

Economic Outlook and Trends Through May 2023

United States and Colorado

cber.co
Colorado-based Business and Economic Research
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Economic Outlook and Trends 2023

Purpose and Summary

The purpose of this chartbook is to review the performance and outlook of the Colorado and U.S. economies. The analysis focuses on what caused the changes in employment during the first five months of 2023.

In Q2 2022, job growth and economic activity began increasing more slowly. Although the labor market has been resilient, a recession is expected to occur during Q4 2023 and Q1 2024.

Content

The contents of the chartbook focus on the following topics.

- Key Issues in June 2023
- Gross Domestic Product and Real Disposable Personal Income Per Capita
- U.S. and Colorado Employment and Unemployment
- Inflation
- Saving, Borrowing, Consumption, and the Wealth Effect
- U.S. Industry Indicators
- Colorado Industry Indicators
- 2023 Colorado Economic Outlook

Key Issues in June 2023

United States and Colorado

United States

- The U.S. labor market is resilient, but it has grown at a slower level since Q2 2022.
- At the same time, there are labor shortages in many sectors.
- Economic activity (real GDP) has increased at a slower rate.
- Inflation is cooling but is stubborn in some categories.
- Rising interest rates impact many sectors.
- The banking crisis brought about a tightening in credit.
- Energy policy is hindering economic growth.
- There are a host of issues related to housing and construction.
- Retail purchases are increasing at a decelerating rate.
- The spending and conflict in Eastern Europe is problematic.
- Manufacturing and construction are in a recession.
- Small businesses are struggling to remain profitable.

Colorado

- In 2023, the state's labor market is not robust
- Unemployment remains low, and there are severe labor shortages.
- The Colorado inflation rate is higher than the U.S. The rate for rural Colorado may be greater than the urban rate.
- The Case Shiller index shows that Denver housing prices have depreciated faster than the U.S.
- Rate hikes by utility companies are making Colorado a more unaffordable place to live in.
- There has been a slowdown in Colorado construction (permits).
- Retail purchases are increasing at a decelerating rate.
- The water wars have pitted the tourism industry against agriculture – as water is valuable to the entire state.
- Despite its many assets, Colorado is developing a reputation as an undesirable place to live and do business.
- On a bright note, 72 million passengers will travel through DIA in 2023.
- Oil production has leveled off.

Gross Domestic Product and Disposable Income

U.S. Real GDP – Economic Activity

The Conference Board (TCB) Calls for a Recession in the Second Half of 2023

What Will It Be?

Since the middle of 2022, economists and business leaders have projected various scenarios for economic activity. For example, there will be:

- No recession
- A recession with a soft landing
- A recession with a hard landing
- A doozy of a recession.

Similarly, there is a wide range of opinions about the effectiveness of the Federal Reserve's efforts to manage interest rates and tame inflation. Finally, there are varying thoughts about how long the bull market will last.

TCB Forecast

The Conference Board U.S. GDP Forecast is the base for the cber.co forecast. In the second half of 2022, TCB called for a shallow recession by the end of 2022 or early 2023. That did not happen. It will now occur in the second half of 2023 and Q1 of 2024.

Though the headwinds will dominate for the next year, there are positive signs in the economy, such as stronger-than-expected growth in the labor market and a rebound in the stock market.

U.S. Real GDP Growth

The Conference Board Forecast (June 9, 2023)

Real GDP and Economic Growth

The latest Conference Board forecast projects real GDP growth of 1.0% in 2023. Quarterly changes will turn negative in Q4 2023. Real disposable income will increase by 3.0%, and real personal consumption will increase by 1.3%. Residential investment will change by -11.9% and non-residential investment will increase by 0.7%. Government spending will increase by 3.1% in 2023.

Other Economic Factors

The labor market will remain tight in some industries and occupations. Surprisingly, the U.S. unemployment rate will be 3.7% in 2023. The annual inflation rate will drop to 3.8% in 2023, and the core rate will be 4.0%. Inflation will approach the Fed's target rate in 2024. As inflation eases next year, economic activity will improve.

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
Real GDP (Preceding Qtr.)	-1.6%	-0.6%	3.2%	2.6%	1.3%	0.6%	-1.2%	-2.1%	2.1%	1.0%	0.0%
Real Disposable Income	--10.6%	-2.3%	3.2%	2.5%	7.8%	1.2%	1.0%	0.6%	-6.2%	3.0%	2.3%
Real Personal Consumption	1.3%	2.0%	2.3%	1.0%	3.8%	1.0%	-1.7%	-2.4%	2.7%	1.3%	-0.4%
Residential Investment	-3.1%	-17.8%	-27.1%	-25.1%	-5.4%	-2.0%	0.0%	0.0%	-10.6%	-11.9%	0.7%
Nonresidential Investment	7.9%	0.1%	6.2%	4.0%	1.4%	0.2%	-5.9%	-5.9%	3.9%	0.7%	-1.4%
Total Gov't. Spending	-2.3%	-1.6%	3.7%	3.8%	5.2%	2.5%	2.4%	0.0%	-0.6%	3.1%	1.5%
Exports	-4.6%	13.8%	14.6%	-3.7%	5.2%	4.0%	2.0%	2.0%	7.1%	4.2%	2.1%
Unemployment Rate	3.8%	3.6%	3.6%	3.6%	3.5%	3.6%	3.7%	3.9%	3.6%	3.7%	4.5%
PCE Inflation (%Y/Y)	6.4%	6.6%	6.3%	5.7%	4.9%	3.9%	3.5%	3.1%	6.3%	3.8%	2.2%
Core PCE Inflation (%Y/Y)	5.3%	5.0%	4.9%	4.8%	4.7%	4.3%	3.8%	3.2%	5.0%	4.0%	2.2%

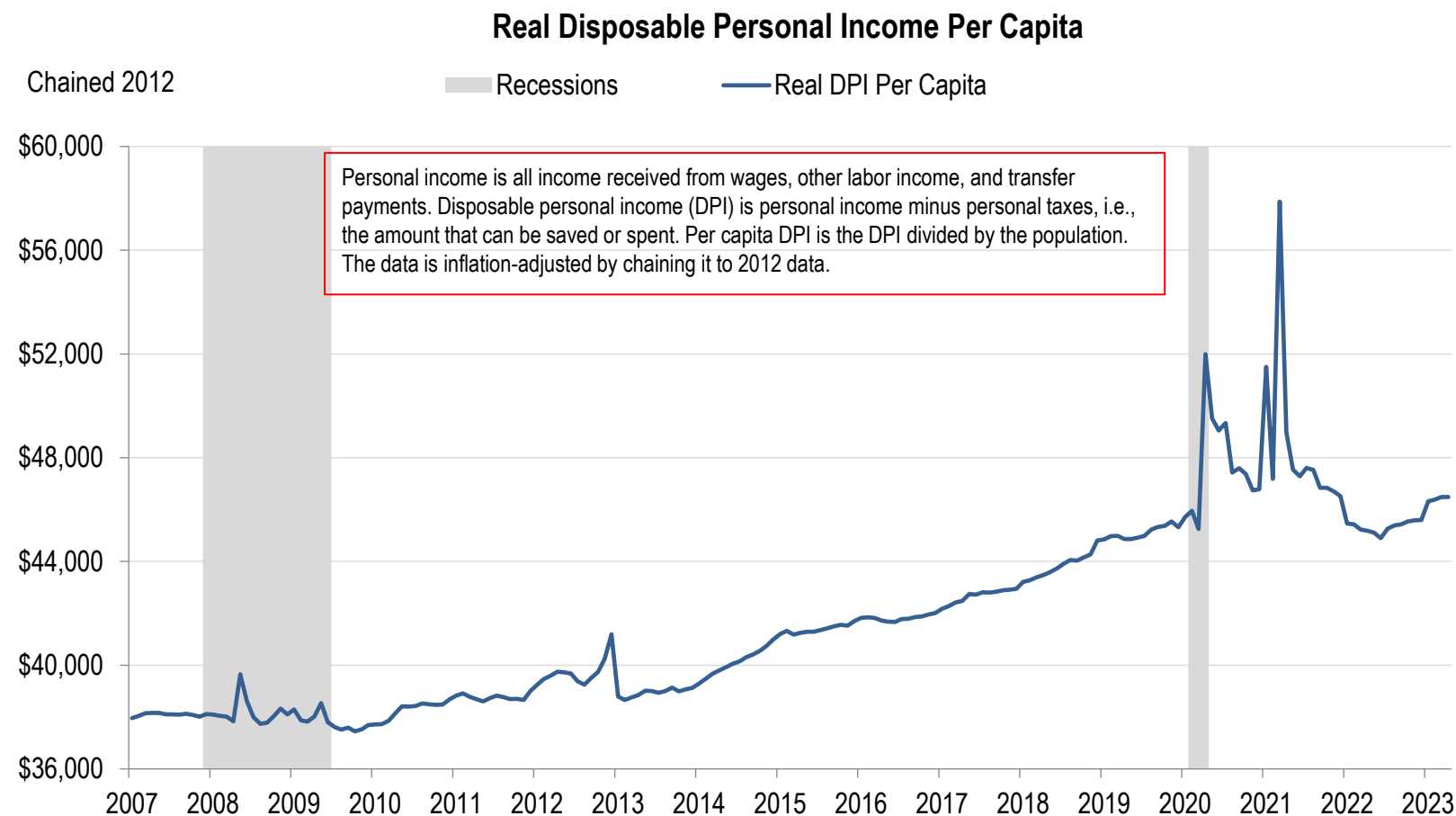
Source: The Conference Board and cber.co.

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



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

Real DPI Per Capita

In April 2023, real DPI PCI was \$46,484.

Real Disposable PCPI Annual (Average)

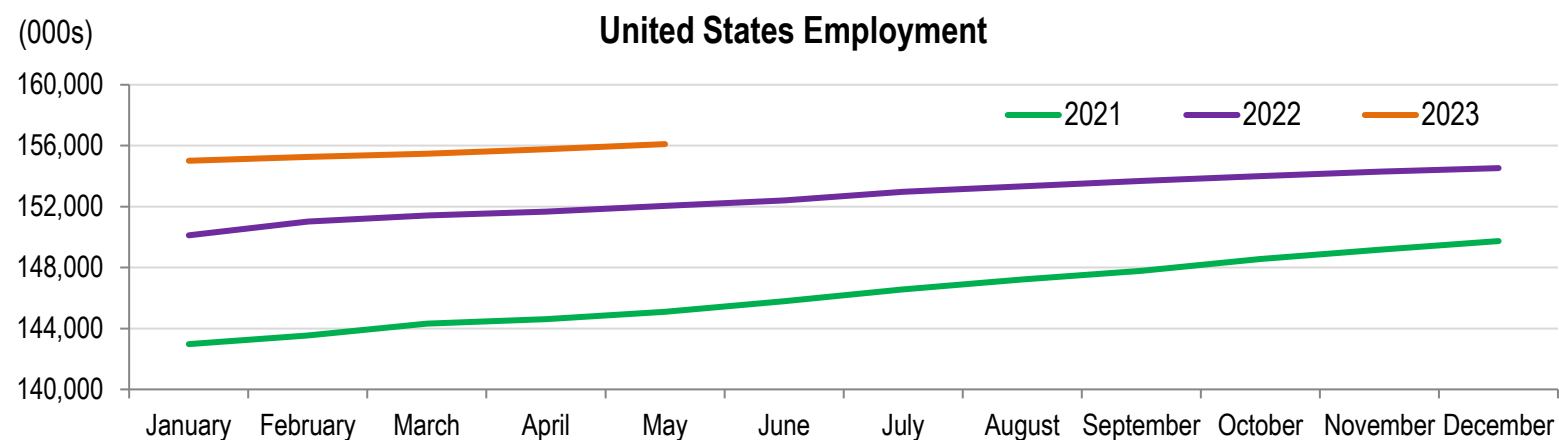
Year	RDPICP	% Change
2016	\$41,822	1.1%
2017	\$42,669	2.0%
2018	\$43,826	2.7%
2019	\$45,105	2.9%
2020	\$47,729	5.8%
2021	\$48,534	1.7%
2022	\$45,406	-6.4%

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 bottomed out at \$44,902 in June 2022.

