

Pueblo Economic & Workforce Development Dashboard

Highlights —April 2024

There is new economic data I track pretty much every day, which I find fascinating although I know most people think that's odd. In communications, I try to focus on recent data points that I think can perhaps explain our current economic landscape, and perhaps foretell what is ahead. The hope is this alchemy of data can inform decision-making.

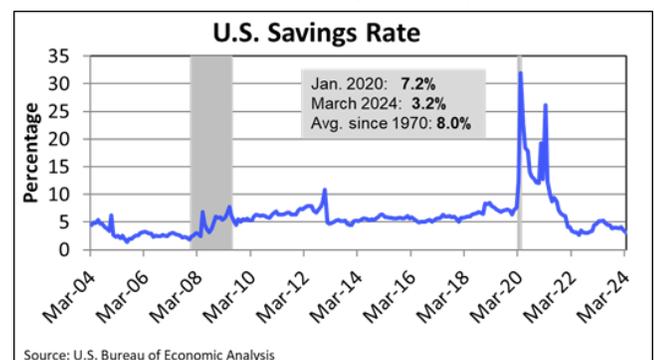
Remember, hyperlinks below take you either to the page where that graph or table is or to a TV segment on the topic discussed.

GDP {Page 3}, or gross domestic product, for 2024 Q1 was released, and it surprised to the *downside*. If you recall, GDP in the U.S. last year ended quite strong at 2.5%. Trend growth has held tightly around the 2.0% mark for decades (other than the pandemic). So, outperforming trend growth last year when many “smart” economists (ahem) were predicting a recession is pretty good. And considering that leading indicators like the manufacturing index and the LEI (Leading Economic Indicator) have teetered out of recession territory, everyone thought Q1 GDP would stay rather strong at around the same 2.5% growth rate. Instead, 2024 Q1 came in at 1.6% growth when annualized. If, however, we compare Q1 of this year to Q1 of last year, the growth rate was 3.0%. This discrepancy is mostly due to the fact that Q1 of last year wasn't so hot so Q1 of this year looks better (up 3.0%). In truth, I like looking at both the annualized and quarterly comparisons because together they tell a story.

And that story is that the economy so far this year is actually doing okay. The subpar annualized measure (+1.6%) was pulled down by a) negative net exports, and b) lower business inventories. But both of those drags have nuance. Net exports (e.g., exports minus imports) came down because U.S. consumers are still consuming at a decent clip, and Americans import a lot. Imports are a *subtraction* on GDP because those dollars are landing in another country. Also, the U.S. dollar is strong so other countries are not buying our exports as much, and exports are an *addition* to GDP. Our dollar is strong because our interest rates are still quite high compared to many of our trading partners. The higher interest rates mean U.S. Treasury (e.g., bond) yields are high and that increases the demand for U.S. dollars. The strong U.S. dollar has its advantages and disadvantages, and with respect to net exports, it's mostly a disadvantage. Yet, when the Fed does finally commence rate cuts, the dollar will weaken and that should increase our export volume, a plus towards GDP. Net exports pulled down GDP by 0.86%. Had this not been the case, GDP would have been almost exactly 2.5% in Q1. One timely advantage to a strong dollar, however, is that it makes the prices we pay for imported goods a little less, thus moderating inflation to some extent.

The other drag on GDP was lower business inventories. This may sound unfavorable, but I believe businesses are being cautious and prudent about maintaining realistic inventories looking forward to the next 6-12 months. The astute business owner knows higher interest rates for longer mean fewer big ticket purchases. The astute business owner knows inflation pressures are squeezing household budgets, and many households are overextended. It is true that consumers continue to spend especially on services, but the elevated levels of spending are very likely to come down this year, and there are some signs of that if you look at business and **Consumer Sentiment {Page 3}** surveys. Indeed, the University of Michigan April index declined to 77.2 from 79.4 in March mostly because consumers are concerned about personal finances, and expect future inflation to hold at 3.2%. In sum, it's better for businesses and the economy when inventories accurately reflect business conditions. Otherwise, firms can overextend themselves and face peril (and layoffs) down the road.

Another major data point I'd like to highlight is that the average U.S. resident appears to be spending at double the levels of real disposable personal income, which is after-tax income. On a month-over-month basis, “real” or inflation-adjusted disposable income increased 0.2% in March, but “real” personal spending increased 0.5%. This is not a monthly blip; it's a trend. On a year-over-year basis, real disposable personal income is up 1.4%, but real personal spending is up 3.1%. There is a perception of outsized increases in wages, but the income gains are significantly eroded by inflation as evidenced by the modest 1.4% increase in real disposable income. Yet, consumers continue to spend at roughly double the clip (+3.1%) of income gains. How are they financing this? The savings rate is now at 3.2%, which is historically quite low as the graph shows. Credit card debt is also climbing with outstanding balances holding steady (meaning average payments are just covering the 25%+ interest rate costs). I don't think this all means that the economy will crash. I just think it validates



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business owner perceptions that spending will slow this year, and I agree with that assessment especially since we may or may not have interest rate cuts in 2024 (and if we do, they will be quite modest).

