



**Economic Outlook and Trends
through June 2024
United States and Colorado**
Colorado-based Business
and Economic Research, cber.co

Prepared July 20, 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. Many economists are more optimistic about the outlook for Colorado and the U.S. than one year ago and believe a recession is unlikely.

There will be slow growth in Q2 and Q3 2024. Consumers will struggle to balance their savings, debt, investment, and spending as they struggle with high interest rates and inflation. Improvement is likely in Q4, but 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. It now appears there may be only one or two cuts, hence the mantra “higher for longer.”

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

The uncertainty associated with the U.S. elections will potentially disrupt the economy.

Contents

This chartbook highlights the following topics.

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

United States Forecast

Drivers and Headwinds

United States Forecast

United States Forecast

The Conference Board (TCB) U.S. Economic Forecast is the base for this analysis. There were minor changes in the July TCB forecast.

What is Likely to Happen

- As inflation dropped, discussions changed from rate hikes to rate cuts. There are many reasons for the uncertainty about the number, timing, and amount associated with the cuts. TCB calls for two rate cuts at the end of 2024.
- There will not be a recession in 2024; however, real GDP growth will be weakest in Q2 and Q3.

Drivers

The TCB forecast identified the following drivers:

- Federal spending on infrastructure will continue to support growth. For example, the CHIPS Act will support the construction of semiconductor factories.
- The labor markets will remain tight but resilient.
- Inflation is unlikely to meet the FOMC's target rate until 2025.

Headwinds

The TCB forecast identified the following headwinds:

- The overall labor force is shrinking as companies retain workers and Baby Boomers retire.
- The labor markets are resilient, but they will cool. There will be labor shortages. Higher wages to attract workers.
- There is a need for housing and affordable housing in many parts of the country; however, material costs and interest rates remain high. There are also regional labor shortages for construction workers.
- Political volatility could threaten the economy, cause social unrest, or increase financial volatility.
- Slower gains in personal income, reduced savings levels, and increased consumer debt have reduced personal consumption.
- Consumers will struggle to balance their income, debt, savings, and spending.
- Business investment will remain weak for equipment and structures.

U.S. Real GDP Growth

The Conference Board Forecast (July 11, 2024)

Real GDP and Economic Growth

The Conference Board forecast projects real GDP growth of 2.0% in 2024. Real disposable income will increase by 1.2%, and real personal consumption will increase by 1.9% in 2024. Residential investment will increase by 6.1% in 2024, and non-residential investment will change by 3.5%. Government spending will be solid in 2024 (3.0%), down from 4.1% in 2023.

Other Economic Factors

There will be slower growth in exports in 2024, a decrease from 2.6% to 1.7%. 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 (there may be two), and the Fed Funds rate will decline to 4.875%. Rates will reach 3.375% in 2025.

Conference Board US Real GDP Growth Forecast

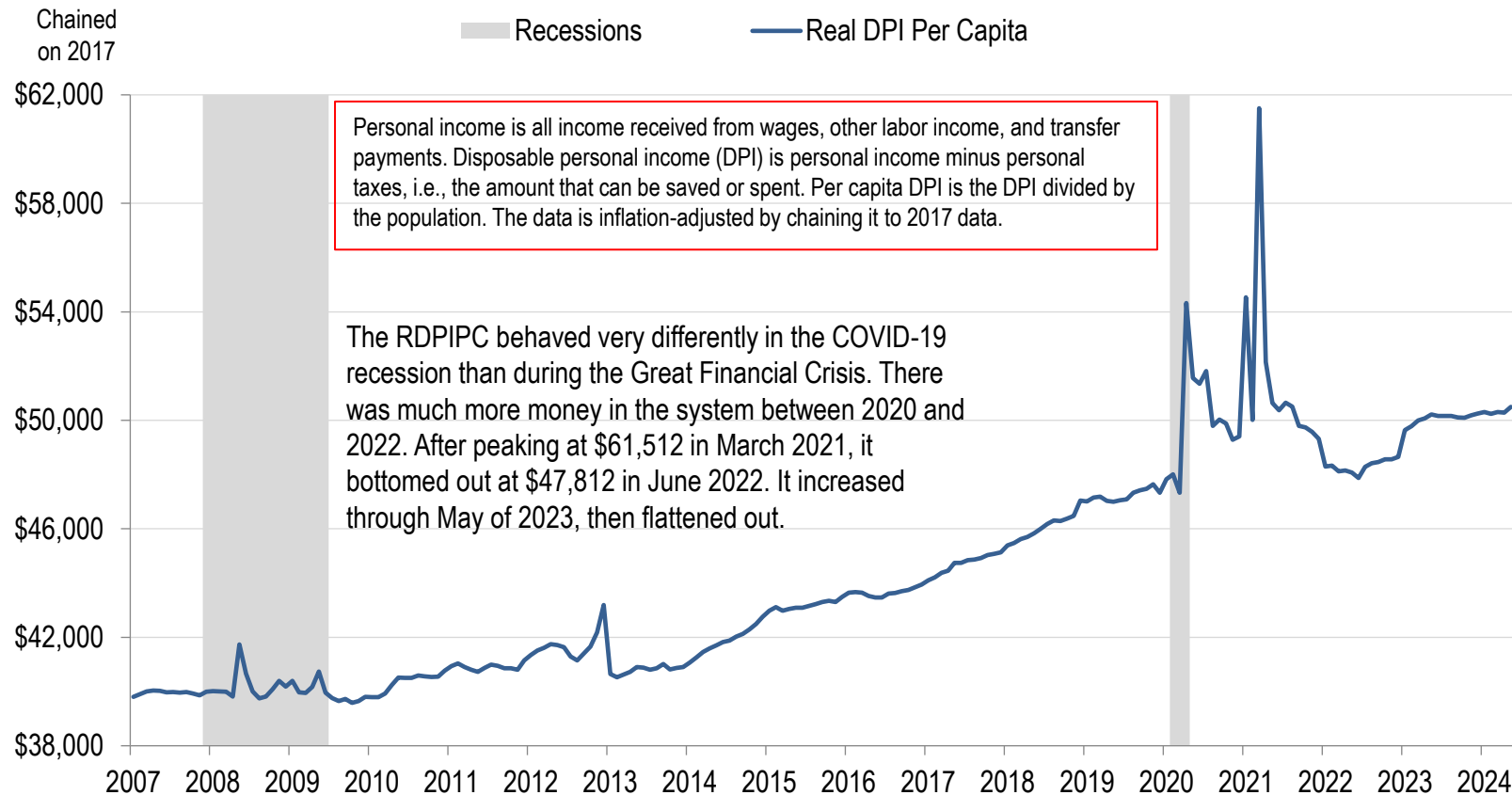
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2023	2024	2025
Real GDP	2.2%	2.1%	4.9%	3.4%	1.4%	1.3%	0.7%	1.2%	2.5%	2.0%	1.6%
Real Disposable Income	10.8%	3.3%	0.5%	0.9%	1.9%	0.7%	0.5%	1.0%	4.1%	1.2%	1.4%
Real Personal Consumption	3.8%	0.8%	3.1%	3.3%	1.5%	1.5%	0.9%	0.9%	2.2%	1.9%	1.4%
Residential Investment	-5.3%	-2.2%	6.7%	2.8%	16.0%	4.0%	1.0%	2.0%	-10.6%	6.1%	2.8%
Nonresidential Investment	5.7%	7.4%	1.5%	3.8%	4.4%	4.1%	1.2%	2.1%	4.5%	3.5%	2.7%
Total Gov't. Spending	4.8%	3.3%	5.8%	4.6%	1.8%	2.0%	2.2%	2.4%	4.1%	3.0%	2.3%
Exports	6.8%	-9.3%	5.4%	5.0%	1.6%	0.7%	0.5%	2.0%	2.6%	1.7%	2.2%
Unemployment Rate	3.5%	3.6%	3.7%	3.7%	3.8%	4.0%	4.1%	4.1%	3.6%	4.0%	3.9%
PCE Inflation (%Y/Y)	5.0%	3.9%	3.3%	2.8%	2.6%	2.6%	2.3%	2.2%	3.7%	2.4%	2.0%
Core PCE Inflation (%Y/Y)	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 Disposable Personal Income Per Capita

United States

Real Disposable Personal Income Per Capita (RDPIPC)



Real DPI Per Capita (RDPIPC)

In May 2024, RDPIPC was \$50,491. It was more than the prior month and only 0.5% greater than May 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.

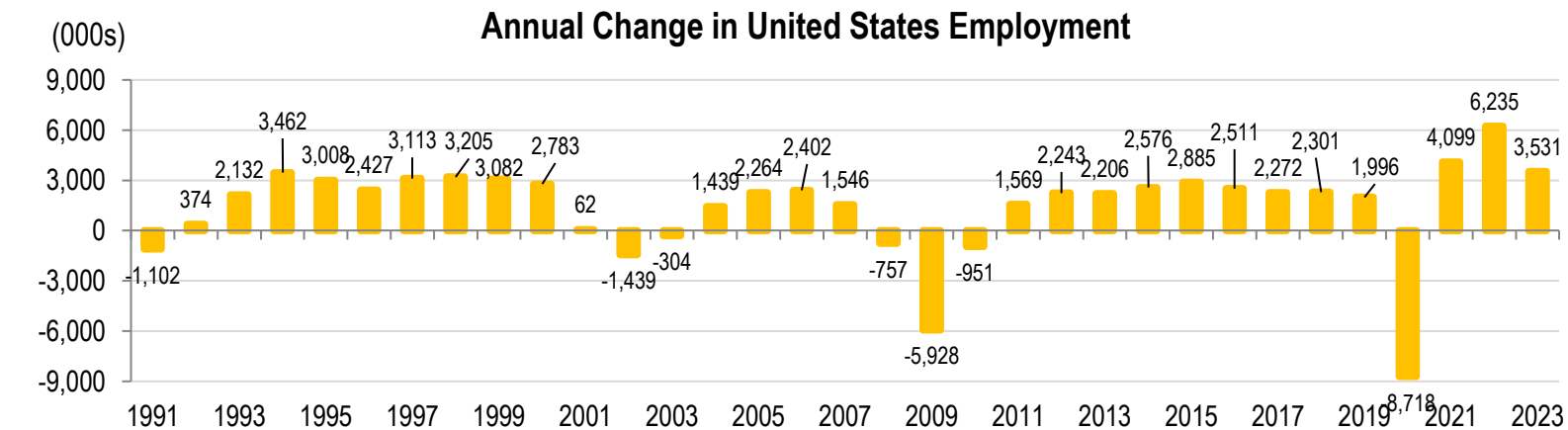
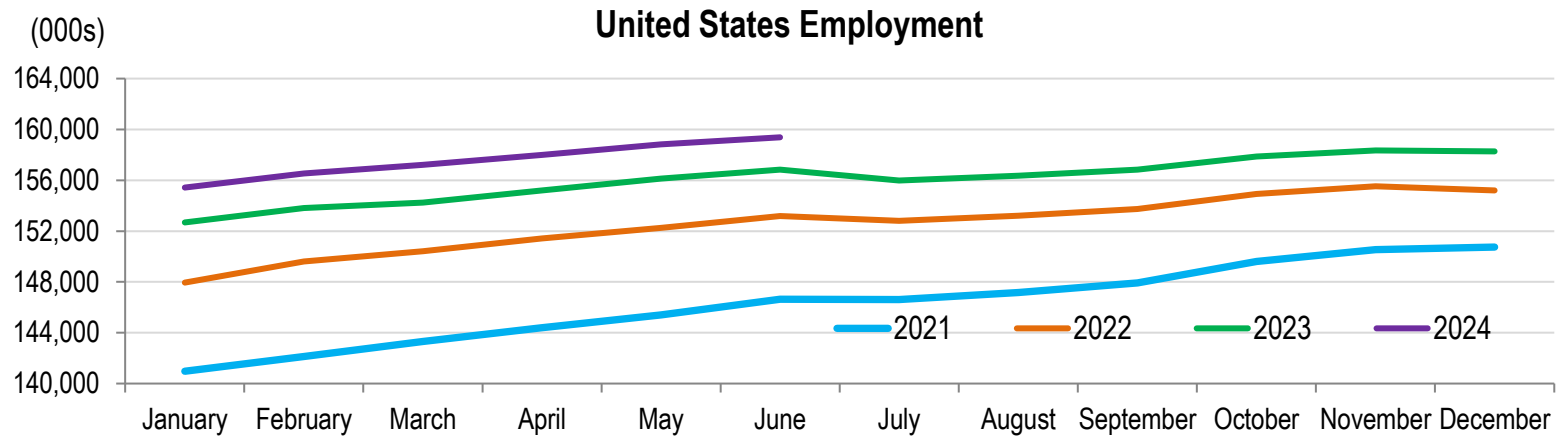
RDPIPC (Average)		
Year	RDPIPC	% Change
2016	\$43,659	1.1%
2017	\$44,710	2.4%
2018	\$46,057	3.0%
2019	\$47,226	2.5%
2020	\$50,053	6.0%
2021	\$51,567	3.0%
2022	\$48,317	-6.3%
2023	\$50,111	3.7%

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

U.S. and Colorado Employment and Unemployment and Earnings

Employment and Change in Employment

United States



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

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

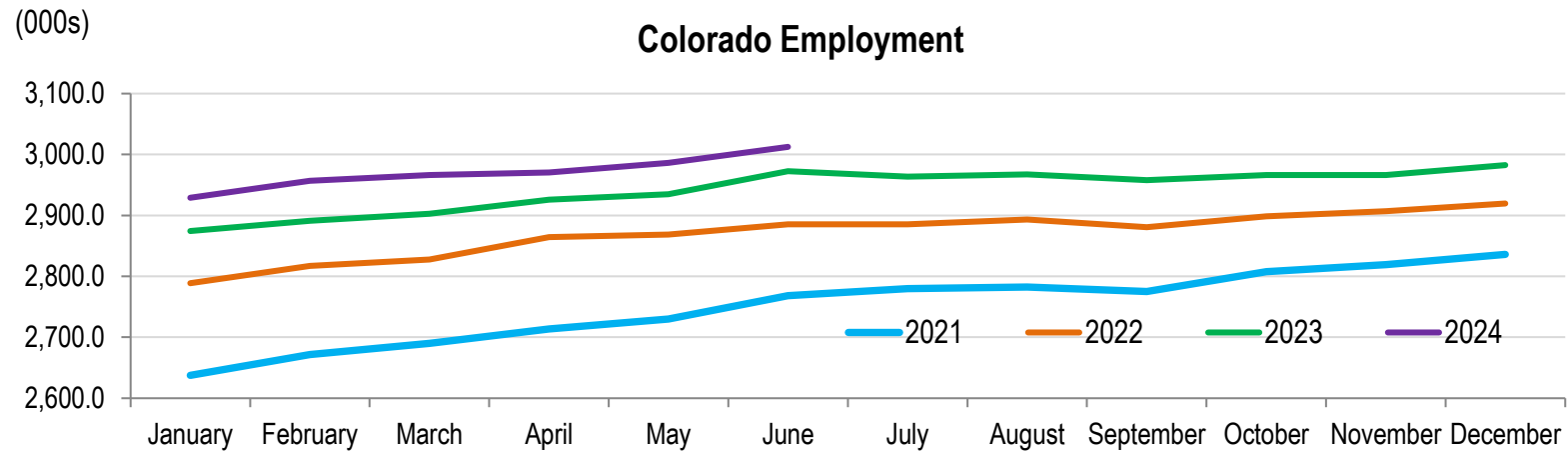
U.S. Employment

Average total employment through June 2024 was 157.6 million, 1.8% more than for the same period last year. The average monthly change in employment for 2024 is 229,139. At this rate, the projected annual change in employment for 2024 is 2,750,000, at the upper end of the range for 2012 to 2019.

