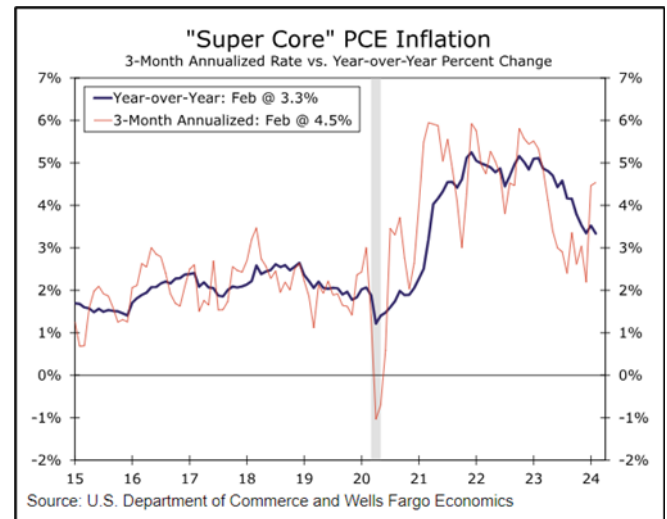


Pueblo Economic & Workforce Development Dashboard

Highlights — March 2024

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

Today, the PCE deflator, which is the Federal Reserve's preferred measure of inflation, was released, and it reinforces the February headline [Inflation {page 3}](#) data that price increases are still very much with us. Specifically, service-related inflation continues to be hot, and this includes categories like restaurants, housing, tuition, and insurance payments to name a few. Auto and property insurance is a topic I recently covered, and I could not believe the [double and triple-digit increases](#) Coloradans have seen in those categories. All in, it may feel good that consumers are feeling confident enough in their jobs and lives to boost the economy through their consumption patterns, but the downside for the Fed is that businesses do not have much incentive to reduce or even hold prices steady when customers are still confidently walking in their doors. Indeed, [Consumer Sentiment {Page 3}](#) has been improving the last few months with a March reading of 79.6 comparable to early 2021 levels (and every service-related category had increases in spending). This circuitous high consumption and inflationary trend is not as strong as the pandemic era (with many business owners now saying they cannot pass on price increases as easily), but that trend is clearly not dead either. Because housing costs have increased nation-wide so much over the past couple of years in particular, the Fed also parses out the "super core" PCE deflator to look at what's happening to prices outside of the more volatile food, energy and housing categories. Year-over-year, that super core PCE deflator was at 3.3% in February, but more recent data over the past three months shows that measure annualized at 4.5%, as the chart shows. And before I leave the housing topic, the S&P Core Logic National Home Price Index was up 46% in February compared to January 2020, but the increase in (NOT inflation-adjusted) household incomes was up only 18%. This translates to home values that are now five times higher than the median U.S. household income. This is in stark comparison to the historical 3.5 ratio pre-pandemic according to Wells Fargo analytics.



For [Interest Rates {Page 3}](#), this data is not catastrophic, but it's not good news either. Most economists are betting on an initial June rate cut with three to follow, although I am not holding my breath for a June cut and simply hoping for a July or September cut with perhaps two more (0.25% cuts) before year end. The irony on the business side of things is that markets and business owners are assuming several rate cuts, and that can create a momentum in producer spending as soon as that first rate cut happens. The Fed knows this and subsumes that into their decision making because when businesses start spending, that too jeopardizes progress on inflation. For those of you in rate-dependent industries, the good news is that the expectation is that once cuts do commence, another 100 basis points (=1.0%) of cuts is anticipated next year with an estimated 2025 year-end Fed funds rate of 3.5%.

At the moment, I worry a bit about the borrowing costs on vulnerable businesses right now. Specifically, many landlords/investors of office buildings and multi-family complexes are exposed right now. Nationwide, office attendance seems to have settled at about 50% of pre-pandemic levels, and the Mortgage Bankers Association calculates that there is about \$1 trillion in maturing commercial mortgages that will come due over the next two years. This includes all types of commercial real estate (CRE), but office and multi-family are a large portion of those total commercial mortgages. I recently came across data from the NBER (National Bureau of Economic Research) that states 14% of all CRE loans and 40% of all loans tied to office buildings have negative equity, meaning the assets are worth less than the debt owed. A separate study from Capital Economics shows that office building prices could fall another 20% or down 43% from peak values over the past few years. In other words, things could get worse. This will likely leave not only many office and multi-family building owners in perilous financial situations, but also banks. The country has about \$6 trillion in all types of CRE loans and about half of that is held by banks. For about half of U.S. banks, CRE loans represent the largest single loan category in their portfolios. Hence, there is risk to the financial system as loan payments come due, and outright defaults occur. NBER has estimated that if about 20% of CRE debt defaults, banks could be hit with \$160 billion in additional losses (above missed loan payments) making 482 banks with \$1.4 trillion in assets insolvent. That might keep me up in coming months.

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

[Page 4 - Local Labor Market](#)

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

[Page 6 - Demographics](#)



[Page 7 - Real Estate](#)

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

[Page 8 - Crime & Safety](#)

For past reports go to <https://www.ddestrategies.org/>.

Pueblo Economic & Workforce Development Dashboard

Locally, **Apartment Vacancy Rates {Page 7}** increased in all of the four regions listed on that table except for Pueblo South (at 2.4%). The other three regions ranged from 4.2% in northwest Pueblo to 16.7% in northeast Pueblo. Average rents rose in all areas except Pueblo Northeast, where they went down slightly (\$5) from 2023 Q3 to Q4. Median rents stayed flat in the Pueblo Metro Area as a whole (\$1,016) and in Pueblo Northeast (\$1,000), while rising in Pueblo Northwest (from \$1,369 in Q3 to \$1,429 in Q4) and Pueblo South (from \$897 in Q3 to \$915 in Q4). Many markets across the nation, including Colorado Springs, have very soft multi-family markets right now mostly because too much product came on line at once. Pueblo has more regional differences in apartment demand and vacancy rates, but I will point out that one potential downside to lower interest rates is that some current renters will become homeowners once mortgage rates decline, and that may be a downside risk for existing or would-be multi-family landlords/investors.

