

# Will the Recovery Ever End?

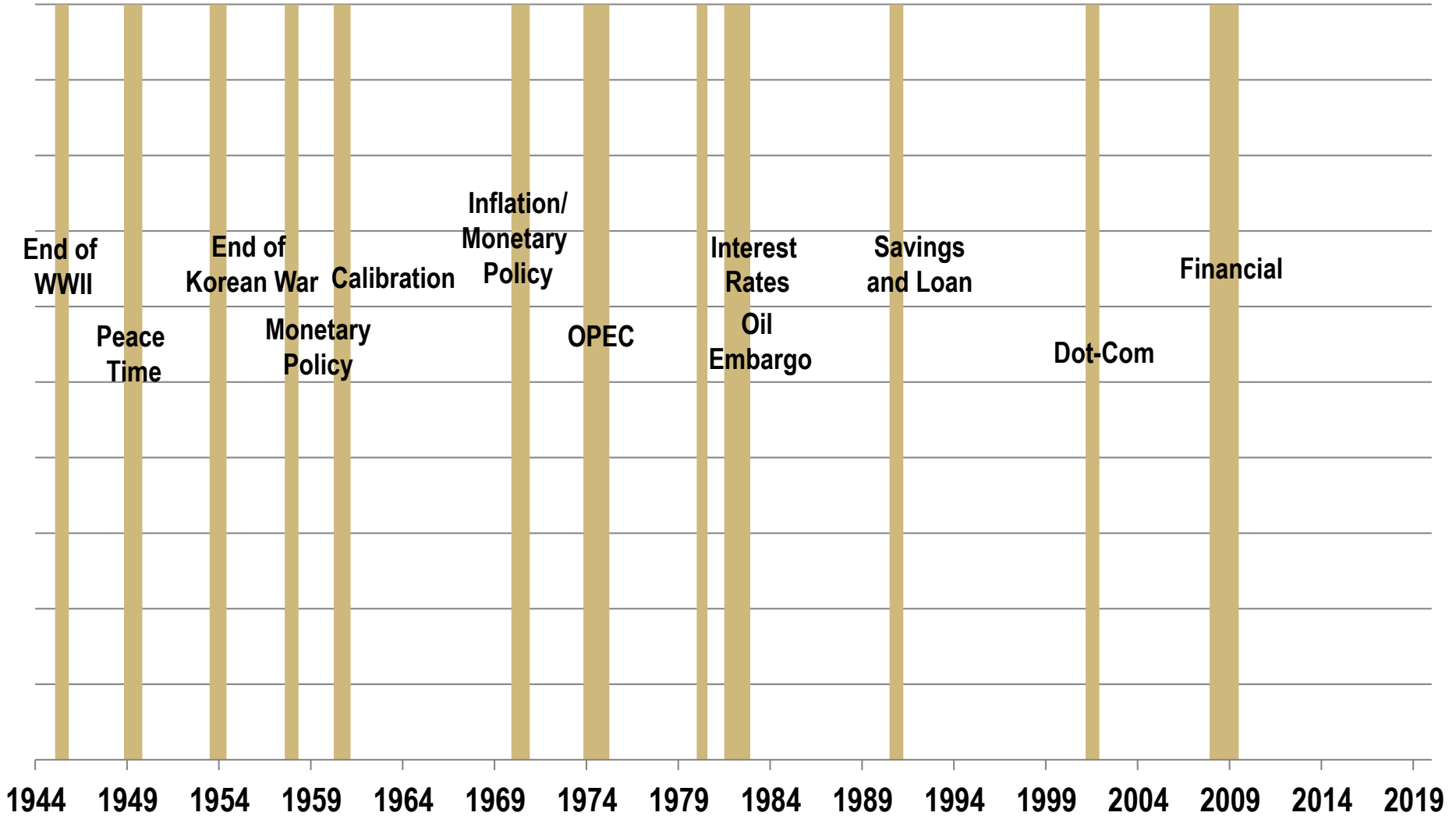
Economic Development Council of Colorado



**Brian Lewandowski**  
Associate Director  
March 12, 2019



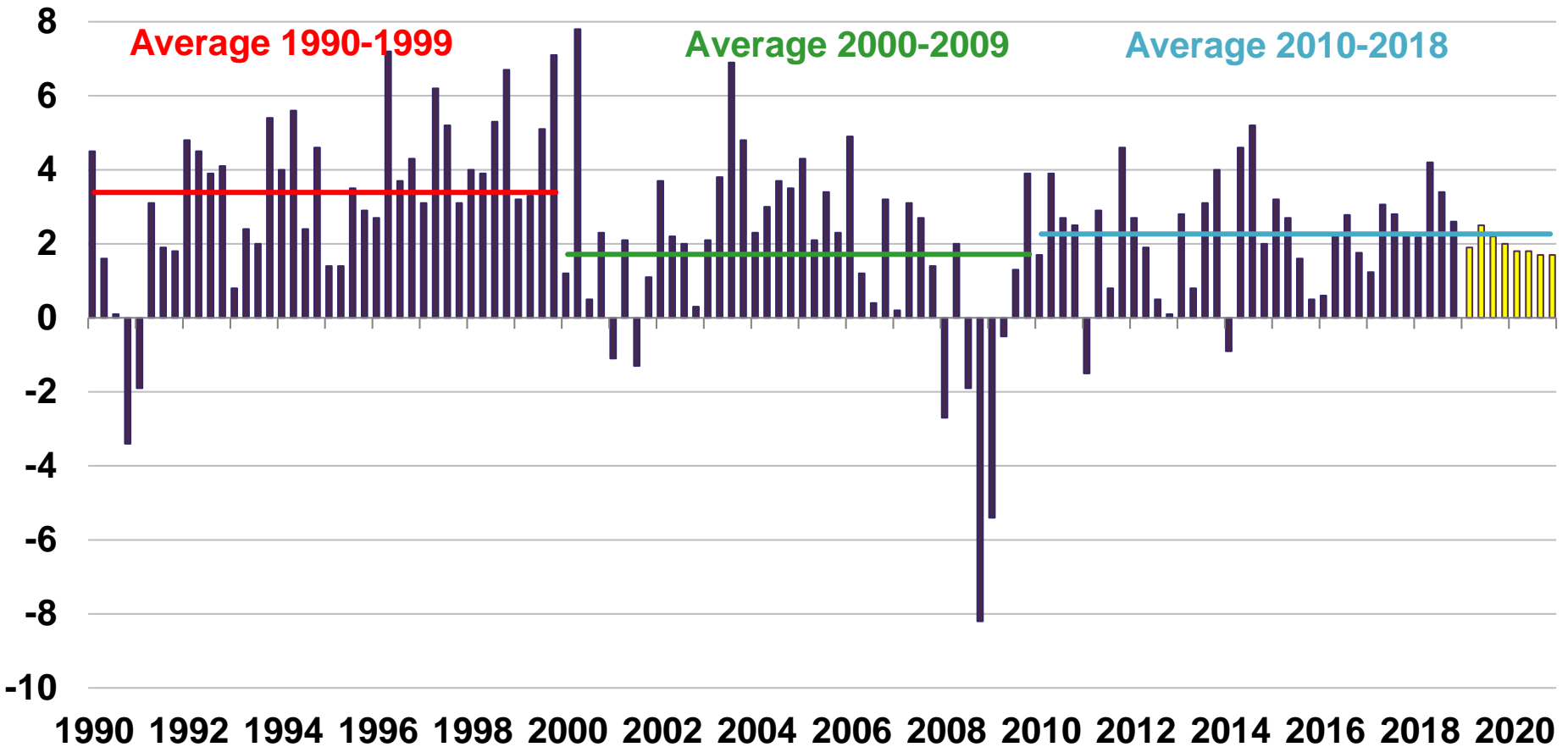
# Business Cycle



Sources: National Bureau of Economic Research and the Business Research Division.

# Real GDP Growth

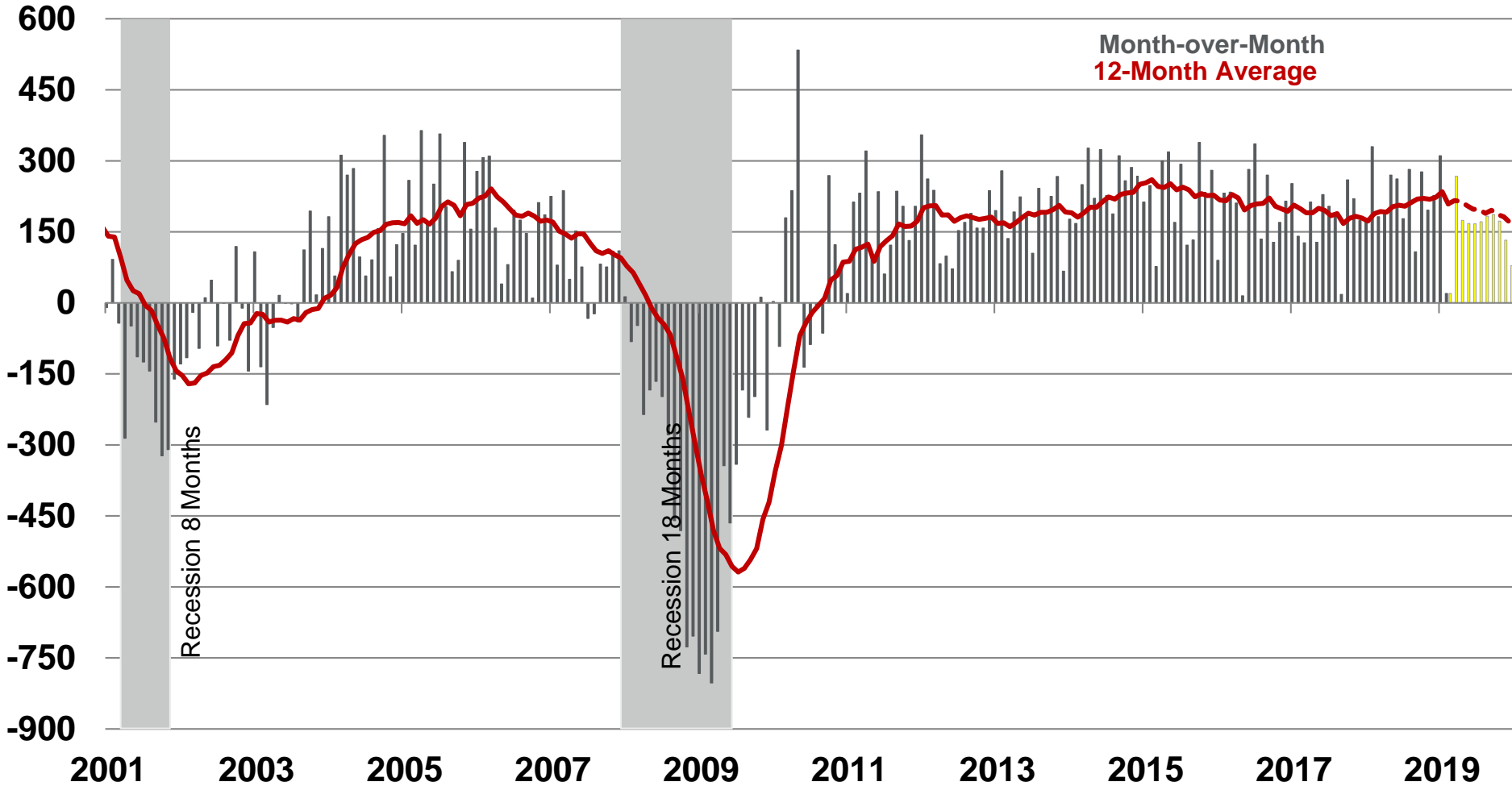
Percent Change,  
SAAR



Sources: Bureau of Economic Analysis and Consensus Forecasts.