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

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

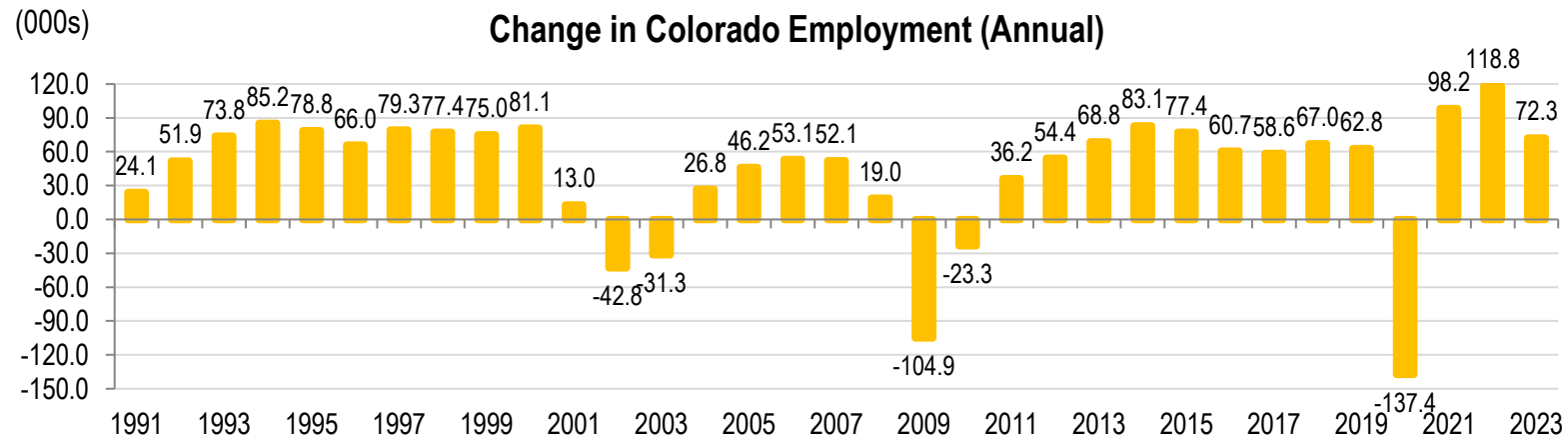
Employment and Change in Employment Colorado



Colorado Employment and Change
Through June 2024, the average total Colorado employment was 2,970,300.

The average YOY change in annual employment (NSA) through June 2024 was 53,400.

The average YOY change in monthly employment for 2024 is 4,453 per month.



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

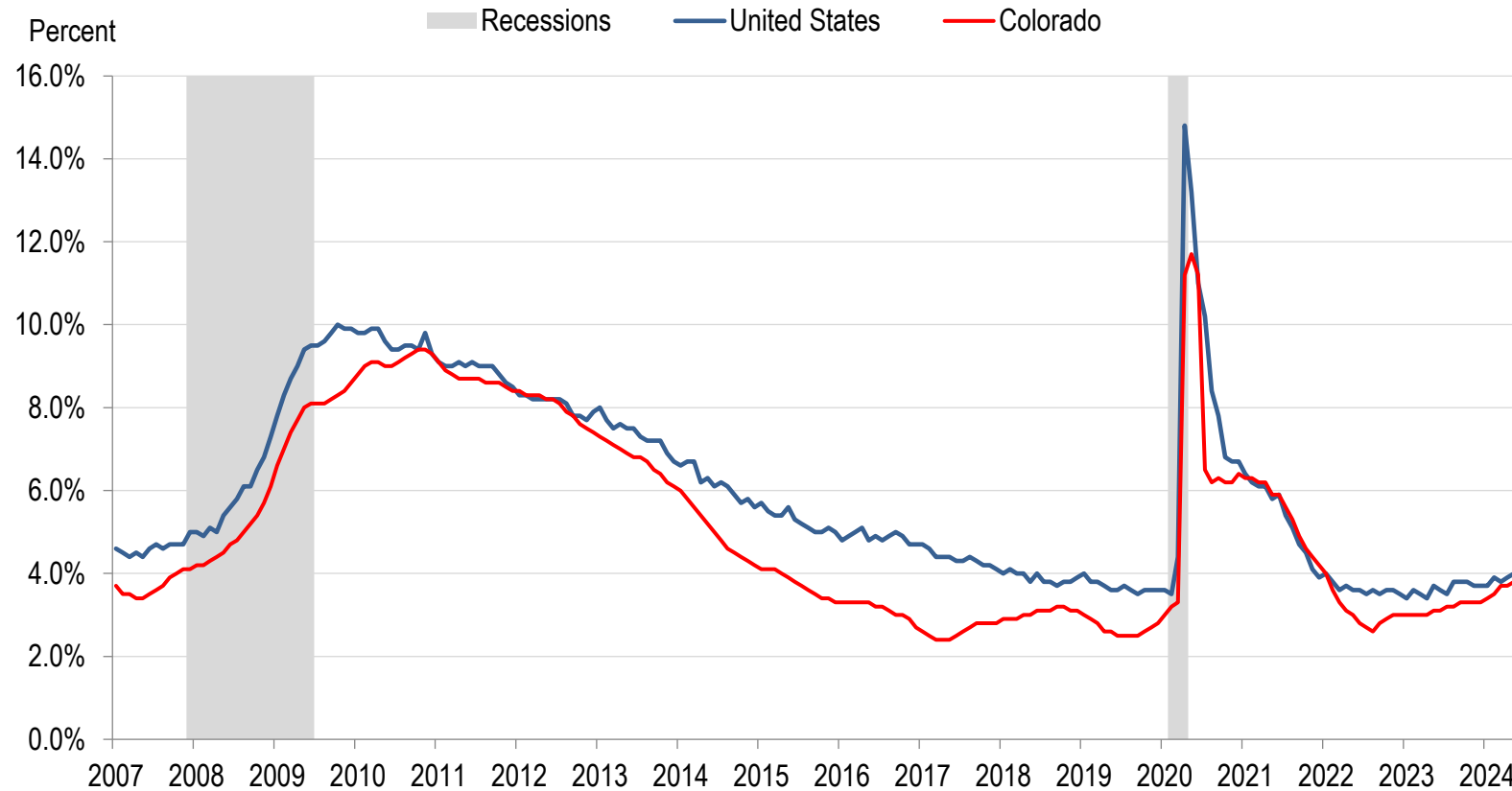
The average annual Colorado employment for 2023 was about 72,300 (See lower chart). In 2023, employment changed by an average of 6,025 per month.

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

Unemployment Rate

United States and Colorado

U.S. and Colorado Unemployment



Unemployment Rate (S.A.)

The Colorado unemployment rate was 3.8% (red) in June 2024, and the U.S. rate was 4.1% (blue).

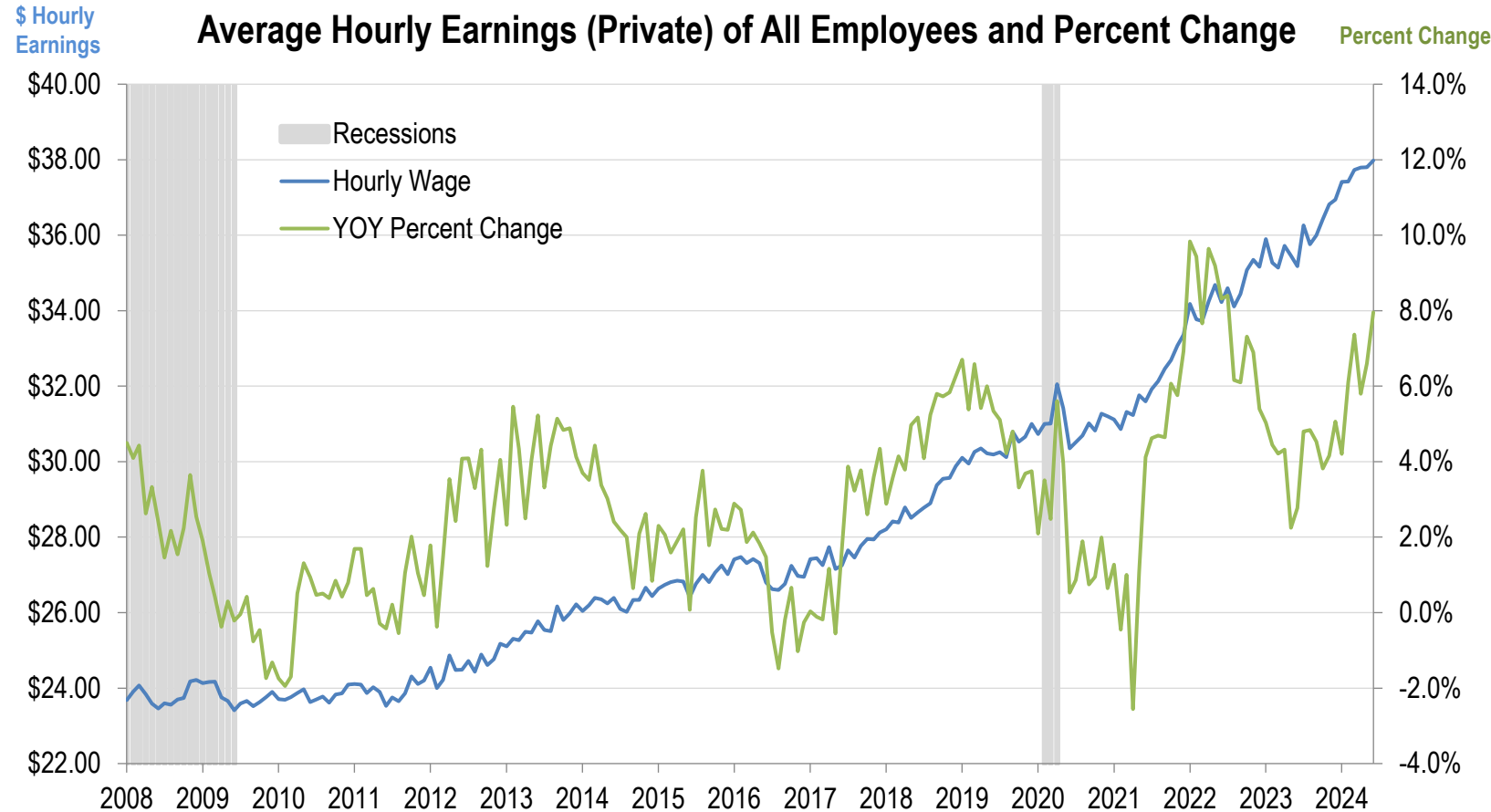
The June Colorado rate for men was 4.1% and 3.4% for women. It was 2.3% for individuals with some college education, 2.4% for a college degree, 4.2% for a high school diploma, and 8.4% for less than a high school diploma.

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
The June 2024 private hourly earnings for Colorado (blue) were \$37.98, a YOY increase of 8.0% (green). The rate of YOY earnings growth peaked at 9.4% in February 2022. More recently, it has increased since May 2023.

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 and Change in Employment

Colorado Employment and Change (000s), Wage Category, Change in Percentage Share

Industry Sector	Emp. vs. YOY		
	June 2024	YOY Change	Percent YOY
Private vs. government employees			
Total Employment	2,989.1	40.9	1.4%
Private Employment	2,494.9	19.8	0.8%
Government Employment	494.2	21.1	4.5%

Highlights Private vs. Government

The Government sector accounted for 52% of the change in total employment for June 2024 and the private sector accounted for 48%.

Over this period, private sector employment increased by 0.8% and Government employment increased by 4.5%.

Twelve of the 19 sectors added jobs.

Colorado Employment and Change (000s), Wage Category, Change in Percentage Share

Industry Sector	Emp. vs. YOY		
	June 2024	YOY Change	Percent YOY
Sectors with more than 145,000 employees			
Healthcare	331.9	10.2	3.2%
Prof., Scientific, and Tech, Services (PST)	300.1	7.4	2.5%
Food and Accommodation (F&A)	294.1	4.0	1.4%
Local Government	291.3	11.8	4.2%
Retail Trade	272.9	-0.5	-0.2%
Financial Activities	185.4	4.2	2.3%
Construction	181.0	-4.2	-2.3%
Administrative Services	158.4	-0.3	-0.2%
Manufacturing	152.6	1.3	0.9%
State Government	146.2	7.5	5.4%
Total Sectors > 145,000 Employees	2,313.9	41.1	1.8%

Highlights

Sectors with > 145,000 Employment (Sorted by Size)

YOY employment (June 2024) for the ten largest sectors increased by 41,100, or 1.8%. Employment increased in seven of these sectors. The leaders in absolute job growth were local government, healthcare, state government, and PST.

Colorado Employment and Change (000s), Wage Category, Change in Percentage Share

Industry Sector	Emp. vs. YOY		
	June 2024	YOY Change	Percent YOY
Sectors with less than 145,000 employment			
Other Services (Personal)	130.4	2.5	2.0%
Wholesale Trade	117.5	-1.3	-1.1%
Transp., Warehousing, and Utilities (TWU)	113.3	-4.2	-3.6%
Information	74.3	-3.0	-3.9%
Arts, Entertainment, Recreation (AER)	62.1	-0.6	-1.0%
Federal Government	56.7	1.8	3.3%
Education (Private)	50.1	2.3	4.8%
Mgmt. of Corporations/Enterprises (MCE)	47.9	0.9	1.9%
Extractive Industries	22.9	1.1	5.0%
Total Sectors <145,000 Employees	675.2	-0.5	-0.1%

Highlights

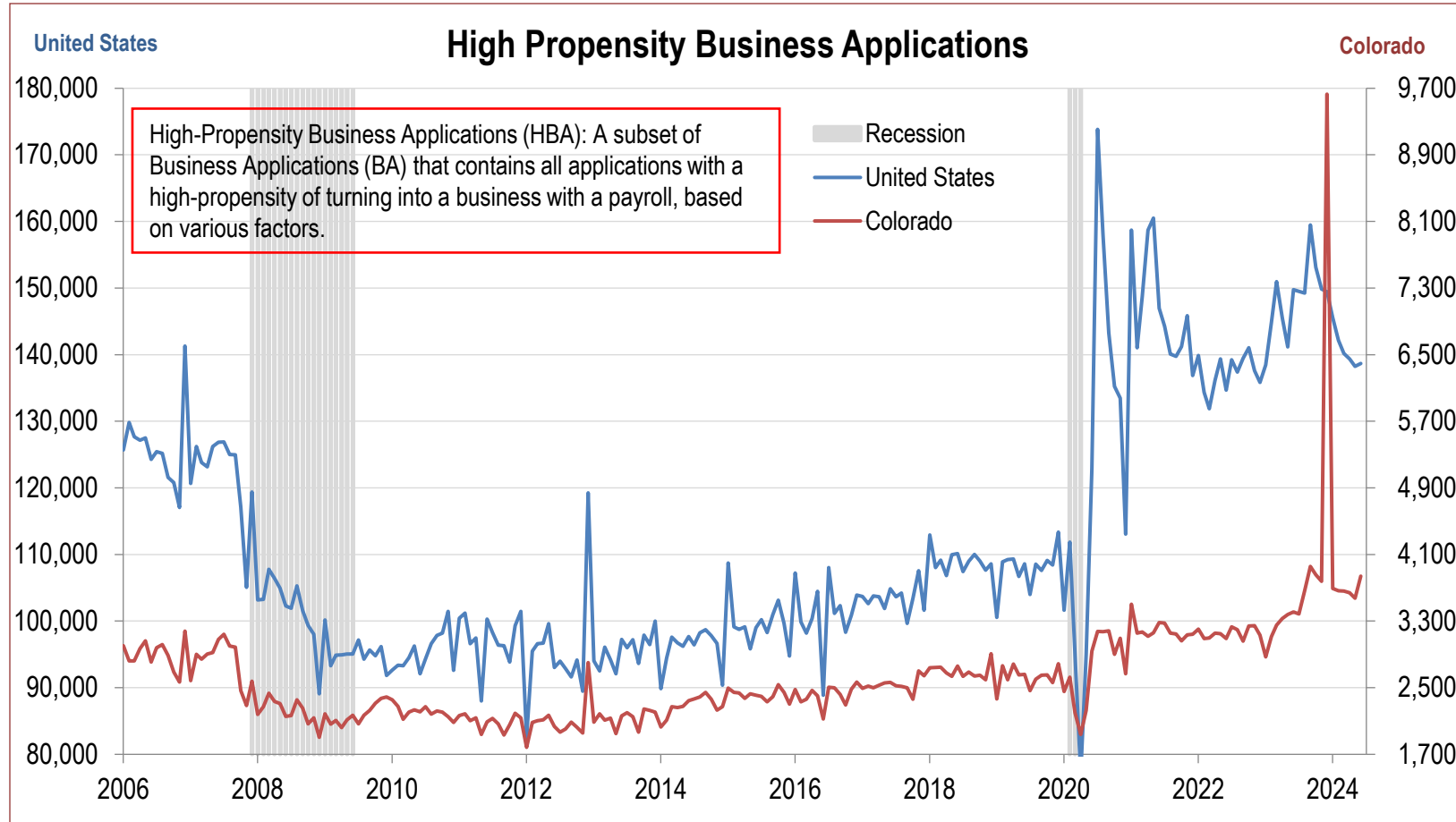
Sectors with < 145,000 Employment (Sorted by Size)

YOY employment changed for these ten sectors by -500, or -0.1%. Employment increased in only five of these areas. Leaders in job growth were other services, private education, and the federal government.

