

Economic Outlook and Trends Through July 2023

United States and Colorado



If the Colorado economy is underperforming the U.S. economy, how can Coloradans afford the many great entertainment and recreation opportunities within the state?

On a recent lightning-filled August night, Ed Sheeran and 85,000 of his closest friends packed Empower Field for a weather-delayed concert.

In July, Taylor Swift generated \$140 million in economic activity for Colorado.

Source: 9News, Colorado Sun, Anastasia Horvath (photos).



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 seven months of 2023 and looks at trends for the remainder of the year.

Many economists have revised their short-term forecasts upward. That does not mean the economy is healthy, particularly in Colorado.

Content

The contents of the chartbook focus on the following topics.

- Key Issues
- 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

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) will improve in Q3.
- Inflation is cooling but is stubborn in some categories.
- Rising interest rates will impact many sectors.
- The banking crisis caused banks to tighten their credit. As a result, many Americans lost confidence in the banking system.
- Energy regulations are often 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. The economy is good for many service industries.
- Federal investments (IRA and Chips Act) will benefit select 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 seven months.
- 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 home sales decreased in July.
- Rate hikes by utility companies (Xcel Energy) 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 regions against each other.
- 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 Economy and R&R

Resilience and Recession

Within the past month, discussions about the economy have focused on R&R. While most economists would prefer to talk about rest and relaxation (R&R) or rock and roll (R&R), they have focused on resilience and recession (R&R). For example:

- The Federal Reserve is talking about a soft landing instead of a recession.
- Recently, the GDPNow forecast, produced by the Atlanta Fed, projects Q3 real GDP growth of 5.8% based on stronger housing starts and consumption.
- The key points from the recent NABE survey follow. 1). About three-fourths of the panelists feel the FOMC's interest rate hikes are just about right. 2). About two-thirds of panelists feel the Fed will be able to achieve a soft landing. 3). The majority of respondents (54%) believe that current fiscal policy is "too stimulative." 4). Nearly three-fourths of respondents believe inflation will be above 3% by the end of 2023.
- On the other hand, Oxford Economics suggests we are in a rolling recession and Forbes magazine has stated that the mix of strong consumer spending, high interest rates, and a resilient labor market have delayed the recession until late 2023 or early 2024.

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 at the end of 2022 or early 2023. That did not happen; however, the economy has not been robust during this period.

TCB has since revised the Q3 2023 forecast upward. In addition, it calls for a mild recession in Q4 2023 and Q1 2024.

U.S. Real GDP Growth

The Conference Board Forecast (August 2, 2023)

Real GDP and Economic Growth

The Conference Board forecast projects real GDP growth of 1.9% in 2023, Real Disposable Income will increase by 3.4%, and Real Personal Consumption will increase by 2.0%. These are all upward revisions. In Q4 2023, quarterly Real GDP rates will turn negative. Residential Investment will change by -12.1% and non-residential investment will increase by 2.9% in 2023.

Other Economic Factors

Government spending will increase by 3.0% in 2023, with weaker spending in the second half of the year. There will be slower growth in exports in 2023. The U.S. unemployment rate will be 3.6%. The annual inflation rate will drop to 3.7%, 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

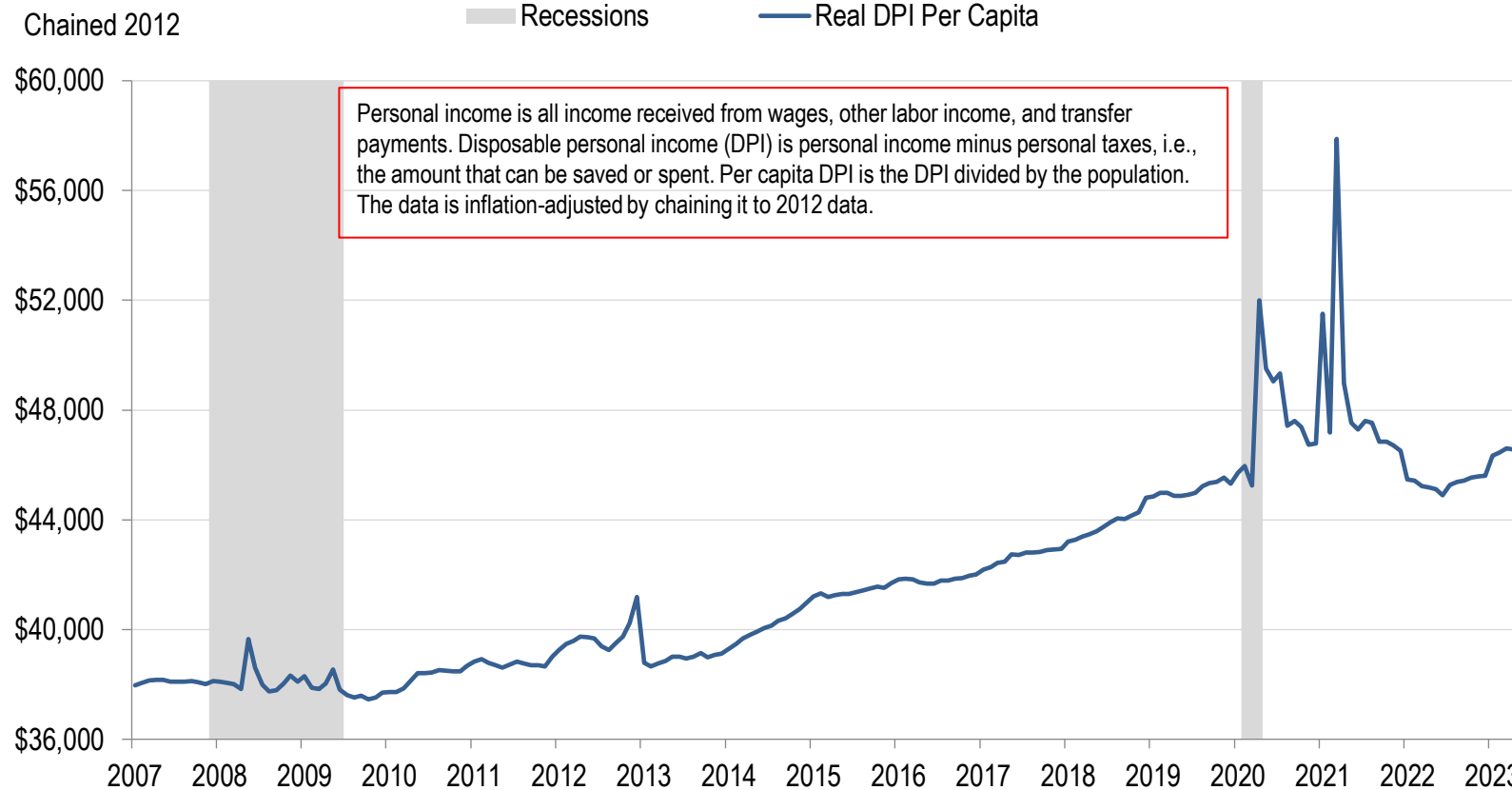
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2022	2023	2024
Real GDP (Preceding Qtr.)	-1.6%	-0.6%	3.2%	2.6%	2.0%	2.4%	1.3%	-1.0%	2.1%	1.9%	0.5%
Real Disposable Income	-10.6%	-2.3%	3.2%	2.5%	8.5%	2.5%	1.0%	0.6%	-6.2%	3.4%	2.4%
Real Personal Consumption	1.3%	2.0%	2.3%	1.0%	4.2%	1.6%	0.8%	-1.0%	2.7%	2.0%	0.1%
Residential Investment	-3.1%	-17.8%	-27.1%	-25.1%	-4.0%	-4.1%	-2.0%	0.0%	-10.6%	-12.1%	0.6%
Nonresidential Investment	7.9%	0.1%	6.2%	4.0%	0.6%	7.7%	0.8%	-4.3%	3.9%	2.9%	-0.6%
Total Gov't. Spending	-2.3%	-1.6%	3.7%	3.8%	5.0%	2.6%	2.4%	1.1%	-0.6%	3.1%	1.6%
Exports	-4.6%	13.8%	14.6%	-3.7%	7.8%	-10.8%	3.0%	3.0%	7.1%	2.1%	2.1%
Unemployment Rate	3.8%	3.6%	3.6%	3.6%	3.5%	3.6%	3.7%	3.7%	3.6%	3.6%	4.0%
PCE Inflation (%Y/Y)	6.4%	6.6%	6.3%	5.7%	4.9%	3.7%	3.2%	2.9%	6.3%	3.7%	2.3%
Core PCE Inflation (%Y/Y)	5.3%	5.0%	4.9%	4.8%	4.6%	4.4%	3.8%	3.3%	5.0%	4.0%	2.3%

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

Real Disposable Personal Income Per Capita

United States

Real Disposable Personal Income Per Capita



Real DPI Per Capita

In June 2023, the Real DPI PC was \$46,795; this is 4.2% greater than in June 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-19 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

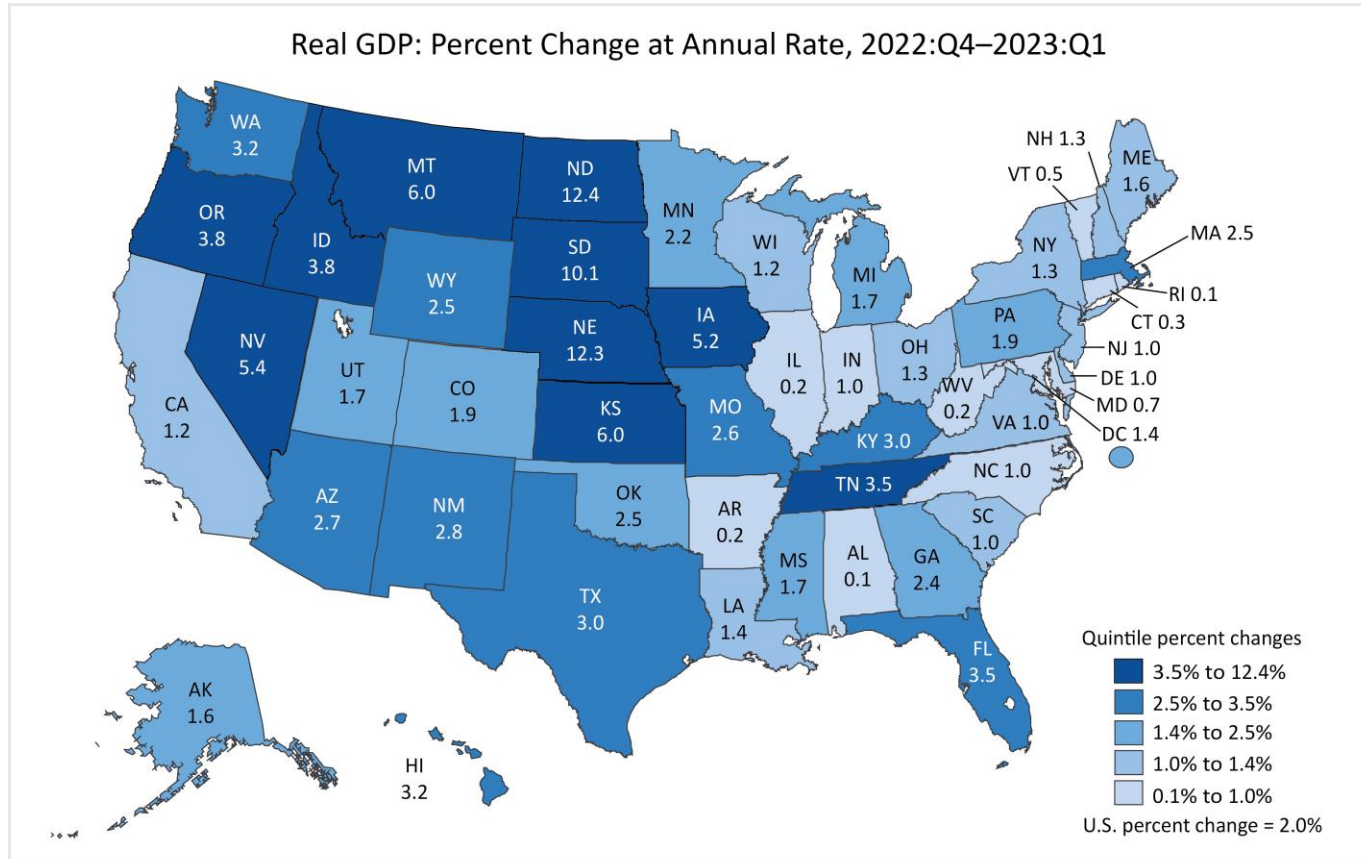
Colorado Real GDP Percentage Change

Colorado had erratic real GDP growth during the past five quarters. 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. As seen on the map, Colorado has not been a leading state in economic activity.

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

The next update will be September 29, 2023.

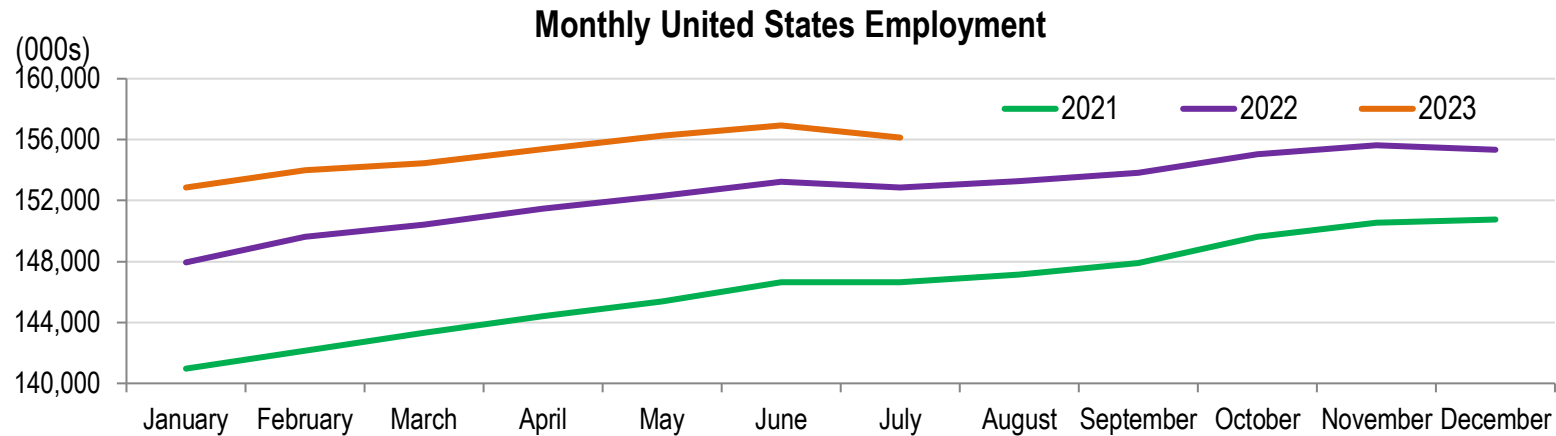


U.S. Bureau of Economic Analysis

U.S. and Colorado Employment and Unemployment

Employment and Change in Employment

United States



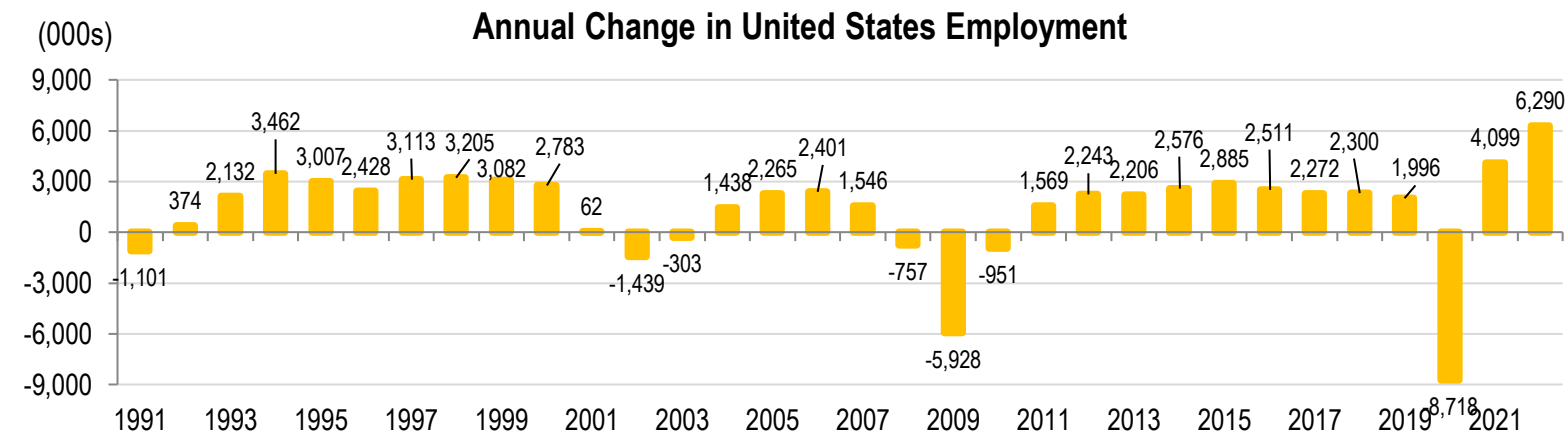
U.S. Employment

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

By comparison, the change in employment for June 2022 vs. 2021 (green) was about 6.5 million.

