

FIFTY-FIRST ANNUAL

COLORADO
BUSINESS ECONOMIC
OUTLOOK

2016

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2016 Outlook: As Good As It Gets? Or Can It Get Better?

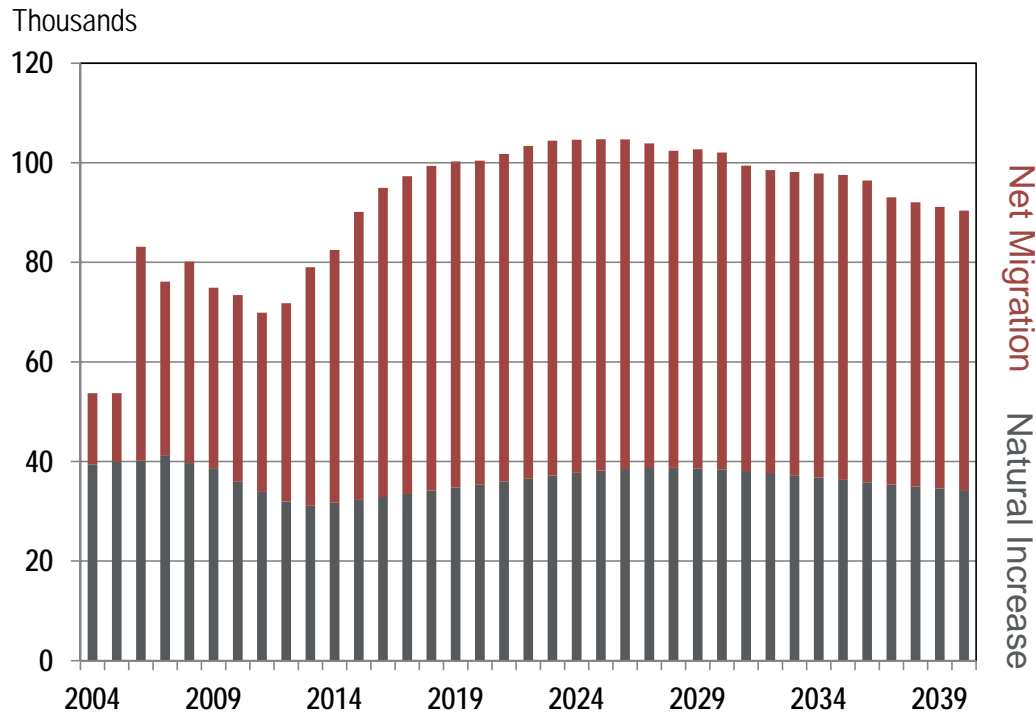
NAIOP 2016 Economic Forecast

**Richard Wobbekind
Executive Director
Business Research Division
Leeds School of Business**



Change in Population

Change in Colorado Population 2004-2040



4th-fastest state for percentage growth

