

Pueblo Economic & Workforce Development Dashboard

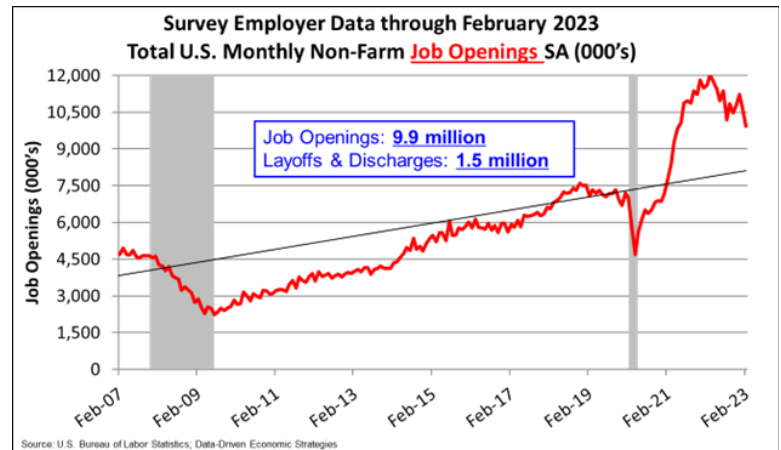
Highlights—April 2023

Hello! First, if you have interest in an economic presentation I will be doing in Colorado Springs that will be open to the public, there are about 20 seats left for our upcoming [State of the Economy presentation on May 17th](#) at the Pinery from 2-4 p.m. (followed by a networking happy hour). You can get more details and register at <https://www.ddestrategies.org/>.

GDP {Page 1} for first quarter of this year was just released and it showed a lower growth rate in the U.S. than what was anticipated. Analysts had estimated that GDP in 2023 Q1 annualized for the year would be 1.9%, but it came in quite a bit lower at 1.1%. Year-over-year GDP increased by a larger amount (1.6%), but that's mostly due to a lower baseline growth rate last year. The subpar growth is mostly due to a fall in the volume of goods and services that were added to business inventories. This is very much in line with the fall in manufacturing we saw in March. The ISM manufacturer's index was in contraction territory (e.g., below 50) in March at 46.3 – and contracting manufacturing is typically a leading indicator for the economy as a whole. The primary reason GDP did not outright contract in Q1 of this year is because people are still out spending money. Consumer spending increased 3.7% in the first quarter of this year compared to 2022 Q4, which is significant and turned out to be the saving grace since about 2/3 of the U.S. economy is consumer spending. The bad news is that savings rates are now lower (4.6%) than pre-pandemic levels (~8-9%) and consumers are relying more on credit cards to finance their expenditures. In other words, the higher consumption that has been buoying GDP is not likely to continue. And in the face of high interest rates alongside declining manufacturing, investment, and other key indicators, a recession is looking more likely.

University of Michigan Consumer Sentiment {Page 3} did not materially change over the past month, but there are some nuances worth mentioning. Sentiment has more recently improved among lower-income consumers and deteriorated among those with higher incomes. This underscores that most of the layoffs we are seeing are in white-collar professions, and I highlighted the [layoffs and job openings](#) in a recent economic segment. Typically, recessions have first hit lower-income consumers, although I would argue that the Great Recession started with white collar professions particularly around the financial services industry but very quickly spread to other industries and lower-income earners. This time the layoffs are very concentrated in the information technology industry, which is estimated to be about 8% of total U.S. employment (not that big). Having said that, if the current economic slowdown in various aspects of the economy continues, it's likely layoffs will spread to other industries. Last week I was in Denver for our monthly meeting of economists and industry experts, and the chief economist for the Colorado Department of Labor and Employment (CDLE) stated that “high” unemployment in a 2023 downturn would still be very low by historic standards – in the range of 5.0%, and I agree. Employers are already stating in some closely watched surveys such as the [small business survey](#) and the [manufacturer's survey](#) that they are reducing their employment plans. However, there is an important difference between reducing plans to hire and laying people off. This is what many economists are highlighting: that the record level of **Job Openings {Page 3}** will come back to earth, not as many people will quit, and that layoffs will not reach into the millions as they did during the Great Recession. In 2009 alone, 15 million people were unemployed, almost three times what it is today. Indeed, the adjacent graph shows the moderation in job openings, and that the current level is still well above trend at 9.9 million, which is almost seven times the level of layoffs and discharges (1.5 million).

This is certainly playing out in Pueblo. The unemployment rate came down from 4.6% in February to 3.8% in March. Likewise, the **Number of Workers Available per Open Position {Page 4}** fell significantly in Pueblo from 0.99 in February to 0.69 in March. The number unemployed fell by 614, and the number of postings increased by 662, and when the numerator falls and the denominator increases, the ratio falls quite a bit. Some of the increase in job postings is mostly due to seasonal hiring as we head into spring/summer. We already have, nationwide and locally, a tight labor market and this continues to apply upward pressure on wages. The recently released Employment Cost Index for the first quarter of this year showed wages are still a major driver of inflation and this is true across virtually all industries. One thing I note about Pueblo, however, is that employment in health care and social assistance, the top employer as shown in the [Employment by Sector {Page 4}](#) graph has been declining. This is very different than the general U.S. trend, and I don't think it's because demand for health care in the region has declined. It's more likely that Pueblo is having a particularly difficult time with attrition of workers in that field and probably also experiencing difficulty in hiring health care workers overall. This is validated by the simple fact that over half of the **Top Employers in Pueblo {Page 4}** are health care facilities. At a minimum, there are ample opportunities for jobs, many of them at livable wages, within the health care field. In some cases, certifications for health care allied health jobs can be obtained in high school or baseline skills can be obtained in the classroom so high



[Page 3 - Macroeconomic “Big Picture”](#)

[Page 4 - Local Labor Market](#)

[Page 5 - Local Info by Zip Code](#)



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[Page 8 - Taxation, Vehicle Sales & Tourism](#)

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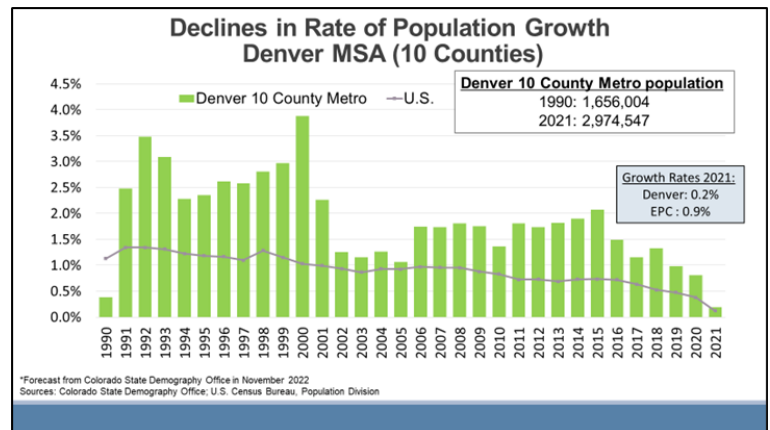
school graduates can go straight into employment at a health care facility, many of which reimburse for additional training. Such training programs can often go a long way in closing local **Education and Income Gaps {Page 5}**.

