

# Economic Outlook and Trends through March 2024 United States and Colorado

Colorado-based Business and Economic Research, [cber.co](http://cber.co)  
Prepared April 22, 2024



# Economic Outlook and Trends

## Purpose and Overview

The purpose of this chartbook is to review the outlook and performance of the U.S. and Colorado economies. Economists continue to have mixed opinions about the future of the U.S. and Colorado economies, although most opinions are much more optimistic than one year ago.

There was modest growth in Q1 2024. Growth will be slower in Q2 and Q3 as consumers struggle to balance their savings, debt, investment, and spending. Consumers and businesses will struggle with “high” interest rates.

Inflation continues to follow a bumpy path downward. There is uncertainty about the number of rate cuts in 2024.

## Contents

This chartbook highlights the following topics.

- U.S. Forecast, Gross Domestic Product, Real Disposable Personal Income Per Capita, and Colorado GDP
- Colorado Population
- U.S. and Colorado Employment, Unemployment, and Earnings
- U.S. and Colorado Inflation
- Saving, Borrowing, Consumption, and the Wealth Effect
- U.S. Indicators
- Colorado Indicators
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## U.S. Forecast, Gross Domestic Product, and Disposable Income

# United States Forecast

## The Conference Board Forecast

### The Conference Board (TCB) U.S. Forecast

#### TCB United States Forecast

The Conference Board U.S. Economic Forecast is the base for this analysis. The April forecast showed minor increases in many areas.

#### False Alarms

- Beginning in the second half of 2022, TCB called for a shallow recession at the end of 2022 or early 2023.
- The August 2023 forecast called for a mild recession in Q4 2023 and Q1 2024.
- More recently, TCB called for negative real GDP growth in Q2 and Q3 of 2024.
- In these cases, the TCB forecasts made sense at the time, but the recessions did not happen.

#### What is Likely to Happen

- As inflation dropped, discussions transitioned from rate hikes to rate cuts. Today, there is uncertainty about the number of cuts.
- There will not be a recession in 2024; however, real GDP growth will be less than 1.0% in Q2 and Q3.

#### Drivers

The TCB forecast identified the following drivers:

- Increased optimism for the economy.
- Spending on infrastructure investments will continue to support growth.
- The labor markets will remain tight but resilient.

#### Headwinds

The TCB forecast identified the following headwinds:

- High interest rates have curtailed business investment, and the issuance of building permits.
- The labor force is shrinking as companies retain workers and Baby Boomers retire.
- Volatility caused by fiscal policy and government debt could impact government spending.
- Slower gains in personal income, reduced savings levels, and increased consumer debt will reduce personal consumption.
- The momentum from inflation reduction has slowed.
- Consumers will struggle to balance their income, debt, savings, and spending.

# U.S. Real GDP Growth

The Conference Board Forecast (April 11, 2024)

## Real GDP and Economic Growth

The Conference Board forecast projects real GDP growth of 2.2% in 2024. Real disposable income will increase by 1.2%, and Real personal consumption will increase by 1.7% in 2024. Residential investment will increase by 3.9% in 2024, and non-residential investment will change by 2.5%. Government spending will be solid in 2024 (3.4%), down from 4.1% in 2023.

## Other Economic Factors

There will be slower growth in exports in 2024, a decrease from 2.6% to 2.1%. The U.S. unemployment rate will be 4.0% in 2024. The annual PCE inflation will be 2.2% in 2024, and the core rate will be 2.4%. Rate cuts will begin in mid-to-late 2024, and the Fed Funds rate will decline to 4.375%. Rates will reach 3.375% in 2025.

## Conference Board US Real GDP Growth Forecast

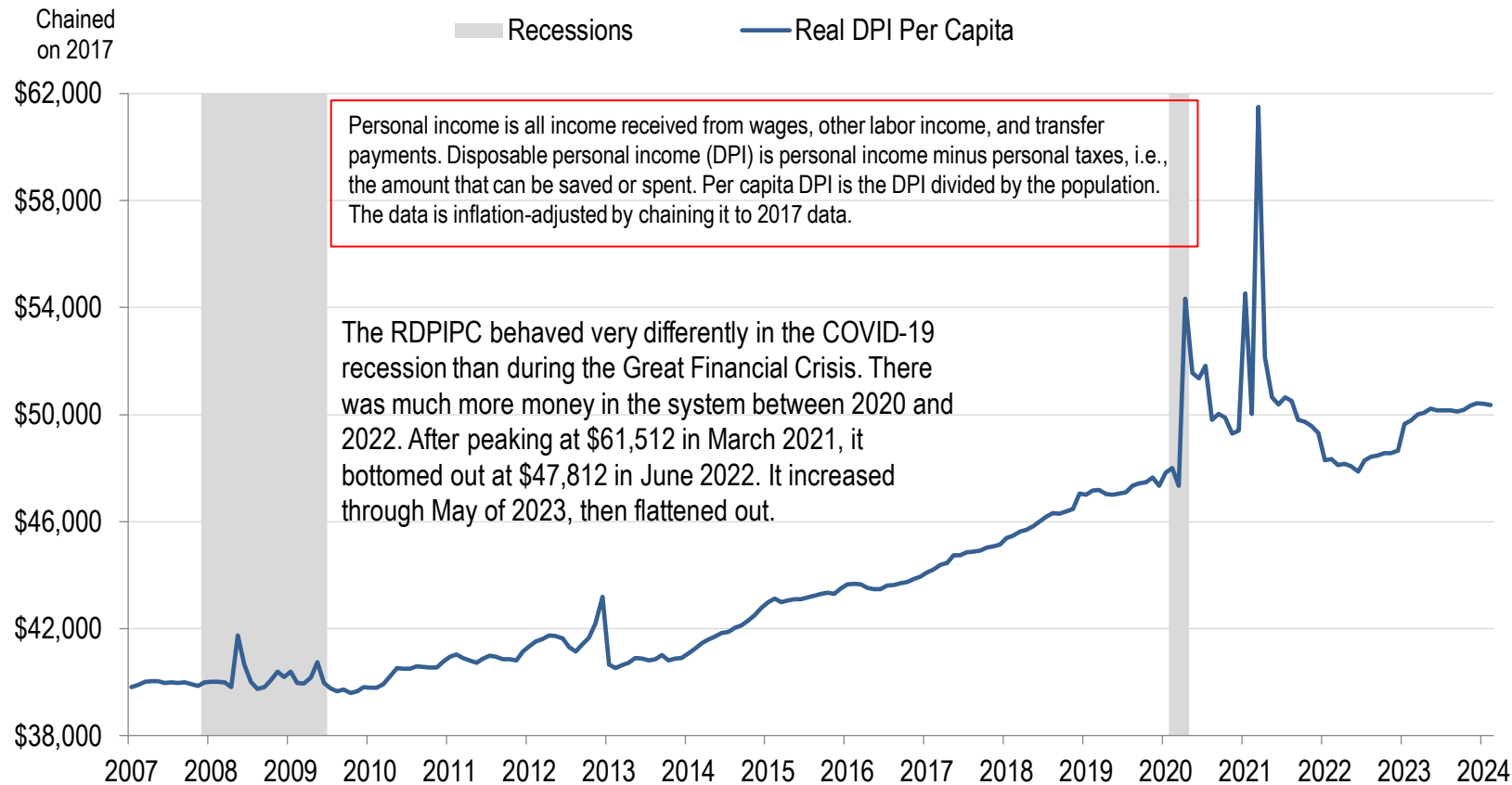
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2023	2024	2025
<b>Real GDP</b>	2.2%	2.1%	4.9%	3.4%	2.3%	0.6%	0.6%	1.2%	2.5%	2.2%	1.5%
<b>Real Disposable Income</b>	10.8%	3.3%	0.5%	2.0%	1.1%	0.7%	0.5%	1.0%	4.2%	1.2%	1.4%
<b>Real Personal Consumption</b>	3.8%	0.8%	3.1%	3.3%	2.3%	1.0%	0.3%	0.9%	2.2%	1.7%	1.3%
<b>Residential Investment</b>	-5.3%	-2.2%	6.7%	2.8%	7.0%	4.0%	1.0%	2.0%	-10.6%	3.9%	2.8%
<b>Nonresidential Investment</b>	5.7%	7.4%	1.5%	3.8%	3.3%	0.7%	0.9%	2.0%	4.5%	2.5%	2.5%
<b>Total Gov't. Spending</b>	4.8%	3.3%	5.8%	4.6%	2.6%	2.6%	2.5%	2.4%	4.1%	3.4%	2.4%
<b>Exports</b>	6.8%	-9.3%	5.4%	5.0%	3.0%	1.0%	0.5%	2.0%	2.6%	2.1%	2.3%
<b>Unemployment Rate</b>	3.5%	3.6%	3.7%	3.7%	3.8%	3.9%	4.1%	4.2%	3.6%	4.0%	4.0%
<b>PCE Inflation (%Y/Y)</b>	5.0%	3.9%	3.3%	2.8%	2.5%	2.4%	2.1%	2.0%	3.7%	2.2%	2.0%
<b>Core PCE Inflation (%Y/Y)</b>	4.8%	4.6%	3.8%	3.2%	2.8%	2.4%	2.3%	2.2%	4.1%	2.4%	2.0%

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 (RDPIPC)**



**Real DPI Per Capita (RDPIPC)**

In February 2024, RDPIPC was \$50,346. It was down from the prior month and 1.1% greater than February 2023.

The annual 2023 RDPIPC was 3.7% greater than the 2022 value; however, it was below the 2021 value and slightly more than the 2020 value.

RDPIPC (Average)		
Year	RDPIPC	% Change
2016	\$43,659	1.1%
2017	\$44,710	2.4%
2018	\$46,057	3.0%
2019	\$47,226	2.5%
2020	\$50,053	6.0%
2021	\$51,567	3.0%
2022	\$48,317	-6.3%
2023	\$50,111	3.7%

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

# 2023 Colorado GDP Sorted by Sector (Current Dollars)

2023 Colorado GDP Sorted by Sector (Current Dollars)

Industry	GDP Current Dollars			2022-2023	2019-2023 CAGR	Location Quotient	
	2019	2022	2023			2023	LQ Rank
Real estate and rental and leasing	\$ 59,035	\$ 74,334	\$ 81,798	10.0%	8.5%	1.17	6
Professional, scientific, and technical services	\$ 39,274	\$ 51,138	\$ 58,034	13.5%	10.3%	1.40	2
State and local government	\$ 32,419	\$ 36,661	\$ 39,396	7.5%	5.0%	0.98	12
Construction	\$ 24,636	\$ 28,666	\$ 31,205	8.9%	6.1%	1.36	3
Retail trade	\$ 22,336	\$ 29,126	\$ 31,085	6.7%	8.6%	0.94	23
Information	\$ 22,648	\$ 30,170	\$ 31,071	3.0%	8.2%	1.11	7
Health care and social assistance	\$ 24,715	\$ 28,751	\$ 30,667	6.7%	5.5%	0.79	17
Wholesale trade	\$ 22,578	\$ 27,593	\$ 27,975	1.4%	5.5%	0.91	14
Finance and insurance	\$ 22,427	\$ 26,685	\$ 26,197	-1.8%	4.0%	0.69	19
Accommodation and food services	\$ 14,286	\$ 18,733	\$ 21,366	14.1%	10.6%	1.23	5
Transportation and warehousing	\$ 13,385	\$ 18,144	\$ 19,222	5.9%	9.5%	1.04	11
Durable goods manufacturing	\$ 15,790	\$ 17,994	\$ 18,460	2.6%	4.0%	0.64	20
Mining and oil and gas extraction	\$ 14,390	\$ 21,183	\$ 16,349	-22.8%	3.2%	2.26	1
Administrative services	\$ 12,269	\$ 14,652	\$ 15,109	3.1%	5.3%	0.93	13
Federal civilian government	\$ 9,524	\$ 11,302	\$ 12,303	8.9%	6.6%	1.08	8
Other services (personal)	\$ 9,434	\$ 11,139	\$ 12,143	9.0%	6.5%	1.07	9
Nondurable goods manufacturing	\$ 8,499	\$ 10,400	\$ 10,635	2.3%	5.8%	0.44	21
Management of companies and enterprises	\$ 8,268	\$ 9,445	\$ 10,130	7.3%	5.2%	1.05	10
Arts, entertainment, and recreation	\$ 5,934	\$ 6,552	\$ 7,730	18.0%	6.8%	1.28	4
Utilities	\$ 4,513	\$ 6,766	\$ 6,814	0.7%	10.8%	0.83	16
Military	\$ 5,286	\$ 6,403	\$ 6,581	2.8%	5.6%	0.88	15
Educational services	\$ 3,549	\$ 4,115	\$ 4,490	9.1%	6.1%	0.75	18
Agriculture, forestry, fishing and hunting	\$ 2,506	\$ 1,340	\$ 1,631	21.7%	-10.2%	0.34	22
Total All Industries	\$ 397,702	\$ 491,289	\$ 520,389	5.9%	7.0%		

The table to the left shows the Colorado GDP sorted by the 2023 sector values. The top three sectors are RERL, PST, and state and local government. Construction, retail trade, information, and health care have similar values.

Columns 4 and 5 show the growth rate for each sector between 2022-2023 (5.9%) and 2019-2023 (7.0% CAGR). Data highlighted in green had growth rates above these averages. Growth was more broad-based in 2022-2023. Thirteen of the 23 sectors evaluated expanded faster than the state average. Only seven sectors outperformed the state average from 2019 to 2013.

The final two columns list location quotients (LQ) for all sectors. Those in green have an LQ greater than 1.0, i.e., they are a competency for Colorado. For example, mining has the top LQ at 2.26. Sectors with LQs less than 1.0 indicate a sector that is not a significant competency.

## Population – The Economy – People Fill Jobs



# Change in Colorado and U.S. Population

2020 vs. 2023

Rank	State	2020	2023	Change	% Change
1	.California	39,503,200	38,965,193	-538,007	-1.4%
2	.Texas	29,234,361	30,503,301	1,268,940	4.3%
3	.Florida	21,591,299	22,610,726	1,019,427	4.7%
4	.New York	20,104,710	19,571,216	-533,494	-2.7%
5	.Pennsylvania	12,995,477	12,961,683	-33,794	-0.3%
6	.Illinois	12,790,357	12,549,689	-240,668	-1.9%
7	.Ohio	11,798,292	11,785,935	-12,357	-0.1%
8	.Georgia	10,732,390	11,029,227	296,837	2.8%
9	.North Carolina	10,453,812	10,835,491	381,679	3.7%
10	.Michigan	10,070,627	10,037,261	-33,366	-0.3%
11	.New Jersey	9,272,392	9,290,841	18,449	0.2%
12	.Virginia	8,637,193	8,715,698	78,505	0.9%
13	.Washington	7,724,566	7,812,880	88,314	1.1%
14	.Arizona	7,186,683	7,431,344	244,661	3.4%
15	.Tennessee	6,926,091	7,126,489	200,398	2.9%
16	.Massachusetts	6,997,713	7,001,399	3,686	0.1%
17	.Indiana	6,789,098	6,862,199	73,101	1.1%
18	.Missouri	6,154,426	6,196,156	41,730	0.7%
19	.Maryland	6,173,689	6,180,253	6,564	0.1%
20	.Wisconsin	5,896,700	5,910,955	14,255	0.2%
21	.Colorado	5,785,219	5,877,610	92,391	1.6%
22	.Minnesota	5,710,578	5,737,915	27,337	0.5%
23	.South Carolina	5,132,151	5,373,555	241,404	4.7%
24	.Alabama	5,031,864	5,108,468	76,604	1.5%
25	.Louisiana	4,652,022	4,573,749	-78,273	-1.7%
26	.Kentucky	4,508,155	4,526,154	17,999	0.4%

## Population

About 54% of the U.S. population resided in the top 10 states in 2023, and the population declined in 6 states between 2020 and 2023 (highlighted in red). Thanks to Texas and Florida, the population in these 10 states increased by 1.5 million, or 0.9%.

