

Colorado Municipal League COVID Economic Discussion

What we know thus far

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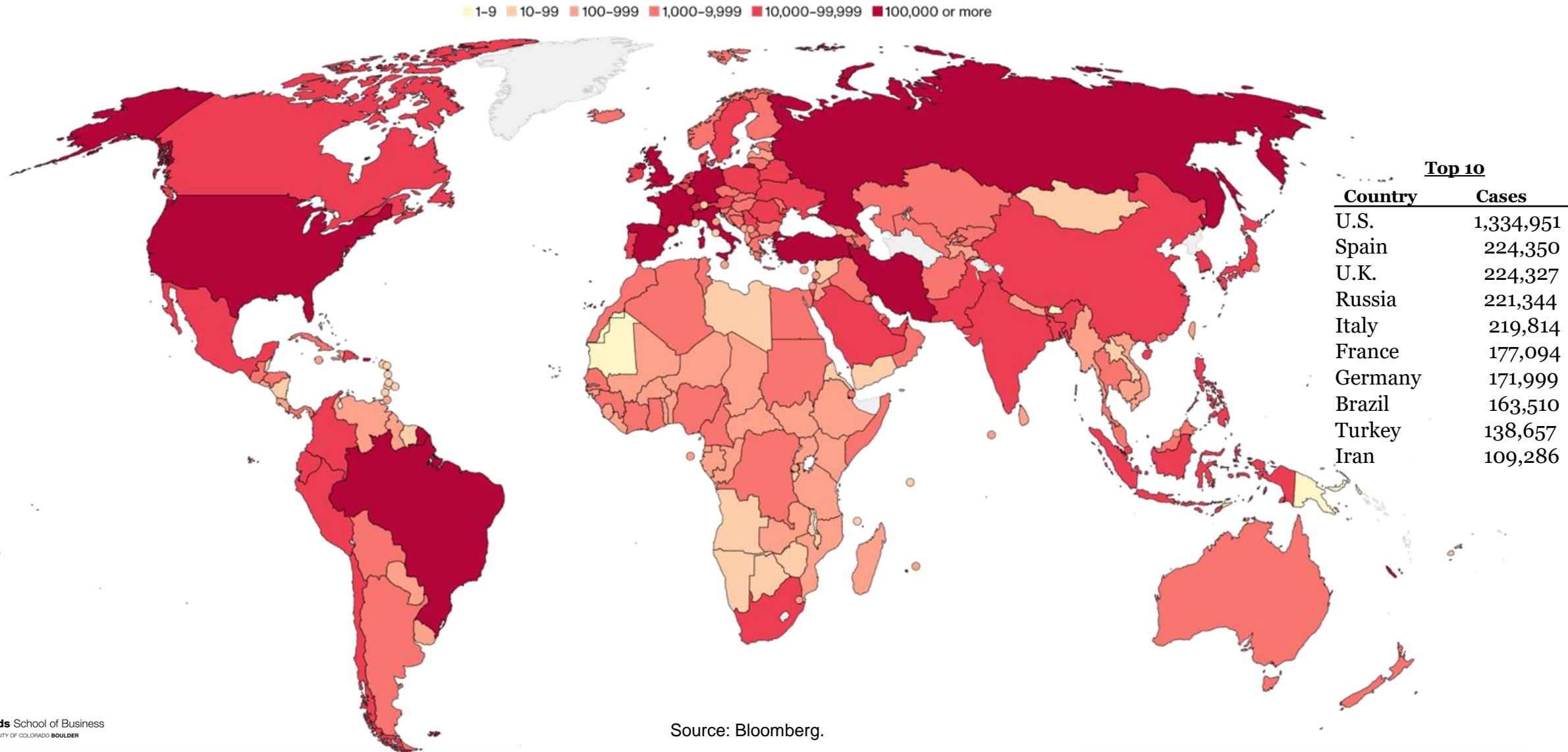




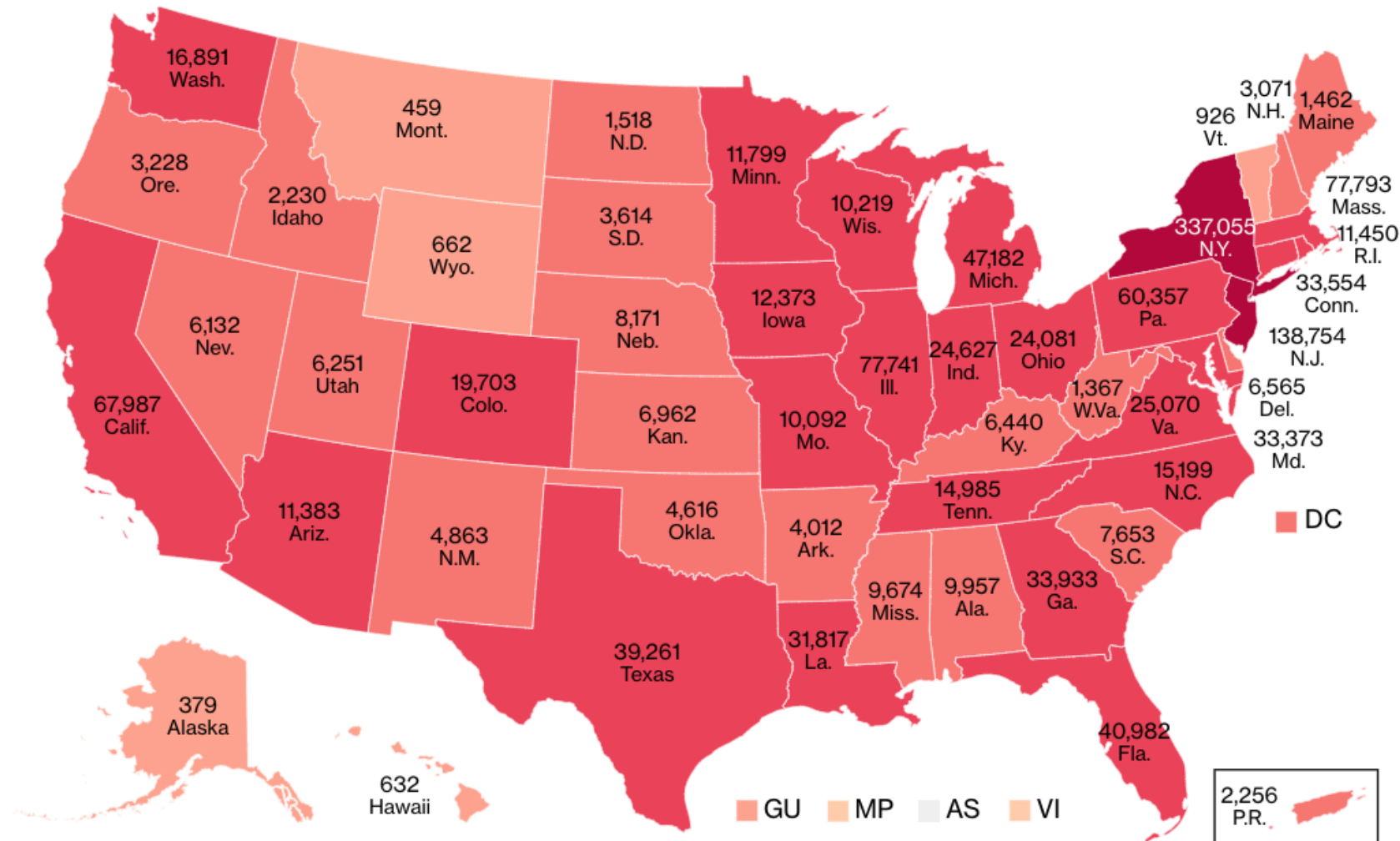
Overview

- Slowing growth in domestic cases
- Economy was on a strong footing prior to COVID-19
- Economic data has lagged
- Federal policies will help mitigate the impact
- Select industries bore the initial brunt
- Collateral damage is following for select industries
- Colorado economy on a particularly strong footing pre-crisis
- Colorado is over-exposed to some of the downturn
- Colorado is also well-positioned in other areas

Confirmed COVID-19 Cases by Country

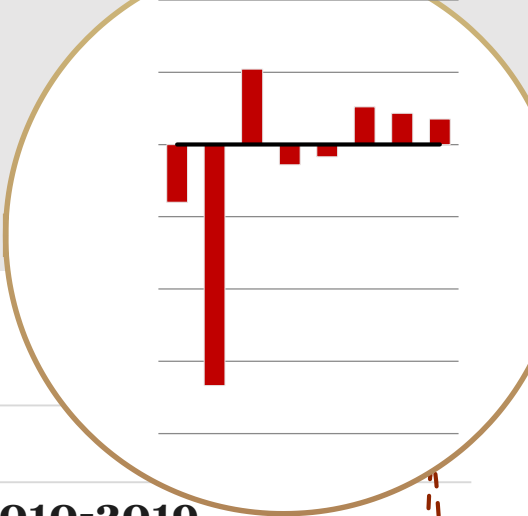
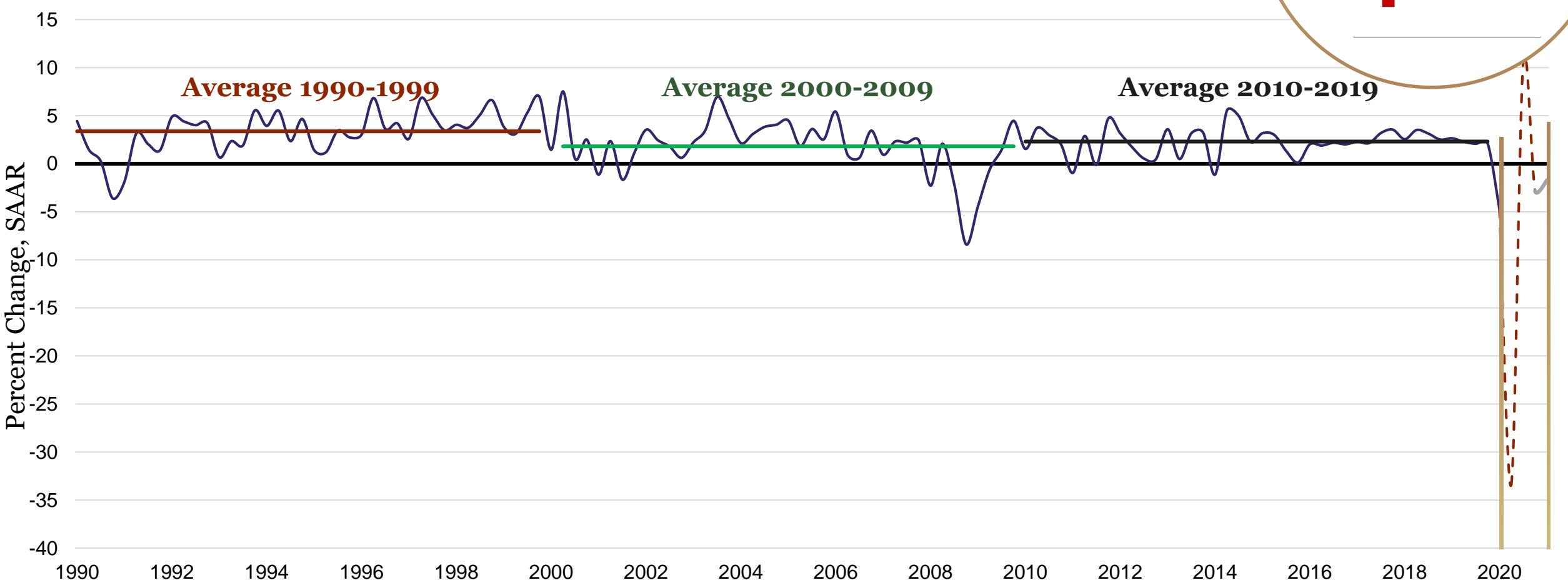


Confirmed COVID-19 Cases by State



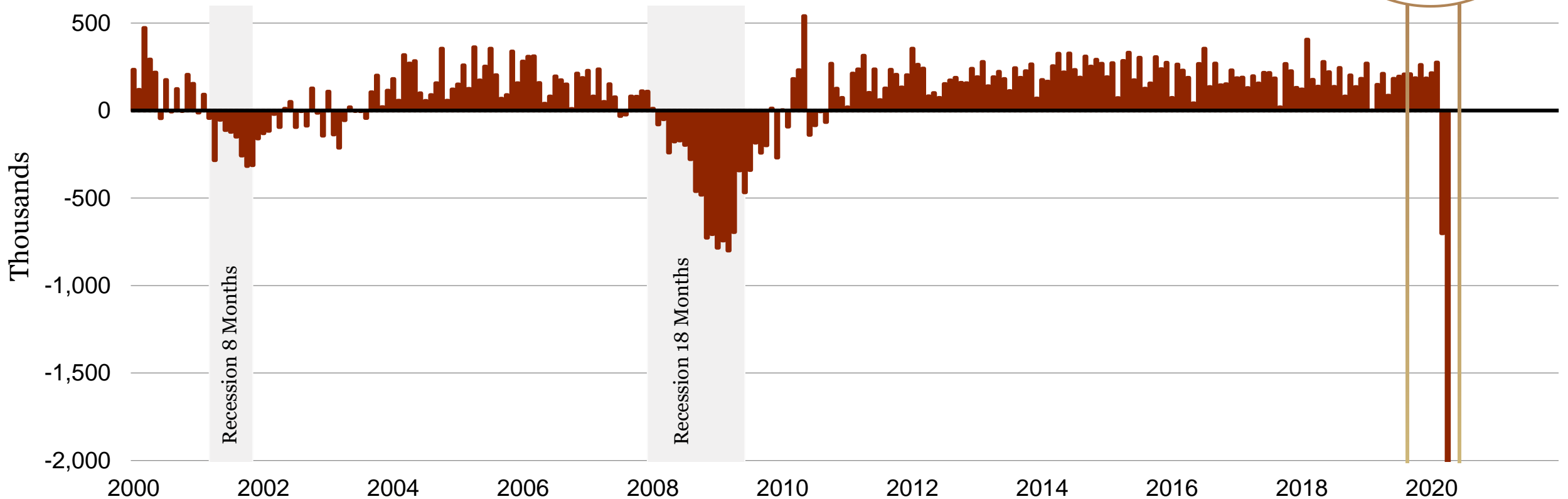
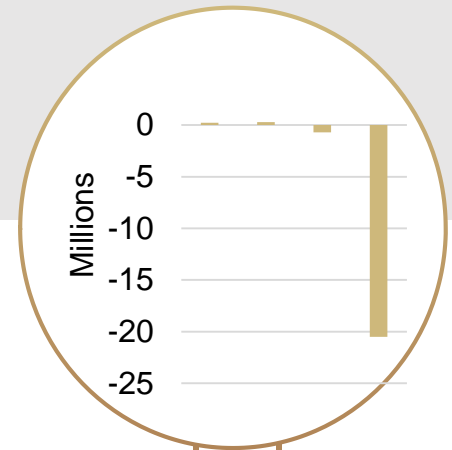
Real GDP Growth

