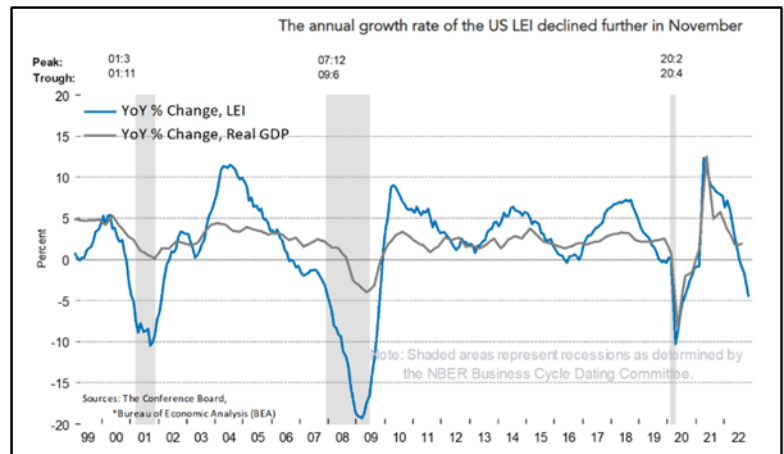


Pueblo Economic & Workforce Development Dashboard

Highlights—December 2022

Real U.S. GDP {Page 3} for Q3 was revised upwards to 3.2% (up from 2.9%). This makes it appear as though we are heading into 2023 in a stronger economic position, but it's important to remember that GDP, like most economic metrics, is retrospective meaning it looks back to past months. Although it's always good news to have a stronger economic growth rate, it doesn't tell us what's ahead. For that, economists typically look at "leading indicators." I focus on an array of variables to see what's coming such as the ISM manufacturing survey, the National Federation of Independent Businesses, and "leading indices" such as the Conference Board's Leading Economic Index (LEI), which combines various forward-looking metrics (e.g., stock prices, business conditions, building permits, etc.).¹ That index has been declining over the past several months and as the chart shows, the Leading Economic Index (LEI shown as blue line) correlates very well with actual growth (GDP, gray line). You can also see on the right portion of the graph how the blue line "leads" GDP meaning it accurately has predicted recessions over the past 20+ years. Historically, the LEI predicts a recession about seven months out. For this reason, the Conference Board is forecasting a U.S. recession to start in the first half of 2023. Others, like Wells Fargo, predict the recession will start in the second half of 2023.



I track the same metrics that make up the index, and it is hard to build a case against a recession happening sometime during 2023. As mentioned above, I especially pay attention to the surveys of businesses as well as households (consumer sentiment/confidence). Businesses report fewer orders due to softening demand, inflationary pressures, persistent problems with finding talent and having to pay higher wages (which further fuels inflation), and a rather sharp decline in demand for companies that sell to Europe.

I believe it's also important to remember the overarching context of the low **Interest Rates {Page 3}** that have been in play from 2008 to 2022. Borrowing money has been "cheap" for many years and that has buoyed demand for everything from washing machines to cars to homes to (business) credit lines. Furthermore, we've had decades of offshoring manufacturing to countries with lower labor and capital costs and that too has kept inflation at or below the 2% target. Unless we hit a harsher-than-expected recession, interest rates are likely to stay elevated through 2023 with these embedded inflationary pressures, which means the dampening impacts of higher borrowing costs will weigh on economic growth throughout the year. Additionally, although I expect **Inflation {Page 3}** to subside in 2023, I don't think we will hit the target 2% in the next 12 months. That not only ensures that interest rates will stay put around the 5% level (higher than it's been for 15 years), it also means that particularly middle and lower wage workers will be further squeezed by higher prices. I'm a bit concerned about this because of the low savings rate we currently have: 2.3% versus the 9.1% pre-pandemic. Clearly many households are using savings to counter the 7.1% inflation rate (as of November 2022). If the recession of 2023 proves to be harsher than expected, consumers don't have much of a cushion to make ends meet should they lose their jobs or should inflation stay abnormally high.

Having said all this, economists are talking a lot about the "resiliency" of the U.S. economy compared to many other developed countries. That is mostly driven by the persistent strength of the labor market. Indeed, even with some softening demand and some highly publicized and predictable layoffs in the technology and finance sectors, the **U.S.** still has 10.3 million **Job Openings {Page 3}**, which as the chart on the EPR shows, is still incredibly high by historic standards (up 43% from April 2019 to October 2022). In November, **Pueblo** had 4,214 **Job Openings {Page 4}**, which translates to 0.98 available workers for each open position. With strong labor demand, it's no surprise that unemployment rates remain well below (what economists think of as) equilibrium at roughly 4.5%. From October to November 2022, the U.S. unemployment rate stayed at 3.4%. The Colorado unemployment rate fell from 3.5% to 3.3%, and similarly, the regional rate fell from 5.4% to 5.1%. The number of unemployed people did not change much from October to November; however, the labor participation rate did fall even further in the U.S. (to 62.1% from 62.2%). If you want to read more on this, I recently wrote an article on the low and still-falling labor participation rate of young men in the U.S. (<https://www.ddestrategies.org/media-articles/>). There is also a corresponding [Fox21 piece](#).

