UCCS Economic Forum
COLLEGE OF BUSINESS
UNIVERSITY OF COLORADO
COLORADO SPRINGS

UCCS Economic Forum Dashboard Report

April 2024

Dr. Bill Craighead, Director

Greetings from Dwire Hall at UCCS!

Local employment data has shown some weakness in the first quarter of 2024. According to preliminary estimates from the Bureau of Labor Statistics, payrolls increased by 100 on a seasonally-adjusted basis in March after two consecutive months of decline (-400 in January and -500 in February). While positive, the March figure still represents a very subdued pace – employment growth averaged 588 per month in 2018-19, and 900 last year. It is possible that we are seeing higher interest rates affecting local hiring. With the region's growth and high population turnover, interest-sensitive construction and real estate play a more significant role in our economy than they do nationally. We previously noted the effects of low home sales in slumping sales of furniture, appliances and electronics last year, and now we may be seeing it in payrolls. However, in percentage terms, the payroll decline in the first quarter is quite small and it follows strong growth in the fourth quarter of last year. The unemployment rate is still low by historical standards – 4.0% in March on a non-seasonally adjusted basis (the seasonally adjusted estimate is not yet available).

The BLS released its annual Occupational Employment and Wage Statistics, which provide estimates of employment and wages at a detailed occupational level. The estimates, which are for May 2023, include a "location coefficient" for each occupation. This is a measure of the relative concentration of a particular occupation in a region compared to the US overall. A location coefficient of 2 would mean that the share of an occupation in local employment is twice that of the country. Among the occupations that have high location coefficients in the Colorado Springs metro area are semiconductor processing technicians (9.35), aerospace engineers (5.54), travel and tour guides (3.84) and information security analysts (3.17). The importance of real estate in the local economy is underscored by the coefficient for real estate sales agents (3.05). Our highest location coefficient is for insurance appraisers, auto damage (10.87) – if you think it seems like there are an unusually high number of hail-damaged cars around here, you are right!

Colorado Springs city sales tax collections, which were weak much of last year, are looking healthier so far in 2024 – collections for sales in January and February were 5.3% ahead of the same period of 2023.

Colorado business confidence has improved, according to our friends in Boulder. The Leeds Business Confidence Index, which is based on a survey conducted in March, is above the neutral value of 50 for both the current and following quarter, after having been below 50 since the third quarter of 2022. For the current quarter, all six components are above 50, ranging from expectations of industry hiring, which is just positive at 50.1, to expectations of industry sales at 57.1. Expectations for the state economy are solid at 54.1. All of the components are in positive territory for the third-quarter outlook as well. More details are available in the Business Research Division's report.

Regional business entity filings increased for the first time since the third quarter of 2022. Although the surge in new business formation we can see in this data has abated somewhat, at 4569, filings in the first quarter of 2024 were still well ahead of their pre-pandemic pace; quarterly filings averaged 3039 in 2018-19.

Traffic continues to grow at the Colorado Springs airport – enplanements in the first quarter were 19% higher than in the same period in 2023. Colorado Springs LART tax collections for sales in the first two months of the year were just slightly ahead (1.7%) of the same period last year.

Single-family home prices were up slightly (3.1%) in March and are a little bit higher (2.2%) than a year ago. Sales volume continues to be slow, down 12.5% from a year ago, but the number of active listings is 26% higher than last year. According to Apartment List, the vacancy rate for apartments here continues to be somewhat elevated, at 8.1% in March, compared with 7.1% in metro Denver and 6.7% nationwide. In the first quarter, the total number of dwelling units permitted here was down 5.9% compared with the first quarter of 2023. Single-family permits were up 26.4%, but this was offset by a 27.6% decline in multi-family.

Although we're seeing some softness in local employment, the state and national data continues to come in strong. In the preliminary estimates, US payrolls increased by 303,000 and Colorado added 5,300 jobs in March.

