

Pueblo Economic & Workforce Development Dashboard

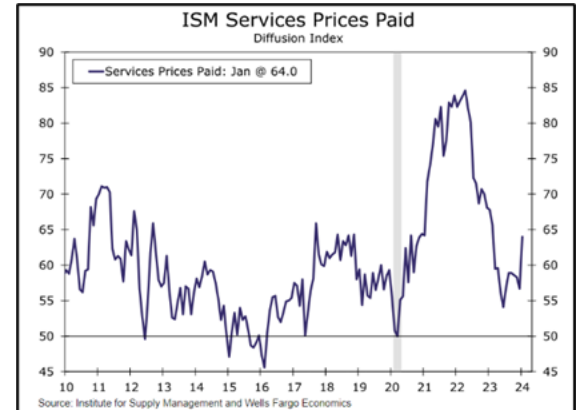
Highlights —February 2024

Please note that the hyperlinked phrases go to a weekly economic update I did for Fox21.

Hello, and happy Leap Year! I'll start with an observation.

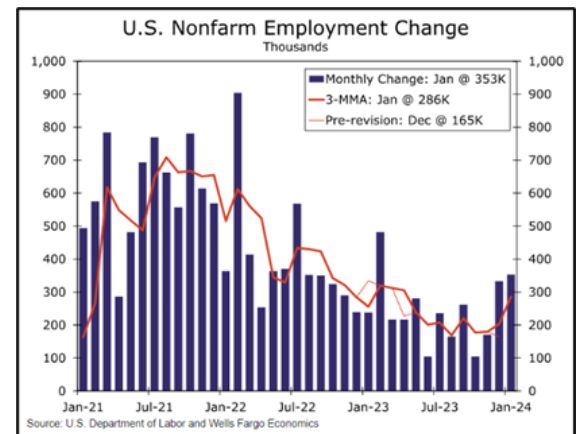
I did a presentation this week for yet another rate-dependent industry, and it's striking to me how those brokers and investors are waiting with bated breath for that first rate cut. The room is particularly quiet when I talk about inflation. Indeed, January's headline **Inflation Rate {Page 3}** fell to 3.1% compared to a year ago, but "core" inflation stayed the same at 3.9%. As I stated in a [recent inflation segment](#), 3.1% is a whole lot better than the almost 9% we had in 2022, but today's increases are on top of the [25% to 35% increases](#) over the pandemic period. We more recently have also been stuck around that 3% mark indicating that the "last mile" to 2% may be slow.

To give me some clues about where prices (and interest rates) are headed, I am closely watching producer surveys. The manufacturer's ISM survey showed a 9-month high in the prices paid component at 52.9 in January up from 45.2 in December (anything above 50 implies upward pressure). If it's costing producers more to make a widget or deliver a service, those costs will be passed onto us. Manufacturers state that shipping costs are higher, and I addressed this topic last month. The services component of the ISM had a huge upside surprise in prices paid (see graph) and wages are a big part of that.



Likewise, the small business NFIB survey showed 33% of businesses are expecting to raise prices in the next three months citing inflation as their biggest concern. That 33% is 4 points above January of last year. I anecdotally have been talking to some small business owners who feel frustrated at the persistence of the prices they pay alongside the weakened demand. Many of them say that during the pandemic they were able to pass on price increases and consumers would pay (with stimulus money or accumulated savings) – but that is no longer the case.

The labor market is another inflation-related indicator because of wage pressures. In January we had an upside surprise to employment (+353,000 – see graph) alongside a 0.6% increase in average hourly earnings (double the expected increase). Gains were broad-based across many industries. We aren't gaining any new workers either as labor participation is still below pre-pandemic levels.



All in, March rate cuts are looking very unlikely, and if I were a betting woman, I would say that the coveted first rate hike will happen in June with two more cuts after that and before year end.

On the flip side, there is a strong anti-inflationary pressure at play that can have real impact. Productivity data can be volatile, but I think it's now safe to say that the overall trend has been strong. Output per hour worked increased at a 3.2% annualized rate in 2023 Q4 (or year-over-year up 2.7%). The "usual" or historical gains in productivity have been closer to 1.5%. As productivity increases while inflation rates slow down, employers have greater output without having to increase hours, number of workers, or prices. Largely because of these productivity gains, *per unit labor cost increases* are now very close to the Fed's preferred 2.0% target. In other words, the awesome, average U.S. worker is chipping away at inflation through hard work and probably greater use of automation, AI, and other efficiency tools.

I'd like to focus on some local statistics for the remainder of this narrative. First, we rotate a few of the metrics every couple of months to share some other key information. This month, we switched out the top employers and put in **Real GMP Contribu-**

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[Page 4 - Local Labor Market](#)

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Pueblo Economic & Workforce Development Dashboard

tion by Sector {Page 4}. GMP is gross metropolitan product, which is the same as the national GDP, but for your region. It shows that in terms of total regional output, the biggest industry contributors were government (at 14.6%), the finance, insurance and real estate sector (15.7%), health care and social assistance (13.5%) and so on as shown on the graph. The total production of goods and services in Pueblo in 2022 (this data from the Bureau of Economic Analysis lags by about 23 months) amounted to \$6.51 billion. By way of reference, Colorado Springs GMP in 2022 was \$41.3 billion.

