

Pueblo Economic & Workforce Development Dashboard

Highlights — 2024 Q2

Contradictions. That's the theme for me lately. **Gross Domestic Product, or GDP, {Page 3}** for 2024 Q2 came in stronger than expected at a 2.8% annualized rate (and 3.1% compared to Q2 last year). This is double the annualized rate in Q1 of 1.4%. GDP in the 2nd quarter was propelled by increased inventories, business equipment investment, and strong consumer spending – all of which were at least partially attributable to increased auto purchasing. Imports are a subtraction on GDP, and they have been elevated well above exports for many months mostly due to the exuberant consumer and the strong dollar (which makes imports cheaper). Had imports not been a “drag” on GDP, the recent Q2 growth rate would have been even stronger.

Although there are some indications that consumer spending is finally cooling (e.g., slowing use of credit cards), retail sales in June remained steady, which continues to fuel business and GDP growth. This is good for many businesses and GDP headlines, but also worrisome because credit card usage is approaching 2006 levels and delinquencies for both credit card and auto loans are accelerating. It's easy to see that many consumers are overspending: personal expenditures were up 5.2% in June year-over-year while real (or inflation-adjusted) personal income was up only 1.0%. Savings rates remain depressed at 3.4% in June (versus roughly 7% pre-pandemic). Economists are tapping their fingers on their desks waiting for something to crack – and yet it hasn't. One thing that is clear in the data is that more of consumer spending is on “nondiscretionary” items meaning consumers are spending on essentials as opposed to “extras.”

Elevated and persistent consumerism is also inconsistent with consumer sentiment surveys, which are still well below historical averages. The **University of Michigan Consumer Sentiment {Page 3}** in July fell further to 66.4, down from 68.2 in June. Sentiment hovered around 100 for the five years preceding the pandemic. Cumulative price increases are largely to blame although the *rate* of increase in prices as measured by the **Consumer Price Index {Page 3}** moderated further in June to 3.0% year-over-year (down from 3.3% in May). Prices moderated for both goods and services. Consumers also dislike the uncertainty of the upcoming federal elections as many are aware of the correlation between the elections and inflation. Indeed, many economists are talking about upward risks to inflation should tariffs significantly increase after November 5th. This would halt and possibly reverse any interest rate cuts so I will be watching trade policies very closely in the coming months. Tariff-related increases would be on top of the unremitting Red Sea attacks, which have increased (40-foot) shipping container costs from \$2,000 last year to over \$7,000 this year. All in, if inflation reemerges and interest rates stay restrictive into 2025 and possibly beyond, financial markets won't be happy, business investment will stall, construction will suffer, and the average consumer will hold back on big ticket items like homes and cars. This likely would tip the U.S. economy into a downturn so I'm hoping for astute trade agreements that capitalize on what helps U.S. consumers and businesses and surgically omits partners that don't play by the rules.

Barring any drastic trade policy changes, the current call is for two 0.25% rate cuts this year (September and December) and four similar-sized cuts next year. This would bring the Fed Funds rate to 4.0% and a 30-year mortgage rate to about 6.1% by the end of 2025. By way of reference, since 1990 the Fed Funds rate has averaged 4.61% and the 30-year mortgage rate has averaged 5.99%. Current interest rates and (likely) rates by the end of 2025 just feel high because we were spoiled from 2018 to 2021 with ultra-low mortgage rates and also historically low Fed funds rate from the Great Recession up until 2022.

Another major contradiction is that leading indicators like the ISM Manufacturing Index, the NFIB Small Business Survey, and the Conference Board's LEI (Leading Economic Index) all show an anemic economy, but as aforementioned, GDP and consumerism remain resilient. With respect to business sentiment as reflected by the NFIB survey, it's also contradictory that the index is so low, yet employers are keeping employees. With respect to construction, the forward-looking Architecture Billing Index (ABI) declined to the lowest reading since 2020 in May indicating further upcoming weakness in the construction pipeline. These contradictions do have some explanation. I think that the pandemic and the resulting policy reactions created an unprecedented landscape that renders old economic “rules” somewhat obsolete. I also think the current demographic transition with waves of retirees and relatively fewer workers further muddles the picture. Likewise, those who are fortunate enough to own a home know the value of their home and the impact soaring prices have on their net wealth (e.g., they feel financially secure). But I will also say that contradictory data often precedes change or pivots in the economy (good and bad), so it's possible the coming quarters may not see the elevated GDP growth rate of 2024 Q2. You will see I have a 2.1% **Real GDP forecast {Page 3}** for all of 2024 and a 1.5% forecast for 2025 although I think the pandemic-induced distortions and the upcoming elections make forecasting particularly difficult at the moment.

In terms of the here and now, economists are now more closely watching **Unemployment Rates {Page 3}**, which have slowly but surely crept up. As your chart shows, unemployment rates in the U.S. have increased from 3.5% in April to 3.7% in May to 4.3% in June. Similarly, in Colorado jobless rates have moved from 3.4% in April to 3.9% in May to 4.0% in June. In Pueblo, rates have gone from 4.6% in April to 5.2% in May to 5.5% in June. The U-6 rate in the U.S., which measures the unemployed, those who want to work but have not looked in the past four weeks, and those working part-time who would prefer full-time work, also increased from 7.1% in May to 7.7% in June. Keep in mind that employers often cut hours in lieu of layoffs, but an increasing U-6 rate can be a precursor to layoffs and is indicative of a softer

[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 & Tourism](#)

[Page 8 - Crime & Safety](#)

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Pueblo Economic & Workforce Development Dashboard

labor market. **Job Openings {Page 3}** have tempered but remain high by historical levels while layoffs and discharges remain historically low. U.S. job creation was also strong in June with 206,000 new jobs, but report details reveal outsized increases in just two industries (government and health care), which is not “broad based” and therefore not considered sustainable. There were also sizable (-111,000) downward revisions to April and May numbers. I believe the contradictions in the labor market data are intricately tied to the aforementioned demographic headwinds.

Locally, the **Top Job Openings {Page 4}** shifted a bit over the quarter. The number of job openings decreased from March (3,900) to June (3,358), while the number unemployed increased from March (3,916) to June (4,173), so the number of workers per available job increased from 1.00 to 1.24. Over that time, the labor force increased by 786 and 67% of those newly available workers were hired (529 more employed from March to June). But since 33% did not find a job, the unemployment rate increased to 5.5%. This all signals a marked softening in the local labor market.