The advance estimate for first-quarter US GDP growth came in at an annual rate of 1.6%, representing a deceleration from the fast pace we saw in the second half of last year. With the exceptions of consumer purchases of durable goods and business investment in nonresidential structures, most components of private domestic demand continued to increase. Overall final sales to private domestic purchasers rose at a 3.1% rate, indicating healthy demand. Residential investment grew at a 13.9% pace. The headline GDP figure was pulled down by imports (i.e., more of those purchases were of things not made here), as well as a deceleration in inventory accumulation.

While inflation is well down from its 2022 peak, the inflation data continues to be scrutinized obsessively for clues about future Fed policy and interest rates. In the first three months of the year, core (i.e. excluding food and energy) inflation ran at a 4.3% annual rate, according to the Fed's preferred measure, the personal consumption expenditures (PCE) price index. That's up from 1.5% in the last three months of 2023. The disappointing inflation data has caused expectations of Fed rate cuts to recede, pushing up long-term rates. The interest rate data in the dashboard reflects an average for March. For the fourth week of April, the average rate on a 30-year mortgage was 7.17%, according to Freddie Mac, up from a low of 6.60 in mid-January.

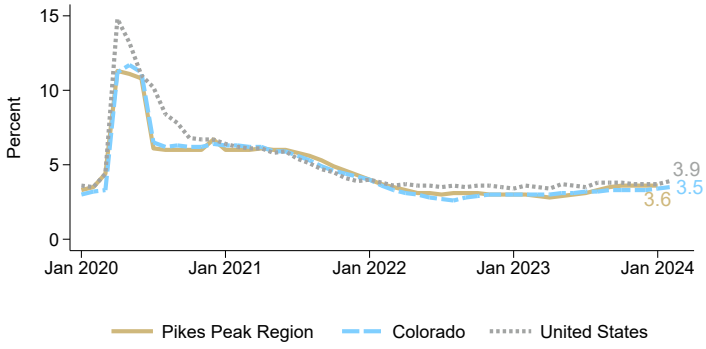
Thank you for your support!

Bill

Bill Craighead, Ph.D.
Director, UCCS Economic Forum
craighead@uccs.edu

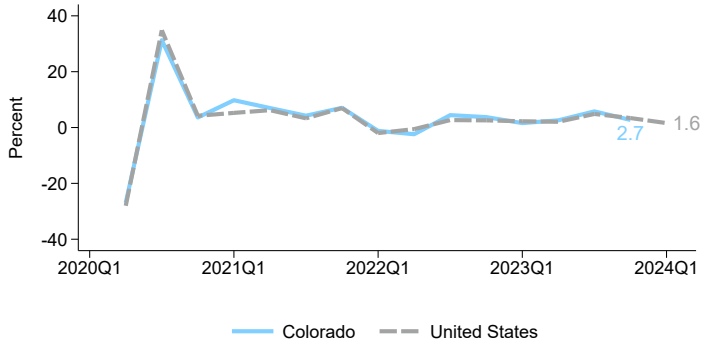
Output, Employment and Wages

Pikes Peak Region, Colorado and US Unemployment Rates



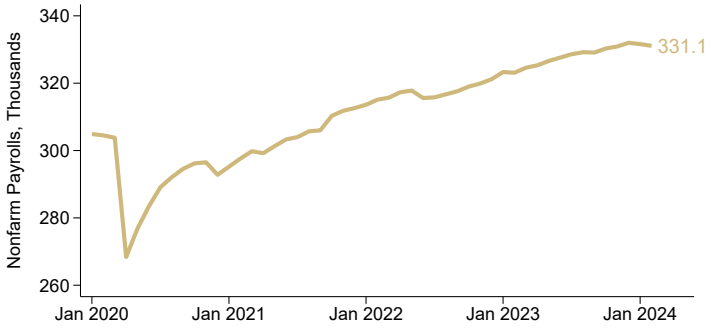
Data: Bureau of Labor Statistics, Seasonally Adjusted