I've covered this before, but I am concerned about the decline in the **Number of New Jobs {Page 4}** from 2022 Q2 to 2023 Q2 in Pueblo. As the bar graph shows, in both 2021 and 2022, Pueblo met or exceeded the number of new jobs needed to match population growth (around 455 new jobs) as estimated by DDES and in collaboration with the State Demography Office. But if we look at the most recent data available from halfway through 2022 to mid-2023, Pueblo lost 334 jobs. This will likely be reflected in the upcoming release of the 2023 economic growth rates as measured by the **Percent Change in Real GMP {Page 3}**. As that graph shows, GMP shrank in Pueblo in the previous year (2022) at -1.6%. This data can be revised, but what I see is that the second half of 2022 was when things started to materially slow down in Pueblo. Of course, this is when inflation skyrocketed, and interest rate hikes commenced, which hurt many regions. However, cities like Pueblo have the dynamic of increased cost of housing alongside low, regional **Average Annual Wages {Page 4}**. Pueblo wages are 23.3% below the U.S., 28.4% below the state average, and 15.4% below Colorado Springs. This typically means you have a higher **Percentage of People at or Below the Federal Poverty Line {Page 4}** with Pueblo having 14.8% of its population at or below poverty levels compared to the U.S. average (12.6%). Regions that are in the conundrum of higher housing costs alongside lower wages (which is also true in Colorado Springs), are particularly vulnerable to the economic slowdowns and some of the unfortunate externalities of those slowdowns like increasing [evictions](#). You've probably heard in the mainstream media, however, that a saving grace has been that employment levels have stayed strong nationally and locally as demonstrated by the low **Unemployment Rates {Page 3}**. In December (most recent data available), Pueblo's unemployment rate was 4.5%, which is historically low and considered "balanced" by economists. And as long as most people who want a job have a job (or job options), those economic slowdowns aren't too harsh.

This week I did a piece in Colorado Springs about the [high school graduation rates and wage discrepancies by school district](#), which I found to be incredibly stark. Pueblo County doesn't have 15 school districts like El Paso County does, but the chasms in **Earnings by Zip Code {Page 5}** for Pueblo show that in 2022, the median earnings in zip code 81003 were \$34,833 whereas the earnings in zip code 81007 were \$53,377 (53% higher). As the **MIT Living Wage {Page 4}** table shows, a single parent with two children needs to make \$90,251 to meet basic needs in Pueblo and a family of four with two working parents has a living wage of \$50,773 for each working parent. High childcare costs have a lot to do with that (in addition to housing costs: January **Median Existing Home Prices {Page 7}** at \$310,500 increased by about \$10,000 compared to December and have had a 6.7% increase year-over-year).

The Pueblo Percentage with a **High School Diploma {Page 5}** also shows wide discrepancies, although like Colorado Springs, there are some qualifiers for very small sample sizes within some geographic regions. I can say, however, that after examining this data for many years in various parts of the country that it is not unusual for cities to have high school graduation rates in lower income areas that are half of what they are in higher income parts of the city.

Let's end with some bright notes. Cities like Pueblo have tremendous potential for a host of reasons. Demographics is destiny and as the **Pueblo County Population by Age {Page 6}** shows, Pueblo still has material increases in its projected population (through 2040) for ages 25-49, and 50-64, both of which are working-age cohorts. Like the U.S. I do see declines in the number of children, and that tells me that many young families are choosing not to raise kids in Pueblo probably due to housing unaffordability and job prospects. It's a pivotal time for Pueblo, and if it can capitalize on the advantage of more working-age people, expand affordable housing options, and also grow businesses in sectors of comparative advantage, the city could really take off. I wrote a similar message almost ten years ago when I started economic reporting for Colorado Springs.

Tatiana & Rebecca

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Pueblo Economic & Workforce Development Dashboard

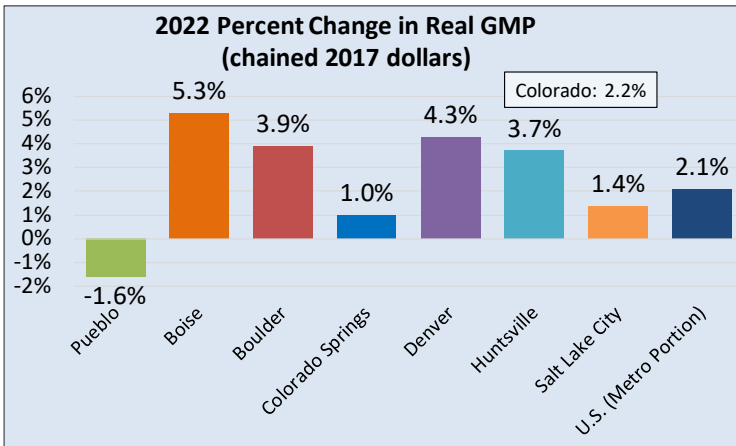
MACROECONOMIC "BIG PICTURE" (PAGE 3)



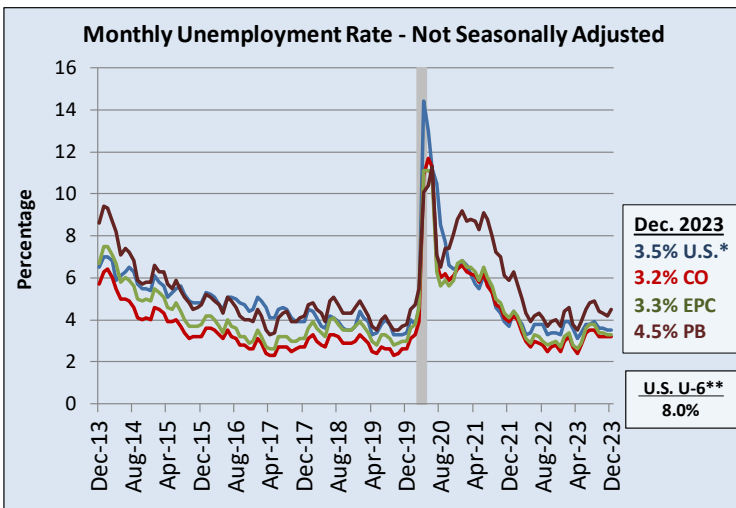
*Estimate of real GDP percent change from same quarter a year ago, SA
 **If quarterly changes were annualized over the year.
 Source: U.S. Bureau of Economic Analysis

