



Economic Outlook and Trends Through September 2023

United States and Colorado

Storm Clouds and Sunshine on the Horizon
What is Next?

cber.co
Colorado-based Business and
Economic Research
Prepared
October 20, 2023

Economic Outlook and Trends

September 2023

Purpose and Overview

The purpose of this chartbook is to review the outlook and performance of the Colorado and U.S. economies. The analysis focuses on available data for the first nine months of 2023 and trends for the remainder of the year and into 2024.

Economists have mixed opinions about the future of the U.S. and Colorado economies. There is a strong case for each of three economic scenarios in the next nine months:

- Solid growth
- Slowdown in economic activity and the labor market
- Recession or downturn.

We hope for the best, but the third option is most likely.

Contents

The contents of the chartbook focus on the following topics.

- Key Issues
- Gross Domestic Product and Real Disposable Personal Income Per Capita and Real Median Household Income.
- U.S. and Colorado Employment, Unemployment, Earnings, and Net Migration by Establishments
- 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 has slowed since Q2 2022, yet it remains resilient.
- 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.
- Energy regulations are often ineffective and counterproductive.
- There are many housing and construction issues.
- Retail purchases are increasing at a decelerating rate.
- The war in Eastern Europe is now accompanied by war in the Middle East.
- Manufacturing appears to be coming out of a recession. The service economy continues in an expansionary mode.
- Federal investments (IRA and Chips Act) will benefit select sectors. Many small businesses are struggling.
- China's real estate economy is faltering.

Colorado

- The Colorado labor market is solid, but it has slowed in 2022.
- Unemployment remains low. There are severe labor shortages.
- The Colorado inflation rate is higher than the U.S. rate. Inflation in rural Colorado may be greater than the urban rate.
- The state's regulatory environment is unfriendly to businesses.
- The Case Shiller index shows that Denver housing prices have depreciated faster than the U.S.
- Denver home sales decreased significantly in September.
- Rate hikes by utility companies, such as Xcel Energy, help make Colorado a more unaffordable place to live.
- The slowdown in Colorado construction permits continues.
- 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

Resilience or Recession

Resilience or Recession

Within the past month, economists have expressed three scenarios for the economy:

- The labor market will remain resilient. There will be no recession.
- There will be a slowdown in economic activity and the labor market.
- Economic activity will deteriorate, and a shallow recession will occur in early 2024.

Each of these scenarios has provided media websites with extensive clickbait!

The Conference Board (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. Instead, the economy had modest growth. The August forecast called for a mild recession in Q4 2023 and Q1 2024. The September and October forecasts called for a slowdown in Q4 2023 and a shallow recession in Q1 2024.

The current TCB forecast has identified the following headwinds:

- Elevated inflation
- High-interest rates
- Reduced savings levels
- Mounting consumer debt
- Lower government spending
- Slower personal consumption
- Decelerating wage growth
- Wars in the Middle East and Eastern Europe.

Real GDP growth will be +2.2% in 2023 and +0.8% in 2024.

U.S. Real GDP Growth

The Conference Board Forecast (October 2023)

Real GDP and Economic Growth

The Conference Board forecast projects real GDP growth of 2.2% in 2023 and weaker growth in 2024. Real Disposable Income will increase by 3.6%, and Real Personal Consumption will increase by 2.1%. Residential investment will change by -11.2% in 2023, and non-residential investment will increase by 4.1%. Government spending will increase by 3.4% in 2023.

Other Economic Factors

There will be slower growth in exports in 2023 and similar growth in 2024. The U.S. unemployment rate will be 3.6% and increase to 4.0% in 2024. The annual PCE inflation rate will drop to 3.6%, and the core rate will be 3.8% in 2023. Inflation will approach the Fed's target rate in 2024. The Fed Fund rate will decline to 4.375% in 2024.

Conference Board US Real GDP Growth Forecast

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2022	2023	2024
Real GDP (YOY)	3.6%	1.9%	1.7%	0.7%	1.7%	2.4%	2.6%	2.2%	1.9%	2.2%	0.8%
Real Disposable Income	-10.6%	-2.3%	3.2%	2.5%	8.5%	3.3%	0.9%	0.6%	-6.2%	3.6%	0.9%
Real Personal Consumption	0.0%	2.0%	1.6%	1.2%	3.8%	0.8%	3.7%	0.8%	2.5%	2.1%	0.4%
Residential Investment	-1.9%	-14.1%	-26.5%	-24.9%	-5.3%	-2.2%	2.0%	1.5%	-9.0%	-11.2%	1.5%
Nonresidential Investment	10.7%	5.3%	4.7%	1.7%	5.7%	7.4%	1.1%	-1.5%	5.2%	4.1%	-0.5%
Total Gov't. Spending	-2.9%	-1.9%	2.9%	5.3%	4.8%	3.3%	2.4%	1.1%	-0.9%	3.4%	1.7%
Exports	-4.6%	10.6%	16.2%	-3.5%	6.8%	-9.3%	5.0%	4.0%	7.0%	2.5%	2.6%
Unemployment Rate	3.8%	3.6%	3.6%	3.6%	3.5%	3.6%	3.7%	3.8%	3.6%	3.6%	4.0%
PCE Inflation (%Y/Y)	6.4%	6.6%	6.3%	5.7%	4.9%	3.7%	3.4%	3.2%	6.3%	3.8%	2.4%
Core PCE Inflation (%Y/Y)	5.3%	5.0%	4.9%	4.8%	4.6%	4.4%	3.9%	3.3%	5.0%	4.1%	2.4%

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

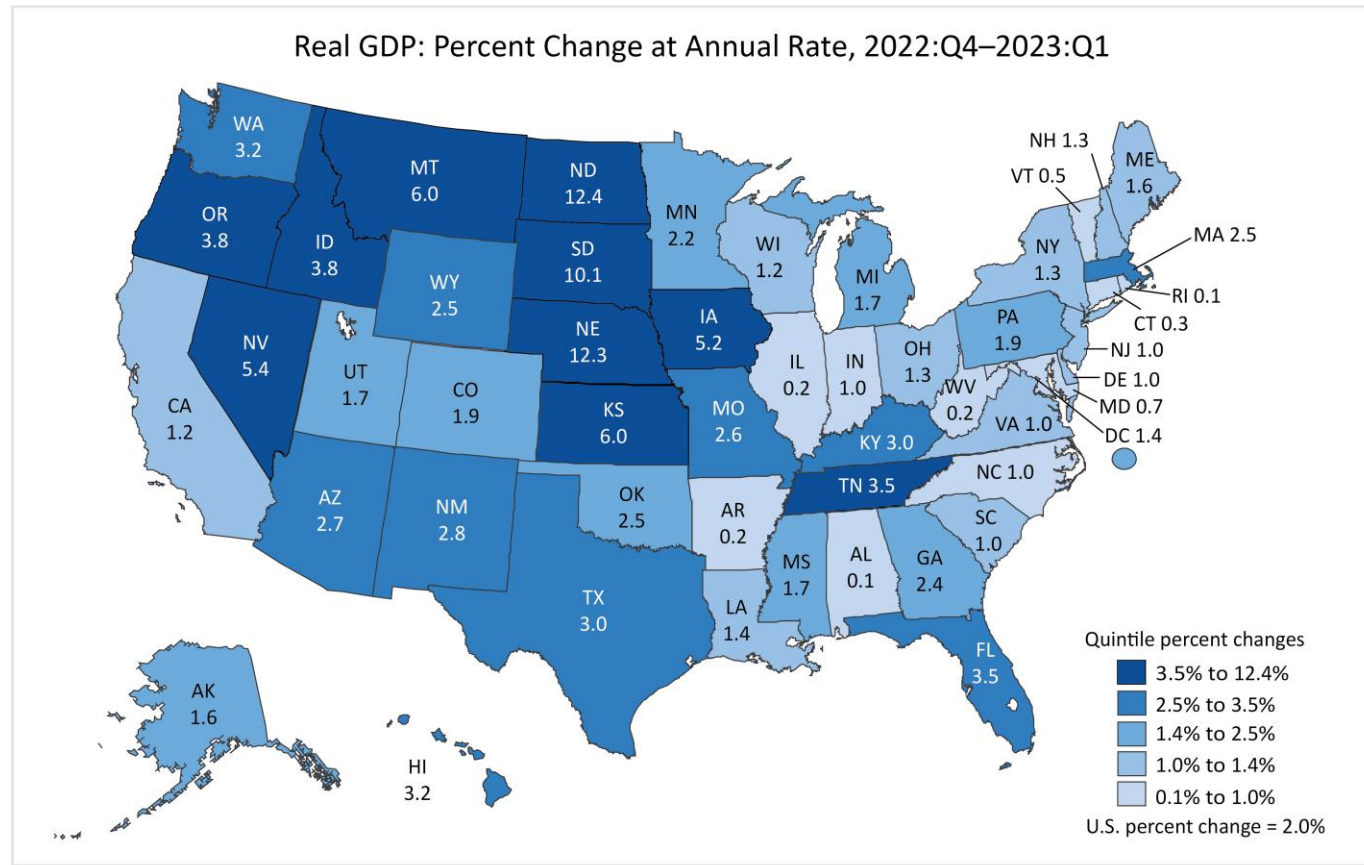
Colorado Quarterly GDP

2022 through Q1 2023

Colorado Real GDP Percentage Change

The Colorado and U.S. growth rates were similar for the last three quarters.

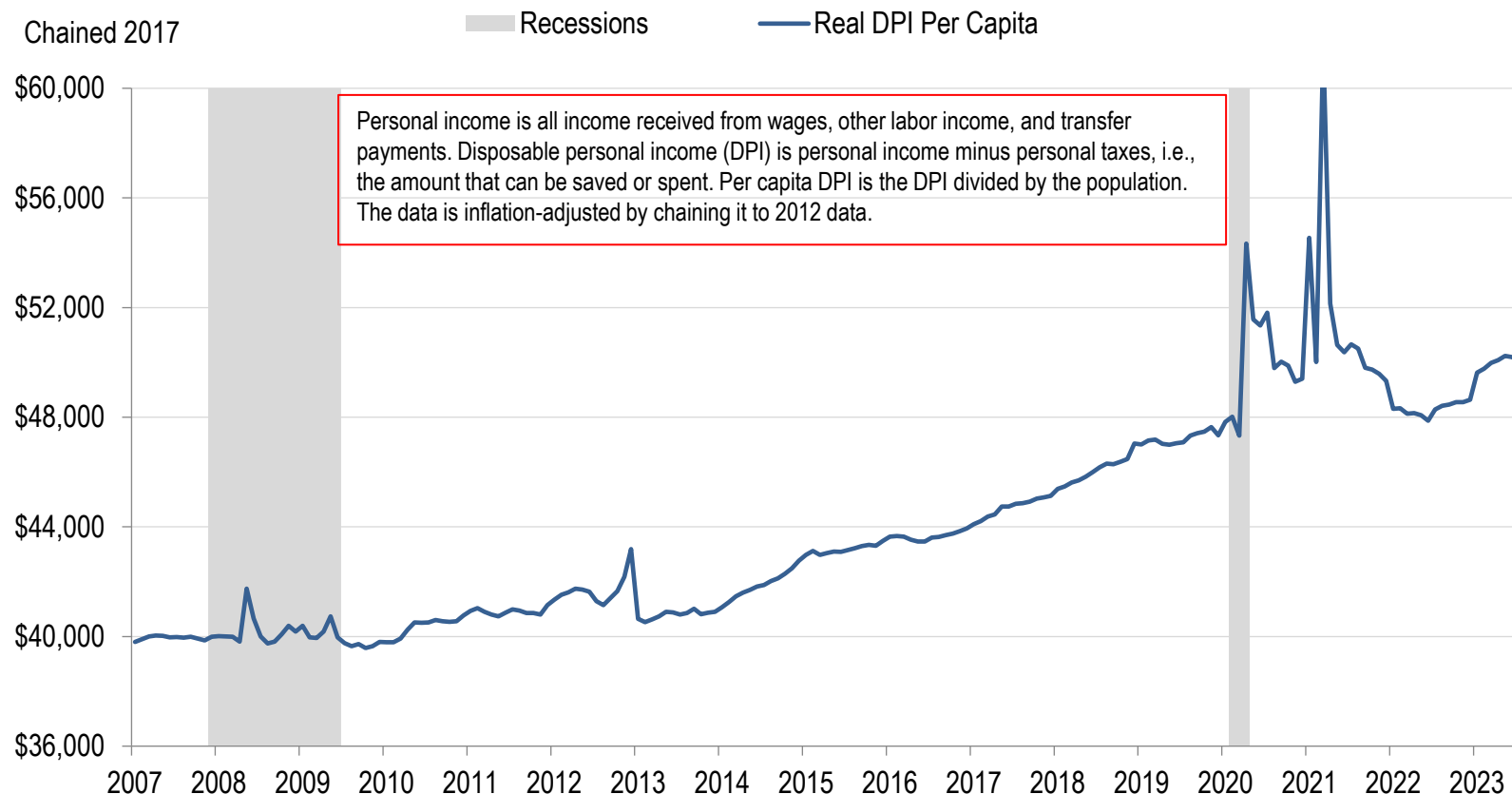
The data on the map shows that real GDP gains were lackluster compared to other states, i.e., Colorado has not been a leading state in economic activity.



Real Disposable Personal Income Per Capita

United States

Real Disposable Personal Income Per Capita



Source: FRED, BEA, SAAR, chained on 2017 dollars cber.co. Note that the RDPIPC was previously chained on 2012 data.

Real DPI Per Capita (RDPIPC)

In August 2023, RDPIPC was \$46,741. It was less than the previous month but 3.2% greater than August 2022.