Colorado and US Real GDP Growth



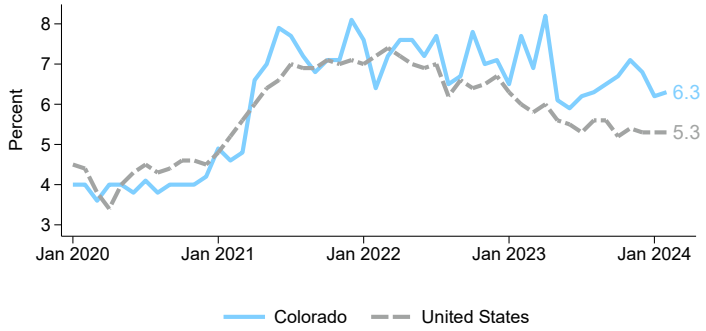
Data: Bureau of Economic Analysis, Seasonally Adjusted Annual Rate

Pikes Peak Region Payrolls



Data: Bureau of Labor Statistics, Seasonally Adjusted

Colorado and US Job Openings Rates



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

El Paso County Employment by Industry, Q3 2023

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

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

Pikes Peak Region Job Postings, Apr. 2024

Occupation	No. of Postings	Median Advertised Ann. Salary
Registered Nurses	1,059	$87,936
Other Computer Occupations	783	$129,920
Retail Salespersons	685	$33,408
Software Developers	522	$127,232
Customer Service Reps.	399	$41,600
Home Health & Pers. Care Aides	356	$35,712
Heavy Truck Drivers	339	$56,704
First-Line Retail Supervisors	330	$48,768
Fast Food & Counter Workers	325	$33,408
Maintenance & Repair Workers	315	$47,744
Total Openings	24,761	$57,216

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

Average Annual Pay, Q3 2023

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

Data: Bureau of Labor Statistics

Armed Forces in El Paso County

2022	2021
36,190	32,938

Data: Census Bureau

Pikes Peak Region Employment

	Mar.	Feb.
Employed	365,147	363,875
Unemployed	15,092	16,266

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

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

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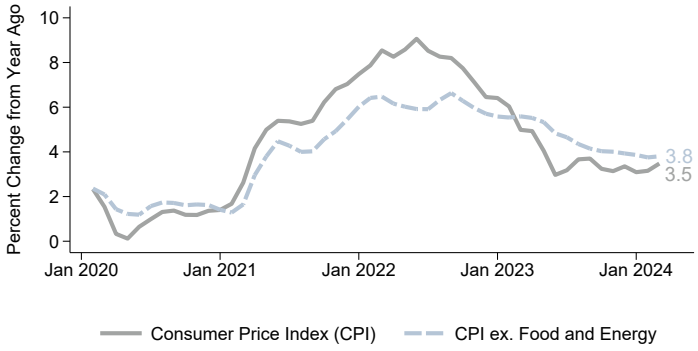
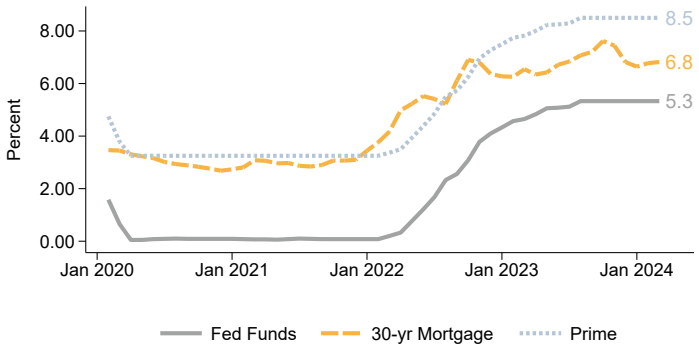
Inflation and Interest Rates