Forecasts for U.S. Real GDP and Unemployment (SA)				
	2022 Actual	2023 Actual	2024 Forecast	2025 Forecast
Real GDP Growth	1.9%	2.5%	1.9%	1.4%
Unemployment Rate	3.6%	3.6%	4.1%	4.2%

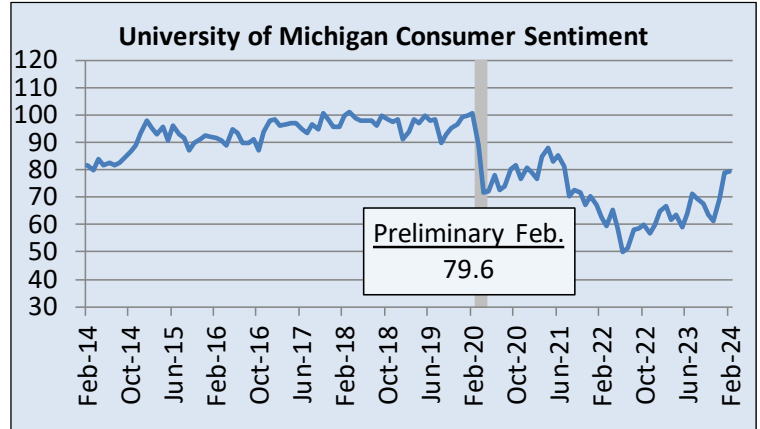
Forecasts by Data-Driven Economic Strategies with input from the Conference Board, Wells Fargo, Colorado Department of Labor & Employment, and other anecdotal resources.
 Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics



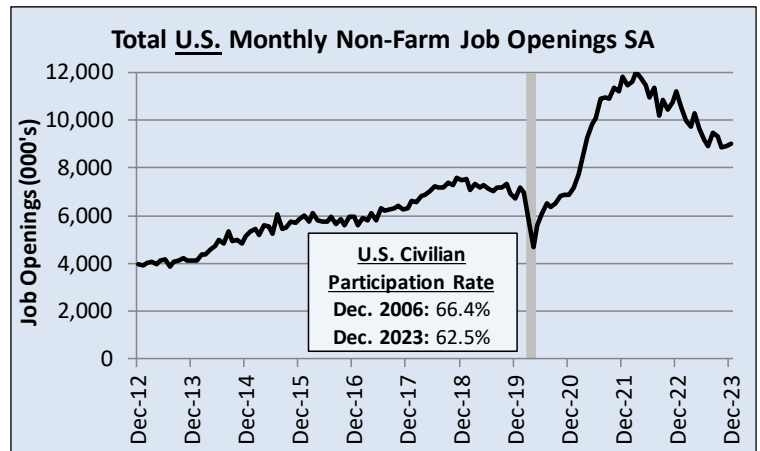
Note: Data includes military. Real GMP is adjusted for regional price parity (RPP). This regional data lags ~23 months.
 Source: U.S. Bureau of Economic Analysis



*January U.S. unemployment rate not seasonally adjusted (NSA) was 4.1% and seasonally adjusted was 3.7%. State and local data lags behind U.S. release times. Data in the graph is 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: University of Michigan

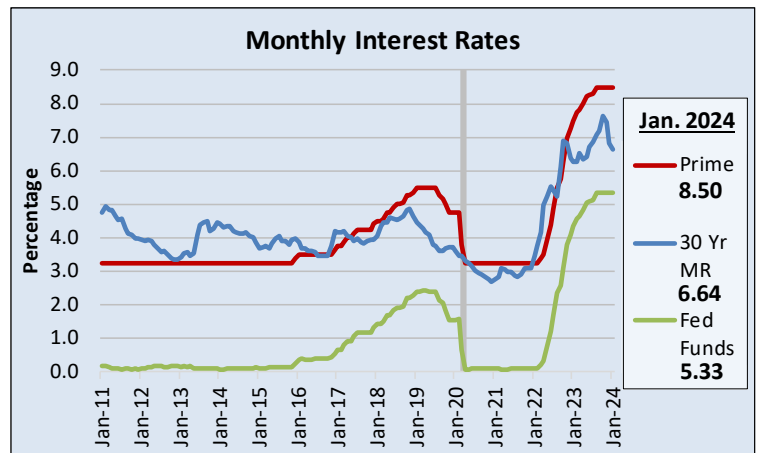


Source: U.S. Bureau of Labor Statistics; Job openings data lags.

U.S. Consumer Price Index - January 2024		
	All items	Less food & energy
Change from December 2023 to January 2024 (SA)	0.3%	0.4%
Last 12-months (NSA)	3.1%	3.9%

The 2023 cost of living in Pueblo MSA was 97.8% 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)



Source: Board of Governors of the Federal Reserve System

LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Pueblo County, January 2024

Top Job Titles (Pueblo MSA)	# of Job Postings (Pueblo)	Median Advertised Salary (Pueblo)	Risk of Automation (U.S.)
Registered Nurses	376	\$97,536	Low Risk
Retail Salespersons	111	\$34,176	Medium Risk
1st-Line Supervisors, Retail Sales	92	\$42,368	Low Risk
Heavy & Tractor-Trailer Truck Drivers	59	\$55,168	High Risk
Sales Reps, Wholesale & Manufacturing	56	\$54,912	Medium Risk
Medical & Health Services Managers	55	\$84,224	Low Risk
Fast Food & Counter Workers	55	\$31,616	High Risk
Food Service Managers	50	\$44,672	High Risk
Personal Care Aides	50	\$34,432	Medium Risk
Manual Laborers & Movers	48	\$37,760	Medium Risk

