

Economic Outlook and Trends Through June 2023

United States and Colorado



Sports and recreation are a critical part of
the Colorado economy

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

July 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 six months of 2023 and looks at trends for the second half of the year.

While many economists have revised their short-term forecasts upward, that does not mean the economy is healthy.

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. It has slowed 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. Americans have lost confidence in the banking system.
- In some cases, mandated energy regulations are ineffective and counterproductive.
- There are many housing and construction issues.
- Retail purchases are increasing at a decelerating rate.
- The spending and conflict in Eastern Europe is problematic.
- Manufacturing is in a recession.
- Federal investments (IRA and Chips Act) are benefitting large organizations. Small businesses are struggling.
- China's economy is faltering, which will hurt the U.S. economy.

Colorado

- The Colorado labor market has been slow for over a year.
- Economic activity is slowing.
- Unemployment remains low, but 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.
- Denver homes sales have decreased.
- 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 industries and geographic regions against each other. 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 stabilized.

Gross Domestic Product and Disposable Income

U.S. Real GDP – Economic Activity

The Conference Board (TCB) Calls for 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 not be a recession.
- The recession will be a doozy.
- We will see a soft landing.
- No, no, no, there will be a hard landing.
- Calls for recession are pushed into the future.

Recession or not? The common theme of all these forecasts is the weak economic activity in 2023. That is more important than the timing of a recession.

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

TCB Forecast

The Conference Board U.S. forecast is the base for the cber.co forecast.

In the second half of 2022, TCB called for a shallow recession that would occur at the end of 2022 or in early 2023. That did not happen. The recession is now expected to occur in the second half of 2023 and Q1 2024.

U.S. Real GDP Growth

The Conference Board Forecast (July 12, 2023)

Real GDP and Economic Growth

The latest Conference Board forecast projects real GDP growth of 1.3% in 2023. Quarterly real GDP rates will turn negative in Q3 2023. In 2023, real disposable income will increase by 3.3%, and real personal consumption will increase by 1.5%. Residential investment will change by -11.6% and non-residential investment will increase by 1.5%. Government spending will increase by 3.0%.

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. Economic activity will improve as 2024 progresses.

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%	2.0%	1.1%	-1.2%	-1.9%	2.1%	1.3%	0.1%
Real Disposable Income	--10.6%	-2.3%	3.2%	2.5%	8.5%	1.6%	1.0%	0.6%	-6.2%	3.3%	2.3%
Real Personal Consumption	1.3%	2.0%	2.3%	1.0%	4.2%	1.2%	-1.6%	-2.0%	2.7%	1.5%	-0.3%
Residential Investment	-3.1%	-17.8%	-27.1%	-25.1%	-4.0%	-2.0%	0.0%	0.0%	-10.6%	-11.6%	1.0%
Nonresidential Investment	7.9%	0.1%	6.2%	4.0%	0.6%	5.2%	-5.9%	-5.9%	3.9%	1.5%	-1.2%
Total Gov't. Spending	-2.3%	-1.6%	3.7%	3.8%	5.0%	2.4%	2.4%	0.0%	-0.6%	3.0%	1.5%
Exports	-4.6%	13.8%	14.6%	-3.7%	7.8%	-2.0%	2.0%	2.0%	7.1%	3.7%	1.8%
Unemployment Rate	3.8%	3.6%	3.6%	3.6%	3.5%	3.6%	3.7%	3.9%	3.6%	3.7%	4.4%
PCE Inflation (%Y/Y)	6.4%	6.6%	6.3%	5.7%	4.9%	3.7%	3.2%	2.9%	6.3%	3.8%	2.3%
Core PCE Inflation (%Y/Y)	5.3%	5.0%	4.9%	4.8%	4.6%	4.5%	3.8%	3.2%	5.0%	4.0%	2.4%

Source: The Conference Board and cber.co.

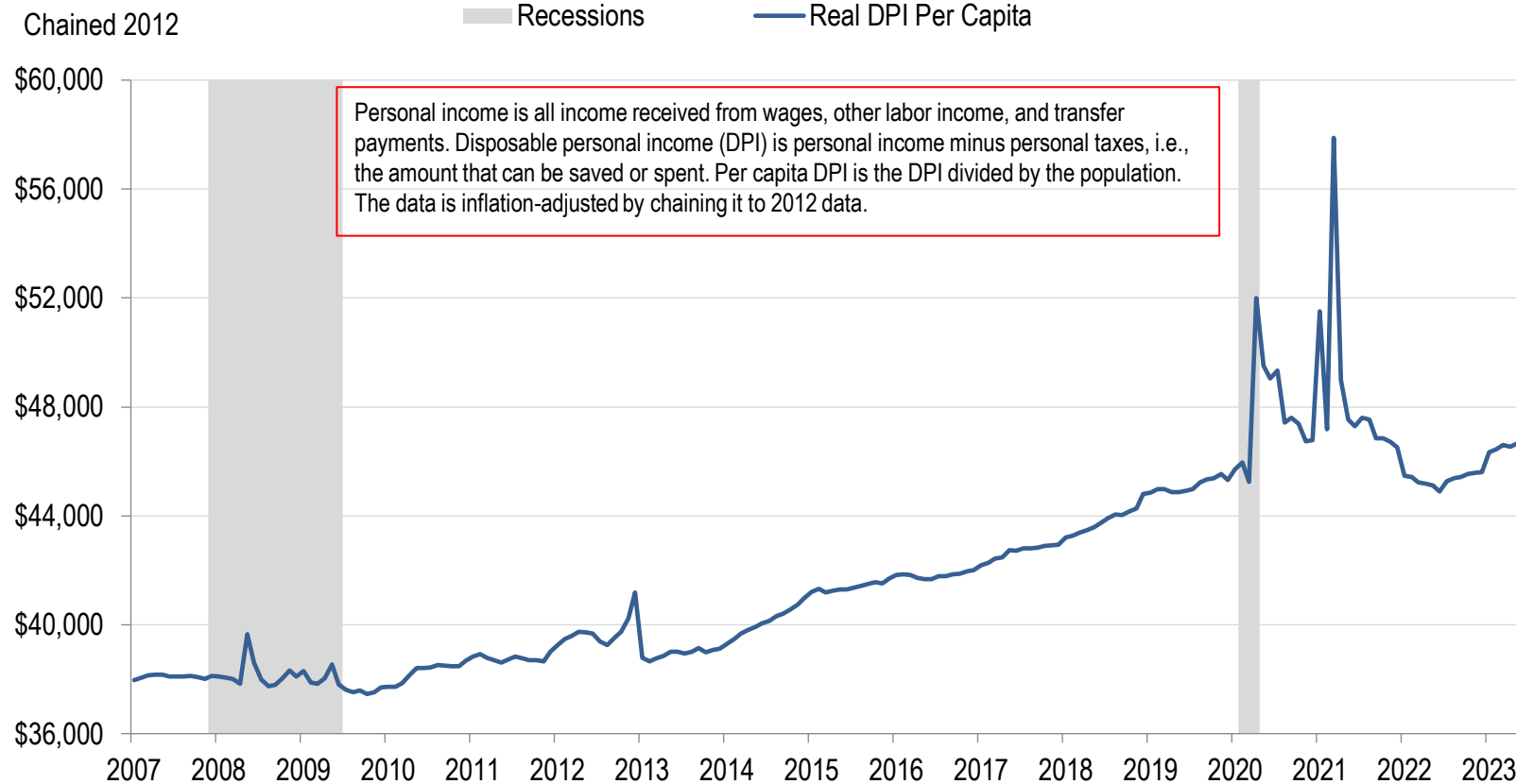
Source: The Conference Board, <https://www.conference-board.org/publications/Economic-Forecast-US>, cber.co.

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Real Disposable Personal Income Per Capita

United States

Real Disposable Personal Income Per Capita



Real DPI Per Capita

In May 2023, the Real DPI PC was \$46,673; this is 3.5% greater than in May 2022.

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. There was much more money in the system between 2020 and 2022. After peaking at \$57,872 in March 2021, it bottomed out at \$44,902 in June 2022. It has risen for the past year.

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

Colorado Quarterly GDP

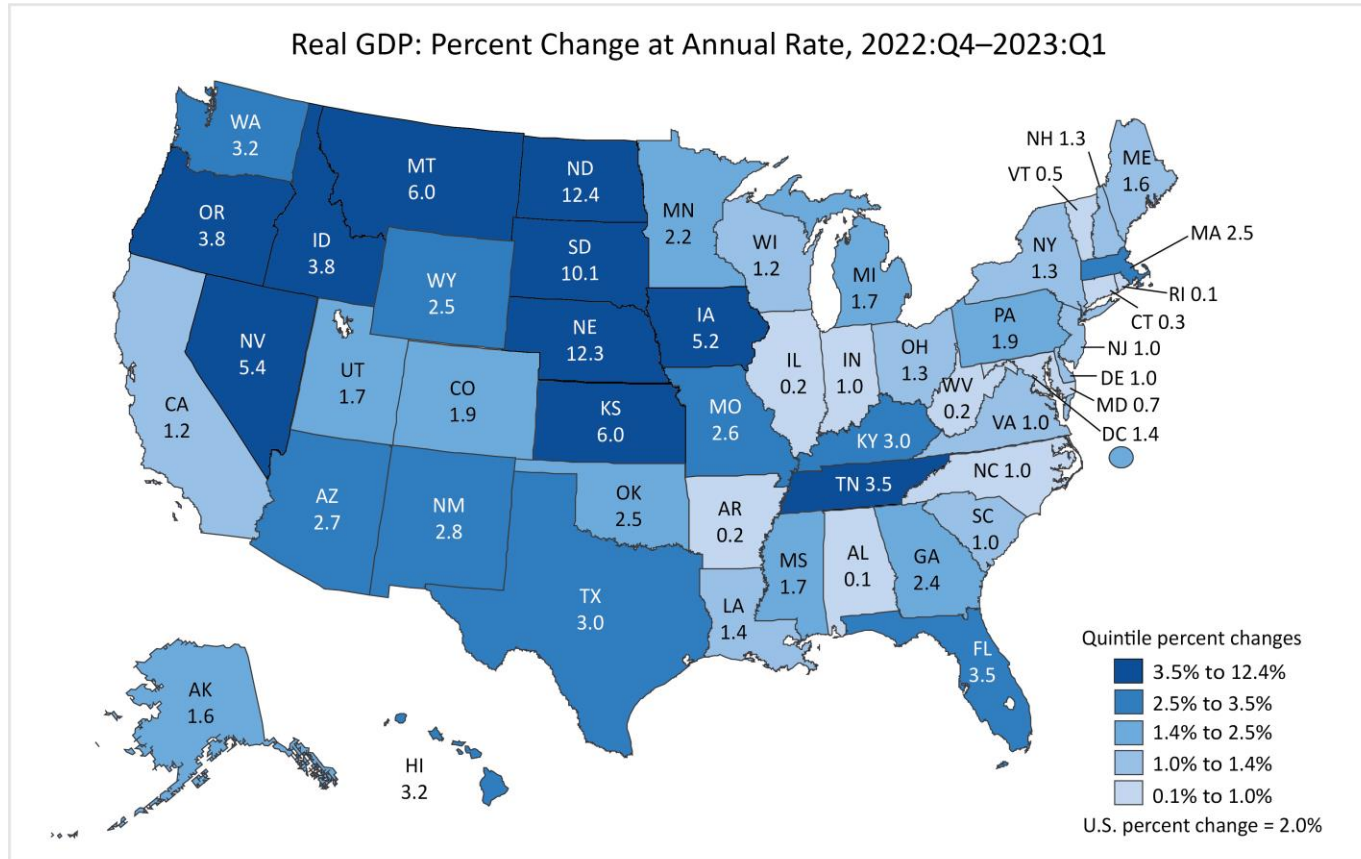
2022 through Q1 2023

Colorado Real GDP Percentage Change

Colorado has generally had modest real GDP growth during the past five quarters. Growth has been volatile. The Colorado and U.S. growth rates have been similar for the last three quarters.

During this period, Colorado real GDP gains have been lackluster compared to other states. Colorado has not been a leading state in economic growth.

Quarter	U.S. Rate	Colorado Rate	Colorado Rank
2021:Q4-2022:Q1	-1.6%	2.9%	8
2022:Q1-:Q2	-0.6%	-2.0%	40
2022:Q2-:Q3	3.2%	3.5%	15
2022:Q3-:Q4	2.6%	2.7%	21
2022:Q4-2023:Q1	2.0%	1.9%	24

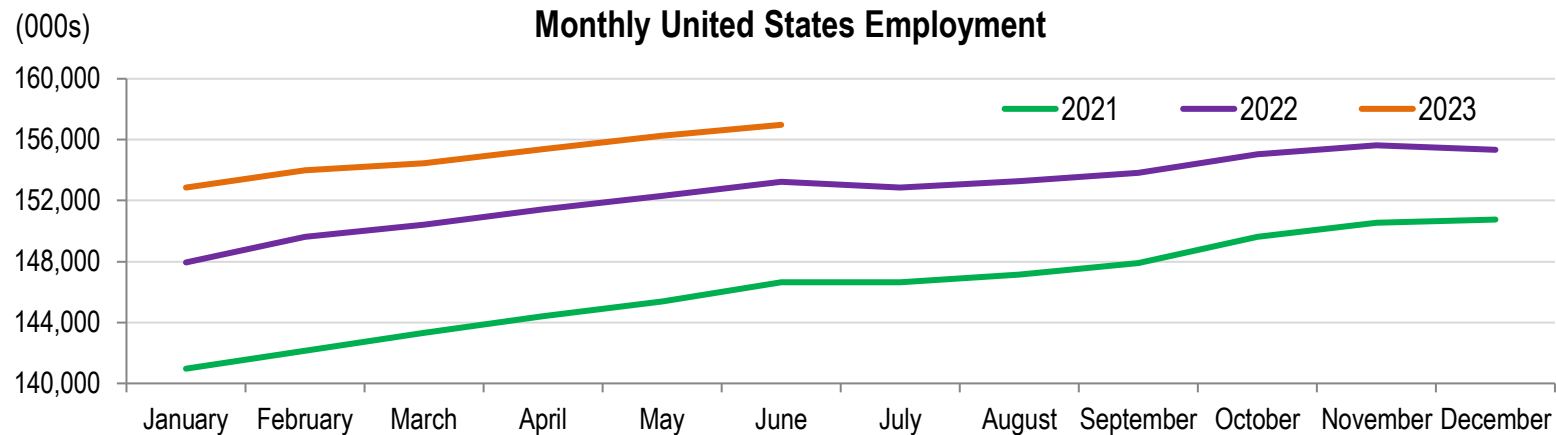


U.S. Bureau of Economic Analysis

U.S. and Colorado Employment and Unemployment

Employment and Change in Employment

United States



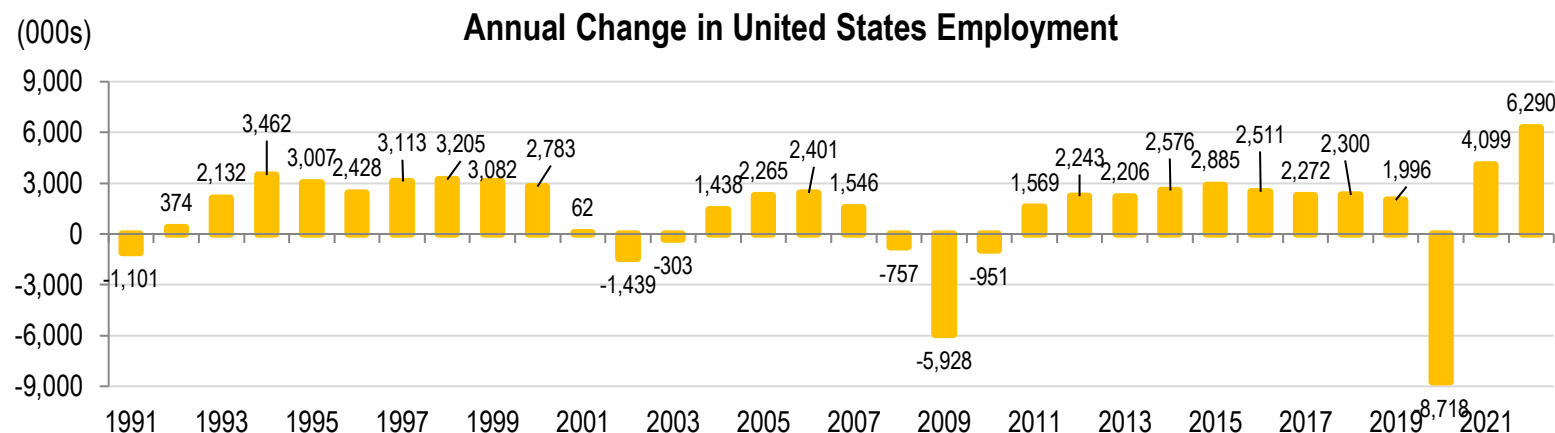
U.S. Employment

The YOY June 2023 (orange) change in employment was about 3.7 million more than June 2022 (purple).

