

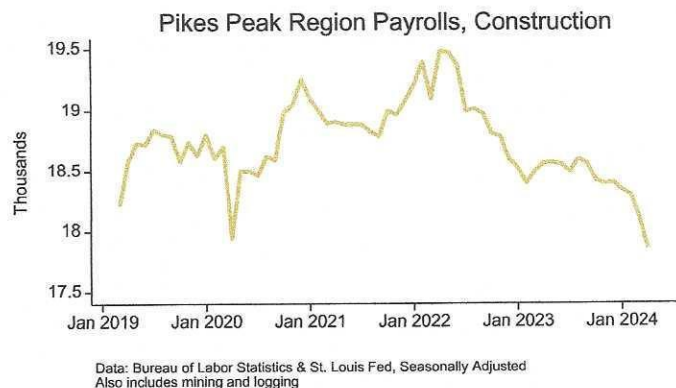
Greetings from the UCCS Economic Forum!

We are continuing to see some signs of weakness in local economic activity. According to the preliminary estimate from the Bureau of Labor Statistics, payrolls here declined by 200 in April. The March estimate was revised upward to a gain of 800, but with employment declines in January and February, we're still down 300 jobs for the year. Total civilian employment is 331,700, so the decline is tiny in percentage terms, but a noticeable change in trend from the average monthly gain of 900 we saw in 2023.

City sales and use tax collections are looking soft as well – though the previous two months had been healthy, April collections, which were for March sales, were down 5.9% from last year. That leaves collections for sales in the first quarter of 2024 only up 0.9% over the same period in 2023. Since prices are higher, that indicates a slight decline in real activity. The building materials category is pulling down the total – it was down 2.7% in the first quarter of 2024 compared with 2023.

Single-family home sales were slightly higher in April than March, reflecting normal seasonal trends. Transactions continue to lag last year's pace – April 2024 sales were 12% lower than in April 2023, and 27% below April 2019. There are quite a few more homes on the market – the number of active listings is up 34.5% over last year, and 36.1% higher than the same month in 2019. High interest rates have chilled both buyers (due to affordability) and sellers (due to mortgage rate "lock in") – the data suggests that the sellers are coming back to the market ahead of the buyers. We will see if the increased inventory leads to more transactions. This not only matters for real estate agents, but also affects purchases of things like furniture and appliances.

The weakness in employment, retail activity and home sales are all likely connected with higher interest rates. As a growing community with a high degree of population turnover, interest-sensitive real estate and construction are particularly important for the local economy. Another place that we see the effects is in construction employment, which is down 8.3% from two years ago (note: the data is adjusted to remove seasonal patterns).



However, one interest-sensitive category is doing well: El Paso County vehicle registrations so far in 2024 are up 16.5% compared with the first four months of last year.



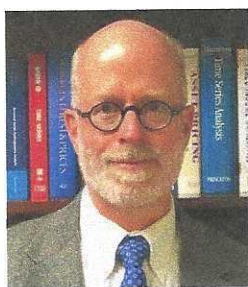
In travel and tourism, Colorado Springs LART revenue is up 2.9% over last year for first-quarter transactions. We recently received a boost from a [New York Times travel feature](#) – hopefully our favorite coffee shops and restaurants won't get too crowded! April enplanements at Colorado Springs Airport were up 15.6% over a year ago.

Notice that under “Demographics and Cost of Living” on page 4 of the dashboard, the Housing Opportunity Index we've reported in the past has been discontinued by the provider – we're replacing it with estimates of the share of local median income needed to make payments on a newly-purchased home at the local median price, including estimates of taxes and insurance. This data is from the Atlanta Fed's [Home Ownership Affordability Monitor](#). It illustrates the continuing affordability challenges here, but also shows that we are not unique in this – by this metric, homes here are a little less affordable than nationwide but slightly more affordable than in metro Denver. The estimated mortgage payment was below 30% of median income through May 2021 – it then increased significantly, reaching a high of 46.9% last October, and has since fallen back to 41.8% in February.

Nationally, the April Consumer Price Index numbers weren't great, but they were somewhat better than the high readings we'd received in the first quarter, reviving hopes that the Fed might be in a position to begin lowering the federal funds rate target later this year. Sometimes large changes in small components can make a big difference to the headline number. Auto insurance costs are up 22.9% percent over the year; excluding this category, overall year-on-year CPI inflation would have been 2.7% instead of 3.4%. Premiums appear to be catching up with the rise in motor vehicle prices that followed pandemic disruptions as well as an increase in accident rates.

