

Pueblo Economic & Workforce Development Dashboard

Highlights—October 2022

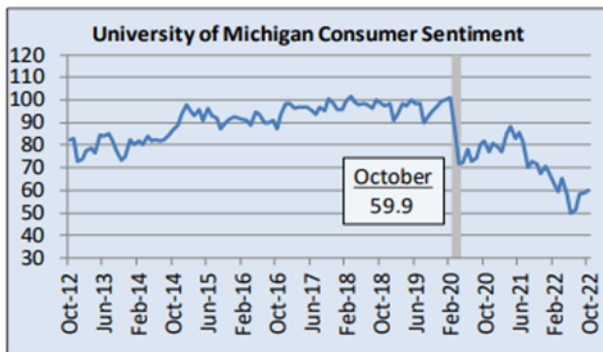
Last week, **Gross Domestic Product**, or GDP (on your right) was released for Q3, and it was the first positive rate of change in 2022. As a reminder, Q1 had an annualized contraction of -1.6%, and Q2 had a -0.6% contraction. Hence, the positive 2.6% for Q3 is welcome news although you shouldn't get too excited because most economists are now in camp "recession" for 2023. This is due to various factors, but mostly to the impacts of higher **Interest Rates {Page 3}**. That impending recession remains to be seen, but for now I'll provide a summary of why GDP was higher in Q3.

GDP increases were mostly due to increases in exports, consumer spending, nonresidential fixed investment (think infrastructure), federal government spending, and state and local government spending. There were also decreases in residential fixed investment and private inventory investment, and an increase in imports, which are a subtraction in GDP calculations.

It is worth noting that the Conference Board, which is one of the main sources I use for forecasting, is indeed forecasting a (mild) recession during 2023.



*Estimate of real GDP percent change from same quarter a year ago, SA
**If quarterly changes were annualized over the year.
Source: U.S. Bureau of Economic Analysis



Source: University of Michigan

I also always emphasize **Consumer Sentiment** (on your left) not only because the metric comes from University of Michigan (UM), my alma mater, but also because of the outsized influence confidence has on the broader economy. What we buy day in, and day out keeps the economic engine going. Indeed, sentiment improved slightly in October and is now hovering around the 60 mark, off its lowest point this year of 50 in June (gas prices!). But I am also closely watching a component of consumer sentiment as is the Federal Reserve, and that is inflation expectations. In the short term (e.g., one year ahead), consumers are still dour about **Inflation {Page 3}** and that is much of the reason that overall sentiment has been even lower recently than during the Great Recession years.

However, long term inflation expectations (five to ten years ahead) are lower, and that gives the Federal Reserve room to continue its path of interest rate hikes. It's fascinating that UM has decades of data showing that consumers' expectations on inflation are very close to what ends up happening. I believe that's because consumers are daily students of what prices they are paying and consciously or subconsciously, they figure out the trends. In the short term, consumers expect inflation to be at 5.1%, and in the longer term, they expect inflation levels at 2.9% - still above the 2.0% the Fed prefers, but much more manageable than current levels (8.2% in September). As many of you know, I often address in media pieces that there are structural (e.g., long-run) reasons that inflation may persist and if that turns out to be true, there may be some stagflationary years ahead where we have persistent inflation alongside low economic growth.

What producers pay is, of course, a large determinant of the prices consumers end up paying. And, any business owner knows that labor costs are typically their largest cost component, which is much of the reason economists are closely watching labor market data. As the Fed tries to cool the economy to bring down inflation, we typically have upward pressure on the unemployment rate, but that still does not appear to be happening to any great extent. In fact, **Unemployment Rates {Page 3}** went down in September to 3.3% for the U.S. (from 3.8% in August), to 3.2% in Colorado (from 3.3%), and to 5.1% in Pueblo (from 5.4%). This means there will continue to be upward pressure on

[Page 3 - Macroeconomic "Big Picture"](#)

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wages as there are two things that determine wages – labor demand, which is still high as evidenced by [U.S. Job Openings {Page 3}](#), and labor participation (text box in same chart), which improved in Augustⁱ, but is still four percentage points lower than 2006. It's important to note that labor participation overall is still about one percentage point lower than pre-pandemic, and that most of the reason for that continues to be the labor force exit of ages 55+ (chart to your right).

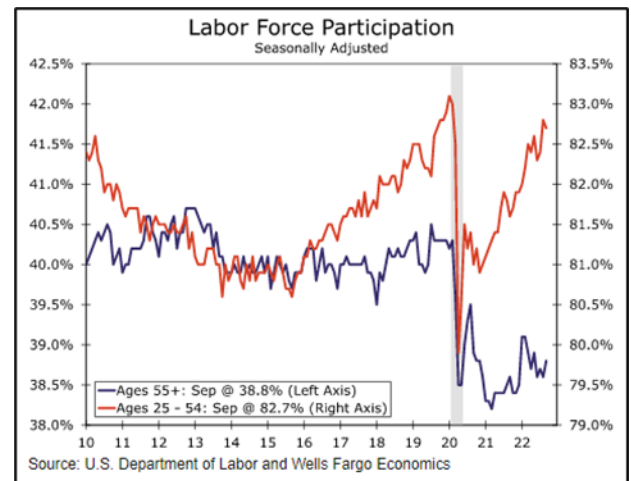
The Census Bureau has released the 2021 [Federal Poverty Level {Page 4}](#) data for counties, and Pueblo County had a decrease in the percentage of people at or below the FPL 2021 to 16.3% (down from 17.9% in 2020). This is a good thing, and it is worth noting that for the U.S., the percentage of the population at or below the FPL increased in 2021 to 12.8% (up from 12.3%). Similarly, the data was released for [Median Earnings {Page 5}](#) for Pueblo County and data for all ages working full-time is what you see in that table. For the U.S., the median earnings for Pueblo County were \$50,970, whereas for the U.S. the median earnings stood at \$53,888 in 2021 (5.4% lower in Pueblo County). By way of comparison, the median earnings for full-time workers in El Paso County are almost identical to the U.S. earnings. Note that earnings represent wages and salaries, whereas “income” is a different metric that incorporates additional sources of individual or household money such as income from rental properties or income from dividends.

