

# Economic Outlook and Trends Through March 2023

## United States and Colorado



Colorado-based Business and Economic Research, [cber.co](https://cber.co)  
Prepared April 24, 2023

# Economic Outlook and Trends

## **Purpose and Summary**

The purpose of this chartbook is to review the performance and outlook of the Colorado and U.S. economies for 2023. The analysis focuses on employment for Q1 2023. Colorado has many valuable assets; however, the recent BLS employment data shows a slowdown in employment and economic growth that began in 2022. The headwinds include:

- Inflation that is cooling but is stubborn in some categories
- Rising interest rates that may be near their peak
- Energy policy that will hinder economic growth
- A banking crisis that has brought about tightening in credit.
- Labor shortages that are unlikely to end
- Concerns about the debt limit crisis
- A host of issues related to housing
- State legislation and regulations that are not business friendly
- The spending and conflict in Eastern Europe.

The contents focus on the following topics.

- Gross Domestic Product and Real Disposable Personal Income Per Capita
- U.S. and Colorado Employment
- Colorado Employment Trends by Largest Sectors
- Inflation
- Saving, Borrowing, Consumption, and the Wealth Effect
- U.S. Industry Indicators
- Colorado Industry Indicators
- 2003 Colorado Economic Outlook.

## Gross Domestic Product and Disposable Income

# U.S. Real GDP

## The Economic Forecast Still Calls for a Recession

### Conference Board Calls for Recession

Over the past six months, economists and business leaders have projected various scenarios for no recession, a recession with a soft landing, a recession with a hard landing, and a doozy of a recession. Time will tell.

The Conference Board U.S. GDP Forecast is the base for the 2023 cber.co forecast. In the second half of 2022, TCB called for a shallow recession by the end of 2022 or early 2023.

Real GDP and employment growth have been stronger than expected in Q1 2023; however, a significant slowdown or a recession will occur within the next six months. Growth will remain weak in 2024.

### Headwinds

On March 22, the Fed raised interest rates by 25 basis points to curb inflation. It is now in the range of 4.75% to 5.0% and will peak later this year. Inflation will remain high in 2023 and return to the target rate in 2024. The failure of Silicon Valley Bank and other smaller banks did not expand as some had feared. Instead, it created concern about the stability of the banking system. As a result, it appears that banks will tighten credit.

Over the summer months, there will be a lot of saber-rattling around the federal debt ceiling issue as the deadline approaches. The worst-case scenario is unlikely to happen.

The conflict in Ukraine has taken second fiddle to many of these issues. The most pressing concerns are for people directly and indirectly involved, the amount of U.S. financial assistance to Ukraine, the direct and indirect effects on the EU, relations with China, the unintended consequences of the sanctions against Russia, and fears that the war will become more deadly.

# U.S. Real GDP Growth

The Conference Board Forecast (April 12, 2023)

## Real GDP and Economic Growth

The latest Conference Board forecast projects real GDP growth of 0.7% in 2023. Real disposable income will increase by 3.2%, and real personal consumption will post a slight gain of 0.9%. Residential investment will change by -15.7%, and non-residential investment will increase by 1.4%. Finally, government spending will increase by 2.9% in 2023.

## Other Economic Factors

Despite the downward trend in the economy, some industries and occupations will see labor shortages. Surprisingly, the U.S. unemployment rate will be 3.8% in 2023. The quarterly PCE inflation rate peaked in Q2 2022. The annual rate will drop to 3.8% in 2023, and the core rate will be 3.9%. PCE inflation will be 2.2% in 2024.

## Conference Board US Real GDP Growth Forecast

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2022	2023	2024
<b>Real GDP (Preceding)</b>	-1.6%	-0.6%	3.2%	2.6%	2.0%	-1.8%	-1.8%	-0.6%	2.1%	0.7%	0.8%
<b>Real Disposable Income</b>	--10.6%	-2.3%	3.2%	5.0%	7.5%	0.5%	0.3%	0.6%	-6.1%	3.2%	1.0%
<b>Real Personal Consumption</b>	1.3%	2.0%	2.3%	1.0%	3.7%	-1.6%	-1.6%	-0.8%	2.7%	0.9%	0.6%
<b>Residential Investment</b>	-3.1%	-17.8%	-27.1%	-25.1%	-10.0%	-10.0%	-10.0%	-5.0%	-10.6%	-15.7%	-1.7%
<b>Nonresidential Investment</b>	7.9%	0.1%	6.2%	4.0%	1.6%	-0.8%	-2.0%	-1.5%	3.9%	1.4%	1.6%
<b>Total Gov't. Spending</b>	-2.3%	-1.6%	3.7%	3.8%	3.0%	3.2%	2.3%	2.5%	-0.6%	2.9%	2.5%
<b>Exports</b>	-4.6%	13.8%	14.6%	-3.7%	4.5%	2.0%	0.0%	1.0%	7.1%	3.4%	1.4%
<b>Unemployment Rate</b>	3.8%	3.6%	3.6%	3.6%	3.5%	3.6%	3.7%	4.2%	3.6%	3.8%	4.4%
<b>PCE Inflation (%Y/Y)</b>	6.4%	6.6%	6.3%	5.7%	4.9%	3.9%	3.4%	3.0%	6.3%	3.8%	2.2%
<b>Core PCE Inflation (%Y/Y)</b>	5.3%	5.0%	4.9%	4.8%	4.6%	4.2%	3.7%	3.1%	5.0%	3.9%	2.2%

Source: The Conference Board and cber.co.

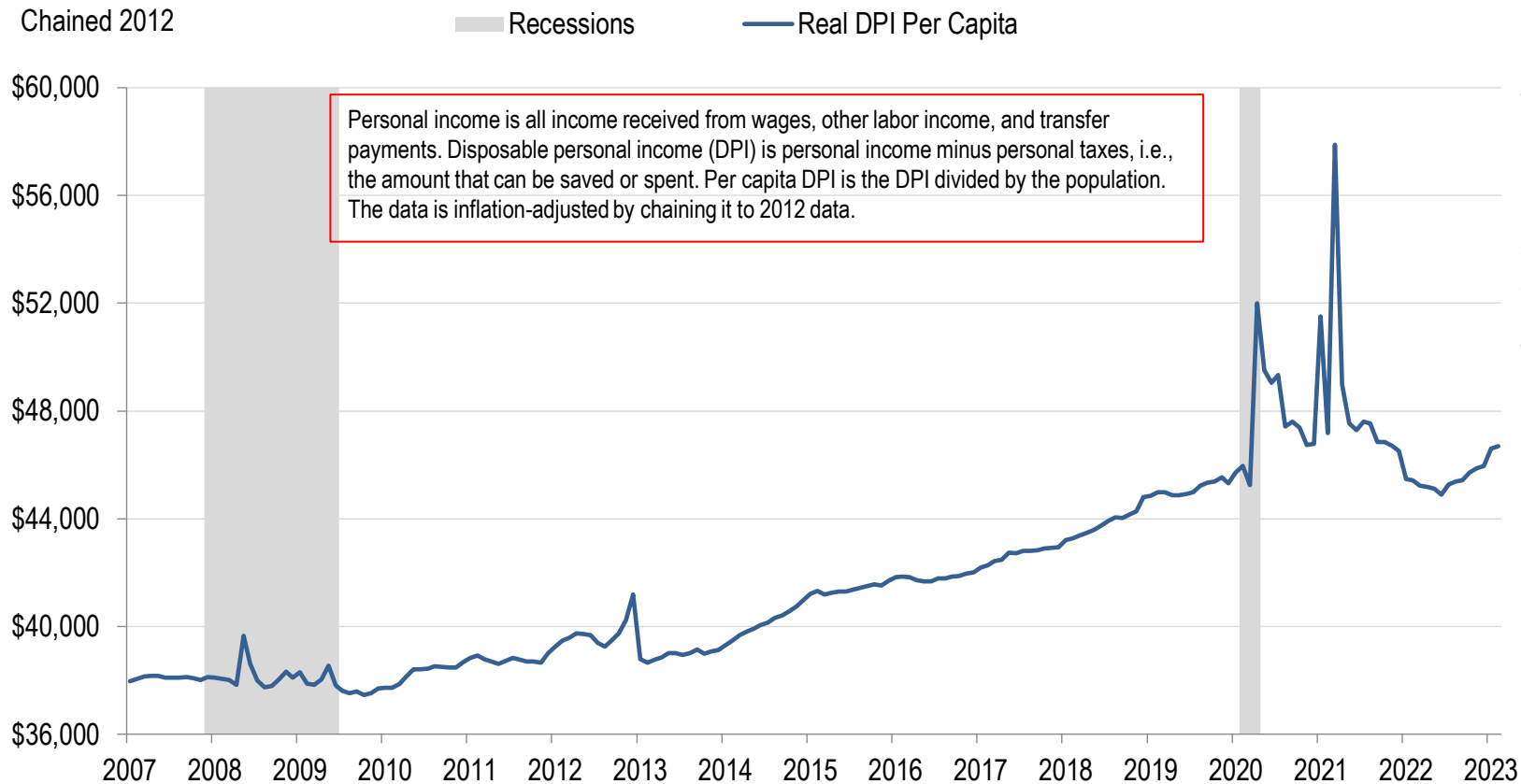
Source: The Conference Board, <https://www.conference-board.org/publications/Economic-Forecast-US>, cber.co.

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

# Real Disposable Personal Income Per Capita

## United States

### Real Disposable Personal Income Per Capita



### Real DPI Per Capita

The real DPI PC behaved very differently in the COVID recession than during the Great Financial Crisis. It was more volatile than usual between 2020 and 2022. After peaking at \$57,872 in March 2021, it plummeted to \$44,902 in June 2022.

There will be less volatility in 2023.

### Real Disposable PCPI Annual (Average)

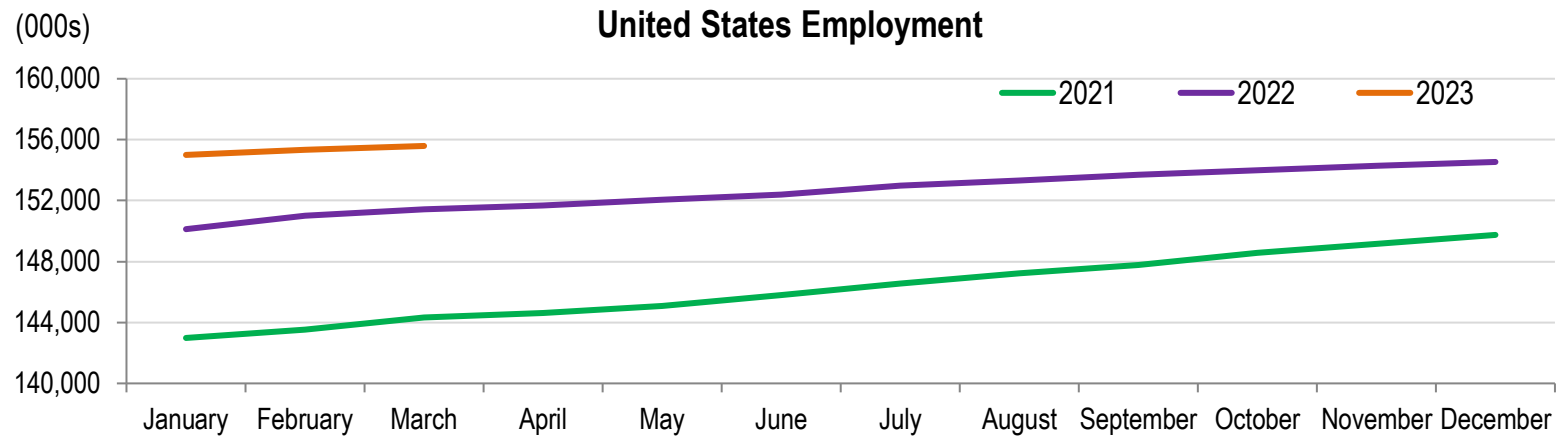
Year	RDPICP	% Change
2016	\$41,822	1.1%
2017	\$42,669	2.0%
2018	\$43,826	2.7%
2019	\$45,105	2.9%
2020	\$47,729	5.8%
2021	\$48,534	1.7%
2022	\$45,406	-6.4%

Source: FRED, BEA, SAAR, chained on 2012 dollars cber.co.

## U.S. and Colorado Employment and Unemployment

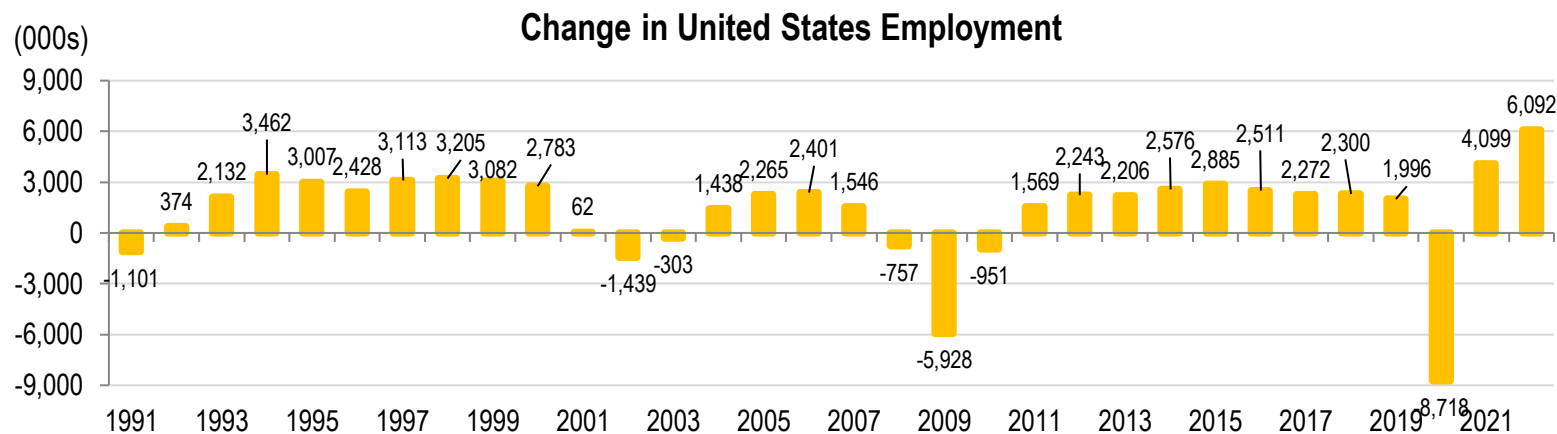
# Employment and Change in Employment

## United States



### U.S. Employment (Monthly)

The amount of change in YOY employment has decreased since March 2022. The YOY March 2023 value was about 4.1 million more than March 2022, compared to about 7.1 million for YOY March 2022 vs 2021. The decline in the YOY change will continue through 2023.



### U.S. Employment (Annual)

The average annual U.S. employment for 2022 (purple) was about 6.0 million more than in 2021 (green). There was record job growth, a low unemployment rate, and a severe shortage of workers in 2022.

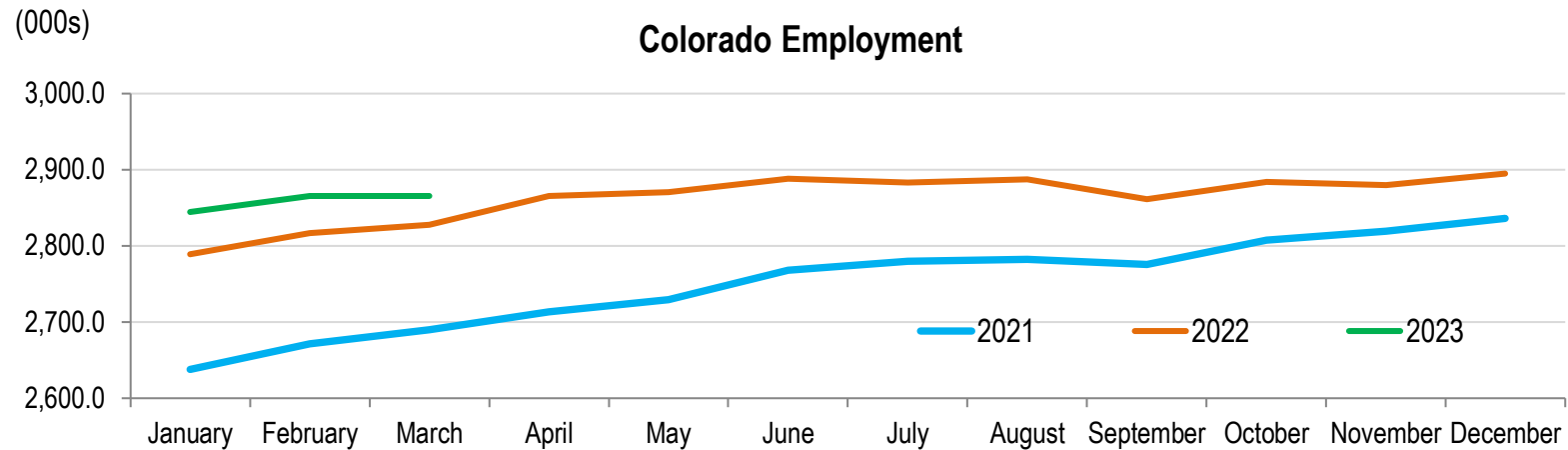
Source: Bureau of Labor Statistics, NSA cber.co.

