

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



Colorado Highway 285  
Chaffee County 2021

Colorado-based Business and Economic Research, [cber.co](https://cber.co)  
Prepared May 24, 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 are more optimistic than one year ago – a recession is unlikely.

There was slower growth in Q1 2024 that will continue into Q2 and Q3. Consumers will struggle to balance their savings, debt, investment, and spending as inflation and high interest rates are problematic. Inflation will continue to follow a bumpy path downward to the target rate.

Earlier in the year, some business leaders expected six rate cuts for 2024. Now, there is uncertainty about the number and timing of rate cuts this year.

Businesses will face the same challenges as consumers. In addition, they will face various workforce issues.

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This chartbook highlights the following topics.

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## U.S. Forecast, Gross Domestic Product, and Disposable Income

# United States Forecast

## United States Forecast

### United States Forecast

The Conference Board (TCB) U.S. Economic Forecast is the base for this analysis. The May forecast showed minor changes 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.
- The TCB forecasts made sense at the time, but the recessions or slowdowns did not happen.

#### What is Likely to Happen

- As inflation dropped, discussions transitioned from rate hikes to rate cuts. There are numerous reasons for the uncertainty about the number and timing associated with 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

- There will be a slowdown during the middle of the year. A recession is not projected.
- Spending on infrastructure investments will continue to support growth.
- The labor markets will remain tight but resilient.

### 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.
- Political 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 caused by the rapid inflation reduction has been replaced with uncertainty.
- Consumers will struggle to balance their income, debt, savings, and spending.

# U.S. Real GDP Growth

The Conference Board Forecast (May 16, 2024)

## Real GDP and Economic Growth

The Conference Board forecast projects real GDP growth of 2.1% 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 5.6% in 2024, and non-residential investment will change by 2.7%. Government spending will be solid in 2024 (2.4%), down from 4.1% in 2023.

## Other Economic Factors

There will be slower growth in exports in 2024, a decrease from 2.6% to 1.5%. The U.S. unemployment rate will be 4.0% in 2024. The annual PCE inflation will be 2.4% in 2024, and the core rate will be 2.6%. Rate cuts may begin in late 2024, and the Fed Funds rate will decline to 4.875%. Rates will reach 3.375% in 2025.

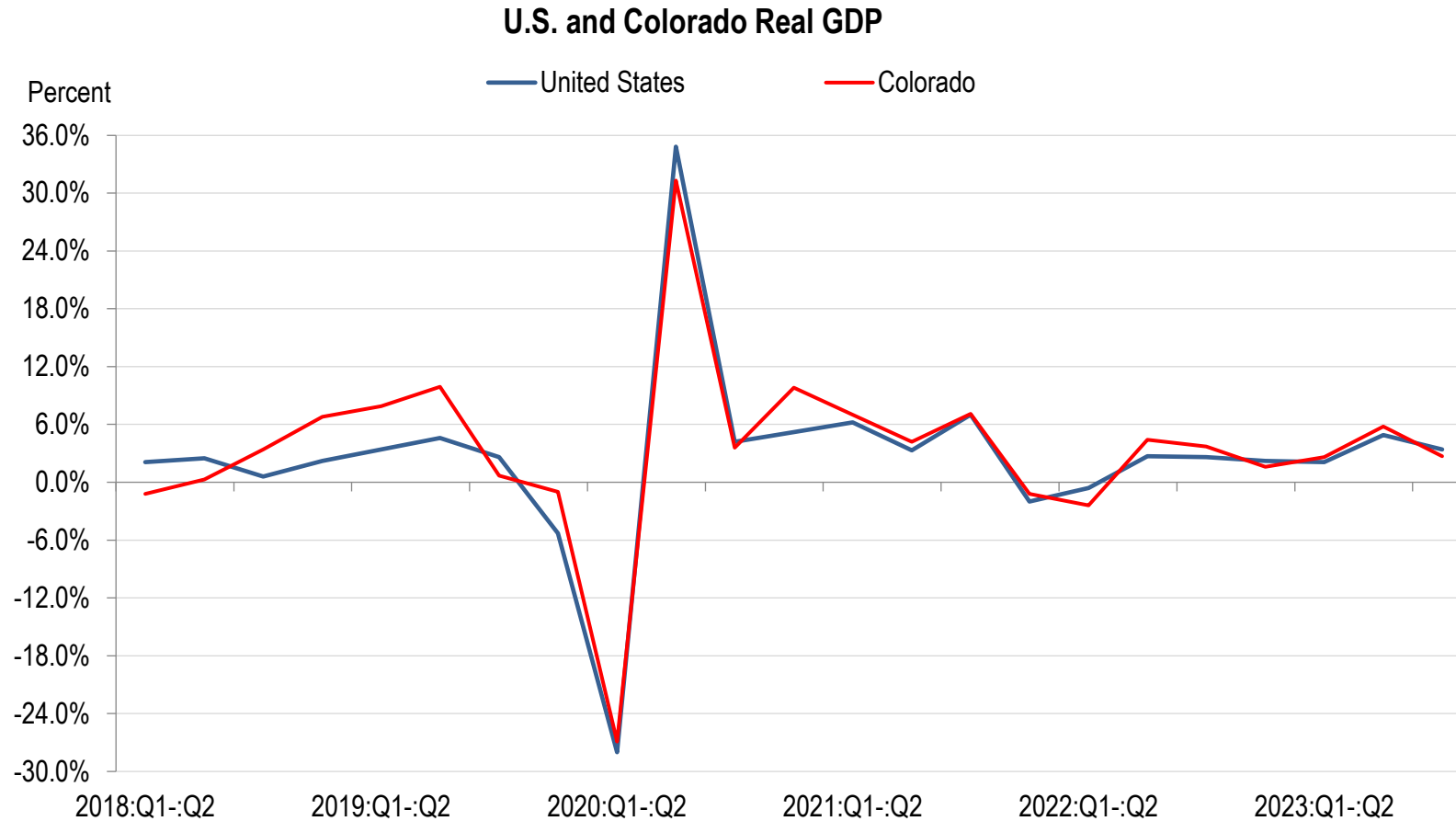
## Conference Board US Real GDP Growth Forecast

	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%	1.6%	0.8%	0.6%	1.2%	2.5%	2.1%	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%	2.5%	1.4%	0.3%	0.9%	2.2%	1.7%	1.3%
<b>Residential Investment</b>	-5.3%	-2.2%	6.7%	2.8%	13.9%	4.0%	1.0%	2.0%	-10.6%	5.6%	2.8%
<b>Nonresidential Investment</b>	5.7%	7.4%	1.5%	3.8%	2.9%	2.0%	1.1%	2.1%	4.5%	2.7%	2.5%
<b>Total Gov't. Spending</b>	4.8%	3.3%	5.8%	4.6%	1.2%	2.0%	2.2%	2.4%	4.1%	2.4%	2.3%
<b>Exports</b>	6.8%	-9.3%	5.4%	5.0%	0.9%	0.5%	0.5%	2.0%	2.6%	1.5%	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%	2.6%	2.6%	2.3%	2.2%	3.7%	2.4%	2.0%
<b>Core PCE Inflation (%Y/Y)</b>	4.8%	4.6%	3.8%	3.2%	2.9%	2.6%	2.5%	2.4%	4.1%	2.6%	2.0%

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

# Real GDP Annualized (Chained on 2017)

## United States and Colorado



### Real GDP

The quarterly Colorado Real GDP was more than the U.S. Real GDP in 15 of 23 quarters.

The annual Real GDP rate was higher for Colorado than the U.S. rate every year from 2018 to 2023.

#### Annual Real GDP

Year	United States	Colorado
2018	3.0%	4.3%
2019	2.5%	5.0%
2020	-2.2%	-0.7%
2021	5.8%	6.8%
2022	1.9%	2.2%
2023	2.5%	2.9%

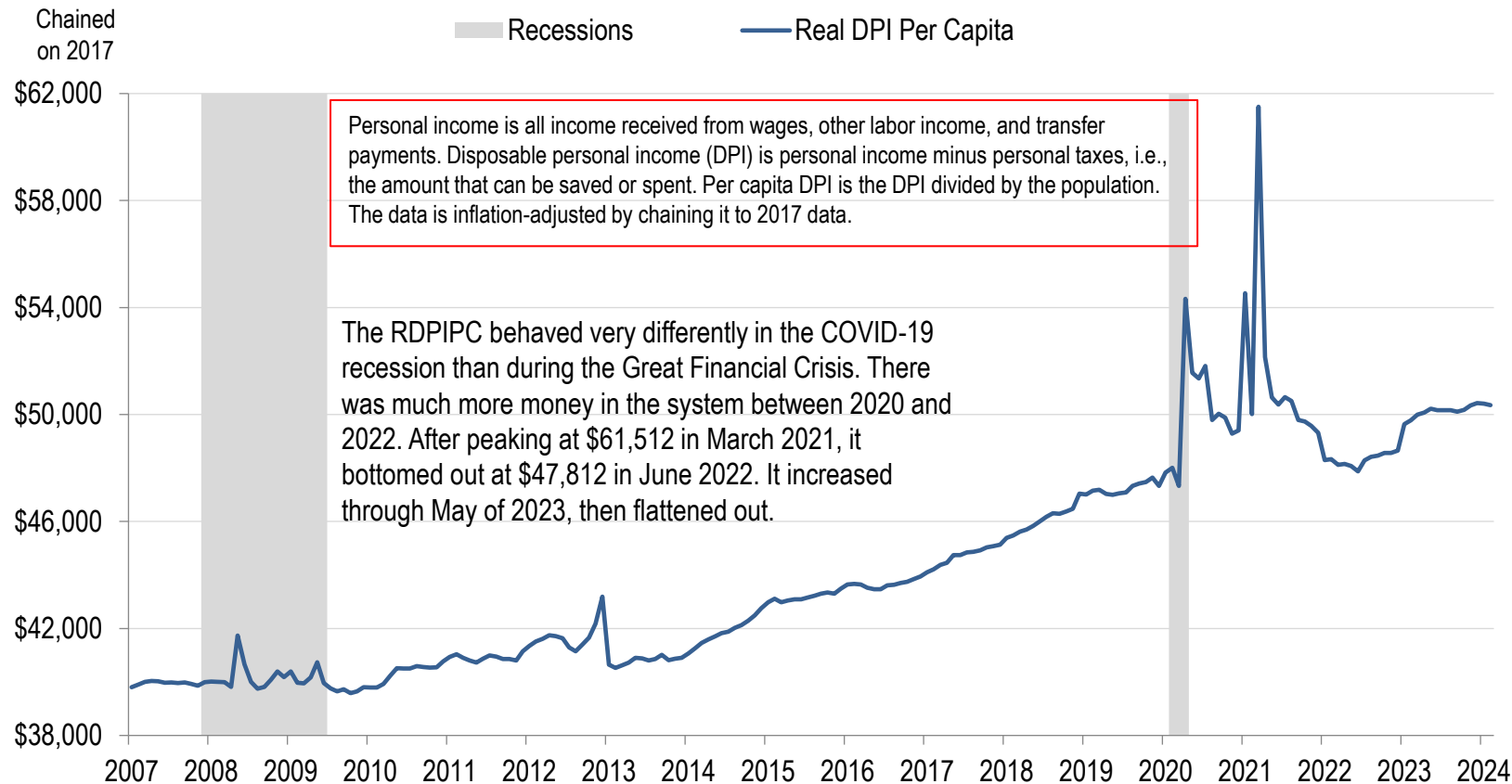
Source: BEA, cber.co.

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

## 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 of these states between 2020 and 2023 (highlighted in red). Thanks to Texas and Florida, the population in these ten 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%

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

# Change in Population

## By Place in Colorado

### Change in Colorado Population by Place

Rank	Place	July 1, 2020	July 1, 2023	Change
1	Colorado Springs city	480,331	488,664	8,333
2	Aurora city	386,773	395,052	8,279
3	Castle Rock town	73,886	81,415	7,529
4	Windsor town	33,230	40,349	7,119
5	Commerce City city	62,782	68,245	5,463
6	Erie town	30,417	35,269	4,852
7	Parker town	58,879	62,743	3,864
8	Grand Junction city	65,725	69,412	3,687
9	Castle Pines city	11,215	14,747	3,532
10	Greeley city	109,272	112,609	3,337
11	Timnath town	6,740	9,991	3,251
12	Loveland city	76,366	79,352	2,986
13	Frederick town	14,724	17,676	2,952
14	Severance town	7,993	10,820	2,827
15	Thornton city	142,185	144,922	2,737
16	Berthoud town	10,613	13,238	2,625
17	Broomfield city	74,490	76,860	2,370
18	Brighton city	40,293	42,477	2,184
19	Johnstown town	17,369	19,511	2,142
20	Firestone town	16,663	18,589	1,926

The U.S. Census Bureau recently released the 2023 population for 270 incorporated places in Colorado.

At the top of the list were Colorado Springs, Aurora, Castle Rock, Windsor, and Commerce City.

At the bottom of the list are Arvada, Boulder, Westminster, Fountain, and Centennial.

If your city or town is not on the list, go to <https://www.census.gov/data/tables/ti-me-series/demo/popest/2020s-total-cities-and-towns.html>.

### Change in Colorado Population by Place

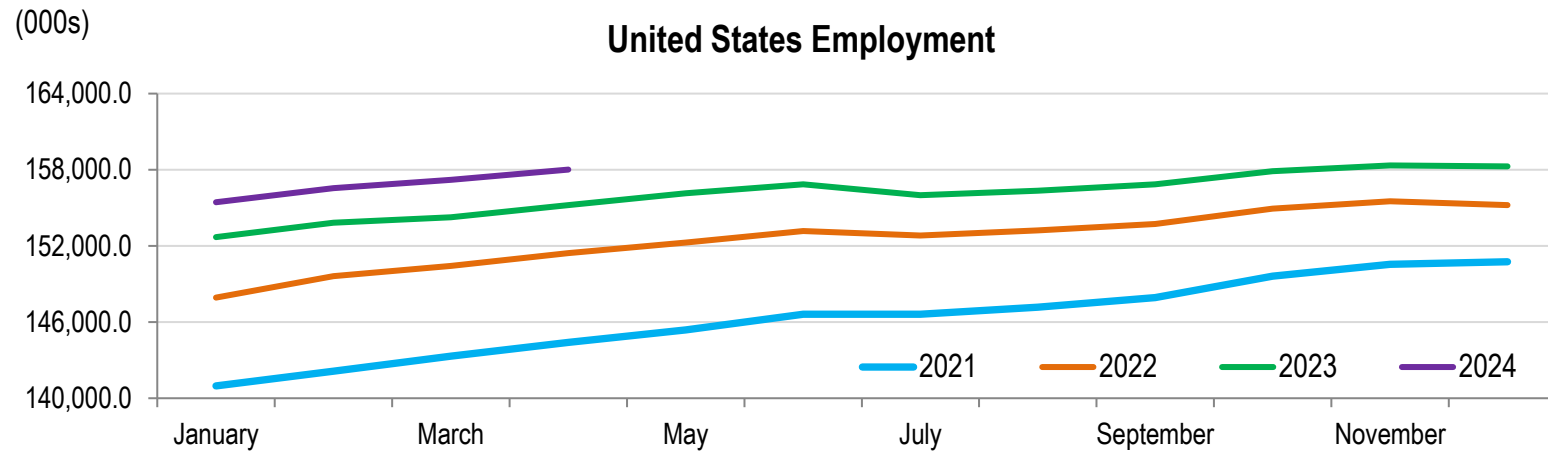
Rank	Place	July 1, 2020	July 1, 2023	Change
251	Lone Tree city	14,280	14,063	-217
252	Manitou Springs city	4,876	4,622	-254
253	La Junta city	7,314	7,033	-281
254	Lakewood city	156,247	155,961	-286
255	Vail town	4,818	4,521	-297
256	Aspen city	6,997	6,612	-385
257	Greenwood Village city	15,649	15,205	-444
258	Federal Heights city	14,394	13,943	-451
259	Sterling city	13,407	12,954	-453
260	Longmont city	99,188	98,630	-558
261	Wheat Ridge city	32,379	31,804	-575
262	Louisville city	21,174	20,390	-784
263	Pueblo city	111,899	111,077	-822
264	Denver city	717,606	716,577	-1,029
265	Littleton city	45,595	44,451	-1,144
266	Centennial city	108,196	106,883	-1,313
267	Fountain city	29,894	28,489	-1,405
268	Westminster city	116,594	114,875	-1,719
269	Boulder city	108,123	105,898	-2,225
270	Arvada city	124,343	121,414	-2,929

