

Review of Colorado Economy Through February 2021



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Colorado-based Business and Economic Research
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Overview

The purpose of this chartbook is to review U.S. and Colorado data. The U.S. economy is slowly recovering from policies put in place related to COVID-19. Economic growth will accelerate in Q2 and Q3.

In Colorado, the COVID-19 policies had different impacts on industry sectors and MSA areas. Those sectors and geographic areas are recovering at different rates.

Most importantly, the economy is recovering quicker than anticipated in forecasts prepared during the second half of 2020.

Highlights

United States

- Real GDP and Industrial Production
- Employment and Unemployment
- Business Applications
- Major Indices
- S&P 500 and WTI Oil Prices
- Summary US

Colorado

- Real GDP
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- Consumer Spending
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Highlights

Key Points

- The reduction in COVID-19 cases, the rollout of the vaccine, the opening of the economy in many states, and federal stimulus have improved economic activity and the labor market.
- The outlook for 2021 is more favorable than it was six months ago.
- The equity markets remain strong.
- The price of oil has increased.
- The labor market is improving unevenly.
- In Colorado, the most significant number of job losses related to COVID-19 policy are in the Denver, Colorado Springs, and Boulder MSAs.
- The sectors with the highest rate of job recovery are financial activities, TWU, MCE, the federal government, and retail trade.
- The sectors with the lowest rate of job recovery are the state and local government, leisure and hospitality, and other services.
- Sectors with higher wages have recovered.

Questions

- Will vaccinations effectively prevent the virus?
- What COVID-19 related disruptions will occur in supply chains?
- When will people become confident enough to travel and attend public events?
- How severely have industries been scarred?
- Will inflation or stagflation become a problem?
- Will housing prices continue to rise?
- How long will interest rates remain low?
- How will stimulus programs impact the economy?
- How will the proposed infrastructure bill affect the economy?
- Will it be necessary for the Federal Reserve to provide additional assistance?

The United States Economy



Real Gross Domestic Product and Industrial Production United States

Key Points

The near-term forecasts for economic activity continue to improve. Real GDP will grow by 5.5% in 2021. The value of real GDP will return to pre-COVID levels in Q2 of 2021. It will take U.S. employment much longer to return to pre-COVID levels, most likely late 2022 or 2023.

During 2020, industrial production was volatile. Growth will be much more robust in Q2 and Q3.

U.S. Real GDP

Change Between 2019 and 2020

The following table shows the value of real GDP for each industry, the absolute change in the real GDP, and the relative change in real GDP. The table is sorted by the 2020 real GDP.

Change in U.S. Real GDP by Industry (millions)

Industry Description	Real GDP 2020	Change 2019 vs 2020	Rate
All industry total	18,426,076	(665,586)	-3.5%
Finance, insurance, real estate, rentals	3,645,073	10,174	0.3%
Professional and business services	2,462,994	(55,933)	-2.2%
Government and government enterprises	2,183,071	(46,472)	-2.1%
Manufacturing	2,152,600	(62,745)	-2.8%
Education, health care, and social services	1,563,961	(95,743)	-5.8%
Information	1,283,532	39,572	3.2%
Retail trade	1,087,282	(30,968)	-2.8%
Wholesale trade	1,049,146	(43,335)	-4.0%
Construction	652,071	(12,535)	-1.9%
Leisure and hospitality	526,585	(201,805)	-27.7%
Transportation and warehousing	502,095	(73,778)	-12.8%
Mining and oil and gas extraction	447,123	(57,193)	-11.3%
Other services (except government)	326,840	(47,191)	-12.6%
Utilities	295,921	10,230	3.6%
Agriculture, forestry, fishing and hunting	257,159	13,552	5.6%

Key Points

- The real GDP rate of growth for the U.S. in 2020 was -3.5%.
- The real GDP for the industries highlighted in green were positive.
- The sectors with the highest rates of decline (orange) had lower levels of real GDP. They were affected the most by policies related to the pandemic. The impact on these industries will decrease as pandemic restrictions are relaxed.
- The hospitality and transportation industries will recover when consumers regain confidence in traveling and attending large events.
- The outlook calls for more robust growth in Q2 and Q3 2021. The real GDP will increase by 5.5% in 2021.

Source: Bureau of Labor Statistics, cber.co.

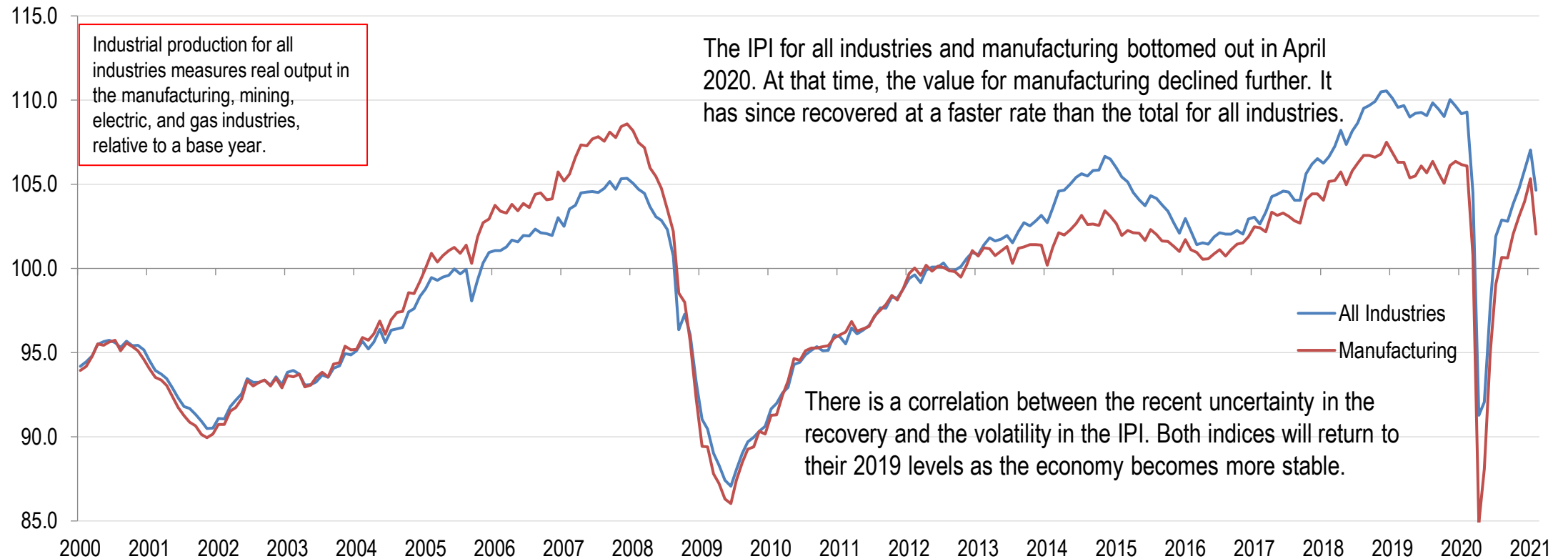
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Industrial Production Index

All Industries and Manufacturing

Industrial Production, All Industries and Manufacturing

Index, 2012 = 100



Source: FRED, Federal Reserve, SA, cber.co.

Employment and Unemployment

United States and Colorado

Key Points

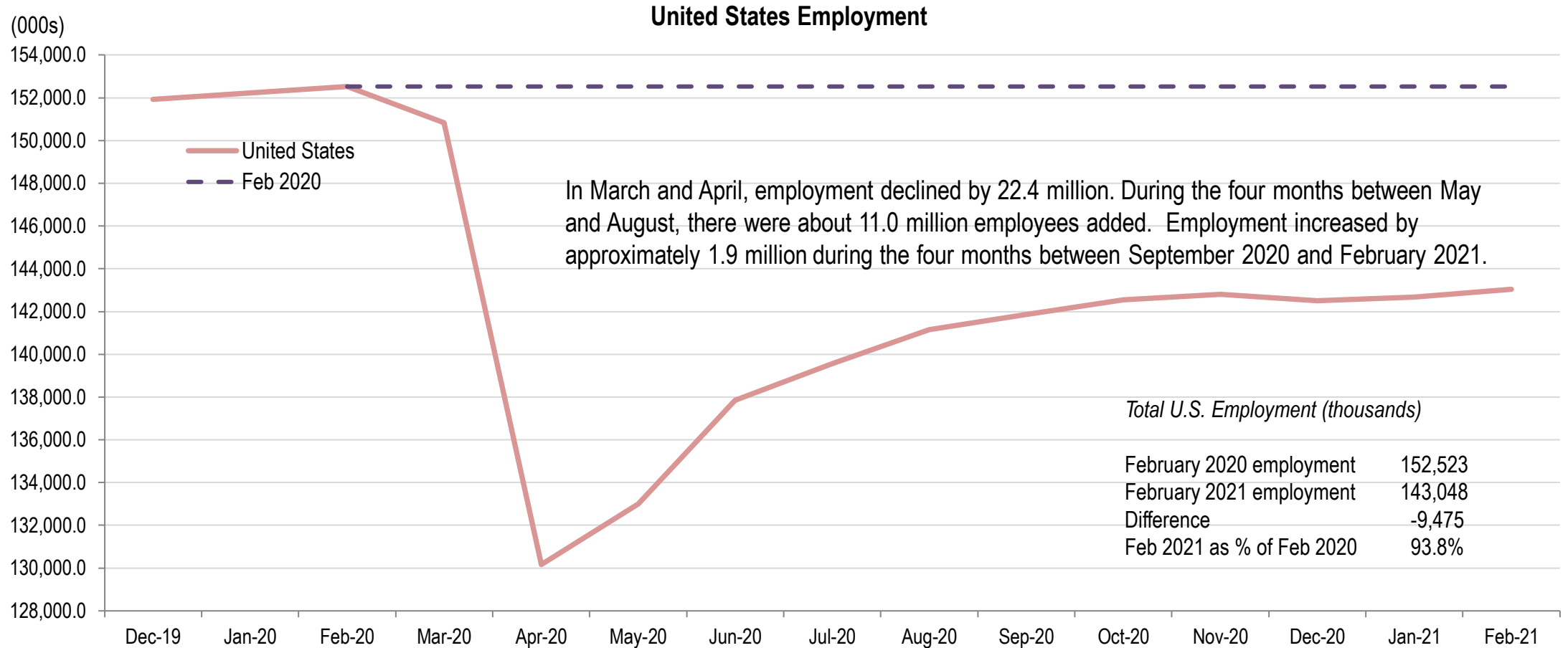
U.S. employment in February 2021 was 93.8% of the total for February 2020. The percent rate of recovery for Colorado is 94.4%.

Colorado is ranked 28th for its rate of recovery and 34th for its absolute recovery.

The recovery is different across the U.S., as seen by the wide range of state unemployment rates. Colorado is ranked 36th with an unemployment rate of 6.6%.

Change in Employment

United States



Source: Bureau of Labor Statistics, cber.co.

Recovery by State

February 2021 – Sorted by Percent of Recovery

The following tables show the February 2021 employment, change from February 2020, and percent of recovery by state. Colorado is ranked 28th for its recovery percentage. It is ranked 34th for its absolute recovery.