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

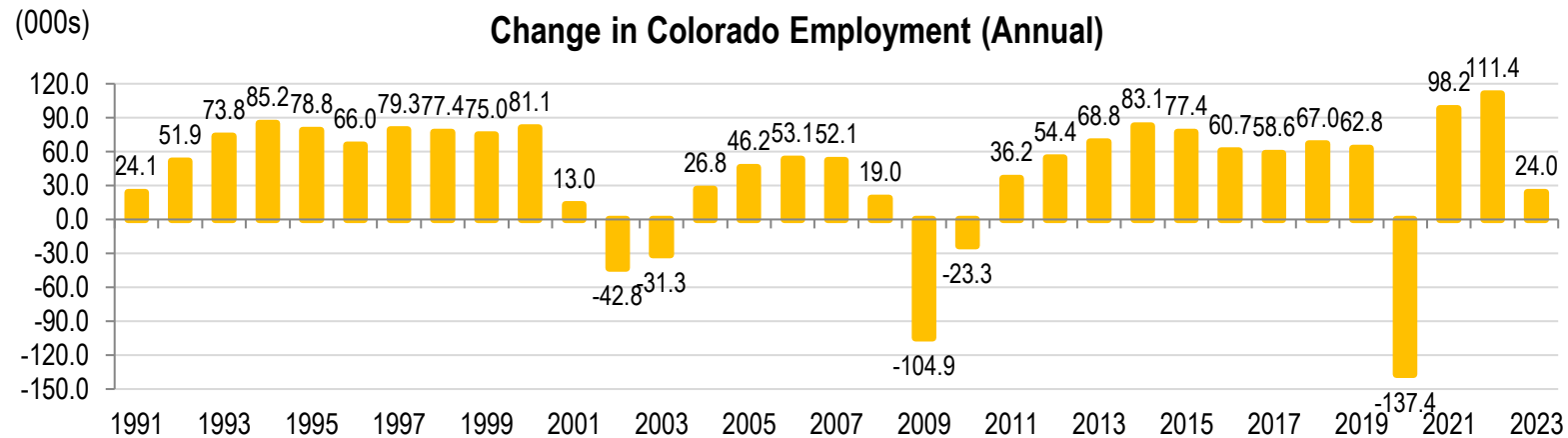


# Employment and Change in Colorado Employment

## Colorado



**Colorado Employment (Monthly)**  
The amount of the change in YOY employment has trended downward since April 2022. There has been slower job growth (green) in the first three months of 2023.



The YOY average monthly employment through Q1 was about 4,000, or about 48,000 for the year. That average will decline in the months ahead.

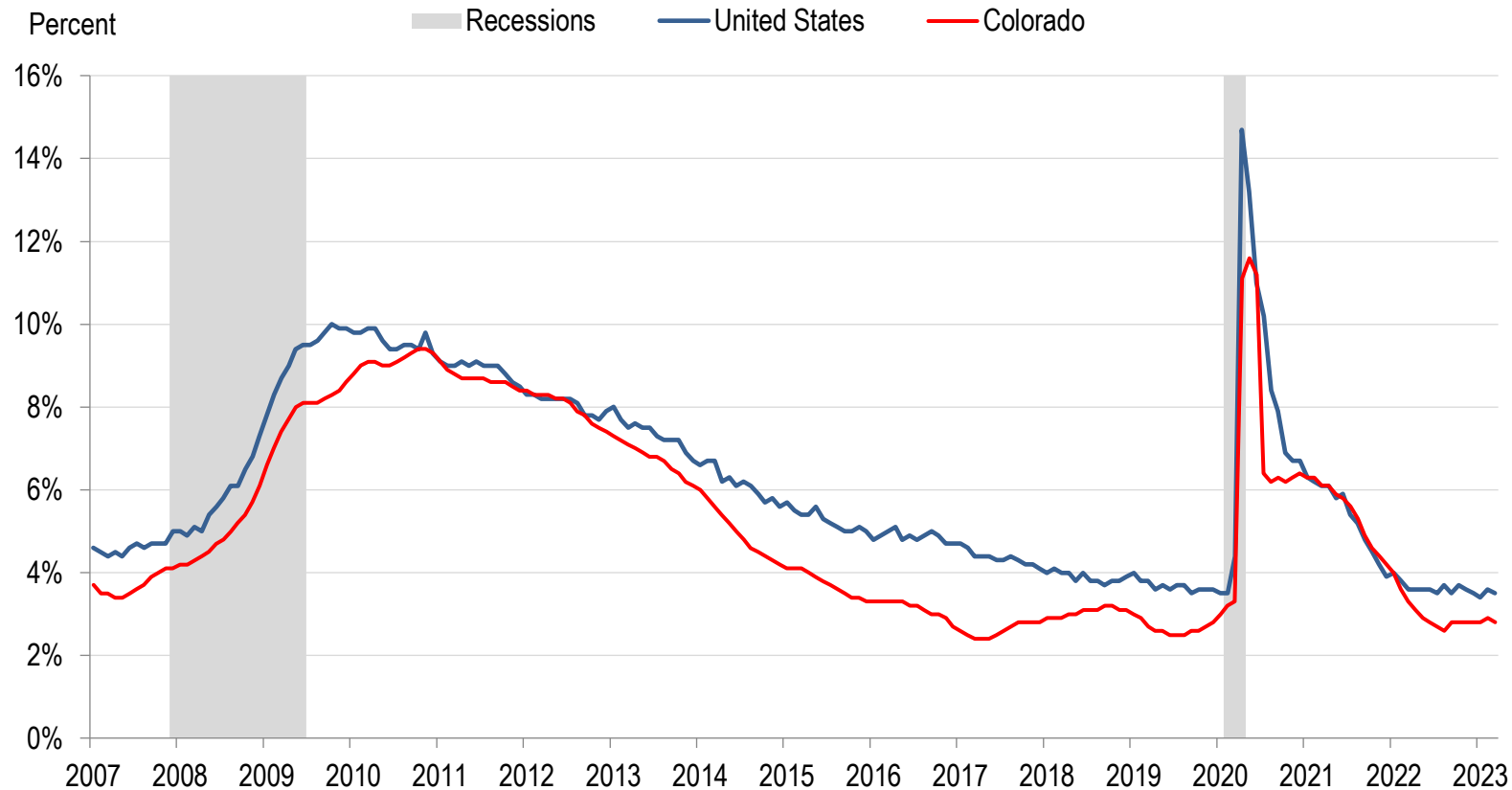
**Colorado Employment (Annual)**  
In 2022, Colorado had record job growth, a low unemployment rate, and a severe shortage of workers. Job growth will be much weaker in 2023.

Source: Bureau of Labor Statistics, NSA, cber.co.

# Unemployment Rate

## United States and Colorado

**U.S. and Colorado Unemployment**



Source: BLS, SA, cber.co.

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### Unemployment Rate

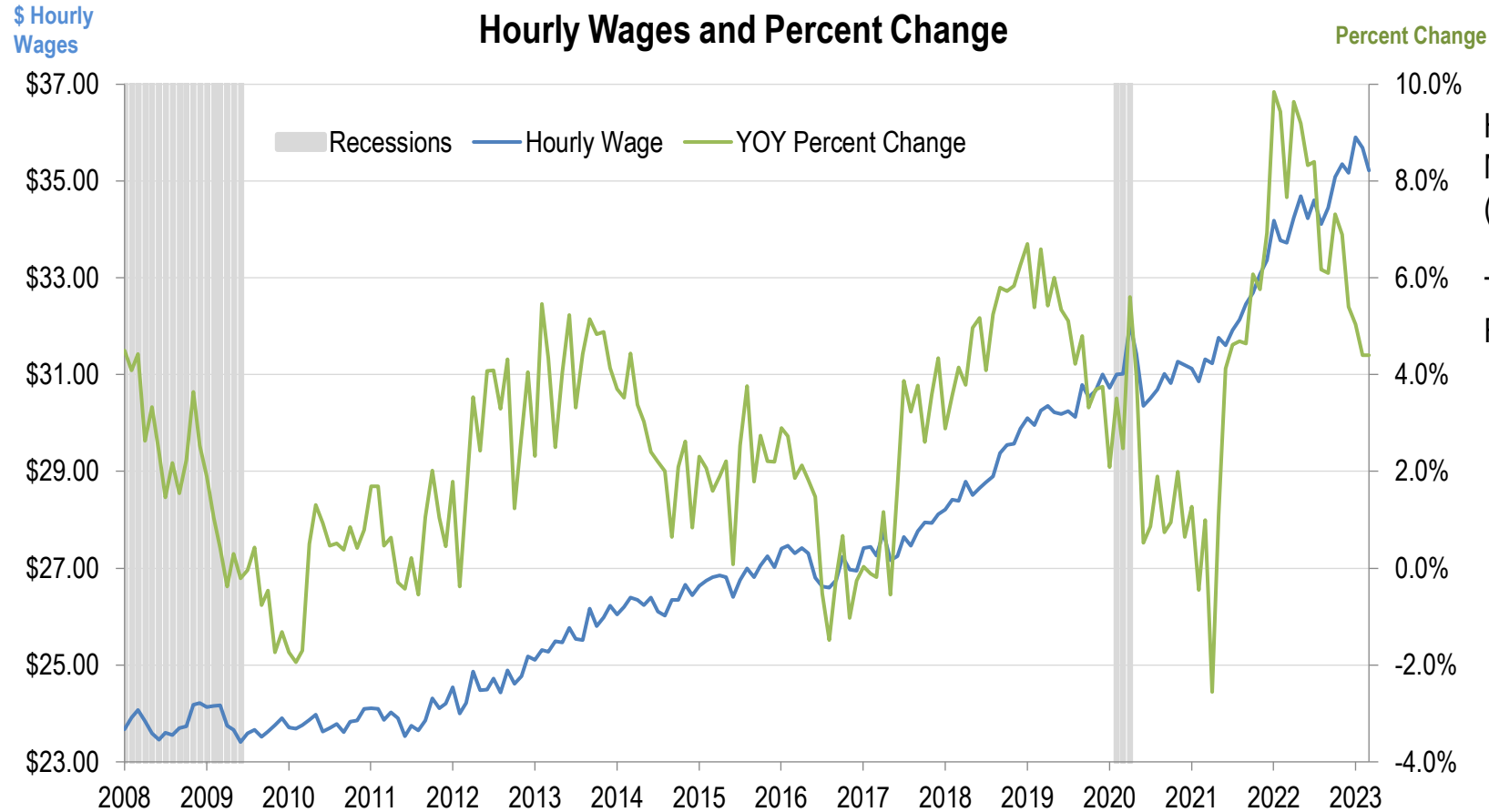
The Colorado unemployment rate returned to 2.8% in March, and the U.S. rate was 3.5%. There will continue to be a shortage of workers in some occupations. The unemployment rate will remain low despite weaker economic growth.

**Annual Unemployment Rate**

Year	United States	Colorado
2016	4.9%	3.1%
2017	4.4%	2.6%
2018	3.9%	3.0%
2019	3.7%	2.7%
2020	8.1%	6.8%
2021	5.3%	5.4%
2022	3.6%	3.0%

# Hourly Wages

## Colorado



### Hourly Wages and Change

Hourly wages (blue) dropped to \$35.21 in March 2023, a YOY increase of 4.4% (green).

The largest increase was 9.4%, in February 2022.

Annual Wages and Change			
Year	CO CPI	Wages	Change
2017	3.4%	\$27.60	2.0%
2018	2.7%	\$28.92	4.8%
2019	1.9%	\$30.37	5.0%
2020	2.0%	\$30.99	2.0%
2021	3.5%	\$31.97	3.2%
2022	8.0%	\$34.47	7.8%

Source: BLS, cber.co

Source: BLS, cber.co.

## Colorado Employment Trends by Largest Sectors

# Change in Employment

## Largest Sectors

### Trends in Large Sectors

#### Largest Sectors/Subsectors

The charts in this section look at seasonally adjusted employment trends for total employment (2.9 million) and the nine largest Colorado sectors and subsectors (2.1 million) - about 73% of all jobs.

The sectors are ranked by number of employees as follows:

1. Healthcare and Social Assistance
2. Accommodation and Food Services
3. Professional, Scientific and Technical Services
4. Retail Trade
5. Local Government
6. Construction
7. Financial Activities
8. Administrative Services
9. Manufacturing.

#### Trends

Many sectors had significant employment gains in April 2022. Fewer jobs were added in May and subsequent months, suggesting the recovery from the pandemic-related policies and pent-up growth had ended. The charts also show performance to December 2019, pre-COVID employment.

Within the past eleven months, there was slow but steady growth for local government.

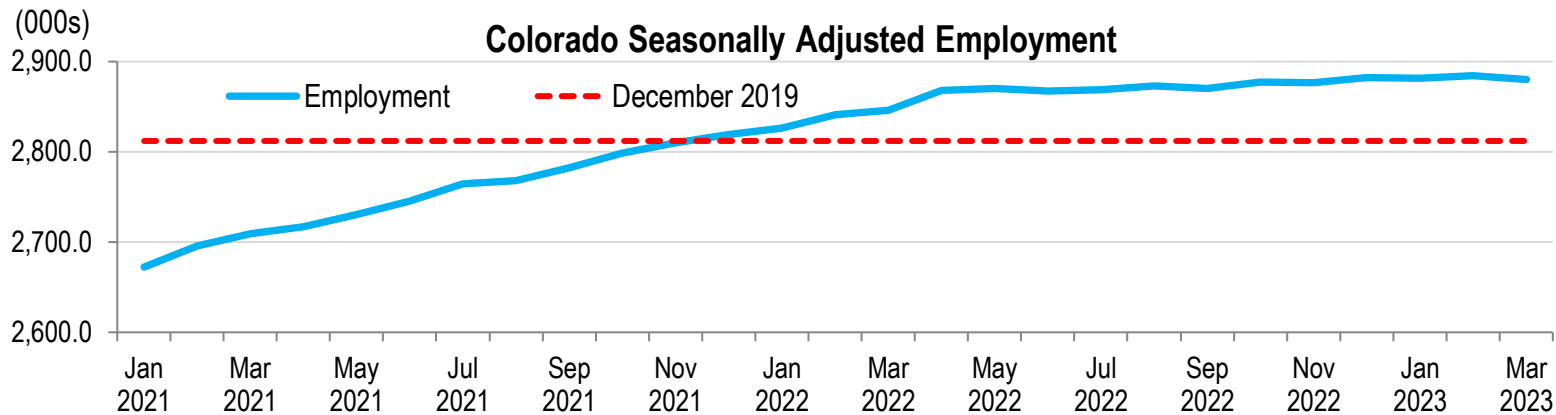
Within the past eleven months, PST, manufacturing, and AFS showed steady growth. In recent months, their growth was flat or trended downward.

Within the past eleven months, healthcare employment was volatile. In recent months the sector trended downward.

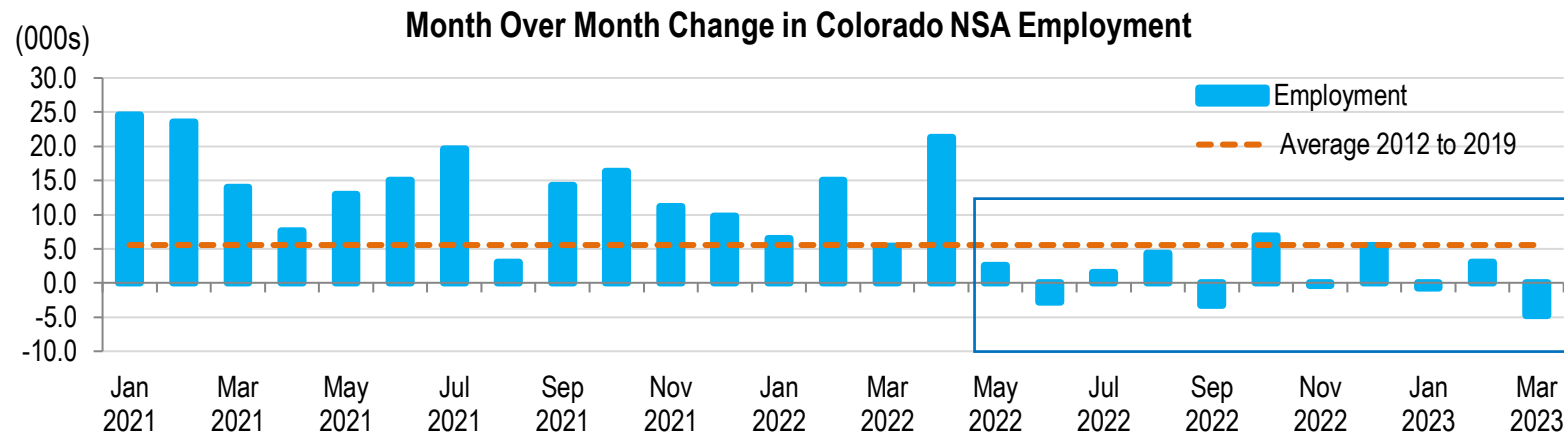
Within the past eleven months, retail trade, construction, financial activities, and administrative services trended downward and may be in a downturn.

# Employment and Change in Colorado Employment

## Total Employment



**Colorado Total Employment**  
 In December 2021, state employment surpassed the December 2019 total (red dotted line). Job growth continued at a steady pace between December 2021 and April 2022.

