



**Economic Outlook and
Trends through
September 2024
United States and
Colorado**

Colorado-based Business
and Economic Research,
cber.co

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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. There is much more optimism than one year ago – a recession is unlikely. While the economy may briefly lose momentum in Q4 2024, it has been a pleasant surprise as the year has progressed.

The Fed has begun rate cuts, and inflation will reach the target rate in mid-2025.

Consumption continues to be better than expected, although it is mixed. The outlook is brighter for auto sales; however, many consumers are overwhelmed by the cumulative effect of inflation (2021-2023). They are still sensitive to costs for necessary goods.

Significant geopolitical risks still exist.

The election is right around the corner. (On September 15, 2024, *Barron's* had an article stating that ad spending would top \$12 billion in the 2024 election.)

Contents

This month, the chartbook highlights the following topics.

- U.S. Forecast, U.S. Real GDP, U.S. vs. Colorado Quarterly Real GDP, Real Disposable Personal Income Per Capita
- 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
- Overview of Colorado Forecast

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

United States Forecast

Labor Market is Solid – No Recession

United States Forecast

The Conference Board (TCB) U.S. Economic Forecast is the base for this analysis. Over recent months, TCB has upgraded its 2024 forecast. In addition, there were upward revisions to several federal data series. Despite the increased optimism, there are legitimate concerns and potential headwinds.

- The economy may briefly lose momentum in Q4 2024. The damage from hurricanes will disrupt GDP, labor markets, supply chains, and services. Many consumers will continue to struggle to balance their income, debt, savings, and spending. Their spending will be on less expensive or essential goods.
- On the other hand, some consumers will find more money for high-end goods such as autos or housing.
- As 2025 progresses, economic activity will stabilize.
- Business investment has been uneven because of the cost of capital, lower consumer demand, the elections, and geopolitical concerns. Businesses are investing in intellectual property. They are making fewer investments in capital expenditures.
- Household debt is a threat to consumption and banks. Auto loan and credit card delinquencies are above pre-pandemic levels.
- Government spending will support growth but at lower levels than in the past. Political volatility caused by budget conflicts, debt, tax policy, and the addition or repeal of programs could affect government spending.
- Trade policy is a wildcard.
- Labor markets are healthy. They may cool at some point from the abnormal post-pandemic economic recovery.
- Baby boomers are continuing to retire. The unemployment rate will remain historically low.
- The residential market dropped off in Q2 2024 but will likely return with lower interest rates.
- 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.
- Wage costs will continue to be a concern, and labor churn will exist because of workforce shortages. Wage increases will be included in the price of goods paid by consumers.
- Demand for services will be stronger than goods, although inflation continues to be more of a concern for services.
- Inflation will likely reach the target rate in 2025. Future rate cuts will be uneven.
- Political volatility could threaten the economy, cause social unrest, or increase financial volatility. There are both upside and downside risks that may affect economic activity and the labor market.

U.S. Real GDP Growth

The Conference Board Forecast (October 11, 2024)

Real GDP and Economic Growth

The Conference Board Forecast projects real GDP growth of 2.5% in 2024. Real disposable income will increase by 3.3%, and real personal consumption will increase by 2.5% in 2024. Residential investment will increase by 4.7%, and non-residential investment will change by 3.0%. Government spending will be solid in 2024 (3.0%), down from 3.9% in 2023.

Other Economic Factors

There will be slower growth in exports in 2024. They will increase by 2.3% in 2024. The U.S. unemployment rate will be 4.1% in 2024. The annual PCE inflation will be 2.4% in 2024, and the core rate will be 2.7%. The Fed Funds rate will decline to 4.625%. Rates will reach 3.125% in 2025 with further rate cuts.

Conference Board US Real GDP Growth Forecast

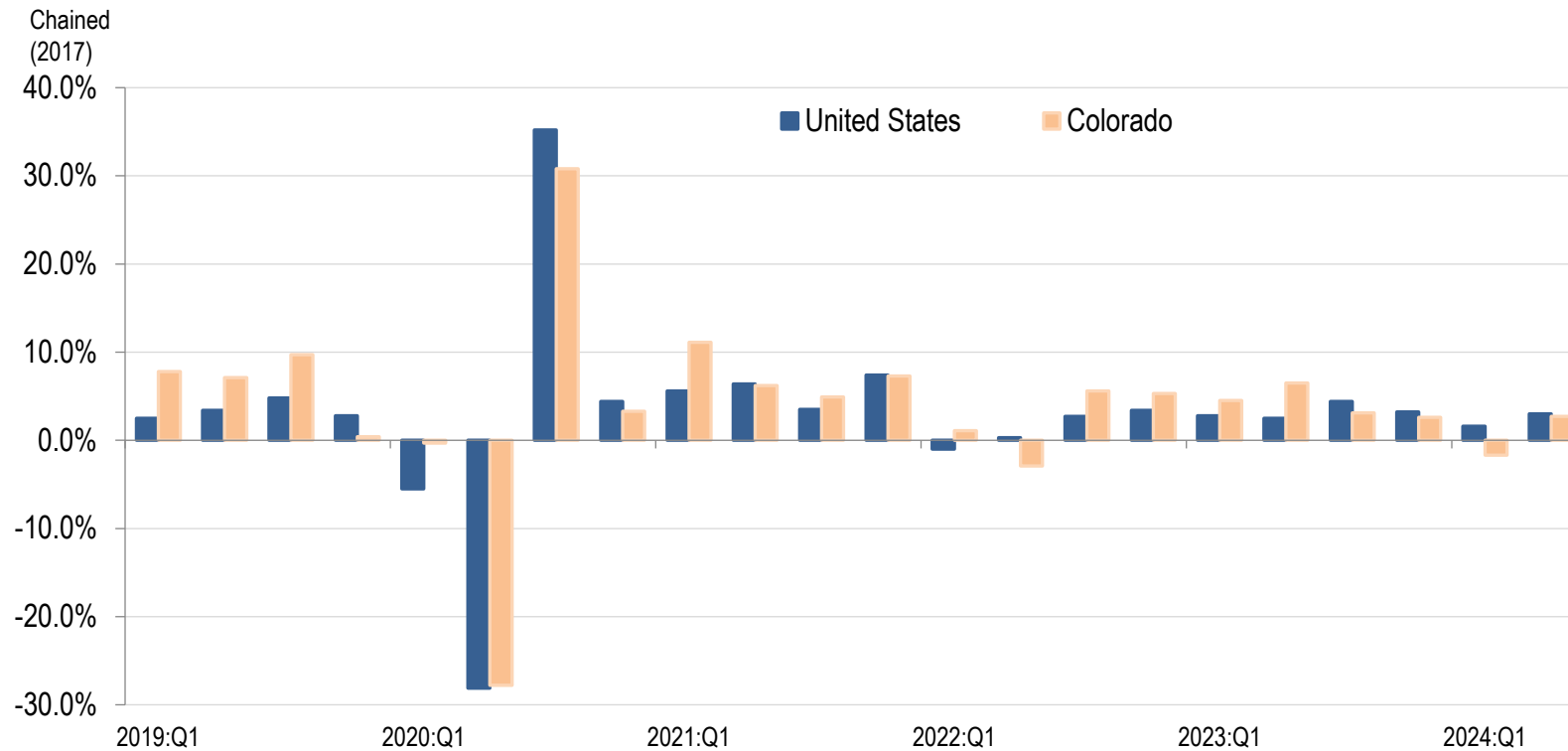
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2023	2024	2025
Real GDP	2.8%	2.5%	4.4%	3.2%	1.6%	3.0%	1.8%	1.0%	2.9%	2.5%	1.7%
Real Disposable Income	10.9%	3.4%	1.4%	3.2%	5.6%	2.4%	2.5%	2.2%	5.1%	3.3%	2.1%
Real Personal Consumption	4.9%	1.0%	2.6%	3.5%	1.9%	2.8%	2.7%	2.1%	2.5%	2.5%	2.1%
Residential Investment	-4.3%	4.5%	7.7%	2.6%	13.7%	-2.8%	1.0%	2.5%	-8.3%	4.7%	2.7%
Nonresidential Investment	5.3%	9.9%	1.1%	3.8%	4.5%	3.9%	5.9%	1.3%	6.0%	4.1%	2.6%
Total Gov't. Spending	5.1%	2.9%	5.7%	3.6%	1.8%	3.0%	2.4%	2.4%	3.9%	3.0%	2.4%
Exports	2.0%	-4.8%	4.9%	6.2%	1.9%	1.0%	1.0%	1.5%	2.8%	2.3%	2.0%
Unemployment Rate	3.5%	3.6%	3.7%	3.7%	3.8%	4.0%	4.2%	4.3%	3.6%	4.1%	4.1%
PCE Inflation (%Y/Y)	5.0%	3.9%	3.4%	2.8%	2.7%	2.6%	2.3%	2.2%	3.8%	2.4%	2.0%
Core PCE Inflation (%Y/Y)	4.9%	4.6%	3.9%	3.2%	3.0%	2.7%	2.5%	2.4%	4.1%	2.7%	2.0%

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

GDP

Colorado GDP vs U.S. GDP Percent Change

Change in Real Quarterly GDP – Colorado vs. U.S.



Colorado and U.S. Real GDP

The annual data shows that Colorado's real GDP was more than the U.S. every year since 2013 (not shown). The U.S. rate was higher in 2010, 2011, and 2012.

For quarterly rates, Colorado outpaced the U.S. in late 2022 and early 2023, and the U.S. has grown faster for the past year.

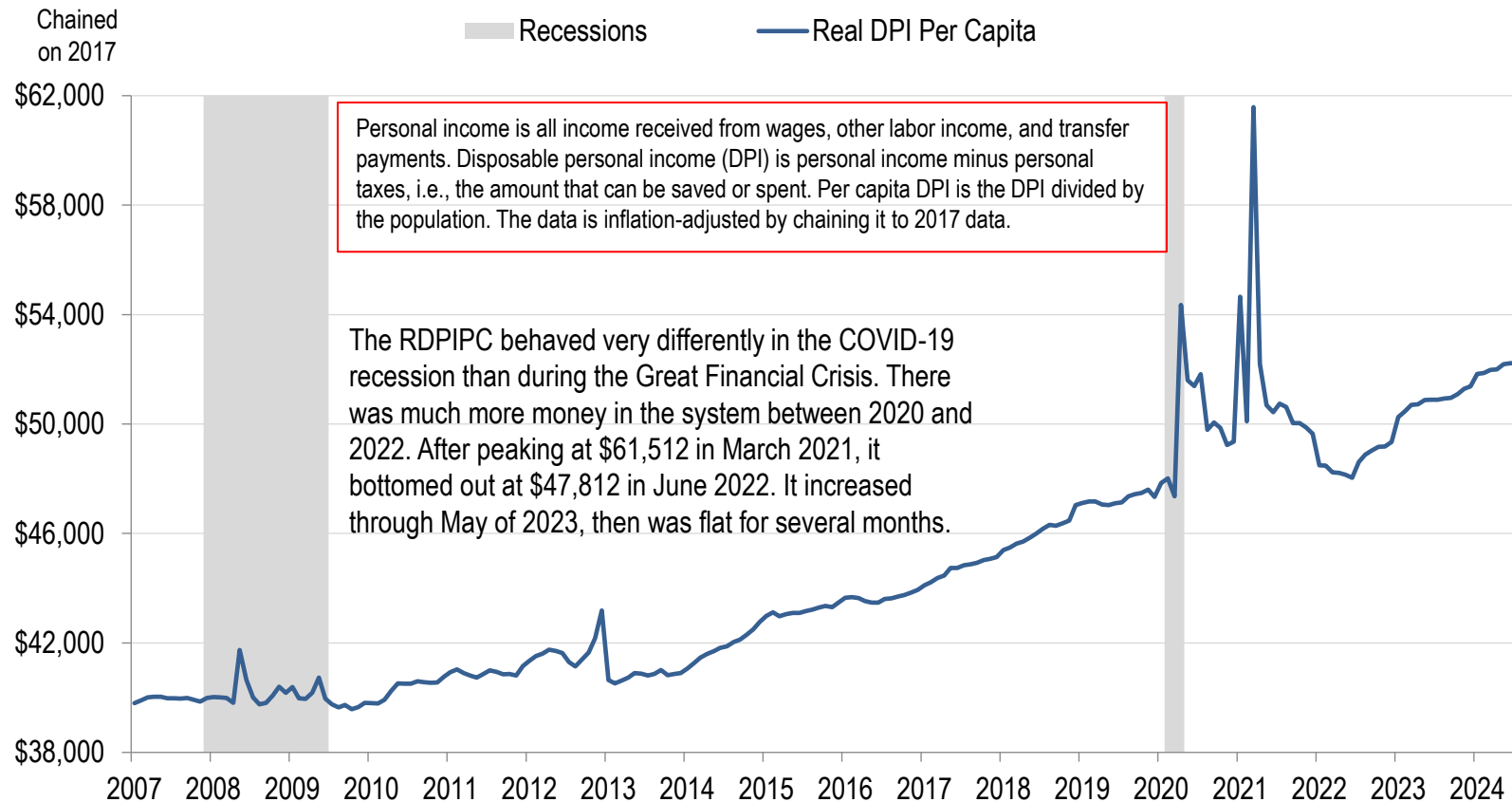
BEA recently revised its GDP and related series dating back to 2019.

Source: BEA, SQGDP9, Chained 2017, cber.co.

Real Disposable Personal Income Per Capita

United States

Real Disposable Personal Income Per Capita (RDPIPC)



Real Disposable Personal Income Per Capita

In August 2024, RDPIPC was \$52,239. It was 2.6% greater than August 2024.

The annual 2023 RDPIPC was 4.6% greater than the 2022 value. The 2022 value was less than the values for 2021 and 2020.

