

El Paso County Economic & Workforce Progress Report (EPR)

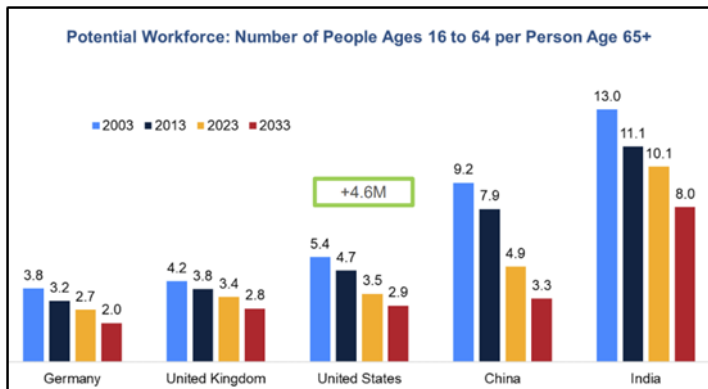
Highlights - November 2024

For DDES Sponsors –Don't forget to RSVP by December 4, 2024, for our Holiday Happy Hour on December 12, 2024, from 4:00 – 6:30 p.m. at 1175 Kelly Johnson Blvd. Join us for drinks, hors d'oeuvres, and a celebration of achievements for all our respective organizations. RSVP on our [EVENTBRITE](#) page using the password "GDP" to reserve your spots.

For prospective DDES supporters – If you value the economic reporting and workforce development work we do and wish to become a sponsor with any remaining 2024 funds you have, please remember we are a 501c3 and would love to include you in our list of sponsors on our monthly reports and presentations.

Despite global economic uncertainty, national **GDP growth {Page 3}** continues to be strong. Current estimates are that 2024 Q3 GDP grew at an annualized rate of 2.7%, slightly down from the 3.0% growth in Q2. For context, these figures far exceed the long-term trend of ~2.0%, placing the U.S. ahead of many other developed nations, as I discussed last month. In the monthly international report we do, I included the textbox you see in this report to highlight the markedly older median ages of some of our peer nations/regions. In a presentation I did for that group, I also included the graph that shows the U.S. had 5.4 working people per retiree in 2003. Now, we have 3.5 workers per retiree, and in 2033 it will be 2.9 workers per retiree. The Conference Board ran the numbers and found that the U.S. would need 4.6 million new workers *per year* between now and 2033 just to stabilize what we currently have (3.5 workers per retiree). And we know our labor market is tight now and that we will need more workers (not less) as the U.S. population continues to grow.

The median age in 2023 was 39 years in the U.S., 45 in the EA, 47 in Germany, 42 in France and 41 in the U.K.



Inflation in October ticked up with the **Consumer Price Index (CPI) {Page 3}** for all items rising 2.6% year-over-year from 2.4% in September (not-seasonally-adjusted-rates). With this increase alongside the Purchasing Manager's Index increase (what producers pay for their inputs), there is now legitimate concern that the Federal Reserve will not decrease interest rates as quickly and by as much as previously thought. Now the Fed Funds rate is estimated to settle at closer to 4.0% (versus previous estimates of 3.0% – 3.25%). The presidential election results added to this prognostication because of the (president-elect) Trump proposed tariffs. The most recent November 7th 0.25% cut proceeded as planned (to 4.75%), but with inflation progress seemingly stuck over the past couple of months, and the possibility of 60%/10% tariffs with China/all other trade partners, the **Average 30-year Mortgage Rates {Page 3}** ticked up to 6.43%, reflecting a market expectation for higher inflation and (as a response), higher interest rates. Our office estimates that a roughly 4% Fed Funds rate translates to a 30-year mortgage rate of 6.84%. We calculated this by running a correlation between the Fed Funds and 30-year mortgage rates going back to 1971 (with a 91% correlation coefficient, very low standard deviation and 2.84% difference between the two rates).

Regarding the possible upcoming policy changes, I recently did a [segment](#) summarizing reports from the nonpartisan [Peterson Institute for International Economics](#) and [Wells Fargo](#) that analyzed some of the impacts of tariffs, deportations, and changes in Federal Reserve autonomy on GDP growth and inflation. By far the largest impacts were from tariffs and deportations. The Peterson Institute found that the combination of these policies would result in a CPI between 6% and 9.3% by 2026 (as opposed to ~2%) costing typical American households ~\$2,600 per year. The CPI would "settle" around 4% in 2029. A more moderate estimate from Wells Fargo suggests inflation would rise to 4% in 2025. Most economists are revising all their forecasts due to what they deem a high probability of higher inflation and higher interest rates as a result of tariffs. A way out, however, is if the tariff promises are enough of a deterrent to bring countries with nefarious trade practices to the negotiating table. I think we should know in the first six to twelve months of the new Trump presidency where tariffs (and the economy) will go.

[Page 3 - Macroeconomic "Big Picture"](#)

[Page 4 - Local Labor Market](#)

[Page 5 - Demographics](#)



For past reports go to <https://www.ddestrategies.org/>.

[Page 6 - Real Estate](#)

[Page 7 - Taxation, Vehicles, Air & Tourism](#)

[Page 7 - Crime & Safety](#)

El Paso County Economic & Workforce Progress Report (EPR)

On the labor market side, [U.S. Job Openings {Page 3}](#) fell to 7.44 million in September, a 5.3% decrease from August. Despite this report, consumer sentiment, a leading indicator of economic activity, has shown surprising strength. The [University of Michigan Consumer Sentiment Index {Page 3}](#) for November rose to a reading of 71.8, up from 70.5 in October. [Republican households](#) drove the overall upswing in sentiment with an increase of 15 points, while Democratic households saw a downward swing of about 10 points in the same index (that's how it always goes!).