The Colorado population increased by 92,391 between 2020 and 2023, or about 1.6%. It has 5.9 million people and is the 21st largest state. The population increased the most in the Front Range metro areas.

The population in the 40 smallest states and the District of Columbia accounted for 46% of the total in 2023. It increased by about 1.9 million in these states. Seven of these 40 states experienced a decrease in population between 2020 and 2023.

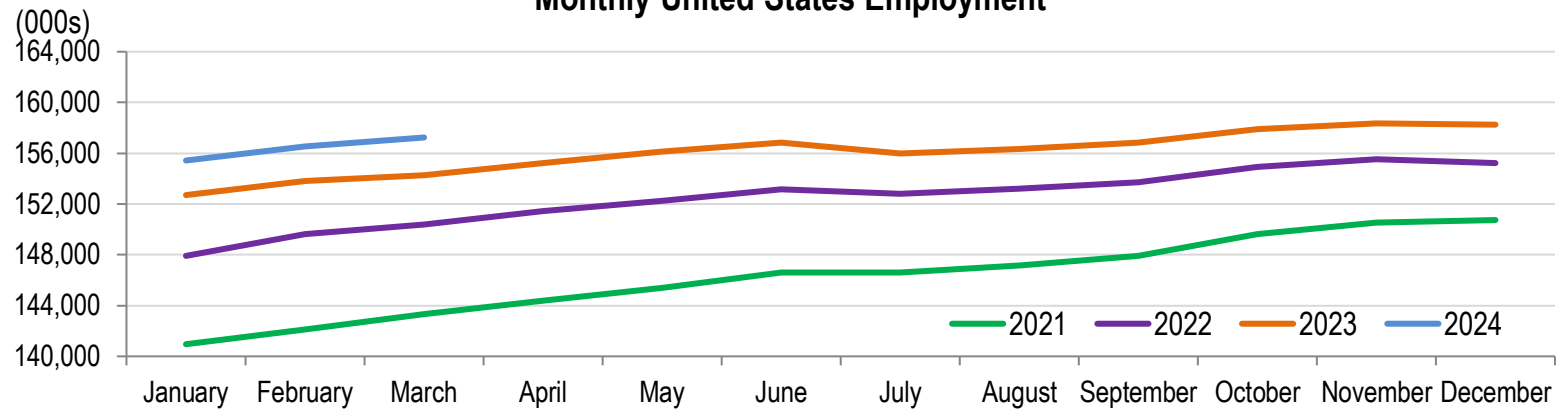
Rank	State	2020	2023	Change	% Change
27	.Oregon	4,245,044	4,233,358	-11,686	-0.3%
28	.Oklahoma	3,965,234	4,053,824	88,590	2.2%
29	.Connecticut	3,577,586	3,617,176	39,590	1.1%
30	.Utah	3,283,982	3,417,734	133,752	4.1%
31	.Iowa	3,190,904	3,207,004	16,100	0.5%
32	.Nevada	3,115,840	3,194,176	78,336	2.5%
33	.Arkansas	3,014,348	3,067,732	53,384	1.8%
34	.Kansas	2,938,124	2,940,546	2,422	0.1%
35	.Mississippi	2,958,409	2,939,690	-18,719	-0.6%
36	.New Mexico	2,118,488	2,114,371	-4,117	-0.2%
37	.Nebraska	1,963,273	1,978,379	15,106	0.8%
38	.Idaho	1,849,339	1,964,726	115,387	6.2%
39	.West Virginia	1,791,562	1,770,071	-21,491	-1.2%
40	.Hawaii	1,451,181	1,435,138	-16,043	-1.1%
41	.New Hampshire	1,378,702	1,402,054	23,352	1.7%
42	.Maine	1,364,517	1,395,722	31,205	2.3%
43	.Montana	1,087,211	1,132,812	45,601	4.2%
44	.Rhode Island	1,096,444	1,095,962	-482	0.0%
45	.Delaware	991,862	1,031,890	40,028	4.0%
46	.South Dakota	887,852	919,318	31,466	3.5%
47	.North Dakota	779,563	783,926	4,363	0.6%
48	.Alaska	732,964	733,406	442	0.1%
49	.District of Columbia	670,839	678,972	8,133	1.2%
50	.Vermont	642,936	647,464	4,528	0.7%
51	.Wyoming	577,664	584,057	6,393	1.1%
Total	United States	331,526,933	334,914,895	3,387,962	1.0%

## U.S. and Colorado Employment and Unemployment and Earnings

# Employment and Change in Employment

## United States

**Monthly United States Employment**

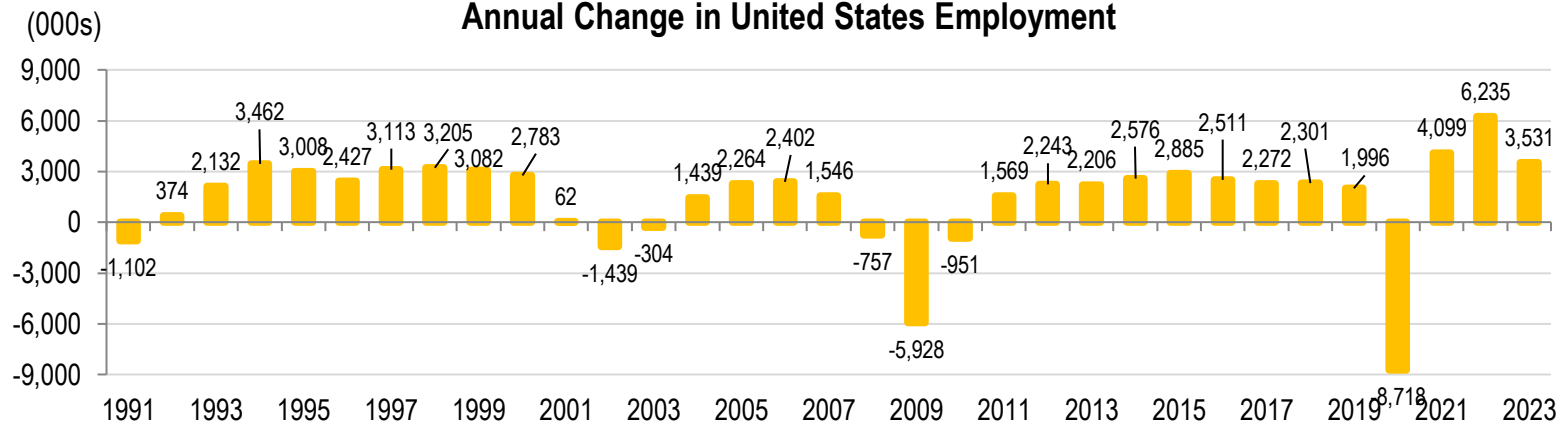


**U.S. Employment**

Average monthly employment through March 2024 was 156.4 million, 1.8% greater than for the same period last year. The average monthly change was 234,800.

Average annual employment for 2023 was 156.1 million, an increase of 2.3% or about 3.5 million over 2022, while the average monthly change in employment for 2023 was 294,200.

**Annual Change in United States Employment**

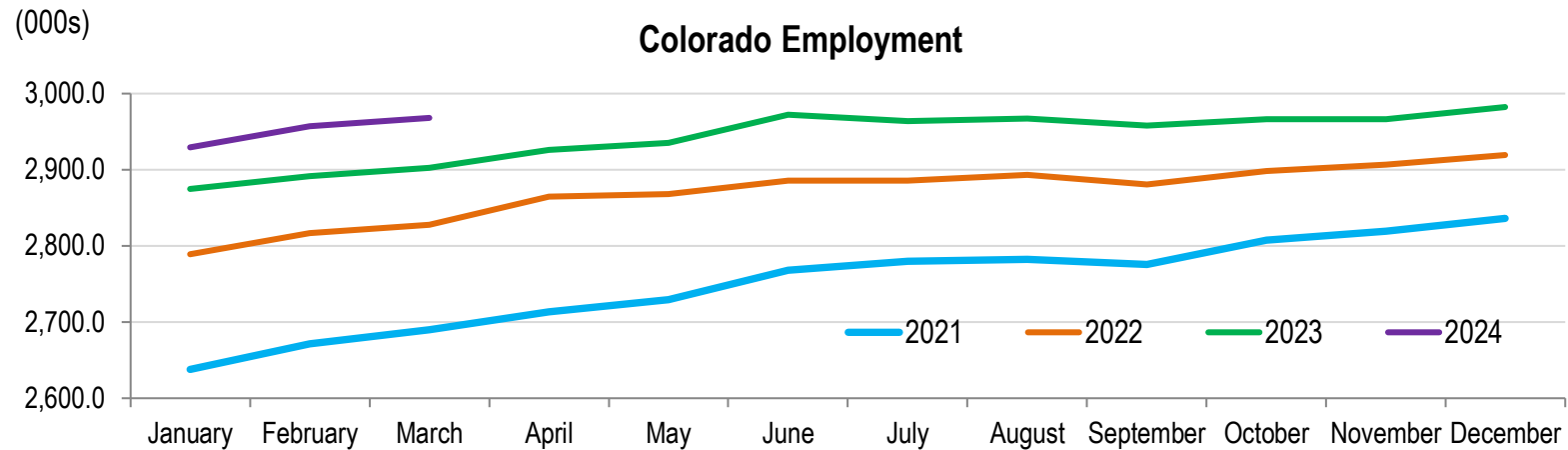


As seen in the chart (lower left), YOY changes in employment from 2012 to 2019 ranged from a low of 2.0 million in 2019 to 2.9 million in 2015.

The change in employment for 2024 will return to pre-pandemic levels or lower.

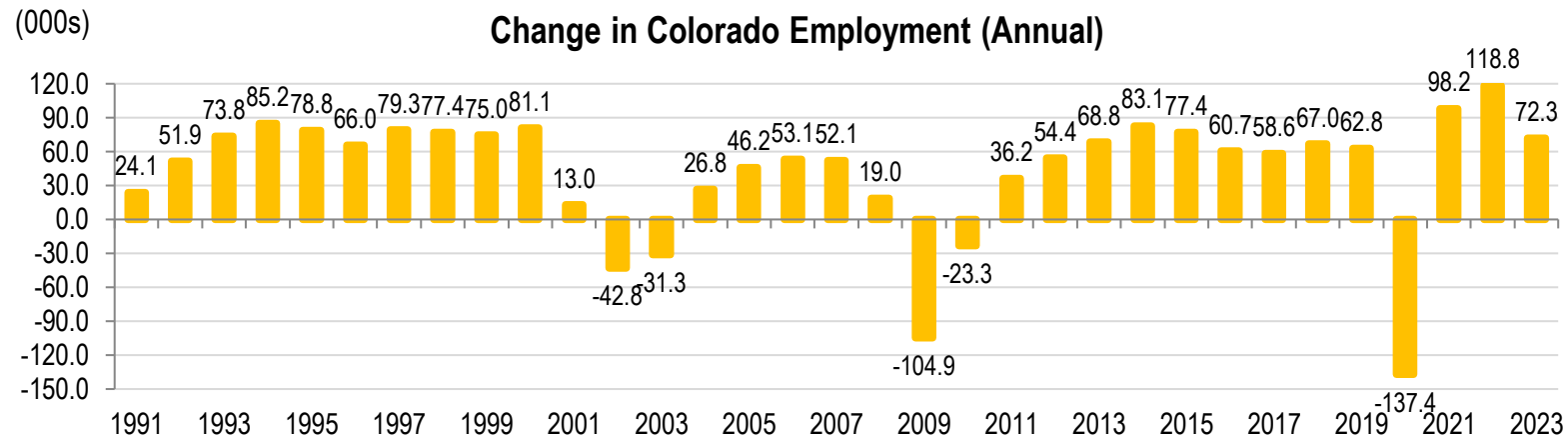
Source: Bureau of Labor Statistics, NSA, cber.co.

# Employment and Change in Employment Colorado



**Colorado Employment and Change**  
Average monthly employment (NSA) through March 2024 was 62,000 more than in 2023, a change of about 5,164 per month.

By comparison, the change in the average monthly employment from 2012 to 2019 was 5,500 per month.



The average annual Colorado employment for 2023 was about 72,300 (See lower chart). In 2023, employment changed by an average of 6,025 per month.

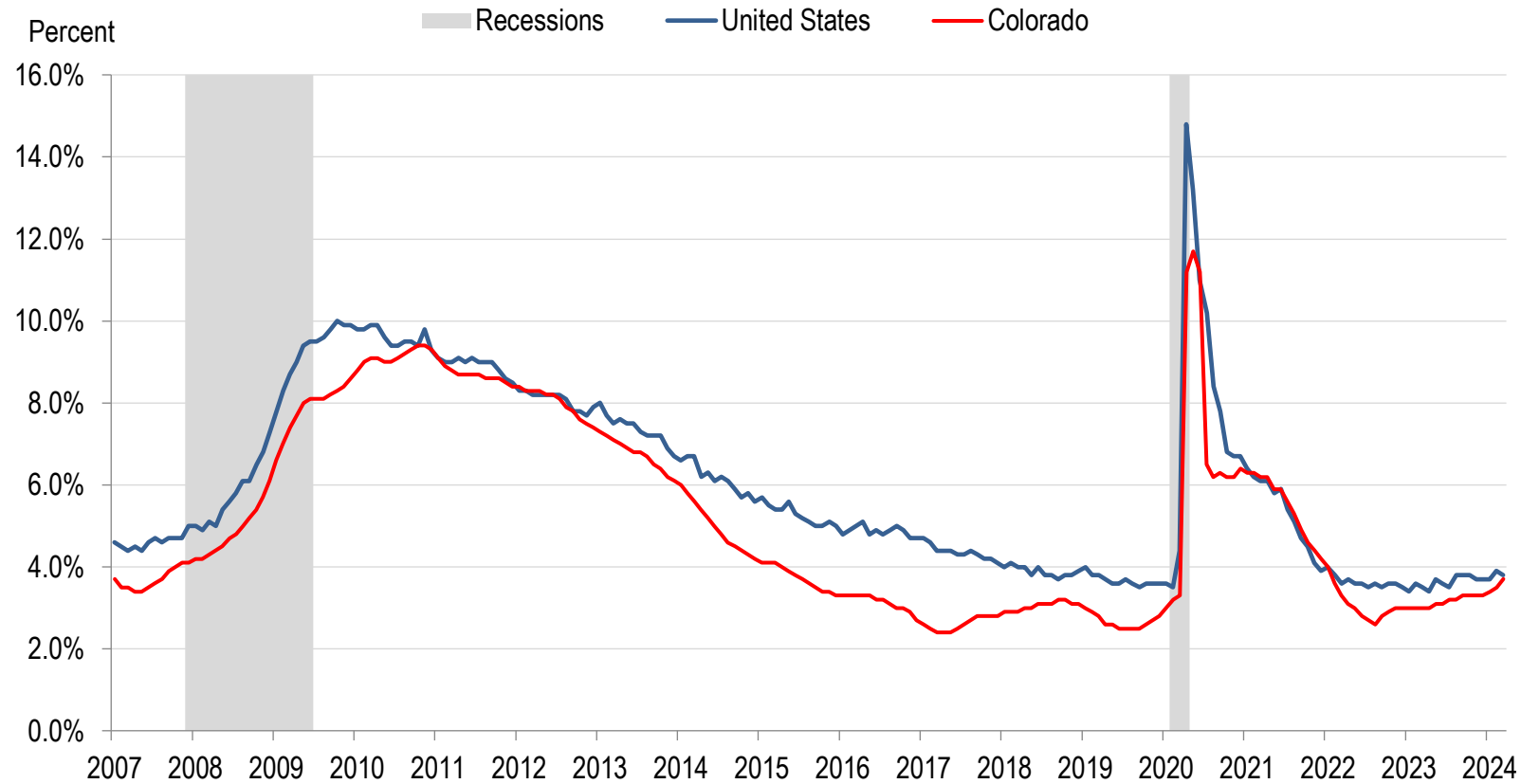
Source: Bureau of Labor Statistics, NSA, cber.co.

