

Economic Outlook and Trends for 2025 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 utilizing data available in the public domain.

Economists are generally optimistic about the outlook for steady growth of the United States and Colorado economies in 2025.

There will be a resilient labor market with a low unemployment rate. Modest economic activity will be driven by consumer spending.

The performance of the stock market is a wildcard. Many economists feel single-digit gains are likely.

As always, the Presidential election caused uncertainty. With new leadership, it will take time to adapt to a different ideology.

We hope for the best!

Contents

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

A Look Back at 2024 to Set the Foundation for 2025

The first step in preparing a forecast is to look at trends that were expected to drive the economy in the prior year (2024). Did they materialize? What trends did not materialize? What new trends arose during the year? What trends will continue in 2025?

Economic Trends from 2024 that Will Carry Forward into 2025

The following trends (expected and unexpected) will carry forward from 2024 into 2025.

- The biggest surprise in 2024 was the resiliency of the labor market.
- Rate cuts were put in place to manage inflation. The timing of rate cuts was an issue.
- The U.S. and international geopolitical situation is unsettled – and scary.
- The elections were driven by concerns about inflation and the economy.
- Energy policies were less effective than intended.
- Consumers continued to spend. Retail sales in Colorado were weaker than in the United States.
- Colorado addressed its homeless and immigration policies. There is more to do in these areas.
- In 2023, the modernization of the Colorado Unemployment Insurance computer system created a series of problems that affected the integrity of the CES Wage and Salary Employment series. This data series is a critical metric for measuring economic performance.

Economic Trends That Will be Wildcards in 2025

The following trends will impact the economy in 2025. Time will tell if the impact will be positive or negative.

- The elections caused uncertainty. The results have brought about an ideological change. How will the change affect public policy?
- The equity markets were a pleasant surprise for investors in 2024. What will happen in 2025?
- The Colorado economy was weaker than the U.S. economy. Will Colorado underperform in 2025?
- Residential Construction declined in 2024, most notably in multifamily permits. Ironically, there is a shortage of housing units in many parts of the state, and affordable housing is an issue. What will the housing market do in 2025?
- Office vacancies in downtown Denver have created a variety of challenges. Will policy changes reduce vacancies in Denver?
- The Government and Healthcare sectors were leaders in job creation in Colorado in 2024. Employment in all sectors has a purpose, but these sectors have few primary jobs with high multiplier effects. What sectors will lead employment growth in 2025?.

United States Forecast

The Conference Board Forecast

The Conference Board (TCB) U.S. Forecast

TCB United States Forecast

The Conference Board U.S. economic forecast is the base for this forecast and analysis (January 15, 2025). The following drivers and headwinds will affect the economy in 2025.

Economic Drivers 2025

- Inflation will continue to be sticky. It will trend downward on a bumpy path. It will approach the 2.0% target rate by mid-year. The Fed will cut rates in the second half of the year.
- The labor market is steady and close to equilibrium; however, there are concerns about a shortage of workers.
- There is limited inflationary pressure from the goods sectors.
- Government spending will support GDP growth, but its impact may be less than in previous years. Well-conceived government investments in critical industries such as quantum or artificial intelligence may drive higher economic growth.
- Consumer debt may have peaked. Consumers will continue spending.
- Deregulation and selective tariff policy may extend the current economic momentum.
- A recession is unlikely in 2024.

Economic Headwinds 2025

- The election uncertainty has morphed into speculation about the impact of the incoming administrative policies.
- Businesses will choose to be concerned about many things. There are concerns about tariffs, although exact tariff policies have not been defined.
- Businesses may see downside risks such as geopolitical concerns, uneven prices of food and energy, and fears of a disrupted supply chain for precious minerals and inputs for technology companies.
- Businesses may worry about possible trade wars, changing regulations and tax and industrial policies, and the impact of proposed spending cuts.
- Residential Construction might be negatively impacted by high interest rates, increased material costs (caused by tariffs and policies), and labor shortages.
- Most inflationary pressures are from prices for services. Shelter costs remain high, although there are signs in Denver and elsewhere that some rental prices have declined.

U.S. Real GDP Growth

The Conference Board Forecast (January 15, 2025)

Real GDP and Economic Growth

The Conference Board Forecast projects real GDP growth of 2.3% in 2025. Real disposable income will increase by 1.7%, and Real personal consumption will increase by 2.7% in 2025. Residential investment will change by -2.5% in 2025 (high material costs), and non-residential investment will change by 3.6%. Government spending will be solid in 2025 (3.1%), down from 3.4% in 2024.

Other Economic Factors

Export growth will be steady in 2025 (3.5%). The U.S. unemployment rate will also rise slightly in 2025 to 4.2%. The annual PCE inflation rate will be 2.0% in 2025, and the core rate will be 2.2%. The Federal Reserve will cut rates by 50 basis points, and the Fed Funds rate will decline to 3.625% later in 2025.

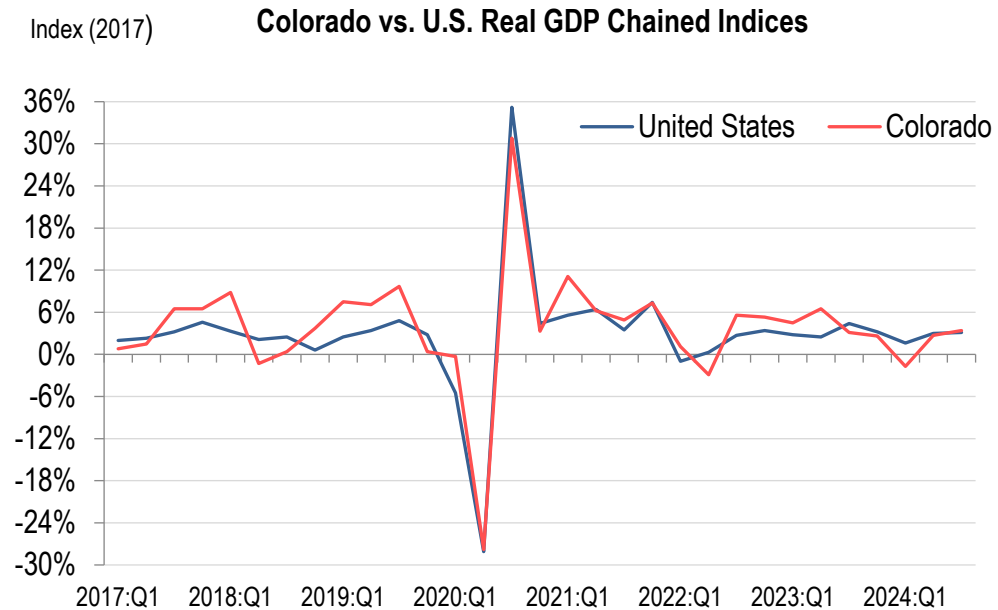
Conference Board US Real GDP Growth Forecast

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2024	2025	2026
Real GDP	1.6%	3.0%	3.1%	2.5%	2.3%	1.9%	1.9%	1.8%	2.8%	2.3%	1.8%
Real Disposable Income	5.6%	1.0%	1.1%	1.5%	2.0%	2.0%	1.7%	1.7%	2.8%	1.7%	1.8%
Real Personal Consumption	1.9%	2.8%	3.7%	3.0%	2.7%	2.5%	2.1%	1.9%	2.7%	2.7%	2.0%
Residential Investment	13.7%	-2.8%	-4.3%	-3.0%	-3.0%	-2.0%	-1.0%	0.0%	3.7%	-2.5%	1.6%
Nonresidential Investment	4.5%	3.9%	4.0%	4.9%	3.5%	2.5%	2.9%	3.0%	4.1%	3.6%	3.0%
Total Gov't. Spending	1.8%	3.0%	5.1%	3.6%	2.7%	2.7%	2.4%	2.1%	3.4%	3.1%	1.7%
Exports	1.9%	1.0%	9.6%	3.0%	2.5%	3.0%	2.5%	2.6%	3.5%	3.5%	2.8%
Unemployment Rate	3.8%	4.0%	4.2%	4.2%	4.3%	4.2%	4.1%	4.1%	4.1%	4.2%	4.1%
PCE Inflation (%Y/Y)	2.7%	2.6%	2.3%	2.3%	2.0%	1.9%	2.1%	2.0%	2.5%	2.0%	2.0%
Core PCE Inflation (%Y/Y)	3.0%	2.7%	2.7%	2.8%	2.4%	2.2%	2.2%	2.0%	2.8%	2.2%	2.1%

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

GDP

Colorado GDP Index vs. U.S. GDP Index and Contribution to GDP



Source: BEA, SQGDP8, Chain-type quantity indexes for real GDP by State, cber.co.

Colorado/U.S. GDP

Between Q1 2017 and Q3 2024, the YOY change in the Colorado Real GDP Index (red) outperformed the U.S. Index (blue) in 17 of 31 quarters. The Colorado Real GDP growth rate was lower than the United States for the four quarters (Q3 2023 to Q4 2024).

Colorado Chain-type Quantity Indexes for Real GDP by MSA (2017 to 2023)

Between 2017 and 2023, the Denver and Boulder MSAs led real GDP growth in Colorado. The growth rates for both areas were more than the average rate for the state. The Colorado Springs MSA growth rate was slightly below the rate for the state. Greeley had strong growth during 2023.

Year	2017	2018	2019	2020	2021	2022	2023
Denver-Aurora-Lakewood	100	104.442	110.029	110.186	118.224	123.788	128.079
Boulder	100	103.668	112.955	110.811	119.073	121.318	125.425
COLORADO	100	104.282	109.57	108.561	116.06	119.591	124.799
Colorado Springs	100	103.291	107.582	110.674	117.049	119.014	124.306
Greeley	100	111.107	117.284	107.406	110.121	103.423	122.508
Fort Collins	100	104.764	109.418	108.392	114.728	116.857	118.408
Pueblo	100	103.425	107.615	103.722	110.569	108.111	115.240
Grand Junction	100	104.408	106.421	103.19	108.228	112.08	115.043
Non-Metro	100	101.199	103.646	98.029	106.488	109.074	113.548

Source: BEA, Index (2017) CABDP8B, cber.co.

Change in Annual Colorado GDP (Current Dollars)

Sorted by 2023 Sector GDP

Change in Annual Colorado GDP in Millions (Current Dollars)

	2019 GDP	2023	Percent 2023 Total	Difference	Location Quotient
Finance, insurance, real estate, rental, and leasing	\$81,603	\$ 110,533	20.9%	\$ 28,930	1.00
Government and government enterprises	\$47,217	\$ 59,059	11.2%	\$ 11,842	1.00
Professional, scientific, and technical services (PST)	\$39,293	\$ 58,062	11.0%	\$ 18,769	1.37
Health care and social assistance	\$24,717	\$ 31,672	6.0%	\$ 6,955	0.81
Construction	\$24,639	\$ 31,504	5.9%	\$ 6,865	1.35
Information	\$22,626	\$ 31,116	5.9%	\$ 8,491	1.10
Retail trade	\$22,333	\$ 30,789	5.8%	\$ 8,456	0.91
Wholesale trade	\$22,576	\$ 29,762	5.6%	\$ 7,186	0.94
Manufacturing	\$24,253	\$ 28,063	5.3%	\$ 3,810	0.52
Accommodation and food services (AFS)	\$14,298	\$ 21,370	4.0%	\$ 7,072	1.23
Mining, quarrying, and oil and gas extraction	\$14,440	\$ 18,566	3.5%	\$ 4,126	2.36
Transportation and warehousing	\$13,364	\$ 18,354	3.5%	\$ 4,990	1.02
Administrative services	\$12,271	\$ 15,856	3.0%	\$ 3,585	0.94
Other services	\$9,433	\$ 12,173	2.3%	\$ 2,740	1.08
Management of companies and enterprises	\$8,267	\$ 10,239	1.9%	\$ 1,972	1.07
Arts, entertainment, and recreation (1.35)	\$5,914	\$ 7,756	1.5%	\$ 1,842	1.35
Utilities	\$4,521	\$ 6,922	1.3%	\$ 2,401	0.81
Educational services	\$3,550	\$ 4,392	0.8%	\$ 843	0.74
Agriculture, forestry, fishing and hunting	\$2,529	\$ 3,437	0.6%	\$ 908	0.66
Total	\$397,844	\$ 529,627	100.00%	\$131,783	

Change in Annual Colorado GDP 2019 to 2023

In 2023, 43.0% of the Colorado GDP was in the FIRE, Government, and PST sectors. They accounted for 45.2% of the change between 2019 and 2023.

The sectors ranked four through nine (Health Care, Construction, Information, Retail, Wholesale and Manufacturing) accounted for 34.5% of the 2023 Colorado GDP and 31.7% of the change in GDP.