# National Employment

Month-over-Month Jobs  
Change



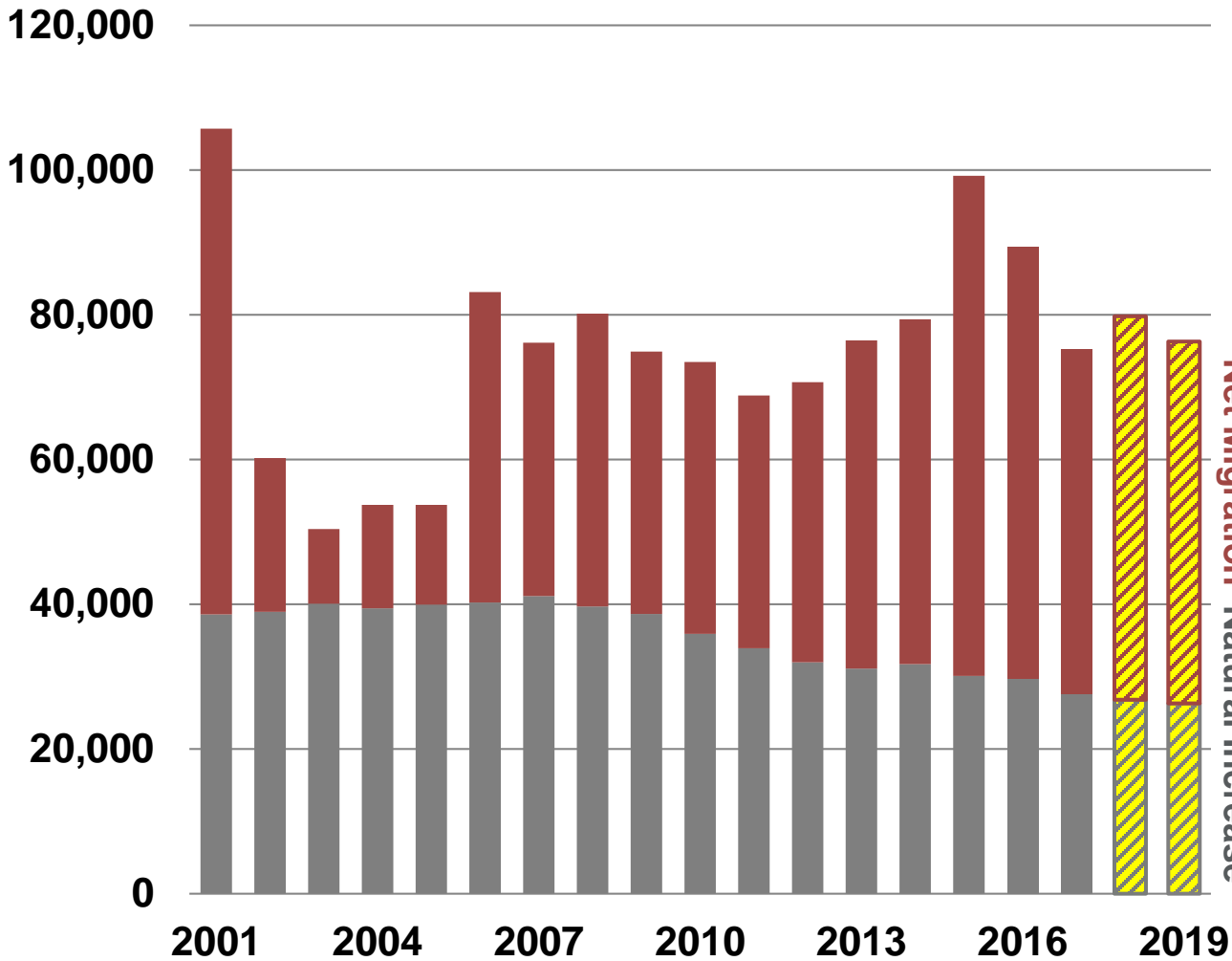
Sources: Bureau of Labor Statistics (Seasonally Adjusted), Moody's Analytics, and NBER.

# Colorado Economy



# Colorado Change in Population

Thousands



Colorado's population changes

- 79,800 in 2018
- 76,300 in 2019

Ranked 8<sup>th</sup> in total state growth

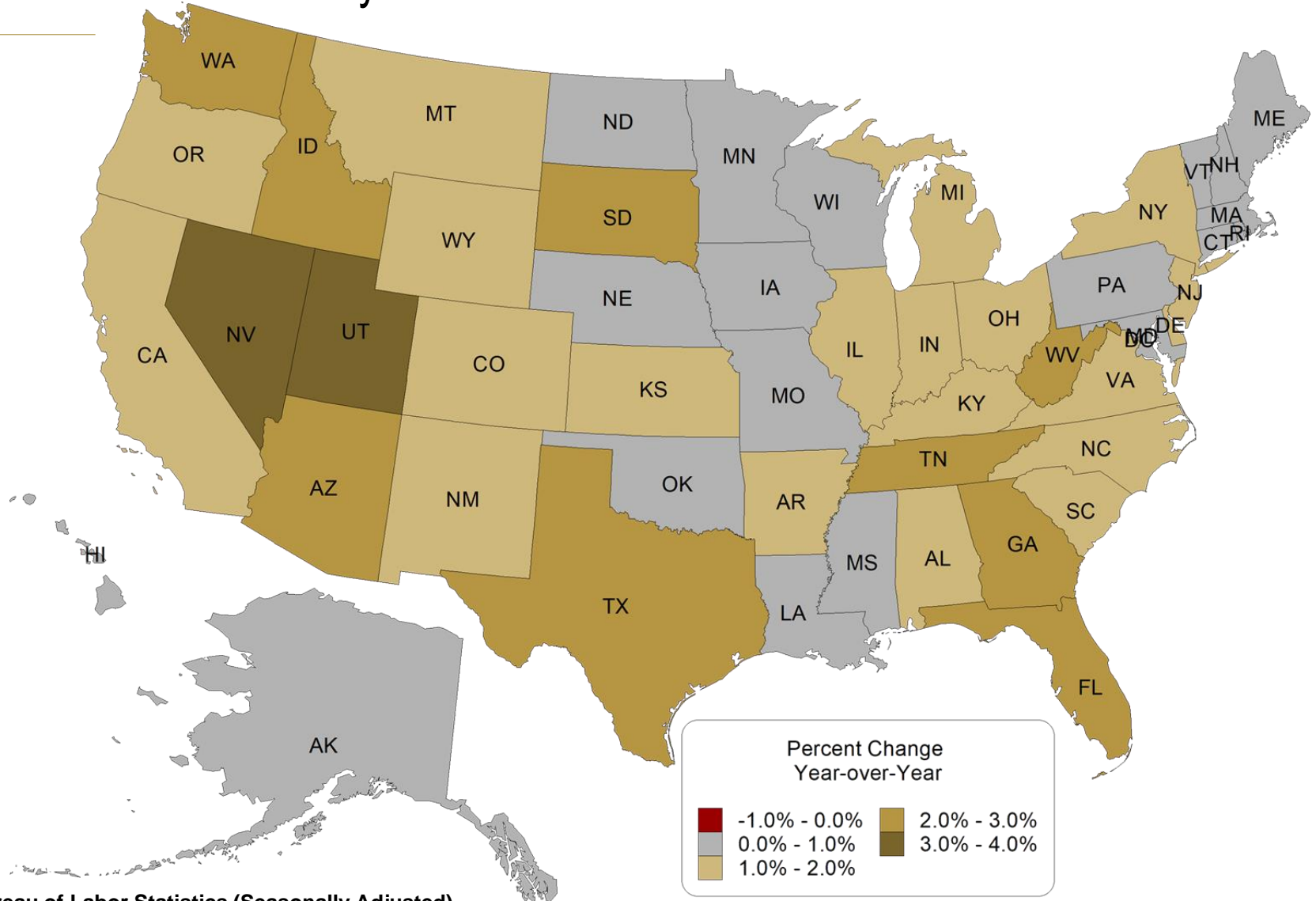
Ranked 9<sup>th</sup> for fastest growth

Continued net migration into the state

Sources: Colorado Demography Office, U.S. Census Bureau, and the Business Research Division.

# State Employment Growth

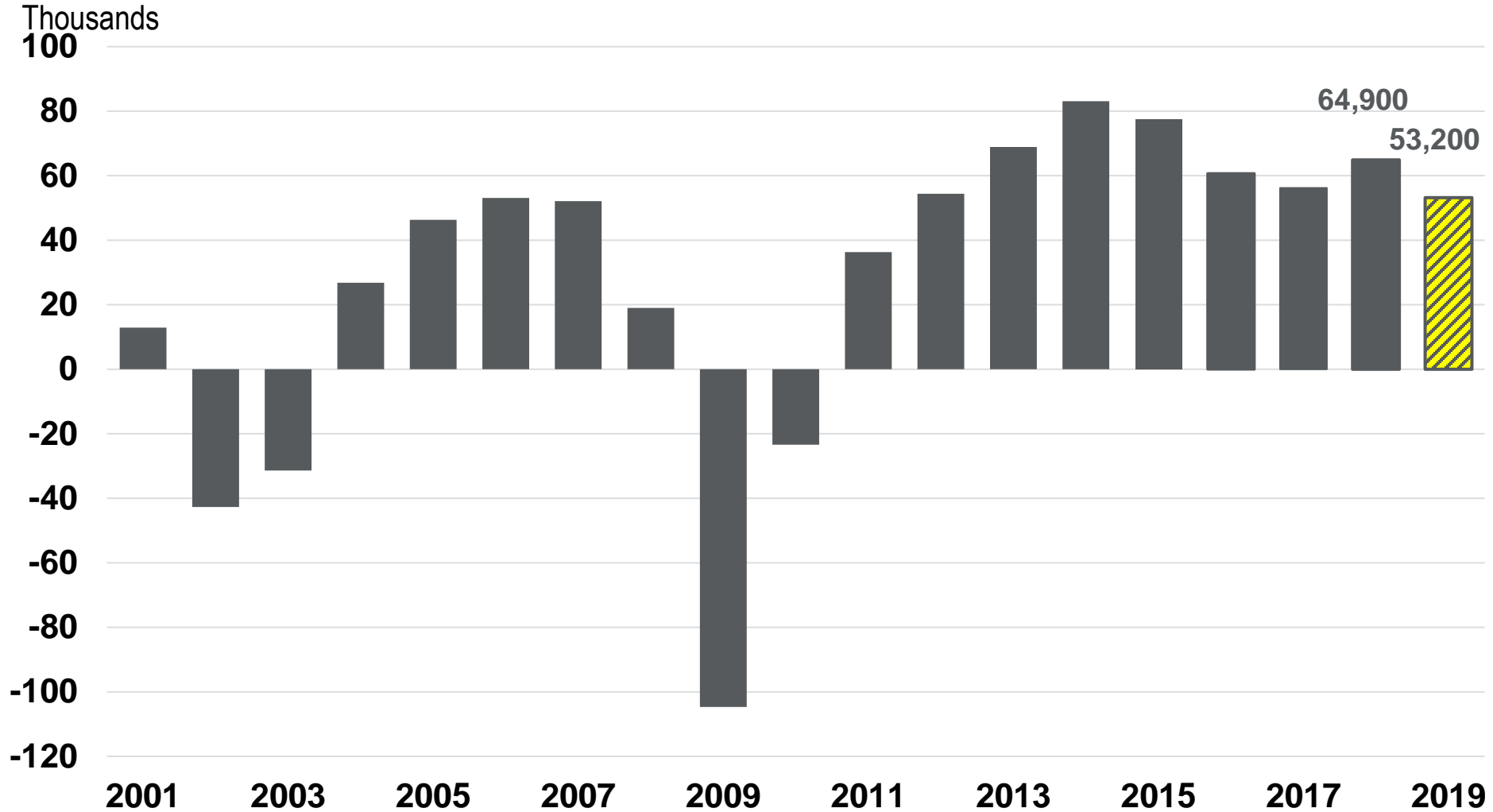
Year-over-Year January 2019



Source: Bureau of Labor Statistics (Seasonally Adjusted).

# Colorado Employment Growth

Jobs Added

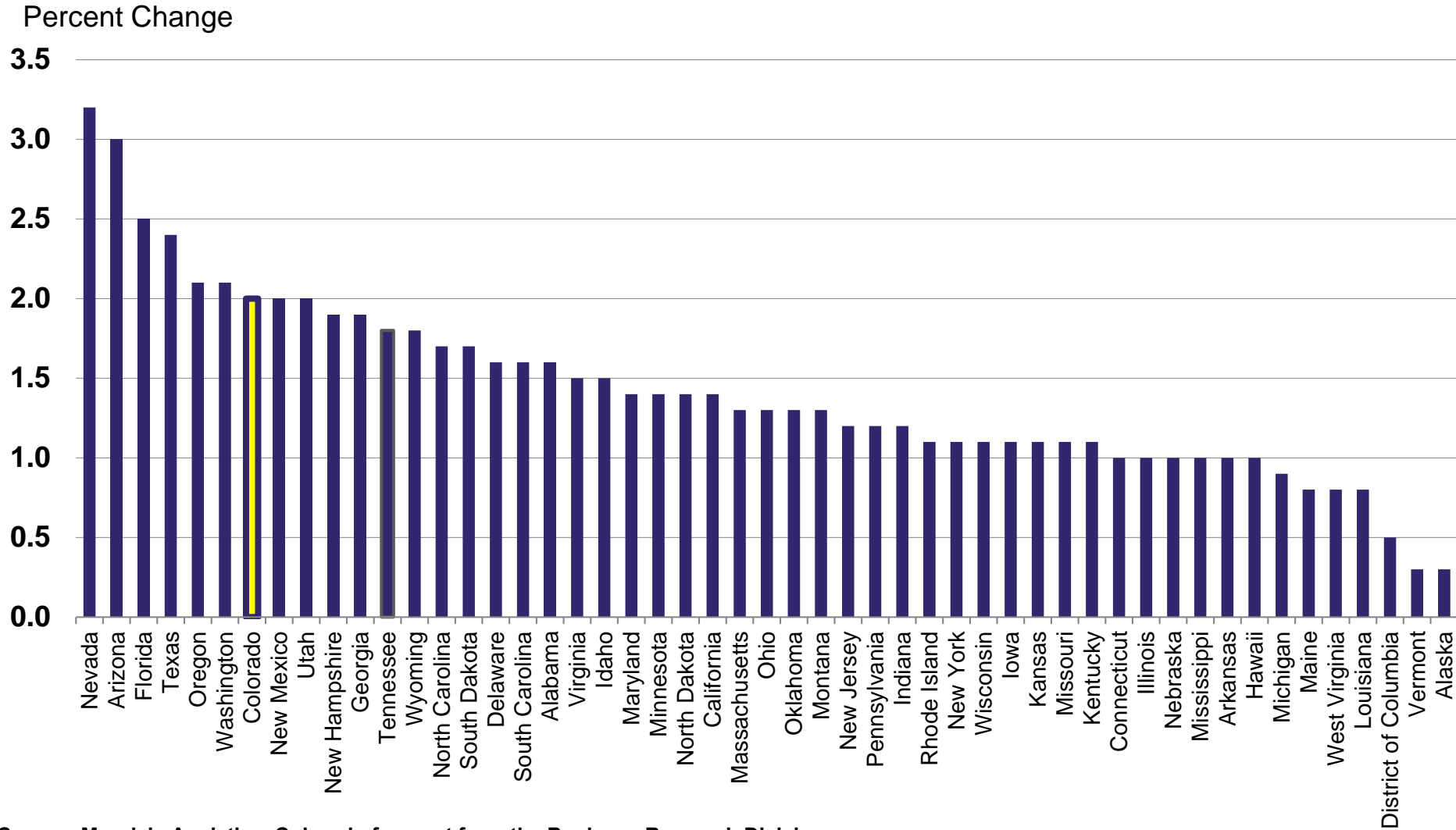


Sources: Colorado Department of Labor and Employment and the Colorado Business Economic Outlook Committee.



