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UCHealth Memorial Hospital
University of Colorado Executive Programs
U.S. Bank
Overview

• A Few National Indicators – Big Picture
• The Colorado State Economy
• Our Local Economy
Real Growth in GDP vs. Year Ago

Longest expansion in 150 years

Source: U.S. Bureau of Economic Analysis; GDP forecasts by CO Office of State Planning & Budgeting in “real” terms. GSP and GMP forecasts by the UCCS Economic Forum with input from the CO OSPB. Graph shows seasonally adjusted information.
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
Survey Employer Data through July 2017
Total U.S. Monthly Non-Farm Job Openings SA (000's)

July 2017: 6,170,000
(0.9% higher than June 2017)

Monthly Unemployment Rate – NSA

Actuals:
U.S. 2016: 4.9%
CO 2016: 3.3%
EPC 2016: 3.8%

Current:
Aug. 2017
4.5% U.S.
2.2% CO

Sources: U.S. Bureau of Labor Statistics, BLS unemployment rate is from the CPS and includes self employed.
Monthly Unemployment Rate – NSA

Sources: U.S. Bureau of Labor Statistics, BLS unemployment rate is from the CPS and includes self employed.
Industry Changes in the Past 12 Months – U.S.

Highlights include:

- Professional & Business Svc: +603,000
- HC & Social Assistance: +432,800
- Leisure and Hospitality: +361,000
- Construction: +174,000
- Financial Activities: +156,000

U-6 includes unemployed, those marginally attached to LF, plus those employed PT for economic reasons. In August 2016, it was 9.7%. Source: Bureau of Labor Statistics data through August 2017.
Household Data: **U.S. Civilian Participation Rates SA**

**Employment/Population SA**

- **Civilian Participation Rate 25-54**
- **Civilian Participation Rate 20-24**
- **Civilian Participation Rate (Total)**
- **Employment/Population**
- **Civilian Participation Rate 55+**

Data through August 2017

Unemployment Rate & Number Unemployed by Age, August 2017*

*Bubble size represents number of unemployed. Data not seasonally adjusted.
Source: U.S. Bureau of Labor Statistics
A Little Bit on Housing
National Picture – Housing Prices Q2

- 87% of measured MSAs (178) showed gains in single-family home prices in Q2.

- The national median existing single-family home price in Q2 was $255,600 (up 6.2% QoQ).

- 87% of MSAs (61) showed gains in median condo prices.

- The average condo price in the U.S. was $239,500 (up 5.4% QoQ).

July marked the 65th consecutive month of YoY gains.

Source: National Association of REALTORS®, Core Logic March report
U.S. Annual Average & Median Existing Single-Family Home Prices

Average Price: $296,100
Median Price: $253,500

Source: National Association of REALTORS®
National Picture – Housing Shortage

- Inventory of existing homes has fallen for 26 consecutive months – pushing up prices.

- Housing inventory was 7.1% lower in July than it was a year ago. At the end of 2016, housing inventory was at its lowest level since 1999.

- Sales of new single-family homes up 10.9% from a year ago.
  - Lot and labor shortages

- Number of homes sold pretty steady over last 3 years (5.4 million)

Source: National Association of REALTORS®, Annual home sales include all housing types.
U.S. Housing – Pace of Sales & Rates

- 51% of homes sold in July were OTM for <1 mo. (total DOM was 50).
- 19% of sales were all cash (down from 21% last year), distressed were 5%, 4% foreclosures, 1% short sales.
- Average rate for 30-yr mortgage in July: 3.97% (was 3.65% in all of 2016).

U.S. Housing – Ownership Rates

- Homeownership rate was 63.7% in Q2, 2017 – up almost 1% from Q2, 2016 (lowest in over 50 years).

- Homeownership rate for those under age 35 was 35.3% in 2017 Q2 (latent 1.7m).

- El Paso County homeownership rate was 72.2% in 2006 and down to 64.1% in 2016.

Source: U.S. Bureau of the Census for homeownership rates;
Overview

• National Indicators – The Big Picture
• The Colorado State Economy
• Our Local Economy
Real Growth in GDP and GSP vs. Year Ago

Not seasonally adjusted, annualized information – Colorado ranked 12th in the U.S. for GSP growth. 2016 growth rate was 2.0%.

*GDP forecasts by CO Office of State Planning & Budgeting and Forum in “real” terms. GSP and GMP forecasts by the UCCS Economic Forum with input from the CO Office of State Planning & Budgeting.

Source: U.S. Bureau of Economic Analysis
Colorado GSP, 2016

- Based on GSP, Colorado had the 12th fastest “real” growth (2.0%) of all states in the U.S. (1.5%).*

- 2016 real GSP growth hindered by labor shortages, lower oil and gas prices/exploration (brought down GSP by ½ pt); lowest since 2011.

- Largest contributors to growth were IT sector and professional & technical sectors (half of 2016 GSP growth).
  - Also real estate, construction, and health care.

Fastest growing states were Washington (3.7%) and Oregon (3.3%)
Recession

- Leading Index for Colorado 3-months ahead, SA (3-month moving average)
- Coincident Economic Activity Index for Colorado, July 1992=100, 6-month % change, SA

Sources: Colorado Office of State Planning and Budgeting; Federal Reserve Bank of Philadelphia
Colorado GSP, 2017 - 2018

- Projections for GSP for 2017 (2.7%) and 2018 (2.6%) are higher.

- Strong leading indicators:
  - show strong new business formation, high tech sector growth (large multiplier), high job postings, and some recovery in oil/gas sectors, increased housing permits, lower unemployment claims.

Note: GSP real growth 2014 (4.7%) & 2015 (3.0%)
Year-over-Year Change in New Entity Filings to Do Business in Colorado

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<tbody>
<tr>
<td>Filings</td>
<td>-9.0%</td>
<td>-1.7%</td>
<td>4.5%</td>
<td>-0.4%</td>
<td>8.2%</td>
<td>7.0%</td>
<td>13.8%</td>
<td>0.6%</td>
<td>6.9%</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

Sources: Colorado Office of State Planning and Budgeting; Colorado Secretary of State

Sources: Colorado Office of State Planning and Budgeting; Colorado Department of Labor and Employment
State Employment
Monthly Unemployment Rate – NSA

<table>
<thead>
<tr>
<th>Forecasts</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>4.5%</td>
<td>4.4%</td>
</tr>
<tr>
<td>CO</td>
<td>2.6%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

Current: Aug. 2017
4.5% U.S.
2.2% CO

Sources: U.S. Bureau of Labor Statistics, BLS unemployment rate is from the CPS and includes self employed.
Employment by Sector in Colorado, 2016

- Health Care & Social Assistance: 12.8%
- Accommodation & Food Services: 10.6%
- Retail Trade: 10.6%
- Educational Services: 8.5%
- Professional & Technical Services: 8.3%
- Administrative & Waste Services: 6.2%
- Construction: 6.2%
- Public Administration: 5.7%
- Manufacturing: 5.6%
- Finance & Insurance: 4.3%
- Wholesale Trade: 4.1%
- Transportation & Warehousing: 3.2%
- Other Services: 3.1%
- Information: 2.9%
- Arts, Entertainment & Recreation: 2.3%
- Real Estate & Rental & Leasing: 1.9%
- Management of Companies & Enterprises: 1.4%
- Mining: 0.9%
- Agriculture, Forestry, Fishing & Hunting: 0.6%
- Utilities: 0.6%
- Unclassified: 0.0%

Employment up 58,268 (2.3%)

Source: Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW)
Colorado Employment by Selected Industry, 2015-16

Percentage is change from 2015 to 2016. These are the largest industries in CO with respect to employment.

Source: CO Department of Labor and Employment, QCEW
2016 Fastest Growing Industries in Colorado (Employment)

Agriculture, Forestry, Fishing & Hunting
Health Care & Social Assistance
Construction
Other Services
Real Estate/Rental/Leasing
Accommodation & Food Services
Arts, Entertainment & Recreation
Professional & Technical Services
Finance & Insurance
Retail Trade
Public Administration
Educational Services

Sources: Colorado Department of Labor and Employment, QCEW

12 sectors between 2.0 - 5.5% growth
Front Range Employment by County, 2016

- 12 counties Front Range counties:
  - accounted for a net of 55,165 new jobs
  - 94.7% of the jobs created statewide

- Colorado Springs MSA:
  - EPC added 7,742 jobs (13.3% of jobs statewide)
  - Teller County added 213 jobs (0.4%).

- HC & Social Assistance had net increase of 14,798 new jobs along the Front Range (or 27%).

Sources: Colorado State Demography Office; Colorado Department of Labor and Employment, QCEW
On average, there are roughly two online jobs postings for each unemployed person in Colorado.
Impact of Low Unemployment Rate

- The unemployment rate in Colorado was 1.6% lower than that of the nation over 2016.

- Whenever Colorado and national unemployment rates are more than 1% different, there is continued in-migration to the state.

Source: State Demographer’s Office
State Business Growth & Climate
Colorado Employment & New Entity Filings

Note: Solid line displays actual seasonally adjusted employment numbers; dotted line reflects calculated forecasts.

Businesses in Colorado

➢ 113,949 total new entities in 12-month period ending in June 2017
  • 7.3% increase over prior year

➢ 123,347 existing entity renewals in Q2
  • 5.1% increase over prior year

➢ 647,246 entities in good standing in 2017 Q2
  • 6.1% increase over prior year

Source: Colorado Secretary of State Wayne W. Williams – Quarterly Business & Economic Indicators – Report for Q2 2017 – with Leeds School of Business UC Boulder Business Research Division
Sales Tax – Combined State & Average Local Rates, January 1, 2017

Sources: Tax Foundation; Sales Tax Clearinghouse; State Revenue Department
2017 Effective State & Local Tax Rates on Median U.S. Households for Selected States

<table>
<thead>
<tr>
<th>State</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>9.34%</td>
</tr>
<tr>
<td>California</td>
<td>0%</td>
</tr>
<tr>
<td>Colorado</td>
<td>10.72%</td>
</tr>
<tr>
<td>Texas</td>
<td>12%</td>
</tr>
<tr>
<td>Utah</td>
<td>8%</td>
</tr>
<tr>
<td>U.S. average</td>
<td>10.72%</td>
</tr>
</tbody>
</table>

Includes effective **real-estate, vehicle property, income and sales & excise taxes**. Assumes “Median U.S. Household” has an annual income of $54,286; owns a home valued at $178,600; owns a car valued at $23,070; and spends annually an amount equal to the spending of a household earning the median U.S. income.

Source: WalletHub®
Colorado Tax Highlights, 2017

- Lowest non-zero, state-level sales tax (2.9%)
- 3rd highest average local sales tax rate (4.6%)
- 8th lowest effective real estate tax ($1,073)
- 40th highest in effective vehicle property tax ($412)
- 25th highest in effective income tax ($1,377)

Sources: Tax Foundation; Sales Tax Clearinghouse; State Revenue Department; WalletHub®
Greener states have a lower BTI, which implies a better state tax system.