The labor market in El Paso County saw a slight softening in October, with the [Unemployment Rate {Page 3}](#) rising to 4.5%, up from 4.2% in September. In line with this, the [Ratio of Local Workers per Available Job {Page 4}](#) increased from 0.87 to 0.94, reflecting a looser labor market although job openings remain robust at 18,611 (see note below*). This increase aligns with the statewide trend, as Colorado's unemployment rate climbed notably to 4.4% (from 4.1% in September). Nationally, however, the unemployment rate remained steady at 3.9%. At the Colorado council of economist's meeting I attended last week (yes, you may yawn), we once again heard from the state's economists and demographers that there are serious state budget issues right now with some tough decisions made for the next fiscal year. There are future concerns particularly around Medicaid and our slowing population growth rate (alongside our CO aging population).

Updated projections from the Colorado State Demography Office reveal interesting shifts in long-term population growth. El Paso County's [2050 Population {Page 5}](#) is now projected at 1,001,087, down from the previous estimate of 1,008,489. The state of Colorado also saw a downward revision, with its 2050 population now projected at 7.4 million, compared to the previous estimate of 7.5 million. I remember a few years ago our state was projected to surpass 8.0 million by 2050, and as I mention above, this has state revenue implications. Although our region has been downwardly revised as well, our county is one of the highest growth counties, and that is in our favor. The words "affordable housing" quickly come to mind when I think about this topic (and how important attainability/affordability) are. As of now, the [Population by Age Groups {Page 5}](#) show higher growth among residents aged 30-49, and specifically this assumption can change if we don't adequately address affordability.

Both [Home Sales {Page 6}](#) and [Single-Family Permits {Page 6}](#) increased modestly while [Multi-Family Permits {Page 6}](#) remained subdued, with only two issued during the month. As I discuss [here](#), there is a lot of new (apartment) product available, but vacancy rates have declined, and rents have stayed relatively steady indicating a stable multi-family market. In this month's EPR, note that the HUD apartment vacancy rate for Q3 has not yet been released, but the segment uses more recently available data for Q3 from state sources and Apartment Insights. [Median Home Prices {Page 6}](#) in Colorado Springs also rose modestly in 2024 Q3 to \$473,200 for single-family homes, a 1.5% increase from 2023 Q3. Interestingly, Denver's Q3 median home prices of \$654,600 *decreased* from 2023 Q3 by 2.7%, likely attributable to less demand in the Denver region due to affordability challenges. However, both Denver and Colorado Springs still remain above the U.S. median home prices at \$418,700, showing continued affordability challenges in Colorado compared to the rest of the country.

[Enplanements](#) at the Colorado Springs Airport in October are down compared to October of last year, but as the graph shows the general trend is up, up, up. There is also good news including the [return of Allegiant Air](#) and the [first international flights to Mexico through Southwest](#), which my family is irrationally exuberant about! These wins will likely continue to make Colorado Springs a competitive option compared to DIA.

Happy, happy Thanksgiving to the wonderful Colorado Springs community! DDES wishes you the best holiday!

*Note: We are fortunate to work with various school districts in the state including our own D38 (Monument SD). We've been impressed with their efforts around relevant, timely student preparedness for today and tomorrow's workforce. In that vein, they are building a Career and Innovation Center, and they are looking for equipment and/or building sponsors. The industrial space exists, and they are in the process of creating the interior training space. To learn more, please see the attached flyer!

Tatiana, Rebecca & Kathryn

If you wish to unsubscribe from this monthly report, please email rwilder@ddestrategies.org. If you'd like to know more about supporting our economic reporting and workforce development initiatives, please contact gglassford@ddestrategies.org.

[Page 3 - Macroeconomic "Big Picture"](#)

[Page 4 - Local Labor Market](#)

[Page 5 - Demographics](#)



[Page 6 - Real Estate](#)

[Page 7 - Taxation, Vehicles, Air & Tourism](#)

[Page 7 - Crime & Safety](#)

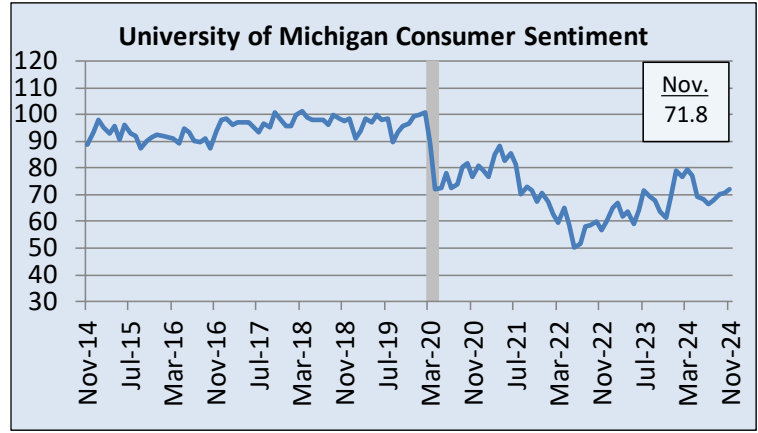
For past reports go to <https://www.ddestrategies.org/>.

El Paso County Economic & Workforce Progress Report (EPR)

MACROECONOMIC "BIG PICTURE" (PAGE 3)



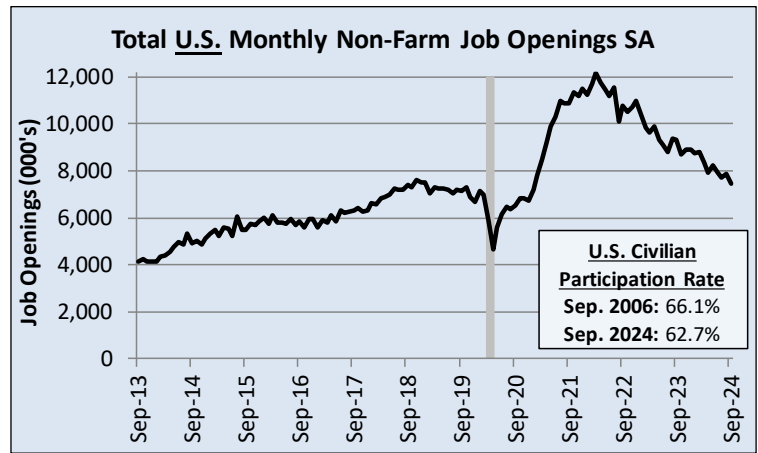
*Estimate of real GDP percent change from same quarter a year ago, SA
 **If quarterly changes were annualized over the year.
 Source: U.S. Bureau of Economic Analysis