U.S. and Colorado Employment and Unemployment

Employment and Change in Employment

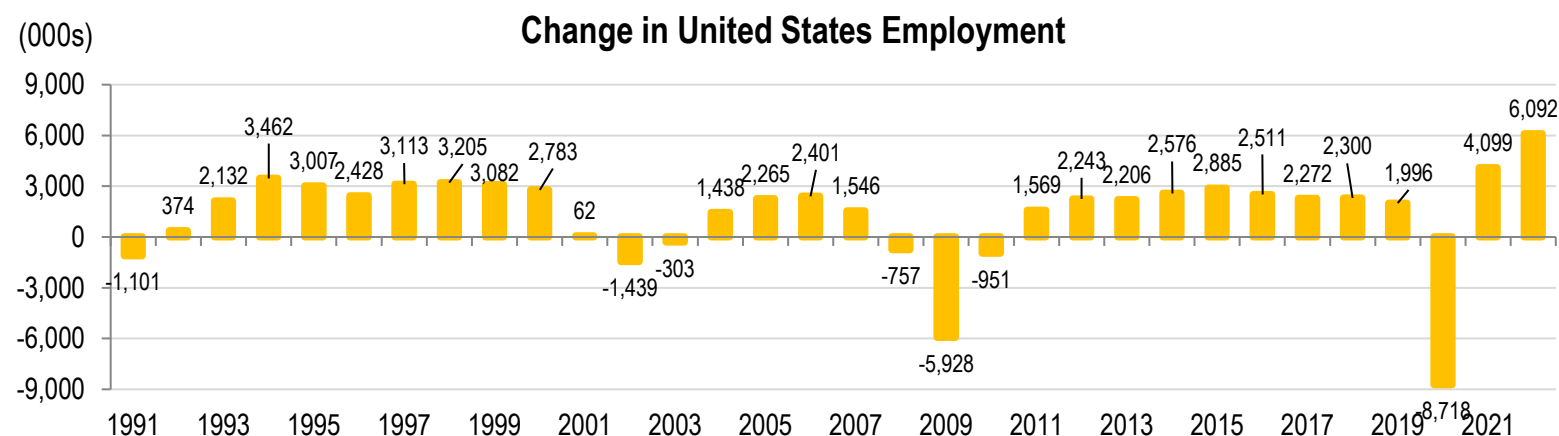
United States



U.S. Employment

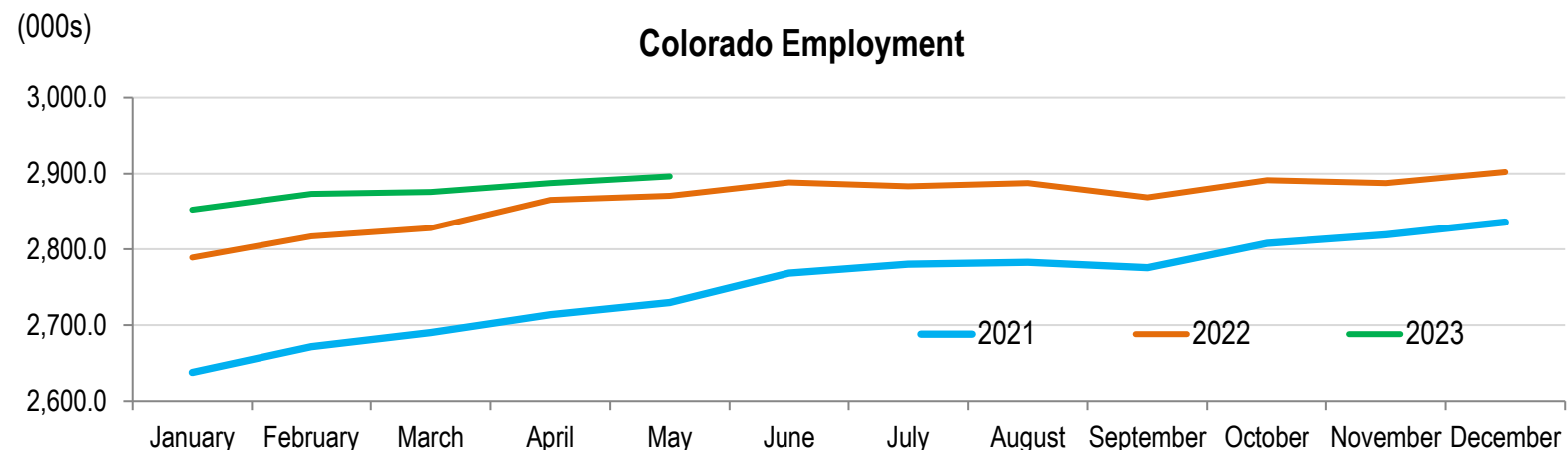
The YOY May 2023 value was about 4.0 million more than May 2022, compared to about 6.9 million for YOY May 2022 vs. 2021. The decline in the YOY change will continue through 2023.

The average annual U.S. employment for 2022 (purple) was about 6.1 million more than in 2021 (green).

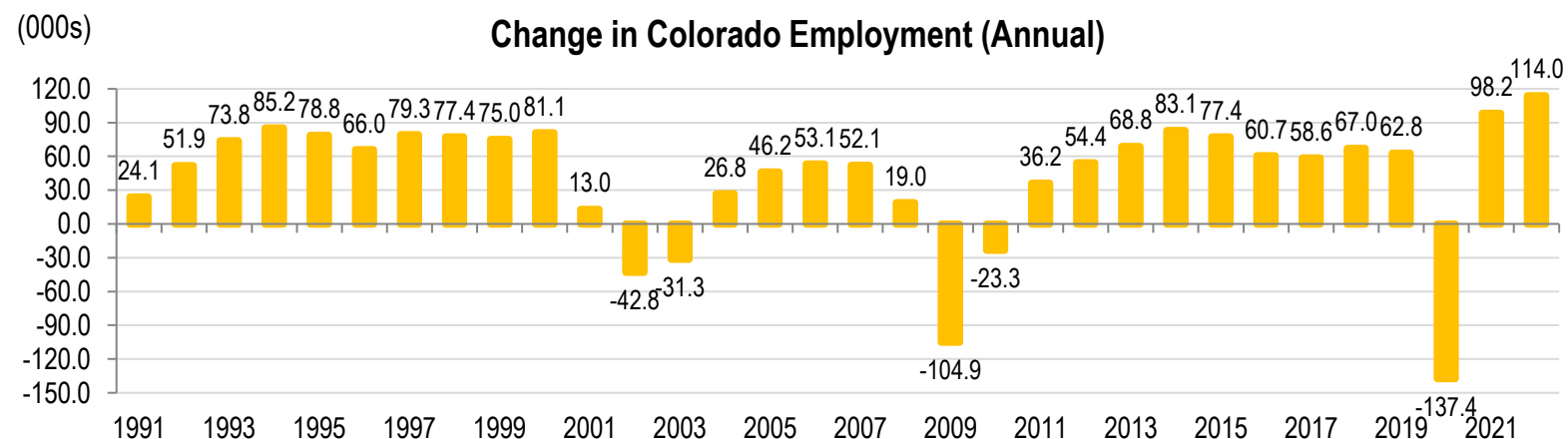


Employment and Change in Colorado Employment

Monthly (2021 to 2023) and Annual (1991 to 2022)



Colorado Employment and Change
The amount of the change in YOY employment has trended downward since April 2022. There has been slower job growth (green) in the first five months of 2023 compared to 2022.

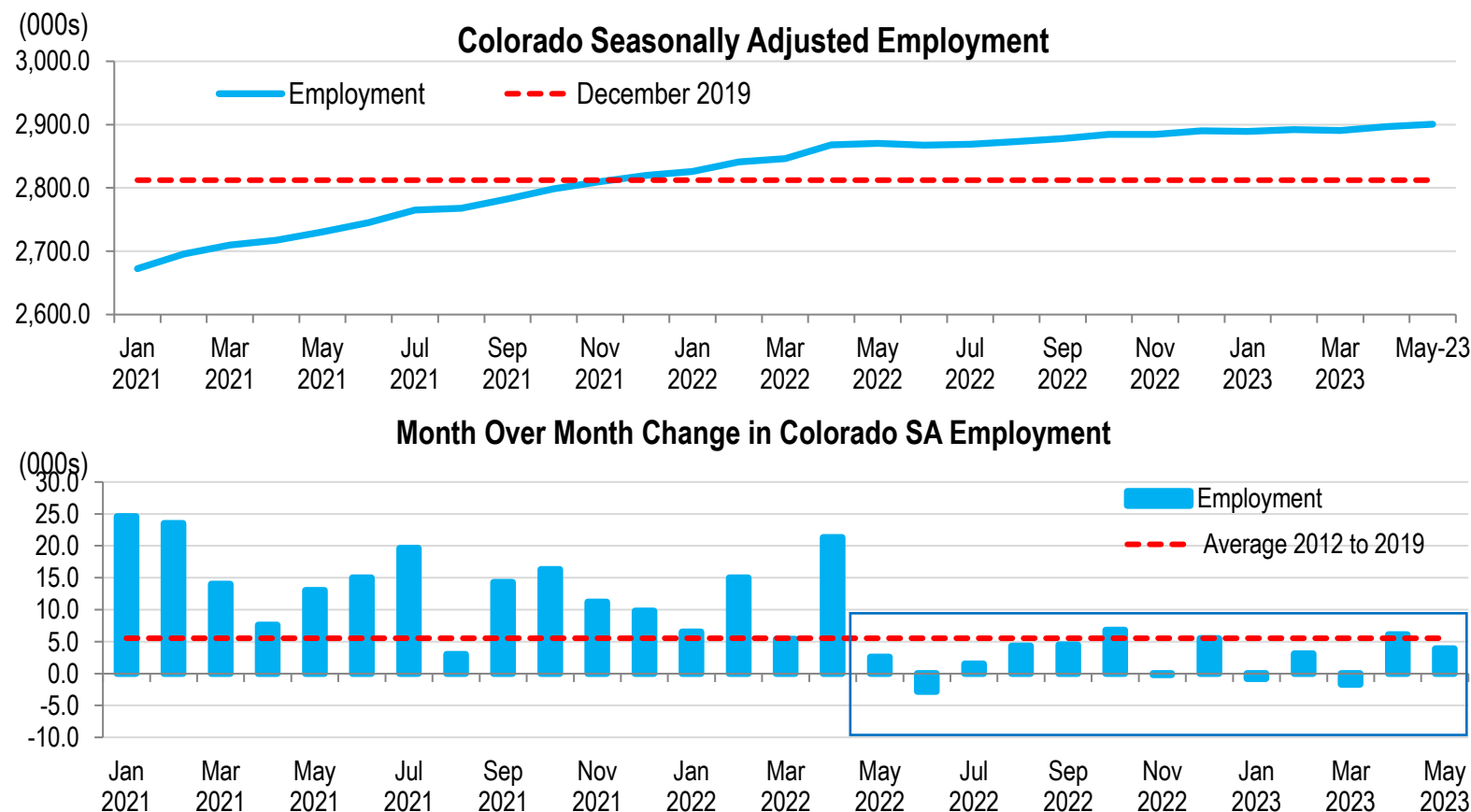


The YOY average monthly employment through May 2023 was about 3,600. That average will decline in the months ahead.

Source: Bureau of Labor Statistics, NSA, cber.co. Note: This data reflects a change in Q4 2022 and Q1 2023 data.

Employment and Change in Colorado Employment

2021 to Current (Monthly)



Monthly Colorado Employment

In December 2021, state employment surpassed the December 2019 total (red dotted line). There was steady job growth between December 2021 and April 2022. In May, it flattened out and became more volatile.

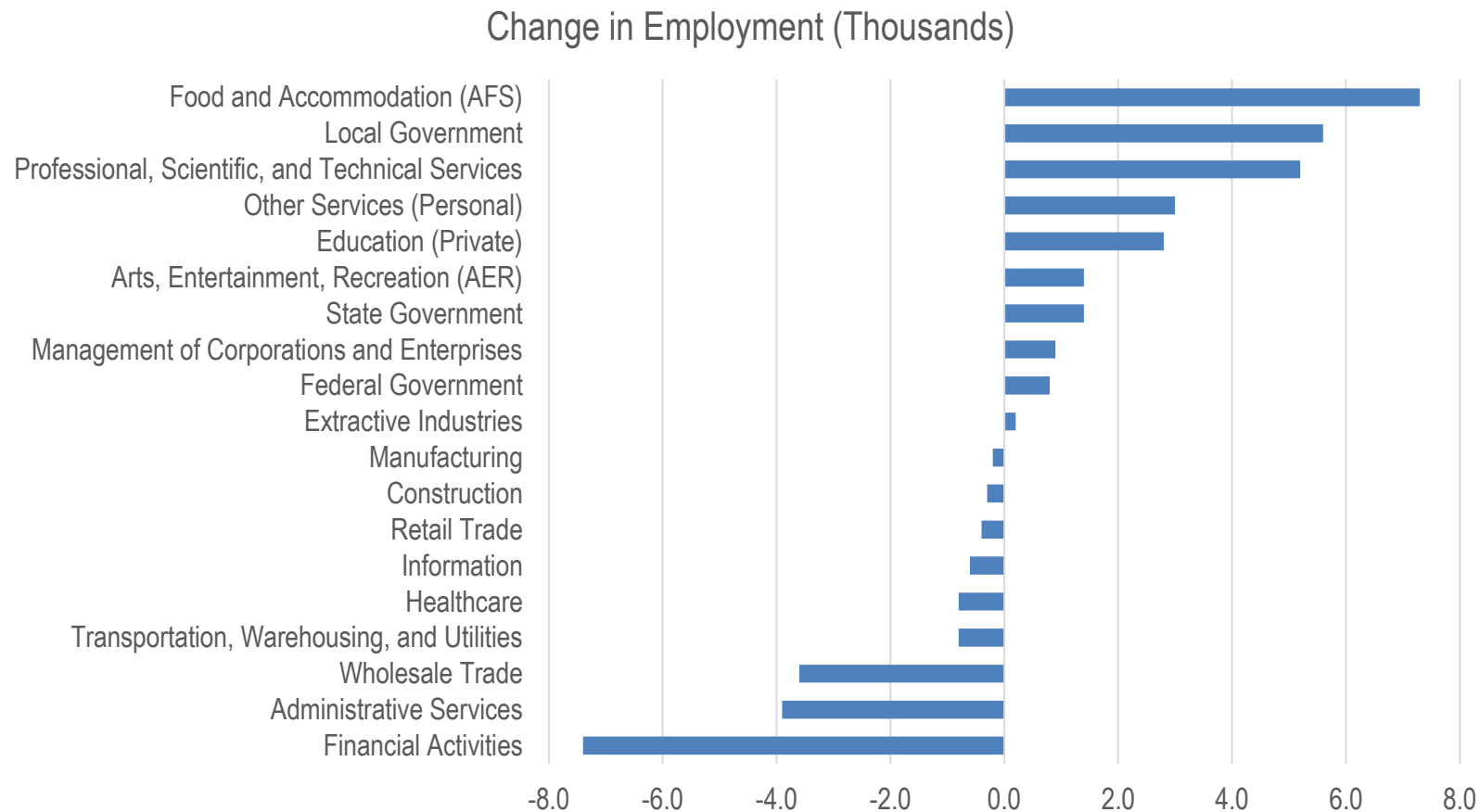
Between 2012 and 2019 average monthly employment for Colorado was about 5,500 (red-dotted line).

During the months from May 2022 to May 2023, the state experienced job growth that was volatile and typically weaker (blue rectangle).

Source: Bureau of Labor Statistics, cber.co. Note: This data reflects changes in Q4 2022 and Q1 2023 data.

Absolute Change in Employment by Sector

Through Five Months of 2023



Changes in Employment (Five Months)

Ten of nineteen sectors/subsectors added jobs in the first five months of 2023.

The top categories for absolute growth are AFS, local government, and PST.

The most job losses are in wholesale trade, administrative services, and financial activities.

Major Front Range County Employment (NSA)

Major Front Range County Employment (Covered)				
County	2019	2022	Difference	CAGR
Douglas	130,825	140,146	9,321	2.32%
Adams	225,848	238,184	12,336	1.79%
Denver	529,083	555,302	26,219	1.63%
El Paso	283,370	296,459	13,089	1.52%
Broomfield	40,486	42,352	1,866	1.51%
Larimer	165,816	171,461	5,645	1.12%
Boulder	188,452	193,398	4,946	0.87%
Other 54	479,916	487,363	7,447	0.51%
Arapahoe	334,833	335,572	739	0.07%
Jefferson	243,080	242,921	-159	-0.02%
Weld	114,396	111,574	-2,822	-0.83%
Colorado	2,736,105	2,814,732	78,627	0.95%

The above table uses QCEW County employment data (NSA) to analyze employment change. The change is the difference between 2022 annual employment and 2019 annual employment for ten metro counties. Approximately four of five Colorado employees (82.7%) work in these ten metro counties. About 94.7% of the change in the number of workers is in these ten counties.