Shifting to employment, Colorado job growth in 2023 was revised upwards and by quite a lot. About 85% of the upside revisions were due to metro Denver adjustments putting Colorado as the 11th best state for average annual job growth (at 2.5% or 72,700 new jobs) in 2023. More recent employment data, however, does indicate a cooling or at a minimum, more normalcy in the labor market. Because of the significant revisions, I am comparing December data to (revised) February data and it showed that the U.S. **Unemployment Rate {Page 3}** went from 3.5% to 4.2%, Colorado also increased from 3.3% to 4.1%, and Pueblo increased from 4.5% to 5.6% - all figures not seasonally adjusted to make them comparable. I'll (somewhat smugly) note that my **Unemployment Forecasts {Page 3}** for 2024 and 2025 have both been slightly above 4% whereas most forecasters have been below 4%. Including the seasonal adjustment, the U.S. rate in February was still below 4% at 3.9%, but has somewhat crept up over the past few months. I do think the national and state rates will hold relatively steady so still a very tight labor market across the nation and state, but not the white hot market we experienced during much of the pandemic. Smaller markets like Pueblo will likely be about one and a half percentage point above the U.S. unemployment rates.

Local Job Openings {Page 4} increased in February 2024 compared to December 2023 (up to 3,777 from 2,998), but there were significantly more unemployed people locally (from 3,428 to 4,217). The number of workers available per job opening increased held relatively steady at 1.12 in February. It's noteworthy that February job openings were pretty much within trend values (like the **U.S. Job Openings, Page 3**), but the number of unemployed people is higher than trend. So, it seems like businesses are still wanting workers, but perhaps the available workers don't have the skills required. We've also rotated in the **Top Employers in Pueblo {Page 4}**, and that data shows significant increases in the number of postings across many of those top 15 employers.

The Quarterly Census of Employment and Wages (QCEW) data for 2023 Q3 was just released, and it highlights that local job growth was concentrated in the same top five industries: transportation and warehousing (up 58.8% since 2017), construction (+25.3%), professional and technical services (+21.3%), wholesale trade (+20.6%), manufacturing (+18.2%), and public administration (+7.0%). This data set also includes wage data, and thankfully, that showed some marginal improvements with **Pueblo Average Wages {Page 4}** of \$53,768, but still 22.5% lower than U.S. average wages (\$69,368) and 27.7% lower than Colorado wages (\$74,360). The percentage differences are still highly unfavorable, but they did improve slightly over the previous quarter. Lastly, QCEW **Pueblo County Annual Job Changes {Page 4}** showed 334 new jobs from 2022 Q3 to 2023 Q3. This is below the estimated number of new jobs needed to match population growth of 455 annual new jobs.

Regarding housing, **Pueblo Home Sales {Page 7}** increased from 112 in January to 148 in February. The days on market in Pueblo rose from 90 to 99 days. **Home Prices {Page 7}** went in two directions. Median price went up from \$310,500 in January to \$314,000 in February (and for Pueblo this includes new and existing homes) but were down 1.4% from one year ago (February 2023). Pueblo is currently ranked 115th in terms of prices out of 190 metro areas measured by the National Association of Realtors (NAR). To be clear, NAR does not include Pueblo in its rankings, but we estimate a ranking based on where its median home price falls relative to other cities that are ranked. With respect to building levels, **Pueblo Single-Family Permits {Page 7}** went from 24 in January to 30 in February. There were again no multi-family permits in February and that has been the case for the past three months. As the chart shows, building levels are quite low over the past year compared to the previous two years. The textbox in that graph shows that actual permits in 2023 were at 421 (single and multi-family combined) well below the "healthy number of permits" estimated at 1,400 per year.

I'd like to end with a happy announcement that DDES is part of an Opportunity Now award for [workforce development initiatives in southern Colorado](#), including Pueblo. We are thankful and excited to be part of this state-wide \$85 million initiative addressing education and workforce readiness/opportunities particularly in underserved regions.

Tatiana & Rebecca

Economic & Workforce Development Dashboard Sponsor:



Pueblo Economic & Workforce Development Dashboard

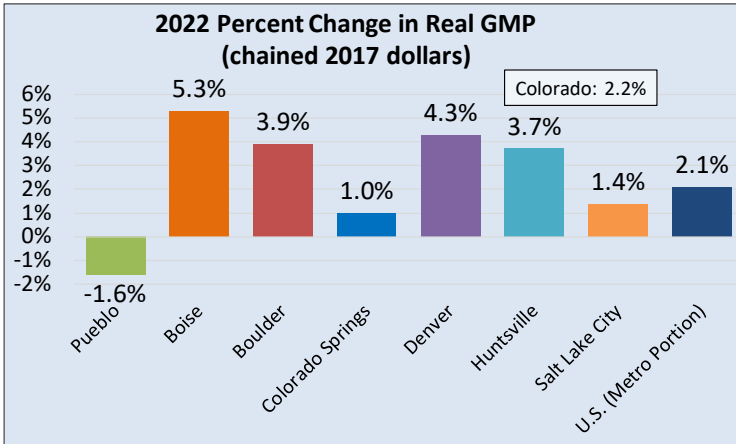
MACROECONOMIC "BIG PICTURE" (PAGE 3)