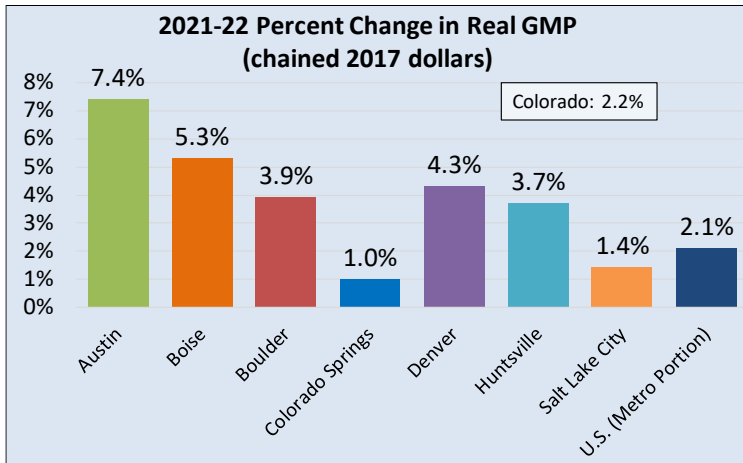
Source: University of Michigan

	2022 Actual	2023 Actual	2024 Forecast	2025 Forecast
Real GDP Growth	2.5%	2.9%	2.8%	2.2%
Unemployment Rate	3.7%	3.6%	4.1%	4.1%

Forecasts by Data-Driven Economic Strategies with input from the Conference Board, Wells Fargo, Colorado Department of Labor & Employment, and other anecdotal resources.
 Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics; Job openings data lags.

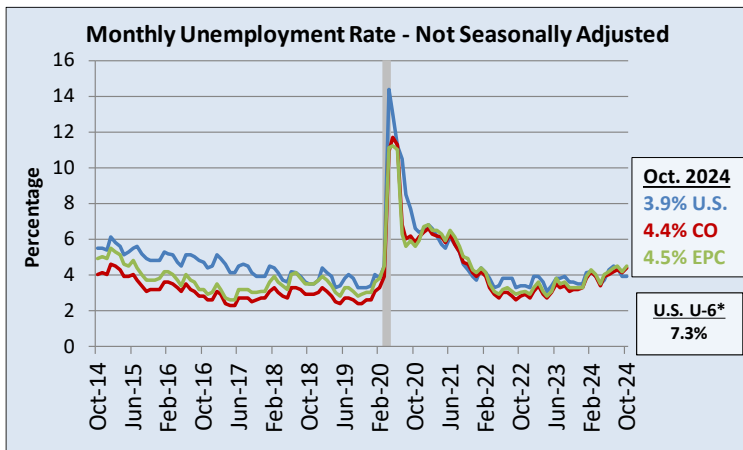


Note: Data includes military. Real GMP is adjusted for regional price parity (RPP). This regional data lags ~23 months.
 Source: U.S. Bureau of Economic Analysis

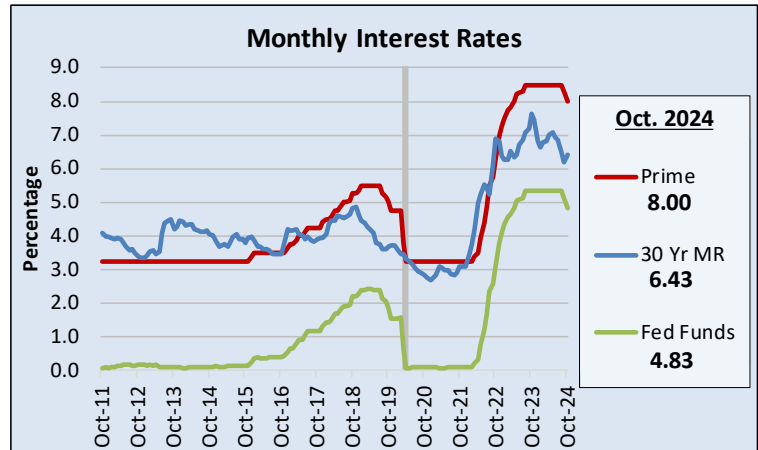
	All items	Less food & energy
Change from September to October 2024 (SA)	0.2%	0.3%
Last 12-months (NSA)	2.6%	3.3%

The 2024 Q2 cost of living in the Colorado Springs MSA was 100.3% of the U.S. according to C2ER data provided by the CS Chamber & EDC.

Source: U.S. Bureau of Labor Statistics; all urban consumers (CPI-U)



Note: Data in the graph is NSA to enable comparisons with counties.
 *U-6 includes unemployed, those marginally attached to the labor force, plus those employed part time who would prefer full-time work.
 Sources: U.S. Bureau of Labor Statistics; CO Dept. of Labor & Employment



*The latest monthly rate is the average expected as of the date in the text box.
 Source: Board of Governors of the Federal Reserve System

LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Colorado Springs MSA October 2024		
Top Job Titles	# of Job Postings	Median Advertised Salary
Registered Nurses (L)	589	\$92,416
Retail Salespersons (M)	559	\$34,432
Software Developers (L)	485	\$133,888
Computer Sys Engineers/Architects (L)	433	\$134,912
1st-Line Supervisors, Retail Sales (L)	288	\$47,488
Customer Service Reps (M)	275	\$41,600
Secretaries & Admin Assistants (M)	258	\$44,672
Maintenance & Repair Workers (H)	250	\$48,768
Heavy & Tractor-Trailer Truck Drivers (H)	240	\$52,608
General & Operations Managers (L)	226	\$70,016

Colorado Springs MSA, October 2024
TOTAL Job Openings: 18,611
TOTAL Unemployed: 17,445
Workers Available per Job Opening: 0.94

Risk of Automation: L = Low; M = Medium; H = High
 Sources: The Conference Board® Lightcast® Help Wanted OnLine® via Pikes Peak Workforce Center; CO Dept. of Labor & Employment

