

Colorado Municipal League COVID Economic Discussion

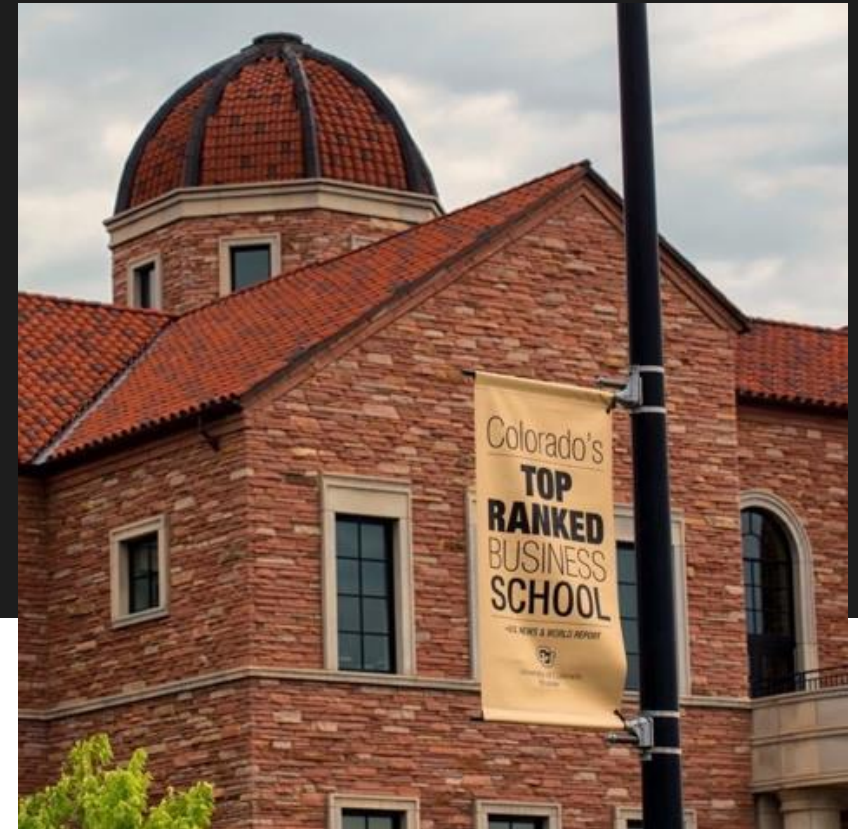
What we know thus far

Richard Wobbekind

Senior Economist and Associate Dean for Business and Government Relations
Business Research Division
University of Colorado Boulder

Brian Lewandowski

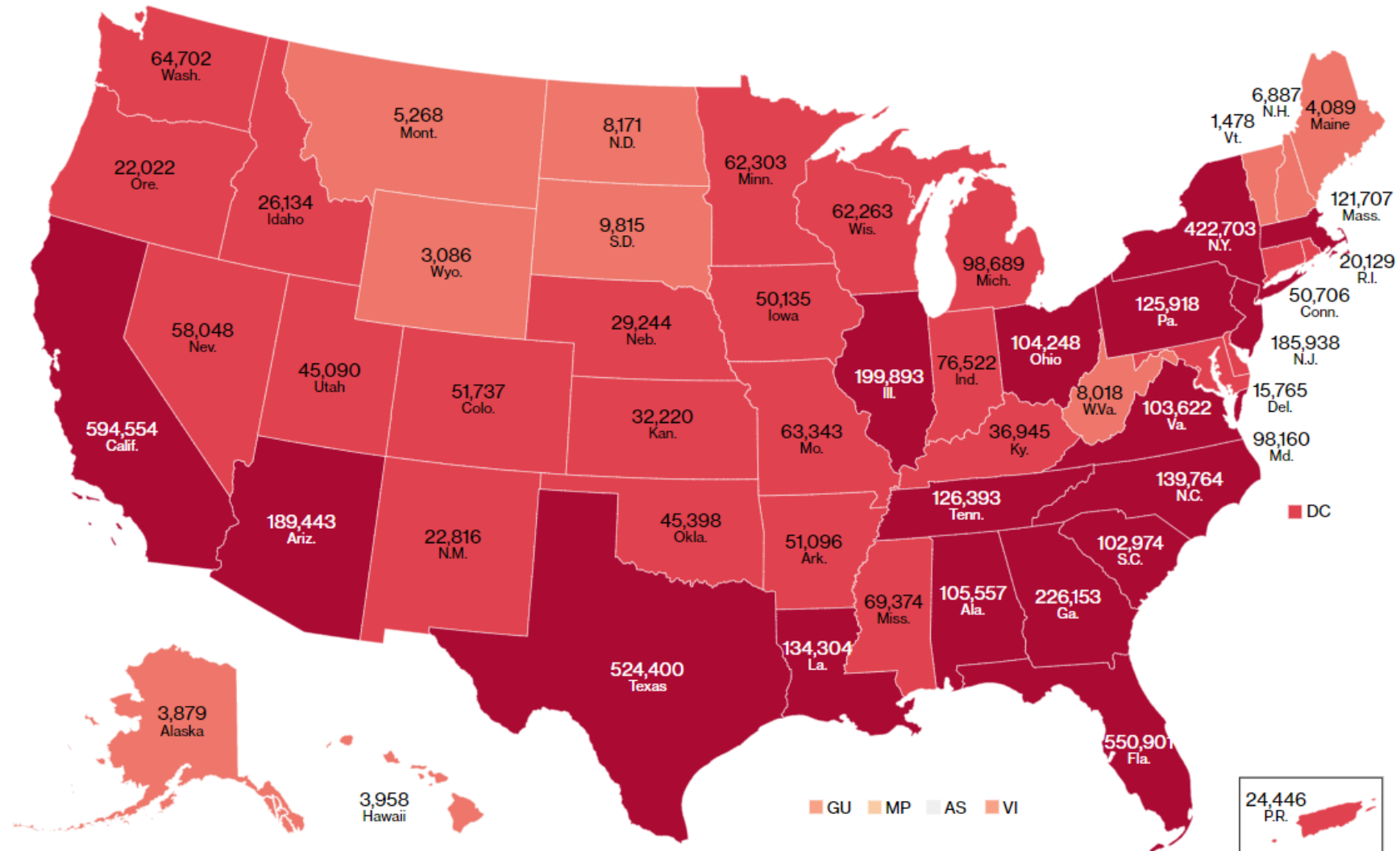
Executive Director
Business Research Division
University of Colorado Boulder



Overview

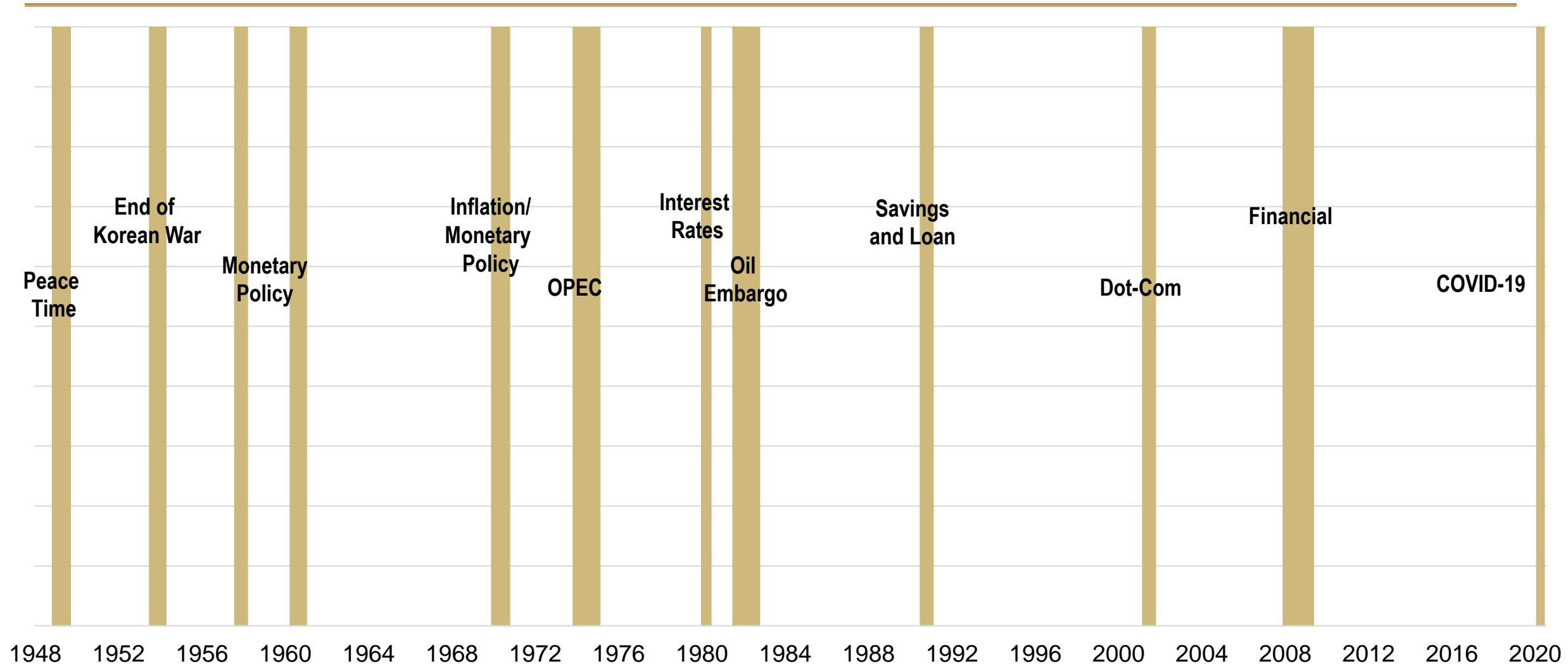
- Resurgence in domestic cases
- Economy was on a strong footing prior to COVID-19
- CARES Act and Federal Reserve helped mitigate the impact
- Industries disproportionately impacted
- Don't be fooled by the employment numbers
- Colorado outperforming early in the recovery
- Structural changes (e.g., Work From Home, Retail, Migration)

Confirmed COVID-19 Cases by State

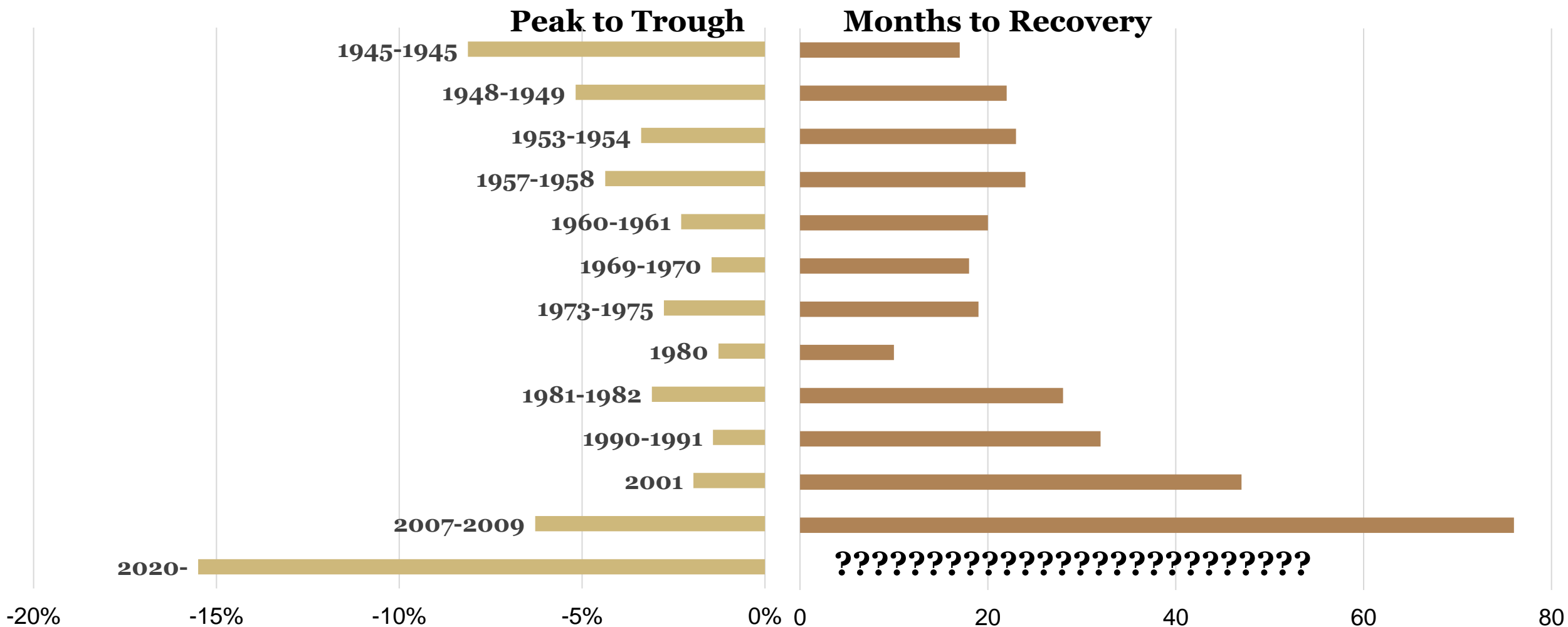


Source: Bloomberg.

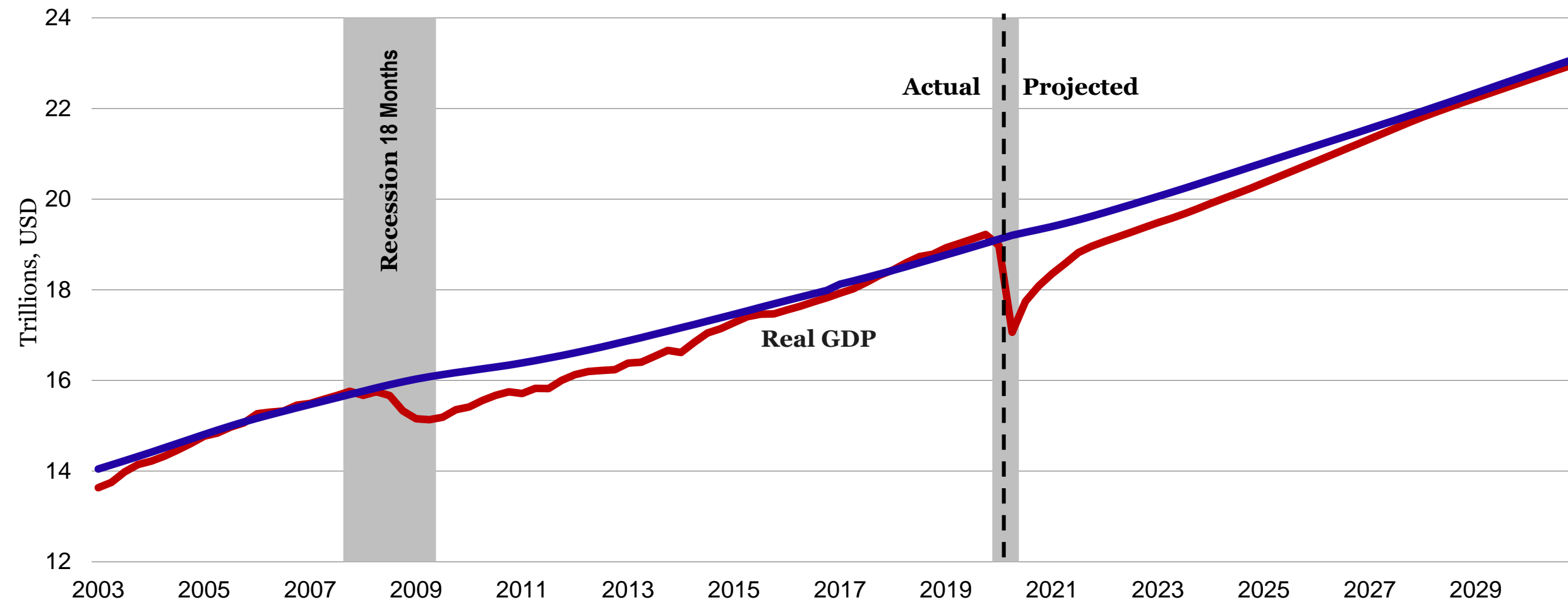
Business Cycle



Employment Loss and Recovery



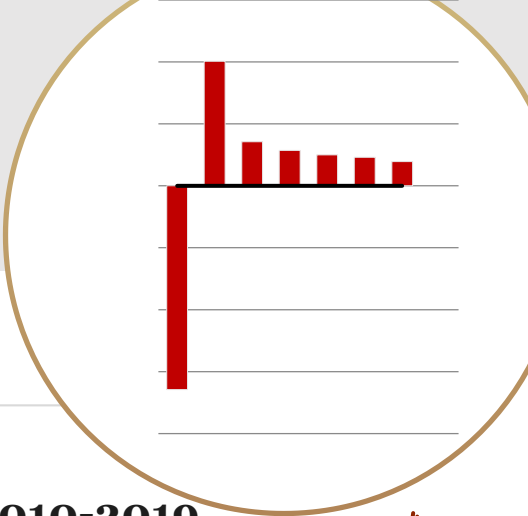
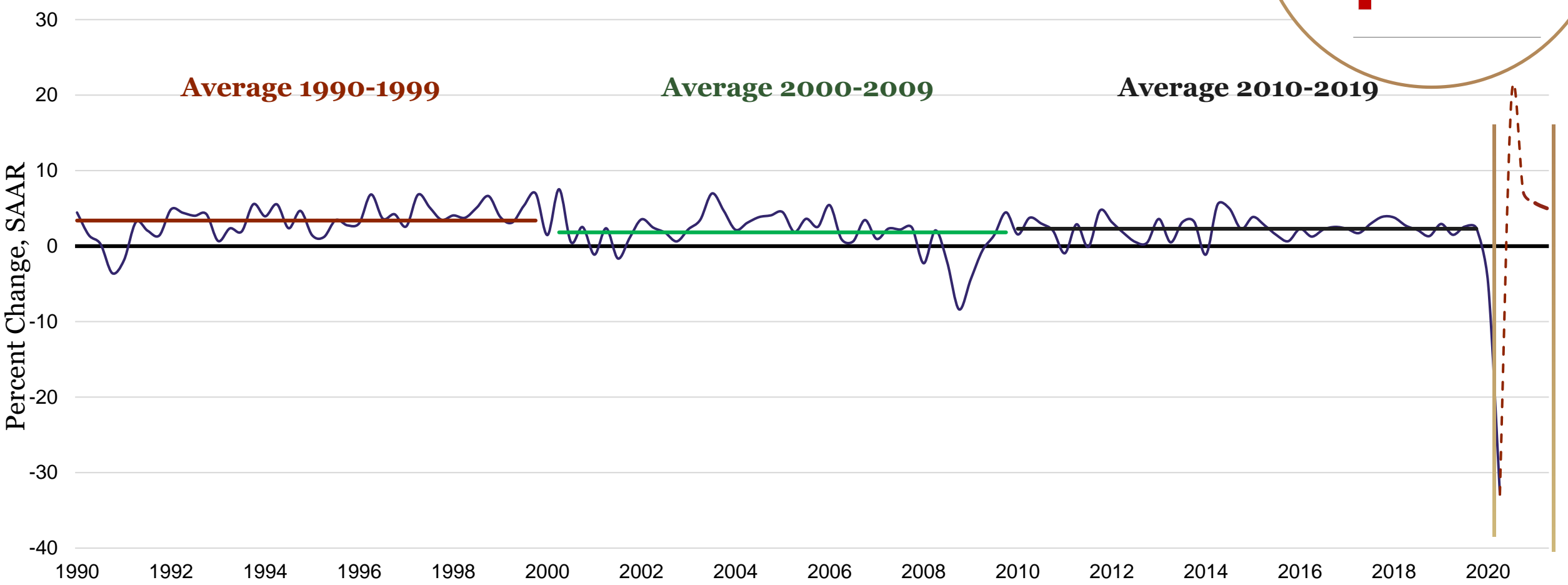
Real GDP and Potential GDP



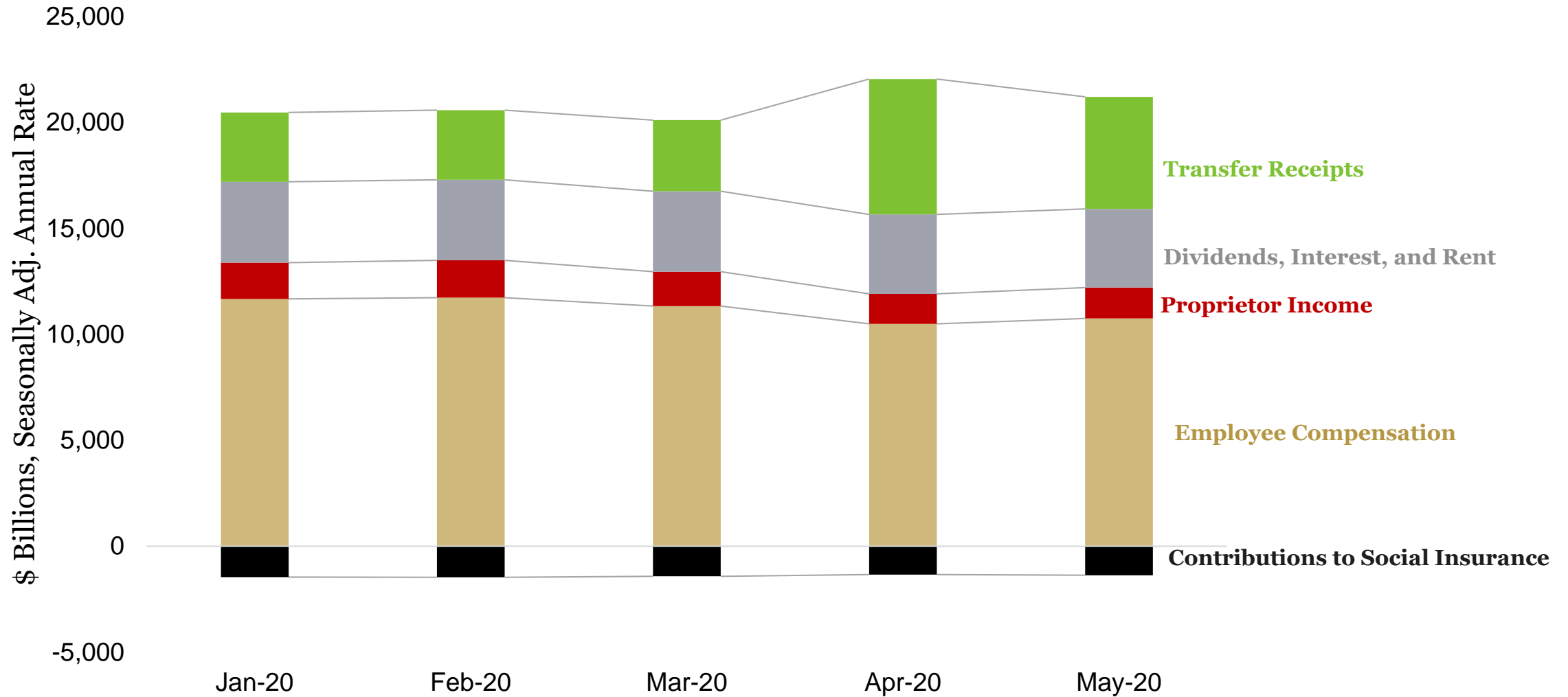
Sources: Congressional Budget Office and the Bureau of Economic Analysis. This file presents data that supplement CBO's July 2020 report An Update to the Economic Outlook: 2020 to 2030.