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

# Unemployment Rate

## United States and Colorado

**U.S. and Colorado Unemployment**



Source: BLS, SA, cber.co.

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

### Unemployment Rate

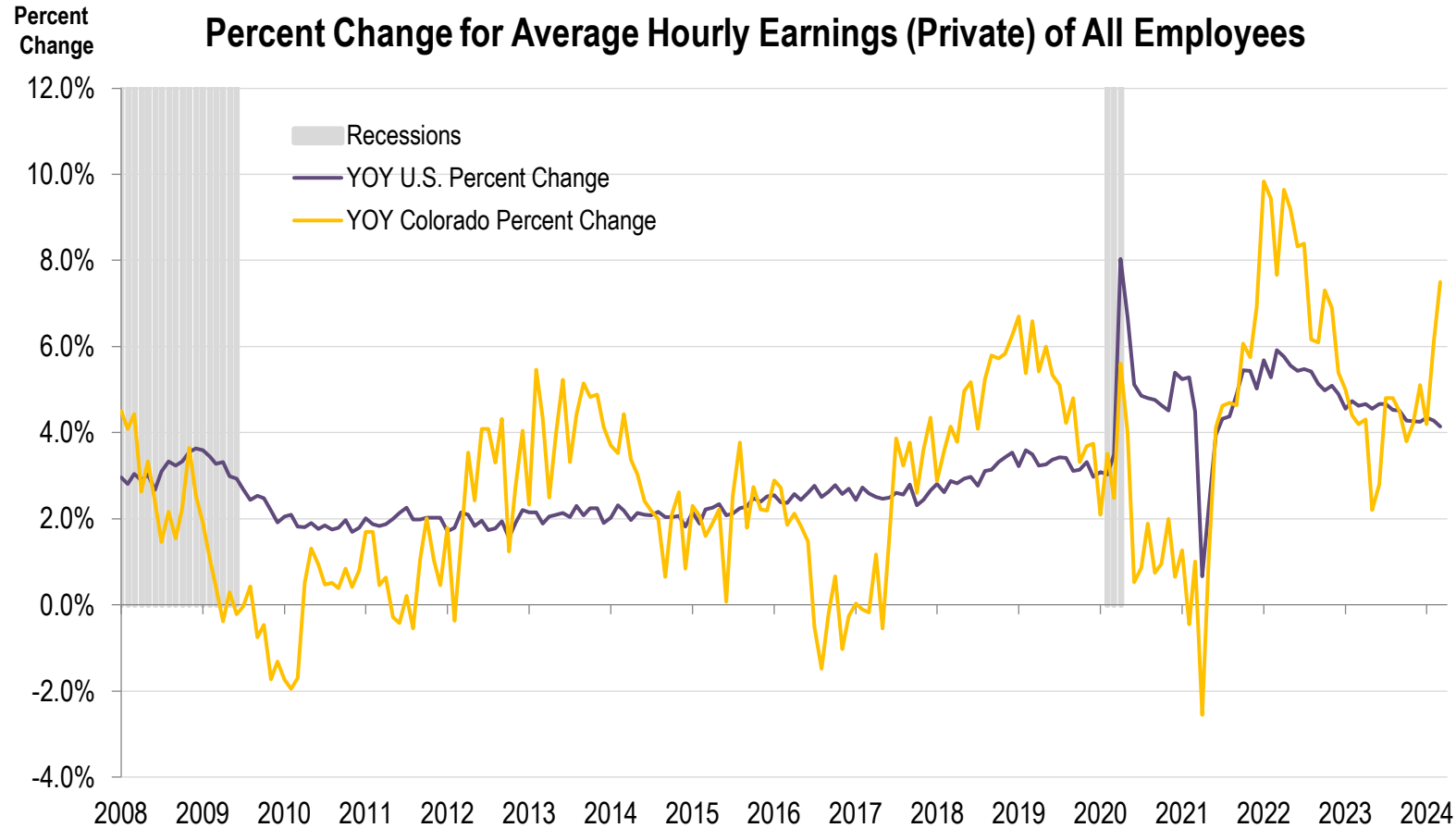
The Colorado unemployment rate was 3.5% (red) in February 2024, and the U.S. rate was 3.9% (blue). The economy operates inefficiently when the unemployment rate is this low.

The U.S. and Colorado unemployment rates will increase in 2024.

**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%
2023	3.6%	3.2%

# Percent Change for Average Hourly Earnings of All Employees (Private) U.S. and Colorado



Source: BLS, NSA, cber.co.

## U.S. vs. Colorado Percent Change in Hourly Earnings

Historically, the change in Colorado hourly earnings (yellow) have been more volatile than U.S. earnings (purple).

In March 2024 private hourly earnings for Colorado increased 7.5% and the U.S. rate was up 4.1%. The YOY Colorado earnings growth rate peaked at 9.4% in February 2022, and the U.S. earnings growth rate peaked at 8.0% in April 2020.

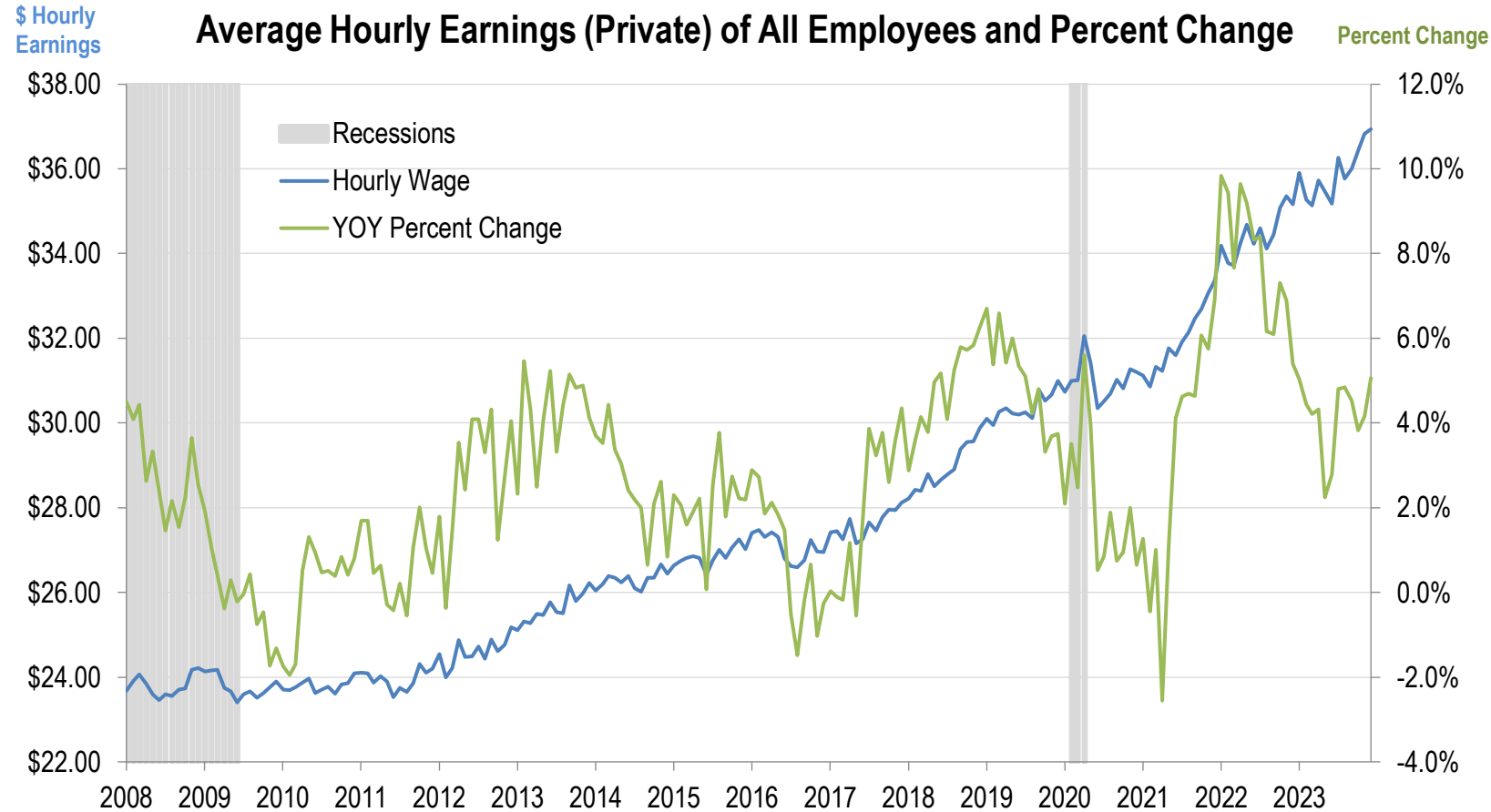
### US Hourly Earnings, Change and CPI

Year	CPI	Earnings	Change
2017	2.1%	\$26.31	2.6%
2018	2.5%	\$27.10	3.0%
2019	1.7%	\$28.00	3.3%
2020	1.2%	\$29.36	4.9%
2021	5.3%	\$30.61	4.3%
2022	8.5%	\$32.26	5.4%
2023	3.8%	\$33.72	4.5%

Source: BLS, cber.co

# Average Hourly Earnings of All Employees (Private)

## Colorado



Source: BLS, NSA, cber.co.

**Hourly Earnings, Percent Change, and CPI**  
 February 2024, private hourly earnings for Colorado (blue) were \$37.19, a YOY increase of 5.4% (green).

The rate of YOY earnings growth peaked at 9.4% in February 2022.

For 2021 through 2023, the change in hourly earnings was less than the increase in inflation.

### Colorado Hourly Earnings and Change

Year	CO CPI	Earnings	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%
2023	5.2%	\$35.91	4.2%

Source: BLS, cber.co

# Inflation



# From “Transitory Inflation” to “Higher for Longer”

## Inflation Trends

- U.S. inflation decreased since the NSA CPI rate peaked at 9.1% in June 2022 and the core rate topped at 6.6% in September 2022.
- By December 2023, the CPI rate had fallen to 3.4%, and the core rate had dropped to 3.9%.
- In 2024, the CPI rate dropped slightly and has moved sideways.
- The PCE Price Index, used by the Federal Reserve, reported an inflation rate of 2.6% in December 2023. The peak for the PCE Index was 7.1% in June 2022.
- The annual Denver MSA CPI has been more than the U.S. CPI for eight of the past ten years.
- For 2021, 2022, and 2023, U.S. and Denver MSA inflation increased by 17.7%, a CAGR of 5.7%.

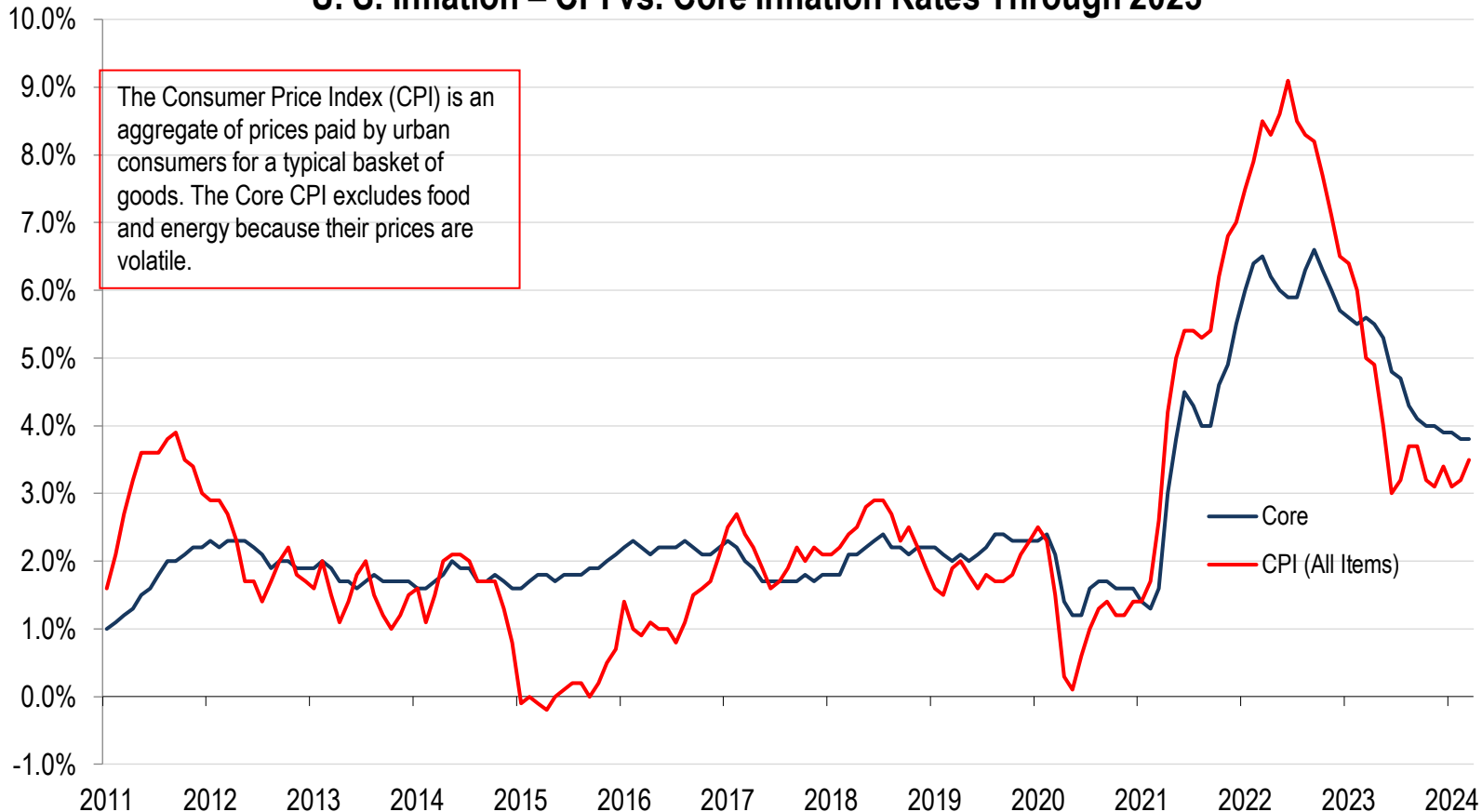
Year	Annual CPI	
	U.S.	Denver MSA
2014	1.5%	2.8%
2015	-0.4%	1.2%
2016	1.0%	2.8%
2017	2.1%	3.4%
2018	2.5%	2.7%
2019	1.7%	1.9%
2020	1.2%	2.0%
2021	5.3%	3.5%
2022	8.5%	8.0%
2023	3.8%	5.2%

Source: BLS, cber.co

# CPI Inflation

## U.S. CPI vs. Core Inflation

### U. S. Inflation – CPI vs. Core Inflation Rates Through 2023



### U.S. CPI vs. Core Inflation

In March 2024, the CPI rate (red) was 3.5%, and the core rate (blue) was 3.8%.

The CPI rate peaked at 9.1% in June 2022. By December 2022, the YOY CPI rate had dropped to 6.5%. In February 2024, the rate was 3.2%.