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

Major Front Range County Employment

- Douglas, Adams, Denver, El Paso, Broomfield, and Larimer counties had CAGRs greater than 1.0% for this period.
- Denver, El Paso, and Adams Counties added more than 10,000 jobs during this period.
- Douglas, the sum of the other 54 counties, and Larimer counties added between 5,000 and 10,000 jobs during this period.
- Employment decreased in Jefferson and Weld counties during this period.
- In the near term, employment will increase the most in Denver, El Paso, Douglas, Adams, and Larimer counties.

Change in Employment Through Five Months

Comparison of 2017, 2018, 2019, and 2023

Employment Through Five Months for 2017, 2018, 2019, 2023 (Thousands)				
	2017	2018	2019	2023
Total Employment	25.0	29.8	33.8	10.6
Private	23.7	25.8	23.4	2.8
Extractive Industries	2.6	1.3	0.1	0.2
Construction	3.3	3.8	3.0	-0.3
Manufacturing	0.7	1.6	1.1	-0.2
Wholesale Trade	1.0	1.2	1.0	-3.6
Retail Trade	0.6	0.9	-1.9	-0.4
Transportation, Warehousing, and Utilities	1.6	2.4	3.7	-0.8
Information	-0.8	2.0	0.1	-0.6
Financial Activities	2.2	1.7	1.4	-7.4
Professional, Scientific, and Technical Services	2.6	3.5	4.4	5.2
Management of Corporations and Enterprises	0.8	0.6	0.2	0.9
Administrative Services	-0.3	1.8	3.3	-3.9
Education (Private)	0.7	0.6	0.9	2.8
Healthcare	4.0	1.8	2.0	-0.8
Arts, Entertainment, Recreation (AER)	0.9	0.3	1.1	1.4
Food and Accommodation (F&A)	3.4	1.0	0.3	7.3
Other Services (Personal)	0.4	1.3	2.7	3.0
Federal Government	0.0	-0.3	0.3	0.8
State Government	0.5	1.6	5.9	1.4
Local Government	0.8	2.7	4.2	5.6
Total Annual Employment	58.6	67.0	62.8	

Red Flag Warning

The table to the left shows the total employment gains through five months for 2017, 2018, 2019, and 2023. The employment gains between 2017 and 2019 were typical for the pre-pandemic period (bottom line).

The table shows changes in employment for nineteen categories.

- In 2017, seventeen categories added jobs.
- In 2018 and 2019, employment increased in eighteen categories.
- After record job growth in 2022, employment increased in only ten categories in 2023.

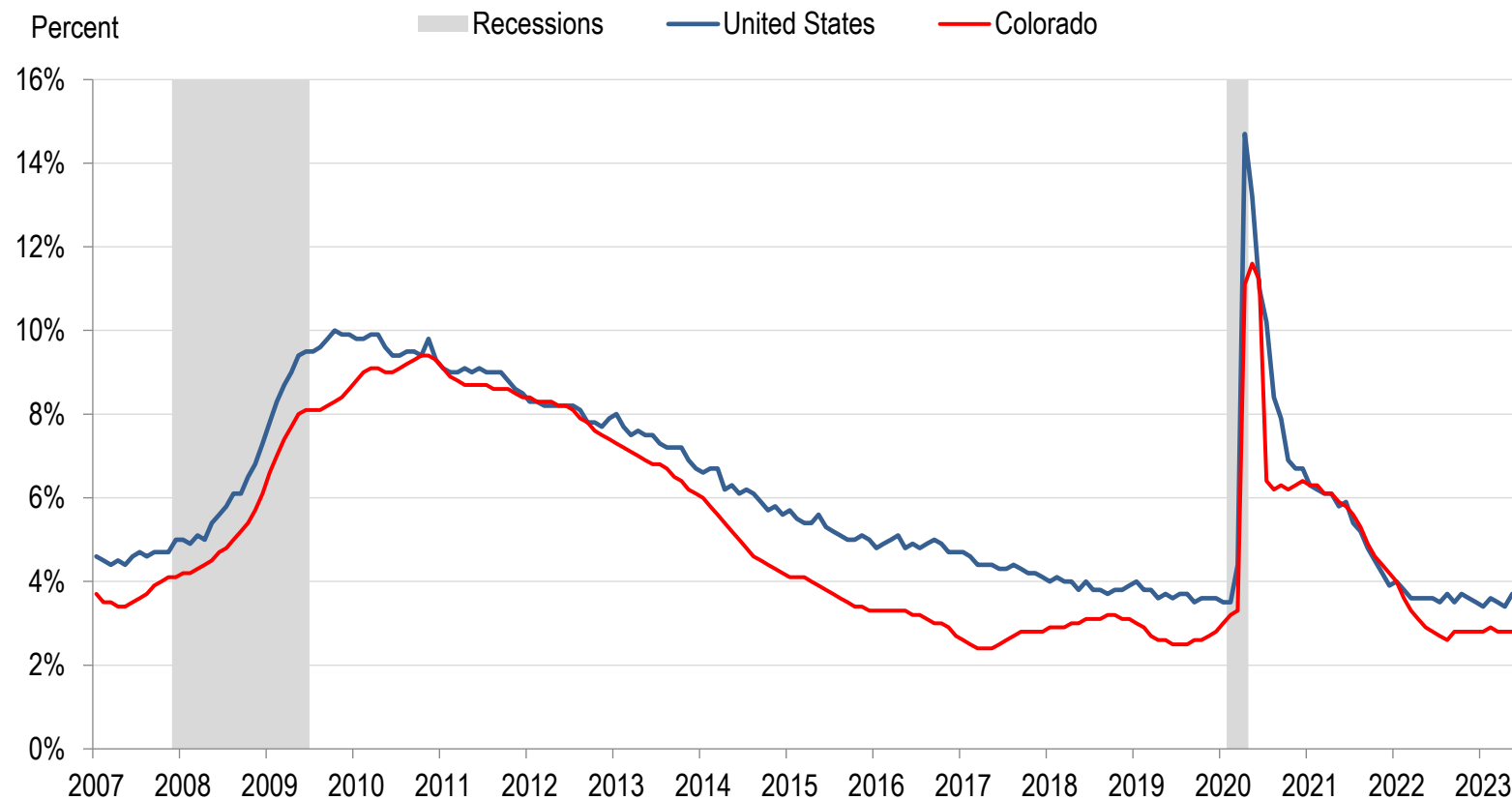
The 2023 decline in employment is broad-based, raising red flags that the Colorado employment data is understated, or the economy is slowing.

Source: Bureau of Labor Statistics, cber.co.

Unemployment Rate

United States and Colorado

U.S. and Colorado Unemployment



Source: BLS, SA, cber.co.

Unemployment Rate

The Colorado unemployment rate was 2.8% in May, and the U.S. rate was 3.7%. This is a situation where having a lower unemployment rate is not necessarily a good thing.

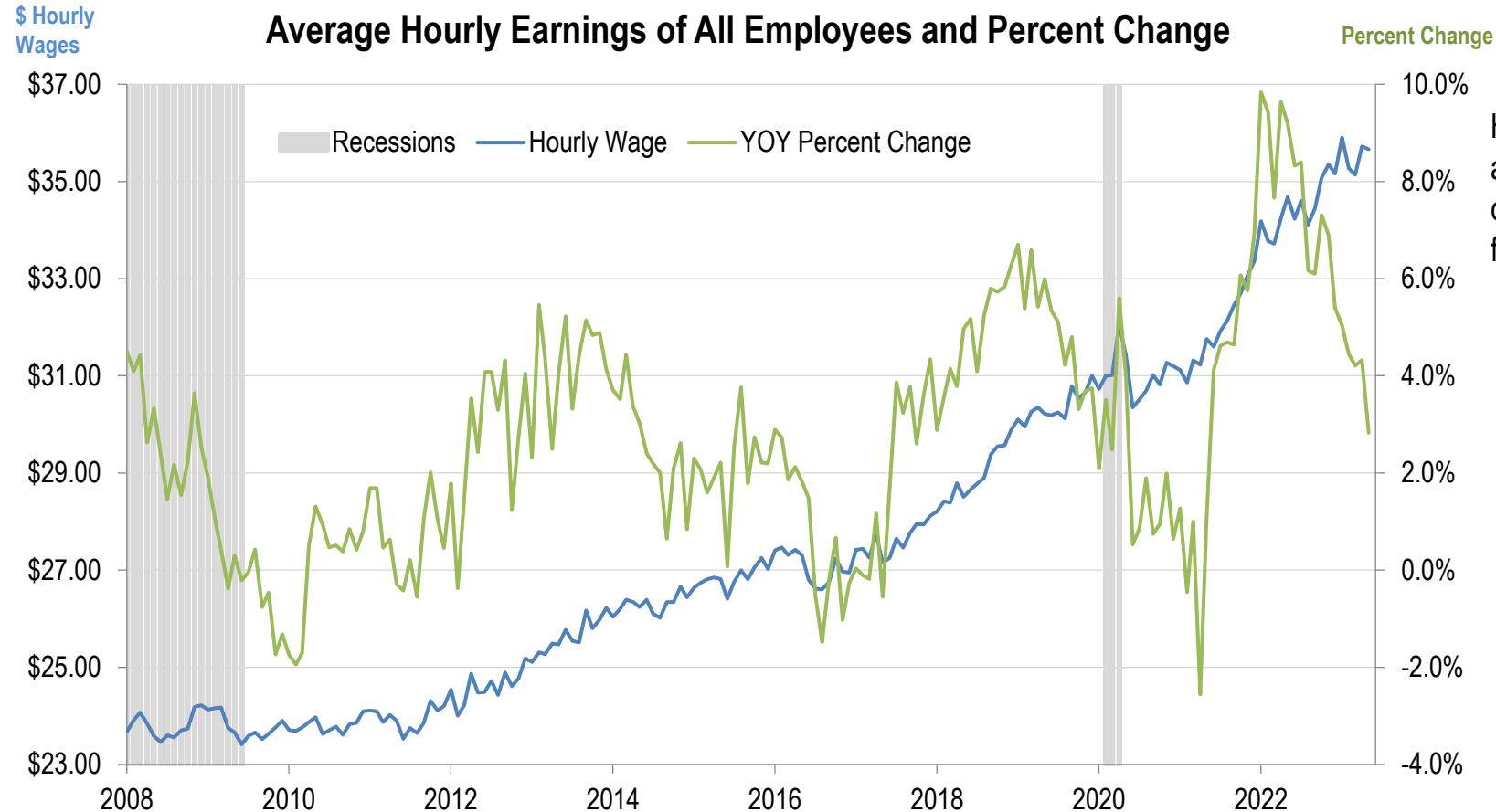
Annual Unemployment Rate

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%

There will continue to be a shortage of workers in some occupations and industries. The unemployment rate will remain low despite weaker economic growth.

Average Hourly Earnings of All Employees (Private)

Colorado



Hourly Wages and Percent Change
Hourly wages (blue) for May were \$35.66, a YOY increase of 2.8% (green). The current rate of growth in wages is down from a peak of 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%

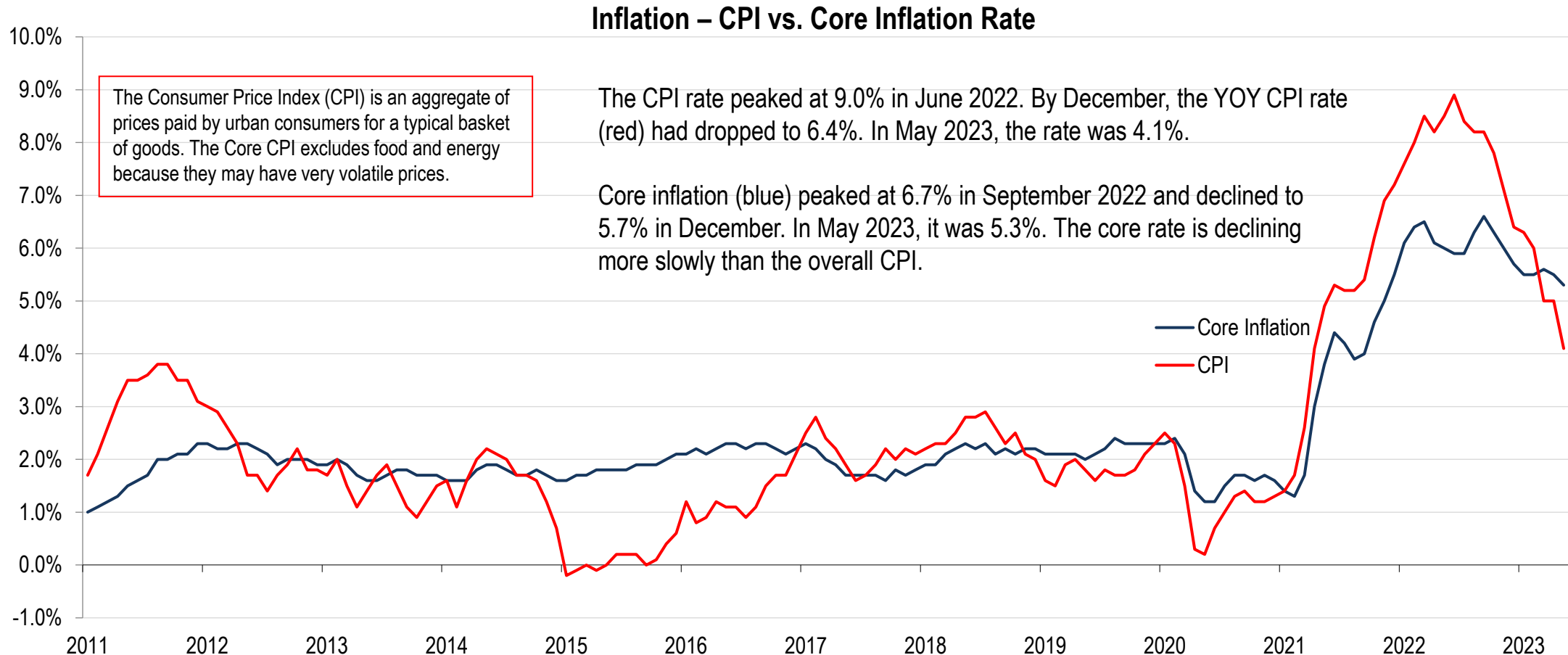
Source: BLS, cber.co

Source: BLS, cber.co.