In 2016, the BTI used 25 different factors including each state’s highest personal income tax rate, individual capital gains tax rates, tax rates on dividends and interest, added income taxes for LLCs, and more.

Sources: Small Business and Entrepreneurship Council; TFE Times July 21, 2017 article
Maximum Personal Income Tax Rates, 2016

Around 94% of businesses in the U.S. file their taxes as individuals.

Sources: Small Business and Entrepreneurship Council; TFE Times July 21, 2017 article
State & Local Demographics
Colorado & U.S. Growth Rates

Colorado population
1990: 3,304,042
2050: 8,541,540

Colorado Change in Population

2005 - 2040

- 7th-fastest state for percentage growth
- 8th-fastest state for absolute growth
- 92% of growth along the Front Range
- Denver the most populous county

Source: Colorado State Demography Office; CU Boulder Leeds School of Business
2015-16 Net Domestic Migration

2016 percent of the population moving from a different state to

El Paso County: 7.3%  Colorado: 4.1%  United States: 2.4%

Source: U.S. Census Bureau; American Community Survey 1-year estimates
Colorado: Total Population Change 2010 – 2015

Source: Colorado State Demography Office
Colorado: Net Migration
2010 – 2015

Source: Colorado State Demography Office
Colorado: Projected Diversity by Age

Hispanic, Black, Asian, and other minority share

Source: Colorado State Demography Office
Demographics: EPC Population Projections

Source: Colorado State Demography Office
Population Projections – Front Range

- Between 2015 and 2020, 86% of the growth along the Front Range.
- The 2050 forecast for Colorado is for 8.6 million with 7.1 million.
- A population increase of 400,621 additional people between 2015-2050 is forecasted for El Paso County.

Source: Colorado State Demography Office
Colorado Education
General Fund Budget for FY 2017-18
Includes State Education Fund ($ millions)

- K-12 Education, $4,644.2, 40%
- Health Care Policy & Financing, $2,822.8, 24%
- Other, $852.6, 7%
- Transportation Transfer, $79.0, 1%
- Higher Education, $894.9, 8%
- Public Safety and Courts, $1,405.6, 12%
- Human Services, $867.0, 7%
- Capital Construction, $109.2

Total Budget: $11.7 Billion

Source: Colorado Office of State Planning and Budgeting, September 2017 Colorado Outlook
Sources: National Center for Education Statistics; Great Education Colorado
K-12 Educators’ Average Starting Salaries 2012-13

➢ Colorado: $32,126

➢ U.S.: $36,141

Source: National Education Association
Student-Paid Portion of Higher Education Tuition at Public Institutions in 2016

Note: As of June 2017, Illinois has been removed from the state and U.S. totals as data is being revised.

Source: 2016 SHEF Report, State Higher Education Executive Officers
Colorado Real Estate
Median Home Prices – 10 Most Expensive States

Sources: Trulia for state prices, May-Aug, 2017; National Association of REALTORS® for U.S. 2017, Q2
HUD Report, Region 8

Single-family permitting increased in the Rocky Mountain region, led by gains in Colorado and Utah.

2Q = second quarter.
Note: Based on preliminary data.
Source: U.S. Census Bureau, Building Permits Survey
Multifamily construction was down in the Rocky Mountain region, with increased activity in Colorado offset by declines in Utah and South Dakota.

2Q = second quarter.
Note: Based on preliminary data.
Source: U.S. Census Bureau, Building Permits Survey
Overview

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Real Growth in Annual GDP and GSP vs. Year Ago

**Forecasts**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP</td>
<td>2.2%</td>
<td>2.3%</td>
</tr>
<tr>
<td>GSP</td>
<td>2.7%</td>
<td>2.6%</td>
</tr>
<tr>
<td>GMP</td>
<td>3.1%</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

*GDP forecasts by CO Office of State Planning & Budgeting and Forum in “real” terms. GSP and GMP forecasts by the UCCS Economic Forum with input from the CO Office of State Planning & Budgeting.

Source: U.S. Bureau of Economic Analysis
Nominal increase in U.S. GDP was 2.3% and for CS was 5.4%.
Source: U.S. Bureau of Economic Analysis
Real GMP Change from 2015 to 2016
Major Colorado MSAs

Source: U.S. Bureau of Economic Analysis
(Nominal) GMP Highlights

- 267 of 382 (or 70%) metro areas saw increase in GMP in 2016
  - Professional & business services grew 2.7% (in 273 metros)
  - Information services grew 6.5% (260 metros)
  - Finance, insurance, real estate, rental & leasing grew 1.2% (217 metros)

- Colorado Springs ranked 83rd out of 382 metro areas for 2016 (top quartile).

Source: U.S. Bureau of Economic Analysis & U.S. Department of Commerce
Real GMP Contribution by Sector, Colorado Springs MSA, 2015*

<table>
<thead>
<tr>
<th>Sector</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional and Business services</td>
<td>14.4%</td>
</tr>
<tr>
<td>Federal military</td>
<td>13.9%</td>
</tr>
<tr>
<td>Finance, Insurance, Real estate, Rental &amp; Leasing</td>
<td>13.9%</td>
</tr>
<tr>
<td>State &amp; Local Government</td>
<td>8.0%</td>
</tr>
<tr>
<td>Health Care, Social Assistance &amp; Education</td>
<td>8.0%</td>
</tr>
<tr>
<td>Manufacturing (2012)</td>
<td>7.0%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>7.0%</td>
</tr>
<tr>
<td>Information</td>
<td>6.5%</td>
</tr>
<tr>
<td>Federal Civilian Government</td>
<td>5.4%</td>
</tr>
<tr>
<td>Construction</td>
<td>4.9%</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>3.5%</td>
</tr>
<tr>
<td>Other Services, Except Government</td>
<td>2.6%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>2.6%</td>
</tr>
<tr>
<td>Arts, Entertainment &amp; Recreation</td>
<td>1.0%</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>1.0%</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.7%</td>
</tr>
<tr>
<td>Mining (2012)</td>
<td>0.7%</td>
</tr>
<tr>
<td>Agriculture, Forestry, Fishing, and Hunting</td>
<td>0.03%</td>
</tr>
</tbody>
</table>

*Manufacturing and Mining data last disclosed in 2012.

Source: U.S. Bureau of Economic Analysis
El Paso County New Vehicle Registrations (without luxury utility)

Luxury utility categories (all terrain, camper trailer, trailer coach and trailer utility) are not included in the graph line above, but % change in this category is noted in the text box.
Source: El Paso County Clerk and Recorder
Colorado Springs
2% Monthly Sales & Use Tax Collections

Aug. 2016 to Aug. 2017
4.3% Increase

Source: City of Colorado Springs
Consumer Confidence Indices
Total United States VS. Colorado Springs Area

Compared to U.S., Colorado Springs residents are significantly more confident in both current and future economic conditions (stat sig. testing based on preliminary data at a 90% confidence level).

Source: Elevated Insights (local market research firm); n=475 Conference Board for U.S. sentiment.
Local Employment
Last time EPC unemployment rate was higher than U.S. was April, 2014.
Sources: U.S. Bureau of Labor Statistics, BLS unemployment rate is from the CPS and includes self employed.
Employment by Sector in El Paso County, 2016

- Health Care, Social Assistance & Education: 20.8%
- Military*: 17.3%
- Retail Trade: 10.2%
- Accommodation and Food Services: 9.2%
- Professional and Technical Services: 7.3%
- Administrative and Waste Services: 5.9%
- Construction: 4.6%
- Public Administration: 4.1%
- Finance and Insurance: 3.8%
- Manufacturing: 3.6%
- Other Services: 3.4%
- Information: 2.0%
- Wholesale Trade: 1.7%
- Transportation and Warehousing: 1.6%
- Arts, Entertainment, and Recreation: 1.6%
- Real Estate and Rental and Leasing: 1.5%
- Utilities (including CSU): 0.8%
- Management of Companies and Enterprises: 0.4%
- Agriculture, Forestry, Fishing & Hunting: 0.1%
- Mining: 0.1%
- Unclassified: 0.0%

*Military employment is 2015 estimate.

Sources: Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW); Department of Military and Veteran Affairs; Colorado Springs Chamber of Commerce & EDC; respective military installations.
El Paso County Job Growth by Sector
2015 to 2016

- Health Care & Social Assistance: +2,518
- Accommodation & Food: +1,022
- Retail Trade: +844
- Construction: +587
- Education Services: +586
- Other Services: +537
- Finance and Insurance: +443

These sectors account for 6,537 of the 7,742 new jobs.

Note: Losses in information (-638), manufacturing (-198), and mining (-27)

Sources: U.S. Bureau of Labor Statistics, QCEW data; UCCS Economic Forum
Local Labor Market: El Paso County Annual Job Changes

Number of New Jobs Gained or Lost

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<tbody>
<tr>
<td></td>
<td>(12,500)</td>
<td>(10,000)</td>
<td>(7,500)</td>
<td>(5,000)</td>
<td>(2,500)</td>
<td>-</td>
<td>2,500</td>
<td>5,000</td>
<td>7,500</td>
<td>10,000</td>
<td>12,500</td>
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</table>

New jobs needed to match population growth

7,742 new jobs gained in EPC 2015 to 2016*

*There were 7,083 new jobs gained in EPC 2016 Q1 to 2017 Q1. QCEW does NOT include self employed; unemp rate does.
Source: U.S. Bureau of Labor Statistics, QCEW data
Colorado Springs MSA Job Openings

Real Time Job Market Data

September 2017

- Average daily job openings: 11,915
- Average posting duration (33 days)
- Median salary of posted jobs ($72,050); higher now than Colorado median ($65,575)
- April 2015 the CS and CO medians were:
  - $55,550 for CS
  - $54,950 for CO
  - Suggests more professional/higher skills jobs

Sources: CEB TalentNeuron™, Pikes Peak Workforce Center
Colorado Springs MSA Job Openings

Top job titles September 2017:

1) Registered Nurse (1,263 jobs)
2) Software Engineer (812 jobs)
3) Customer Service Rep (800 jobs)
4) Systems Engineer (659 jobs)
5) Teller (657 jobs)
6) Administrative Assistant (636 jobs)
7) Systems Administrator (593)
8) Medical Assistant (559 jobs)
9) Network Engineer (544 jobs)
10) Sales Rep (535 jobs)

August 2017

<table>
<thead>
<tr>
<th>Demand for Labor</th>
<th>Supply of Labor</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,567</td>
<td>8,738</td>
</tr>
</tbody>
</table>

Sources: CEB TalentNeuron™; Pikes Peak Workforce Center; U.S. Bureau of Labor Statistics; UCCS Economic Forum; The Conference Board Help Wanted Online®
Colorado Springs MSA Labor Force

Sources: CEB TalentNeuron™, Pikes Peak Workforce Center; U.S. Bureau of Labor Statistics; UCCS Economic Forum
## Jobs Demanded 2012 to 2016 – Top Categories

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</thead>
<tbody>
<tr>
<td>Computer &amp; Math</td>
<td>90%</td>
<td>88%</td>
<td>109%</td>
<td>79%</td>
<td>102%</td>
</tr>
<tr>
<td>Sales and Related</td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Office and Admin Support</td>
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<td></td>
<td></td>
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<tr>
<td>Business &amp; Finan Operations</td>
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<tr>
<td>Architecture and Engineering</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Installation, Maint &amp; Repair</td>
<td>106%</td>
<td>20%</td>
<td>100%</td>
<td>336%</td>
<td>88%</td>
</tr>
<tr>
<td>Food Prep &amp; Serv Related</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Educat, Train, &amp; Library</td>
<td>59%</td>
<td>105%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healthcare Support</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: CEB TalentNeuron™ via Pikes Peak Workforce Center
El Paso County Employment in Selected Sectors for 2006 Q1 and 2017 Q1

7,083 jobs gained 2016 Q1 to 2017 Q1

Source: Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW)
### Top 7 Industries for Employee Growth in Colorado Springs MSA between 2016 and 2026

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employment Change</th>
<th>Annual Average Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; Social Assistance</td>
<td>13,805</td>
<td>3.21%</td>
</tr>
<tr>
<td>Accom &amp; Food Services</td>
<td>7,045</td>
<td>2.07%</td>
</tr>
<tr>
<td>Educational Services</td>
<td>6,293</td>
<td>2.12%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>5,624</td>
<td>1.60%</td>
</tr>
<tr>
<td>Pro, Scientific &amp; Tech Services</td>
<td>5,482</td>
<td>2.12%</td>
</tr>
<tr>
<td>Construction</td>
<td>4,882</td>
<td>2.85%</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>4,055</td>
<td>2.81%</td>
</tr>
</tbody>
</table>

Source: Colorado Department of Labor and Employment: QCEW

Total Growth Projection: 65,398 employees gained, 2.00% annual average increase
El Paso County Average Number of Establishments in Selected Sectors for 2006 Q1 and 2017 Q1

Note: Sectors are in order based on the number of employees in 2017 Q1.
Source: Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW)
Local Per Capita Income & Wages
Per Capita Personal Income by MSA, 2015

US. (metro portion) $49,827

Colorado $50,971

- Boulder
- Denver
- Fort Collins
- Colorado Springs
- Greeley
- Grand Junction
- Pueblo

$0 $20,000 $40,000 $60,000 $80,000

2016 MSA data not available until November, 2017.
Source: U.S. Bureau of Economic Analysis
2015 Per Capita Personal Income by MSA (Nominal)

Percentage change compares 2015 to 2014 Per Capita Personal Income.
Source: U.S. Bureau of Economic Analysis
## Recent Changes in Private Industry Wages

<table>
<thead>
<tr>
<th>Period</th>
<th>El Paso County</th>
<th>Colorado</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 to 2016</td>
<td>1.2%</td>
<td>0.7%</td>
<td>1.2%</td>
</tr>
<tr>
<td>2016 Q1 to 2017 Q1</td>
<td>8.1%</td>
<td>8.0%</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

Sources: U.S. Bureau of Labor Statistics & CO Department of Labor and Employment, QCEW
Private Industry Average Annual Wages, 2017 Q1

El Paso County % difference from CO: -19.4%
El Paso County % difference from U.S.: -17.1%

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW)
Structural Issues:
Employment to Population, EPC & U.S.

Note: 2017 military employment is the same as 2016. EPC 2016 and 2017 population forecasts are by the State Demography Office. Sources: U.S. Bureau of Labor Statistics; Department of Local Affairs, State Demography Office; UCCS Economic Forum; Colorado Springs Chamber & EDC; Respective military installations; Department of Military and Veteran Affairs
Workforce Asset Map!

https://wam.uccs.edu
Colorado Springs Workforce Asset Map

The Workforce Asset Map (WAM!) is a "one stop," free, online tool that helps job seekers, employers, and students identify and easily access workforce-related resources within the Colorado Springs region.
I am a...

who needs help with...

- Hiring or Posting a Position
- Learning about Labor Supply
- Developing a program for Interns, Apprentices or Employee Training
- Connecting in the Community
I am a...

Employer

looking for information on...

Hiring or Posting a Position

an internship        an apprenticeship        a job

As you navigate through this website, the 🇺🇸 indicates a veteran specific program or service (to include spouses and family members).
looking for information on...

Hiring or Posting a Position

an internship

...looking for...

High School Student

Undergraduate Student

Graduate Student

Veteran
looking for information on...

Hiring or Posting a Position

...looking for...

High School Student

Resource

Harrison School District 2
Damon DiFabio
Email: ddifabio@hsd2.org

Harrison School District 2
Woody Longmire
Email: wlongmire@hsd2.org

Widefield School District 3
Nicole Carter
Email: cartern@wsd3.org

Fountain Fort Carson School District 8
Jacqueline Law
Email: jlaw@ffcs8.org

Colorado Springs School District 11
Duane Roberson
Email: duane.roberson@d11.org
Phone: 7195202569

Cheyenne Mountain School District 12
John Fogarty
Email: jfogarty@cmsd12.org
Phone: 7194756100
Local Demographics
### 2016 Median Age

<table>
<thead>
<tr>
<th></th>
<th>El Paso County</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Age</td>
<td>33.9</td>
<td>37.9</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, American Community Survey 1-year estimate
2016 Median Age

Sources: U.S. Census Bureau; U.S. Department of Commerce

U.S. median age 37.9
El Paso County Population Projections
by Age Group

Source: Colorado Department of Local Affairs
2016 Adult Population with Veteran Status

El Paso County: 16.4%
Colorado: 8.8%
United States: 7.4%

84,870 veterans in El Paso County

Source: U.S. Census Bureau, American Community Survey 1-year estimates
Some College or Associate Degree in 2016

Percentage of Population by Age Group

- Ages 18-24: 43.1% (Colorado Springs), 45.1% (Colorado), 45.1% (United States)
- Ages 25+: 34.6% (Colorado Springs), 29.0% (Colorado), 29.0% (United States)

Source: U.S. Census Bureau, American Community Survey 1-year estimates
Bachelor’s Degree or Higher in 2016

Percentage of Population by Age Group

- **Ages 18-24**
  - Colorado Springs (city): 14.1%
  - Colorado: 10.8%
  - United States: 0%

- **Ages 25+**
  - Colorado Springs (city): 40.3%
  - Colorado: 31.2%
  - United States: 25%

Source: U.S. Census Bureau, American Community Survey 1-year estimates
2016 Household Income

Source: U.S. Census Bureau, American Community Survey 1-year estimates
2016 Poverty

El Paso County
- Poverty: 11.4%

Colorado
- Poverty: 11.0%

United States
- Poverty: 14.0%

Source: U.S. Census Bureau, American Community Survey 1-year estimates
Context: The Good and the Bad

- Military is not as large as it used to be
- Great, regional job growth across sectors
- We are smart (educated) and young.
- We do have three structural issues:
  - Empl/Pop rate too low
  - Lower average salaries (needs improvement)
  - Low public education funding may impede future growth (CO-wide issue)

Source: U.S. Bureau of Economic Analysis
Local Housing
State & Local Picture - Housing

- In 2017 Q2, Colorado Springs had a median price of $284,200 which is an 9.6% increase from 2016 Q2.

- Denver: 7.6% increase and the median price was $424,500. Boulder’s median price $593,200 (up 7.9% Q2 to Q2).

- Boulder is the 6th most expensive city for median home price and Denver is 13th out of 178 measured MSAs. Colorado Springs ranked 28th.

Sources: National Association of REALTORS®; PPAR (RSC)
Local Picture

- From 2015 to 2016, single family home sales increased 15.6%; townhomes/condos 14.7%.
  
  - Comparing Aug 2016 to Aug 2017 YTD, sales are up 14.2% (SF)
  
  - Up 13.2% (townhomes/condos)
  
  - The ratio of active homes to sales was 3.99 on average for SF in 2014. In August, 2017, the ratio was 1.38.

Source: PPAR (RSC)
Pikes Peak Single-Family (Detached) Home Sales

Number of Homes

Source: Pikes Peak REALTOR® Services Corp. (RSC)
Pikes Peak Region Annual Average & Median* (Single-Family) Home Prices

Average Price

Median Price

Aug. 2017:
Average: $313,781
Median: $282,750

Source: Pikes Peak REALTOR® Services Corp. (RSC); Forecasts by UCCS Economic Forum. *Includes all homes: new and existing.
Pikes Peak Region Annual Average & Median Existing Single-Family Home Prices

Source: Pikes Peak REALTOR® Services Corp. (RSC)
More Recently in the Colorado Springs MSA

In 2017 Q2, for existing single-family homes:

• Median home price was $284,200.
  – U.S. median in Q2 was $255,600.
  – We are now 11% higher than U.S.

• 1.2 months supply in August 2017 in the Pikes Peak Region

Sources: National Association of REALTORS®; Pikes Peak REALTOR® Services Corp. (RSC)
Higher Housing Affordability Indices mean greater affordability; U.S. average affordability composite index was 165.
Sources: National Association of REALTORS®
Single-Family/Patio Homes

Average Days on Market

Source: Pikes Peak REALTOR® Services Corp. (RSC)
Number of Foreclosures, El Paso County

Average from 2005-2007: 233 per month

Source: El Paso County Public Trustee
Home Building
Pikes Peak Single & Multi-Family Permits

Source: Pikes Peak Regional Building Department
Pikes Peak Single & Multi-Family Permits

*Forecasts by UCCS Economic Forum with input from PPRBD; Kiplinger’s is forecasting a 10% increase in construction in 2017.
Source: Pikes Peak Regional Building Department
Projections for Local Housing

➢ The Forum with input from local experts is forecasting relatively flat single-family construction:
  • For 2017 (-0.4%)
  • For 2018 (-1.4%)

➢ Mostly due to high levels in 2016 (+19.7%).

➢ Construction costs are high & available land is low.
Projections for Local Housing

- In terms of prices, the Forum is projecting median home prices will:
  - Increase 9.5% in 2017 (to $280,425*)
  - Increase another 5.5% in 2018 (to $295,848)

- For home sales, the Forum is projecting:
  - Increase 5.8% in 2017 (to 16,200 homes sold)
  - Increase 5.0% in 2018 (to 17,010 homes sold)

*Average median price over the course of the year.
Rental Market
HUD Report, Region 8

Despite an increase in completions, apartment markets remained balanced or nearly balanced in most major metropolitan areas in the Rocky Mountain region.