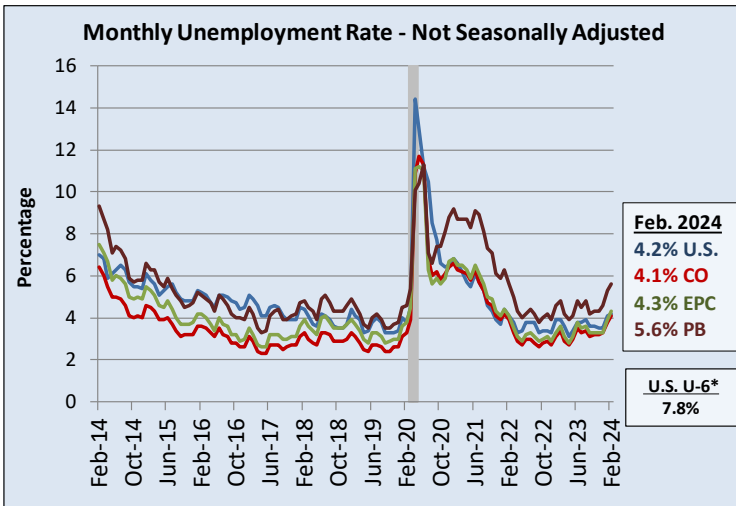
*Estimate of real GDP percent change from same quarter a year ago, SA
 **If quarterly changes were annualized over the year.
 Source: U.S. Bureau of Economic Analysis

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%

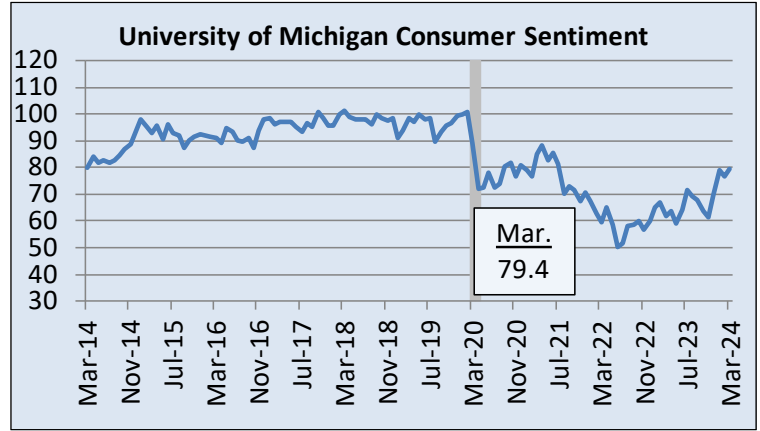
Forecasts by Data-Driven Economic Strategies with input from the Conference Board, Wells Fargo, Colorado Department of Labor & Employment, and other anecdotal resources.
 Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics



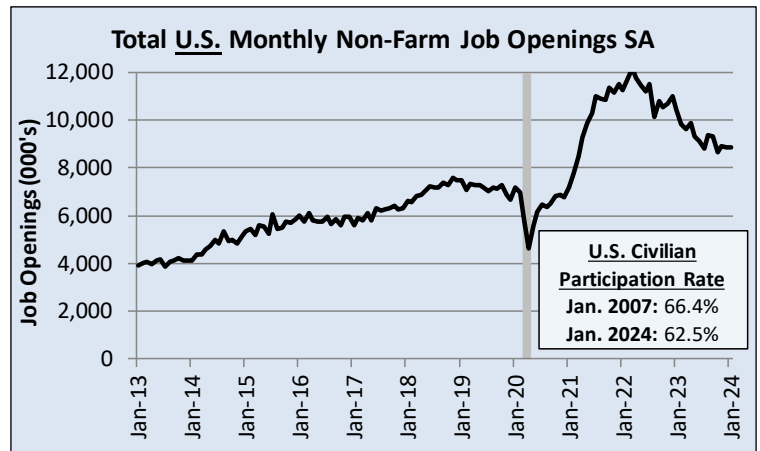
Note: Data includes military. Real GMP is adjusted for regional price parity (RPP). This regional data lags ~23 months.
 Source: U.S. Bureau of Economic Analysis



Note: 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

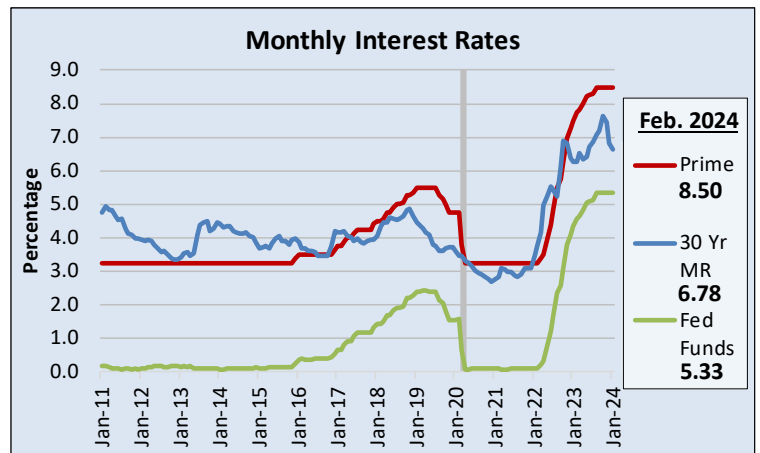


Source: U.S. Bureau of Labor Statistics; Job openings data lags.