And even the optimistic stock market is now incorporating the reality of higher-for-longer interest rates because of the relentless inflation data. The Fed's preferred inflation measure, the PCE deflator, inched up from 2.5% in February (year-over-year) to 2.7% in March (year-over-year). The "core" deflator, which strips out food and energy, stayed the same at 2.8%. Last month, I showed a chart of the "super core" (economists can be annoyingly persnickety), which additionally strips out housing inflation. The Fed's biggest headache is that this "super core" inflationary measure was even higher in March at 3.5%, AND over the past three months alone the rate has increased and annualizes now to a 5.5% rate. The chart I showed last month had February's three month annualized rate at 4.5%, so we are trending in the wrong direction. The thing that stands out to me is that housing costs have exploded, and yet this "super core" measure that excludes housing is still accelerating. Similarly, the "headline" **Inflation {Page 3}** measure shown in this report also increased from February (3.2%) to March (3.5%). I don't think this will spell runaway inflation by any means, but it validates that interest rates will remain elevated for the remainder of this year barring an unexpected economic shock.

Strong employment numbers further cement the Fed's stance with a surprisingly large number of new jobs in March (+303,000 – about double the "normal" amount), and declines in **Unemployment {Page 3}**. The U.S. rate fell from February (4.2%) to March (3.9%) as did the Colorado rate (4.2% to 3.8%) and Pueblo rate (5.6% to 5.2%). The declines in unemployment are additionally reflected in the local **Workers Available per Job Opening {Page 4}**, which declined from February (1.12) to March (1.00).

Yet, even with a hardy labor market, persistent inflation is bad news for incumbent presidents in an election year. I find the [disconnect between the narrative of a resilient economy and U.S. household perceptions](#) of the economy interesting, which I recently covered. The disconnect has several reasons, but inflation is something that we all see and feel every day, so it will have outsized influence in consumer perceptions and actions. So does sparse gray hair and bad comb overs (more on that in an upcoming, Colorado Springs Gazette opinion piece next week).

The local Q1 housing data is not yet out, but I'd like to highlight some national *new* home price information. The median price of a new home sold in the U.S. fell 7.6% over the past year to \$400,500. The median price is now 19.4% lower than its peak (\$496,800) in October 2022 – a significant decline. The current median price of a new home is just 3% higher than the median price of an existing home. Up until 2022, the premium for buying a new home versus an existing home was about \$60,000 (or closer to 10%-30% higher depending on the year). Most builders (60% in March) have offered some kind of price incentive, which has helped them capitalize on both the dearth of existing homes and the shortage of housing overall. By point of reference, **Pueblo New and Existing Median Home Prices {Page 7}** in March were at \$303,000, down 4.4% from a year ago. This is counter to the U.S. trend (up 3.5%). The moderation of prices in Pueblo is good news, and I hope that local builders will help meet demand particularly in lower price ranges so when interest rates come down the first-time homebuyer can jump in.

With respect to apartments, in the last few months there have been no **Pueblo Multi-Family Building Permits {Page 7}**. This is likely a good thing as most cities and the U.S. overall need time to absorb all the apartments that were built during and post-pandemic.

Pueblo Sales and Use Tax {Page 8} monthly revenues increased in March as the graph shows to \$6.74 million. Compared to a year ago, sales and use tax collections are up 7.9% as stated in the textbox. By contrast, **Lodger's Tax {Page 8}** declined over the month, and is down 12.9% year-over-year. In January and February, the ½ cent **Economic Development Tax {Page 8}** stood at \$1.8 million and the total received from 2014 to 2023 was \$94 million as the textbox shows.

Shifting to other local data related to quality of life, the 2023 **Traffic Fatalities {Page 8}** data was released and the number of auto-related fatalities stayed the same at 40 deaths during the year. The U.S., however, had a decline from 2022 (42,795) to 2023 (40,990). Interestingly, Colorado Springs just initiated cameras on I-25 to hopefully reduce speeding, reckless driving and auto deaths. There has been mixed response to this, and it will be interesting to see if there are any safety-related impacts.

Happy spring, and we hope you have a great week!

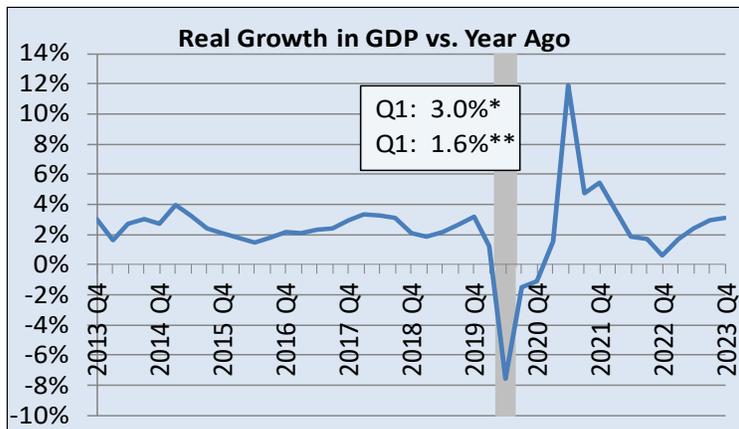
Tatiana & Rebecca

Economic & Workforce Development Dashboard Sponsor:

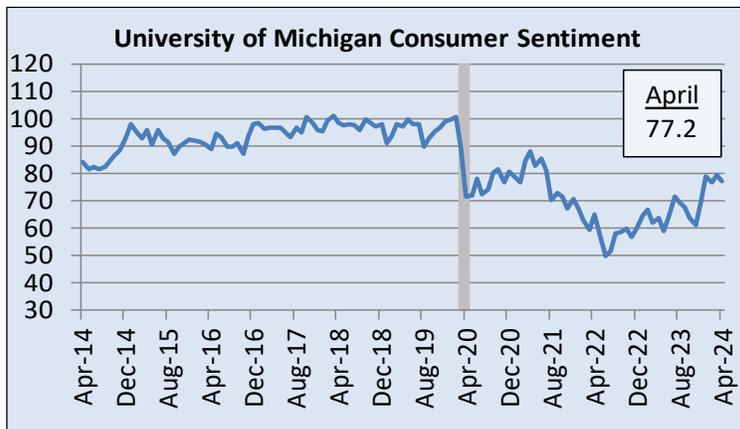


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MACROECONOMIC "BIG PICTURE" (PAGE 3)



