



The Scramble: Colorado Economic Snapshot

June 16, 2023



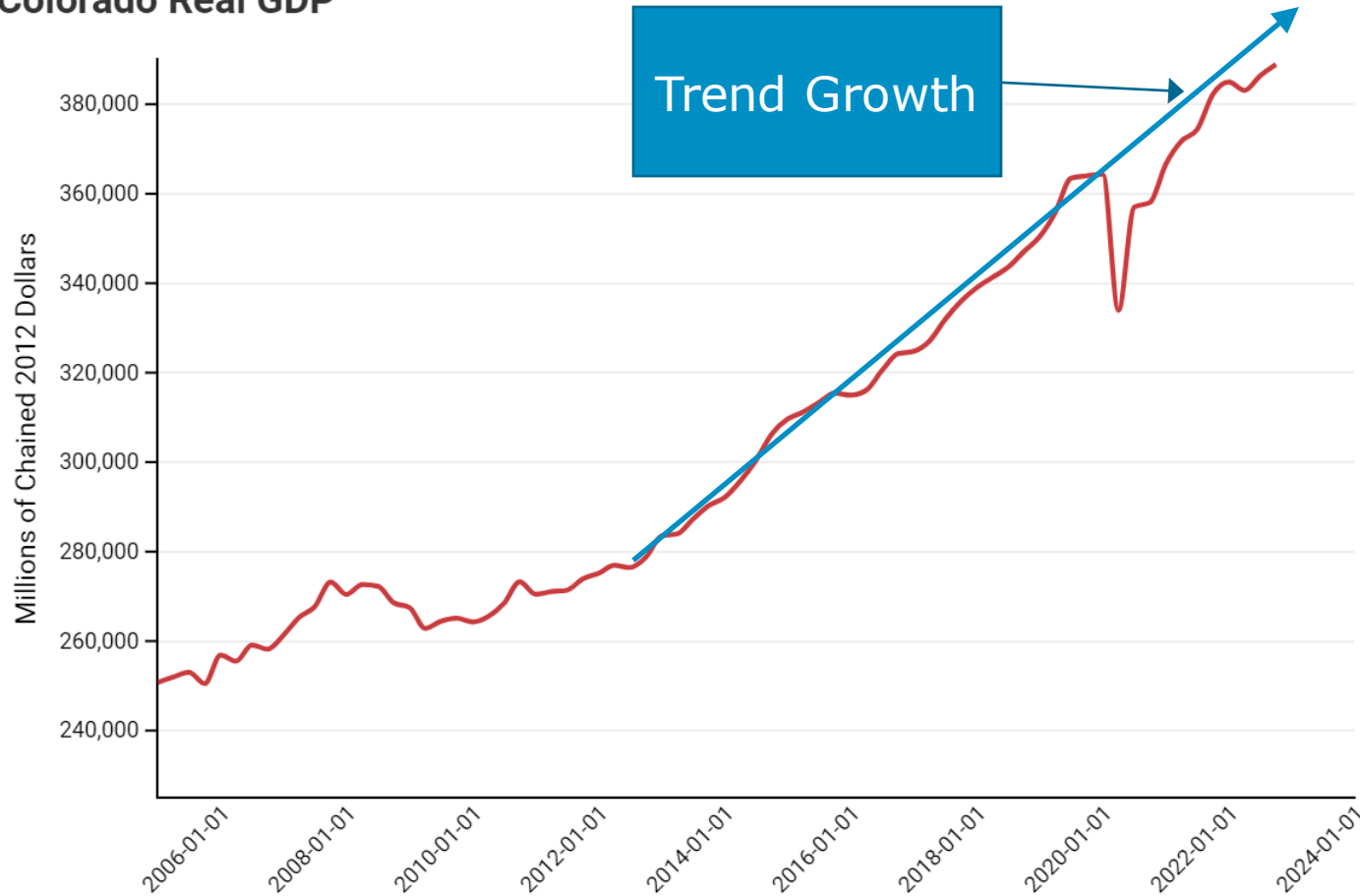
Economic Data

- **Real GDP**
- **Jobs and Labor Force**
- **Migration**
- **Inflation**
- **Housing**
- **Crime**
- **Budget**



