

Pueblo Economic & Workforce Development Dashboard

Highlights—March 2023

Hello and Happy Monday! I have three quick administrative things before digging into the narrative. During March I did two interviews with CPR/NPR on two topics that seem to be of interest to many people. One talks about the lower labor participation rate in the U.S. and the current job market (<https://www.cpr.org/show-segment/what-the-economy-means-for-your-job-prospects-in-colorado/>). The other one talks about the SVB/Signature Bank/First Republic debacles (<https://www.cpr.org/show-segment/what-the-banking-turmoil-means-for-you/>).

Especially because of the heightened economic headwinds, I will be doing a **presentation** open to the public in Colorado Springs on May 17th in the afternoon (followed by a happy hour, of course – see “visual”). Details will be posted on our nonprofit’s website (<https://www.ddestrategies.org/>) in the next two weeks.



Consumer Sentiment {Page 3} declined in March to 63.4 from 67.0 the month prior. According to the UM survey, sentiment fell for the first time in four months – and the survey happened before the banking woes. Confidence fell amongst two primary groups: lower-income, less-educated, and younger consumers as well as the largest stockholders (think Daddy Warbucks). Inflation is still the primary reason for soured sentiment both for current conditions as well as future prospects. Inflation *directly* impacts lower income earners the most since they use the majority of their income on basic needs. Inflation *indirectly* impacts higher earners since the related higher interest rates squeeze corporate profits and stock valuations (and higher earners typically hold much of their wealth in stocks).

U.S. Job Openings {Page 3} also declined, although you can visually see in the chart that they remain elevated at almost double the pre-pandemic levels. Keep in mind that this data from the BLS lags about two months so many of the companies that have frozen or reduced job postings will not yet show in this data. It’s also true that more layoffs are now happening and it’s beyond the (small total employment) tech sector. However, the overarching context is that we are still hovering around 11 million job openings and the average number of openings during 2018 and 2019 was 7.1 million. A lot of frozen hiring and layoffs will need to happen to close that large chasm. And people with niche and high-demand skills will continue to be in short supply regardless of a recession.

Speaking of job openings, part of the reason **Inflation {Page 3}** remains elevated is because of the tight labor market and the corresponding wage pressure. Although “headline” inflation fell to 6.0% in February from 6.4% in January, “core” inflation (which strips out the more volatile food and energy components) increased slightly to 0.5% month-over-month, versus the 0.4% increase from December to January. That may seem like a small difference, and it is. However, the Fed in its interest rate decisions looks more at the “core” rate because it represents so many other categories of goods. In other words, inflation is broad-based. In addition, even a small increase is in the opposite direction of what the Fed wants. As an economist, it’s interesting that despite some of the most aggressive interest rate hikes in decades, inflation is barely budging – and hikes started about a year ago.

That pesky inflation is the reason that the Federal Reserve went ahead with a 0.25% **Interest Rate {Page 3}** hike last week despite the further (credit) tightening that may occur in the wake of the bank failures (go to the CPR segment referenced above if you want more info). In the end analysis, the Fed cares more about restoring price stability and bringing down inflation for everyone than it does about the relatively few people who have more than the FDIC insured \$250,000 in their bank accounts. The Fed was also able to quell fears by making the (bold) statement that they would insure depositors at these at-risk institutions above the \$250,000 limit (!). The Fed also made billions available to banks in the form of loans should they have a liquidity problem. In other words, the Fed used alternative measures to address the banking situation and stuck with the hikes in interest rates to address inflation. Makes me think of the days when I was cooking dinner, teaching my kids algebra, sneaking into my office to do some (part-time) analytical work, and blissfully losing my mind. A lot going on.

Although it’s true that economists are indeed still concerned about the (overly strong) labor market, there does appear to be some slack showing up in the more recent data as I referenced above. **Unemployment {Page 3}** in the U.S. increased in February to 3.9% whereas it stood at 3.3% at the end of 2022. State unemployment rates also increased to 3.2% in February from 2.5% in December, and in Pueblo County, rates increased to 4.6% from 3.7%. These are material increases showing that the labor market is indeed softening a bit although any economist would agree that a rate below 4.0%-4.5% still represents too many unfilled jobs. It’s worth noting that in its latest forecast, Wells Fargo is predicting a 3.9% unemployment rate for all of 2023 and a 5.0% level for 2024 in the United States. The Conference Board is forecasting even lower unemployment rates (3.6% for 2023 and 4.3% for 2024). These are all at or below what economists consider “equilibrium.”

[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](#)

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Pueblo Economic & Workforce Development Dashboard

Another example of some softening in the labor market can be seen in the Pueblo [Workers Available per Job Opening {Page 4}](#). In the textbox under the top job openings table, you will see that Pueblo had 0.99 available workers per job opening in February. In December that same metric was 0.86 workers. This isn't too alarming yet as I would argue that some modest softening of the labor market will be a good thing, especially if businesses find it easier to fill critical jobs and some modest wage pressure remains (so wages at least keep pace with inflation).

The latest total employment data through the BLS just became available. It shows that for the first three quarters of 2022, Pueblo gained 1,348 [New Jobs {Page 4}](#). And if you look at the graph, in 2021, 600 jobs were gained. As a reminder, the dotted line shows that Pueblo needs roughly 455 new jobs in order to match population growth. All in, through 2022 Q3 the data is stellar, and I am thinking that employment gains will far exceed expectations once final data is in for 2022.

The same BLS/QCEW data update is reflected in the graph directly above, [Quarterly Employees in Top 12 Sectors Pueblo County {Page 4}](#). In this chart you can see the industries that represent the highest levels of regional employment. Visually you can see that health care and social assistance (dark red line) has declined while retail trade (blue), construction (olive), and transportation/warehousing (red) have all increased. The "super sectors" with the most growth since 2016 are listed with the percentage increases in the textbox within the graph.

And there were welcomed increases in the associated [Wages {Page 4}](#). On average in Pueblo County in 2022 Q3 wages increased to \$54,964 (from \$50,544 in 2022 Q2). Both the U.S. and CO also had increases, although the gaps between the Pueblo region and the state and U.S. fell, which is great news, and I hope it holds. In the previous quarter, Pueblo had wages 24.9% lower than the U.S. and 28.6% lower than CO, and in 2022 Q3 (most recent data available), Pueblo wages were 20.8% lower than the U.S. and 26.4% lower than CO. It's still too big a chasm and one quarter does not make a trend, but at least wages are moving in the right direction. Pueblo will need more growth in higher-paying sectors such as professional and technical if it is to make more progress in closing the wage gaps.

[Pueblo Home Sales {Page 7}](#) increased in February, and this mirrors what's happened across most of the U.S. Thirty-year mortgage rates came down a bit in February and those marginal declines helped convince some buyers to buy either new or existing homes. Residential construction companies in particular have been successful in providing incentives to lure buyers (e.g., mortgage rate buydowns are being used by 75% of construction companies). During March, we have seen mortgage rates creep back up so we may see a downward trend in sales.

Despite higher mortgage rates, however, Pueblo home prices are once again increasing. The [Median Home Price {Page 7}](#) for new and existing homes increased to \$318,500 in February from \$290,997 in January (up 9.5%). Over the past year, the median home price has gone up 6.5%. This tells me that a housing shortage is a housing shortage, and even with less favorable terms (e.g., higher rates), people are still needing to buy homes and they are absorbing the higher costs. It's likely many people are using a higher proportion of their income towards housing costs. The nation-wide and local housing shortage will not be helped by the decreased building levels (see [Permits, Page 7](#)).

I was contacted by a reporter from the *Pueblo Chieftain* last week regarding [Sales and Use Tax {Page 8}](#) and basically stated that February's decline aligns with some of the lower consumer sentiment I addressed earlier in this narrative. There is also some seasonality in that decline since the February report reflects January's lower sales (post-holidays). However, it's still important to note that if we compare February of this year to February of last year, gross sales tax receipts are up 13.4%.

FYI that we are keeping our eyes open for 2022 tourism data from the Colorado Tourism Office. When it is released, we will include it in our charts and narrative.

If you have plans for spring break, I hope you thoroughly enjoy your time off. Happy (almost) spring!

Tatiana & Rebecca

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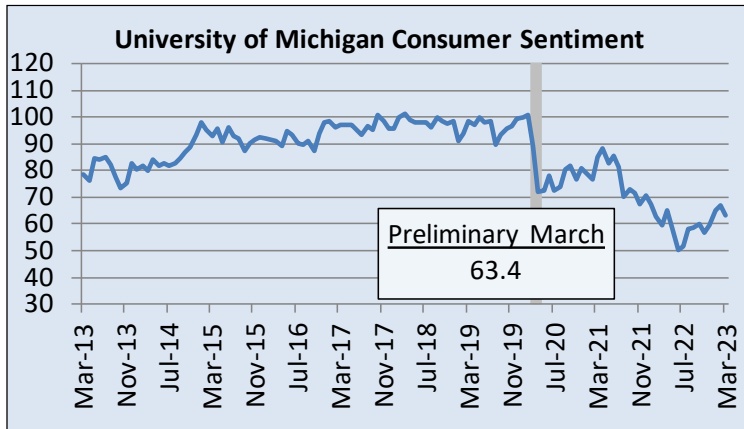
MACROECONOMIC "BIG PICTURE" (PAGE 3)



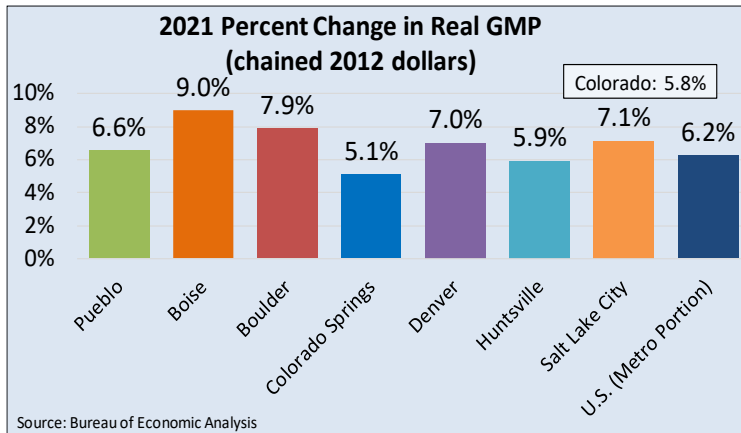
*Estimate of real GDP percent change from same quarter a year ago, SA

**If quarterly changes were annualized over the year.

Source: U.S. Bureau of Economic Analysis



Source: University of Michigan

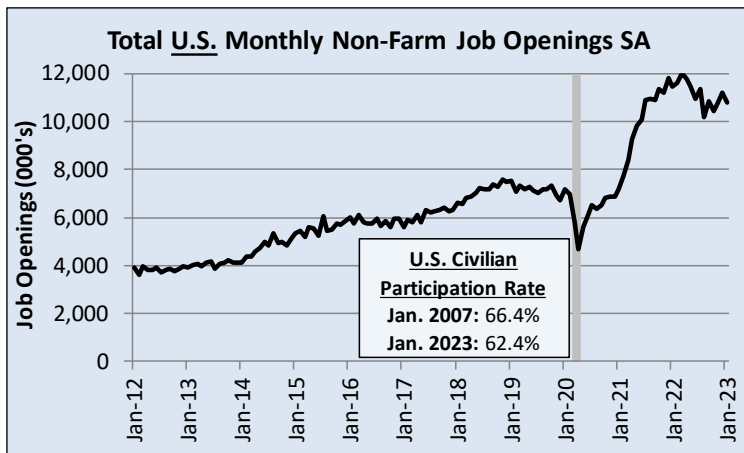


Source: Bureau of Economic Analysis

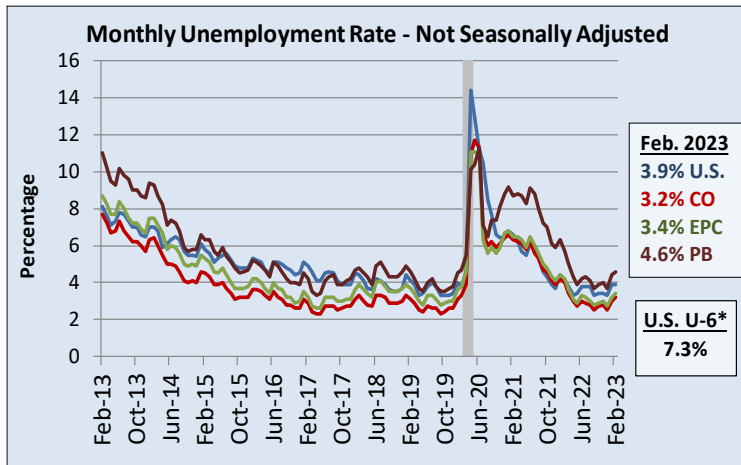
Note: Data includes military. Real GMP is adjusted for regional price parity (RPP).

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.

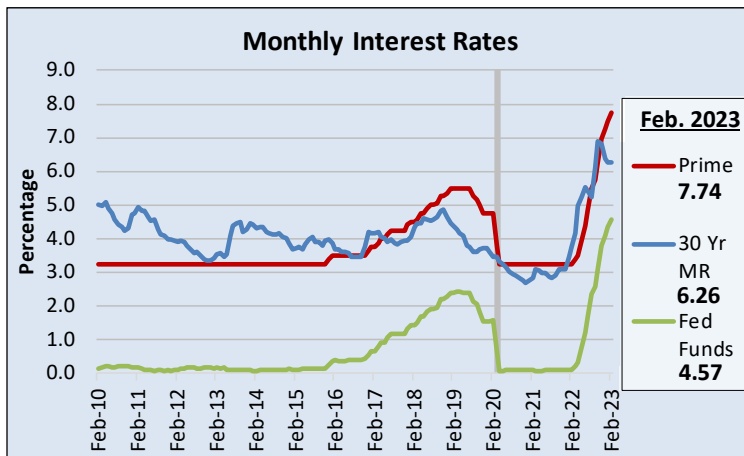
*U-6 includes unemployed, those marginally attached to the labor force, plus those employed part time who would prefer full-time work.

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

U.S. Consumer Price Index - February 2023		
	All items	Less food & energy
Change from January to February 2023 (SA)	0.4%	0.5%
Last 12-months (NSA)	6.0%	5.5%

The 2022 cost of living in Pueblo MSA was 97.2% of the U.S. average according to C2ER. Colorado Springs's index was 105.0% of U.S.

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



Source: Board of Governors of the Federal Reserve System

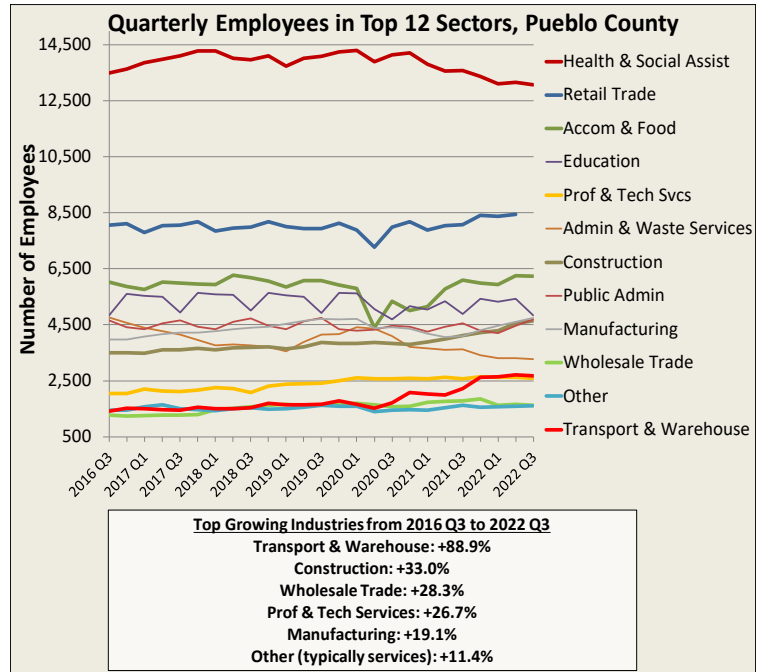
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LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Pueblo County, February 2023			
Top Job Titles (Pueblo MSA)	# of Job Postings (Pueblo)	Median Advertised Salary (Pueblo)	Risk of Automation (U.S.)
Registered Nurses	419	\$113,408	Low Risk
Retail Salespersons	93	\$32,128	Medium Risk
1st-Line Supervisors, Retail Sales	79	\$47,744	Low Risk
Food Service Managers	70	\$47,360	High Risk
Fast Food & Counter Workers	67	\$30,080	High Risk
Customer Service Reps	56	\$31,104	Medium Risk
Medical & Health Services Managers	53	\$85,248	Low Risk
Nursing Assistants	53	\$42,624	Medium Risk
Sales Reps, Wholesale & Mfg	50	\$41,600	Medium Risk
Maintenance & Repair Workers	50	\$44,672	High Risk

Pueblo MSA, February 2023
TOTAL Job Openings: 3,573
TOTAL Unemployed: 3,551
Workers Available per Job Opening: 0.99

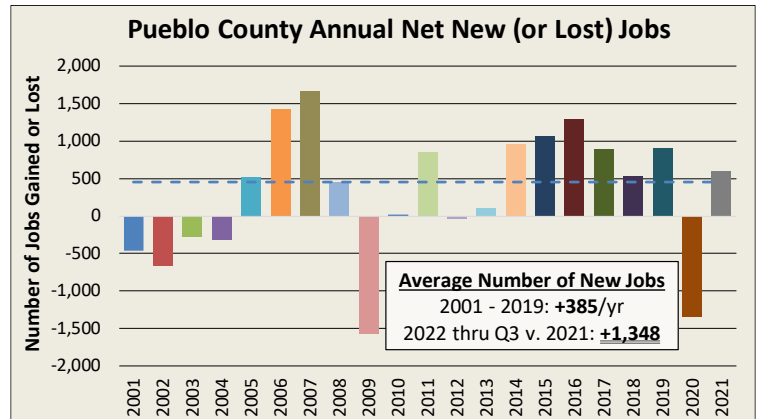
Sources: The Conference Board®-Lightcast® Help Wanted OnLine® via Pikes Peak Workforce Center; CO Dept. of Labor & Employment



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 February 2023		
Name of Employer	# of Job Postings	Median Advertised Salary
Parkview Medical Center	217	\$78,592
Pueblo County School District 70	79	\$57,216
Parkview Health System	64	\$51,456
Centura Health	61	\$81,664
Pueblo City Schools District 60	53	\$64,000
City Of Pueblo	53	\$64,384
Evrax Rocky Mountain Steel	43	\$57,344
Colorado State University	43	\$54,784
TotalMed	42	\$218,624
Colorado State Government	42	\$55,680
Aya Healthcare	36	\$156,160
Crossroads Turning Points	30	\$41,344
Health Solutions Us	29	\$59,392
Walmart	28	\$38,528
Lfb USA	27	Insf. Data

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 Q3 Average Annual Wages for All Industries			
<i>Pueblo wages are 20.8% lower than the U.S.</i>			
<i>26.4% lower than Colorado</i>			
<i>13.8% lower than El Paso County</i>			
U.S.	Colorado	El Paso County	Pueblo County
\$69,368	\$74,724	\$63,752	\$54,964
2022 Q3 Total Employment			63,003
2022 Q3 Total # Establishments			3,933

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

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

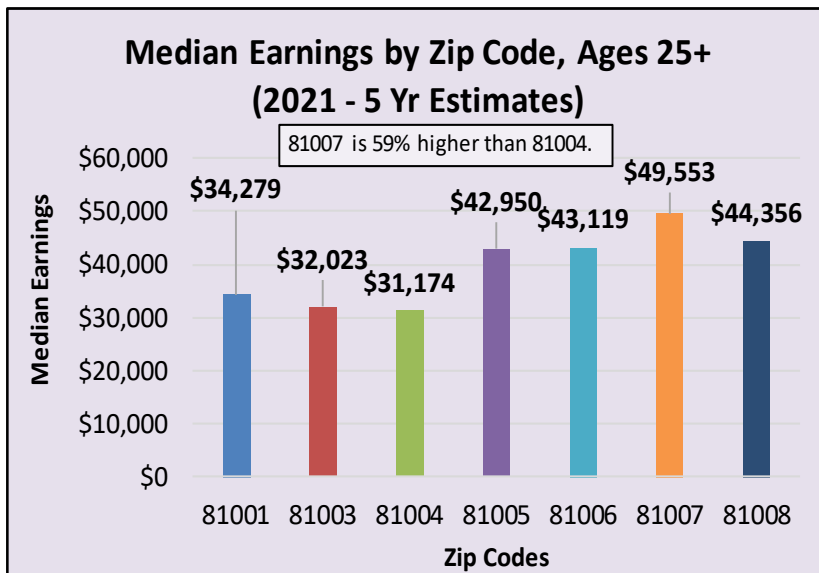
2022-23 Minimum Wage & Living Wage Pueblo County		
	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$13.65	\$28,392
Living wage: HHs with 1 adult, 2 children	\$45.38	\$94,390
Living wage: HHs with 2 adults (1 working), 2 children	\$39.18	\$81,494
Living wage: HHs with 2 adults* (2 working), 2 children	\$25.00	\$52,000
<i>*Living wage is for each working adult. For specifics, go to livingwage.mit.edu.</i>		

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



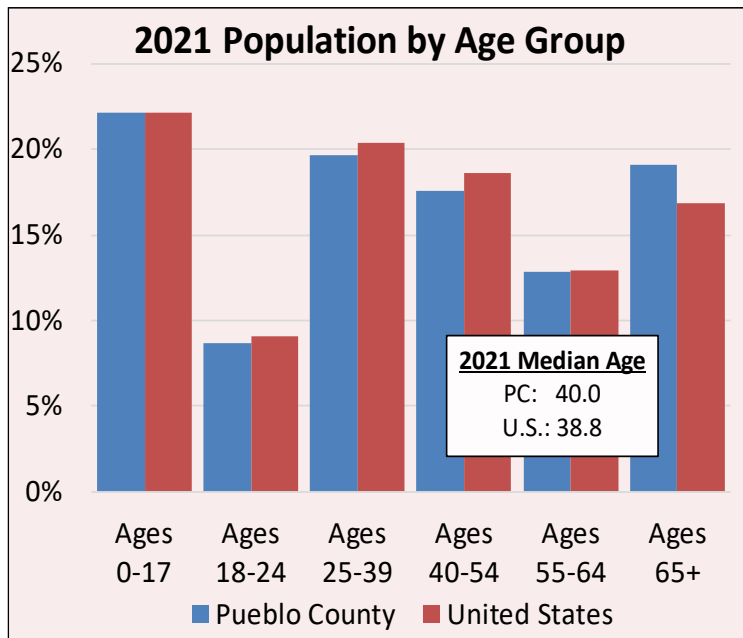
Five-year estimates are more accurate due to small sample size in many zip codes. Data for 5-year estimates lags, so 2021 should be released in December 2022.

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)

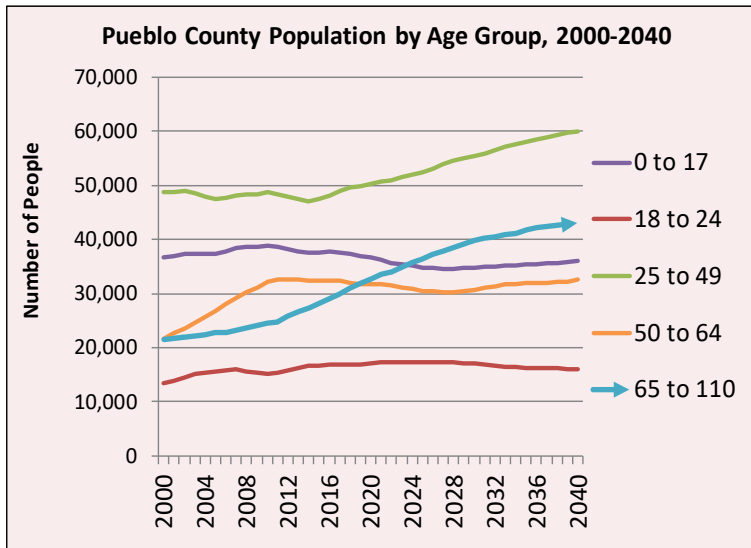


Sources: U.S. Census Bureau, Population Division, Population Estimates Program; American Community Survey 1-year estimates

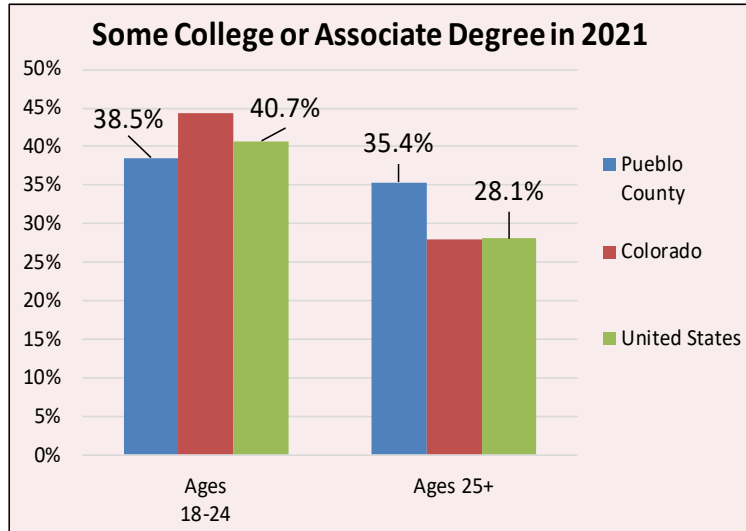
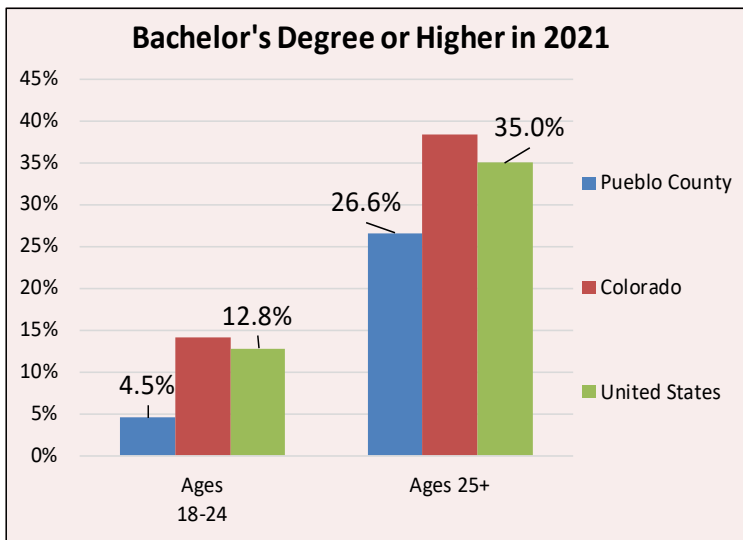
Population Estimates

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

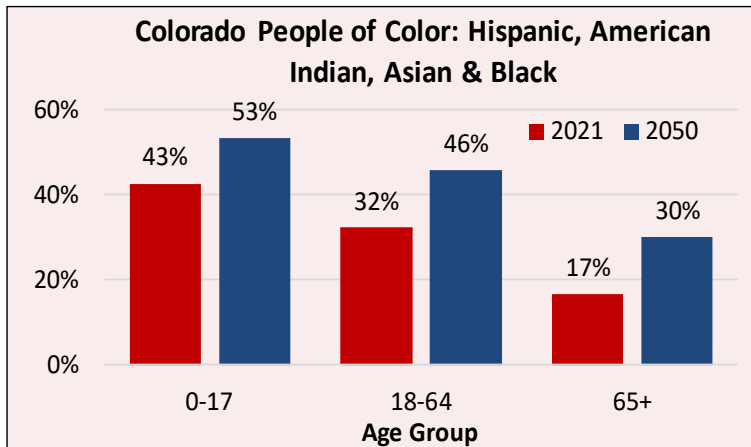
Source: Colorado State Demography Office



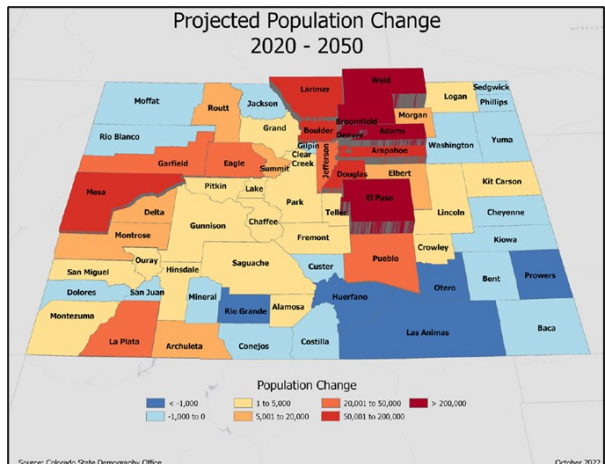
Source: Colorado State Demography Office



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

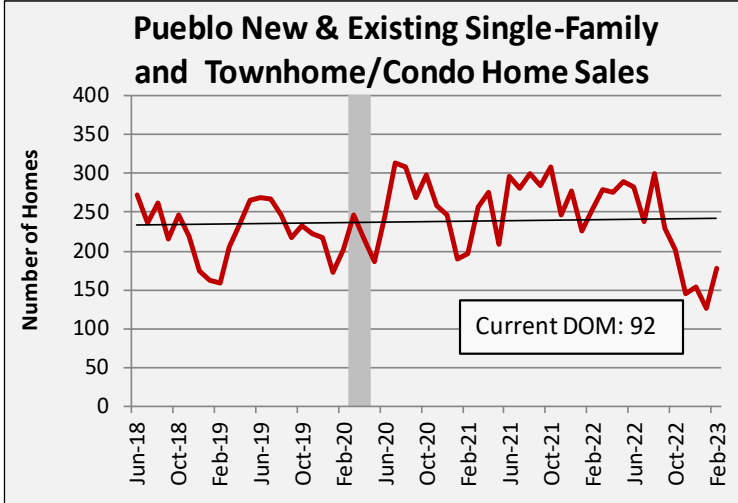


Source: Colorado State Demography Office



Source: Colorado State Demography Office

REAL ESTATE (PAGE 7)

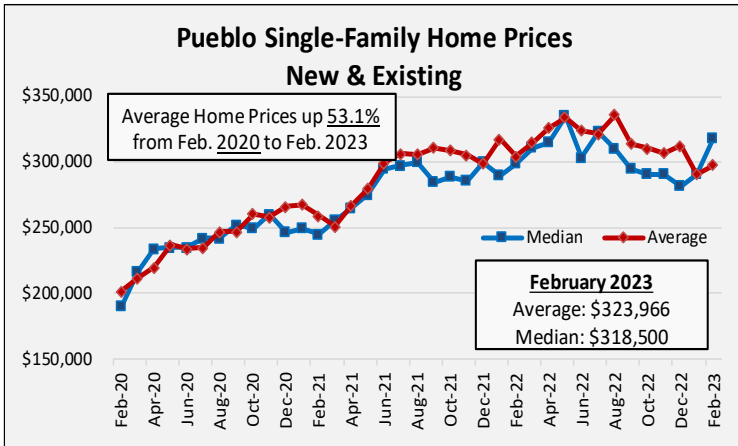


Source: Pueblo Association of REALTORS®, Inc. (PAR)

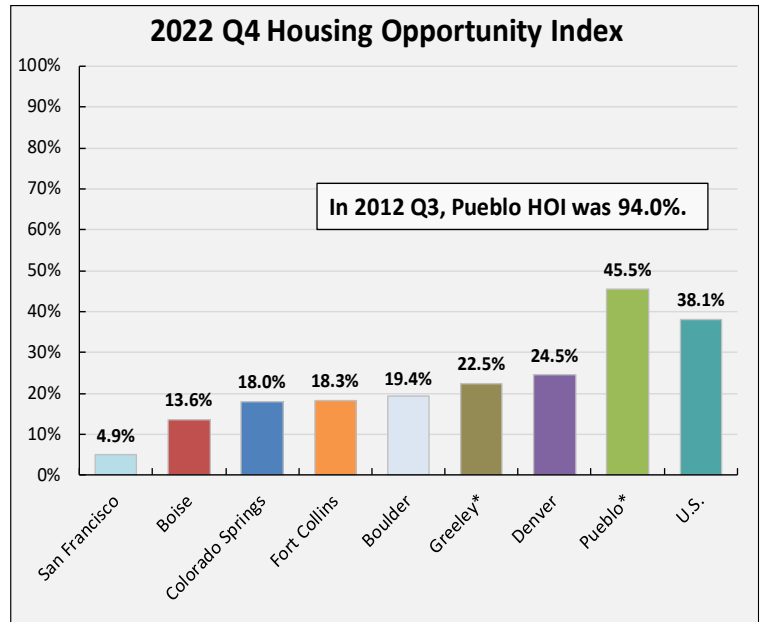
Median Existing Single-Family* Home Price 2022 Q4 (CS, Denver, U.S.) and Feb. (Pueblo)

Location	Colorado Springs	Denver	Feb. 2023 Pueblo (*New & Existing)	United States
Price	\$443,400	\$640,000	\$318,500	\$378,700
1-year % Change	0.2% increase	3.6% increase	6.5% increase	4.0% increase
MSA Rank	35	13	90	n/a

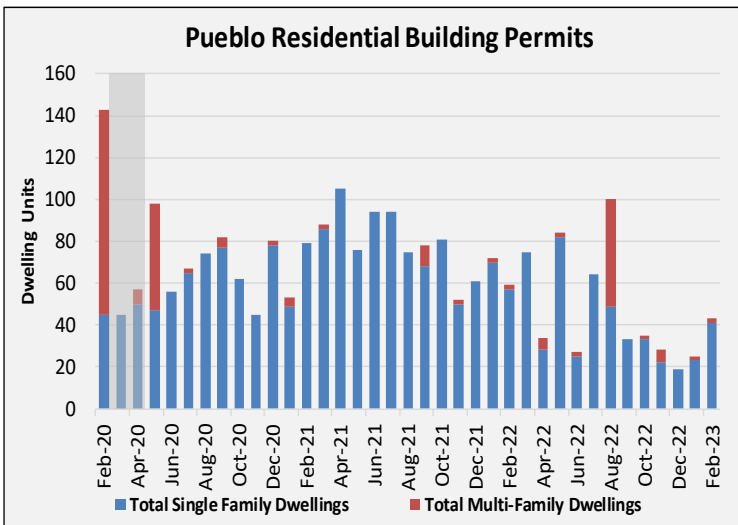
*Includes existing homes only except for Pueblo, which includes new & existing since PAR only reports both (combined). Pueblo ranking is estimated based on similar MSA city ranking and price is for most recent month. 190 MSAs measured. Sources: National Association of REALTORS®; Pueblo Association of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



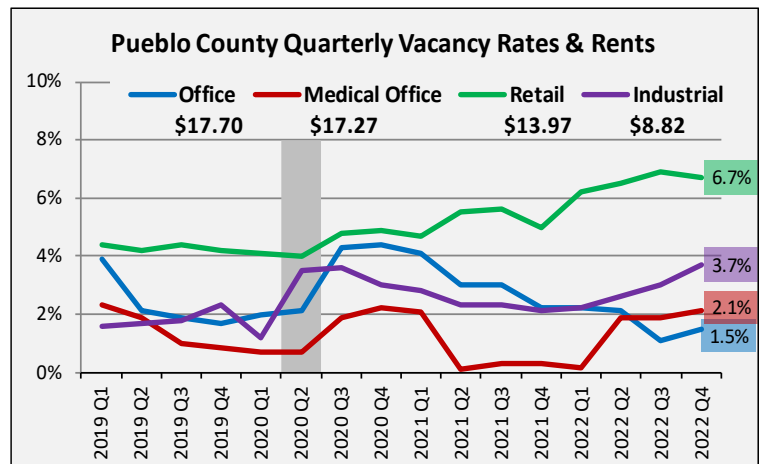
Source: Pueblo Association of REALTORS®, Inc. (PAR)



*Most recent Greeley and Pueblo data is not available so their HOI is still 2022 Q3. 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



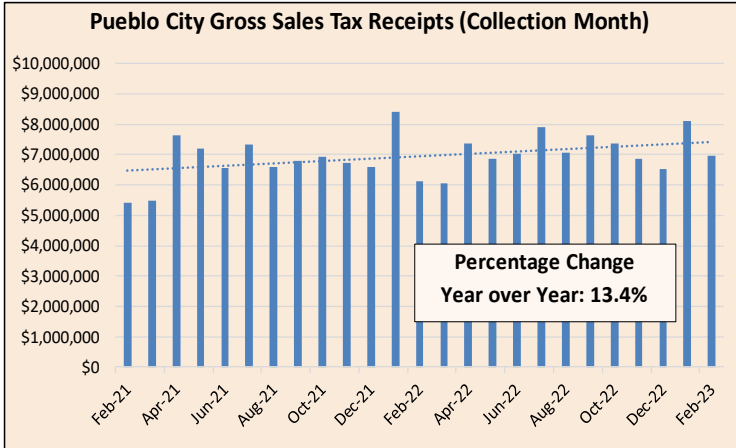
Sources: Pueblo Regional Building Department; City of Pueblo



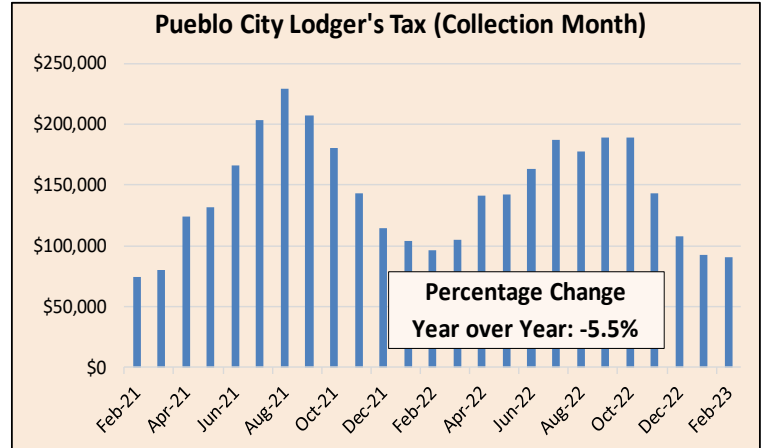
Sources: CoStar Group™; Olive Real Estate Group, Inc.

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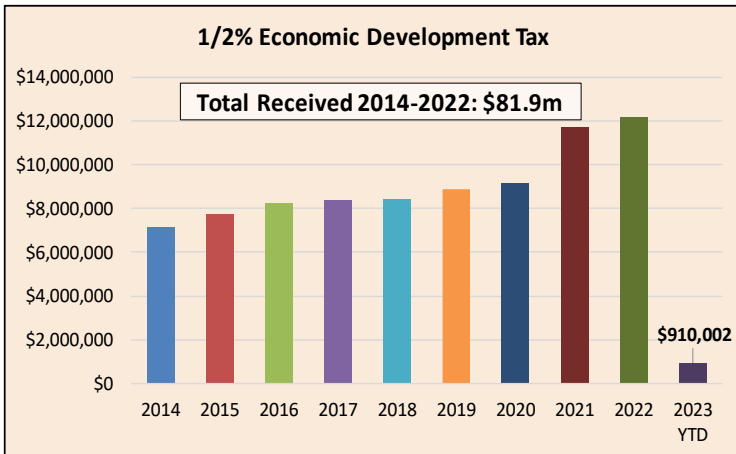
TAXATION, VEHICLE SALES, AND TOURISM (PAGE 8)



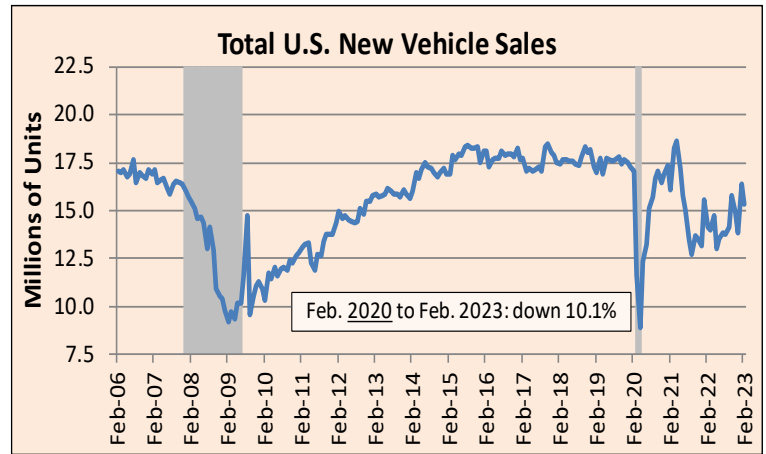
Source: City of Pueblo



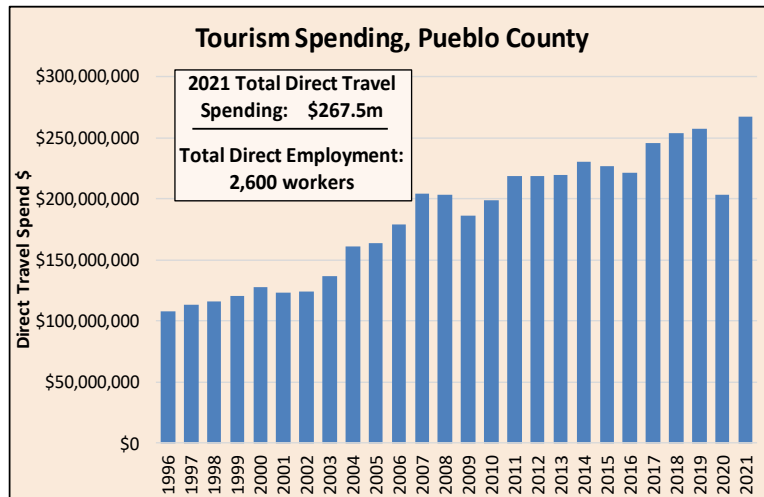
Source: City of Pueblo



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

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