The **Quarterly Census of Employment and Wages or QCEW {Page 4}** data was released for 2023 Q4. The top growing industries stayed the same when comparing 2017 to 2023, however construction beat out professional & technical services, and the six-year growth rates were not as high according to the new data. The annual change in employment from 2022 to 2023 was almost flat (up only 88 employees), which is significantly lower than the change from 2021 to 2022 (+1,457). This too signals a marked economic slowdown in the Pueblo region.

Average Annual Wages {Page 4} increased in the U.S., Colorado, El Paso County and Pueblo County in 2023, but they did not rise as much in Pueblo County. Pueblo County wages are now 24.9% lower than the U.S., 29.5% lower than Colorado, and 16.0% lower than El Paso County.

Home Sales {Page 7} in Pueblo increased in Q2 and days on market dropped from 90 in March to 77 in June. **Median Home Prices {Page 7}** were up 0.5% comparing June 2024 to June 2023 with prices currently at \$326,500. **Average Home Prices {Page 7}** increased more so (up 1.3%) over the year and currently sit at \$324,139. In terms of new builds, Pueblo had 97 **Single-Family Permits {Page 7}** pulled in 2024 Q2 (compared to 124 in 2023 Q2). There was a large increase in **Multi-Family Permits {Page 7}** pulled (211 dwelling units compared to 12 in 2023 Q2) with most of the increase occurring in April. But keep in mind that apartment permits pulled vary greatly month to month as one or two large projects can encompass many dwellings.

The Housing Opportunity Index is unfortunately no longer available, but we were able to find a new metric that has great information. The June **NBC Home Buyer Difficulty Index {Page 7}** shown in the blue boxes within the chart measures the difficulty of buying a home on a scale of 0 to 100 with higher values indicating greater difficulty. The index is based on total home cost, how many people are competing for homes, scarcity of homes, and overall economic stability in the region. The red bars show the buying power in the region as measured by what the local median income can afford whereas the purple bars measure the actual median home prices. For rentals, **Apartment Vacancies {Page 7}** were down in 2024 Q1 (latest available data) compared to the previous quarter in all sub-regions except Pueblo south and average rents stayed relatively steady over the quarter.

Commercial Real Estate {Page 7} 2024 Q2 data was released. There was a rise in most vacancy rates from 2024 Q1 to 2024 Q2 including the office subsector (2.8% to 3.0%), medical office (2.1% to 3.4%) and industrial (1.1% to 2.2%). Retail vacancy rates dropped from 7.5% to 7.0% in that same period. Rents stayed fairly flat in all four subsectors.

Gross City Sales Tax Receipts {Page 8} were relatively similar in June of this year compared to June of last year (up 0.5%) although June receipts this year were down compared to the previous month as shown in the chart. **Pueblo City Lodger's Tax Receipts {Page 8}** were down 13.6% in June over the previous year and the **Economic Development Tax Receipts {Page 8}** may fall short of the three previous years given that June marks the halfway point for the year.

Homicide Rates {Page 8} have been updated to 2022. There were fewer homicides in 2022 in the U.S. compared to 2021, but unfortunately, homicides rose in Colorado (from 362 to 407 or 7.0 per 100,000 people) and Pueblo MSA (from 24 to 35 or 20.6 per 100,000). Colorado's rate in 2022 was still lower than the U.S. rate of 7.3 homicides per 100,000 people. **Sworn Police Officer {Page 8}** data is updated to 2023. Comparison cities changed due to data availability, but similarly sized cities are still included in the table. You can see that the City of Pueblo's rate of sworn officers (16.0 per 10,000 population) is similar to Lansing (16.3) and higher than Greeley (12.9) and Provo (10.0).

Zooming back out to the macro picture, when I think about the current (data) contradictions, I am not yet losing sleep. Something that gives me comfort is that the overextended consumer today is not the overextended consumer of 2006/07. The debt-to-income ratio for households is about 40 percentage points below the housing bubble peak. I do wish, however, that the Fed would be more proactive in cutting rates sooner than later in light of some worsening metrics. Often when the economy sours, the deterioration has a momentum of its own and then the Fed is in a reactive mode. I am a bit more concerned that Pueblo-specific metrics have materially deteriorated in the past quarter, but I will keep a close eye on the details and give you an update in three months' time.

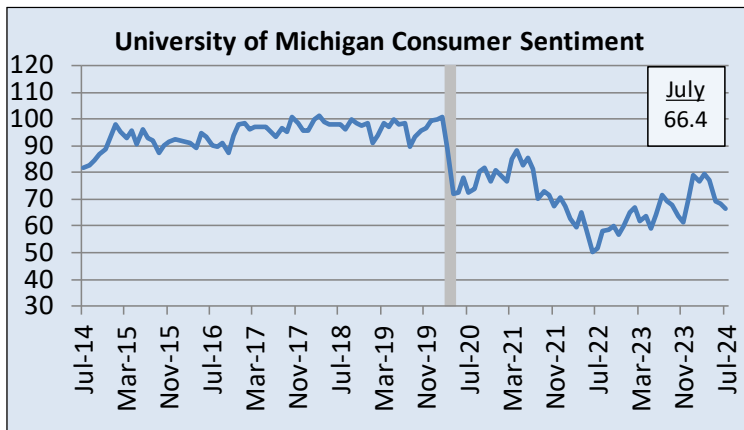
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MACROECONOMIC "BIG PICTURE" (PAGE 3)



