

Greetings from the UCCS College of Business!

First, I'd like to express my appreciation for the tremendous work by my UCCS colleagues and the support from our partners that made the 28<sup>th</sup> Annual UCCS Economic Forum a success last month. I'm also very grateful for the fantastic contributions of our panelists and our keynote speaker Elizabeth Garner. If you missed it, the recording as well as the presentation slides and the Forum Report are available [from our website](#). We also have extra print copies of the Forum Report, so if you'd like some for your office, please reach out to me.

After a dip last month, the Bureau of Labor Statistics establishment survey showed very strong payroll growth for the region in September, with an increase of 2,600 (preliminary estimate). This can be volatile from month-to-month, but over the past three months, we're averaging a gain of 833 – local employment growth seems to have bounced back from the weakness seen earlier in the year. However, while payrolls are growing, September job listings are down 5.4% from a year ago, and average hourly earnings are up only 2.5% year-on-year, so we still are far removed from the hot labor market conditions of 2022.

Our main indicator of local retail activity, Colorado Springs City sales and use tax collections, were up in September (for August sales) by 1.8% over the same month a year ago and are up 2.2% year-to-date.

Local home sales continue to be subdued – according to our friends at the Pikes Peak Association of Realtors®, 933 single-family homes were sold in September 2024, down 12.3% from a year ago, while active listings are up 36.6% over September 2023. While we were waiting to see evidence of the impact of lower mortgage rates on sales, rates have bounced back up following strong US macro data (discussed further below). It may be that the impending election is chilling the market somewhat. Prices continue to be fairly stable – the median sale price of a single-family home was \$485,000, down \$5,000 from August and up \$10,000 from a year ago.

Permits for single-family homes for the first nine months of 2024 have bounced back slightly – 2,412 versus 2,212 in the same period in 2023. Even as new apartments continue to come onto the market, the permitting data brings further evidence the multi-family building boom has dried up – 547 units have been permitted in the first nine months of this year, compared with 1,953 in January-September last year, and there have been zero multi-family units permitted in the past four months.

After two months of year-on-year declines, Colorado Springs Lodgers and Auto Rental Tax (LART) revenue was up for 2.3% for September (reflecting August sales), and the year-to-date total figure is 2.5% ahead of the 2023 pace. Our friends at Olive Real Estate Group have been kind enough to share data on the local hotel market, which is now on page 4 of the dashboard. This tells us that the

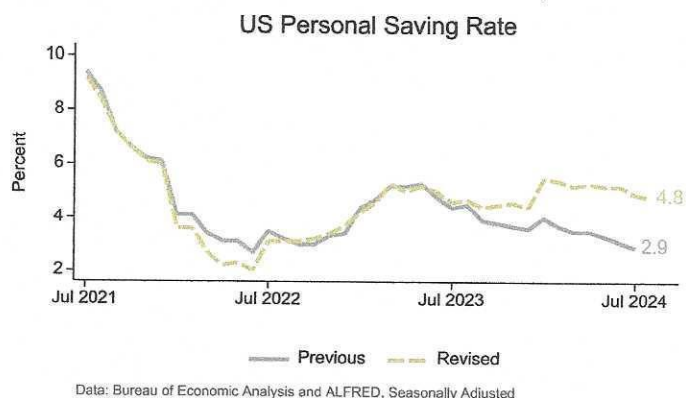
hotel occupancy rate in September was 72.7%. This was down a bit from September 2023 (74.2%), but the number of hotel rooms has increased by 510 over the past year, so this does not indicate a decline in overnight visitors.

Colorado Business Confidence has taken a dip for the current quarter, but there is a more positive outlook for the first quarter of 2025, according to the Business Research Division of the Leeds School of Business at CU Boulder. Based on a survey conducted in September, the Leeds Business Confidence Index stands at 46.7 for Q4 and 51.3 for Q1 2025. This compares with 50.6 for Q3 2024 (50 is neutral). More details are available in [the BRD's report](#). The regional surveys by the Kansas City Fed showed declining activity in manufacturing and increasing services activity in October. Both the manufacturing and services surveys show a positive six-month-ahead outlook.

Statewide payrolls also showed strong growth in September, increasing by 12,700, according to the preliminary estimate. Over the past three months, the average gain is 6,833, faster than the average monthly increase of 4,979 in 2018-19.