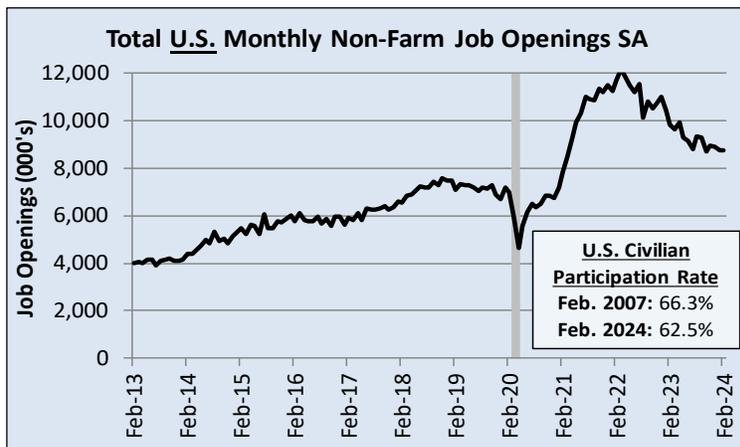
*Estimate of real GDP percent change from same quarter a year ago, SA
 **If quarterly changes were annualized over the year.
 Source: U.S. Bureau of Economic Analysis



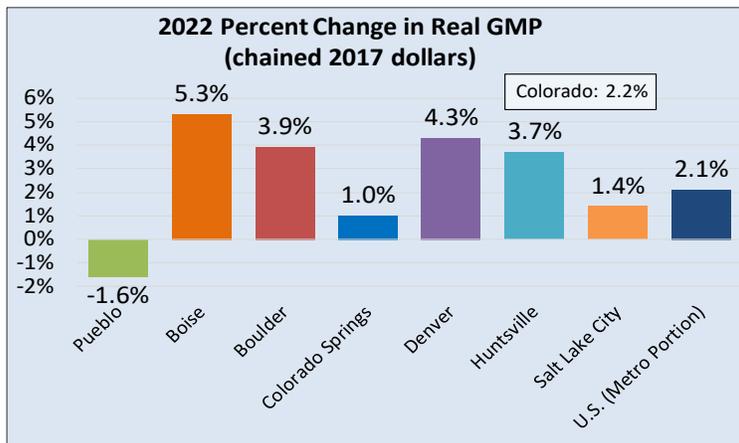
Source: University of Michigan

Forecasts for U.S. Real GDP and Unemployment (SA)				
	2022 Actual	2023 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



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

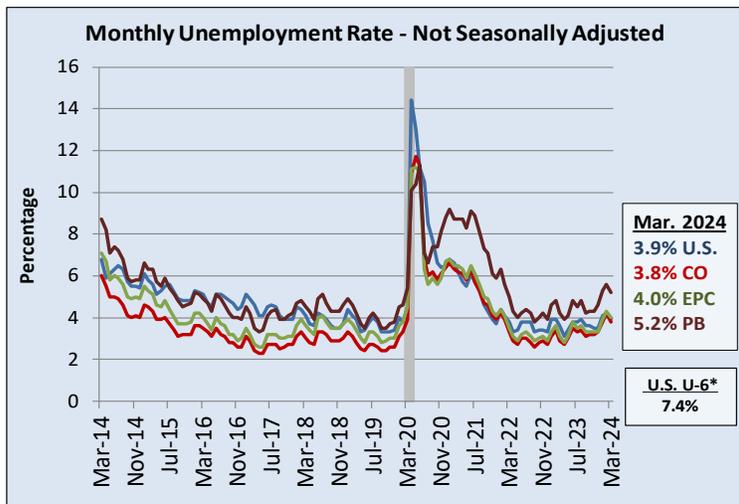


Note: Data includes military. Real GMP is adjusted for regional price parity (RPP). This regional data lags ~23 months.
 Source: U.S. Bureau of Economic Analysis

U.S. Consumer Price Index - March 2024		
	All items	Less food & energy
Change from February to March 2024 (SA)	0.4%	0.4%
Last 12-months (NSA)	3.5%	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)



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: Board of Governors of the Federal Reserve System