Percent Recovery by State (Ranked 1-17)					Percent Recovery by State (Ranked 18-34)					Percent Recovery by State (Ranked 35-51)				
Rank	State	Feb 2021	2/21 vs 2/20	Rate	Rank	State	Feb 2021	2/21 vs 2/20	Rate	Rank	State	Feb 2021	2/21 vs 2/20	Rate
1	Idaho	781.3	7.9	101.0%	18	Kansas	1,358.3	(70.5)	95.1%	35	Pennsylvania	5,656.7	(435.9)	92.8%
2	Utah	1,578.0	5.8	100.4%	19	Iowa	1,510.5	(80.4)	94.9%	36	Connecticut	1,574.8	(121.5)	92.8%
3	Montana	477.7	(10.3)	97.9%	20	Kentucky	1,856.6	(100.4)	94.9%	37	Alaska	305.7	(24.1)	92.7%
4	South Dakota	431.8	(11.0)	97.5%	21	Wyoming	273.5	(15.1)	94.8%	38	Michigan	4,120.6	(332.3)	92.5%
5	Arkansas	1,255.6	(36.8)	97.2%	22	Delaware	443.5	(24.5)	94.8%	39	Illinois	5,681.6	(461.2)	92.5%
6	Nebraska	1,002.1	(30.3)	97.1%	23	Maine	605.8	(34.2)	94.7%	40	Louisiana	1,838.3	(155.2)	92.2%
7	Alabama	2,018.4	(68.1)	96.7%	24	Oklahoma	1,609.8	(91.9)	94.6%	41	Oregon	1,819.1	(153.9)	92.2%
8	North Carolina	4,452.9	(173.7)	96.2%	25	New Hampshire	651.5	(37.5)	94.6%	42	New Jersey	3,876.4	(353.2)	91.6%
9	Tennessee	3,035.1	(118.6)	96.2%	26	West Virginia	679.3	(39.4)	94.5%	43	Massachusetts	3,408.3	(325.1)	91.3%
10	South Carolina	2,111.3	(85.1)	96.1%	27	Wisconsin	2,833.2	(164.6)	94.5%	44	Rhode Island	462.9	(44.3)	91.3%
11	Arizona	2,875.3	(117.8)	96.1%	28	Colorado	2,662.3	(156.7)	94.4%	45	Vermont	286.9	(27.6)	91.2%
12	Mississippi	1,116.2	(47.0)	96.0%	29	Ohio	5,295.9	(314.0)	94.4%	46	District of Columbia	732.1	(71.3)	91.1%
13	Indiana	3,025.8	(138.0)	95.6%	30	Maryland	2,613.1	(165.9)	94.0%	47	New Mexico	784.8	(77.1)	91.1%
14	Missouri	2,796.1	(130.5)	95.5%	31	Washington	3,300.6	(212.5)	94.0%	48	California	15,998.9	(1,662.0)	90.6%
15	Texas	12,376.7	(593.3)	95.4%	32	Florida	8,512.1	(560.0)	93.8%	49	Nevada	1,289.3	(153.5)	89.4%
16	Georgia	4,452.9	(213.6)	95.4%	33	North Dakota	411.8	(28.5)	93.5%	50	New York	8,772.3	(1,062.8)	89.2%
17	Virginia	3,893.7	(197.3)	95.2%	34	Minnesota	2,785.1	(211.2)	93.0%	51	Hawaii	544.3	(118.0)	82.2%

Source: Bureau of Labor Statistics, cber.co.

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Unemployment Rates by States

February 2021

Unemployment Rate < 4.6%			Unemployment Rate Between 4.6% and 6.4%		
Rank	State	Rate	Rank	State	Rate
1	South Dakota	2.9%	17	Florida	4.7%
2	Utah	3.0%	18	North Dakota	4.7%
3	Nebraska	3.1%	19	Georgia	4.8%
4	Vermont	3.1%	20	Maine	4.8%
5	Kansas	3.2%	21	Tennessee	4.9%
6	Idaho	3.3%	22	Ohio	5.0%
7	New Hampshire	3.3%	23	Kentucky	5.2%
8	Iowa	3.6%	24	Michigan	5.2%
9	Wisconsin	3.8%	25	South Carolina	5.2%
10	Montana	3.9%	26	Virginia	5.2%
11	Alabama	4.0%	27	Wyoming	5.3%
12	Indiana	4.0%	28	Washington	5.6%
13	Missouri	4.2%	29	North Carolina	5.7%
14	Minnesota	4.3%	30	Oregon	6.1%
15	Oklahoma	4.4%	31	Maryland	6.2%
16	Arkansas	4.5%	32	West Virginia	6.2%
			33	Delaware	6.3%
			34	Mississippi	6.3%

In February, the U.S. unemployment rate dropped to 6.2%. Thirty-two states had unemployment rates lower than the national rate (green).

Twenty-two states had an unemployment rate of 5.0% or less. No states had unemployment rates in double digits.

About 17% of the U.S. labor force is in the 16 states, with unemployment rates less than 4.6% (column 1).

About 35% of the U.S. labor force is in the 18 states, with unemployment rates between 4.6% and 6.4% (column 2).

About 48% of the U.S. labor force is in the 16 states and D.C., with unemployment rates greater than 6.4% (column 3).

The states with the largest labor forces are CA, TX, FL, NY, PA, IL, OH, GA, NC, and MI. About 53% of the U.S. labor force resides in these 10 states.

Unemployment Rate is > 6.4%		
Rank	State	Rate
35	Alaska	6.6%
36	Colorado	6.6%
37	Arizona	6.9%
38	Texas	6.9%
39	Massachusetts	7.1%
40	Pennsylvania	7.3%
41	Rhode Island	7.3%
42	Illinois	7.4%
43	Louisiana	7.6%
44	New Jersey	7.8%
45	District of Columbia	8.1%
46	Nevada	8.3%
47	New Mexico	8.3%
48	California	8.5%
49	Connecticut	8.5%
50	New York	8.9%
51	Hawaii	9.2%

Source: Bureau of Labor Statistics, cber.co.

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Business Applications

United States

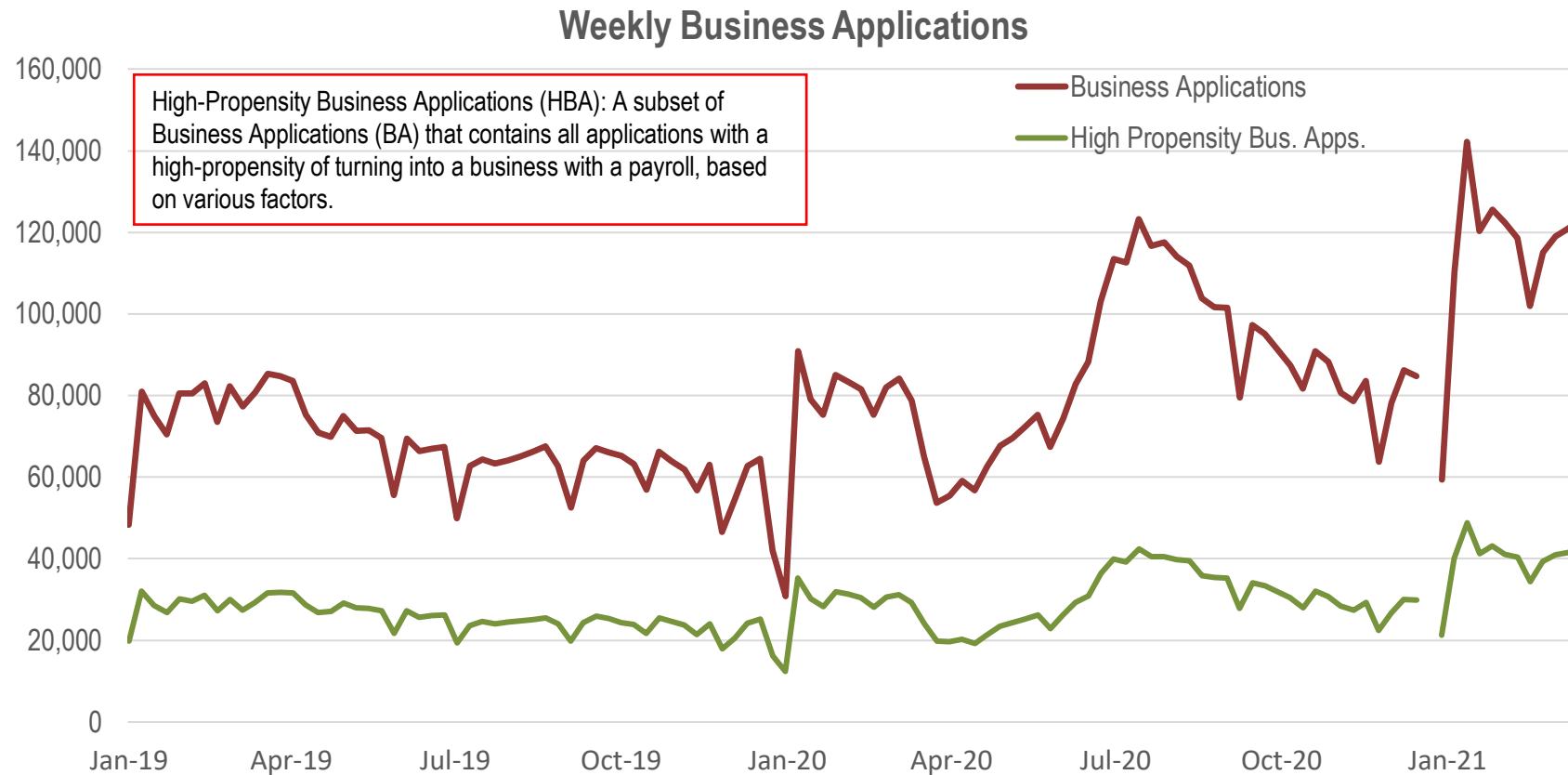
Key Points

U.S. business and high propensity applications for 2020 increased at a faster rate than in 2019.

Through the first twelve weeks of 2021, U.S. applications and high propensity applications increased at a significantly greater rate than in 2020. The rate of growth is much stronger than expected.

U.S. Weekly Business Applications

Total and High Propensity 2019 vs 2020



Business Applications

There were 4.3 million business applications (burgundy) in 2020, a 22.4% increase over 2019. The number of applications through the first 12 weeks of 2021 is 51.3% greater than the same period in 2020.

High Propensity Business Applications

There were 1.3 million high propensity applications (green) in 2020, a 14.9% increase over 2019. The number of high propensity applications through the first 12 weeks of 2021 is 38.1% greater than the same period in 2020.

Source: FRED, U.S. Census Bureau, NSA, cber.co.