Inflation

U.S. Inflation

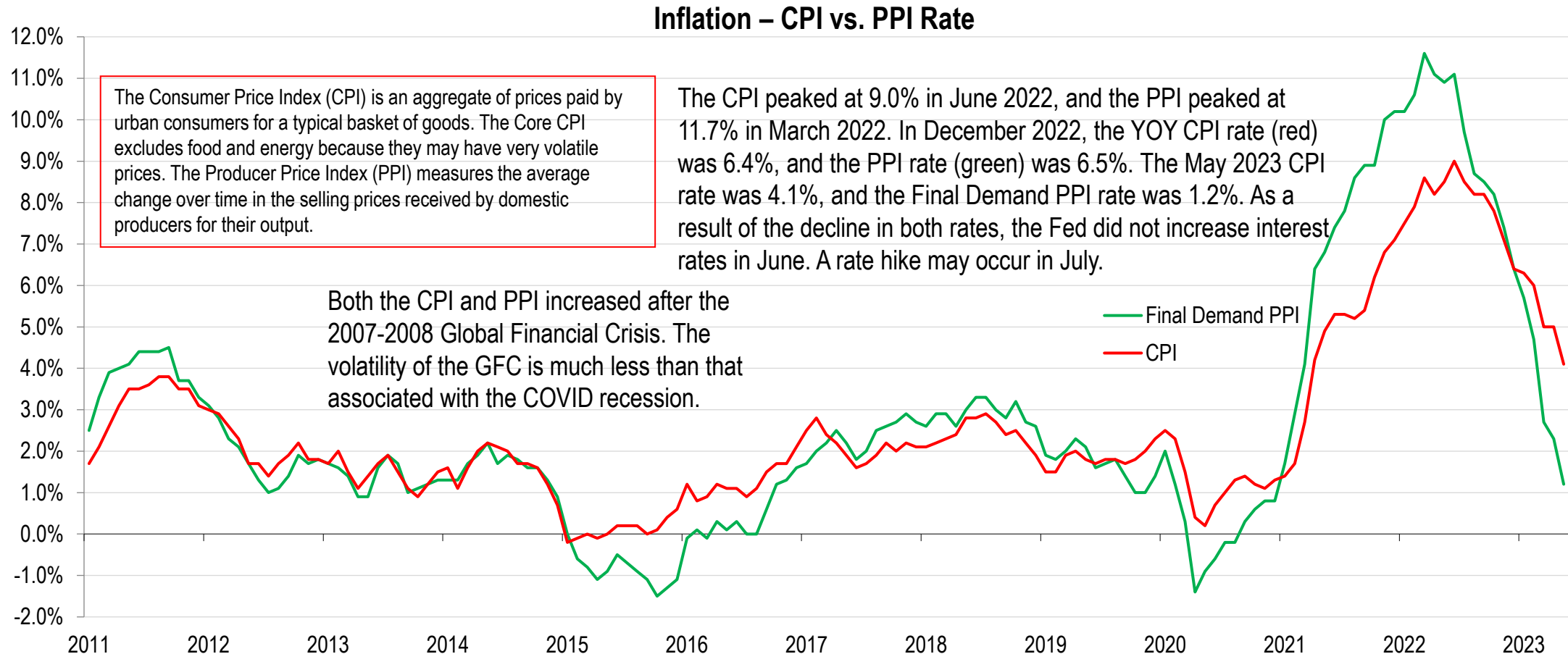
CPI vs. Core Inflation



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>

U.S. Inflation

CPI vs. Producer Price Index (Final Demand)

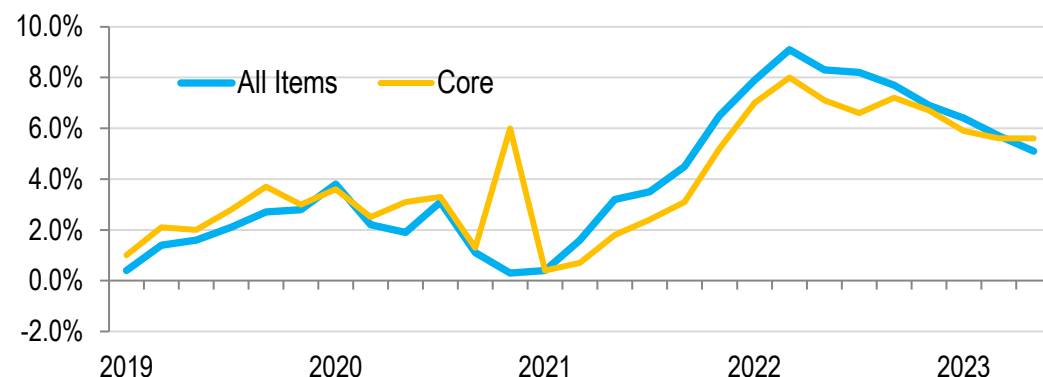


Source: Bureau of Labor Statistics, PPI Commodity Data, Final Demand SA; CPI All Items City Average SA, cber.co.
Colorado-based Business and Economic Research <https://cber.co>

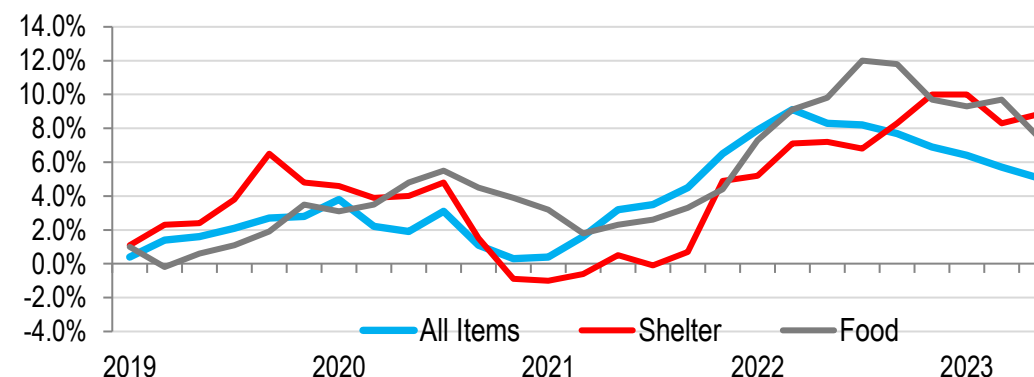
Bi-Monthly Change in Colorado CPI

All Items vs. Food, Shelter, and Household Energy

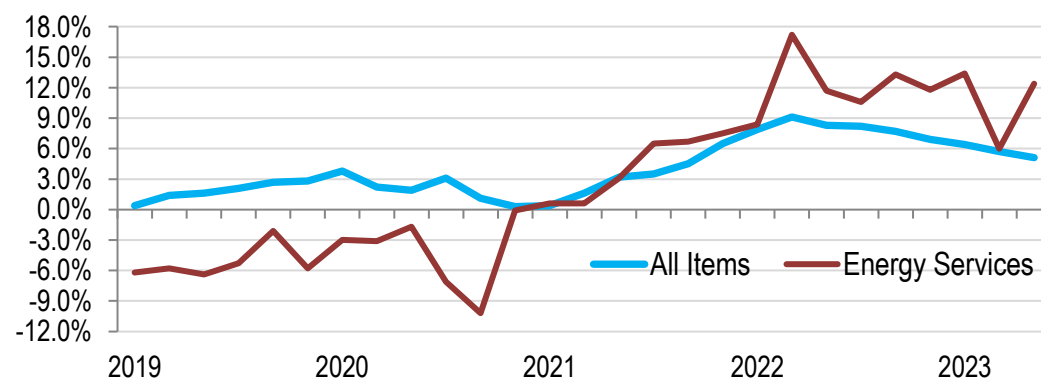
Colorado All Items vs. Core (All less Food and Energy)



Colorado All Items vs. Food and Shelter (March)



Colorado All Items vs. Energy Services



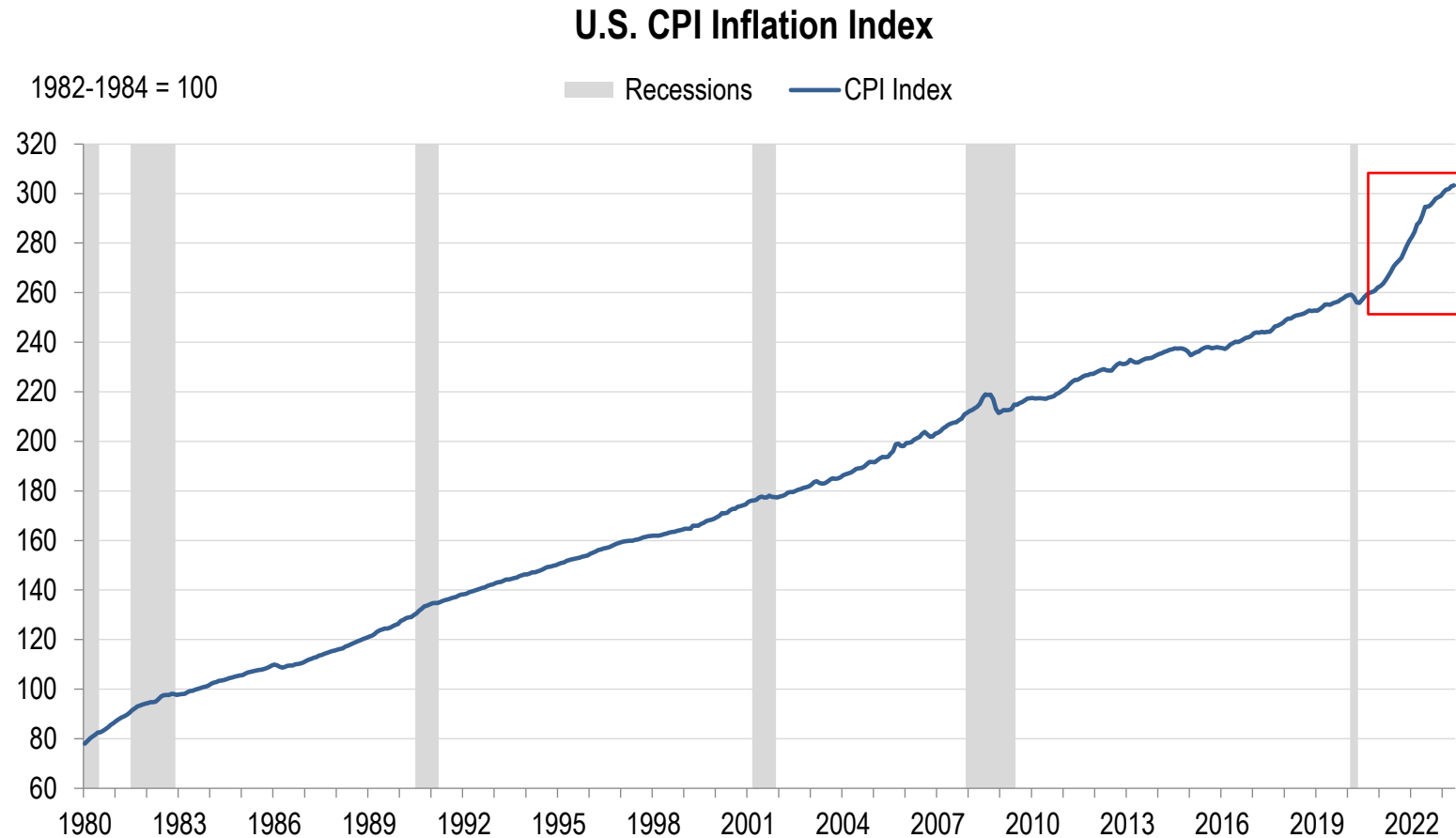
Colorado CPI

The three charts illustrate that the CPI for each component moves differently than the CPI for all items (blue). Three takeaways are:

- For the past two years, core inflation has been less than inflation for all items until May 2023. Both are greater than the U.S. rate.
- Since mid-2021, energy services (gas and electricity) inflation has been greater than inflation for all items. Higher energy inflation will continue, given rate increases from Xcel Energy.
- Inflation for food and shelter are currently greater than inflation for all items.

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

U.S. CPI Inflation Index



Source: BEA, FRED, cber.co.

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

CPI Inflation

The chart shows the CPI index. The data in the red box shows how strong the inflation has been since 2021.

The YOY CPI data can be tricky because of the base effect.

- The 2023 vs. 2022 increase is 4.1%.
- The annualized 2023 vs. 2021 increase is 6.3%.
- The annualized 2023 vs. 2020 increase is 5.8%.

There has been a higher-than-usual rate of inflation for three years.

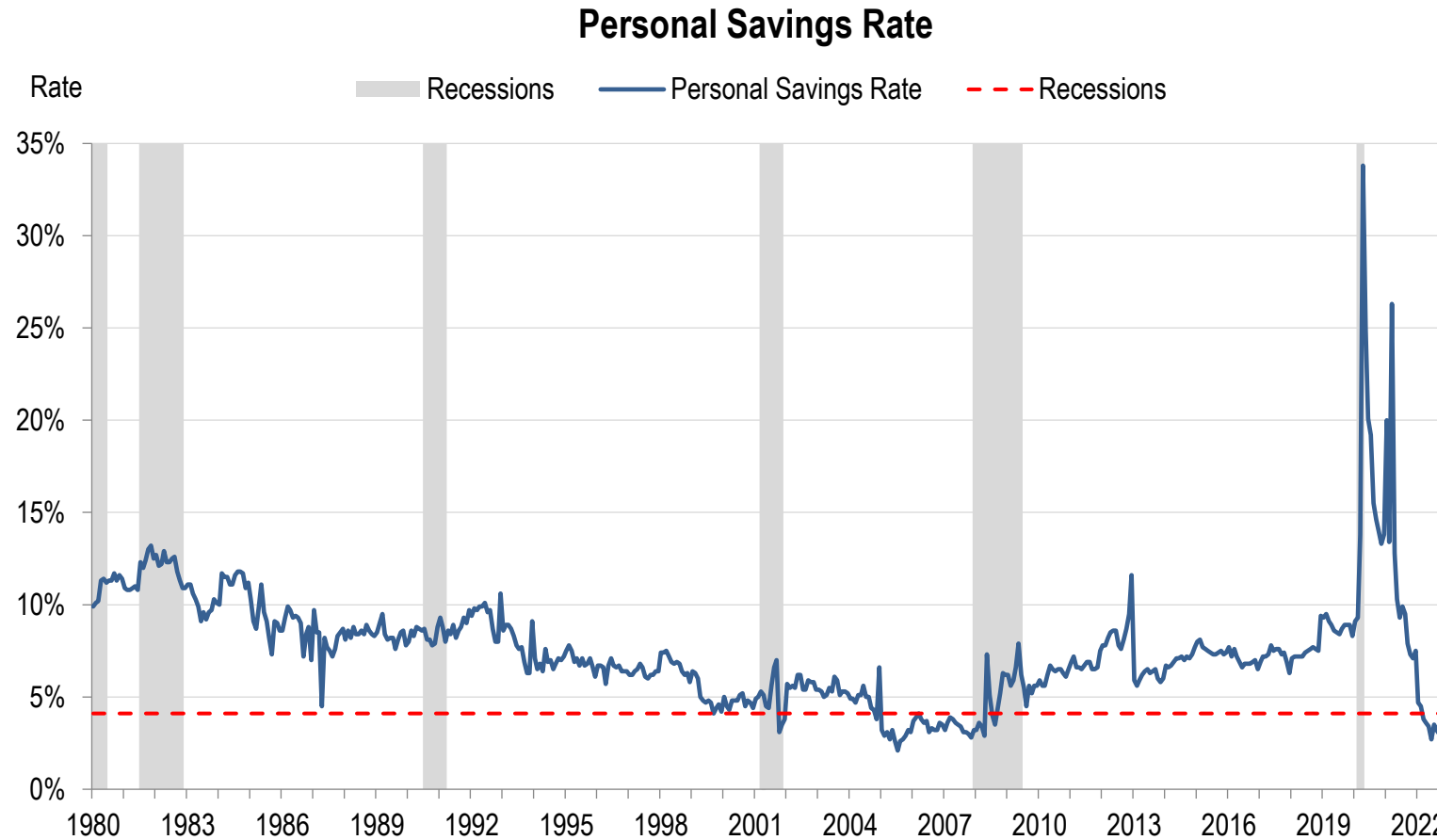
The YOY 2023 rates have been compared to months when the Fed's inflation fight began to reduce rates.