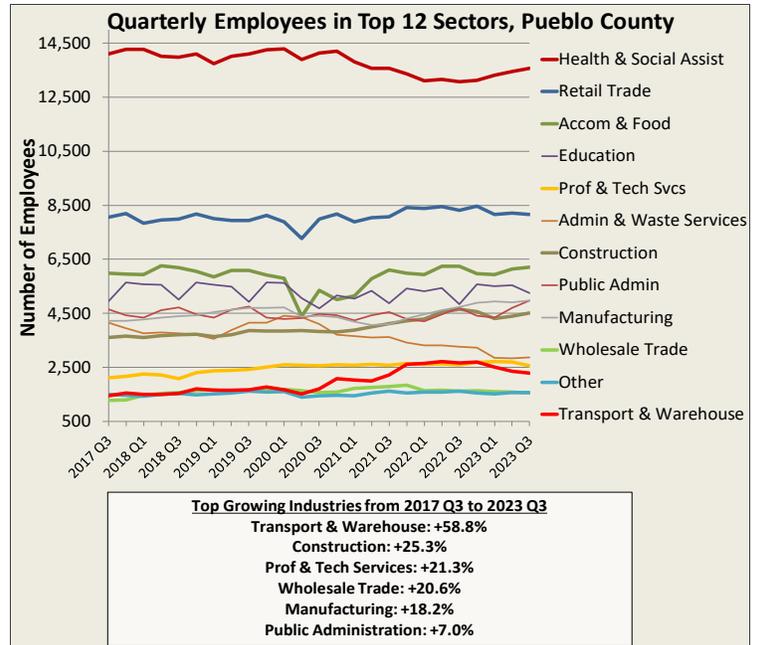
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LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Pueblo County, March 2024			
Top Job Titles (Pueblo MSA)	# of Job Postings (Pueblo)	Median Advertised Salary (Pueblo)	Risk of Automation (U.S.)
Registered Nurses	393	\$94,464	Low Risk
Retail Salespersons	112	\$33,408	Medium Risk
1st-Line Supervisors, Retail Sales	95	\$44,672	Low Risk
Sales Reps, Wholesale & Manufacturing	71	\$54,144	Medium Risk
Fast Food & Counter Workers	71	\$31,616	High Risk
Nursing Assistants	58	\$44,544	Medium Risk
Medical & Health Services Managers	57	\$85,760	Low Risk
Heavy & Tractor-Trailer Truck Drivers	56	\$55,168	High Risk
Customer Service Reps	52	\$33,920	Medium Risk
Janitors & Cleaners	52	\$34,432	High Risk

Pueblo MSA, March 2024	
TOTAL Job Openings:	3,900
TOTAL Unemployed:	3,907
Workers Available per Job Opening:	1.00

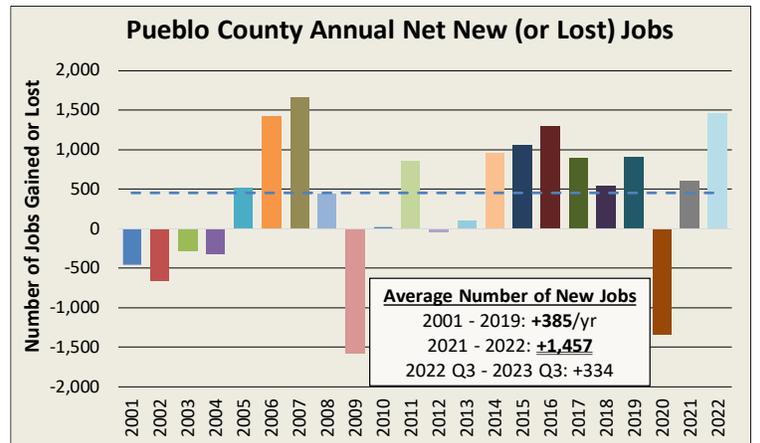
Sources: The Conference Board®-Lightcast® Help Wanted OnLine® via Pikes Peak Workforce Center; CO Dept. of Labor & Employment



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 March 2024		
Name of Employer	# of Job Postings	Median Advertised Salary
State Of Colorado	128	\$60,032
Parkview Medical Center	125	\$80,128
UCHealth	93	\$71,936
City Of Pueblo	74	\$51,840
Pueblo County School District 70	70	\$68,992
Pueblo School District No 60	63	\$69,888
Pueblo City Schools District 60	54	\$69,632
Colorado State Government	50	\$62,720
Trane Technologies	40	\$77,568
Pueblo County Courthouse	36	\$49,408
Interim HealthCare	34	\$68,864
Parkview Health	33	\$51,712
Crossroads Turning Points	31	\$53,632
Health Solutions Us	29	\$58,112
Wagner Equipment Company	28	\$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.

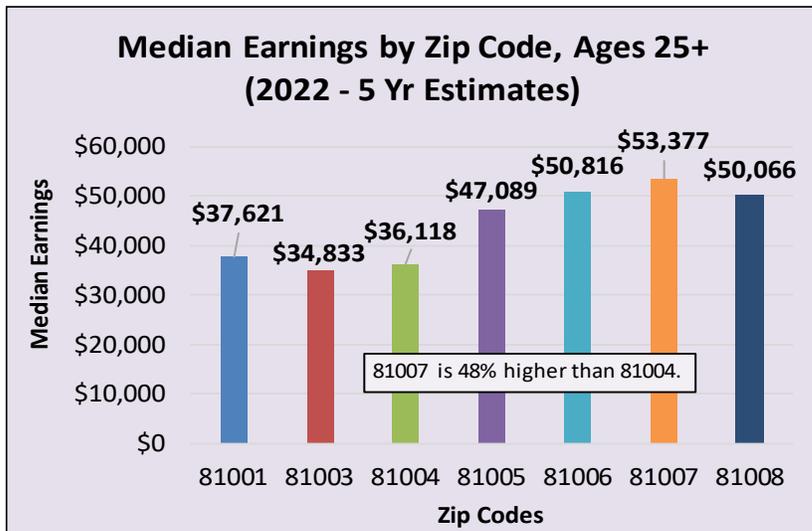
Sources: U.S. Bureau of Labor Statistics and Colorado Department of Labor and Employment, QCEW; Local military installations; U.S. Census Bureau, American Community Survey 1-year estimates; U.S. Department of Health & Human Services; MIT Living Wage Calculator

LOCAL INFORMATION BY ZIP CODE (PAGE 5)