<table>
<thead>
<tr>
<th>Market Condition</th>
<th>2Q 2016 (%)</th>
<th>2Q 2017 (%)</th>
<th>Percentage Point Change</th>
<th>2Q 2016 ($)</th>
<th>2Q 2017 ($)</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casper</td>
<td>Soft</td>
<td>14.4</td>
<td>14.8</td>
<td>981</td>
<td>906</td>
<td>– 8</td>
</tr>
<tr>
<td>Colorado Springs</td>
<td>Balanced</td>
<td>4.0</td>
<td>4.5</td>
<td>911</td>
<td>1,000</td>
<td>10</td>
</tr>
<tr>
<td>Denver</td>
<td>Balanced</td>
<td>5.0</td>
<td>5.4</td>
<td>1,313</td>
<td>1,000</td>
<td>10</td>
</tr>
<tr>
<td>Fargo</td>
<td>Slightly soft</td>
<td>6.4</td>
<td>8.4</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Ogden</td>
<td>Slightly tight</td>
<td>3.7</td>
<td>3.7</td>
<td>941</td>
<td>980</td>
<td>4</td>
</tr>
<tr>
<td>Provo</td>
<td>Balanced</td>
<td>6.2</td>
<td>5.5</td>
<td>1,078</td>
<td>1,122</td>
<td>4</td>
</tr>
<tr>
<td>Salt Lake City</td>
<td>Balanced</td>
<td>3.3</td>
<td>4.3</td>
<td>901</td>
<td>958</td>
<td>6</td>
</tr>
<tr>
<td>Sioux Falls</td>
<td>Slightly soft</td>
<td>6.1</td>
<td>6.6</td>
<td>827</td>
<td>844</td>
<td>2</td>
</tr>
</tbody>
</table>

2Q = second quarter. NA = data not available.
Note: Fargo apartment vacancy rates as of June 1.
Sources: Market condition—HUD, PD&R, Economic and Market Analysis Division; vacancy rate and average monthly rent—(a) Apartment Insights; (b) Appraisal Services, Inc.; (c) Reis, Inc.; all other metropolitan areas: Axiometrics, Inc.

2016 percentage of renter occupied housing units:

- **El Paso County:** 37.4%
- **Colorado:** 35.2%
- **United States:** 36.9%

Source: U.S. Census Bureau, American Community Survey 1-year estimates
MSA Rental Households Paying 30% or More of Income on Housing

Source: U.S. Census Bureau, American Community Survey 1-year estimates
Commercial Real Estate
Colorado Springs Industrial, Retail, Office and Medical Office Vacancy Rates

2017 Q2
- Office: 11.1%
- Medical Office: 8.7%
- Industrial: 7.3%
- Retail: 6.7%

Sources: CoStar Group™; Olive Real Estate Group, Inc.
Colorado Springs Industrial, Retail, Office and Medical Office Rents

Per Square Foot

2017 Q2
- Medical Office: $17.48 per sq. ft.
- Office: $15.53 per sq. ft.
- Retail: $12.45 per sq. ft.
- Industrial: $6.66 per sq. ft.

Sources: CoStar Group™; Olive Real Estate Group, Inc.
Currently, office vacancy rates are at 11.1%.

Important to note that 3-4% of vacancy rates are “not real” – space is obsolete.

Not a lot of options for high quality space – supply is dwindling.
Major Trends in Commercial Real Estate

- Given solid economic growth across many sectors including professional occupations, population growth, and robust job postings, vacancy rates will continue to go down.

- At 8-8.5% vacancy, lease rates will likely spike.

- In a tight labor market, amenities in professional settings becomes more important – requires more space. Millennials are demanding.

Source: Olive Real Estate Group, Inc., Jim Justus & Jim DiBiase
Major Trends in Commercial Real Estate

- Another major pressure is the high cost of building.
  - About $350/sq. ft. to build Class A medical space; $260/sq. ft. to build Class A office
  - Natural disasters in South will exacerbate labor shortages and further increase material costs.

Source: Olive Real Estate Group, Inc., Jim Justus & Jim DiBiase
Advice…

- Vacancy rates will continue to go down, but supply not increasing in the short and medium run.

- Likely prices will only increase further.

- Good time to move forward with expanding or upgrading your space.

Source: Olive Real Estate Group, Inc., Jim Justus & Jim DiBiase
Colorado Springs to Denver (metros): Rents per Square Foot

<table>
<thead>
<tr>
<th></th>
<th>2017 Q2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Retail</td>
</tr>
<tr>
<td><strong>Colorado Springs</strong></td>
<td>$12.45</td>
</tr>
<tr>
<td><strong>Denver</strong></td>
<td>$21.28</td>
</tr>
<tr>
<td><strong>% Difference</strong></td>
<td>-41.5%</td>
</tr>
</tbody>
</table>

Sources: CoStar Group™; Olive Real Estate Group, Inc., Jim Justus & Jim DiBiase
Tourism
Pikes Peak Tourism 2016

- 23 million visitors (12% increase over 2015)
- About 57% were day trips.
- 43% were overnight stays (avg. LOS 4.5 days)
- All visitors spent $2.3 billion or $71/second.
  - 14% increase over 2015
- Used to be mostly to visit family; now attractions.

Source: Colorado Springs Convention & Visitors Bureau
Colorado Springs Hotel Occupancy Rate
12 Month Moving Average

Source: CO Hotel and Lodging Association, Rocky Mountain Lodging Report
Colorado Springs Hotel RevPAR

24% increase from Aug. 2014 to Aug. 2017

Source: CO Hotel and Lodging Association, Rocky Mountain Lodging Report
Colorado Springs Airport Enplanements

Aug. 2016 to Aug. 2017
43.8% Increase

Source: Colorado Springs Airport
Look Before You Book!