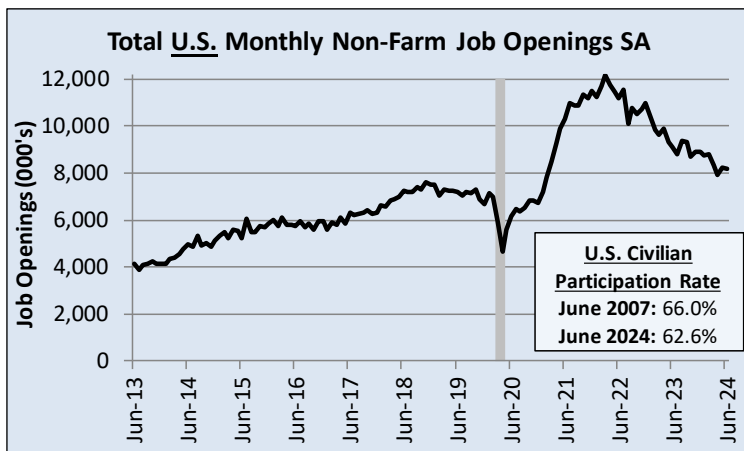
*Estimate of real GDP percent change from same quarter a year ago, SA
 **If quarterly changes were annualized over the year.
 Source: U.S. Bureau of Economic Analysis



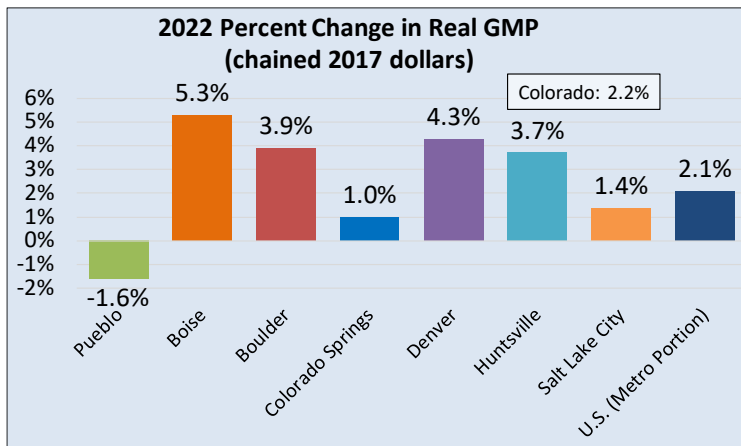
Source: University of Michigan

Forecasts for U.S. Real GDP and Unemployment (SA)				
	2022 Actual	2023 Actual	2024 Forecast	2025 Forecast
Real GDP Growth	1.9%	2.5%	2.1%	1.5%
Unemployment Rate	3.6%	3.6%	4.1%	4.2%

Forecasts by Data-Driven Economic Strategies with input from the Conference Board, Wells Fargo, Colorado Department of Labor & Employment, 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.

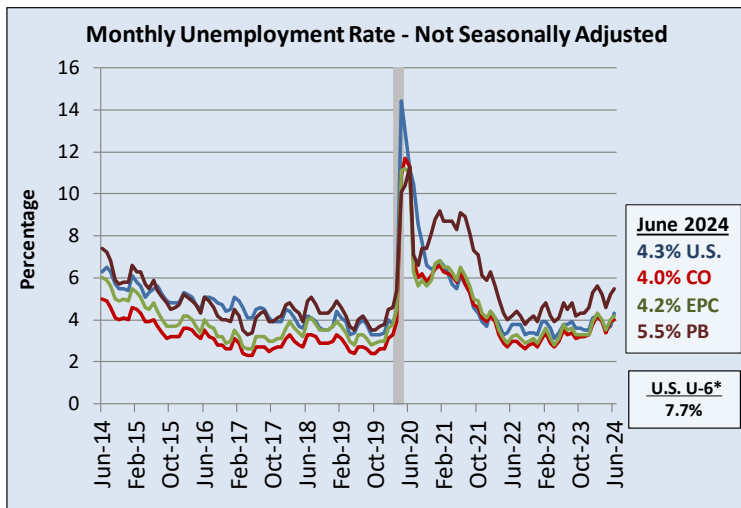


Note: Data includes military. Real GMP is adjusted for regional price parity (RPP). This regional data lags ~23 months.
 Source: U.S. Bureau of Economic Analysis

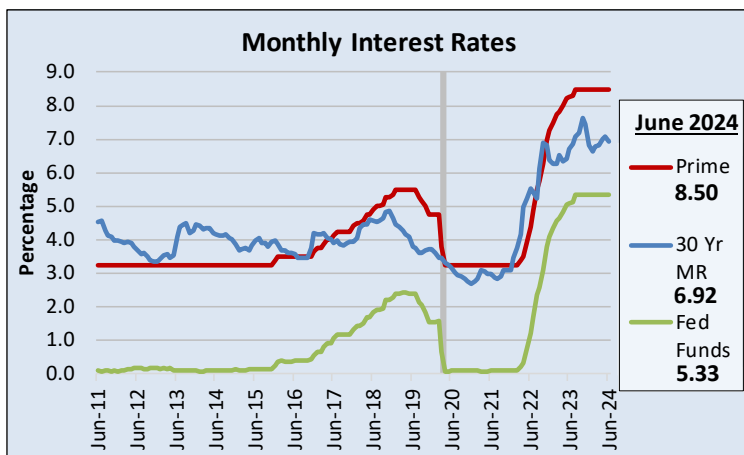
U.S. Consumer Price Index - June 2024		
	All items	Less food & energy
Change from May to June 2024 (SA)	-0.1%	0.1%
Last 12-months (NSA)	3.0%	3.3%

The 2024 Q1 cost of living in Pueblo MSA was 93.0% of the U.S. average according to C2ER. Colorado Springs's index was 102.6% of U.S.

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



Note: Data in the graph is 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

LOCAL LABOR MARKET (PAGE 4)

Top Job Openings, Pueblo County, June 2024

Top Job Titles (Pueblo MSA)	# of Job Postings (Pueblo)	Median Advertised Salary (Pueblo)	Risk of Automation (U.S.)
Registered Nurses	228	\$87,808	Low Risk
Retail Salespersons	127	\$32,128	Medium Risk
1st-Line Supervisors, Retail Sales	63	\$45,952	Low Risk
Customer Service Reps	56	\$35,456	Medium Risk
Heavy & Tractor-Trailer Truck Drivers	55	\$52,096	High Risk
Fast Food & Counter Workers	54	\$30,080	High Risk
Coaches & Scouts	53	\$29,557	Low Risk
Secondary School Teachers	50	\$70,016	Low Risk
Secretaries & Administrative Assistants	40	\$44,928	Medium Risk
Food Service Managers	40	\$54,784	High Risk