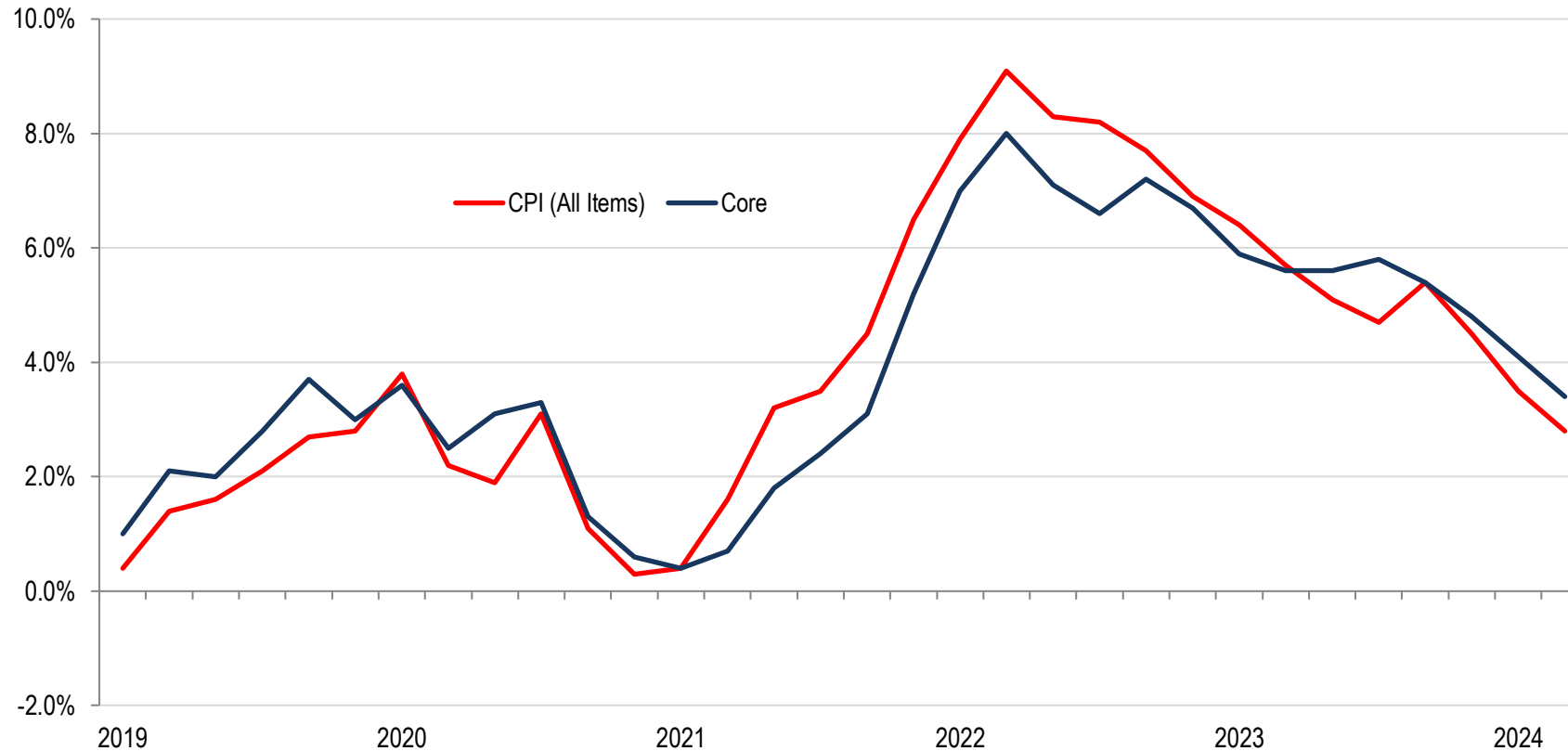
Core inflation peaked at 6.6% in September 2022 and declined to 5.7% in December 2022. In February 2024, it was 3.8%.

The inflation rate is declining; however, consumers struggle with the accumulated effect of three years of inflation. The war on inflation will continue through 2024 and possibly into 2025.

# Bi-Monthly Change in Denver MSA CPI

## All Items vs. Core

Denver MSA All Items CPI vs. Core (All Items less Food and Energy)



**Denver MSA  
CPI vs. Core Inflation**  
The Denver MSA inflation rate is generally higher than the U.S. rate.

March 2024 was an exception. The U.S. CPI rate was 3.5%, and the Denver MSA rate was 2.8%.

The U.S. March core rate was 3.8% compared to 3.4% for the Denver MSA.

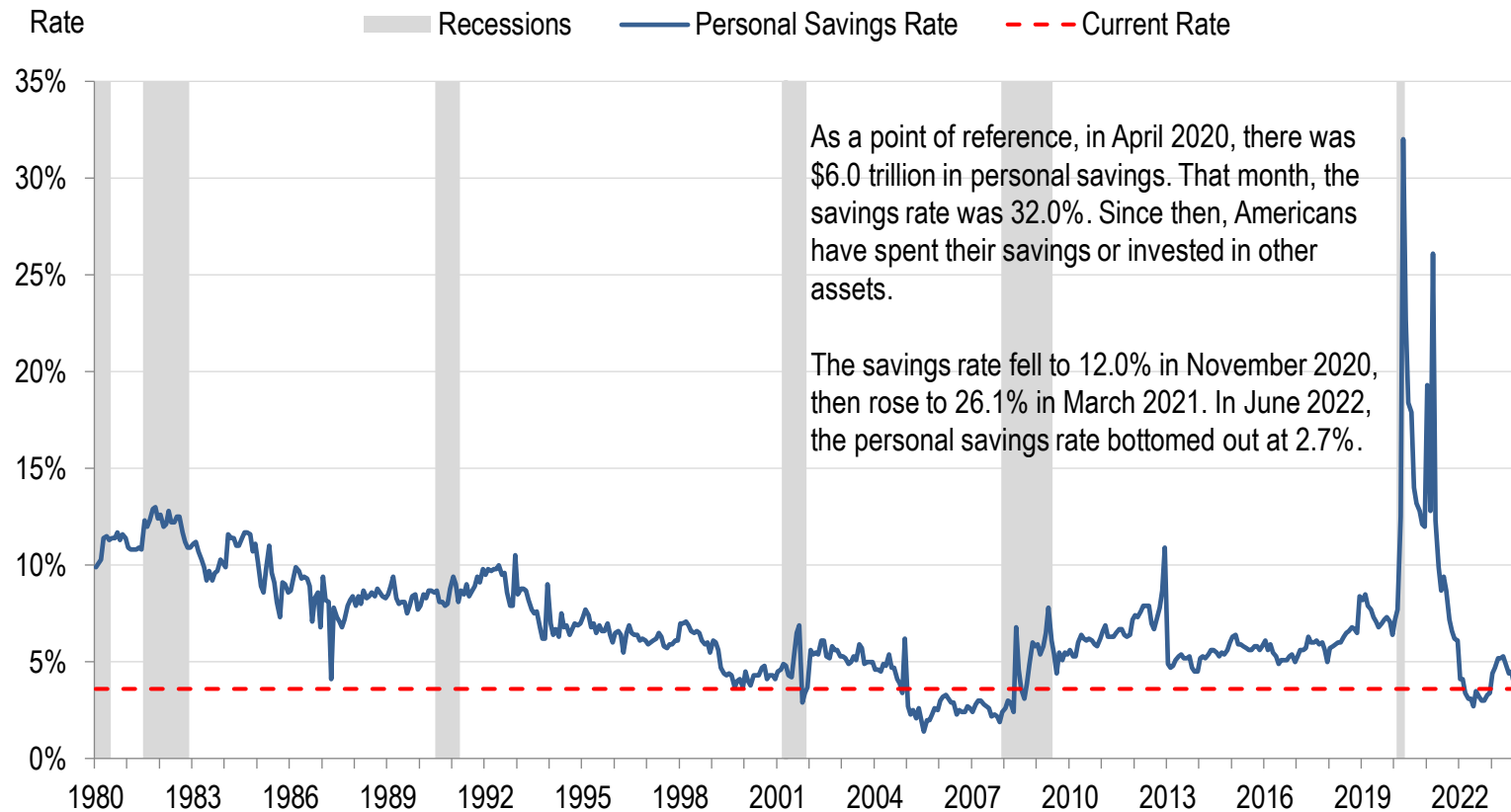
Source: Bureau of Labor Statistics, NSA, Note: Colorado data is only available on a bi-monthly basis since 2019, cber.co.

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

# U.S. Personal Saving Amount and Rate

## Percentage of Disposable Personal Income (DPI)

### Personal Savings Rate



### Personal Saving Rate

The March 2024 personal savings rate was 3.6%, and savings were \$745.7 billion, the lowest level since December 2022. In December 2023, savings were \$766.0 billion, and a savings rate of 3.7%.

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

2017	\$748.0	5.0%
2018	\$1,338.9	8.4%
2019	\$1,051.4	6.4%
2020	\$2,085.0	12.0%
2021	\$1,115.2	6.1%
2022	\$561.9	3.4%
2023	\$766.0	3.7%

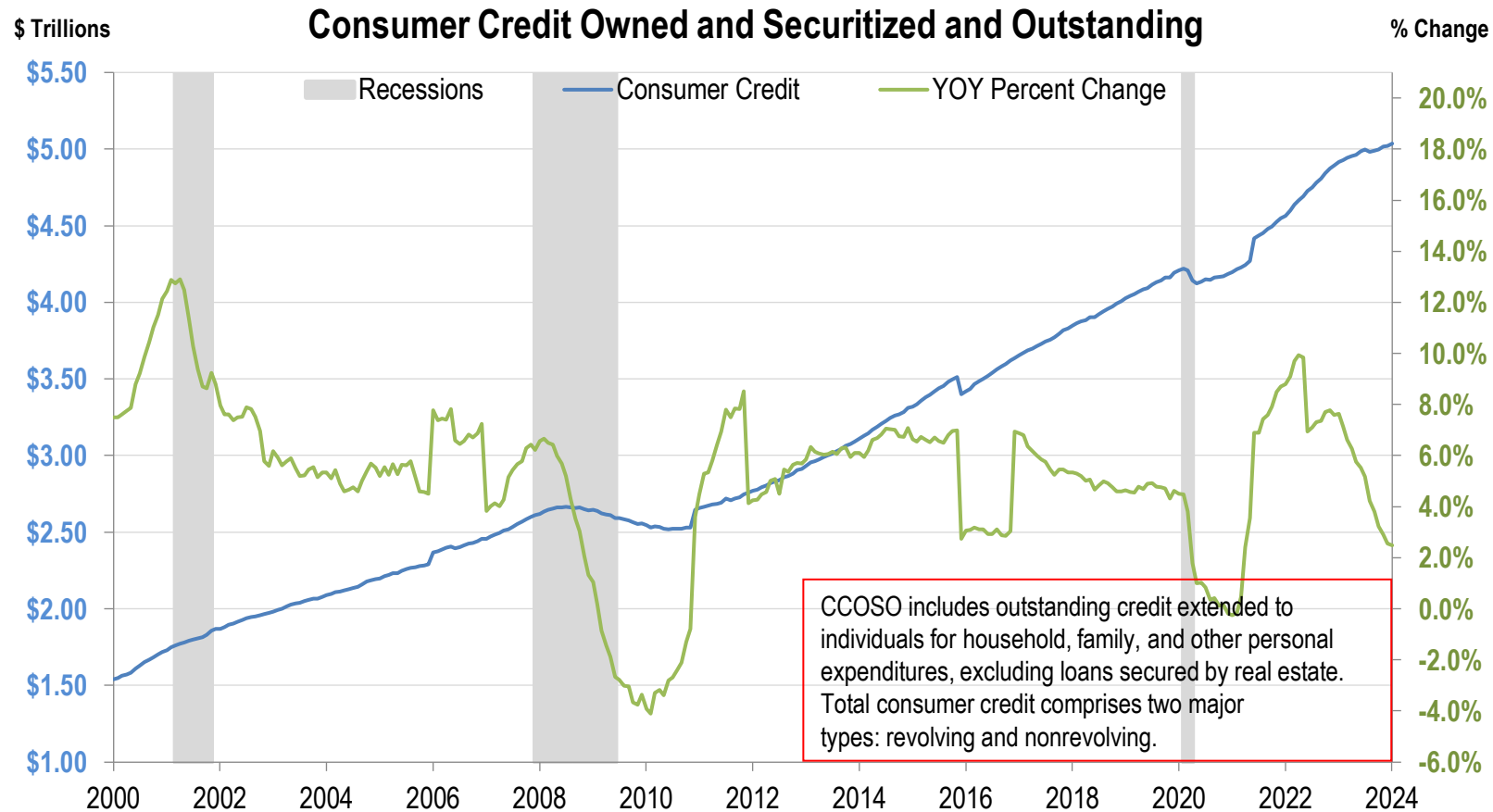
Source: BEA, cber.co

Source: Federal Reserve, FRED, cber.co.

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

# U.S. Consumer Credit Outstanding

## United States



### Consumer Credit

In February 2024, the YOY rate of outstanding consumer credit (including consumer loan defaults) increased by 2.5% (green). Securitized credit has been more than \$4.5 trillion since November 2021 (blue).

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).

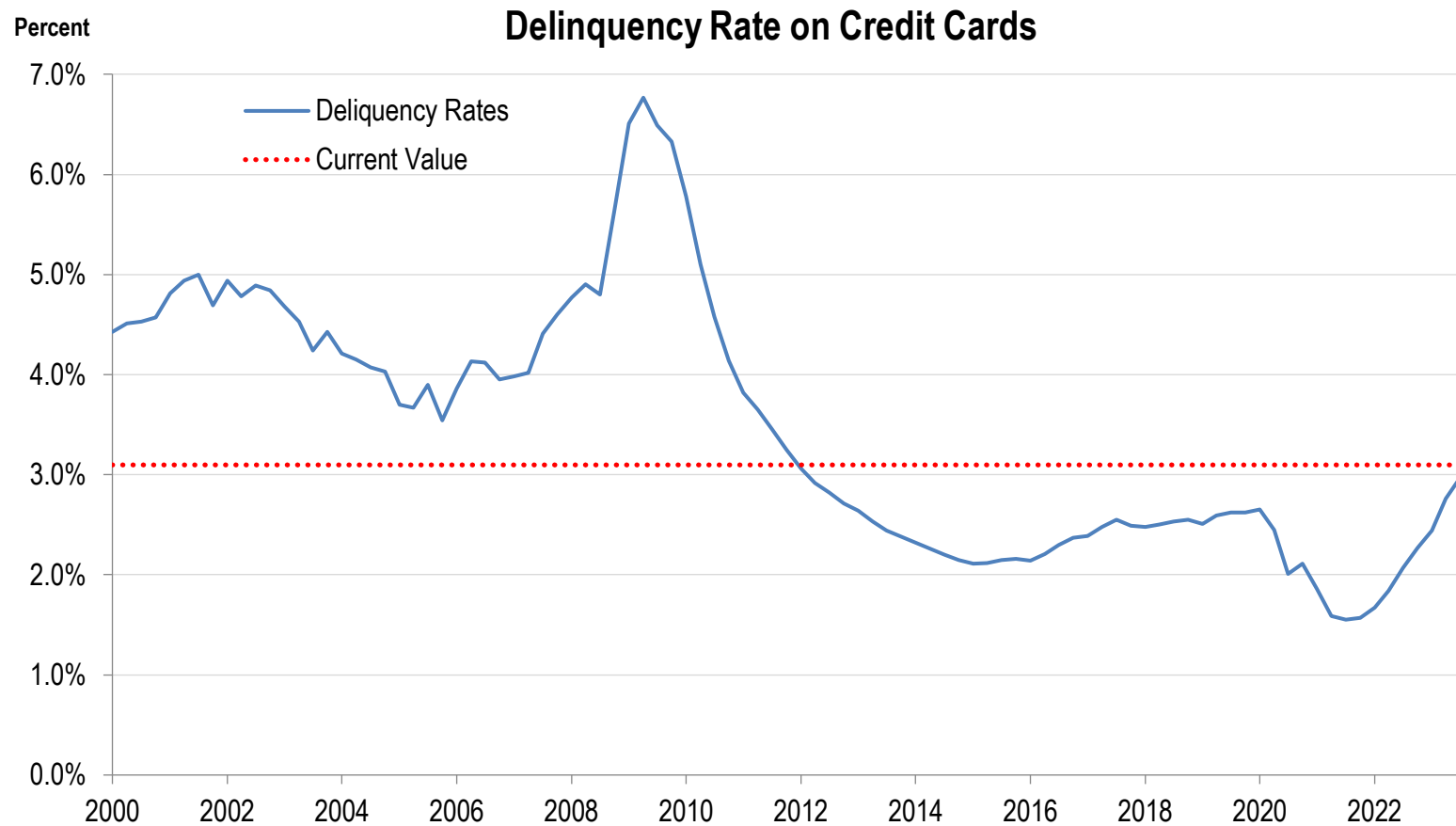
#### Outstanding Credit (Billions) and Percent Change