The state's GDP grew at an annual rate of 2.7% in the 2<sup>nd</sup> quarter of 2024, slightly slower than the national economy (3.0%). At \$83,379, Colorado's per capita personal income in the 2<sup>nd</sup> quarter ranked 9<sup>th</sup> among states; Massachusetts was #1 at \$95,331, and the District of Columbia was higher still at \$110,958. The national figure was \$73,219.

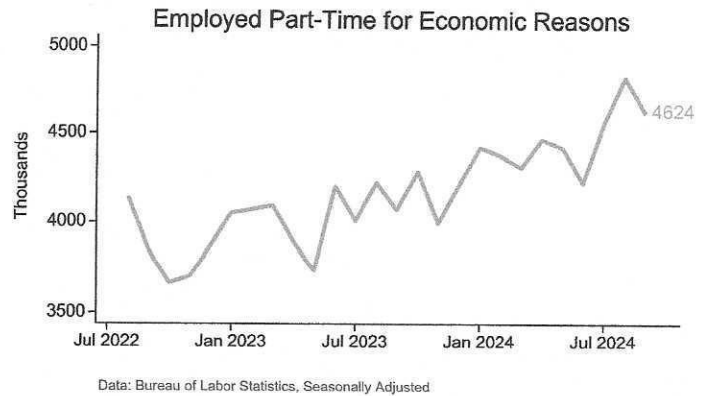
Nationally, we received the annual revision of the US GDP statistics – every year the Bureau of Economic Analysis does a significant update incorporating new source data over a five-year window. This revision upped the size of the US economy by 1.3%, or \$364 billion. It also yielded a substantial upward revision to personal income and the saving rate. The saving rate has been an indicator that has given me some concern, but with the revision, it looks considerably better – 4.8% in August, versus 2.9% in July under the prior version of the data. That implies consumers are in a stronger position to continue spending than we had previously believed.



The advance estimate of US GDP for the third quarter is due out on Oct. 30. The New York Fed's "nowcast," which uses currently available data to project forthcoming GDP figures, estimated a healthy 2.9% annual rate of growth as of Oct. 25.

Although they may still be reticent about buying houses, Americans have continued to spend. In the Census Bureau's advance estimate, retail and food services sales for September were up 1.7% year-on-year overall, and up 3.7% excluding the motor vehicles and parts and gasoline stations categories. Consumer sentiment is up a bit from recent lows, but still subdued. As I've noted previously, this survey has shifted online and this change of method appears to have affected the data – it [has been estimated](#) that the index is 8.9 points lower than it would have been without the change.

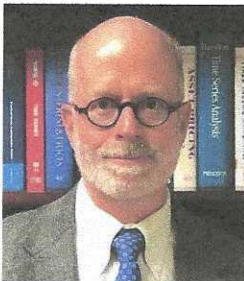
The September US employment report came in very strong, with a preliminary payroll gain of 254,000 and the unemployment rate ticking down from 4.2% to 4.1%. While this report was encouraging, it did not completely eliminate my concerns about the cooling trends beneath the surface. One indication of a softening labor market is growth in the number of people working part-time for “economic reasons” – i.e., people who would prefer full-time work and either had their hours reduced or were unable to find full-jobs. This declined in September, but still shows an increasing trend over the past two years.



Interpretation of the October jobs data, due out on Friday, will be complicated by the impacts of Hurricanes Helene and Milton as well as the Boeing strike.

The strong jobs report, combined with a slightly higher than expected Consumer Price Index reading for September, has reduced the expected pace of Fed rate cuts. Higher expected short-term rates translate to higher long-term rates, so this has contributed to a rebound in mortgage rates – Mortgage News Daily’s tracker had 30-year fixed rates at 6.9% on Friday Oct. 25 (the figure in the dashboard is the monthly average for September).

The Nobel Memorial Prize in Economic Sciences was recently awarded to Daron Acemoglu, Simon Johnson and James Robinson for their work on what may be the most important question in economics: why are some countries rich and some poor? Their research is part of a tradition that emphasizes the importance of what economists call “institutions” – factors in the social context of economic activity such as property rights, the rule of law, constraints on executive power, and impartial and professional government bureaucracies. For a nice short summary of their work, I recommend [this article by Harvard’s Jeffrey Frankel](#).

