

Pueblo Economic & Workforce Development Dashboard

Highlights — August 2023

The **University of Michigan Consumer Sentiment {Page 3}** survey had been showing a general upward trend since July of 2022 after hitting a very low point in June of 2022 (with an index of 50) when inflation really took off. As the chart shows, for the decade leading up to the pandemic, consumer sentiment was much higher, typically between 90 and 100. As one would expect, the uncertainty of the pandemic understandably pulled the index down. However, once we got past the low point in June 2022, which was largely attributable to inflation most evident in high gasoline prices, sentiment gradually improved.

Yet, most recently, consumer sentiment has ticked back down to 69.5 (August 2023) from 71.6 in July. This is mostly due to a worsening *long-run* economic outlook, but with gasoline prices increasing again and with prices overall now being higher, it's not surprising that consumers are feeling a bit skittish about both the current and future economic landscape. One year-ahead **Inflation {Page 3}** expectations are at about 3.5% and longer-run inflation expectations are at 3.0%, both above the Fed desired 2% range. It's anecdotal, but I listen intently when I hear people talk about sticker shock when they go to a grocery or other goods store. Although we are nowhere near the 9% inflation rate we experienced last summer, Federal Reserve officials and consumers alike are feeling that a roughly 3% inflation rate is here to stay, at least for a while. There is some evidence of this given that the year-over-year headline inflation rate in July ticked up to 3.2% from 3.0% in June. This is not the progress the Fed is hoping for and much of the reason that at the famous "Jackson Hole" conference of quantoids (as I call them) are expecting interest rates to stay higher for longer. In other words, the "pause" in interest rate hikes may be prolonged with the Fed holding our current **Fed Funds Interest Rate {Page 3} at 5.5%**. Some economists are now saying that the extremely low interest rates that held for about 15 years are a thing of the past. I can perhaps see that with elevated wages due to the chronic labor shortages brought on by structural demographic shifts, less stable food prices largely due to climate changes, and upward price pressures due to reshoring. Historically, inflationary pressures are effectively mitigated by economic slowdowns/recessions. The question is whether such a cyclical slowdown will be sufficient to eclipse these structural headwinds.

Having said all this, there does seem to be a bit of a disconnect between what consumers are saying and how much they are still purchasing. Retail sales for July were quite robust despite lower savings rates and climbing delinquencies. If you want to hear more and visually see the data, I did a [Fox21 segment](#) on this last week that was also a [Gazette article](#). It may appear that consumers are irresponsibly overspending, but we shouldn't discount the impact of inflation. People have to spend more now because prices are higher. While consumers are not happy about elevated prices, some of their spending is likely fueled by their sense of job security which is also enabling elevated spending levels. Indeed, **Unemployment Rates {Page 3}** are still historically low, with the U.S. rate holding steady in July at 3.8%, and the Colorado state rate increasing slightly to a still very low 3.5% (from 3.4% in June). Pueblo did have a more material increase in unemployment (from 4.5% in June to 4.8% in July), but the rate is still within range of a "natural," frictional unemployment rate. The ratio of **Workers Available per Job Opening {Page 4}** aligns with the uptick in unemployment as it increased from 0.82 in June to 0.86 in July. This is due to an increase in the number of people unemployed (up roughly 300). This modest softening of the labor market is also happening in Colorado Springs and across the U.S. I'll be closely watching these trends and will keep you posted, but even with this data and with **Job Openings {Page 3}** falling to 8.8 million in July from 9.2 million in June, I am not sure you can make blanket statements about the labor market. The modest "softening" of the labor market is not what economists would typically call a "soft" labor market. All you have to do is look at the graphs and see that U.S. job openings are still 25% higher than pre-pandemic levels and that unemployment rates are comparable to the very low, pre-pandemic levels. Indeed, there are some contradictions in the economic data, which tells me there may be a paradigm shift happening in the U.S. and global economies. Some of the "rules" that have applied in the past (e.g., higher interest rates mean high unemployment rates) may no longer apply.

Another consideration is the labor participation rate and how it's been holding steady. Compared to previous decades, a 62.6% participation rate (June 2023 rate) is quite low, and we all know some of that is aging demographics in addition to some working-age people participating less in the labor force. But a flip side to this is that a steady labor participation rate now, albeit low, is in spite of the large waves of people who are retiring (see chart). In essence, a steady participation rate means more (young) entrants into the labor force because proportionately, more (older) people are leaving the labor force. This has to continue for the labor shortages to *not get worse*. This solidifies in my mind that we will not only have to allow more international in-migration, we will also have to engineer more (free?) training/education, subsidized childcare, and other incentives just for the U.S. labor market to stay in its current meager state. Childcare challenges will be even more pronounced as federal (pandemic) subsidies are coming to an end next month, estimated to further reduce child



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

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slots by 3.2 million (more on that in this week's Fox21 segment). Hence, an economic slowdown will bring some workers back; I just don't think such a slowdown will have the labor market impacts it's had in the past.

We have some additional *local* labor market information from the Quarterly Census of Employment and Wages (QCEW), which was just released for Q1 of this year. **Pueblo New/Lost Jobs {Page 4}** show that in Q1, the region lost 777 jobs. This is breaking the trend of the past couple of years. In 2022, the region gained 1,457 jobs, which is about three times the number of new jobs needed to match population growth (shown by the dotted line). In 2021, the region gained 600 jobs, also exceeding the ideal threshold. It's important to note that Pueblo lost 1,327 jobs during the pandemic (2020). Hence, the losses of 2020 are largely offset by the gains in 2022. As aforementioned, what happens next in this new normal is hard to say. I am not happy with the most recent 2023 Q1 data showing a loss of 777 jobs, but it's also important to note that Q1 data is typically less favorable than subsequent quarters so I'll update you as new data filters in.