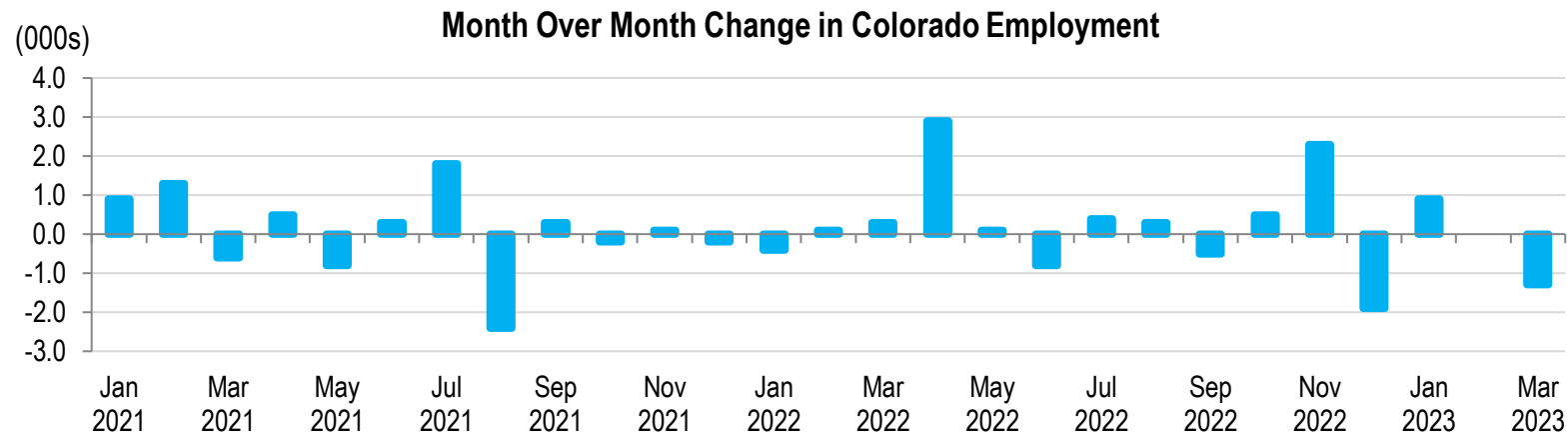
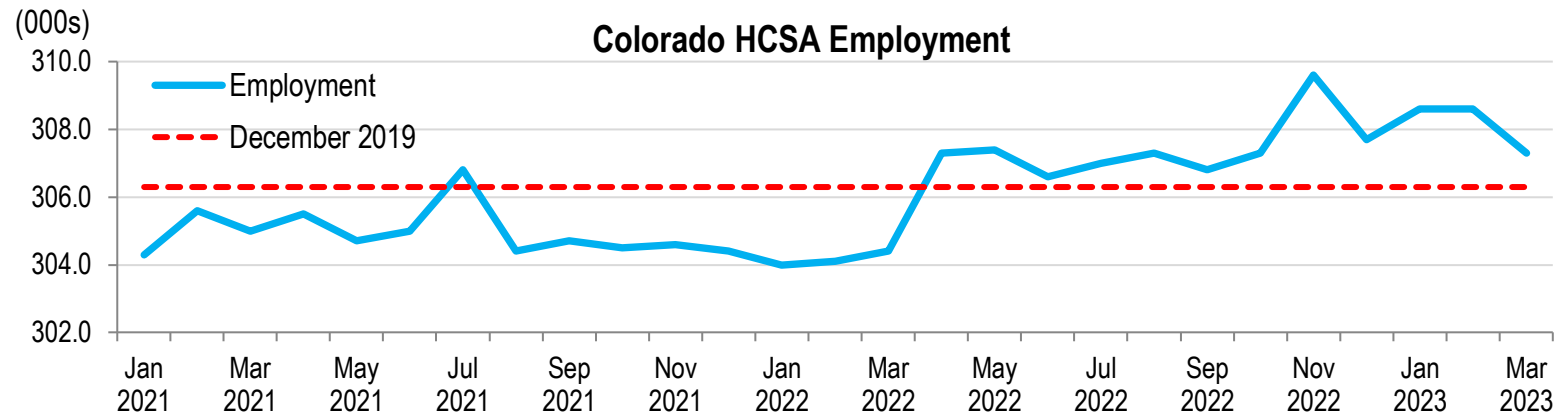


**Colorado Employment (Change)**  
 Between 2012 and 2019 average monthly employment for Colorado was about 5,500 (orange dotted line). The actual monthly change over the prior month was usually well above or below the monthly average. During the eleven months from May 2022 to March 2023 (blue rectangle) there were five months with employment declines.

Source: Bureau of Labor Statistics, cber.co.

# Employment and Change in Colorado Employment

## Health Care and Social Assistance - #1



### Colorado HCSA Employment

The employment range was 304,000 to 309,600 between January 2021 and March 2023. On a sustained basis, HCSA employment surpassed the December 2019 total (red dotted line) in April 2022.

During the months following April 2022, there was sporadic growth. In March 2023, employment was only 1,000 more than in December 2019 (307,300 vs 306,300).

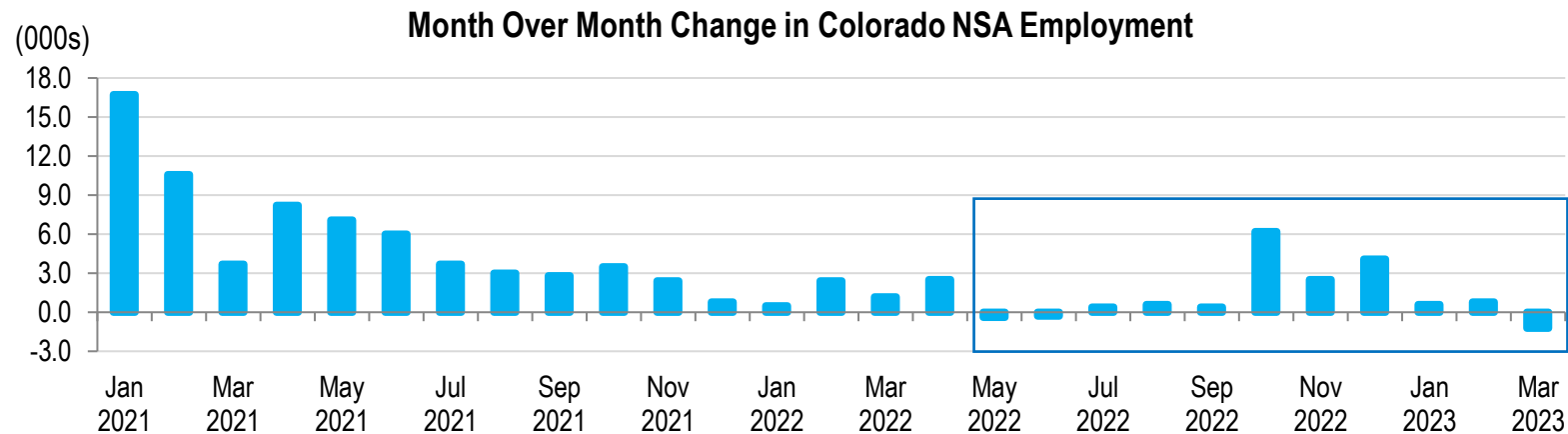
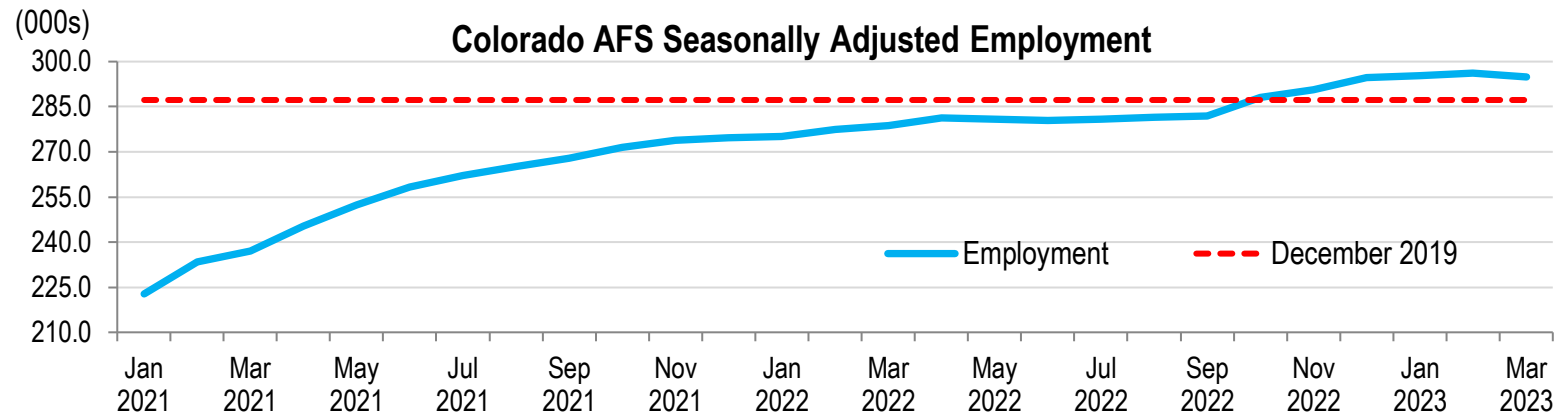
### HCSA Employment (Change)

Job growth has been irregular. In August 2021, the most jobs were lost (-2,100), and the most were gained (+2,900) in April 2022.

Source: Bureau of Labor Statistics, NSA, cber.co.

# Employment and Change in Colorado Employment

## Accommodation and Food Services - #2



### Colorado AFS Employment

From January 2021 to April 2022, employment increased at a decelerating rate. From May through September 2022, employment plateaued.

In October 2022, Colorado AFS employment surpassed the December 2019 total (red dotted line). After solid growth in Q4 2022, employment plateaued again.

### AFS Employment (Change)

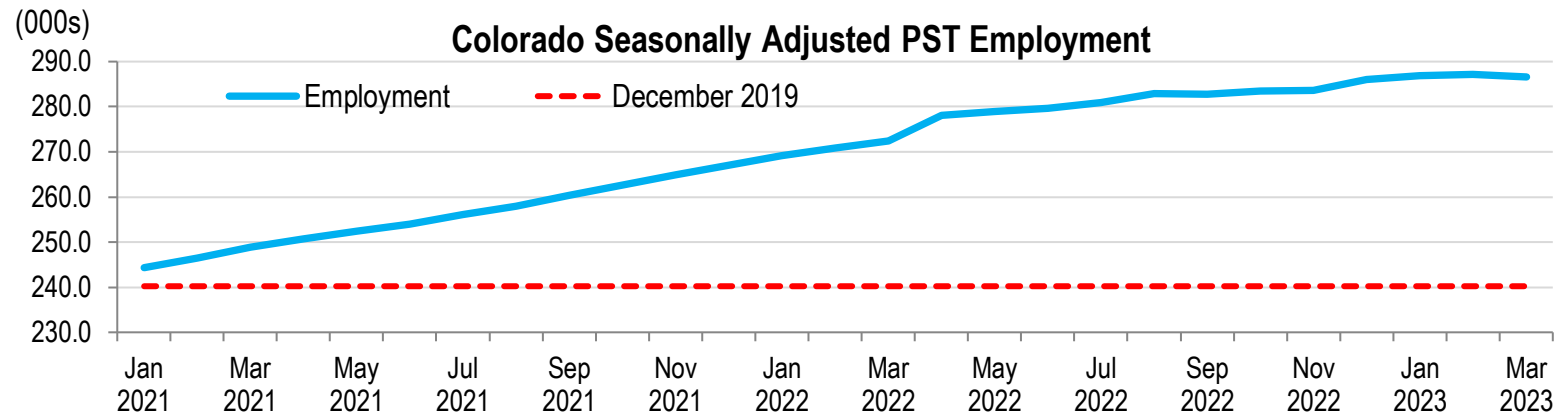
After April 2022, growth in the sector has been weak, except for Q4 2022 (blue rectangle).

Source: Bureau of Labor Statistics, cber.co.

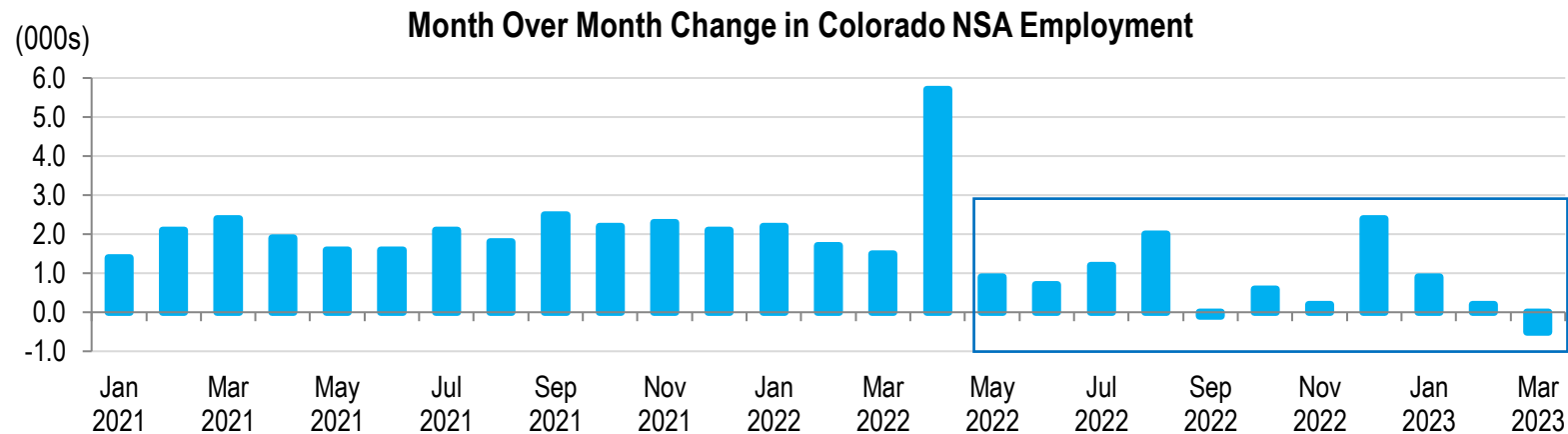


# Employment and Change in Colorado Employment

## Professional, Scientific, and Technical Services - #3



**Colorado PST Employment**  
 In October 2020, PST employment surpassed the December 2019 total (red dotted line). Between December 2021 and April 2022 there was strong, sustained growth. In May 2022, the slope of the line became flatter, i.e., there was slower employment growth.

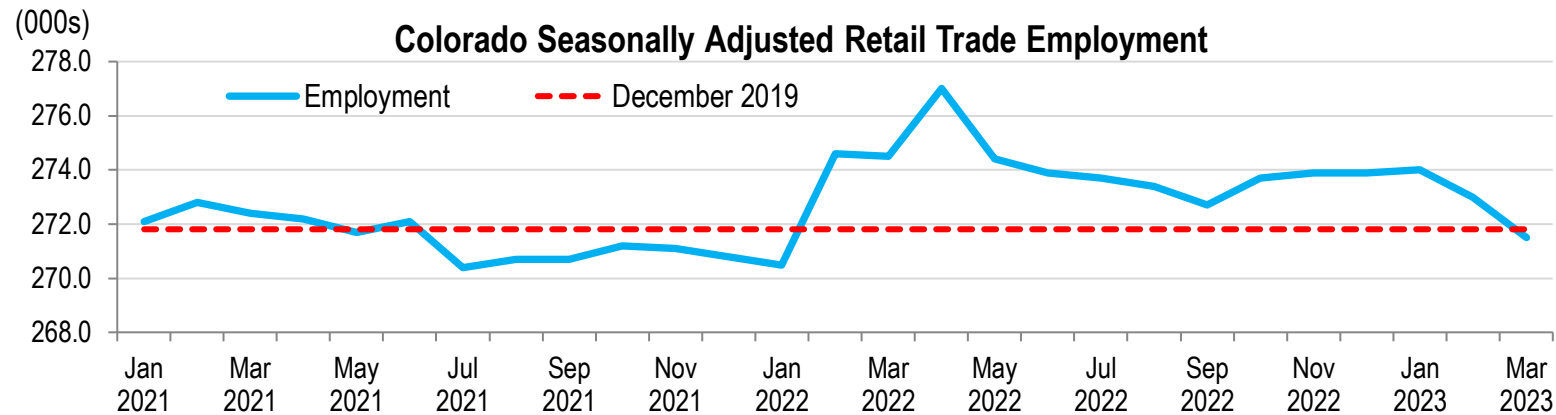


**PST Employment (Change)**  
 During the eleven months from May 2022 to December 2022, PST experienced solid job growth (blue rectangle). There has been weak job growth in 2023.

Source: Bureau of Labor Statistics, cber.co.

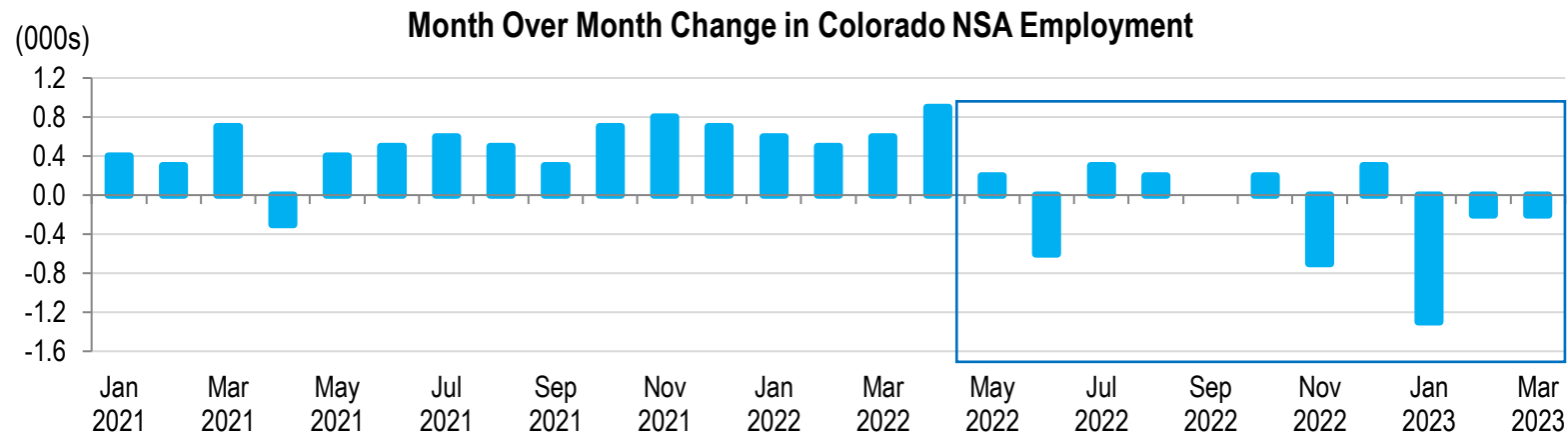
# Employment and Change in Colorado Employment

## Retail Trade - #4



### Colorado Retail Trade Employment

In December 2019, retail trade employment was 271,800 (red dotted line). It has fluctuated above and below the December 2019 value and dropped below it in March 2023.