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Major Indices

NAHB, Consumer Sentiment Index, NFIB Small Business Optimism Index, and Manufacturing and Services Indices

Key Points

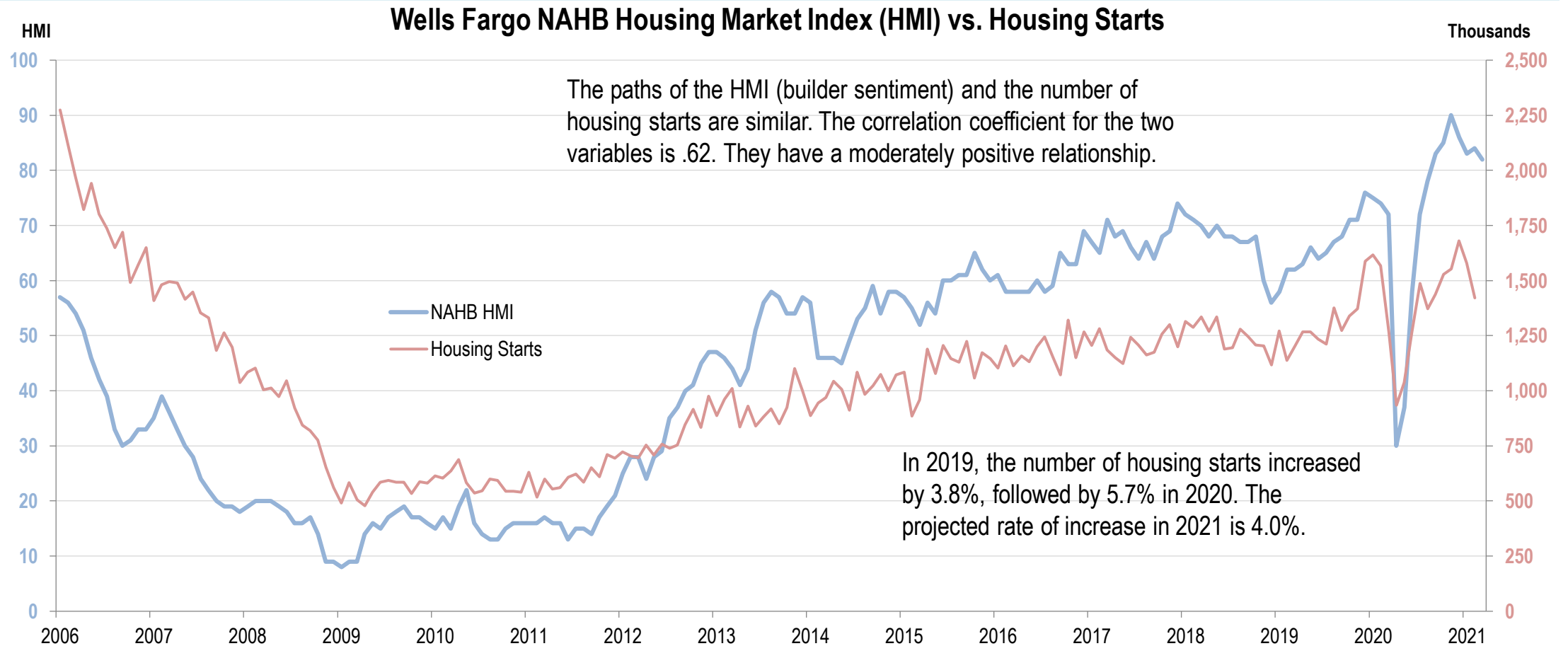
The housing market was strong in 2020. Growth will continue at a modest pace in 2021.

The Michigan Consumer Sentiment Index has remained flat for four months.

The NFIB Small Business Optimism Index dropped in December and has not bounced back.

The indices for manufacturing and services are in expansionary territory.

Wells Fargo NAHB HMI vs. Housing Starts

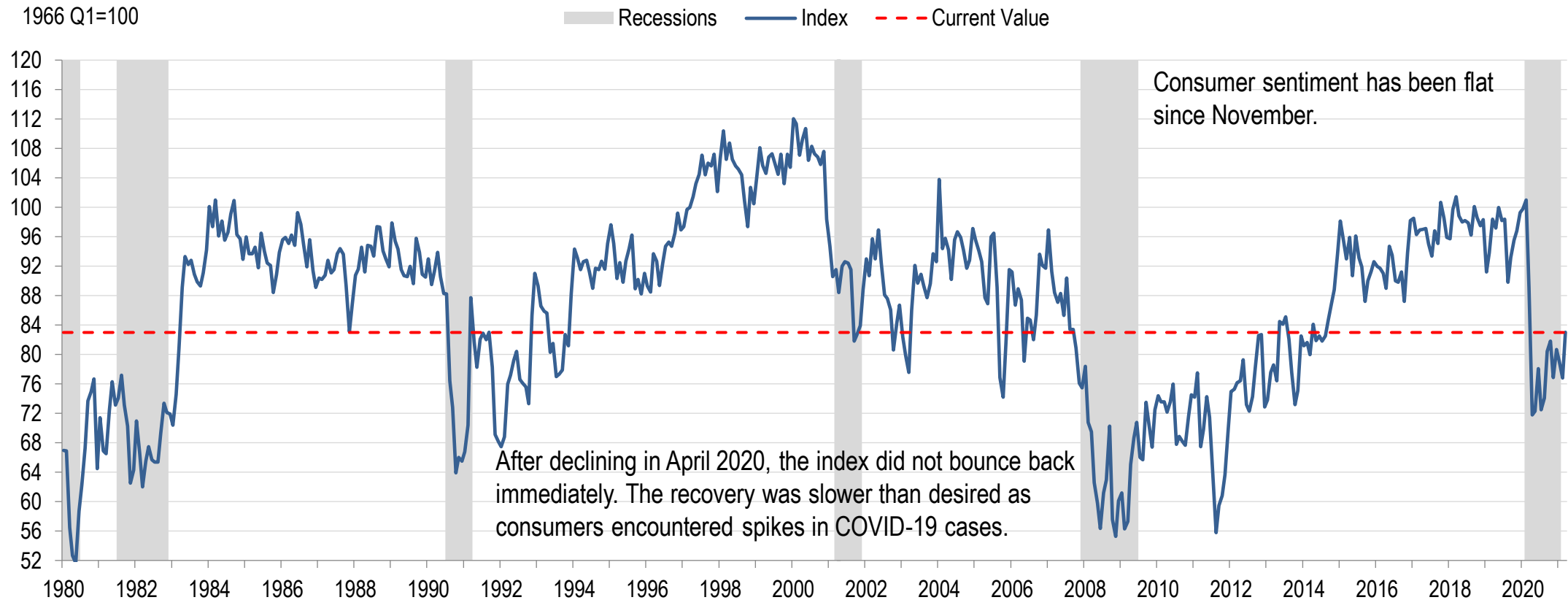


Source: NAHB, cber.co.

Consumer Sentiment Index

University of Michigan

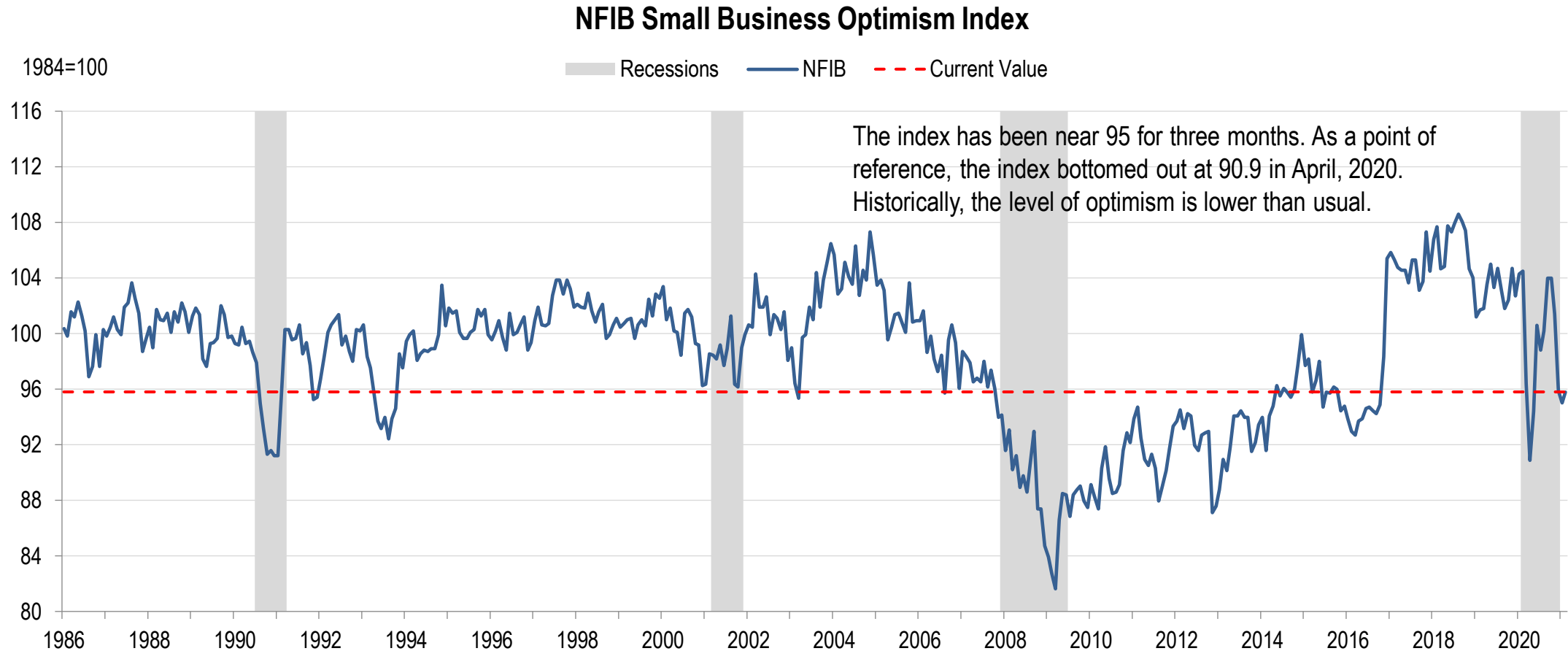
Michigan Consumer Sentiment Index



Source: University of Michigan, cber.co.