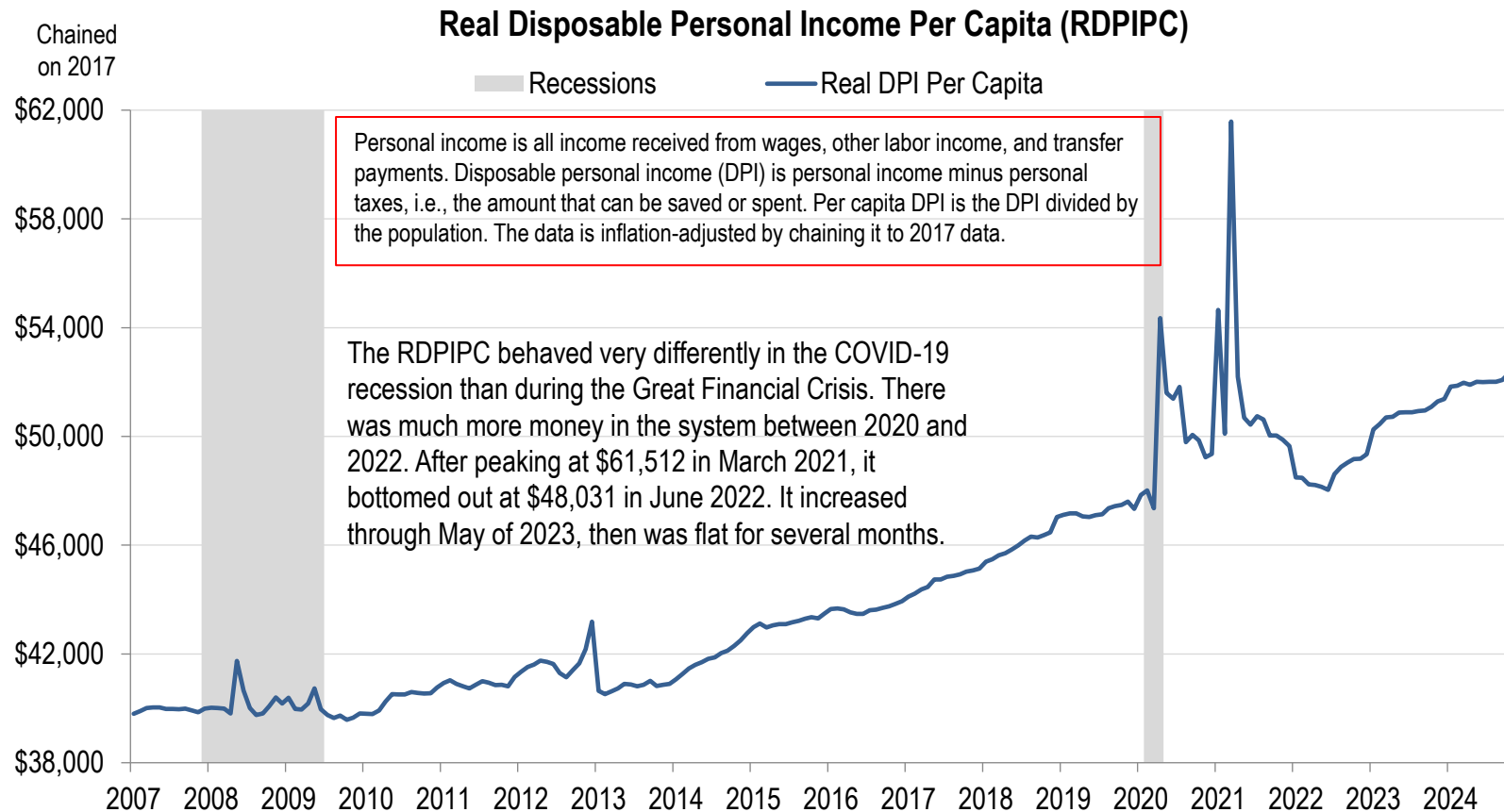
The 2023 sectors with the most significant location quotients were Mining and Extraction (2.36), PST (1.37), Construction (1.35), AER (1.35), AFS (1.23), and Information (1.10). These sectors account for 31.8% of the GDP and 35.8% of the change in GDP.

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

In November 2024, RDPIPC was \$52,372. It was 2.1% greater than November 2023.

The monthly YOY change has been positive since January 2023. It has been between 2.0% and 3.1% in 2024.

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%

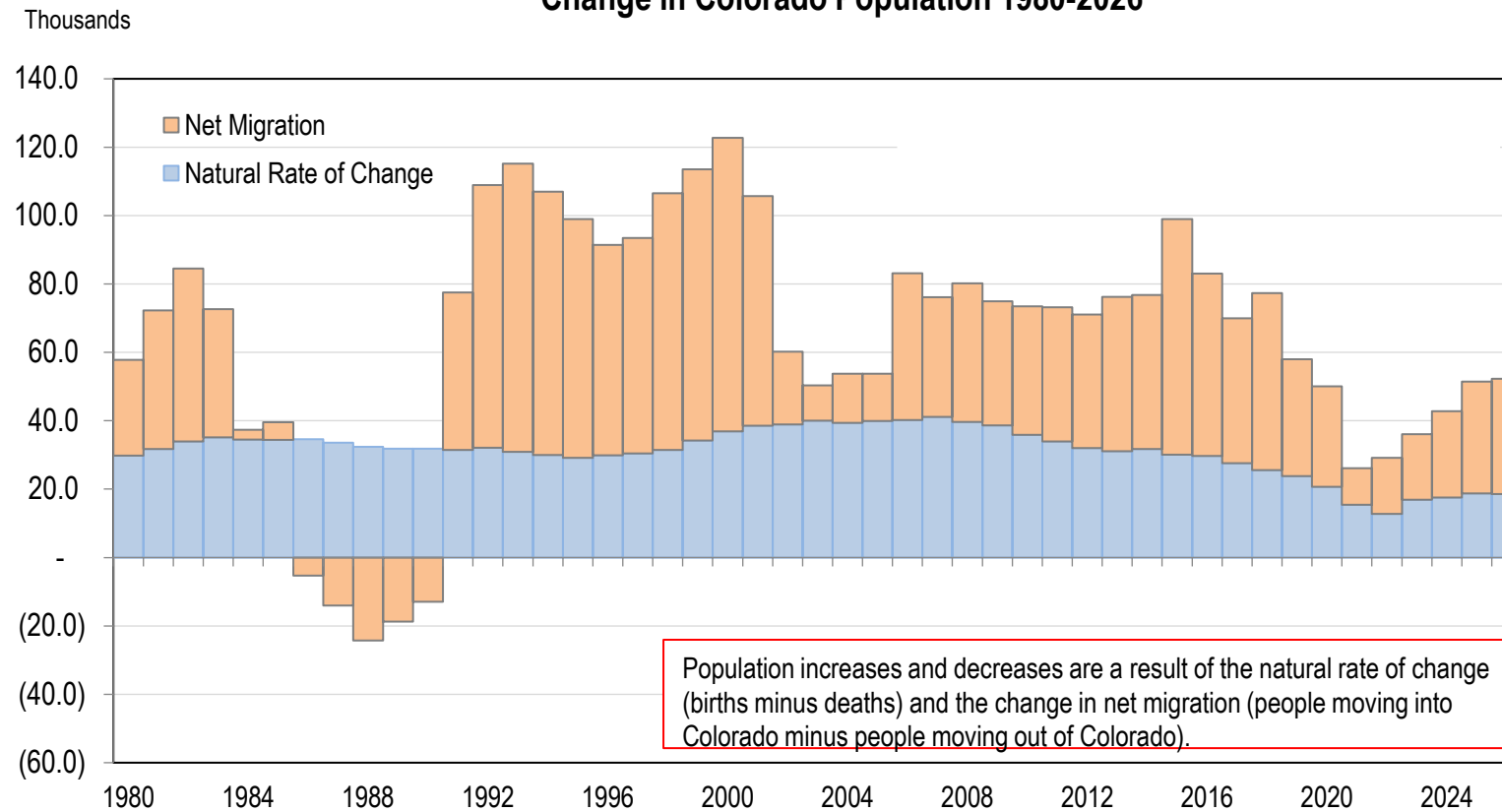
Source: FRED, BEA, SAAR, chained on 2017 dollars, cber.co. Note that the RDPIPC was previously chained on 2012 data. In October 2024, revisions were made to data after 2019.

Population – The Economy – It Begins with a Job and a Person for the Job

Colorado Population

Components of Change

Change in Colorado Population 1980-2026



Components of Change

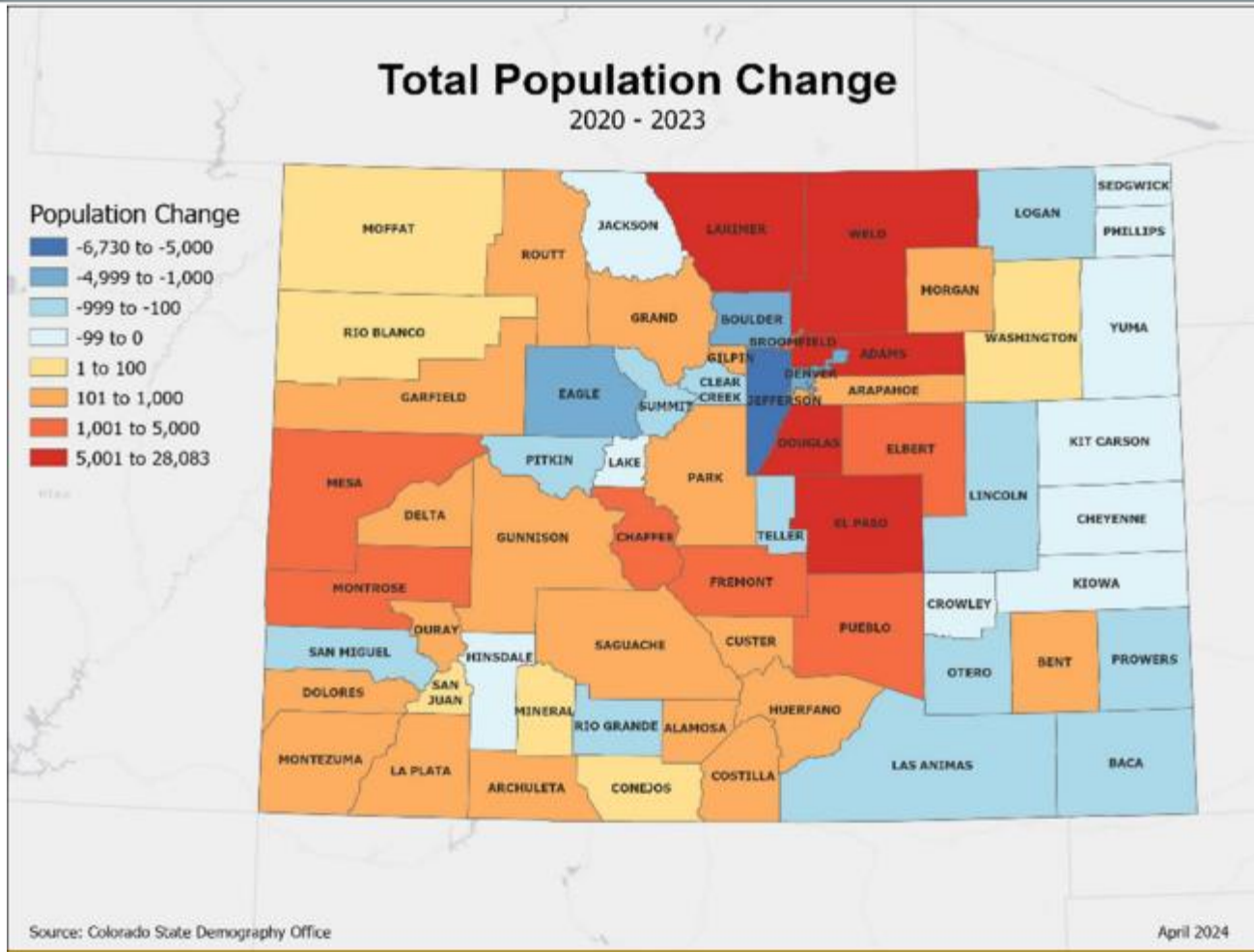
Since 2000, the population of Colorado has increased at a decreasing rate. There are fewer than anticipated people because of higher death rates, a lower fertility rate, and lower net migration. In 2020 and 2021, more significant population changes occurred because of pandemic-related policies, such as altered migration patterns and fewer births.

In 2024, the net migration (orange) increased by 32,700, the natural rate (blue) increased by 18,700, and the population increased by 51,400. The total Colorado population will be 5,970,544 in 2025 and 6,022,777 in 2026.

Sources: State Demography Office and cber.co.

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

Change in Colorado Population 2020 to 2023



Change in Colorado Population

For this period, the population in 26 of 64 counties decreased in population. The most significant increases were in Weld, Douglas, Adams, El Paso, and Larimer Counties (red). The population in Jefferson, Boulder, and Denver (dark blue) Counties declined the most. There were declines in most counties in the eastern third of the state.

Rank	County	Change
1	Weld	28,107
2	Douglas	23,639
3	Adams	13,147
4	El Paso	11,787
5	Larimer	10,719
6	Mesa	3,644
7	Elbert	2,575
8	Broomfield	2,359
9	Fremont	1,478
10	Montrose	1,357
11	Chaffee	1,120
12	Pueblo	1,116
57	Otero	-553
58	Summit	-555
59	Logan	-596
60	Pitkin	-713
61	Eagle	-1,256
62	Denver	-1,909
63	Boulder	-4,260
64	Jefferson	-6,682

Slide is from SDO Annual Summit, Nancy Gedeon presentation, Updates to Colorado's Population Estimates file
<https://demography.dola.colorado.gov/assets/html/summit.html>

U.S. and Colorado Employment and Unemployment

Employment and Change in Employment

United States

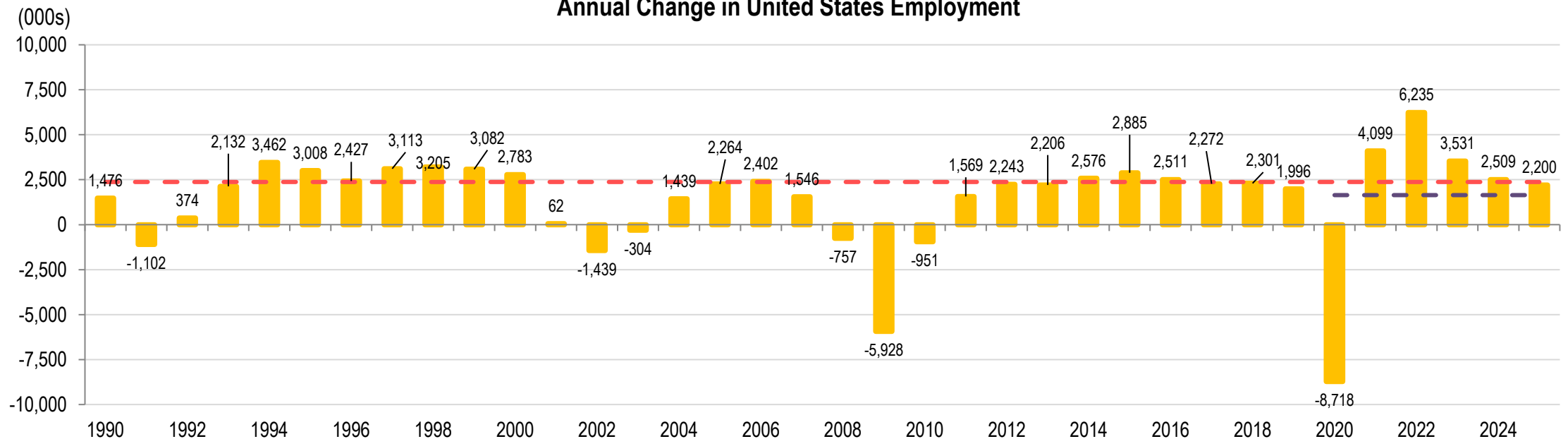
Change in United States Employment – 2012 to 2019

The average annual change in United States employment was 2,374,000 from 2012 to 2019 (red dotted line). Annual employment was above this average in 15 of the 45 years in the chart. The average monthly change from 2012 to 2019 was 197,800. The estimated annual change for 2025 is 2,200,000. In 2025, the average monthly change will be 183,000.

Change in United States Employment – 2020 to 2025

The United States had a commendable recovery in employment from the COVID-related policies; however, the estimated average annual change in employment for the six years 2020 to 2025 was 1,642,700 (short purple line). The average monthly change in employment for this period is 136,900, well below the average for 2012 to 2019.