Real GDP

Colorado Real GDP

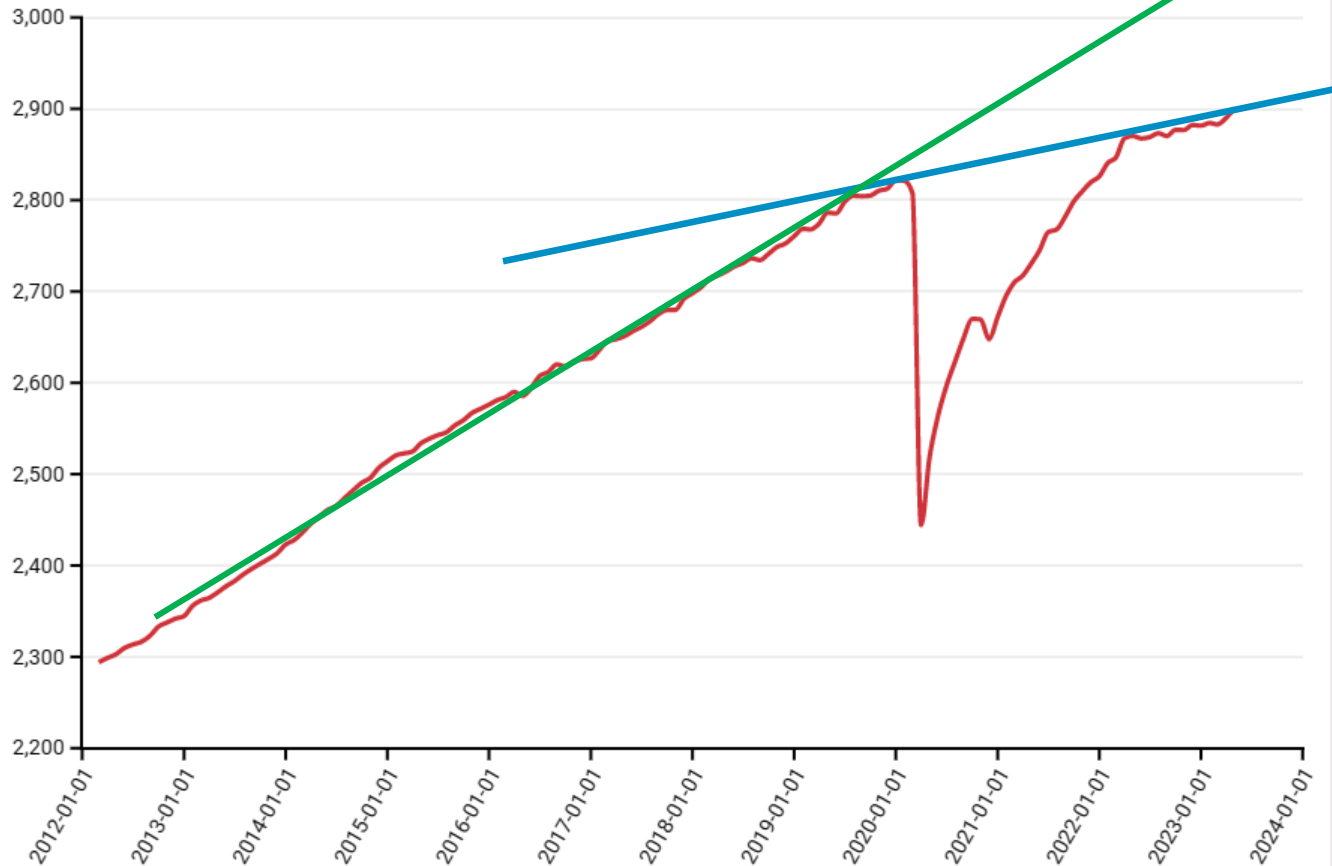


Source: U.S. Bureau of Economic Analysis

- GDP remains below trend growth following the COVID-19 induced recession.
- This drop in GDP could be attributed to several factors, including lasting structural COVID effects, or lower productivity associated with working from home.

Jobs

Colorado's Total Non-Farm Employment (2012-2023 May)