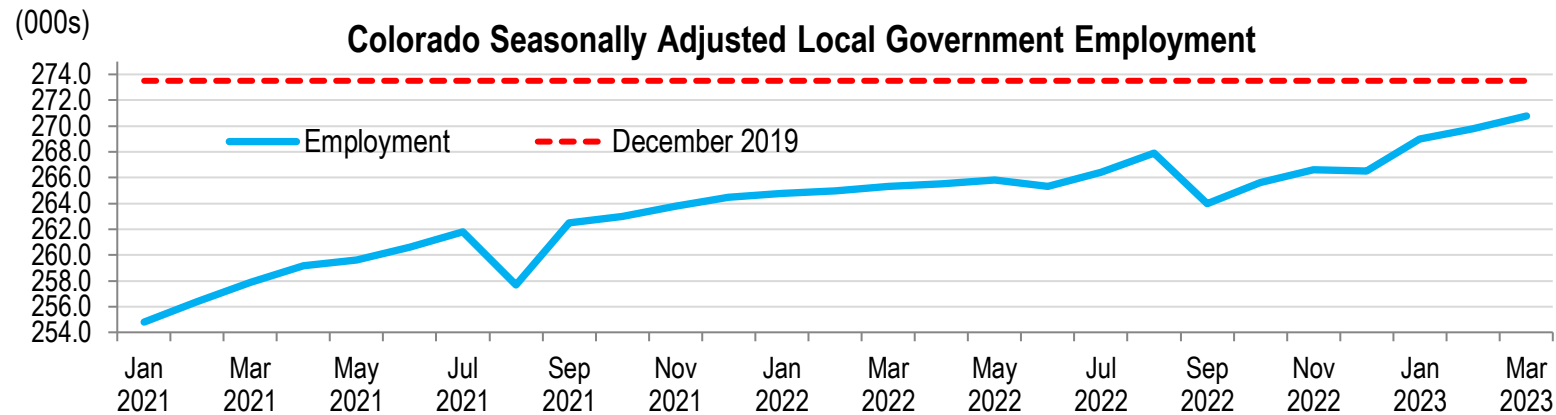
### Retail Trade Employment (Change)

There was a decline in retail trade employment during the eleven months from May 2022 to March 2023. Jobs were not added in six months, including the first three months of 2023.

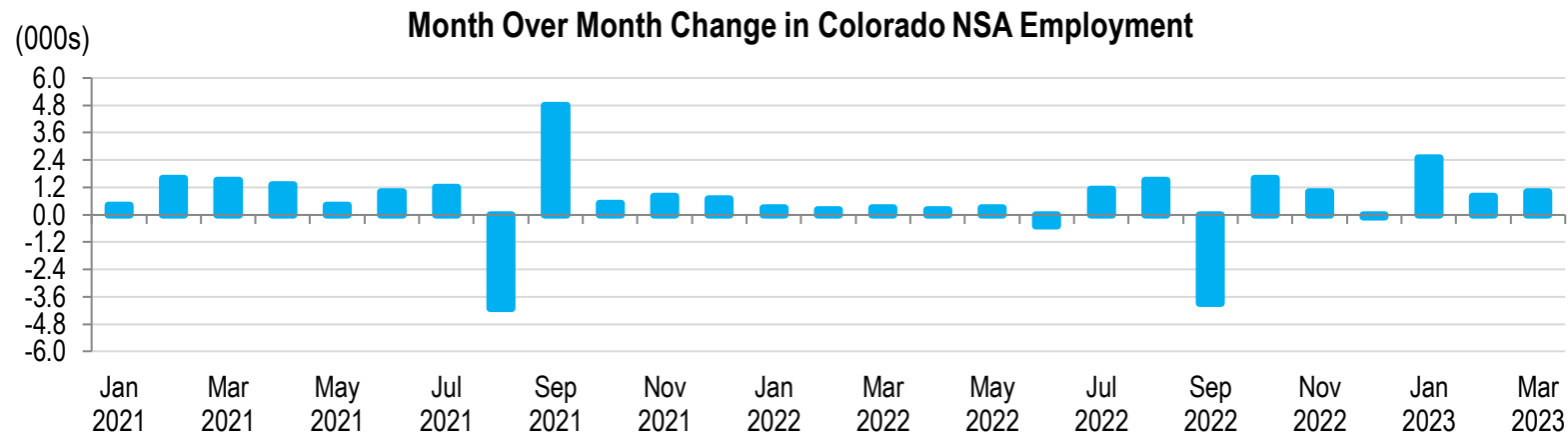
Source: Bureau of Labor Statistics, cber.co.

# Employment and Change in Colorado Employment

## Local Government - #5



**Local Government Employment**  
 The sector includes public school teachers and local government workers. Local government employment has increased at a slow but steady pace; however, it has not returned to the December 2019 level (red dotted line).

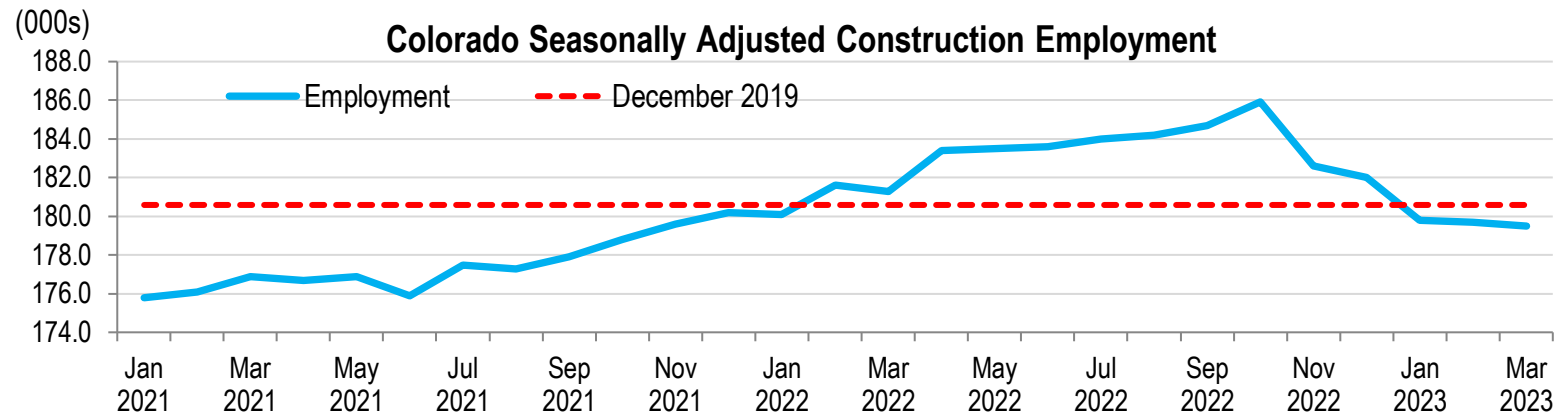


**Local Government Employment (Change)**  
 Since January 2021, there were only four months when employment declined.

Source: Bureau of Labor Statistics, cber.co.

# Employment and Change in Colorado Employment

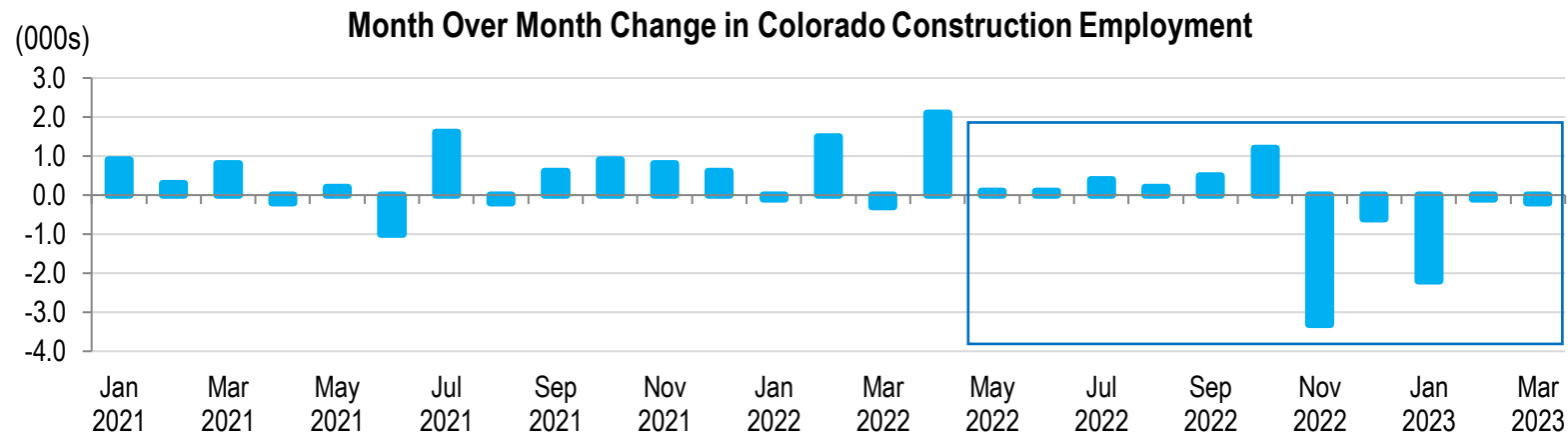
## Construction - #6



### Construction Employment

In December 2019, construction employment was 180,600 (red dotted line). Construction employment reached that level in January 2022.

From June 2021 until October 2022 construction employment increased by about 10,000.



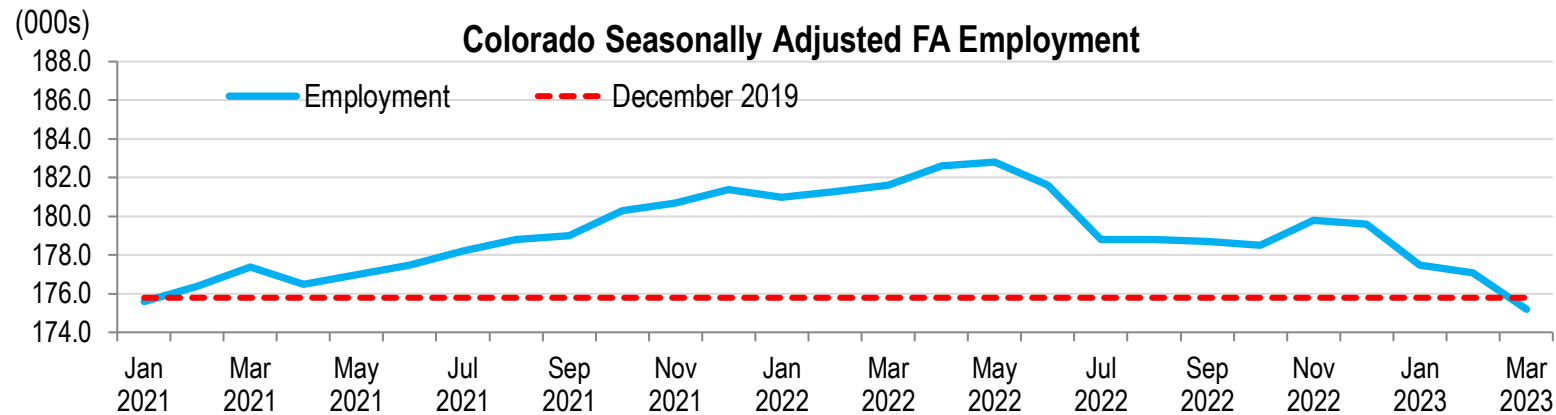
### Construction Employment (Change)

Like other industries there was a spike in April 2022. There was weak growth between May and October 2022 (blue rectangle). Construction employment declined for five consecutive months from November 2022 through March 2023. As a result, construction employment is again below the pre-pandemic level.

Source: Bureau of Labor Statistics, cber.co.

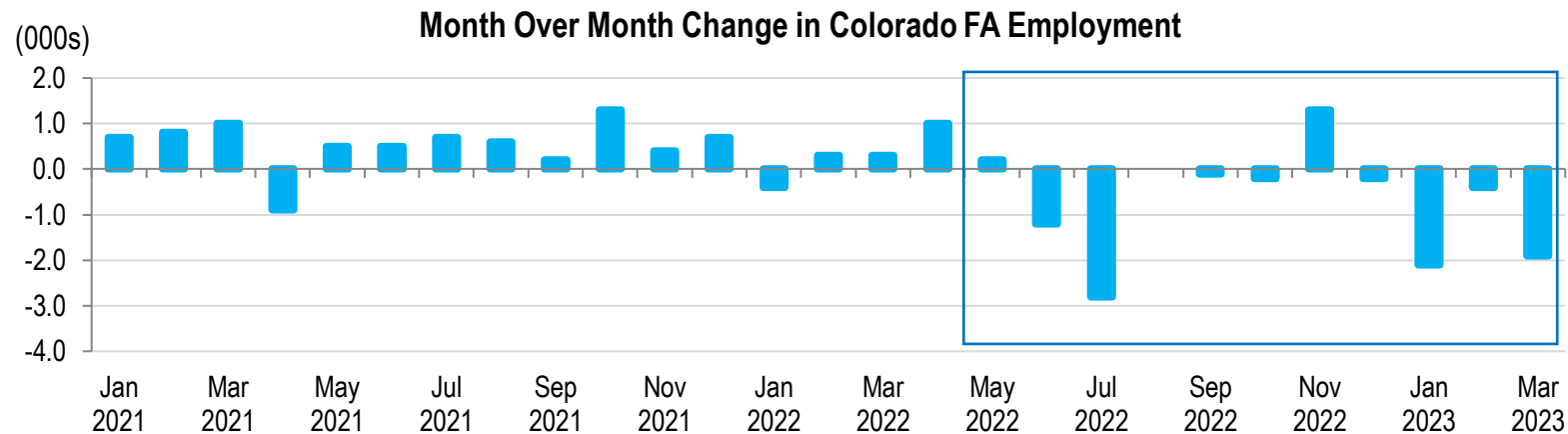
# Employment and Change in Colorado Employment

## Financial Activities - #7



### Colorado FA Employment

Financial activity employment increased from January 2021 to April 2022. It topped the December 2019 employment level (red dotted line) in February 2021.



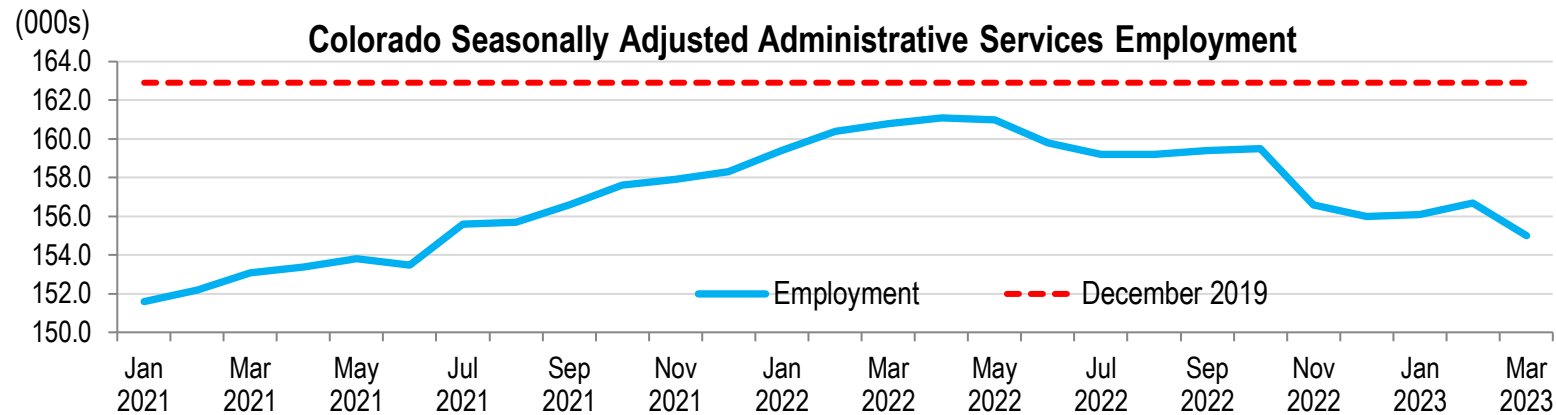
### FA Employment (Change)

Financial activities have increased in only two of the last eleven months, from November 2022 through March 2023 (blue rectangle). As a result, FA employment is below the December 2019 total.

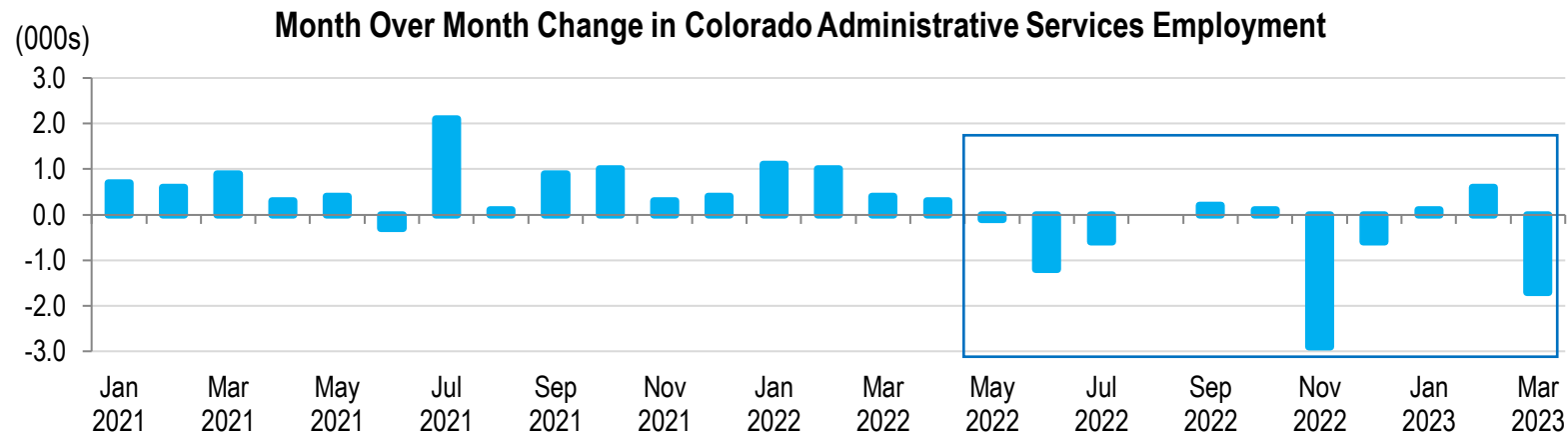
Source: Bureau of Labor Statistics, cber.co.

# Employment and Change in Colorado Employment

## Administrative Services - #8



**Administrative Services Employment**  
 In December 2019, administrative services employment was 162,900. It has not returned to that level.



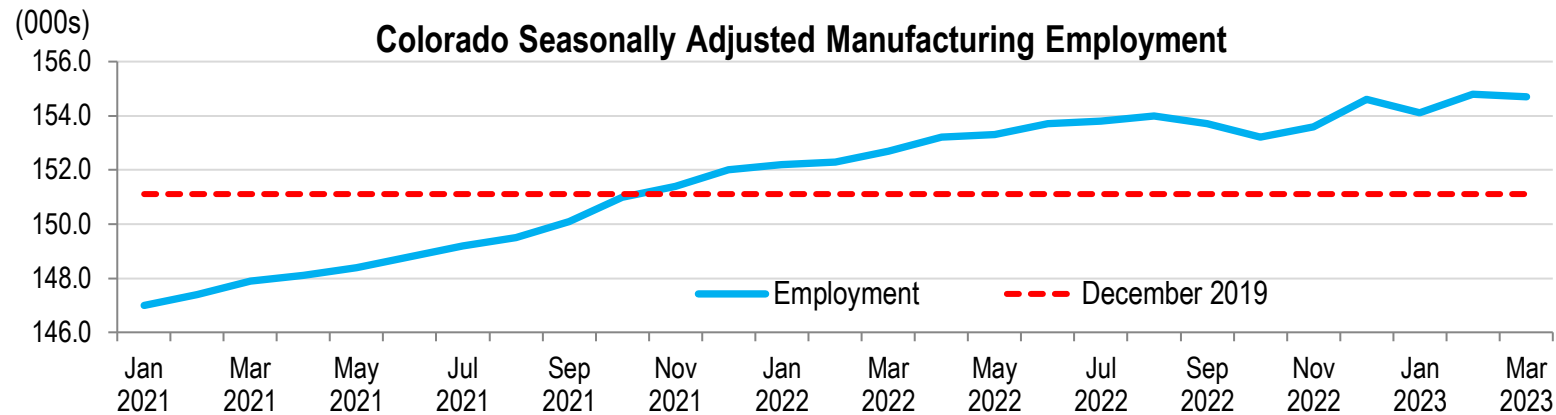
**Administrative Services Employment (Change)**  
 There was strong employment growth between January 2021 and April 2022.

The industry added jobs in only four of the last eleven months, from May 2022 through March 2023 (blue rectangle).

Source: Bureau of Labor Statistics, cber.co.

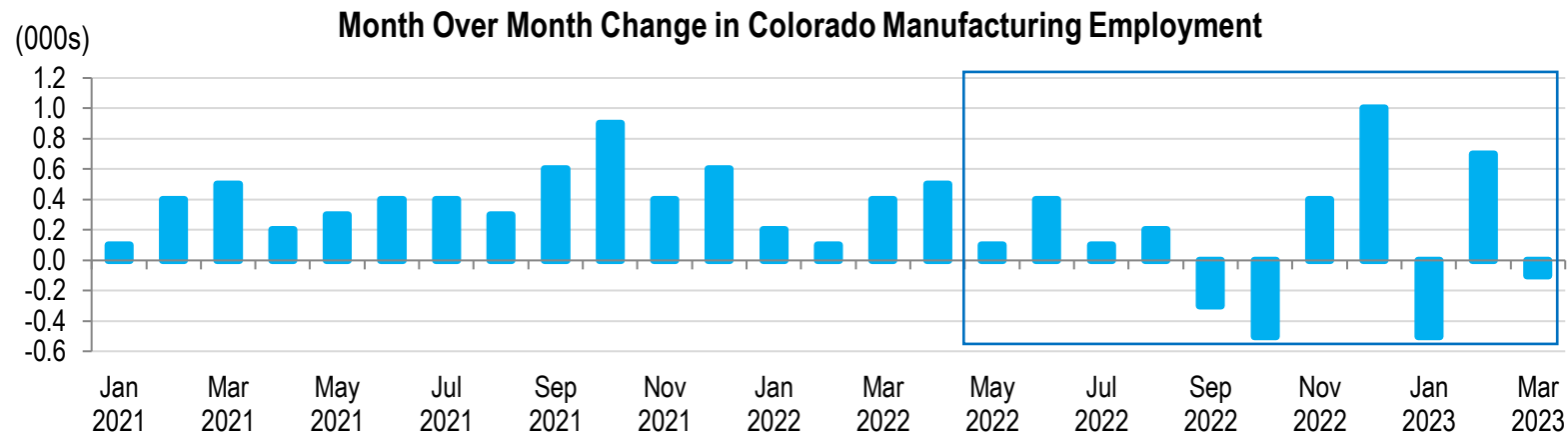
# Employment and Change in Colorado Employment

## Manufacturing - #9



**Manufacturing Employment**  
 In November 2021, manufacturing employment returned to the December 2019 level (red dotted line).

Employment increased every month from January 2021 to August 2022.



**Manufacturing Employment (Change)**  
 In seven of the last eleven months, from May 2022 through March 2023, (blue rectangle) manufacturing employment increased.

Source: Bureau of Labor Statistics, cber.co.

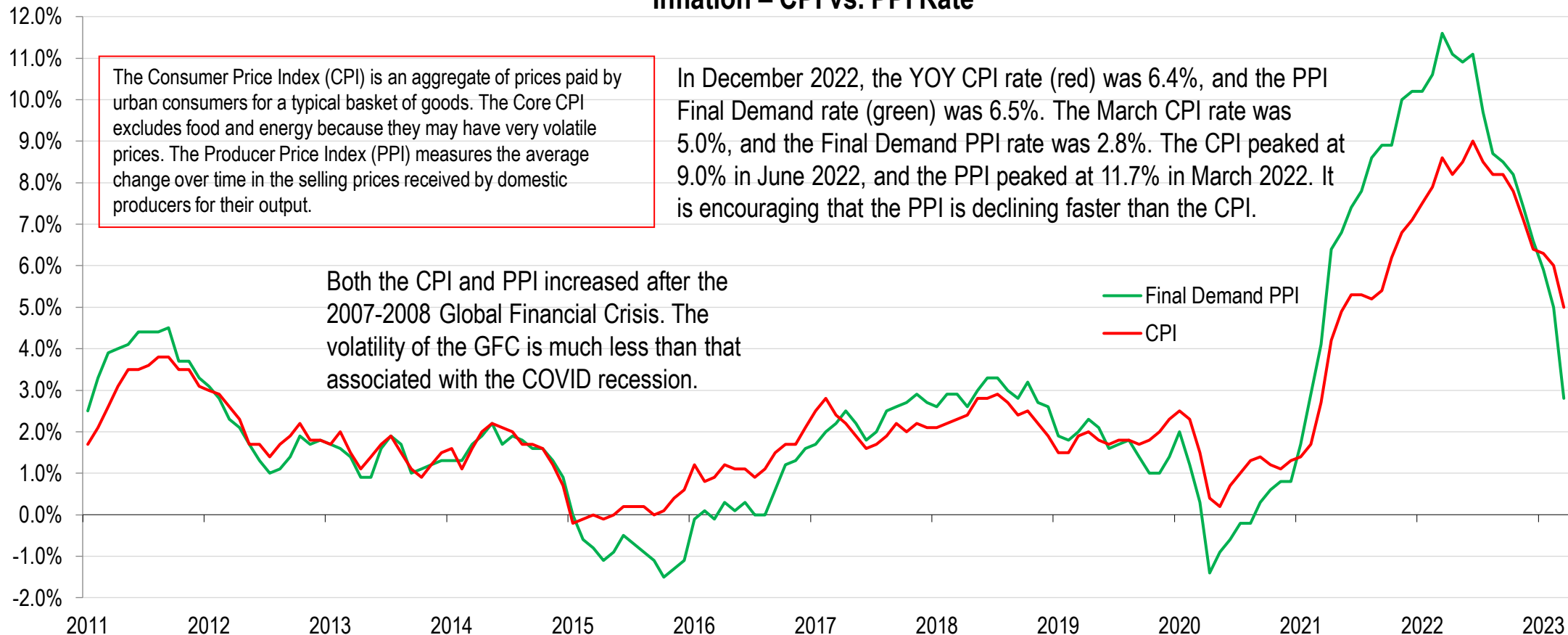
# Inflation



# U.S. Inflation

## CPI vs. Producer Price Index (Final Demand)

**Inflation – CPI vs. PPI Rate**

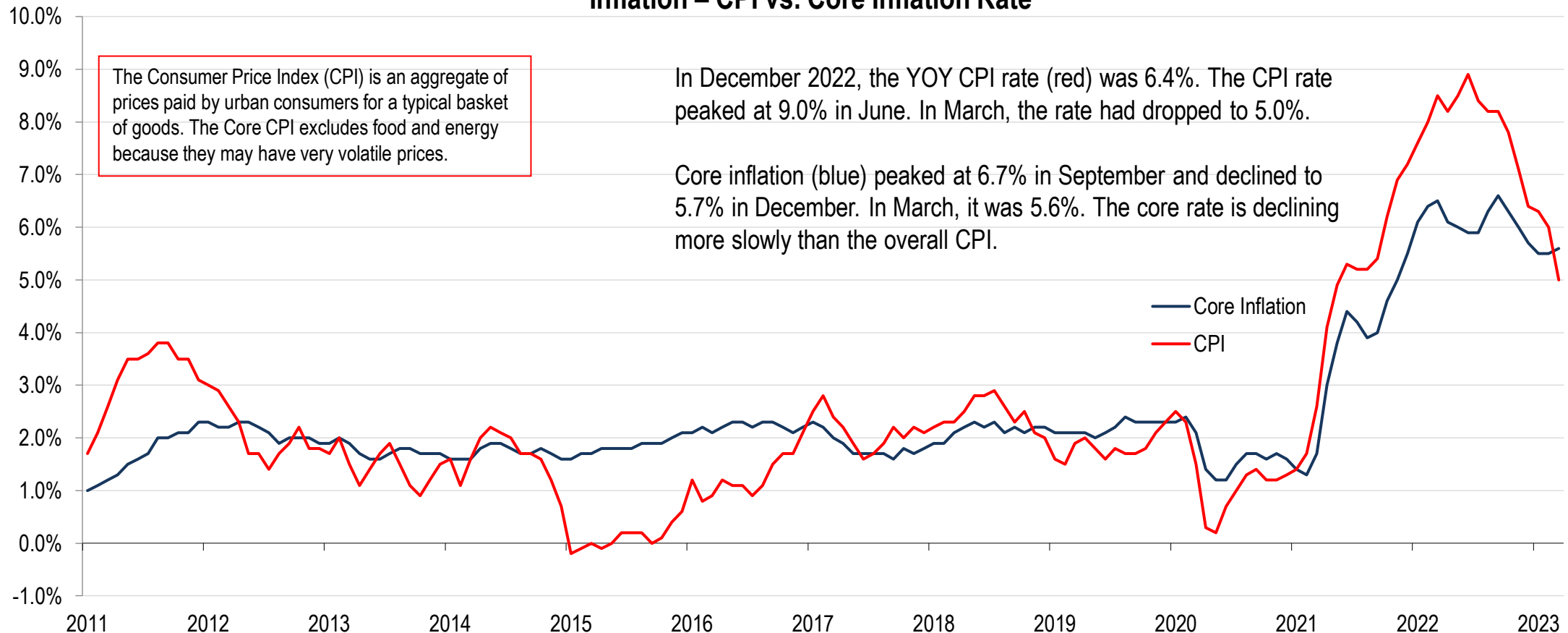


Source: Bureau of Labor Statistics, PPI Commodity Data, Final Demand SA; CPI All Items City Average SA, cber.co.  
 Colorado-based Business and Economic Research <https://cber.co>

# U.S. Inflation

## CPI vs. Core Inflation

### Inflation – CPI vs. Core Inflation Rate



Source: Bureau of Labor Statistics, Core Inflation is the CPI less food and energy; CPI All Items City Average SA, cber.co.  
Colorado-based Business and Economic Research <https://cber.co>

# Inflation

## Denver-Aurora-Lakewood

Consumer Purchasing Index for Denver-Aurora-Lakewood and the U.S.									
	Half 1	Half 2	Annual '22	March 2023		Half 1	Half 2	Annual '22	March 2023
<b>Colorado CPI</b>	<b>8.6%</b>	<b>7.5%</b>	<b>8.0%</b>	<b>5.7%</b>	<b>Colorado Core CPI</b>	<b>7.4%</b>	<b>6.8%</b>	<b>7.1%</b>	<b>5.6%</b>
Alcoholic Beverages	4.2%	6.8%	5.5%	5.7%	Housing	6.9%	8.4%	7.6%	7.7%
Apparel	4.2%	2.2%	3.2%	3.3%	Meats, Poultry, Fish, Eggs	14.5%	10.8%	12.6%	5.9%
Dairy	6.4%	15.0%	10.6%	12.5%	Medical	10.1%	9.4%	9.7%	-0.7%
Food and Beverage	8.8%	10.9%	9.9%	9.4%	Motor Fuel	38.4%	7.2%	21.1%	-1.7%
Food at Home	9.0%	13.2%	11.1%	10.0%	Non-Alcoholic Beverage	7.5%	14.1%	10.8%	16.0%
Food Away From Home	9.5%	8.7%	9.1%	9.5%	Recreation	6.1%	3.5%	4.7%	5.3%
Fruits and Vegetables	5.1%	11.5%	8.3%	14.1%	School Fees/Childcare	-0.3%	1.0%	0.3%	4.0%
Household Energy	12.4%	12.3%	12.3%	5.7%	Transportation	19.3%	6.8%	12.7%	4.0%
Household Furnishings	9.6%	8.6%	8.1%	4.1%	Used Vehicles	28.6%	3.9%	15.1%	-11.5%

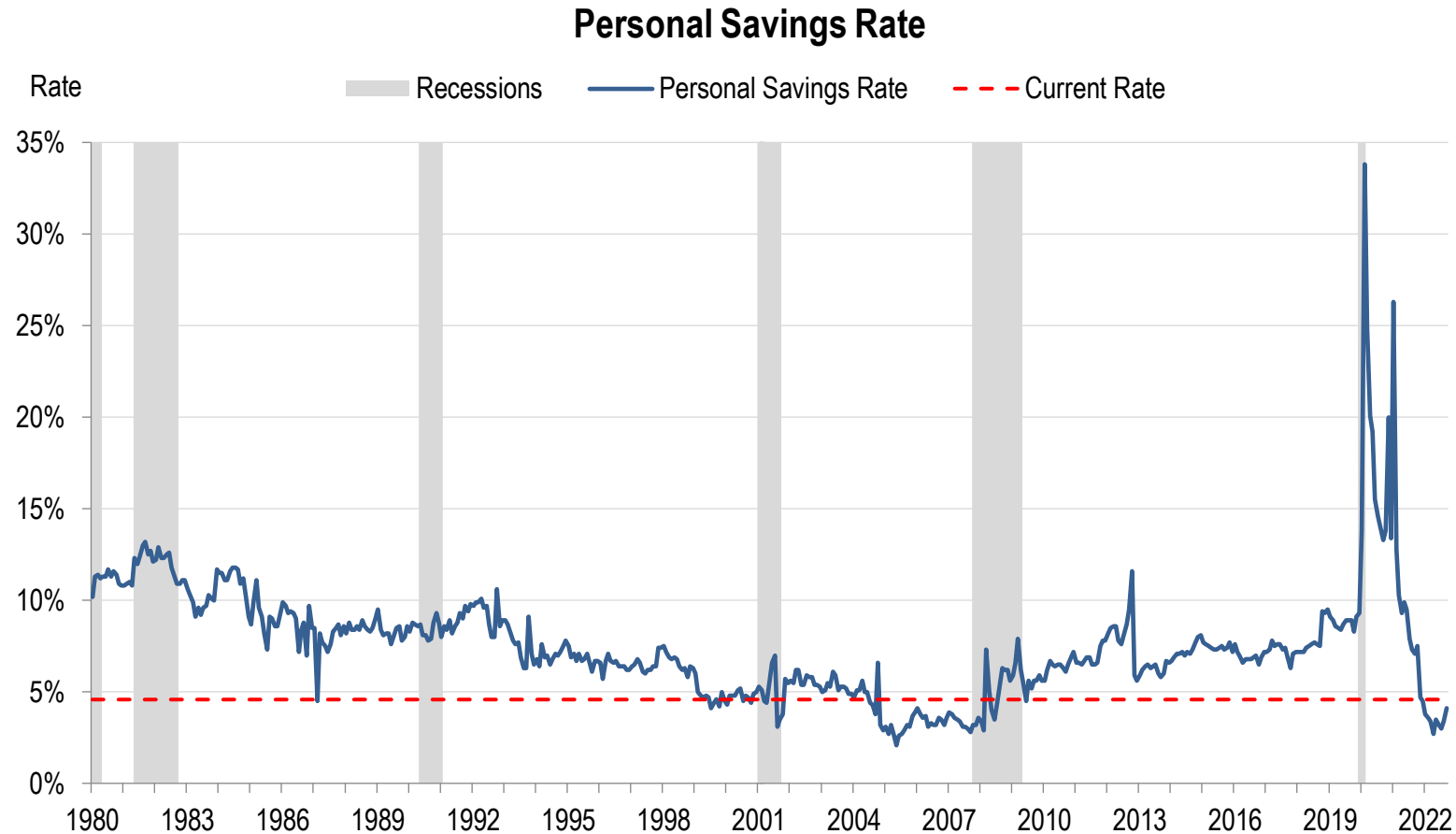
The Colorado inflation rate was 8.0% for 2022, and core inflation (CPI less food and energy) was 7.1%. Most categories have declined, but housing, household energy, and food costs have been persistently high.