By comparison, the change in employment for June 2022 vs. 2021 (green) was about 6.6 million.

As seen in the above comparisons, YOY monthly employment has increased at a decelerating rate.

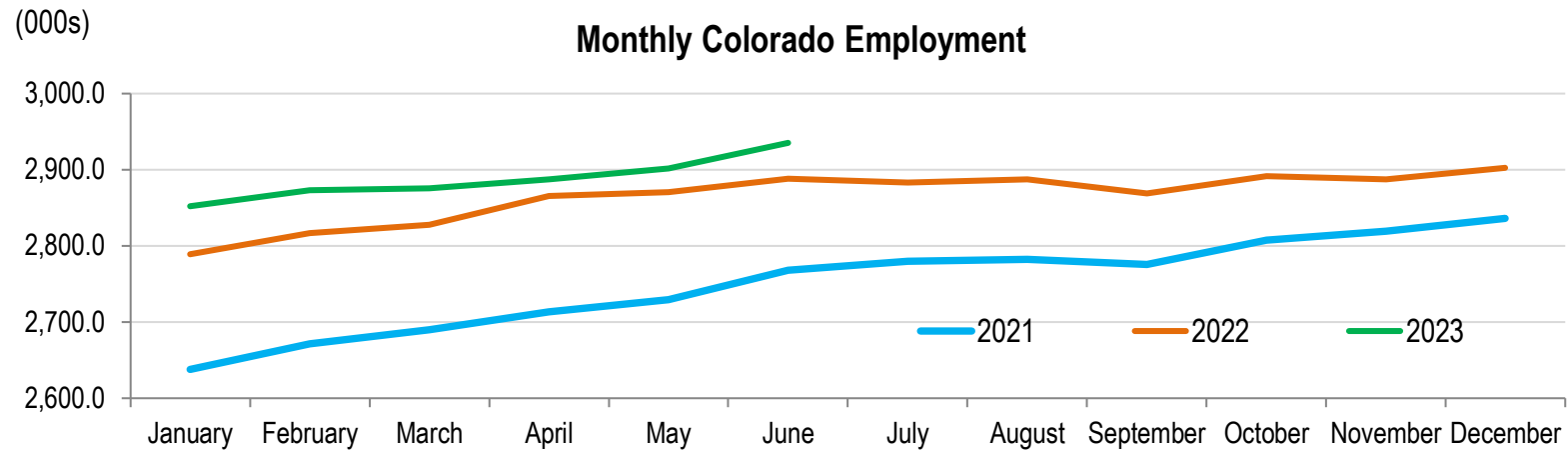
There was record job growth in 2021 and 2022. (See lower chart).



Source: Bureau of Labor Statistics, NSA cber.co.
 Colorado-based Business and Economic Research <https://cber.co>

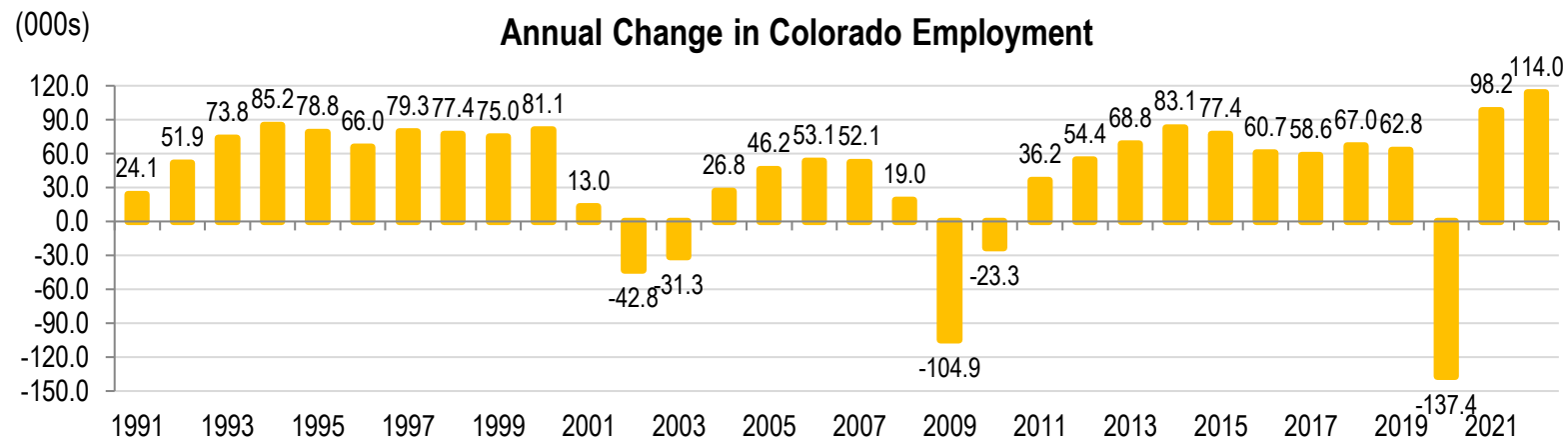
Employment and Change in Colorado Employment

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



Colorado Employment and Change
 Since April 2022, YOY monthly employment has trended downward.

The YOY June 2023 (green) change in employment was about 47,100 more than June 2022 (red). By comparison, the difference in employment for June 2022 vs. June 2021 (blue) was about 120,200.

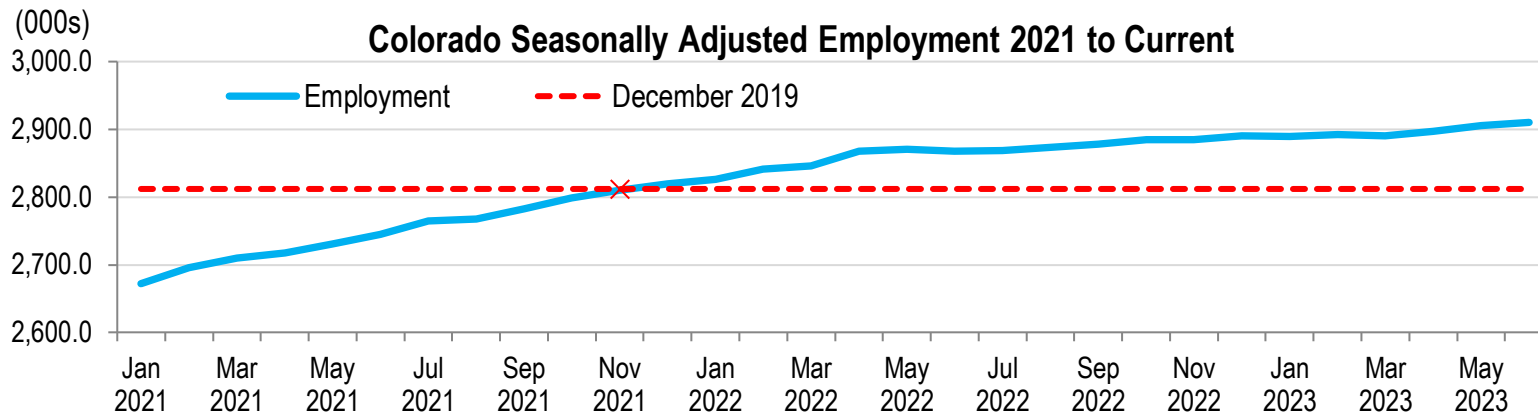


The YOY average monthly employment through June 2023 was about 4,500, compared to 5,600 between 2012 and 2019.

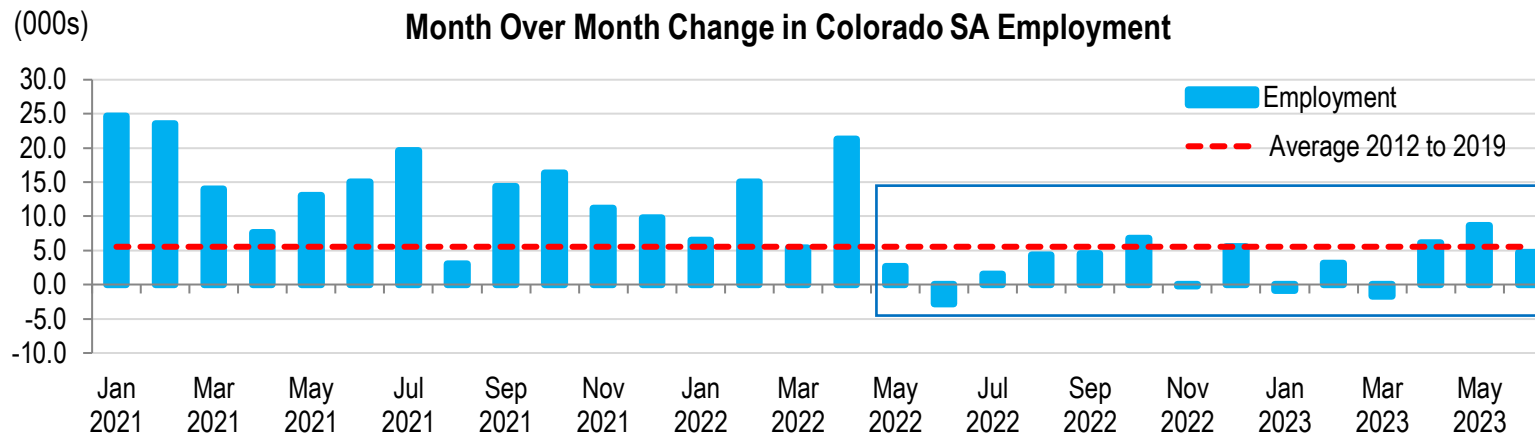
There was record annual employment in 2021 and 2022. (See lower chart).

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 (blue line) surpassed the December 2019 total (red dotted line). There was steady job growth between December 2021 and April 2022. In May, it became more volatile. There was a downturn in Q1 and an uptick in Q2 2023.

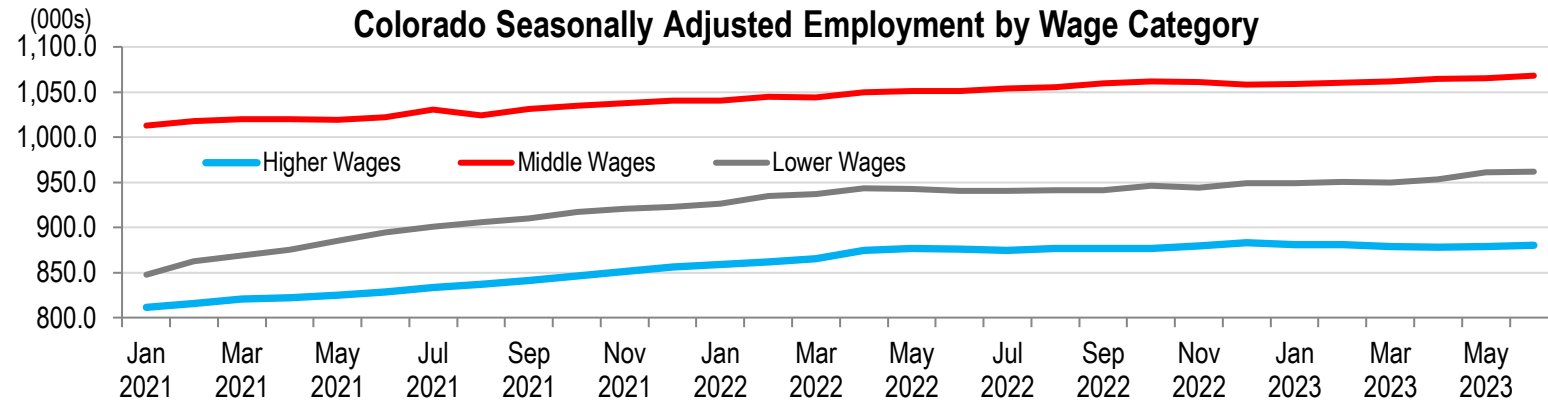


During the months from May 2022 to June 2023, the state experienced job growth that was volatile and typically weaker (blue rectangle). Employment increased by an average of 3,000 each month during this period.