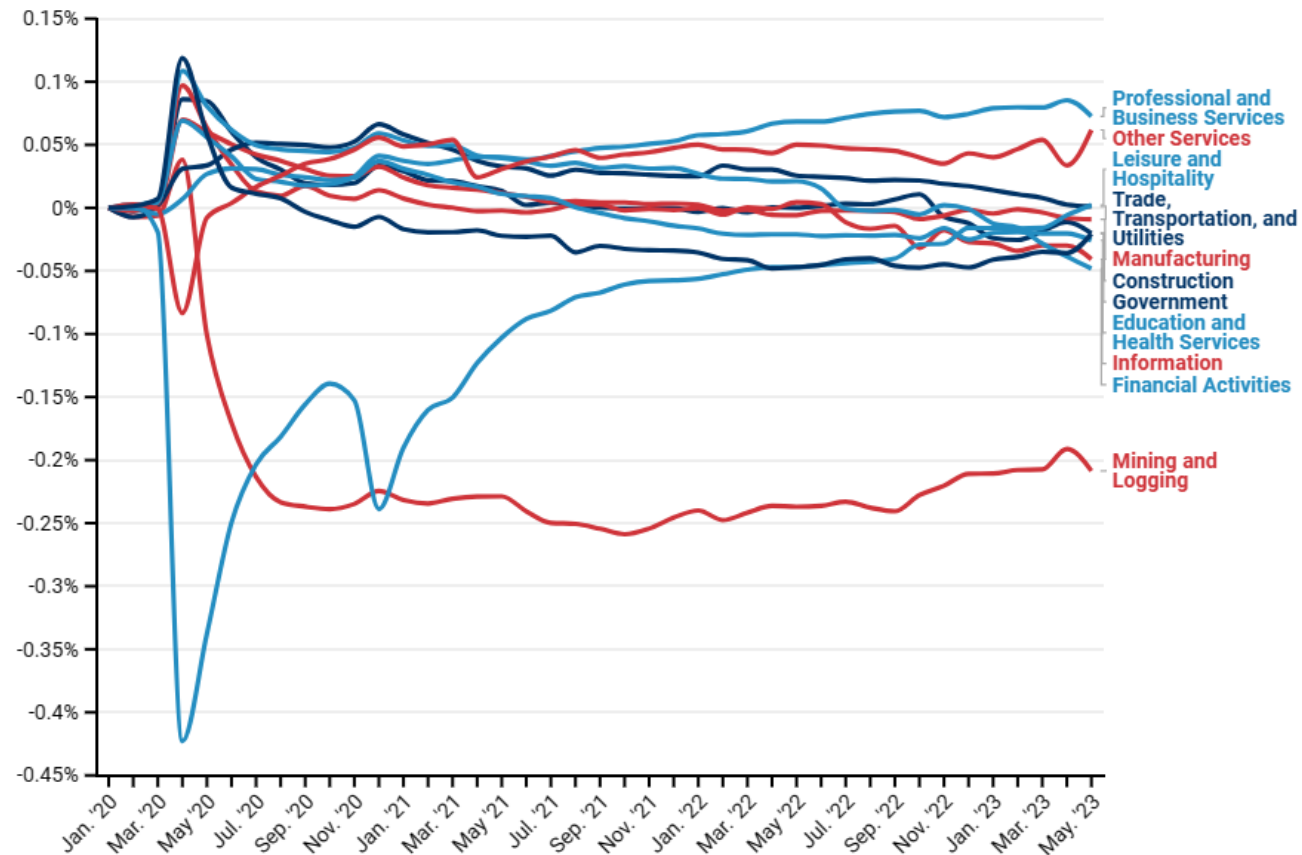
- May '22 to May '23 saw 1.05% job growth (**3rd-lowest in US**)
- Between 2012 and 2019, May to May Job growth was, on average, **2.74%**. However, the most recent period, May 22 to May 23 saw job **growth of only 1.05%**.

Jobs

Since January 2020:

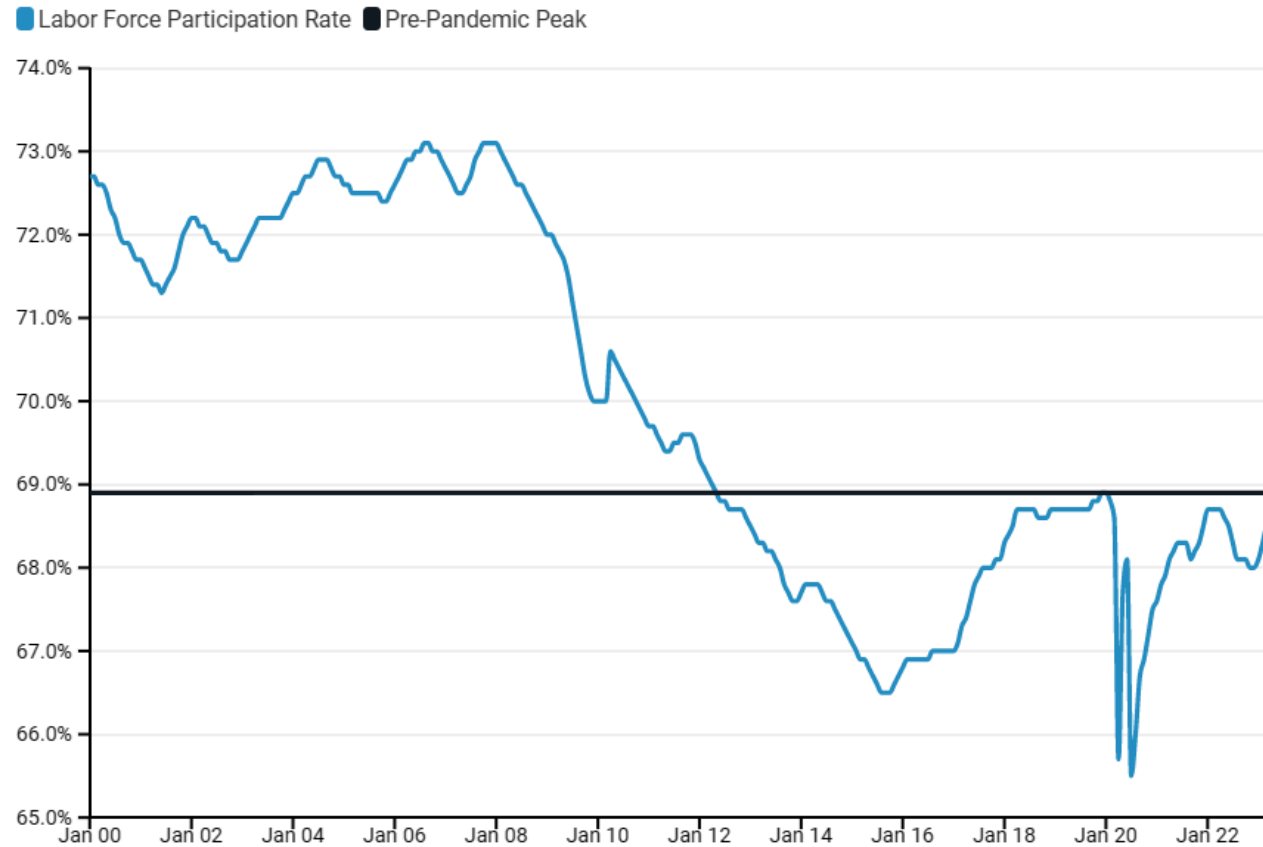
- Professional & Business Services Sector saw most job growth (+45,700 jobs) and is equal to 58.14% of Colorado's total job growth.
- Mining & Logging down due to sharp decline in Oil & Gas sector output (loss of 5,000 jobs)