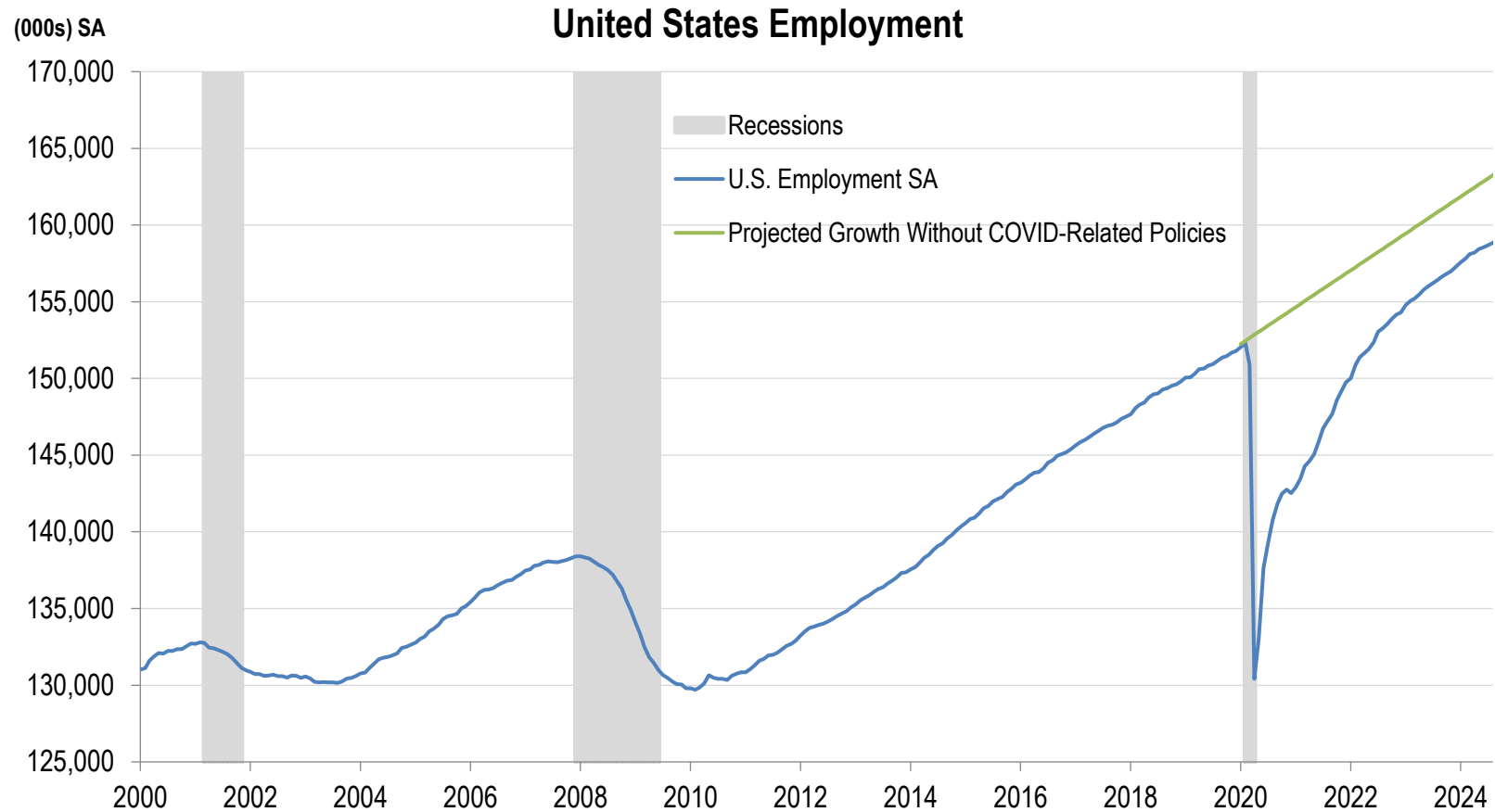
RDPIPC (Average)		
Year	RDPIPC	% Change
2016	\$43,659	1.1%
2017	\$44,710	2.4%
2018	\$46,057	3.0%
2019	\$47,251	2.6%
2020	\$50,056	5.9%
2021	\$51,719	3.3%
2022	\$48,652	-5.9%
2023	\$50,871	4.6%

Source: FRED, BEA, SAAR, chained on 2017 dollars, cber.co. Note that the RDPIPC was previously chained on 2012 data. In October 2024, revisions were made to data after 2019.

U.S. and Colorado Employment and Unemployment and Earnings

Employment

United States



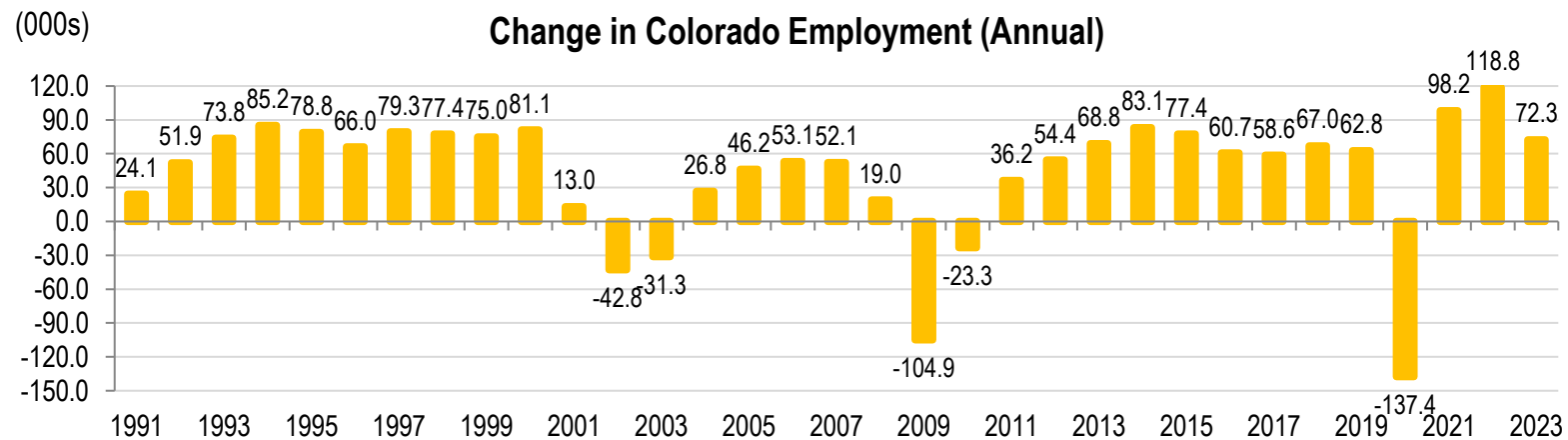
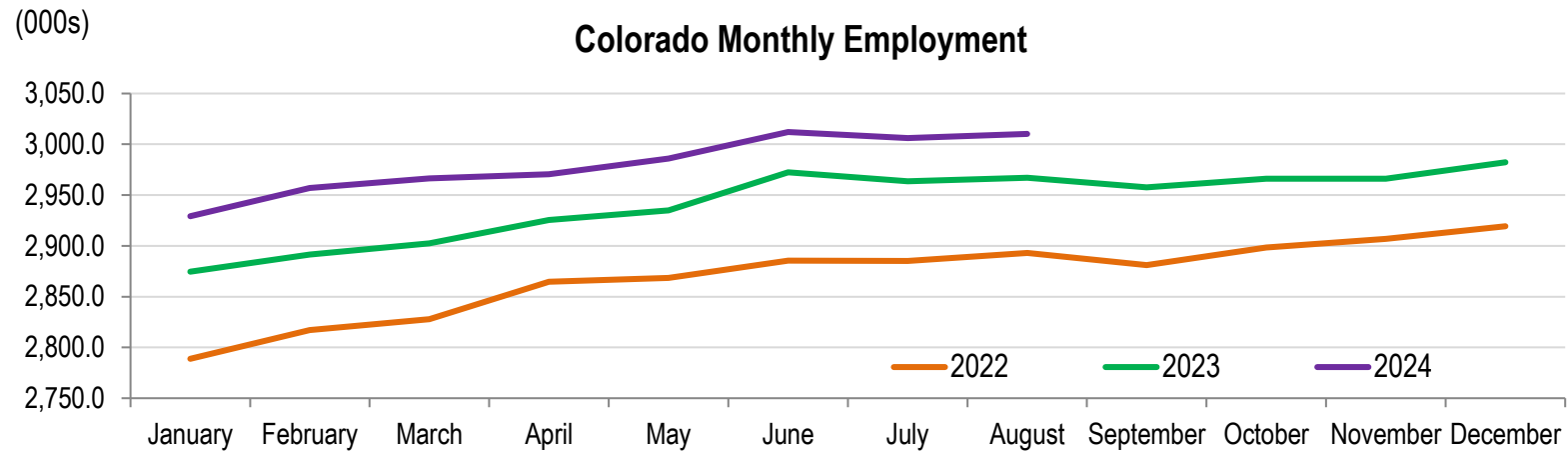
Source: BLS, SA, cber.co.

U.S. Employment

Average YTD employment through September 2024 (blue line) was 158.4 million, 1.7% more than for the same period last year. The average monthly change in employment through September 2024 is 219,100, similar to the average for 2012 to 2019 (200,000). The green line projects what employment would have been if that rate had continued through 2024.

The monthly change in employment from 2020 to 2024 averaged about 122,200 per month.

Employment and Change in Employment Colorado



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

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

Colorado Employment and Change

Through September 2024, the average total Colorado employment was 2,982,600. The average YOY change in annual employment through September 2024 was 50,400.

Based on benchmark revisions to U.S. wage and salary employment (CES) earlier in the year, it is likely that Colorado 2024 employment will be revised downward in the March 2025 benchmark revisions.

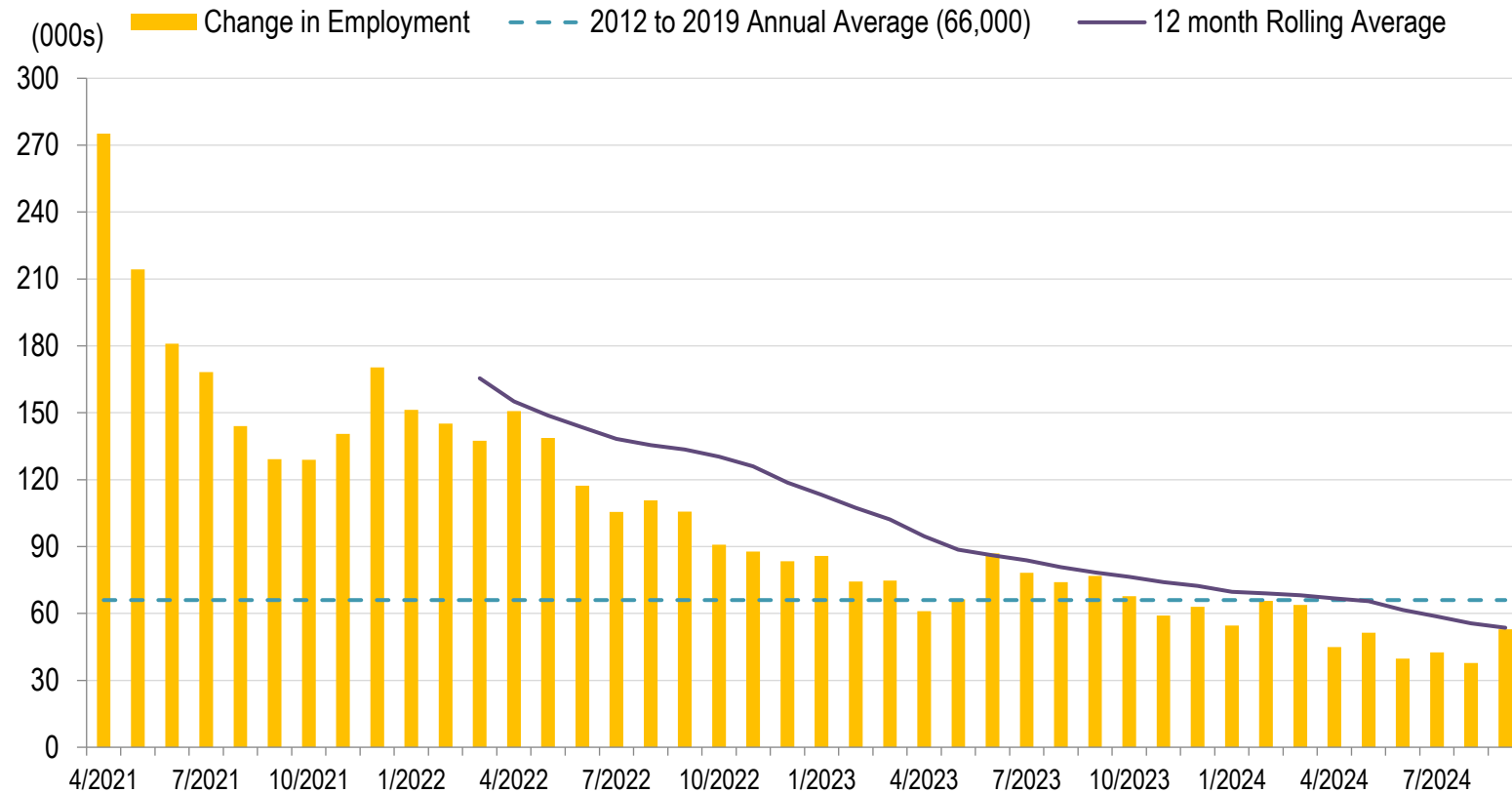
The average YOY change in monthly employment for 2024 is 4,198 per month. Employment is solid, but it has slowed.

By comparison, the change in the average monthly employment from 2012 to 2019 was 5,500 and it was 6,025 per month in 2023.