2017	\$3,738.3	5.9%
2018	\$3,922.6	4.9%
2019	\$4,106.3	4.7%
2020	\$4,168.2	1.5%
2021	\$4,375.6	5.0%
2022	\$4,735.8	8.2%
2023	\$4,969.9	4.9%

Source: FRED, G-19, cber.co

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

# Delinquency Rate on Credit Cards

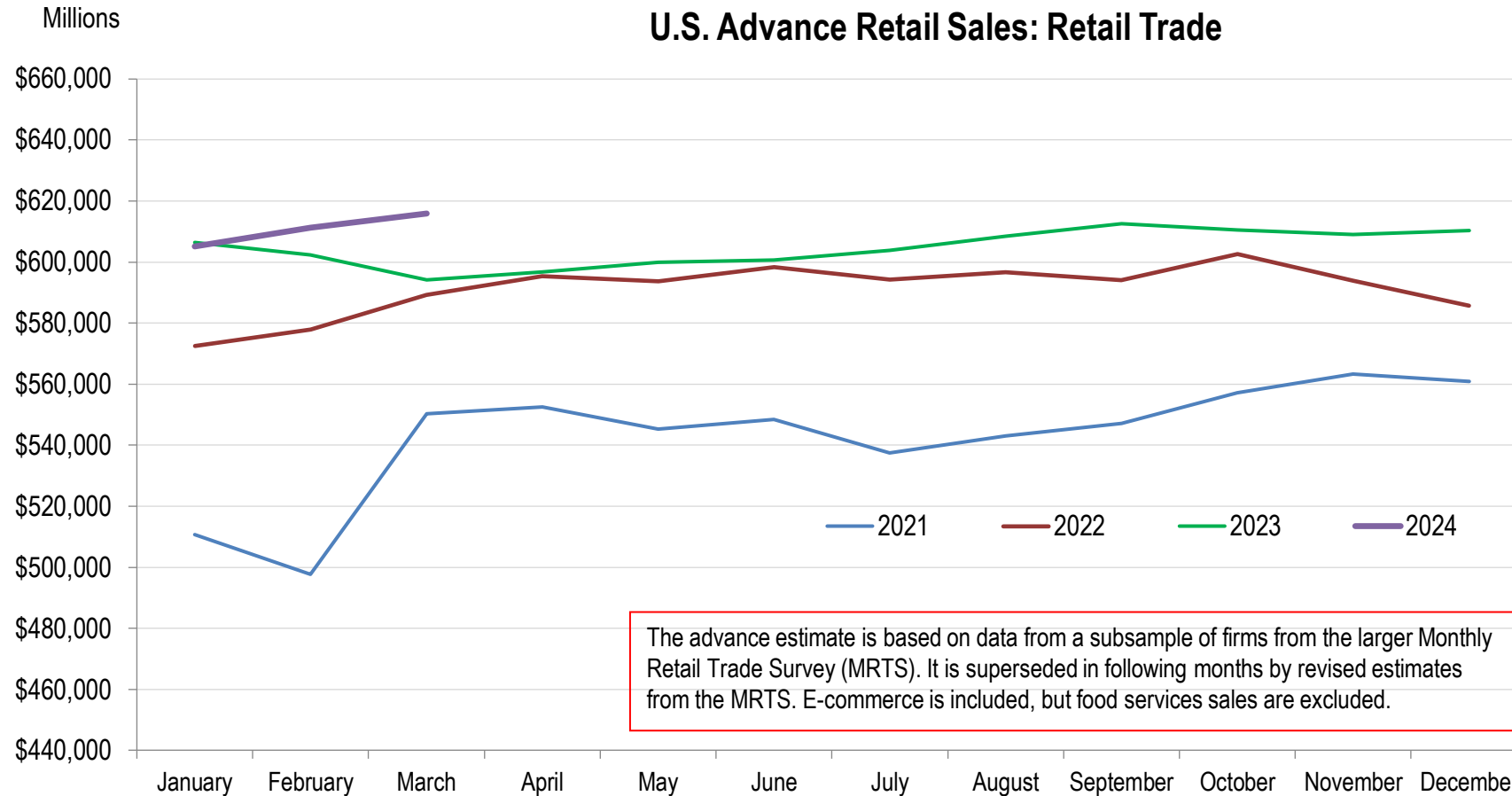


Source: FRED, Federal Reserve, SA.

**Delinquency Rate on Credit Cards**  
At the end of Q4 2023, the credit card delinquency rate rose to 3.1%, the highest rate since Q3 2012. The current delinquency rate is below the rate between 2000 and 2012.

# U.S. Advance Retail Sales: Retail Trade

## Monthly



### Advance Retail Sales

Retail sales were weak in 2023, and they were weak during the first two months of 2024. YTD sales through March (purple) were 1.6% greater than for the same period in 2023 (green).

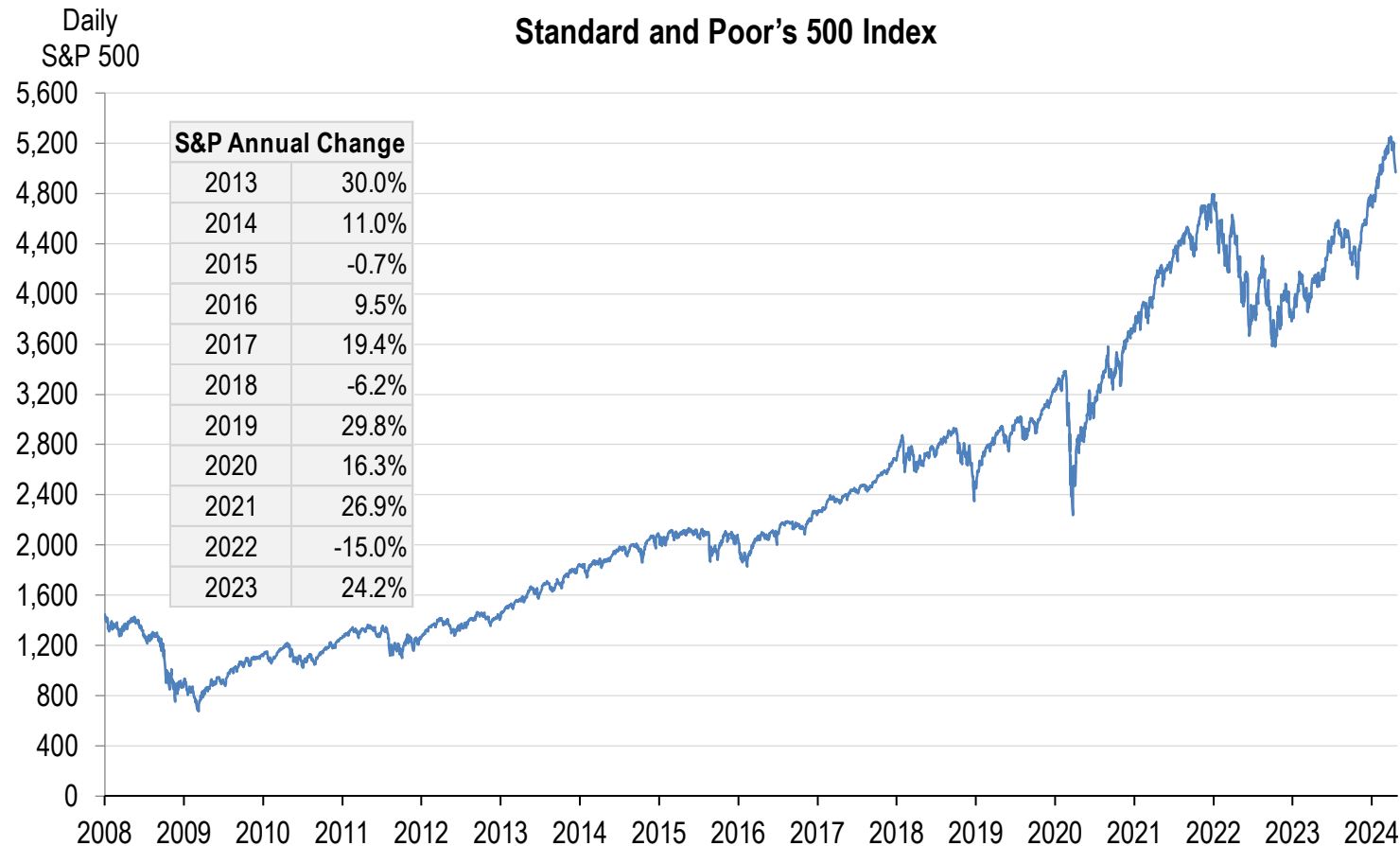
Consumers are spending more than expected, given they have reduced their savings and increased their credit card debt.

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%
2023	\$7.26	2.3%

Source: Census, 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 Bull Market

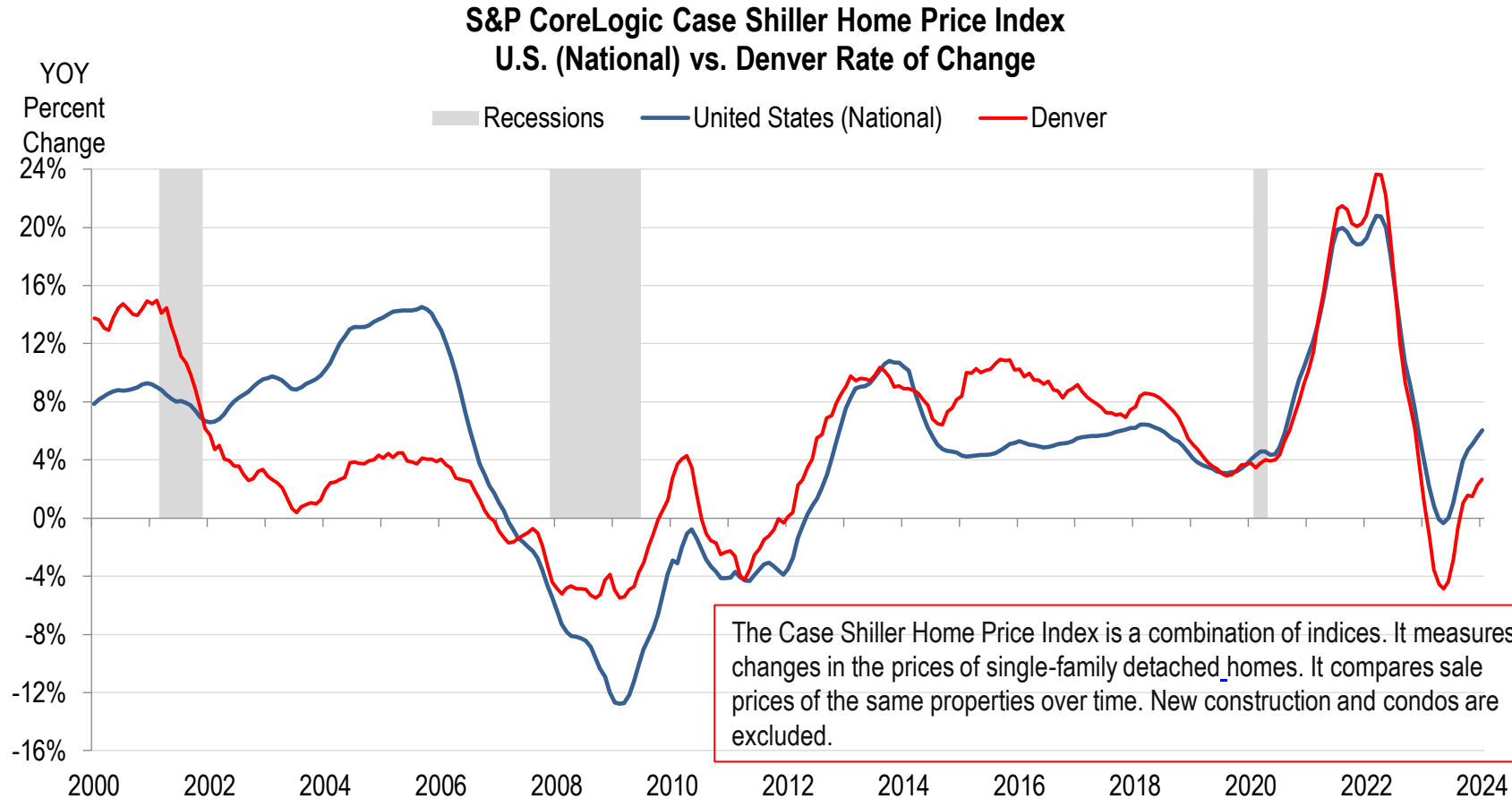
Helped by a Santa Claus rally in December  
 December 29, 2023 4,739 YTD change **+24.2%**

### 2024

On April 19 4,967.23 YTD change **+4.1%**.

# Case Shiller Home Price Index

## YOY National vs. Denver Rate of Change



The Case Shiller Home Price Index is a combination of indices. It measures changes in the prices of single-family detached homes. It compares sale prices of the same properties over time. New construction and condos are excluded.

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

In January 2024, the YOY change in the U.S. index was +6.0%, and the Denver index changed by 2.3%. Compared to a year ago, housing prices are accelerating.

In retrospect, 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 Denver and the U.S. peaked above 20.0%.

