

Pueblo Economic & Workforce Development Dashboard

Highlights —December 2023

I hope you are enjoying the holidays with family and friends! This is the last economic dashboard for 2023 with a peek at what's to come for 2024.

In December, regional economic growth rates are released by the Bureau of Economic Analysis (BEA) for the *prior* year as this data lags quite a bit. This measure of **Gross Metropolitan Product {Page 3}**, or GMP, is a key indicator of how much a region grew relative to the year prior. In 2021, most of the nation far outpaced trend growth with U.S. GDP at 6.2%, Colorado at 5.8% and Pueblo at 6.6%. These stellar growth rates were largely a result of lingering pandemic stimulus and strong employment mostly due to demographics. In 2022, however, I was somewhat shocked to see that Pueblo's growth rate was at -1.6% while the U.S. (2.1%) and Colorado (2.2%) returned to trend growth. Other regional indicators showed strength in the local economy so at first glance this didn't make much sense to me.

But as I thought about it some more, some explanations emerged, which I covered a couple of weeks ago on the Fox21 [regional growth segment](#) on Colorado Springs as it too underperformed in 2022. In a nutshell, all of the U.S. had a shortage of (particularly) qualified workers, and small business surveys have consistently supported this. Many businesses say they could have grown more if they had the labor they needed. And the state and region have had an especially tight labor market.

The decline in working age people in Colorado is cited as one of the largest risks to our long-term economic growth according to the [latest report from the state economists](#). I further address this below. This year, the labor market across the U.S. has normalized somewhat and Pueblo is currently at 1.0 **Worker per Job Opening {Page 4}**. This may help out some as we enter 2024, but remember that one person per open job is typically not ideal for business owners as they have to find the one person with the right skills at the wage they are willing to pay. Another indicator of a cooling (but still tight) labor market is the fall in **Job Openings {Page 3}** across the U.S., which stood at 8.7 million. The "fall" is relative to the highly abnormal level of 12 million in March of 2022, but still elevated compared to the pre-pandemic average of 5 million openings (since 2006).

There is another contributor to the 2022 lackluster growth rate also tied to the labor market. Due to the structural changes in most developed nation's demographics with fewer working-age people relative to retirees, and the labor market volatility of the pandemic, there was likely more labor hoarding in 2022. Businesses had such a tough time finding qualified labor (or any labor for that matter) that they were reticent to let go of any workers or reduce hours in fear that it would be tough to find new talent – even if revenue growth was slowing. At the same time, many employers had to pay higher wages that precisely stem from labor shortages. This, too, would restrict business revenues and overall growth.

The subpar regional growth was also largely attributable to lower in-migration. Pueblo typically has had on average 1,280 new residents move into the county each year over the past 20 years, but in 2021 and 2022, Pueblo had 112 and 631 new residents respectively. This, of course, exacerbated the labor shortage and reduced the level of consumption that typically goes with new residents. Tied to this is the slowdown in construction precipitated by higher interest rates with crimped consumption on the demand side (fewer new residents, and fewer existing residents buying homes), and crimped production on the supply side (less construction-related expenditures). The construction industry is still on the list of **Top Growing Industries {Page 4}**, but its percentage growth is lower now. Retail trade was bumped off the "high growth" list in the text box of that graph and replaced by public administration (growing 3.4% from 2017 Q2 to 2023 Q2).

Lastly, it's possible that both public and private hiring was boosted by pandemic-related government programs that helped the strong regional **Employment Gains {Page 4}** of 1,457 new jobs in 2022 – a level far exceeding what is needed to match population growth (455). This may be part of the reason that employment gains were robust in 2022, but overall economic growth was not as high.

The reality of demographics and higher cost of living are hitting us even faster than I thought. Our state has outperformed the nation in terms of economic growth rates and employment, so we are fortunate to have a baseline of businesses across many sectors. This is certainly a comparative advantage, but it will require a pipeline of workers for decades to come. And since "prime working-age individuals" are typically 25-54, housing affordability is intrinsically tied to future in-migration, labor availability and overall economic vitality.

Which brings me to opportunities for Pueblo. Specifically, the in-migration advantage Pueblo is currently projected to have. As the map on the next page shows, between now and 2030, Pueblo County is one of the highest (population) growth counties with between 20,000 and 30,000 new residents. Indeed, the paltry population growth in 2022 is supposed to resume to trend levels in 2025 according to the State Demography Office. I buy this with the caveat that other counties across the nation have had to sharply reduce population growth estimates due to higher costs of living. That's the downside. The upside is that if Pueblo can indeed increase the affordable housing

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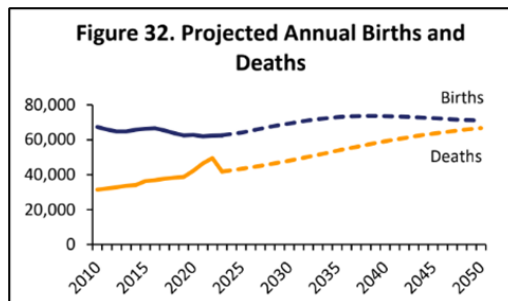
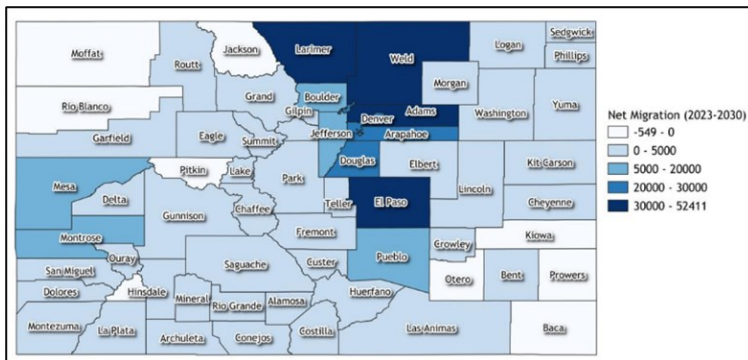
[Page 8 - Taxation, Vehicle Sales & Tourism](#)

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stock, it should be positioned as one of the high-growth regions in Colorado and indeed across the U.S. Meeting that challenge will be the linchpin.