Additionally, you will notice that the updated Census (American Community Survey) data has been populated in the [Demographics {Page 6}](#) section of this report. It is worth noting that the median age stayed at 40 for Pueblo County. In terms of educational attainment, the percentage of Pueblo County's population with a bachelor's degree or higher for ages 18-24 declined slightly but increased significantly for ages 25+ (up to 26.6% of Pueblo's residents in 2021 from 22.9% in 2020). The percentage of Pueblo residents with some college or associate degree declined in 2021: from 41.9% for ages 18-24 in 2020 to 38.5% in 2021, and from 37.8% for ages 25+ in 2020 to 35.4% in 2021.

Lastly, you will see that employment numbers have been added to the [Tourism Spending {Page 8}](#) graph to show that in 2021, according to the Colorado Tourism Office, Pueblo County had 2,600 workers directly employed in that industry.

Thank you, and happy Halloween!

Tatiana (tbailey@ddestrategies.org) & Rebecca (rwilder@ddestrategies.org)



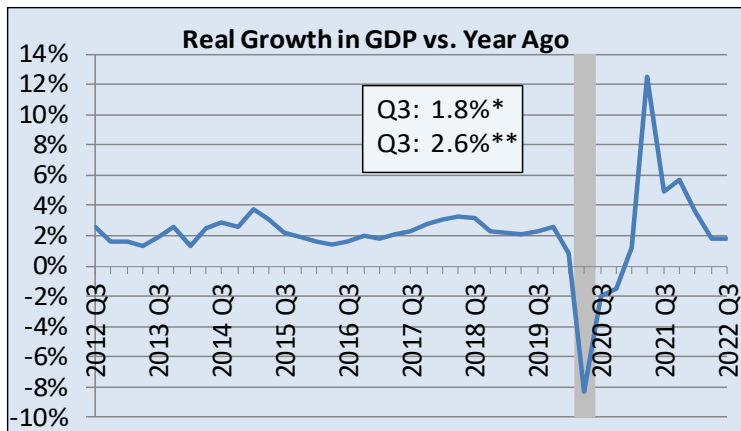
ⁱAugust labor participation is the latest available data as this metric from the Bureau of Labor Statistics lags approximately two months.

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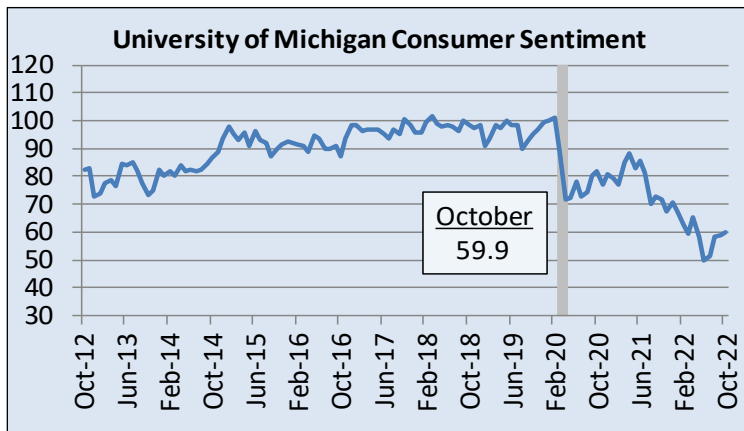
MACROECONOMIC "BIG PICTURE" (PAGE 3)



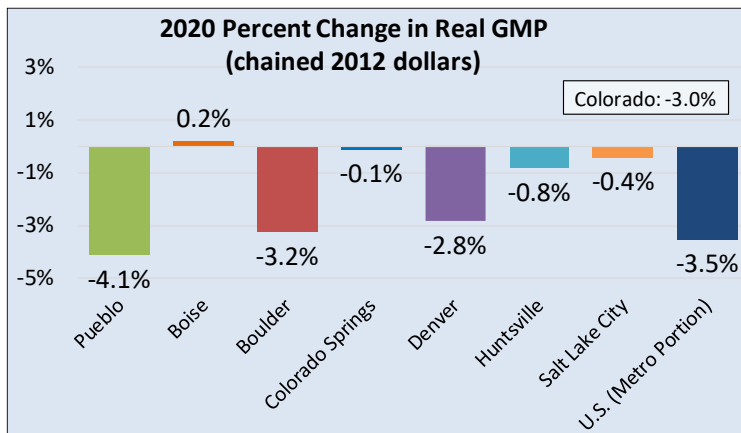
*Estimate of real GDP percent change from same quarter a year ago, SA