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

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

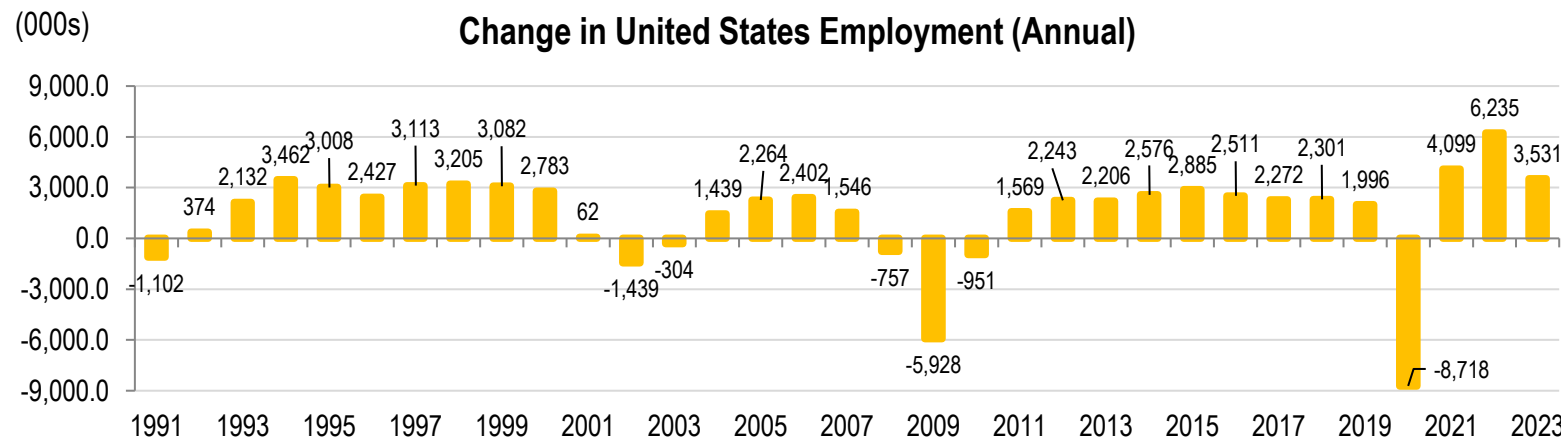
# Employment and Change in Employment

## United States



**United States Employment and Change**  
 Average employment through April 2024 was 156.8 million, or 2.34 million (1.8%) more than in 2023. The average monthly change in employment was 234,000.

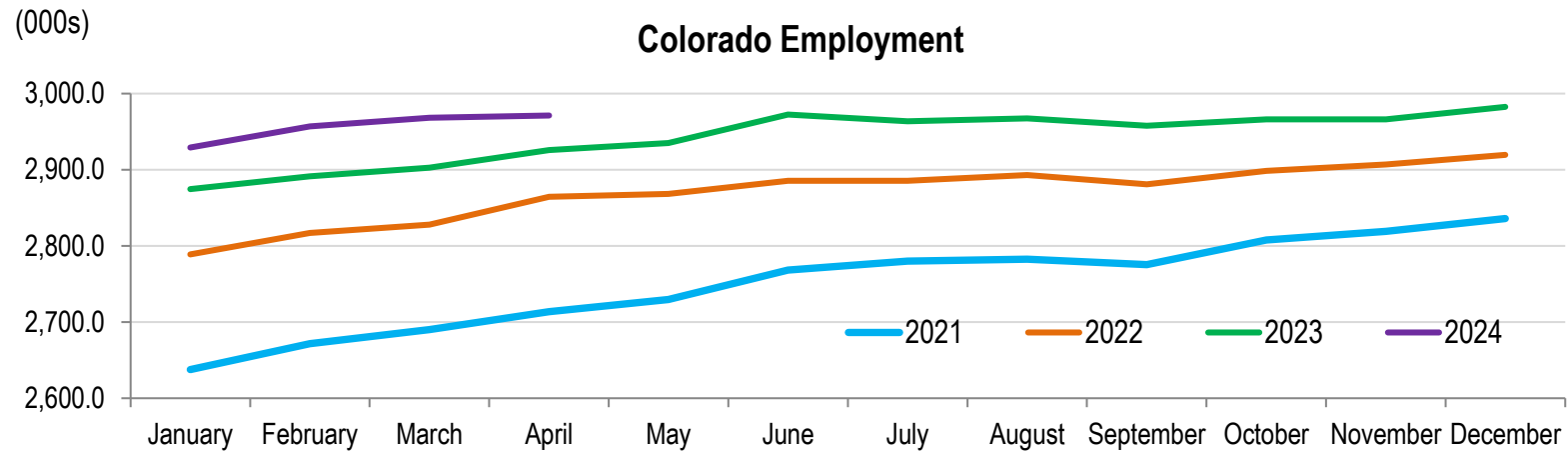
The average change in annual employment from 2012 to 2019 was 2.35 million or 197,400 per month.



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 2024 average monthly change is within the range for 2012 to 2019.

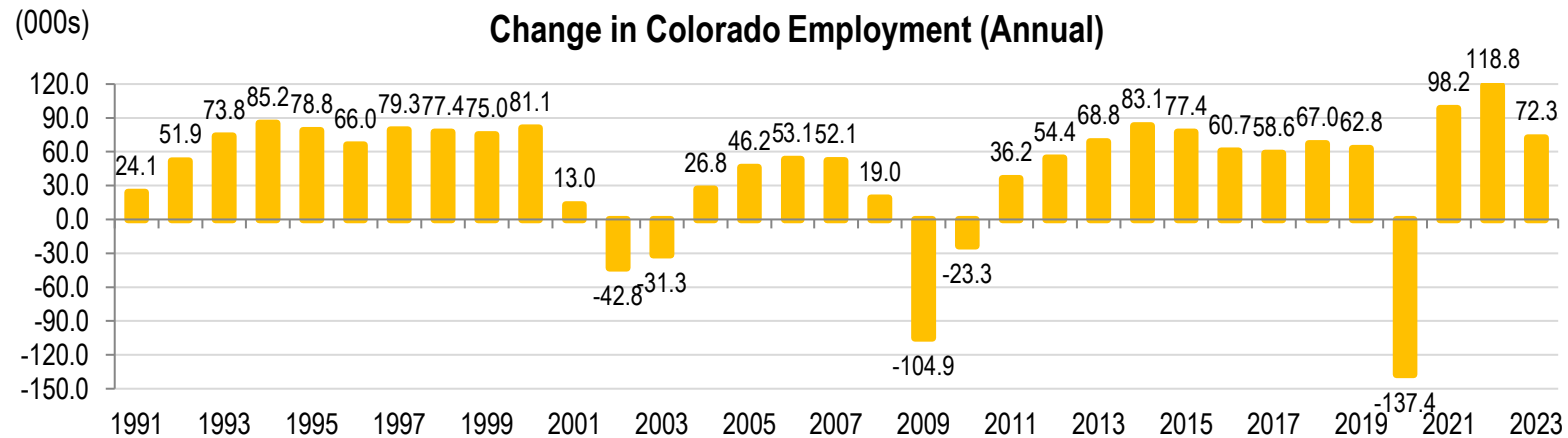
# Employment and Change in Employment Colorado



**Colorado Employment and Change**  
Through April 2024, the average Colorado monthly employment was 2,971,100.

The average YOY change in annual employment (NSA) through April 2024 was 57,400.

The average YOY change in monthly employment for 2024 is 4,783 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.

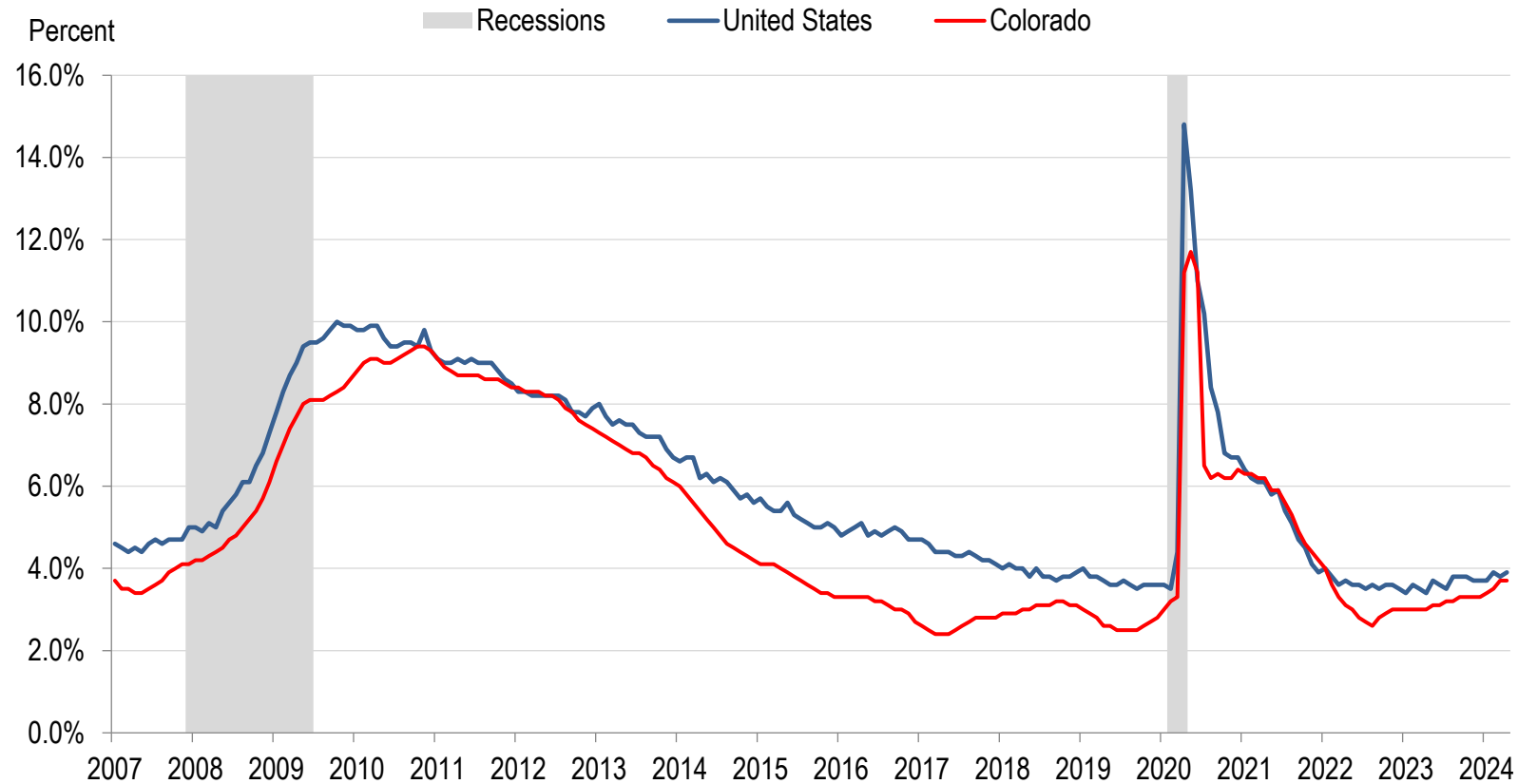
Source: Bureau of Labor Statistics, NSA, cber.co.

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

# Unemployment Rate

## United States and Colorado

**U.S. and Colorado Unemployment**



### Unemployment Rate

The Colorado unemployment rate was 3.7% (red) in April 2024, and the U.S. rate was 3.9% (blue). The economy operates inefficiently when the unemployment rate is this low.

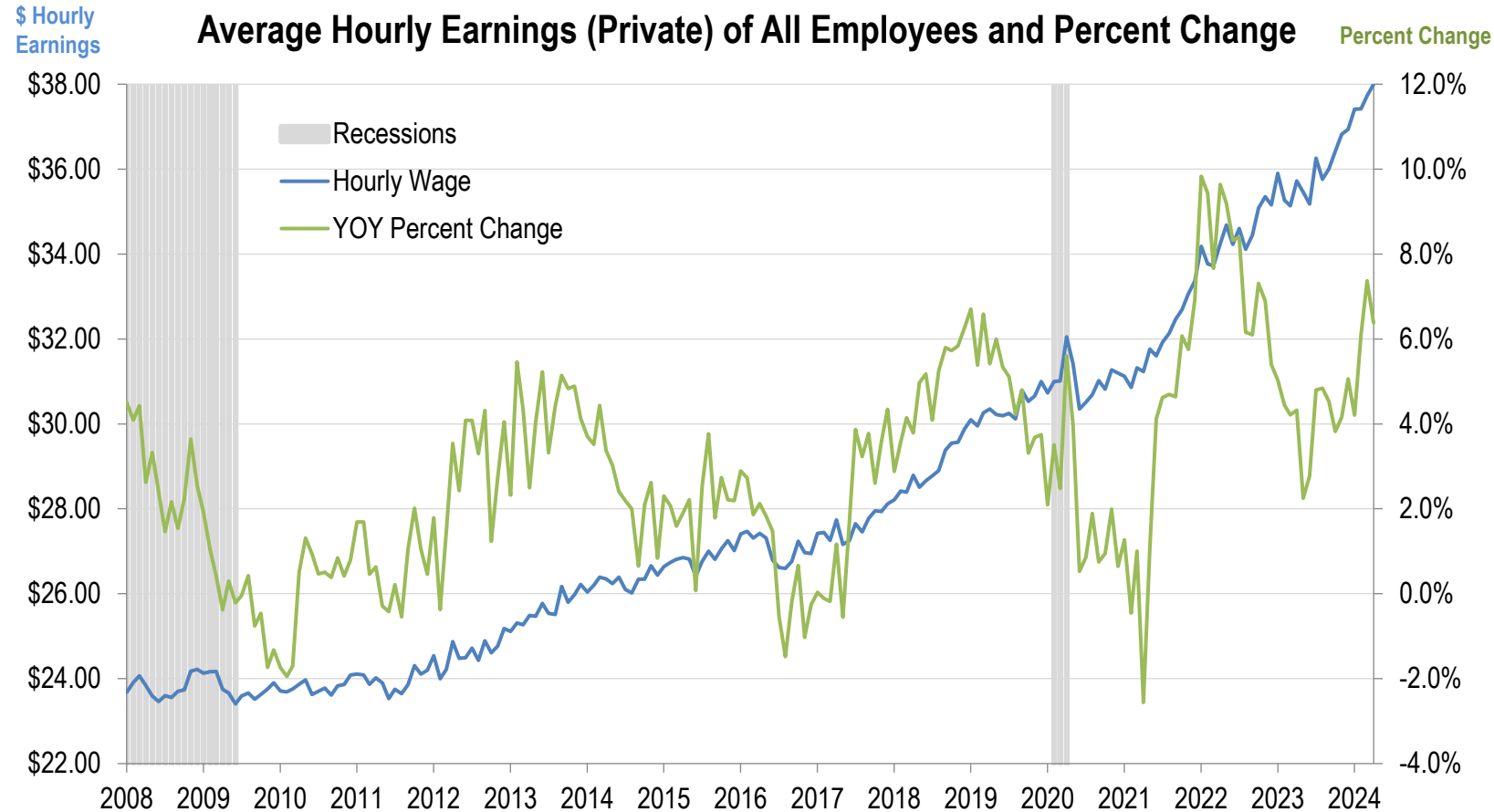
The U.S. and Colorado unemployment rates will increase in 2024.

**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%

Source: BLS, SA, cber.co.

# Average Hourly Earnings of All Employees (Private) Colorado



Source: BLS, NSA, cber.co.

**Hourly Earnings, Percent Change, and CPI**  
April 2024, private hourly earnings for Colorado (blue) were \$38.00, a YOY increase of 6.4% (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. It is currently above the inflation rate.