The base effect will reverse in July, and there will be upward pressure on the rates for the remainder of the year.

Saving, Borrowing, Consumption, and the Wealth Effect

U.S. Personal Savings Rate

Percentage of Disposable Personal Income (DPI)



Source: BEA, FRED, cber.co.

Personal Savings

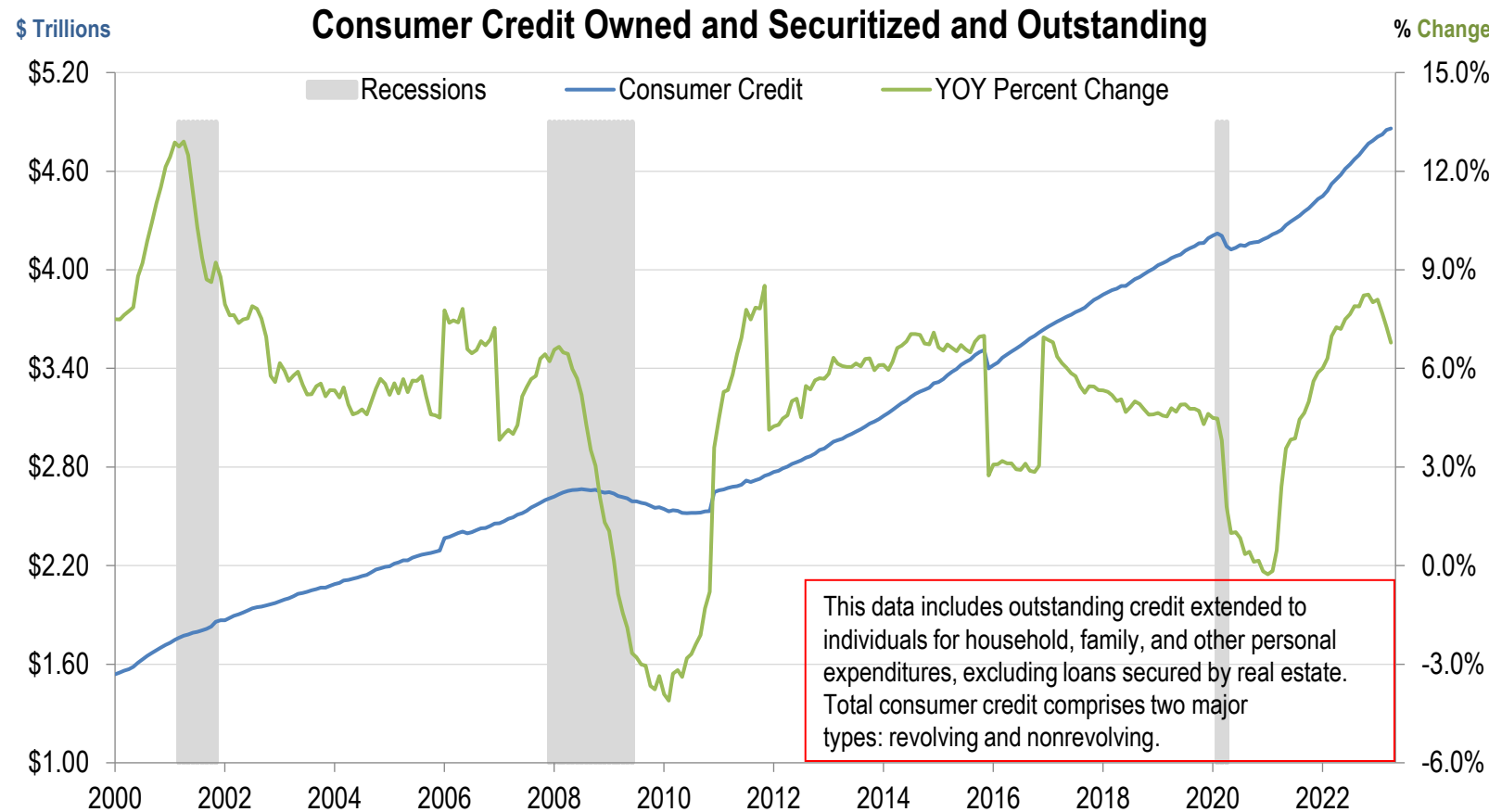
The personal savings rate jettisoned to a monthly high of 33.8% in the early stages of the pandemic. It fell to 13.0% in November 2020, then rose to 26.3% in March 2021. In September 2022, the personal savings rate was 3.0%. The April 2023 rate decreased to 4.1%, and savings fell to \$802.1 billion, 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

U.S. Consumer Credit Outstanding



Consumer Credit

Total debt was \$4.9 trillion in April 2023. In January 2022, the YOY rate of increase in consumer debt increased by 6.0% (green). In April 2023, total debt increased by 6.8%.

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%

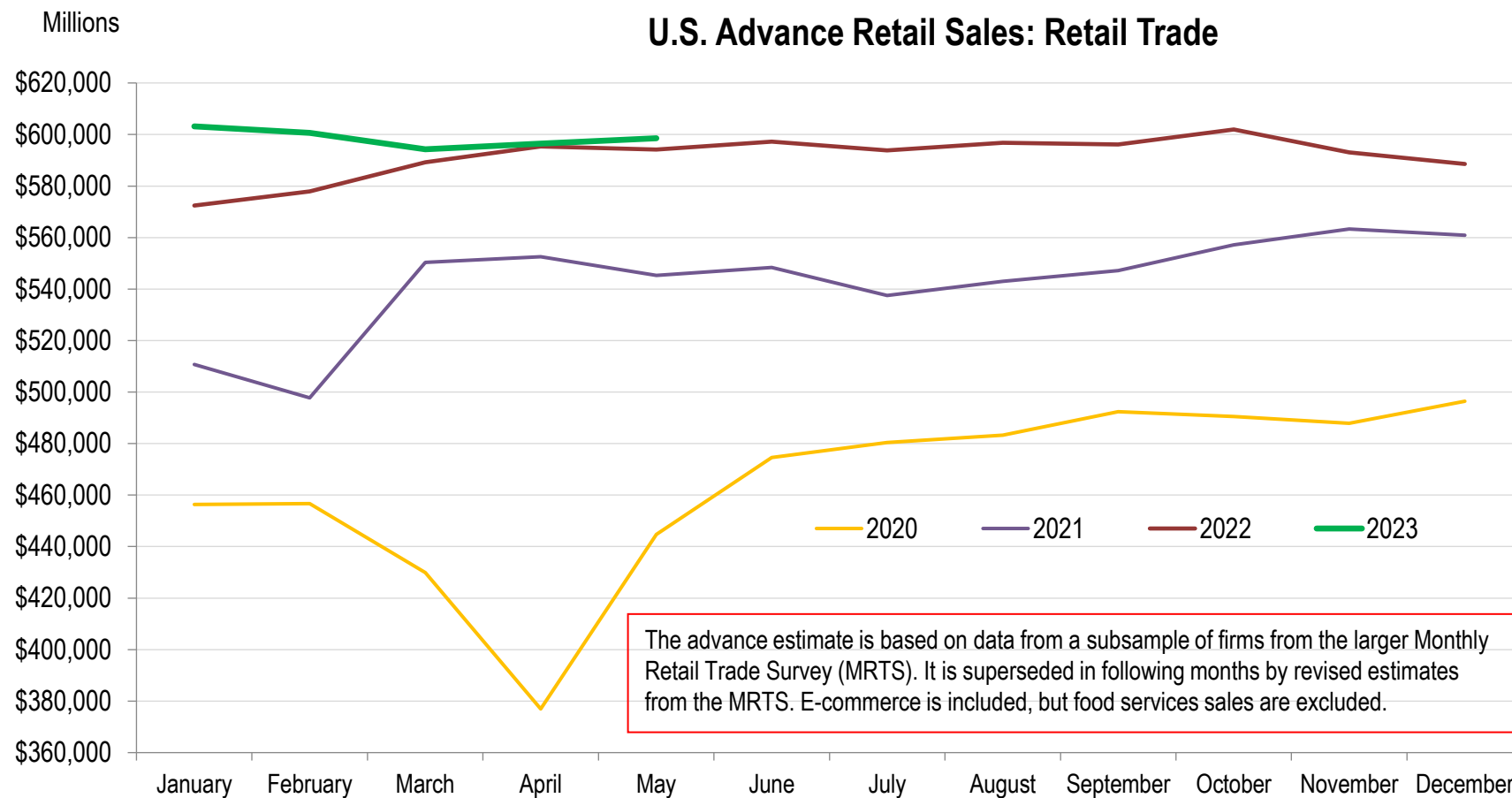
Source: FRED, G-19, cber.co

From Q3 2008 to Q4 2010 (blue), 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.

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

U.S. Advance Retail Sales: Retail Trade

Monthly



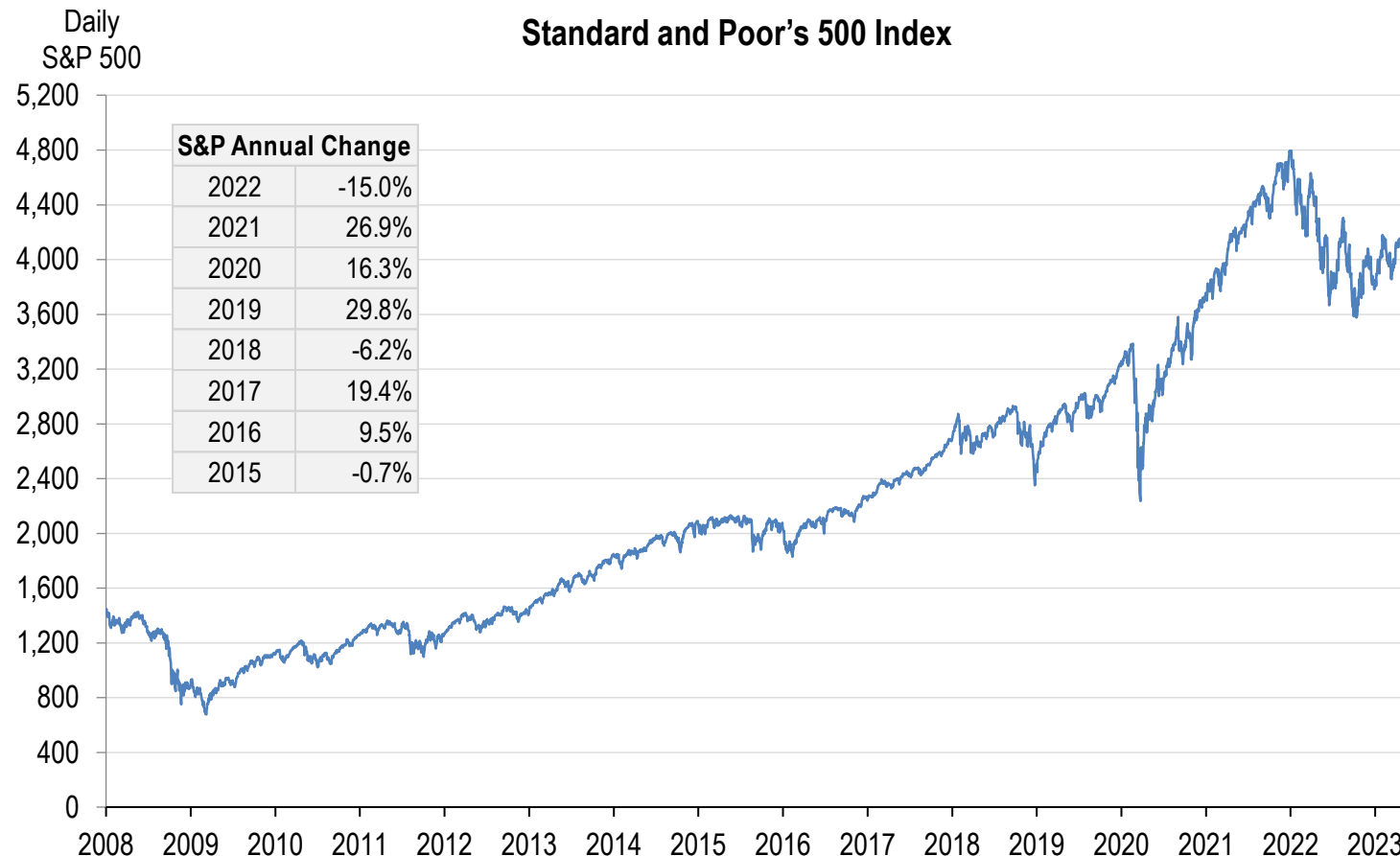
Advance Retail Sales
Total sales through the first five months of 2023 (green) were 2.2% greater than January through May 2022 (burgundy).