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

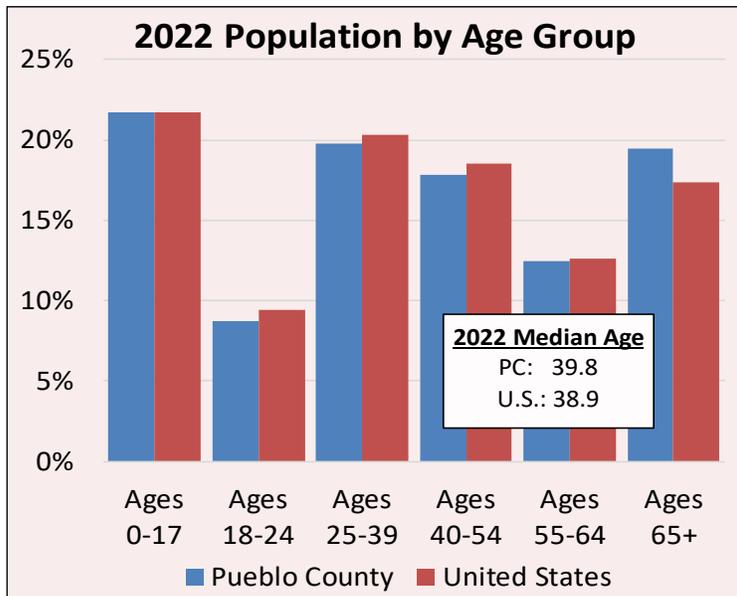


U.S.	Pueblo County
\$56,929	\$51,808

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)

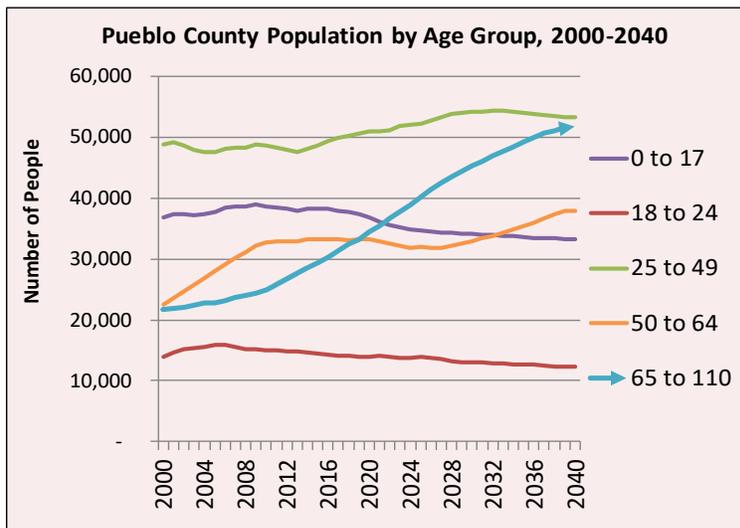


Source: U.S. Census Bureau, Population Division, Population Estimates Program

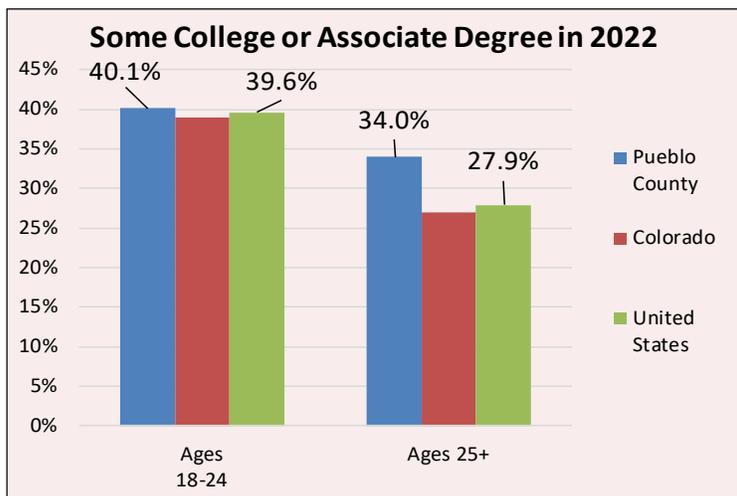
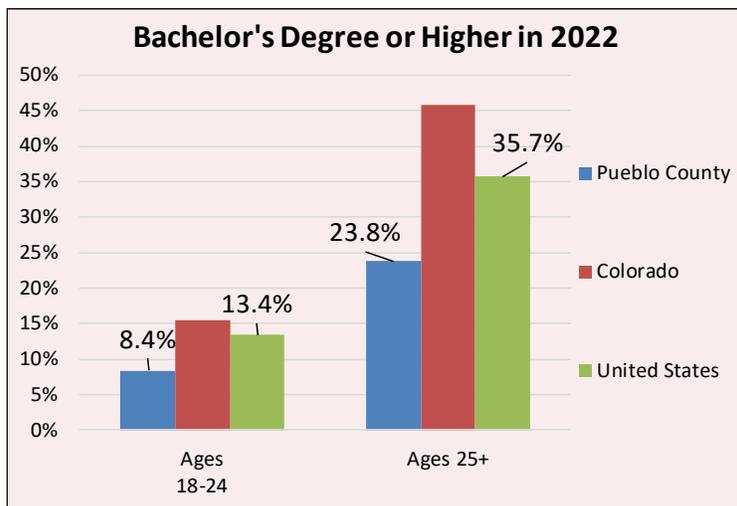
Population Estimates