Changing Industry Shares of Total Colorado Employment since January 2020



Labor Force

Labor Force Participation Rate in Colorado Since 2000

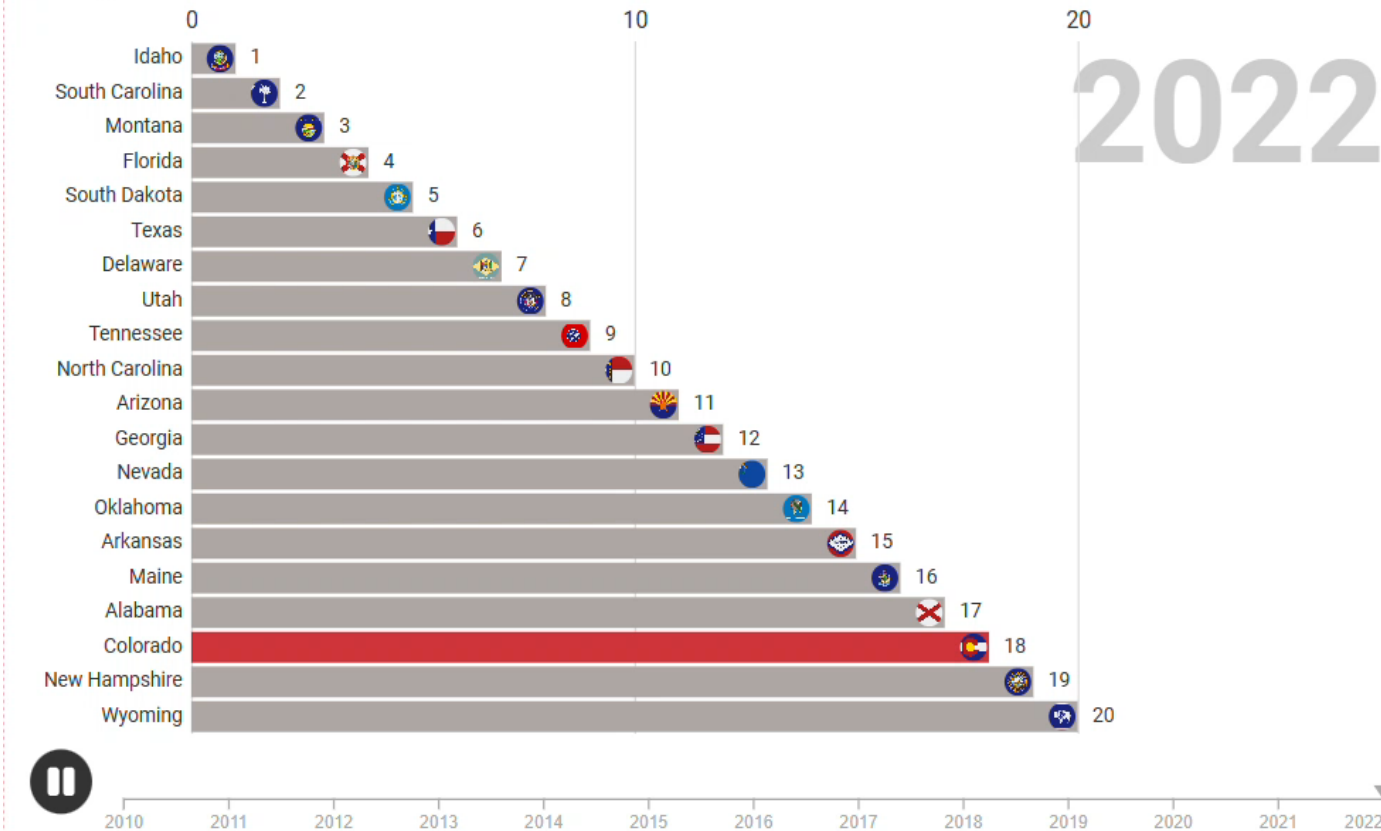


- Colorado's Labor Force Participation Rate (LFPR) is near its **pre-pandemic level**.
- **6 percent below the LFPR level in 2008.**
- Possible explanations include aging workforce, declining male LFPR, transfer of wealth allowing for fewer workers

Migration

Migration to Colorado Fell Significantly over the Last Two Years

Colorado's population-adjusted rank for net domestic migration plus natural increase fell out of the top 10 in 2021



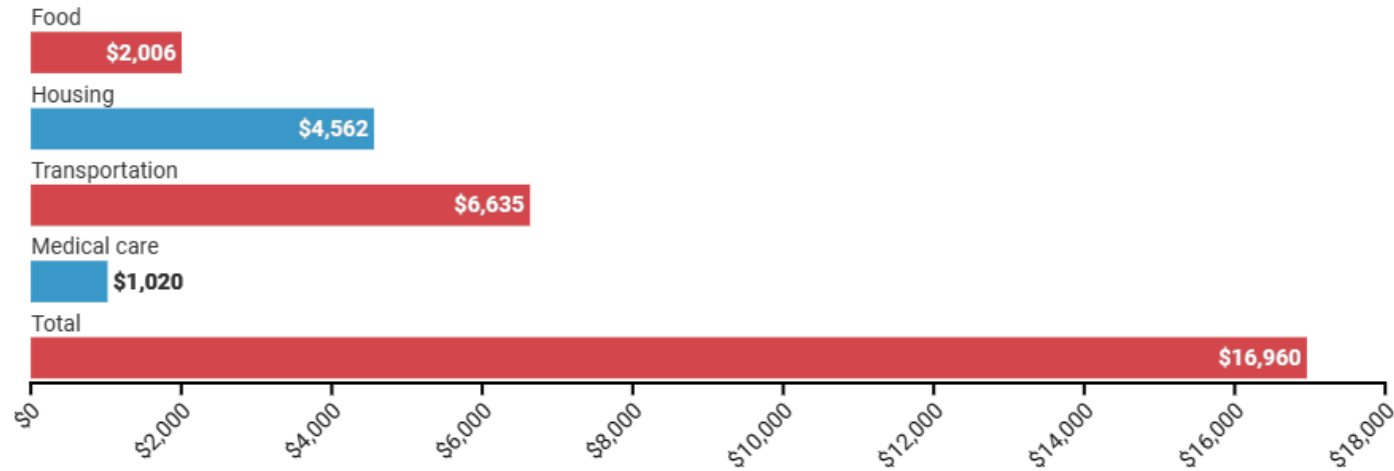
Source: US Census

- Colorado's **net migration has declined 80% over the last two years**
- The reduction in migration is estimated to have cost Colorado **14,000 potential jobs.**
- Colorado **ranked 3rd** in net migration in 2015.
- **In 2022, it ranked 18th.**

Inflation

Inflation's Impact on What We Buy

How much more has the average household spent since 2020 because of inflation?