### 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

## Colorado Employment by Sector



# Colorado Employment by Sector

## Wage Category, YTD Employment by Sector, YOY Average Employment by Time Periods, Sector Percentage of Total Employment

This analysis evaluates 19 sectors for the following:

1. Sectors are rated in three wage classes: high (7), medium (6), and low (6).
2. YOY employment is measured for each of the 19 sectors. Average YOY Colorado employment through April 2024 is 51,800 greater than in 2023. The leading sectors are healthcare, local government, state government, and PST. The top sectors for job growth from 2000 to 2024 are healthcare, PST, food and accommodation, local government, and state government.
3. The average is calculated for the following five periods:
  - January 2000 – December 2007 – Average YOY=24,800
  - January 2008 – December 2011 – Average YOY = -18,200
  - January 2012 – December 2019 – Average YOY = 66,600
  - January 2020 – December 2022 – Average YOY = 26,700
  - January 2023 – April 2024 – Average YOY = 66,800 (and declining in 2024).Employment growth has been very volatile since 2000.
4. The five sectors with the most increase in their share of total employment for 2000 through April 2024 are healthcare, PST, food and accommodation, local government, and state government.

## Colorado Employment and Percent of Employment Top Ten Sectors

In addition, the charts show the employment levels for ten sectors and their market share, or percent of total employment. The sectors are listed below.

- PST
- Health Care and Social Assistance
- State Government
- Local Government
- Accommodation and Food Services
- Construction
- Administrative Services
- Retail Trade
- Manufacturing
- Financial Activities

# Colorado Employment and Change in Employment

Colorado Employment and Change, Wage Category, Change in Percentage Share												
Industry Sector	Wage Class	Emp. vs. YOY			Avg. YOY Employment 2000 to Current Month					% of Total Employment		
		Apr 2024	YOY	2000 v 2024	Jan 2000- Dec 2007	Jan 2008- Dec 2011	Jan 2012- Dec 2019	Jan 2020- Dec 2022	Jan 2023- April 2024	Jan 2000 %	April 2024 %	
Total Employment		2,981.1	51.8	819.1	24.8	-18.2	66.6	26.7	68.8	100.0%	100.0%	
Private		2,489.4	27.2	658.7	19.1	-22.8	58.7	28.3	45.0	84.7%	83.5%	
Government		491.7	24.6	160.4	5.8	4.6	7.8	-1.7	23.9	15.3%	16.5%	
Healthcare	Medium	334.4	15.1	168.0	5.6	7.2	8.1	1.4	13.3	7.7%	11.2%	+
Prof., Scientific, and Technical Svcs. (PST)	High	296.6	6.0	146.6	3.3	0.3	7.7	14.6	12.8	6.9%	9.9%	+
Food and Accommodation (F&A)	Low	292.2	4.0	93.3	3.4	0.0	7.6	-1.7	8.2	9.2%	9.8%	+
Local Government	Medium	289.6	12.7	89.8	5.1	1.3	3.6	-1.5	12.8	9.2%	9.7%	+
Retail Trade	Low	274.0	-0.8	31.6	1.7	-3.5	4.1	0.5	-0.7	11.1%	9.2%	
Financial Activities	High	184.2	3.9	36.9	1.5	-3.9	3.8	2.5	-0.6	6.8%	6.2%	
Construction	Medium	180.4	-4.3	25.5	2.4	-13.8	8.3	1.3	0.0	7.2%	6.1%	
Administrative Services	Low	158.9	-0.3	15.8	1.2	-2.8	3.0	-0.5	-1.2	6.6%	5.3%	
Manufacturing	High	152.0	0.5	-34.1	-5.1	-4.3	2.8	0.8	-1.5	8.7%	5.1%	
State Government	Medium	145.1	9.5	67.1	1.0	2.7	4.3	-0.2	9.0	3.6%	4.9%	+
Other Services (Personal)	Low	129.0	2.0	49.4	1.7	0.2	2.6	2.7	3.9	3.7%	4.3%	+
Wholesale Trade	High	116.4	-1.4	20.8	0.6	-1.9	2.3	1.7	1.5	4.5%	3.9%	
Transp., Warehousing, and Utilities (TWU)	Medium	111.6	-3.8	39.4	0.7	-1.5	3.1	5.9	1.5	3.4%	3.7%	+
Information	High	75.4	-2.5	-28.0	-2.6	-1.2	0.7	0.8	-1.9	4.7%	2.5%	
Arts, Entertainment, Recreation (AER)	Low	64.2	3.6	25.4	0.5	0.3	1.7	-0.6	4.1	1.9%	2.2%	+
Federal Government	Medium	57.0	2.4	3.5	-0.3	0.7	-0.2	0.1	2.0	2.5%	1.9%	
Education (Private)	Low	51.2	4.3	29.4	1.0	1.0	1.2	0.6	3.2	1.0%	1.7%	+
Mgmt. of Corporations/Enterprises (MCE)	High	46.7	0.1	28.7	1.3	0.4	1.5	0.9	1.3	0.9%	1.6%	+
Extractive Industries	High	22.2	0.8	10.0	1.6	0.7	0.1	-2.7	0.9	0.6%	0.7%	+

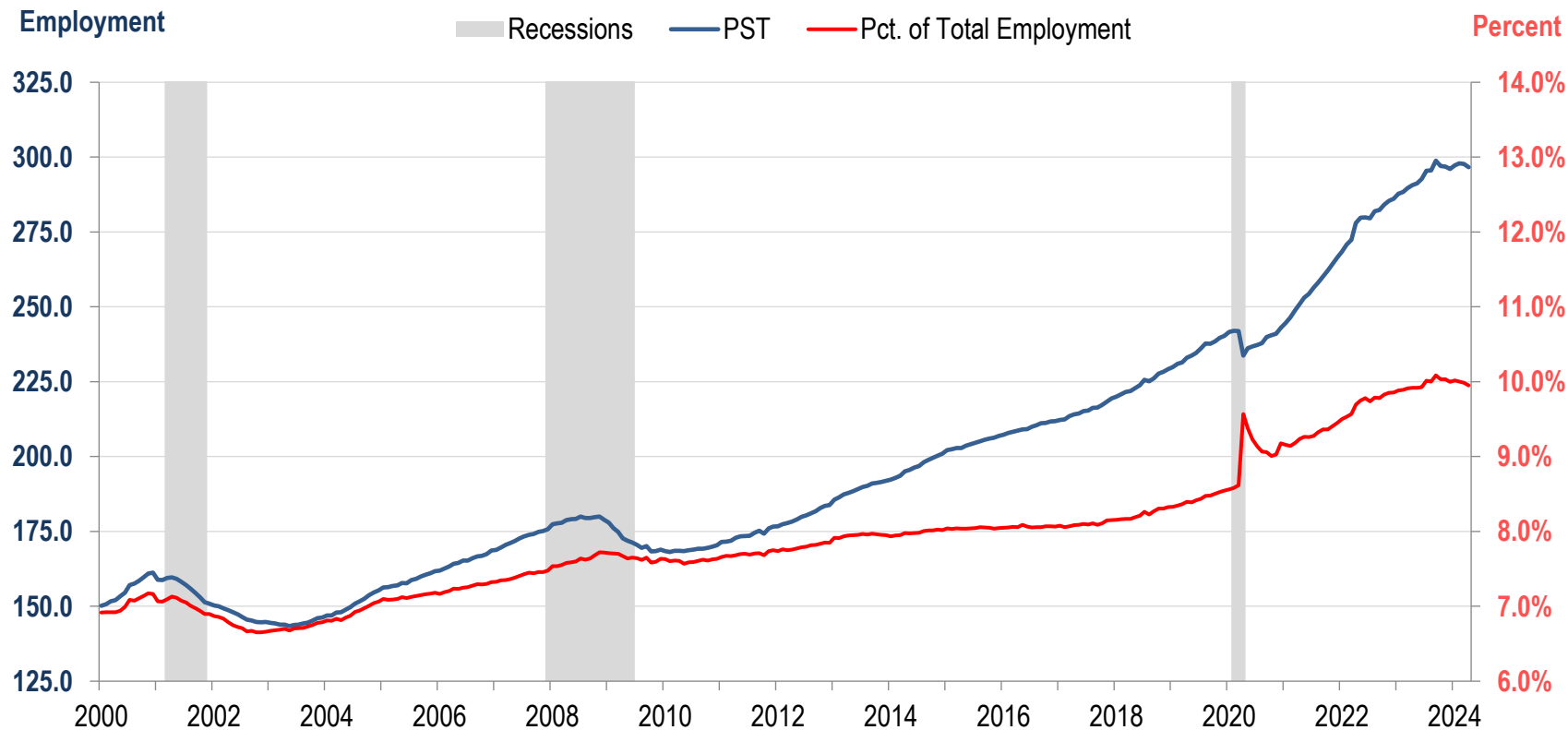
## Highlights

Through April 2024, about 77% of employees and 89% of employment increases are in the top ten sectors. Three of the top sectors are in the top wage category.

From 2000 to 2024, there were two periods of strong employment growth, Jan. 2012 to Dec. 2019 and January 2023 to April 2024. Growth in 2024 has tapered off significantly. There was weak growth during the other three periods. The market share for the five largest sectors, with improved market share, increased from 36.6% to 45.6%. The six smaller sectors, with improved market share, increased from 11.3% to 14.3%. The market share for the other eight sectors decreased from 52.1% to 42.0%.

# Colorado Employment and Percent of Total Employment Professional, Scientific, and Technical Services (PST) 2000 Through 2024

**Employment and Percent of Total Employment  
PST**



## Employment by Sector

PST employment (blue line) was impacted more by the 2001 recession and the Great Financial Crisis (2007) than the recession caused by COVID-related policies.

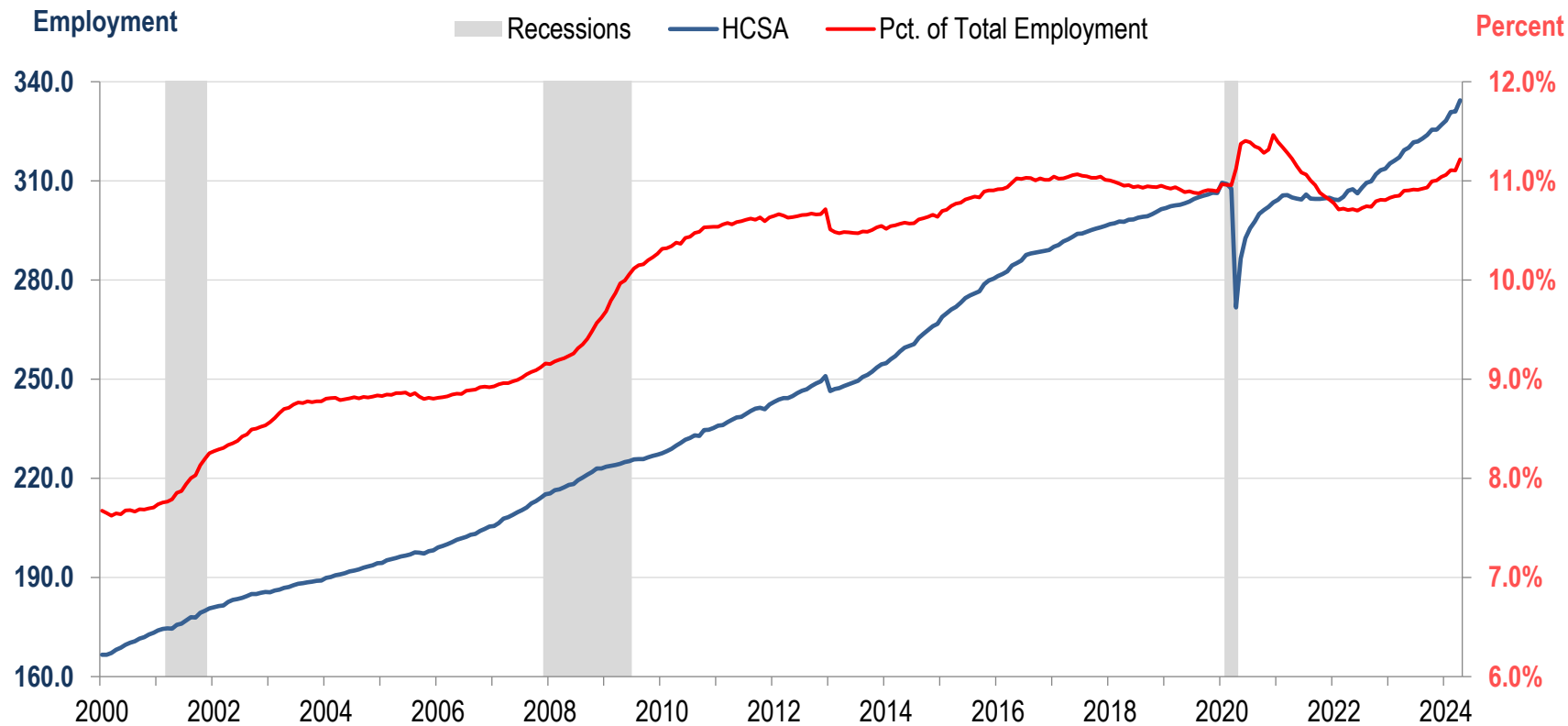
Since 2012, the fastest-growing sector has been PST. Employment peaked at 297,200 in March 2024 (blue line).

Between 2000 and 2018, PST employment as a percentage of total employment increased from 6.9% to 8.3%. Its rate has since risen faster and was 9.9% in 2024 (red line).

Source: BLS, cber.co.

# Colorado Employment and Percent of Total Employment Health Care and Social Assistance 2000 Through 2024

**Employment and Percent of Total Employment  
Health Care and Social Assistance**



## Employment by Sector

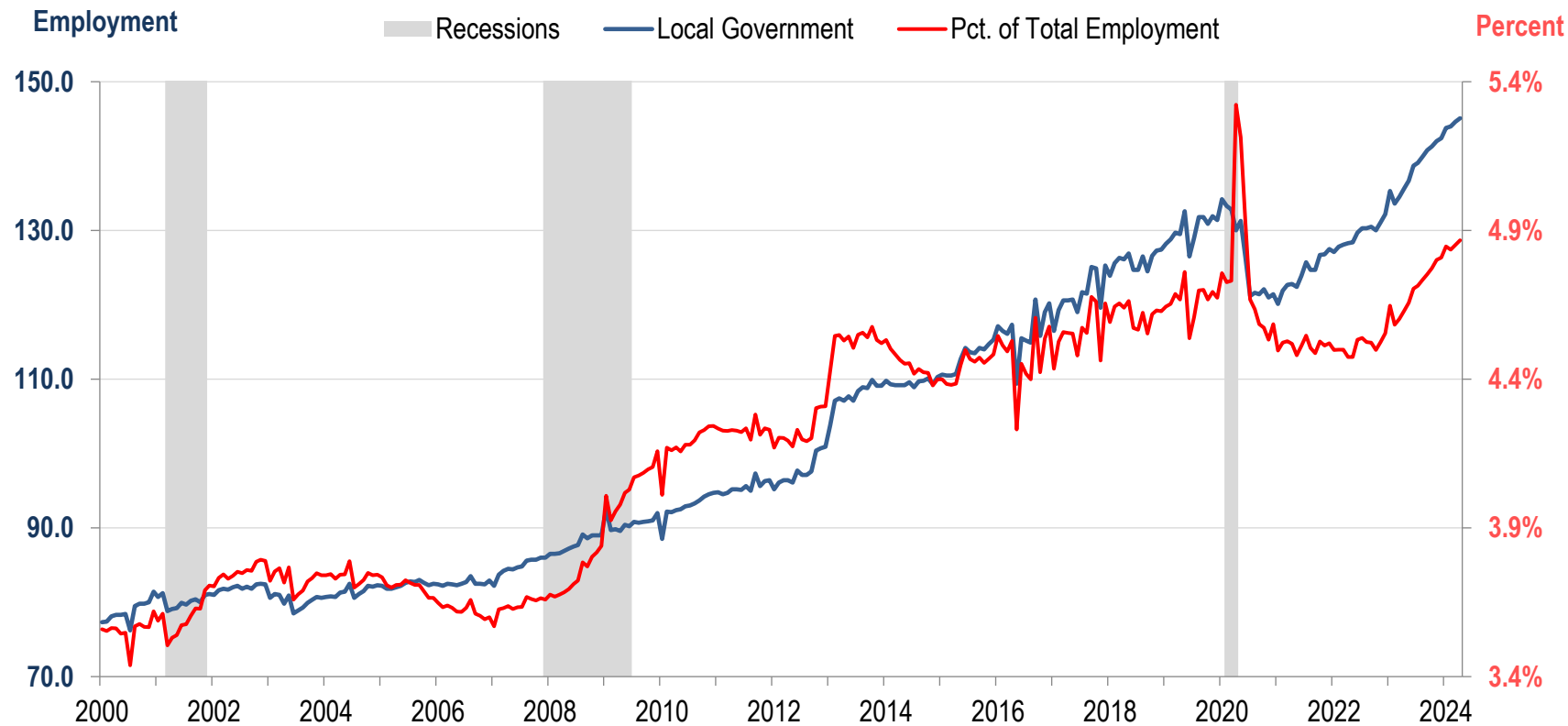
HCSA employment posted steady gains from 2000 to April 2020 (blue). It plummeted as a result of recession caused by COVID-related policies to 271,700 in April 2020. Between September 2020 and March 2022, HCSA employment was between 300,000 and 305,000.