U.S. Consumer Price Index - February 2024		
	All items	Less food & energy
Change from January to February 2024 (SA)	0.4%	0.4%
Last 12-months (NSA)	3.2%	3.8%

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)



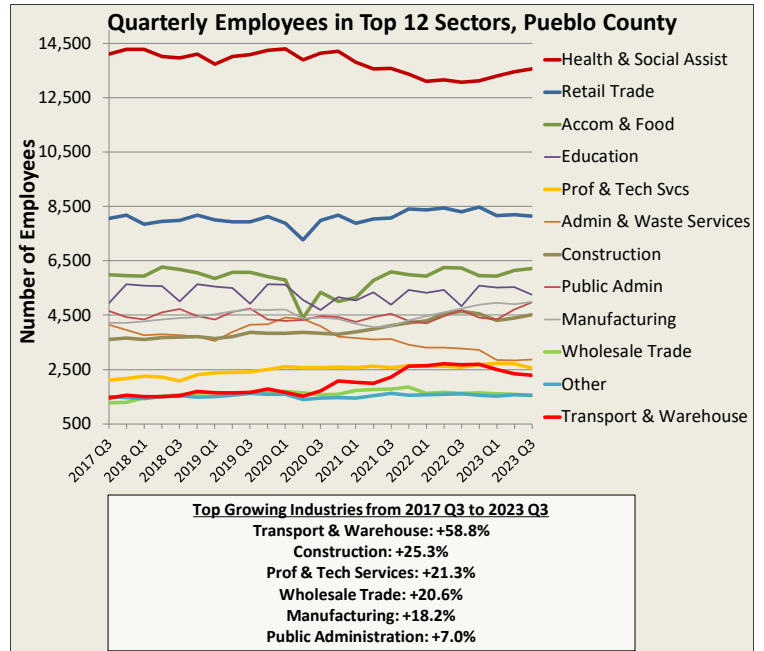
Source: Board of Governors of the Federal Reserve System

LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Pueblo County, February 2024			
Top Job Titles (Pueblo MSA)	# of Job Postings (Pueblo)	Median Advertised Salary (Pueblo)	Risk of Automation (U.S.)
Registered Nurses	399	\$94,464	Low Risk
Retail Salespersons	124	\$33,408	Medium Risk
1st-Line Supervisors, Retail Sales	90	\$42,368	Low Risk
Sales Reps, Wholesale & Manufacturing	72	\$54,912	Medium Risk
Medical & Health Services Managers	65	\$85,760	Low Risk
Fast Food & Counter Workers	64	\$31,616	High Risk
Managers	54	\$95,232	Low Risk
Heavy & Tractor-Trailer Truck Drivers	53	\$52,096	High Risk
Maintenance & Repair Workers	53	\$44,672	Medium Risk
Manual Laborers & Movers	51	\$37,504	Medium Risk

Pueblo MSA, February 2024
TOTAL Job Openings: 3,777
TOTAL Unemployed: 4,217
Workers Available per Job Opening: 1.12

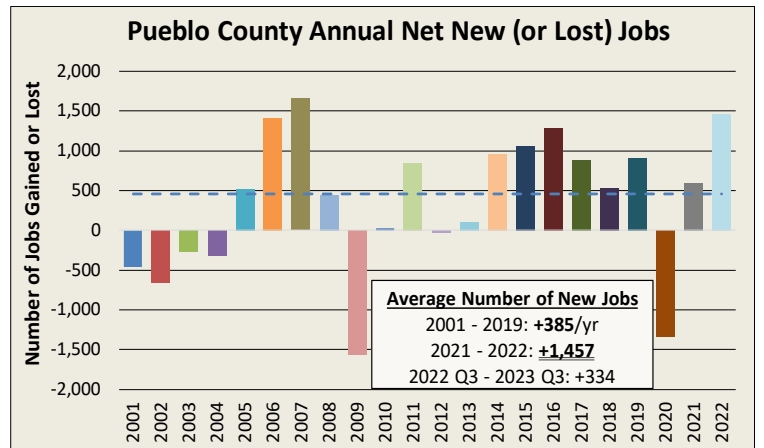
Sources: The Conference Board®-Lightcast® Help Wanted OnLine® via Pikes Peak Workforce Center; CO Dept. of Labor & Employment



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 February 2024		
Name of Employer	# of Job Postings	Median Advertised Salary
State Of Colorado	145	\$61,056
Parkview Medical Center	142	\$70,400
City Of Pueblo	75	\$52,352
Colorado State Government	57	\$61,568
Parkview Health	46	\$51,712
Crossroads Turning Points	44	\$60,032
Pueblo County Courthouse	38	\$49,408
Trane Technologies	36	\$77,568
Health Solutions Us	31	\$68,352
Pueblo County School District 70	30	\$56,192
Edge Global	30	\$122,624
Pueblo City Schools District 60	29	\$69,888
Lowe's	29	\$35,968
Aya Healthcare	29	\$116,736
Wagner Equipment Company	27	\$81,152

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 Q3 Average Annual Wages for All Industries			
Pueblo wages are 22.5% lower than the U.S. 27.7% lower than Colorado 15.1% lower than El Paso County			
U.S.	Colorado	El Paso County	Pueblo County
\$69,368	\$74,360	\$63,336	\$53,768
2023 Q3 Total Employment			63,337
2023 Q3 Total # Establishments			4,023

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 .		

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

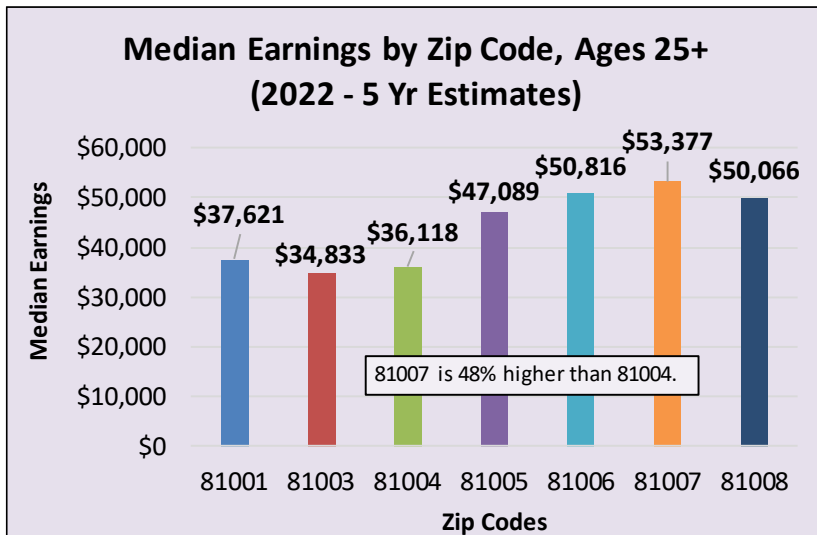
Sources: U.S. Bureau of Labor Statistics and Colorado Department of Labor and Employment, QCEW; Local military installations; U.S. Census Bureau, American Community Survey 1-year estimates; U.S. Department of Health & Human Services; MIT Living Wage Calculator

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

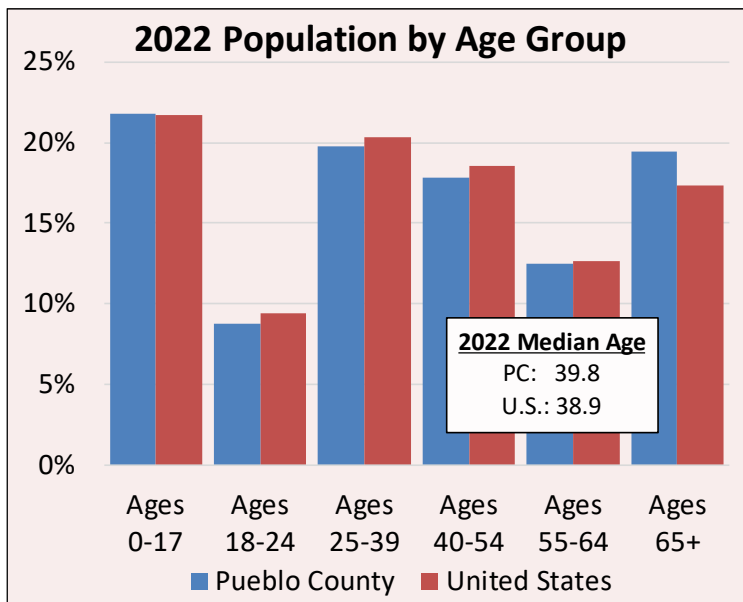


Median Earnings 2022 (All Ages Full-Time)	
U.S.	Pueblo County
\$56,929	\$51,808

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)

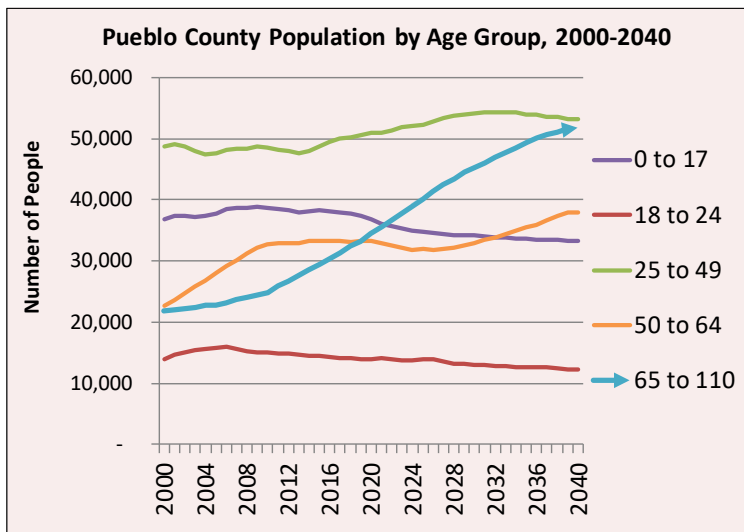


Source: U.S. Census Bureau, Population Division, Population Estimates Program

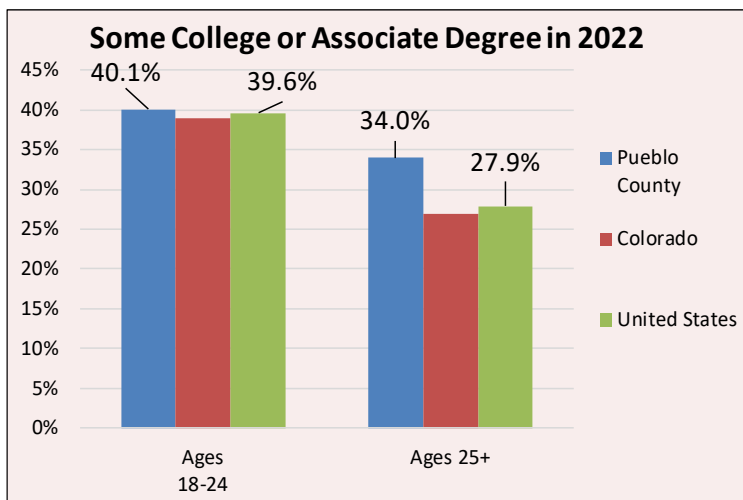
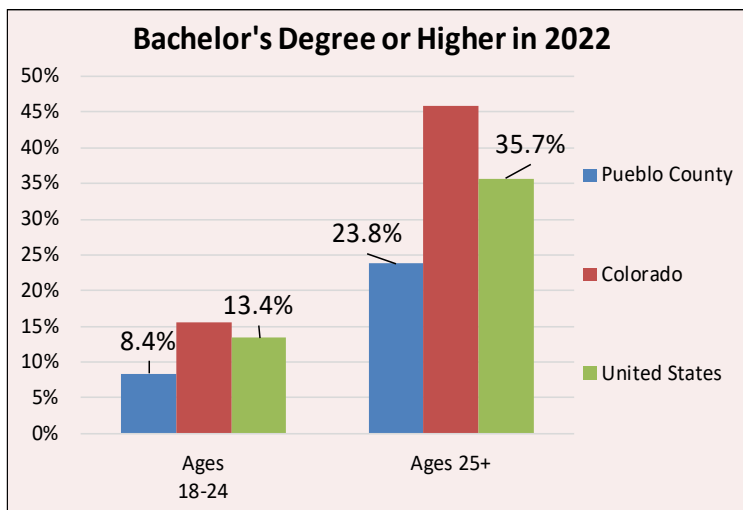
Population Estimates

