

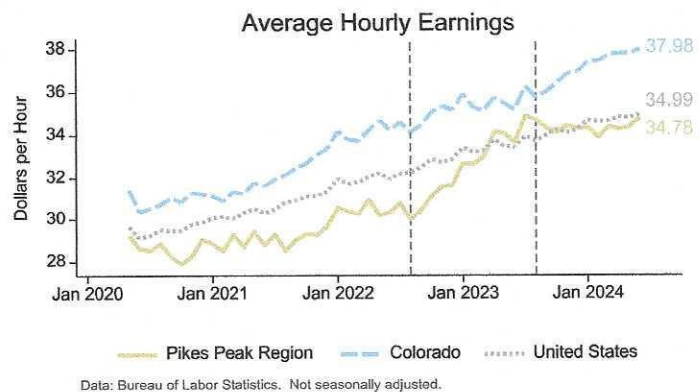
Greetings from Dwire Hall!

With this month’s dashboard, we are making a change to the wage data we report. The new data table – “Average Hourly Earnings” – is at the bottom of page 1. It replaces the “Annual Average Pay” table from previous editions. The primary reason for the switch is timeliness – average hourly earnings are reported monthly, with the metro and state-level figures are released several weeks after the end of the month. Our previous average annual pay numbers were from the Quarterly Census of Employment and Wages (QCEW) and were reported quarterly with a five- to six-month time lag.

Note that we are reporting the data on a not seasonally adjusted basis – the Bureau of Labor Statistics does not provide a seasonal adjustment for metro and state-level earnings, and we will report the national data the same way for consistency. This means it may differ slightly from the wage growth figures discussed in reports on the US economy, which typically use seasonally adjusted data.

It is also important to bear in mind that averages like this can be affected by changes in composition – for example, average hourly earnings jumped in April 2020 as the earnings of low-paid service workers who disproportionately lost jobs in the pandemic were removed from the calculation.

The new data reinforce the perception that the Pikes Peak Region labor market has cooled off considerably. Between August 2022 and August 2023 (marked with vertical lines), local average hourly earnings increased by 15.7%. Over the same period, the increase was 4.8% statewide and 4.6% nationally. However, since late summer of last year, local wage growth has flattened out.



Another reason for the change to the dashboard is that the QCEW data we previously reported may have contributed to a misconception that local wages are lagging. It is true that the average for the region has been below both the state and national figures, but this is likely driven by the effect of very high earners (i.e., the much discussed “top 1%”), which can pull up the averages where they reside. Although we certainly have affluent people in the Colorado Springs area, the very top earners, such as executives of major corporations, tend to be found in larger metros (e.g., the *New York Times* recently reported that [top lawyers in New York are earning over \\$20 million](#)). Estimates of median wages – i.e., what is happening in the middle of the wage distribution – show that our median is slightly higher than the US overall.

The local median is below the statewide figure, but this is easily explained by the very high education and income levels in metro

	Pikes Peak Region	Colorado	United States
Avg. Annual Pay, Q4 2023	\$67,080	\$78,884	\$74,620
Median Annual Wage, 2023	\$49,310	\$54,050	\$48,060

Data: Bureau of Labor Statistics. Region average annual pay data is for El Paso County.

Denver. This is also more consistent with what we see in the estimates of median household income reported in the Selected Population Characteristics table on page 4 of the dashboard, which show local incomes somewhat above the national median.

Of course, the average hourly earnings data can be impacted by top incomes as well, but they will be less affected than the QCEW data because the QCEW includes stock compensation and irregular bonuses, which are more likely to be received by the highest earners, while these are not included in average hourly earnings.

One of the main stories we've been tracking this year has been a slowdown in local employment growth. This appears to be improving – according to the preliminary estimate, Pikes Peak Region payrolls increased by 1400 in June, after a gain of 500 in May (revised down from 600). Through April, payrolls had been down by 300 in 2024. For comparison, in 2023 the average monthly increase was 900, and 2017-19 saw 592 jobs added per month on average.