NFIB Small Business Optimism Index

United States

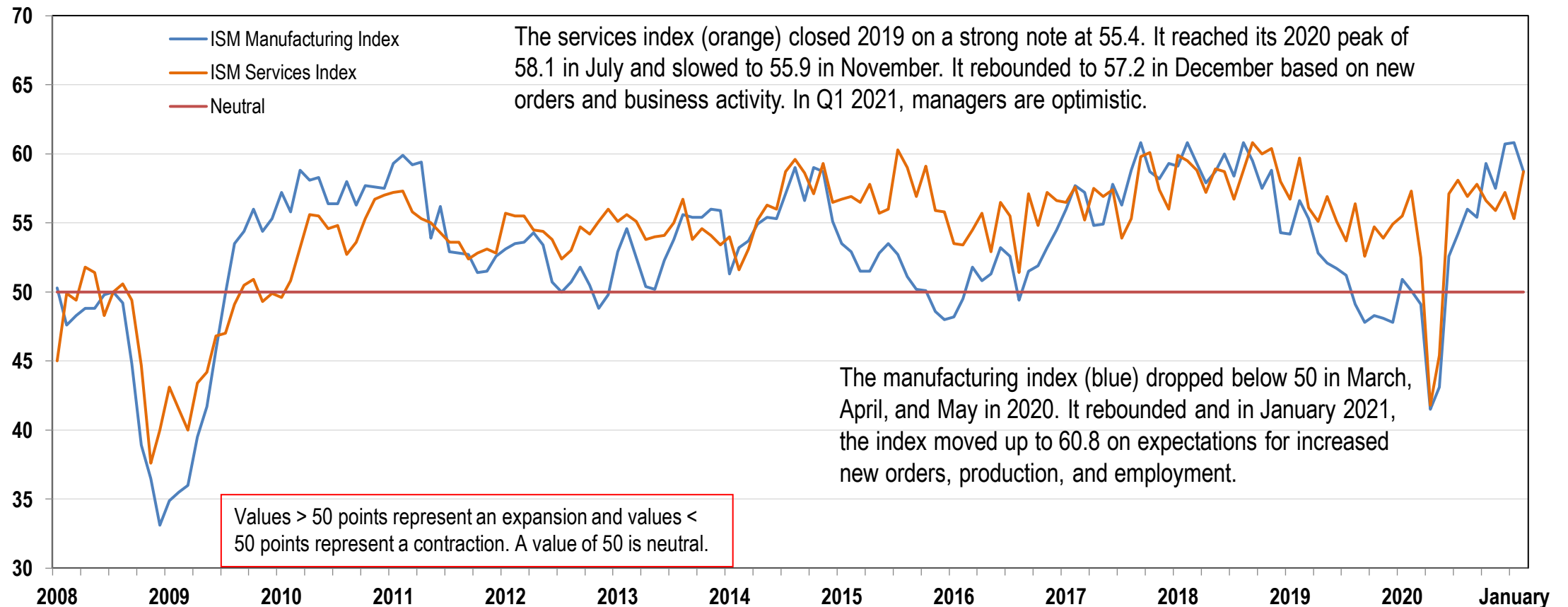


Source: NFIB, cber.co.

ISM PMI Composite Indices

Manufacturing vs. Services

ISM Manufacturing PMI vs. Services PMI Composite Indices



Source: Institute of Supply Management, cber.co

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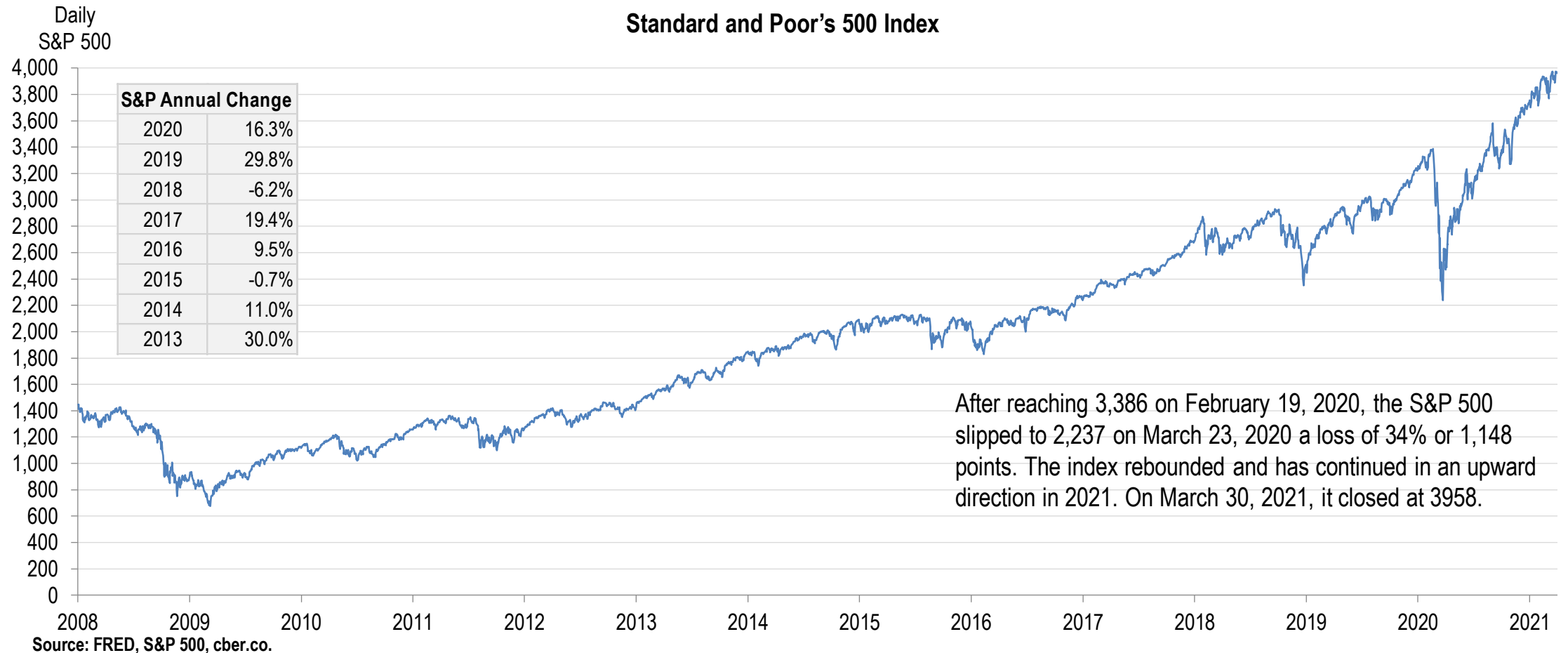
S&P 500 Index and WTI Crude Oil Prices

Key Points

The S&P Index posted double-digit gains in 2020. Growth has continued in 2021.

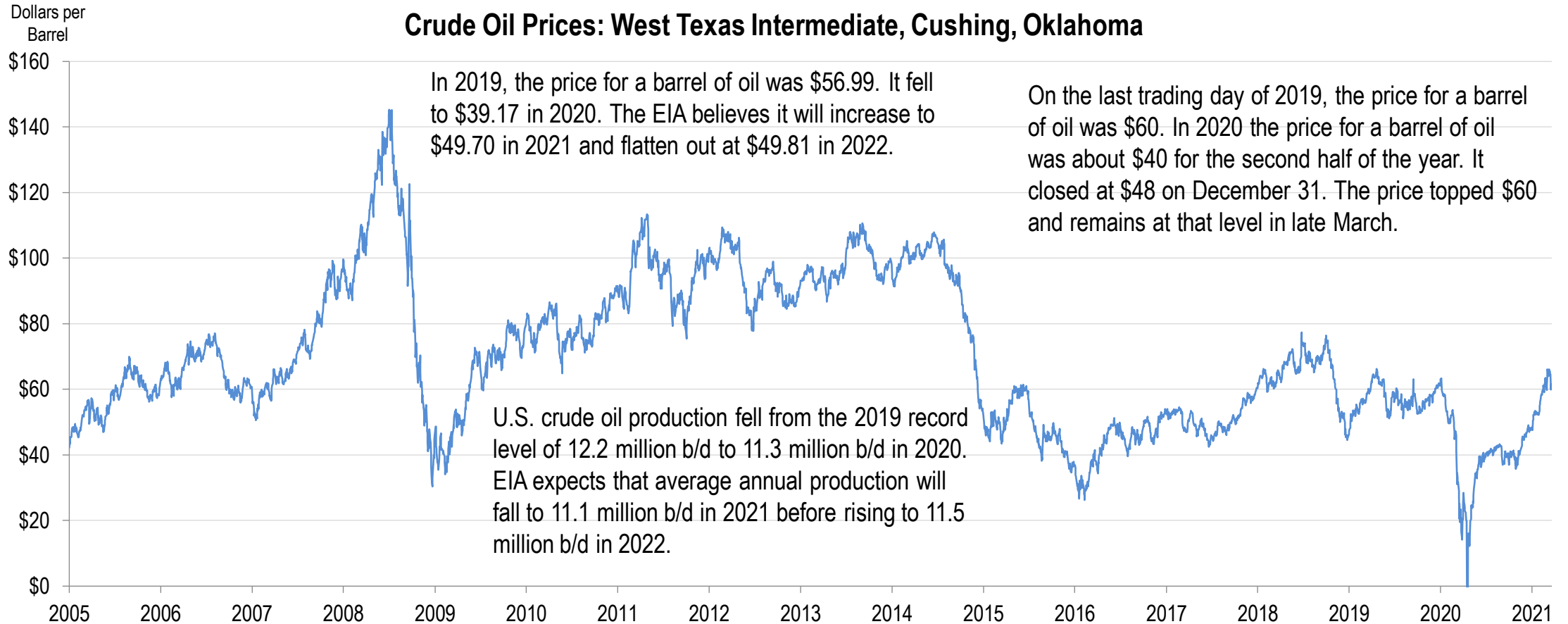
In 2020 the price for a barrel of oil declined because of lower demand. Oil was in the \$40 range through the second half of the year and approached \$50 near the end of 2020. In mid-February, it topped \$60 per barrel.

Standard and Poor's 500 Index



Crude Oil Prices

West Texas Intermediate



Source: FRED, EIA, cber.co.

Summary

United States

Summary

United States

Real GDP growth for 2021 will reach its highest level in Q2 or Q3. The value of real GDP will return to its pre-pandemic level in the second half of 2022.

As more people are vaccinated, the economy will open further, and more people will return to work. The highest level of job growth will occur in mid-year.

Total employment will return to its 2019 level in 2022 or 2023. The unemployment rate will continue to decline.

In the near term, there is more upside potential than downside risk for the economy.

Source: FRED, BEA, BLS, Census Bureau, EIA, cber.co.

	U.S. Forecast			
	2019	2020	2021	2022
Real GDP Value (trillions)	\$19.09	\$18.42	\$19.48	\$20.16
% Change Real GDP	2.2%	-3.5%	5.5%	3.5%
% Change in Personal Consumption	2.4%	-3.8%	6.3%	3.5%
CES Employment (millions)	150.9	142.2	146.7	149.7
Annual Change (millions)	2.03	-8.82	4.50	3.00
% Change	1.3%	-5.8%	3.2%	2.0%
Unemployment Rate	3.7%	8.1%	6.4%	5.3%
Retail Sales (billions)	\$5.462	\$5.582	\$5.833	\$6.037
% Change	3.5%	2.2%	4.5%	3.5%
Light Vehicle Sales (millions)	17.0	14.5	15.7	16.5
Consumer Price Index	1.8%	1.2%	1.9%	2.1%
Housing Starts (millions) SAAR	1.29	1.38	1.43	1.46
WTI Price of Oil (price per barrel)	\$56.99	\$39.17	\$49.70	\$49.81
Crude Oil Production (million b/d)	12.2	11.3	11.1	11.5

Personal consumption will become positive in 2021. Pent-up demand and stimulus support will drive retail sales higher. Both will return to pre-pandemic levels in 2022.

Light vehicle sales will gradually improve and return to 17 million units in 2023.