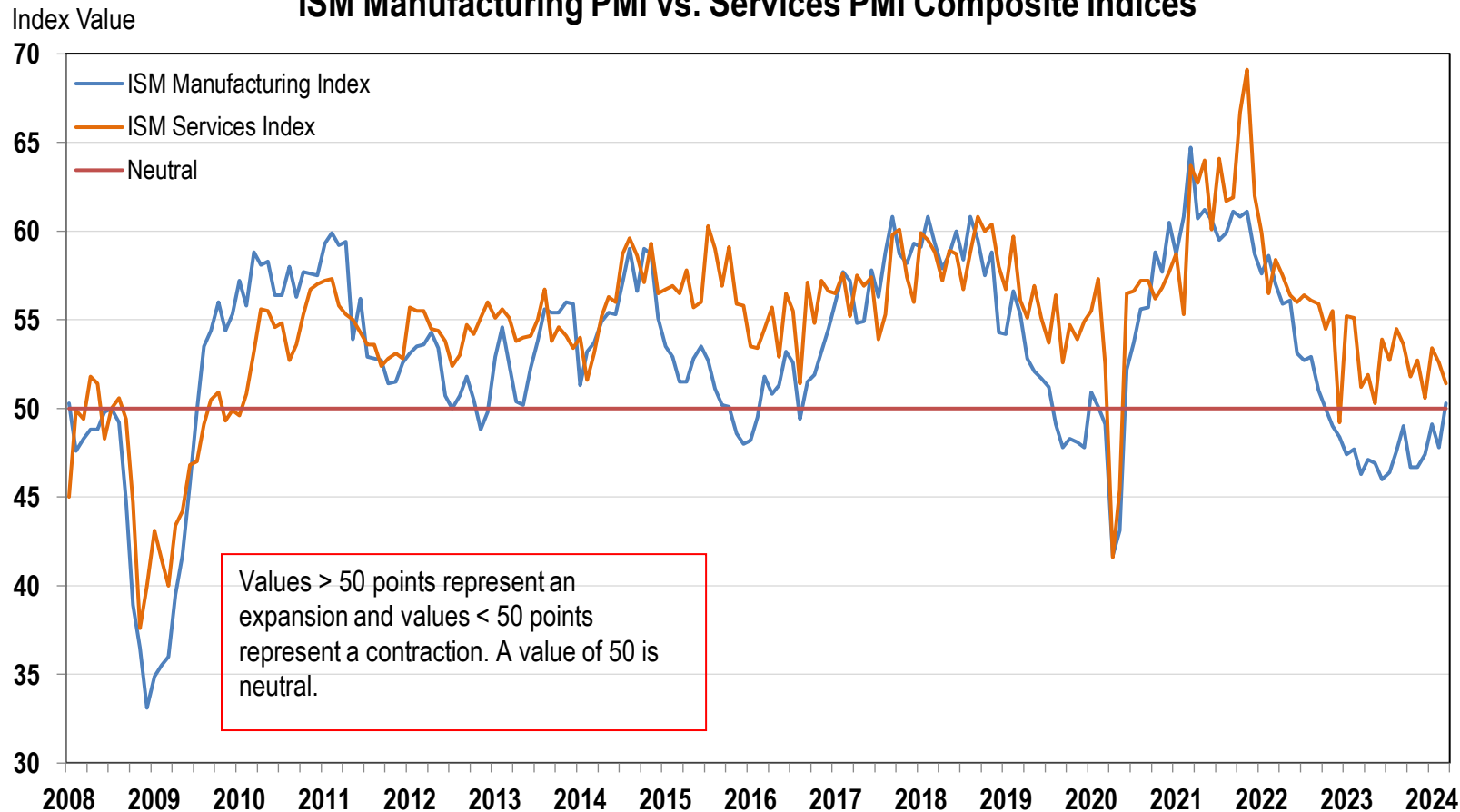
Source: S&P Case Shiller, cber.co.

## U.S. 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) has trended downward after peaking at 64.7 in March 2021. It dropped below 50 in November 2022 and remained there for 2023. It was 50.2 in March 2024. Four of the six largest industries registered growth in March.

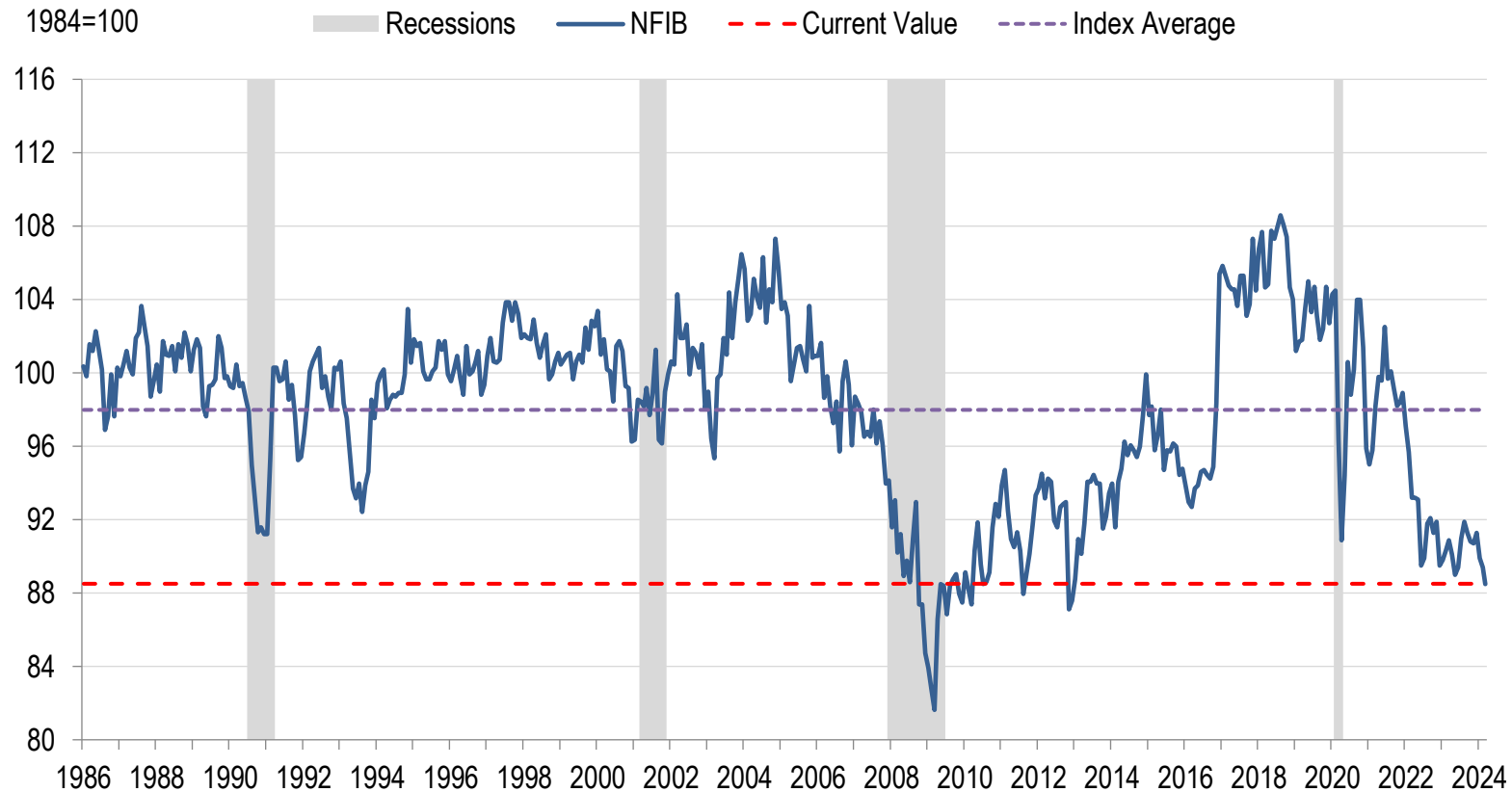
The ISM service index (orange) has trended downward since November 2021. It fell below 50 in December 2022 but was above 50 for all of 2023. It fell to 51.4 in March 2024. All 12 industries in the study posted gains in March.

Source: Institute of Supply Management, cber.co.

# NFIB Small Business Optimism Index

## United States

### NFIB Small Business Optimism Index



### NFIB Small Business Index

In March 2024, the NFIB index dropped to 88.5 (red dotted line), the 26th consecutive month below the 49-year average of 98.0 (purple dotted line). The March value was the lowest since 2012.

Six of the ten index components decreased. The biggest concern for businesses was inflation, sales, and profits. Overall, business owners are pessimistic about the economy.

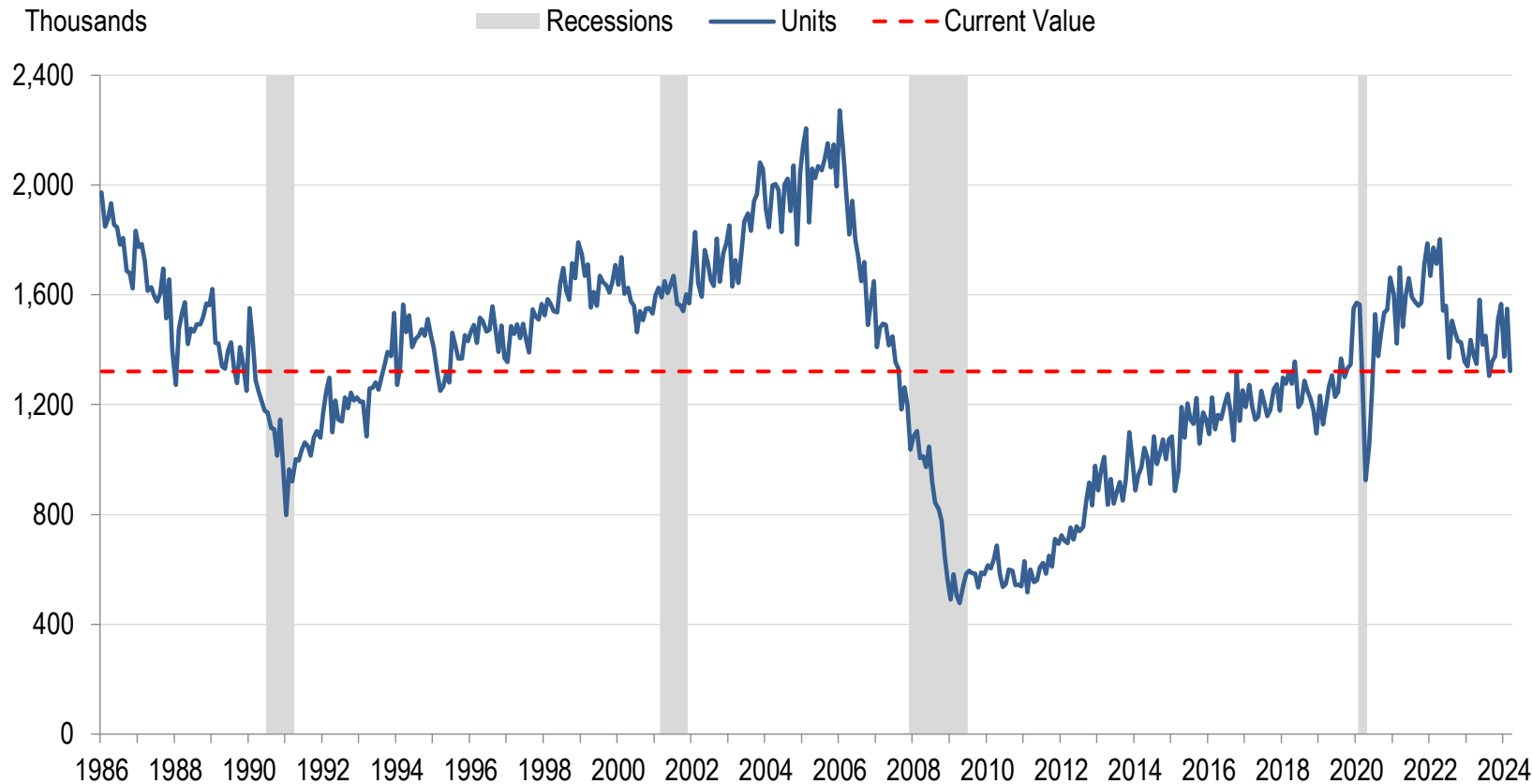
The NFIB monthly SBET report is available at <https://www.nfib.com/>.

Source: NFIB, cber.co.

# New Privately-Owned Housing Units Started

## United States

**New Privately Owned Housing Units Started**



**New Privately Owned Housing Units Started**

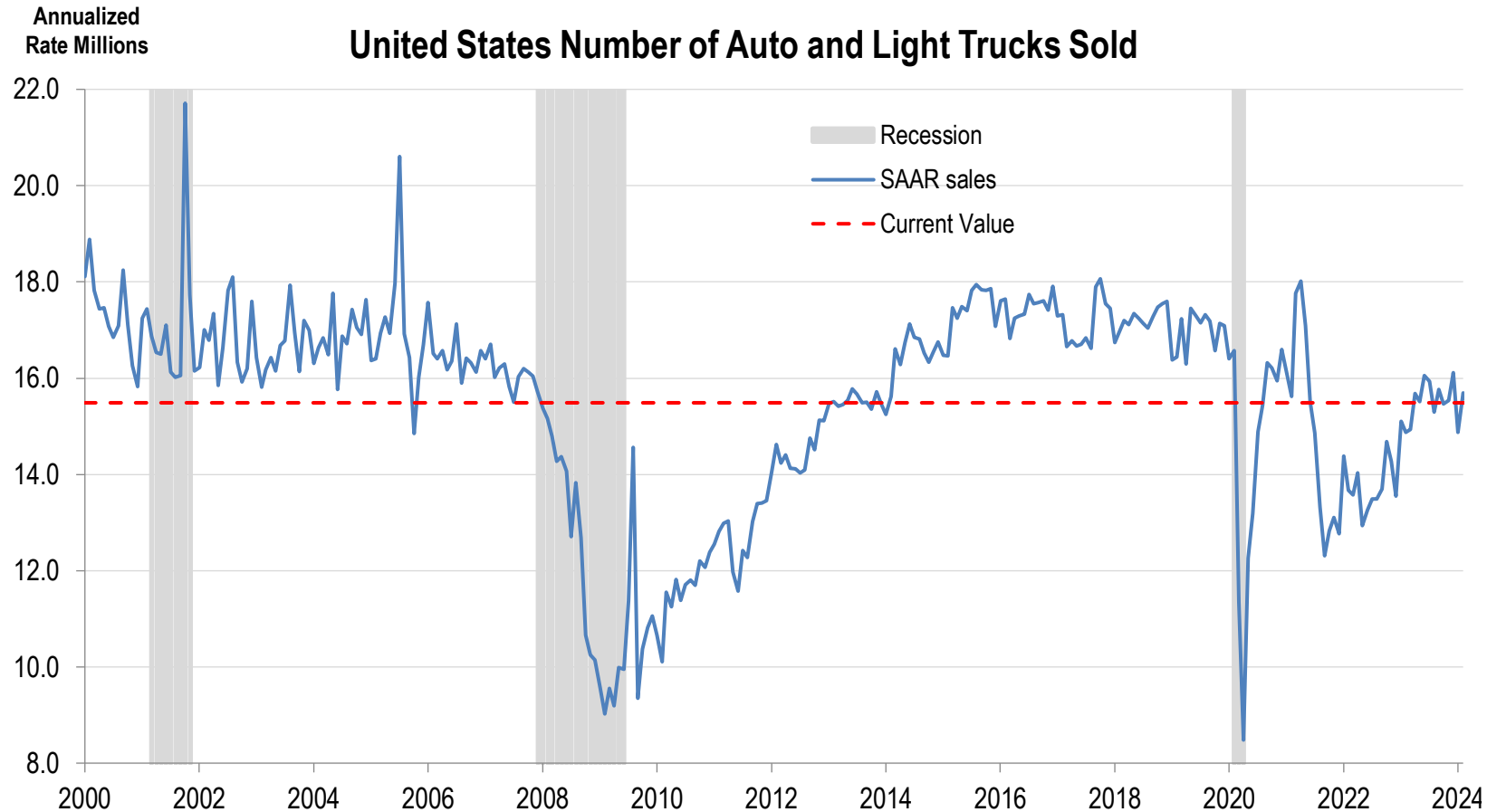
The number of housing starts has been volatile. Starts have been below 1.9 million units SAAR since May 2022. There is demand for housing, even with high interest rates; however, there were only 1.3 million starts in March 2024 (red-dotted line).

Year	Units
2005	2,073
2006	1,812
2007	1,342
2008	900
2009	554
2010	586
2011	612
2012	784
2013	928
2014	1,000
2015	1,107
2016	1,177
2017	1,205
2018	1,247
2019	1,292
2020	1,397
2021	1,606
2022	1,551
2023	1,415

Source: U.S. Census Bureau, FRED, cber.co.