And as the next visual shows, attracting and keeping especially child-bearing age adults will be key within our state as it has been in the past. Within Colorado, stagnant birthrates relative to deaths are a challenge. Younger adults between 20 and 39 accounted for the largest share of net in-migrants (60%) from 2000 to 2020. Past decades of younger residents moving to our state are now coming to roost with a sudden aging of the population as those 1980s and 90s transient go-getters become retirees. Over the next five years alone, there will be 40,000 annual retirements in Colorado. We currently have 1 million residents aged 65+ (16.4% of the CO population) and will have 1.6 million (21.1%) by 2050. As the state economic report says, “the 65+ cohort will simultaneously put downward pressure on government revenue growth as older adults typically pay lower income taxes due to retirement or fixed incomes, generate lower sales tax collections through reduced spending, and qualify for more tax benefits such as property tax exemptions like the Senior Homestead Exemption.” I will add, however, that older Americans have stepped up in terms of working past normal retirement ages as have working-age women. So, although the overall U.S. labor participation rate is anemic compared to other developed nations, older workers and women have increased their participation in the past few years, and that has helped. The headwind is more about the tsunami of retirees relative to previous decades.



I believe another antidote to these structural changes includes real-time response to changes in the labor market. This includes assiduous attention to the high-demand skills as reflected by job postings with [active local implementation of new training/certification programs](#) such that business growth can be at its full potential. This, too, was discussed in a recent Gazette article and corresponding local weekly TV segment where innovations in K-12 and a Colorado community college (PPSC) were both highlighted.

And if I zoom back out and look to 2024 and 2025, I have to say that next year, in particular, will look flat compared to the elevated consumption and growth levels the U.S. has experienced post-pandemic. I see various factors that ensure some level of volatility in inflation including business owner surveys that show elevated prices paid (which get passed onto consumers), geopolitical threats in energy-producing regions, a structural housing shortage, and deglobalization. In turn, this ensures that interest rates will not return to zero or near-zero levels although they will come down roughly a percentage point by the end of 2024. The high U.S. debt means the Treasury will have to issue more bonds/notes to finance the debt and Treasury yields correlate to the 30-year mortgage rate (meaning we aren't likely to see 3% mortgages anytime in the foreseeable future). Lastly, 38% of global GDP economies will have elections in 2024 (more if the U.K. calls an election) and that too introduces more economic and political uncertainty.

But for us in the U.S., it really is all relative. In the international economic report we do, I talk about the resiliency of the U.S. economy as compared to most other developed nations particularly Europe. Despite the pain that has come with higher interest rates and higher debt levels, the U.S. has fared better than peer nations as Europe will likely be in a recession in 2024. The U.S. GDP growth rate will likely be around 1.0% in 2024 - nothing to write home about - but should resume trend growth of almost 2.0% by 2025. Most households will keep their jobs with unemployment rates around 4.0%, which is quite low by historical standards. Modest reductions in interest rates, improving (University of Michigan) consumer sentiment, and other recent indicators tell me that we may avert recession in 2024 after all, barring any economic shocks. And even with underwhelming growth, that's good news. I'll feel especially optimistic if the Michigan Wolverines beat Alabama on the first day of 2024. Perhaps there are parallels between Michigan football and the U.S. economy? Michigan's program has the most total wins in college football history (1,002), most appearances in the final AP Poll (62), and most undefeated seasons (23) of any D1 program. There are always headwinds and challenges, but like UM football, the U.S. has outperformed its peers, and that alone is worth celebrating. My very best wishes to you and yours for a healthy, peaceful 2024!

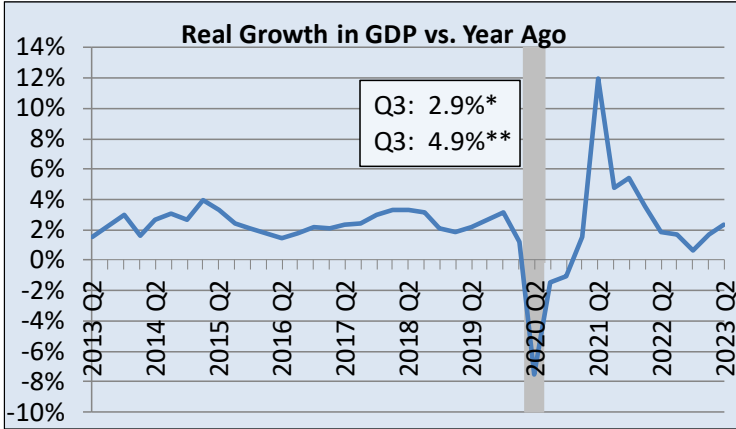
Tatiana & Rebecca

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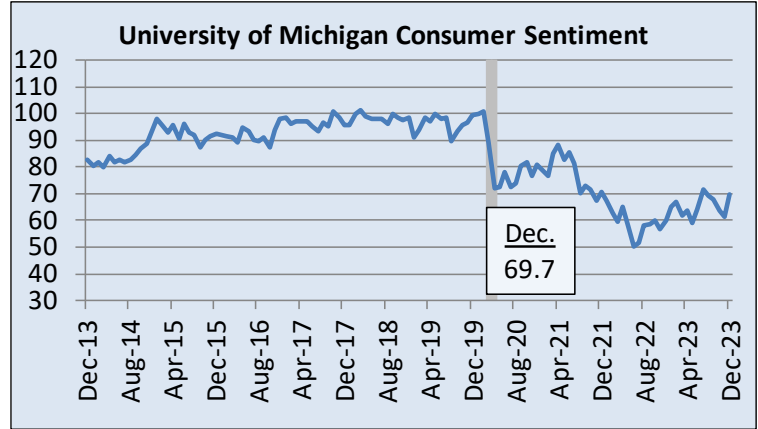


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MACROECONOMIC "BIG PICTURE" (PAGE 3)