# State Rankings

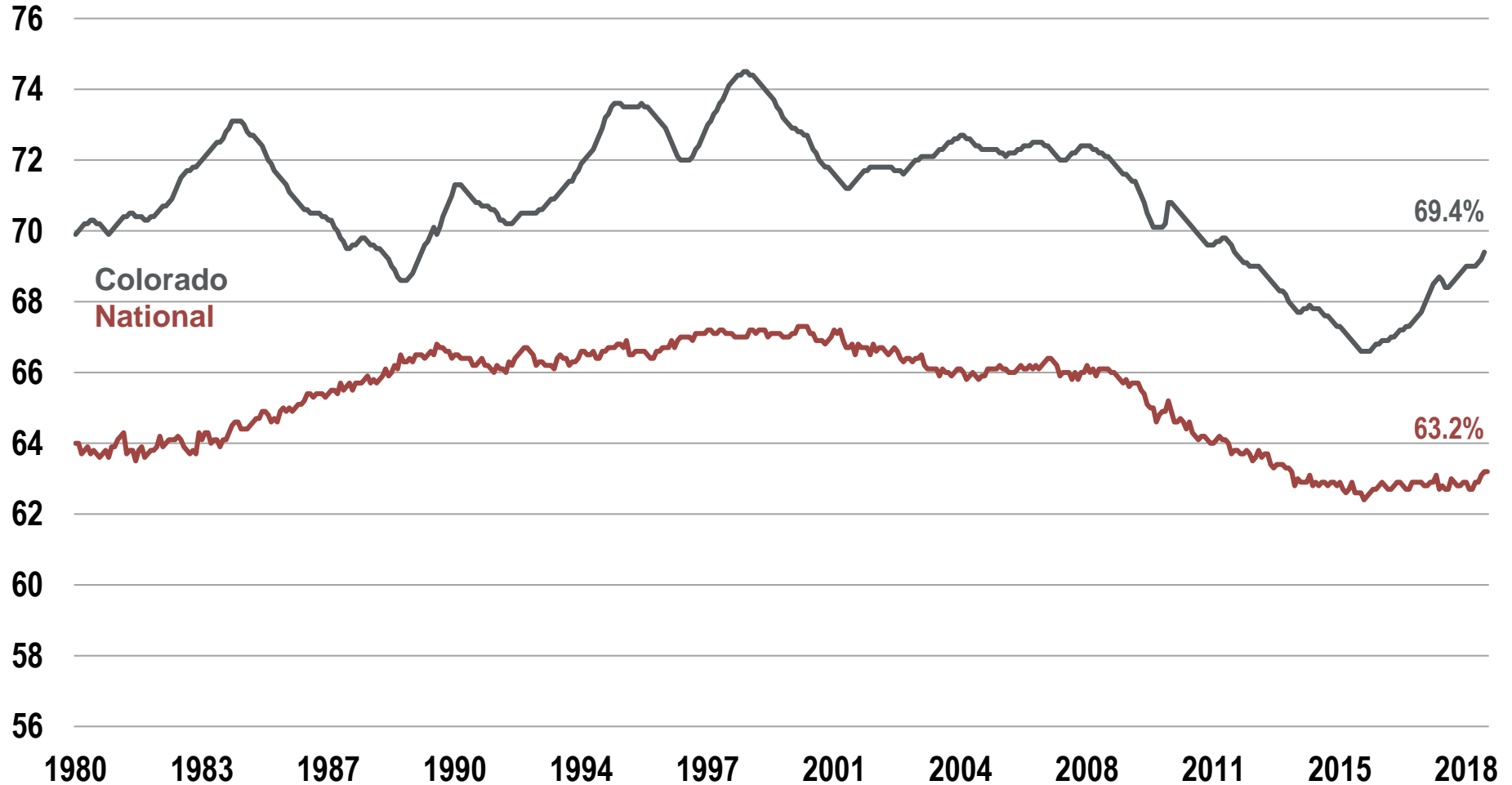
## Jobs Added in 2019 Forecast



Source: Moody's Analytics. Colorado forecast from the Business Research Division.

# Labor Force Participation Rate

Percent of Population 16 and Over

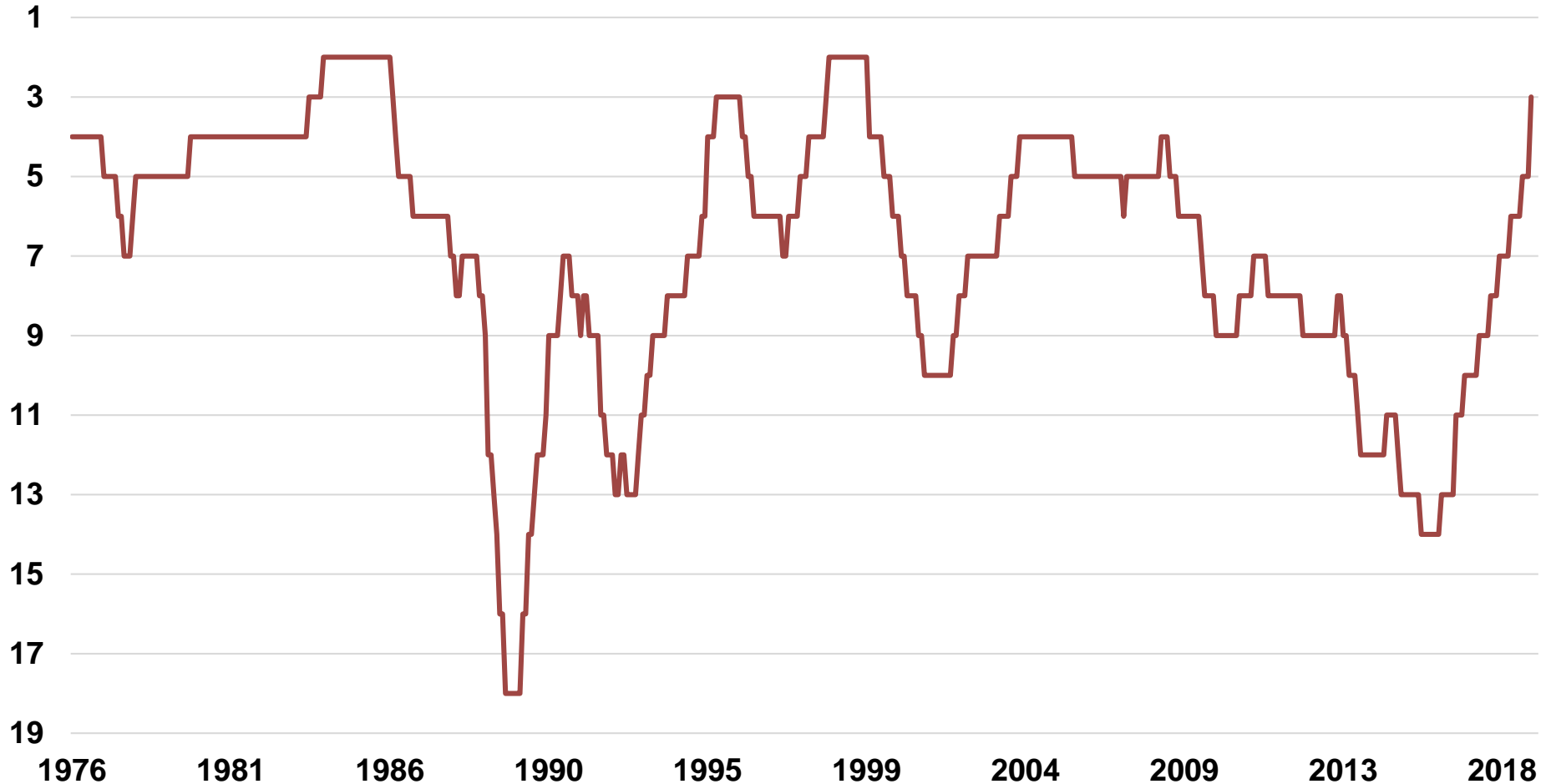


Source: Bureau of Labor Statistics (Seasonally Adjusted).

# Colorado LFPR State Ranking

December 1976 – January 2019

Rank, 12-Month Average

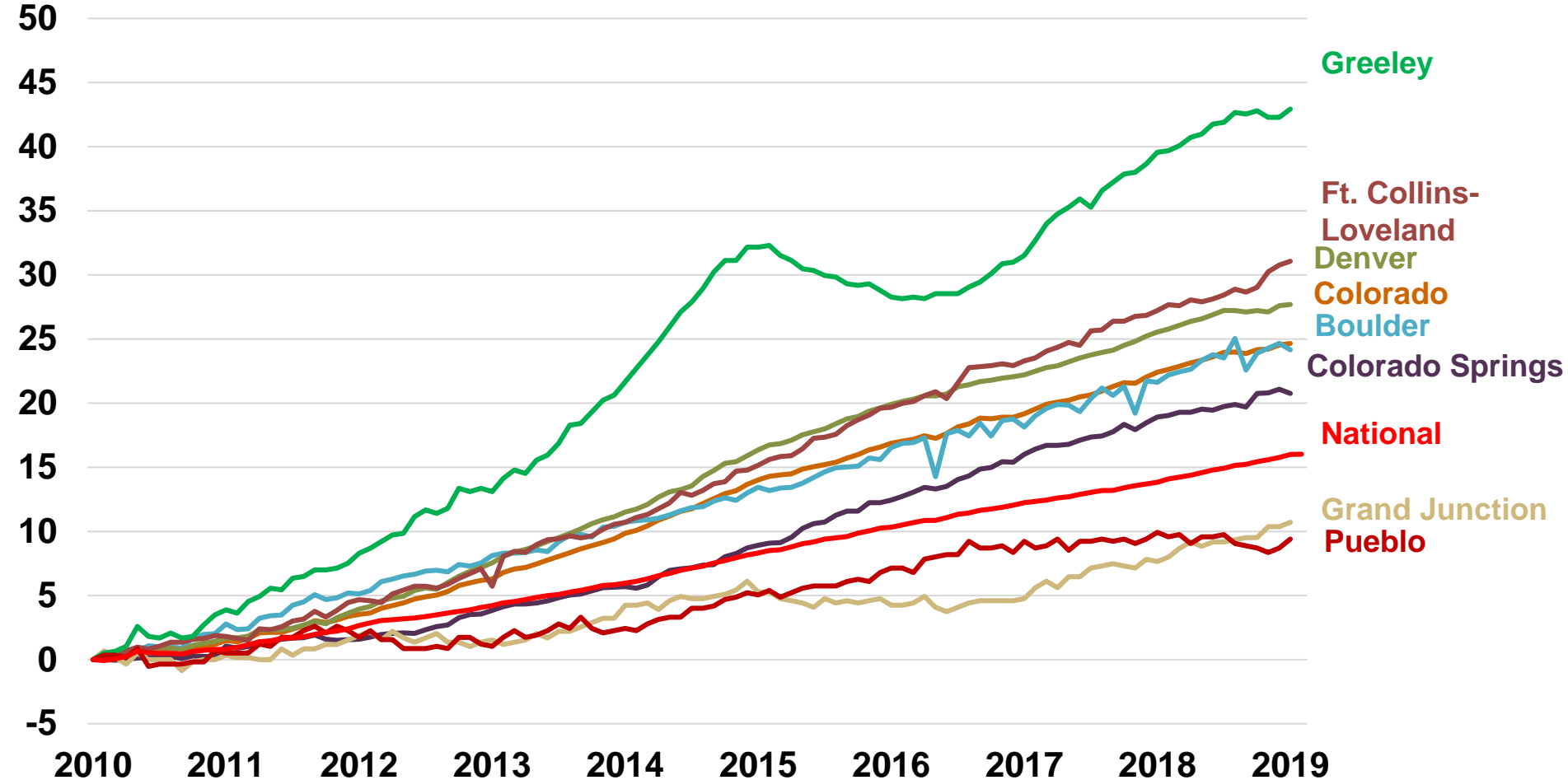


Source: Bureau of Labor Statistics, CPS. Notes: Colorado ranked 3<sup>rd</sup> in January 2019 based on the 12-month average and 2<sup>nd</sup> in January alone.