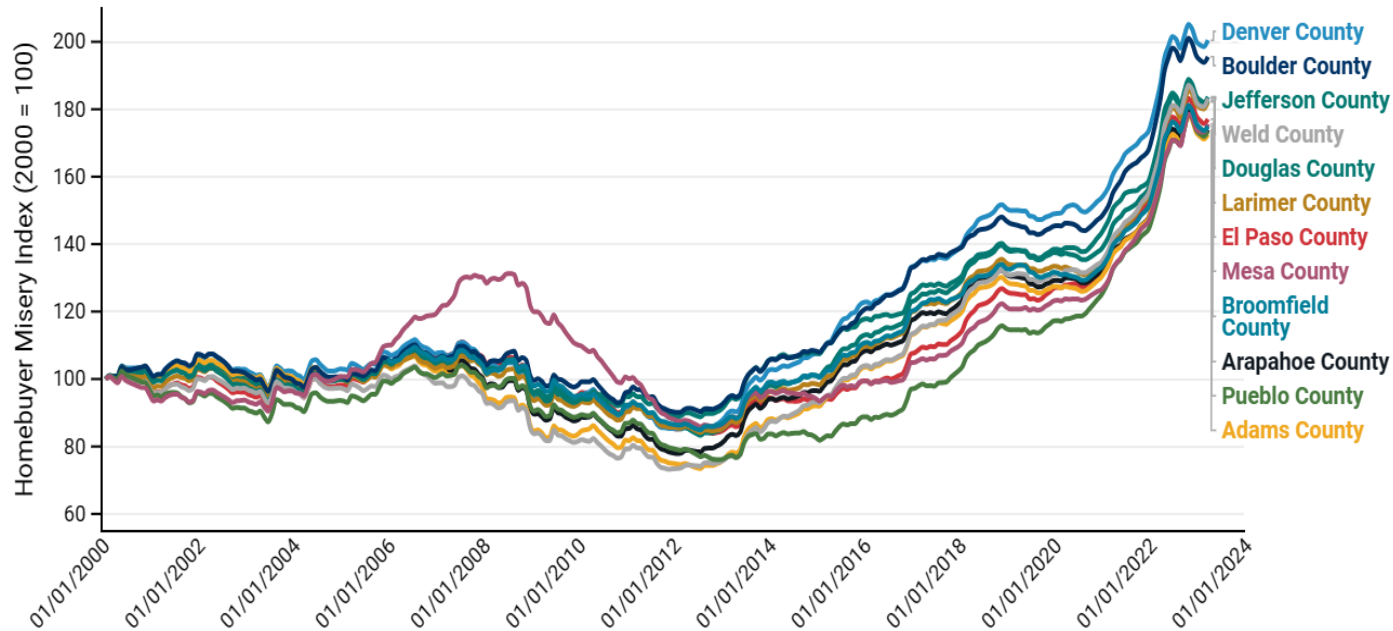


- In April & May 2023, the average CO household spent \$2,160 more due to inflation—an **average of \$1,080 per month.**
- Metro Denver inflation has outpaced the national average over the last 12 months - **5.2% in Denver compared to 4.1% nationally.**

Housing

Homebuyer Misery Index

■ El Paso County ■ Denver County ■ Arapahoe County ■ Jefferson County ■ Adams County ■ Larimer County ■ Douglas County ■ Boulder County
■ Weld County ■ Pueblo County ■ Mesa County ■ Broomfield County



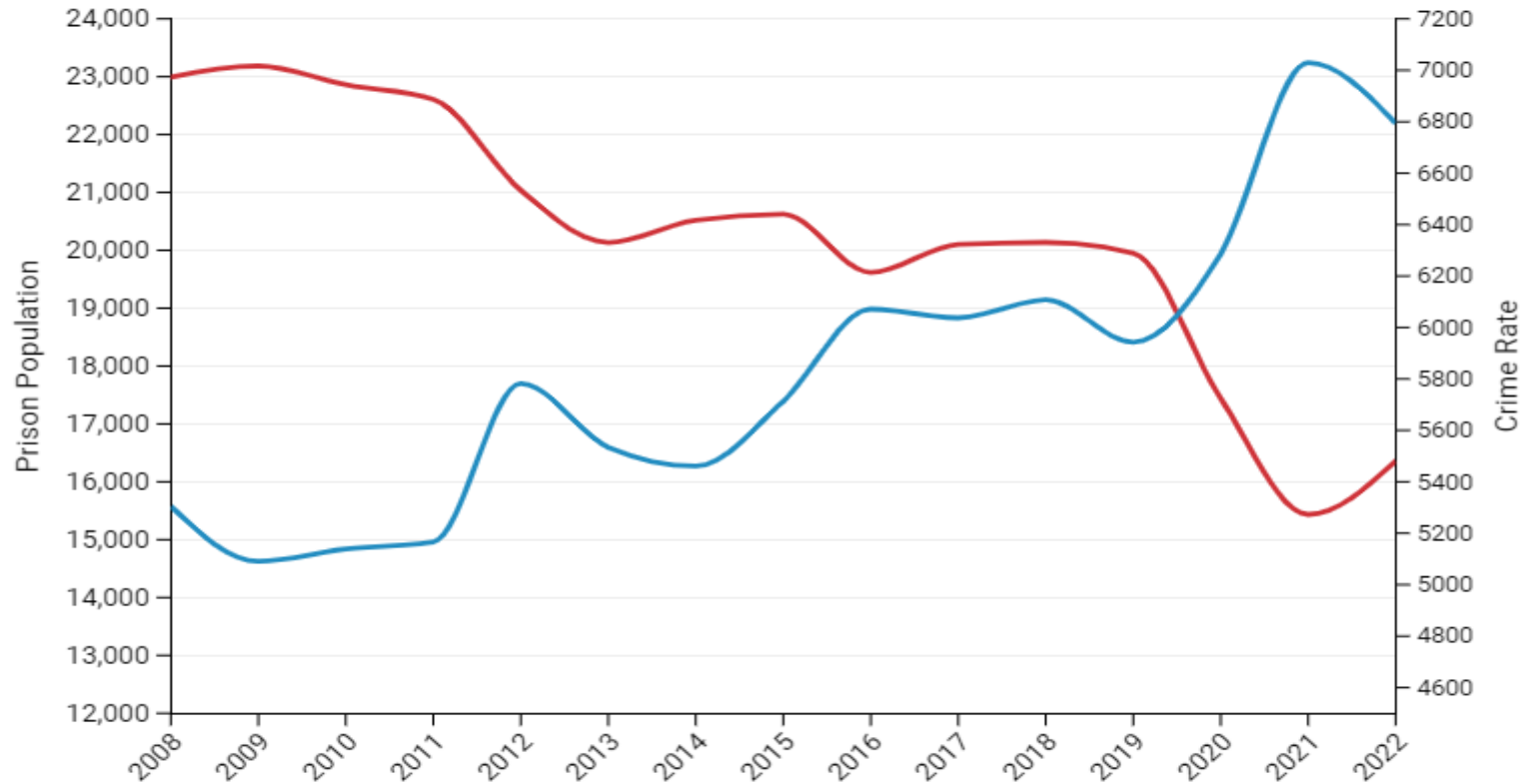
- In the past 11 years the cost (purchase price plus mortgage interest) of purchasing an **average priced home increased 112%**. Most of the increase occurred in the last 3 years.