The BLS produces the Colorado CPI bi-monthly. It increased 5.7% in March, and core inflation was up 5.6%, compared to the U.S. CPI of 5.0% and the U.S. core rate of 5.6%. These rates decreased over the past year but are much higher than in 2021.

## Saving, Borrowing, Consumption, and the Wealth Effect

# U.S. Personal Savings Rate

## Percentage of Disposable Personal Income



### Personal Savings

The personal savings rate jettisoned to a monthly high of 33.8% in the early stages of the pandemic. It fell to 13.0% in November 2020, then rose to 26.3% in March 2021. In September 2022, the personal savings rate was 3.0%. The February rate increased to 4.6%, and savings were \$915.8 billion, down from \$6.4 trillion in April 2020.

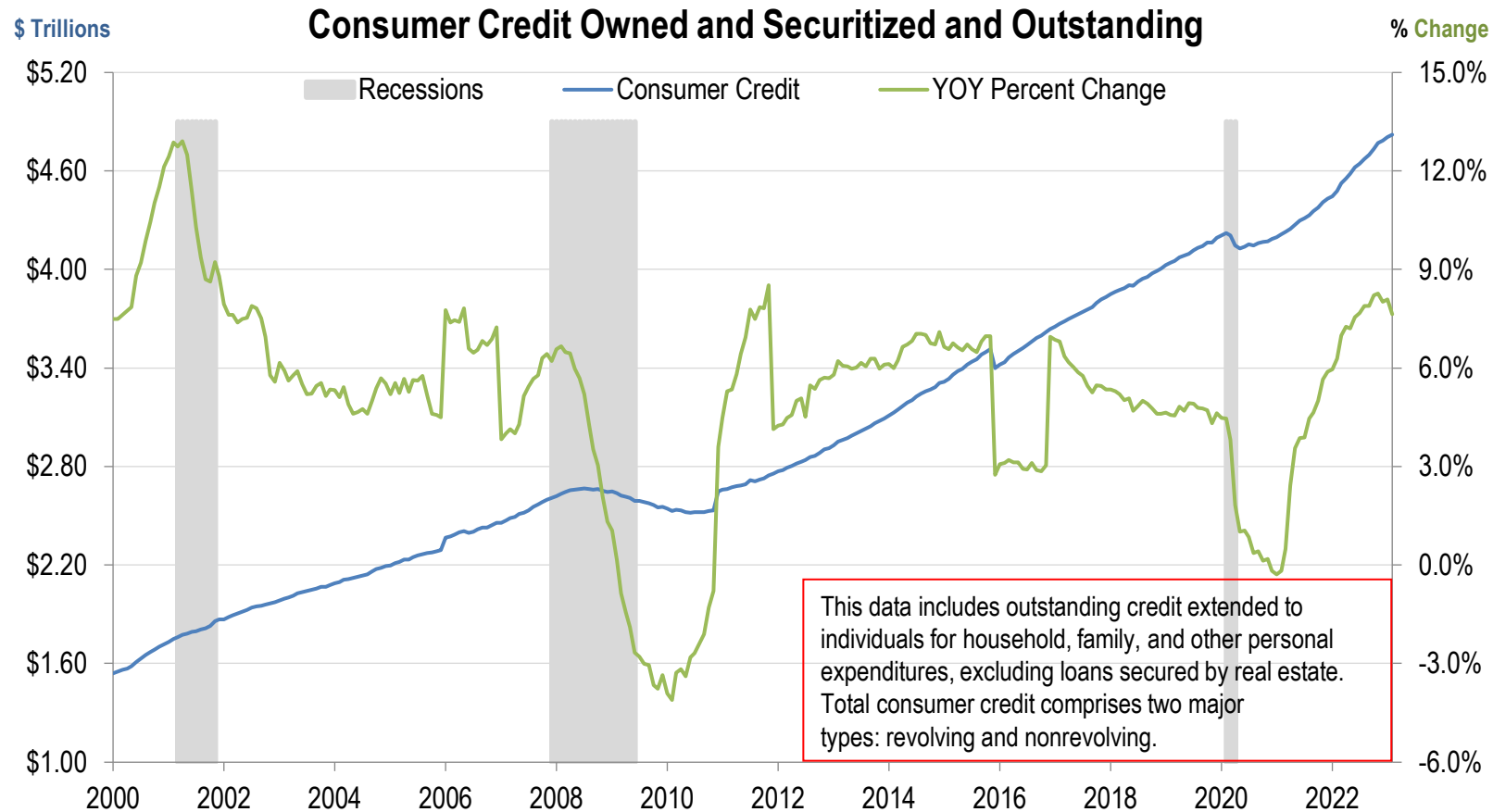
#### Year End Personal Savings (Billions) and Rate

2017	\$948.5	6.3%
2018	\$1,511.9	9.4%
2019	\$1,381.3	8.3%
2020	\$2,402.8	13.8%
2021	\$1,372.3	7.5%
2022	\$858.2	4.5%

Source: BEA, cber.co

Source: BEA, FRED, cber.co.

# U.S. Consumer Credit Outstanding



## Consumer Credit

From Q3 2008 to Q4 2010, consumers deleveraged and decreased the amount of outstanding consumer credit (including consumer defaults on loans). The amount of credit authorized increased in 2018 and 2019 and declined in 2020 as consumers reduced expenditures and paid off debt during the pandemic (blue). In January 2022, the YOY rate of consumer debt increased by 6.0% (green). In February 2023, debt increased by 7.6%.

### Outstanding Credit (Billions) and Percent Change

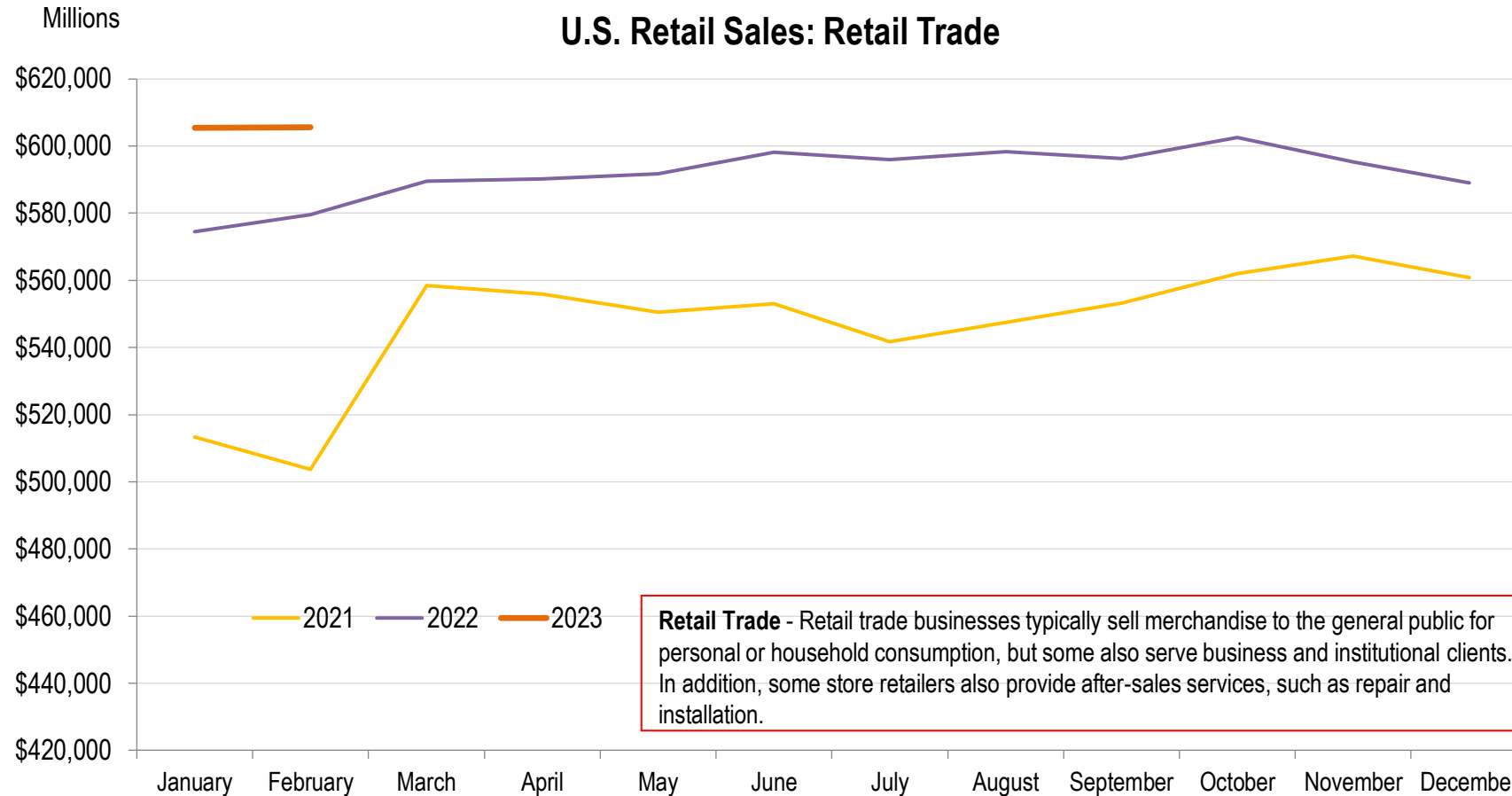
2017	\$3,830.8	5.3%
2018	\$4,007.0	4.5%
2019	\$4,192.2	4.6%
2020	\$4,184.9	-0.3%
2021	\$4,431.9	5.9%
2022	\$4,780.8	7.9%

Source: FRED, G-19, cber.co

Source: FRED, Federal Reserve, G.19, SA.

# U.S. Retail Sales: Retail Trade

## Monthly



**Retail Trade Sales**  
 YOY retail sales through February 2023 (orange) were 5.0% greater than the prior year (purple).

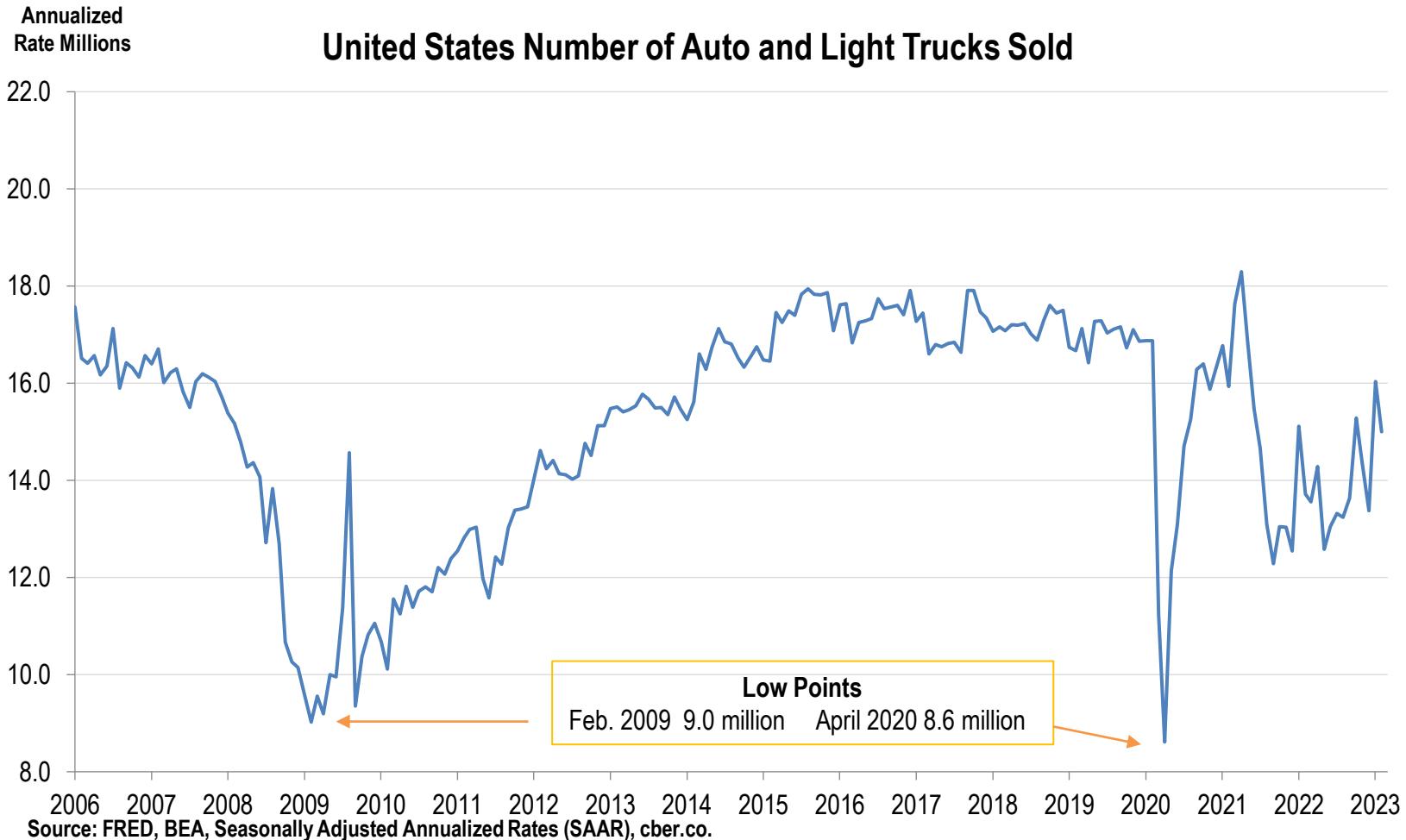
The estimated YOY growth rate for March will be less than 2.0%.

Annual Retail Sales (Trillions)		
2017	\$4.21	4.4%
2018	\$4.38	4.2%
2019	\$4.50	2.7%
2020	\$4.63	2.9%
2021	\$5.47	18.1%
2022	\$5.92	8.1%

Source: Census, cber.co

# U.S. Auto and Light Truck (ALT) Sales

## Monthly (Seasonally Adjusted Annualized Rate in Millions)



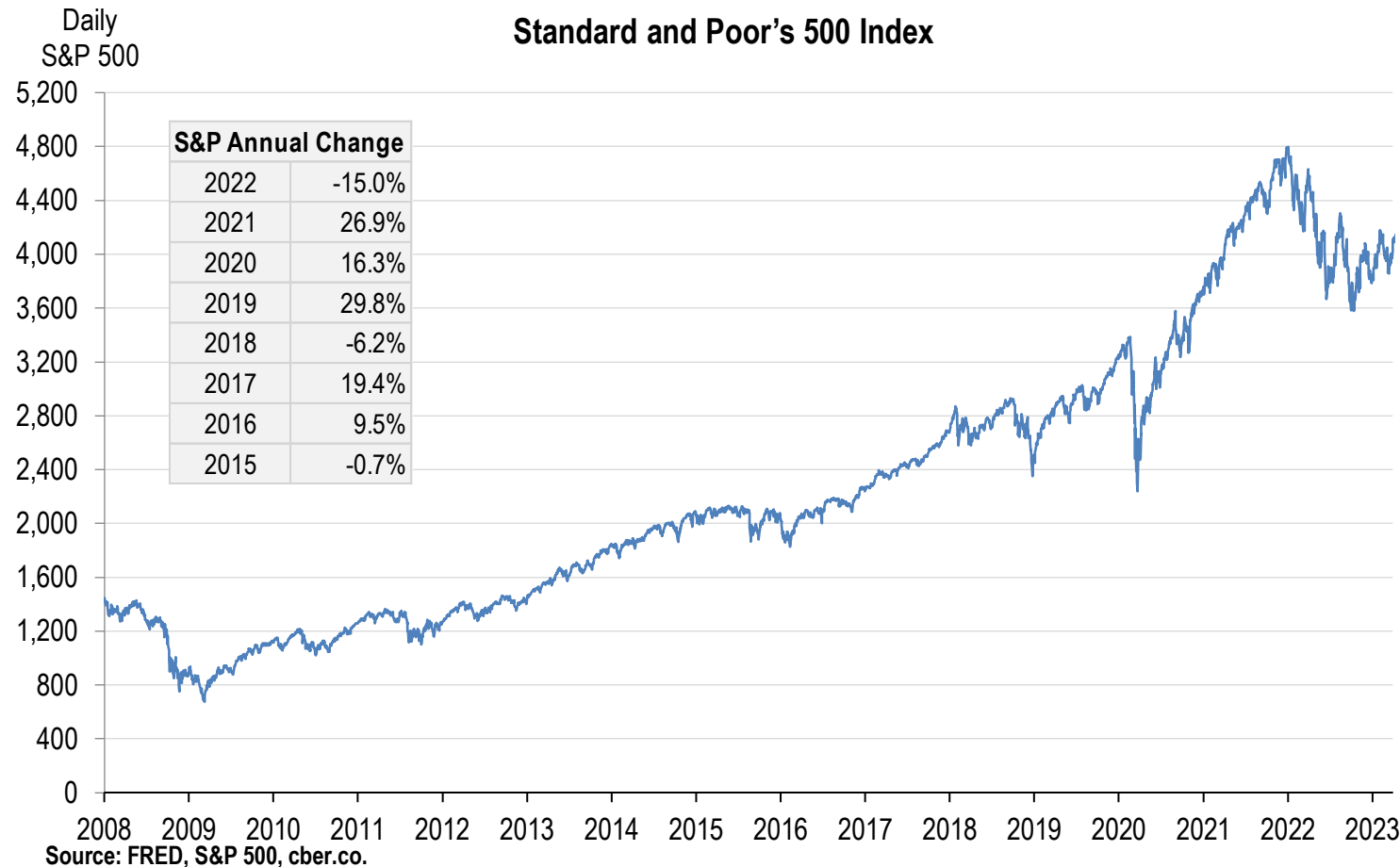
### ALT Sales SAAR

Sales peaked at 18.3 million in April 2021 and dropped to 12.3 million in September. Sales in 2022 were lackluster. January 2023 sales were 16.0 million, with declines in February and March.