Inflation will remain near the Federal Reserve's target rate of 2.0%.

The number of housing starts will increase in 2021 as interest rates remain low.

Crude oil production and prices were expected to remain flat in 2021; however, they have risen to about \$60 per barrel.

Colorado



Real GDP

Colorado

Key Points

In 2020, the real GDP rate for Colorado declined at a slower rate than the U.S. rate.

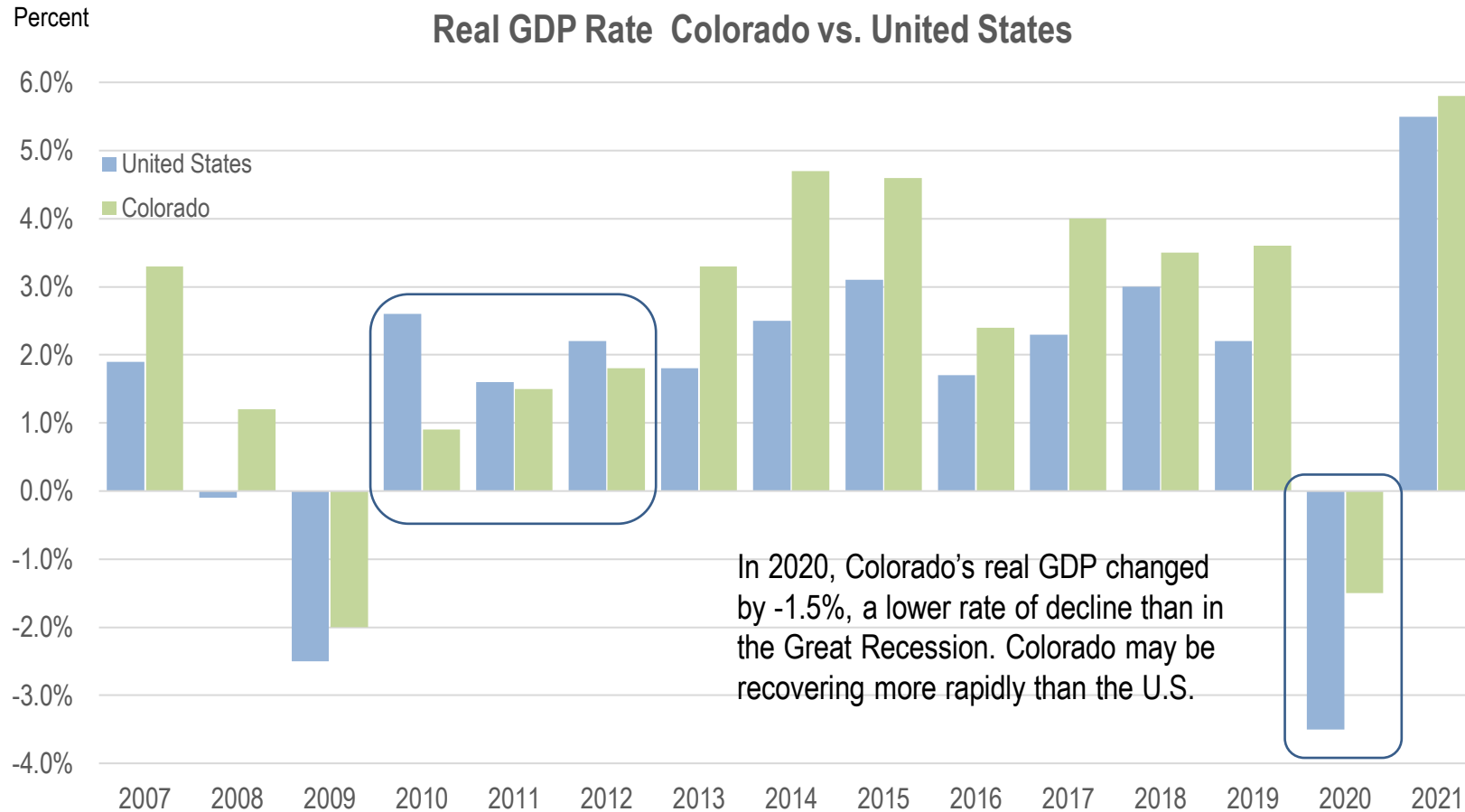
In 2020, there was positive real GDP growth for financial activities, PBS, information, manufacturing, construction, and utilities.

Industries with the lowest real GDP growth were agriculture, other services, tourism, transportation and warehousing, and EHS.

Quarterly real GDP growth will be the strongest in Q2 and Q3.

Real Gross Domestic Product

Colorado vs. United States (Annual)



Between 2007 and 2019, The Colorado GDP (green) changed at a higher rate than the U.S. (blue) in 11 of the 14 years. The U.S. rate was greater than Colorado during the three years following the Great Recession (highlighted by the blue box).

The Colorado real GDP rate has been higher for two reasons. The difference in the percentage change of growth occurs, in part, because the mix of Colorado industries is different compared to the U.S. It also happens for mathematical reasons. Colorado has a smaller economy than the U.S.

Source: BEA, cber.co.

Colorado-based Business and Economic Research <https://cber.co>

Colorado Real GDP

Change Between 2019 and 2020

The following table shows the value of real GDP for each industry, the absolute change in the real GDP, and the relative change in real GDP. The table is sorted by the 2020 real GDP. The rate of change is different in some industries compared to the U.S.

Change in U.S. Real GDP by Industry (Millions) Chained on 2012

Industry Description	Real GDP 2020	Change 2019 vs 2020	Rate
All industry total	351,068	(5,212)	-1.5%
Finance, insurance, real estate, rentals	66,581	987	1.5%
Professional and business services	56,078	172	0.3%
Government and government enterprises	39,585	(550)	-1.4%
Information	28,484	3,160	12.5%
Manufacturing	25,645	144	0.6%
Education, health care, and social services	23,783	(1,222)	-4.9%
Mining and oil and gas extraction	20,218	(161)	-0.8%
Retail trade	19,438	(222)	-1.1%
Wholesale trade	18,651	(335)	-1.8%
Construction	17,142	133	0.8%
Leisure and hospitality	12,363	(3,899)	-24.0%
Transportation and warehousing	10,704	(1,282)	-10.7%
Other services (except government)	6,431	(830)	-11.4%
Utilities	3,881	280	7.8%
Agriculture, forestry, fishing and hunting	3,326	(917)	-21.6%

Key Points

The real GDP for the U.S. in 2020 was -3.5%. It was -1.5% for the U.S.

The real GDP for the industries highlighted in green were positive. They included industries with a greater level of real GDP.

The industries with the largest rates of decline were industries with smaller levels of real GDP. They were affected the most by policies related to the pandemic. As pandemic restrictions are relaxed, the impact on many of these industries will decrease.

In particular, leisure and hospitality, and transportation will recover when consumers are confident to travel and attend events.

Compared to the U.S. There were noticeable changes in the Colorado rates for information, manufacturing, PBS, and agriculture.

The outlook is for stronger growth beginning in Q2 2021. Real GDP will be 5.8% in 2021.

Source: Bureau of Economic Analysis, cber.co.

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Colorado Employment

Change in Total Employment and Wage Categories

Key Points

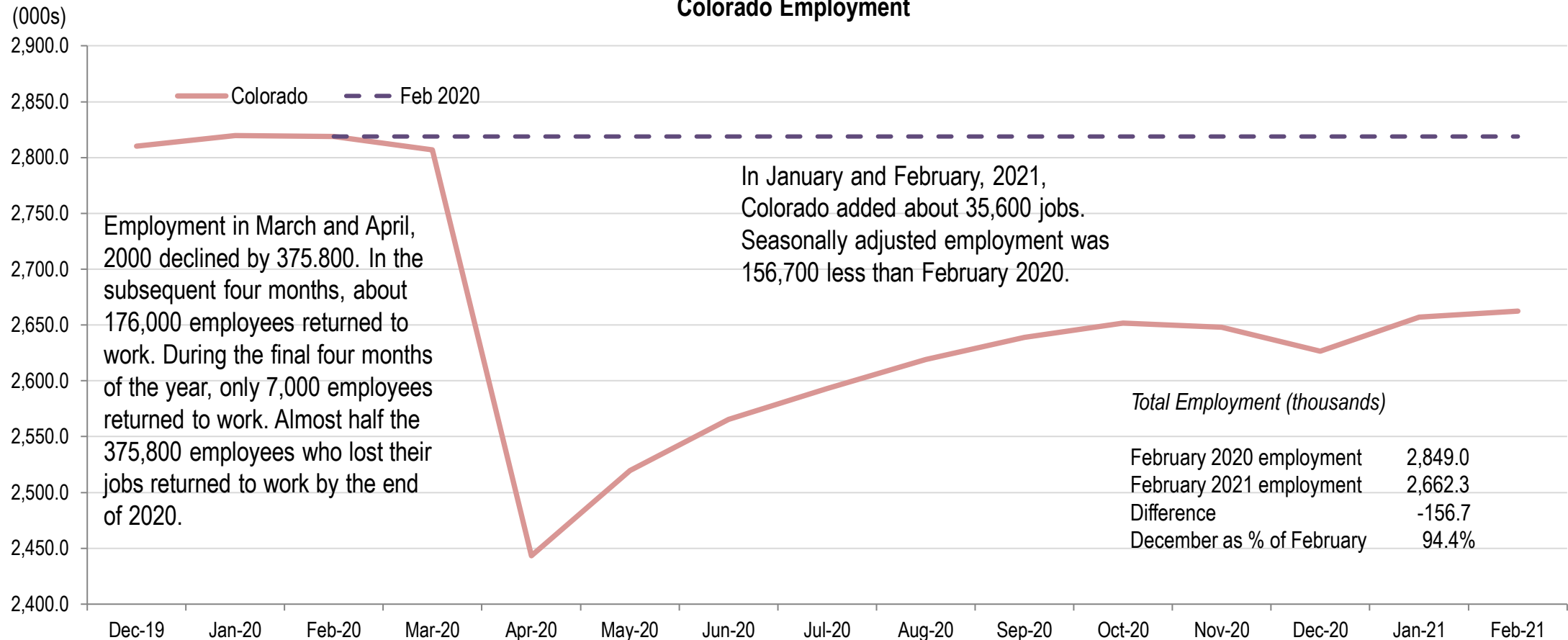
The February 2021 seasonally adjusted employment data for Colorado was 156,700 less than February 2020. The February 2021 value was 94.4 % of February 2020.

February 2021 employment for several sectors is greater than a year ago.

The most significant shortfalls are in leisure and hospitality and government employment.

Change in Employment Colorado

Colorado Employment



Source: Bureau of Labor Statistics, cber.co.

Summary of Employment Recovery

Colorado

Employment through February 2021 was 157,900 below the value for February 2020. Most of the shortfall is in leisure and hospitality and state and local government.