As seen in the comparisons to the left, YOY monthly employment is increasing at a decelerating rate.

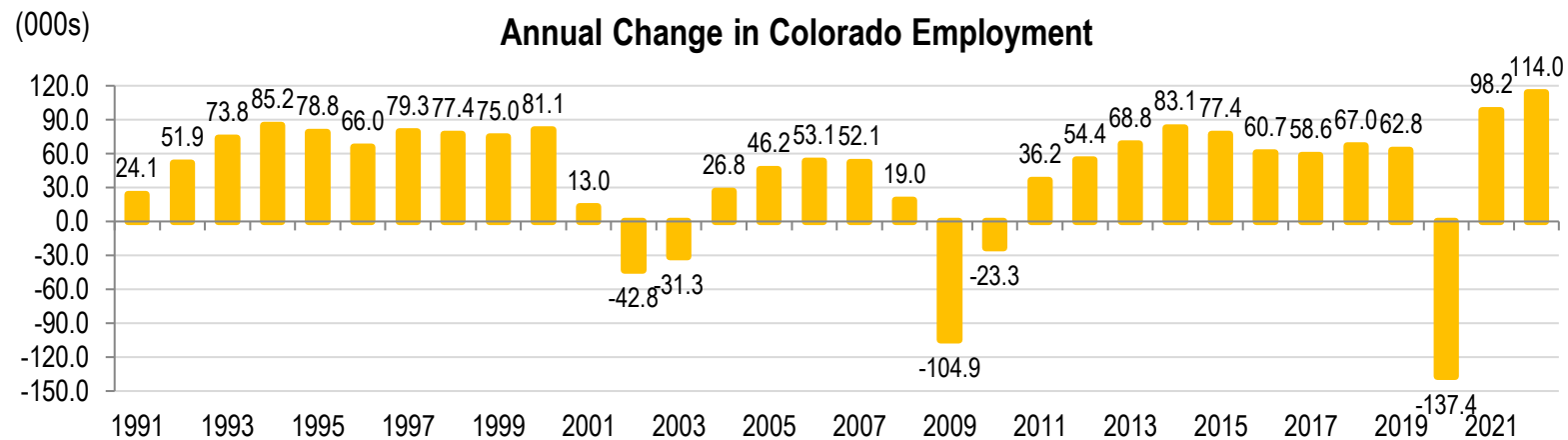
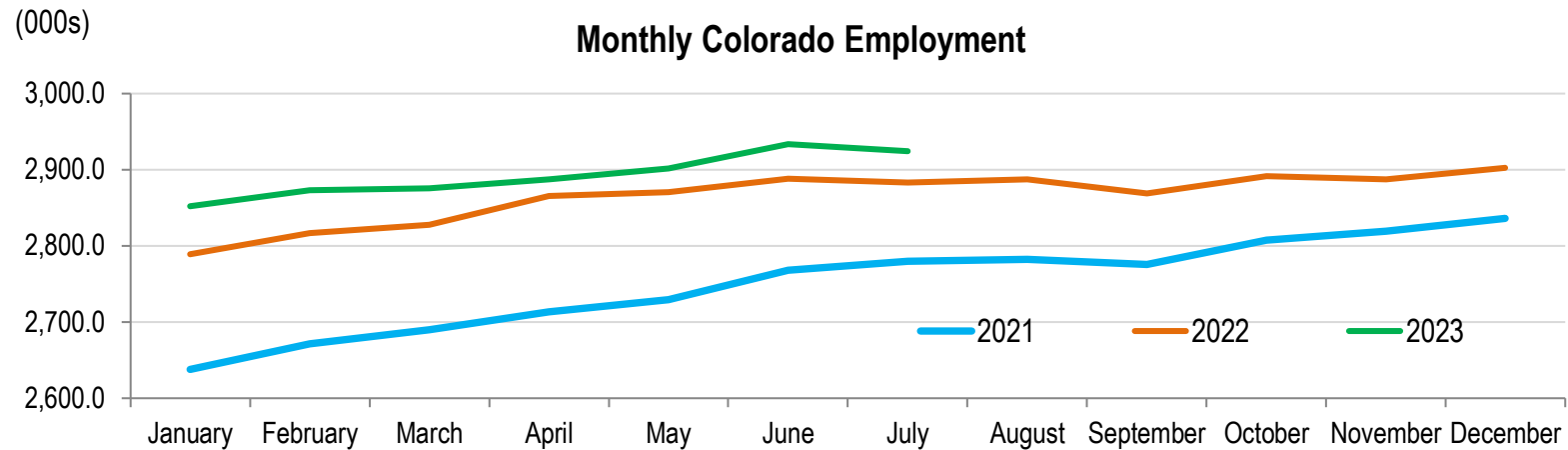
There was record job growth in 2021 and 2022 (See lower chart). The change in annual employment for 2023 will be less than in 2021.



Source: Bureau of Labor Statistics, cber.co. Note: This data reflects changes made by BLS and LMI for Q4 2022 and Q1 2023 data.

Employment and Change in Colorado Employment

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



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

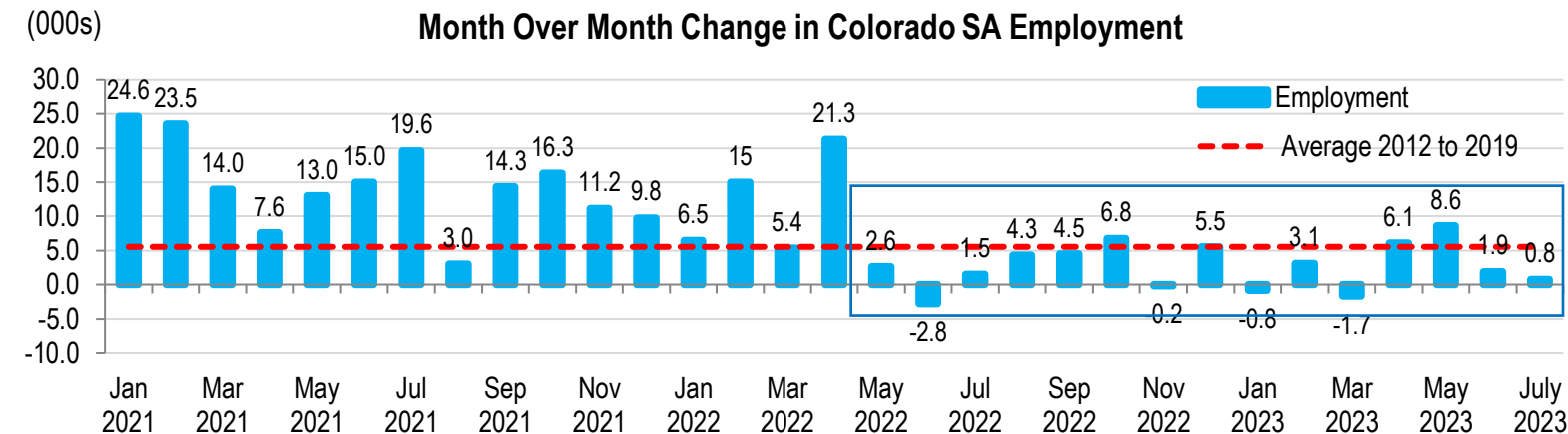
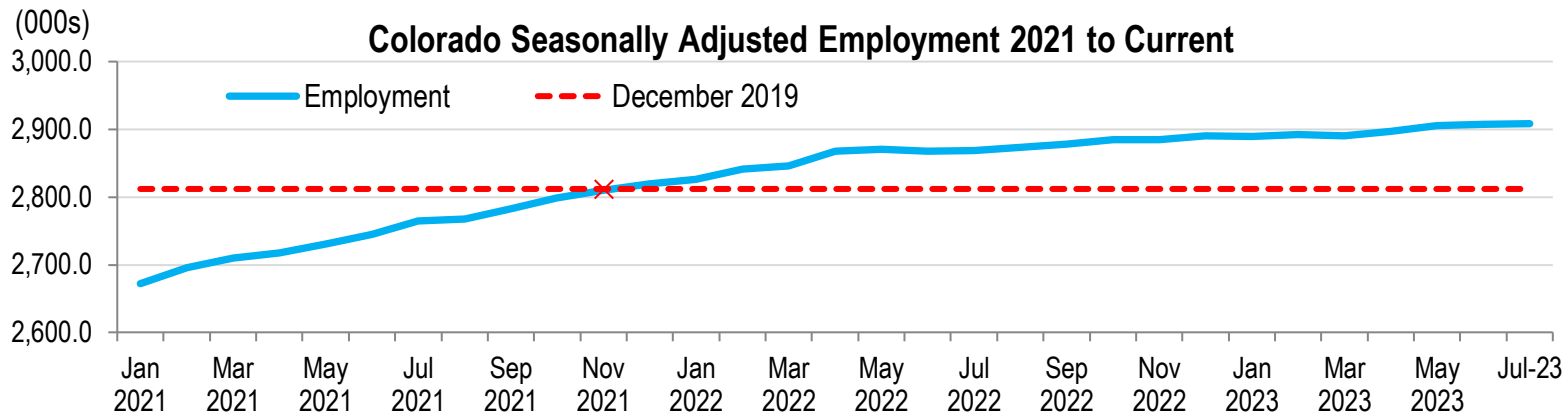
The YOY July 2023 (green) change in employment was about 41,100 more than June 2022 (red). By comparison, the difference in job growth for June 2022 vs. June 2021 (blue) was about 120,200.

The YOY average monthly employment through July 2023 was about 3,700, compared to 5,600 between 2012 and 2019.

There were records for annual employment in 2021 and 2022 (See lower chart).

Source: Bureau of Labor Statistics, cber.co. Note: This data reflects changes made by BLS and LMI for Q4 2022 and Q1 2023 data.

Employment and Change in Colorado Employment 2021 to Current (Monthly)



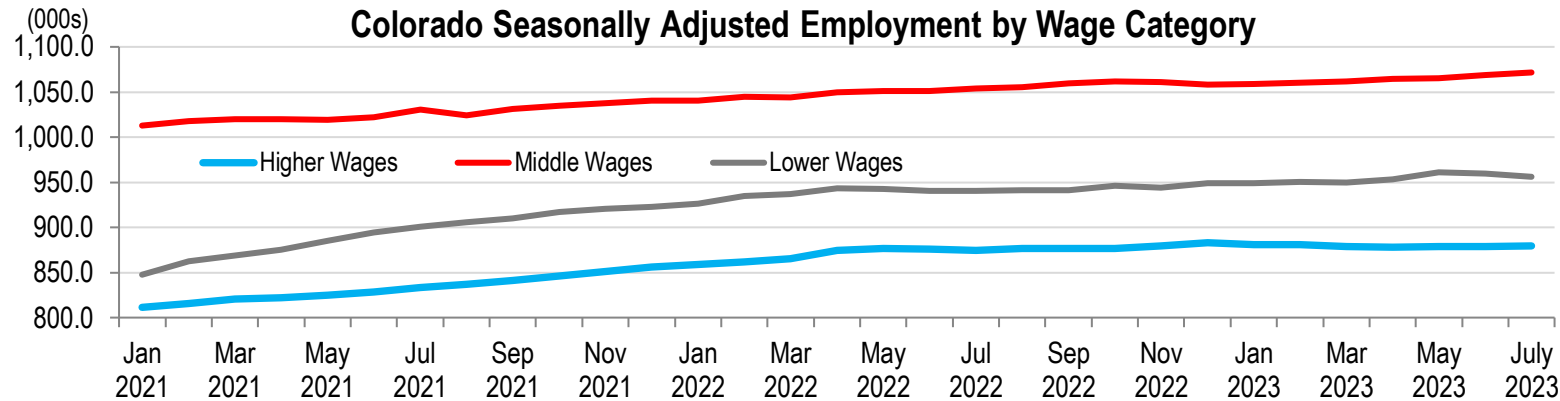
Monthly Colorado Employment
In December 2021, state employment (blue line) surpassed the December 2019 total (red dotted line). There was steady job growth between December 2021 and April 2022.

During the months from May 2022 to July 2023, the state experienced job growth that was volatile and typically weaker than previous months (blue rectangle). During this period, employment increased by a monthly average of 2,700.

Source: Bureau of Labor Statistics, cber.co. Note: This data reflects changes made by BLS and LMI for Q4 2022 and Q1 2023 data.

Change in Colorado Employment

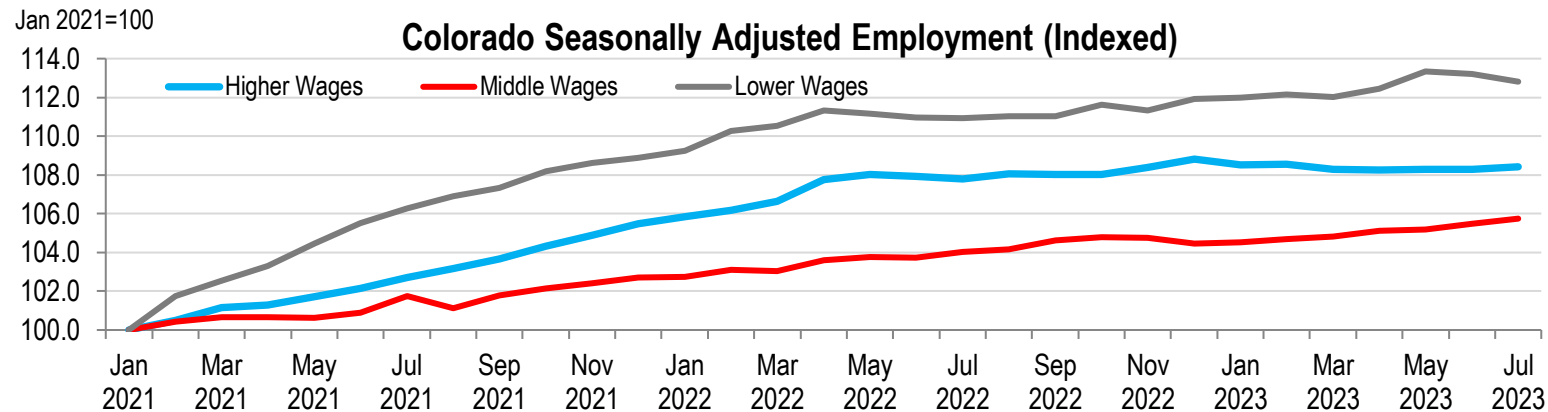
2021 to Current (Employment Change by Wage Category)



Colorado Employment Wage Category

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

- Total all categories 235,600
- Lower wage jobs 108,800 (grey)
- Middle wage jobs 58,300 (red)
- Higher wage jobs 68,500 (blue).



Colorado Employment Wage Category (Index)

The bottom chart shows the employment by wage categories, indexed on January 2021. The rate of growth by wage category from January 2021 to July 2023 are:

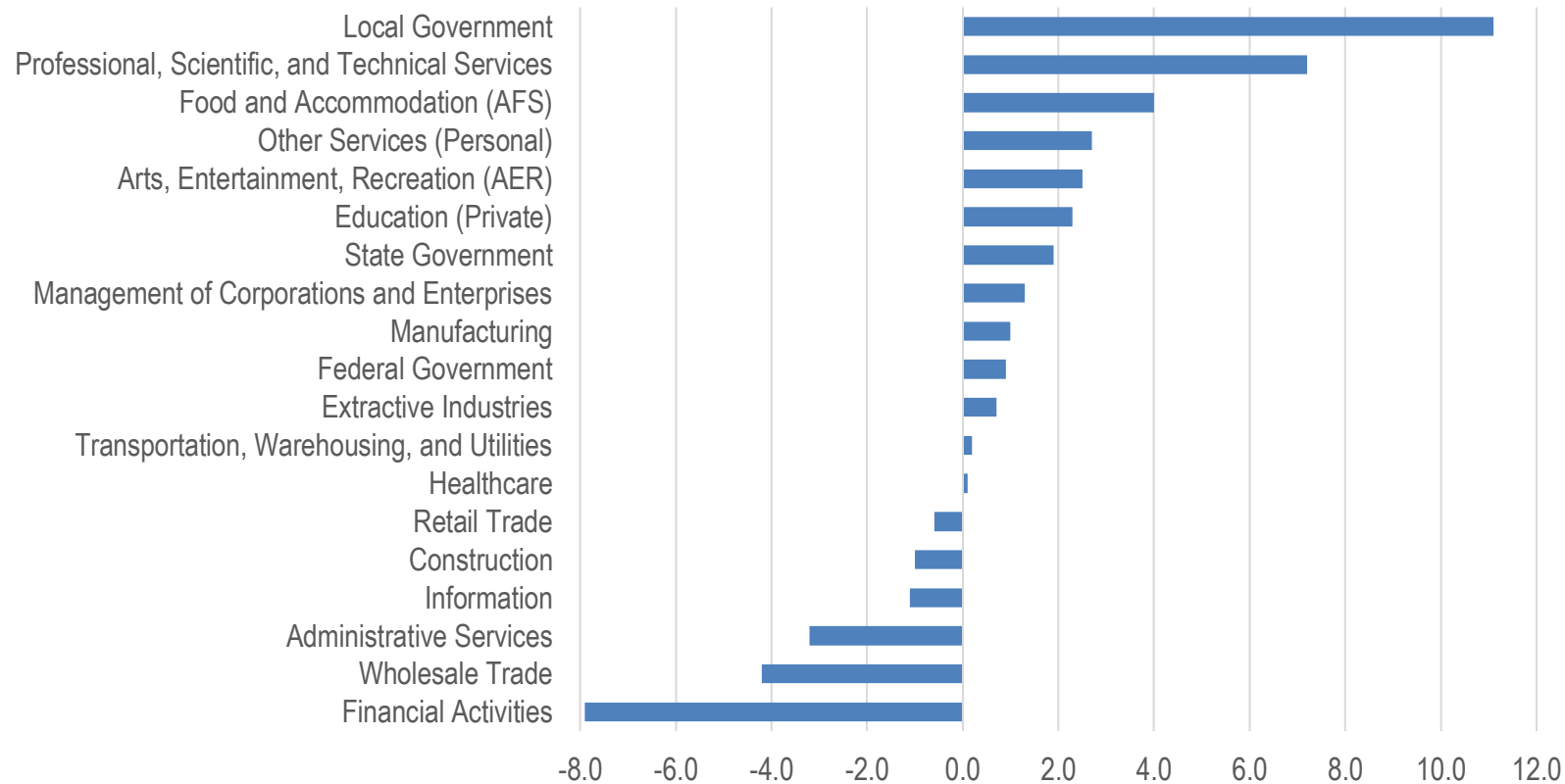
- Total all categories 8.8% (not shown)
- Lower wage jobs 12.8% (grey)
- Higher wage jobs 8.4% (blue)
- Middle wage jobs 5.8% (red).

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 made by BLS and LMI for Q4 2022 and Q1 2023 data.

Change in Colorado Employment by Sector Through Seven Months of 2023

Change in Employment (Thousands)



Changes in Employment

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

The top categories for absolute growth are local government, PST, and AFS. Employment in these sectors increased by 35,900.

The most job losses are in financial activities, wholesale trade, and administrative services. Employment in these sectors changed by -18,000.

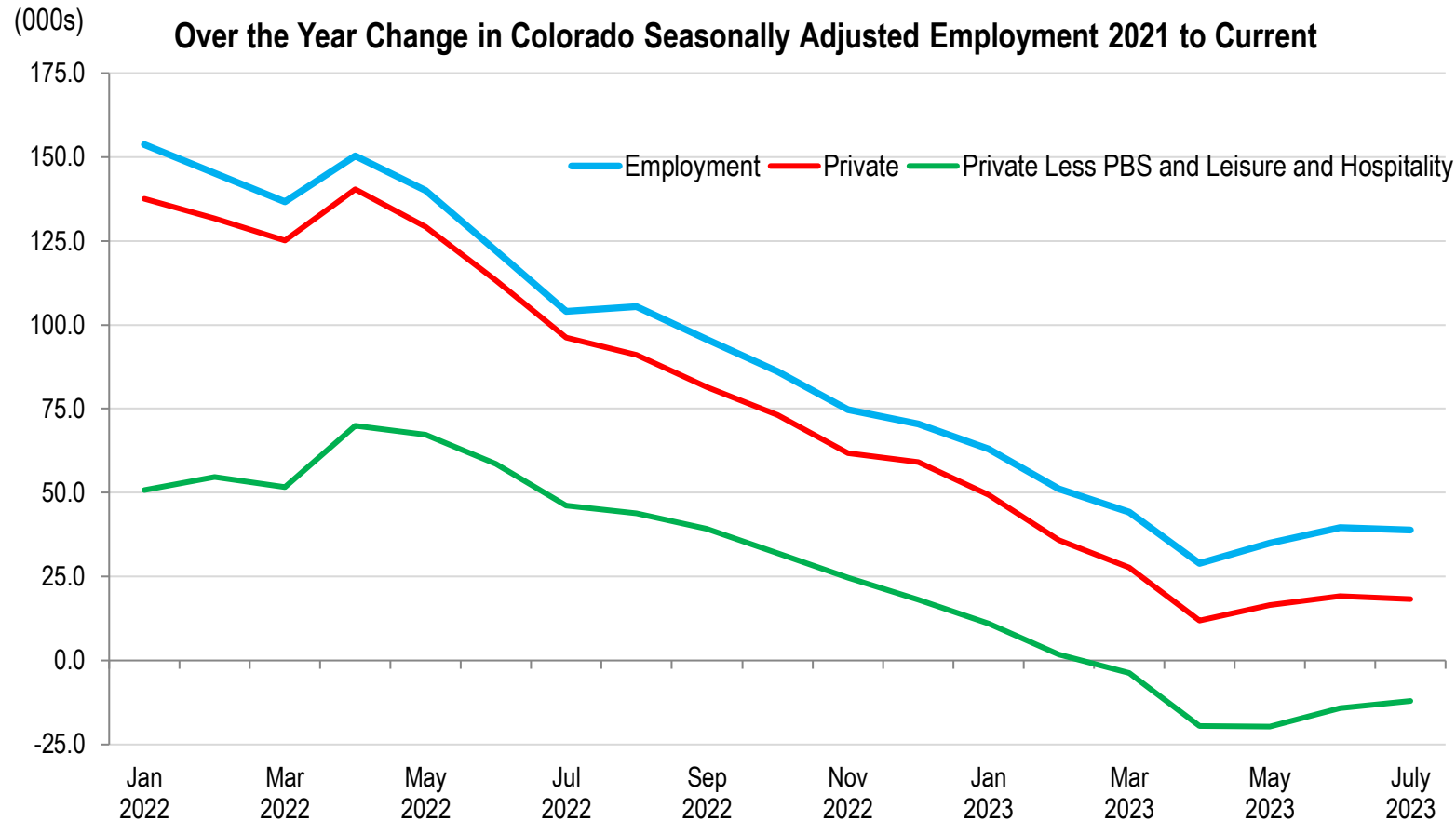
The total seven-month change in all sectors was 17,900. Only 4,000 were private jobs. Total employment for July was 2,907,800.

Source: Bureau of Labor Statistics, cber.co. Note: This data reflects changes made by BLS and LMI for Q4 2022 and Q1 2023 data.

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Over the Year Change in Employment – Select NAICS

Colorado



YOY Change in Employment

The YOY monthly change in total employment (blue line) declined during this period.

The YOY Private employment (red line) also declined. For the first half of 2022, the private sector accounted for more than 90% of the job gains. It was less than 50% for April through July 2023.

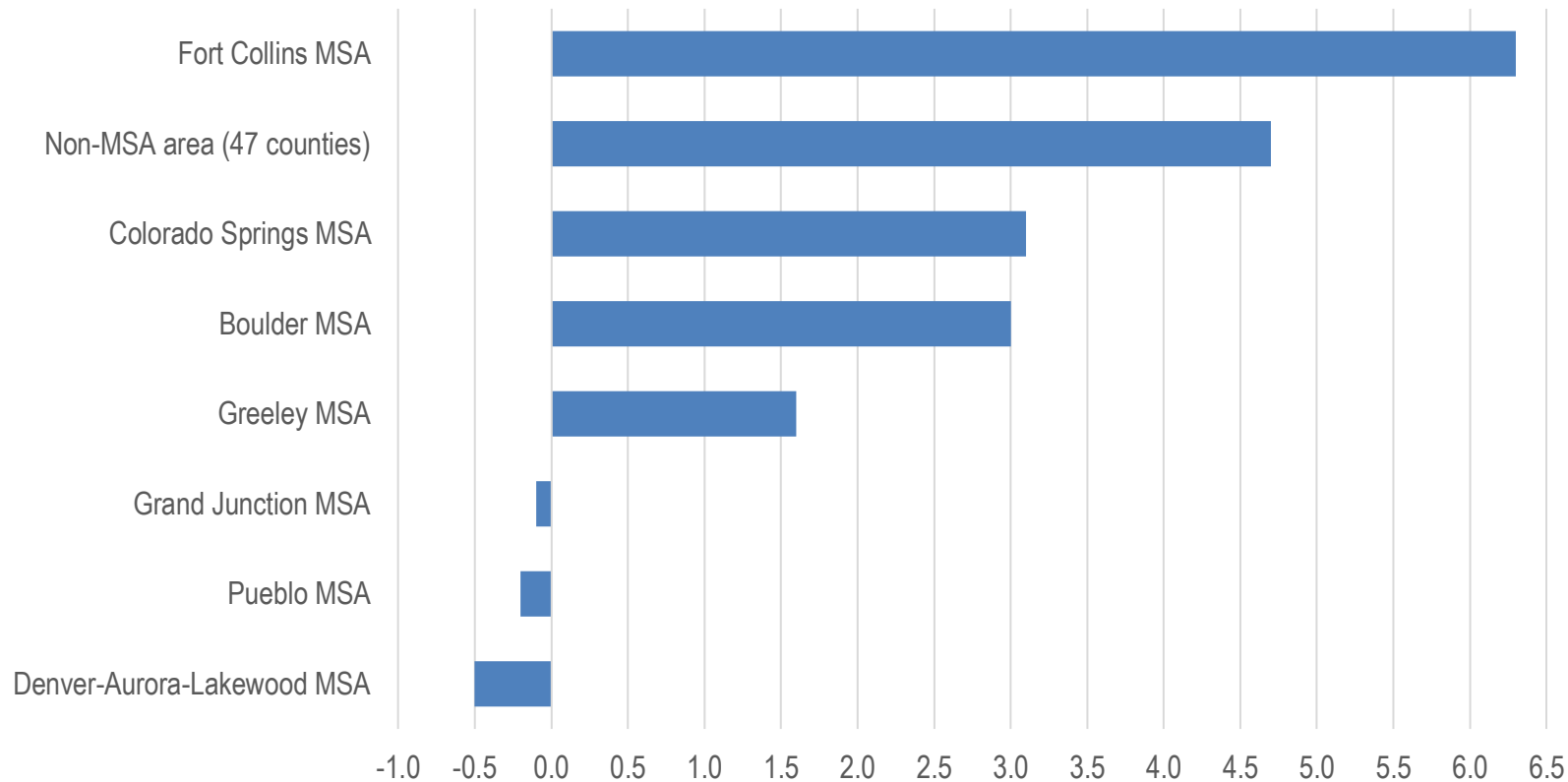
The YOY Private employment less PBS and LHS (green line) declined the most. PBS and LHS have been the leading private sectors for job growth. Without them, the YOY change in employment would be negative.

Source: Bureau of Labor Statistics, cber.co. Note: This data reflects changes made by BLS and LMI for Q4 2022 and Q1 2023 data.

Change in Colorado Employment by MSA

Through Seven Months of 2023

Change in Employment (Thousands)



Changes in Employment

Colorado has seven MSAs defined by 17 counties. The other 47 counties are non-MSA areas.

The areas for employment growth are:

- Fort Collins (6,300)
- Non-MSA areas (4,700)
- Colorado Springs (3,100)
- Boulder (3,000)
- Greeley (1,600).

Employment changed by a total of -800 jobs in Grand Junction, Pueblo, and Denver.

The total change in all sectors was 17,900. Only 4,000 were private jobs.

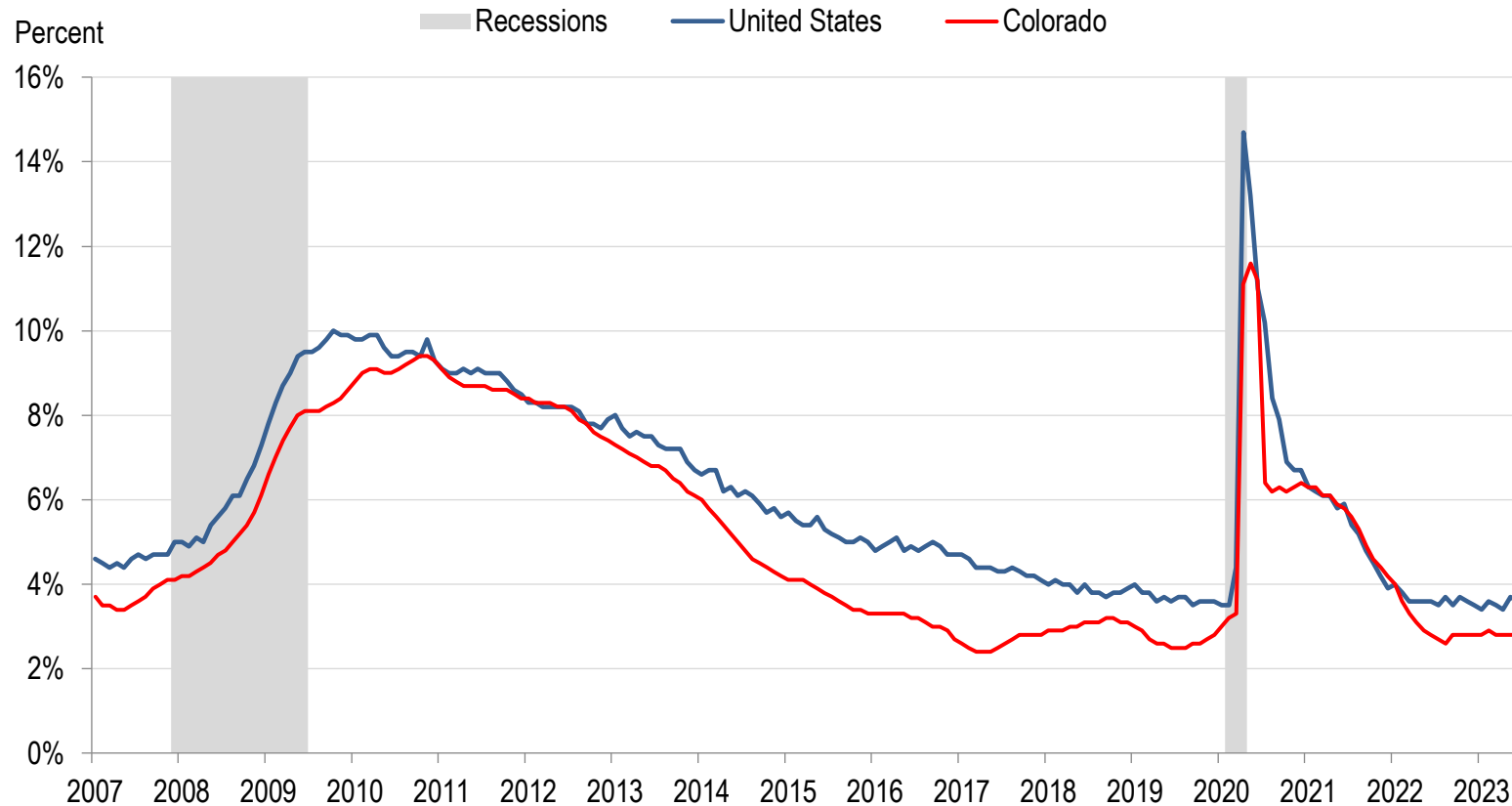
Source: Bureau of Labor Statistics, cber.co. Note: This data reflects changes made by BLS and LMI for Q4 2022 and Q1 2023 data.