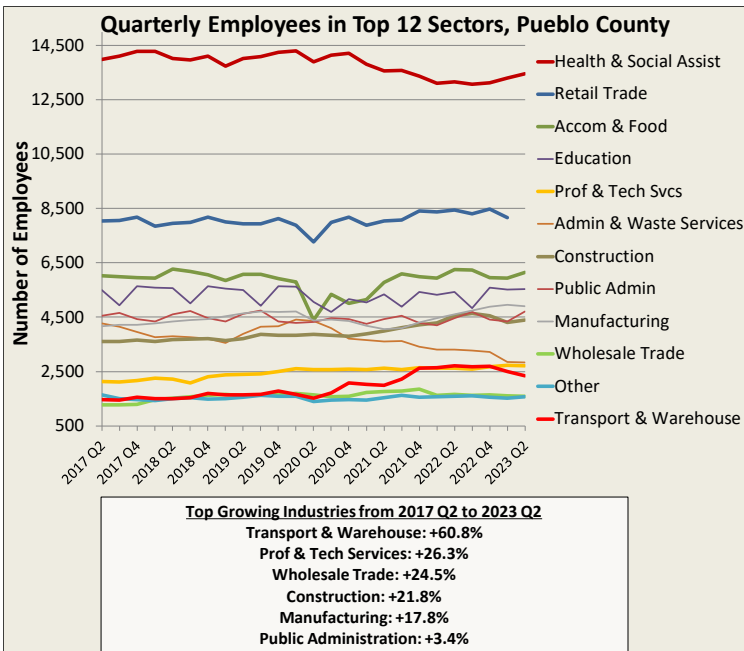
Pueblo MSA, December 2023

TOTAL Job Openings: 2,998

TOTAL Unemployed: 3,428

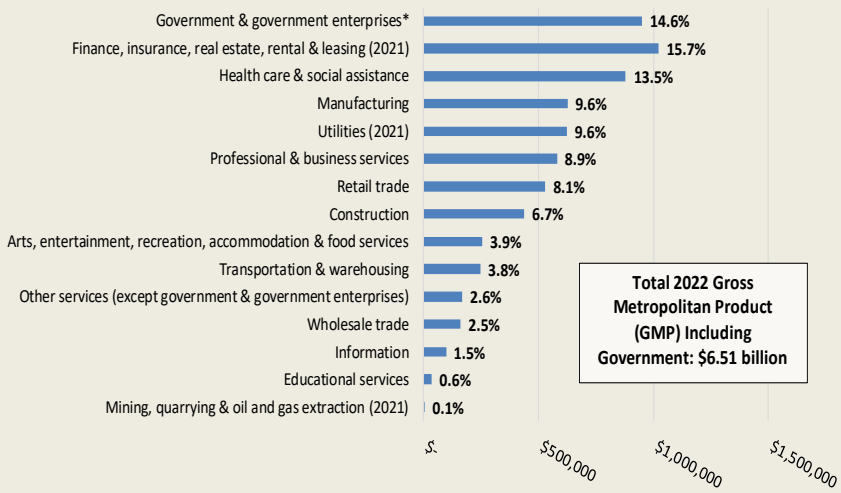
Workers Available per Job Opening: 1.14

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

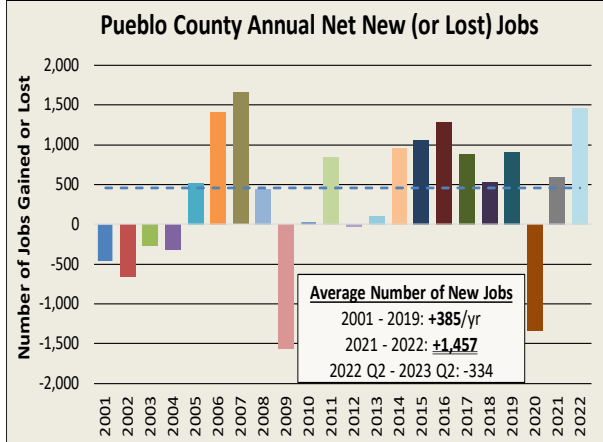


QCEW data lags up to three quarters and includes public and private employment. Source: Colorado Department of Labor & Employment, Quarterly Census of Employment and Wages (QCEW)

Real GMP Contribution by Sector, Pueblo County 2022 (inflation-adjusted \$2017)



*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 approximately 23 months.
Source: U.S. Bureau of Economic Analysis



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.

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

2023-24 Minimum Wage & Living Wage Pueblo County

	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$14.42	\$29,994
Living wage: HHs with 1 adult, 2 children	\$43.39	\$90,251
Living wage: HHs with 2 adults (1 working), 2 children	\$38.03	\$79,102
Living wage: HHs with 2 adults* (2 working), 2 children	\$24.41	\$50,773

*Living wage is for each working adult. For specifics, go to livingwage.mit.edu.

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.

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

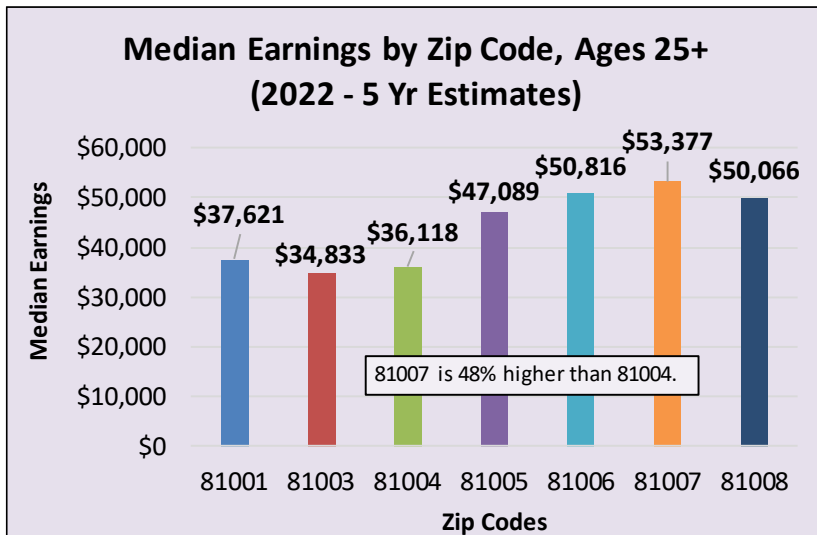
Sources: U.S. Bureau of Labor Statistics and Colorado Department of Labor and Employment, QCEW; Local military installations; U.S. Census Bureau, American Community Survey 1-year estimates; U.S. Department of Health & Human Services; MIT Living Wage Calculator

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	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%

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

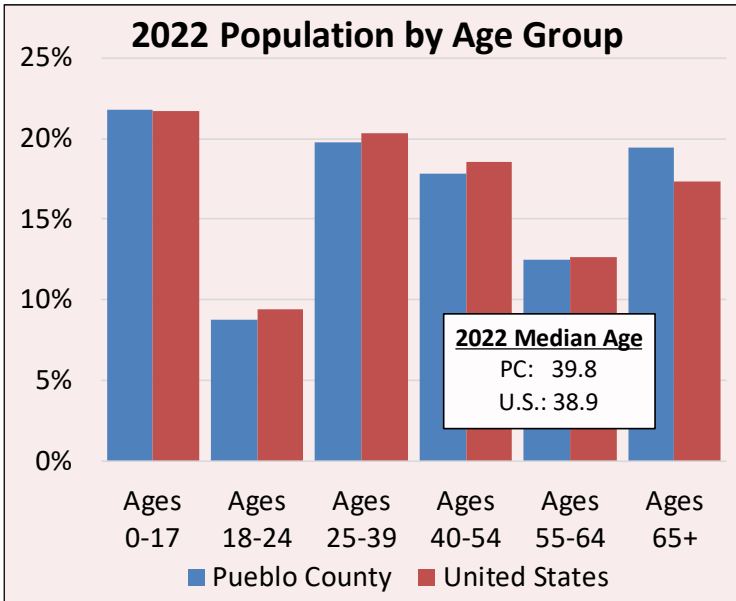


U.S.	Pueblo County
\$56,929	\$51,808

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

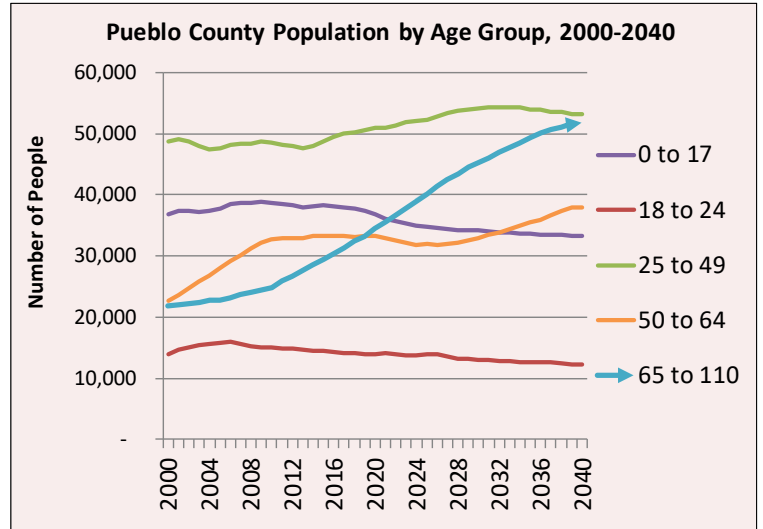
DEMOGRAPHICS (PAGE 6)



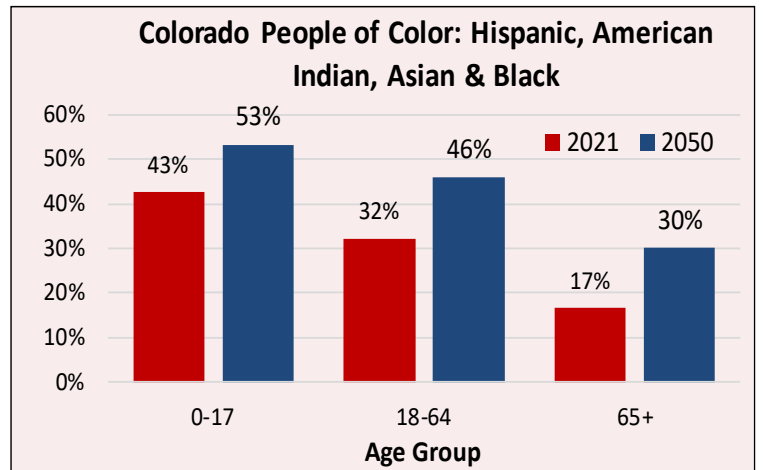
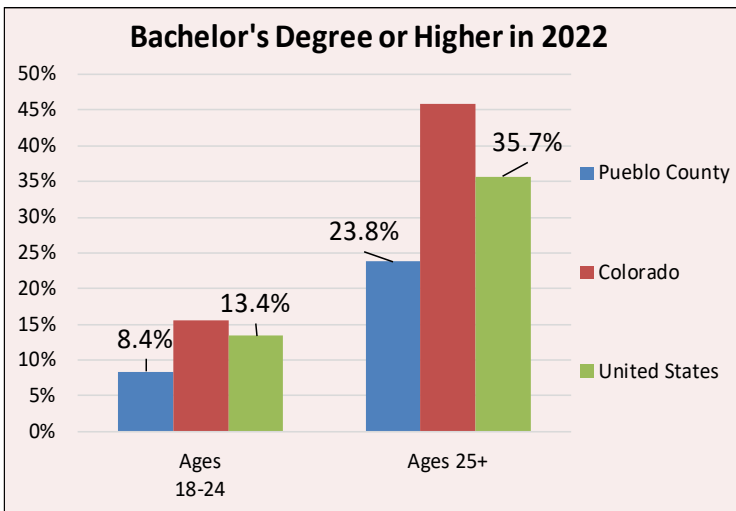
Population Estimates