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

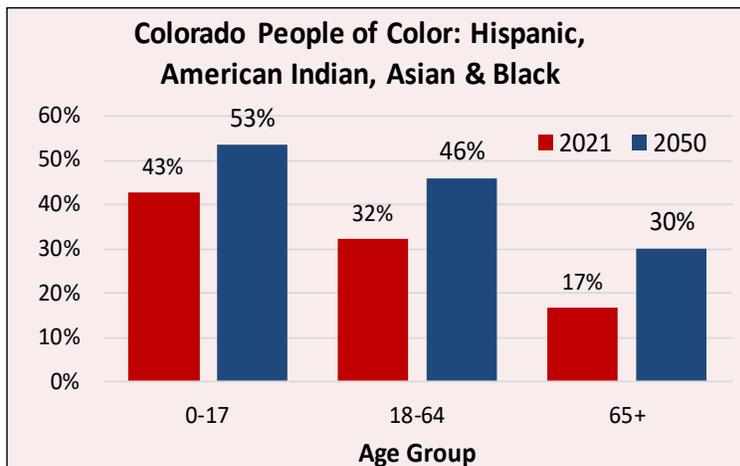
Source: Colorado State Demography Office



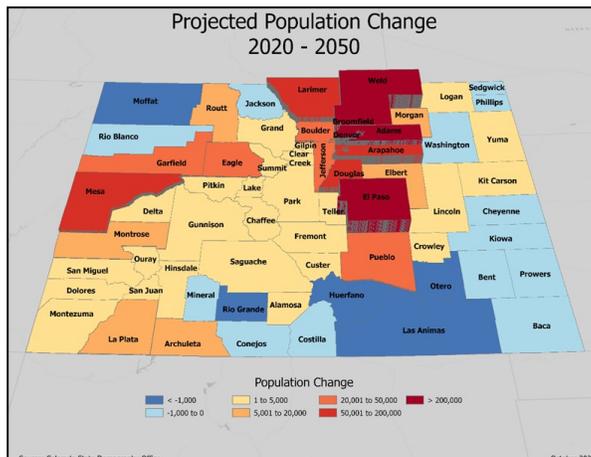
Source: Colorado State Demography Office



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

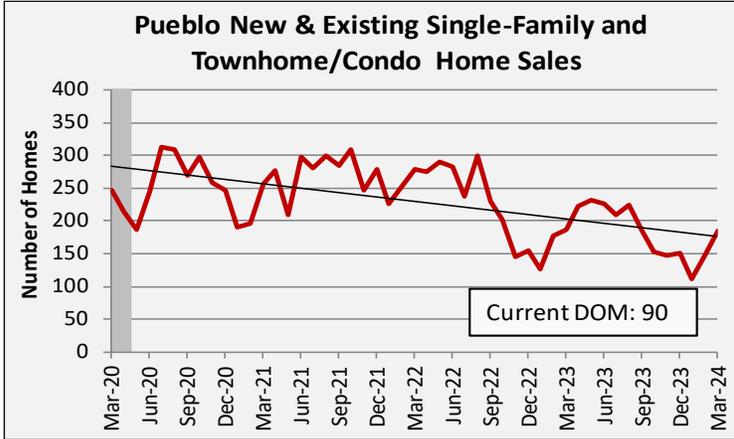


Source: Colorado State Demography Office

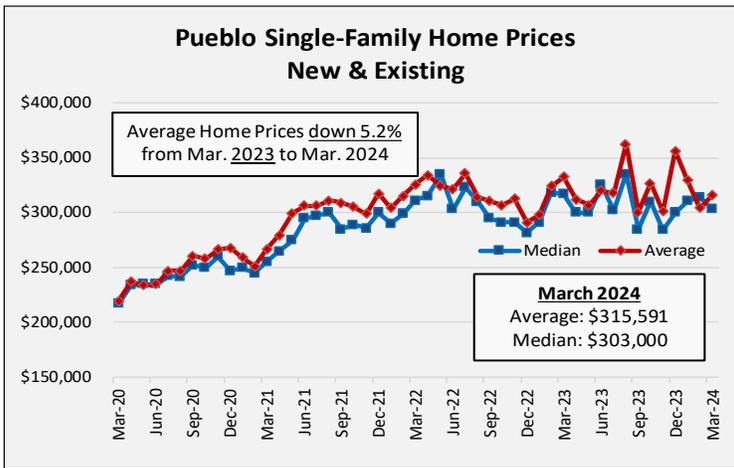


Source: Colorado State Demography Office

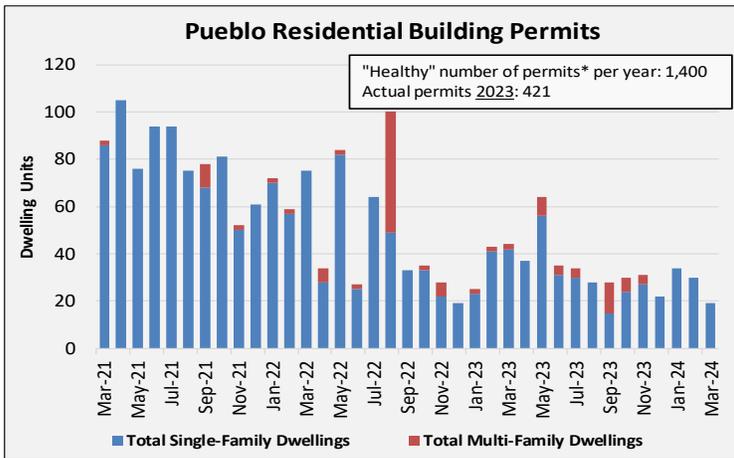
REAL ESTATE (PAGE 7)