Since April 2022, HCSA employment has increased significantly. In April 2024, employment was 334,400 and 11.2% of total employment (red).

Source: BLS, cber.co.

# Colorado Employment and Percent of Total Employment State Government 2000 Through 2024

**Employment and Percent of Total Employment  
State Government**



## Employment by Sector

State government employment declined after the recession caused by COVID-related policies (blue). It bottomed out in 2020 and rebounded in 2021.

In April 2024, state government employment was 145,100 (blue), or 4.9% of total employment (red).

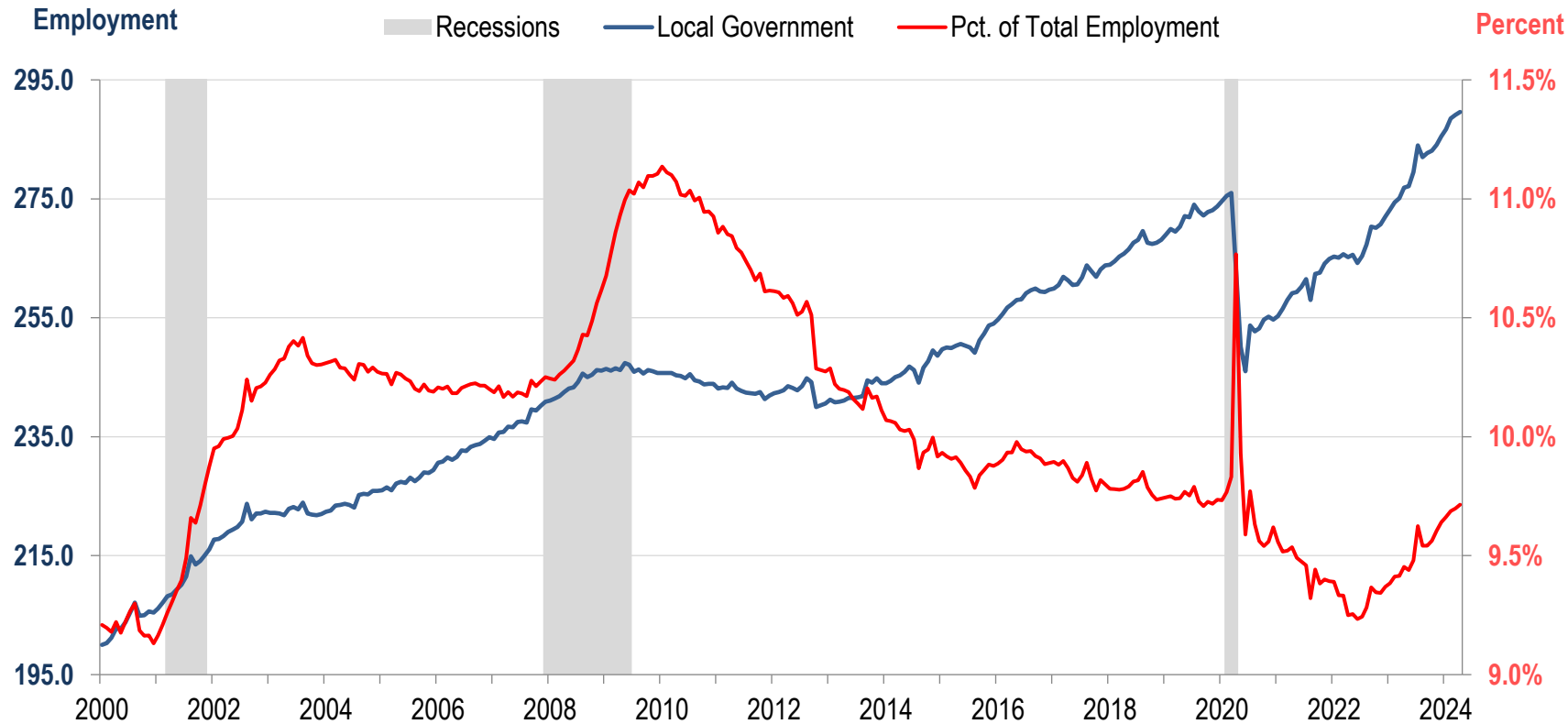
State government includes public higher education. Private higher education is categorized in the education sector.

Source: BLS, cber.co.

# Colorado Employment and Percent of Total Employment

## Local Government 2000 Through 2024

**Employment and Percent of Total Employment  
Local Government**



### Employment by Sector

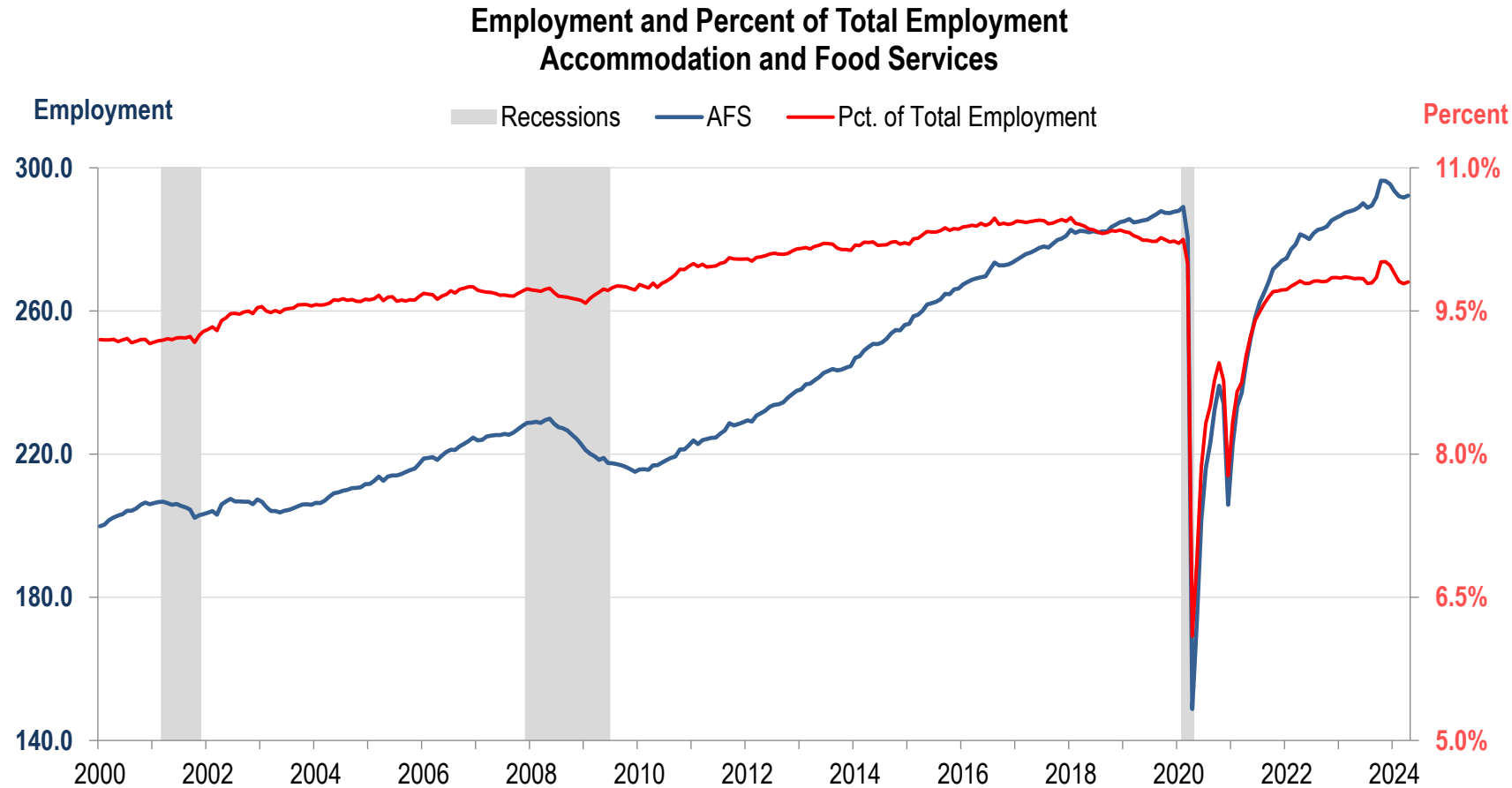
Local government employment experienced a more significant decline during the COVID-related recession (blue) than prior years. Employment rebounded gradually after declining in 2020.

In April 2024, local government employment was 289,600, or 9.7% of total employment.

Local government includes local public education and municipal government.

Source: BLS, cber.co.

# Colorado Employment and Percent of Total Employment Accommodation and Food Services 2000 Through 2024



## Employment by Sector

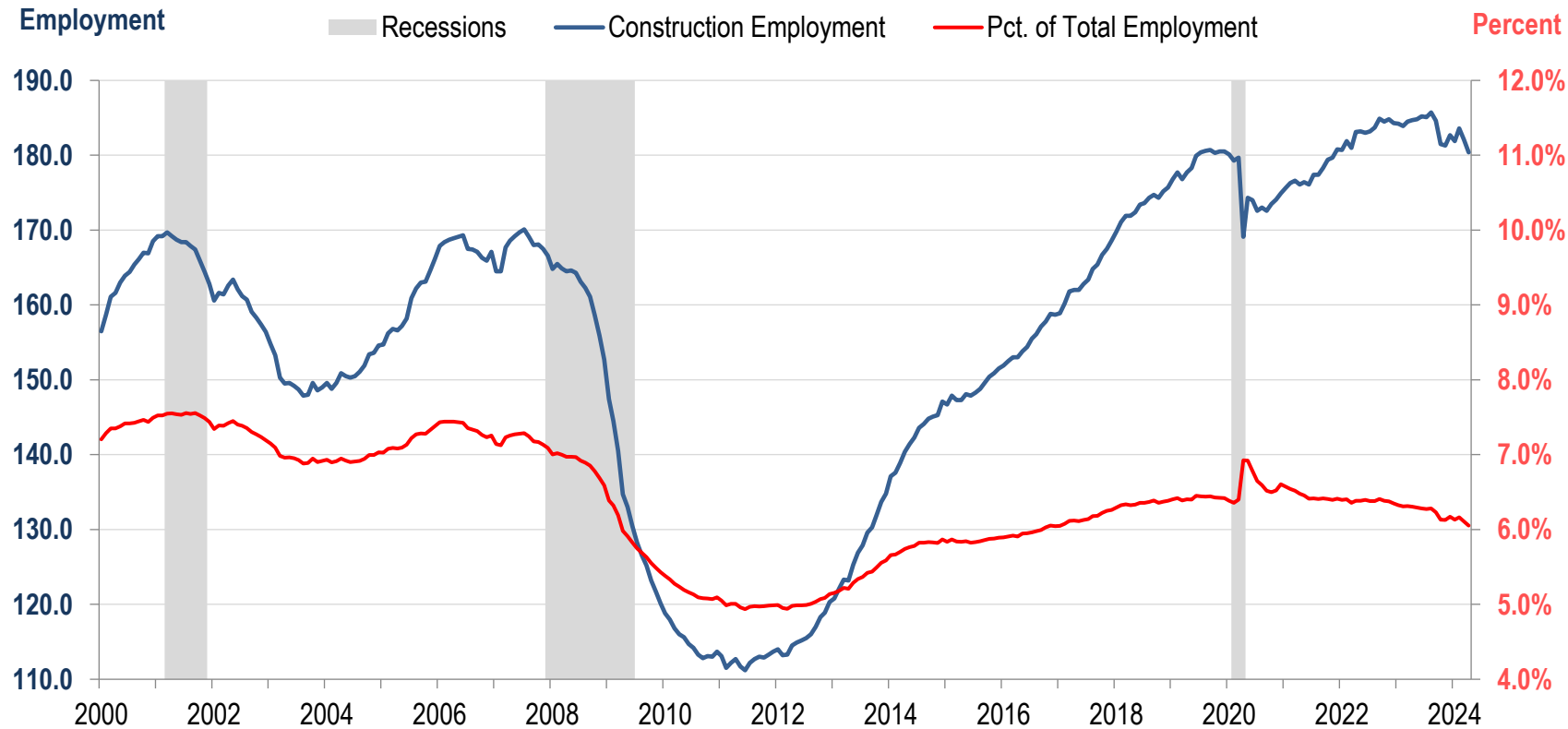
AFS employment experienced a sharper decline during the recession caused by COVID-related policies than during the 2001 recession and the Great Financial Crisis (blue).

In April 2024, AFS employment was 292,200, slightly above the pre-pandemic peak of 289,100. In April, 9.8% of the total employment was in the AFS sector.

Source: BLS, cber.co.

# Colorado Employment and Percent of Total Employment Construction 2000 Through 2024

**Employment and Percent of Total Employment  
Construction**



Source: BLS, cber.co.

## Employment by Sector

The 2001 recession and the Great Financial Crisis (2007) affected construction employment more than the recession caused by COVID-related policies. Construction employment peaked at 185,700 in August 2023 (blue line).

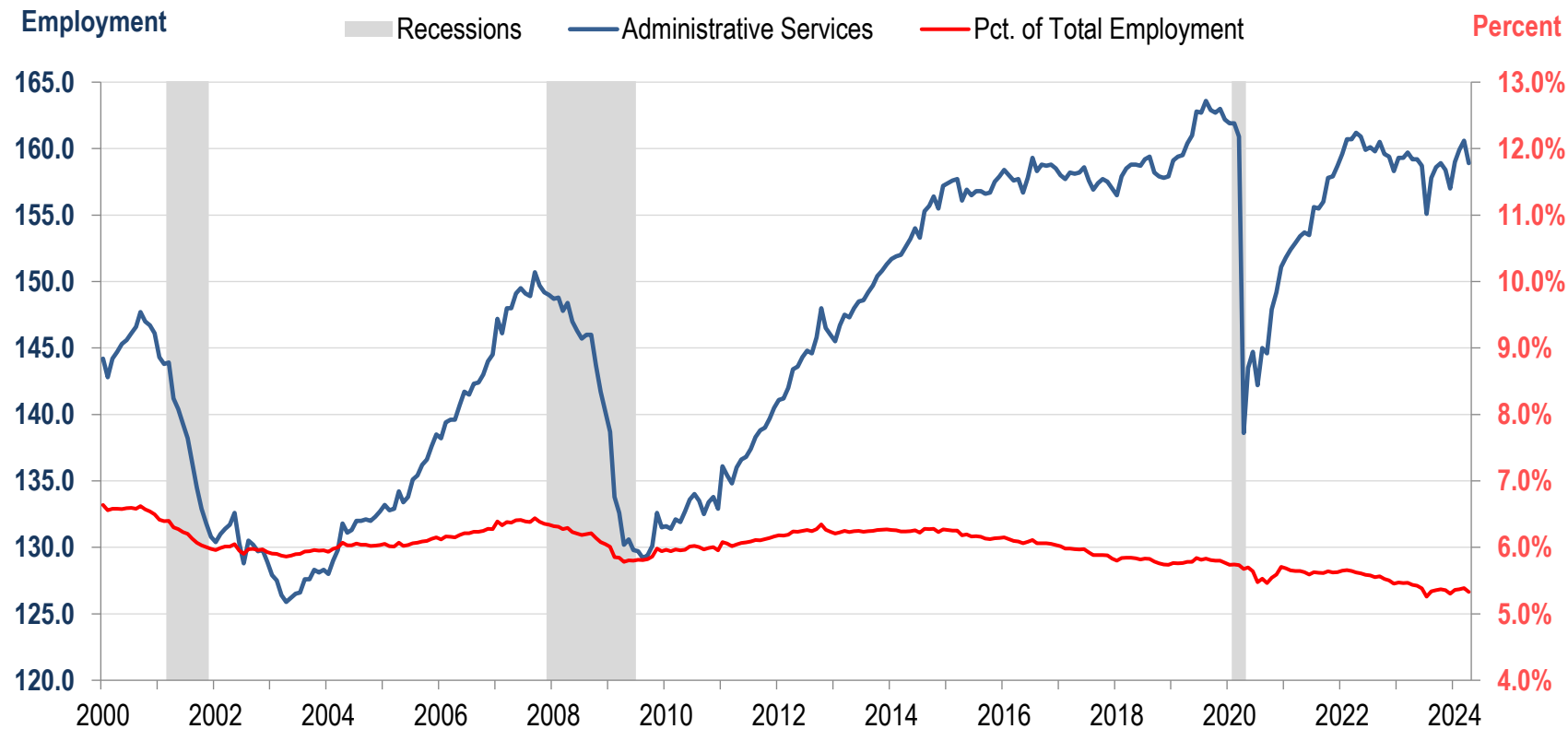
There is a shortage of housing, in particular, affordable housing; however, The construction industry is interest-sensitive. Higher interest rates have disrupted the housing market.

