

Pueblo Economic & Workforce Development Dashboard

Highlights —September 2023

This month there is a lot of new data we have to share with you. In the economic information I track every day and in community conversations, I see more than the usual shifts, many of which I believe to be structural and not cyclical. That’s part of the motivation to share some additional data points with you. Also, as a quick reminder, the live links below go to Fox21 video segments or Gazette articles.

The third revision to **GDP {Page 3}** showed a slightly lower growth rate (at 2.4%) than the previous estimate (was 2.5%). What’s more interesting is that the GDPNow tracker from the Atlanta Federal Reserve is currently showing a high GDP growth rate for the 3rd quarter of this year, which includes July through September. That tracker simply incorporates various components that make up GDP (e.g., residential investments, exports) so by the time all inputs are in, the final growth rate can be quite different than it was even a week or two prior. However, I do look at it as well as what other more subjective forecasters are saying, and it seems likely that we will have a 3.0% to 3.5% growth rate this quarter. This is higher than the U.S. trend growth rate of the past 20 years of around 2.0%. If indeed 2023 Q3 ends up outperforming trend growth, that will certainly help the overall 2023 picture. For that reason, I’ve revised up my 2023 **GDP Forecast {Page 3}** to 2.2% (from 1.7%). However, I did keep 2024 GDP at a subpar growth rate of 0.5% with what will likely be a shallow and relatively short recession. The drivers behind a contraction include *sticky inflation with concomitant high interest rates (dampening both consumer buying and business investment), exhausted pandemic savings, increasing consumer debt, lower levels of government spending than previously anticipated mostly due to the Fiscal Responsibility Act (enacted to avert the last debt ceiling crisis), ongoing labor shortages and disputes, possible declines in labor participation due to the closure of childcare facilities resulting from the end of federal childcare subsidies, and the resumption of student loan payments.* That’s quite the list, right? And my list doesn’t even incorporate unexpected “exogenous” shocks that can happen. On the flip side, the labor shortages will likely keep unemployment rates low, enabling consumers to still feed the economic wheel of fortune through relatively stable consumption levels. This may keep the usual “hurt” of a recession from being too harsh or too long.

But what about the final quarter of this year, which we are just entering (October 1 to December 31)? All the above-mentioned headwinds are still in play, but one of my biggest concerns now is the impending government shutdown. The rule of thumb for the Federal Reserve is that each week of a shutdown reduces the annualized GDP growth rate by 0.2%. And as of this morning, it’s not looking likely that Congress is going to get its act together in appropriating funds by 12:01 a.m. on Sunday. Here we go again. “Essential workers” will still report to work and get paid, but many other government workers (including contractors) will not get paid.

Another unfortunate dynamic is that government data gatherers and analysts (such as economists) will also be furloughed, and this means crucial data will not be reported. Delayed or absent economic data makes it impossible for the Federal Reserve to make an informed decision in November regarding interest rates. How will it know what’s happening with inflation, retail sales, homebuying, business investment and overall production and consumption? In the absence of this critical data, it’s likely that the Fed would have to pause on any further rate hikes (e.g., in November) because the consequences of hiking when the economy is already significantly slowing would be to push it into recession perhaps unnecessarily. An unwarranted hike would inflict more economic pain on top of the (italicized) headwinds delineated above. And given there are already signs of an economic slowdown, the Fed would rather have the already high interest rates continue to do their job of slowing the economy.

The impact of a shutdown may be harsher in our state, especially if it lasts more than a day or two. The reason is that our state has a strong presence of government contractors. They won’t get paid during a shutdown either. As the chart shows, we are most definitely exposed with many of these contractors as primary employers as is true for workers of federally funded parks and open spaces. In other words, the ripple effects on the economy of a shutdown are significant.



Before I leave this regrettable topic, I will mention that these legislative debacles brought on by extreme partisanship on both sides of the aisle were one of the reasons that the U.S. Fitch credit rating went from AAA to AA in August of this year. It is indeed a liability not only to the impacted federal workers, but also a downgrade to the international perception of the U.S. for buyers of Treasuries as well as other investments. Outside investors look at the totality of political extremism and how it translates to the inability to compromise in fiscal decision

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making. On that note, I have yet to see anything successful that doesn't incorporate some degree of compromise – even a marriage. For example, my husband wanted three kids (and we have five). He wanted to stay in Michigan (and you know how that turned out). He wanted to downsize our home four years ago (and we went back up to our Michigan-sized home when all five kids were younger). As my friend Wayne Heilman says, “yes, dear” is the secret to a successful marriage. My husband and I just celebrated 35 years, by the way 😊.

Back to economics. Unless the shutdown lasts a long time and/or the UAW and other labor disputes balloon, I am sticking to my story that a recession will be shallow and short – mostly due to the strength of the labor market. The **Unemployment Rates {Page 3}** stayed almost identical from July to August for the nation (3.9%), state (3.5%), and in Pueblo (4.9%). With the simple demographic headwinds and the childcare shortages I've talked about previously, I've kept my **U.S. Unemployment Rate Forecast {Page 3}** at 3.6% for this year and have actually lowered it to 4.2% for 2024. I previously had a 2024 unemployment rate forecast of 4.4%. A good barometer for me is that the manufacturing sector has been in recession (contraction territory) for many months and yet, the employment index has not come down as much as you would think and even increased by 4.1 points in August (over July levels). Contraction values are below 50 and the manufacturing (sub) index for employment is currently at 48.5. Employers in this sector report that they are using attrition to manage employment alongside declines in revenue as opposed to layoffs. And this is for an industry that's been in overall contraction territory for 10 months. Skilled workers are too precious to let go.

In Pueblo, we are seeing something similar. The ratio of **Workers per Job Opening {Page 4}** increased again in August to 0.98 from 0.86 in July, due more so to fewer job openings (down 363) than to more unemployed people (up 152). It is true, however, that second-tier cities like Pueblo typically experience higher unemployment rates when the economy cools. By way of reference, on average for roughly the last 20 years, Pueblo's unemployment rate has been 0.8% higher than the U.S. and 1.7% higher than the state. If we apply that differential to the aforementioned 2024 U.S. unemployment forecast of 4.2%, that would translate to a Pueblo 2024 unemployment rate of ~5.0%. Of course, this is a rough estimate based on past trends, but if this indeed holds true, an unemployment rate in the 5% range is certainly different and better than the 11.6% rate experienced in February 2011.

Switching to housing, I'd like to point out that Rebecca and I have calculated Pueblo's **Healthy Number of Permits {Page 7}** mostly using the methodology from a Common Sense Institute analysis and input from the State Demography Office. This new analysis shows that between 2023 and 2028, Pueblo needs to produce 1,400 new dwelling units per year, which includes both single and multi-family dwellings. This calculation incorporates housing needs for new population that moves to Pueblo as well as an existing housing shortage. As the text-box in the permits chart shows, there were 630 permits issued in 2022, well short of the “healthy” number of permits. And with interest rates higher this year, there have only been 310 permits issued through August. It's no wonder with this restricted supply that **Median Home Prices {Page 7}** had a significant jump from \$302,000 in July to \$335,000 in August (up 11%). Since August of 2019, median prices have increased 56.3%.

We are now including in your dashboard **Crime & Safety {Page 8}** data. There you can see that **Homicides per 100,000 Inhabitants {Page 8}** doubled between 2017 and 2021 in Pueblo. There is also information on **Traffic Fatalities {Page 8}**, which are significantly higher in Pueblo than in the U.S. and Colorado. **Sworn Police Officers per 10,000 {Page 8}** in the Pueblo MSA are almost half of what they are for comparably sized MSAs although the City of Pueblo has slightly more officers per 10,000 than comparably sized cities.

There are other updates particularly with Census data that I would like to cover, but I am out of space. I'll go into more detail next month. Remember that DDES covers weekly economic data on Fox21 and there are corresponding articles in *The Gazette* (usually with a little more detail).

Have a wonderful weekend!

Tatiana & Rebecca

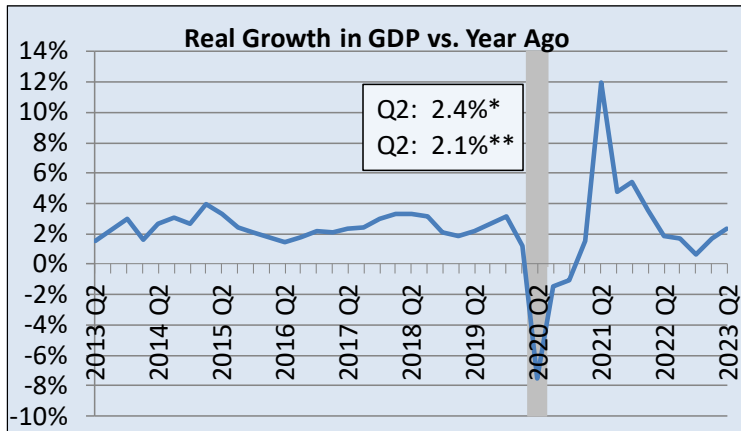
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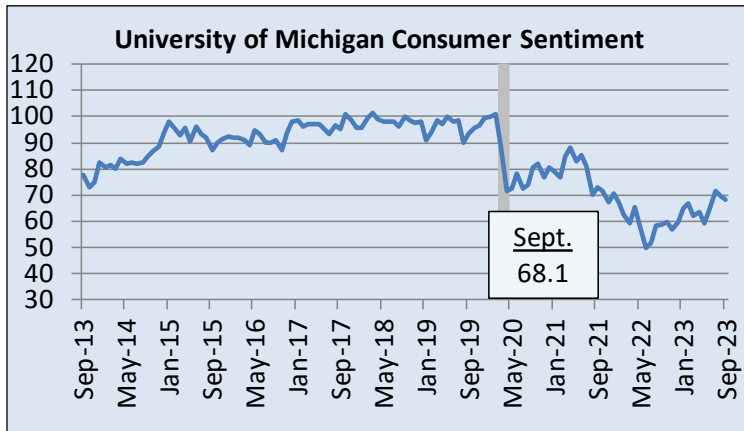
MACROECONOMIC "BIG PICTURE" (PAGE 3)



*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

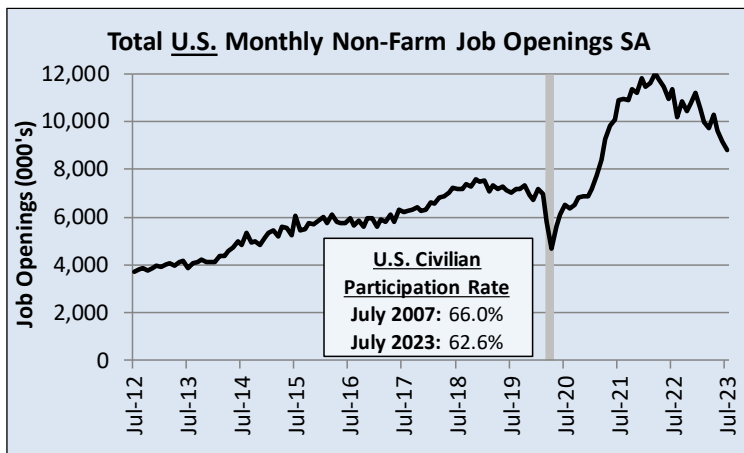


Source: University of Michigan

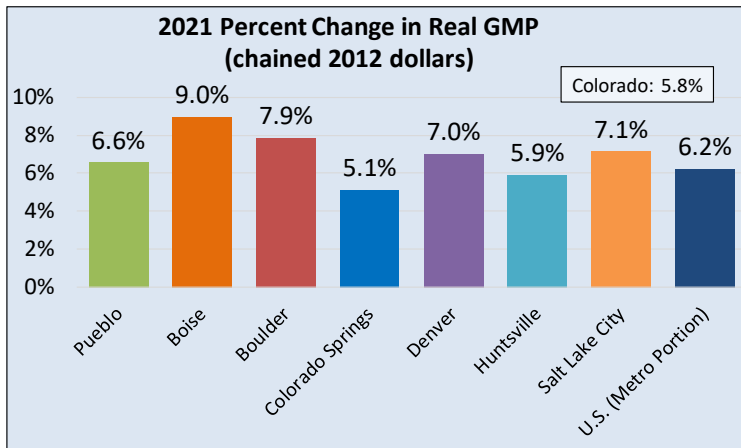
Forecasts for U.S. Real GDP and Unemployment (SA)				
	2021 Actual	2022 Actual	2023 Forecast	2024 Forecast
Real GDP Growth	5.9%	2.1%	2.2%	0.5%
Unemployment Rate	5.4%	3.6%	3.6%	4.2%

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.



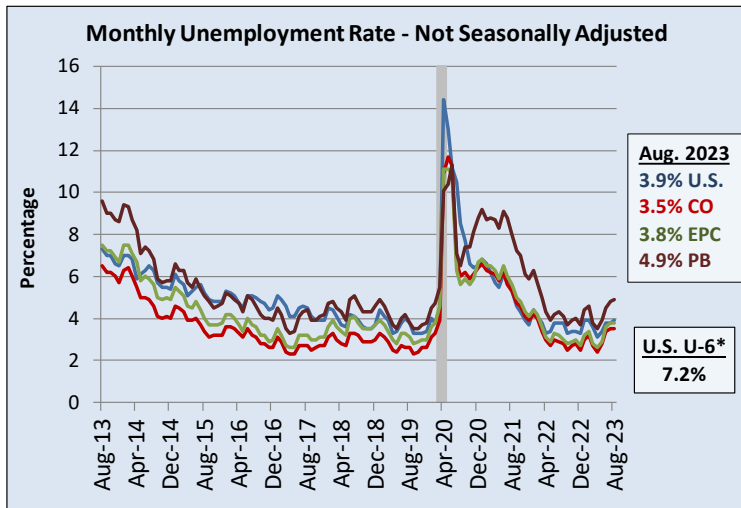
Note: Data includes military. Real GMP is adjusted for regional price parity (RPP). This regional data lags ~23 months.

Source: U.S. Bureau of Economic Analysis

U.S. Consumer Price Index - August 2023		
	All items	Less food & energy
Change from July to August 2023 (SA)	0.6%	0.3%
Last 12-months (NSA)	3.7%	4.3%

The 2023 Q2 cost of living in Pueblo MSA was 98.2% of the U.S. average according to C2ER. Colorado Springs's index was 107.2% of U.S.

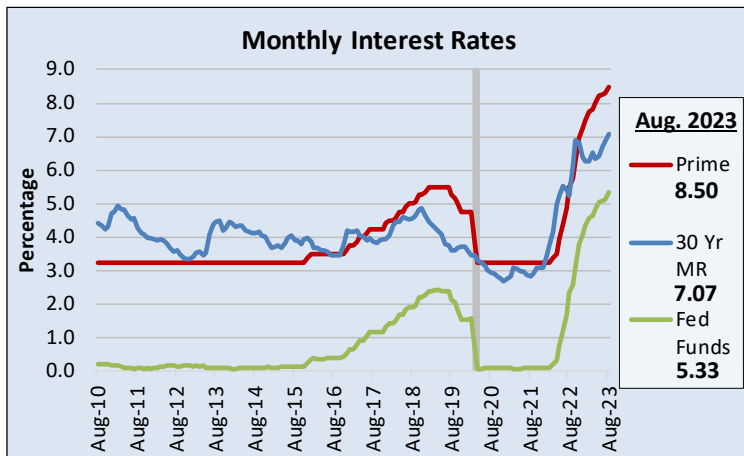
Source: U.S. Bureau of Labor Statistics; all urban consumers (CPI-U)



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

Pueblo Economic & Workforce Development Dashboard

LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Pueblo County, August 2023

Top Job Titles (Pueblo MSA)	# of Job Postings (Pueblo)	Median Advertised Salary (Pueblo)	Risk of Automation (U.S.)
Registered Nurses	325	\$95,488	Low Risk
Retail Salespersons	117	\$34,432	Medium Risk
1st-Line Supervisors, Retail Sales	101	\$46,208	Low Risk
Sales Reps, Wholesale & Mfg	66	\$55,680	Medium Risk
Fast Food & Counter Workers	63	\$31,616	High Risk
Maintenance & Repair Workers	61	\$44,928	High Risk
Customer Service Reps	60	\$33,408	Medium Risk
Heavy & Tractor-Trailer Truck Drivers	58	\$51,968	High Risk
Medical & Health Services Managers	56	\$85,248	Low Risk
Coaches & Scouts	56	\$42,880	Low Risk

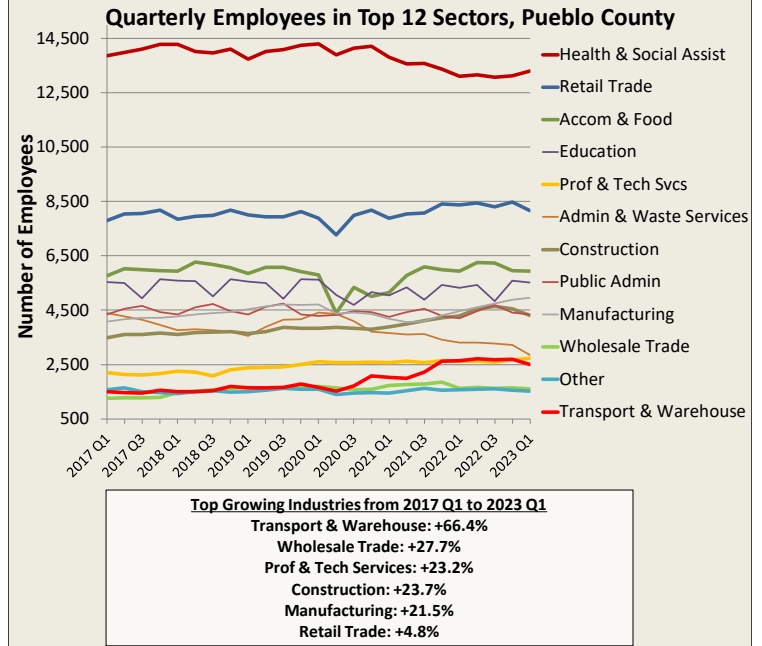
Pueblo MSA, August 2023

TOTAL Job Openings: 3,850

TOTAL Unemployed: 3,791

Workers Available per Job Opening: 0.98

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

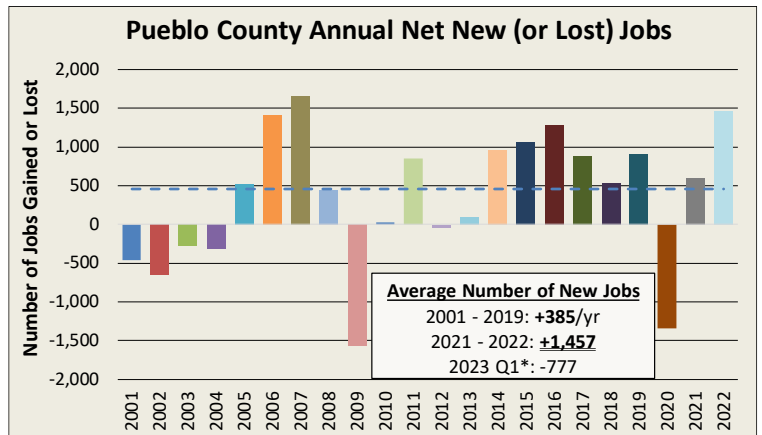


QCEW data lags up to three quarters and includes public and private employment. Source: Colorado Department of Labor & Employment, Quarterly Census of Employment and Wages (QCEW)

Top Employers - Pueblo MSA in August 2023

Name of Employer	# of Job Postings	Median Advertised Salary
State Of Colorado	130	\$57,984
Parkview Medical Center	115	\$68,352
Pueblo Community College	105	\$80,128
Pueblo County School District 70	96	\$55,168
Pueblo City Schools District 60	94	\$64,000
Parkview Health	71	\$57,472
Colorado State Government	62	\$63,872
Centura Health	59	\$69,376
City Of Pueblo	57	\$55,936
Health Solutions Us	50	\$59,392
Pueblo County Courthouse	45	\$50,944
Trane Technologies	44	\$80,128
Life Care Centers of America	30	\$55,168
City Of Pueblo Civil Service	29	\$61,440
Crossroads Turning Points	29	\$36,480

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



*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)

Pueblo MSA and Pueblo County are one and the same.

2022 Federal Poverty Level (FPL)		
	Pueblo County	U.S.
% people at FPL or below	14.8%	12.6%
Note: FPL in 2022 was \$18,310 for an individual and \$27,750 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

2022-23 Minimum Wage & Living Wage Pueblo County

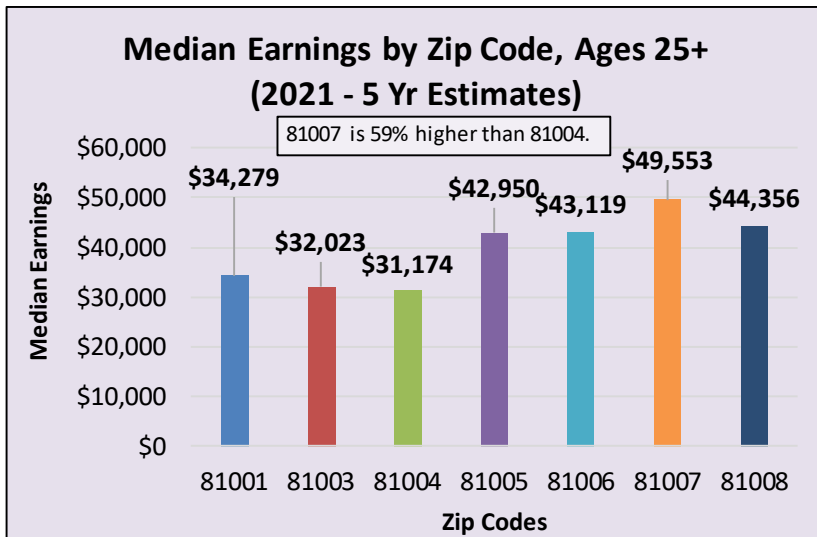
	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$13.65	\$28,392
Living wage: HHs with 1 adult, 2 children	\$45.38	\$94,390
Living wage: HHs with 2 adults (1 working), 2 children	\$39.18	\$81,494
Living wage: HHs with 2 adults* (2 working), 2 children	\$25.00	\$52,000
*Living wage is for 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

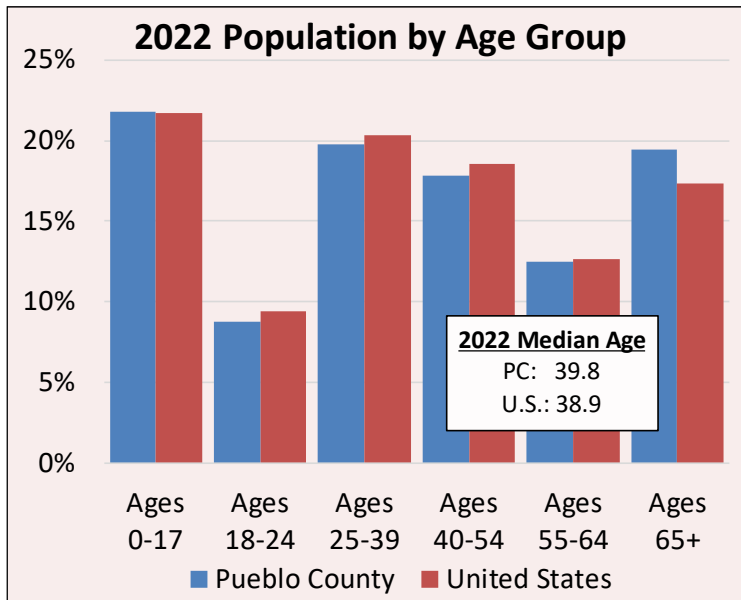


Median Earnings 2022 (All Ages Full-Time)	
U.S.	Pueblo County
\$56,929	\$51,808

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)

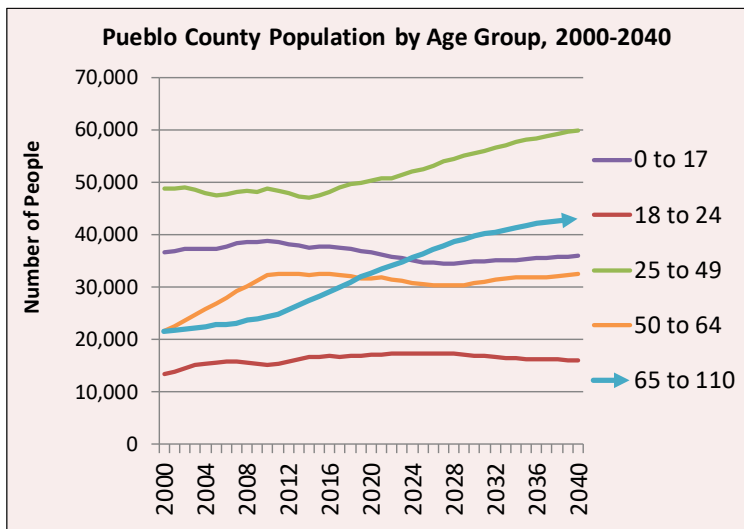


Source: U.S. Census Bureau, Population Division, Population Estimates Program

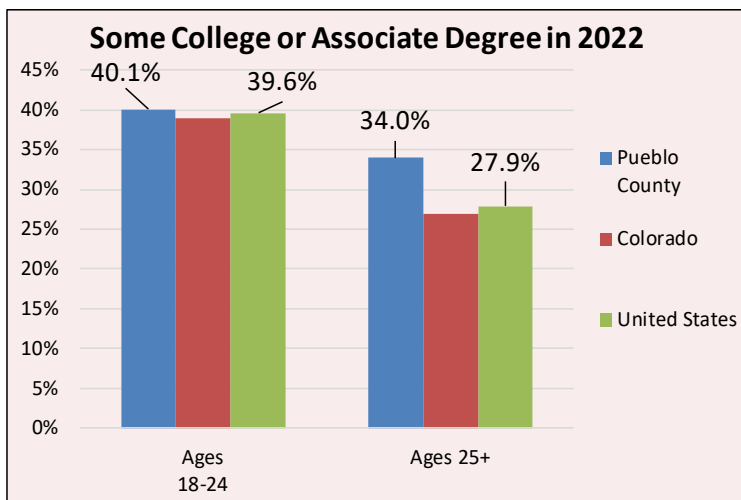
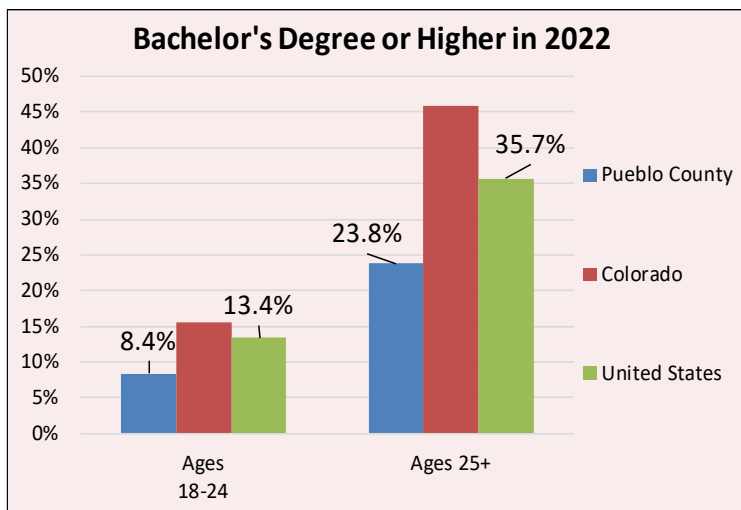
Population Estimates

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

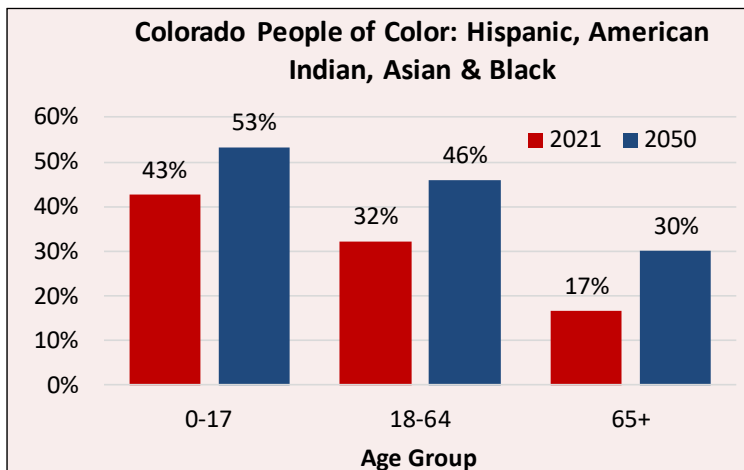
Source: Colorado State Demography Office



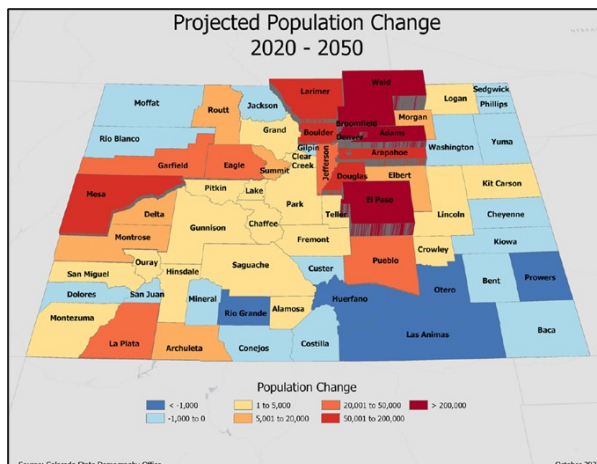
Source: Colorado State Demography Office



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



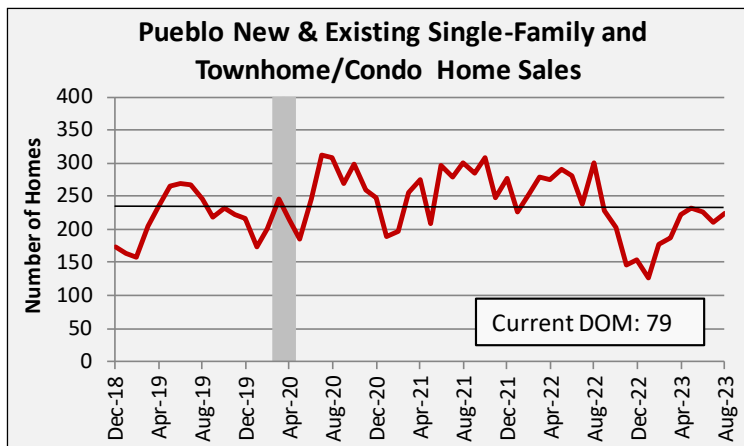
Source: Colorado State Demography Office



Source: Colorado State Demography Office

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REAL ESTATE (PAGE 7)

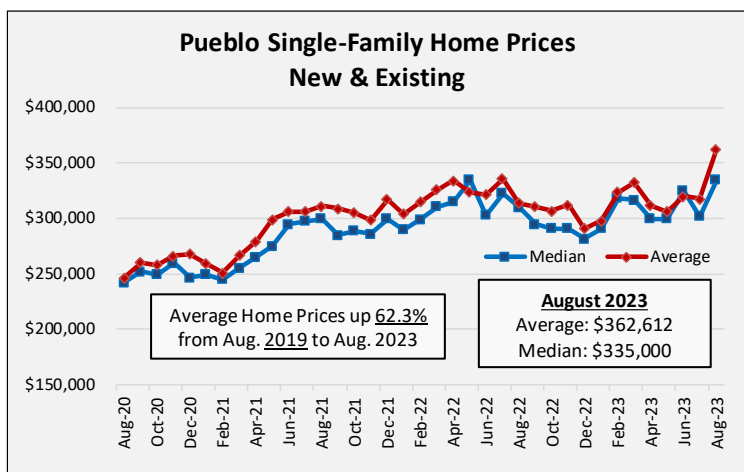


Source: Pueblo Association of REALTORS®, Inc. (PAR)

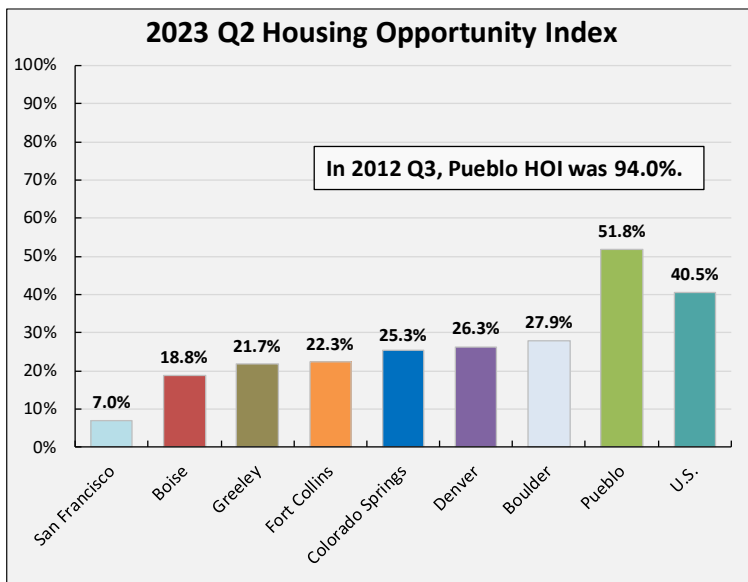
Median Existing Single-Family* Home Price 2023 Q2 (CS, Denver, U.S.) and August (Pueblo)

Location	Colorado Springs	Denver	August 2023 Pueblo (*New & Existing)	United States
Price	\$467,100	\$674,500	\$335,000	\$402,600
1-year % Change	2.9% decrease	3.1% decrease	8.1% increase	2.4% decrease
MSA Rank	43	16	103	n/a

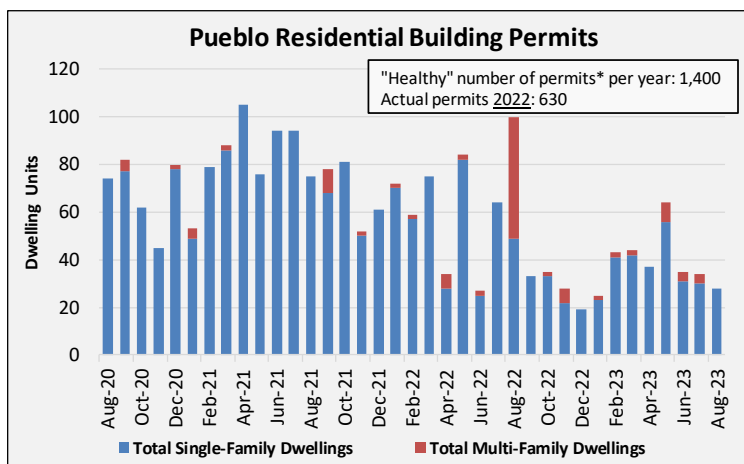
*Includes existing homes only except for Pueblo, which includes new & existing since PAR only reports both (combined). Pueblo ranking is estimated based on similar MSA city ranking and price is for most recent month. 190 MSAs measured.
Sources: National Association of REALTORS®, Pueblo Association of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

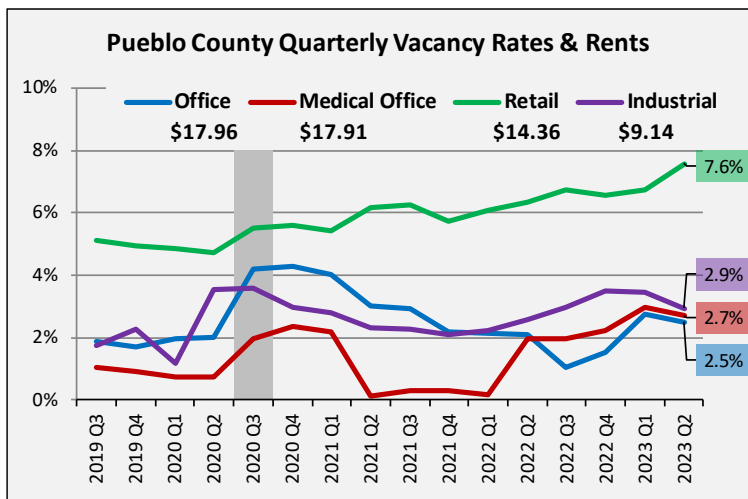


*The methodology for "healthy permits" includes single-family and multi-family dwellings needed if we incorporate both population growth and the existing shortage of housing between 2023 and 2028. These calculations by Data-Driven Economic Strategies incorporate research by Common Sense Institute and input from the Colorado State Demography Office.
Sources: Pueblo Regional Building Department; City of Pueblo

Apartments, 2023 Q2

	Vacancy Rate	Average Rents	Median Rents	Average Year of Construction
Pueblo Metro Area	8.1%	\$1,144	\$1,005	1985
Pueblo Northeast	18.4%	\$1,071	\$1,000	1978
Pueblo Northwest	2.0%	\$1,366	\$1,390	2000
Pueblo South	2.6%	\$910	\$887	1973

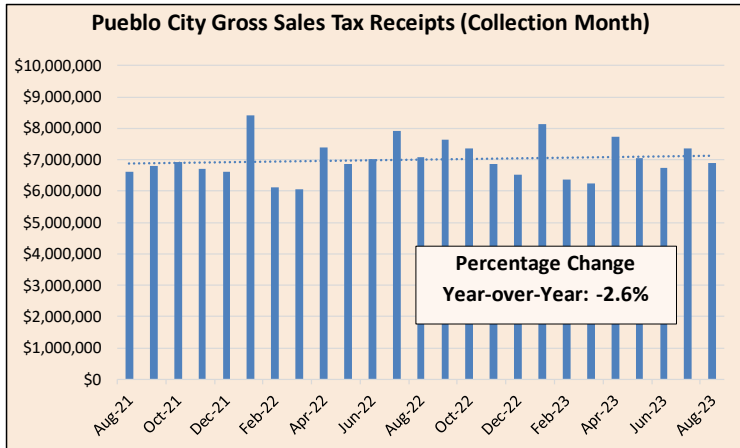
Note: "Only market rate apartment communities were surveyed, and this does not include affordable units, age-restricted units, or employee housing units."
Source: Colorado Statewide Apartment Survey – created by Colorado Housing and Financial Authority; 1876 Analytics LLC; Apartment Insights



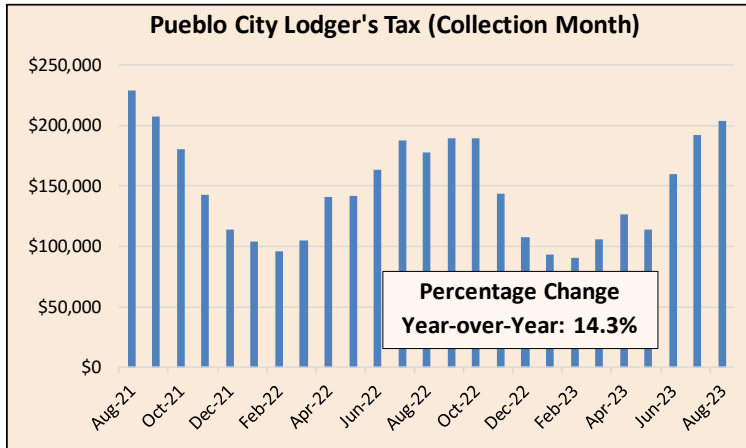
Sources: CoStar Group™; Olive Real Estate Group, Inc.

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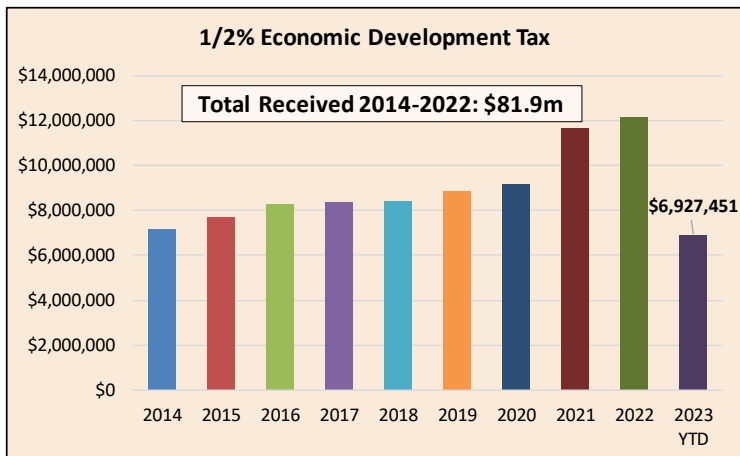
TAXATION, VEHICLE SALES, AND TOURISM (PAGE 8)



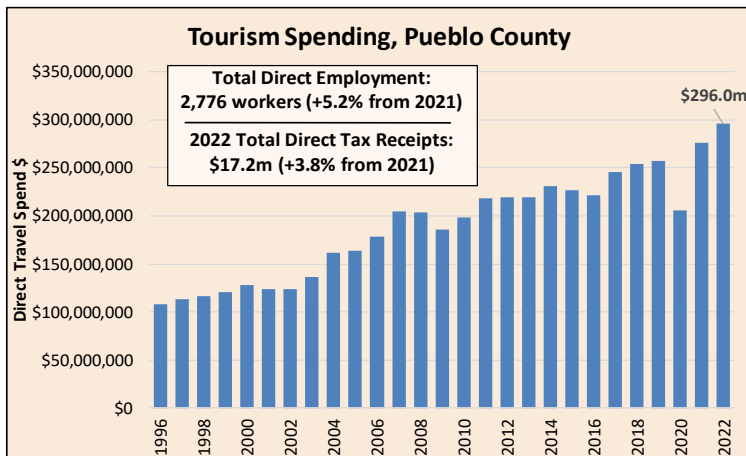
Source: City of Pueblo



Source: City of Pueblo



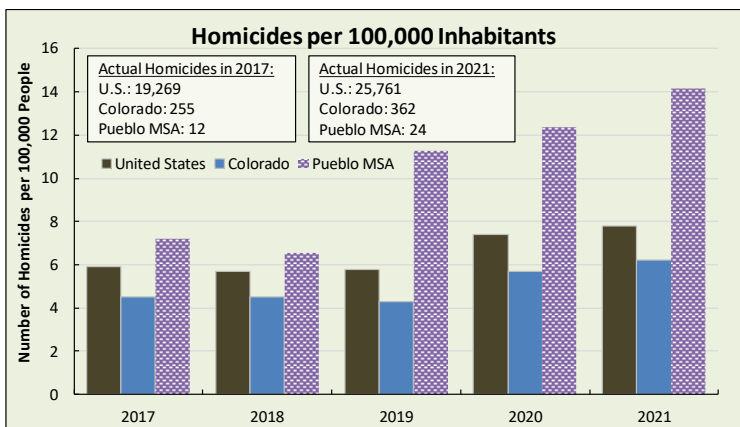
Source: City of Pueblo



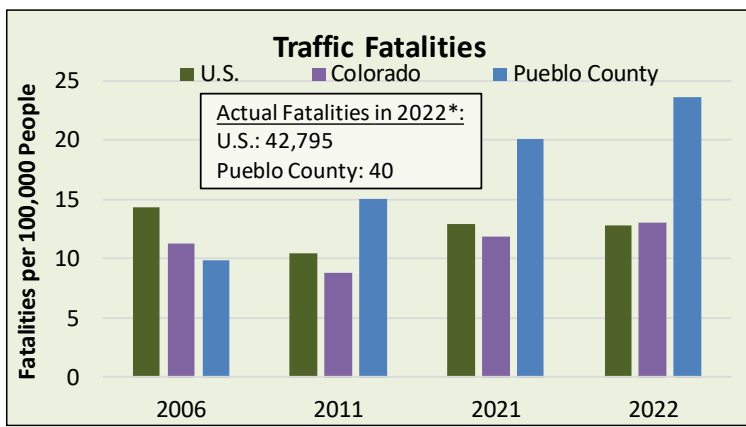
Note: Direct travel includes day and overnight visitors.

Sources: Colorado Tourism Office; Greater Pueblo Chamber of Commerce

CRIME & SAFETY (PAGE 8)



Sources: United States Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, Underlying Cause of Death on CDC WONDER online Database; Data-Driven Economic Strategies.



*Preliminary data.

Sources: National Highway Safety Administration; Colorado Department of Transportation; World Bank; U.S. Census Bureau; Colorado State Demography Offices; Data-Driven Economic Strategies

2021 Mortality Rates due to Homicide per 100,000 Population				
Canada	Germany	Italy	Japan	United States
2.1	0.8	0.5	0.2	6.8

Source: UN Office on Drug and Crime's International Homicide Statistics database through The World Bank and World Population Review

Note: "Each year when Crime in the United States is published, some entities use reported figures to compile rankings of cities and counties. These rough rankings provide no insight into the numerous variables that mold crime in a particular town, city, county, state, or region. Consequently, they lead to simplistic and/or incomplete analyses that often create misleading perceptions adversely affecting communities and their residents. Valid assessments are possible only with careful study and analysis of the range of unique conditions affecting each local law enforcement jurisdiction. The data user is, therefore, cautioned against comparing statistical data of individual reporting units from cities, metropolitan areas, states, or colleges or universities solely on the basis of their population coverage or student enrollment."

- Federal Bureau of Investigation

Sworn Police Officers Per 10,000 Inhabitants in 2022	
City of Pueblo	17.8
Pueblo MSA	8.6
Cities with Population 100,000-249,999	15.7

Sources: Federal Bureau of Investigation, Uniform Crime Report; U.S. Census Bureau, Population Division