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

Employment and Change in Colorado Employment

2021 to Current (Employment Change by Wage Category)



Colorado Employment Wage Category

These charts show changes in employment based on average annual sector wages. Between January 2021 and June 2023 employment by wage category increased by:

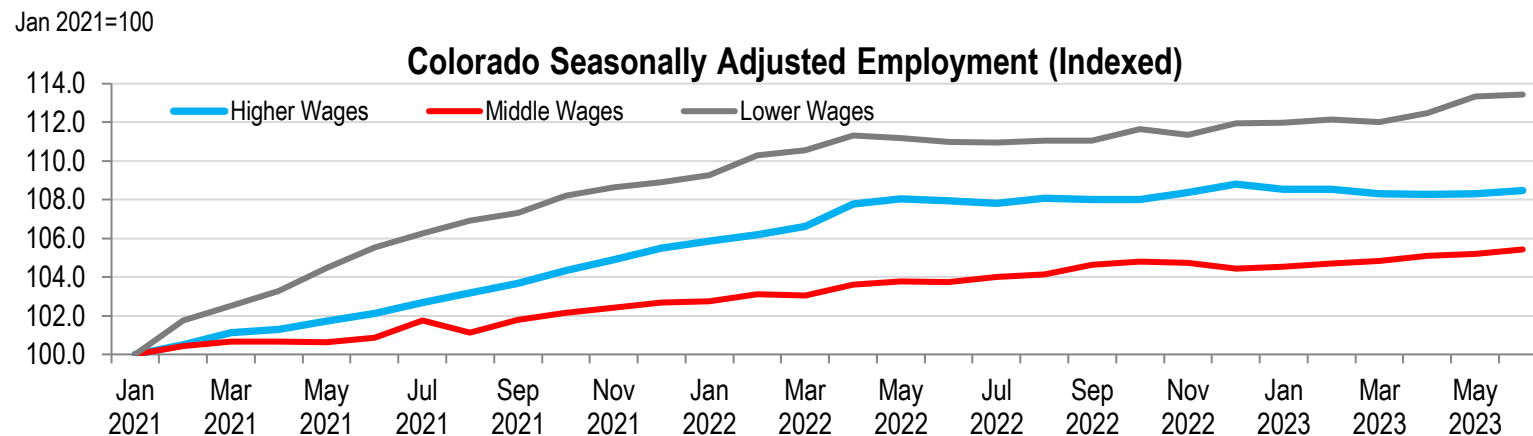
- Total all categories 237,700
- Middle wage jobs 55,100 (red)
- Lower wage jobs 113,800 (grey)
- Higher wage jobs 68,800 (blue).

Colorado Employment Wage Category (Index)

The bottom chart shows the employment by wage categories, indexed on January 2021. The increases by wage category are:

- Total all categories 8.9% (not shown)
- Lower wage jobs 13.4% (grey)
- Higher wage jobs 8.5% (blue)
- Middle wage jobs 5.4% (red).

Low wage categories - leisure and hospitality, retail trade, administrative services, other services, and private education
Middle wage categories - healthcare, government, construction, and TWU
High wage categories - PST, financial activities, manufacturing, wholesale trade, information, MCE, and extractive industries

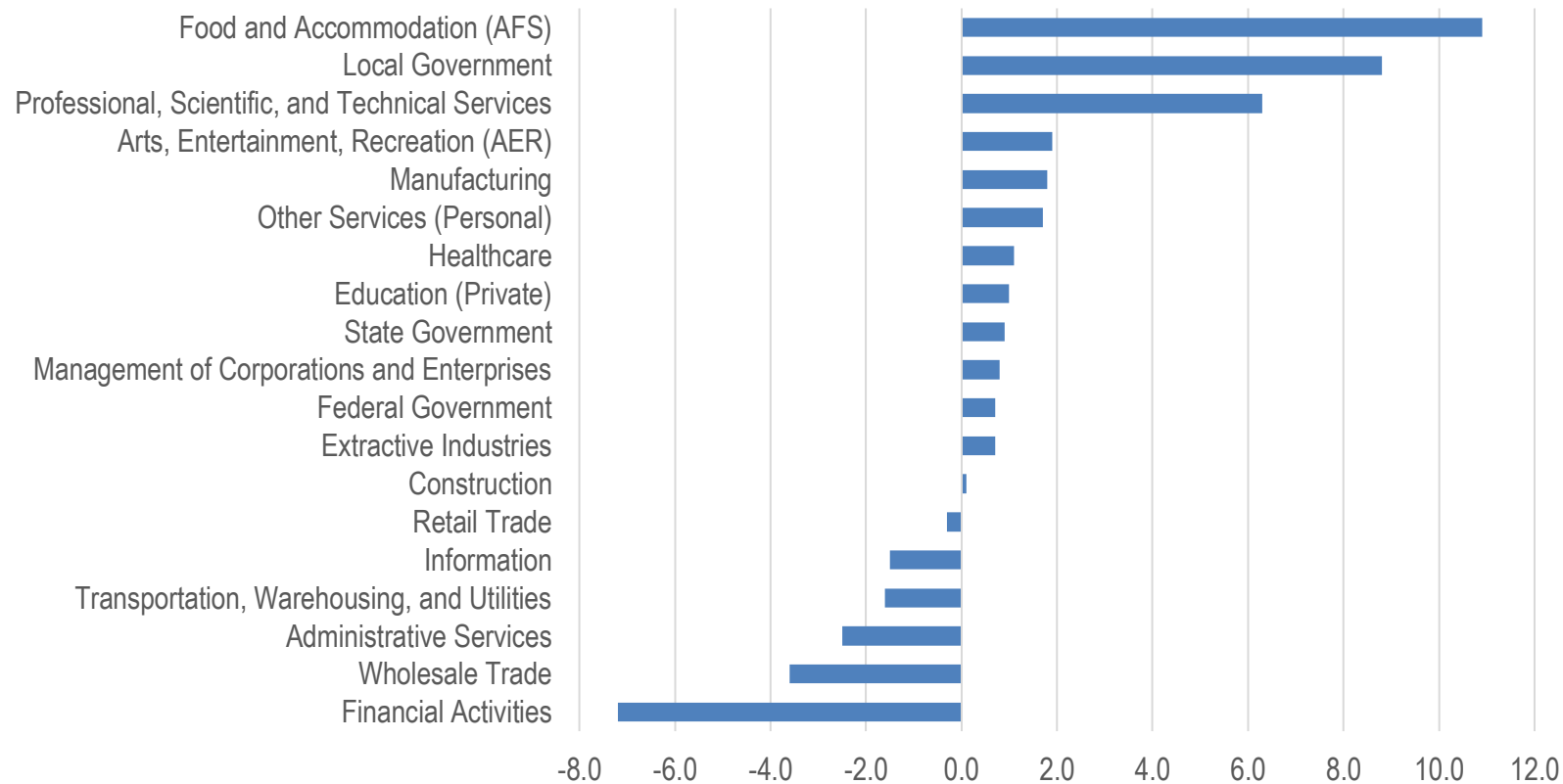


Source: Bureau of Labor Statistics, cber.co. Note: This data reflects changes in Q4 2022 and Q1 2023 data.

Change in Colorado Employment by Sector

Through Six Months of 2023

Change in Employment (Thousands)



Changes in Employment (Six Months)

Thirteen of nineteen sectors/subsectors added jobs during the first six months of 2023.

The top categories for absolute growth are AFS, local government, and PST. Employment in these sectors increased by 26,000.

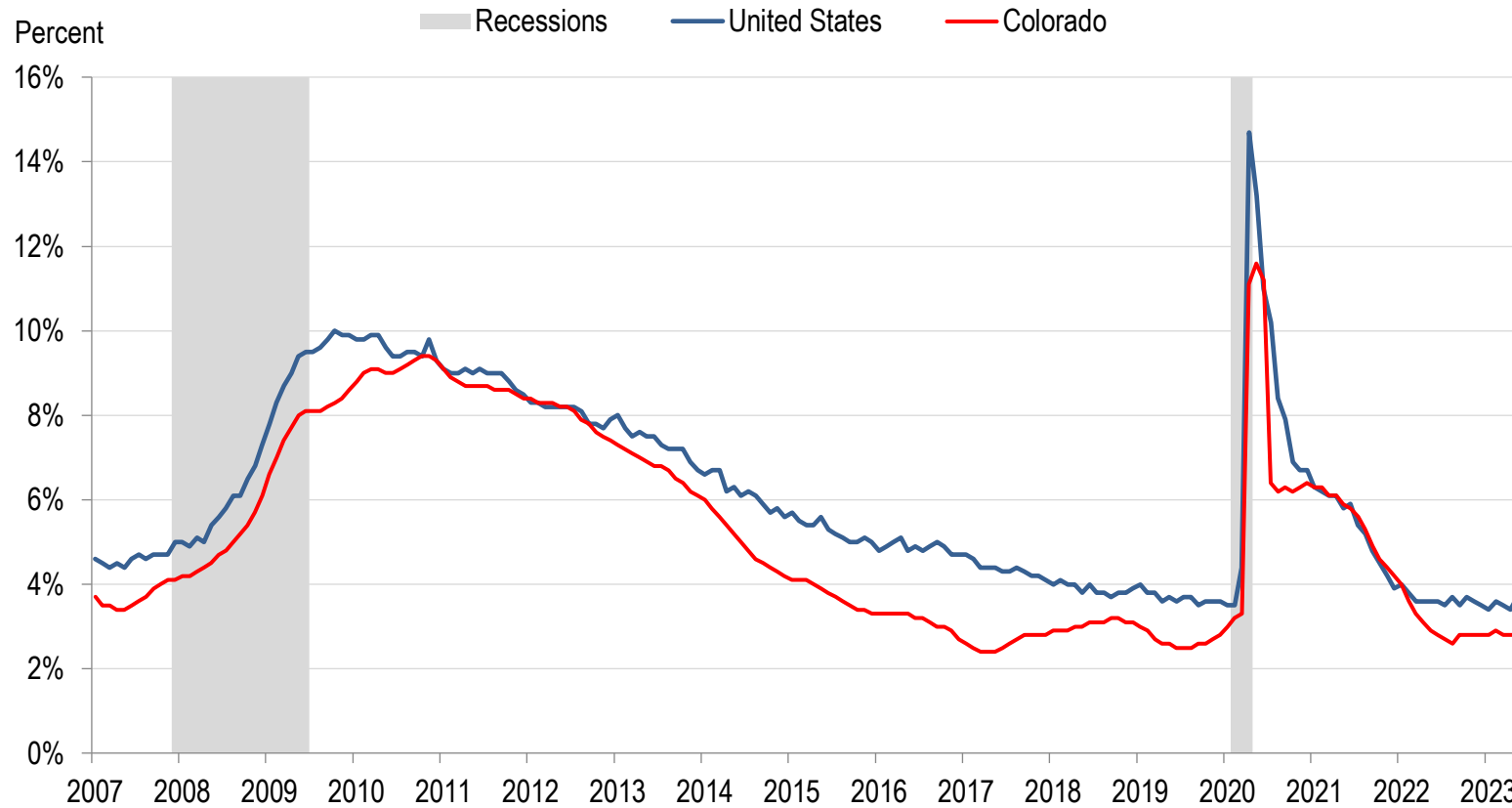
The most job losses are in financial activities, wholesale trade, and administrative services. Employment in these sectors changed by -13,300.

The total change in all sectors was 20,000. Only 9,600 were private jobs.

Unemployment Rate

United States and Colorado

U.S. and Colorado Unemployment



Unemployment Rate

The Colorado unemployment rate was 2.8% in June, and the U.S. rate was 3.6%. The economy operates inefficiently when the unemployment rate is this low.

Annual Unemployment Rate

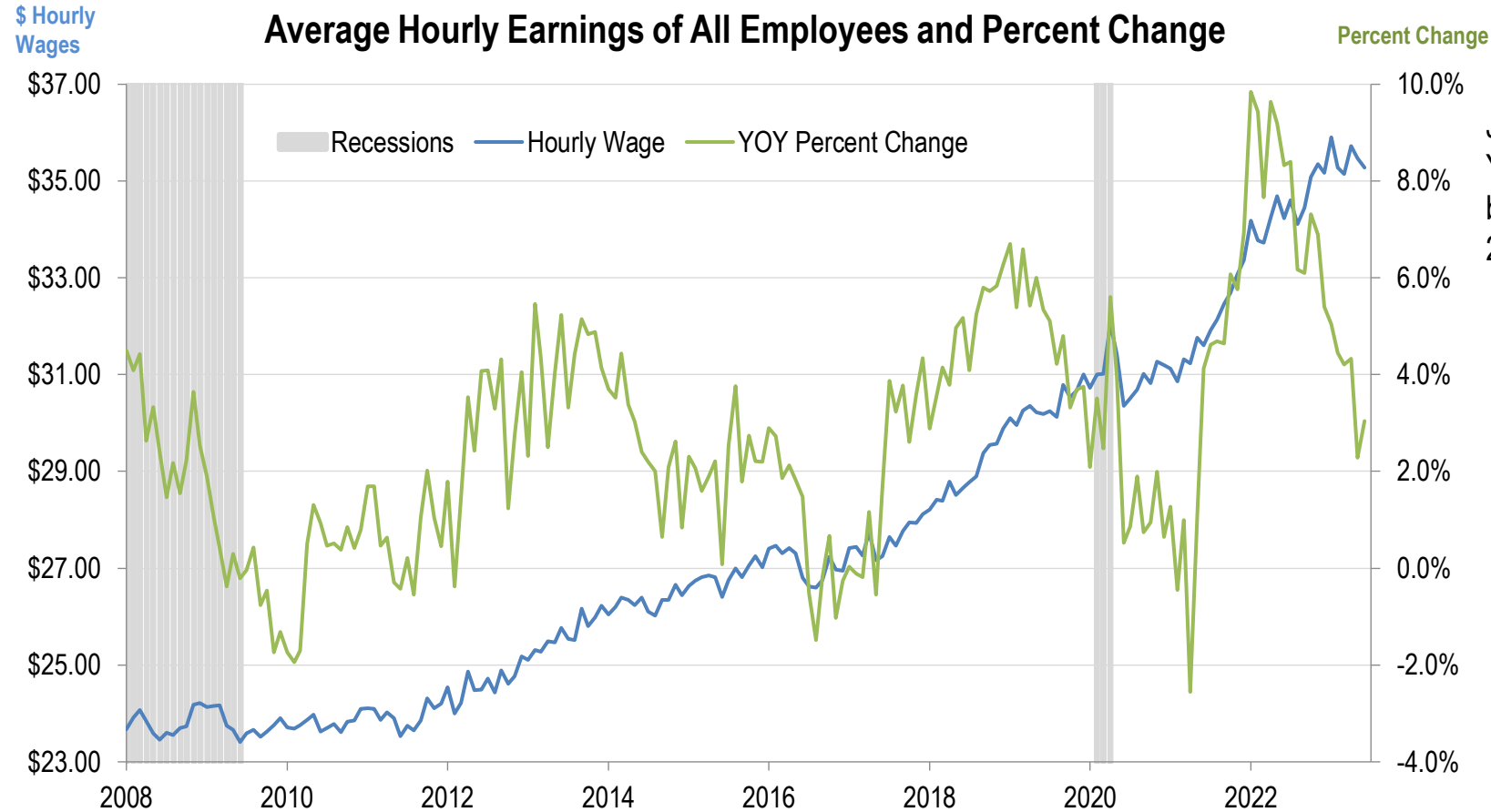
Year	United States	Colorado
2016	4.9%	3.1%
2017	4.4%	2.6%
2018	3.9%	3.0%
2019	3.7%	2.7%
2020	8.1%	6.8%
2021	5.3%	5.4%
2022	3.6%	3.0%

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

Source: BLS, SA, cber.co.

Average Hourly Earnings of All Employees (Private)

Colorado



Hourly Wages and Percent Change
 June hourly wages (blue) were \$35.27, a YOY increase of 3.0% (green). There has been minuscule MOM wage growth during 2023.