Real Disposable Annual (Average)

Year	RDPIPC	% 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%

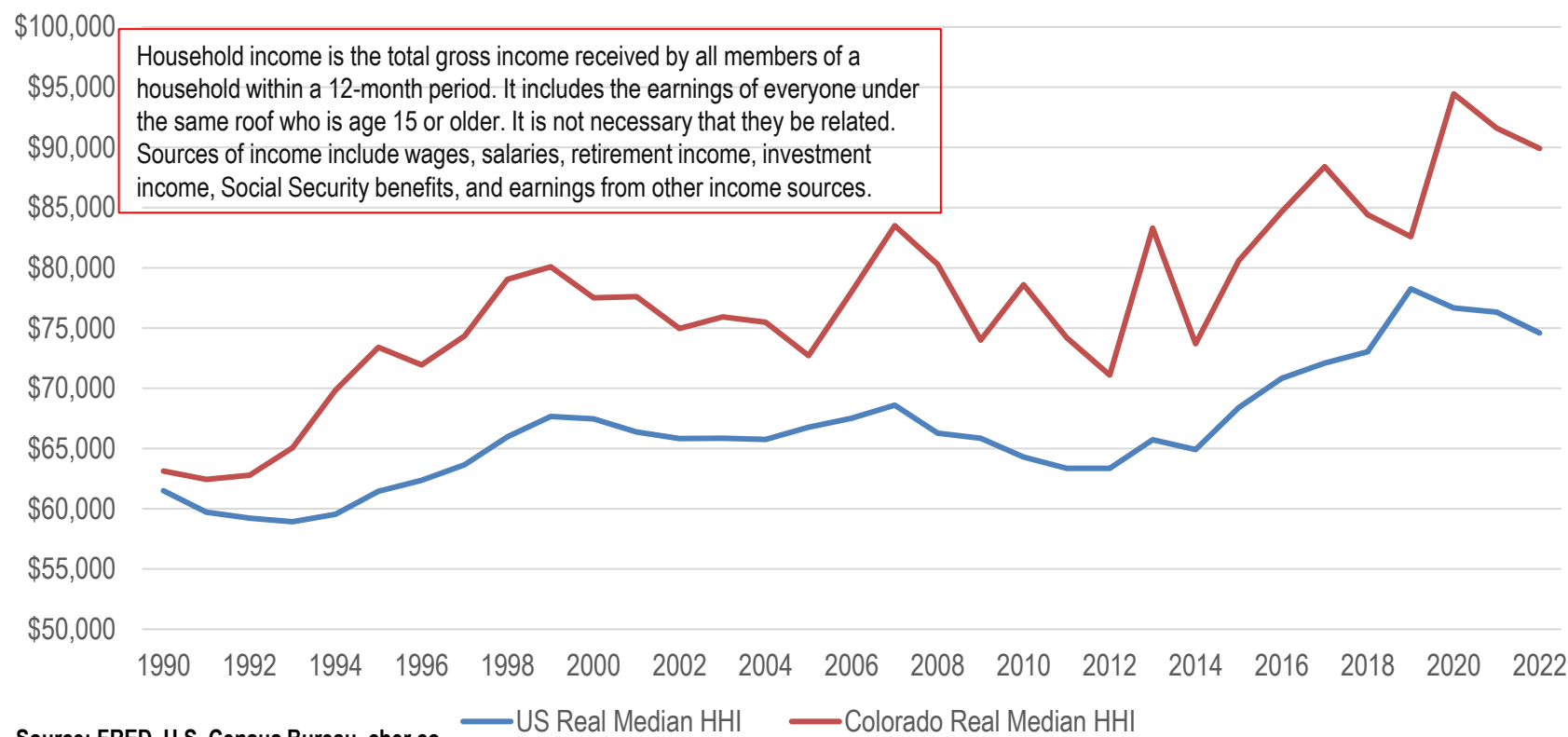
The RDPIPC behaved very differently in the COVID-19 recession than during the Great Financial Crisis. There was much more money in the system between 2020 and 2022. After peaking at \$61,512 in March 2021, it bottomed out at \$47,812 in June 2022. It increased through May of 2023, then tapered off.

Real Median Household Income

Colorado vs. United States Annual

2021 CPI
Adjusted

Real Median HHI



Real Median Household Income (HHI)

U.S. Median HHI (blue) changed by -2.0% in 2020, -.4% in 2021, and -2.3% in 2022.

Colorado Median HHI (red) changed by -3.0% in 2021 and -1.8% in 2022.

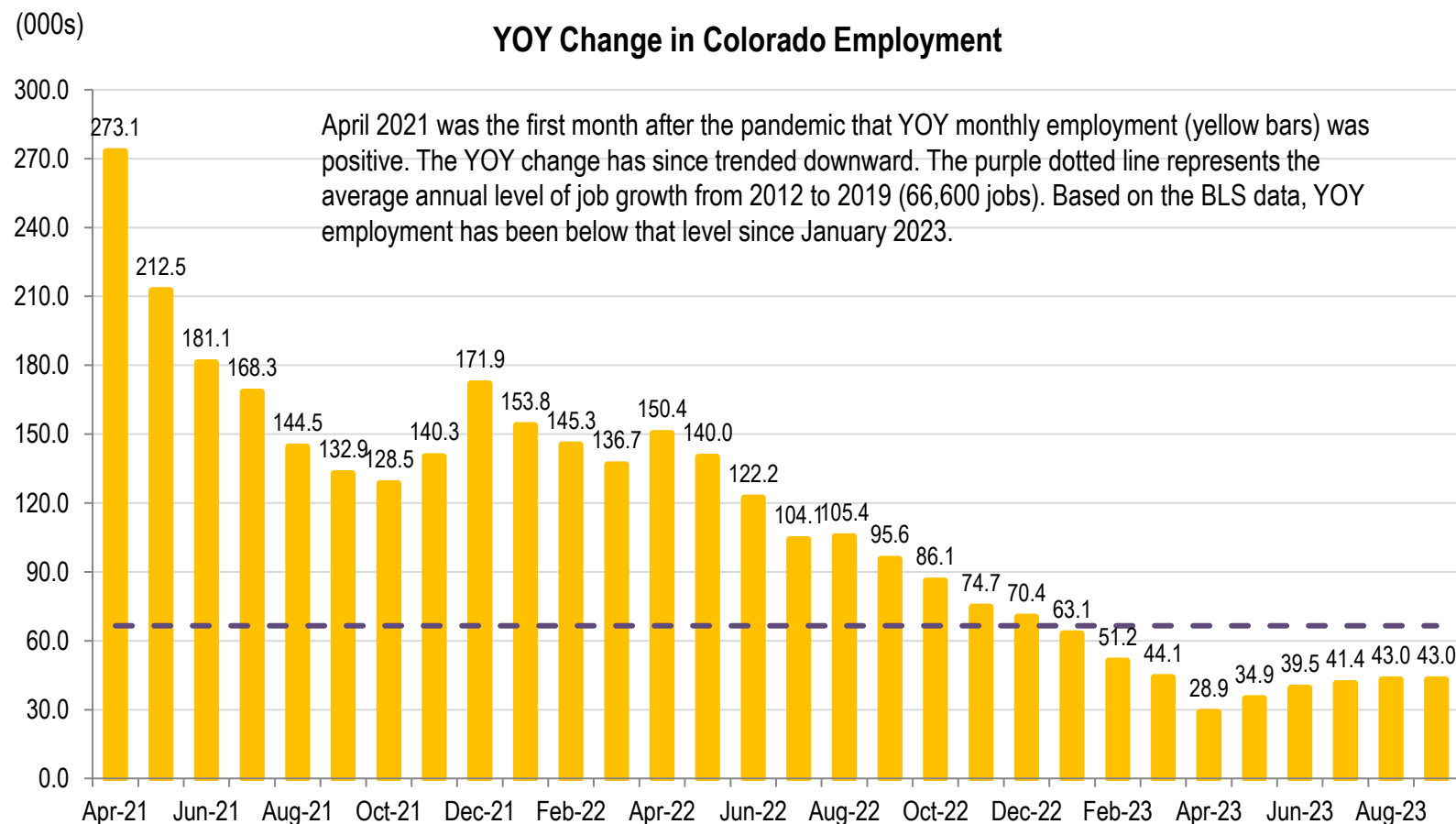
Inflation and the elimination of COVID-related subsidies caused the decline in 2022.

In 2022, the Colorado Real Median HHI was \$89,930 compared to \$74,850 for the U.S.

U.S. and Colorado Employment and Unemployment

Change in Colorado Employment

Monthly (April 2021 through August 2023)



Source: Bureau of Labor Statistics, cber.co.

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

Estimated Benchmark Revision for 2023

Colorado Labor Market Information (LMI) uses UI data to compile the QCEW employment numbers used by BLS as the foundation for its benchmark revisions to the CES employment data series. Official 2023 benchmark revisions will occur in Q1 2024.

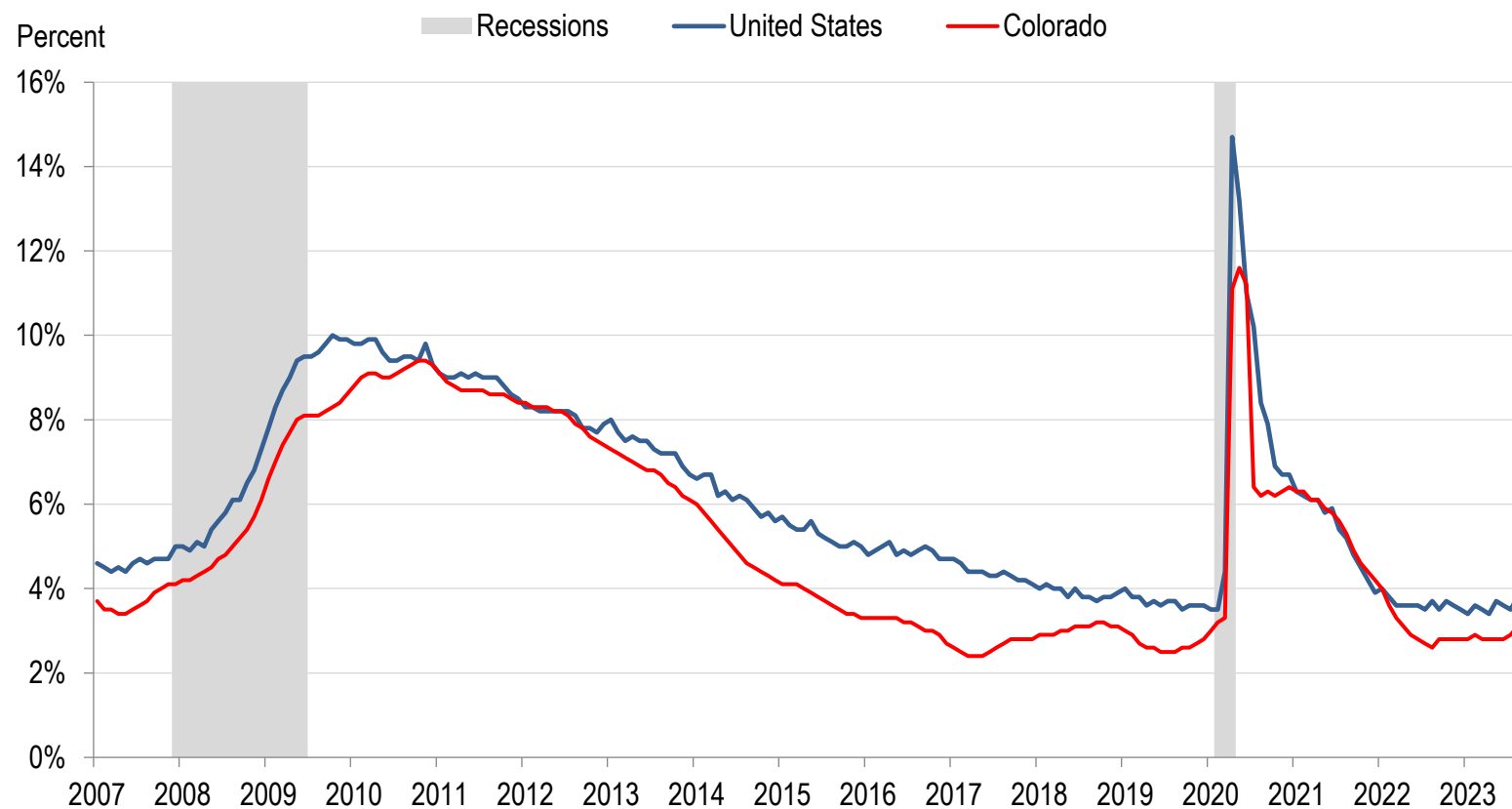
Colorado LMI recently released a report estimating that the current BLS data understates employment by .7% to .9%. If the LMI report is correct, the benchmark revision will increase the monthly BLS data by 20,000 to 30,000.

In other words, the annual YOY change (2023 vs. 2022) will be about 60,000, slightly below the purple dotted line.

Unemployment Rate

United States and Colorado

U.S. and Colorado Unemployment



Source: BLS, SA, cber.co.

Unemployment Rate

The Colorado unemployment rate increased to 3.2% in September, and the U.S. rate remained at 3.8%. The economy operates inefficiently when the unemployment rate is this low.

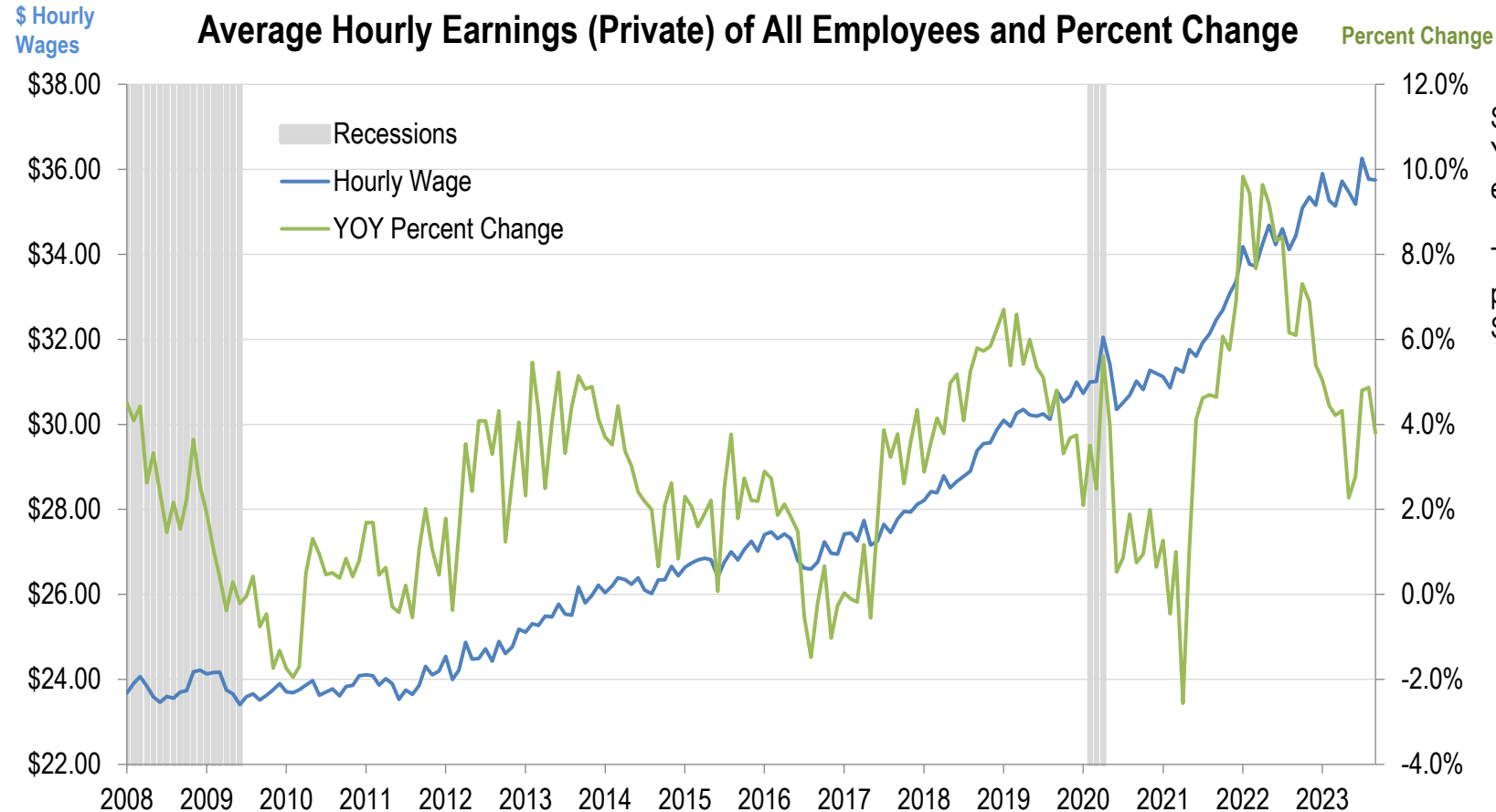
Annual Unemployment Rate

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%

August data shows there were about 100,000 unemployed Coloradans to fill 204,000 job openings. Although there are about two openings per unemployed worker, companies fill most job openings from the pool of employed workers rather than unemployed workers.

Average Hourly Earnings of All Employees (Private)

Colorado



Hourly Wages and Percent Change

September hourly wages (blue) were \$35.75, a YOY increase of 3.8% (green). September earnings were less than in January.

The current rate of wage growth is down from a peak of 9.4% in February 2022 to 3.8% in September 2023.

Annual Wages and Change

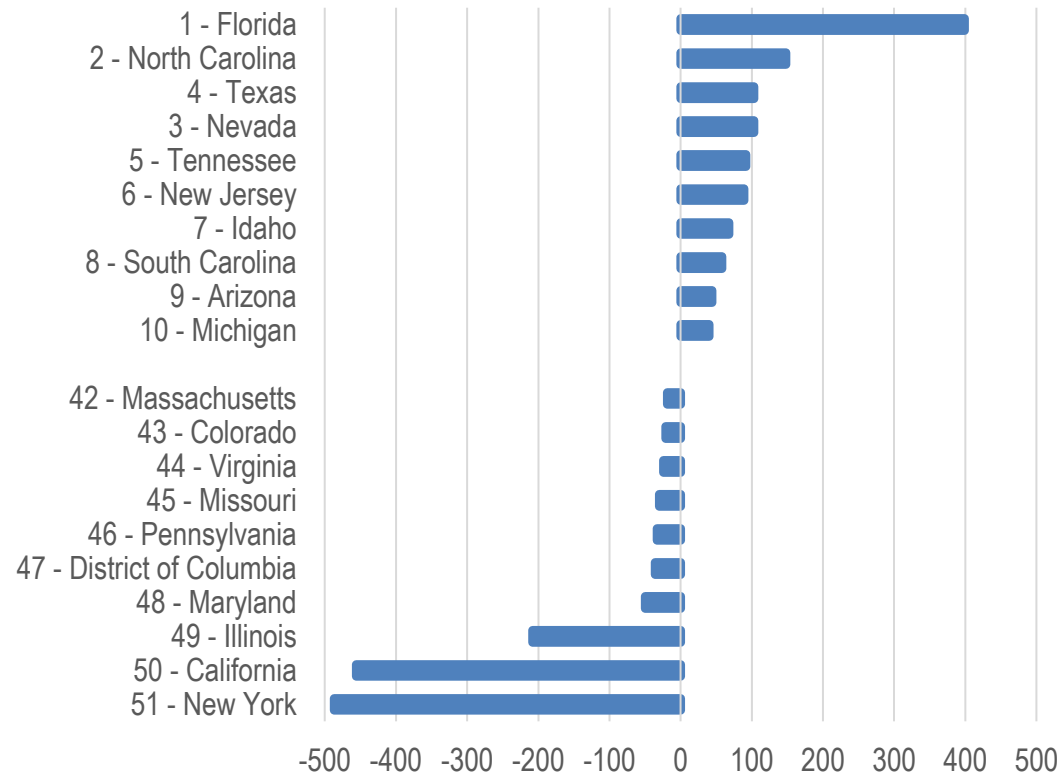
Year	CO CPI	Wages	Change
2017	3.4%	\$27.60	2.0%
2018	2.7%	\$28.92	4.8%
2019	1.9%	\$30.37	5.0%
2020	2.0%	\$30.99	2.0%
2021	3.5%	\$31.97	3.2%
2022	8.0%	\$34.47	7.8%

Source: BLS, cber.co

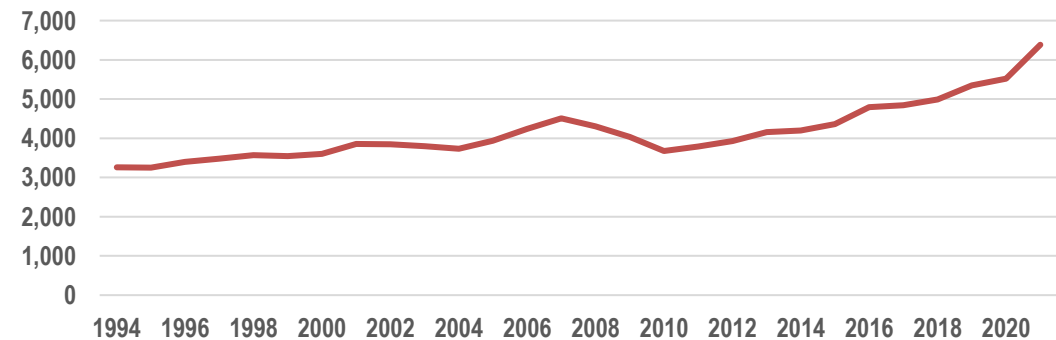
Source: BLS, NSA, cber.co.

Net Migration by State – Single Establishment Firms 2021

State Rank Net Firm Migration (Single Establishment Firms) – 2021
Rankings 1-10 and 42-51



Total Migration (Single Establishments) 1994 to 2021



Net Firm Migration Single Establishments (2021)

Net migration of single establishments has occurred more frequently since 2010.

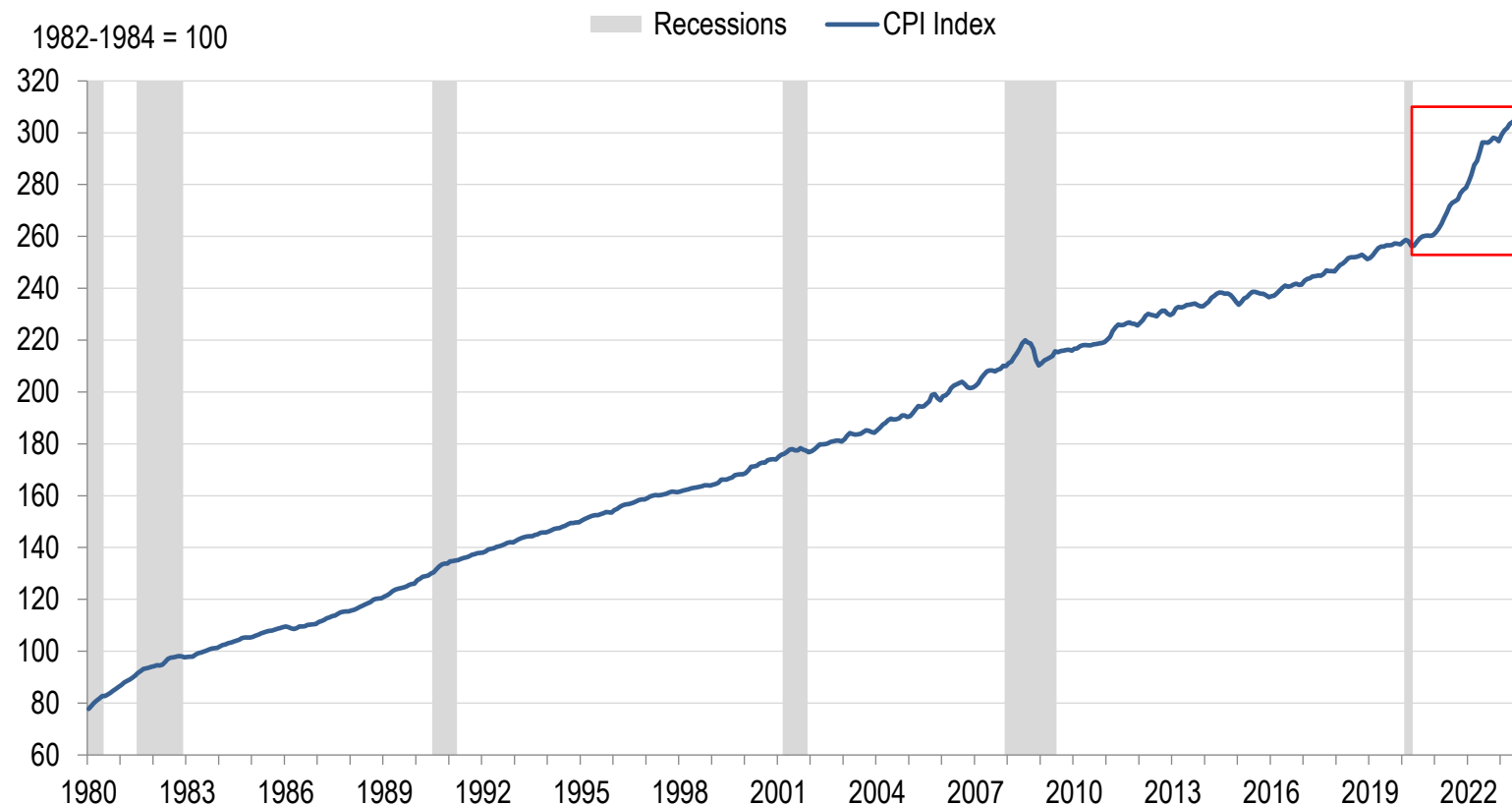
- Total migration of single-family establishments almost doubled between 1994 and 2021.
- The South had a net gain. The West, Northeast, and Midwest had net losses.
- The states with the most net gains were Florida, North Carolina, and Texas.
- The states with the most net losses were New York, California, and Illinois.
- Colorado was ranked 43rd with a net loss of 21 firms.
- The average level of employment has declined over time but is usually 7 to 10.
- The Professional, Scientific, and Technical sector has the highest level of net migration.
- The full report is available at <https://www.bls.gov/opub/mlr/2023/article/firm-migrations-in-the-united-states-magnitude-and-trends.htm>.

Inflation

CPI Inflation

United States

U.S. CPI Inflation (NSA)



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

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

CPI Inflation

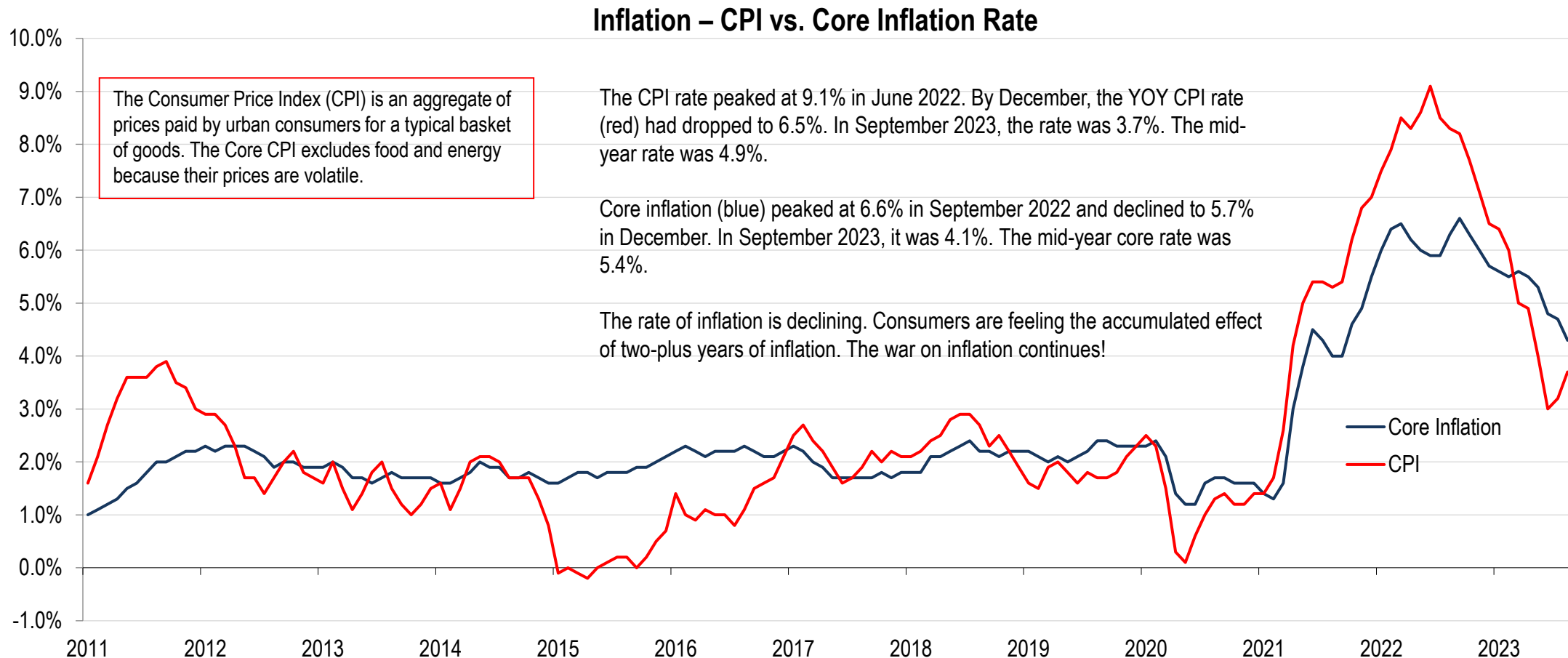
The chart shows the actual inflation data for the Consumer Price Index. The steep slope of the line in the red box shows the rapid increase since 2021. If a family had monthly expenses of \$5,000 in January 2021, those expenses would be \$5,883.22 in August 2023.

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

- The increase for September 2023 vs. September 2022 is 3.7%.
- The September annualized 2023 vs. September 2021 increase is 5.9%.
- The September annualized 2023 vs. 2020 increase is 5.7%.

CPI Inflation

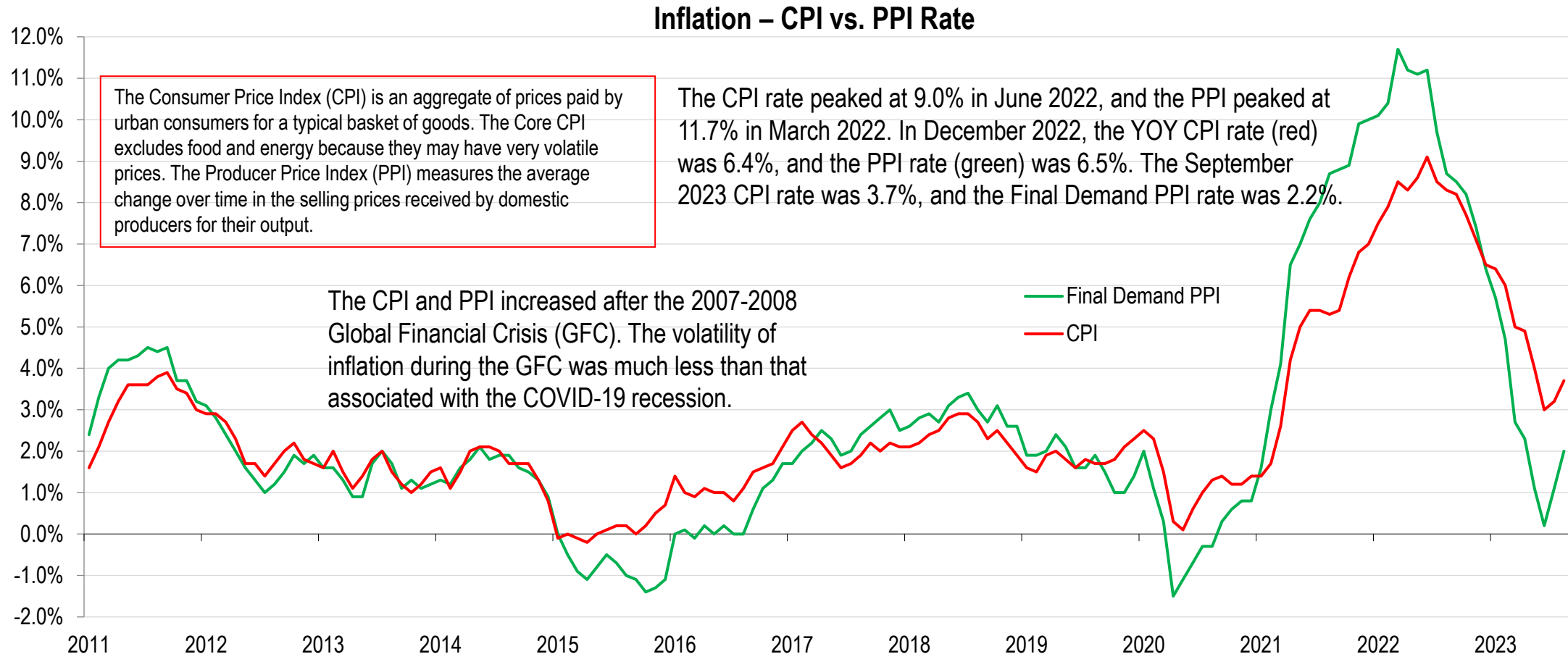
U.S. CPI vs. Core Inflation



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)

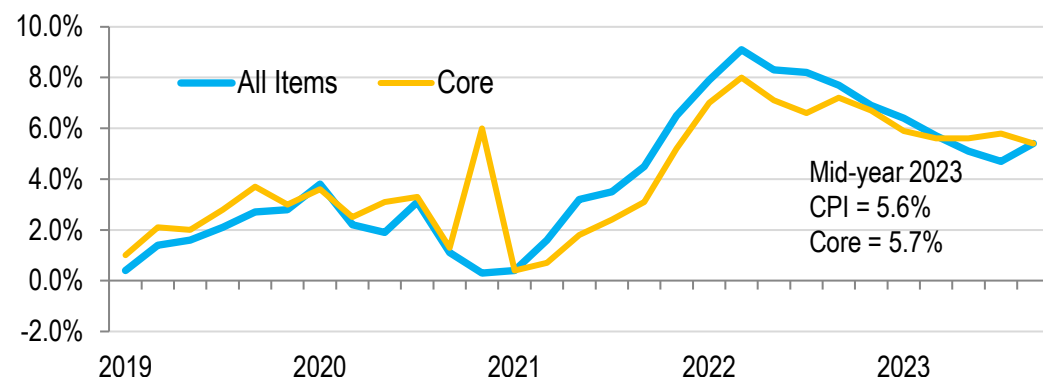


Source: Bureau of Labor Statistics, PPI Commodity Data, Final Demand SA; CPI All Items City Average SA, cber.co.
Colorado-based Business and Economic Research <https://cber.co>

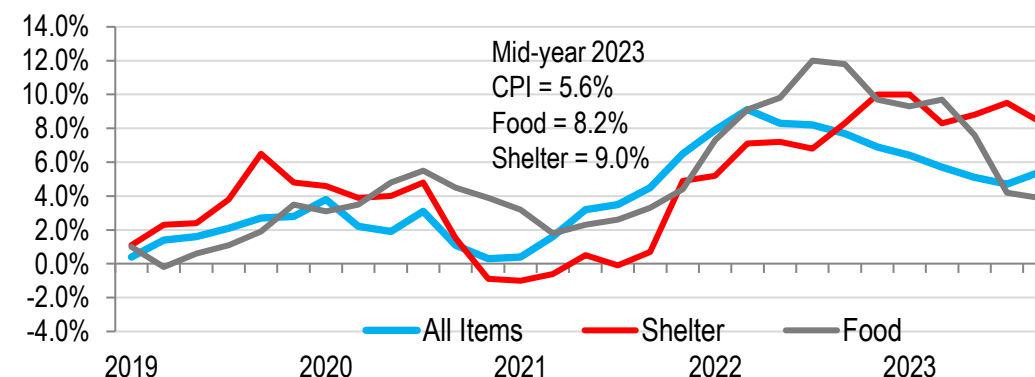
Bi-Monthly Change in Colorado CPI

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

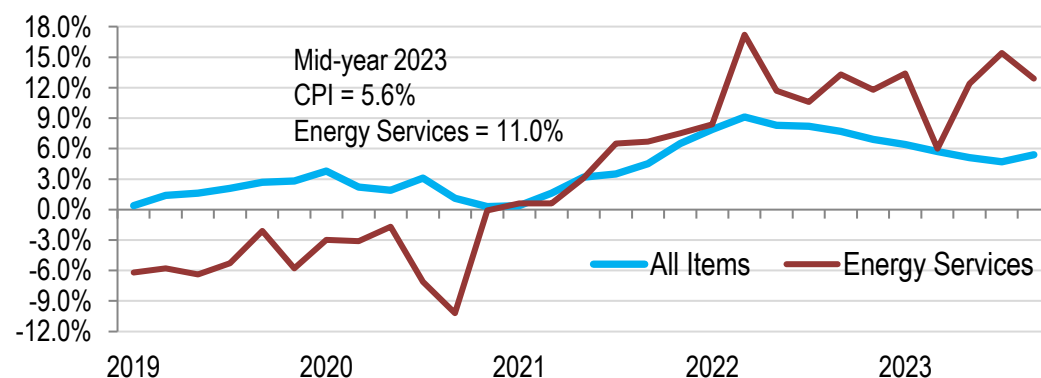
Colorado All Items vs. Core (All less Food and Energy)



Colorado All Items vs. Food and Shelter



Colorado All Items vs. Energy Services



Colorado CPI

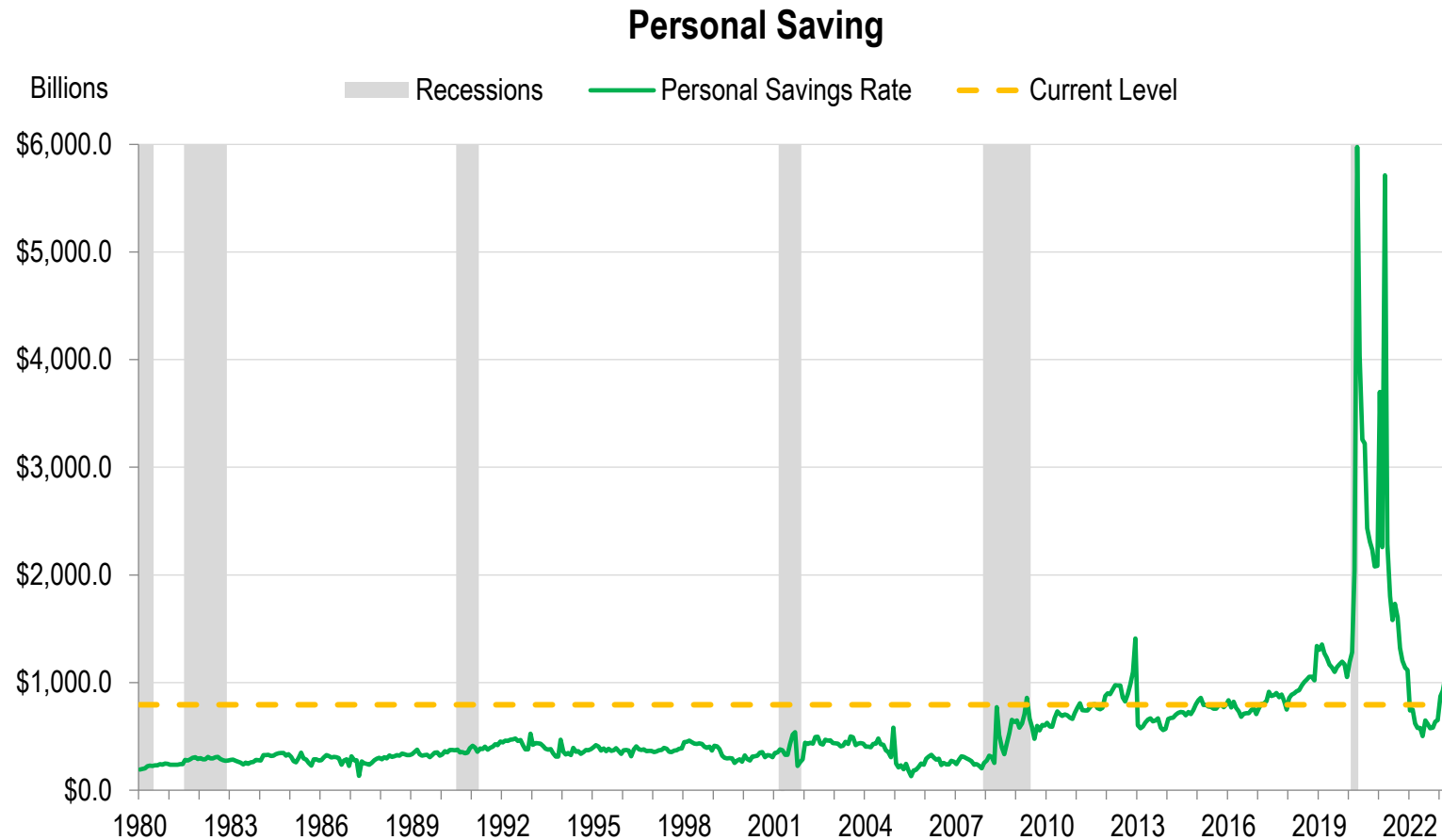
Inflation for most Colorado items is published bi-monthly. The charts illustrate three bi-monthly Colorado CPI comparisons. Mid-year inflation rates are also on the three charts. Takeaways are:

- (Upper left) Since March 2023, Colorado core inflation was at or above inflation for all items. Both are greater than the comparable U.S. CPI rates. The Colorado core rate has remained relatively flat in 2023.
- (Lower left) Since mid-2021, inflation for energy services (gas and electricity) has been greater than for all items. In August, energy services inflation decreased to 12.9%. Higher energy inflation will continue, given energy-related policies and rate increases from utilities such as Xcel Energy. The climate change agenda will be expensive and cause inflation to remain higher than usual.
- (Above) Inflation for shelter (red) was 8.4% in September, down from 9.5% in July. Inflation for food (gray) was 3.9% in September.

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

Saving, Borrowing, Consumption, and the Wealth Effect

U.S. Personal Saving



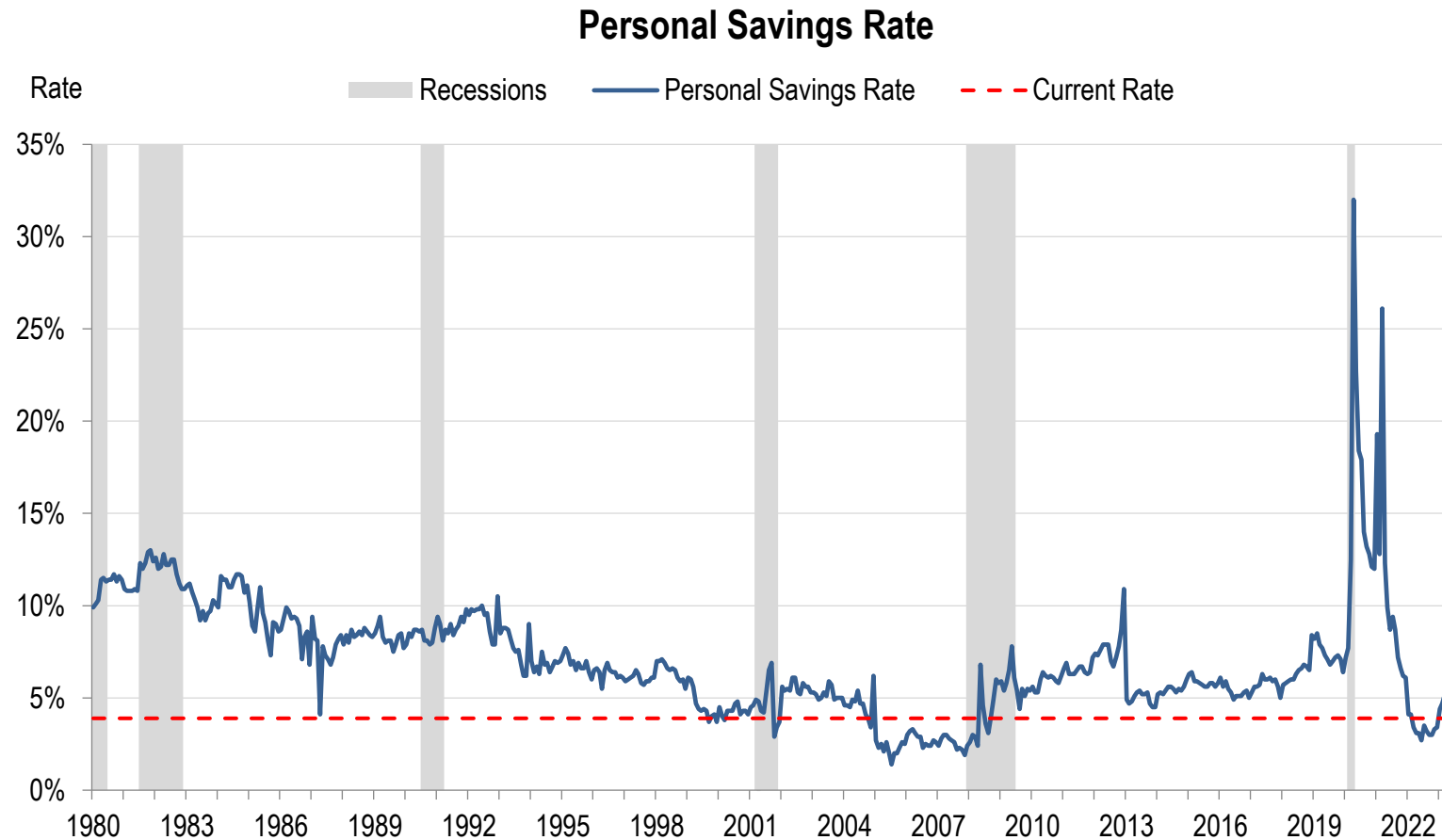
Personal Saving

The level of savings in August 2023 was \$794.1 billion, down from \$6.0 trillion in April 2020. Americans have either spent their savings or invested their money in other assets.

Source: Federal Reserve, FRED, cber.co.

U.S. Personal Savings Rate

Percentage of Disposable Personal Income (DPI)



Source: Federal Reserve, FRED, cber.co.

Personal Savings Rate

The August 2023 personal savings rate was 3.9%, and savings were \$794.1 billion, down from \$6.0 trillion in April 2020. That month, the savings rate was 32.0%. Since then, Americans have spent their savings or invested in other assets.