# Employment In Current Decade

National, State, and Local

Percent Change from January 2010



Source: Bureau of Labor Statistics, CES (Seasonally Adjusted).

# Colorado Wages

2018 Q3 (4Q Rolling Average)

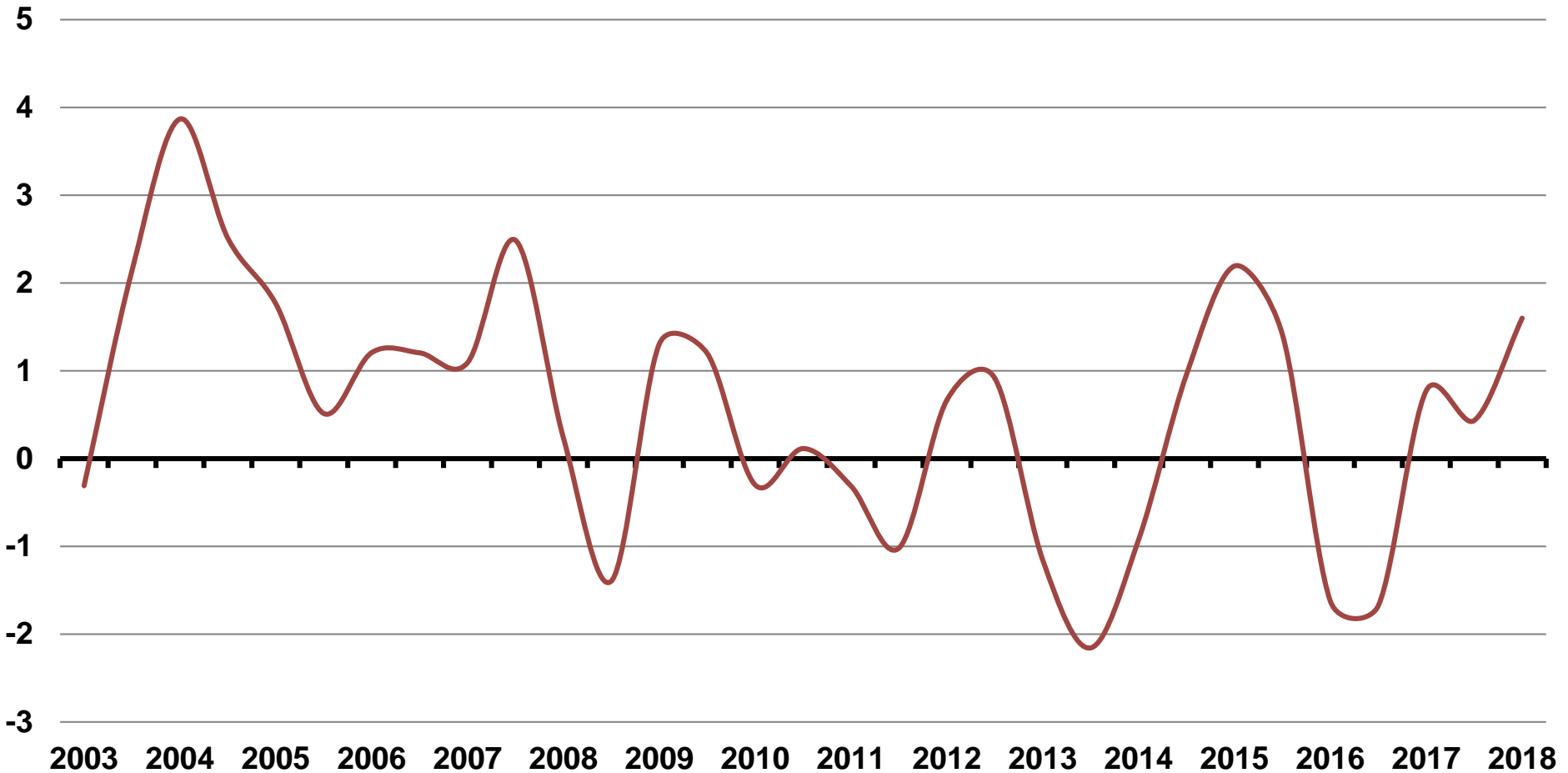
Sector	Total Employment	YoY Employment Growth	Average Wages	YoY Wage Growth
Management of companies and enterprises	40,292	5.1%	\$141,830	-0.6%
Utilities	8,024	-1.2%	\$103,313	4.5%
Information	74,287	3.9%	\$101,473	2.6%
Professional and technical services	222,125	3.7%	\$96,411	4.5%
Finance and insurance	112,361	1.4%	\$95,315	3.4%
Natural Resources and Mining	45,866	9.1%	\$87,526	3.9%
Wholesale trade	107,874	1.6%	\$84,909	3.3%
Federal Government	52,881	-1.8%	\$81,690	3.6%
Manufacturing	146,359	1.9%	\$69,908	1.7%
State Government	102,123	3.6%	\$64,264	3.5%
Construction	171,074	6.1%	\$61,473	4.4%
Real estate and rental and leasing	51,824	3.5%	\$59,085	4.9%
<b>All Industries</b>	<b>2,658,345</b>	<b>2.5%</b>	<b>\$58,326</b>	<b>3.6%</b>
Transportation and warehousing	76,063	7.0%	\$56,302	0.5%
Health care and social assistance	297,365	1.8%	\$50,794	2.5%
Local Government	261,680	1.2%	\$47,953	3.0%
Administrative and waste services	158,507	0.1%	\$42,689	5.4%
Educational services	36,358	3.1%	\$41,248	3.2%
Other services, except public administration	81,509	2.5%	\$40,509	3.2%
Arts, entertainment, and recreation	56,414	3.1%	\$37,766	6.3%
Retail trade	272,434	0.7%	\$32,164	2.5%
Accommodation and food services	281,664	2.1%	\$23,088	5.7%

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

# Real Wage Growth

## Colorado

Percent Change  
Year-over-Year

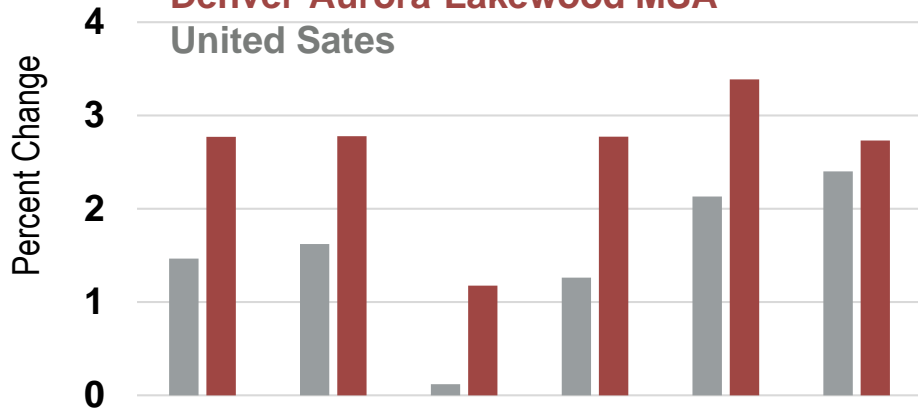


Source: Bureau of Labor Statistics, QCEW and the Consumer Price Index. \*2018 based on Q1 QCEW.

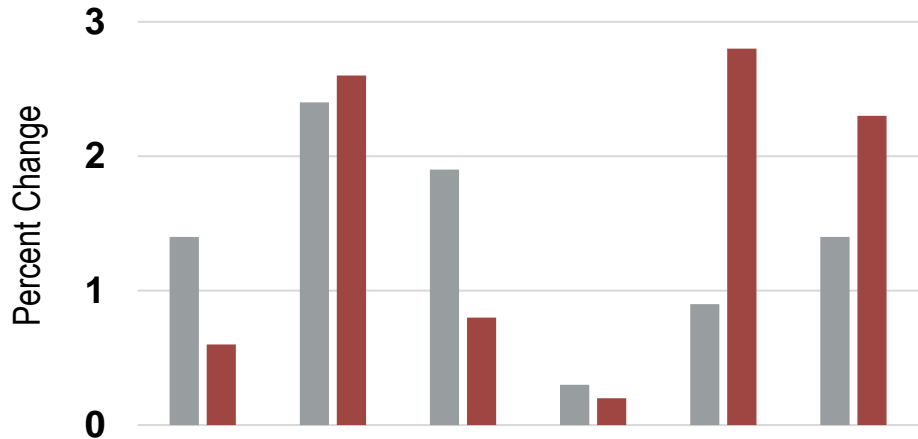
# Inflation

## All Items

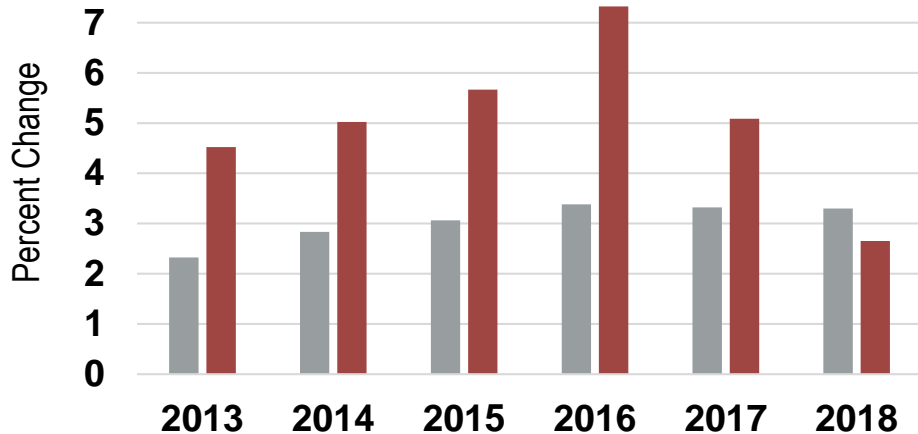
Denver-Aurora-Lakewood MSA  
United States



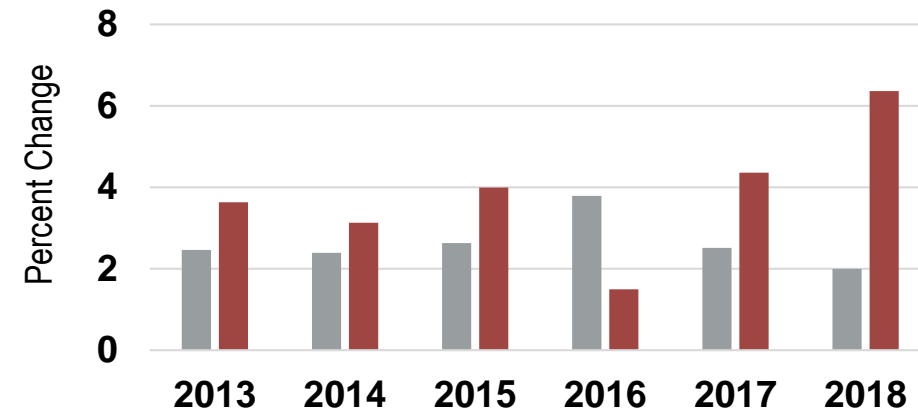
## Food



## Shelter



## Medical Care



Source: Bureau of Labor Statistics (NSA).