Annual Change in United States Employment



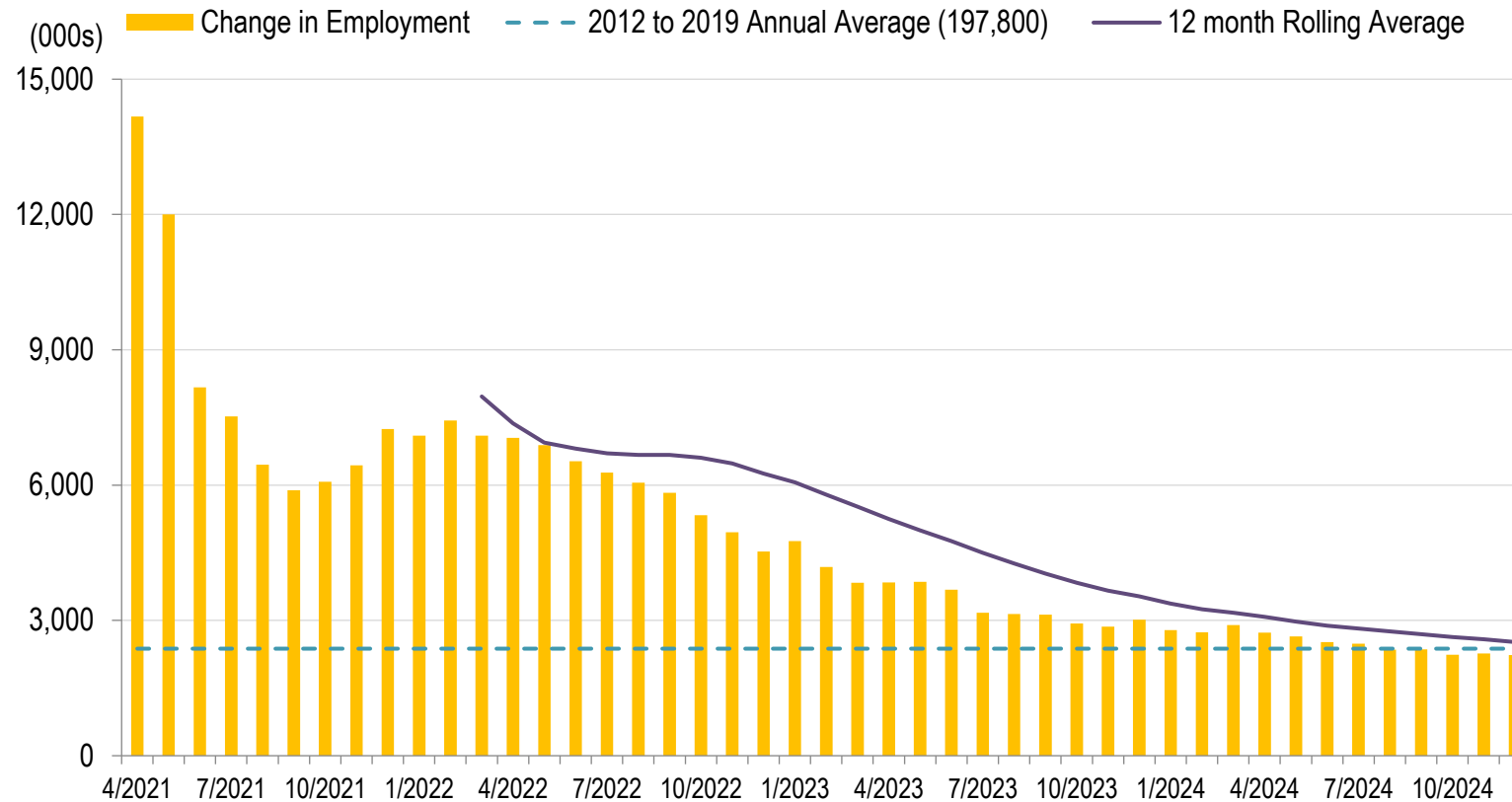
Source: Bureau of Labor Statistics, NSA, cber.co.

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YOY Change in Employment

United States

YOY Change in United States Employment



Change in Employment

From 2012 to 2019, average annual employment was 2,374,000 (blue dotted line). The average monthly change was 197,800.

April 2021 was the first month after the pandemic that the change in YOY employment was positive (14.1 million). Since then, it has trended downward. In December 2024, the monthly value was 2.2 million.

In March 2022, the 12-month rolling average (purple solid line) peaked at 7.9 million. It has since trended downward and was 2.5 million in December 2024. The average annual job growth for 2025 will be about 2.2 million.

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

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

Notice About Colorado Employment Data - BLS

Colorado Labor Data

Our country is fortunate to have the Bureau of Labor Statistics and the Labor Market Information (LMI) group within CDLE. LMI collects the QCEW data that determines changes in the state's monthly CES employment reports.

Unfortunately, since 2023, LMI has been responsible for UI data collection and process issues. As a result, BLS posted the notice (to the right) on its website in December 2024. The Denver and national media have accurately reported this issue.

In 2023, the data produced during the year showed that Colorado had one of the weakest labor markets in the country. After the benchmark revisions, the updated data showed Colorado had one of the stronger labor markets.

The problem is unique to Colorado, and BLS is taking steps to fix it. It will be necessary for those who rely on employment data to be patient. In time, BLS will provide a solution.

Notice on BLS Websites

The following notice was on the BLS Economic Release page for the employment data released on December 20, 2024.

Suspension of Publication of Colorado Data

Effective with the release of January 2025 data, both the Current Employment Statistics (CES) and Local Area Unemployment Statistics (LAUS) programs will be temporarily suspending publication of monthly data for Colorado. This suspension is because of ongoing issues with the modernization of Colorado's unemployment insurance (UI) system. Because of these issues, the Quarterly Census of Employment and Wages (QCEW) suspended publication of critical input data used in the production of CES and LAUS estimates.

Furthermore, revisions to estimates for 2024 that are scheduled to be issued by both programs in early 2025 will be affected. CES will be unable to complete the 2024 benchmark process for Colorado, while LAUS data revisions for 2024 will use the same inputs from CES and QCEW that had been used during the 2024 estimating year.

The State Employment and Unemployment news release for January 2025 is scheduled for March 17, 2025. The Metropolitan Area Employment and Unemployment news release for January 2025 is scheduled for March 21, 2025.

Additional information is available at www.bls.gov/sae/notices/2024/notice-regarding-suspension-of-publication-of-colorado-employment-and-unemployment-data.htm.

Source: Bureau of Labor Statistics, <https://www.bls.gov/news.release/laus.nr0.htm>

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

Change in Colorado Employment

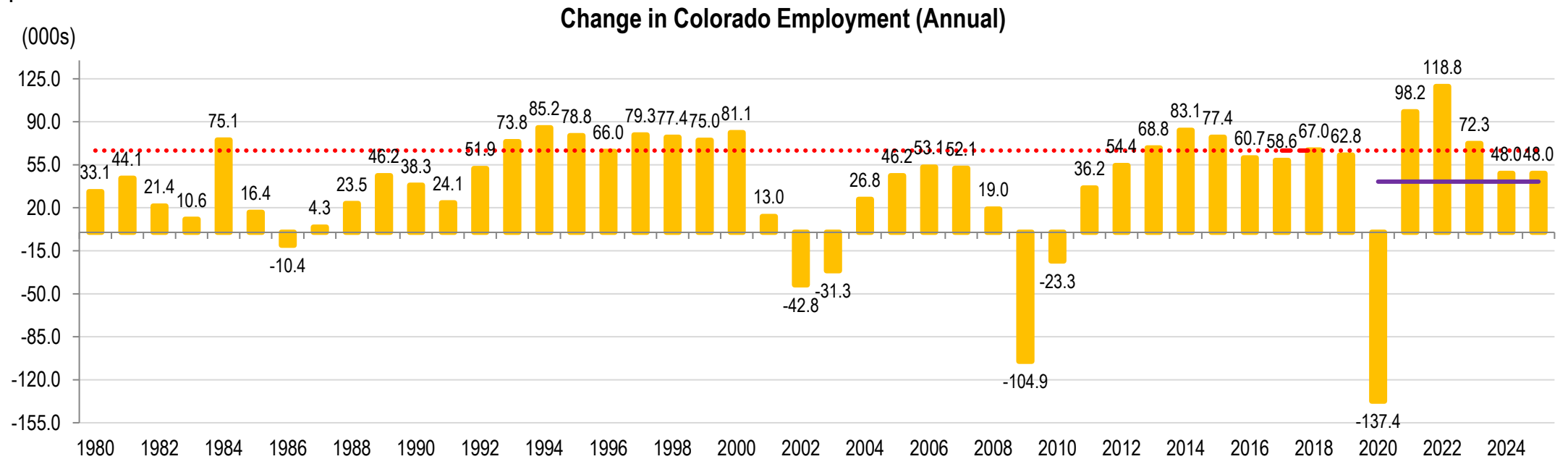
Colorado 1980 to 2025

Change in Colorado Employment – 2012 to 2019

The estimated average annual change in Colorado employment was 66,600 between 2012 and 2019 (red dotted line). Annual employment was above the average in 15 of 46 years. The estimated change for 2025 is 48,000.

Change in Colorado Employment – 2020 to 2025

Colorado has had a commendable recovery in employment from the COVID-related policies; however, the estimated average annual change in employment is 41,300 between 2020 and 2025 (short purple line). Note: This average is not representative because of the extreme job losses and gains during this period.

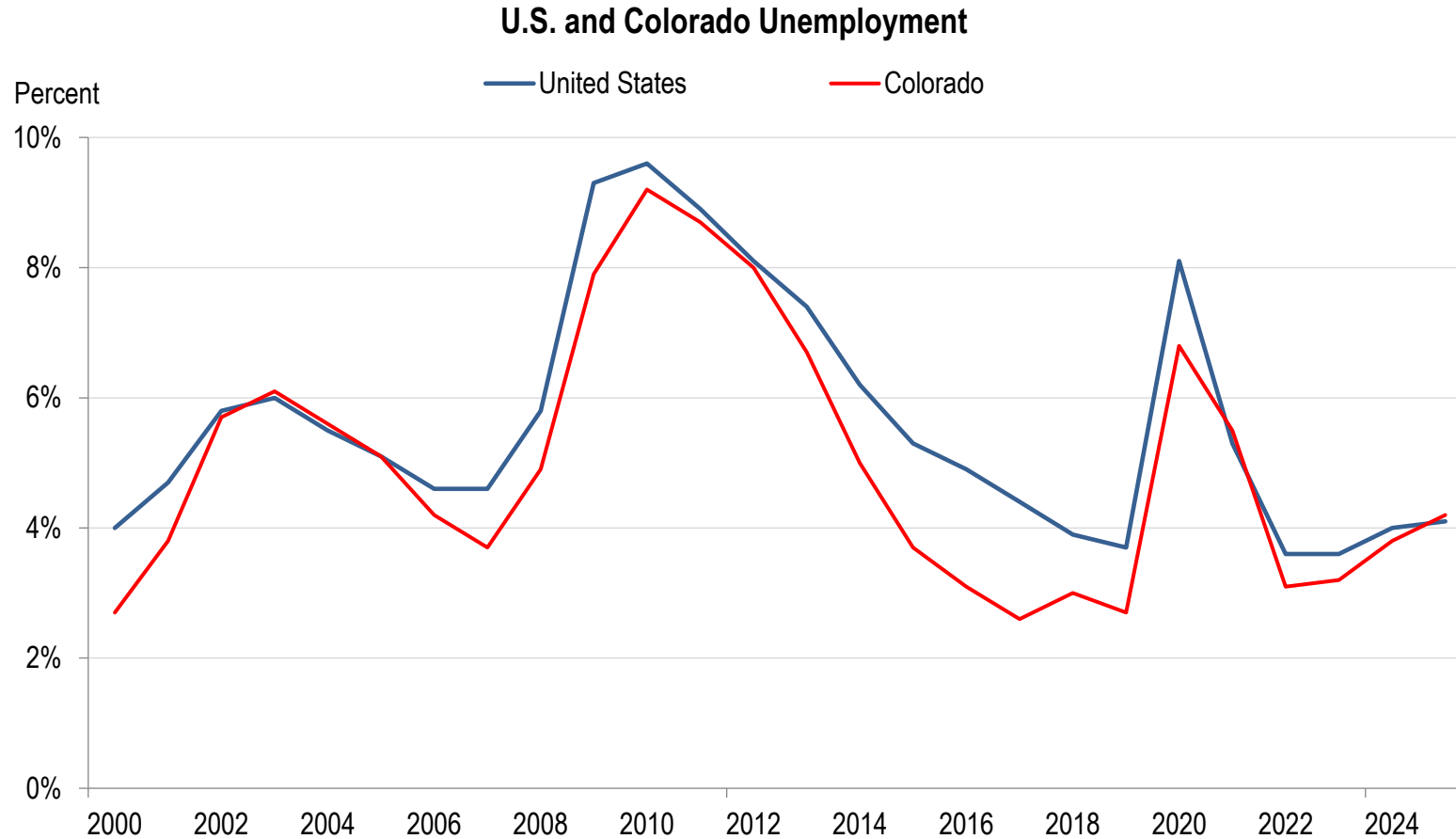


Source: Bureau of Labor Statistics, NSA, cber.co.

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

Unemployment Rate

United States and Colorado



Source: BLS, SA, cber.co.

