Boulder Economic Forecast

2021 Colorado Economic Outlook

Richard Wobbekind
Senior Economist and Associate Dean for Business and Government Relations
Business Research Division
University of Colorado Boulder

Brian Lewandowski
Executive Director
Business Research Division
University of Colorado Boulder

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FIFTY-SIXTH ANNUAL

COLORADO

BUSINESS ECONOMIC OUTLOOK

colorado.edu/business/brd

2021

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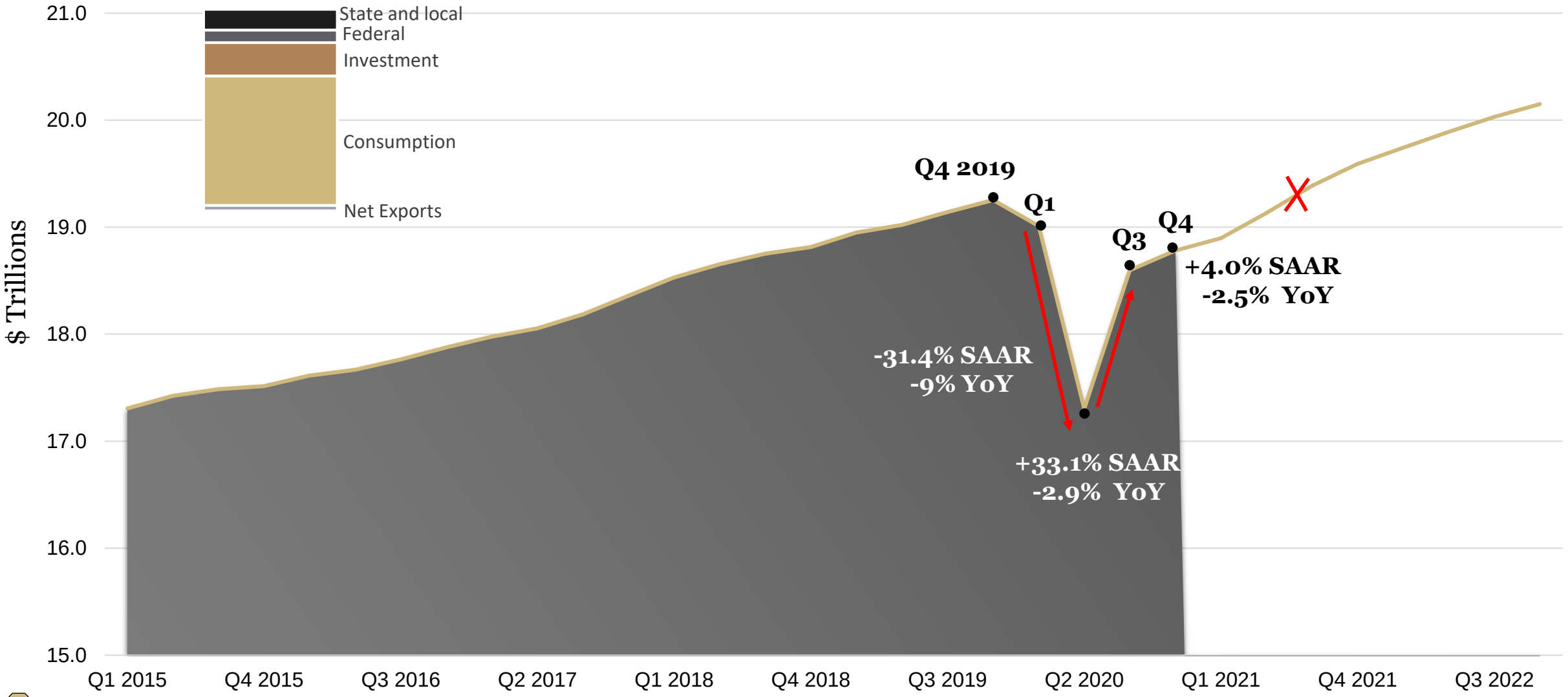
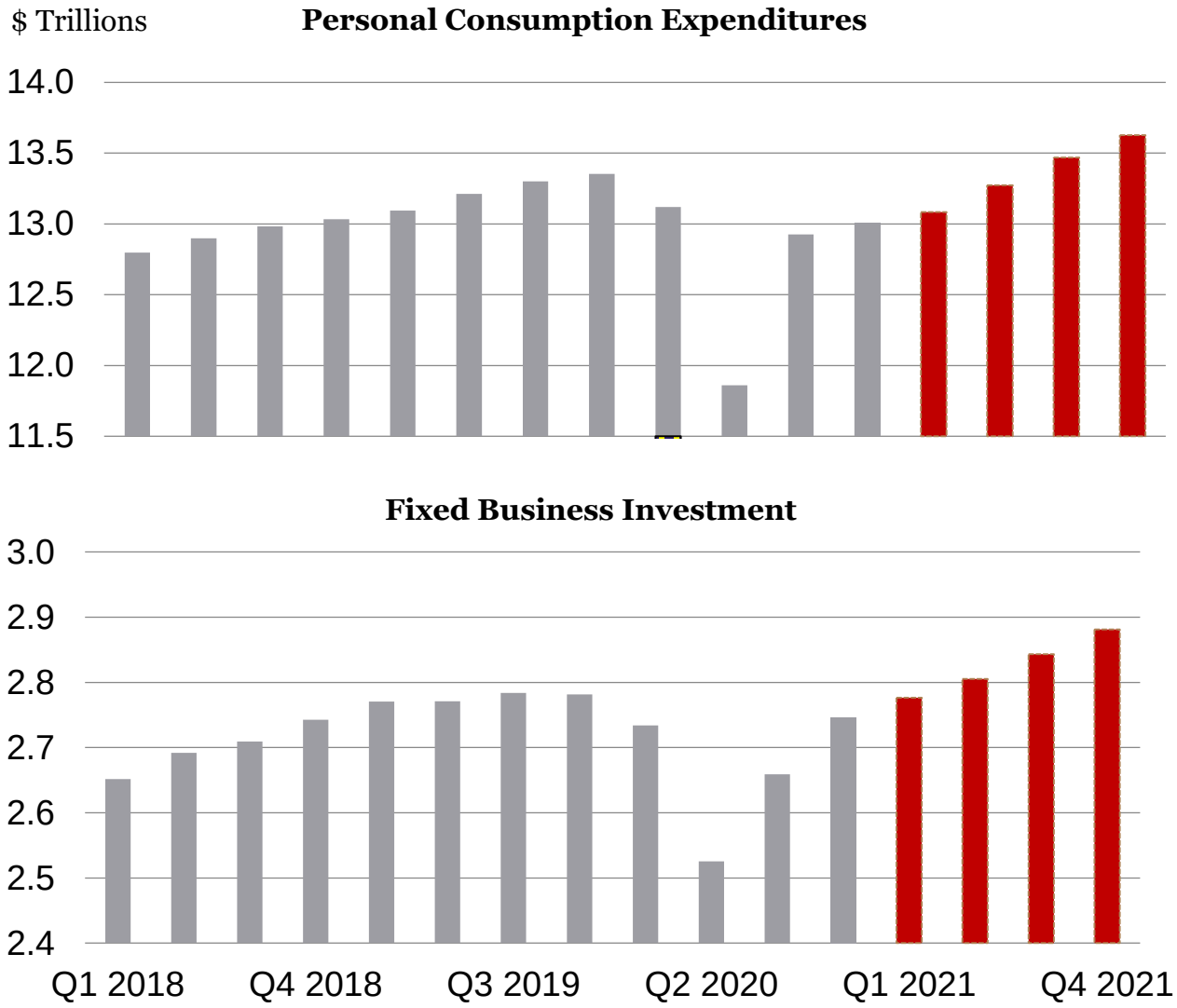
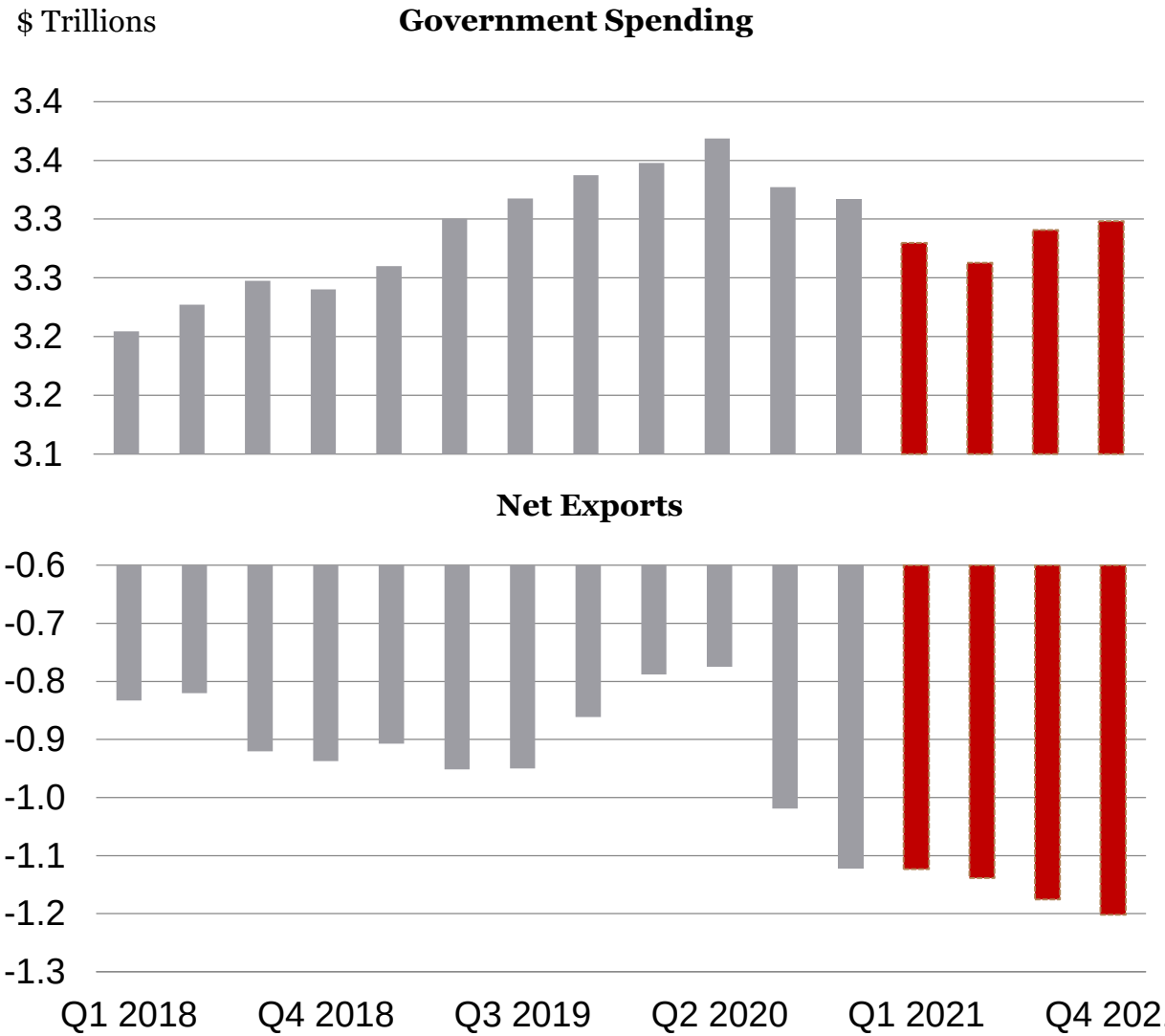
U.S. Real GDP



Source: Bureau of Economic Analysis and Consensus Forecasts.

Economic Growth





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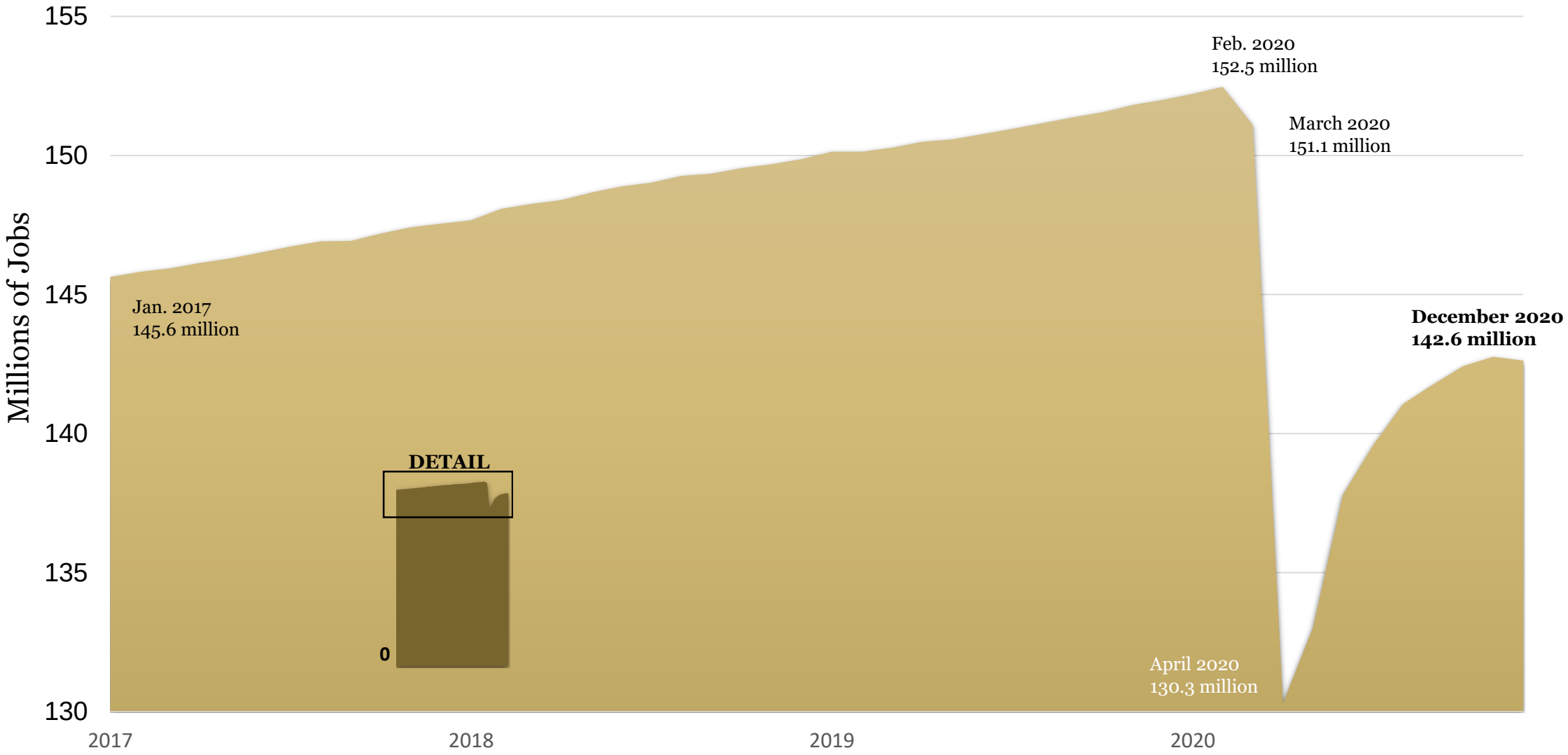
Sources: Bureau of Economic Analysis, the National Bureau of Economic Research, Moody's Analytics, and the Business Research Division.

U.S Nonfarm Employment



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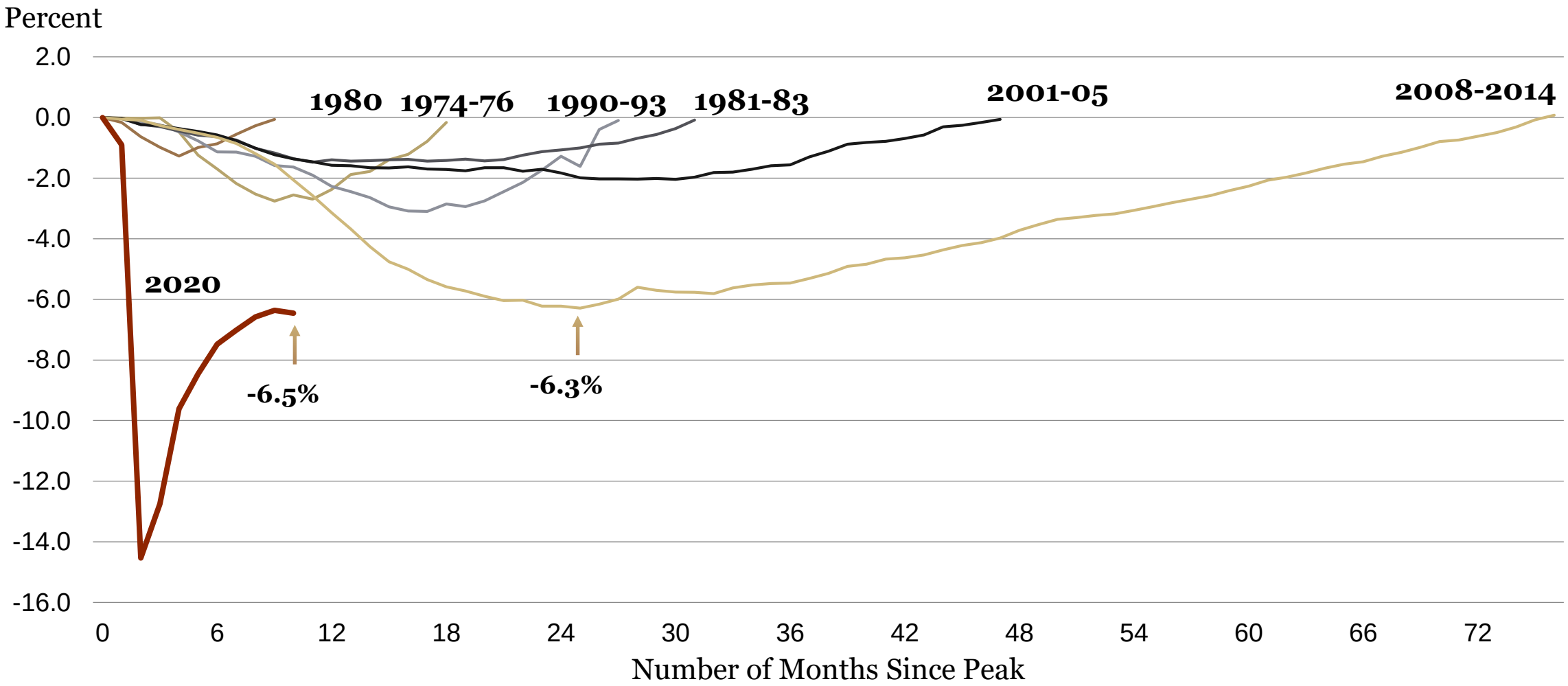
Source: Bureau of Labor Statistics, CES (Seasonally Adjusted).

National Employment

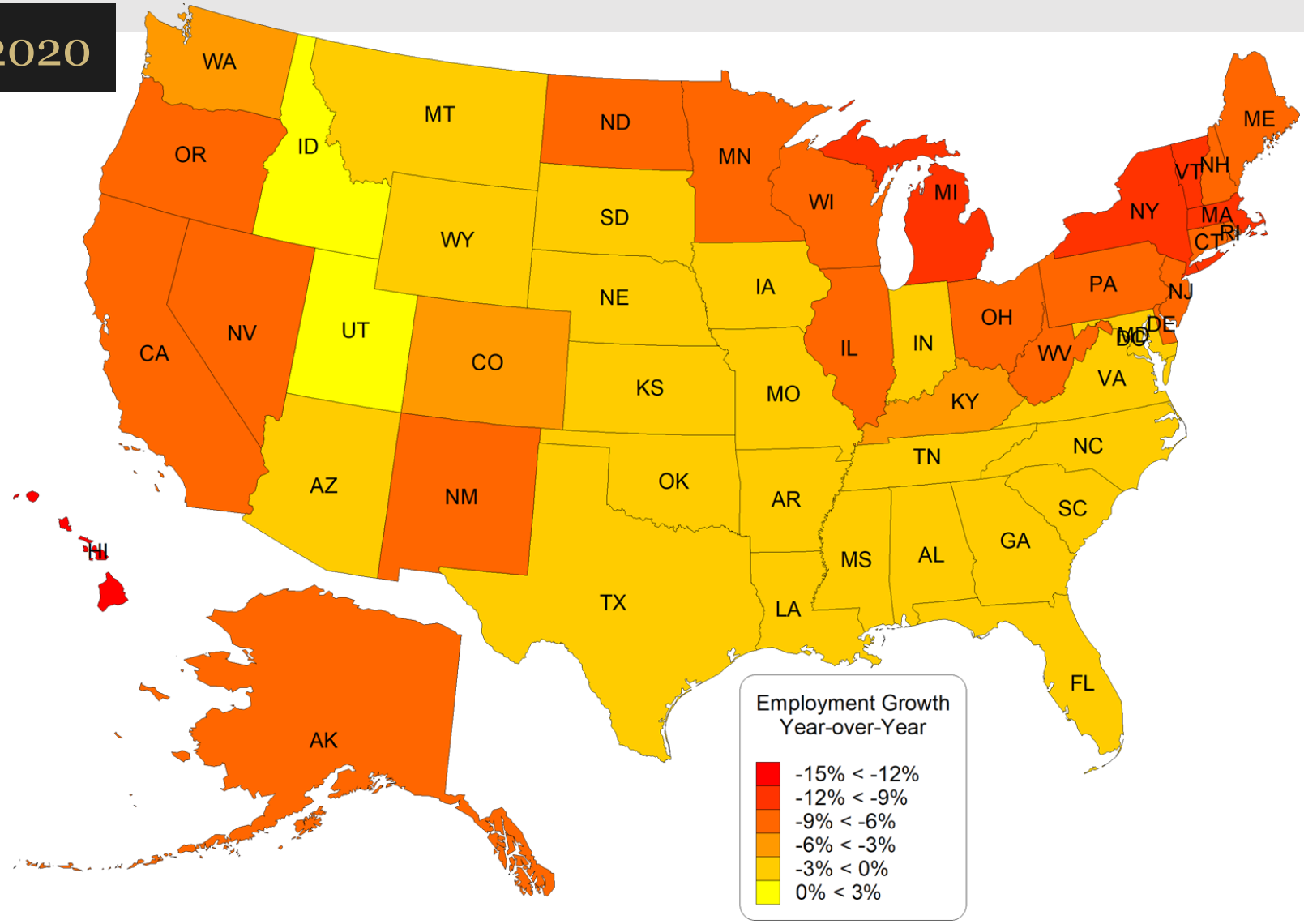
Months to Recovery



Source: Bureau of Labor Statistics (Seasonally Adjusted).

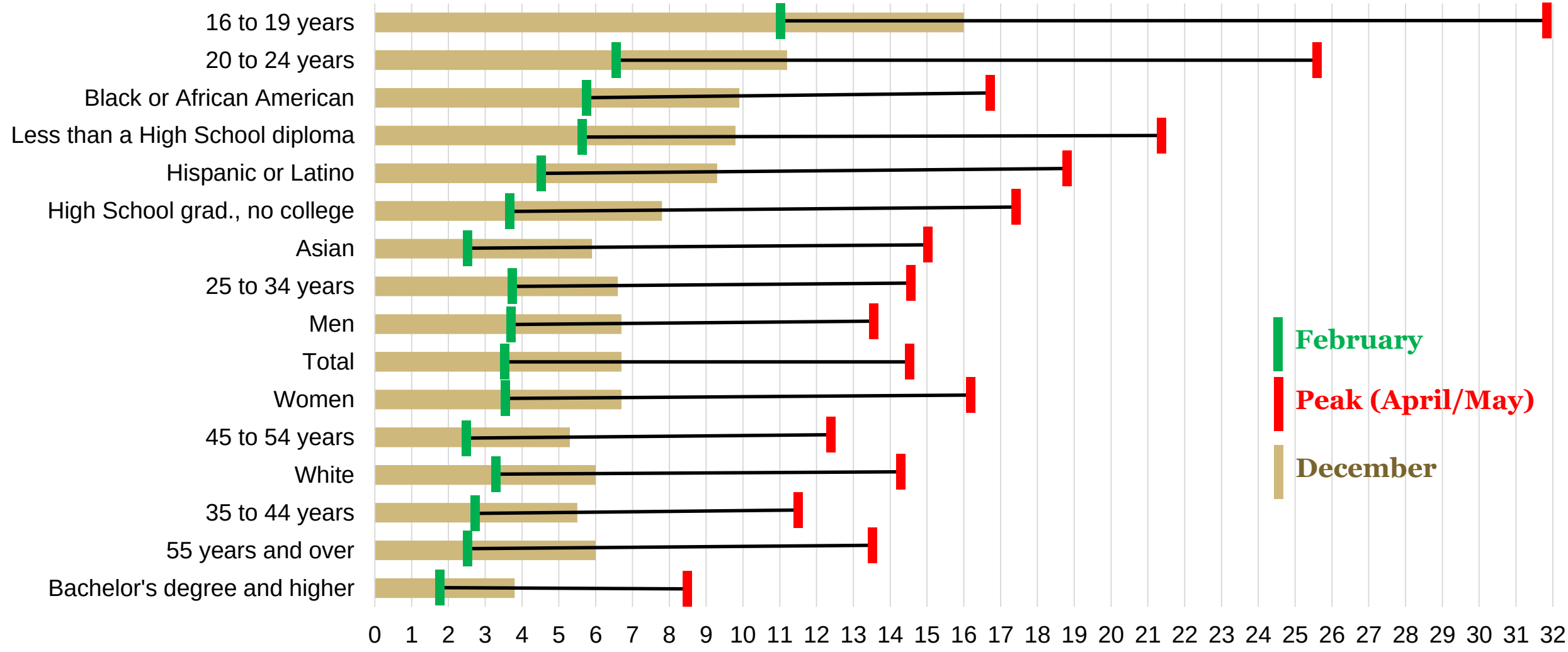
Employment Growth

1-Year Growth, December 2020



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

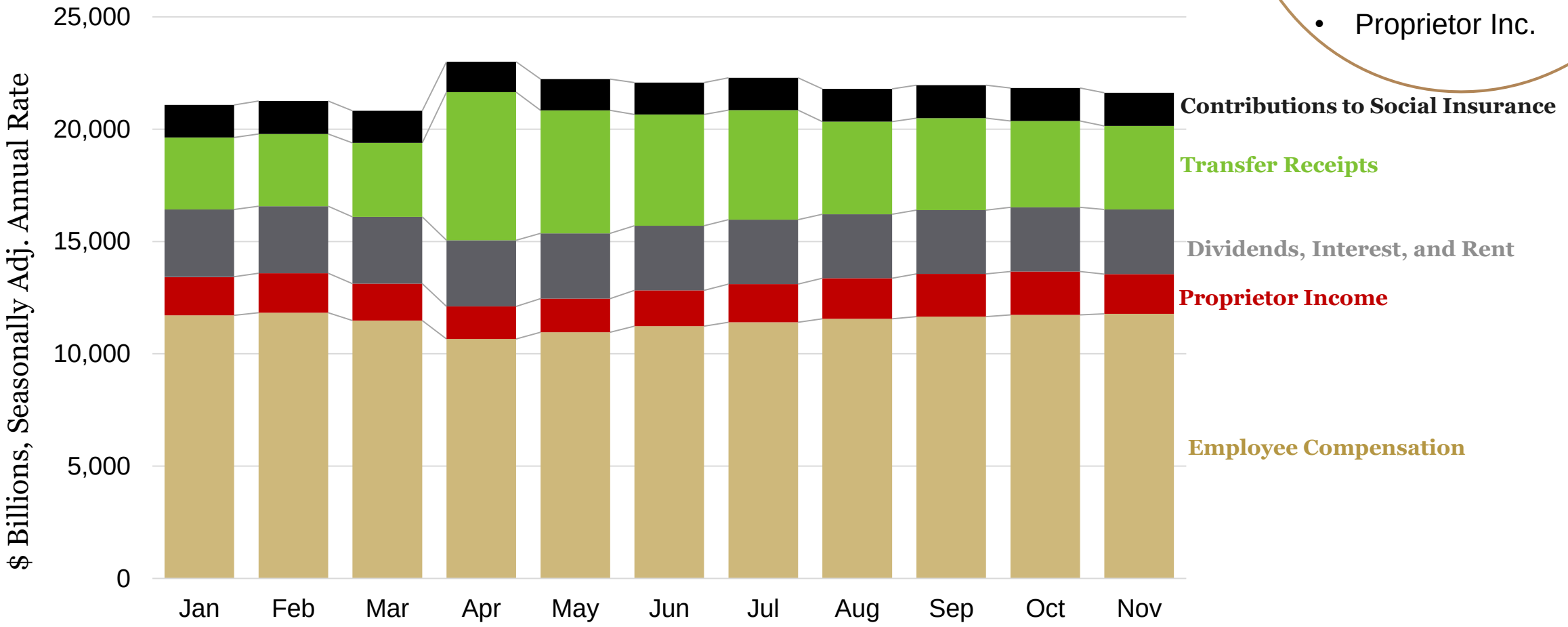
National Unemployment Rate



Sources: Bureau of Labor Statistics.

Personal Income

Month to Month, 2020



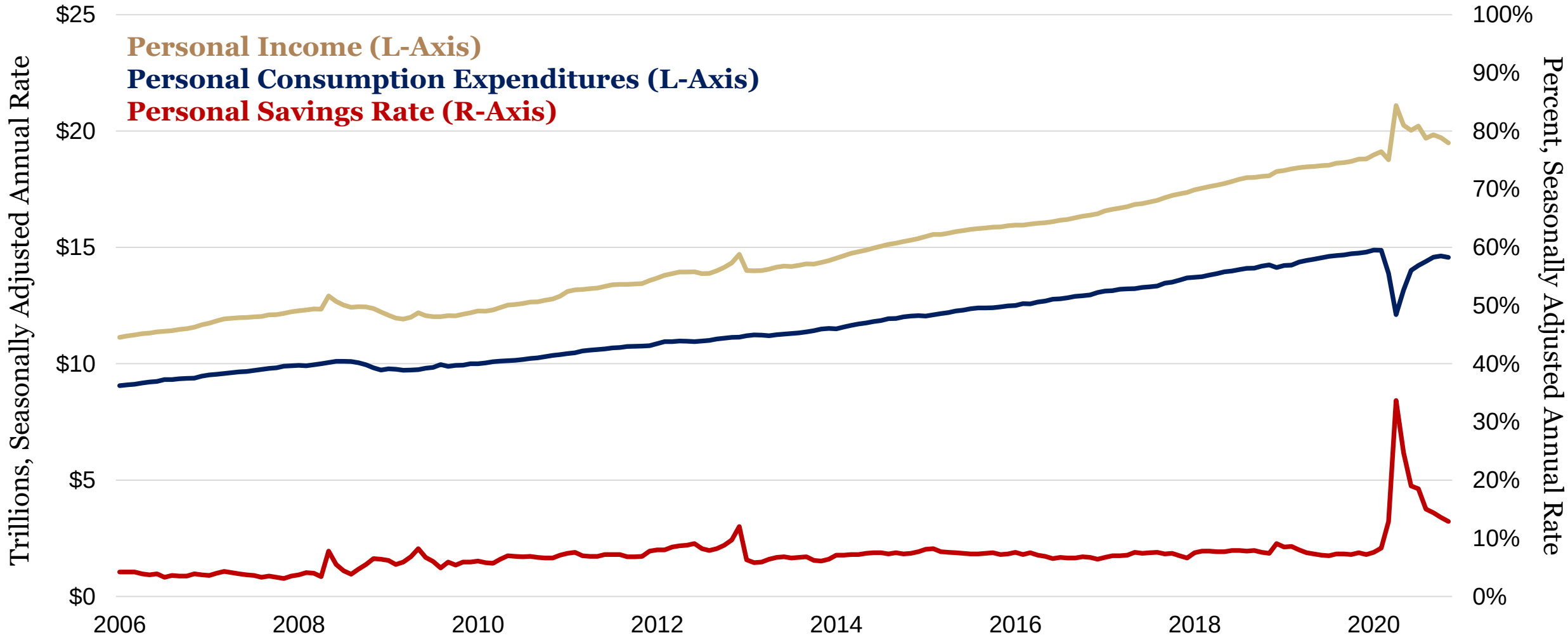
Record Increase
- Personal Income
- Transfer Receipts

Record Decrease
- Emp Compensation (Private and Gov)

Near-Record Decrease
- Proprietor Inc.

Source: Bureau of Economic Analysis.

Personal Income and Savings



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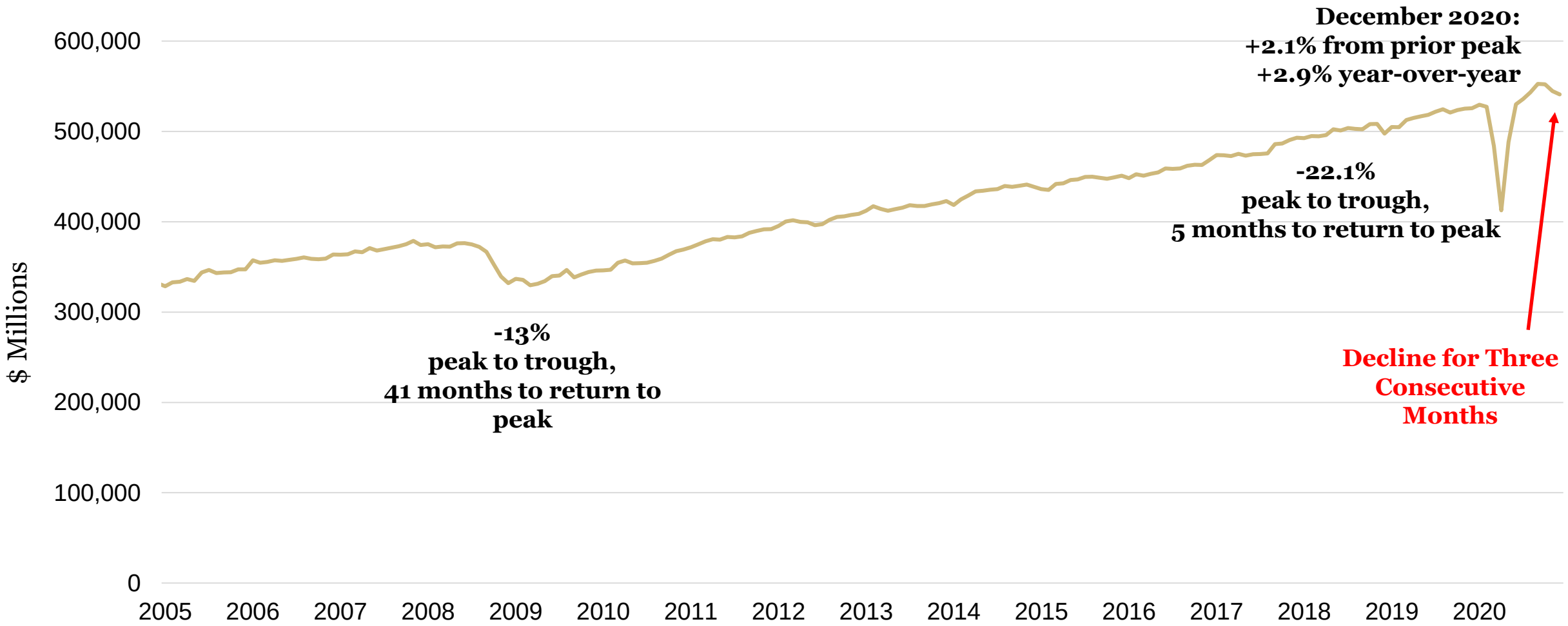
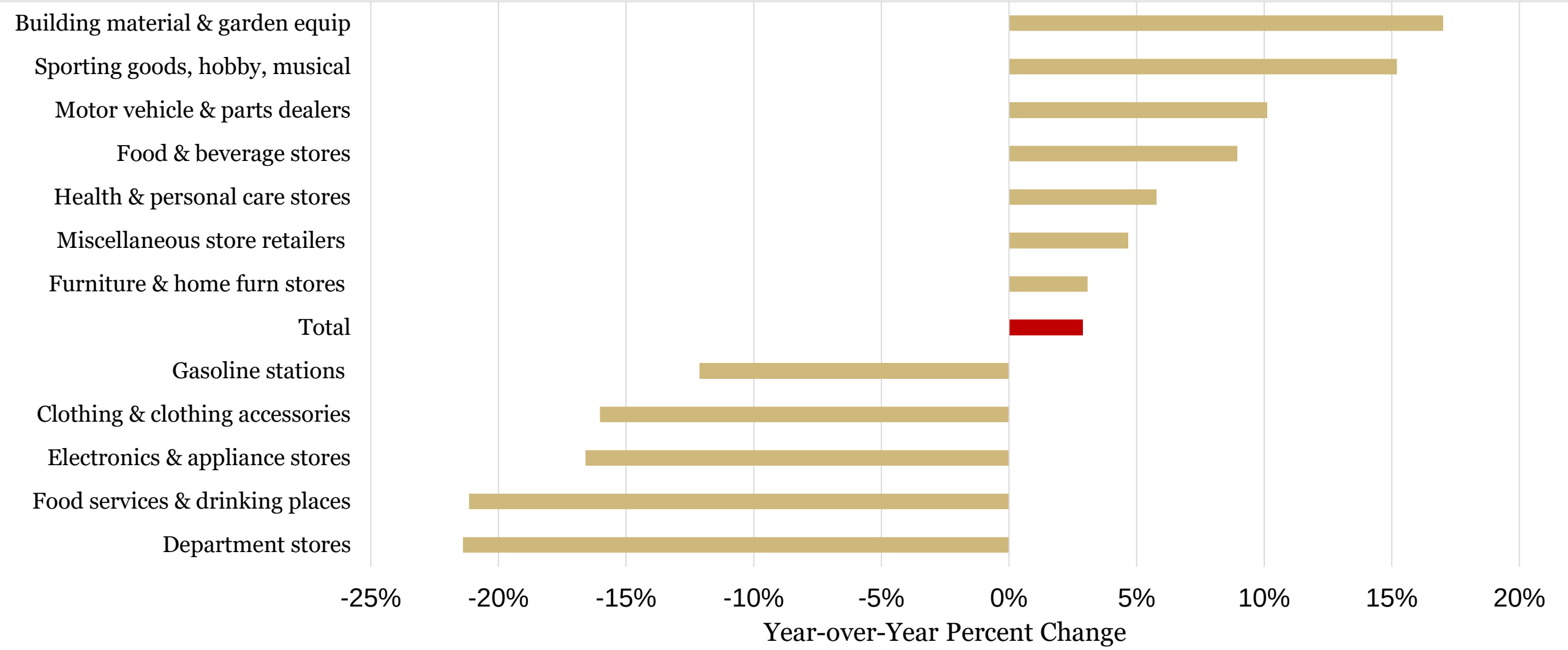
Sources: Bureau of Economic Analysis, Federal Reserve.

National Retail and Food Services Sales



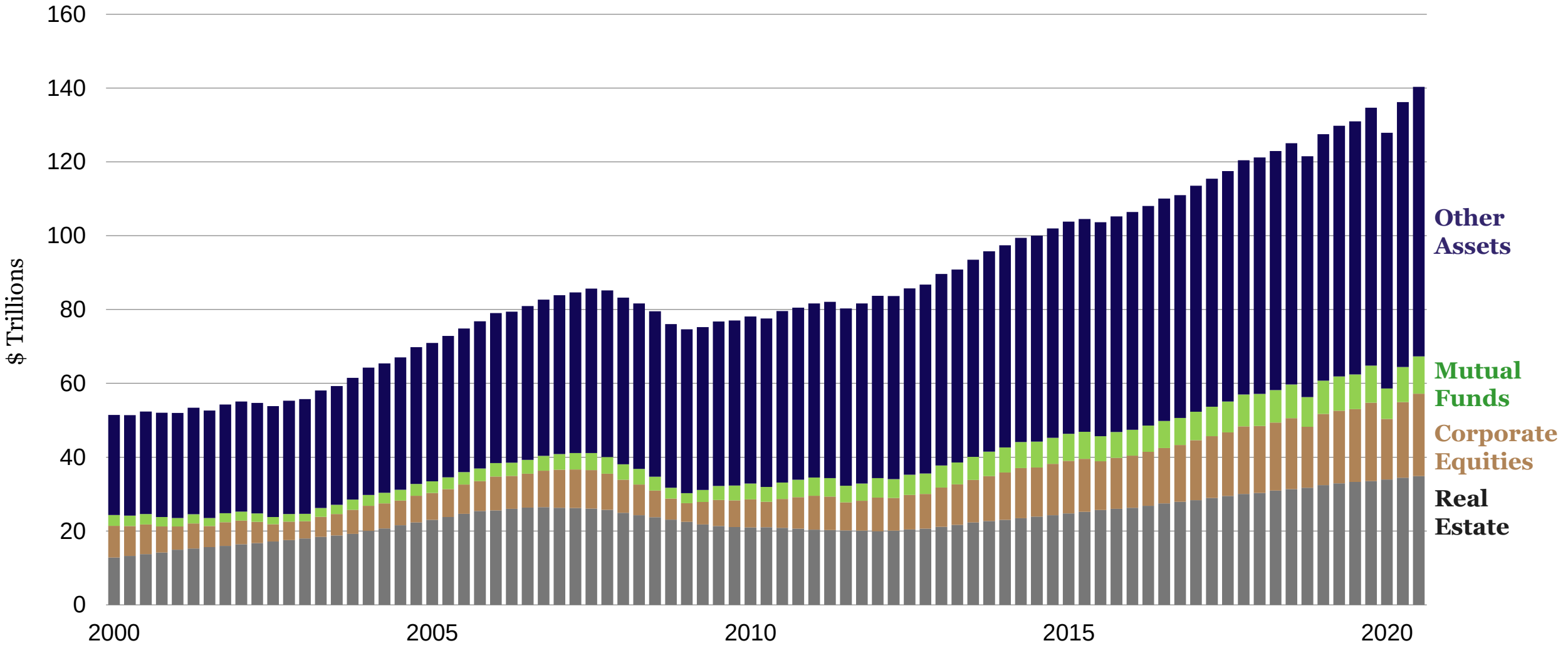
Source: U.S. Census Bureau.

National Retail Sales, December YoY



Source: U.S. Census Bureau, Monthly Retail Trade (Advance Estimate), September 2020.

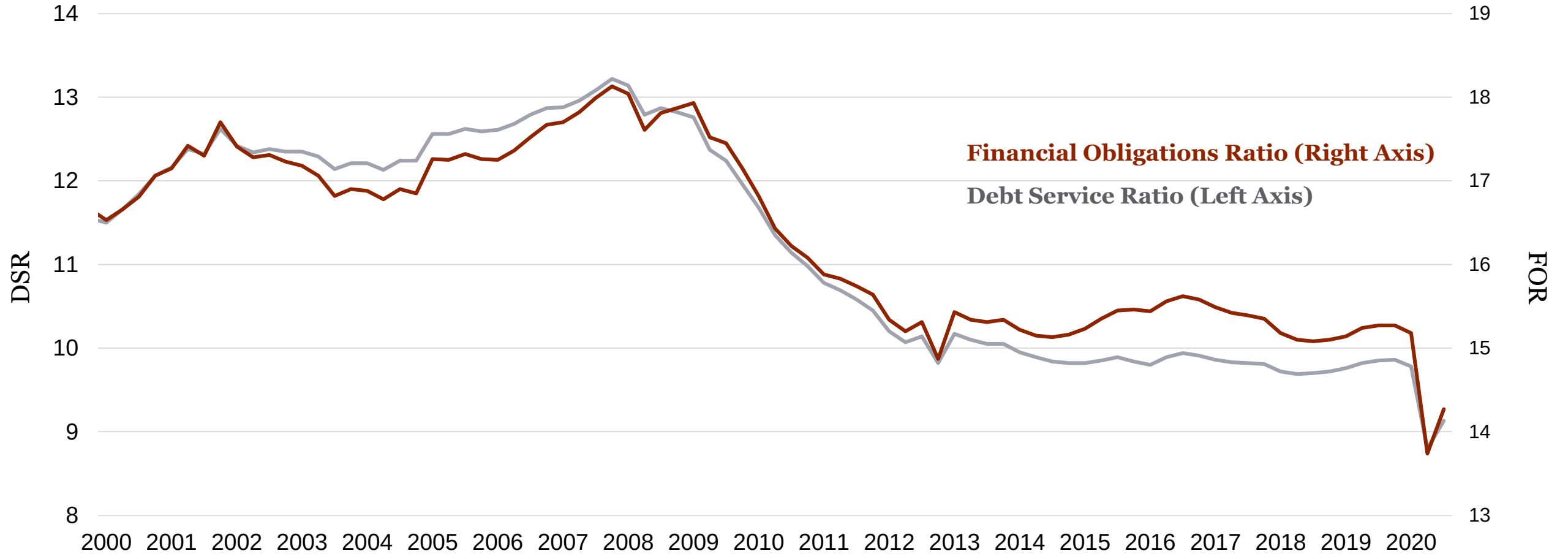
Household Wealth



Source: Federal Reserve Board, Balance Sheet of Households and Nonprofit Organizations (B.101) (Not Seasonally Adjusted).

Household Debt Burden

Percent of Disposable Income



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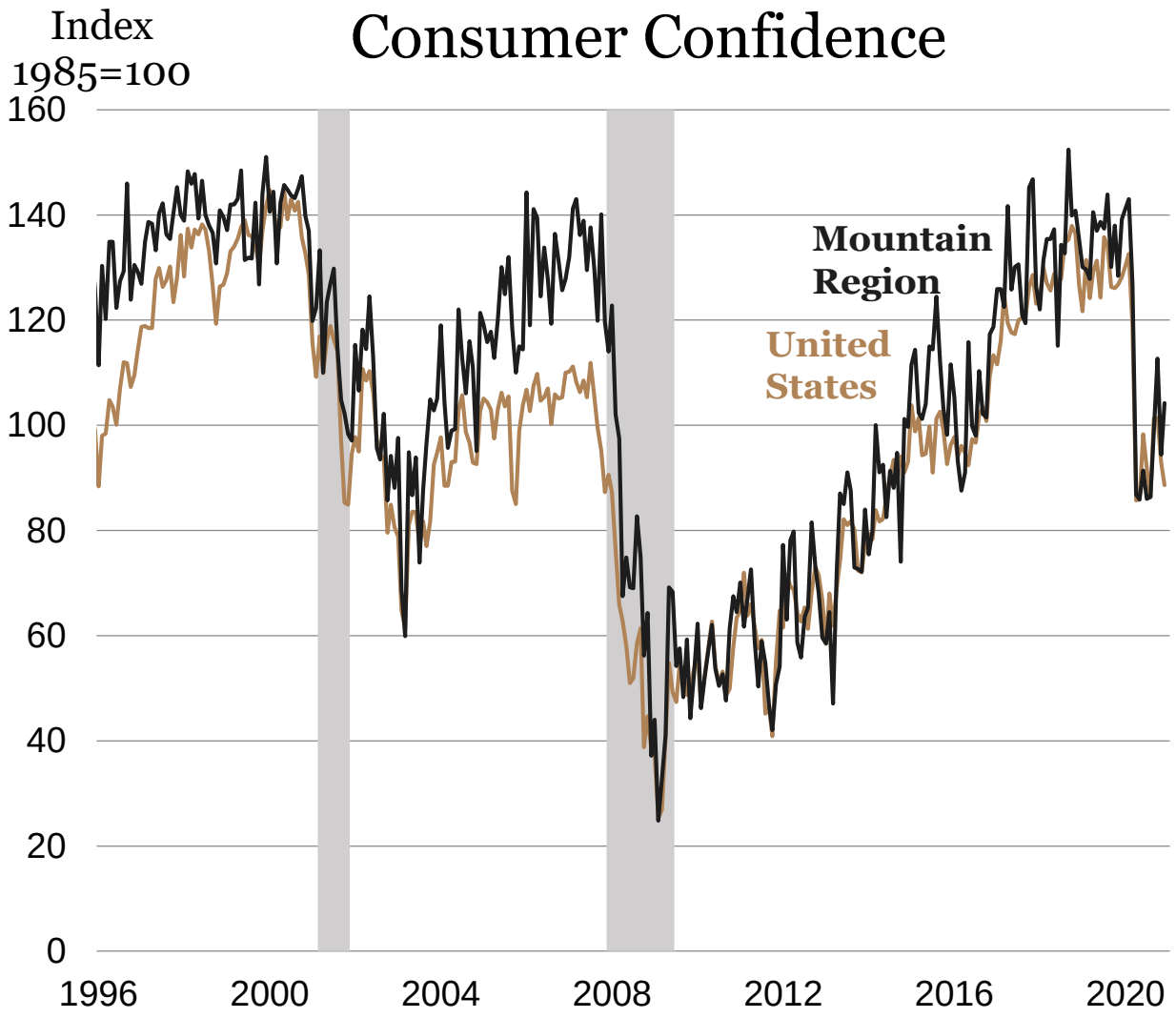
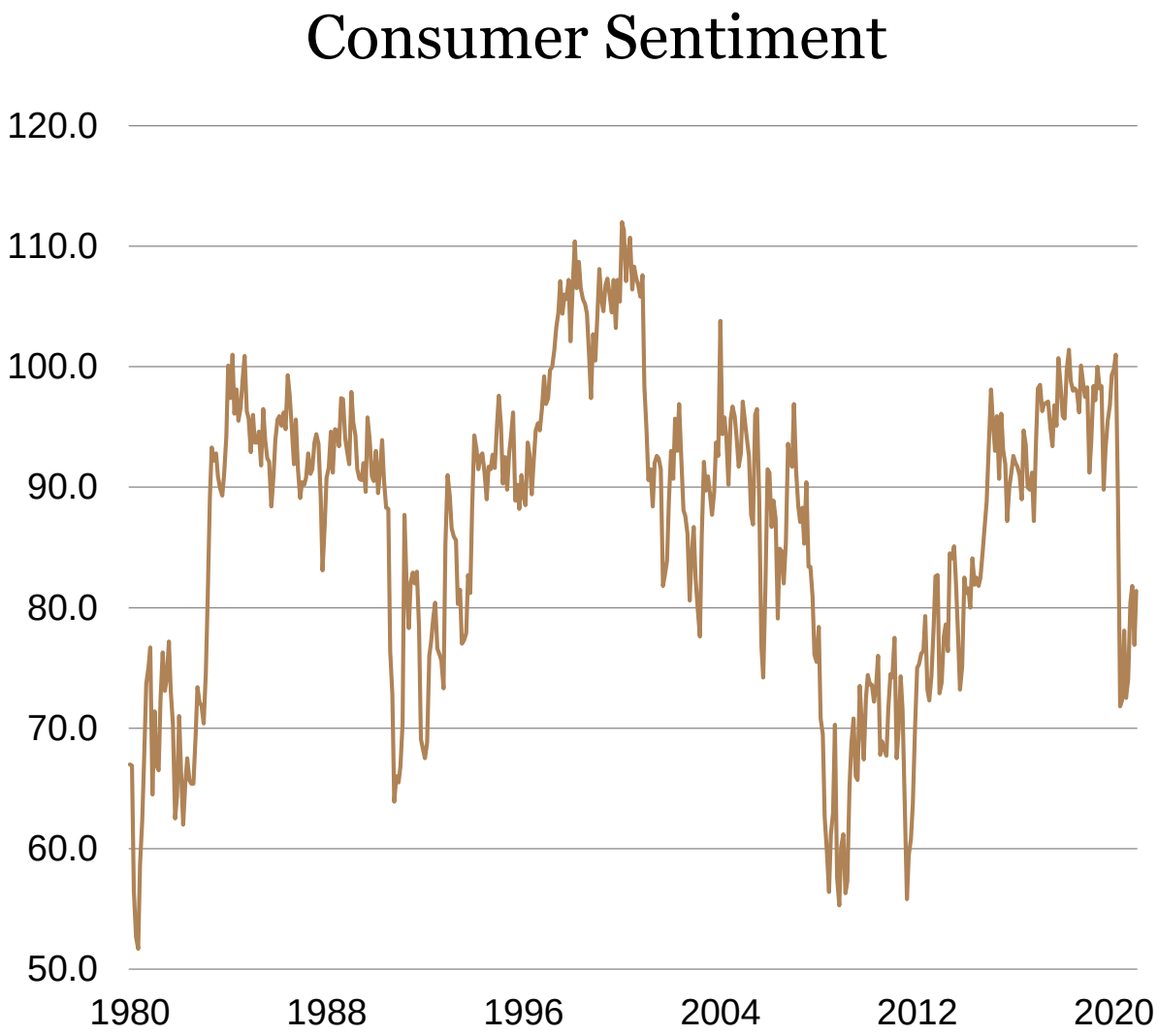
Source: Federal Reserve, Household Debt Service and Obligations Ratios.

Index of Consumer Confidence





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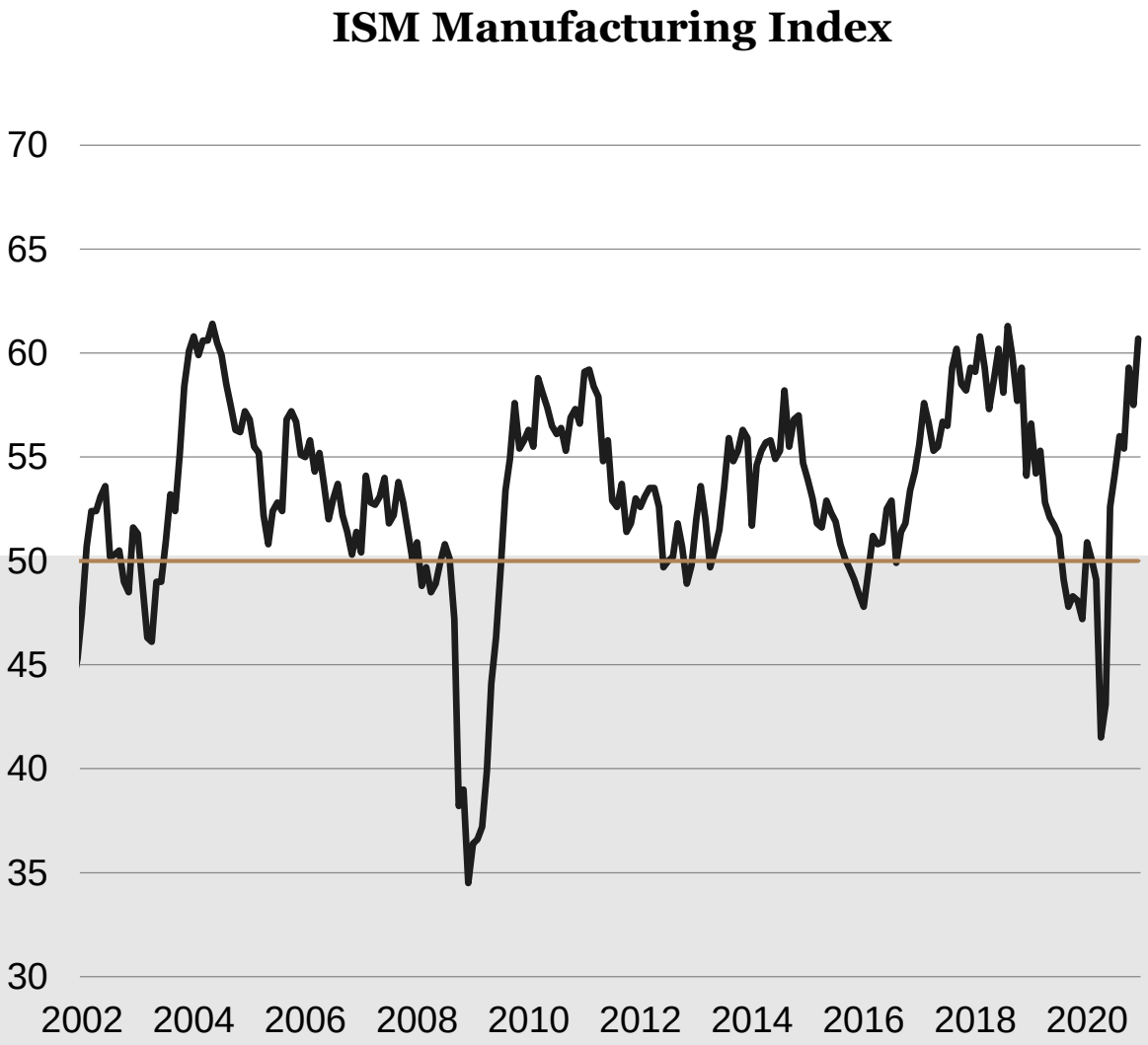
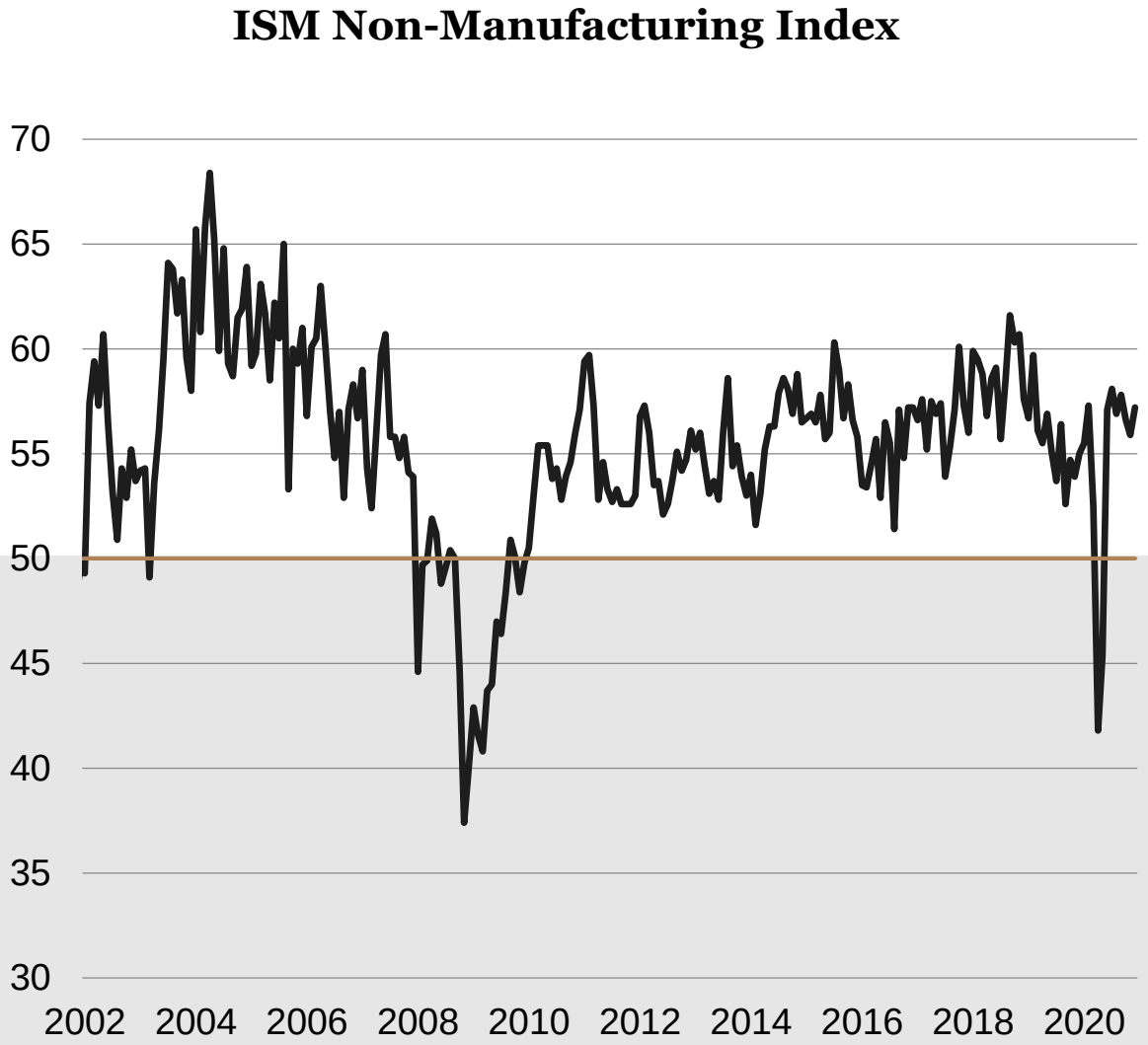
Sources: The Conference Board, National Bureau of Economic Research, University of Michigan.

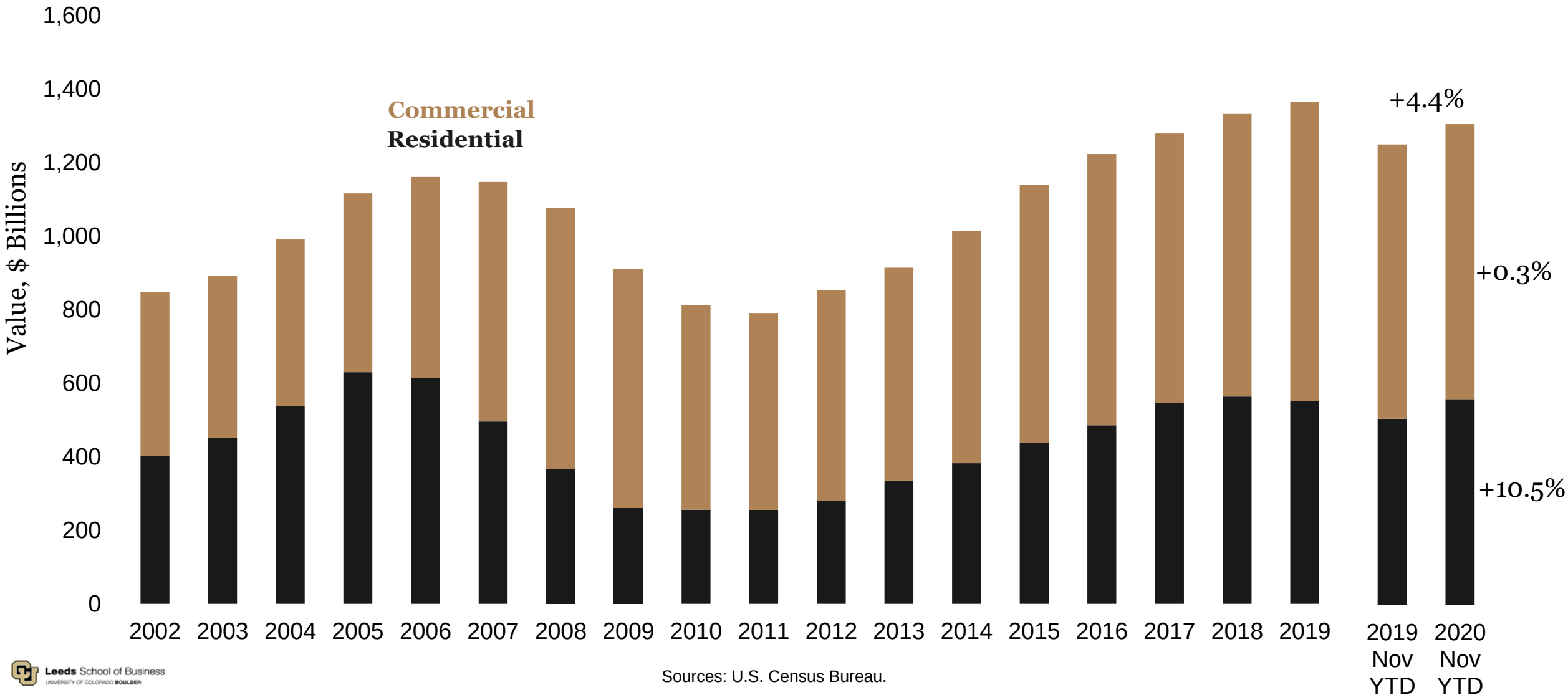
ISM Indices





Source: Institute for Supply Management (ISM).

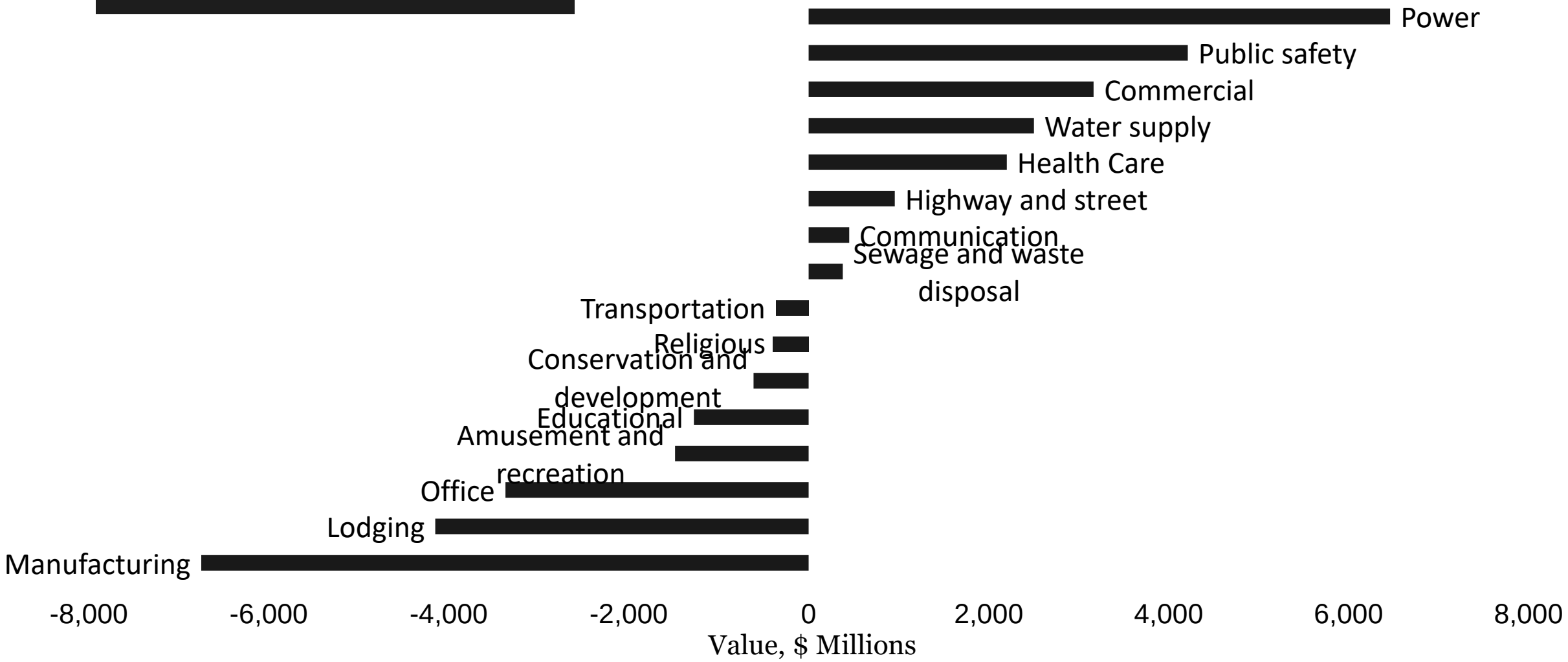
National Value of Construction



Sources: U.S. Census Bureau.

Change in National Nonresidential Value of Construction

November Year-over-Year



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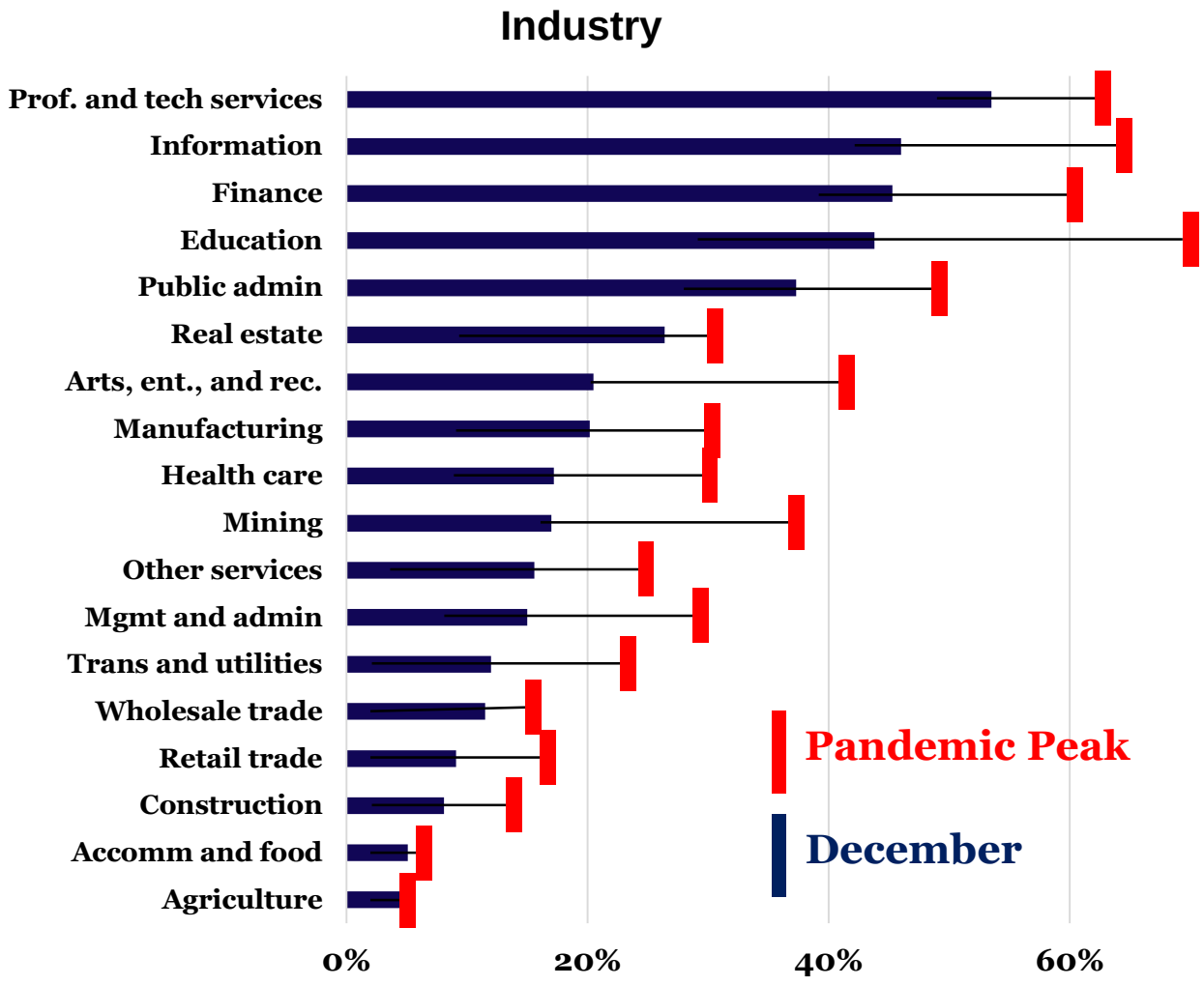
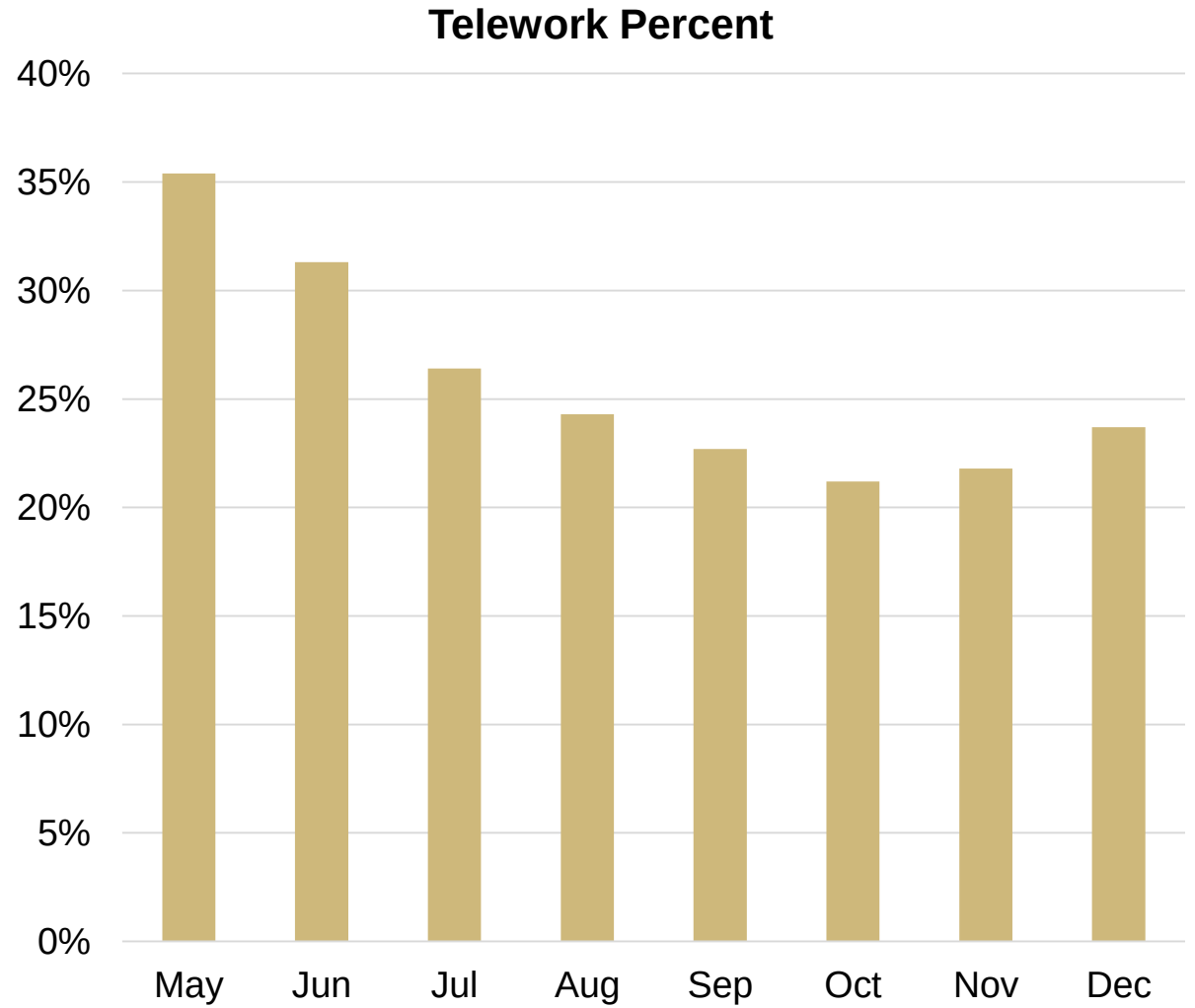
Sources: U.S. Census Bureau.

Telework Due to Pandemic

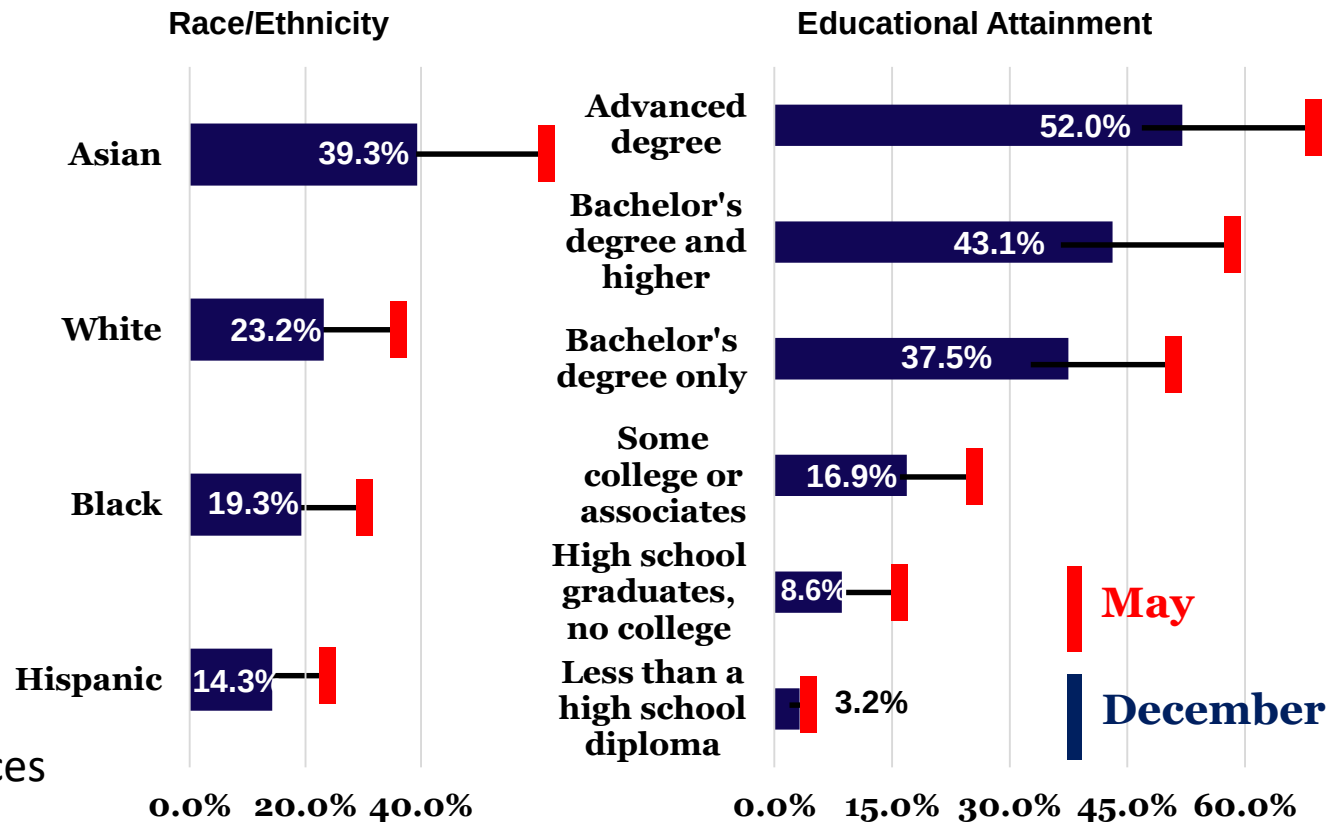




Source: Bureau of Labor Statistics, Current Population Survey (CPS) Supplemental Data.

Telework Due to Pandemic

- 23.7% of workers teleworked or worked from home because of the pandemic
  - Down from 35.4% in May
  - Increase from November
- Women
- Asian
- Higher educational attainment
- By industry,
  - 44% of workers in educational services
  - 53% in finance and insurance
  - 54% in professional and technical services
  - 5% of workers in accommodation and food services
  - 5% in agriculture teleworked.

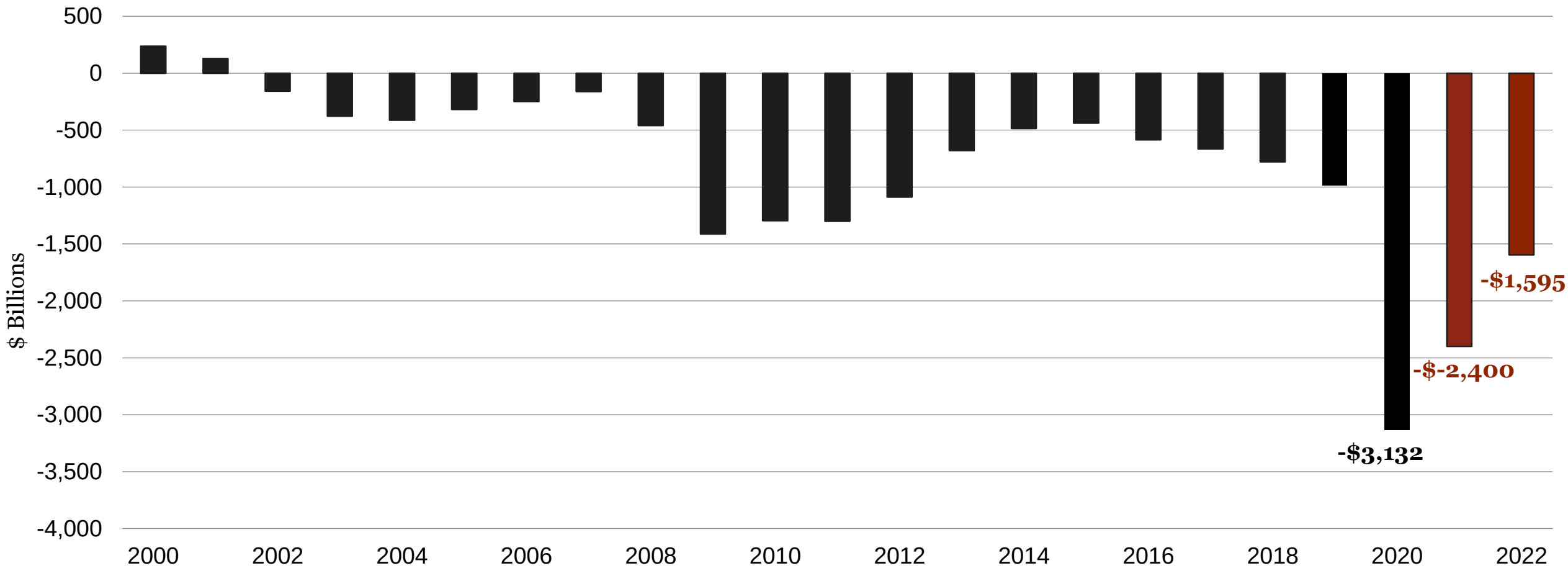


Source: Bureau of Labor Statistics, Current Population Survey (CPS) Supplemental Data.

Money and Prices

Federal Budget Balance

2000 to 2022



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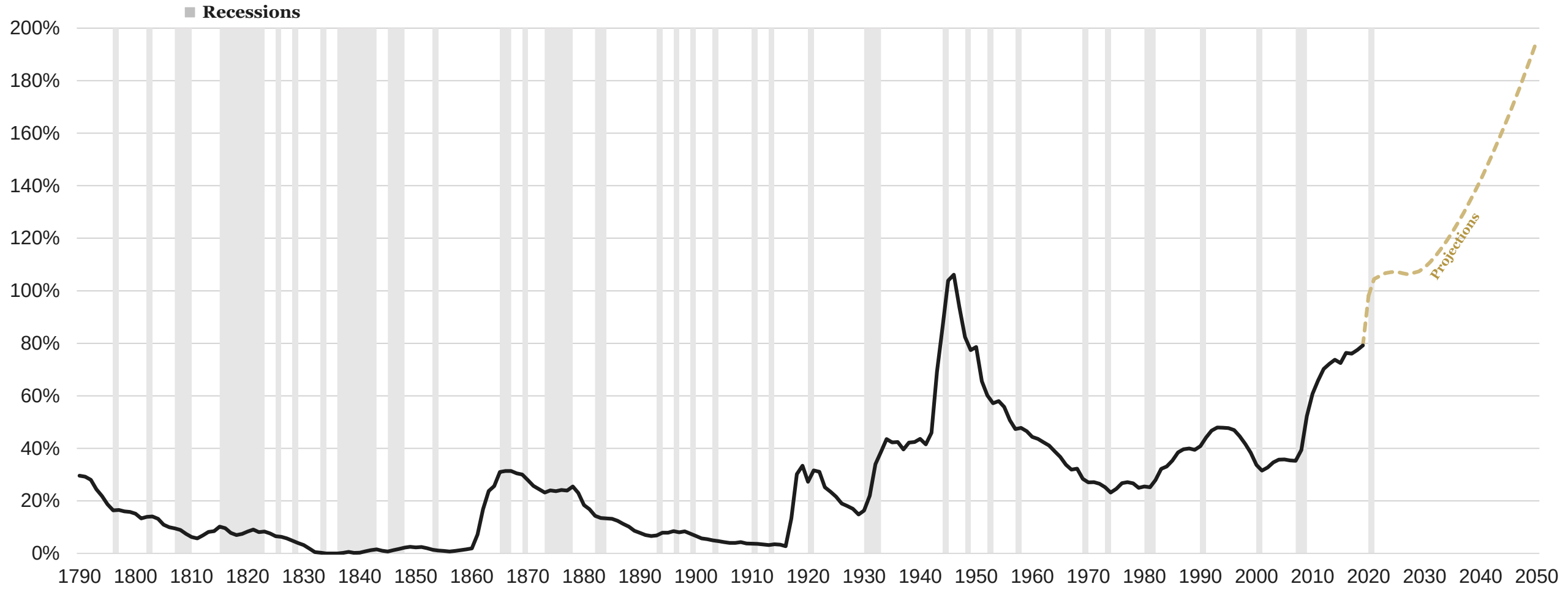
Sources: Office of Management and Budget, Consensus Forecasts, and the Business Research Division.

U.S. Federal Debt as a Percentage of GDP

1790 - 2050



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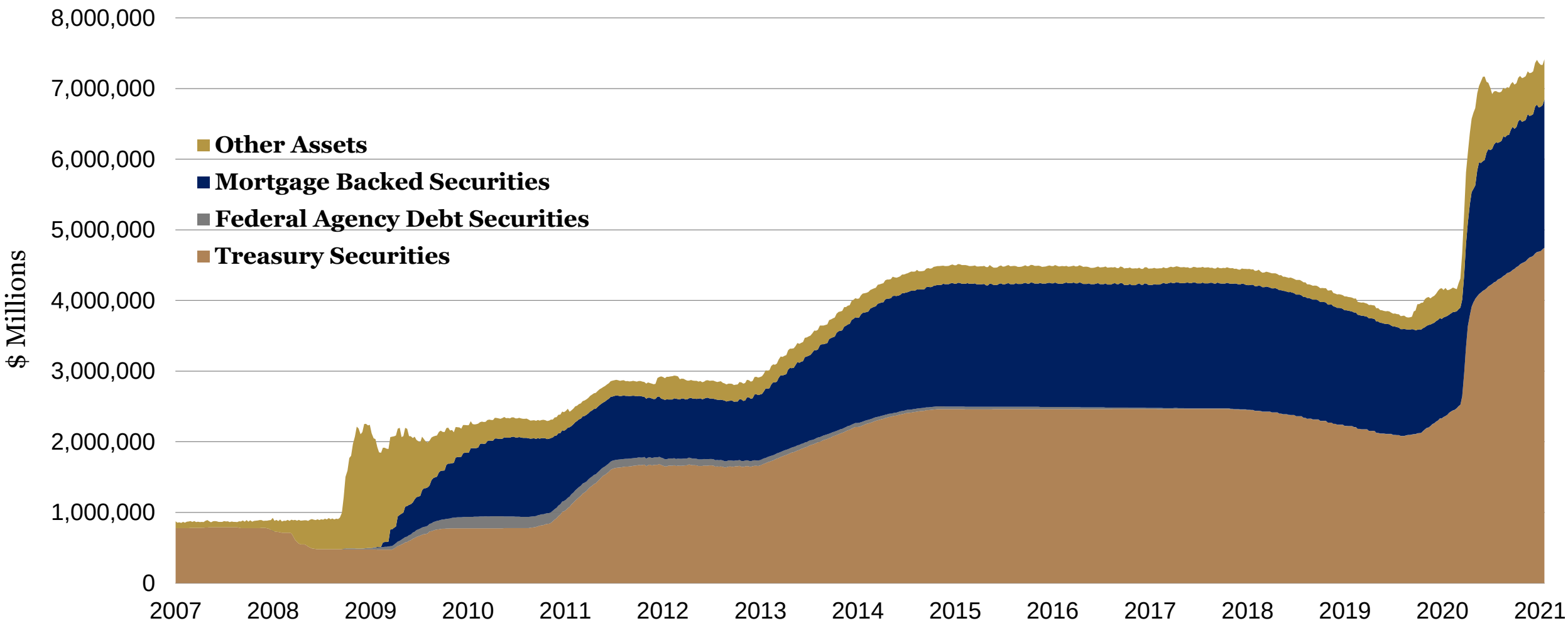
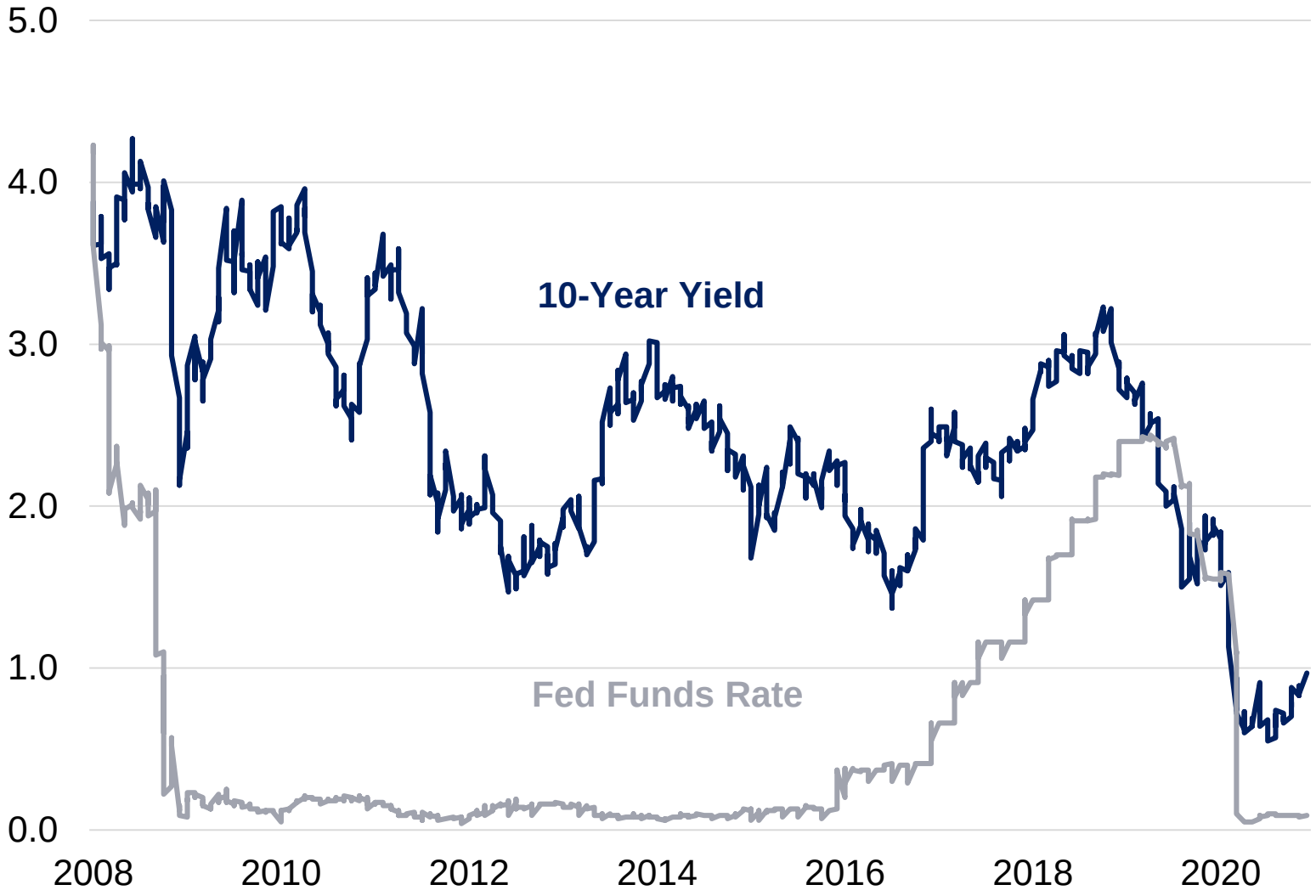
Sources: Congressional Budget Office (September 2020).

The FED



Source: Board of Governors of the Federal Reserve System.

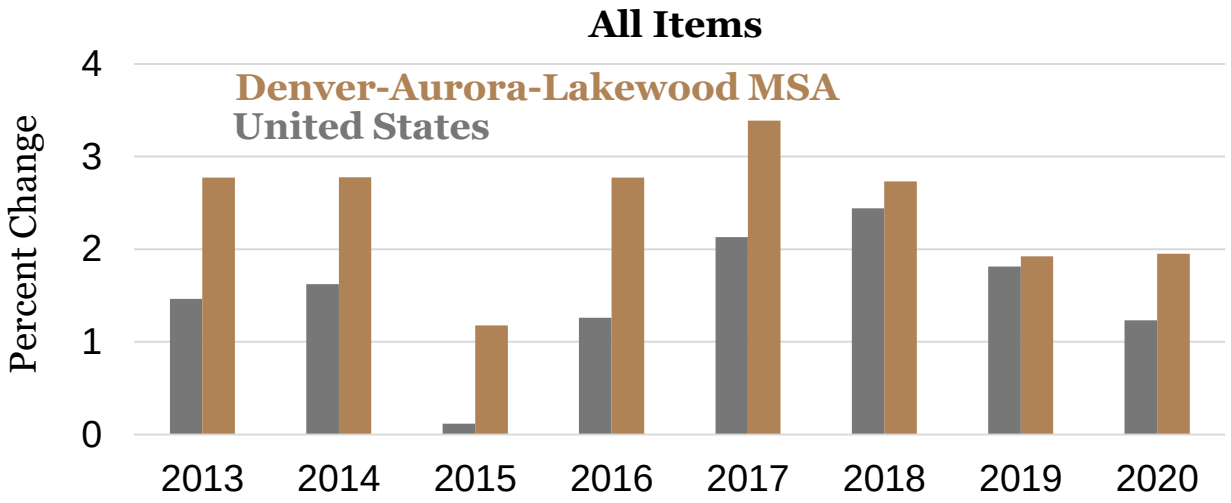
Interest Rates

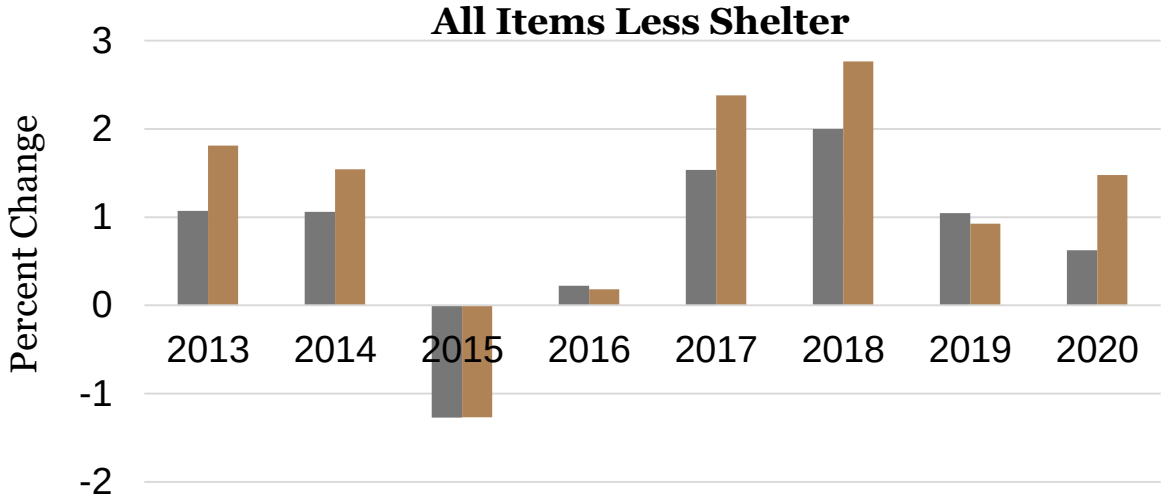


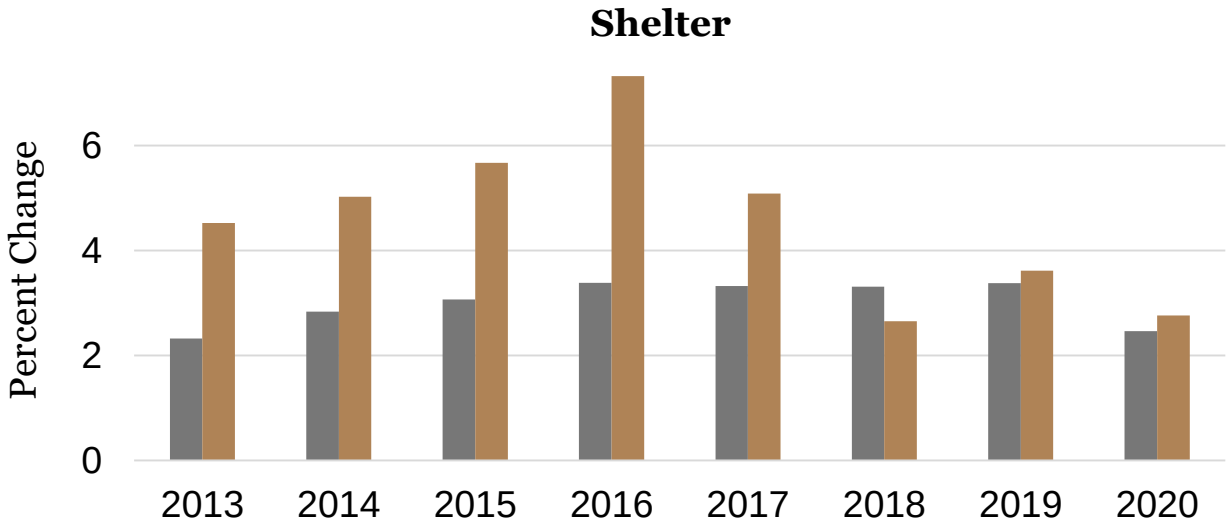
- Falling interest rates in 2020
- Resumption of Zero Interest Rate Policy
- Unprecedented volatility across public equities
- Low and negative rates around the world
- Federal debt now exceeds $27 trillion
- Federal deficit over $3 trillion

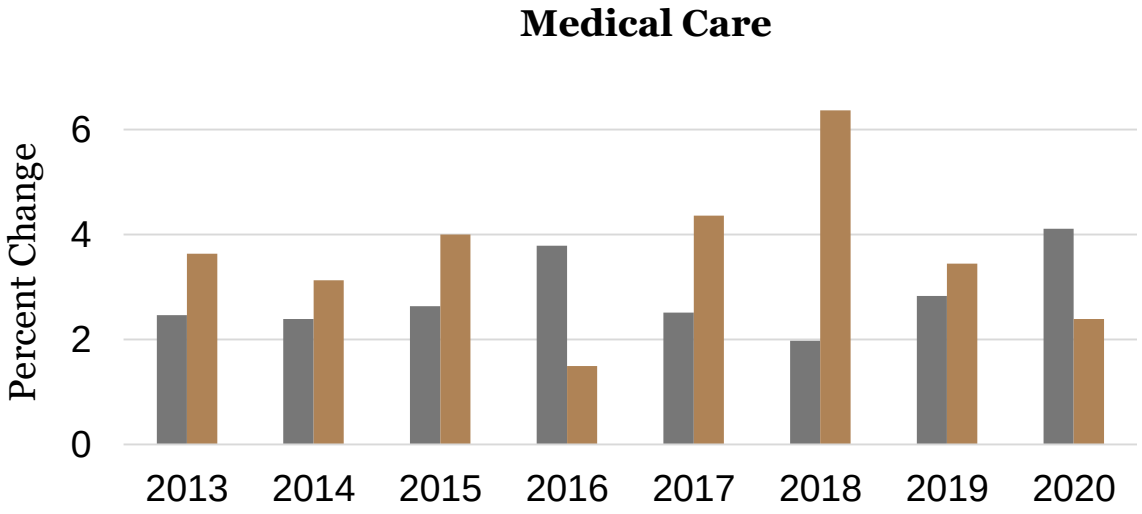
Source: Federal Reserve.

Inflation







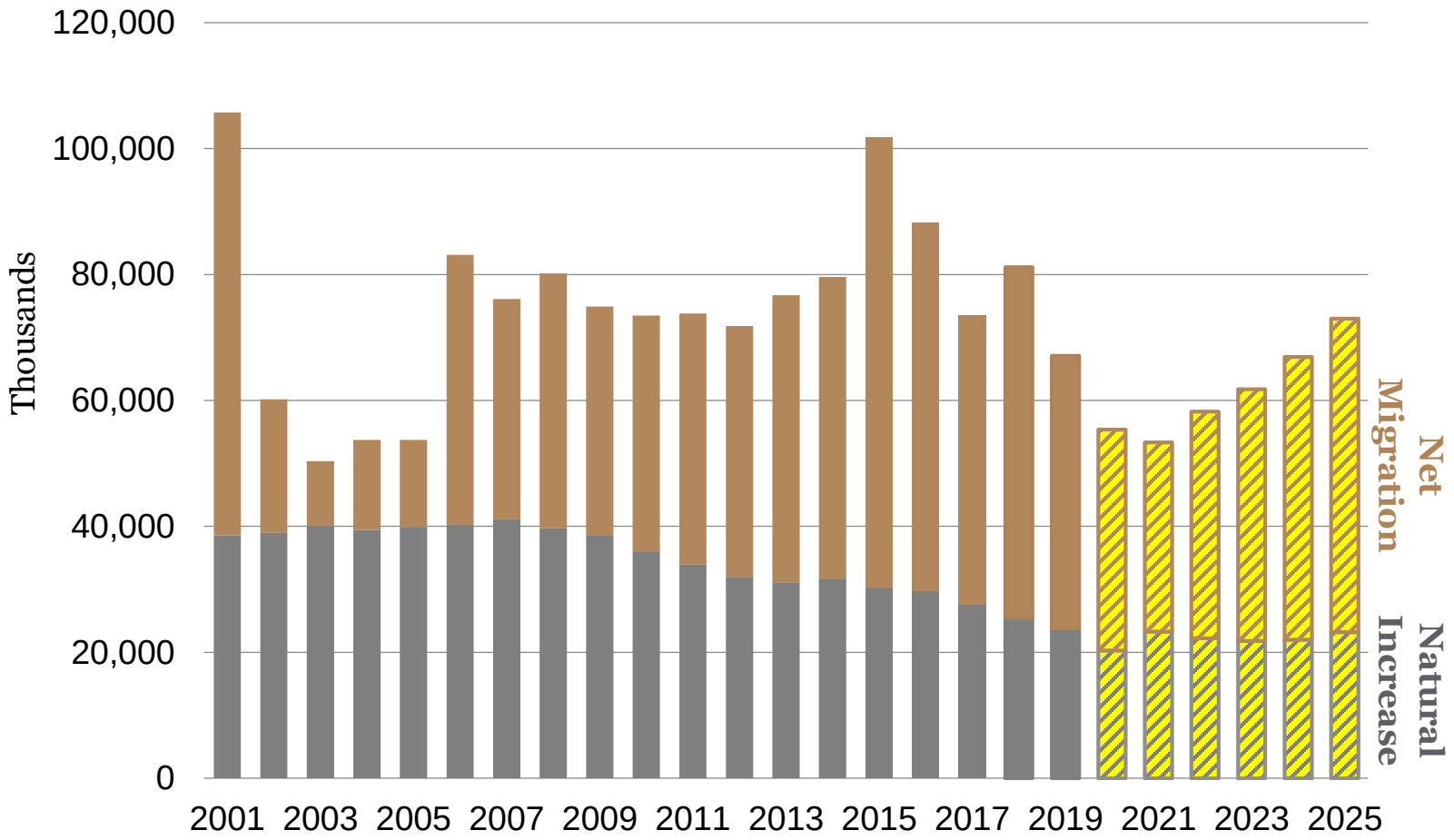


Source: Bureau of Labor Statistics (Not Seasonally Adjusted).

Headwinds, Unknowns, and Tailwinds

Colorado Population, Employment, and the Economy

Colorado Change in Population



Colorado's population changes
- 67k in 2019
- 55k in 2020
- 53k in 2021

COVID impact on migration
- To the State
- Within the State

Temporary or permanent?

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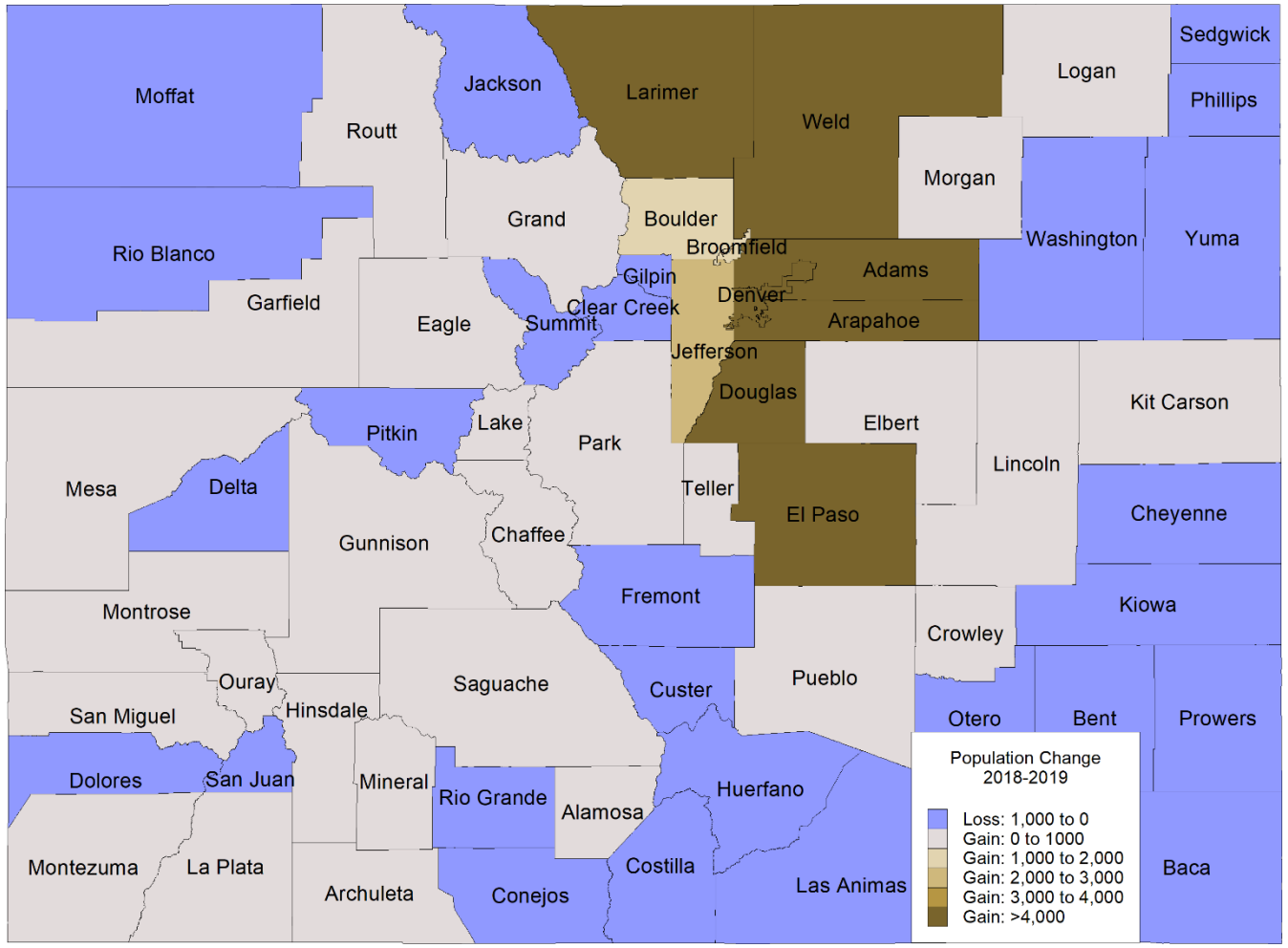
Sources: Colorado Demography Office, U.S. Census Bureau, and the Business Research Division.

Population Change by County

2019-2020



2021 Forecast

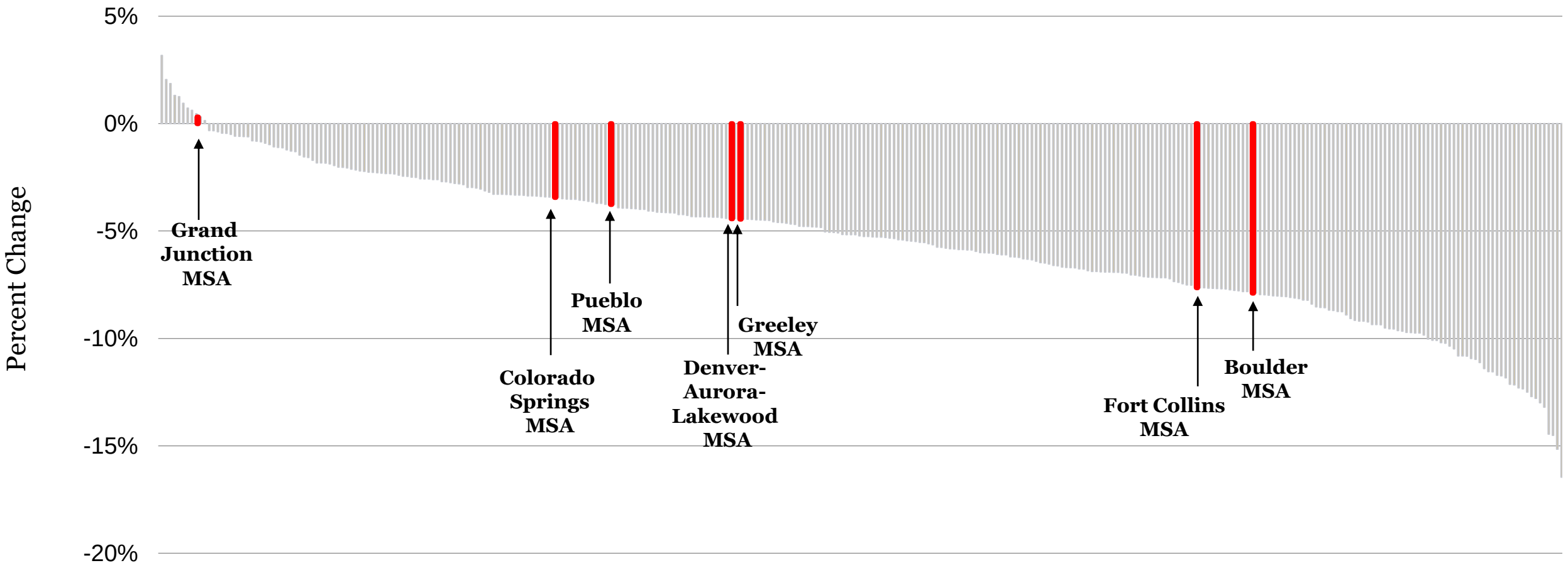
Urban: 51.0k, 1.0%

Rural: 2.3k, 0.3%

Source: Colorado Demography Office.

Employment by MSA

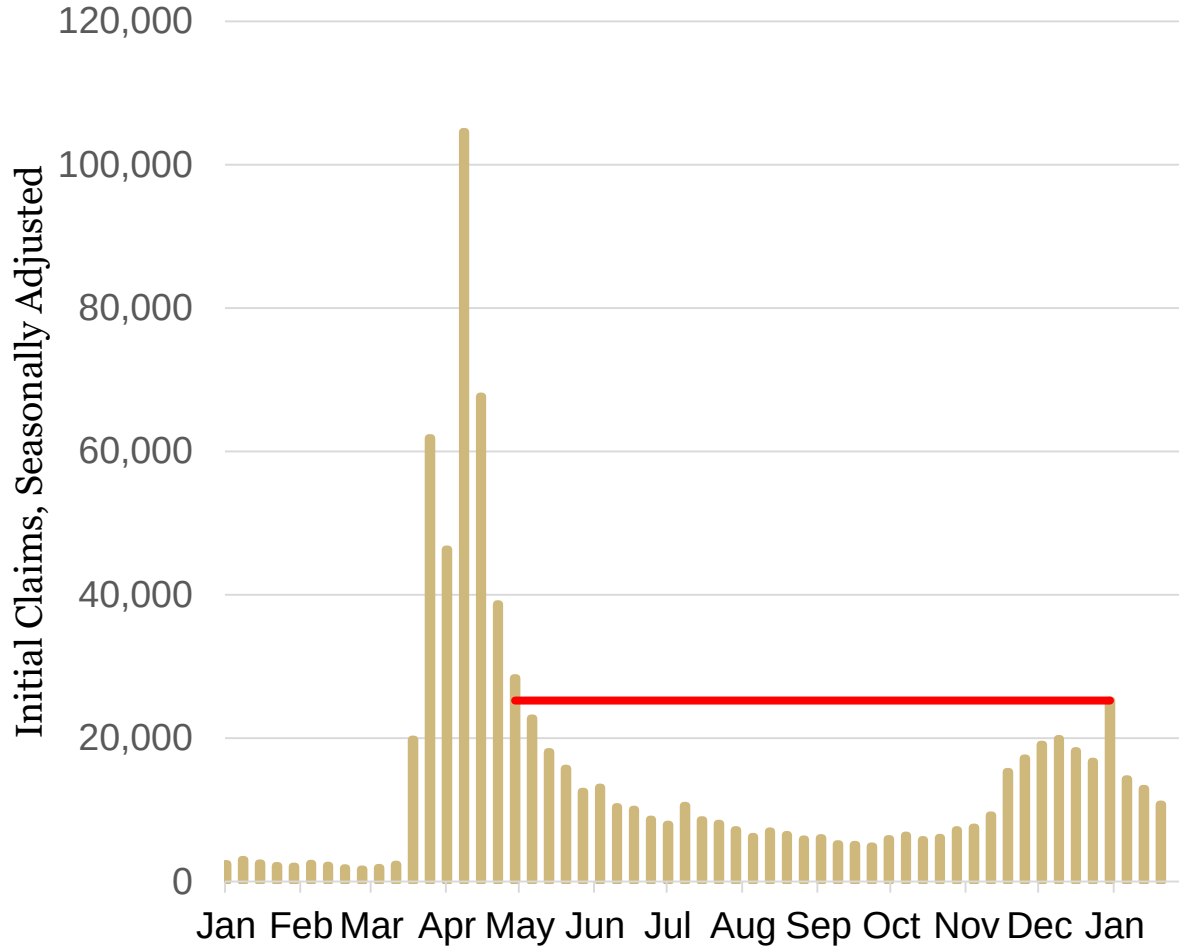
1-Year Change, December 2020



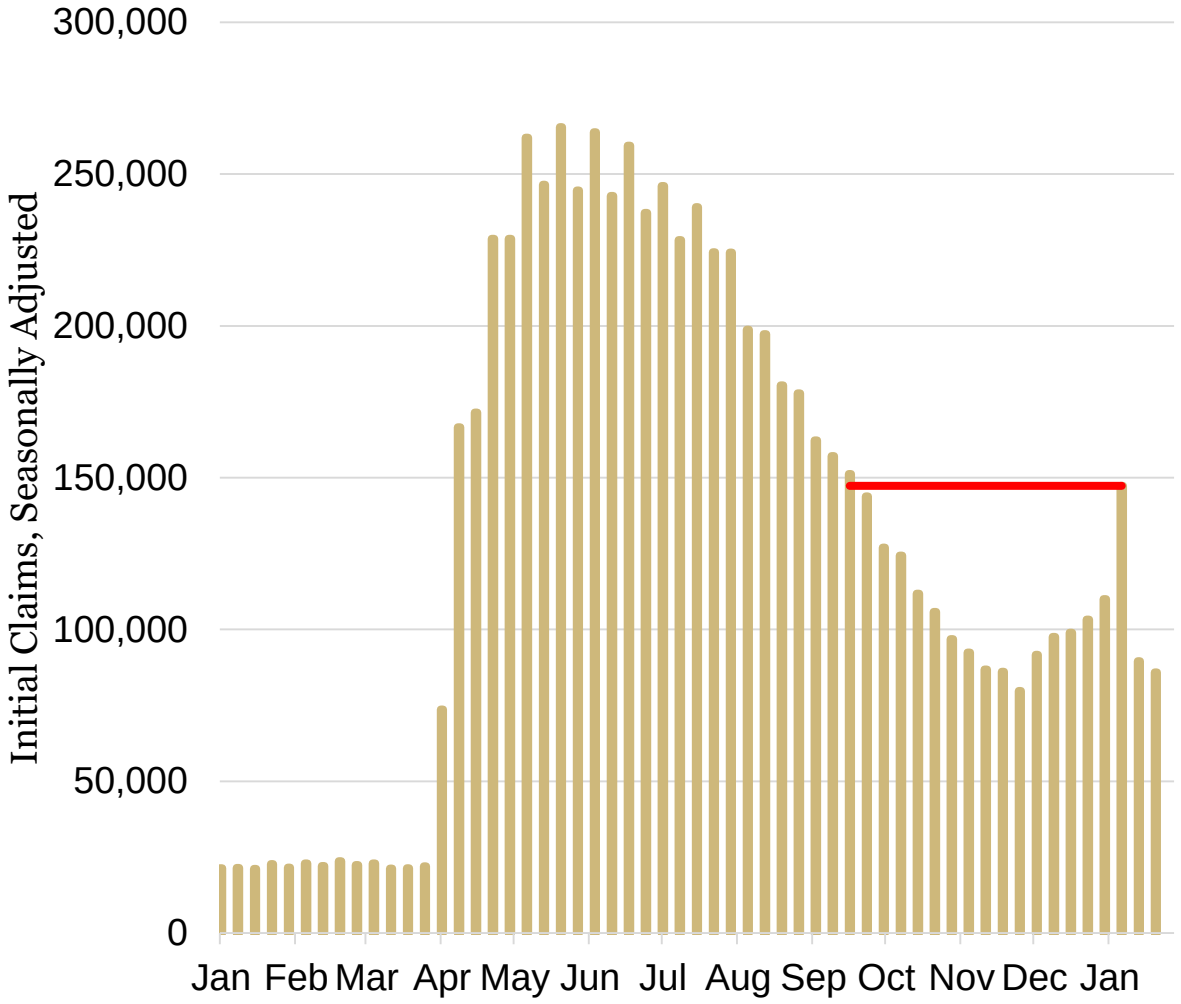
Source: Bureau of Labor Statistics, Current Employment Statistics (Seasonally Adjusted).

Jobless Claims Colorado

Initial Claims



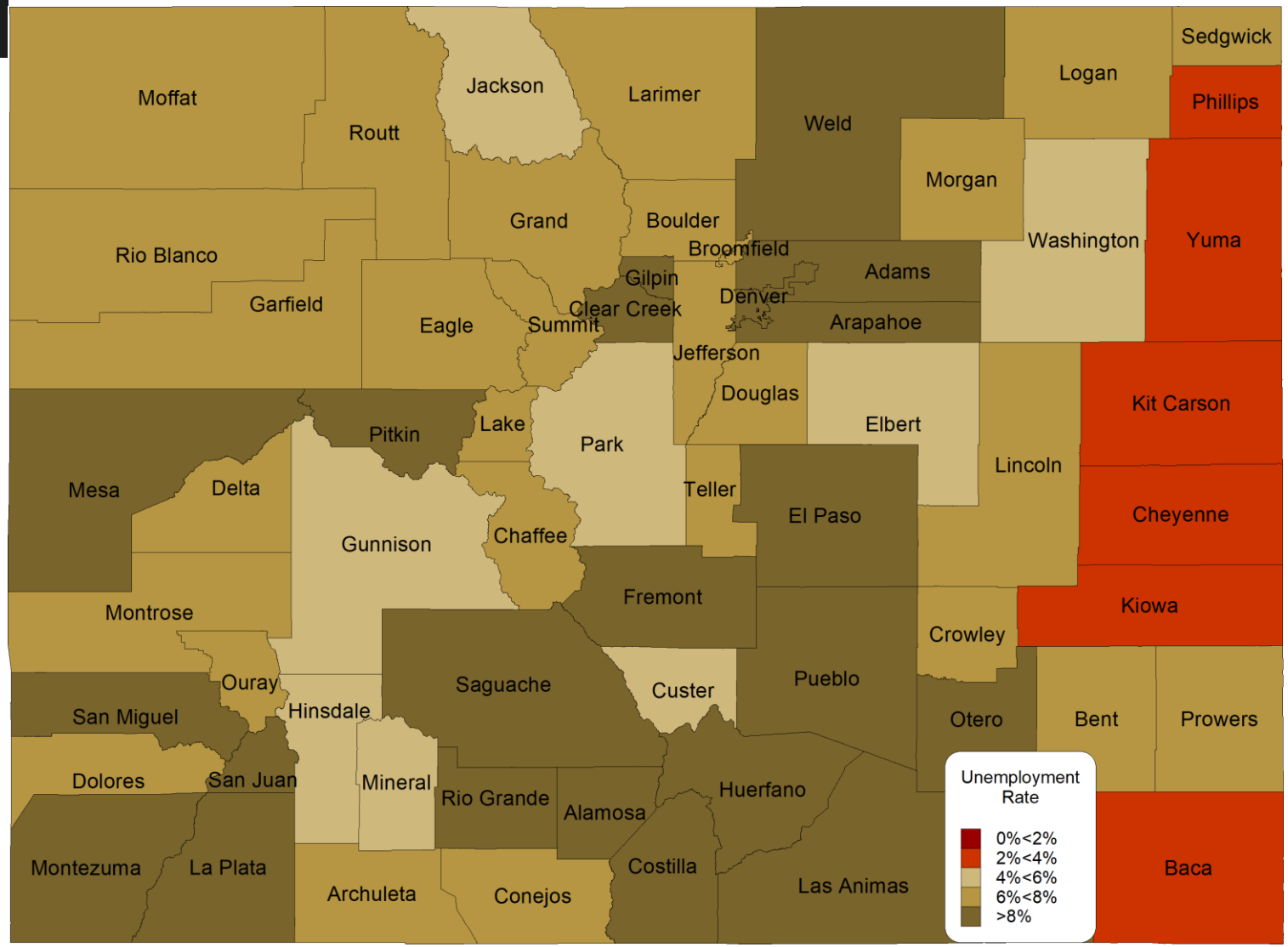
Continued Claims



Sources: United States Department of Labor Employment & Training Administration, Unemployment Insurance Weekly Claims, Seasonally Adjusted. Note: Excludes PUA claims.

Unemployment Rate by County

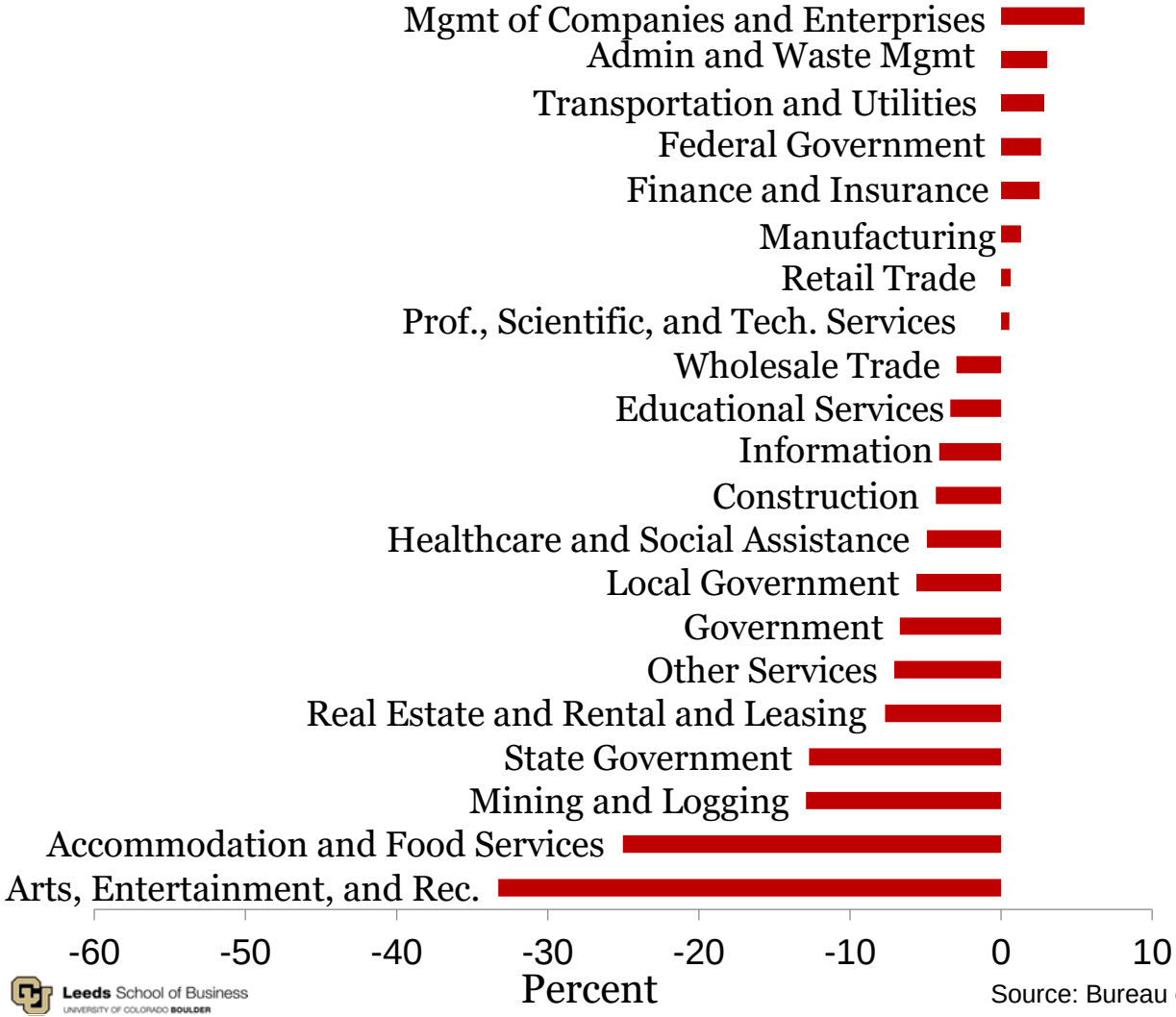
December 2020

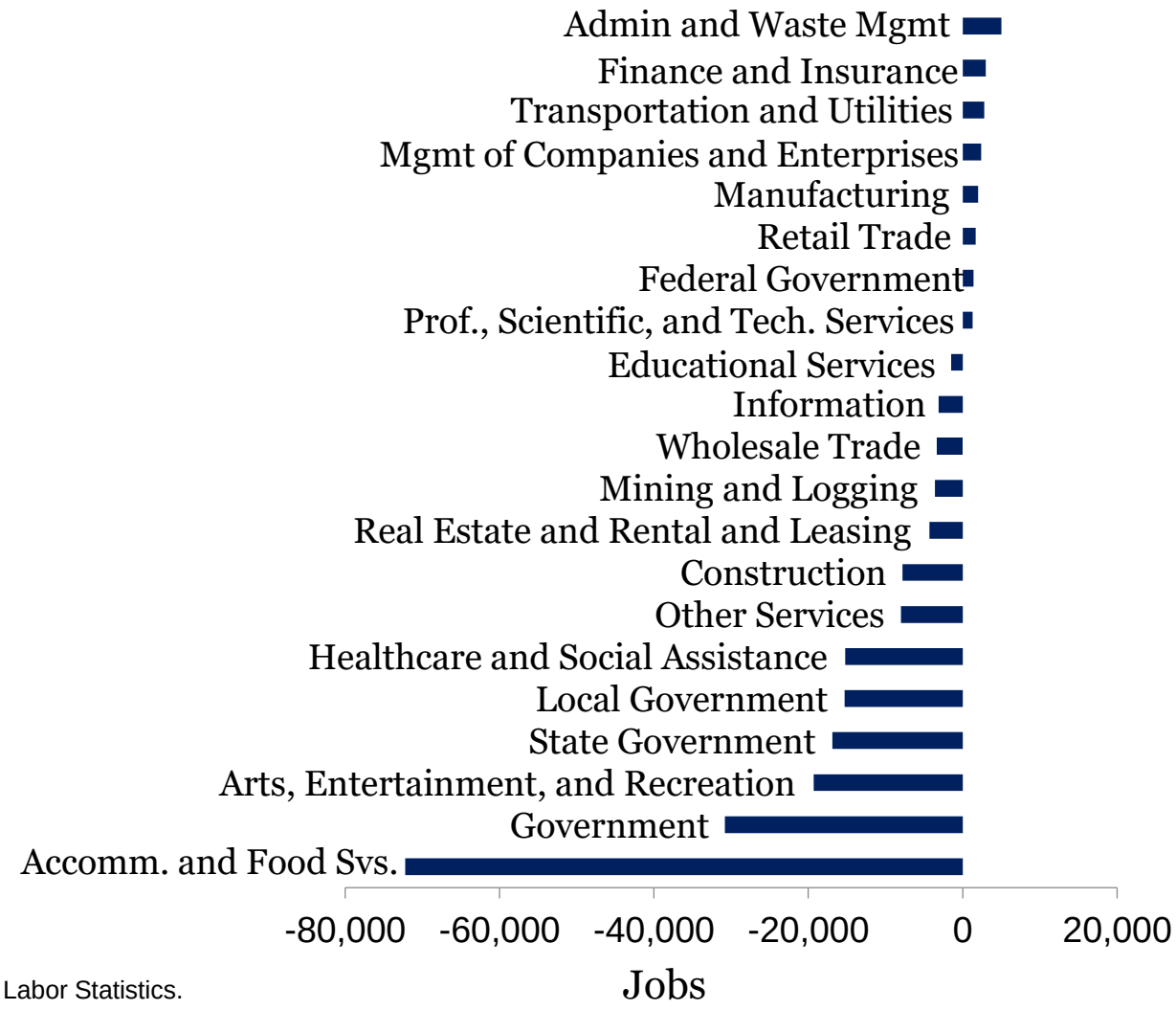


Source: Bureau of Labor Statistics (Not Seasonally Adjusted),

Colorado Employment Change

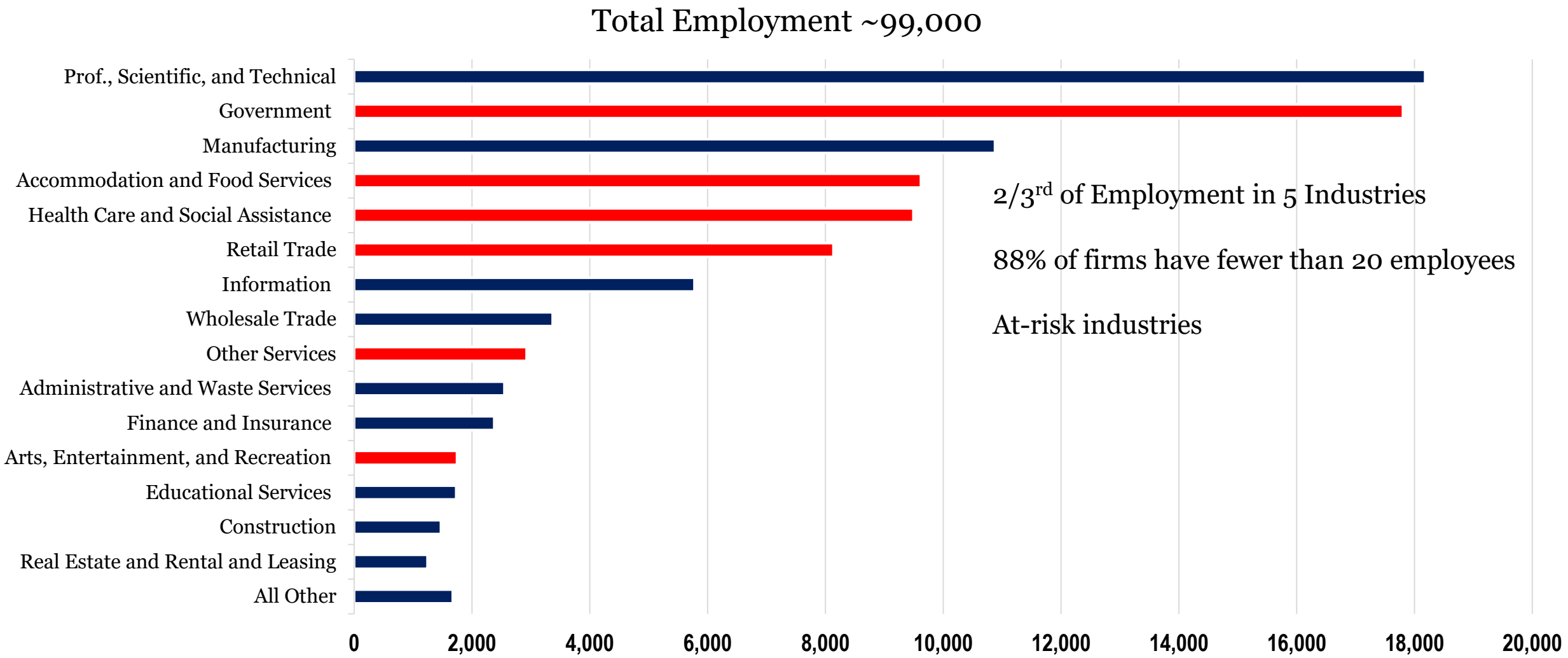
December Year-over-Year





Source: Bureau of Labor Statistics.

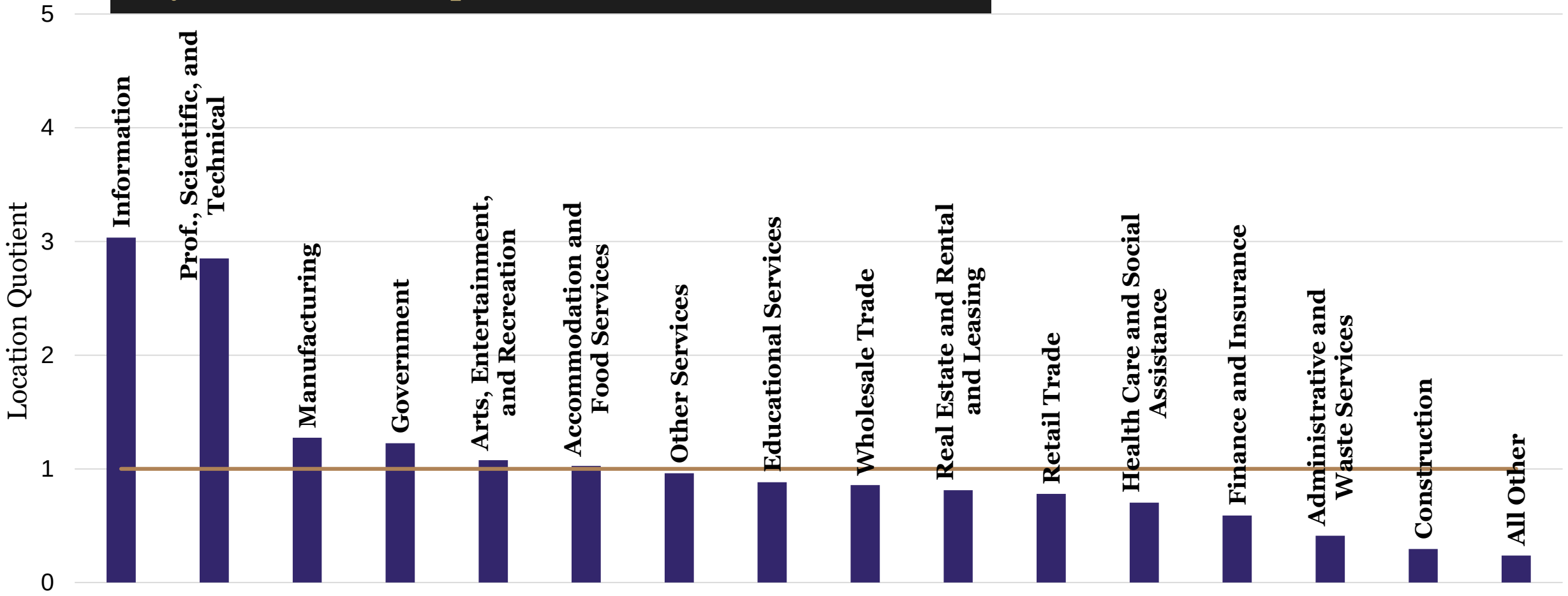
City of Boulder Employment



Source: Colorado Department of Labor and Employment, QCEW, 2019.

Industry Location Quotients

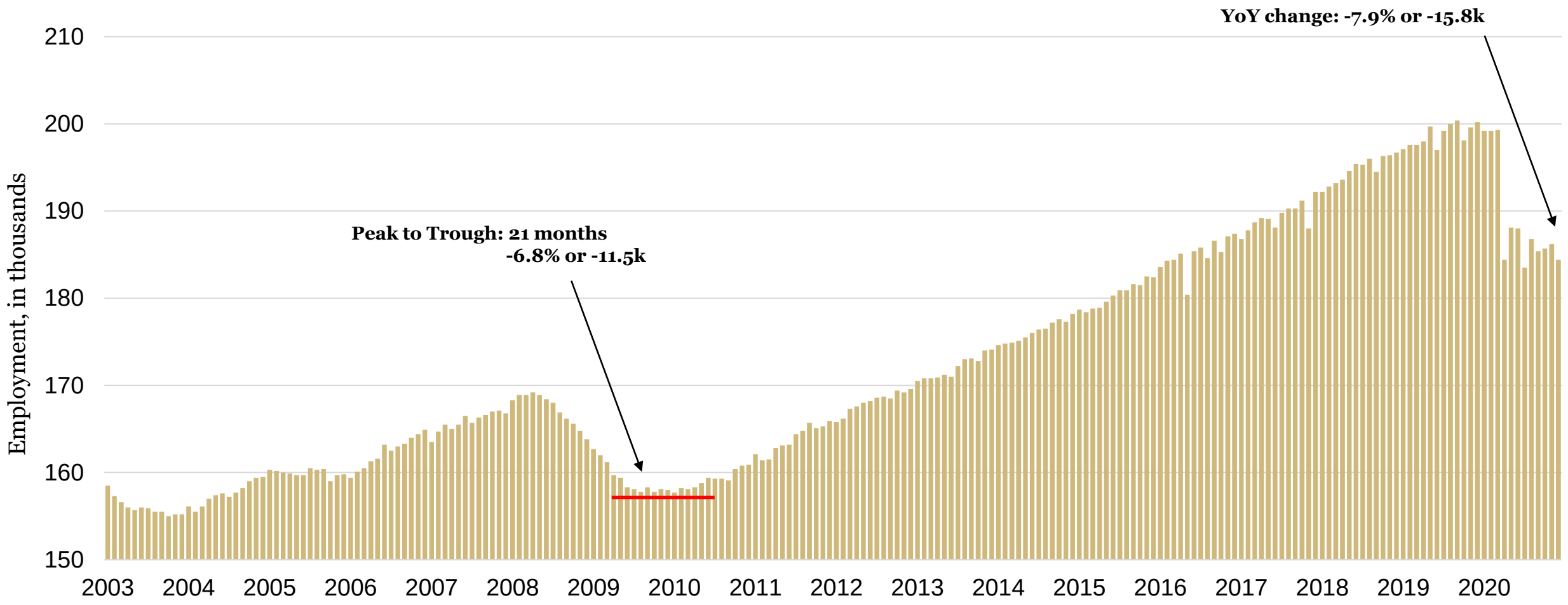
City of Boulder compared to the U.S., 2019 Annual



Source: Bureau of Labor Statistics.

Employment

Boulder MSA



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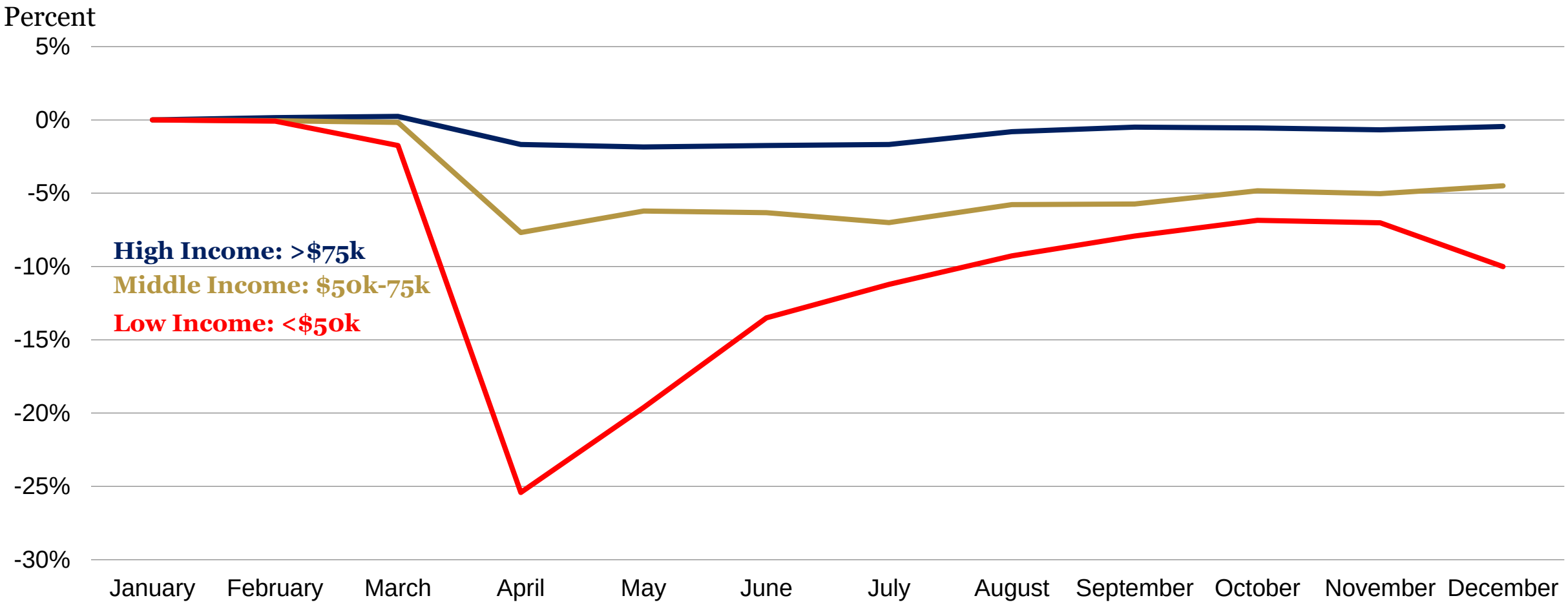
Source: Bureau of Labor Statistics, CES (SA), November 2019.

Colorado Employment by Wage Group

Percent Change from January 2020



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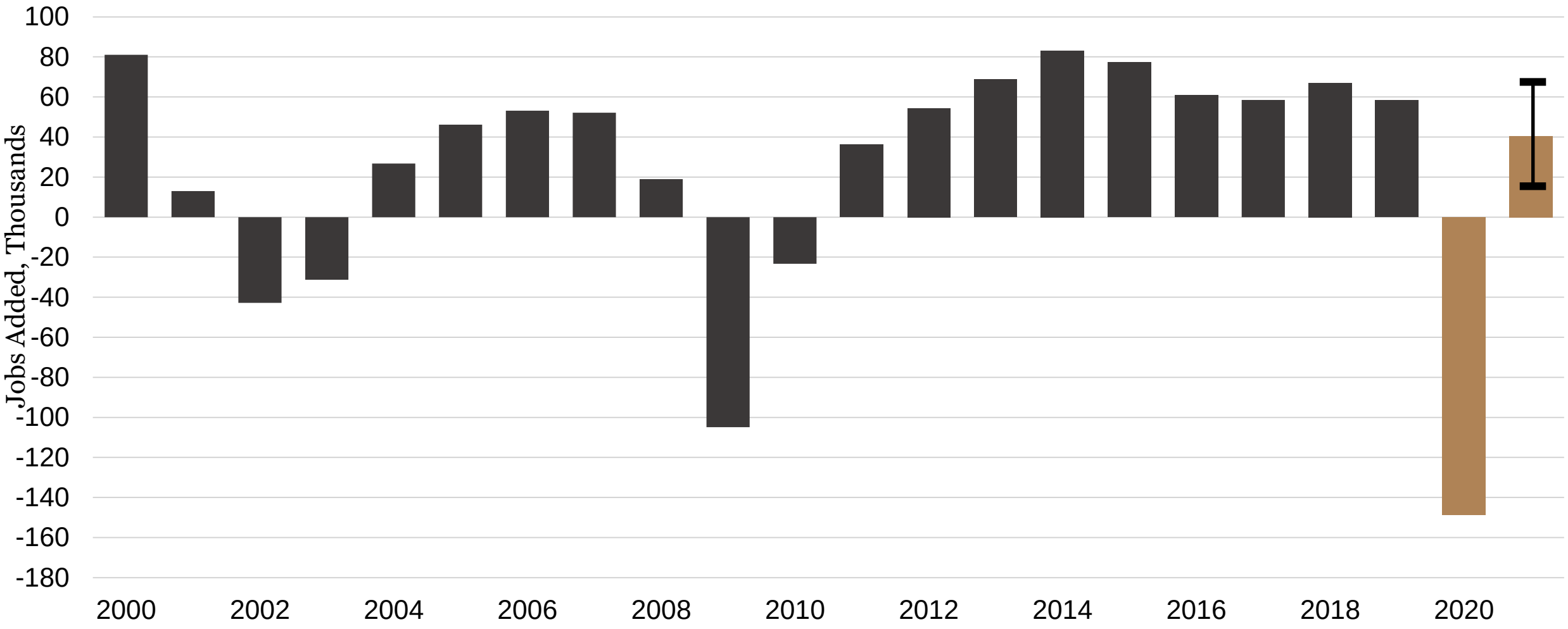
Source: Bureau of Labor Statistics CES (Seasonally Adjusted).
Note: Wage terciles are determined by calculating the average annual wage for each industry as of Q1 2020 and grouping each industry's total employment.

Colorado Employment Growth



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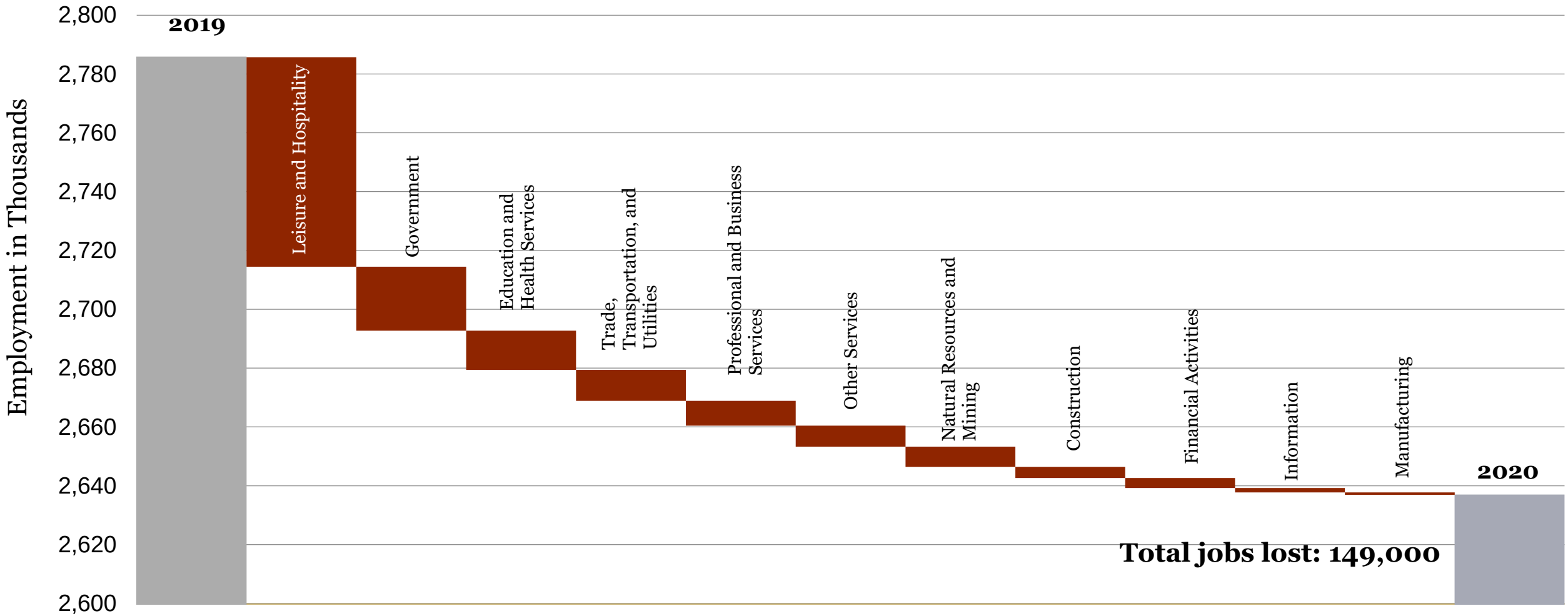
Sources: Colorado Department of Labor and Employment and the Colorado Business Economic Outlook Committee.

Colorado Employment Change – 2020 Estimate



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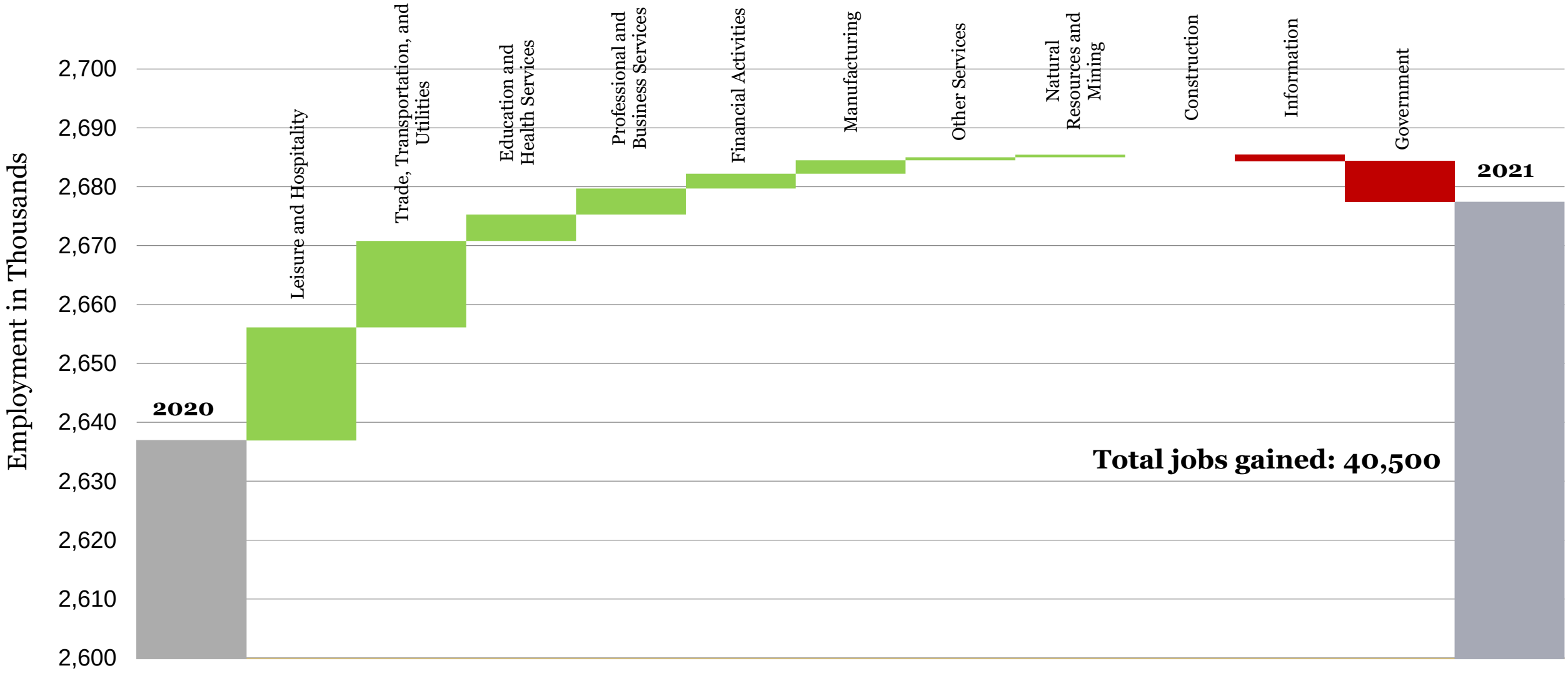
Source: Bureau of Labor Statistics, Current Employment Statistics (Seasonally Adjusted), and the Colorado Business Economic Outlook Committees.

Colorado Employment Change – 2021 Forecast



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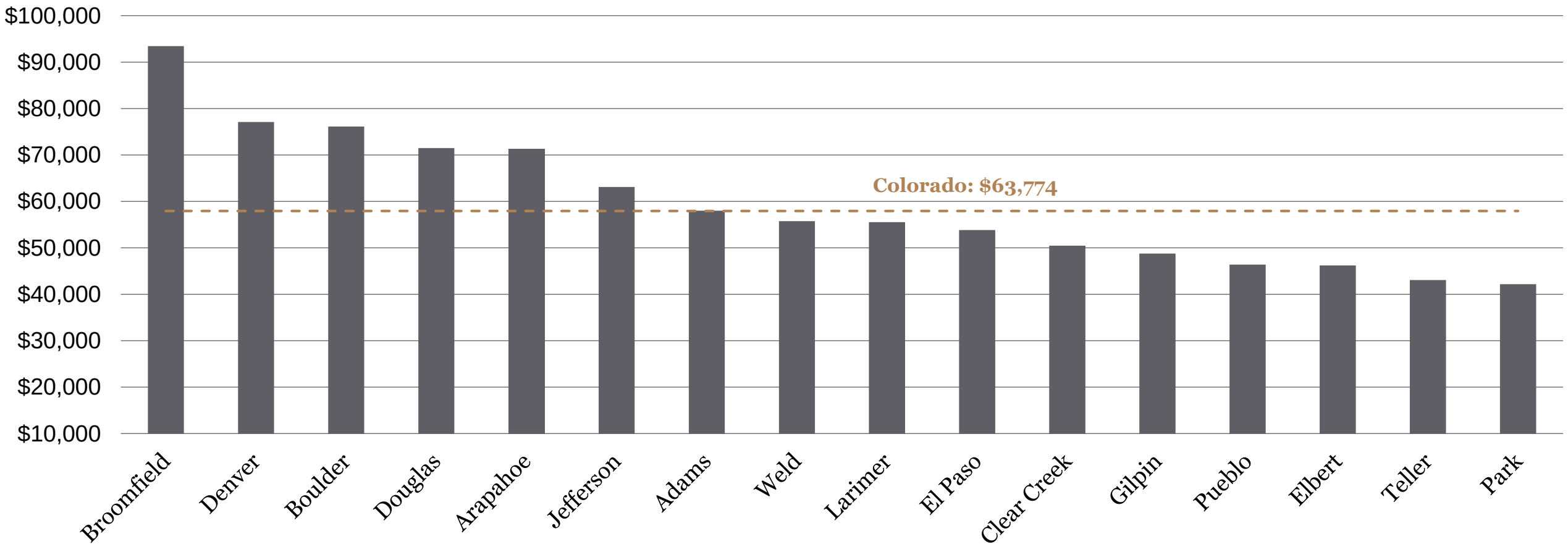
Source: Bureau of Labor Statistics, Current Employment Statistics (Seasonally Adjusted), and the Colorado Business Economic Outlook Committees.

Average Annual Wages

Front Range Counties



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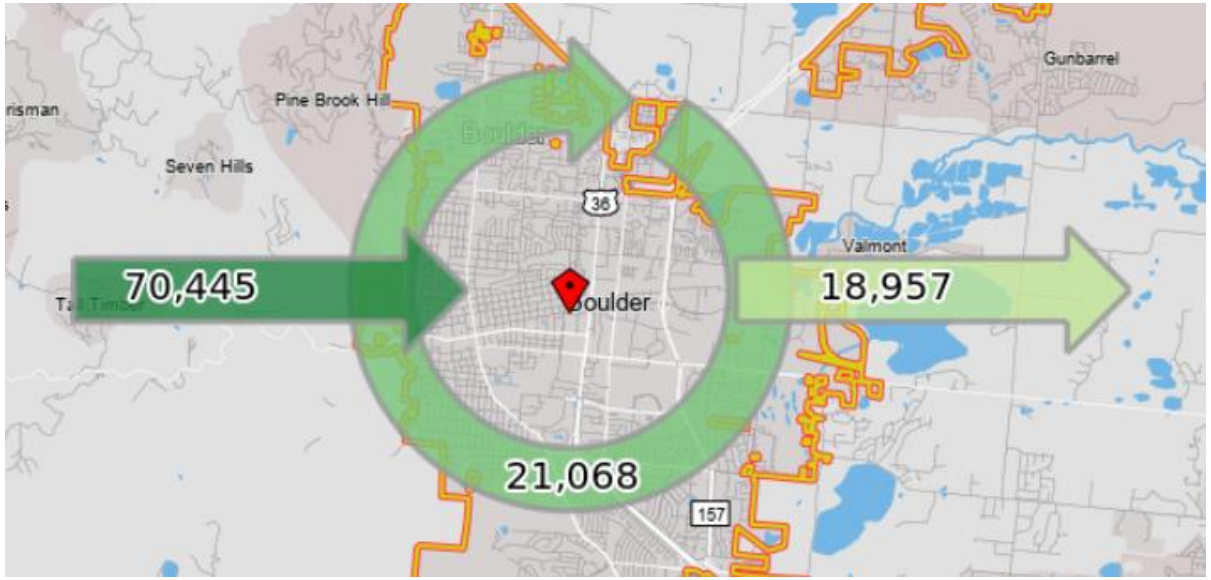
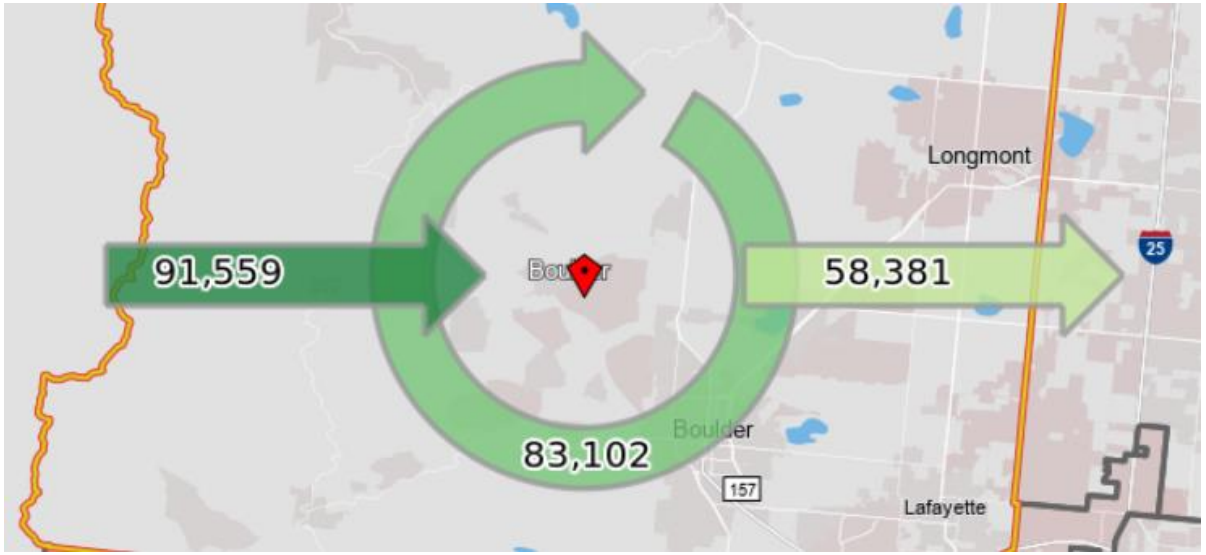
Source: Bureau of Labor Statistics, QCEW, as of Q2 2020.

Daily Commute

City of Boulder



Boulder County

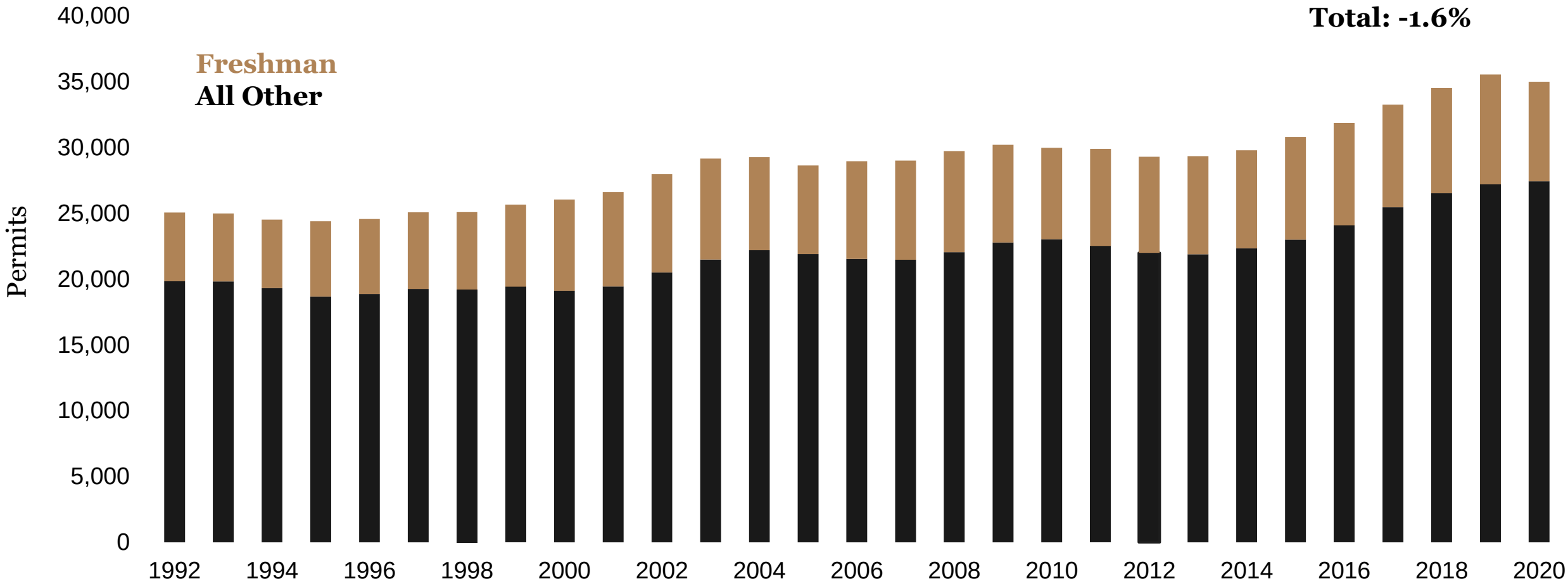


$931M Personal income outflow

Sources: Census OntheMap, 2017 and the Bureau of Economic Analysis, 2019..

University of Colorado Boulder Enrollment

Enrollment:
Freshman: -9.5%
All Other: +0.9%
Total: -1.6%



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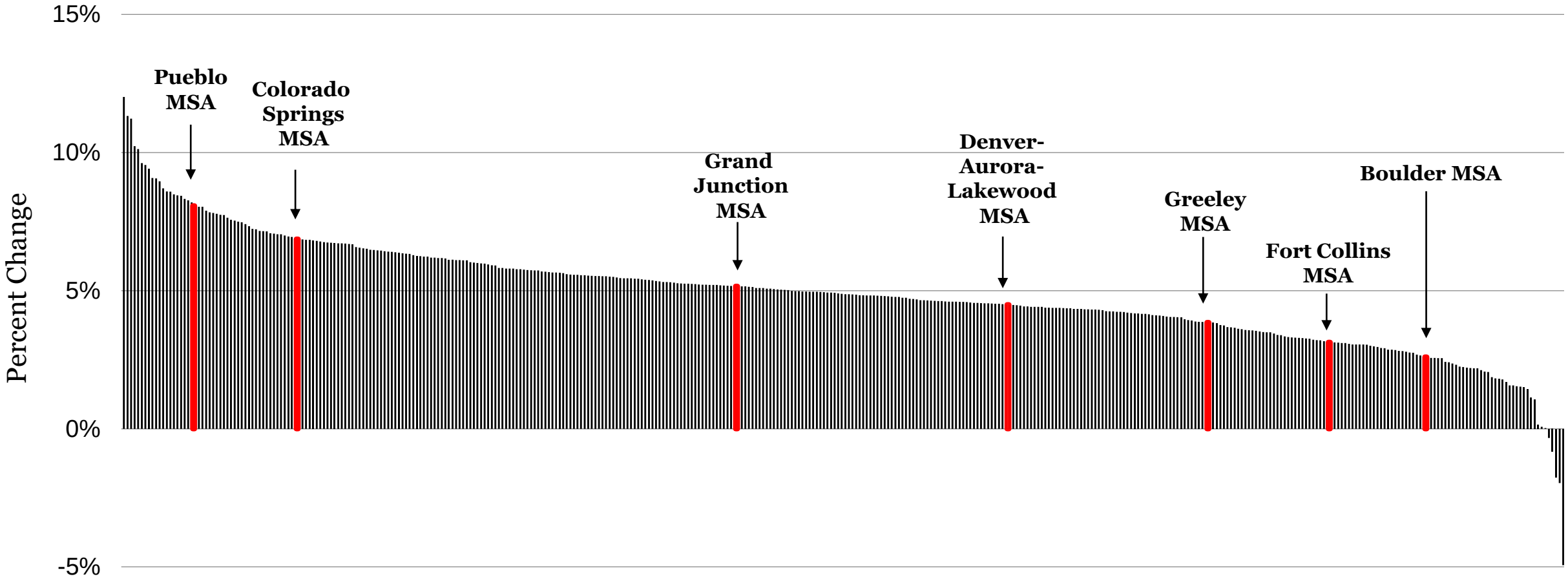
Sources: U.S. Census Bureau and the Colorado Business Economic Outlook Committee.

Construction

FHFA Home Price Index by MSA

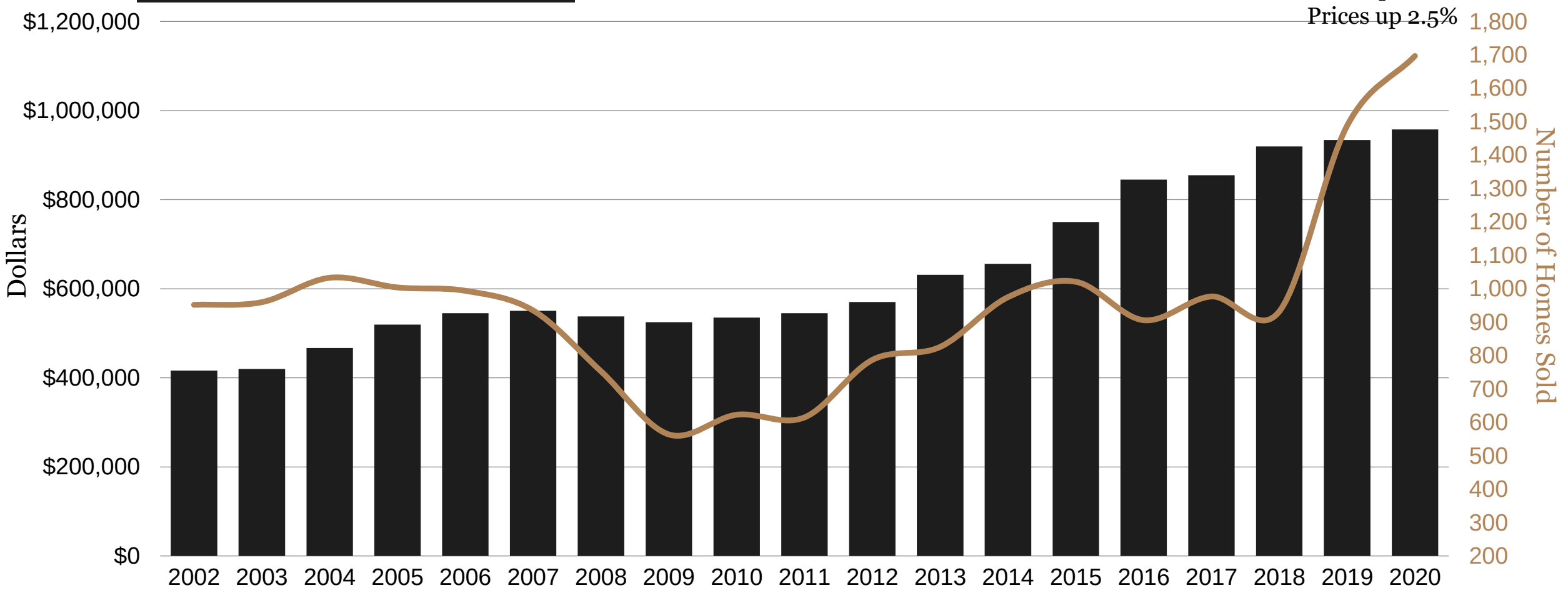
1-Year Home Price Change, Q3 2020



Source: Federal Housing Finance Agency, All Transactions Index (Not Seasonally Adjusted).

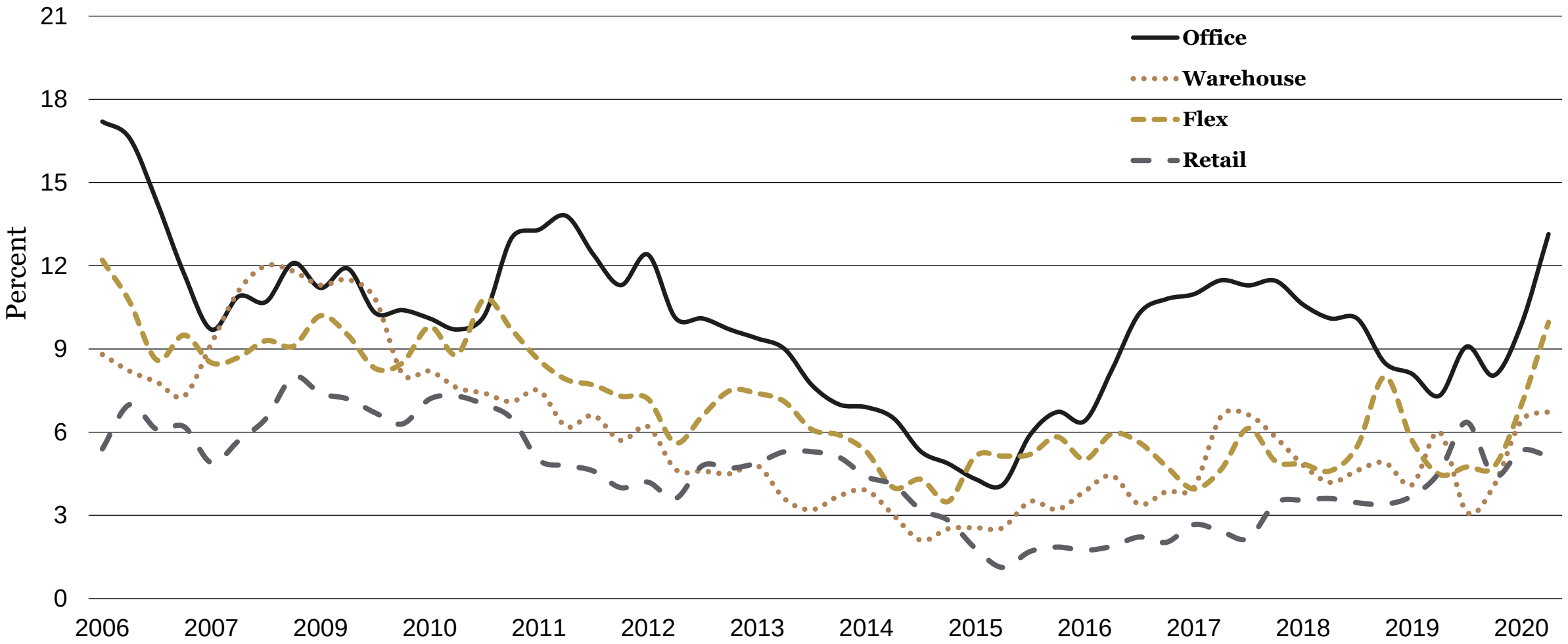
Median Price of Single Family Detached Homes Sold

City of Boulder



Source: Boulder Area Realtor Association. *YoY through Aug 2019. Excludes condos and townhomes.

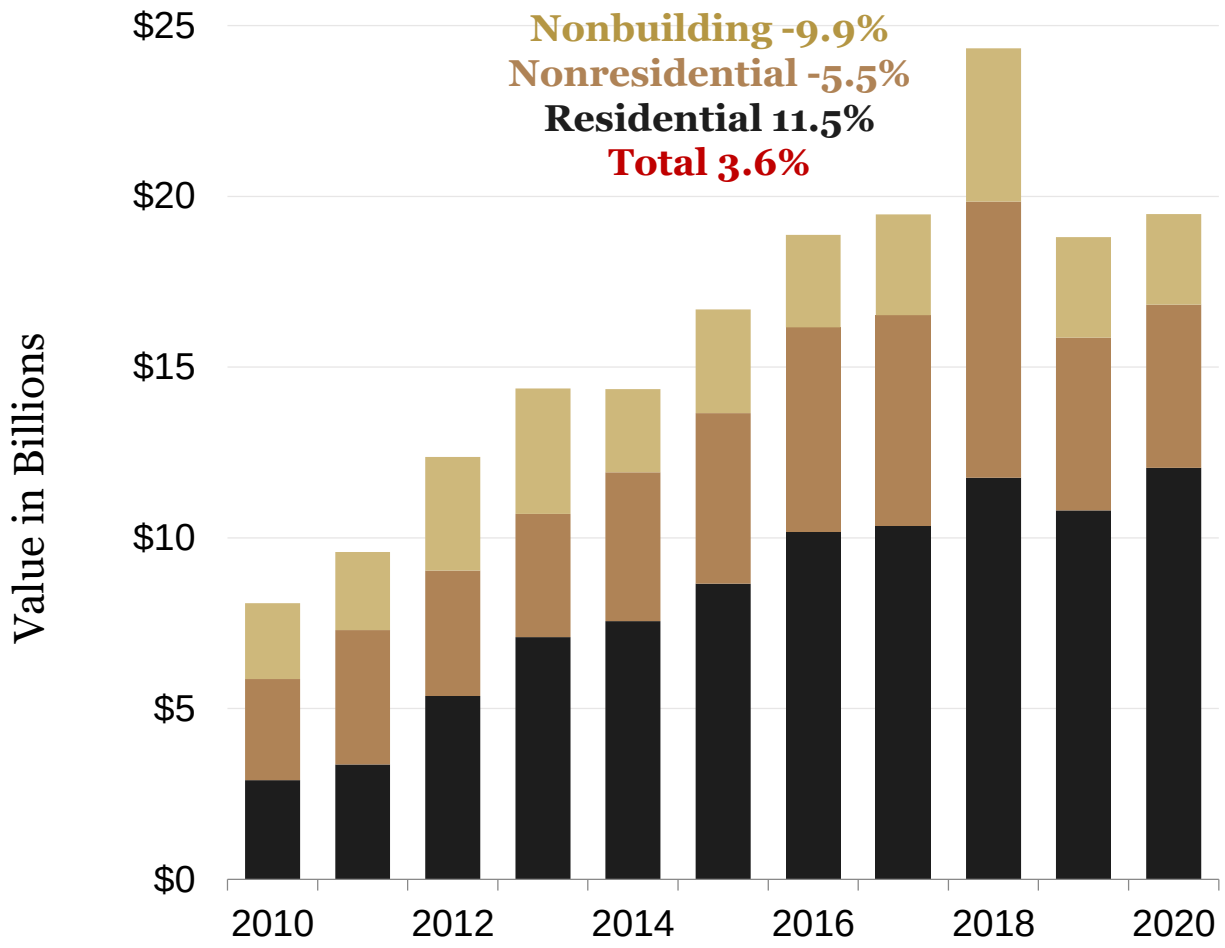
Commercial Vacancy Rates: City of Boulder



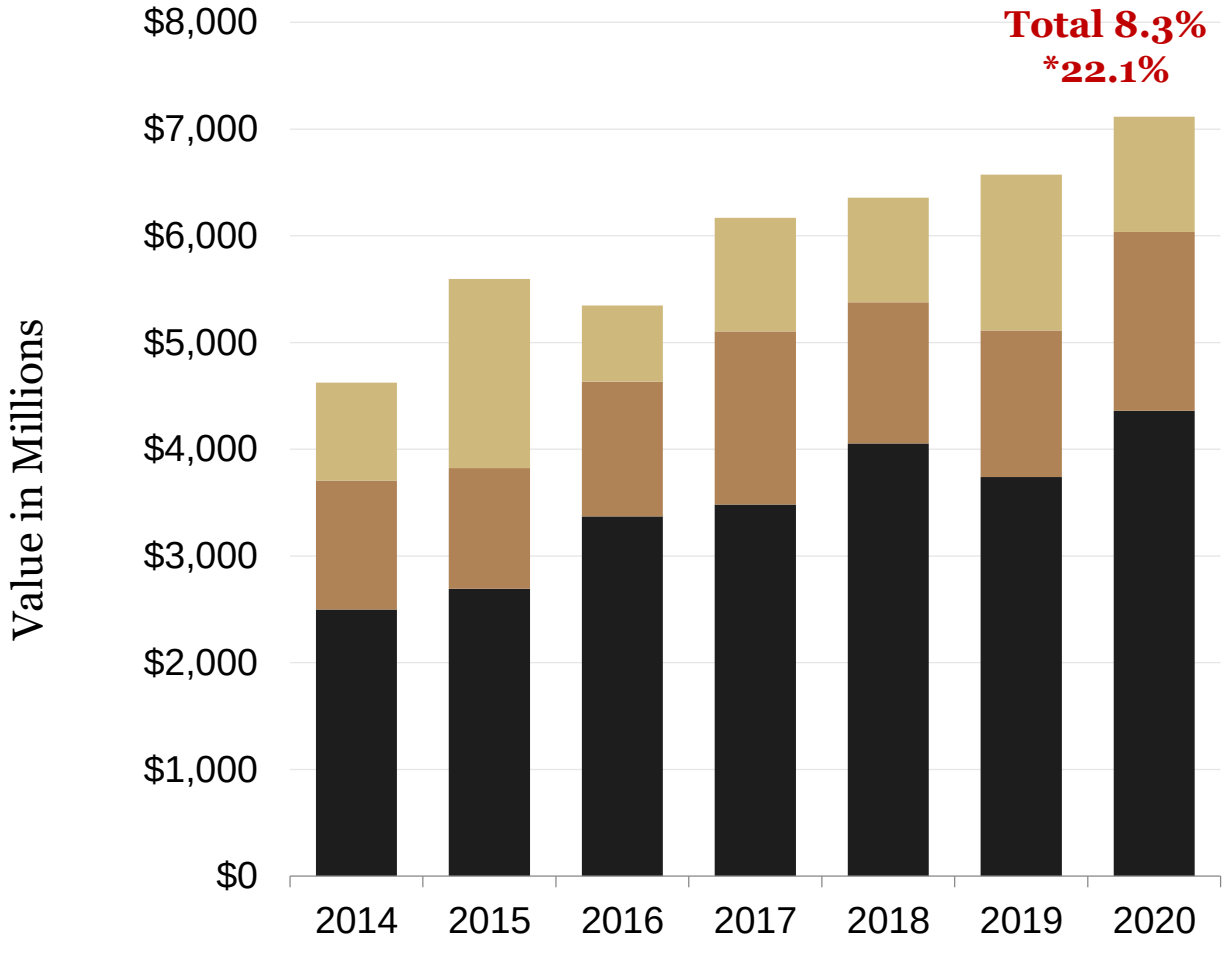
Source: Newmark Grubb Knight Frank.

Colorado Value of Construction

Colorado



Excluding Northern MSAs



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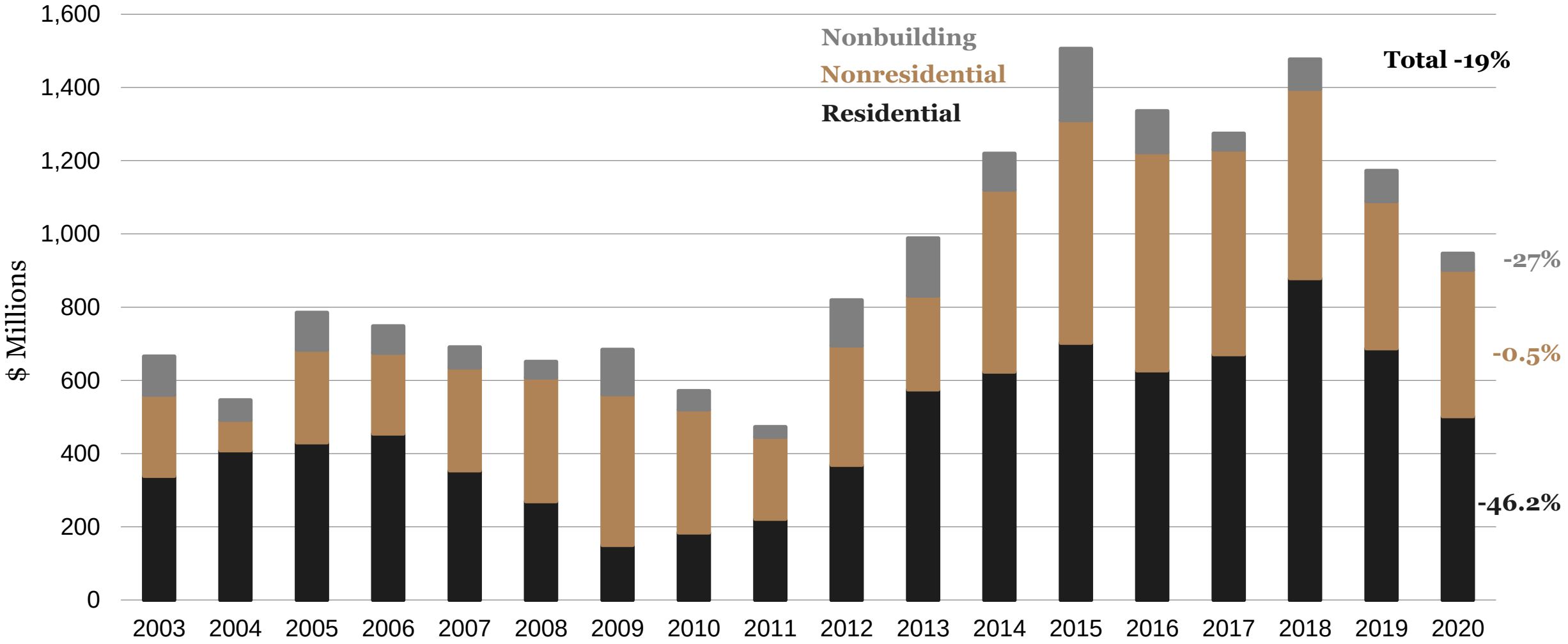
Source: McGraw-Hill Construction Dodge Research and Analytics. Northern MSAs include Denver, Boulder, Fort Collins, and Greeley. *Excluding one $743M project in Cheyenne County.

Boulder County Value of Construction



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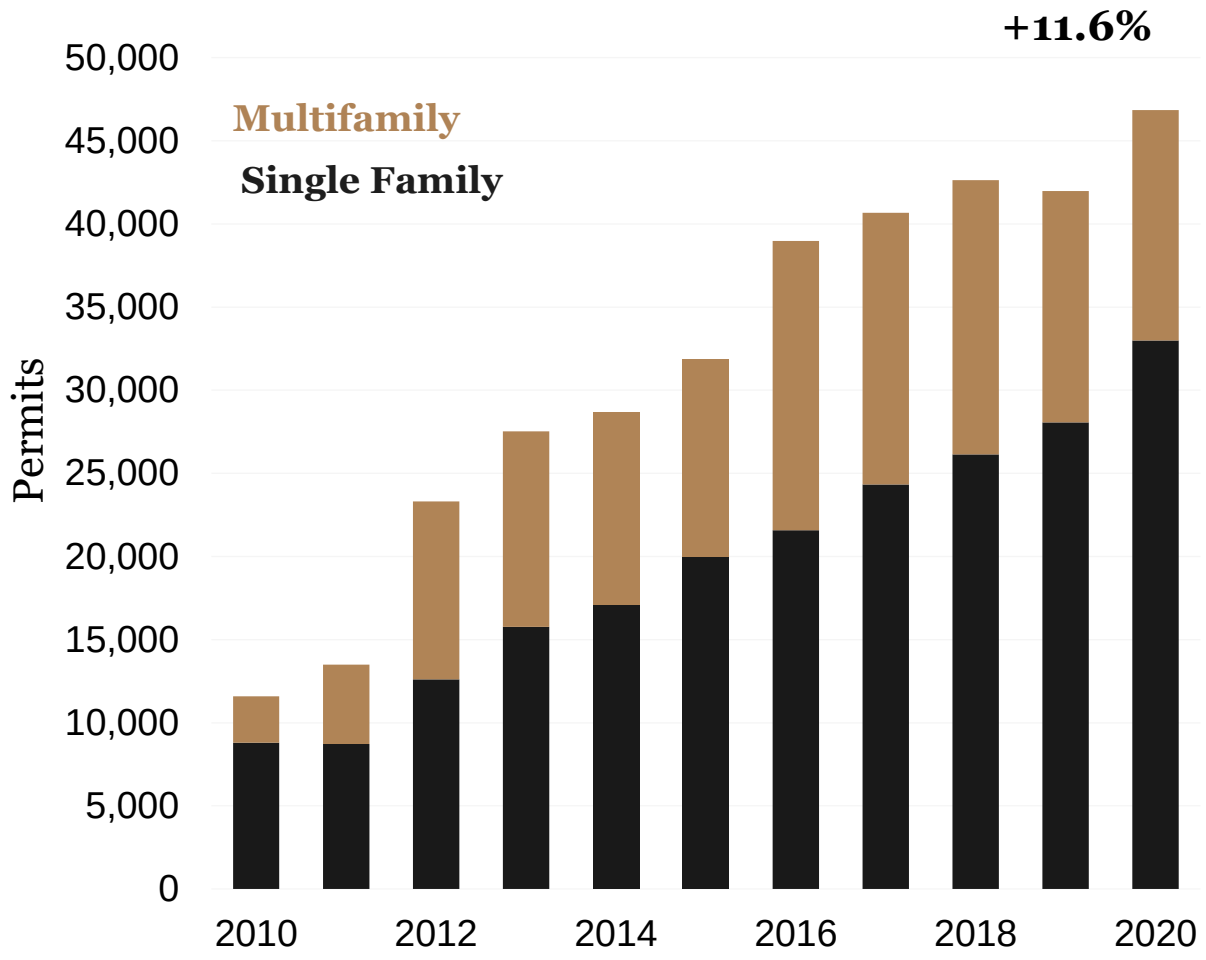
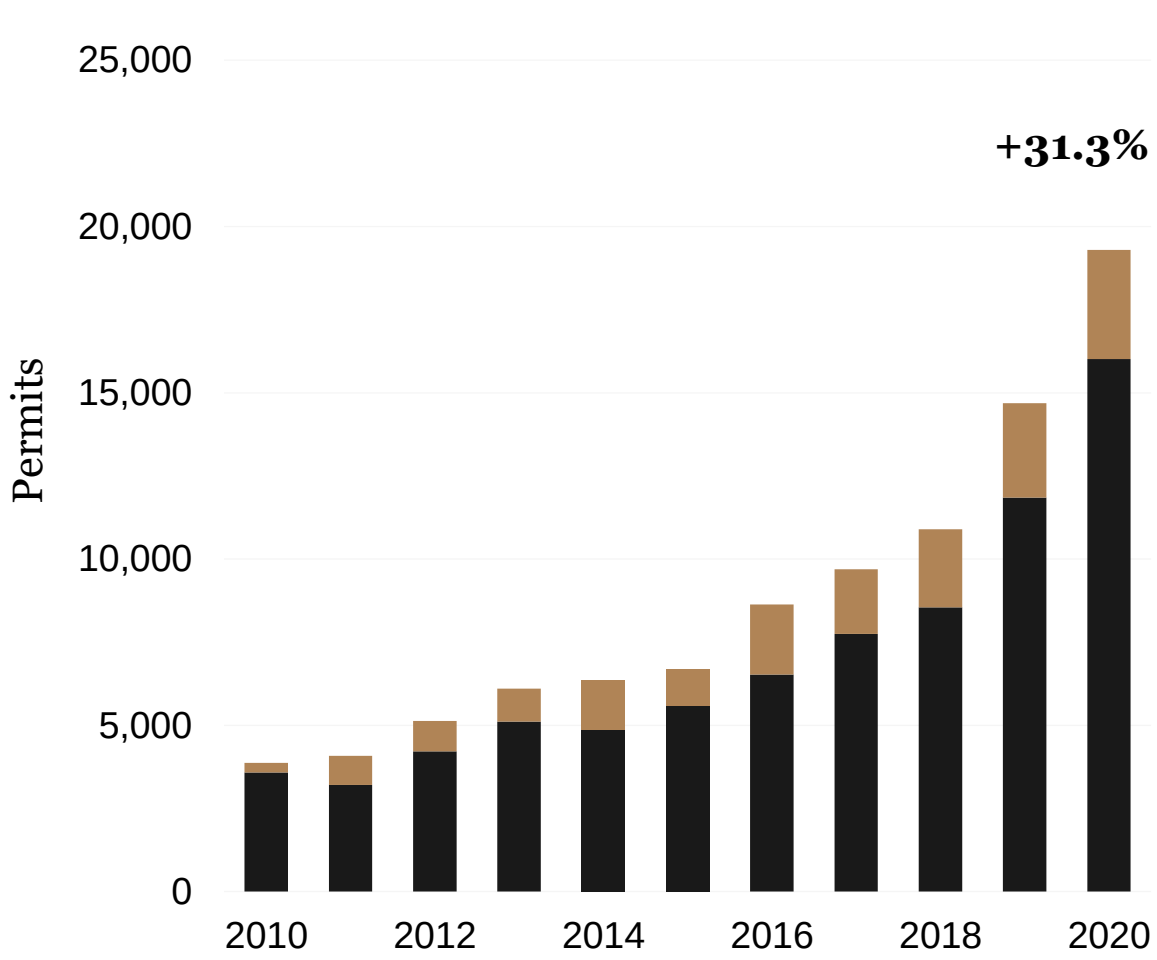
Sources: McGraw-Hill Construction Dodge Research and Analytics.

Residential Building Permits

Colorado



Excluding Northern MSAs



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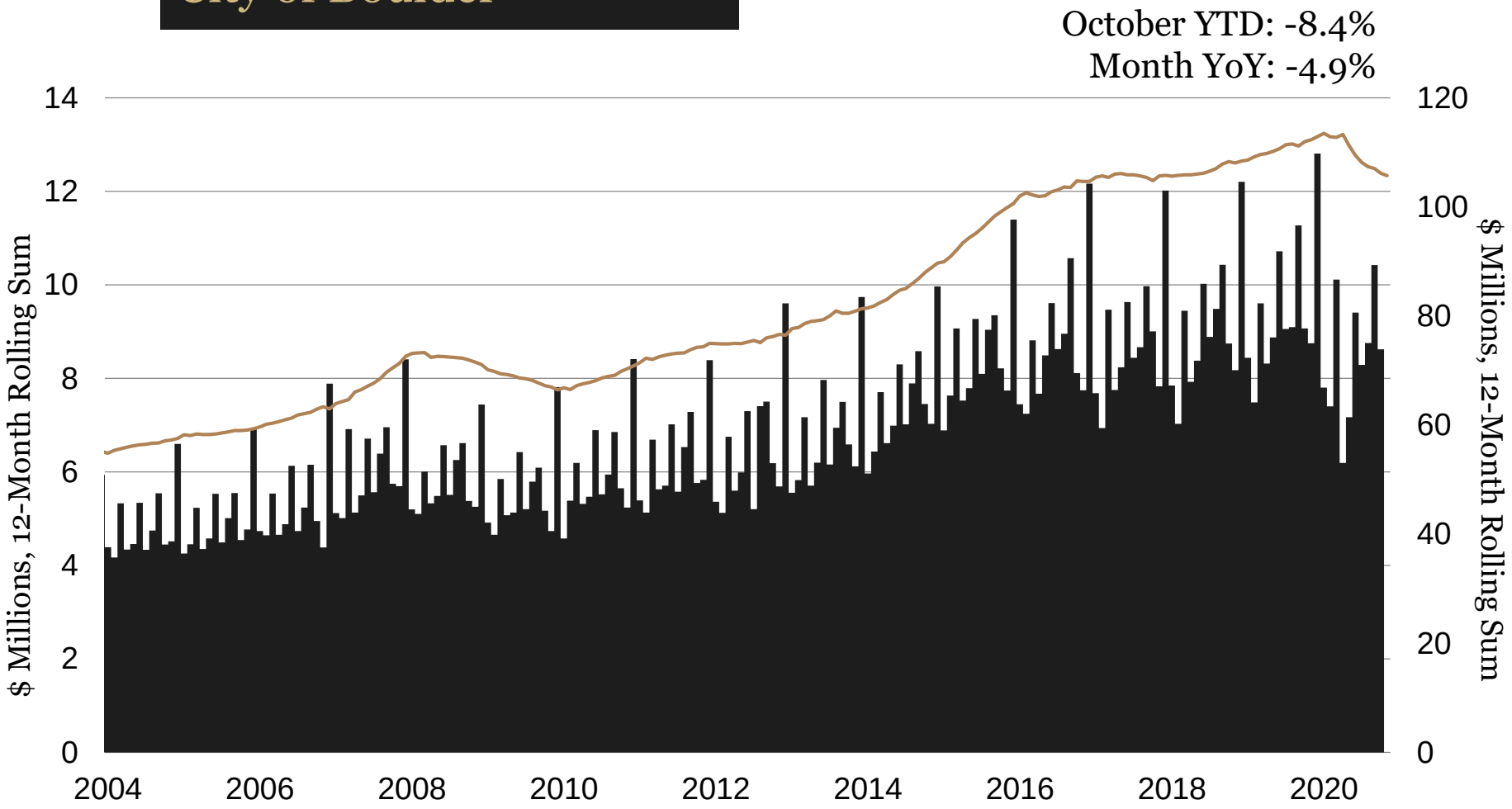
Sources: U.S. Census Bureau and the Colorado Business Economic Outlook Committee. Northern MSAs include Denver, Boulder, Fort Collins, and Greeley.

Sales Tax Collections

City of Boulder



Year to Date Growth Figures

City of Boulder (Oct.)	-8.4%
Louisville (Oct.)	-3.4%
Longmont (Oct.)	3.4%
Superior (Sept.)	16.0%
Lone Tree (July)	-28.1%
Fort Collins (Oct.)	-4.0%
Fort Collins (Dec.)	-3.3%
Greeley (Nov.)	-6.8%
Thornton (Sep.)	3.8%
Grand Junction (Dec.)	-2.0%
Colorado Springs (Dec.)	-0.2%
Pueblo	2.6%
Colorado	2.3%

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Sources: Individual City and State revenue websites.

Tourism

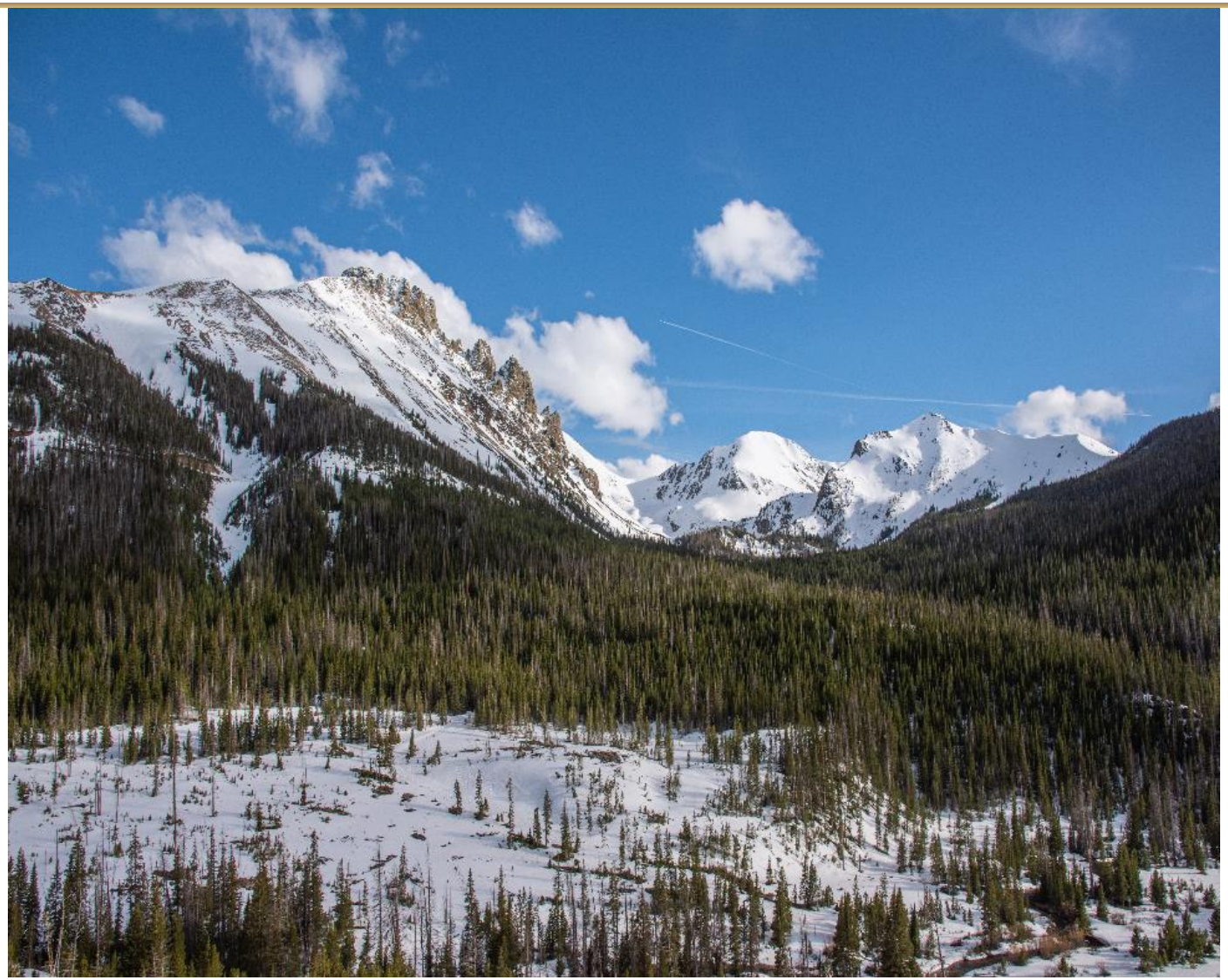
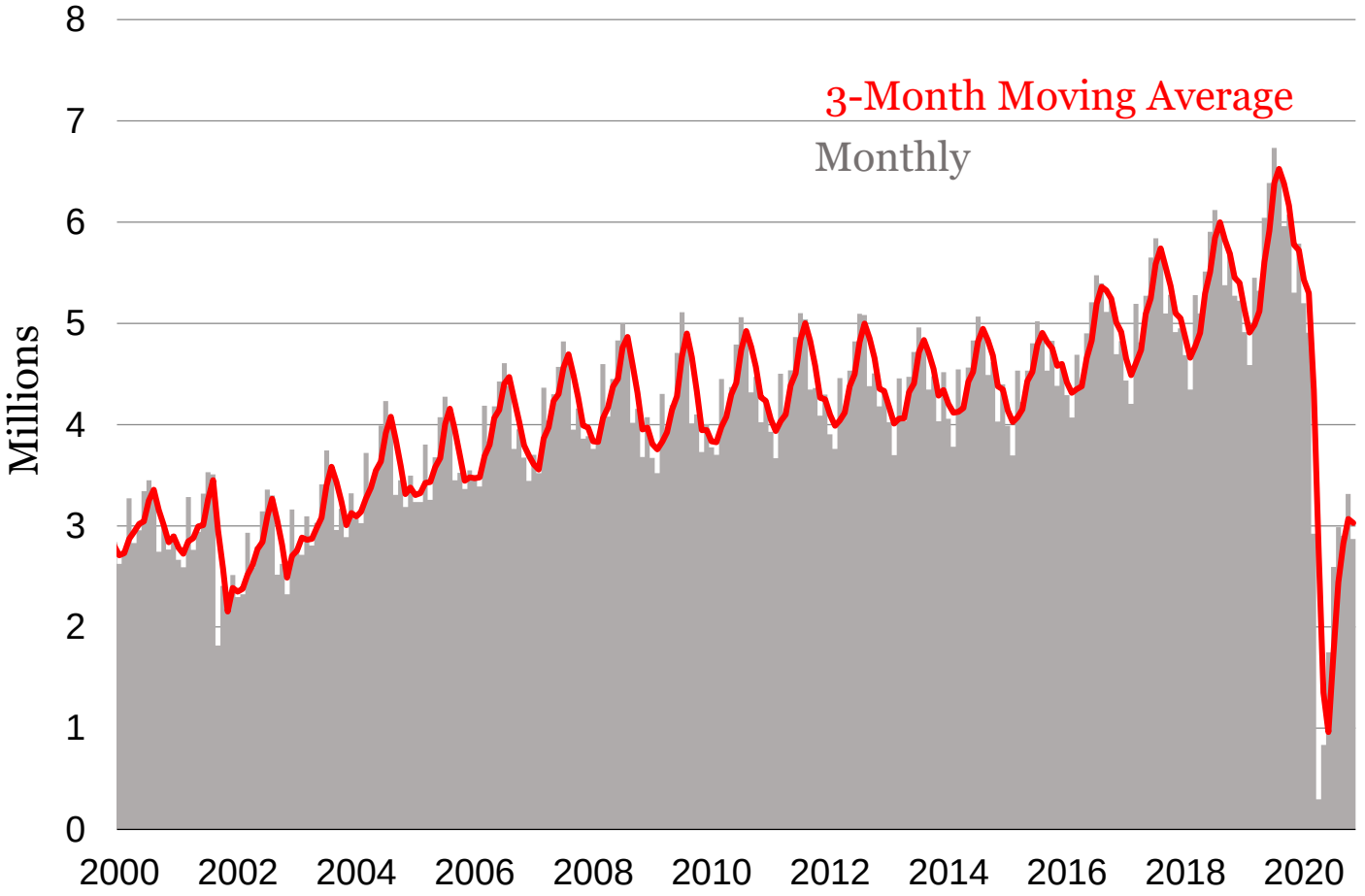
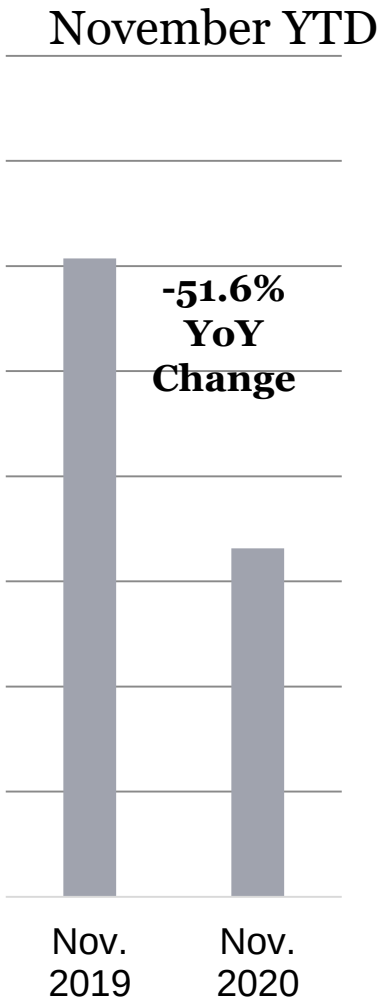


Photo courtesy of Dustin Doskocil/CPW.

DIA Enplanements and Deplanements

2000-2020





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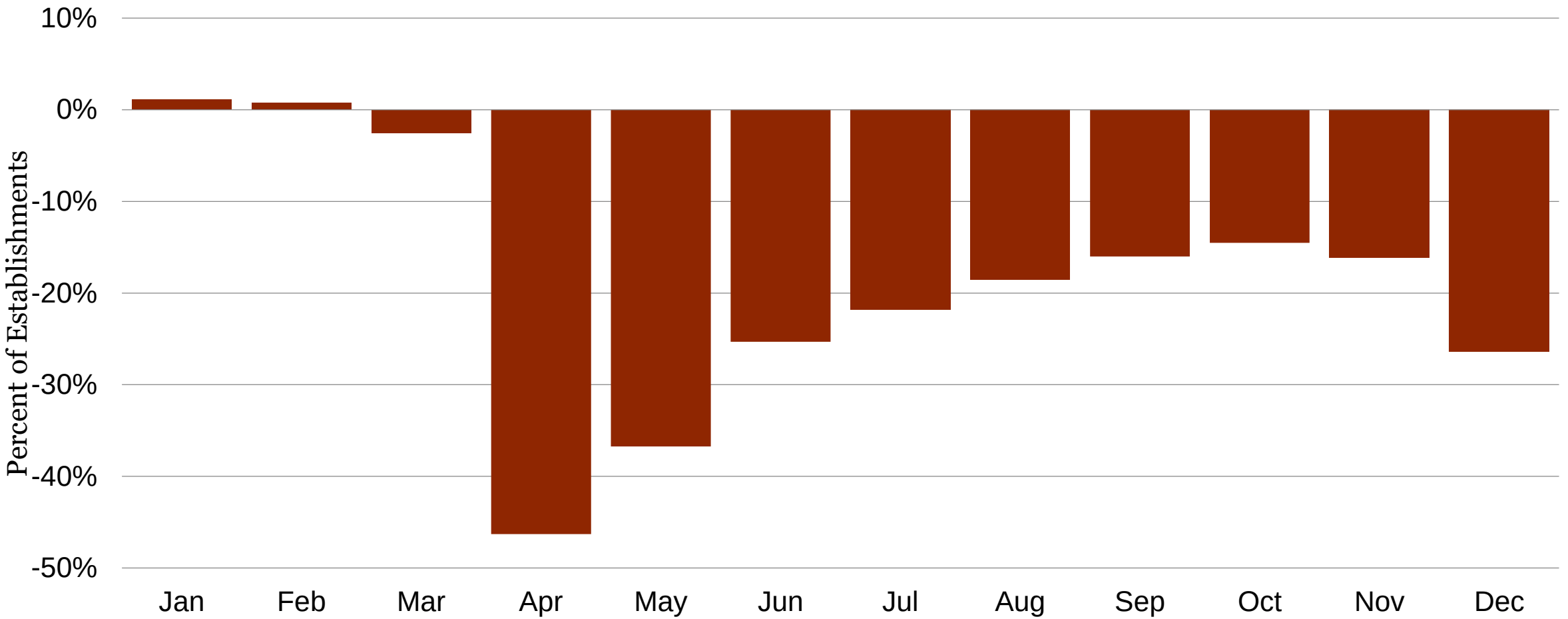
Sources: Denver International Airport and Colorado Business Economic Outlook Committee. Photo courtesy of Denver International Airport.

Leisure & Hospitality Employment

Year-Over-Year Percent Change in Leisure & Hospitality Employment



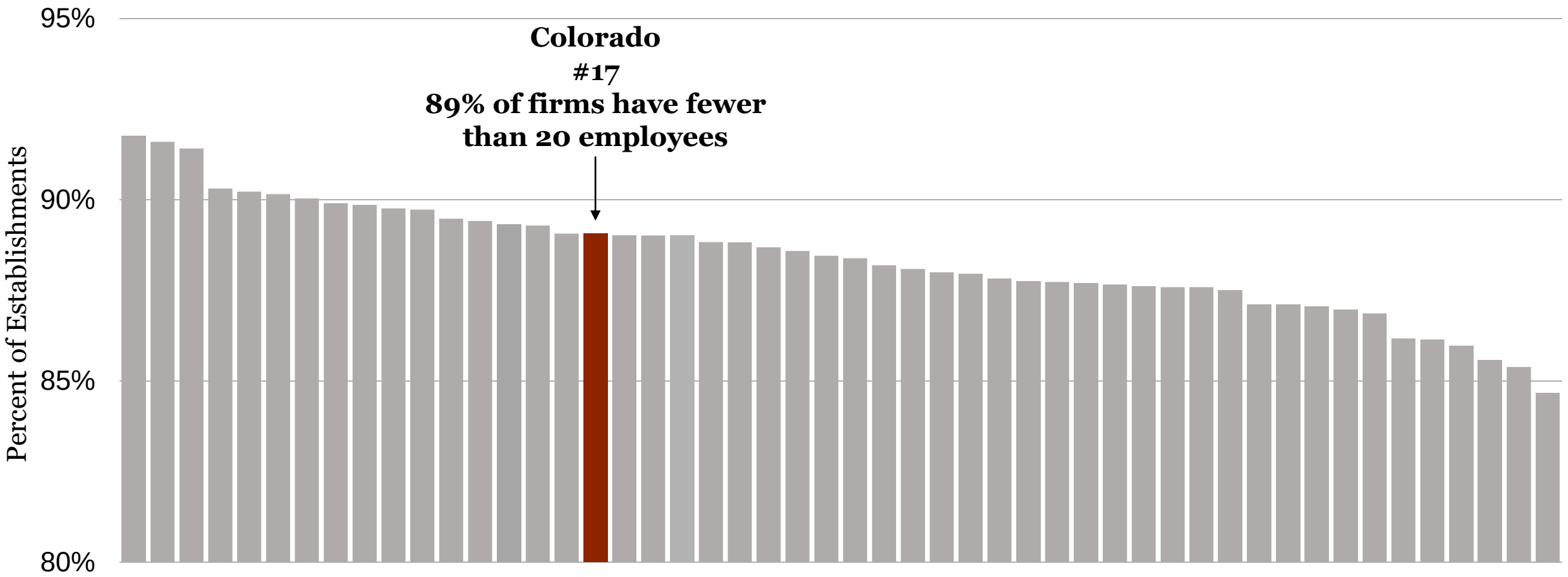
Source: Bureau of Labor Statistics, CES.

Indicators

Photo by Riccardo Annandale on Unsplash.

Percent of Small Business Establishments

Percent of Establishments with Less Than 20 Employees



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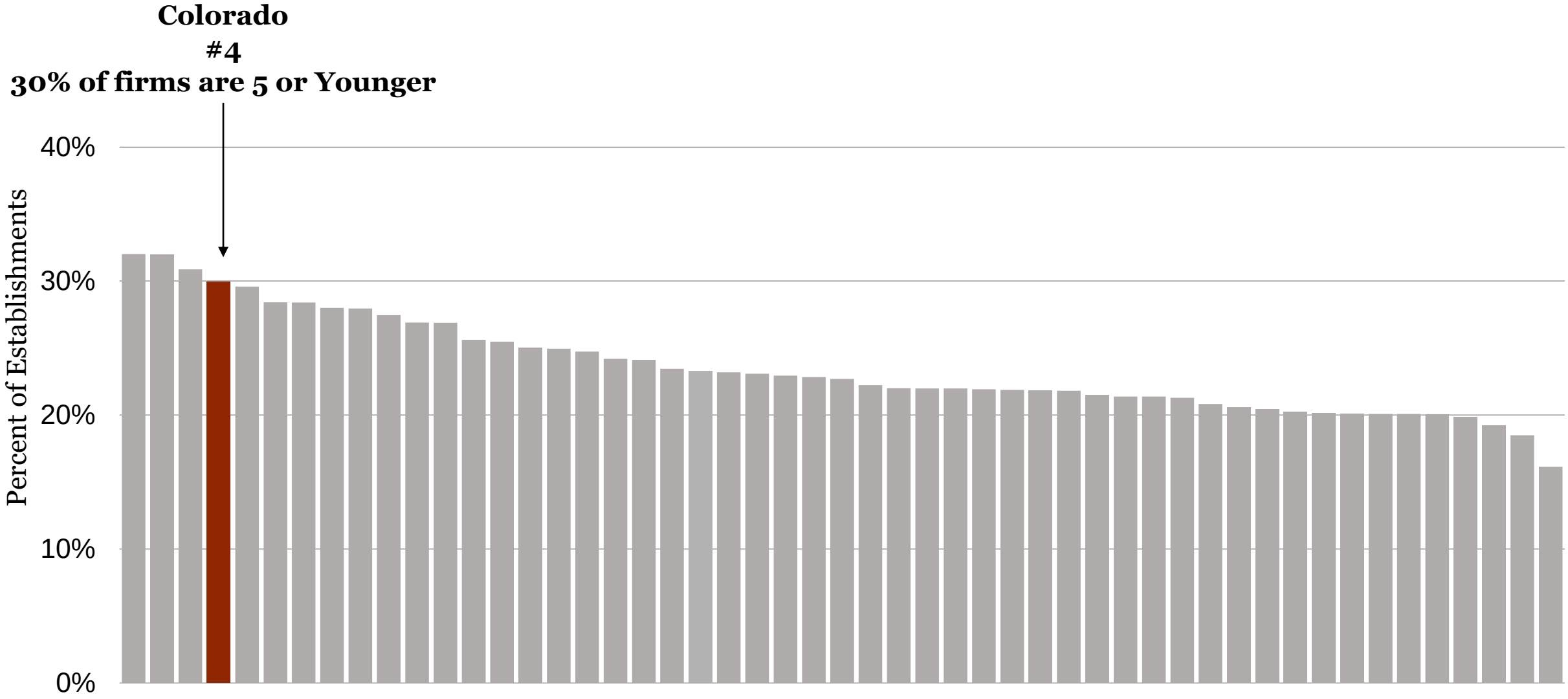
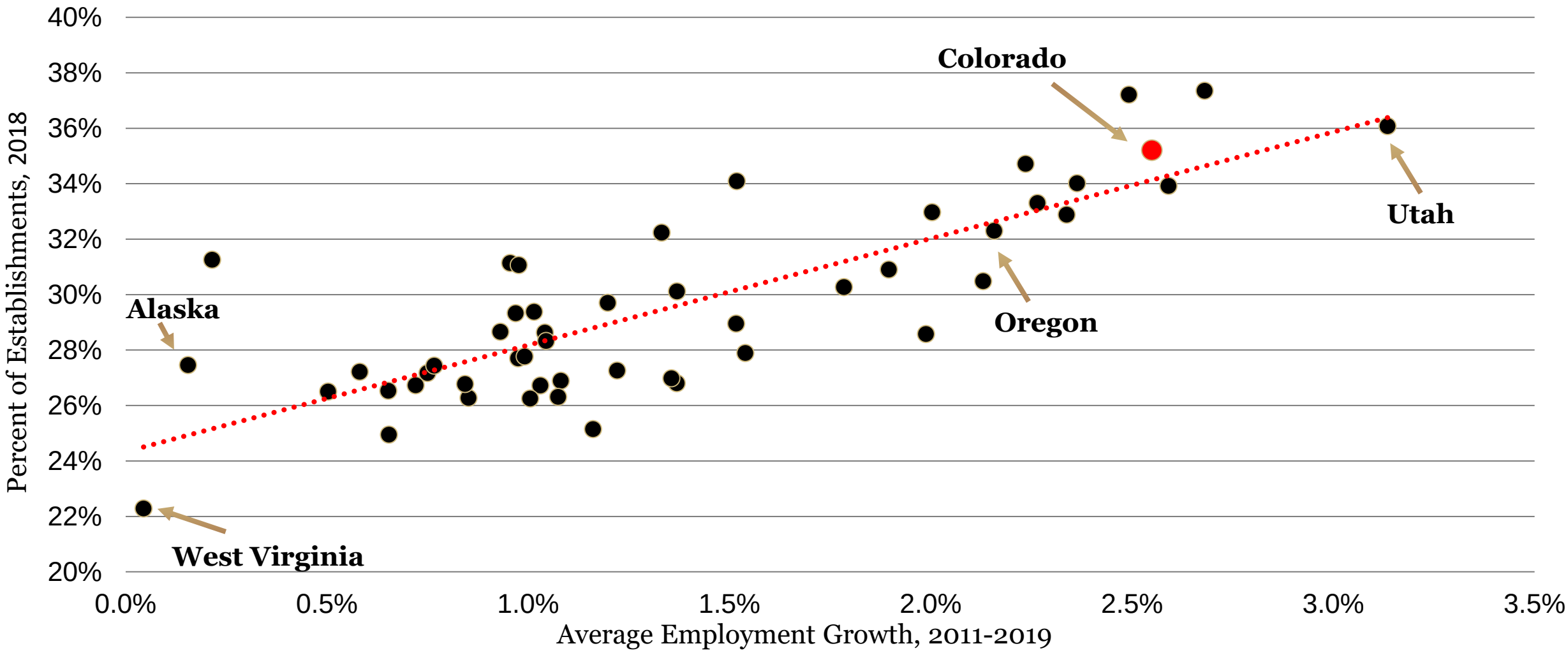
Source: Bureau of Labor Statistics, QCEW.

Young Establishments



Source: Bureau of Labor Statistics, QCEW.

Young Businesses and Employment Growth



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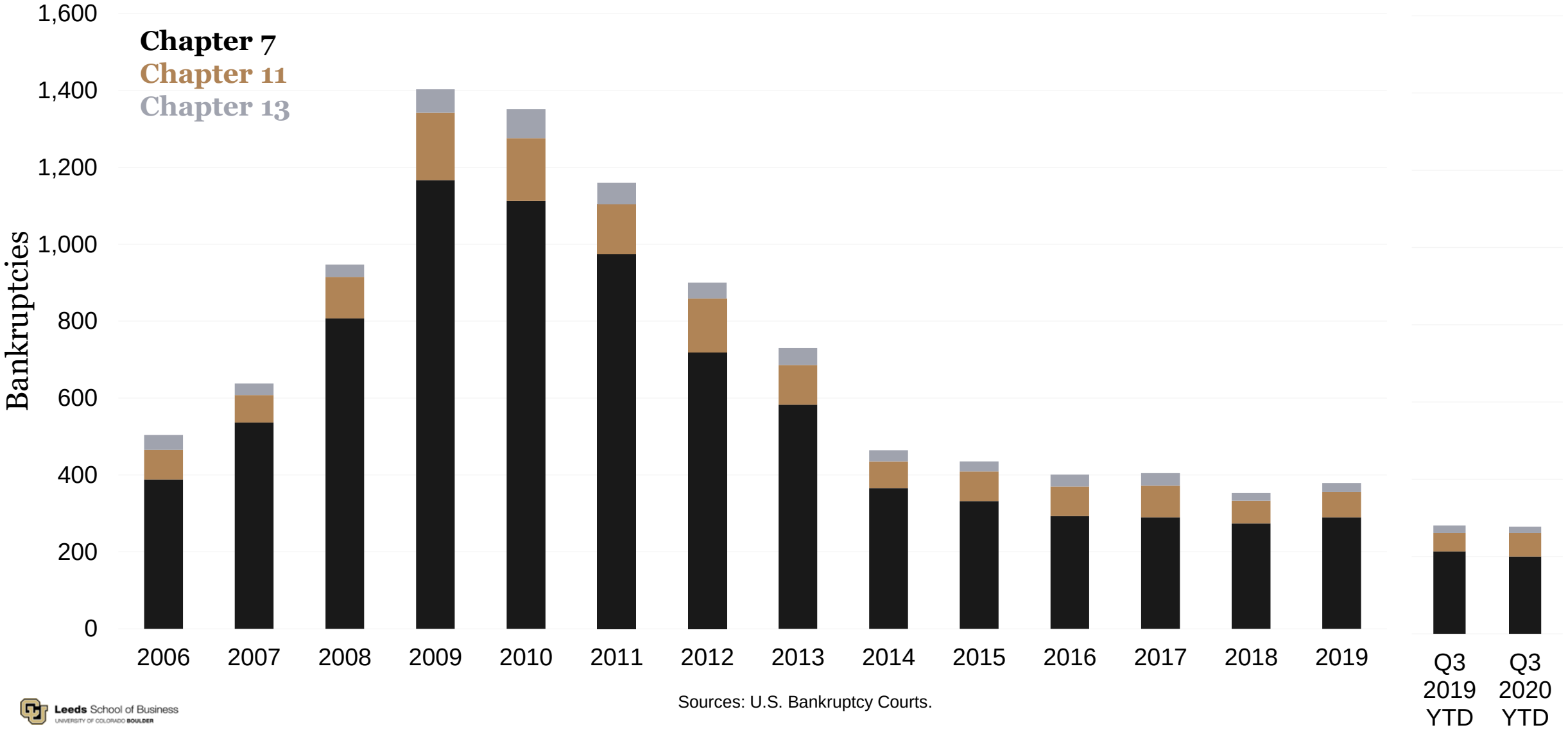
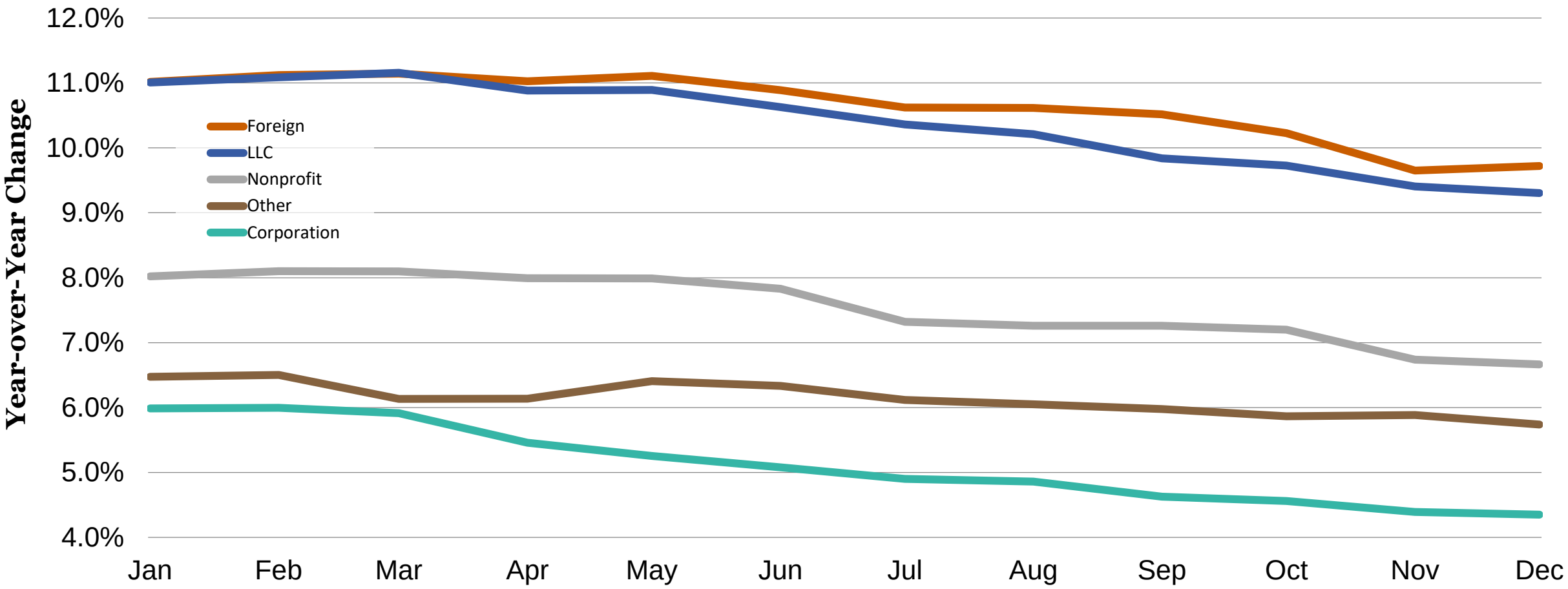
Sources: Census Bureau, Business Dynamics Statistics; Bureau of Labor Statistics, Current Employment Statistics.

Colorado Bankruptcy Filings



Sources: U.S. Bankruptcy Courts.

Delinquent Entities



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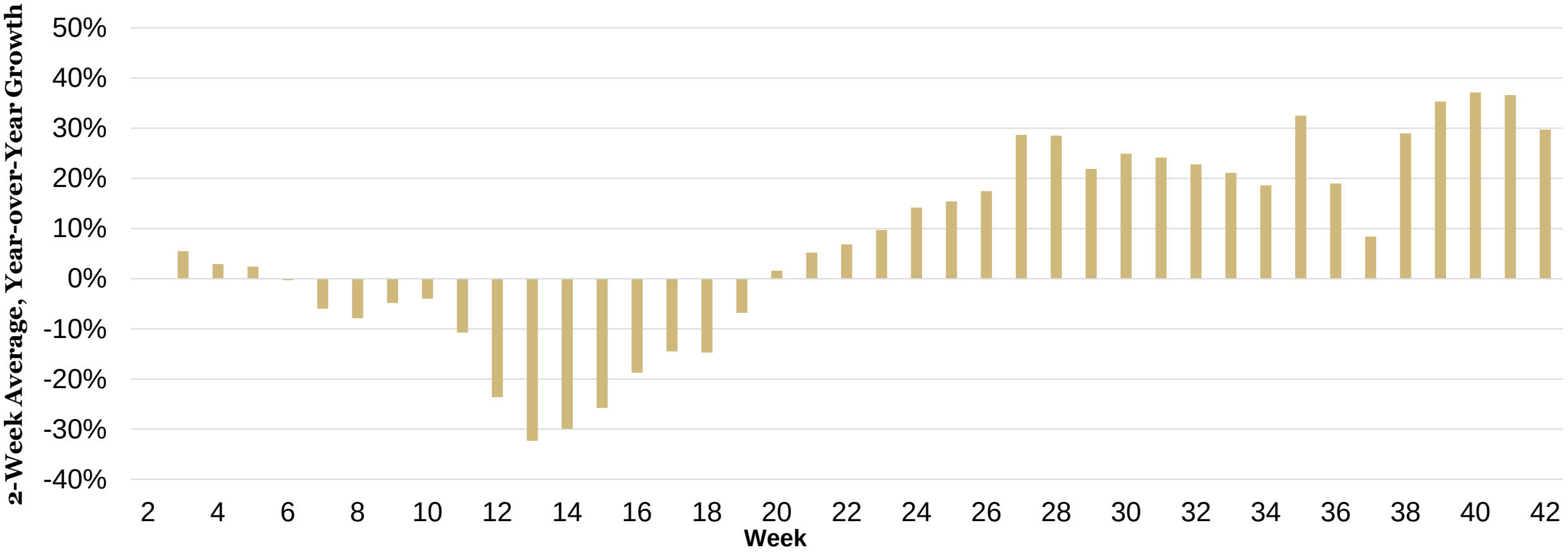
Sources: Colorado Secretary of State's Office.

New Entity Filings, Year-over-Year



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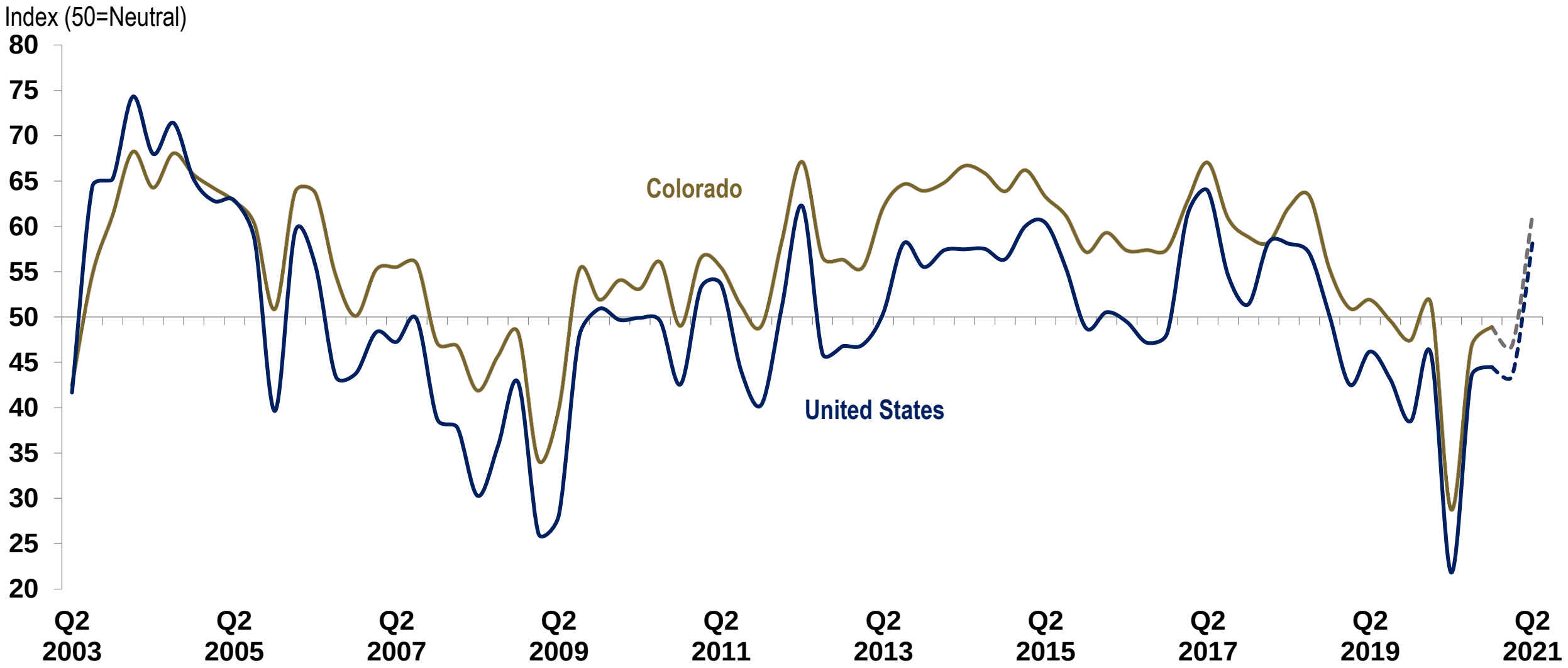
Sources: Colorado Secretary of State's Office.

National and State Expectations

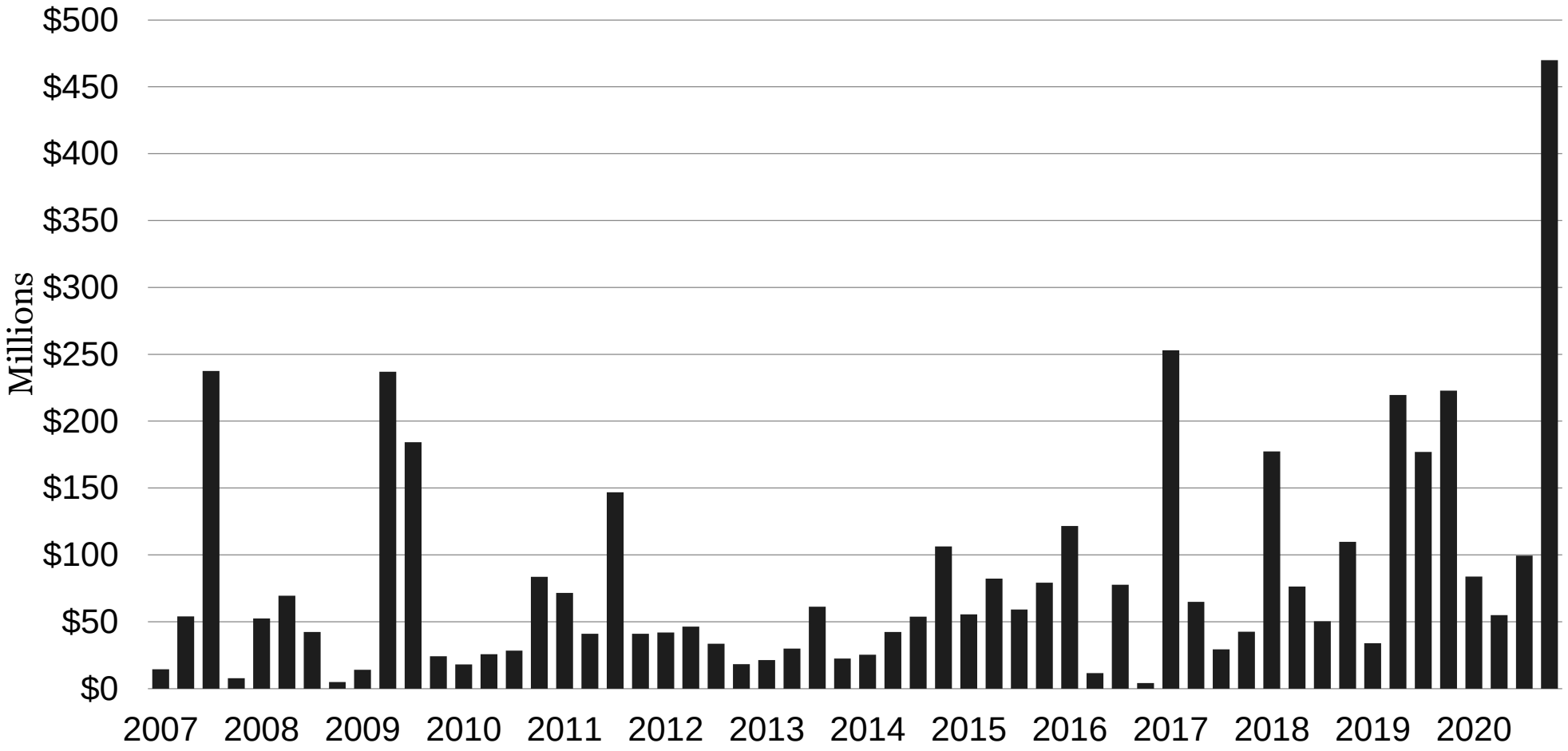


Venture Capital Investment

City of Boulder

Sample 2020 Deals

Automox
ColdQuanta
Edgewise Therapeutics
Enliven Therapeutics
Front Range Biosciences
Inscripta
LightDeck Diagnostics
Meati Foods
Neat Capital
Pocket Outdoor Media
SomaLogic
Stream
Techstars



Source: CB Insights.

Q&A