# FHFA Home Price Index by MSA

## 1-year Home Price Change, Q4 2018

Percent Change

25%

20%

15%

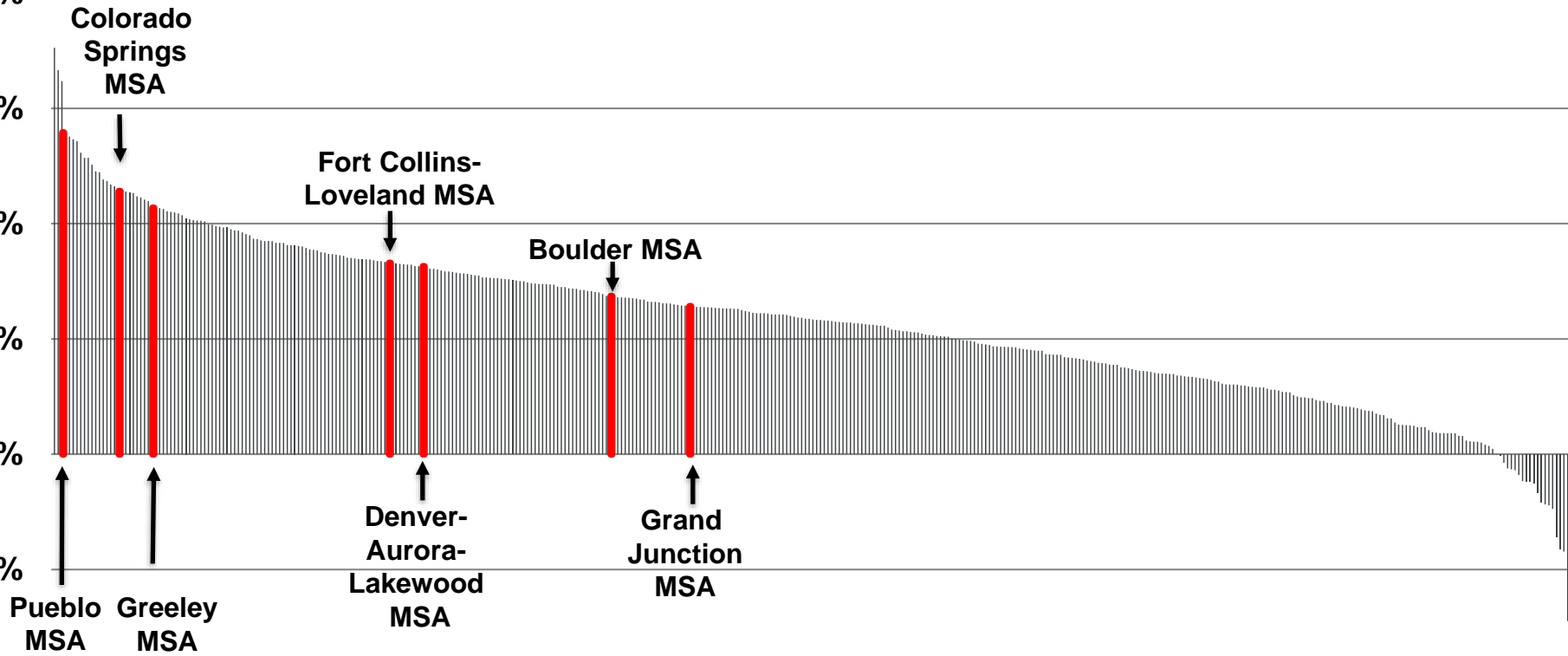
10%

5%

0%

-5%

-10%



Source: Federal Housing Finance Agency, All Transactions Index (Not Seasonally Adjusted).



# Colorado Ranking Among Other States

Metric	1-Year	3-Year	5-Year	10-Year
Real GDP Growth	13	10	5	6
Employment Growth	12	9	8	5
Population Growth	8	7	5	3
Personal Income Growth	4	7	7	3
PCPI Growth	10	22	15	NA
PCPI	11	13	14	NA
Average Annual Pay % Growth	10	21	17	17
Average Annual Pay	9	13	13	10
Unemployment Rate	23	1	11	21
Labor Force % Growth	2	1	2	2
LFPR	2	12	12	7
FHFA Home Price Index Growth	5	5	2	1

Data Sources: Bureau of Economic Analysis (2018), Bureau of Labor Statistics (01/19), U.S. Census Bureau (2017), Bureau of Labor Statistics (2019), Bureau Federal Housing Finance Agency All Transactions Index (Q3 2018), BRD calculations. Note: 1-year, 3-year, and 5-year are based on the compound annual growth rate.

# Potential Headwinds for 2019

## International/National

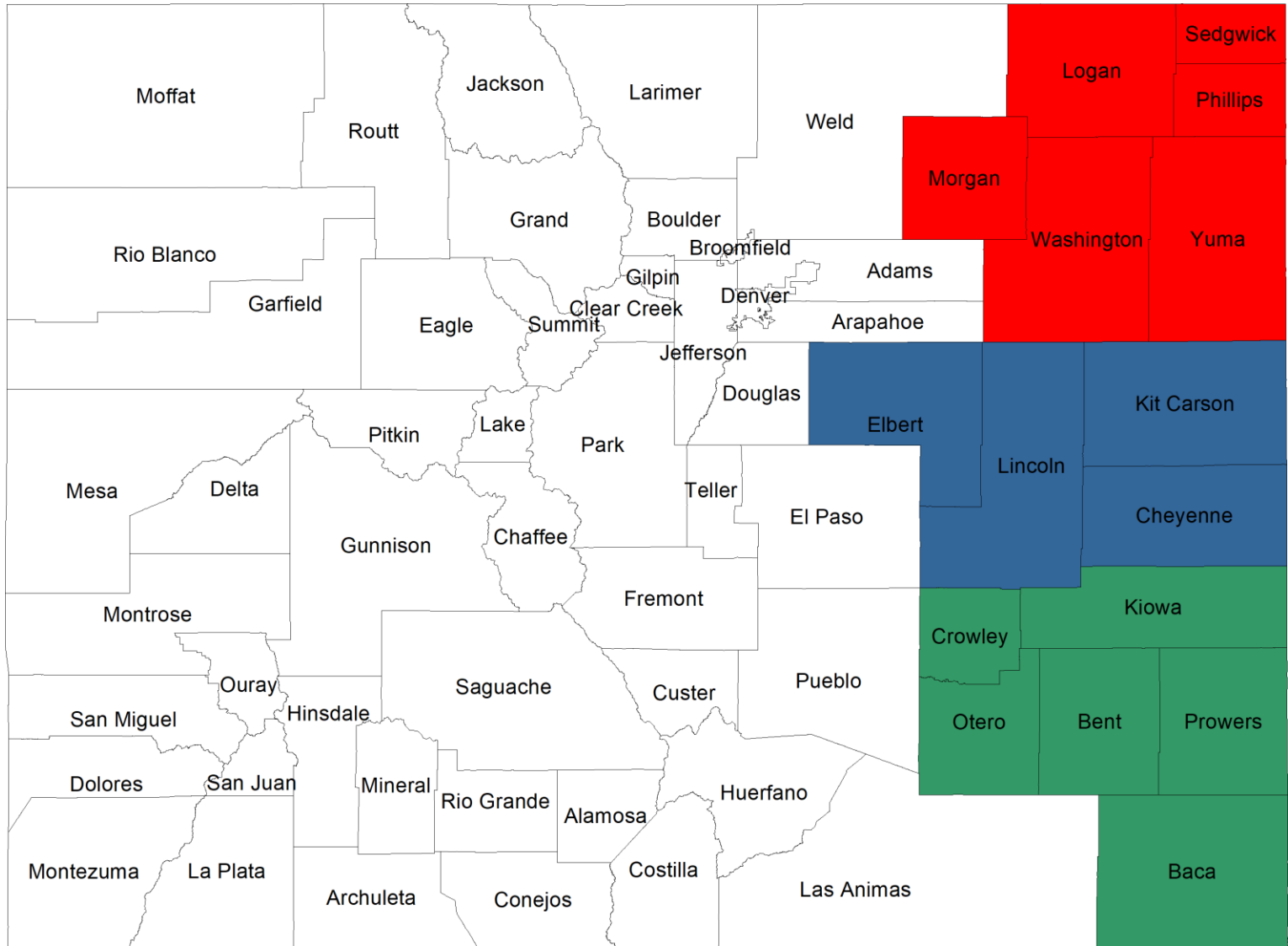
- Interest rates
- Global growth
- Value of the dollar
- Trade/Tariffs

## State

- Commodity prices/cycle
- Drought and weather
- Housing affordability
- Talent shortage
- Real wage increases



# Planning Regions 1, 5, & 6



# Eastern Plains Change in Population

2001-2019

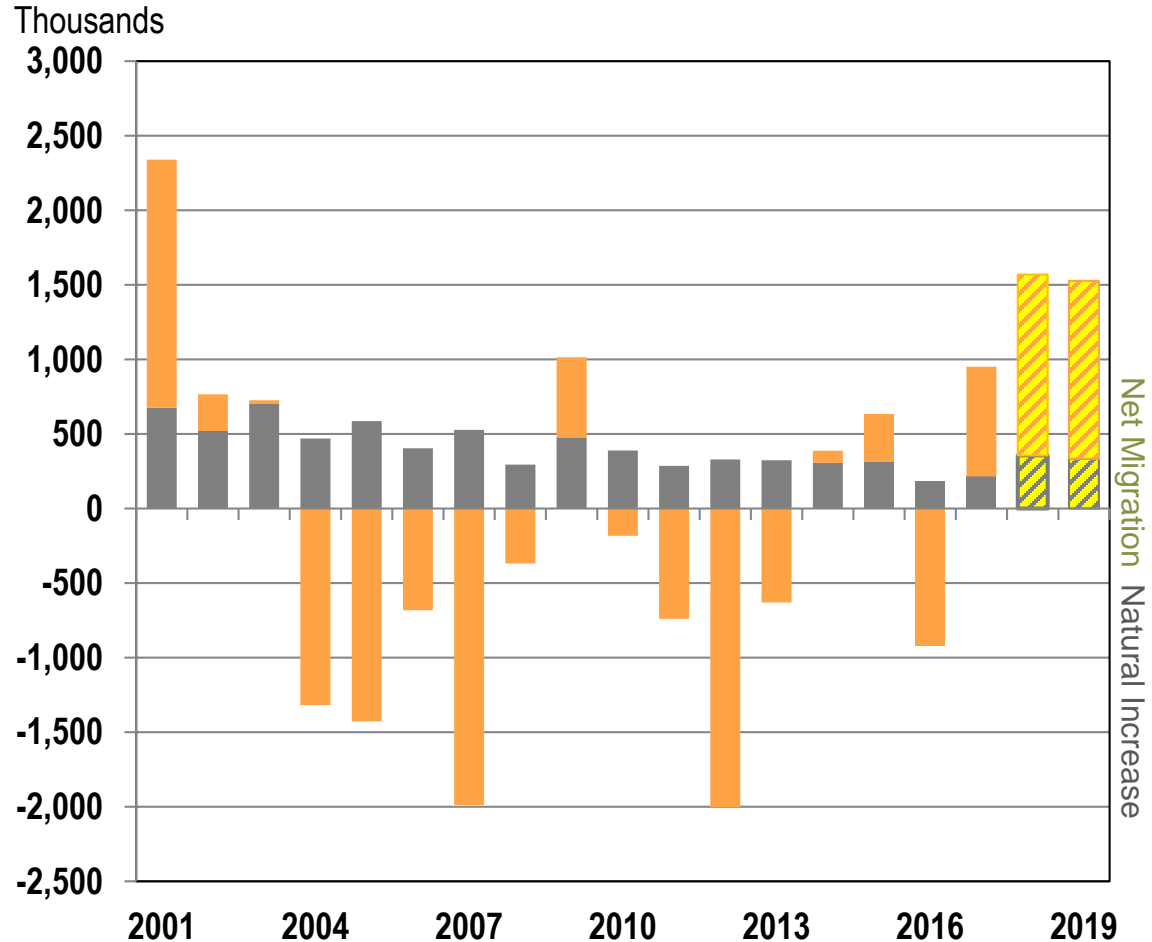
## Plains Counties increases

- 1,569 in 2018
- 1,527 in 2019

3/4 of the increase from migration

Acceleration in migration growth

Stabilizing natural increase

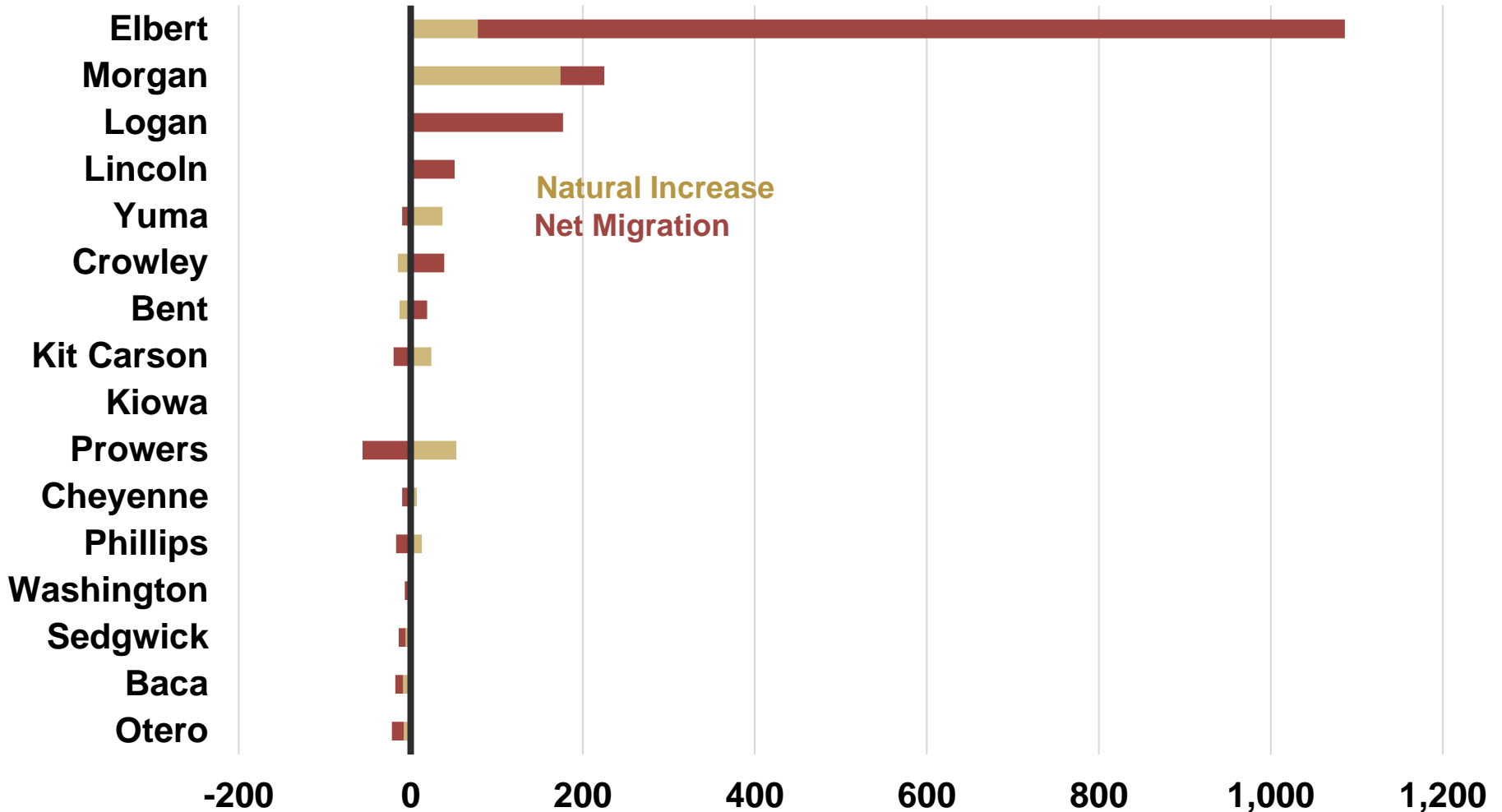


Net Migration  
Natural Increase

Source: Colorado Demography Office.