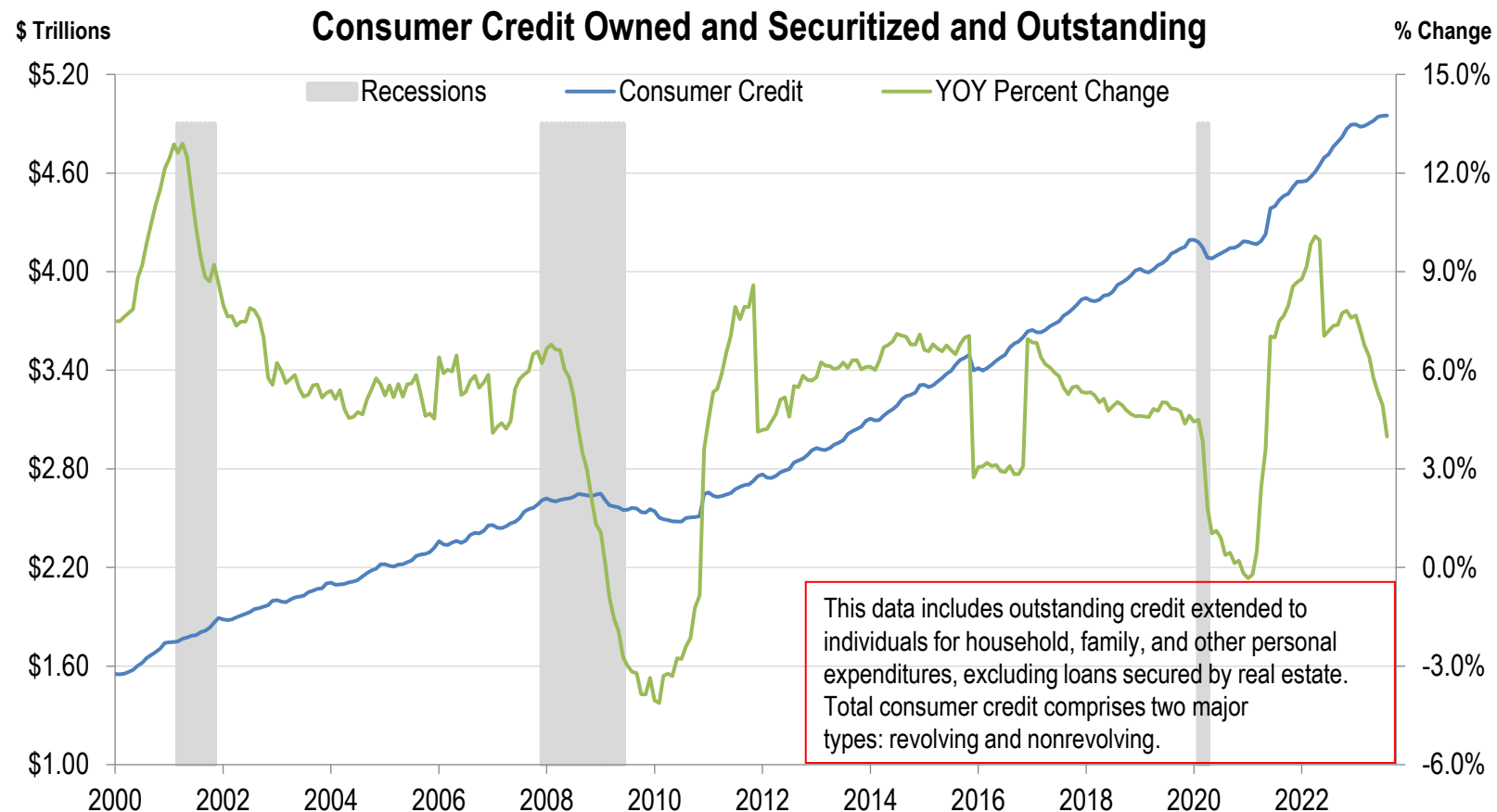
Year End Personal Savings (Billions) and Rate

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 32.0% in the early stages of the pandemic. It fell to 12.0% in November 2020, then rose to 26.1% in March 2021. In June 2022, the personal savings rate bottomed out at 2.7%.

U.S. Consumer Credit Outstanding



Consumer Credit

In January 2023, the YOY rate of outstanding consumer credit (including consumer loan defaults) increased by 7.7% (green). The YOY rate has since declined and was 4.0% in August 2023.

Outstanding Credit (Billions) and Percent Change

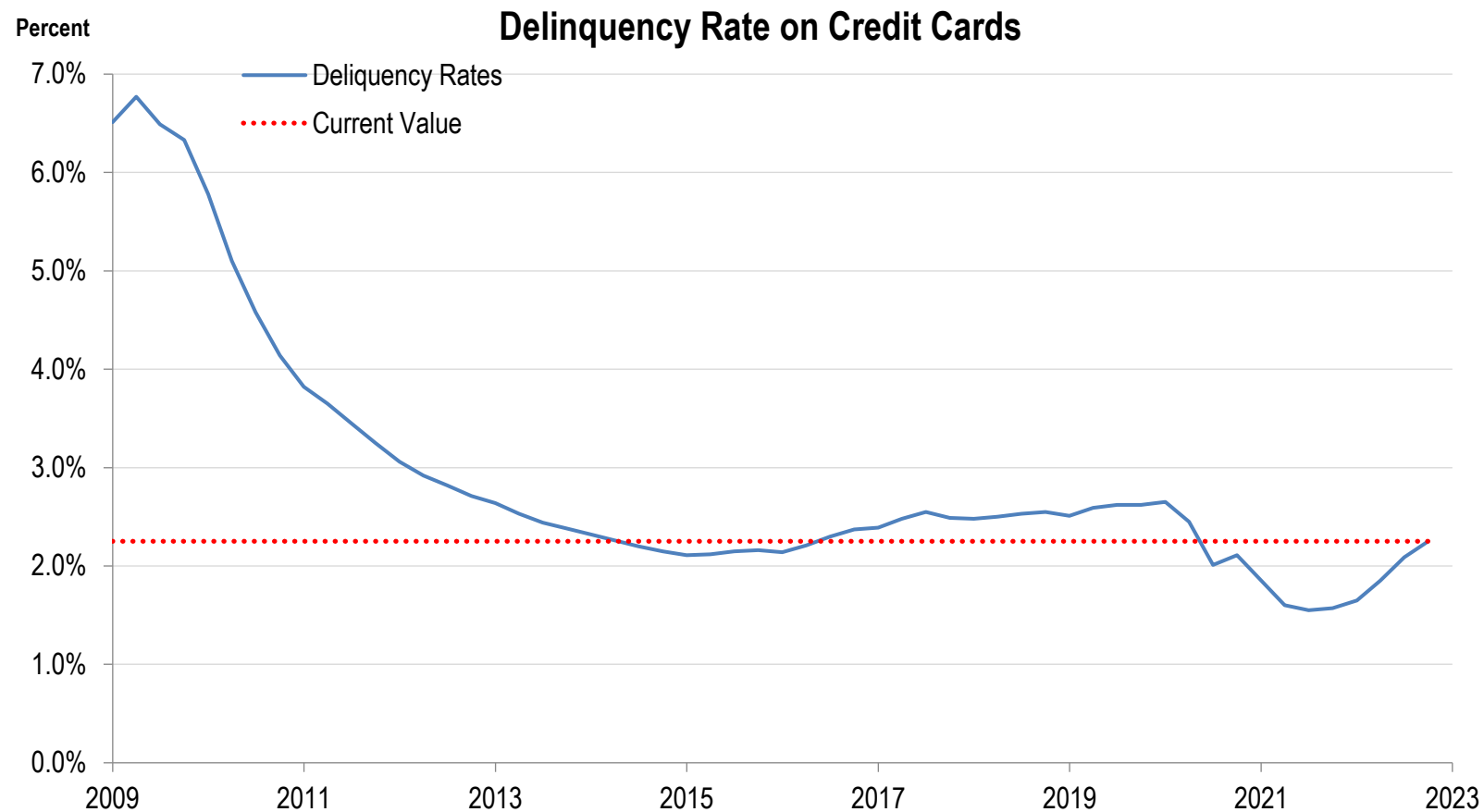
2017	\$3,830.8	5.3%
2018	\$4,007.0	4.5%
2019	\$4,192.2	4.6%
2020	\$4,184.9	-0.3%
2021	\$4,431.9	5.9%
2022	\$4,780.8	7.9%

Source: FRED, G-19, cber.co

From Q3 2008 to Q4 2010, consumers deleveraged and decreased the amount of consumer debt. The amount of credit authorized increased in 2018 and 2019 and declined in 2020 as consumers reduced expenditures and paid off debt during the pandemic (blue).

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

Delinquency Rate on Credit Cards



Source: FRED, Federal Reserve, SA.

Delinquency Rate on Credit Cards

In Q2 1999, the delinquency rate on credit cards at all commercial banks reached 6.77%.

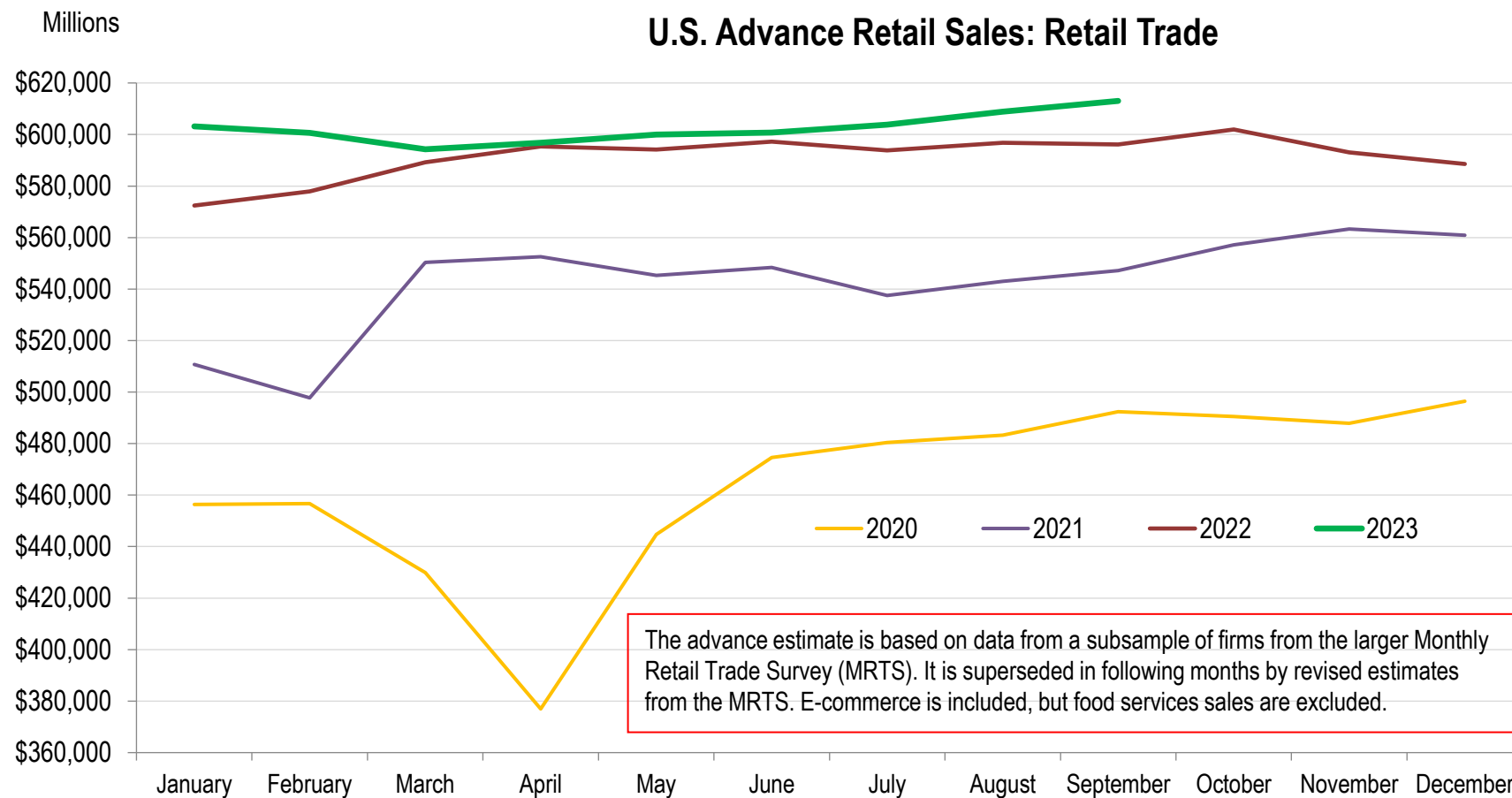
Since 2012 it has been below 3.0%.

In Q1 2016, it reached 2.14%, then rose to 2.65% in January 2020.

It then dropped to 1.55% in Q3 2021 and rose to 2.25% in Q3 2022.

U.S. Advance Retail Sales: Retail Trade

Monthly



Advance Retail Sales

There was a slight uptick in YOY advance retail sales for July (1.6%), August (2.1%), and September (3.0%). Total YTD sales through September 2023 (green) were 2.0% greater than YTD sales for the first nine 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)

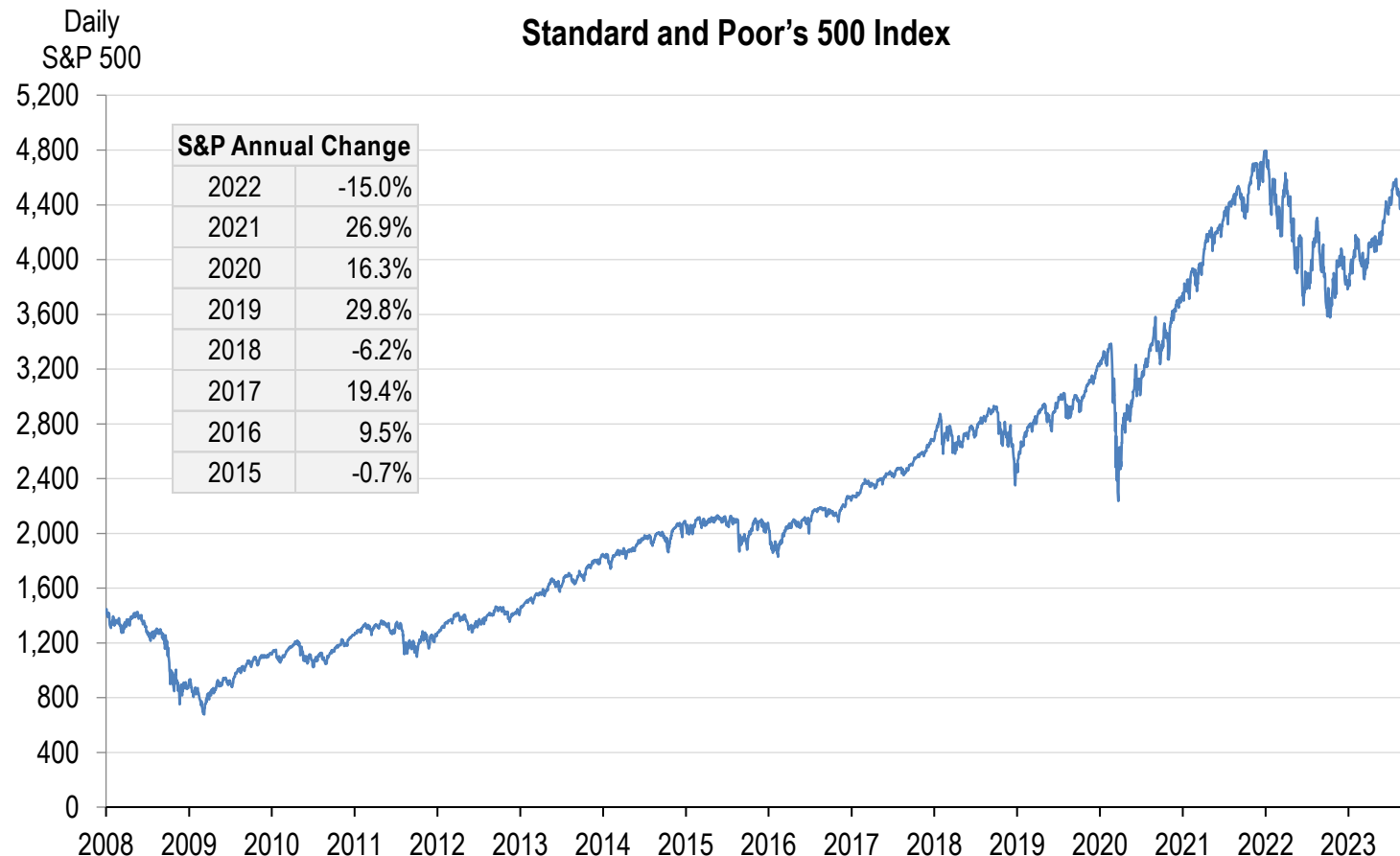
2017	\$5.04	4.4%
2018	\$5.25	4.1%
2019	\$5.39	2.7%
2020	\$5.57	3.3%
2021	\$6.51	16.9%
2022	\$7.10	8.9%

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



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

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

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, a change of **-15.0%**

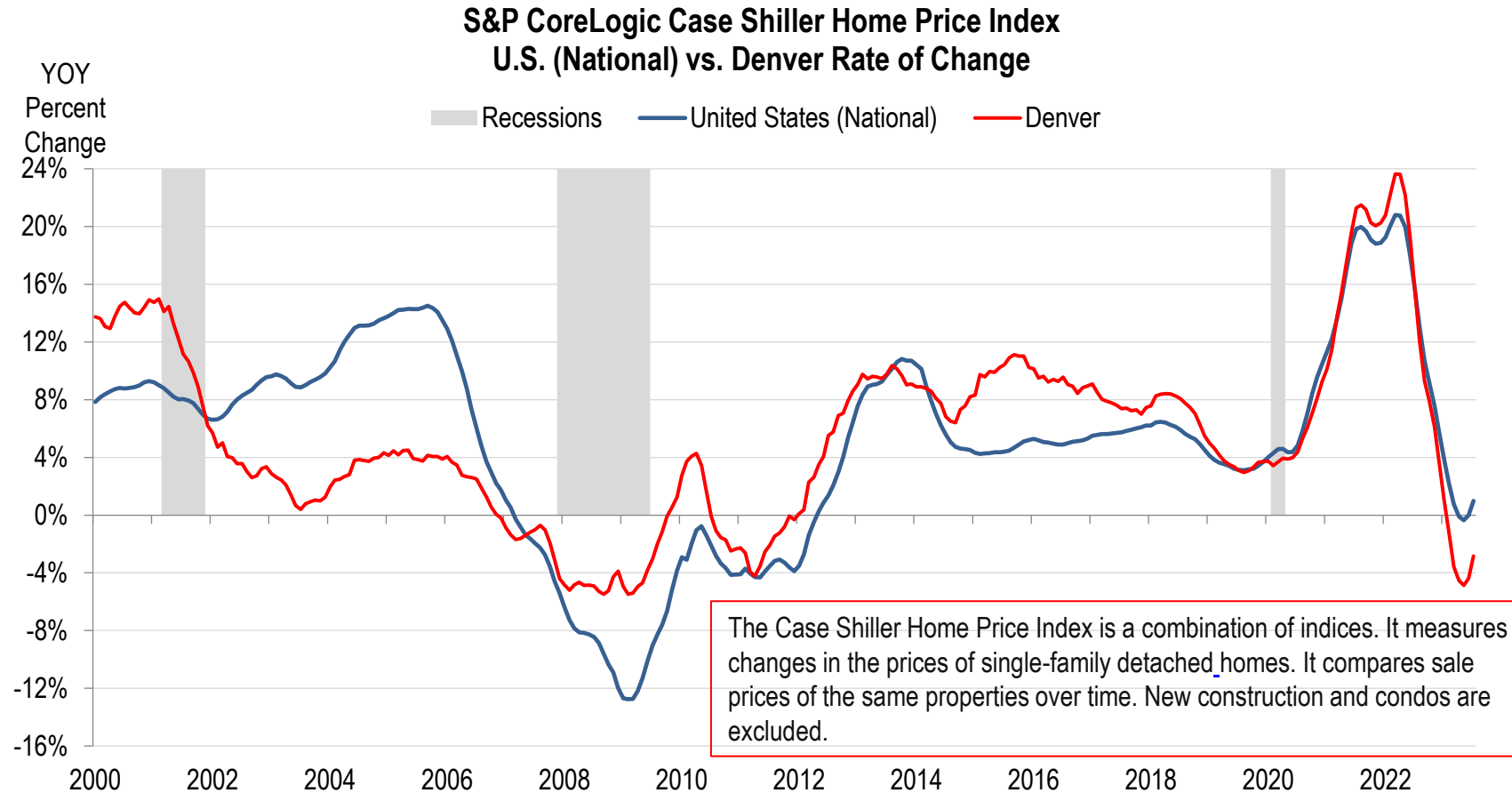
2023

October 20, 2023 4,224, YTD change **+10.0%**

In September, the market slowed. The Baby Bull market lasted through October. How much longer will it continue?

Case Shiller Home Price Index

YOY National vs. Denver Rate of Change



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

Change in S&P CoreLogic Case Shiller Index

The 2019 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.

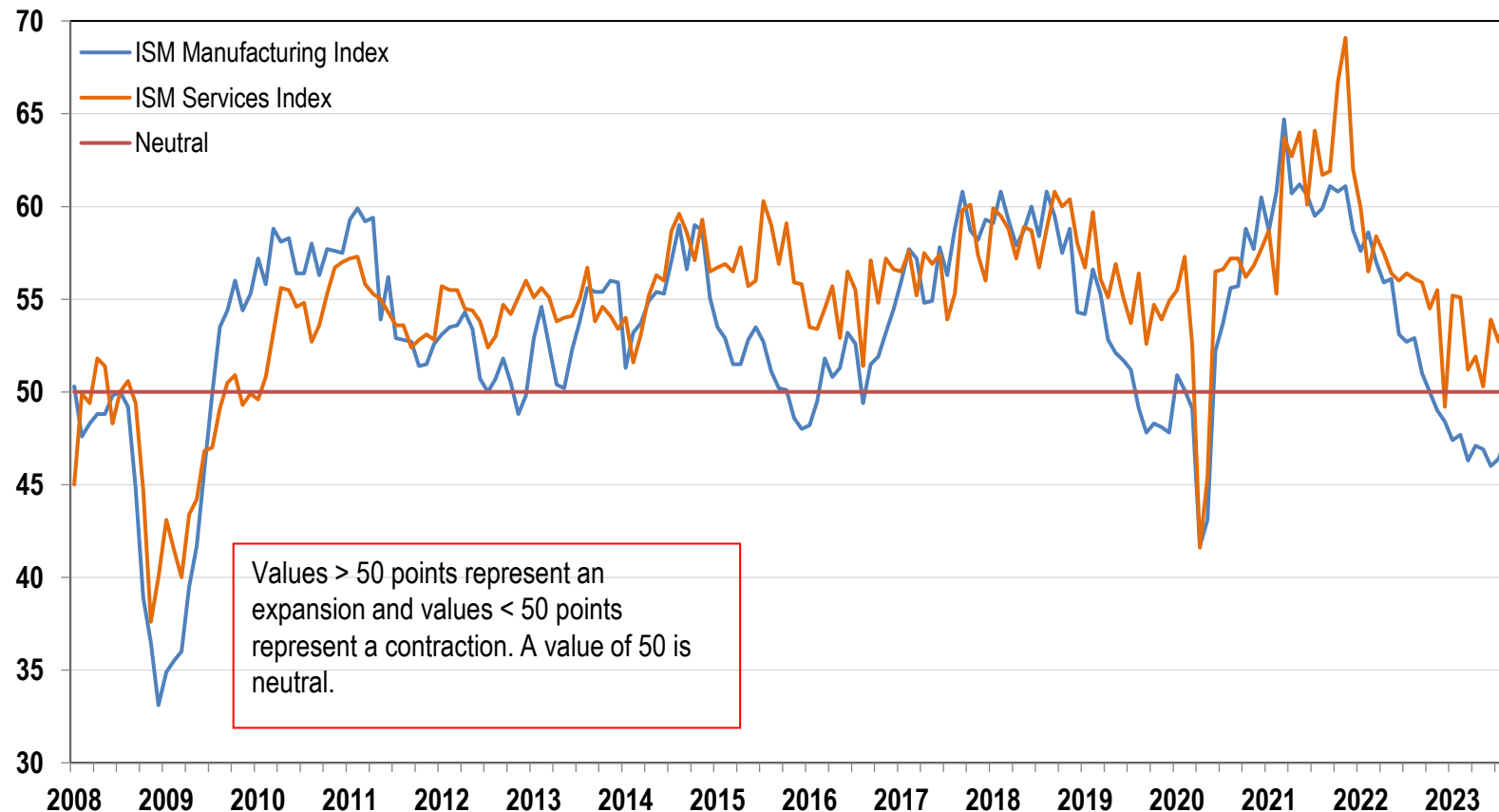
In July 2023, the change in the U.S. index was +1.0%, and the Denver index changed by -2.8%. Market prices may have turned.

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.

Manufacturing and Services PMI

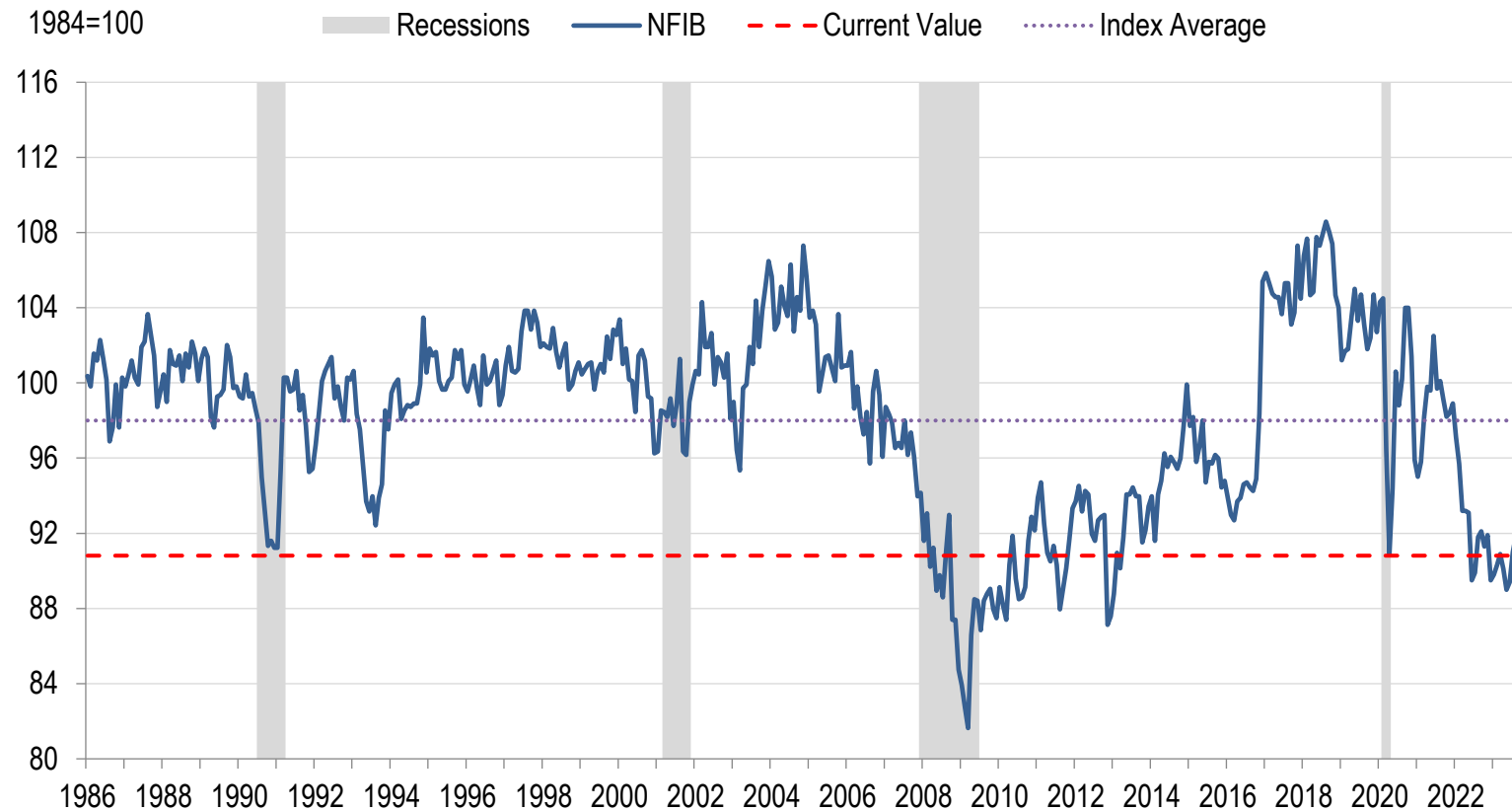
The ISM manufacturing index (blue) trended downward after peaking at 64.7 in March 2021. It dropped below 50 in November 2022 and was 49.0 in September 2023. Two of the six biggest industries posted gains.

The ISM service index (orange) has trended downward since November 2021. It fell below 50 in December 2022 but has been above 50 during the first nine months of 2023. It dropped slightly in September to 53.6. Businesses have concerns about headwinds, although most are optimistic about the economic conditions.

NFIB Small Business Optimism Index

United States

NFIB Small Business Optimism Index



Source: NFIB, cber.co.

NFIB Small Business Index

In September 2023, the NFIB index dropped slightly to 90.8 (red dotted line), the 21st consecutive month below the 49-year average of 98.0 (purple dotted line).

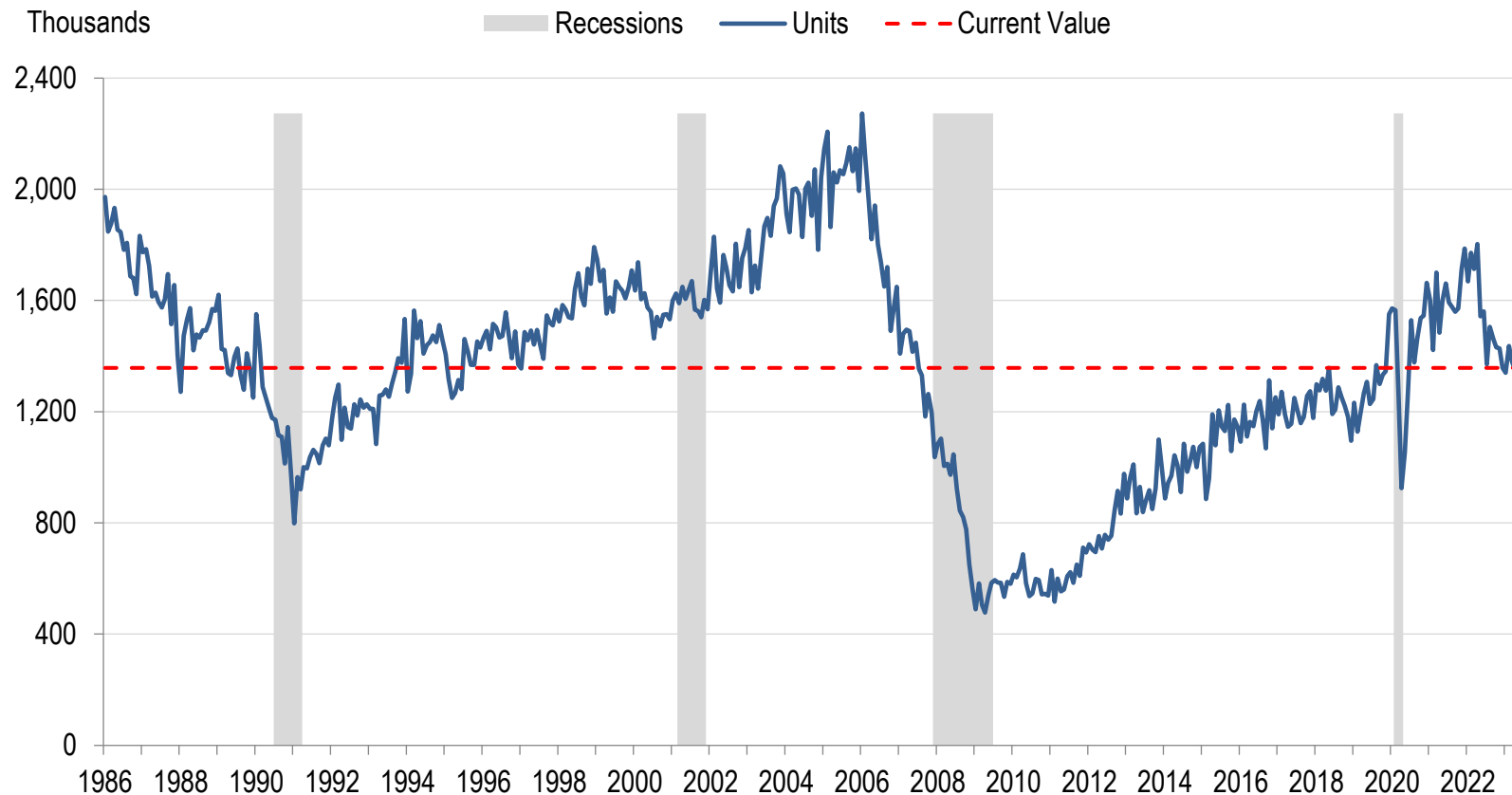
Owners continue to be pessimistic about future business conditions. Sales growth among small businesses has slowed, and costs have cut into profit margins. In turn, owners must raise selling prices to remain profitable.