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

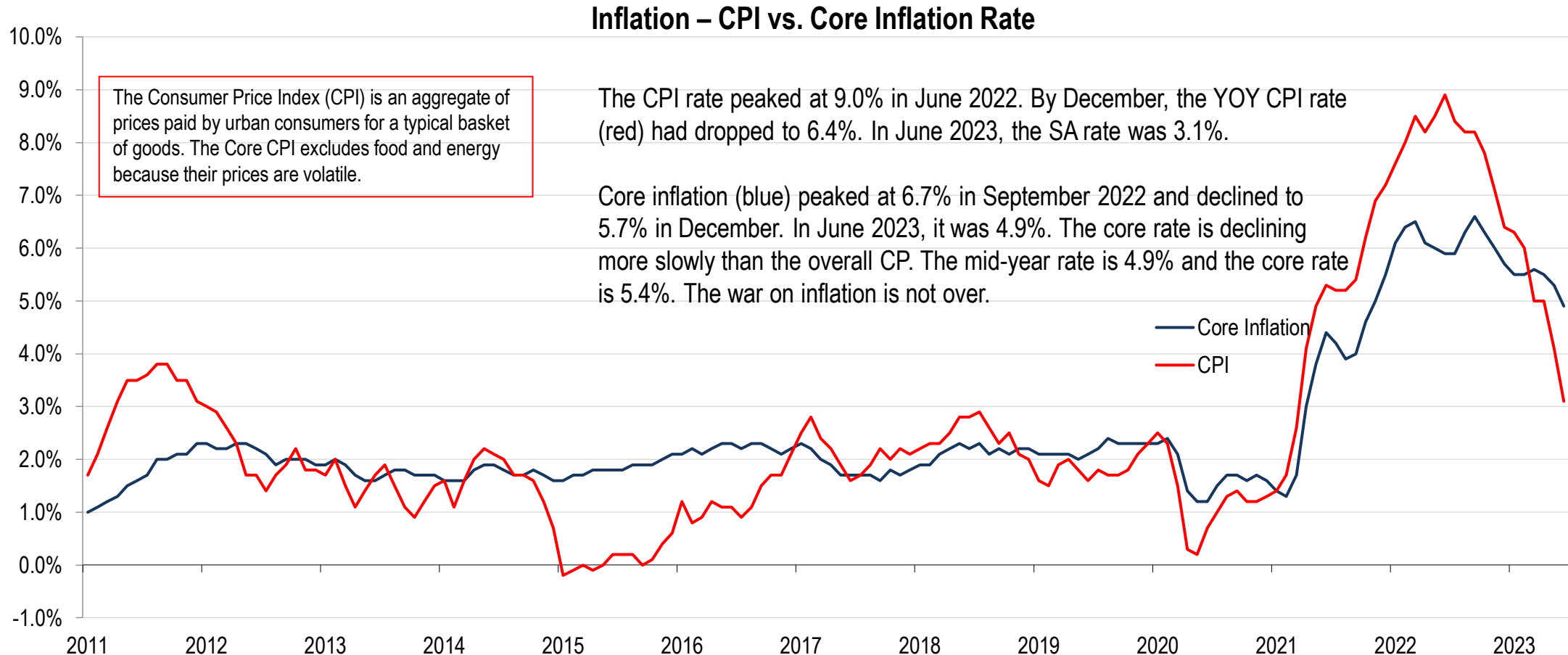
The current rate of growth in wages is down from a peak of 9.4% in February 2022.

Source: BLS, cber.co.

Inflation

U.S. Inflation

CPI vs. Core Inflation

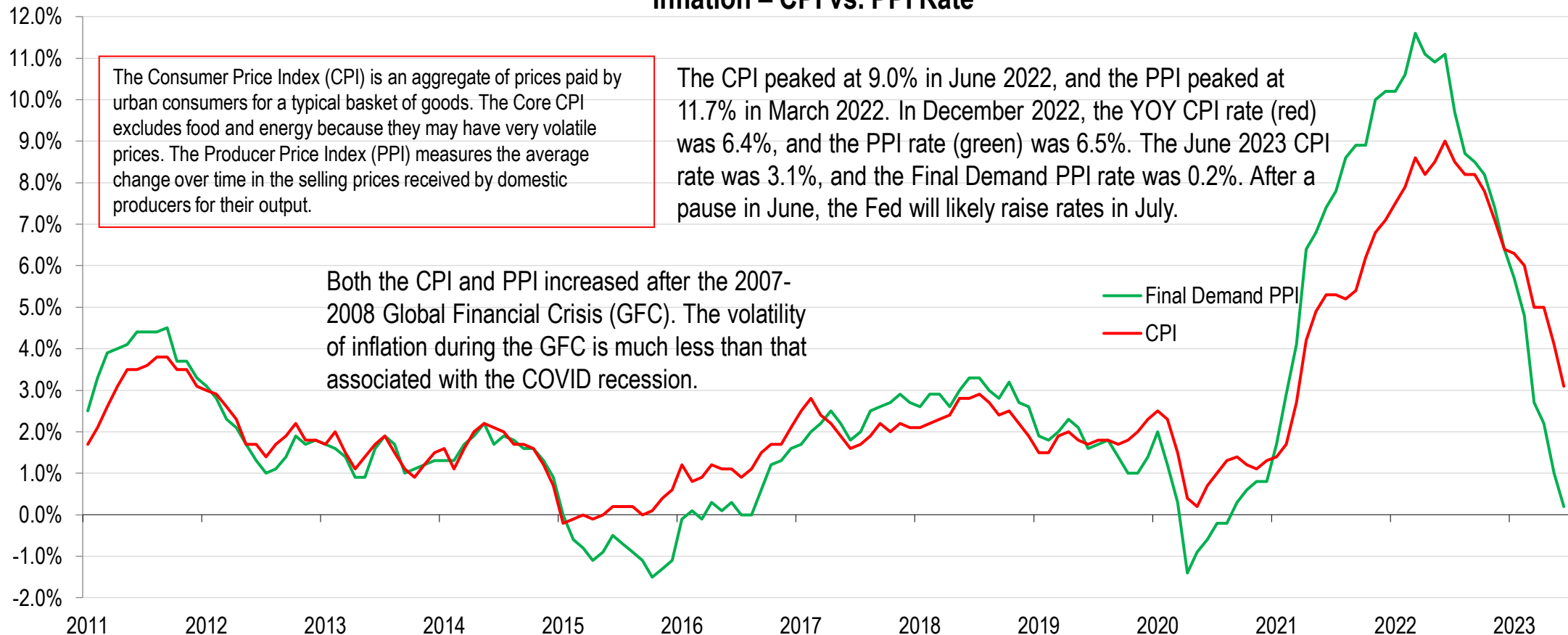


Source: Bureau of Labor Statistics, Core Inflation is the CPI less food and energy; CPI All Items City Average SA, cber.co.
Colorado-based Business and Economic Research <https://cber.co>

U.S. Inflation

CPI vs. Producer Price Index (Final Demand)

Inflation – CPI vs. PPI Rate

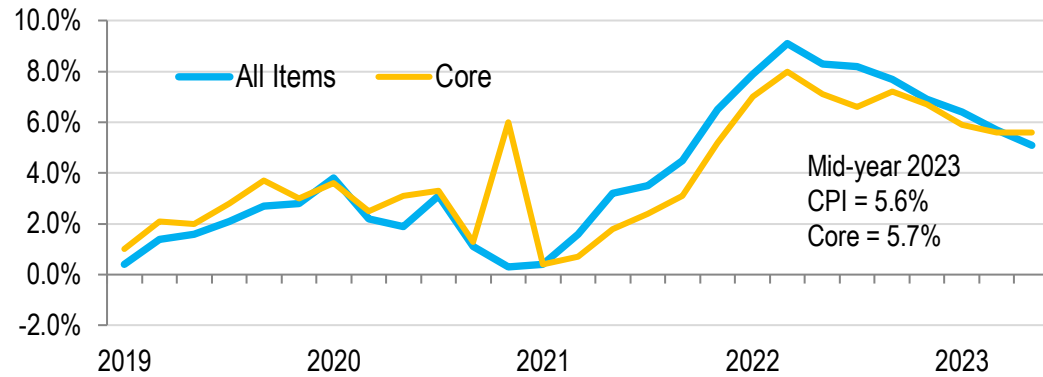


Source: Bureau of Labor Statistics, PPI Commodity Data, Final Demand SA; CPI All Items City Average SA, cber.co.
 Colorado-based Business and Economic Research <https://cber.co>

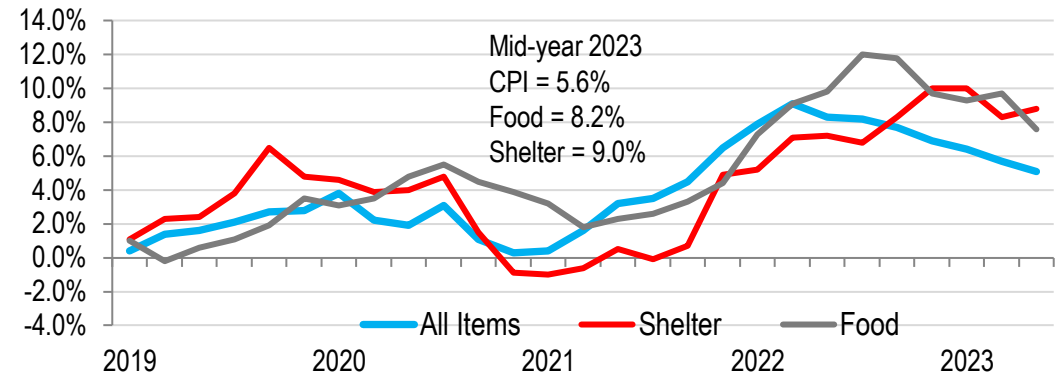
Bi-Monthly Change in Colorado CPI

All Items vs. Core, Food, Shelter, and Energy Services

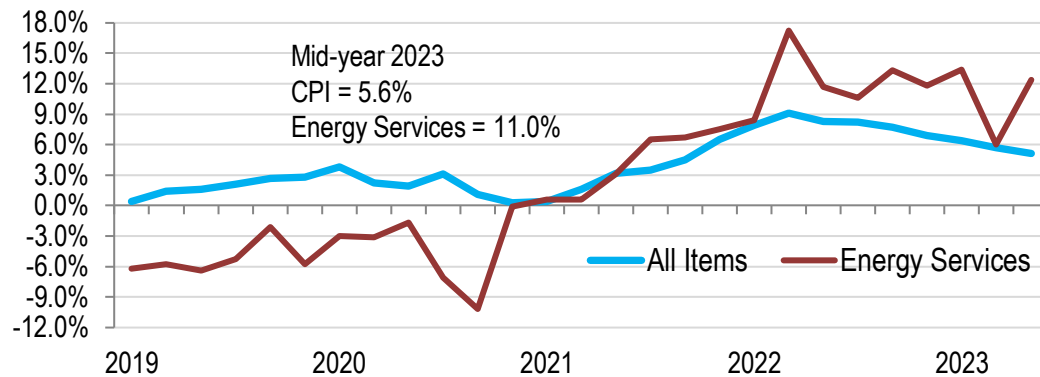
Colorado All Items vs. Core (All less Food and Energy)



Colorado All Items vs. Food and Shelter (March)



Colorado All Items vs. Energy Services



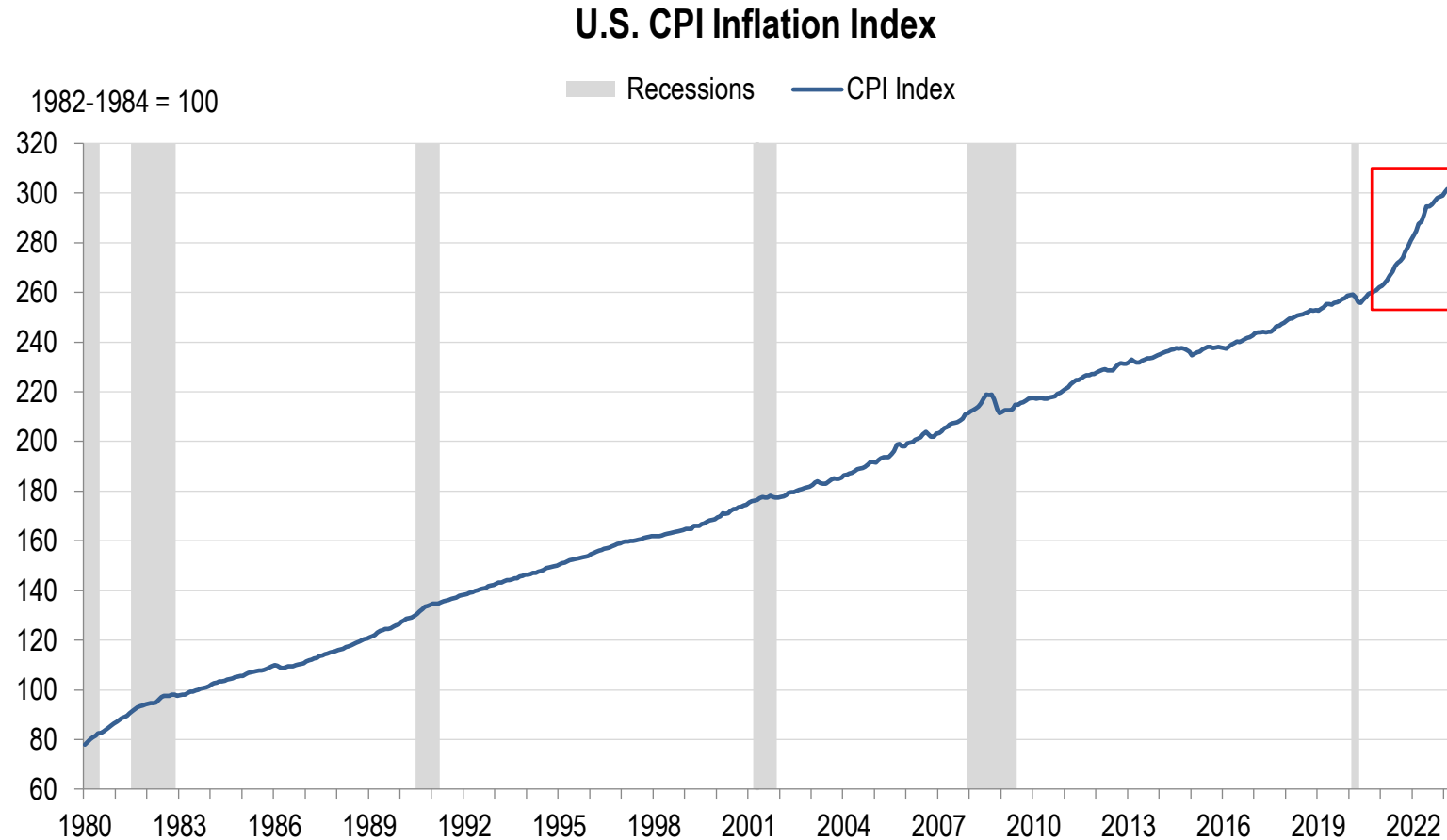
Colorado CPI

The charts illustrate three bi-monthly Colorado CPI comparisons through May. Mid-year inflation rates are posted on all charts. 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 energy-related policies and rate increases from Xcel Energy.
- Inflation for food and shelter are currently greater than inflation for all items. In Colorado, the war on inflation continues!