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

## Monthly (Seasonally Adjusted Annualized Rate in Millions)



### ALT Sales SAAR

In March 2024, sales increased to 15.5 million (red dotted line).

Sales in 2023 ranged from 14.8 to 16.1 million and annual sales were 15.5 million. The industry faces challenges from elevated interest rates and a lack of enthusiasm for EVs.

#### ALT Unit Sales

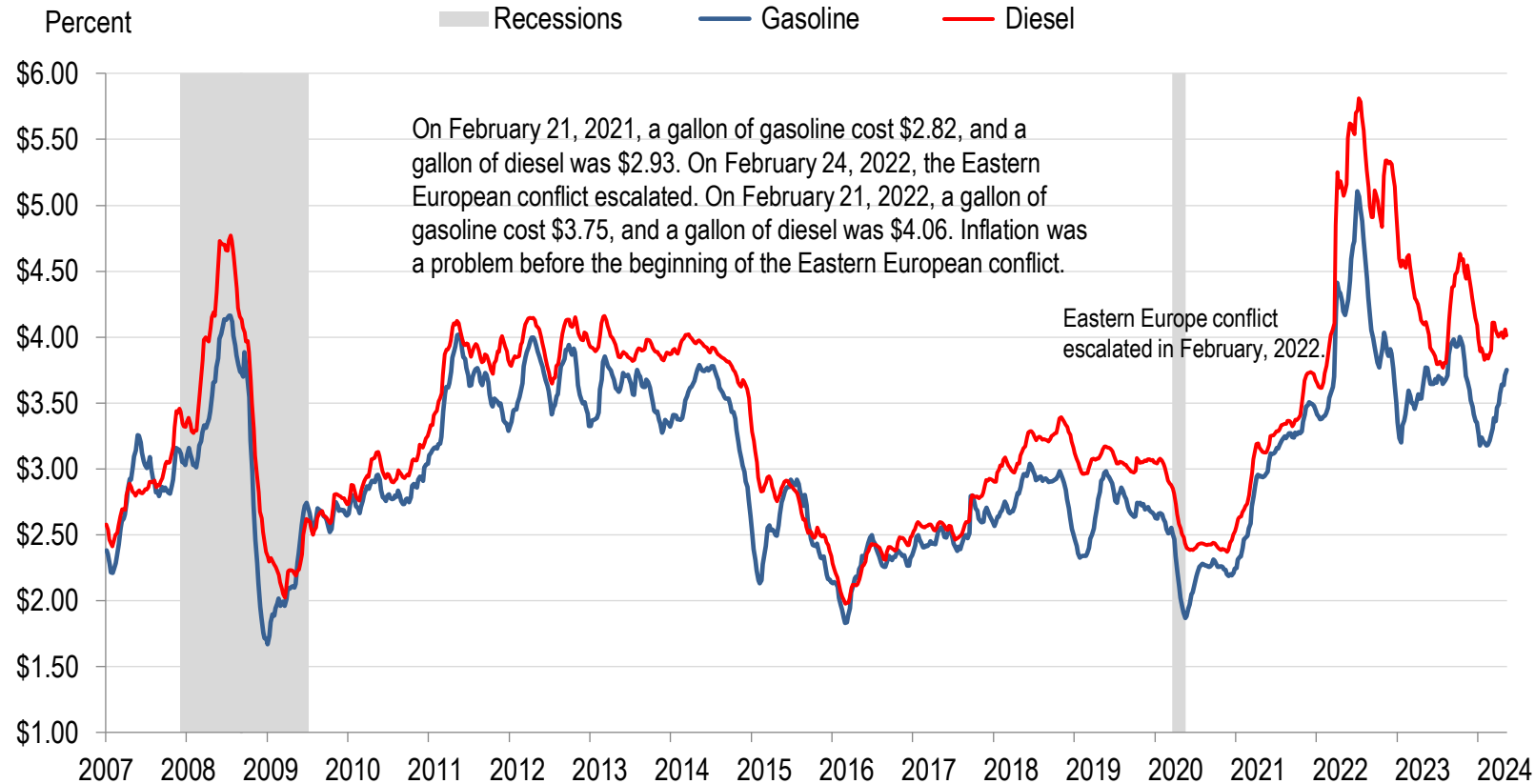
Year	Units Sold (Millions)
2016	17.5
2017	17.2
2018	17.2
2019	17.0
2020	14.5
2021	14.9
2022	13.8
2023	15.5

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 Grades, All Formulations) and Diesel Prices**



## Gasoline and Diesel Prices

On April 15, 2024, a gallon of gasoline (blue) was \$3.75, down from a peak of \$5.11 on June 30, 2022. The price for a gallon on January 4, 2021, was \$2.34. A gallon of diesel (red) was \$4.02 on April 15, 2024, compared to its peak of \$5.78 on June 13, 2022. On January 4, 2021, the price per gallon was \$2.64.

### Average Annual Price

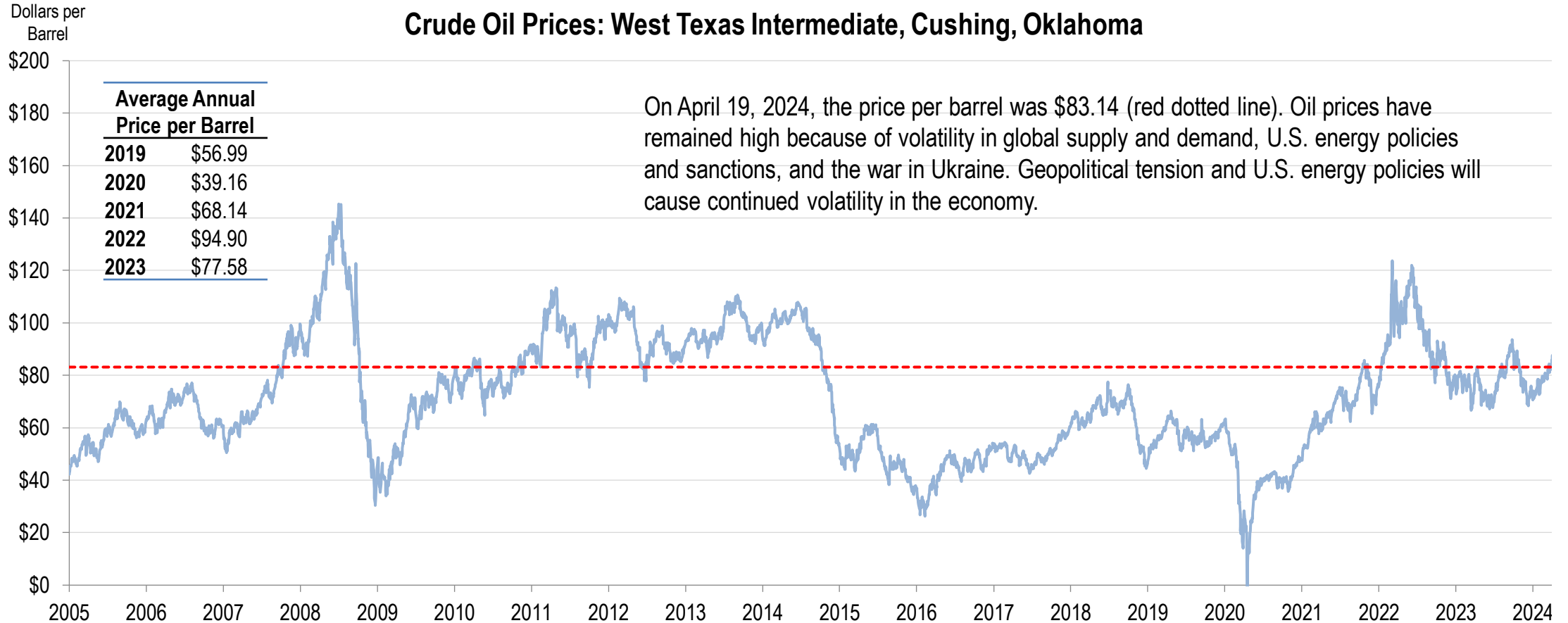
Year	Diesel	Gasoline
2015	\$2.71	\$2.63
2016	\$2.30	\$2.30
2017	\$2.65	\$2.26
2018	\$3.18	\$2.90
2019	\$3.06	\$2.83
2020	\$2.55	\$2.37
2021	\$3.29	\$3.22
2022	\$4.99	\$4.27
2023	\$4.21	\$3.63

Source: FRED, EIA, [https://www.eia.gov/dnav/pet/pet\\_pri\\_gnd\\_a\\_epd2d\\_pte\\_dpgal\\_w.htm](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](https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPM0_PTE_NUS_DPG&f=W), cber.co.



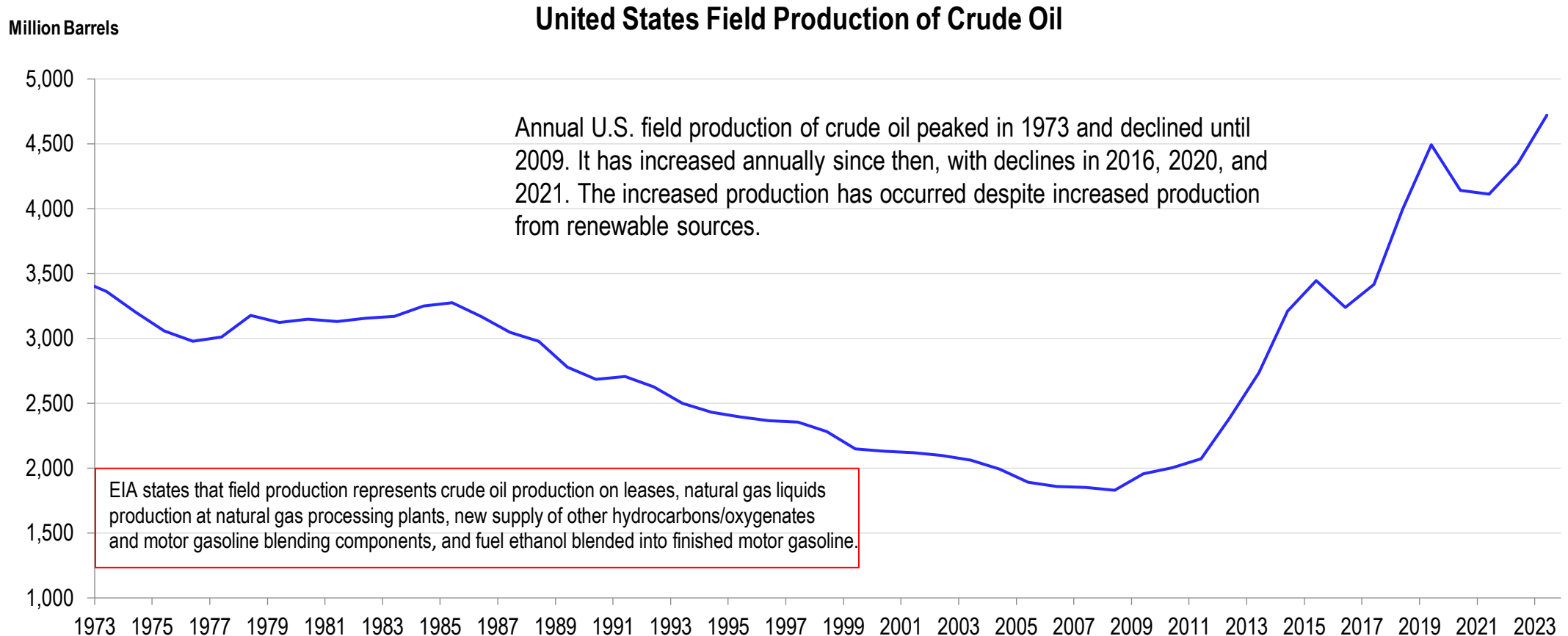
# Crude Oil Prices

## West Texas Intermediate



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

# United States Annual Field Production of Crude Oil 1970 to 2023 (Million Barrels)



Source: EIA, cber.co.

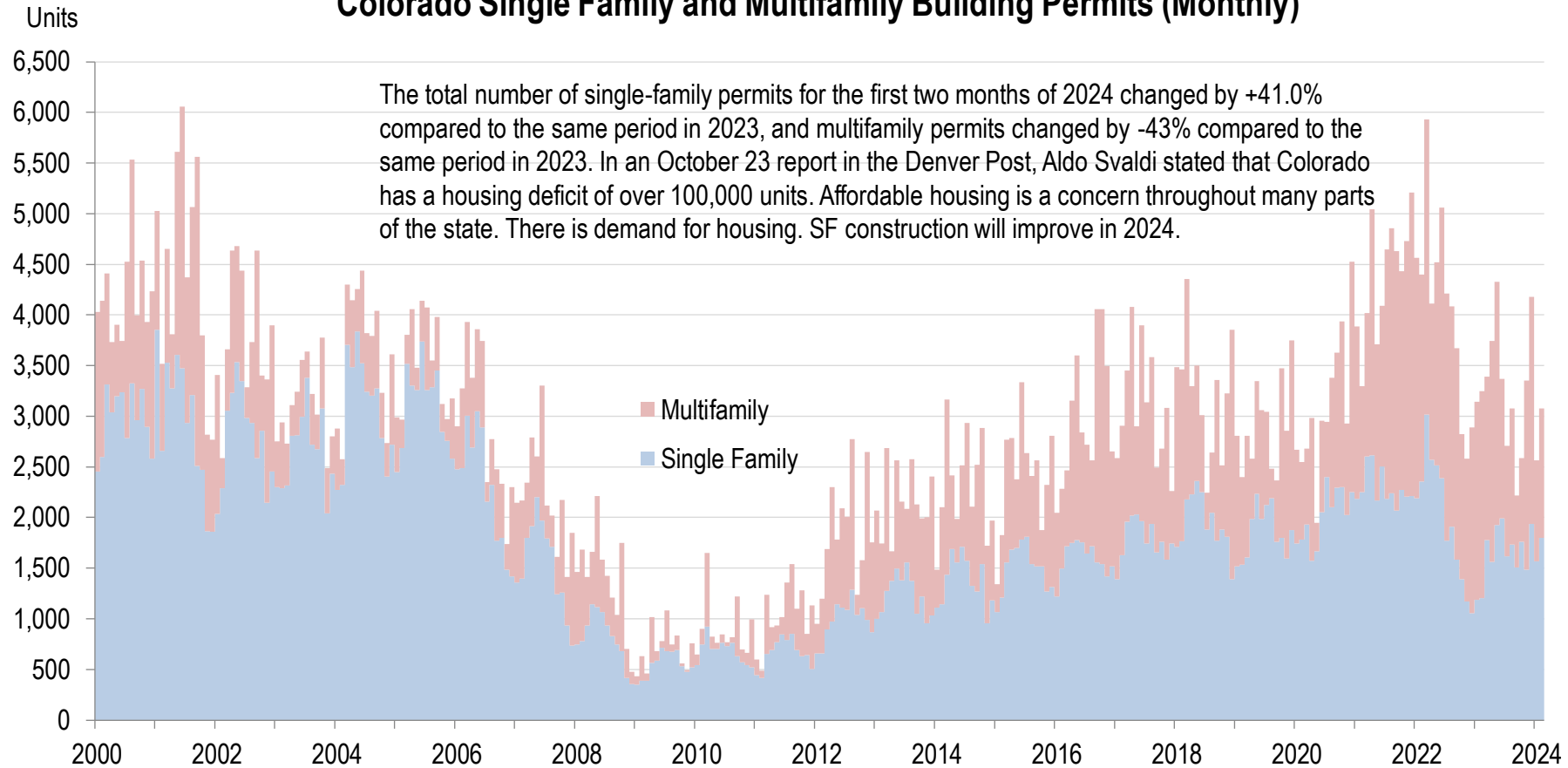
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## Colorado Indicators

# Colorado Residential Building Permits

## Single Family and Multifamily Units

**Colorado Single Family and Multifamily Building Permits (Monthly)**



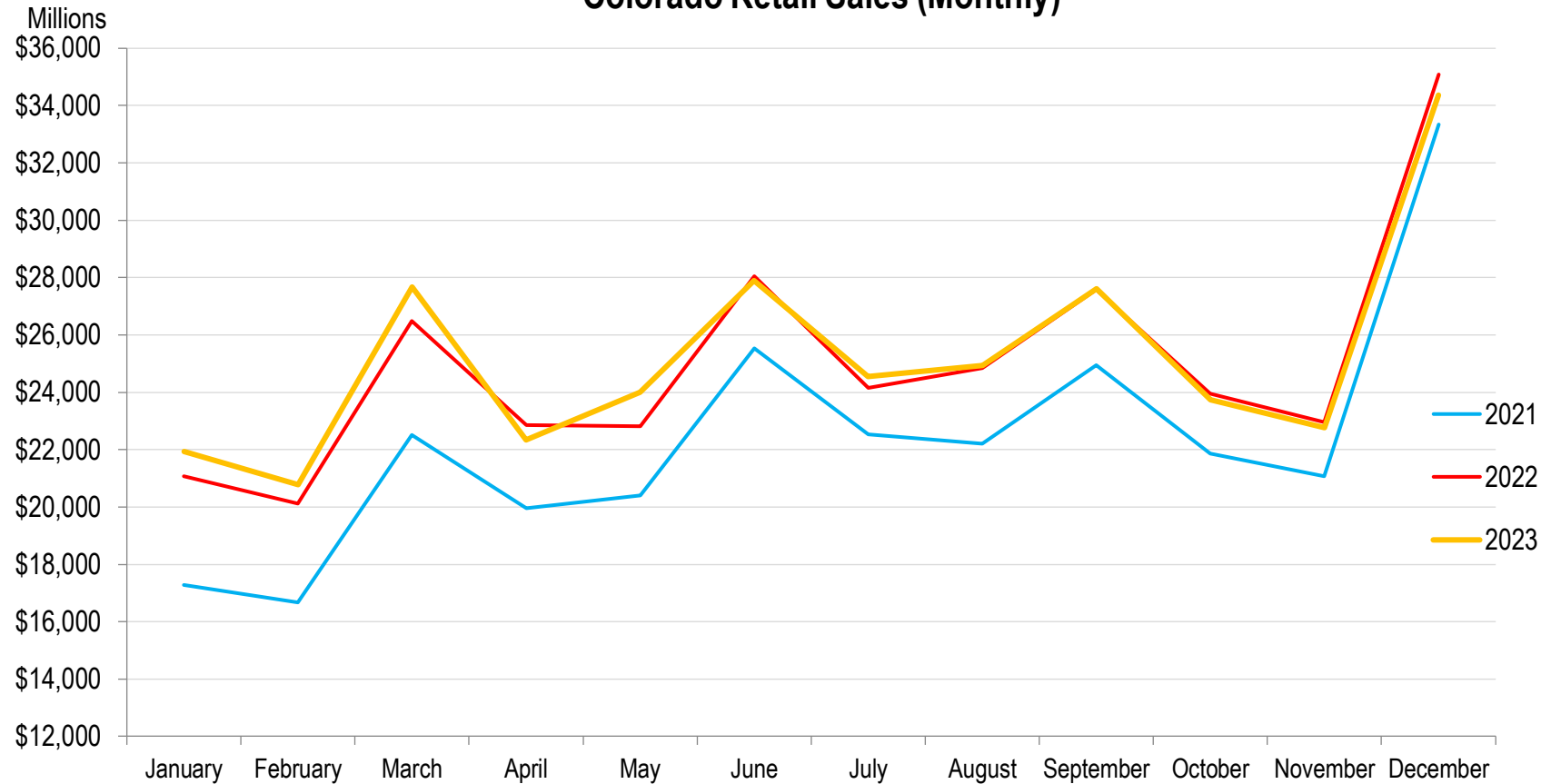
Annual Building Permits		
Year	Single Family	Multi-Family
2000	38,588	16,008
2001	36,437	18,570
2002	35,042	12,878
2003	33,894	5,732
2004	40,753	5,746
2005	40,018	5,732
2006	30,365	7,978
2007	20,516	8,938
2008	11,147	7,851
2009	7,261	2,094
2010	8,790	2,801
2011	8,729	4,779
2012	12,618	10,684
2013	15,773	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 for January 2024 were slightly below January 2023 (not shown on the chart). Sales for 2023 were 0.9% greater than in 2022.

The slowdown in Colorado retail sales parallels the slowdown in U.S. retail sales.

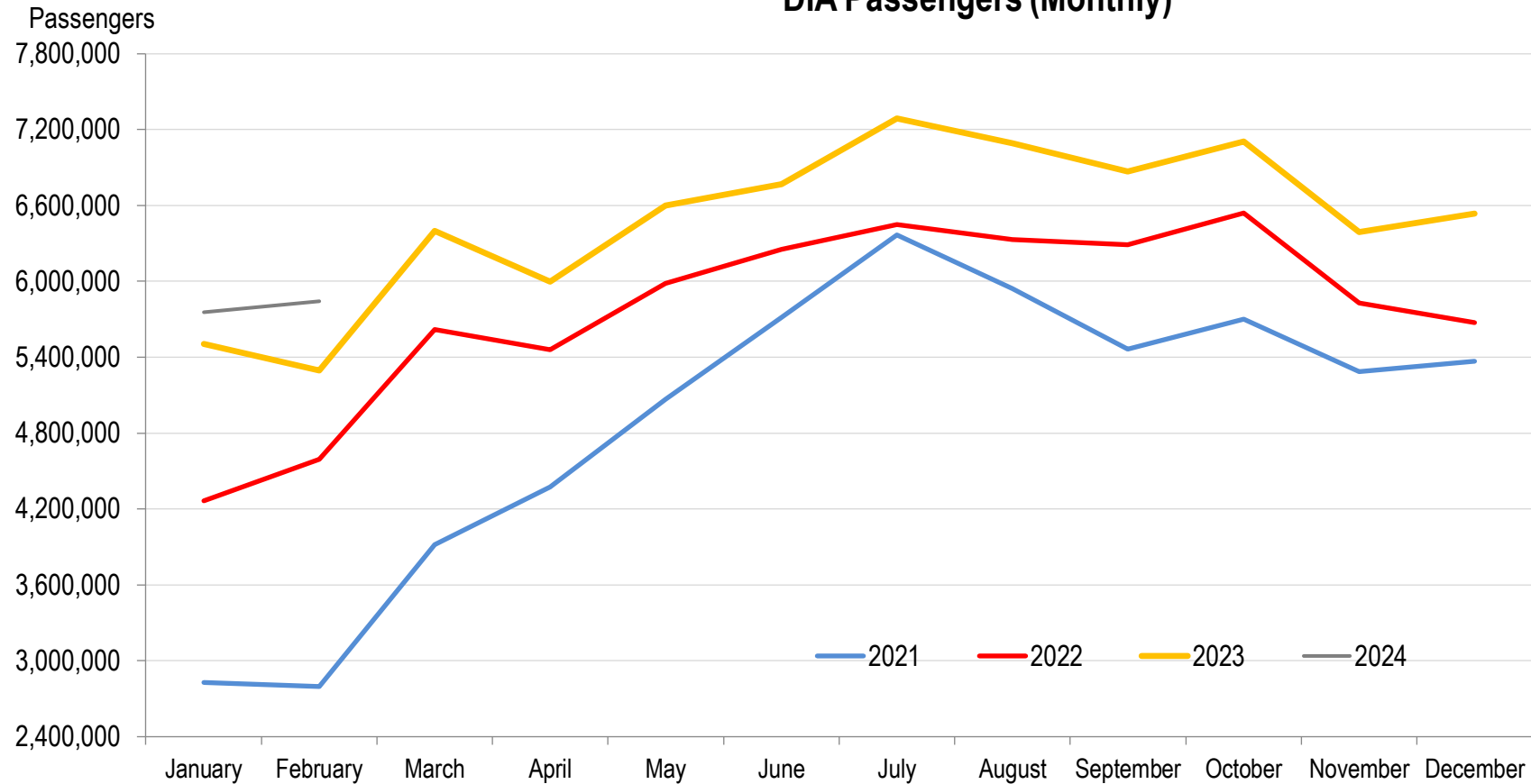
Annual Retail Sales (Billions)		
2017	\$194.6	5.4%
2018	\$206.2	5.9%
2019	\$224.6	9.0%
2020	\$228.8	1.9%
2021	\$268.3	17.3%
2022	\$299.9	11.8%
2023	\$302.6	0.9%

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

# Denver International Airport Passengers

## Monthly

DIA Passengers (Monthly)



Source: flydenver.com, administration/governance, COS airport, cber.co.

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### Air Travel

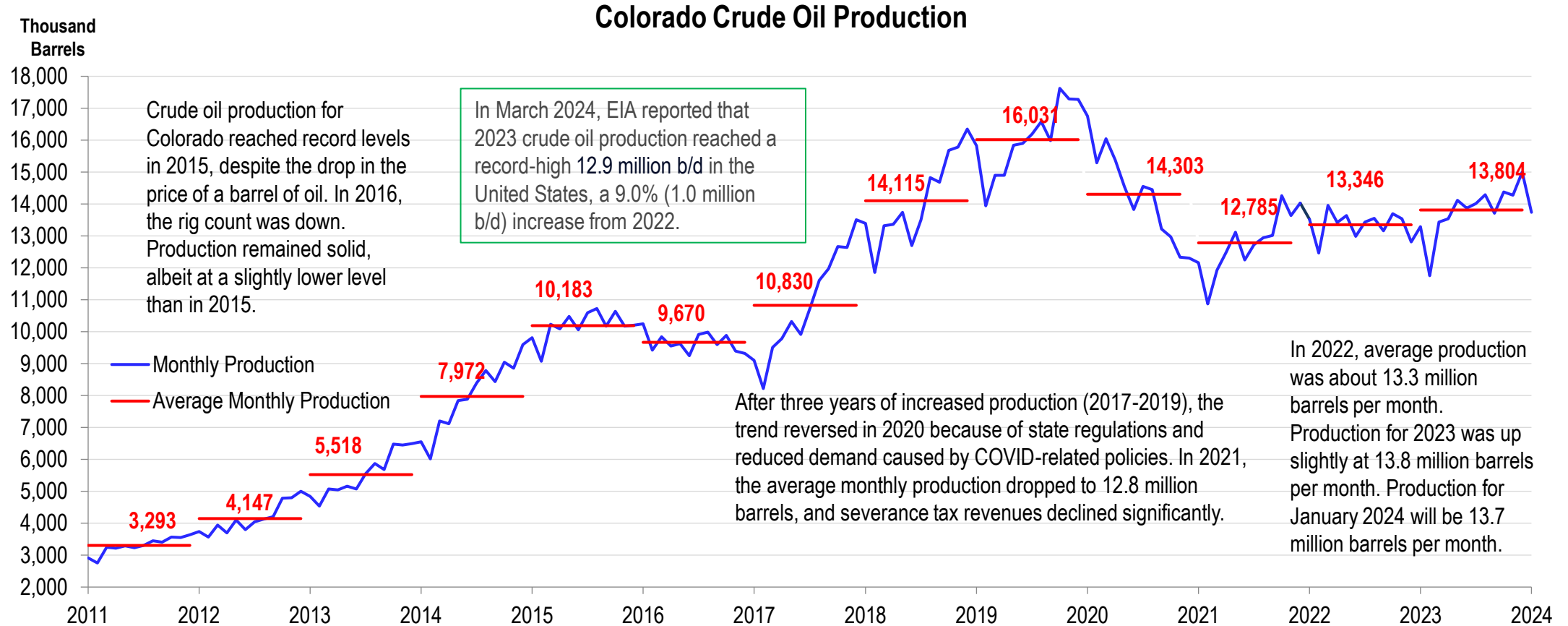
There were 11.6 million passengers through DIA in January and February (grey line), an increase of 7.4% compared to the first two months of last year.

Total passengers for the Colorado Springs (COS) airport were up 9.9% in 2023. There were 2.3 million passengers during this period. There were 343,861 passengers through COS in January and February, a YOY increase of 18.6%.

Year	DIA Passengers	% Change
2023	77,837,917	12.3%
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 2024 (Thousand Barrels)



Source: EIA, cber.co.

## Trends and Forecast



# Summary of Trends and Issues for 2024

## **Economic trends for 2024**

- Economic activity and labor markets will be solid but weaker than in 2023.
- Reduced saving levels and mounting consumer debt will cause a reduction in spending.
- The PST sector and advanced technology will continue to drive the Colorado economy.
- Colorado's oil and gas industry will contribute to the economy.
- Affordable housing challenge Colorado business leaders as they attract new employees.
- Residential investment will continue to face challenges despite high demand for housing.
- Office vacancies in downtown Denver will remain high.

## **Wildcard Issues for 2024**

- The economy will become more stable when rate hikes transition to rate cuts.
- Equity markets will remain volatile.
- There is a disconnect between Wall Street and Main Street.
- Some energy policies will not have their desired effect.
- The U.S. and international geopolitical situation is unsettled – and scary.
- The wars in Eastern Europe and the Gaza Strip will become more divisive within the U.S.
- The elections will be contentious.
- Since the elimination of the Gallagher Amendment, property taxes have been an issue that affects all residents.
- Homelessness and immigration policy will remain a problem for Denver and the state.

# Colorado Economic Forecast 2024

In 2024, the Colorado real GDP growth rate will be 1.9% compared to 2.1% for the U.S.

Momentum in the job market will carry into 2024. It will taper off and employment will grow at a slower rate. The unemployment rate will increase but remain lower than the U.S. rate.

Retail sales for 2024 will remain sluggish. Inflation has declined, but it is more of a problem in Colorado than in other states. Other challenges include high energy and housing costs, labor shortages, and high interest rates.

Colorado Economic Forecast					
	2021	2022	2023	2024	
Real GDP Value (billions) (chained 2017)	\$406.96	\$416.11	\$430.20	\$438.4	
% Change Real GDP	6.8%	2.2%	3.4%	1.9%	
CES Employment (thousands)	2,750.9	2,869.7	2,942.0	2,984.0	
Annual Change (thousands)	98.2	118.8	72.3	42.0	
% Change	3.7%	4.3%	2.5%	1.4%	
Unemployment Rate	5.5%	3.1%	3.2	3.6%	
Retail Sales (billions)	\$268.3	\$299.9	\$302.6	\$308.8	
% Change	17.3%	11.8%	0.9%	2.0%	
Consumer Price Index (CPI)	281.8	304.4	320.3	331.0	
	3.5%	8.0%	5.2%	3.3%	
DIA Passengers (millions)	59.0	69.0	77.8	82.0	
Single Family Permits	30,246	24,000	20,000	21,000	
Multi-family Permits	26,278	25,000	19,000	19,000	
Oil Production (thousands) barrels	153,423	160,149	163,932	165,000	

More than 80 million passengers will pass through DIA in 2024. There will be strong travel activity at the Colorado Springs airport.

The total number of SF and MF 2024 building permits will be slightly higher than in 2023. The construction (housing) and real estate market will remain volatile in 2024. Office vacancies will remain at record-high levels.

State regulations and reduced demand (COVID-related policies) caused a sharp decline in crude oil production in 2021. Annual production has stabilized at more than 160 million barrels.

cber.co  
Economic Outlook and Trends through March 2024  
Colorado and the United States

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#### 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.