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

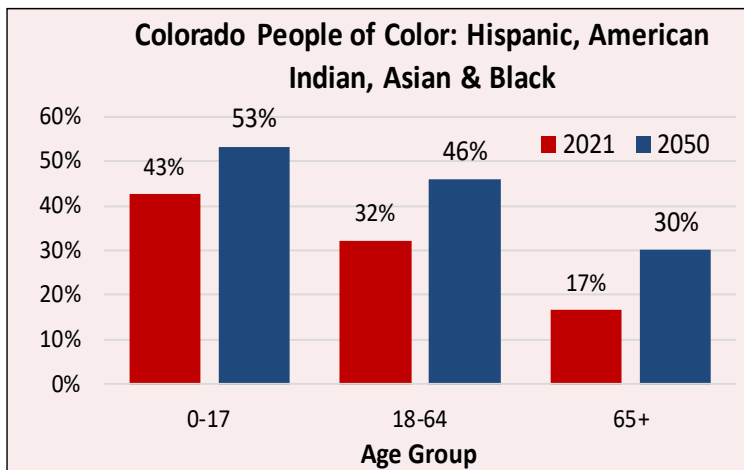
Source: Colorado State Demography Office



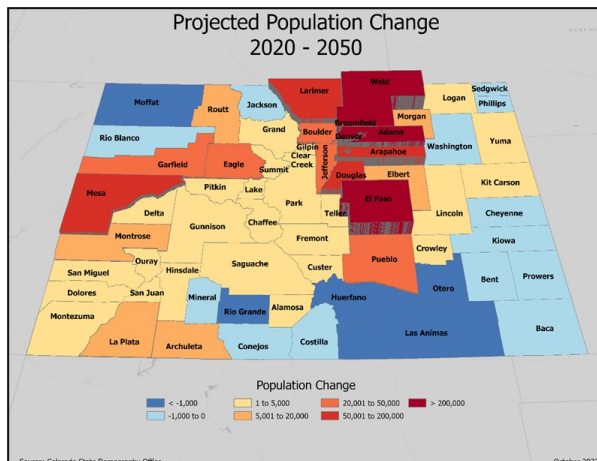
Source: Colorado State Demography Office



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

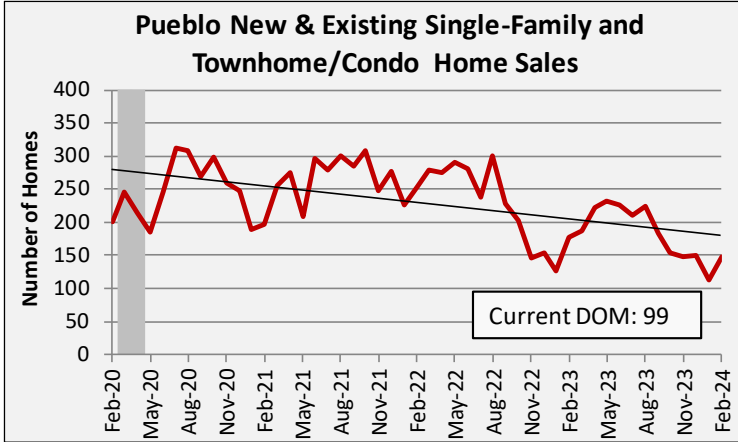


Source: Colorado State Demography Office



Source: Colorado State Demography Office

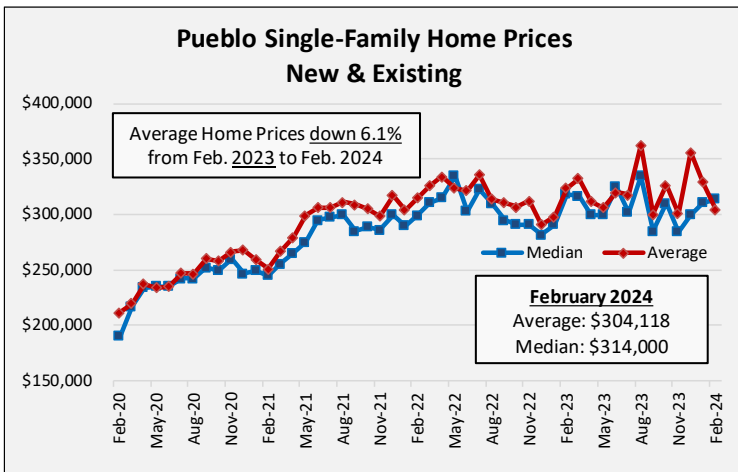
REAL ESTATE (PAGE 7)