- The Denver Metro area needs to issue between 26,000 to 37,600 permits to close the housing deficit and meet new demand by 2028. **Currently projected to issue 21,120 permits in 2023, well below the needed amount.**

Crime

Crime Rate and Prison Population

■ Crime Rate (per 100,000) - Colorado ■ Prison Population



Source: Colorado Division of Criminal Justice and Colorado Crime Stats

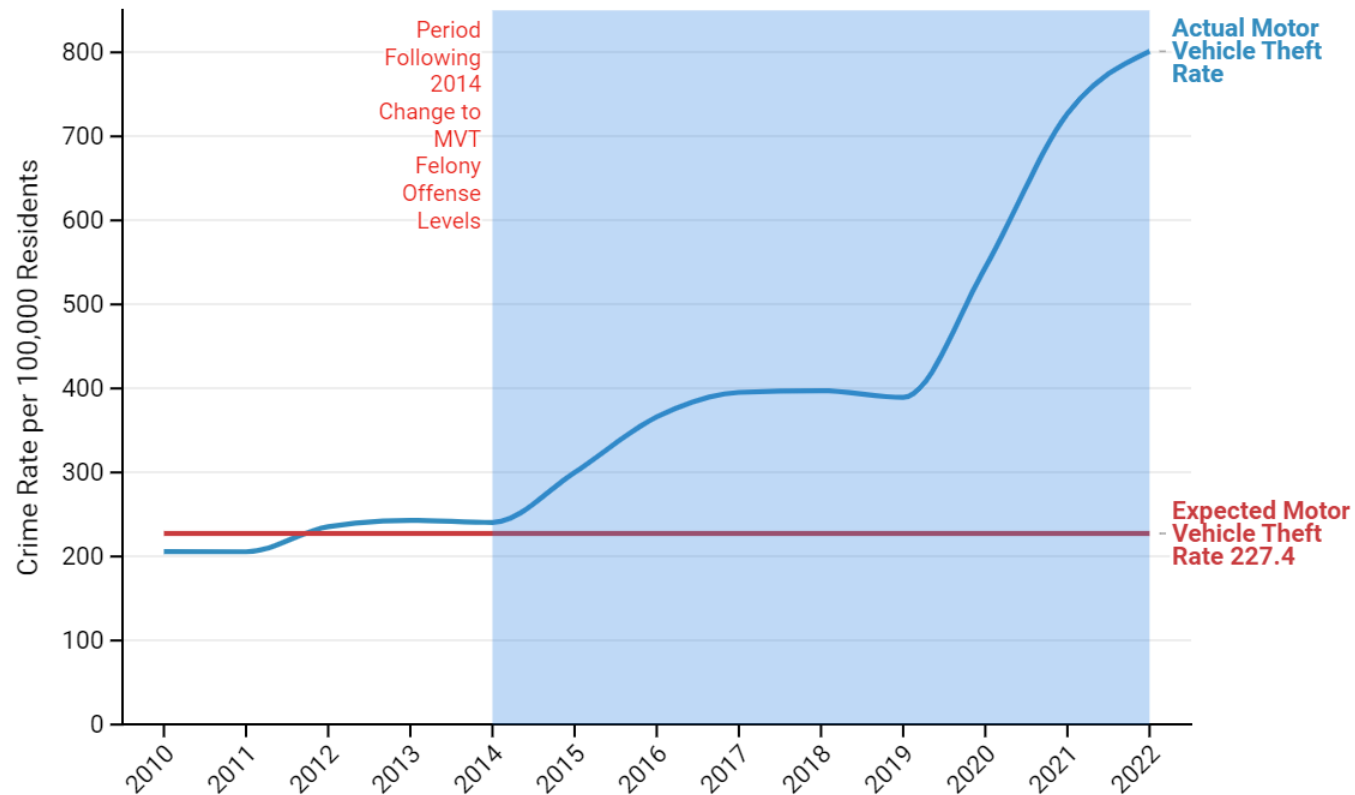
Since 2008:

- Colorado's crime rate **increased 28%**.
- Colorado prison population **decreased 29%**.
- In 2022, the cost of crime in Colorado was nearly **\$30 billion**.