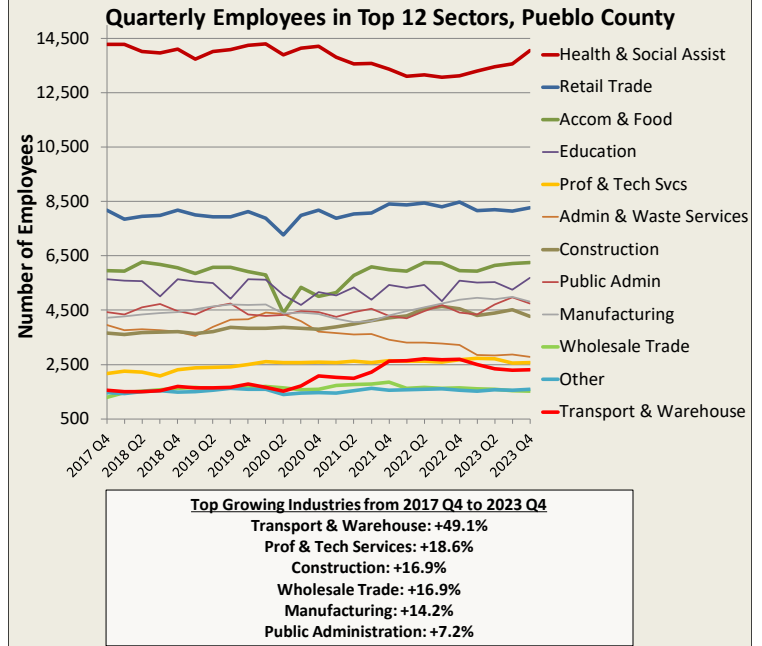
Pueblo MSA, June 2024

TOTAL Job Openings: 3,358

TOTAL Unemployed: 4,173

Workers Available per Job Opening: 1.24

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

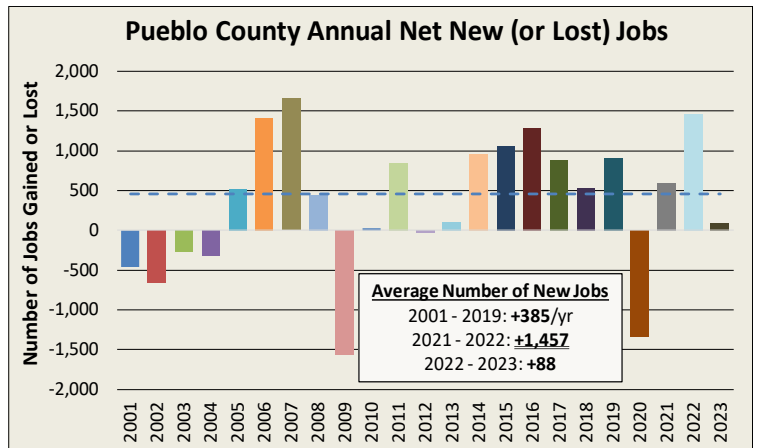


QCEW data lags up to three quarters and includes public and private employment. Source: Colorado Department of Labor & Employment, Quarterly Census of Employment and Wages (QCEW)

Top Employers - Pueblo MSA in June 2024

Name of Employer	# of Job Postings	Median Advertised Salary
Sodexo	180	\$85,760
State Of Colorado	111	\$60,928
Pueblo County School District 70	95	\$73,088
Pueblo School District No 60	59	\$70,016
City Of Pueblo	48	\$60,544
Pueblo City Schools District 60	47	\$70,016
Trinidad State Junior College	47	\$64,256
Jobs.SI	47	Insf. Data
Health Solutions Us	41	\$49,664
Pueblo Community College	38	\$64,768
Trane Technologies	33	\$62,464
Wagner Equipment Company	26	\$87,808
Pueblo County Courthouse	25	\$49,152
Crossroads Turning Points	25	\$38,528
Walgreens Boots Alliance	23	\$72,448

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 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.

2023 Average Annual Wages for All Industries			
Pueblo wages are 24.9% lower than the U.S. 29.5% lower than Colorado 16.0% lower than El Paso County			
U.S.	Colorado	El Paso County	Pueblo County
\$72,357	\$77,116	\$64,688	\$54,340
2023 Total Employment			63,042
2023 Total # Establishments			4,062

2023-24 Minimum Wage & Living Wage Pueblo County		
	Wage/Hr	Annualized
Minimum wage salary for full-time worker	\$14.42	\$29,994
Living wage: HHs with 1 adult, 2 children	\$43.39	\$90,251
Living wage: HHs with 2 adults (1 working), 2 children	\$38.03	\$79,102
Living wage: HHs with 2 adults* (2 working), 2 children	\$24.41	\$50,773

*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.

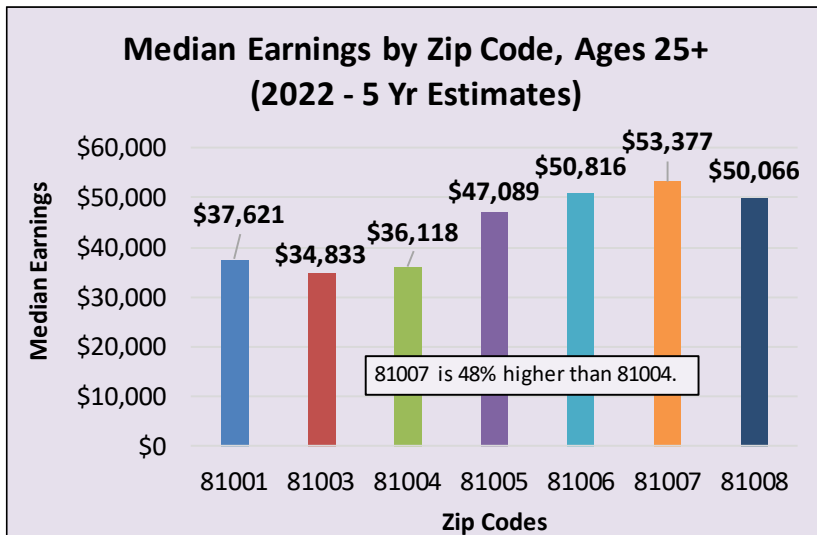
Sources: U.S. Bureau of Labor Statistics and Colorado Department of Labor and Employment, QCEW; Local military installations; U.S. Census Bureau, American Community Survey 1-year estimates; U.S. Department of Health & Human Services; MIT Living Wage Calculator

LOCAL INFORMATION BY ZIP CODE (PAGE 5)

Pueblo Percentage with HS Diploma by Zip Code, 2022 - 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	90.2%	96.8%	87.8%	91.2%	72.4%	87.2%	81.9%
81003	80.8%	56.4%	79.1%	45.1%	83.2%	87.1%	76.8%
81004	90.9%	81.7%	71.7%	88.1%	79.0%	84.0%	83.4%
81005	94.8%	98.2%	68.7%	100.0%	71.8%	91.9%	86.0%
81006	94.1%	100.0%	62.5%	100.0%	86.2%	98.8%	88.8%
81007	92.4%	92.4%	86.3%	94.8%	79.9%	97.3%	88.9%
81008	92.9%	92.0%	88.0%	74.5%	98.2%	90.8%	91.4%

Pueblo Percentage with Bachelor's Degree by Zip Code, 2022 - 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	20.9%	34.6%	0.9%	49.1%	6.0%	23.5%	10.9%
81003	17.5%	10.4%	11.3%	32.7%	11.9%	18.8%	12.0%
81004	21.3%	11.1%	3.1%	21.1%	11.3%	17.2%	12.9%
81005	27.2%	48.7%	5.6%	46.8%	8.9%	29.1%	16.0%
81006	23.8%	28.6%	2.5%	100.0%	9.5%	22.1%	15.5%
81007	29.6%	14.3%	16.8%	60.7%	16.8%	44.8%	20.8%
81008	32.1%	43.5%	30.0%	74.5%	19.8%	33.2%	28.4%

Note: BOLD AND UNDERLINED PERCENTAGES HAVE LOWEST AND HIGHEST VALUES BY RACIAL/ETHNIC CATEGORIES. 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

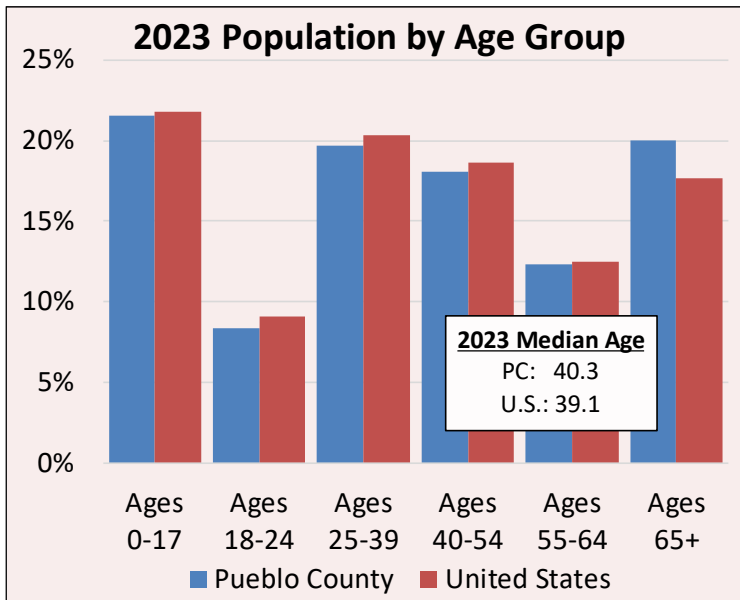


Median Earnings 2022 (All Ages Full-Time)	
U.S.	Pueblo County
\$56,929	\$51,808

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)

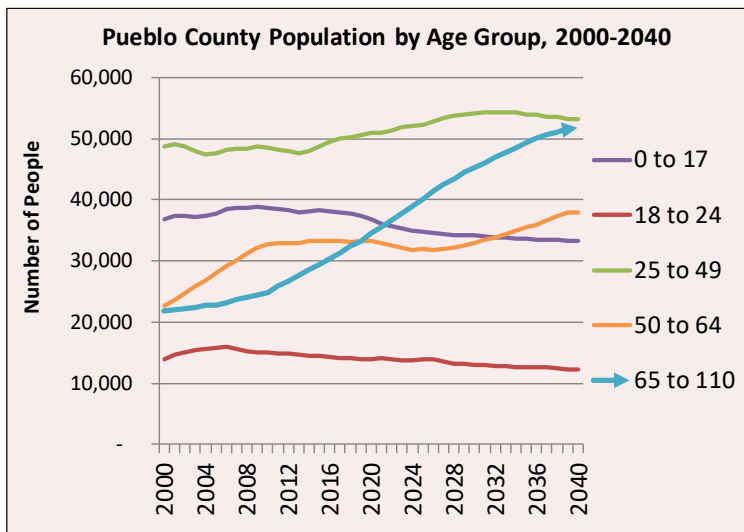


Source: U.S. Census Bureau, Population Division, Population Estimates Program

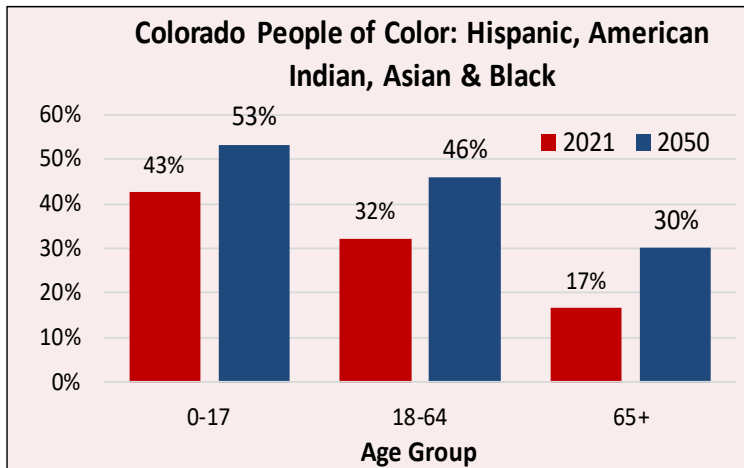
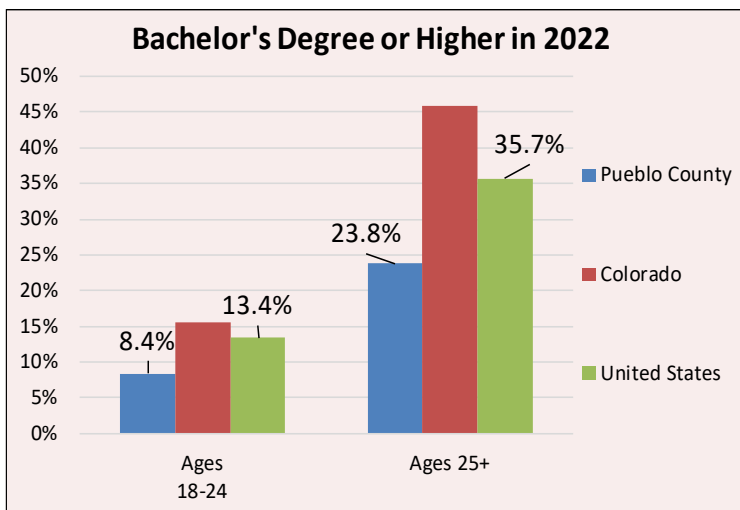
Population Estimates

Region (Growth Rate)	2022	2050
Pueblo County (14%)	169,383	193,446
Colorado (29%)	5,838,736	7,491,886

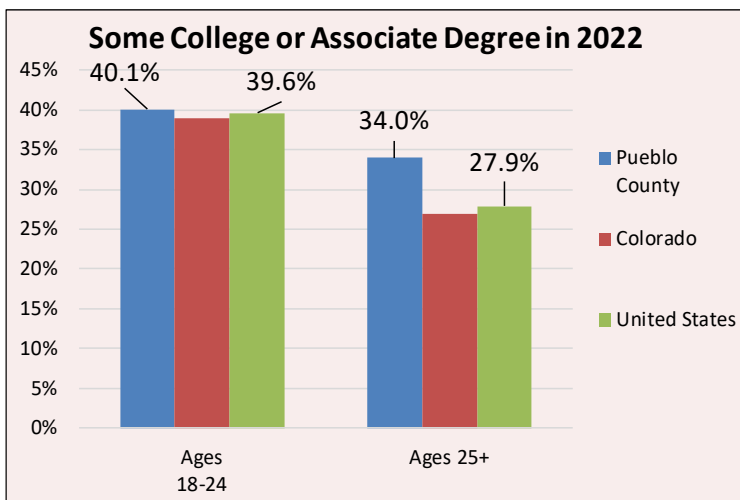
Source: Colorado State Demography Office



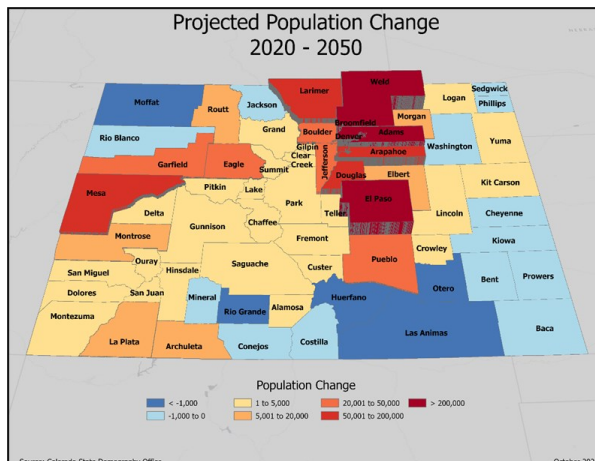
Source: Colorado State Demography Office



Source: Colorado State Demography Office



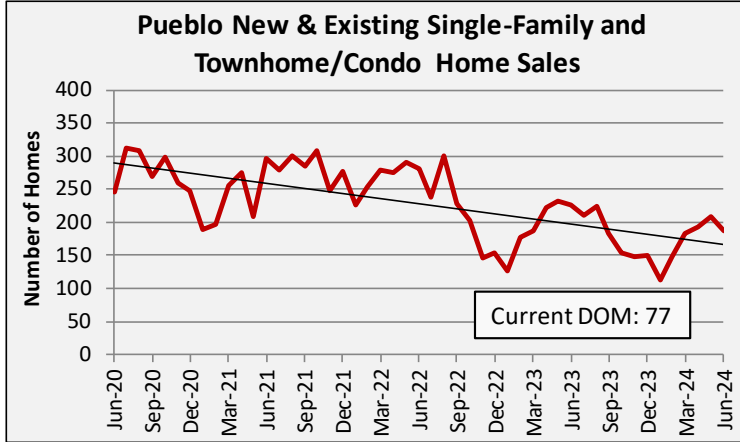
Source: U.S. Census Bureau, American Community Survey 1-year estimates



Source: Colorado State Demography Office

Pueblo Economic & Workforce Development Dashboard

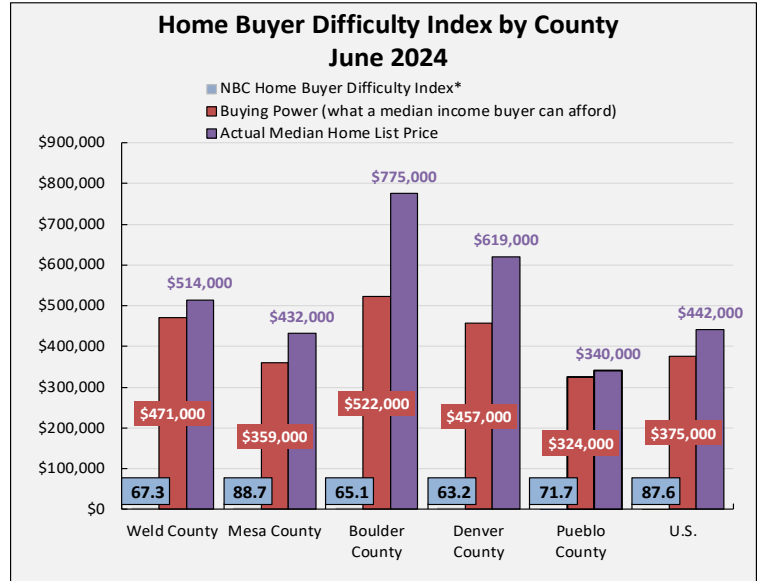
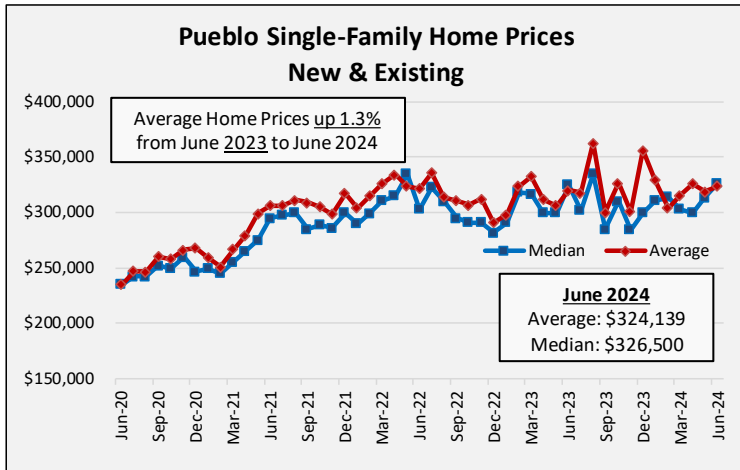
REAL ESTATE (PAGE 7)



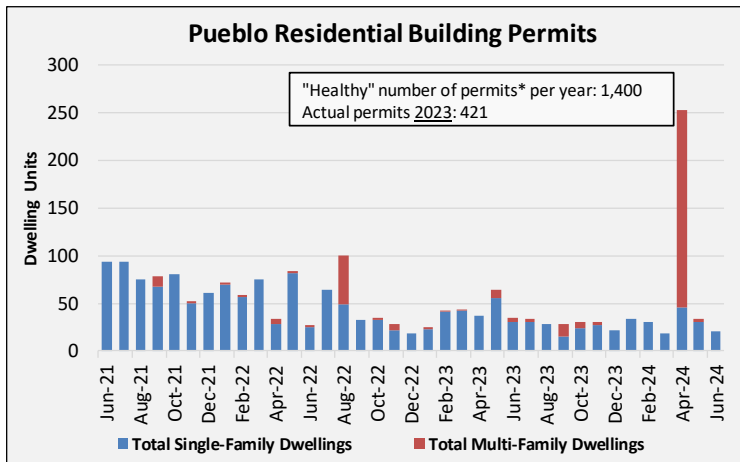
Median Existing Single-Family* Home Price 2024 Q1 (CS, Denver, U.S.) and June (Pueblo)

Location	Colorado Springs	Denver	June 2024 Pueblo (*New & Existing)	United States
Price	\$448,800	\$651,000	\$326,500	\$389,400
1-year % Change	0.9% increase	2.3% increase	0.5% increase	5.0% increase
MSA Rank	46	19	105	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)



*The index in the blue boxes measure the difficulty of buying a home on a scale of 0 to 100 with higher values indicating greater difficulty. The index is based on total home cost, how many people are competing for homes, scarcity of homes, and overall economic stability in the region.
Source: NBC News using sources including Redfin, the Census Bureau, the Bureau of Labor Statistics and the Federal Reserve Bank of St. Louis

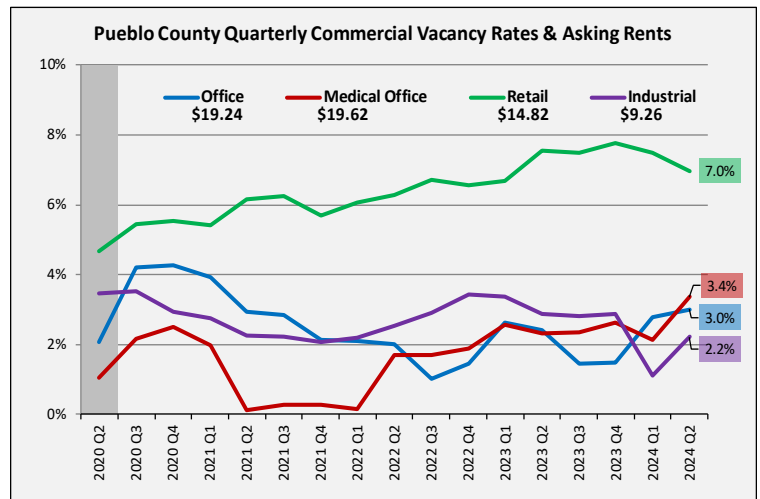


*The methodology for "healthy permits" includes single-family and multi-family dwellings needed if we incorporate both population growth and the existing shortage of housing between 2023 and 2028. These calculations by Data-Driven Economic Strategies incorporate research by Common Sense Institute and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

Apartments, 2024 Q1

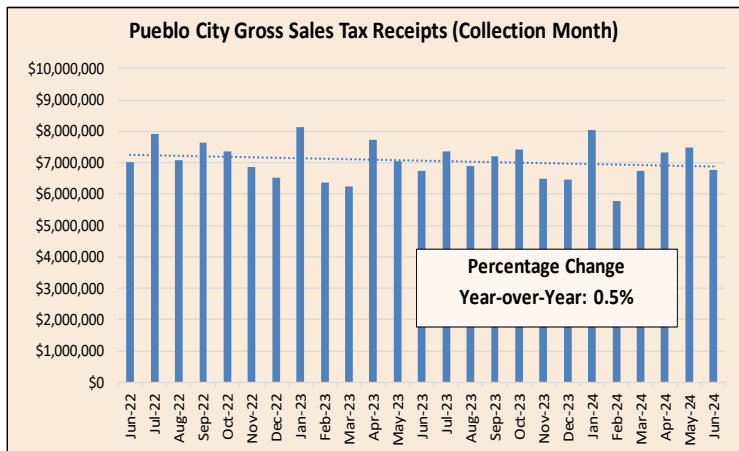
	Vacancy Rate	Average Rents	Median Rents	Average Year of Construction
Pueblo Metro Area	5.6%	\$1,171	\$1,040	1985
Pueblo Northeast	9.2%	\$1,101	\$1,000	1978
Pueblo Northwest	2.8%	\$1,393	\$1,419	2000
Pueblo South	4.6%	\$936	\$915	1973

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

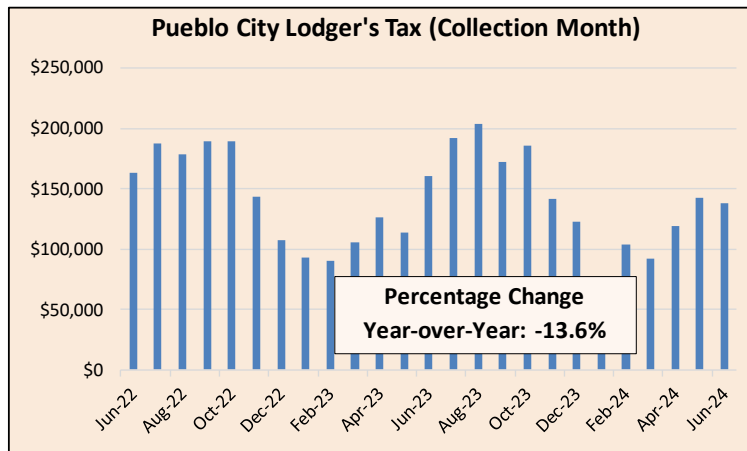


Sources: CoStar Group™; Olive Real Estate Group, Inc.

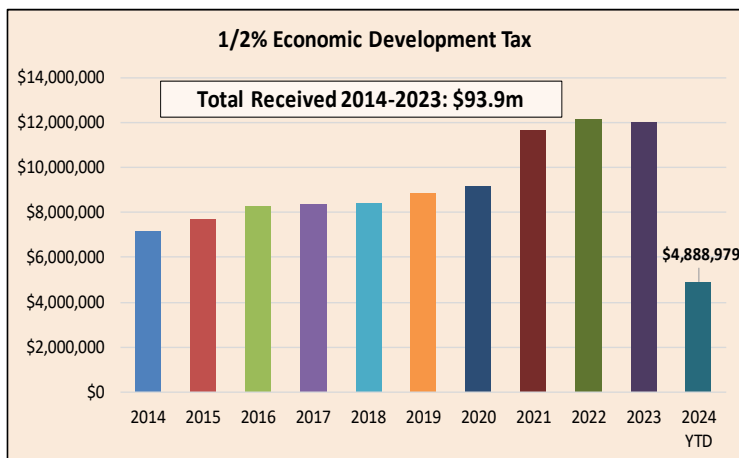
TAXATION AND TOURISM (PAGE 8)



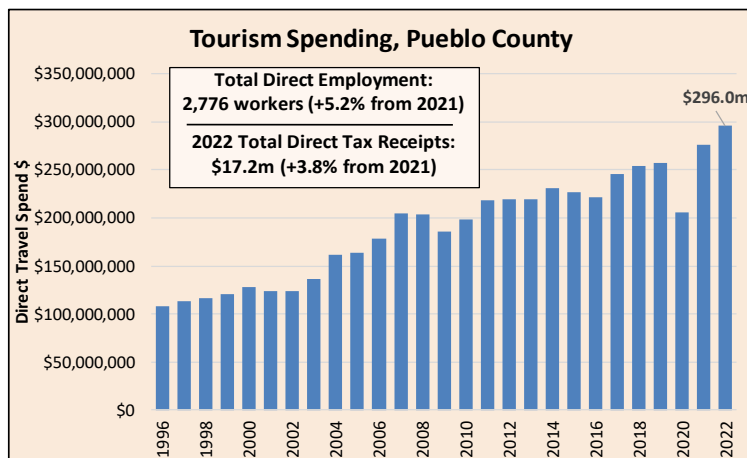
Source: City of Pueblo



Source: City of Pueblo

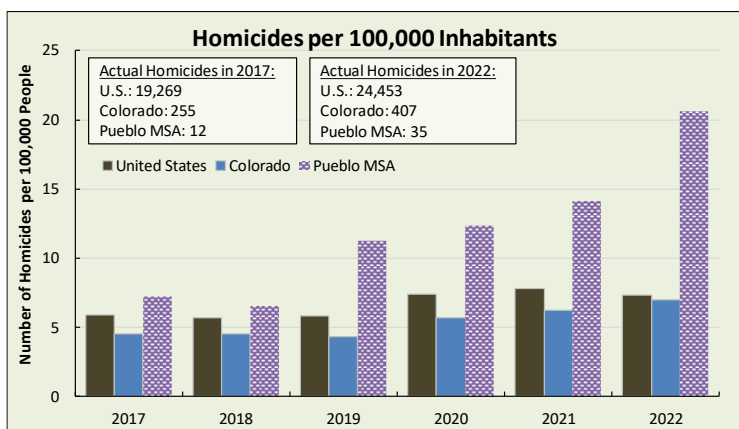


Source: City of Pueblo

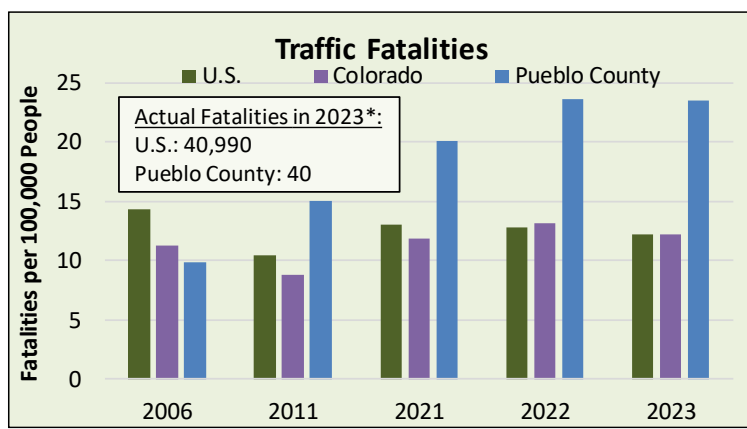


Note: Direct travel includes day and overnight visitors.
Sources: Colorado Tourism Office; Greater Pueblo Chamber of Commerce

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

Sworn Police Officers Per 10,000 Inhabitants in 2023	
City of Pueblo, CO	16.0
City of Greeley, CO	12.9
City of Lansing, MI	16.3
City of Provo, UT	10.0

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

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