During 2006, construction employment as a percentage of total employment peaked at 7.4%. It declined to 4.9% in 2011 and 2012 (red line). In April 2024, construction employment was 6.1% of total employment.



# Colorado Employment and Percent of Total Employment Administrative Services 2000 Through 2024

**Employment and Percent of Total Employment  
Administrative Services**



## Employment by Sector

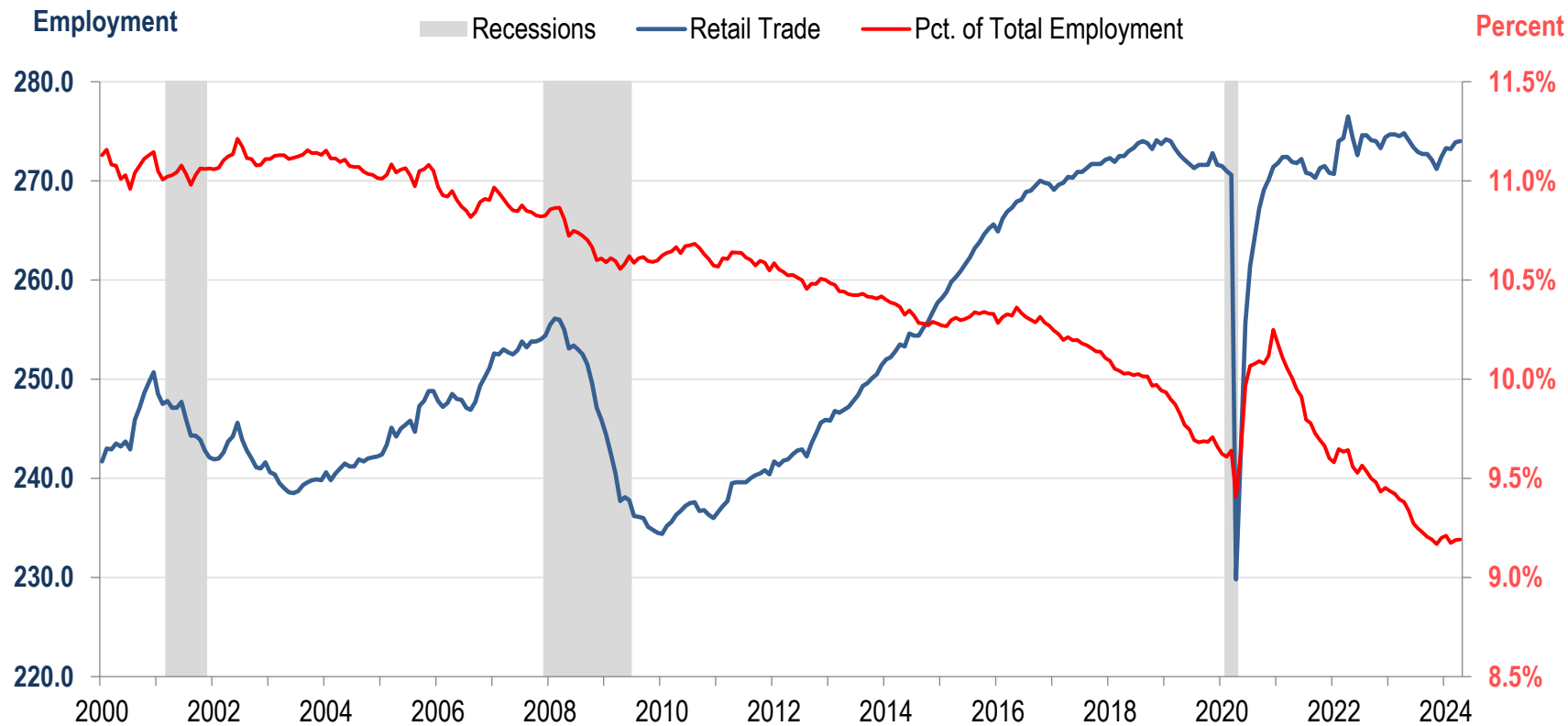
Administrative services employment peaked at 163,000 PST (blue line) in November 2019 and fell to 138,600 in April 2020. Employment rebounded to 161,200 in April 2022 before returning to a level similar to the period between 2016 to 2018. Employment was 158,900 in April 2024

Since the 2001 recession, administrative services employment as a percentage of total employment has declined from 6.6% to 5.3% in April 2024 (red line).

Source: BLS, cber.co.

# Colorado Employment and Percent of Total Employment Retail Trade 2000 Through 2024

**Employment and Percent of Total Employment  
Retail Trade**



## Employment by Sector

Retail trade employment experienced a deep downturn because of the recession caused by COVID-related policies in 2020. The downturn was more severe than those during the Great Financial Crisis (blue) and the 2001 recession.

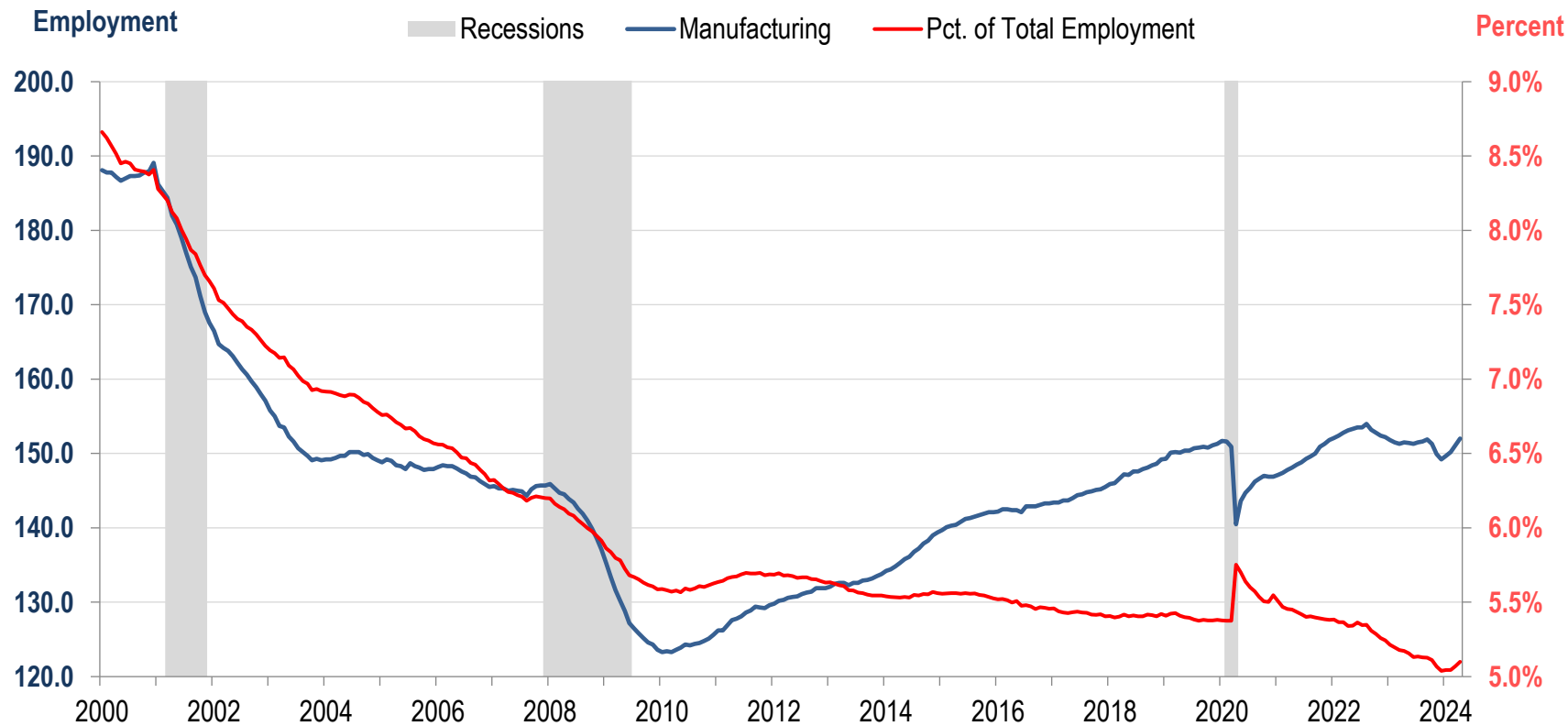
In 2020, employment recovered quickly to pre-pandemic levels (2018 and 2019). As the sector has evolved, technology has made e-commerce more prevalent, which has affected brick-and-mortar operations.

In April 2024, retail trade employment was 274,000, and 9.2% of the total employment was in the AFS sector.

Source: BLS, cber.co.

# Colorado Employment and Percent of Total Employment Manufacturing 2000 Through 2024

**Employment and Percent of Total Employment  
Manufacturing**



## Employment by Sector

Manufacturing employment (blue) declined between 2000 and 2010. It has trended upward between 2010 and 2024.

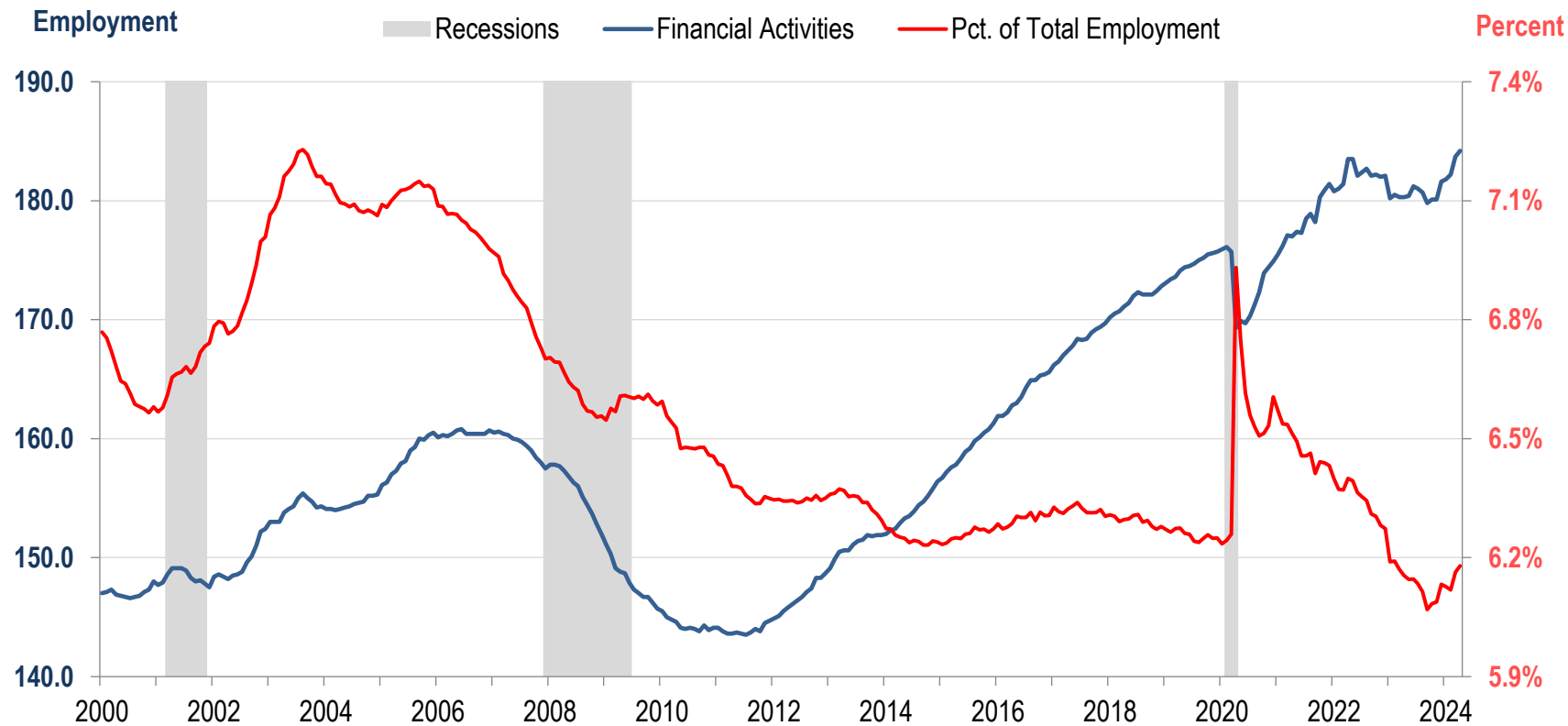
In April 2024, manufacturing employment was 152,000, or 5.2% of total employment.

Source: BLS, cber.co.

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

# Colorado Employment and Percent of Total Employment Financial Activities 2000 Through 2024

**Employment and Percent of Total Employment  
Financial Activities**



## Employment by Sector

Financial activities employment suffered more from the Great Financial Crisis (2007) than the COVID-related recession (blue) declined between 2000 and 2010. Employment rebounded sharply after the decline in 2020. Solid growth occurred through early 2022 but has since been volatile.

In April 2024, financial activities employment was 184,200.

In April, 6.2% of total employment was in financial activities.

Source: BLS, cber.co.

# Inflation

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

## Inflation Trends

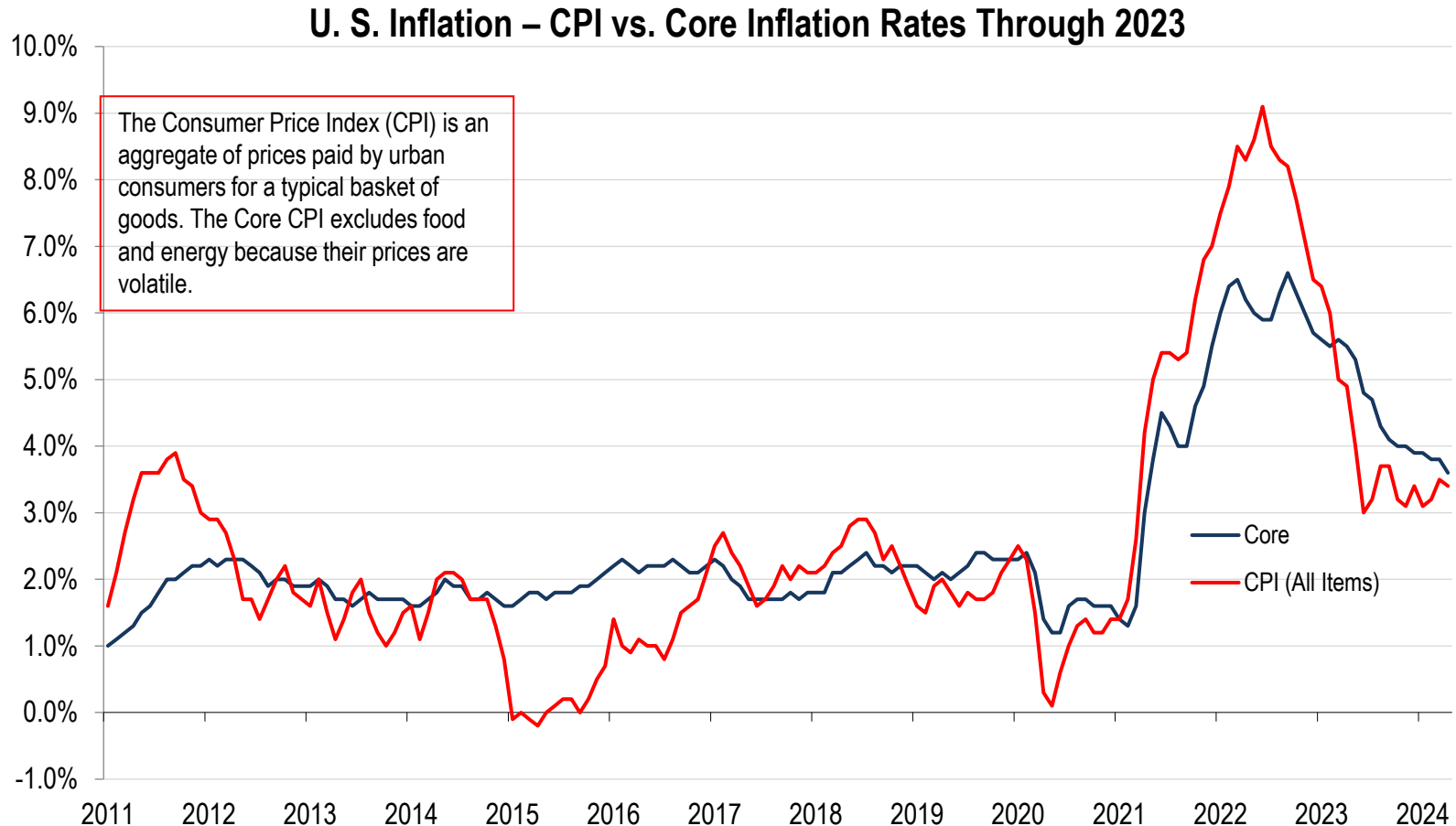
- U.S. inflation has decreased since the NSA CPI rate peaked at 9.1% in June 2022, and the core rate topped at 6.6% in September 2022.
- By December 2023, the CPI rate had fallen to 3.4%, and the core rate had dropped to 3.9%, although some economists thought it would return to the Federal Reserve target rate of 2.0% by the end of 2023.
- In 2024, the CPI rate continue to decline and move sideways. It is unlikely that the present restrictive monetary policy will return the inflation rate to the target rate (2.0%) in 2024.
- The peak for the PCE Price Index, the FOMC preferred measure of inflation, was 7.1% in June 2022. The PCE Price Index was 2.6% in December 2023. It was 2.7% in March, and the core PCE rate was 2.8%.
- The annual Denver MSA CPI has been more than the U.S. CPI for eight of the past ten years (see table on the right).
- For 2021, 2022, and 2023, the U.S. and Denver MSA CPI inflation rate increased by 17.7%, a CAGR of 5.7%.
- The bottom line is that stubborn inflation will not return to the target rate until at least 2025, i.e., higher for longer.