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 steep slope of the line 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 increase for June 2023 vs. 2022 is 3.1%.
- The June annualized 2023 vs. 2021 increase is 6.0%.
- The June annualized 2023 vs. 2020 increase is 5.7%.

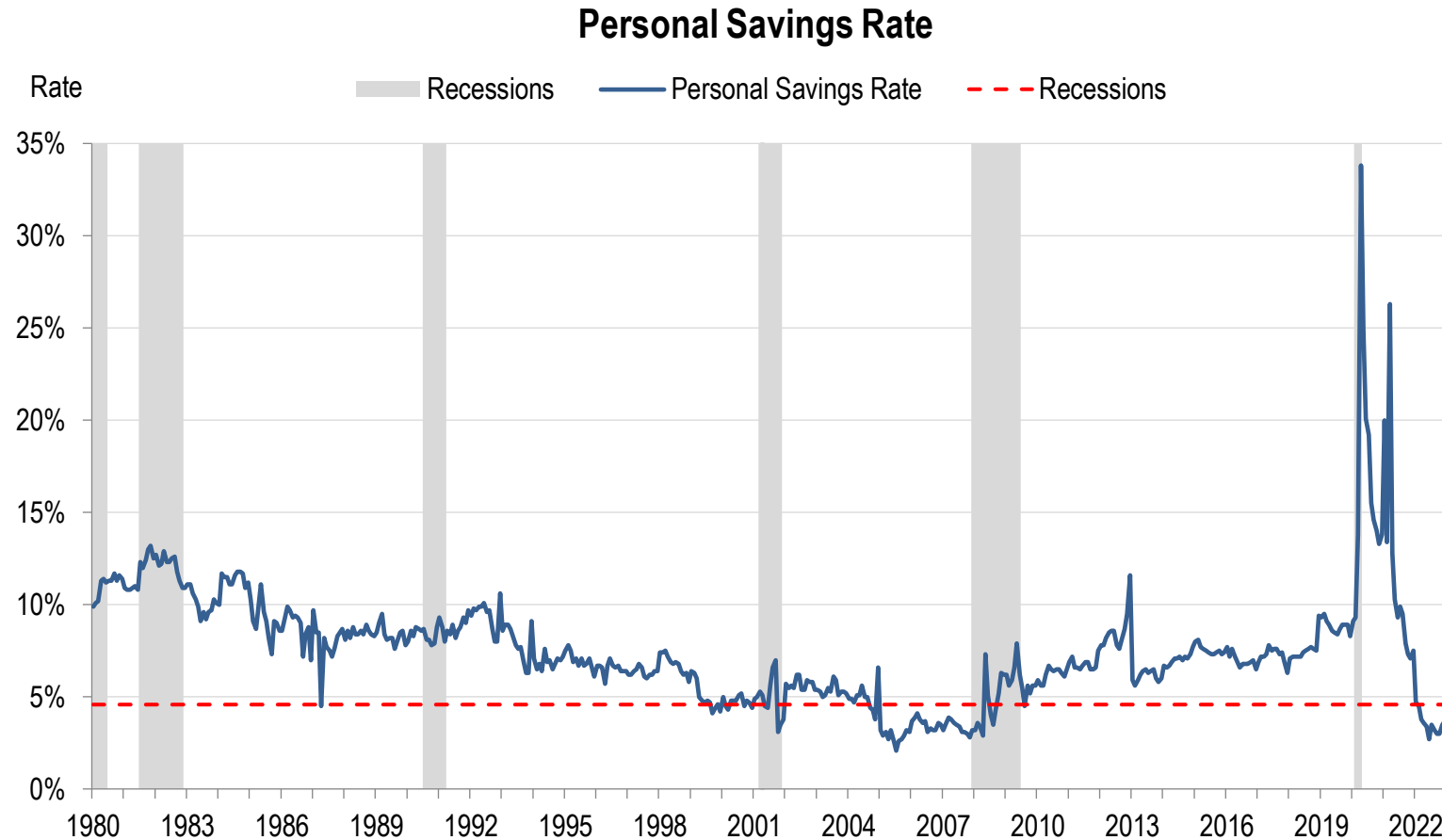
The rate for the past year has decreased, but inflation has been higher-than-usual for the past three years.

For the first half of 2023, the index is compared to months in 2022 when the Fed's inflation fight was in place, but the rate was still rising. During the second half of 2022, the inflation rates began to decline. The base effect will reverse in July, causing upward pressure on the YOY rates in the near term.

Saving, Borrowing, Consumption, and the Wealth Effect

U.S. Personal Savings Rate

Percentage of Disposable Personal Income (DPI)



Personal Savings

The May 2023 rate was 4.6%, and savings were \$910.3 billion, down from \$6.4 trillion in April 2020. Savings has been spent or invested in other assets.

Year End Personal Savings (Billions) and Rate

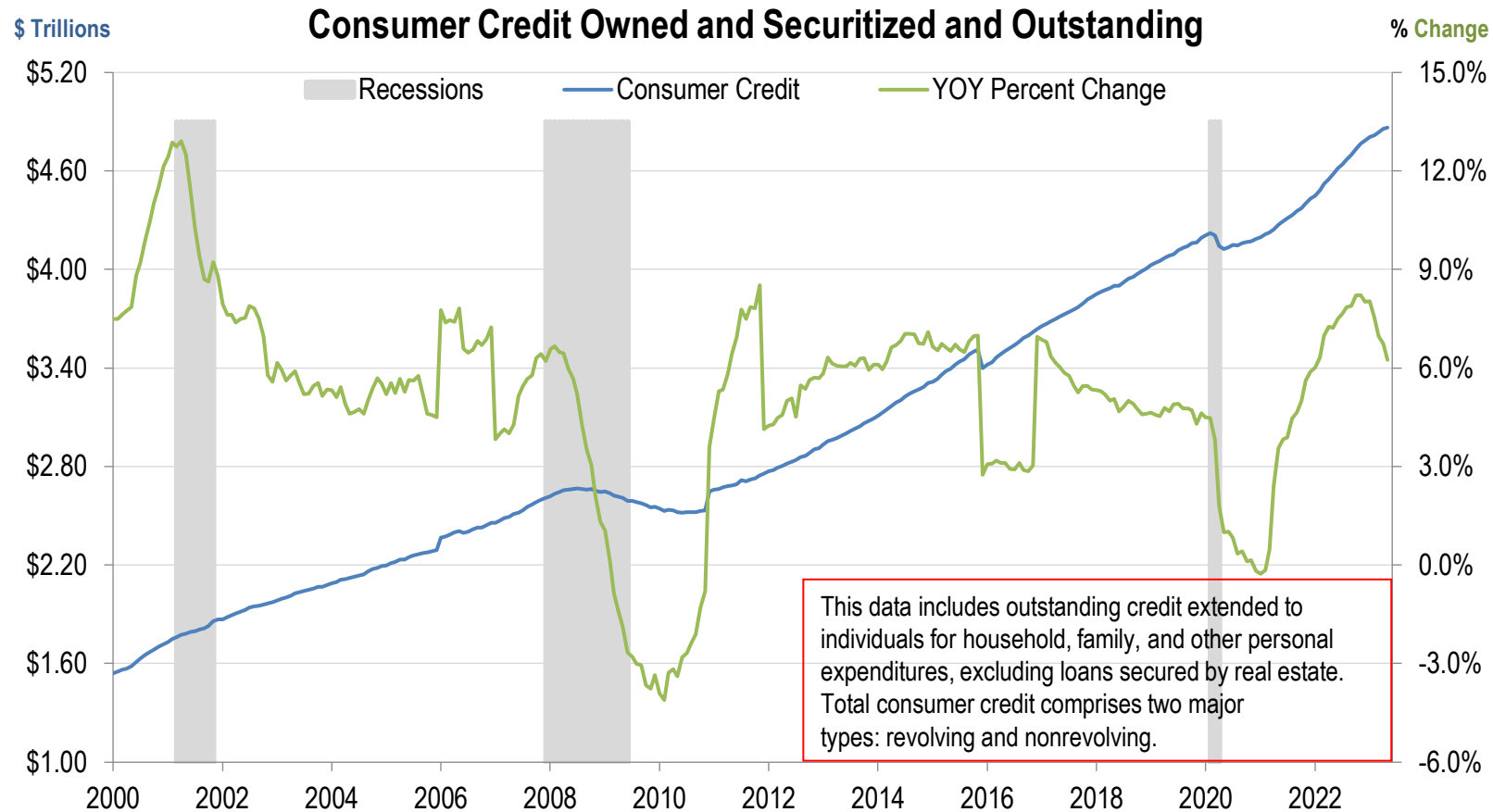
2017	\$948.5	6.3%
2018	\$1,511.9	9.4%
2019	\$1,381.3	8.3%
2020	\$2,402.8	13.8%
2021	\$1,372.3	7.5%
2022	\$858.2	4.5%

Source: BEA, cber.co

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 June 2022, the personal savings rate bottomed out at 2.7%.

Source: BEA, FRED, cber.co.

U.S. Consumer Credit Outstanding



Consumer Credit

Total debt was \$4.9 trillion in May 2023. In November 2022, the YOY increase in consumer debt peaked at 8.2% (green), as consumers used debt to keep spending. In May 2023, total debt increased by 6.2%, a sign of deleveraging.