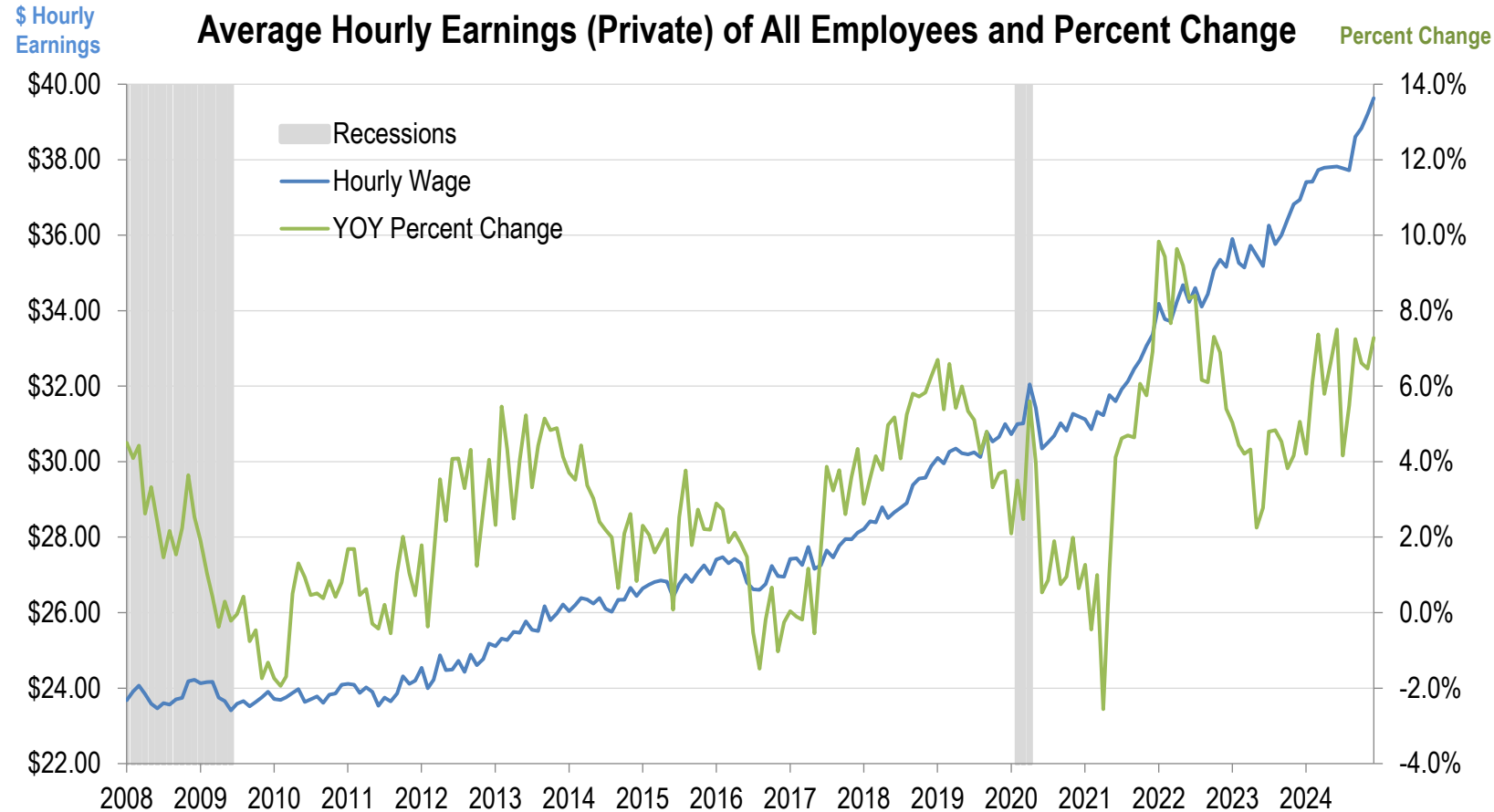
Unemployment Rate

The Colorado unemployment rate was less than the U.S. rate in 21 of 26 years.

The exceptions are in 2003, 2004, 2005, and 2021. Colorado was lower every year from 2006 to 2020.

In 2024, the Colorado rate was 3.8% compared to 4.1%. The rate in Colorado will be 4.2% in 2025, and the rate in the United States will be 4.1%.

Average Hourly Earnings of All Employees (Private) Colorado



Source: BLS, NSA, cber.co.

Hourly Earnings, Percent Change, and CPI
The December 2024 private hourly earnings for Colorado (blue) were \$39.63, a YOY increase of 7.3% (green).

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

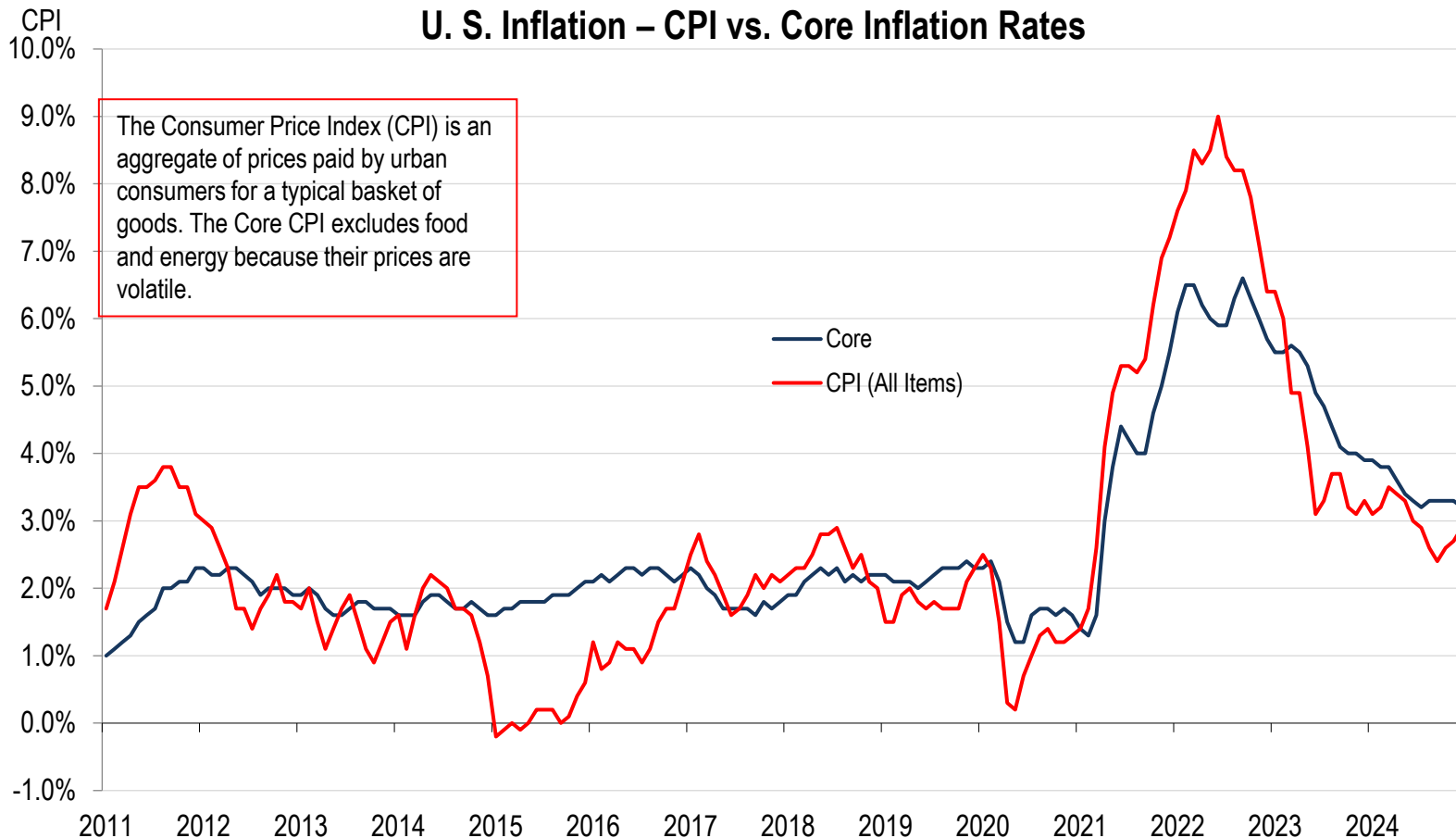
Year	CO CPI	Earnings	Change
2017	3.4%	\$27.60	2.0%
2018	2.7%	\$28.92	4.8%
2019	1.9%	\$30.37	5.0%
2020	2.0%	\$30.99	2.0%
2021	3.5%	\$31.97	3.2%
2022	8.0%	\$34.47	7.8%
2023	5.2%	\$35.91	4.2%
2024	2.3%	\$38.10	6.1%

Source: BLS, cber.co

Inflation

CPI Inflation

U.S. CPI vs. Core Inflation



U.S. CPI vs. Core Inflation

In 2024, the annual CPI rate (red) was 2.9%, and the core rate (blue) was 3.4%.

The monthly 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%.

Monthly 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 will be volatile in 2025; however, consumers have struggled with the price of goods and services (the accumulated effects of inflation that began in 2021).

Source: Bureau of Labor Statistics, Core Inflation is the CPI less food and energy; CPI All Items City Average SA, cber.co.
 Colorado-based Business and Economic Research <https://cber.co>

From “Transitory Inflation” to “Accumulated Rate of Inflation”

Annual 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. Instead, consumers have had to deal with the accumulated effects of inflation from 2021 to 2023.

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%
2024	2.9%	3.4%

Source: BLS, cber.co

Annual U.S. vs. Denver CPI Rates

The table above shows the annual Denver MSA CPI was 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

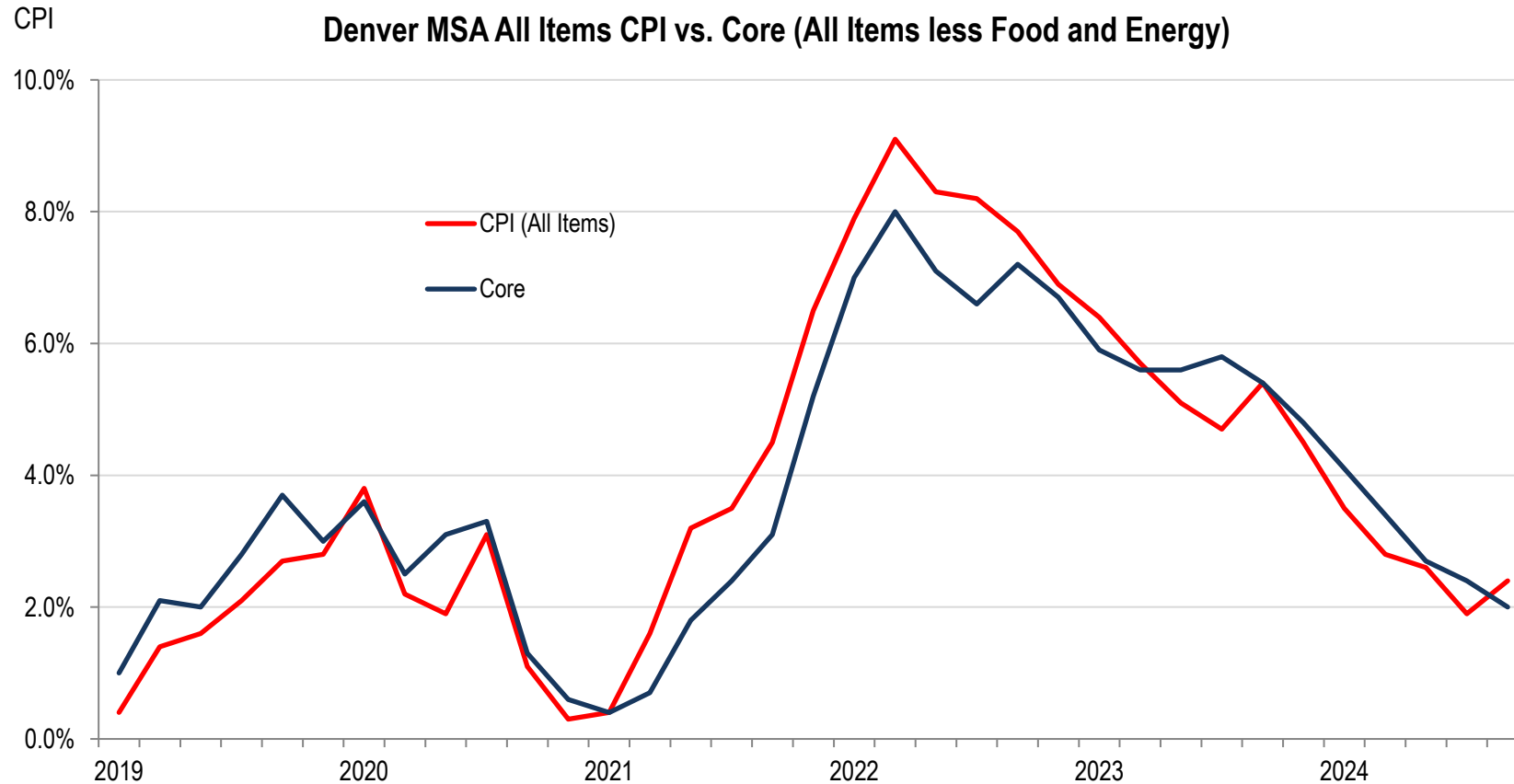
United States				Components	Colorado			
2021	2022	2023	All Years		2021	2022	2023	All Years
4.7%	8.0%	4.1%	17.7%	CPI	3.5%	8.0%	5.2%	17.7%
3.6%	6.2%	4.8%	15.2%	Core	2.5%	7.1%	5.4%	15.7%
3.8%	9.6%	5.7%	20.2%	Food and Beverage	2.9%	9.9%	5.9%	19.7%
3.5%	11.4%	5.0%	21.1%	Food at Home	1.8%	11.1%	4.8%	18.5%
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 were 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 in 2024 (not shown).

The Denver MSA rate was 2.7% for H1 2024 and 1.9% for H2 2024. It was 2.3% for 2024.

Core inflation was 3.1% in H1 2024 and 2.4% in H2 2024. The core inflation rate for 2024 was 2.7%.