Pueblo County Employees by Sector {Page 4}, also from QCEW, shows the industries with the most job growth. There are the usual suspects of transportation and warehousing (+66.4% since 2017 Q1), wholesale trade (+27.7%), professional and technical services (+23.2%), construction (+23.7%), manufacturing (+21.5%) and retail trade (+4.8%). I like keeping track of these top employment sectors because they tell us what the region's "super sectors" are, which typically align with areas of comparative advantage. Before leaving this topic, I want to point out the decline in health care and social assistance jobs. Although employment in this sector is ticking up a bit now, overall employment in this industry is well below pre-pandemic levels, which is a national trend as well. Given the importance and inherent growth of this industry (with our aging population), shortages in health care employment are a regional and national risk. Targeted efforts will need to be made to raise awareness about these job opportunities alongside available and accessible training programs.

QCEW also gives us wage information, and unfortunately that data isn't trending in the direction I'd like to see. In previous reports we showed that in 2022, **Pueblo Wages {Page 4}** were 25.0% lower than U.S. wages, 29.4% lower than Colorado wages, and 15.4% lower than El Paso County wages (which are also below U.S. and state wages). As the table shows in your current report, those percentages have deteriorated so far this year with Pueblo wages now 27.4% lower than U.S. wages, 31.8% lower than Colorado wages, and 15.7% lower than El Paso County. This is unfortunate all around, and I have to say that it surprises me that both Colorado cities I track (Pueblo and Colorado Springs) continue to underwhelm in this regard. Pueblo has not gotten as expensive as Colorado Springs, but Pueblo's **Regional Cost of Living Index {page 3}**, at 98.7% of U.S. city averages, is most definitely not low enough to justify wages that are roughly a third lower than the nation and state. More jobs in higher paying industries would help, and that should be a focus of economic development efforts, but I suspect there is also a legacy of lower wages that tie to a time when Pueblo was significantly less expensive. Wages are notoriously "sticky," but the trends are not moving in the right direction and city leaders and employers alike should be addressing this structural challenge.

Now, one good piece of news is that in July 2023, **Median New and Existing Home Prices {Page 7}** declined in Pueblo to \$302,000 (from \$325,000 in June). Prices can be volatile, but the general trend is favorable given the inflationary pressures as well as the wage data I just discussed. Higher interest rates also seem to be reducing **Total Home Sales {Page 7}** and increasing days on market (to 80 days in July from 74 days in June). This increase in supply is undoubtedly much of the reason prices have declined and that is welcomed. The unfortunate part of the equation is that with **30-year Mortgage Rates {Page 3}** at 6.84% in July and today at over 7%, **Building Permits {Page 7}** are also down, and that won't likely change until interest rates decline. Builders are more cautious about starting new projects with these higher interest rates virtually ensuring that our housing deficit isn't likely to improve, at least in the short run.

Sales and Use Tax {Page 8} improved in July month-over-month (up 9.1%) although year-over-year this city revenue is down 7.1%. Again, we have to think back to the abnormal pandemic influences like stimulus checks and pent-up demand and keep in mind that declines today are often compared to a year ago when levels were artificially inflated.

Pueblo Tourism Spending {Page 8} for 2022 was just released and those figures are quite positive. As you can see from the chart, regional total spend according to the Colorado Tourism office, was \$296 million in 2022 with 2,776 workers who directly work in tourism-related industries (up 5.2% from 2021) and with total direct tax receipts at \$17.2 million (up 3.8% from 2021). It's important to note that this state data only includes "direct" dollars. While still impressive, these direct dollars do not incorporate the business-to-business activity that feeds into the tourism industry indirectly, nor do they incorporate the consumption impact of all of the employees who work directly or indirectly for the tourism industry. All in, the data confirms that tourism is a huge economic driver across the state, and Pueblo is no exception. The availability of water not only allows room for (population) growth, it's also an asset that stands out in an otherwise dry region. Specifically, Pueblo has a recreational reservoir. I recently did an economic impact analysis for the North Shore Marina, and if the improvements and new amenities come through, that Pueblo asset will significantly elevate that economic impact. Let's hope it all comes through.

Tatiana & Rebecca

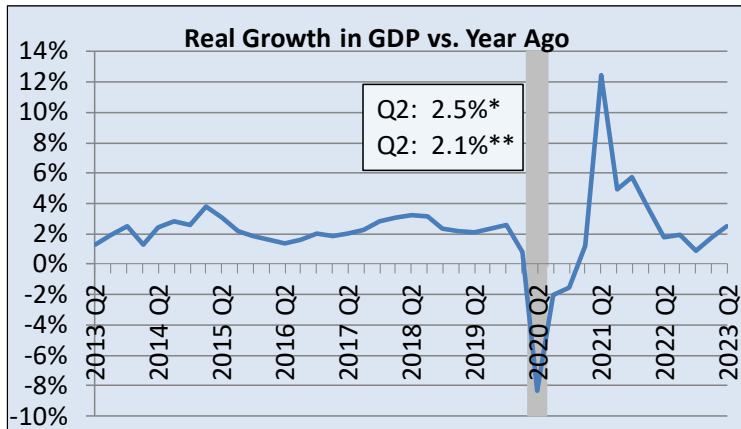
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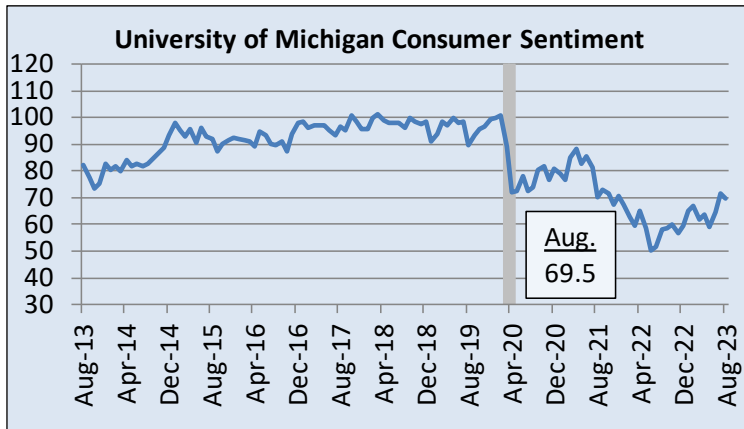
MACROECONOMIC "BIG PICTURE" (PAGE 3)