Nationwide indicators of activity have been somewhat mixed. US payroll growth came in at 175,000 for April – that's still healthy growth, though down from some very high numbers we've seen recently. My favorite labor market indicator, the share of 25-54-year-olds who are employed, is at 80.8%, which is slightly above its level just before the pandemic. The employment report also showed continued moderation in wages, with the year-on-year increase in average hourly earnings coming in at 3.2% - it had been above 5% in much of 2022. The link between wage growth and inflation is not a tight one in the data, but that is a further sign of abating inflationary pressure.

On the more cautionary side, US retail sales dipped slightly in April and are only up 2.7% from a year ago. Industrial production was flat in April and is a little bit down from a year ago. According to the San Francisco Fed, the “excess saving” households accumulated during the pandemic has been exhausted. The credit card default rate is now above its pre-pandemic level, but consumer debt-to-income is still below where it was in 2019.



Thank you for your support!

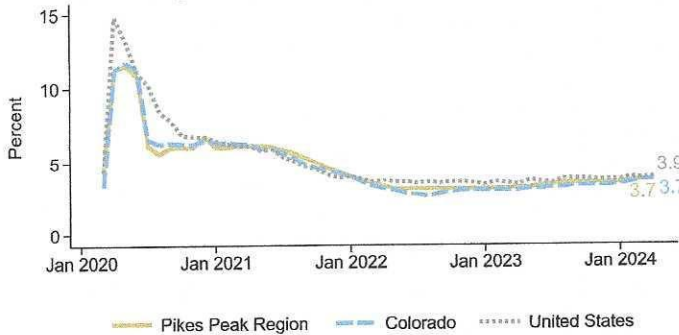
A handwritten signature in black ink that reads "Bill".

Bill Craighead, Ph.D.  
Director, UCCS Economic Forum  
[craighead@uccs.edu](mailto:craighead@uccs.edu)



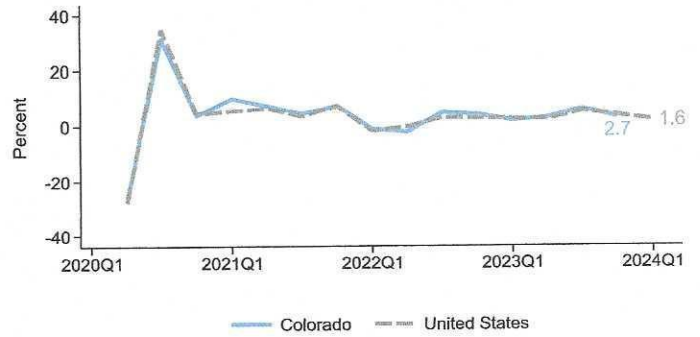
Output, Employment and Wages

Pikes Peak Region, Colorado and US Unemployment Rates



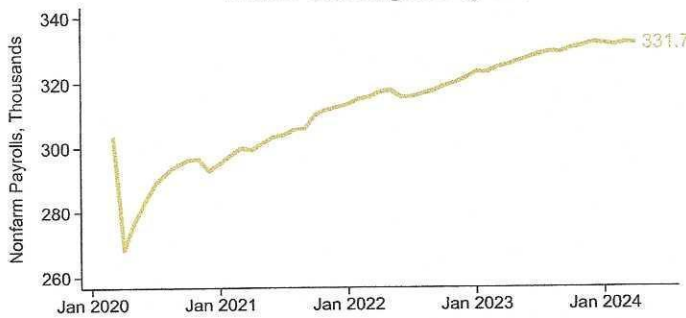
Data: Bureau of Labor Statistics, Seasonally Adjusted