Source: BLS, SA, cber.co.

High Propensity Business Applications

U.S. and Colorado Seasonally Adjusted



High Propensity Applications
 Colorado and the U.S. have received more high-propensity business applications after the pandemic.

Source: FRED, Census Bureau, cber.co.

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

Survival of Private Sector Establishments by Opening Year

Colorado - First Year 1994

Survival of Colorado Establishments

https://www.bls.gov/bdm/co_age_total_table7.txt

The table to the right shows that 12,032 establishments opened in 1994. They had 72,929 employees, an average of 6.1 employees per establishment.

By March 1999, about half (50.7%) of these establishments had survived. They had more than 75,000 employees, and their average employment had doubled (12.3).

In March 2023, there were 1,478 surviving establishments, a survival rate of 12.3%. Total employment was 42,096, or an average of 28.5 employees per firm.

The data in this table shows the importance of having an economic development strategy that includes economic growth, retention of existing establishments, and recruitment of new establishments.

Source: Bureau of Labor Statistics, cber.co.

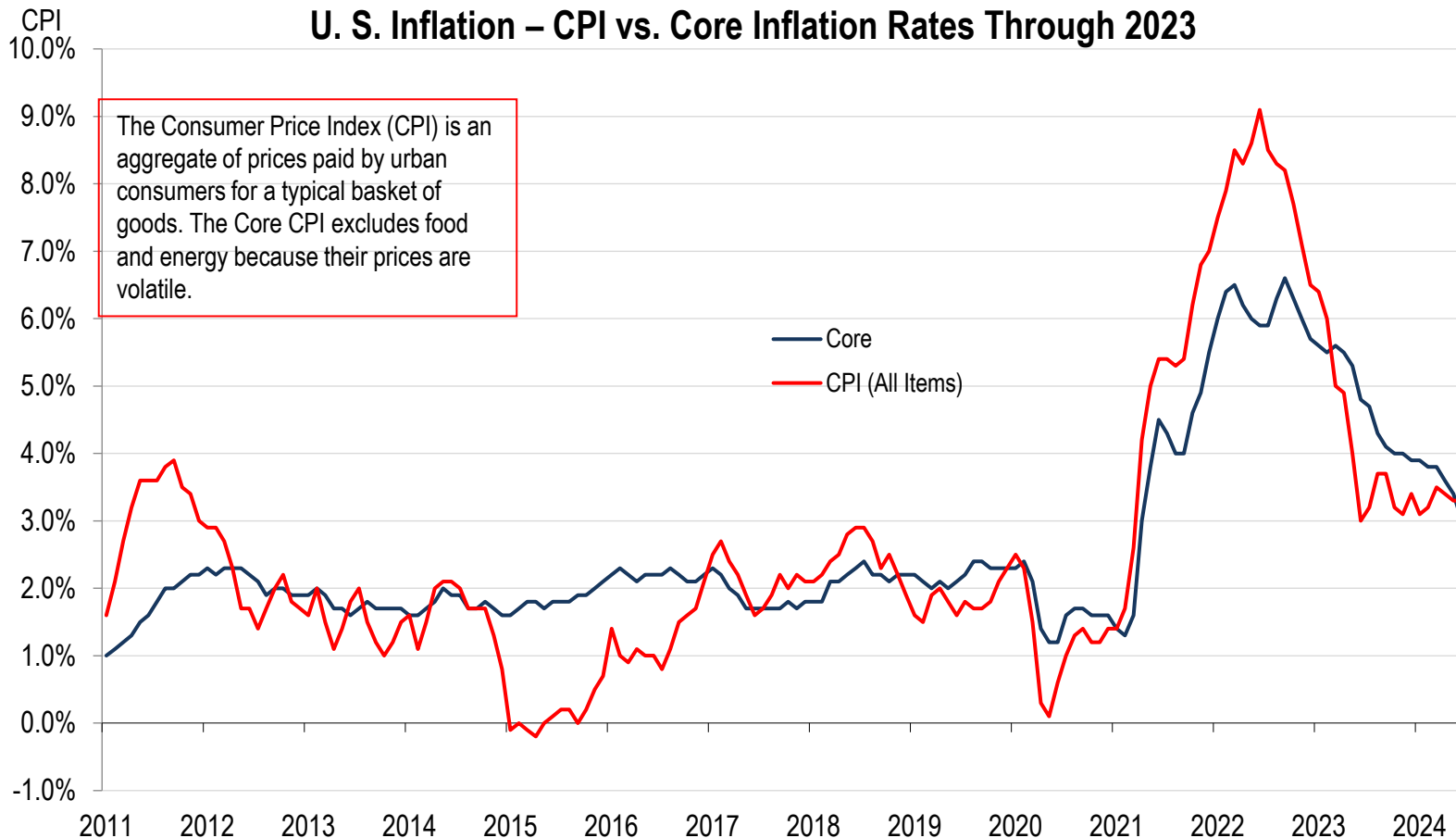
Colorado-based Business and Economic Research <https://cber.co>

	Surviving Establishments	Total Employment of Survivors	Survival Rates Since Birth	Survival Rates of Previous Year's Survivors	Average Employment of Survivors
Annual openings					
Year ended: March 1994					
March 1994	12,032	72,929	100.0	-	6.1
March 1995	9,627	78,741	80.0	80.0	8.2
March 1996	8,239	76,550	68.5	85.6	9.3
March 1997	7,454	75,062	62.0	90.5	10.1
March 1998	6,749	76,282	56.1	90.5	11.3
March 1999	6,096	75,128	50.7	90.3	12.3
March 2000	5,567	74,292	46.3	91.3	13.3
March 2001	5,146	71,456	42.8	92.4	13.9
March 2002	4,776	63,930	39.7	92.8	13.4
March 2003	4,423	60,675	36.8	92.6	13.7
March 2004	4,099	59,054	34.1	92.7	14.4
March 2005	3,855	59,386	32.0	94.0	15.4
March 2006	3,684	59,110	30.6	95.6	16.0
March 2007	3,473	57,024	28.9	94.3	16.4
March 2008	3,235	56,993	26.9	93.1	17.6
March 2009	3,004	51,760	25.0	92.9	17.2
March 2010	2,826	49,028	23.5	94.1	17.3
March 2011	2,687	49,207	22.3	95.1	18.3
March 2012	2,541	49,566	21.1	94.6	19.5
March 2013	2,424	50,682	20.1	95.4	20.9
March 2014	2,336	51,179	19.4	96.4	21.9
March 2015	2,234	51,213	18.6	95.6	22.9
March 2016	2,117	49,223	17.6	94.8	23.3
March 2017	2,017	49,336	16.8	95.3	24.5
March 2018	1,936	49,956	16.1	96.0	25.8
March 2019	1,855	46,953	15.4	95.8	25.3
March 2020	1,753	46,475	14.6	94.5	26.5
March 2021	1,674	42,328	13.9	95.5	25.3
March 2022	1,578	42,198	13.1	94.3	26.7
March 2023	1,478	42,096	12.3	93.7	28.5

Inflation

CPI Inflation

U.S. CPI vs. Core Inflation



U.S. CPI vs. Core Inflation

In May 2024, the CPI rate (red) was 3.0%, and the core rate (blue) was 3.4%.

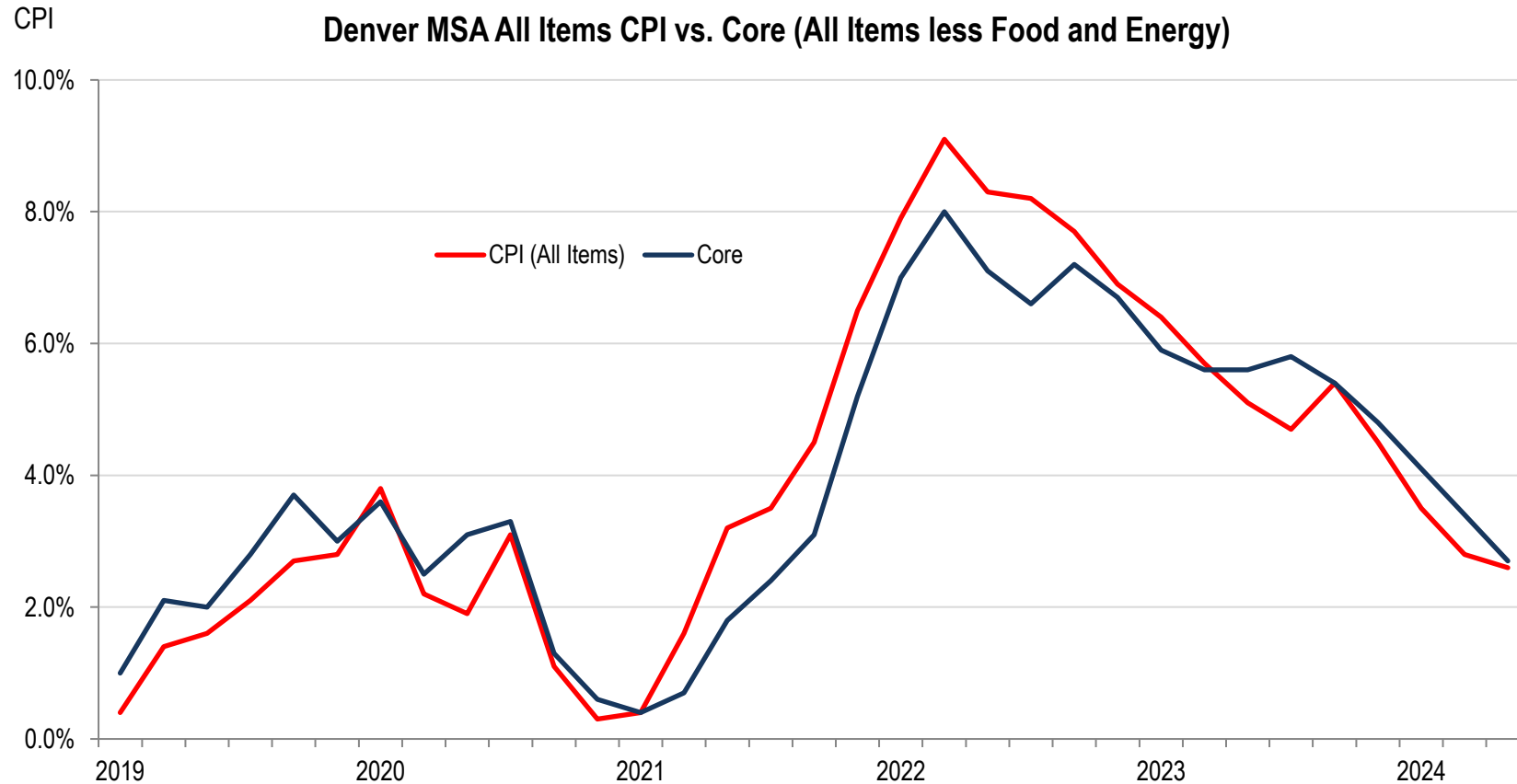
The CPI rate peaked at 9.1% in June 2022. By December 2022, the YOY CPI rate had dropped to 6.5%. In December 2023, the rate was 3.9%.

Core inflation peaked at 6.6% in September 2022 and declined to 5.7% in December 2022. In December 2023, it was 4.2%.

The inflation rate is declining; however, consumers struggle with the accumulated effects of three years of inflation. It may be Q2 2025 before the rate drops to the inflation target rate, although interest rate cuts will occur before then.

Bi-Monthly Change in Denver MSA CPI

All Items vs. Core



Denver MSA

CPI vs. Core Inflation

The Denver MSA inflation rate is generally higher than the U.S. rate. Note that the Colorado rate is only published bi-monthly.

May 2024 was an exception. The U.S. CPI rate was 3.3%, and the Denver MSA rate was 2.6%. The U.S. March core rate was 3.4% compared to 2.7% for the Denver MSA.

Areas of concern for Denver are:

- Shelter 4.0%
- Energy services 5.6%
- Food away from home 5.6%. These prices are 31% above May 2021.

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

From “Transitory Inflation” to “Higher for Longer” Annual and Accumulated Rate of Inflation

Higher for Longer Interest Rates

In 2021, some economists thought inflation was transitory. Next, they thought it would return to the Federal Reserve target rate of 2.0% before December 2023. The FOMC will not begin rate cuts until it is comfortable that inflation is under control. Stubborn inflation will not return to the target rate until 2025, i.e., higher for longer interest rates. There may be two interest rate cuts in 2024. The annual Denver MSA CPI has been more than the U.S. CPI for eight of the past ten years.