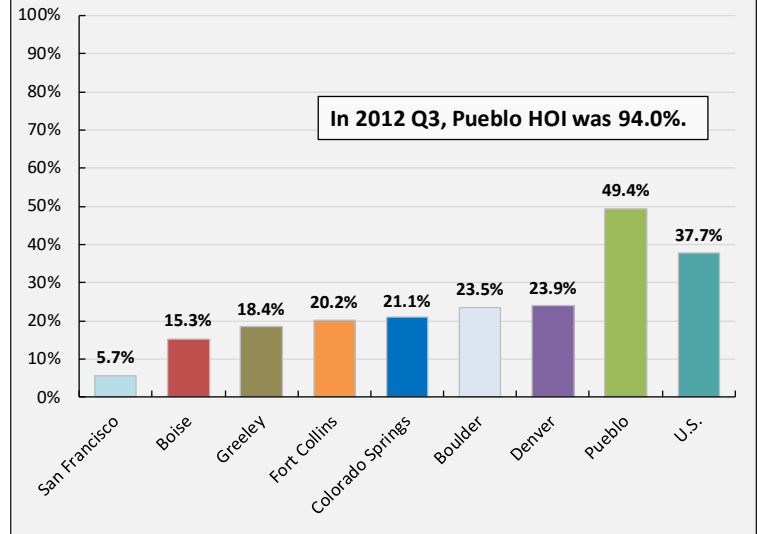
Median Existing Single-Family* Home Price 2023 Q4 (CS, Denver, U.S.) and Feb. (Pueblo)

Location	Colorado Springs	Denver	Feb. 2024 Pueblo (*New & Existing)	United States
Price	\$459,300	\$652,300	\$314,000	\$391,700
1-year % Change	3.6% increase	1.9% increase	1.4% decrease	3.5% increase
MSA Rank	46	19	115	n/a

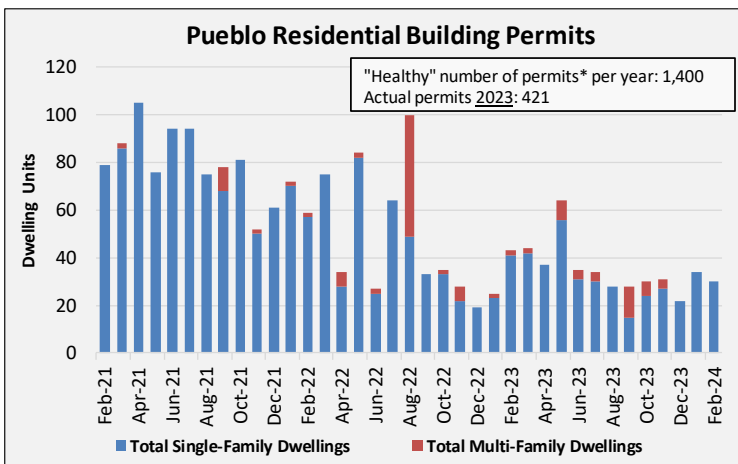
*Includes existing homes only except for Pueblo, which includes new & existing since PAR only reports both (combined). Pueblo ranking is estimated based on similar MSA city ranking and price is for most recent month. 190 MSAs measured.
Sources: National Association of REALTORS®, Pueblo Association of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



2023 Q4 Housing Opportunity Index



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

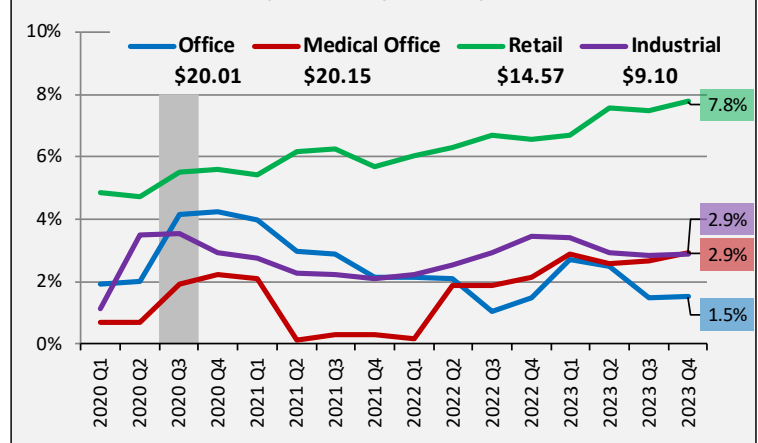


*The methodology for “healthy permits” includes single-family and multi-family dwellings needed if we incorporate both population growth and the existing shortage of housing between 2023 and 2028. These calculations by Data-Driven Economic Strategies incorporate research by Common Sense Institute and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

Apartments, 2023 Q4				
	Vacancy Rate	Average Rents	Median Rents	Average Year of Construction
Pueblo Metro Area	8.4%	\$1,167	\$1,016	1985
Pueblo Northeast	16.7%	\$1,086	\$1,000	1978
Pueblo Northwest	4.2%	\$1,400	\$1,429	2000
Pueblo South	2.4%	\$931	\$915	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

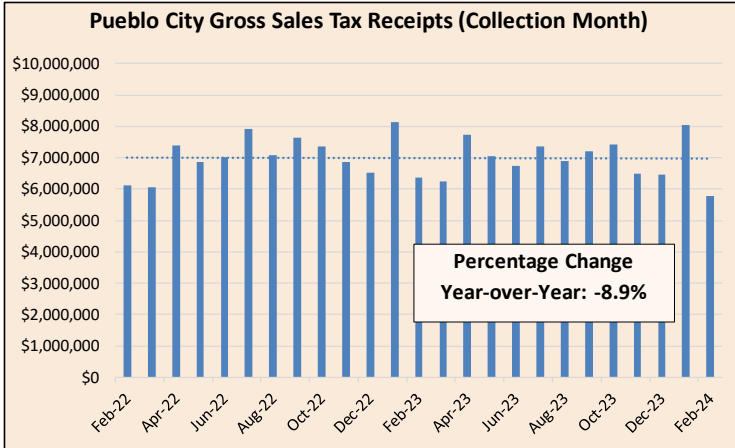
Pueblo County Quarterly Vacancy Rates & Rents