Real GDP Growth

Quarterly Real GDP

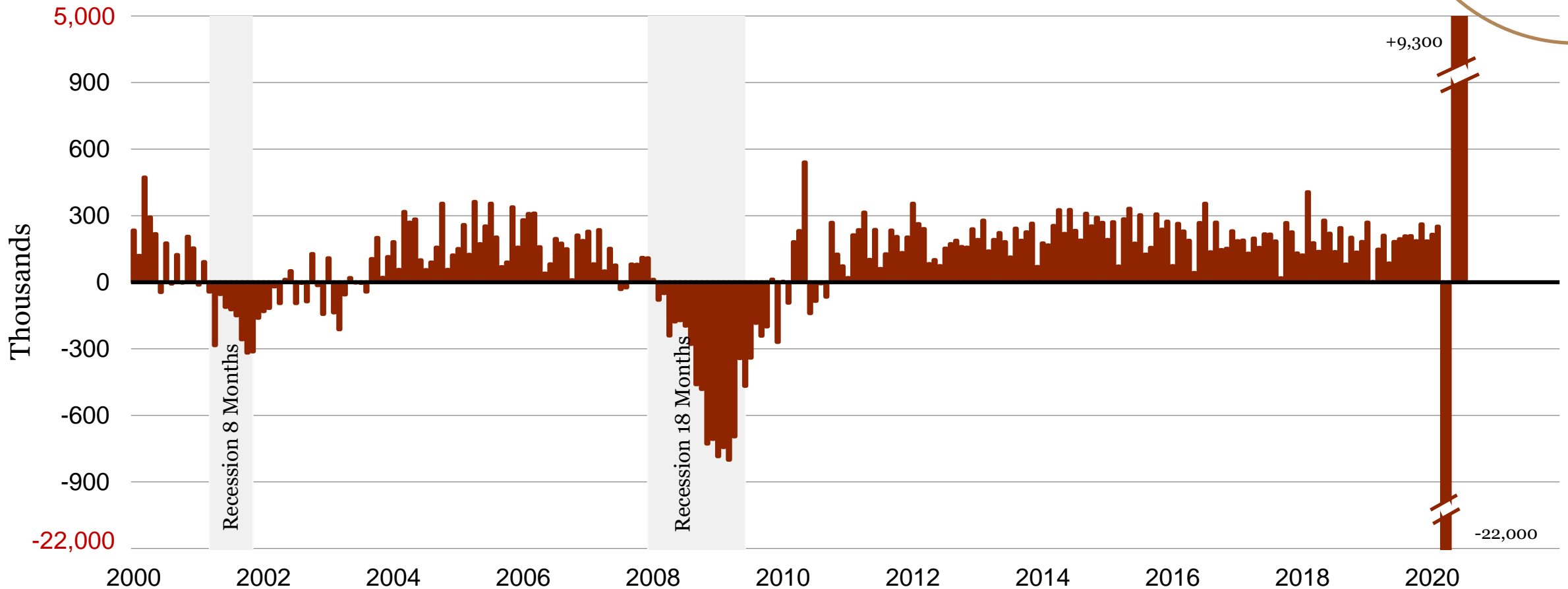
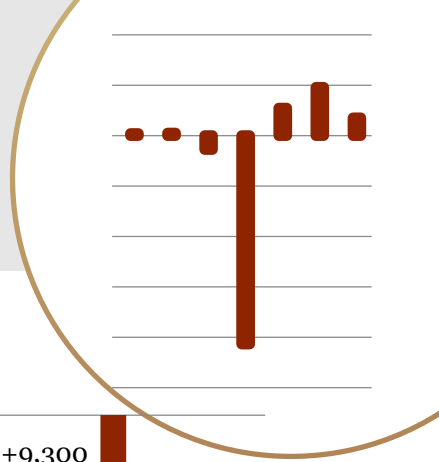


Personal Income



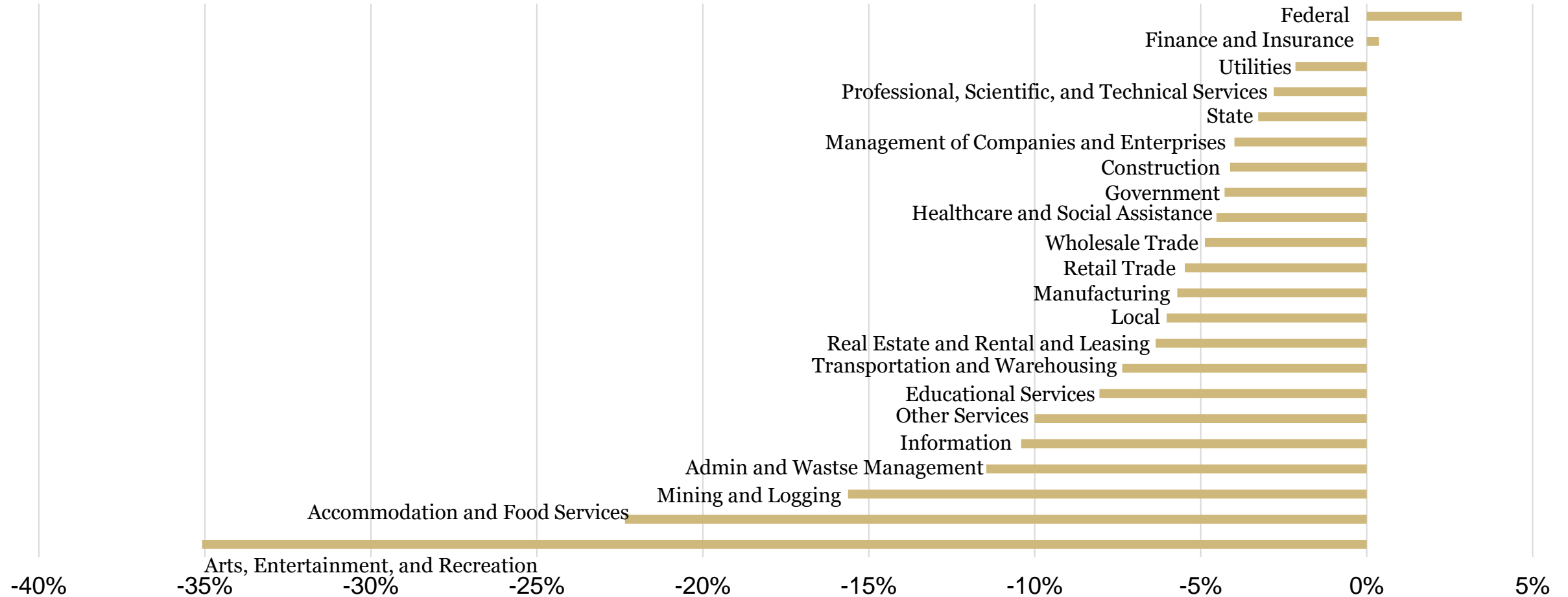
National Employment

Month-over-Month Change



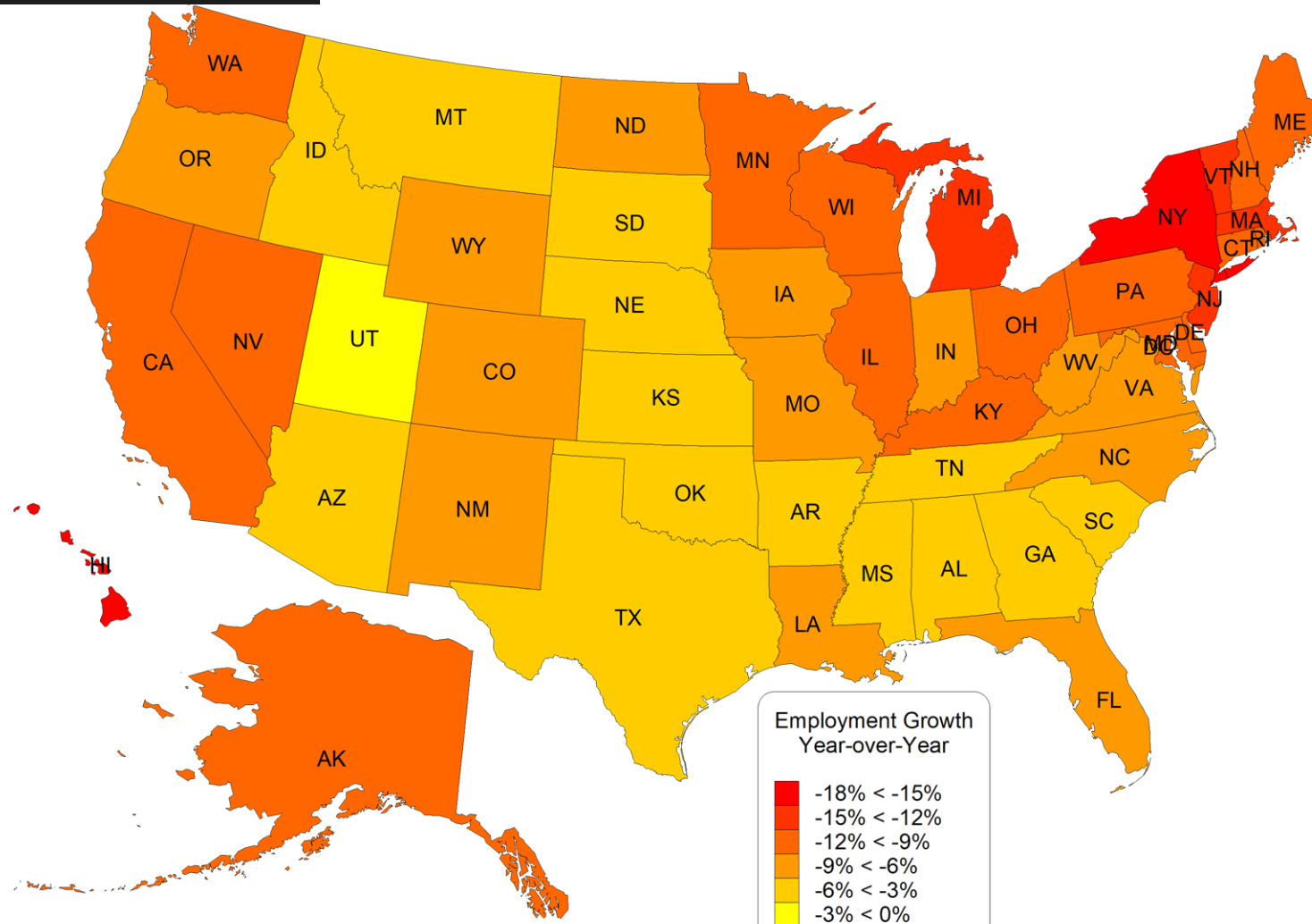
Employment Growth

1-Year Percentage Change, July 2020



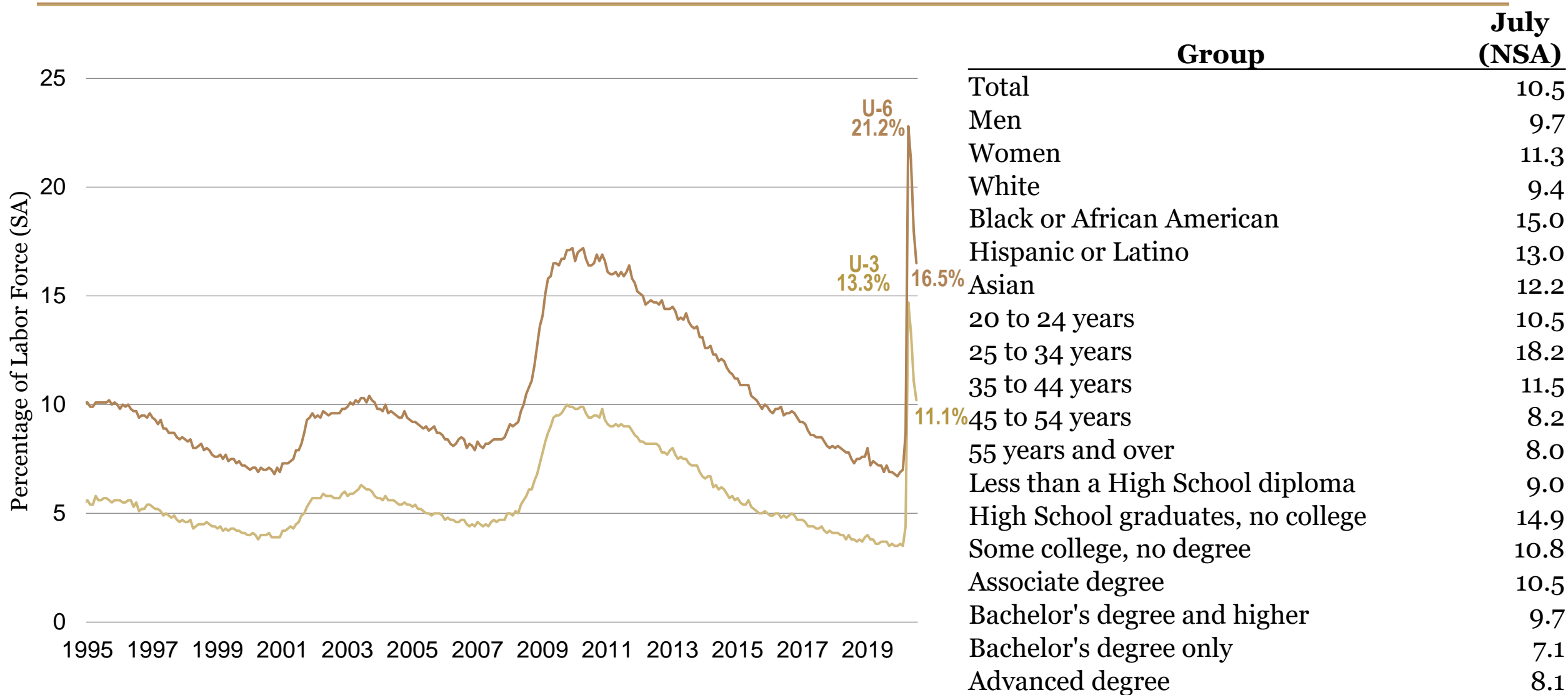
Employment Growth

1-Year Growth, June 2020



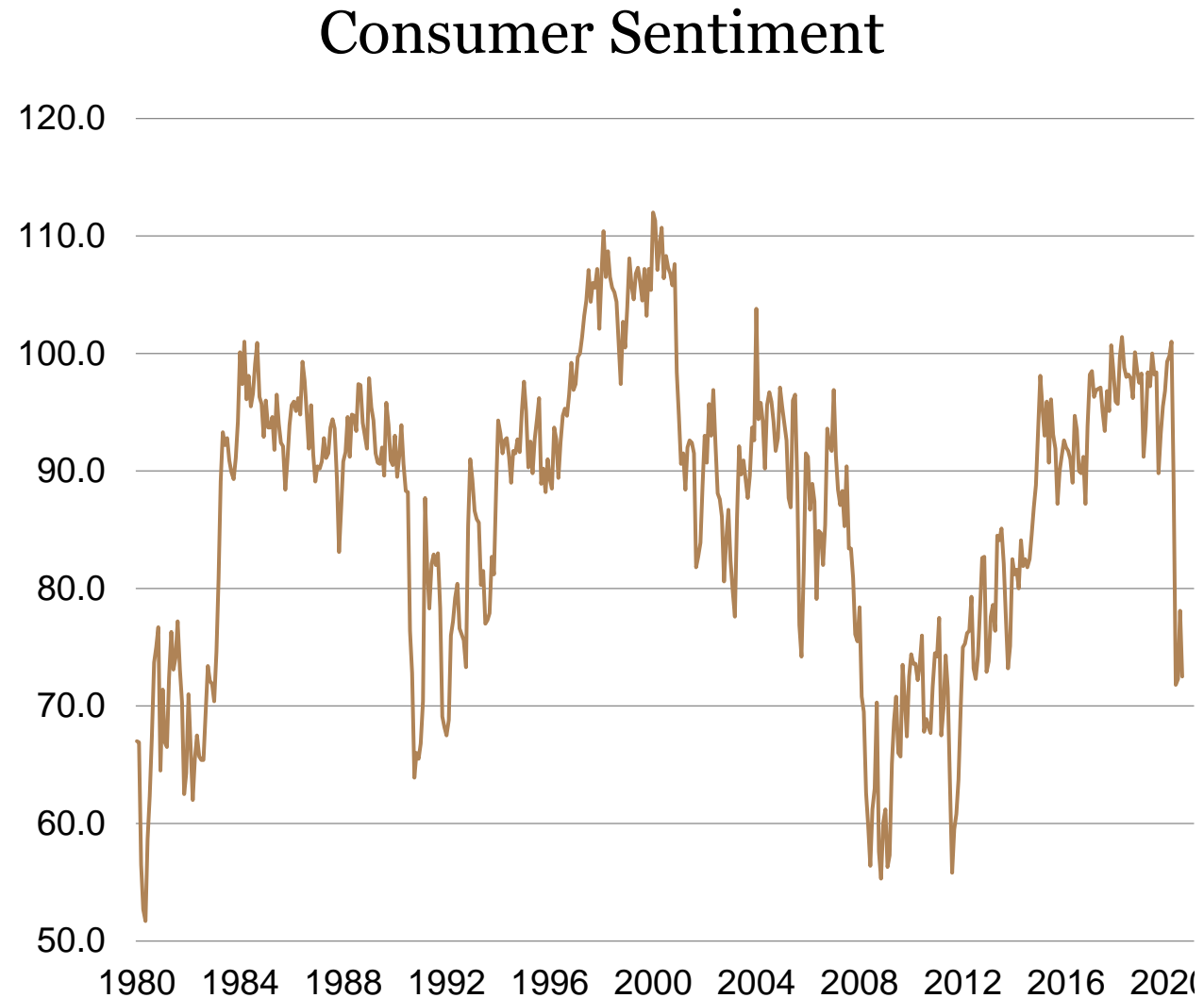
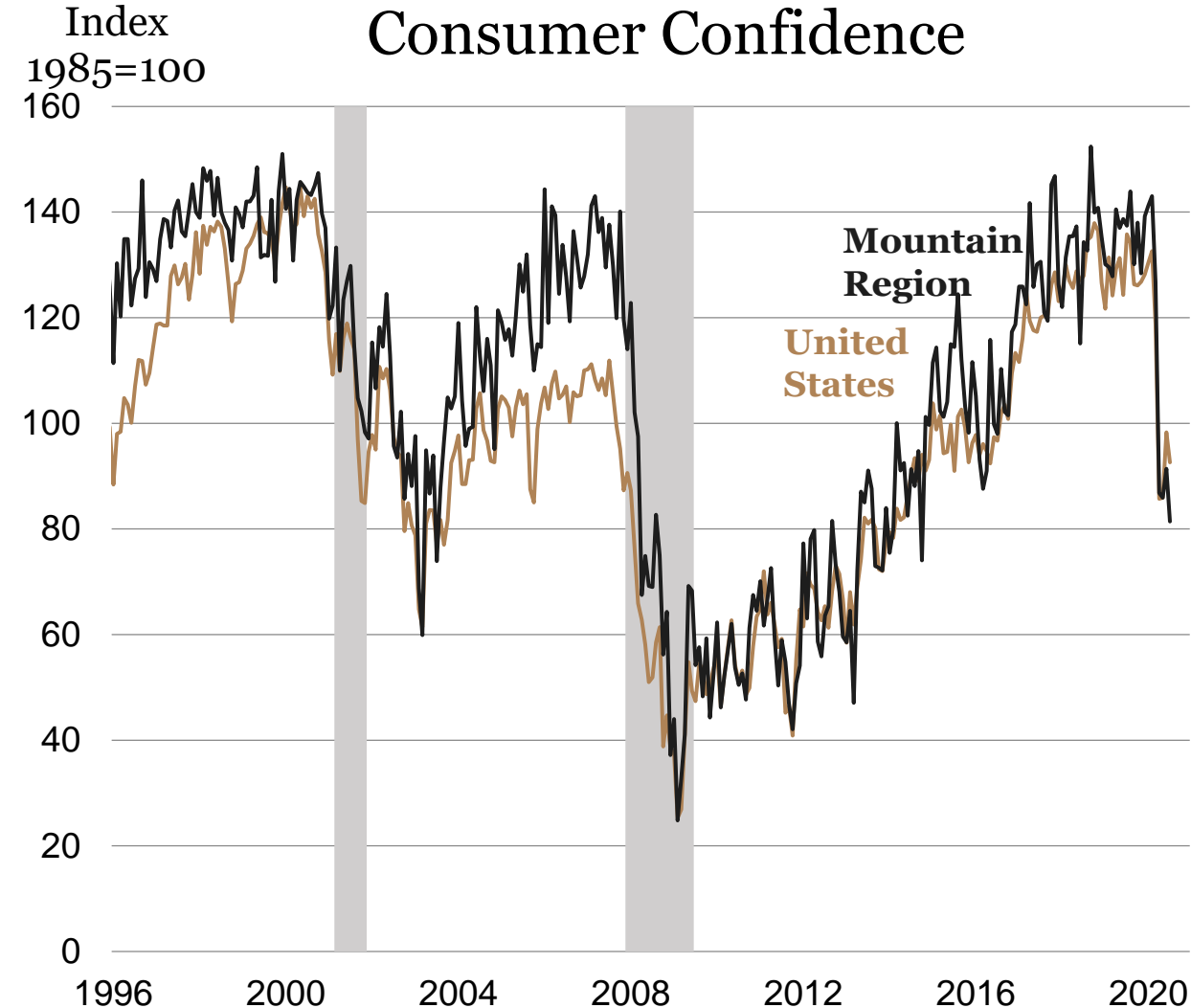
Source: Bureau of Labor Statistics, Current Employment Statistics (Seasonally Adjusted).

Labor Underutilization



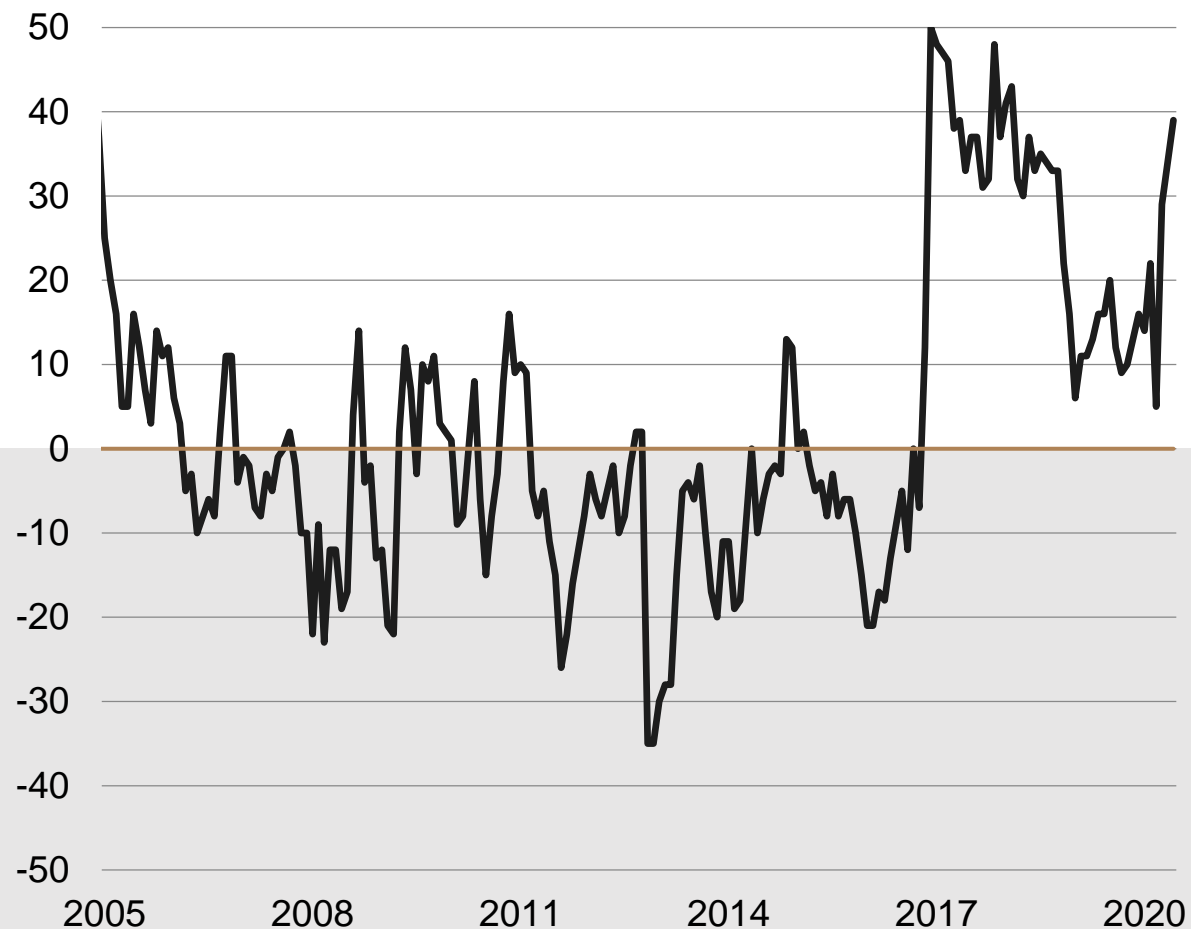
Source: Bureau of Labor Statistics (Seasonally Adjusted). Unemployment by group is not seasonally adjusted.

Index of Consumer Confidence

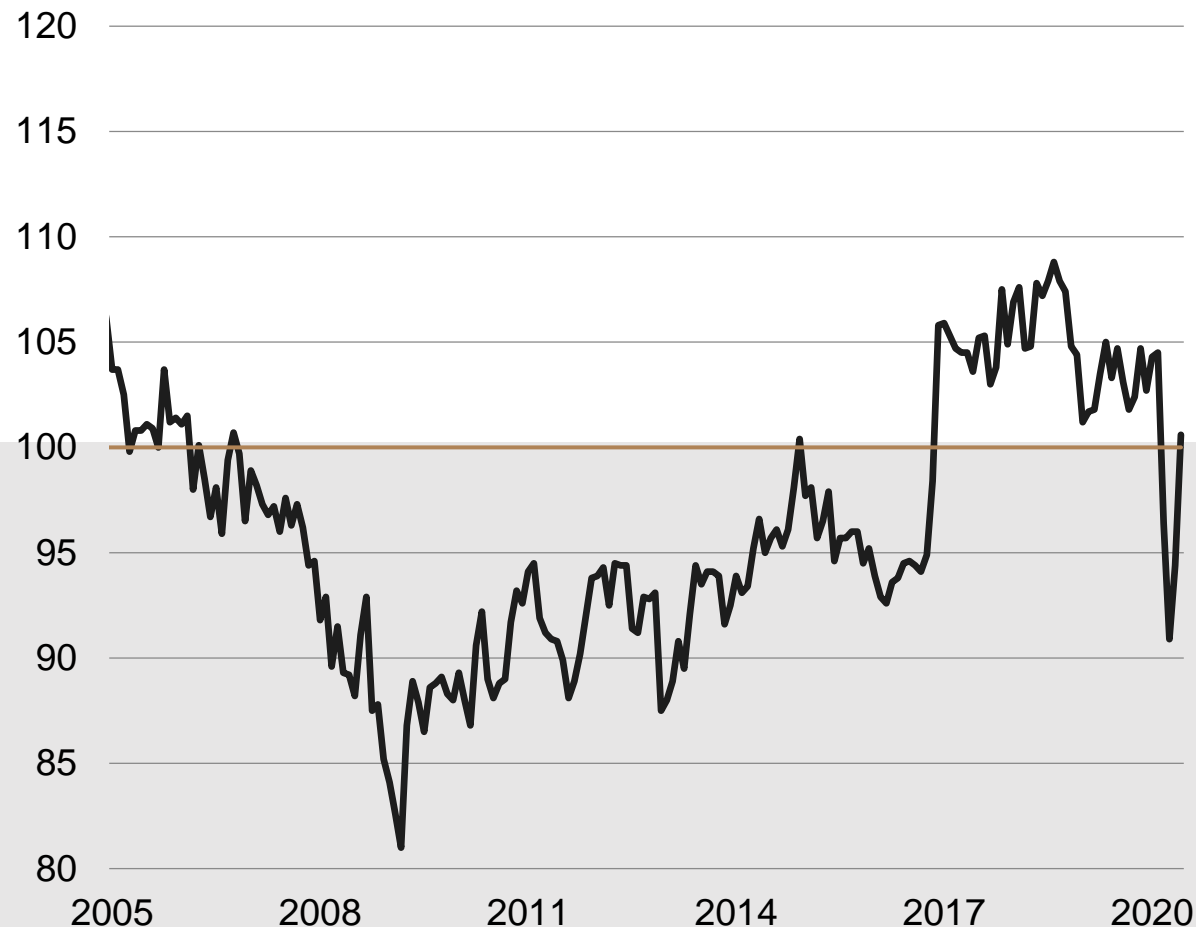


Small Business Outlook

Business Conditions

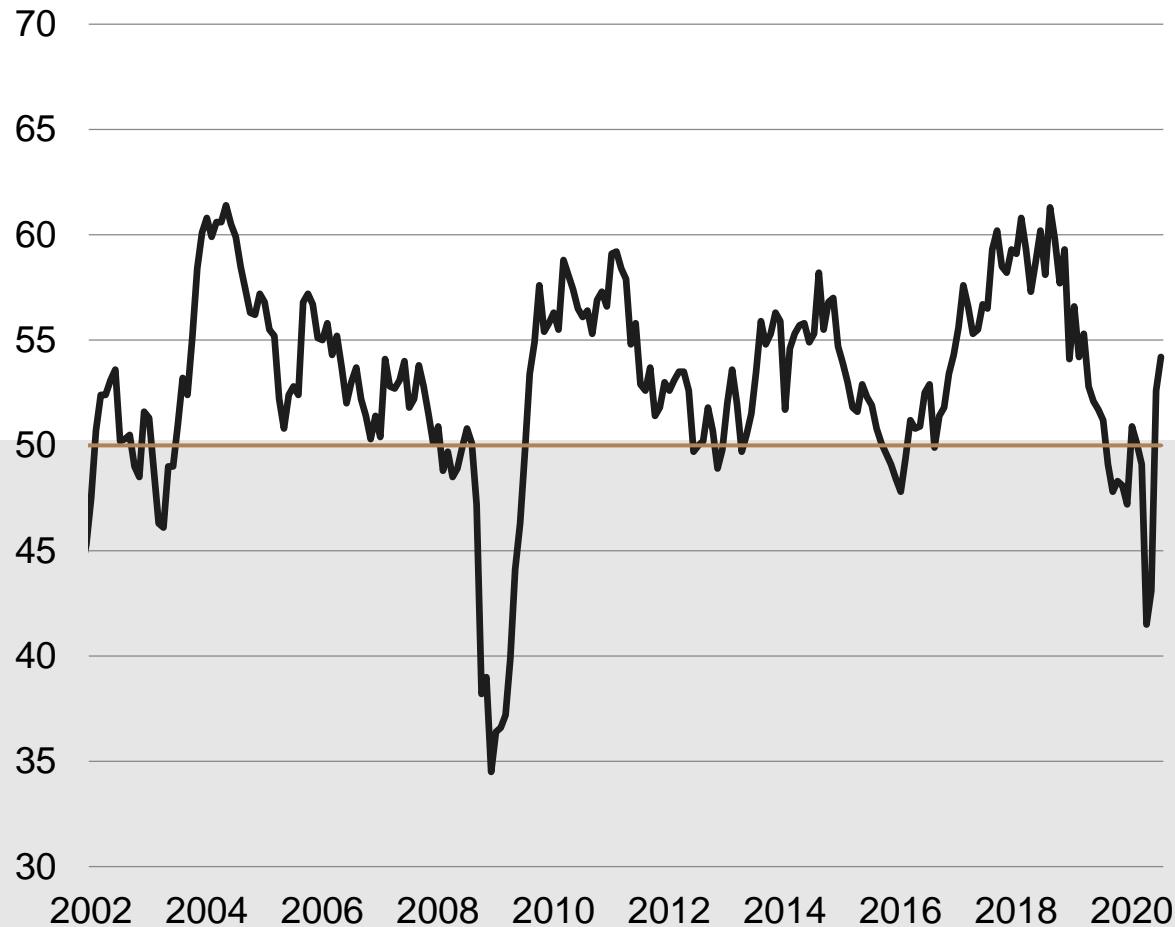


Optimism Index

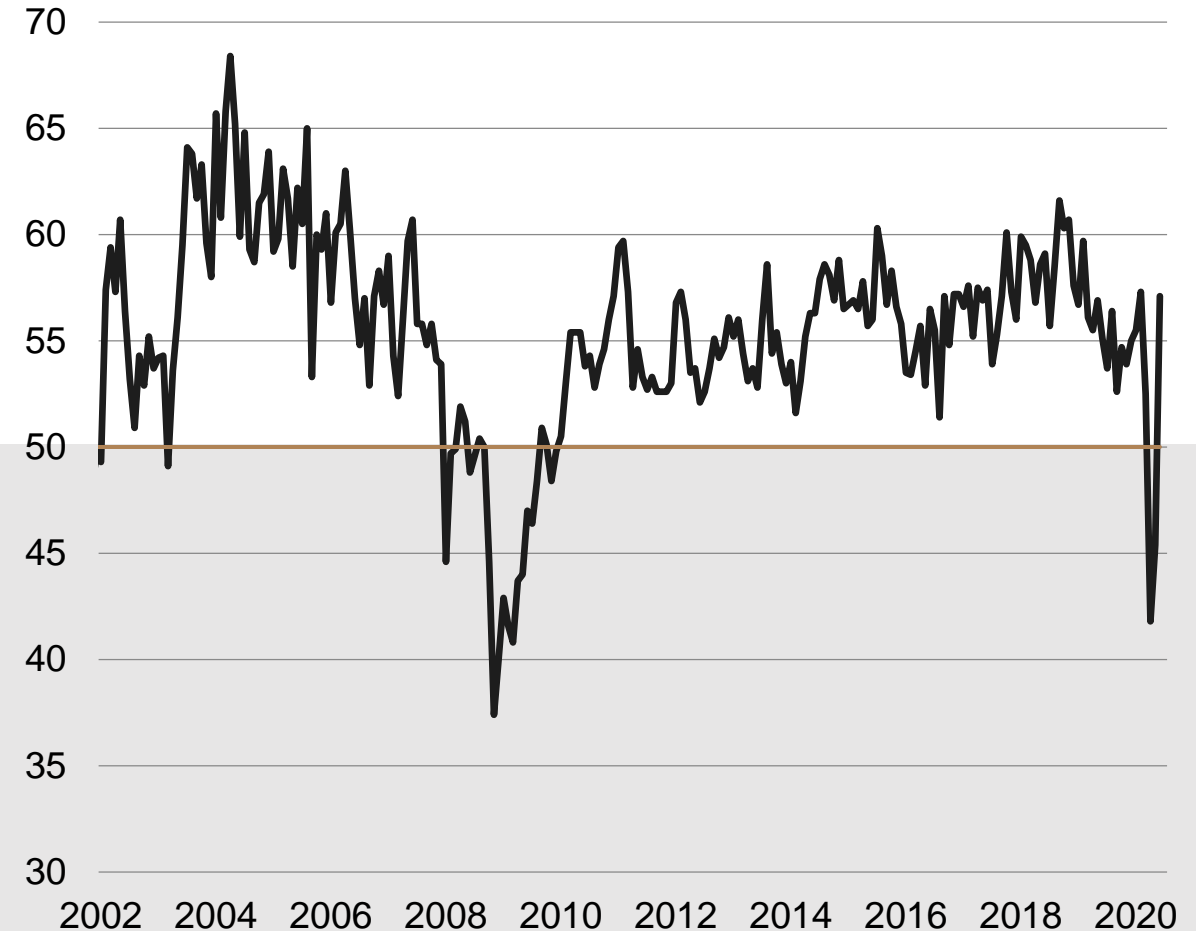


ISM Indices

ISM Manufacturing Index

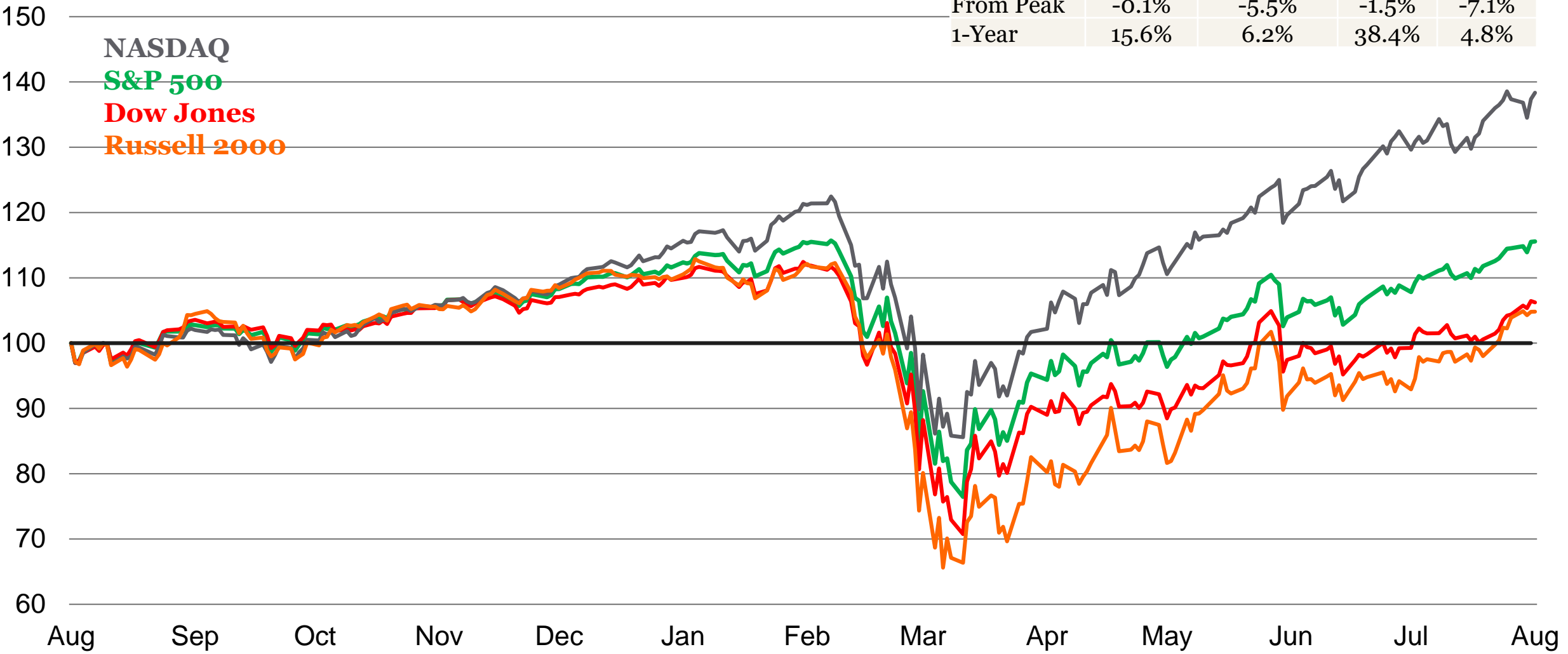


ISM Non-Manufacturing Index



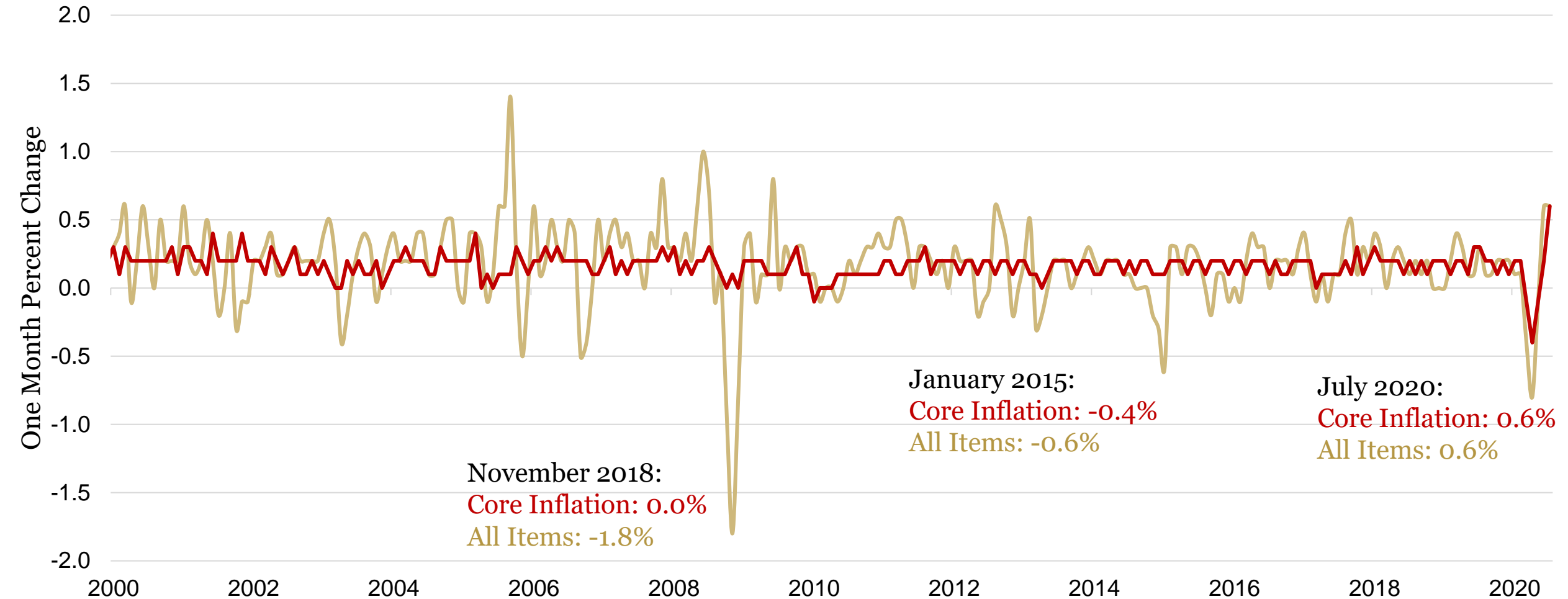
1-Year Securities Trends

Indexed, August 13, 2019=100



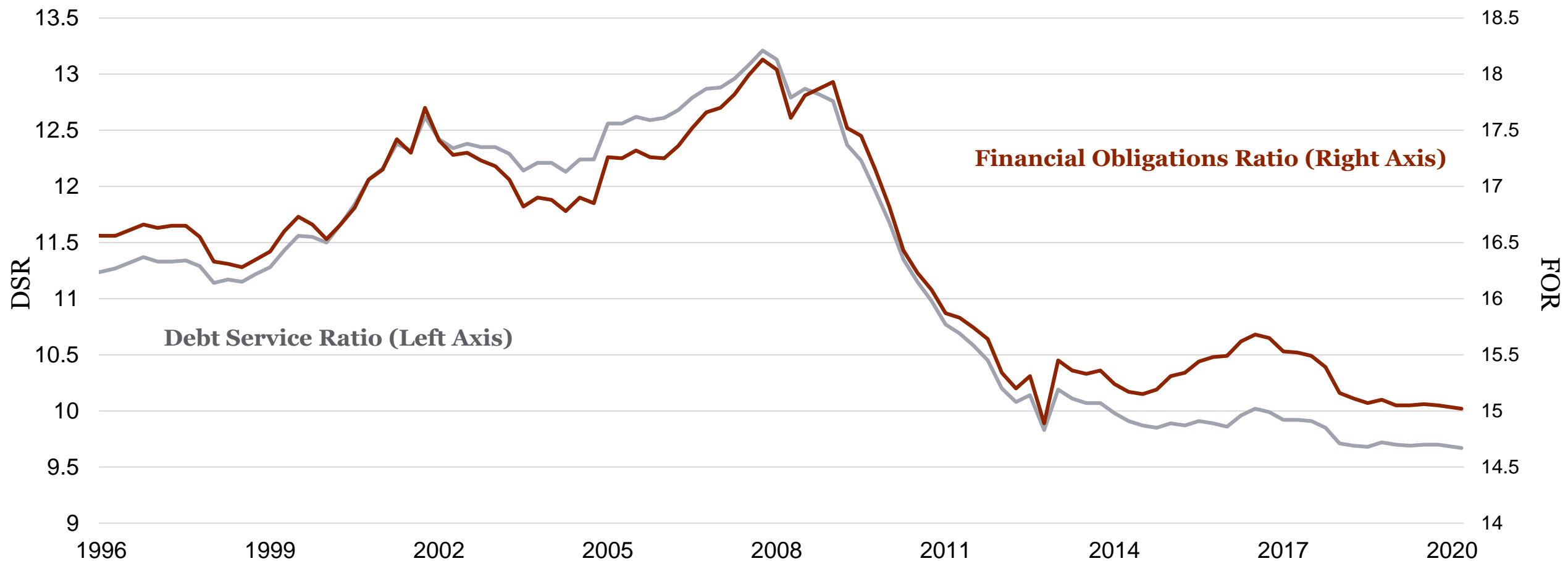
Consumer Price Index

U.S. City Average, Core Inflation

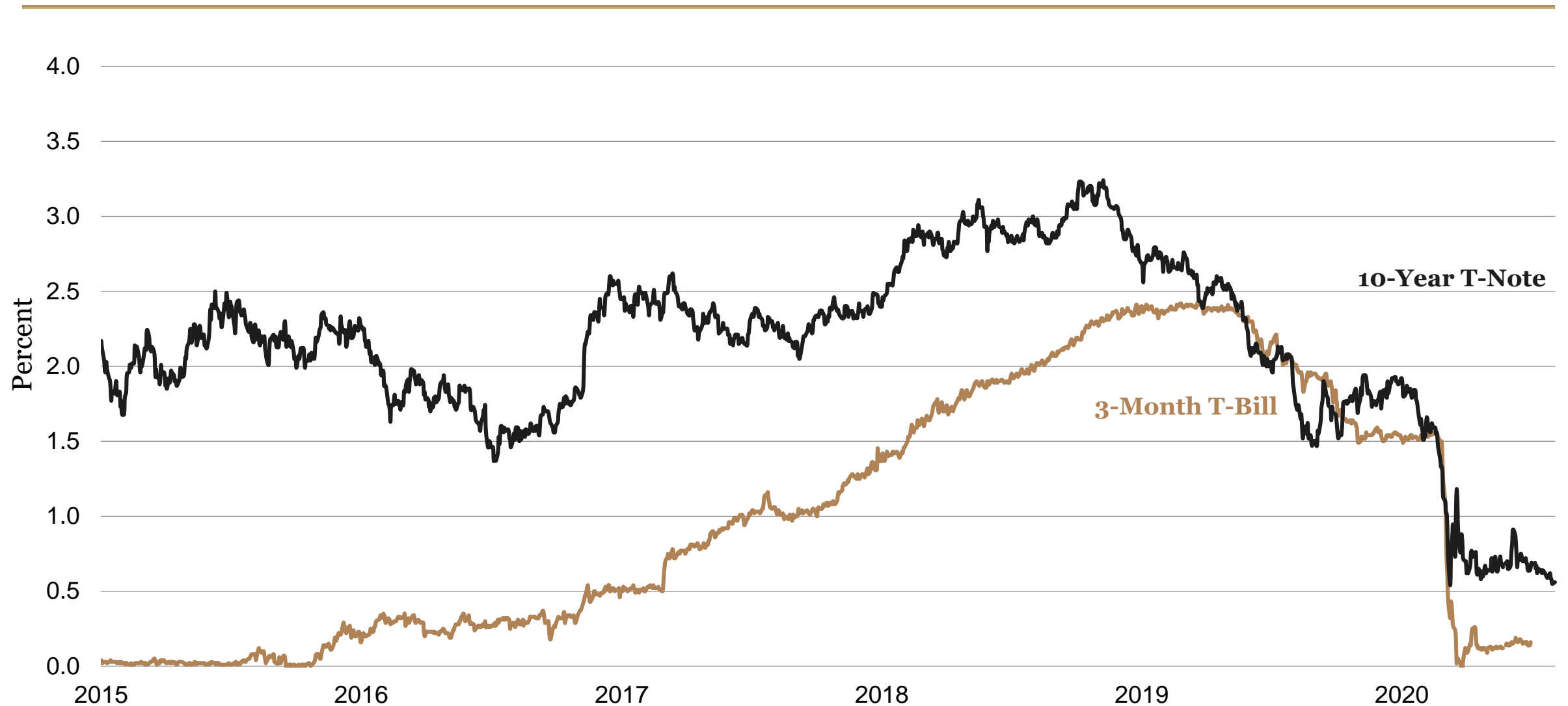


Household Debt Burden

Percent of Disposable Income

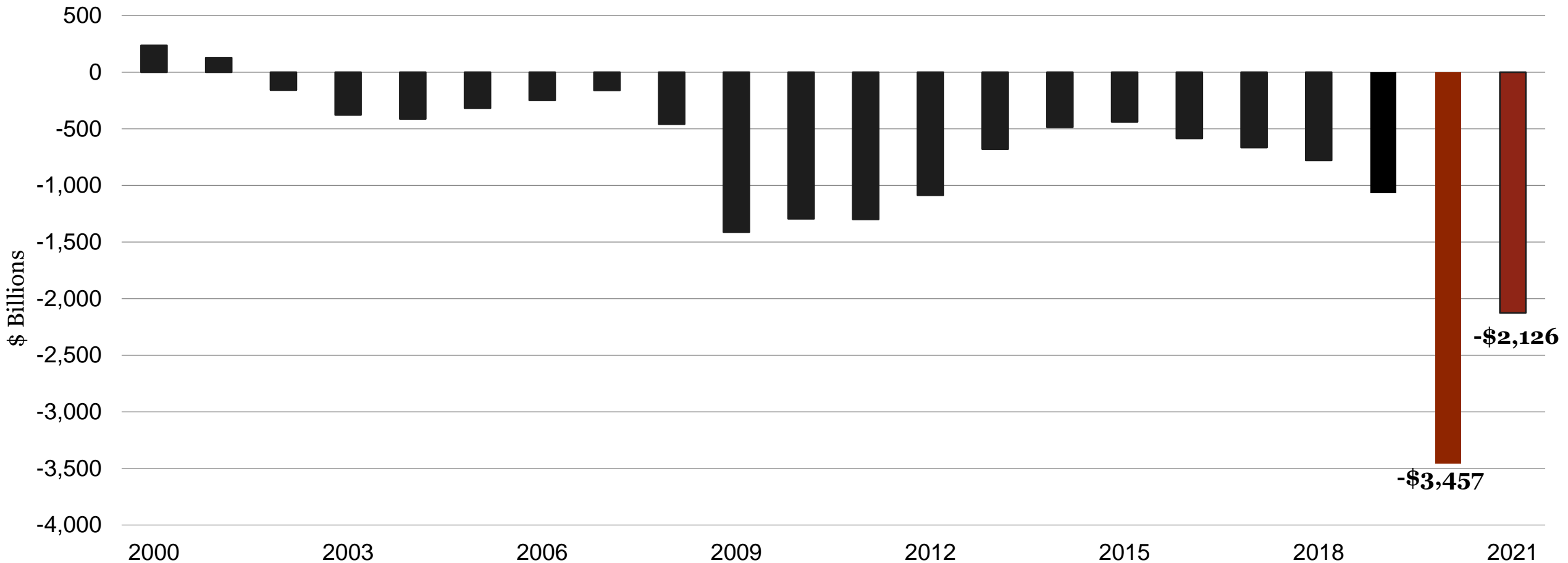


Interest Rates

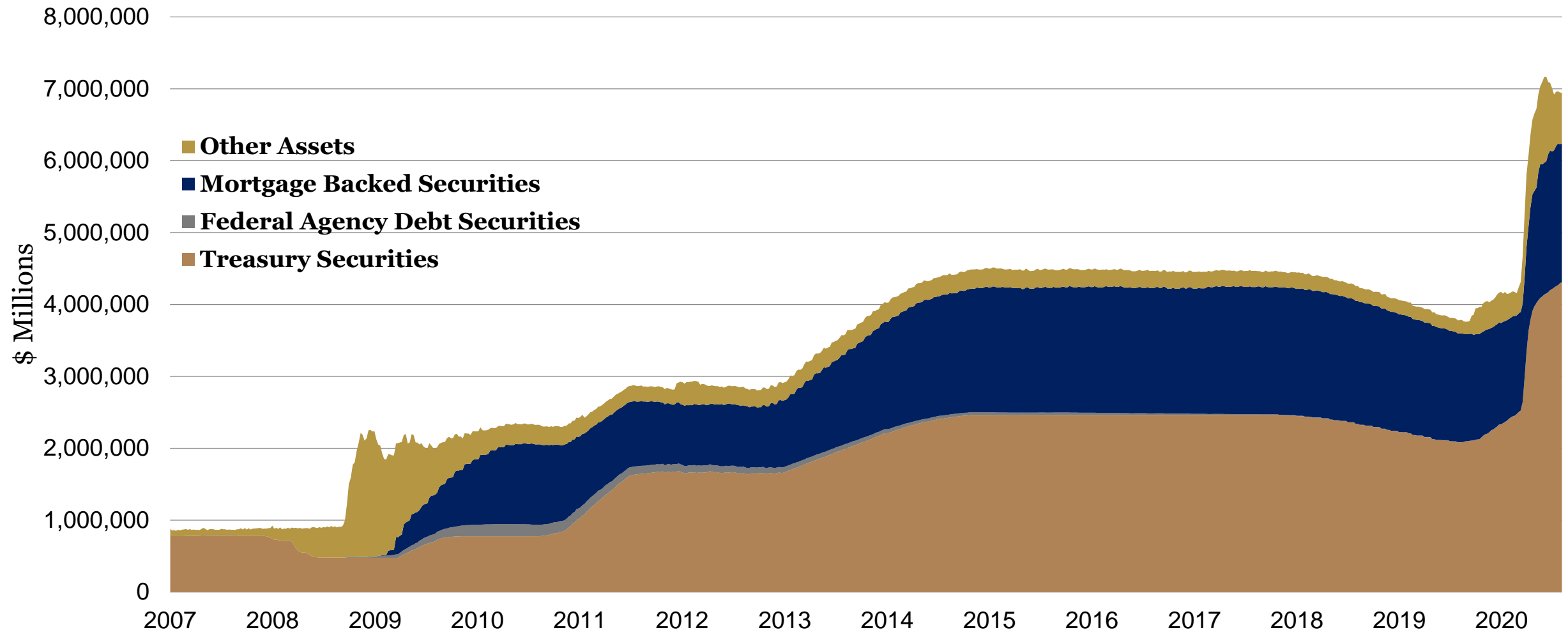


Federal Budget Balance

2000 to 2020



The FED



Source: Board of Governors of the Federal Reserve System.



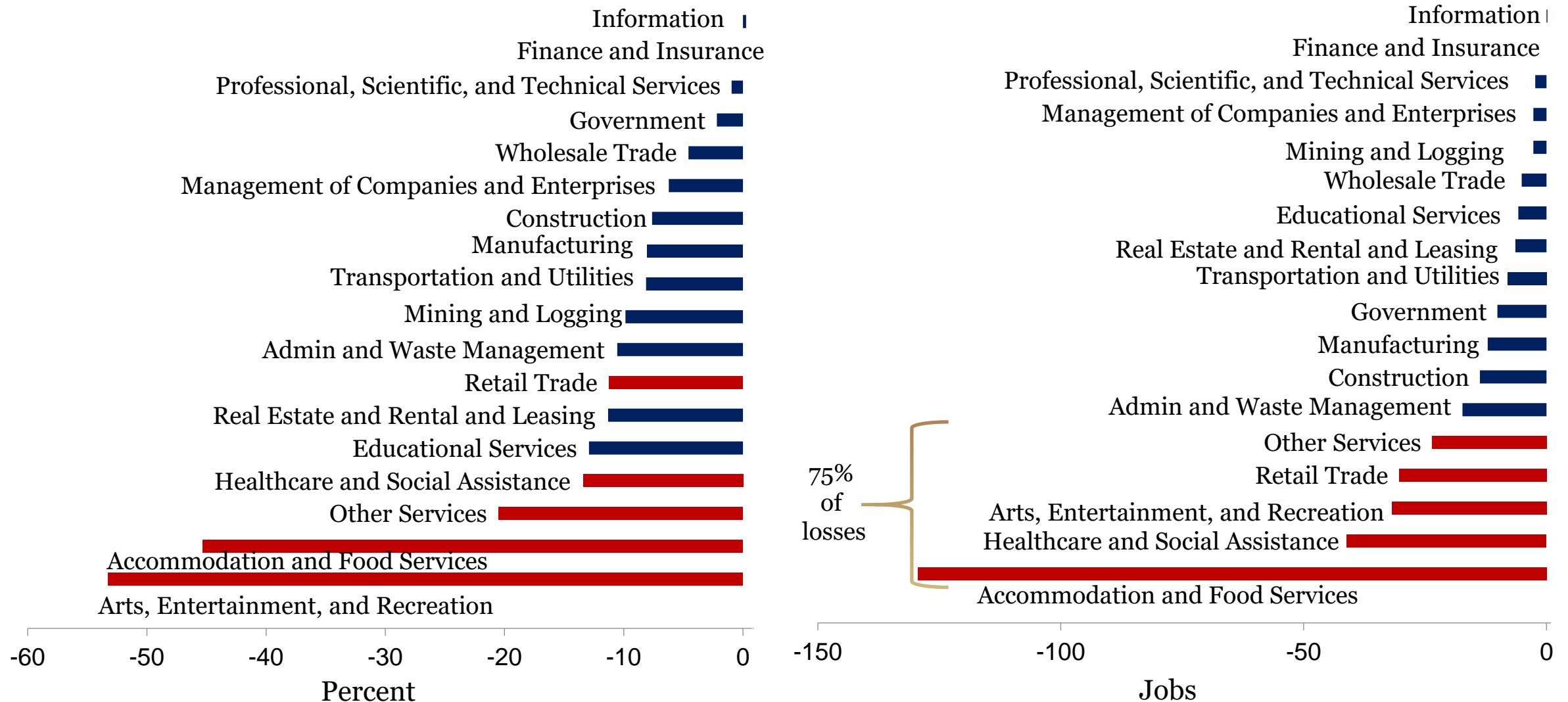
Colorado Impact

Colorado Among Other States

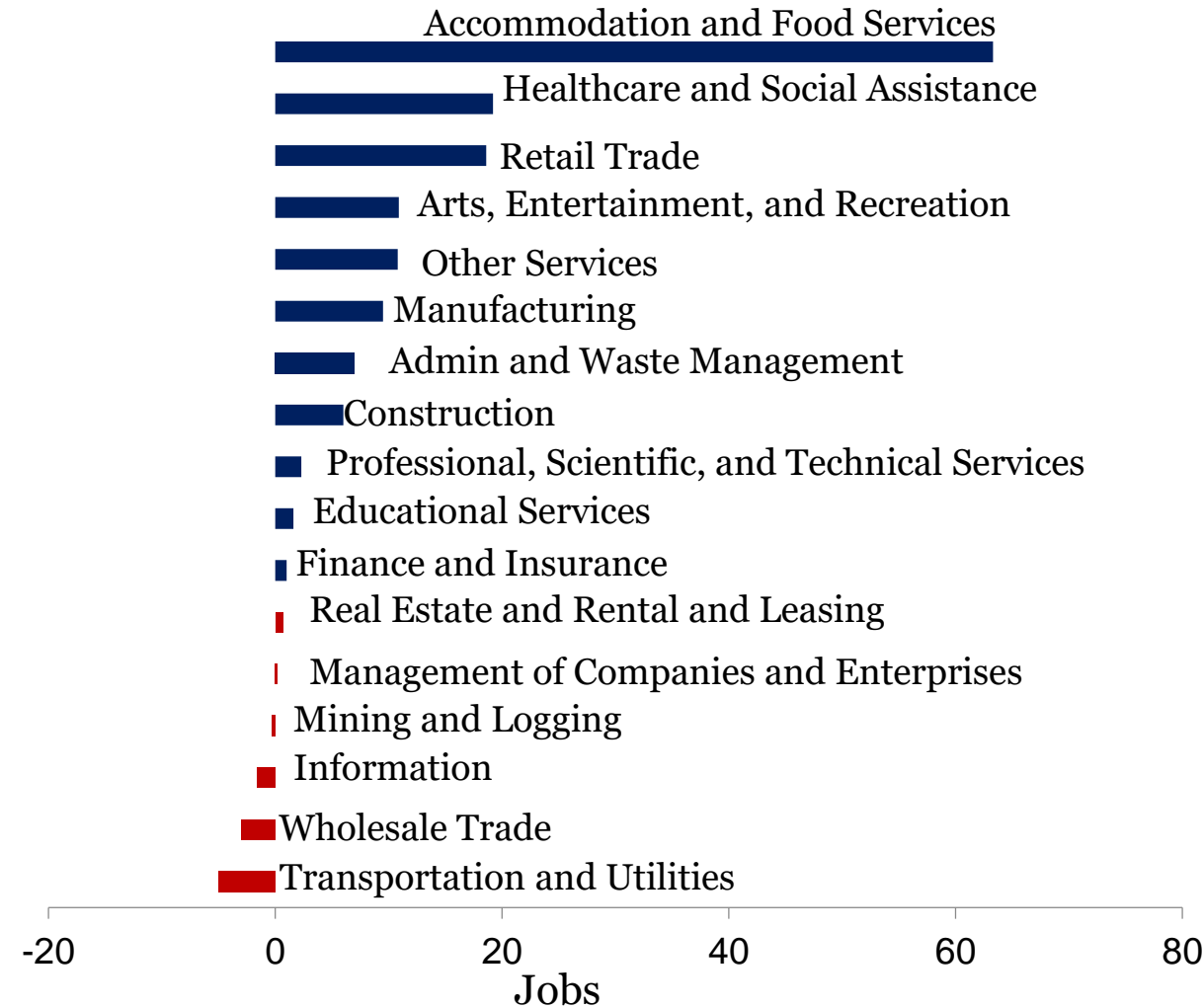
<u>Metric</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>	<u>10-Year</u>
Real GDP Growth	7	5	6	6
Employment Growth	18	9	8	4
Population Growth	7	7	8	3
Personal Income Growth	23	4	8	2
PCPI Growth	39	5	13	NA
PCPI	11	13	13	NA
Average Annual Pay % Growth	5	5	8	13
Average Annual Pay	9	11	13	11
Unemployment Rate*	35	14	7	27
Labor Force % Growth	10	3	3	3
LFPR	5	5	9	14
FHFA Home Price Index Growth	17	9	5	2

Data Sources: Bureau of Economic Analysis (Q1 2020), Bureau of Labor Statistics (5/20), U.S. Census Bureau (2019), Bureau of Labor Statistics (Q4 2019), Federal Housing Finance Agency All Transactions Index (Q1 2020), BRD calculations. Note: 3-year, 5-year, and 10-year are based on the compounded annual growth rate. *Unemployment rate for the last month.

Colorado Employment Change—March + April



Colorado Employment Change—May + June



Colorado Wages

Q4 2019

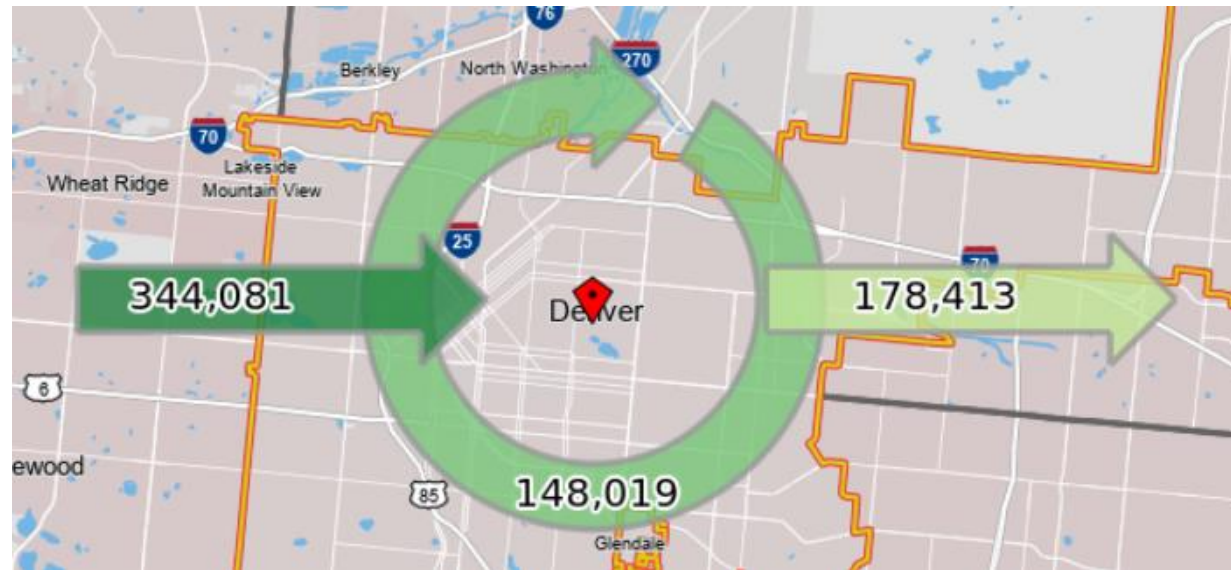
-\$1B for every 16,200 jobs

Sector	Total Employment (Thousands)	Share of Employment	Average Wages
Above Average Total	1,122	41.0%	\$89,130
Management of companies and enterprises	42	1.5%	\$148,552
Utilities	8	0.3%	\$110,324
Information	76	2.8%	\$109,410
Professional and technical services	235	8.6%	\$103,235
Finance and insurance	113	4.1%	\$101,795
Natural Resources and Mining	48	1.8%	\$90,350
Wholesale trade	110	4.0%	\$90,319
Federal Government	53	1.9%	\$85,527
Manufacturing	150	5.5%	\$73,939
State Government	107	3.9%	\$67,461
Construction	179	6.5%	\$64,625
All Industries	2,736	100.0%	\$61,816
Real estate and rental and leasing	54	2.0%	\$61,338
Transportation and warehousing	83	3.0%	\$58,809
Health care and social assistance	304	11.1%	\$52,720
Local Government	268	9.8%	\$50,289
Administrative and waste services	162	5.9%	\$45,866
Educational services	38	1.4%	\$42,492
Other services, except public administration	85	3.1%	\$42,367
Arts, entertainment, and recreation	59	2.2%	\$38,357
Retail trade	272	9.9%	\$33,797
Accommodation and food services	286	10.5%	\$24,813
Below Average Total	1,611	58.9%	\$42,774

22.6% of employment
13.3% of total wages

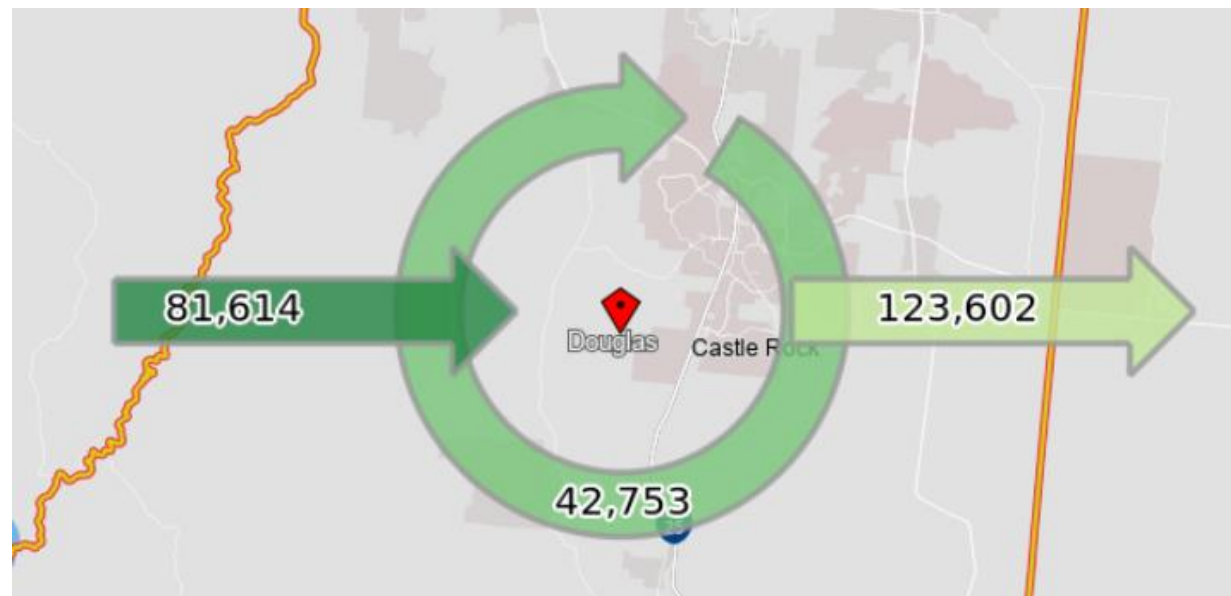
Daily Commute

Denver County



-14.4B Personal income outflow

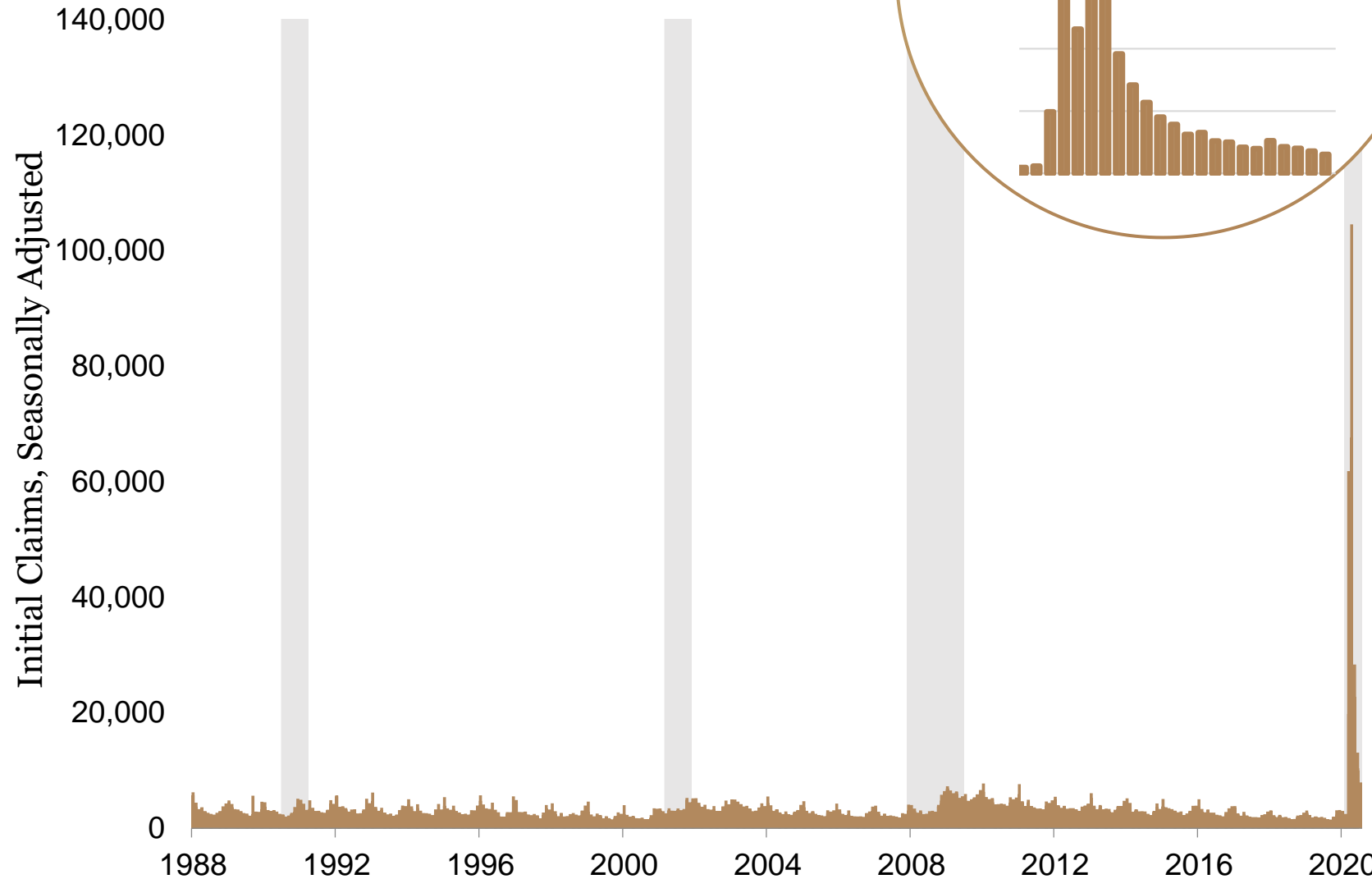
Douglas County



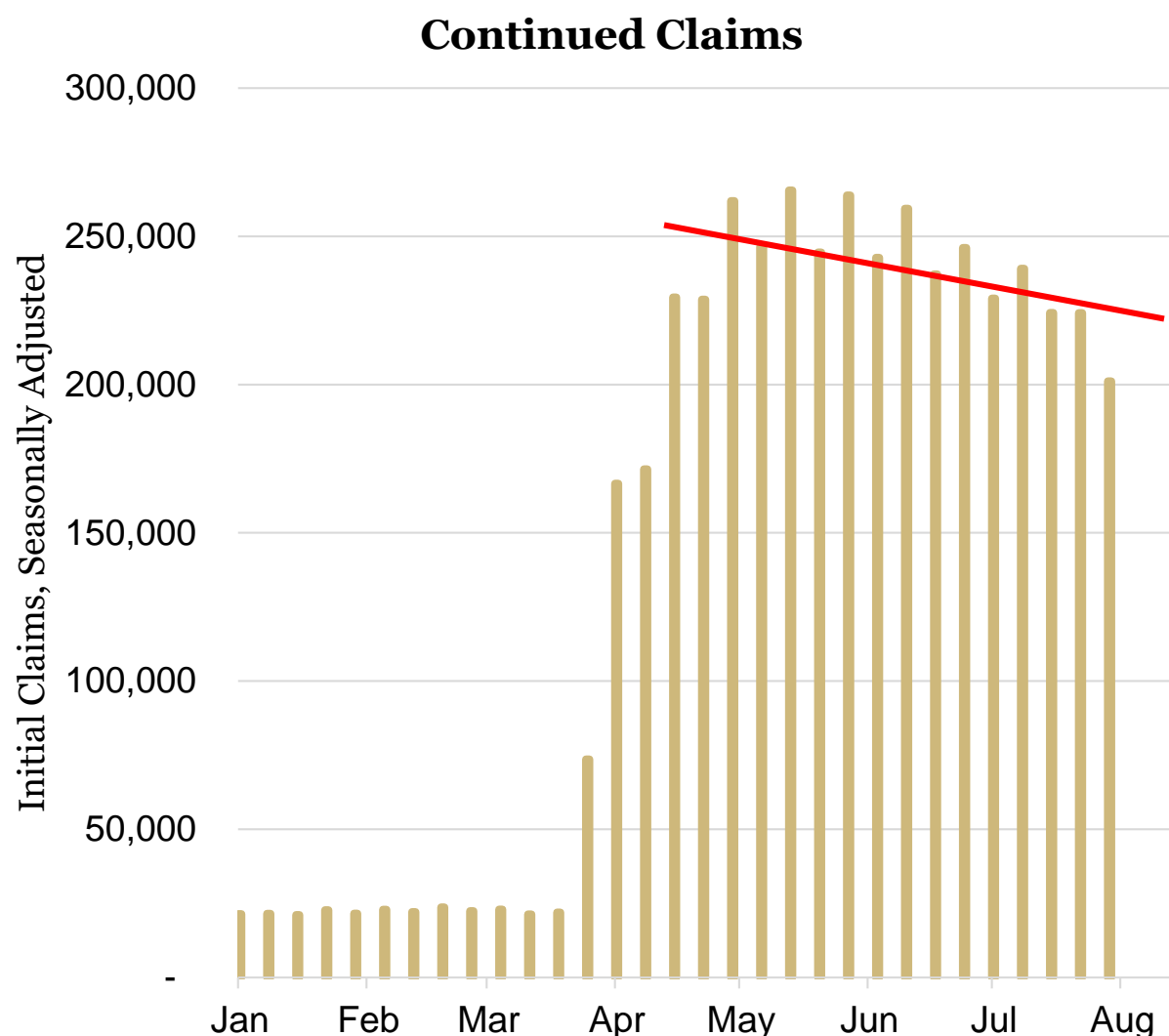
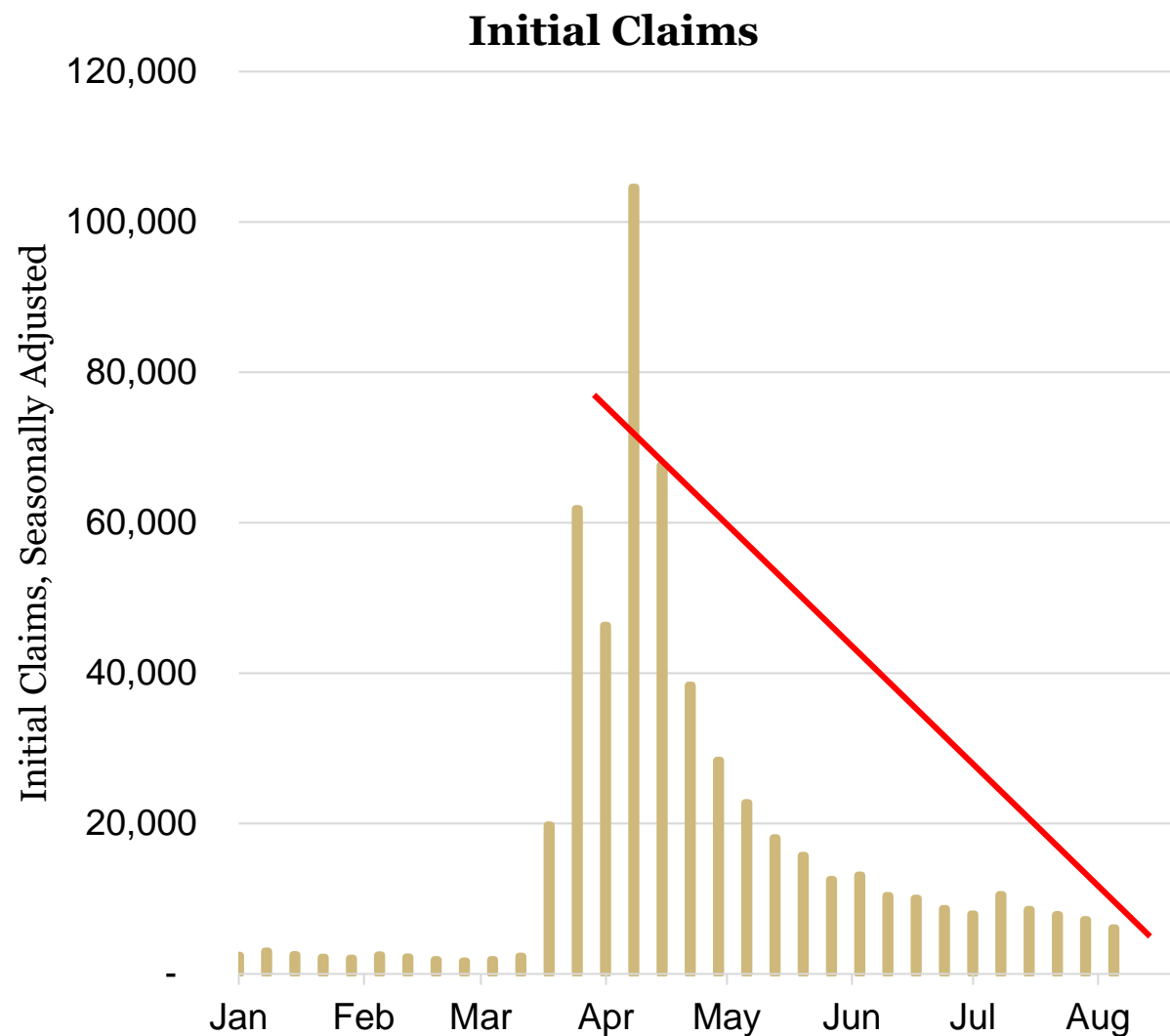
\$8.6B Personal income inflow

Initial Jobless Claims Colorado

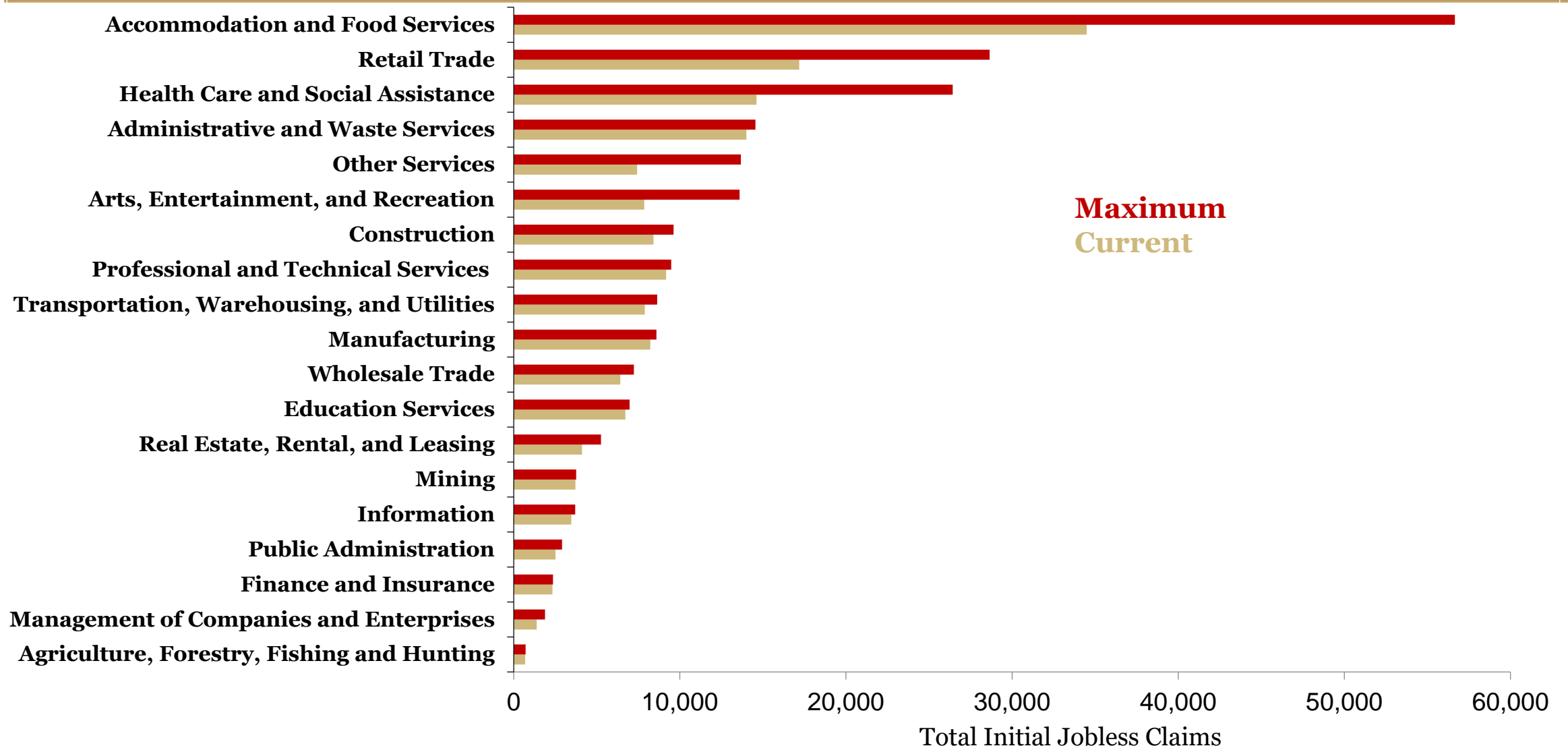
	Initial	Continued
3/7/2020	1,865	22,908
3/14/2020	2,321	21,309
3/21/2020	19,774	21,956
3/28/2020	61,838	73,584
4/4/2020	46,326	166,593
4/11/2020	104,572	171,434
4/18/2020	67,639	229,398
4/25/2020	38,367	228,683
5/2/2020	28,360	261,951
5/9/2020	22,732	246,735
5/16/2020	18,054	265,499
5/23/2020	15,719	244,600
5/30/2020	12,519	263,810
6/6/2020	13,098	242,785
6/13/2020	10,382	259,341
6/20/2020	10,013	238,126
6/27/2020	8,368	246,108
7/4/2020	7,928	229,058
7/11/2020	10,495	239,098
7/18/2020	8,531	224,839
7/25/2020	8,037	224,130
8/1/2020	7,167	201,119
8/8/2020	6,077	



Jobless Claims Colorado

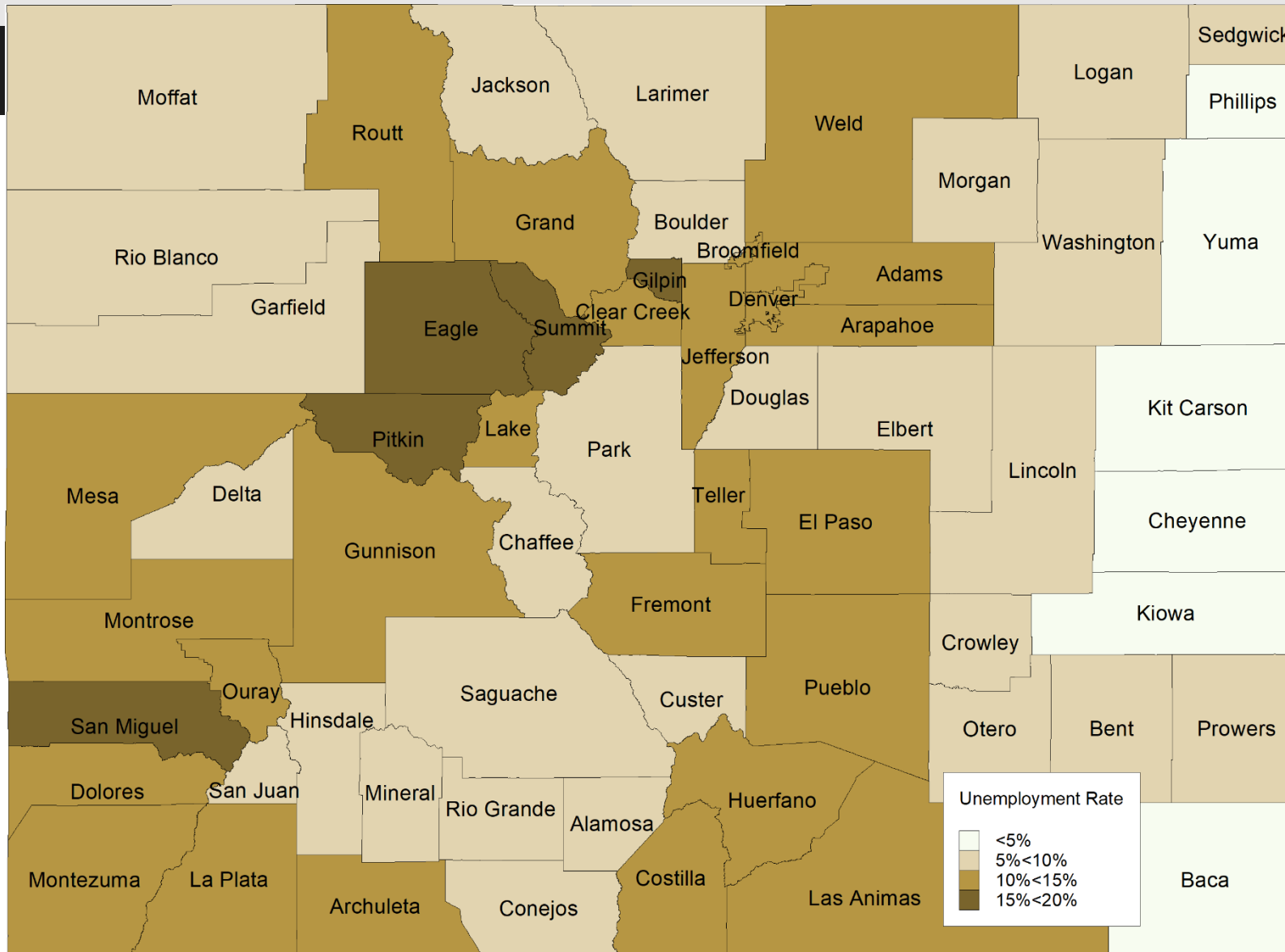


Continued Jobless Claims by Industry



Unemployment Rate by County

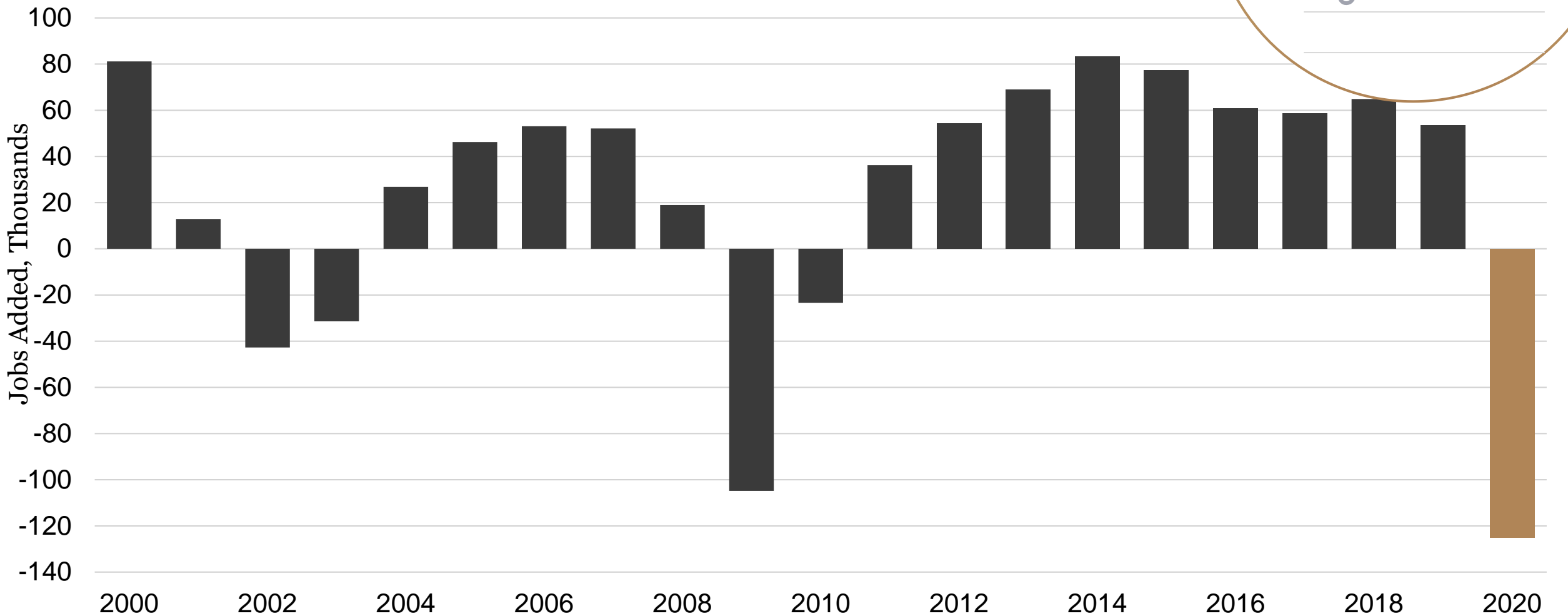
June 2020



Elbert	7.1
Park	8.6
Douglas	8.7
Larimer	9.2
Boulder	9.5
Mesa	10.0
Weld	10.1
Broomfield	10.1
Jefferson	10.4
El Paso	10.4
Pueblo	10.8
Teller	11.4
Arapahoe	11.5
Adams	11.6
Denver	11.9
Clear Creek	12.9
Gilpin	19.7

Source: Bureau of Labor Statistics (Not Seasonally Adjusted),

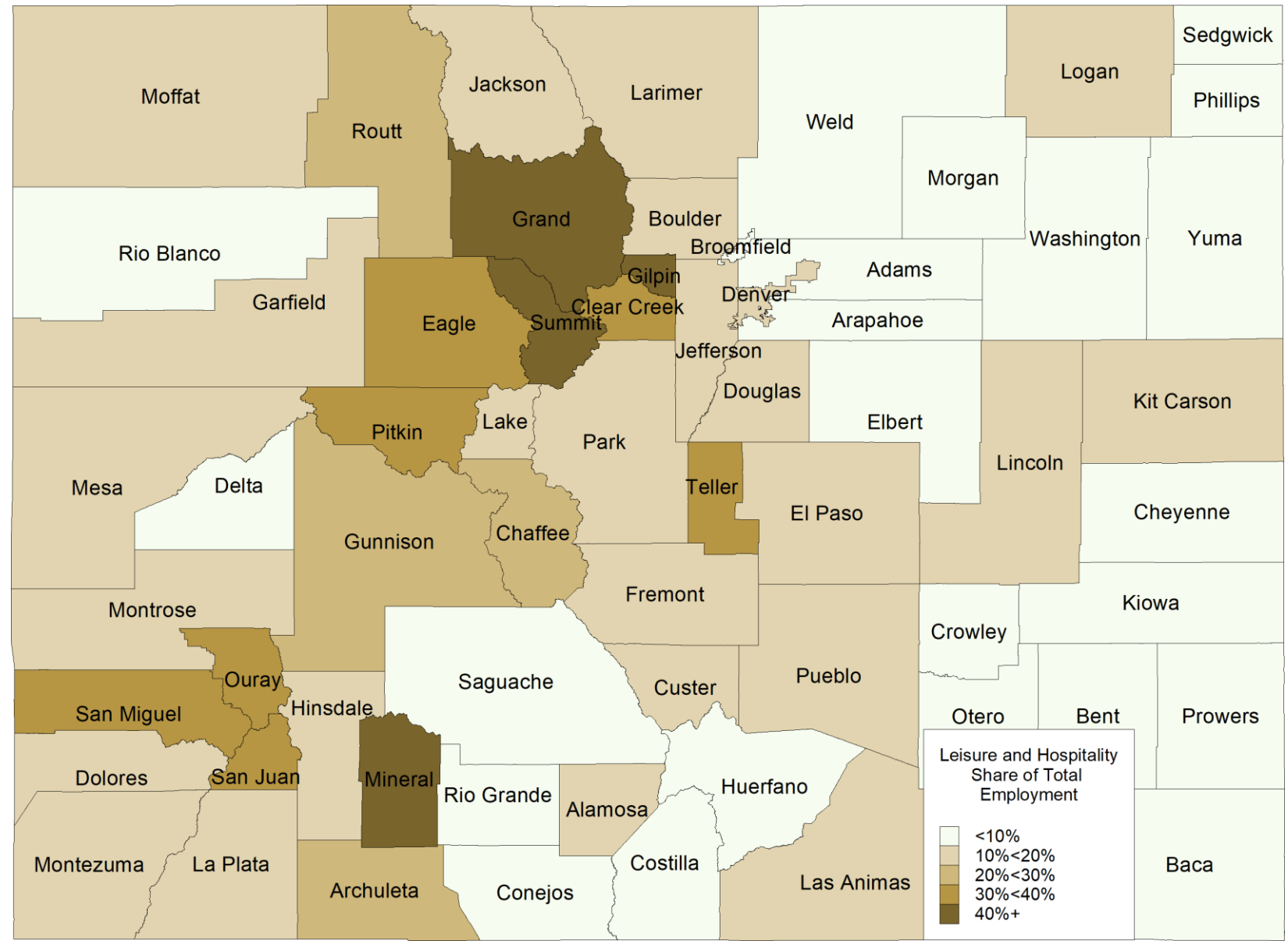
Colorado Employment Growth



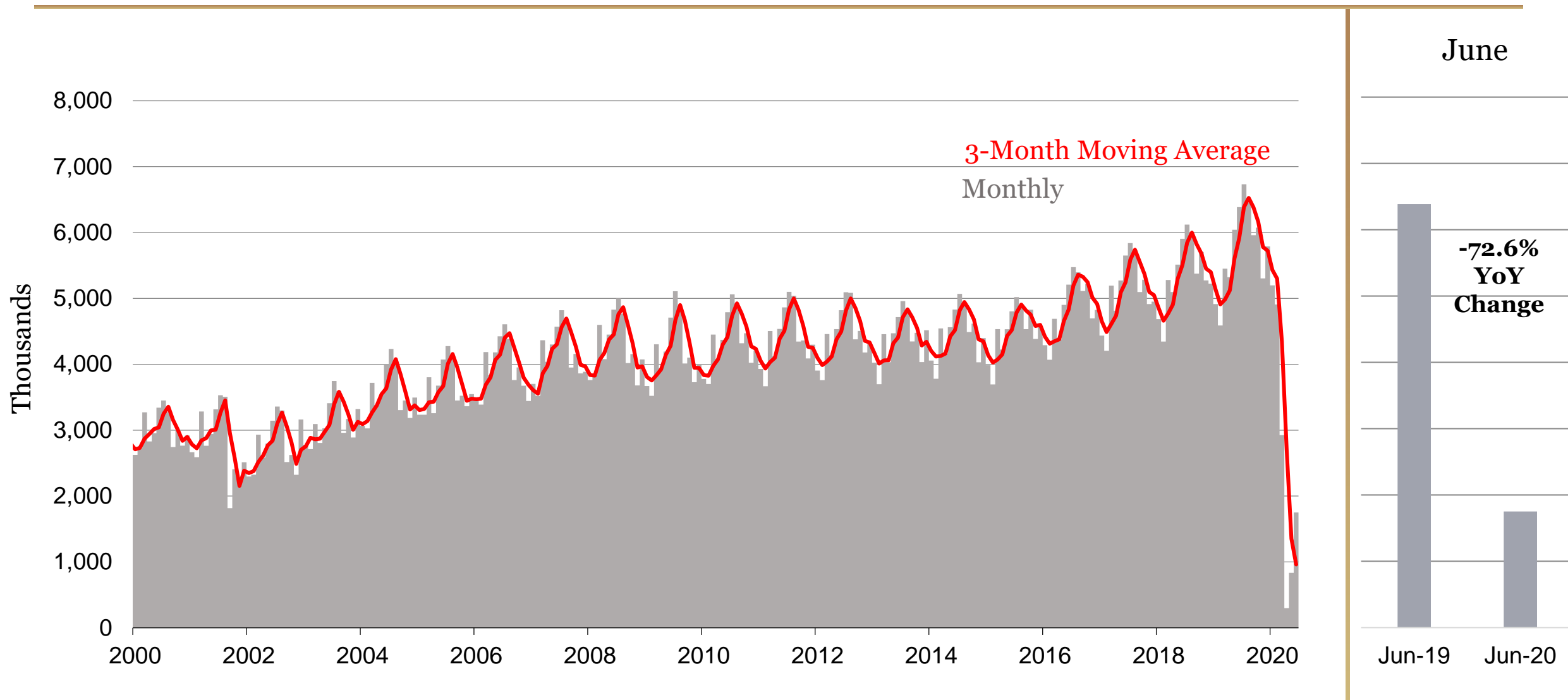
Leisure and Hospitality Share of Employment

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%

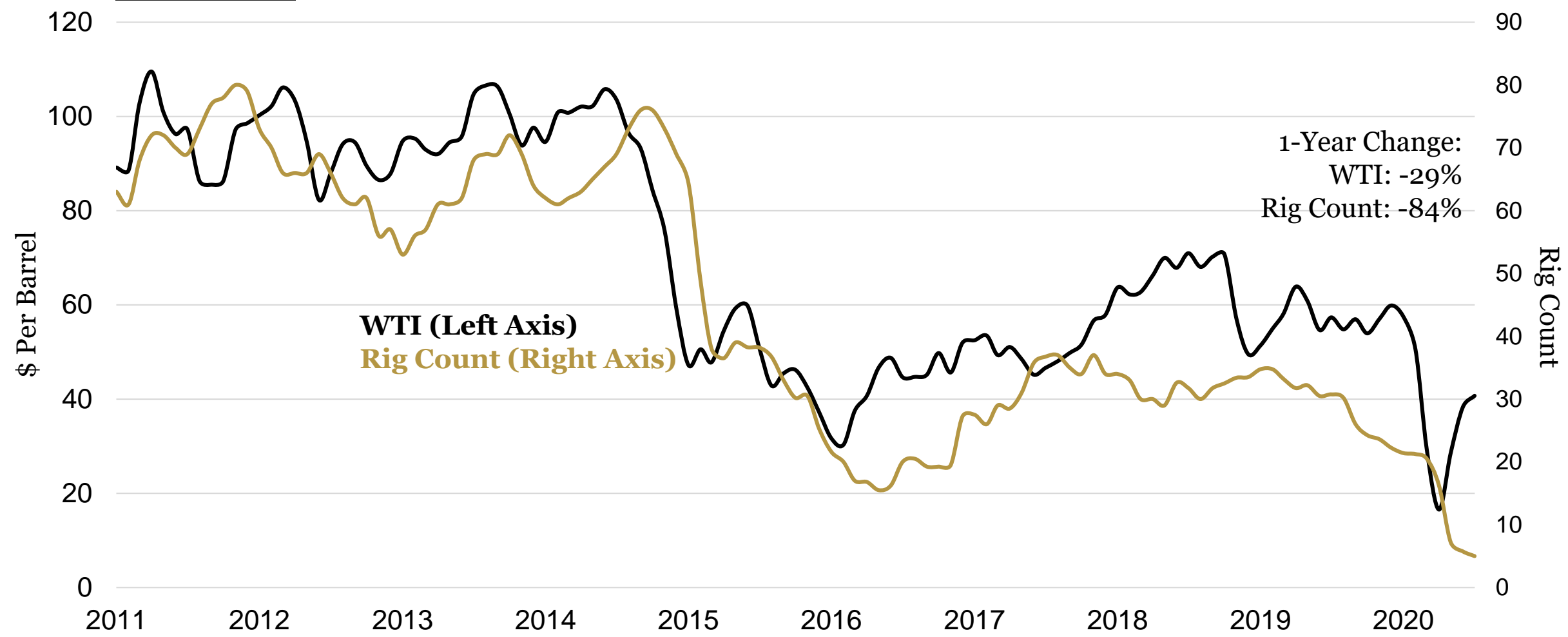


DIA Enplanements and Deplanements

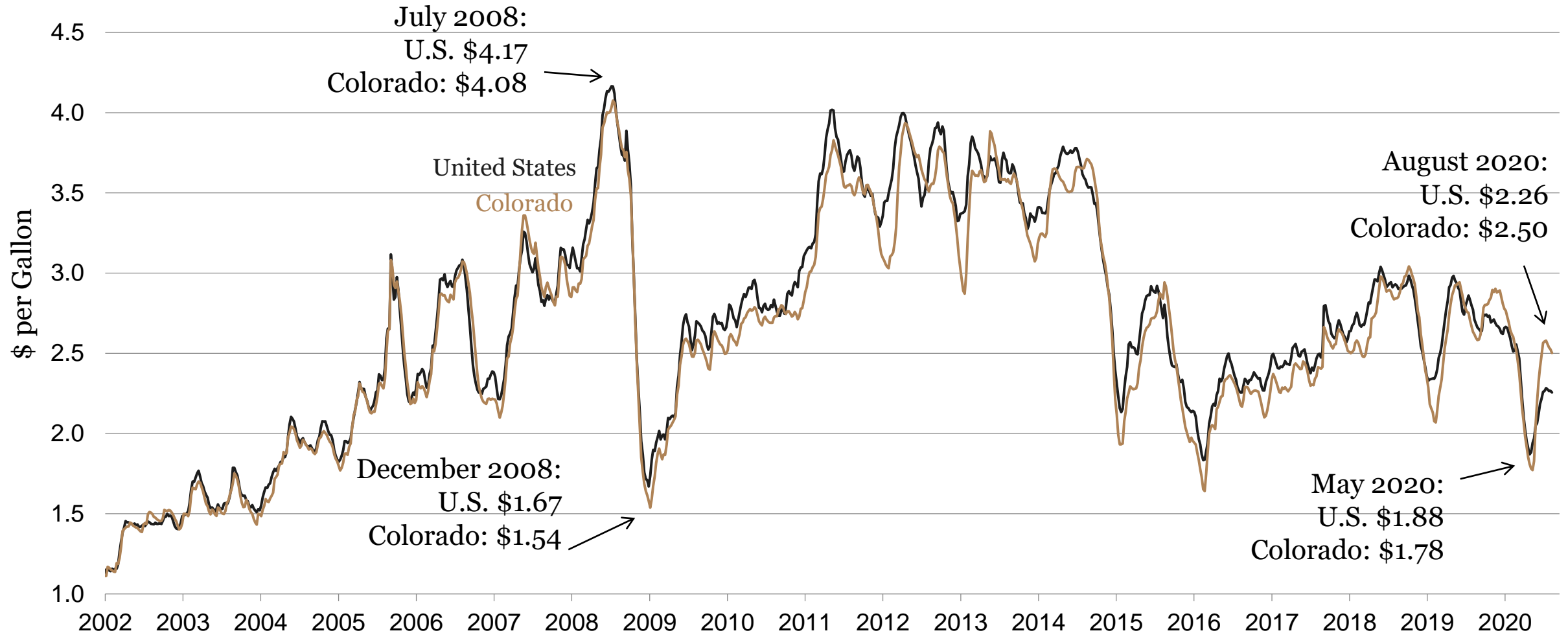


Baker Hughes Rig Count

Colorado



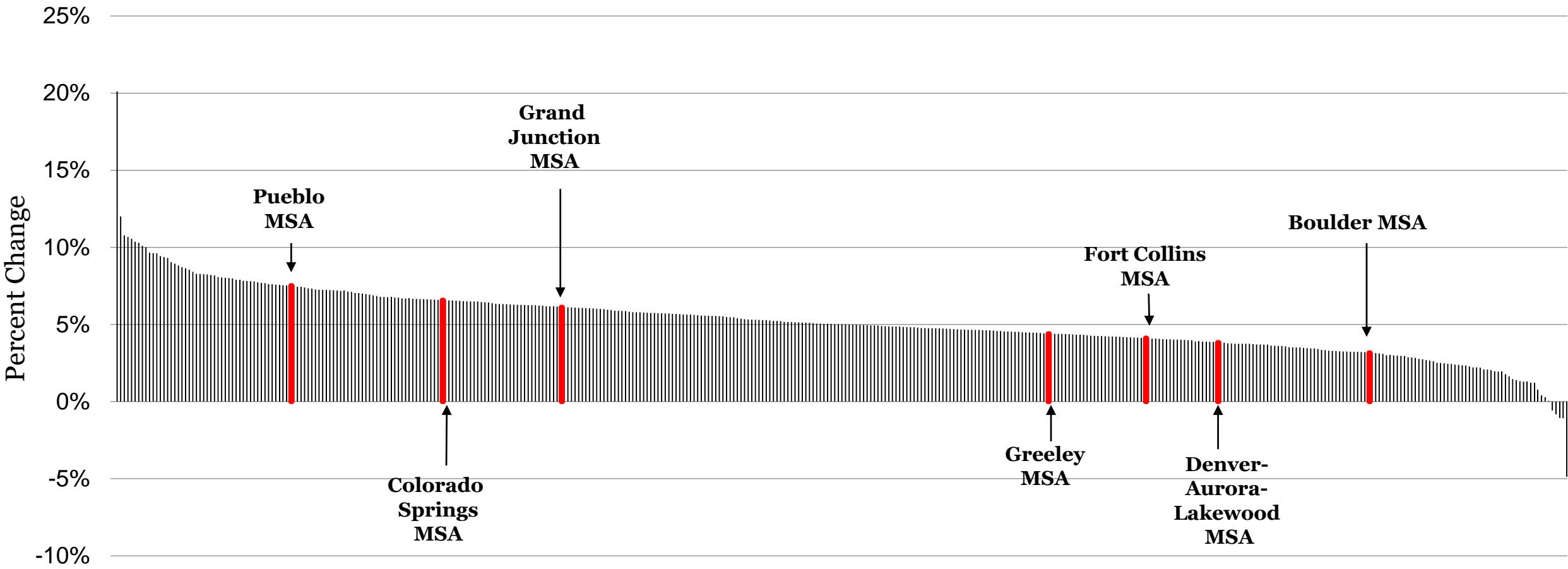
Retail Gasoline



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

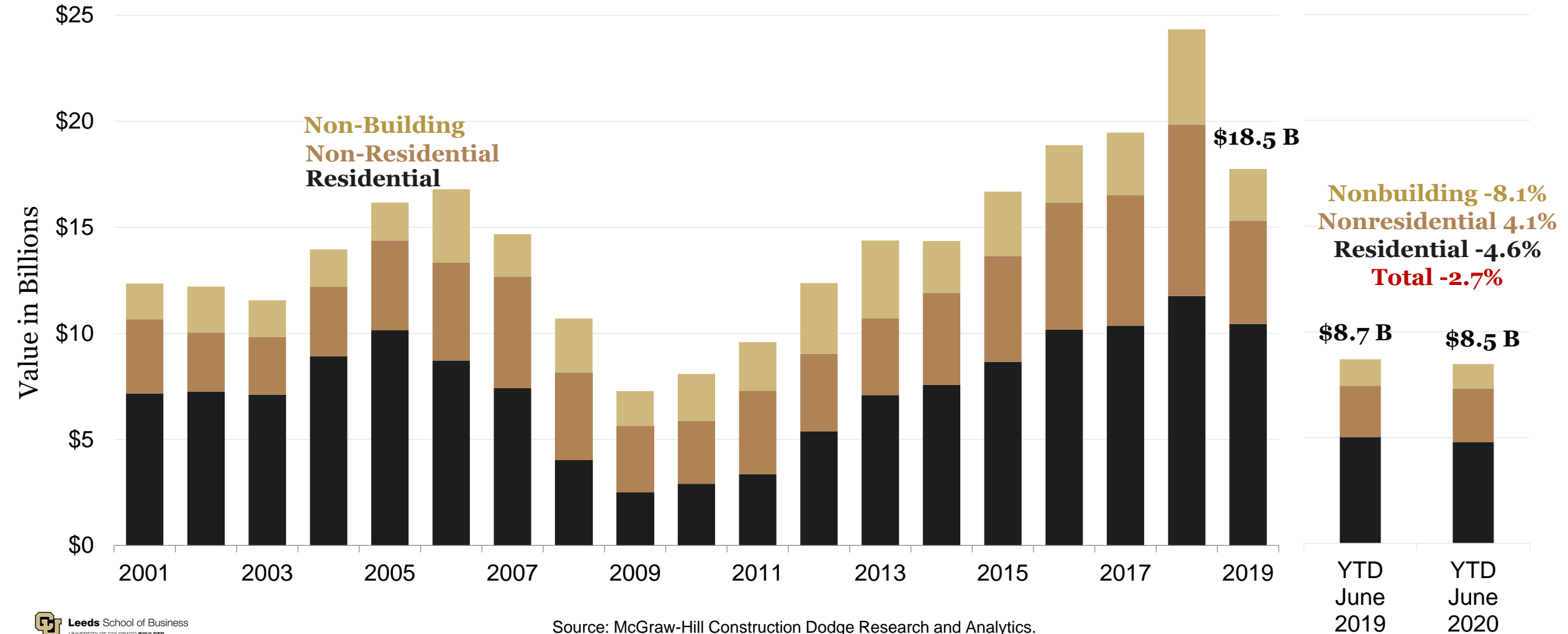
FHFA Home Price Index by MSA

1-Year Home Price Change, Q1 2020

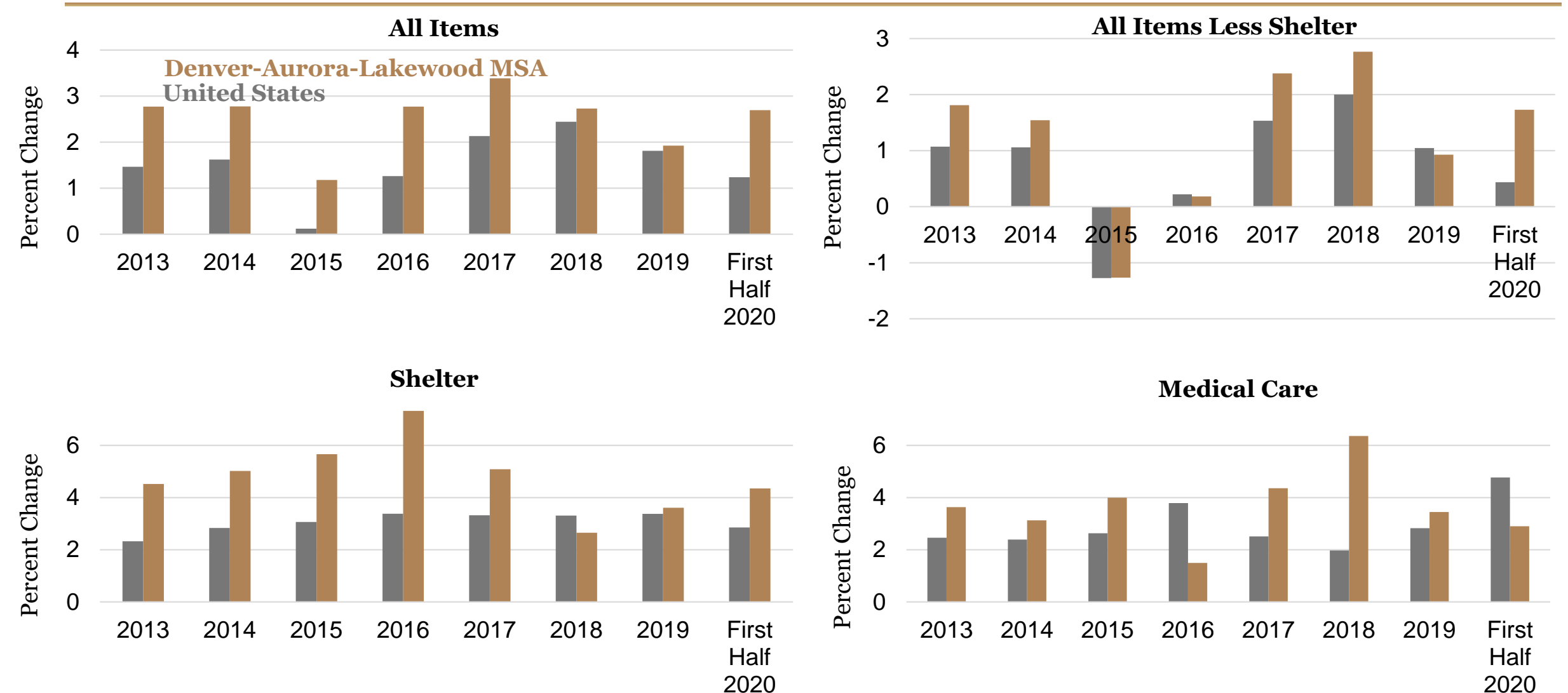


Value of Construction

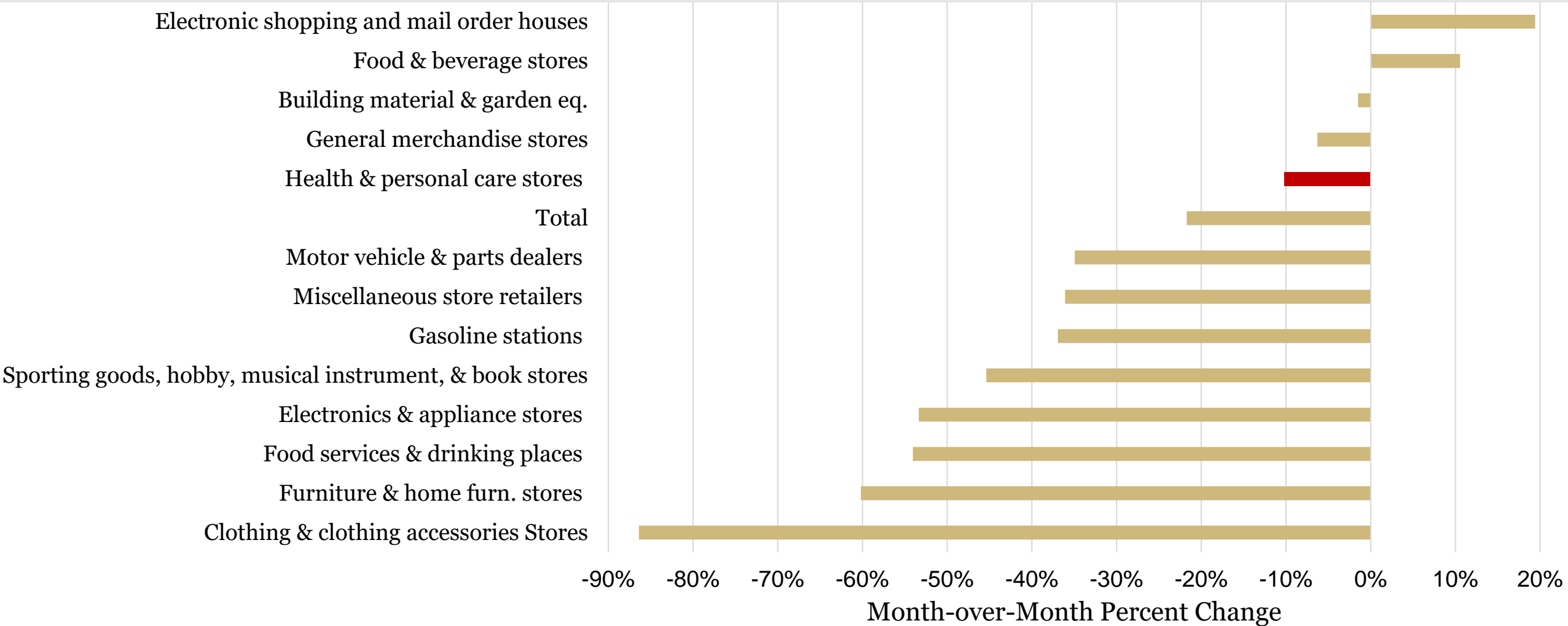
2000-2020



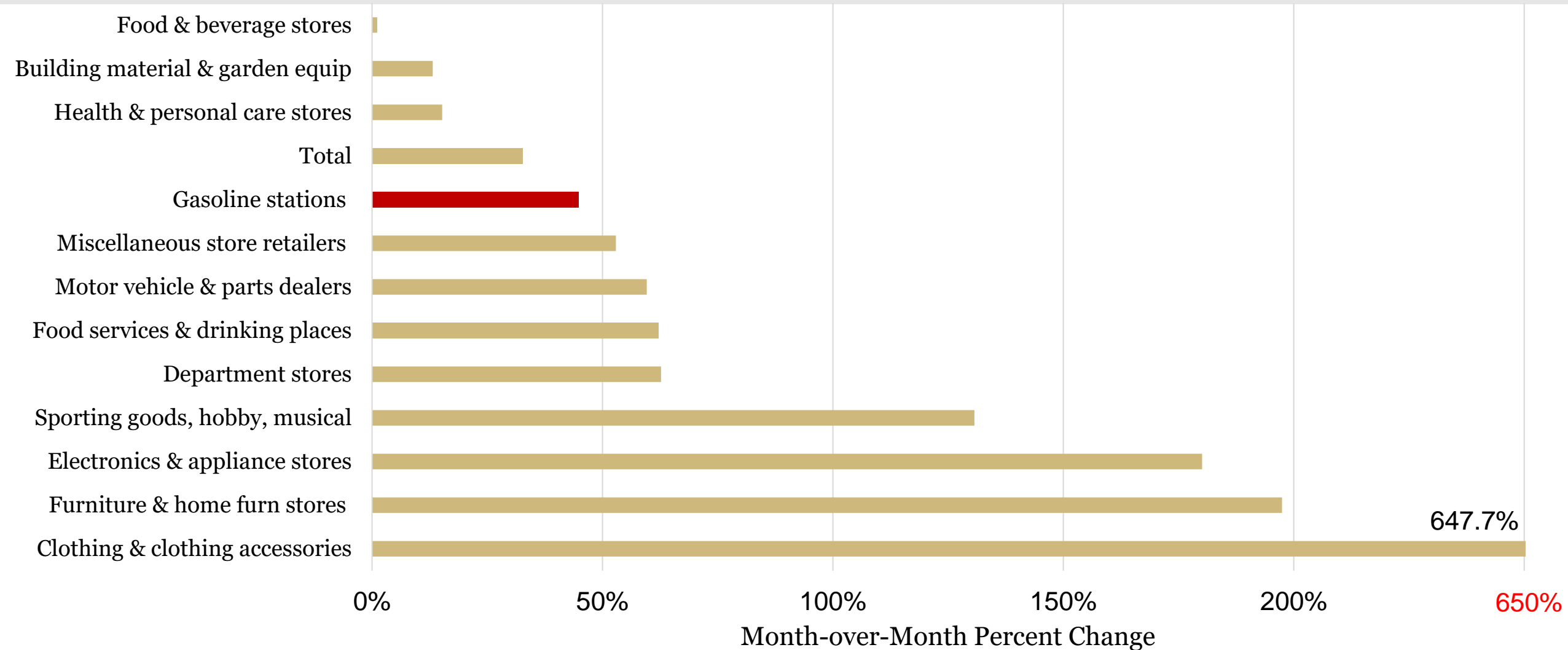
Inflation



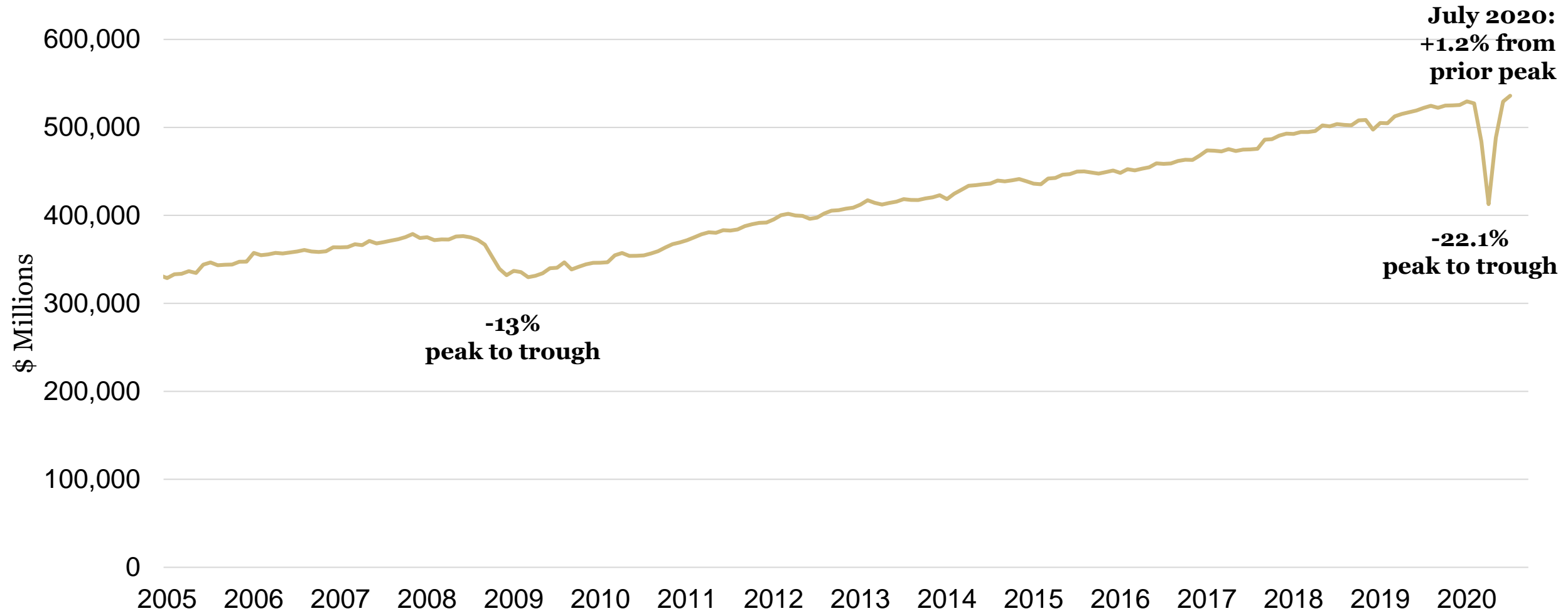
National Retail Sales, February to April



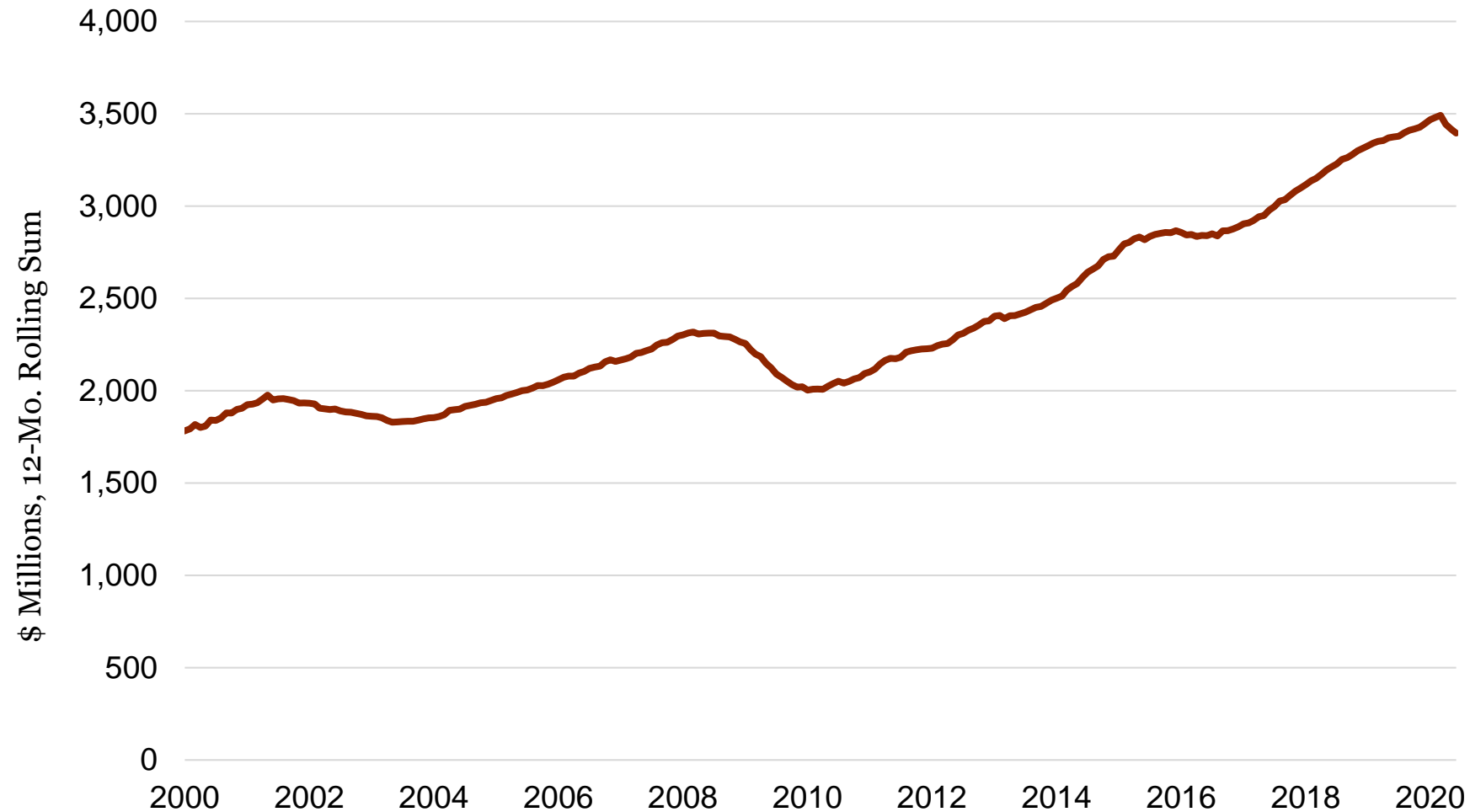
National Retail Sales, April to July



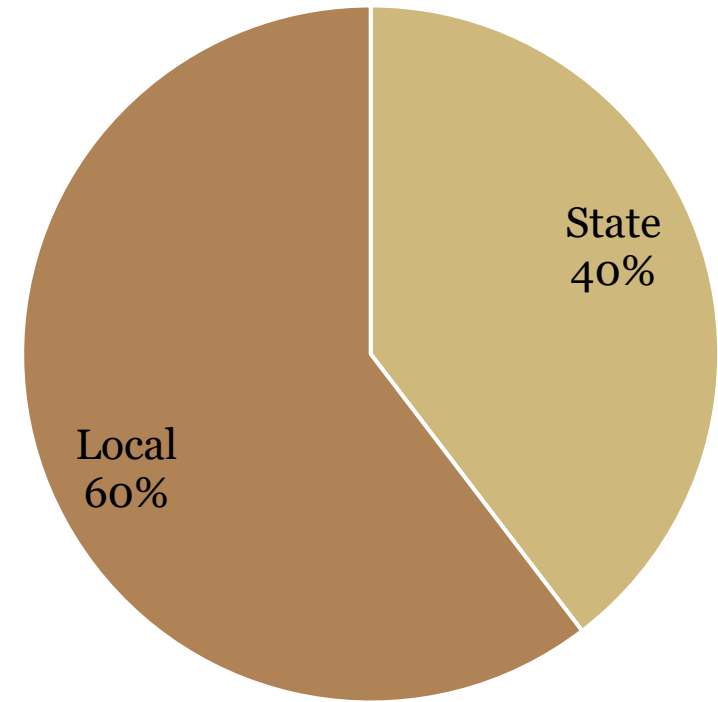
National Retail and Food Services Sales



Colorado Sales and Use Taxes

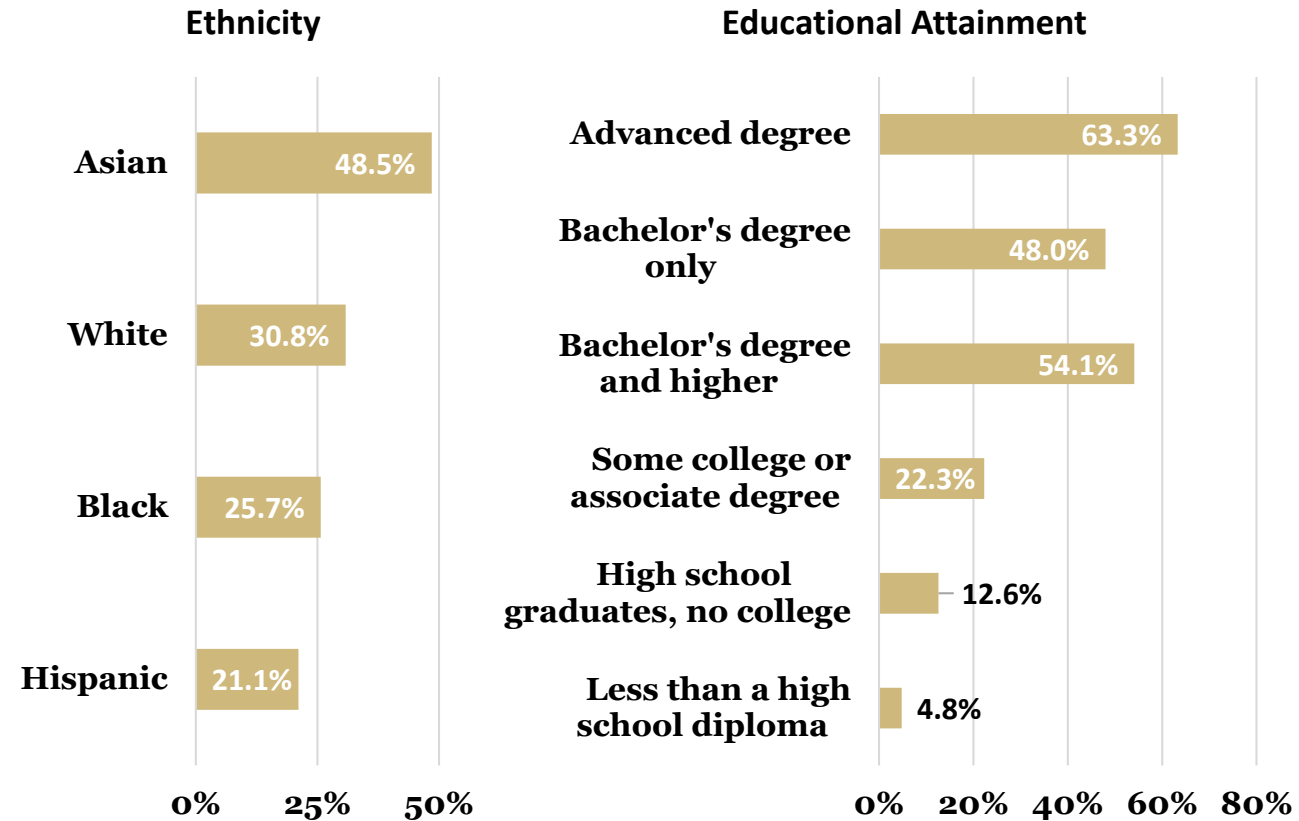


State v. Local



Telework Due to Pandemic

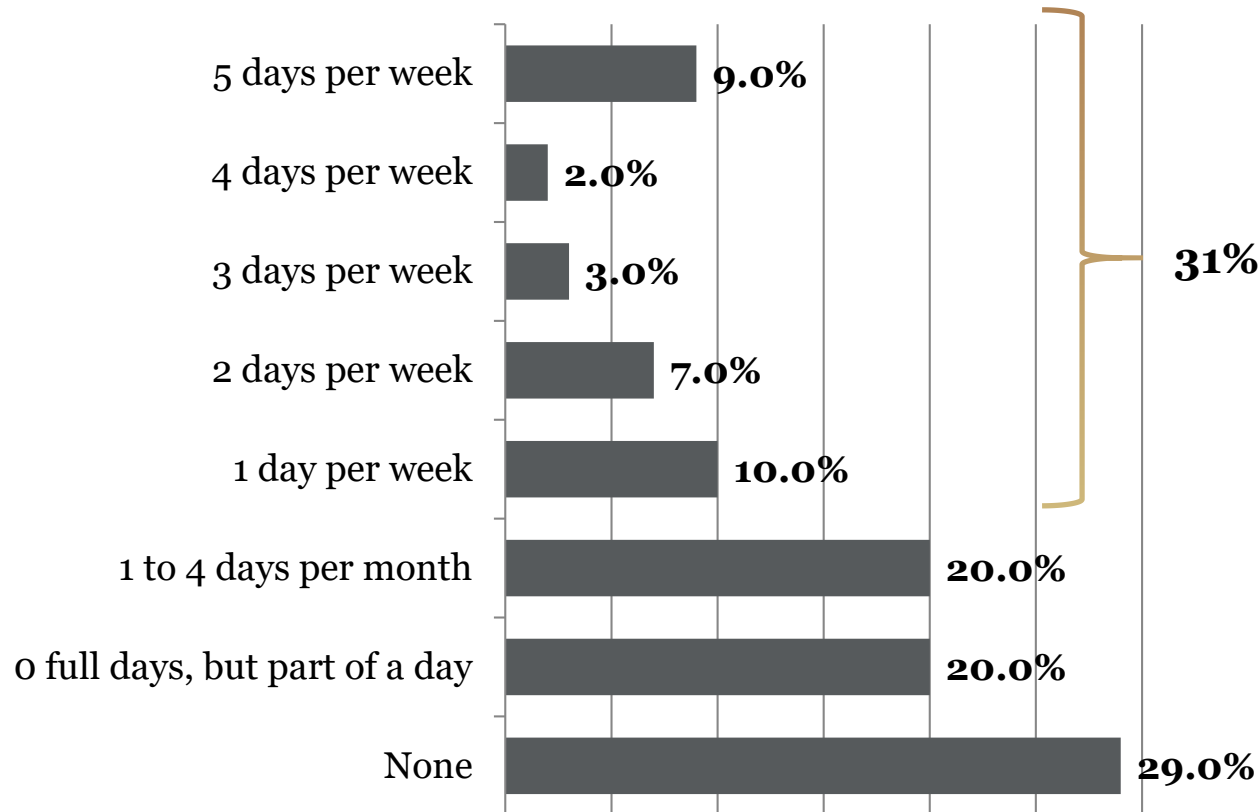
- 31% of workers teleworked or worked from home because of the pandemic (Down from 35% in May).
- Women
- Asians
- Higher educational attainment
- By industry,
 - 66% of workers in educational services
 - 62% in finance and insurance
 - 60% in professional and technical services
 - 7% of workers in accommodation and food services
 - 6% in agriculture teleworked.



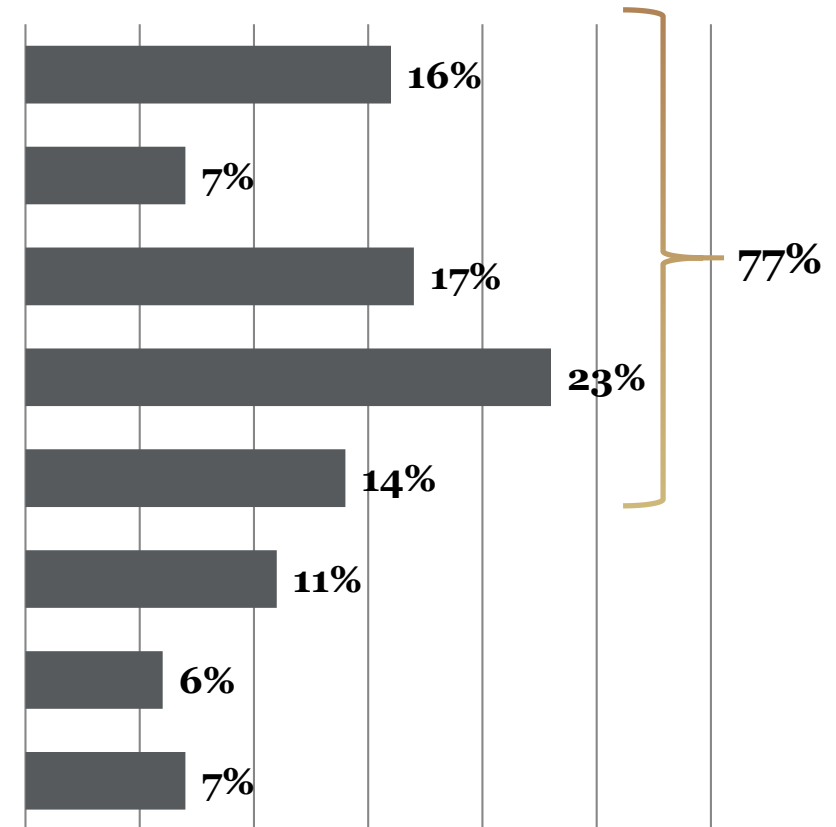
Source: Bureau of Labor Statistics, Current Population Survey (CPS) Supplemental Data.

Work-From-Home Preferences

Work-From-Home Pre-COVID



Work-From-Home Post-COVID



Q&A