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

Annual and Accumulated Rate of Inflation

United States				Category	Colorado			
2021	2022	2023	All Years		2021	2022	2023	All Years
4.7%	8.0%	4.1%	17.7%	CPI	3.5%	8.0%	5.2%	17.7%
3.6%	6.2%	4.8%	15.2%	Core	2.5%	7.1%	5.4%	15.7%
3.8%	9.6%	5.7%	20.2%	Food and Beverage	2.9%	9.9%	5.9%	19.7%
3.5%	11.4%	5.0%	21.1%	Food at Home	1.8%	11.1%	4.8%	18.5%
4.5%	7.7%	7.1%	20.5%	Food Away From Home	4.4%	9.1%	8.0%	23.0%
3.3%	7.2%	6.4%	17.8%	Housing	1.6%	7.6%	7.8%	17.9%
7.9%	17.7%	1.6%	28.9%	Household Energy	4.4%	12.3%	11.4%	30.6%
6.8%	14.5%	2.4%	25.2%	Fuels and Utilities	2.5%	9.8%	10.5%	24.4%
14.6%	15.5%	0.2%	32.6%	Transportation	13.0%	12.7%	2.2%	30.2%
13.7%	11.9%	-0.4%	26.8%	New and Used Motor Vehicles	8.2%	13.4%	-0.1%	22.6%
35.8%	32.1%	-10.6%	60.4%	Motor Fuel	41.9%	21.1%	-5.6%	62.3%

Accumulated Rate of Inflation

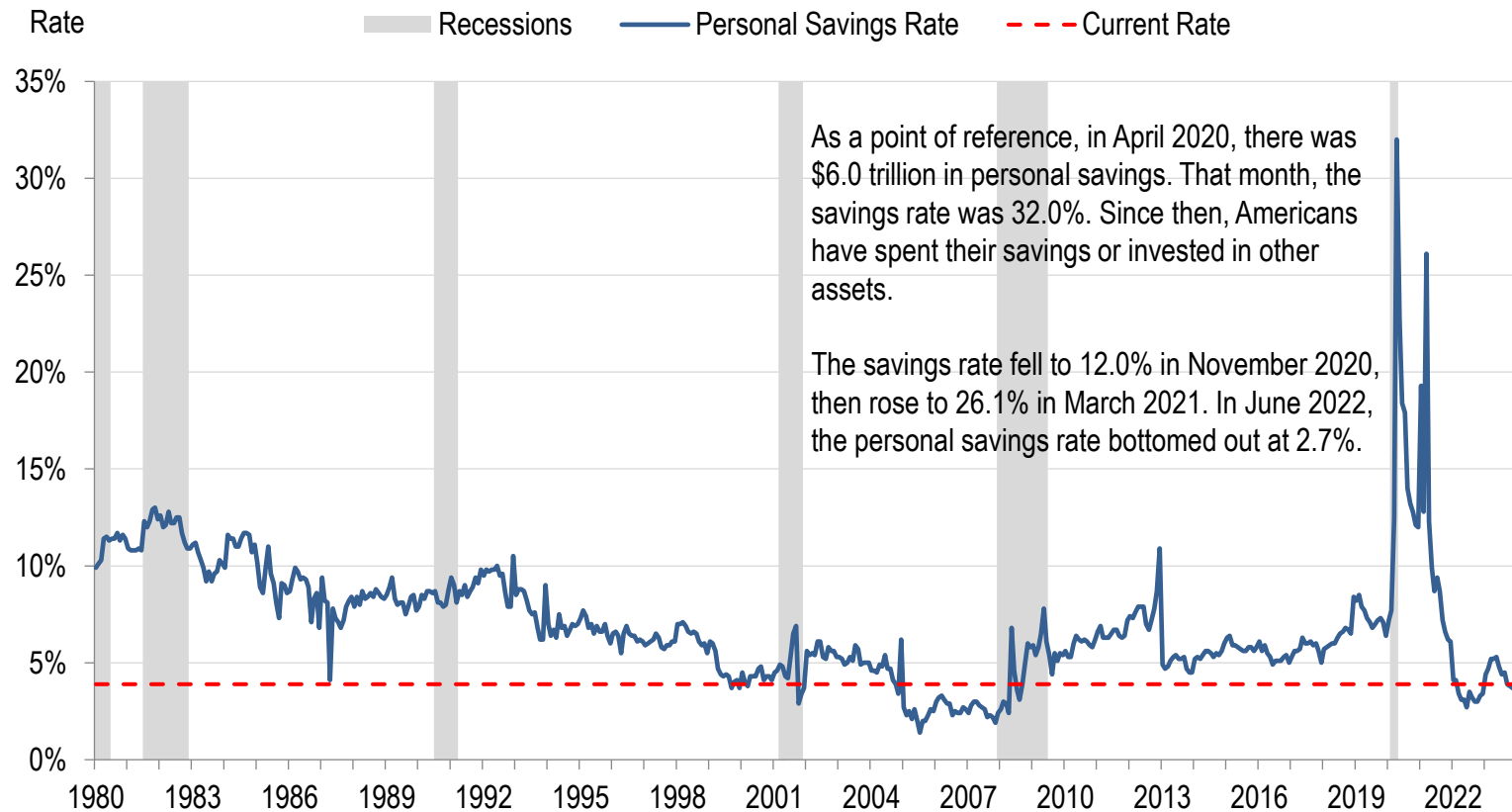
Inflation had a different impact on the various categories. For example, there was a temporary increase in sporting goods and appliance prices. The price increase for medical care, professional services, recreation, and wireless phone services was minimal. Price increases in many essential areas, such as food, housing, and fuel, are shown in the table above. U.S. Motor vehicle insurance increased by 31.5% for all years. The primary reasons were the integration of artificial intelligence, advanced technology, and the high costs of electric vehicles.

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 May 2024 personal savings rate was 3.9%, and savings were \$806.1 billion.

In May 2023, savings were \$1,060.0 billion, and the savings rate was 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%

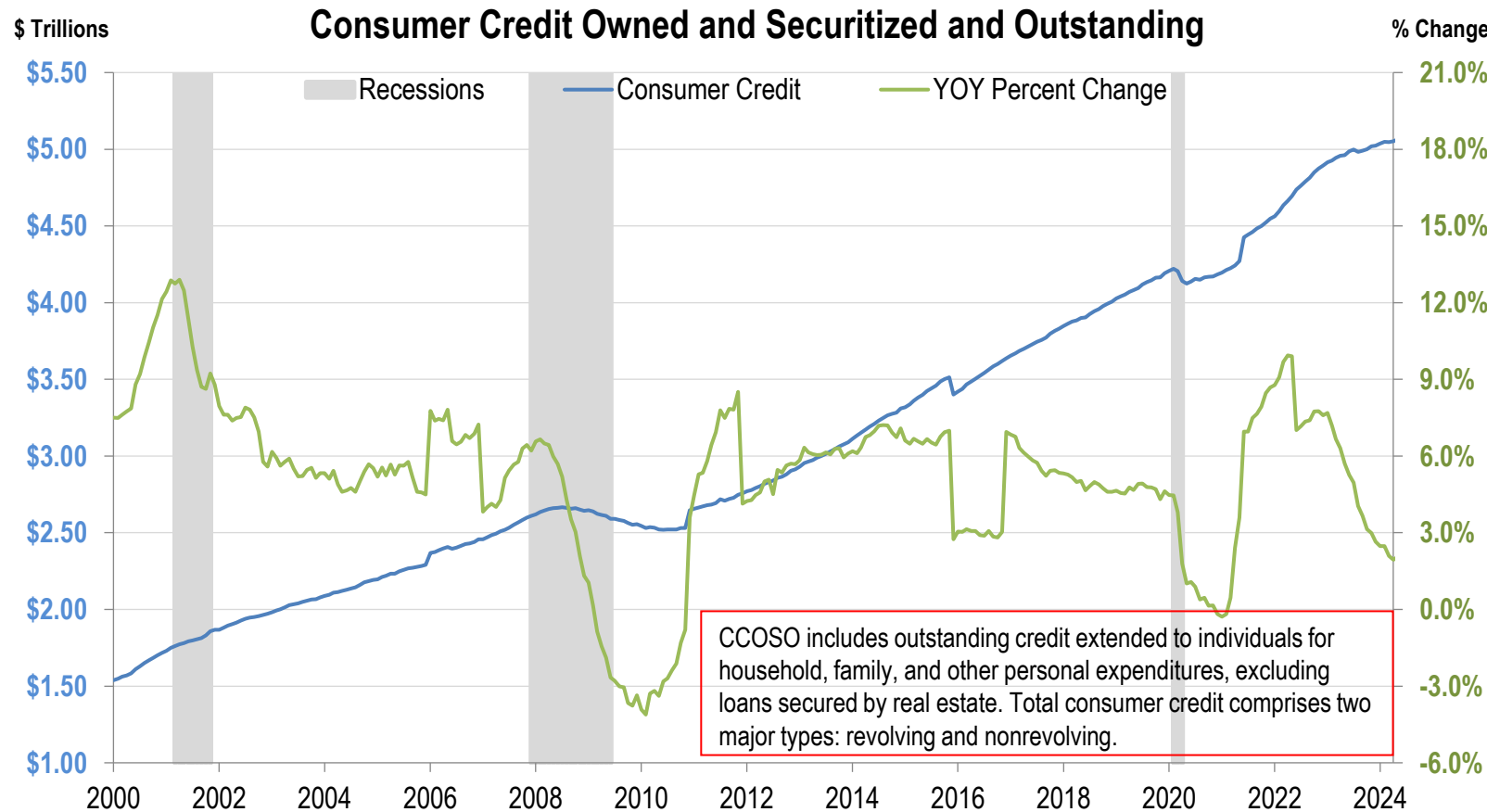
Source: BEA, cber.co

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 May 2024, the YOY rate of outstanding consumer credit (including consumer loan defaults) increased by 2.1% (green). Securitized credit has been more than \$4.5 trillion since November 2021 (blue). It was \$5.1 trillion in April and May.

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

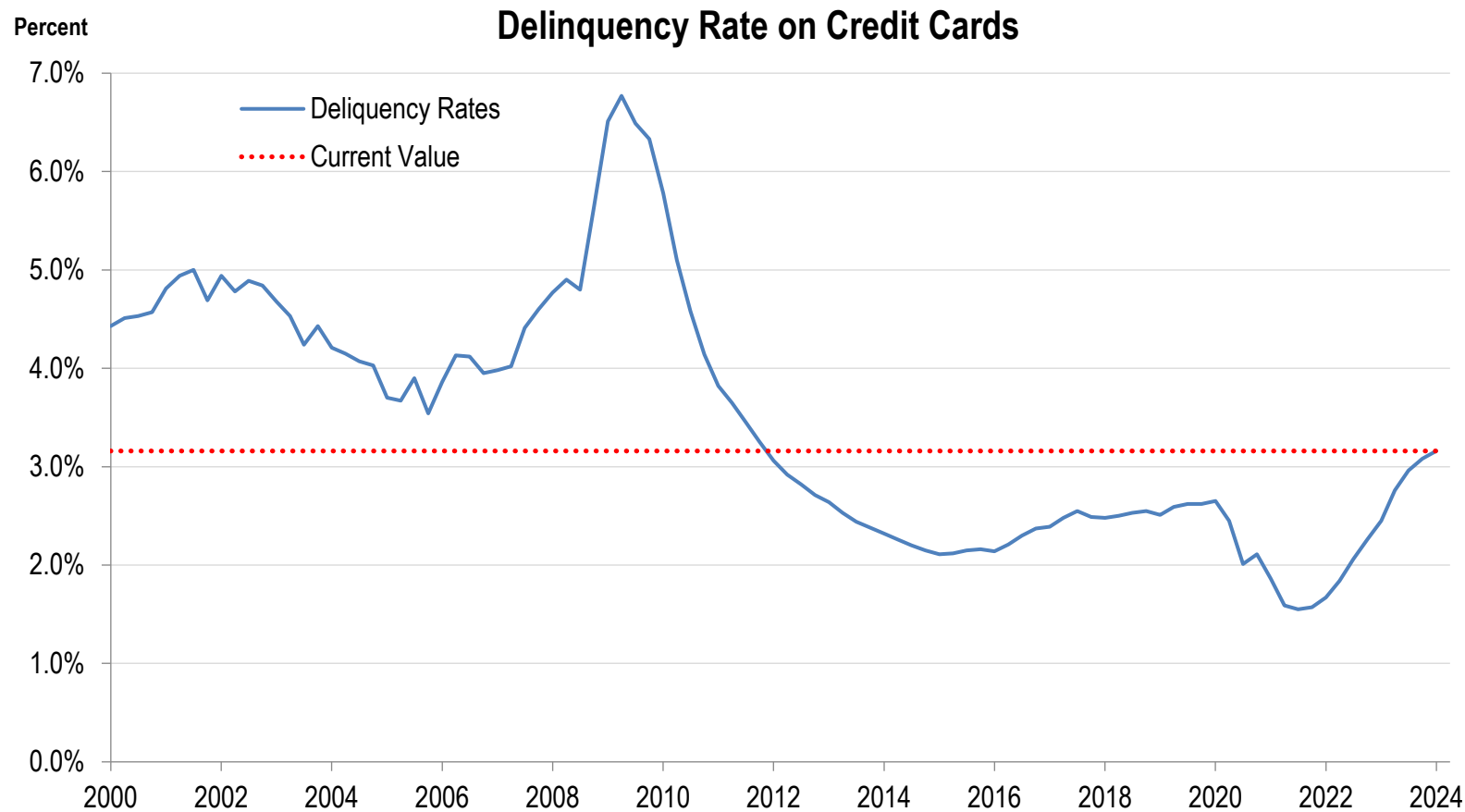
2017	\$3,738.3	5.9%
2018	\$3,922.6	4.9%
2019	\$4,106.3	4.7%
2020	\$4,168.2	1.5%
2021	\$4,375.6	5.0%
2022	\$4,735.8	8.2%
2023	\$4,969.9	4.9%

Source: FRED, G-19, cber.co

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

Delinquency Rate on Credit Cards

Quarterly



Delinquency Rate on Credit Cards

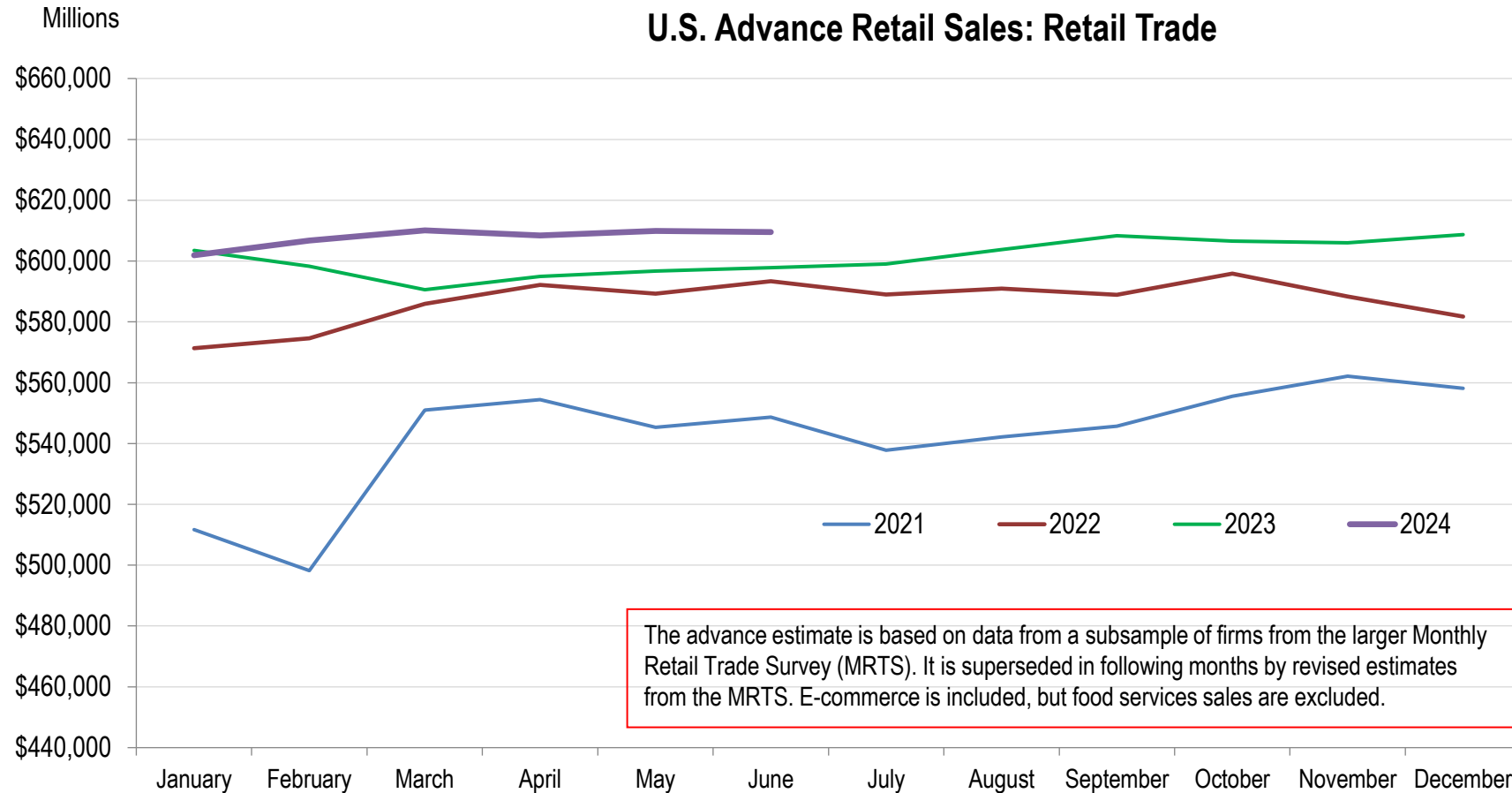
At the end of Q1 2024, the credit card delinquency rate rose to 3.16% (red dotted line), the highest since Q3 2011. The current delinquency rate is below the rate between 2000 and 2011.

