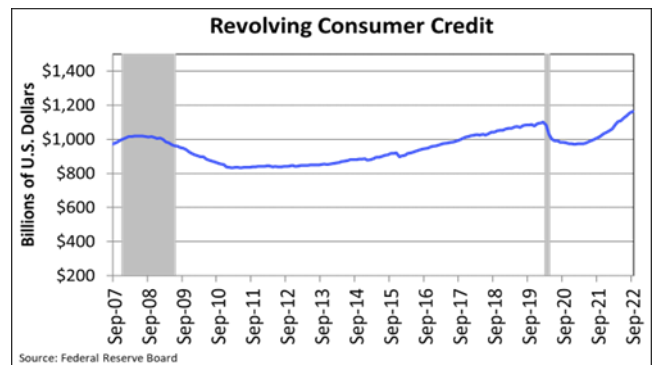
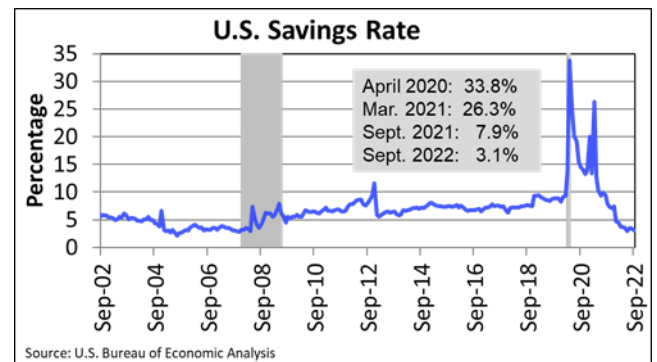


Highlights—November 2022

Monthly Unemployment Rates {Page 3} modestly increased in October for the U.S. (3.3% in September to 3.4%), Colorado (3.2% to 3.5%) and Pueblo County (5.1% to 5.5%). Most people are wondering if the interest rate hikes and ensuing economic slowdown will materially impact employment levels. That really depends on the severity of the contraction, although I have been saying for a while alongside other economists that we are not as likely to see large spikes in unemployment rates as we have in other downturns. Since World War II, there have been 12 significant economic downturns that have caused the unemployment rate to increase on average by about four percentage points. I don't think it's likely that unemployment rates will increase that much, mostly due to the demographic factors I have cited before. We have a very real shortage of working age individuals, especially with the right skill set. Today's **Job Openings {Page 3}** also confirm some cooling in the job market with 10.3 million openings in October (versus 10.7 in September), and quit rates back to pre-pandemic levels, but nothing thus far showing a monumental shift in employment. Note that the 10.3 million job openings in October is still well above the 7.2 million average in 2019.

Currently, the not-seasonally-adjusted U.S. unemployment rate is 3.4% and a more modest increase to 5.0% would a) translate to a loss of about 2 million jobs, and b) still represent a low unemployment rate close to the "natural" rate of unemployment as people "naturally" move from one job to another. Having said that, I still worry about even "modest job losses" of 2 million. Those are still working individuals/families with bills to pay at a time when inflation is significantly elevated.

On that note, let's talk about how people are paying for elevated prices. First, **Inflation {Page 3}** did moderate some in October falling to 7.7% year-over-year versus the September annual increase of 8.2%. The particularly good news was that declines in prices were across most categories signaling that the October moderation in prices might have legs. I also track the cost of shipping containers and those transport prices (in addition to moderating gas prices for truck transport) have fallen to almost pre-pandemic levels. This does not change, however, that stability in prices usually translates to an annual increase of only 2.0% and we are a long way from there. What worries me most is that consumers appear to be eroding some of their savings to pay for goods and services and that is in the absence of purchasing homes, cars, and large durable goods the way consumers did when interest rates were low. I have been including the two charts on your right in recent presentations to show savings rates have eroded to 3.1% while reliance on credit has been increasing. And the cost of the credit has also been increasing due to higher interest rates. By way of reference, the savings rate in January of 2020 was 9.1%. Between inflation, eroding savings with more borrowing, and more uncertainty about the economy, consumers were even less confident in November with a 56.8 index versus October (59.8 index) according to the **University of Michigan Consumer Sentiment {Page 3}**.



As we head into the holidays, another important point is that retail sales are still strong and that is due to both higher prices (since retail sales are measured in dollars) and due to strong purchasing by consumers. I am not keen on the combination of using credit to pay for both essentials and extras while savings rates are declining. That's stating the obvious of potential financial insolvency. But what's more is that if consumers continue to purchase, producers do not have much incentive to reduce prices. And that makes it harder to tame inflation.

[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](#)

Pueblo Economic & Workforce Development Dashboard

If we examine the local job market, the data supports that employment levels are not likely to fall off a cliff as much as they are likely to moderate in growth. **Pueblo Job Openings {Page 2}** declined very slightly from September (4,356 openings) to October (4,214) and the total number of people unemployed ticked up (+346). This translated to 0.92 available workers per job opening in September to 1.04 workers to openings in October: still a tight labor market.

The State Demography Office (SDO) just released their updated **Population Estimates {Page 6}**, and it's worth noting that they had significantly reduced their population projections through 2050 during the pandemic for both the state and Pueblo County. It is true that virtually all U.S. regions are seeing lower population growth rates or even reductions in population and that is due to declining birth rates that started many years ago, more elderly deaths as well as COVID-related deaths, and lower rates of immigration. As the SDO obtained more data and tried to fill in holes from the 2020 Census data they have indeed again revised (lower) population projections for 2050 in Pueblo County to 192,621 people (from the previous estimate of 194,563). They also further revised down their 2050 population projections for the state (from 7.6m to 7.5m).

Please note we have added a chart to the demographics section showing the **Percentage of People of Color {Page 5}** in Colorado by age cohort. Currently, Colorado has 43% of its children as people of color and that will rise to 53% by 2050 (so a majority). For ages 18-64, that percentage will change from 32% currently to 46% by 2050 and for ages 65+, the percentage will change from 17% to 30%. Given these demographic shifts, it will be particularly important to ensure that people of color have access to not only excellent K-12, but also postsecondary training that is relevant and affordable. That ensures a stable and qualified workforce since people of color will comprise about half of the Colorado workforce by 2050.

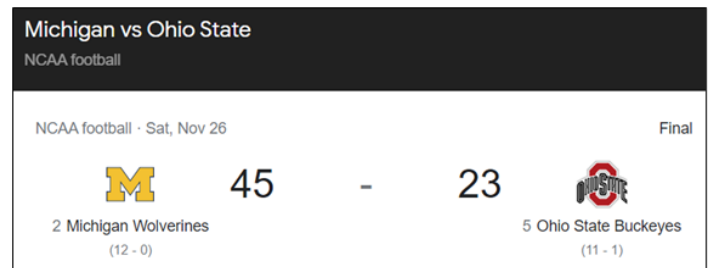
Home Prices {Page 6} have indeed declined from Q2 to Q3 of this year in the U.S. and in all the regions tracked on the table on page 6. Specifically, U.S. prices went from \$413,500 (Q2) to \$398,500 (Q3). In Pueblo, the median existing home price went from \$295,000 in September to \$398,500 in October. Note that all regions on that table still have positive year-over-year increases although they are in the single digits (while they were in the high double digits for much of the pandemic period). It's also worth noting that **Building Permits {Page 7}** for both single and multi-family have also come down in recent months even before winter weather has settled in. The notable exception was permitting in August for apartments. Nationwide, single-family housing starts are down 20.8% and declines have happened across all U.S. regions.

Always lots to talk about so I guess I shouldn't mention (especially to OSU fans) the BIG Michigan win over Thanksgiving weekend?? How it was a complete blow-out?? How my whole family is especially thankful and blissful??

(OSU fans can request to be deleted from this distribution list if they so desire at either email address below).

Thank you and enjoy the rest of your week!

Tatiana (tbailey@ddestrategies.org) & Rebecca (rwilder@ddestrategies.org)



Economic & Workforce Development Dashboard Sponsor:

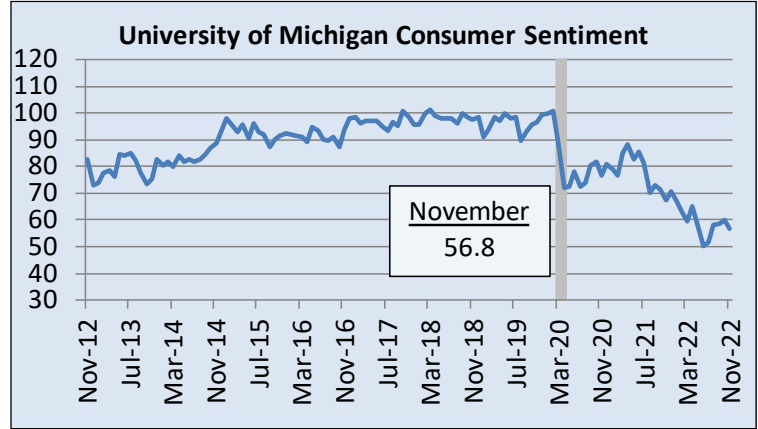


Pueblo Economic & Workforce Development Dashboard

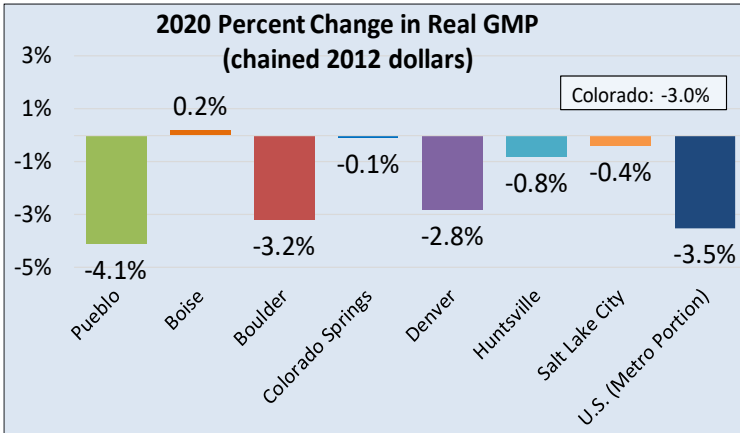
MACROECONOMIC "BIG PICTURE" (PAGE 3)



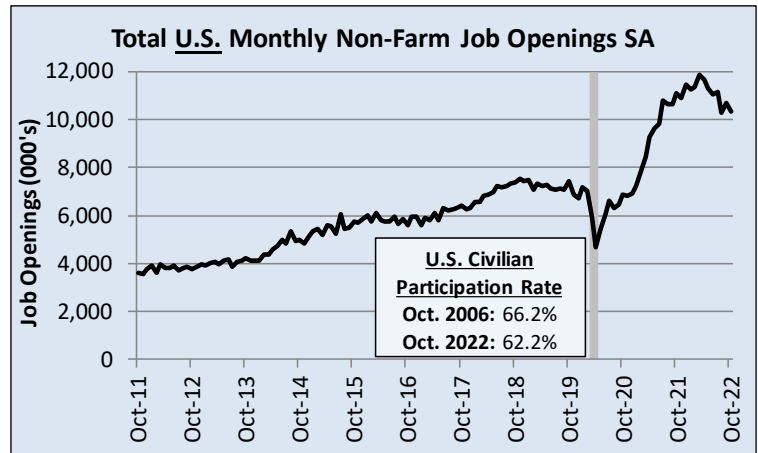
*Estimate of real GDP percent change from same quarter a year ago, SA
**If quarterly changes were annualized over the year.
Source: U.S. Bureau of Economic Analysis



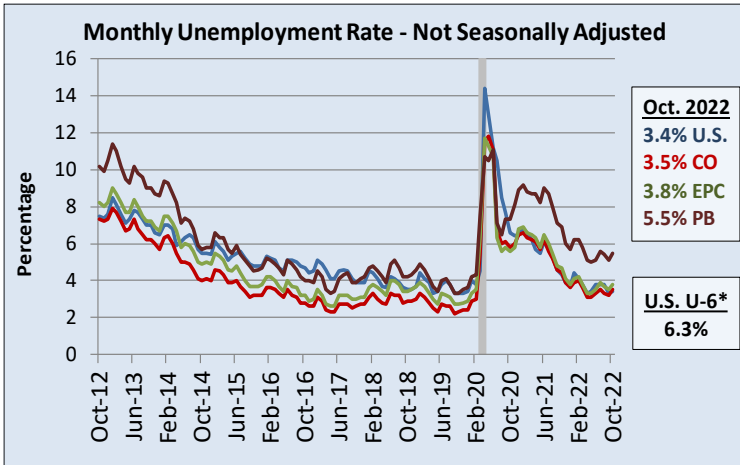
Source: University of Michigan



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



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

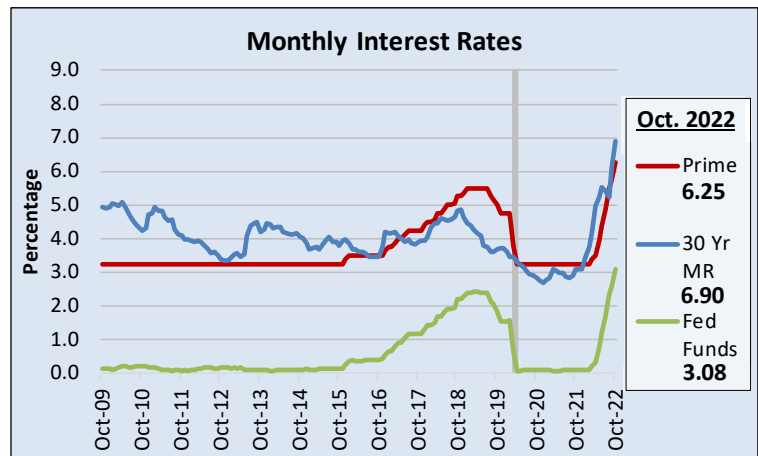


Note: Data not seasonally adjusted (NSA) to enable comparisons with counties.
*U-6 includes unemployed, those marginally attached to the labor force, plus those employed part time who would prefer full-time work.
Sources: U.S. Bureau of Labor Statistics; CO Dept. of Labor & Employment

U.S. Consumer Price Index - October 2022		
	All items	Less food & energy
Change from September to October 2022 (SA)	0.4%	0.3%
Last 12-months (NSA)	7.7%	6.3%

The 2022 Q2 cost of living in Pueblo MSA was 93.3% of the U.S. average according to C2ER. Colorado Springs's index was 104.1% of U.S.

Source: U.S. Bureau of Labor Statistics; all urban consumers (CPI-U)



Source: Board of Governors of the Federal Reserve System

Pueblo Economic & Workforce Development Dashboard

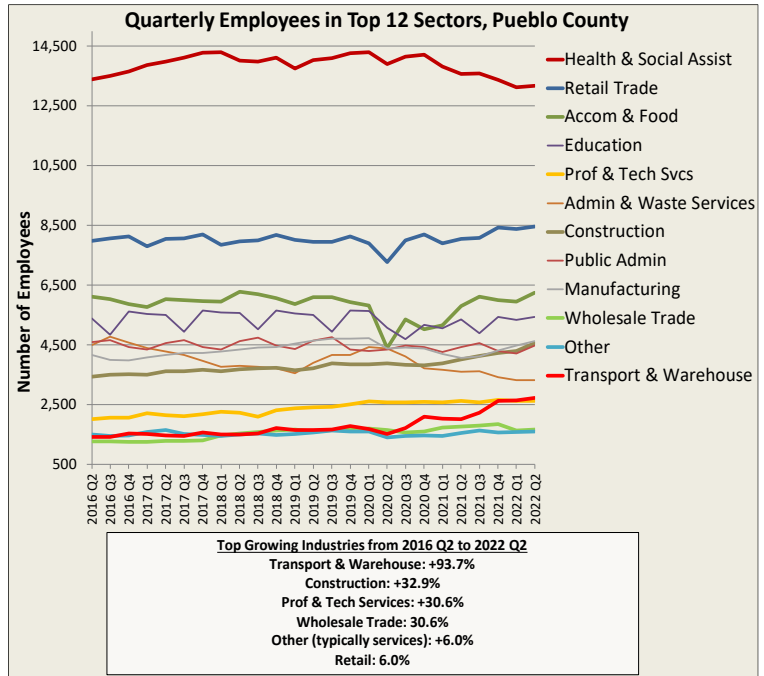
LOCAL LABOR MARKET (PAGE 4)

