Everything is Connected

Population
- Age
- Births slowing
- Race & Ethnicity
- Housing
- Community services
- Supply

Labor Force
- Skills
- Age
- Commuting
- Migration

Drives Economy
- Consumer Expenditures
- Age
- Income

Employment
- Industry trends
- Environment
- Skills
- Remote?
- Demand

Big Picture Trends

- Population growing at a slowing rate – births down, deaths up
  - Lowered forecast for 2050 – since 2015
- Migration and mobility slowing
  - Harder to attract and retaining the best and brightest
- Demand for labor (new jobs and retirements) drives migration
- Aging – impacts everything
  - Consumer demand and Labor Force
  - Growing race and ethnicity diversity – at youngest ages
- Take Away – This will all impact economic development and the labor force.

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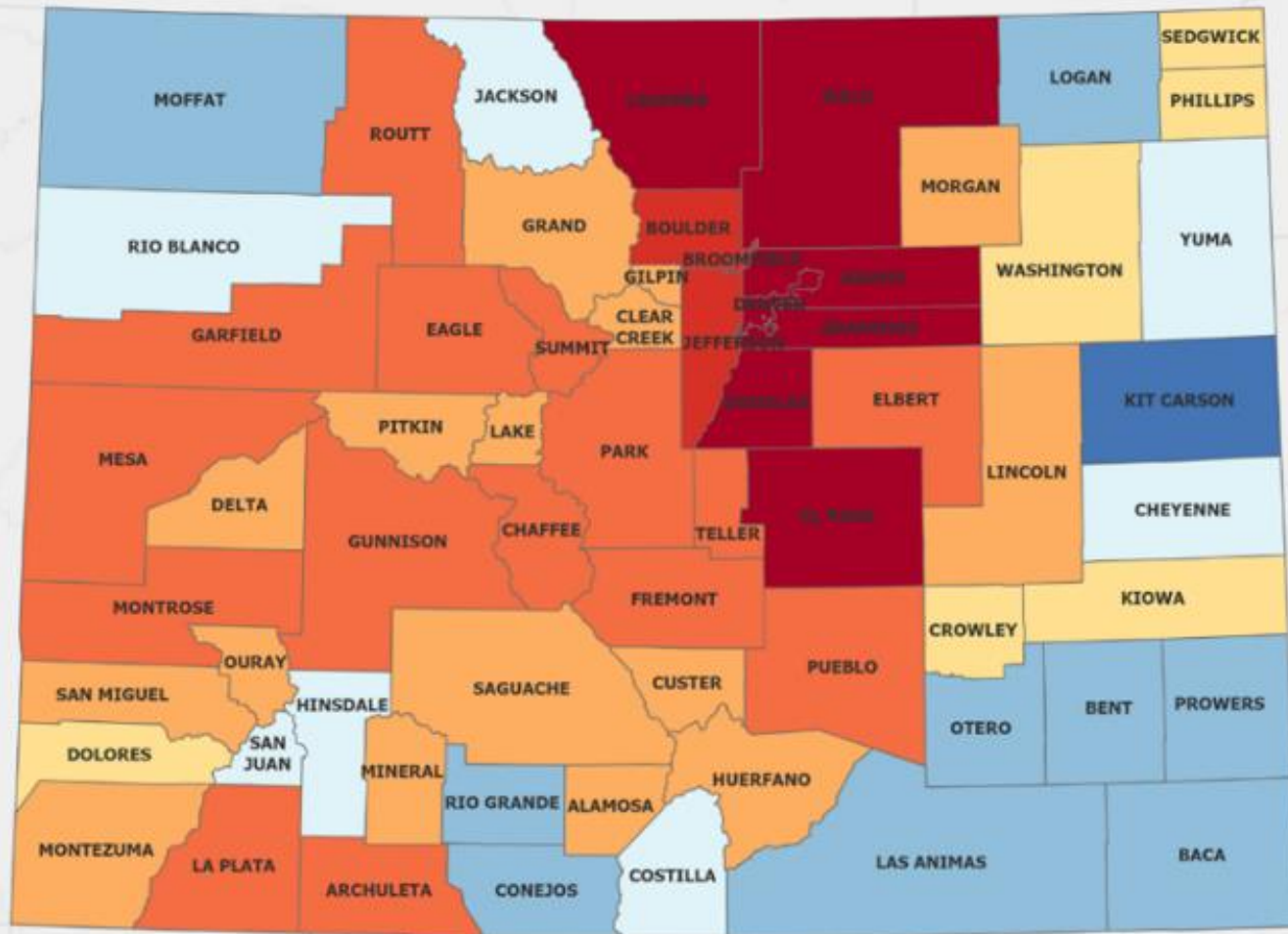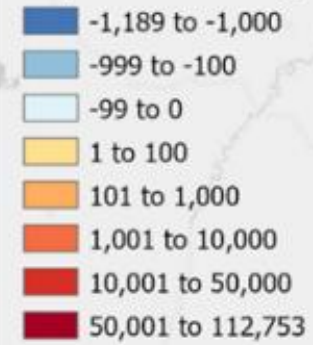Components of Colorado Population Change 1970-2023
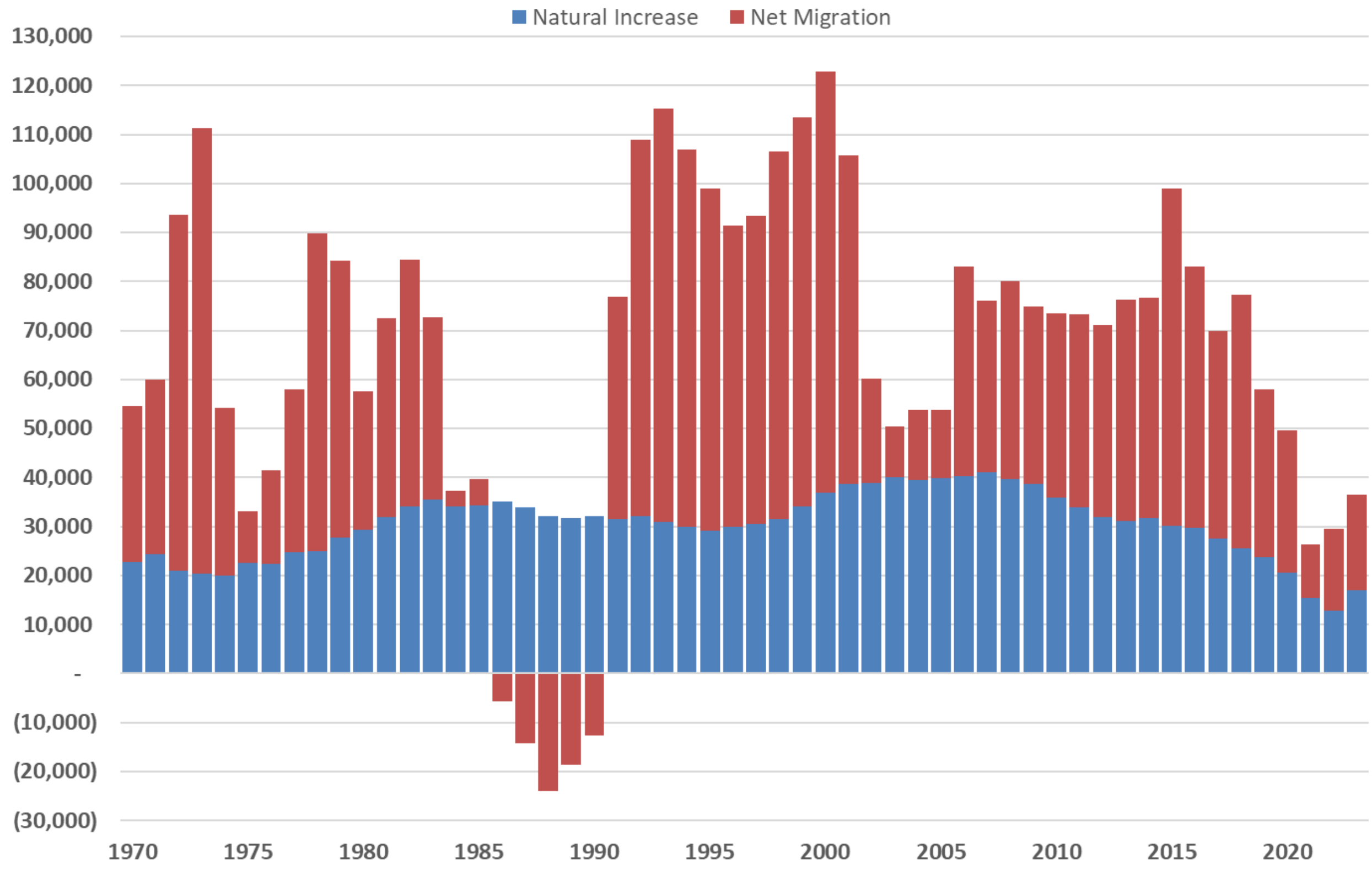
2023
36K - Total
62K – Births
45K – Deaths
20K - Migration

- Colorado growth slows from an annual average of 74K last decade to 30,000 average so far this decade
- Dropped relative to other states.
  - No longer top 10
  - Now in top 20
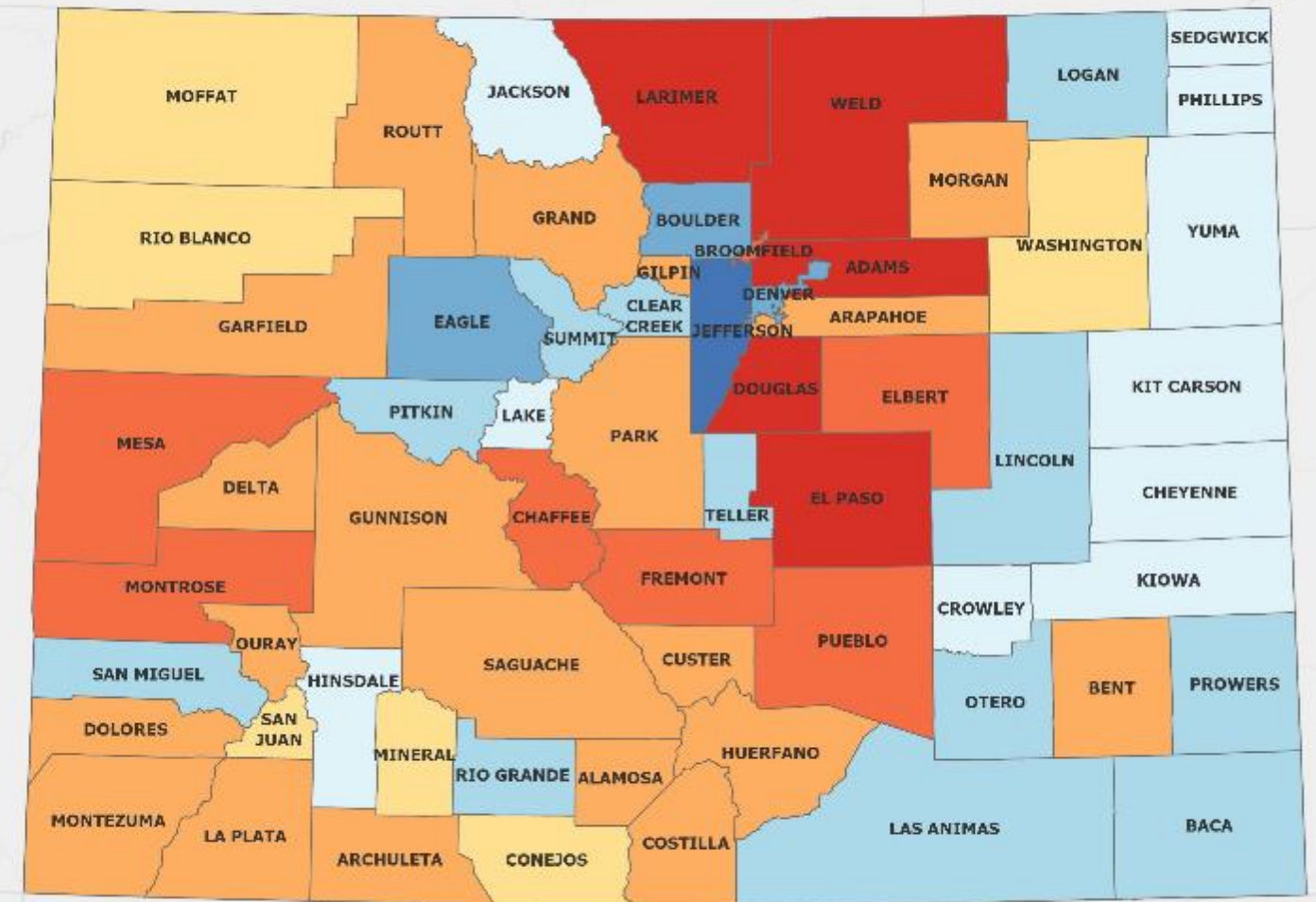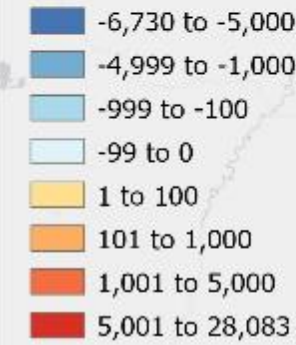
2010 to 2020
- 95% of population and job growth along Front Range
- 26% of counties showing declines

2020-2023 – 40% of counties showing declines in population

Look at the Components of Population Change – Not Just Totals

Components of Change: Colorado
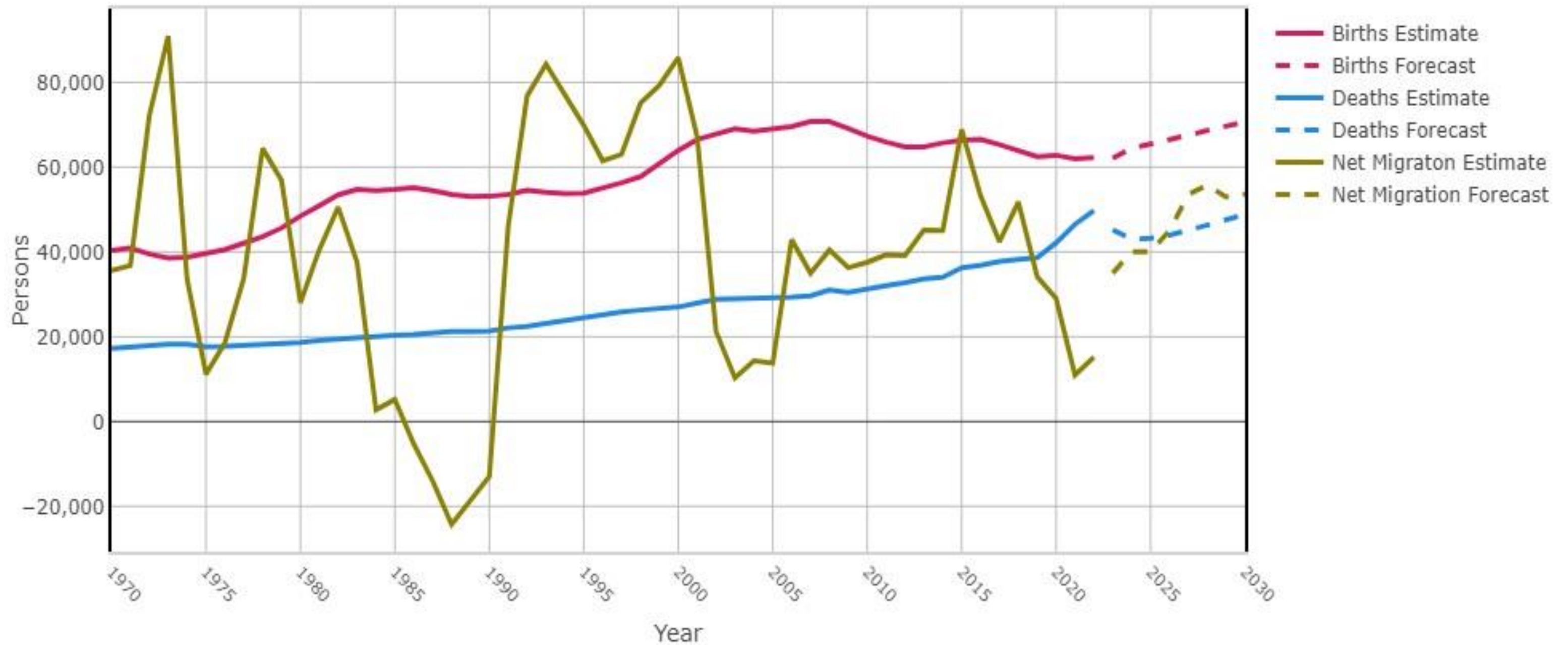
Data and Visualization by the Colorado State Demography Office. Print Date: September 18, 2024

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Change in Under 18 Populations 2010-2020
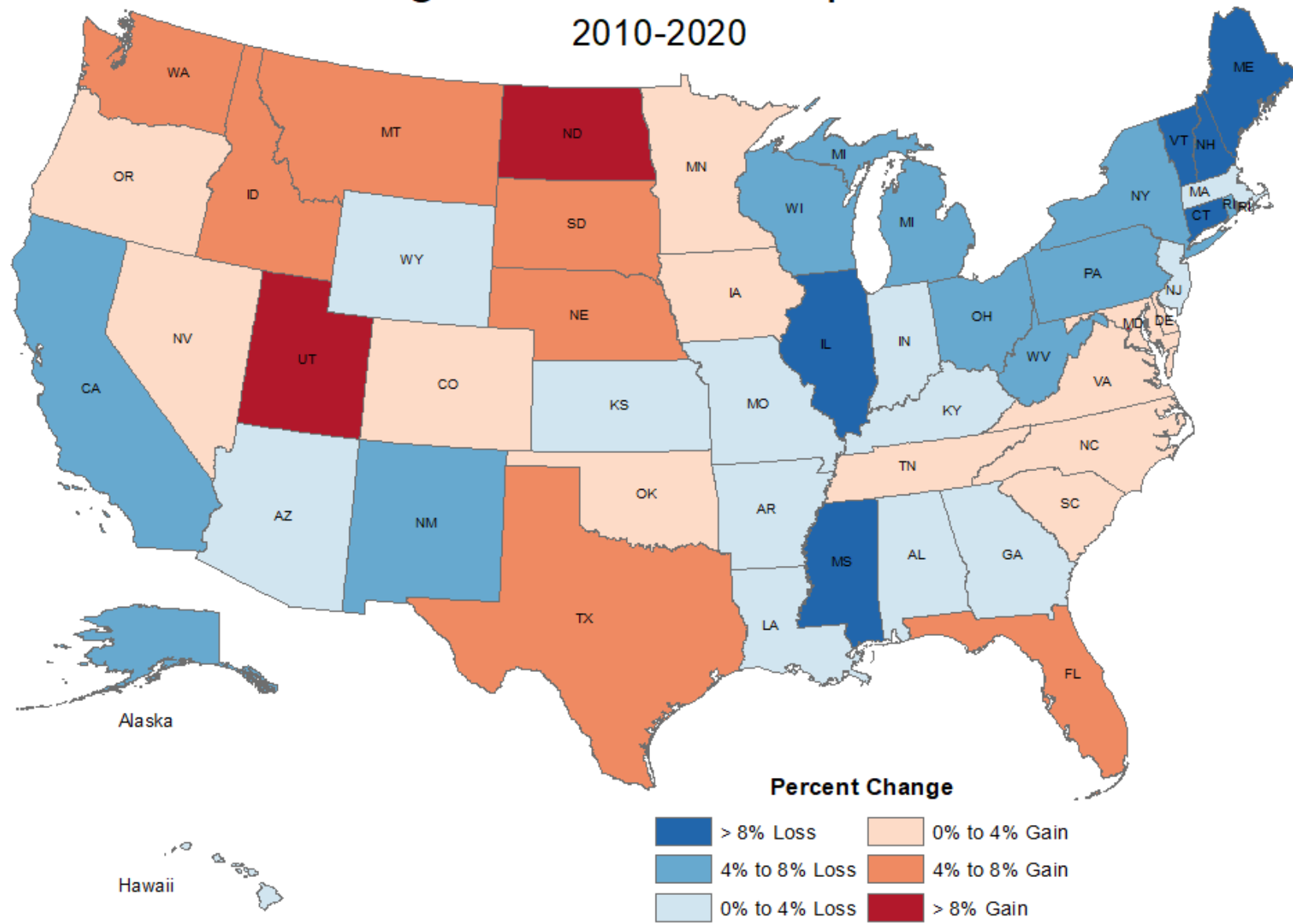
Under 18 Population Change by County 2010 to 2020
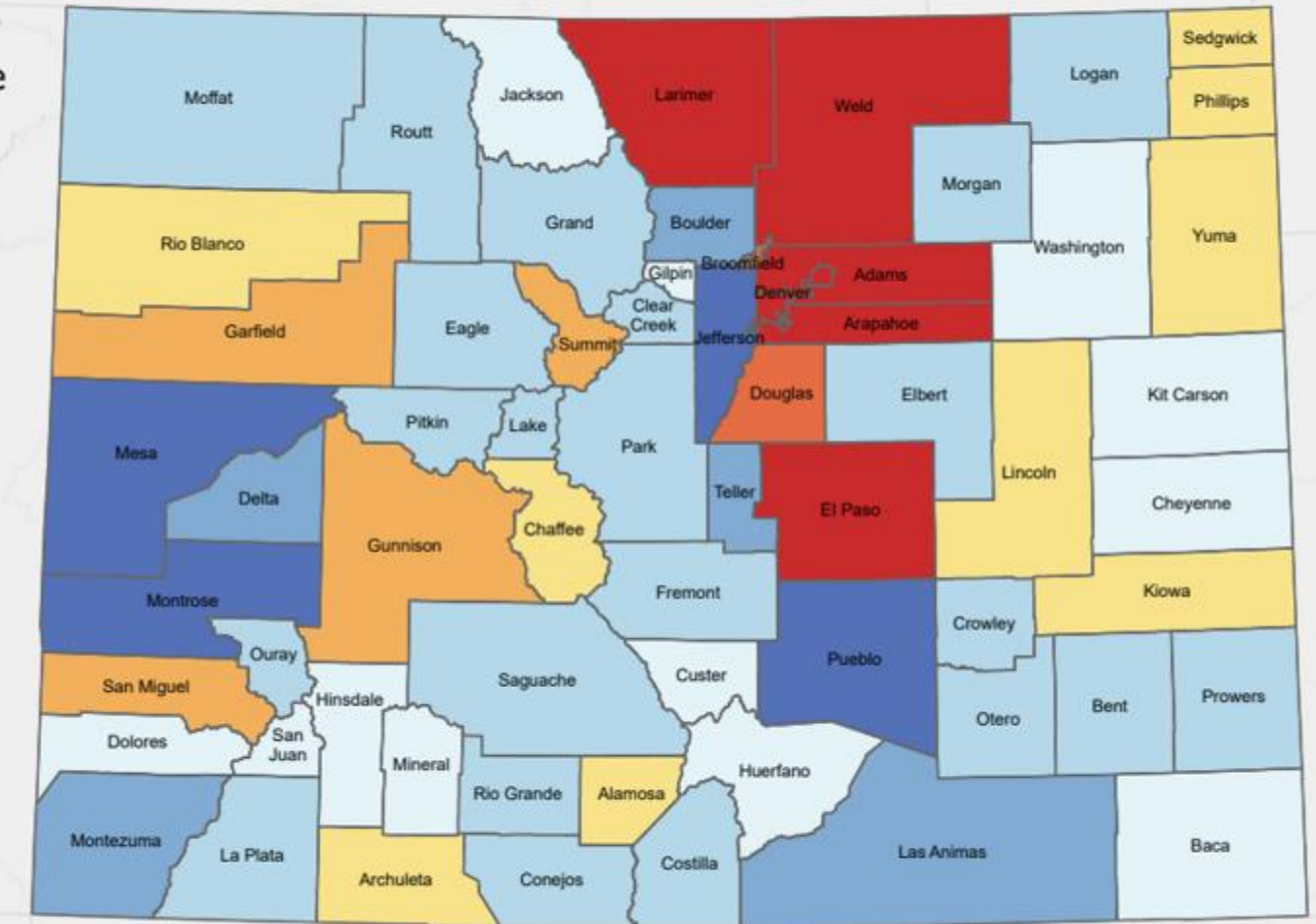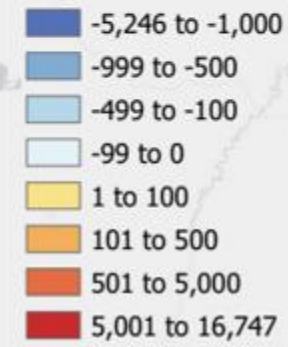
- US population Under 18 Declined by over 1,000,000 2010-2020, and by **1.4 million more since 2020**
- Births down 650,000 in the US compared to peak in 2007.
- 27 states lost population under 18
- Colorado births down 8K births compared to peak in 2007 +38,000 over decade, 43 of 64 declined