Quarterly Real GDP



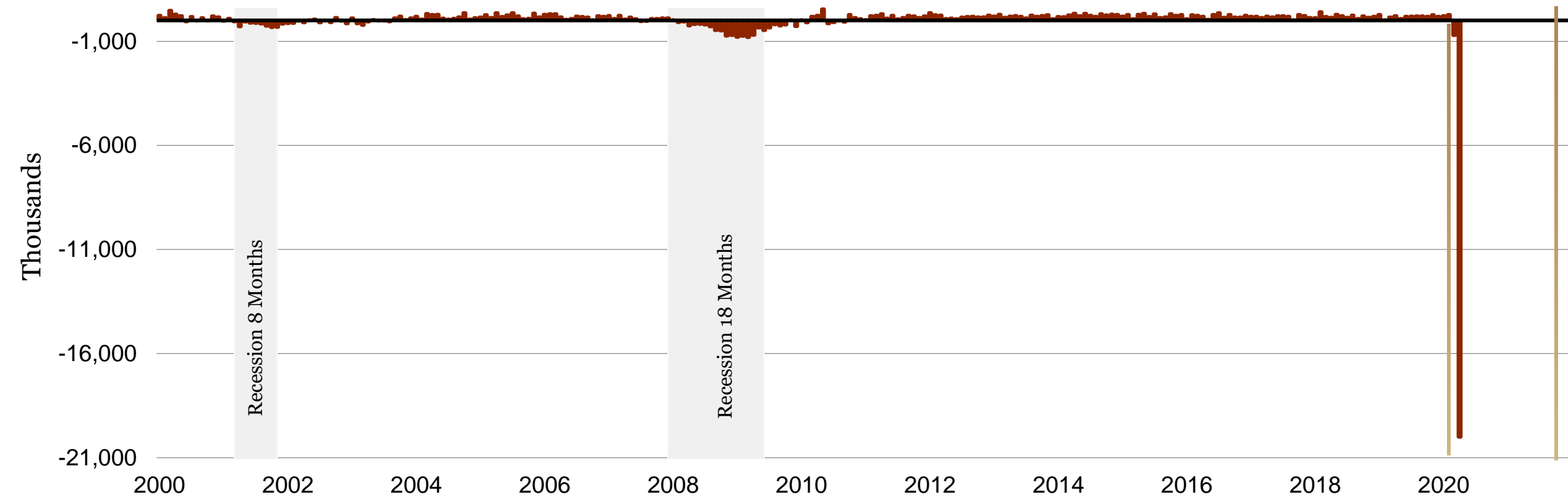
National Employment

Month-over-Month Change



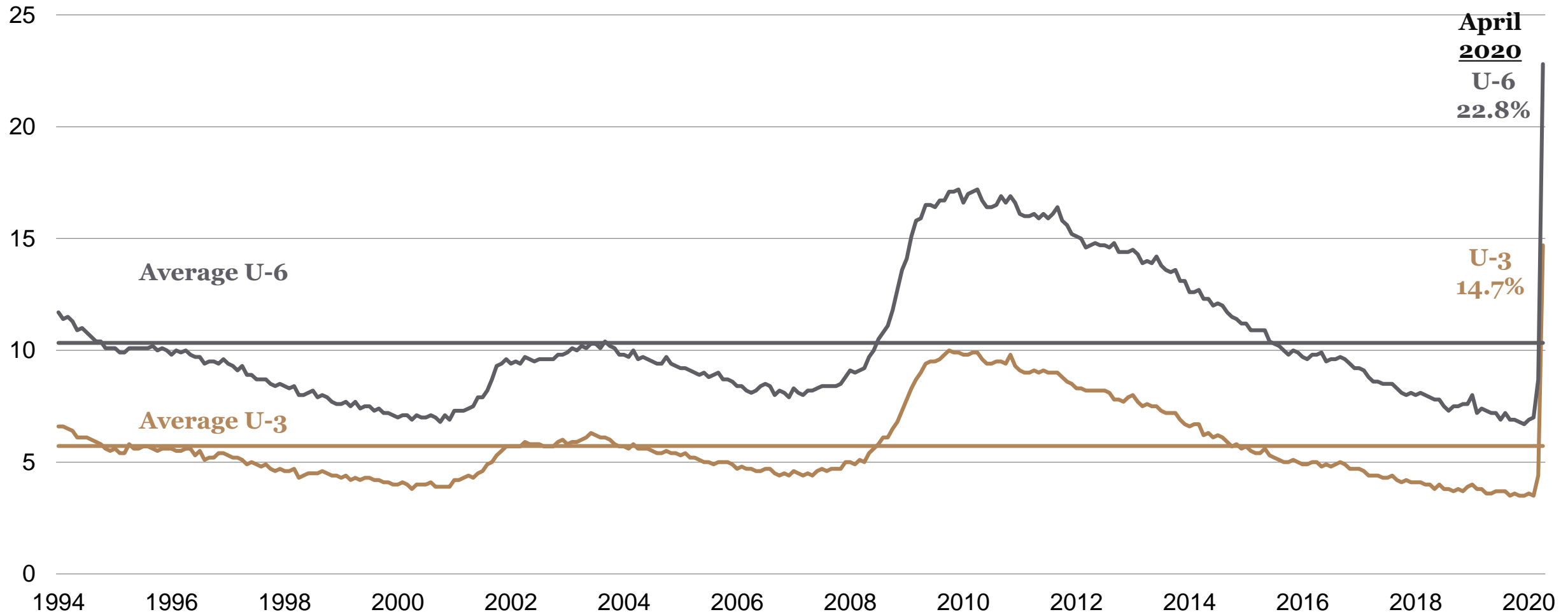
National Employment

Month-over-Month Change

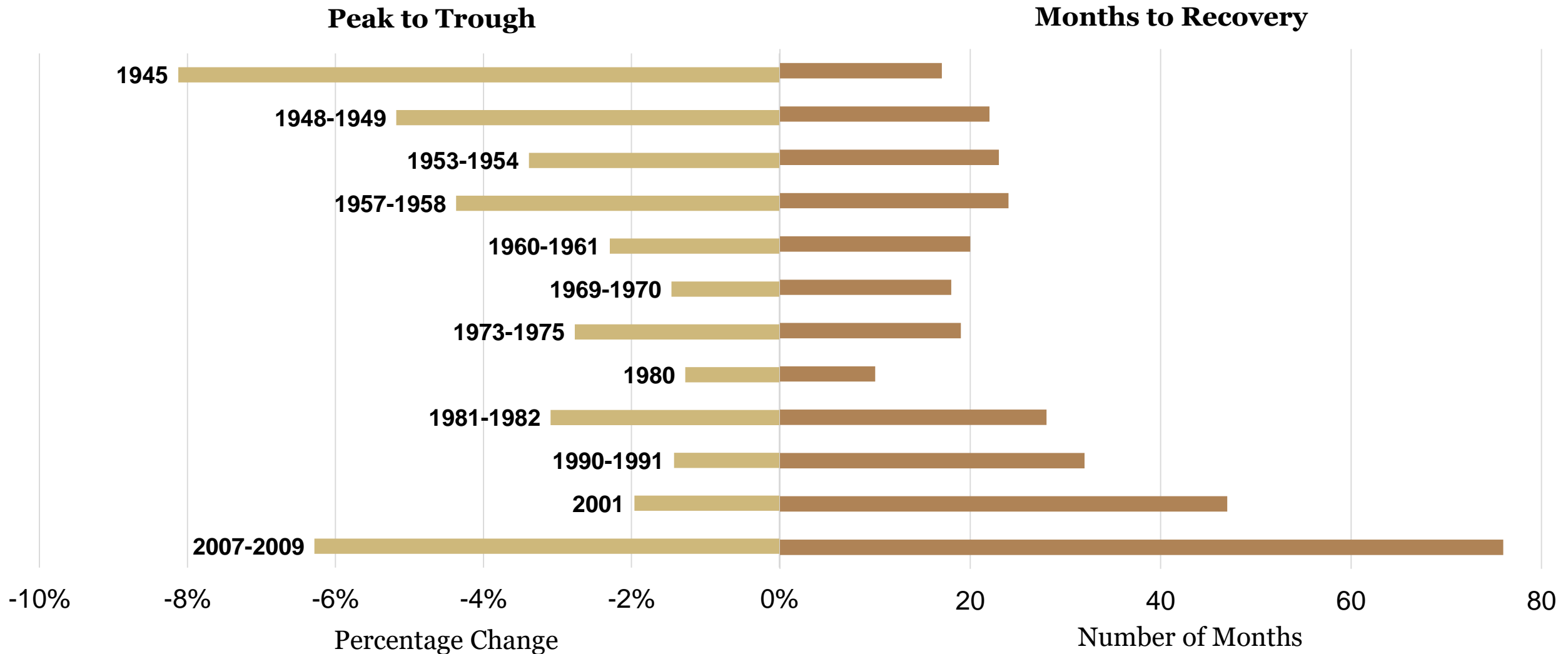


Labor Underutilization

Percentage of Labor Force



Employment Losses and Recovery



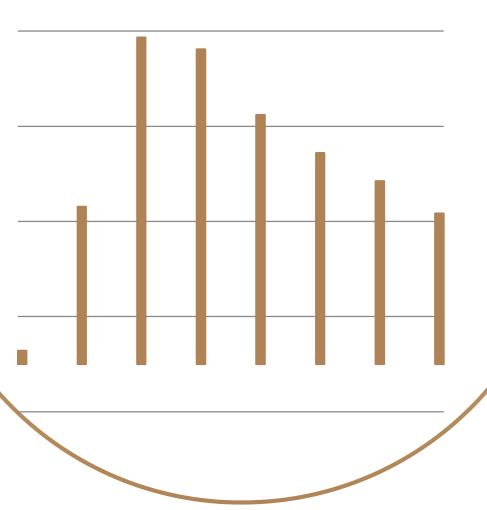
Initial Jobless Claims

Initial Claims, Seasonally Adjusted

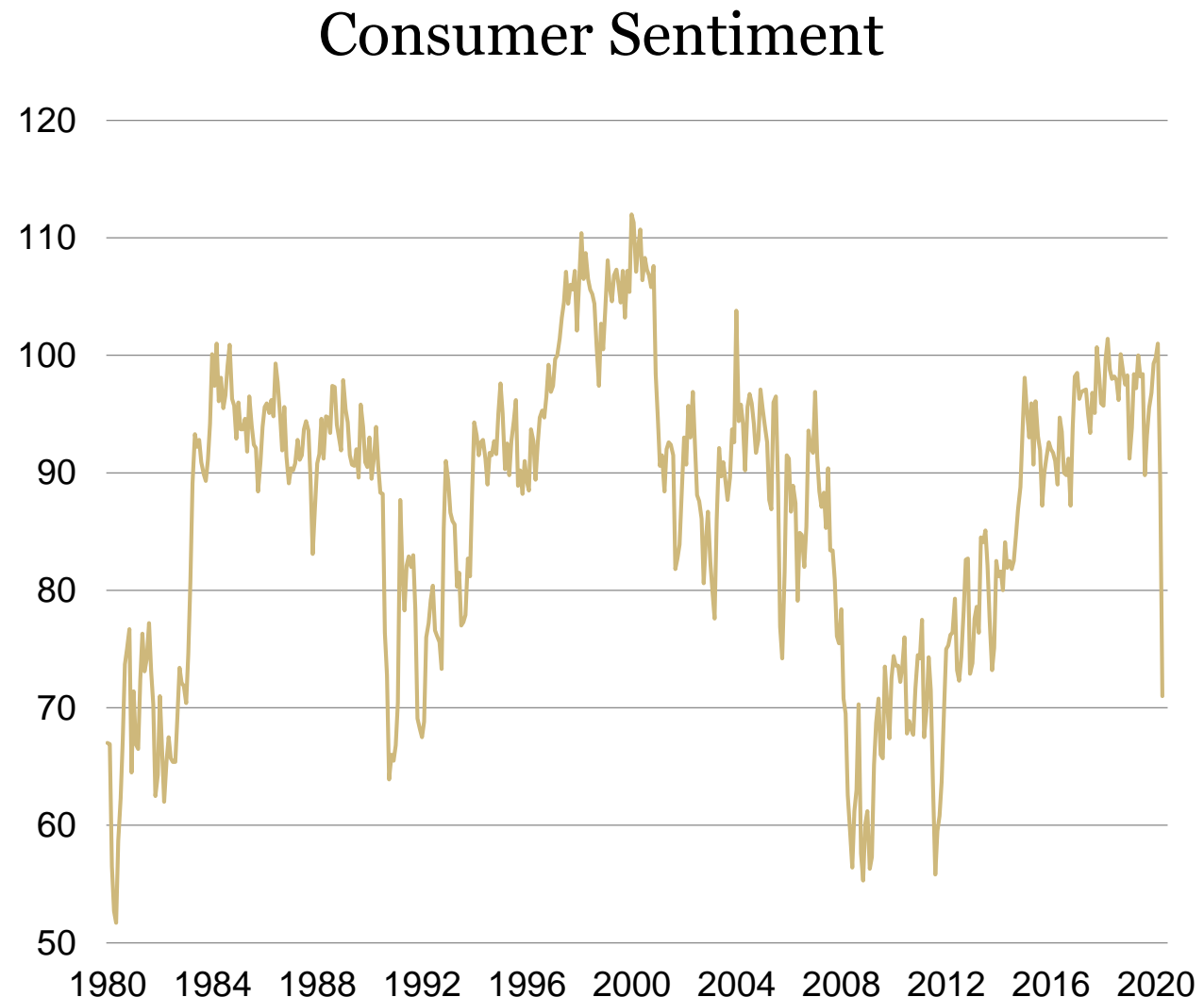
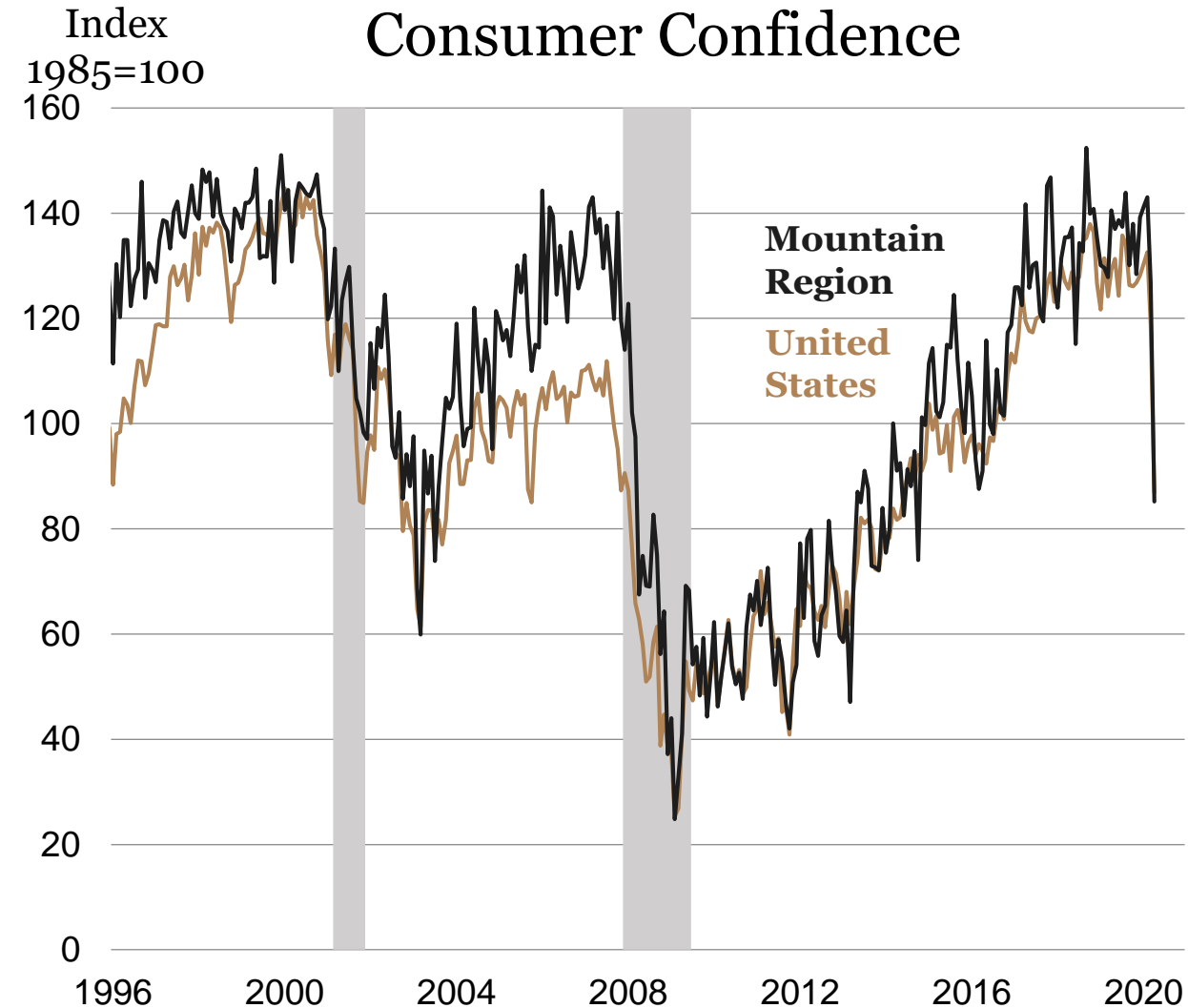
8,000,000
7,000,000
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
0

1968 1972 1976 1980 1984 1988 1992 1996 2000 2004 2008 2012 2016 2020

	Initial Claims	Cont'd Claims
3/14/2020	282,000	1,784,000
3/21/2020	3,307,000	3,059,000
3/28/2020	6,867,000	7,446,000
4/4/2020	6,615,000	11,914,000
4/11/2020	5,237,000	15,818,000
4/18/2020	4,442,000	18,011,000
4/25/2020	3,846,000	22,647,000
5/2/2020	3,169,000	

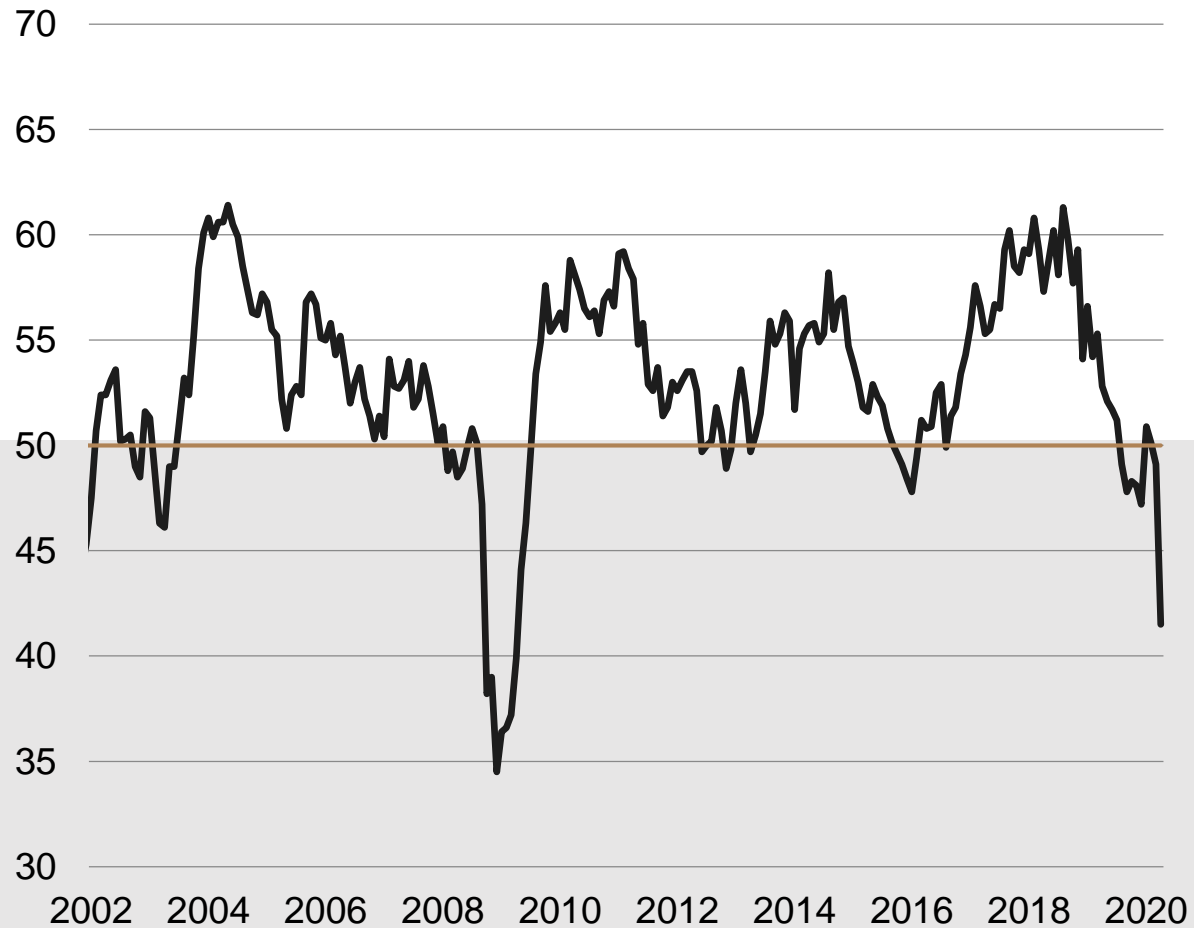


Index of Consumer Confidence

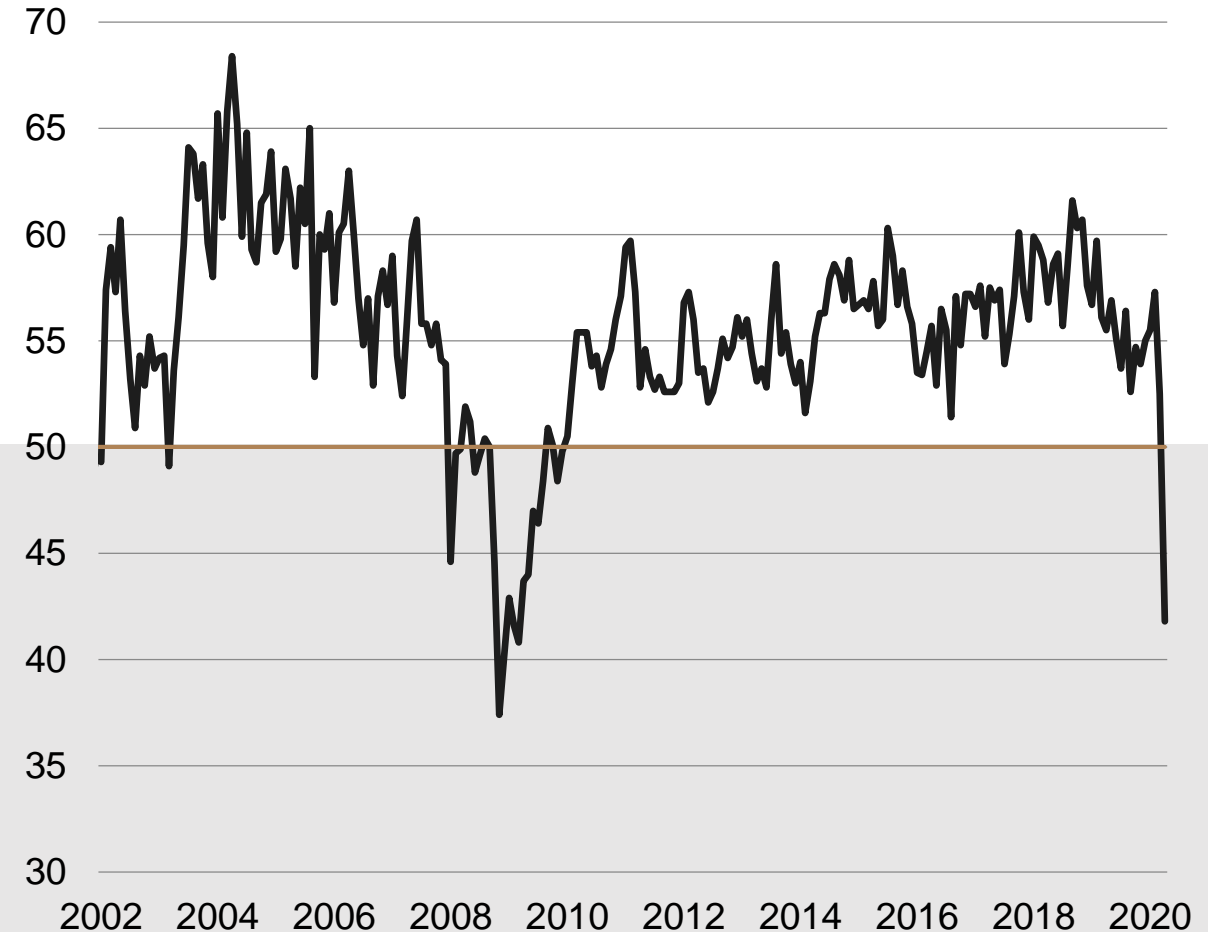


ISM Indices

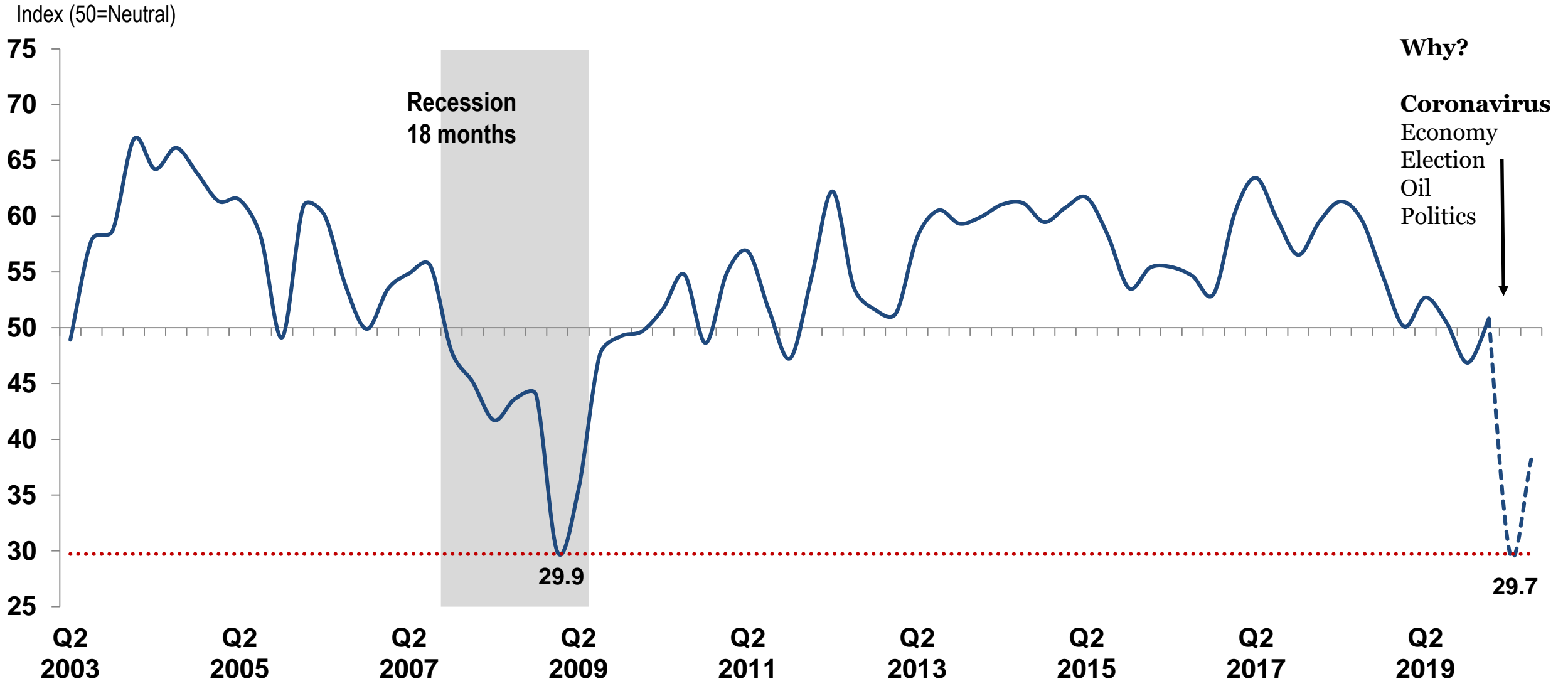
ISM Manufacturing Index



ISM Non-Manufacturing Index



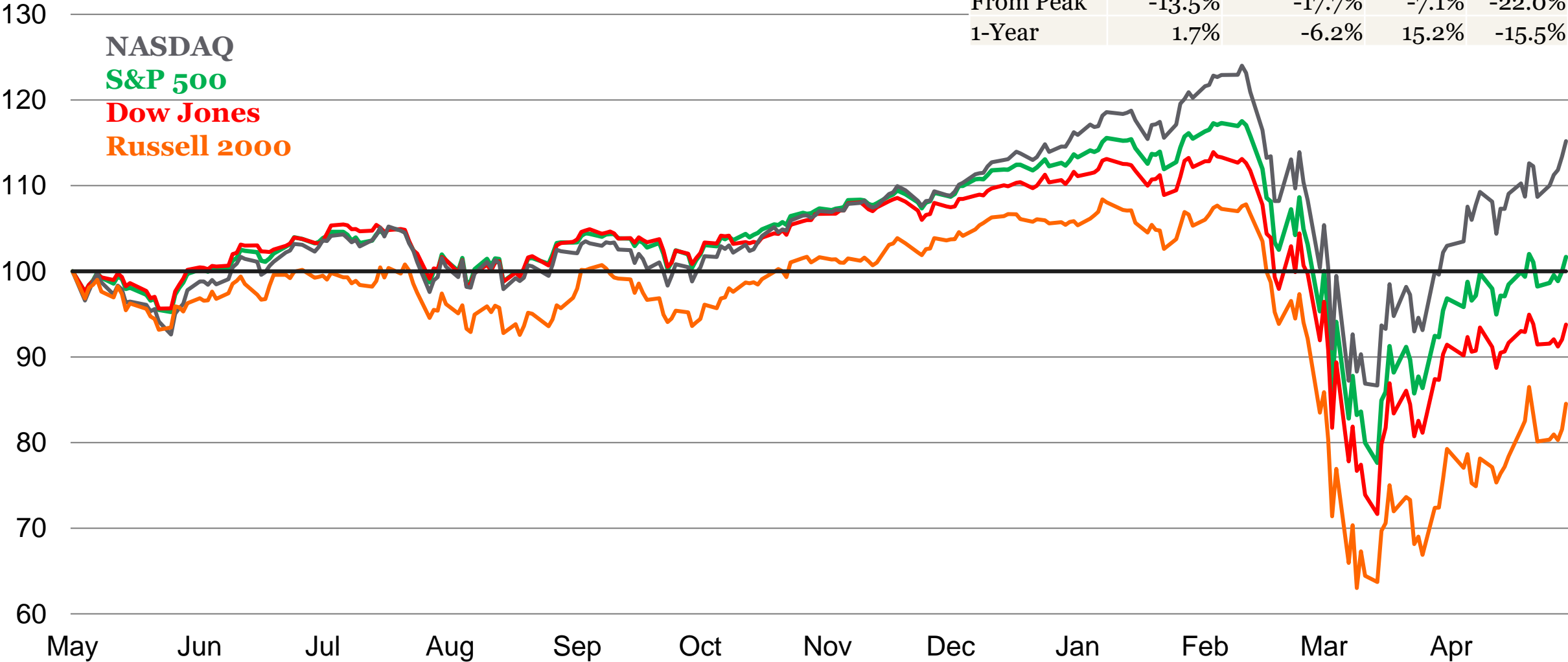
Leeds Business Confidence Index



1-Year Securities Trends

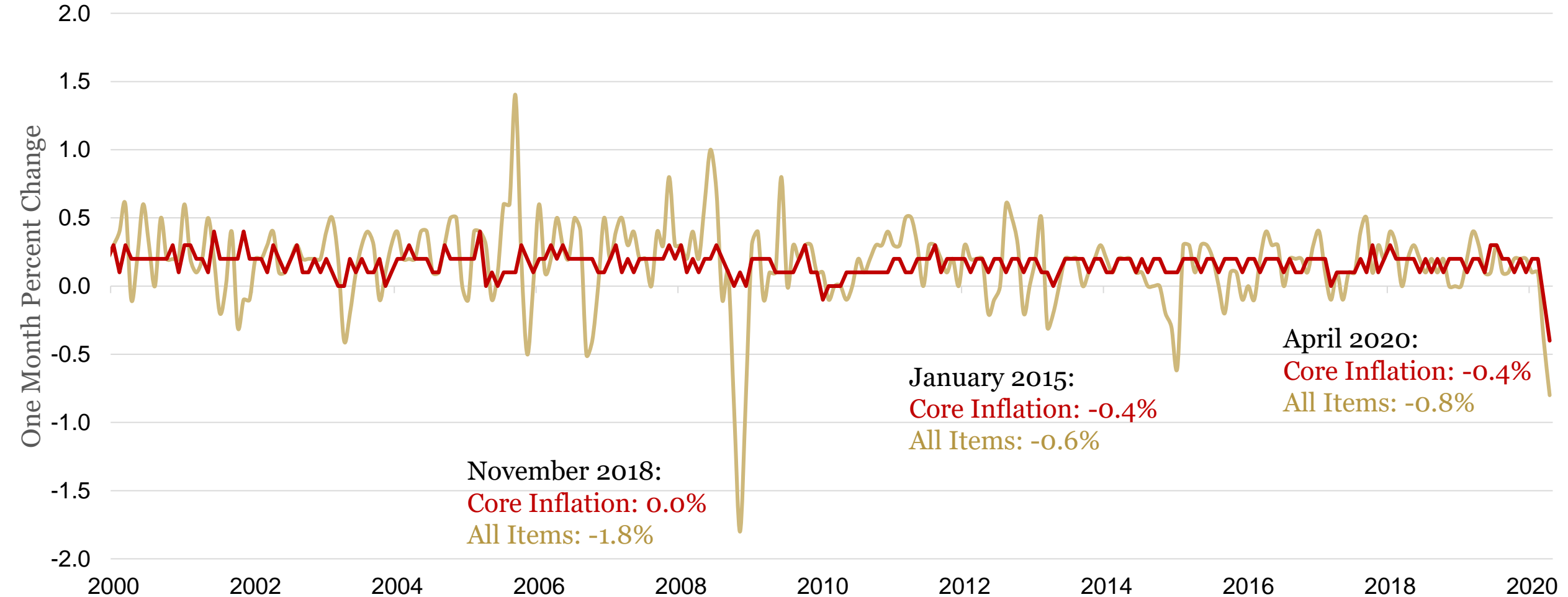
Indexed, May 10, 2019=100

Change	S&P 500	Dow Jones	Nasdaq	Russell 2000
From Peak	-13.5%	-17.7%	-7.1%	-22.0%
1-Year	1.7%	-6.2%	15.2%	-15.5%

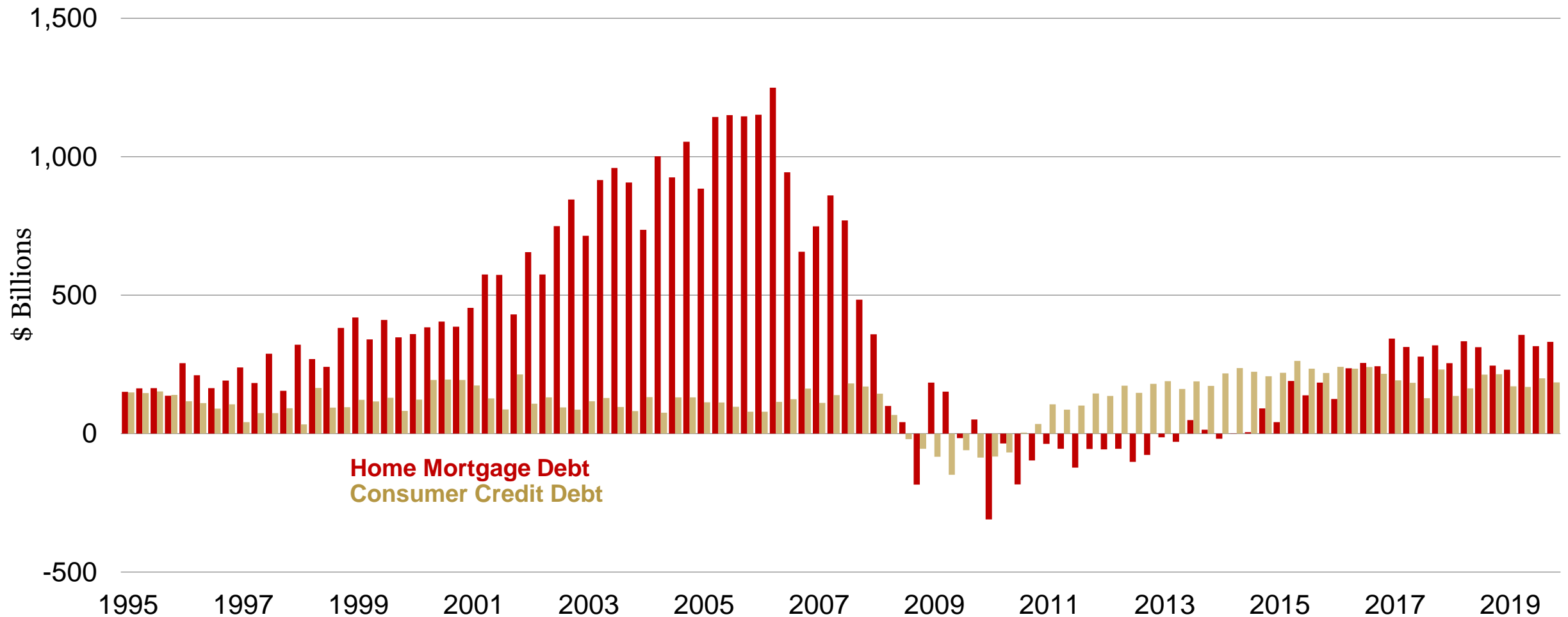


Consumer Price Index

U.S. City Average, Core Inflation

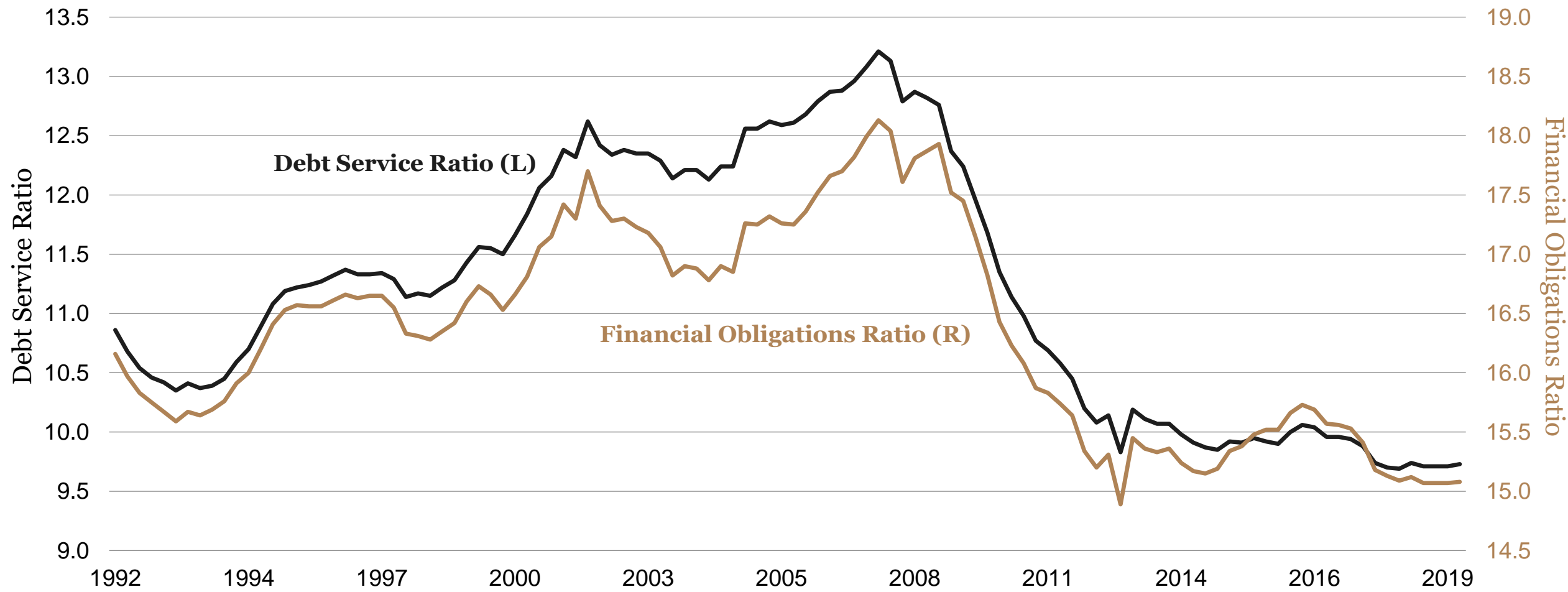


Household Debt Growth



Home Mortgage Debt
Consumer Credit Debt

Household Debt Burden



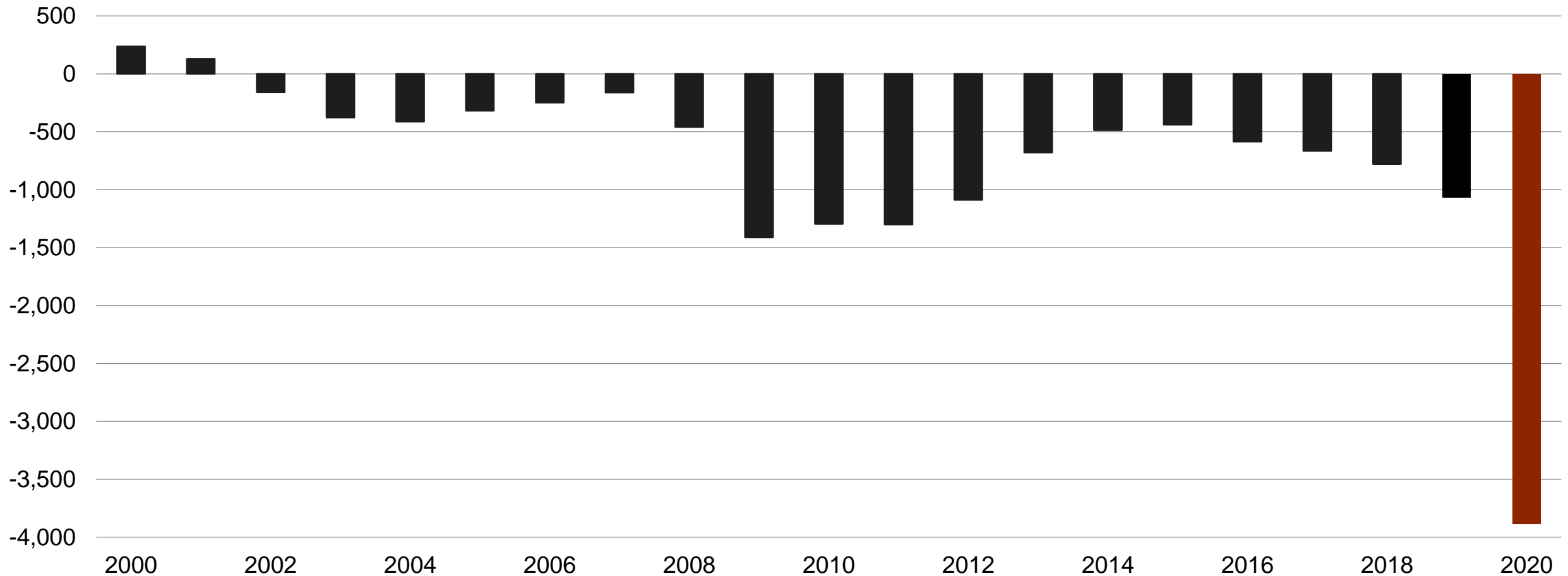
Interest Rates



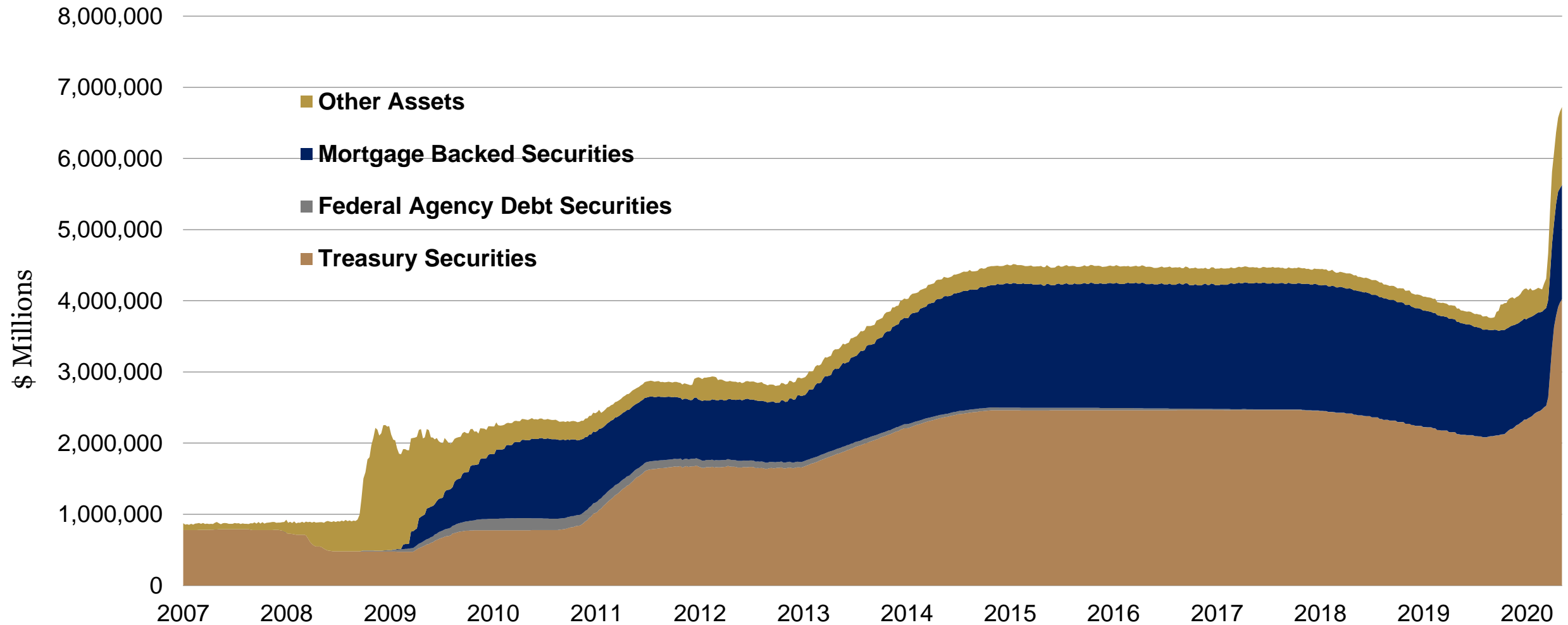
Federal Budget Balance

2000 to 2020

\$ Billions

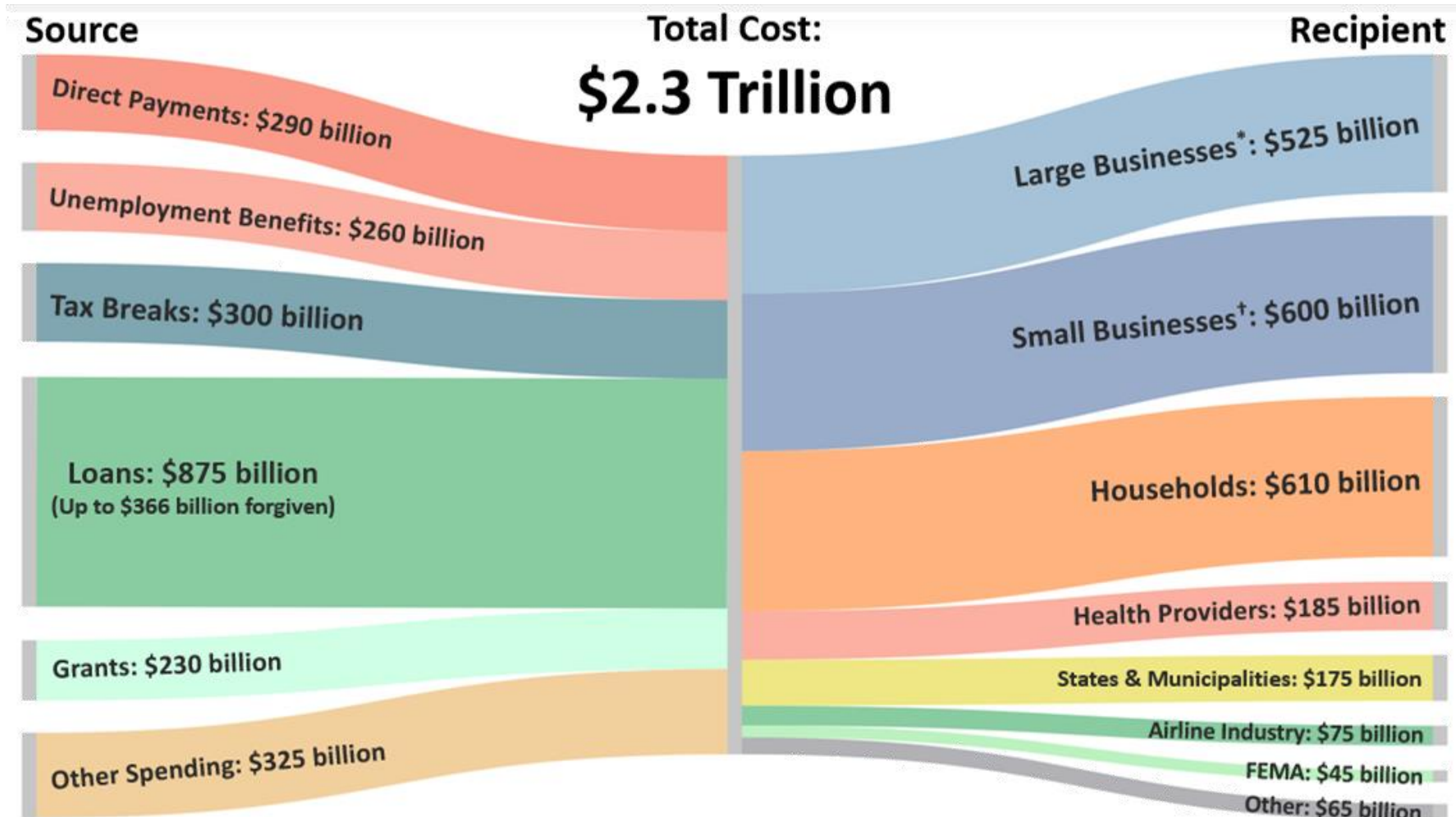


The FED



Source: Board of Governors of the Federal Reserve System.

A Visualization of the CARES Act



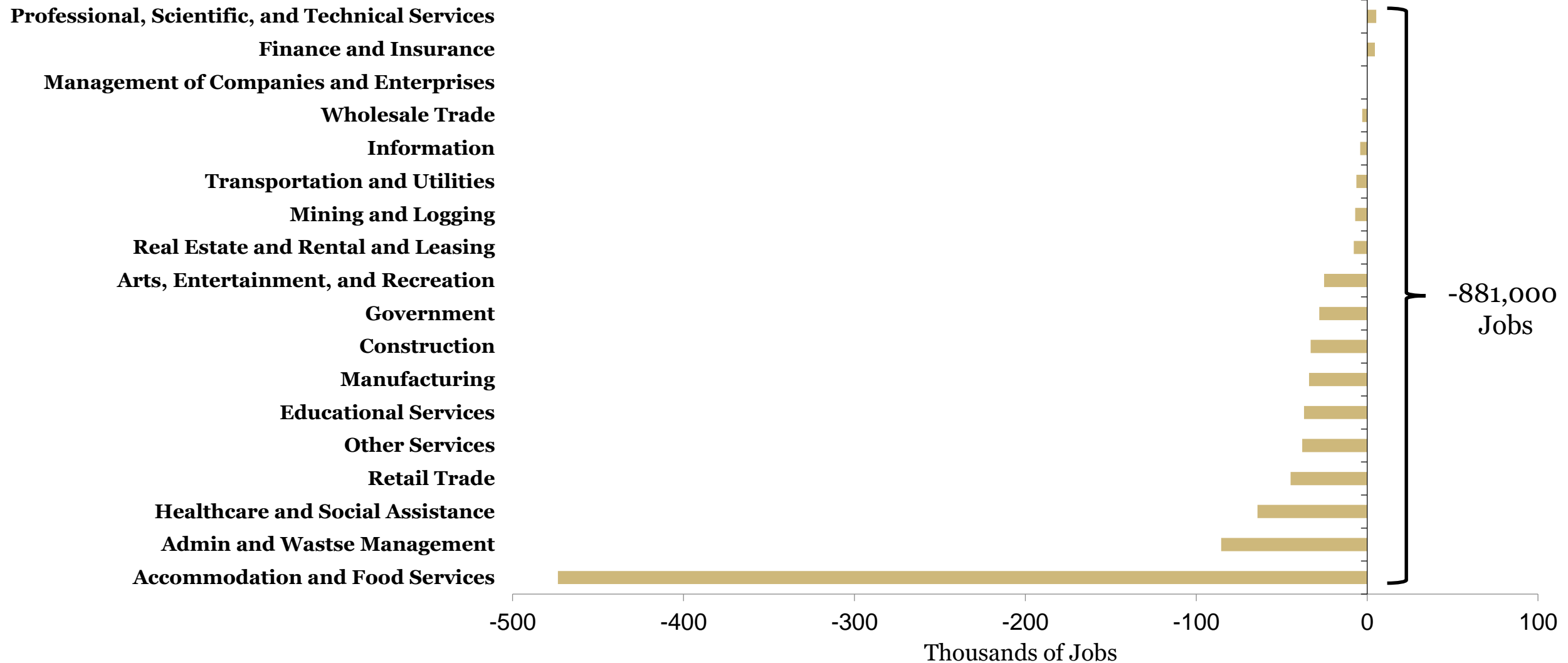
Source: Legislative Offices, JCT, bill text, CRFB estimates.

† This includes \$170 billion of tax cuts for businesses other than corporations, some of which are large companies.

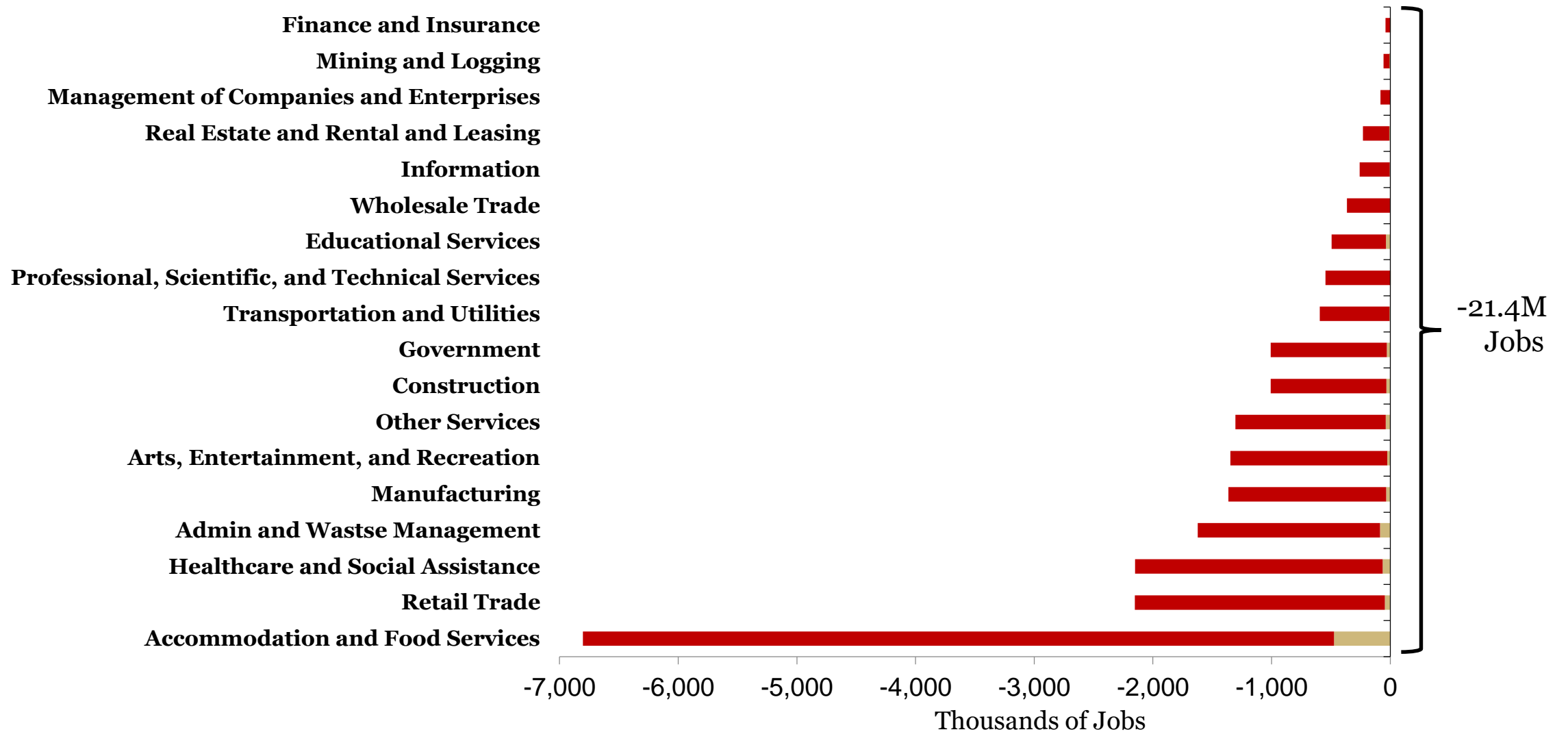
* This includes \$454 billion to set up a \$4.5 trillion Fed facility which could support state and local governments as well as companies.



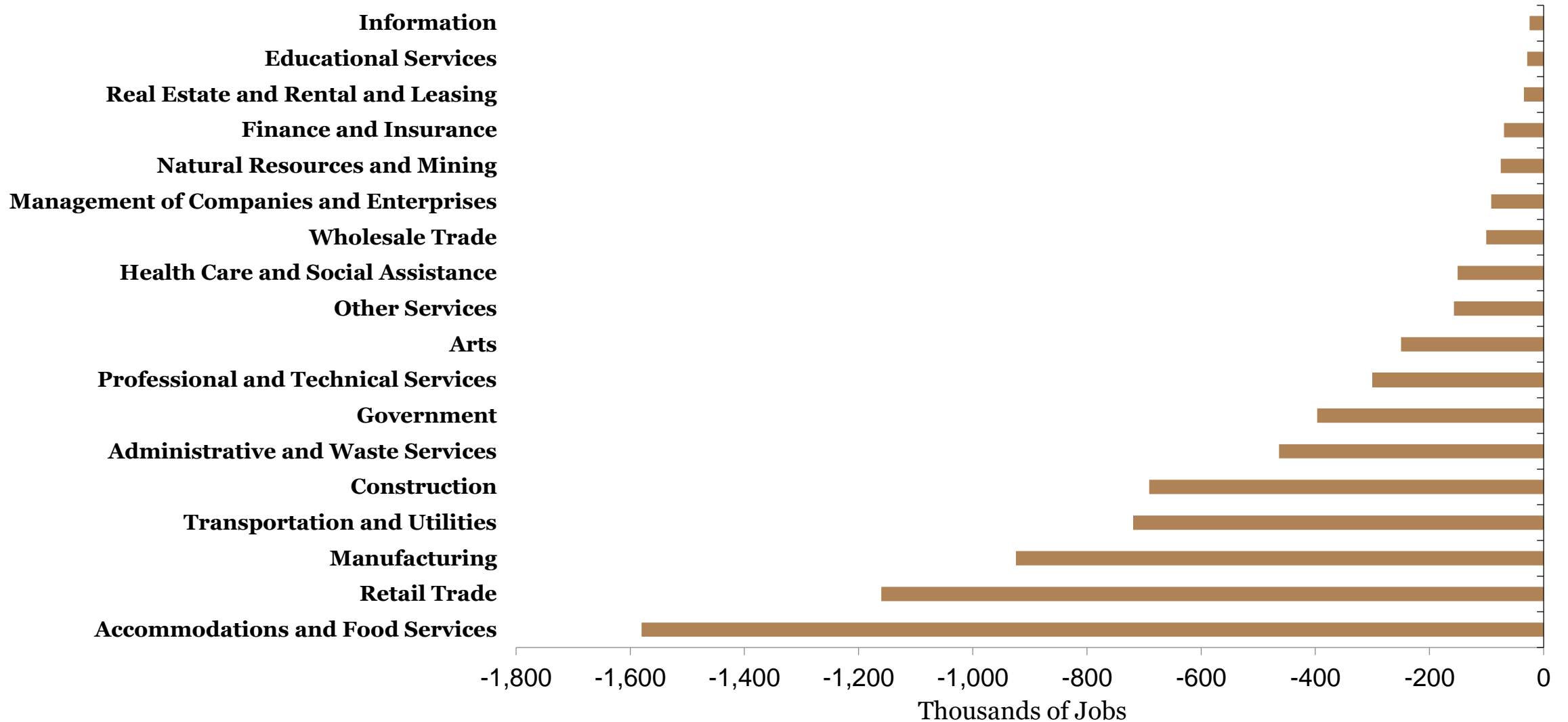
National One-Month Job Change – March



National Job Change – March+April



National Jobs Added by Industry – 2020



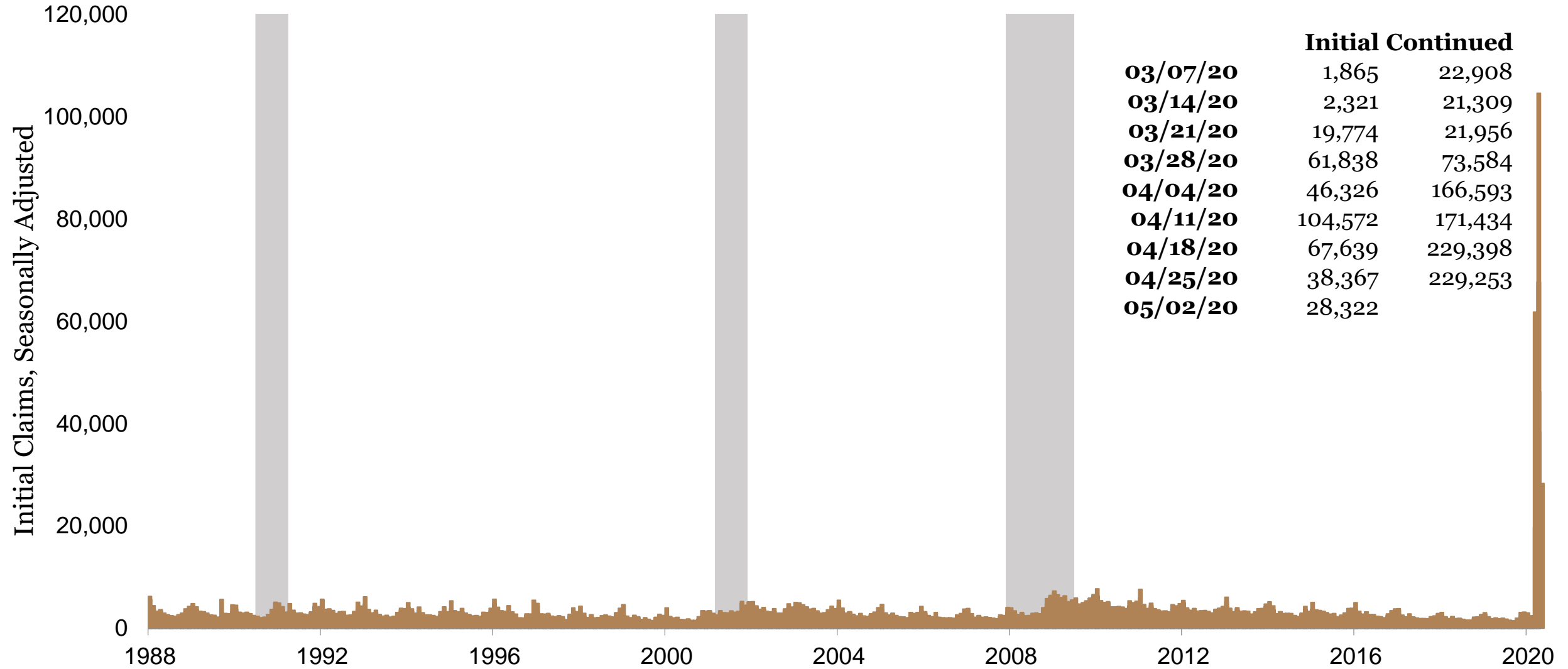


Colorado Impact

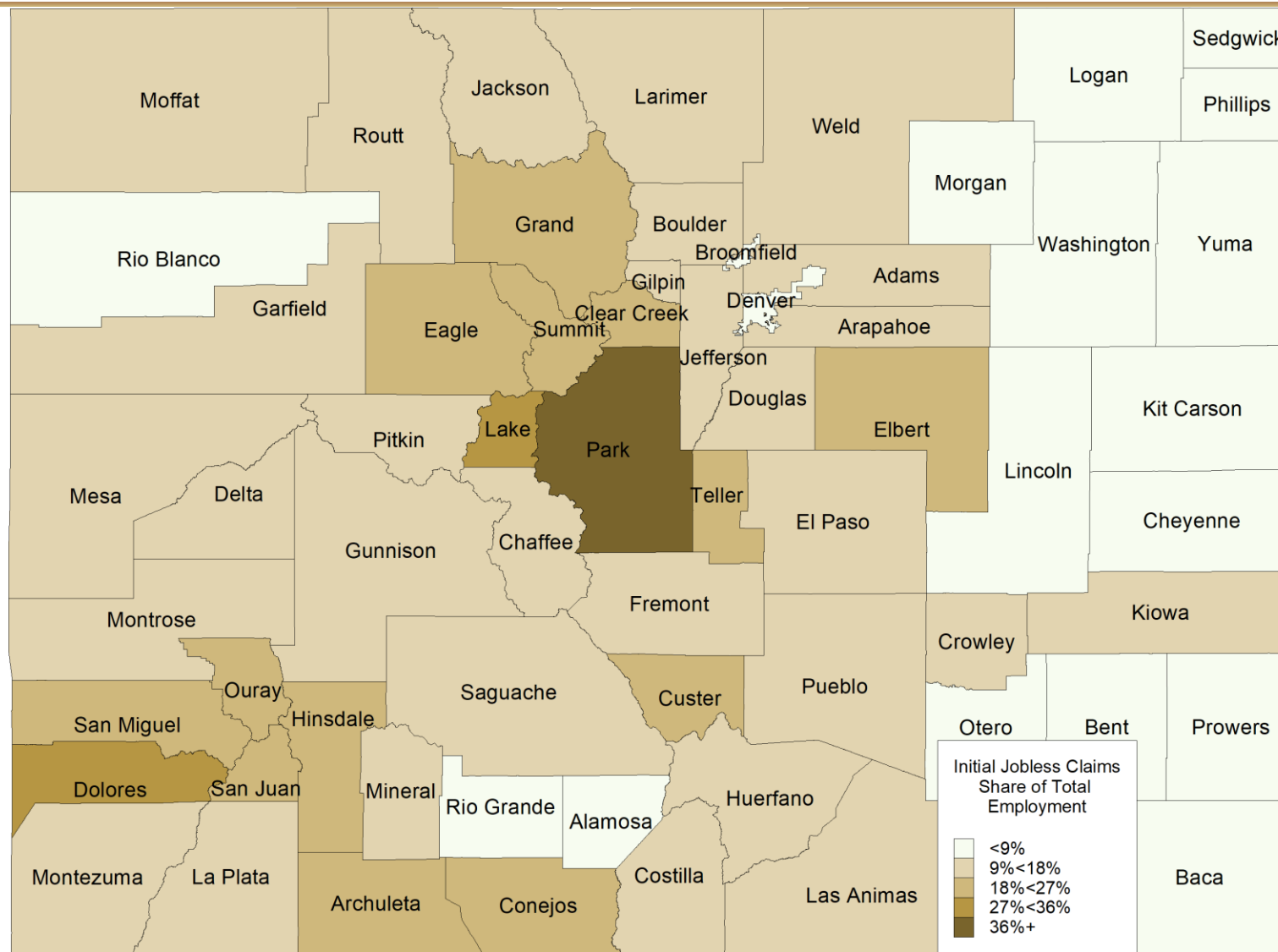
Colorado Among Other States

<u>Metric</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Real GDP Growth	5	8	7	6
Employment Growth	9	7	7	4
Population Growth	7	7	8	3
Personal Income Growth	6	1	7	2
PCPI Growth	6	2	14	NA
PCPI	11	13	12	NA
Average Annual Pay % Growth	5	5	8	13
Average Annual Pay	9	11	13	11
Unemployment Rate*	31	7	7	27
Labor Force % Growth	7	2	3	3
LFPR	4	2	9	11
FHFA Home Price Index Growth	11	6	4	2

Initial Jobless Claims Colorado



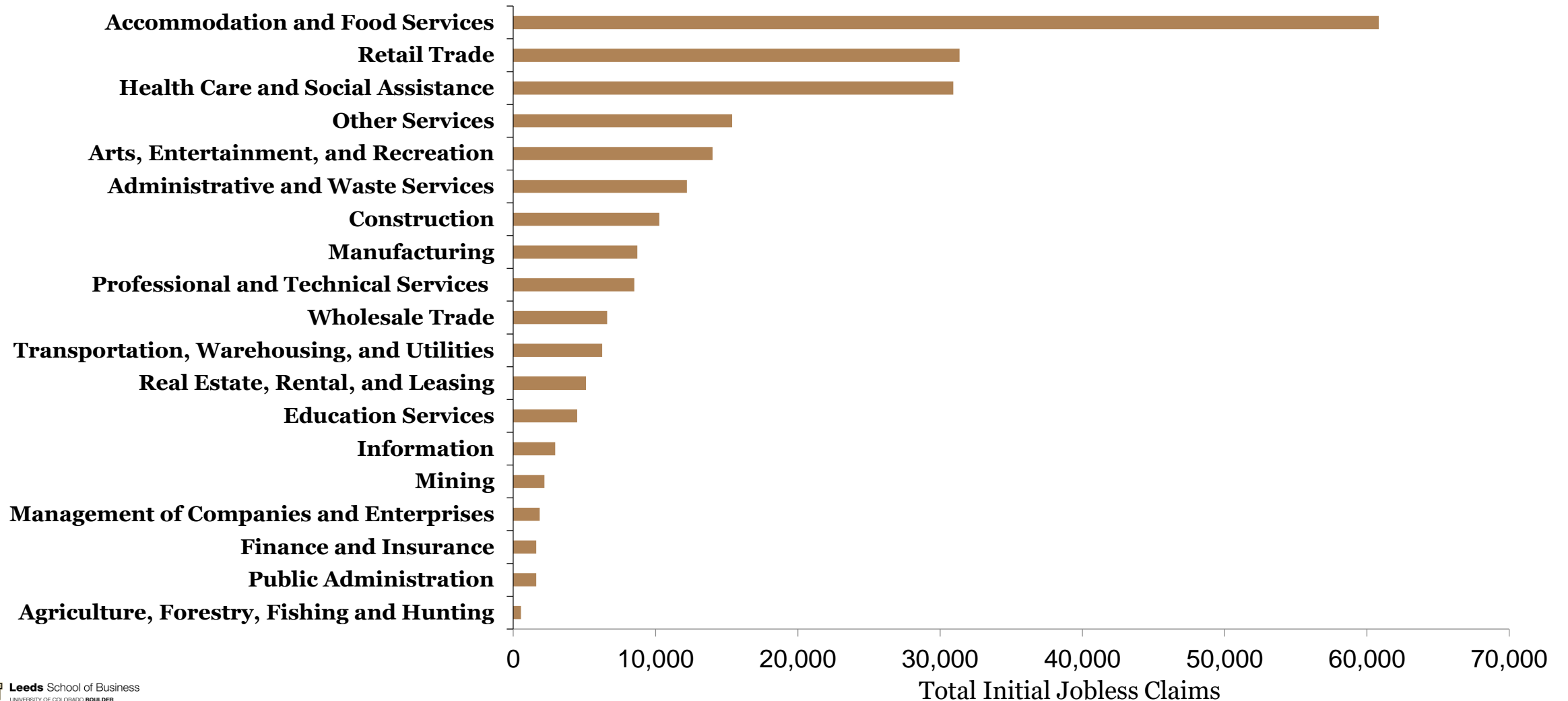
Jobless Claims by County



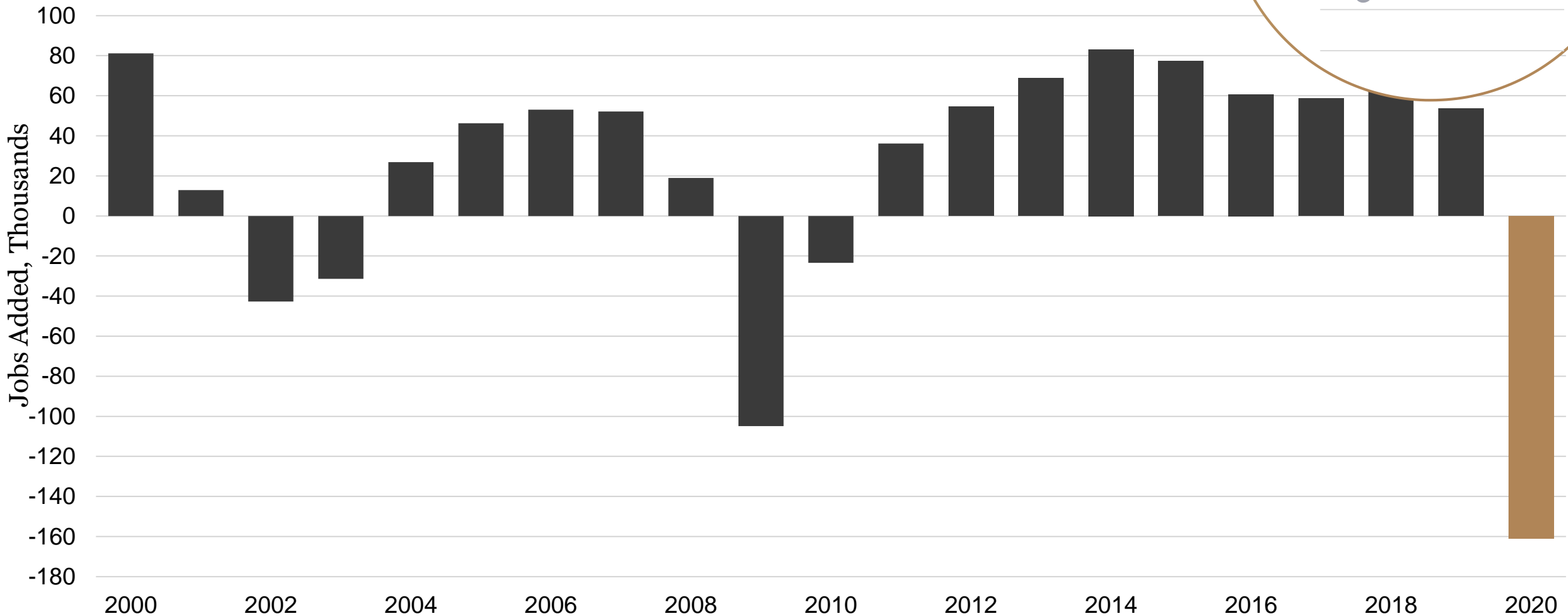
Park	42%	Arapahoe	11%
Dolores	29%	Larimer	11%
Lake	28%	El Paso	11%
Clear Creek	27%	Weld	11%
San Juan	27%	Kiowa	11%
Hinsdale	26%	Mesa	11%
Custer	24%	Moffat	11%
Elbert	24%	Crowley	11%
Ouray	23%	Pueblo	10%
Archuleta	23%	Las Animas	10%
San Miguel	22%	Mineral	10%
Teller	21%	Montezuma	10%
Conejos	19%	Boulder	9%
Grand	19%	Fremont	9%
Summit	19%	Broomfield	9%
Eagle	18%	Denver	9%
Gunnison	18%	Rio Grande	9%
Gilpin	17%	Washington	8%
Routt	16%	Phillips	8%
Saguache	14%	Cheyenne	8%
Pitkin	14%	Alamosa	8%
Jefferson	14%	Bent	7%
Huerfano	14%	Lincoln	7%
Garfield	14%	Baca	7%
Chaffee	14%	Otero	6%
La Plata	13%	Logan	6%
Delta	13%	Morgan	5%
Jackson	12%	Rio Blanco	5%
Douglas	12%	Sedgwick	4%
Adams	12%	Kit Carson	4%
Montrose	12%	Prowers	4%
Costilla	12%	Yuma	2%

Initial Jobless Claims by Industry

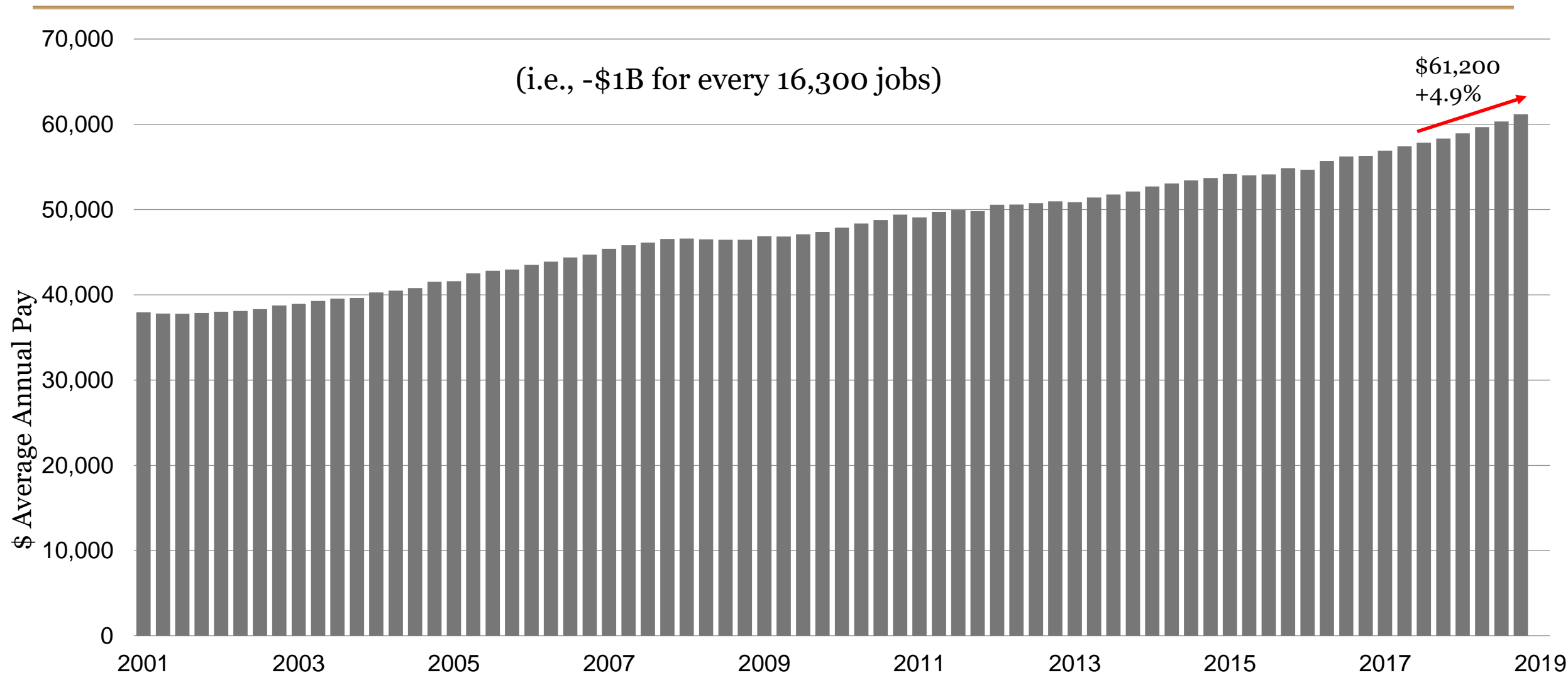
State Total Since 3/7/20



Colorado Employment Growth



Colorado Average Annual Pay



Colorado Wages

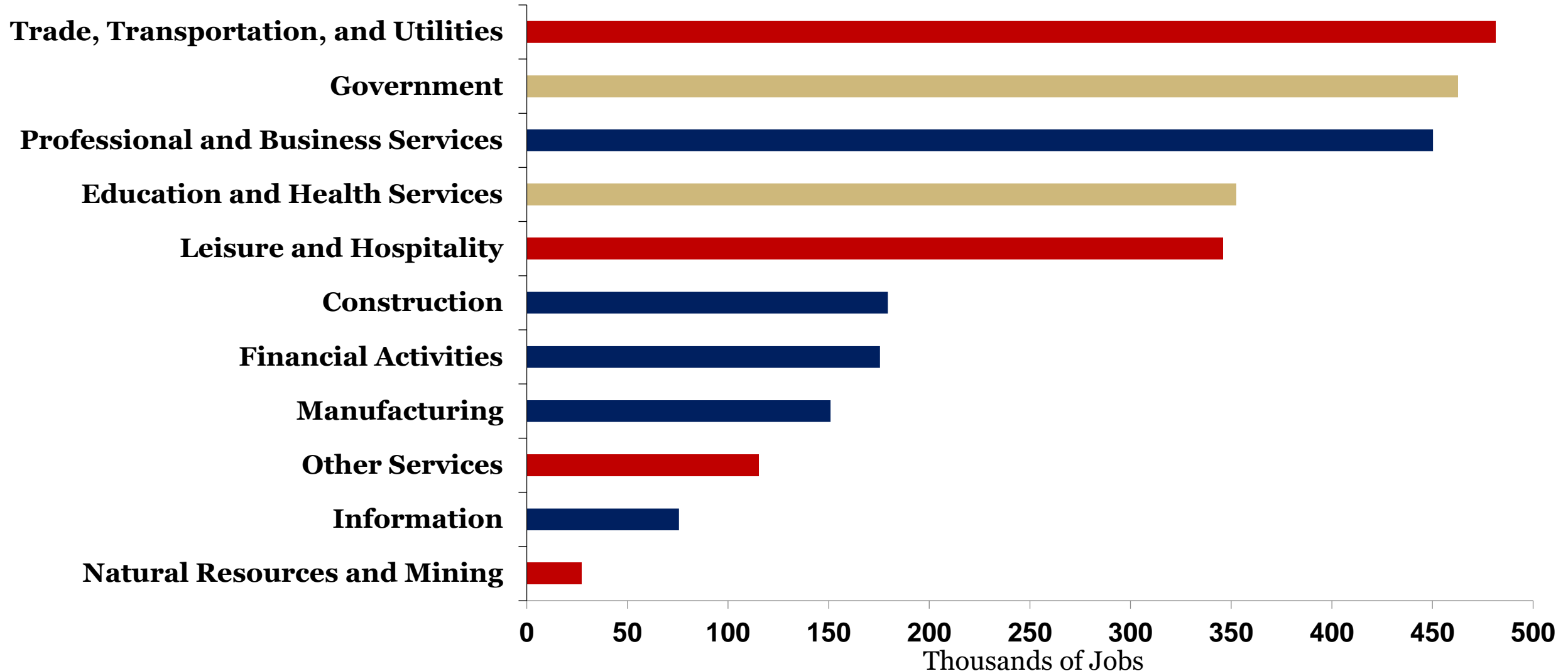
2019 Q3

Sector	Total Employment (Thousands)	Share of Employment	Average Wages
Above Average Total	1,115	41.0%	\$88,117
Management of companies and enterprises	42	1.5%	\$142,648
Utilities	8	0.3%	\$109,248
Information	76	2.8%	\$108,196
Professional and technical services	233	8.6%	\$102,596
Finance and insurance	113	4.2%	\$99,721
Natural Resources and Mining	48	1.8%	\$90,297
Wholesale trade	110	4.0%	\$89,010
Federal Government	53	1.9%	\$85,085
Manufacturing	150	5.5%	\$73,539
State Government	106	3.9%	\$66,802
Construction	177	6.5%	\$64,109
All Industries	2,720	100.0%	\$61,200
Real estate and rental and leasing	54	2.0%	\$60,451
Transportation and warehousing	82	3.0%	\$58,586
Health care and social assistance	302	11.1%	\$52,428
Local Government	267	9.8%	\$49,762
Administrative and waste services	161	5.9%	\$45,942
Educational services	37	1.4%	\$42,247
Other services, except public administration	84	3.1%	\$42,096
Arts, entertainment, and recreation	58	2.1%	\$38,952
Retail trade	272	10.0%	\$33,416
Accommodation and food services	285	10.5%	\$24,528
Below Average Total	1,602	58.9%	\$42,452

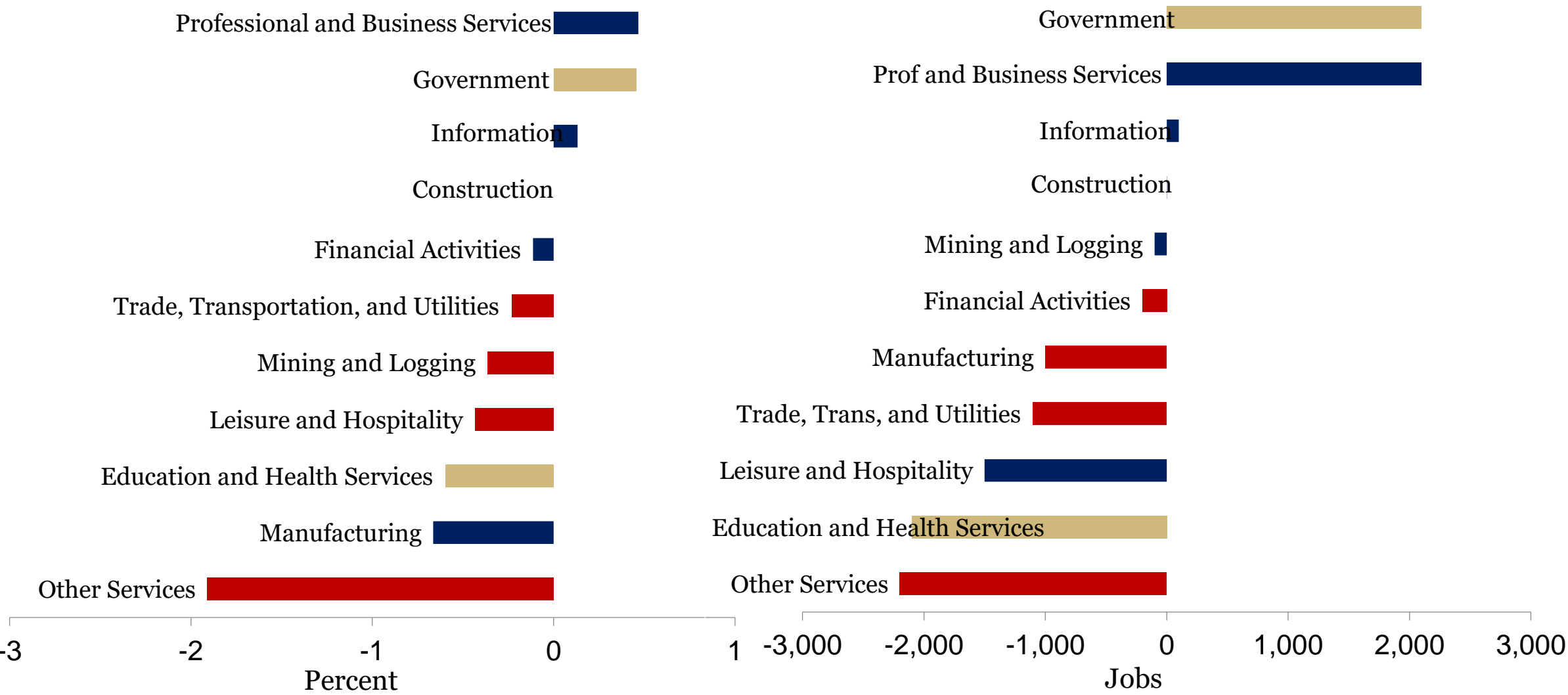
25.7% of employment
13.2% of total wages



Colorado Employment by Industry – March 2020



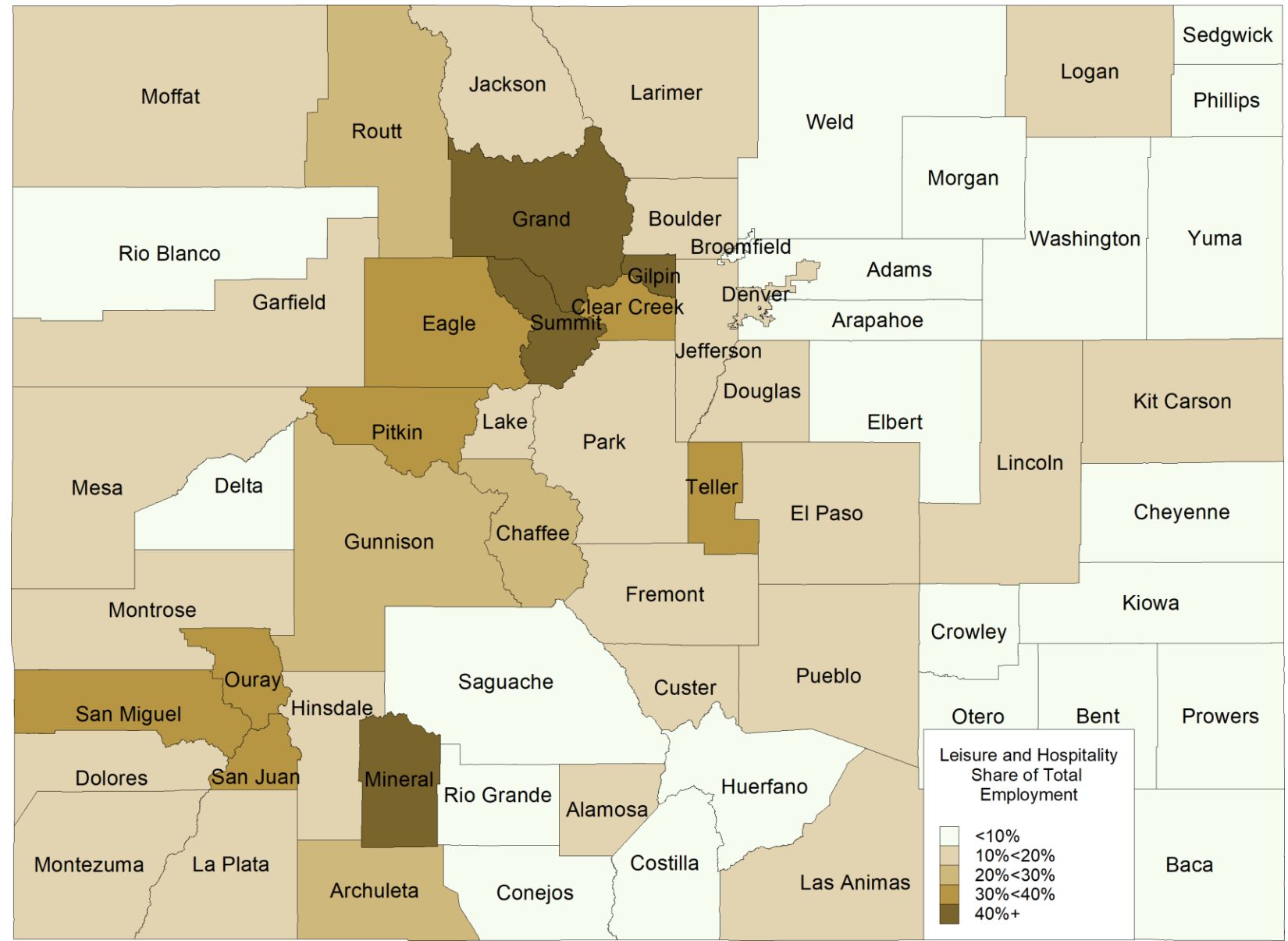
Colorado Employment by Industry – One-Month Change



Leisure and Hospitality Share of Employment

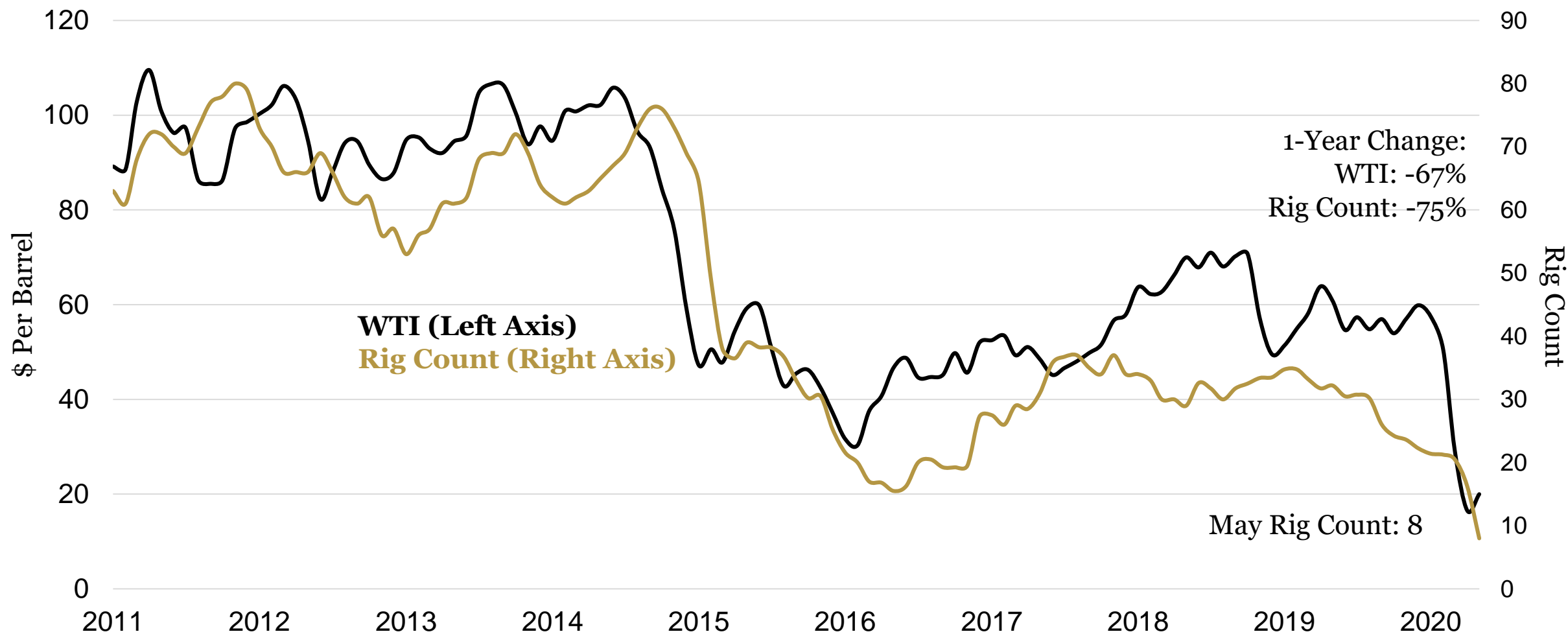
Leisure and Hospitality

- Arts, Entertainment, and Recreation
 - Ski
 - Golf
 - Pro Sports
 - Performing Arts
 - Museums
 - Gaming
 - Fitness
 - Accommodation and Food Services
 - Hotels
 - Restaurants
 - Bars
 - Local Concentrations
 - Boulder: 11.7%
 - Denver: 12.6%
- Versus
- Pitkin: 39%
 - Summit: 41.1%

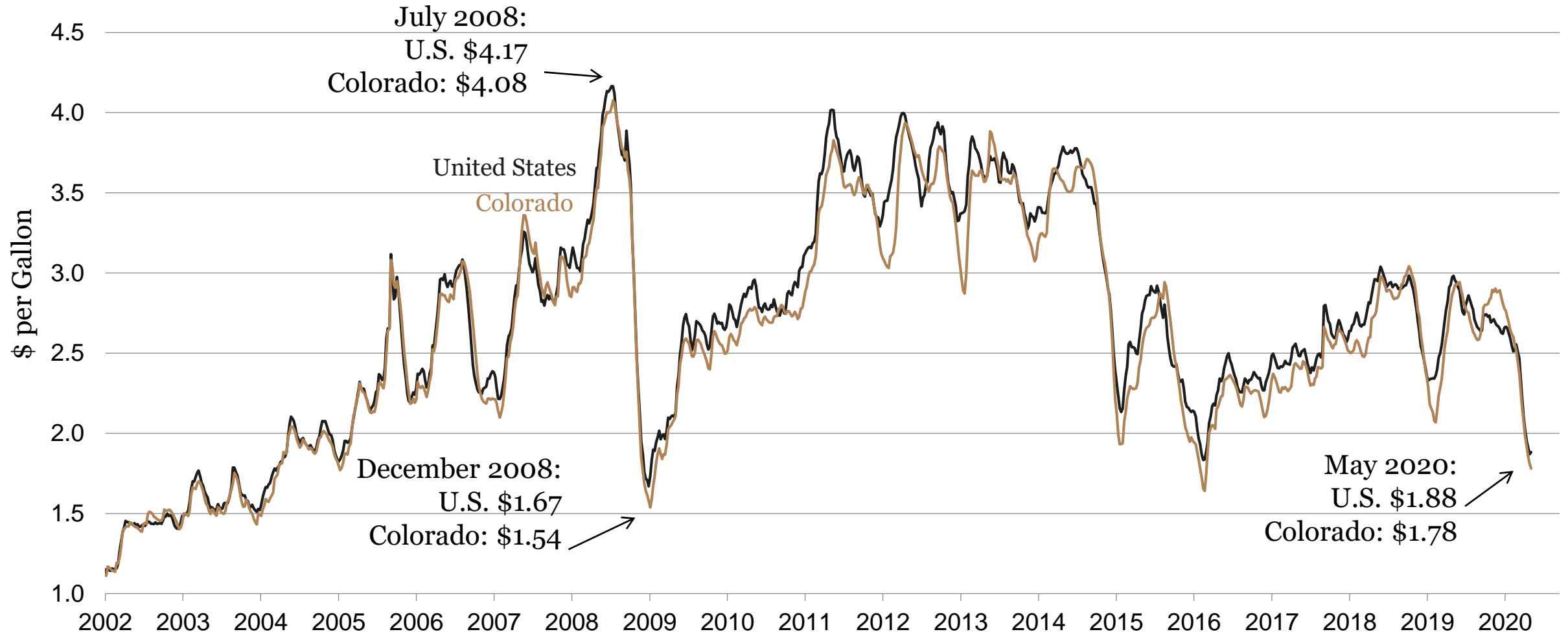


Baker Hughes Rig Count

Colorado

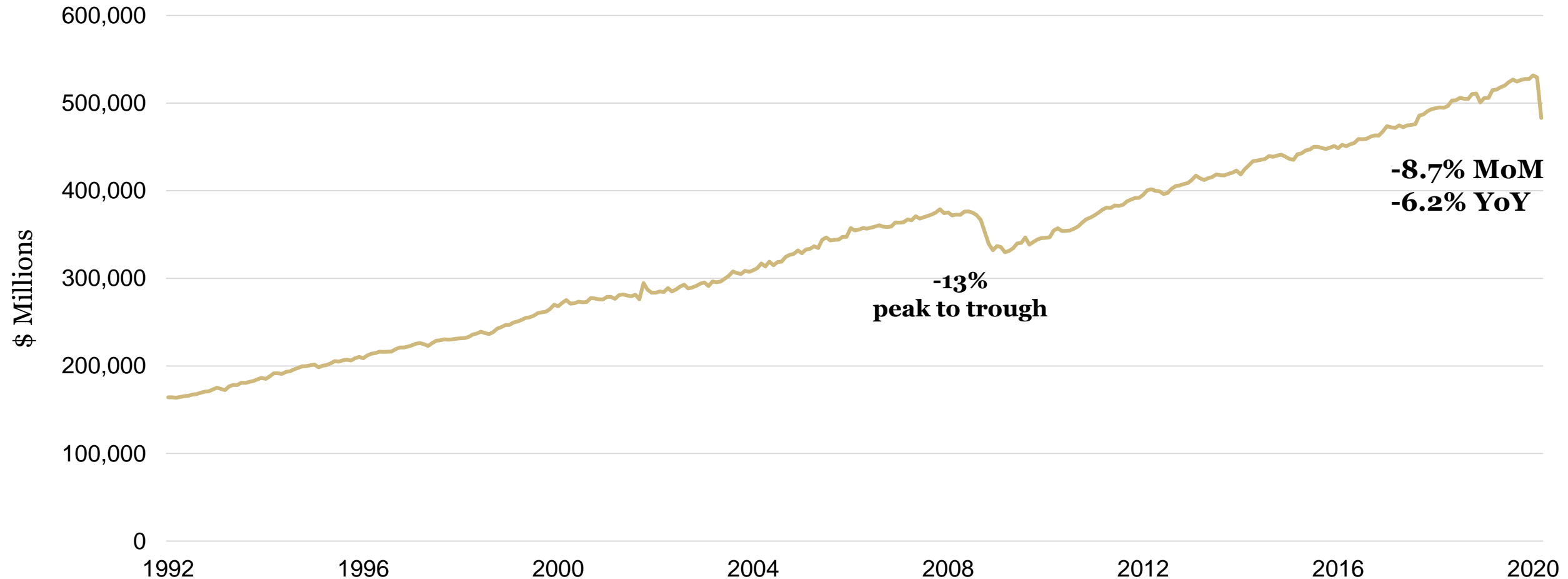


Retail Gasoline



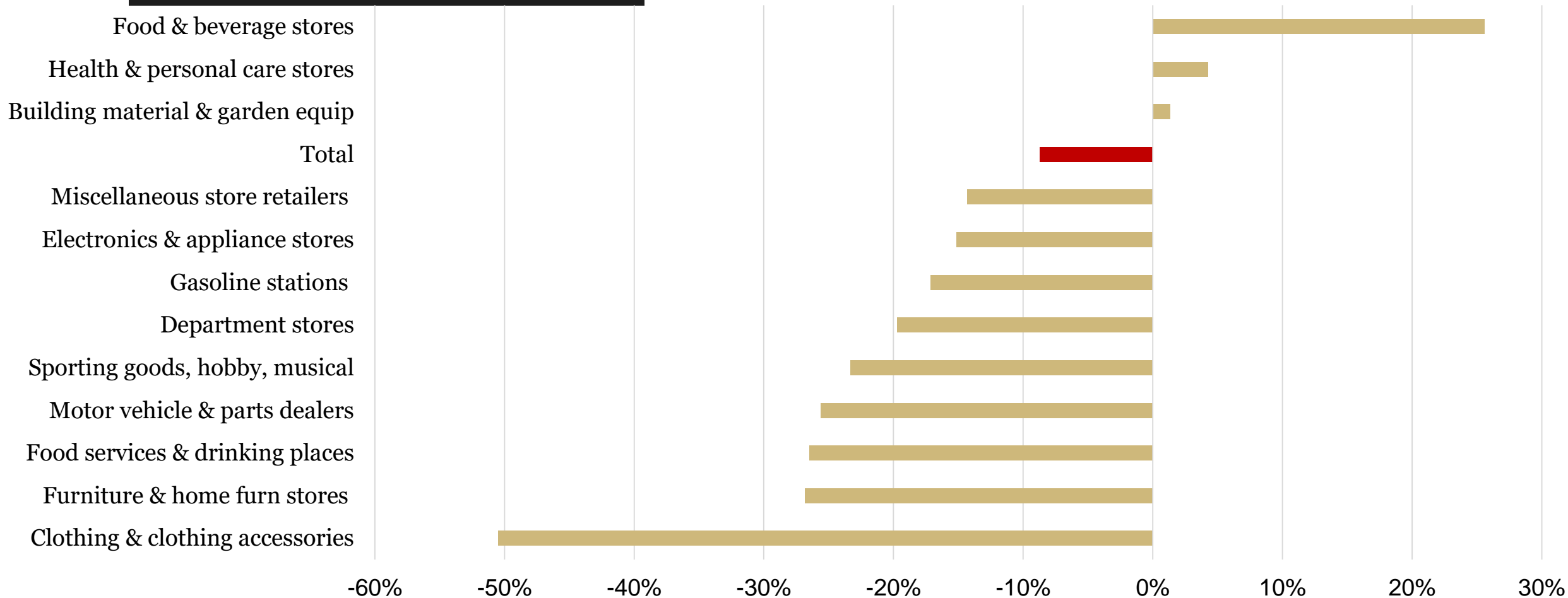
Source: Energy Information Administration (All Grades/All Formulations). Data through December 2019.

National Retail and Food Services Sales

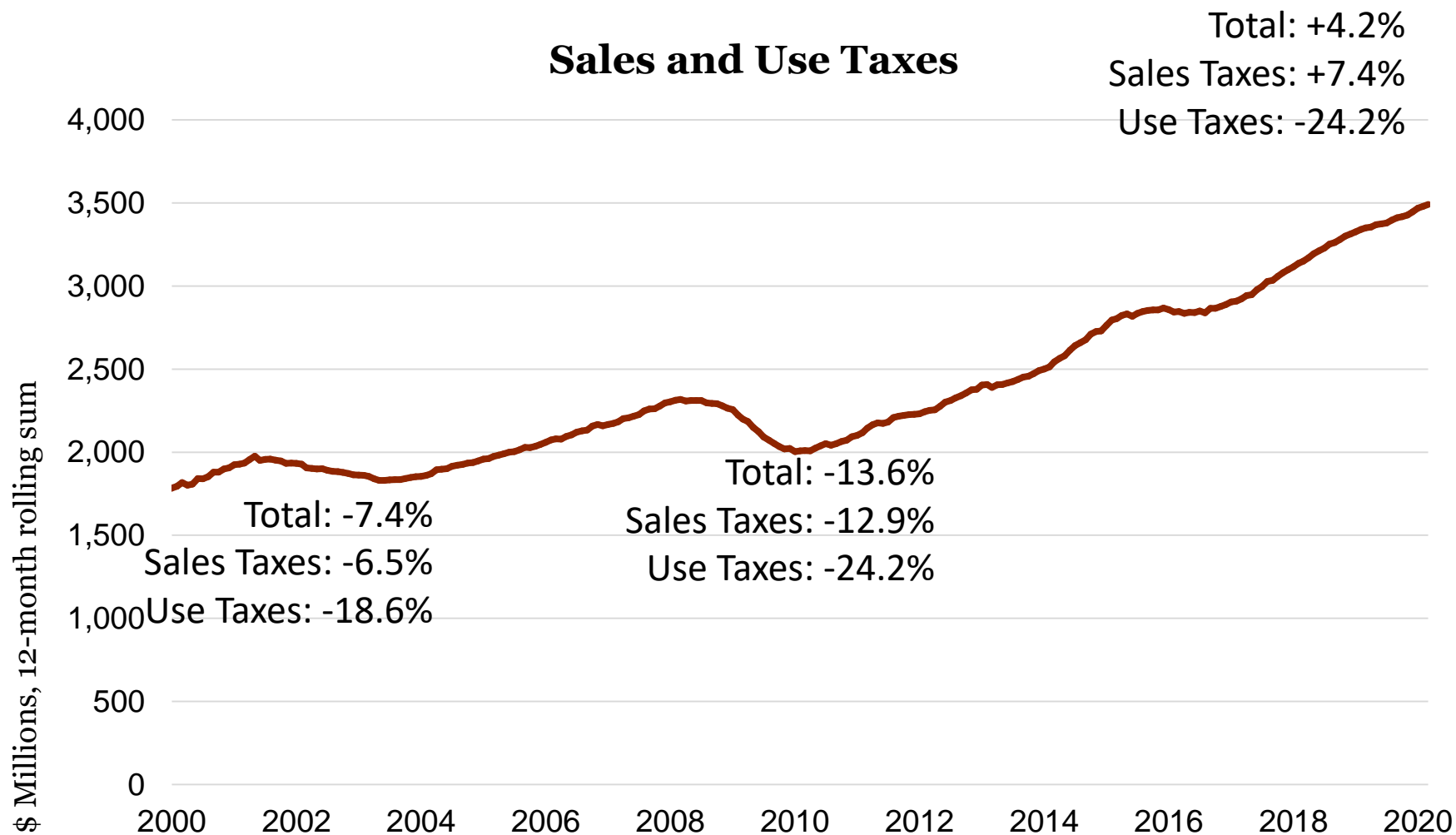


National Retail by Category

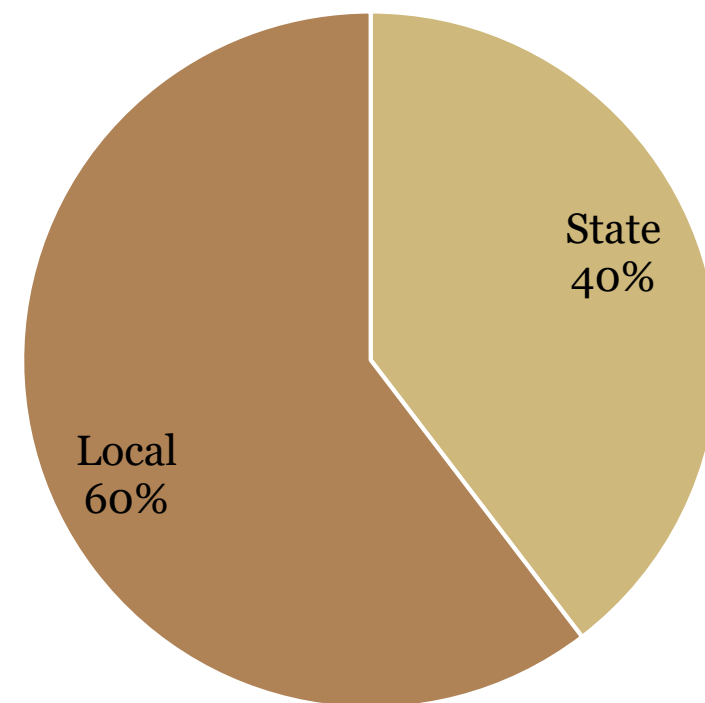
Month-over-month % change



Colorado Sales and Use Taxes



State v. Local



Colorado Summary

- Economy was on a strong footing prior to COVID-19
- Tourism industry on the front line of the economic downturn
- Disproportionate impact on mountain resort economies
- Oil impact on energy communities
- Financial hit to state and local government
- CARES act will partially mitigate impacts
- Professional Services provide economic cover
- Additional economic modeling forthcoming