# Eastern Plains Change in Population

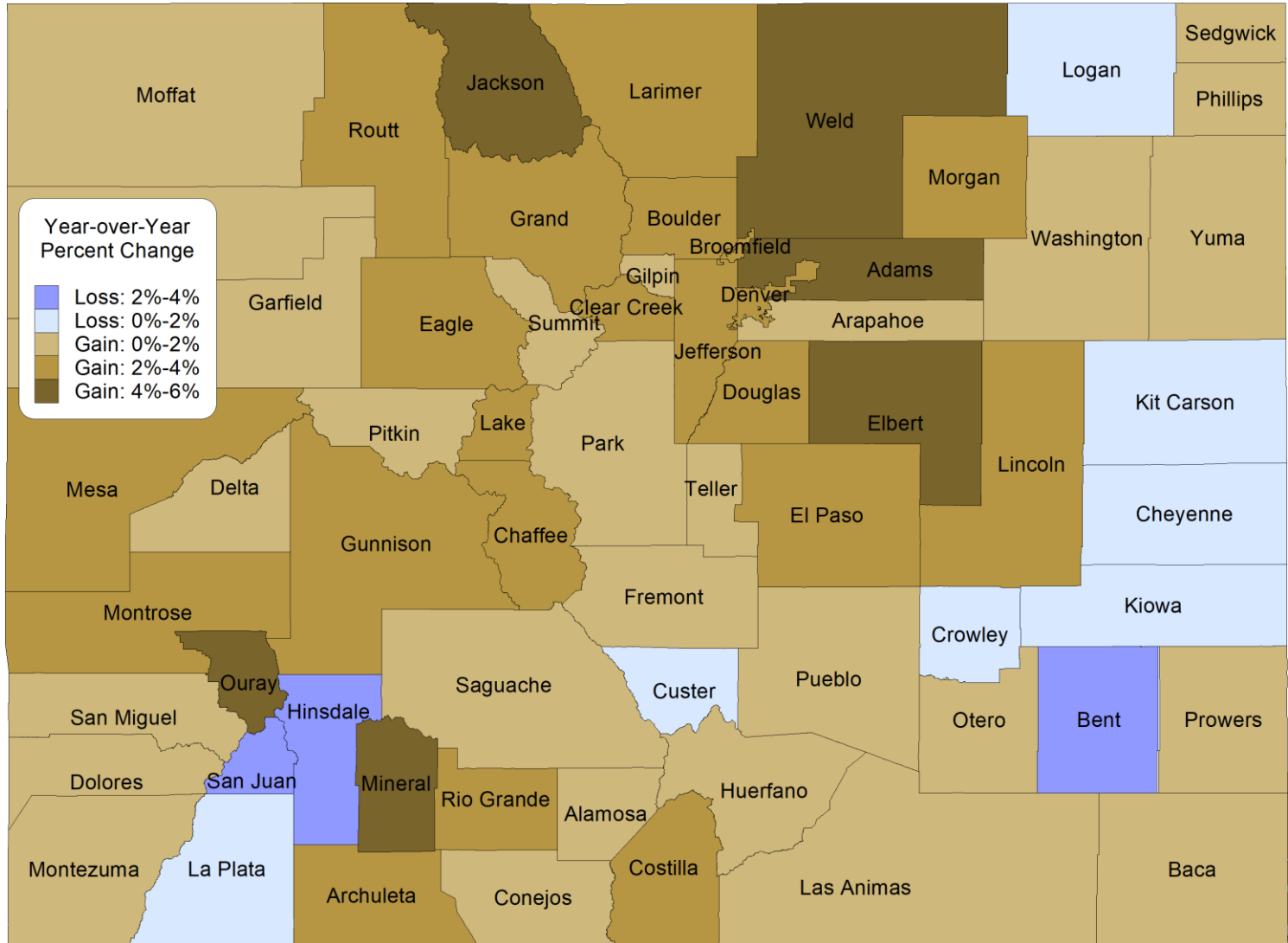
2019



Source: Colorado Demography Office.

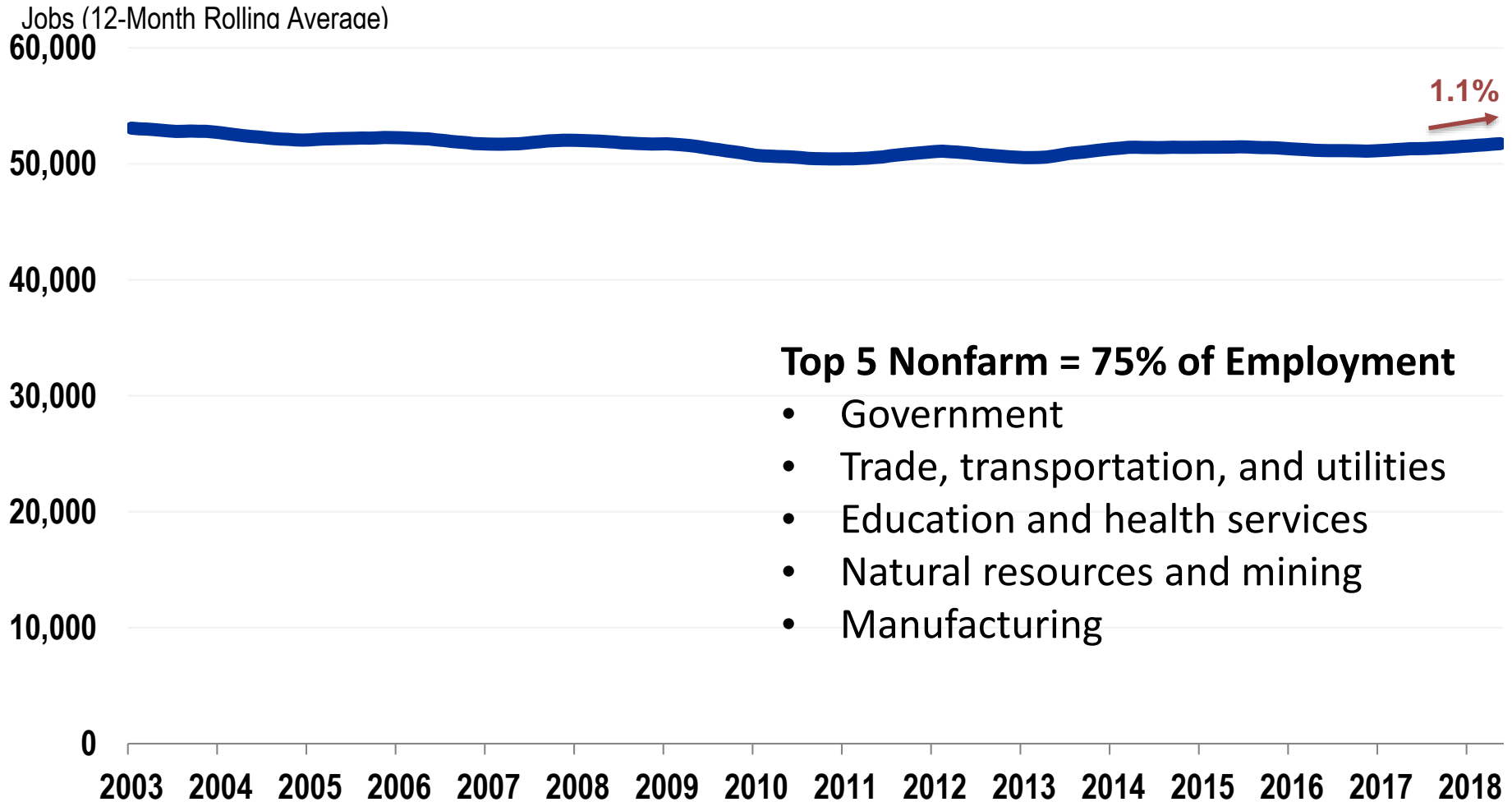
# Employment Growth

## Colorado Year-over-Year Change Q3 2018



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages.

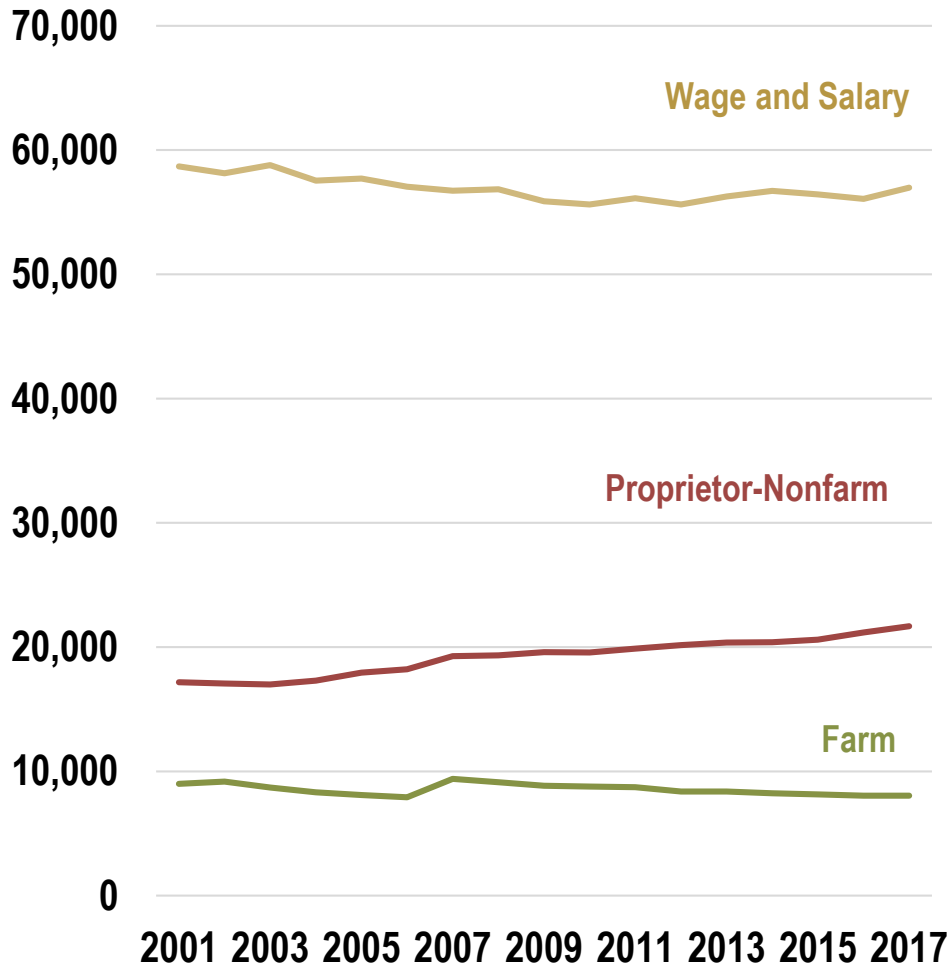
# Eastern Plains Counties Covered Employment



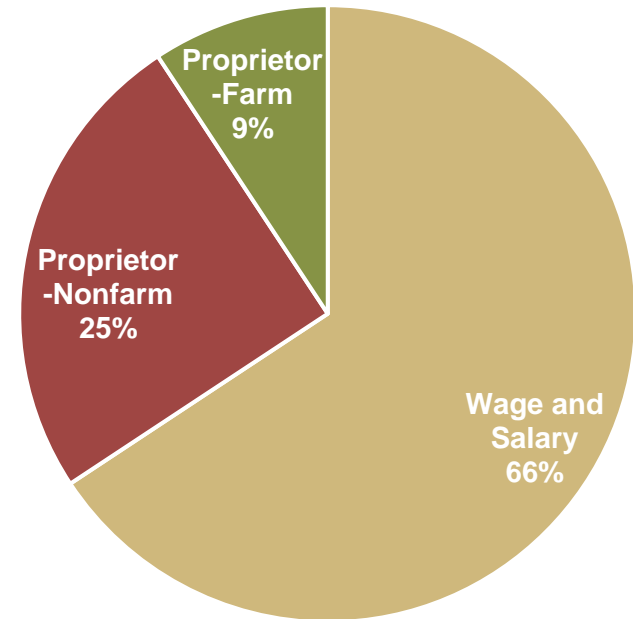
Source: Bureau of Labor Statistics, QCEW.

# Employment

## Eastern Plains Counties



## 2017 Employment

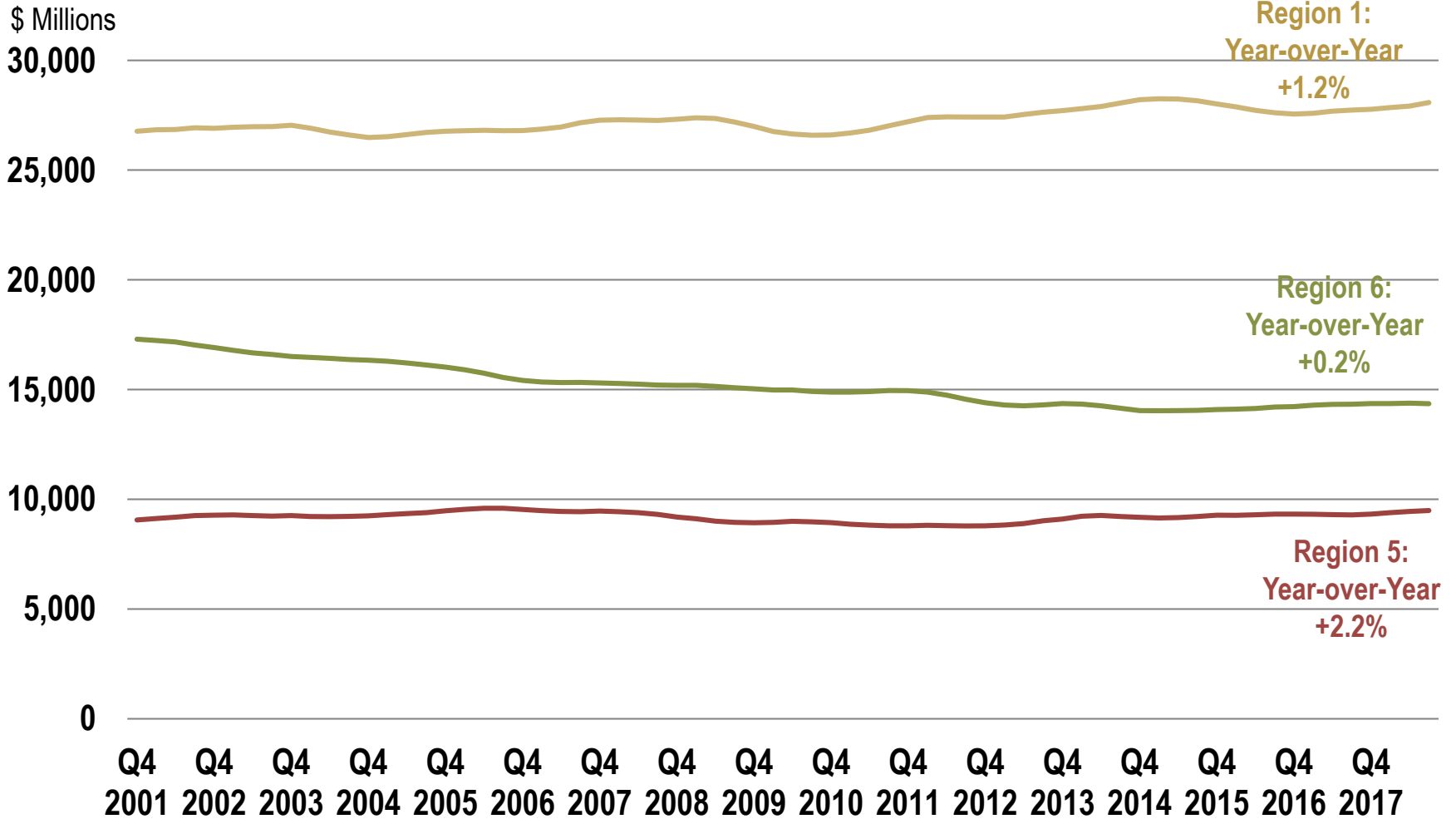


Source: Bureau of Economic Analysis.



# Eastern Plains Covered Employment

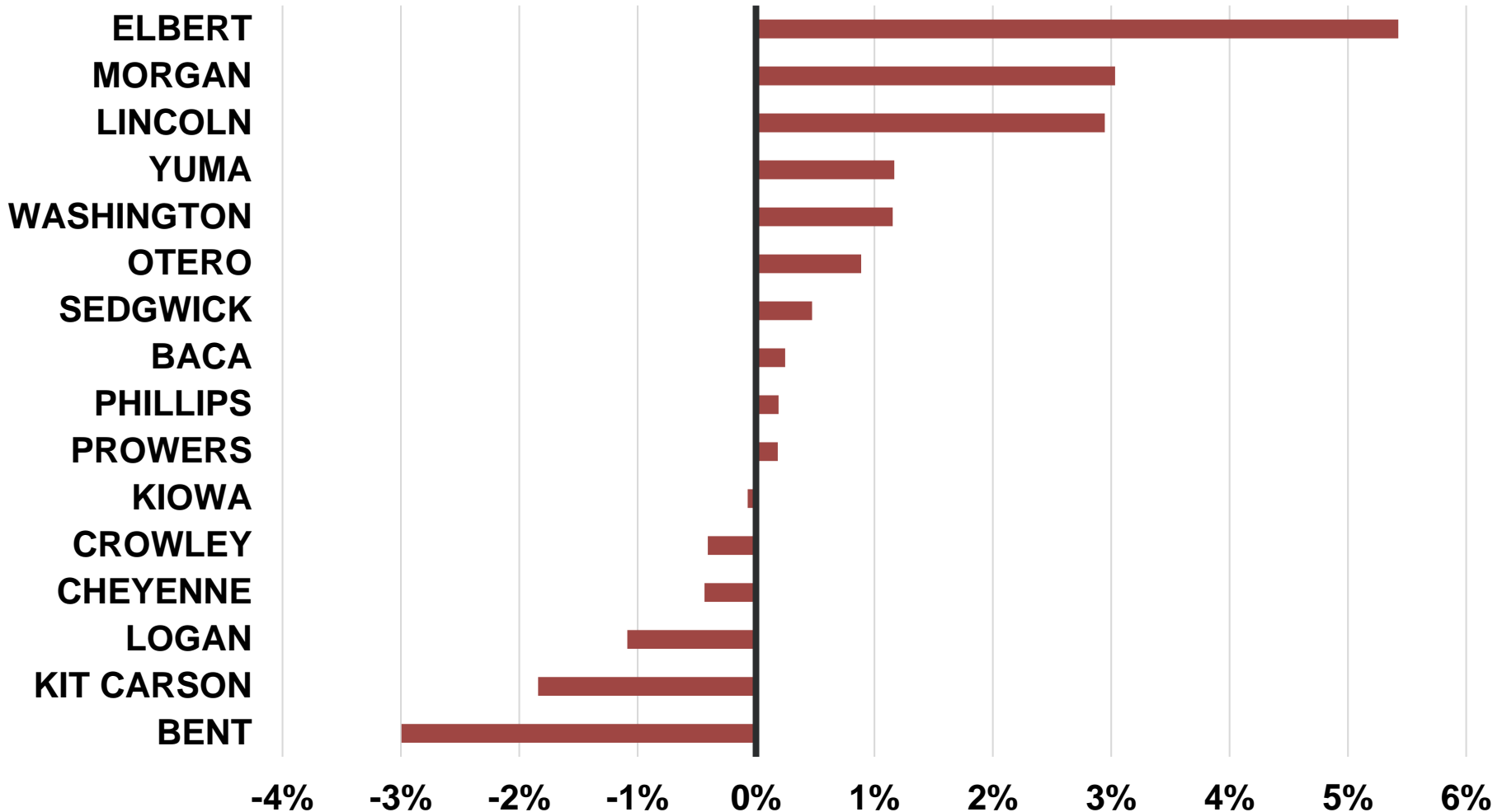
Based on trailing four quarters



Source: Bureau of Labor Statistics, QCEW.

# Eastern Plains Change in Employment

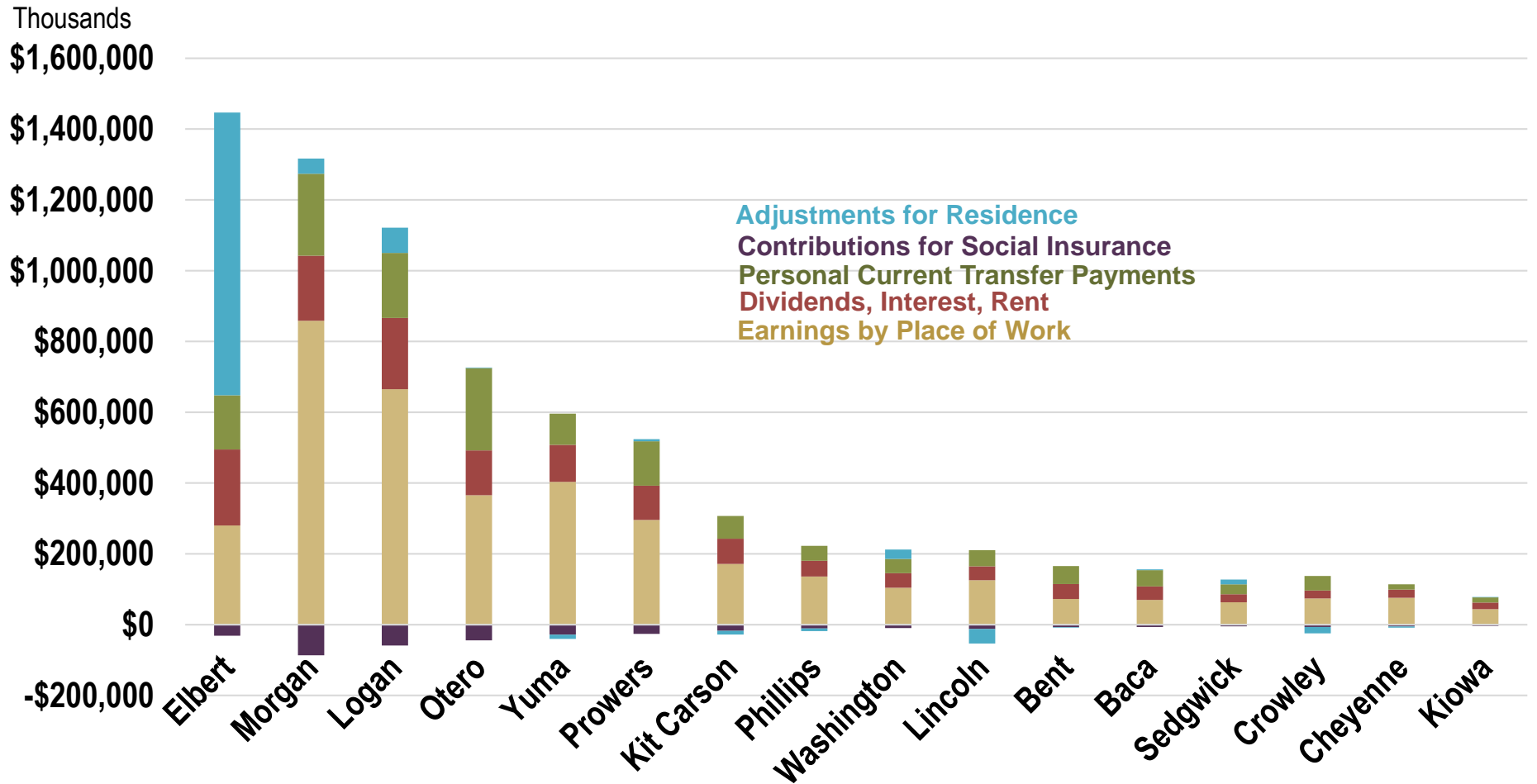
2019



Source: Colorado Demography Office.