The National Retail Federation projected that 2023 sales would be 4.0% to 6.0% greater than the 2022 total.

Annual Retail Sales (Trillions)		
2017	\$5.04	4.4%
2018	\$5.25	4.1%
2019	\$5.39	2.7%
2020	\$5.57	3.3%
2021	\$6.51	16.9%
2022	\$7.10	8.9%

Source: Census, cber.co

Standard and Poor's 500 Index



Source: FRED, S&P 500, cber.co.

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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, change **26.9%**.

2022 Bear Market

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

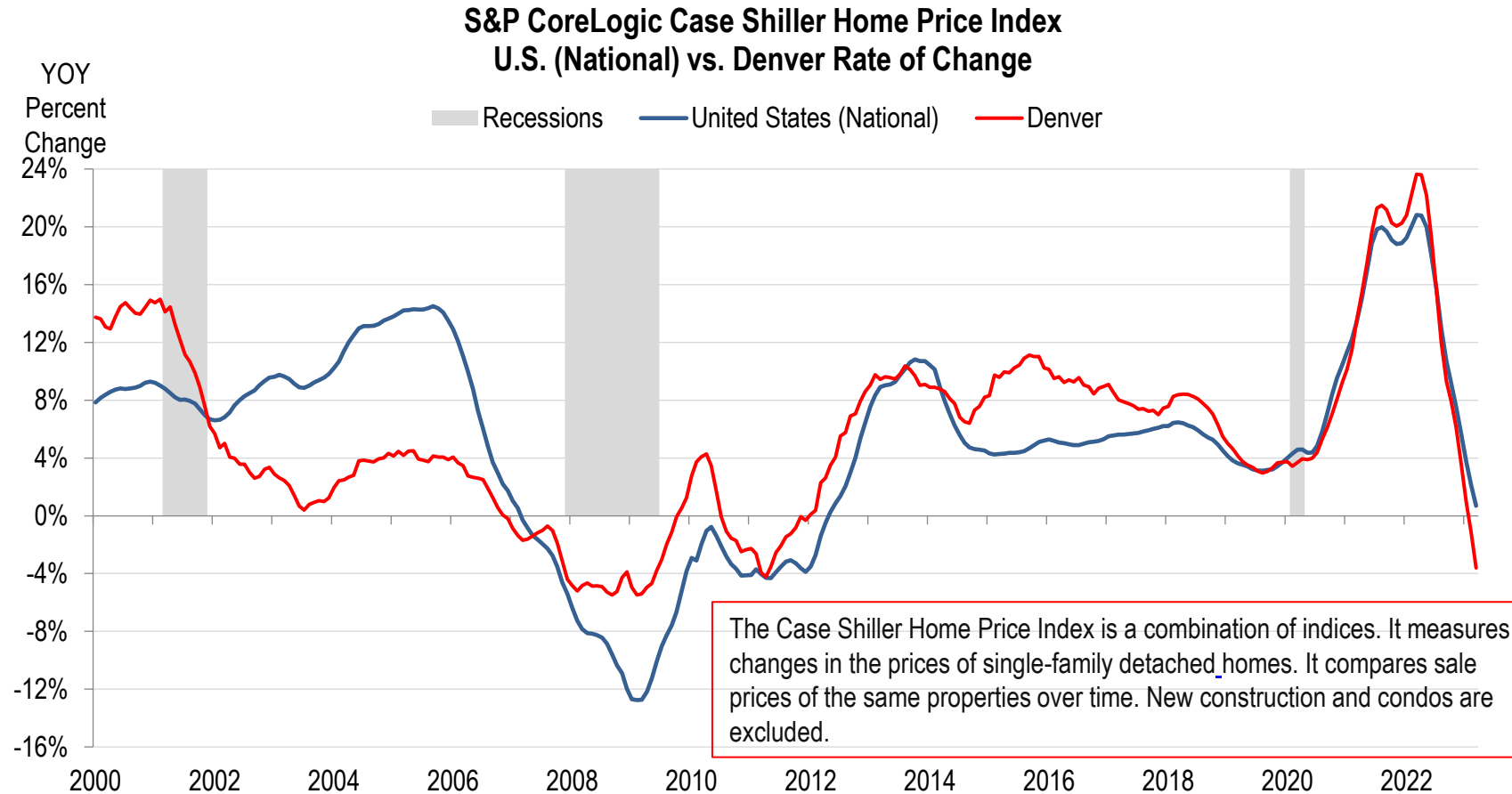
2023

June 16, 2023 4,406, YTD change 14.8%

At the moment we are in a Baby Bull market. How long will it last?

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 March 2023, the U.S. was 0.7%, and Denver was -3.6%.

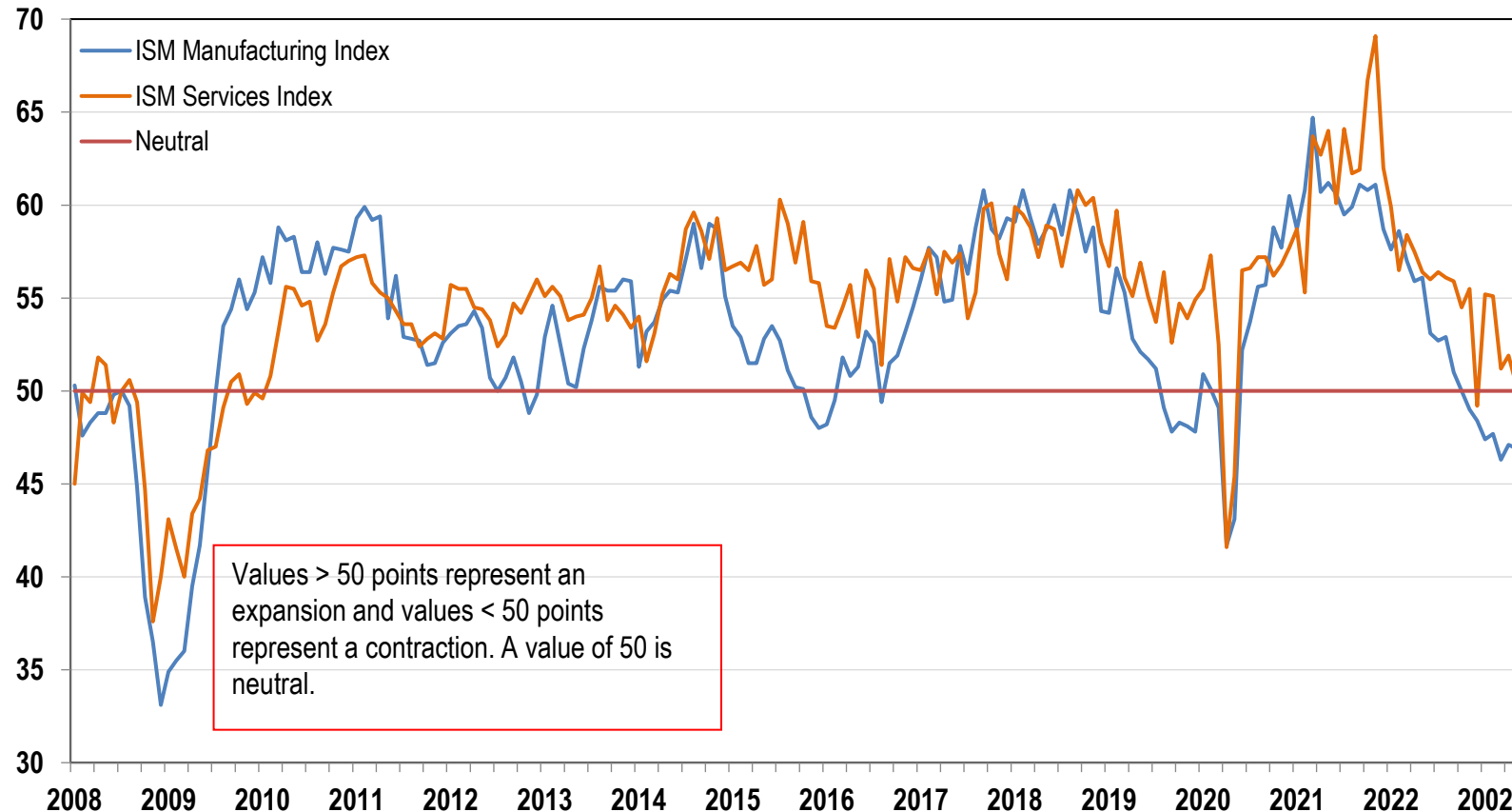
Source: S&P Case Shiller, cber.co.

U.S. Industry Indicators

ISM Purchasing Managers Composite Indices

Manufacturing vs. Services

ISM Manufacturing PMI vs. Services PMI Composite Indices



Source: Institute of Supply Management, cber.co

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

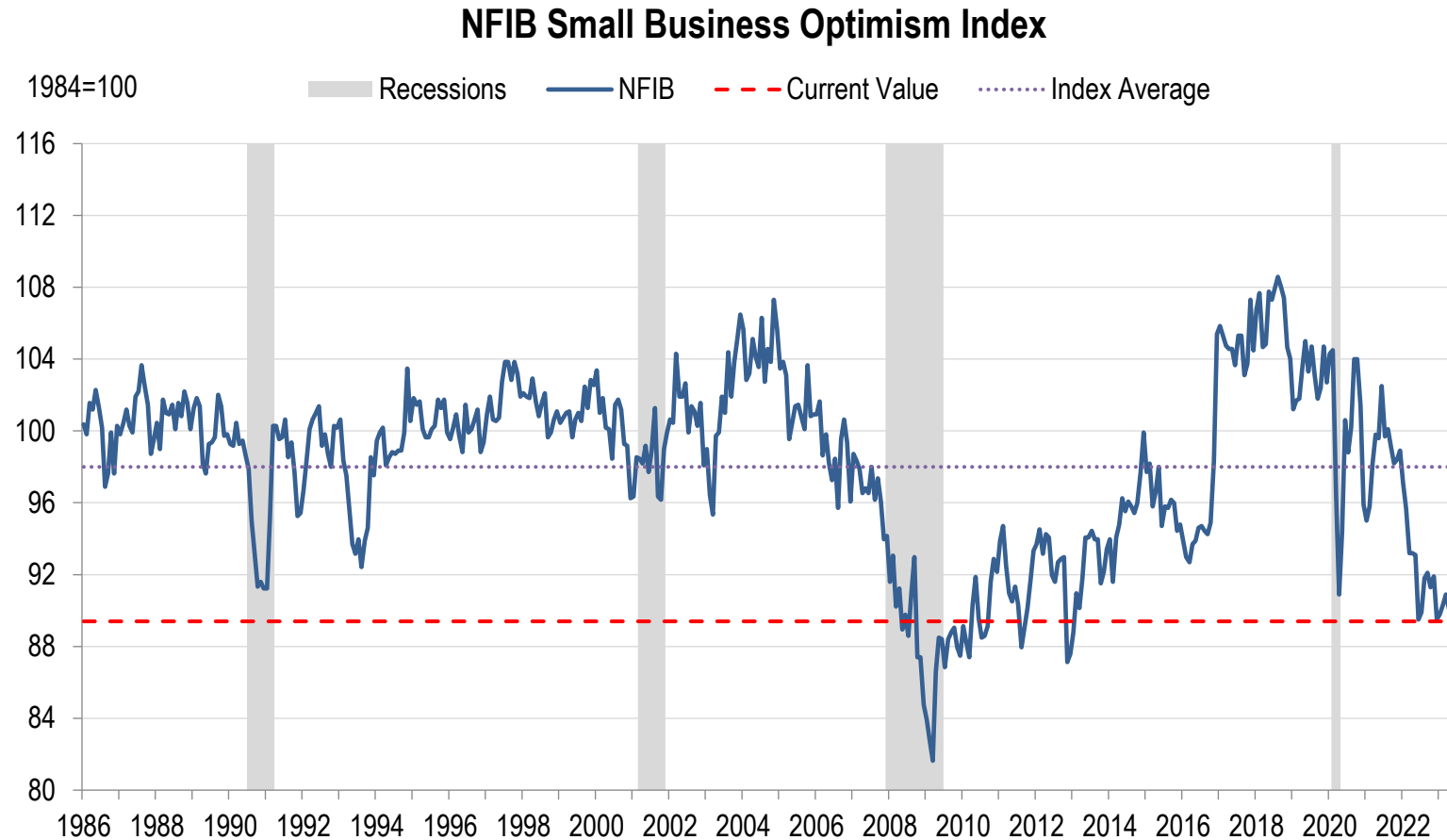
Manufacturing and Services PMI

The ISM manufacturing index (blue) trended downward after peaking at 64.7 in March 2021. It dropped below 50 and has been there for seven months. It was 46.9 in May. The employment and production subindices are the only two of the eight that registered a positive value.

The service index has trended downward since November 2021. It fell below 50 in December 2022 but has been in expansionary territory during the first five months of 2023. It was 50.3 in April. Eleven service industries reported growth in May, and seven declined.

NFIB Small Business Optimism Index

United States



Source: NFIB, cber.co.

NFIB Small Business Index

In May 2023, the NFIB index rose slightly to 89.4 (red dotted line), the 17th consecutive month below the 49-year average of 98.0 (purple dotted line).