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%

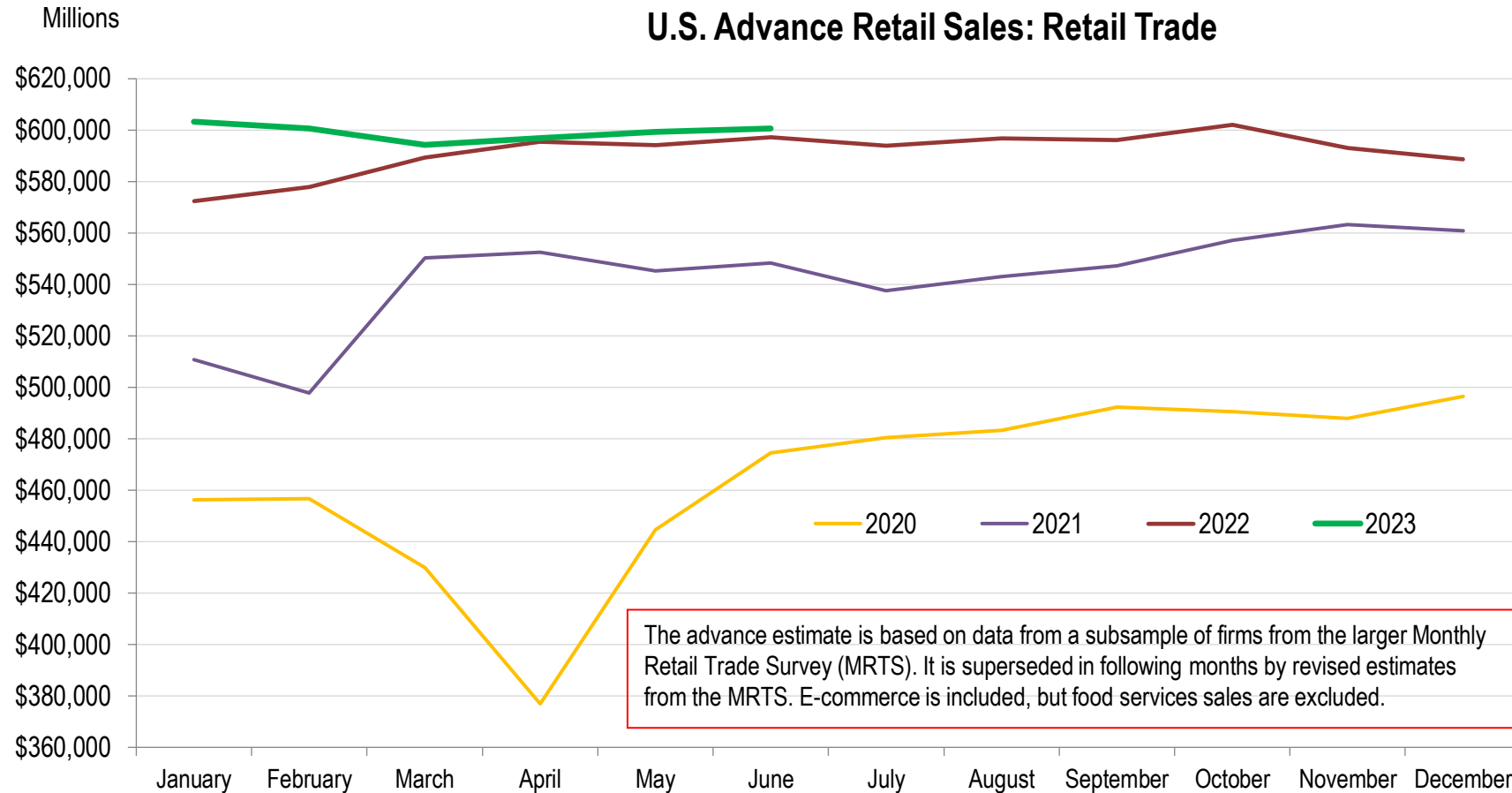
Source: FRED, G-19, cber.co

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



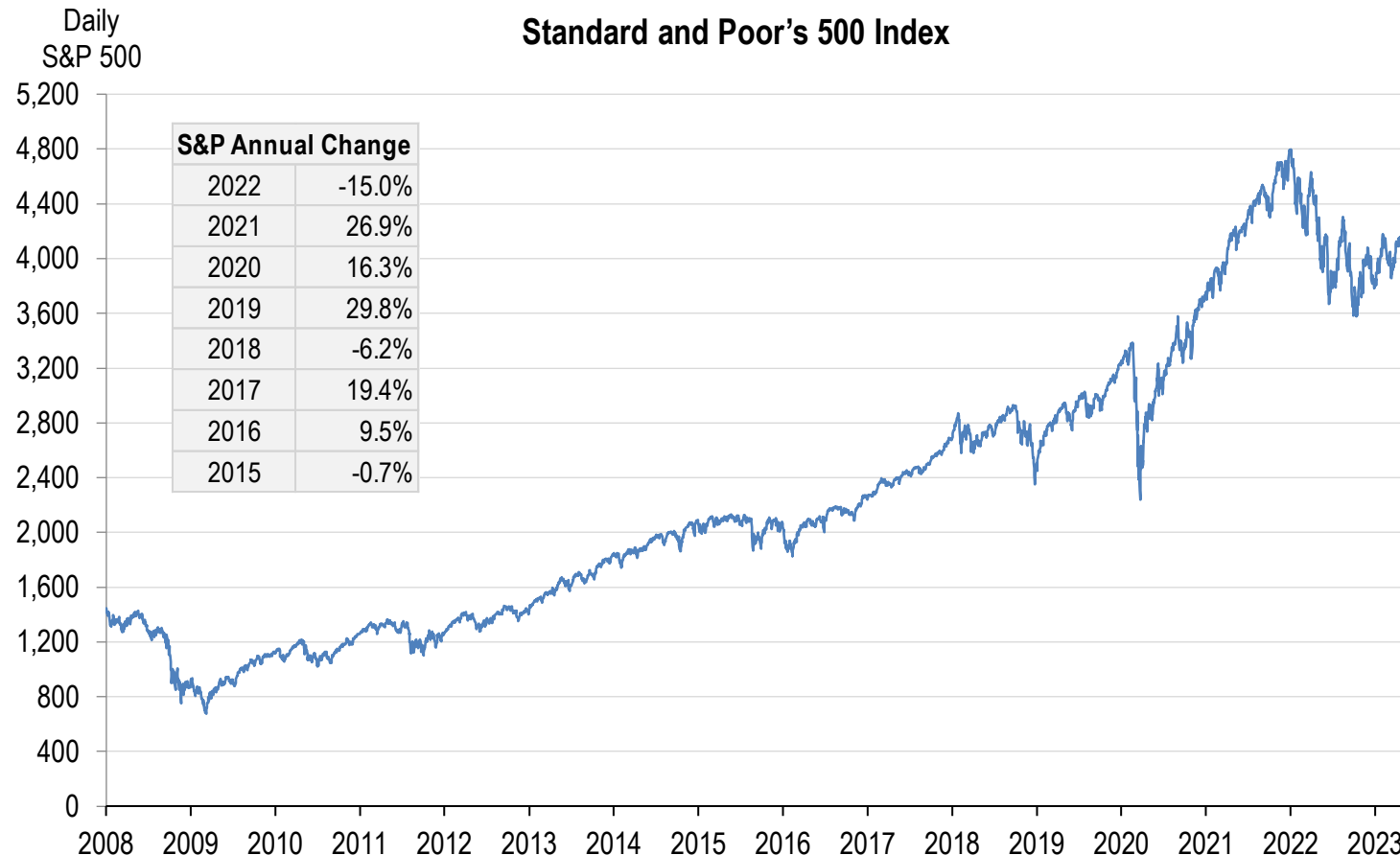
Advance Retail Sales
Total retail sales through the first six months of 2023 (green) were 1.9% greater than the first half of 2022 (burgundy).

The National Retail Federation projected that 2023 sales would be 4.0% to 6.0% greater than the 2022 total. It is unlikely this forecast will be met.

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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2020 COVID-19 Policies

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%**

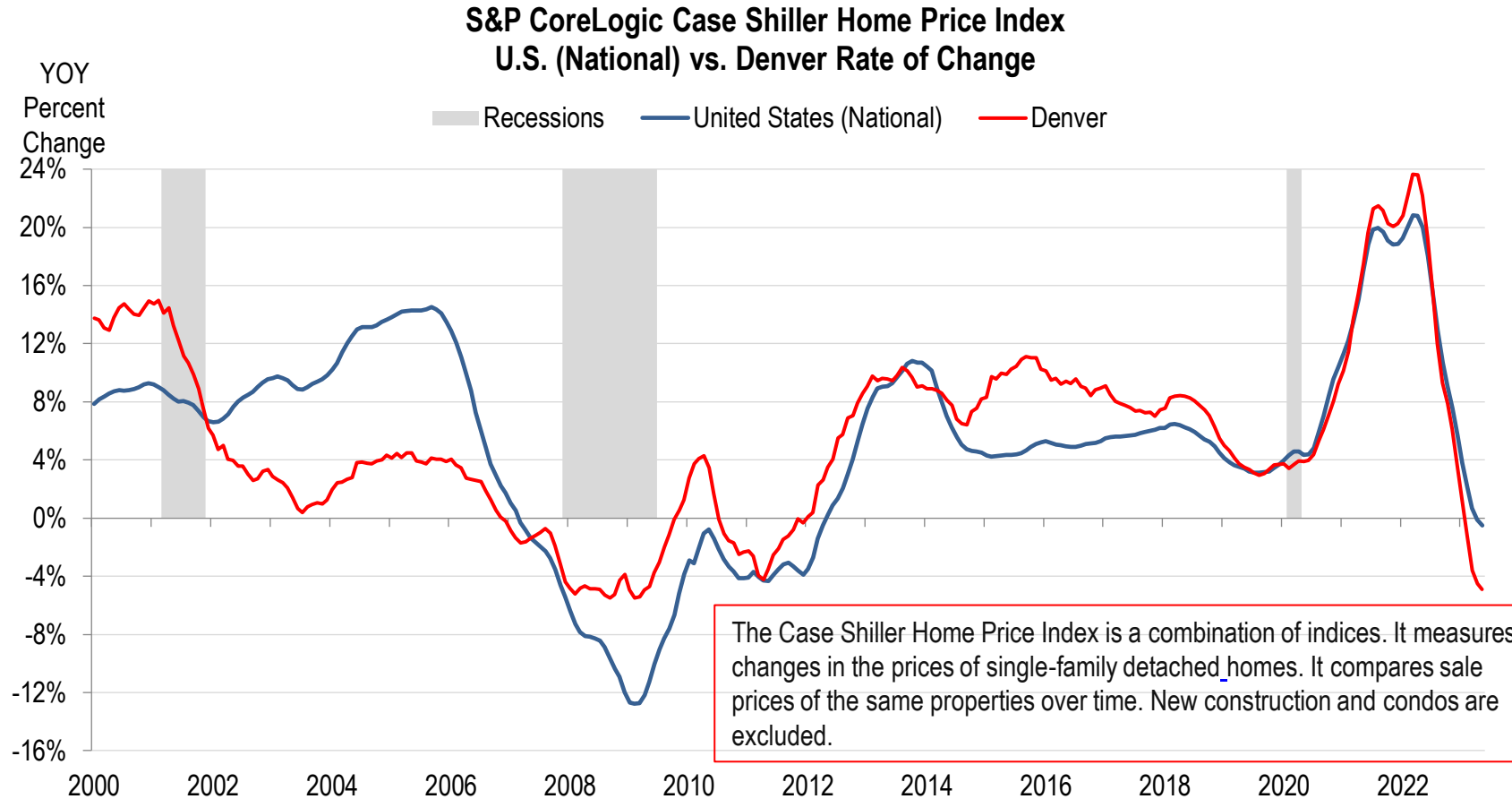
2023

July 21, 2023 4,536, YTD change **+18.1%**

At the moment we are in a Baby Bull market. Will it last through the end of the summer?

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 May 2023, the change in the U.S. index was -0.5%, and the Denver index changed by -4.9%. The wealth effect of homeowners has taken a big hit!

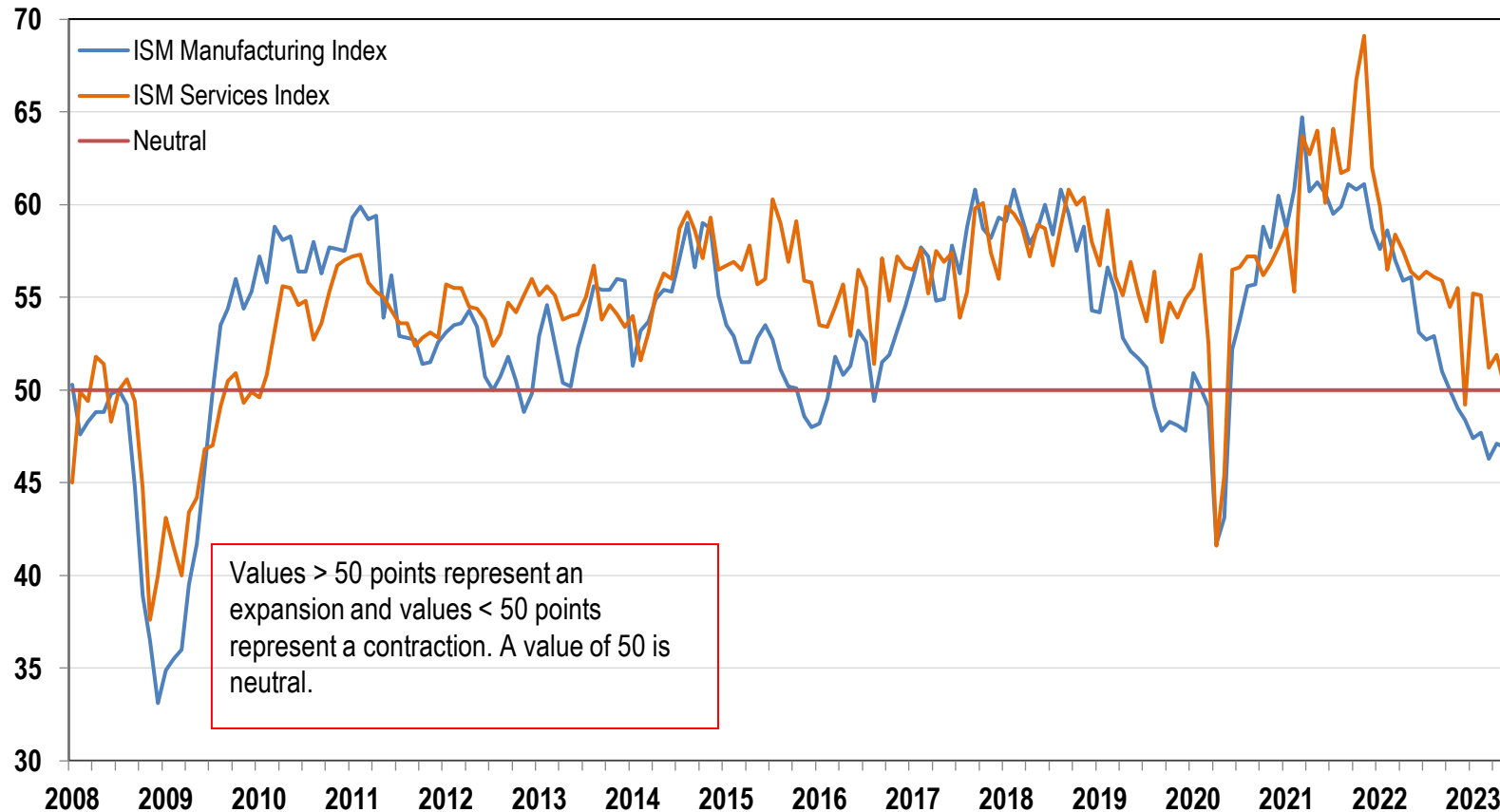
Source: S&P Case Shiller, cber.co.

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

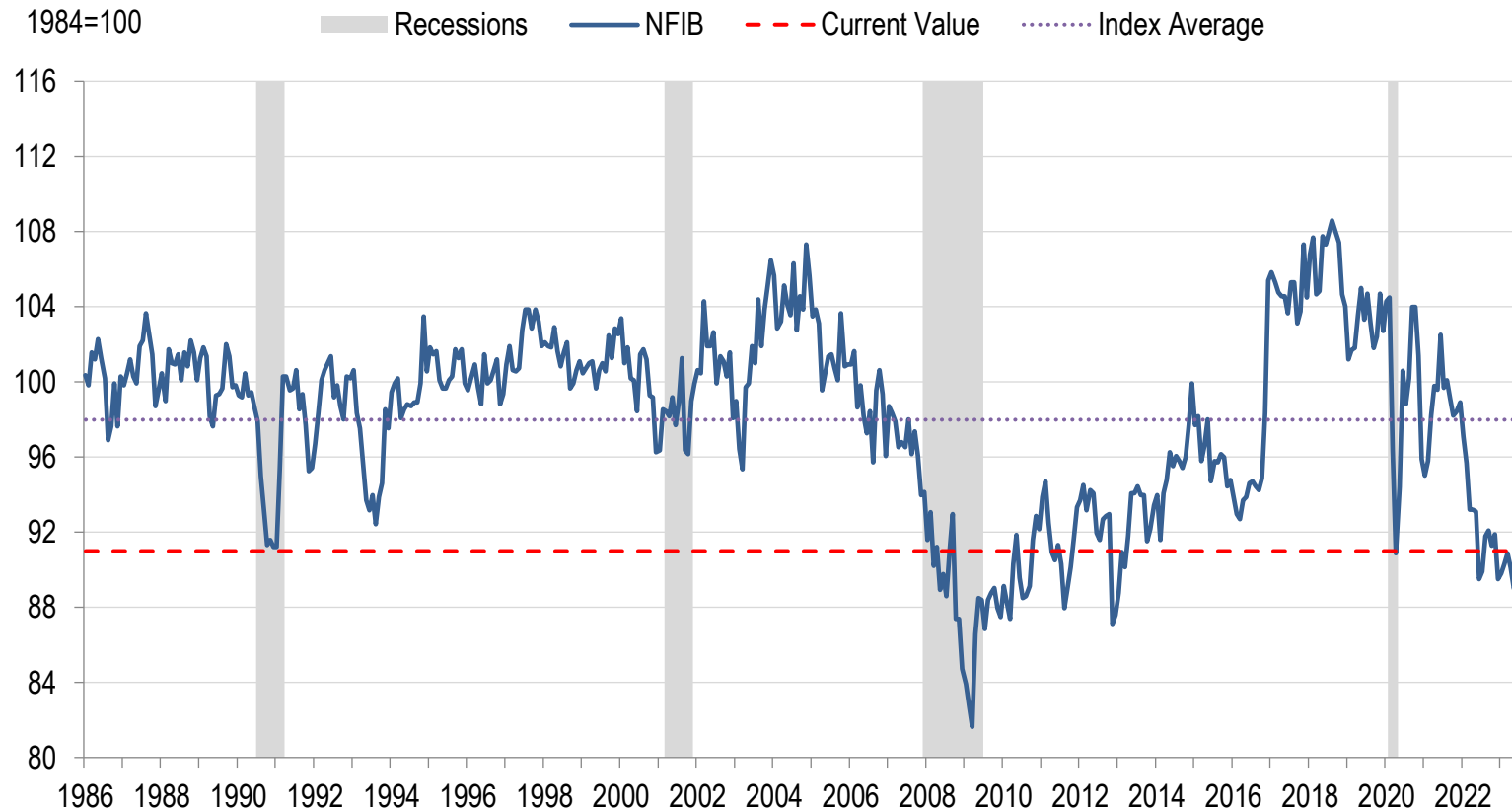
The ISM manufacturing index (blue) trended downward after peaking at 64.7 in March 2021. It dropped below 50 in November 2022 and was 46.0 in June 2023. None of the subindices registered a positive value in June. Business conditions continue to be soft, and the optimism for the second half is weakening.

The service index (orange) has trended downward since November 2021. It fell below 50 in December 2022 but has been above 50 during the first six months of 2023. It was 53.9 in June. Fifteen service industries reported growth in June, and three declined. Business activity, new orders, and employment are areas of strength; however, businesses are cautious because of inflation and the future economic outlook.