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Census 2010 and 2020

Net Migration by Age — Who does Colorado attract?

Egan-Robertson, David, Katherine J. Curtis, Richelle L. Winkler, Kenneth M. Johnson, and Caitlin Bourbeau, Age-Specific Net Migration Estimates for US Counties, 1950-2020. Applied Population Laboratory, University of Wisconsin – Madison, 2023 (Beta Release). Web.
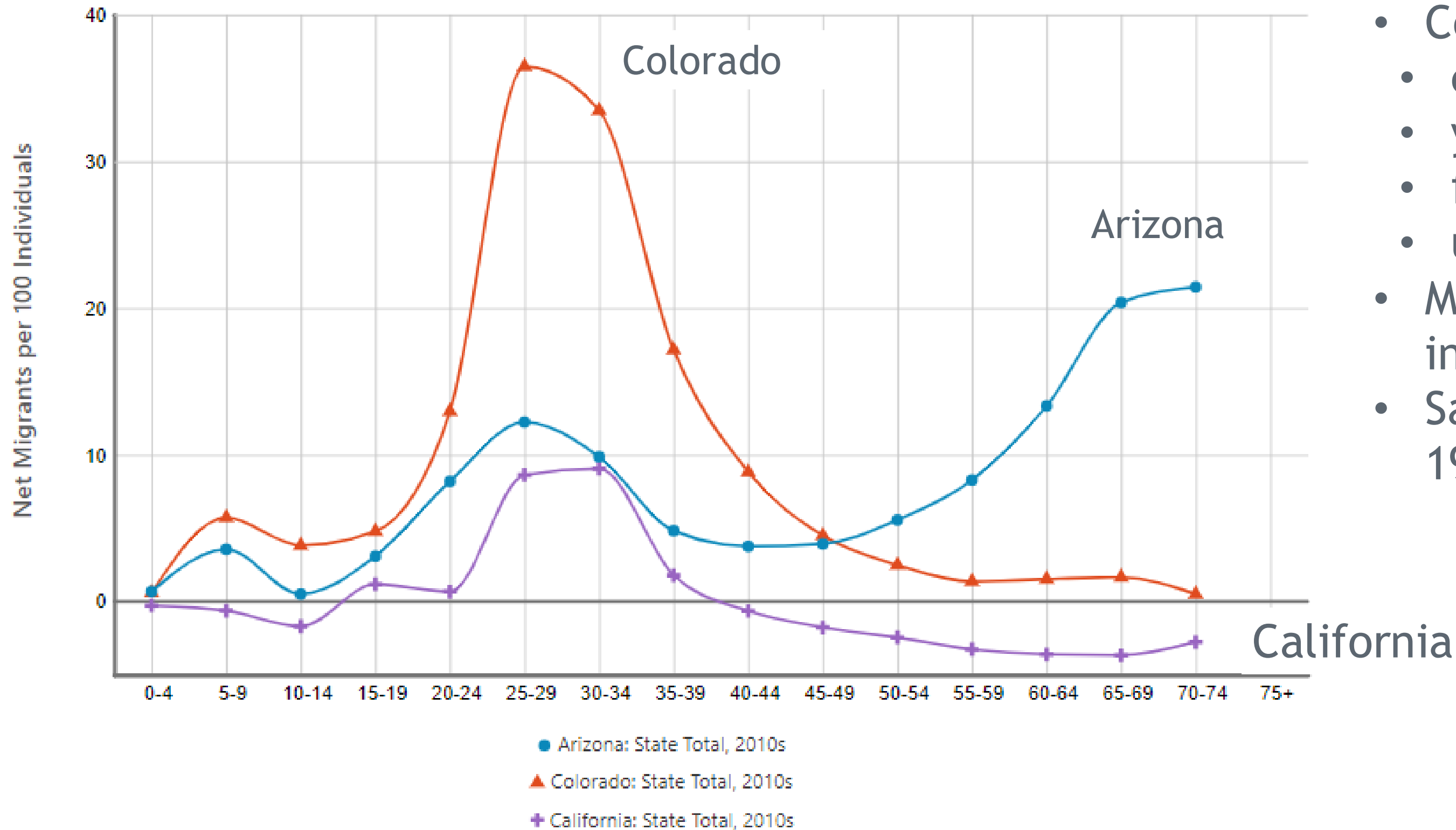
Characteristics
- Colorado attracts
  - early career
  - young adults,
  - families, and
  - university students
- Most older adults age in place
- Same pattern since 1970s

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States - https://netmigration.wisc.edu/

Counties - https://demography.dola.colorado.gov/assets/html/netmigcomp.html

Counties Attract Different Ages

Net Migration by Age -- Net Migration Rate
2010 to 2020
per 100 Population

Alamosa County
2010 to 2020

Eagle County
2010 to 2020

Montrose County
2010 to 2020
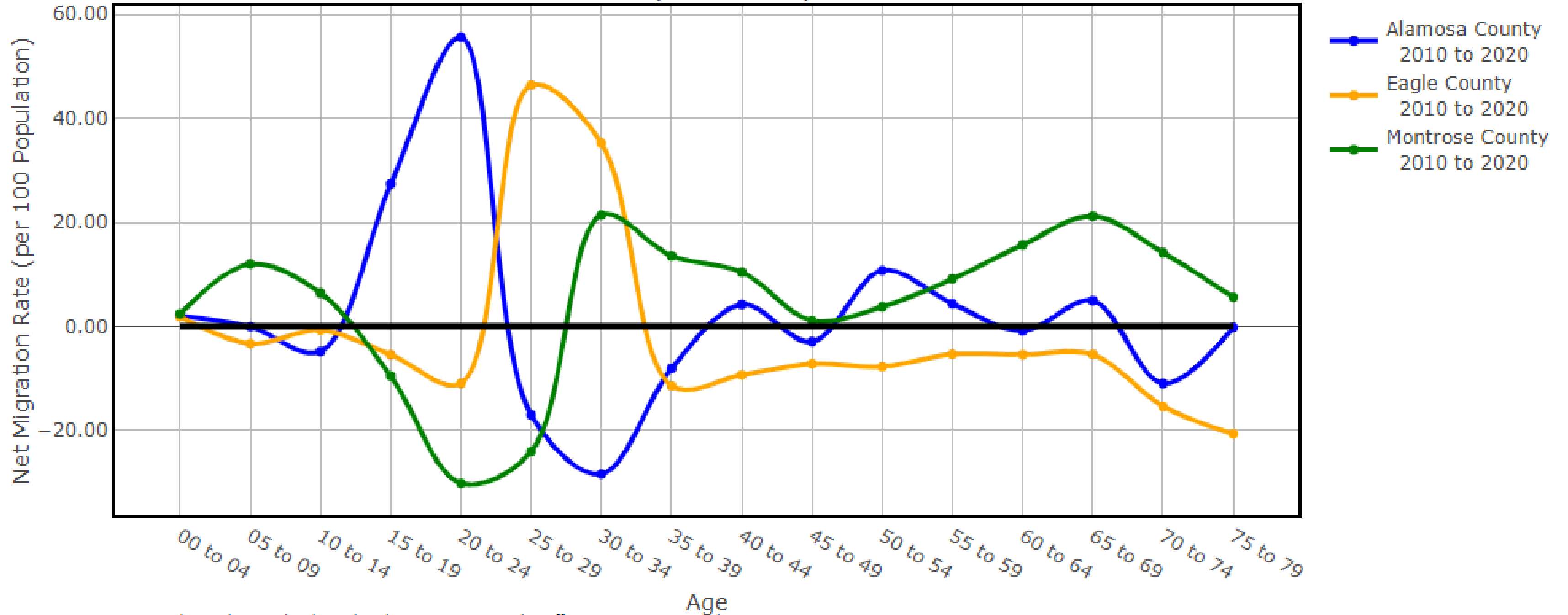
Every County Is Different
Net Migration: Prime Working Age 25-54

Net Migration in selected age groups

	<=	-595
-594	to	-340
-339	to	-85
-84	to	43
44	to	171
172	to	6,328
6,329	to	12,486
12,487	to	24,802
24,803	to	37,117
37,118	to	49,433
49,434	+	
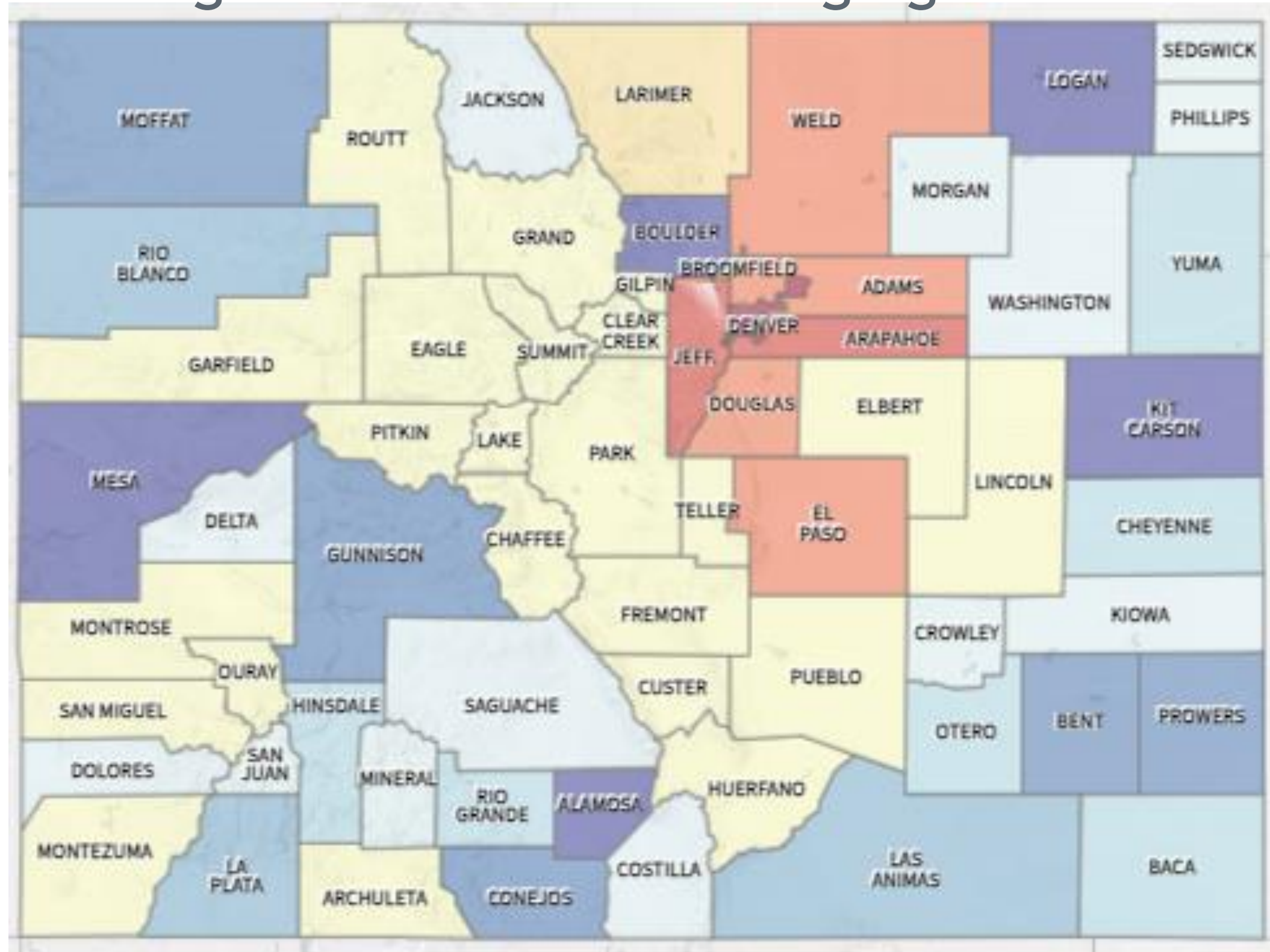
Colorado New Jobs and Net Migration
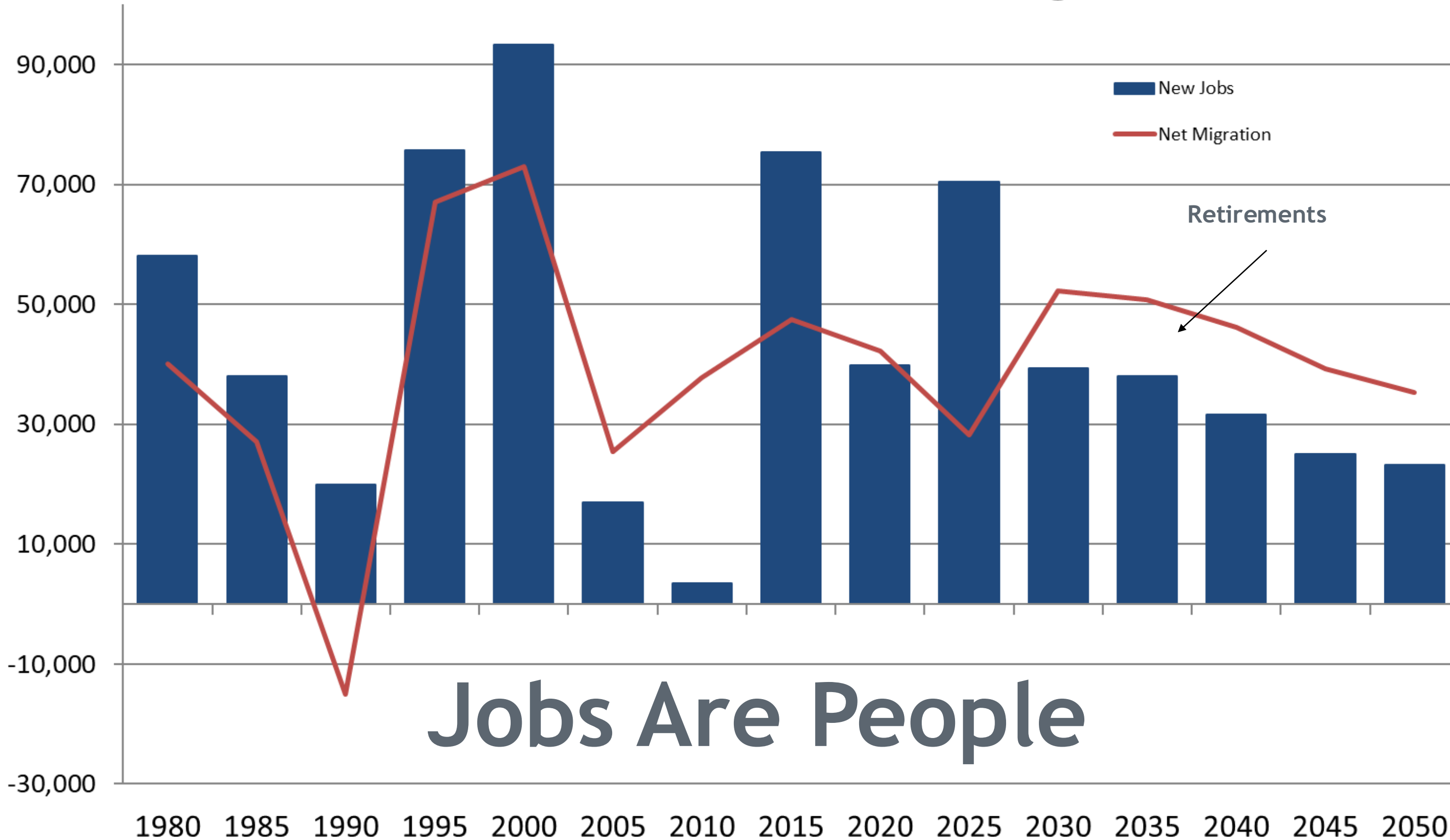
Jobs/Migration Pattern is Different by County