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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 was 2.9% in July, and the U.S. rate was 3.5%. The economy operates inefficiently when the unemployment rate is this low.

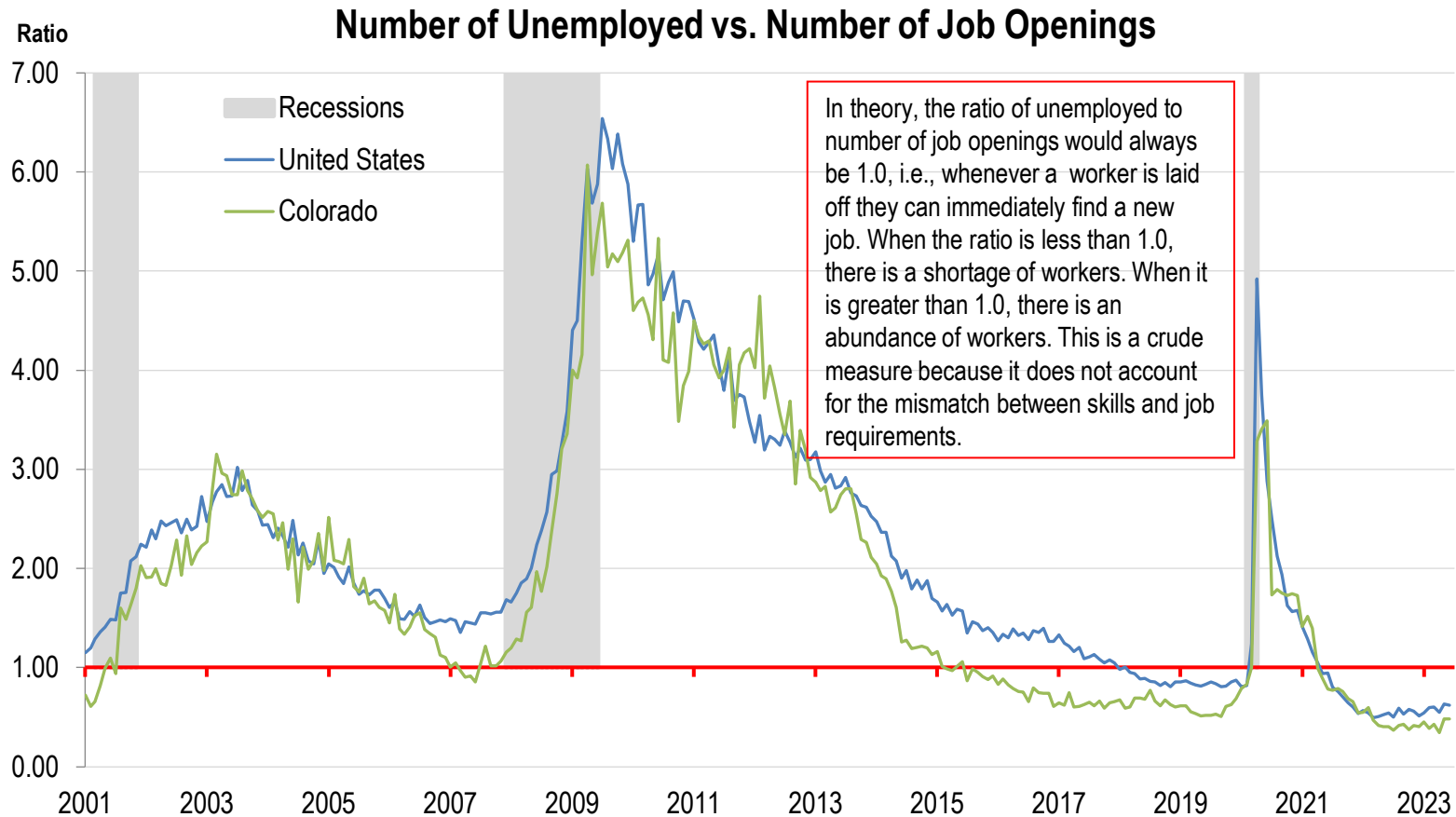
Annual Unemployment Rate

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 are roughly 90,000 unemployed to fill 190,000 job openings. Obviously, there is a shortage of workers.

Number of Unemployed vs. Number of Job Openings

Colorado vs. U.S.



Source: BLS, SA, cber.co.

Unemployed/Opening Ratio

Between 2001 and 2023, there was generally an ample supply of workers for the U.S. (blue line) and Colorado (green line). The excess of workers peaked during and after recessions. Most of the worker shortages have occurred since 2015.

United States

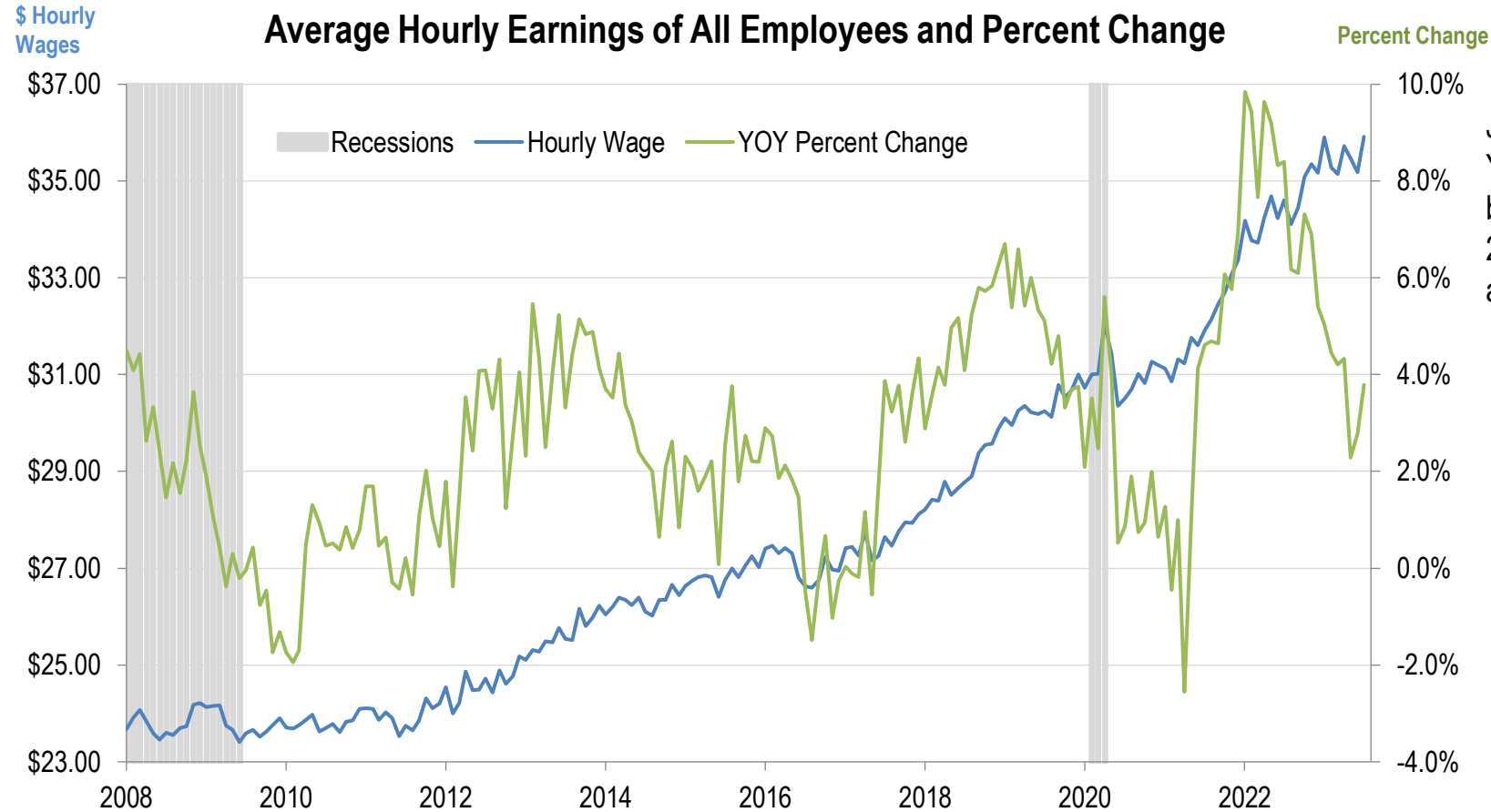
- Between January 2018 and February 2020, there was a labor shortage (26 months).
- There were 14 months during the pandemic when there was an excess of workers.
- There has been a U.S. labor shortage since May 2021 (26 months).

Colorado

- Between May 2015 and March 2020 (61 months), there was a Colorado labor shortage.
- There were 12 months during the pandemic when there was an abundance of workers.
- There has been a Colorado labor shortage since May 2021 (27 months).

Average Hourly Earnings of All Employees (Private)

Colorado



Hourly Wages and Percent Change
 June hourly wages (blue) were \$35.91, a YOY increase of 3.8% (green). There has been minuscule MOM wage growth during 2023, i.e., earnings are the same in July as in January.

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

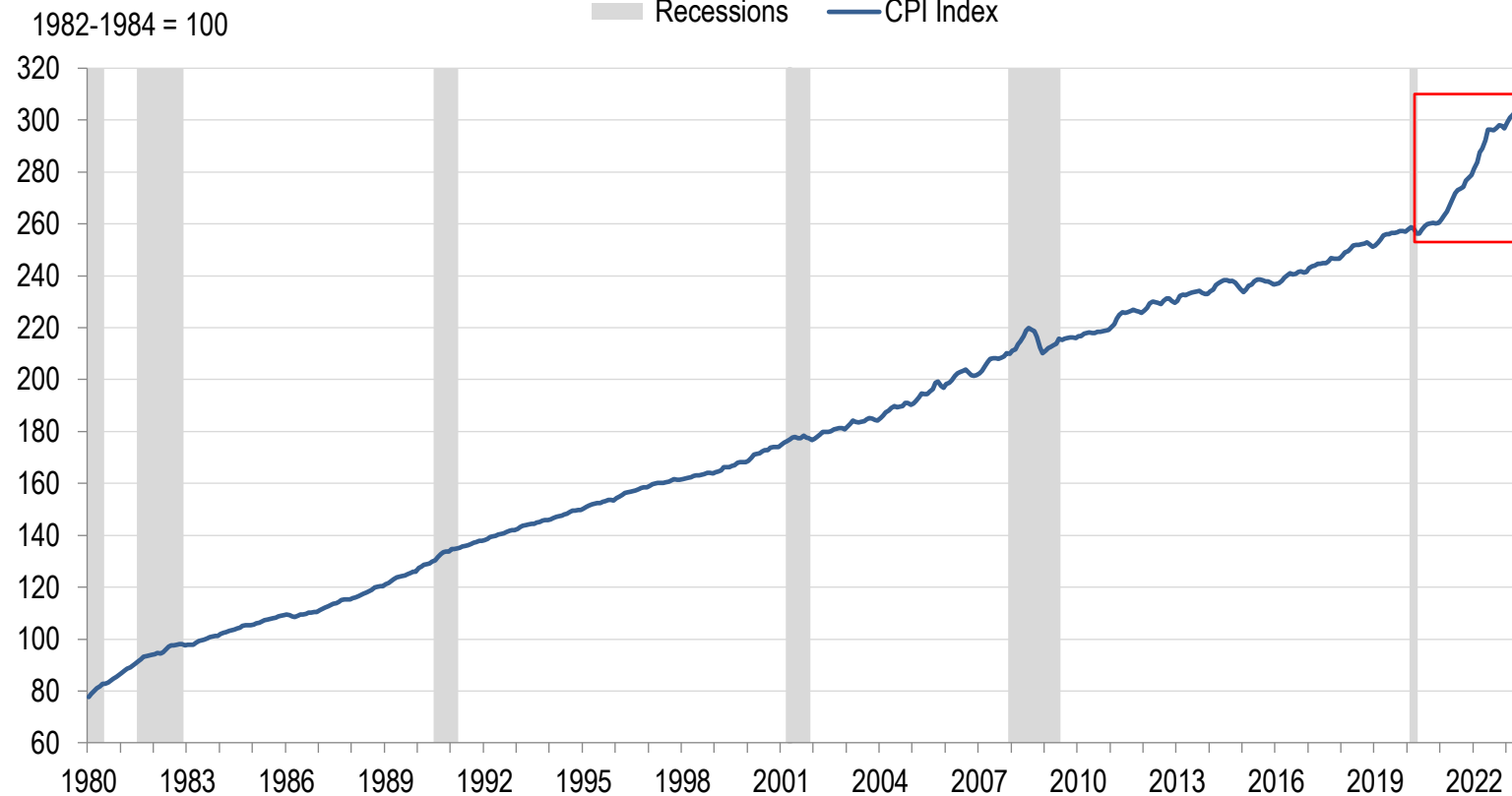
The current rate of wage growth is down from a peak of 9.4% in February 2022.

Source: BLS, cber.co.

Inflation

U.S. CPI Inflation

U.S. CPI Inflation



Source: BEA, FRED, NSA, CPI calculator, cber.co.

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

CPI Inflation

The chart shows the raw data for the CPI. The steep slope of the line in the red box shows how strong inflation has been since 2021. If a family had annual expenditures of \$50,000 in January 2021, inflation has increased those expenditures to \$58,431 in July 2023.

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

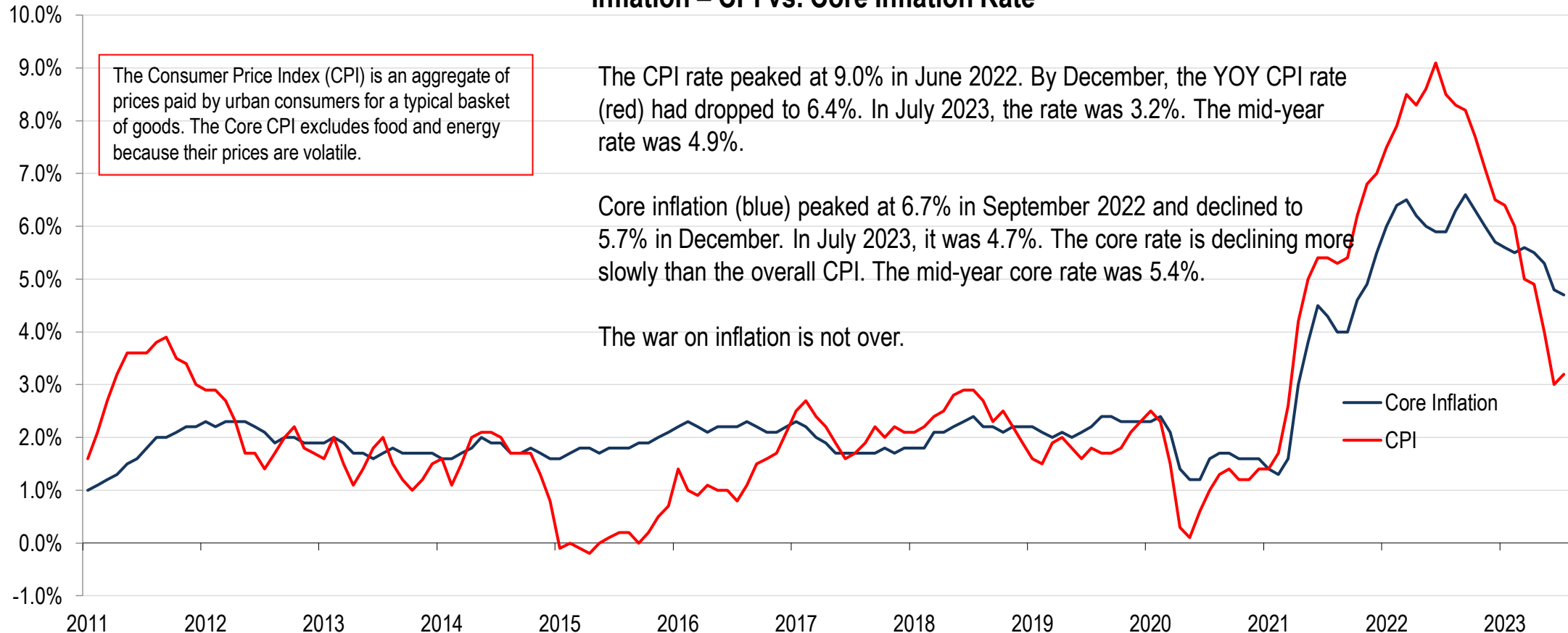
- The increase for July 2023 vs. 2022 is 3.2%.
- The July annualized 2023 vs. 2021 increase is 5.8%.
- The June annualized 2023 vs. 2020 increase is 5.7%.