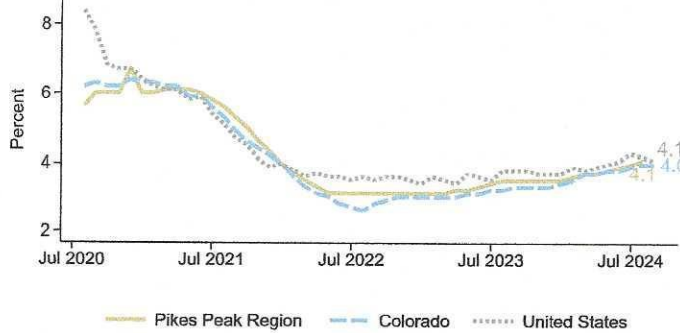


Thank you for your support!

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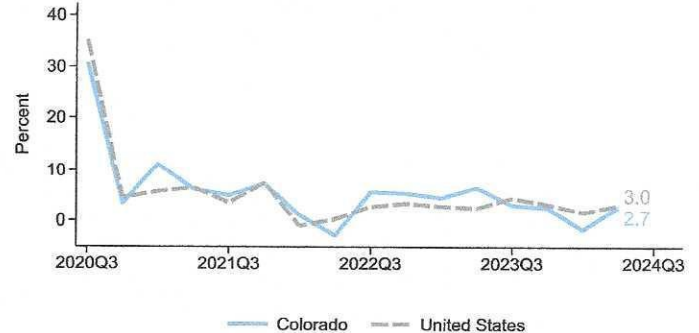
Output, Employment and Wages

Pikes Peak Region, Colorado and US Unemployment Rates



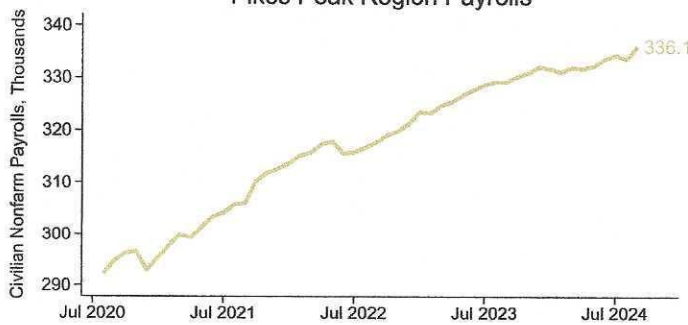
Data: Bureau of Labor Statistics, Seasonally Adjusted

Colorado and US Real GDP Growth



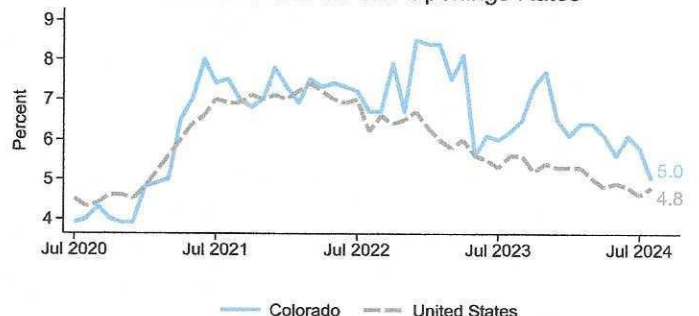
Data: Bureau of Economic Analysis, Seasonally Adjusted Annual Rate

Pikes Peak Region Payrolls



Data: Bureau of Labor Statistics, Seasonally Adjusted

Colorado and US Job Openings Rates



Openings Rate is Openings as a Percentage of Employment Plus Openings  
Data: Bureau of Labor Statistics, Seasonally Adjusted

El Paso County Employment by Industry, Q1 2024

Industry	Employment	1 yr. % chg.
Health Care & Social Assistance	51,776	+3.2
Professional & Tech. Services	33,455	+0.5
Accommodation & Food Services	32,731	+0.6
Retail Trade	31,787	-0.0
Educational Services	28,735	+1.6
Construction	17,336	+1.1
Administrative & Waste Services	15,489	-4.5
Public Administration	15,425	+3.7
Finance & Insurance	13,266	+10.2
Manufacturing	12,180	+1.0
Other Services, ex. Public Admin.	11,929	+4.1
Transportation & Warehousing	11,233	+1.3

Top 12 industries shown. Data: Colorado Labor Market Information, Quarterly Census of Employment and Wages Program

Pikes Peak Region Job Postings, September 2024

Occupation	No. of Postings	Median Advertised Ann. Salary
Other Computer Occupations	952	\$133,888
Registered Nurses	909	\$93,440
Retail Salespersons	650	\$34,176
Software Developers	535	\$134,912
Customer Service Reps.	346	\$41,600
Heavy Truck Drivers	336	\$60,288
First-Line Retail Supervisors	318	\$46,976
Secretaries & Admin. Assistants	302	\$44,416
Maintenance & Repair Workers	258	\$47,744
General & Operations Managers	252	\$75,136
<b>Total Openings</b>	<b>22,540</b>	<b>\$60,032</b>

