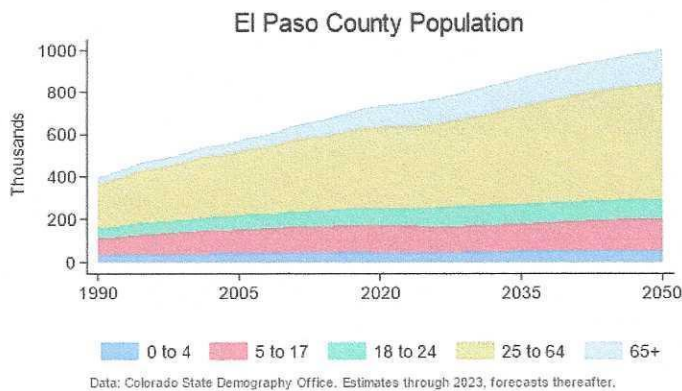


Greetings! We're sending the November Dashboard Report a week earlier than usual due to the upcoming holiday.

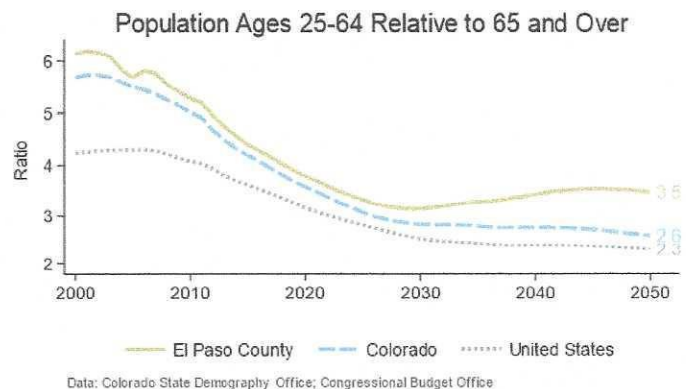
The Colorado State Demography Office released its population estimates for 2023 and updated forecasts for 2024-2050. According to their estimates, El Paso County's population in 2023 was 744,151. That was a 0.49% increase over 2022, which was slower than our usual pace of growth, which averaged 1.51% per year over the preceding 20 years. It was a slight acceleration over 2022, which saw a 0.45% gain. The slower increases in 2022 and 2023 reflected lower-than-usual net migration.



The county's population is expected to resume a faster rate of growth – the average annual rate of growth forecast over 2024-2050 for El Paso County is 1.10%, compared with 0.87% for the state, and 0.43% for the US (the national forecast is from the Congressional Budget Office). While the percentage rate of growth is a bit slower than the past two decades, in absolute terms we are expected to see a significant increase in the number of people living here – the

forecast change in population from 2024-2034 is 106,247, compared with an increase of 84,264 over 2014-2024.

Our population is expected to remain younger than that of the rest of the state and nation. While the ratio of people aged 25-64 to 65 and over has been falling with the aging of the baby boomer cohort, our 25-64 population is forecast to grow enough that this ratio is expected to rise slightly between 2030 and 2045, even as it continues to fall nationally and statewide.



Another noteworthy feature of these forecasts is a projected increase in the number of young children in El Paso County – the number of 0-4-year-olds is forecast to increase from 44,945 in 2024 to a peak of 56,351 in 2043.

Teller County's population is estimated at 24,637 for 2023 and forecast to grow slightly, to 27,565 in 2050.

The region's main municipalities also saw modest population growth in 2023.

Home sales in the region finally showed a significant upturn in October. According to the Pikes Peak Association of Realtors®, 988 single-family homes were sold in the region, up from 933 in September and 851 in October 2023.

The median sale price ticked down by \$10,000 to \$475,000. Inventory continues to be elevated – there were 3,394 active listings in October, compared with 2,505 a year ago and 1,940 in October 2019.

The increase in sales activity is welcome, not only for real estate agents, but also because home sales bring other activity with them, such as sales of furniture and appliances. Home sales were likely helped by mortgage rates, which were near 6% in late September and early October. However, this boost to activity could be short-lived, as mortgage rates have risen considerably over the past month (more on this below).

The preliminary estimate of regional employment growth for October showed a modest gain of 300 jobs, but the September figure was revised up from 2,600 to 2,700. This can be somewhat volatile month-to-month, but the three-month average of 733 indicates employment growing at a healthy pace.