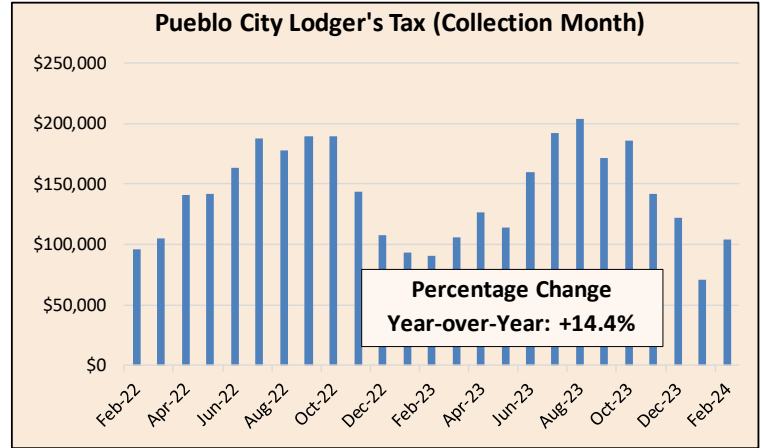
Sources: CoStar Group™; Olive Real Estate Group, Inc.

Pueblo Economic & Workforce Development Dashboard

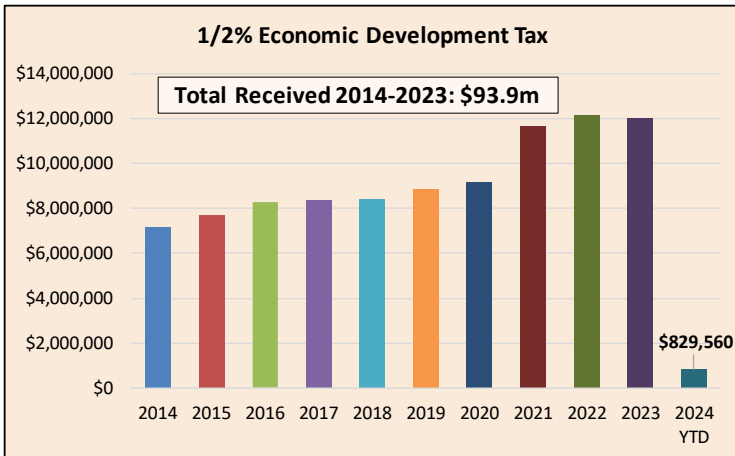
TAXATION, VEHICLE SALES, AND TOURISM (PAGE 8)



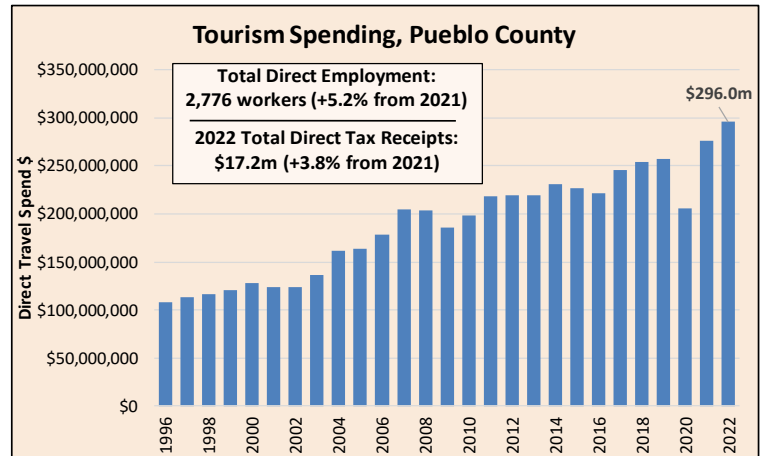
Source: City of Pueblo



Source: City of Pueblo

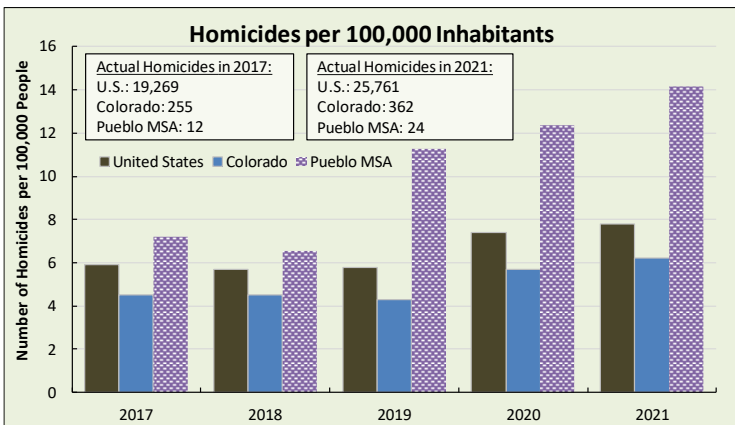


Source: City of Pueblo

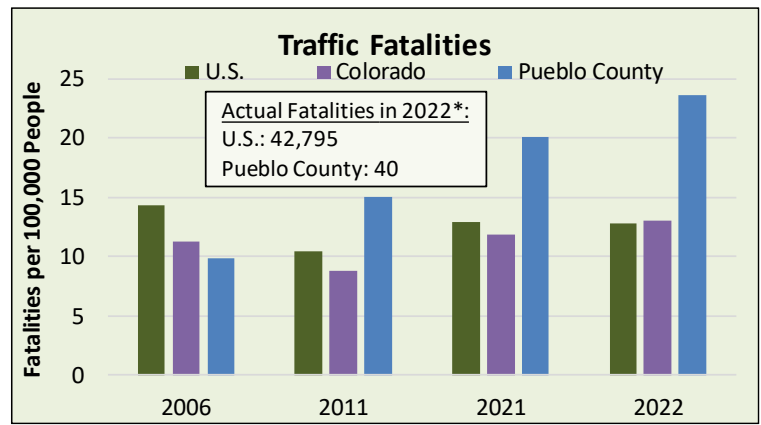


Note: Direct travel includes day and overnight visitors.
Sources: Colorado Tourism Office; Greater Pueblo Chamber of Commerce

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