NFIB Small Business Optimism Index

United States

NFIB Small Business Optimism Index



NFIB Small Business Index

In June 2023, the NFIB index rose slightly to 91.0 (red dotted line), the 18th consecutive month below the 49-year average of 98.0 (purple dotted line).

Small businesses are very pessimistic about business conditions and sales prospects. They are not adding jobs! Capital expenditures and investments are down. For small businesses, the economy is failing.

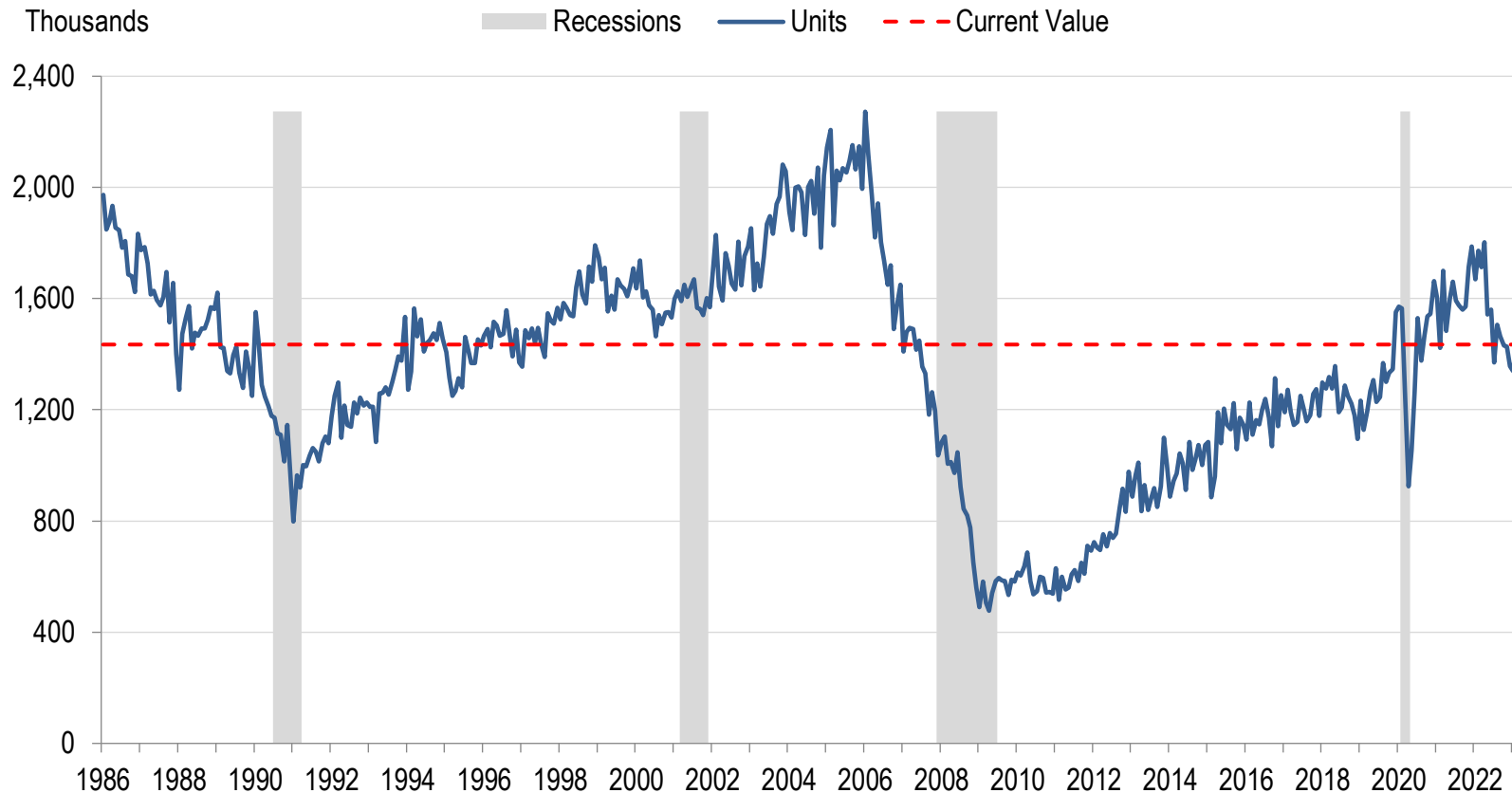
The NFIB monthly SBET report provides insight into the challenges of being a small business owner in this economy, <https://www.nfib.com/>.

Source: NFIB, cber.co.

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

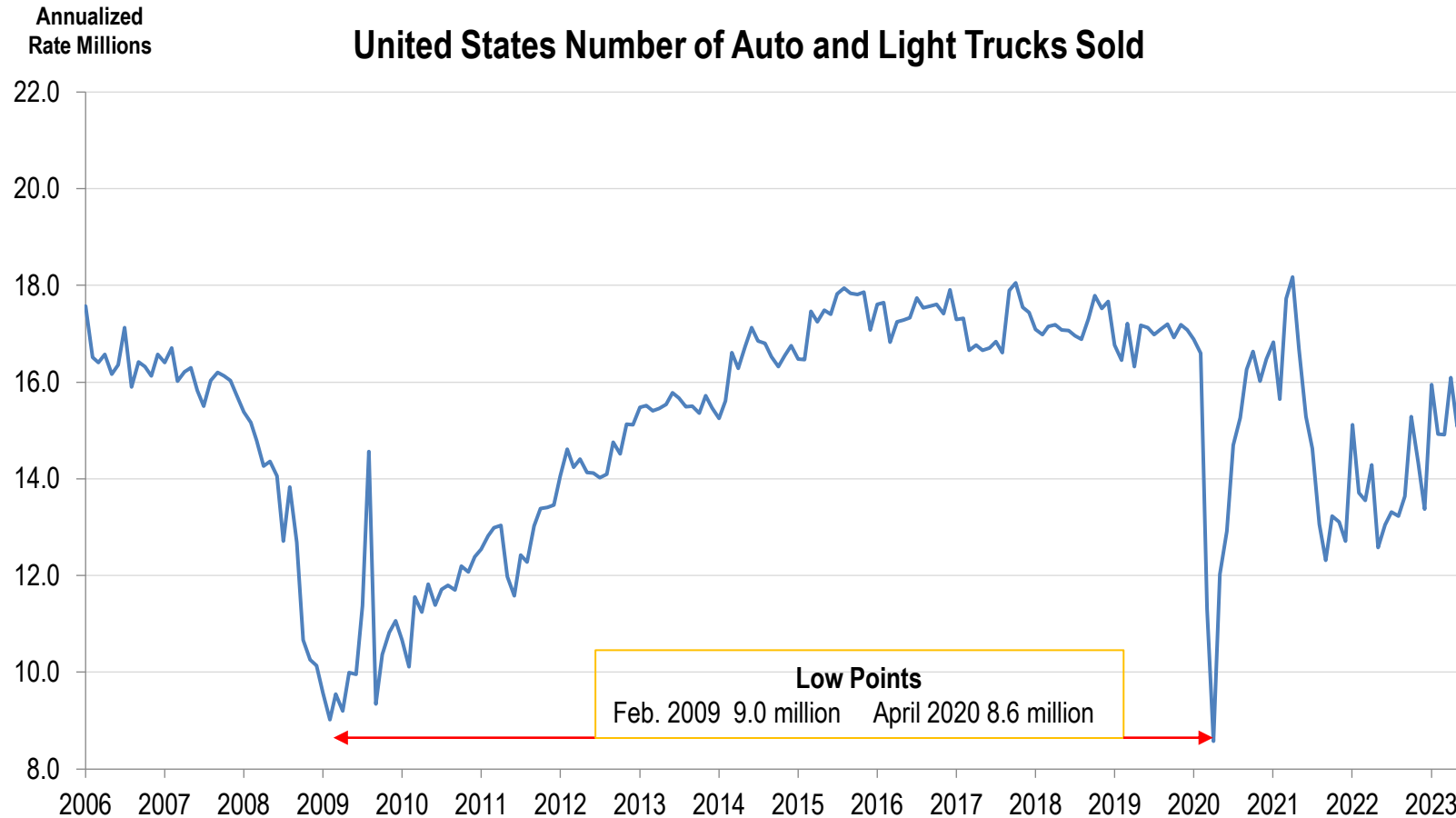
The number of housing starts has trended downward from April 2022 through April 2023. There was an increase in May to 1.5 million but a decline to 1.4 million in June.

Increased interest rates and other headwinds have caused reduced demand.

The number of starts has been between 1.34 and 1.56 million since the middle of July 2022.

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

Monthly (Seasonally Adjusted Annualized Rate in Millions)



ALT Sales SAAR

January 2023 sales were 16.0 million, with declines in February and March. Sales were 15.7 million in June.

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

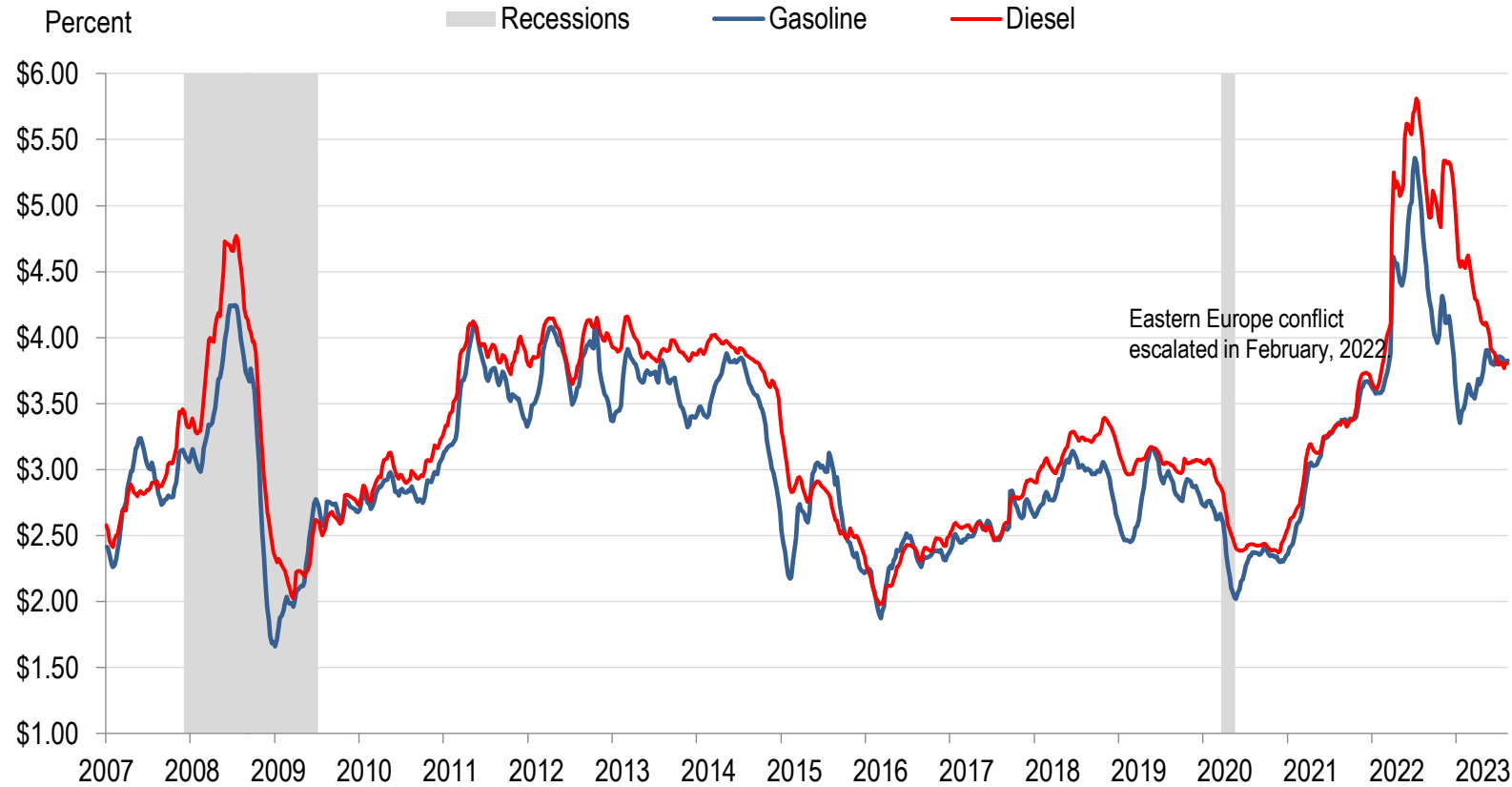
Since the pandemic, sales peaked at 18.3 million in April 2021 and dropped to 12.3 million in September. They were dismal in 2022.

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

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

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



Gas and Diesel Prices

On July 17, 2023, a gallon of gasoline was \$3.83, down from a peak of \$5.51. A gallon of diesel was \$3.81 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.

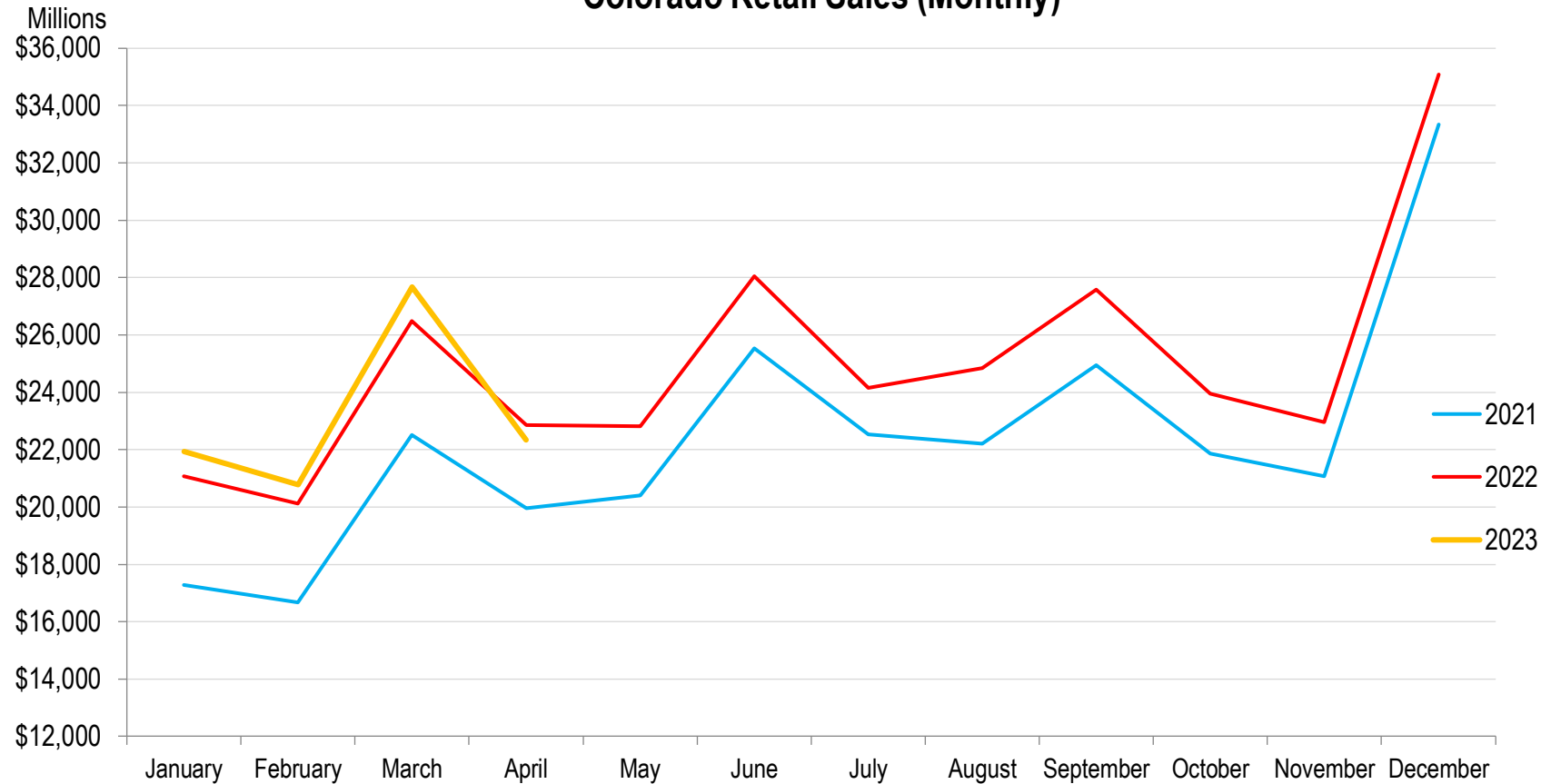
Source: FRED, EIA, https://www.eia.gov/dnav/pet/pet_pri_gnd_a_epd2d_pte_dpgal_w.htm, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPM0_PTE_NUS_DPG&f=W, cber.co.

