligible population who decided to enroll (and who had not enrolled prior to the marketing of the Medicaid expansion via ACA). In aggregate, Medicaid enrollees represented 23 percent, or roughly 1 in 4, of the total population of Colorado in 2018. The costs have also been high. More Coloradans enrolled in Medicaid after the ACA expansion than what was originally anticipated. Expansion costs were \$1.6 billion in the first two years but were anticipated to be \$1.2 billion (Colorado Health Institute). Conversely, some studies have also shown economic benefits mostly due to new health care jobs (Colorado Health Foundation). It is also worth noting that costs for uncompensated care declined by 36% from 2013 to 2014 (Colorado Hospital Association).

In the Colorado Springs MSA in 2016, there were 188,832 people enrolled in Medicaid. This includes all adults and children who were either already enrolled in Medicaid or became enrolled via the ACA expansion. This translates to 26 percent of the total population or roughly 1 in 4 people. Of the 188,832 Colorado Springs MSA residents enrolled in Medicaid, 79,526 (or 42%) were children.

Unfortunately, suicide rates for youth ages 10-19 are alarmingly higher in our region than in the state of Colorado and the U.S., as the table to the right shows. El Paso County had a youth suicide rate of 18.1 in 2016, almost double the rate in the state of Colorado (11.1) and almost three times the national rate (6.1). One hopeful point is that our county rates improved (from 21.4 in 2015) as did the state’s

Total Colorado Medicaid Enrollment



Source: Kaiser Family Foundation

Suicide Rates per 100,000 for Ages 10-19 in 2016

El Paso County	18.1
Colorado	11.1
United States	6.1

Source: Centers for Disease Control & Prevention, National Center for Health Statistics

(from 12.7 in 2015). The U.S. rate is up slightly from 5.9 in 2015. According to the Centers for Disease Control and Prevention’s *High School Youth Risk Behavior Survey* conducted every two years, 17 percent of U.S. high school students in 2017 have thought seriously about attempting suicide, down slightly from 18 percent in 2015. The number of U.S. high school students who attempted suicide also dropped in 2017 (7.4%) compared to 2015 (8.6%).

The smaller tables below show the age-adjusted mortality rates and life expectancy for El Paso County, Colorado and the U.S. Our state fares well although El Paso County’s mortality rates are higher than the state and national levels. The larger table shows the top leading causes of death, which can help identify preventable deaths in El Paso County, such as those related to unhealthy lifestyles, accidents, and poor mental health. Note that unintended injuries include car accidents, drug overdoses, falls and other accidents.

2016 Mortality Rates (deaths per 100,000)	
El Paso County	737.6
Colorado	669.5
United States	728.8

2014* Life Expectancy (in years)	
El Paso County	79.83
Colorado	80.21
United States	79.08

*County data lags significantly. Sources: Institute for Health Metrics and Evaluation; Centers for Disease Control & Prevention

Top 5 Leading Causes of Death by Age, El Paso County 2017		
Age <1 1. Perinatal Period Conditions 2. Congenital Anomalies 3. Unintentional Injuries *Numbers were too small to rank additional causes of death	Ages 1-14 1. Unintentional Injuries 2. Homicide/Legal Intervention 3. Congenital Anomalies 4. Suicide *Numbers were too small to rank additional causes of death	Ages 15-24 1. Unintentional Injuries 2. Suicide 3. Homicide/Legal Intervention 4. Malignant Neoplasms *Numbers were too small to rank additional causes of death
Ages 25-44 1. Unintentional Injuries 2. Suicide 3. Malignant Neoplasms 4. Heart Disease 5. Homicide/Legal Intervention	Ages 45-64 1. Malignant Neoplasms 2. Heart Disease 3. Unintentional Injuries 4. Chronic Liver Disease & Cirrhosis 5. Suicide	Ages 65+ 1. Malignant Neoplasms 2. Heart Disease 3. Chronic Lower Respiratory Diseases 4. Cerebrovascular Diseases 5. Alzheimer's Disease

Source: Colorado Department of Public Health and Environment, Vital Statistics Program

To view a full report on Quality of Life Indicators, visit ppunitedway.org.

QUALITY OF LIFE, TOURISM AND OTHER INDICATORS

City Comparisons

Metropolitan Statistical Area (MSA)	Austin, TX	Boulder, CO	Colorado Springs, CO	Denver, CO	Huntsville, AL	Salt Lake City, UT	United States*
Average unemployment rate (2017)	3.1%	2.4%	3.3%	2.7%	3.9%	3.1%	4.4%
Average wage and salary disbursements (2016)	\$57,610	\$61,516	\$49,774	\$61,377	\$54,922	\$51,491	\$55,829
Percent of the population 25 years and over with an associate degree or higher (2017)	51.5%	69.6%	49.5%	51.5%	47.1%	44.3%	40.5%
Percent of the population 25 years and over with a bachelor's degree or higher (2017)	44.8%	63.2%	39.2%	43.9%	38.8%	35.5%	32.0%

*All United States metrics are for the entire United States population, except for the average wage and salary disbursements which is for the metro portion only. Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Census Bureau, American Community Survey 1-year estimates

WHY ARE THESE IMPORTANT?

The Forum looks at several metropolitan statistical areas (MSAs) to provide a relative measure of how the Colorado Springs MSA compares with other metropolitan regions in the U.S. The MSAs included in this analysis are cities that compete directly with the Colorado Springs MSA for jobs. The table provides comparisons of unemployment rates, wages and salaries, and educational attainment. All data is for 2017 except average wage and salary disbursements, which is published approximately 11 months after the end of each calendar year.

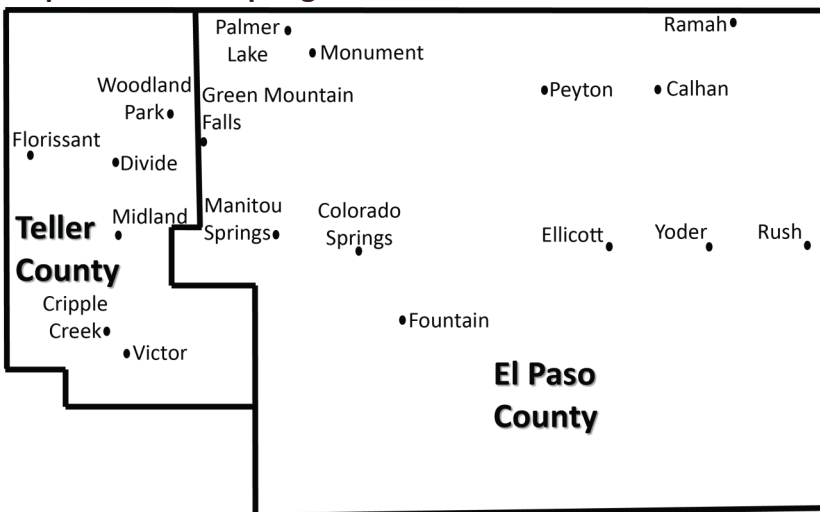
HOW ARE WE DOING?

The western region has generally been outperforming the United States in just about every metric. In 2017, the Colorado Springs MSA (3.3%) and all of the above comparison cities had unemployment rates well below the nation (4.4%). Labor markets are tight across the nation, but especially in the west. The Boulder and Denver MSAs had the lowest unemployment rates of all the comparison cities.

The wage and salary disbursements in the table are the monetary remuneration made to all employees, including bonuses, commissions and other incentive payments. In 2016, the wage and salary disbursements averaged \$55,829 in the U.S. metros, while they were \$49,774 in the Colorado Springs MSA (10.8% lower than the U.S.). This data is published approximately 11 months after the end of each calendar year.

With respect to educational attainment, the average percentage of the population ages 25 and over with an associate degree or higher for the U.S. for 2017 was 40.5 percent, while it was much higher in the Colorado Springs MSA at 49.5 percent. This bodes well for the current and forecasted high demand in middle skills jobs. The percent of the U.S. population with a bachelor's degree or higher was 32.0 percent in 2017. For the Colorado Springs MSA, that average was significantly higher at 39.2 percent. As a whole, the state of Colorado has a considerably higher educational attainment rate than the U.S. average, an important asset for long-term economic growth.

Map of Colorado Springs MSA





UCCS by the facts

- The current student enrollment for 2018 is 12,574.
- About 30 percent of UCCS students are first generation students.
- Nearly 1 in 4 students is military affiliated.
- At least 16 U.S. Olympic hopeful athletes attend UCCS.
- The UCCS average student loan debt is one-third less than the national average.
- There are 46 bachelor's degrees, 22 master's degrees, and 5 Ph.D. programs.
- There are six academic colleges: business; education; engineering; nursing; letters, arts & sciences; and public affairs.
- Founded in 1965 at the foot of Pikes Peak in response to community and business needs, UCCS is one of four campuses in the University of Colorado system.

UCCS kudos

- Celebrating over 50 years of building successful futures
- Expanding its footprint with the new Ent Center for the Arts, Mountain Lion Park and Fieldhouse, UCCS Downtown, and the William J. Hybl Sports Medicine and Performance Center
- Tied for 10th among public, regional universities in the West by *U.S. News and World Report*
- More than 3,000 students received scholarships in 2016 totaling more than \$10 million
- Among the fastest growing college campuses in the state
- Accrediting agencies: North Central Association of Colleges and Schools, The Higher Learning Commission, AACSB International, Accreditation Board for Engineering and Technology, Commission on Collegiate Nursing Education, National Association of Schools of Public Affairs and Administration, and National Council for Accreditation of Teacher Education

UCCS College of Business and Administration and the Graduate School of Business Administration

The College of Business was established along with the University of Colorado Colorado Springs in 1965. The College awards the Bachelor of Science in Business, the Bachelor of Innovation™ in Business Administration, the Master of Business Administration, and the Master of Science in Accounting degrees. In 2011, the College established a dual degree program in Business Administration with its long-time partner, the Frankfurt School of Finance and Management.

All degree programs are accredited by AACSB, International—the Association to Advance Collegiate Schools of Business. Less than 5% of business schools in the world hold this distinction. The College of Business is nationally ranked by *U.S. News and World Report*.

Our internationally-recognized doctoral faculty is known for innovative thinking, skilled teaching, and relevant research. A distinctive focus on business ethics complements the knowledge and technical skills our students gain. Employers seek our graduates for their ability to immediately apply classroom learning to real-world business challenges.

The UCCS College of Business is proud of its partnership with the local business community. These relationships are essential in infusing current business practices into the classroom. The College connects to the community in a variety of ways, including the UCCS Economic Forum, the UCCS Career Networking Night, and the Daniels Fund Ethics Initiative at UCCS. Get information about alumni, executive education, working with interns, or hiring graduates by visiting www.uccs.edu/business.

Contact: College of Business

(719) 255-3777

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Crescent Real Estate LLC	Pikes Peak Community College
The Eastern Colorado Bank	Pikes Peak Hospice & Palliative Care
El Paso County	Transit Mix Concrete Company
Holland & Hart LLP	T. Rowe Price
HUB International Insurance Services	Vantage Homes
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Downtown Partnership of Colorado Springs	Salzman Real Estate Services, Ltd.
dpiX, LLC	TMR Direct
Financial Planning Association of Southern Colorado	UHealth Memorial Hospital
FirstBank	University of Colorado Executive Programs
GH Phipps Construction Companies	U.S. Bank



Economic Forum

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UCCS Economic Forum

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