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. CPI vs. Core Inflation

In April 2024, the CPI rate (red) was 3.4%, and the core rate (blue) was 3.6%.

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

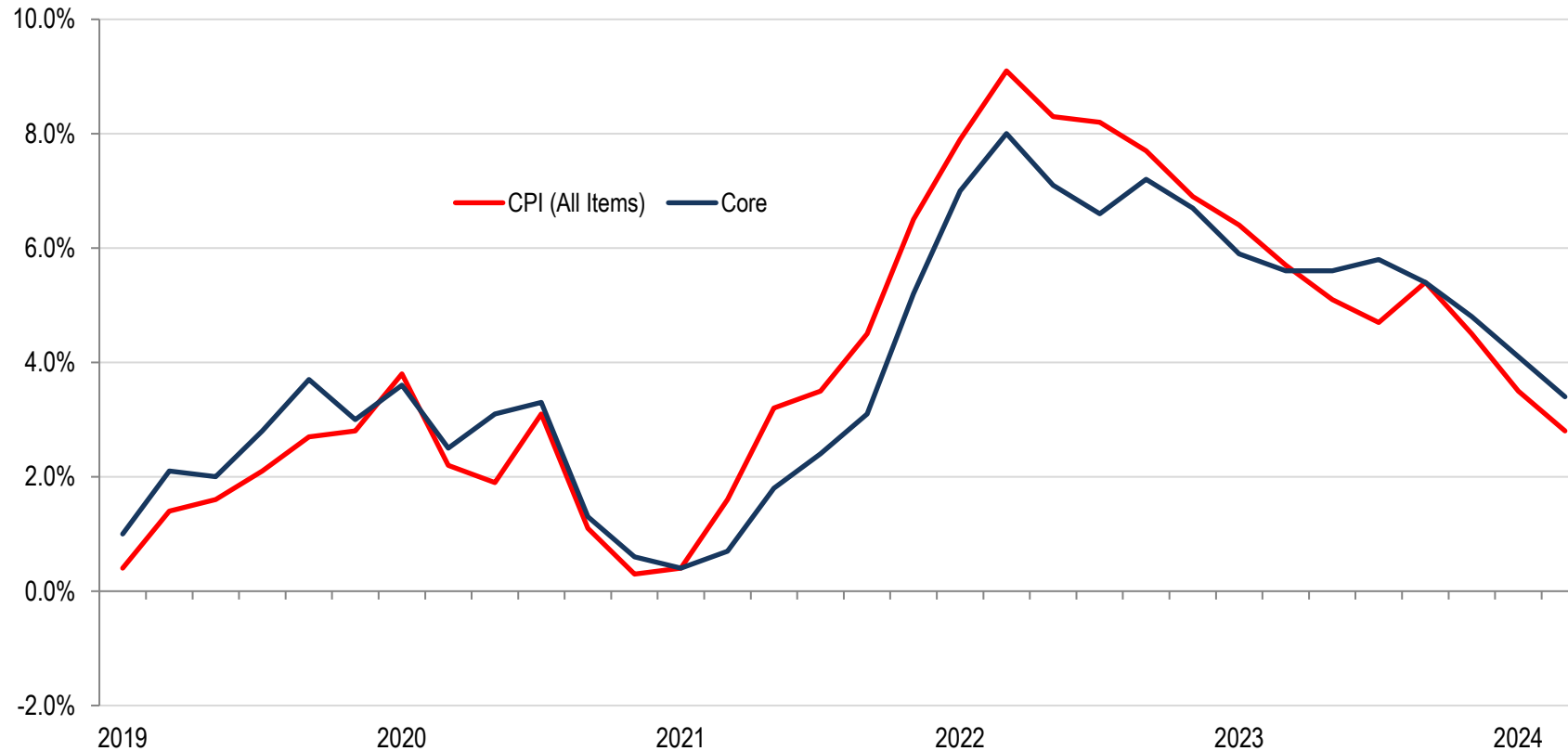
Core inflation peaked at 6.6% in September 2022 and declined to 5.7% in December 2022.

The inflation rate is declining; however, consumers struggle with the accumulated effect of three years of inflation. The war on inflation will continue 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.

Note that the Colorado rate is only published bi-monthly.

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

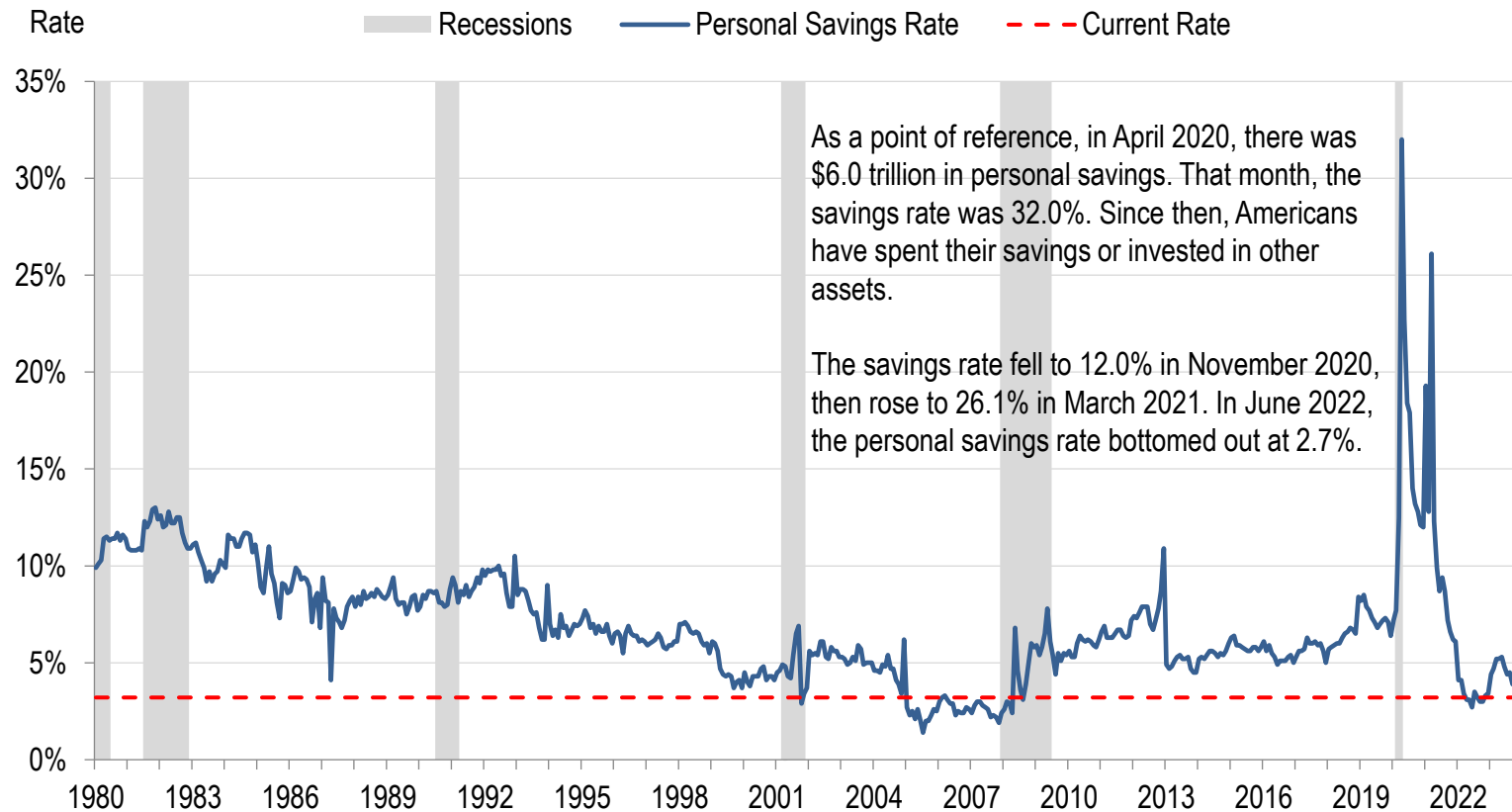


## Saving, Borrowing, Consumption, and the Wealth Effect

# U.S. Personal Saving Amount and Rate

## Percentage of Disposable Personal Income (DPI)

### Personal Savings Rate



Source: Federal Reserve, FRED, cber.co.

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

### Personal Saving Rate

The April 2024 personal savings rate was 3.2%, and savings were \$671.0 billion, the lowest level since December 2022.

In December 2023, savings were \$801.9 billion, and a savings rate of 3.9%.

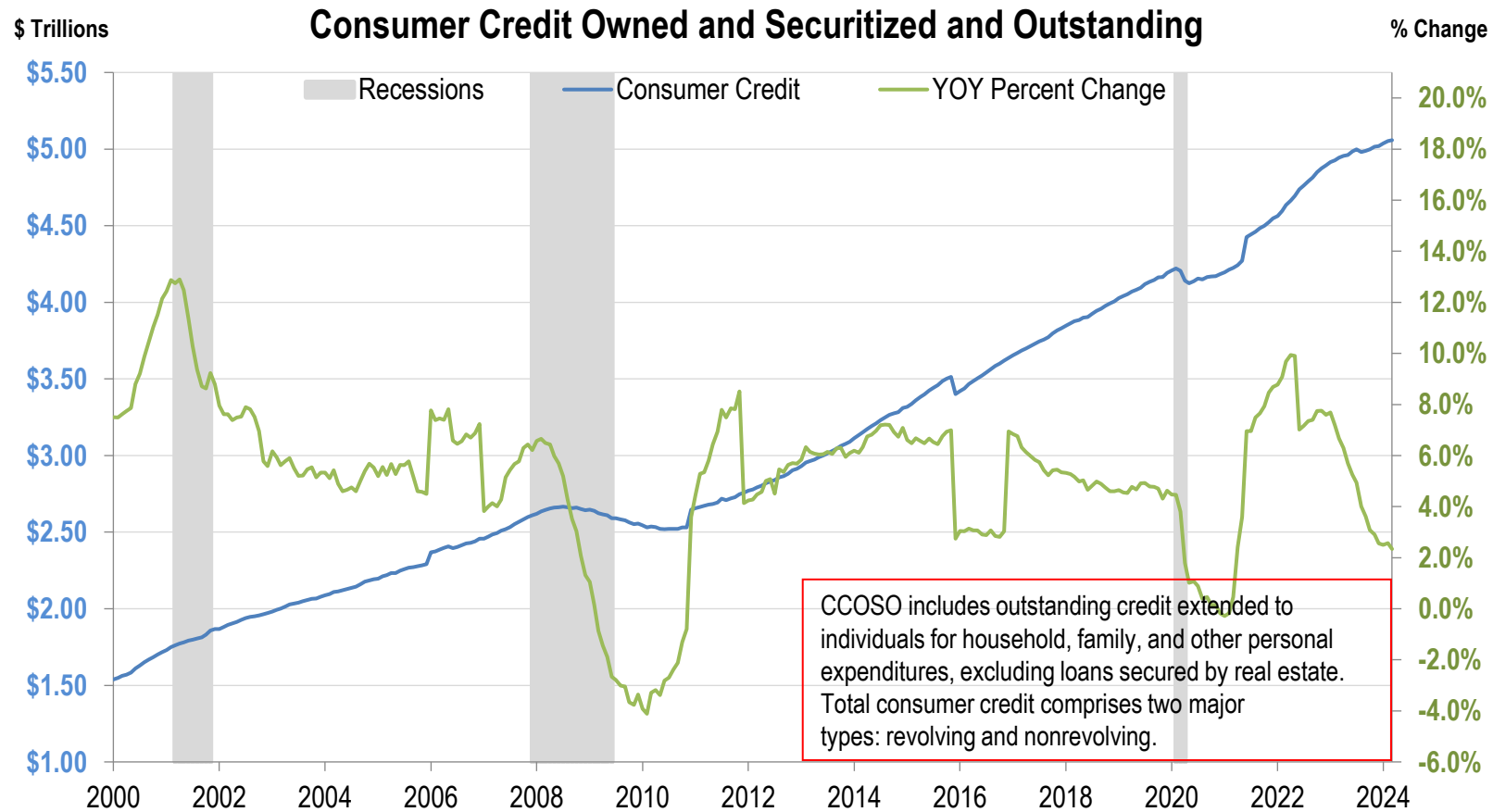
#### Year End Personal Savings (Billions) and Rate

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

# U.S. Consumer Credit Outstanding

## United States



### Consumer Credit

In March 2024, the YOY rate of outstanding consumer credit (including consumer loan defaults) increased by 2.3% (green). Securitized credit has been more than \$4.5 trillion since November 2021 (blue). It was \$5.1 trillion in March.

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).