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

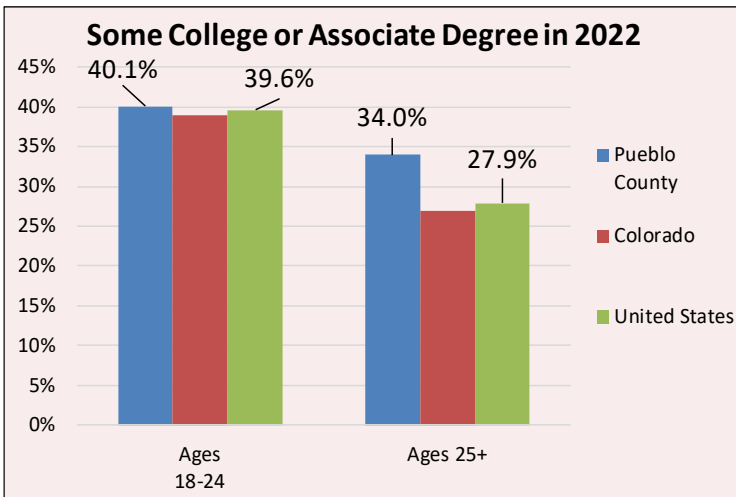
Source: Colorado State Demography Office



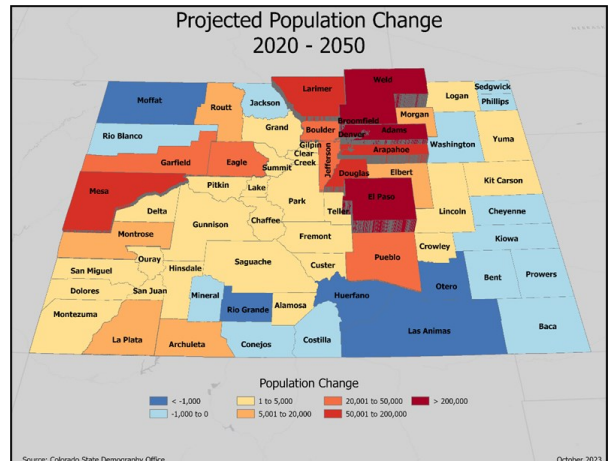
Source: Colorado State Demography Office



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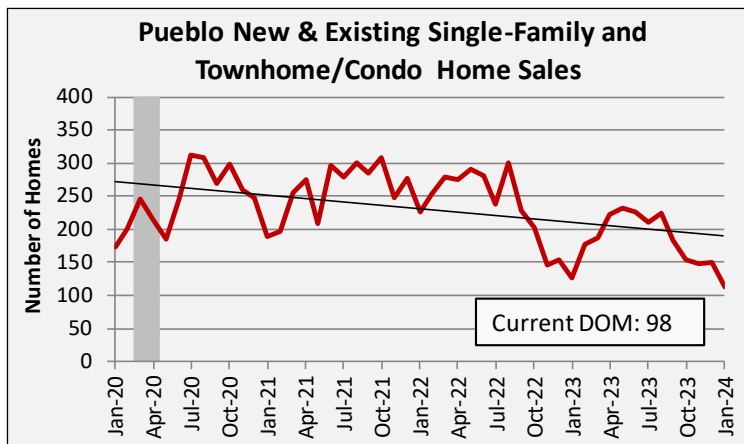


Source: U.S. Census Bureau, American Community Survey 1-year estimates

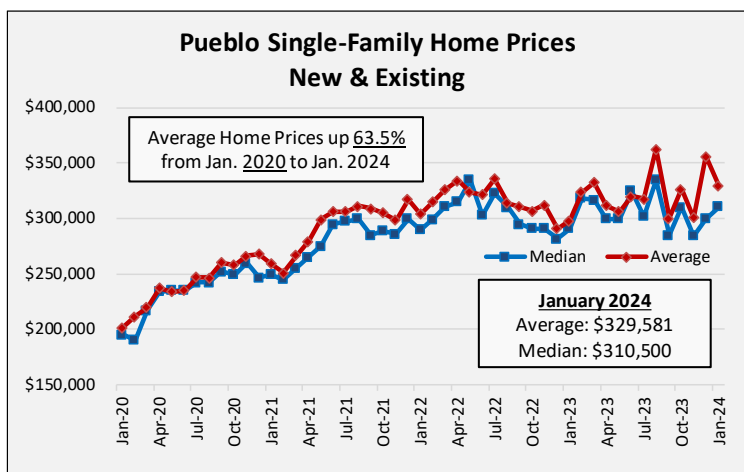


Source: Colorado State Demography Office

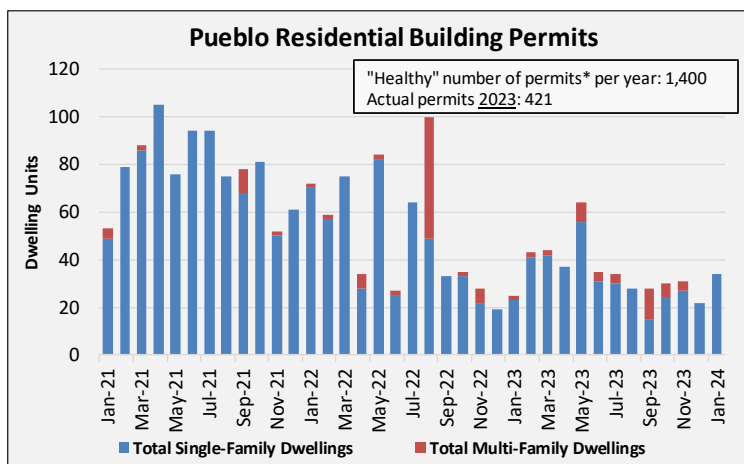
REAL ESTATE (PAGE 7)