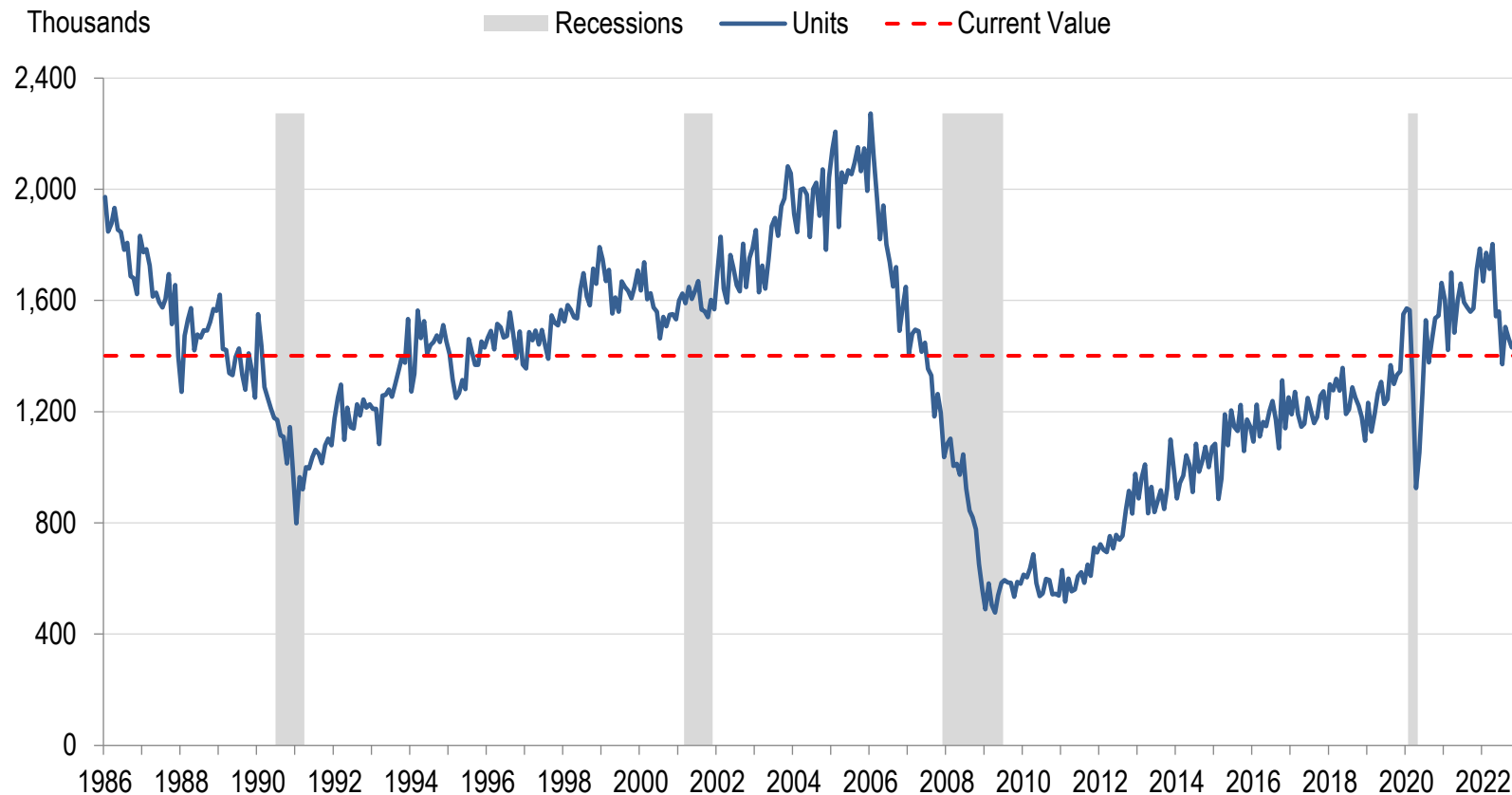
Small businesses are struggling to maintain profit margins. They are concerned about worker issues (availability, quality, and cost) in a slowing economy.

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, FRED, cber.co.

New Privately Owned Housing Units Started

The number of housing starts has trended downward since April 2022. In April 2023, there were 1.4 million starts.

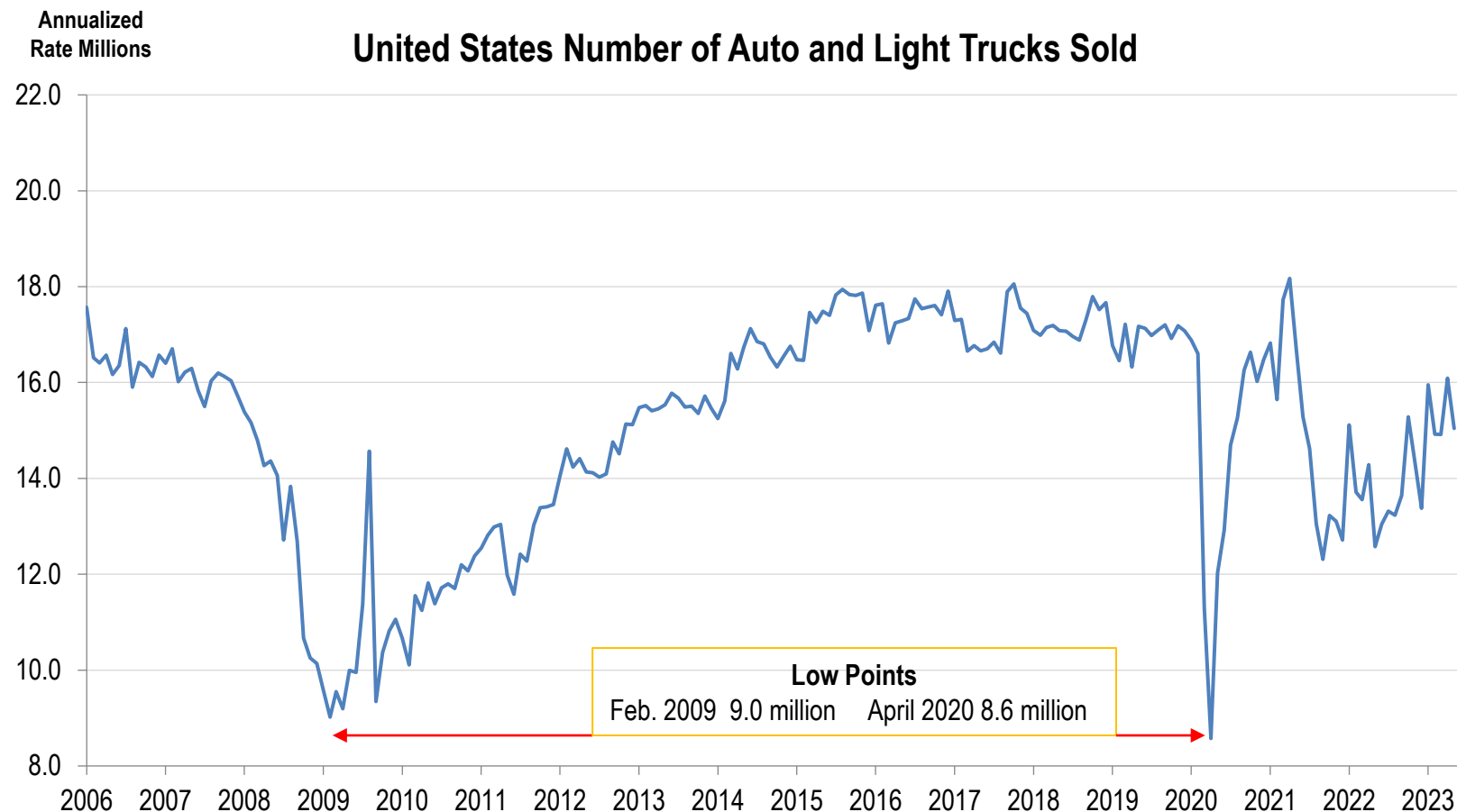
Inflation, increased interest rates, and other headwinds have caused reduced demand.

The number of starts has been between 1.3 and 1.5 million since the middle of July, 2022.

At the time of publication, the April data was the most current.

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

Monthly (Seasonally Adjusted Annualized Rate in Millions)



Source: FRED, BEA, Seasonally Adjusted Annualized Rates (SAAR), cber.co.

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

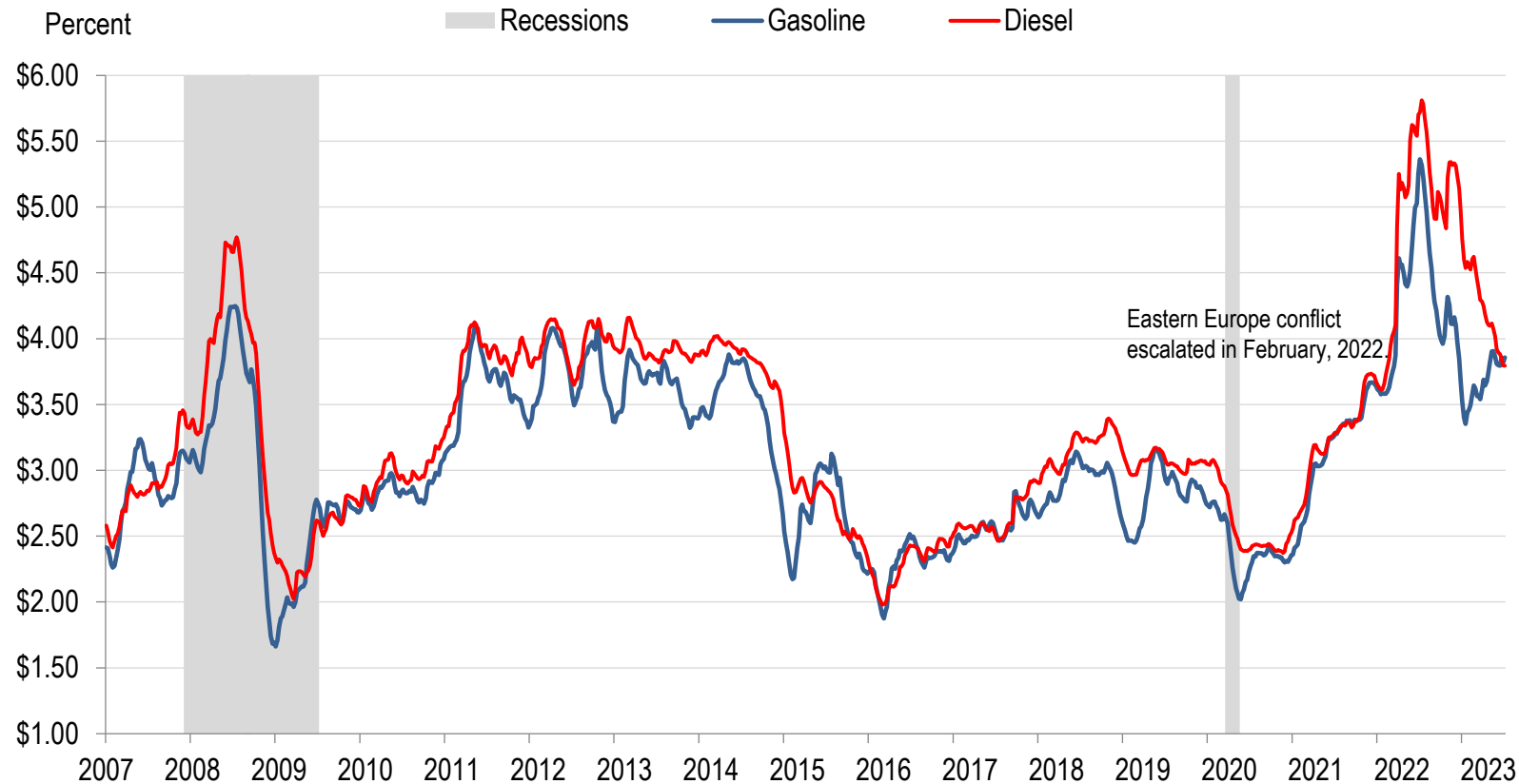
ALT Sales SAAR

Sales peaked at 18.3 million in April 2021 and dropped to 12.3 million in September. They were lackluster in 2022. January 2023 sales were 16.0 million, with declines in February and March. Sales in April bounced back to 16.0 million, and dropped to 15.0 million in May.

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

Weekly Gasoline (Regular All Formulations) and Diesel Prices United States

U.S. Gasoline Regular (All Formulations) and Diesel Prices



Gas and Diesel Prices

On June 12, 2023, a gallon of gasoline was \$3.86, down from a peak of \$5.51. A gallon of diesel was \$3.79 compared to its peak of \$5.78.

Average Annual

Year	Diesel	Gasoline
2015	\$2.71	\$2.63
2016	\$2.30	\$2.30
2017	\$2.65	\$2.26
2018	\$3.18	\$2.90
2019	\$3.06	\$2.83
2020	\$2.55	\$2.37
2021	\$3.29	\$3.22
2022	\$4.99	\$4.274

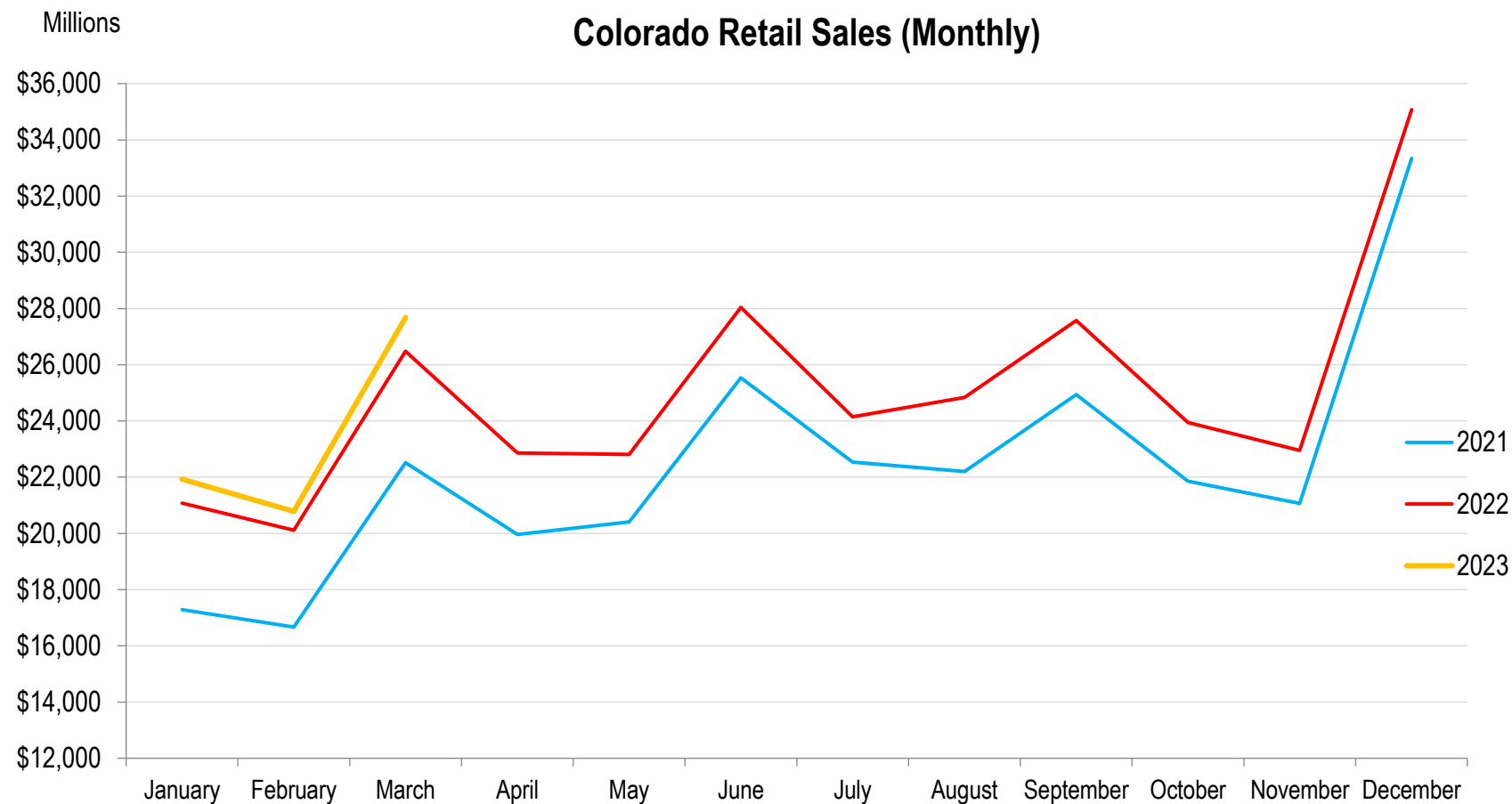
On February 21, 2021, a gallon of gasoline cost \$2.82, and a gallon of diesel was \$2.93. On February 24, 2022, the Eastern European conflict escalated. On February 21, 2022, a gallon of gasoline cost \$3.75, and a gallon of diesel was \$4.06. Inflation was a problem before the beginning of the Eastern European conflict.