Recovered +6,800	Short-Term Recovery -19,000	Mid-Term Recovery -36,200	Long-Term Recovery -108,300
<ul style="list-style-type: none"> • Transportation, warehousing, and utilities • Management of companies • Federal government • Retail trade <p>TWU increased because of increased warehousing employment. Transportation employment will struggle.</p> <p>Federal government employment is an anomaly because of Census employees.</p> <p>The strength of retail employment is a surprise.</p>	<ul style="list-style-type: none"> • Financial activities • Wholesale trade • Information • Educational services • Professional, scientific, and technical services <p>Financial activities will be the first sector in this group to recover.</p> <p>Ironically, the information sector employment decreased while there was an increase in its real GDP.</p>	<ul style="list-style-type: none"> • Manufacturing • Construction • Extractive industries • Administrative services • Health care <p>Manufacturing durable goods have recovered, nondurables have not.</p> <p>Construction did not recover despite a “housing boom”.</p> <p>The extractive industries did not recover, although real GDP was flat.</p>	<ul style="list-style-type: none"> • Other services • State government • Local government • Leisure and hospitality <p>Other services will recover as restrictions are relaxed.</p> <p>Federal funding will support the recovery of state and local government, including education.</p> <p>Transportation and hospitality will recover in 2023 or 2024.</p>

Business Applications

Colorado

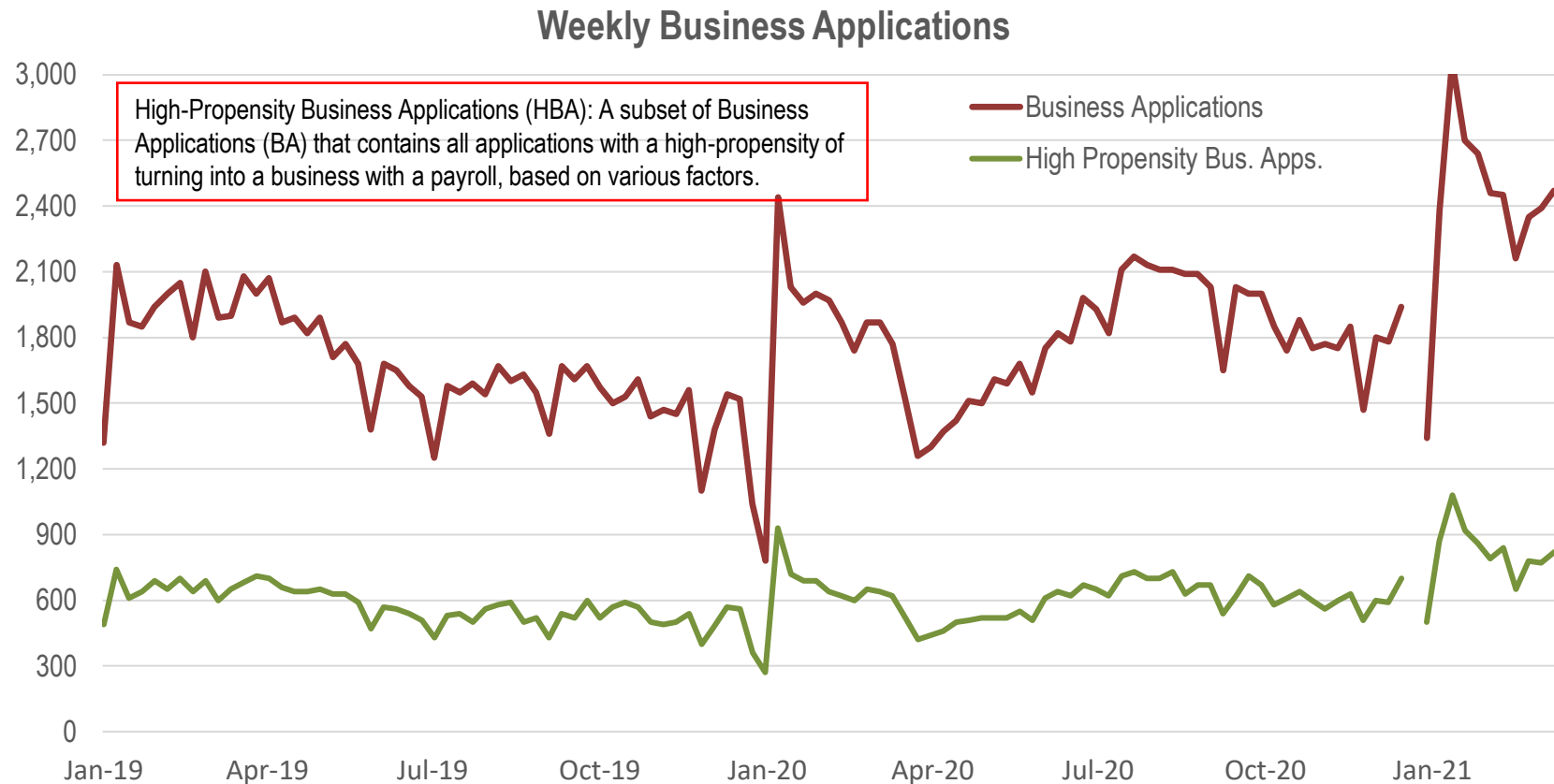
Key Points

Compared to 2019, Colorado business applications and high propensity applications increased at a faster rate in 2020. That trend has continued into 2021.

U.S. applications increased at a greater rate than Colorado applications in 2020 and during the first 12 weeks of 2021.

Colorado Weekly Business Applications

Total and High Propensity 2019 vs 2020



Business Applications

There were 91,790 business applications (burgundy) in 2020, an 6.2% increase over 2019. The number of applications through the first 12 weeks of 2021 is 31.9% greater than the same period in 2020.

High Propensity Business Applications

There were 31,050 million high propensity applications (green) in 2020, a 4.3% increase over 2019. The number of applications through the first 12 weeks of 2021 is 27.1% greater than the same period in 2020.

Source: FRED, U.S. Census Bureau, NSA, cber.co.

Consumer Spending

U.S. vs. Colorado, Consumer Spending (Top Sectors), Consumer Spending (Bottom Sectors)

Key Points

Colorado's consumer spending has lagged the nation in percent change of consumer spending. The gap is narrowing.

Opportunity Insights tracks the change of consumer spending for groceries, retail, and health care. Compared to January 2020, the percent change of spending in all three areas is positive.

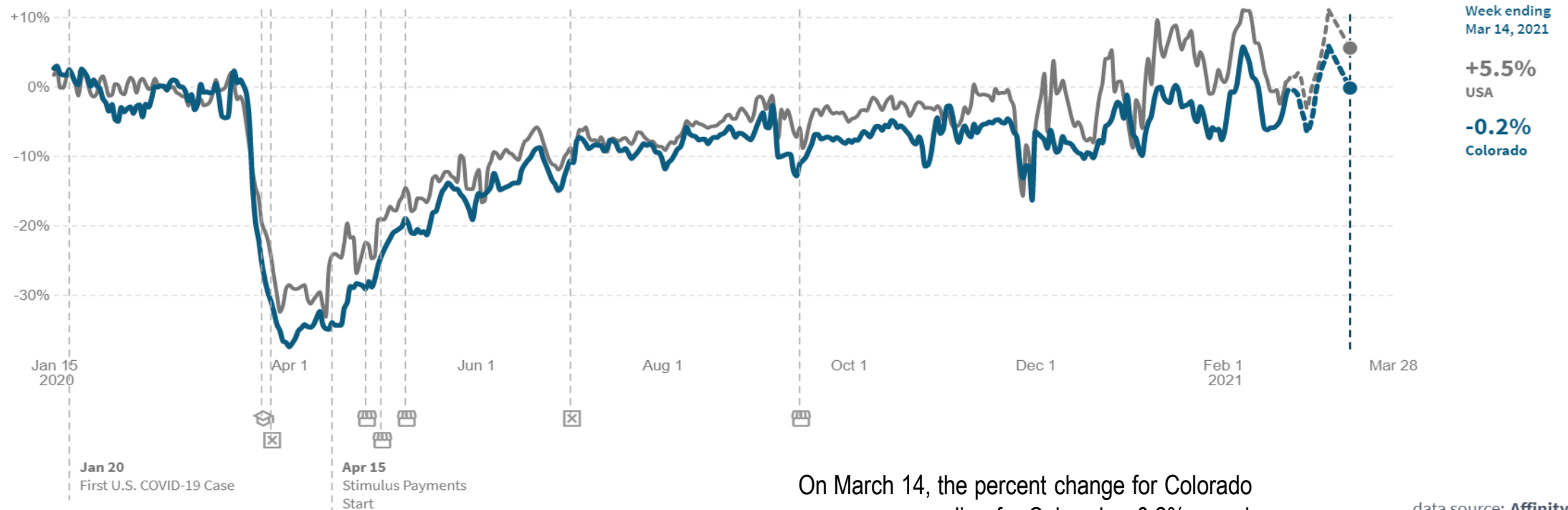
Opportunity Insights tracks the change of consumer spending for restaurants and hotels, transportation, and entertainment and recreation. Compared to January 2020, the percent change of spending in all three areas is negative.

Percent Change in Consumer Spending

U.S. vs. Colorado

Percent Change in All Consumer Spending*

In **Colorado**, as of **March 14 2021**, total spending by all consumers **decreased** by **0.2%** compared to January 2020.



On March 14, the percent change for Colorado consumer spending for Colorado, -0.2%, was less than the U.S., +5.5%. On a positive note, Colorado spending is almost back to the January 2020 level.

data source: **Affinity**

*Change in average consumer credit and debit card spending, indexed to January 4-31, 2020 and seasonally adjusted. The dashed segment of the line is provisional data, which may be subject to non-negligible revisions as newer data is posted. This series is based on data from Affinity Solutions.

last updated: **March 26, 2021** next update expected: **March 31, 2021**

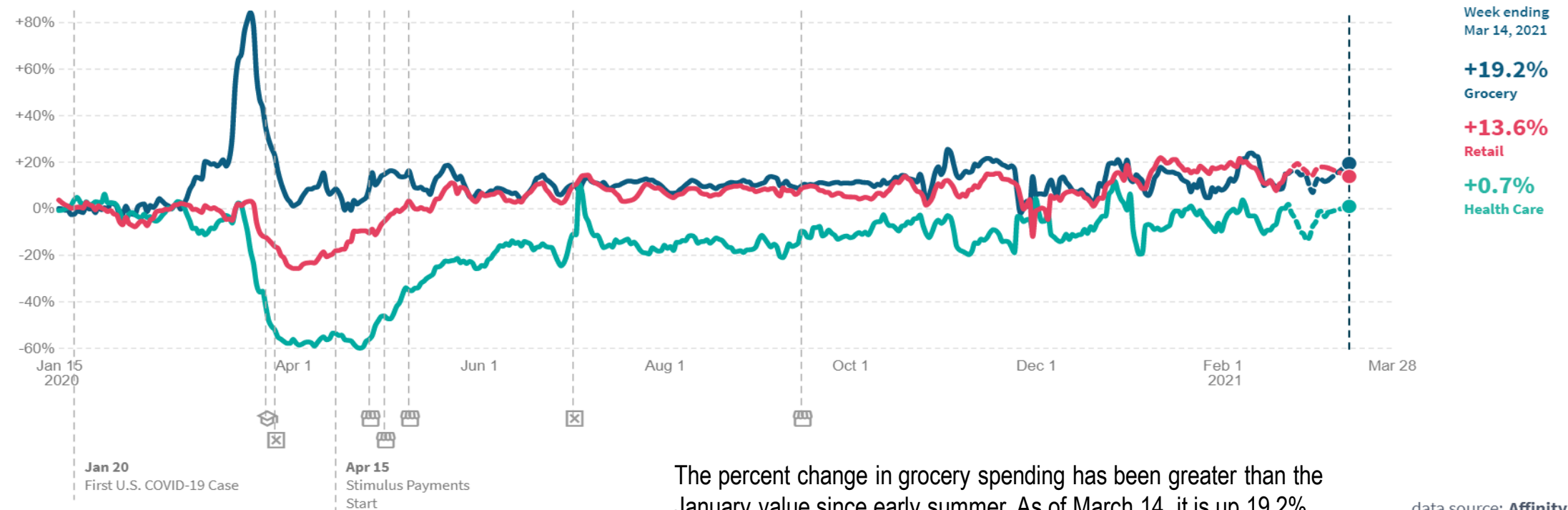
visit tracktherecovery.org to explore

Percent Change in Consumer Spending

Colorado – Top Three Categories

Percent Change in All Consumer Spending*

In **Colorado**, as of **March 14, 2021**, grocery spending by all consumers **increased** by **19.2%** compared to January 2020.