Job Change and Net Migration - Larimer County

Job Change and Net Migration - Weld County
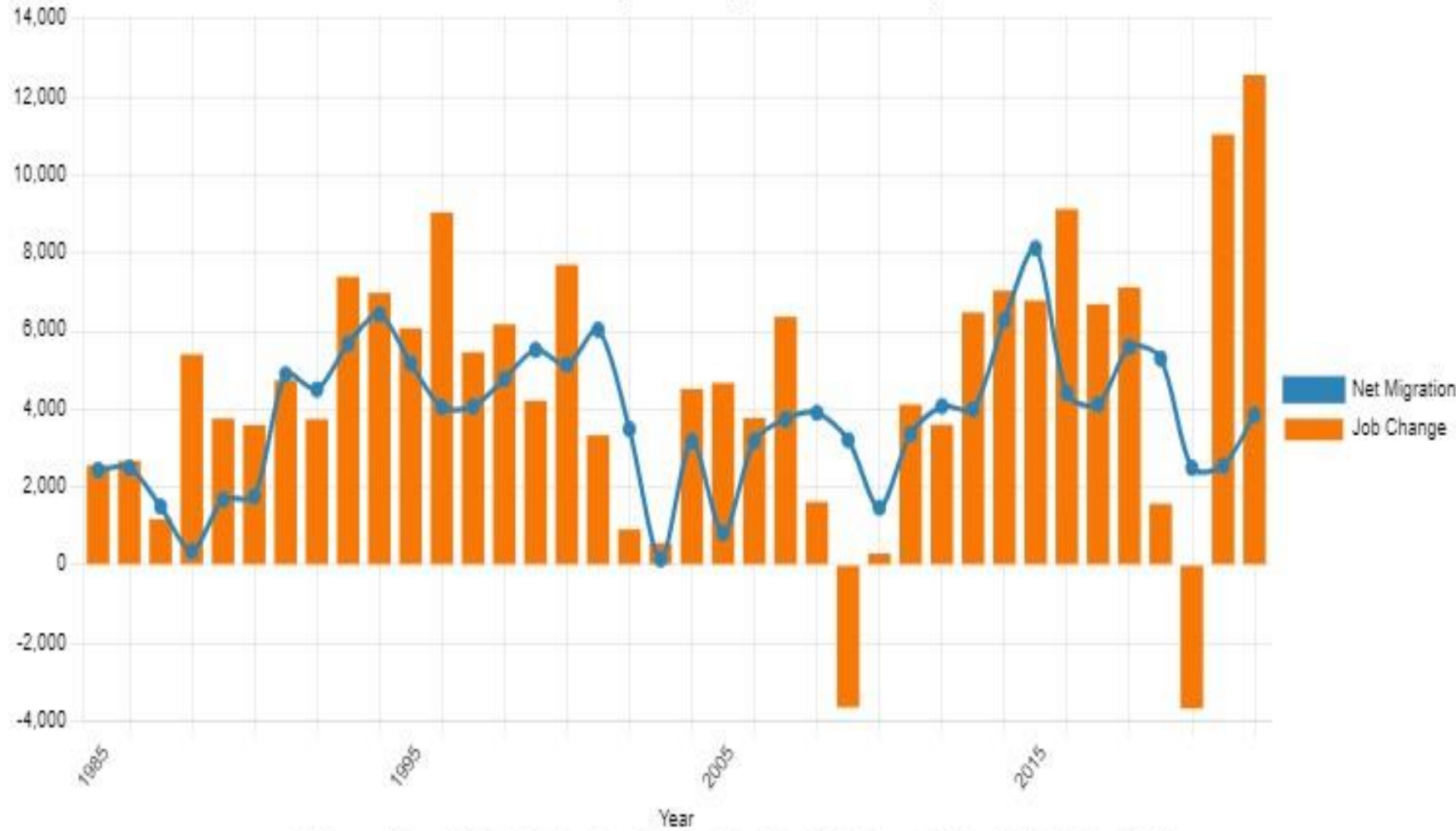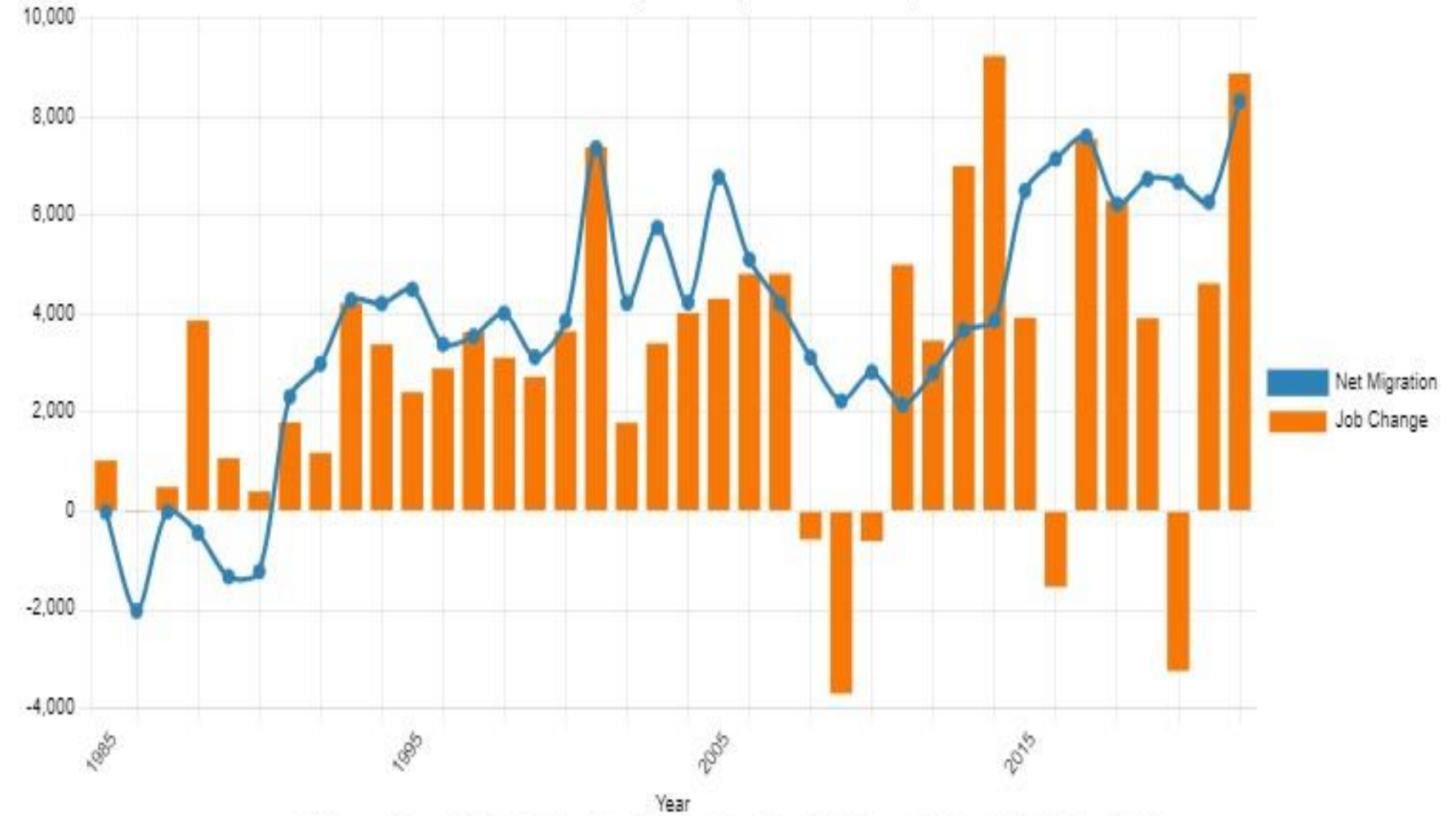
US Bureau of Economic Analysis, Migration Data and Visualization by Colorado State Demography Office. Print date: October 13, 2024

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Telework: Remote and Hybrid

- Not every industry
- Remote only - slowing
- Increases with higher earning industries
- Economics – Cost of Living vs. Wage
- Benefits and drawbacks
  - Workers bring in outside dollars or there's leakage
  - **Labor force able to attract from anywhere or lose**
  - Housing workers for other counties, states, countries or they're housing yours.

- Percentage of workers, who teleworked was 19.5% - (52.7 all and 47.3 some time)
- Colorado has a higher that average proportion due to share of industries.
- Long run trend uncertain – firms vs. employee, tight labor market.

Percent of employed people by telework status and industry, September 2023

Legend: Teleworked all hours | Teleworked some hours | Did not telework or work at home for pay

Industries: Financial activities; Finance and insurance; Real estate and rental and leasing; Information; Professional and business services; Professional and technical services; Management, administrative, and waste services; Public administration; Manufacturing; Education and health services; Health care and social assistance; Educational services; Mining, quarrying, and oil and gas extraction; Other services; Wholesale and retail trade; Wholesale trade; Retail trade; Transportation and utilities; Utilities; Transportation and warehousing; Construction; Leisure and hospitality; Arts, entertainment, and recreation; Accommodation and food services

Click legend items to change data display. Hover over chart to view data.
Source: U.S. Bureau of Labor Statistics.

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Age Matters
Colorado is young but aging

- Preferences – where people shop and what they buy.

- Housing – type, size, mobility

- Labor Force

- Income

- Service Demands

Colorado ▾   2023 ▾   Animate

Download Image

Colorado   2023

Peak Millennials
aging into prime
childbearing and
home buying

Generation X (1965 - 1980)	Baby Boomers (1946 - 1964)	Silent Generation (1928 - 1945)	Greatest Generation (- 1927)
Future Generations (2030 -)	Generation Alpha (2015 - 2029)	Generation Z (1997 - 2014)	Millennials (1981 - 1996)

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State Demography Office, V2022

Age Impacts Demand for Goods and Services and the Labor Force
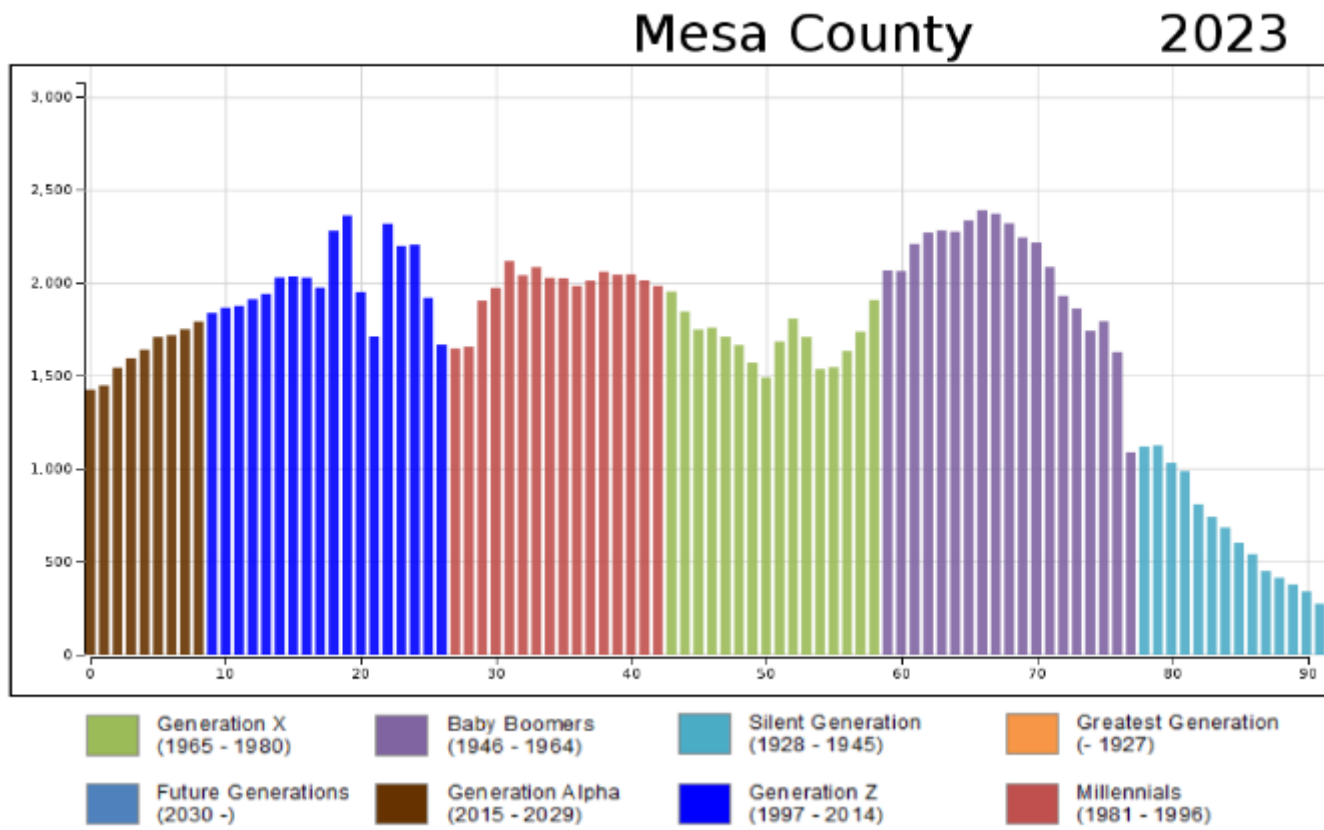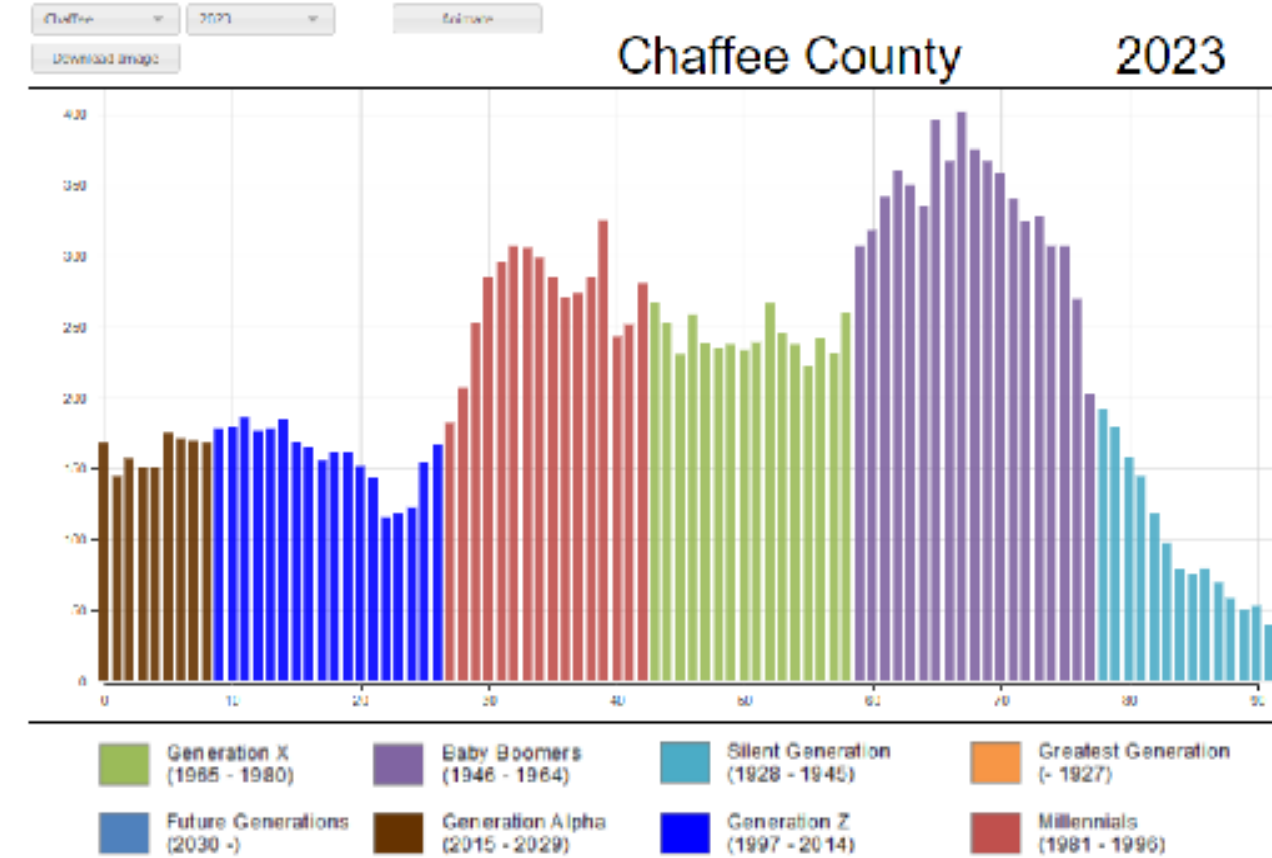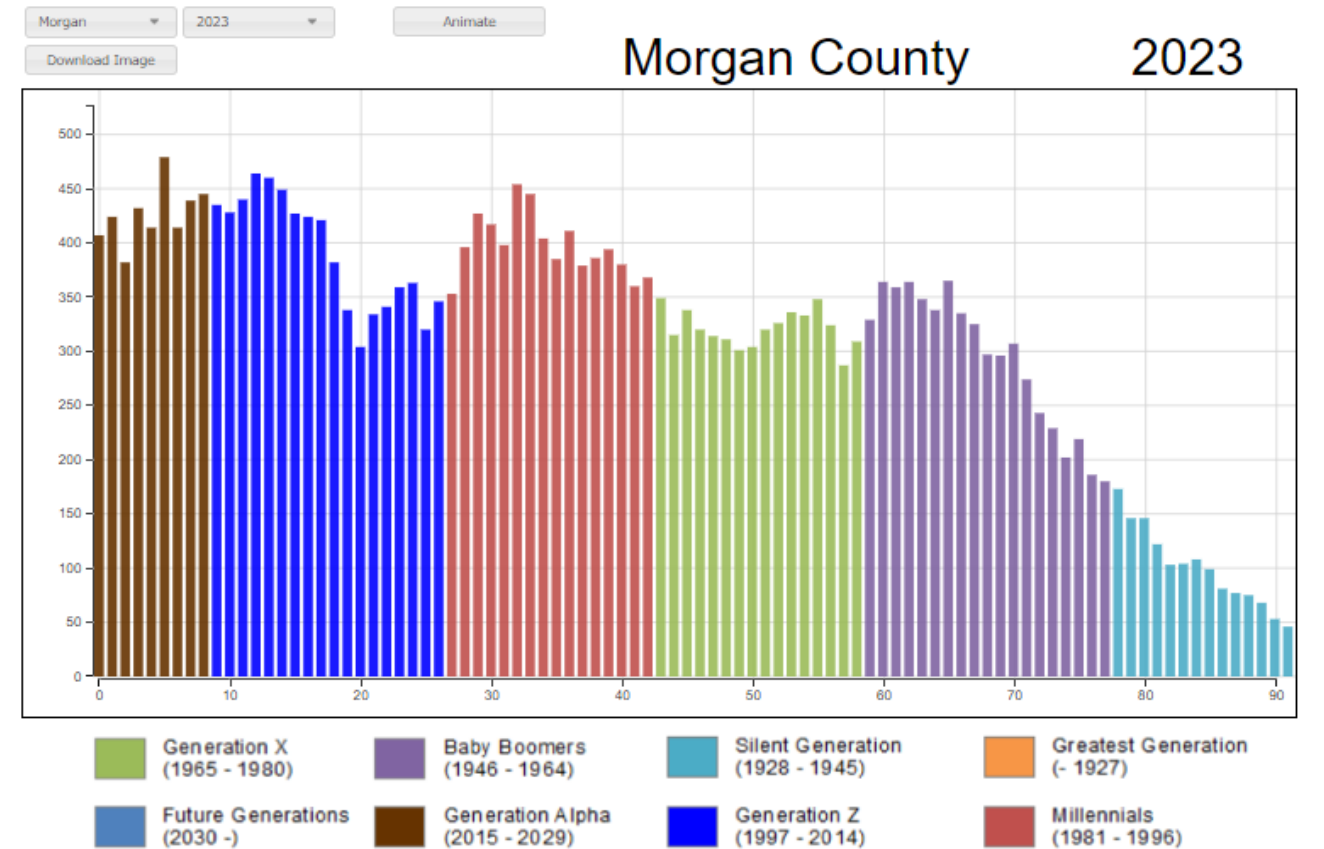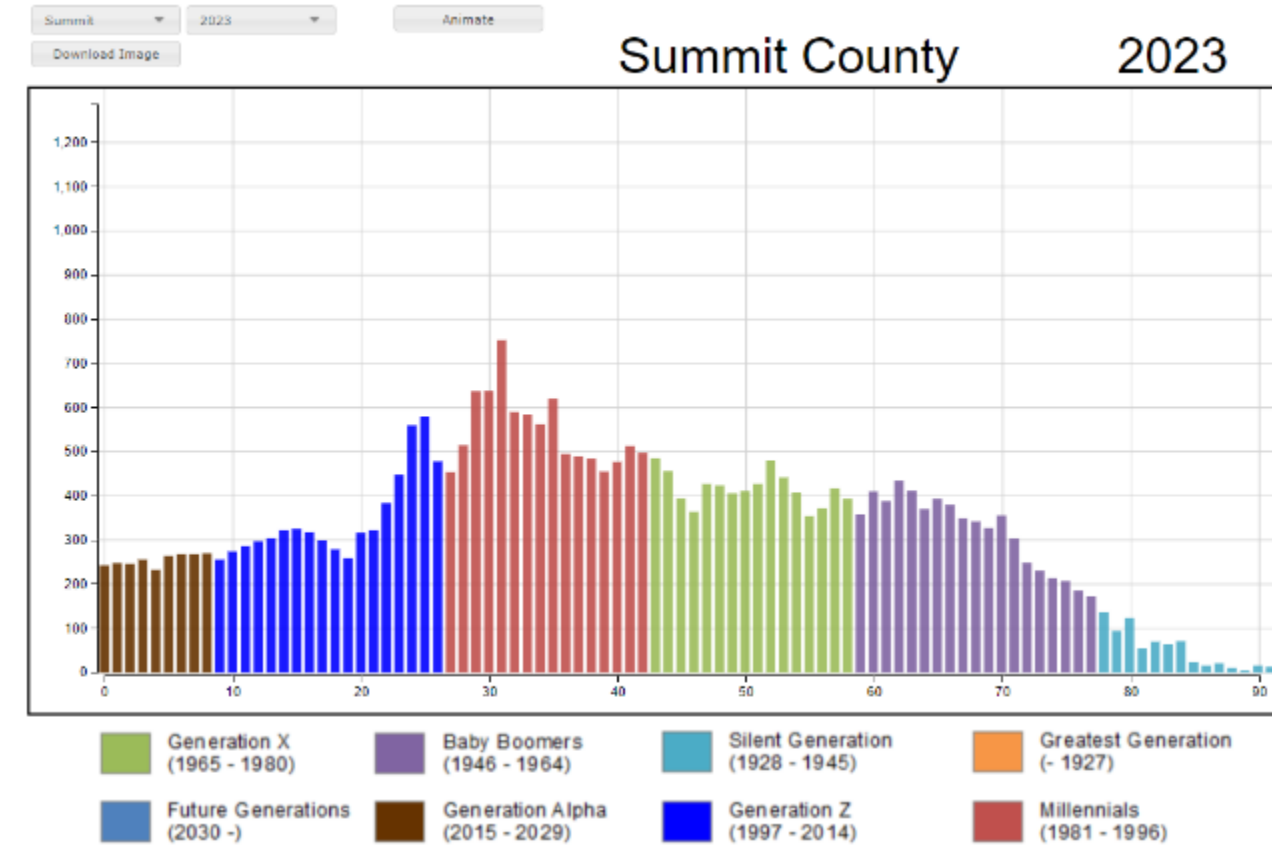
Colorado Population By Age, 2020 to 2030

■ 2020 ■ 2030

Migration

Most of these folks already live here and most of them own their house.
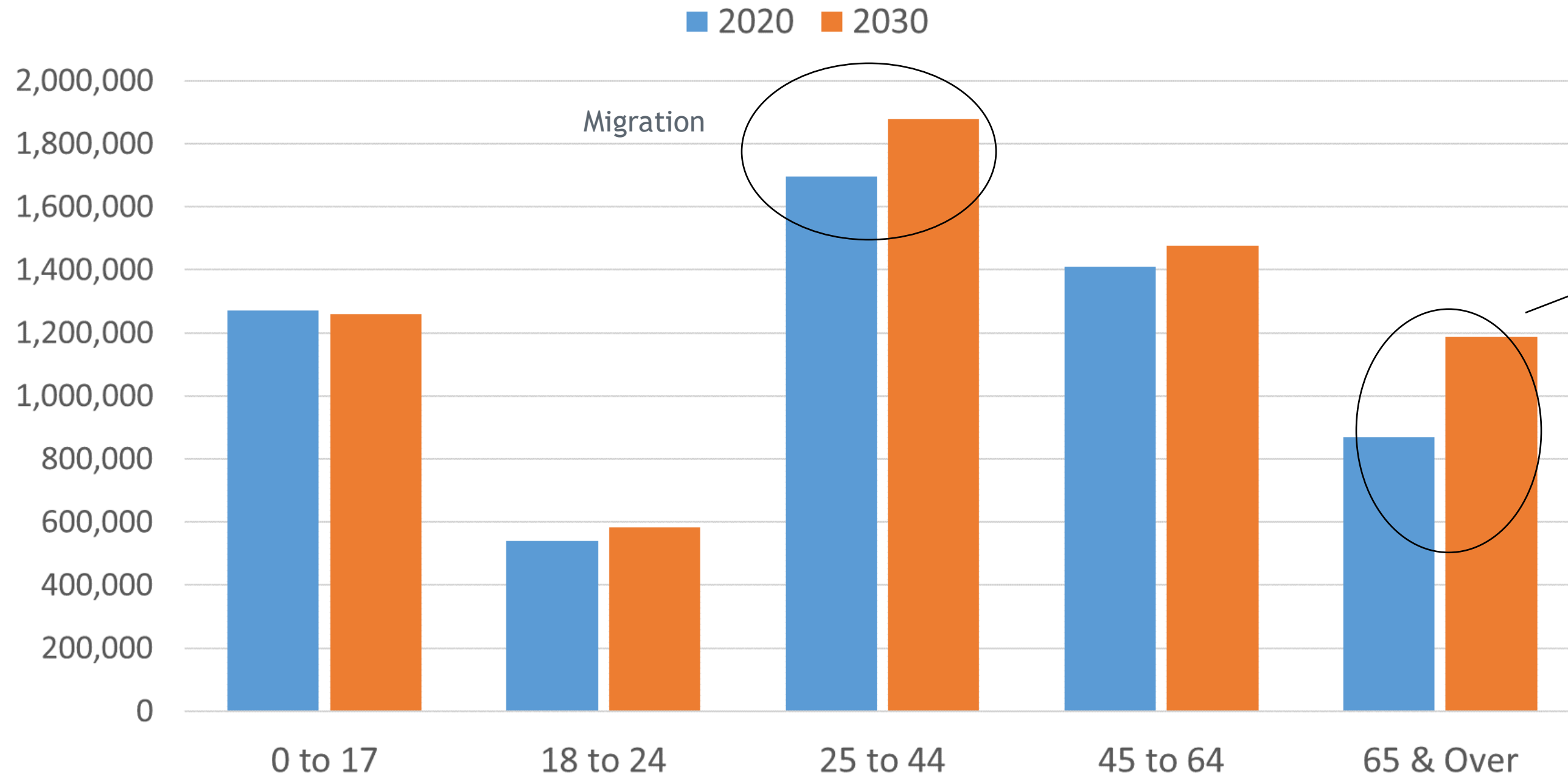
	0 to 17	18 to 24	25 to 44	45 to 64	65 & Over	Total
2020	1,270,519	539,144	1,694,991	1,410,374	869,556	5,784,584
2030	1,260,203	584,329	1,878,133	1,477,443	1,186,435	6,386,542
Change	-10,316	45,185	183,142	67,069	316,879	601,958
Pct Ch	-0.8%	8.4%	10.8%	4.8%	36.4%	10.4%

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DOLA

https://demography.dola.colorado.gov/assets/html/population.html

Colorado Change by Age 2020-2030
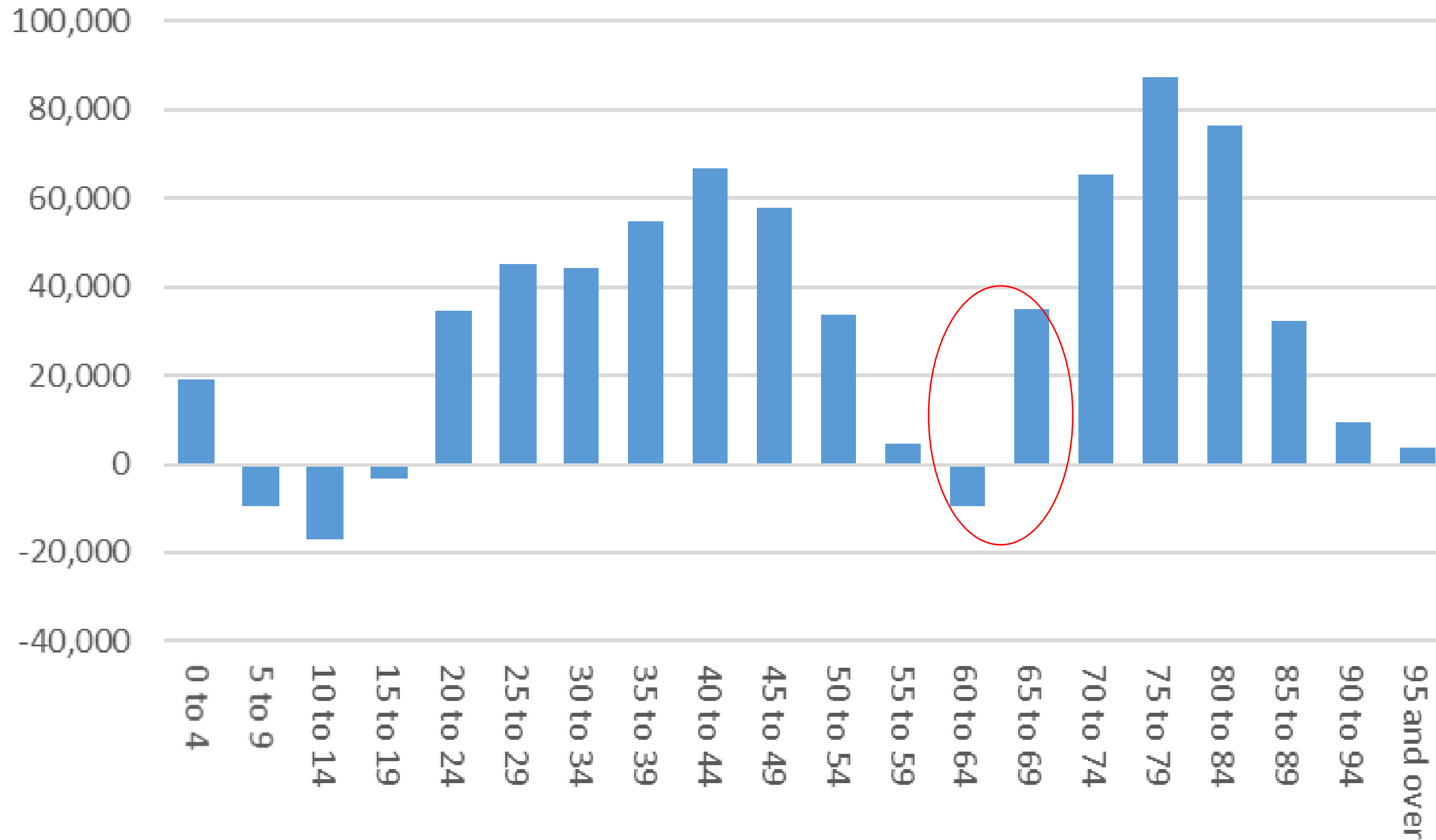
Think about:
• Kids
• Labor force
• Retirements
• Service Demands
• Housing

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Colorado Population Change By Age,
With Zero Net Migration, 2020-2030
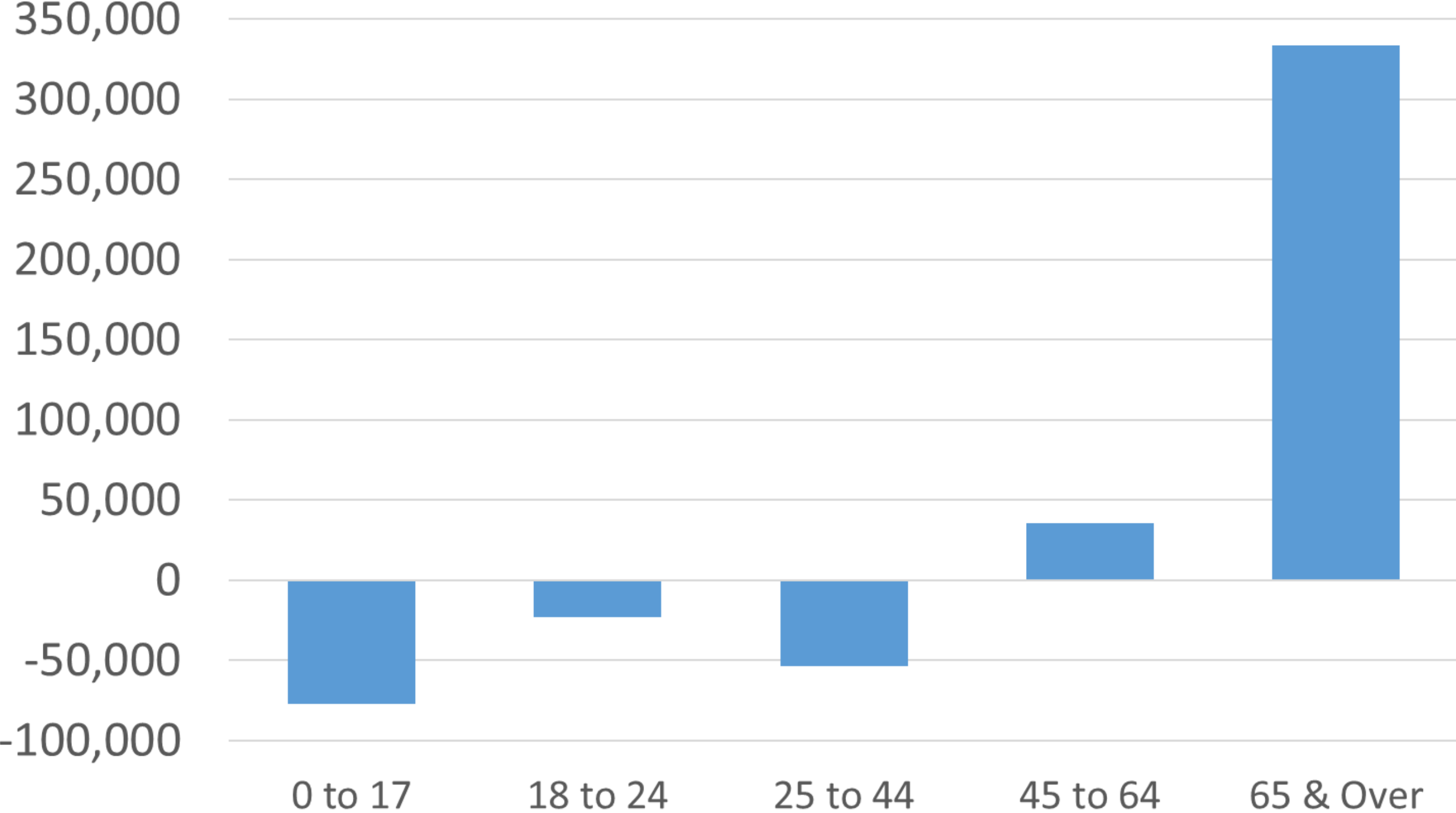
Change in the School Age Population
2020-2030
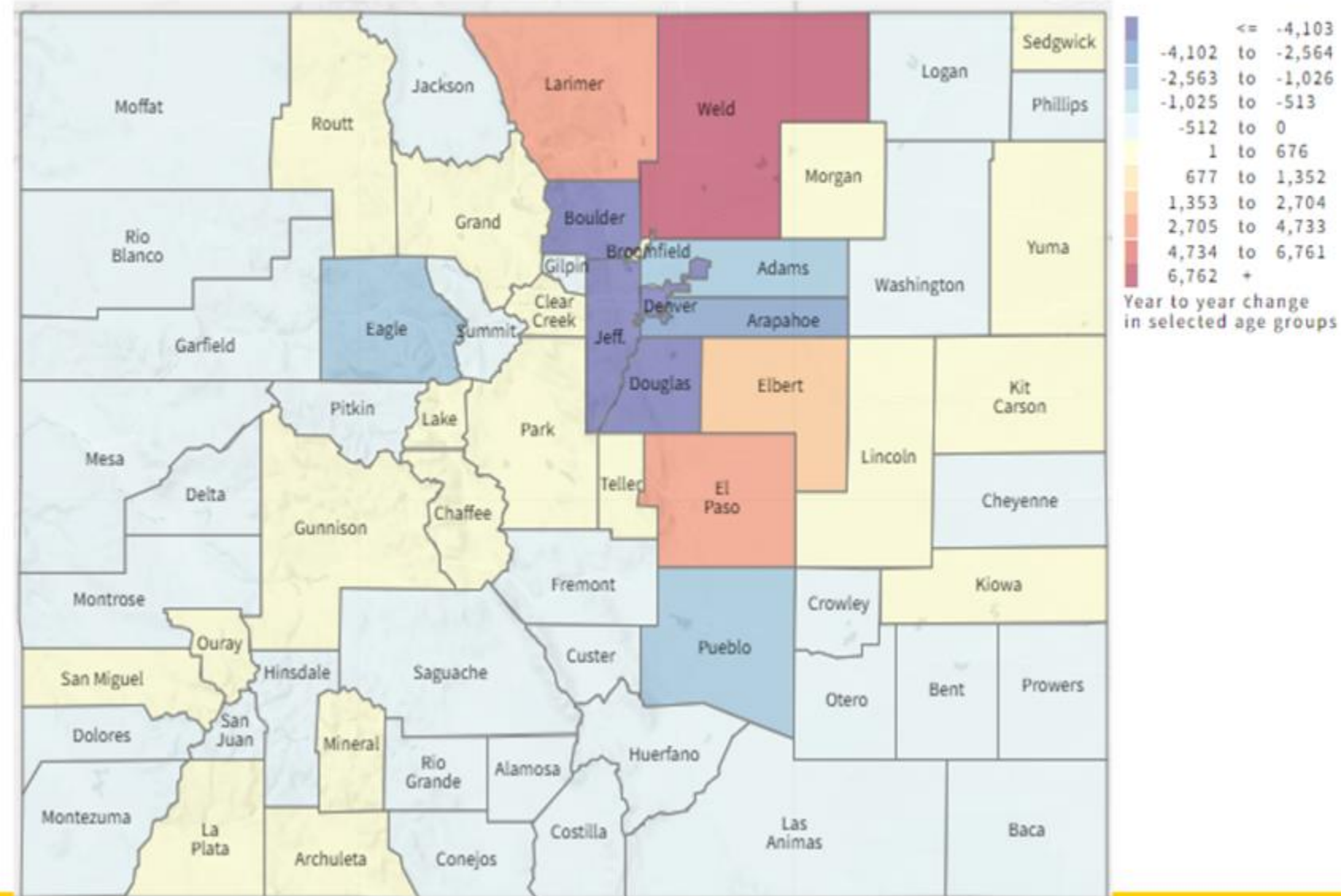
Change in Prime Working Age 25-64
2020-2030
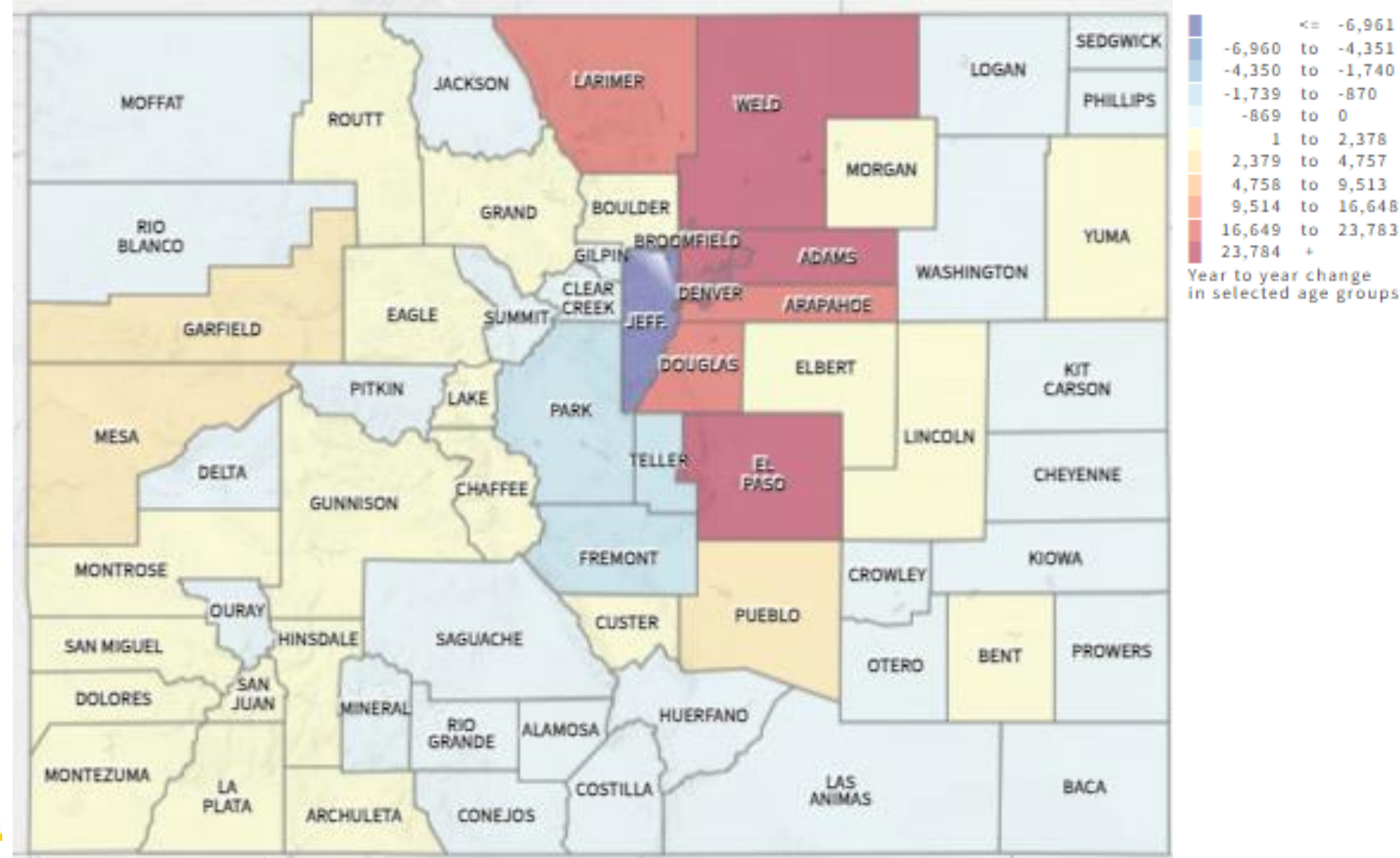
It is critical to understand how Colorado is Forecast to Change By Age. This tool allows you to chose ages and time frames.

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https://gis.dola.colorado.gov/AgeMap/

Statewide labor force trends and Age

- Growth in young adults entering the labor force is expected to slow due to declining births

- Longevity declining for males – COVID, other causes

- Labor force participation among Colorado older adults has been rising over time and higher than the U.S. – but is maxing out

  - Increased from 30,000 to over 180,000 between 2000 and 2022. However future growth is limited.

- Over the next 5 years expecting 40,000 retirements per year, even assuming increased participation for everyone over 60.

The Colorado Employment to Population Ratio is at a near high of 85.1%

- Driven by females
- Males have be falling

Colorado Employment-Population Ratio for Individuals Aged 25 to 54

Source: Bureau of Labor Statistics
Employment-population ratio is share of that cohort's population that is employed.
Identified years all have ratios of at least 84.5 percent (1995, 1997, 1998, 1999, 2019, and 2023).

Colorado Employment-Population Ratio for Males and Females Aged 25 to 54

Source: Bureau of Labor Statistics
Employment-population ratio is share of that cohort's population that is employed.
Identified years for females all have ratios of at least 78.0 percent (1995, 1997, 1998, 1999, 2019, 2022, and 2023).

Colorado Workforce by Age, 1994 - 2022
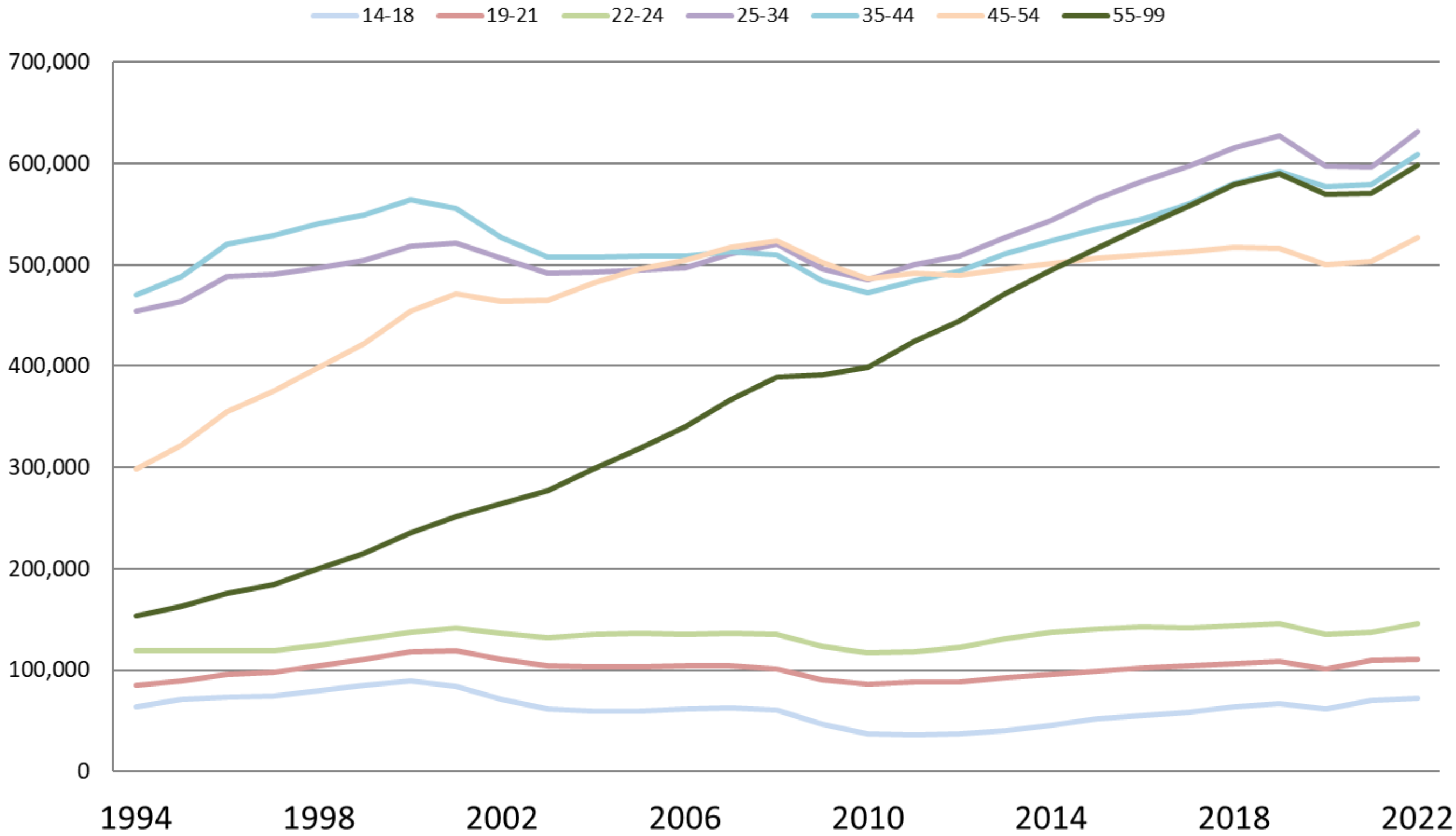
- In 1990, 1 in 10 workers over age 55

- Today, 1 in 5 workers over age 55

Labor Force Participation by Age, Colorado
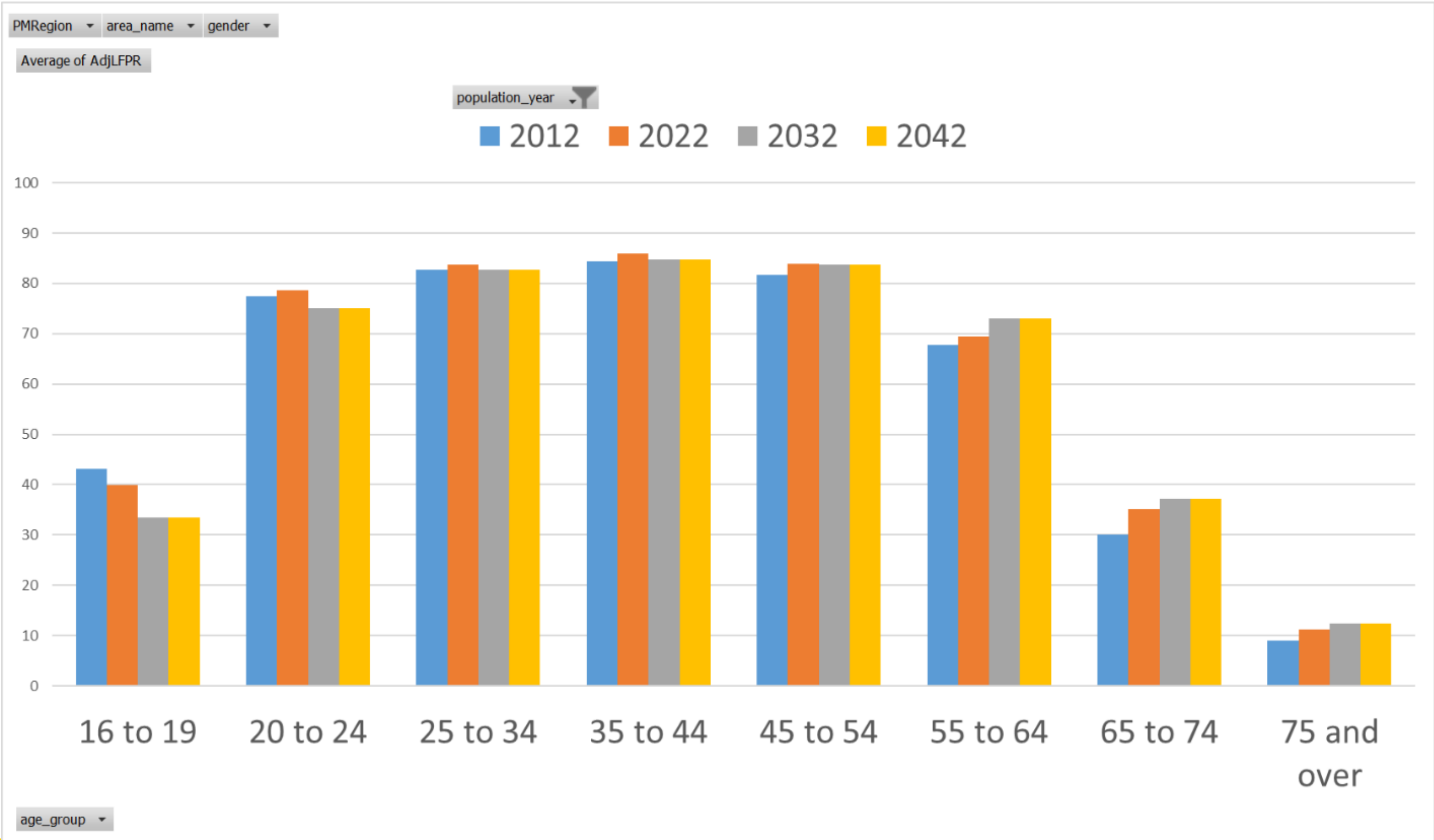
Industries with highest level of older adult workers

Colorado workers ages 55 & over, 2022
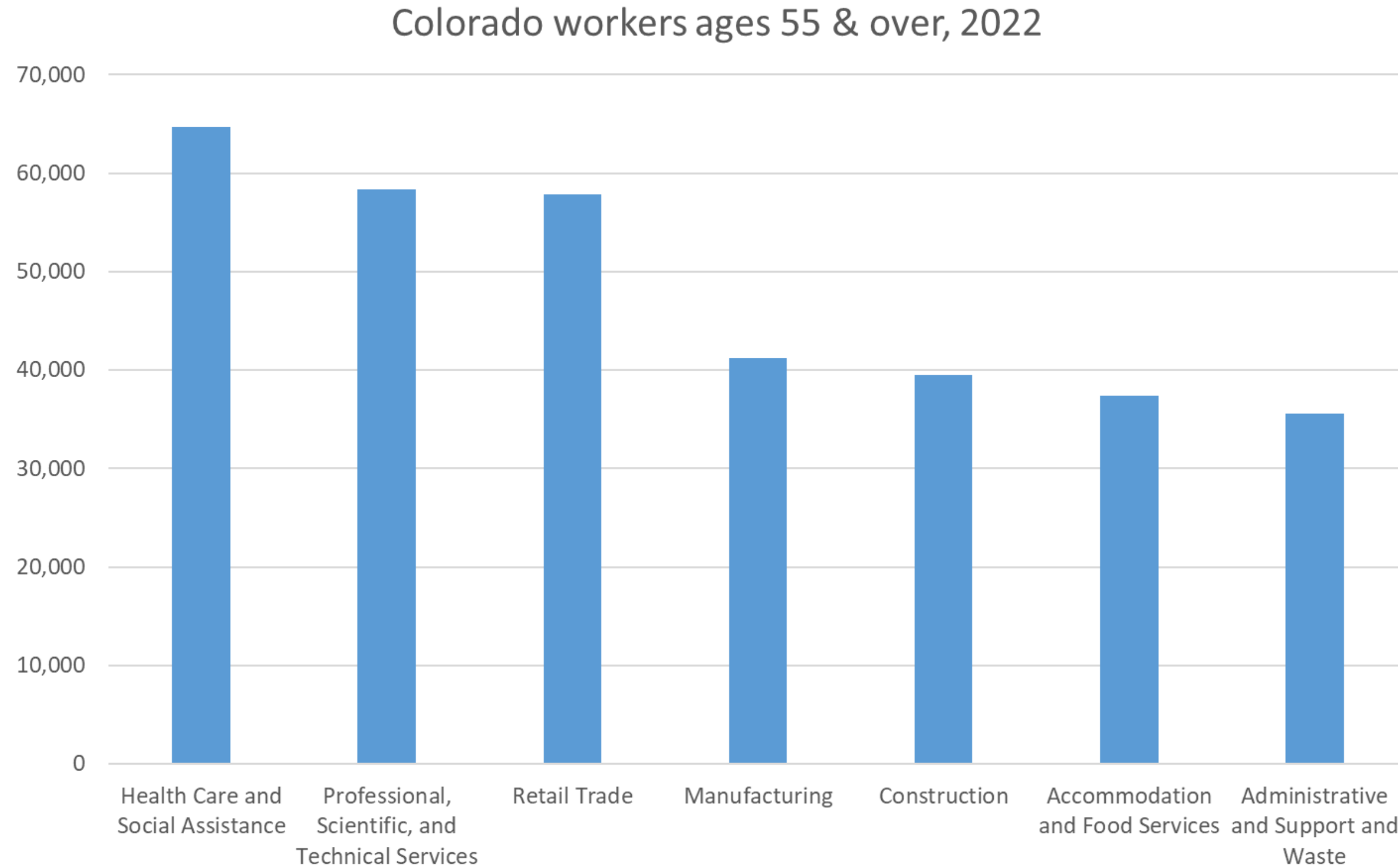
We are more diverse racially at ages younger than 25

Population by Single Year of Age and Race and Ethnicity, 2022
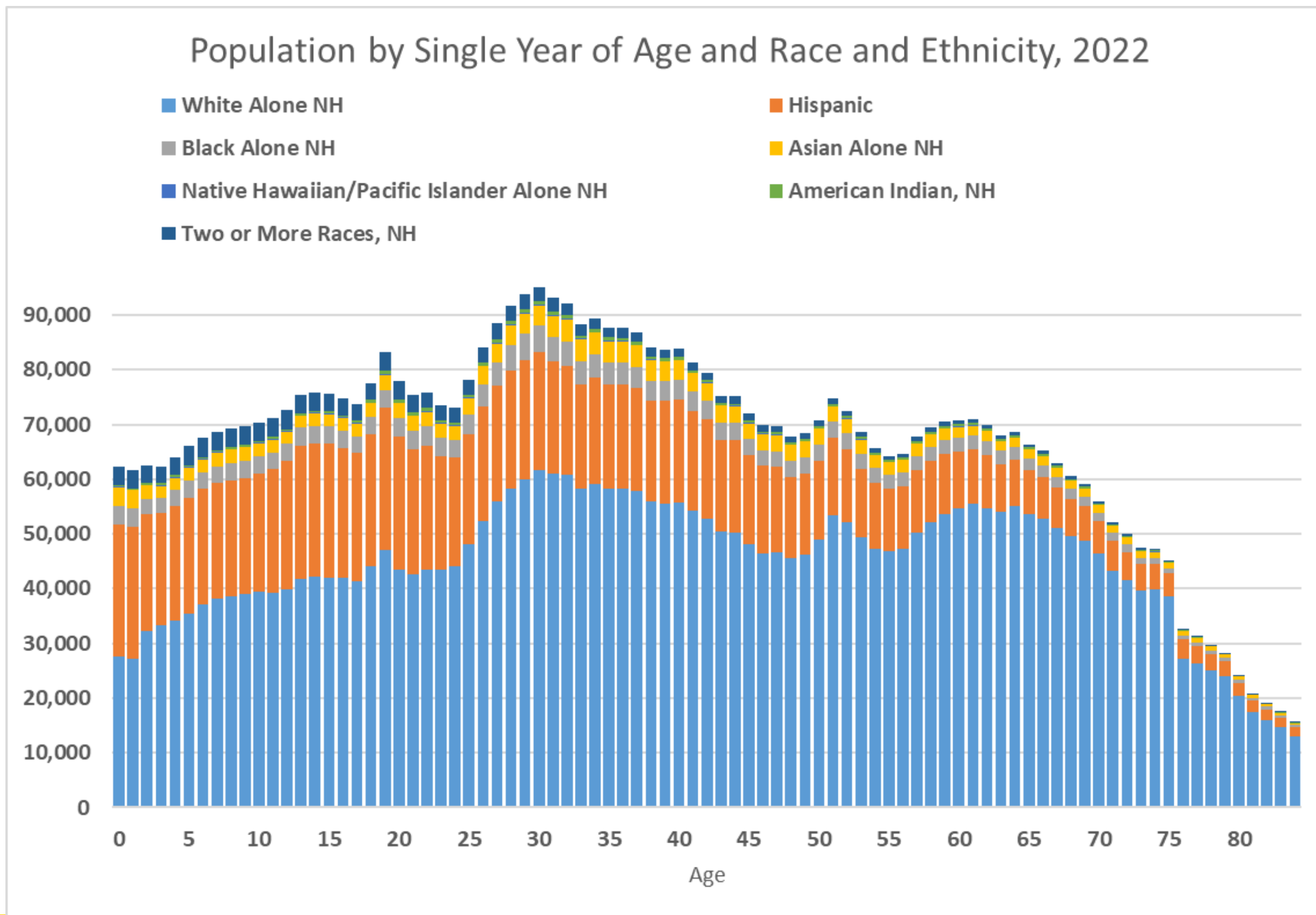
Implications From Age and Aging

- Consumer demand
  - Older – fastest growth, services vs. goods
  - Younger – more diverse
- Labor force
  - Faster growth in retirees (40K/year), slower growth in new entrants
  - Young entrants more diverse
  - Migration will be needed if jobs are to be filled – more competition
- Housing
  - Demand from retiree replacements
  - Aging home owners – rehab, move less, owners, transition planning
  - Long run impacts on housing demand by type by age

Households and Housing Are Complicated

Demand

- Occupied Housing Units = Households
  - Jobs = New + Retirements + Remote
    - Income vs. Cost of housing
  - Non -Workers
  - Age – growth different by age groups
    - HH size, mobility, tenure, income
    - Worker/Non-Worker
  - Interest Rates/Price
- Vacant/ Non-primary Residence
  - Seasonal, Second home, VRBO
  - Investor – VRBO or Vacant
  - Other – remodel, hold, probate, storage

Supply

- Boom and Bust Cycle
- Financing dried up in Great Recession
- Slow industry to start and stop
- Type - Single family, multi-family
- Water
- Public will
- Interest rates

How Resilient is the Economy?

Economic Development Council of Colorado

Brian Lewandowski
Executive Director
Business Research Division
Leeds School of Business
University of Colorado Boulder

October 14, 2024

U.S. Real GDP

U.S. Quarterly GDP, $ Trillions

Q2 2024
+3% SAAR
+3% YoY

Optimistic
Baseline
Pessimistic

State and local
Federal
Net Exports
Investment
Consumption

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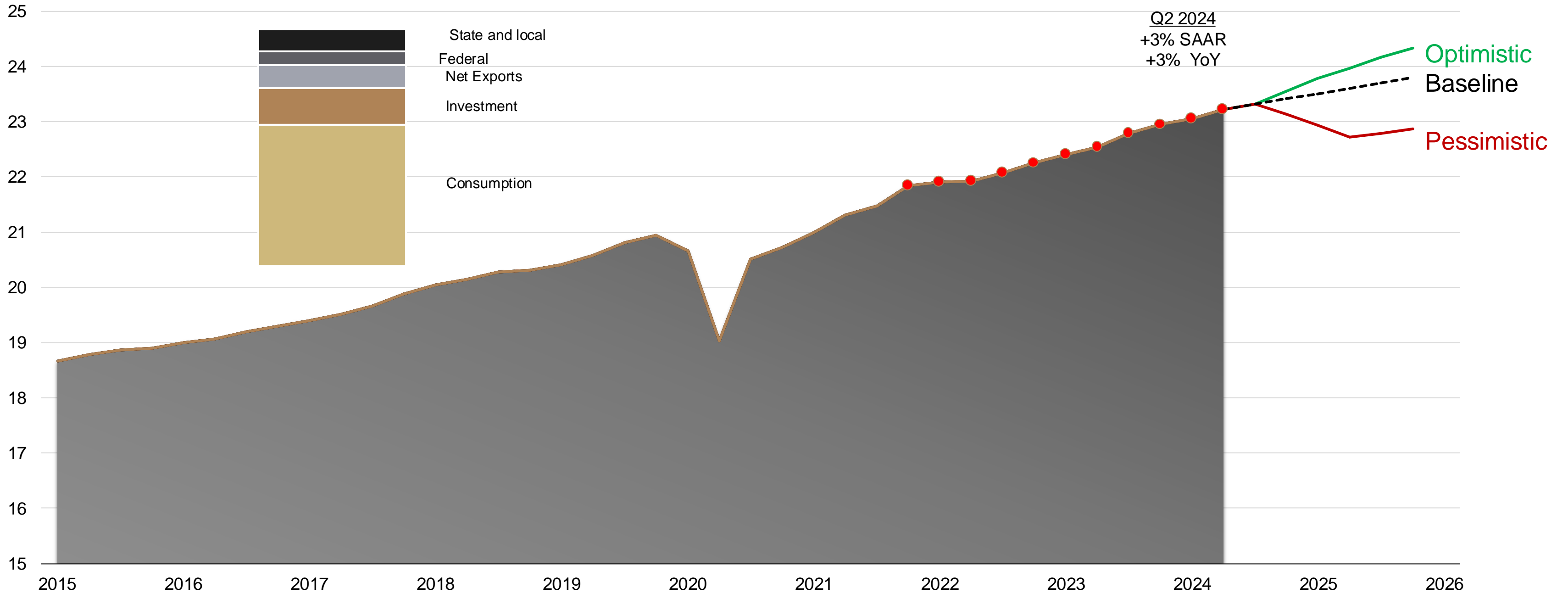
National Economy Mixed Signals
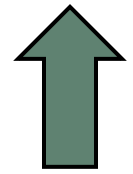
⬆ GDP continues to expand

⬆ Employment and income up

⬅➡ ISM manufacturing decreased

⬆ Confidence sensitive

⬆ Consumption up

⬇ Prices improving

⬆ Debt growing, but at a slower rate

⬆ Business confidence shaky
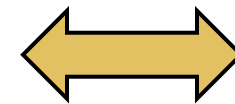
⬅➡ Interest rates high

⬆ Industrial production ticked up

⬇ Capacity utilization notched down

⬆ Labor force growing

1) Labor market pressures are easing

U.S. Nonfarm Employment Growth

Thousands of Jobs Added Per Month

Sources: Bureau of Labor Statistics.

Tight Labor Market

United States

Job Openings
Unemployed
Ratio: 1.1:1

Y-axis: Millions (0 to 25)
X-axis: 2003 to 2024

Colorado

Job Openings
Unemployed

Ratio: 1.6:1

Y-axis: Thousands (0 to 400)
X-axis: 2003 to 2024

Sources: Bureau of Labor Statistics, JOLTS, and the Current Population Survey (NSA).
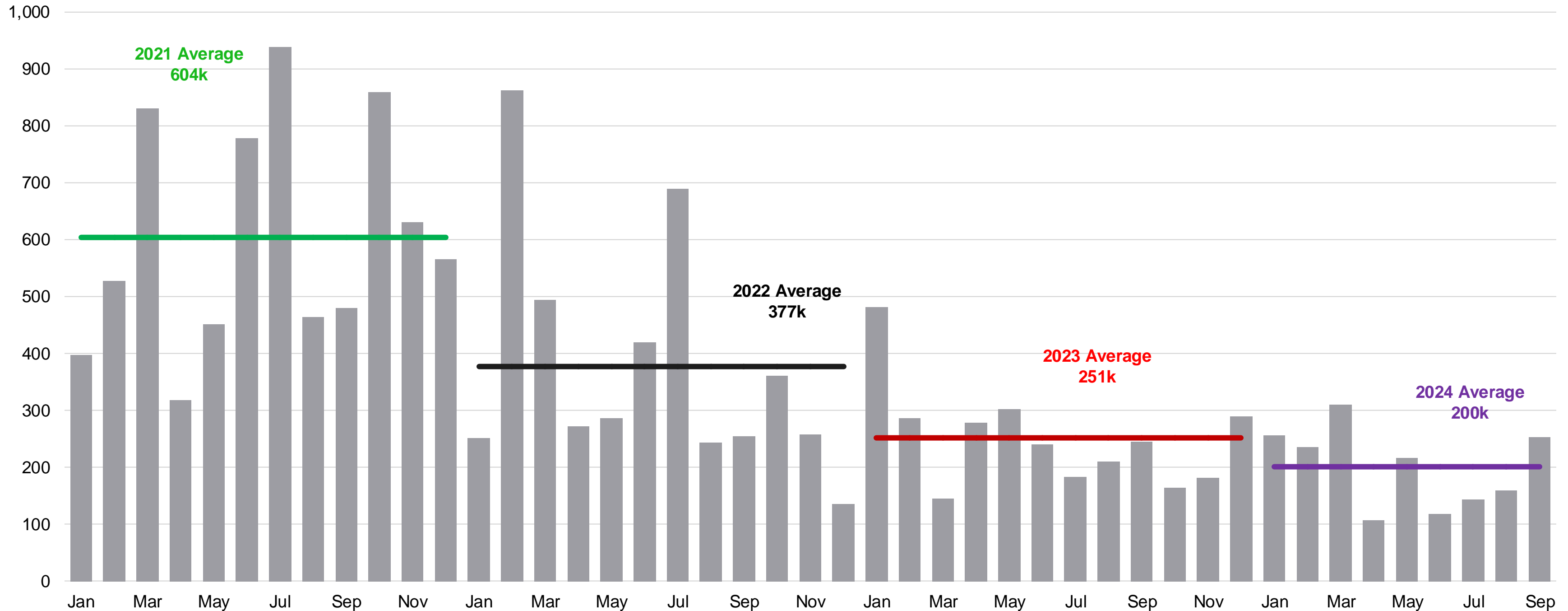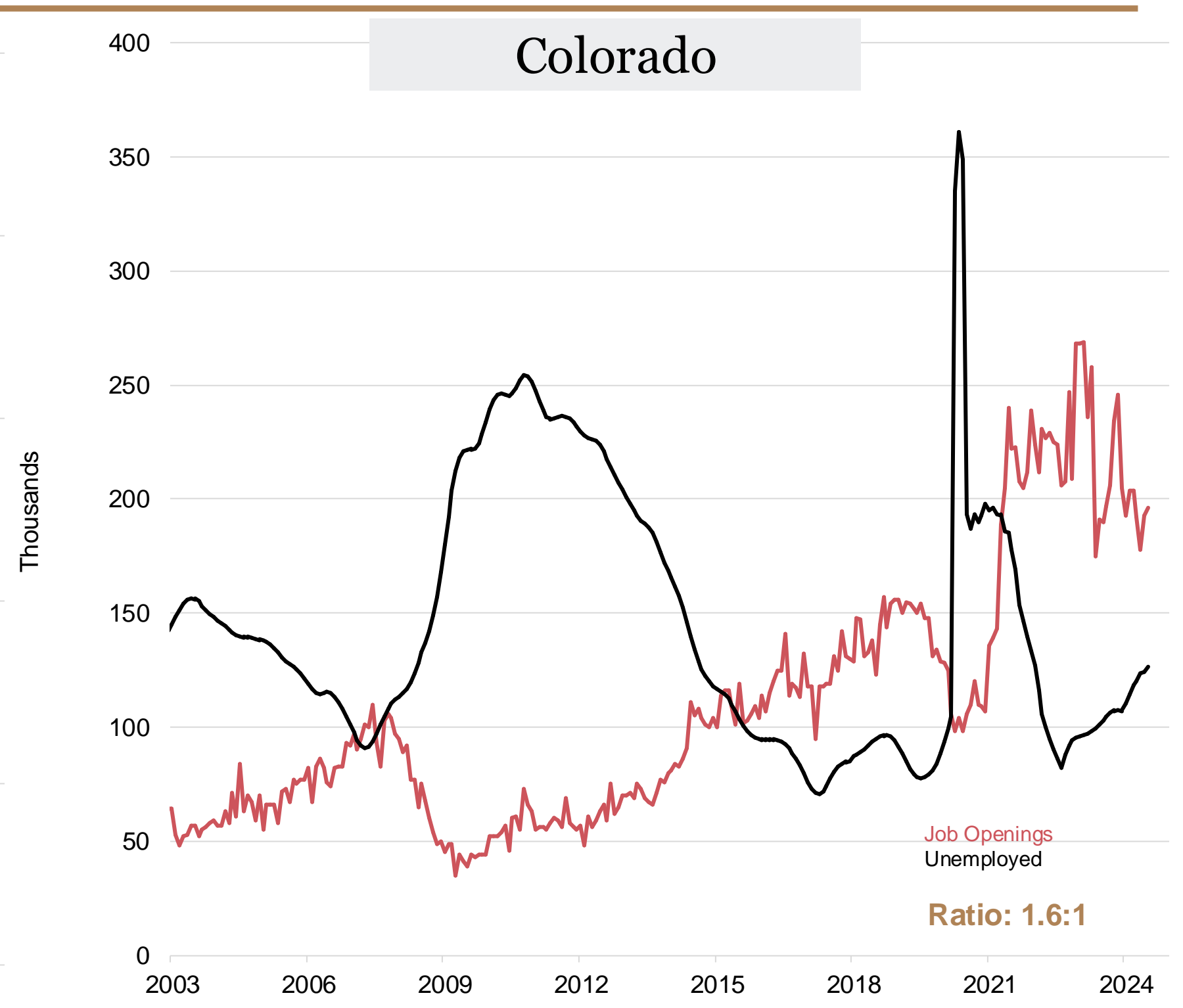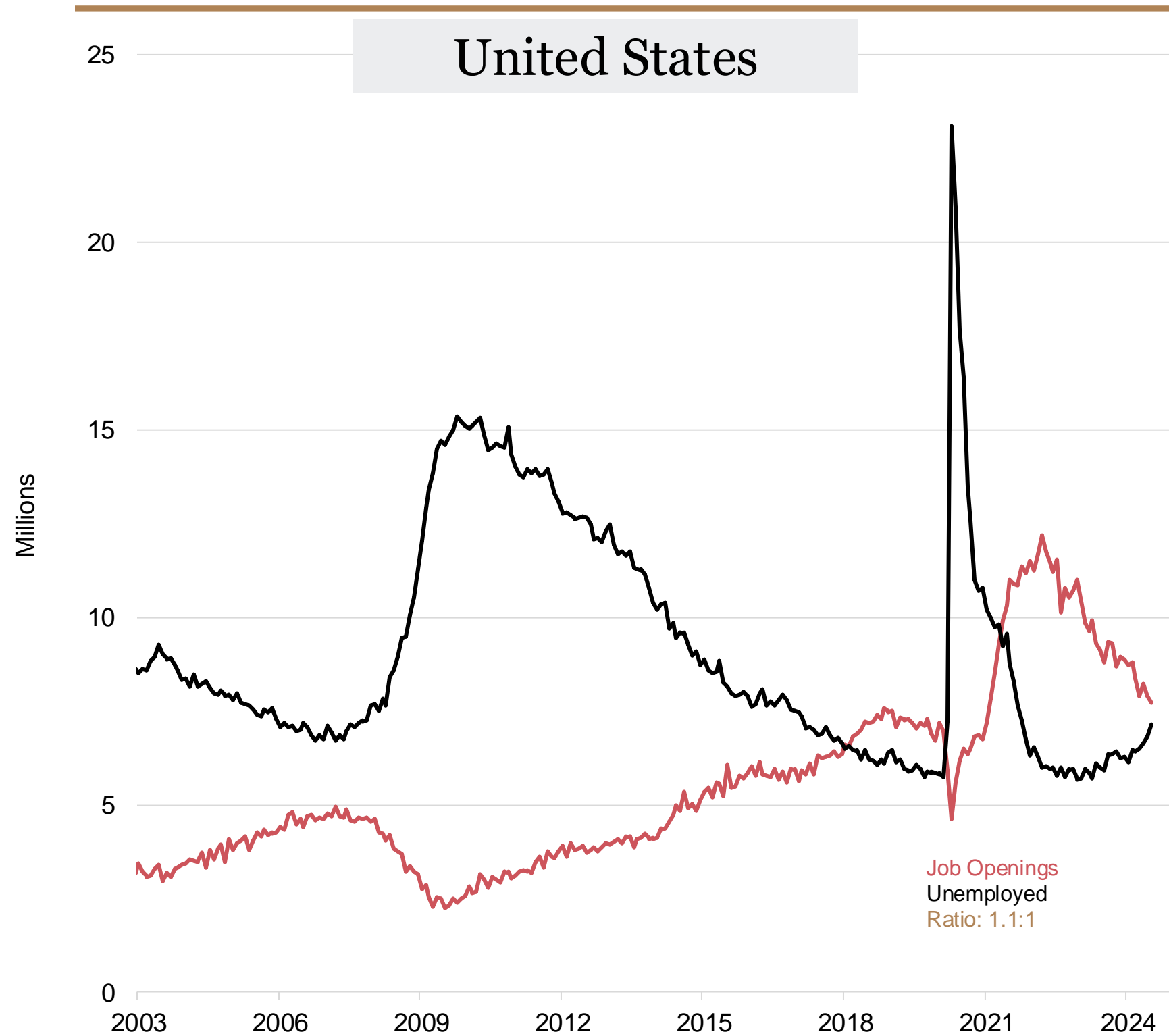
2) Inflation is normalizing

Inflation

Consumer Price Index, Percent Change Year-Over-Year
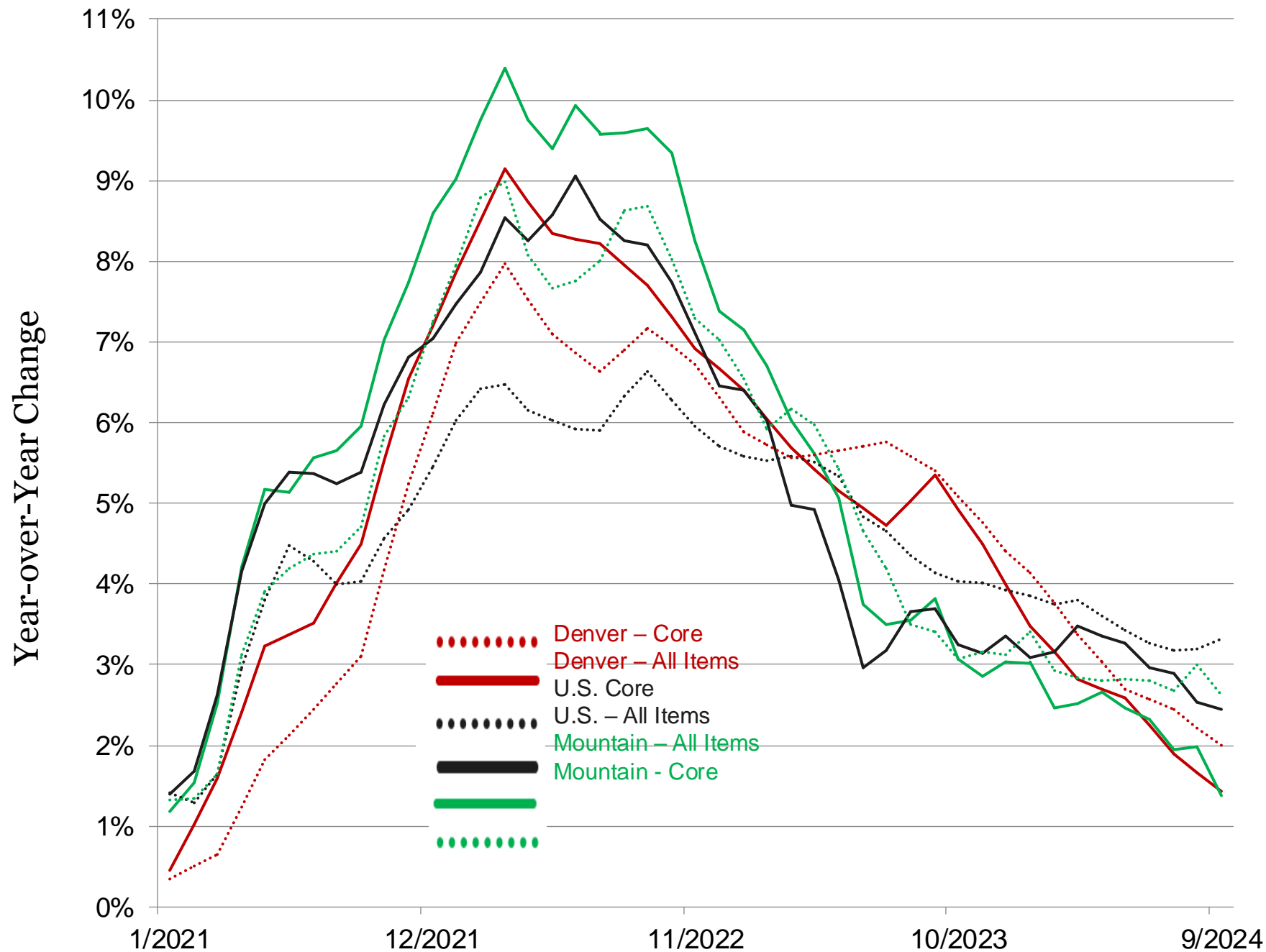
Items	U.S. City Average	Mountain	Denver-Aurora-Lakewood	Item Weights
All items	**2.4%**	**1.4%**	**1.4%**	**100.0%**
Food and beverages	2.2%	1.3%	2.1%	14.4%
Housing	4.1%	2.3%	1.4%	45.1%
Apparel	1.8%	-1.4%	-5.0%	2.5%
Transportation	-1.1%	-1.5%	1.4%	15.9%
Medical care	3.3%	3.0%	NA	8.0%
Recreation	0.7%	2.1%	1.8%	5.3%
Education and comm.	0.9%	0.4%	1.1%	5.9%
Other goods and services	3.5%	4.8%	7.1%	2.9%
Core Inflation	**3.3%**	**2.6%**	**2.0%**	

Legend:
- Denver – Core
- Denver – All Items
- U.S. Core
- U.S. – All Items
- Mountain – All Items
- Mountain - Core

Source: Bureau of Labor Statistics. *U.S., Mountain, Denver MSA data through August.

FHFA Home Price Index by State

Year-over-Year Home Price Change, Q2 2024
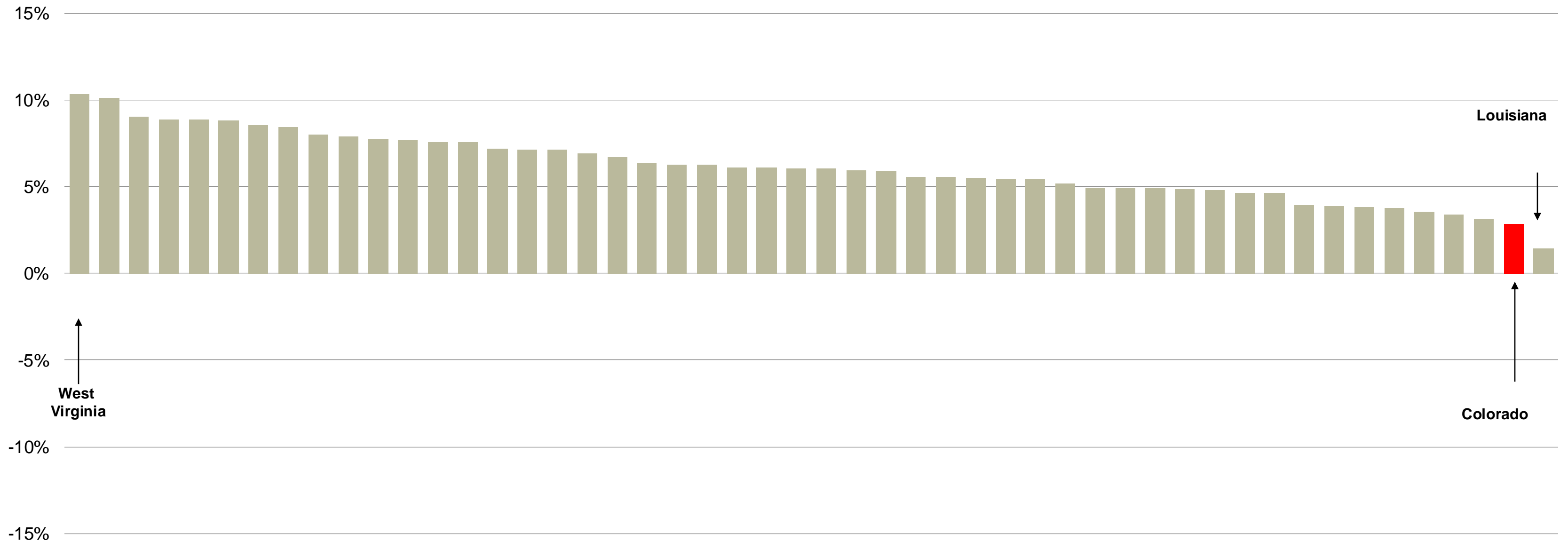
3) Interest rates are decreasing

Interest Rates

30-Year Fixed Rate Mortgage Average

10-Year T-Note

3-Month T-Bill

Percent

Sources: Federal Reserve and Freddie Mac.