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

[Page 4 - Local Labor Market](#)

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



[Page 6 - Demographics](#)

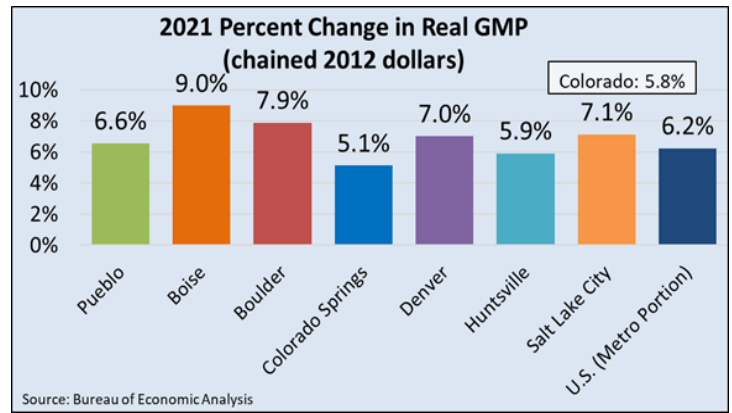
[Page 7 - Real Estate](#)

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

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

Pueblo Economic & Workforce Development Dashboard

Local economic growth as measured by **Gross Metropolitan Product, or GMP, {Page 3}** for 2021 was finally released by the Bureau of Economic Analysis, and Pueblo grew 6.6% versus Colorado at 5.8% and the U.S. average for cities at 6.2%. This is favorable, but keep in mind that 2021 was a “bounce back” year from the drastic reductions most regions saw in economic activity as measured by GMP. Pueblo’s GMP in 2020 fell by 4.1% (and the region lost 1,342 jobs). It is still good news, however, to see positive growth rates exceeding that of the state and U.S. metro average.



In terms of the Number of **New Jobs {Page 4}** in the “rebound year” of 2021, Pueblo County gained 600 new jobs, which unfortunately does not “make up” for the 1,342 jobs lost in 2020. However, the dotted line on the graph on page 4 shows the threshold of new jobs needed to match population growth (+455), and Pueblo did meet that threshold. To see which industries have been experiencing employment growth (or declines) you can look at the **Quarterly Employees in Top 12 Sectors {Page 4}**. Over the past year and a half, you can visibly see that retail trade, construction, and transportation and warehousing have been increasing. Accommodation and food is back to pre-pandemic levels. Health and social assistance, and administrative and waste service have had declines in employment levels.

The **Local Information by Zip Code {Page 5}** five-year estimates as of 2021 was released by the Census Bureau. Since it’s a lot of data, the lowest and highest percentage of **High School Graduates by Zip Code {Page 5}** are now shaded in so it’s easier for you to see. As an example, Blacks (in the second column) in zip code 81003 have a high school graduation rate of 58.2% versus zip codes 81006 and 81008 with 100% high school graduation rates. Pueblo Percentage of the Population with a Bachelor’s Degree by Zip Code {Page 5} also reveals great discrepancies. As an example, 15.9% of Whites (first column) in 81003 have a Bachelor’s degree compared to 30.8% in 81008. By way of reference, 35.0% of all U.S. residents ages 25+ have a **Bachelor’s Degree or Higher {Page 6}**. It is important to note that for smaller geographic regions (e.g., by zip code), the percentages are estimates over a five-year period as reported by the Census Bureau. I do still think it’s good data; it just may not be as precise as data for larger geographic areas with larger sample sizes. **Median Earnings by Zip Code {Page 5}** data is also updated to 2021 (with five-year estimates).

Interestingly, **Pueblo Average Home Prices {Page 7}** crept up a bit from October to November (from \$310,594 to \$312,501) although the median price declined slightly. This tells me two things. First, average prices are consistently higher and are being pulled up by wealthier people who are still buying homes at higher price ranges. This has been a pattern for many years but has been more acute since the pandemic. Second, home prices in most regions are moderating, but are not falling off a cliff. Given that mortgage rates are about double what they were a year ago, and that home prices have appreciated so much particularly over the past couple of years, you would think that a more acute housing correction would be in play. I have never thought that would happen because of the nation-wide shortage of housing (of roughly 6.5m units) that has and will continue to keep housing supply low. The sharp decline in building **{Building Permits, Page 7}** isn’t helping matters. This is all exacerbated by the fact that very few people want to put their existing home up for sale because they would likely be trading a ~3.0% mortgage rate for a ~6.8% **30-year Mortgage Rate {Page 3}**. I talked about this in a weekly economic update on Fox21 in late October ([Fox21 home prices](#)).

Pueblo City Sales Tax Receipts {Page 8} declined in October and November as the graph shows although those declines are not drastic. Lodger’s Tax Revenues {Page 8} declined in November and that is to be expected given the inherent seasonality of tourism. The **Economic Development Tax {Page 8}** year-to-date through November (\$10.1m) will likely come in close by year end to the total receipts of 2021 (\$11.7m).

Happy, happy New Year to you and yours!

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

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¹<https://www.conference-board.org/topics/us-leading-indicators>

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Pueblo Economic & Workforce Development Dashboard

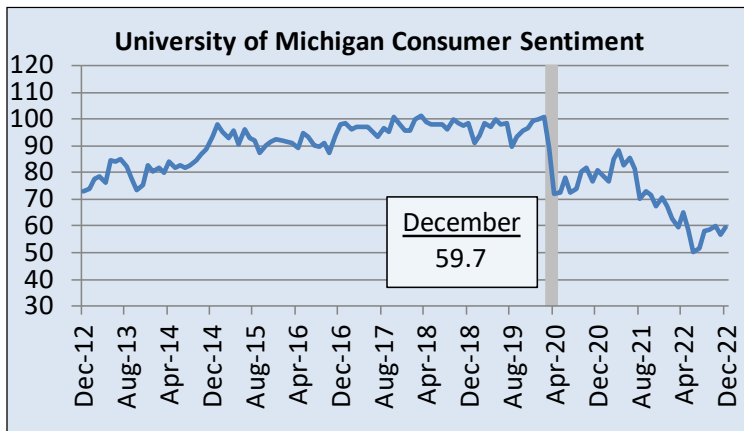
MACROECONOMIC "BIG PICTURE" (PAGE 3)



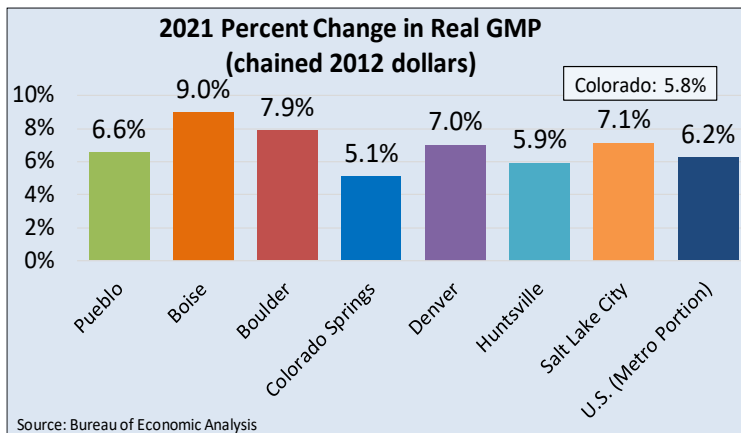
*Estimate of real GDP percent change from same quarter a year ago, SA

**If quarterly changes were annualized over the year.

Source: U.S. Bureau of Economic Analysis



Source: University of Michigan

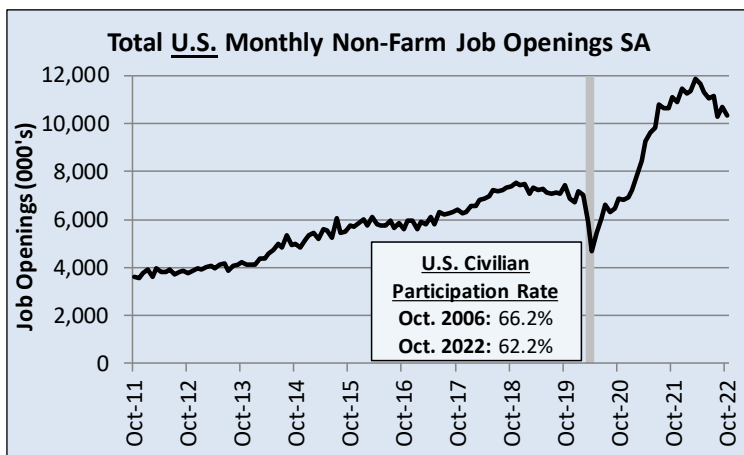


Source: Bureau of Economic Analysis

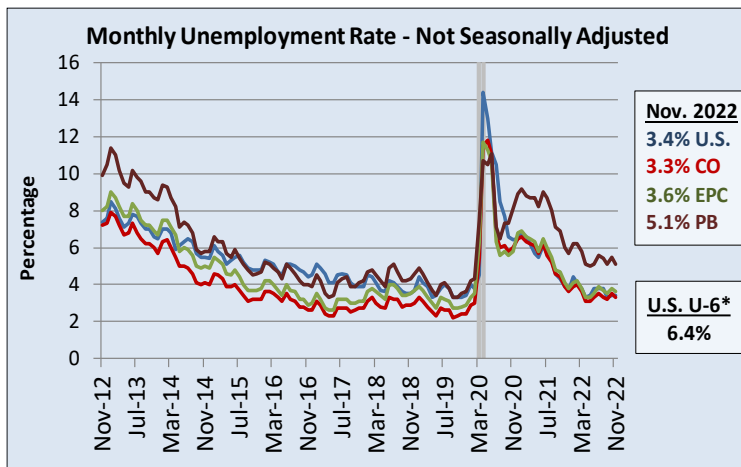
Note: Data includes military. Real GMP is adjusted for regional price parity (RPP).

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.

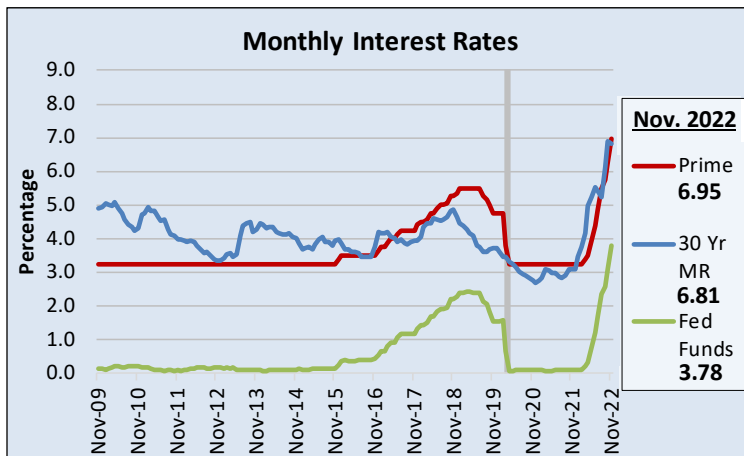
*U-6 includes unemployed, those marginally attached to the labor force, plus those employed part time who would prefer full-time work.

Sources: U.S. Bureau of Labor Statistics; CO Dept. of Labor & Employment

U.S. Consumer Price Index - November 2022		
	All items	Less food & energy
Change from October to November 2022 (SA)	0.1%	0.2%
Last 12-months (NSA)	7.1%	6.0%

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

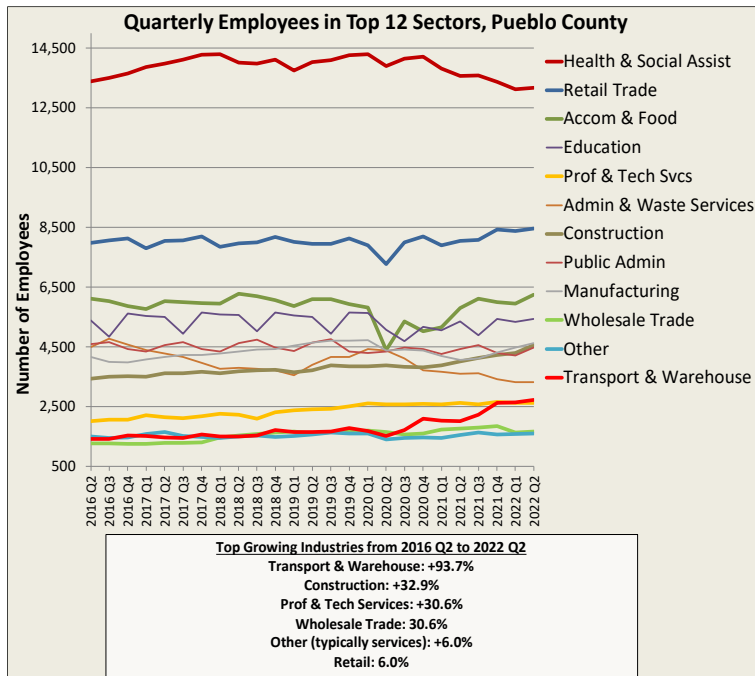
Pueblo Economic & Workforce Development Dashboard

LOCAL LABOR MARKET (PAGE 4)

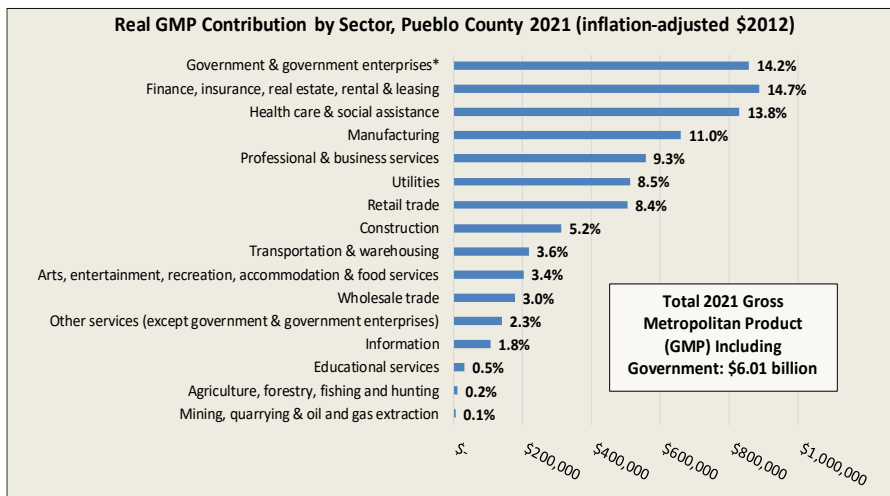
November 2022			
Top Job Titles (Pueblo MSA)	# of Job Postings (Pueblo)	Median Market Salary (Pueblo)	Risk of Automation (U.S.)
Registered Nurses	295	\$65,113	Low Risk
Retail Salespersons	130	\$26,551	High Risk
Heavy & Tractor-Trailer Truck Drivers	83	\$48,971	Medium Risk
Maintenance and Repair Workers	74	\$34,302	Medium Risk
First-Line Supervisors of Retail Sales Workers	73	\$34,710	Medium Risk
Medical & Health Service Managers <i>(NEW to top 10 in July)</i>	65	\$62,460	Low Risk
Customer Service <i>(NEW to top 10 in July)</i>	62	\$28,017	Medium Risk
Managers, All Others	57	\$53,974	Low Risk
Sales Representatives, Wholesale & Manufacturing <i>(NEW in top 10 in September)</i>	54	\$40,198	Medium Risk
Licensed Practical & Licensed Vocational Nurses <i>(New in top 10 in December)</i>	52	\$41,490	Low Risk

Pueblo MSA, November 2022	
TOTAL Job Openings:	4,214
TOTAL Unemployed:	4,141
Workers Available per Job Opening:	0.98

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)

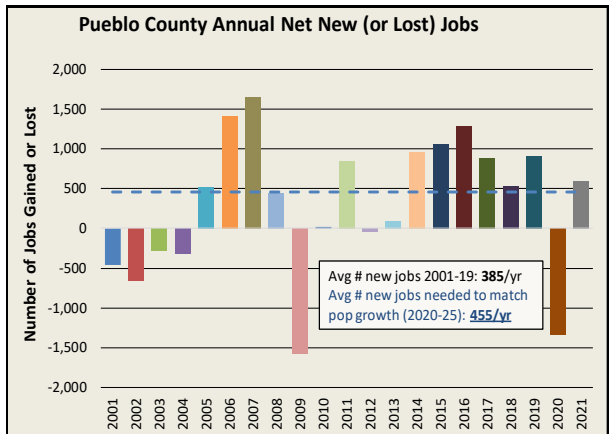


*Government and government enterprises includes market and nonmarket goods/services. Examples of nonmarket services includes public safety, education and market enterprises including postal service, airports, utilities (in some regions), transit systems, etc. Note: GMP (local) data lags by approximately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

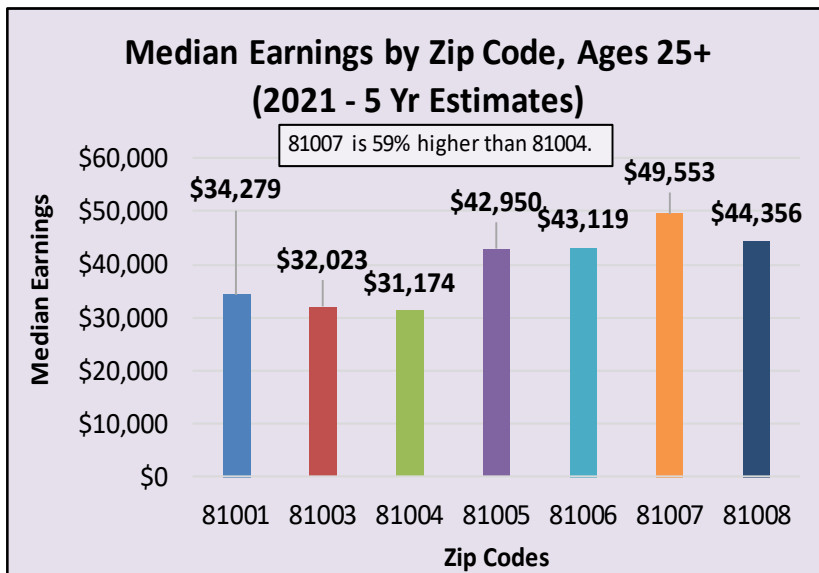
Note: QCEW data lags by up to three quarters and includes public and private employment. Sources: U.S. Bureau of Labor Statistics and Colorado Department of Labor and Employment, QCEW; Local military installations; U.S. Census Bureau, American Community Survey 1-year estimates; U.S. Department of Health & Human Services; MIT Living Wage Calculator

LOCAL INFORMATION BY ZIP CODE (PAGE 5)

Pueblo Percentage with HS Diploma by Zip Code, 2021 - 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	90.5%	97.7%	71.1%	91.1%	72.3%	89.7%	81.0%
81003	82.8%	58.2%	87.9%	79.5%	86.0%	85.3%	79.8%
81004	90.7%	87.6%	80.5%	92.2%	78.4%	85.2%	84.2%
81005	95.1%	95.1%	76.2%	100.0%	78.9%	96.8%	88.9%
81006	93.7%	100.0%	67.9%	100.0%	88.5%	93.6%	89.6%
81007	93.1%	98.4%	86.4%	96.1%	81.1%	97.1%	89.7%
81008	92.1%	100.0%	55.4%	72.0%	96.0%	84.6%	85.5%

Pueblo Percentage with Bachelor's Degree by Zip Code, 2021 - 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	20.1%	37.8%	1.0%	47.4%	3.8%	23.6%	10.4%
81003	15.9%	21.9%	11.6%	47.0%	20.5%	23.0%	15.1%
81004	22.1%	12.0%	2.4%	34.8%	8.8%	14.2%	11.8%
81005	26.0%	47.6%	4.0%	42.8%	7.9%	38.6%	16.5%
81006	26.3%	36.1%	1.9%	100.0%	8.5%	15.1%	16.2%
81007	29.1%	19.8%	18.9%	57.8%	18.6%	43.8%	18.9%
81008	30.8%	54.4%	14.5%	59.3%	23.5%	26.6%	20.7%

Note: 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



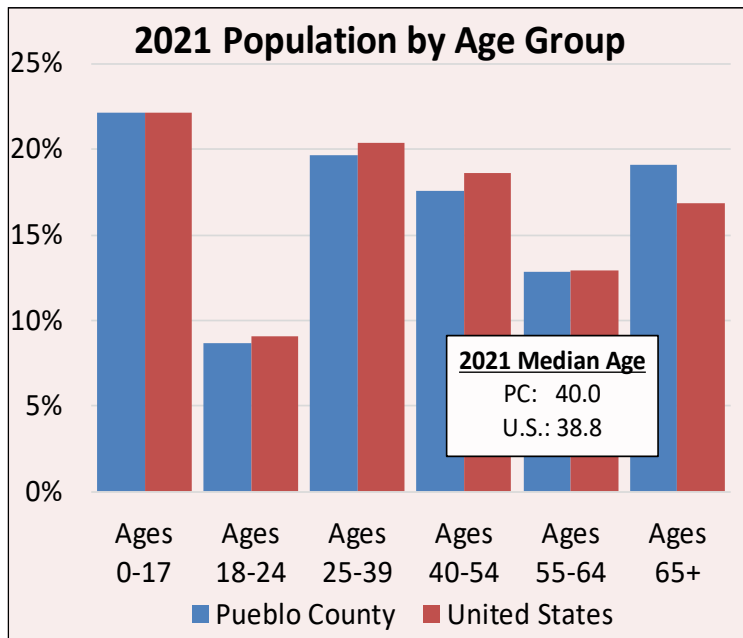
Five-year estimates are more accurate due to small sample size in many zip codes. Data for 5-year estimates lags, so 2021 should be released in December 2022.

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)

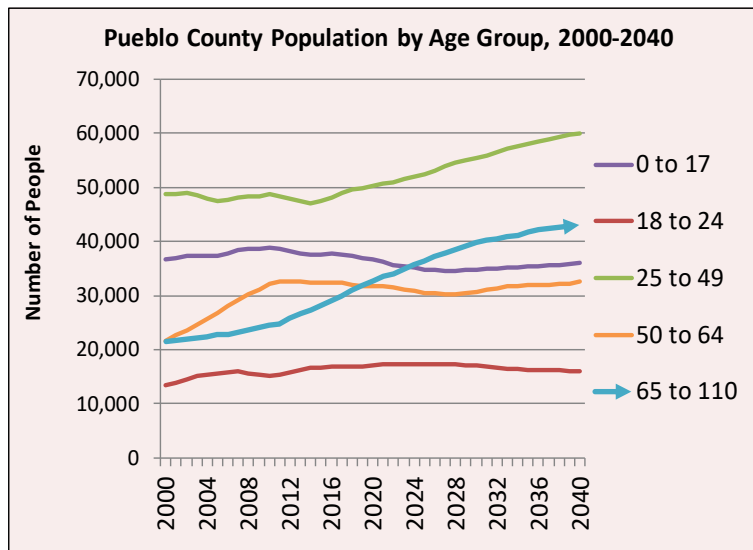


Sources: U.S. Census Bureau, Population Division, Population Estimates Program; American Community Survey 1-year estimates

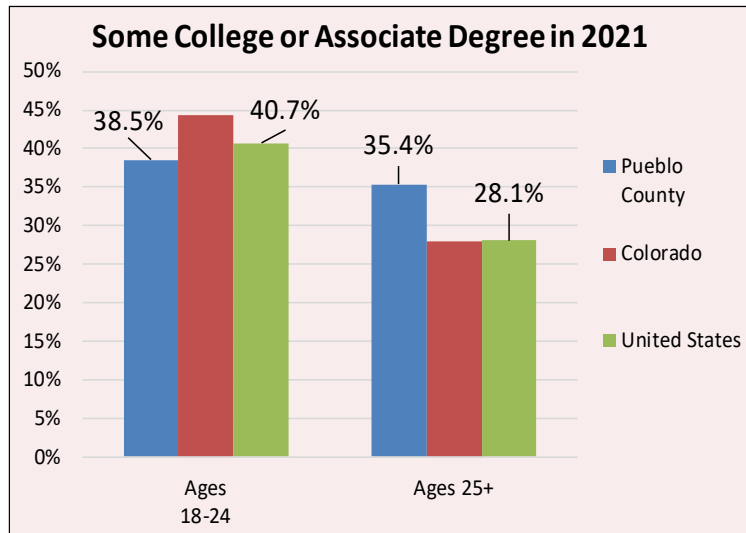
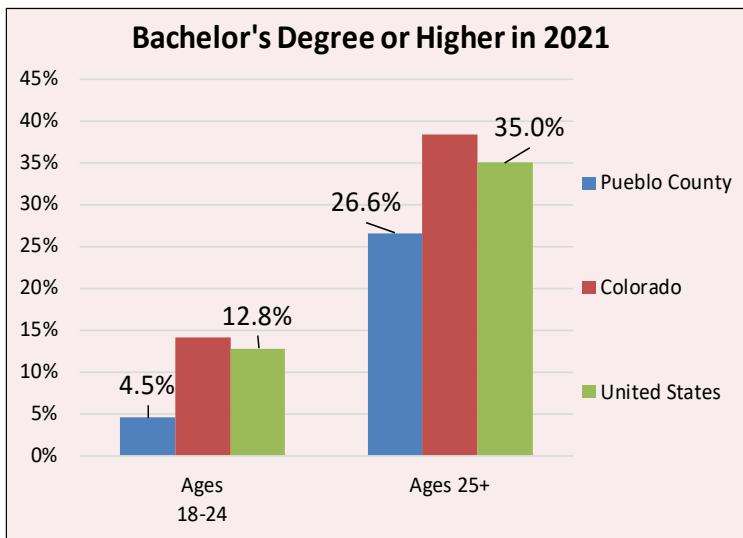
Population Estimates

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

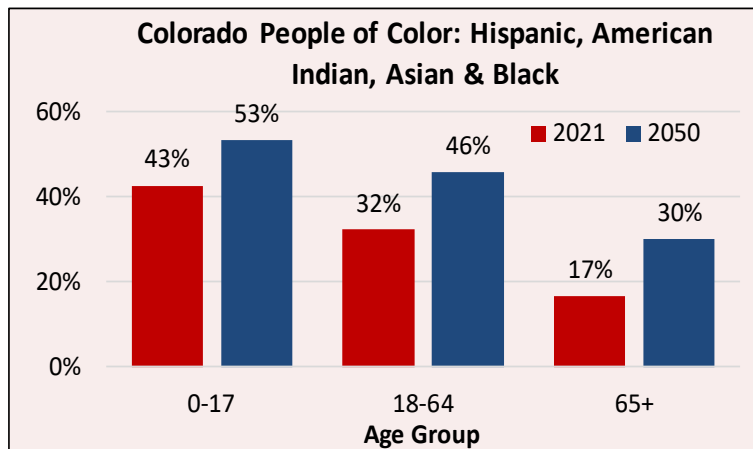
Source: Colorado State Demography Office



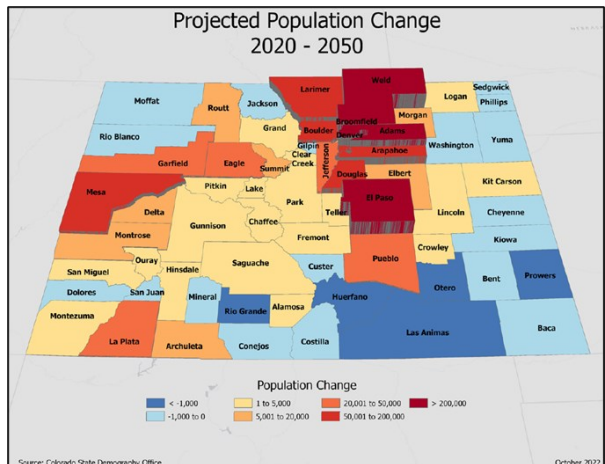
Source: Colorado State Demography Office



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

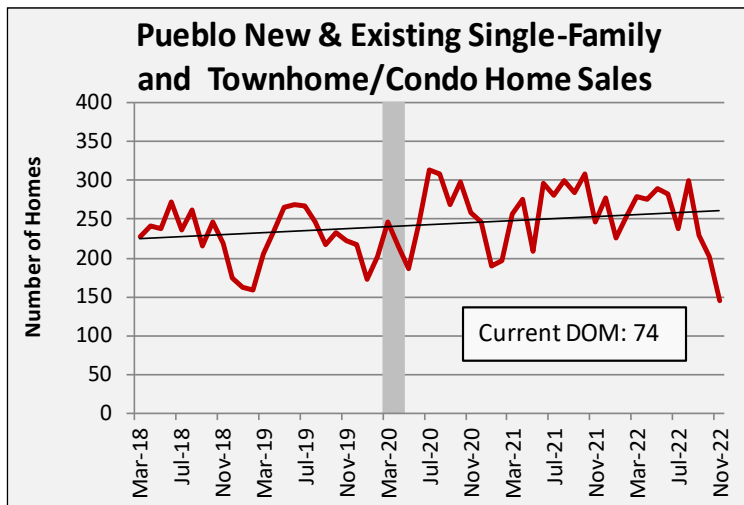


Source: Colorado State Demography Office



Source: Colorado State Demography Office

REAL ESTATE (PAGE 7)

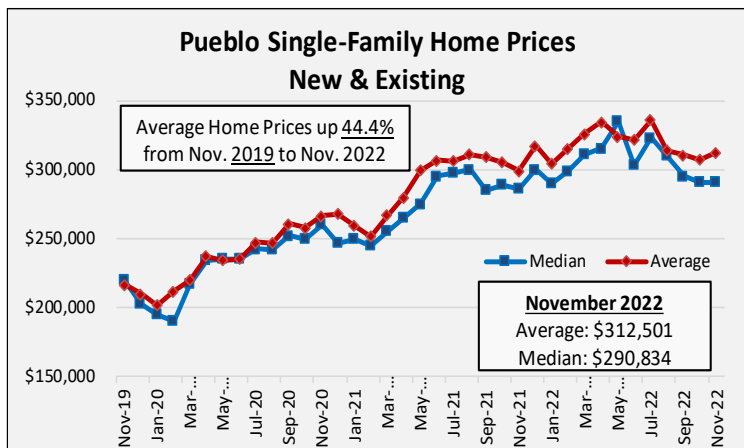


Source: Pueblo Association of REALTORS®, Inc. (PAR)

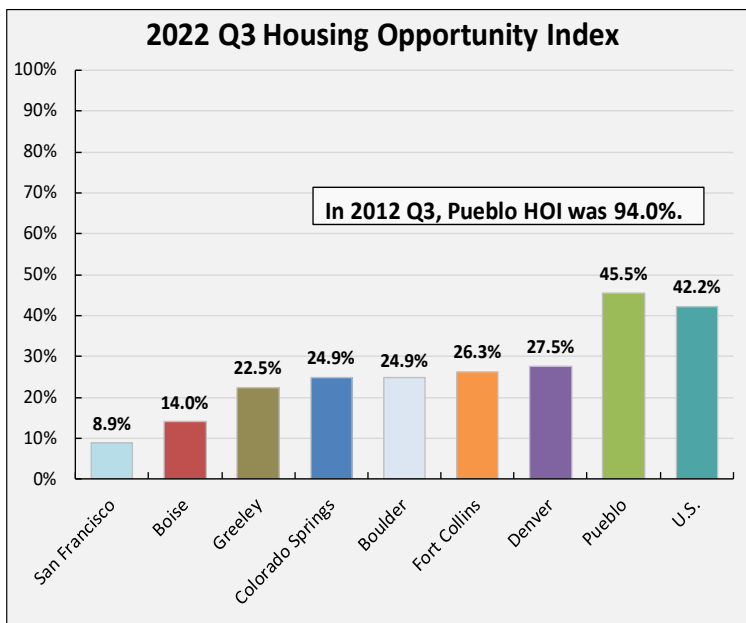
Median Existing Single-Family* Home Price 2022 Q3 (CS, Denver, U.S.) and Nov. (Pueblo)

Location	Colorado Springs	Denver	Nov. 2022 Pueblo (*New & Existing)	United States
Price	\$462,200	\$666,000	\$290,834	\$398,500
1-year % Change	4.8% increase	8.3% increase	0.7% increase	8.6% increase
MSA Rank	36	14	107	n/a

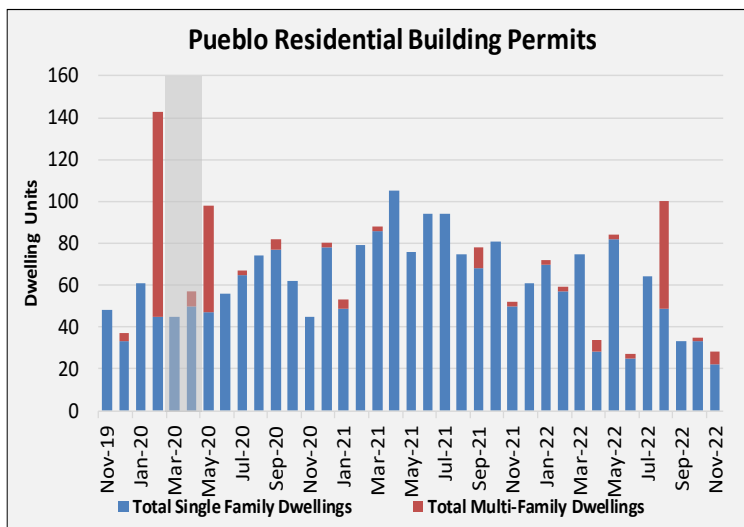
*Includes existing homes only except for Pueblo, which includes new & existing since PAR only reports both (combined). Pueblo ranking is estimated based on similar MSA city ranking and price is for most recent month. 190 MSAs measured.
Sources: National Association of REALTORS®; Pueblo Association of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



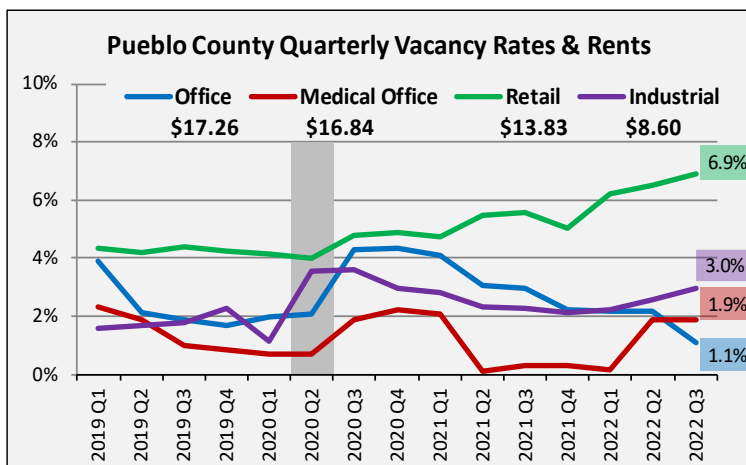
Source: Pueblo Association of REALTORS®, Inc. (PAR)