YOY Change in Employment

Colorado

YOY Change in Colorado Employment



Change in Employment

From 2012 to 2019, average annual employment was 66,000 (blue dotted line). The average monthly change was 5,500.

April 2021 was the first month after the pandemic that the change in YOY employment was positive (275,200). Since then, the YOY monthly employment has trended downward. In September 2024, it was 52,900.

In March 2022, the 12-month rolling average (purple solid line) peaked at 165,475. It has since trended downwards and was 53,600 in September 2024.

Either way, the growth in Colorado employment is returning to a more sustainable rate of growth.

Colorado Employment and Change in Employment

Colorado Employment YOY Change (000s), YOY Percent Change			
Industry Sector	Emp. vs. YOY		
	September 2024	YOY Change	Percent YOY
Private vs. Government employees			
Total Employment	3,009.7	47.1	1.6%
Private Employment	2,511.6	28.3	1.1%
Government Employment	498.1	18.8	3.9%

Highlights

Private vs. Government

In September, 16.5% of employment was in government jobs, and 83.5% were in the private sector.

The Government sector accounted for 39.9% of the change in total employment through September 2024, and the private sector accounted for 60.1%.

Over this period, private sector employment increased by 1.1%, and Government employment increased by 3.9%. Overall employment increased by 1.6%.

On a year-to-date basis, jobs were added in thirteen of the nineteen private and public sectors used in this analysis.

Source: BLS, SA, cber.co.

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

Colorado Employment YOY Change (000s), YOY Percent Change			
Industry Sector	Emp. vs. YOY		
	September 2024	YOY Change	Percent YOY
Sectors with more than 145,000 employees			
Healthcare	336.6	12.7	3.9%
Prof., Scientific, and Tech, Services (PST)	300.0	1.2	0.4%
Food and Accommodation (F&A)	298.2	6.4	2.2%
Local Government	292.5	9.8	3.5%
Retail Trade	275.3	2.6	1.0%
Financial Activities	185.6	5.8	3.2%
Construction	184.9	0.3	0.2%
Administrative Services	157.3	-1.3	-0.8%
Manufacturing	150.6	-1.3	-0.9%
State Government	148.7	7.9	5.6%
Total Sectors > 145,000 Employees	2,329.7	44.1	1.9%

Highlights

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

YOY employment for the ten largest sectors increased by 44,100, or 1.9%. Employment increased in eight of these sectors. The leaders in absolute job growth were healthcare, local government, state government, F&A, and financial activities.

Colorado Employment YOY Change (000s), YOY Percent Change			
Industry Sector	Emp. vs. YOY		
	September 2024	YOY Change	Percent YOY
Sectors with less than 145,000 employment			
Other Services (Personal)	130.8	4.5	3.6%
Transp., Warehousing, and Utilities (TWU)	117.2	-1.4	-1.2%
Wholesale Trade	117.1	-0.9	-0.8%
Information	72.9	-4.1	-5.3%
Arts, Entertainment, Recreation (AER)	62.4	1.0	1.6%
Federal Government	56.9	1.1	2.0%
Education (Private)	50.5	-0.8	-1.6%
Mgmt. of Corporations/Enterprises (MCE)	49.4	2.6	5.6%
Extractive Industries	22.8	1.0	4.6%
Total Sectors <145,000 Employees	680.0	3.0	0.4%

Highlights

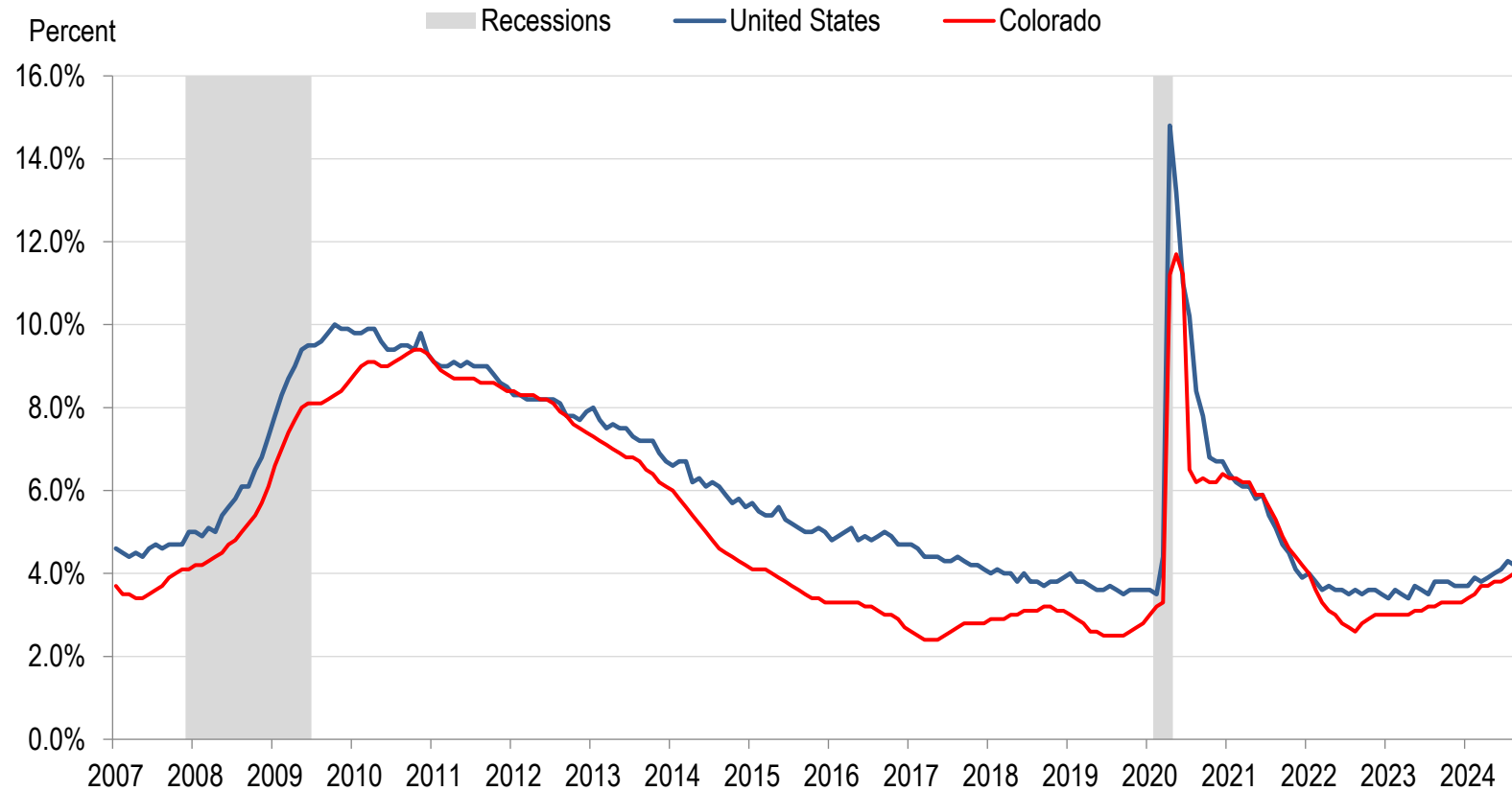
Sectors with < 145,000 Employment (Sorted by Size)

YOY employment for these nine sectors changed by 3,000, or 0.4%. Employment increased in five of these areas. The leading sectors in absolute job growth were other services, MCE, the federal government, extractive industries, and AER.

Unemployment Rate

United States and Colorado

U.S. and Colorado Unemployment



Source: BLS, SA, cber.co.

Unemployment Rate

The Colorado unemployment rate was 4.0% (red) in September 2024, and the United States rate was 4.1% (blue). Both rates have risen significantly since January 2023. Historically, the current rates are low.

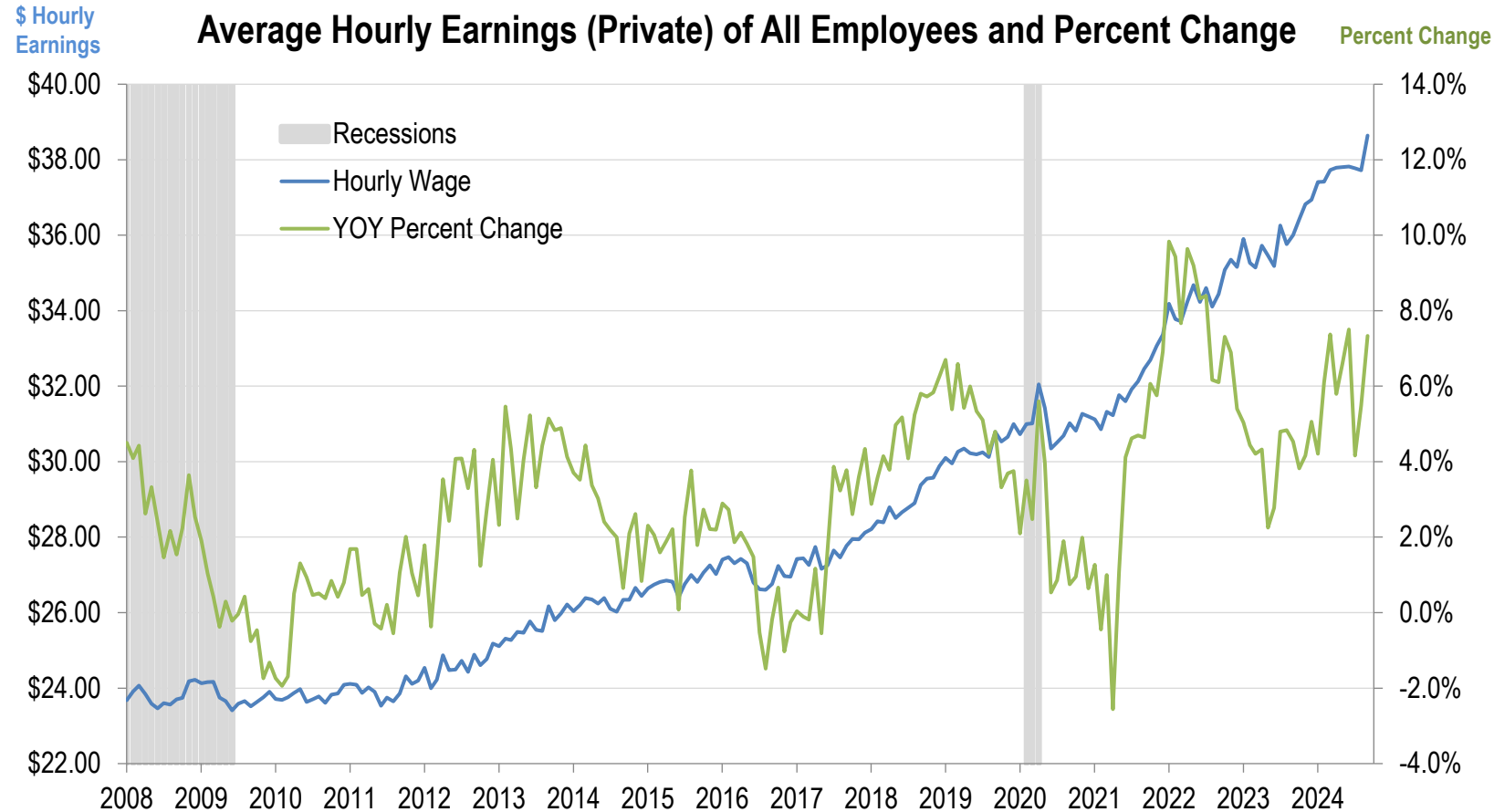
For the most recent year, the Colorado unemployment rate for men was 4.0% and 3.8% for women. It was 2.5% for individuals with some college education, 2.5% for a college degree, 4.3% for a high school diploma, and 7.4% for less than a high school diploma.

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%

Average Hourly Earnings of All Employees (Private)

Colorado



Source: BLS, NSA, cber.co.

Hourly Earnings, Percent Change, and CPI
 The September 2024 private hourly earnings for Colorado (blue) were \$38.64, a YOY increase of 7.3% (green). Hourly earnings have been flat since March 2024.

The rate of YOY earnings growth peaked at 9.4% in February 2022. For 2021 through 2023, the change in YOY hourly earnings was less than the increase in inflation. The increase in recent wage rates is above the inflation rate.