2023 Federal Poverty Level (FPL)		
	El Paso County	U.S.
% people at FPL or below	7.0%	12.5%

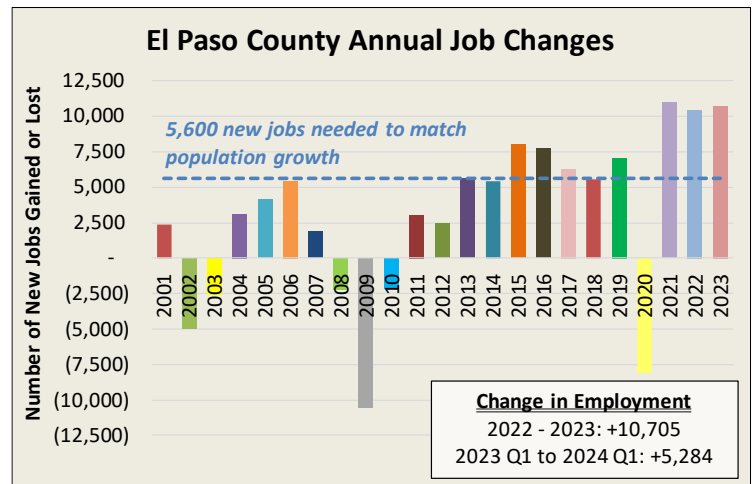
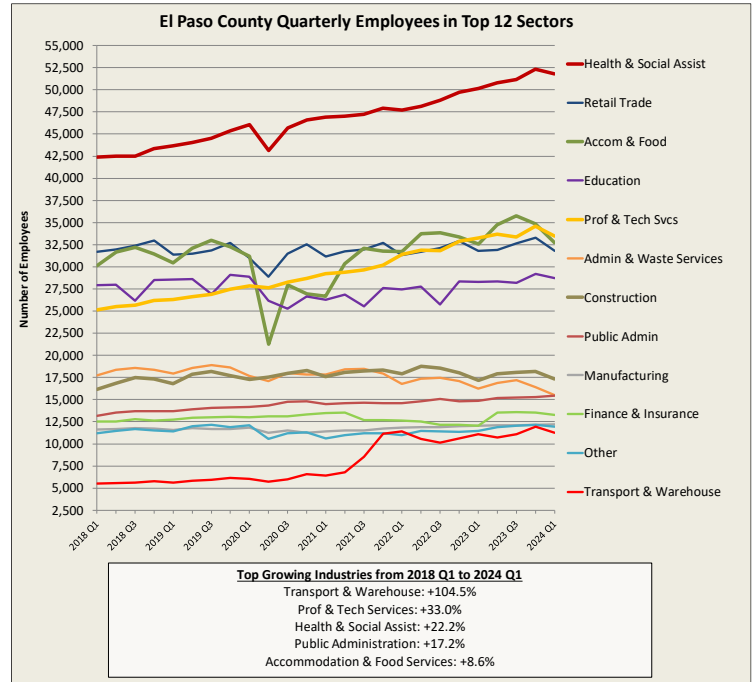
Note: FPL in 2023 was \$14,580 for an individual and \$30,000 for a family of four.

2024 Q1 Average Annual Wages for All Industries		
<i>El Paso County wages are 14.1% lower than U.S. wages and 18.7% lower than CO wages.</i>		
U.S.	Colorado	El Paso County
\$79,404	\$83,876	\$68,172
2024 Q1 El Paso County Total Employment*		303,649

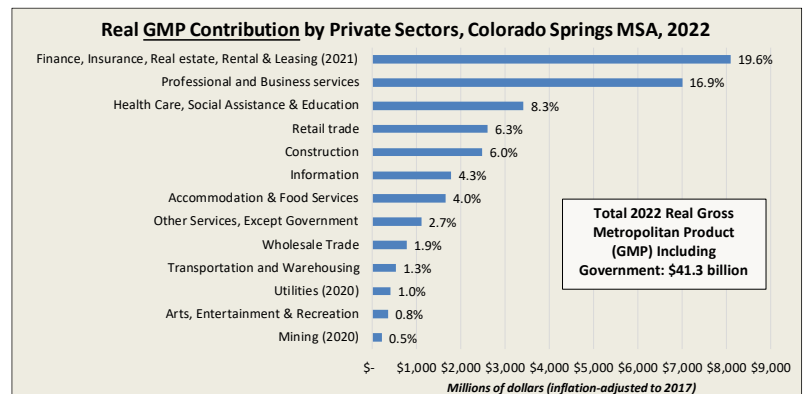
2023-24 Minimum Wage & Living Wage El Paso County		
	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$14.42	\$29,994
Living wage: HHs with 1 adult, 2 children	\$56.05	\$116,584
Living wage: HHs with 2 adults (1 working), 2 children	\$43.68	\$90,854
Living wage: HHs with 2 adults* (2 working), 2 children	\$30.39	\$63,211

*Living wage is for each working adult. For specifics, go to livingwage.mit.edu.

*QCEW data does not include military-related employees.
 Sources: U.S. Bureau of Labor Statistics and Colorado Department of Labor and Employment, QCEW; Local military installations; U.S. Census Bureau, American Community Survey 1-year estimates; U.S. Department of Health & Human Services; MIT Living Wage Calculator



An estimated 5,600 new jobs are needed based upon population growth and age composition. This QCEW data lags up to three quarters and includes public and private employment, but not military-related employees.
 Source: Colorado Dept. of Labor & Employment, Quarterly Census of Employment and Wages (QCEW)