ALT Unit Sales	
Year	Units Sold (Millions)
2015	17.4
2016	17.5
2017	17.2
2018	17.2
2019	17.0
2020	14.5
2021	14.9
2022	13.8



# Standard and Poor's 500 Index



## COVID-19 Policies - 2020

February 19, 2020 3,386  
 March 23, 2020 2,237 change **-34%** to 1,148  
 August 18, 2020 3,386 bear market was 149 days  
 2020 change was **+16.3%**

## Year-End 2021 Bull Market

For most of 2021 – steady growth  
 December 31, 2021 4,766, the 2121 change was **+26.9%**.

## 2022 Bear Market

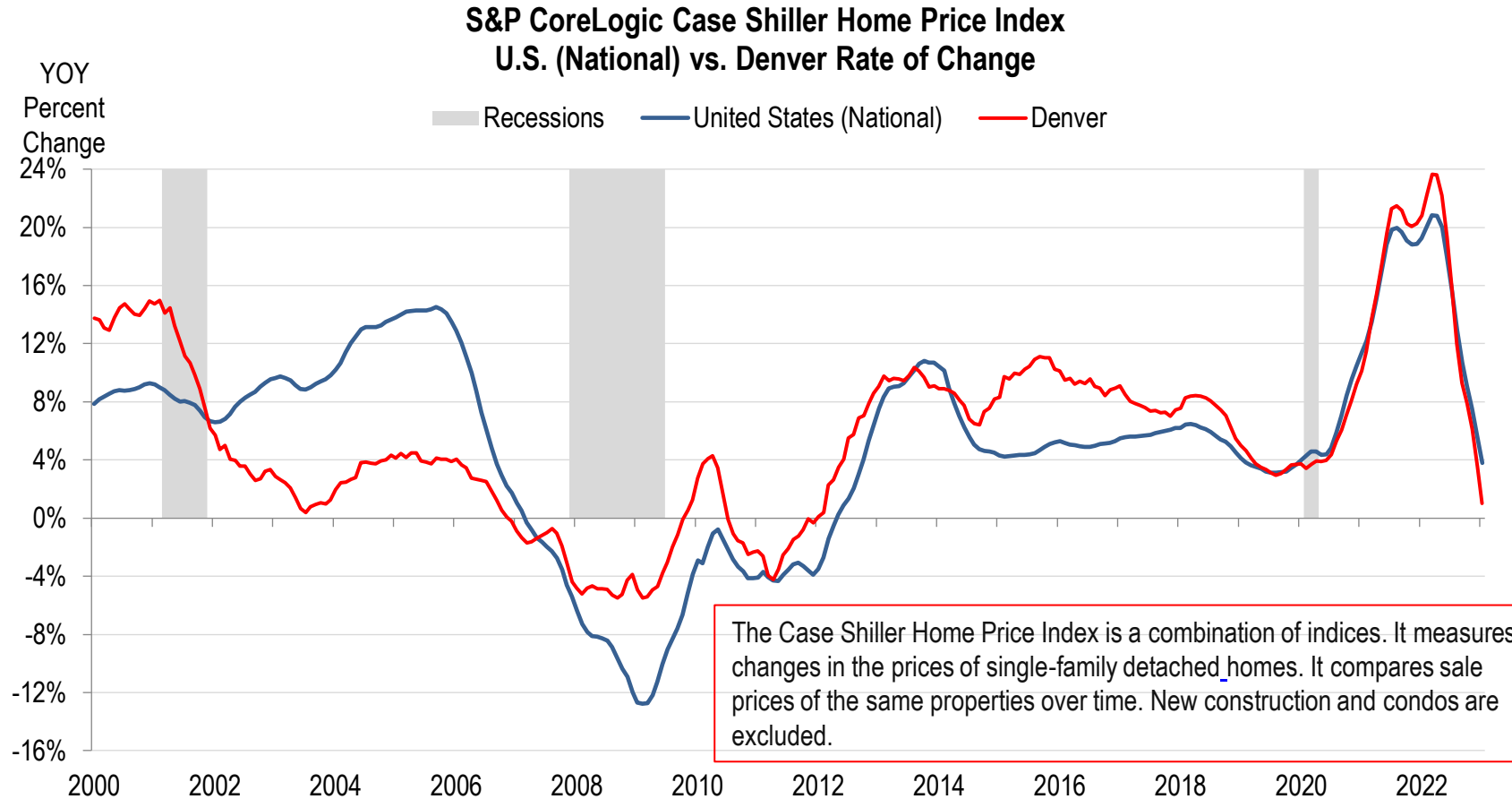
December 31, 2022 3,839.5, change **-15.0%**

## 2023

March, 24, 2023 3,839.5, change 7.7%

# Case Shiller Home Price Index

## YOY National vs. Denver Rate of Change



### Change in S&P CoreLogic Case Shiller Index

In 2019, the housing market favored buyers, and the U.S. YOY appreciation rate was about 4.0%.

In the summer of 2020, the market began to favor sellers. In August 2021, YOY appreciation for Colorado and the U.S. peaked above 20.0%.

In December 2022, the YOY appreciation for the U.S. was 5.8% (blue) and 3.5% (red) for Denver. In January, the U.S. was 3.8%, and Denver was 1.1%.

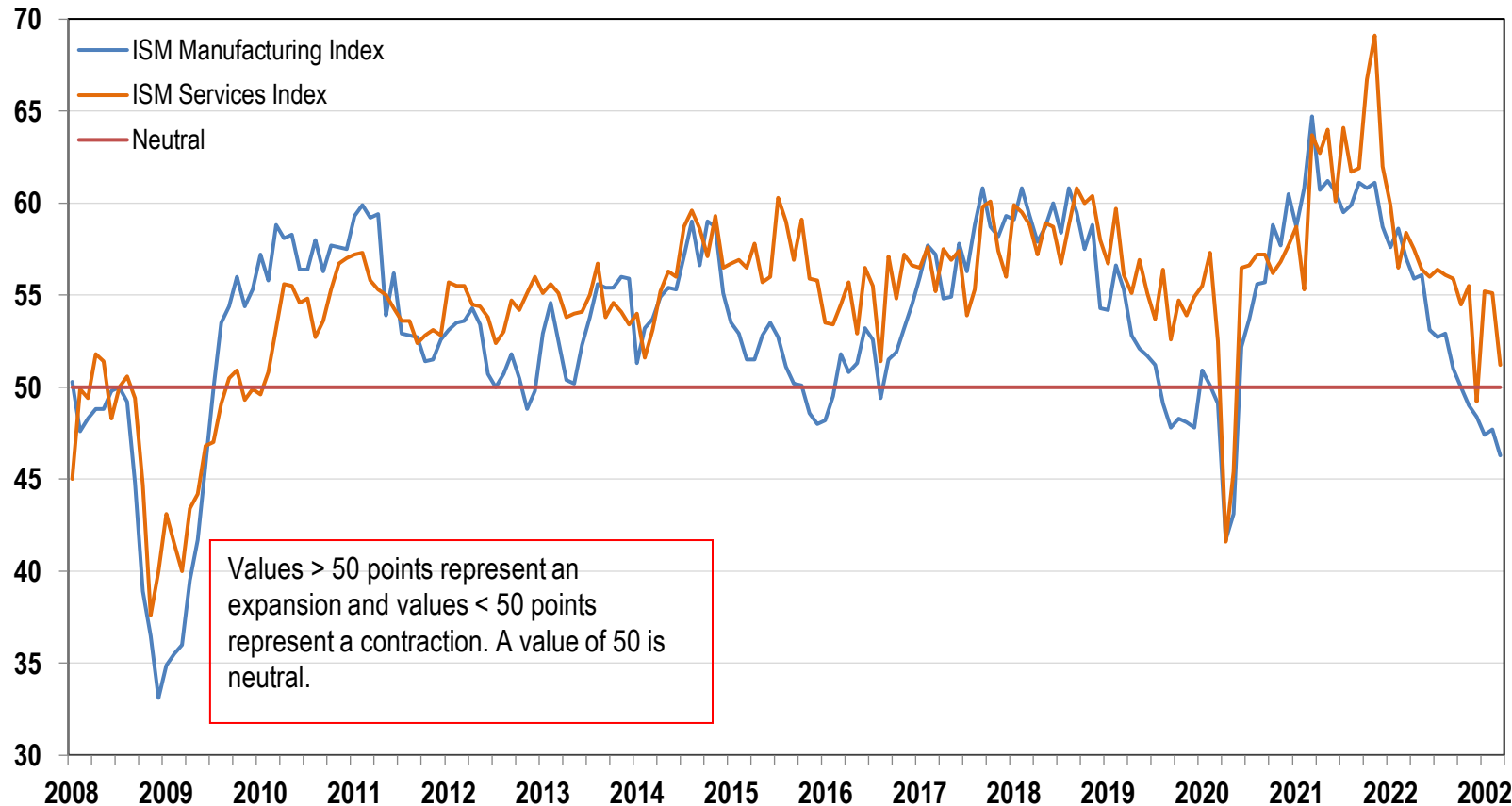
Source: S&P Case Shiller, cber.co.

## U.S. Industry Indicators

# ISM Purchasing Managers Composite Indices

## Manufacturing vs. Services

### ISM Manufacturing PMI vs. Services PMI Composite Indices



Values > 50 points represent an expansion and values < 50 points represent a contraction. A value of 50 is neutral.

**Manufacturing and Services PMI**  
The ISM manufacturing index (blue) trended downward after peaking at 64.7 in March 2021. It dropped below 50 and has been there for five months.

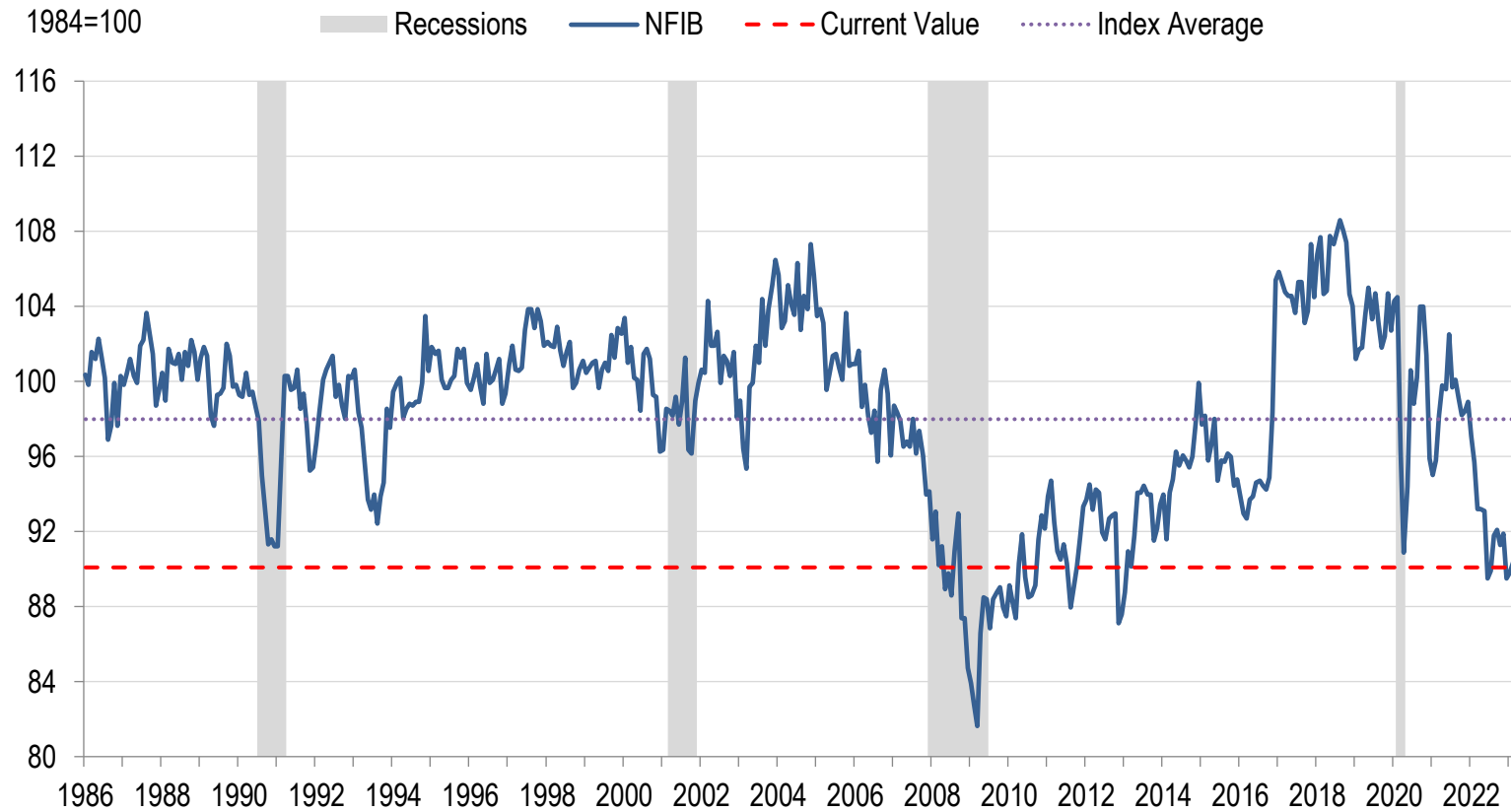
The service index has trended downward since November 2021. It fell below 50 in December 2022 but returned to expansionary territory in January and February 2023. In March, it was barely in expansionary mode.

Source: Institute of Supply Management, cber.co

# NFIB Small Business Optimism Index

## United States

### NFIB Small Business Optimism Index



Source: NFIB, cber.co.

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

### NFIB Small Business Index

In March 2023, the NFIB index was 90.1, well below the 49-year average of 98.0 (purple dotted line).

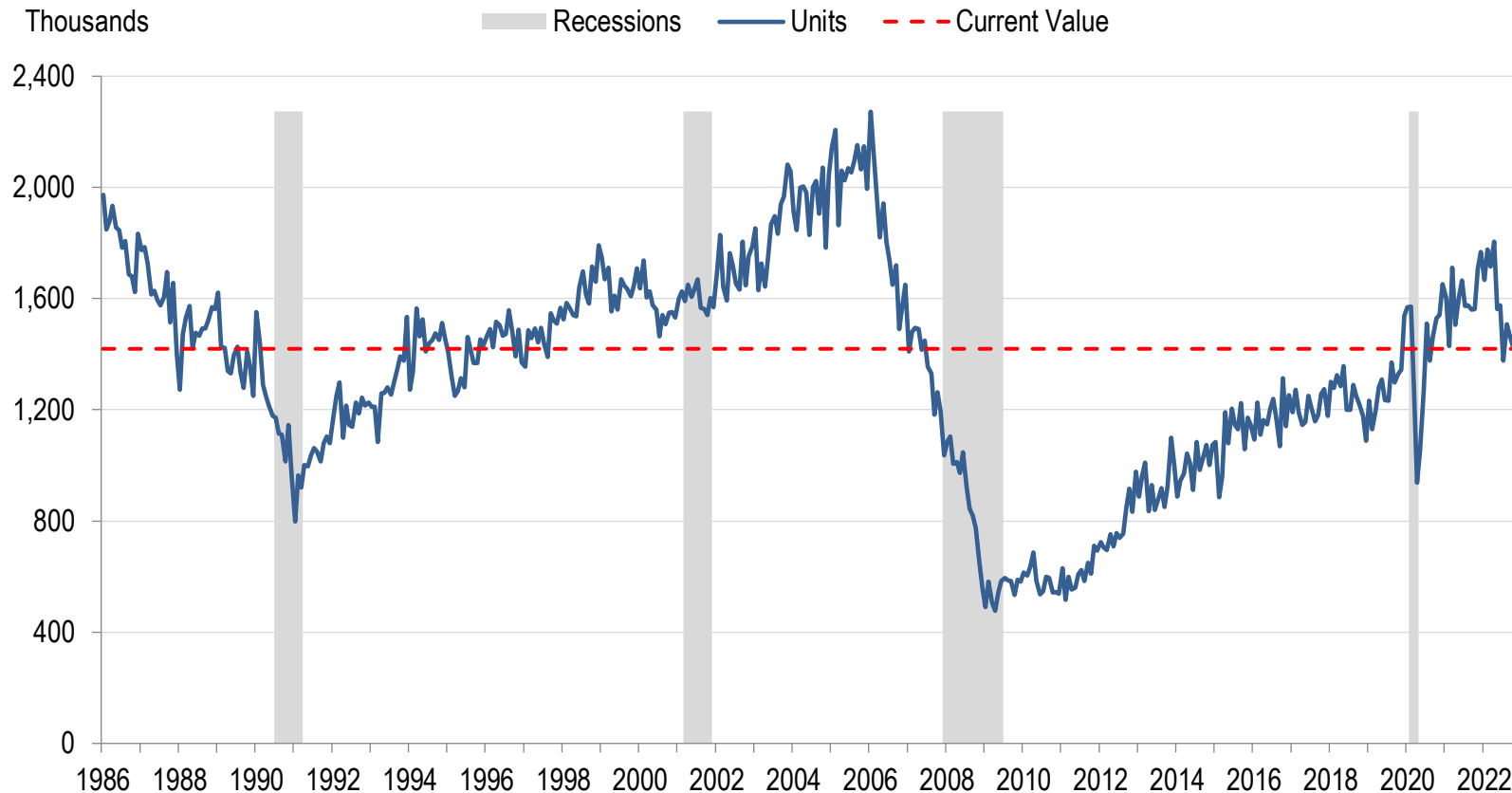
Tighter credit and the debt ceiling debate are now concerns for small business owners. Business conditions are poor, and the prospects for sales are at recessionary levels. Small businesses continue to be concerned about the ongoing labor shortage and how to move forward in a market that many believe is headed into a recession; however, they do not know when it will happen.