The single-family home market continues to be characterized by high inventories, static prices and slow sales – the median sale price of a single-family home in the region was \$499,000 in June, unchanged from May, and only slightly up from a previous peak of \$495,000 in June 2022. The number of active listings in June was up 44% from a year ago, and 40% higher than June 2019. Sales volume continues to be sluggish, down 13% year-on-year.

Homeowner's insurance makes a considerable – and growing – contribution to the cost of housing in the region. A recent academic study inferred homeowner's insurance costs from data on mortgage escrow payments. It found average insurance costs for 2023 of \$3010 in El Paso County, compared with \$2530 nationwide. From 2020 to 2023, costs rose 37.3% here, compared with 33.0% nationwide. The *New York Times* constructed [an interactive tool to explore the data](#).

Local retail activity appears healthy – city sales and use tax collections for May sales were up 5.4% over 2023, and year-to-date collections are up 3.4%.

Travel and tourism indicators have been strong – LART collections for May sales were 13.2% higher than May 2023, and May enplanements at Colorado Springs Airport were up 14.8% year-on-year.

Business entity filings increased for the second consecutive quarter. They are down from their peak at the beginning of 2023 but continue to run well ahead of their pre-pandemic pace. This is an indication of how the Pikes Peak Region has participated in the national surge in entrepreneurship over the past several years.

Colorado employment growth slowed in June with a payroll gain of 1400 (preliminary), which is lackluster compared with the average monthly increase of 4867 in 2023. However, statewide payrolls

were stronger earlier this year, so the year-to-date average monthly increase is a respectable 4617. Colorado's job openings rate dipped in May but remains above the national rate.

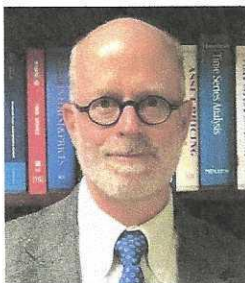
Our colleagues in the Business Research Division of the Leeds School at CU Boulder reported a modest decline in Colorado business confidence. The Leeds Business Confidence Index, based on a survey taken in June, dipped to 50.6 for the current quarter and 49.9 for the outlook for the fourth quarter. Looking at the components, respondents maintained a positive outlook for the state economy as well as industry sales and profits, but the index was pulled down by expectations for the national economy and industry hiring plans, which were both below the neutral value of 50 for Q3 and Q4. For more details, see [BRD's full report](#).

Nationally, recent data confirmed that inflation is receding. The year-on-year change in the Fed's preferred measure, the core Personal Consumption Expenditures (PCE) price index, came in at 2.6% for June, with an annualized rate of 2.3% over the past three months. Because of differences in how they are constructed, inflation generally runs a little lower measured with the PCE index than with the CPI.

Nationwide measures of labor markets and real activity are sending somewhat mixed signals. While the US unemployment rate still quite low by historical standards, the rising trend – up to 4.1% in June from 3.4% in April 2023 – has generated some concern that the labor market could be transitioning from desirable cooling to incipient recession territory. Job openings and hiring rates have also fallen in the past year. Alongside the undeniable progress on inflation, this argues for the Fed shifting from a “restrictive” to a “neutral” policy stance – i.e., cutting the federal funds rate target – sooner rather than later, as monetary policy affects the economy with a lag.

However, the employment-population ratio for 25-54-year-olds was 80.8% in June, still above its pre-pandemic level and only slightly off its recent peak of 80.9% last summer. Layoff rates have not increased in the past year. Payroll growth remains healthy. The advance estimate of real GDP growth came in at a solid 2.8% in the second quarter.

Consumer sentiment as measured by the University of Michigan declined in July. Some caution may be warranted in interpreting this data as they have transitioned from telephone to online surveys. Regardless of what consumers may say, the data indicate they are still willing to spend – real (i.e., inflation adjusted) personal consumption expenditures were up 2.6% from a year ago, according to the BEA's preliminary estimate for June.