With the job market remaining strong, consumers are staying positive as this not only keeps them confident about their current or future job prospects, it also helps keep some momentum in wages. And with some of the wage increases we saw during the pandemic, **Inflation {Page 3}** is now taking a little less of a bite out of the average household budget. Indeed, headline inflation fell from February (6.0%) to March (5.0%), and that was good news for households and the Federal Reserve. However, core inflation over the year (which strips out food and energy) rose from February (5.5%) to March (5.6%) showing not only the broad-based nature of our current inflationary pressures, but also that we shouldn't assume too much in terms of the rapidity of declining inflation. Note that the inflation/CPI table has the **Pueblo Cost of Living Index {Page 3}**, which was 97.2% of the U.S. average city in 2022.

This then translates to assumptions around **Interest Rates {Page 3}**. The Fed has increased interest rates 500 basis points (or 5.00%) in thirteen months, which has been so draconian that it has not only created distortions in the financial and real estate realms, it has prompted an assumption that the Fed will quickly and decisively reduce rates at the first signs of a recession. In fact, the stock market is pricing that into future corporate earnings, which I believe is questionable at best. It's true we have not had a pandemic in 100 years, so it is difficult to say with certainty how quickly those distortions will work themselves out. But if history is any indication, it usually takes a long time to bring down inflation. Moreover, many tactics are simultaneously being used to bring down inflation (interest rate hikes, ceasing fiscal payments to households, sanctions on Russia) and yet inflation is more than 2 times what the Fed would like it to be. For this reason, economists are divided on the speed at which both inflation and interest rates will normalize. Currently, I am siding with the camp that there will be one more 25 basis point hike with an elongated pause at the high rate for the remainder of 2023 – as long as we don't have an unexpected "shock" to the system like broader contagion in the financial sector or some geopolitical event. I'll let you know if my thinking on that changes.

Having said that, I am closely watching the commercial real estate (office) market and the impacts of its structural decline on banks and other lenders. I did a **weekly segment** on this, but a more detailed article will appear in The Gazette this Sunday (April 30th).

Demographics {Page 5} are still positive for Pueblo with an estimated 192,621 by 2050, but state projections have been revised down to 7.5 million by the Colorado State Demographer's Office (from roughly 8 million previously). Since most of our state population is in Denver/Boulder, this got me curious about the current and projected population of Denver MSA (metropolitan statistical area) so we made a graph. I have to say I was surprised. We've all seen the press Denver has gotten these past few years, but I did not think it was as dramatic as it is. As a point of reference, the blue textbox highlights the growth rates for El Paso County (0.9%) and the Denver MSA (0.2%). This makes me think about how important it is to be proactive in maintaining and/or fostering the attributes that make a region attractive to live in such as affordable housing, good schools, safe neighborhoods, good jobs, and vibrant downtowns (to name a few). By the time a region starts losing population, it's often too late to reverse the trend. One piece of good news is that the median single-family (new and existing) **Home Price {Page 7}** declined slightly in Pueblo from February (\$318,500) to March (\$316,920). Please also note that we've added **Apartment Rental {Page 7}** information so government, businesses, and individuals can see the average rent and vacancy rates as provided on a quarterly basis by the Colorado Statewide Apartment Survey and CHFA (see notes under table).



Many of you are closely watching the Colorado Springs mayoral race as what happens in Colorado Springs impacts Pueblo. The May 17th economic presentation will be the day after the mayoral runoff election, and we should know who the next mayor will be by the time of our event. On that note, thank you to Community Banks of Colorado for being the happy hour sponsor. We will have a DDES signature drink, and our libations sponsor is providing one free drink ticket for those who wish to partake. As always, thank you and happy spring!

Tatiana & Rebecca

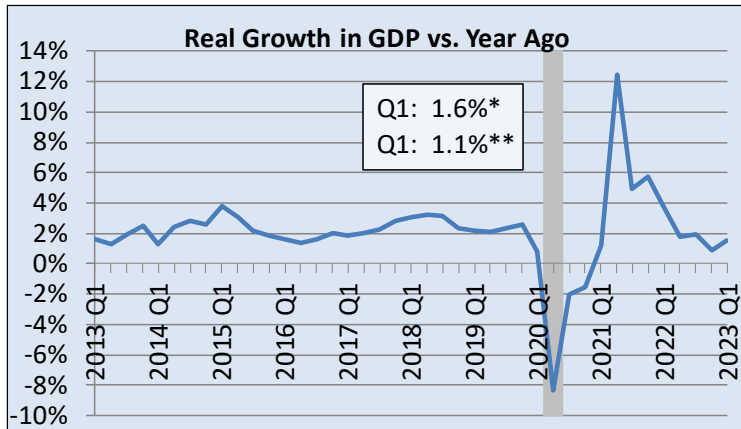
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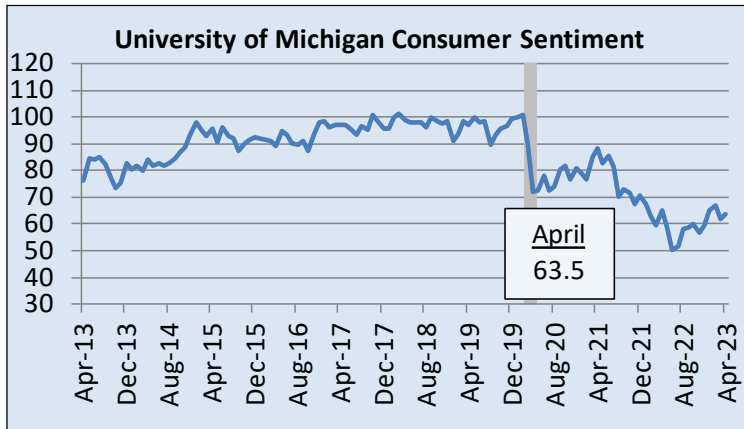
MACROECONOMIC "BIG PICTURE" (PAGE 3)



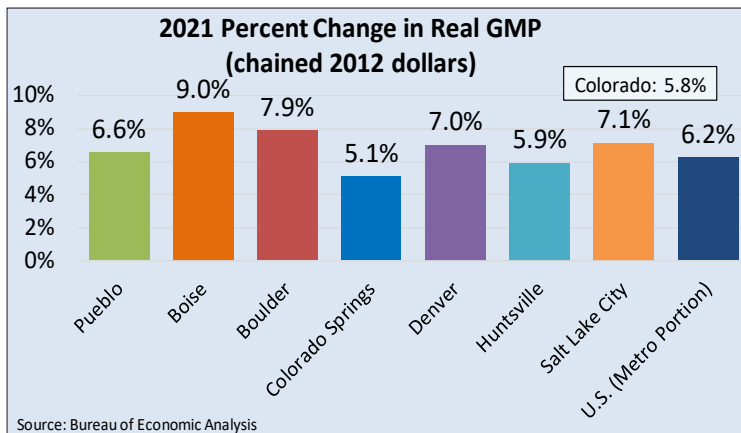
*Estimate of real GDP percent change from same quarter a year ago, SA

**If quarterly changes were annualized over the year.

Source: U.S. Bureau of Economic Analysis



Source: University of Michigan

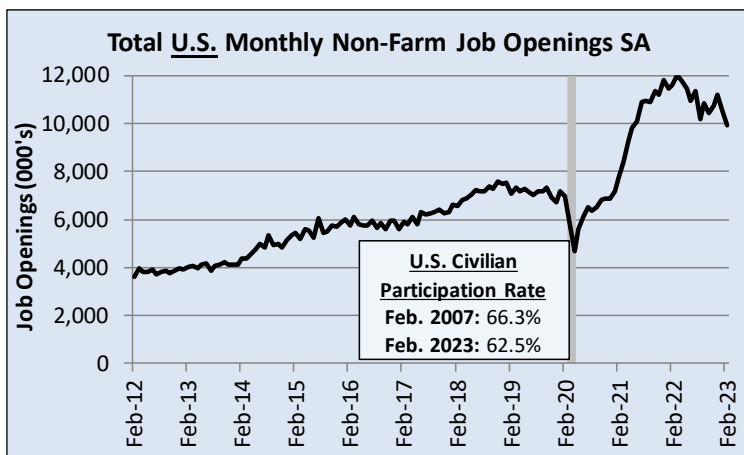


Source: Bureau of Economic Analysis

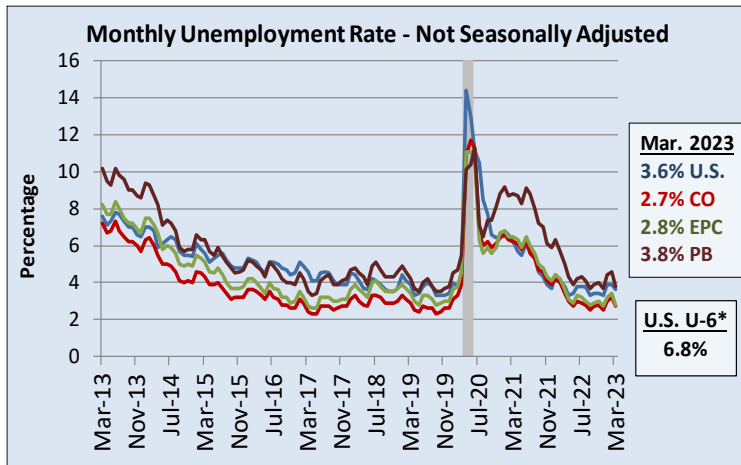
Note: Data includes military. Real GMP is adjusted for regional price parity (RPP).

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.

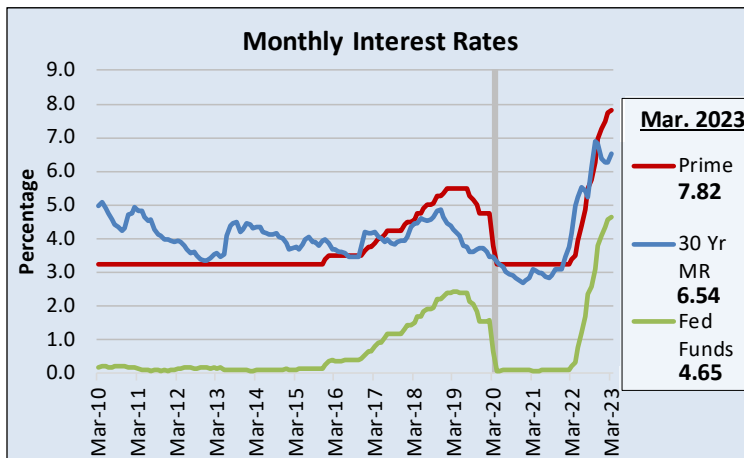
*U-6 includes unemployed, those marginally attached to the labor force, plus those employed part time who would prefer full-time work.

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

U.S. Consumer Price Index - March 2023		
	All items	Less food & energy
Change from February to March 2023 (SA)	0.1%	0.4%
Last 12-months (NSA)	5.0%	5.6%

The 2022 cost of living in Pueblo MSA was 97.2% of the U.S. average according to C2ER. Colorado Springs's index was 105.0% of U.S.

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



Source: Board of Governors of the Federal Reserve System

Pueblo Economic & Workforce Development Dashboard

LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Pueblo County, March 2023

Top Job Titles (Pueblo MSA)	# of Job Postings (Pueblo)	Median Advertised Salary (Pueblo)	Risk of Automation (U.S.)
Registered Nurses	459	\$103,168	Low Risk
Retail Salespersons	120	\$33,152	Medium Risk
1st-Line Supervisors, Retail Sales	96	\$47,744	Low Risk
Food Service Managers	81	\$47,360	High Risk
Fast Food & Counter Workers	78	\$30,080	High Risk
Coaches & Scouts	64	\$47,488	Low Risk
Medical & Health Services Managers	62	\$85,248	Low Risk
Customer Service Reps	61	\$33,408	Medium Risk
Sales Reps, Wholesale & Mfg	61	\$51,840	Medium Risk
Nursing Assistants	57	\$41,600	Medium Risk

Pueblo MSA, March 2023

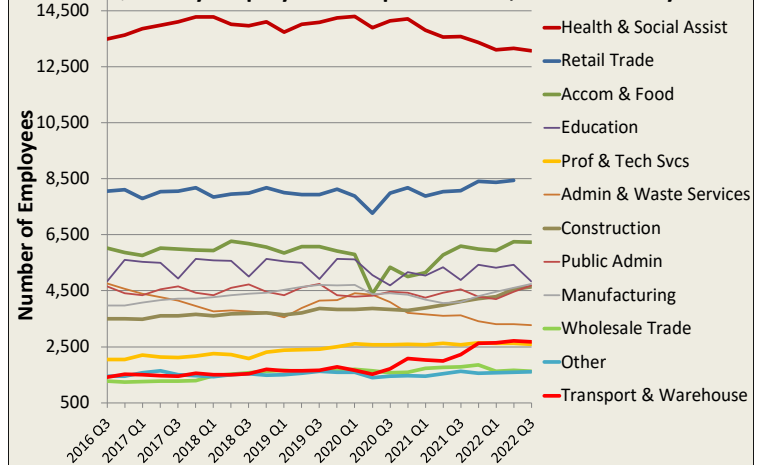
TOTAL Job Openings: 4,235

TOTAL Unemployed: 2,937

Workers Available per Job Opening: 0.69

Sources: The Conference Board®-Lightcast® Help Wanted OnLine® via Pikes Peak Workforce Center; CO Dept. of Labor & Employment

Quarterly Employees in Top 12 Sectors, Pueblo County



Top Growing Industries from 2016 Q3 to 2022 Q3

Transport & Warehouse: +88.9%
 Construction: +33.0%
 Wholesale Trade: +28.3%
 Prof & Tech Services: +26.7%
 Manufacturing: +19.1%
 Other (typically services): +11.4%

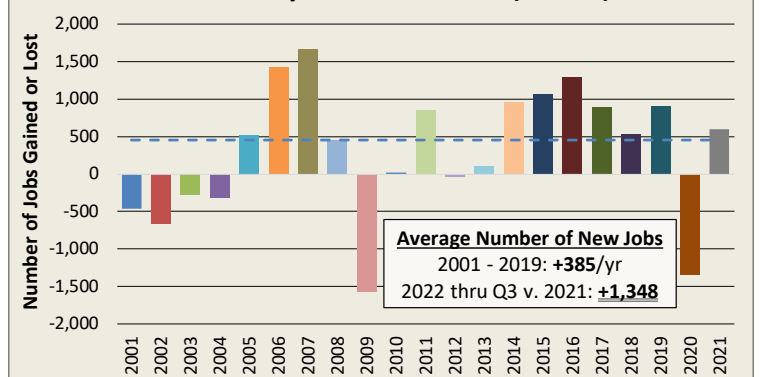
QCEW data lags up to three quarters and includes public and private employment. Source: Colorado Department of Labor & Employment, Quarterly Census of Employment and Wages (QCEW)

Top Employers - Pueblo MSA in March 2023

Name of Employer	# of Job Postings	Median Advertised Salary
Parkview Medical Center	205	\$85,760
Pueblo County School District 70	117	\$56,704
Centura Health	81	\$81,664
City Of Pueblo	76	\$51,072
Parkview Health System	67	\$51,712
Pueblo City Schools District 60	65	\$64,128
Colorado State Government	54	\$59,264
Colorado State University	52	\$56,832
Aya Healthcare	47	\$152,320
Life Care Centers of America	41	\$52,096
Health Solutions Us	39	\$66,816
Crossroads Turning Points	36	\$41,600
Pueblo County Courthouse	33	\$58,368
Pueblo Community College	32	\$49,664
Walmart	30	\$38,528

Source: The Conference Board®-Lightcast® Help Wanted OnLine® via Pikes Peak Workforce Center

Pueblo County Annual Net New (or Lost) Jobs



The dashed line represents the number of new jobs needed (455) based on population growth and age composition from 2020—2025. This QCEW data lags up to three quarters and includes public and private employment.

Source: Colorado Department of Labor & Employment, Quarterly Census of Employment and Wages (QCEW)

Pueblo MSA and Pueblo County are one and the same.

2022 Q3 Average Annual Wages for All Industries

Pueblo wages are 20.8% lower than the U.S.
 26.4% lower than Colorado
 13.8% lower than El Paso County

U.S.	Colorado	El Paso County	Pueblo County
\$69,368	\$74,724	\$63,752	\$54,964
2022 Q3 Total Employment			63,003
2022 Q3 Total # Establishments			3,933

2021 Federal Poverty Level (FPL)

	Pueblo County	U.S.
% people at FPL or below	16.3%	12.8%
Note: FPL in 2021 was \$12,880 for an individual and \$26,500 for a family of four.		

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

2022-23 Minimum Wage & Living Wage Pueblo County

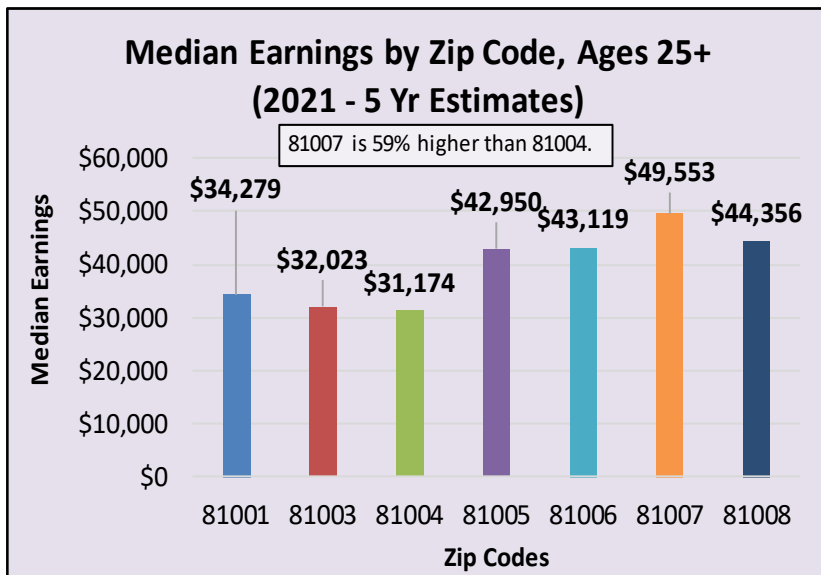
	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$13.65	\$28,392
Living wage: HHs with 1 adult, 2 children	\$45.38	\$94,390
Living wage: HHs with 2 adults (1 working), 2 children	\$39.18	\$81,494
Living wage: HHs with 2 adults* (2 working), 2 children	\$25.00	\$52,000
*Living wage is for each working adult. For specifics, go to livingwage.mit.edu .		

LOCAL INFORMATION BY ZIP CODE (PAGE 5)

Pueblo Percentage with HS Diploma by Zip Code, 2021 - 5 Year Estimates							
Zip Code	White Alone	Black Alone	Amer Ind/ Native Alaskan	Asian Alone	Other Race Alone	Two or More Races	Hispanic/ Latino Origin
81001	90.5%	97.7%	71.1%	91.1%	72.3%	89.7%	81.0%
81003	82.8%	58.2%	87.9%	79.5%	86.0%	85.3%	79.8%
81004	90.7%	87.6%	80.5%	92.2%	78.4%	85.2%	84.2%
81005	95.1%	95.1%	76.2%	100.0%	78.9%	96.8%	88.9%
81006	93.7%	100.0%	67.9%	100.0%	88.5%	93.6%	89.6%
81007	93.1%	98.4%	86.4%	96.1%	81.1%	97.1%	89.7%
81008	92.1%	100.0%	55.4%	72.0%	96.0%	84.6%	85.5%

Pueblo Percentage with Bachelor's Degree by Zip Code, 2021 - 5 Year Estimates							
Zip Code	White Alone	Black Alone	Amer Ind/ Native Alaskan	Asian Alone	Other Race Alone	Two or More Races	Hispanic/ Latino Origin
81001	20.1%	37.8%	1.0%	47.4%	3.8%	23.6%	10.4%
81003	15.9%	21.9%	11.6%	47.0%	20.5%	23.0%	15.1%
81004	22.1%	12.0%	2.4%	34.8%	8.8%	14.2%	11.8%
81005	26.0%	47.6%	4.0%	42.8%	7.9%	38.6%	16.5%
81006	26.3%	36.1%	1.9%	100.0%	8.5%	15.1%	16.2%
81007	29.1%	19.8%	18.9%	57.8%	18.6%	43.8%	18.9%
81008	30.8%	54.4%	14.5%	59.3%	23.5%	26.6%	20.7%

Note: Native Hawaiian and Other Pacific Islander category excluded due to extremely high margins of error (sample size too small). Margin of error can be larger for smaller populations. Five-year estimates are more accurate due to small sample size in many zip codes. Source: U.S. Census Bureau, American Community Survey 5-year estimates



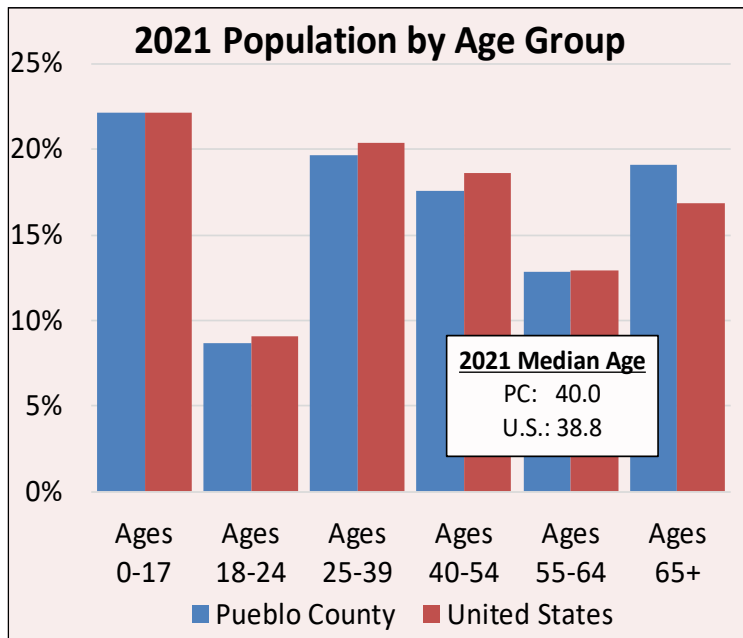
Five-year estimates are more accurate due to small sample size in many zip codes. Data for 5-year estimates lags, so 2021 should be released in December 2022.

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

Median Earnings 2021 (All Ages Full-Time)	
U.S.	Pueblo County
\$53,888	\$50,970

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

DEMOGRAPHICS (PAGE 6)

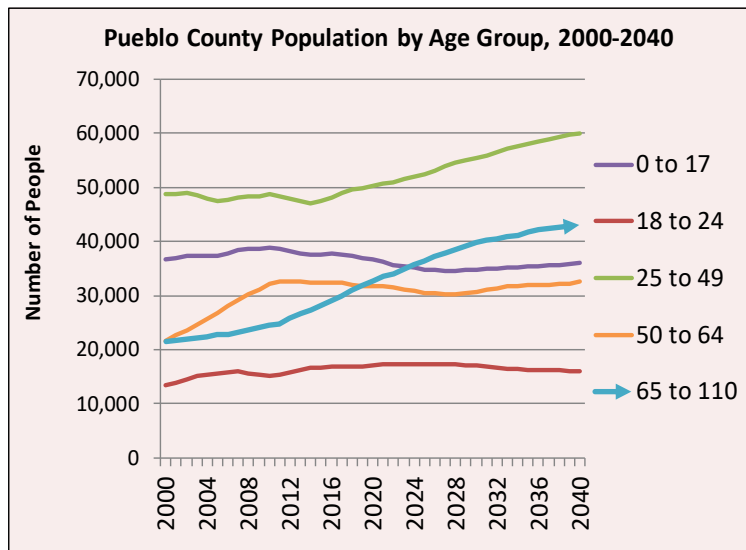


Sources: U.S. Census Bureau, Population Division, Population Estimates Program; American Community Survey 1-year estimates

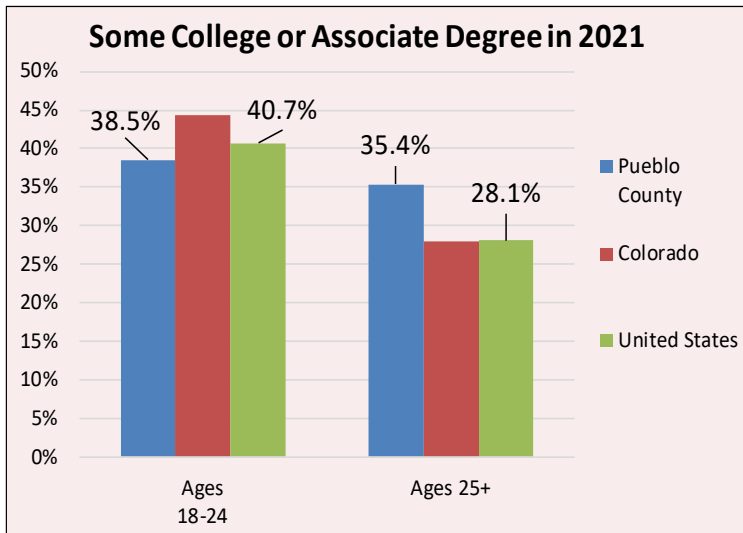
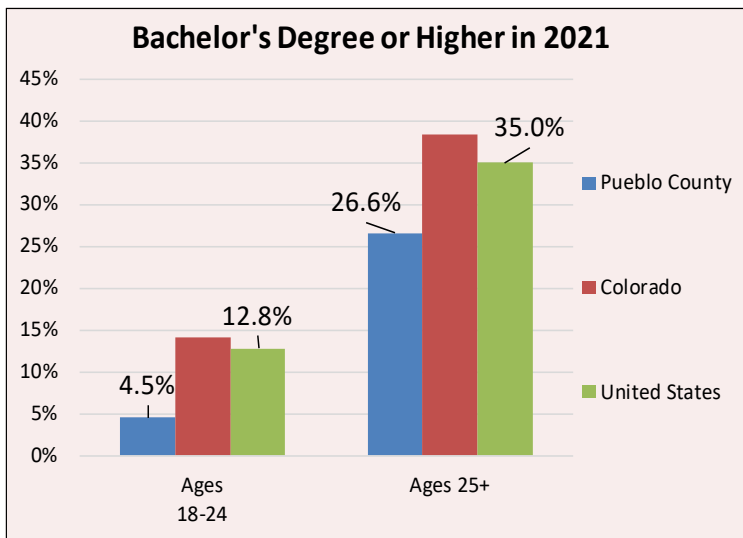
Population Estimates

Region & (Growth Rate)	2021	2050
Pueblo County (14%)	169,504	192,621
Colorado (29%)	5,814,707	7,486,286

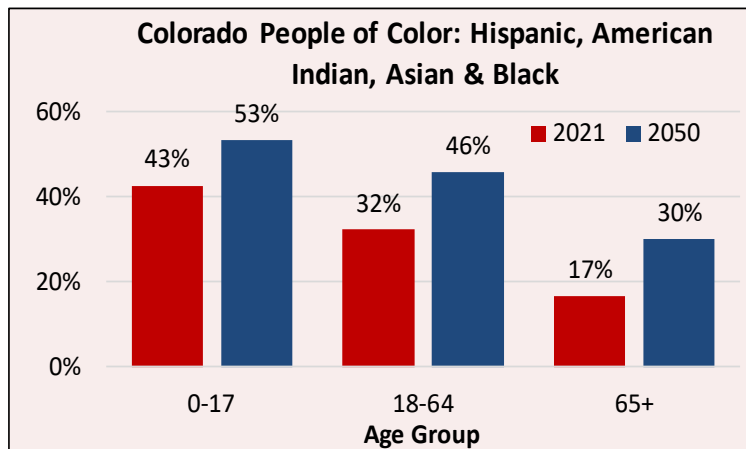
Source: Colorado State Demography Office



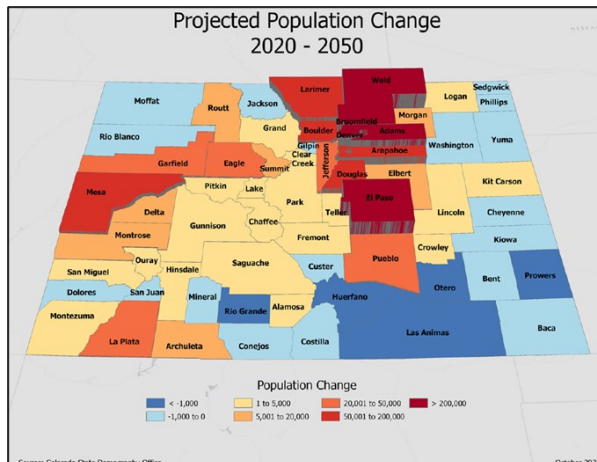
Source: Colorado State Demography Office



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

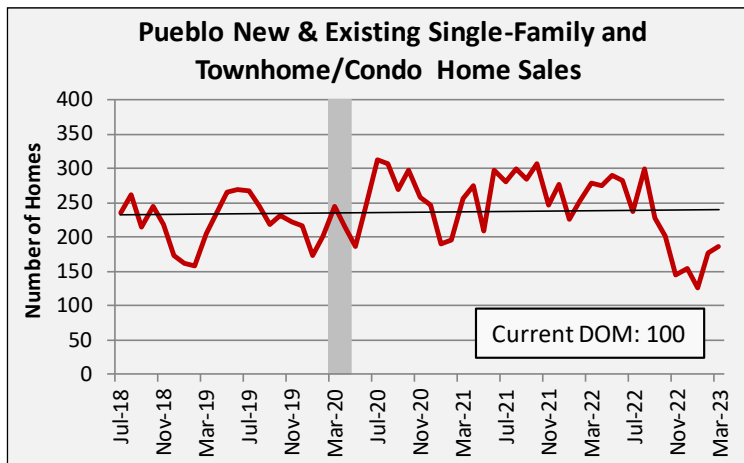


Source: Colorado State Demography Office



Source: Colorado State Demography Office

REAL ESTATE (PAGE 7)

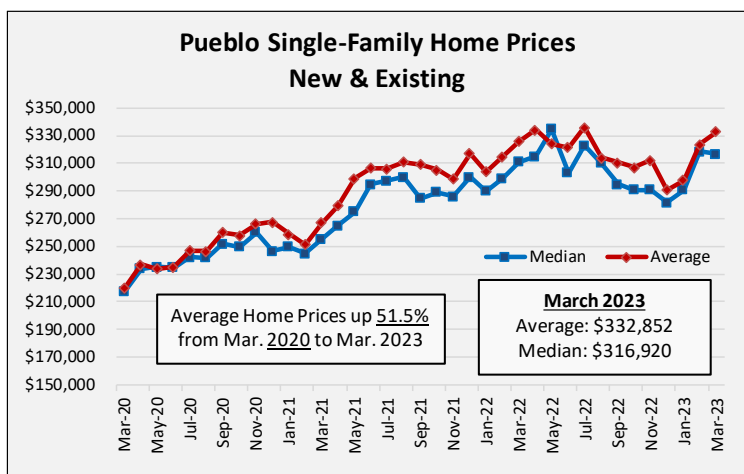


Source: Pueblo Association of REALTORS®, Inc. (PAR)

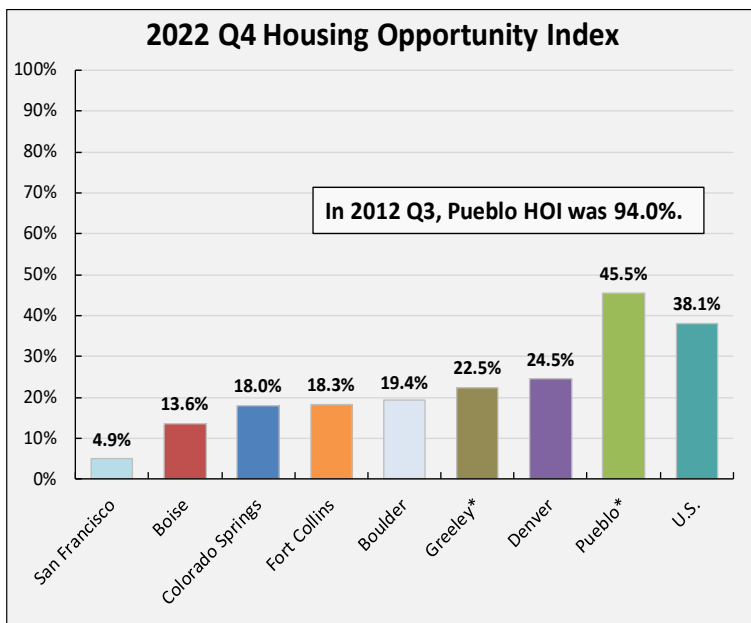
Median Existing Single-Family* Home Price 2022 Q4 (CS, Denver, U.S.) and Mar. (Pueblo)

Location	Colorado Springs	Denver	Mar. 2023 Pueblo (*New & Existing)	United States
Price	\$443,400	\$640,000	\$316,920	\$378,700
1-year % Change	0.2% increase	3.6% increase	1.9% increase	4.0% increase
MSA Rank	35	13	91	n/a

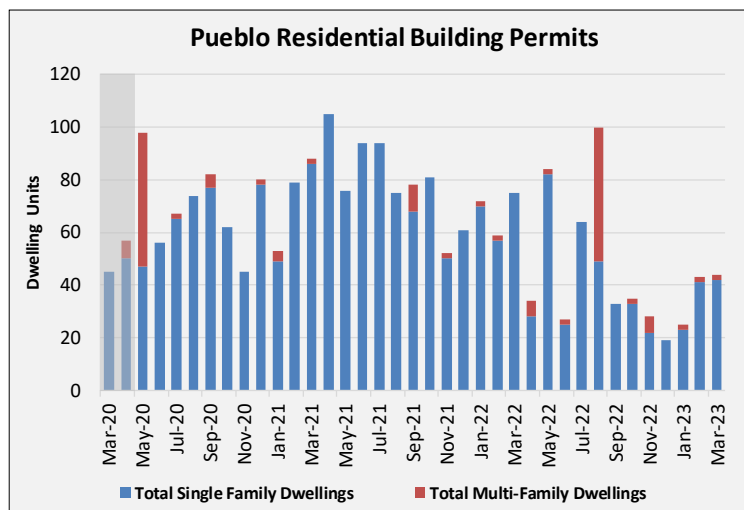
*Includes existing homes only except for Pueblo, which includes new & existing since PAR only reports both (combined). Pueblo ranking is estimated based on similar MSA city ranking and price is for most recent month. 190 MSAs measured. Sources: National Association of REALTORS®; Pueblo Association of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



Source: Pueblo Association of REALTORS®, Inc. (PAR)



*Most recent Greeley and Pueblo data is not available so their HOI is still 2022 Q3. 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



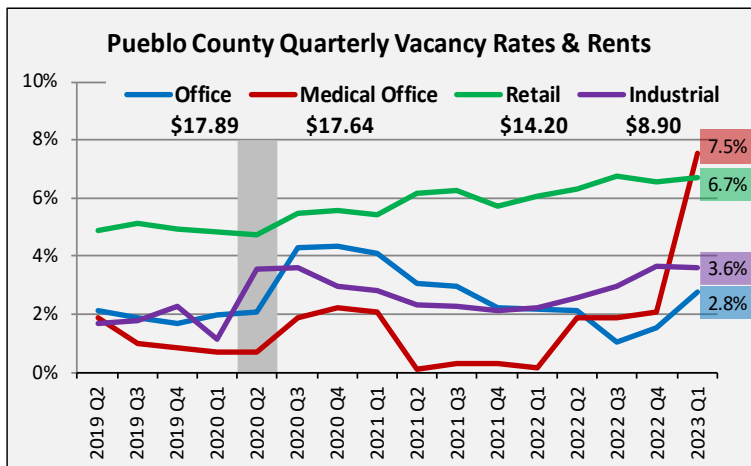
Sources: Pueblo Regional Building Department; City of Pueblo

Apartments, 2022 Q4

	Vacancy Rate	Average Rents	Median Rents	Average Year of Construction
Pueblo Metro Area	4.50%	\$1,154	\$1,016	1986
Pueblo Northeast	7.10%	\$1,013	\$925	1979
Pueblo Northwest	4.30%	\$1,430	\$1,490	2000
Pueblo South	1.40%	\$918	\$940	1973

Note: "Only market rate apartment communities were surveyed, and this does not include affordable units, age-restricted units, or employee housing units."

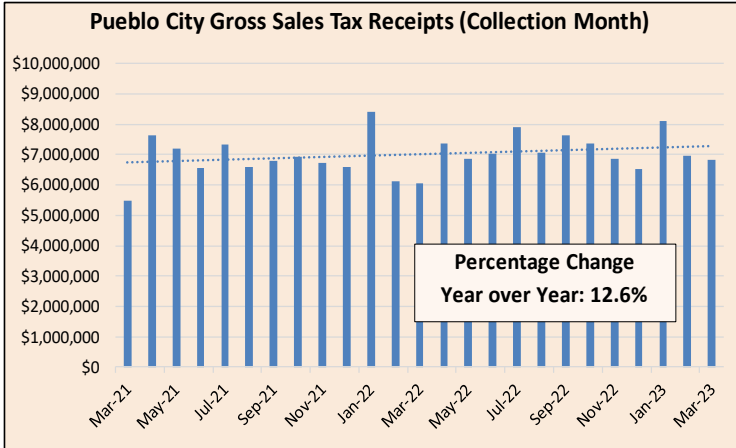
Source: Colorado Statewide Apartment Survey – created by Colorado Housing and Financial Authority; 1876 Analytics LLC; Apartment Insights



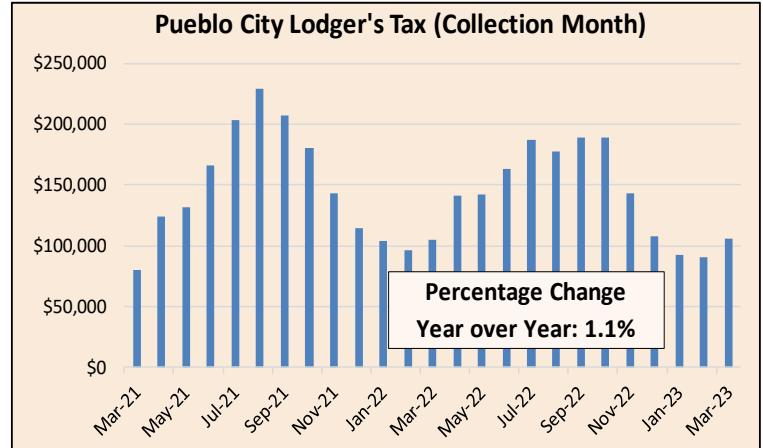
Sources: CoStar Group™; Olive Real Estate Group, Inc.

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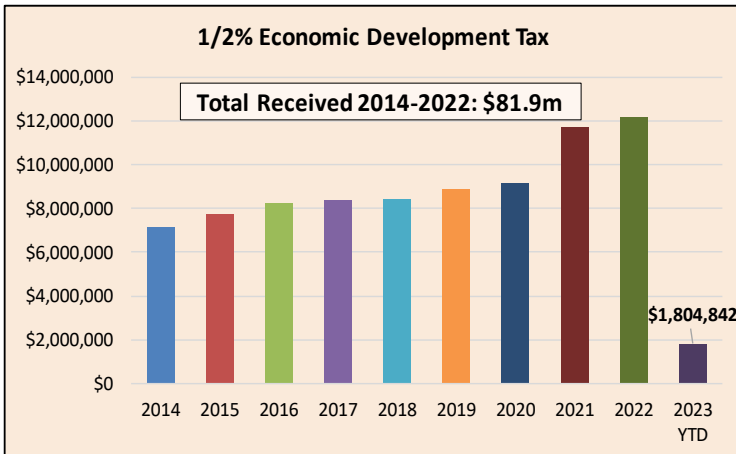
TAXATION, VEHICLE SALES, AND TOURISM (PAGE 8)



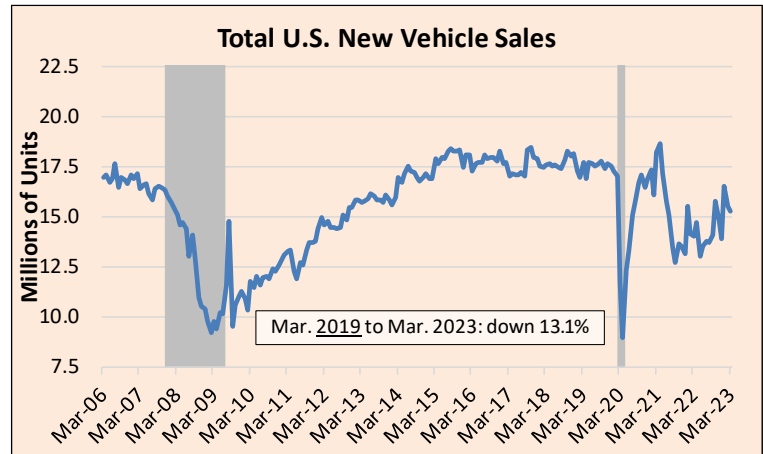
Source: City of Pueblo



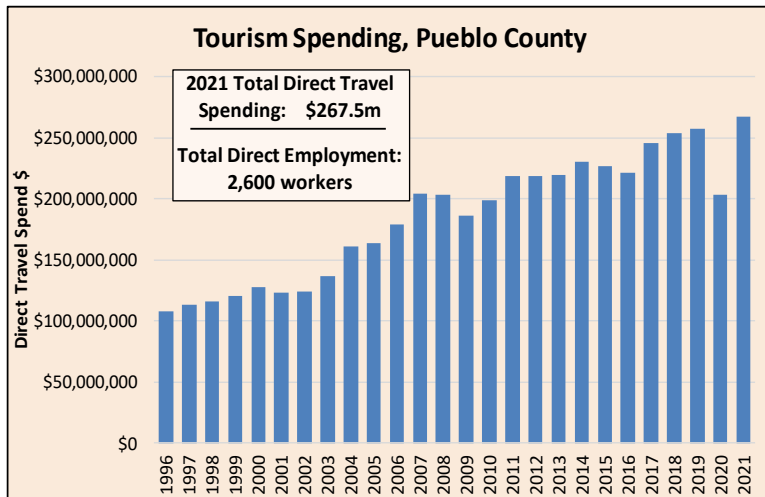
Source: City of Pueblo



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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