Unique, active postings for top 10 occupations shown. Data: The Conference Board-Lightcast Help Wanted OnLine®, courtesy Pikes Peak Workforce Center

Armed Forces in El Paso County

2023	2022
38,320	36,190

Data: Census Bureau

Average Hourly Earnings

	Sept.	1 yr. % chg.
Pikes Peak Region	\$35.20	+2.5%
Colorado	\$38.64	+7.3%
United States	\$35.51	+4.6%

Data: Bureau of Labor Statistics. Private Sector, Not Seasonally Adjusted.

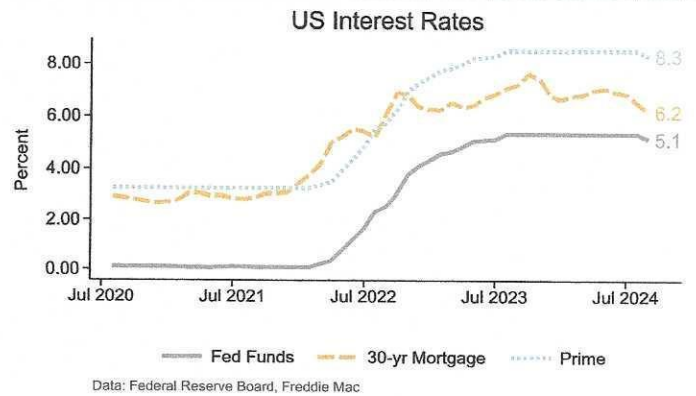
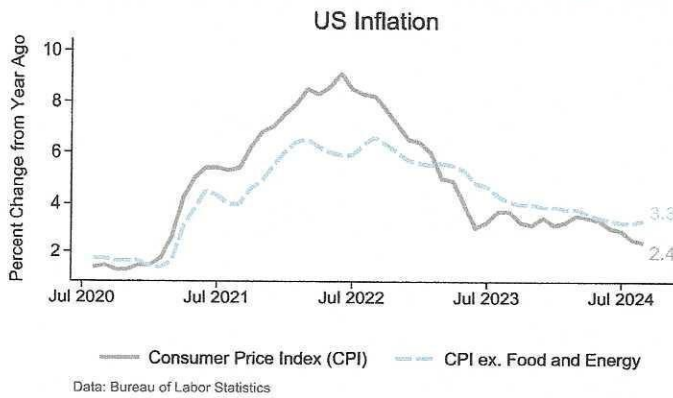
Pikes Peak Region Employment

	September	August
Employed	371,084	368,694
Unemployed	16,402	17,367

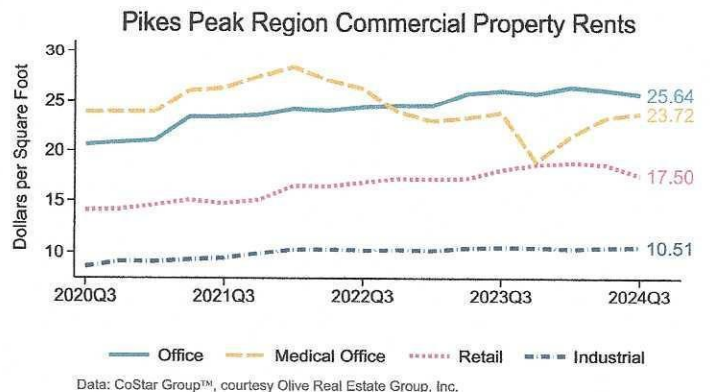
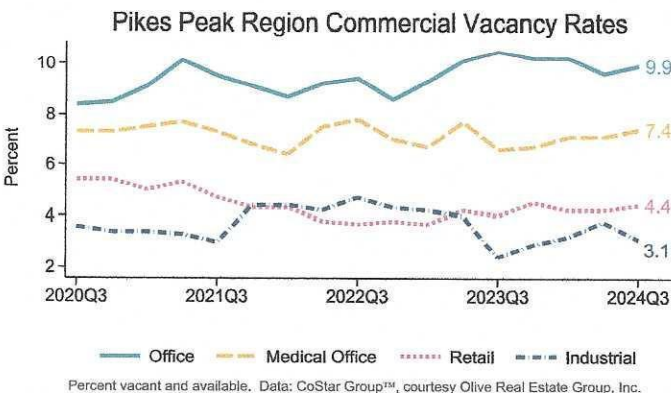
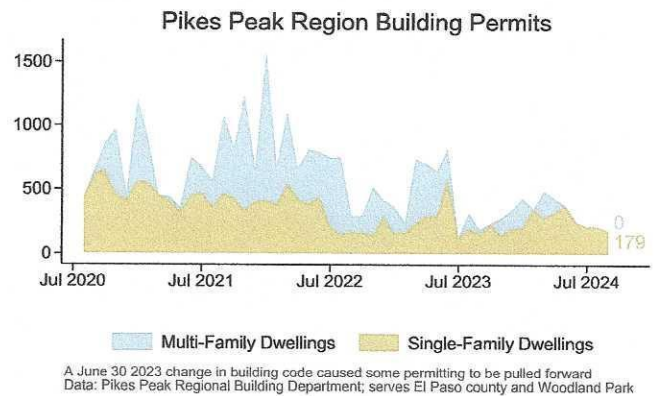
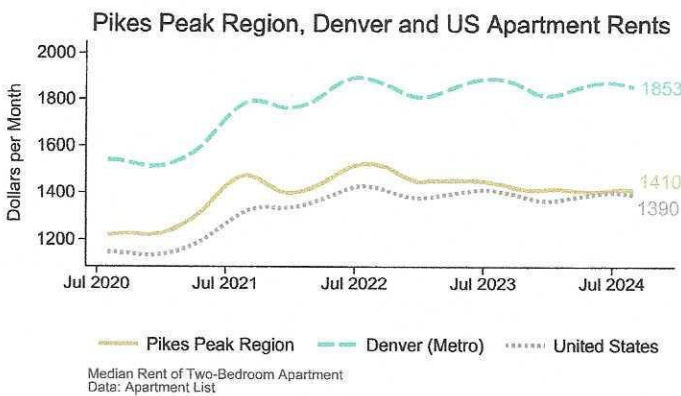
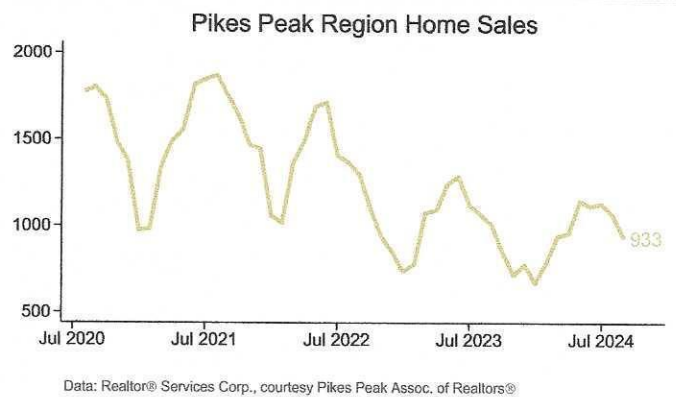
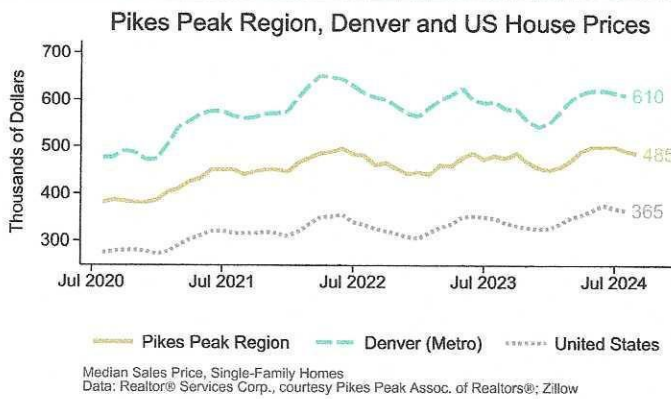
Household survey data, includes self-employed, *not* seasonally adjusted. Data: Colorado Department of Labor & Employment; Bureau of Labor Statistics

Note: "Pikes Peak Region" refers to the metropolitan statistical area of El Paso and Teller counties unless otherwise specified. Data subject to revisions. Please do not reproduce without permission.

Inflation and Interest Rates

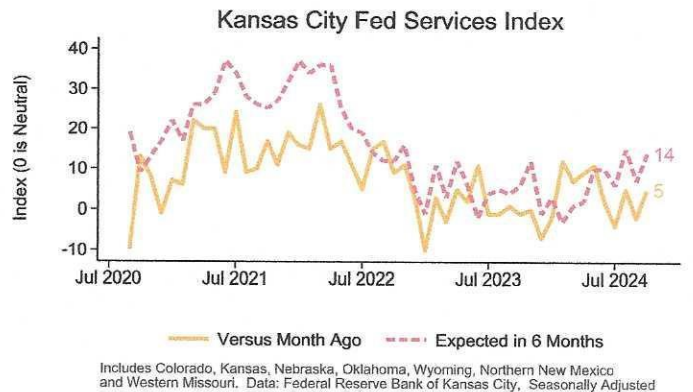
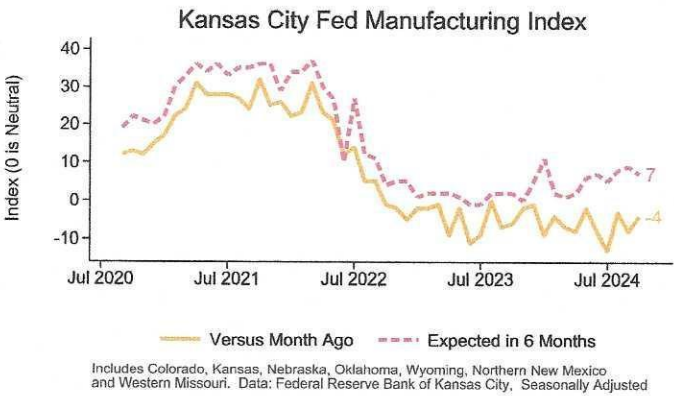
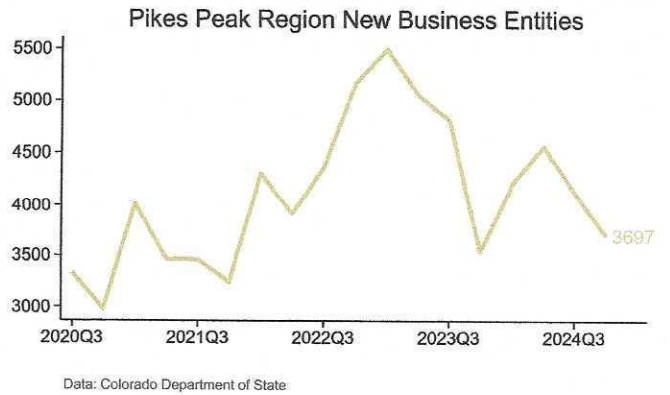
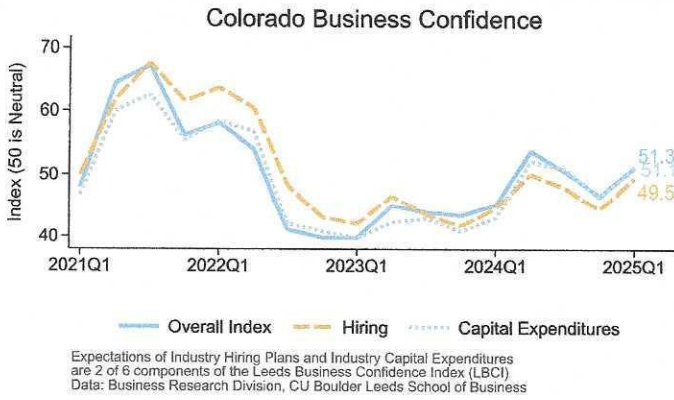