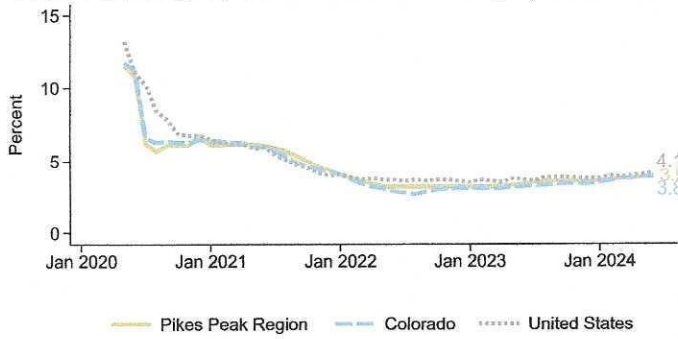
Thank you for your support!

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

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

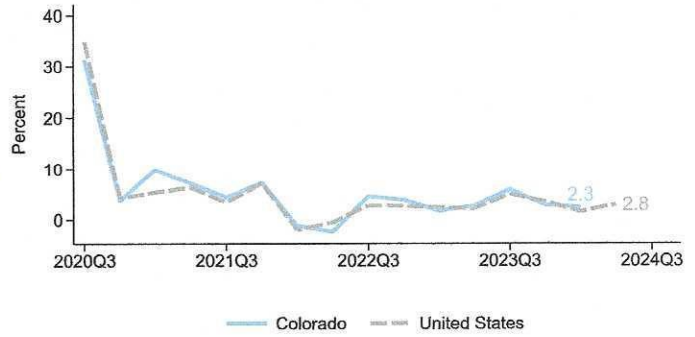
Output, Employment and Wages

Pikes Peak Region, Colorado and US Unemployment Rates



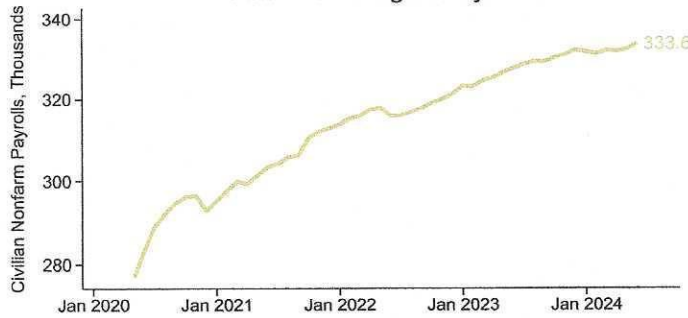
Data: Bureau of Labor Statistics, Seasonally Adjusted

Colorado and US Real GDP Growth



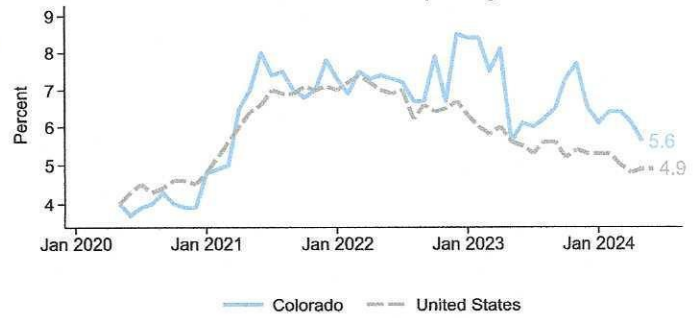
Data: Bureau of Economic Analysis, Seasonally Adjusted Annual Rate