Colorado had strong payroll growth in October, with an increase of 9,000 jobs (preliminary). However, the unemployment rate ticked up to 4.1%, which matches the US unemployment rate. That is noteworthy as the state's unemployment generally tends to be lower than the national rate. The jobs number is generated from a survey of businesses while the unemployment rate is based on a survey of households, and sometimes they tell somewhat differing stories. The employer survey has a larger sample and is therefore considered more statistically reliable.

The large year-on-year increase in El Paso County retail sales for August reported by the Colorado Department of Revenue shown on page 3 appears to be the result of a data quirk or anomaly in the accommodation category – I've reached out for a clarification.

Nationally, as expected, the October jobs report came in weak, partly due to hurricane and strike (Boeing) effects. While that complicates the interpretation of the data, the fact that the August and September job gains were revised downward by a total of 112,000 reinforces my concern about a softening trend in the labor market. However, the September Job Openings and Labor Turnover Survey (JOLTS) data did show an uptick in the hiring rate.

Population Estimates: Selected Municipalities		
	2023	2022
Colorado Springs	488,164	485,754
Fountain	30,191	30,162
Monument	11,014	10,777
Woodland Park	7,937	7,872
Manitou Springs	4,846	4,843
Palmer Lake	2,650	2,647

Data: Colorado State Demography Office

The advance estimate of US output growth for the third quarter showed a robust 2.8% annualized rate of growth for real (inflation-adjusted) GDP. Imports have been surging – some of this may have been motivated by a desire to get ahead of a potential port strike (resolved in early October) and tariffs. Consumption grew at a 3.7% rate, indicating strong demand.

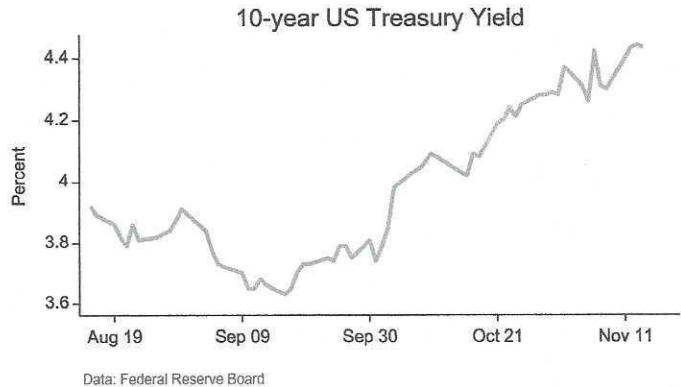
US productivity growth has also been strong – labor productivity (output per hour worked) in the nonfarm business sector increased at a 2.2% annual rate in the third quarter and was up 2.0% for the year (this compares with an average of 1.5% over 2006-19). Faster productivity growth means that higher wage growth can be sustained without causing inflationary pressure. Measured productivity can be volatile, so it is too soon to tell if the recent numbers reflect a trend shift.

Consumer price inflation came in at 2.6% year-on-year for October; the annual change in the “core” (excluding volatile food and energy prices) index was 3.3%. Much of this continued to be because of the estimated “owners’ equivalent rent” component of shelter costs, which rose 5.2% year-on-year. Excluding shelter, core inflation was 2.1%. There is still some inflationary pressure from non-shelter services, with prices up 4.5% from a year ago. While I don’t see much reason for being truly concerned about inflation, these numbers are warm enough to lend support to those within the Fed who would argue for a pause on reducing the federal funds rate target.

As mentioned above, mortgage rates are back up (the figure in the dashboard shows is a monthly average for October). This reflects a couple of factors: (i) macro data may be pushing back the expected timetable for Fed rate cuts (the Fed directly impacts short-term rates; long-term rates are influenced by expectations regarding future short-term rates) and (ii) an expectation of increased federal government borrowing. The federal government borrows from the same pool of global saving that is used to finance private investment and household borrowing, including mortgages, so an anticipated increase in federal borrowing can push long-term interest rates up. The [Congressional Budget Office forecasts](#) a federal budget deficit of roughly \$22 trillion over 2025-34 (6.3% of GDP).

The CBO is required to forecast based on the law as written, so this assumes the income tax cuts passed in the 2017 Tax Cuts and Jobs Act (TCJA) expire at the end of 2025 as scheduled. The Committee for a Responsible Federal Budget [estimated the president-elect’s plans](#) would result in an additional \$7.75 trillion in borrowing over 2026-35, with the largest part of this attributed to extending the expiring TCJA provisions.

Yields on 10-year Treasury securities trended upwards as the polls shifted in the lead-up to the election, and on election day itself, there was a large increase in yields in the late afternoon and evening as the result became clearer. The 10-year Treasury yield tends to act as a benchmark for mortgage rates. Overall, barring a recession, I think we’re likely to be in a higher interest rate environment over the coming year than we expected a few months ago.