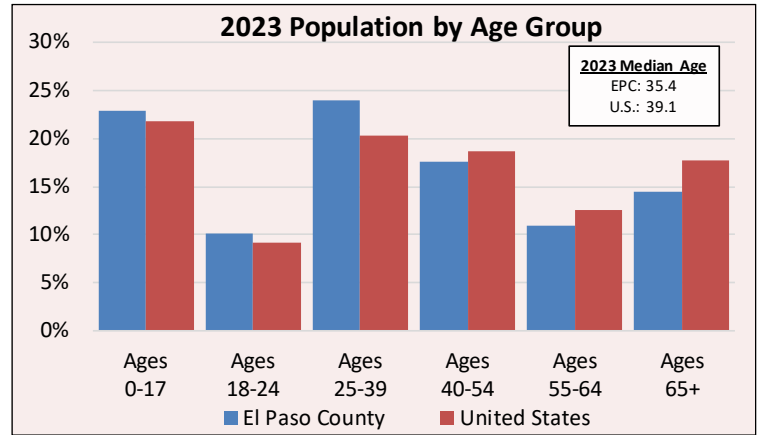


Manufacturing data last disclosed in 2012 when it was 7.1% of real GMP. Government data is no longer released by sector for 2016 when federal military was 12.7%, state & local government was 8.2% and federal civilian government was 5.3% of real GMP. Utilities and Mining data last disclosed in 2020. GMP (local) data lags by approximately 23 months. GMP is the same as GDP for the nation but at the local level.
 Source: U.S. Bureau of Economic Analysis

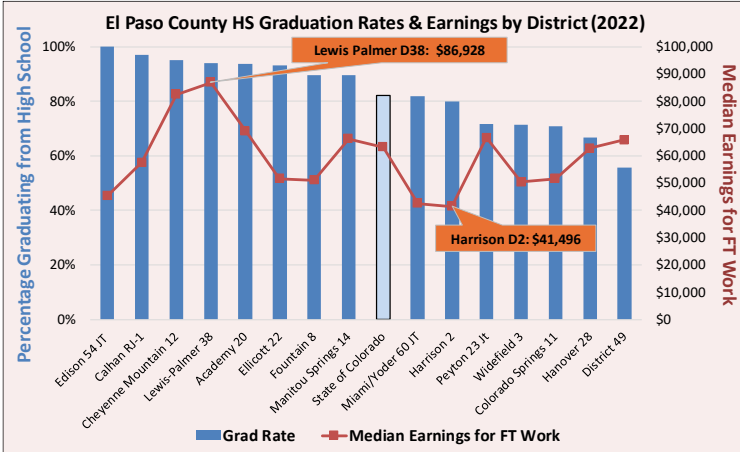
DEMOGRAPHICS (PAGE 5)

Population Estimates		
	2023	2050
El Paso County	744,153	1,001,087
Colorado	5,876,300	7,416,589

The City of Colorado Springs had a population of 485,143 in 2022.
Source: Colorado State Demography Office

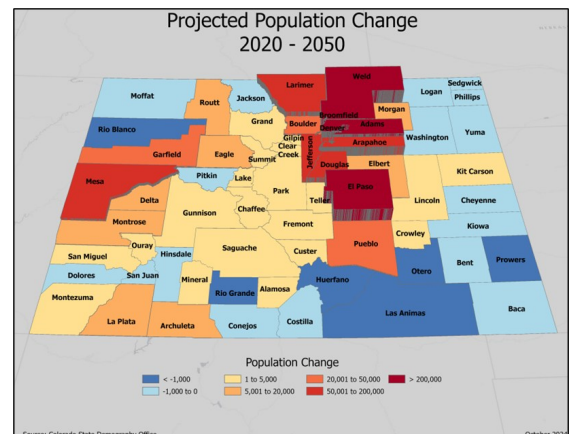
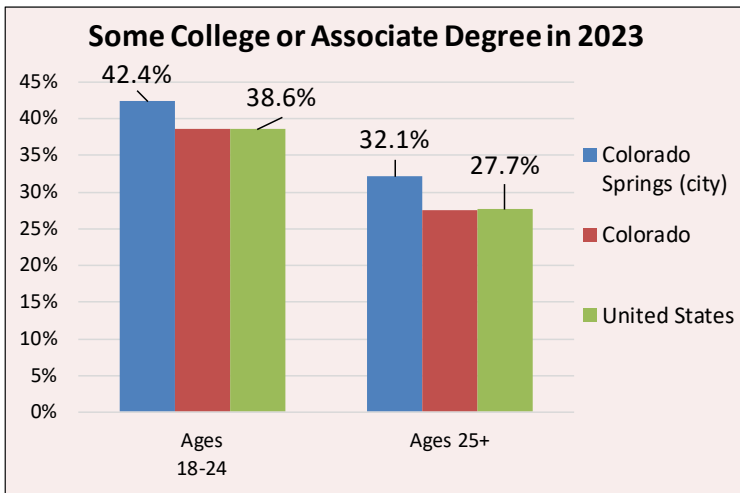
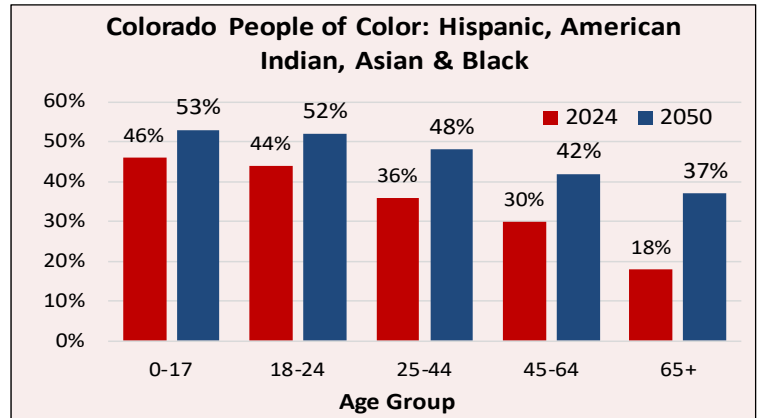
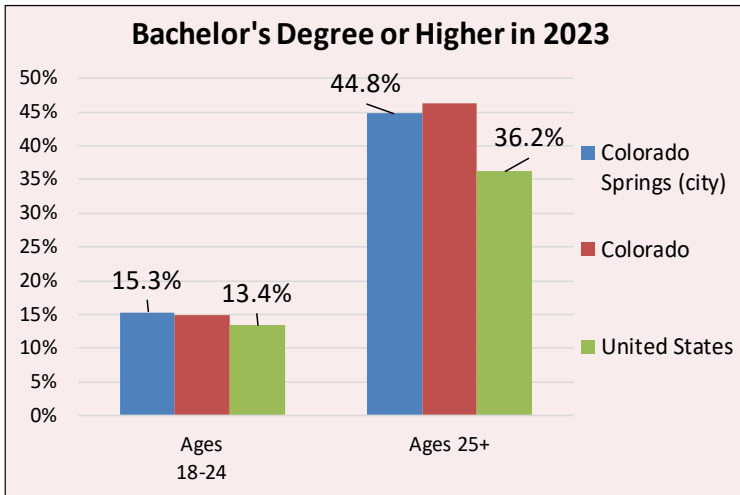
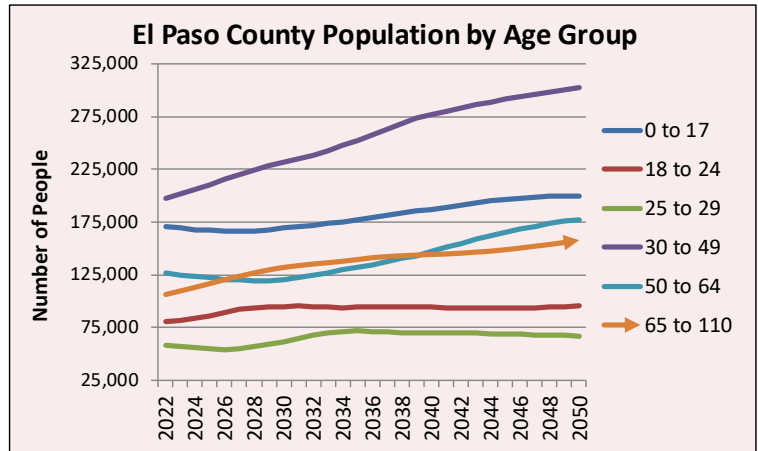


Source: U.S. Census Bureau, Population Division



Note: Calhan, Ellicott, Peyton, Hanover, Edison, and Miami/Yoder districts all have fewer than 100 students. District 49 has a significant number of online students, which pull down the districtwide average. (Without the largest online school, the district average is 88%.)

Sources: Colorado Department of Education; U.S. Census Bureau, American Community Survey 5-year estimates

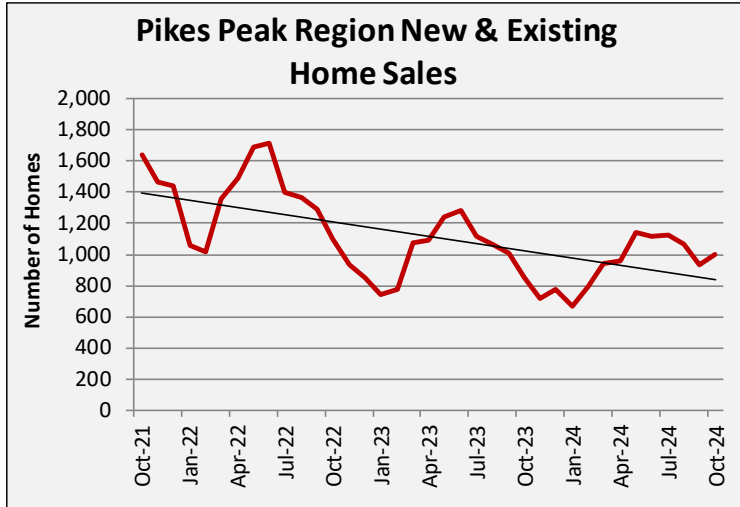


Source: Colorado State Demography Office

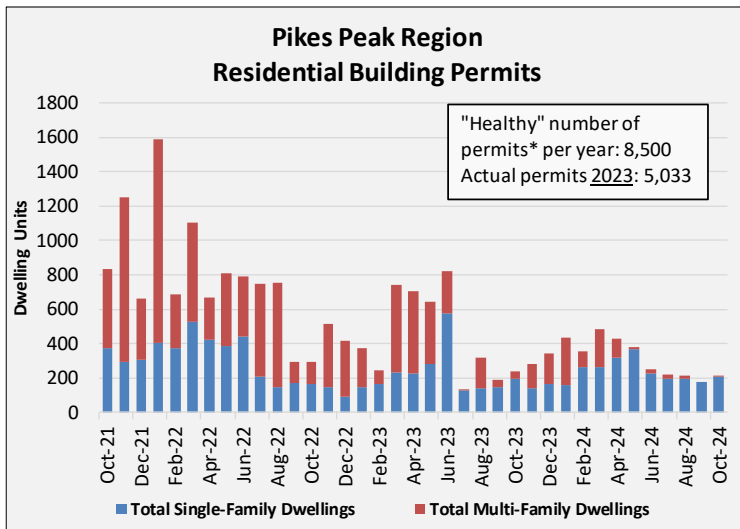
Source: U.S. Census Bureau, American Community Survey 1-year estimates

[Return to highlights](#)

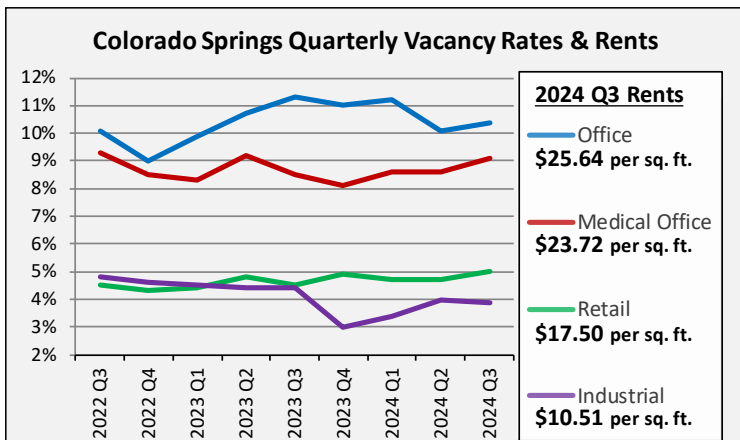
REAL ESTATE (PAGE 6)



Source: Pikes Peak REALTOR® Services Corp.