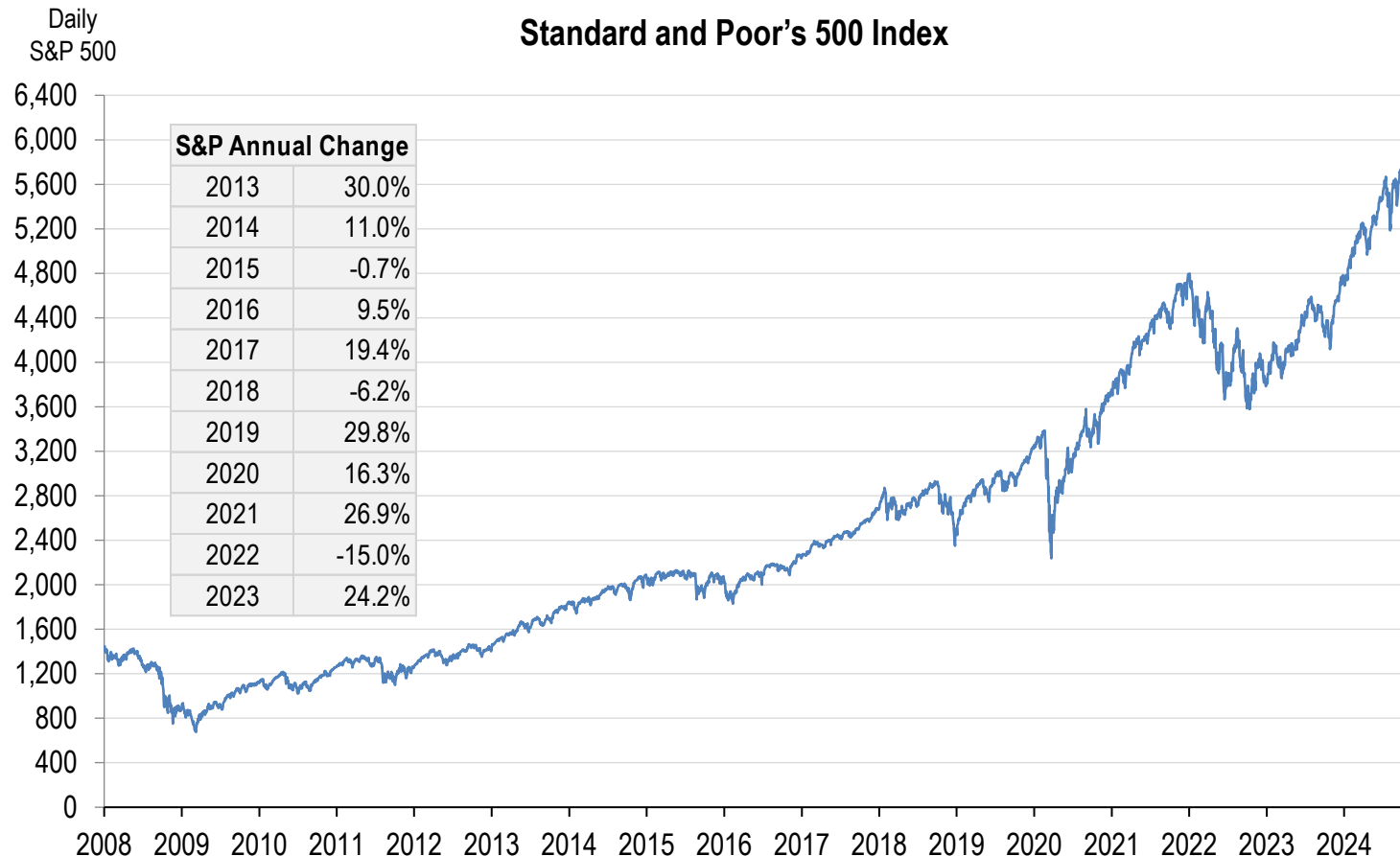
By comparison, the CPI for the United States was 2.9%, and core inflation was 3.4% in 2024.

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

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%**

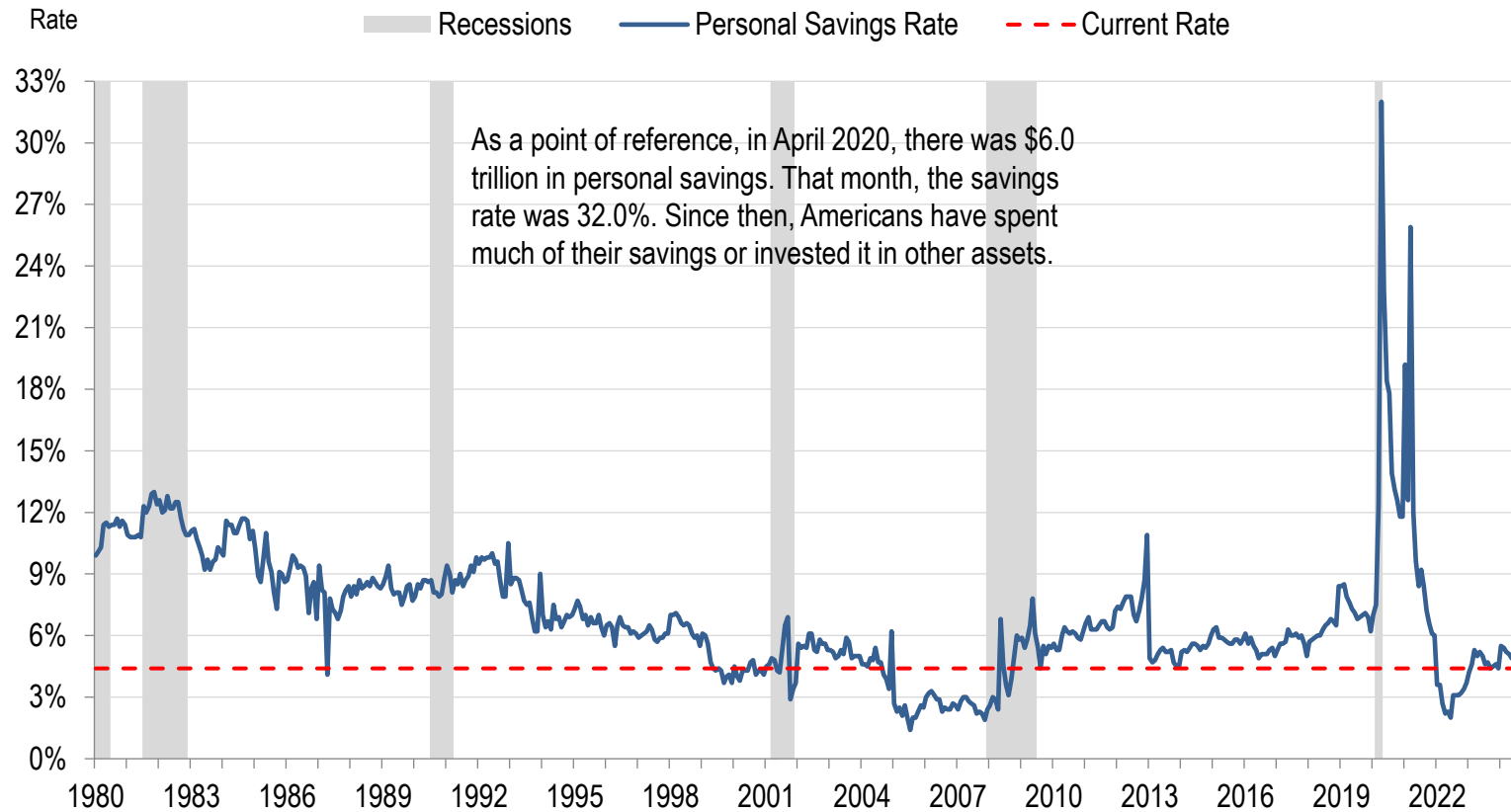
2024 Bull Market

December 31, 2024 5,872, YTD change **+23.3%**.

U.S. Personal Saving Amount and Rate

Percentage of Disposable Personal Income (DPI)

Personal Saving Rate



Personal Saving Rate

Americans have cleared out their savings accounts. The November 2024 personal saving rate was 4.4%, and savings were \$968.1 billion.

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

Year End Personal Savings (Billions) and Rate

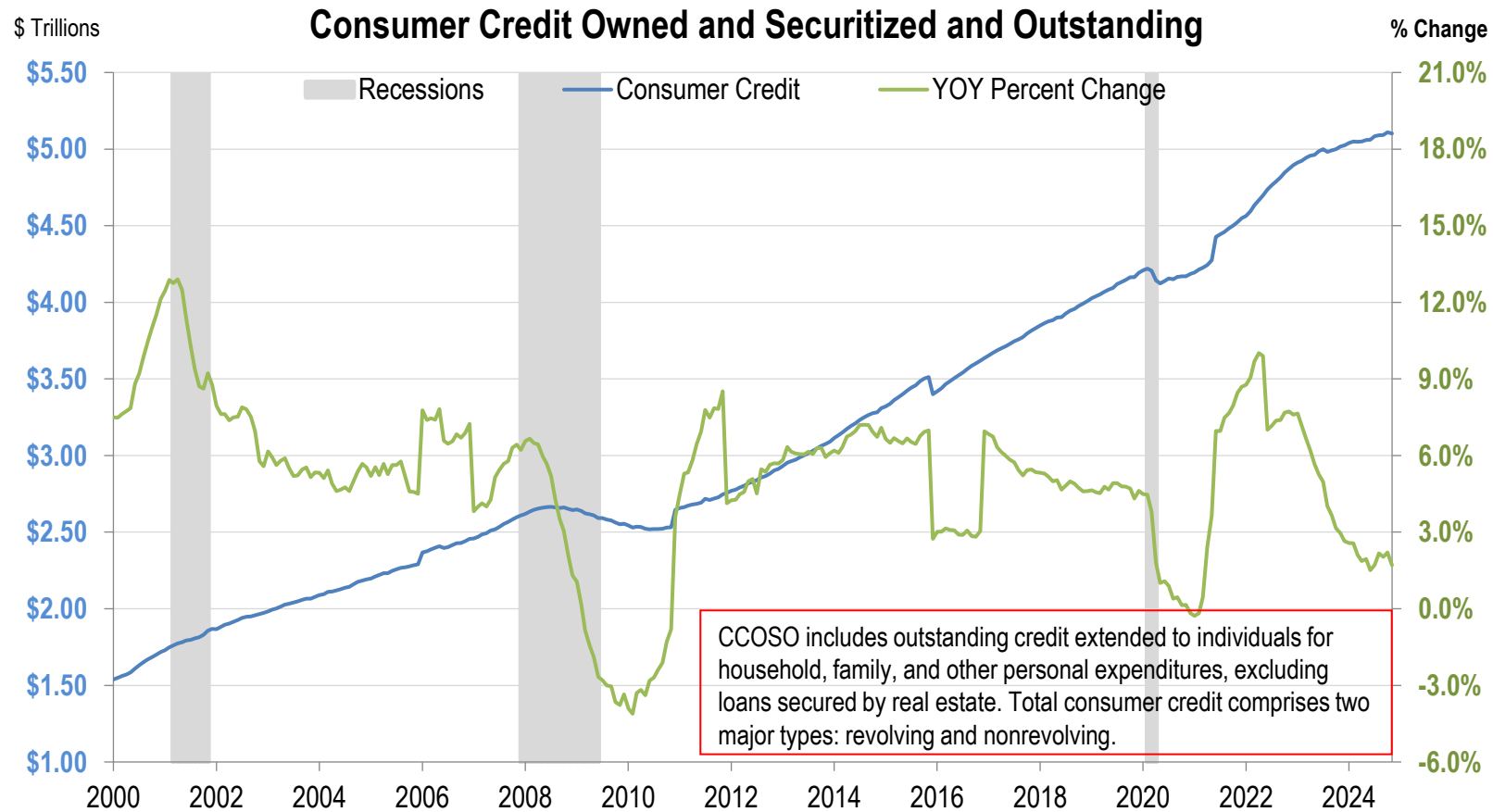
2017	\$748.0	5.0%
2018	\$1,338.9	8.4%
2019	\$1,051.4	6.4%
2020	\$2,085.0	12.0%
2021	\$1,115.2	6.1%
2022	\$561.9	3.4%
2023	\$766.0	3.7%

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 Owned and Securitized and Outstanding

United States



Consumer Credit

In November 2024, the YOY rate of outstanding consumer credit (including consumer loan defaults) increased by 1.7% (green). Securitized credit is about 5.1 trillion. It has been above \$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

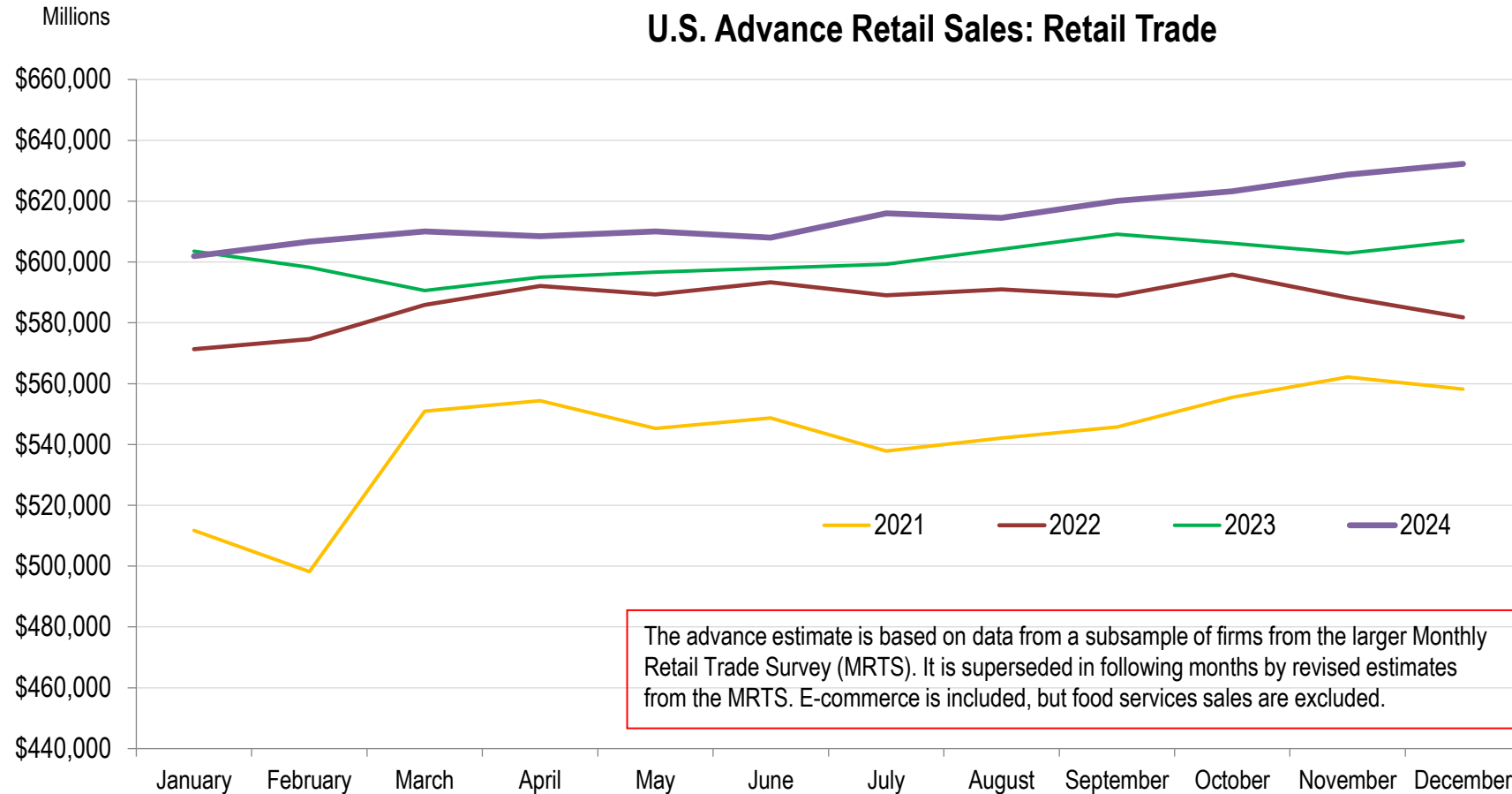
2017	\$3,738.3	5.9%
2018	\$3,922.6	4.9%
2019	\$4,106.3	4.7%
2020	\$4,168.2	1.5%
2021	\$4,375.6	5.0%
2022	\$4,735.8	8.2%
2023	\$4,969.9	4.9%

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 (green) and the first three quarters of 2024. Annual sales for 2024 (purple) were \$7.4 trillion, 2.4% greater than 2023 (green).