Colorado and US Real GDP Growth



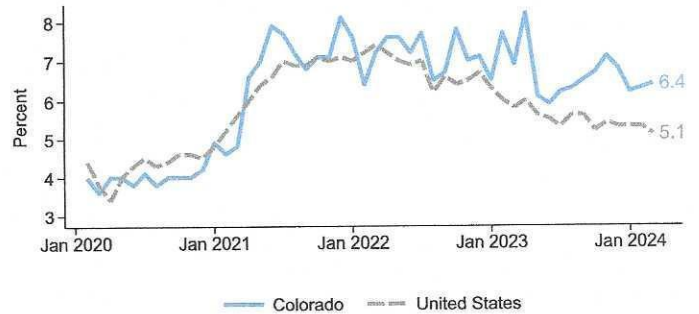
Data: Bureau of Economic Analysis, Seasonally Adjusted Annual Rate

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, Q3 2023

Industry	Employment	1 yr. % chg.
Health Care & Social Assistance	51,136	+4.8
Accommodation & Food Services	35,737	+5.6
Professional & Tech. Services	33,370	+4.9
Retail Trade	32,633	+1.6
Educational Services	28,212	+9.6
Construction	18,092	-2.4
Administrative & Waste Services	17,183	-1.5
Public Administration	15,246	+1.1
Finance & Insurance	13,575	+11.5
Manufacturing	12,084	+1.7
Other Services, ex. Public Admin.	12,042	+5.7
Transportation & Warehousing	11,090	+9.6

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

Pikes Peak Region Job Postings, Apr. 2024

Occupation	No. of Postings	Median Advertised Ann. Salary
Registered Nurses	939	\$87,936
Other Computer Occupations	686	\$128,896
Retail Salespersons	674	\$33,408
Software Developers	466	\$126,720
Fast Food & Counter Workers	369	\$33,920
Customer Service Reps.	367	\$41,600
Home Health & Pers. Care Aides	343	\$36,480
First-Line Retail Supervisors	318	\$48,768
Maintenance & Repair Workers	285	\$46,720
Food Service Managers	272	\$54,912
Total Openings	22,996	\$54,912

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

Average Annual Pay, Q3 2023

El Paso County	\$63,336
Colorado	\$74,360
United States	\$69,368

Data: Bureau of Labor Statistics

Armed Forces in El Paso County

2022	2021
36,190	32,938

Data: Census Bureau

Pikes Peak Region Employment

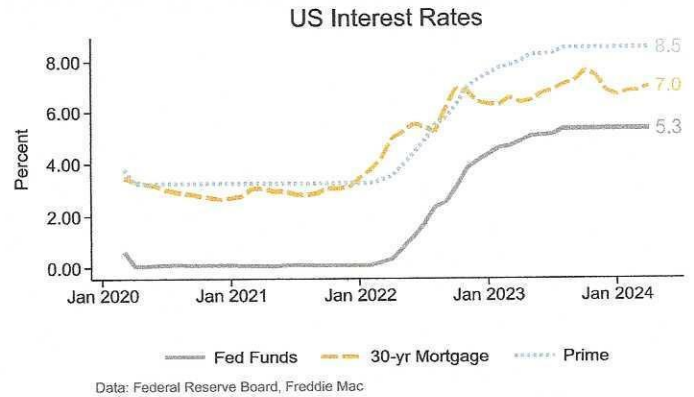
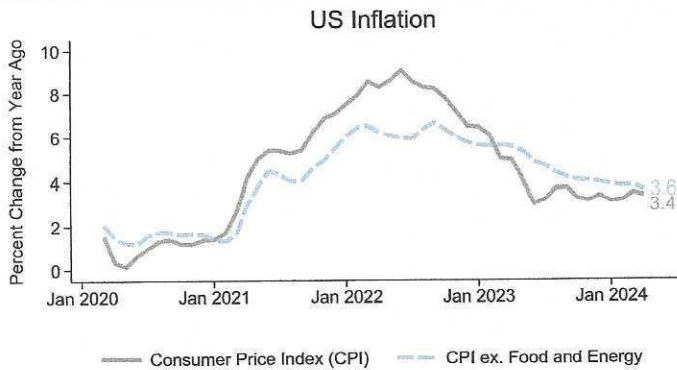
	Apr.	Mar.
Employed	367,461	365,593
Unemployed	13,223	15,089