US Inflation



Data: Bureau of Labor Statistics

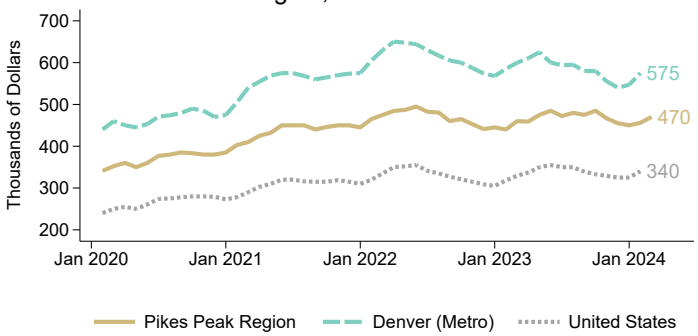
US Interest Rates



Data: Federal Reserve Board, Freddie Mac

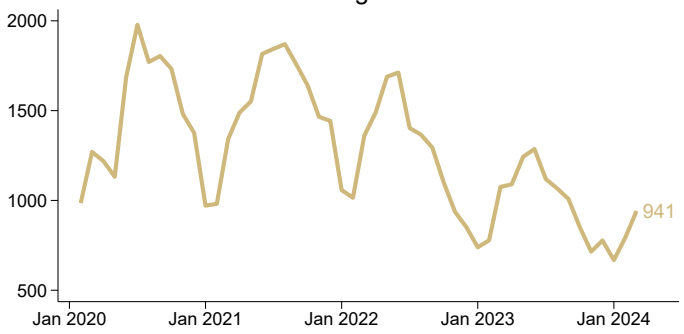
Real Estate

Pikes Peak Region, Denver and US House Prices



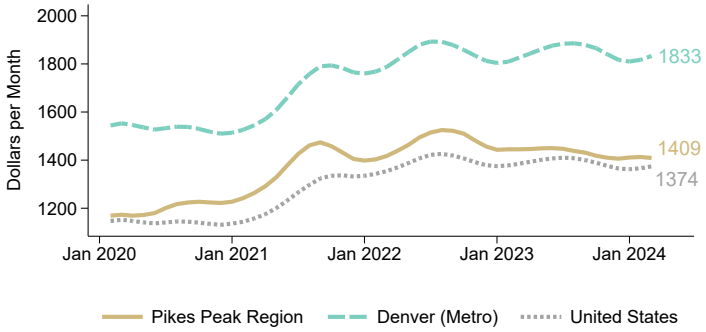
Median Sales Price, Single-Family Homes
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®; Zillow

Pikes Peak Region Home Sales



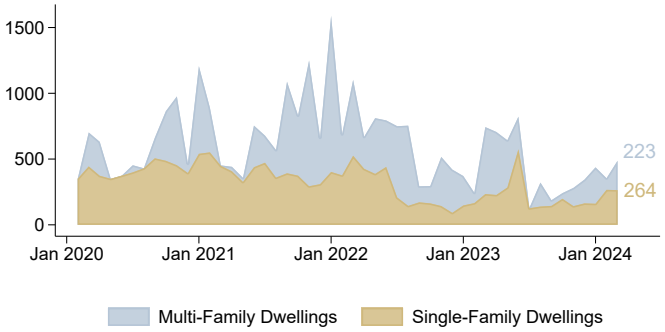
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®

Pikes Peak Region, Denver and US Apartment Rents



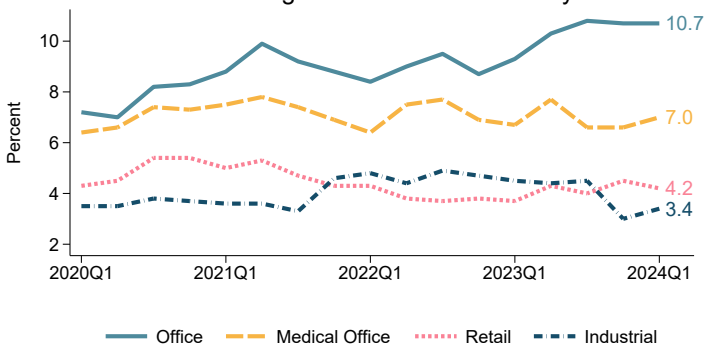
Median Rent of Two-Bedroom Apartment
Data: Apartment List

Pikes Peak Region Building Permits



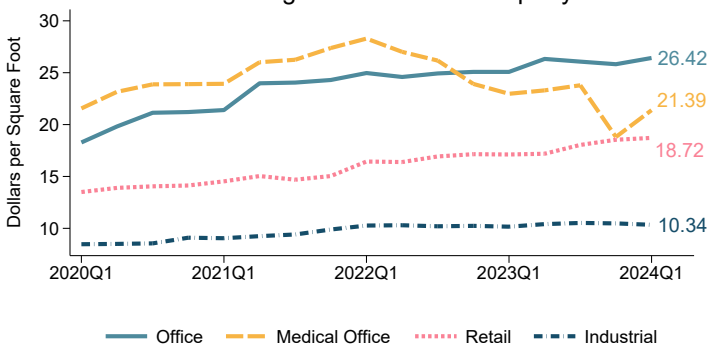
A June 30 2023 change in building code caused some permitting to be pulled forward
Data: Pikes Peak Regional Building Department; serves El Paso county and Woodland Park

Pikes Peak Region Commercial Vacancy Rates



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

Pikes Peak Region Commercial Property Rents



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

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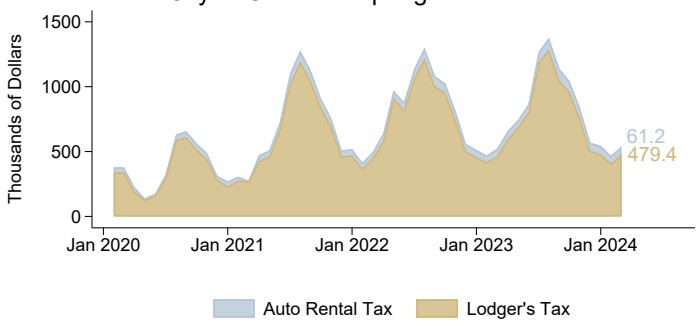
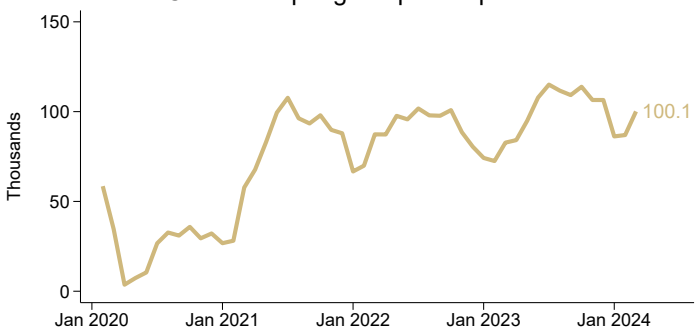
Travel and Tourism

City of Colorado Springs LART Revenue



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

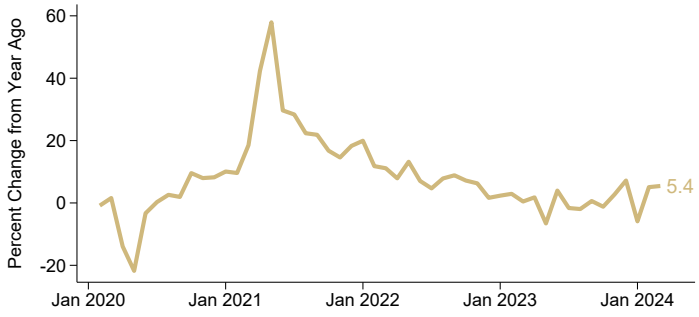
Colorado Springs Airport Enplanements



Data: Colorado Springs Airport

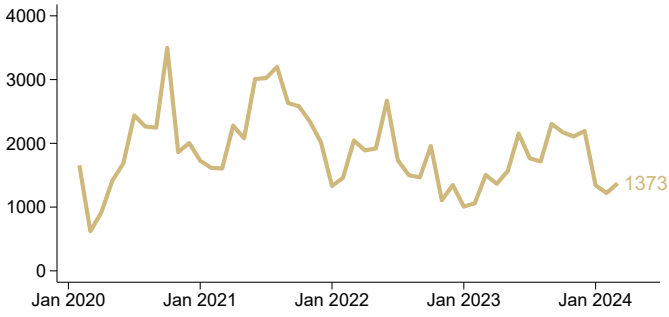
Consumers

Colorado Springs City Sales and Use Tax Collections



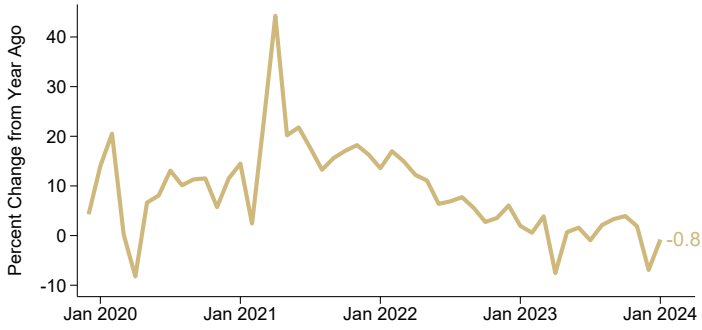
Collections reflect sales in the prior month
Data: City of Colorado Springs Finance Department

El Paso County New Vehicle Registrations



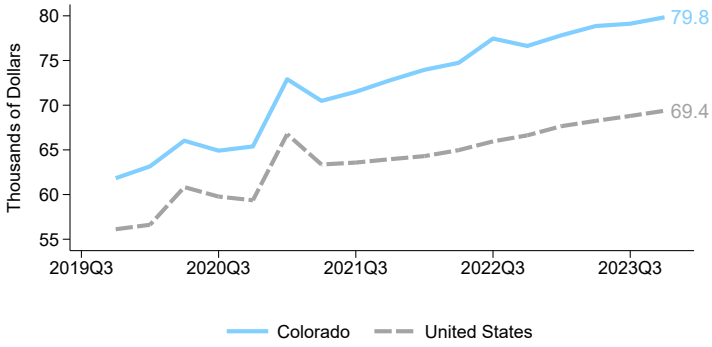
Excludes all terrain, camper trailer, trailer coach and trailer utility categories
Data: El Paso County Clerk & Recorder, Colorado Interactive LLC

El Paso County Retail Sales



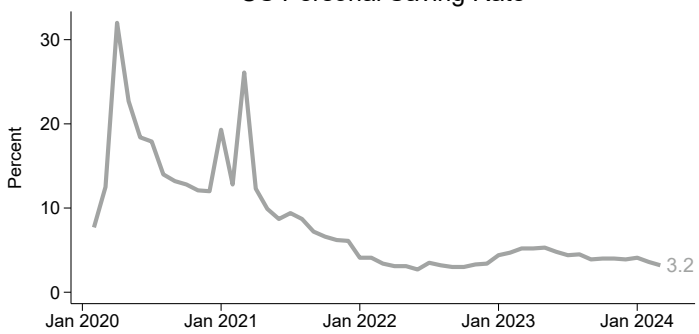
Data: Colorado Department of Revenue

Colorado and US Personal Income Per Capita



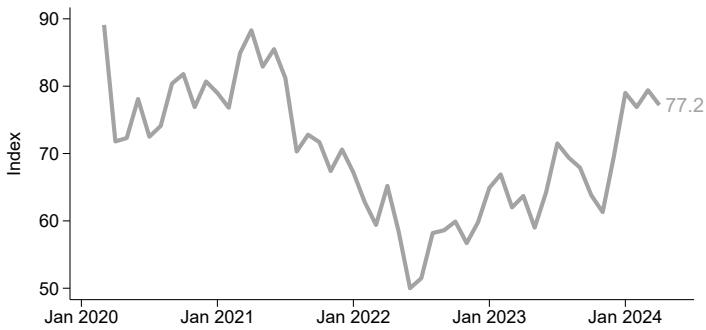
Data: Bureau of Economic Analysis, Seasonally Adjusted Annual Rate

US Personal Saving Rate



Data: Bureau of Economic Analysis, Seasonally Adusted

US Consumer Sentiment



Data: University of Michigan

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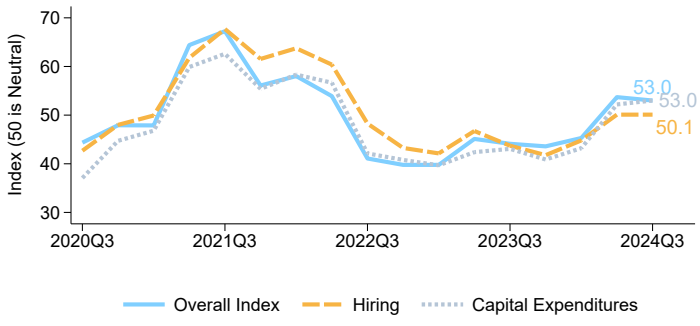
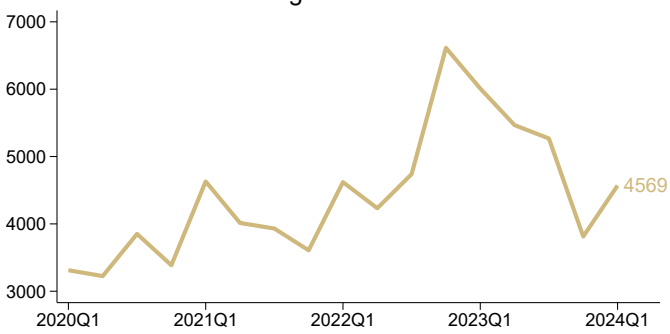
Business

Colorado Business Confidence



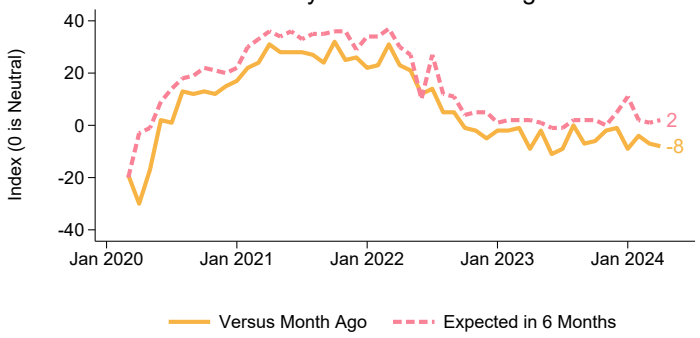
Expectations of Industry Hiring Plans and Industry Capital Expenditures are 2 of 6 components of the Leeds Business Confidence Index (LBCI)
Data: Business Research Division, CU Boulder Leeds School of Business

Pikes Peak Region New Business Entities



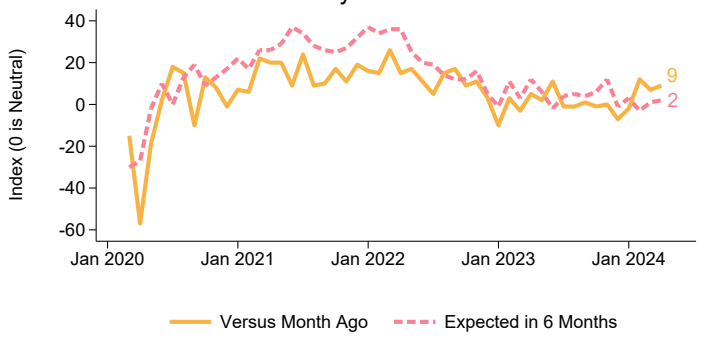
Data: Colorado Department of State

Kansas City Fed Manufacturing Index



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

Kansas City Fed Services Index



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

Demographics and Cost of Living

Population and Population Forecasts

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

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

Selected Population Characteristics, 2022

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

Data: Census Bureau

Housing Opportunity Index Q4 2023

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

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

Cost of Living Index 2023

Pikes Peak Region	107.9
Denver (Metro)	110.6

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

Pikes Peak Region Estimated Living Wages

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

Data: MIT Living Wage Calculator

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