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



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



*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

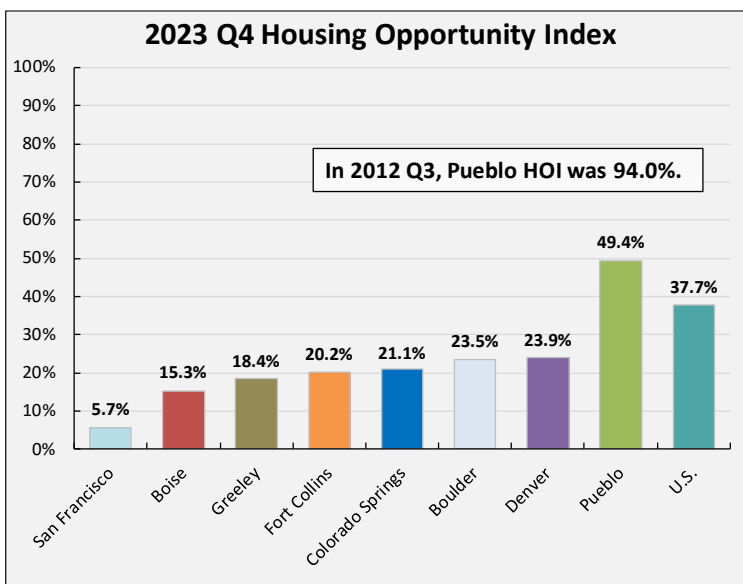
Apartments, 2023 Q3				
	Vacancy Rate	Average Rents	Median Rents	Average Year of Construction
Pueblo Metro Area	8.0%	\$1,555	\$1,015	1985
Pueblo Northeast	15.9%	\$1,091	\$1,000	1978
Pueblo Northwest	3.6%	\$1,372	\$1,369	2000
Pueblo South	2.9%	\$919	\$897	1969

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

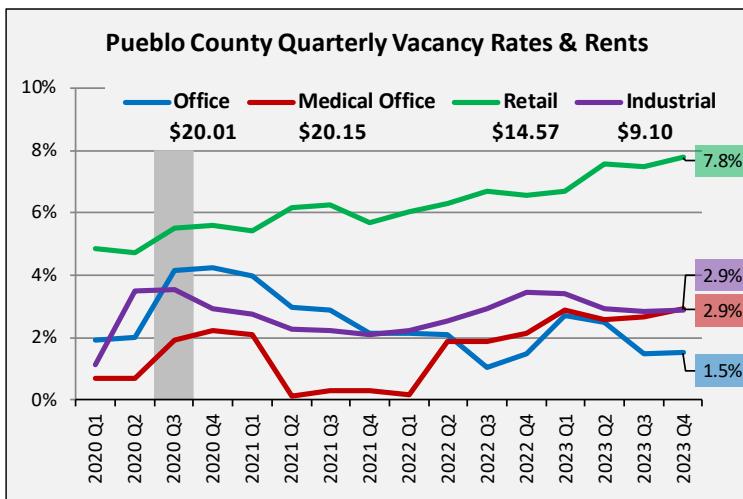
Median Existing Single-Family* Home Price 2023 Q4 (CS, Denver, U.S.) and Jan. (Pueblo)

Location	Colorado Springs	Denver	Jan. 2024 Pueblo (*New & Existing)	United States
Price	\$459,300	\$652,300	\$310,500	\$391,700
1-year % Change	3.6% increase	1.9% increase	6.7% increase	3.5% increase
MSA Rank	46	19	116	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)



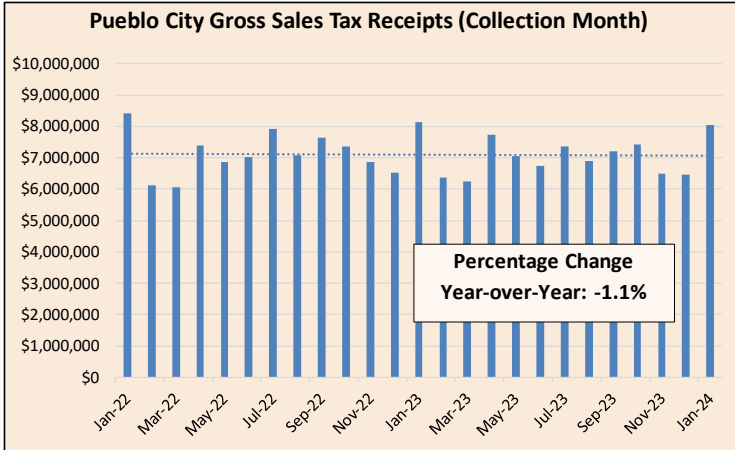
Note: The Housing Opportunity Index (HOI) is defined as the share of homes sold in that area that are affordable to a family earning the local median income, based on standard mortgage underwriting criteria. It includes new and existing homes.
Sources: National Association of Home Builders; Wells Fargo