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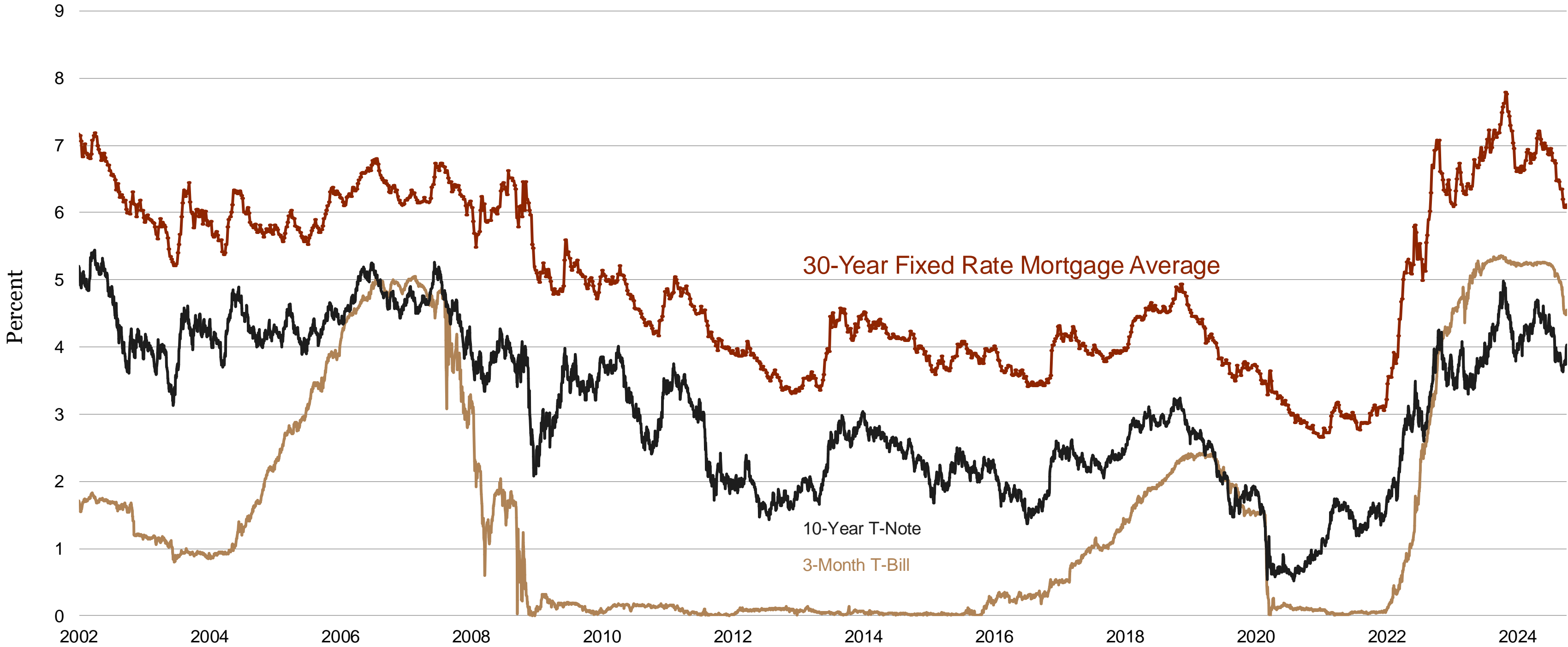
4) Consumption is moderating

National Retail Sales & Colorado Taxable Sales

Percent Change, Year-over-Year

National August 2024: +2.1%
Colorado June 2024: +0.9%
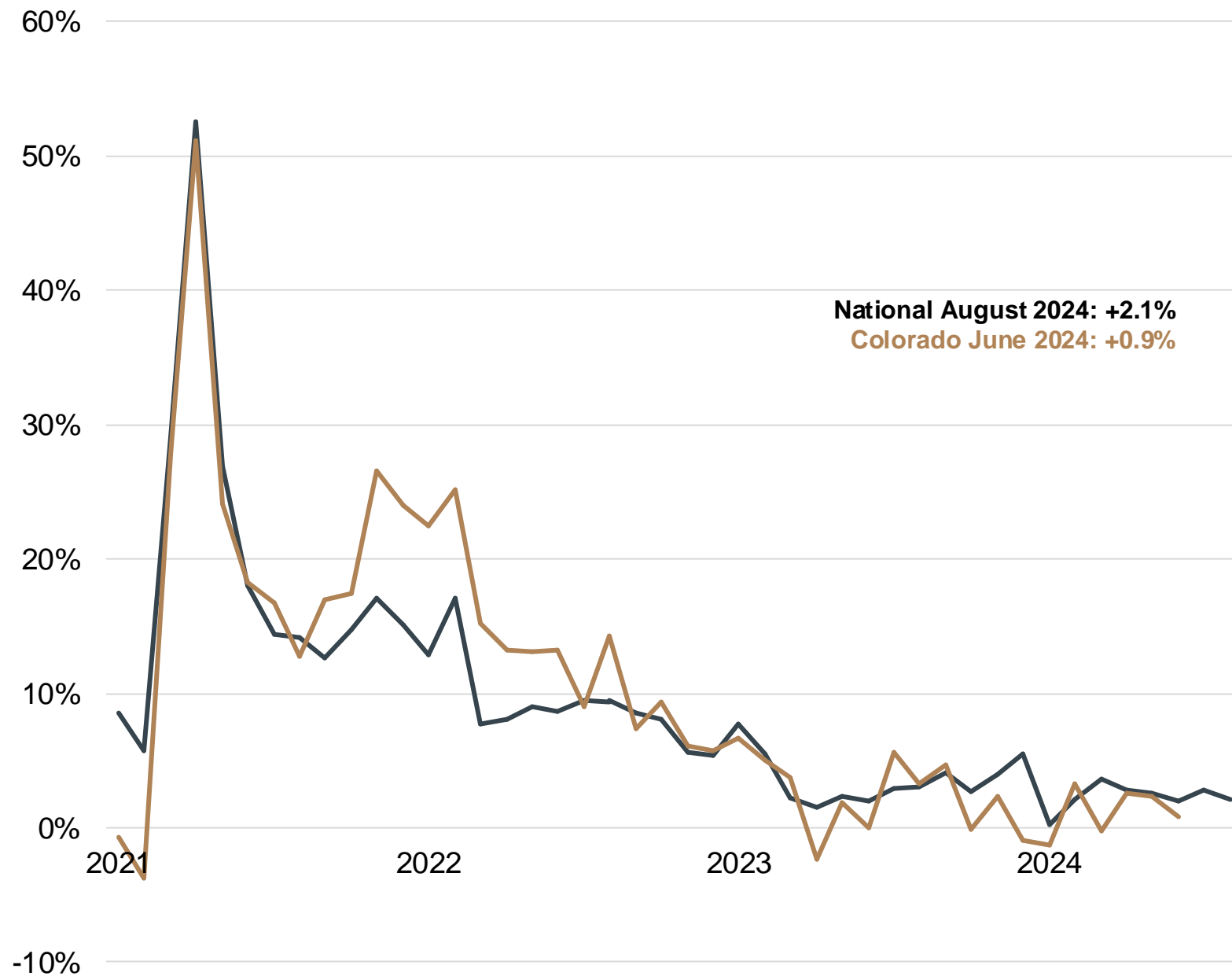
National, Percent Change, Year-over-Year

- Miscellaneous store retailers
- Health & personal care stores
- Food services & drinking places
- Total
- Electronics & appliance stores
- Food & beverage stores
- Motor vehicle & parts dealers
- Clothing & clothing accessories
- Building material & garden equip
- Furniture & home furn stores
- Department stores
- Sporting goods, hobby, musical
- Gasoline stations
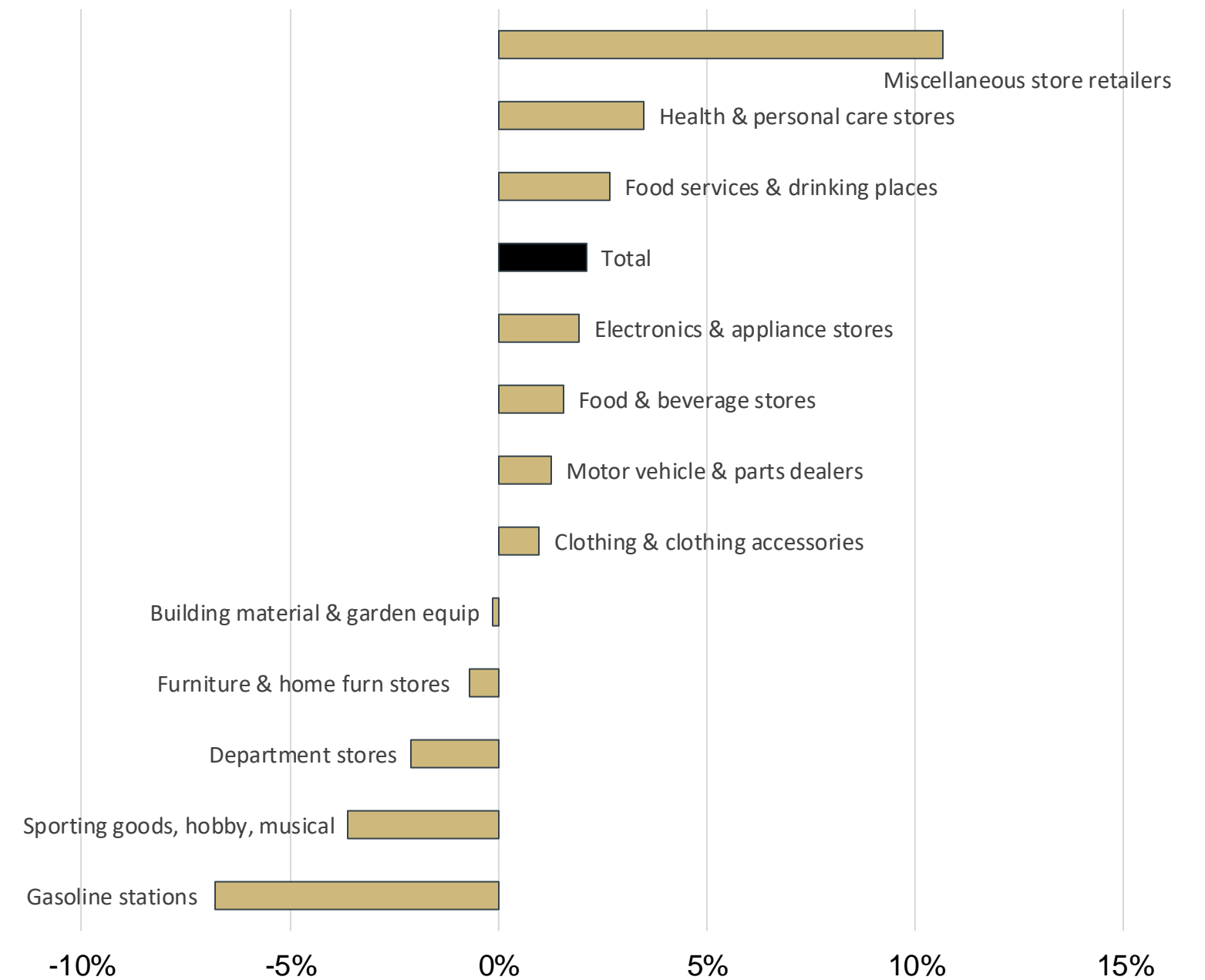
Source: U.S. Census Bureau (Seasonally Adjusted).

Tax Collections

Colorado

July, Trailing 12 Months: 1.9%
July Alone YoY: 0.5%

Sources: State collections includes Sales and the Sales Tax Vendor Fee Cap.

State Taxable Sales 1-Year Change

July 2024 YTD Compared to July 2023 YTD

Source: Colorado Department of Revenue.
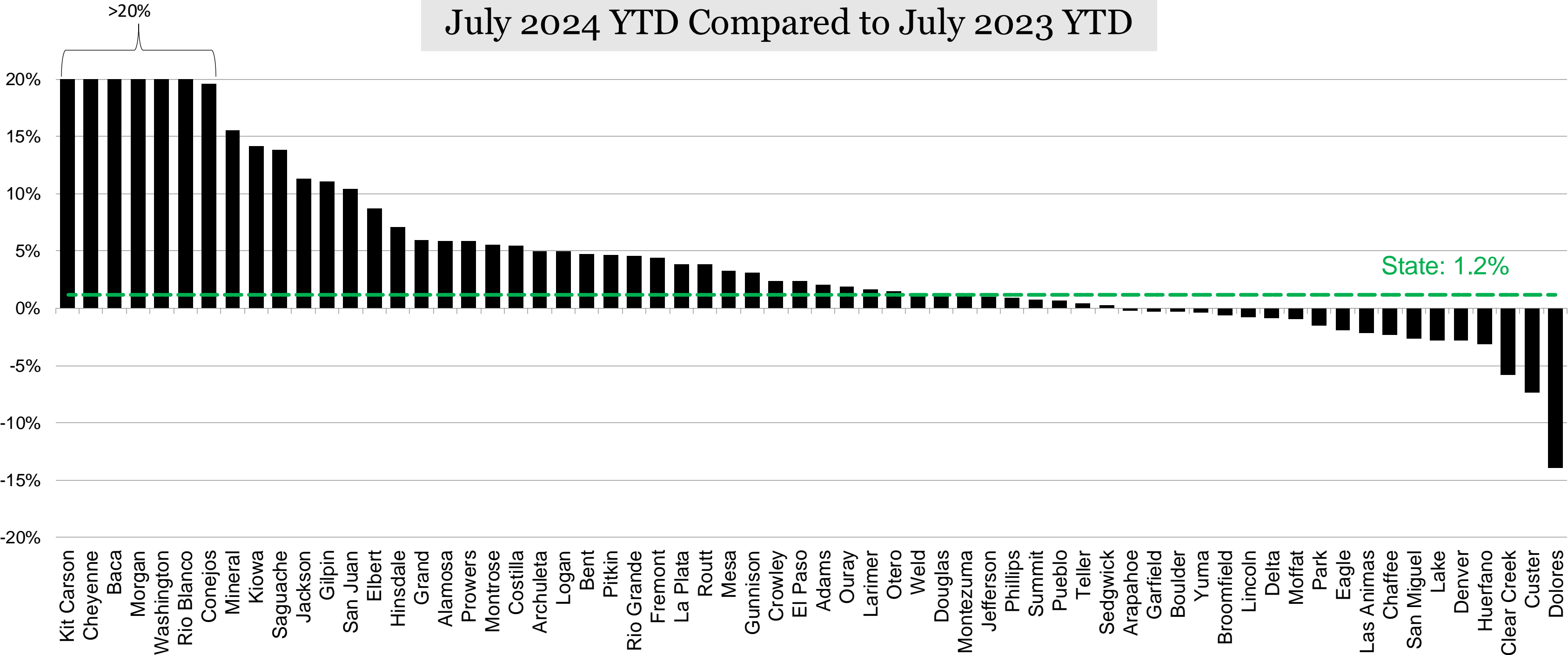
5) Colorado's economy is doing okay

Colorado Rank Among Other States

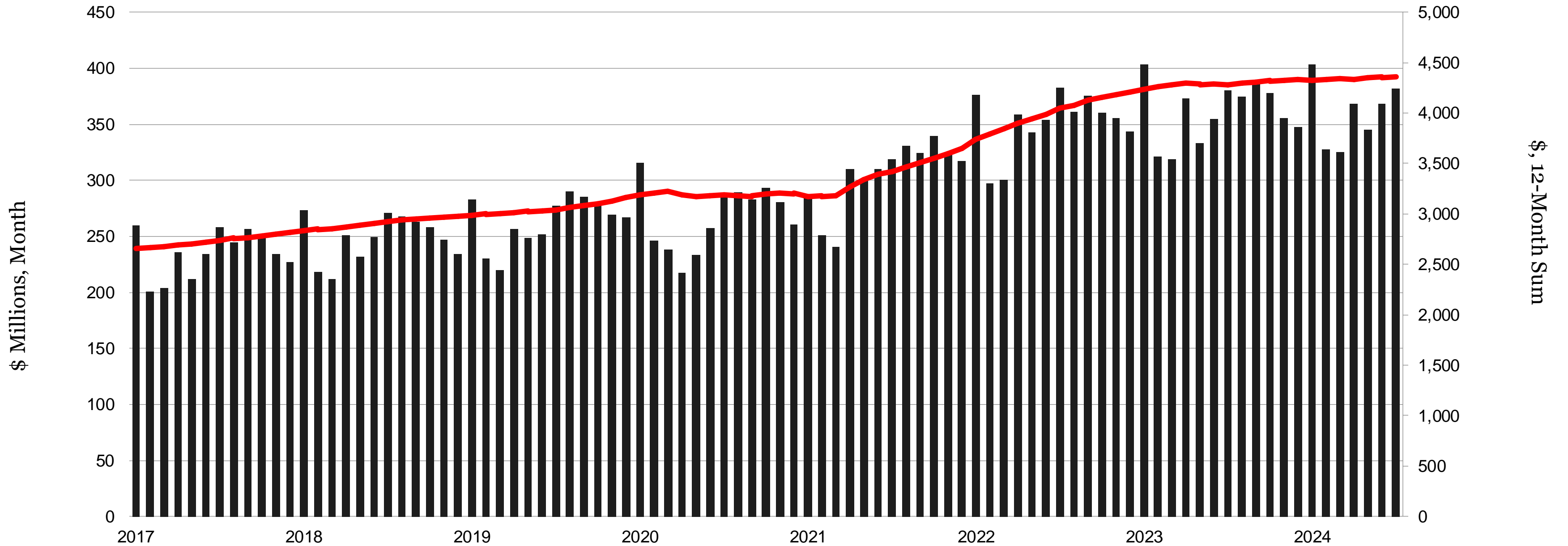| Metric	1-Year Change/ Current Level		1-Year Rank
Real GDP Growth	1-Year Change	1.6%	41
Employment Growth	1-Year Change	1.4%	27
Population Growth	1-Year Change	0.6%	17
Personal Income Growth	1-Year Change	5.1%	39
Per Capita Personal Income Growth	1-Year Change	4.4%	39
Per Capita Personal Income	Current Level	$83,379	9
Average Hourly Wage % Growth	1-Year Change	5.7%	5
Average Annual Pay % Growth	1-Year Change	7.4%	18
Average Annual Pay	Current Level	$75,799	7
Unemployment Rate	Current Level	4.0%	32
Labor Force % Growth	1-Year Change	0.3%	30
Labor Force Participation Rate	Current Level	67.9%	4
FHFA Home Price Index Growth	1-Quarter Change	1.8%	42
FHFA Home Price Index Growth	1-Year Change	2.9%	49

Data Sources: Bureau of Economic Analysis (2023), Bureau of Labor Statistics (2/24), U.S. Census Bureau (2022), Bureau of Labor Statistics (2023), Federal Housing Finance Agency All Transactions Index (Q4 2023), BRD calculations. *Unemployment rate for the last month.

Colorado Employment Forecast

Jobs Added, Thousands, 2000-2024
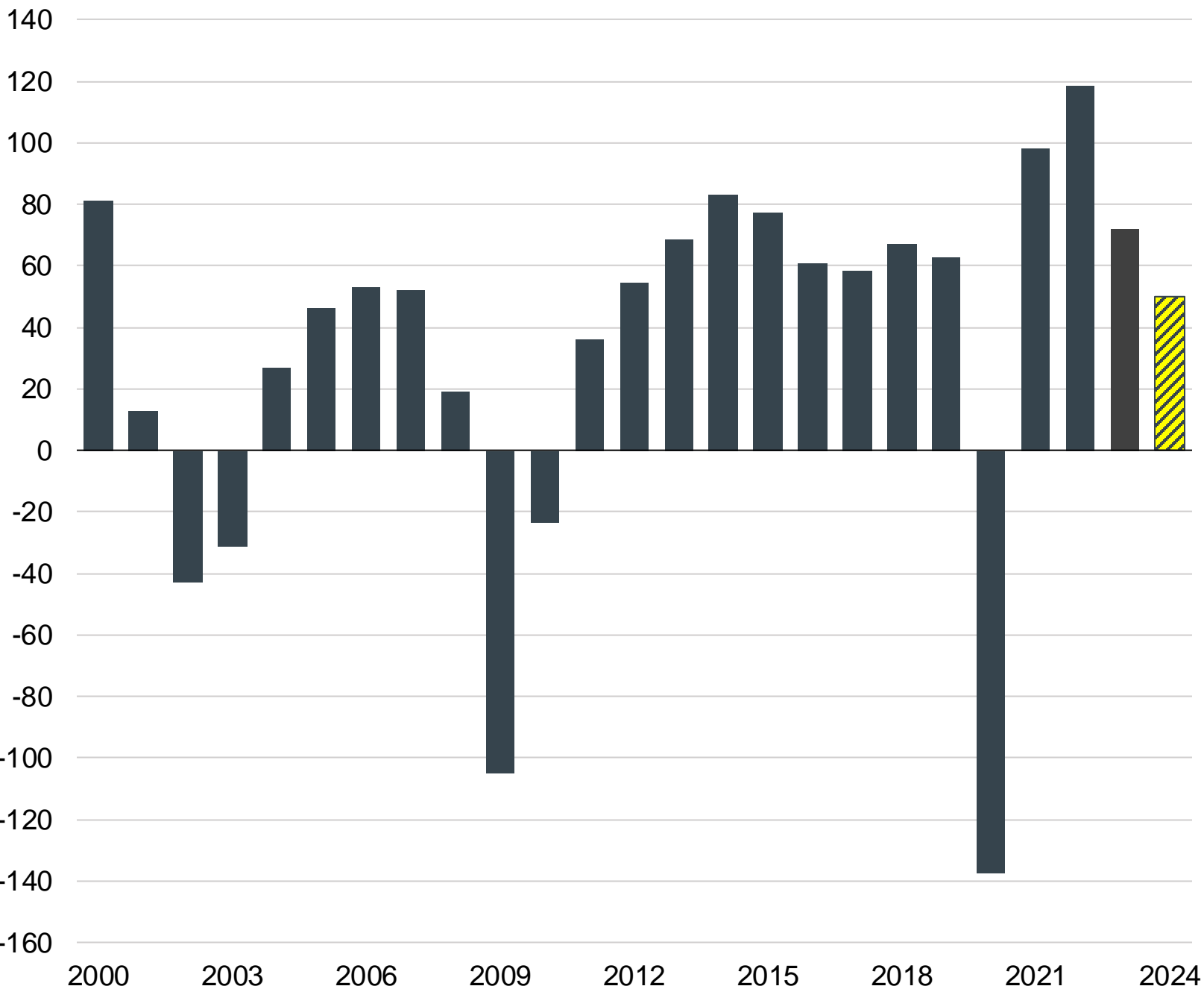
2023
72,300
2.5%

2024
49,600
1.7%

Total, Thousands, 2000-2024

Sources: Colorado Department of Labor and Employment and the Colorado Business Economic Outlook Committee.
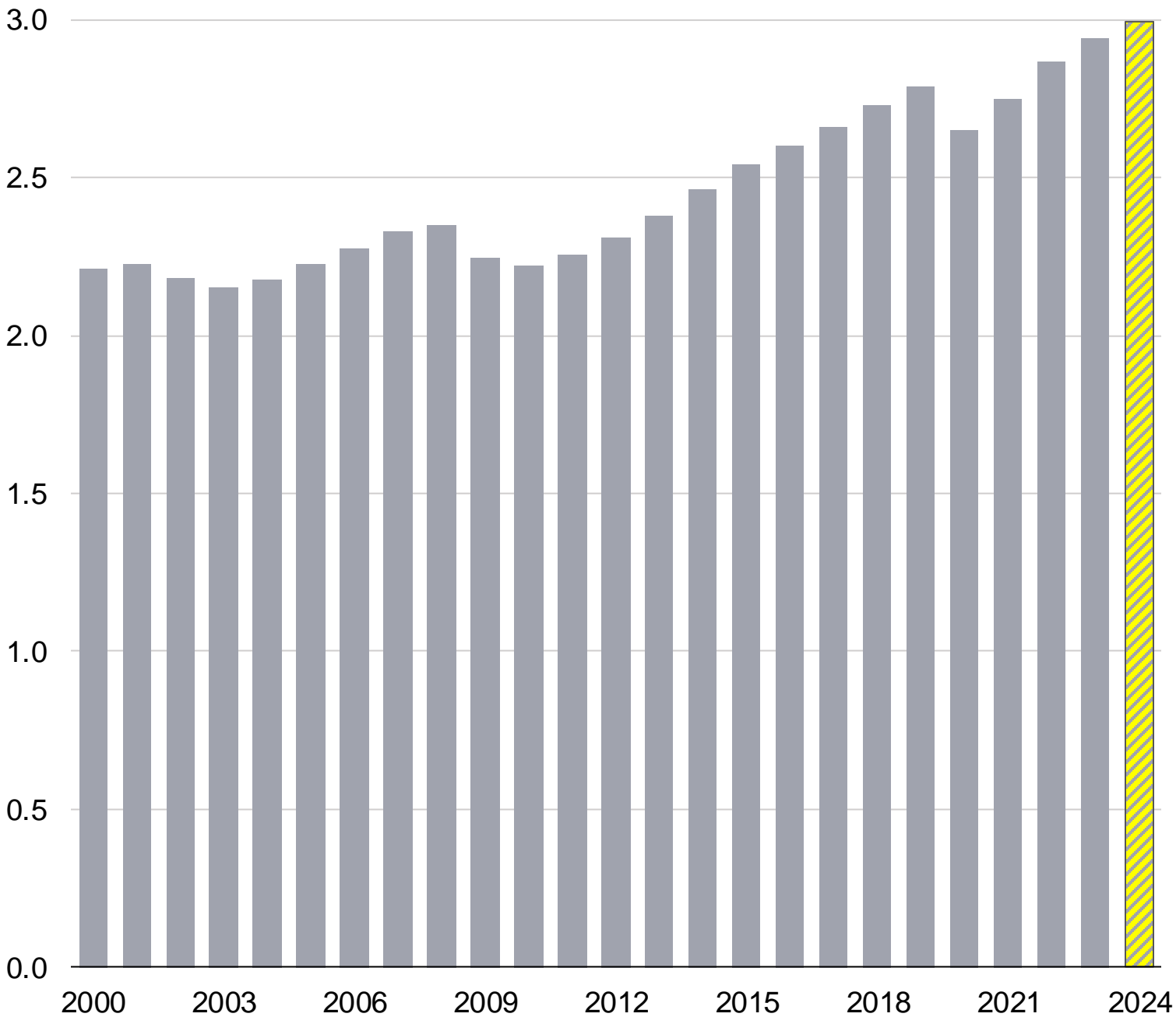
Colorado Employment Change August 2024, YoY

Jobs Added (Thousands) | Percent Change

Sector		
Government		
Education and Health Services		
Professional and Business Services		
Leisure and Hospitality		
Financial Activities		
Mining and Logging		
Other Services		
Trade, Transportation, and Utilities		
Manufacturing		
Construction		
Information		

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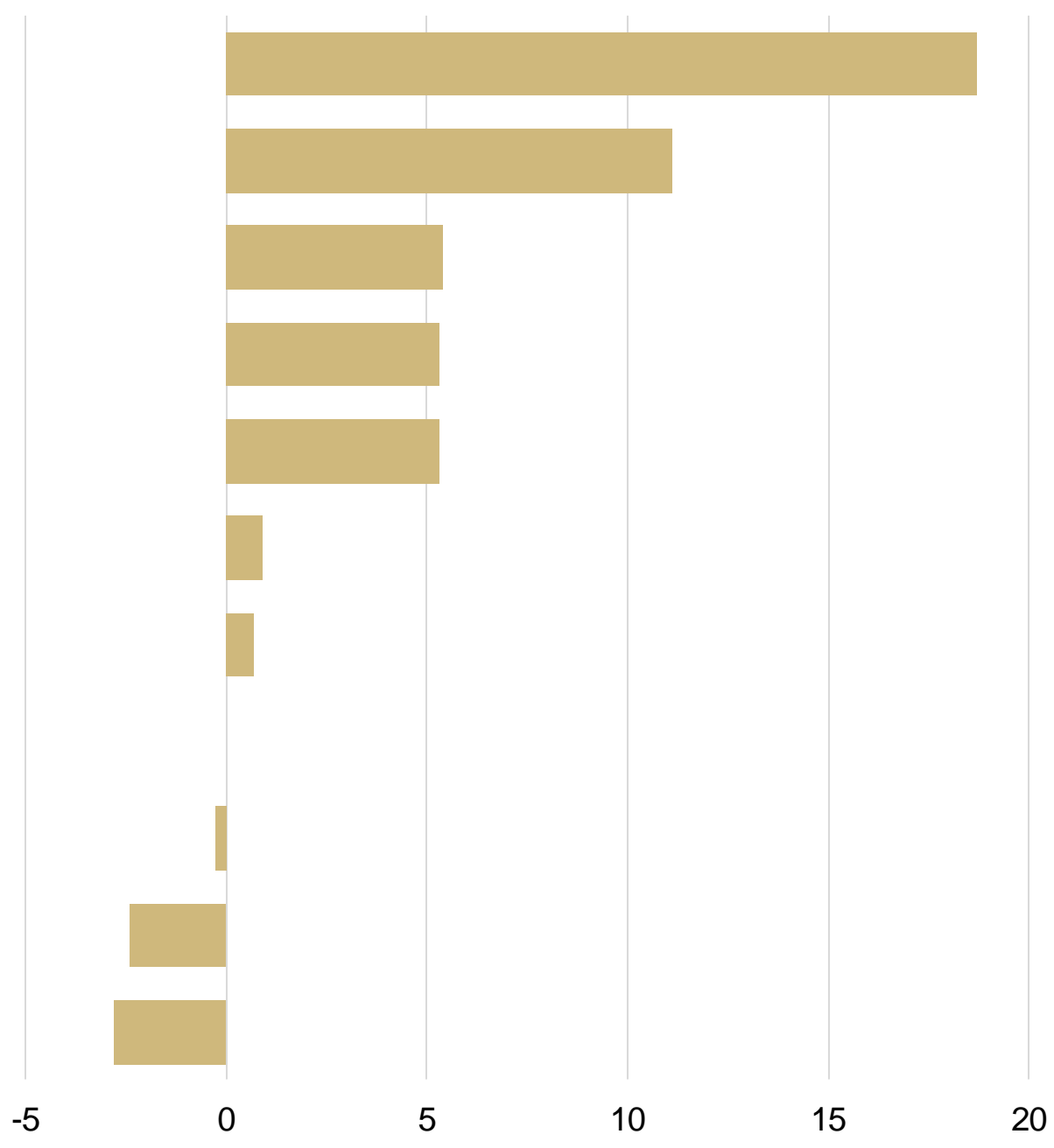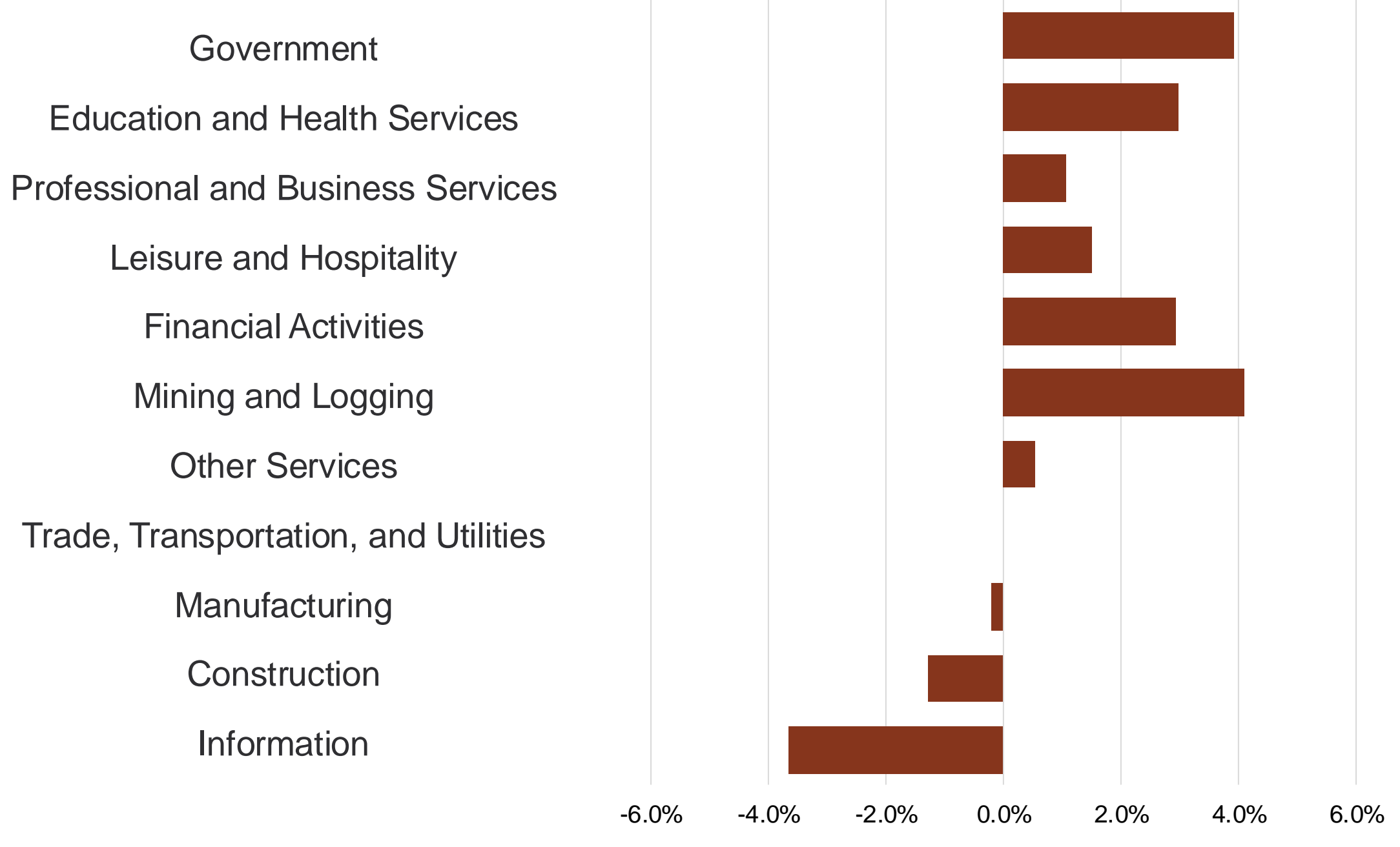
Tailwinds

Employment Growth
Key Industries
Productivity
Consumption
Retail Sales
Income Growth
Infrastructure Spending

Headwinds

Inflation
Property Taxes
Insurance
Office Vacancy
Interest Rates
Fed Policy
Worker Shortages
Demographics
Construction
Debt
Climate
Water

Unknowns

Election
AI
Supply Chain Disruptions
Human Behavior
Global Trade
Remote Work

Population Forecast

Colorado population forecast methodology

Economic forecast
- Jobs
- − 2nd & 3rd job
- − Commuters
- Labor Demand

Cohort-component
- +Births − Deaths
- + Net Migration
- X LFPR
- Labor Supply
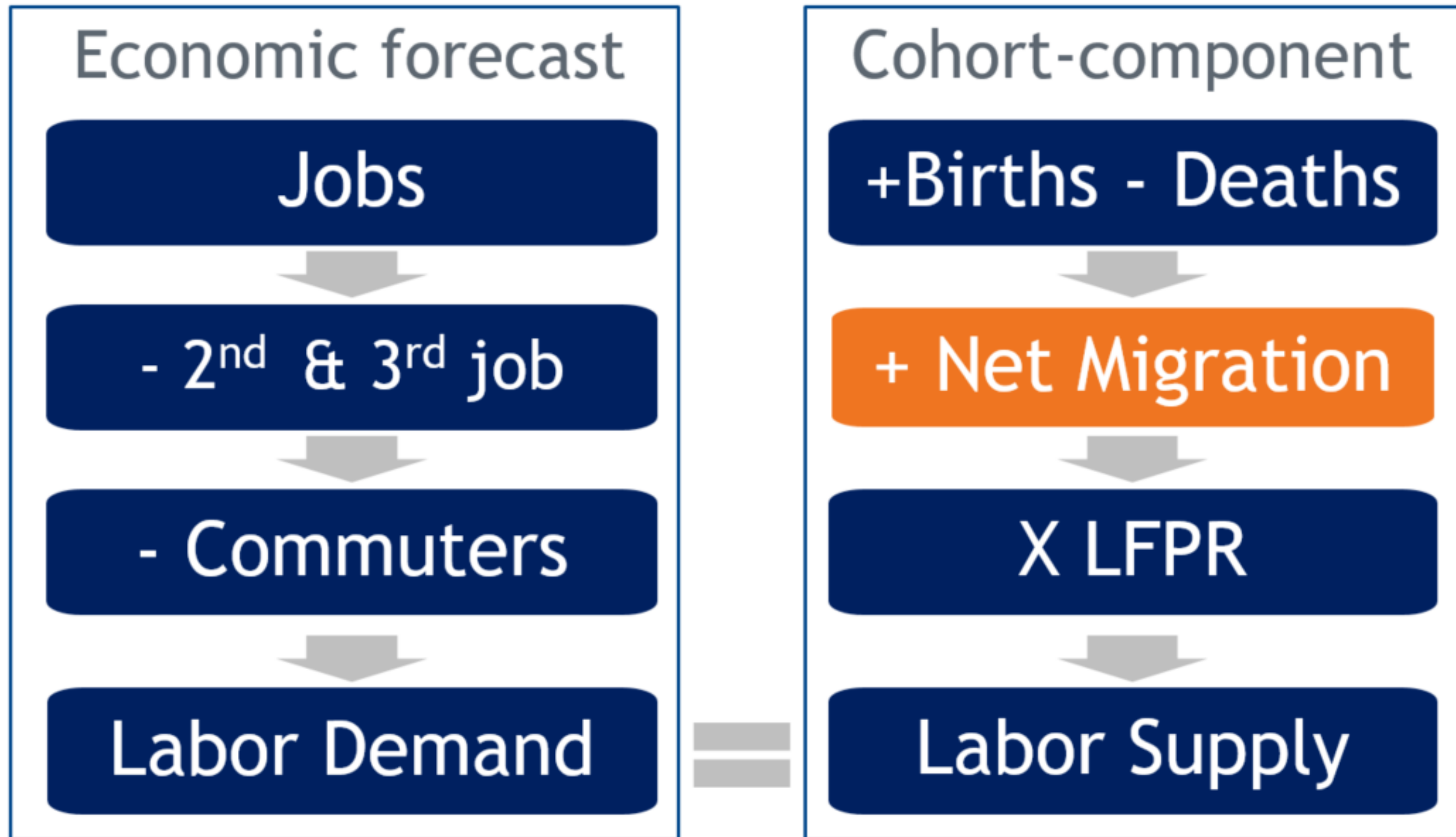
Labor Demand = Labor Supply

Differences resolved by net migration

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Forecast Factors

- US population growth is slowing
  - 20 states – natural decline 2023, within 15 years US as a whole
  - 24 states – net out migration 2023
  - 8 states – total decline 2023
- Births have slowed, deaths increase
- Migration/Mobility slowing, Immigration uncertainty
- Colorado Age – impact on consumption and labor
- Colorado Labor Force – tight, more competition, new jobs + retirements (400K this decade) +remote workers

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Labor Force Challenges

- Labor Force Growth is slowing – retirements growing faster than those aging into the labor force

- Since 2010, death rates have risen for the working age adults – men
    - US higher likelihood of dying in ages <25 than other high income countries

- Migration to Colorado slowing – competition, cost of living

- US Immigration uncertainty - Between 2010 and 2018, immigrants and their U.S.-born children were 28% of all U.S. workers and contributed to 83% of labor force growth* – but for how long?
    - World is at peak child.
    - Delays in work permits and lack of comprehensive US policy.
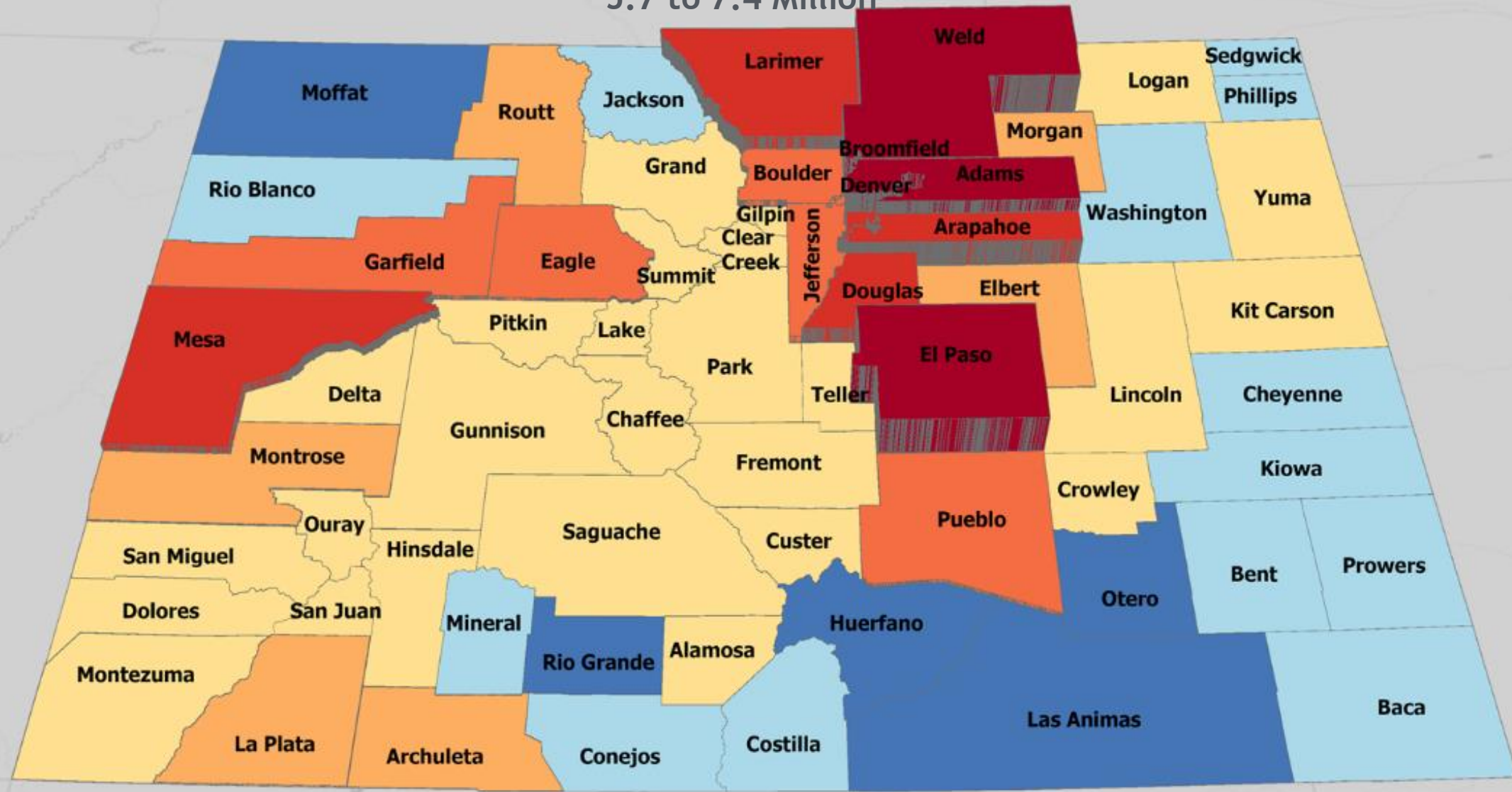
Labor Force – Opportunities/Policies

- Focus on the people, creative ways to increase labor force participation
  - Family Friendly Policies – subsidized day care, senior care,
  - Education and training opportunities
  - Job share, part-time high school students,
  - People with disabilities – remote work increased employment from 19% to 21%
  - Justice involved
  - Older workers – strategies to keep them or attract them
  - Keep in touch with high school graduates
  - Housing – down payment assistance, interest rate buy downs
  - Other states are competing for them – educational match
- Housing
  - Understanding and Communication – Job is a person, Housing unit is where that job sleeps
  - Older adult growth – non-workers
  - Protect primary residence and understand/balance non-primary residence
- Planning - Strategic Shrinkage - How to do more (or the same) with less – start planning now

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Projected Population Change 2020 - 2050
5.7 to 7.4 Million

Population Change
- < -1,000
- -1,000 to 0
- 1 to 5,000
- 5,001 to 20,000
- 20,001 to 50,000
- 50,001 to 200,000
- > 200,000

Source: Colorado State Demography Office

October 2023

Change 2020-2050
State: 1.7 million
Front Range: 1.49M
Western Slope: 200K
Central Mtns: 4K
San Luis Valley: -2K
Eastern Plains: 11K

Uncertainties

- Intl' immigration
- Water
- Housing – supply, price, type, location
- Boom/bust, competitiveness
- Aging – labor force
- Infrastructure/Transportation
- Natural disasters – push/pull
- State Budget

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Thank you

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