Colorado Hourly Earnings and Change

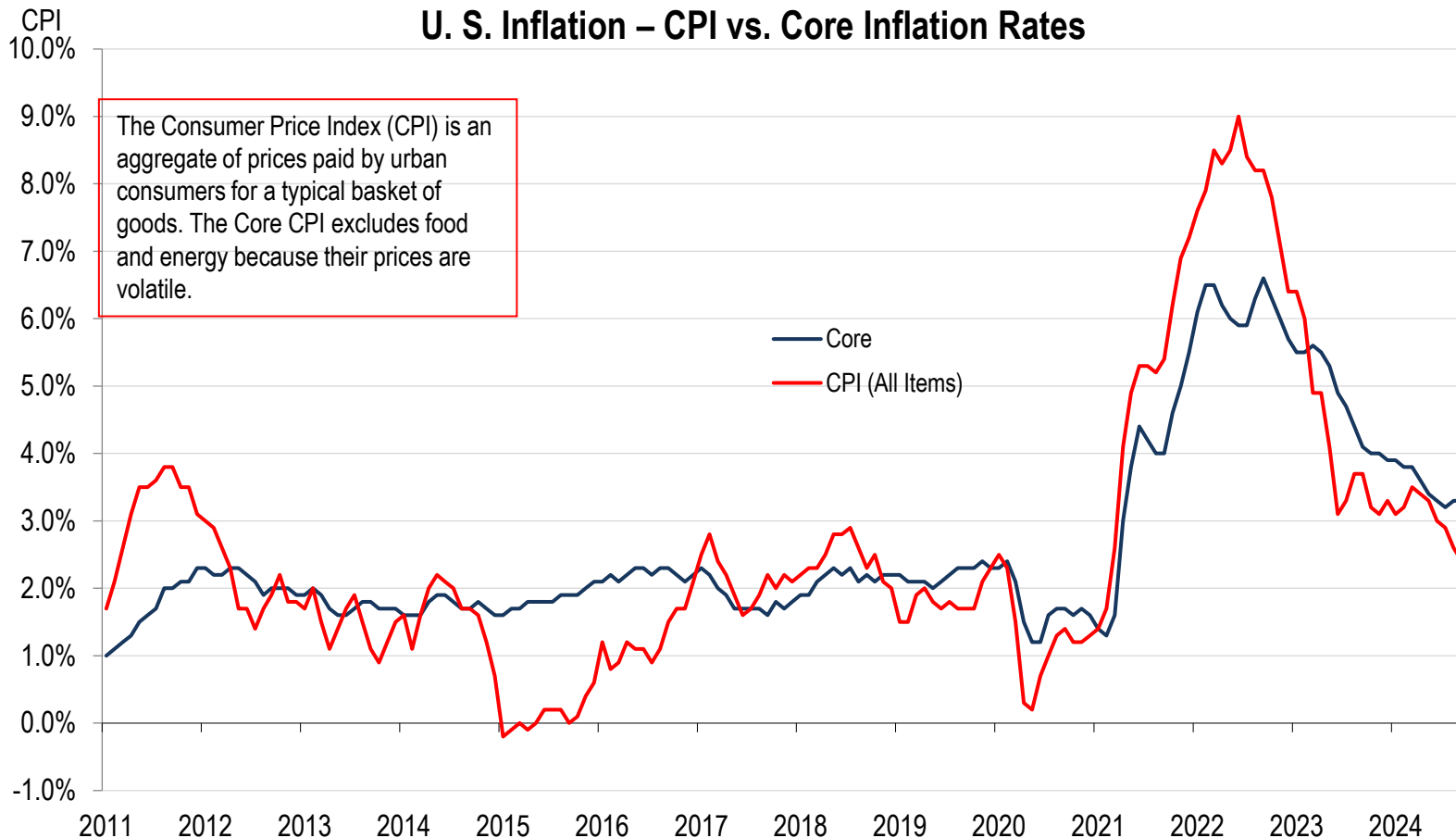
Year	CO CPI	Earnings	Change
2017	3.4%	\$27.60	2.0%
2018	2.7%	\$28.92	4.8%
2019	1.9%	\$30.37	5.0%
2020	2.0%	\$30.99	2.0%
2021	3.5%	\$31.97	3.2%
2022	8.0%	\$34.47	7.8%
2023	5.2%	\$35.91	4.2%

Source: BLS, cber.co

U.S. and Colorado Inflation

CPI Inflation

U.S. CPI vs. Core Inflation



U.S. CPI vs. Core Inflation

In September 2024, the CPI rate (red) was 2.4%, and the core rate (blue) was 3.3%. Neither rate has been below 2.0% since Q1 2021.

The CPI rate peaked at 9.0% in June 2022. By December 2022, the YOY CPI rate had dropped to 6.4%. In December 2023, the rate was 3.3%.

Core inflation peaked at 6.6% in September 2022 and declined to 5.7% in December 2022. In December 2023, it was 3.9%.

The inflation rate is declining; however, consumers struggle with the accumulated effects of inflation beginning in 2021.

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. On March 17, 2022, interest rates were 0.25% - 0.50%. On July 26, 2023, they were 5.25% - 5.50%.

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 U.S. vs. Colorado CPI Rates

The table above shows that annual Denver MSA CPI has been more than the U.S. CPI for eight of the past ten years.

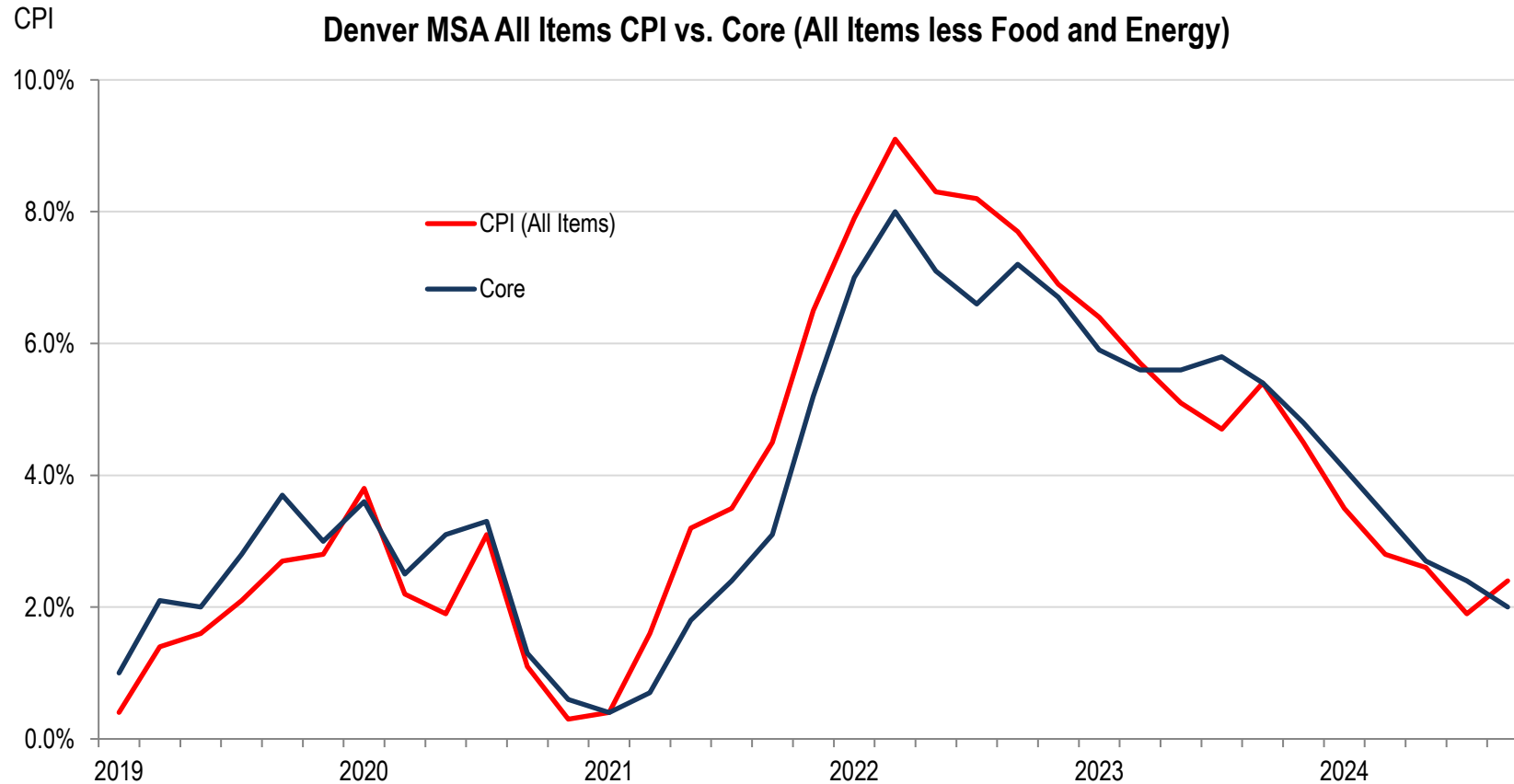
Annual and Accumulated Rate of Inflation – United States and Colorado 2021 to 2023								
United States				Components	Colorado			
2021	2022	2023	All Years		2021	2022	2023	All Years
4.7%	8.0%	4.1%	17.7%	CPI	3.5%	8.0%	5.2%	17.7%
3.6%	6.2%	4.8%	15.2%	Core	2.5%	7.1%	5.4%	15.7%
3.8%	9.6%	5.7%	20.2%	Food 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 CPI components. For example, there was a temporary increase in sporting goods and appliance prices. The price increases for medical care, professional services, recreation, and wireless phone services was minimal. Price increases in many essential components, 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. Sometimes, deflation occurs, and prices decrease. Disinflation is more likely to occur. Prices will continue to increase but at a slower rate.

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, but the trend reversed recently.

The U.S. CPI September rate was 2.4%, and the Denver MSA rate was 1.4%. The U.S. September core rate was 3.3% compared to 2.0% for the Denver MSA.

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

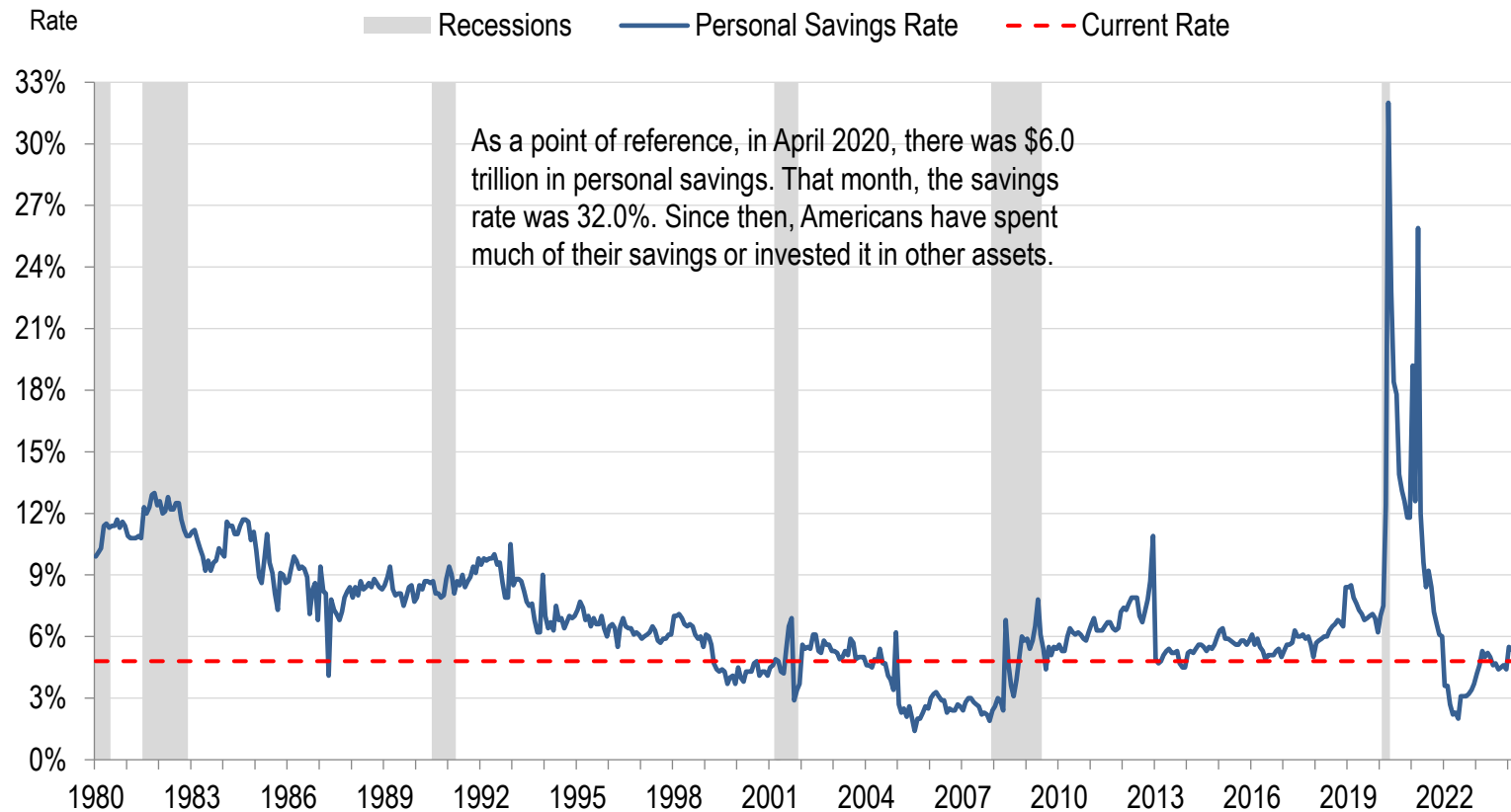
Source: Bureau of Labor Statistics, CPI All Items, NSA, Note: Colorado NSA data is only available on a bi-monthly basis since 2019, cber.co.

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

Americans have cleared out their savings accounts. The August 2024 personal savings rate was 4.8%, and savings were \$598.8 billion.

Since 2022, the highest level of savings was in January 2024. Savings were \$1,173.5 billion, and the savings rate was 5.3%.

Year End Personal Savings (Billions) and Rate

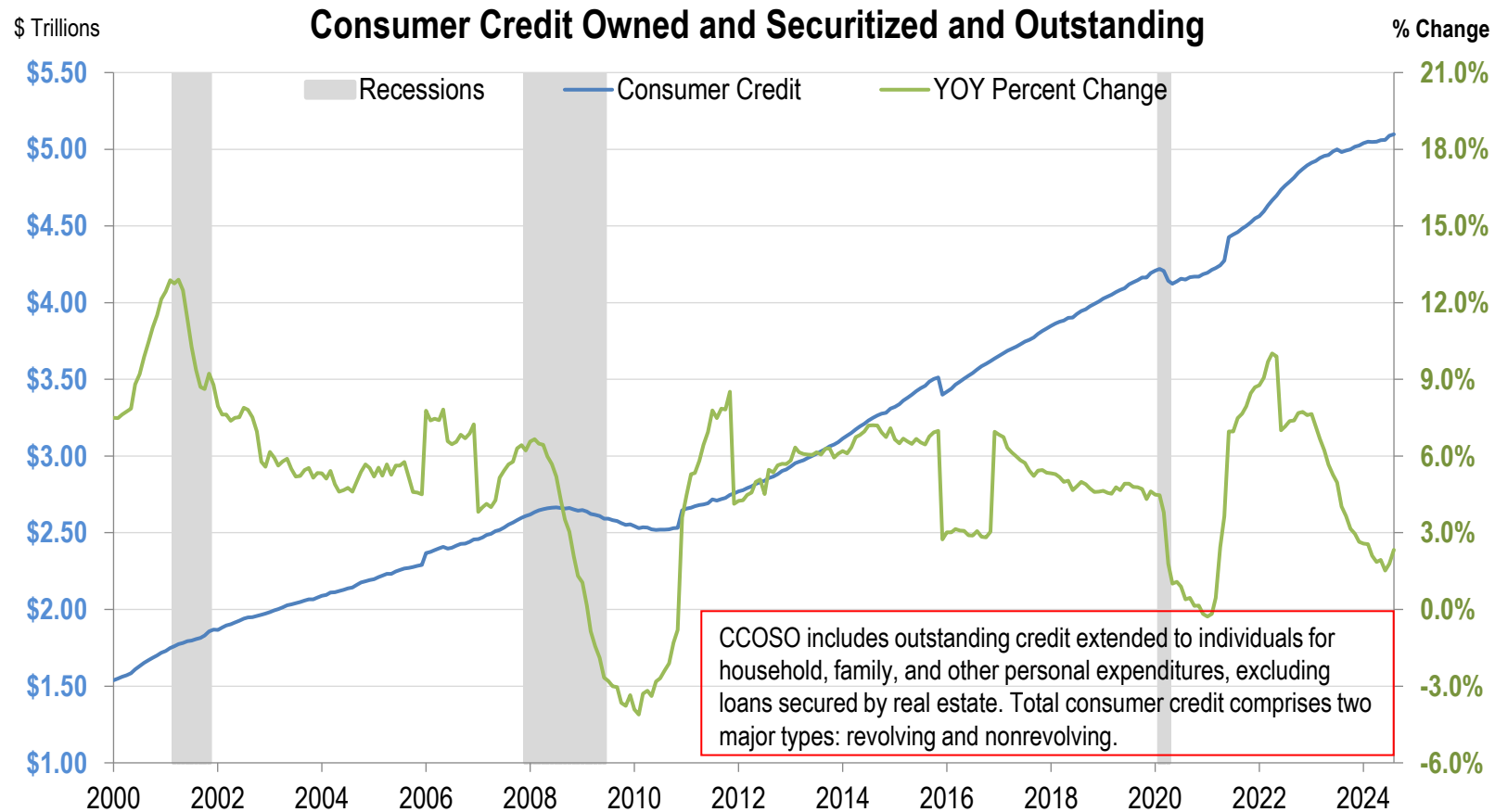
2017	\$748.0	5.0%
2018	\$1,338.9	8.4%
2019	\$1,051.4	6.4%
2020	\$2,085.0	12.0%
2021	\$1,115.2	6.1%
2022	\$561.9	3.4%
2023	\$766.0	3.7%

Source: BEA, cber.co

Source: Federal Reserve, FRED, cber.co. Note: In October 2024 the data going back to 2019 was updated.

U.S. Consumer Credit Outstanding

United States



Consumer Credit

In August 2024, the YOY rate of outstanding consumer credit (including consumer loan defaults) increased by 1.9% (green). Securitized credit has been more than \$5.0 trillion since November 2023 (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

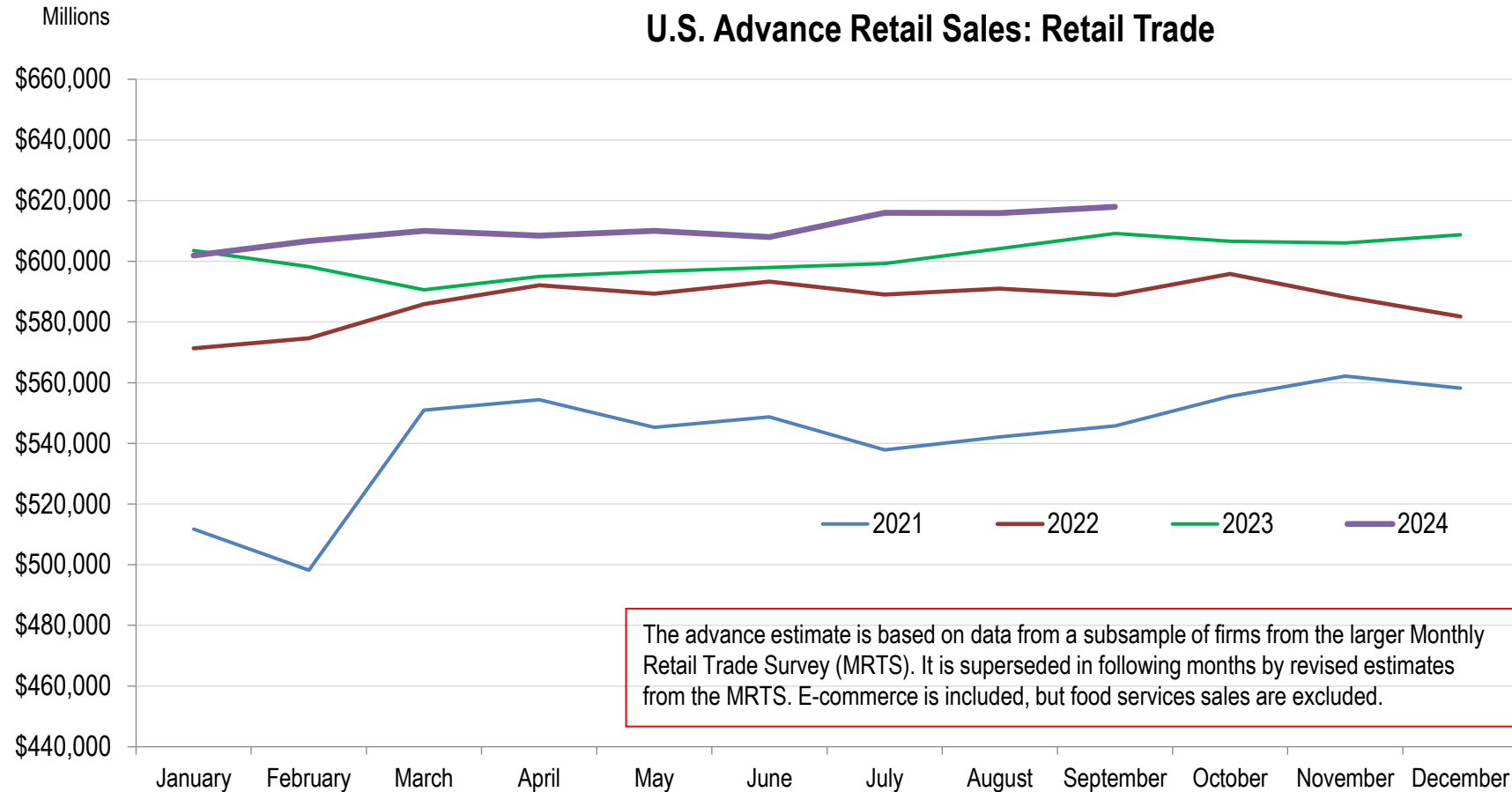
2017	\$3,738.3	5.9%
2018	\$3,922.6	4.9%
2019	\$4,106.3	4.7%
2020	\$4,168.2	1.5%
2021	\$4,375.6	5.0%
2022	\$4,735.8	8.2%
2023	\$4,969.9	4.9%

Source: FRED, G-19, cber.co

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

U.S. Advance Retail Sales: Retail Trade

Monthly



Advance Retail Sales

Retail sales were weak in 2023 and the first quarter of 2024. YTD sales through September (purple) were 1.9% greater than for the same period in 2023 (green).

Higher prices are solving the inflation problem of higher prices. In other words, consumers are spending but are being selective in their purchases.

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%

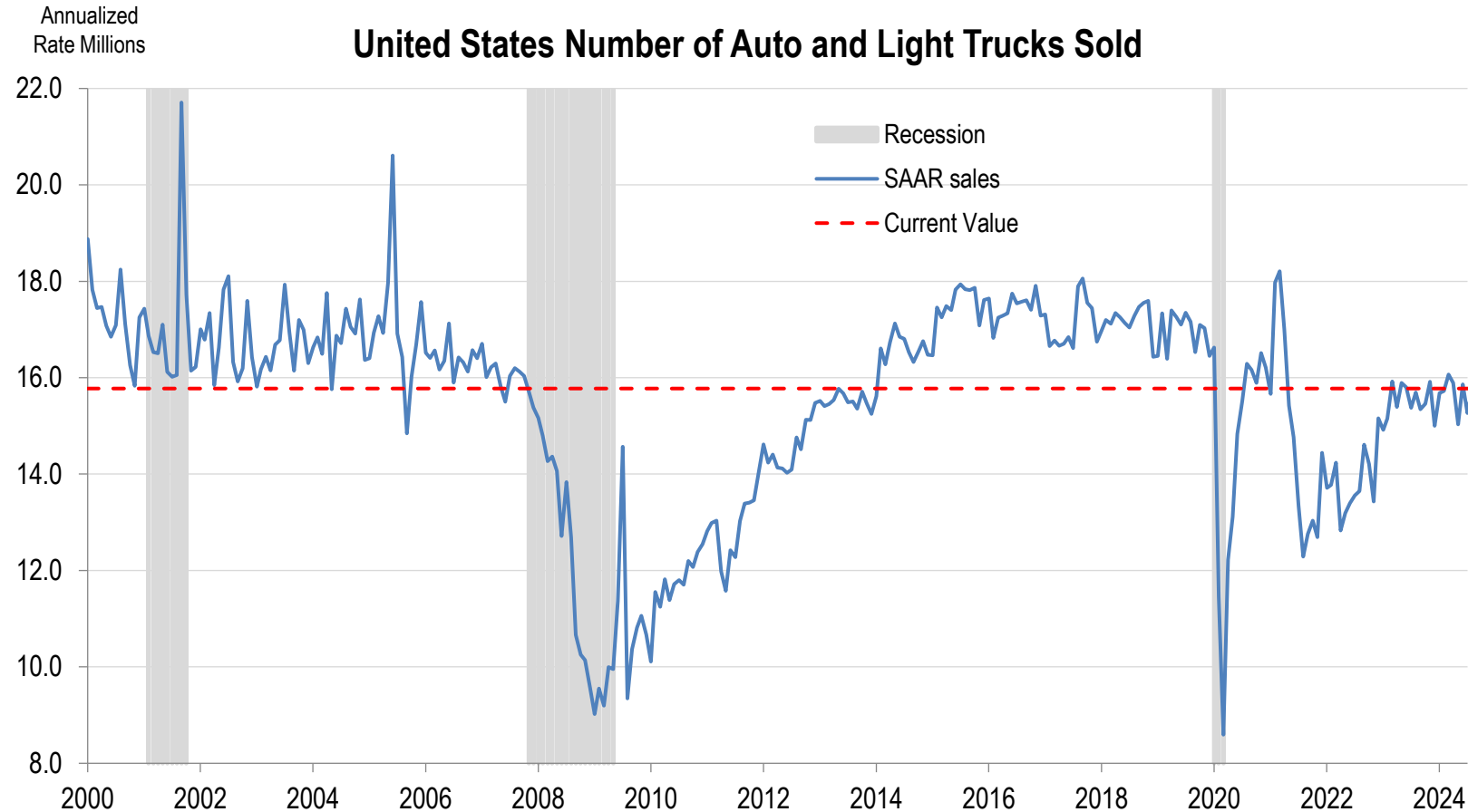
Source: Census, cber.co

Source: U.S. Census Bureau, FRED, cber.co. Data updated in April 2024. Note: Not adjusted for inflation.

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.