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

Source: FRED, Federal Reserve, SA.

U.S. Advance Retail Sales: Retail Trade

Monthly



Advance Retail Sales
Retail sales were weak in 2023. In Q2 2024, sales were flat. YTD sales through June (purple) were 1.8% greater than for the same period in 2023 (green).

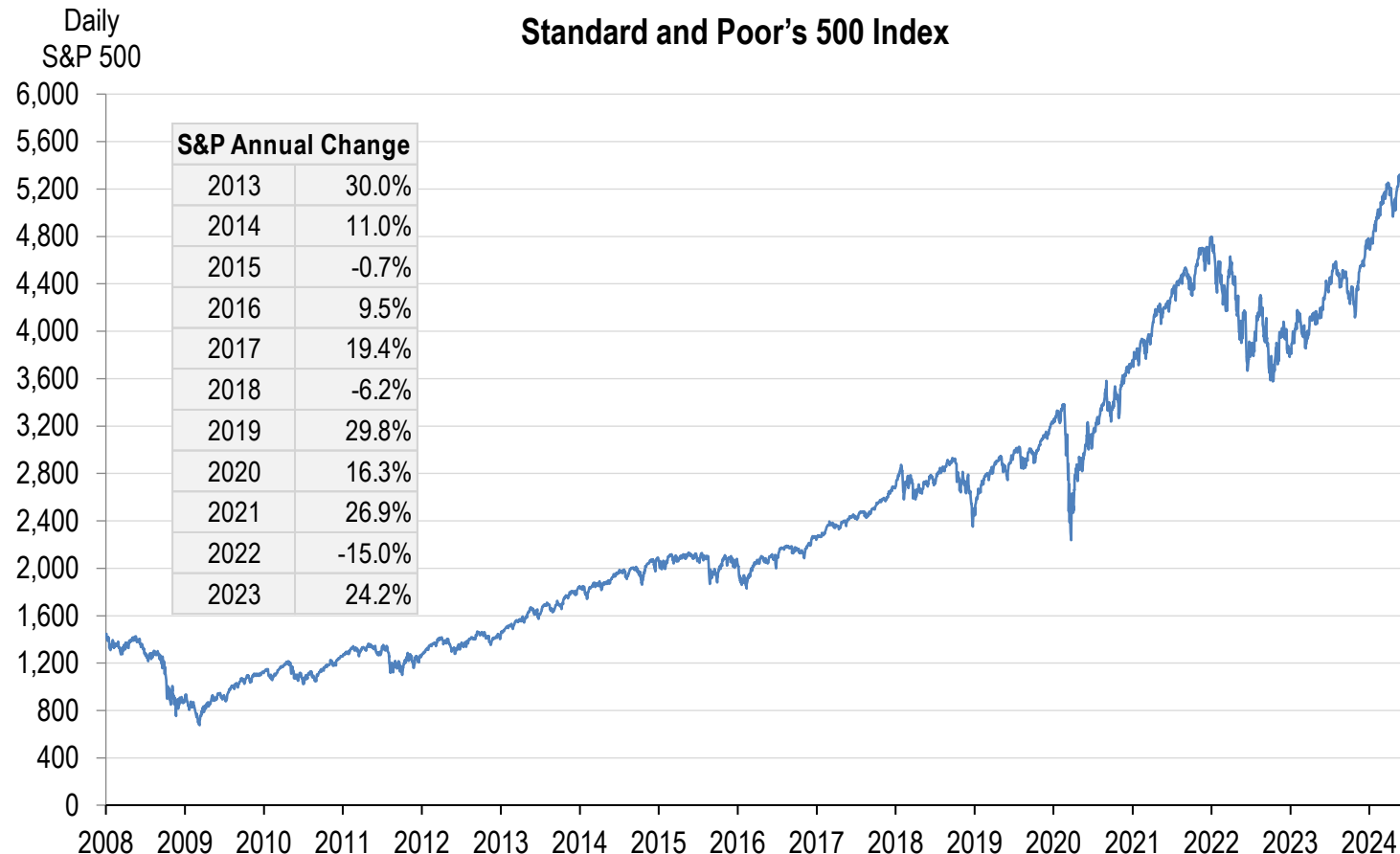
Consumers are spending more than expected, given they have reduced their savings and increased their credit card debt.

Annual Retail Sales (Trillions)		
2017	\$5.04	4.4%
2018	\$5.25	4.2%
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

Source: U.S. Census Bureau, cber.co. Data updated in April 2024. 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%**

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%**

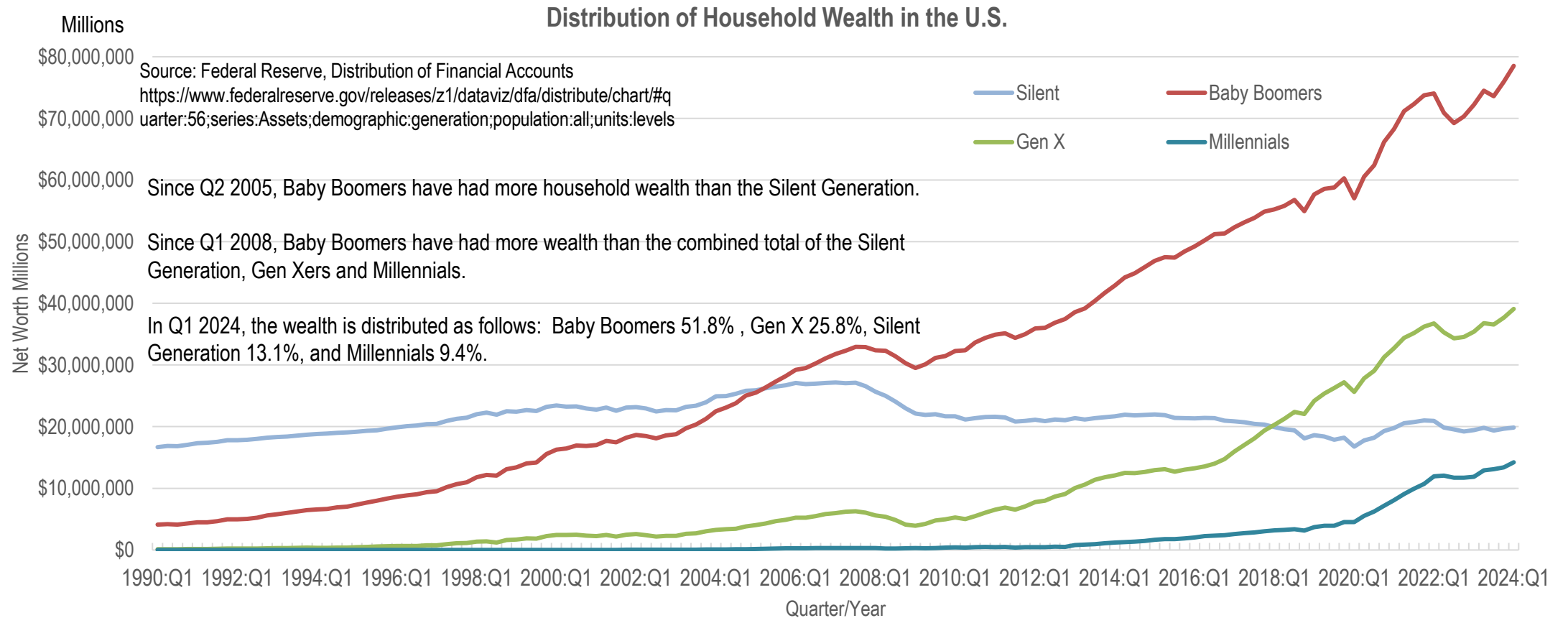
2023 Bull Market

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

2024 Bull Market

July 19, 2024 5,505.0 YTD change **+15.4%**.

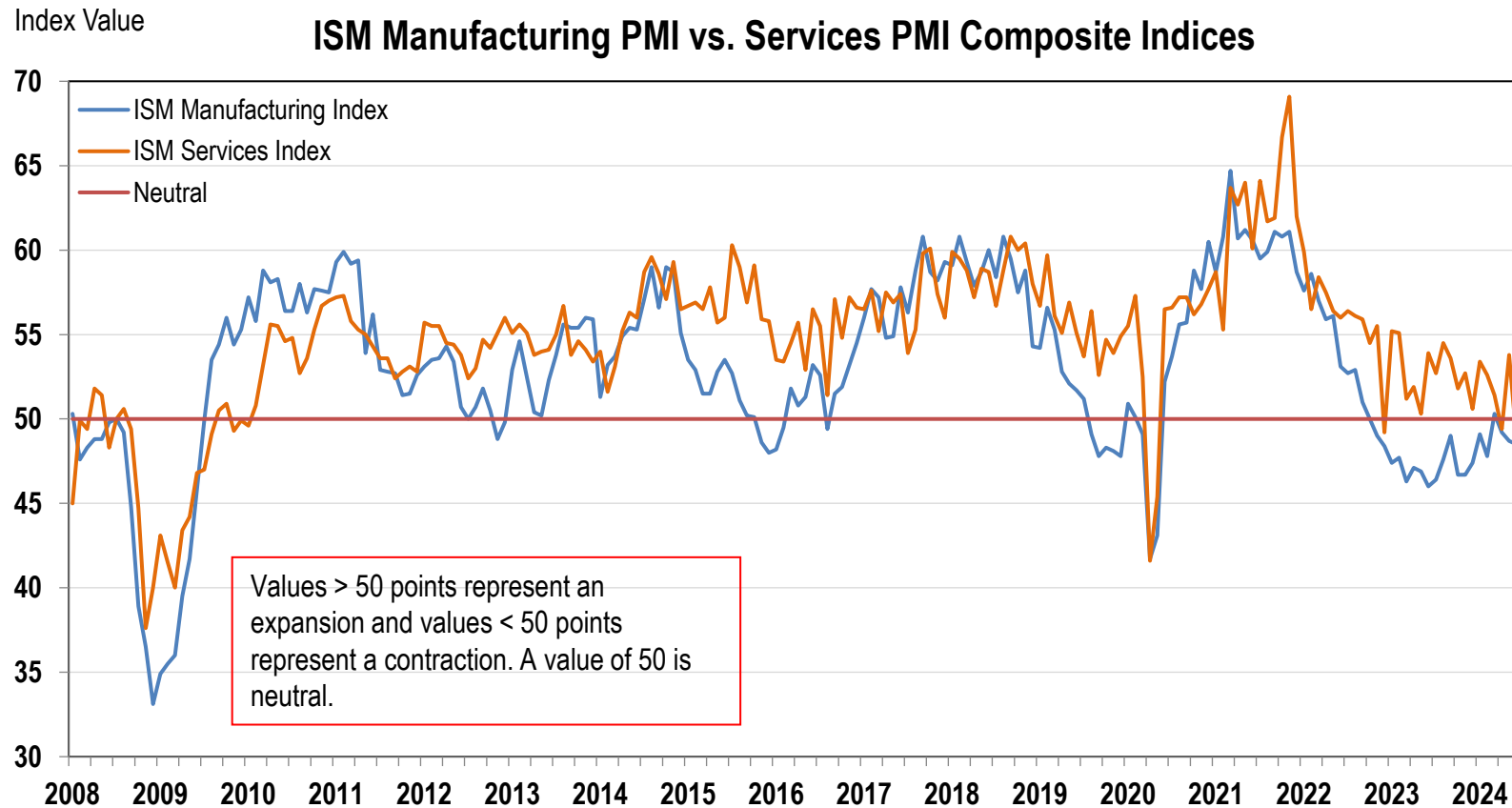
Distribution of Household Wealth in the U.S. By Generation



U.S. Indicators

ISM Purchasing Managers Composite Indices

Manufacturing vs. Services



Source: Institute of Supply Management, cber.co.

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

Manufacturing and Services PMI

The ISM manufacturing index (blue) has 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 and 48.7 in May. Demand was weak as companies were hesitant to invest in capital or inventory.

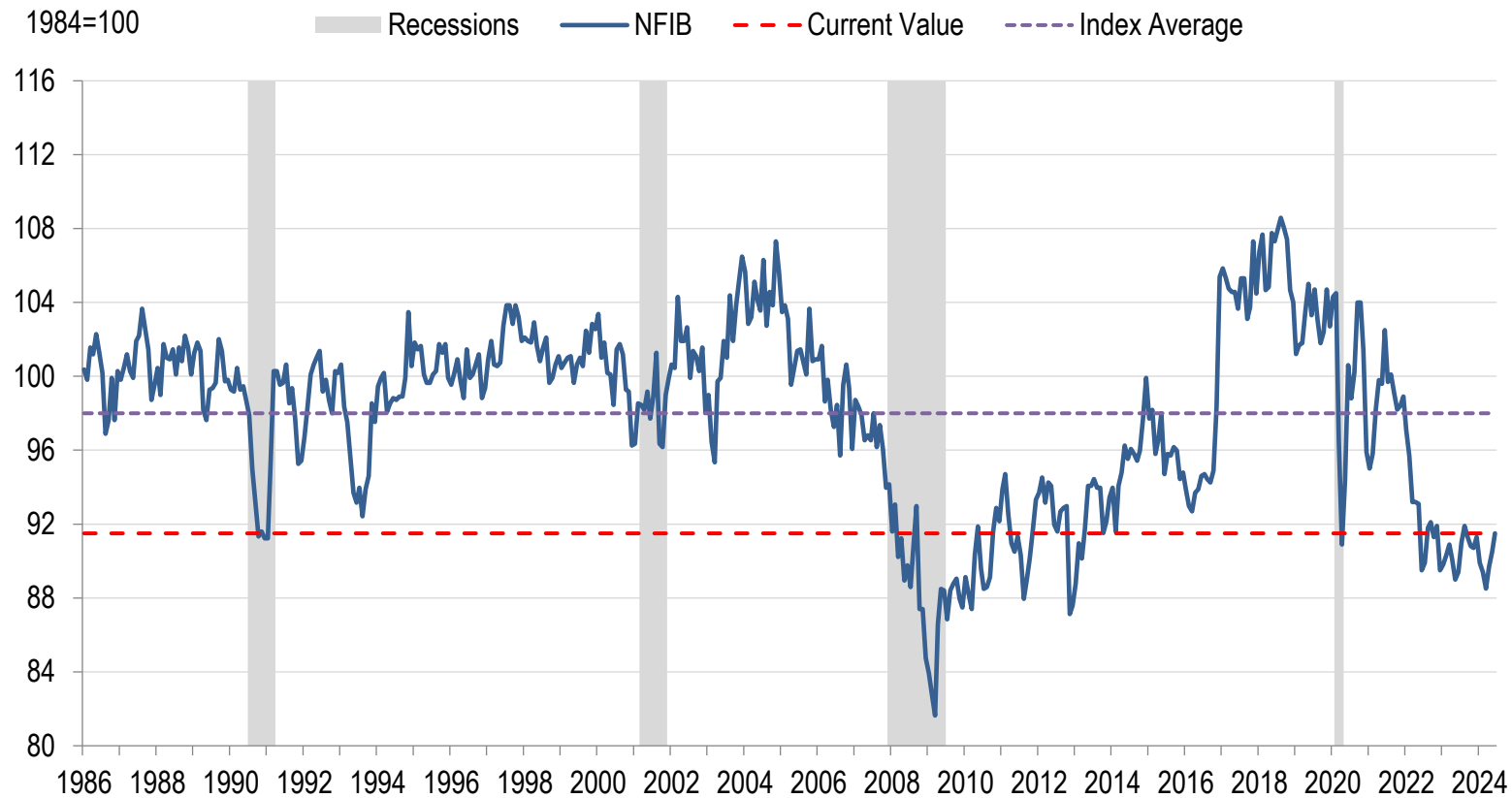
In December 2022, the ISM service index (orange) registered 49.2. Since then, it has been between 50.3 and 55.2 but fell to 49.4 in April 2024. It rebounded to 53.8 in May but plunged to 48.8 points in June. Areas of concern for June included business activity, new orders, and employees.