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

U.S. Inflation

CPI vs. Core Inflation

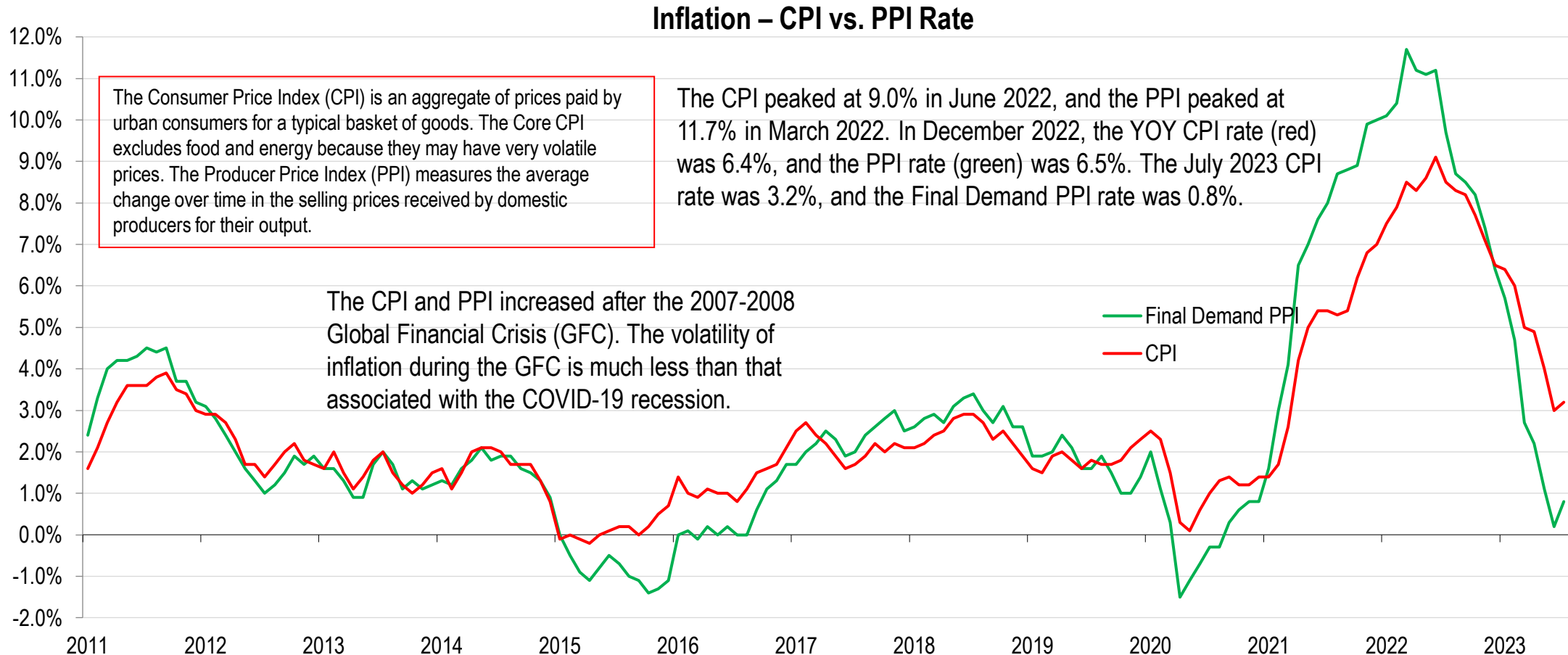
Inflation – CPI vs. Core Inflation Rate



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

U.S. Inflation

CPI vs. Producer Price Index (Final Demand)

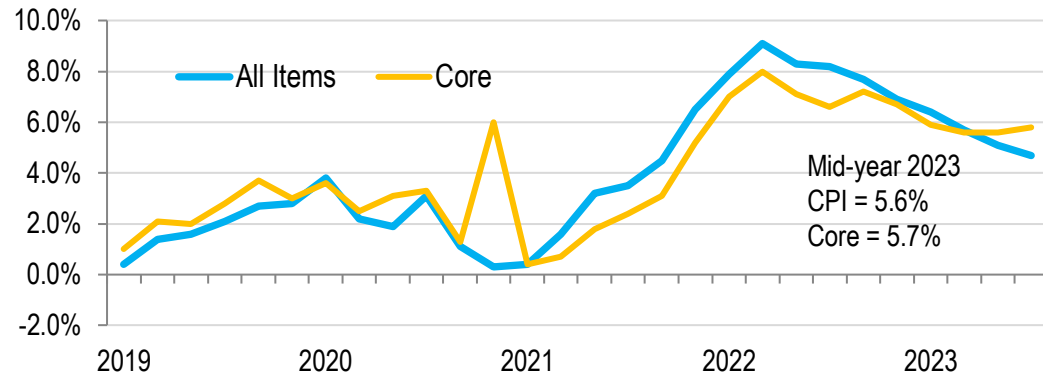


Source: Bureau of Labor Statistics, PPI Commodity Data, Final Demand SA; CPI All Items City Average SA, cber.co.
Colorado-based Business and Economic Research <https://cber.co>

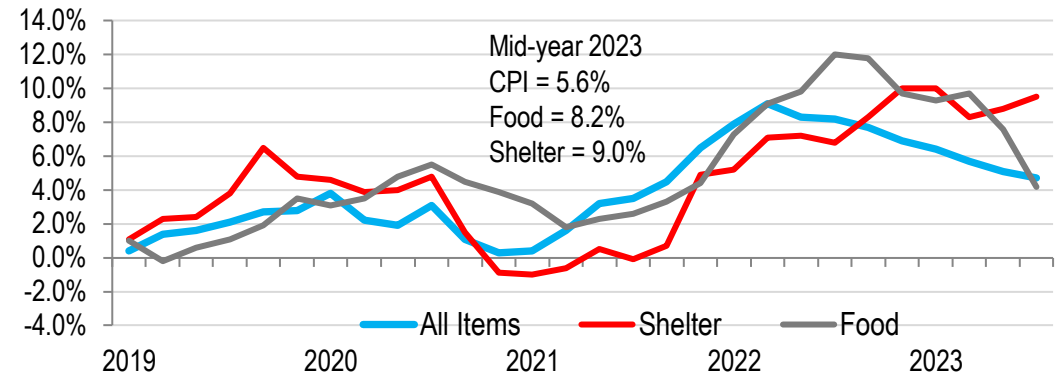
Bi-Monthly Change in Colorado CPI

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

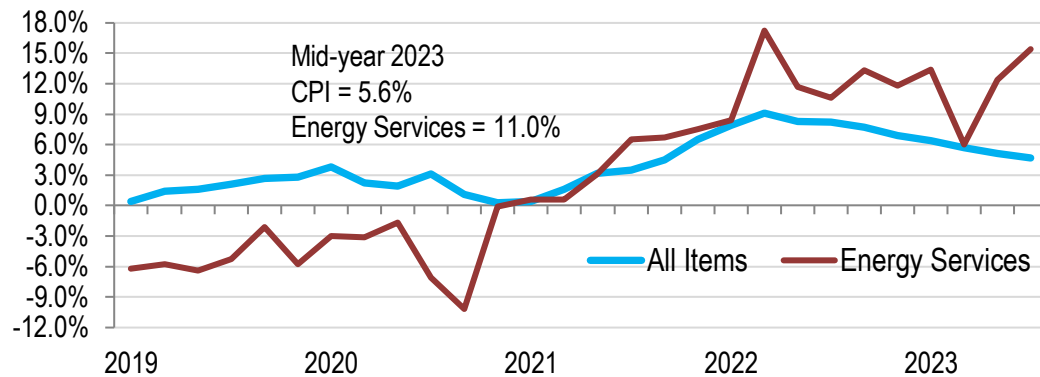
Colorado All Items vs. Core (All less Food and Energy)



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 on the charts. Takeaways are:

- For the past two years, core inflation was less than inflation for all items until May 2023. Both are greater than the U.S.CPI rate.
- Since mid-2021, inflation for energy services (gas and electricity) has been greater than for all items. Higher energy inflation will continue, given energy-related policies and rate increases from utilities such as Xcel Energy.
- Inflation for shelter is currently greater than inflation for all items. Inflation for food is slightly lower than overall Colorado inflation.
- In Colorado, the war on inflation continues!

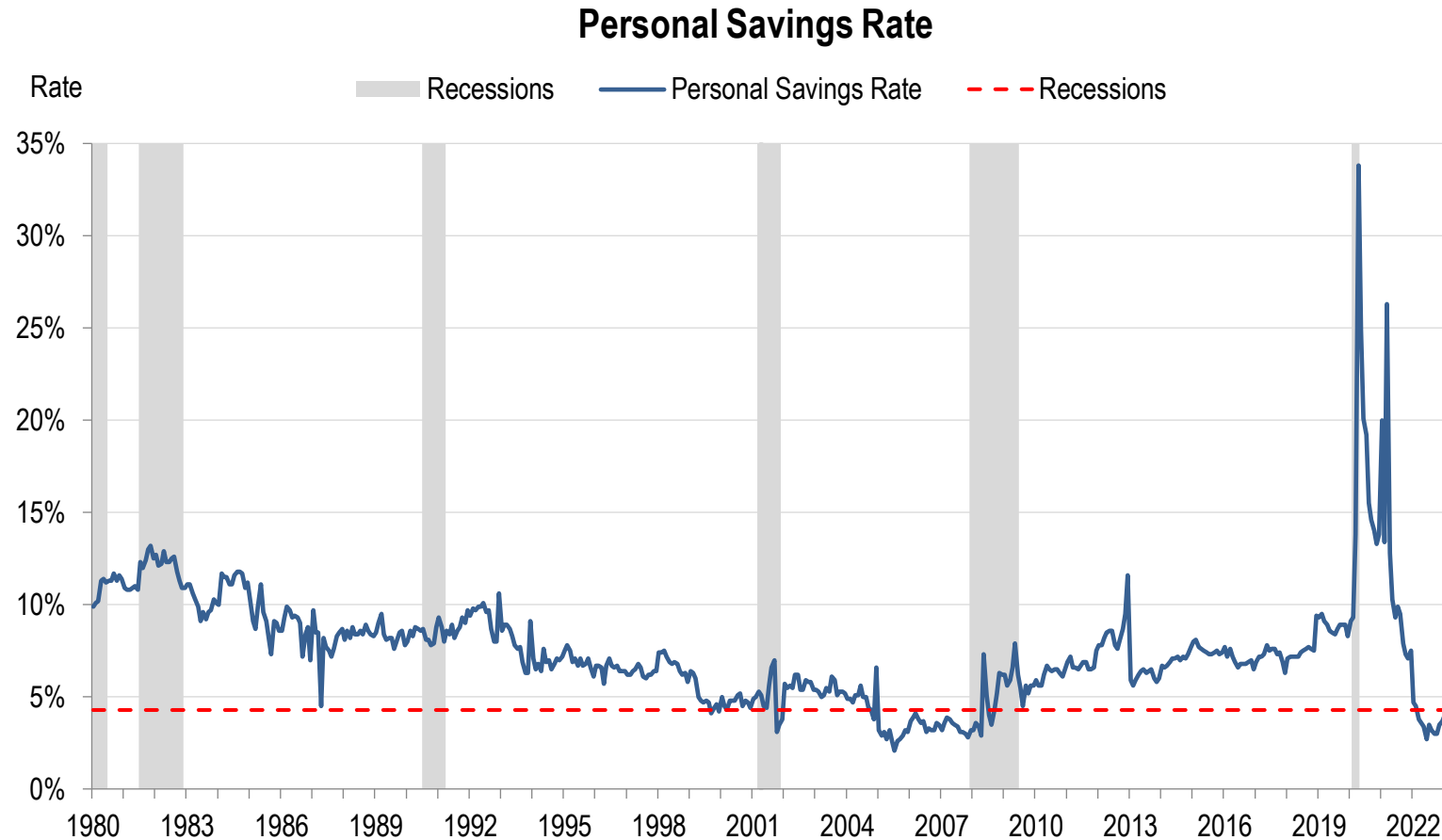
Source: Bureau of Labor Statistics, NSA, cber.co.

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Saving, Borrowing, Consumption, and the Wealth Effect

U.S. Personal Savings Rate

Percentage of Disposable Personal Income (DPI)



Personal Savings

The June 2023 personal savings rate was 4.3%, and savings were \$862.4 billion, down from \$6.4 trillion in April 2020. Since then, Americans have spent their savings 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%

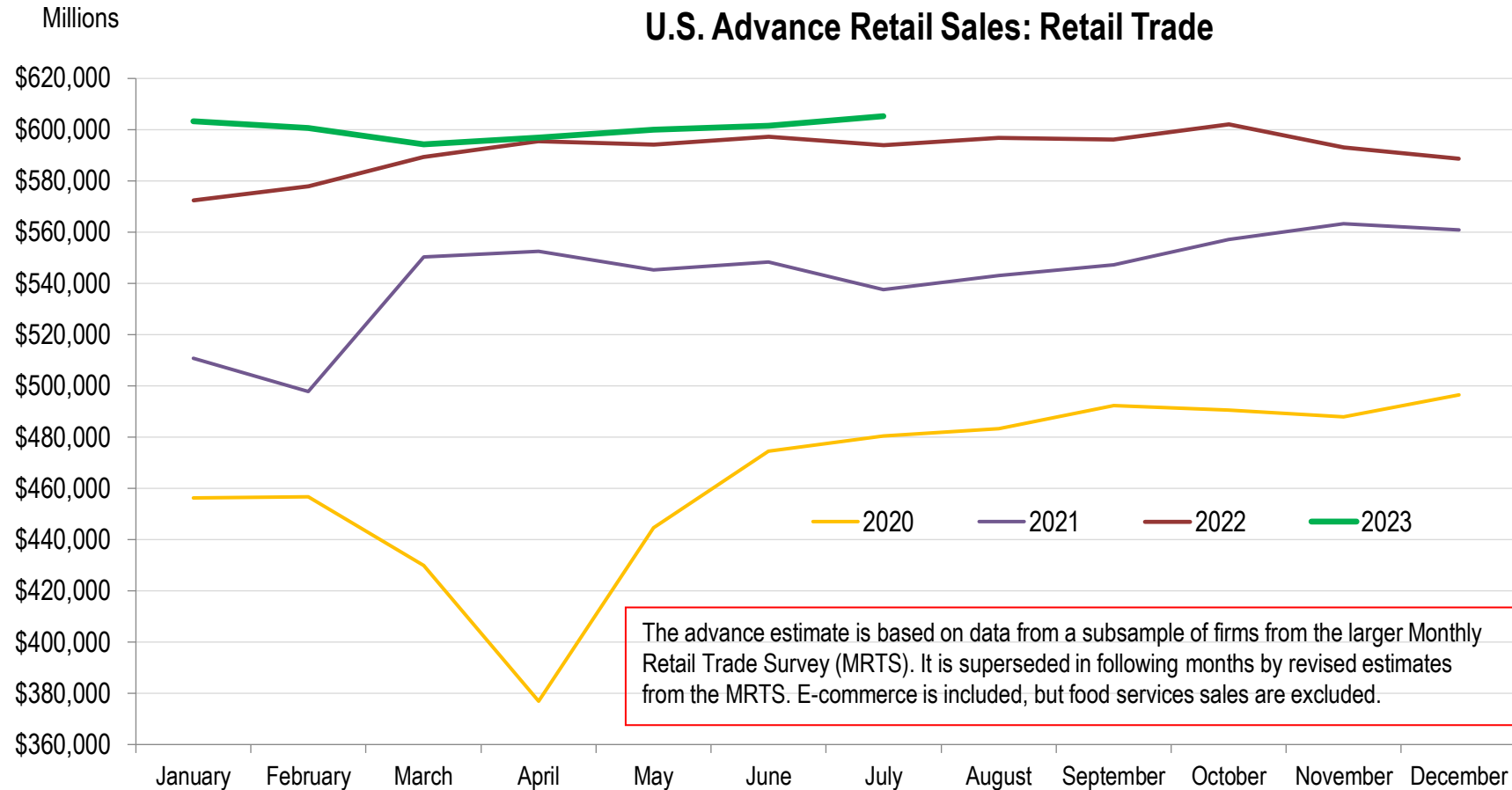
Source: BEA, cber.co

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. Advance Retail Sales: Retail Trade

Monthly



Advance Retail Sales
There was a slight uptick in July advance retail sales. Total YTD sales through July 2023 (green) were 2.0% greater than the total for the first seven months in 2022 (burgundy).