*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

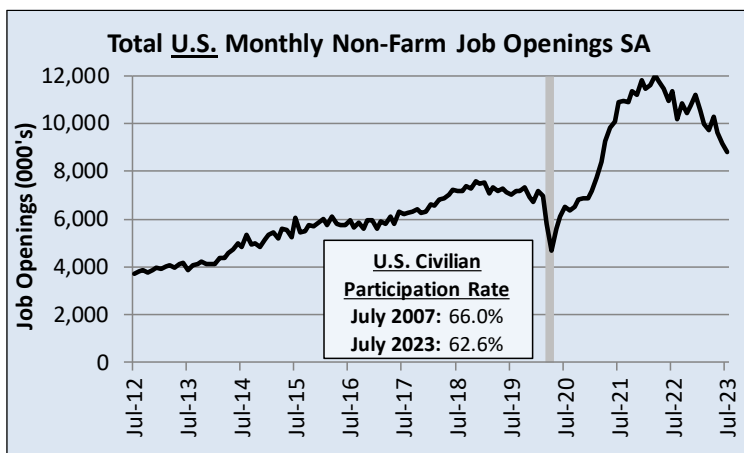


Source: University of Michigan

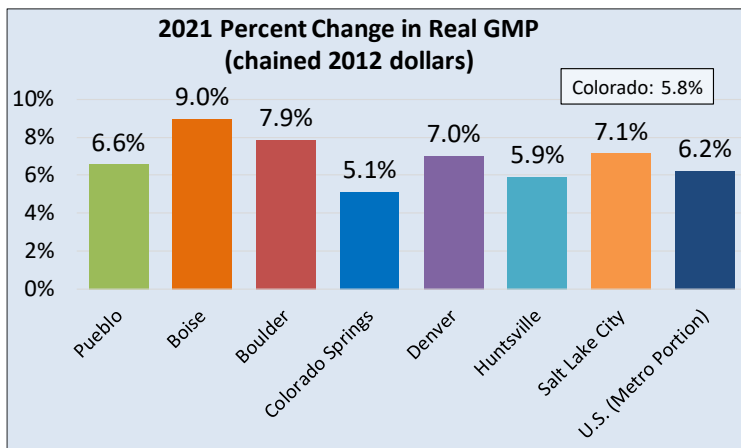
Forecasts for U.S. Real GDP and Unemployment (SA)				
	2021 Actual	2022 Actual	2023 Forecast	2024 Forecast
Real GDP Growth	5.9%	2.1%	1.7%	0.5%
Unemployment Rate	5.4%	3.6%	3.6%	4.4%

Forecasts by Data-Driven Economic Strategies with input from the Conference Board, Wells Fargo, Colorado Department of Labor & Employment, Colorado-based Business & Economic Research, and other anecdotal resources.

Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics



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



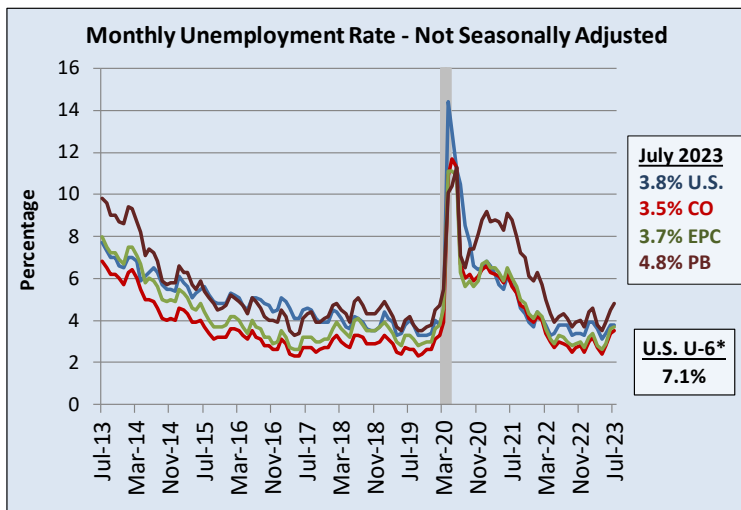
Note: Data includes military. Real GMP is adjusted for regional price parity (RPP). This regional data lags ~23 months.

Source: U.S. Bureau of Economic Analysis

U.S. Consumer Price Index - July 2023		
	All items	Less food & energy
Change from June to July 2023 (SA)	0.2%	0.2%
Last 12-months (NSA)	3.2%	4.7%

The 2023 Q1 cost of living in Pueblo MSA was 98.7% of the U.S. average according to C2ER. Colorado Springs's index was 108.5% of U.S.

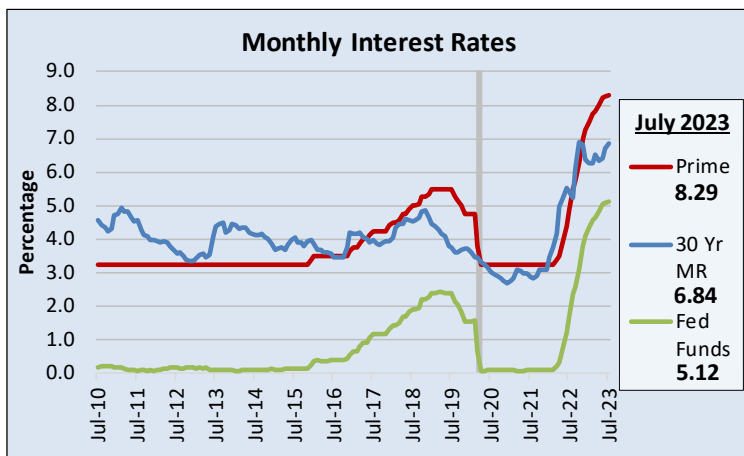
Source: U.S. Bureau of Labor Statistics; all urban consumers (CPI-U)



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



Source: Board of Governors of the Federal Reserve System

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LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Pueblo County, July 2023

Top Job Titles (Pueblo MSA)	# of Job Postings (Pueblo)	Median Advertised Salary (Pueblo)	Risk of Automation (U.S.)
Registered Nurses	354	\$96,512	Low Risk
Retail Salespersons	131	\$33,152	Medium Risk
Heavy & Tractor-Trailer Truck Drivers	107	\$51,968	High Risk
1st-Line Supervisors, Retail Sales	102	\$49,280	Low Risk
Fast Food & Counter Workers	85	\$31,104	High Risk
Customer Service Reps	84	\$32,128	Medium Risk
Sales Reps, Wholesale & Mfg	79	\$55,680	Medium Risk
Food Service Managers	72	\$52,480	High Risk
Medical & Health Services Managers	69	\$86,784	Low Risk
Middle School Teachers	66	\$64,000	Low Risk

Pueblo MSA, July 2023

TOTAL Job Openings: 4,213

TOTAL Unemployed: 3,639

Workers Available per Job Opening: 0.86

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

Top Employers - Pueblo MSA in July 2023

Name of Employer	# of Job Postings	Median Advertised Salary
Parkview Medical Center	119	\$68,864
Pueblo Community College	108	\$80,128
Pueblo City Schools District 60	96	\$64,128
Pueblo County School District 70	95	\$56,192
Parkview Health	81	\$68,480
Colorado State Government	73	\$63,872
Centura Health	66	\$83,200
City Of Pueblo	55	\$51,840
Health Solutions Us	50	\$67,840
State Of Colorado	48	\$62,592
Pueblo County Courthouse	44	\$52,992
Trane Technologies	41	\$80,128
Life Care Centers of America	35	\$52,096
City Of Pueblo Civil Service	34	\$61,440
Lowe's	32	\$34,432

Source: The Conference Board®-Lightcast® Help Wanted OnLine® via Pikes Peak Workforce Center

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.

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

2023 Q1 Average Annual Wages for All Industries

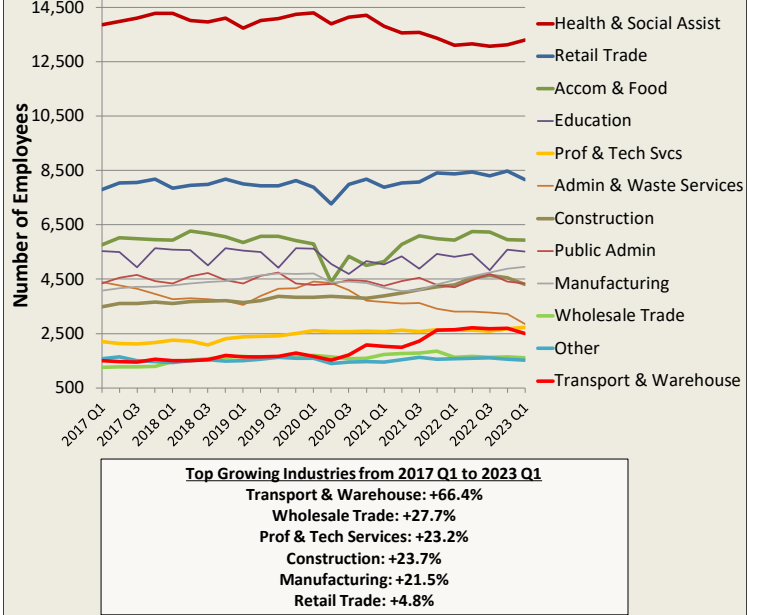
Pueblo wages are 27.4% lower than the U.S.

31.8% lower than Colorado

15.7% lower than El Paso County

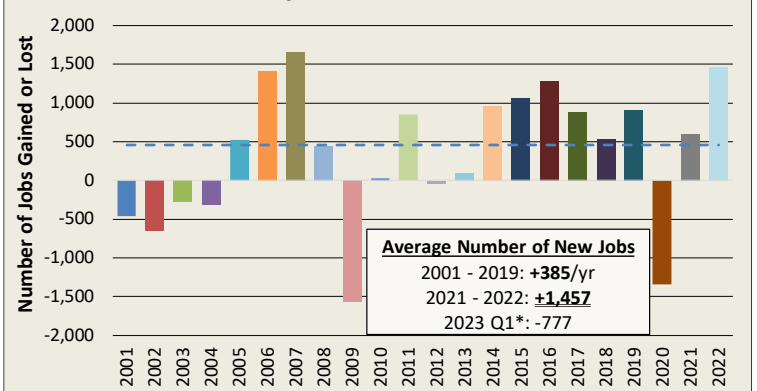
U.S.	Colorado	El Paso County	Pueblo County
\$76,180	\$81,068	\$65,572	\$55,276
2023 Q1 Total Employment			62,171
2023 Q1 Total # Establishments			4,114

Quarterly Employees in Top 12 Sectors, Pueblo County



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 County Annual Net New (or Lost) Jobs



*Quarterly data reflects new jobs (or jobs lost) compared to 2022 annual average number of jobs. 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)

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

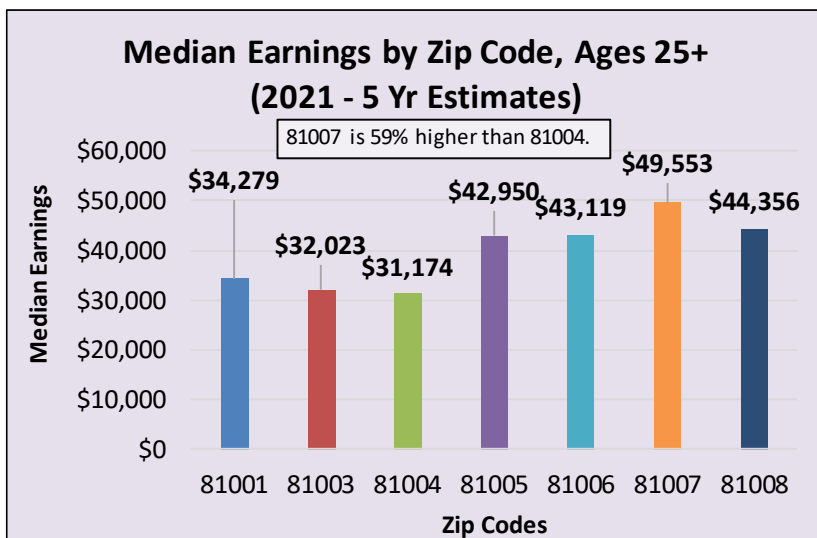
*Living wage is for each working adult. For specifics, go to livingwage.mit.edu.

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

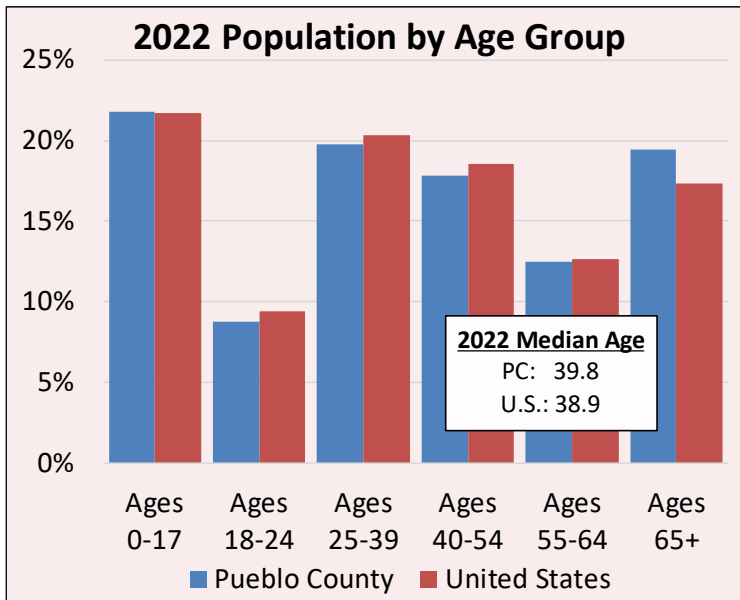


Median Earnings 2021 (All Ages Full-Time)	
U.S.	Pueblo County
\$53,888	\$50,970

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

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

DEMOGRAPHICS (PAGE 6)

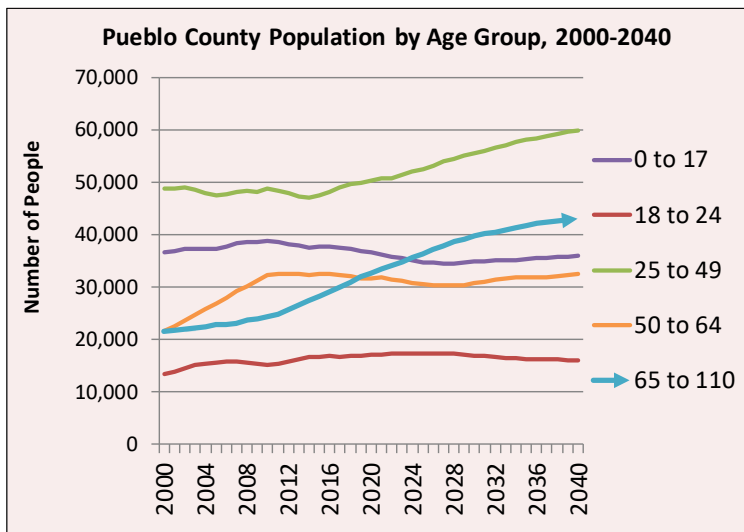


Source: U.S. Census Bureau, Population Division, Population Estimates Program

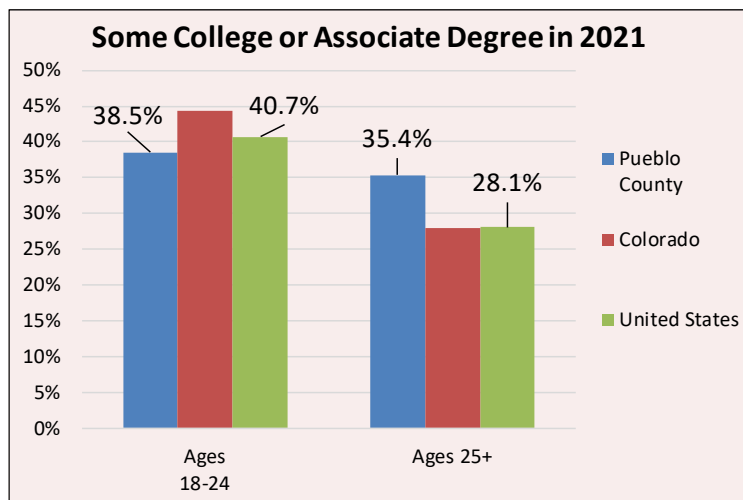
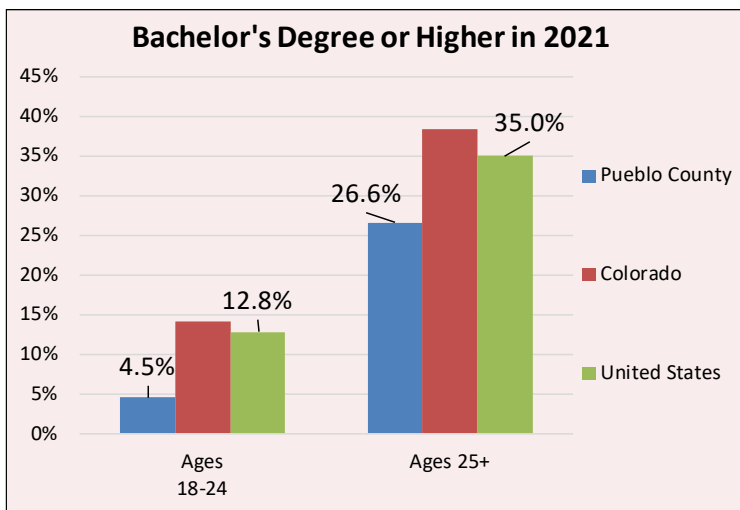
Population Estimates

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

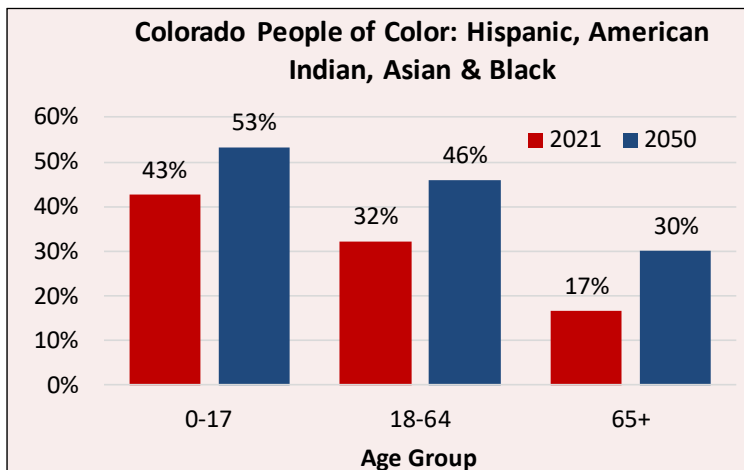
Source: Colorado State Demography Office



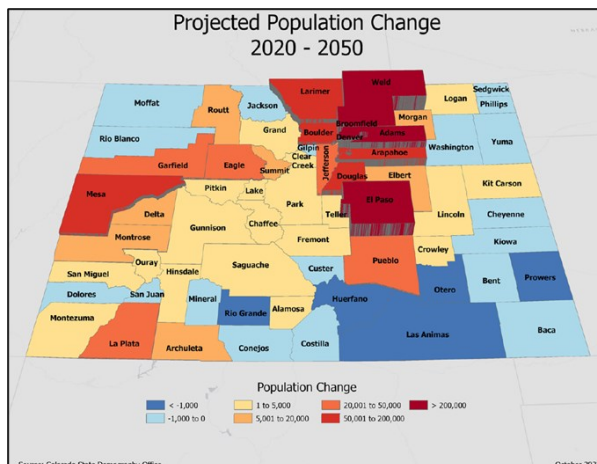
Source: Colorado State Demography Office