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, Q4 2023

Industry	Employment	1 yr. % chg.
Health Care & Social Assistance	52,301	+5.2
Accommodation & Food Services	34,854	+4.4
Professional & Tech. Services	34,604	+5.3
Retail Trade	33,302	+1.2
Educational Services	29,128	+3.1
Construction	18,203	+0.9
Administrative & Waste Services	16,384	-4.2
Public Administration	15,272	+3.1
Finance & Insurance	13,513	+11.2
Other Services, ex. Public Admin.	12,141	+6.8
Manufacturing	12,133	+1.0
Transportation & Warehousing	11,937	+12.3

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

Pikes Peak Region Job Postings, May 2024

Occupation	No. of Postings	Median Advertised Ann. Salary
Registered Nurses	887	\$92,416
Other Computer Occupations	706	\$133,888
Retail Salespersons	660	\$33,408
Software Developers	485	\$141,056
Customer Service Reps.	358	\$40,832
First-Line Retail Supervisors	331	\$46,720
Fast Food & Counter Workers	328	\$33,920
Heavy Truck Drivers	304	\$52,096
Secretaries & Admin. Assistants	285	\$42,624
General & Operations Managers	274	\$67,968
Total Openings	22,307	\$55,680

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	
2022	2021
36,190	32,938

Data: Census Bureau

Average Hourly Earnings

	June	1 yr. % chg.
Pikes Peak Region	\$34.78	+3.4%
Colorado	\$37.98	+8.0%
United States	\$34.99	+4.7%

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

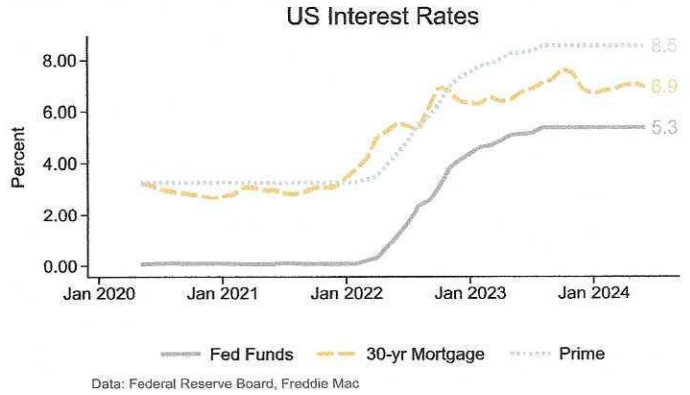
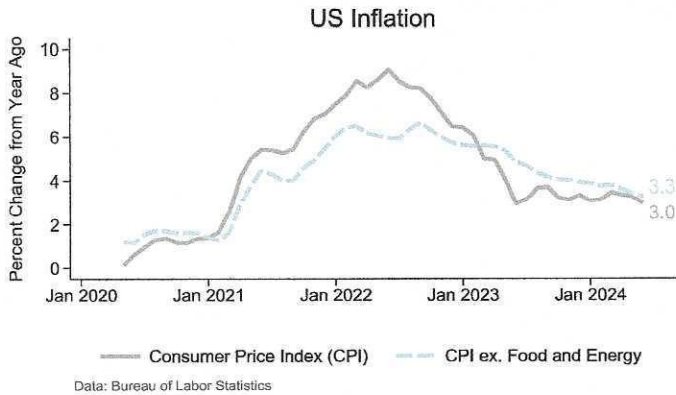
Pikes Peak Region Employment

	June	May
Employed	370,445	362,888
Unemployed	16,207	15,120

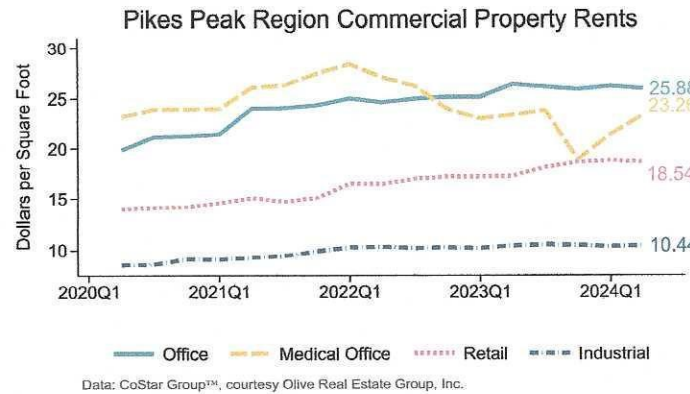
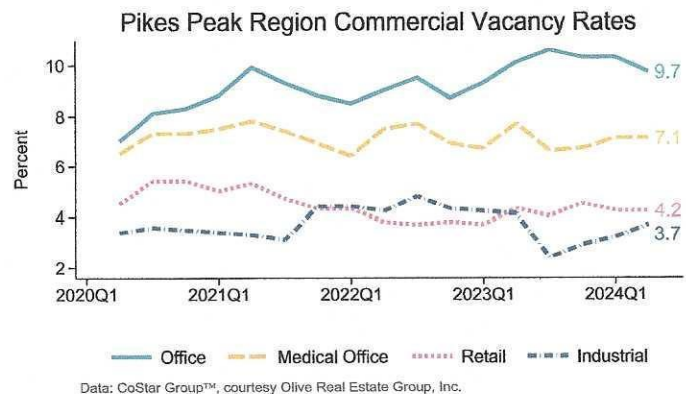
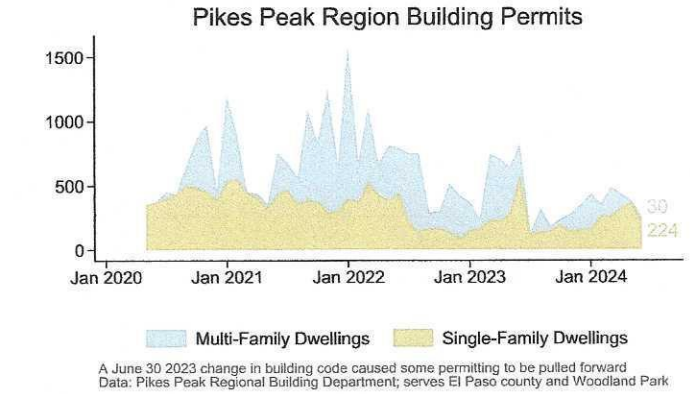
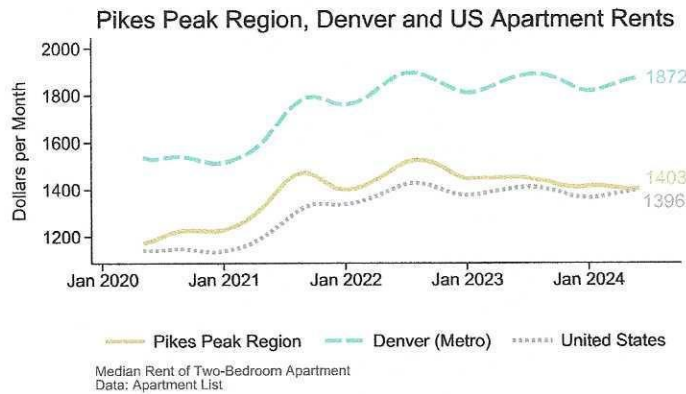
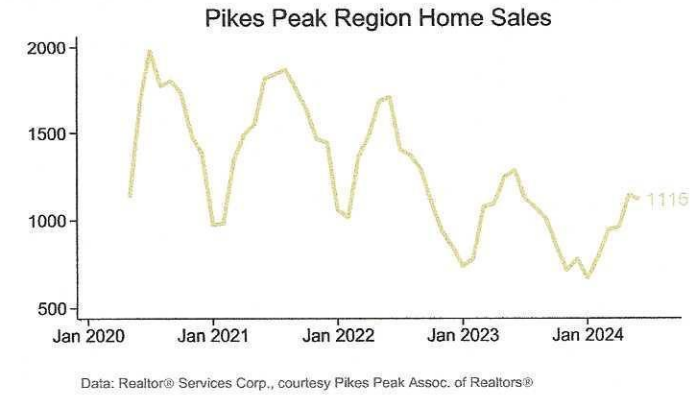
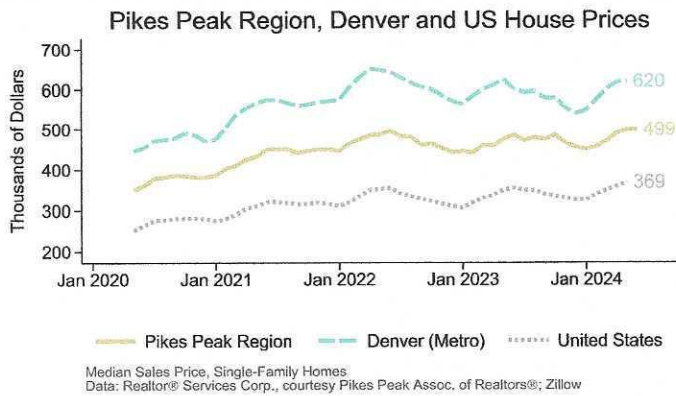
Household survey data, includes self-employed, *not* seasonally adjusted. Data: Colorado Department of Labor & Employment; Bureau of Labor Statistics