June was the second time in three months that the PMIs for manufacturing and services were below 50.

NFIB Small Business Optimism Index

United States

NFIB Small Business Optimism Index



NFIB Small Business Index

In June 2024, the NFIB index rose by 1.0 to 91.5 (red dotted line), the 29th consecutive month below the 50-year average of 98.0 (purple dotted line). The June value was the best for 2024. Four of the ten indices increased, one decreased, and five were unchanged.

Main Street is pessimistic about the economy for the rest of 2024. Small businesses have many concerns, in addition to inflation and interest rates. They include U.S. elections, wars that involve the U.S., and the lack of affordable housing in the U.S.

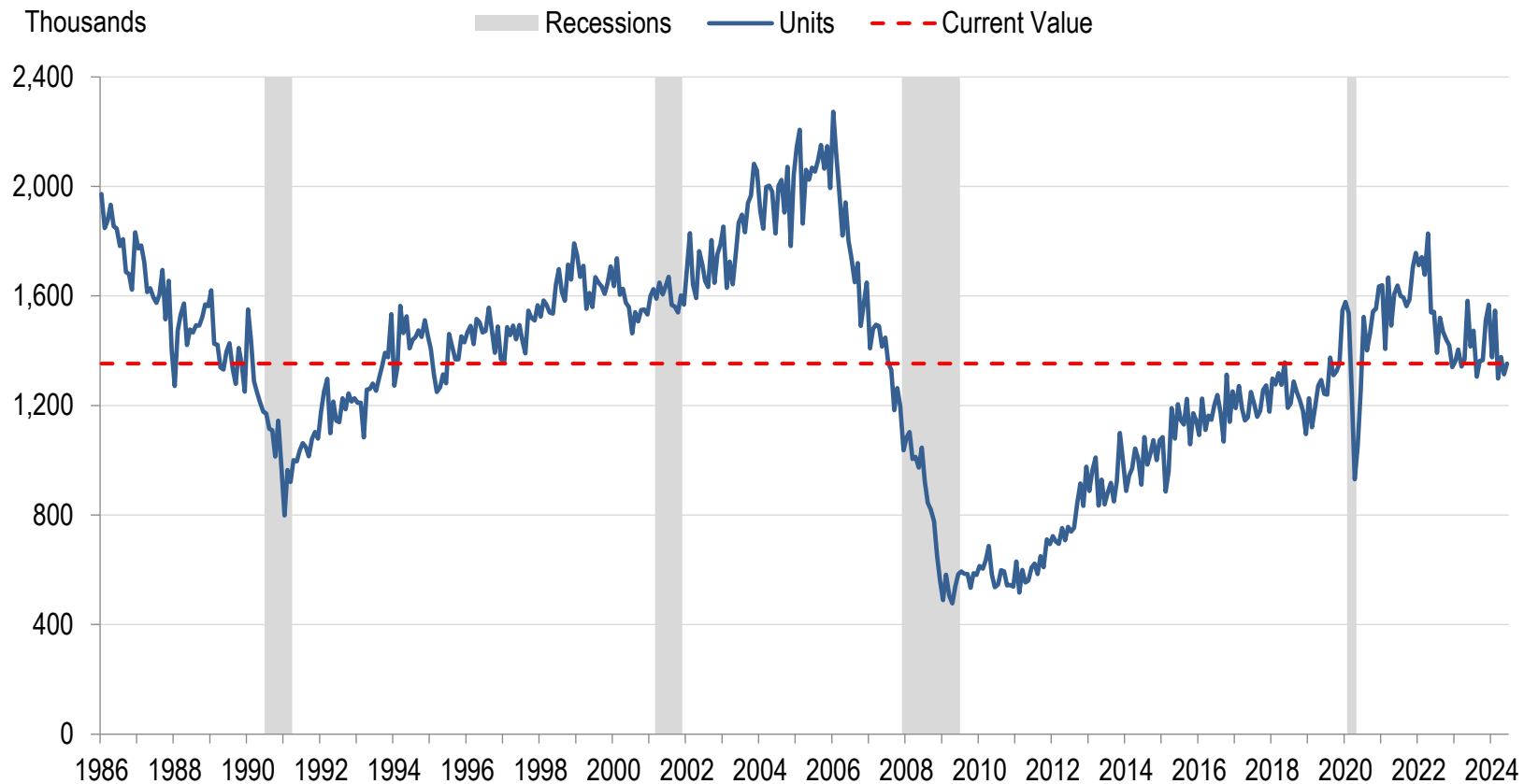
For more details, the NFIB monthly SBET report is available at <https://www.nfib.com/>.

Source: NFIB, cber.co.

New Privately-Owned Housing Units Started

United States

New Privately Owned Housing Units Started



New Privately Owned Housing Units Started

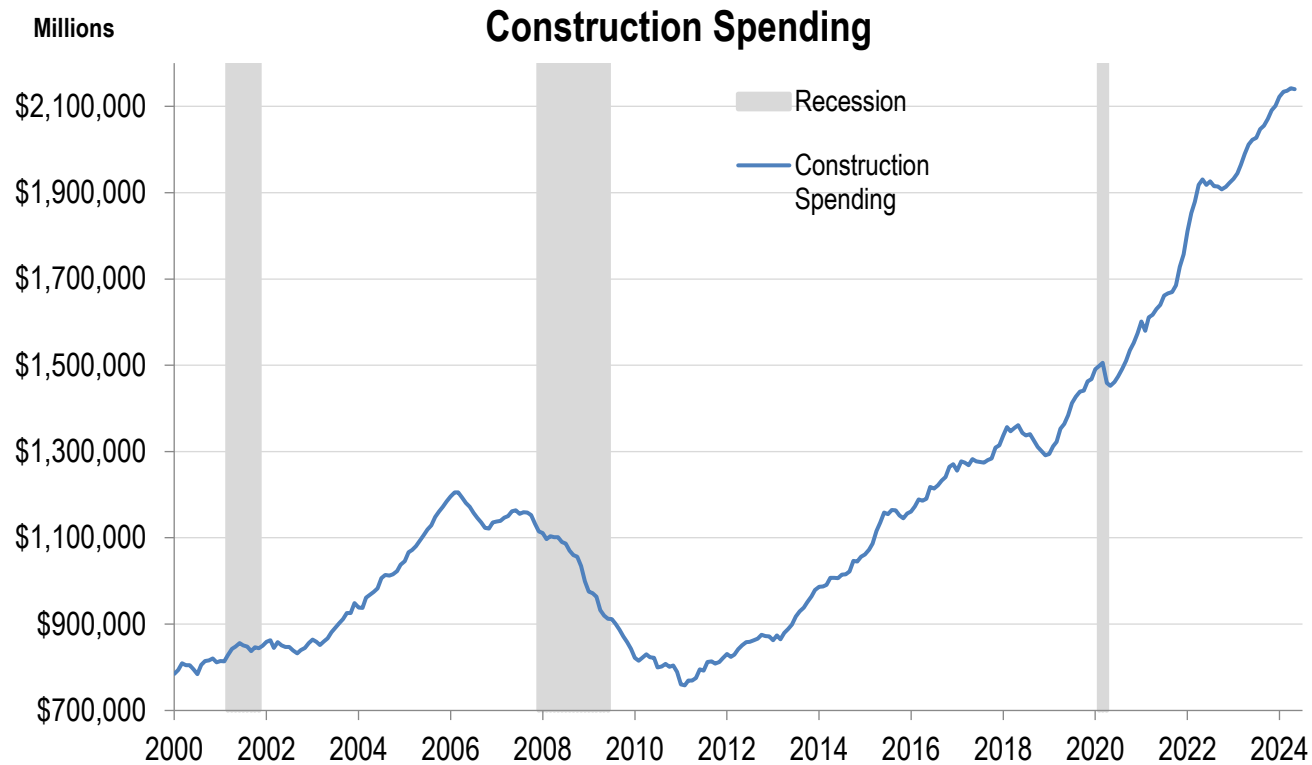
The number of housing starts has been volatile. Starts have been below 1.9 million units SAAR since May 2006. There is demand for housing, even with high interest rates; however, there were only 1.35 million starts in June 2024 (red-dotted line).

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

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

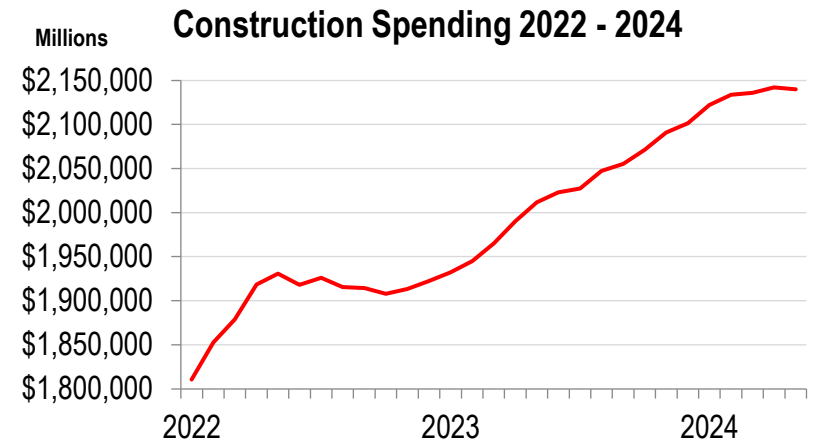
Construction Spending

United States



Construction Spending 2022 to 2024

Construction spending trended down beginning in May 2022 and remained stagnant through the end of the year. Spending was solid in 2023 but turned flat again in 2024. The chart below shows data for 2022 through 2024.

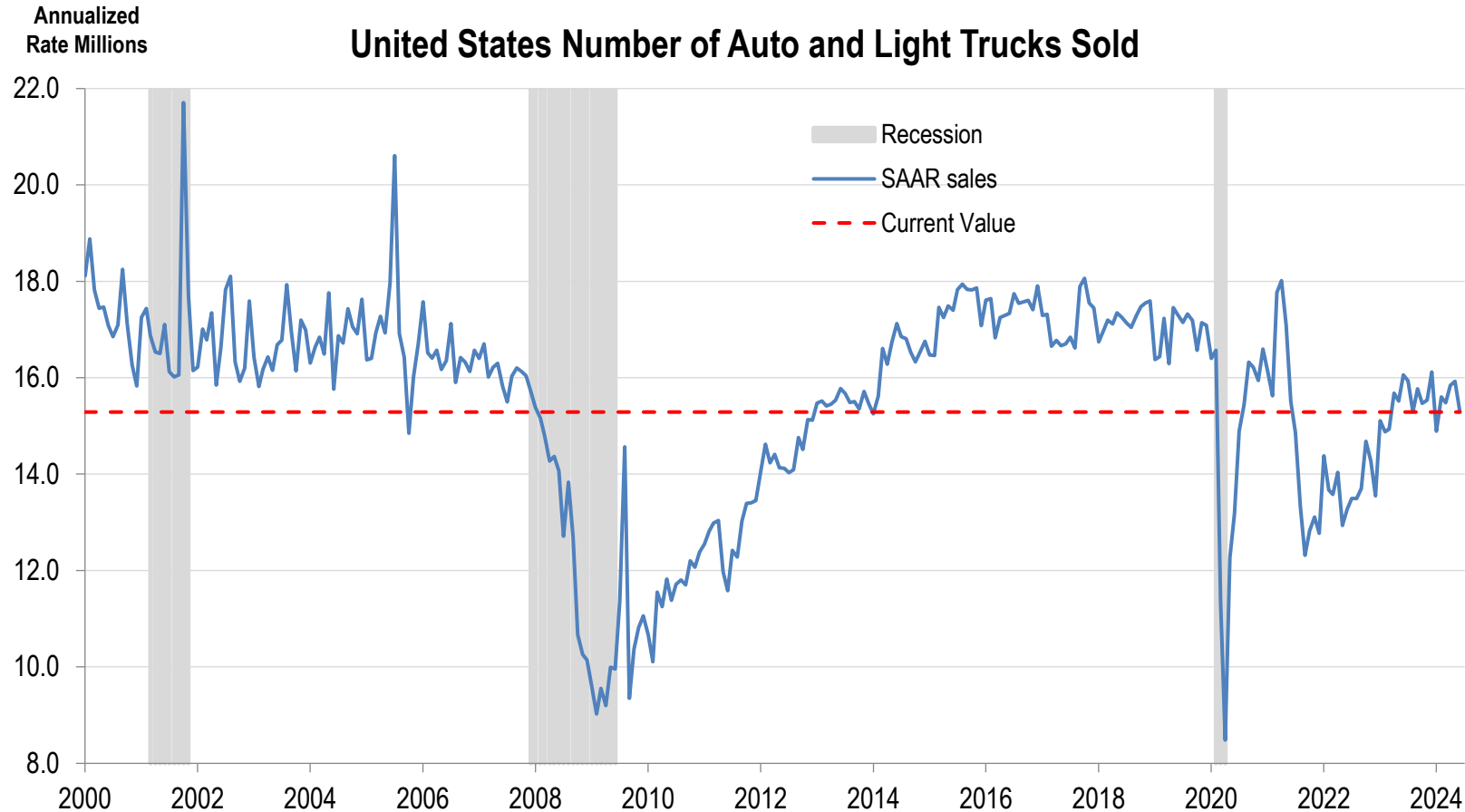


Source: FRED, cber.co.