*The methodology for "healthy permits" now includes single-family and multi-family dwellings needed if we incorporate both population growth and the existing shortage of housing between 2023 and 2028. These calculations by Data-Driven Economic Strategies incorporate research by Common Sense Institute and input from the Colorado State Demography Office. The National Association of REALTORS® has calculated that the U.S. has underbuilt roughly 6.5 million homes since the Great Recession. Source: Pikes Peak Regional Building Department

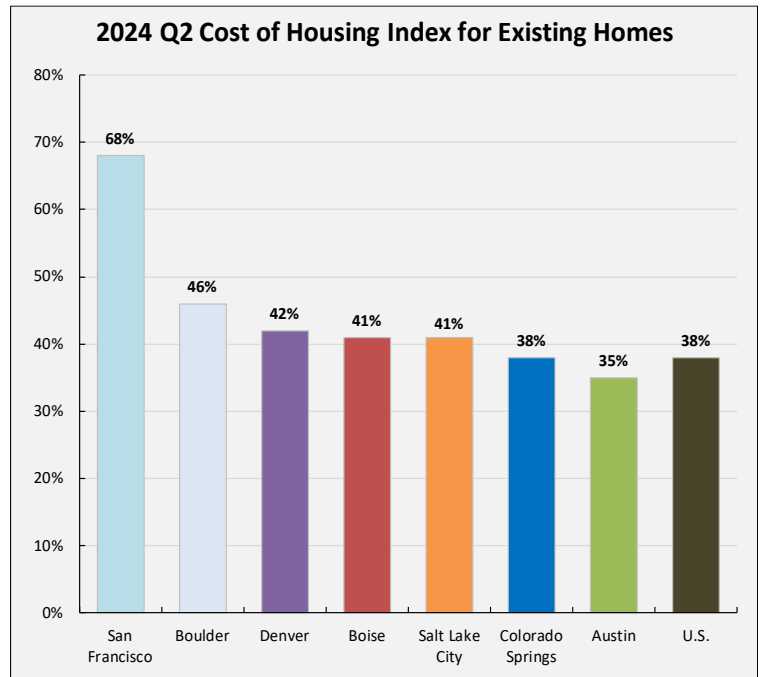


Sources: CoStar Group™; Olive Real Estate Group, Inc.

Median Existing Single-Family Home Price 2024 Q3

Location	Colorado Springs	Denver	Boise	United States
Price	\$473,200	\$654,600	\$491,800	\$418,700
1-year % Change	1.5% increase	2.7% decrease	1.2% increase	3.1% increase
MSA Rank	48	21	40	n/a

Sources: National Association of REALTORS®



Notes: The Cost of Housing Index (CHI) is defined as the percentage of the local median pre-tax income needed for mortgage payments, based on standard mortgage underwriting criteria. It includes only existing home prices. Sources: National Association of Home Builders; Wells Fargo

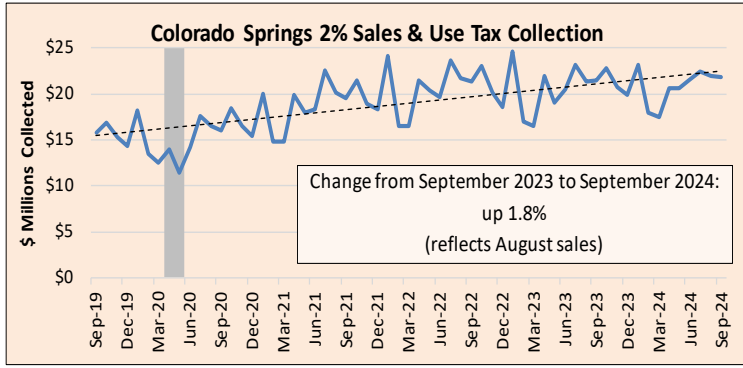
Apartment Rental Information

	Colorado Springs	Denver	Salt Lake City
Market Conditions 2024 Q2	<u>Soft</u>	Soft	Soft
Vacancy Rate 2023 Q2	11.8%	7.5%	10.6%
Vacancy Rate 2024 Q2	<u>12.2%</u>	9.7%	10.9%
Average Rent 2023 Q2	\$1,500	\$1,871	\$1,607
Average Rent 2024 Q2	<u>\$1,490</u>	\$1,883	\$1,597

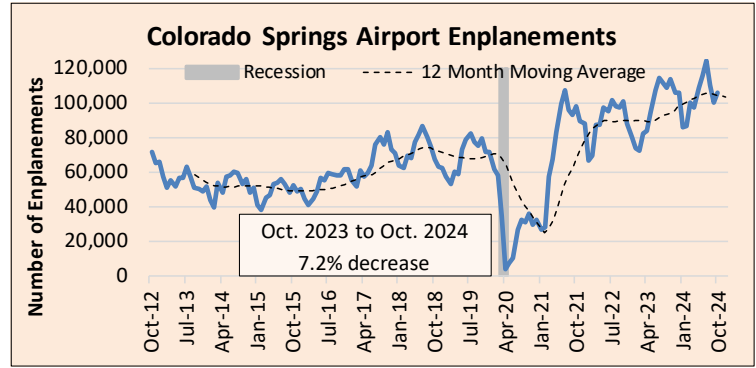
Source: U.S. Department of Housing & Urban Development (HUD), U.S. Market Conditions report

El Paso County Economic & Workforce Progress Report (EPR)

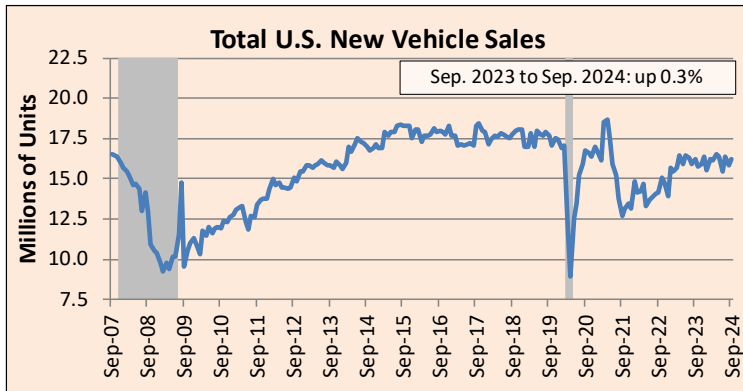
TAXATION, VEHICLE SALES, AIR QUALITY, AND TOURISM (PAGE 7)



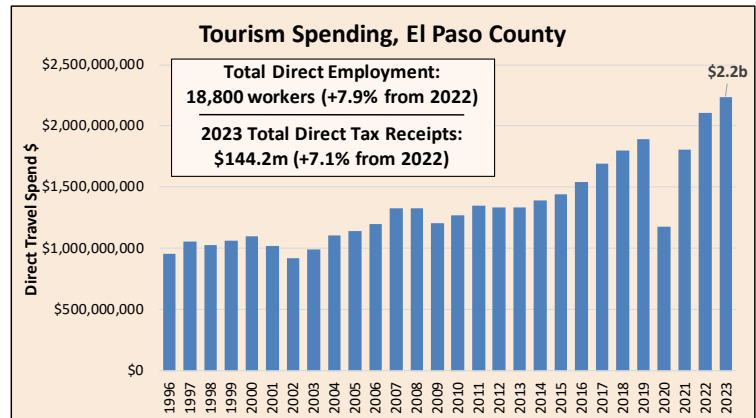
Source: City of Colorado Springs



Source: Colorado Springs Airport



Source: U.S. Bureau of Economic Analysis



Note: Direct travel includes day and overnight visitors.
Source: Colorado Tourism Office

2023 Air Quality		
	Colorado Springs*	U.S. Standard
Carbon Monoxide (CO) Concentration (ppm)	1.1	9.0
Particulate Matter (µg/m ³)	7.75	12.00
Ozone (ppm) at USAFA	0.069	0.070
Ozone (ppm) at Manitou Springs	0.071	0.070
Sulfur Dioxide (SO ₂) (ppb)	4.8	75.0

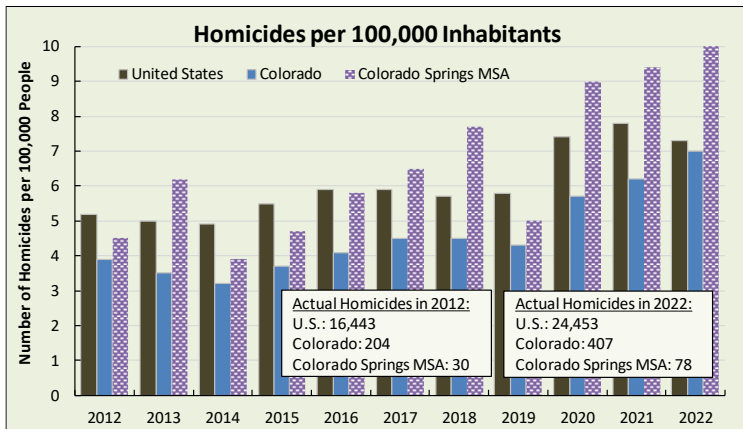
*Locations of measurements: CO at 690 W. Hwy 24; Particulate Matter at Colorado College; SO₂ at Hwy 24
Source: Colorado Department of Public Health & Environment

Hotel Occupancy Rate October 2024	
Colorado Springs	Denver
65.5%	76.8%

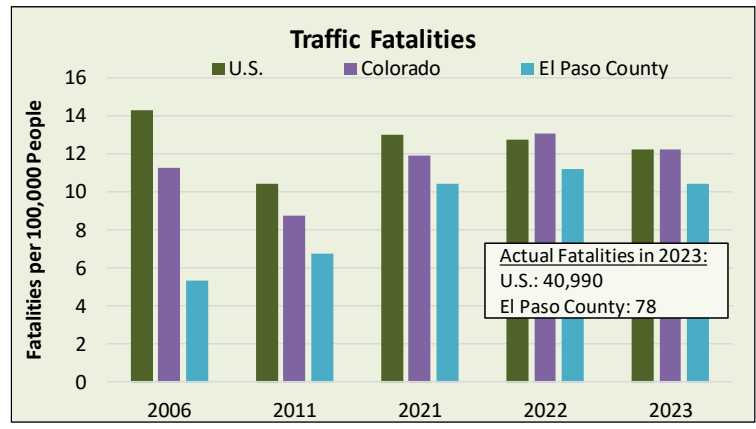
Hotel RevPAR* October 2024	
Colorado Springs	Denver
\$106.10	\$123.60

*RevPAR measures hotel revenue by taking the average room rate times hotel occupancy.
Source: CoStar Group™; Olive Real Estate Group, Inc.

CRIME & SAFETY (PAGE 7)



Source: United States Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, Underlying Cause of Death on CDC WONDER online Database.



Sources: National Highway Safety Administration; Colorado Department of Transportation; World Bank; U.S. Census Bureau; Colorado State Demography Offices; Data-Driven Economic Strategies

2021 Mortality Rates due to Homicide per 100,000 Population				
Canada	Germany	Italy	Japan	United States
2.1	0.8	0.5	0.2	6.8

Source: UN Office on Drug and Crime's International Homicide Statistics database through The World Bank and World Population Review

Note: "Each year when Crime in the United States is published, some entities use reported figures to compile rankings of cities and counties. These rough rankings provide no insight into the numerous variables that mold crime in a particular town, city, county, state, or region. Consequently, they lead to simplistic and/or incomplete analyses that often create misleading perceptions adversely affecting communities and their residents. Valid assessments are possible only with careful study and analysis of the range of unique conditions affecting each local law enforcement jurisdiction. The data user is, therefore, cautioned against comparing statistical data of individual reporting units from cities, metropolitan areas, states, or colleges or universities solely on the basis of their population coverage or student enrollment."
- Federal Bureau of Investigation

Sworn Police Officers Per 10,000 Inhabitants in 2023	
City of Colorado Springs	15.8
City of Boise	12.4
Kansas City	21.4
City of Omaha	16.9

Sources: Federal Bureau of Investigation, Uniform Crime Report; U.S. Census Bureau, Population Division

El Paso County Economic & Workforce Progress Report (EPR)

SUPPORTERS (PAGE 8)



THANK YOU!