The NFIB monthly SBET report provides insight into the challenges of being a small business owner in this economy. <https://www.nfib.com/>.

# New Privately-Owned Housing Units Started

## United States

### New Privately Owned Housing Units Started



Source: U.S. Census Bureau, [cber.co](https://cber.co).

### New Privately Owned Housing Units Started

The number of housing starts has trended downward since April 2022.

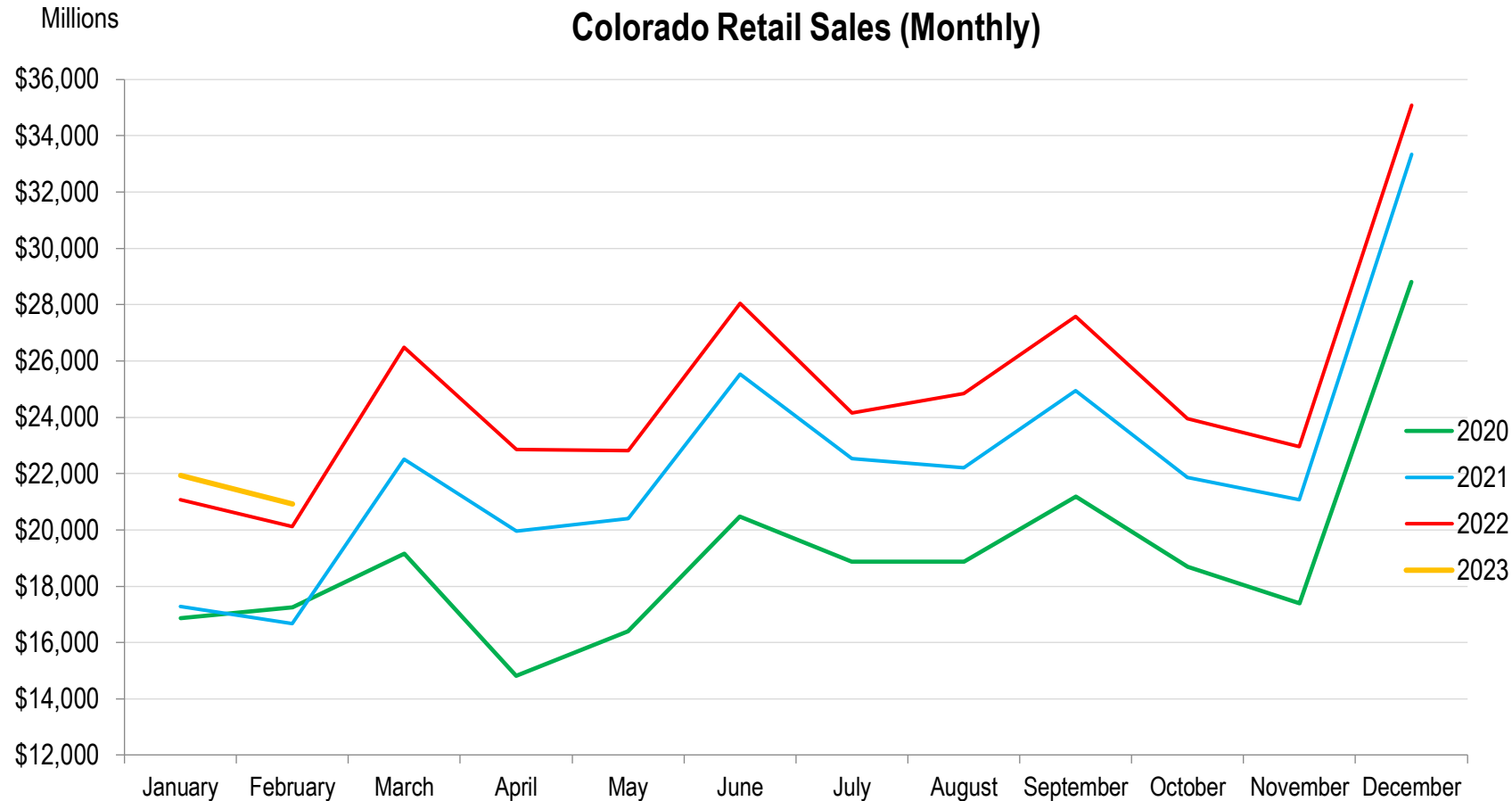
Inflation, increased interest rates, and other headwinds have caused reduced demand.

On a positive note, there was an uptick in February 2023; however, the March total was slightly lower.

## Colorado Industry Indicators

# Colorado Retail Sales

## Monthly



**Colorado Retail Sales**  
Retail sales for 2022 (red) were 11.8% greater than in 2021 (turquoise). Sales increased at a decelerating rate starting in April 2022. Consumers have begun changing their shopping patterns.

Sales for the first two months of 2023 are about 4.0% greater than 2022.

Annual Retail Sales (Billions)		
2017	\$194.6	5.4%
2018	\$206.2	5.9%
2019	\$224.6	9.0%
2020	\$228.8	1.9%
2021	\$268.3	17.3%
2022	\$299.9	11.8%

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

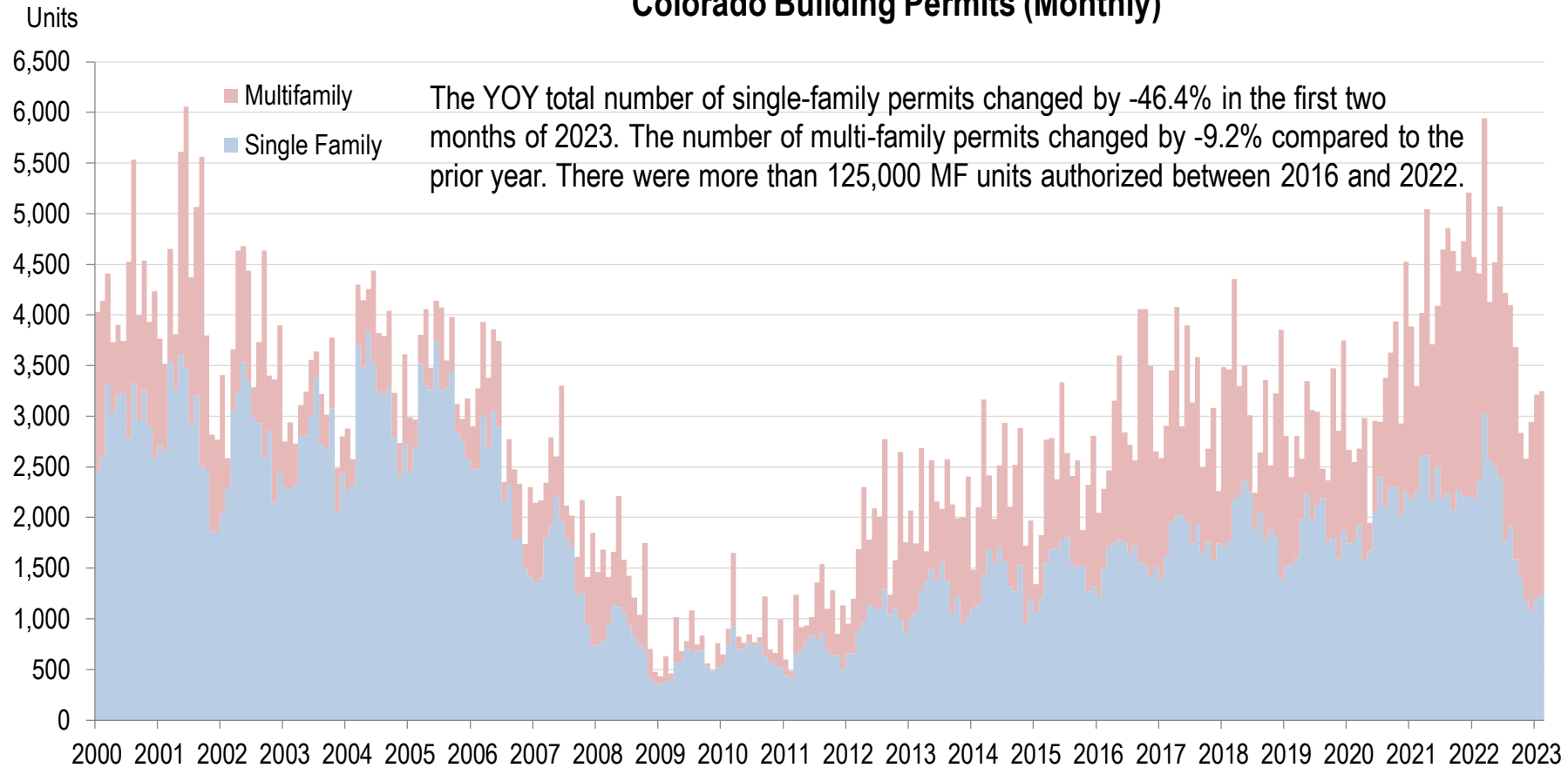
Colorado-based Business and Economic Research <https://cber.co>



# Colorado Residential Building Permits

Units

## Colorado Building Permits (Monthly)



Annual Building Permits		
Year	Single Family	Multi-Family
2000	38,588	16,008
2001	36,437	18,570
2002	35,042	12,878
2003	33,894	5,732
2004	40,753	5,746
2005	40,018	5,732
2006	30,365	7,978
2007	20,516	8,938
2008	11,147	7,851
2009	7,261	2,094
2010	8,790	2,801
2011	8,729	4,779
2012	12,618	10,684
2013	15,773	11,745
2014	17,100	11,591
2015	20,025	11,846
2016	21,577	17,397
2017	24,338	16,335
2018	26,134	16,493
2019	24,756	13,877
2020	26,636	13,833
2021	30,246	26,278

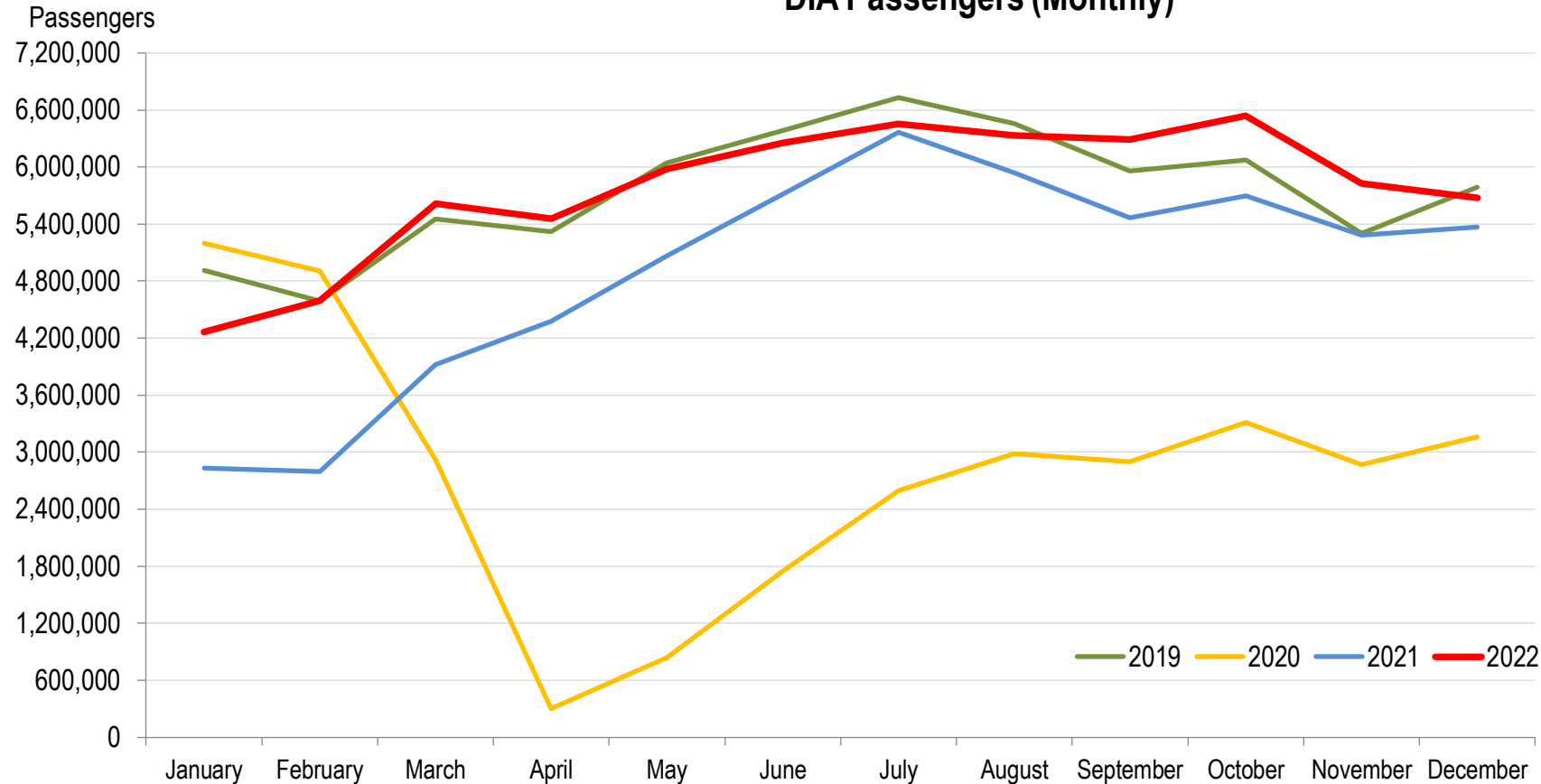
Source: TAMU Real Estate Center, U.S. Census Bureau, cber.co.

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

# Denver International Airport Passengers

## Monthly

DIA Passengers (Monthly)



### DIA Passengers

The number of DIA passengers during 2022 (red) was slightly above the YTD total for 2019 (green) but significantly above the total for 2021 (blue). The 2022 peak was 6.5 million passengers in October, a record for that month.

In addition, 2.1 million passengers passed through the Colorado Springs airport in 2022.

Year	Passengers	% Change
2022	69,286,461	17.8%
2021	58,828,552	74.4%
2020	33,741,129	-51.3%
2019	69,015,703	7.0%
2018	64,494,613	5.1%
2017	61,379,396	5.3%
2016	58,266,515	7.9%

Source: flydenver.com, cber.co.

## Colorado Forecast

# Colorado Economic Forecast 2023

In 2023, the Colorado real GDP growth rate will be 1.5% compared to 0.7% for the U.S.

Colorado's job growth in 2023 will be more volatile and much weaker than in 2022.

Retail sales for 2023 will increase slower than during the past two years.

Colorado businesses will continue to face headwinds from increased inflation, interest rate hikes, labor shortages, the debt ceiling debate, and tightening credit. It will be 2024 before inflation returns to the Federal Reserve target rate.

<b>Colorado Economic Forecast</b>					
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	
Real GDP Value (billions) (chained 2012)	\$353.35	\$373.76	\$385.8	\$391.6	
% Change Real GDP	-1.4%	5.8%	3.2%	1.5%	
CES Employment (thousands)	2,652.7	2,750.9	2,862.3	2,886.3	
Annual Change (thousands)	-137.4	98.2	111.4	24.0	
% Change	-4.9%	3.7%	4.0%	0.8%	
Unemployment Rate	6.8%	5.4%	3.0%	3.3%	
Retail Sales (billions)	\$228.8	\$268.3	\$308.7	\$319.5	
% Change	1.9%	17.3%	12.8%	3.5%	
Consumer Price Index (CPI)	272.2	281.8	304.3	317.4	
	2.0%	3.5%	8.0%	4.3%	
DIA Passengers (millions)	33.0	59.0	69.0	72.0	
Single Family Permits	26,636	30,246	24,000	22,000	
Multi-family Permits	13,833	26,278	25,000	22,000	
Oil Production (thousands) barrels	172,000	142,000	146,000	145,000	

The number of DIA passengers in 2022 will remain strong in 2023. The airport should top 72 million passengers in 2023. In addition, there will be solid passenger traffic at the Colorado Springs airport.

The total number of 2023 building permits will be less than in 2022. Multi-family permits will be popular. Higher input costs, rising prices, and interest rate hikes have negatively impacted construction, home sales, and financial services.

Crude oil production declined in 2021 because of state regulations and reduced demand. Production increased in 2022 and will post a slight decline in 2023.

cber.co  
Economic Outlook and Trends Through March 2023  
Colorado and the United States

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, and he served on the 2021 Colorado Legislative Redistricting Commission.