October 2022

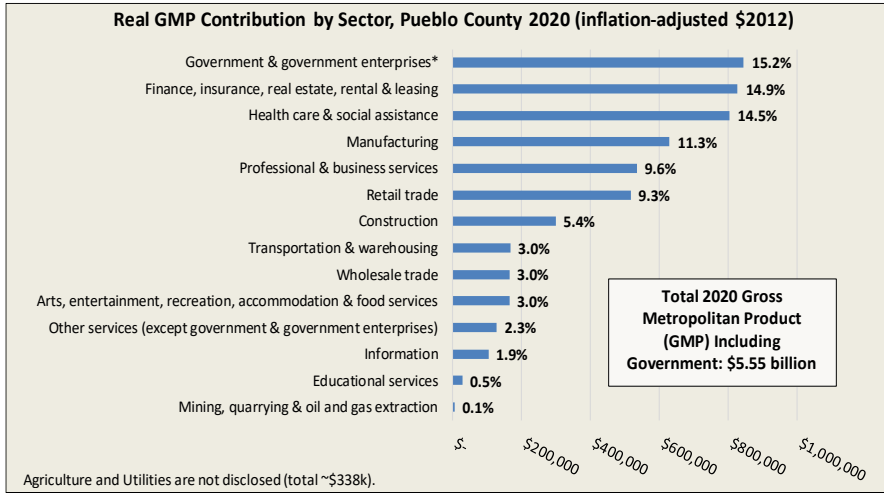
Top Job Titles (Pueblo MSA)	# of Job Postings (Pueblo)	Median Market Salary (Pueblo)	Risk of Automation (U.S.)
Registered Nurses	263	\$63,686	Low Risk
Retail Salespersons	134	\$26,322	High Risk
Heavy & Tractor-Trailer Truck Drivers	95	\$48,265	Medium Risk
Medical & Health Service Managers <i>(NEW to top 10 in July)</i>	71	\$59,990	Low Risk
First-Line Supervisors of Retail Sales Workers	71	\$32,747	Medium Risk
Customer Service <i>(NEW to top 10 in July)</i>	70	\$28,153	Medium Risk
Managers, All Others	65	\$56,335	Low Risk
Maintenance and Repair Workers	65	\$33,811	Medium Risk
Laborers & Freight, Stock & Material Movers <i>(New in top 10 in September)</i>	58	\$27,107	Medium Risk
Sales Representatives, Wholesale & Manufacturing <i>(NEW in top 10 in September)</i>	56	\$41,010	Medium Risk

Pueblo MSA, October 2022
TOTAL Job Openings: 4,214
TOTAL Unemployed: 4,368
Workers Available per Job Opening: 1.04

Sources: The Conference Board® LaborInsight's HelpWantedOnline™ via Pikes Peak Workforce Center; CO Dept. of Labor & Employment



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

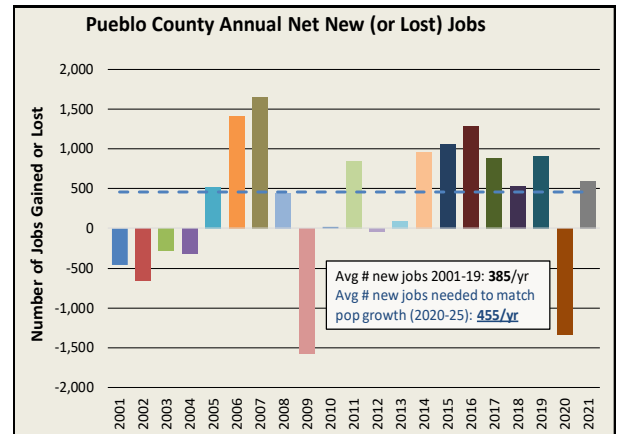


*Government and government enterprises includes market and nonmarket goods/services. Examples of nonmarket services includes public safety, education and market enterprises including postal service, airports, utilities (in some regions), transit systems, etc. Note: GMP (local) data lags by approximately 23 months. Source: U.S. Bureau of Economic Analysis

Pueblo MSA and Pueblo County are one and the same.

2021 Federal Poverty Level (FPL)		
	Pueblo County	U.S.
% people at FPL or below	16.3%	12.8%
Note: FPL in 2021 was \$12,880 for an individual and \$26,500 for a family of four.		

2022 Q2 Average Annual Wages for All Industries			
Pueblo wages are 24.9% lower than the U.S.			
28.6% lower than Colorado			
15.3% lower than El Paso County			
U.S.	Colorado	El Paso County	Pueblo County
\$67,288	\$70,772	\$59,696	\$50,544
2022 Q2 Total Employment			63,540
2022 Q2 Total # Establishments			3,880



An estimated 455 new jobs are needed based upon population growth and age composition. This QCEW data lags up to three quarters and includes public and private employment. Source: CO Dept. of Labor & Employment, Quarterly Census of Employment and Wages (QCEW)

2021-22 Minimum Wage & Living Wage Pueblo County		
	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$12.56	\$26,125
Living wage: HHs with 1 adult, 2 children	\$39.77	\$82,722
Living wage: HHs with 2 adults (1 working), 2 children	\$35.66	\$74,173
Living wage: HHs with 2 adults* (2 working), 2 children	\$22.77	\$47,362
*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

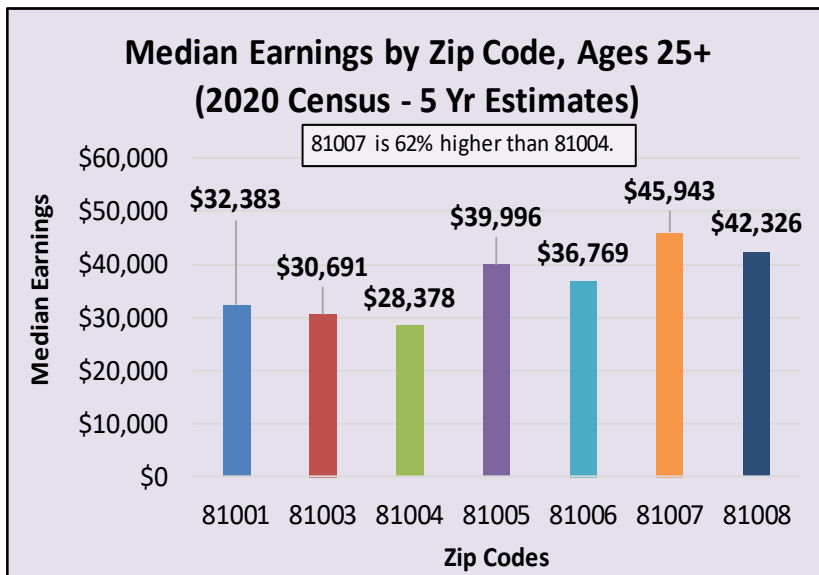
LOCAL INFORMATION BY ZIP CODE (PAGE 5)

Pueblo Percentage with HS Diploma by Zip Code, 2020 Census - 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	94.1%	97.3%	76.8%	93.5%	73.7%	92.3%	82.3%
81003	89.0%	73.5%	84.1%	100.0%	75.6%	91.9%	76.5%
81004	91.7%	89.4%	75.4%	100.0%	76.2%	76.2%	82.5%
81005	96.7%	96.1%	83.1%	100.0%	83.2%	95.0%	87.9%
81006	95.4%	86.5%	70.5%	91.5%	83.2%	82.3%	86.9%
81007	94.4%	98.2%	88.1%	95.4%	92.9%	98.0%	90.7%
81008	94.0%	100.0%	60.9%	59.8%	98.0%	87.3%	87.4%

Pueblo Percentage with Bachelor's Degree by Zip Code, 2020 Census - 5 Yr Estimates							
Zip Code	White Alone	Black Alone	Amer Ind/ Native Alaskan	Asian Alone	Other Race Alone	Two or More Races	Hispanic / Latino Origin
81001	26.4%	40.4%	9.4%	37.6%	4.4%	29.2%	11.5%
81003	18.1%	14.1%	11.4%	66.1%	13.7%	34.7%	14.3%
81004	26.2%	10.4%	3.3%	27.3%	5.2%	14.2%	8.7%
81005	27.9%	43.2%	2.5%	49.7%	9.8%	41.3%	15.3%
81006	32.2%	23.1%	4.1%	91.5%	9.3%	10.1%	14.4%
81007	31.1%	13.1%	16.9%	57.5%	15.3%	39.1%	21.1%
81008	34.1%	30.1%	15.7%	39.0%	15.1%	33.6%	21.4%

Note: Native Hawaiian and Other Pacific Islander category excluded due to extremely high margins of error (sample size too small). 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



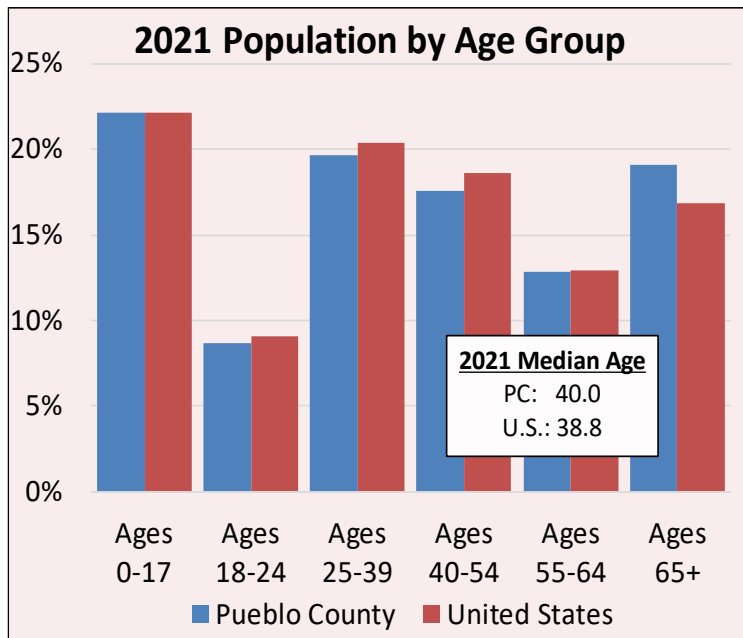
Five-year estimates are more accurate due to small sample size in many zip codes. Data for 5-year estimates lags, so 2021 should be released in December 2022.

Source: U.S. Census Bureau, American Community Survey 5-year estimates

Median Earnings 2021 (All Ages Full-Time)	
U.S.	Pueblo County
\$53,888	\$50,970

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

DEMOGRAPHICS (PAGE 6)

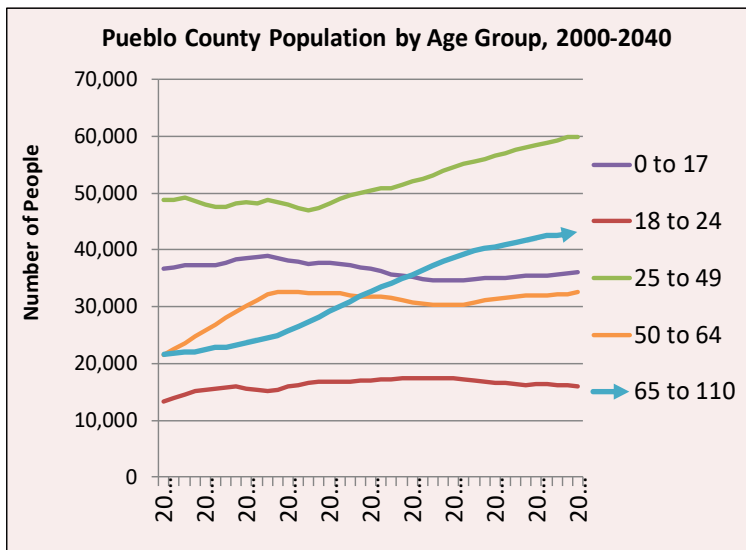


Sources: U.S. Census Bureau, Population Division, Population Estimates Program; American Community Survey 1-year estimates

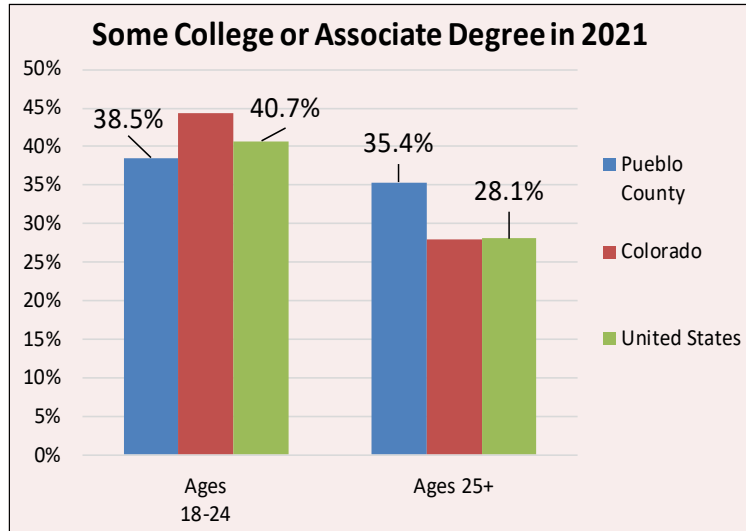
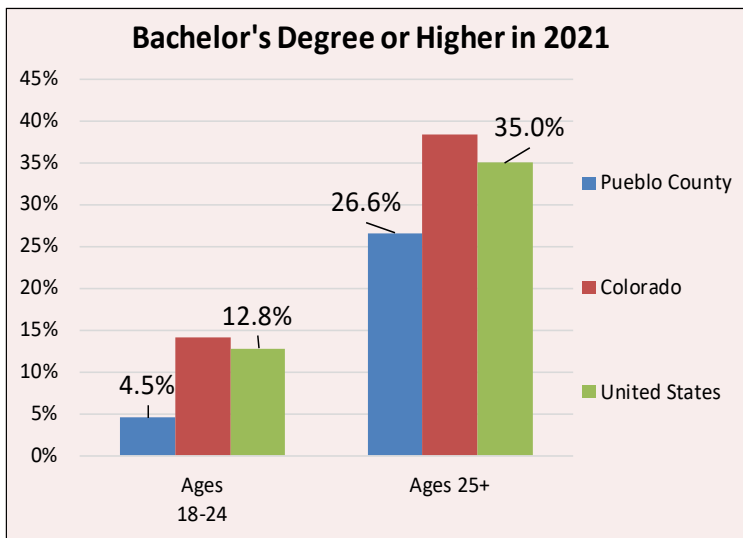
Population Estimates

Region & (Growth Rate)	2021	2050
Pueblo County (14%)	169,504	192,621
Colorado (29%)	5,814,707	7,486,286

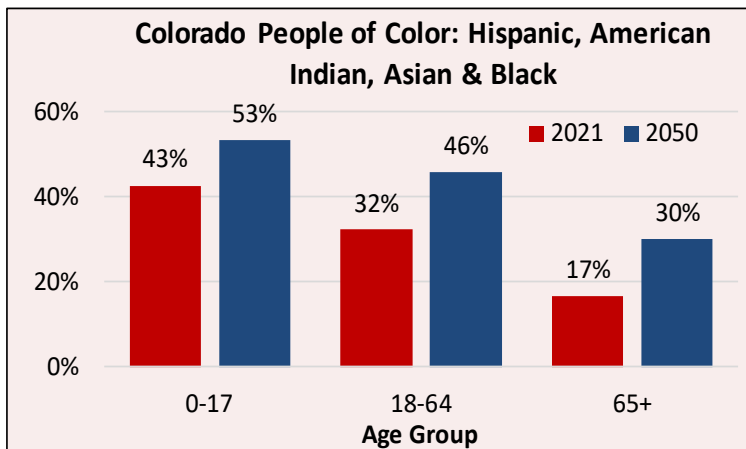
Source: Colorado State Demography Office



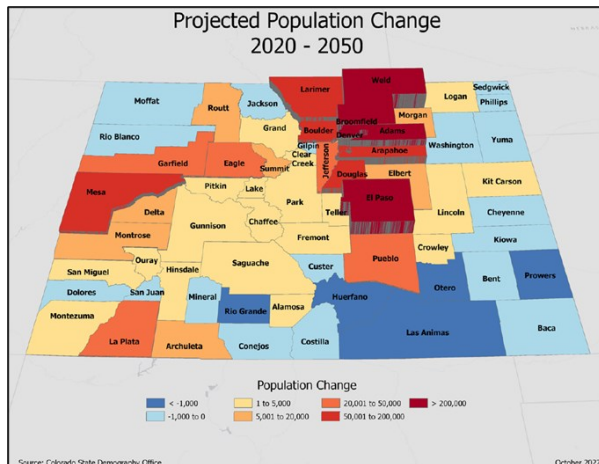
Source: Colorado State Demography Office



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

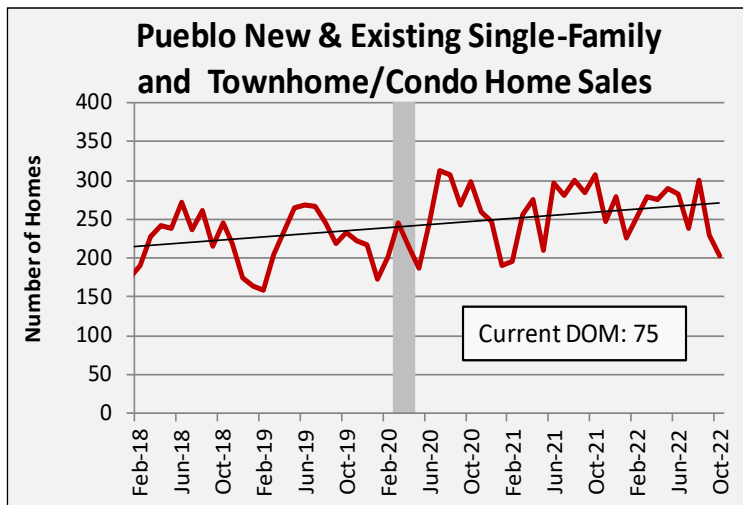


Source: Colorado State Demography Office



Source: Colorado State Demography Office

REAL ESTATE (PAGE 7)

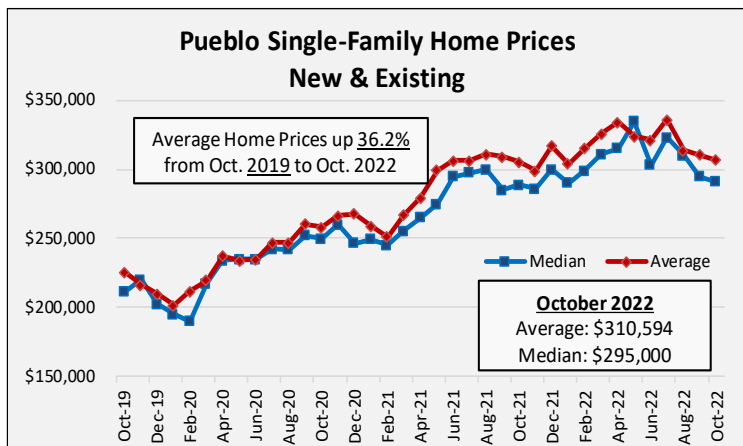


Source: Pueblo Association of REALTORS®, Inc. (PAR)

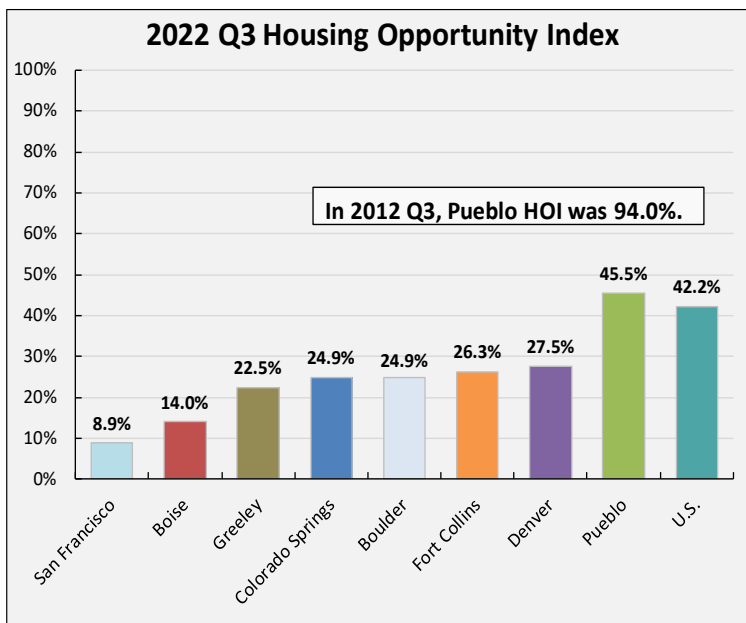
Median Existing Single-Family* Home Price 2022 Q3 (CS, Denver, U.S.) and Oct. (Pueblo)

Location	Colorado Springs	Denver	Oct. 2022 Pueblo (*New & Existing)	United States
Price	\$462,200	\$666,000	\$290,908	\$398,500
1-year % Change	4.8% increase	8.3% increase	0.7% increase	8.6% increase
MSA Rank	36	14	107	n/a

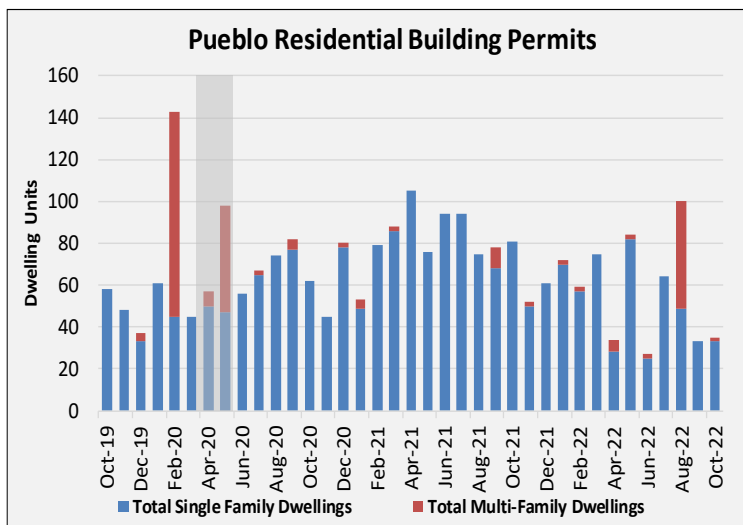
*Includes existing homes only except for Pueblo, which includes new & existing since PAR only reports both (combined). Pueblo ranking is estimated based on similar MSA city ranking and price is for most recent month. 190 MSAs measured.
Sources: National Association of REALTORS®; Pueblo Association of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



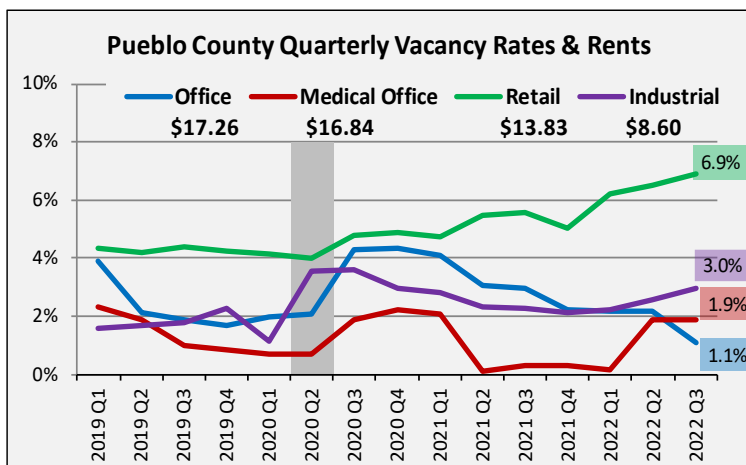
Source: Pueblo Association of REALTORS®, Inc. (PAR)



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



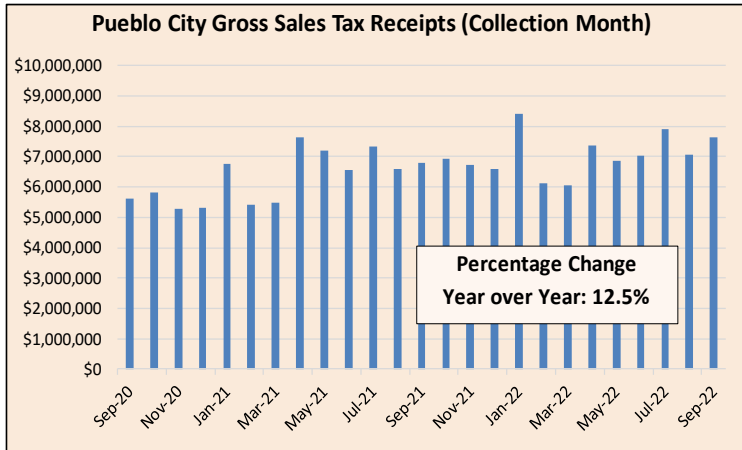
Sources: Pueblo Regional Building Department; City of Pueblo



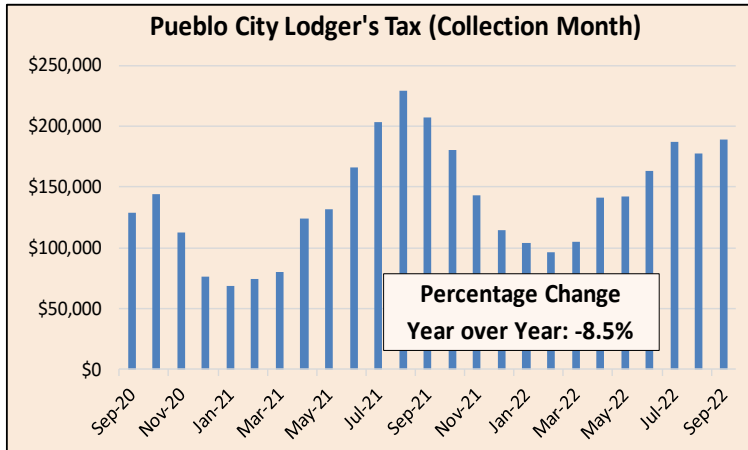
Sources: CoStar Group™; Olive Real Estate Group, Inc.

Pueblo Economic & Workforce Development Dashboard

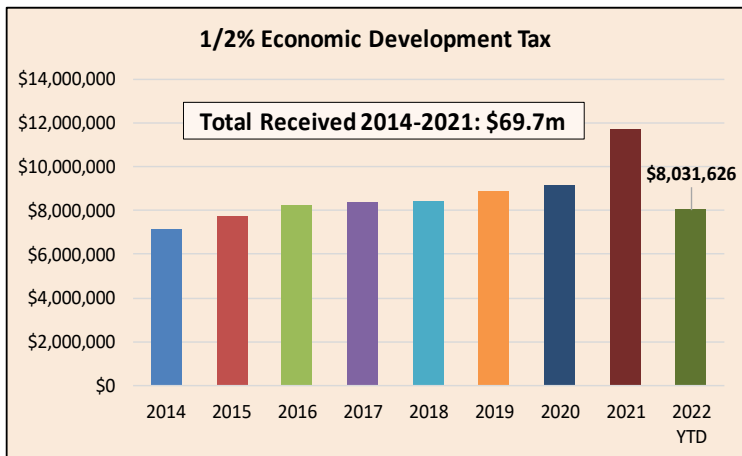
TAXATION, VEHICLE SALES, AND TOURISM (PAGE 8)



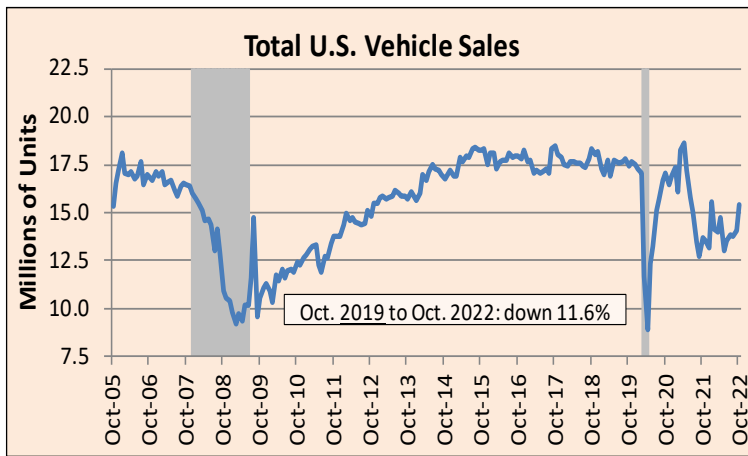
Source: City of Pueblo



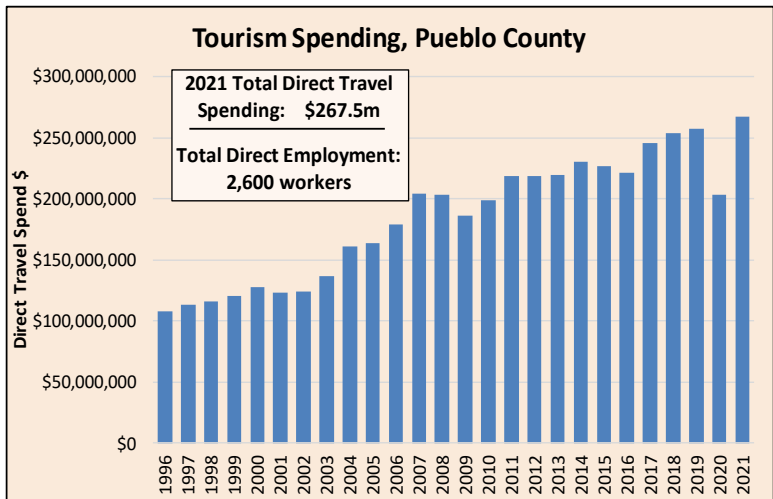
Source: City of Pueblo



Source: City of Pueblo



Source: U.S. Bureau of Economic Analysis



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

Economic & Workforce Development Dashboard Sponsor:

