Boulder Economic Forecast

Is the Economy More Resilient than Expected?

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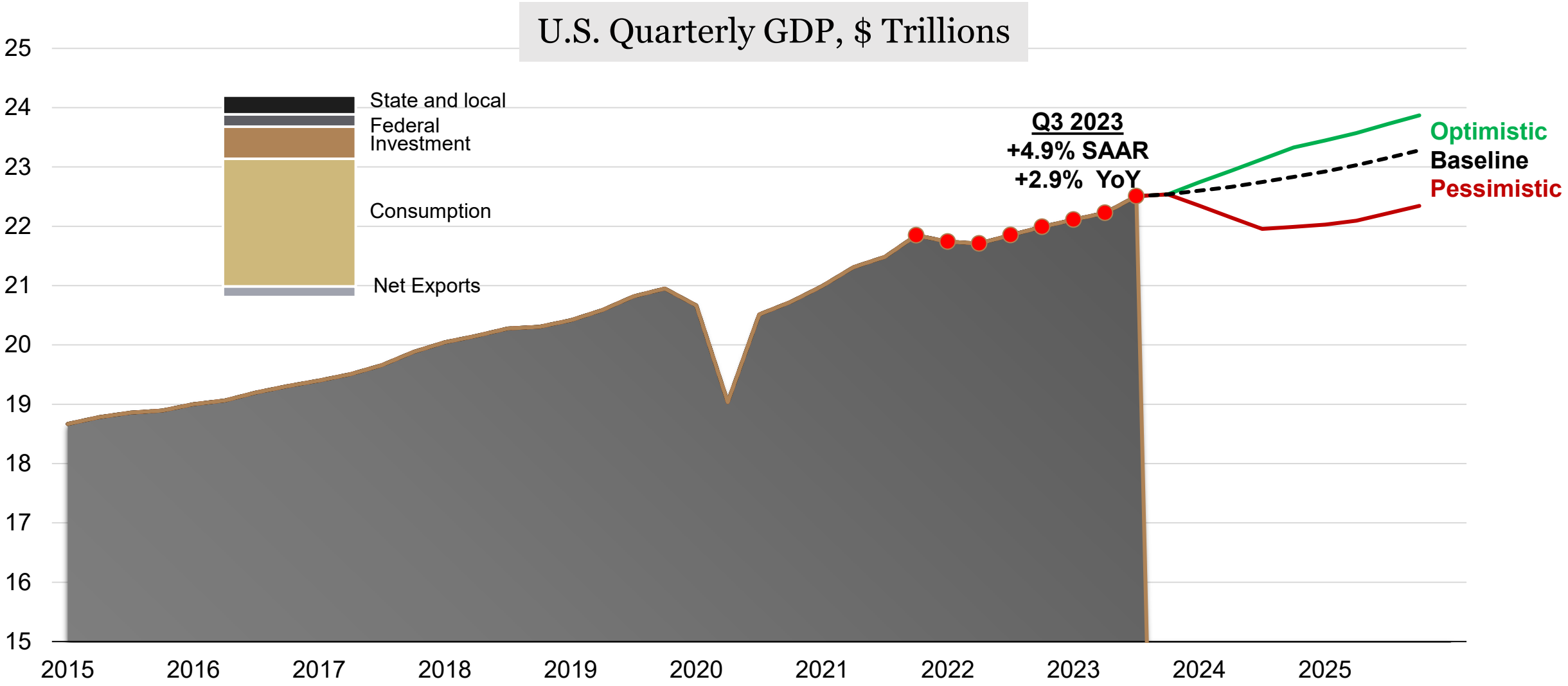
January 18, 2024

U.S. Real GDP



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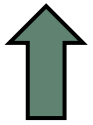
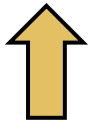
Sources: Bureau of Economic Analysis and Moody's Analytics.

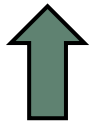
National Economy Mixed Signals

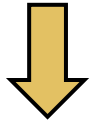
GDP outperforming expectations

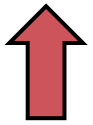

Employment and income up

ISM Mfg below 50 for 14 months


Confidence improving


Consumption up

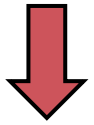

Prices improving


Debt growing

Business Confidence Mixed

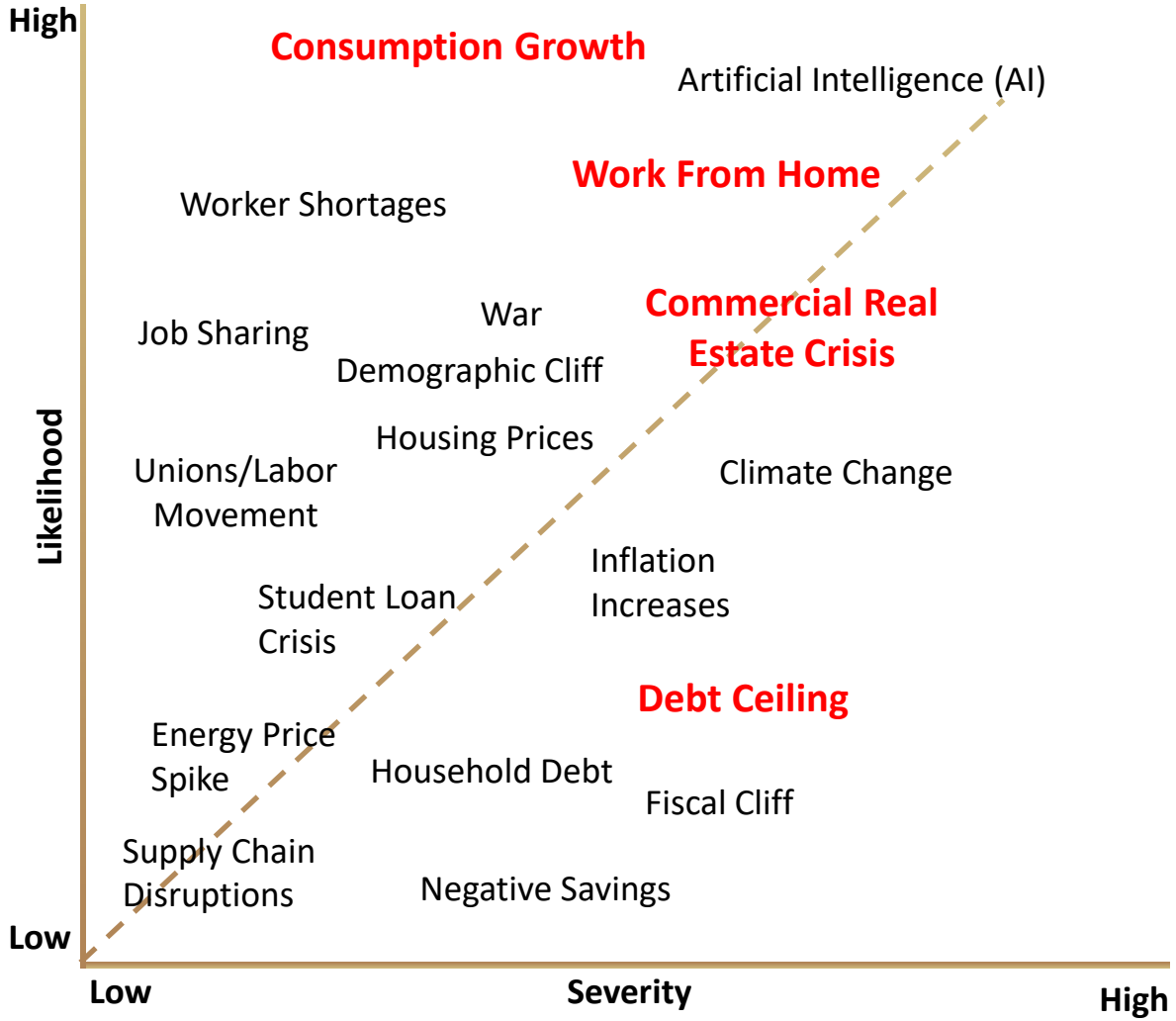
Interest Rates high

Industrial production leveling


Capacity utilization dropped

Labor force growing

Risks

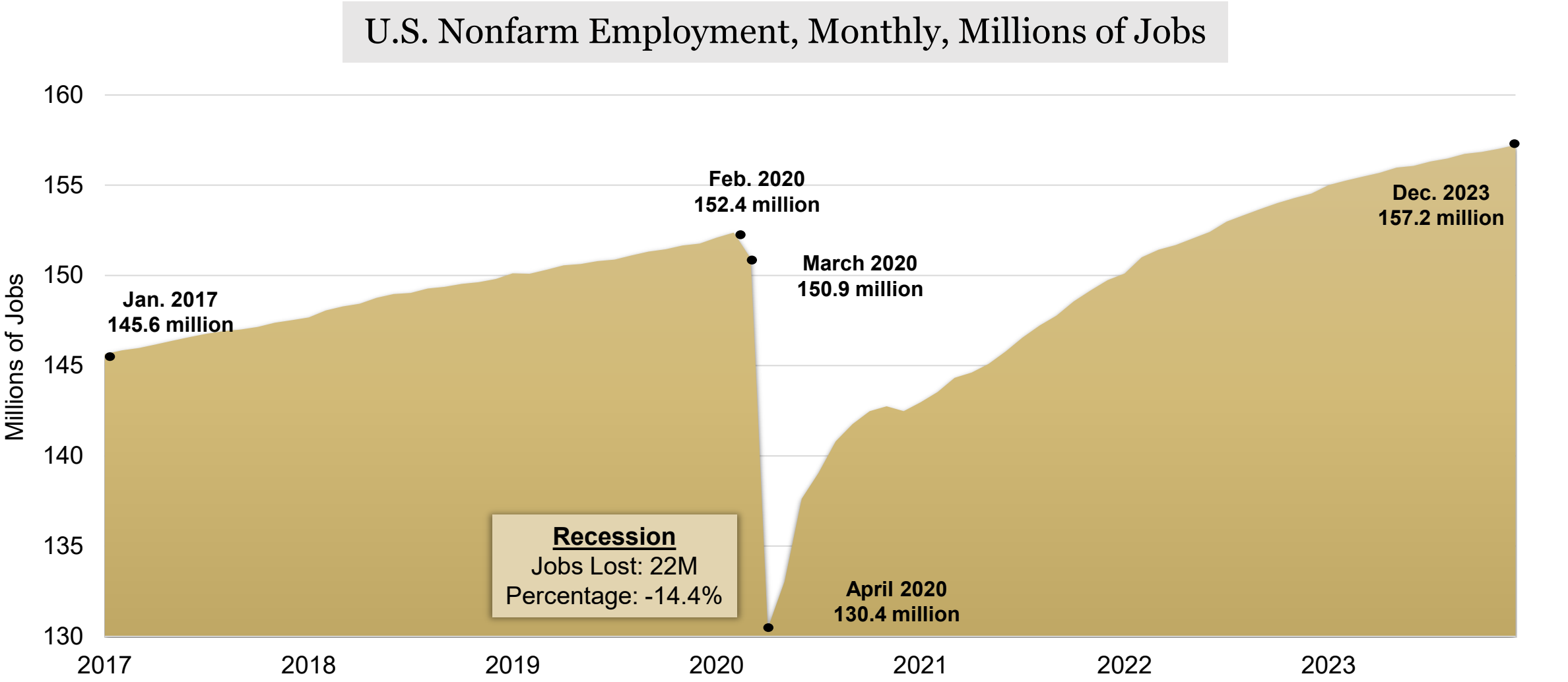


Sources: Business Research Division and Moody's Analytics. Framework and select risks based on U.S. Macroeconomic Outlook Baseline and Alternative Scenarios published by Moody's in March 2023.

Employment

Photo by Pickawood on Unsplash.

U.S. Nonfarm Employment



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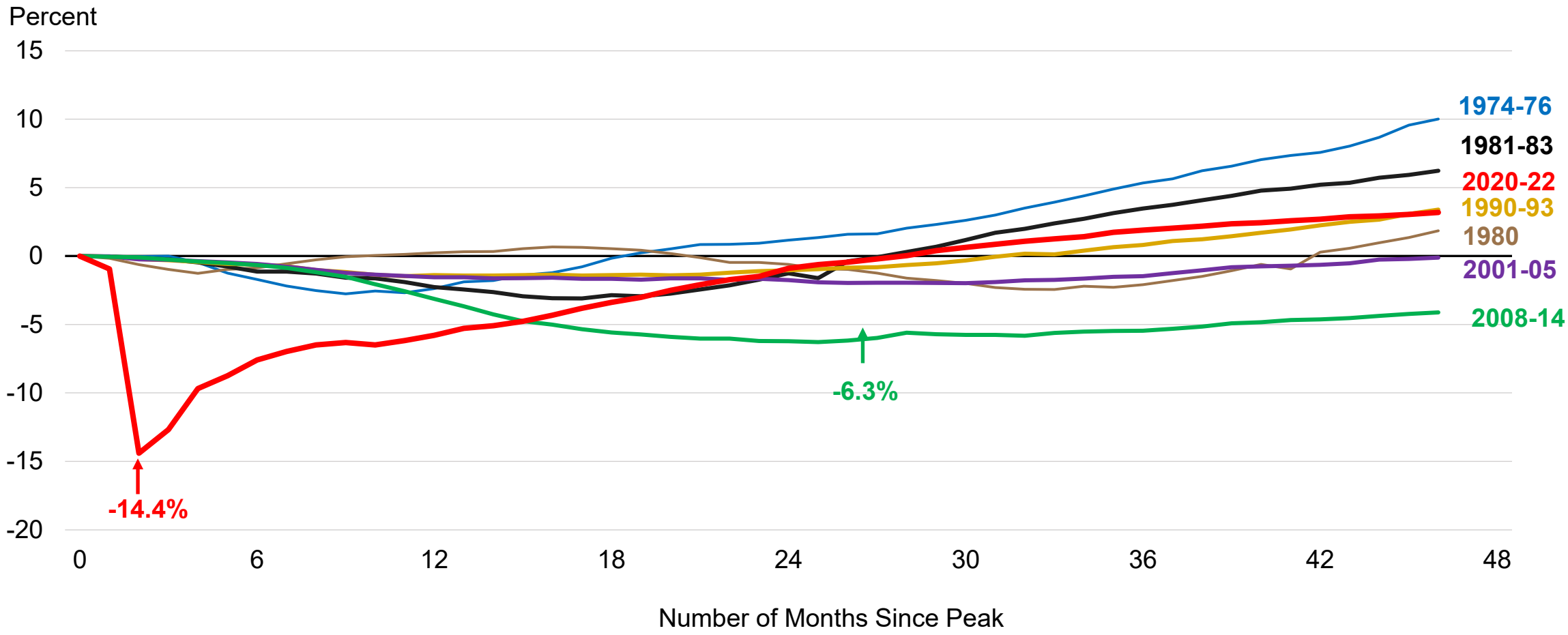
Source: Bureau of Labor Statistics, CES (Seasonally Adjusted).

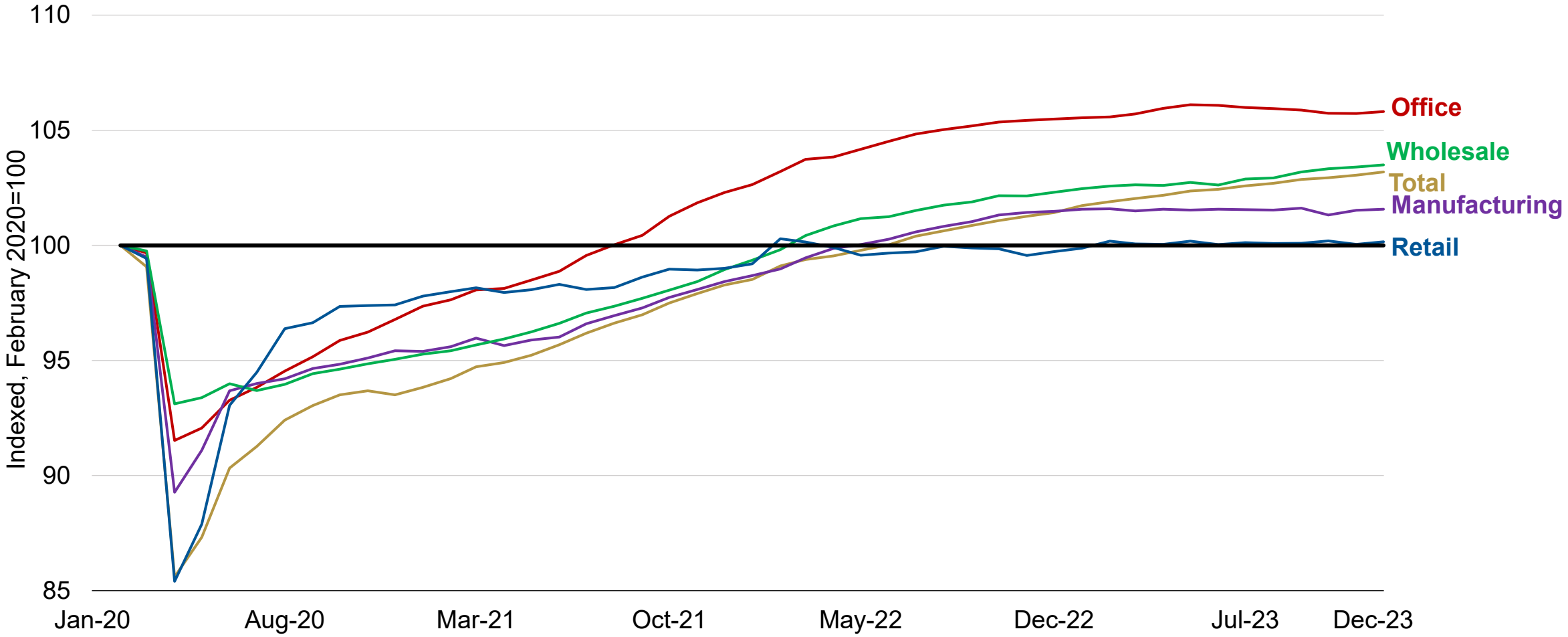
Months to Recovery from Recessions

U.S. Nonfarm Employment, Number of Months Since Recession Peak



Source: Bureau of Labor Statistics, CES (Seasonally Adjusted).

National Industry Employment Recovery



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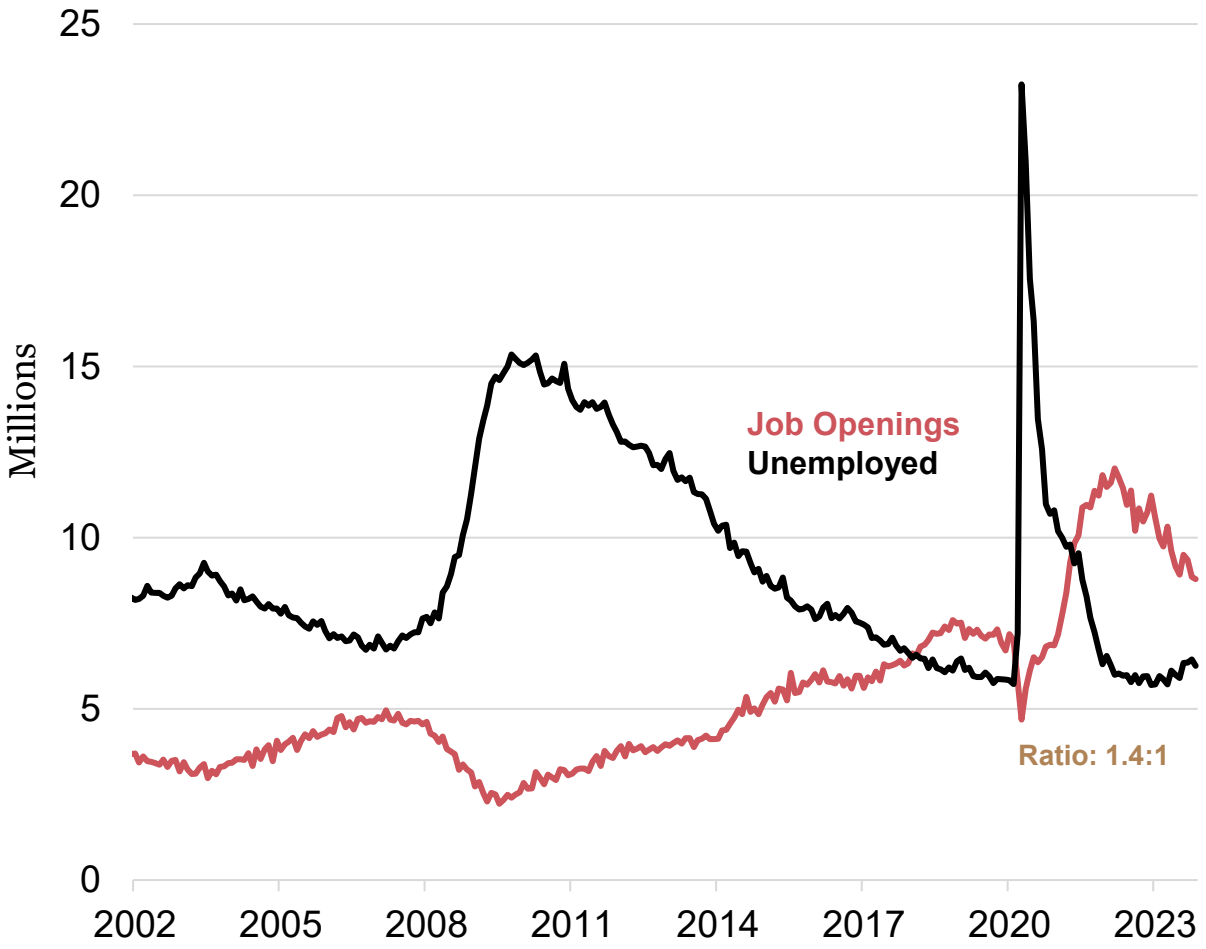
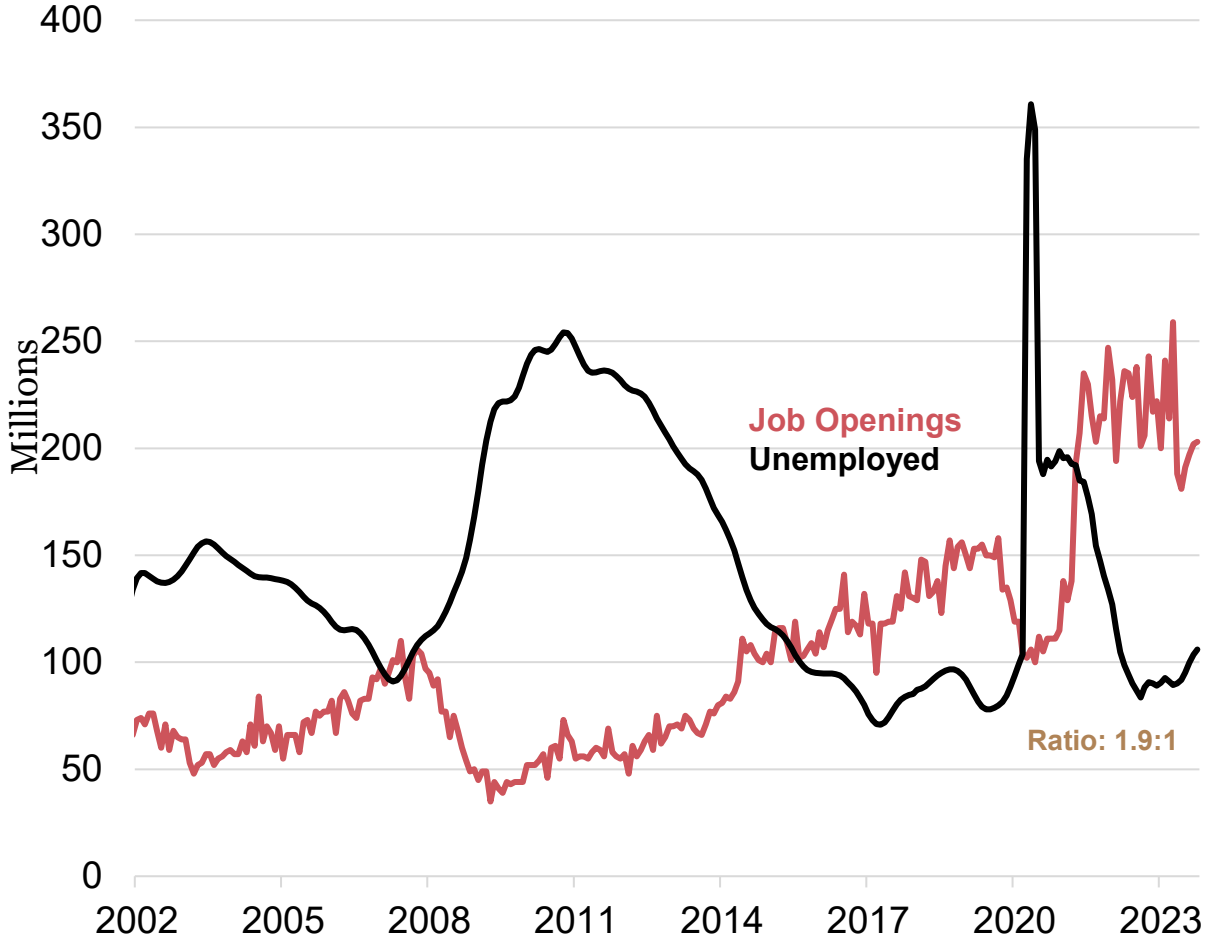
Source: Bureau of Labor Statistics (Seasonally Adjusted). *Office includes PBS, Information, and Financial Activities.

Labor Shortage

National



Colorado



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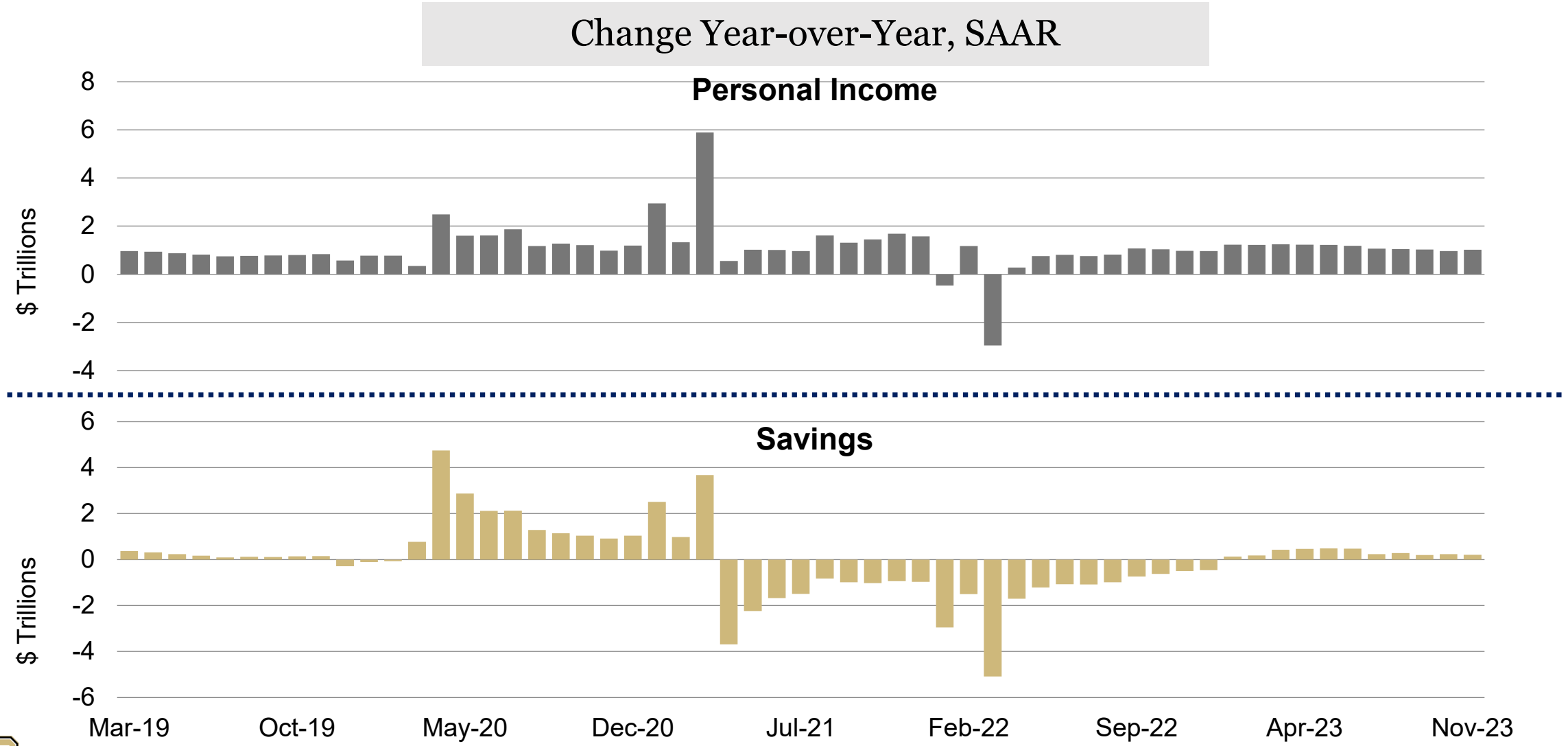
Sources: Bureau of Labor Statistics, JOLTS, and the Current Population Survey (NSA).

Income and Prices

Photo by Alexander Grey on Unsplash.

Income and Savings



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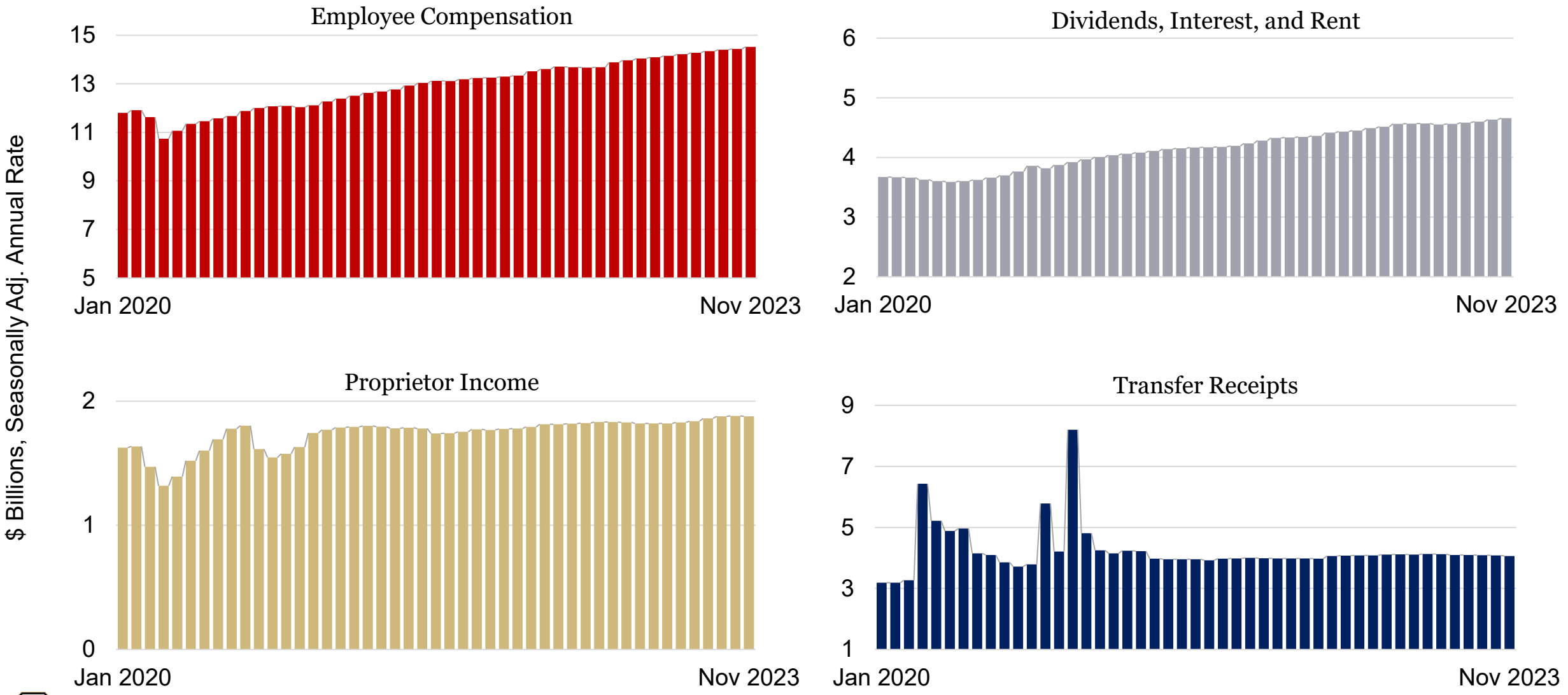
Sources: Bureau of Economic Analysis, Federal Reserve.

National Personal Income



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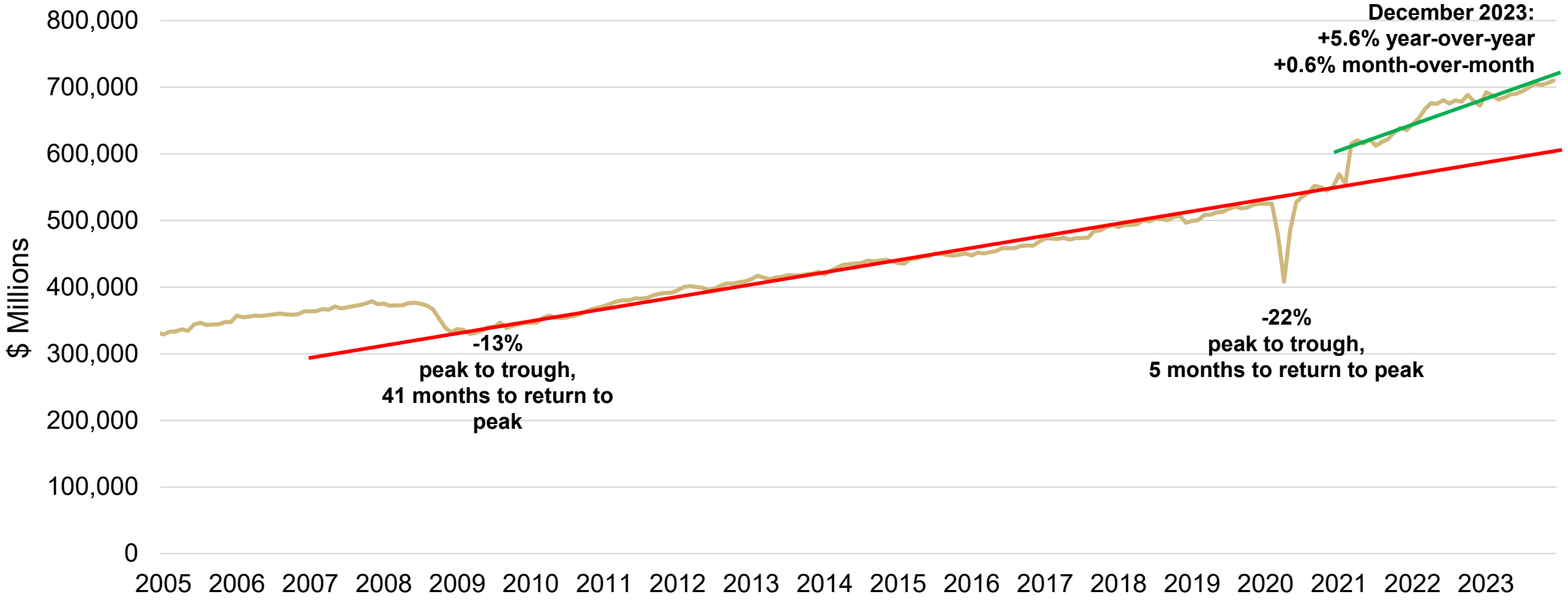
Source: Bureau of Economic Analysis.

National Retail Sales

Trend vs. Recent Volatility



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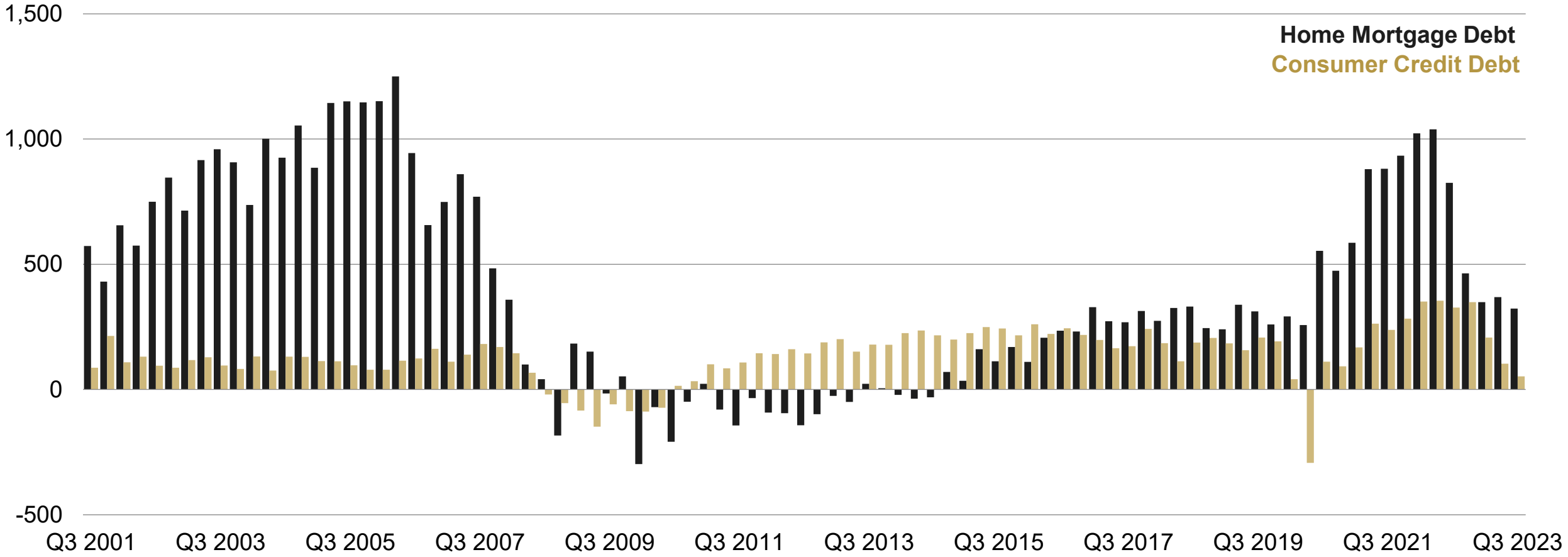
Source: U.S. Census Bureau.

Household Debt Growth

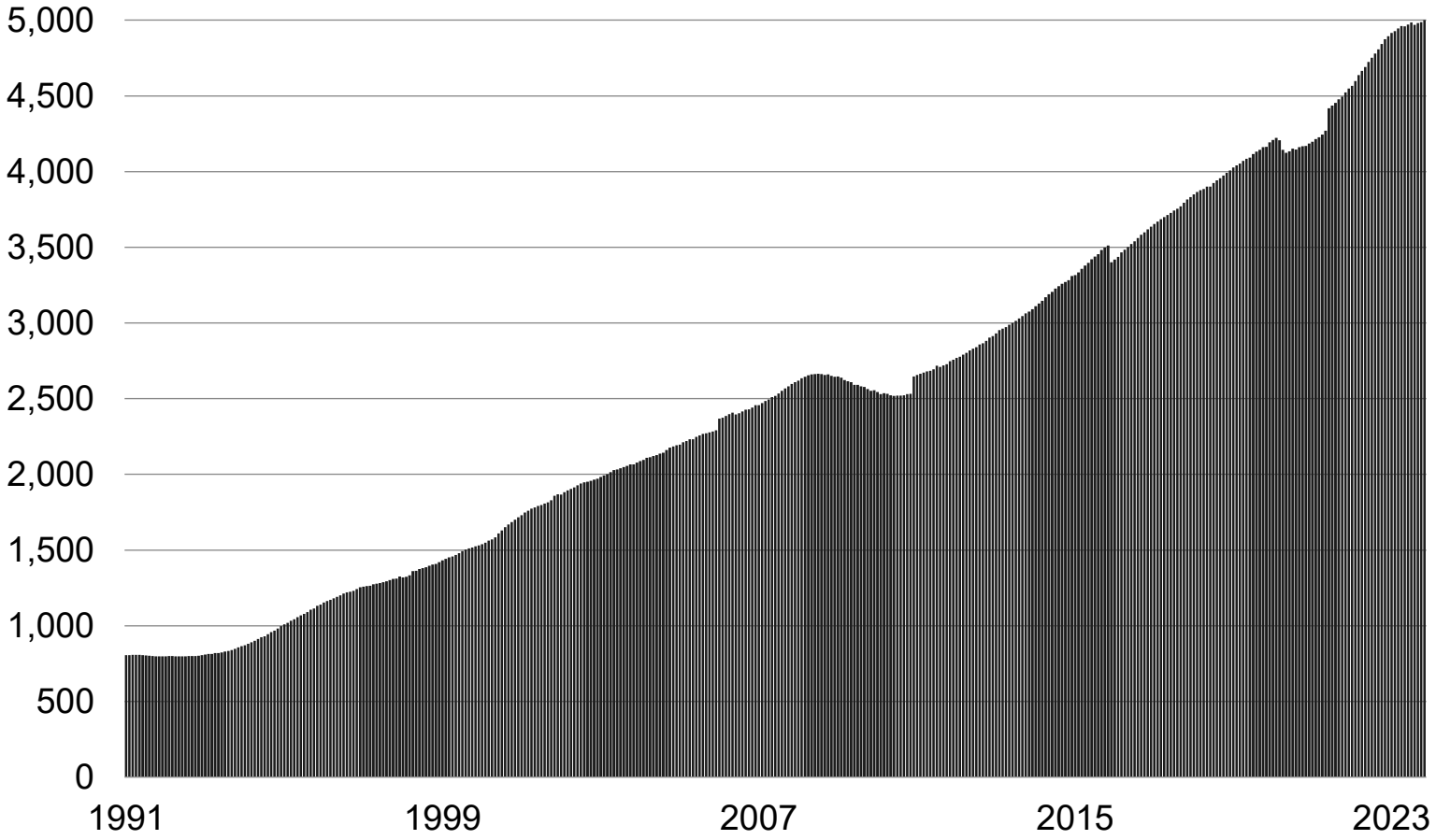
Percent of Disposable Income



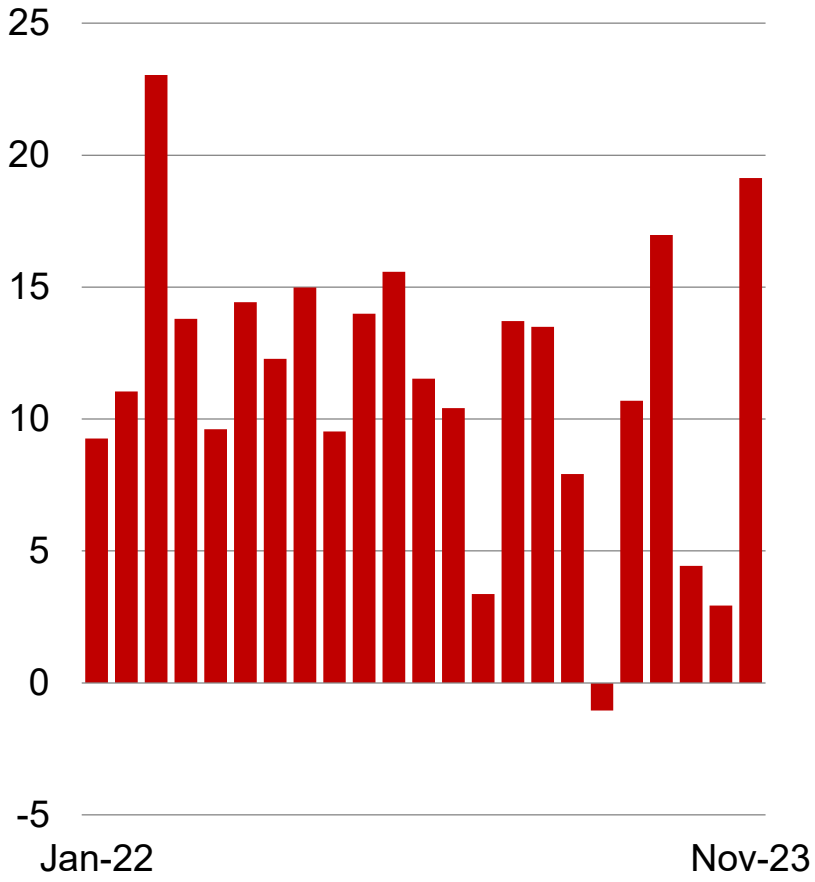
Source: Federal Reserve, U.S. Flow of Funds Account, Z.1 Data Release.

Consumer Credit

Revolving Consumer Credit Change, $Billions



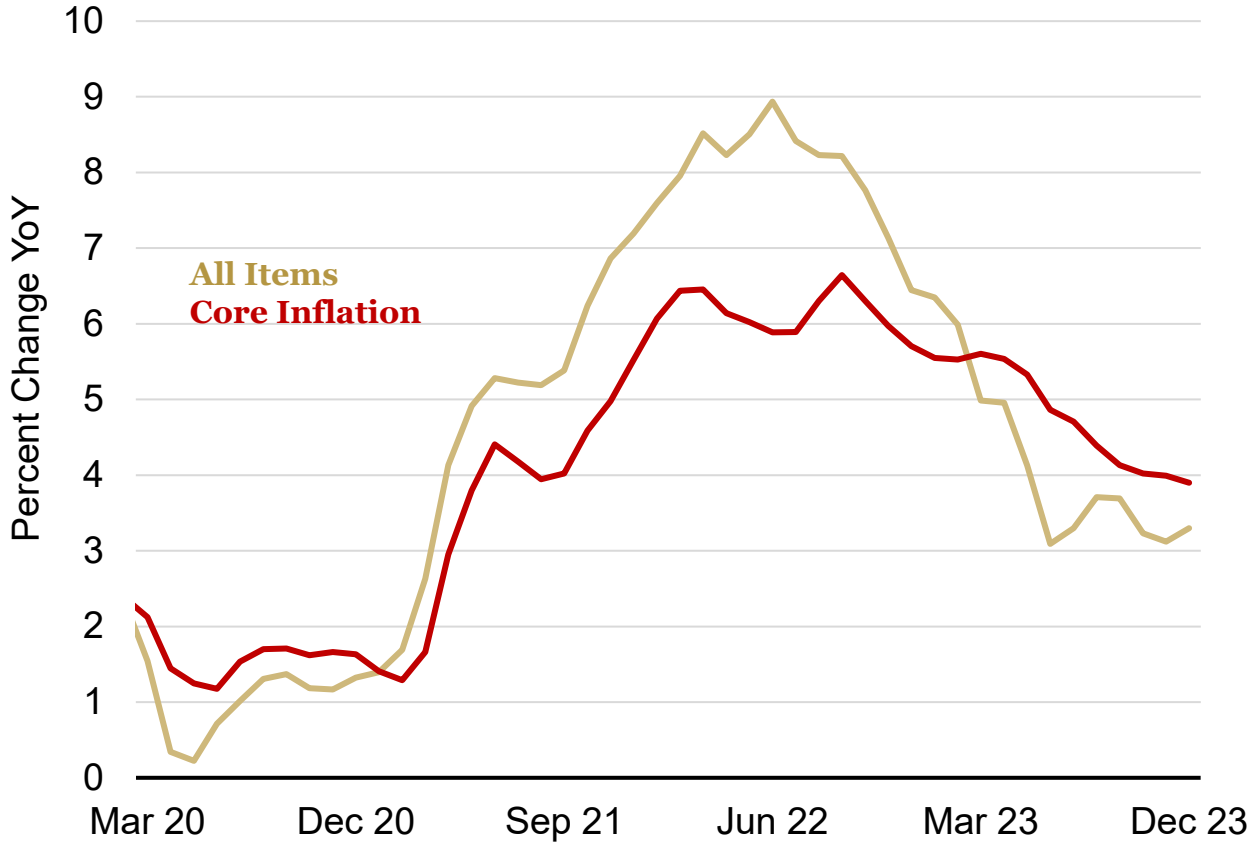
Revolving Credit Change, MoM $B



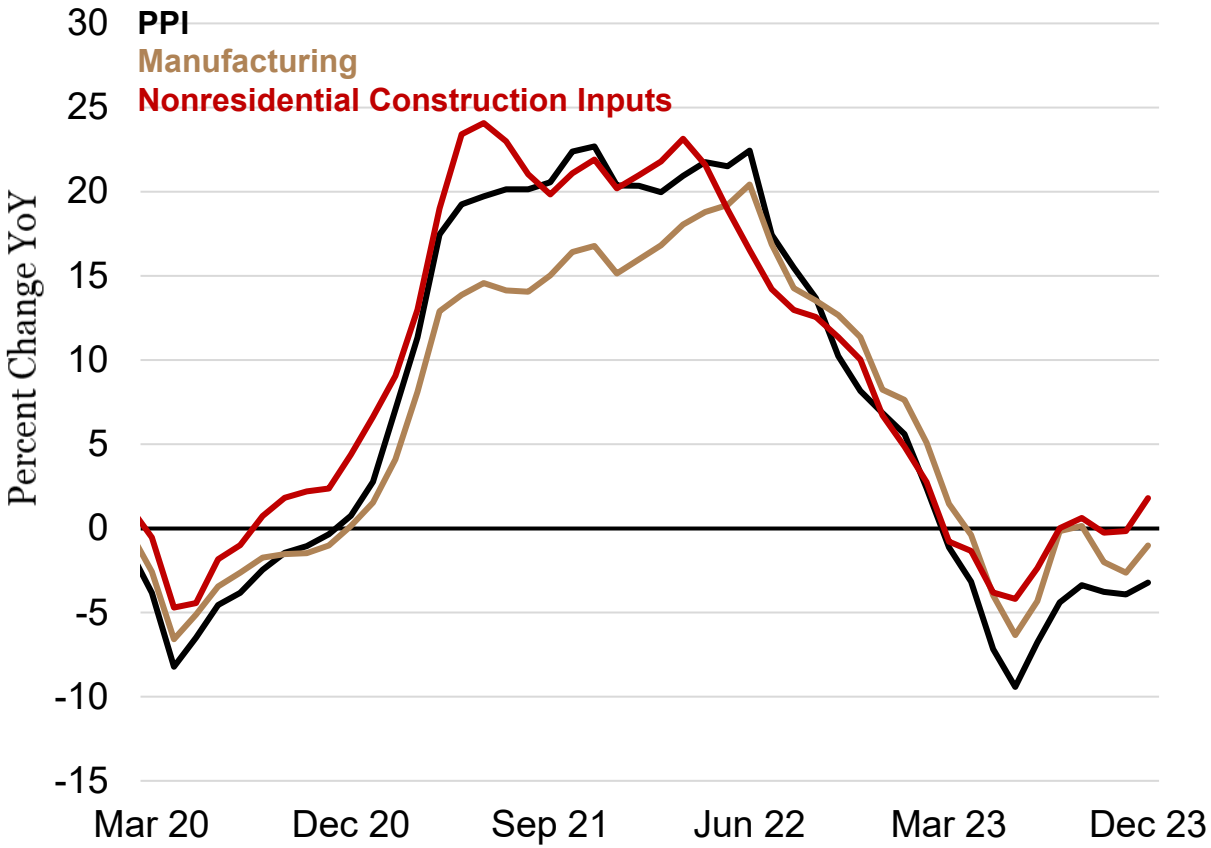
Source: Federal Reserve, U.S. Flow of Funds Account, G.19 – Consumer Credit Data Release.

National Inflation

Consumer Price Index



Producer Price Index



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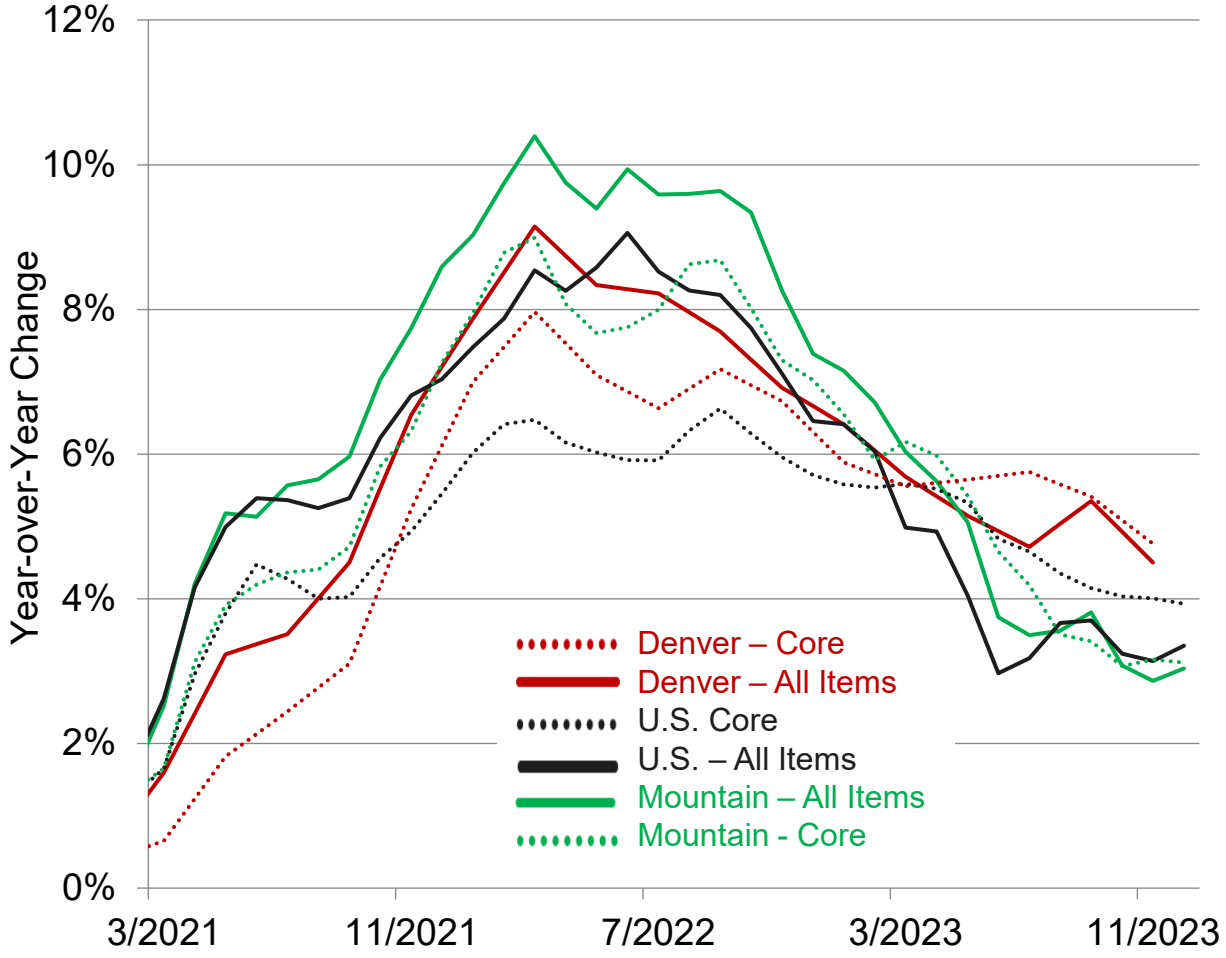
Source: Bureau of Labor Statistics. CPI Seasonally Adjusted, PPI Not Seasonally Adjusted.

Inflation

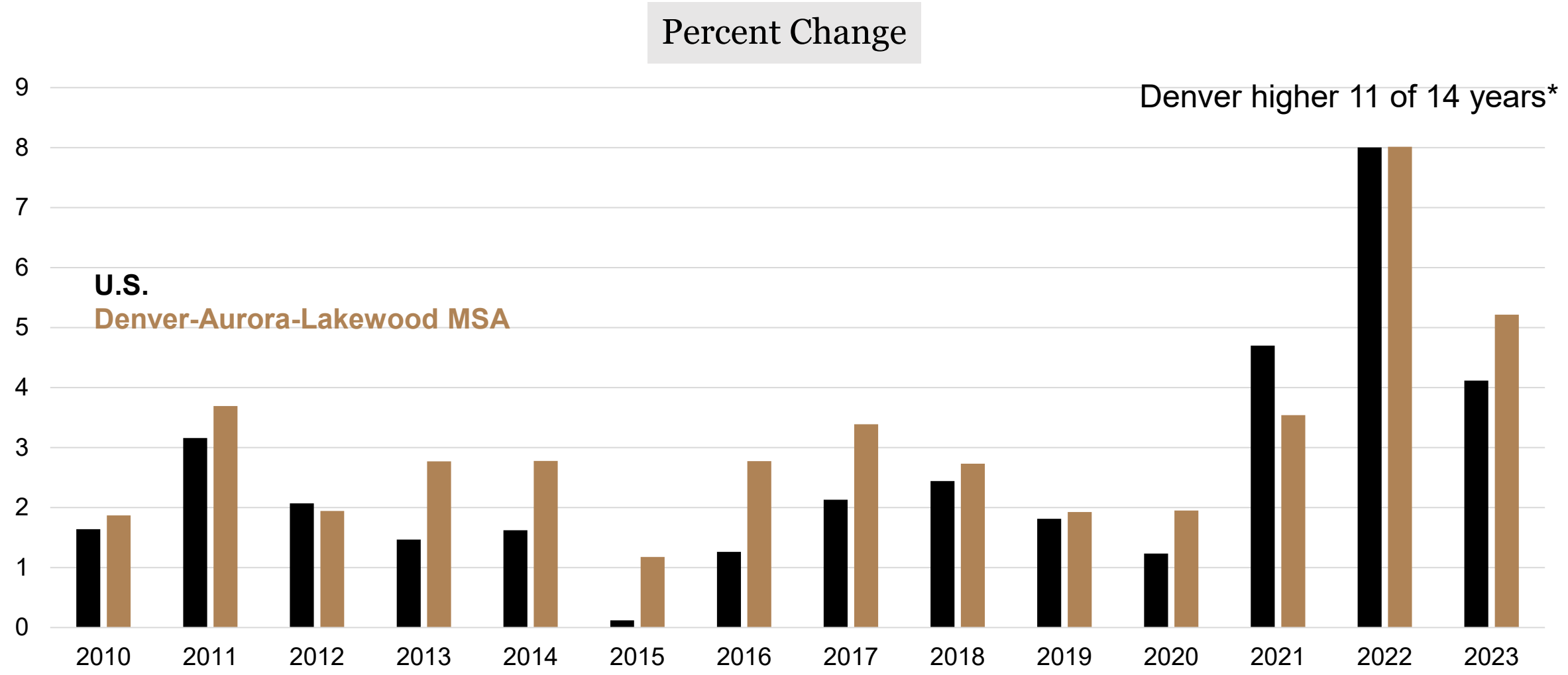
Consumer Price Index, Percent Change Year-Over-Year



Items	U.S. City Average	Mountain	Denver-Aurora-Lakewood*	Item Weights
All items	**3.4%**	**3.0%**	**4.5%**	**100.0%**
Food and beverages	2.7%	2.9%	3.9%	14.4%
Housing	**4.8%**	**4.4%**	**5.8%**	**44.4%**
Apparel	1.0%	-1.4%	2.3%	2.5%
Transportation	2.9%	0.9%	1.9%	16.7%
Medical care	0.5%	5.1%	6.5%	8.1%
Recreation	2.7%	2.8%	4.5%	5.4%
Education and Comm.	-0.1%	-2.3%	2.1%	5.8%
Other goods and services	5.5%	4.9%	2.9%	2.7%
Core Inflation	*3.9%*	*3.1%*	*4.8%*	

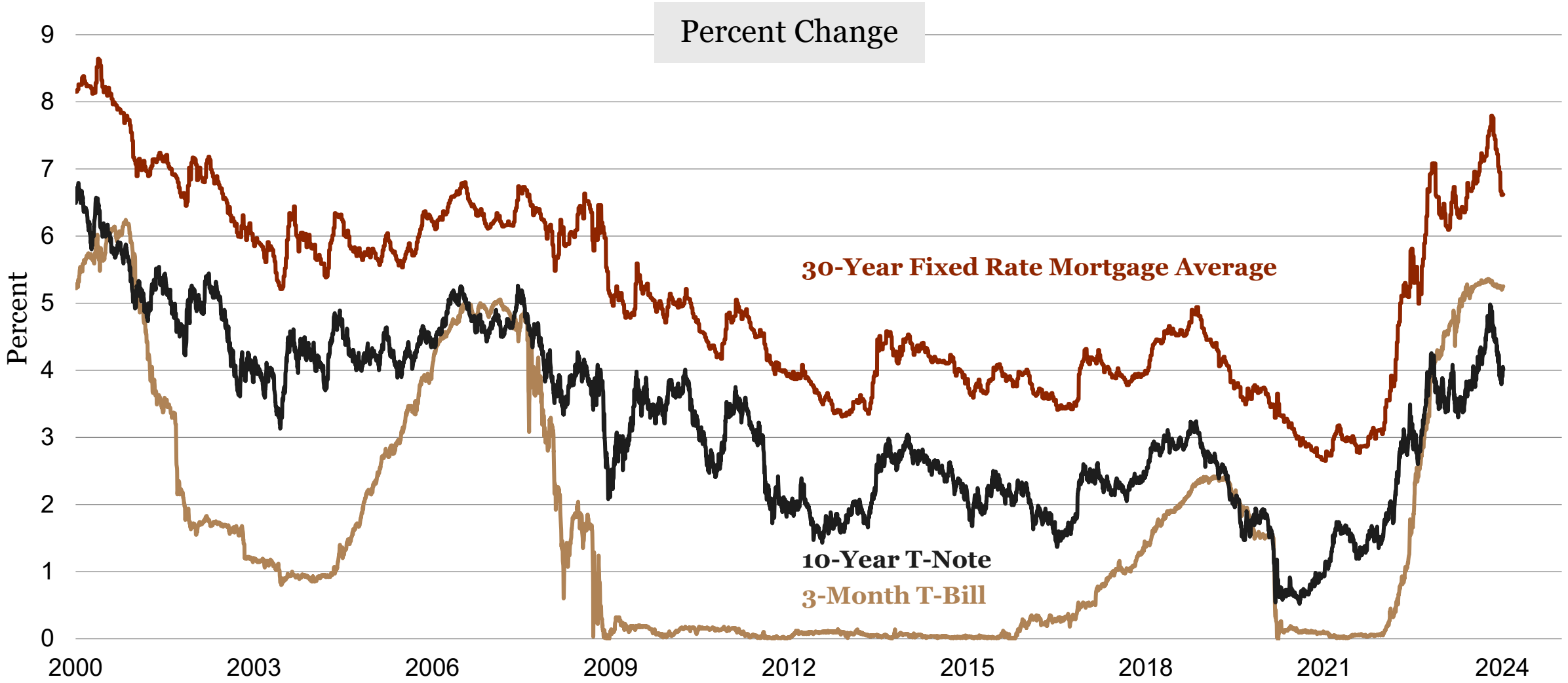
Source: Bureau of Labor Statistics. *U.S., Mountain, and Denver MSA data through November

National v. Local



Source: Bureau of Labor Statistics. 2022 was a tie.

Interest Rates



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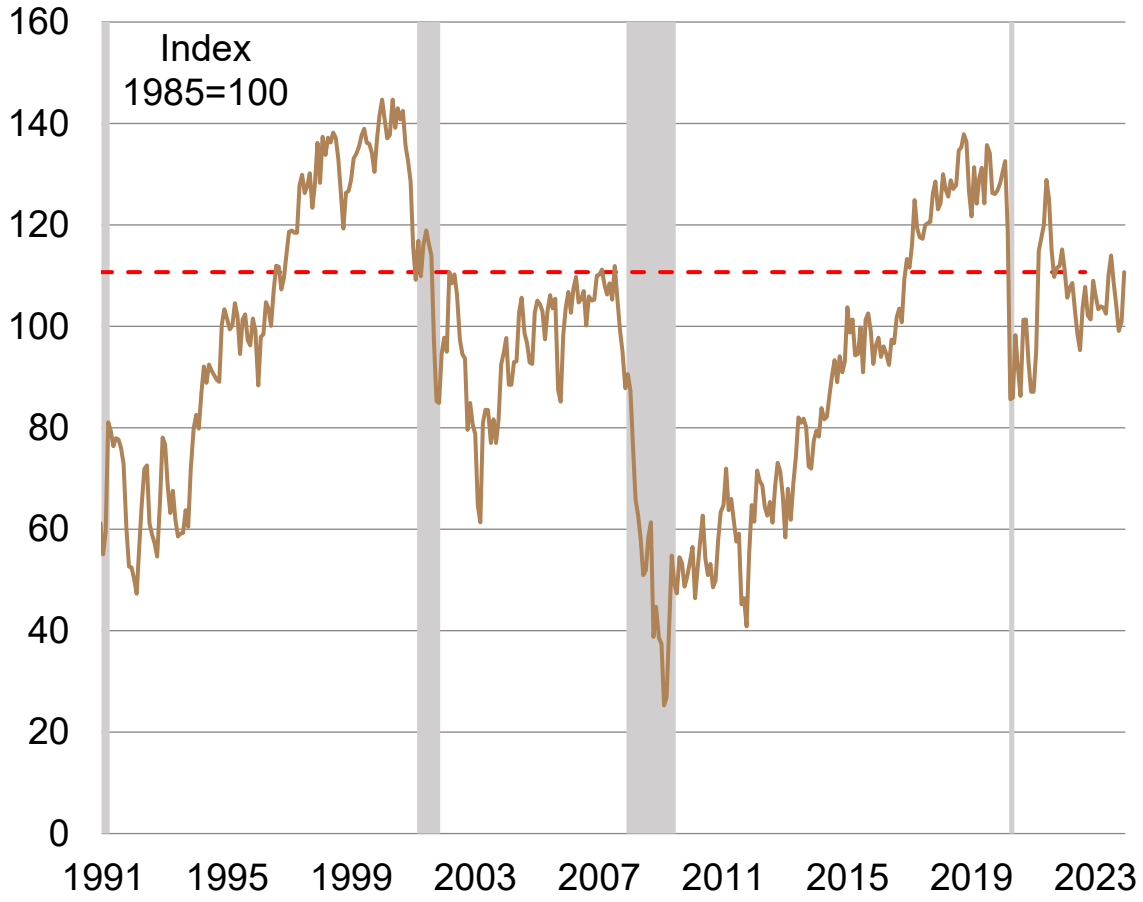
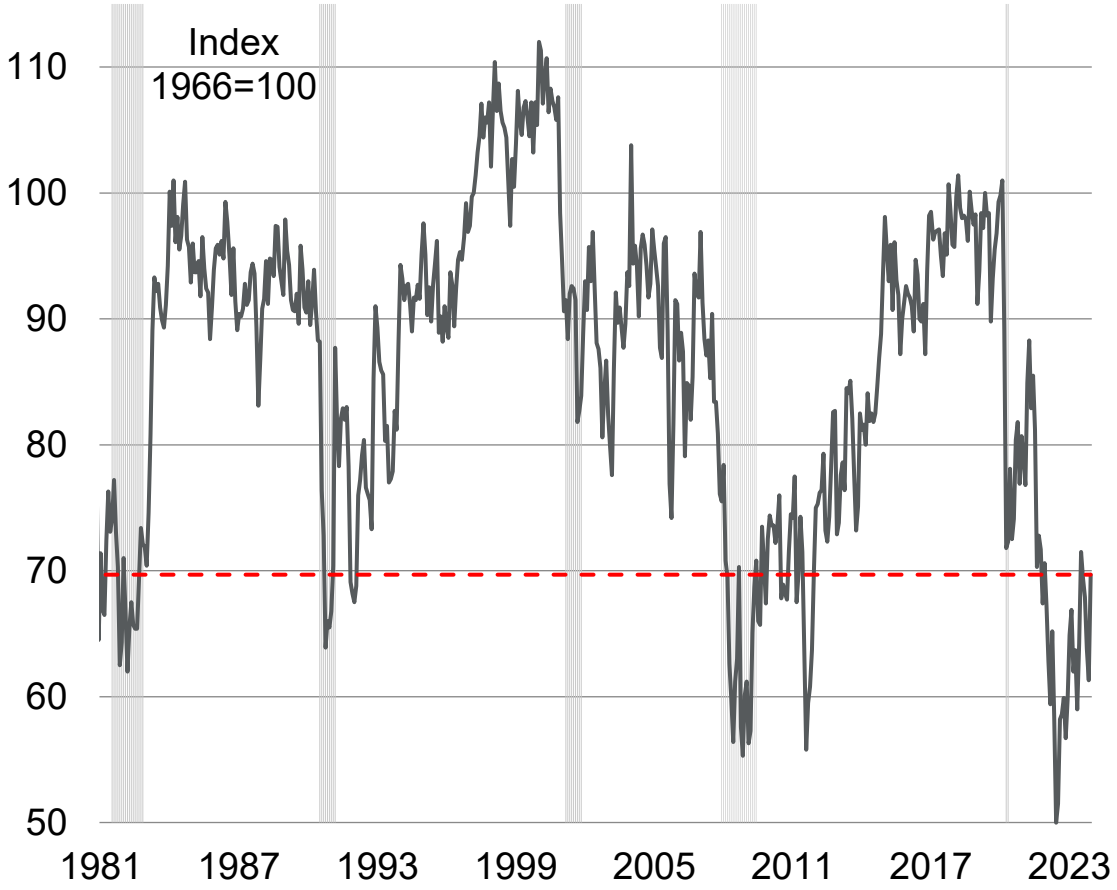
Sources: Federal Reserve, Freddie Mac, and Moody's Analytics.

Index of Consumer Confidence

Consumer Confidence



Consumer Sentiment



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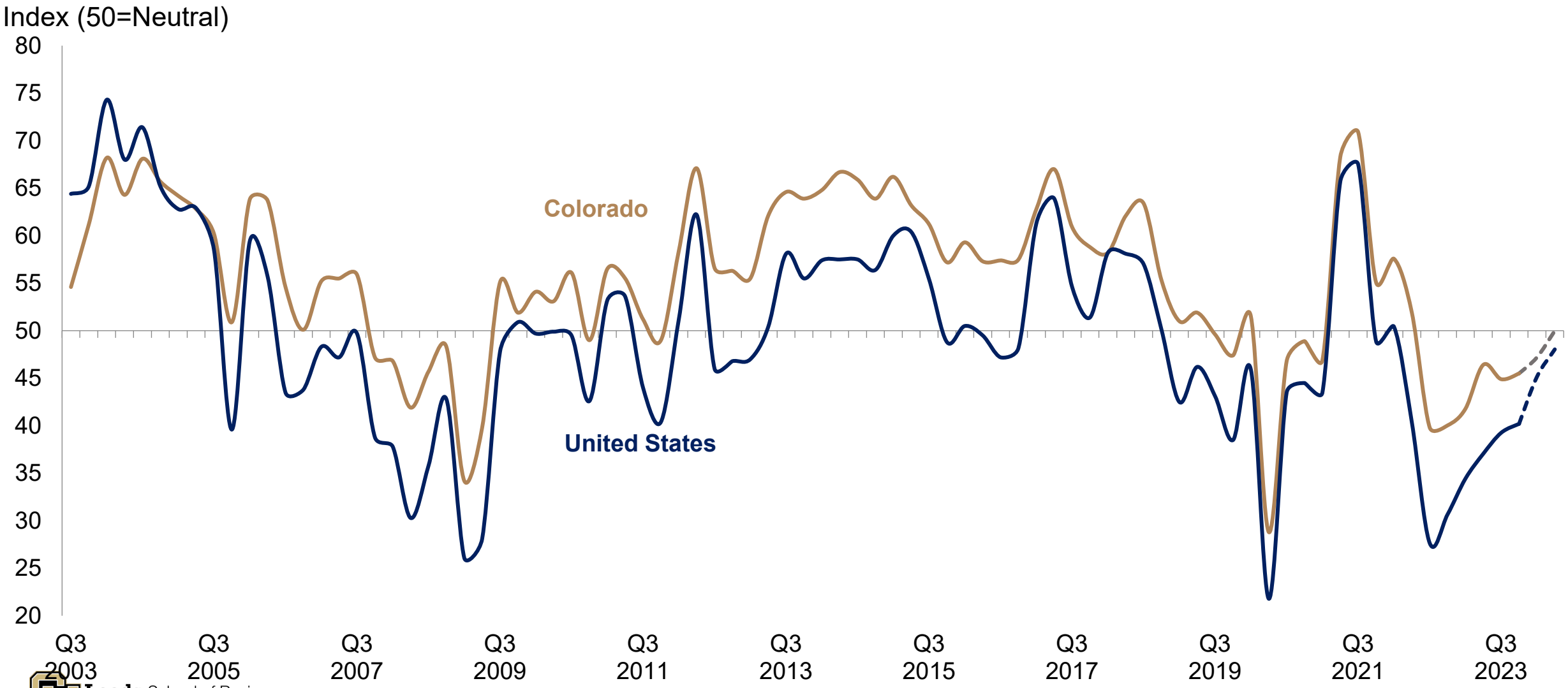
Sources: The Conference Board, National Bureau of Economic Research, University of Michigan.

National and State Expectations



FIFTY-NINTH ANNUAL

COLORADO

BUSINESS ECONOMIC OUTLOOK

colorado.edu/business/brd

2024

#COBizOutlook

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- Colorado Business Review
- Leeds Business Confidence Index
- Quarterly Indicators Report
- Research Publications

Colorado Population, Employment, and the Economy

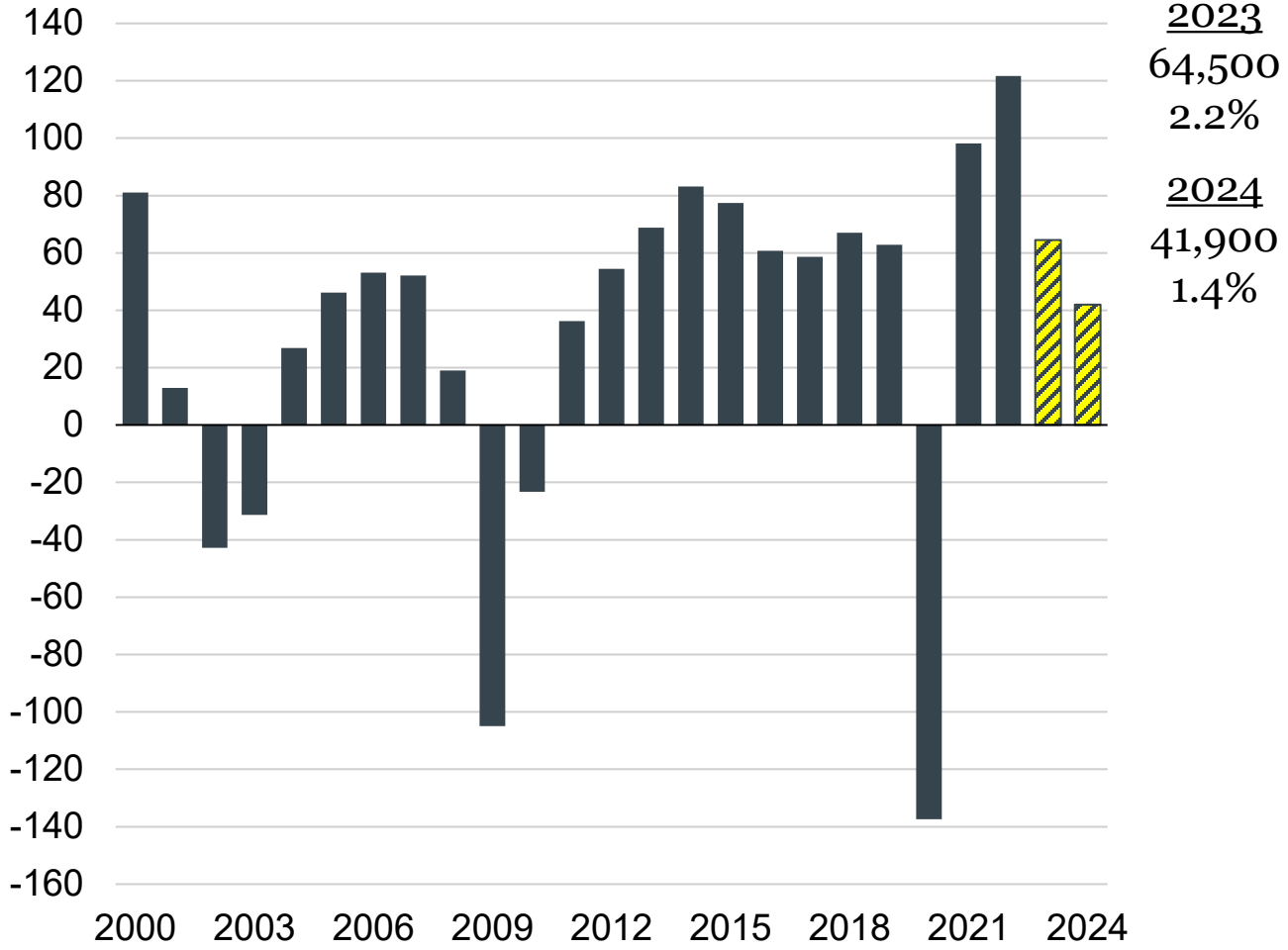
Colorado Rank Among Other States

Metric	1-Year Change/ Current Level		1-Year Rank
Real GDP Growth	1-Year Change	3.4%	19
Employment Growth	1-Year Change	1.1%	37
Population Growth	1-Year Change	0.6%	17
Personal Income Growth	1-Year Change	3.3%	42
PCPI Growth	1-Year Change	2.7%	42
PCPI	Current Level	$79,586	6
Average Hourly Wage % Growth	1-Year Change	5.7%	8
Average Annual Pay % Growth	1-Year Change	7.4%	18
Average Annual Pay	Current Level	$75,799	7
Unemployment Rate	Current Level	3.3%	21
Labor Force % Growth	1-Year Change	1.6%	24
LFPR	Current Level	68.4%	4
FHFA Home Price Index Growth	1-Quarter Change	0.7%	44
FHFA Home Price Index Growth	1-Year Change	1.4%	41

Data Sources: Bureau of Economic Analysis (2023), Bureau of Labor Statistics (10/23), U.S. Census Bureau (2022), Bureau of Labor Statistics (2023), Federal Housing Finance Agency All Transactions Index (Q3 2023), BRD calculations. *Unemployment rate for the last month.

Colorado Employment Forecast

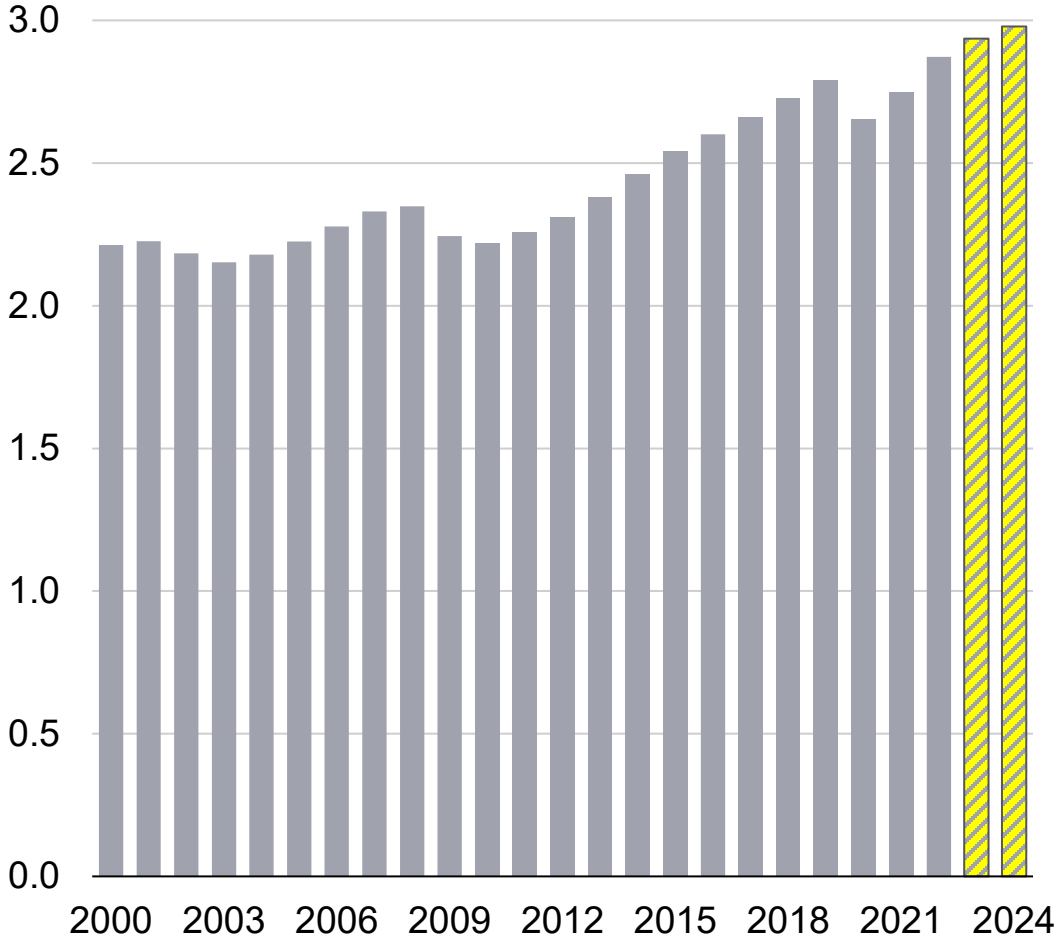
Jobs Added, Thousands, 2000-2024



2023
64,500
2.2%

2024
41,900
1.4%

Total, Thousands, 2000-2024



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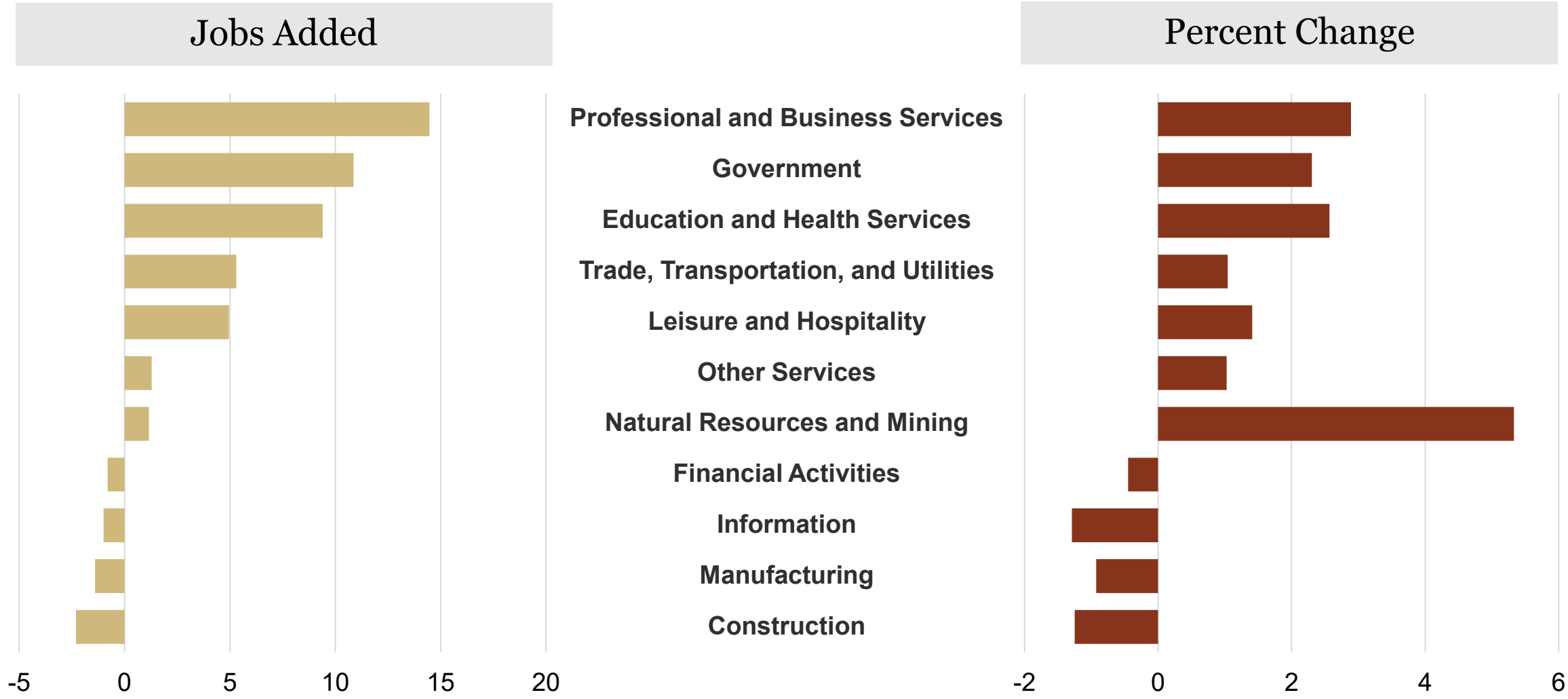
Sources: Colorado Department of Labor and Employment and the Colorado Business Economic Outlook Committee.

Colorado 2024 Estimated Employment Change



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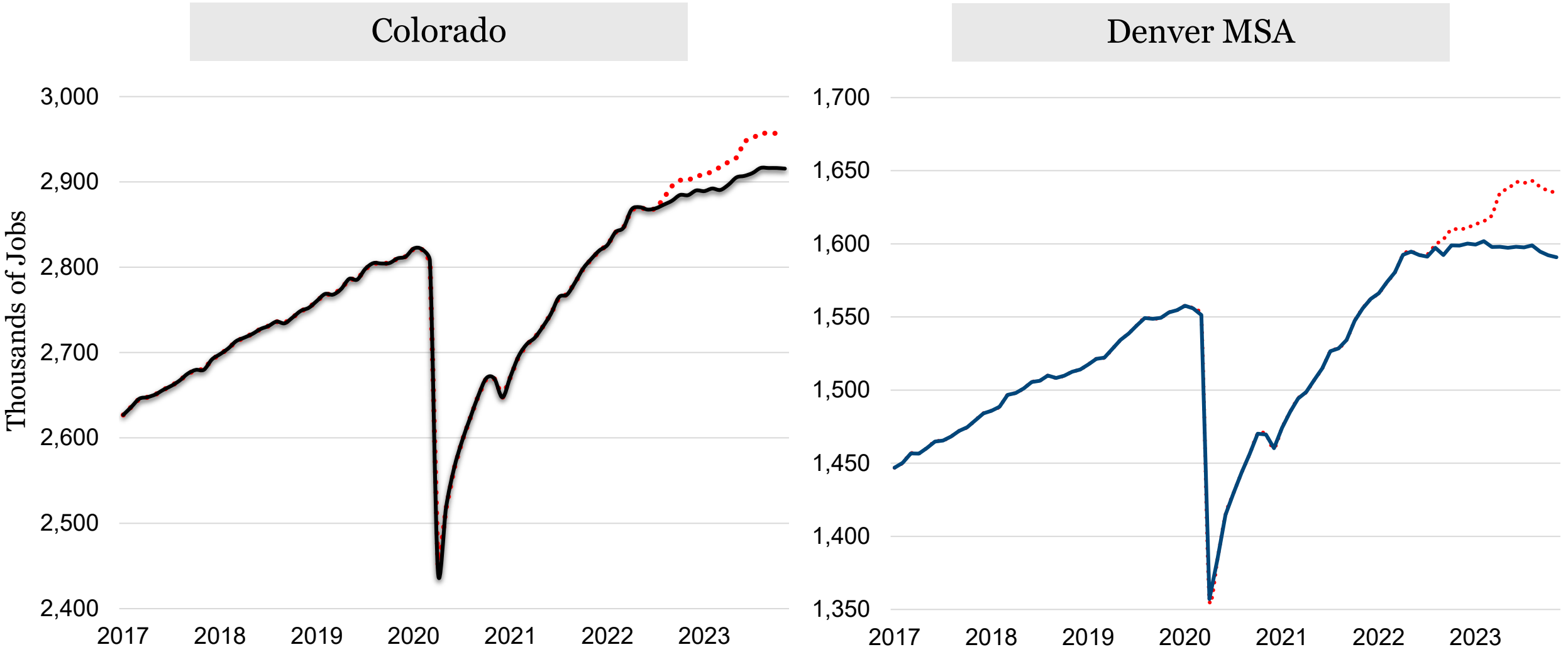
Sources: Colorado Department of Labor and Employment and Colorado Business Economic Outlook Committees.

Employment Revisions

Employment Growth and Revisions



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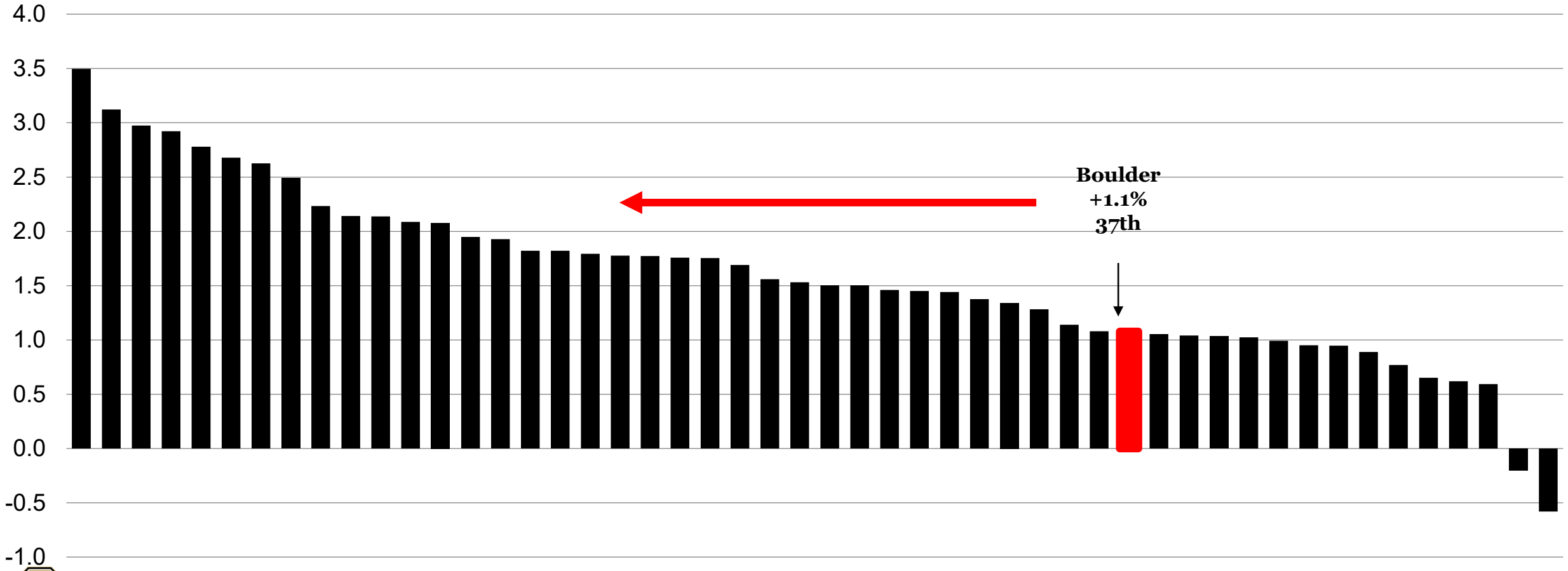
Source: Bureau of Labor Statistics, CES (Seasonally Adjusted).

Employment Ranking

Year-over-Year Percent Change, November 2023



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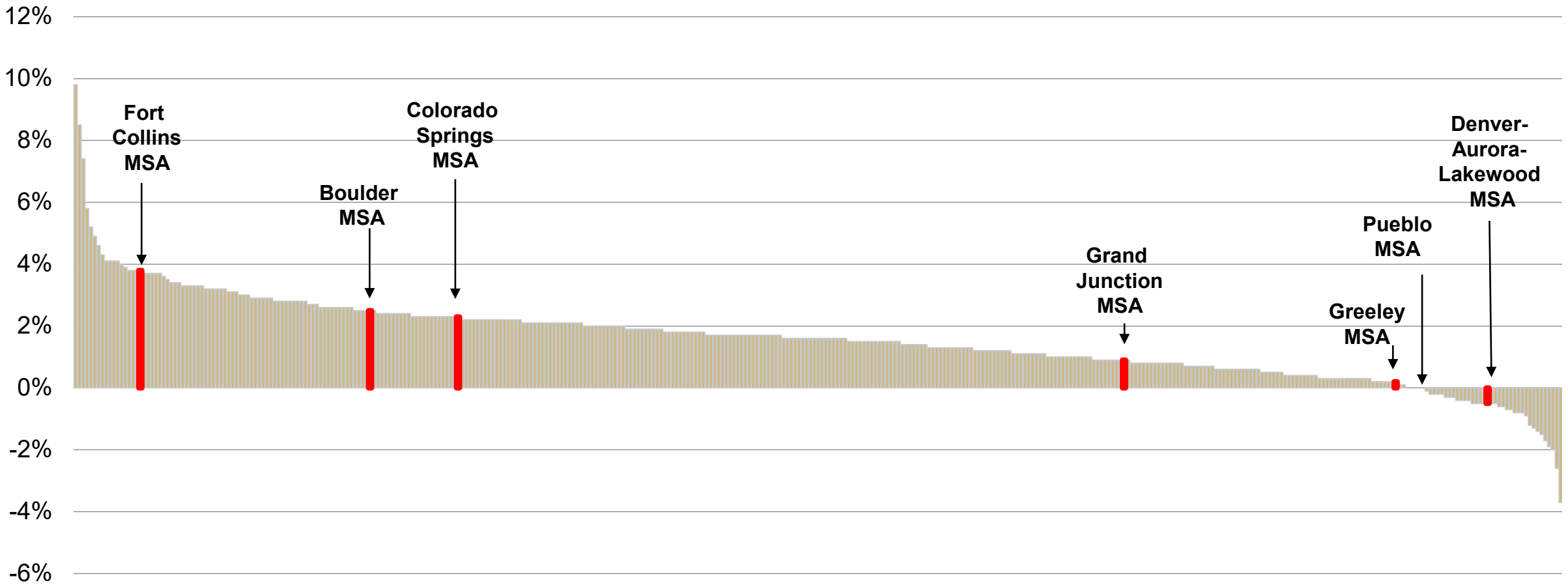
Source: Bureau of Labor Statistics. Not seasonally adjusted,

Employment Growth by MSA

Employment by MSA, 1-Year Percent Change, November 2023



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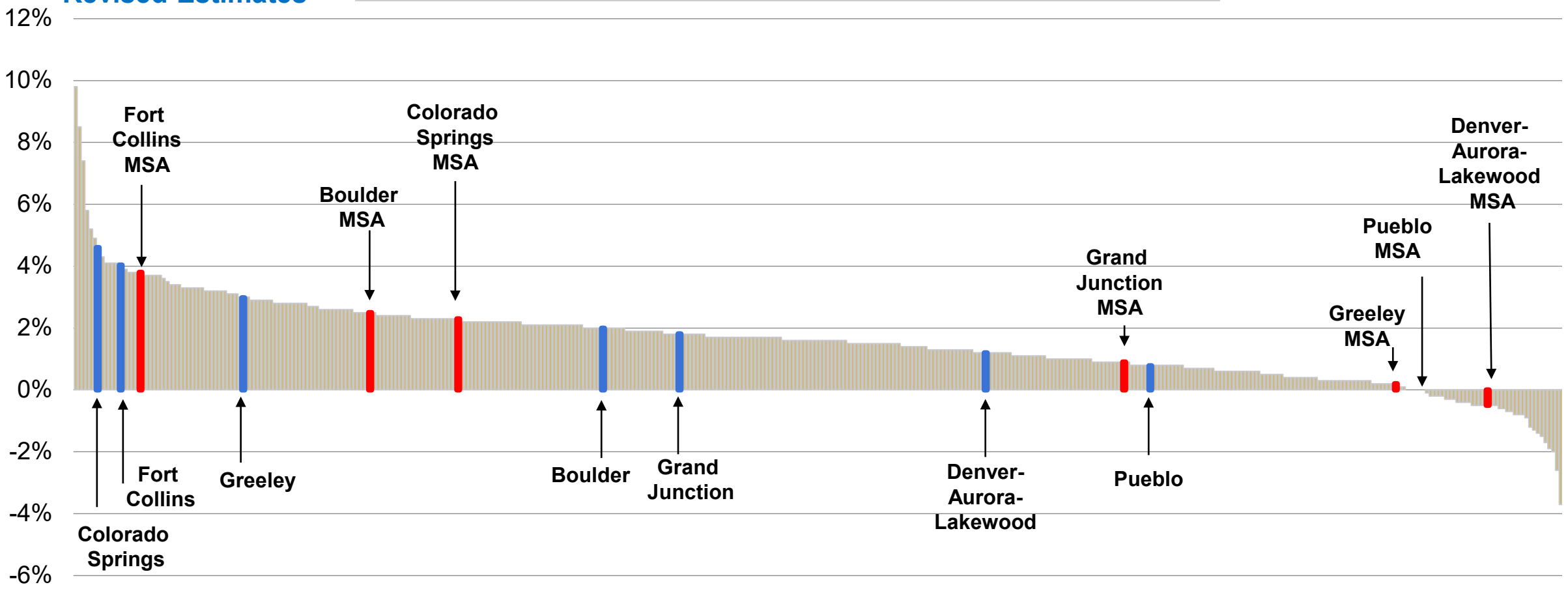
Source: Bureau of Labor Statistics, Current Employment Statistics (Seasonally Adjusted).

Revised Employment Growth by MSA

Initial Estimates
Revised Estimates

Employment by MSA, 1-Year Percent Change, November 2023



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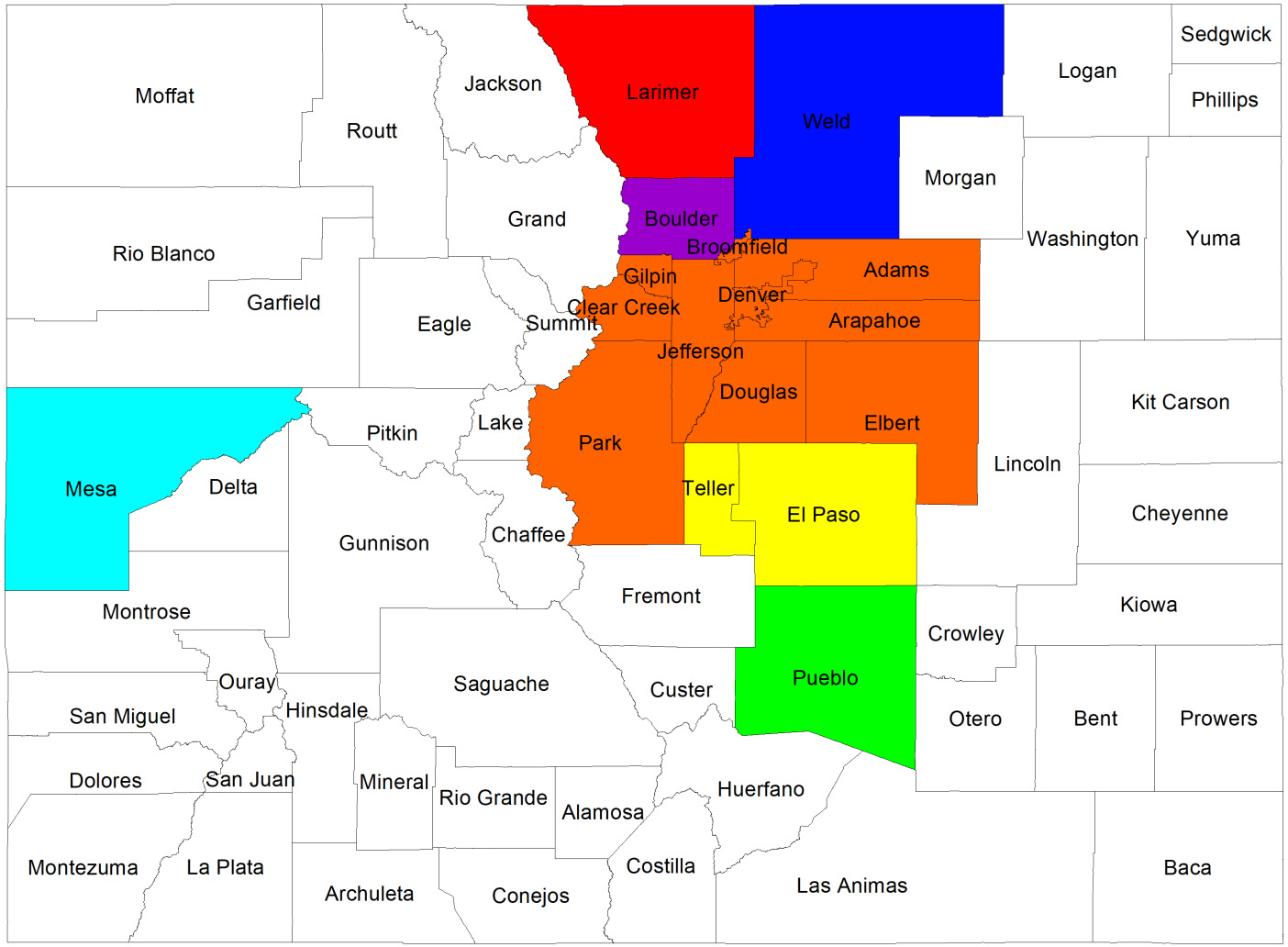
Source: Bureau of Labor Statistics, Current Employment Statistics (Seasonally Adjusted).

Boulder Economy

Photo by Glenn Asakawa/University of Colorado.

Metropolitan Statistical Areas (MSAs)



"A geographic entity delineated by the Office of Management and Budget for use by federal statistical agencies. Metropolitan statistical areas consist of the **county** or counties (or equivalent entities) associated with at least one urbanized area of at least **50,000 population**, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties."

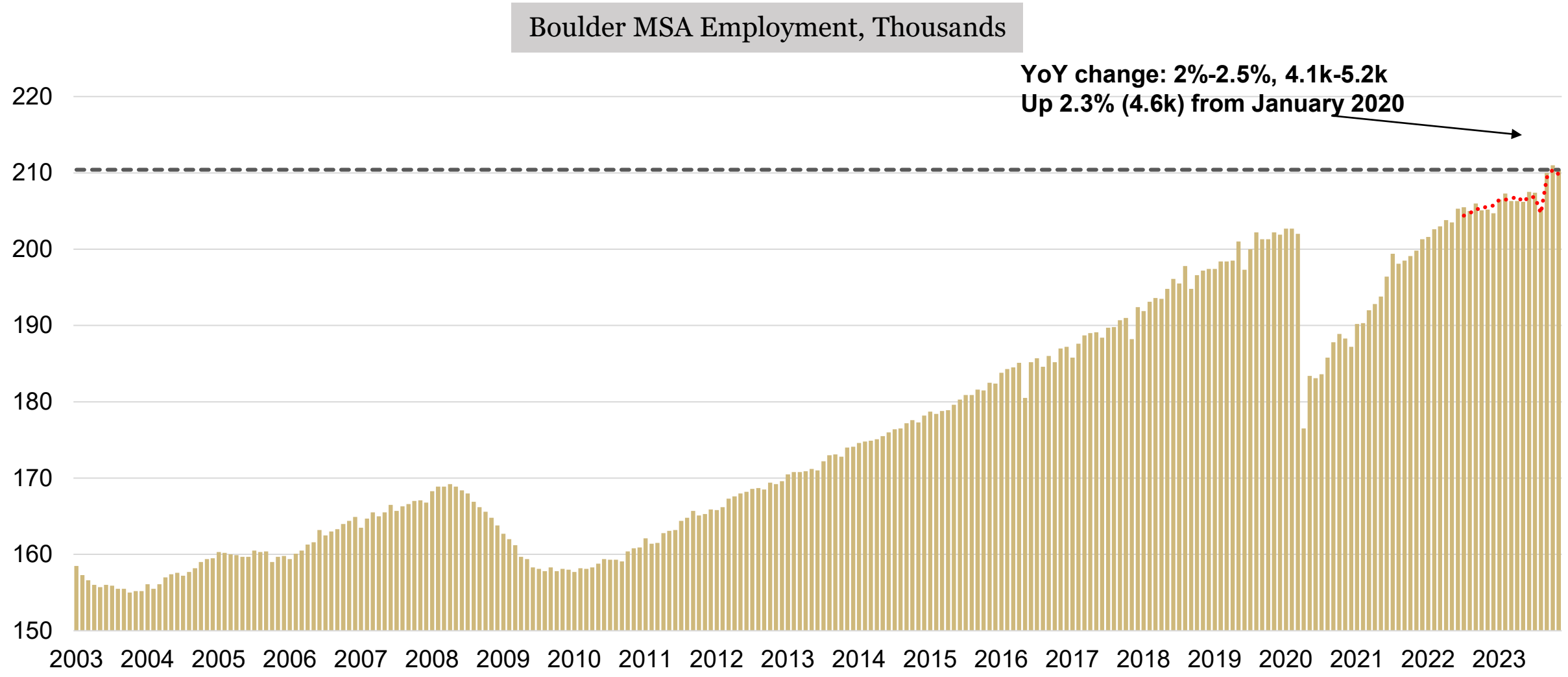
Source: U.S. Census Bureau.

Boulder MSA's rank mixed nationally

Metric	1-Year	3-Year	5-Year	10-Year
Real GDP Growth	43	68	25	NA
Employment Growth	75	72	108	73
Population Growth	229	260	235	137
Personal Income Growth	24	59	28	19
PCPI Growth	6	10	4	6
PCPI	7	8	9	12
Unemployment Rate	94	41	157	12
Labor Force % Growth	114	21	50	44
FHFA Home Price Index Growth	345	314	339	91

Sources: Bureau of Economic Analysis (2022), Bureau of Labor Statistics (November 2023), U.S. Census Bureau (2022), Federal Housing Finance Agency (Q3 2023).

Employment



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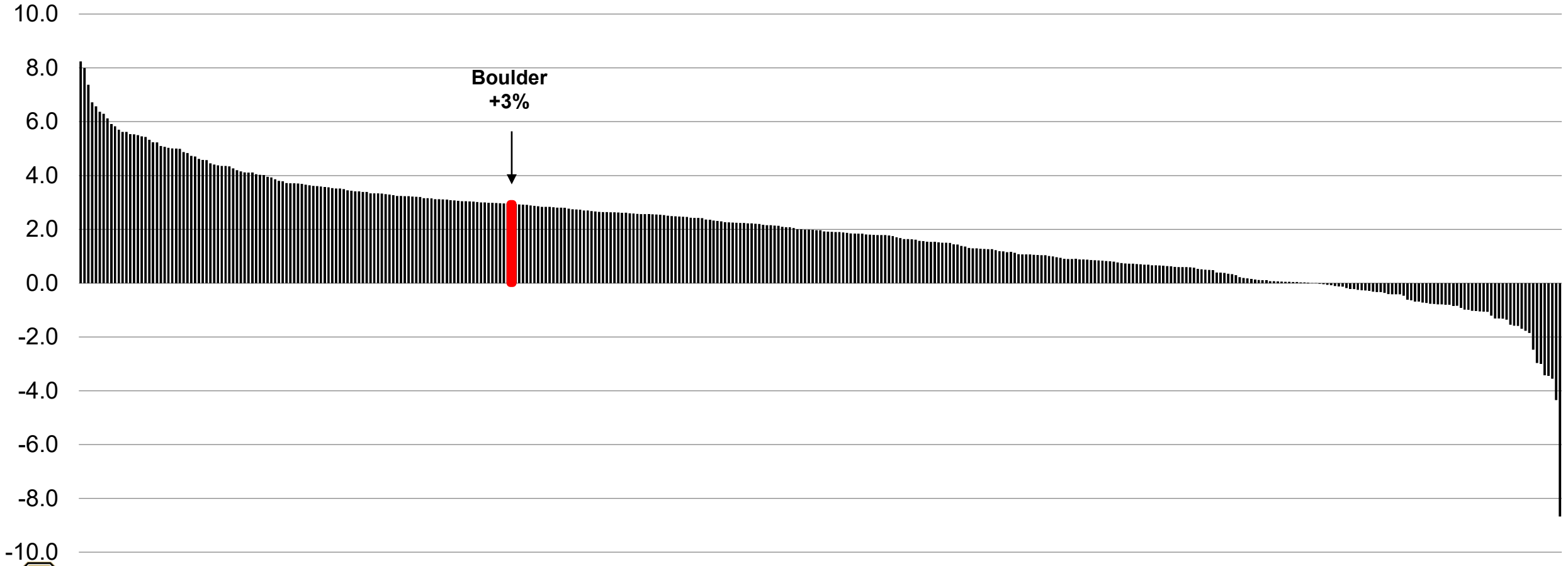
Source: Bureau of Labor Statistics, CES (SA), November 2021.