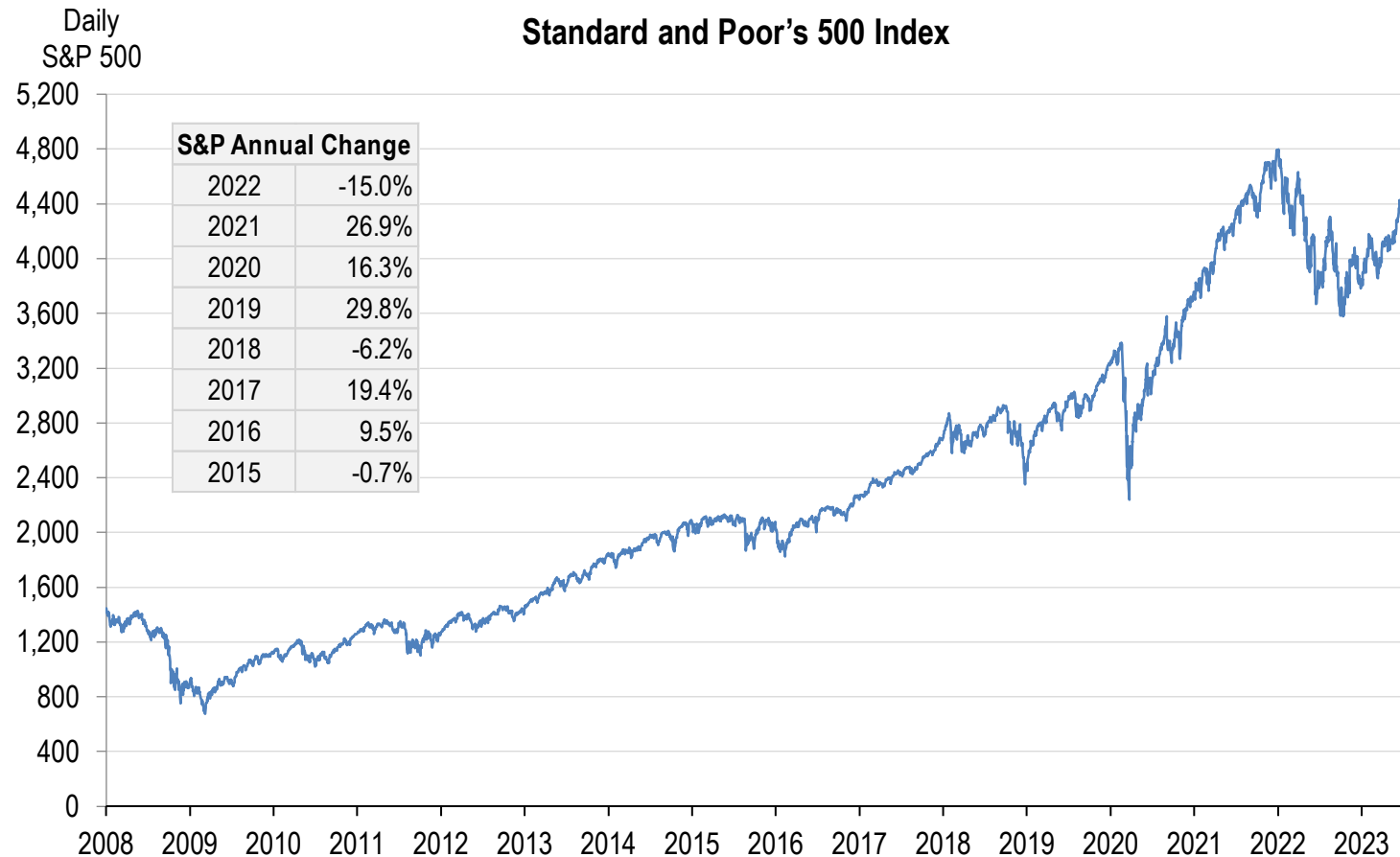
The National Retail Federation projected that 2023 sales would be 4.0% to 6.0% greater than the 2022 total, a forecast that will be difficult to meet.

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

Source: U.S. Census Bureau, cber.co. Note: Not adjusted for inflation.
Colorado-based Business and Economic Research <https://cber.co>

Standard and Poor's 500 Index



Market Returns

2020 COVID-19 Policies

February 19, 2020 3,386
 March 23, 2020 2,237 a change of **-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, a change of **+26.9%**.

2022 Bear Market

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

2023

August 18, 2023 4,536, YTD change **+13.8%**

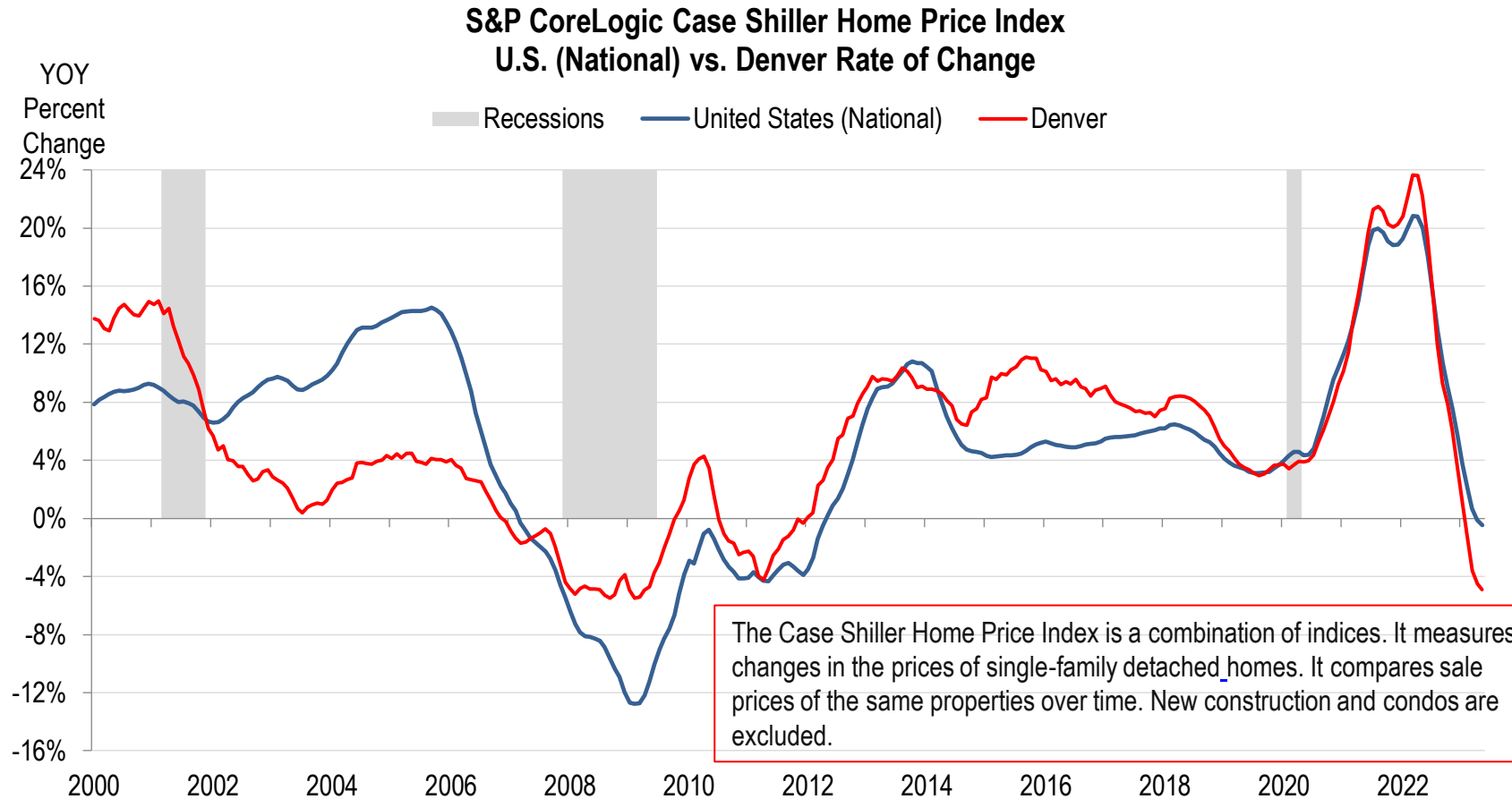
In August, the market has slowed. Will the Baby Bull market last through the end of the summer?

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

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

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!

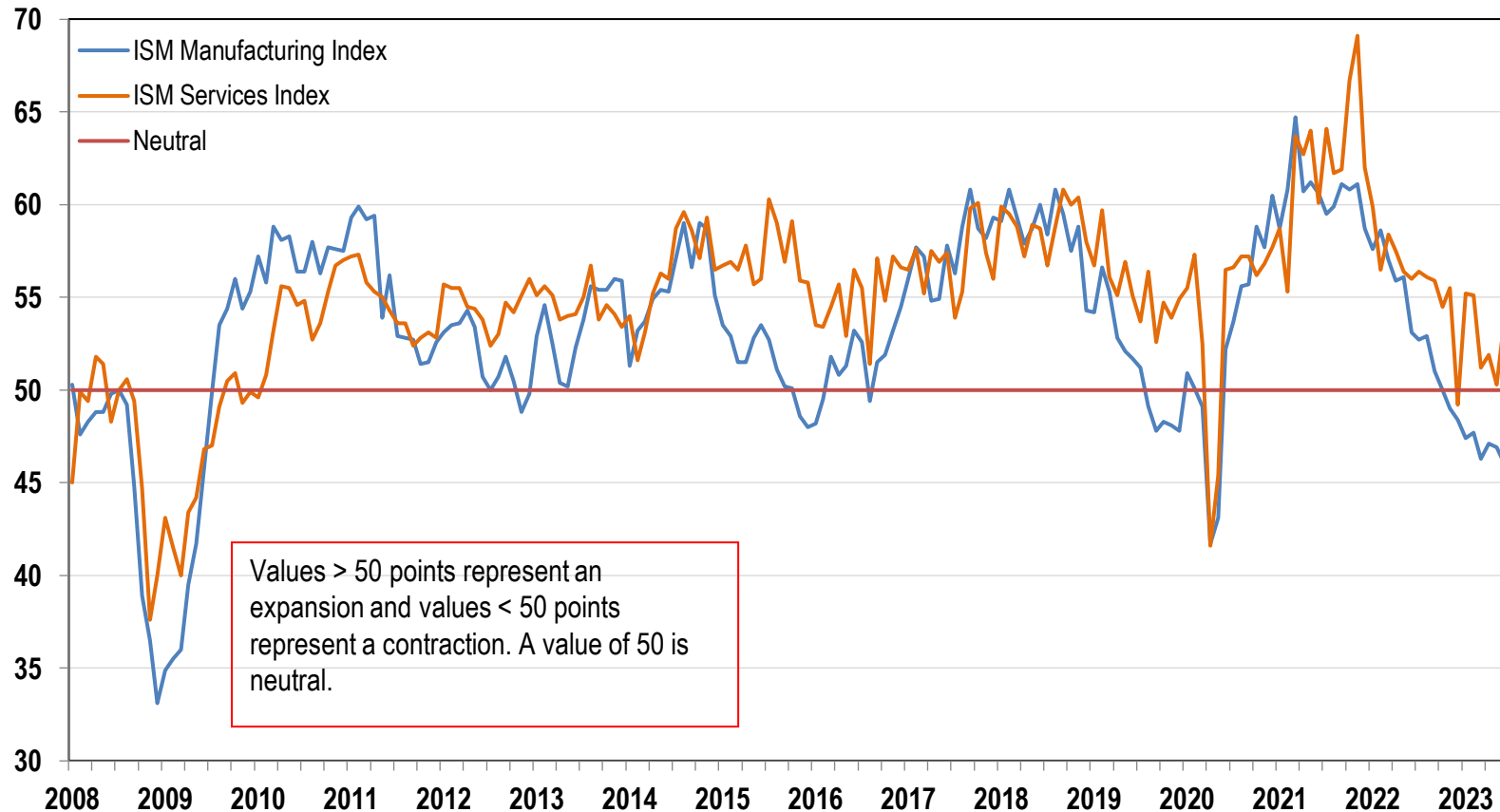
Source: S&P Case Shiller, cber.co.

U.S. Industry Indicators

ISM Purchasing Managers Composite Indices

Manufacturing vs. Services

ISM Manufacturing PMI vs. Services PMI Composite Indices



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 46.4 in June 2023. Only two of eighteen industries registered a positive value in June. Business conditions will continue to be soft in the near term.