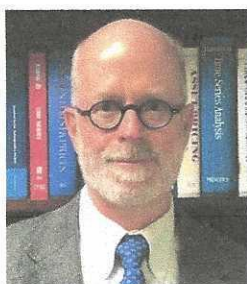


While the bond market reaction to the election may have been driven partly by expectations about larger deficits, the initial positive reaction of the stock market suggested more optimism about corporate profits due to potential corporate tax rate cuts and a more relaxed regulatory environment.

In general, I think people tend to attribute way too much of the ups and downs of the economy to the president. This is reflected in how [partisanship affects responses to surveys](#) about the economy. However, perceptions may make a difference in the short run as some people who feel better about the economy after the election may be more inclined to make big-ticket purchases.

That said, some of the president-elect's policy proposals may have significant economic consequences over the next year. What happens will depend a great deal on how aggressively campaign promises are implemented. Congress will have something to say about tax and spending plans and, therefore, the actual amount of federal borrowing we see. The president does have considerable authority to impose tariffs without congressional action. Higher tariffs would not only raise costs for consumers, but also increase the price of inputs and equipment for business and likely bring retaliation by trading partners (agriculture is a common target). The effect of tariffs may be partly offset by a stronger US dollar. The conservative-leaning [Tax Foundation rounded up economists' estimates](#) of impact from potential tariff increases on GDP – all negative, though the exact estimates vary considerably. As for immigration, a considerable portion of the US labor force lacks legal status – 4.8% of the US labor force was undocumented in 2022 (3.8% in Colorado) according to [estimates by the Pew Research Center](#). A [study by economists at CU Denver](#) of deportations in 2008-14 found that they had a negative impact on employment of native-born workers. A large-scale deportation effort could be very disruptive to the US economy, with agriculture and construction particularly hard-hit (the share of immigrants in the Colorado Springs area is lower than that of the US overall, so the direct impact here might be smaller). Again, this all depends on implementation – it may be that the threat of tariffs is used as a negotiating tactic (the uncertainty alone would have some negative impact), and the actions on immigration may turn out to be on a smaller scale in practice. We'll see...

Both tariff increases and removals of a portion of the workforce constitute what economists call “negative supply shocks,” which raise prices and reduce output. This type of shock complicates the Fed's job considerably – it could choose to hold steady and “look through” the inflationary effects on the grounds that they would be one-time upward shifts in price levels. However, concerns that allowing a temporary increase in the inflation rate would undermine the Fed's credibility and create a risk that higher inflation gets embedded in expectations may push them to respond by raising the federal funds rate target.



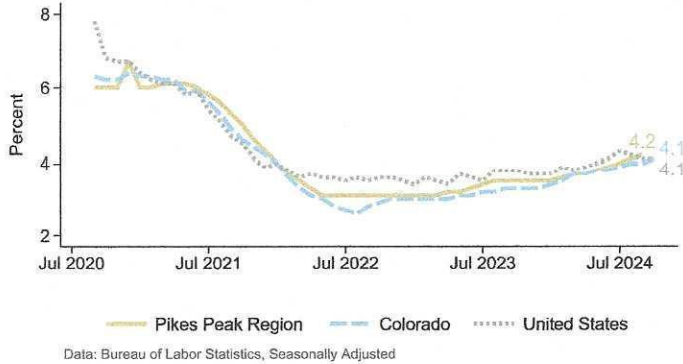
Thank you for your support!

A handwritten signature in black ink that reads 'Bill'.

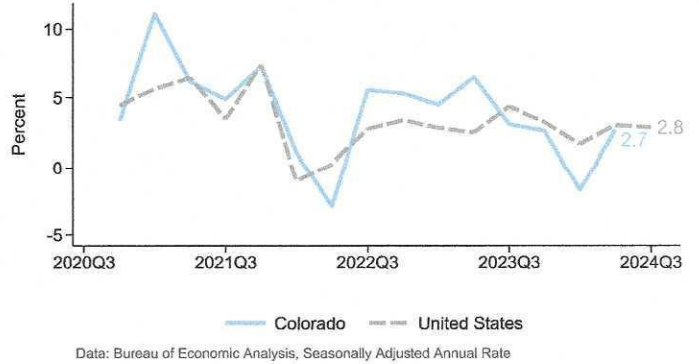
Bill Craighead, Ph.D.
Director, UCCS Economic Forum
craighead@uccs.edu

Output, Employment and Wages

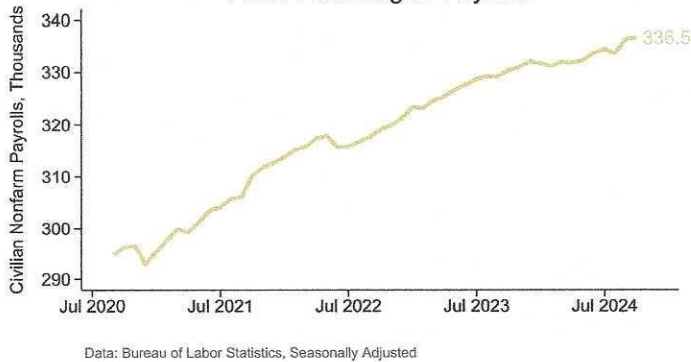
Pikes Peak Region, Colorado and US Unemployment Rates



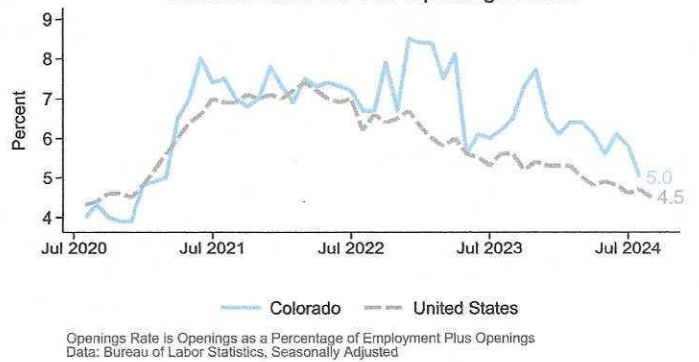
Colorado and US Real GDP Growth



Pikes Peak Region Payrolls



Colorado and US Job Openings Rates



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, October 2024

Occupation	No. of Postings	Median Advertised Ann. Salary
Other Computer Occupations	955	\$132,864
Registered Nurses	850	\$93,440
Software Developers	596	\$133,888
Retail Salespersons	589	\$34,432
Heavy Truck Drivers	341	\$62,336
First-Line Retail Supervisors	321	\$50,048
Customer Service Reps.	307	\$41,600
Secretaries & Admin. Assistants	294	\$44,160
Maintenance & Repair Workers	279	\$49,024
General & Operations Managers	251	\$75,136
Total Openings	22,009	\$61,824

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

	Oct.	1 yr. % chg.
Pikes Peak Region	\$35.14	+3.0%
Colorado	\$38.30	+5.2%
United States	\$35.40	+3.3%

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

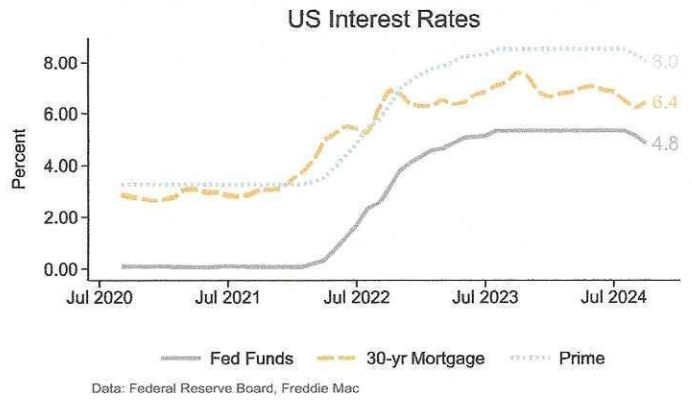
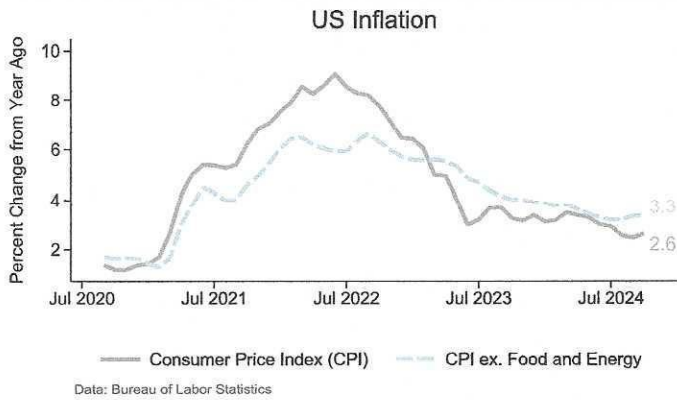
Pikes Peak Region Employment