Labor Force by MSA

Year-over-Year Percent Change, November 2023



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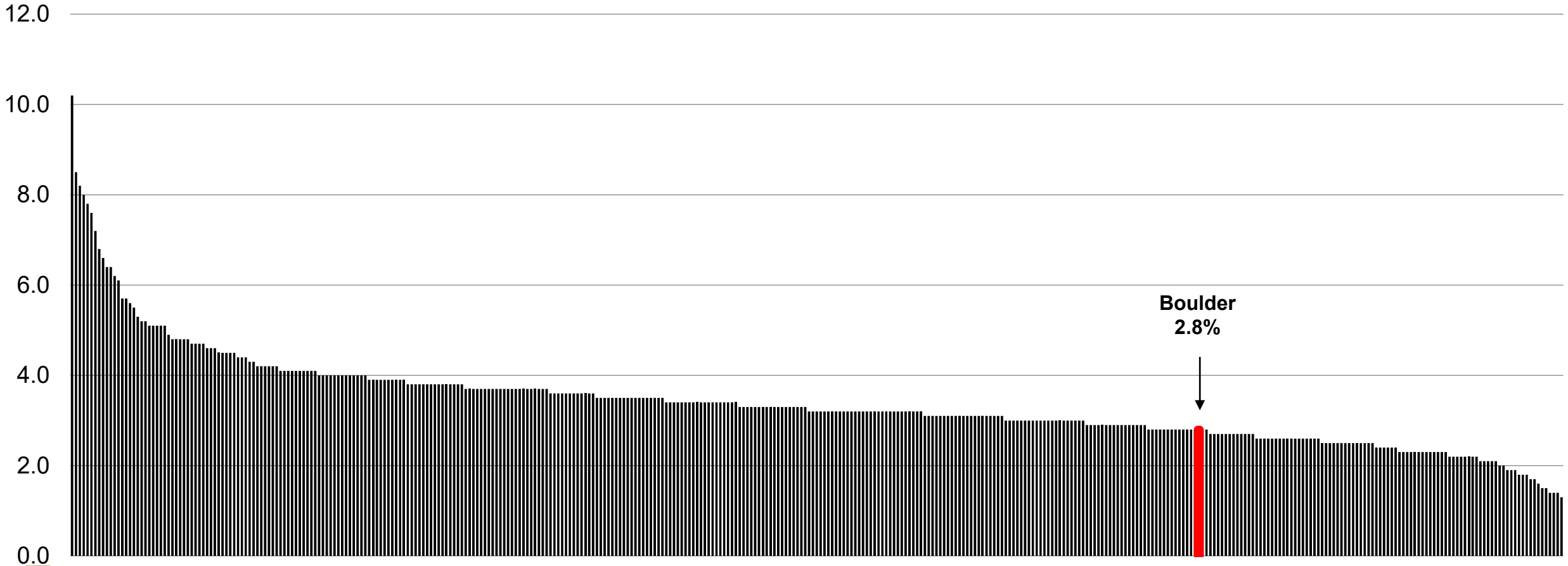
Source: Bureau of Labor Statistics. Not seasonally adjusted,

Unemployment Rate

Rate, November 2023



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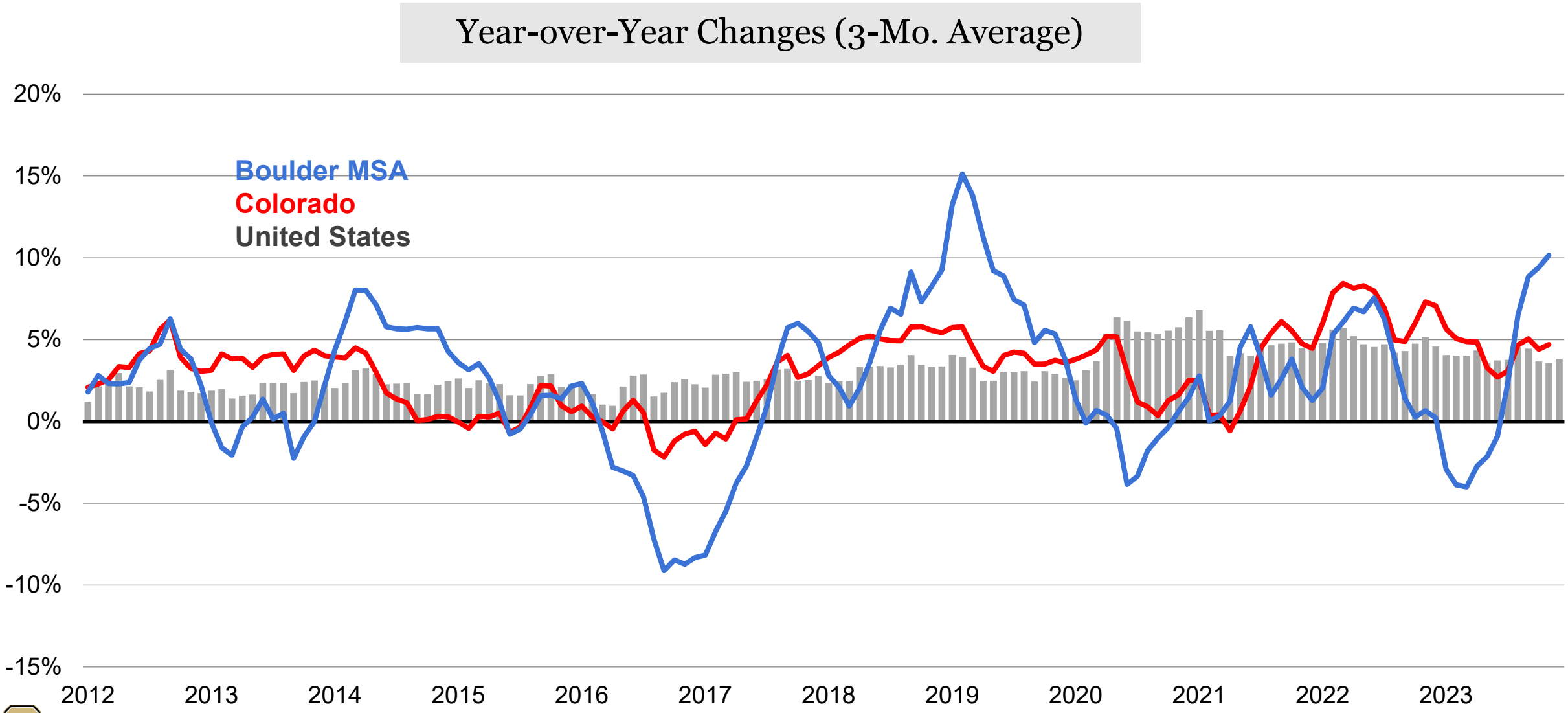
Source: Bureau of Labor Statistics. Not seasonally adjusted,

Average Weekly Wage Growth



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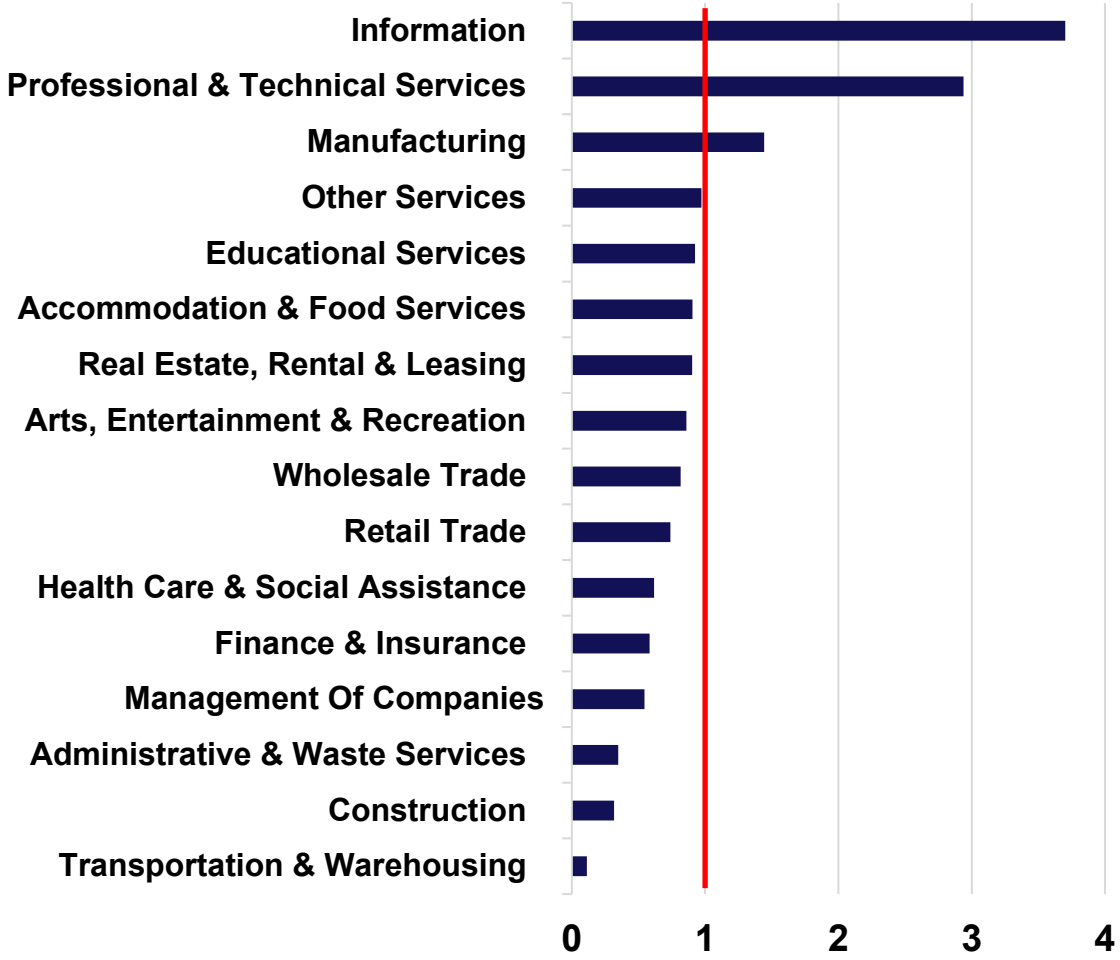
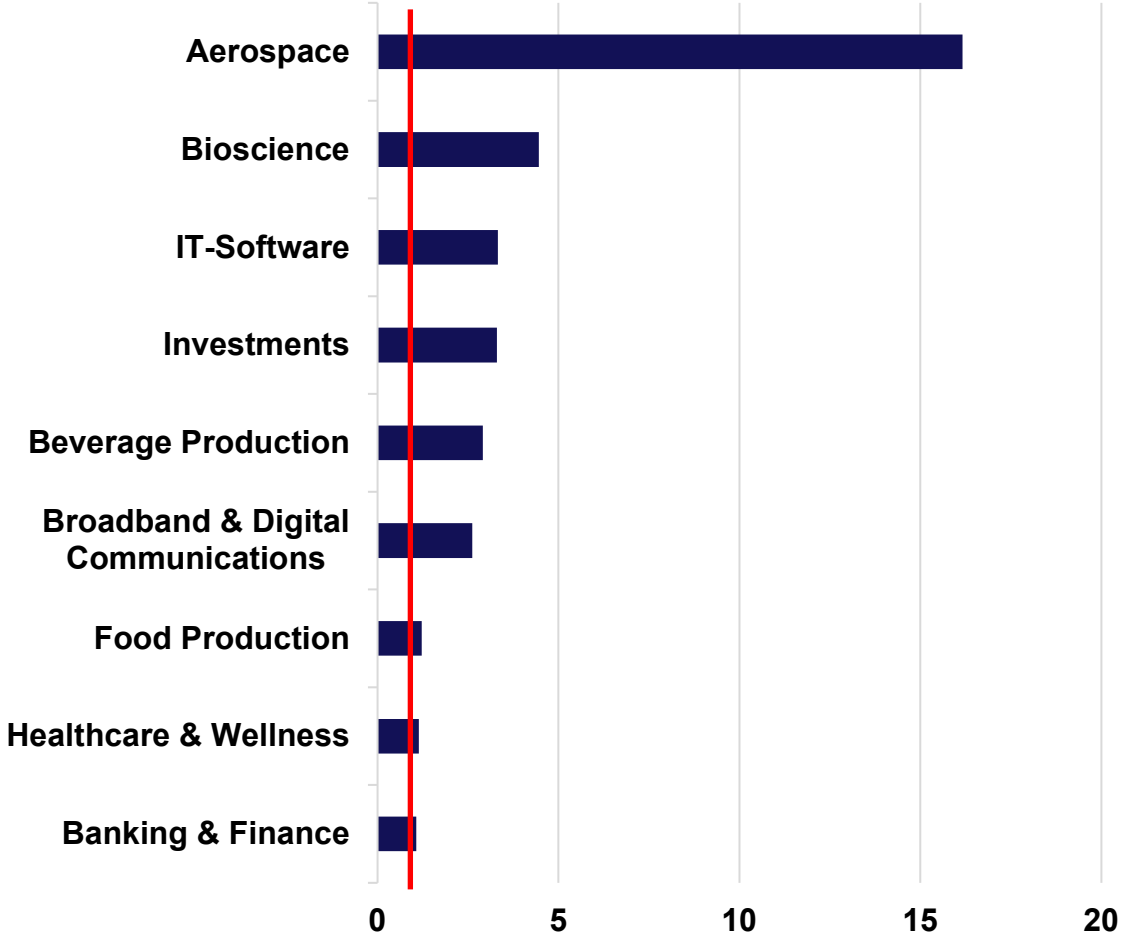
Source: Bureau of Labor Statistics.

What drives the Boulder economy?

City of Boulder Industry LQs



Boulder County Cluster LQs



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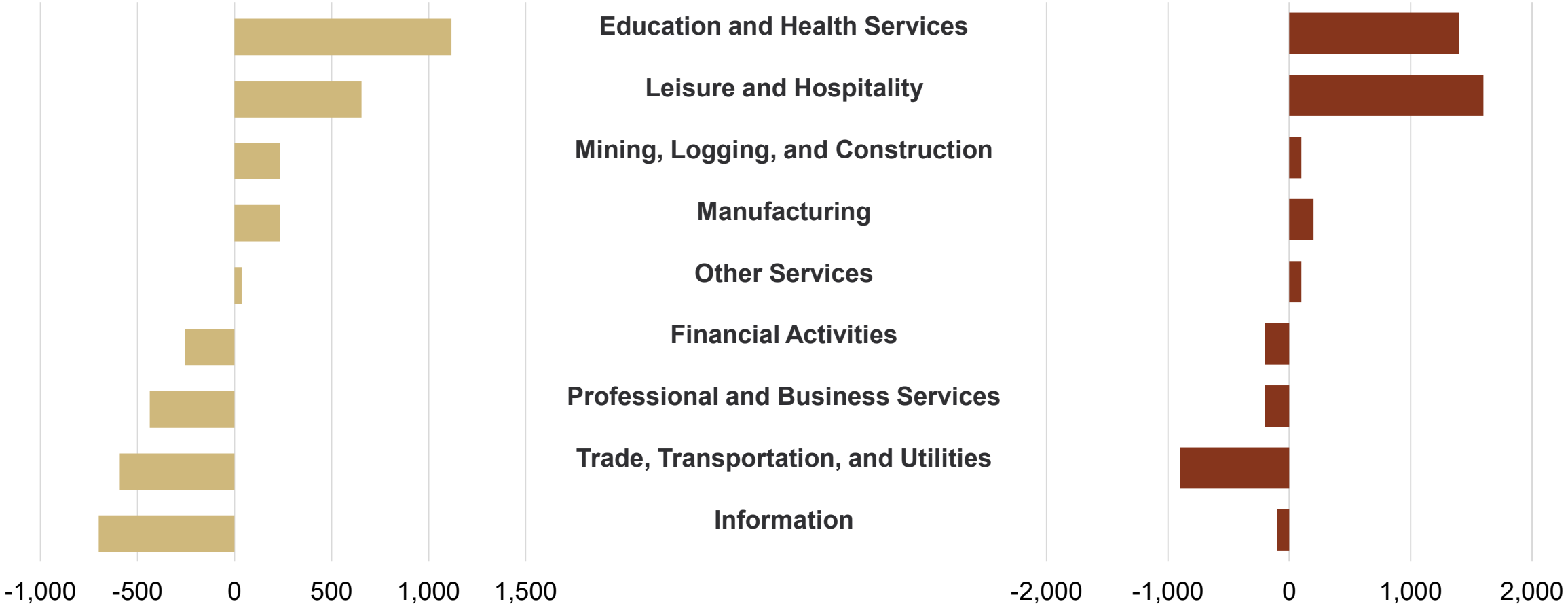
Sources: Colorado Department of Labor and Employment (QCEW) and the Metro Denver EDC.

Boulder's November Employment Change

11 Month, Year-over-Year

One Month, Year-over-Year



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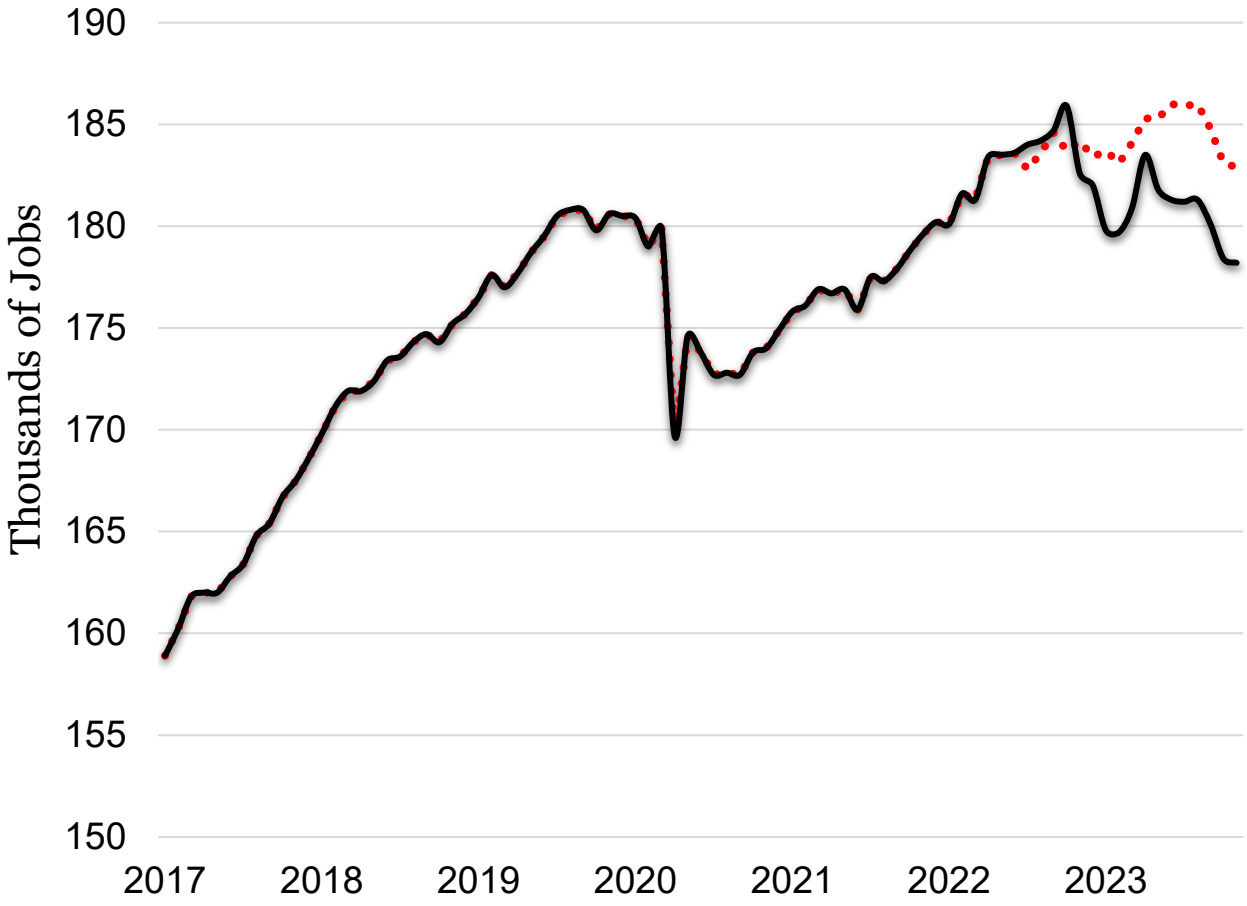
Sources: Colorado Department of Labor and Employment.

Construction and Real Estate

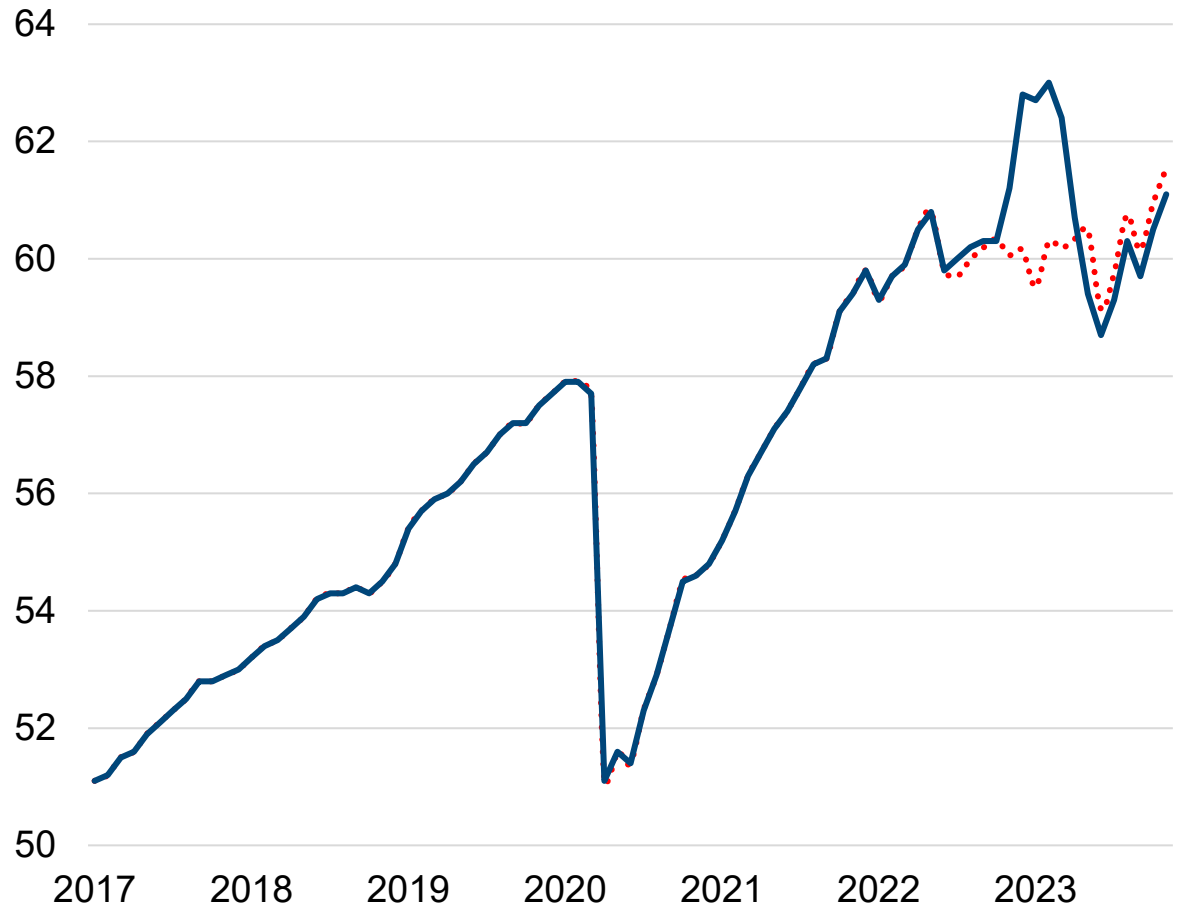
Photo by Etienne Girardet on Unsplash.

Employment Growth and Revisions

Construction



Real Estate



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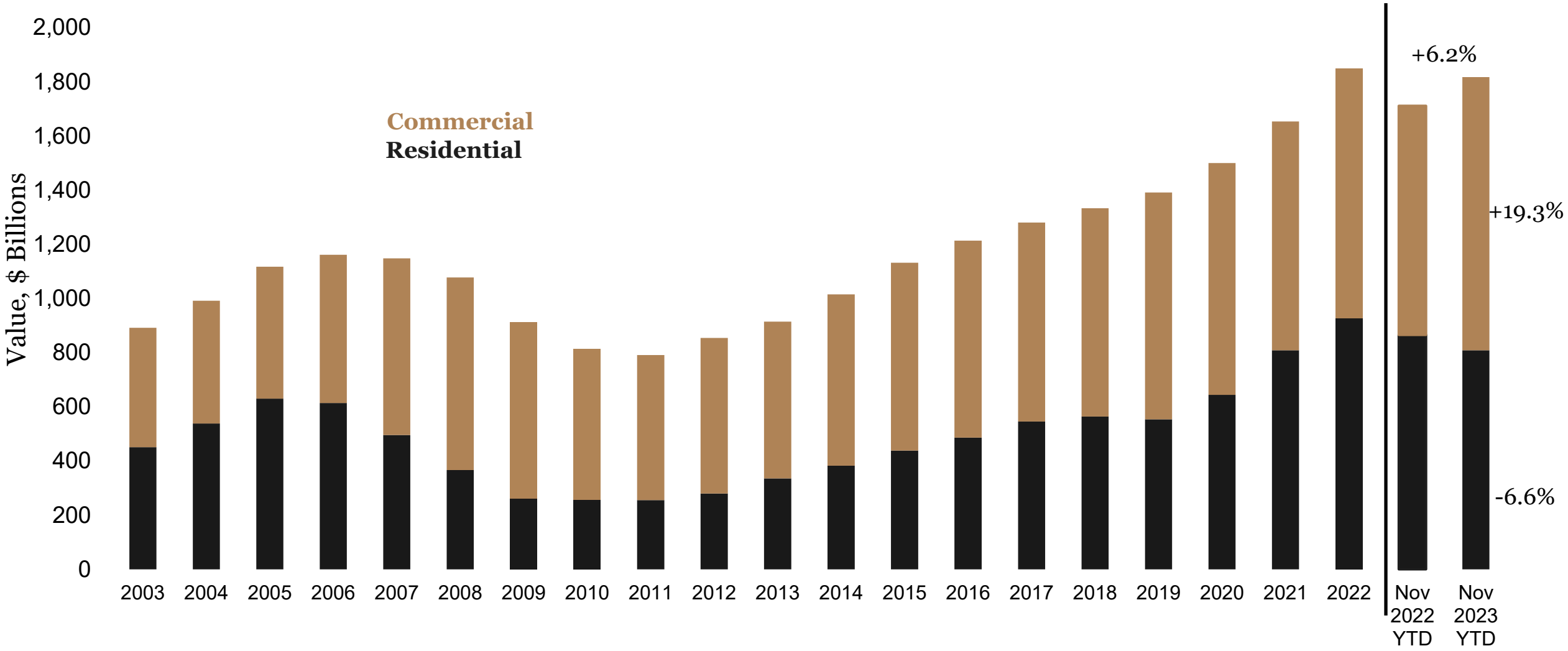
Source: Bureau of Labor Statistics, CES (Seasonally Adjusted).