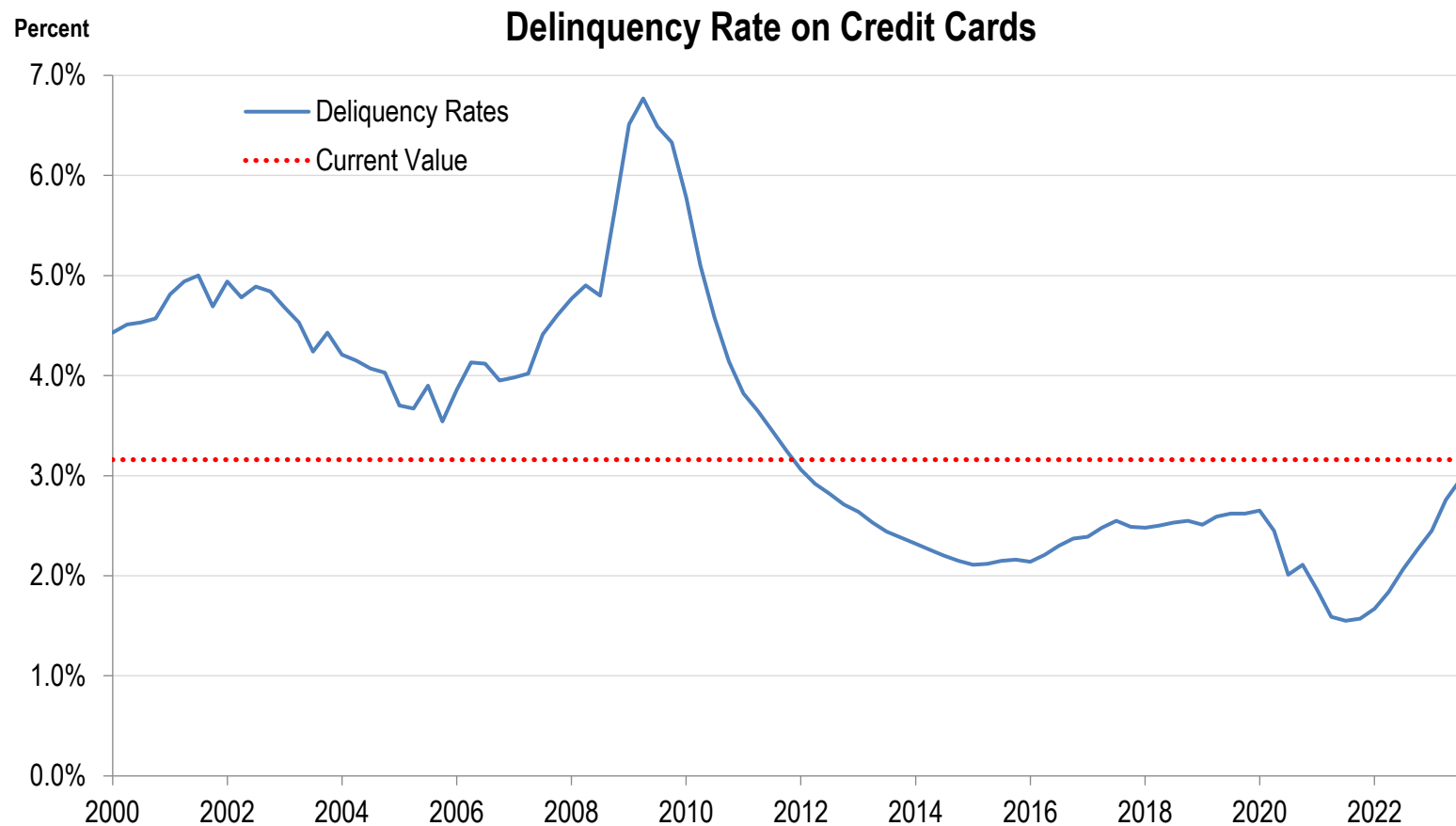
#### Outstanding Credit (Billions) and Percent Change

Year	Outstanding Credit (Billions)	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.

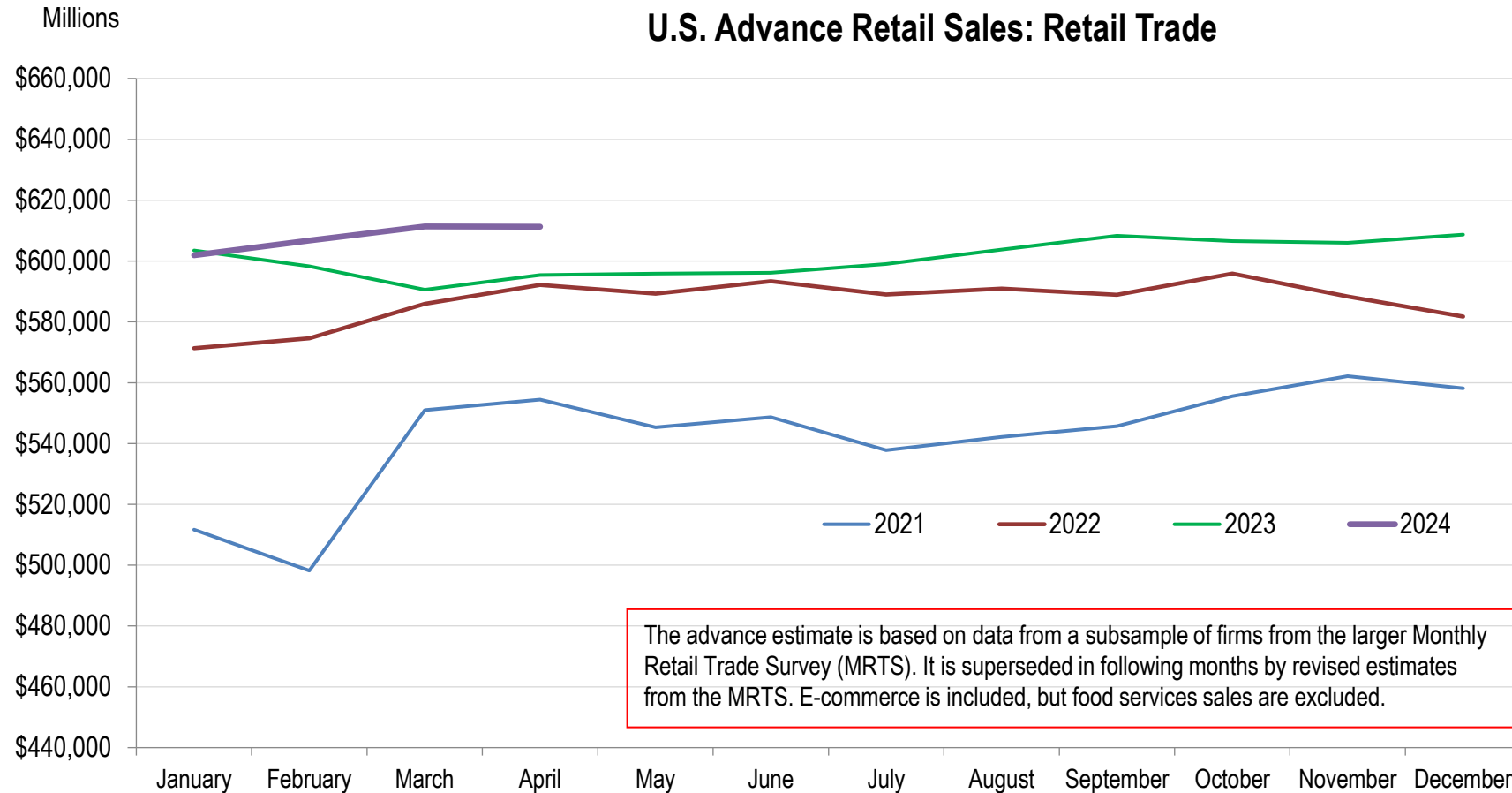
## Delinquency Rate on Credit Cards

At the end of Q12024, the credit card delinquency rate rose to 3.16%, the highest since Q3 2011. The current delinquency rate is below the rate between 2000 and 2011.

Consumers must balance rising costs because of inflation, reduced savings, higher credit card balances, and rising delinquency rates on credit cards.

# U.S. Advance Retail Sales: Retail Trade

## Monthly



### Advance Retail Sales

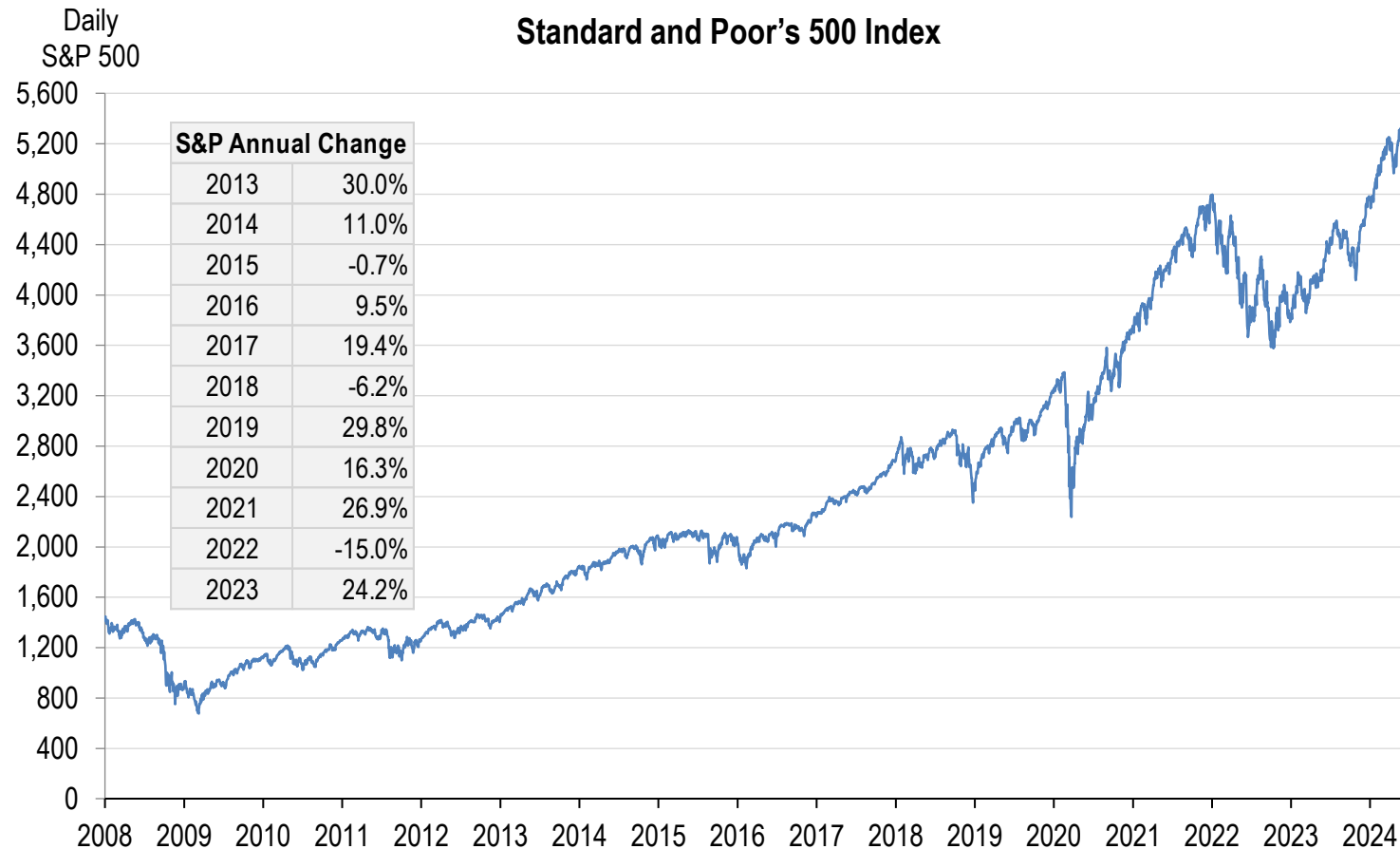
Retail sales were weaker than normal in 2023. They have increased slowly during the first four months of 2024. YTD sales through April (purple) were 1.8% greater than for the same period in 2023 (green).

Consumers are spending more than expected but their spending is constrained by reduced savings and increased credit card debt.

Annual Retail Sales (Trillions)		
2017	\$5.04	4.4%
2018	\$5.25	4.2%
2019	\$5.40	2.8%
2020	\$5.56	3.0%
2021	\$6.51	17.0%
2022	\$7.04	8.2%
2023	\$7.21	2.4%

Source: Census, 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%**

### 2021 COVID Recovery 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

May 24 5,304.72 YTD change **+11.2%**.

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

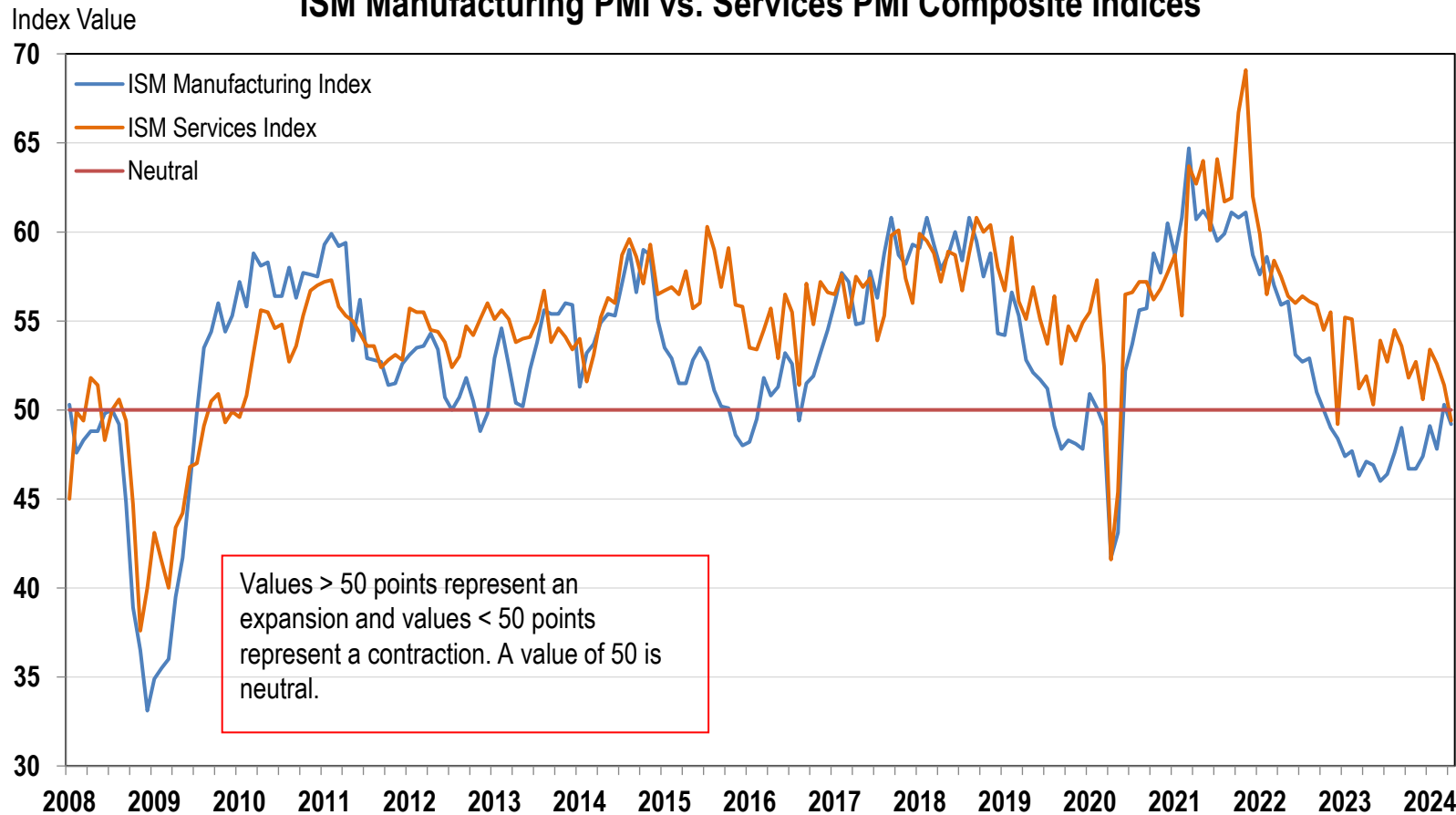
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## U.S. Indicators

# 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) trended downward after peaking at 64.7 in March 2021.

It was below 50 for 16 months before posting 50.2 in March 2024. It dropped to 49.2 in April. Two of the six largest industries registered growth in March. Only one of five critical subindexes is above 50.

In December 2022, the ISM service index (orange) registered 49.2. Since then, it has been between 50.3 and 55.2 but fell to 49.4 in April 2024.

Primary concerns are inflation and geopolitical issues. Business activity is slowing, and there are labor and wage concerns.