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

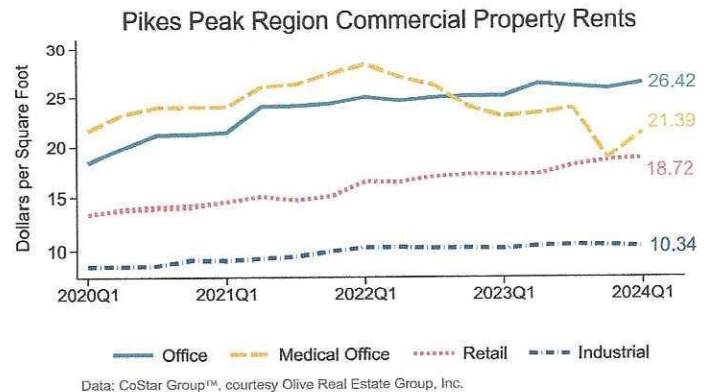
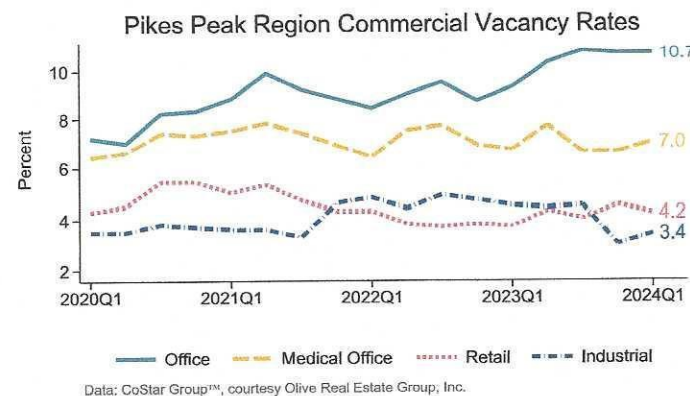
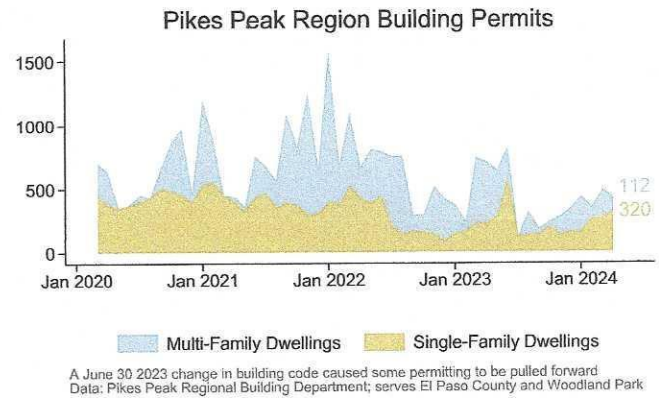
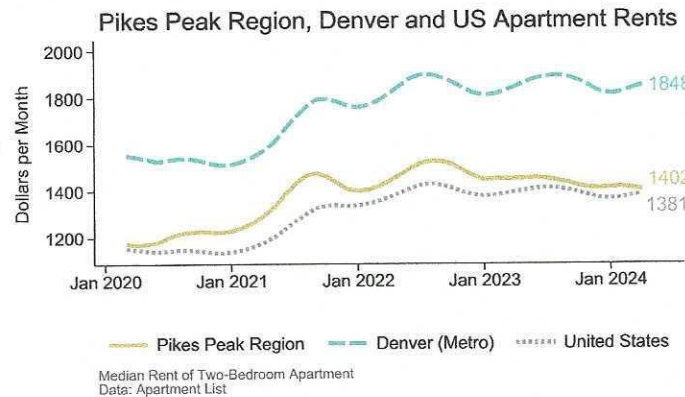
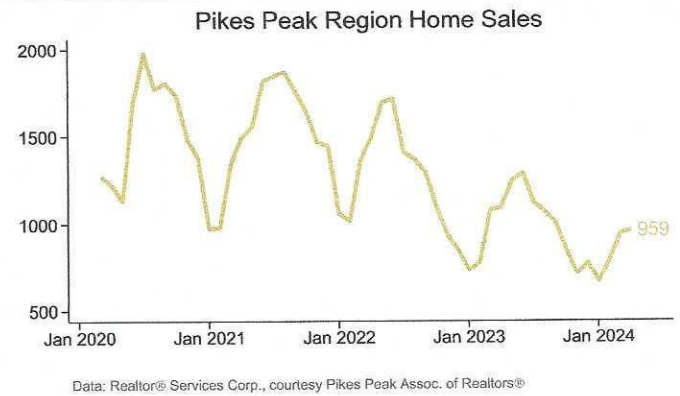
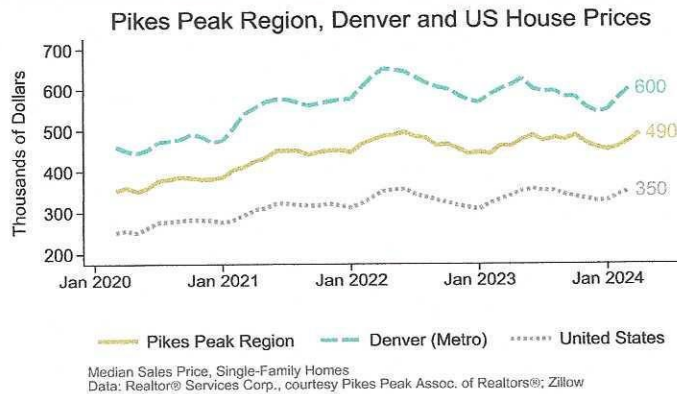
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Inflation and Interest Rates



Real Estate

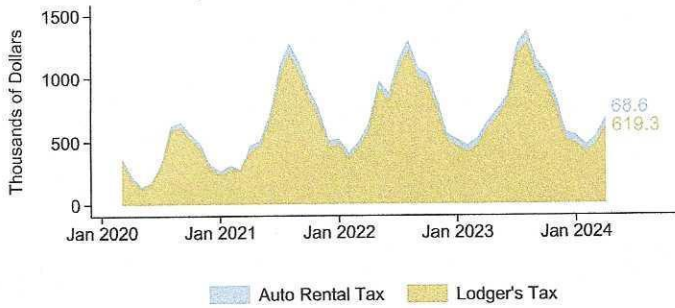


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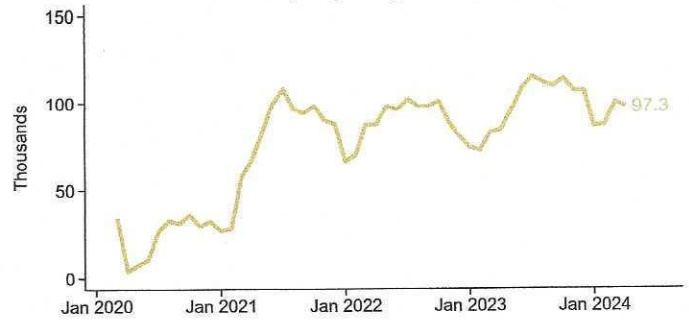
Travel and Tourism