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

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>

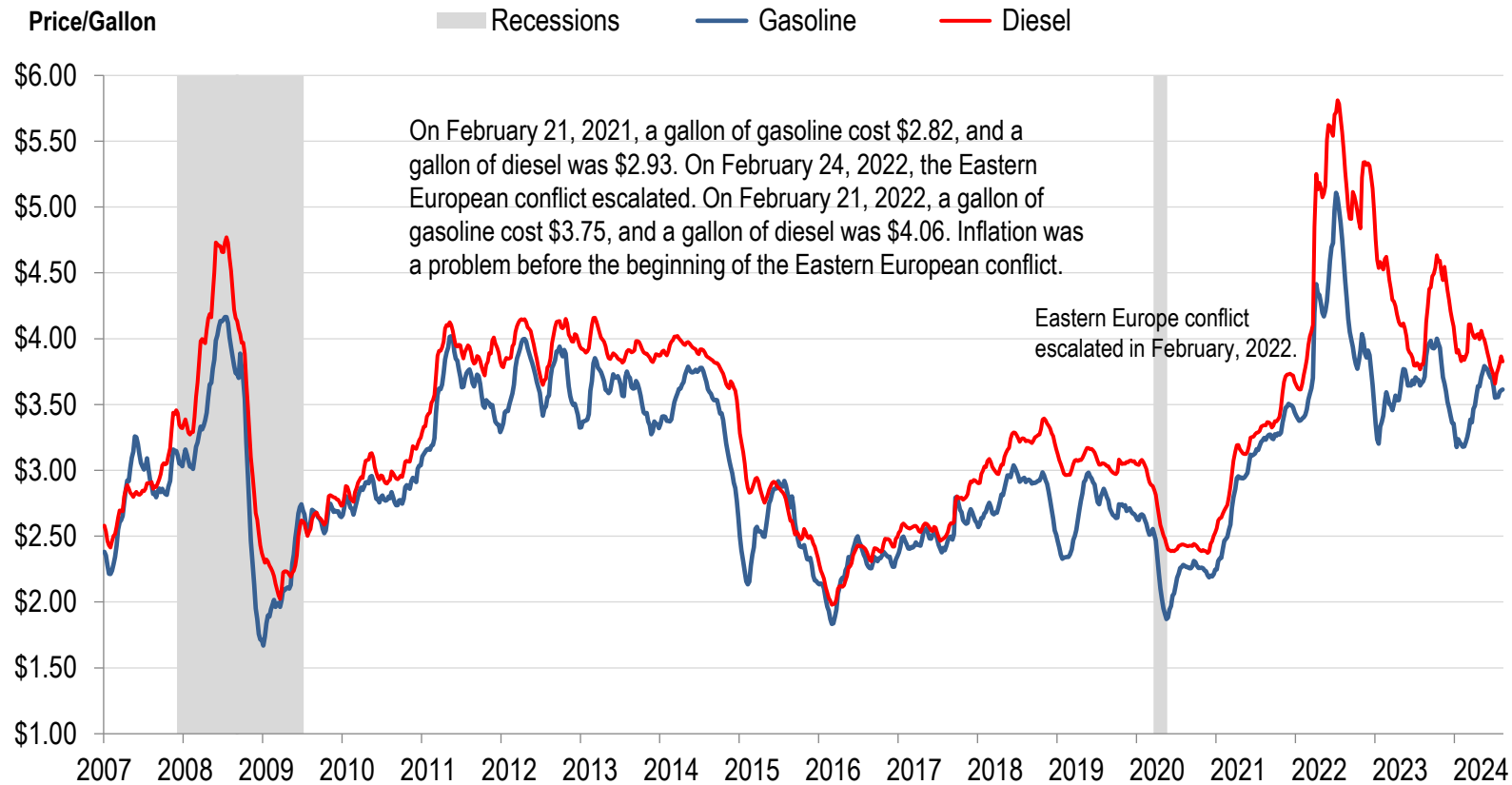
Auto and Light Truck Sales SAAR

In May 2024, auto and light truck sales declined to 15.3 million (red dotted line). Sales in 2023 and 2024 ranged from 14.8 to 16.2 million. The industry faces challenges from elevated interest rates, high prices, and a lack of enthusiasm for electric vehicles.

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

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

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



Gasoline and Diesel Prices

A gallon of gasoline (blue) was \$2.34 on January 4, 2021. On July 15, 2024, a gallon was \$3.61, down from a peak of \$5.11 on June 30, 2022.

On January 4, 2021, a gallon of diesel (red) was \$2.64. A gallon was \$3.83 on July 24, 2024, compared to its peak of \$5.78 on June 13, 2022.

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

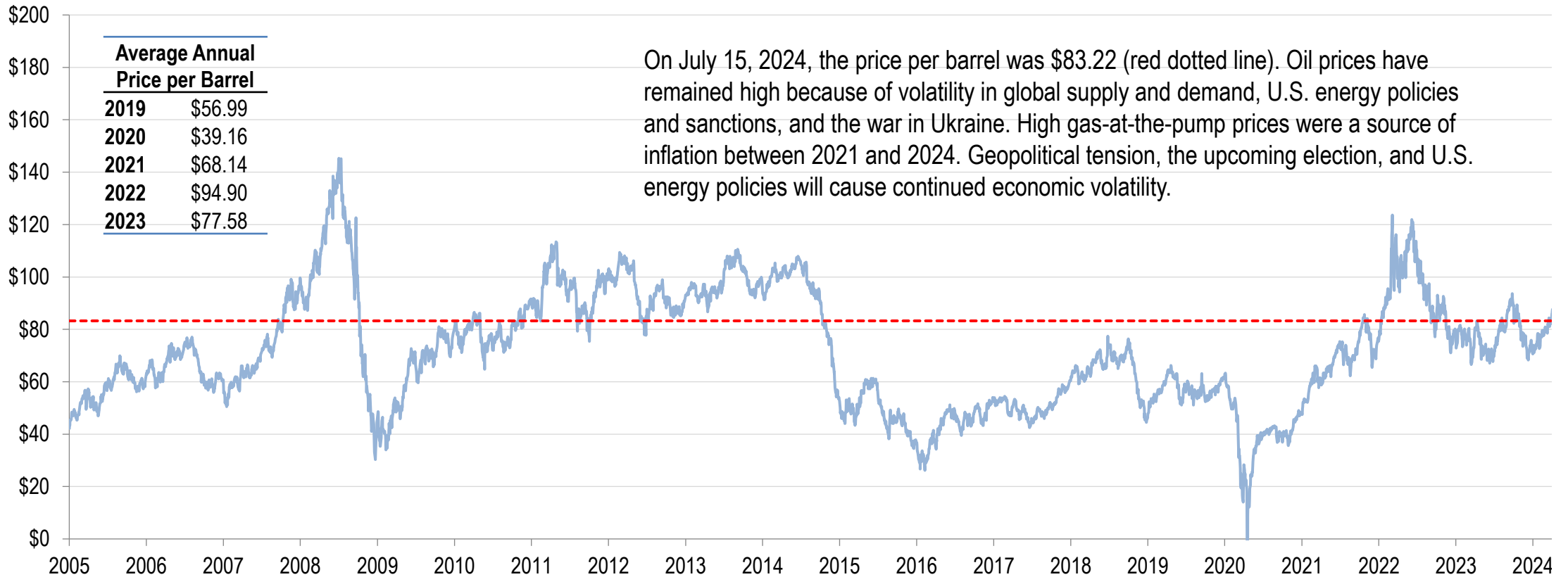
Source: FRED, EIA, https://www.eia.gov/dnav/pet/pet_pri_gnd_a_epd2d_pte_dpqal_w.htm, https://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=EMM_EPM0_PTE_NUS_DPG&f=W, cber.co.

Crude Oil Prices

West Texas Intermediate

Dollars per
Barrel

Crude Oil Prices: West Texas Intermediate, Cushing, Oklahoma



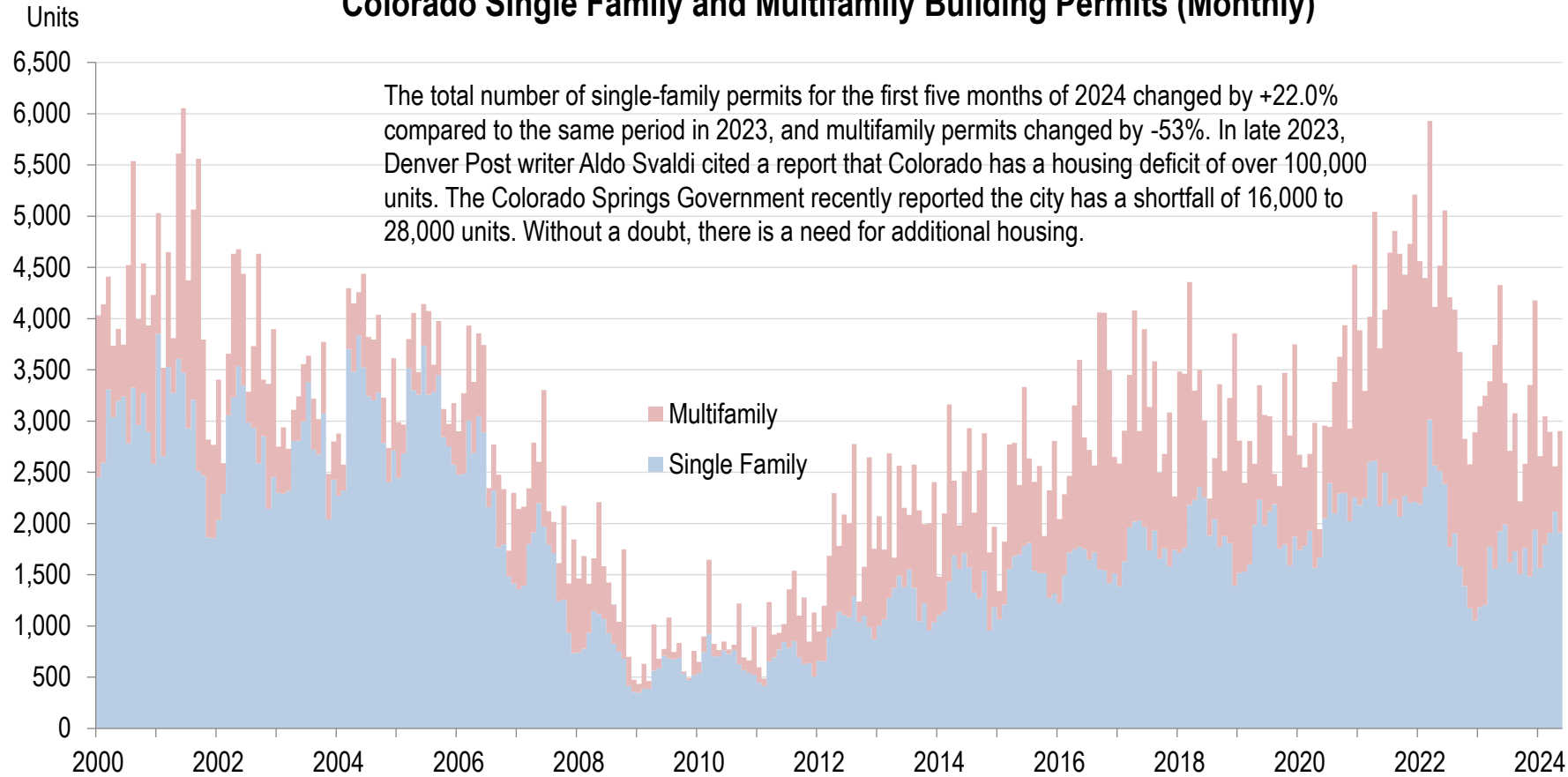
Source: FRED, EIA, cber.co, <https://www.eia.gov/outlooks/steo/#:~:text=U.S.%20crude%20oil%20production%20in,b%2Fd%20set%20in%202019.>

Colorado Indicators

Colorado Residential Building Permits

Single Family and Multifamily Units

Colorado Single Family and Multifamily Building Permits (Monthly)

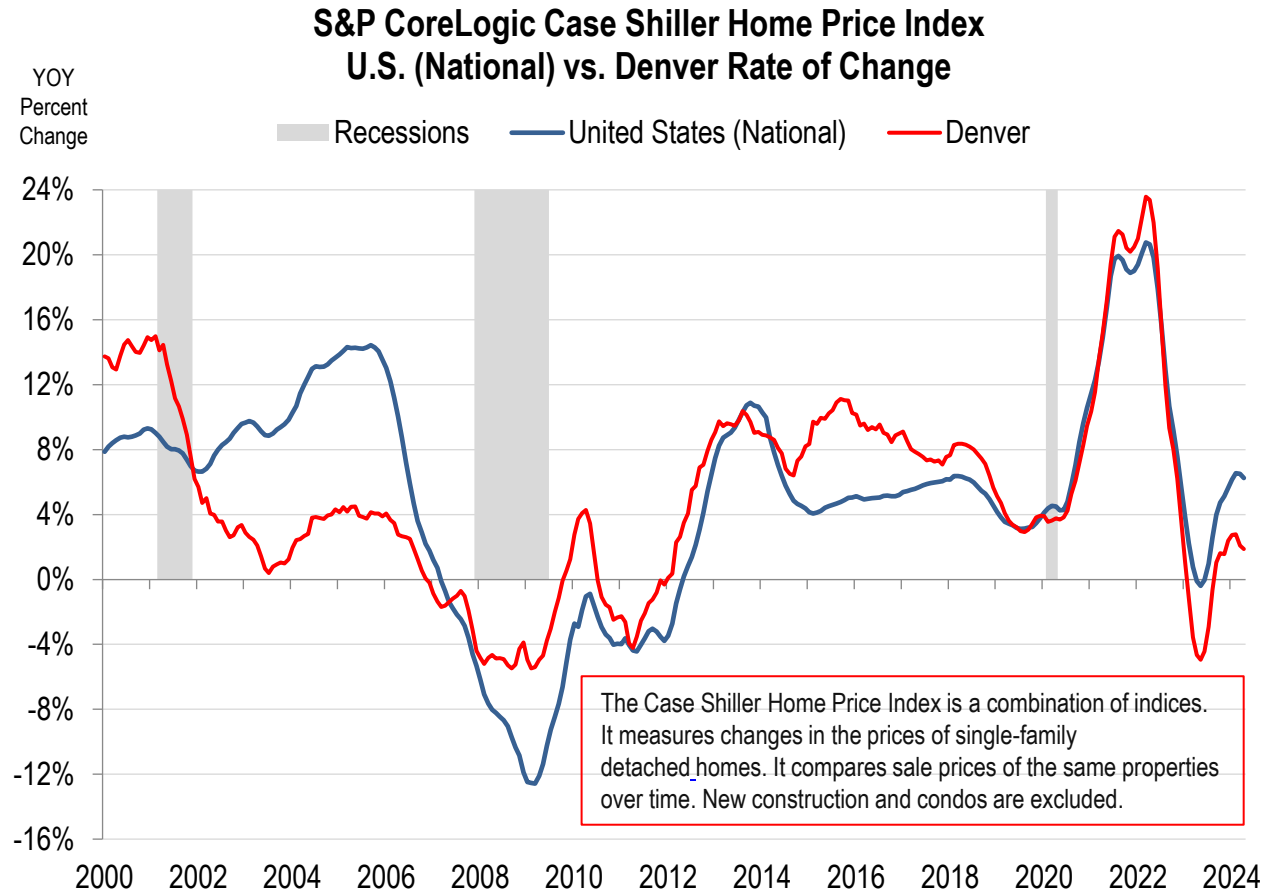


Annual Building Permits		
Year	Single Family	Multi-Family
2000	38,588	16,008
2001	36,437	18,570
2002	35,042	12,878
2003	33,894	5,732
2004	40,753	5,746
2005	40,018	5,732
2006	30,365	7,978
2007	20,516	8,938
2008	11,147	7,851
2009	7,261	2,094
2010	8,790	2,801
2011	8,729	4,779
2012	12,618	10,684
2013	15,773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

Case Shiller Home Price Index

YOY National vs. Denver Rate of Change



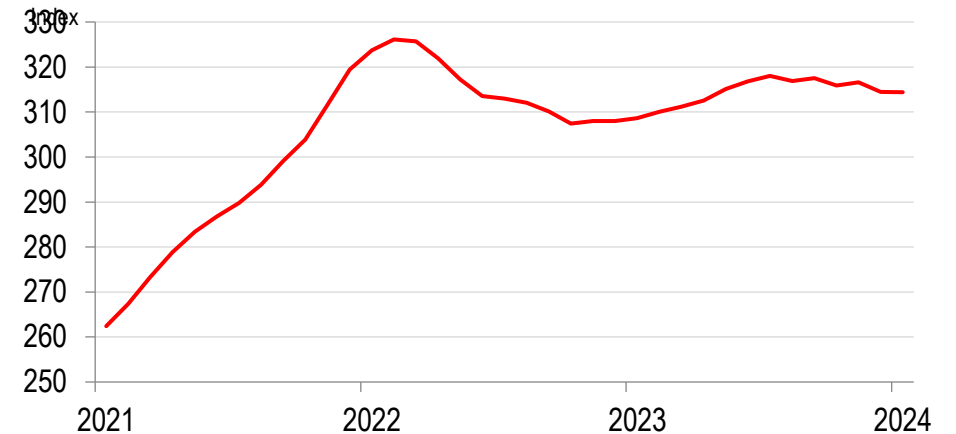
Source: S&P Case Shiller, cber.co.