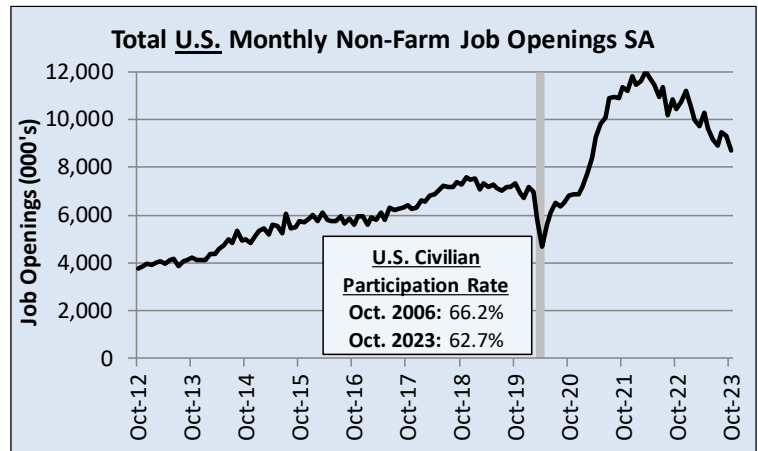
*Estimate of real GDP percent change from same quarter a year ago, SA
 **If quarterly changes were annualized over the year.
 Source: U.S. Bureau of Economic Analysis



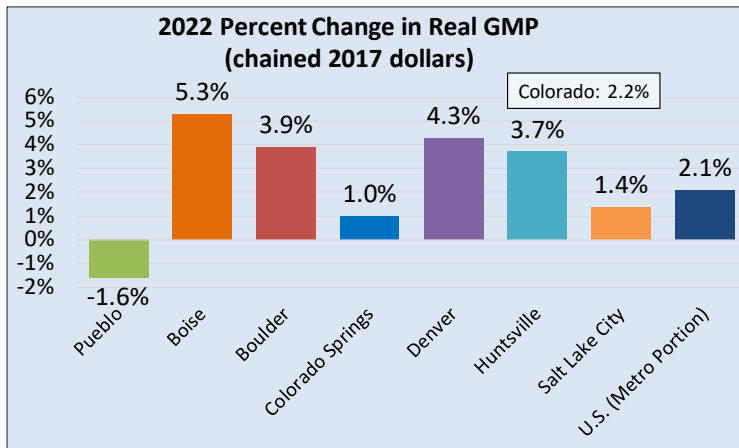
Source: University of Michigan

Forecasts for U.S. Real GDP and Unemployment (SA)				
	2022 Actual	2023 Forecast	2024 Forecast	2025 Forecast
Real GDP Growth	1.9%	2.4%	0.9%	1.5%
Unemployment Rate	3.7%	3.6%	4.0%	4.1%

Forecasts by Data-Driven Economic Strategies with input from the Conference Board, Wells Fargo, Colorado Department of Labor & Employment, Colorado-based Business & Economic Research, and other anecdotal resources.
 Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics



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

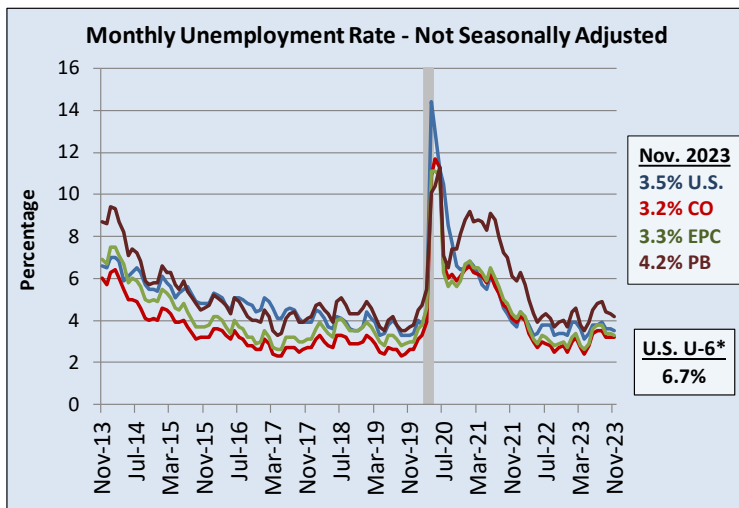


Note: Data includes military. Real GMP is adjusted for regional price parity (RPP). This regional data lags ~23 months.
 Source: U.S. Bureau of Economic Analysis

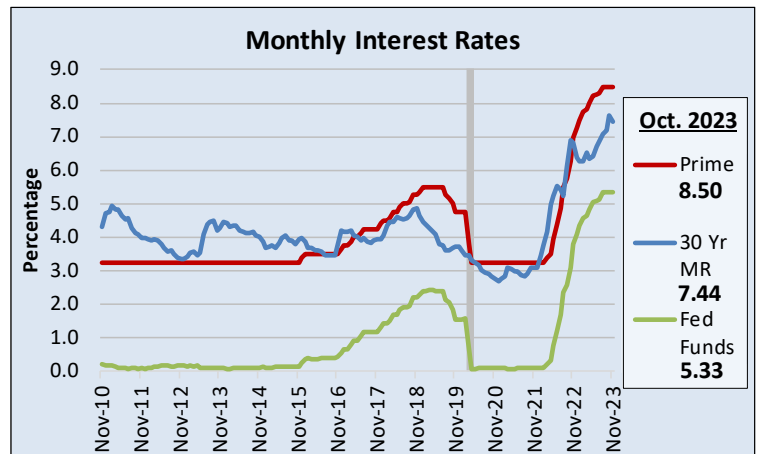
U.S. Consumer Price Index - November 2023		
	All items	Less food & energy
Change from October to November 2023 (SA)	0.1%	0.3%
Last 12-months (NSA)	3.1%	4.0%

The 2023 Q3 cost of living in Pueblo MSA was 98.0% of the U.S. average according to C2ER. Colorado Springs's index was 107.9% of U.S.