National Value of Construction Put in Place



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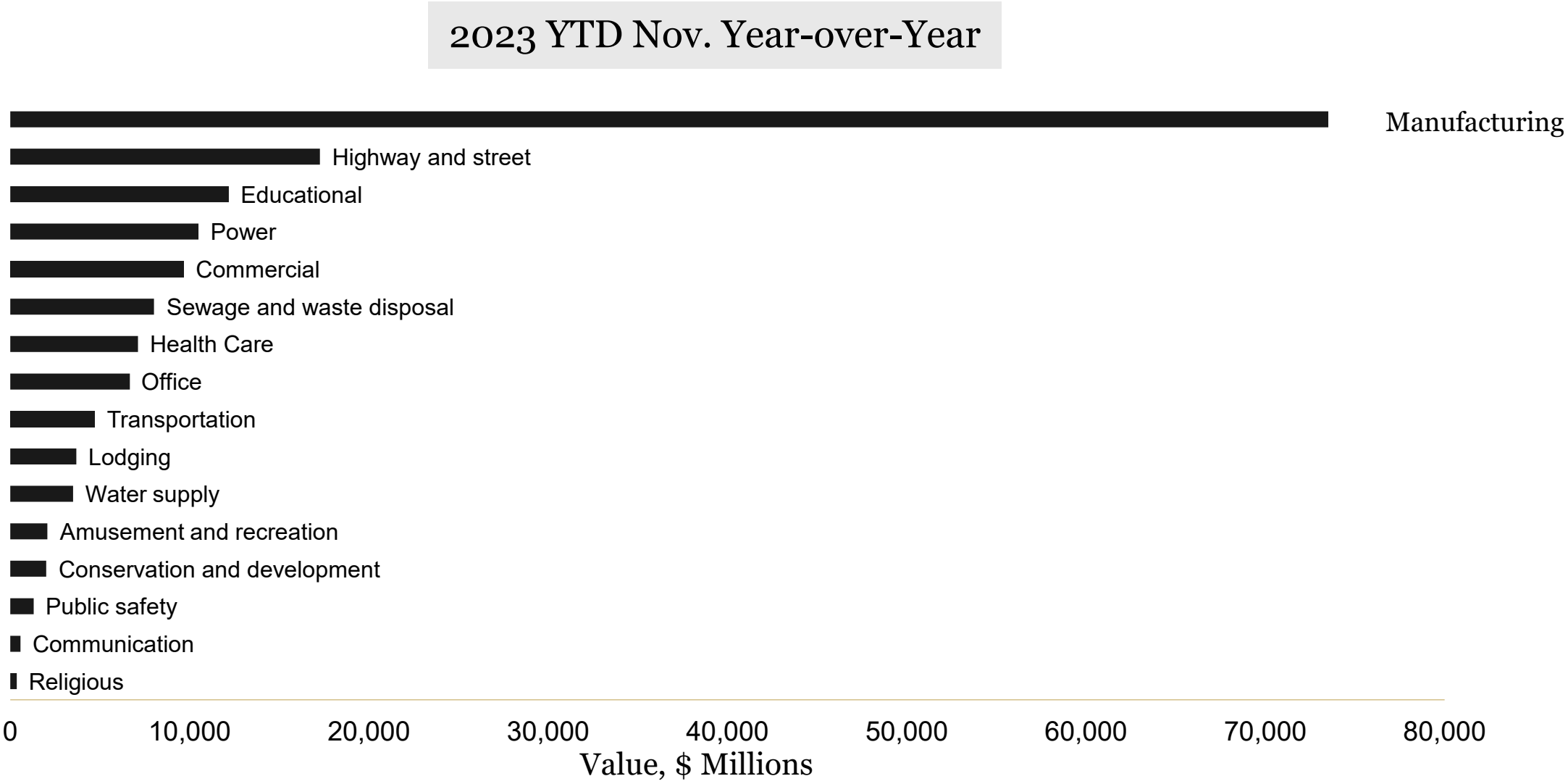
Sources: U.S. Census Bureau.

Change in National Value of Construction Put in Place



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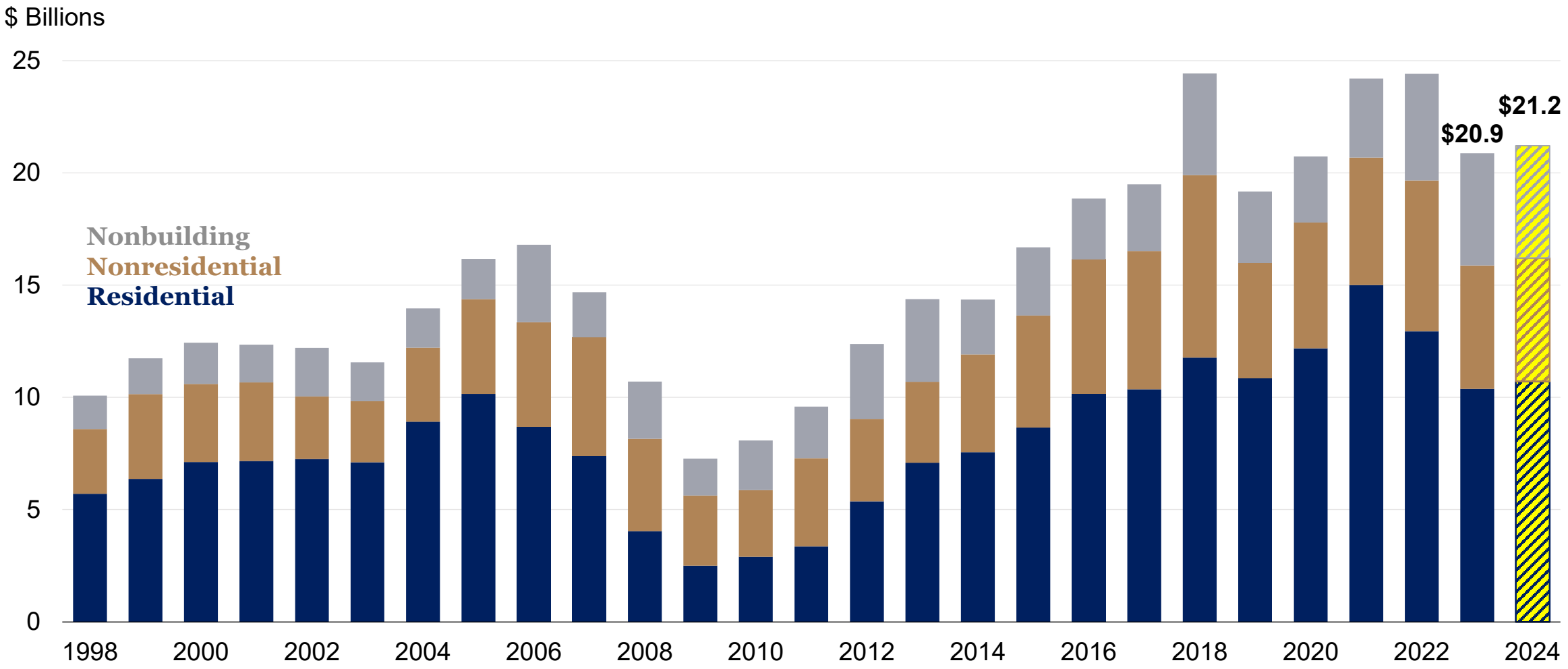
Sources: U.S. Census Bureau.

Colorado Total Value of Construction



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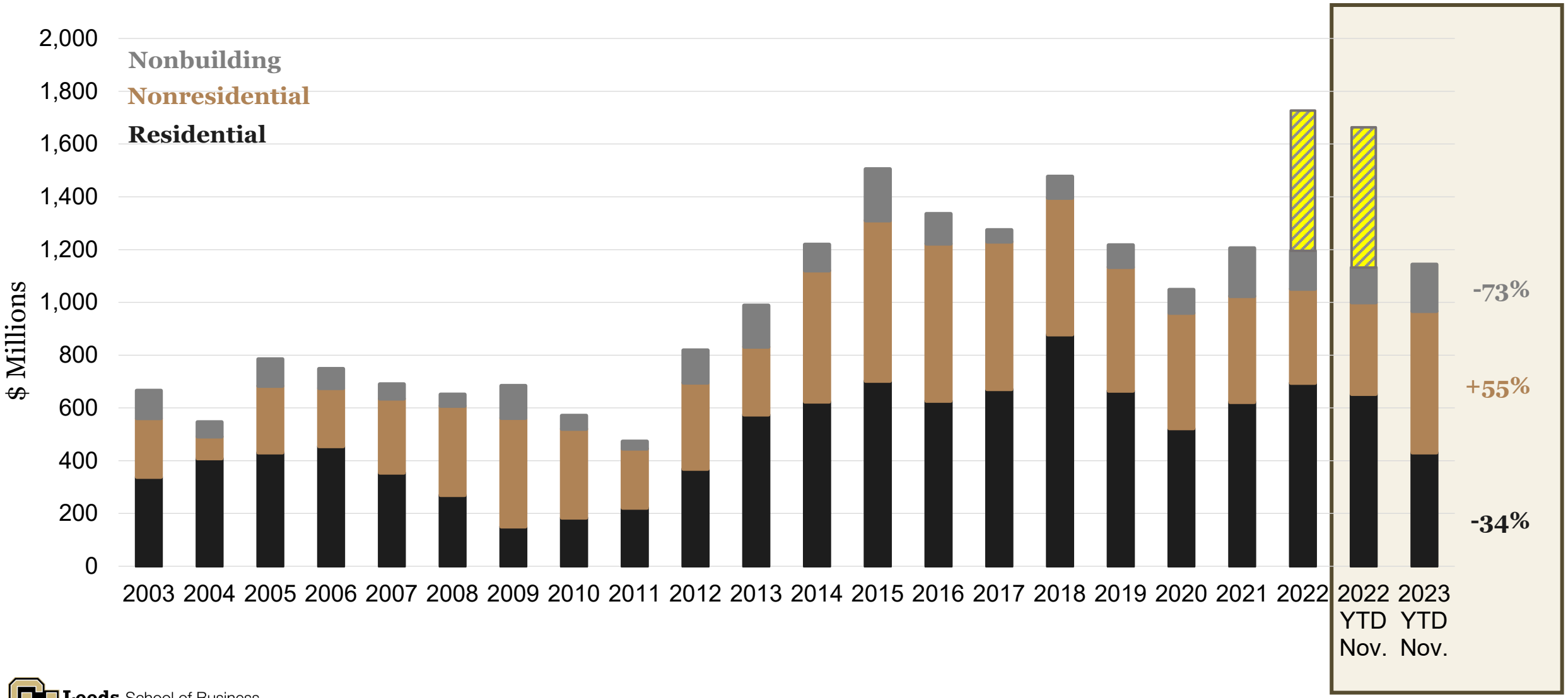
Sources: Dodge Construction Network and the Colorado Business Economic Outlook Committee.

Boulder County Value of Construction



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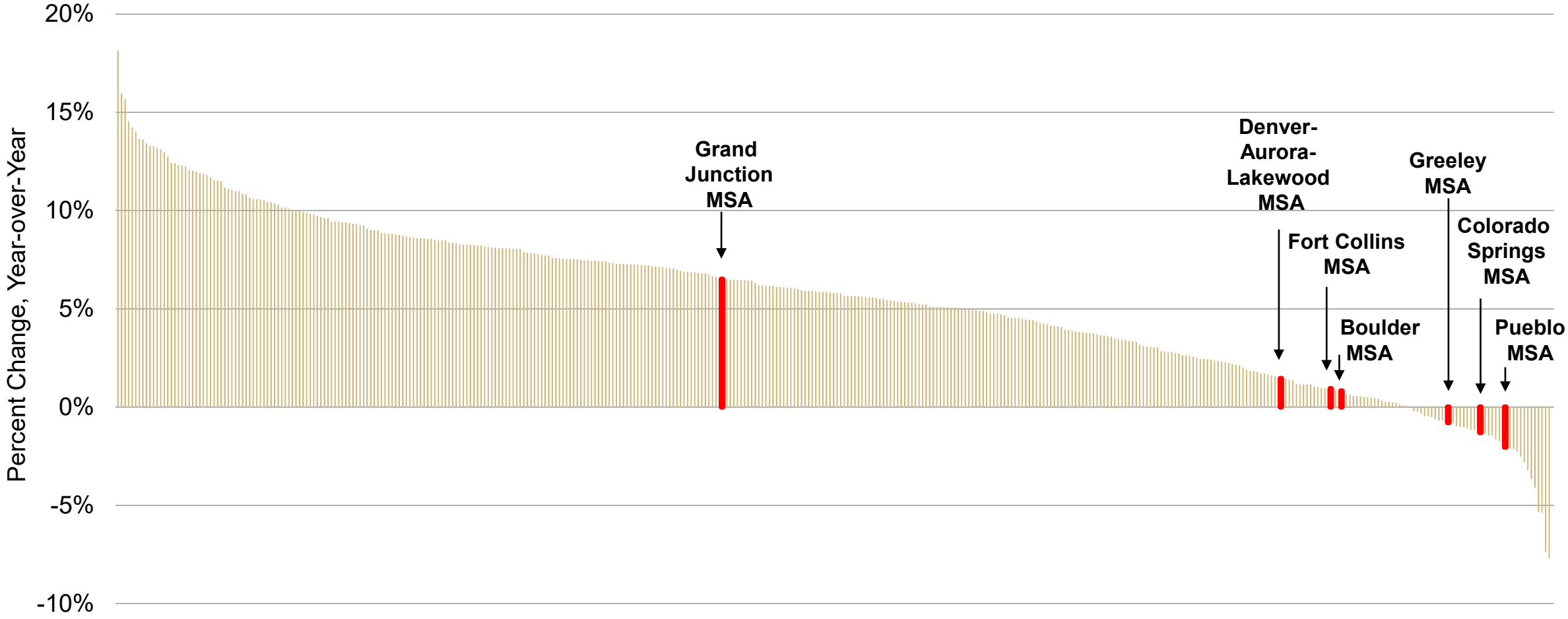
Sources: McGraw-Hill Construction Dodge Research and Analytics.

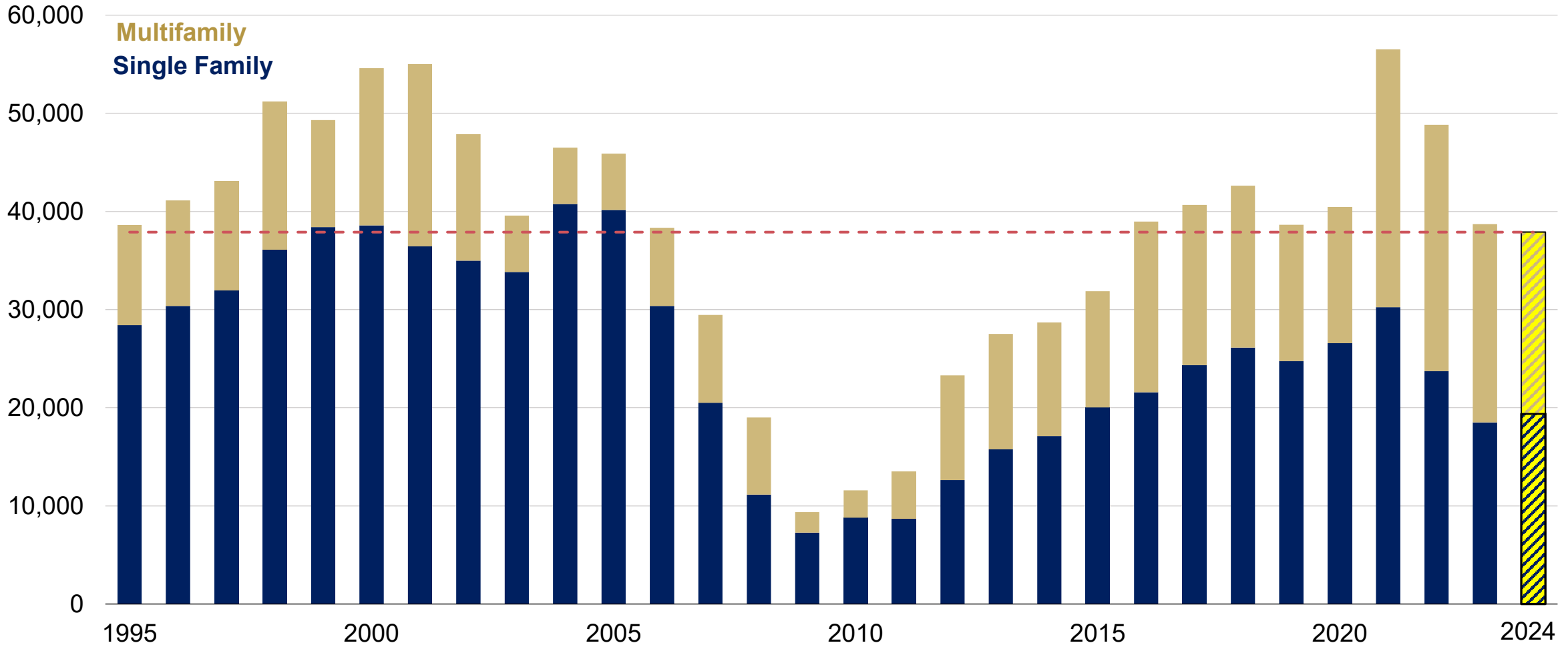
FHFA Home Price Change

1-Year Change, Q3 2023



Source: FHFA All Transactions Index.

Colorado Residential Building Permits



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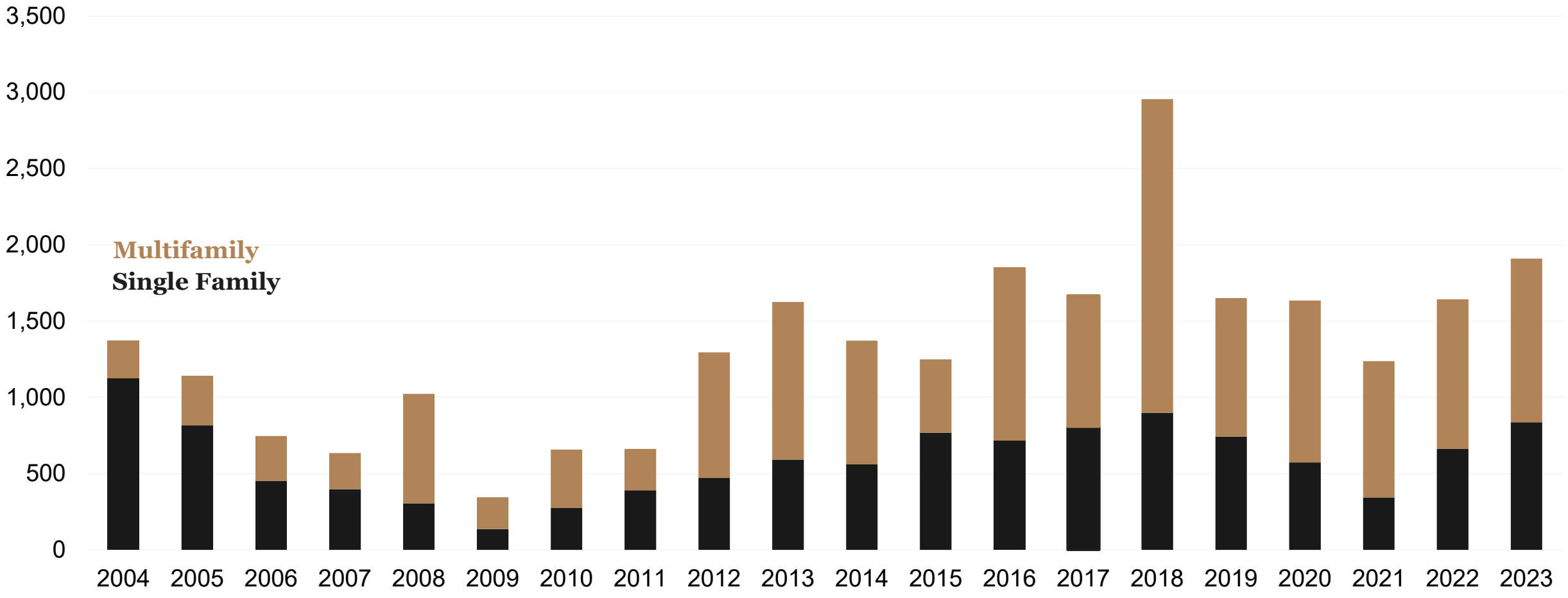
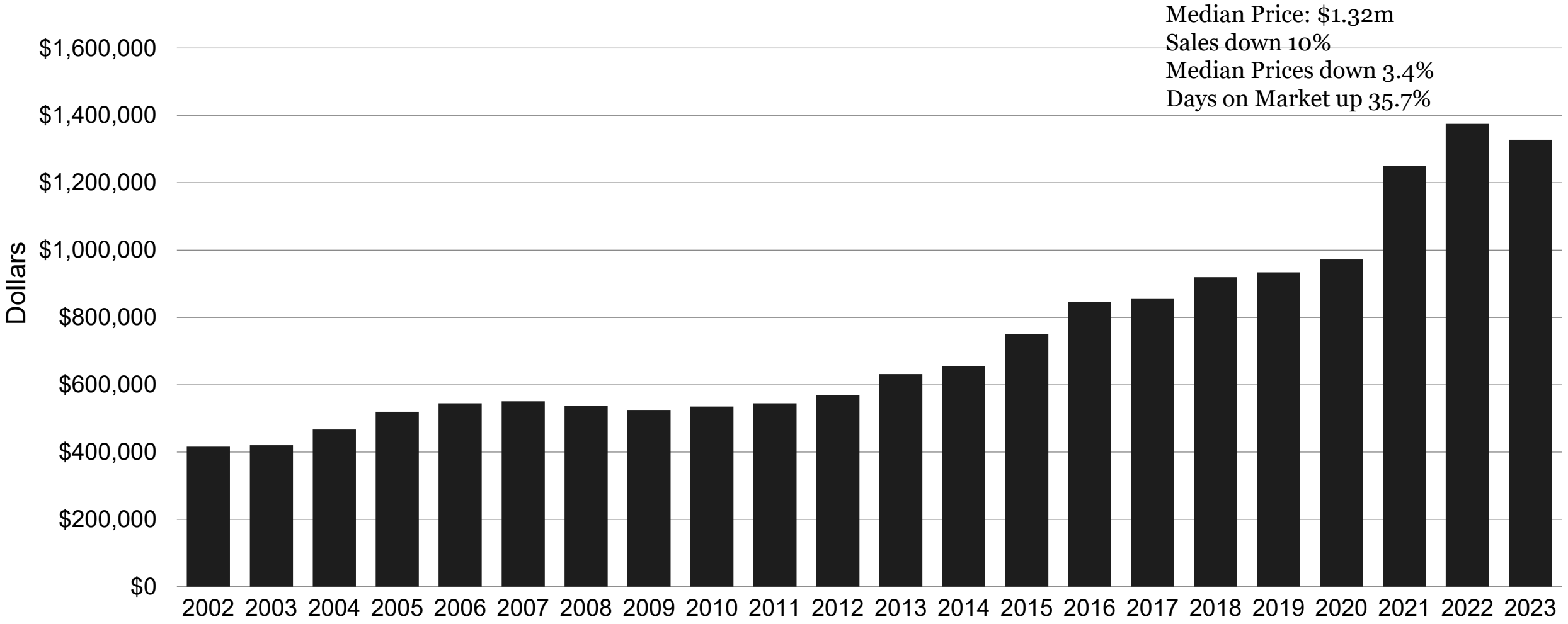
Sources: U.S. Census Bureau and the Colorado Business Economic Outlook Committee.

Boulder MSA Residential Building Permits



Sources: U.S. Census Bureau and the Colorado Business Economic Outlook Committee.

Median Price of Single Family Homes Sold



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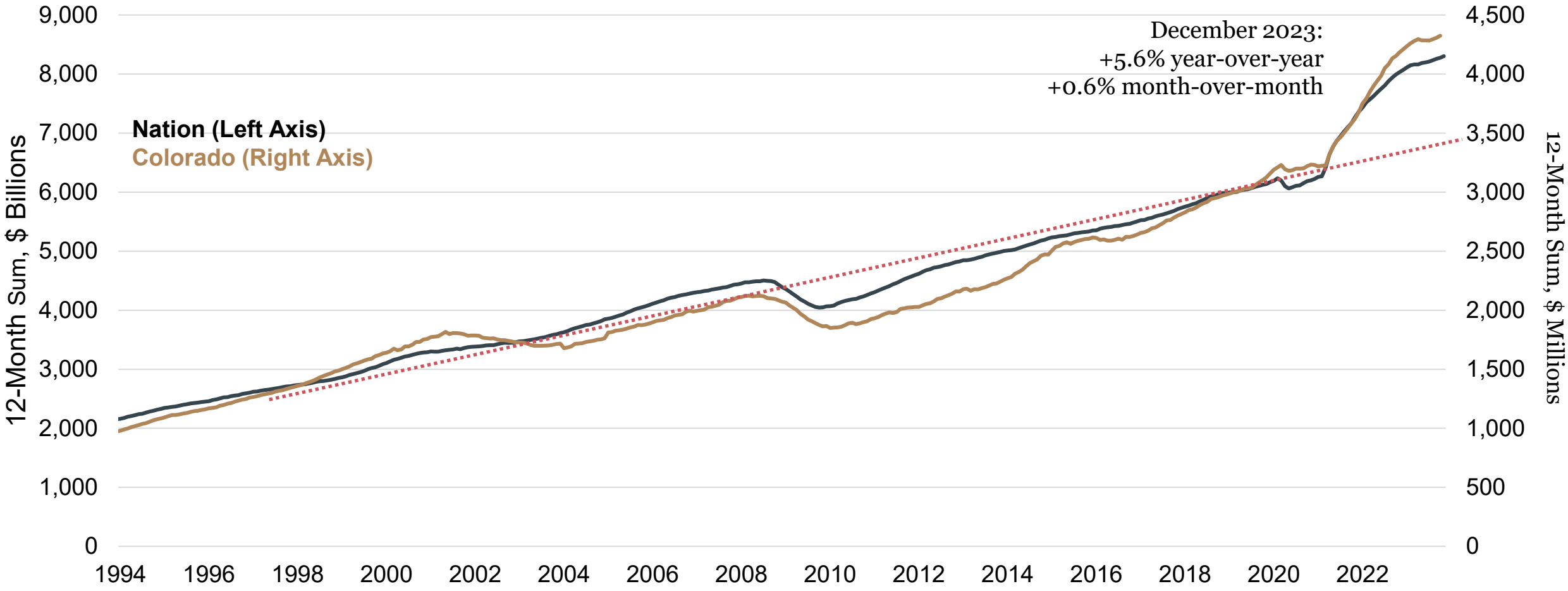
Source: BOLO REALTORS. Excludes condo and townhome sales.

Consumption

Photo by Fábio Alves on Unsplash.

National Retail Sales vs. Colorado Taxable Sales



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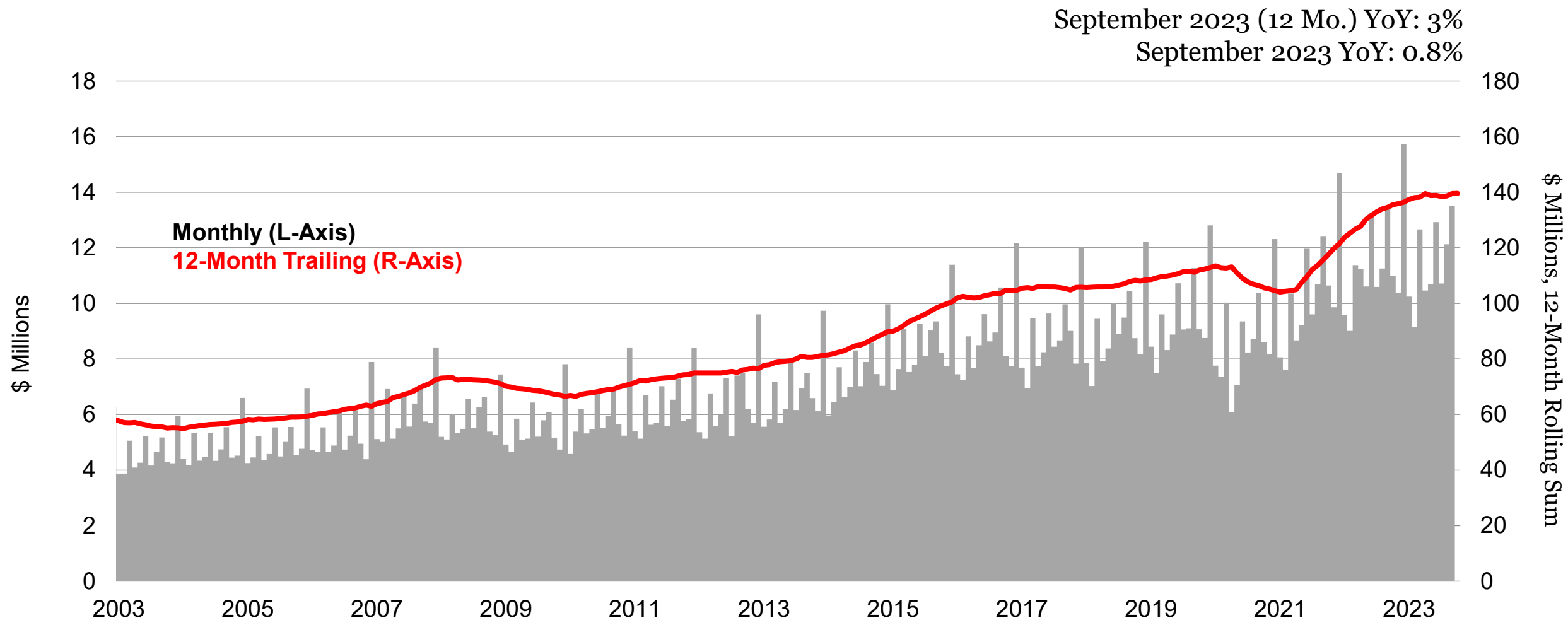
Source: U.S. Census Bureau. Series not seasonally adjusted. Summary text seasonally adjusted.

Boulder Sales Tax Collections



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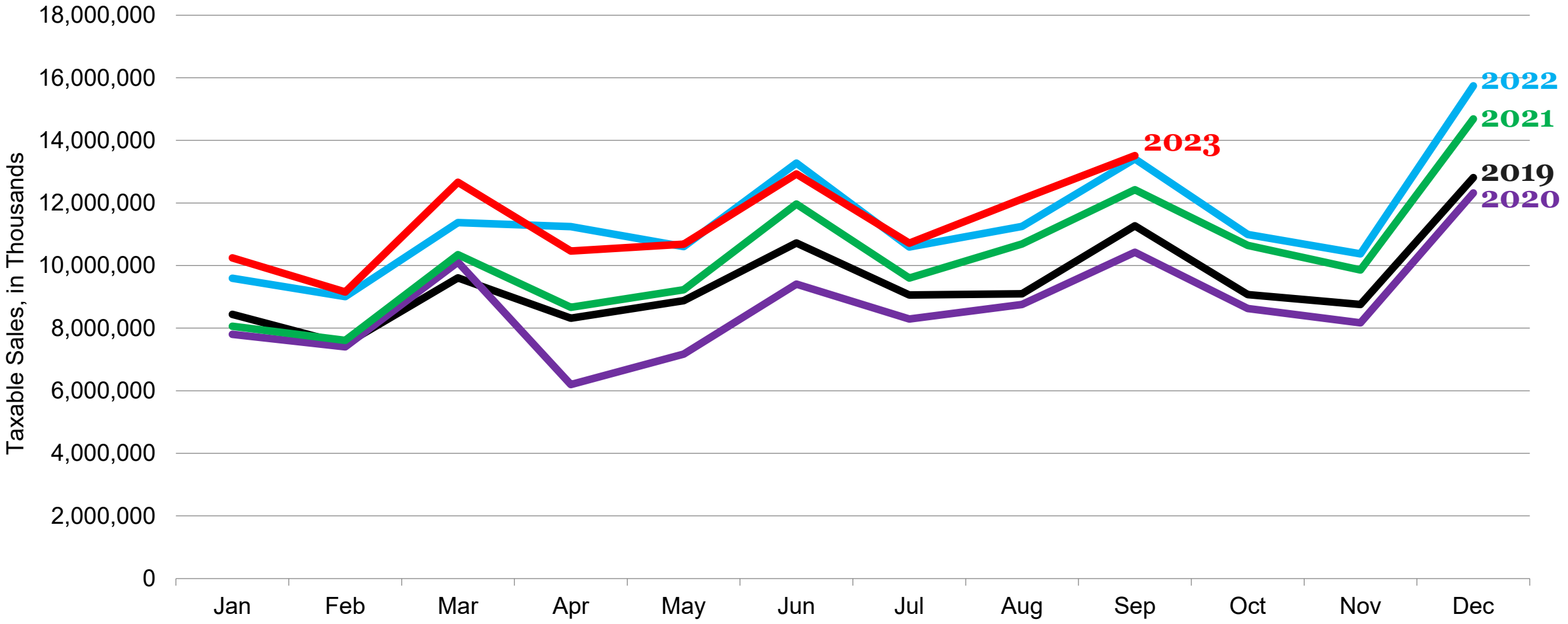
Source: City of Boulder Revenue Reports (https://bouldercolorado.gov/revenue-reports).

Boulder's sales taxes flattening



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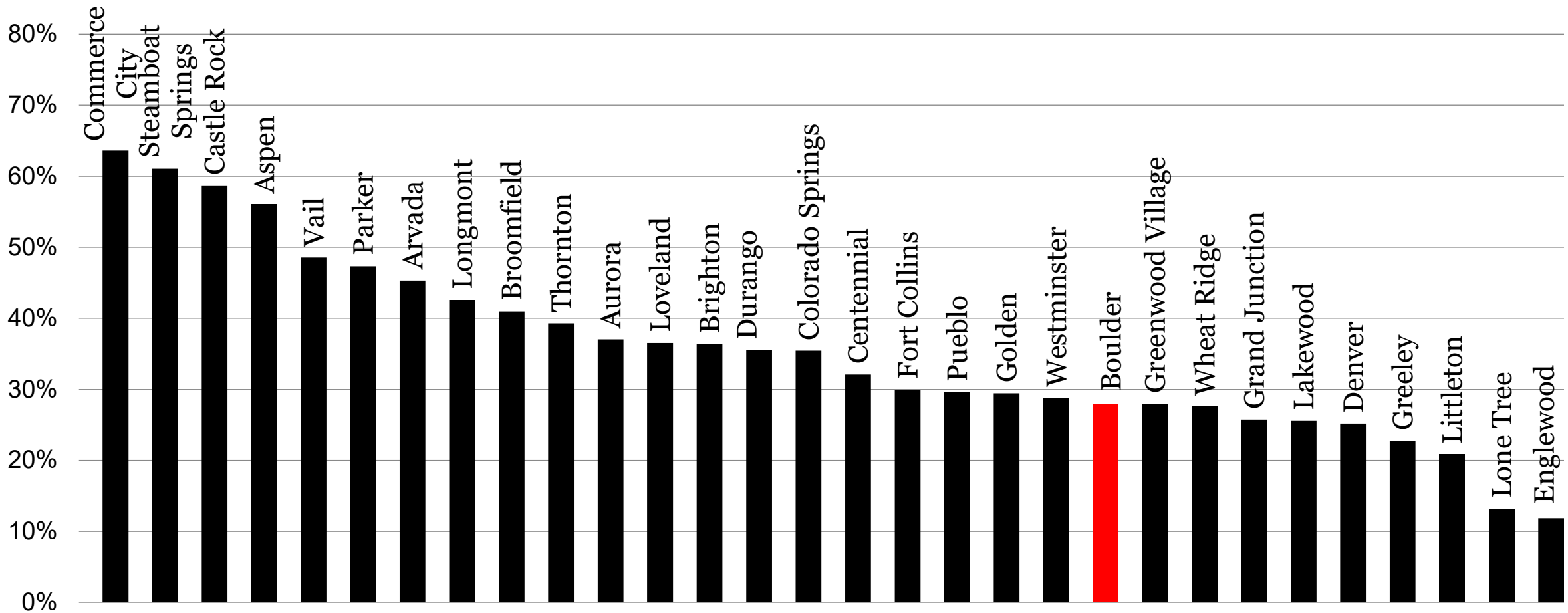
Source: City of Boulder Revenue Reports (https://bouldercolorado.gov/revenue-reports).

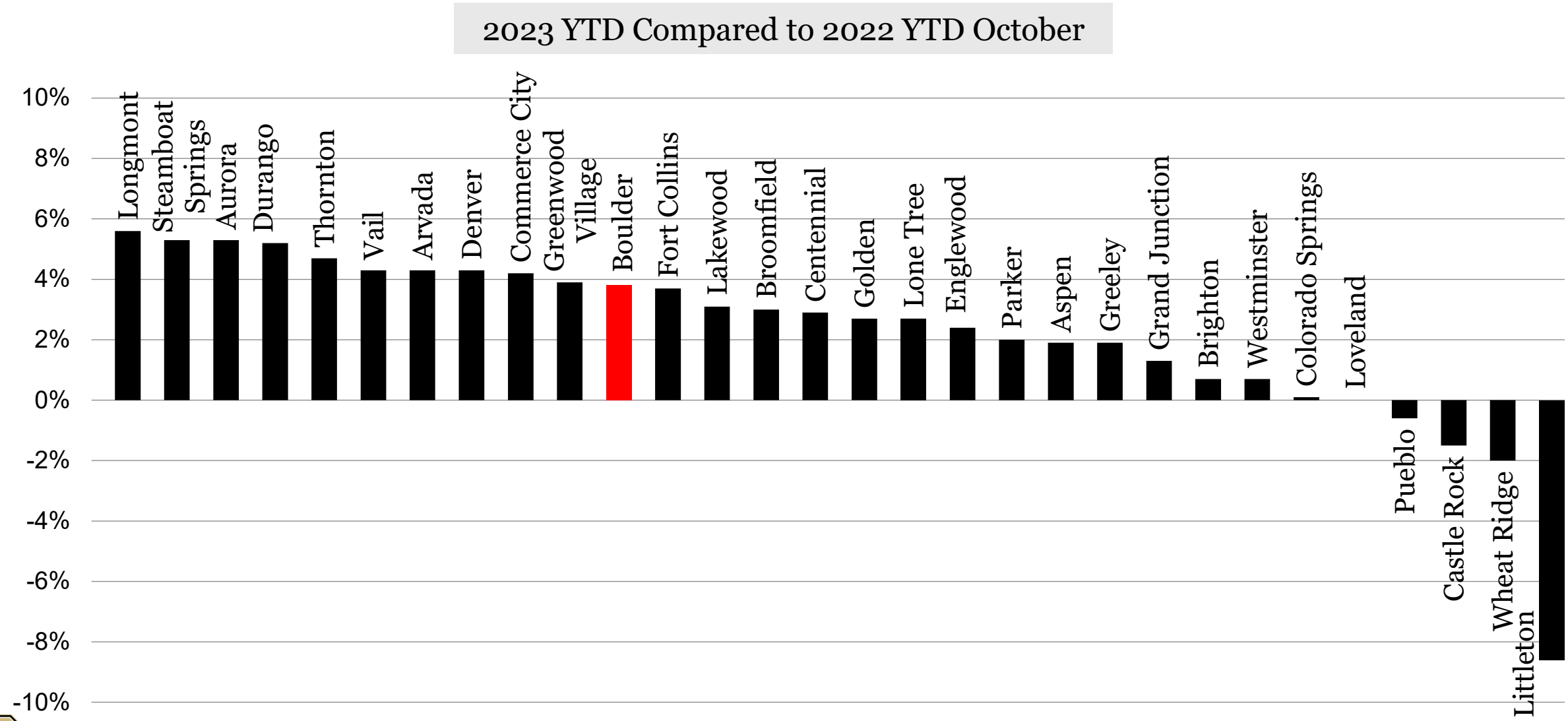
Taxable sales rebound lagging largest jurisdictions

2023 YTD Compared to 2019 YTD October

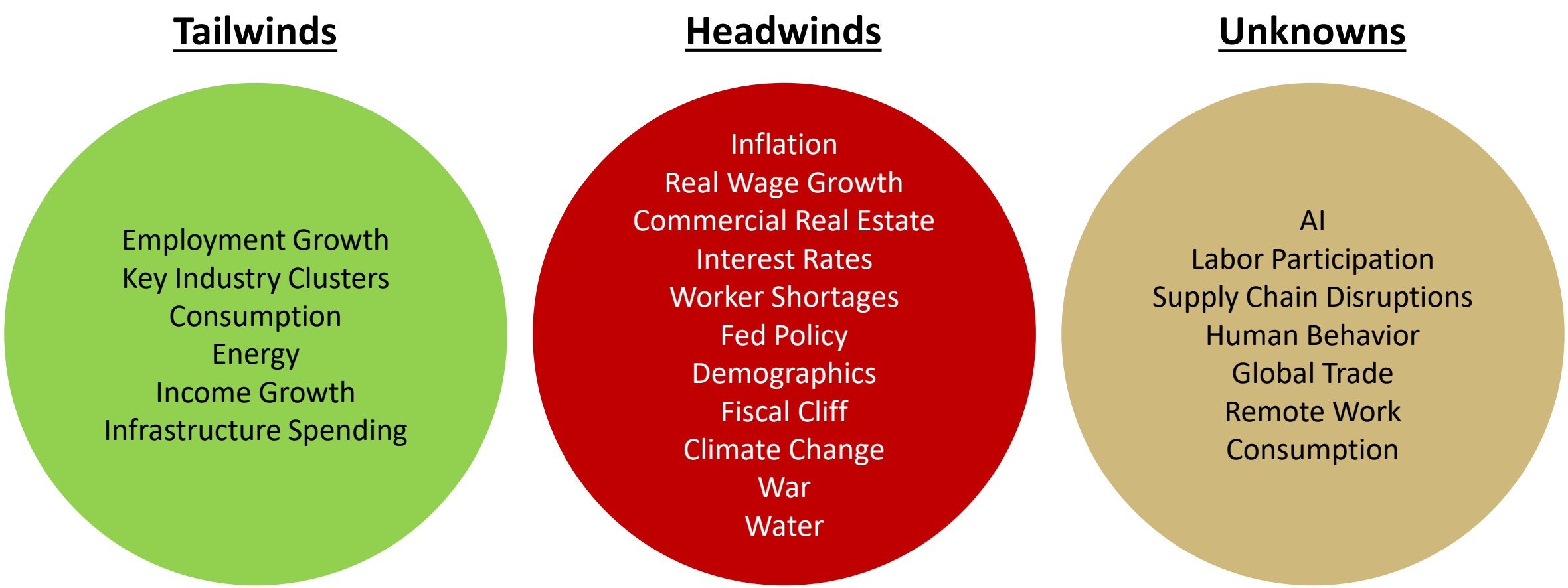


Source: Colorado Department of Revenue.

But they are leading year-over-year



Source: Colorado Department of Revenue.


Tailwinds
Employment Growth
Key Industry Clusters
Consumption
Energy
Income Growth
Infrastructure Spending
Headwinds
Inflation
Real Wage Growth
Commercial Real Estate
Interest Rates
Worker Shortages
Fed Policy
Demographics
Fiscal Cliff
Climate Change
War
Water
Unknowns
AI
Labor Participation
Supply Chain Disruptions
Human Behavior
Global Trade
Remote Work
Consumption