Change in S&P CoreLogic Case Shiller Index

In April 2024, the YOY change in the U.S. index was +6.3%, and the Denver index changed by 1.9%.

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%. Current prices are below prices in early 2022.

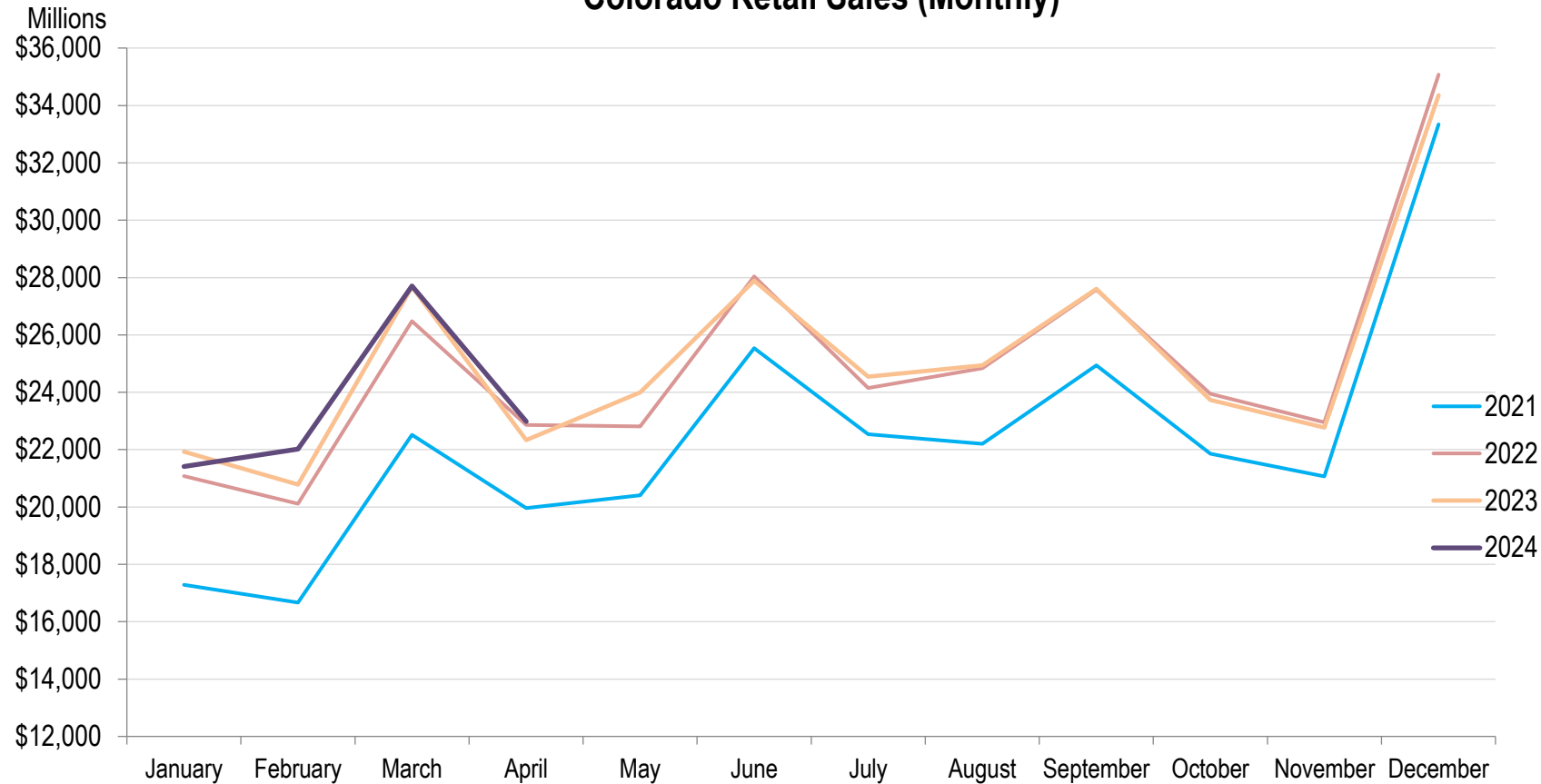
S&P CoreLogic Case Shiller Home Price Index



Colorado Retail Sales

Monthly

Colorado Retail Sales (Monthly)



Colorado Retail Sales
Year-over-year retail sales through April 2024 (dark purple) were 1.5% greater than for the same period in 2023.

The growth rate for Colorado retail sales is less than the rate for U.S. retail sales.

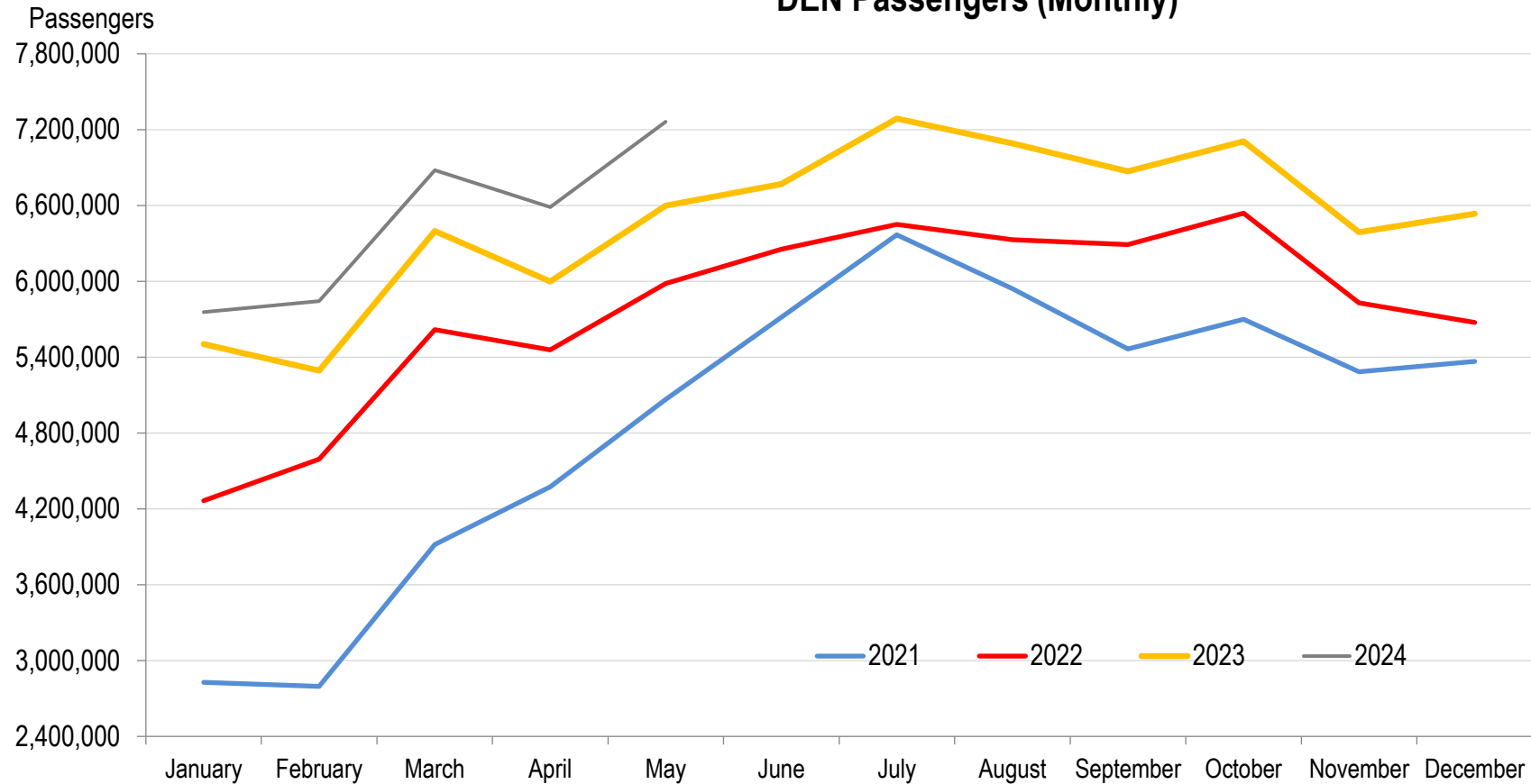
Annual Retail Sales (Billions)		
2017	\$194.6	5.4%
2018	\$206.2	5.9%
2019	\$224.6	9.0%
2020	\$228.8	1.9%
2021	\$268.3	17.3%
2022	\$299.9	11.8%
2023	\$302.6	0.9%

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

DEN and COS Passengers

Monthly

DEN Passengers (Monthly)



Air Travel

There were 32.3 million passengers through DIA in the first five months of 2024 (grey line), an increase of 8.5% compared to the first five months of last year.

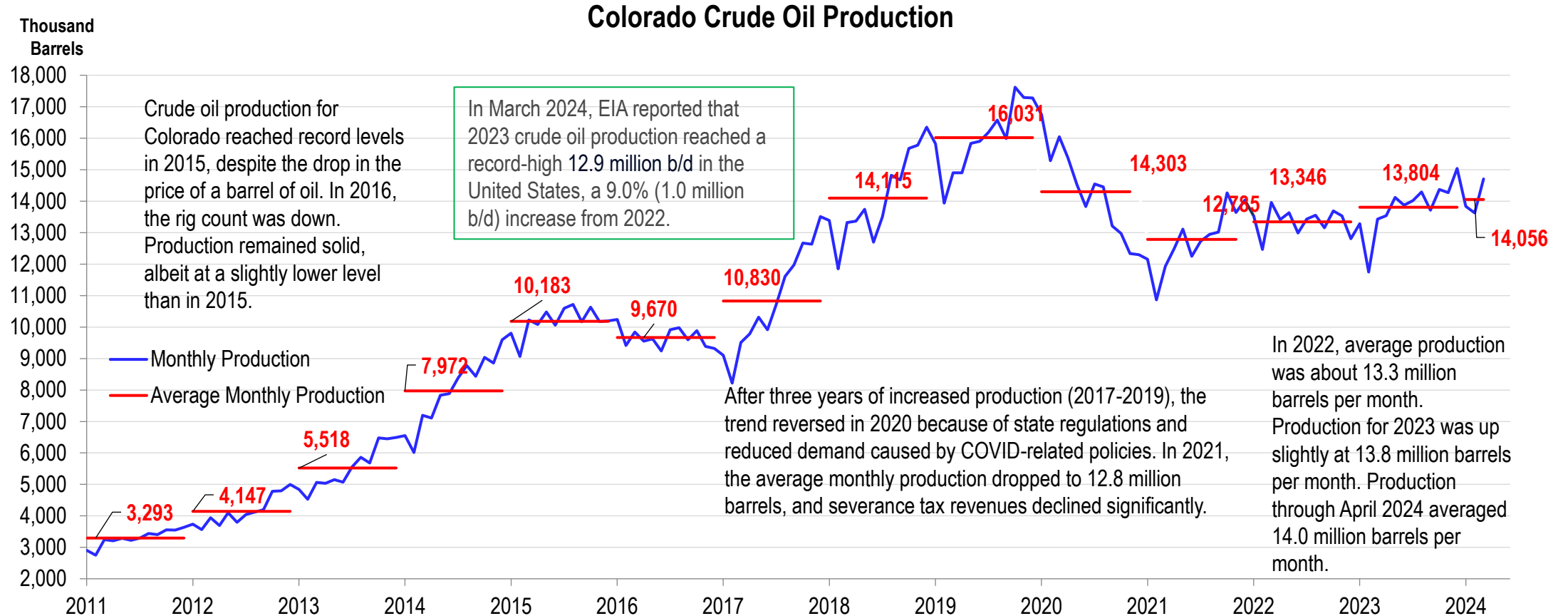
There were 2.3 million passengers through COS in 2023. Through five months in May, there were 954,189 passengers, a YOY increase of 17.4%.

Year	DIA Passengers	% Change
2016	58,266,515	2016
2017	61,379,396	2017
2018	64,494,613	2018
2019	69,015,703	2019
2020	33,741,129	2020
2021	58,828,552	2021
2022	69,286,461	2022
2023	77,837,917	2023

Source: flydenver.com, <https://www.flydenver.com/about-den/governance/reports-and-financials/>, administration/governance, COS airport, cber.co.

Colorado Field Production of Crude Oil

2011 to 2024 (Thousand Barrels)



Source: EIA, cber.co.

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Summary of Trends and Issues for 2024

Colorado 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 private sector job growth. The healthcare and tourism (leisure and hospitality) sectors will also be leaders.
- Oil and gas will be essential to the Colorado economy for many years.
- Colorado lacks sufficient housing and affordable housing.
- Residential investment will continue to face challenges despite high demand for housing.
- Office vacancies in downtown Denver will remain high. In addition, employment in the Denver MSA declined during the first six months of 2024. The two are related.

Wildcard Issues for 2024

- The economy will become more stable when rate hikes become rate cuts.
- Equity markets will remain volatile.
- Some energy and climate change policies are not having their desired impact. Some are beneficial, while others are a deterrent to growth.
- The U.S. and international geopolitical situations are scary and unsettled.
- The wars in Eastern Europe and the Gaza Strip will become more divisive within the U.S.
- The elections are contentious and bizarre. They have the potential to derail the economy.
- Higher for longer is the mantra for interest rates.
- Since the elimination of the Gallagher Amendment, property taxes have been an issue that affects all residents.
- Homelessness and immigration policy will continue to be a challenge for Denver, Colorado, and the United States.

Trends and Forecast

Colorado Economic Forecast 2024

In 2024, the Colorado real GDP growth rate will be 2.1%, slightly better than the U.S rate.

The job market will taper off to about 50,000 in 2024. The unemployment rate will increase significantly 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 many other states. Other challenges include high energy and housing costs, labor shortages, and elevated interest rates.

Colorado Economic Forecast					
	2021	2022	2023	2024	
Real GDP Value (billions) (chained 2017)	\$406.96	\$416.11	\$430.20	\$439.40	
% Change Real GDP	6.8%	2.2%	3.4%	2.1%	
CES Employment (thousands)	2,750.9	2,869.7	2,942.0	2,992.0	
Annual Change (thousands)	98.2	118.8	72.3	50.0	
% Change	3.7%	4.3%	2.5%	1.7%	
Unemployment Rate	5.5%	3.1%	3.2	3.7%	
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 (SF) Permits	30,246	24,000	20,000	21,000	
Multi-family (MF) 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 markets will remain volatile in 2024. Office vacancies will remain at high levels.

Annual production of crude oil has stabilized at more than 160 million barrels. Fossil fuels will be an important part of the U.S. and Colorado economy for many years.

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

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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.