Legislation & Crime

Motor Vehicle Theft Crime Rates

■ Actual Motor Vehicle Theft Rate ■ Expected Motor Vehicle Theft Rate 227.4



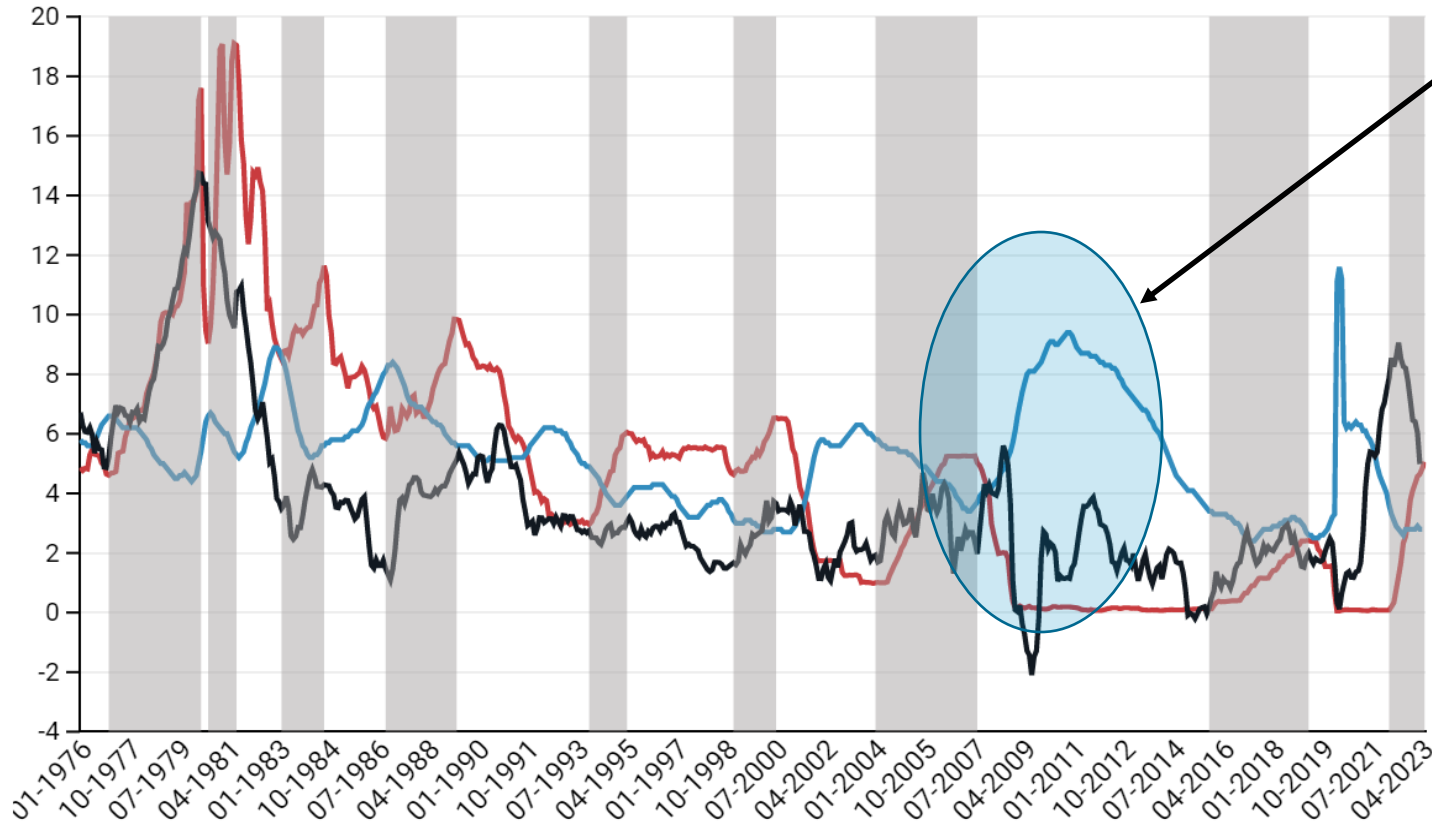
Source: Colorado Crime Stats

- Since 2010, the Colorado Legislature passed approximately **42 bills** impacting sentencing, incarceration, parole and length of stay:
 - 14 bills reduced sentencing
 - 7 increased sentencing
 - 8 increased parole/probation
 - 3 increased earned time
- Since the passage of HB14-1266, which made vehicle theft penalties dependent on the value of the stolen car, **motor vehicle theft has risen 252%.**

Biggest Unknown - Recession

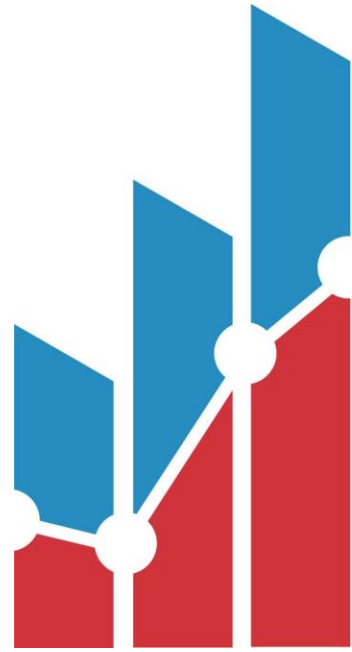
Fed Funds Rate, Inflation, and Colorado Unemployment Rate
Shaded areas correspond with increases in the fed funds rate

Fed Funds Rate CO Unemployment Rate Inflation YOY



The last time the Fed Funds Rate rose by 5 percentage points (from Jan 2004 to Aug 2007), the **unemployment rate in Colorado increased by 5.9 percentage points.**

If that repeats now, the statewide **unemployment rate of 8.7%** would mean there would be **274,000 unemployed Coloradans.**



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