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Economic Forum

COLLEGE OF BUSINESS

UNIVERSITY OF COLORADO
COLORADO SPRINGS

Economic Presentation

October 14, 2016

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Director, UCCS Economic Forum



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Colorado Springs



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An Economist Is Born, October 17th, 1950...



Off to his doctoral studies...



September, 1980 in Eugene, Oregon

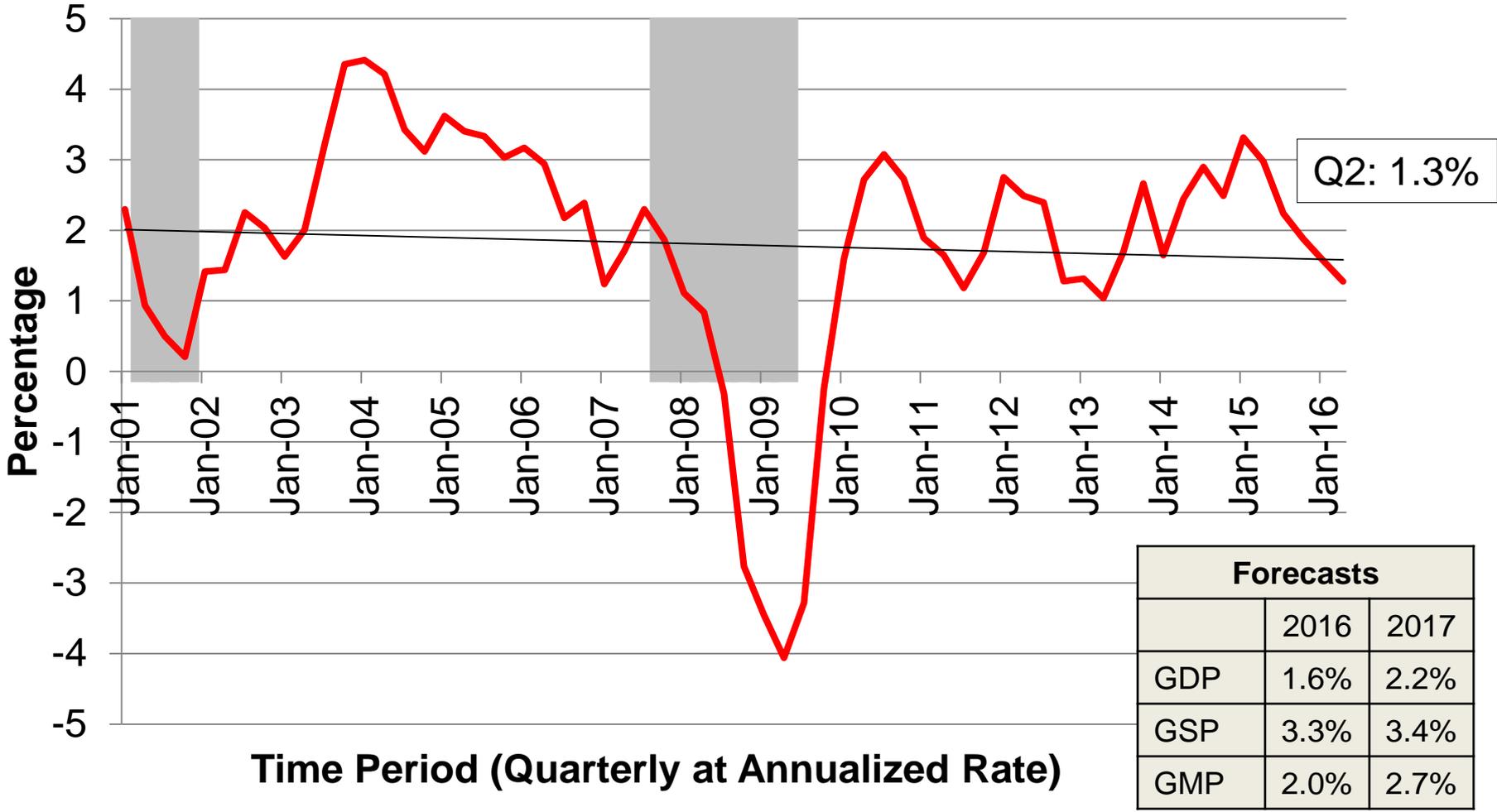
...And
Enjoying
Life...



Overview

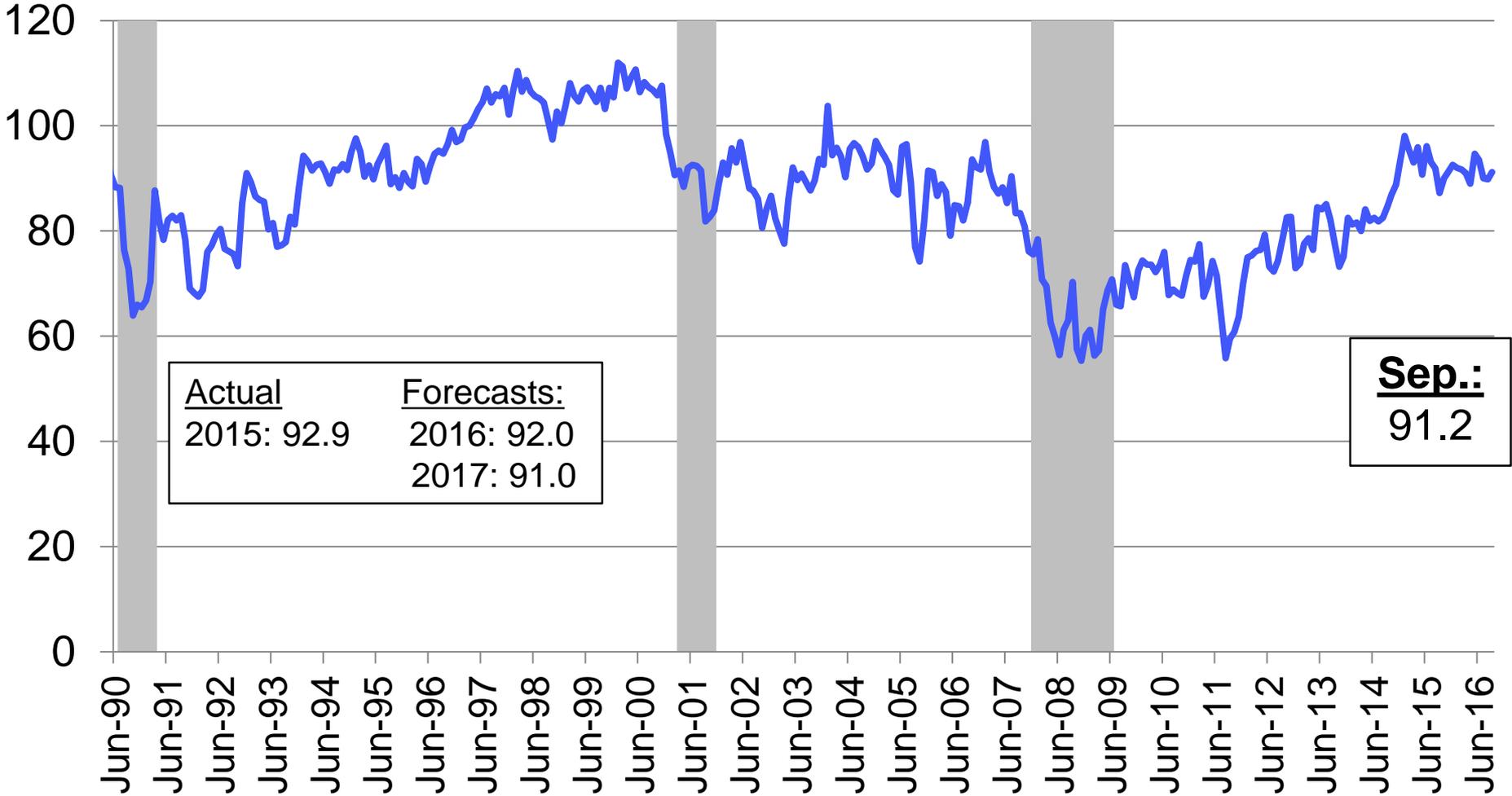
- **National Indicators – The Big Picture**
- Labor Force, Employment & Unemployment
- Real Estate Market
- Best Practices in Economic Development

Real Growth in GDP vs. Year Ago



Source: U.S. Bureau of Economic Analysis; Forecasts by CO Office of State Planning & Budgeting in "real" terms. Seasonally adjusted information.

University of Michigan Consumer Sentiment

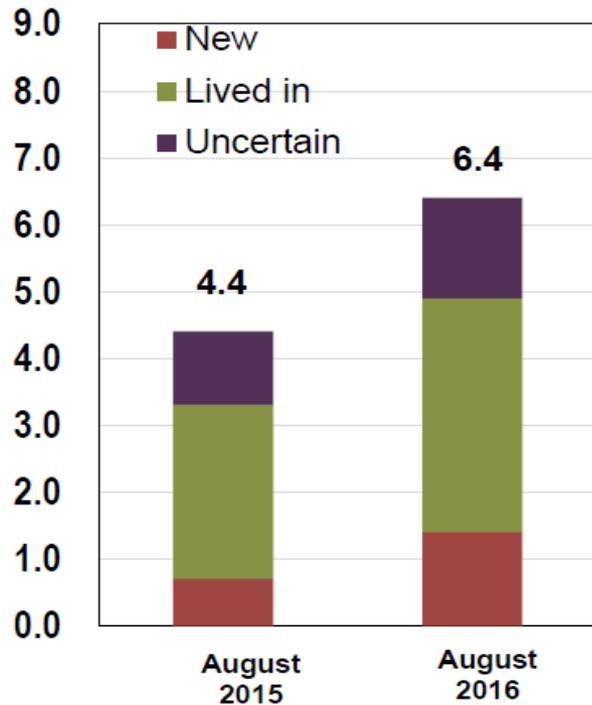


➤ 2.7% projected increase in real, personal consumption expenditures through mid-2017 (UM). PCE over past 58 yrs. has NOT fluctuated with presidential elections.

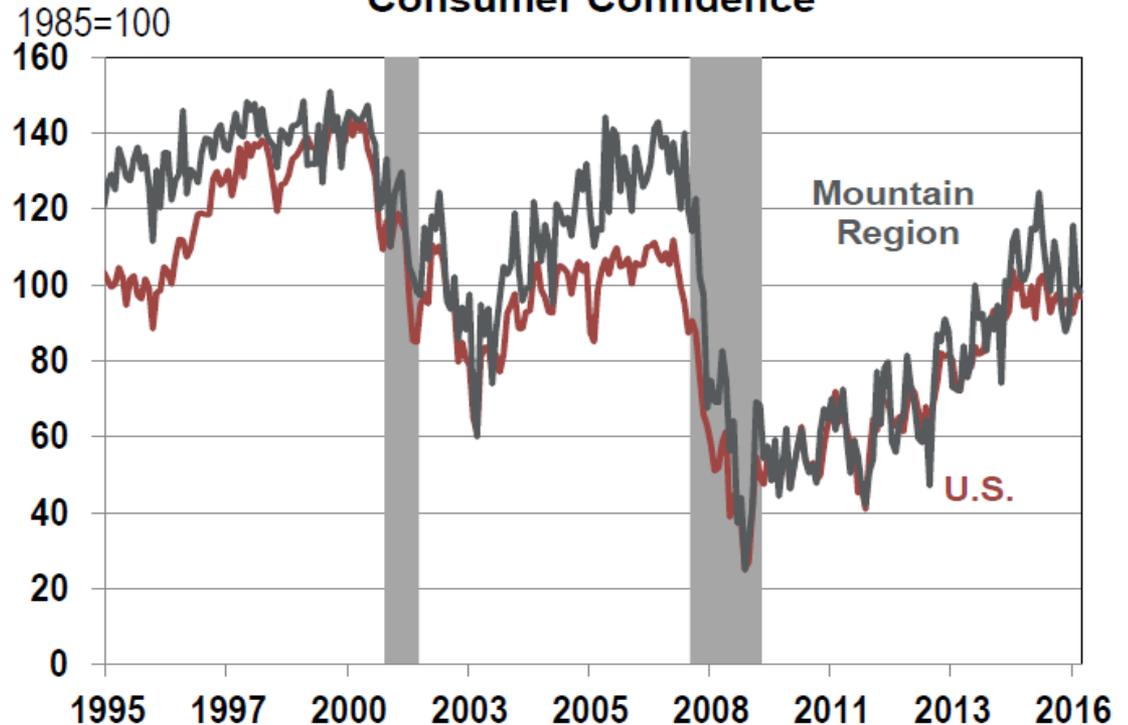
Source: University of Michigan; Forecasts by UCCS Economic Forum

Index of Consumer Confidence

Plans to buy a home in the next 6 months



National and Mountain Consumer Confidence

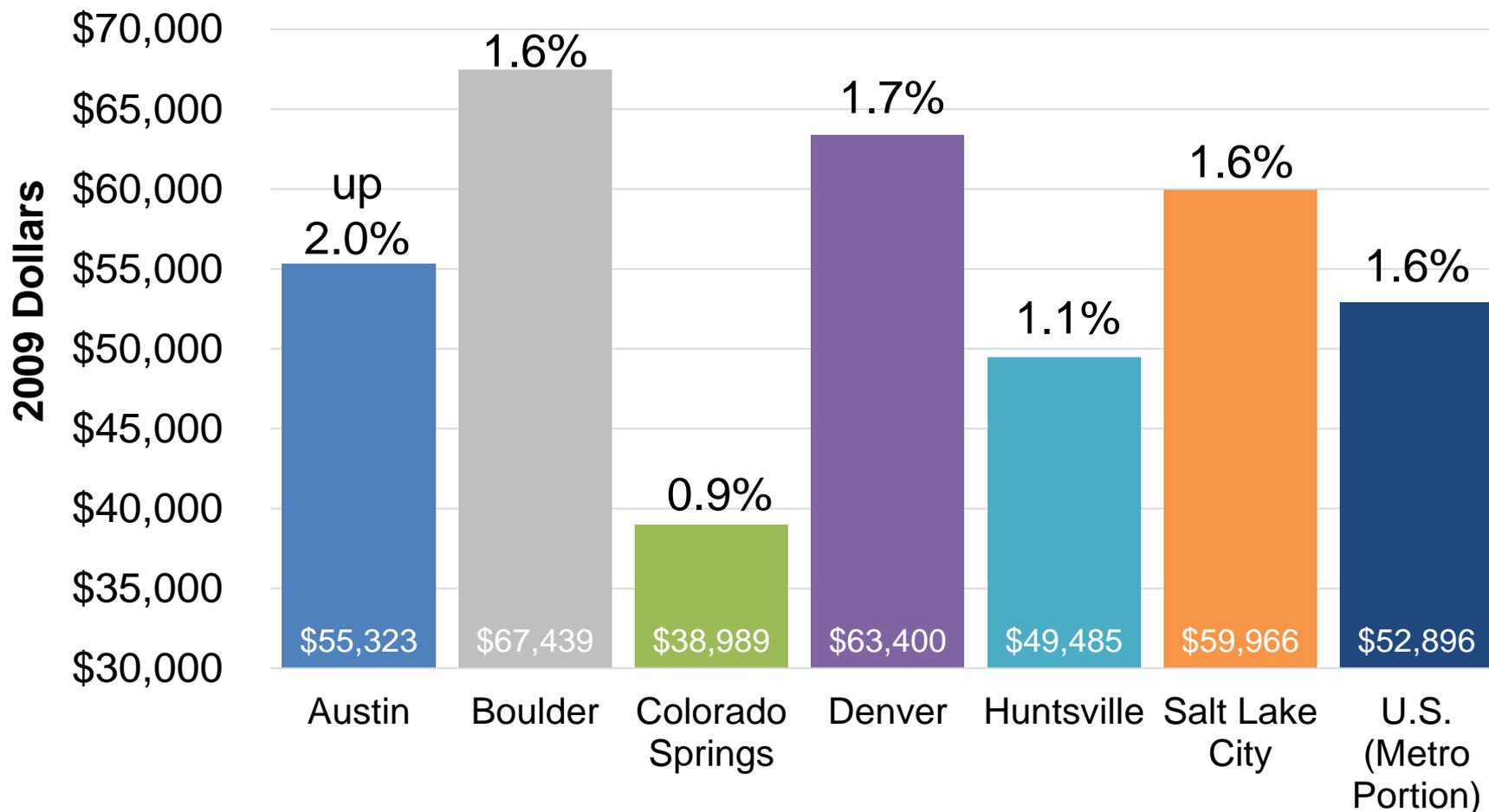


Sources: The Conference Board and National Bureau of Economic Research.

➤ Plans to buy a home represented as % of U.S. consumers

2015 Per Capita Real GMP

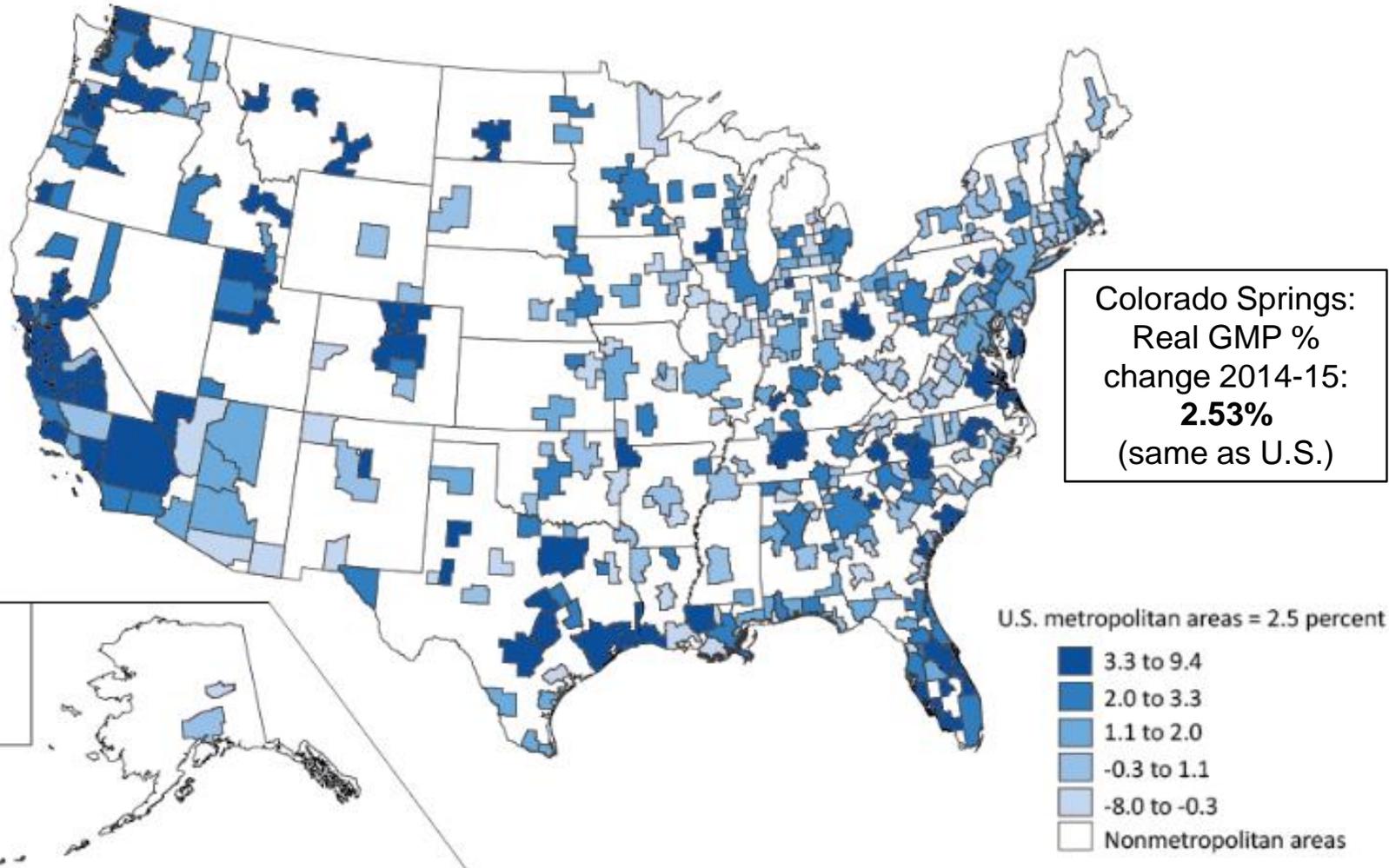
(chained 2009 dollars)



Percentage change compares 2015 to 2014 Per Capita Real GMP. Includes military personnel and economic contribution to GMP.

Source: U.S. Bureau of Economic Analysis

Percent Change in Real Gross Domestic Product (GDP) by Metropolitan Area, 2015



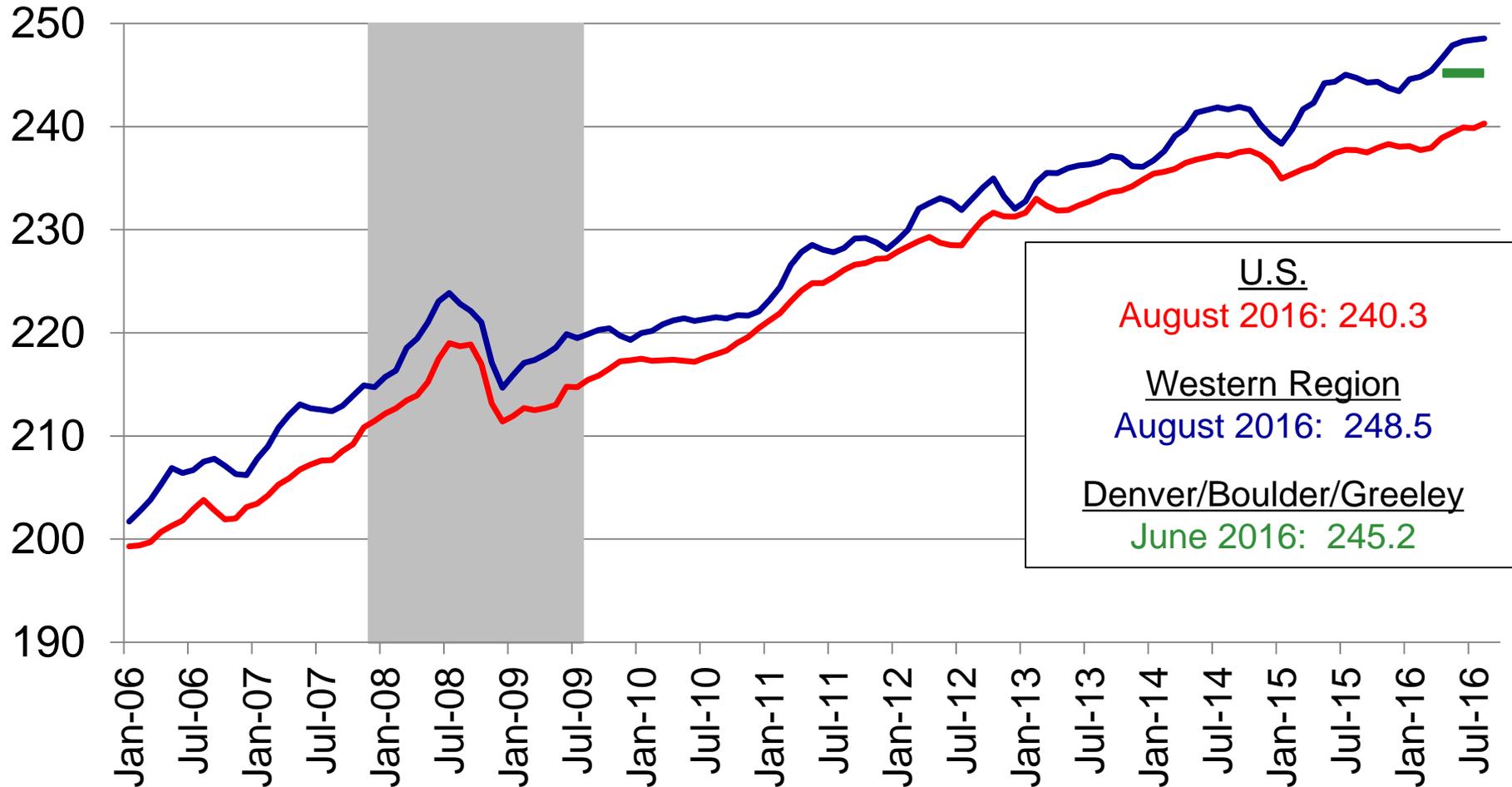
U.S. Bureau of Economic Analysis

(Nominal) GMP Highlights

- GMP for U.S. metro areas increased 3.8% and for Colorado Springs increased 4.5% (nominal) from 2014 to 2015*
- 292 of 382 (or 76%) metro areas saw increase in GMP in 2015*
- Growing industries for all MSAs: professional & business services, wholesale & retail trade, finance, insurance, real estate, rental & leasing
- Colorado Springs ranked 84th out of 382 metro areas for 2015 (top quartile)

*NOTE: 2015 data is from advanced statistics. Source: U.S. Bureau of Economic Analysis & U.S. Department of Commerce

Consumer Price Index (1982-1984 = 100)



➤ Through August, 2016, CPI has risen 1.1% (Fed target is 2.0%); health care and rents drove up August increase more than expected; makes December interest rate hike more likely.

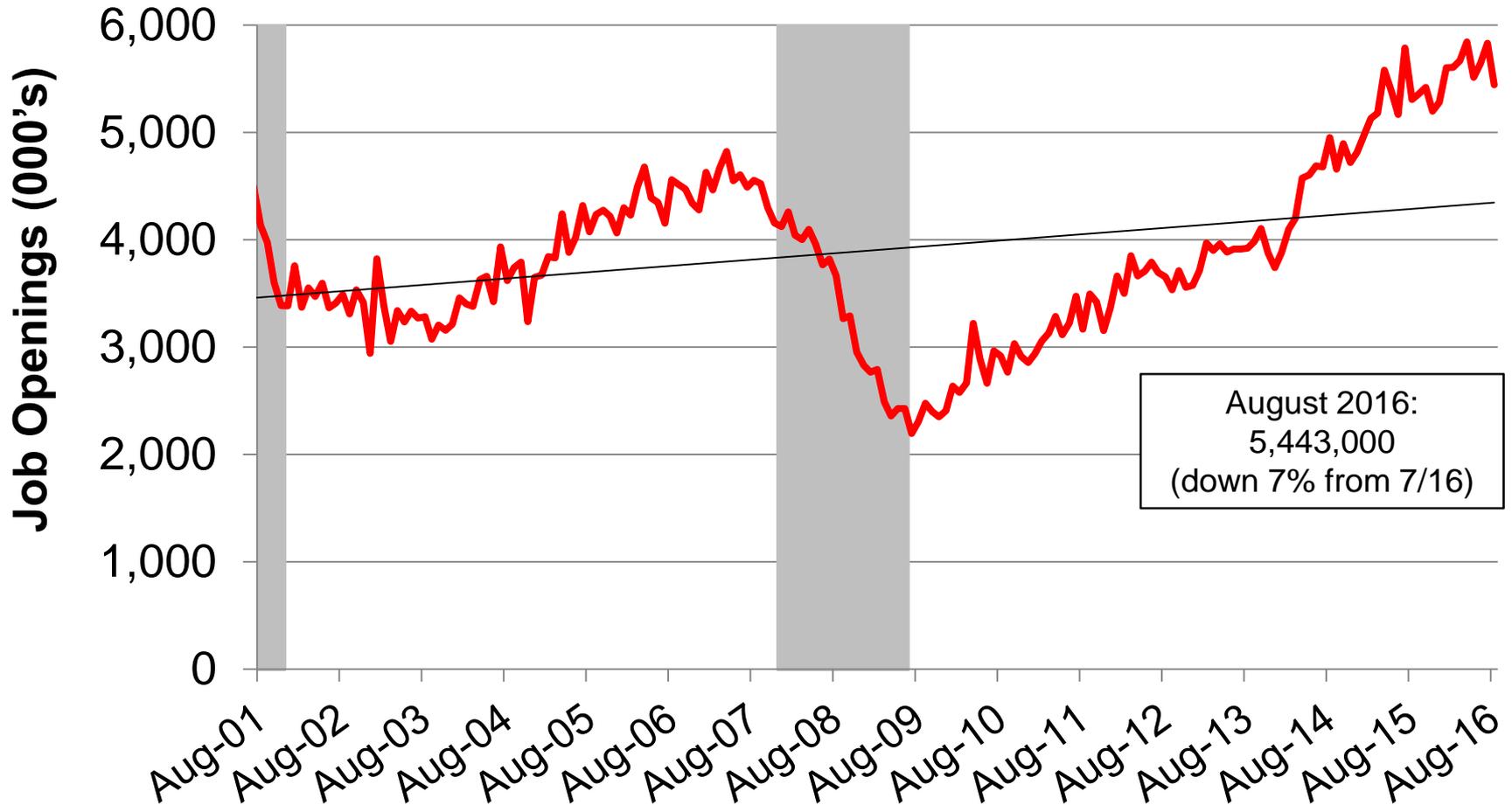
Source: U.S. Department of Labor, Bureau of Labor Statistics

Overview

- National Indicators – The Big Picture
- **Labor Force, Employment & Unemployment**
- Real Estate Market
- Best Practices in Economic Development

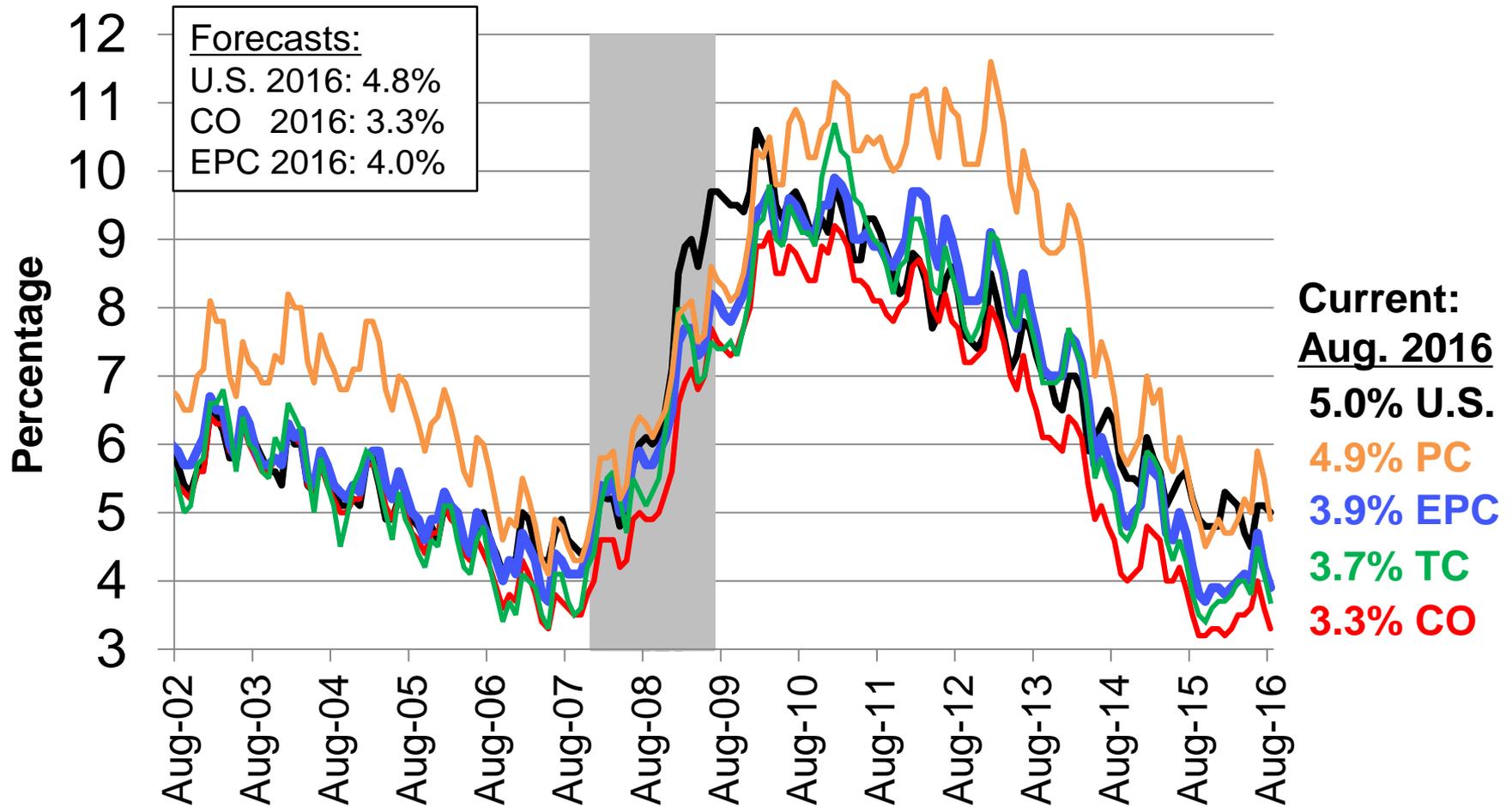
Survey Employer Data through August 2016

Total U.S. Monthly Non-Farm Job Openings SA (000's)



Source: Federal Reserve Bank of St. Louis, U.S. Bureau of Labor Statistics; Forecasts by CO Office of State Planning & Budgeting and UCCS Economic Forum

Monthly Unemployment Rate – NSA



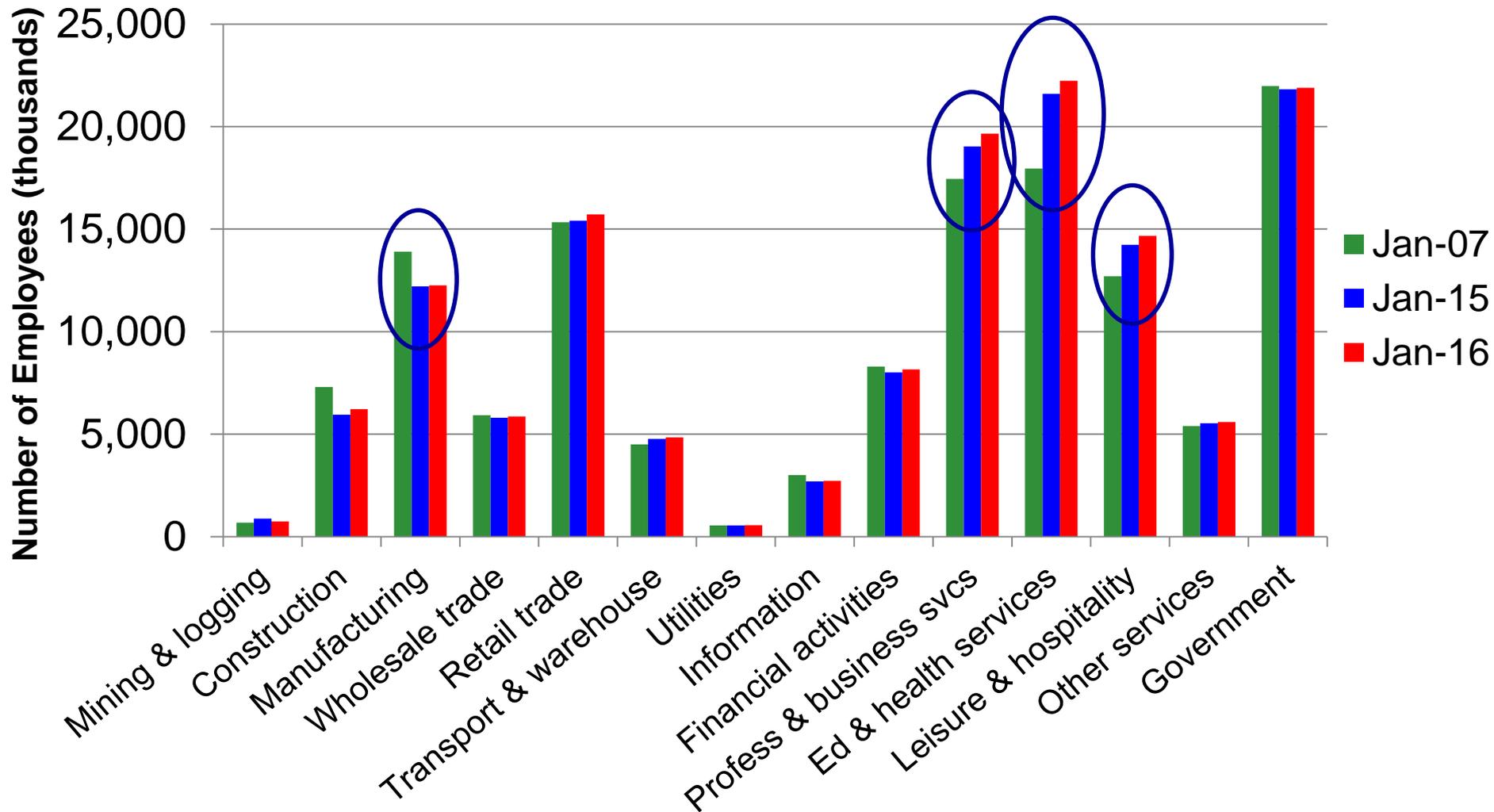
Sources: BLS-LAUS; Forecasts for U.S. and CO from Colorado Office of Budgeting and Planning, EPC from UCCS Economic Forum

September 2016 BLS Data

- Total nonfarm payroll employment rose by 156,000 (avg. 192,000/mo for last 3 months); unemployment rate basically unchanged at 5.0% from 4.9% in June, July and August.
- 72nd consecutive month of private sector job growth.
- Most gains in professional & business services (+.5m over past year), health care (+.5 m) & social assistance, food services & drinking places (+300,000), and retail trade (+317,000). Mining losses seem to have bottomed out.

Source: U.S. Bureau of Labor Statistics

U.S. Employment by Industry, NSA



Source: U.S. Bureau of Labor Statistics, Current Employment Survey

September BLS Data

- Number of long-term unemployed (27 wks+) changed little in September: 2.0m for past three months.
- LTE account for 24.9% of unemployed.
- 1.8 million people marginally attached to labor force (~1/3 are discouraged workers) – not counted in unemployment rate because although they want to work, they have not searched in the last 4 weeks.
- Civilian participation rate basically unchanged at 62.9% in September (62.8% in August).
- Last 12 months, average hourly earnings up 2.6%.

Source: U.S. Bureau of Labor Statistics

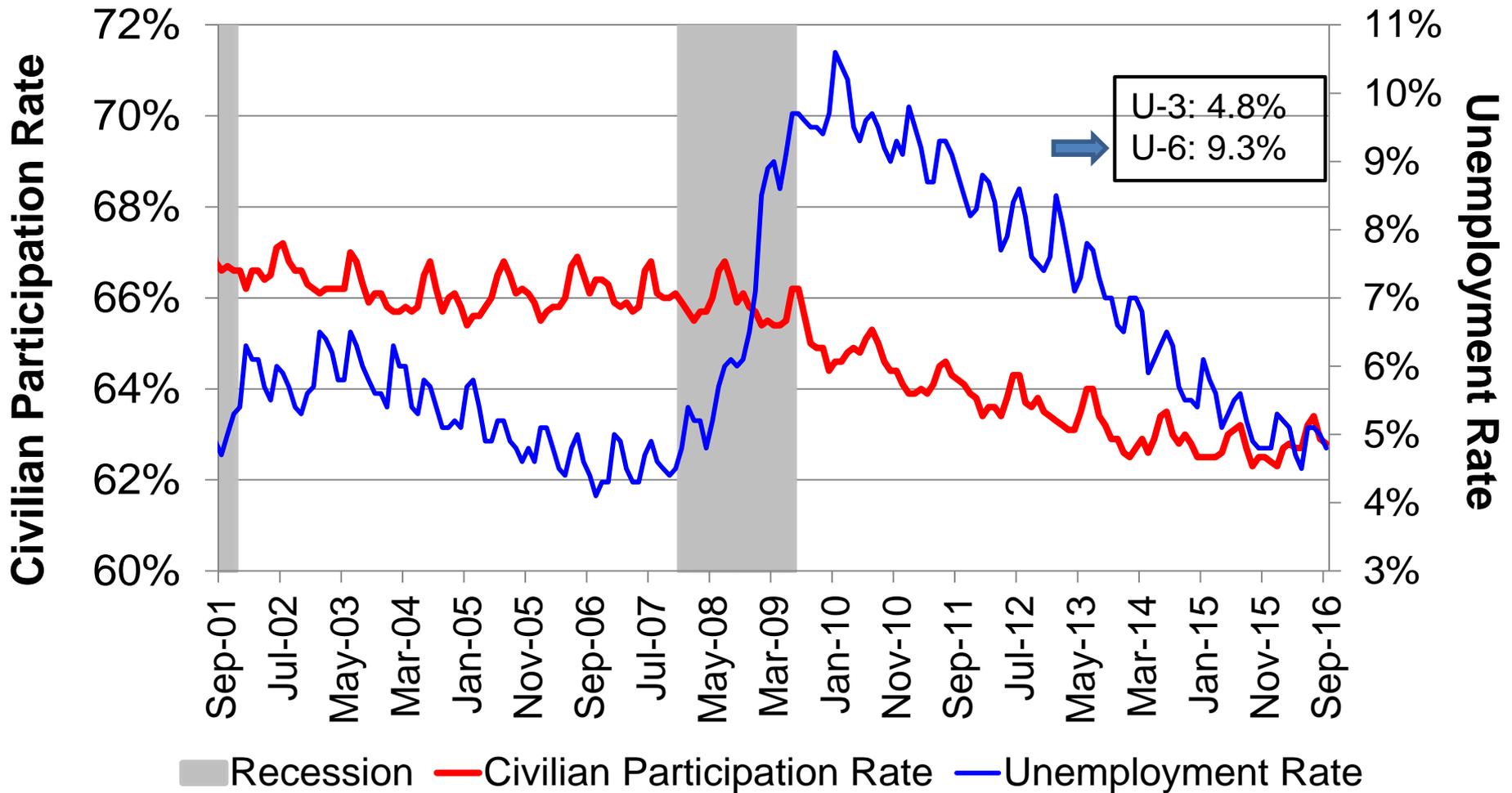


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U.S. Civilian Participation and Unemployment Rates, NSA

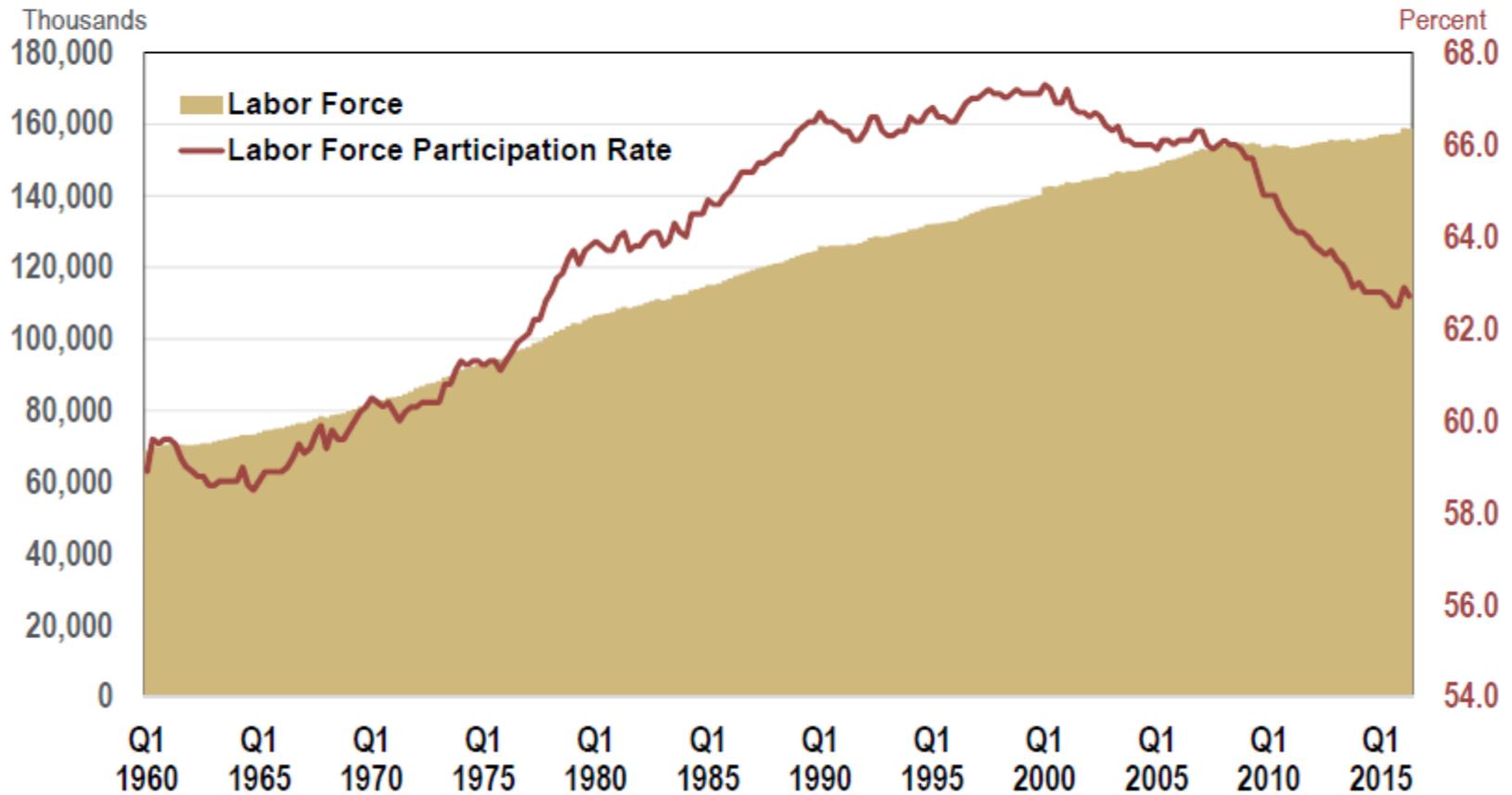


U-6 includes unemployed, those marginally attached to LF, plus those employed PT for economic reasons.

Source: Bureau of Labor Statistics data through September 2016.

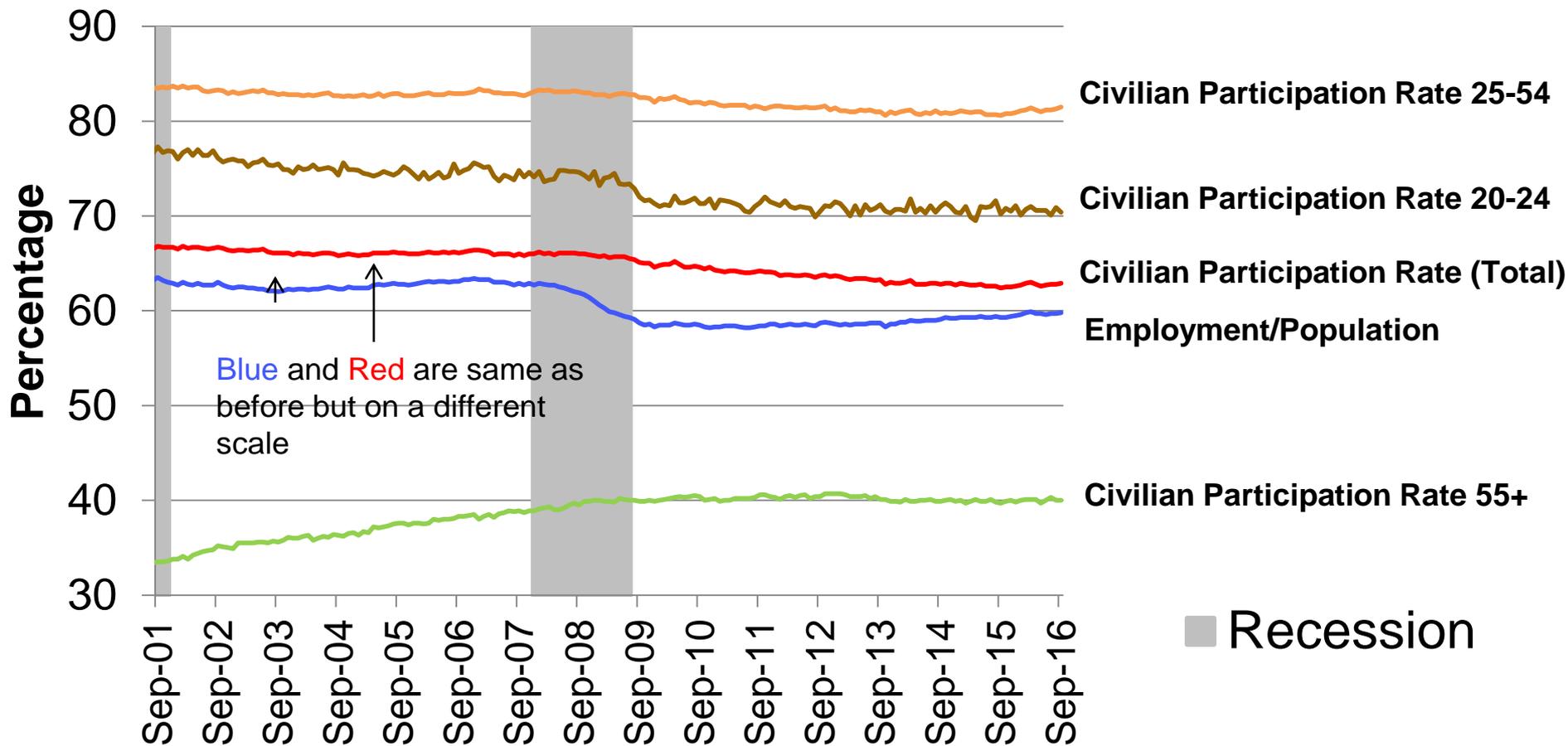
National Labor Force

1960-2016



Source: Bureau of Labor Statistics, seasonally adjusted.

Household Data: U.S. Civilian Participation Rates SA Employment/Population SA



Data through September 2016

Source: Federal Reserve Bank of St. Louis, U.S. Bureau of Labor Statistics

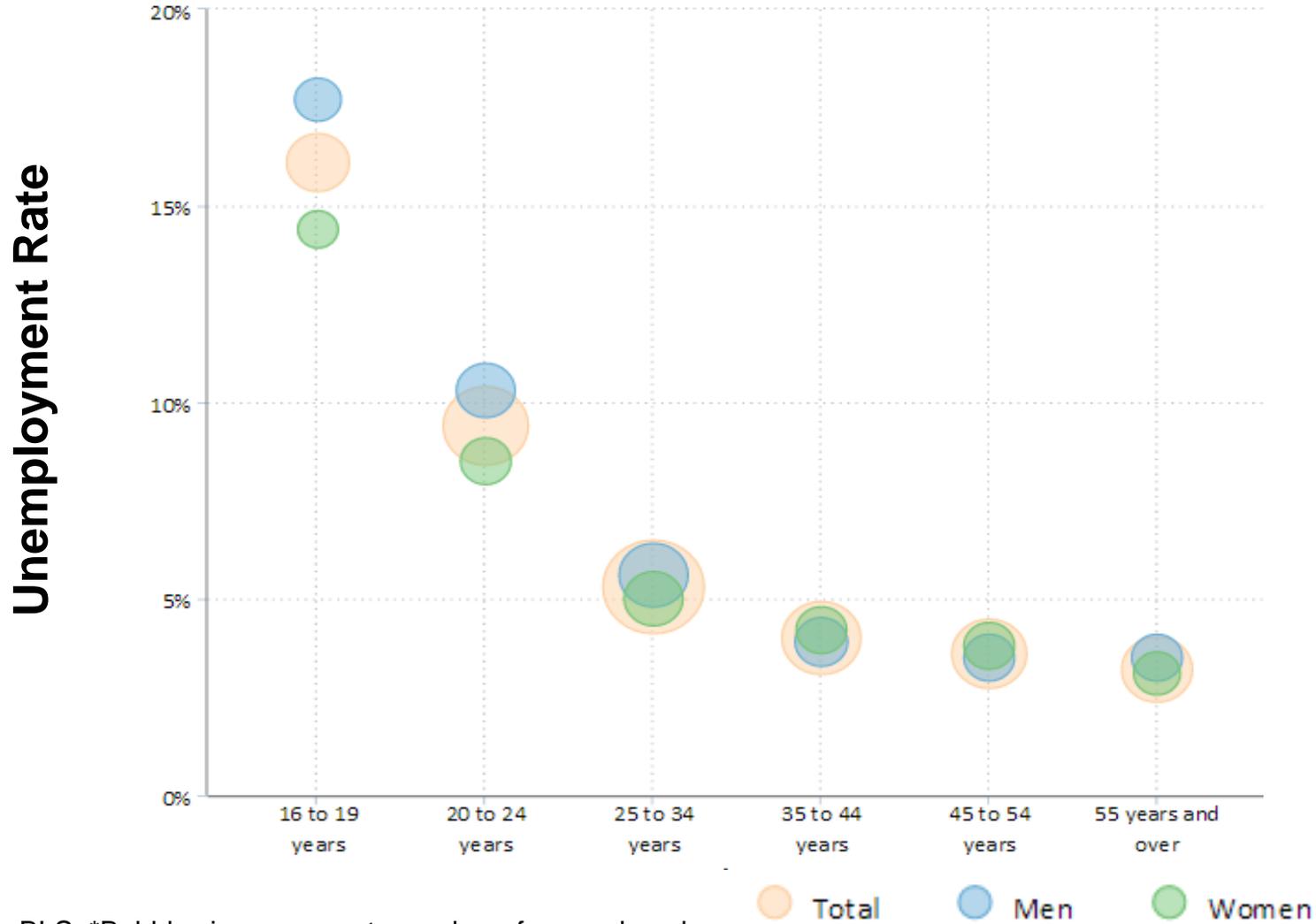


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Unemployment Rate & Number Unemployed by Age and Gender, December 2015*



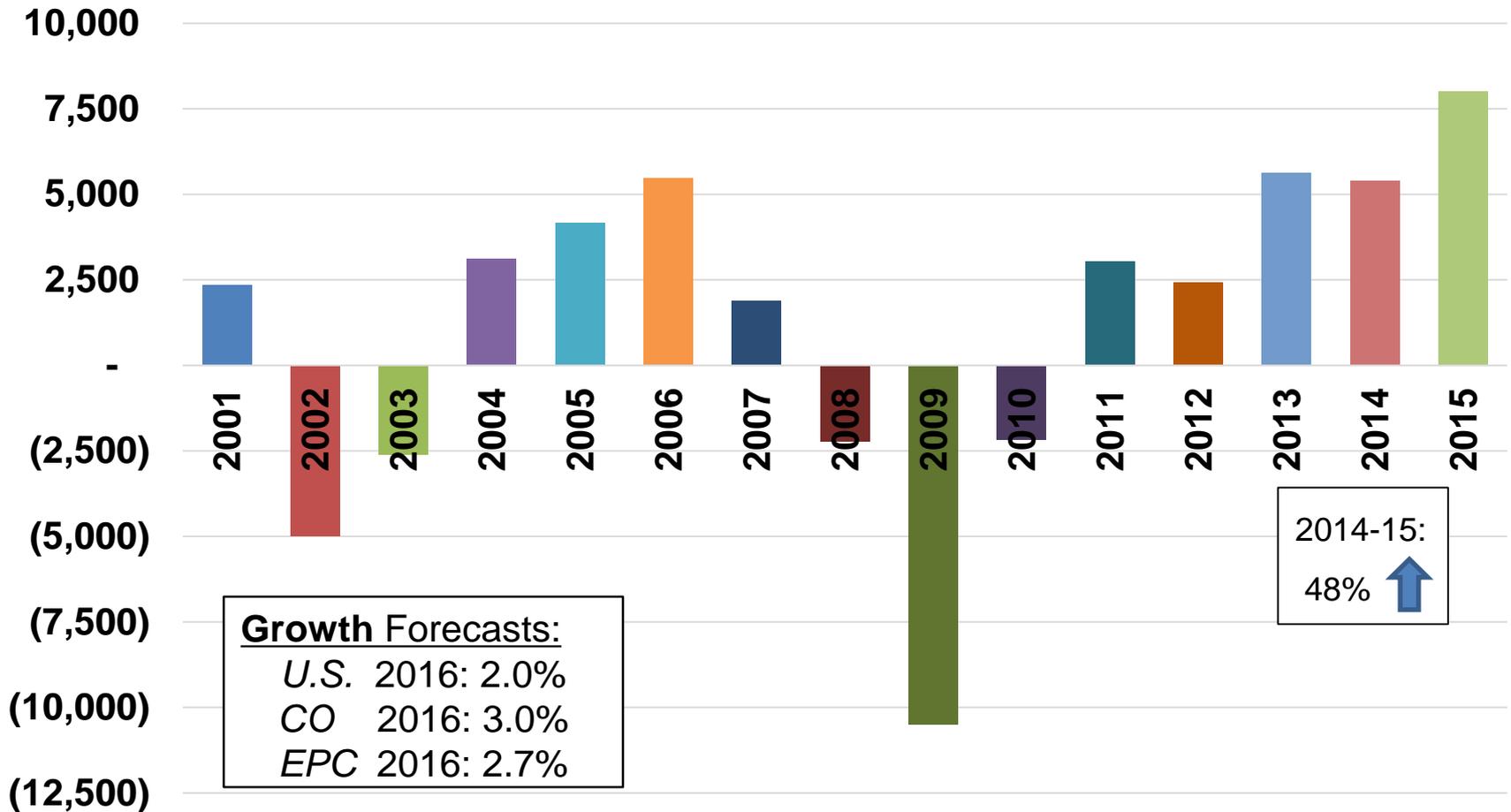
Source: BLS. *Bubble size represents number of unemployed

Colorado Employment Situation, August 2016

- August nonfarm payroll employment rose by 4,100.
- Nonfarm payroll employment increased 71,600 from August 2015 to August 2016.
- Largest annual job gains were in construction, leisure & hospitality, and education & health services; declines in mining & logging.
- Colorado was the 4th largest growing state in terms of real GDP in 2015 (behind CA, OR and TX).
- OSPB has revised the GSP downwards due to workforce shortages primarily in Denver/Boulder.

Source: Colorado Department of Labor and Employment

Local Labor Market: El Paso County Annual Job Changes



➤ 8,283 new jobs gained in EPC Q1, 2015 to Q1 2016

Source: Bureau of Labor Statistics, QCEW data; Forecasts CO OSPB & Forum

Colorado Springs MSA Job Openings

Real Time Job Market Data

September 2016

- Total job openings: 12,062
- Average posting duration (44 days)
- Median salary of posted jobs (\$66,550); higher now than Colorado median (\$60,025)
- April 2015 the CS and CO medians were:
 - \$55,550 for CS
 - \$54,950 for CO
 - Suggests more professional/higher skills jobs

Sources: WANTED Analytics™; Pikes Peak Workforce Center

Colorado Springs MSA Job Openings

Top job titles September 2016:

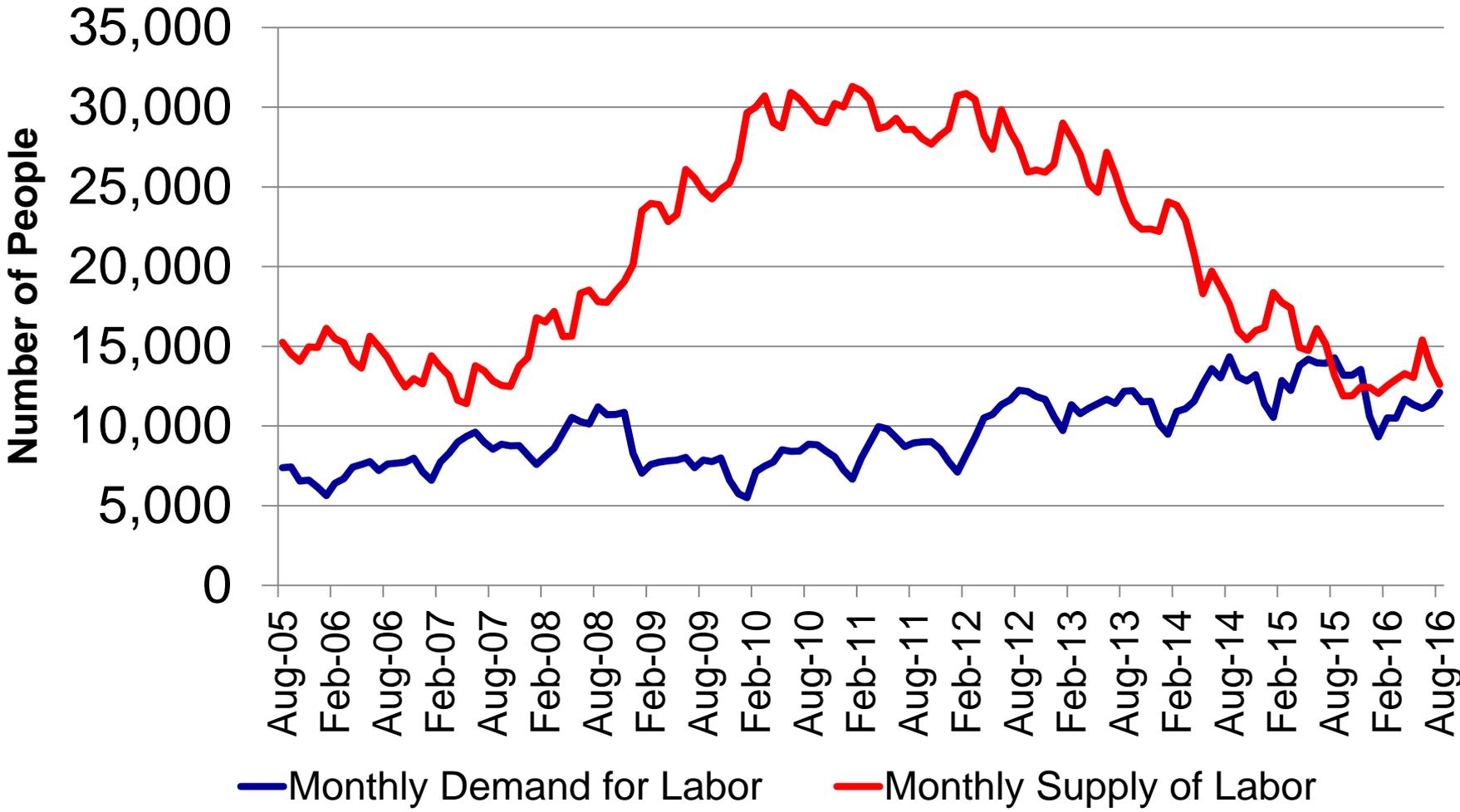
- 1) *Registered Nurse (818 jobs)*
- 2) Customer Service Rep (718 jobs)
- 3) *Software Engineer (709 jobs)*
- 4) Teller (524 jobs)
- 5) Administrative Assistant (523 jobs)
- 6) Sales Rep (488 jobs)
- 7) *Systems Engineer (460 jobs)*
- 8) *Project Manager (426 jobs)*
- 9) *Physical Therapist (413 jobs)*
- 10) *Systems Administrator (427 jobs)*

August 2016	
Demand for Labor	Supply of Labor
12,117	12,608

- Colorado's supply/demand ration was 0.92 meaning more jobs available than workers. National ratio was 1.67, ours is about 1.0.

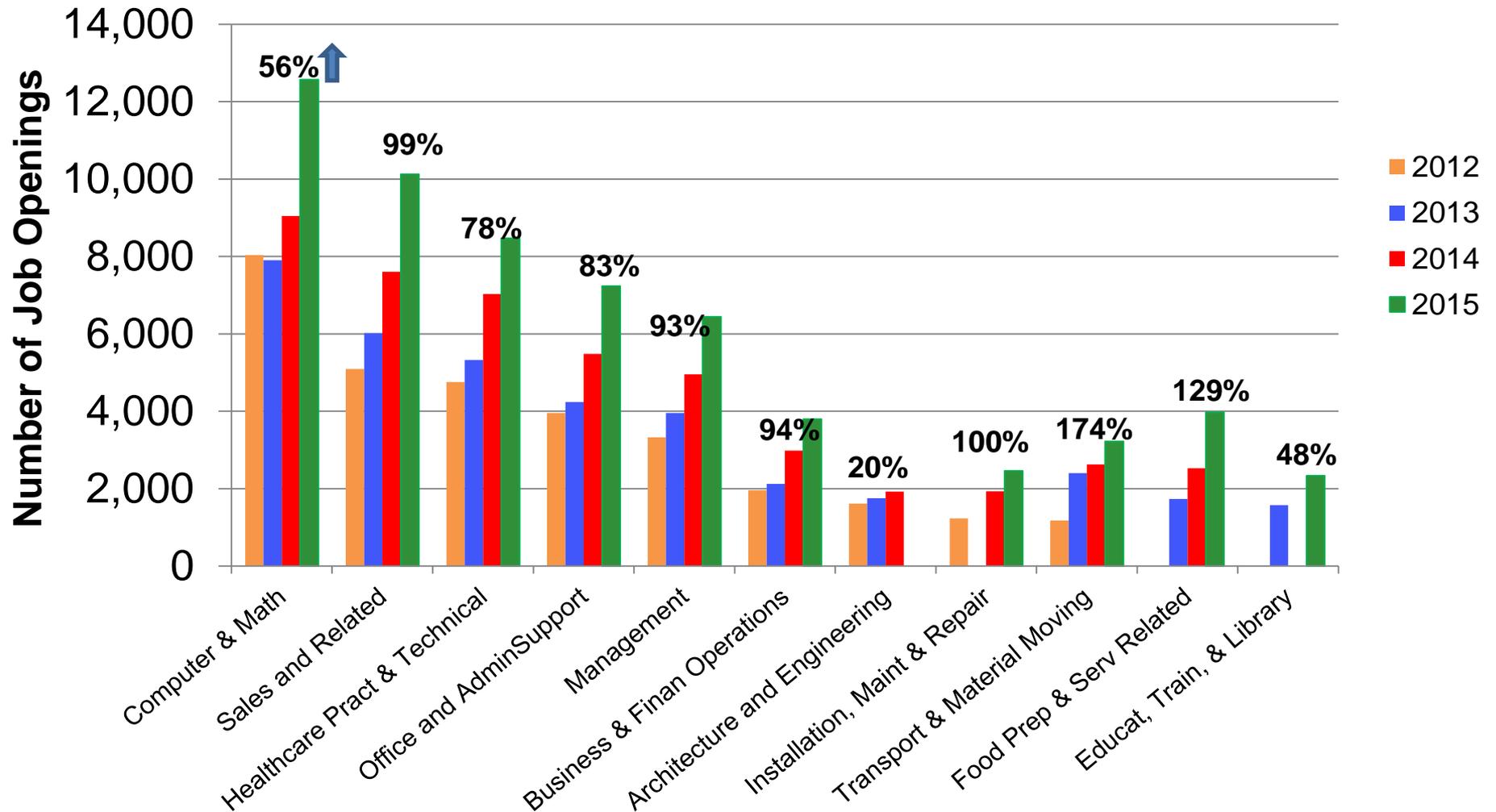
Sources: WANTED Analytics™; Pikes Peak Workforce Center

Colorado Springs MSA Labor Force



Sources: WANTED Analytics™; Pikes Peak Workforce Center

Jobs Demanded 2012 to 2015 – Top Categories



Source: WANTED ANALYTICS via Pikes Peak Workforce Center

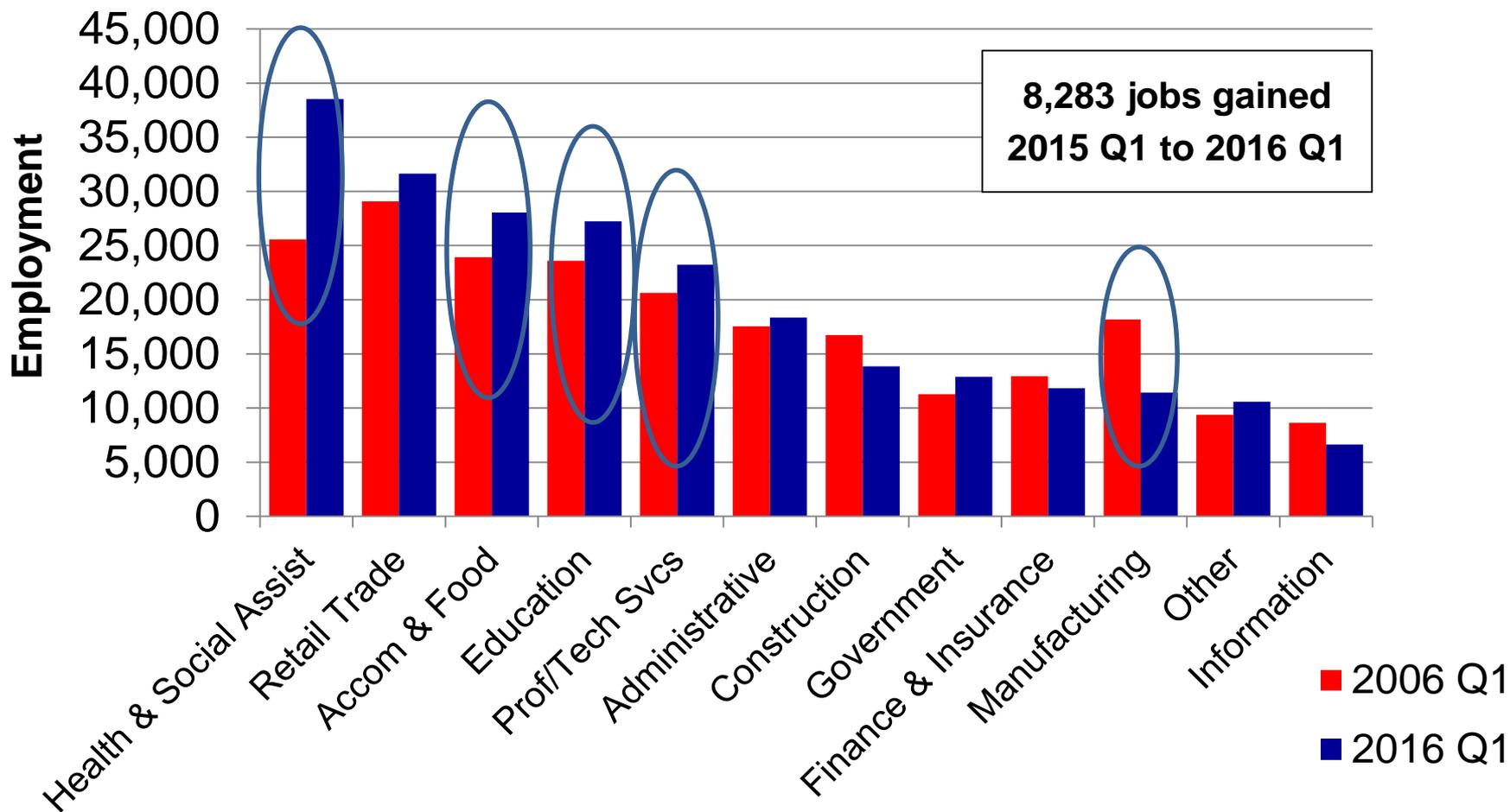


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El Paso County Employment in Selected Sectors for 2006 Q1 and 2016 Q1



Source: Colorado Department of Labor, Quarterly Census of Employment and Wages (QCEW)

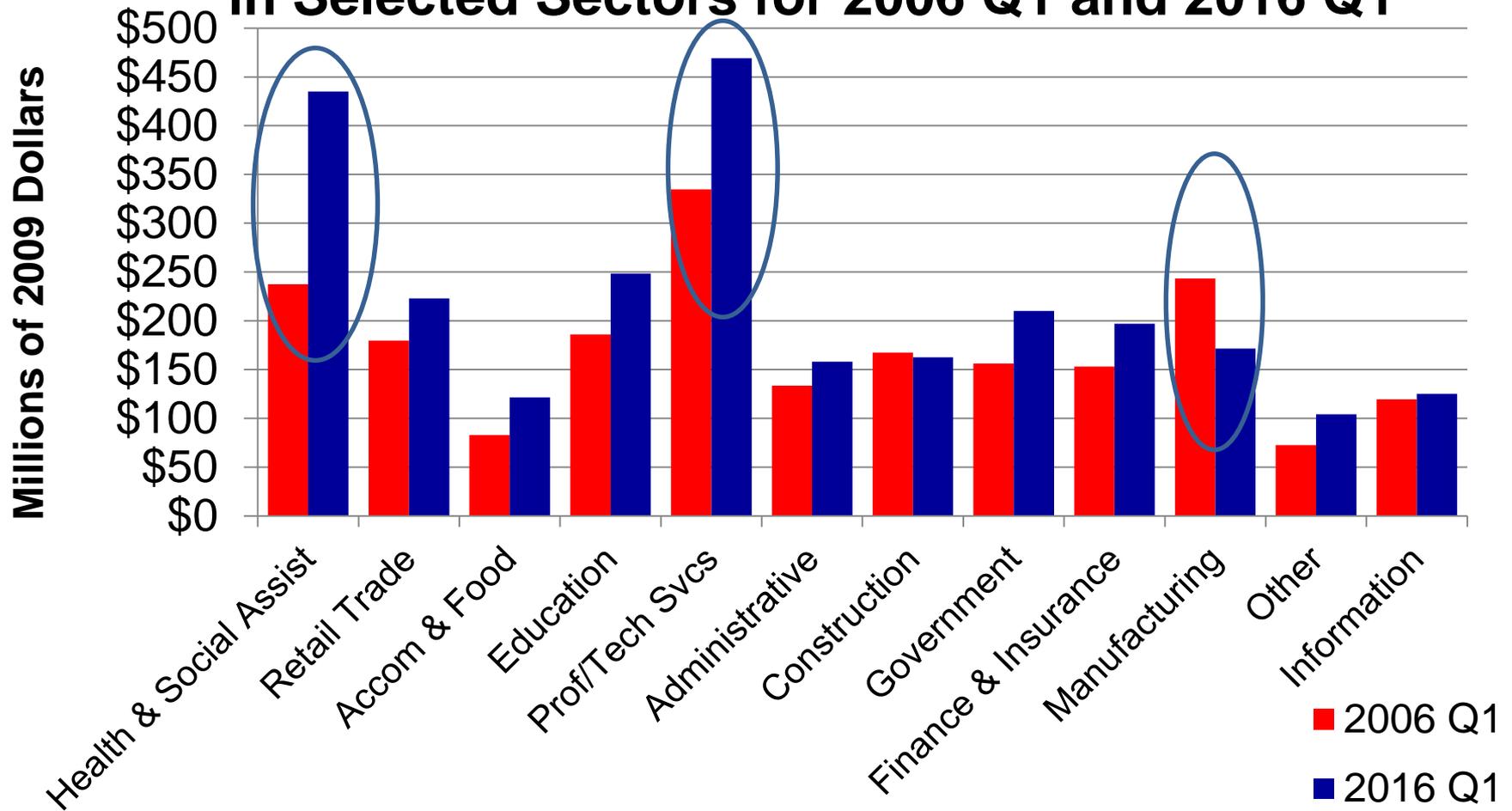


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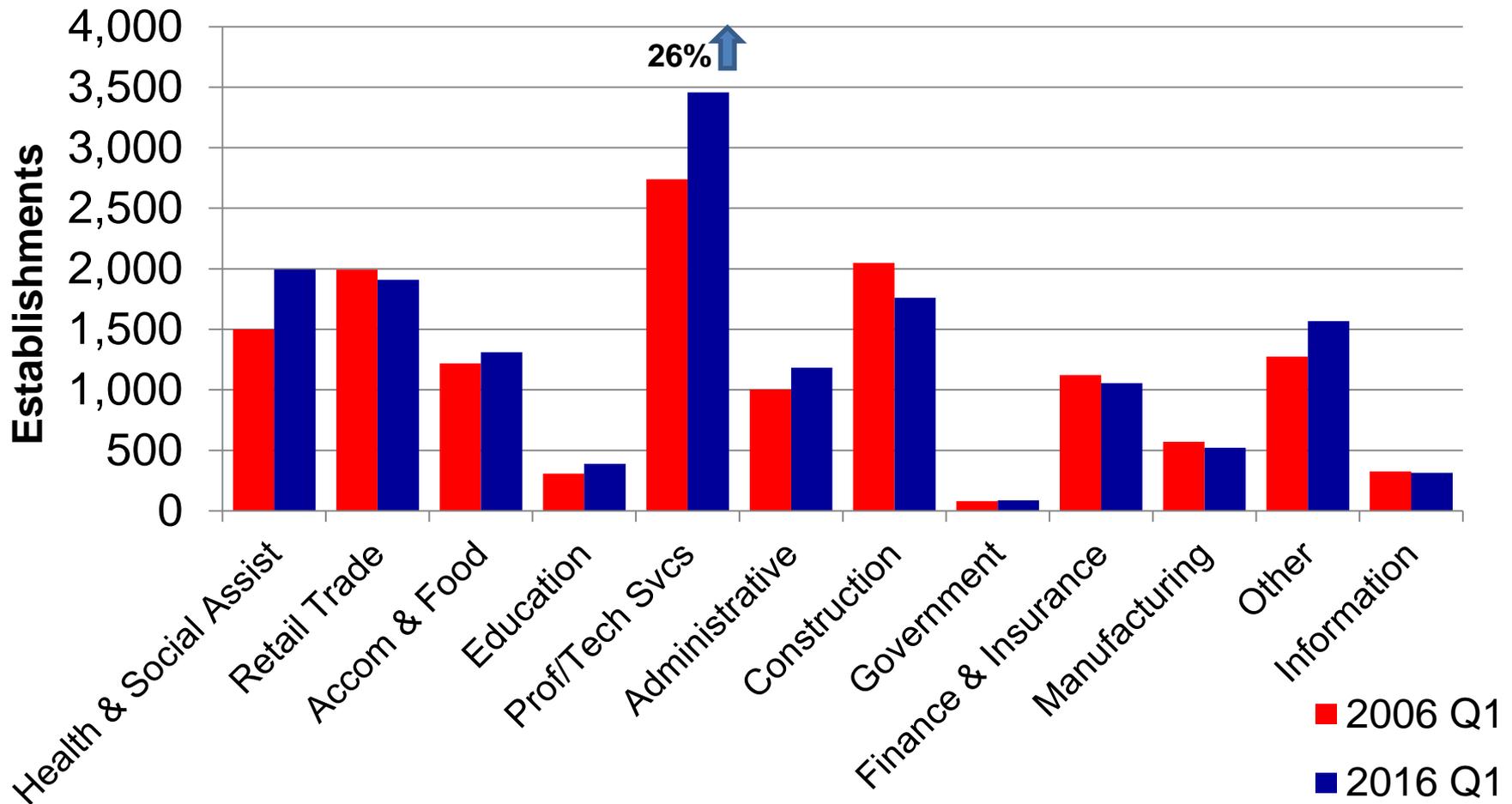
El Paso County Total Real Wages (\$M) in Selected Sectors for 2006 Q1 and 2016 Q1



Note: Sectors are in order based on the number of employees in 2016 Q1.

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

El Paso County Average Number of Establishments in Selected Sectors for 2006 Q1 and 2016 Q1



Note: Sectors are in order based on the number of employees in 2016 Q1.

Source: Colorado Department of Labor, Quarterly Census of Employment and Wages (QCEW)

Top 7 Industries for Employee Growth in Colorado Springs MSA between 2016 and 2018

	Employment Change	Annual Average Percent Increase
Health & Social Assistance	3,746	5.17%
Accom & Food Services	2,825	4.76%
Construction	1,577	5.40%
Pro & Tech Services	1,564	3.28%
Administrative & Waste	1,364	3.53%
Retail Trade	1,137	1.76%
Educational Services	837	1.57%

Source: Colorado Department of Labor: QCEW

Total Growth Projection: 16,066 employees gained, 2.82% annual average increase

Industries Projected to Lose Employees in Colorado Springs MSA between 2016 and 2018

	Employment Change	Annual Average Percent Decrease
Information	-372	-2.93%
Manufacturing	-29	-0.12%

Source: Colorado Department of Labor: QCEW

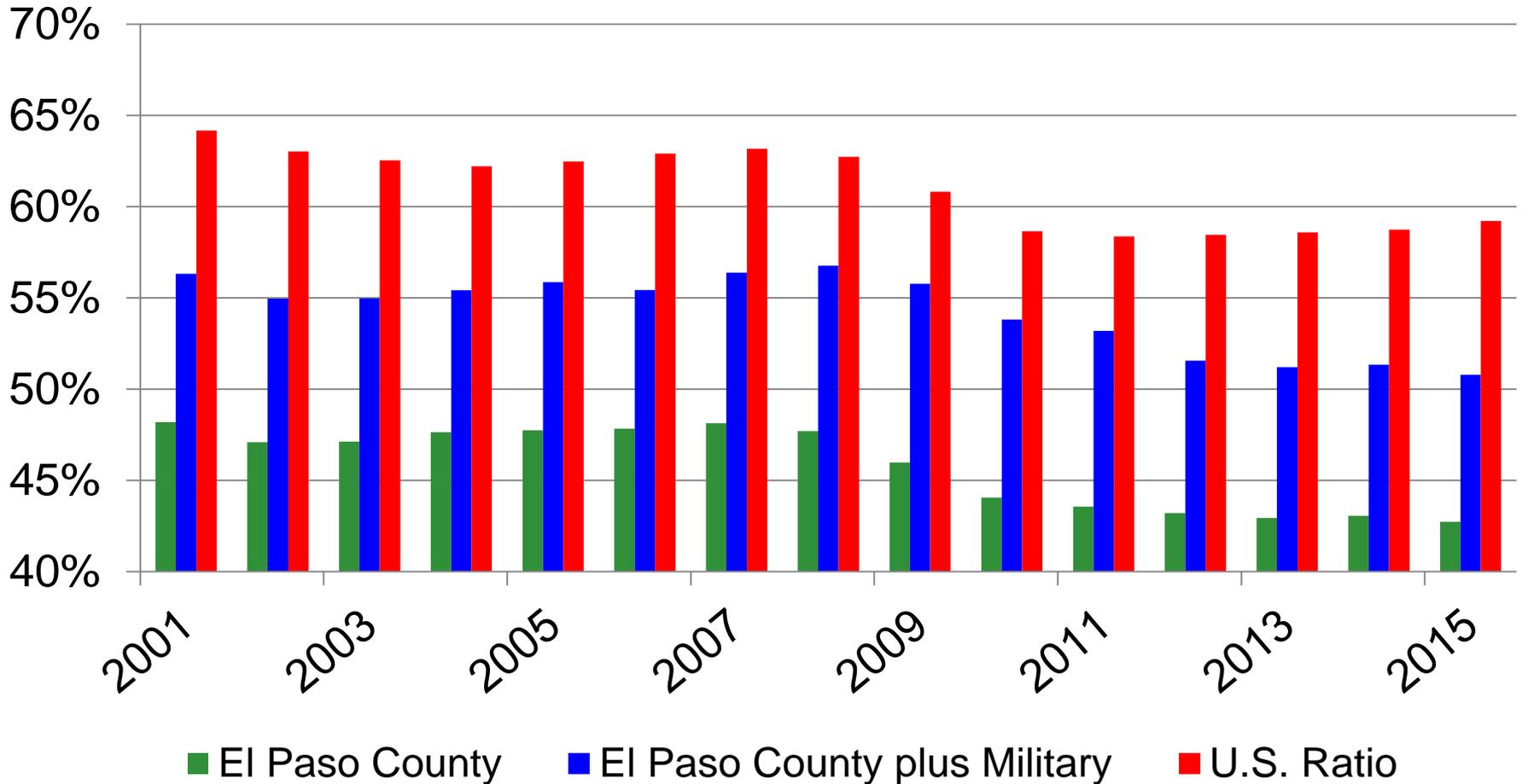
Top 7 Industries for Employee Growth in Colorado Springs MSA between 2015 and 2025

	Employment Change	Annual Average Percent Increase
Health & Social Assistance	15,976	3.86%
Pro, Scientific & Tech Services	9,269	3.44%
Accom & Food Services	6,333	1.94%
Retail Trade	5,936	1.72%
Construction	5,853	3.47%
Educational Services	5,380	1.87%
Administrative & Waste	5,261	2.50%

Source: Colorado Department of Labor: QCEW

Total Growth Projection: 66,836 employees gained, 2.10% annual average increase

Structural Issues: Employment to Population, EPC & U.S.



Sources: U.S. Bureau of Labor Statistics; Department of Local Affairs, State Demography Office; UCCS Economic Forum; Colorado Springs Regional Business Alliance; Respective military installations; Department of Military and Veteran Affairs

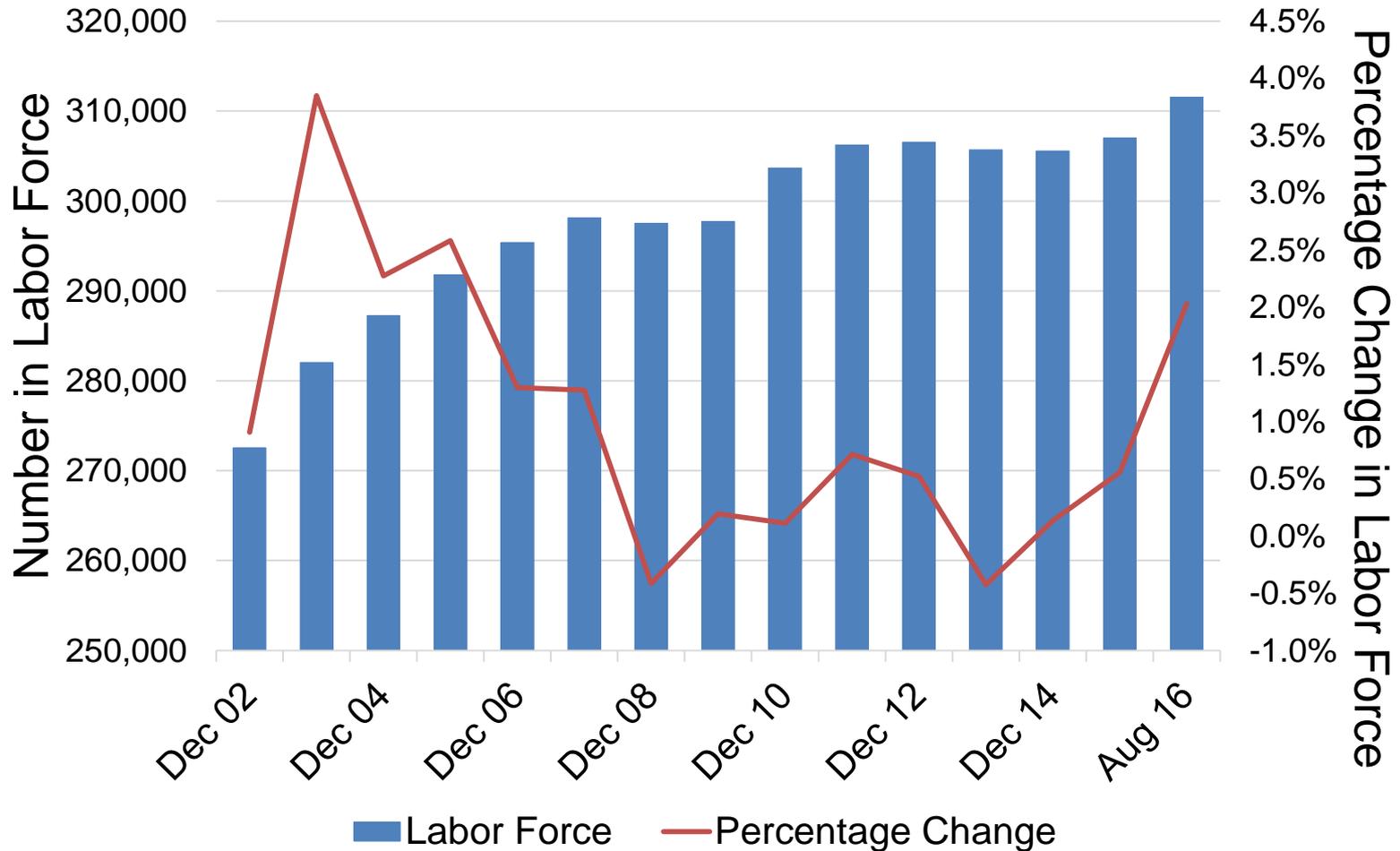
2015 Median Age

El Paso County	United States
33.8	37.8

- Possible reasons for low employment/population ratio:
- Younger cohorts??
 - More military spouses who don't work??
 - Higher % of potential workers lacking skills??

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

El Paso County Labor Force



- Working age population will increase ~1.9% from 2015-2020. At this pace, we need about 5,400 “new jobs” per year in order to keep pace with population growth.

Source: BLS, Colorado Department of Local Affairs

Industry - "Private" Only 2015	Average Annual Pay BLS 2015	% Difference EPC to CO pay	% Difference EPC to U.S. pay
Total, All Industries	\$45,553	-16.4%	-13.8%
Agriculture, Forestry, Fishing & Hunting (0.1%)	\$27,643	-19.9%	-13.6%
Utilities (not CSU) (0.1%)	\$103,075	10.5%	1.6%
Construction (6.8%)	\$49,098	-11.3%	-13.9%
Manufacturing (5.6%)	\$59,139	-11.0%	-8.0%
Wholesale Trade (2.5%)	\$64,736	-18.2%	-11.8%
Retail Trade (14.8%)	\$28,859	-4.0%	-3.0%
Transportation and Warehousing (1.9%)	\$39,853	-23.1%	-20.2%
Information (3.1%)	\$79,145	-15.9%	-16.8%
Finance and Insurance (5.6%)	\$62,516	-29.0%	-37.7%
Real Estate. Rental and Leasing (2.0%)	\$40,411	-23.8%	-25.2%

*Pulled out two classifications that had <100 employees. U.S. Total is for all U.S. (urban and rural). EPC has lower % employees in manufacturing, wholesale trade, transportation and warehousing, and more in accommodation & food and other services; otherwise comparable %s between EPC, CO and US.

Industry - "Private" Only 2015	Average Annual Pay BLS 2015	% Difference EPC to CO pay	% Difference EPC to U.S. pay
Total, All Industries	\$45,553	-16.4%	-13.8%
Professional and Technical Services (10.9%)	\$84,857	-4.5%	-5.5%
Management of Companies and Enterprises (0.5%)	\$125,474	-11.9%	7.5%
Administrative and Waste Services (8.9%)	\$36,015	-4.4%	-3.4%
Educational Services (2.0%)	\$37,001	-4.9%	-22.9%
Health Care and Social Assistance (14.4%)	\$45,234	-6.1%	-4.4%
Arts, Entertainment, and Recreation (2.2%)	\$20,736	-41.4%	-42.6%
Accommodation and Food Services (13.5%)	\$18,027	-11.5%	-7.1%
Other Services (incl. nonprofits) (4.9%)	\$39,977	6.7%	13.8%

*Pulled out two classifications that had <100 employees. U.S. Total is for all U.S. (urban and rural). EPC has lower % employees in manufacturing, wholesale trade, transportation and warehousing, and more in accommodation & food and other services; otherwise comparable %s between EPC, CO and US.

Overview

- **National Indicators – The Big Picture**
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- **Real Estate Market**
- Best Practices in Economic Development

National Picture - Housing

- U.S. home prices increased 4.9% comparing Q2 of 2016 to Q2 of 2015; 83% of measured MSAs (178) had increases.
- Colorado #2 state in the nation for year-over-year home appreciation: up 10.9% (Jan 2016 to Jan 2015). Washington state #1, up 11.6%.
- Recently, low supply levels have dampened national market; winter will exacerbate this.

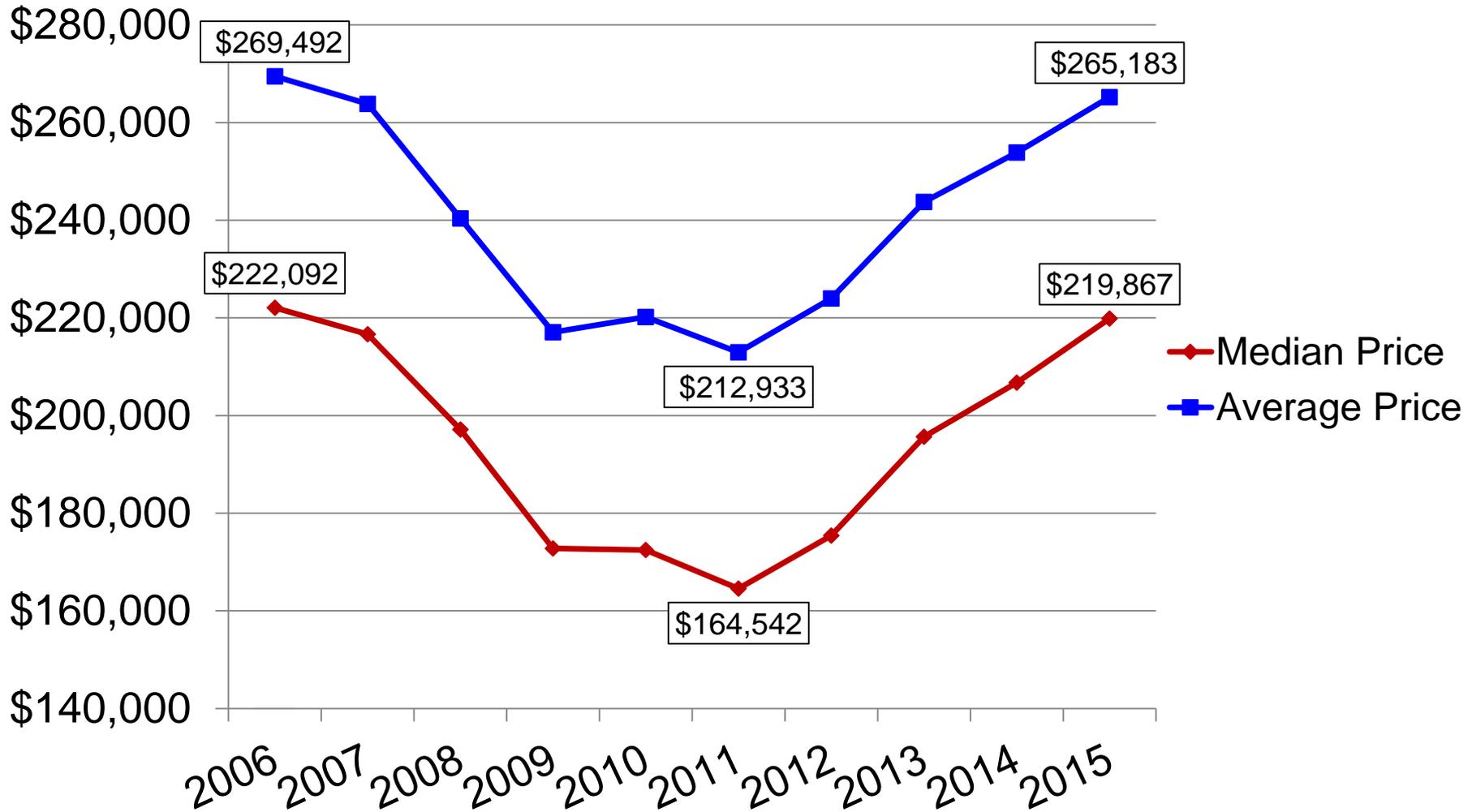
Source: National Association of Realtors; Core Logic March report

National Picture - Housing

- The national median existing single-family home price in Q2 was \$240,700.
- The average condo price in the U.S. was \$227,200 (up 4.8% Q2, 2016 compared to Q2, 2015).
- 75% of MSAs showed gains in median condo prices.
- Existing home prices have risen year-over-year for 54 consecutive months.

Source: National Association of Realtors

U.S. Annual Average & Median Existing Single-Family Home Prices



Source: National Association of Realtors



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National Picture - Housing

- New home construction is not happening quickly enough in most major U.S. markets to abate the housing shortage and unhealthy price growth.
- NAR study revealed that single-family construction not keeping pace with job creation in 80% of measured metro areas.
- Job gains, low interest rates, high consumer confidence, increasing rents will likely keep the housing market strong well into 2017.

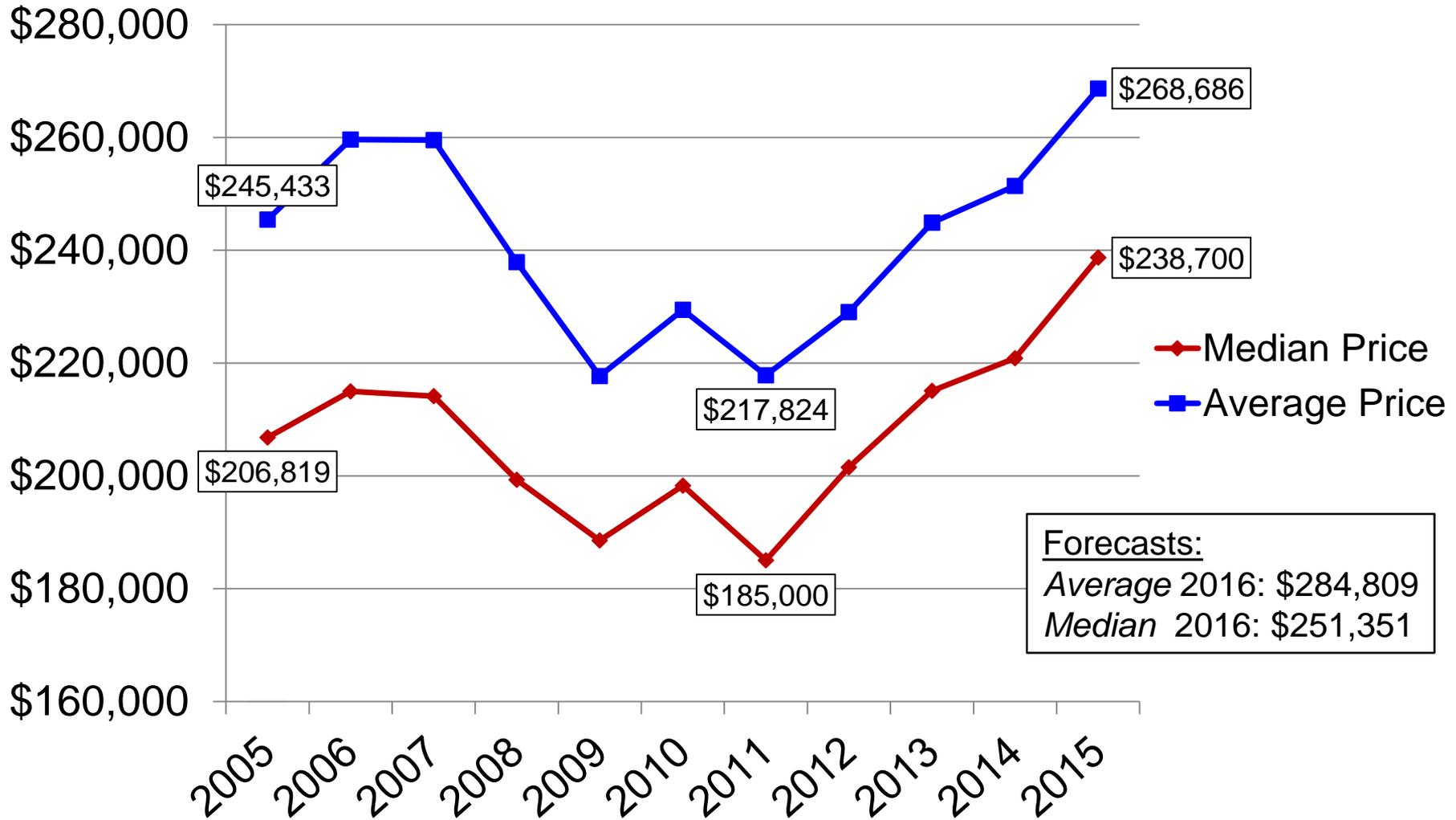
Source: National Association of Realtors

State & Local Picture - Housing

- In 2016 Q2, Colorado Springs had a median price of \$259,300 which is a 5.9% increase from 2015 Q2.
- Denver: 8.7% increase and the median price was \$394,400. Boulder's median price almost \$550,000 (up 18.5% Q2 to Q2).
- Boulder is the 6th most expensive city for median home price and Denver is 14th out of 180 measured MSAs. Colorado Springs ranked 34th.
- 33% increase in residential construction in CO in mid-2016 compared to mid-2015
- 18.3% increase in local home sales 2014 to 2015

Sources: National Association of Realtors; PPAR (RSC)

Pikes Peak Region Annual Average & Median (Single-Family) Home Prices



Source: PPAR (RSC); Forecasts by UCCS Economic Forum

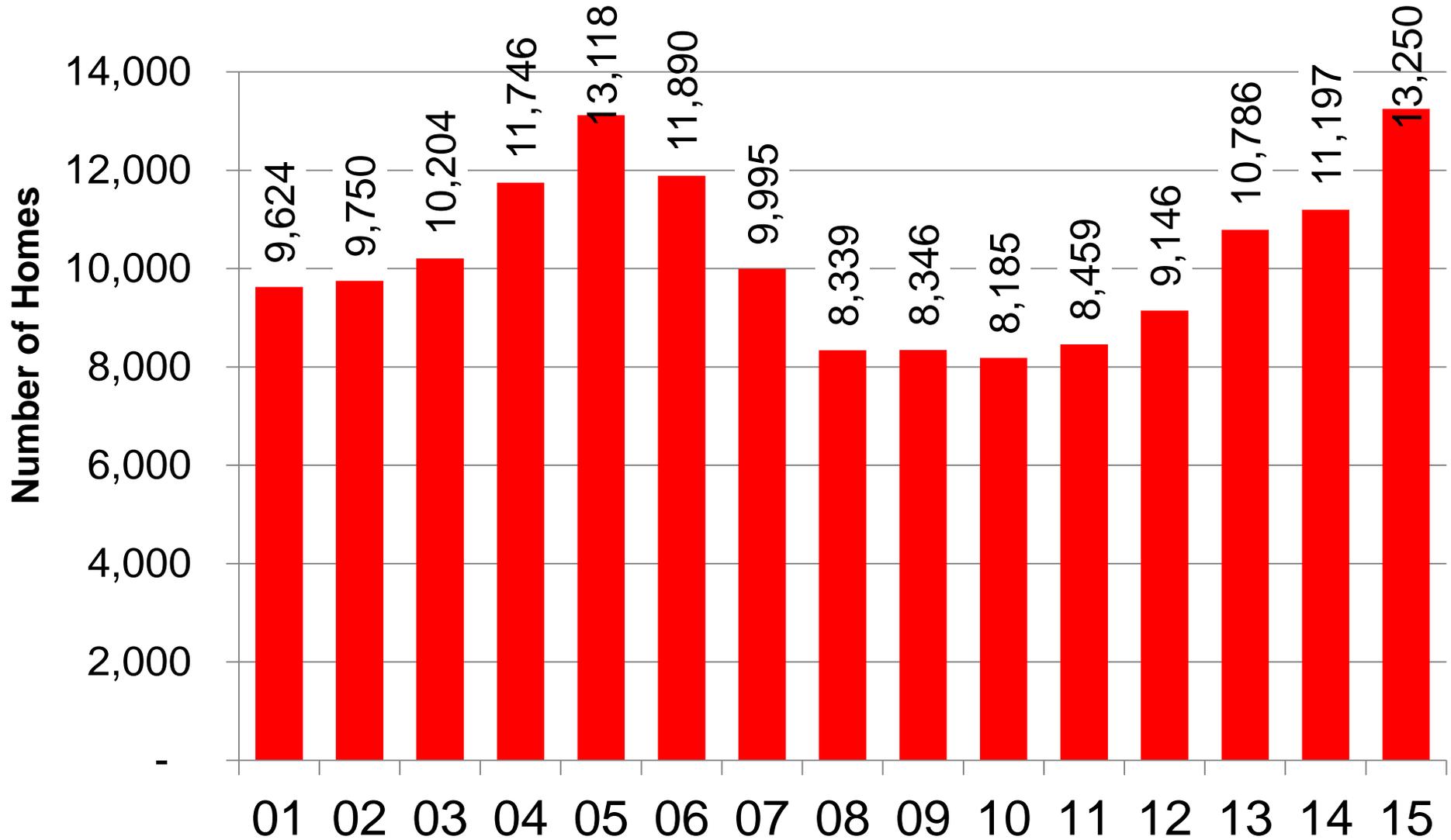


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Pikes Peak Single Family (Detached) Home Sales



Source: PPAR (RSC)



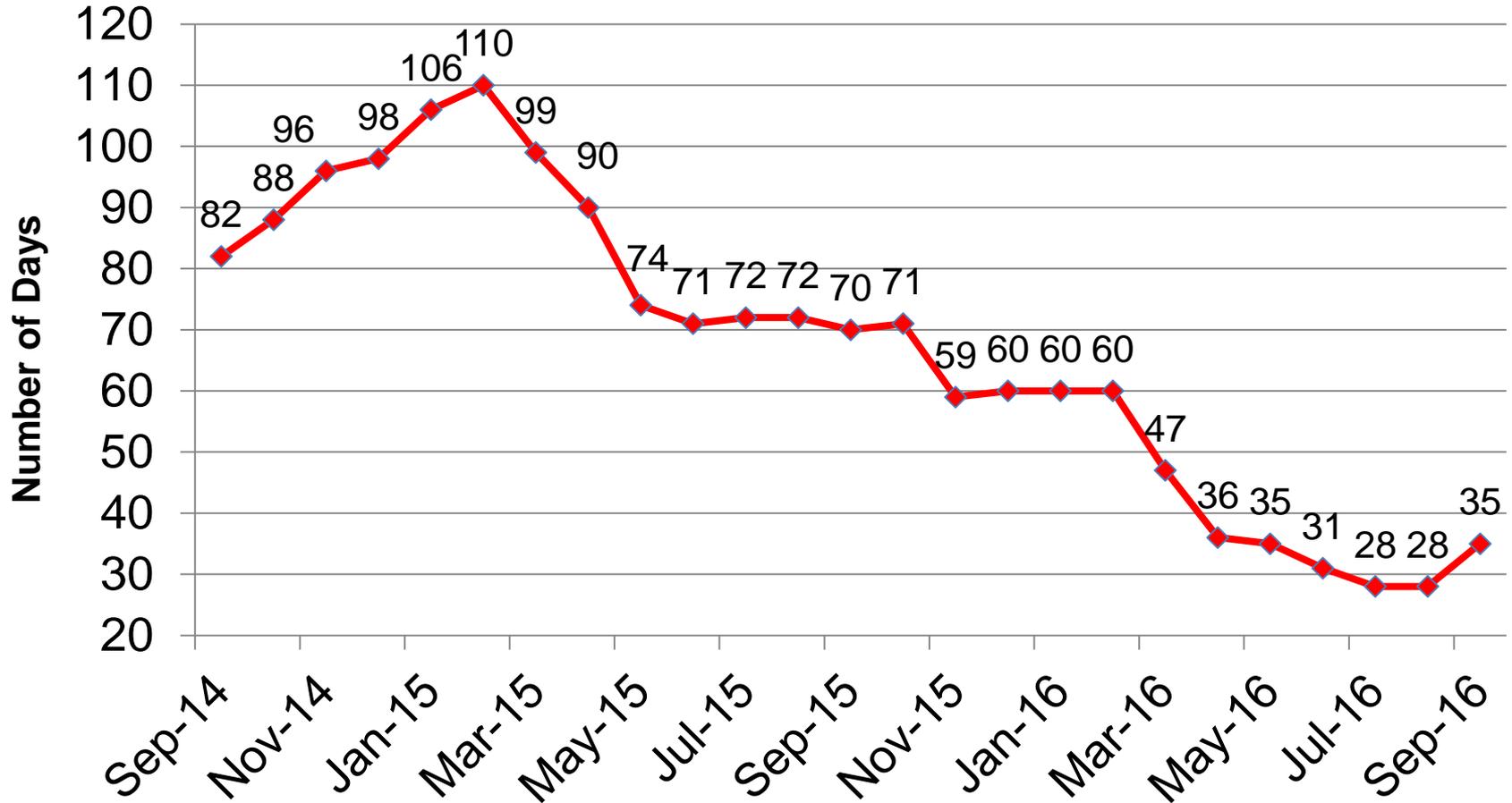
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Single Family/Patio Homes

Average Days on Market



Source: PPAR (RSC)



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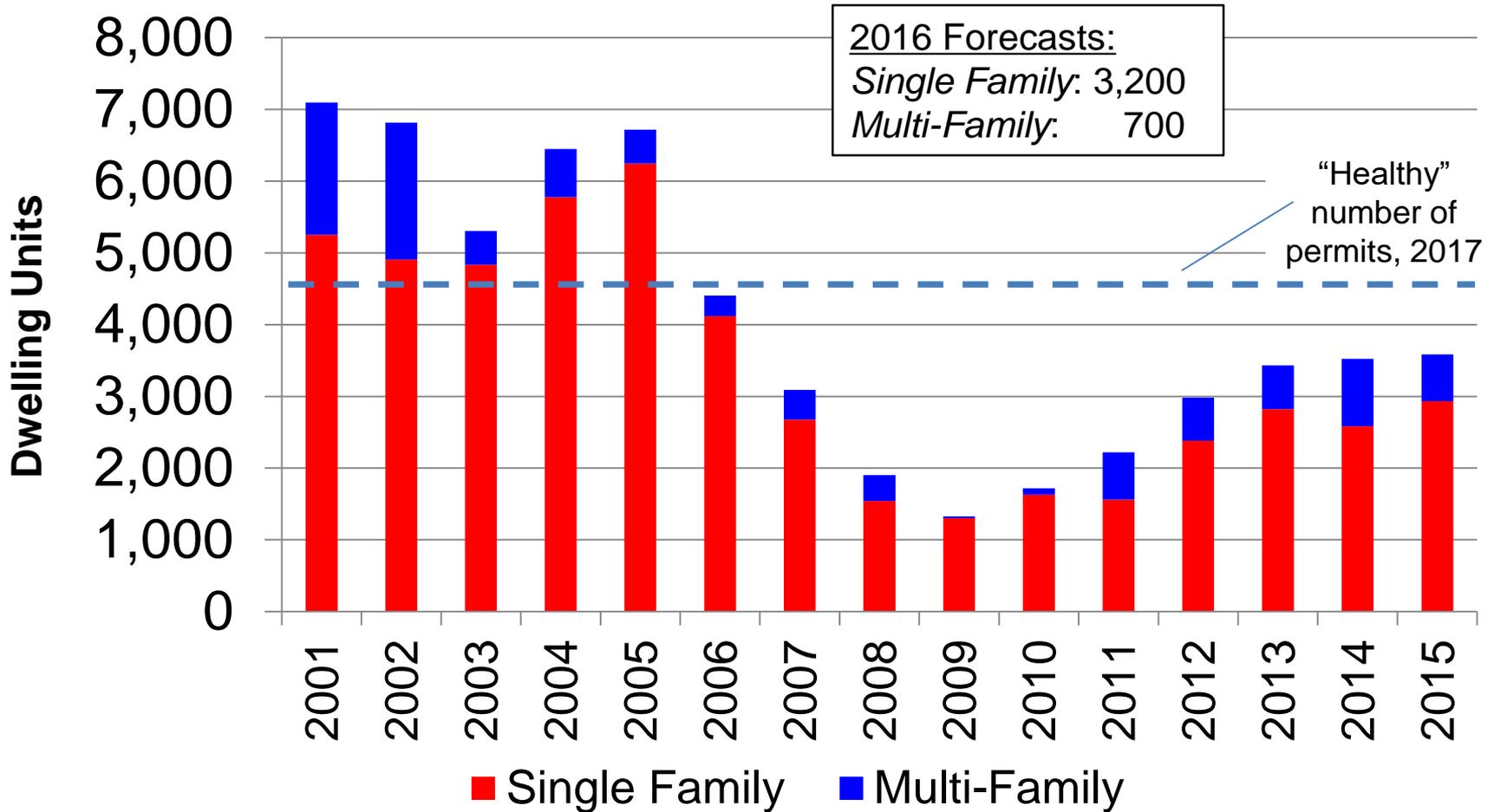
Top 10 hottest housing markets for 2016 based on job growth, vacancies, affordability and demographics:

1. Grand Rapids, MI
2. Charleston, SC
3. Austin, TX
4. Baton Rouge, LA
5. San Antonio, TX
6. Colorado Springs, CO
7. Columbia, SC
8. Riverside, CA
9. Las Vegas, NV
10. Tacoma, WA



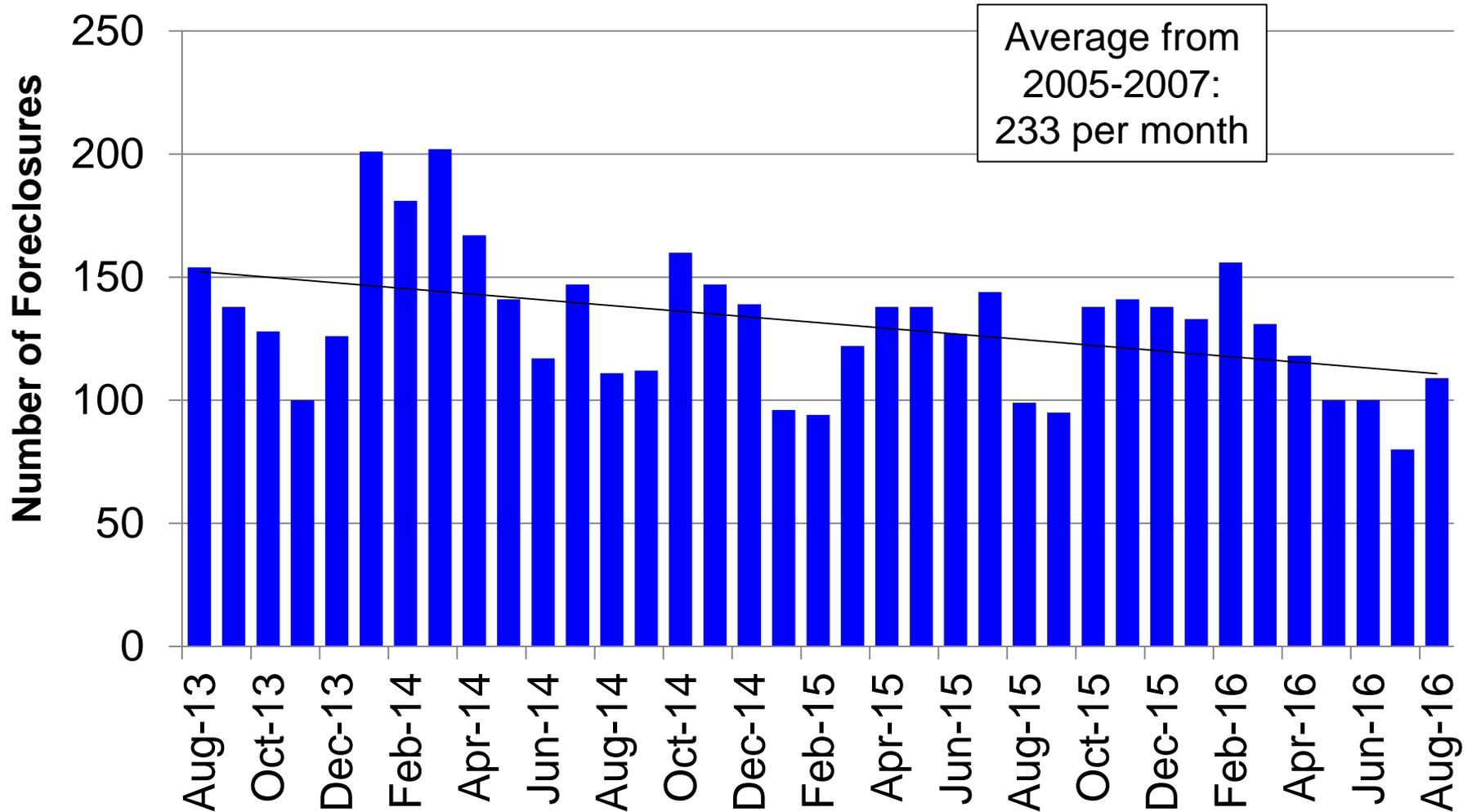
Source: Harry Salzman from *Bloomberg News*, Dec. 18, 2015 (Ralph McLaughlin, Trulia)

Pikes Peak Single & Multi-Family Permits



Source: Pikes Peak Regional Building Department; Forecasts by UCCS Economic Forum with input from PPRBD

Number of Foreclosures, El Paso County



Source: El Paso County Public Trustee



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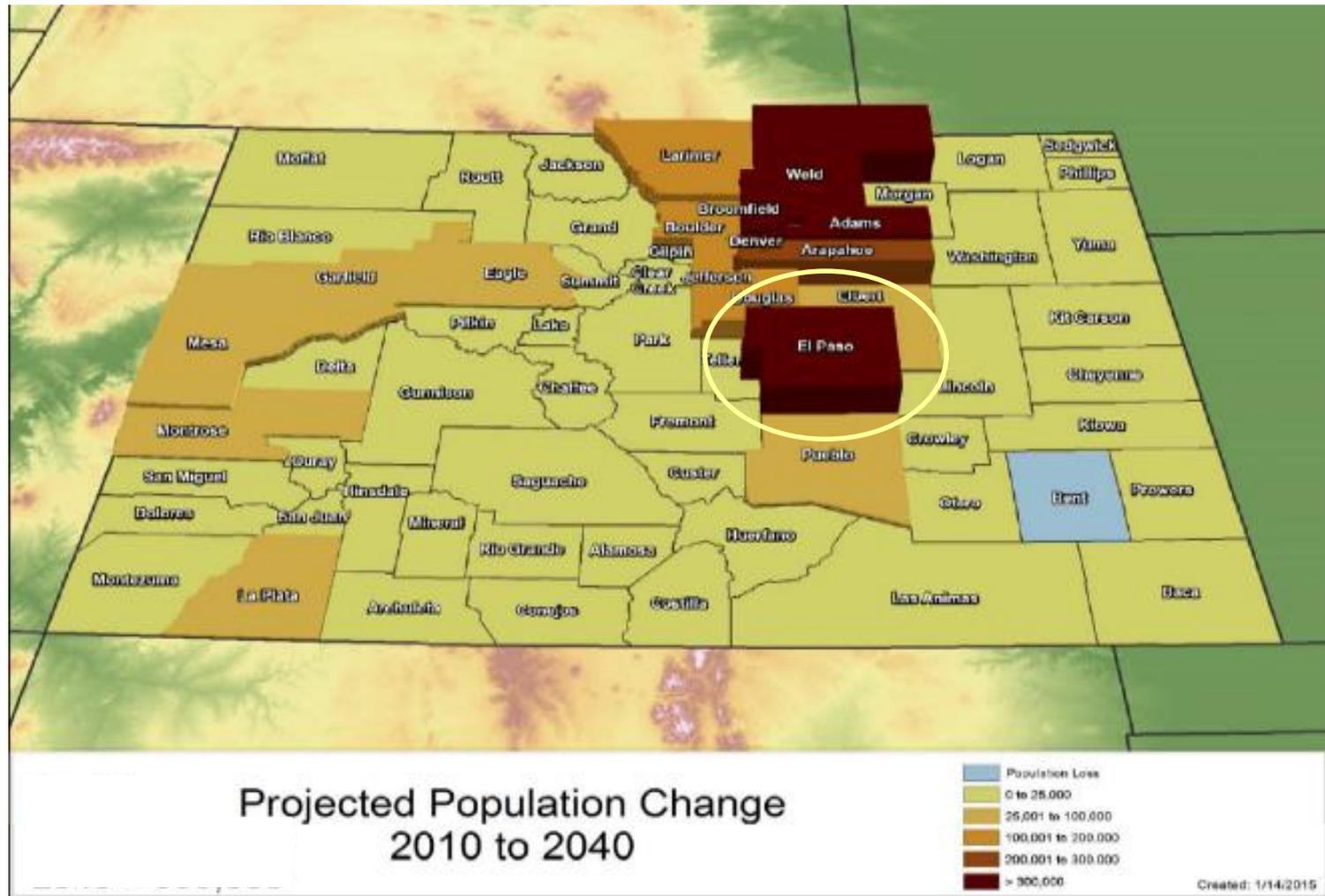
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What About the Rental Market?

- Colorado Springs will several new apartment buildings (including some downtown):
 - 169 units (Colorado and Wahsatch)
 - 187 units (600 block of S. Cascade)
 - Rents will range from \$1,000-\$1,800
 - 33 units (S. Nevada) Blue Dot
 - Elements at Briargate and La Bella Vita likely delivered in 2016 as well as Vista Views addition for a total of about 650 units.

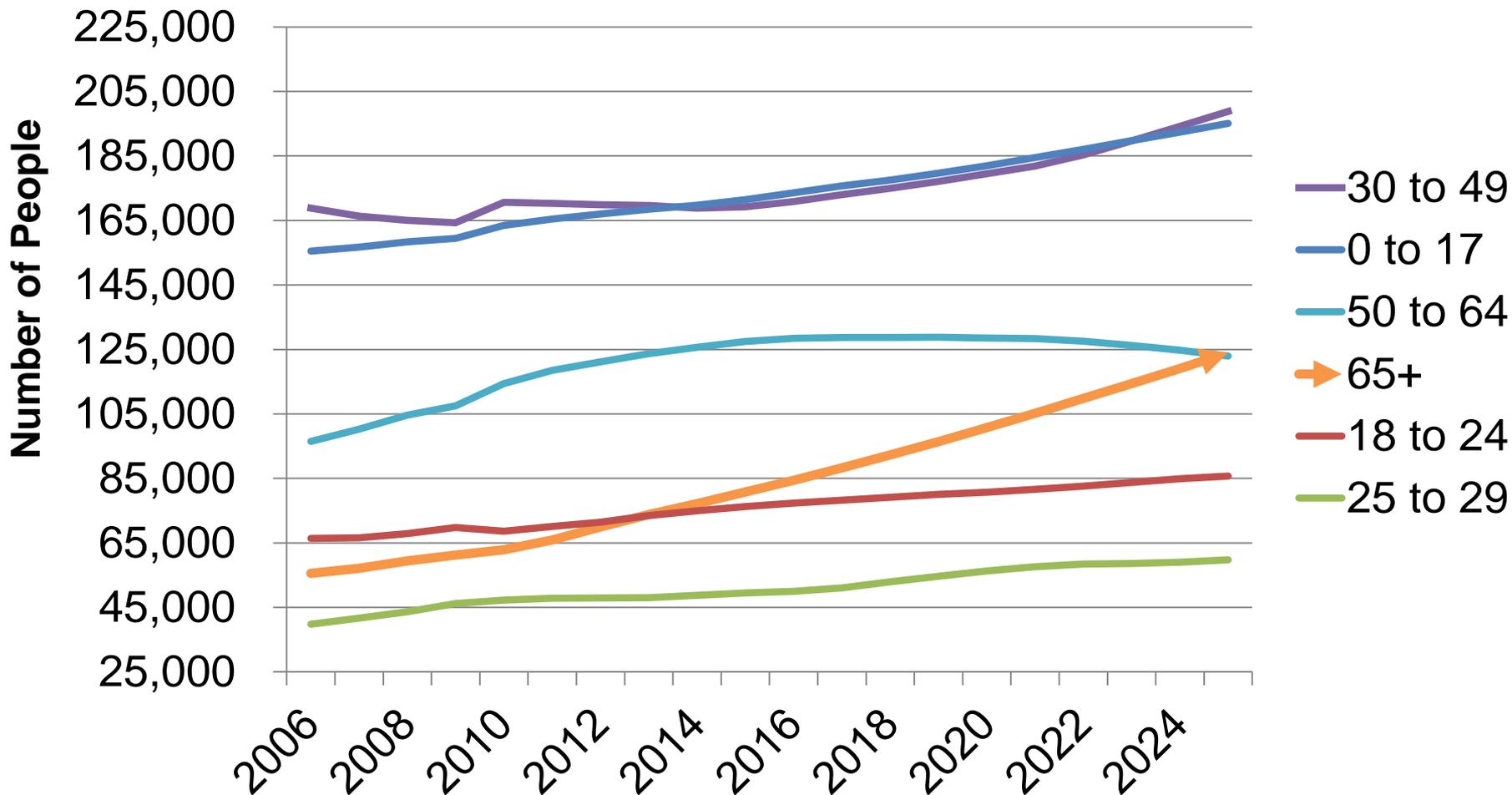
Source: Apartment Association of Southern Colorado; Gazette

Demographics: EPC Population Projections



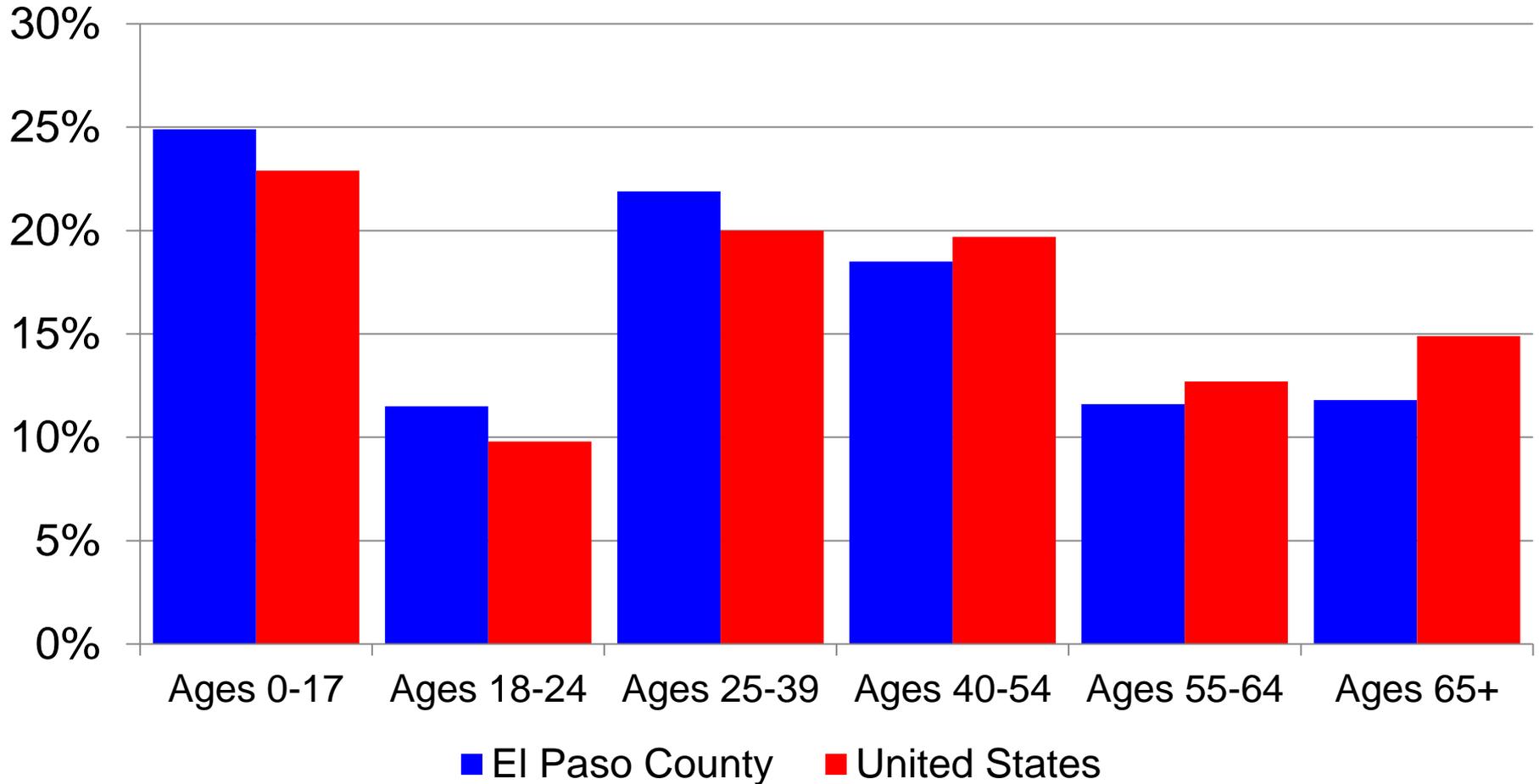
Source: Colorado State Demography Office

El Paso County Population Projections by Age Group



Source: Colorado Department of Local Affairs

El Paso County & U.S. Age Groups in 2015



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

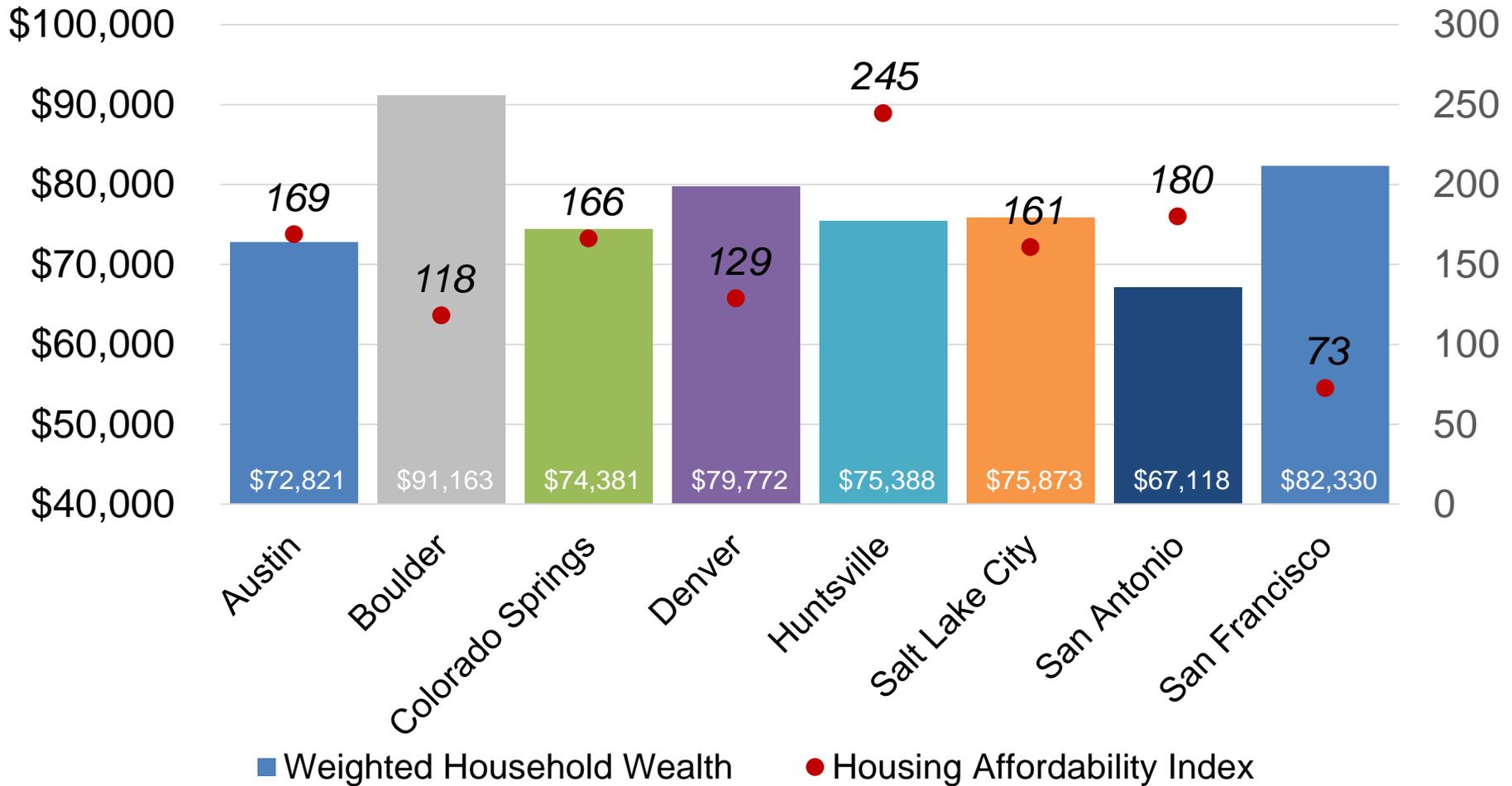
2015 Educational Attainment

Population with a Bachelor's Degree or Higher			
	Colorado Springs (city)	Colorado	United States
Ages 18-24	10.7%	11.1%	10.3%
Ages 25+	38.3%	39.3%	30.6%
Population with Some College or an Associate Degree			
	Colorado Springs (city)	Colorado	United States
Ages 18-24	47.2%	45.6%	45.8%
Ages 25+	34.5%	30.2%	28.9%

➤ In-migration, natural increase, HH formation & high educational attainment bode well not only for real estate, but for economic growth as a whole – especially if growth is managed well.

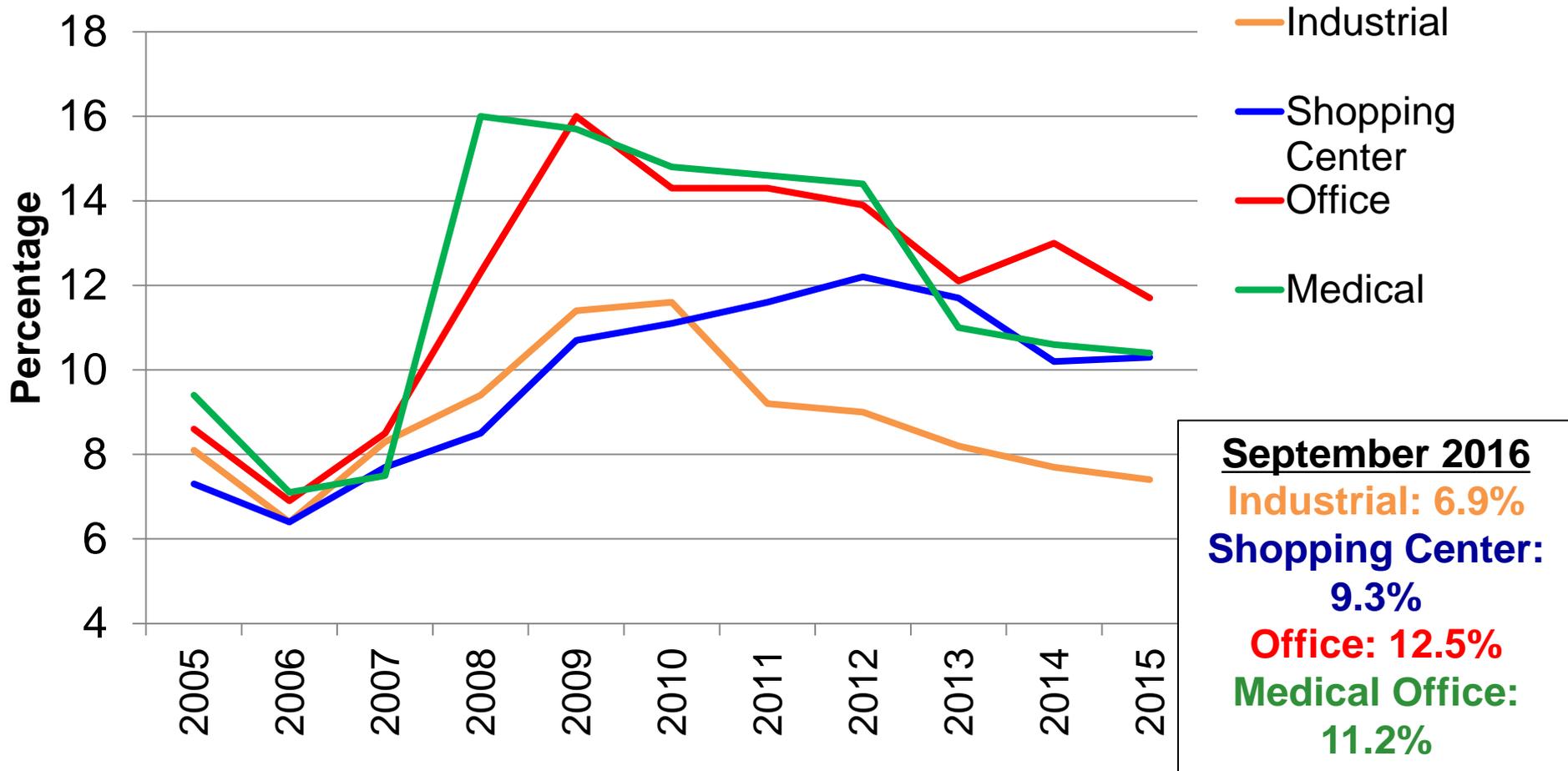
Source: U.S. Census Bureau, American Community Survey

2015 Median Wealth & Housing Affordability



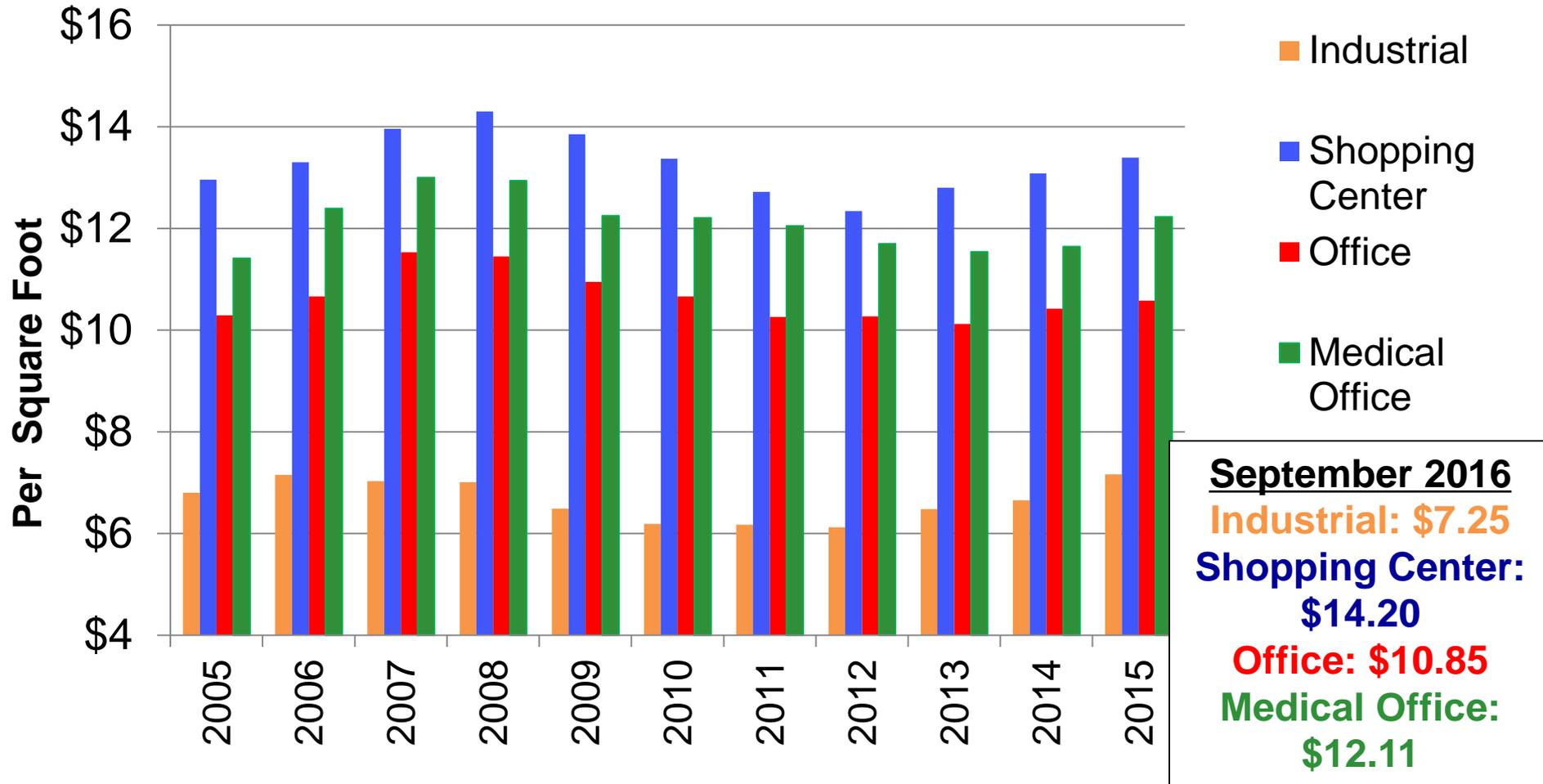
Higher Housing Affordability Indices mean greater affordability; U.S. median wealth was \$49,787; U.S. average affordability composite index was 164.
 Sources: Synergos Technologies and U.S. Census Bureau; Credit Suisse and National Association of Realtors

Colorado Springs Industrial, Shopping Center, Office and Medical Vacancy Rates



Source: Turner Commercial Research

Colorado Springs Industrial, Shopping Center, Office and Medical Rents



Source: Turner Commercial Research, Commercial Availability Report

Nuances in Commercial Real Estate Market

- Market in transition; local economy has similarities to Denver's economy in early 1990s; some parallels in commercial real estate markets.
- Locally, a low inventory for quality office, industrial and medical space
- Lease rates likely to increase substantially before we see speculative office and industrial development
- Medical and shopping center markets already have construction.
- 3-4% of vacancy rates in all categories are “not real” – obsolete

Source: Olive Realty, Jim Justus & Jim DiBiase

Nuances in Commercial Real Estate Market

Distortions: Land

- Although existing commercial vacancy rates have fallen and leasing rates have recovered post recession, the land market is still subpar:
 - 2006: 23,000 acres of land transactions at \$449 million
 - 2015: 7,000 acres of land transactions at \$45 million

Source: Olive Realty, Jim Justus & Jim DiBiase

Nuances in Commercial Real Estate Market

Distortions: Medical

- Very expensive to build, especially Class A (e.g. \$350/sq.ft. to build medical space; requires ~\$28/sq.ft leasing rate)
- Currently, Class A medical rents: ~\$20/sq.ft
- Medical construction booming because of consolidation in health care and older commercial space doesn't fit today's med space needs.

Source: Olive Realty, Jim Justus & Jim DiBiase

Nuances in Commercial Real Estate Market

Distortions: Industrial

- Shortage of industrial space due to marijuana but also better economy (e.g. trades related to residential boom)
- Marijuana effect has probably peaked.
- Cost of construction is high, and lease rates are not high enough to justify new construction.*

*Lease rates should be 80-85% of new construction costs to justify new construction.

Source: Olive Realty, Jim Justus & Jim DiBiase

Nuances in Commercial Real Estate Market

Distortions: Office

- Currently, office vacancy rates are 12.5%; at 8–8.5%, lease rates will spike.
- Costs ~\$260/sq.ft to build Class A space; requires \$20/sq.ft. lease rates. (September, 2016 Class A Office: \$14.05)
- With 8,300 new jobs in the past year, if we assume even 50% are office-based jobs at 200 sq.ft. per person, that's ~820,000 sq.ft. additional office space that is needed just in the past year.
- In 3 years, we use up almost all existing, available space.

Source: Olive Realty, Jim Justus & Jim DiBiase

Nuances in Commercial Real Estate Market

- Likely to have significant upward pressure on industrial and office space lease rates in the next 1-2 years.
- Medical lease rates already high.
- Retail space will continue to increase – consumer-driven expansion in U.S.; population growth
- Banks are heavily regulated and still not lending perhaps freely enough to help with needed expansion in commercial real estate & business in general.

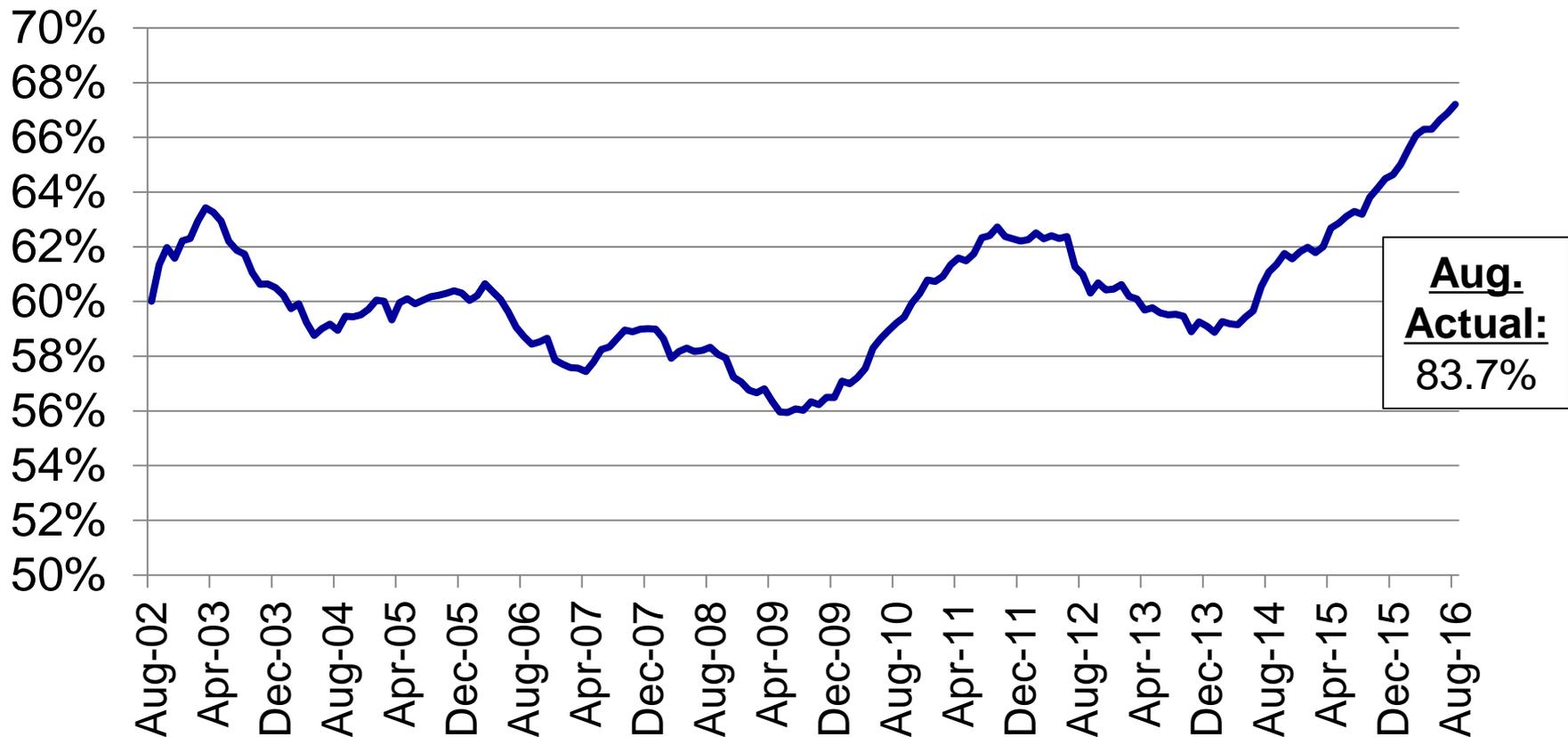
Source: Olive Realty, Jim Justus & Jim DiBiase

Colorado Springs to Denver (metro): Rents per Square Foot

June 16, 2016			
	Retail	Office	Industrial
Colorado Springs	\$14.11	\$12.00	\$7.41
Denver	\$17.70	\$19.21	\$8.75
% Difference	-20.3%	-37.5%	-15.3%

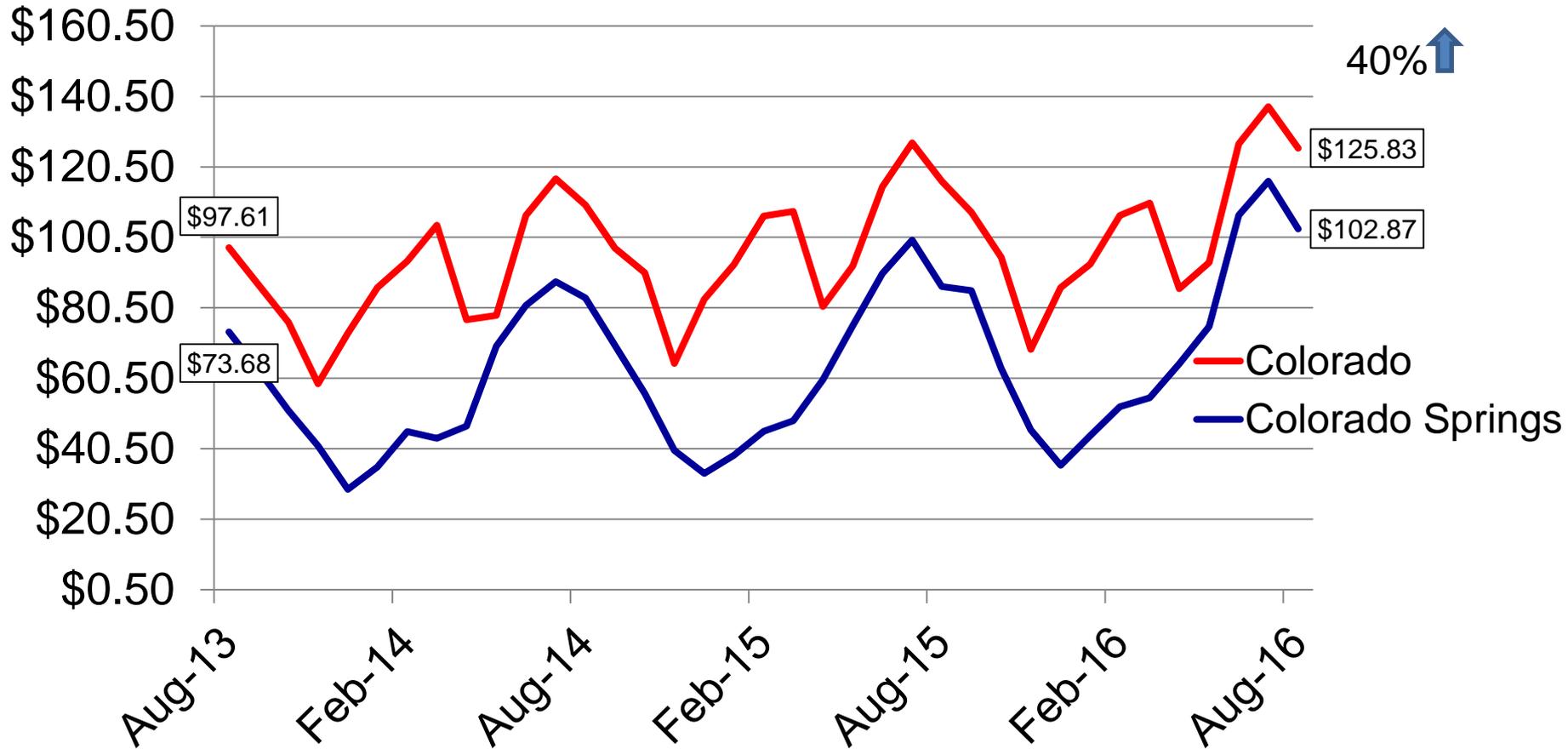
Source: LoopNet, Inc; Olive Realty, Jim Justus & Jim DiBiase

Colorado Springs Hotel Occupancy Rate – 12 Month Moving Average



State-wide, we have had a 5% increase in hospitality-related jobs Q2, 2015 to Q2, 2016.
 Source: CO Hotel and Lodging Association, Rocky Mountain Lodging Report

Hotel RevPAR for Colorado and Colorado Springs



Source: CO Hotel and Lodging Association, Rocky Mountain Lodging Report



University of Colorado
Colorado Springs



University of Colorado
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

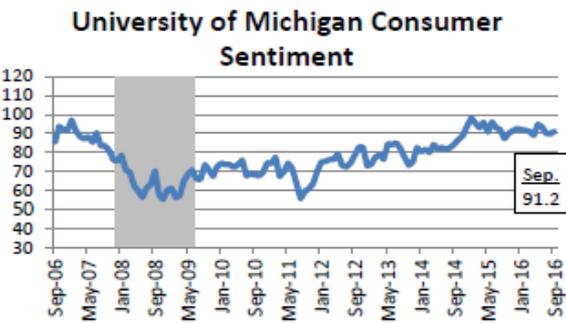
The Big Picture

U.S. Quarterly GDP



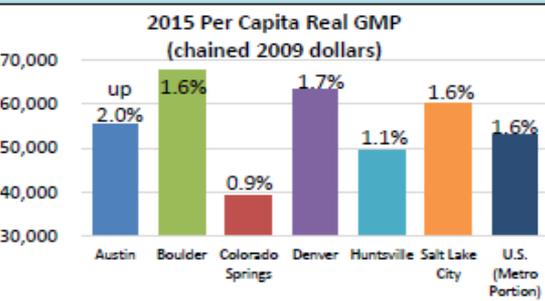
Source: U.S. Bureau of Economic Analysis
*Sep. release of Real GDP Percent Change from Q2 Year Ago, SA

U.S. Consumer Sentiment



Source: University of Michigan

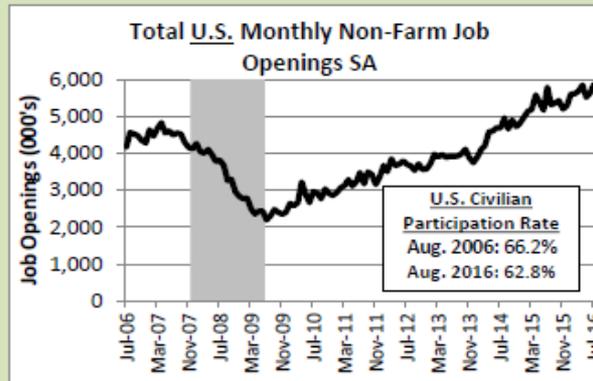
MSA GMP Per Capita



Note: Military data is included in both GMP and population. Real GMP is adjusted for regional price differences (RPP). Percentage change compares 2015 to 2014 Per Capita Real GMP.
Sources: U.S. Bureau of Economic Analysis

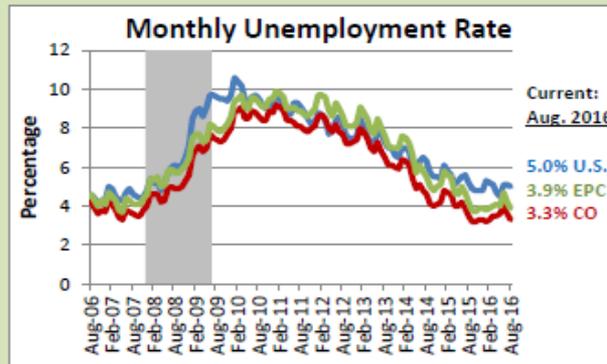
Labor Force/Employment

U.S. Non-Farm Job Openings



Source: U.S. Bureau of Labor Statistics; Jobs data is through July 2016.

Unemployment Rate



Source: BLS-LAUS; Data not seasonally adjusted; local data lags one month.

**New jobs in El Paso County
2015 Q1 to 2016 Q1: 8,283**

Source: Colorado Department of Labor QCEW

UCCS Economic Forum

COLLEGE OF BUSINESS

UNIVERSITY OF COLORADO

COLORADO SPRINGS

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PLEASE CONTACT TATIANA BAILEY AT tbailey6@uccs.edu

Colorado Springs MSA Job Openings

September 2016

Total job openings: 12,062
Average posting duration: 44 days
Median salary of posted jobs: \$66,550
Colorado median salary: \$60,025

Top Job Titles

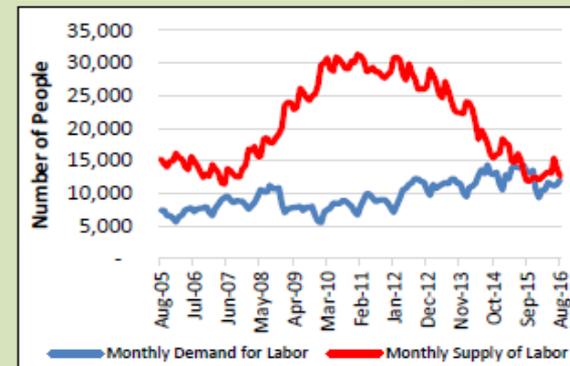
Registered Nurse (818 jobs)
Customer Service Rep (718 jobs)
Software Engineer (709 jobs)
Teller (524 jobs)
Administrative Assistant (523 jobs)
Sales Rep (488 jobs)
Systems Engineer (460 jobs)
Project Manager (426 jobs)
Physical Therapist (413 jobs)
Systems Administrator (427 jobs)

August 2016

Demand for Labor	Supply of Labor
12,117	12,608

Sources: Pikes Peak Workforce Center – WANTED Analytics™; U.S. Bureau of Labor Statistics; UCCE Economic Forum

Colorado Springs MSA Labor Force

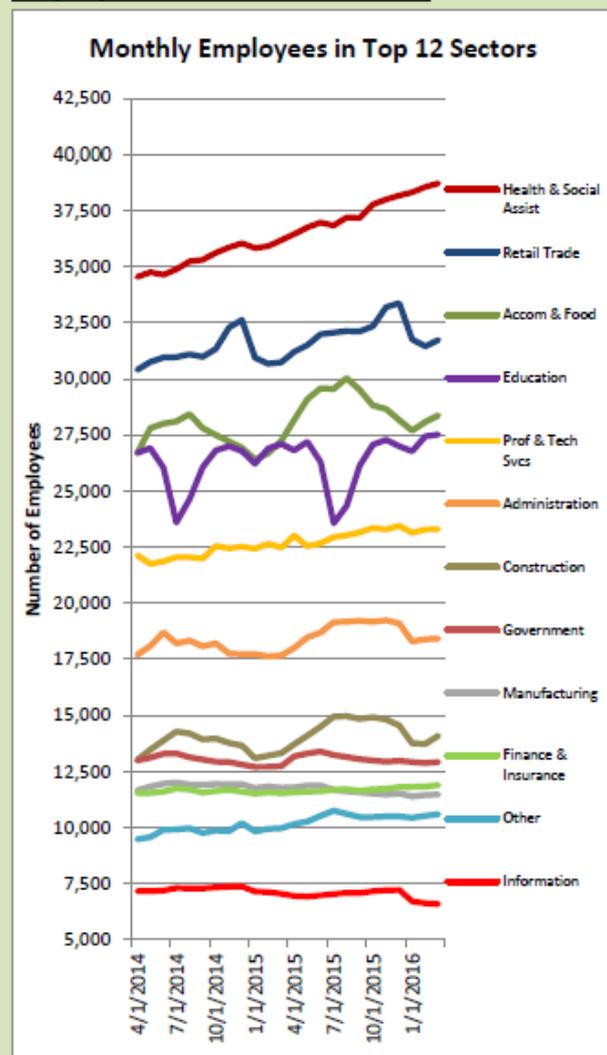


Sources: Pikes Peak Workforce Center – WANTED Analytics™; U.S. Bureau of Labor Statistics; UCCE Economic Forum

Employment/Wages

El Paso County

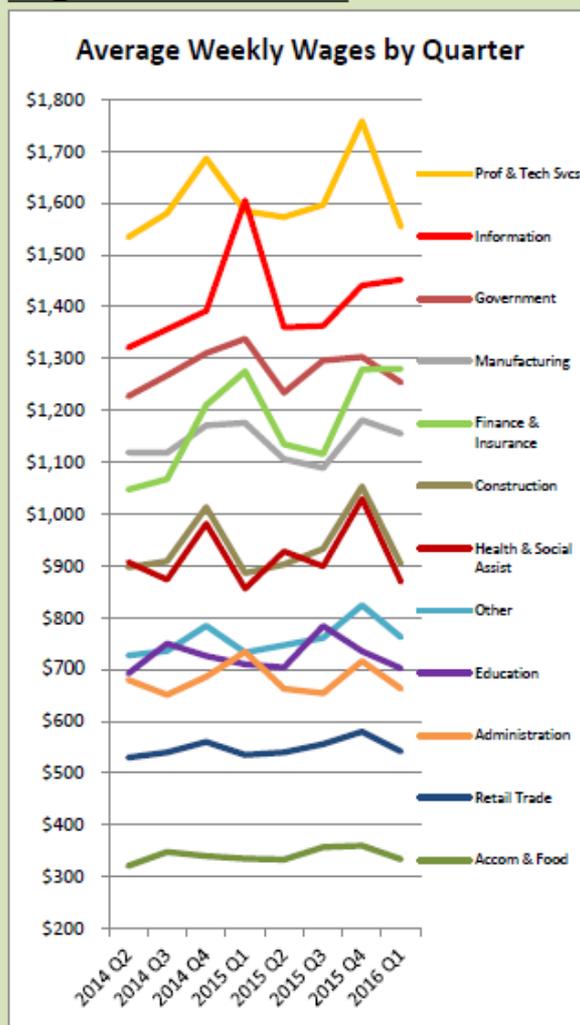
Employment in Selected Sectors



Source: Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW)
QCEW data lags by two quarters.

El Paso County

Wages in Selected Sectors

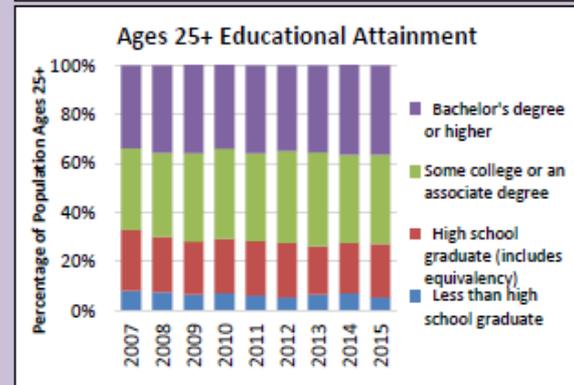
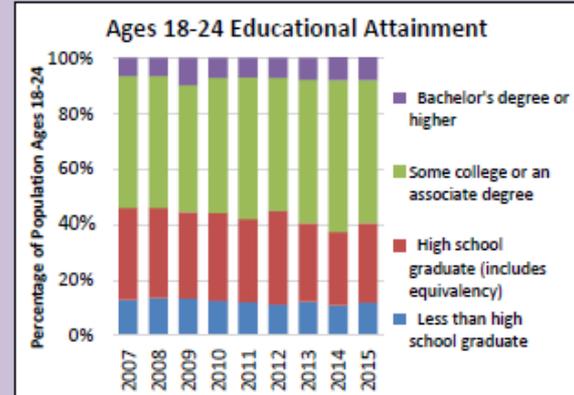


2016 Q1 for All Industries		
Colorado Average Weekly Wage	El Paso County Average Weekly Wage	El Paso County Total Employment
\$1,057	\$877	257,753

Source: Colorado Department of Labor QCEW

Education

El Paso County



Population with Bachelor's Degree or Higher 2015

	Colorado Springs (city)	Colorado	United States
Ages 18-24	10.7%	11.1%	10.3%
Ages 25+	38.3%	39.3%	30.6%

Population with Some College or an Associate Degree

	Colorado Springs (city)	Colorado	United States
Ages 18-24	47.2%	45.6%	45.8%
Ages 25+	34.5%	30.2%	28.9%

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

Demographics

2015 Population

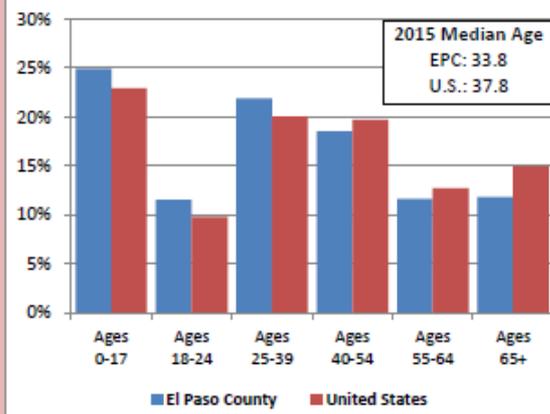
Colorado Springs (city)	El Paso County	Colorado Springs MSA
456,568	674,471	697,856

Colorado Springs MSA is made up of El Paso and Teller Counties.

Source: U.S. Census Bureau, Population Division

El Paso County & U.S. Age Groups

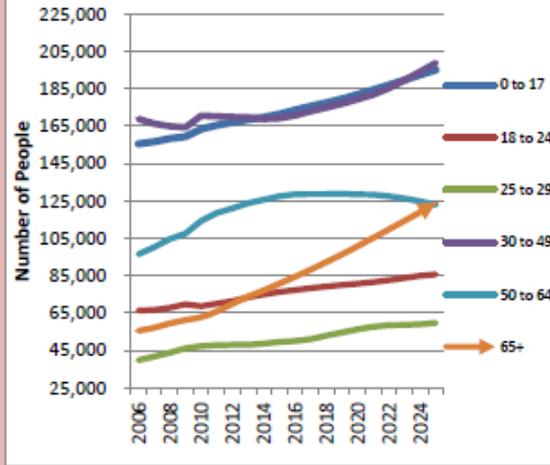
2015 Population by Age Group



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

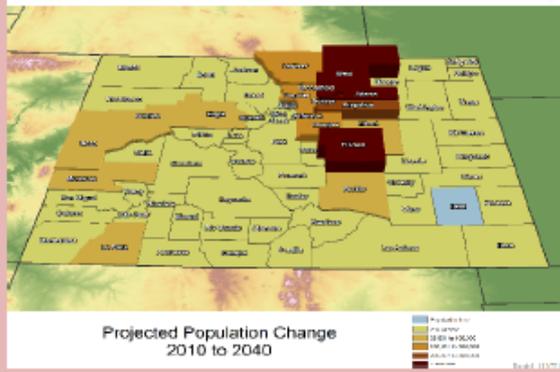
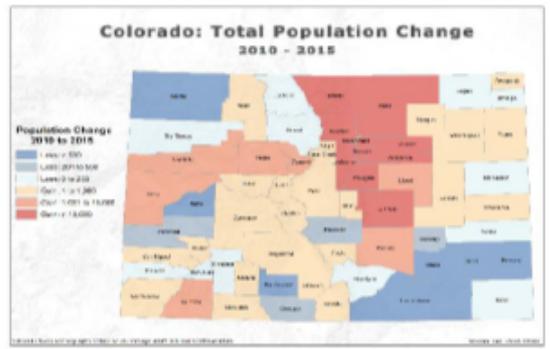
El Paso County – Population Projections

Annual Population by Age Group



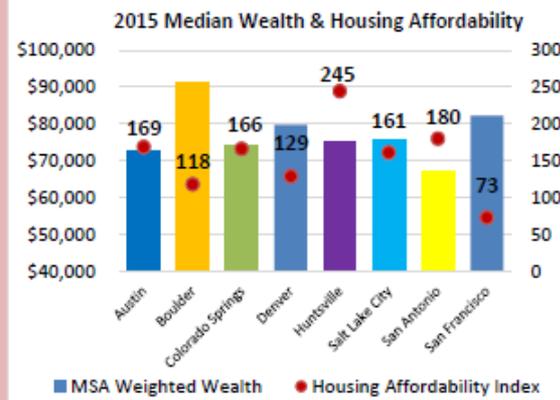
Source: Colorado Department of Local Affairs

Population Growth



El Paso is one of four counties with projected growth of 300,000+.
Source: Colorado Department of Local Affairs

Cost of Living

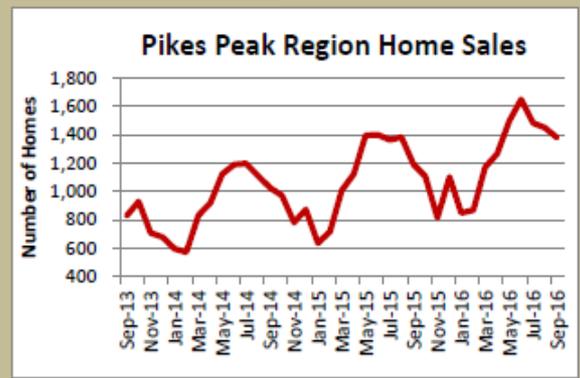


Higher Housing Affordability Indices mean greater affordability. In 2015, U.S. median wealth was \$49,787 and the U.S. average affordability composite index was 164.

Sources: Synergos Technologies and U.S. Census Bureau; Credit Suisse and the National Association of Realtors

Real Estate

Monthly Home Sales

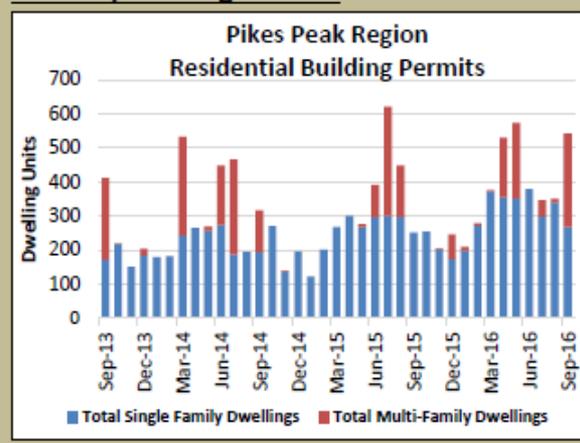


Median Home Price 2016 Q2

Location	Colorado Springs	Denver	Boise	United States
Price	\$259,300	\$394,400	\$208,200	\$240,700
1-year % Change	5.9% increase	8.7% increase	9.5% increase	4.9% increase
MSA Rank	34	14	69	n/a

Sources: Pikes Peak Assoc. of Realtors; Nat'l Assoc of Realtors

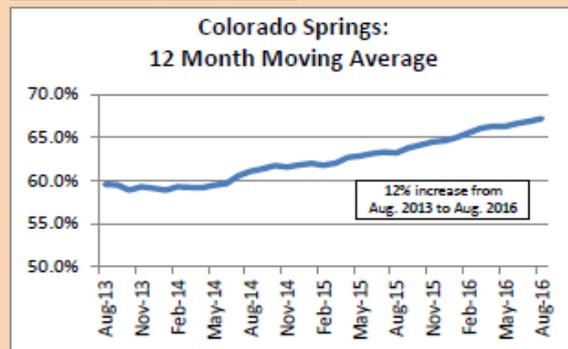
Monthly Building Permits



Source: Pikes Peak Regional Building Department

Tourism

Hotel Occupancy Rate

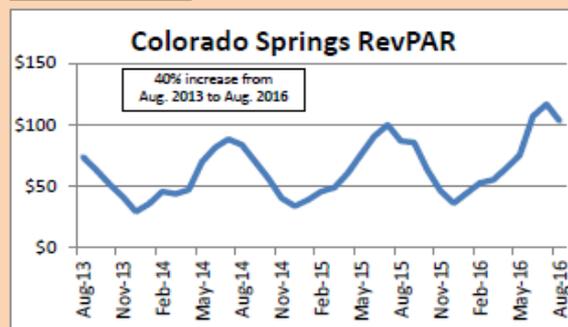


Hotel Occupancy Rate August 2016

Colorado Springs	Denver	Colorado
83.7%	86.2%	80.4%

Source: Colorado Hotel and Lodging Association, Rocky Mountain Lodging Report

Hotel RevPAR



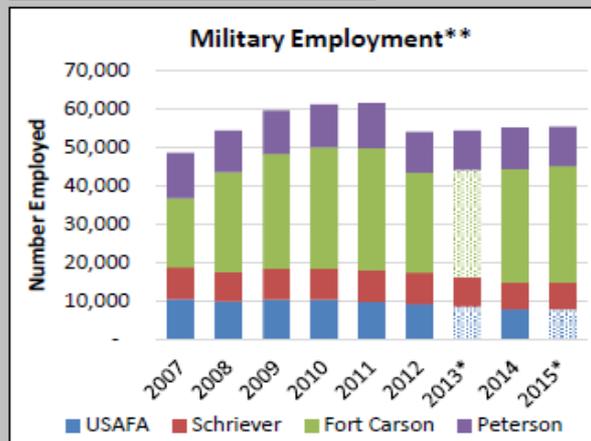
Hotel RevPAR August 2016

Colorado Springs	Denver	Colorado
\$102.87	\$130.59	\$125.83

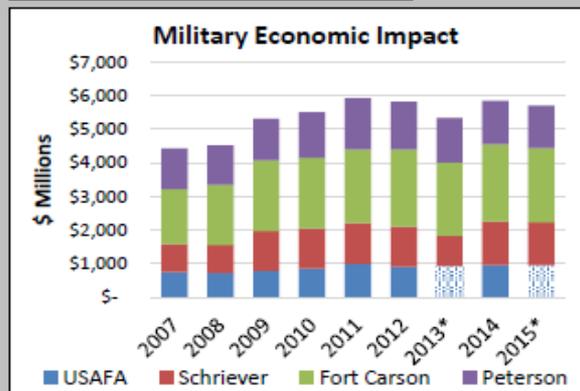
Source: Colorado Hotel and Lodging Association, Rocky Mountain Lodging Report

Military

El Paso County Employment



Expenditures in El Paso County



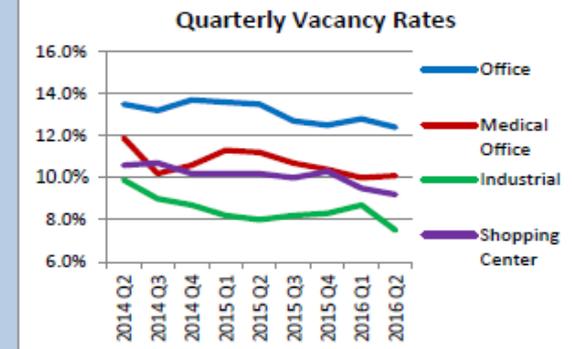
*2013 and 2015 data was not available for all locations. Textured bars are an estimate in 2013 made by the UCCS Economic Forum and duplicate 2014 data in 2015 for USAFA.

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

Sources: Department of Military and Veteran Affairs; Colorado Springs Regional Business Alliance; respective military installations

Additional Metrics

Colorado Springs Commercial Real Estate

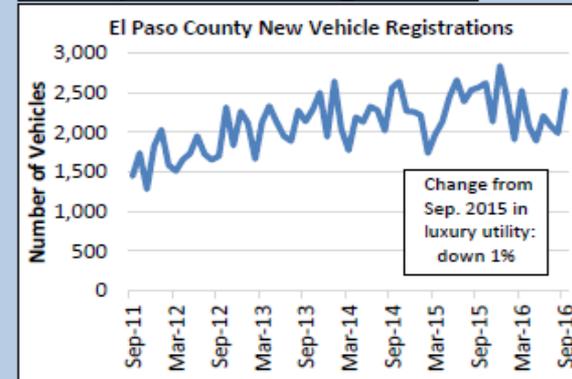


Rent per Square Foot 2016 Q2

Office	Medical Office	Industrial	Shopping Center
\$10.73	\$12.15	\$7.22	\$13.79

Source: Turner Commercial Research, Commercial Availability Report

Monthly New Vehicle Registrations



Source: El Paso County Clerk and Recorder
Luxury utility categories (all terrain, camper trainer, trailer coach and trailer utility) are not included in graph line above, but % change in this category is noted in text box.

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Last updated: 10/05/2016

Overview

- National Indicators – The Big Picture
- Labor Force, Employment & Unemployment
- Real Estate Market
- **Best Practices in Regional Economic Development**

Colorado Springs: Going for the Gold

1) Have a plan

- Clear focus areas and goals for the short and long-term with associated timelines
- Includes all leadership entities whose missions revolves around the identified goals
- Have a coordinator who helps track community-wide progress and helps facilitate synergies between leadership groups
- Public/private participation and ownership

Colorado Springs: Going for the Gold

2) Identify areas of comparative advantage and of weakness

- Build goals around both strengths and weaknesses
- Use past trends and state projections to identify high growth business sectors
- Ensure region has the necessary support mechanisms to support the growth (e.g. infrastructure, targeted workforce programs)
- A willingness to invest in the community

Colorado Springs: Going for the Gold

3) Have buy-in and full participation of all, relevant community players

- Downtown, Chamber/RBA/business, post-secondary education, workforce, philanthropic (at-risk), entrepreneurial, government...
- Have the dedicated coordinator simply “connect the dots” between the various community and economic development entities (CEDEs); identify state/federal grant opportunities

Colorado Springs: Going for the Gold

4) Track progress

- After goals have been identified, establish easy and credible metrics to evaluate progress
- Work with relevant CEDEs to develop these metrics
- Establish timelines for identified milestones
- Establish reporting schedule for metrics (e.g. quarterly, semi-annually)
- Promote and celebrate successes; refine plans for areas that still need work

Main Street Rank Larger States

2015	2014
2	2



mainstreetentrepreneurship Colorado Profile

THE KAUFFMAN
INDEX

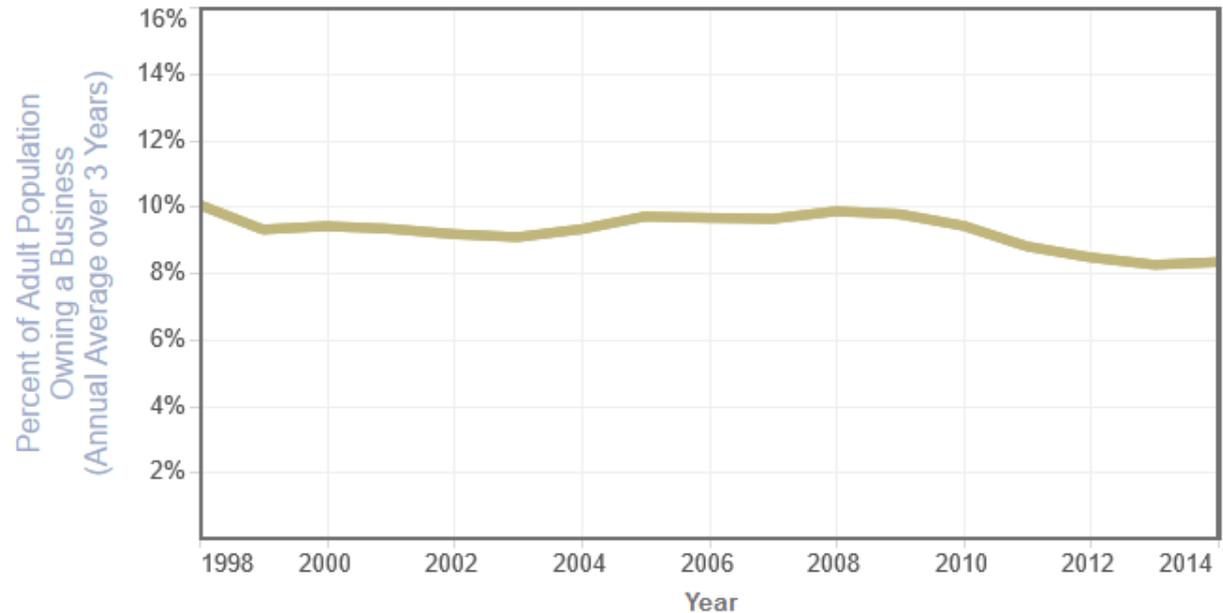
Rate of Business Owners

2015 Component	2014 Component
8.35%	8.27%

Measures the percent of the adult population of a given area that owns a business as their main job.

Source: Author calculations from CPS.
3-year moving average.

Rate of Business Owners



Measures local, established small business activity and their business owners.

Established Small Business Density

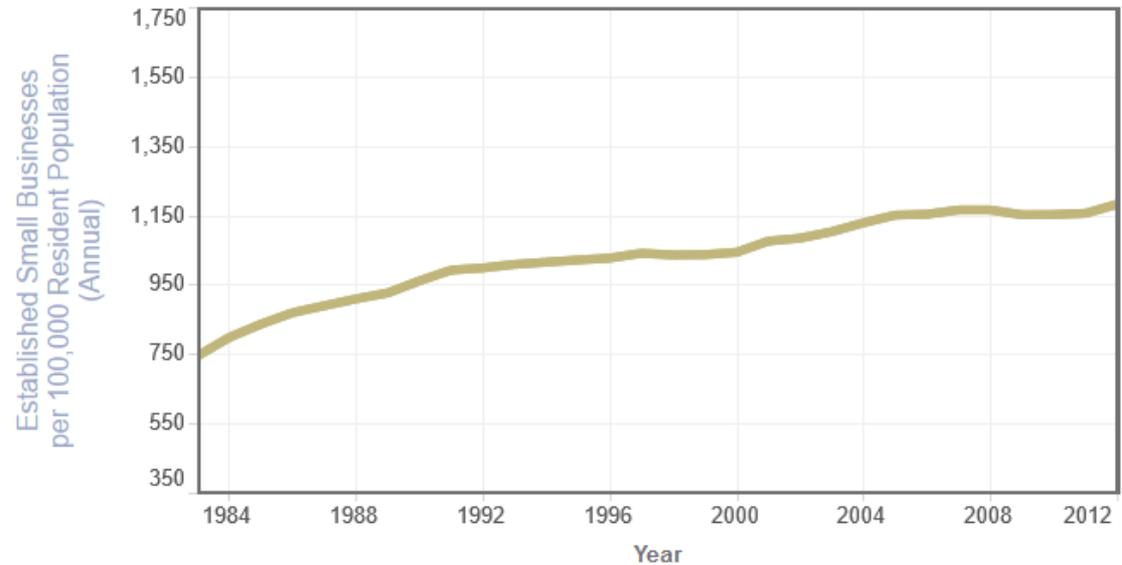
2015 Component	2014 Component
----------------	----------------

1,183.9	1,157.6
----------------	----------------

Number of established small businesses per 100,000 resident population. Established small businesses are defined as businesses over the age of five employing at least one, but less than fifty, employees.

Source: Author calculations from BDS and BEA. Yearly measure.

Established Small Business Density

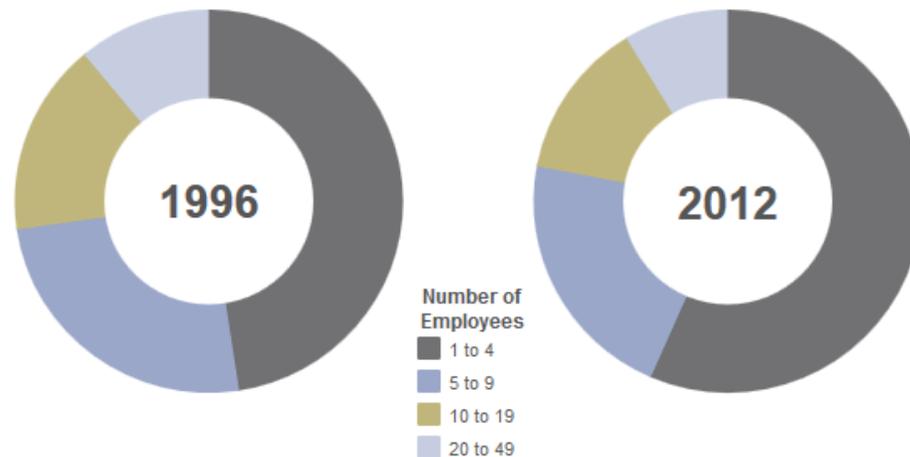


Composition of Established Small Businesses

Changes in the composition of established small businesses with percentage breakdowns by business size. Established small businesses are defined as employer businesses over the age of five with less than fifty employees.

Source: Author calculations from BDS.

Composition of Established Small Businesses





COLORADO SPRINGS

OLYMPIC CITY **USA**

Community Resources: SBDC, OEDIT, & NCC

- 1) www.pikespeaksbdc.org
 - Assistance with starting a business and growing a business; certification for government contracting
 - Workshops and training; one-on-one consultants
 - Programming for Veterans, minorities, women, working with CDOT, manufacturing and cybersecurity

- 2) Enterprise Zone: <http://choosecolorado.com/doing-business/incentives-financing/ez/>

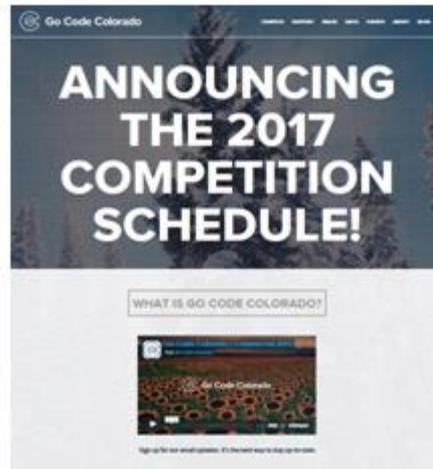
- 3) www.nationalcybersecuritycenter.org to learn more about NCC public/private partnership

Community Resources: Colorado Secretary of State

Quarterly Business and Economic Indicators Report



<http://www.sos.state.co.us/pubs/business/quarterlyReports/index.html>



<http://gocode.colorado.gov/>

Business Intelligence Center – Go Code Colorado

Secure Business Filing

Protect Your Business

Information and resources to help Colorado businesses prevent and recover from business identity theft.

What is business identity theft?
Business identity theft is essentially the crime of hijacking a business's identity and using that identity to establish lines of credit with banks or retailers.

What can a business do?
This website was created to provide tips to information to help businesses reduce the threat and to help those businesses that have already fallen victim to these crimes.

Colorado Secretary of State
Subscribe to E-mail Notification Services
[Learn about Secure Business Filing](#)

Colorado Attorney General
Identify Theft Suspects
[Consumer Protection Section](#)

Colorado Bureau of Investigation

Business Identity Theft Resource Guide

<http://www.sos.state.co.us/pubs/business/ProtectYourBusiness/secureFiling.html>