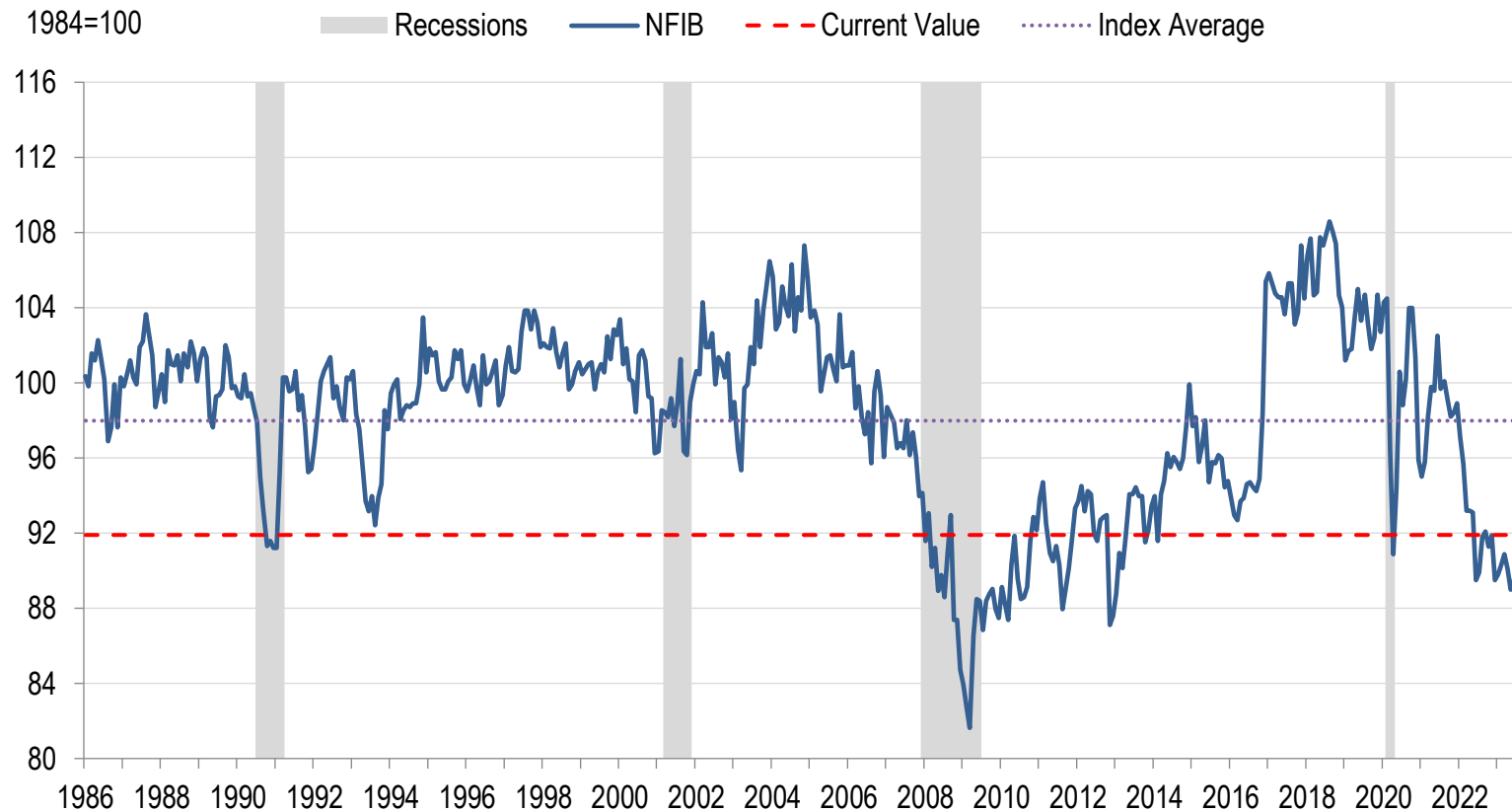
The service index (orange) has trended downward since November 2021. It fell below 50 in December 2022 but has been above 50 during the first seven months of 2023. It was 52.7 in July. Fourteen service industries reported growth in July, and four declined. Business activity, new orders, and prices are areas of strength; however, businesses are cautious because of inflation and the uncertainty of the economic outlook.

Source: Institute of Supply Management, cber.co.

NFIB Small Business Optimism Index

United States

NFIB Small Business Optimism Index



Source: NFIB, cber.co.

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NFIB Small Business Index

In July 2023, the NFIB index rose slightly to 91.9 (red dotted line), the 19th consecutive month below the 49-year average of 98.0 (purple dotted line).

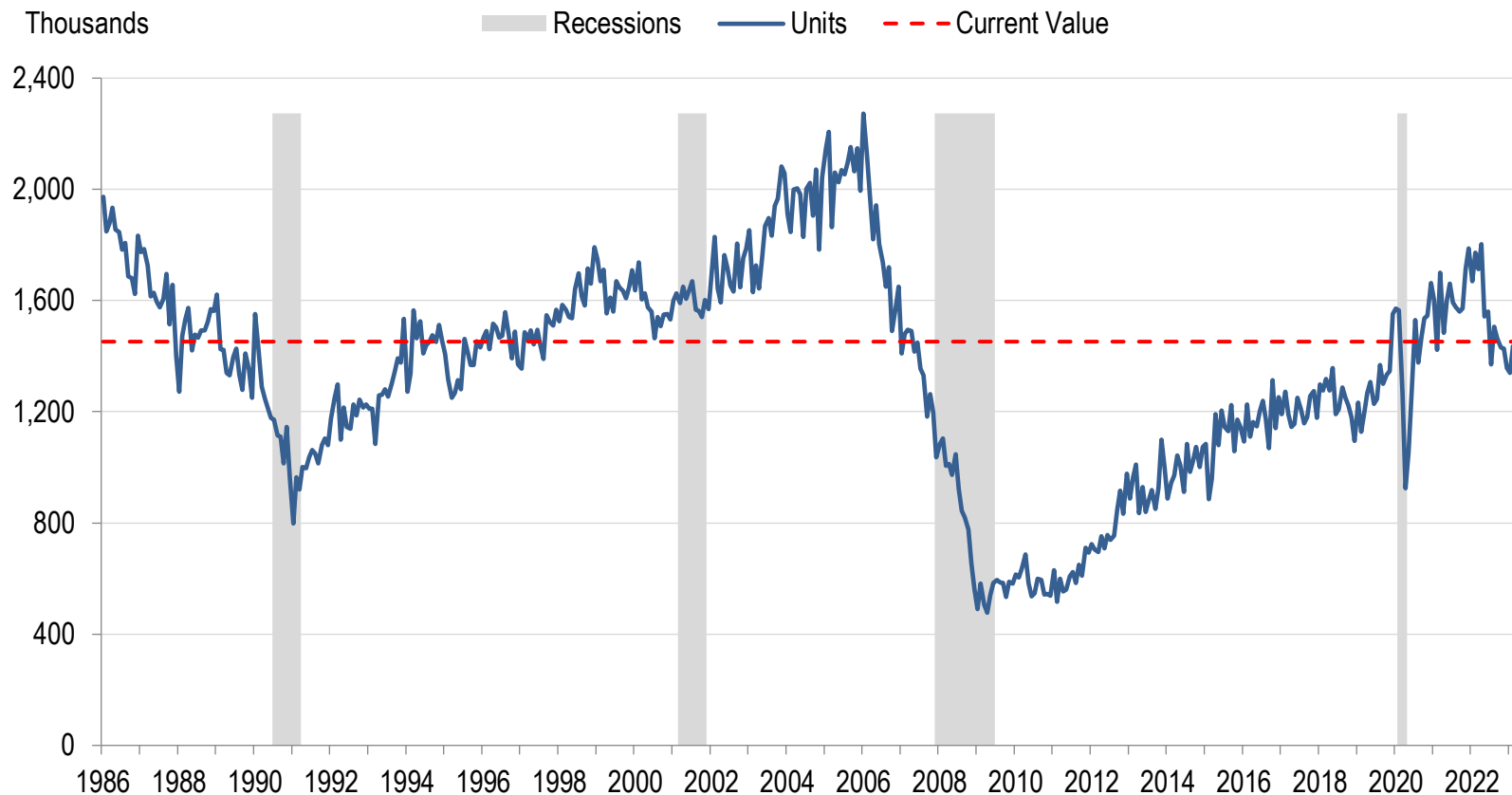
Small businesses are more optimistic than in the past, but they remain pessimistic about business conditions and sales prospects. They are not adding jobs because they cannot find qualified workers! Inflation is a concern.

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.

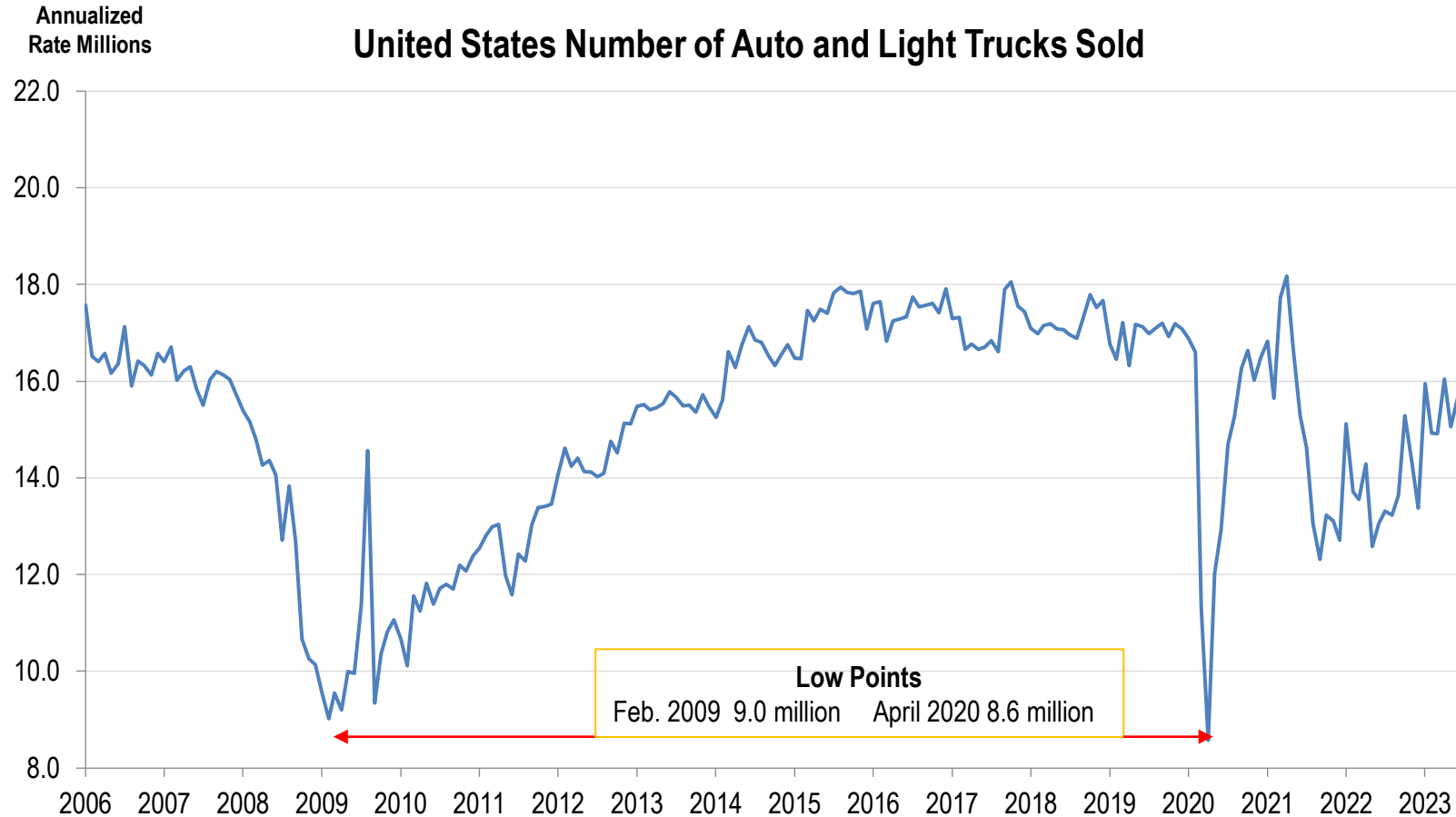
New Privately Owned Housing Units Started

The number of housing starts has been volatile. It has been below 1.6 million homes since May 2022. In July 2023, there were about 1.5 million homes started.

Increased interest rates and other headwinds have caused reduced demand for new housing.

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, March and May. Sales were about 15.7 million in June and July.

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

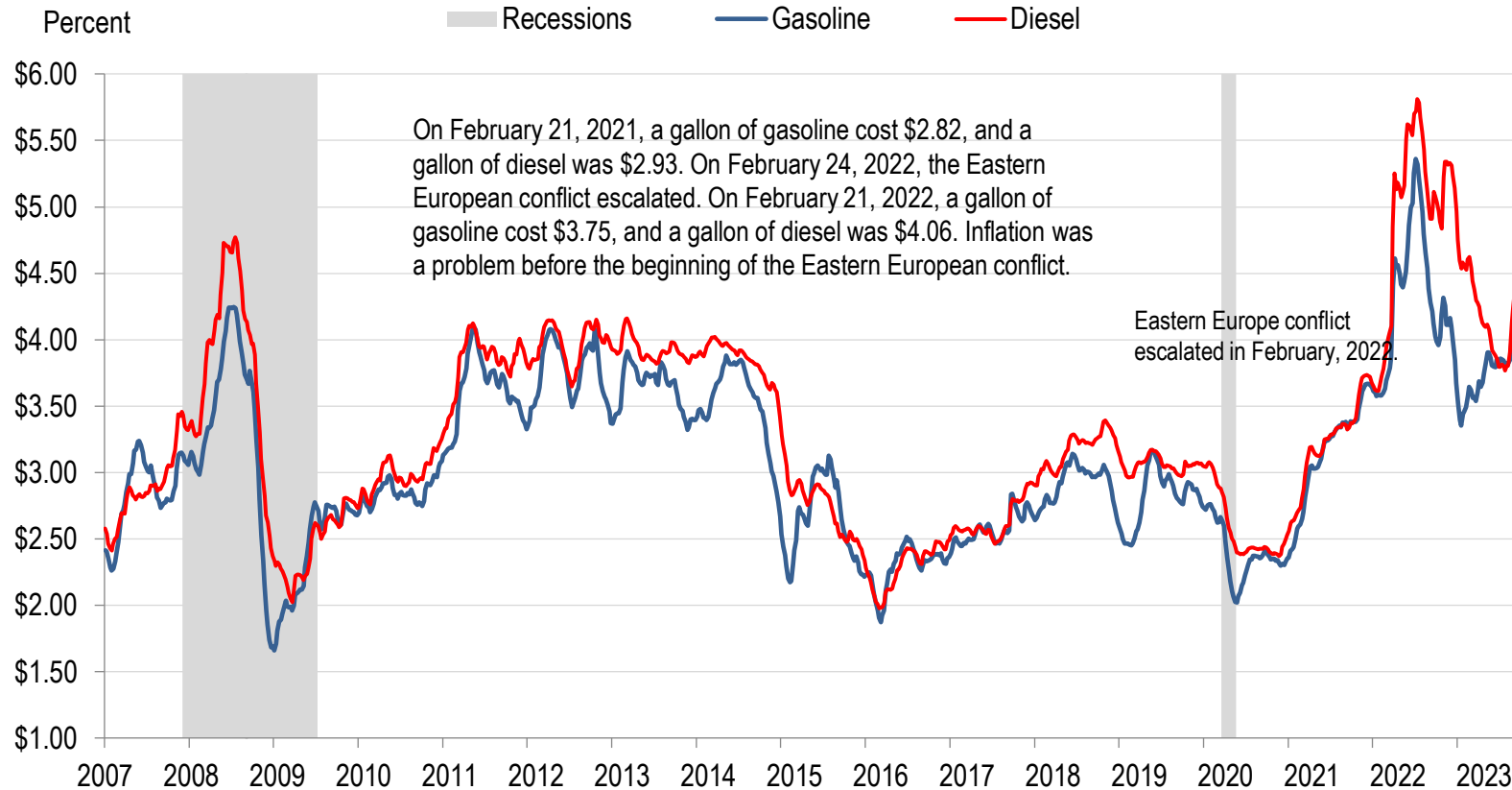
Sales bottomed out at 8.6 million in April 2020 and peaked at 18.3 million in April 2021. Sales were dismal in 2022 and have improved in 2023.

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

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

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

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



Gasoline and Diesel Prices

On August 14, 2023, a gallon of gasoline was \$4.07, down from a peak of \$5.51. A gallon of diesel was \$4.37 compared to its peak of \$5.78.

Fuel prices have been on the rise since the latter part of May. They will remain elevated in the near term.

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

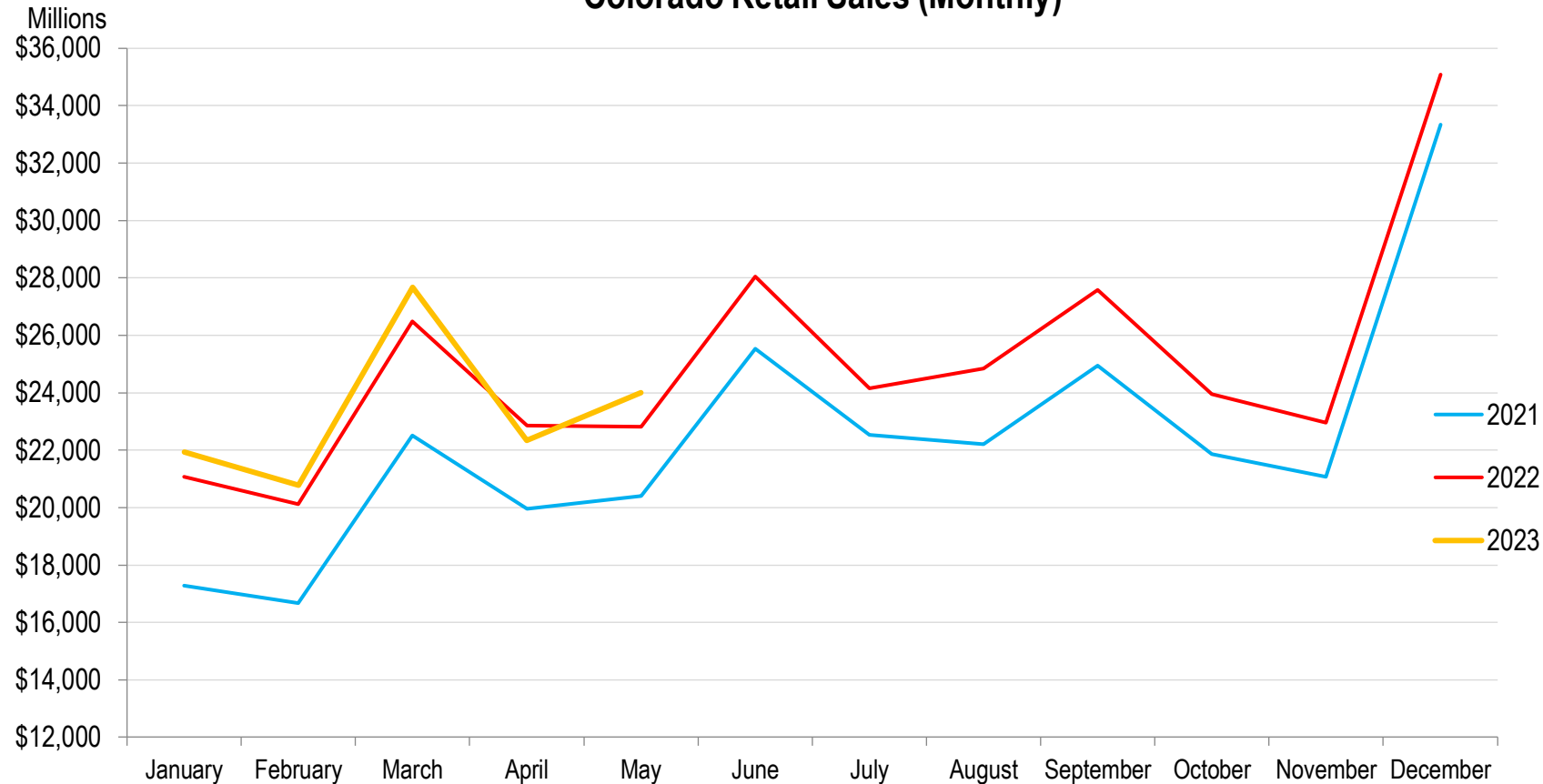
Source: FRED, EIA, https://www.eia.gov/dnav/pet/pet_pri_gnd_a_epd2d_pte_dpgal_w.htm, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPM0_PTE_NUS_DPG&f=W, cber.co.

Colorado Industry Indicators

Colorado Retail Sales

Monthly

Colorado Retail Sales (Monthly)



Colorado Retail Sales
Sales through May 2023 (yellow) are about 3.0% greater than during 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.

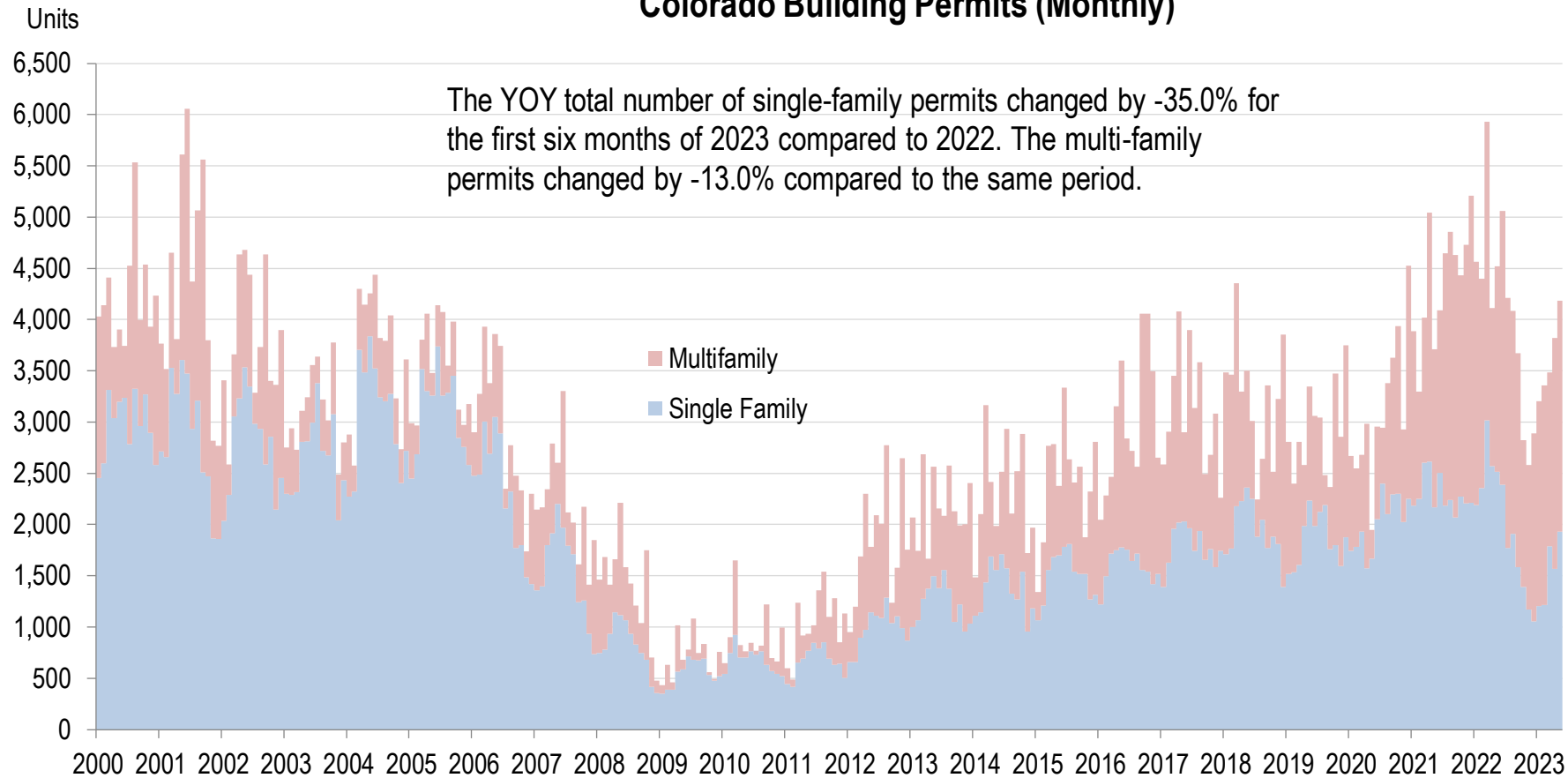
Source: Colorado Department of Revenue, <https://cdor.colorado.gov/retail-sales-reports>, cber.co. Note: Not adjusted for inflation.

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Colorado Residential Building Permits

Units

Colorado Building Permits (Monthly)

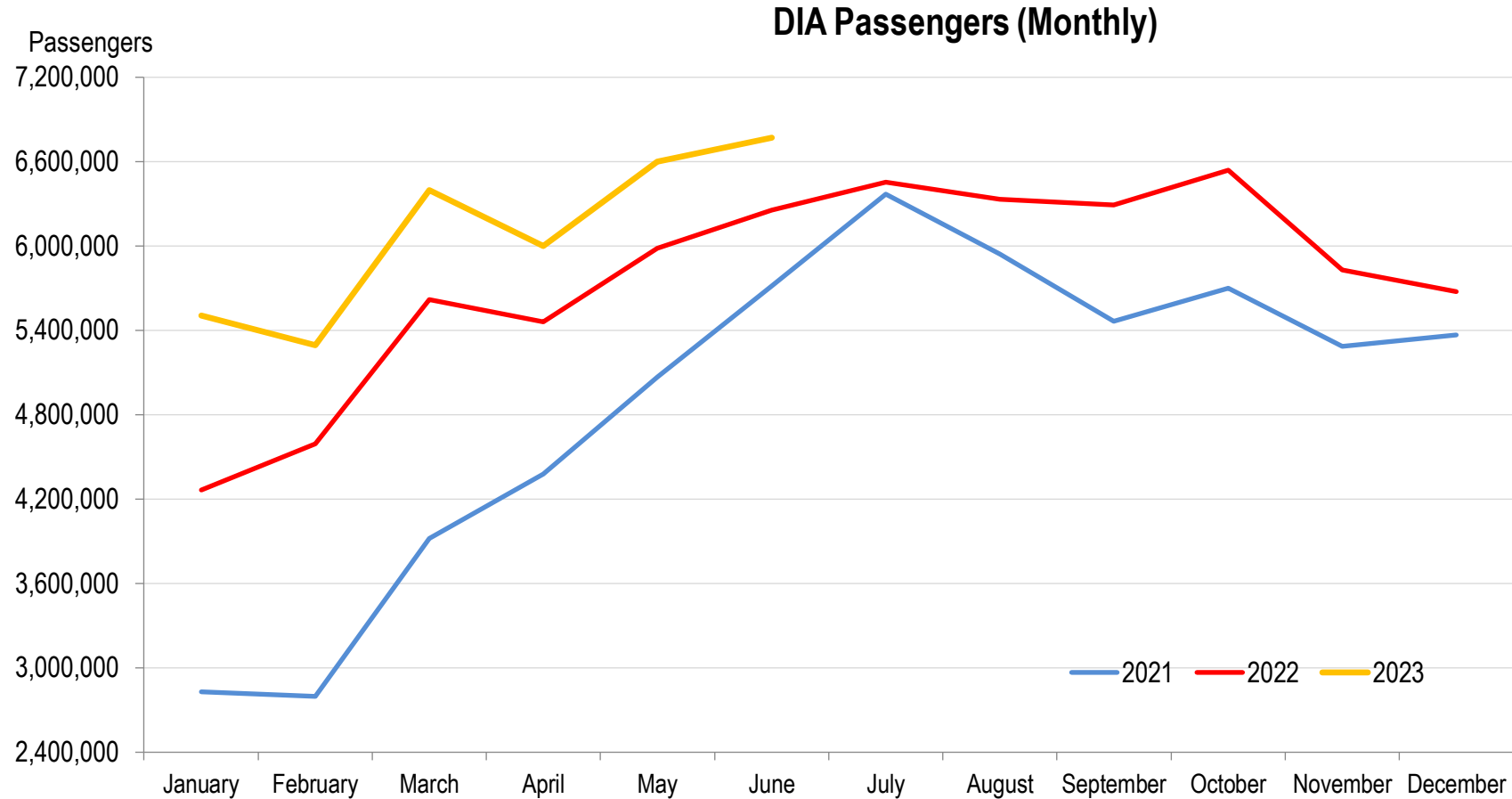


Annual Building Permits		
Year	Single Family	Multi-Family
2000	38,588	16,008
2001	36,437	18,570
2002	35,042	12,878
2003	33,894	5,732
2004	40,753	5,746
2005	40,018	5,732
2006	30,365	7,978
2007	20,516	8,938
2008	11,147	7,851
2009	7,261	2,094
2010	8,790	2,801
2011	8,729	4,779
2012	12,618	10,684
2013	15,773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



Source: flydenver.com, COS airport, cber.co.

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Air Travel

The number of DIA passengers through June 2023 (yellow) was 13.6% above the YTD total for 2022 (red) and significantly above the YTD total for 2021 (blue).

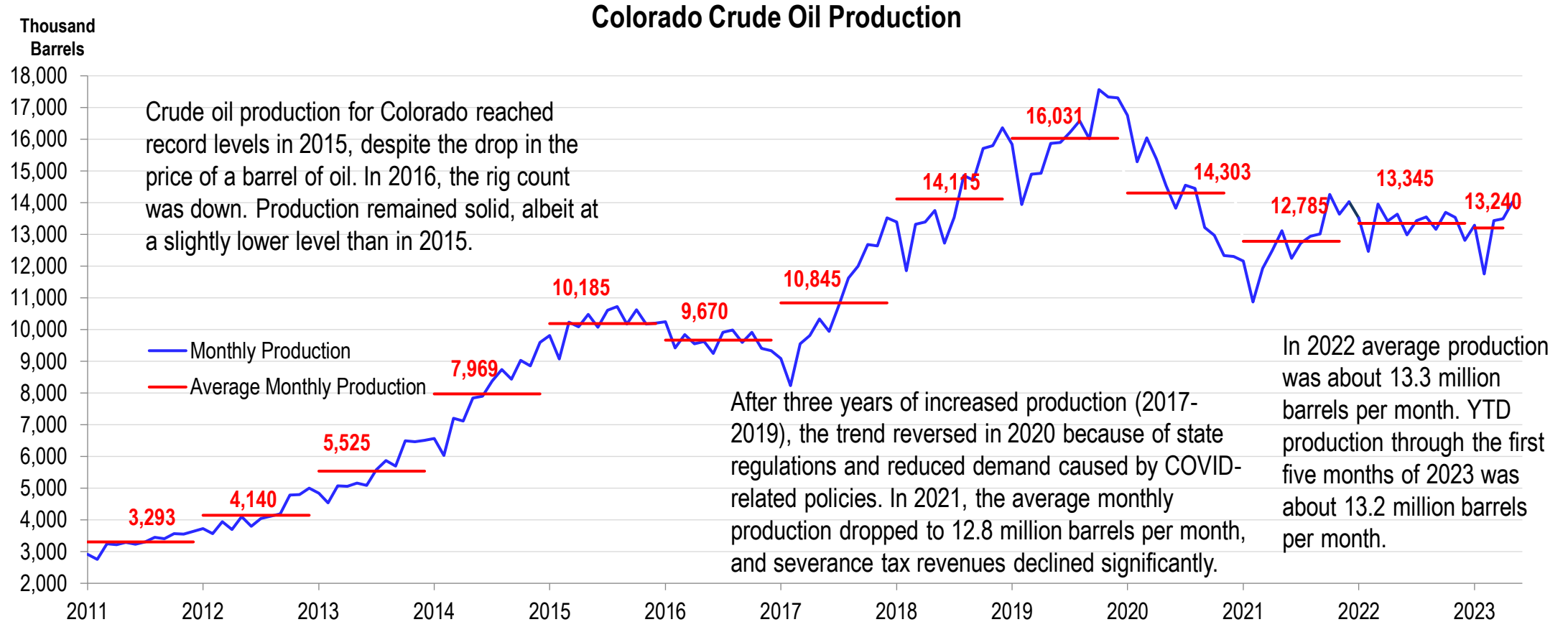
Approximately 72 million passengers will pass through DIA in 2023.

Through June, the number of YTD passengers through the Colorado Springs (COS) airport is up 1.6%.

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%

Colorado Field Production of Crude Oil

2011 to 2023 (Thousand Barrels)



Source: EIA, https://www.eia.gov/dnav/pet/pet_crd_crpdn_adc_mbb1_m.htm, cber.co.

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Colorado Economic Outlook

Colorado Economic Forecast 2023

In 2023, the Colorado real GDP growth rate will be 2.0% compared to 1.9% 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 more slowly 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 is more of a problem in Colorado than in the U.S. 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	\$393.5	
% Change Real GDP	-1.4%	5.8%	3.2%	2.0%	
CES Employment (thousands)	2,652.7	2,750.9	2,864.9	2,894.9	
Annual Change (thousands)	-137.4	98.2	114.0	30.0	
% Change	-4.9%	3.7%	4.1%	1.0%	
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	

More than 72 million passengers will pass through DIA in 2023. There will be solid 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 (housing) 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 July 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 Regional Economic Partnership, 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 Advanced Industries grant program, and he served on the 2021 Colorado Legislative Redistricting Commission.