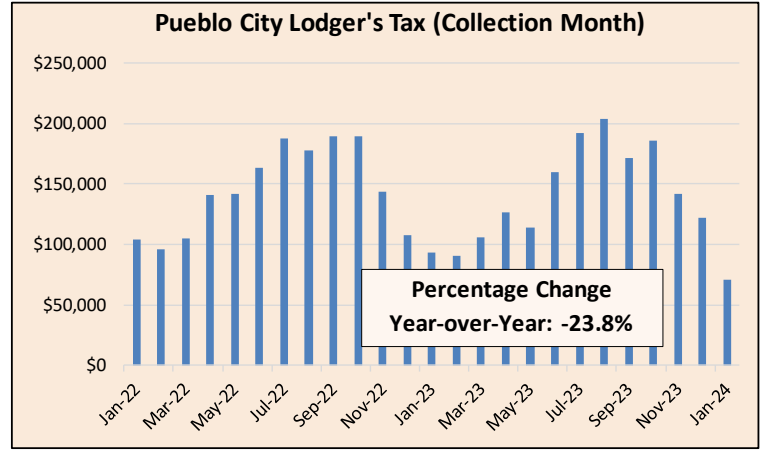
Sources: CoStar Group™; Olive Real Estate Group, Inc.

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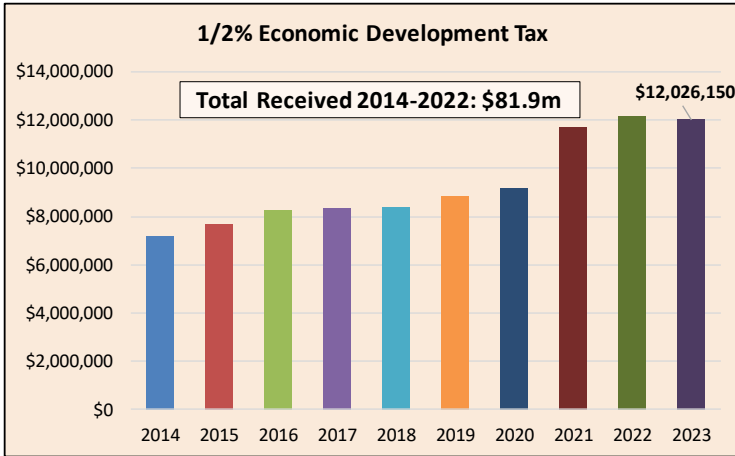
TAXATION, VEHICLE SALES, AND TOURISM (PAGE 8)



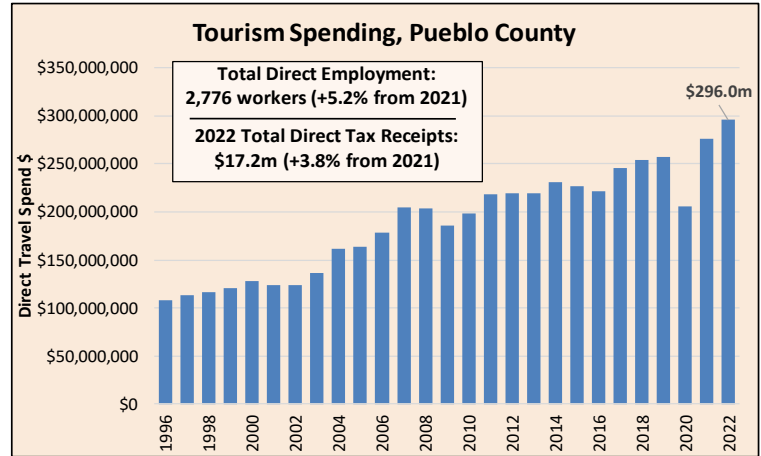
Source: City of Pueblo



Source: City of Pueblo

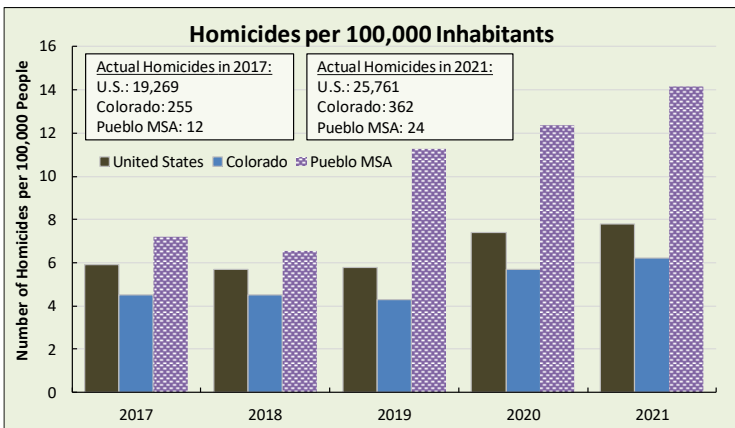


Source: City of Pueblo

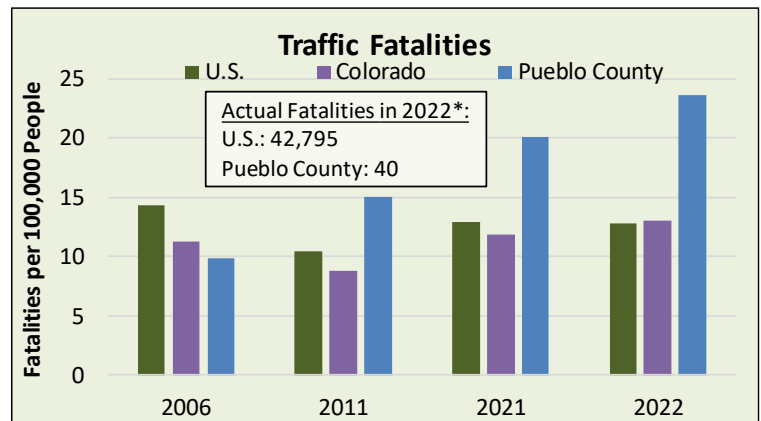


Note: Direct travel includes day and overnight visitors.
Sources: Colorado Tourism Office; Greater Pueblo Chamber of Commerce

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

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