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

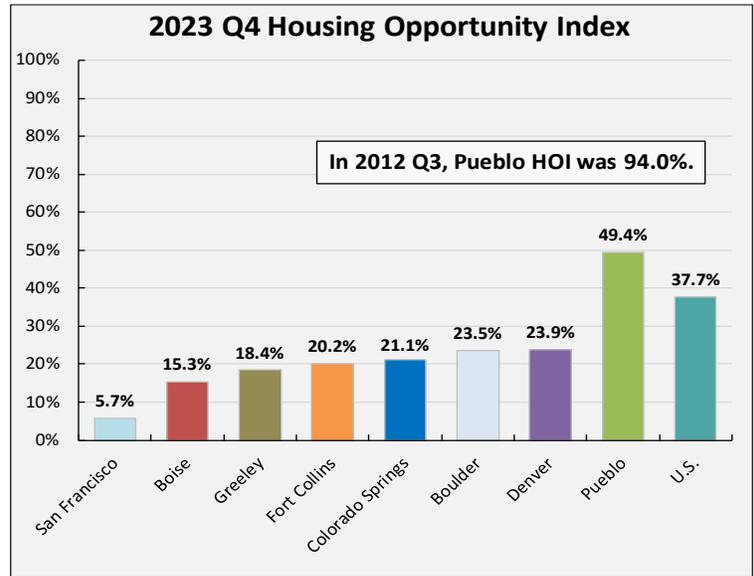
Apartments, 2023 Q4				
	Vacancy Rate	Average Rents	Median Rents	Average Year of Construction
Pueblo Metro Area	8.4%	\$1,167	\$1,016	1985
Pueblo Northeast	16.7%	\$1,086	\$1,000	1978
Pueblo Northwest	4.2%	\$1,400	\$1,429	2000
Pueblo South	2.4%	\$931	\$915	1973

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

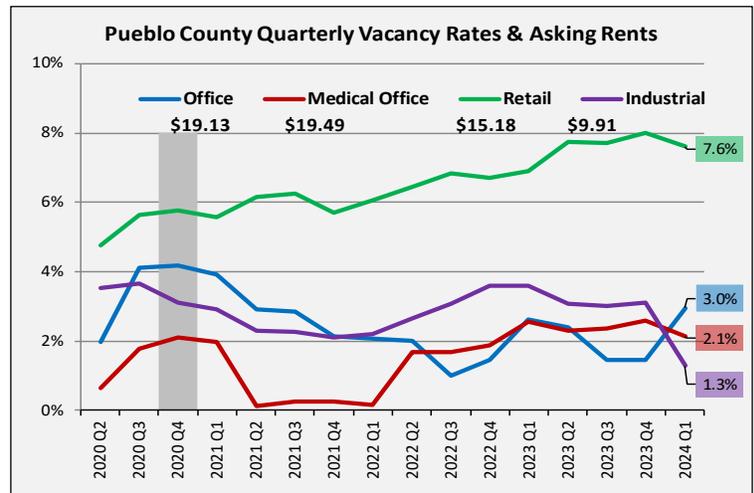
Median Existing Single-Family* Home Price 2023 Q4 (CS, Denver, U.S.) and Mar. (Pueblo)

Location	Colorado Springs	Denver	Mar. 2024 Pueblo (*New & Existing)	United States
Price	\$459,300	\$652,300	\$303,000	\$391,700
1-year % Change	3.6% increase	1.9% increase	4.4% decrease	3.5% increase
MSA Rank	46	19	110	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)



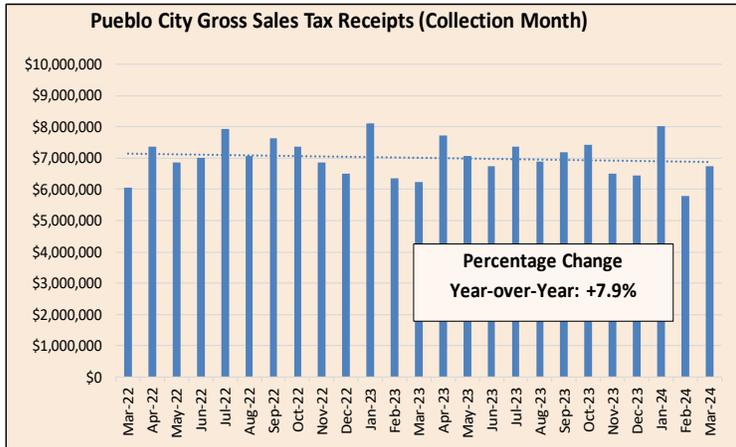
Note: The Housing Opportunity Index (HOI) is defined as the share of homes sold in that area that are affordable to a family earning the local median income, based on standard mortgage underwriting criteria. It includes new and existing homes.
Sources: National Association of Home Builders; Wells Fargo



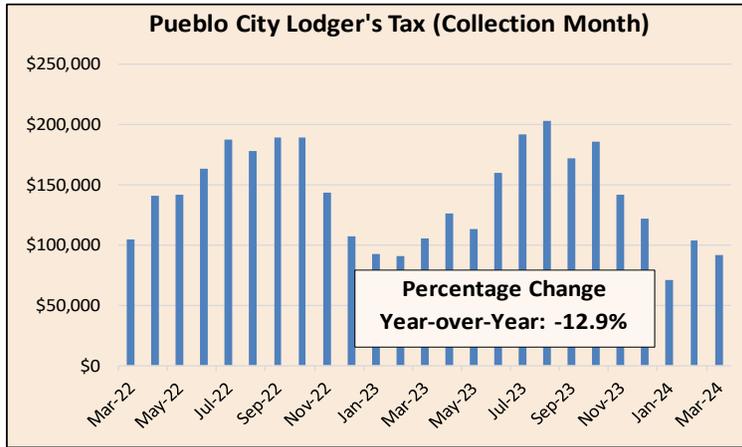
Sources: CoStar Group™; Olive Real Estate Group, Inc.

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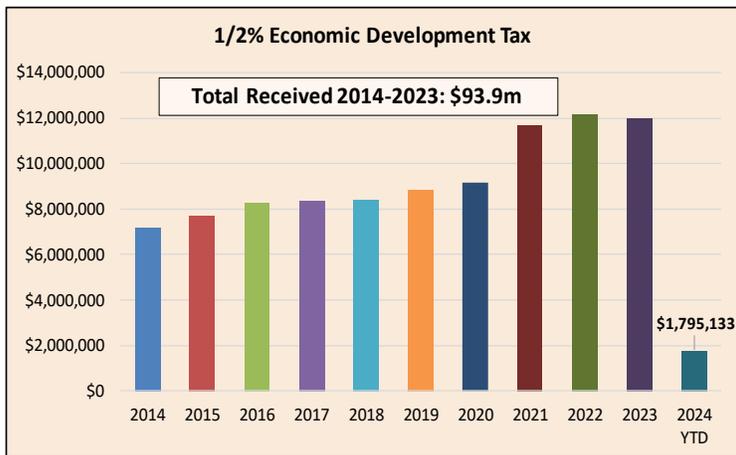
TAXATION, VEHICLE SALES, AND TOURISM (PAGE 8)



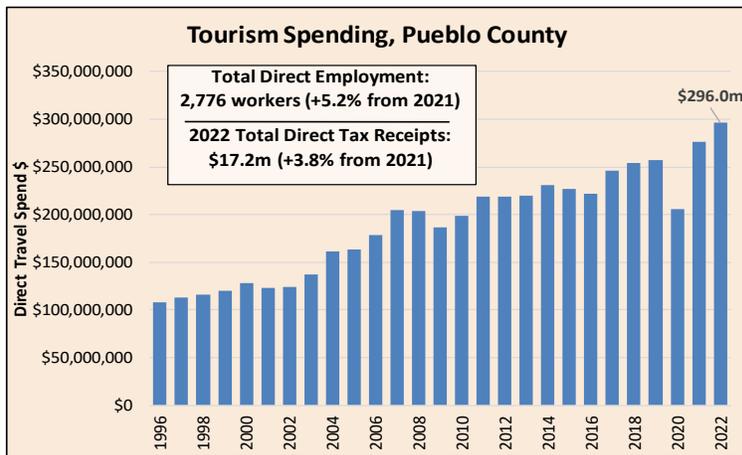
Source: City of Pueblo



Source: City of Pueblo

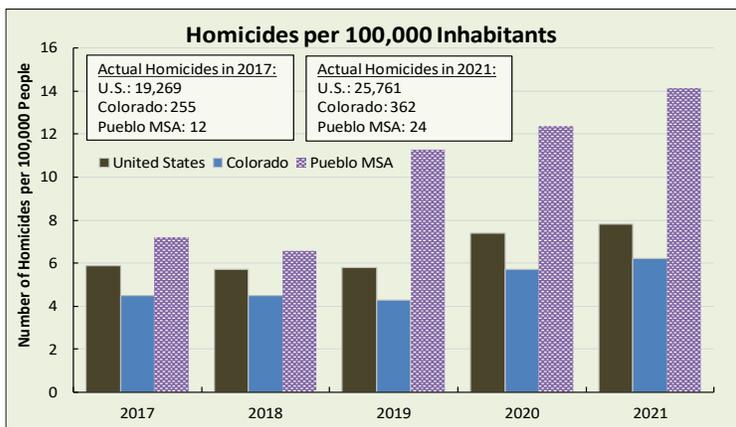


Source: City of Pueblo

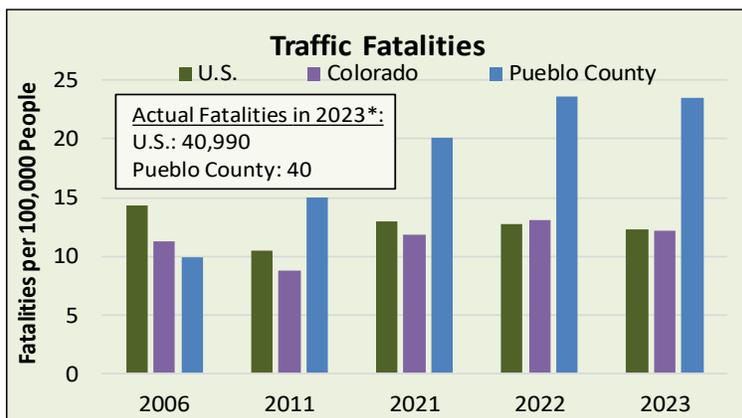


Note: Direct travel includes day and overnight visitors.
Sources: Colorado Tourism Office; Greater Pueblo Chamber of Commerce

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

Country	Mortality Rate
Canada	2.1
Germany	0.8
Italy	0.5
Japan	0.2
United States	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