Real Estate

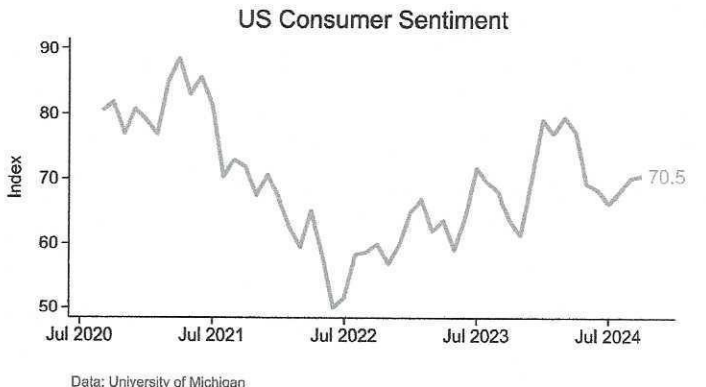
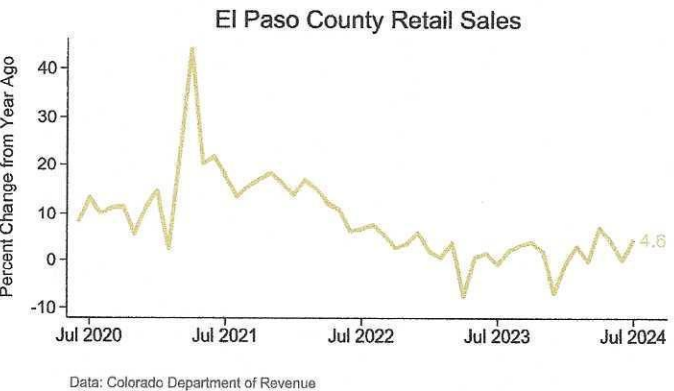
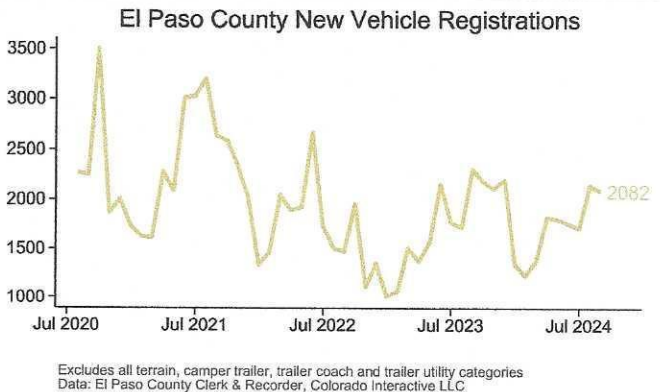
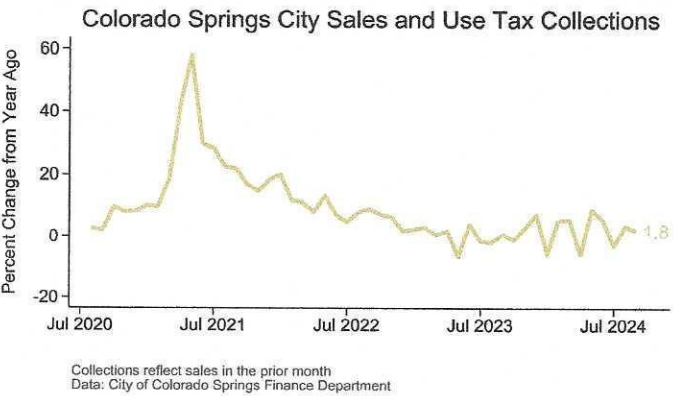