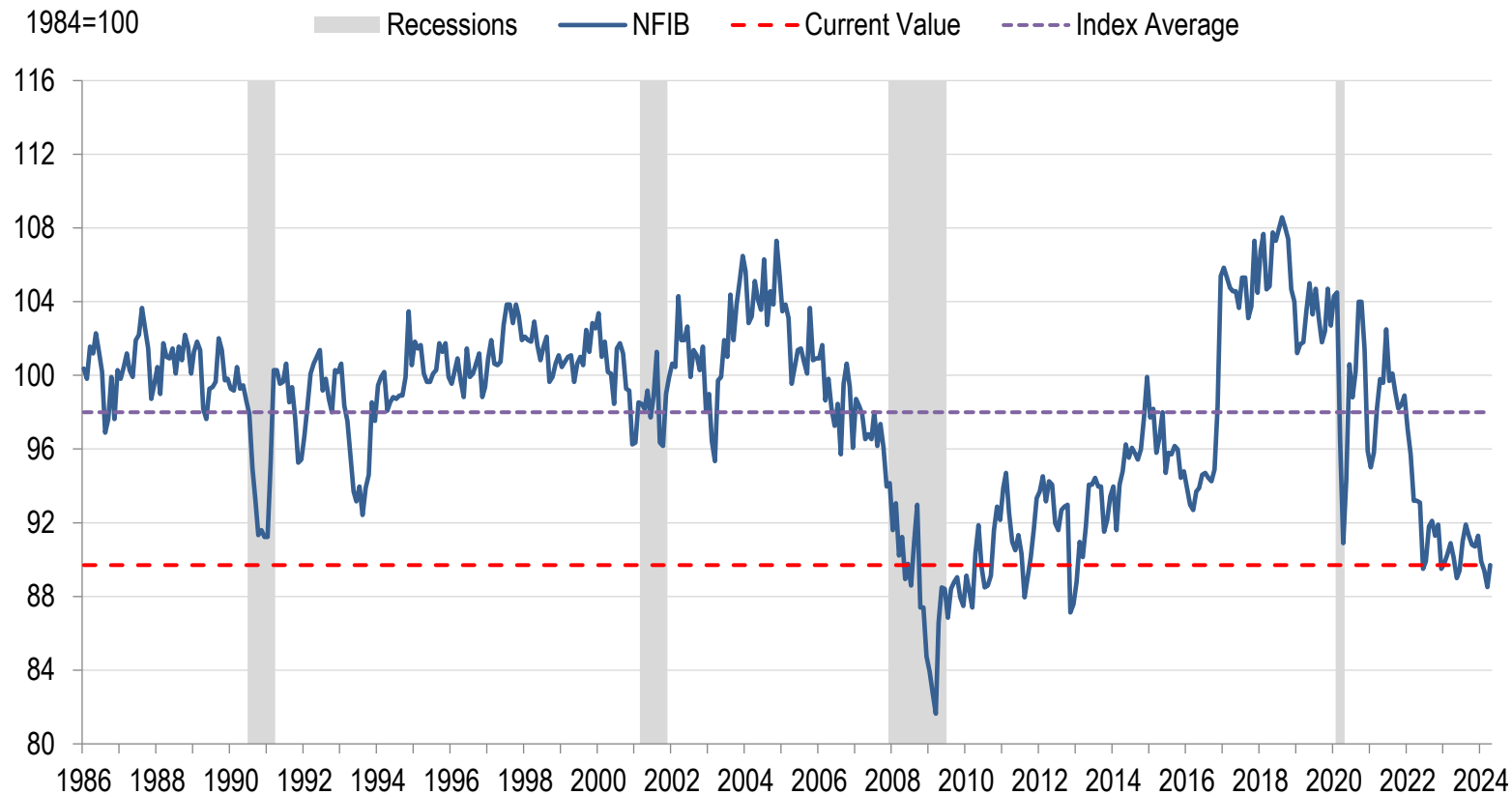
Source: Institute of Supply Management, cber.co.



# NFIB Small Business Optimism Index

## United States

### NFIB Small Business Optimism Index



### NFIB Small Business Index

In April 2024, the NFIB index rose to 89.7 (red dotted line), the 28th consecutive month below the 50-year average of 98.0 (purple dotted line).

The biggest concern for businesses was inflation. Wage increases played a role in increasing overall costs. Generally, small business owners are pessimistic about the economy.

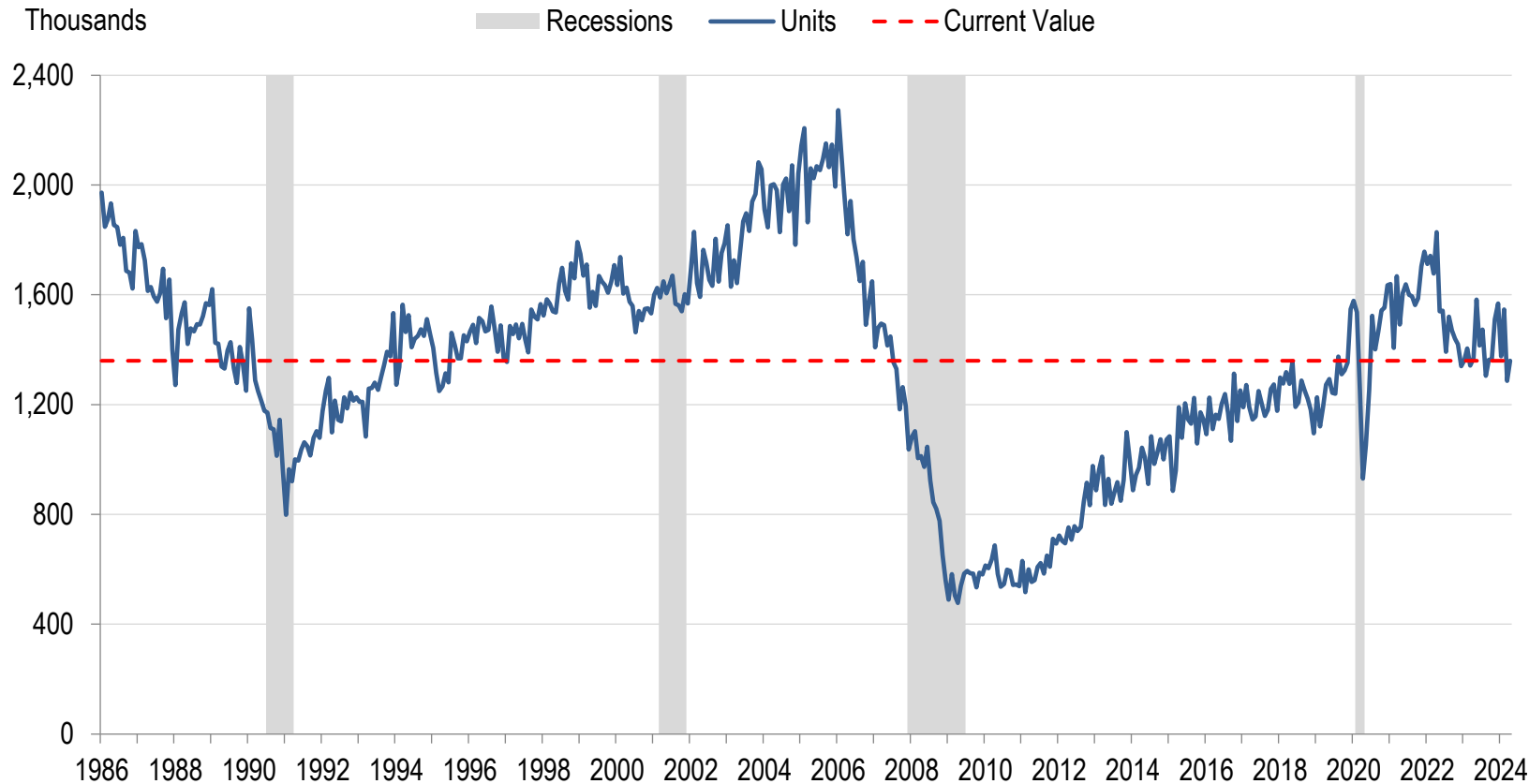
For more details, the NFIB monthly SBET report is available at <https://www.nfib.com/>.

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 2006. There is demand for housing, even with high interest rates; however, there were only 1.4 million starts in April 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

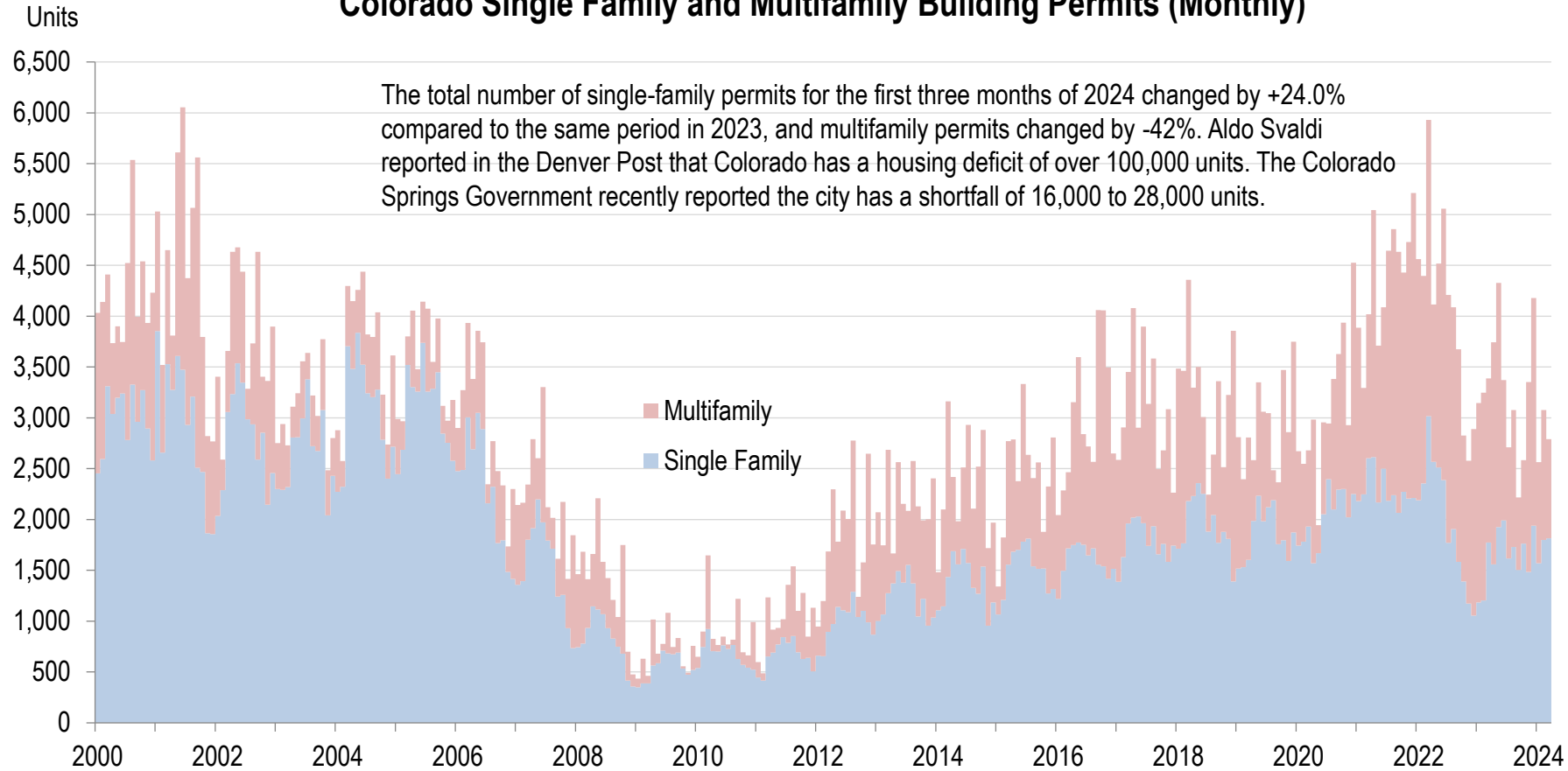
Source: U.S. Census Bureau, FRED, cber.co.

## Colorado Indicators

# Colorado Residential Building Permits

## Single Family and Multifamily Units

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



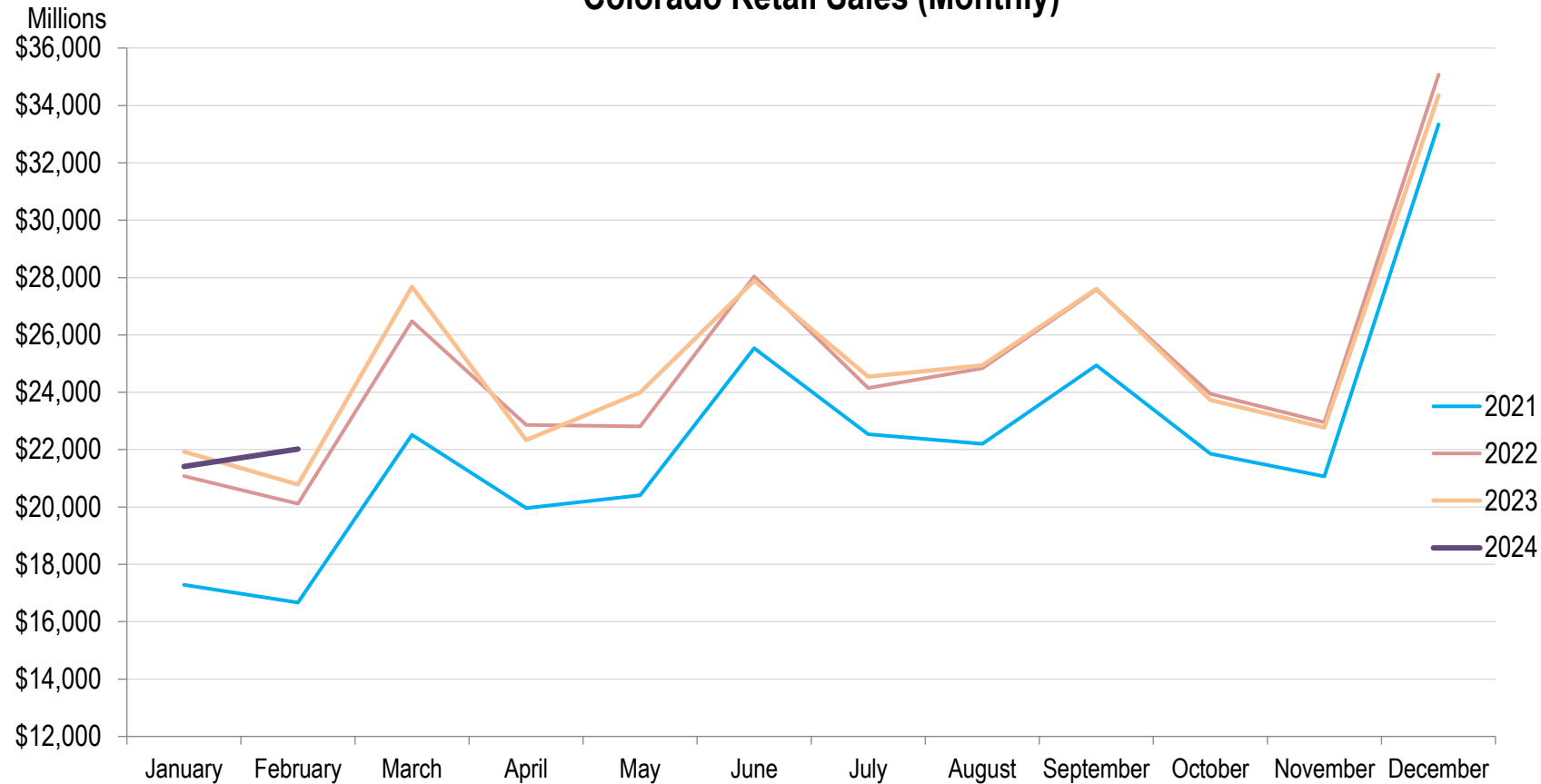
Annual Building Permits		
Year	Single Family	Multi-Family
2000	38,588	16,008
2001	36,437	18,570
2002	35,042	12,878
2003	33,894	5,732
2004	40,753	5,746
2005	40,018	5,732
2006	30,365	7,978
2007	20,516	8,938
2008	11,147	7,851
2009	7,261	2,094
2010	8,790	2,801
2011	8,729	4,779
2012	12,618	10,684
2013	15,773	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**  
Year-over-year retail sales for January and February 2024 were 1.7% greater than in 2023.

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.

## Trends and Forecast

# Colorado Economic Forecast 2024

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

Momentum in the job market carried into 2024. It has tapered off. 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 elevated interest rates.

<b>Colorado Economic Forecast</b>					
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	
Real GDP Value (billions) (chained 2017)	\$406.96	\$416.11	\$430.20	\$439.30	
% Change Real GDP	6.8%	2.2%	3.4%	2.1%	
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 increased 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 April 2024  
Colorado and the United States

This analysis is for informational purposes only. Any opinions or interpretations of data are those of the presenter. As such, they do not represent the viewpoints of any group or particular organization.

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#### 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.