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



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



Source: Board of Governors of the Federal Reserve System

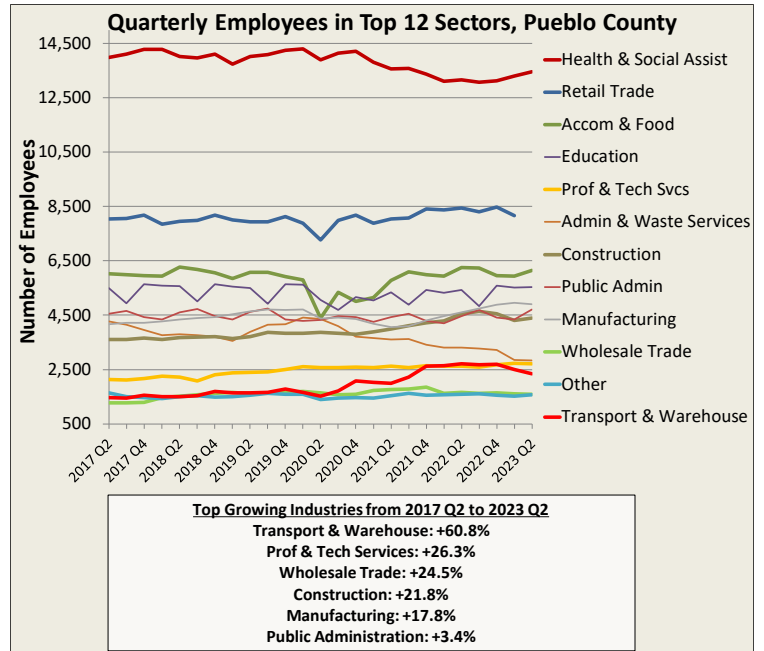
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LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Pueblo County, November 2023			
Top Job Titles (Pueblo MSA)	# of Job Postings (Pueblo)	Median Advertised Salary (Pueblo)	Risk of Automation (U.S.)
Registered Nurses	301	\$95,488	Low Risk
Retail Salespersons	132	\$33,664	Medium Risk
1st-Line Supervisors, Retail Sales	89	\$42,368	Low Risk
Food Service Managers	68	\$44,672	High Risk
Fast Food & Counter Workers	67	\$31,872	High Risk
Heavy & Tractor-Trailer Truck Drivers	61	\$51,968	High Risk
Customer Service Reps	55	\$33,920	Medium Risk
Medical & Health Services Managers	55	\$87,808	Low Risk
Manual Laborers & Movers	55	\$37,760	Medium Risk
Sales Reps, Wholesale & Manufacturing	52	\$56,192	Medium Risk

Pueblo MSA, November 2023
TOTAL Job Openings: 3,284
TOTAL Unemployed: 3,282
Workers Available per Job Opening: 1.00

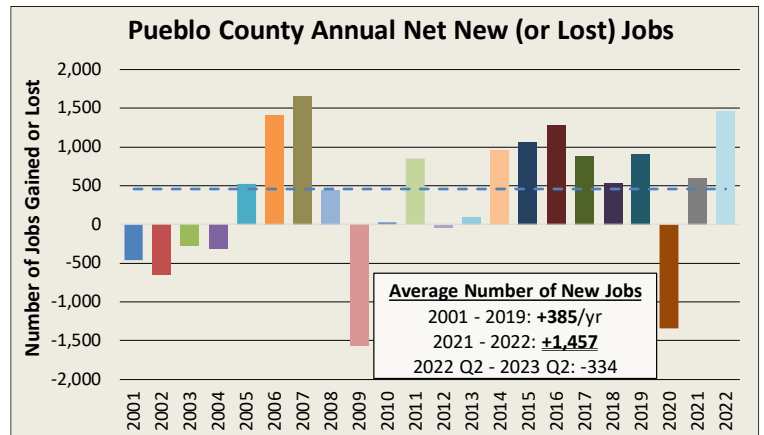
Sources: The Conference Board®-Lightcast® Help Wanted OnLine® via Pikes Peak Workforce Center; CO Dept. of Labor & Employment



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 November 2023		
Name of Employer	# of Job Postings	Median Advertised Salary
Parkview Medical Center	107	\$72,448
State Of Colorado	100	\$59,520
Colorado State Government	73	\$58,752
Pueblo County School District 70	61	\$49,792
Centura Health	55	\$84,224
Parkview Health	53	\$52,480
Crossroads Turning Points	49	\$50,048
Health Solutions Us	39	\$59,392
Pueblo County Courthouse	37	\$55,296
Trane Technologies	36	\$85,248
Pueblo City Schools District 60	35	\$64,000
City Of Pueblo	34	\$55,168
Aya Healthcare	27	\$117,248
Life Care Centers of America	25	\$51,968
Dollar General	25	\$34,304

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



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 Federal Poverty Level (FPL)		
	Pueblo County	U.S.
% people at FPL or below	14.8%	12.6%
Note: FPL in 2022 was \$18,310 for an individual and \$27,750 for a family of four.		

2023 Q2 Average Annual Wages for All Industries			
Pueblo wages are 23.3% lower than the U.S. 28.4% lower than Colorado 15.4% lower than El Paso County			
U.S.	Colorado	El Paso County	Pueblo County
\$69,264	\$74,100	\$62,764	\$53,092
2023 Q2 Total Employment			63,443
2023 Q2 Total # Establishments			4,062

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 .		

Note: QCEW data lags by up to three quarters and includes public and private employment.

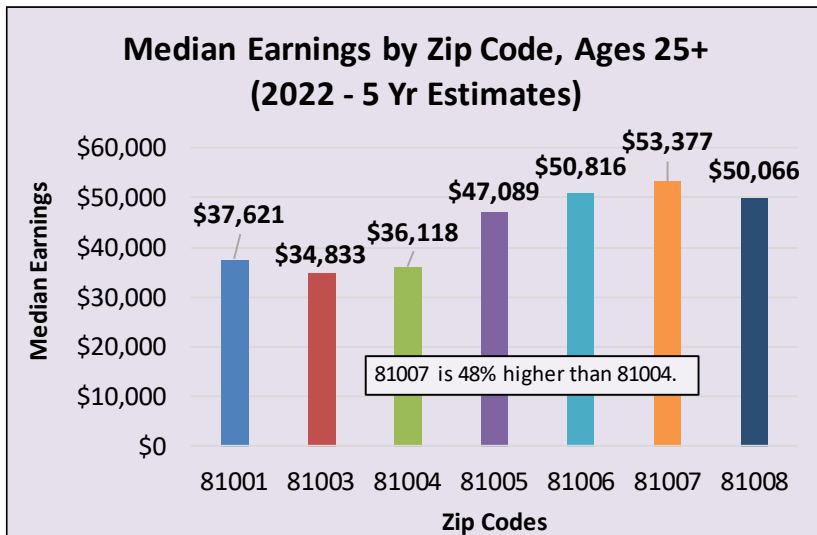
Sources: U.S. Bureau of Labor Statistics and Colorado Department of Labor and Employment, QCEW; Local military installations; U.S. Census Bureau, American Community Survey 1-year estimates; U.S. Department of Health & Human Services; MIT Living Wage Calculator

LOCAL INFORMATION BY ZIP CODE (PAGE 5)