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Business

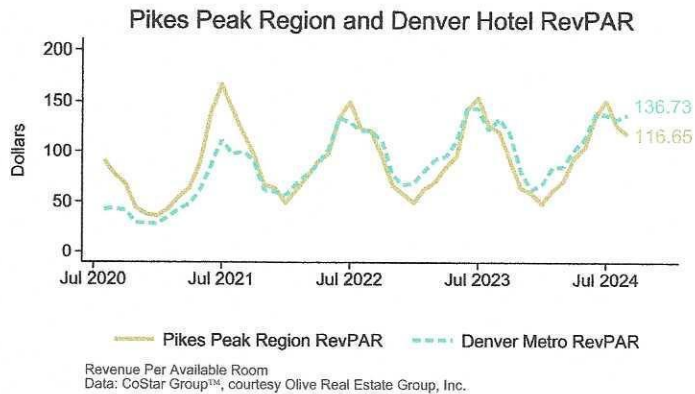
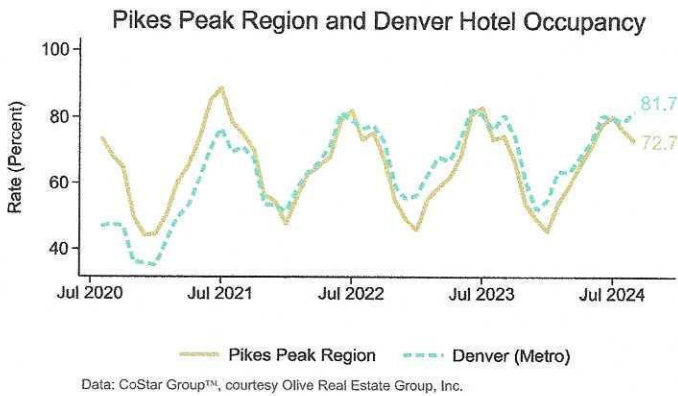
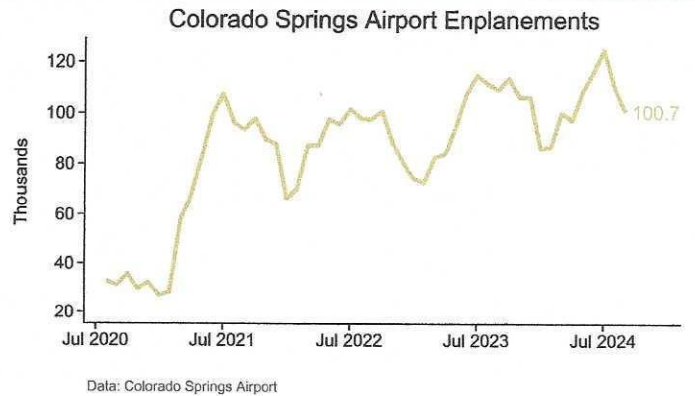
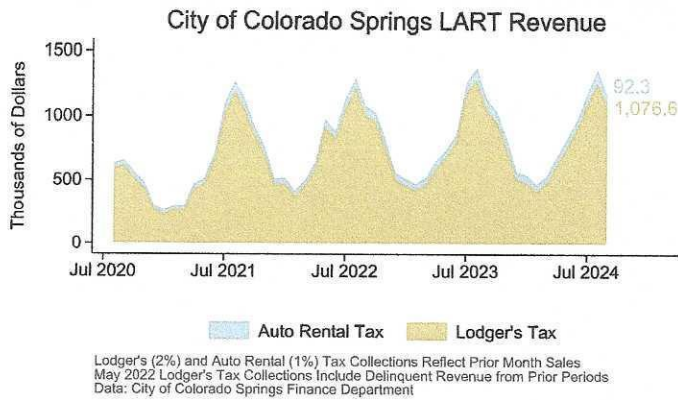


Consumers



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Travel and Tourism



Demographics and Cost of Living

Population and Population Forecasts				
	2010	2022	2030	2040
El Paso County	627,232	740,543	828,389	935,372
0-17	163,464 (26.1%)	171,203 (23.1%)	179,681 (21.7%)	198,326 (21.2%)
18-24	68,665 (10.9%)	79,685 (10.8%)	89,273 (10.8%)	88,758 (9.6%)
25-29	42,277 (7.5%)	58,372 (7.9%)	59,158 (7.1%)	63,169 (6.8%)
30-49	170,628 (27.2%)	198,385 (26.8%)	242,953 (29.3%)	280,861 (30.0%)
50-64	114,362 (18.2%)	126,271 (17.1%)	122,125 (14.7%)	153,881 (16.5%)
65+	62,836 (10.0%)	106,627 (14.4%)	135,189 (16.3%)	150,377 (16.1%)
Colorado	5.05 mil.	5.84 mil.	6.39 mil.	7.05 mil.
United States	313.98 mil.	334.52 mil.	347.20 mil.	361.46 mil.

Age group shares of total in parentheses. Data: Colorado State Demography Office, Congressional Budget Office

Mortgage Payment Share of Median Income, Aug. 2024	
Pikes Peak Region	46.4%
Denver (Metro)	46.3%
United States	42.2%

Estimated monthly payment for home purchased at local median price as share of median income. Data: Federal Reserve Bank of Atlanta

Cost of Living Index Q2 2024	
Pikes Peak Region	100.3
Denver (Metro)	108.2

Relative to National Average of 100. Data: Council for Community and Economic Research, courtesy Co Springs Chamber & EDC

Selected Population Characteristics, 2023			
	El Paso County	Colorado	United States
Median Household Income	\$89,549	\$92,911	\$77,719
Poverty Rate	7.0%	9.3%	12.5%
Median Age	35.4	37.9	39.2
Bachelor's Deg. or Higher (≥25)	44.3%	46.4%	36.2%
Veteran (civilian pop. ≥18)	15.1%	7.2%	6.1%
Military (≥16)	6.5%	1.0%	0.5%

Data: Census Bureau

Pikes Peak Region Estimated Living Wages	
Living Wage: 1 Adult with No Children	\$23.03/hr
Living Wage: 1 Adult with 2 Children	\$56.08/hr
Living Wage: 2 Working Adults w/ 2 Children (per adult)	\$30.41/hr

Data: MIT Living Wage Calculator

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