Source: FRED, EIA, https://www.eia.gov/dnav/pet/pet_pri_gnd_a_epd2d_pte_dpgal_w.htm, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPM0_PTE_NUS_DPG&f=W, cber.co.

Colorado Industry Indicators

Colorado Retail Sales

Monthly



Colorado Retail Sales
Sales through March 2023 are about 4.0% greater than in the same period in 2022.

Annual Retail Sales (Billions)

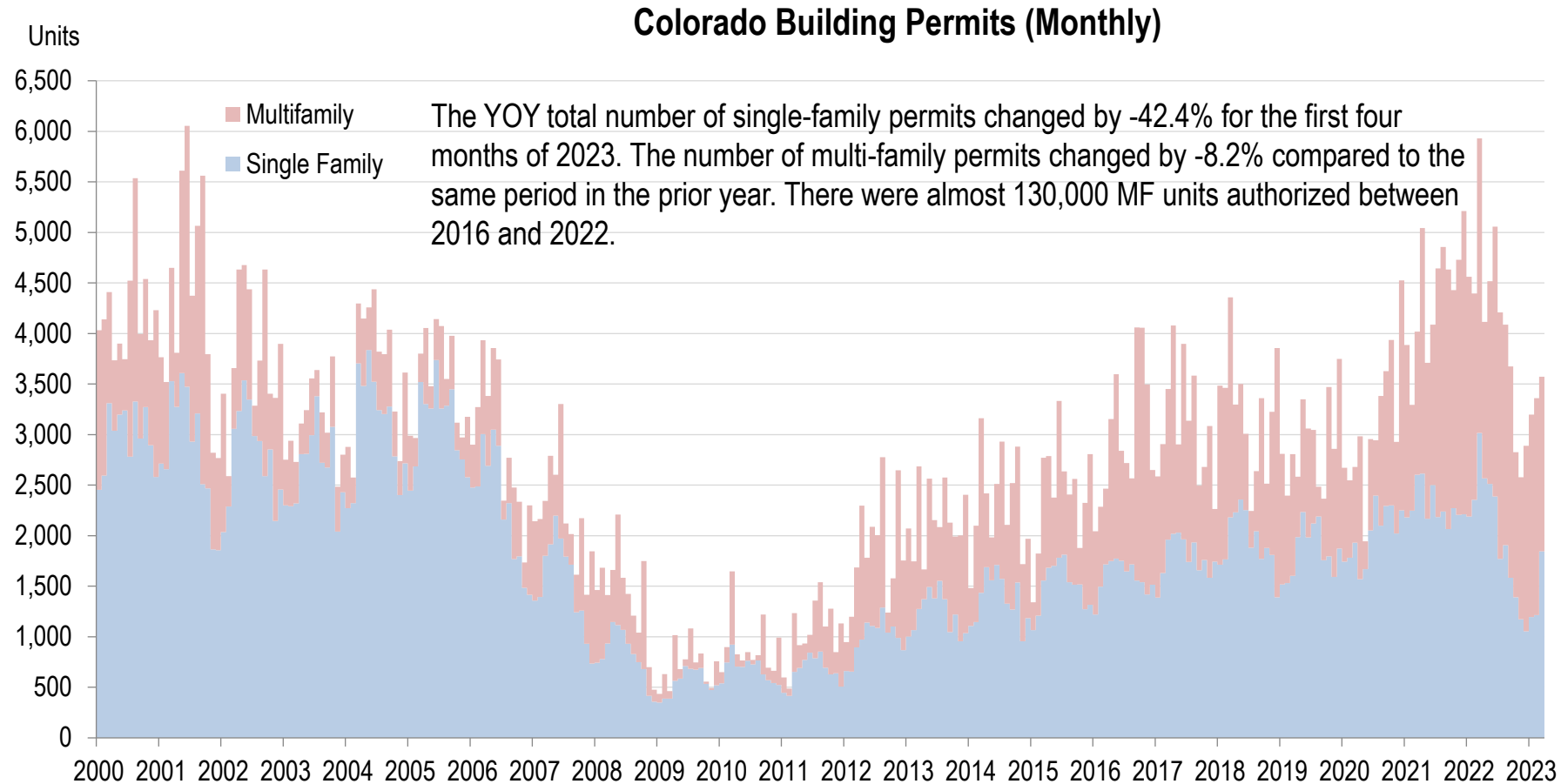
2017	\$194.6	5.4%
2018	\$206.2	5.9%
2019	\$224.6	9.0%
2020	\$228.8	1.9%
2021	\$268.3	17.3%
2022	\$299.9	11.8%

Retail sales for 2022 (red) were 11.8% greater than in 2021 (turquoise). Sales increased at a decelerating rate starting in April 2022 as Coloradans changed their shopping patterns.

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

Colorado Residential Building Permits

Units

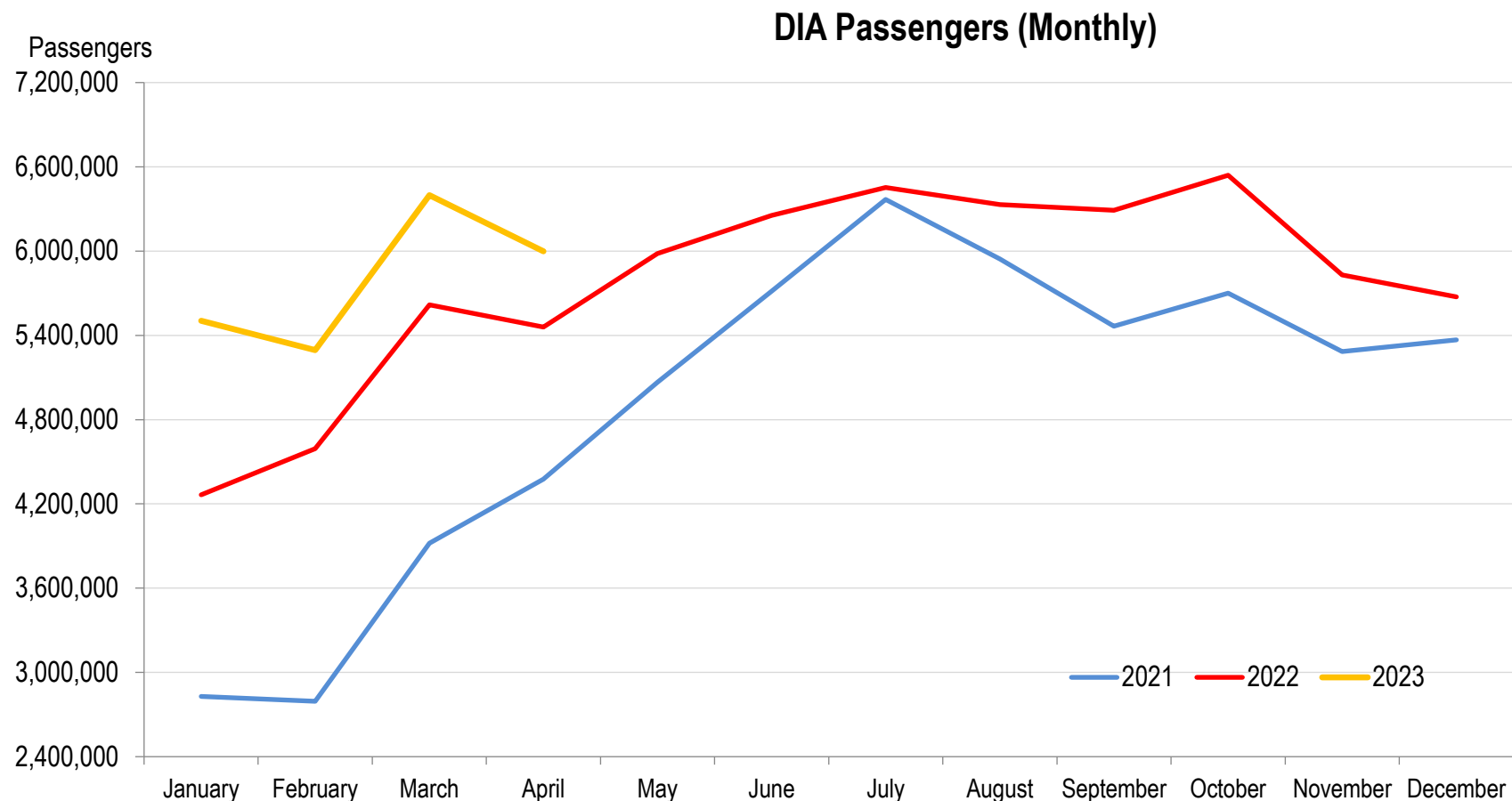


Annual Building Permits		
Year	Single Family	Multi-Family
2000	38,588	16,008
2001	36,437	18,570
2002	35,042	12,878
2003	33,894	5,732
2004	40,753	5,746
2005	40,018	5,732
2006	30,365	7,978
2007	20,516	8,938
2008	11,147	7,851
2009	7,261	2,094
2010	8,790	2,801
2011	8,729	4,779
2012	12,618	10,684
2013	15,773	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
2022	23,728	25,111

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

Denver International Airport Passengers

Monthly



DIA Passengers

The number of DIA passengers through April 2023 (yellow) was 16.4% above the YTD total for 2022 (red) and significantly above the same YTD total for 2021 (blue).

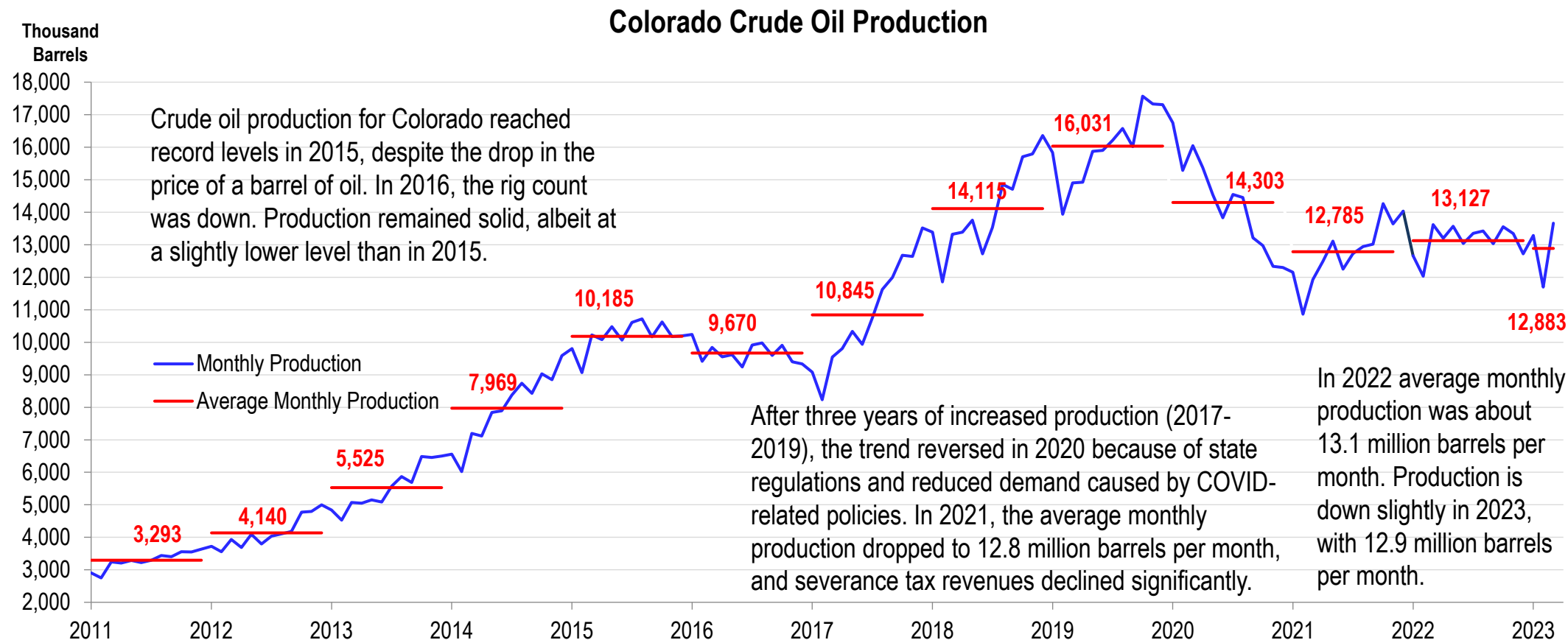
Approximately 72 million passengers will pass through DIA in 2023. DIA is one of the bright spots in the Colorado economy.

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 Field Production of Crude Oil

2011 to 2023 (Thousand Barrels)



Source: EIA, cber.co.

Colorado Forecast

Colorado Economic Forecast 2023

In 2023, the Colorado real GDP growth rate will be 1.5% compared to 1.0% 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, higher energy costs, higher interest rates, labor shortages, and tighter credit conditions. It will be 2024 before inflation returns to the Federal Reserve's target rate.

Colorado Economic Forecast

	2020	2021	2022	2023
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	2,864.9	2,888.9
Annual Change (thousands)	-137.4	98.2	114.0	24.0
% Change	-4.9%	3.7%	4.1%	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	18,000
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 travel activity through Colorado Springs.

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 May 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.