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

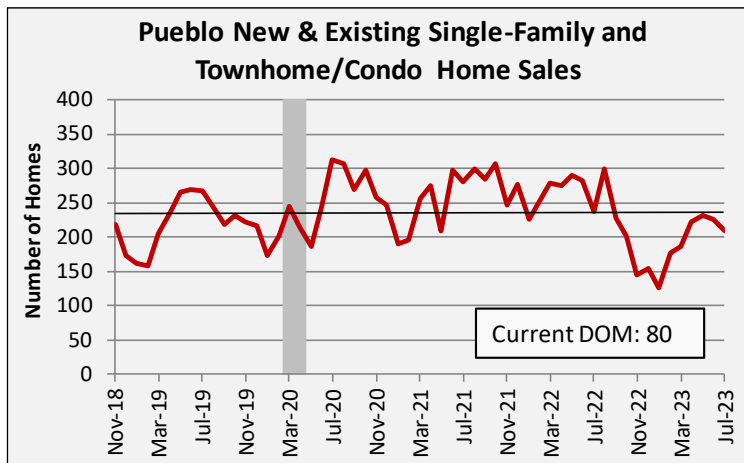


Source: Colorado State Demography Office

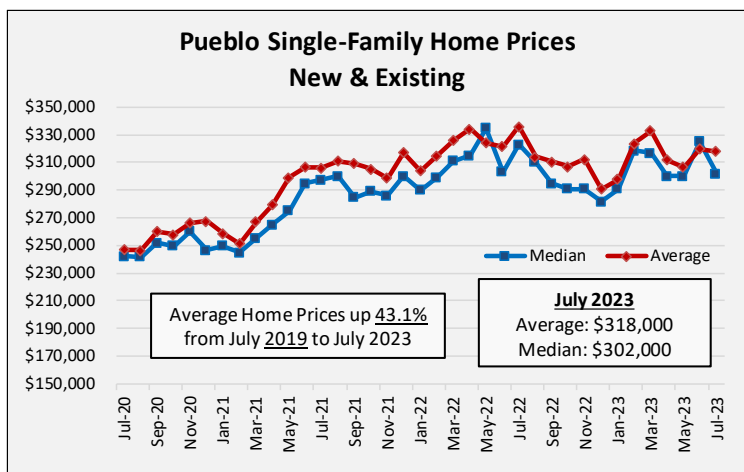


Source: Colorado State Demography Office

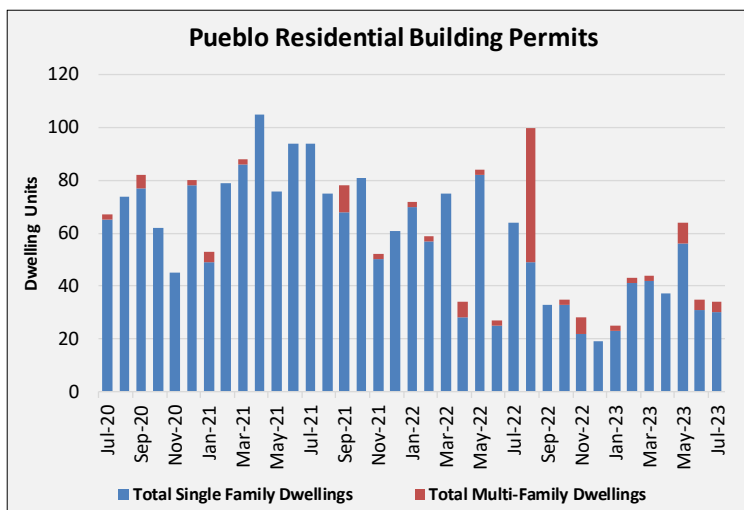
REAL ESTATE (PAGE 7)



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



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



Sources: Pueblo Regional Building Department; City of Pueblo

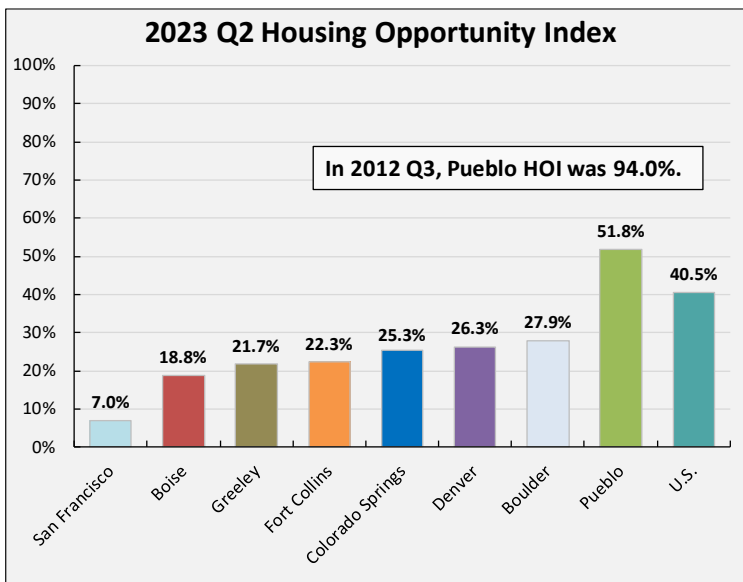
Apartments, 2023 Q1				
	Vacancy Rate	Average Rents	Median Rents	Average Year of Construction
Pueblo Metro Area	9.7%	\$1,140	\$1,000	1986
Pueblo Northeast	21.4%	\$1,056	\$1,000	1979
Pueblo Northwest	4.9%	\$1,366	\$1,372	2000
Pueblo South	1.7%	\$906	\$936	1973

Note: "Only market rate apartment communities were surveyed, and this does not include affordable units, age-restricted units, or employee housing units."
Source: Colorado Statewide Apartment Survey – created by Colorado Housing and Financial Authority; 1876 Analytics LLC; Apartment Insights

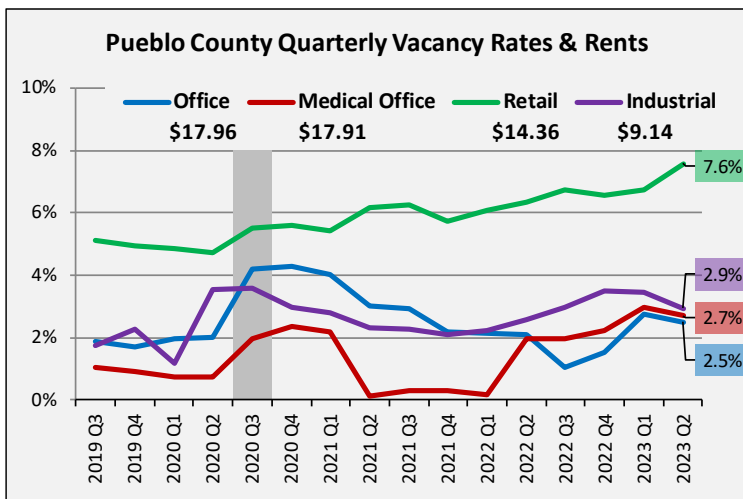
Median Existing Single-Family* Home Price 2023 Q2 (CS, Denver, U.S.) and July (Pueblo)

Location	Colorado Springs	Denver	July 2023 Pueblo (*New & Existing)	United States
Price	\$467,100	\$674,500	\$302,000	\$402,600
1-year % Change	2.9% decrease	3.1% decrease	6.5% decrease	2.4% decrease
MSA Rank	43	16	122	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)



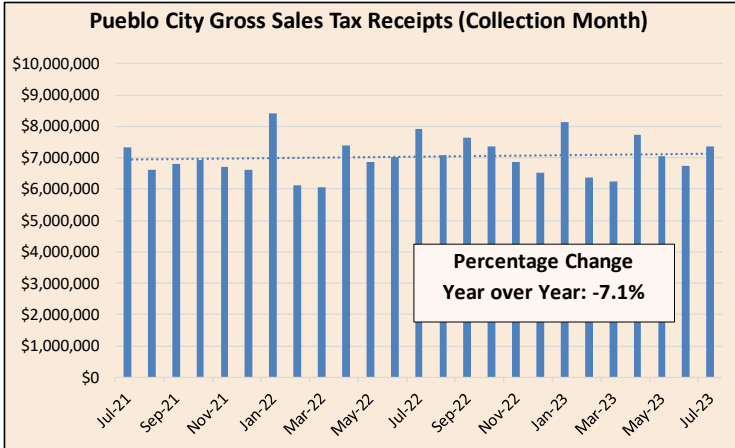
*Most recent Greeley and Pueblo data is not available so their HOI is still 2022 Q3.
Note: The Housing Opportunity Index (HOI) is defined as the share of homes sold in that area that are affordable to a family earning the local median income, based on standard mortgage underwriting criteria. It includes new and existing homes.
Sources: National Association of Home Builders; Wells Fargo



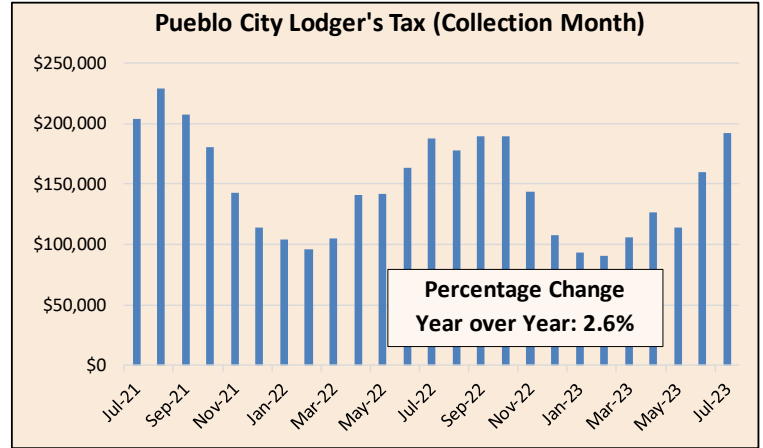
Sources: CoStar Group™; Olive Real Estate Group, Inc.

Pueblo Economic & Workforce Development Dashboard

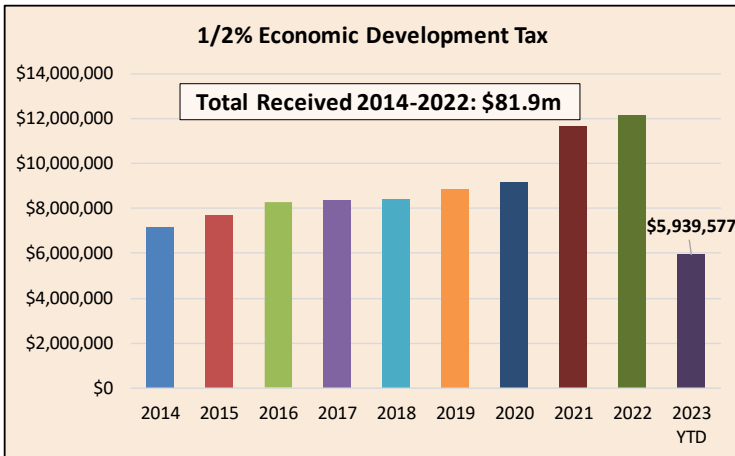
TAXATION, VEHICLE SALES, AND TOURISM (PAGE 8)



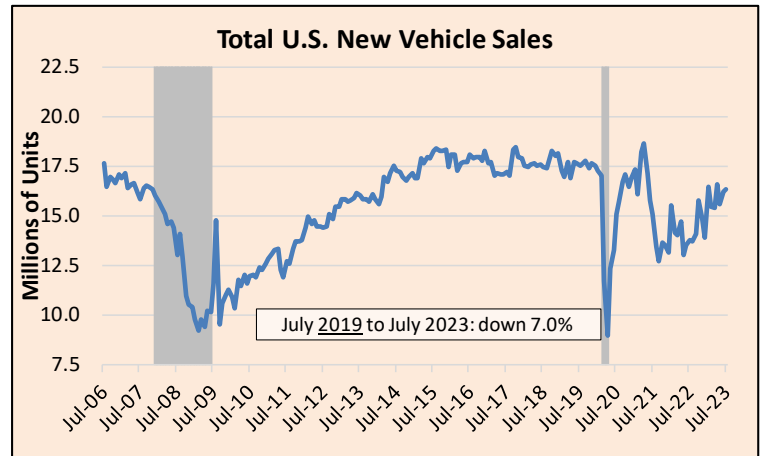
Source: City of Pueblo



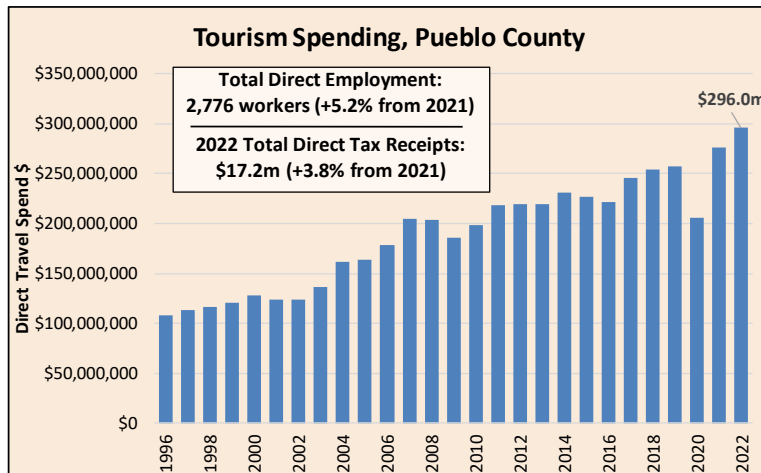
Source: City of Pueblo



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

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