The percent change in grocery spending has been greater than the January value since early summer. As of March 14, it is up 19.2%. Retail spending is up 13.6%, and health care spending is up 0.7%.

data source: **Affinity**

*Change in average consumer credit and debit card spending, indexed to January 4-31, 2020 and seasonally adjusted. The dashed segment of the line is provisional data, which may be subject to non-negligible revisions as newer data is posted. This series is based on data from Affinity Solutions.

last updated: **March 26, 2021** next update expected: **March 31, 2021**

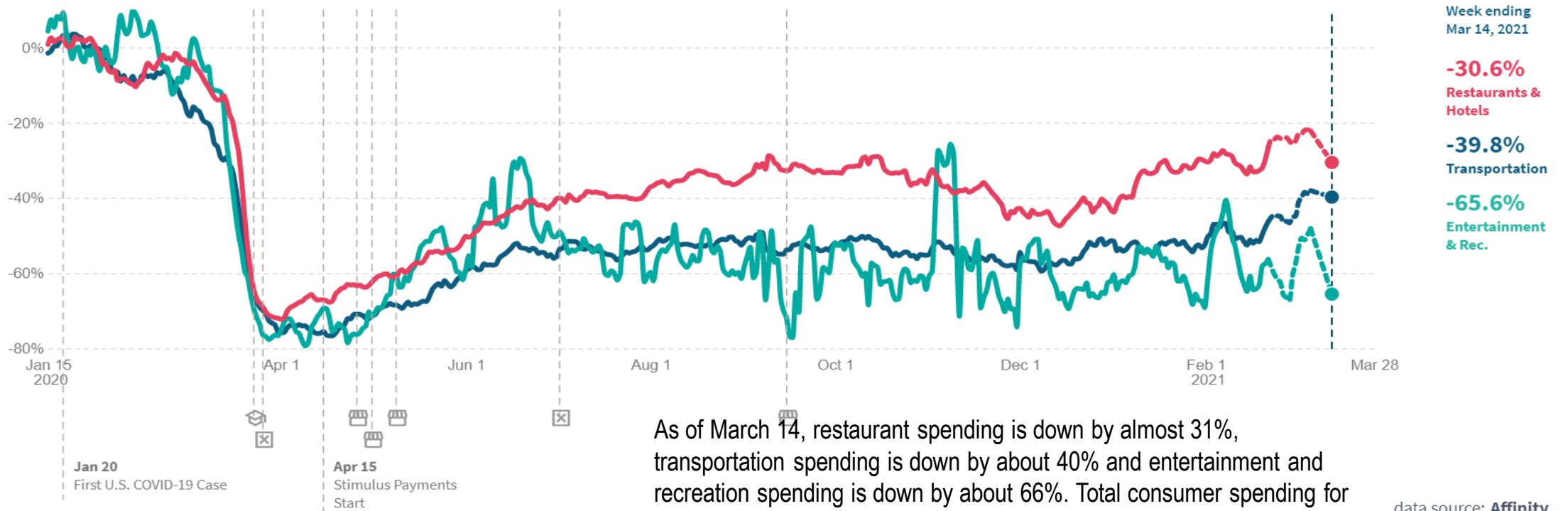
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Percent Change in Consumer Spending

Colorado – Restaurants and Hotels, Transportation, and Entertainment

Percent Change in All Consumer Spending*

In **Colorado**, as of **March 14 2021**, transportation spending by all consumers **decreased** by **39.8%** compared to January 2020.



As of March 14, restaurant spending is down by almost 31%, transportation spending is down by about 40% and entertainment and recreation spending is down by about 66%. Total consumer spending for this period is down by 0.2%. When COVID-19 restrictions are lifted, and people feel comfortable traveling, then spending in these three industries will increase significantly.

data source: **Affinity**

*Change in average consumer credit and debit card spending, indexed to January 4-31, 2020 and seasonally adjusted. The dashed segment of the line is provisional data, which may be subject to non-negligible revisions as newer data is posted. This series is based on data from Affinity Solutions.

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Select Industry Data

Retail Sales, Consumer Spending, Building Permits, DIA
Passengers, and Oil Production

Key Points

Retail sales for 2020 were slightly greater than in 2019.

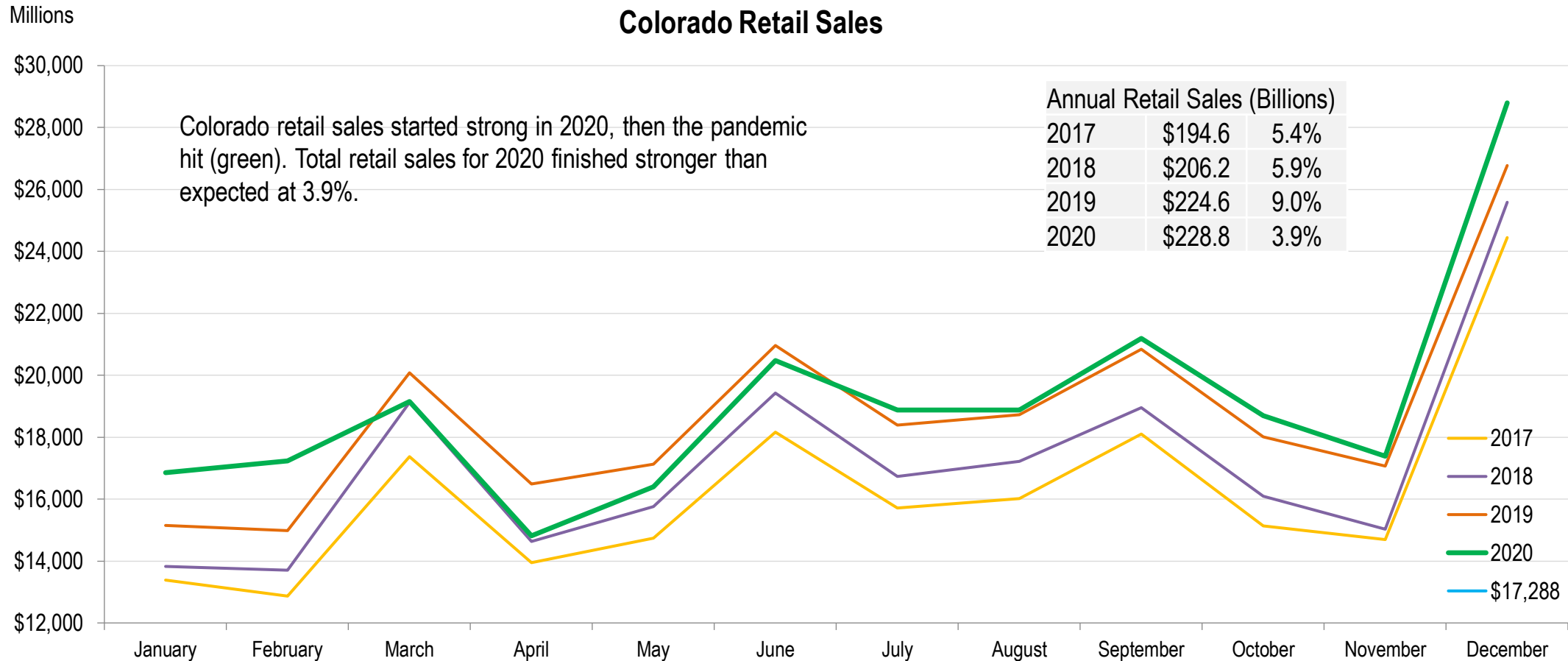
The total number of permits issued for single-family and multifamily housing in 2020 was greater than the 2019 total.

In 2019, there were about twice as many passengers at DIA as in 2020.

The production of oil has declined because of state regulations and reduced global demand.

Colorado Retail Sales

Monthly



Source: Colorado Department of Revenue, <https://cdor.colorado.gov/retail-sales-reports>, cber.co. Note: Not adjusted for inflation.

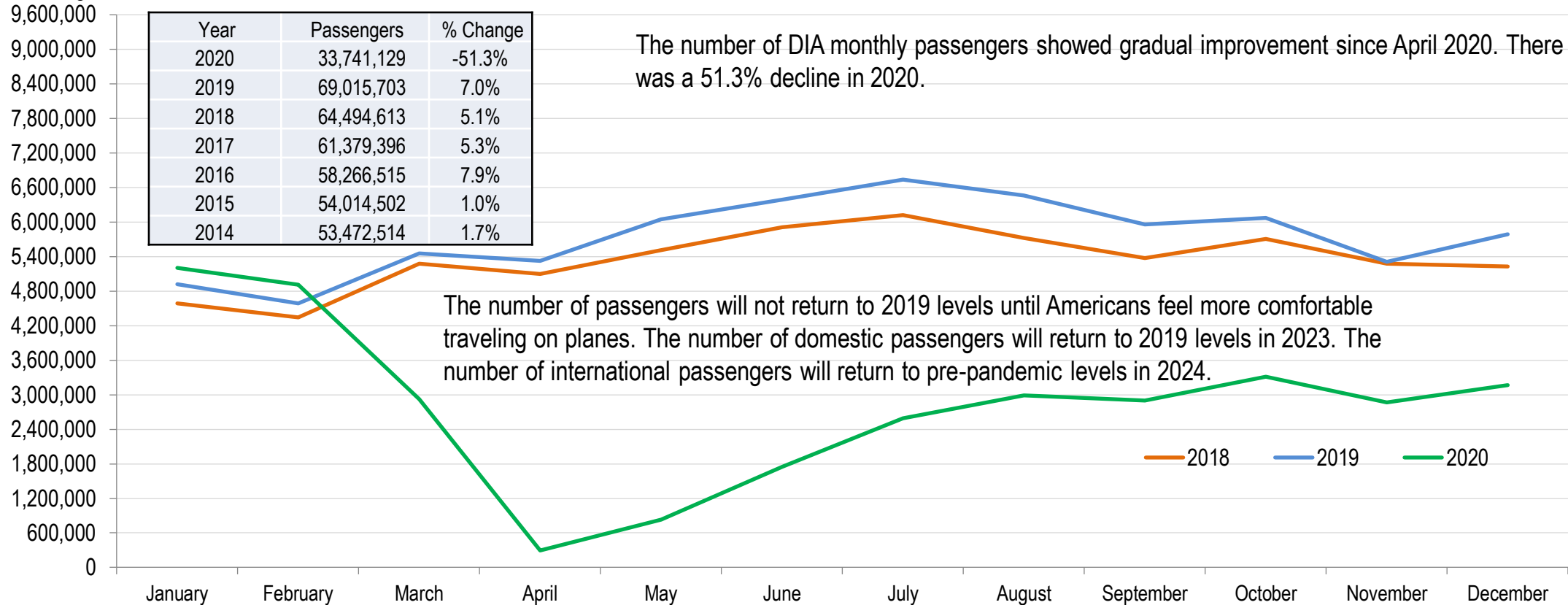
Colorado-based Business and Economic Research <https://cber.co>