- Atlanta
- Chicago
- Dallas
- Denver
- Fort Myers (Seasonal)
- Houston
- Las Vegas
- Los Angeles
- Minneapolis (April 2018)
- Orlando
- Phoenix/Mesa
- Salt Lake City
- San Antonio (April 2018)
- San Diego (July 10)
- San Jose (April 2018)
- San Francisco (June 11)
- Seattle
- Tampa (Seasonal)
- Washington D.C. (July 10)

Source: Colorado Springs Airport
Demographics
Economy
Health
Transportation
Social Well-Being
Safety

Recreation
Land Use & Built Environment
Housing & Homelessness
Arts
Education

ppunitedway.org or uccseconomicforum.com
Crimes in the Colorado Springs MSA 2006 to 2015

- Violent crimes per 100,000 inhabitants decreased by 30.0%.
- Property crimes per 100,000 inhabitants decreased by 23.7%.
- The population increased by approximately 109,000 during this time.

Source: Federal Bureau of Investigation, Uniform Crime Report
## 2015 Mortality Rates due to Homicide per 100,000 Population

<table>
<thead>
<tr>
<th></th>
<th>Canada</th>
<th>Germany</th>
<th>Italy</th>
<th>Japan</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.8</td>
<td>0.7</td>
<td>0.9</td>
<td>0.3</td>
<td>5.3</td>
</tr>
</tbody>
</table>

Source: Global Health Observatory, World Health Organization 2017
Suicide Rates per 100,000 for Ages 10-19 in 2015

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>El Paso County</strong></td>
<td><strong>21.4</strong></td>
</tr>
<tr>
<td><strong>Colorado</strong></td>
<td><strong>12.7</strong></td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td><strong>5.9</strong></td>
</tr>
</tbody>
</table>

Source: Center for Disease Control & Prevention, National Center for Health Statistics
In our MSA in 2015-16, there were 181,000 people enrolled in Medicaid. This translates to 26% of the total population or roughly 1 in 4 people. Of the 181,000 in our MSA, 77,500 (or 43%) were children.

Source: Kaiser Family Foundation
City* Park Acres per 1,000 Residents in 2016

- U.S. Median
- Austin
- Boise
- Colorado Springs
- Denver
- San Antonio
- San Francisco

*Parkland includes city, county, metro, state and federal acres within city limits. 100 cities were included in the 2016 study.
Source: The Trust for Public Land, 2017 City Park Facts Report
**Local Employment/Wages**

**El Paso County New Jobs**

![Bar chart showing job changes in El Paso County from 2001 to 2016.]

**El Paso County Annual Job Changes**

- 2001: 0
- 2002: 0
- 2003: 0
- 2004: 0
- 2005: 0
- 2006: 0
- 2007: 0
- 2008: 0
- 2009: 0
- 2010: 0
- 2011: 0
- 2012: 0
- 2013: 0
- 2014: 0
- 2015: 0
- 2016: 0

**2015 - 2016: 7,742 New Jobs**

- **Actual** New jobs in El Paso County
  - 2015 to 2016: 7,742

- **Estimated** New Jobs Needed (2015-2020)
  - 5,400 (or 2% growth rate)

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

---

**Military**

**El Paso County Employment**

![Bar chart showing military employment in El Paso County.]

**Military Employment**

- **Number Employed**
  - USAFA: 60,000
  - Schriever: 70,000
  - Fort Carson: 50,000
  - Peterson: 40,000

**Expenditures in El Paso County**

![Bar chart showing military economic impact.]

**Military Economic Impact**

- USAFA: $7,000
- Schriever: $6,000
- Fort Carson: $5,000
- Peterson: $4,000

Source: Department of Military and Veterans Affairs; Colorado Springs Chamber of Commerce & EDC, respective military installations

---

**Colorado Springs MSA GMP by Sector**

![Bar chart showing real GDP contribution by sector.]

**Real GDP Contribution by Sector, Colorado Springs MSA, 2014**

- Finance, Insurance, Real estate, Rental & Leasing: $15,900
- Federal military: $14,700
- Professional and Business services: $14,100
- State & Local Government: $12,200
- Manufacturing (2014): $11,800
- Retail trade: $11,800
- Health Care, Social Assistance & Education: $10,700
- Information: $10,500
- Federal Civilian Government: $10,500
- Accommodation & Food Services: $9,600
- Other Services, Except Government: $8,500
- Wholesale Trade: $8,200
- Transportation and Warehousing: $7,900
- Arts, Entertainment & Recreation: $7,600
- Utilities: $7,300
- Mining (2013): $7,200
- Agriculture, Forestry, Fishing & Hunting: $7,000
- Other: $6,700

Population Growth

The State Demography Office projects a population increase of 400,621 additional people between 2015-50.
Source: Colorado Department of Local Affairs, State Demography Office.

Median Home Price 2017 Q2

<table>
<thead>
<tr>
<th>Location</th>
<th>Colorado Springs</th>
<th>Denver</th>
<th>Boise</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>$284,200</td>
<td>$424,500</td>
<td>$227,800</td>
<td>$255,600</td>
</tr>
<tr>
<td>1-year % Change</td>
<td>increase</td>
<td>increase</td>
<td>increase</td>
<td>increase</td>
</tr>
<tr>
<td>MSA Rank</td>
<td>28</td>
<td>13</td>
<td>66</td>
<td>n/a</td>
</tr>
</tbody>
</table>

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 166.
Source: Synergis Technologies and U.S. Census Bureau, Credit Suisse and the National Association of REALTORS®.
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COLLEGE OF BUSINESS
UNIVERSITY OF COLORADO
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