# Eastern Plains Personal Income

2017

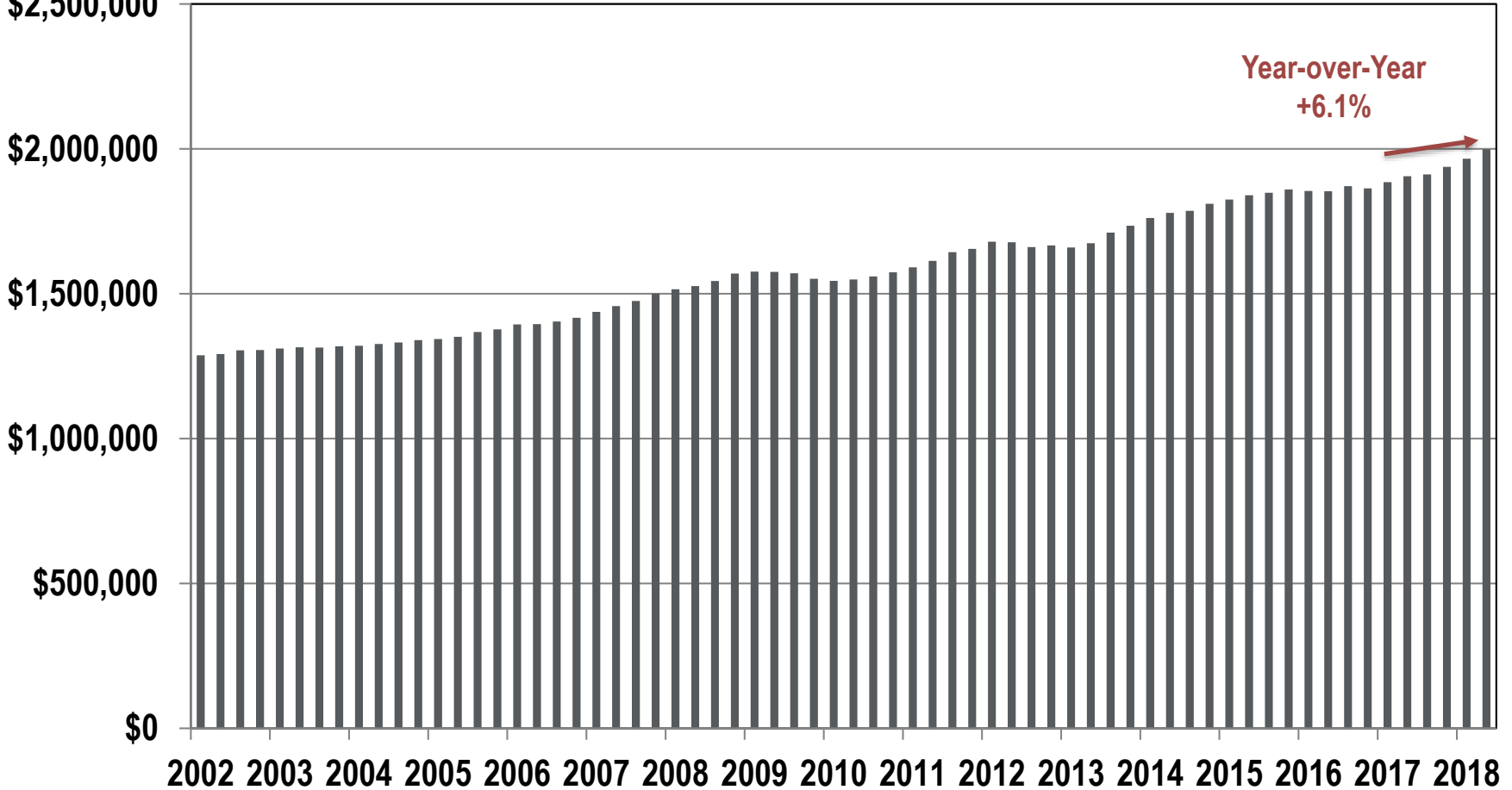


Source: Bureau of Economic Analysis.

# Eastern Plains Counties Covered Wages

Annual (4Q Rolling)

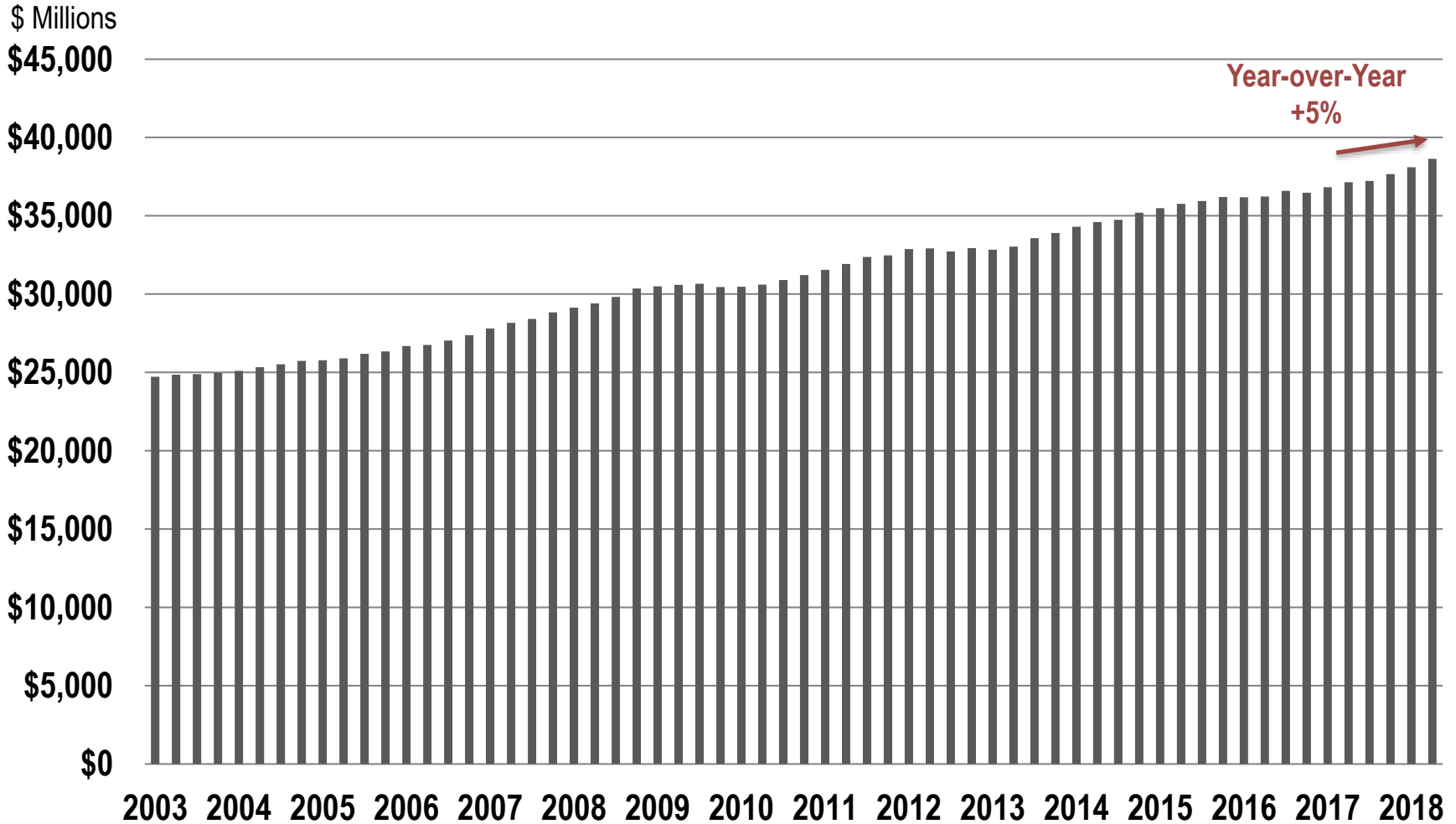
\$ Thousands  
\$2,500,000



Source: Bureau of Labor Statistics, QCEW.

# Eastern Plains Counties Average Wages

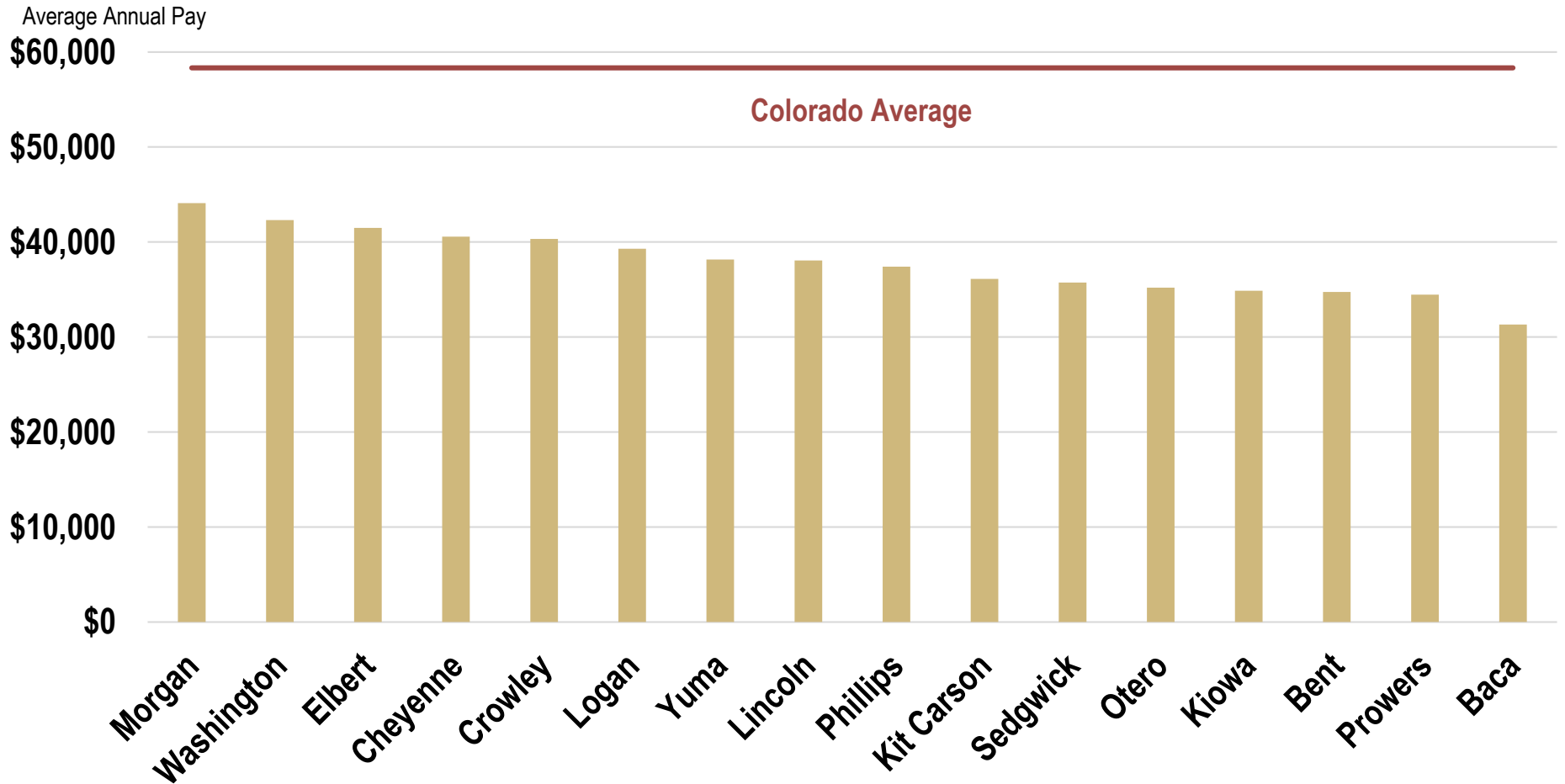
Based on trailing four quarters



Source: Bureau of Labor Statistics, QCEW.

# Eastern Plains Counties Average Annual Pay


As of 2018 Q3



Source: Bureau of Labor Statistics, QCEW.

# NCAAF Preseason Ranking

## AP Top 25

RK	TEAM	REC
1	 Alabama (42)	0-0
2	 Clemson (18)	0-0
3	 Georgia	0-0
4	 Wisconsin (1)	0-0
5	 Ohio State	0-0
6	 Washington	0-0
7	 Oklahoma	0-0
8	 Miami	0-0
9	 Auburn	0-0
10	 Penn State	0-0
11	 Michigan State	0-0
12	 Notre Dame	0-0
13	 Stanford	0-0
14	 Michigan	0-0
15	 USC	0-0
16	 TCU	0-0
17	 West Virginia	0-0
18	 Mississippi State	0-0
19	 Florida State	0-0
20	 Virginia Tech	0-0
21	 UCF	0-0
22	 Boise State	0-0
23	 Texas	0-0
24	 Oregon	0-0
25	 LSU	0-0

## AP Top 25

RK	TEAM	REC
1	 Clemson (61)	15-0
2	 Alabama	14-1
3	 Ohio State	13-1
4	 Oklahoma	12-2
5	 Notre Dame	12-1
6	 LSU	10-3
7	 Florida	10-3
	 Georgia	11-3
9	 Texas	10-4
10	 Washington State	11-2
11	 UCF	12-1
12	 Kentucky	10-3
13	 Washington	10-4
14	 Michigan	10-3
15	 Syracuse	10-3
16	 Texas A&M	9-4
17	 Penn State	9-4
18	 Fresno State	12-2
19	 Army	11-2
20	 West Virginia	8-4
21	 Northwestern	9-5
22	 Utah State	11-2
23	 Boise State	10-3
24	 Cincinnati	11-2
25	 Iowa	9-4

# NCAAF Final Ranking

Sources: ESPN, AP Top 25 Poll.