Denver International Airport Passengers

Monthly

DIA Passengers

Passengers

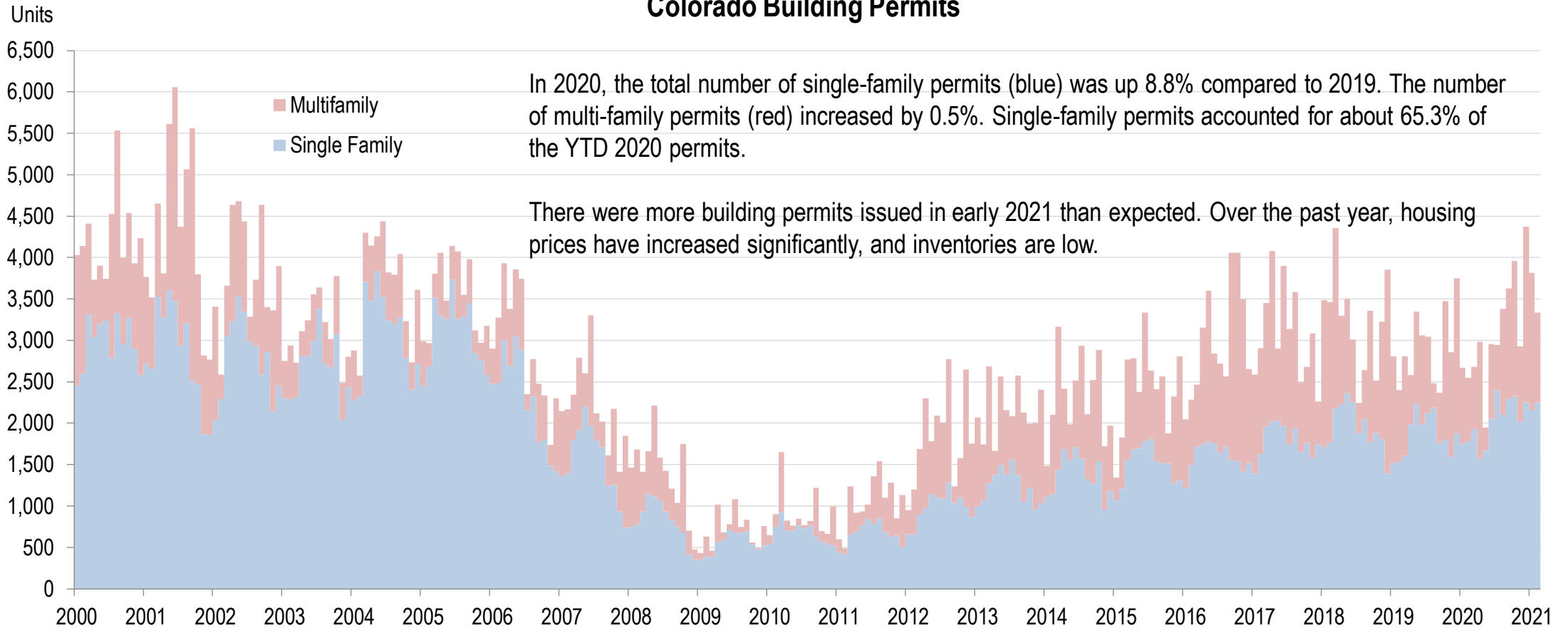


Source: Fly-Denver.com, cber.co.

Colorado Residential Building Permits

Units

Colorado Building Permits

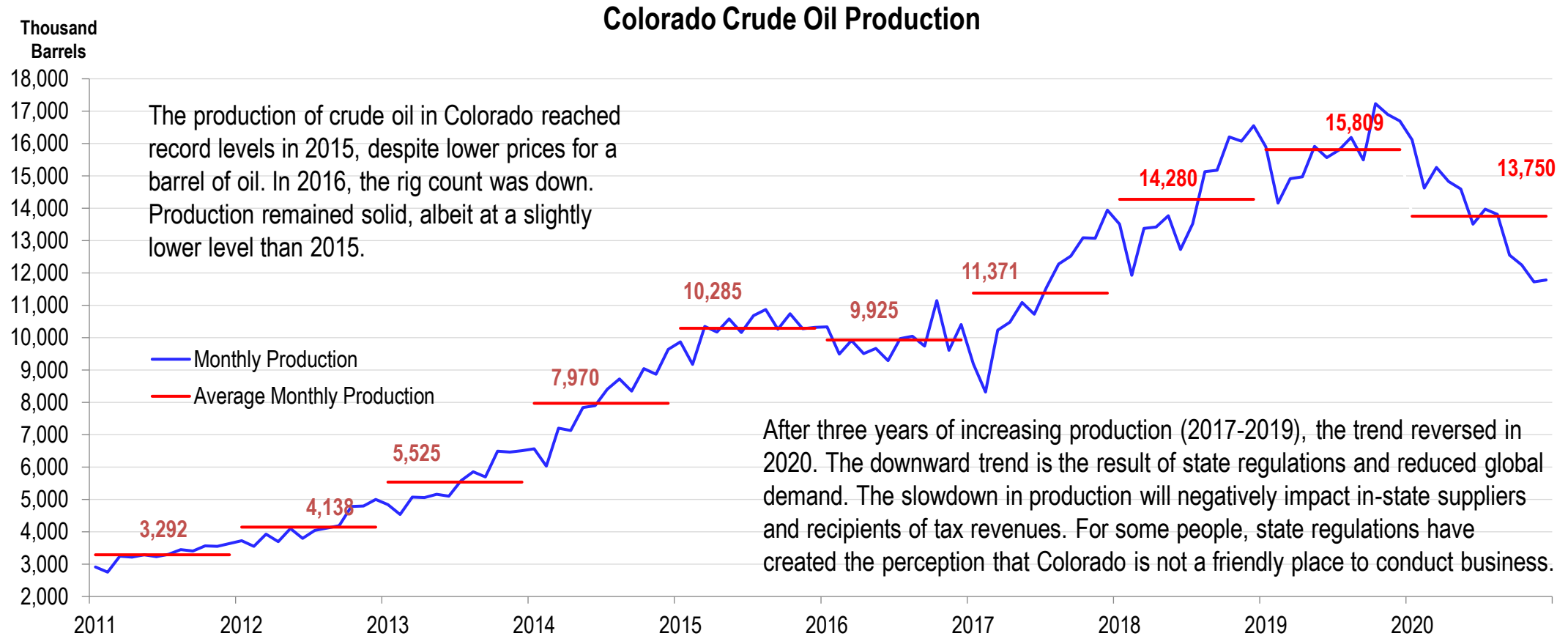


Source: TAMU Real Estate Center, U.S. Census Bureau, cber.co.

Colorado-based Business and Economic Research <https://cber.co>

Colorado Field Production of Crude Oil

2011 to 2020 (Thousand Barrels)



Source: EIA, cber.co.

Colorado-based Business and Economic Research <https://cber.co>

Summary

Colorado

Summary of Colorado Forecast

Colorado's real GDP growth rate for 2021 will be slightly higher than the U.S. rate. It will return to its pre-pandemic value in 2021.

Employment will return to its 2019 level in 2023.

Retail sales will rebound in 2021 as a result of pent-up demand. Sales will level off at pre-pandemic levels in 2022.

In 2021 and 2022, inflation will be higher than the U.S. rate.

There is more upside potential than downside risk in the Colorado economy. The forecast is likely to be revised upwards.

Colorado Economic Forecast				
	2019	2020	2021	2022
Real GDP Value (billions)	\$356.28	\$343.45	\$363.40	\$377.20
% Change Real GDP	3.9%	-3.6%	5.8%	3.8%
CES Employment (thousands)	2,790.1	2,644.6	2,690.4	2,748.4
Annual Change (thousands)	62.8	(145.5)	45.0	58.0
% Change	2.3%	-5.2%	1.7%	2.2%
Unemployment Rate	2.7%	7.3%	5.8%	4.9%
Retail Sales (billions)	\$224.6	\$227.0	\$243.0	\$252.0
% Change	9.0%	1.1%	7.0%	3.7%
Consumer Price Index	1.9%	2.0%	2.1%	2.2%
DIA Passengers (millions)	69.0	33.0	52.0	61.0
Single Family Permits	24,756	26,489	26,900	27,350
Multi-family Permits	13,877	13,738	13,950	14,200
Oil Production (thousands) barrels	189,707	172,000	170,000	175,000

The number of passengers through DIA in 2020 was about half of the 2019 total. Domestic flights will return to their 2019 level in 2023. International flights will return to their pre-pandemic level in 2024.

There was an increase in the number of building permits issued in 2020. There will be more permits issued in 2021 as demand remains high and supplies are limited. Also, there is a need for affordable housing in the metro areas.

State regulations and reduced demand caused a decline in oil production in 2020. The production of oil will be flat in 2021 and 2022.

cber.co
Review of Colorado Economy Through February 2021

This analysis is for informational purposes only. Any opinions or interpretations of data are those of the presenter. As such, they do not represent the viewpoints of any group or particular organization.

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Gary Horvath has produced annual employment forecasts of the state economy for over 30 years. They have been supplemented by monthly economic updates and indices that track economic performance over the short term. In addition, he has directed three statewide analyses that included reviews of all 64 county economies.

Horvath was the principal investigator for a state and federally funded project to prepare a nanotechnology roadmap for Colorado. As well, he was a co-founder of the Colorado Photonics Industry Association, a trade group for Colorado’s Photonics cluster. Horvath has been an active board member of the group since its inception.

Horvath has also served on the Board of Directors for the Economic Development Council of Colorado, Northwest Denver Business Partnership, Adams County Economic Development, and Broomfield Economic Development Corporation. Horvath has also been the chair of the photonics/electronics committee in the Governor’s Office of Economic Development and International Trade early stage and proof of concept grant program.