	October	September
Employed	370,839	371,257
Unemployed	17,445	16,401

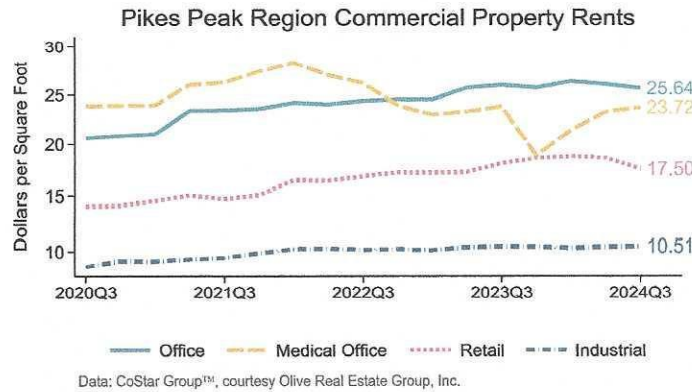
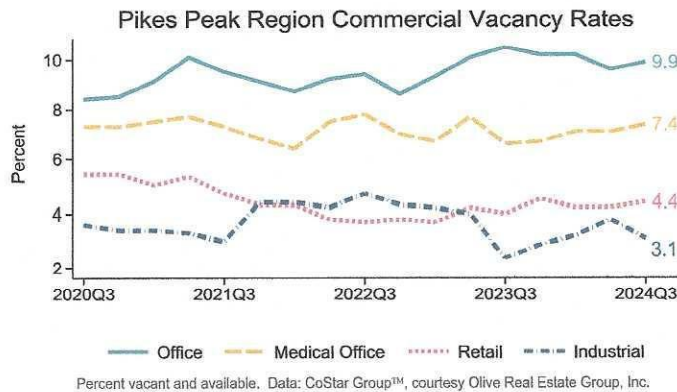
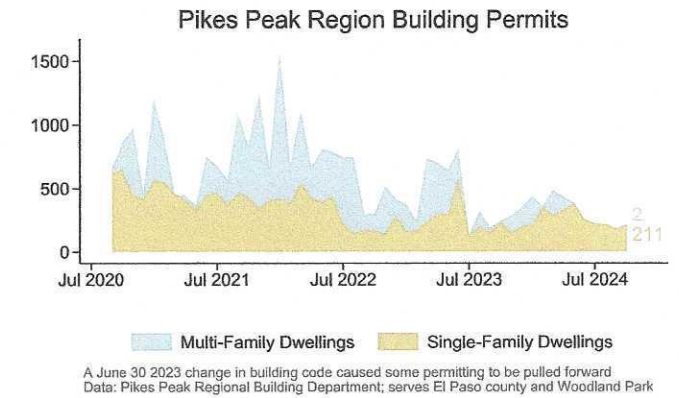
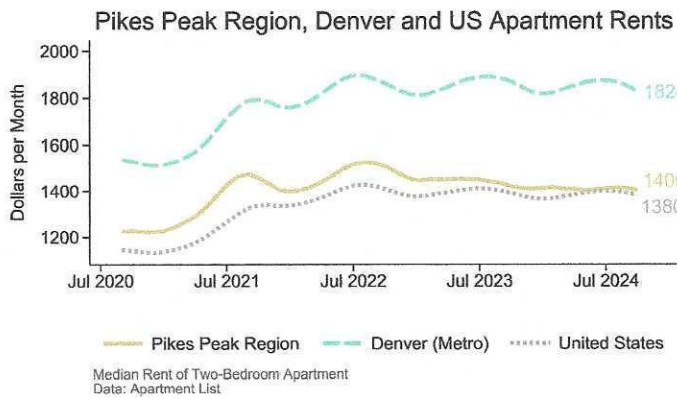
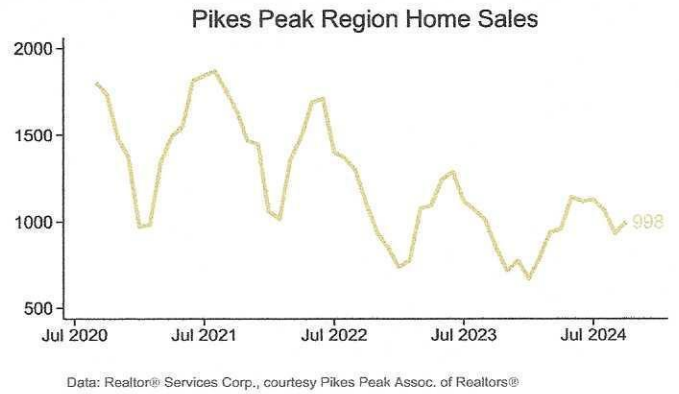
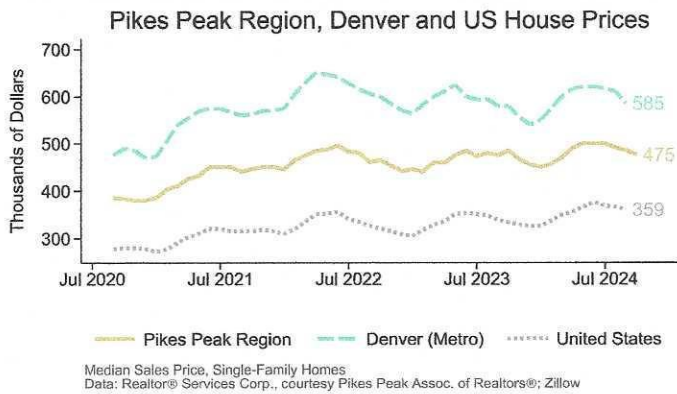
Household survey data, includes self-employed, not seasonally adjusted. Data: Colorado Department of Labor & Employment; Bureau of Labor Statistics

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

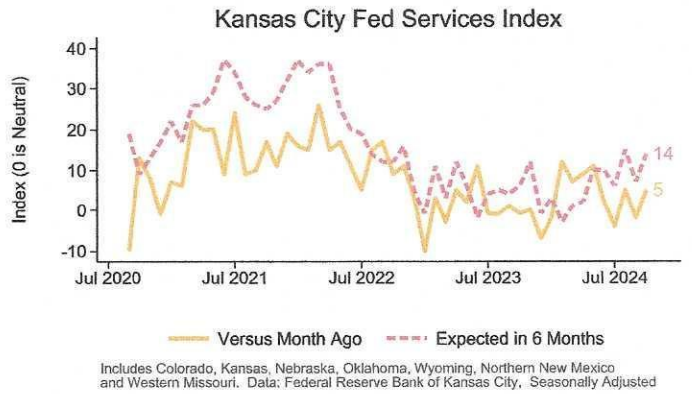
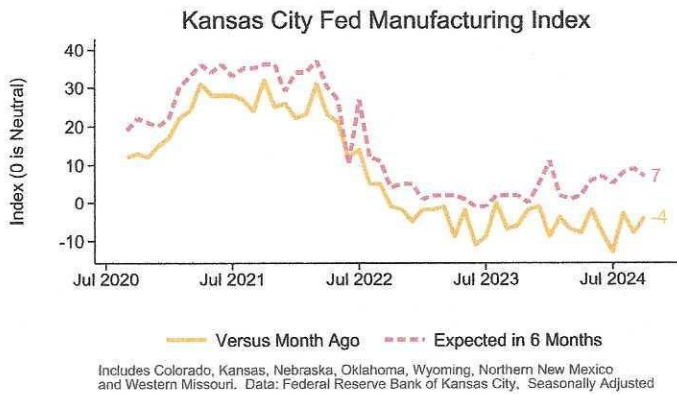
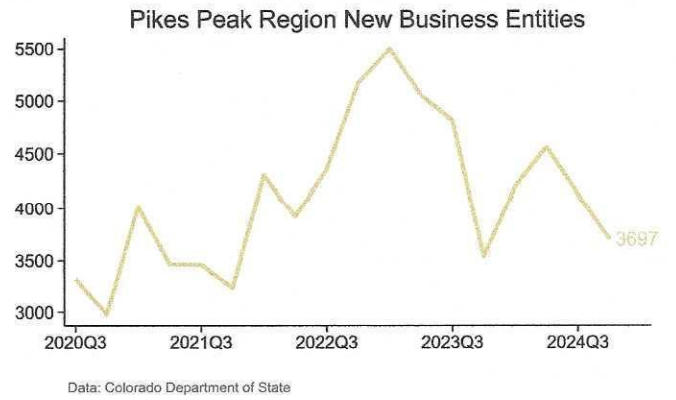
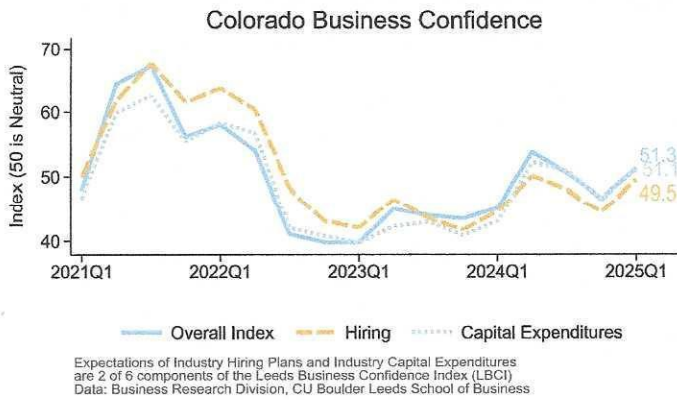


Real Estate

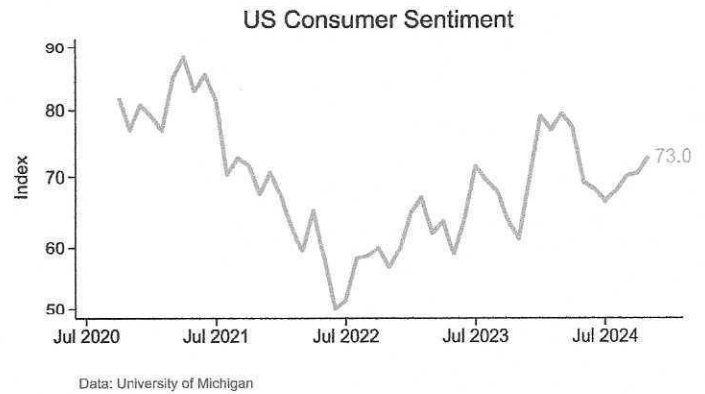
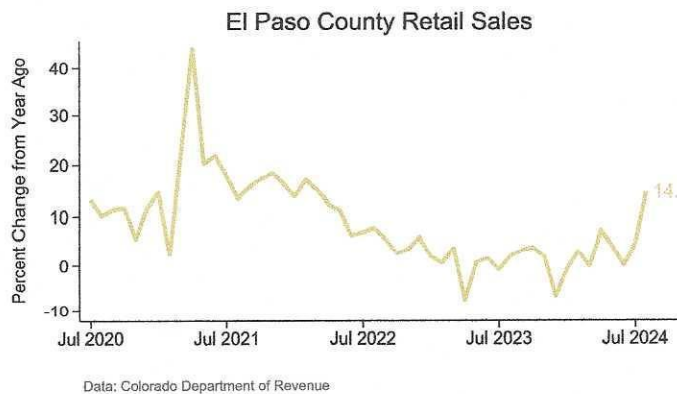
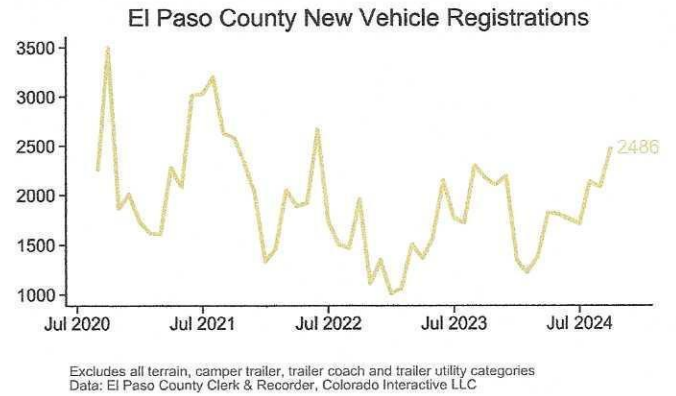
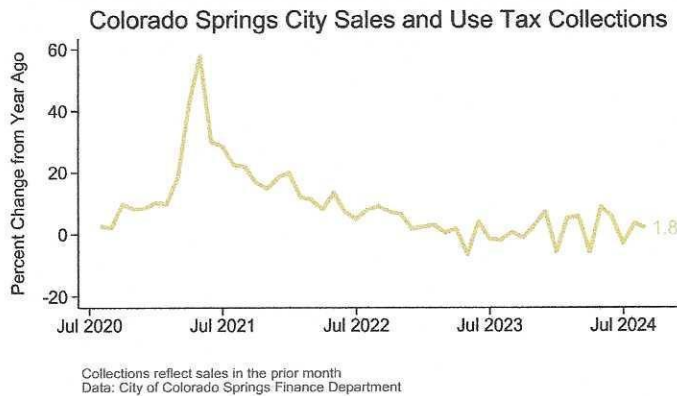


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Business

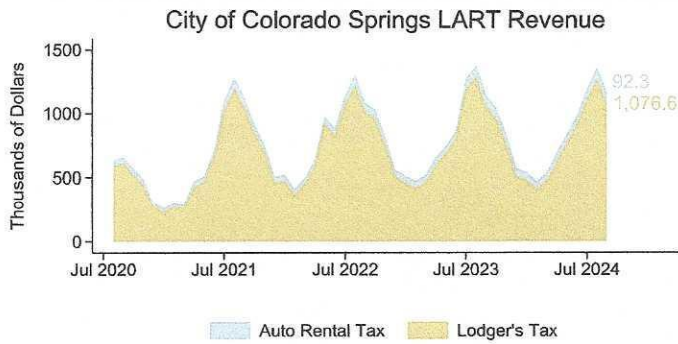


Consumers

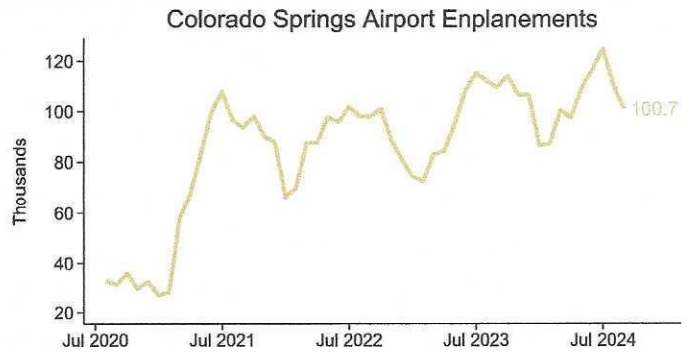


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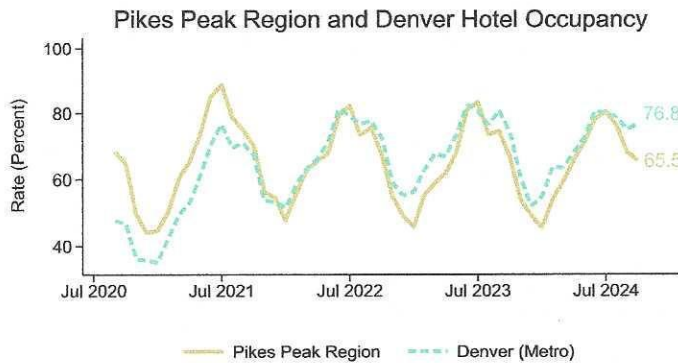
Travel and Tourism



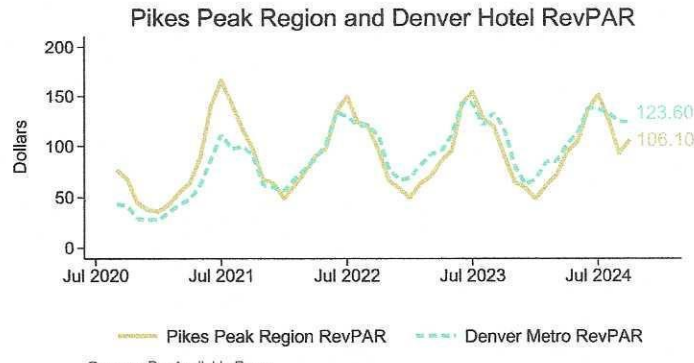
Lodger's (2%) and Auto Rental (1%) Tax Collections Reflect Prior Month Sales
 May 2022 Lodger's Tax Collections Include Delinquent Revenue from Prior Periods
 Data: City of Colorado Springs Finance Department



Data: Colorado Springs Airport



Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.



Revenue Per Available Room
 Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.

Demographics and Cost of Living

	Population and Population Forecasts			
	2010	2023	2030	2040
El Paso County	627,232	744,151	810,949	920,109
0-17	163,464 (26.1%)	169,255 (22.7%)	169,317 (20.9%)	187,366 (20.4%)
18-24	68,665 (10.9%)	81,782 (11.0%)	94,993 (11.7%)	94,258 (10.2%)
25-29	42,277 (7.5%)	56,829 (7.6%)	61,407 (7.6%)	69,716 (7.6%)
30-49	170,628 (27.2%)	201,399 (27.1%)	232,182 (28.6%)	277,240 (30.1%)
50-64	114,362 (18.2%)	124,822 (16.8%)	120,749 (14.9%)	146,990 (16.0%)
65+	62,836 (10.0%)	110,064 (14.8%)	132,301 (16.3%)	144,539 (15.7%)
Colorado	5.05 mil.	5.88 mil.	6.32 mil.	6.97 mil.
United States	313.98 mil.	338.44 mil.	357.06 mil.	371.16 mil.

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

	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

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

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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