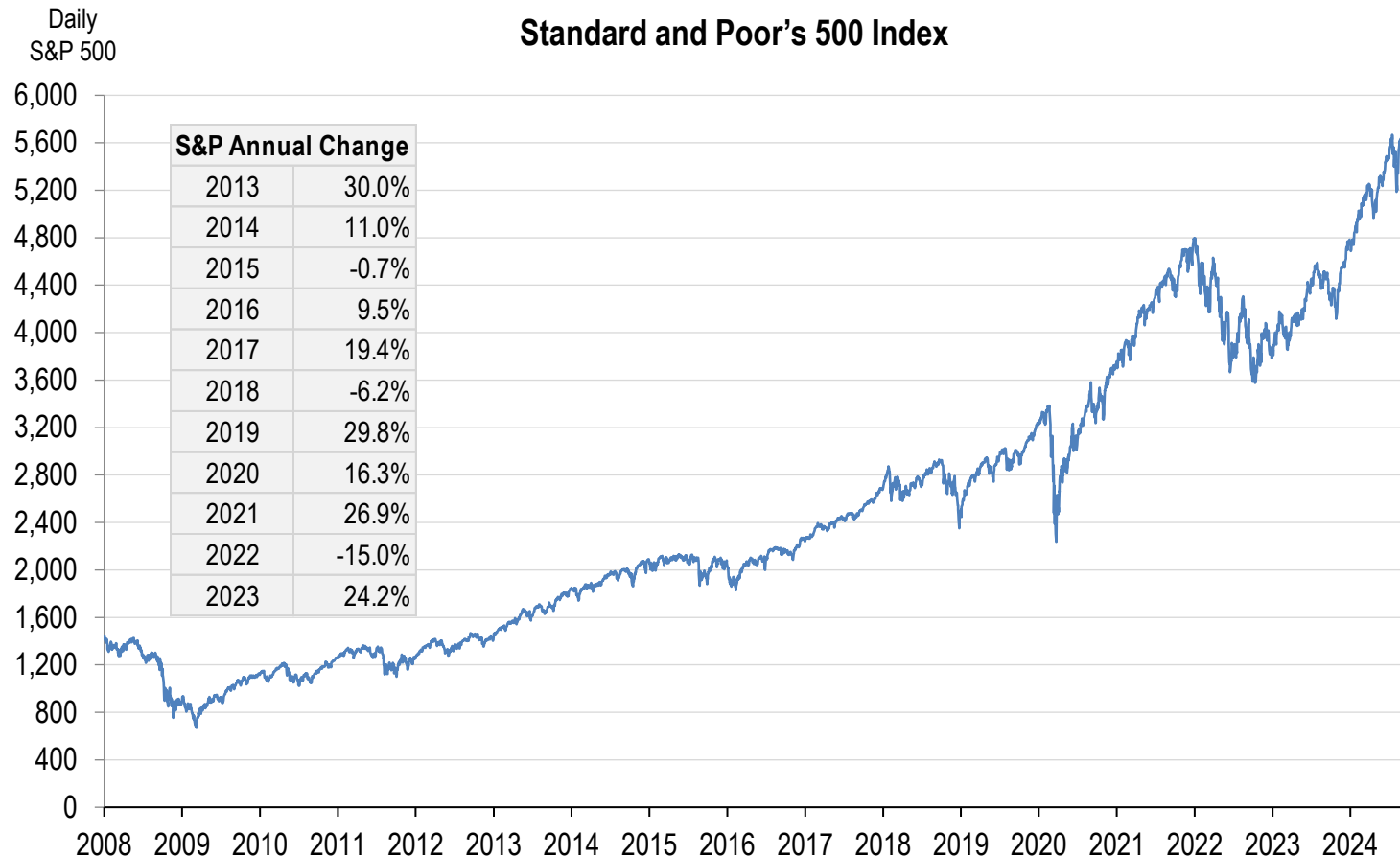
Colorado-based Business and Economic Research <https://cber.co>

Auto and Light Truck Sales SAAR

In September 2024, auto and light truck sales increased to 15.8 million (red dotted line). Monthly unit sales in 2023 and 2024 are flat. They have been between 14.8 and 16.2 million. The industry faces challenges from elevated interest rates, high prices, high insurance costs, 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

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%**

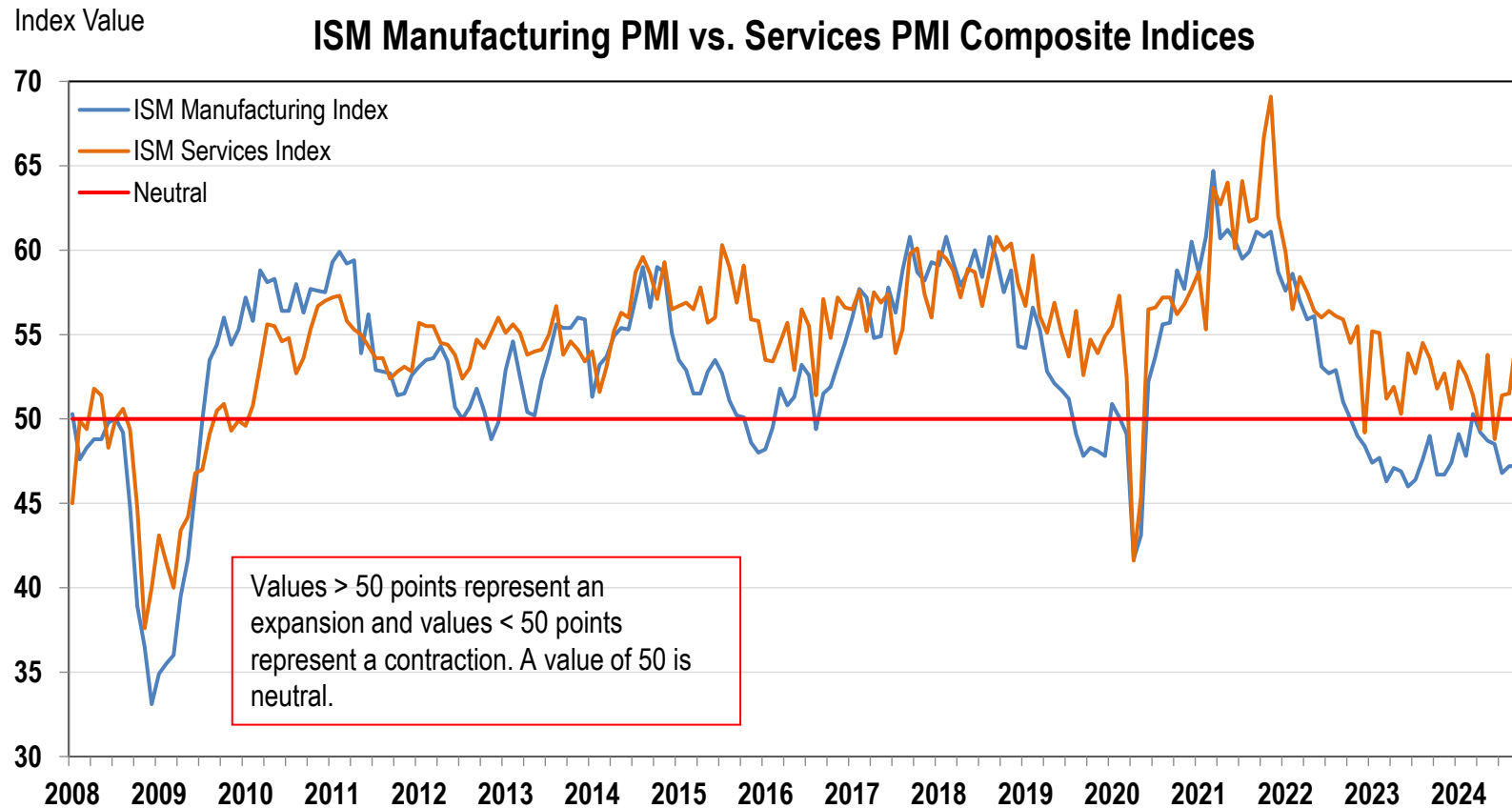
2024 Bull Market

October 22, 2024 5,851, YTD change **+22.7%**.

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) was below 50 for 16 months before posting 50.2 in March 2024.

Since April, it has been below 50 and was 47.2 in August and September. In September, demand was weak, and outputs declined.

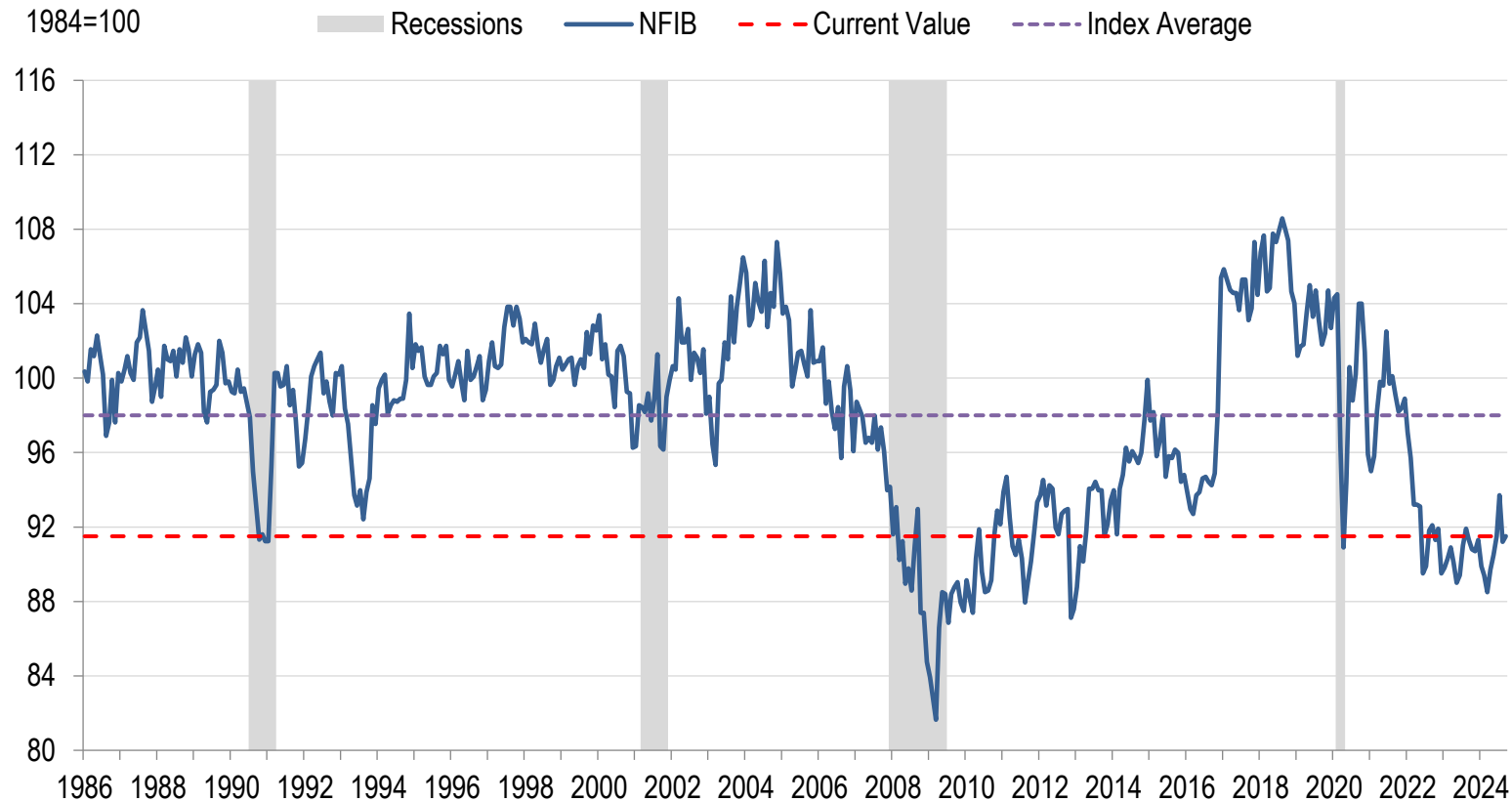
In November 2021, the ISM service index (orange) peaked at 69.1. In 2024, the index has been between 48.8 and 55.0. It has been positive but historically weak. In September, it rose from 51.5 to 54.9.

In September, twelve service industries posted gains, and six reported declines. Business activities and new orders had noticeable gains.

NFIB Small Business Optimism Index

United States

NFIB Small Business Optimism Index



Source: NFIB, cber.co.

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

NFIB Small Business Index

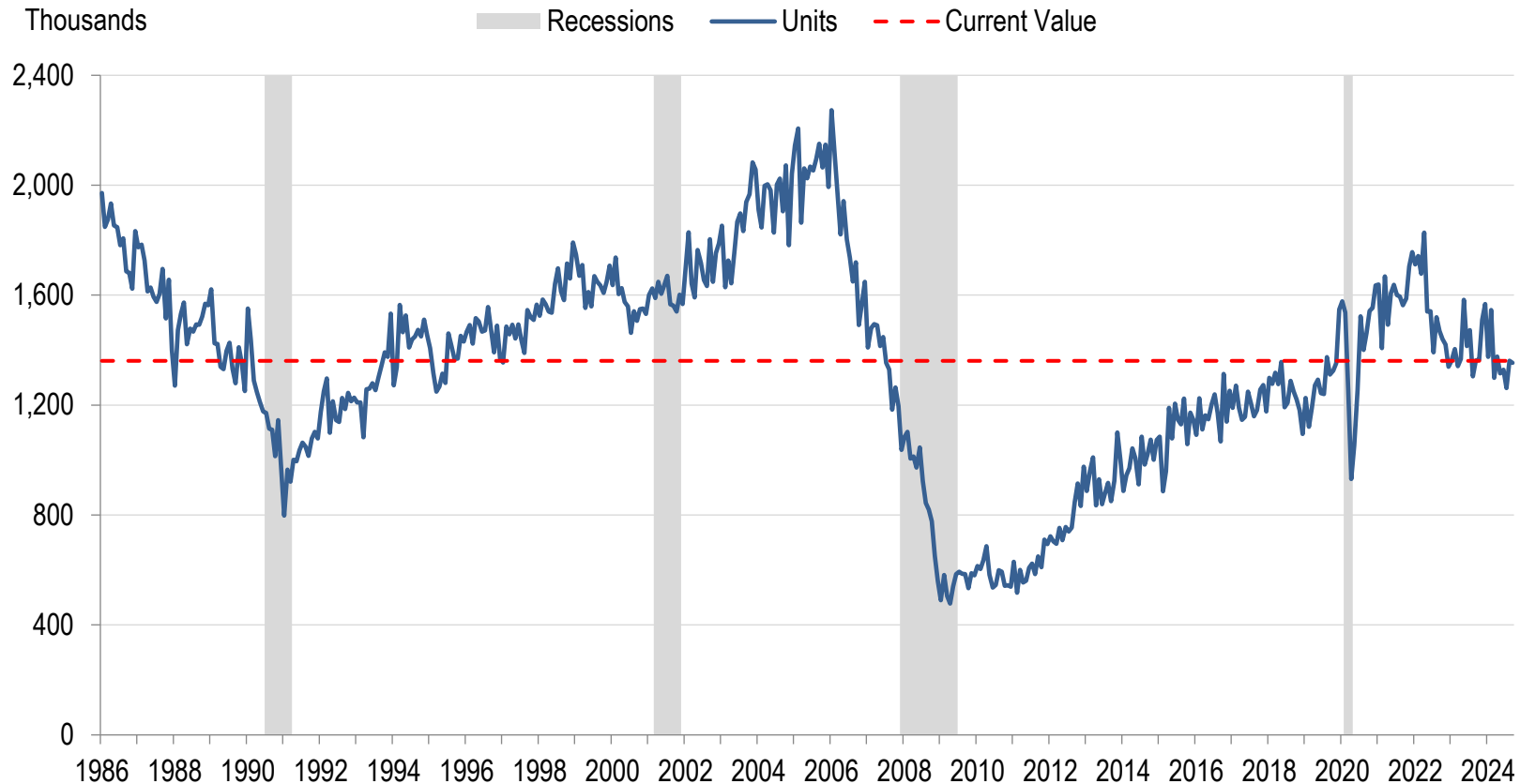
In September 2024, the NFIB index rose slightly to 91.5 (red dotted line), the 33rd consecutive month below the 50-year average of 98.0 (purple dotted line). Five of the ten index optimism components increased, three decreased, and two were unchanged.

Uncertainty is at a record high level, much higher than the 2020 election. Demand for workers is high, but the supply of qualified workers is weak. The mindset on Main Street may be more stable after the election. For more details, the NFIB monthly SBET report is available at <https://www.nfib.com/>.

New Privately-Owned Housing Units Started

United States

New Privately Owned Housing Units Started



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. The peak since that date was 1.8 million units in April 2022.

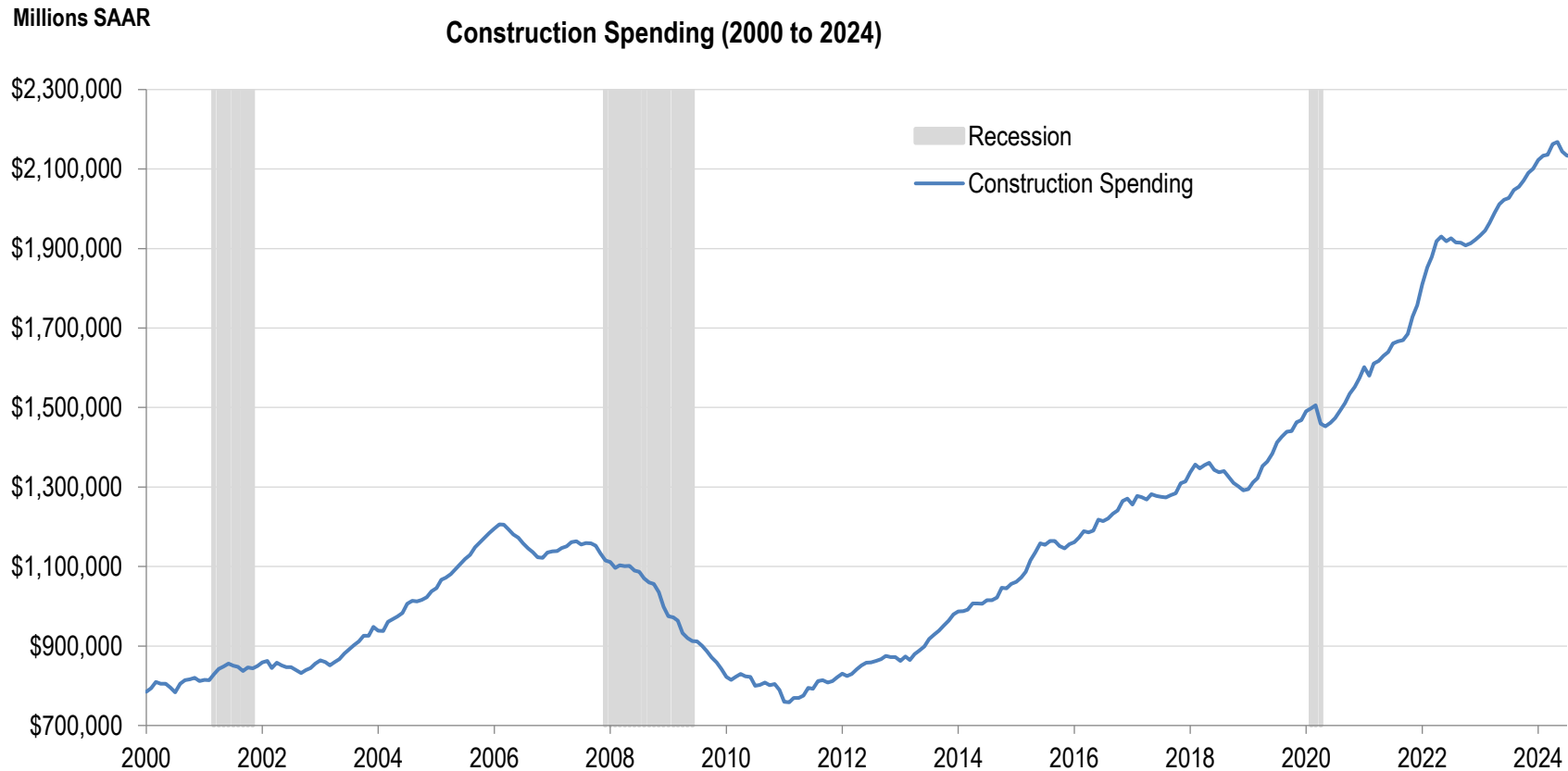
There is demand for housing, even with high interest rates; however, there were only 1.35 million starts in September 2024 (red-dotted line).

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
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 in mid-2024. It has declined slightly for the past three months.

A portion of this growth represents Federal funds that have supported the construction of manufacturing facilities since 2022. Construction spending is about \$2.1 trillion.

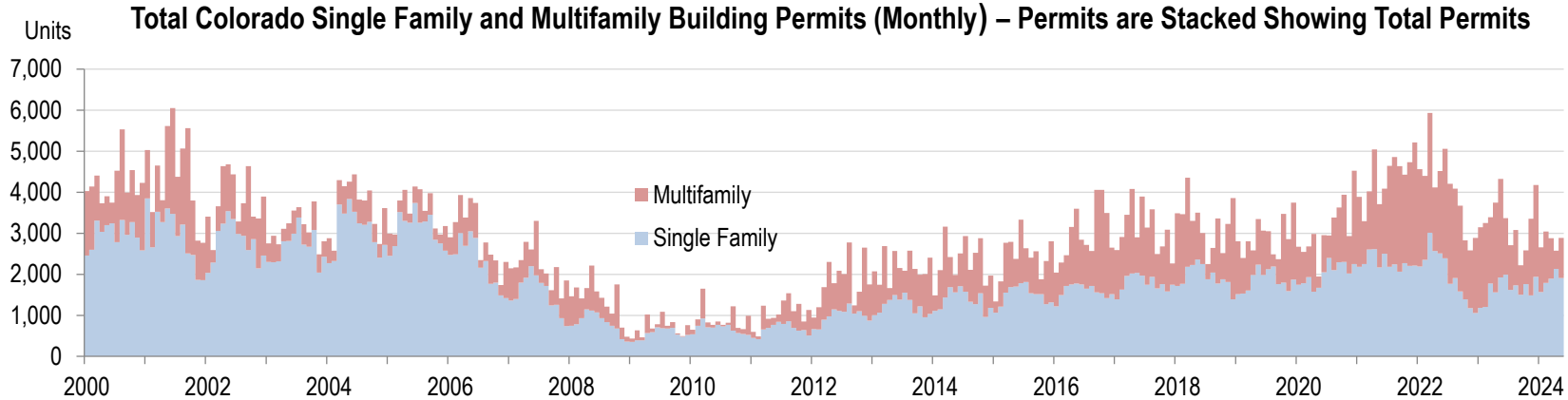
Source: FRED, U.S. Census Bureau, Note: Spending is Seasonally Adjusted Annualized Rate, cber.co.

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

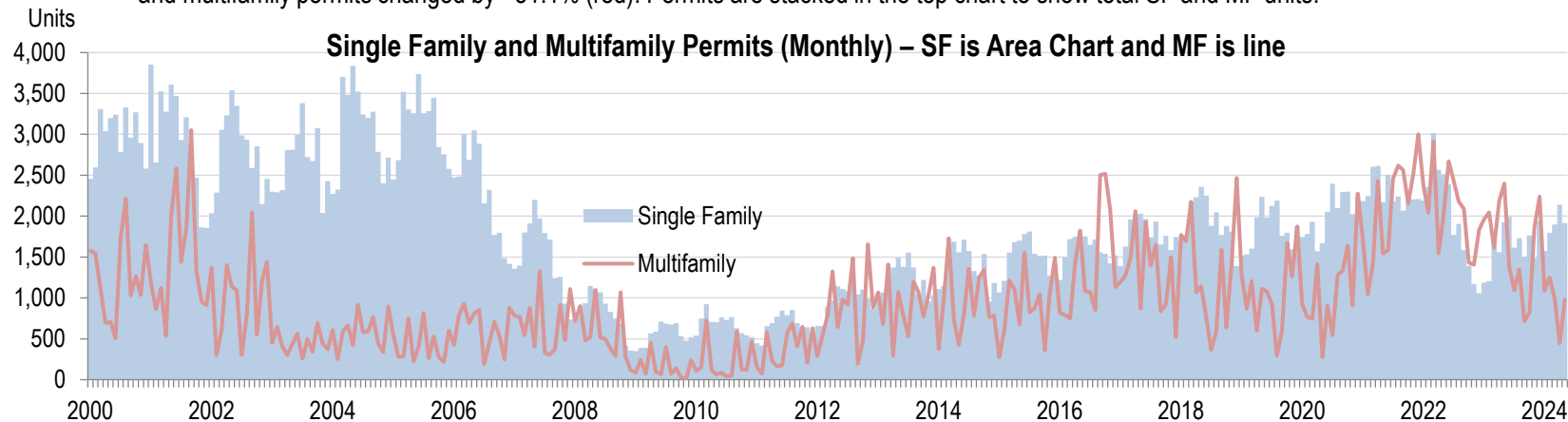
Colorado Indicators

Colorado Residential Building Permits

Single Family and Multifamily Units



The total number of single-family permits for the first seven months of 2024 changed by +9.6% (blue) compared to the same period in 2023, and multifamily permits changed by -51.1% (red). Permits are stacked in the top chart to show total SF and MF units.



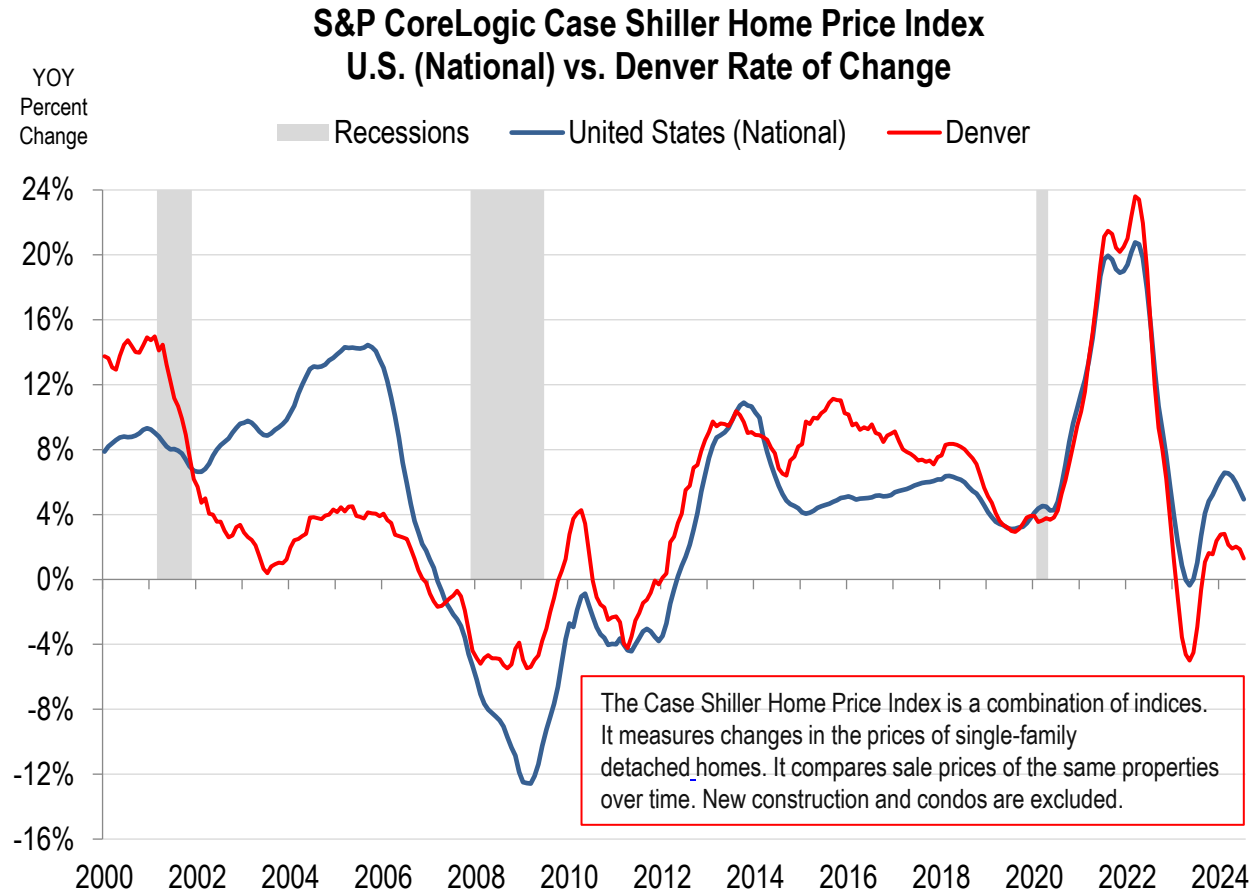
Annual Building Permits		
Year	Single Family	Multi-Family
2000	38,588	16,008
2001	36,437	18,570
2002	35,042	12,878
2003	33,894	5,732
2004	40,753	5,746
2005	40,018	5,732
2006	30,365	7,978
2007	20,516	8,938
2008	11,147	7,851
2009	7,261	2,094
2010	8,790	2,801
2011	8,729	4,779
2012	12,618	10,684
2013	15,773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

Case Shiller Home Price Index

YOY National vs. Denver Rate of Change



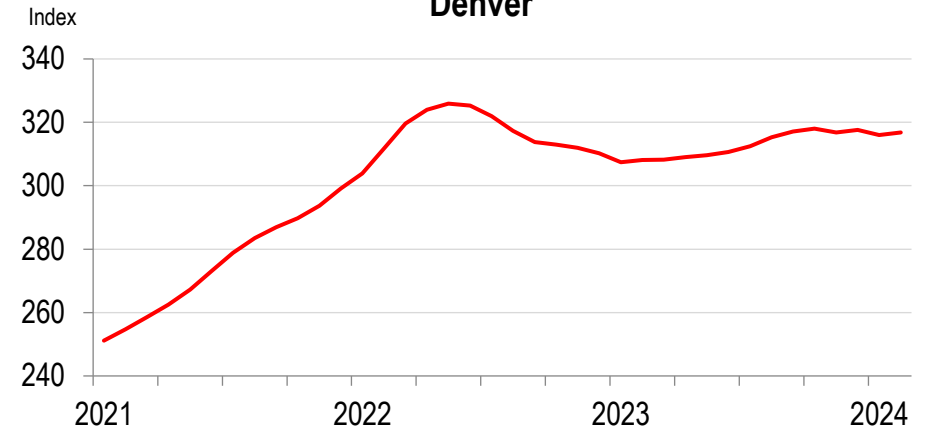
Source: FRED, S&P Case Shiller, cber.co.