Colorado Industry Indicators

Colorado Retail Sales

Monthly

Colorado Retail Sales (Monthly)



Colorado Retail Sales
Sales through April 2023 (yellow) are about 2.4% 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.

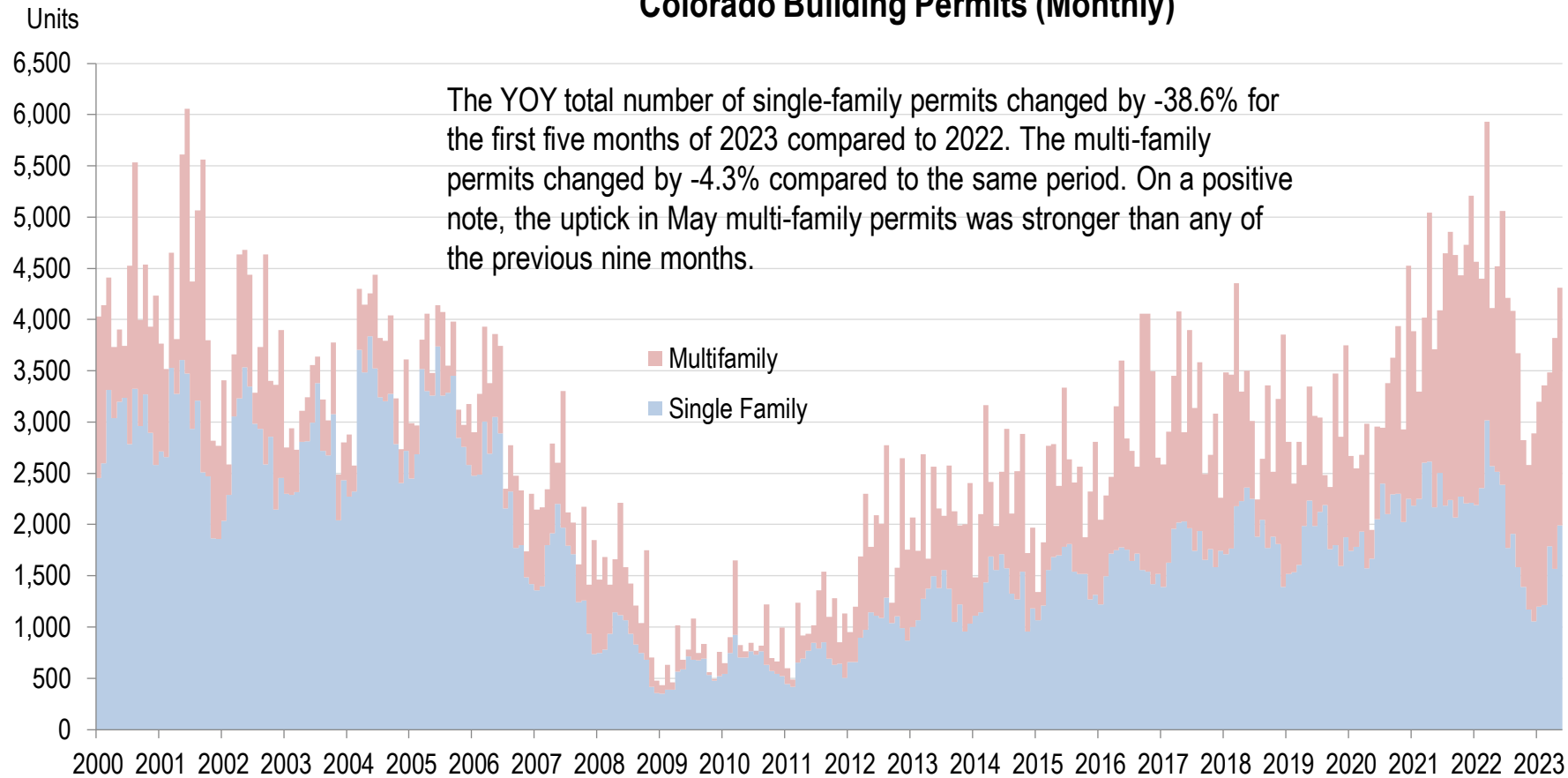
Source: Colorado Department of Revenue, <https://cdor.colorado.gov/retail-sales-reports>, cber.co. Note: Not adjusted for inflation.

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Colorado Residential Building Permits

Units

Colorado Building Permits (Monthly)



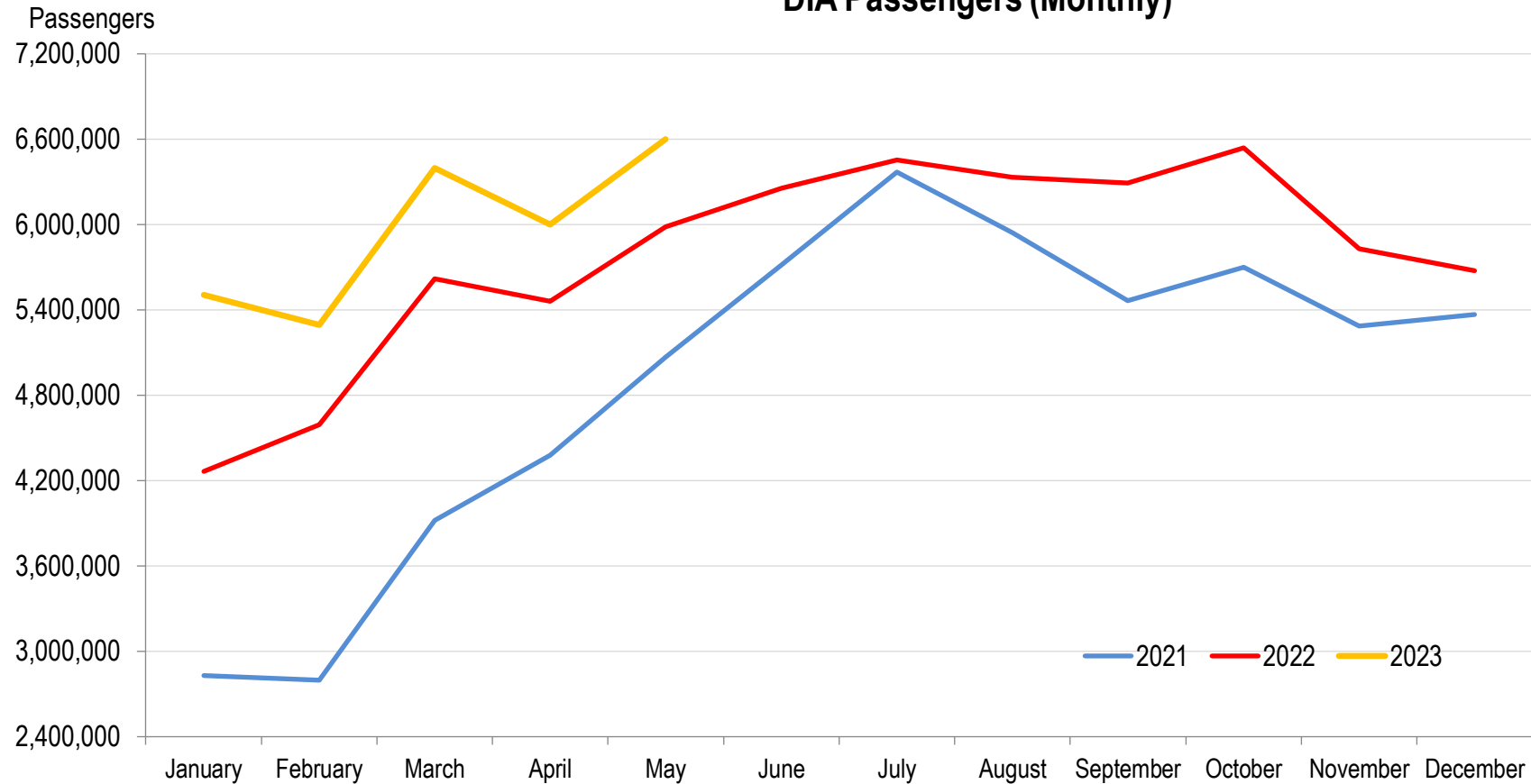
Annual Building Permits		
Year	Single Family	Multi-Family
2000	38,588	16,008
2001	36,437	18,570
2002	35,042	12,878
2003	33,894	5,732
2004	40,753	5,746
2005	40,018	5,732
2006	30,365	7,978
2007	20,516	8,938
2008	11,147	7,851
2009	7,261	2,094
2010	8,790	2,801
2011	8,729	4,779
2012	12,618	10,684
2013	15,773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

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

Denver International Airport Passengers

Monthly

DIA Passengers (Monthly)



DIA Passengers

The number of DIA passengers through May 2023 (yellow) was 15.0% above the YTD total for 2022 (red) and significantly above the YTD total for 2021 (blue).

Approximately 72 million passengers will pass through DIA in 2023.

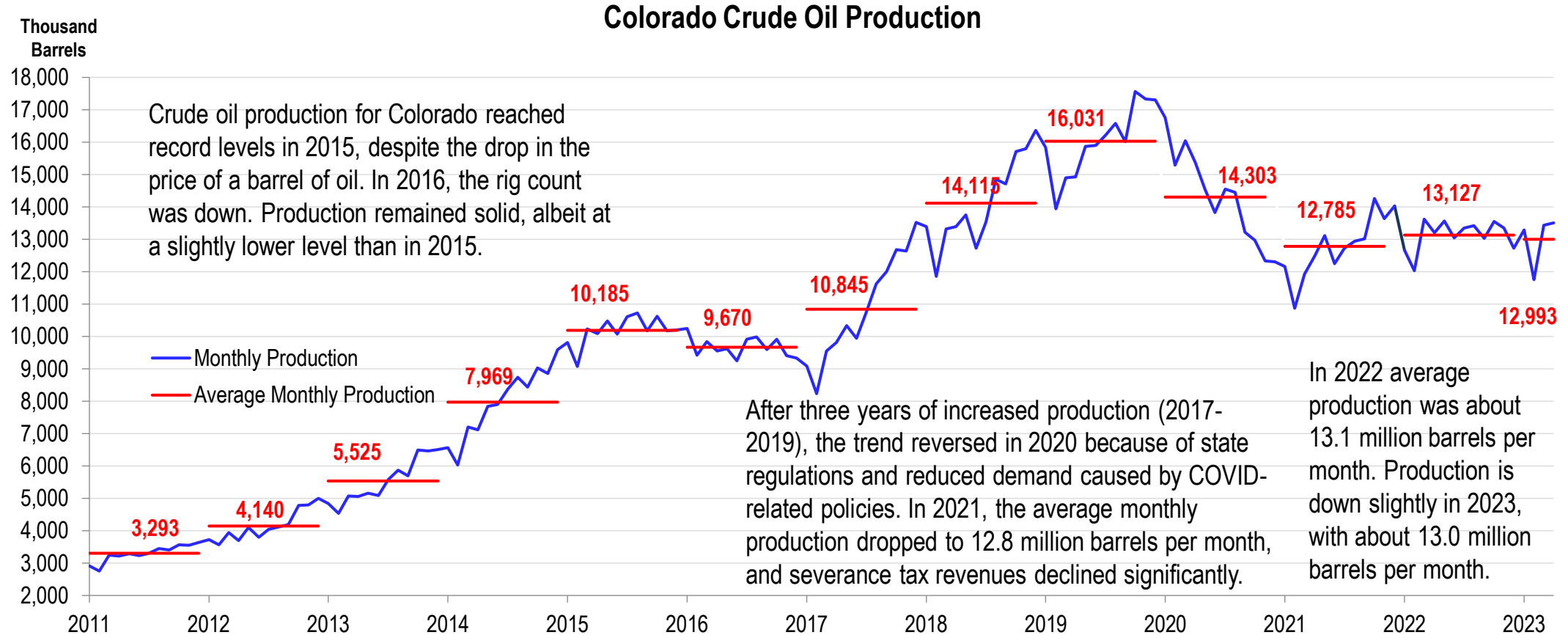
Through April, the number of passengers through the Colorado Springs (COS) airport is up by 26.7%. DIA and COS airport are bright spots in the Colorado economy.

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, COS airport, cber.co.

Colorado Field Production of Crude Oil

2011 to 2023 (Thousand Barrels)



Source: EIA, cber.co.

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Colorado Economic Outlook

Colorado Economic Forecast 2023

In 2023, the Colorado real GDP growth rate will be 1.5% compared to 1.3% 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 at a much slower rate than during the past two years.

Coloradans will face sticky inflation, high interest rates, high energy and housing costs, labor shortages, and tight credit conditions. Inflation has declined, but 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	\$299.9	\$308.9
% Change	1.9%	17.3%	11.8%	3.0%
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	19,000
Multi-family Permits	13,833	26,278	25,000	23,000
Oil Production (thousands) barrels	172,000	142,000	146,000	145,000

The number of DIA passengers will remain strong in 2023. More than 72 million passengers will pass through DIA and there will be strong travel activity through the Colorado Springs airport.

The total number of 2023 building permits will be less than in 2022. Multi-family permits will be popular. The construction and real estate market will remain volatile in 2023.

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 June 2023
Colorado and the United States

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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.