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



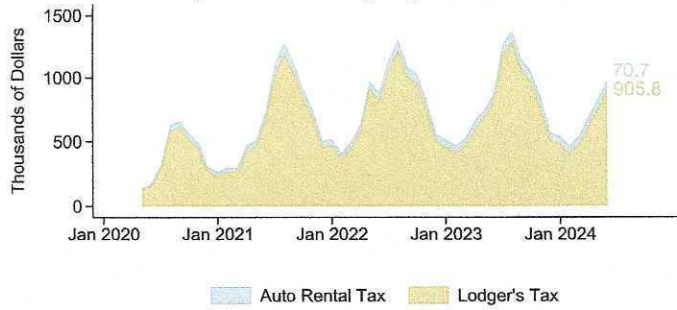
Real Estate



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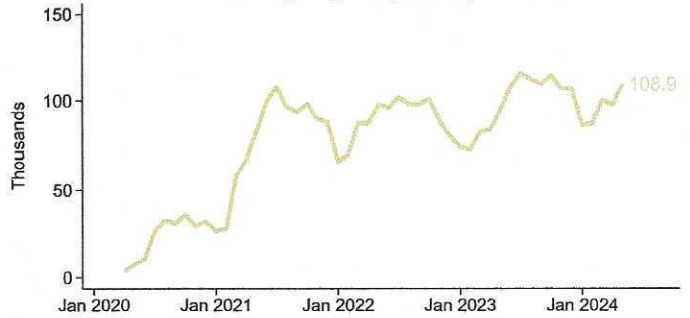
Travel and Tourism

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

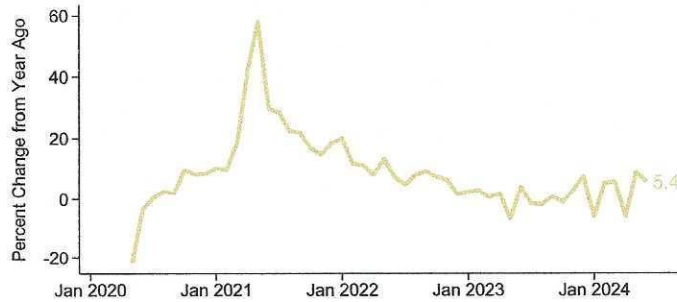
Colorado Springs Airport Enplanements



Data: Colorado Springs Airport

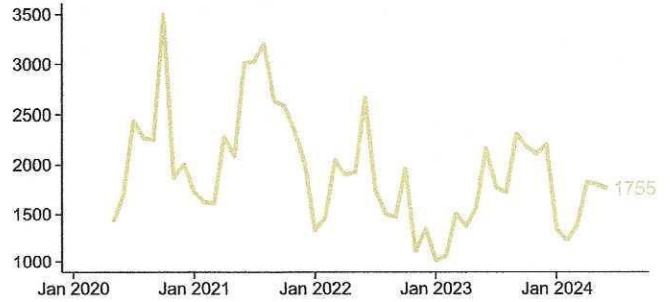
Consumers

Colorado Springs City Sales and Use Tax Collections



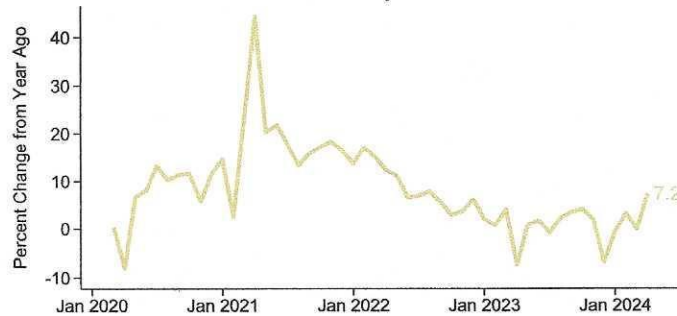
Collections reflect sales in the prior month
 Data: City of Colorado Springs Finance Department

El Paso County New Vehicle Registrations



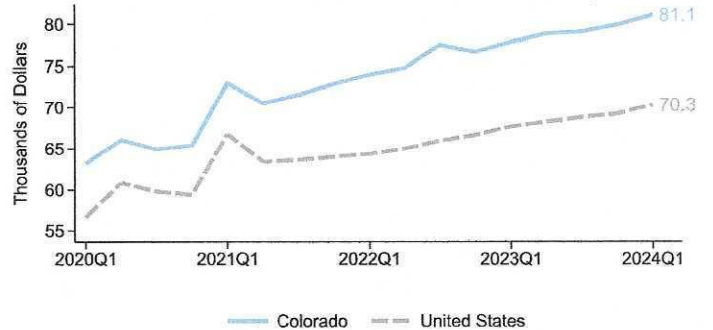
Excludes all terrain, camper trailer, trailer coach and trailer utility categories
 Data: El Paso County Clerk & Recorder, Colorado Interactive LLC

El Paso County Retail Sales



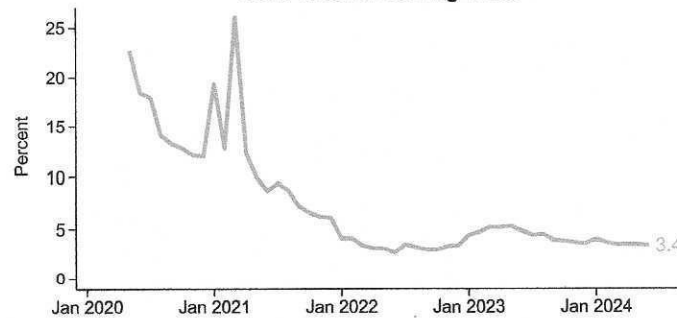
Data: Colorado Department of Revenue

Colorado and US Personal Income Per Capita



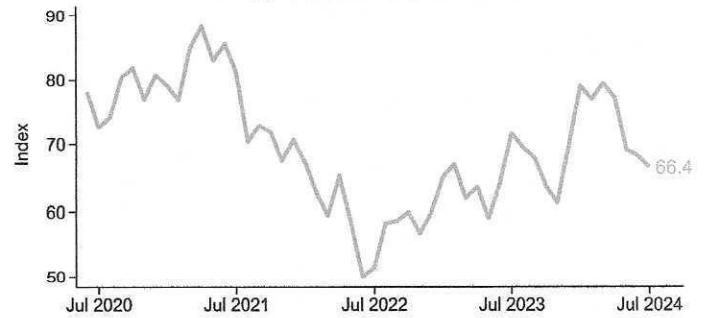
Data: Bureau of Economic Analysis, Seasonally Adjusted Annual Rate

US Personal Saving Rate



Data: Bureau of Economic Analysis, Seasonally Adjusted

US Consumer Sentiment

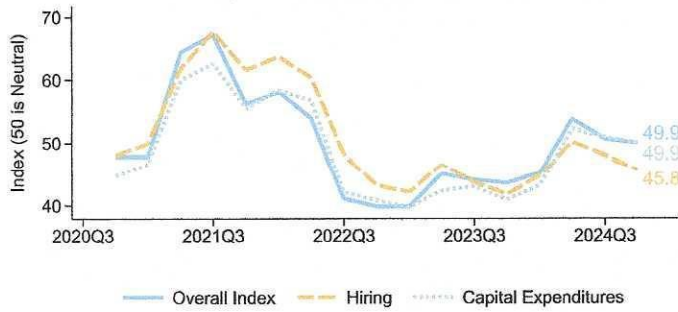


Data: University of Michigan

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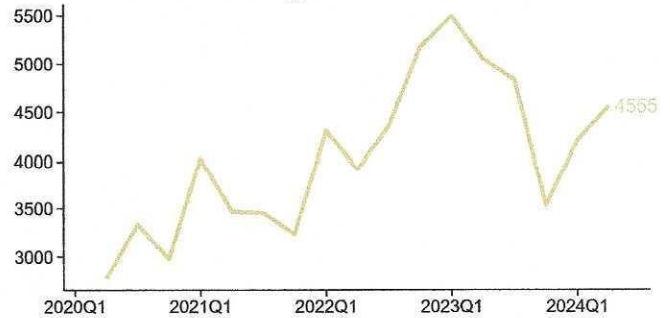
Business

Colorado Business Confidence



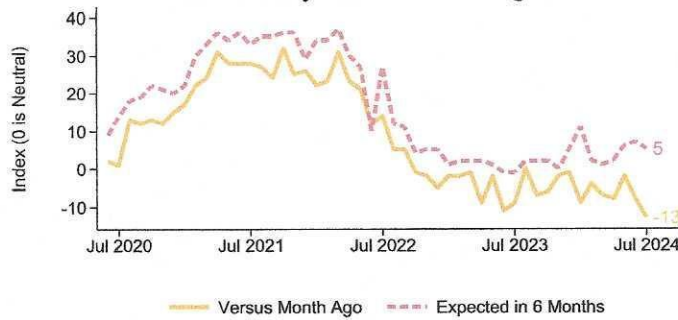
Expectations of Industry Hiring Plans and Industry Capital Expenditures are 2 of 6 components of the Leads Business Confidence Index (LBCI)
Data: Business Research Division, CU Boulder Leeds School of Business

Pikes Peak Region New Business Entities



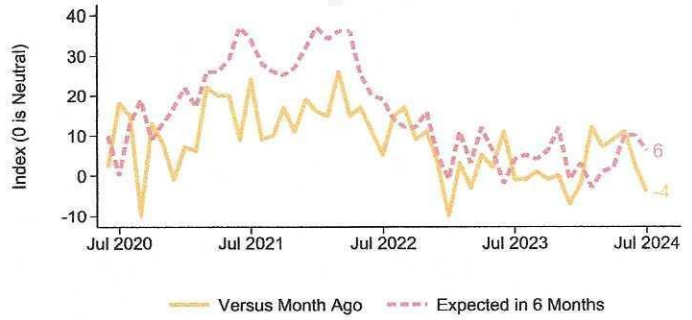
Data: Colorado Department of State

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, Apr. 2024

Pikes Peak Region	46.1%
Denver (Metro)	48.8%
United States	43.1%

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 Q1 2024

Pikes Peak Region	102.6
Denver (Metro)	107.6

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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