Pueblo Percentage with HS Diploma by Zip Code, 2022 - 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	90.2%	96.8%	87.8%	91.2%	72.4%	87.2%	81.9%
81003	80.8%	56.4%	79.1%	45.1%	83.2%	87.1%	76.8%
81004	90.9%	81.7%	71.7%	88.1%	79.0%	84.0%	83.4%
81005	94.8%	98.2%	68.7%	100.0%	71.8%	91.9%	86.0%
81006	94.1%	100.0%	62.5%	100.0%	86.2%	98.8%	88.8%
81007	92.4%	92.4%	86.3%	94.8%	79.9%	97.3%	88.9%
81008	92.9%	92.0%	88.0%	74.5%	98.2%	90.8%	91.4%

Pueblo Percentage with Bachelor's Degree by Zip Code, 2022 - 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	20.9%	34.6%	0.9%	49.1%	6.0%	23.5%	10.9%
81003	17.5%	10.4%	11.3%	32.7%	11.9%	18.8%	12.0%
81004	21.3%	11.1%	3.1%	21.1%	11.3%	17.2%	12.9%
81005	27.2%	48.7%	5.6%	46.8%	8.9%	29.1%	16.0%
81006	23.8%	28.6%	2.5%	100.0%	9.5%	22.1%	15.5%
81007	29.6%	14.3%	16.8%	60.7%	16.8%	44.8%	20.8%
81008	32.1%	43.5%	30.0%	74.5%	19.8%	33.2%	28.4%

Note: BOLD AND UNDERLINED PERCENTAGES HAVE LOWEST AND HIGHEST VALUES BY RACIAL/ETHNIC CATEGORIES. 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

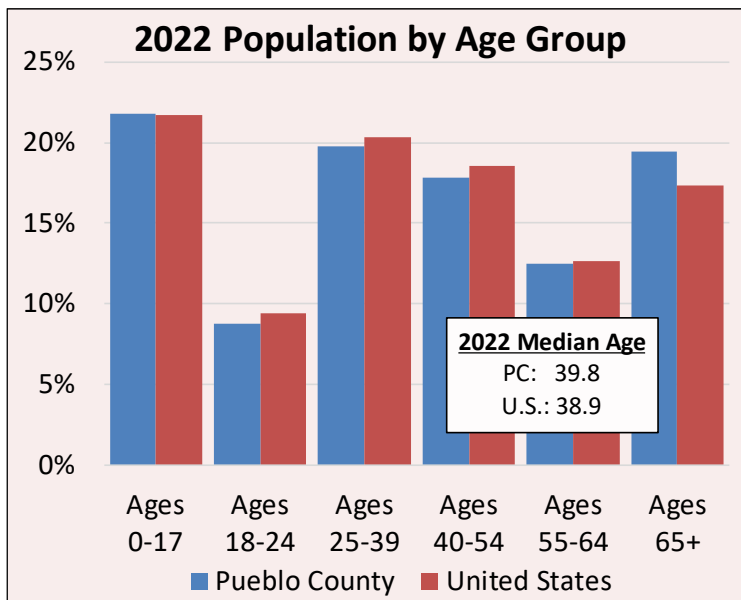


Median Earnings 2022 (All Ages Full-Time)	
U.S.	Pueblo County
\$56,929	\$51,808

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

DEMOGRAPHICS (PAGE 6)

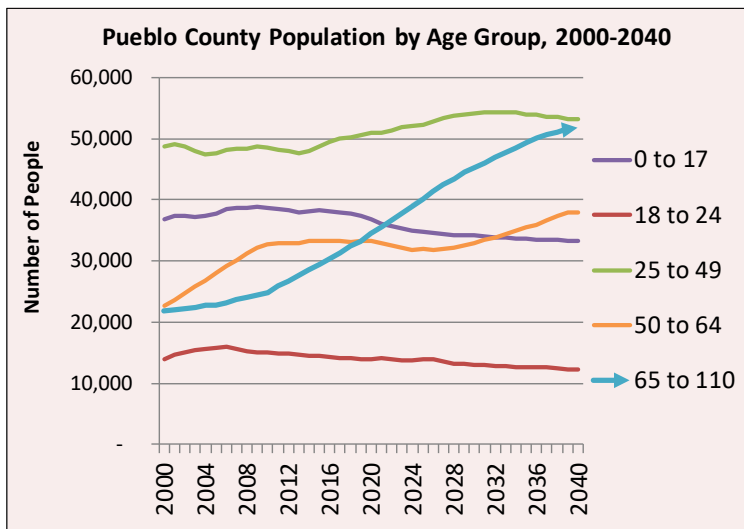


Source: U.S. Census Bureau, Population Division, Population Estimates Program

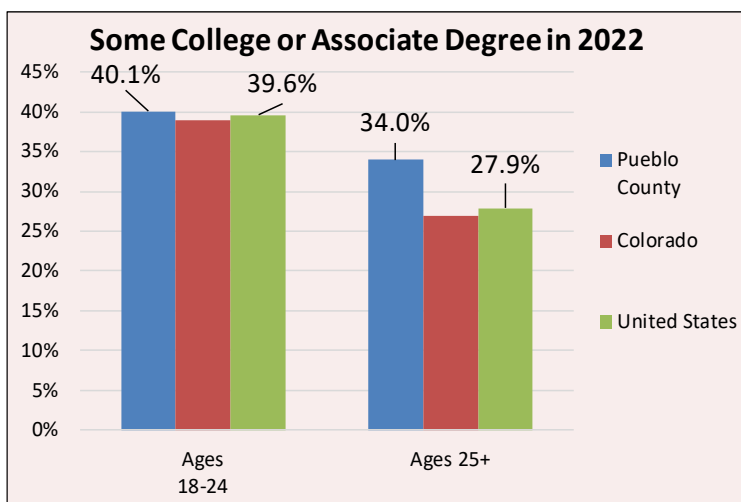
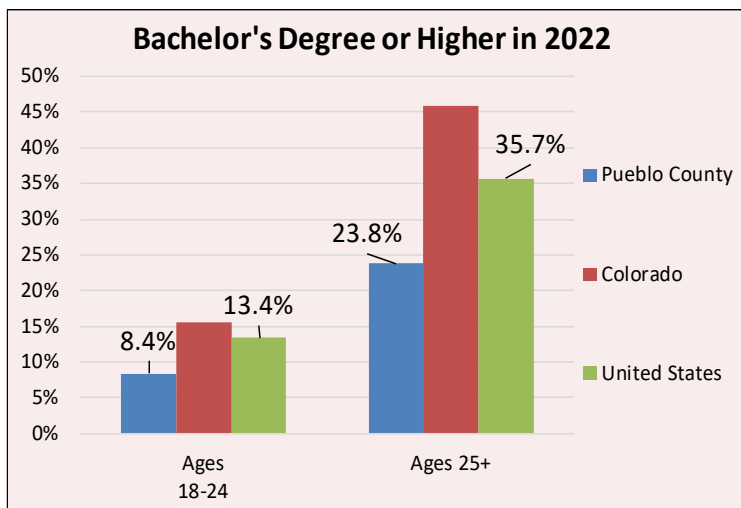
Population Estimates

Region (Growth Rate)	2022	2050
Pueblo County (14%)	169,383	193,446
Colorado (29%)	5,838,736	7,491,886

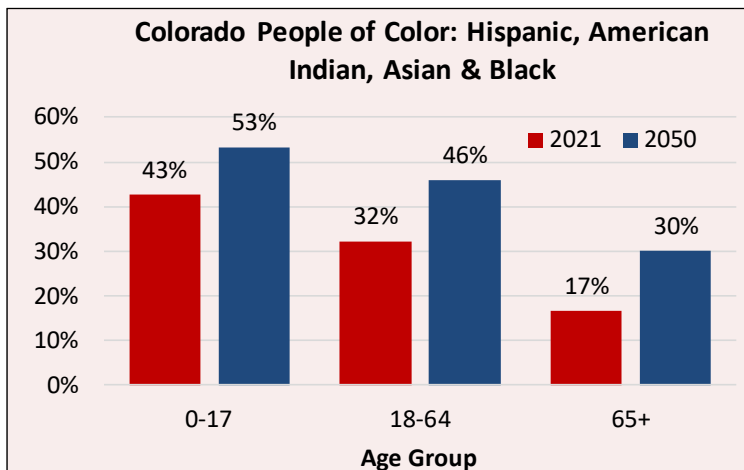
Source: Colorado State Demography Office



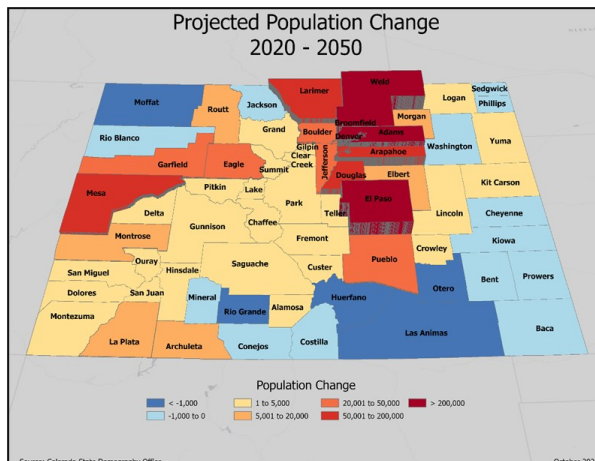
Source: Colorado State Demography Office



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

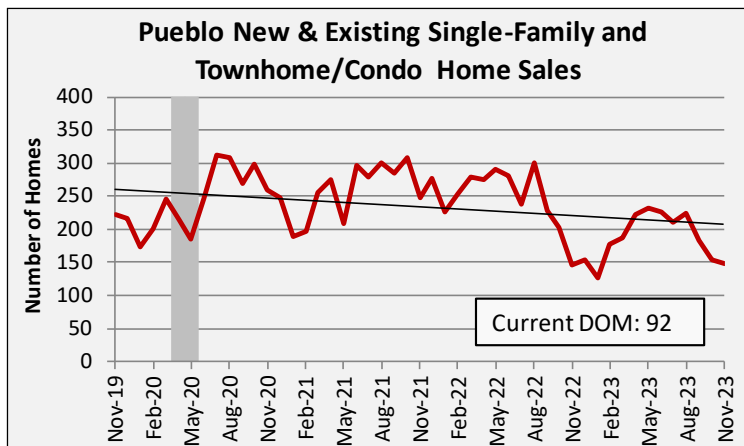


Source: Colorado State Demography Office



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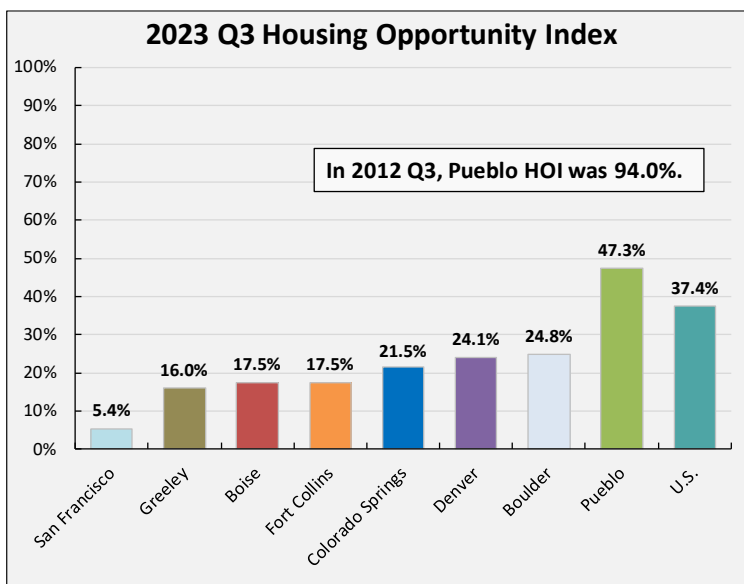
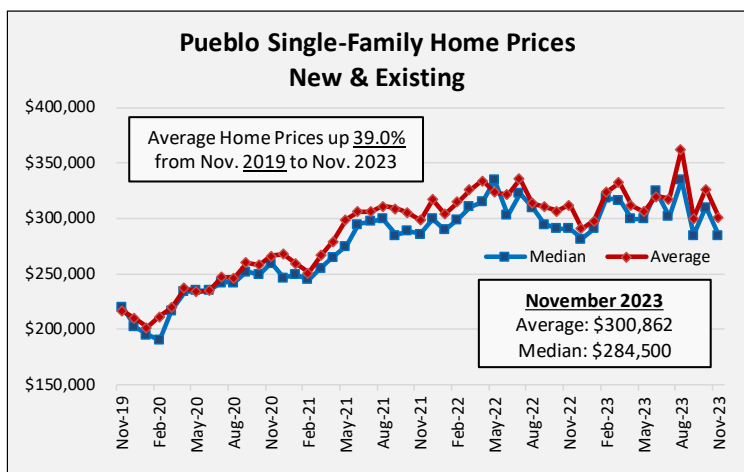
REAL ESTATE (PAGE 7)



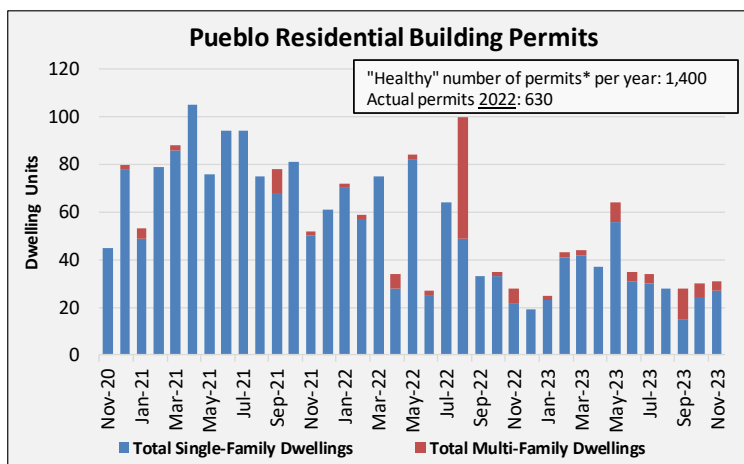
Median Existing Single-Family* Home Price 2023 Q3 (CS, Denver, U.S.) and Nov. (Pueblo)

Location	Colorado Springs	Denver	Nov. 2023 Pueblo (*New & Existing)	United States
Price	\$466,300	\$673,000	\$284,500	\$406,900
1-year % Change	0.9% increase	1.1% increase	2.2% decrease	2.2% increase
MSA Rank	45	17	143	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)



*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

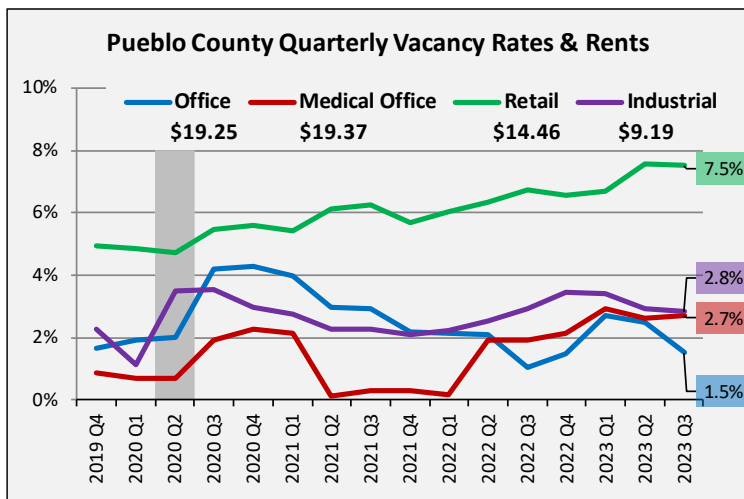


*The methodology for “healthy permits” includes single-family and multi-family dwellings needed if we incorporate both population growth and the existing shortage of housing between 2023 and 2028. These calculations by Data-Driven Economic Strategies incorporate research by Common Sense Institute and input from the Colorado State Demography Office.
Sources: Pueblo Regional Building Department; City of Pueblo

Apartments, 2023 Q3

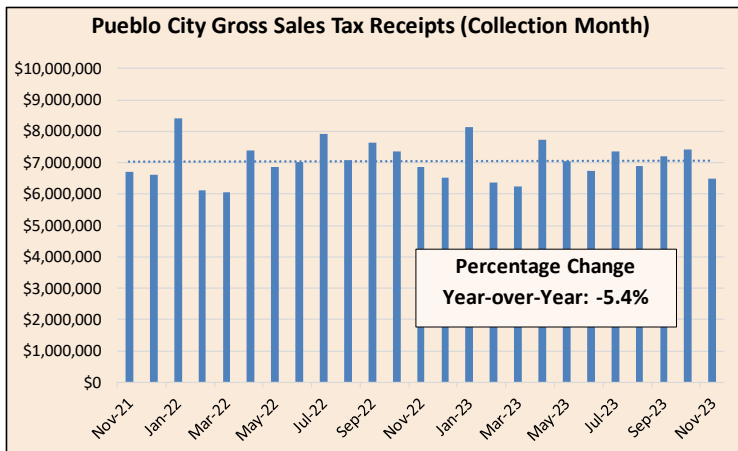
	Vacancy Rate	Average Rents	Median Rents	Average Year of Construction
Pueblo Metro Area	8.0%	\$1,555	\$1,015	1985
Pueblo Northeast	15.9%	\$1,091	\$1,000	1978
Pueblo Northwest	3.6%	\$1,372	\$1,369	2000
Pueblo South	2.9%	\$919	\$897	1969

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

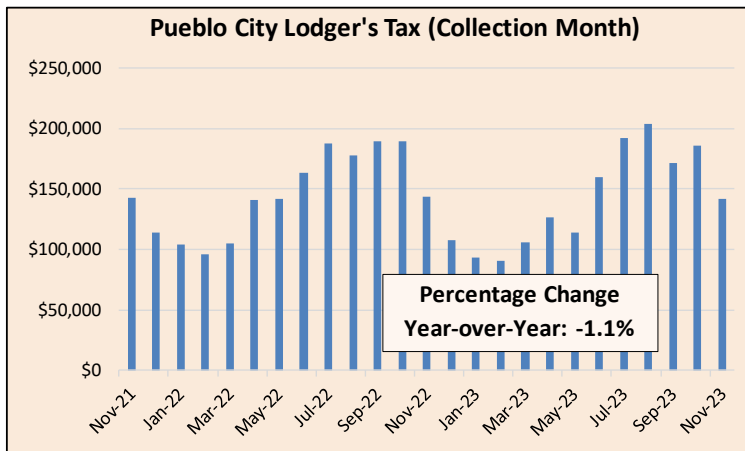


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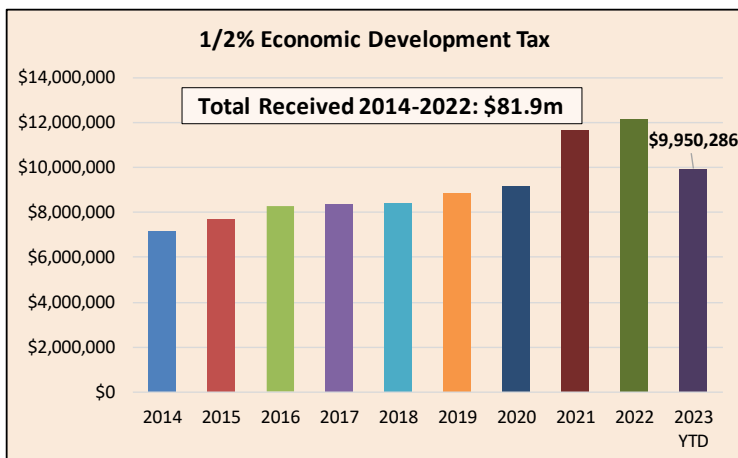
TAXATION, VEHICLE SALES, AND TOURISM (PAGE 8)



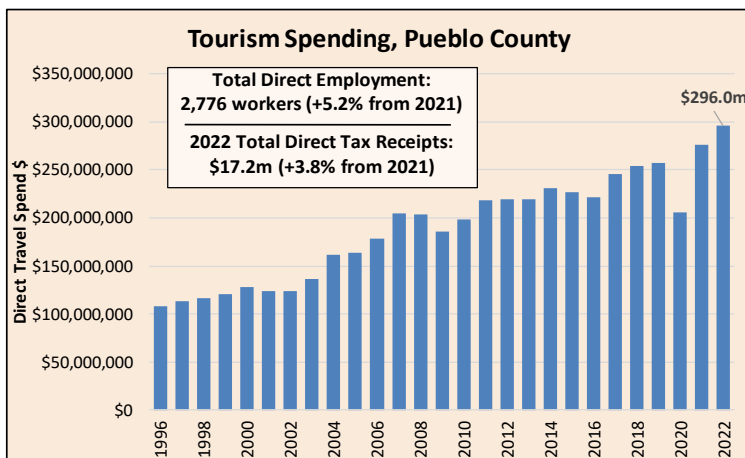
Source: City of Pueblo



Source: City of Pueblo



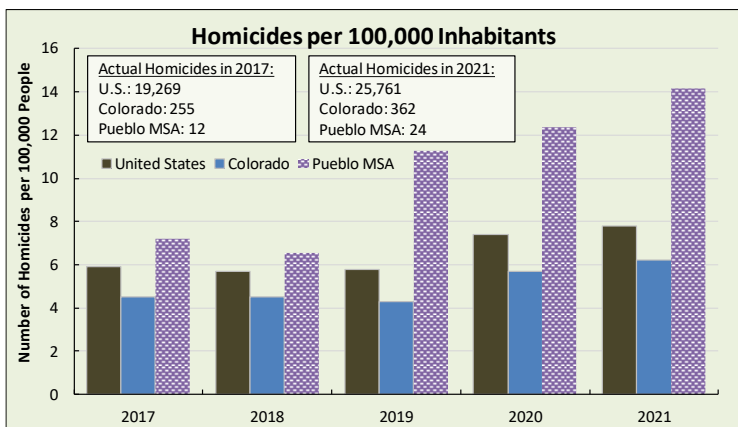
Source: City of Pueblo



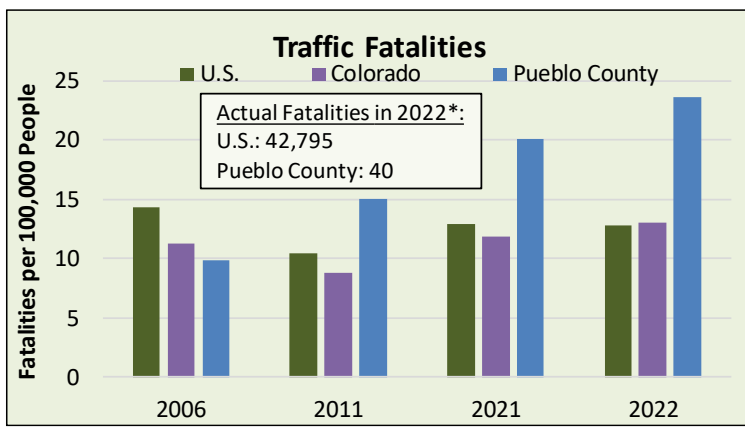
Note: Direct travel includes day and overnight visitors.

Sources: Colorado Tourism Office; Greater Pueblo Chamber of Commerce

CRIME & SAFETY (PAGE 8)



Sources: United States Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, Underlying Cause of Death on CDC WONDER online Database; Data-Driven Economic Strategies.



*Preliminary data.

Sources: National Highway Safety Administration; Colorado Department of Transportation; World Bank; U.S. Census Bureau; Colorado State Demography Offices; Data-Driven Economic Strategies

2021 Mortality Rates due to Homicide per 100,000 Population				
Canada	Germany	Italy	Japan	United States
2.1	0.8	0.5	0.2	6.8

Source: UN Office on Drug and Crime's International Homicide Statistics database through The World Bank and World Population Review

Note: "Each year when Crime in the United States is published, some entities use reported figures to compile rankings of cities and counties. These rough rankings provide no insight into the numerous variables that mold crime in a particular town, city, county, state, or region. Consequently, they lead to simplistic and/or incomplete analyses that often create misleading perceptions adversely affecting communities and their residents. Valid assessments are possible only with careful study and analysis of the range of unique conditions affecting each local law enforcement jurisdiction. The data user is, therefore, cautioned against comparing statistical data of individual reporting units from cities, metropolitan areas, states, or colleges or universities solely on the basis of their population coverage or student enrollment."

- Federal Bureau of Investigation

Sworn Police Officers Per 10,000 Inhabitants in 2022	
City of Pueblo	17.8
Pueblo MSA	8.6
Cities with Population 100,000-249,999	15.7

Sources: Federal Bureau of Investigation, Uniform Crime Report; U.S. Census Bureau, Population Division