**If quarterly changes were annualized over the year.

Source: U.S. Bureau of Economic Analysis



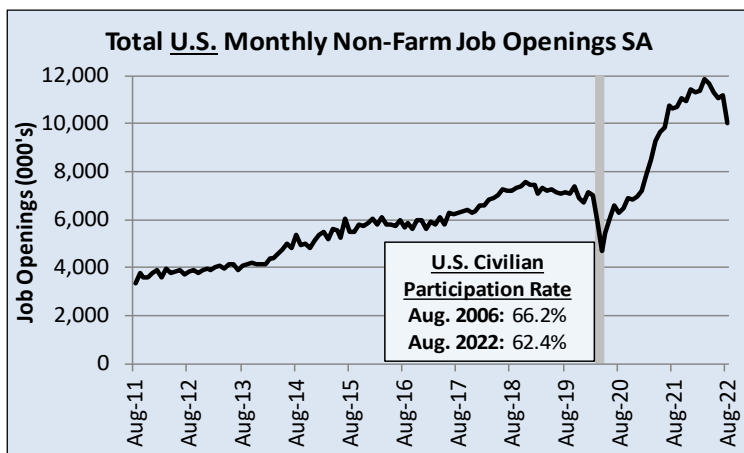
Source: University of Michigan



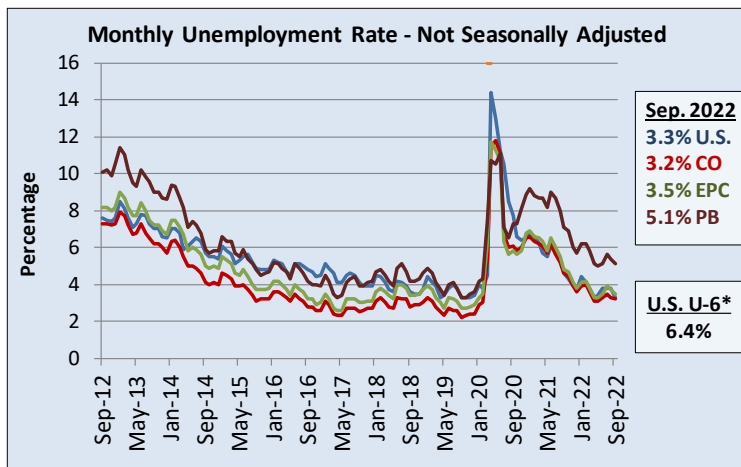
Note: Data includes military. Real GMP is adjusted for regional price parity (RPP).

This regional data lags ~23 months.

Source: U.S. Bureau of Economic Analysis



Source: U.S. Bureau of Labor Statistics; Job openings data lags.



Note: Data not seasonally adjusted (NSA) to enable comparisons with counties.

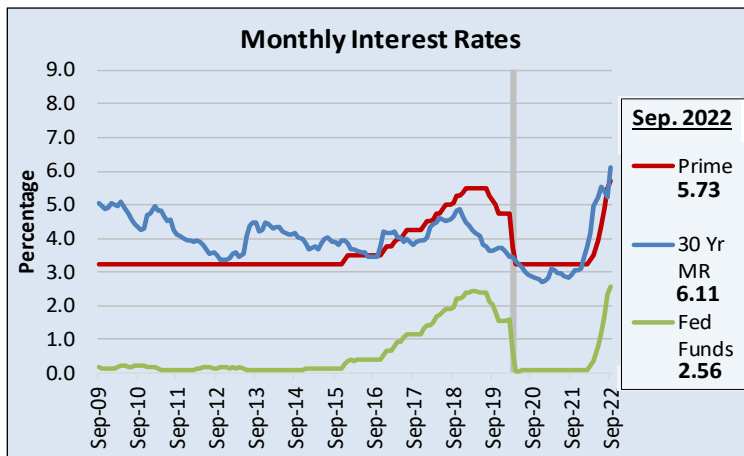
*U-6 includes unemployed, those marginally attached to the labor force, plus those employed part time who would prefer full-time work.

Sources: U.S. Bureau of Labor Statistics; CO Dept. of Labor & Employment

U.S. Consumer Price Index - September 2022		
	All items	Less food & energy
Change from August to September 2022 (SA)	0.4%	0.6%
Last 12-months (NSA)	8.2%	6.6%

The 2022 Q2 cost of living in Pueblo MSA was 93.3% of the U.S. average according to C2ER.

Source: U.S. Bureau of Labor Statistics; all urban consumers (CPI-U)



Source: Board of Governors of the Federal Reserve System

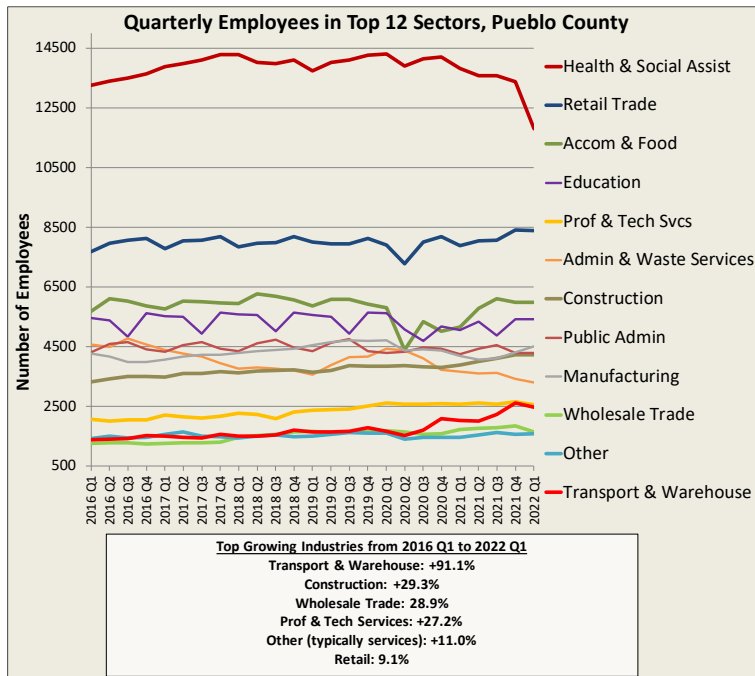
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LOCAL LABOR MARKET (PAGE 4)

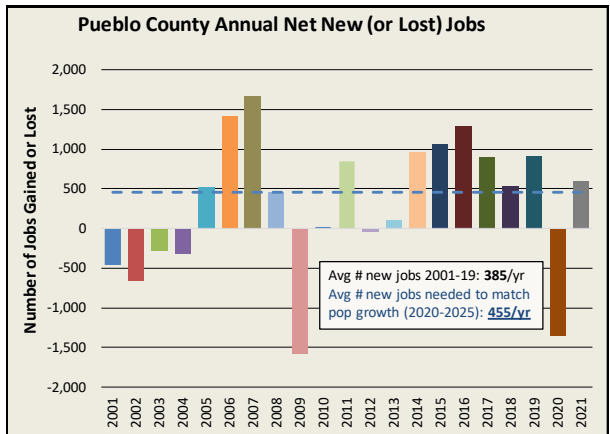
September 2022			
Top Job Titles (Pueblo MSA)	# of Job Postings (Pueblo)	Market Salary (U.S.)	Risk of Automation (U.S.)
Registered Nurses	289	\$66,509	Low Risk
Retail Salespersons	118	\$29,975	High Risk
Heavy & Tractor-Trailer Truck Drivers	116	\$64,052	Medium Risk
First-Line Supervisors of Retail Sales Workers	80	\$37,726	Medium Risk
Maintenance and Repair Workers	72	\$37,015	Medium Risk
Customer Service <i>(NEW to top 10 in July)</i>	70	\$31,327	Medium Risk
Medical & Health Service Managers <i>(NEW to top 10 in July)</i>	62	\$74,168	Low Risk
Sales Representatives, Wholesale & Manufacturing <i>(NEW in top 10 in September)</i>	60	\$52,828	Medium Risk
Laborers & Freight, Stock & Material Movers <i>(New in top 10 in September)</i>	57	\$26,864	Medium Risk
Managers, All Others	52	\$75,979	Low Risk

Pueblo MSA, September 2022
TOTAL Job Openings: 4,356
TOTAL Unemployed: 4,022
Workers Available per Job Opening: 0.92

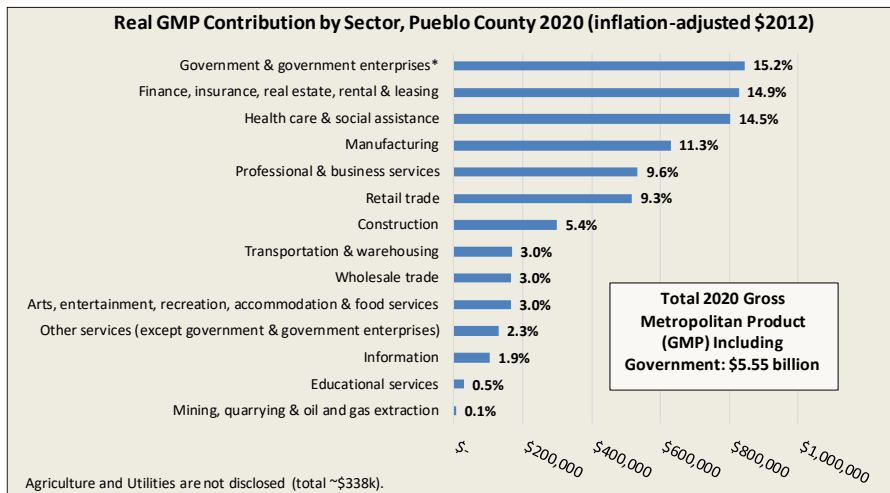
Sources: The Conference Board® LaborInsight's HelpWantedOnline™ via Pikes Peak Workforce Center; CO Dept. of Labor & Employment



QCEW data lags up to three quarters and includes public and private employment. Source: CO Dept. of Labor & Employment, Quarterly Census of Employment and Wages (QCEW)



An estimated 455 new jobs are needed based upon population growth and age composition. This QCEW data lags up to three quarters and includes public and private employment. Source: CO Dept. of Labor & Employment, Quarterly Census of Employment and Wages (QCEW)



*Government and government enterprises includes market and nonmarket goods/services. Examples of nonmarket services includes public safety, education and market enterprises including postal service, airports, utilities (in some regions), transit systems, etc. Note: GMP (local) data lags by approximately 23 months. Source: U.S. Bureau of Economic Analysis

Pueblo MSA and Pueblo County are one and the same.

2021 Federal Poverty Level (FPL)		
	Pueblo County	U.S.
% people at FPL or below	16.3%	12.8%
<i>Note: FPL in 2021 was \$12,880 for an individual and \$26,500 for a family of four.</i>		

2022 Q1 Average Annual Wages for All Industries			
Pueblo wages are 29.8% lower than the U.S. 33.7% lower than Colorado 16.4% lower than El Paso County			
U.S.	Colorado	El Paso County	Pueblo County
\$71,448	\$75,660	\$59,956	\$50,128
2022 Q1 Total Employment			61,991
2022 Q1 Total # Establishments			3,832

2021-22 Minimum Wage & Living Wage Pueblo County		
	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$12.56	\$26,125
Living wage: HHs with 1 adult, 2 children	\$39.77	\$82,722
Living wage: HHs with 2 adults (1 working), 2 children	\$35.66	\$74,173
Living wage: HHs with 2 adults* (2 working), 2 children	\$22.77	\$47,362
<i>*Living wage is for each working adult. For specifics, go to livingwage.mit.edu.</i>		

Note: QCEW data lags by up to three quarters and includes public and private employment. Sources: U.S. Bureau of Labor Statistics and Colorado Department of Labor and Employment, QCEW; Local military installations; U.S. Census Bureau, American Community Survey 1-year estimates; U.S. Department of Health & Human Services; MIT Living Wage Calculator

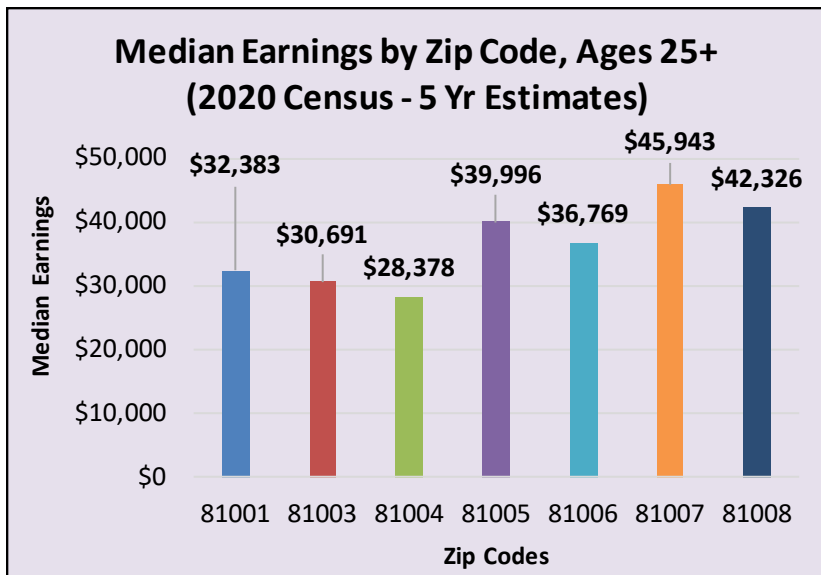
LOCAL INFORMATION BY ZIP CODE (PAGE 5)

Zip Code	White Alone	Black Alone	Amer Ind/ Native Alaskan	Asian Alone	Other Race Alone	Two or More Races	Hispanic / Latino Origin
81001	94.1%	97.3%	76.8%	93.5%	73.7%	92.3%	82.3%
81003	89.0%	73.5%	84.1%	100.0%	75.6%	91.9%	76.5%
81004	91.7%	89.4%	75.4%	100.0%	76.2%	76.2%	82.5%
81005	96.7%	96.1%	83.1%	100.0%	83.2%	95.0%	87.9%
81006	95.4%	86.5%	70.5%	91.5%	83.2%	82.3%	86.9%
81007	94.4%	98.2%	88.1%	95.4%	92.9%	98.0%	90.7%
81008	94.0%	100.0%	60.9%	59.8%	98.0%	87.3%	87.4%

Zip Code	White Alone	Black Alone	Amer Ind/ Native Alaskan	Asian Alone	Other Race Alone	Two or More Races	Hispanic / Latino Origin
81001	26.4%	40.4%	9.4%	37.6%	4.4%	29.2%	11.5%
81003	18.1%	14.1%	11.4%	66.1%	13.7%	34.7%	14.3%
81004	26.2%	10.4%	3.3%	27.3%	5.2%	14.2%	8.7%
81005	27.9%	43.2%	2.5%	49.7%	9.8%	41.3%	15.3%
81006	32.2%	23.1%	4.1%	91.5%	9.3%	10.1%	14.4%
81007	31.1%	13.1%	16.9%	57.5%	15.3%	39.1%	21.1%
81008	34.1%	30.1%	15.7%	39.0%	15.1%	33.6%	21.4%

Note: Native Hawaiian and Other Pacific Islander category excluded due to extremely high margins of error (sample size too small). Five-year estimates are more accurate due to small sample size in many zip codes. Data for 5-year estimates lags, so 2021 should be released in December 2022.

Source: U.S. Census Bureau, American Community Survey 5-year estimates



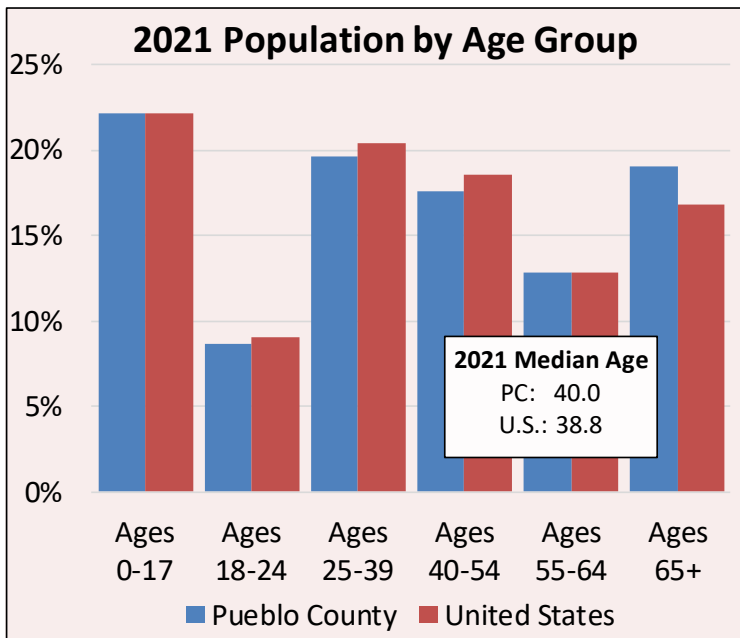
Five-year estimates are more accurate due to small sample size in many zip codes. Data for 5-year estimates lags, so 2021 should be released in December 2022.

Source: U.S. Census Bureau, American Community Survey 5-year estimates

U.S.	Pueblo County
\$53,888	\$50,970

Source: U.S. Census Bureau, American Community Survey 1-year estimates

DEMOGRAPHICS (PAGE 6)

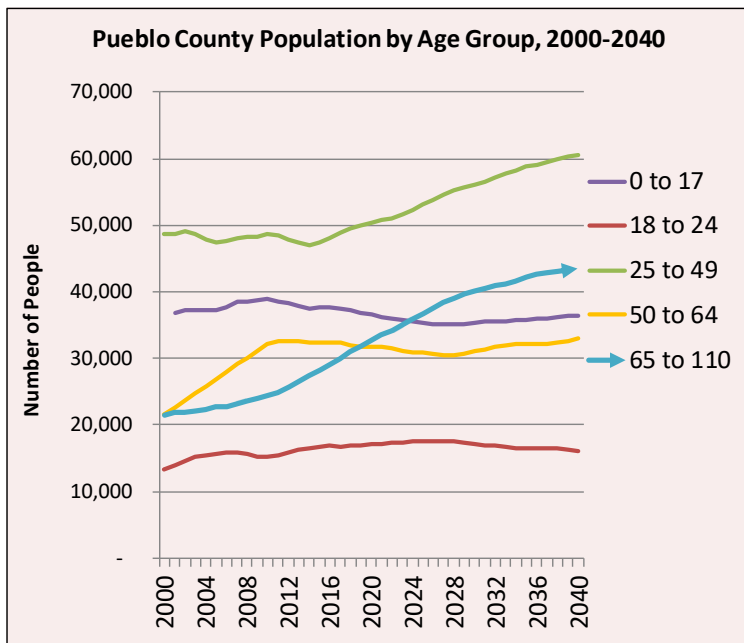


Sources: U.S. Census Bureau, Population Division, Population Estimates Program; American Community Survey 1-year estimates

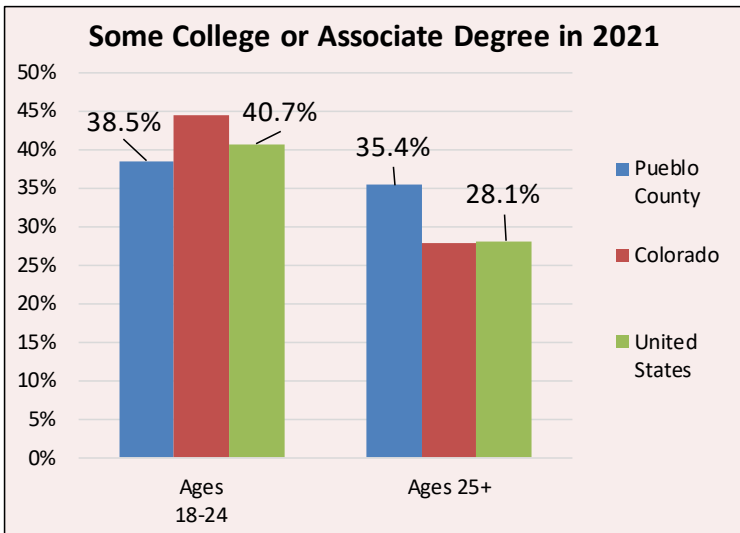
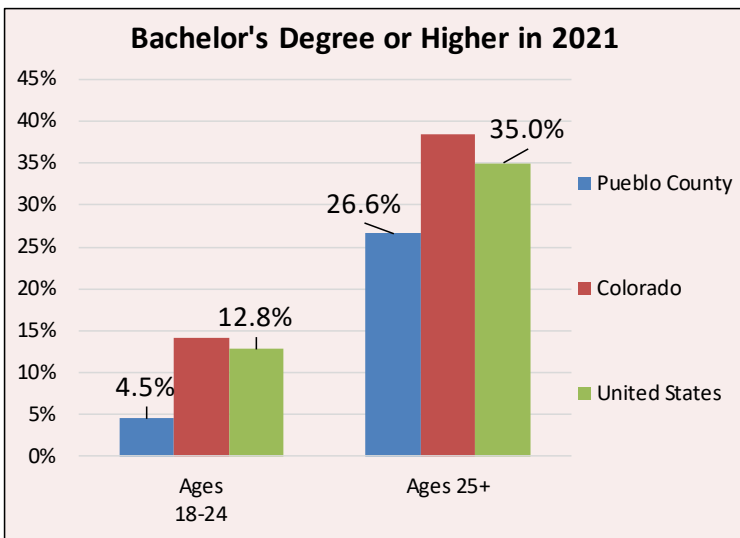
Population Estimates

Region & (Growth Rate)	2021	2050
Pueblo County (15%)	169,372	194,563
Colorado (30%)	5,831,162	7,564,742

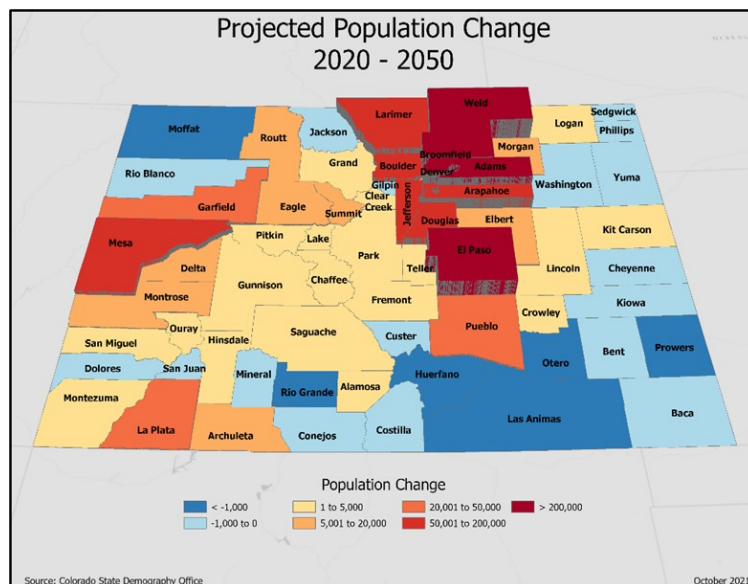
Source: Colorado State Demography Office



Source: Colorado State Demography Office

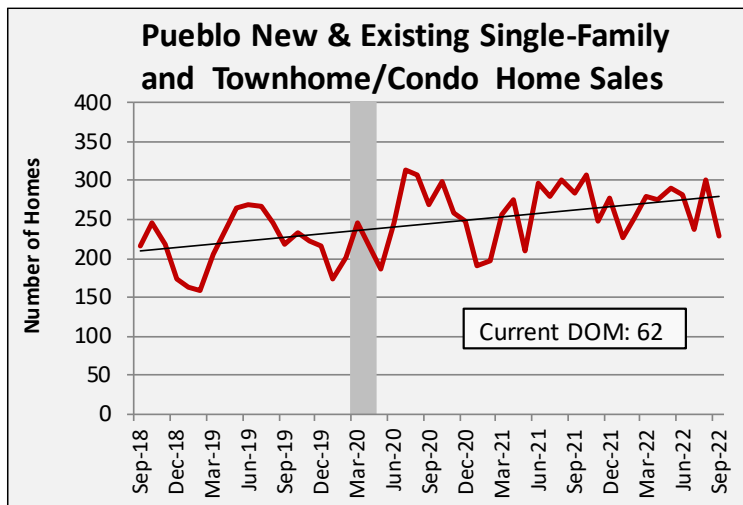


Source: U.S. Census Bureau, American Community Survey 1-year estimates



Source: Colorado State Demography Office

REAL ESTATE (PAGE 7)

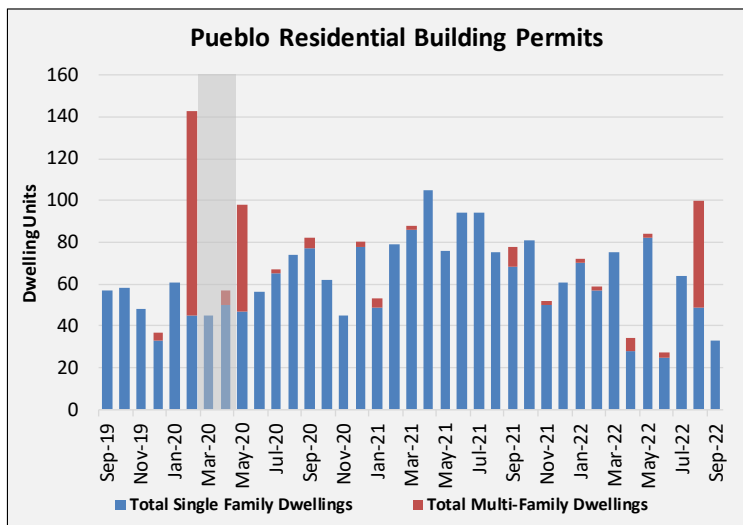


Source: Pueblo Area Realtors.

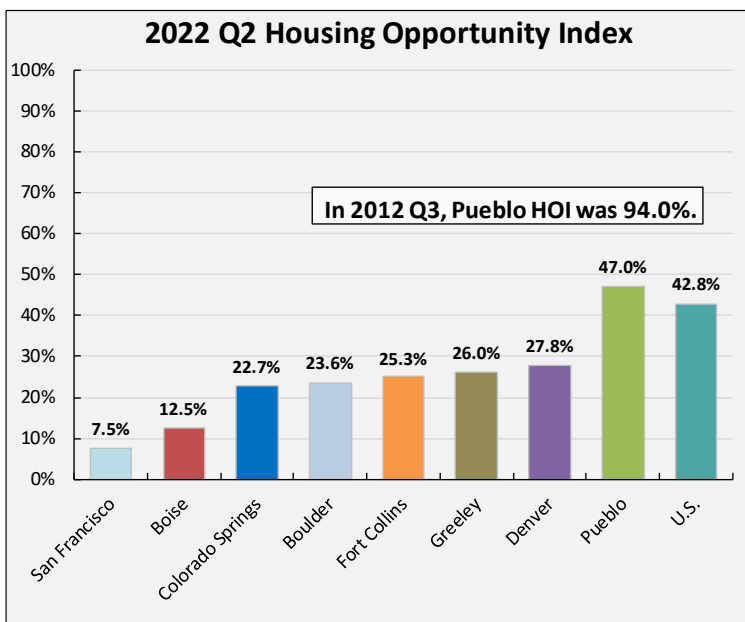
Median Existing Single-Family* Home Price 2022 Q2 (CS, Denver, U.S.) and Sept. (Pueblo)

Location	Colorado Springs	Denver	Sept. 2022 Pueblo (*New & Existing)	United States
Price	\$480,900	\$695,800	\$295,000	\$413,500
1-year % Change	9.5% increase	12.5% increase	3.5% increase	14.2% increase
MSA Rank	35	13	106	n/a

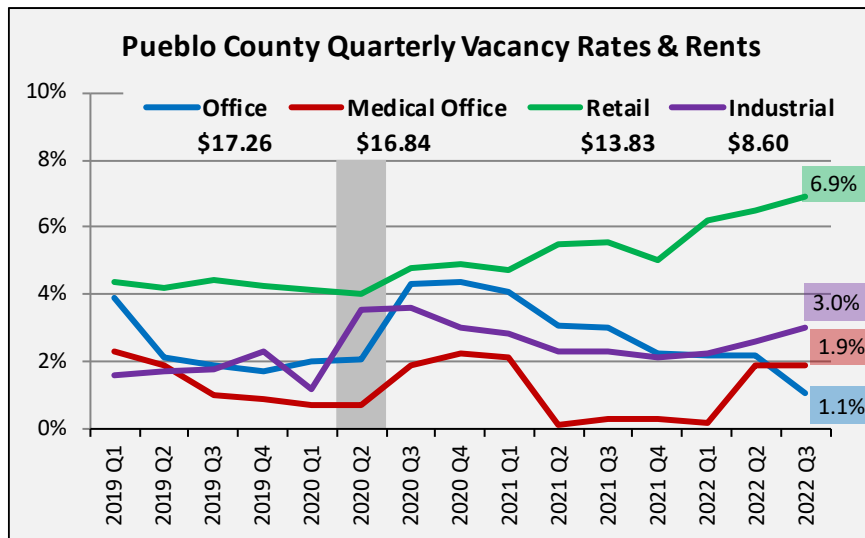
*Includes existing homes only except for Pueblo, which includes new & existing since PAR only reports both (combined). Pueblo ranking is estimated based on similar MSA city ranking and price is for most recent month. 190 MSAs measured.
Sources: National Association of REALTORS®; Pueblo Area Realtors (PAR)



Sources: Pueblo Regional Building Department; City of Pueblo



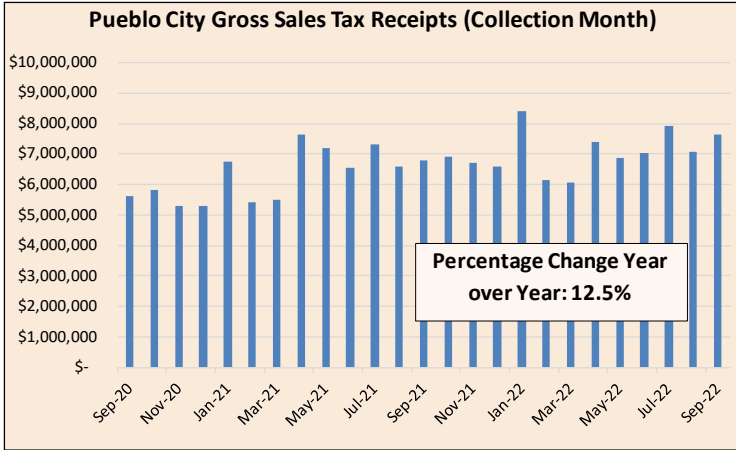
Note: The Housing Opportunity Index (HOI) is defined as the share of homes sold in that area that are affordable to a family earning the local median income, based on standard mortgage underwriting criteria. It includes new and existing homes.
Sources: National Association of Home Builders; Wells Fargo