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



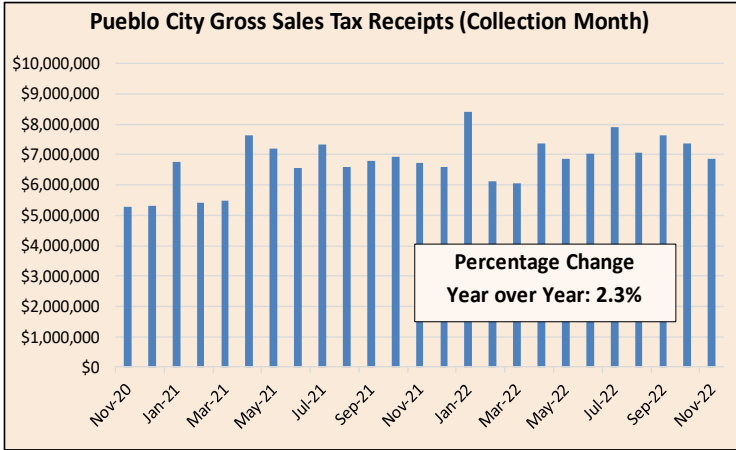
Sources: Pueblo Regional Building Department; City of Pueblo



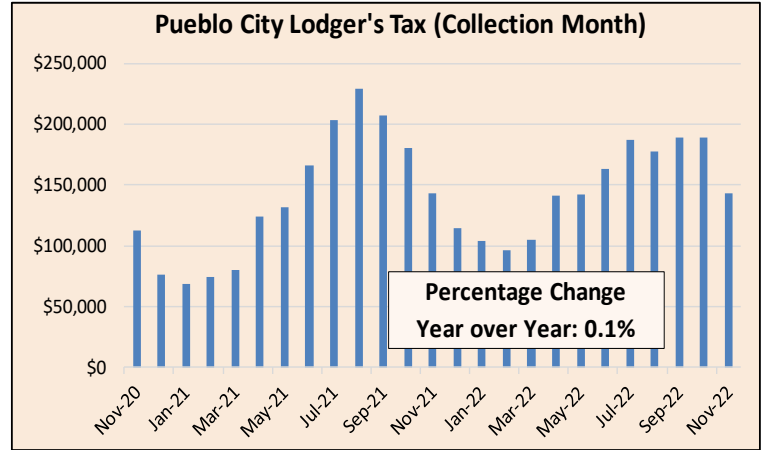
Sources: CoStar Group™; Olive Real Estate Group, Inc.

Pueblo Economic & Workforce Development Dashboard

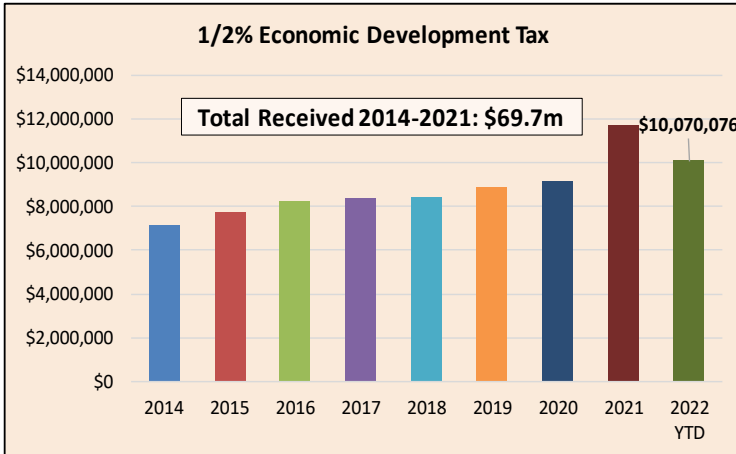
TAXATION, VEHICLE SALES, AND TOURISM (PAGE 8)



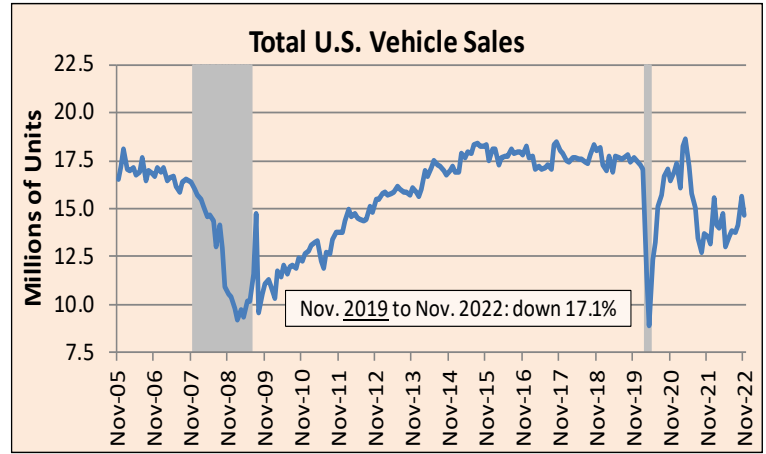
Source: City of Pueblo



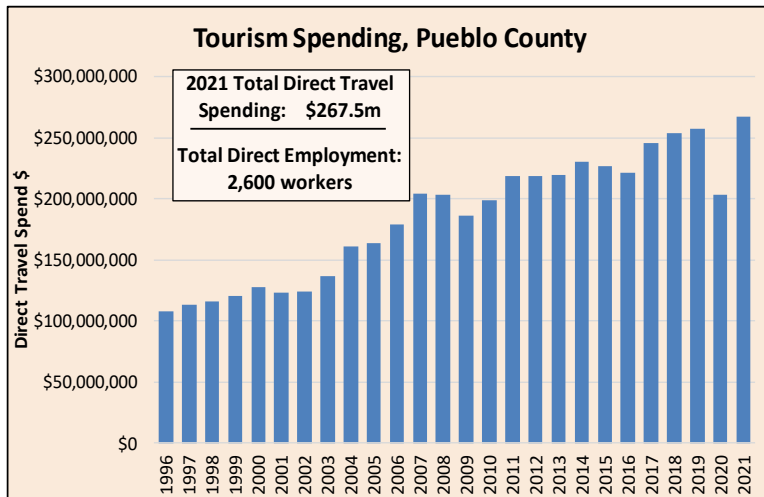
Source: City of Pueblo



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:

