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Economic Forum
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COLORADO SPRINGS

UCCS Economic Forum Dashboard Report

September 2024

Dr. Bill Craighead, Director

Greetings and happy fall from Dwire Hall at UCCS!

This month brought the Census Bureau's release of results from the 2023 American Community Survey. This is the source of data for our "Selected Population Characteristics" table on page 4 of the dashboard. That table reports figures for El Paso County, but the data are also available at the metro area level. This year's release confirms our status as one of the country's more affluent metro areas. Median household income in the Pikes Peak Region (i.e., the Colorado Springs Metropolitan Statistical Area, which includes El Paso and Teller Counties) was $89,792 in 2023, ranking 48th out of 387 metro areas. That is up from $81,912 in 2022. Adjusting for inflation using the CPI (4.9% increase from 2022 to 2023), gives a very healthy increase of 4.7% in real median household income. Nationally, median household income in 2023 was $77,719, and, for Colorado, $92,911 (9th among US States). It is worth keeping in mind that, like many of the series we track, this data is from surveys and subject to sampling error.

The ACS includes many other indicators. Among other things, it tells us that the region's poverty rate, at 7.1%, is considerably lower than the national rate of 12.5%. Average commute times in the region are slightly below the national average (24.1 versus 26.8 minutes). Homeownership rates are a little higher here than nationwide – 67.3% of local housing units are owner-occupied, versus 65.2% nationally.

This data also highlights the importance of the military and veterans in the region. The region ranks 12th for the share of people 16 and over in the armed forces, and 11th for the proportion of veterans in the civilian population 18 and over (Jacksonville NC, home of Camp Lejuene, is the highest in both). Among metro areas with over 500,000 people, the Pikes Peak Region is second only to Killeen-Temple TX (Fort Cavazos) for the shares of military and veterans.

Local employment indicators came in weak for August. The Bureau of Labor Statistics' preliminary estimate of civilian nonfarm payrolls gave a decrease of 100, and the July increase was revised down from 1100 to 700. That is from their survey of business establishments. The household survey data was also lackluster - the unemployment rate is up to 4.5%, with the number of people employed declining by nearly 2000. The household survey data for August is not seasonally adjusted, but August is not typically a month that sees a decline in employment (note: the seasonally adjusted local data in the figure on p. 1 is reported with a time lag and the adjusted August estimate is not available yet).

After a slight dip last month, year-on-year Colorado Springs City Sales and Use Tax Collections were up 3.3% for July sales. Year-to-date collections are up 2.3%.

Home sales continued to be sluggish, despite an elevated number of homes on the market. August home sales were down slightly (-0.3%) compared with last year, while the number of active listings

was up 37.2% over a year ago. I'm still waiting to see evidence of reduced mortgage rates getting more buyers into the market (note: the dashboard reports a monthly average for August, Freddie Mac's weekly average 30-year mortgage rate reported on Sep. 19 was 6.09%). The median sale price ticked down to $490,000, after being at $499,000 in May-July.

The 2024 annual point-in-time count conducted by the Pikes Peak Continuum of Care showed a decrease in the number of people experiencing homelessness to 1146, of whom 259 were unsheltered. That is down from 1302 (374 unsheltered) last year. These counts are conducted on a single night in January.

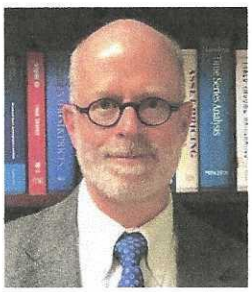
City Lodgers and Auto Rental Tax (LART) collections for both June and July transactions were slightly down over last year (-6.4% and -1.2%, respectively), but that follows some strong months earlier in the year. Year-to-date collections are up 2.6%. Enplanements at COS were up 8.5% in July compared with a year ago.

Statewide, payrolls increased by a healthy 7400 in August, according to the preliminary estimate, but July's gain was revised down significantly, from 4800 to 800. The state unemployment rate ticked up from 3.9% to 4.0%, but this was due to an increase in job-seekers, not a decline in the number of people working.

Nationally, the August employment report showed a solid payroll gain of 142,000, though the June and July increases were revised downward. The US unemployment rate decreased from 4.3% to 4.2%. The share of persons aged 25-54 who were employed remained at 80.9%, slightly above its pre-pandemic level. Although the totals look healthy, there are other signs of the labor market continuing to weaken, such as an increase in the number of people who were working part-time for "economic reasons" – i.e., people who wanted more hours but couldn't get them.

The Fed's announcement of a 0.5% reduction in the target range for the federal funds rate got headlines, and the uncertainty about whether the move would be 0.25% or 0.5% gave this meeting a little more drama than most. However, while this is an important milestone, the beginning of the Fed's move towards a more "neutral" policy setting has been well anticipated, so long-term interest rates, which reflect *expectations* of short-term rates, did not move much and actually increased slightly. I was pleased to see the Fed go for the larger cut, though I still wish it had come sooner.

I'm excited about the program for the 28th Annual UCCS Economic Forum on Thursday and look forward to seeing you there!



Thank you for your support!

Bill

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craighead@uccs.edu

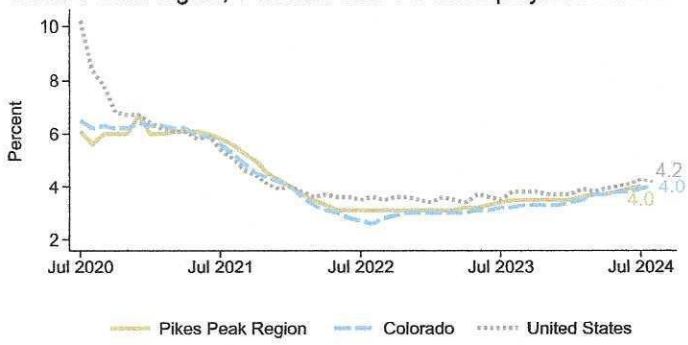
UCCS Economic Forum Dashboard, September 2024

business.uccs.edu/economic-forum

Data as of September 23, 2024

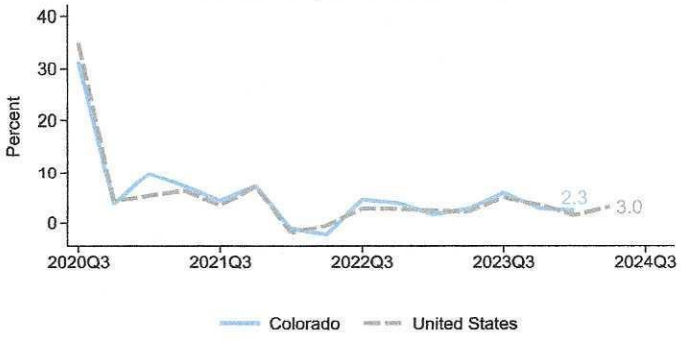
Output, Employment and Wages

Pikes Peak Region, Colorado and US Unemployment Rates



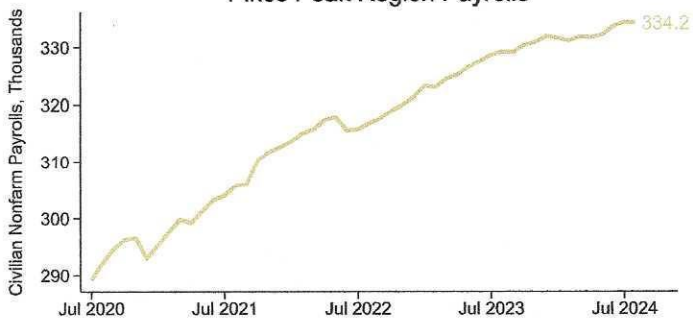
Data: Bureau of Labor Statistics, Seasonally Adjusted

Colorado and US Real GDP Growth



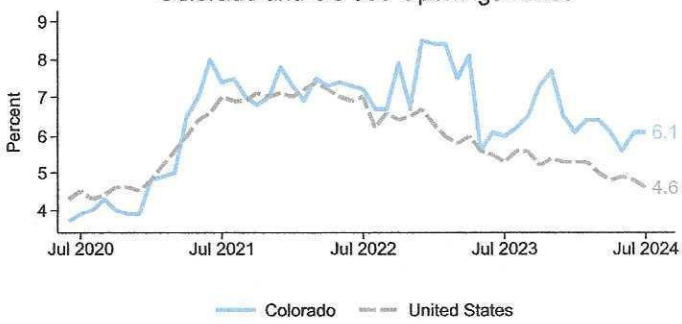
Data: Bureau of Economic Analysis, Seasonally Adjusted Annual Rate

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
Accomodation & 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, August 2024

Occupation	No. of Postings	Median Advertised Ann. Salary
Other Computer Occupations	945	$130,304
Registered Nurses	931	$93,440
Retail Salespersons	667	$33,920
Software Developers	540	$135,936
First-Line Retail Supervisors	358	$46,720
Customer Service Reps.	356	$41,088
Heavy Truck Drivers	323	$58,240
Secretaries & Admin. Assistants	305	$44,928
Fast Food & Counter Workers	280	$33,920
Maintenance & Repair Workers	277	$46,720
Total Openings	23,256	$58,240

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

	August	1 yr. % chg.
Pikes Peak Region	$35.09	+1.1%
Colorado	$37.80	+5.7%
United States	$35.00	+3.8%

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

Pikes Peak Region Employment

	August	July
Employed	369,076	371,033
Unemployed	17,370	17,146

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

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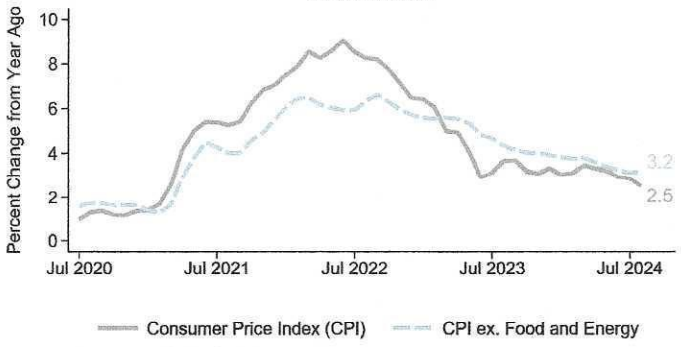
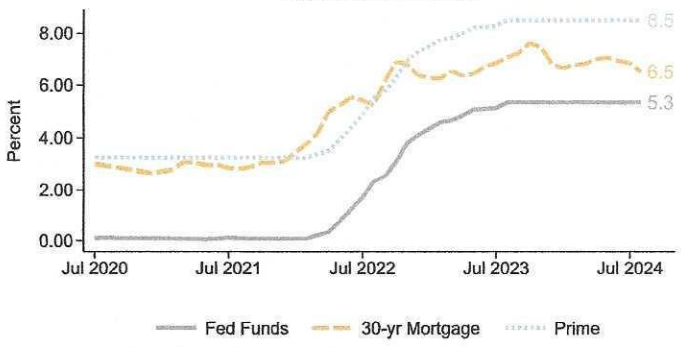
Inflation and Interest Rates

US Inflation



Data: Bureau of Labor Statistics

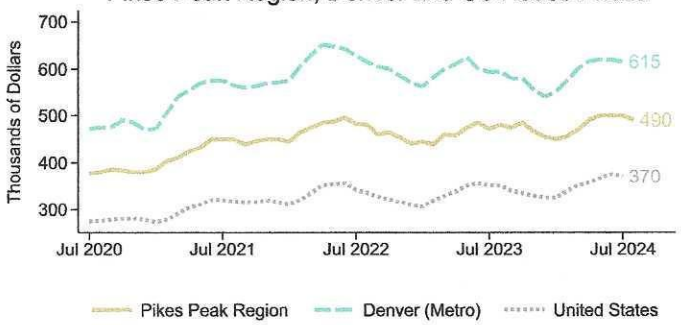
US Interest Rates



Data: Federal Reserve Board, Freddie Mac

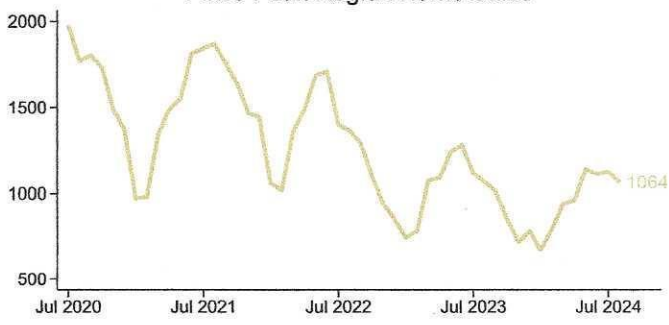
Real Estate

Pikes Peak Region, Denver and US House Prices



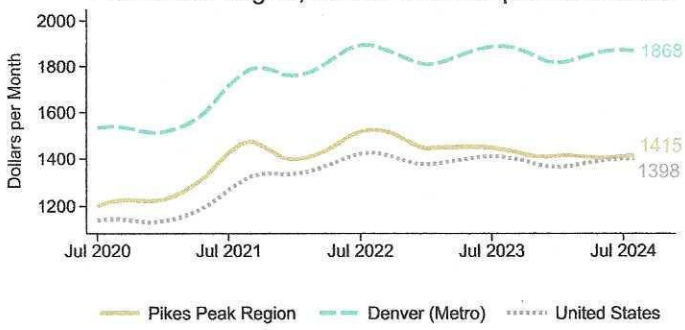
Median Sales Price, Single-Family Homes
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®; Zillow

Pikes Peak Region Home Sales



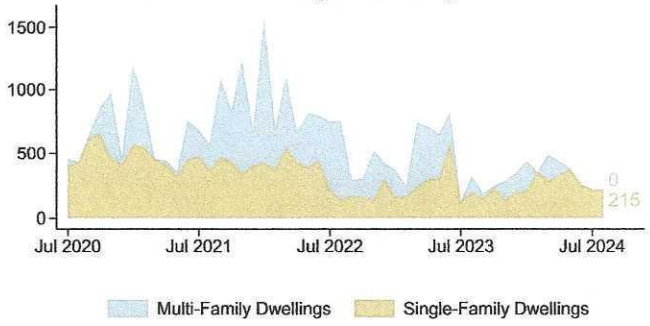
Data: Realtor® Services Corp., courtesy Pikes Peak Assoc. of Realtors®

Pikes Peak Region, Denver and US Apartment Rents



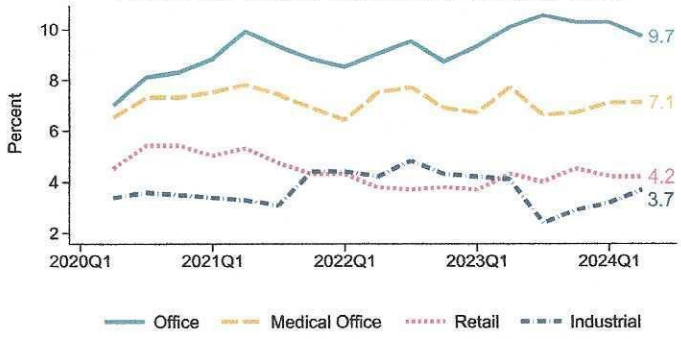
Median Rent of Two-Bedroom Apartment
Data: Apartment List

Pikes Peak Region Building Permits



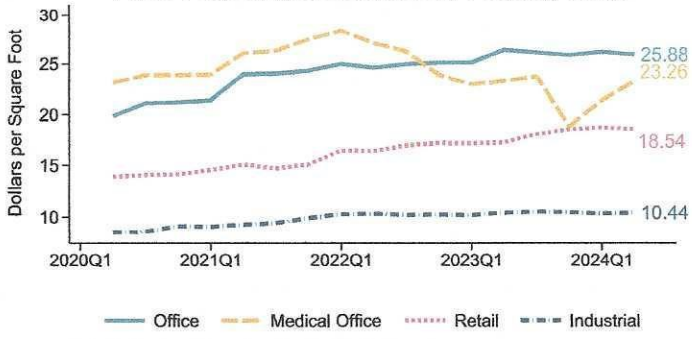
A June 30 2023 change in building code caused some permitting to be pulled forward
Data: Pikes Peak Regional Building Department; serves El Paso county and Woodland Park

Pikes Peak Region Commercial Vacancy Rates



Percent vacant and available. Data: CoStar Group™, courtesy Olive Real Estate Group, Inc.

Pikes Peak Region Commercial Property Rents



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

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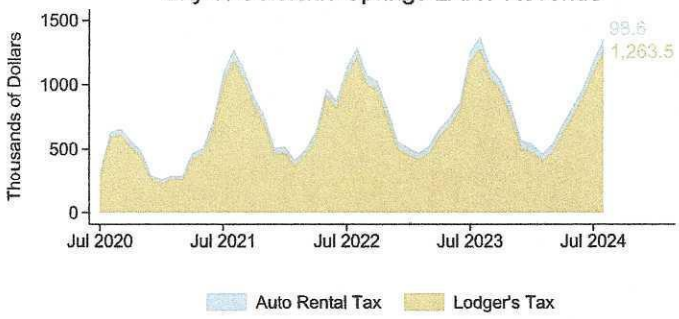
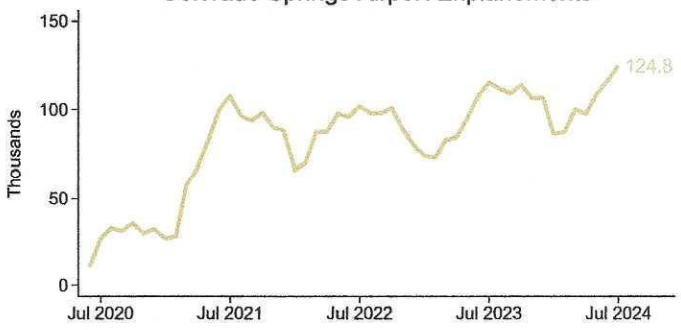
Travel and Tourism

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

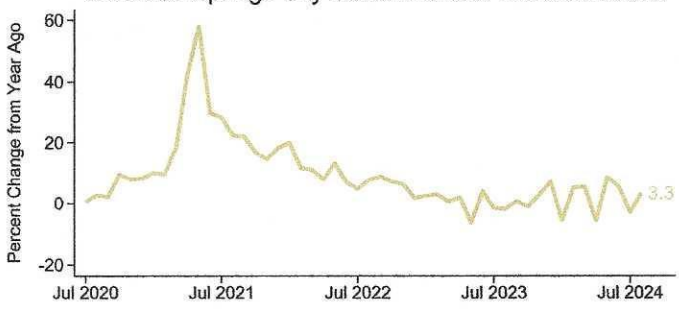
Colorado Springs Airport Enplanements



Data: Colorado Springs Airport

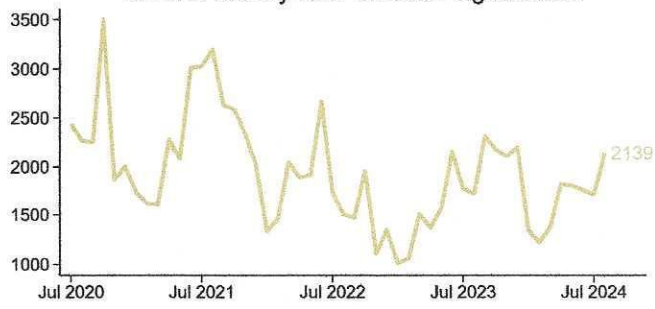
Consumers

Colorado Springs City Sales and Use Tax Collections



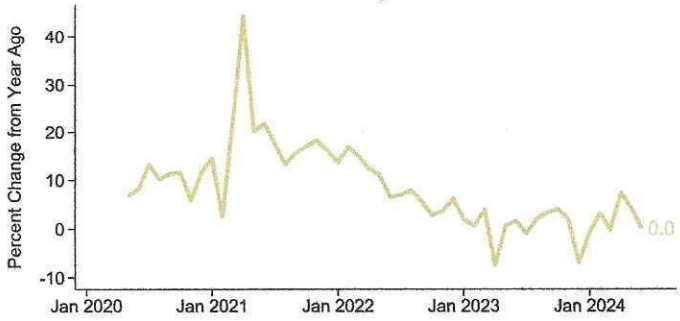
Collections reflect sales in the prior month
Data: City of Colorado Springs Finance Department

El Paso County New Vehicle Registrations



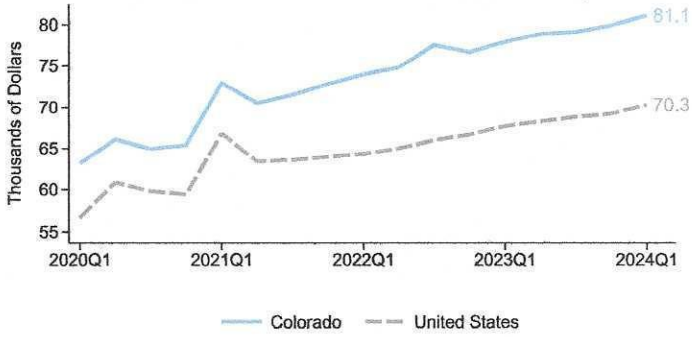
Excludes all terrain, camper trailer, trailer coach and trailer utility categories
Data: El Paso County Clerk & Recorder, Colorado Interactive LLC

El Paso County Retail Sales



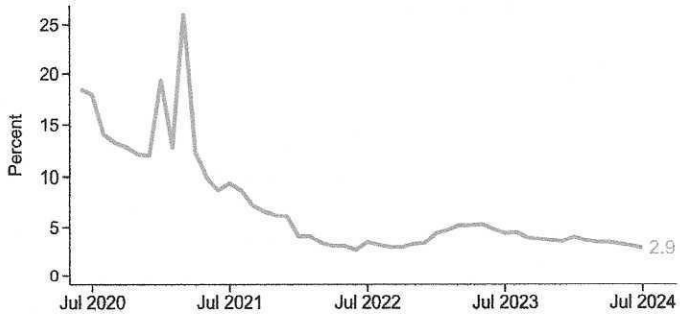
Data: Colorado Department of Revenue

Colorado and US Personal Income Per Capita



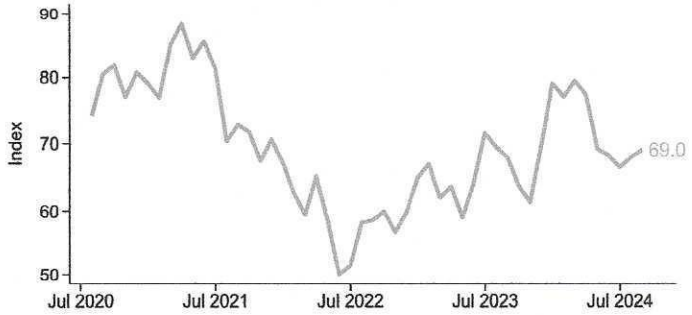
Data: Bureau of Economic Analysis, Seasonally Adjusted Annual Rate

US Personal Saving Rate



Data: Bureau of Economic Analysis, Seasonally Adusted

US Consumer Sentiment



Data: University of Michigan

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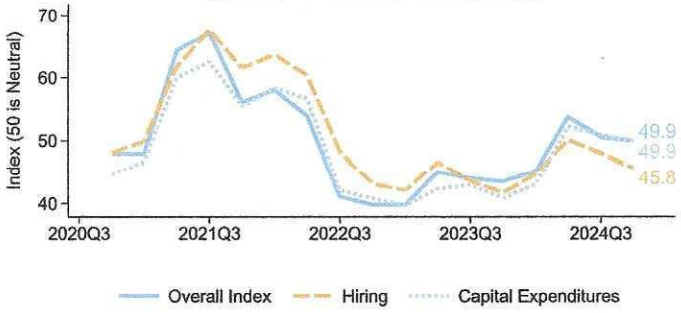
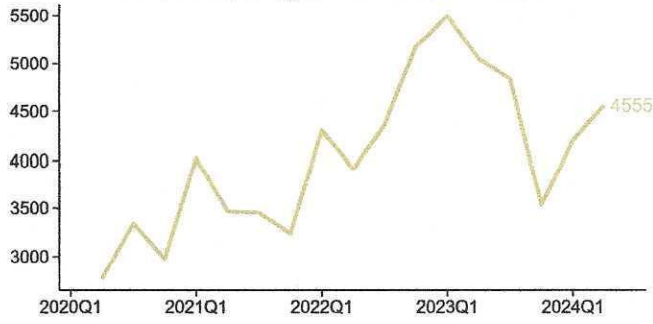
Business

Colorado Business Confidence



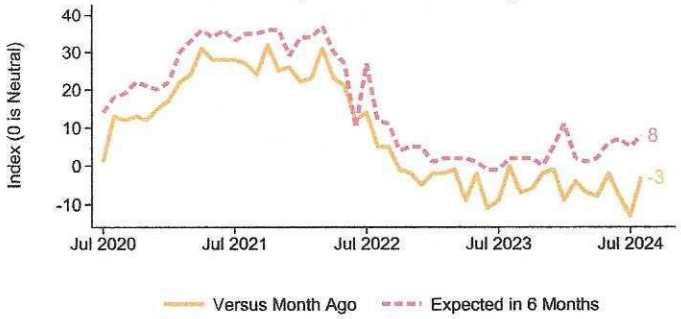
Expectations of Industry Hiring Plans and Industry Capital Expenditures are 2 of 6 components of the Leeds Business Confidence Index (LBCI)
Data: Business Research Division, CU Boulder Leeds School of Business

Pikes Peak Region New Business Entities



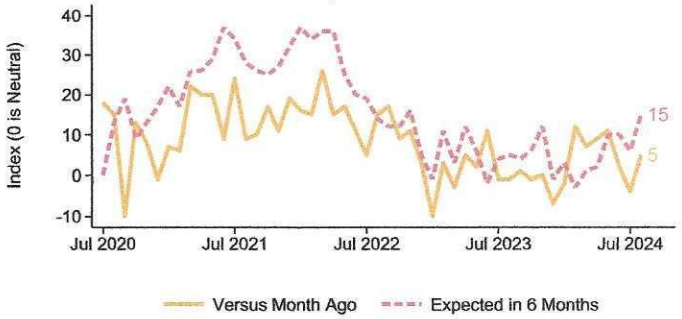
Data: Colorado Department of State

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
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, June 2024

Pikes Peak Region	47.7%
Denver (Metro)	49.7%
United States	43.8%

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 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	$30.41/hr (per adult)

Data: MIT Living Wage Calculator

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