City of Colorado Springs LART Revenue



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

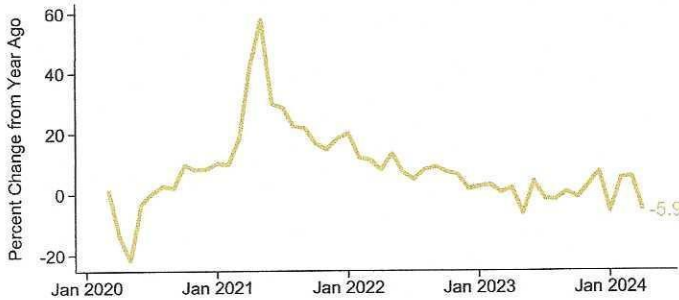
Colorado Springs Airport Enplanements



Data: Colorado Springs Airport

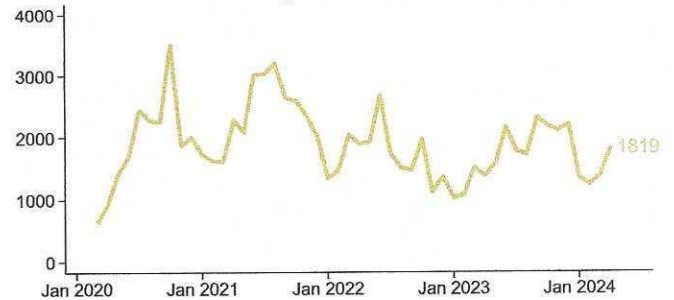
Consumers

Colorado Springs City Sales and Use Tax Collections



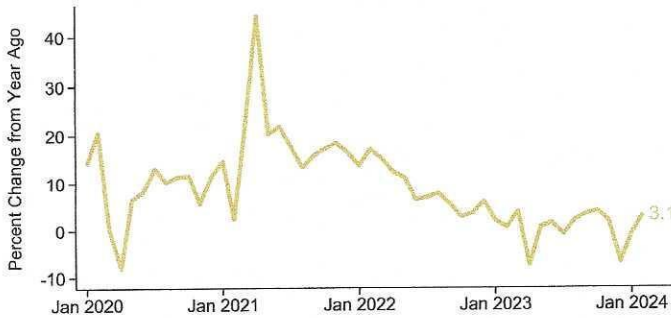
Collections reflect sales in the prior month  
 Data: City of Colorado Springs Finance Department

El Paso County New Vehicle Registrations



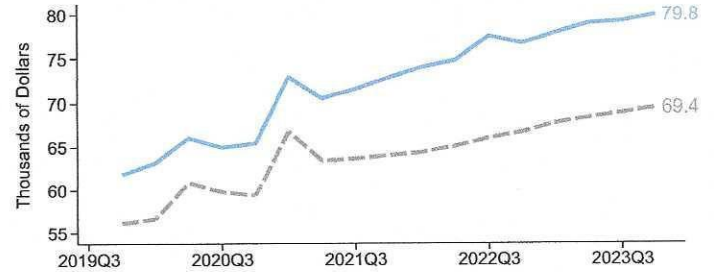
Excludes all terrain, camper trailer, trailer coach and trailer utility categories  
 Data: El Paso County Clerk & Recorder, Colorado Interactive LLC

El Paso County Retail Sales



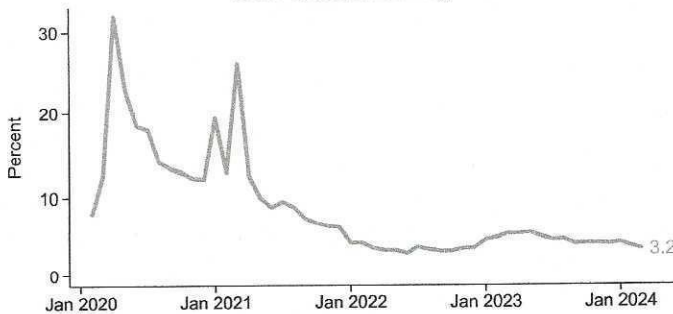
Data: Colorado Department of Revenue

Colorado and US Personal Income Per Capita



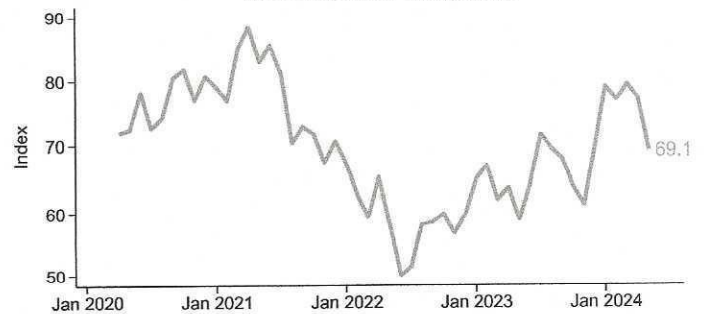
Data: Bureau of Economic Analysis, Seasonally Adjusted Annual Rate

US Personal Saving Rate



Data: Bureau of Economic Analysis, Seasonally Adjusted

US Consumer Sentiment



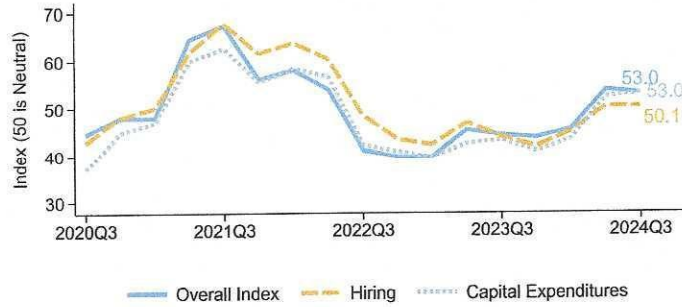
Data: University of Michigan

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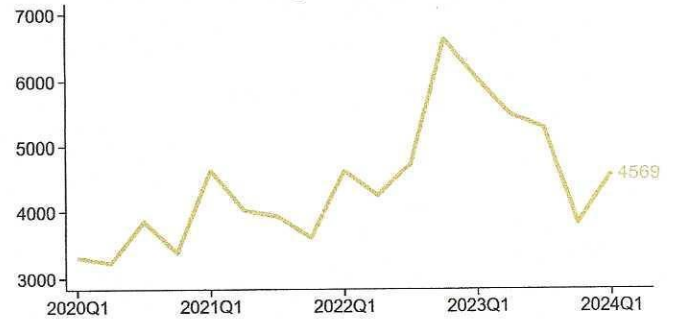
Business

Colorado Business Confidence



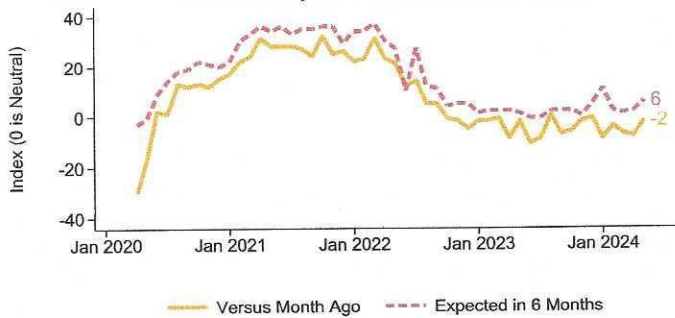
Expectations of Industry Hiring Plans and Industry Capital Expenditures are 2 of 6 components of the Leeds Business Confidence Index (LBCI)  
Data: Business Research Division, CU Boulder Leeds School of Business

Pikes Peak Region New Business Entities



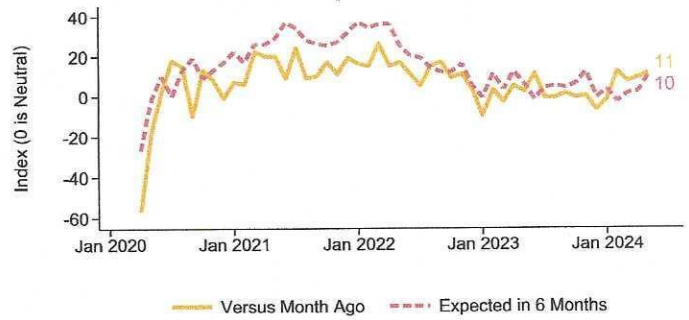
Data: Colorado Department of State

Kansas City Fed Manufacturing Index



Includes Colorado, Kansas, Nebraska, Oklahoma, Wyoming, Northern New Mexico and Western Missouri. Data: Federal Reserve Bank of Kansas City, Seasonally Adjusted

Kansas City Fed Services Index



Includes Colorado, Kansas, Nebraska, Oklahoma, Wyoming, Northern New Mexico and Western Missouri. Data: Federal Reserve Bank of Kansas City, Seasonally Adjusted

Demographics and Cost of Living

Population and Population Forecasts

	2010	2022	2030	2040
<b>El Paso County</b>	<b>627,232</b>	<b>740,543</b>	<b>828,389</b>	<b>935,372</b>
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%)
<b>Colorado</b>	<b>5.05 mil.</b>	<b>5.84 mil.</b>	<b>6.39 mil.</b>	<b>7.05 mil.</b>
<b>United States</b>	<b>313.98 mil.</b>	<b>334.52 mil.</b>	<b>347.20 mil.</b>	<b>361.46 mil.</b>

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

Mortgage Payment Share of Median Income, Feb. 2023

Pikes Peak Region	41.8%
Denver (Metro)	43.6%
United States	39.8%

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 2023

Pikes Peak Region	107.9
Denver (Metro)	110.6

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

Selected Population Characteristics, 2022

	El Paso County	Colorado	United States
Median Household Income	\$82,389	\$89,302	\$74,755
Poverty Rate	8.3%	9.4%	12.6%
Median Age	35.2	37.7	39.0
Bachelor's Deg. or Higher (>25)	42.5%	45.9%	35.7%
Veteran (>18)	15.1%	7.4%	6.2%
Military (>16)	6.1%	0.9%	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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