UCCS Economic Forum

COLLEGE OF BUSINESS

UNIVERSITY OF COLORADO
COLORADO SPRINGS

23rd Annual Economic Update
UCCS
Economic Forum
2019

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Ron Chernak, President, The FBB Group, Ltd.® Founding Partner of the UCCS Economic Forum

Ent Credit Union

Ent Credit Union is honored to continue its support of the UCCS Economic Forum, which provides vital local and national economic data. It remains a valued resource for area businesses (including those owned by our members) and public officials as they strategically plan for the future.

In addition to sponsoring the Economic Forum, Ent employees are committed to supporting the communities we serve, raising more than $314,000 in 2018 for community nonprofits and awarding $100,000 in grants to agencies that provide young people with vital education, child advocacy and health care programs. And because suicide is tragically now the leading cause of death for Colorado youth ages 10 to 24, Ent is donating $1.2 million to Children's Hospital Colorado over the next three years to help fund Colorado's first Center of Excellence for pediatric mental health. We will continue to invest in the economic development of this great city and the state of Colorado and look forward to seeing us all flourish through our shared successes.

Founded in 1957, Ent is ranked Colorado's #1 credit union by Forbes. A different kind of financial institution, Ent is committed to improving members' financial quality of life with better rates, lower fees and Ent Extras® cash rewards. With $5.8+ billion in assets, Ent serves more than 355,000 members at more than 30 convenient service centers all along the Front Range. Businesses and people (who live, work, worship and attend school) in Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El Paso, Elbert, Fremont, Jefferson, Larimer, Pueblo, Teller and Weld counties may join the not-for-profit, community-chartered credit union. Ent is an Equal Housing Opportunity and Equal Opportunity Lender, insured by the NCUA.

News, resources and tools for business and individuals are available at Ent.com.

Welcome from the University

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

I am pleased to personally welcome each of you to the **23rd Annual UCCS Economic Forum**, presented by the University of Colorado Colorado Springs and our business and community partners.

For many years I was deeply involved with this event as the Dean of the UCCS College of Business, and I remain dedicated as the Chancellor of UCCS. As southern Colorado adapts and expands in response to unprecedented growth, it is more important than ever that we inform our business and governmental decisions with timely and accurate economic data. We are proud to offer a robust assessment of our region's economic health, our challenges, and our opportunities—as well as a glimpse of the future of the Pikes Peak region.

We are fortunate to have many talented individuals committed to this project. I especially wish to thank Tatiana Bailey and Rebecca Wilder of the UCCS College of Business for their rigorous data analyses and for presenting it in this year's report. I am also grateful to the sponsors and donors who make this program possible each year. We are indebted to you.

At UCCS, we build the workforce of the future—and in doing so, fuel the success of the Pikes Peak region. The UCCS Economic Forum is just one example of our commitment to bettering Colorado Springs and our wider community. Thank you for your support of the community and UCCS.

Eric M. Olson, Ph.D.
Interim Dean, UCCS College of Business and Administration

I am delighted to welcome you to the 23rd Annual UCCS Economic Forum. As Dr. Tatiana Bailey enters her sixth year as director of the Forum, we are confident that she will continue to deliver timely and in-depth information on the current status of our local, state and national economies.

The College of Business is currently amidst a national search for our next Dean. We look forward to meeting and engaging with potential candidates in the coming months as we find the best representative to lead our business school. In the meantime, our college remains an innovative, dynamic and thriving business program.

This fall, we welcomed our first cohort of undergraduate students in the new Business Analytics Minor, which offers hands-on, project-based courses that allow students to manage and analyze real data for businesses. We recently celebrated the launch of our new R.O.A.R. program, which is a mandatory career curriculum for all undergraduate business students. R.O.A.R. stands for Relationships, Opportunity, Acumen and Readiness, and we are confident that this program will prepare students for a seamless transition from college to career.

The Daniels Fund Ethics Initiative at UCCS continues to expand its reach across southern Colorado. Last spring, they sponsored the first-ever Southern Colorado Higher Education Consortium Summit with over 100 students, faculty and business leaders to discuss, "Ethics in the Outdoor Industry." Thanks to the generosity and commitment of several programs in the CU System, UCCS will also be hosting the Play the Game 2019 conference, a renowned sport integrity conference making its way to the U.S. for the first time in its decade-long history.

The Office of Professional and Executive Development (OPED) celebrated its second cohort of UCCS Mini-MBA graduates, who achieved a combined financial impact of more than $1.8 million in their respective companies. OPED recently launched their third cohort of the UCCS Mini-MBA and introduced a new UCCS Leadership Development Program, both starting this fall.

The **UCCS Economic Forum** would not be possible without the active sponsorship and participation, year after year, of our business partners. We thank them. Not only do they support the Forum financially, they also provide their expertise and use their business connections to help bring you 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 on broad national indicators such as GDP and consumer sentiment, as well as local labor market information, real estate activity and construction, military employment and expenditures, tourism, sales and use taxes, and others. The indicators provide a picture of the economy, the region's quality of life, answering 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. The Forum now also engages in active workforce development within the region as well as consulting projects ranging from economic impact analyses to program evaluation.

To learn more about the services the Forum you can contact Tatiana Bailey, Director, UCCS Economic Forum at (719) 255-3661 or at tbailey6@uccs.edu.

Tatiana Bailey, Ph.D.
Director, UCCS Economic Forum
Research Faculty, UCCS

Tatiana Bailey holds a Master's degree 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 spearheaded the Workforce Asset Map (or WAM), a community-wide initiative targeted in the short-term to engaging and assisting local workers, and in the long-term, closing the skills gap. Details are on page 29.

Rebecca Wilder
Assistant Program Director, 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's degree 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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Executive Summary

Employment

The United States is now in its longest economic expansion although some signs of weakening have begun to emerge, particularly in the global economy. The global slowdown is now seeping into the U.S. economy.

♦ The national, seasonally adjusted unemployment rate was 3.7 percent at the end of August 2019, which is an improvement from August 2018 (3.8%). Most of the gains in the past 12 months have been in health care and professional and business services.

♦ The El Paso County not seasonally adjusted unemployment rate at the end of 2018 stood at 4.6 percent. The rate had dropped to 3.4 percent at the end of August, which is well below the "natural" rate of unemployment. Analyses by the Forum show that job growth will outpace the number of workers available for at least the next five years.

♦ The Quarterly Census of Employment and Wages (QCEW) for El Paso County indicated total jobs increased by 2.1 percent, or 5,570 positions, in 2018. Our region needs approximately this number of new jobs in order to match population growth.

♦ More recent data from the QCEW indicates that El Paso County created 5,734 new jobs from 2018 Q1 to 2019 Q1. This indicates that locally we are still on a trajectory of strong job growth in 2019.

Specific Sectors & Employment

Sixteen of the twenty-one industry sectors in **El Paso County** saw job gains in 2018. The most significant gains were in:

♦ health care and social assistance (1,771 jobs)

♦ professional and technical services (1,745)

♦ construction (760)

♦ accommodation and food services (531)

♦ finance and insurance (295)

The strong showing in health care and social assistance combined with professional and technical services represented 63.1 percent of total job gains in the county. Job losses took place in five sectors. The most notable losses occurred in administrative and waste services (-604) and retail trade (-130).

In **Teller County**, which is part of the Colorado Springs metropolitan statistical area (MSA), total jobs increased by 1.8 percent or 134 jobs in 2018. The top five job categories in terms of total employment according to the Quarterly Census of Employment and Wages (QCEW) data for 2018 were accommodation and food services (1,580 total jobs), retail trade (978), arts, entertainment and recreation (675), health care and social assistance (661), and public administration (587). Twelve of the twenty-one sectors saw job gains in 2018. The greatest gains were reported in accommodation and food services (133 jobs gained), health care and social assistance (56), construction (54), public administration (40), and manufacturing (13). The most significant job losses were in educational services (-29) and retail trade (-34).

Regional Wages

Average wages from the Quarterly Census of Employment and Wages (QCEW) across all categories increased in El Paso County from $48,932 in 2017 to $50,492 in 2018, or up 3.2 percent.

♦ The average wage in El Paso County remains low compared to Colorado as a whole and was 14.3 percent below the state average of $58,916 in 2018.

♦ Average wages in Teller County increased 2.7 percent in 2018 to $39,520, but the average wage was 32.9 percent below the state average. This is most likely due to the traditionally lower wages that occur in the hospitality sector.

Per Capita Personal Income

Per capita personal income increased in El Paso County in 2018. This measure is calculated by taking the total income in a region and dividing by the number of people, including children. This metric includes net earnings, personal dividend and interest income, rental income and transfer payments by government sources. El Paso County per capita personal income increased 4.0 percent to$46,692 in 2017 over the 2016 level of $44,661 according to revisions released in November 2019.

♦ Per capita personal income was 3.8 percent higher in 2018 (to $48,467) compared to the previous year.

♦ In 2018, per capita personal income in El Paso County was 11.0 percent below the U.S. average and 17.1 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. For this reason, per capita personal income is not the best indicator of standard of living in our region.

The Forum forecasts per capita personal income in 2019 in El Paso County will increase at a rate of 3.5 percent, while the Colorado Office of Planning and Budgeting forecasts a higher increase in Colorado (4.0%) and the U.S. (4.1%) in 2019.

Residential Real Estate

National, state and local unemployment rates continue to be low, and consumer confidence remains relatively high. The Federal Reserve reversed course in the past year and lowered interest rates. For these reasons, the real estate market is still performing well although prices and sales have moderated. Highlights in the residential real estate market include:

♦ Through August 2019, there were 2,595 single-family permits issued in the Pikes Peak region. This is a decrease of 352 permits (down 11.9%) compared to the first 8 months of 2018. The Forum expects approximately 3,800 single-family permits to be issued in the region in 2019, and 3,750 in 2020.

♦ Through August 2019, multi-family permits for 93 projects and 1,134 units have been pulled. Multi-family permits are expected to end the year at approximately 1,500 units with a forecast for another 1,400 units in 2020.

♦ Average, monthly rents for apartments as of the second quarter of 2019 were $1,194 per month in the Colorado Springs MSA. By comparison, average rents in Denver were $1,520.

♦ Home sales in the Pikes Peak region were 15,576 in 2018 and are projected to be 15,514 in 2019 and 15,359 in 2020.

♦ The average sales price of a home, new or existing, is expected to increase to $361,984 in the Pikes Peak region in 2019, a 4.2 percent increase from $347,393 in 2018.

♦ The median price of a new or existing single-family home in the Pikes Peak region is expected to increase 4.5 percent to $318,725 in 2019 compared to $305,000 in 2018. As a point of reference, median home prices increased 0.8% from 2018 Q2 to 2019 Q2 in Colorado Springs while prices increased 4.3% in the U.S. during the same period.

♦ Foreclosures continue to decline in the region. Annual foreclosures decreased 16.6 percent in 2018 to 908. The average number of foreclosures per month in 2019 through July was 73. The average number of monthly foreclosures in 2009 was much higher at 441. The Forum projects there will be 870 foreclosures in 2019 and another 870 foreclosures in 2020.

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 office, industrial and medical space. The tight market is also a result of limited new construction due to high labor and capital costs. Highlights for Colorado Springs include:

♦ Commercial office vacancy rates declined to 10.0 at the end of 2018 from 10.8 percent at the end of 2017. As of June 2019, the vacancy rate edged down to 9.1 percent.

♦ The industrial vacancy rate declined to 6.4 percent at the end of 2018 from 8.5 percent at the end of 2017. As of June 2019, the vacancy rate had declined to 5.0 percent.

♦ Retail vacancy rates declined slightly to 5.0 percent at the end of 2018 from 5.1 percent at the end of 2017. Retail vacancy rates were down to 4.8 percent as of June 2019.

♦ Medical office vacancy rates decreased to 7.6 percent at the end of 2018 from 9.2 percent at the end of 2017. By June 2019, they were down to 6.5 percent.

Sales and Use Tax

Sales and use tax revenue continues to increase alongside the economic growth. Highlights include:

♦ City sales and use tax collections increased 6.5 percent or $11.1 million from $170.2 million in 2017 to $181.2 million in 2018.

♦ Sales and use tax collections are expected to increase 4.0 percent this year and another 3.0 percent in 2020 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 0.6 percent in 2019 and decrease by 0.6 percent in 2020.

Education

♦ In fiscal year 2019, Colorado spent $11,490 per pupil in elementary and secondary schools, while the U.S. average was $12,920 per pupil (11.1% lower in Colorado).

♦ From 2003 through 2017 (most recent data available), 4th and 8th grade students in Colorado public schools outscored the nation in mathematics and language arts.

♦ In spring 2019, the Colorado junior average SAT score was 1001, and 5 of the 17 school districts in the Colorado Springs MSA surpassed this state average. The U.S. mean was 1059, brought down by the increase in students required to take the test according to *The Wall Street Journal* using the scores provided by the College Board.

♦ In 2018, 11 of the 17 school districts in the Colorado Springs MSA exceeded the state of Colorado's average high school graduation rate of 80.7 percent. The U.S. high school graduation rate in 2017 (most recent data available) was 85.0 percent. Eight of our local 17 school districts reached or surpassed this national graduation rate in 2017.

♦ 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 3,742 students enrolled concurrently in the 2017-18 school year, a 101% increase over the 2016-17 school year.

♦ In the city of Colorado Springs in 2018, 33.7 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 and ages 25 and older, the city of Colorado Springs (40.1%) again had a higher percentage than the U.S. (32.6%).

Where is the Economy Heading?

Resilience seems to be the theme of the national economy this past year. Other developed nations are experiencing slowing growth rates or even contractions causing global trade and manufacturing to decline. The global slowdown will eventually seep into our national economy because global markets have never been as intricately linked through international trade as they are today. This means that the ongoing trade disputes and the escalation of tariffs between the U.S. and other nations will continue to raise the probability of a U.S. recession, which is technically defined as two or more consecutive quarters of declining gross domestic product (GDP). The Bloomberg survey of economists shows a 35 percent probability of recession in the next 12 months. The Guggenheim Recession Probability Model shows a 58 percent probability of recession by mid-2020 and a 77 percent chance of recession in the next 24 months. I also recently wrote about the inversion of the yield curve as a relatively good predictor of a recession (https://gazette.com/news/what-is-the-inverted-yield-curve-and-does-it-really/article_0d1189e0-c6ac-11e9-ace8-6f7d2b46b7db.html).

Having said this, recessions are difficult to predict because of all the moving parts. Yet it would be overly optimistic to not acknowledge the heightened risk of a contraction or at least a significant slowdown in the economy. The list of reasons is rather long: trade wars, the geopolitical instability, the vast polarization in U.S. politics, the national debt, the aging of the population and its impact on productivity, the increasing costs of abnormal weather patterns, and the limited power of monetary policy. All of these factors are already in play. The question is how long will the momentum of the U.S. economy continue to override these realities.

The resilience can most evidently be seen in two important economic drivers, employment and consumer confidence. Employment growth has been robust in the U.S., the state and in our region. In the past 12 months, employment in the U.S. has had an average monthly gain of 161,000. This is compared to an average monthly gain of 223,000 in 2018. The rate of employment growth has slowed, but it is still quite positive as of the September 2019 data. The corresponding unemployment rate in September was at a 50-year low at 3.5 percent. This indicates that businesses are confident enough in their current and short-term future growth that they believe hiring new workers is in their best interests. According to the August report from the National Federation of Independent Businesses, the small business index is still among the top 15 percent of readings dating back 45 years although the record high readings of a year ago are no longer in play. Business owners are not as optimistic mostly because of trade uncertainty. The same surveys show a shrinking percentage of business owners who plan to hire in the near term. This indicates that the momentum in employment may soon be petering out.

There is another important dimension to the employment story beyond the low unemployment rate. Much of the overall economic momentum is also explained by increases in labor participation. In the U.S., but even more so in our state and region, many people have re-entered or newly entered the labor force. This has vast, positive impact for a few different reasons. First, the same business surveys show that company owners state their largest impediment to growth is the lack of qualified workers. If more people are entering or re-entering the labor force, some of that labor shortage is being alleviated. Second, if more people are gainfully employed, they become more active consumers in the economy creating a positive feedback loop between households and businesses. Third, the aging of the U.S. population means that we inherently have fewer workers and higher transfer payments, particularly Medicare and Social Security. We need able workers to help finance those transfer payment through income taxation. According to the Colorado Department of Labor and Employment, our state's labor force increased by 44,242 people, or 1.4 percent, from August 2018 to August 2019. For the same period, El Paso County's labor force increased by 9,918 workers, or 2.9 percent. Our region significantly outpaced the state. This has certainly been an important part of our regional economic momentum, and if we can keep local labor participation high, it will be an important part of our ongoing resilience.

My major takeaways from these positive trends are that even in the context of a national downturn, our state and region with its engaged and educated workforce, will not be as negatively impacted by a downturn as other portions of the nation. Our diversity of industries will also play a role in our state and regional resilience.

The other major driver of our national and local resilience has been consumer confidence. The positive sentiment and purchasing patterns of the average U.S. consumer have, of course, been tied to the robust employment trends and associated income gains. Although the U.S. had a high income gap in 2018 with the top 5 percent making an average of $416,520 and the lowest quintile making $13,775 (U.S. Census Bureau), income gains during this long expansion have been broad across socio-economic groups. This has fed into the positive feedback loop between household personal expenditures and business growth. More recently, however, consumer confidence has begun to modestly decline. The September index from The University of Michigan posted an almost 7 percent reduction in consumer confidence from a year ago. Waning consumer confidence and associated spending patterns are often the proverbial straw that halts economic expansions. My hope is that the robust growth we have had locally since 2014 will have cemented a stronger economic base than we have had in the past and thus, we will weather the storm well.

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Acknowledgments

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ACTUAL, ESTIMATED AND FORECAST PERCENT CHANGE IN KEY ECONOMIC INDICATORS: U.S., COLORADO AND EL PASO COUNTY									
	United States			Colorado			El Paso County		
	2018	2019*	2020*	2018	2019*	2020*	2018	2019*	2020*
	Actual	Estimate	Forecast	Actual	Estimate	Forecast	Actual	Estimate	Forecast
1 Population	0.6	0.7	0.7	1.4	1.3	1.3	1.6	1.6	1.5
2 Unemployment Rate (NSA)	3.9	3.7	3.8	3.3	3.3	3.4	3.9	3.9	4.1
3 Real GDP/GSP/GMP[1]	2.9	2.2	1.8	3.5	3.6	2.5	3.2	2.8	2.1
4 Non-Agricultural Employment	1.7	1.4	1.1	2.4	1.8	1.5	2.1	2.3	2.0
5 Aggregate Wage & Salary Income	5.0	5.5	4.2	5.3	5.5	5.1	3.2	4.0	3.1
6 Consumer Price Index (CPI)[2]	2.4	1.8	2.3	2.7	1.7	2.1	N/A	N/A	N/A
7 Per Capita Personal Income	4.9	4.1	3.2	4.2	4.0	3.7	3.8	3.5	2.8
8 Single-Family Housing Permits[3]	3.7	-1.1	1.5	8.5	-14.0	-1.3	9.4	-6.9	-1.3

Sources: Colorado Office of State Planning and Budgeting, September 2019 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; Wells Fargo; UCCS Economic Forum
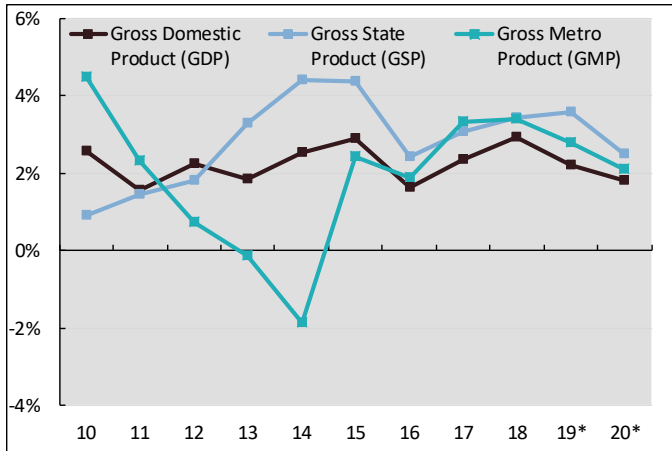[1]GMP is for the Colorado Springs MSA so it includes both El Paso and Teller counties.
[2]Colorado CPI is actually the Denver/Boulder/Greeley CPI.
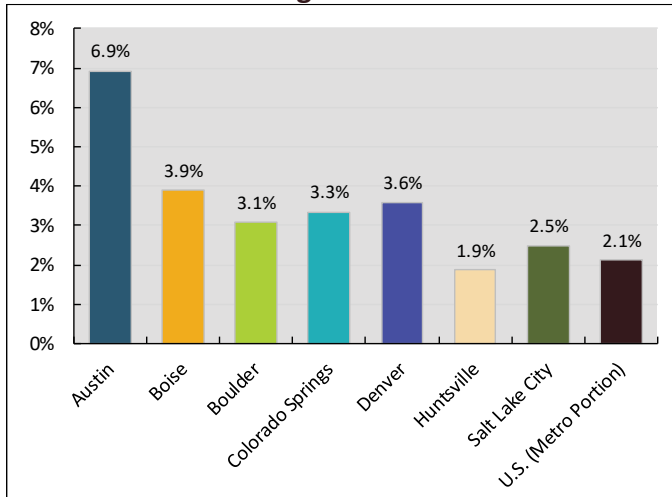[3]Includes single-family detached and townhome units.
*Estimate/projection

⊕ BIG PICTURE INDICATORS

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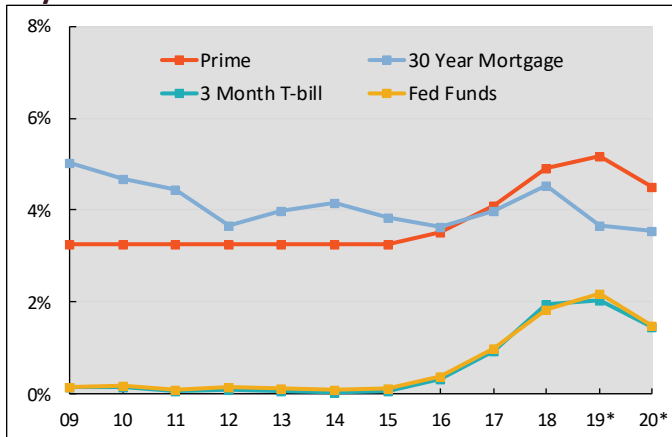

2016-17 Percent Change in Real GMP

Note: Military data is included in GMP. Real GMP is adjusted for regional price differences (RPP). The Forum has updated this graph in the monthly dashboard that is sent to sponsors.

Key Interest Rates

*GDP, GSP and GMP forecasts are estimated by the UCCS 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 2.9 percent in 2018 versus a 2.4 percent increase in 2017. The latest GDP estimates indicate the economy will grow 2.2 percent in 2019. Preliminary projections for 2020 suggest real GDP will grow by 1.8 percent.

Colorado's real GSP grew by 3.5 percent in 2018. In looking at the past five quarters and other growth-related data, estimates are for GSP to grow by 3.6 percent in 2019 and 2.5 percent in 2020. It is notable that for both 2019 and 2020, Colorado's economy is expected to grow at a higher rate than in the U.S. mostly due to the continued growth of high-skill and high-wage sectors in the professional and business service category. There has also been and should continue to be growth in education and health services, and other services. Mining and logging will continue to lag. A golden goose for Colorado has been the incredible increase in the labor force fueled by new entrants and re-entrants into the labor market. As of August 2019, the Colorado labor force increased by 44,200, total employment increased 62,900 and the number unemployed decreased by 18,500. The expanded labor force has enabled Colorado's economy to continue to grow despite the low unemployment rate.

Because of the government shutdown earlier this year, the 2018 local measure of GDP, known as gross metropolitan product (GMP), was not be released until December. The graph of metros on the left has been updated in the monthly dashboard sent to Forum sponsors (contact Tatiana Bailey at tbailey6@uccs.edu for sponsorship information).

The real growth rate for GMP for Colorado Springs MSA (3.2%) in 2018 was again higher than the U.S. (2.9%) but lower than Colorado (3.5%). The Forum forecasts a 2.8 percent increase for 2019, and a deceleration to 2.1 percent for 2020. For both forecast years, our region will again outperform the nation, but not exceed Colorado growth rates.

At the end of 2018, the Federal Reserve executed its ninth interest rate increase on its path of monetary tightening. However, as global economic conditions began to deteriorate, the Federal Reserve pivoted and began back on the path of quantitative easing mostly to try and pre-empt an economic downturn. The prime interest rate, which is the interest rate used by banks to lend to customers and businesses, was 5.25 percent as of August 2019 and the Fed funds rate was at 2.13 percent.

BIG PICTURE INDICATORS

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

Per Capita Personal Income

Note: The 2018 EPC per capita personal income is a forecast by the UCCS Economic Forum in the graph above and is higher than the actual.
*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 1966 as the base year (1966=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 2019 (95.9 average through August) although not as strong as 2018 (average of 98.4) This year has had more negative news mostly due to tariffs and a global slowdown. However, the U.S. economy has been relatively resilient so far into 2019 largely due to a continued low unemployment rate and increases in personal income. As of August 2019, consumer sentiment was at 89.8. The graph shows annual figures. The Forum is forecasting consumer confidence to average 93.0 for all of 2019 and down to 84.0 in 2020.
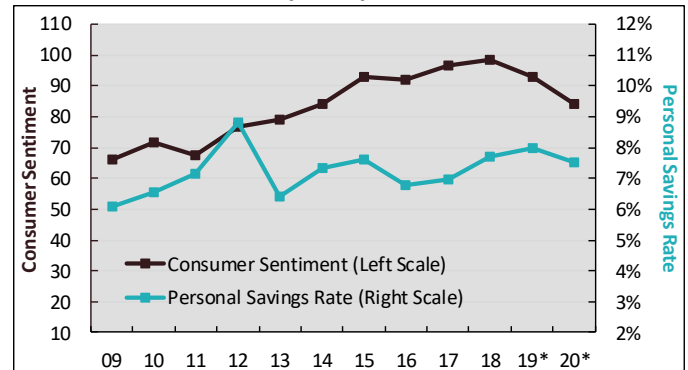
WHY ARE THESE IMPORTANT?

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).
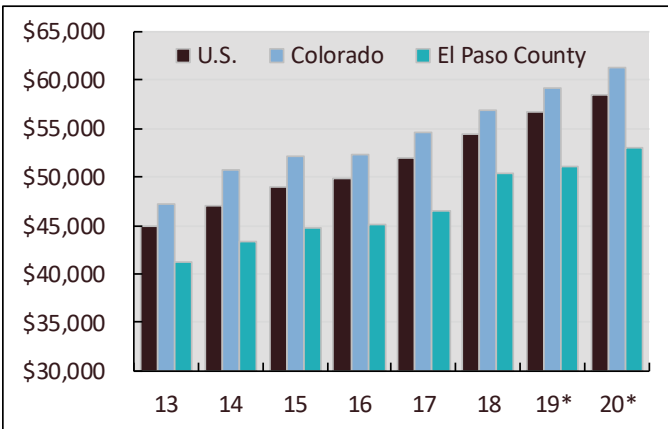
HOW ARE WE DOING?

The civilian participation rate continues to be at historic lows (first graph), although 2019 has seen a slight improvement in this rate. As of August 2019, the rate was at 63.2 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. Locally, we have begun to address this issue with the Workforce Asset Map, or WAM, discussed on page 29.

Local per capita personal income grew 3.8 percent to $48,492 in 2018. By comparison, the U.S. personal income grew by 4.9 percent, and Colorado's personal income grew by 4.2 percent. Local per capita personal income for 2018 was released in November and has been revised here but not in the graph on the left.

Consumer Sentiment and Personal Savings Rate
Baseline index =100 (1966)

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

In 2018, the personal savings rate was 7.69 percent. The projected, personal savings rate will be 8.00 percent for 2019 and 7.50 percent for 2020. It is important to note that the personal savings rate is higher than it was prior to the Great Recession, which is good because individuals will have more of a financial cushion when we do hit a downturn.

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 2019, the PMI for the seven states that comprise the Kansas City Federal Reserve region was 44.0, and for the nation it was 49.1. Year to date, the average PMI for the Kansas City region has been 52.3, whereas it has been 52.9 in the U.S.. It is noteworthy that the general trend this year has been negative for manufacturing and this is inextricably tied to the trade wars and the associated slowdown in global growth. Manufacturing is one of the most globalized industries.

It is also important to note that even when manufacturing sector was expanding, total employment was not growing proportionately. Automation, robotics and other efficiencies have made manufacturing less labor intensive.
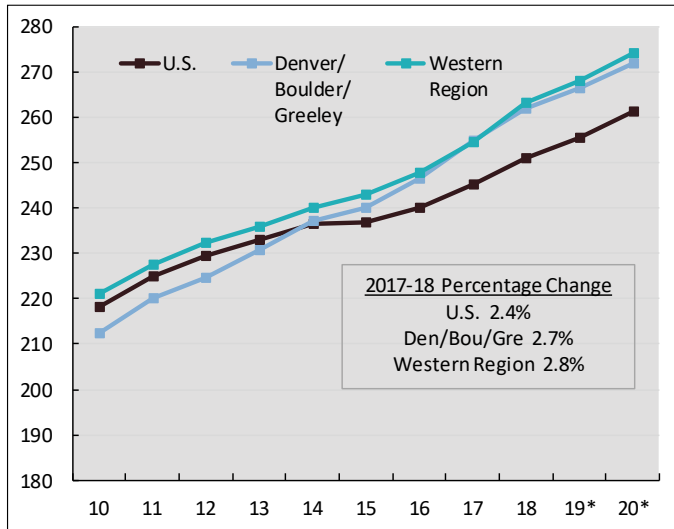
Manufacturing Indices
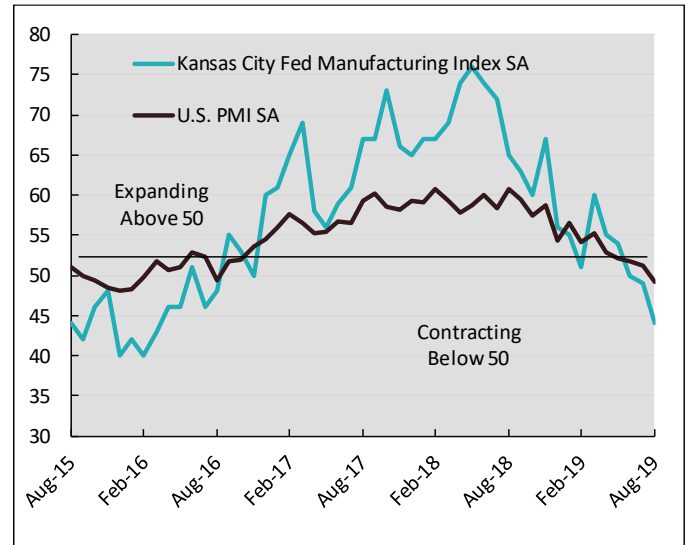
August 2019	
Kansas City Fed Manufacturing Index SA	**U.S. PMI SA**
44.0	49.1

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)

2017-18 Percentage Change
U.S. 2.4%
Den/Bou/Gre 2.7%
Western Region 2.8%

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

U.S. Consumer Price Index - August 2019		
	All items	**Less food & energy**
Change from July 2019 (SA)	0.1%	0.3%
Last 12-months (NSA)	1.7%	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 2.7 percent in 2018 after increasing 3.4 percent in 2017. Inflation is expected to be 1.7 percent in 2019 and 2.1 percent in 2020 for the Denver/Boulder/Greeley CPI. As a point of reference, the entire western region had an inflation rate of 2.8 percent in 2018. The western region CPI is typically pulled up by California.

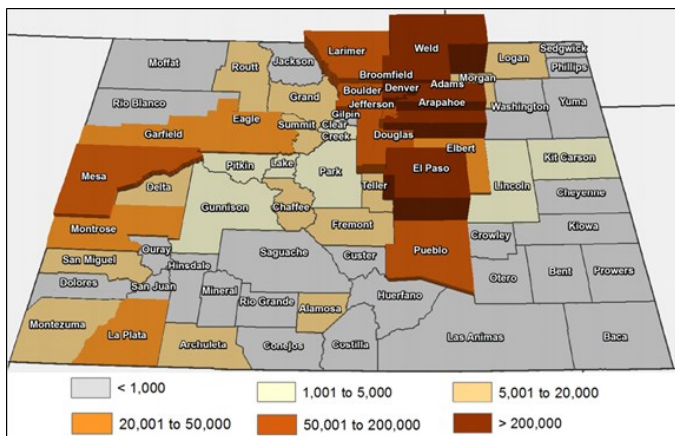The U.S. urban CPI rose 2.4 percent in 2018 after increasing 2.1 percent in 2017. U.S. inflation is expected to be 1.9 percent in 2019 and 2.1 percent in 2020 according to the Colorado Office of State Planning and Budgeting.
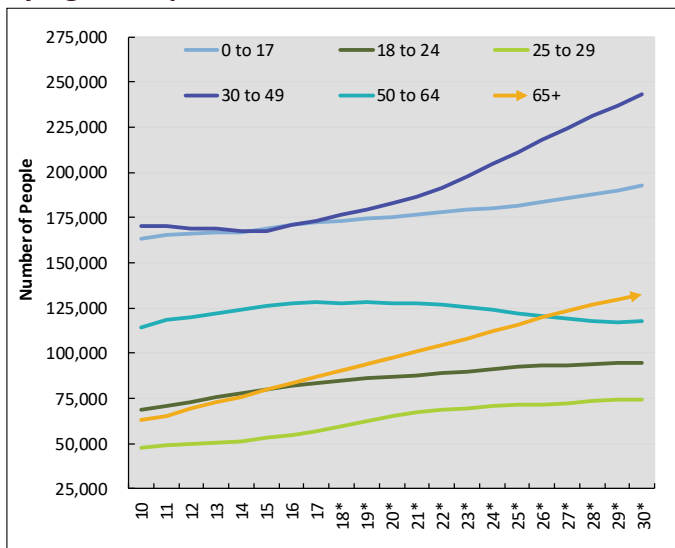
DEMOGRAPHIC INDICATORS

Projected Population Change: 2018 to 2050

Population Estimates

	2018	2050
El Paso County	712,714	1,075,535
Colorado	5,689,227	8,105,925

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

2018 Components of Population Change

	Percent of Population Change from Births minus Deaths	Percent of Population Change from Net Migration
Colorado Springs MSA	33.8%	66.2%
Colorado	33.6%	66.4%

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

2018 Median Age

2018 Median Age	
El Paso County	*United States*
34.2	38.2

Source: U.S. Census Bureau, Population Division

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 impacts on the economy.

HOW ARE WE DOING?

The Colorado Department of Local Affairs estimates El Paso County's population to again grow at a higher rate (3.2%) from 2018 to 2020. It is noteworthy that this growth estimate from 2018 to 2020 is higher than our county's growth rate from 1990 to 2000 (3.1 percent) and also higher than it was from 2000 to 2010 (2.1 percent). Estimates are for El Paso County to grow by 22,463 people from 2018 to 2020. That will bring El Paso County's population to 735,176 by 2020. Colorado Springs is now the 39th largest city in the United States.

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 2018 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 population 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 3,984 in 2018 and net in-migration was 7,447. Projections from the Colorado Department of Local Affairs for 2019 have births staying relatively steady, but have a continued large projected increase for in-migration for 2019 (7,438) and another large increase for 2020 (6,955). 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 2018, the local median age was 34.2 years old, whereas it was 38.2 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.

The Unemployment Rate in El Paso County, Colorado and the U.S. (NSA)
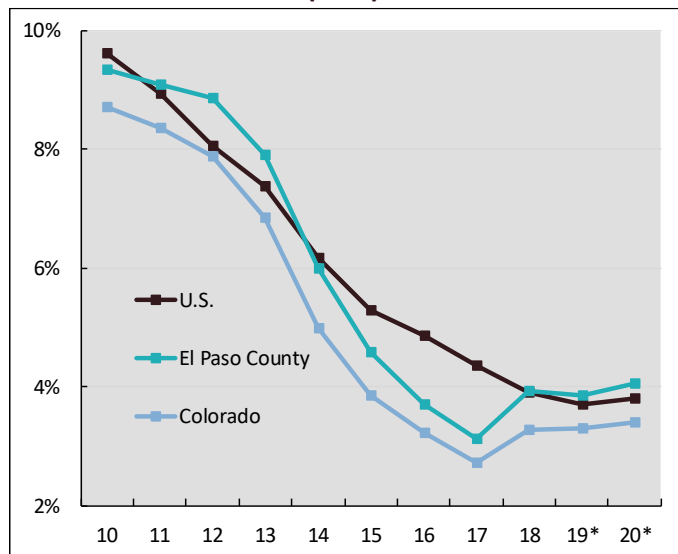
2019 Q1 for All Private Industries		
Colorado Average Annual Wage	El Paso County Average Annual Wage	El Paso County Total Employment
$65,260	$52,572	224,935

El Paso County Employment in Selected Sectors for 2006 and 2018

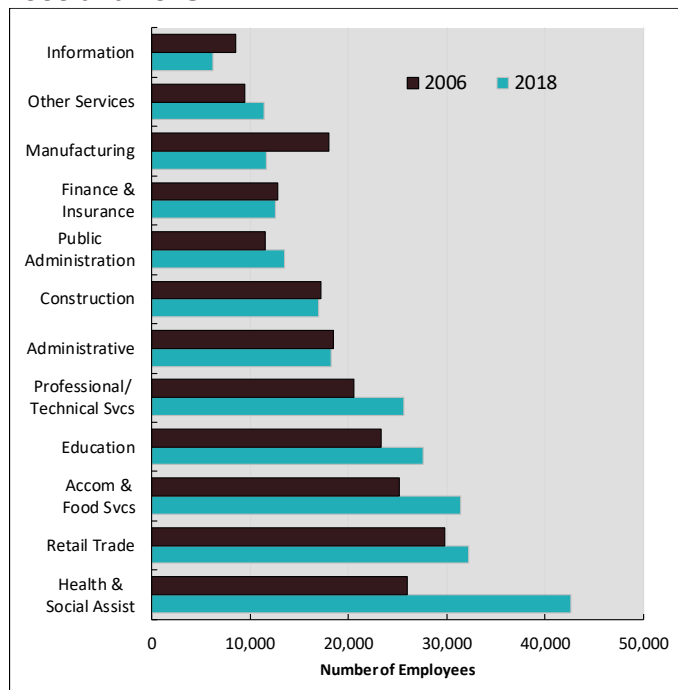*CO Office of State Planning and Budgeting and UCCS Economic Forum forecasts
Sources: U.S. Bureau of Labor Statistics; Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW); UCCS Economic Forum

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 emanates 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. oil and gas industry or 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?

The U.S. unemployment rate for all of 2017 was 4.4 percent and fell to 3.9 percent in 2018. Colorado's unemployment rate rose from 2.7 percent in 2017 to 3.3 percent in 2018. For El Paso County, the rate moved from 3.1 percent in 2017 to 3.9 percent in 2018 (all data not seasonally adjusted). From January to September of 2019, the average unemployment rate in El Paso County has again trended downwards to 3.64 percent.

Colorado was outperforming the nation with a 2.7 percent not seasonally adjusted unemployment rate in August of 2019, compared to a 3.8 percent rate for the U.S. and a 3.2 percent rate for El Paso County. The Colorado Office of State Planning and Budgeting projects the state unemployment rate will average 3.3 percent in 2019 and 3.4 percent in 2020, indicating continued, robust growth in the overall state economy. The Forum projects El Paso County unemployment will average 3.9 percent in 2019 and 4.1 percent in 2020. The state is projected to continue to outperform the nation this year and next. El Paso County is expected to match the U.S. or be slightly higher as the economy cools.

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 2018, total employment was 276,351, which represents a 12.7 percent increase (or 31,121 jobs). During that same time period, the population increased 22 percent. Page 18 shows that the "ideal" number of new jobs needed in El Paso County to match population growth is approximately 5,600 per year.

Recent data indicates that wages in El Paso County are starting to increase. In 2019 Q1, wages in private industries were a full 5.3 percent higher than a year ago, which is significant given that wages have been relatively stagnant. The state went up 5.2 percent in the same time period, and the U.S. increased 3.0 percent.

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, retail trade, accommodation and food services, education, and professional and technical services. Manufacturing has seen the greatest 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 2018				
	El Paso County Percentage of Total Employment (Number of Employees)	**El Paso County Average Annual Pay**	**% Difference EPC to CO Annual Pay**	**% Difference EPC to U.S.** Annual Pay**
Total, All Private Industries	**226,015**	**$49,298**	**-16.9%**	**-13.8%**
Agriculture, Forestry, Fishing & Hunting	0.2% of total employment (540 employees)	$39,667	3.6%	10.7%
Utilities (not CSU)	0.2% (490)	$117,673	12.6%	7.0%
Construction	7.5% (16,880)	$55,984	-10.3%	-10.8%
Manufacturing	5.2% (11,691)	$61,267	-13.3%	-10.6%
Wholesale Trade	2.5% (5,641)	$66,917	-21.7%	-14.1%
Retail Trade	14.2% (32,009)	$31,417	-3.2%	-2.9%
Transportation & Warehousing	2.0% (4,432)	$42,444	-25.2%	-20.2%
Information	2.5% (5,671)	$79,183	-21.4%	-30.4%
Finance & Insurance	5.6% (12,609)	$70,528	-26.7%	-35.4%
Real Estate, Rental & Leasing	2.1% (4,794)	$45,090	-24.2%	-23.7%
Professional & Technical Services	11.3% (25,473)	$90,812	-7.2%	-6.5%
Management of Companies & Enterprises	0.5% (1,218)	$189,327	39.1%	54.2%
Administrative & Waste Services	8.1% (18,218)	$40,855	-7.2%	-0.3%
Educational Services	1.9% (4,204)	$37,226	-10.5%	-27.3%
Health Care & Social Assistance	15.1% (34,256)	$45,807	-10.6%	-9.0%
Arts, Entertainment & Recreation	2.3% (5,210)	$22,188	-41.6%	-42.8%
Accommodation & Food Services	13.8% (31,256)	$20,704	-11.7%	-4.0%
Other Services (incl. nonprofits)	5.1% (11,440)	$43,613	6.4%	13.4%

*Average pay in these tables does NOT include government workers. Also, mining and unclassified industry groups were excluded, which had a combined total of 73 employees in 2018.
**U.S. private annual pay is for all U.S. locations (urban and rural).
Sources: 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. Most economists consider the natural rate of unemployment between 4.0 and 4.5 percent.

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 13.8 percent lower than the U.S. average pay in 2018. In dollars, El Paso County's average pay for non-governmental jobs ("private industries") was $49,298, while it was $57,198 for the U.S..

When comparing our region to the state of Colorado, average pay was a full 16.9 percentage points lower in El Paso County. El Paso County's average pay for private industries was $49,298 for 2018 while it was about ten thousand dollars more for the state of Colorado: $59,305.

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.

EMPLOYMENT & WAGE INDICATORS

Colorado Springs MSA: September 2019		
Top Job Titles	**# of Job Postings**	**Market Salary**
Registered Nurses	620	$60,901
Software Developers, Applications	572	$93,429
Retail Salespersons	400	$27,793
Sales Reps, Wholesale & Mfg	381	$47,190
Managers	327	$68,270
Customer Service Reps	325	$28,150
Computer Systems Engineers/Architects	310	$96,910
First-Line Supervisors of Retail Sales	252	$33,944
Heavy & Tractor-Trailer Truck Drivers	245	$55,695
Network & Computer Systems Admins	221	$69,426

Colorado Springs MSA, March 2019

TOTAL Job Openings**: 20,569**

TOTAL Employees: **284,553**

Actual new jobs in El Paso County 2018 Q1 to 2019 Q1: 5,734

Sources: Burning Glass Technologies: Labor Insight, 2019 via Pikes Peak Workforce Center and CO Department of Labor and Employment; CO Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW); UCCS Economic Forum

WHY ARE THESE IMPORTANT?

The Forum tracks the types of jobs that are in highest demand. This can help inform job seekers but also the relevant training institutions such as community colleges, industry training programs, and four-year universities.

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.
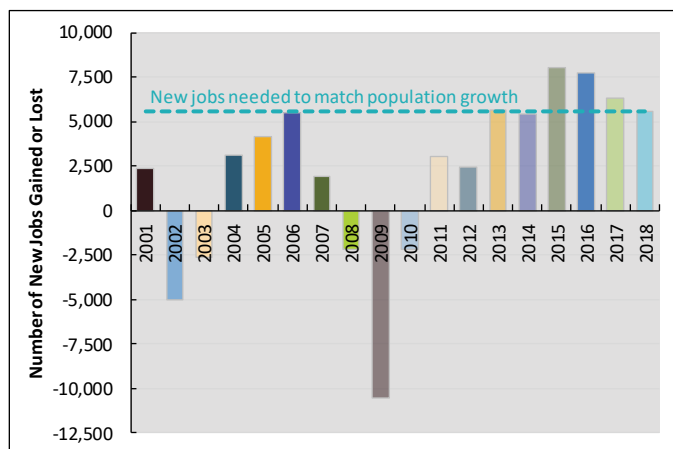
HOW ARE WE DOING?

Total military and civilian employment decreased in 2018 at Peterson, while it increased at Fort Carson and Schriever. USAFA data for 2018 was not yet available at the time of publication. When employment changes at all of the other military installations were combined, there was a 3.5 percent growth in total military employment compared to the 2017 estimate. Of note, Schriever included 4,842 civilian employees, and Fort Carson included approximately 6,617 civilian employees in 2018.

When comparing 2018 to 2017, Schriever's economic impact increased to $1.35 billion (up 1.6%), Fort Carson's impact increased to $2.20 billion (up 4.8%), and Peterson's impact increased to $1.33 billion (up 7.2%). Combined the economic impact was estimated for these installations to be 4.5 percent higher in 2018 than in 2017.

During the summer, it was announced that Space Command will continue to be located in Colorado Springs although the status will remain temporary. Colorado Springs does seem to have some advantages over the other regions that are vying for its location. If indeed a permanent announcement is made in the next one to two years (most likely after the upcoming national election), there would be an estimated $500 million to $1 billion in military construction, and approximately 1,500 new jobs.

El Paso County New Jobs

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

HOW ARE WE DOING?

Job postings are obtained on a monthly basis from the state of Colorado, which has a license with Burning Glass Technologies. As the table shows, many of the posted jobs are professional jobs, which pulls up the median salary of all jobs in the region. This is probably why local wages are slowly moving closer to the national average. It is worth noting that low and middle-skill jobs are also well represented, which is good in terms of job availability across the skill spectrum. According to QCEW data, there were 5,570 actual new jobs in 2018 in El Paso County. As the graph above shows, we need approximately 5,600 new jobs per year to match population growth in our region.

Military Employment in El Paso County
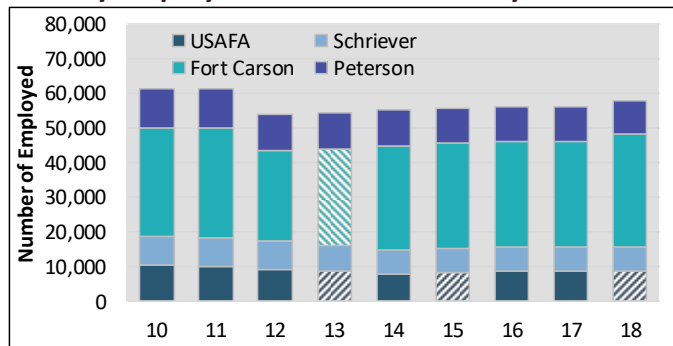
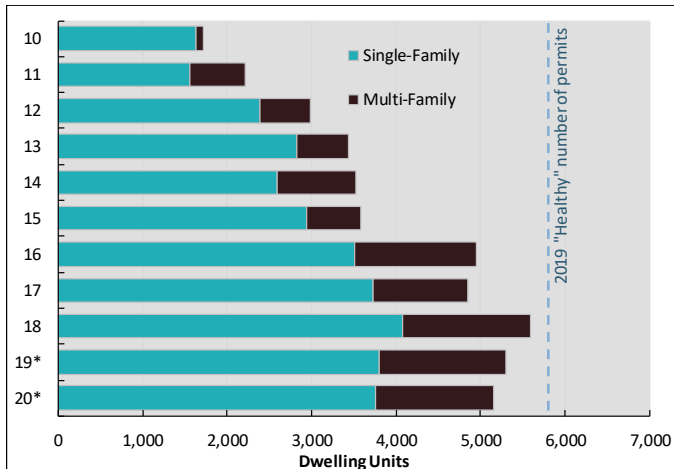## Military Expenditures in El Paso County ($ millions)
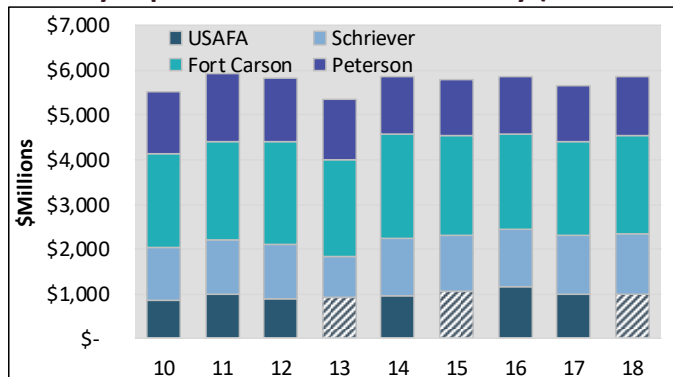
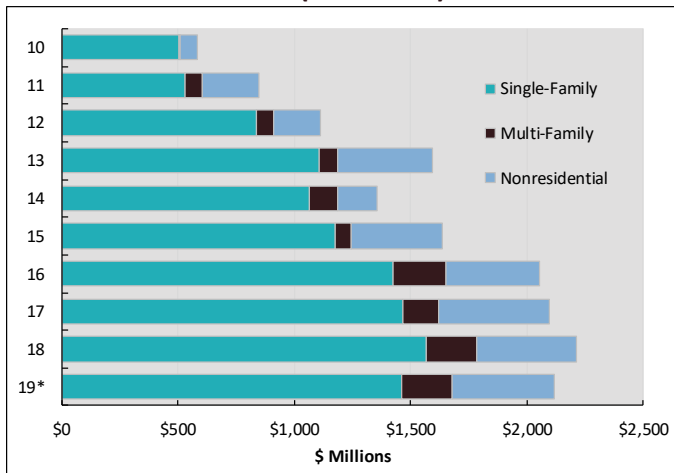NOTE: Shaded data indicate UCCS Economic Forum estimates.
Sources: Colorado Springs Chamber & EDC; Respective military installations

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 908 foreclosures in 2018, a decrease of 16.6 percent from 2017 when foreclosures were already low at 1,089. Through July 2019, there were 514 foreclosures compared to 534 through July 2018. At the current rate, the Forum anticipates there will be 870 foreclosures in 2019 and another 870 in 2020.

Foreclosures depend on housing values, employment, and income levels of homeowners holding a mortgage. Interest rates also play a role in foreclosures because higher interest rates translate to higher monthly payments. Currently, and over the past ten years, interest rates have been very low compared to previous decades. The strong economy coupled with persistently low rates have both been factors in the low foreclosure rates. 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 2018 were 76 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 increased from 2017 to 2018. There were 4,080 single-family permits during 2018, which was a 9.4 percent increase from the 3,728 permits in 2017. Through August 2019, permits for 2,595 single-family dwellings have been issued whereas the comparable number for 2018 was 2,947, a 12 percent decrease.

After nearly nonexistent multi-family home building in 2009 and 2010, permits for this type of housing have significantly rebounded. In 2010, there were only 88 permits issued in Colorado Springs. In 2018, there were permits issued for 1,505 multi-family dwelling units, indicating the strength in the local economy.

Estimates from the Forum have suggested that in 2019 for the population size of Colorado Springs, 5,817 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. It does not appear during this period of economic expansion that our region has overbuilt as it has in the past. Local builders state that there is not enough vacant developed land, and that construction costs, both labor and material, have kept new construction at bay.

The value of nonresidential construction was $427.0 million in 2018 whereas it was $475.0 million in 2017, a decline of 10.1 percent.
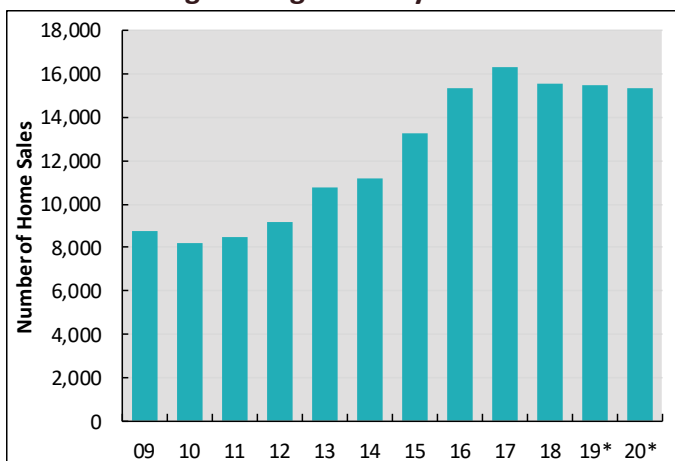
Foreclosures in El Paso County
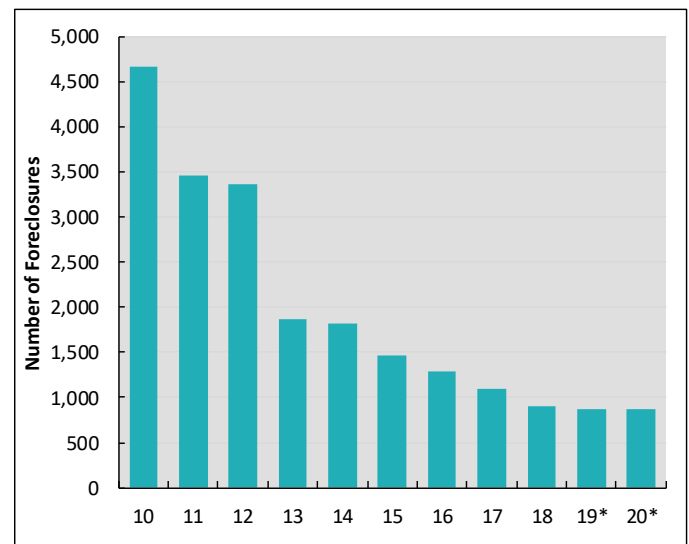
*UCCS Economic Forum forecasts
Source: El Paso County Public Trustee

REAL ESTATE INDICATORS

Pikes Peak Region Single-Family Home Sales

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

Note: Data is for new and existing homes. Median price calculated by the UCCS Economic Forum off of monthly data from Pikes Peak Association of REALTORS®.
*Forecasts by UCCS Economic Forum with input from Doug Stimple of Classic Homes, Harry Salzman and Eddie Hurt of ERA Shields, and Zillow.
Source: Pikes Peak REALTORS® Services Corp. (RSC)

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 median-priced homes sold that a family earning the local median income could afford.

HOW ARE WE DOING?

The housing opportunity index for 2019 Q1 showed that Colorado Springs is still quite affordable compared to the other MSAs with 66.8 percent of the median-priced homes sold affordable to families with our local median income. For the U.S., 61.4 percent of the median-priced homes sold were affordable for families earning the national median income. Despite recent increases in home prices, our region is still relatively affordable. We did have double-digit increases in average price during 2017 and 2018, but price increases have moderated during 2019 thus far. Supply is still tight, but not as tight as it was in earlier years and this has helped affordability.
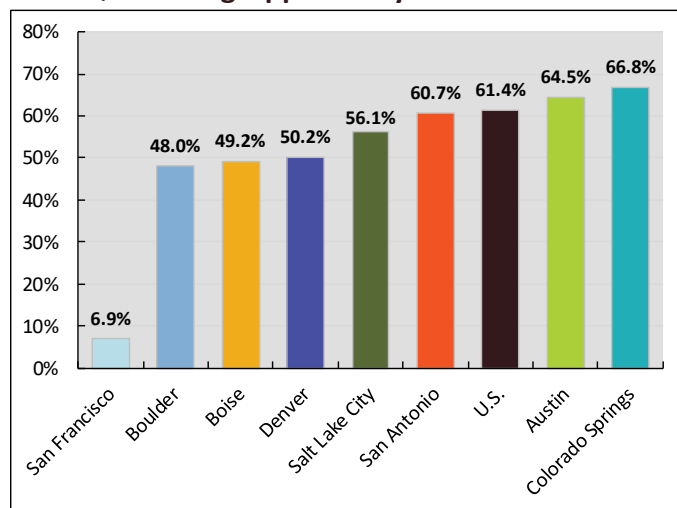
WHY ARE THESE IMPORTANT?

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 15,576 in 2018, down 4.7 percent (761 fewer sales than in 2017). The Forum forecasts home sales will decrease 0.4 percent in 2019 to 15,514 and then decrease 1.0 percent in 2020 to 15,359. These projections are based upon year-to-date activity compared to the previous year.
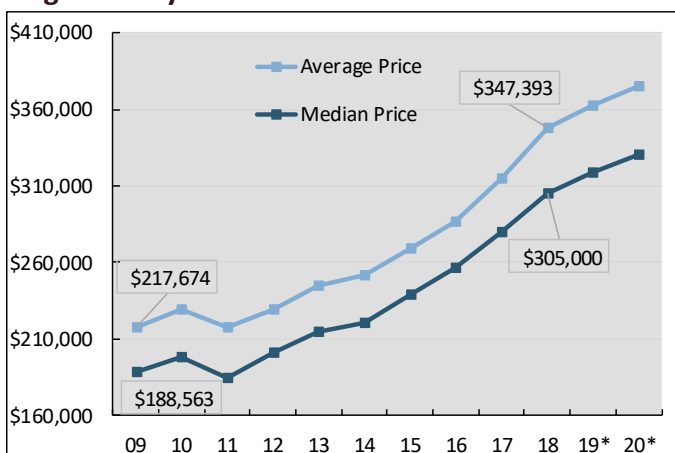
Current market conditions suggest an average home sales price in the Pikes Peak region of $361,984 in 2019, up 4.2 percent from $347,393 in 2018. The average price is expected to be $374,653 in 2020. Similar gains are expected for the median price: $318,725 for 2019 and $330,837 in 2020. The increase 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 2019 in the 5.0 percent range across the nation and slowing to a 2.2% increase in 2020.

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. Our region outpaced the nation in price increases last year, but local prices have moderated significantly

2019 Q2 Median Home Price				
Location:	Colorado Springs	Denver	Boise	United States
Price:	$326,300	$471,400	$295,600	$279,600
1-year % Change:	0.8% increase	1.8% increase	12.5% increase	4.3% increase
MSA Rank:	26	11	43	n/a

Source: National Association of REALTORS®

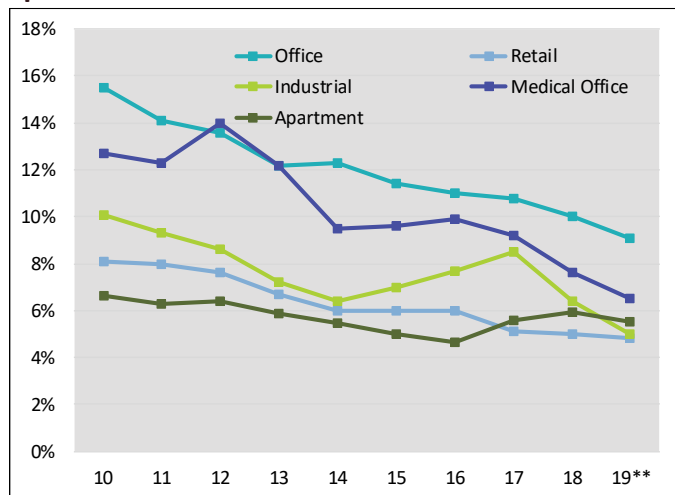### 2019 Q1 Housing Opportunity Index

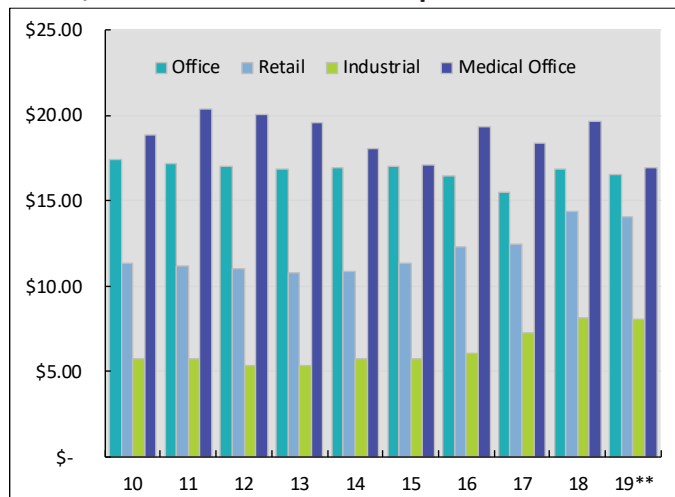Sources: National Association of Home Builders; Wells Fargo

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	2018	Jan. - Jun. 2019
Office	10.0% ($16.81)	9.1% ($16.54)
Retail	5.0% ($14.34)	4.8% ($14.02)
Industrial	6.4% ($8.09)	5.0% ($8.07)
Medical Office	7.6% ($19.64)	6.5% ($16.94)
Apartment	6.0% ($1,148.41)	5.5% ($1,193.64)

**January through June 2019
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 2018 compared to 2017 for medical office space (from 9.2% to 7.6%), industrial space (8.5% to 6.4%), office space (10.8% to 10.0%), and retail space (5.1% to 5.0%). Vacancy rates increased for apartments (5.6% to 6.0%). In the first half of 2019 (from January through June), office vacancy rates were 9.1 percent, medical office vacancy rates were 6.5 percent, industrial vacancy rates were 5.0 percent, and retail vacancy rates were 4.8 percent. Apartment vacancy rates have averaged 5.5 percent during the first half of 2019.

As the top graph shows, vacancy rates have been trending downward for all categories of commercial space. Apartment vacancy rates declined from 2010 to 2016, rose between 2016 and 2018, but through 2019 thus far are now slightly declining again. It is important to note that local commercial real estate experts say that 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. It has been difficult to build new product despite high demand because construction costs are so high.

The average lease rates for each property type are listed in the bottom left table. Office lease rates averaged $16.81 per square foot in 2018 with lower rates in the first half of 2019 ($16.54). Retail lease rates averaged $14.34 per square foot in 2018 with lower rates in the first half of 2019 ($14.02). Industrial lease rates averaged $8.09 in 2018 with similar rates in the first half of 2019 ($8.07). Medical office lease rates were notably higher in 2018 ($19.64) than in the first half of 2019 ($16.94). It is important to note that these are averages and do not take into account the quality of space. Apartment lease rates were $1,148 in 2018 and $1,194 in the first half of 2019.

Lower local commercial lease rates as compared to Denver will likely continue to fuel growth in Colorado Springs. The table below shows that as of 2019 Q2, retail space in Denver was 38.1 percent higher per square foot than comparable space in Colorado Springs. Office space rents in Denver were on average 47.0 percent higher than Colorado Springs. Industrial space was 8.0 percent lower in Denver, and medical office space was 36.4 percent per square foot higher in Q2 of this year compared to Colorado Springs.

Comparative Rents per Square Foot

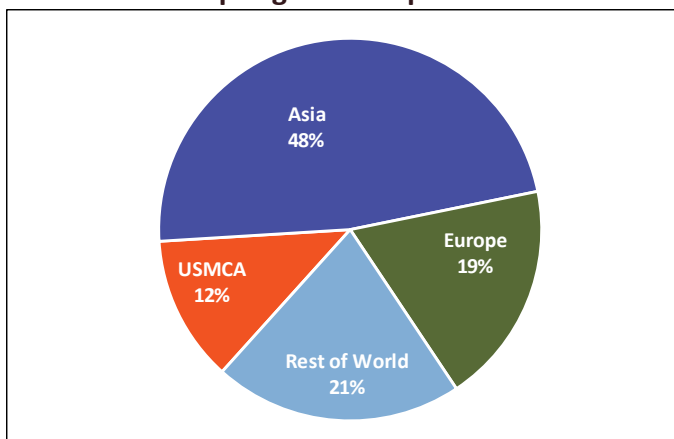| 2019 Q2				
	Retail	Office	Industrial	Medical Office
Colorado Springs	$14.02	$16.54	$8.07	$16.94
Denver	$22.65	$31.19	$7.47	$26.63
% Difference	-38.1%	-47.0%	8.0%	-36.4%

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

SALES & TAX INDICATORS

2018 Colorado Exports to Selected Destinations

2018 Colorado Exports to Selected Destinations
- South Korea, 5.9%
- China, 6.9%
- Japan, 5.5%
- Mexico, 15.1%
- Malaysia, 4.7%
- Netherlands, 3.7%
- Canada, 17.3%
- Germany, 3.6%
- Rest of the World (after top 10), 31.7%
- Hong Kong, 2.9%
- Taiwan, 2.7%

2018 Colorado Springs MSA Exports

- Asia 48%
- Europe 19%
- USMCA 12%
- Rest of World 21%
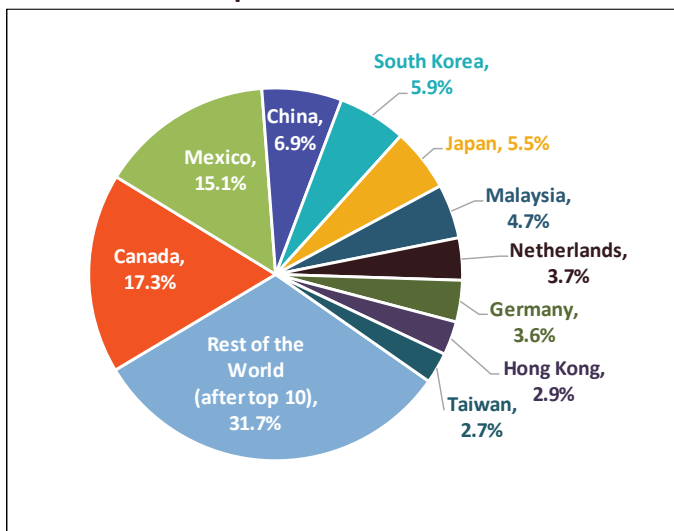
Note: All calculations are in U.S. dollars.
Source: Office of Trade and Economic Analysis, International Trade Administration

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 a part of the United States-Mexico-Canada Agreement (USMCA). Approximately another third go to primarily Asian countries including China, Japan, South Korea, Malaysia, Hong Kong, and Taiwan. Approximately 7 percent of Colorado exports go to Germany and the Netherlands. The remaining third goes to the rest of the world. This profile is similar to that of all U.S. exports. In 2018, it is notable that 8.1 percent of the U.S. GDP emanated from export activity whereas in Colorado, only 2.3 percent of GSP emanated from export activity. Hence, Colorado is not as export dependent as other states and will likely not have as much negative impact from the trade disputes.

Eighteen of 31 manufacturing categories in Colorado increased exports in 2018. The largest dollar gains were in minerals & ores, $95 million (up 82.0%); primary metal manufacturing, $68 million (37.7%); machinery except electrical, $65 (7.9%); transportation equipment, $54 million (14.1%); and used or second-hand merchandise, $53 million (104.1%). Significant export declines took place in beverages & tobacco products, -$52 million (-39.7%); chemicals, -$43 million (-5.6%); nonmetallic mineral products, -$30 million (-18.9%); and oil & gas, -$18 million (-86.4%).

The second graph to the left shows that Colorado Springs exports are more heavily skewed towards Asia at 48 percent of all exports. Tariffs imposed by China could disproportionately impact our region, although exports only made up 2.5 percent of GMP in 2017, the last year for which data is available. Canada and Mexico have a lower percentage of exports coming from Colorado Springs at 12 percent. From 2008 to 2018, Colorado Springs exports declined 56.0 percent. However, in the last two years, export activity has modestly increased (by 4.2% in 2017 and another 3.8% in 2018.)

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?

For e-commerce, Kiplinger projects a double-digit increase of 17.0 percent for all of 2019 and a 2.0 percent increase in brick-and-mortar sales. The double-digit growth in e-commerce over the past many years is indicative of a disruptive technology that has re-defined the industry.

Statista projects a 9.3 percent increase in 2019 in e-commerce with another 10.3 percent increase in 2020. 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 in 2019. It is worth noting that retail sales can be a very good indicator of the overall economy. In past business cycles, retail sales have begun to decline about 6 to 12 months prior to a

## E-Commerce versus Retail Sales Growth in the U.S.
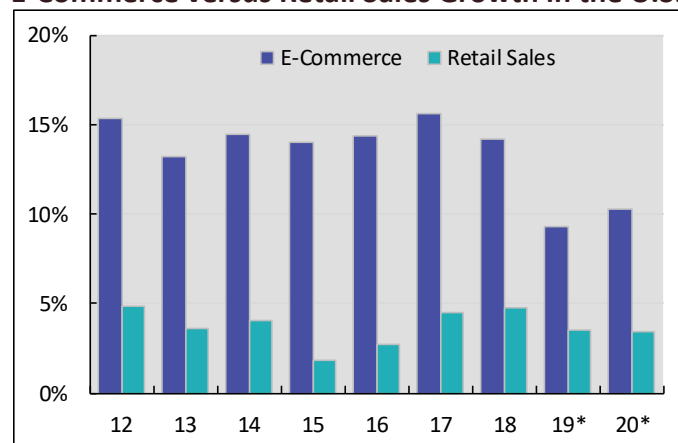
*Wells Fargo and Statista forecasts
Source: U.S. Department of Commerce

downturn. Thus far into 2019, total retail sales including in-store and online have been steadily increasing in the 0.4 to 0.8 range on a monthly basis according to the U.S. Census Bureau, which is favorable.

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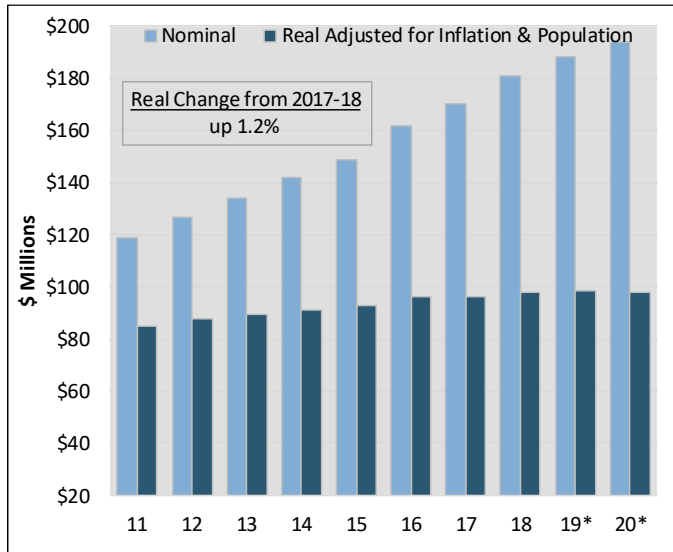
*City of Colorado Springs and UCCS Economic Forum forecasts
Sources: City of Colorado Springs; UCCS Economic Forum

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 $181.2 million in 2018 (nominal dollars). This is $11.1 million higher (6.5%) than in 2017. Through July 2019, combined sales and use tax collections were up $3.37 million (3.3%) over the same period in 2018. The sales and use tax collections for 2019 are expected to increase by 4.0 percent to $188.5 million and by 3.0 percent in 2020 to $194.1 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 0.6 percent in 2019 and decrease by 0.6 percent in 2020 using Forum calculations.

Through August 2019, all sales tax revenue categories were higher than year ago amounts except auto dealer (-0.22%) and miscellaneous retail (-4.18%). The largest gains were in business services (16.49%), auto repair and leases (8.40%), grocery stores (8.39%) and building materials (7.63%).

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?

The State of Colorado changed sources for new vehicle registration information in 2018. For this reason, the trend data can only go back to June of 2018.

From January through September 2019, there have been an average of 1,974 new vehicle registrations per month.

In Colorado Springs, lodger's and automobile rental taxes (LART) increased from $6,645,021 in 2017 to $7,143,658 in 2018, a 7.5 percent increase. The city of Colorado Springs projects a 6.9 percent actual increase (to $7,640,000) for 2019 and a 7.2 percent increase (to $8,190,000) in 2020 .

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. This is reflective not only of strong state and national economies but also of our increasing visibility as a highly desirable tourist location. With the opening of the Olympic Museum in 2020, an Air Force Academy Visitor's Center, a new ice arena at Colorado College and a new downtown stadium, tourism and LART revenues should only increase. It is possible that LART rates charged to visitors may increase in the next couple of years, which is supported by VisitCOS. Our region has a low taxation rate for lodging, compared with other tourist destinations.

New Vehicle Registrations in El Paso County
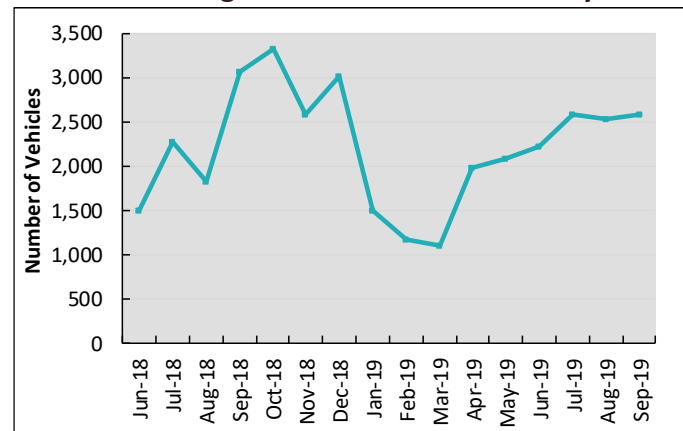
Lodger's and Automobile Tax Collections ($000s)
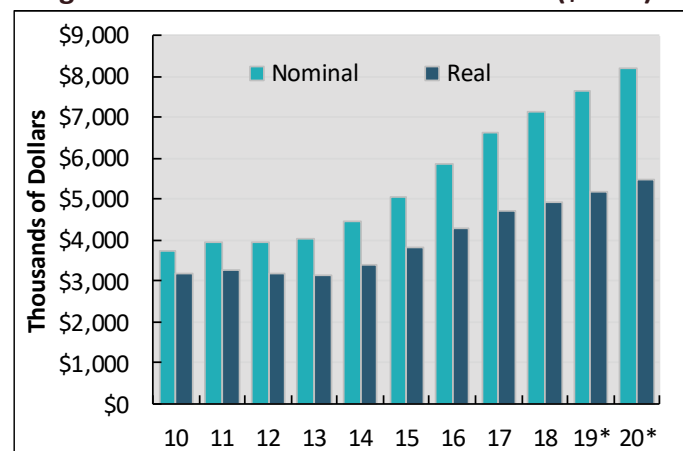
*City of Colorado Springs forecasts
Sources: Colorado Interactive LLC; City of Colorado Springs Finance Department, Sales Tax Division; UCCS Economic Forum

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 $15,431 in the Cripple Creek school district to a low of $8,639 in the Widefield school district. 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 2016, Colorado spent $2,222 less per student than the national average. This lower level of funding is likely what is driving the lower Colorado teacher pay and a factor in the teacher shortage. The average starting salary in 2017-18 for Colorado was $33,483 and for the U.S. it was $39,249. This is ironic given that Colorado ranked number 7 in the nation in terms of real GSP growth in 2018. 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.
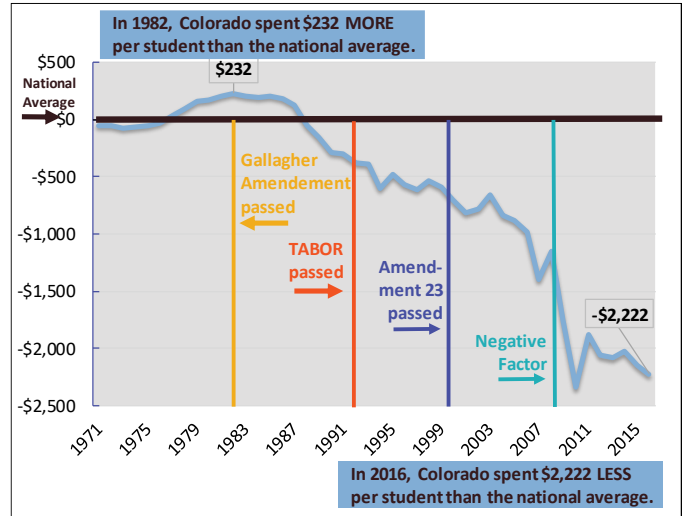
Our future workforce is being constrained by the high cost of higher education. For publicly-funded institutions, the bar chart at the bottom shows that U.S. students are paying, on average, almost half of the total costs of tuition while in the state of Colorado, students are paying about 71 percent of total tuition costs. According to the Pew Research Center, about 34 percent of U.S. adults ages 18 to 29 have student debt and 49 percent of young adults pursuing education beyond a bachelor's degree have student debt. These percentages will only increase: in 2018, 69 percent of college students took out a student loans according to the Federal Reserve. The average student debt was almost $30,000 in 2018. Seven percent of all student borrowers owed $100,000 or more.

2017-18 K-12 Enrollment and Per Pupil Spending

School District	County	Pupil Enrollment	Per Pupil Spending
Cripple Creek-Victor RE-1	Teller	367	$15,431
Falcon 49	El Paso	21,448	$13,769
Harrison 2	El Paso	11,771	$12,868
Hanover 28	El Paso	275	$12,813
Colorado Springs 11	El Paso	27,427	$12,680
Miami-Yoder 60 JT	El Paso	303	$12,199
Cheyenne Mountain 12	El Paso	5,220	$12,177
Lewis-Palmer 38	El Paso	6,703	$11,365
Manitou Springs 14	El Paso	1,400	$11,345
Edison 54 JT	El Paso	228	$11,156
Academy 20	El Paso	25,831	$10,630
Peyton 23 JT	El Paso	624	$10,289
Fountain 8	El Paso	8,338	$9,762
Calhan RJ-1	El Paso	458	$9,554
Woodland Park RE-2	Teller	2,502	$9,199
Ellicott 22	El Paso	1,055	$9,062
Widefield 3	El Paso	9,695	$8,639

Source: Colorado K-12 Financial Transparency

K-12 Per Pupil Expenditures: Colorado versus National Average

In 1982, Colorado spent $232 MORE per student than the national average. $232

Gallagher Amendement passed

TABOR passed

Amendment 23 passed

Negative Factor

-$2,222

In 2016, Colorado spent $2,222 LESS per student than the national average.

Sources: National Center for Education Statistics; Great Education Colorado

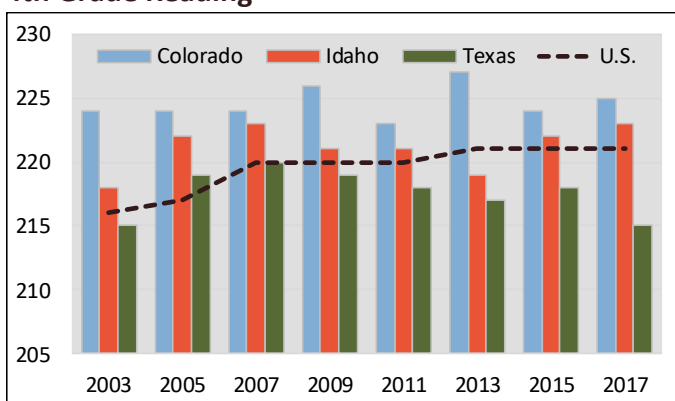## Student-Paid Portion of Higher Education Tuition at Public Institutions in 2018

46.6% (U.S.)

70.9% (Colorado)
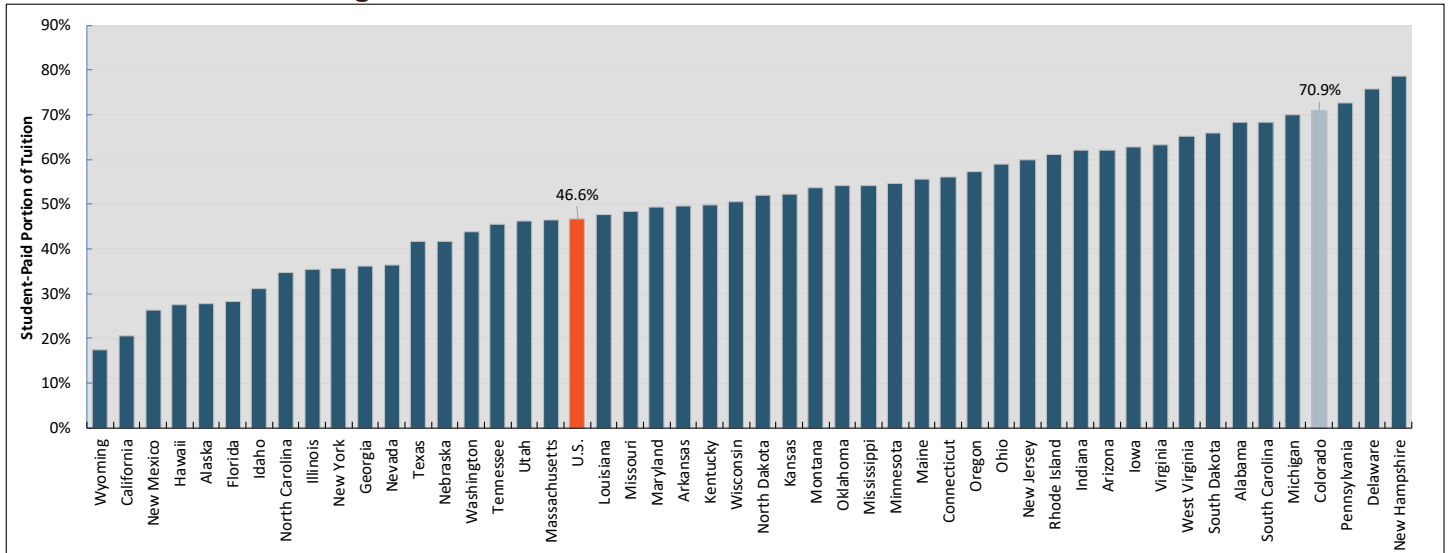
Source: 2018 SHEF Report, State Higher Education Executive Officers

EDUCATION INDICATORS

4th Grade Mathematics
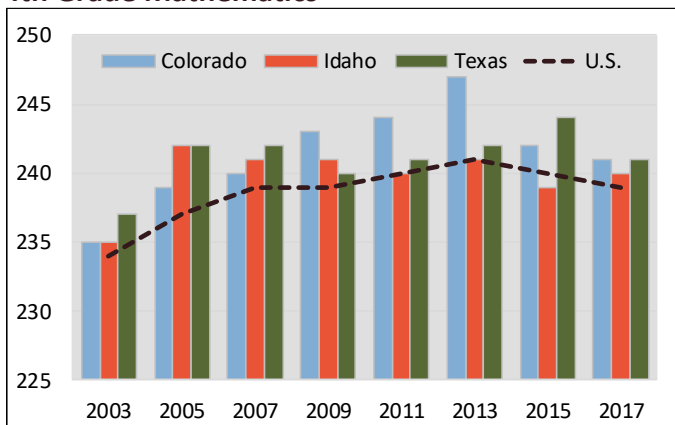
4th Grade Reading

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 compared to the U.S.. 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.
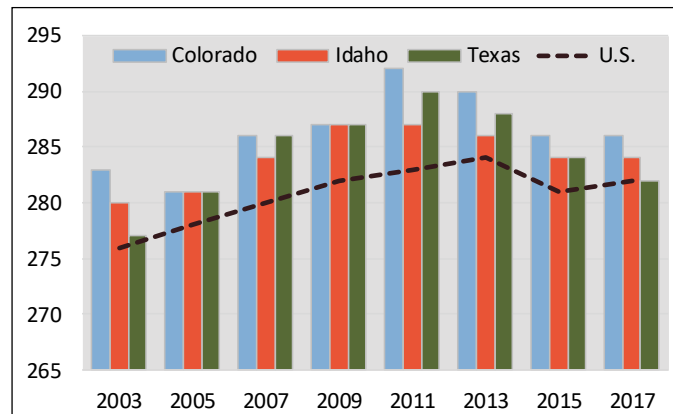
WHY ARE THESE IMPORTANT?

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
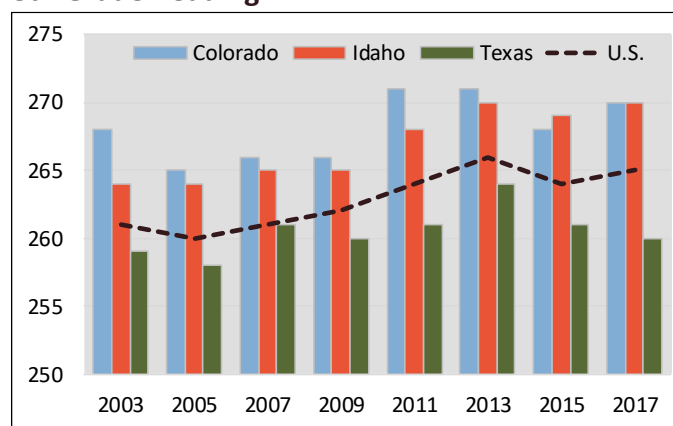
2018-19 Average per Pupil Spending	
Colorado (30th)	$11,490
Idaho (50th)	$6,861
Texas (38th)	$10,096
United States	$12,920

Source: National Education Association
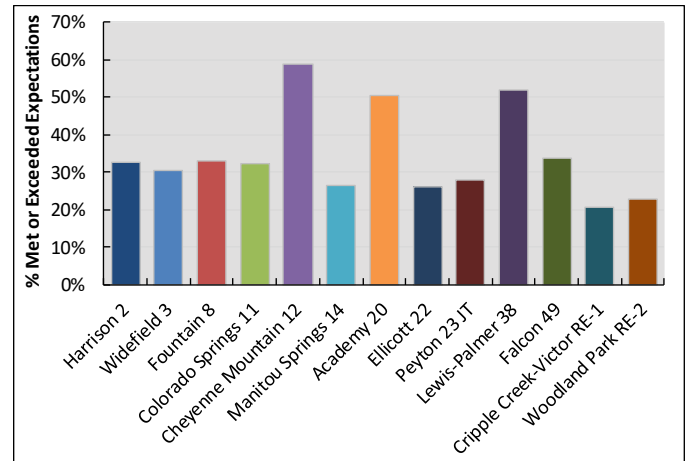
EDUCATION INDICATORS

WHY ARE THESE IMPORTANT?

During the spring of 2015, 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 testing in the spring of 2019 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.
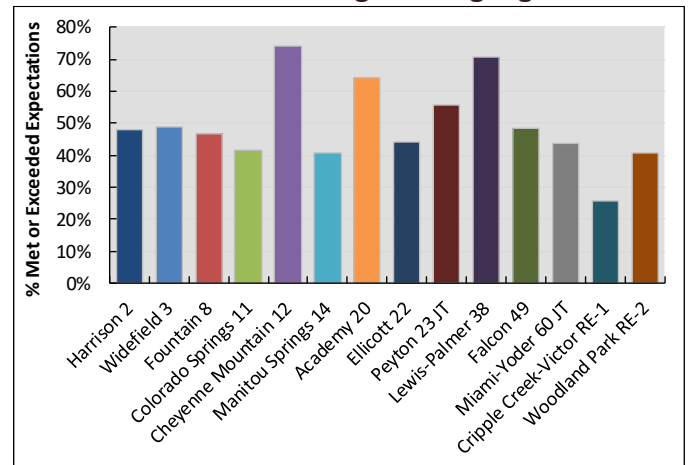
HOW ARE WE DOING?

Overall, 4th graders did better on English language arts than mathematics testing in the 2018-19 school year. For 4th grade mathematics, results range from 21 percent meeting or exceeding expectations in Cripple Creek-Victor to 59 percent in Cheyenne Mountain. For 4th grade English language arts, results range from 26 percent meeting or exceeding expectations in Cripple Creek-Victor to 74 percent in Cheyenne Mountain.
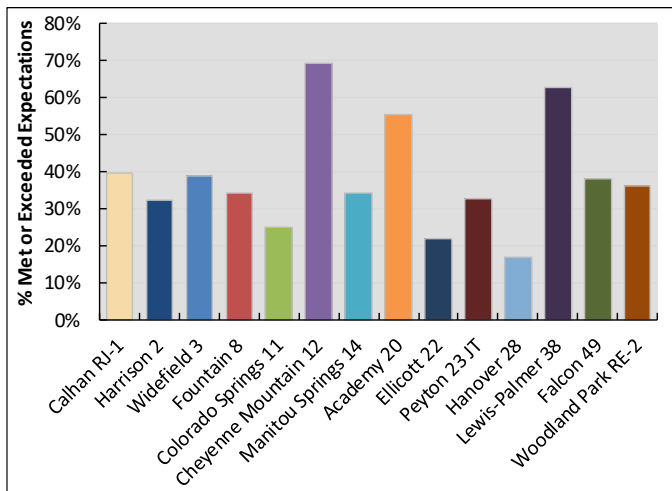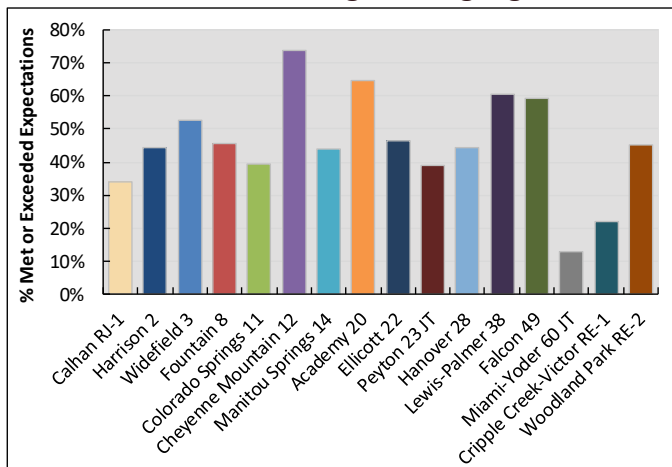
2019 CMAS: 8th Grade Mathematics

2019 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

2019 CMAS: 4th Grade Mathematics

2019 CMAS: 4th Grade English Language Arts

WHY ARE THESE IMPORTANT?

The new Colorado Measures of Academic Success (CMAS) tests are also administered in higher grades. 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?

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 17 percent meeting or exceeding expectations in Hanover to 69 percent in Cheyenne Mountain. For 8th grade English language arts, scores range from 13 percent meeting or exceeding expectations in Miami-Yoder to 74 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.

Starting in 2019, all 8th graders took the same math test whereas in previous years, advanced students who were in algebra or geometry took the CMAS test that corresponded to the higher grade level. Having all 8th graders take the same math test now , including the advanced students, would skew the math scores upwards.

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 2019, the Colorado Department of Education reported that Colorado juniors had an average SAT score of 1001. The juniors in Cheyenne Mountain D12 (1151), Manitou Springs D14 (1061) Academy D20 (1081), Lewis-Palmer D38 (1114), and Edison D54 JT (1116) all had average SAT scores higher than the state average.

In 2019, the U.S. mean SAT score was 1059, brought down by the increase in students required to take the test according to *The Wall Street Journal* using the scores provided by the College Board. Colorado contributes to this 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.
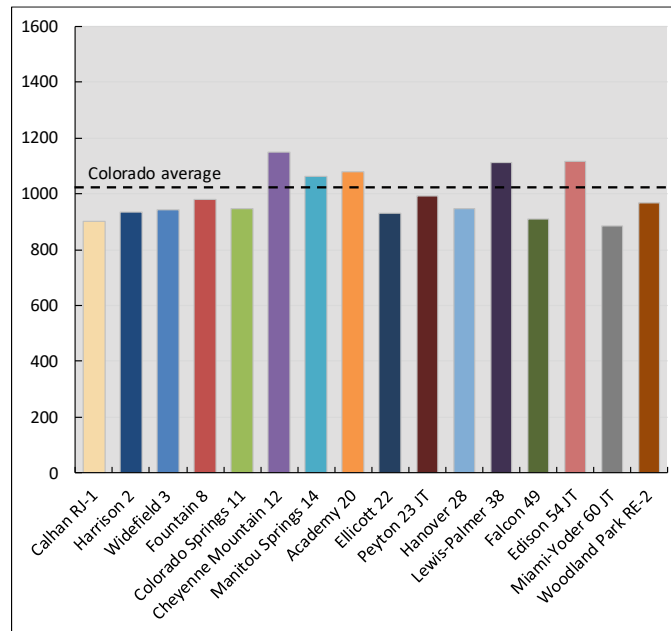
WHY ARE THESE IMPORTANT?

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 because of the high demand for skilled workers, but also because racial/ethnic minorities are comprising an increasing proportion of the U.S. population.
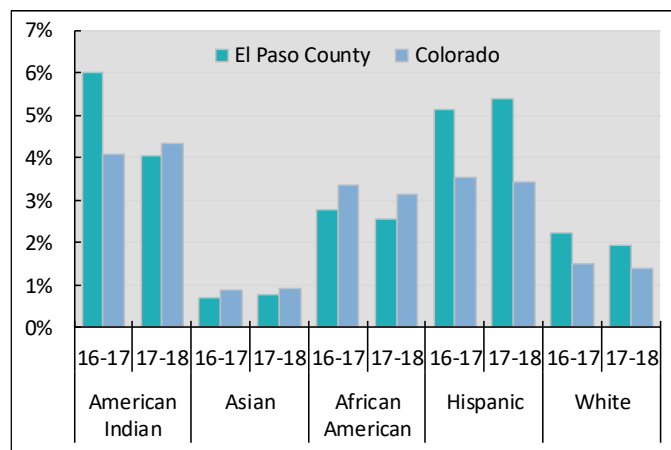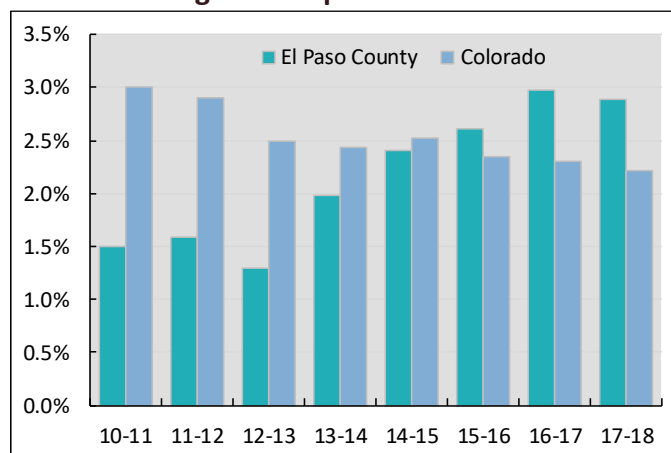
HOW ARE WE DOING?

Dropout rates in El Paso County (2.9%) were higher than Colorado (2.2%) in 2018. In El Paso County, dropout rates have been increasing since 2013. They did drop slightly from 3.0 percent in 2017 to 2.9 percent in 2018. In the state of Colorado, dropout rates have had a downward trend since 2010.

Dropout rates in El Paso County are highest among American Indian/Alaskan Native and Hispanic students. There was a significant decrease in the American Indian/Alaskan Native drop out rates from 2017 to 2018. Rates for other racial/ethnic groups stayed relatively flat. Dropout rates are lowest among Asian and White students, which is consistent with national trends. In El Paso County in 2018, the lowest drop out rate was for Asian students (0.8%), whereas the highest dropout rate was for Hispanics (5.4%).

According to a study by the Brookings Institute, 80 percent of incarcerated male adults in the U.S. in 2014 were high school dropouts. From an earnings perspective, the median income for someone who had not completed high school was $23,031 in 2017 according to the Census Bureau. By contrast, a high school graduate earned $30,624 and an individual with a bachelor's degree earned $52,484.

High School Junior SAT Scores in Colorado Springs MSA, 2019

Note: Scores for Cripple Creek-Victor RE-1 were not available due to the small number of students.
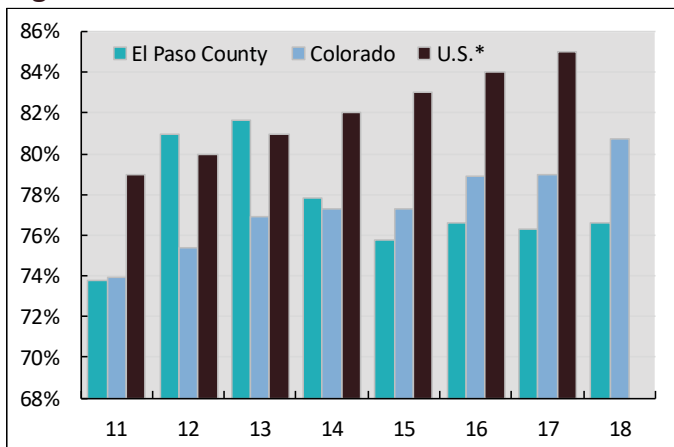Source: Colorado Department of Education

Grade 7 through 12 Dropout Rates

Note: The information above the racial/ethnic groups represent 2016-17 and 2017-18. 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 2018, Colorado's graduation rate (80.7%) was higher than the overall rate for El Paso County (76.6%); however, eleven of the fifteen El Paso County school districts had higher graduation rates than the state.
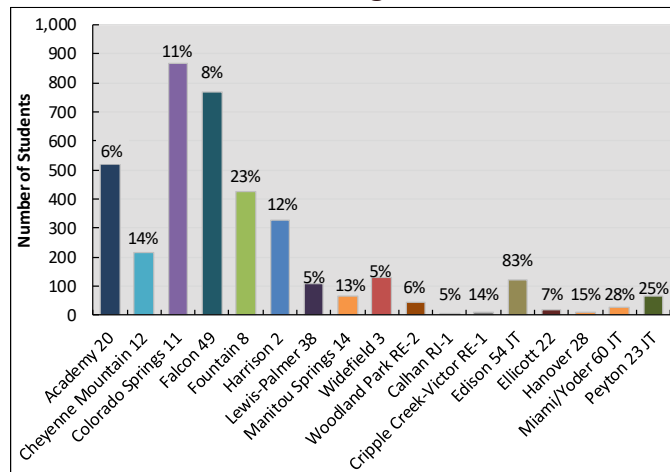
WHY IS THIS IMPORTANT?

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.

Districts use per pupil revenue to pay the tuition for the postsecondary courses at the resident community college rate directly to the institution on behalf of the student.

HOW ARE WE DOING?

Participation in concurrent enrollment programs has seen sustained increases, with 30,979 students participating statewide (up almost 10% from the previous year) and 3,742 students in the Colorado Springs MSA in the 2017-18 school year. Statewide, 98 percent of school districts and 85 percent of high schools offer concurrent enrollment programs.

Students in Concurrent Programs in 2017-18

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) decreased from 12,574 in 2018 to 12,180 students in the fall of 2019 (down 3.1%). Since 2006, enrollment at UCCS has grown 61.4 percent (7,547 to 12,180).

Pikes Peak Community College (PPCC) enrollment increased by 3.6 percent to 13,860 in 2019 from 13,381 in 2018. Enrollment is up 31.7 percent since 2006 (10,526 to 13,860) at PPCC.

Enrollment at Public Institutions of Higher Learning in El Paso County
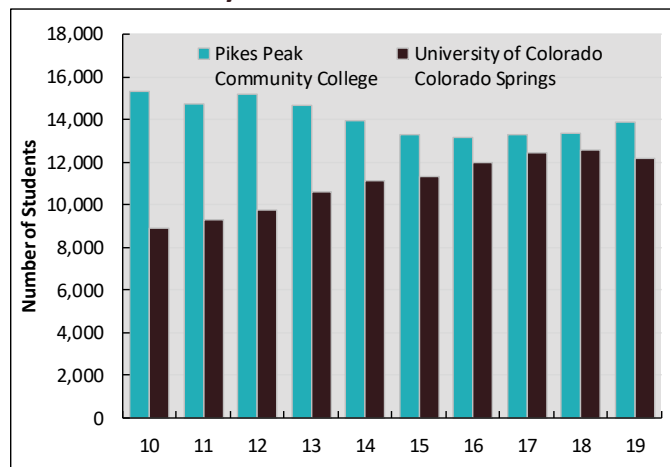
Sources: Institutional Effectiveness Office at Pikes Peak Community College; UCCS Institutional Research

EDUCATION INDICATORS

Population with Some College or an Associate Degree in 2018

Legend: Colorado Springs (city), Colorado, United States

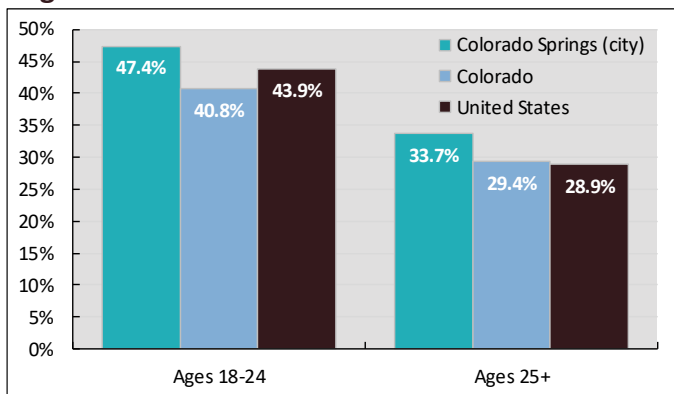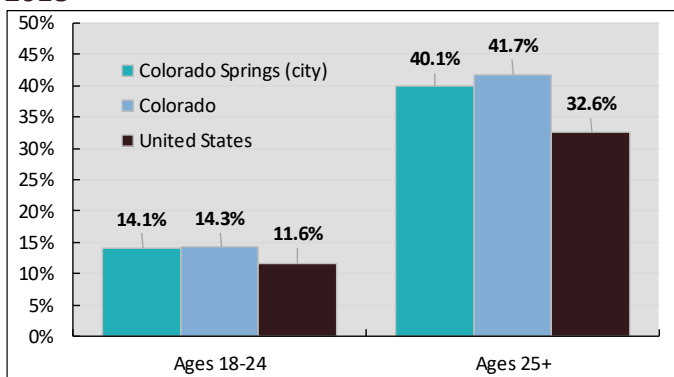Ages 18-24: 47.4% (Colorado Springs), 40.8% (Colorado), 43.9% (United States)
Ages 25+: 33.7% (Colorado Springs), 29.4% (Colorado), 28.9% (United States)

Population with Bachelor's Degree or Higher in 2018

Legend: Colorado Springs (city), Colorado, United States

Ages 18-24: 14.1% (Colorado Springs), 14.3% (Colorado), 11.6% (United States)
Ages 25+: 40.1% (Colorado Springs), 41.7% (Colorado), 32.6% (United States)

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: "2019's Most & Least Educated States" *WalletHub,* January 21, 2019.

WORKFORCE ASSET MAP
COLORADO SPRINGS

WHY ARE THESE IMPORTANT?

The higher educational attainment of a populace is important because well-trained individuals are necessary for business growth and 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 2018, Colorado Springs had 33.7 percent of its population ages 25 and older with some college or an associate degree, which is significantly higher than the state (29.4%) 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 helpful in fulfilling local business needs and 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 2018, Colorado Springs had 40.1 percent of its population ages 25 and older attaining a bachelor's degree or higher, which is comparable to the state (41.7%) and significantly higher than the U.S. (32.6%).

According to a 2019 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 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.

To help address the local workforce shortage and skills gap, the UCCS Economic Forum led a group of workforce-related organizations in Colorado Springs to form *WAM*, the Workforce Asset Map. 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.

During 2019, a subgroup of the WAM initiative obtained funding for a WAMbassador. This individual will be the community liaison that brings together training institutions, businesses, and government to catalyze workforce-related initiatives. This person will also present to local middle and high schools with information on the current and future high growth occupations, the credentials/degrees needed for those occupations, and the associated salary levels. This critical information is needed to assure a pipeline of future workers for the industries that are growing the most. The position will be filled by the end of the year.

> *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, more telecommuting, 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 23.9 minutes in 2018, (down from 24.5 in 2017), but up significantly from 22.1 minutes in 2007. Denver's mean travel time to work (28.0 minutes in 2017) is higher than the U.S. mean travel time to work (27.3 minutes). For comparative purposes, you can see that Boise (21.9 minutes) had a lower mean travel time than Colorado Springs in 2018 as did Salt Lake City (22.9 minutes). Of these few comparison regions, it is noteworthy that Colorado Springs had the largest increase in commute times from 2007 to 2018—a sign of more economic growth and the traffic that comes with it.
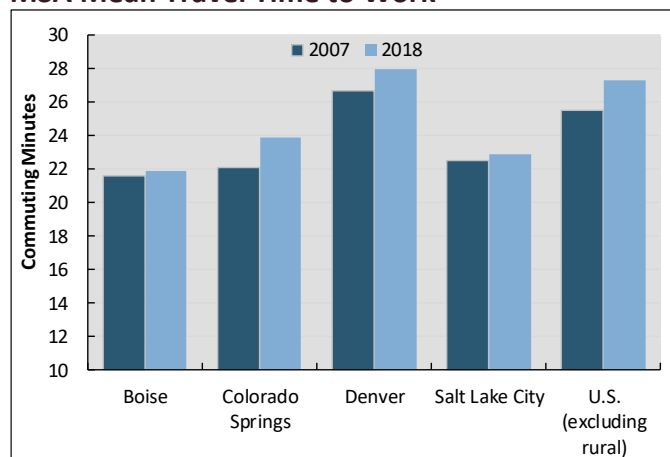
WHY IS THIS IMPORTANT?

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.
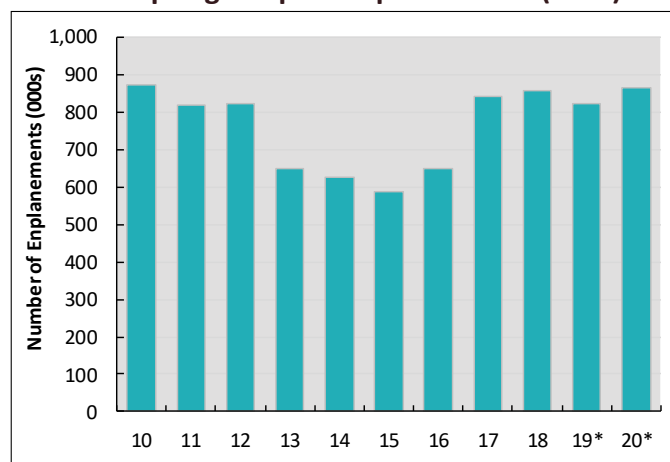
HOW ARE WE DOING?

Total enplanements at the Colorado Springs Airport were 857,829 in 2018, which is up from 840,661 in 2017: an increase of 2.0 percent. Since 2015, enplanements have generally been increasing: up 46 percent from 2015 to 2018. The airport has become a source of pride and the expansion in flights, especially direct flights to key destinations, has boosted interest and use by passengers. There is a positive feedback loop: more activity leads to more interest by airlines to add or expand flights.

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 821,014 in 2019 (down 4.3% over the prior year), and at 864,598 in 2020 (up 5.3% over the prior year).

Commercial traffic at COS continues to perform well, with carriers moving to larger aircraft and new flights from Delta (a third daily flight to Salt Lake City) and American (winter Phoenix flights). There are new hangars and an expansion of the National WWII Aviation Museum on the west side, a significant lease expansion for Peterson Air Force Base, and explosive development of the Peak Innovation Business Park. As the largest Opportunity Zone in the Colorado Springs area, and available incentives through the Commercial Aeronautical Zone,

MSA Mean Travel Time to Work

2018 MSA Mean Travel Time to Work

Boise	21.9 min.
Colorado Springs	23.9 min.
Denver	28.0 min.
Salt Lake City	22.9 min.
U.S. (excluding rural)	27.3 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, and Washington D.C.

new construction includes more than $9 million in utility infrastructure, a distribution facility for Amazon opening in late 2019, two name brand hotels for construction in early 2020 and numerous other potential projects in discussion and planning stages.

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 is used 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 2018, the Pikes Peak region had approximately 22.6 million visitors spending $2.4 billion or $6.6 million per day. Overnight visitors spent $1.7 billion in 2018, up 7 percent. These overnight visitors spend an average of 3.2 nights in the region, up from 2.8 nights in 2017.

Tourism is the region's third largest employer at approximately 20,000 tourism-related jobs. With the region's new attractions coming online (page 23), tourism's economic impact will likely increase significantly.

Narrative Source: Longwoods International, Pikes Peak Region 2018 Visitor Research provided by Visit Colorado Springs

HOW ARE WE DOING?

From 2017 to 2018, hotel lodging in Colorado Springs increased 1.7 percent to 71.1 percent as measured by the occupancy rates. For the entire state of Colorado, occupancy rates decreased 0.4 percent to 69.2 percent, while RevPAR increased by $0.40 to $108.94 in 2018. RevPAR also increased in Colorado Springs from $79.48 in 2017 to $84.40 in 2018 (a 6.2% increase). RevPAR is forecasted to be $85 in 2019 and $86 for 2020 in Colorado Springs.

Colorado and Colorado Springs Hotel Occupancy
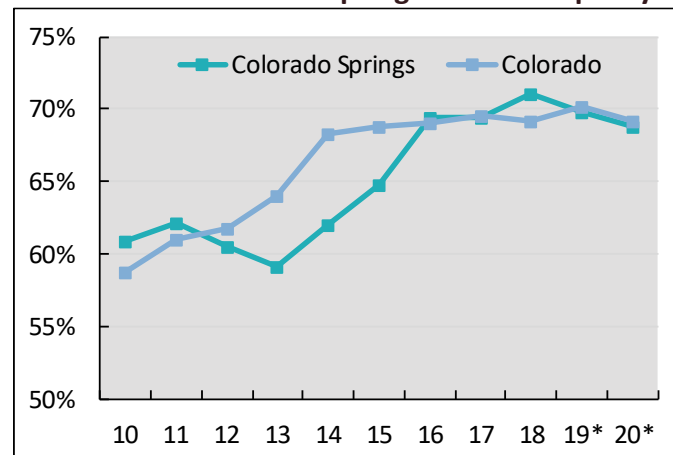
Colorado and Colorado Springs RevPAR Trends

2010 to 2018
64% increase in Colorado Springs
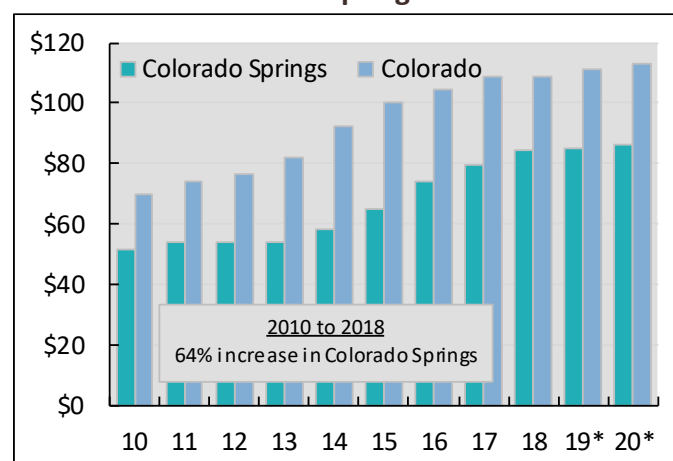
*Robert S. Benton & Associates, Inc. forecasts
Source: Colorado Hotel and Lodging Association, Rocky Mountain Lodging Report

City* Park Acres per 1,000 Residents in 2018

*Parkland includes city, county, metro, state and federal acres within city limits.
Source: The Trust for Public Land, 2019 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.
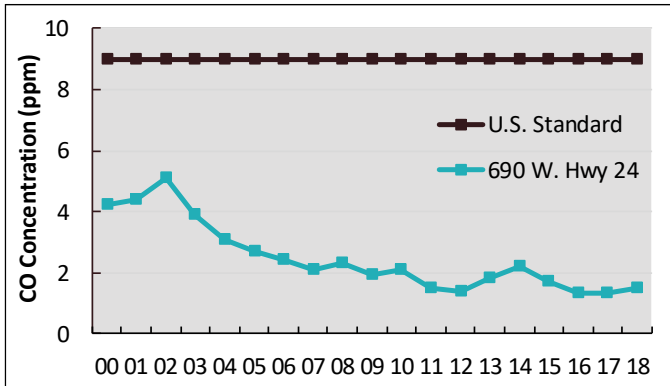
HOW ARE WE DOING?

The entire Pikes Peak region is blessed with beautiful views and natural, scenic areas. Together, the city and county managed 25,559 acres of open space and parkland or 35.9 acres per 1,000 residents in 2018. 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 and for the associated tax receipts. The city of Colorado Springs has 17,703 acres of parkland and open space under management. El Paso County manages 7,856 acres of trails and open space. Parkland and open space has increased 79.9 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. In 2018, Colorado Springs had 23.5 acres per 1,000 residents, which is significantly higher than the U.S. median of the 100 cities studied (13.3 per 1,000) and higher than all other comparison cities.

Carbon Monoxide

Particulate Matter

Ozone Trends in El Paso County

Sulfur Dioxide

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

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. Currently, there is a state-sponsored study on building a "Front Range Rail" system that would connect Denver and Colorado Springs. It is possible that funding for this possible project may become a ballot initiative in 2020.

In 2018, Colorado Springs had a carbon monoxide concentration of 1.5 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 ($\mu g/m^3$). Even with the lower threshold, our region still has relatively clean air and is well below the EPA-set standard at 6.2 $\mu g/m^3$ in 2018.

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. While our region's ozone levels then decreased from 2013 to 2016, the readings have been increasing since then and reached the standard in 2018 at the U.S. Air Force Academy (0.070 ppm) and were only slightly better in Manitou Springs (0.069 ppm) so that our region is close to exceeding this new U.S. standard. The national standard for ozone dropped to 0.070 ppm in 2015.

Sulfur dioxide is yet another measure of air quality. About 99 percent of sulfur dioxide in the air emanates from human sources primarily from the burning of fossil fuels. It is considered a toxic substance and is harmful to the health of all living organisms. It impacts humans mostly through inhalation and absorption into the soil. Our region fares well in this metric although increasing traffic congestion could negatively impact sulfur dioxide measures in the future.
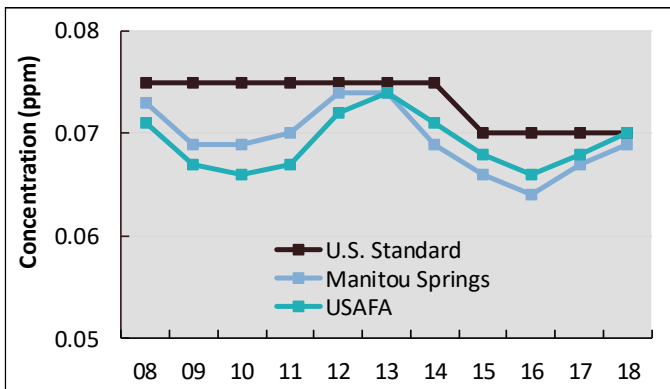
Overall, our region has good water. Colorado Springs Utilities continuously tests our local water sources taking more than 12,000 samples per year and running more than 400 tests per month. The 2019 water quality report can be found at:
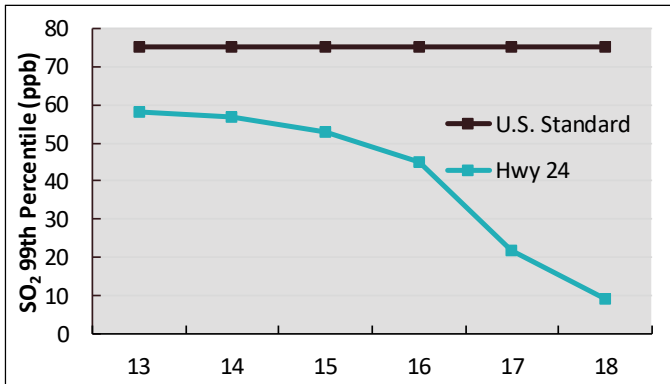https://www.csu.org/CSUDocuments/waterqualityreport2019.pdf.
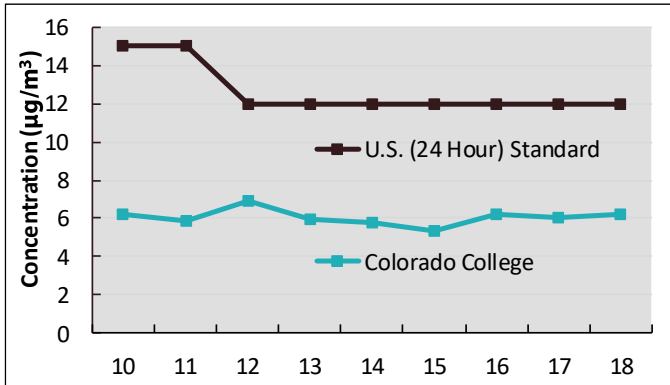
QUALITY OF LIFE, TOURISM AND OTHER INDICATORS

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.
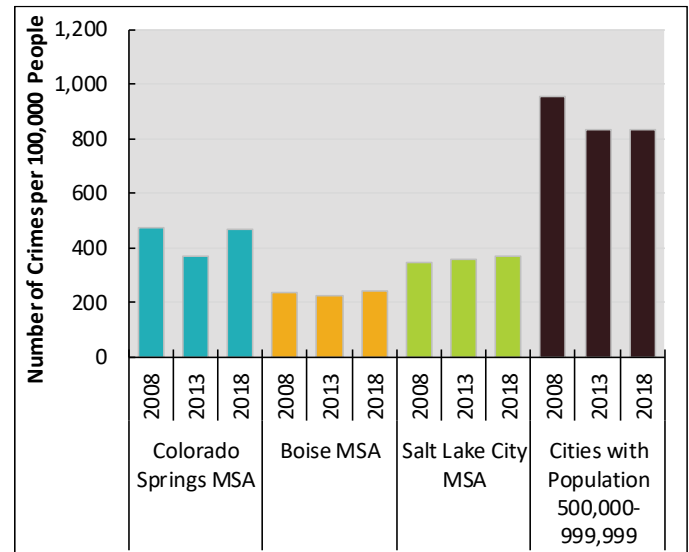
HOW ARE WE DOING?

From 2008 to 2018, the number of violent crimes per 100,000 inhabitants decreased by 0.9 percent in the Colorado Springs MSA according to the Federal Bureau of Investigation even as the population increased by 116,645 During that same ten-year period, property crimes per 100,000 inhabitants decreased by 30.4 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.

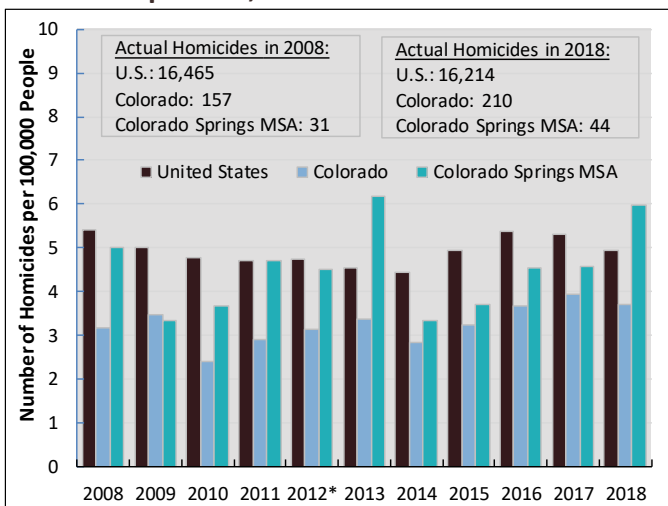### Sworn Police Officers per 10,000 Inhabitants in 2018

City of Colorado Springs	14.9
Colorado Springs MSA	7.7
Cities with Population 500,000-999,999	23.3

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."
- Federal Bureau of Investigation

Homicides per 100,000 Inhabitants

Actual Homicides in 2008:
U.S.: 16,465
Colorado: 157
Colorado Springs MSA: 31

Actual Homicides in 2018:
U.S.: 16,214
Colorado: 210
Colorado Springs MSA: 44

*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
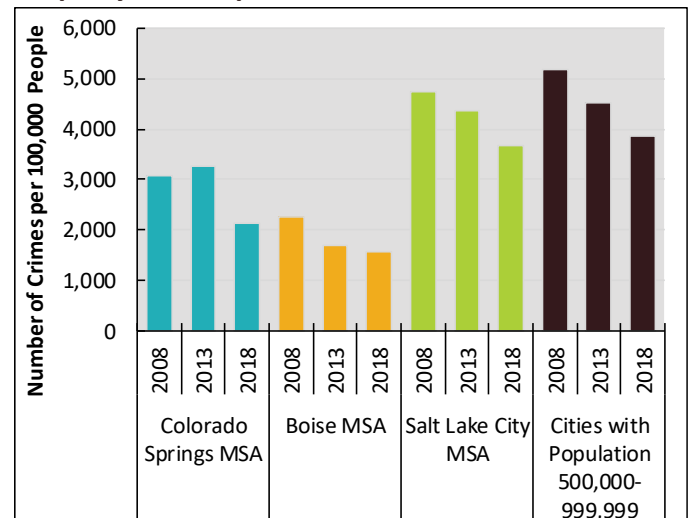
Note: 2018 violent crime data was not available for San Antonio MSA.
Source: Federal Bureau of Investigation, Uniform Crime Report

Homicides are a subcategory under violent crimes. The Colorado Springs MSA has consistently been below the U.S. average except in 2011, 2013 and 2018. 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, which is the most recent year data is available.

2016 Mortality Rates due to Homicide per 100,000 Population

Canada	Germany	Italy	Japan	United States
1.5	0.7	0.8	0.3	6.5

Note: As of the publication, data has not been updated.
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 2019, an additional 503,195 people had acquired medical insurance across the state, a 64 percent increase in that six year span. The peak year was 2017 and since then, Medicaid enrollment has declined, which may be due to the significant increase in the labor participation rate across the state. Many people previously enrolled in Medicaid may have gained employment with employers who provide health insurance.

In aggregate, Medicaid enrollees represented 22 percent, or roughly 1 in 5, of the total population of Colorado in 2019. 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).

In the Colorado Springs MSA in 2018, there were 194,365 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 194,365 Colorado Springs MSA residents enrolled in Medicaid, 79,014 (or 41%) 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 15.7 in 2017, higher than the rate in the state of Colorado (13.8) and approximately double the national rate (7.2). One hopeful point is that our county rates improved (from 18.1 in 2016). By contrast, the state's rate was up (from 11.1 in 2015 to 13.8 in 2017) as was the U.S. rate (from 6.1 in 2015 to 7.2 in 2017).

Total Colorado Medicaid Enrollment
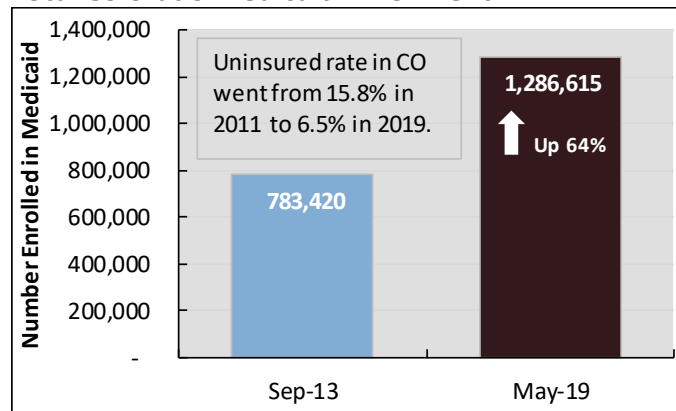
Source: Kaiser Family Foundation; Colorado Health Institute

Suicide Rates per 100,000 in 2017

	Youth (Ages 10-19)	All Ages (Age Adjusted*)
El Paso County	15.7	24.8
Colorado	13.8	20.3
United States	7.2	14.0

*Age-adjusted rates make a fairer comparison between locations with different age distributions
Sources: Centers for Disease Control & Prevention, National Center for Health Statistics; UCCS Economic Forum

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 next report with updated rates will be published in 2020.

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.

2017 Mortality Rates (deaths per 100,000)	
El Paso County	744.3
Colorado	663.4
United States	731.9

2017 Life Expectancy (in years)	
El Paso County	78.8
Colorado	77.9
United States	78.6

*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 2018

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
Numbers were too small to rank additional causes of death

Ages 15-24
1. Suicide
2. Unintentional Injuries
3. Homicide/Legal Intervention
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. Suicide
5. Chronic Lower Respiratory Diseases

Ages 65+
1. Heart Disease
2. Malignant Neoplasms
3. Chronic Lower Respiratory Diseases
4. Alzheimer's Disease
5. Cerebrovascular Diseases

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

🏔 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 (2018)	3.1%	2.3%	3.1%	2.6%	3.9%	3.1%	4.4%
Average wage and salary disbursements (2017)	$60,142	$64,146	$51,419	$63,965	$56,207	$53,016	$57,653
Percent of the population 25 years and over with an associate degree or higher (2018)	52.8%	68.2%	49.9%	52.6%	48.5%	44.8%	43.1%
Percent of the population 25 years and over with a bachelor's degree or higher (2018)	46.6%	62.5%	38.6%	44.8%	40.3%	35.2%	34.7%

*All United States metrics are for the metro portion of the U.S. population, except for the average unemployment rate which is for the total U.S. population 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 2018 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 2018, the Colorado Springs MSA (3.1%) 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 2017, the wage and salary disbursements averaged $57,653 in the U.S. metros, while they were $51,419 in the Colorado Springs MSA (10.8% lower than the U.S.). Wage and salary 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 2018 was 43.1 percent, while it was much higher in the Colorado Springs MSA at 49.9 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 34.7 percent in 2018. For the Colorado Springs MSA, that average was significantly higher at 38.6 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. These high state and local educational attainment rates are mostly due to in-migration. The academic preparedness of children currently living in the state could, however, improve as evidenced by the lower state SAT scores.

Map of Colorado Springs MSA
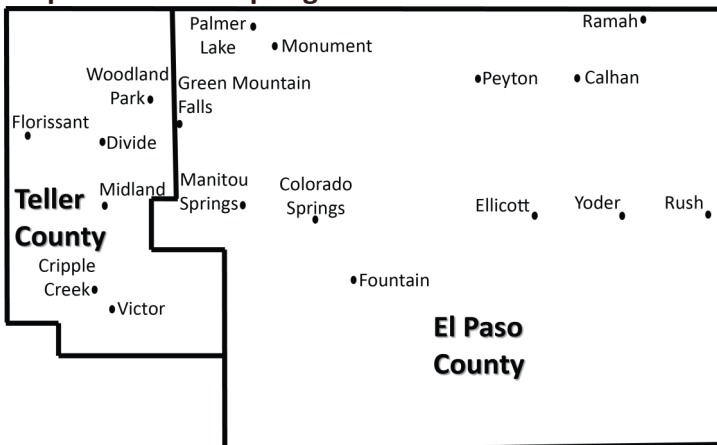
UCCS by the facts

- The current student enrollment for 2019 is 12,180.
- About 20 percent of UCCS students are first generation students.
- Nearly 1 in 4 students is military affiliated.
- At least 12 U.S. Olympic hopeful athletes attend UCCS.
- The UCCS average student loan debt is about 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
- 70% of UCCS students received financial aid in 2018
- Among the fastest growing college campuses in the state
- UCCS contributes about $600 million each year in economic impact in El Paso County alone
- 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 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. This represents the highest standard of achievement for business schools worldwide. 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

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