Consumers are spending. They are using credit cards and money from their savings accounts. They are 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

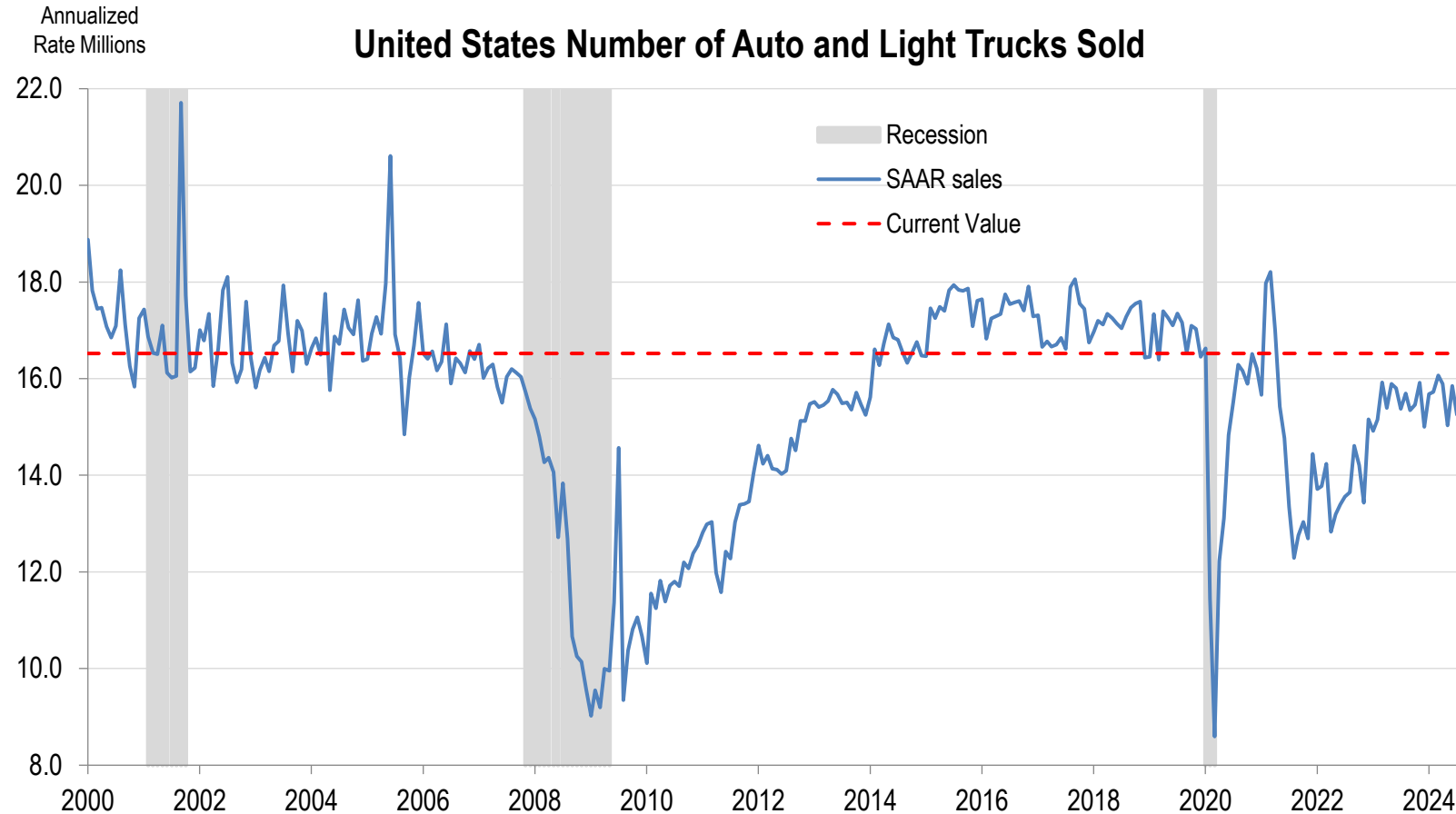
Source: U.S. Census Bureau, FRED, cber.co. Data updated in April 2024. Note: Not adjusted for inflation.

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U.S. Indicators

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.

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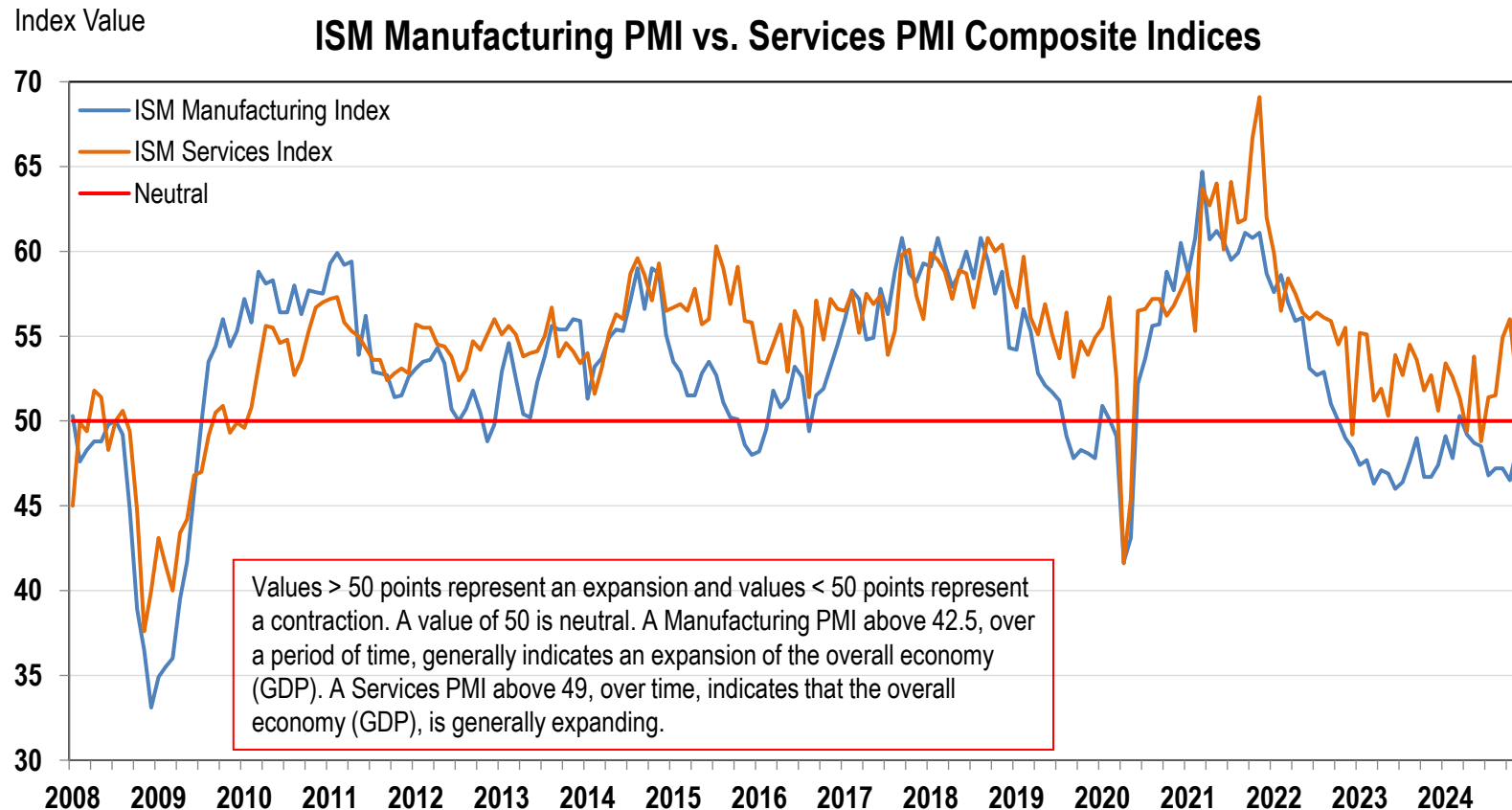
Auto and Light Truck Sales SAAR

In November 2024, auto and light truck sales increased to 16.5 million (red dotted line). Monthly unit sales accelerated in November with year-end incentives. 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

ISM Purchasing Managers Composite Indices

Manufacturing vs. Services



Source: Institute of Supply Management, cber.co.

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Manufacturing and Services PMI

The ISM manufacturing index (blue) was below 50 for 24 of the past 25 months.

Demand continued to be weak. ISM reported that 52% of manufacturing sectors GDP was in decline. Seven of fourteen sectors in the survey reported gains. The Index value for December 2024 was up 0.9 points to 49.3.

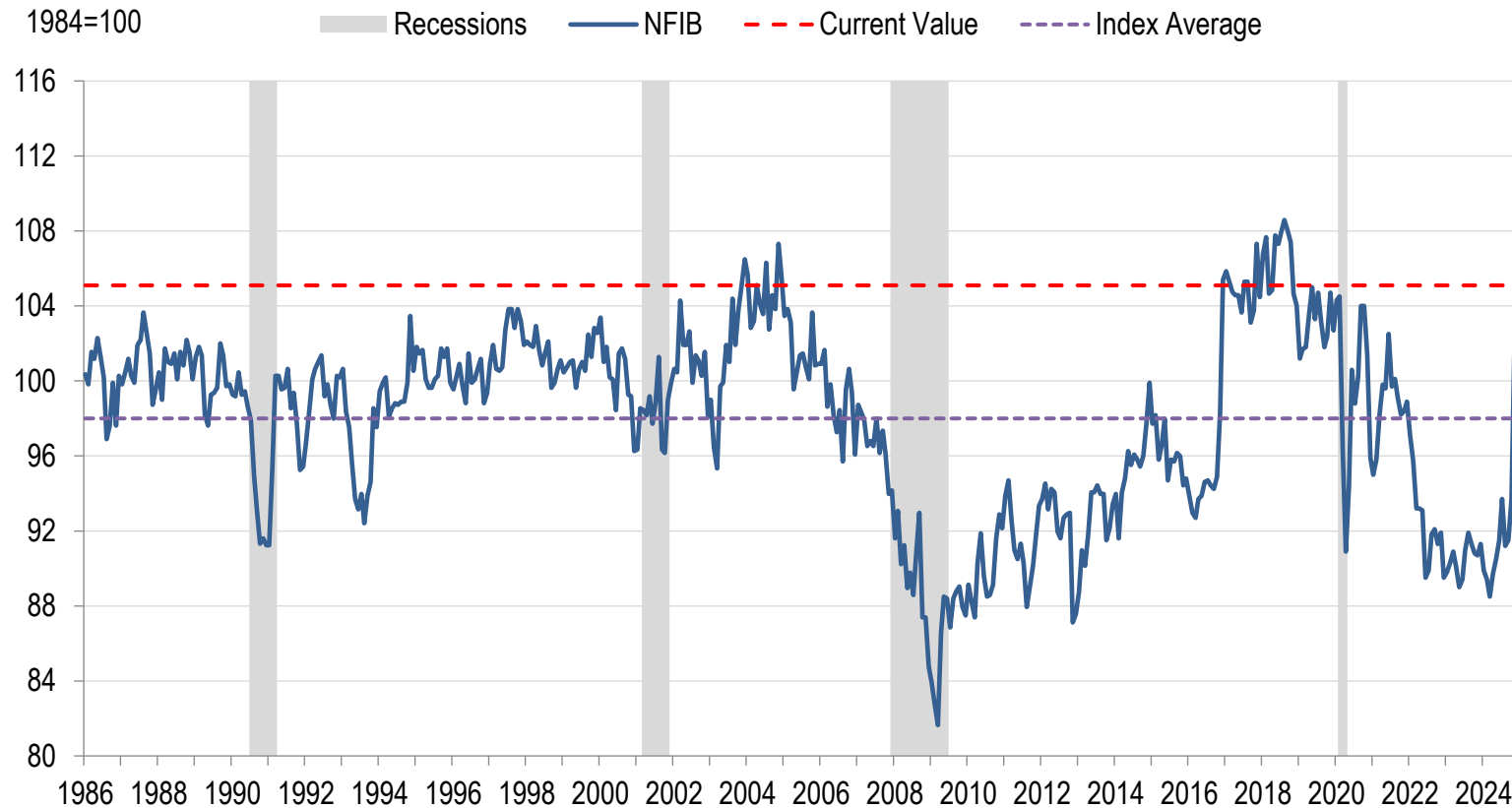
In November 2021, the ISM service index (orange) peaked at 69.1. In 2024, the index was between 48.8 and 56.0. In December, it rose to 54.1.

Nine service industries posted gains and six reported declines in December. There was strength in business activity and supplier deliveries. Stronger demand is expected for 2025. In general, there is increased optimism; however, there were concerns about tariffs.

NFIB Small Business Optimism Index

United States

NFIB Small Business Optimism Index



NFIB Small Business Index

In December 2024, the NFIB index rose to 105.1 (red dotted line). This is the second consecutive month it has been above the 50-year average of 98.0 (purple dotted line). In December, seven of the ten index optimism components increased, two decreased, and one was unchanged.

The uncertainty index improved significantly after the election.

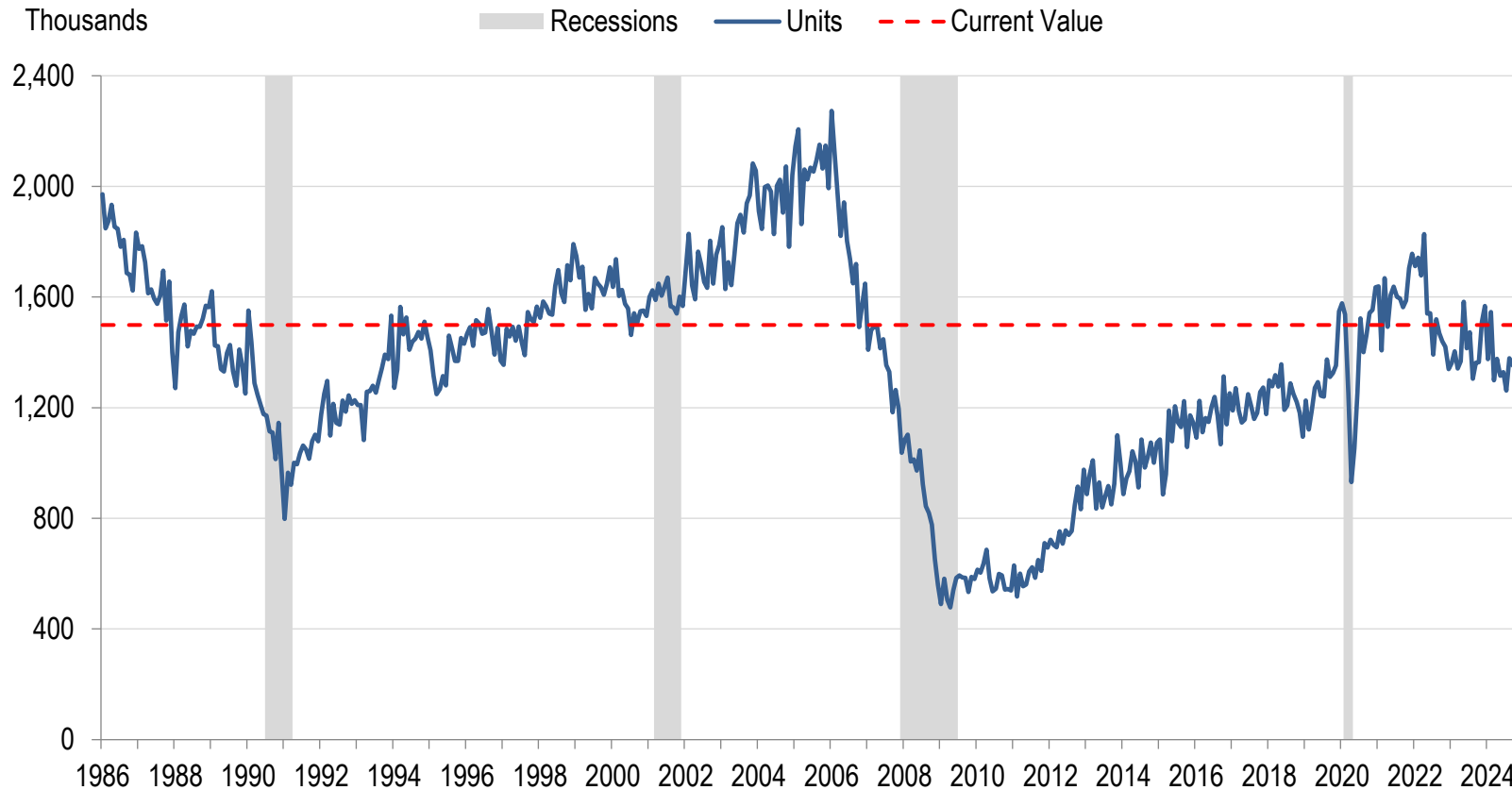
The top concerns are higher prices (not the rate of increase), the quality of labor, tax policy, and. For more details, the NFIB monthly SBET report is available at <https://www.nfib.com/>.

Source: NFIB, cber.co.

New Privately-Owned Housing Units Started

United States

New Privately Owned Housing Units Started



New Privately Owned Housing Units Started, SAAR

The demand for housing is high. The number of units will be impacted by changes in interest rates, hurricanes in the South, and fires in California. There were only 1.5 million starts in December 2024 (red-dotted line).

In April 2009, housing starts bottomed out at 478,000. They trended upward until April 2022, and there were 1.8 million housing starts. Since then, they have trended downward.

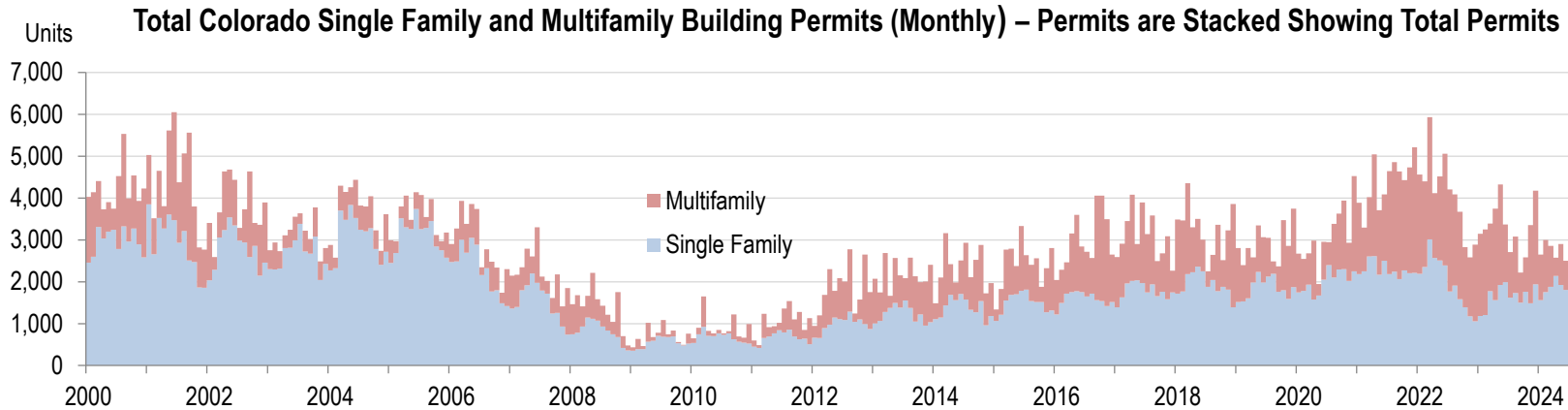
Units Started (Annual)			
Year	Units	Year	Units
2005	2,073	2016	1,177
2006	1,812	2017	1,205
2007	1,342	2018	1,247
2008	900	2019	1,292
2009	554	2020	1,397
2010	586	2021	1,606
2011	612	2022	1,551
2012	784	2023	1,415
2013	928		
2014	1,000		
2015	1,107		

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

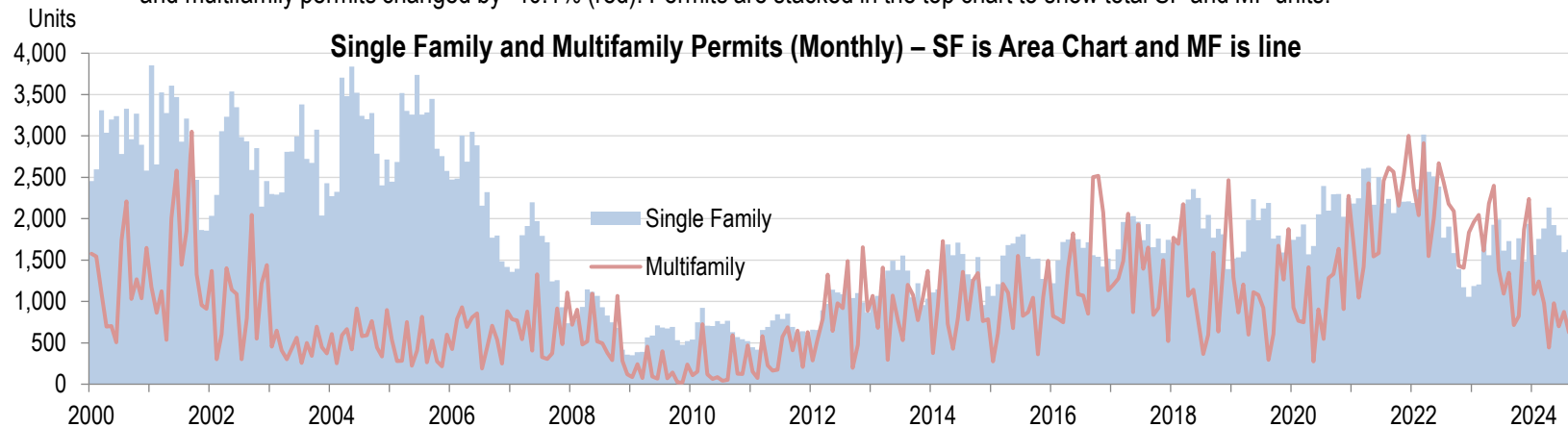
Colorado Indicators

Colorado Residential Building Permits

Single Family and Multifamily Units



The total number of single-family permits for the first 11 months of 2024 changed by +6.2% (blue) compared to the same period in 2023, and multifamily permits changed by -40.1% (red). Permits are stacked in the top chart to show total SF and MF units.



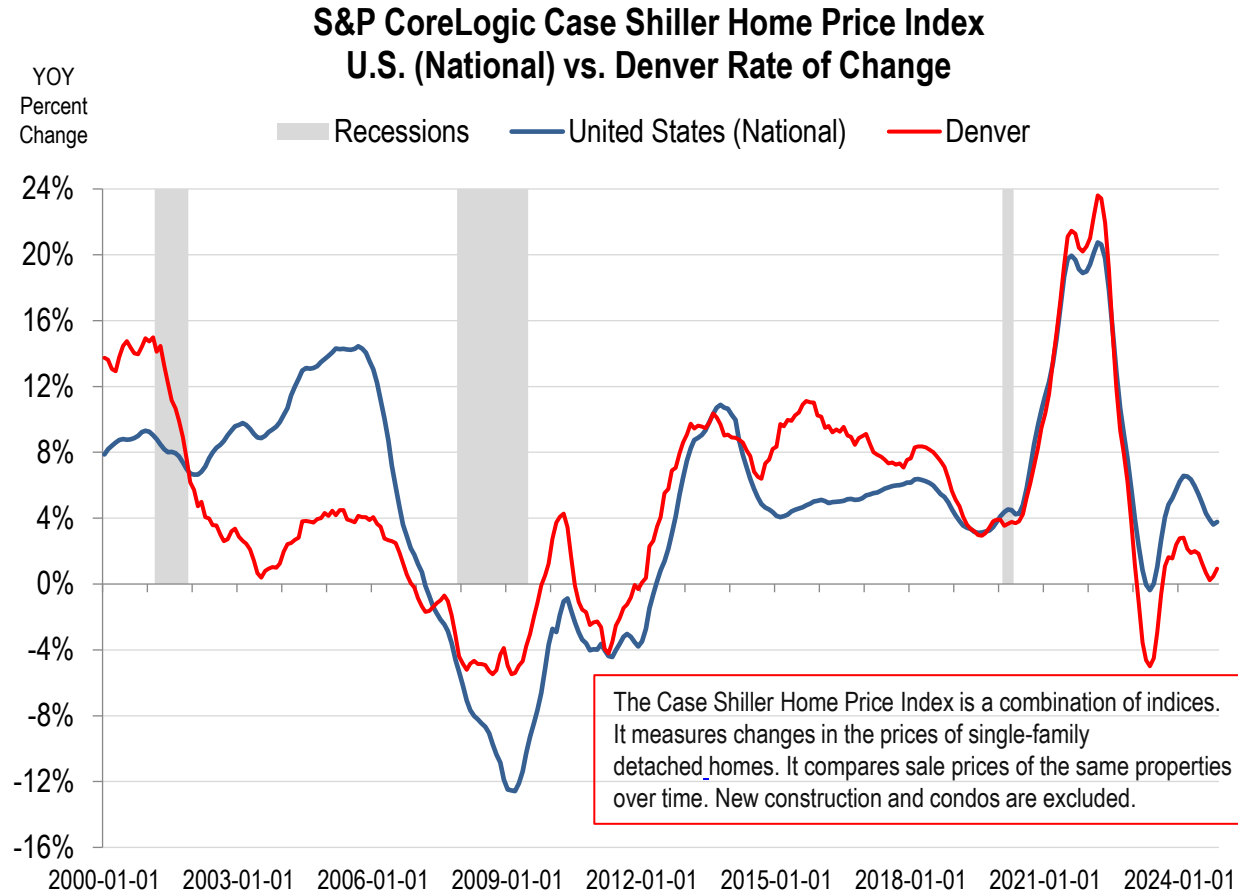
Annual Building Permits		
Year	Single Family	Multi-Family
2000	38,588	16,008
2001	36,437	18,570
2002	35,042	12,878
2003	33,894	5,732
2004	40,753	5,746
2005	40,018	5,732
2006	30,365	7,978
2007	20,516	8,938
2008	11,147	7,851
2009	7,261	2,094
2010	8,790	2,801
2011	8,729	4,779
2012	12,618	10,684
2013	15,773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

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Case Shiller Home Price Index

YOY National vs. Denver Rate of Change



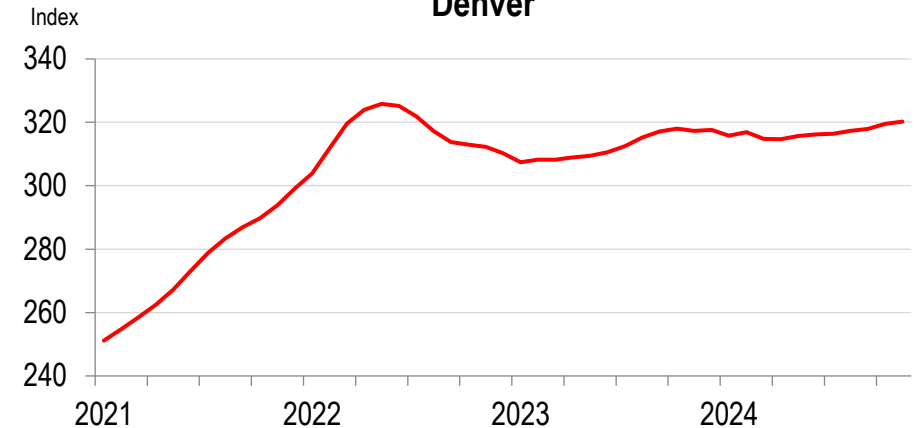
Source: FRED, S&P Case Shiller, cber.co.

Change in S&P CoreLogic Case Shiller Index

In November 2024, the YOY change in the U.S. index (blue) was +3.8%, and the Denver index (red) changed by 0.9%. (The Denver index is in the chart below). Note that the value for November 2024 is lower than the 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

December

Colorado Single Family Market Review						
December 2023	December 2024	% Change		YTD 2023	YTD 2024	% Change
3,057	3,508	14.8%	New Listings	81,288	90,453	11.3%
3,577	4,087	14.3%	Pending/Under Contract	63,952	66,885	4.6%
4,191	4,981	18.8%	Sold Listings	64,086	66,098	3.1%
\$ 549,000	\$ 575,000	4.7%	Median Sales Price	\$ 565,000	\$ 580,000	2.7%
\$ 703,697	\$ 735,996	4.6%	Average Sales Price	\$ 722,887	\$ 748,687	3.6%
98.1%	98.2%	0.1%	Percent of List Price Received	98.9%	98.8%	-0.1%
62	68	9.7%	Days on Market Until Sale	49	54	10.2%
76	71	-6.6%	Housing Affordability Index	73	70	-4.1%
13,466	14,147	5.1%	Inventory Active Listings			
2.5	2.6	4.0%	Months Supply of Inventory			

Colorado Single Family Market Review

The YTD new listings, pending contracts, and sold listings increased in 2024. Median sales prices for December are greater than a year ago. In December 2024, there were 2.4 months of inventory.