Change in S&P CoreLogic Case Shiller Index

In July 2024, the YOY change in the U.S. index (blue) was +4.9%, and the Denver index (red) changed by 1.3%. (The Denver index is shown below). Note that Denver prices for July 2024 are lower than their peak in May 2022.

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%.

S&P CoreLogic Case Shiller Home Price Index - Denver



Colorado Single Family Market Review

September

Colorado Single Family Market Review						
September 2023	September 2024	% Change		YTD 2023	YTD 2024	% Change
7,105	7,870	10.8%	New Listings	67,451	74,789	10.9%
4,811	6,300	30.9%	Pending/Under Contract	51,994	53,433	2.8%
5,476	5,401	-1.4%	Sold Listings	50,612	50,056	-1.1%
\$ 575,000	\$ 575,000	0.0%	Median Sales Price	\$ 565,000	\$ 580,000	2.7%
\$ 764,224	\$ 738,534	-3.4%	Average Sales Price	\$ 720,461	\$ 746,146	3.6%
98.6%	98.6%	0.0%	Percent of List Price Received	99.1%	99.0%	-0.1%
47	52	10.6%	Days on Market Until Sale	47	50	6.4%
46	52	13.0%	Housing Affordability Index	47	51	8.5%
17,807	20,147	13.1%	Inventory Active Listings			
3.2	3.8	18.8%	Months Supply of Inventory			

Colorado Single Family Market Review

The YTD new listings and pending contracts have risen in 2024, although sold listings have declined slightly. Median sales prices are higher than a year ago. In September 2024, there were 3.8 months of inventory.

Lower interest rates are likely to improve the performance of the Colorado residential real estate market.

Source: CAR, cber.co.

New Listings – Measures new supply coming onto market.

Pending/Under Contract – A leading indicator of buyer demand.

Sold Listings – Home sales that are closed during the period.

Median Sales Price – Half of the activity is above the median and half of the activity is lower than this price point.

Average Sales Price – The sum of all home sales prices divided by the number of houses sold.

Percent of List Price Received – The percent difference from the last list price and the sales price.

Days on Market Until Sale – The average number of days it takes homes to sell.

Affordability Index – A higher number means greater affordability.

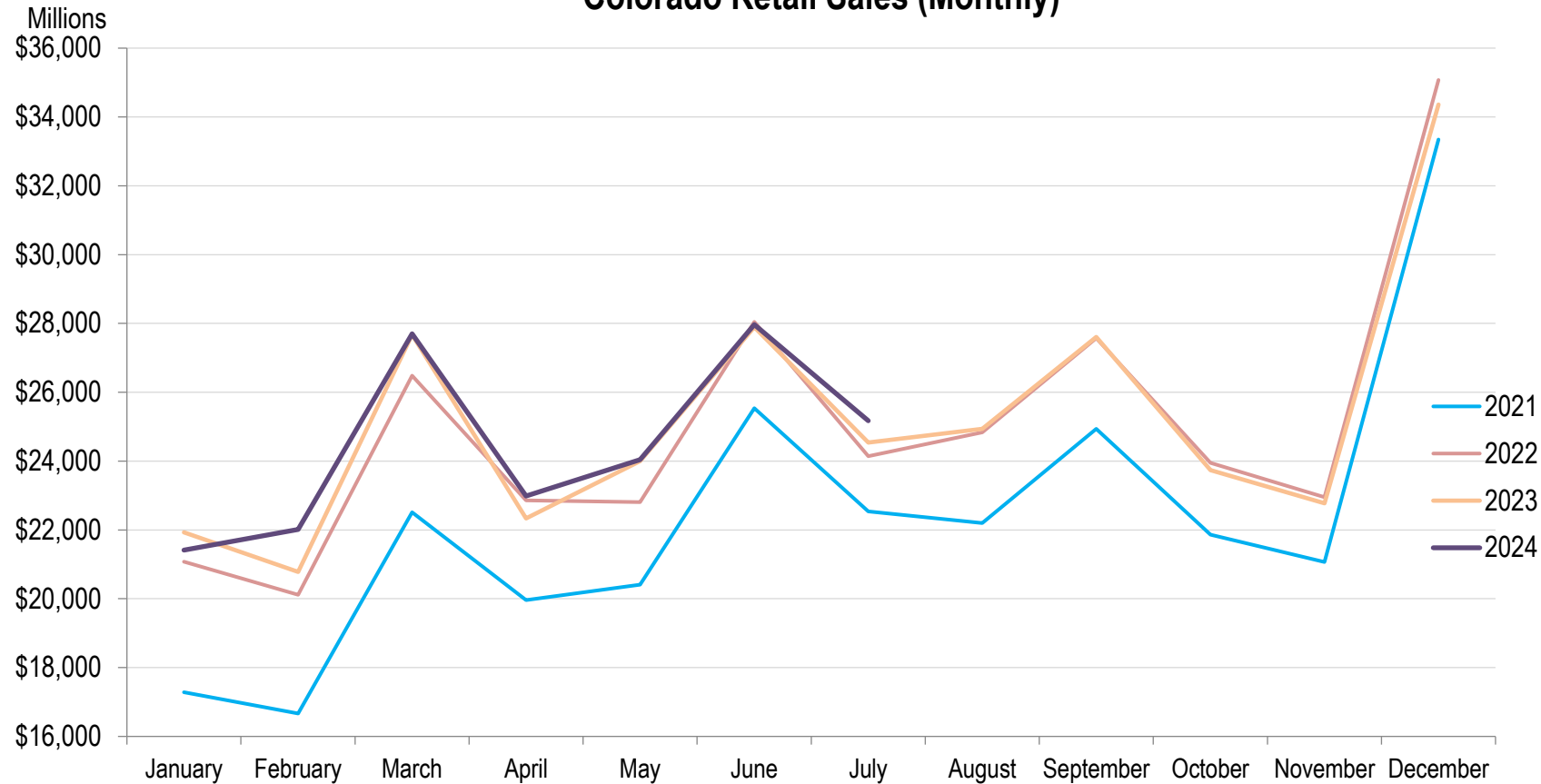
Inventory of Active Listings – The number of homes available for sale at a given time. This may affect home prices.

Supply of Inventory – Measure of the balance between buyers and sellers. A balanced market ranges from four to seven months. A buyer's market has a higher number.

Colorado Retail Sales

Monthly

Colorado Retail Sales (Monthly)



Colorado Retail Sales
 Year-over-year retail sales through July 2024 (dark purple) were 1.1% greater than for the same period in 2023.

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

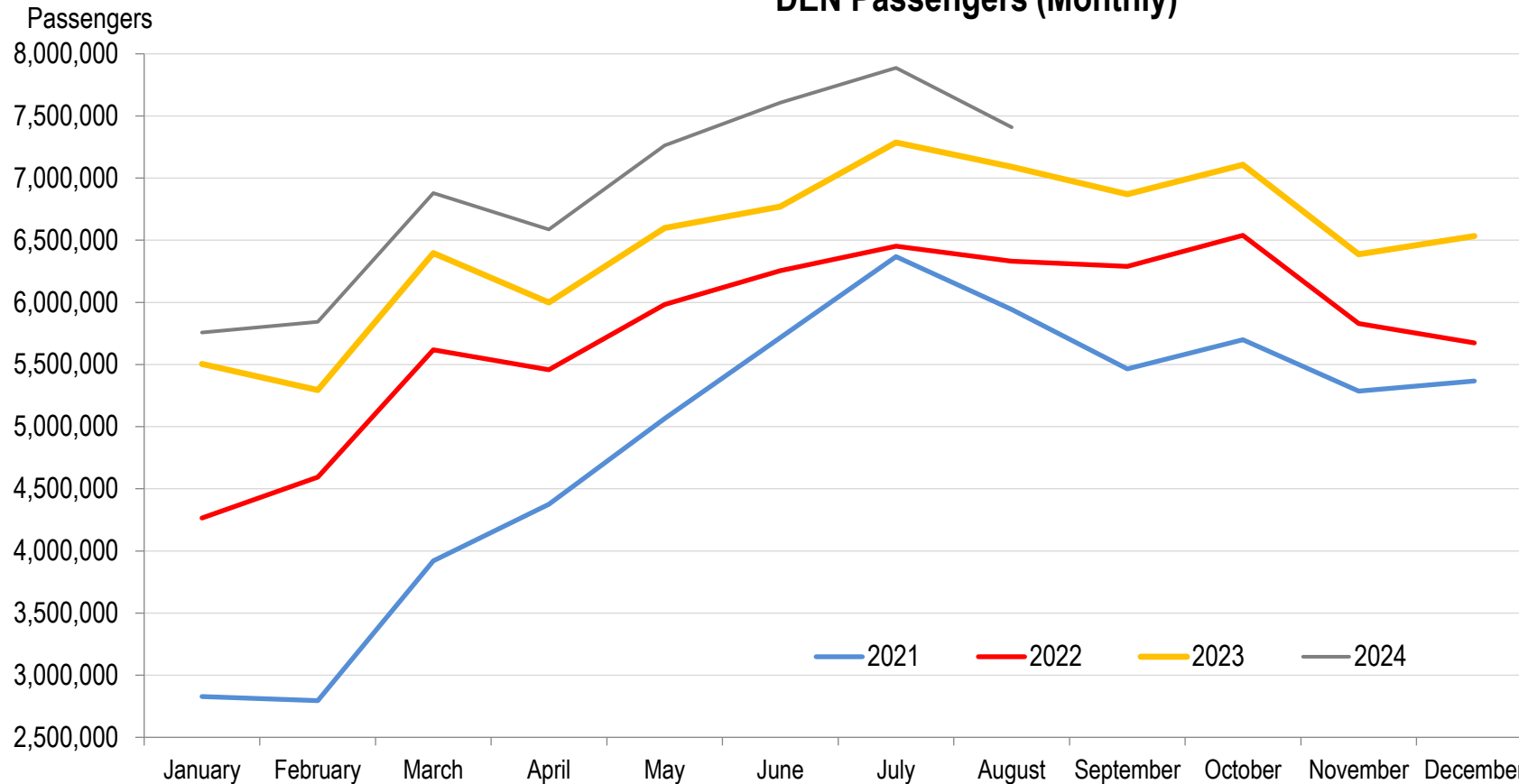
Annual Retail Sales (Billions)		
2017	\$194.6	5.4%
2018	\$206.2	5.9%
2019	\$224.6	9.0%
2020	\$228.8	1.9%
2021	\$268.3	17.3%
2022	\$299.9	11.8%
2023	\$302.6	0.9%

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 55.2 million passengers through DIA in the first eight months of 2024 (grey line), an increase of 8.4% compared to the same period last year.

There were 2.3 million passengers through COS in 2023. Through eight months in 2024, there were 1,661,086 passengers, a YOY increase of 12.3%.

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

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

Colorado Forecast

Colorado Economic Forecast 2024

In 2024, the Colorado real GDP growth rate will be 2.5%, similar to the U.S. rate.

The job market will taper off to about 44,000 in 2024. The unemployment rate will increase significantly but remain lower than the U.S. rate.

Retail sales for 2024 will improve, but they will remain sluggish. Inflation has declined, but the accumulated effect will continue to be a problem. 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	\$441.00	
% Change Real GDP	6.8%	2.2%	3.4%	2.5%	
CES Employment (thousands)	2,750.9	2,869.7	2,942.0	2,986.0	
Annual Change (thousands)	98.2	118.8	72.3	44.0	
% Change	3.7%	4.3%	2.5%	1.5%	
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	20,000	
Multi-family (MF) Permits	26,278	25,000	19,000	12,000	
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 (COS) airport.

The total number of SF and MF 2024 building permits will be less than in 2023. There will be much weaker MF growth. 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 play an integral role in the U.S. and Colorado economies in the future.

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

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Gary Horvath has produced annual employment forecasts of the state economy for over 30 years. They have been supplemented by monthly economic updates and indices that track economic performance over the short term. In addition, he has directed three statewide analyses that included reviews of all 64 county economies.

Horvath was the principal investigator for a state and federally funded project to prepare a nanotechnology roadmap for Colorado. He has 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 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.