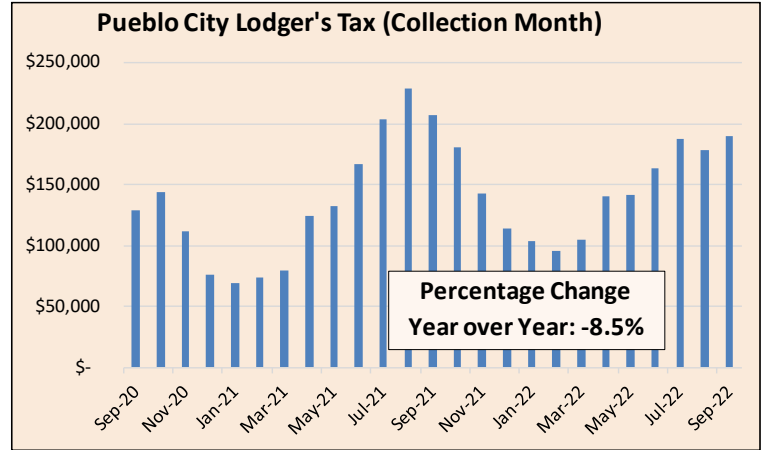
Sources: CoStar Group™; Olive Real Estate Group, Inc.

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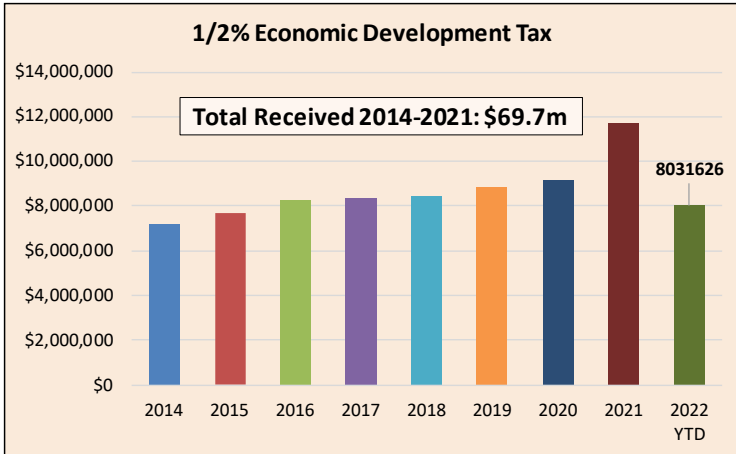
TAXATION, VEHICLE SALES, AND TOURISM (PAGE 8)



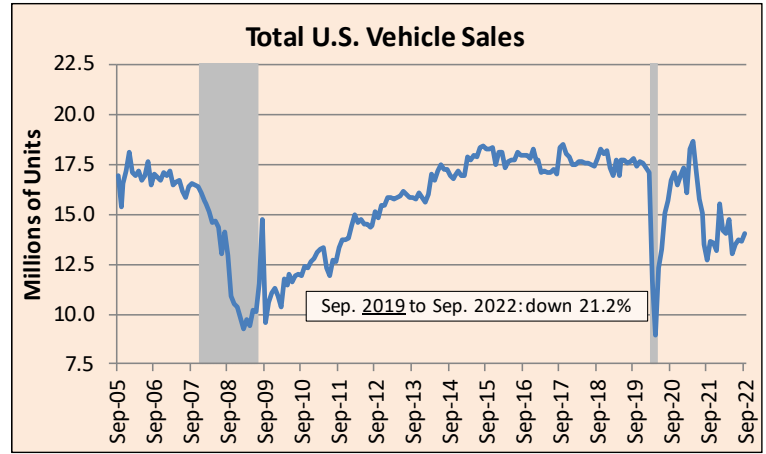
Source: City of Pueblo



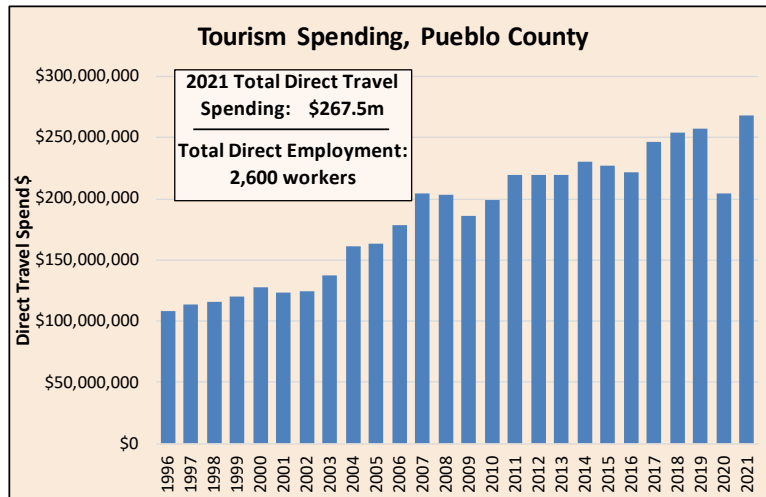
Source: City of Pueblo



Source: City of Pueblo



Source: U.S. Bureau of Economic Analysis



Note: Direct travel includes day and overnight visitors.

Sources: Colorado Tourism Office; Greater Pueblo Chamber of Commerce

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