Lower interest rates are likely to improve the performance of the Colorado residential real estate market. There is a low inventory of houses, and they were less affordable in 2023.

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.

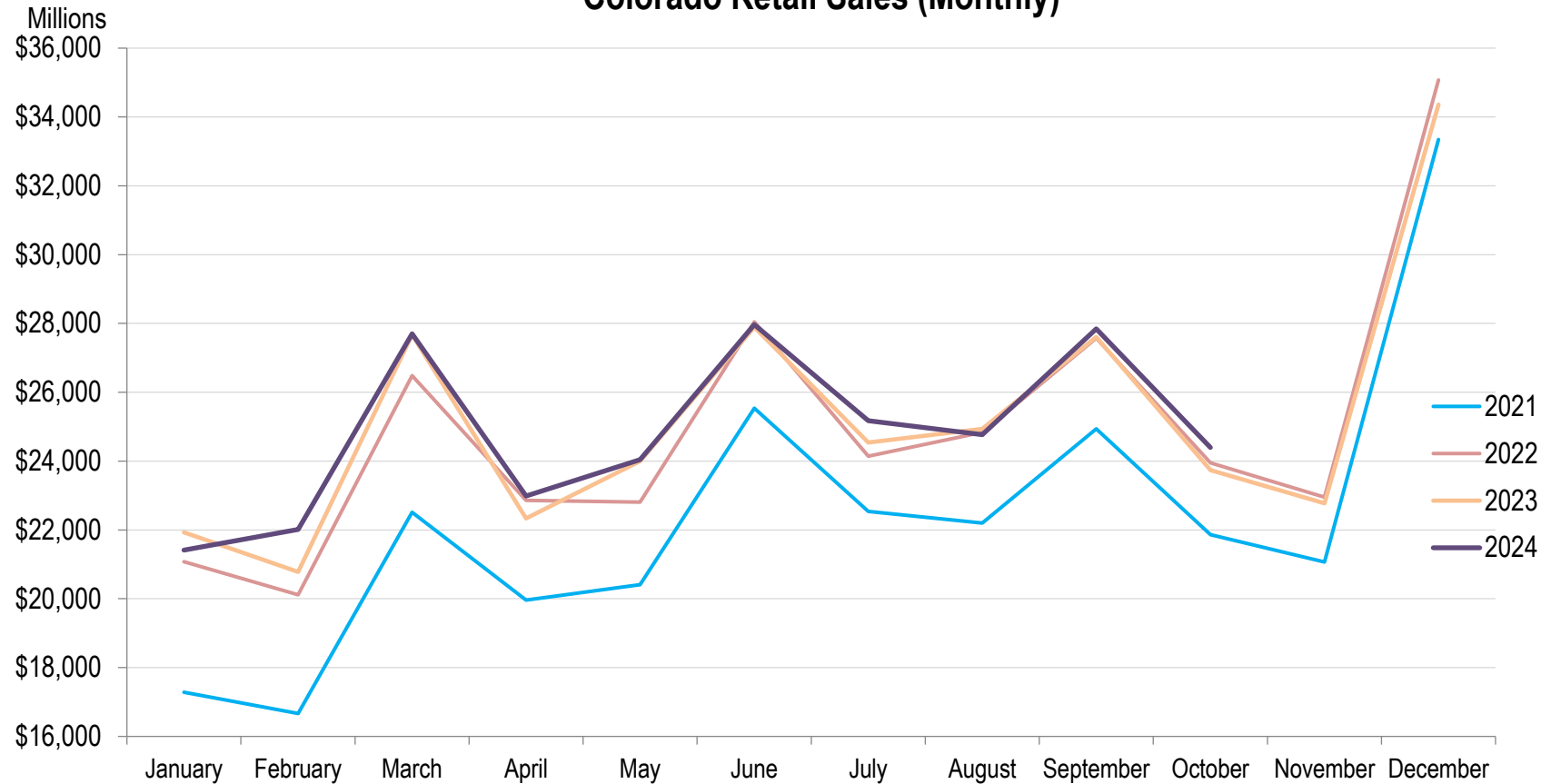
Source: CAR, <https://coloradorealtors.com/>, cber.co.

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Colorado Retail Sales

Monthly

Colorado Retail Sales (Monthly)



Colorado Retail Sales
 Year-over-year retail sales through October 2024 (dark purple) were 1.2% greater than during the same period in 2023 (pink).

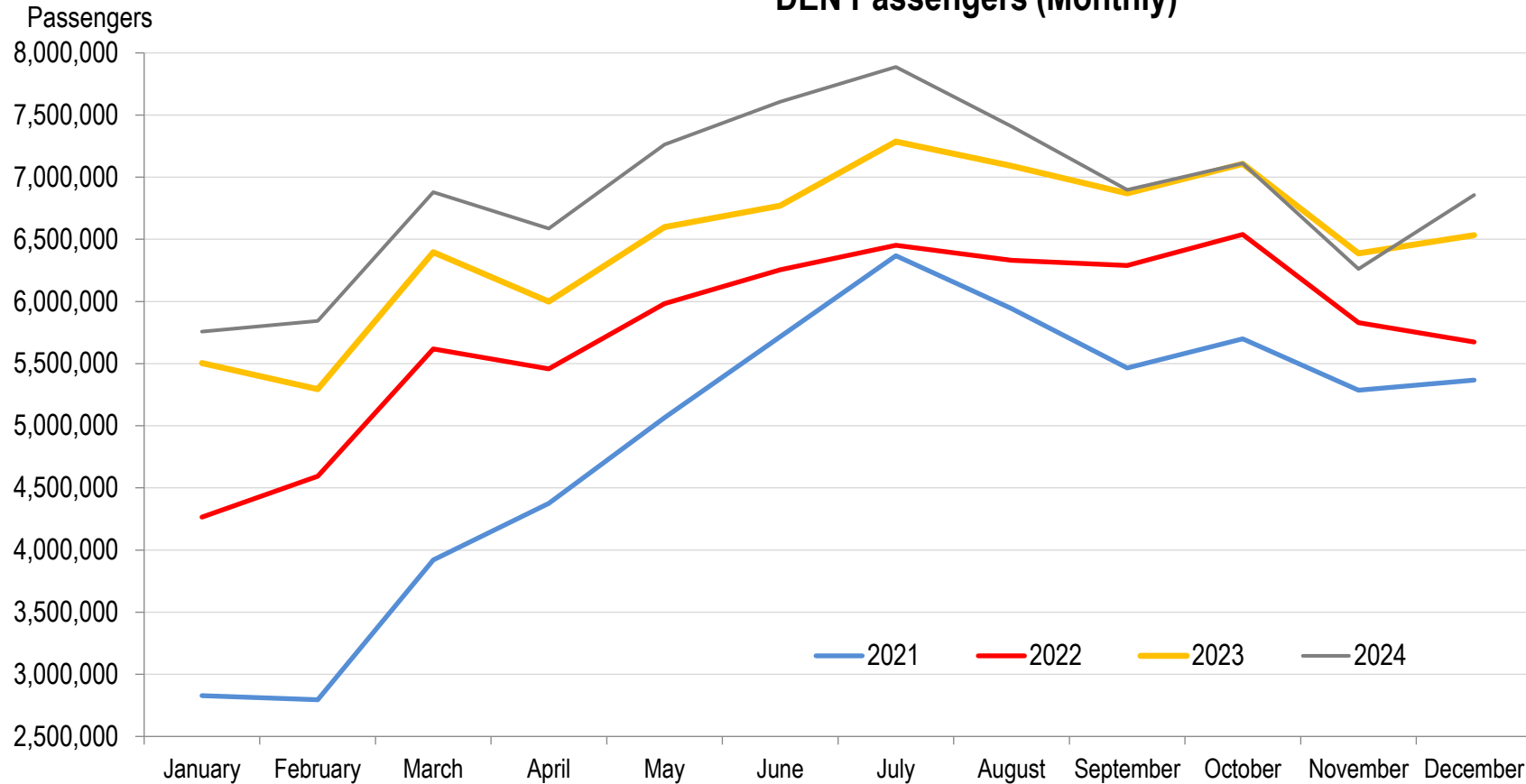
Annual Retail Sales (Billions)		
2017	\$194.6	5.4%
2018	\$206.2	5.9%
2019	\$224.6	9.0%
2020	\$228.8	1.9%
2021	\$268.3	17.3%
2022	\$299.9	11.8%
2023	\$302.6	0.9%

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 82.4 million passengers through DIA in 2024 (grey line), an increase of 5.8% compared to 2023. The goal is to surpass 100 million passengers in the near term.

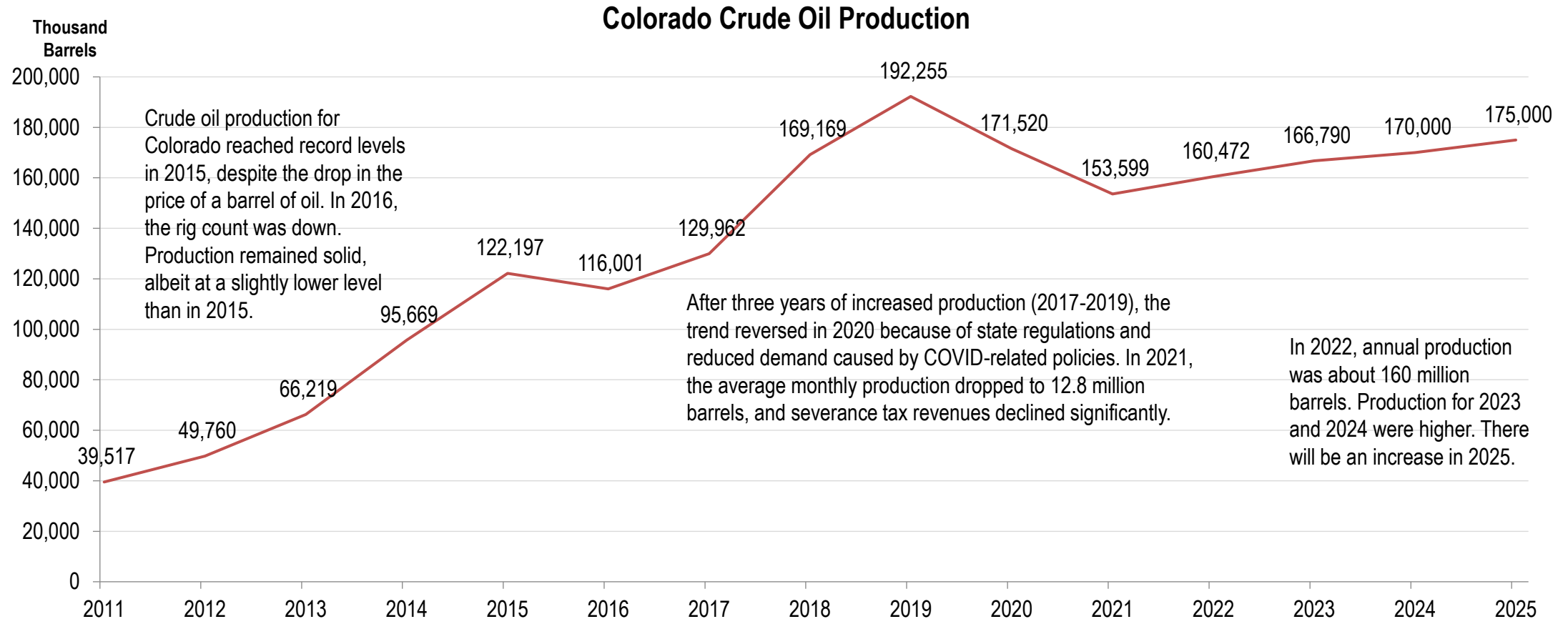
There were 2.3 million passengers through COS in 2023. Through eleven months in 2024, there were 2.67 million passengers, a YTD YOY increase of 6.1%.

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 Field Production of Crude Oil

2011 to 2024 (Thousand Barrels)



Source: EIA, cber.co.

Colorado Forecast

Colorado Economic Forecast 2025

		Colorado Economic Forecast				
		2022	2023	2024	2025	
Real GDP growth (Colorado) slowed in 2024. It will increase at a slower rate than the United States in 2025.	Real GDP Value (billions) (chained 2017)	\$418.8	\$437.1	\$447.10	\$456.9	In 2024 82.3 million passengers flew through DIA. Officials now say, it might be possible to have 100 million passengers by 2027. More than 2.5 million passengers are expected at the Colorado Springs (COS) airport in 2025.
	% Change Real GDP	3.0%	4.4%	2.3%	2.2%	
The population (Colorado) will increase by only 51,400 people in 2025.	Colorado Population	5,840.2	5,876.3	5,919.1	6,022.8	In 2023, there were 19,600 SF permits and 19,800 MF unit permits. In 2024, the total number of permits declined (20,000 SF permits and 11,500 MF unit permits). Despite a shortage of affordable housing, there will be 20,000 SF permits in 2025 and only 14,000 MF unit permits. The construction (housing) and real estate markets will continue to be volatile in 2025.
	Annual Change (thousands)	29.1	36.1	42.8	51.4	
The job market will taper off to about 48,000 in 2024 and 2025. The unemployment rate will increase significantly but remain at a rate similar to the U.S. rate.	CES Employment (thousands)	2,869.7	2,942.0	2,990.0	3,038.0	Annual production of crude oil has increased since 2021. Fossil fuels will play an integral role in the U.S. and Colorado economies in the future.
	Annual Change (thousands)	118.7	72.3	48.0	48.0	
	% Change	4.3%	2.5%	1.6%	1.6%	
	Unemployment Rate	3.1%	3.2	3.8%	4.2%	
Consumers will continue to be resilient. Retail sales for 2024 were sluggish. Sales for 2025 will improve. The inflation rate has declined, but the accumulated effect is problematic for many. Inflation for Colorado will be higher than desired in 2025.	Retail Sales (billions)	\$299.9	\$302.6	\$308.8	\$318.1	
	% Change	11.8%	0.9%	2.0%	3.0%	
	Consumer Price Index (CPI)	304.4	320.3	327.6	336.4	
	% Change	8.0%	5.2%	2.3%	2.7%	
	DIA Passengers (millions)	69.3	77.8	82.3	86.0	
	Single Family (SF) Permits	24,000	20,000	20,000	20,000	
	Multi-family (MF) Permits	25,000	19,000	12,000	14,000	
	Oil Production (thousands) barrels	160,472	166,790	170,000	175,000	

cber.co
Economic Outlook and Trends For 2025
Colorado and the United States, January 2025

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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. 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.