The NFIB monthly SBET report is available at <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

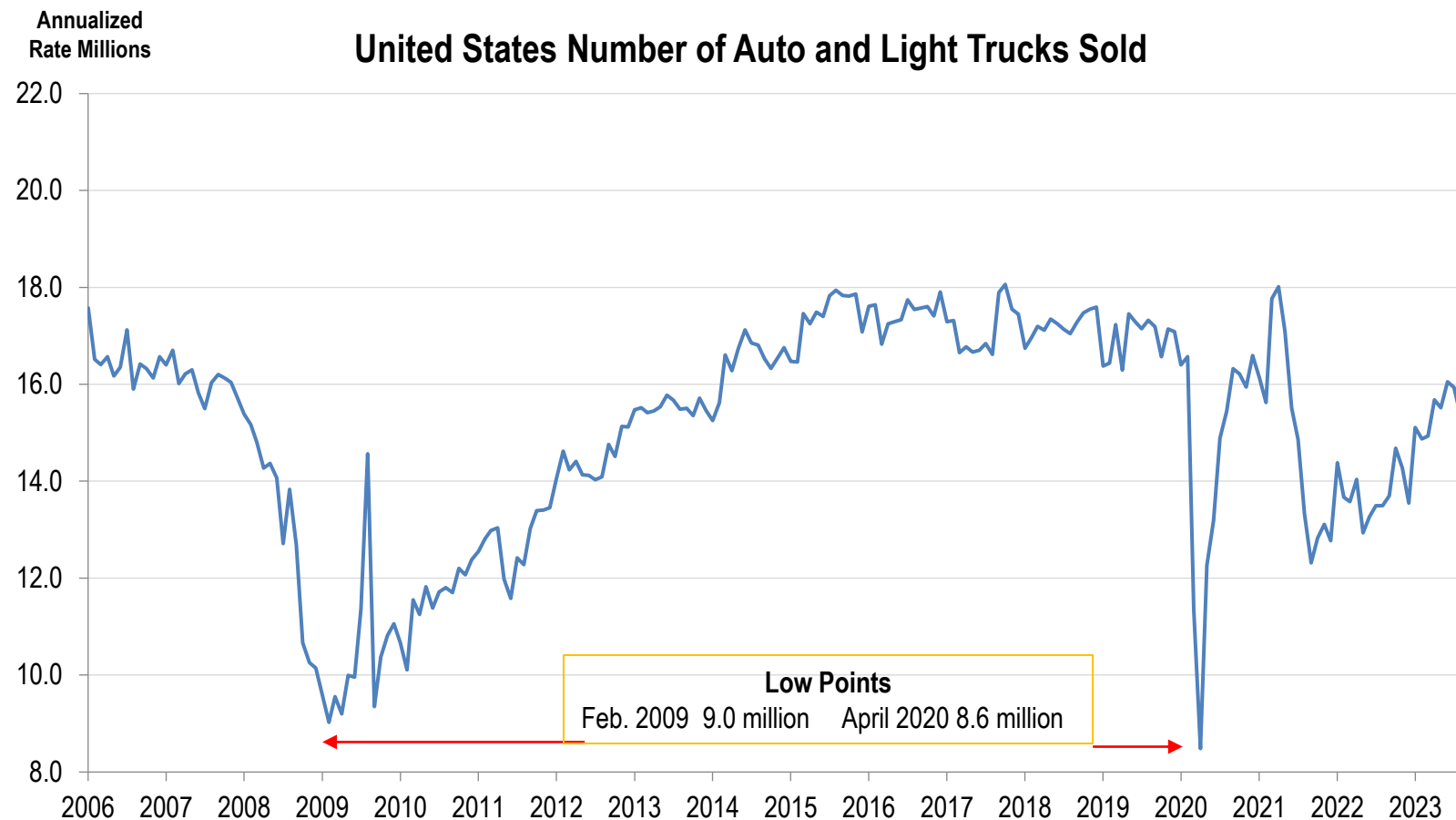
The number of housing starts has been volatile. It has been below 1.6 million homes since May 2022.

Fewer than 1.4 million homes were started in September 2023, an improvement over August.

The increase in September is most likely an anomaly caused by permits issued when interest rates were lower. More recently, the number of permits has cooled.

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

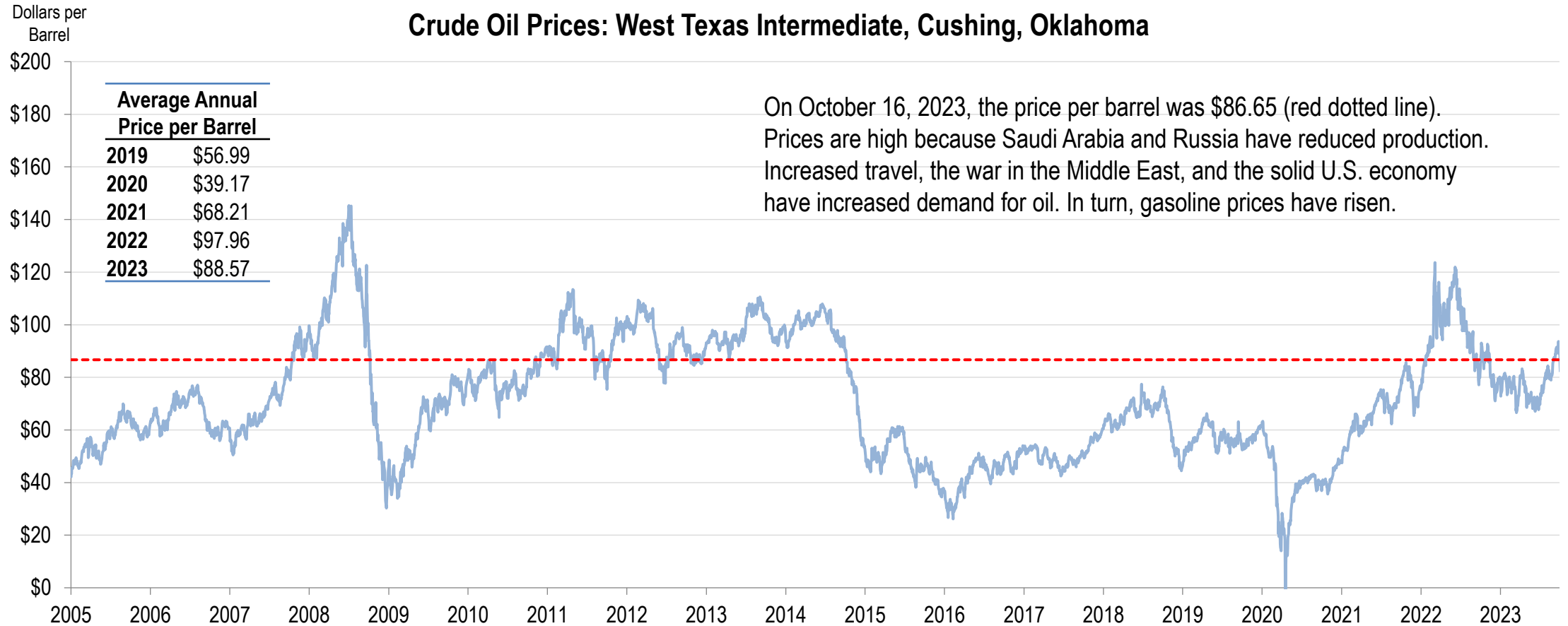
Sales in 2023 have ranged from 14.8 to 16.1 million.

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.

Crude Oil Prices

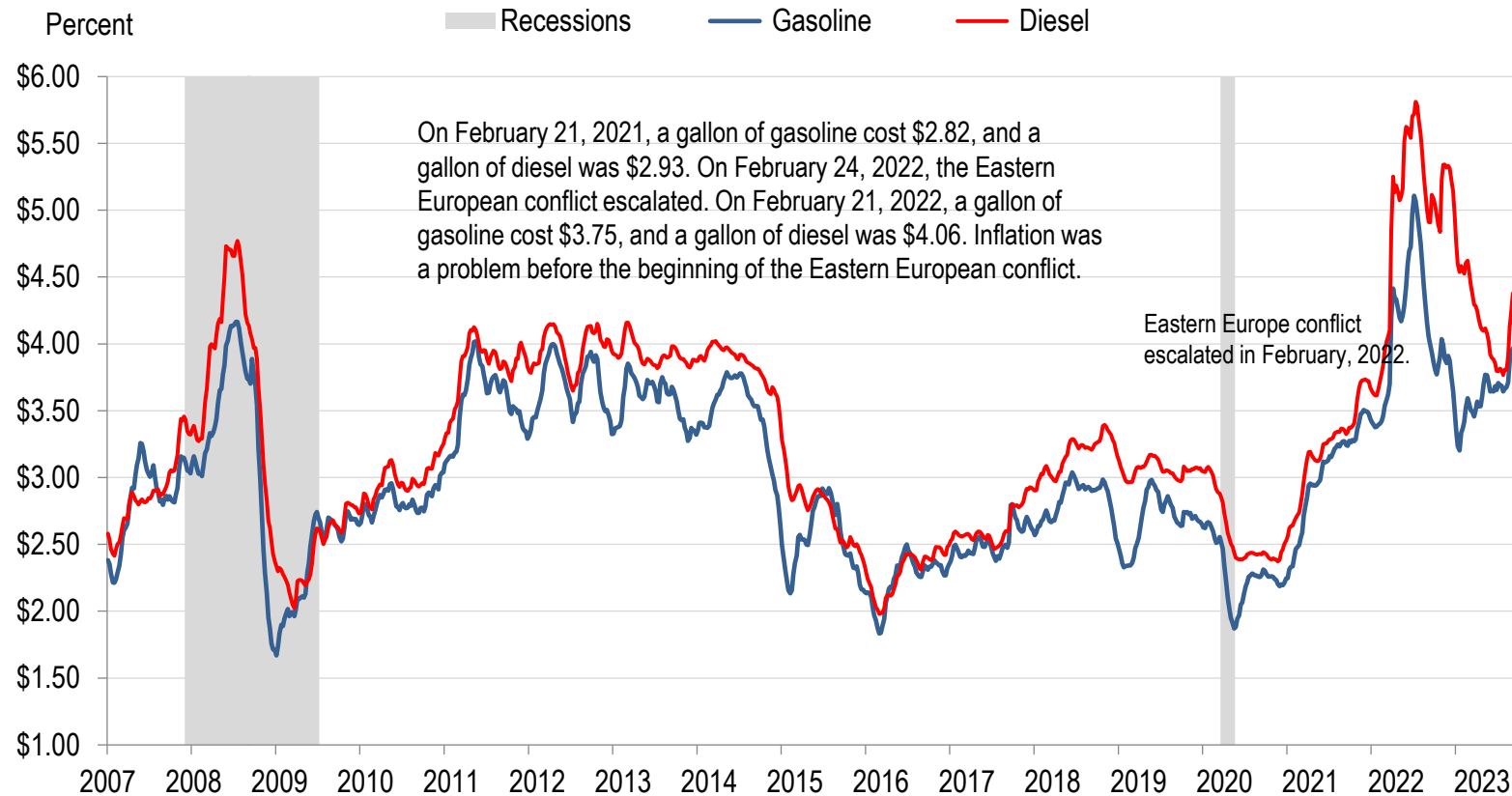
West Texas Intermediate



Source: EIA, cber.co, <https://www.eia.gov/outlooks/steo/#:~:text=U.S.%20crude%20oil%20production%20in,b%2Fd%20set%20in%202019>.

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

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



Gasoline and Diesel Prices

On October 16, 2023, a gallon of gasoline (blue) was \$3.71, down from a peak of \$5.11 on June 30, 2022. Gasoline prices have trended higher since December 26, 2022.

A gallon of diesel (red) was \$4.44 on October 16, 2023, compared to its peak of \$5.78 on June 13, 2022. Prices have been on the rise since May 22, 2023.

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	\$4.27

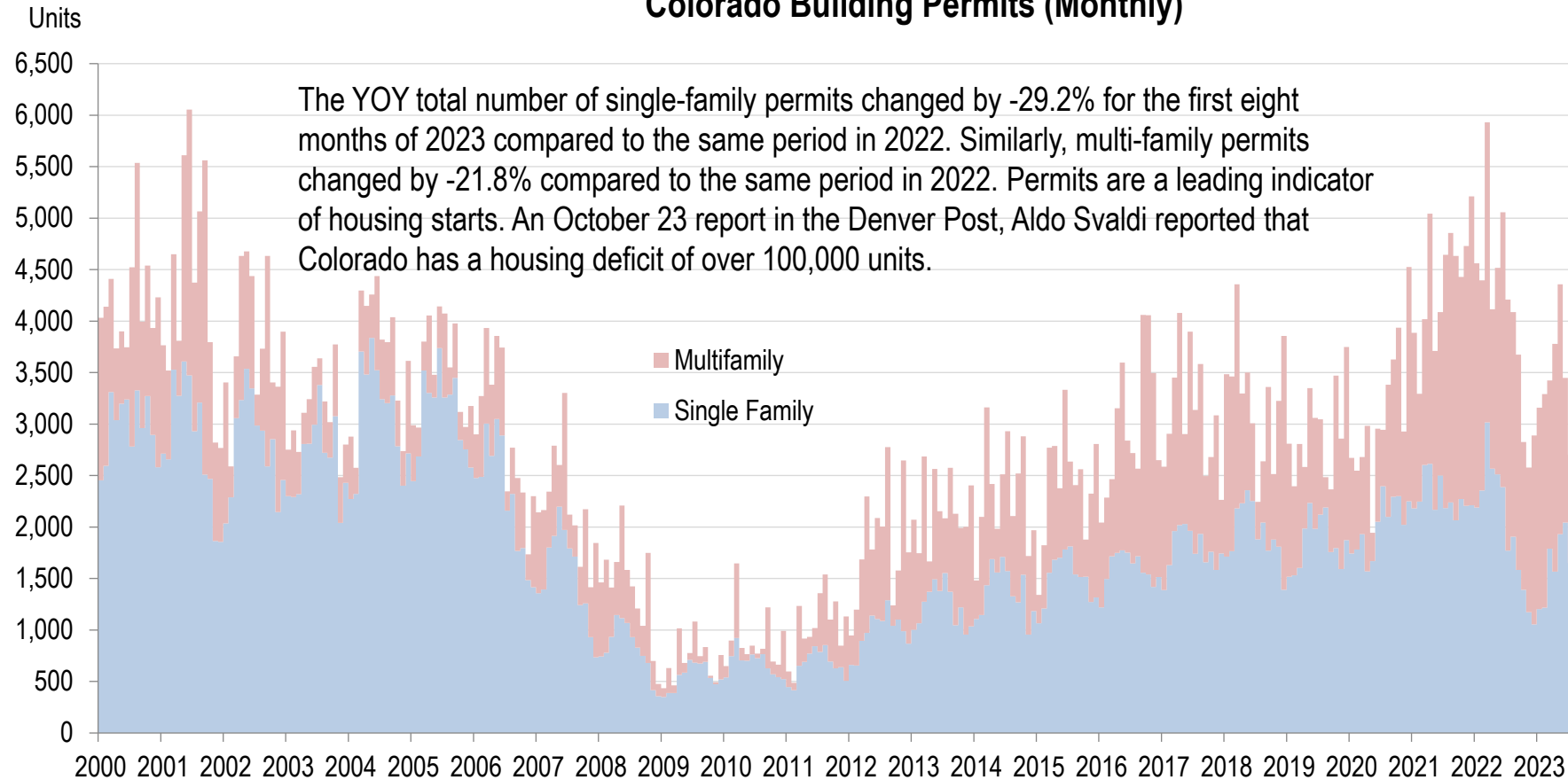
Source: FRED, EIA, https://www.eia.gov/dnav/pet/pet_pri_gnd_a_epd2d_pte_dpgal_w.htm, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPM0_PTE_NUS_DPG&f=W, cber.co.

Colorado Industry Indicators

Colorado Residential Building Permits

Units

Colorado Building Permits (Monthly)



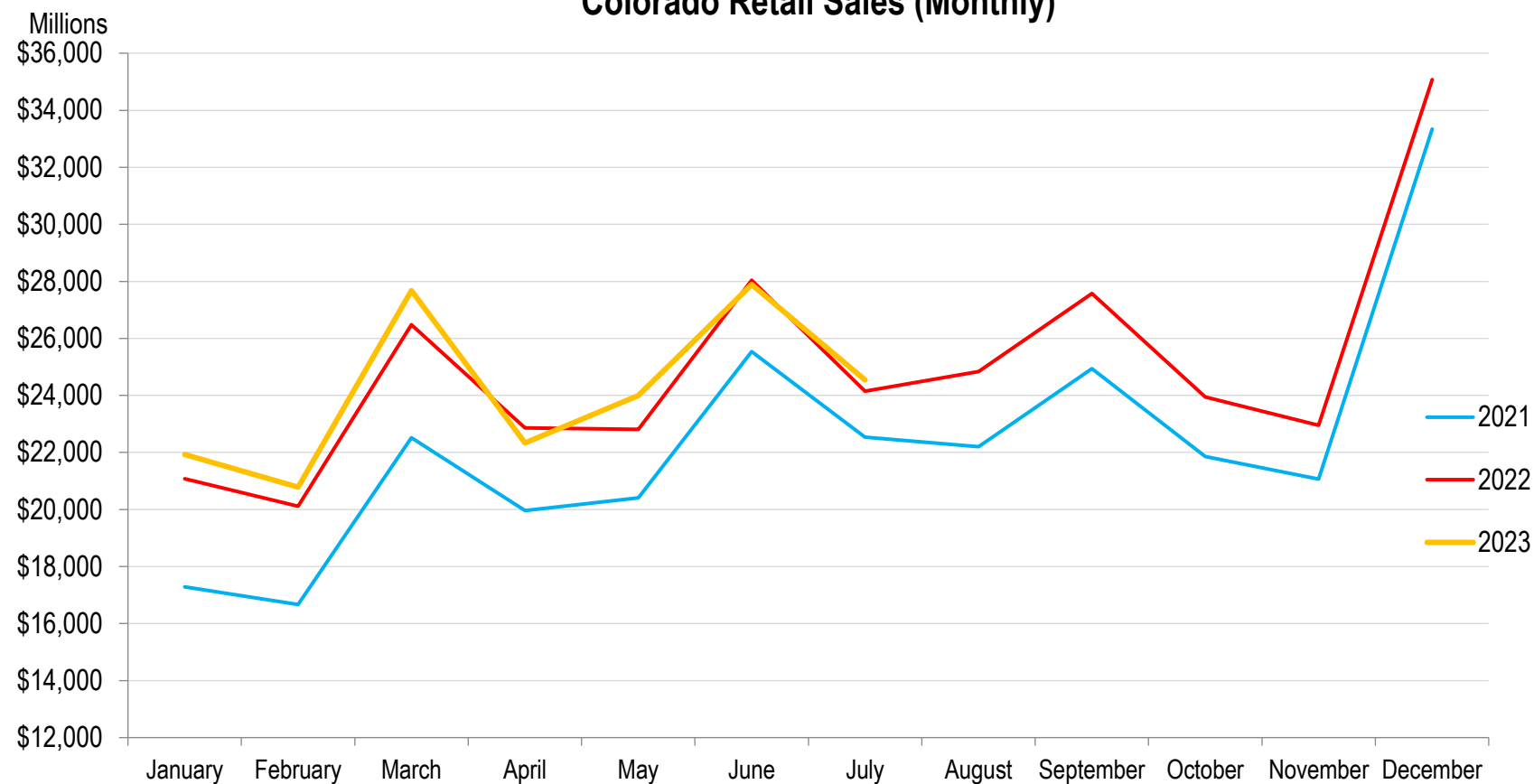
Annual Building Permits		
Year	Single Family	Multi-Family
2000	38,588	16,008
2001	36,437	18,570
2002	35,042	12,878
2003	33,894	5,732
2004	40,753	5,746
2005	40,018	5,732
2006	30,365	7,978
2007	20,516	8,938
2008	11,147	7,851
2009	7,261	2,094
2010	8,790	2,801
2011	8,729	4,779
2012	12,618	10,684
2013	15,773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

Colorado Retail Sales

Monthly

Colorado Retail Sales (Monthly)



Colorado Retail Sales
Sales through July 2023 (yellow) are about 2.2% greater than during the same period in 2022.

Annual Retail Sales (Billions)

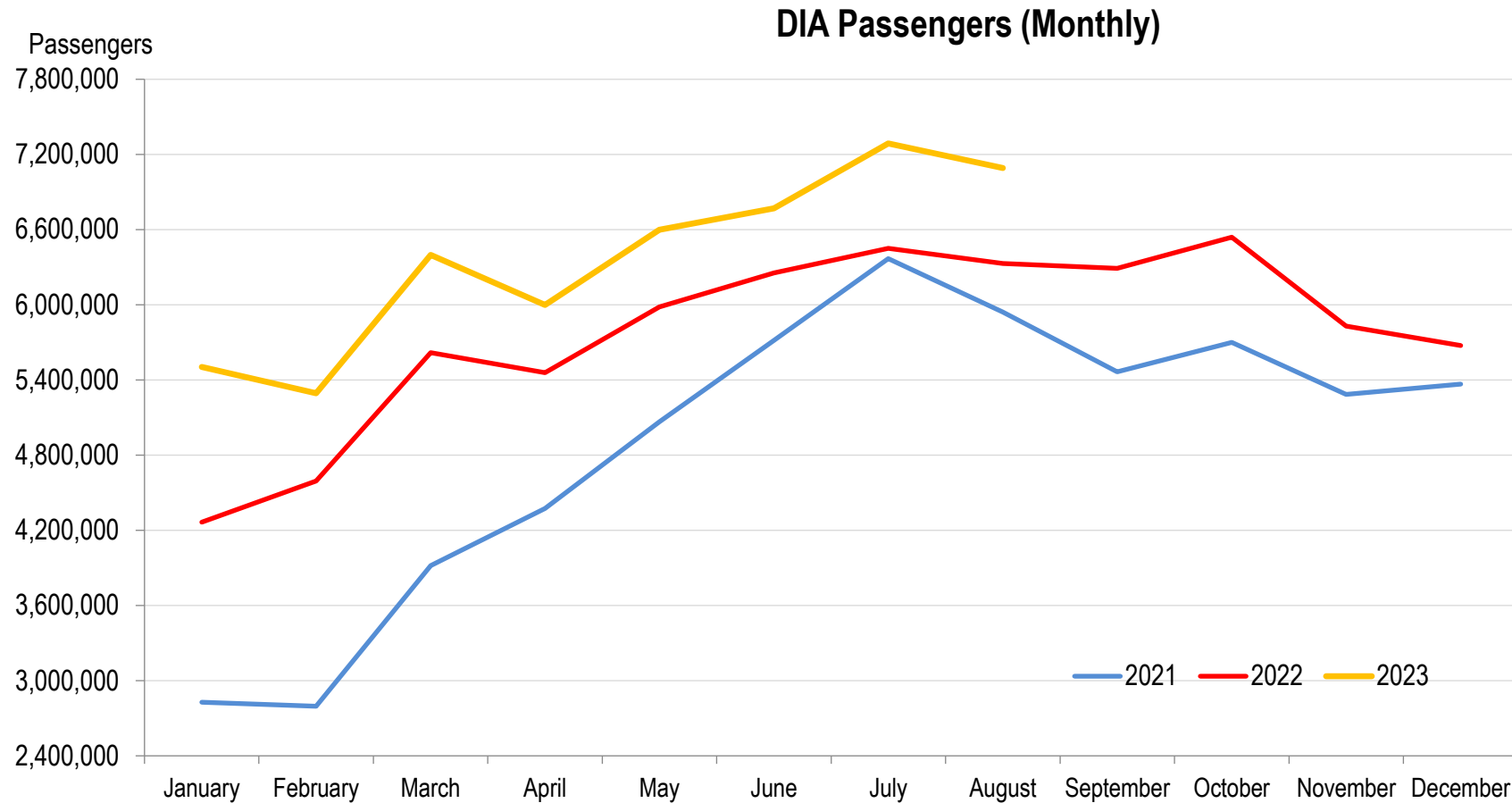
2017	\$194.6	5.4%
2018	\$206.2	5.9%
2019	\$224.6	9.0%
2020	\$228.8	1.9%
2021	\$268.3	17.3%
2022	\$299.9	11.8%

Retail sales for 2022 (red) were 11.8% greater than in 2021 (turquoise).

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

Denver International Airport Passengers

Monthly



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

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

Air Travel

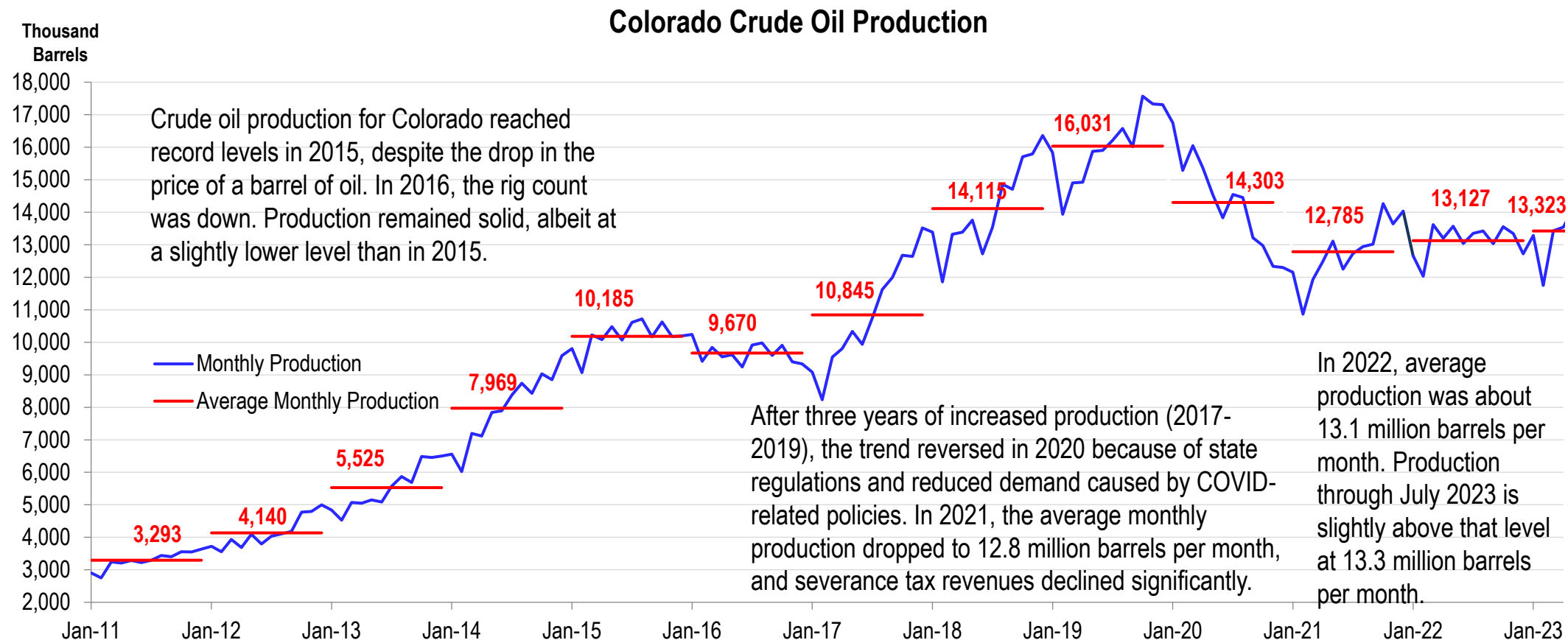
The number of DIA passengers through August 2023 (yellow) was 13.3% above the August 2022 YTD total for 2022 (red) and significantly above the eight-month YTD total for 2021 (blue).

Approximately 72 million passengers will pass through DIA in 2023.

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, cber.co.

Colorado Economic Outlook

Colorado Economic Forecast 2023

In 2023, the Colorado real GDP growth rate will be 2.6% compared to 2.2% for the U.S.

Colorado's job growth in 2023 will be more volatile and much weaker than in 2022, and the unemployment rate will remain low.

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 other states.

Colorado Economic Forecast					
	2020	2021	2022	2023	
Real GDP Value (billions) (chained 2012)	\$353.35	\$373.76	\$385.8	\$395.8	
% Change Real GDP	-1.4%	5.8%	3.2%	2.6%	
CES Employment (thousands)	2,652.7	2,750.9	2,864.9	2,924.9	
Annual Change (thousands)	-137.4	98.2	114.0	60.0	
% Change	-4.9%	3.7%	4.1%	2.1%	
Unemployment Rate	6.8%	5.4%	3.0%	3.2%	
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 SF and MF 2023 building permits will be significantly less than in 2022. 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 related to COVID-related policies. Production increased in 2022 and will be flat in 2023.

cber.co
Economic Outlook and Trends Through September 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.

For further information contact Colorado-based Business and Economic Research (cber.co).
©Copyright 2023 by cber.co.

Data contained in the tables, charts, and text of this presentation is from sources in the public domain. With appropriate credit, it may be reproduced and shared without permission. Please reference, “Colorado-based Business and Economic Research” (cber.co). Additional presentations are available at <https://cber.co>.

For additional information contact cber.co at cber@cber.co , gary@garyhorvath.com, or garyhorvath@hotmail.com.

ACKNOWLEDGEMENTS

A special thank you to Ana and Allyson Horvath for their review and comments on this publication.

ABOUT THE AUTHOR

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.