8th-fastest state for absolute growth

22nd-most populated state in nation

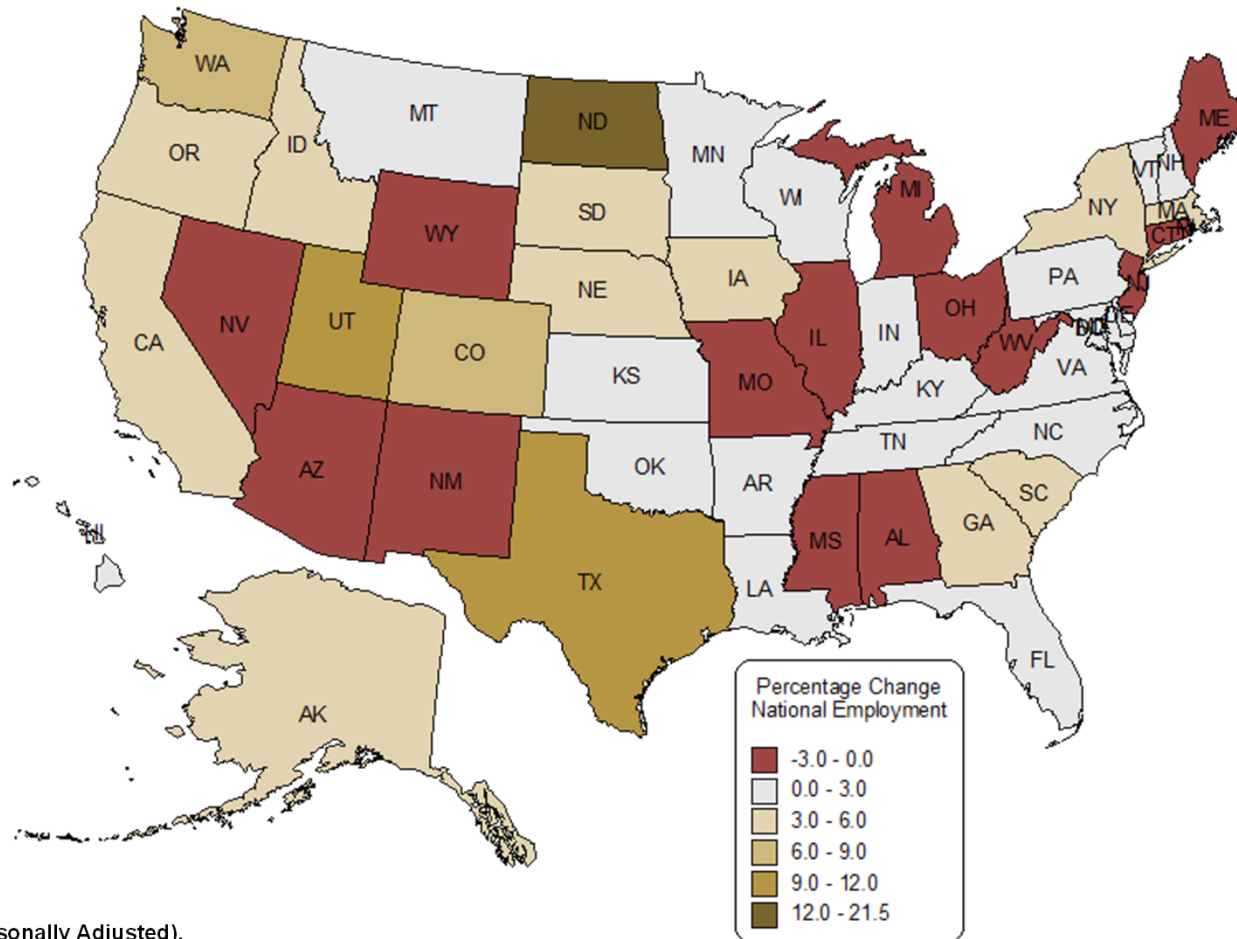
Continued net migration into the state

83% of population along Front Range

Source: Colorado Demography Office.

State Employment Growth

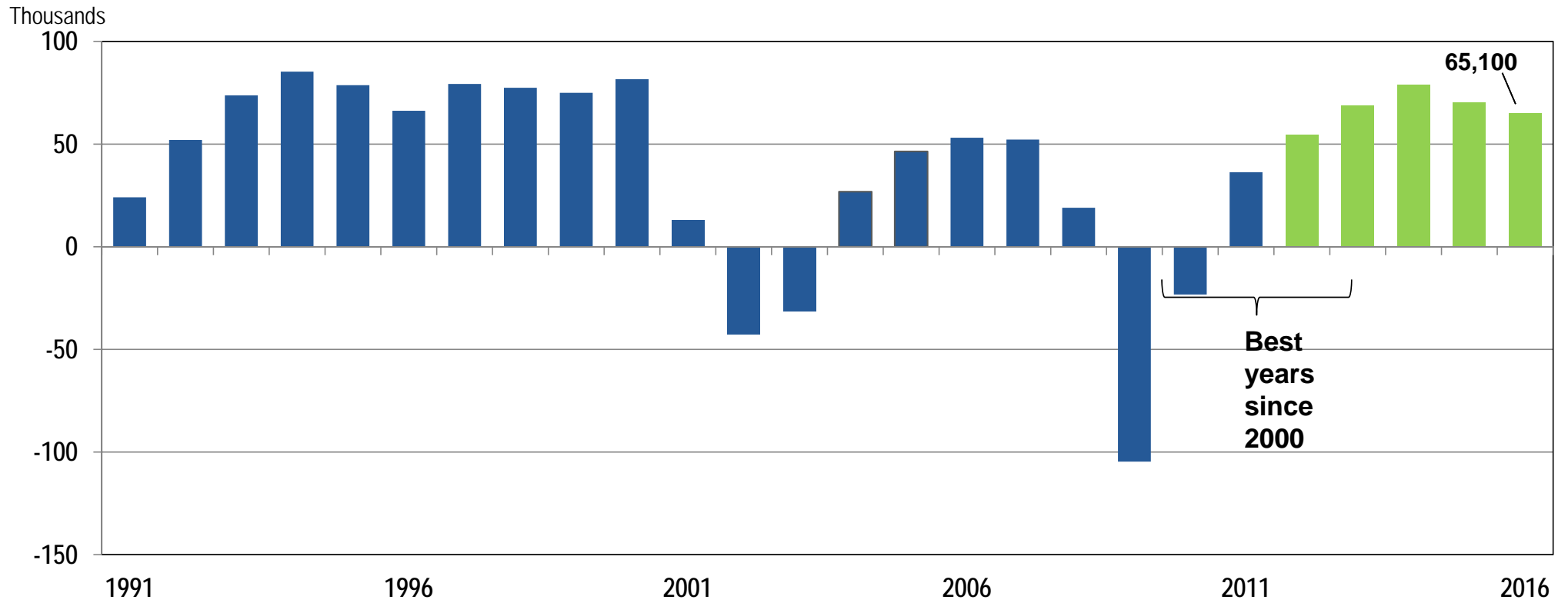
Pre-Recession Peak to November 2015



Source: Bureau of Labor Statistics (Seasonally Adjusted).

Colorado Employment Growth

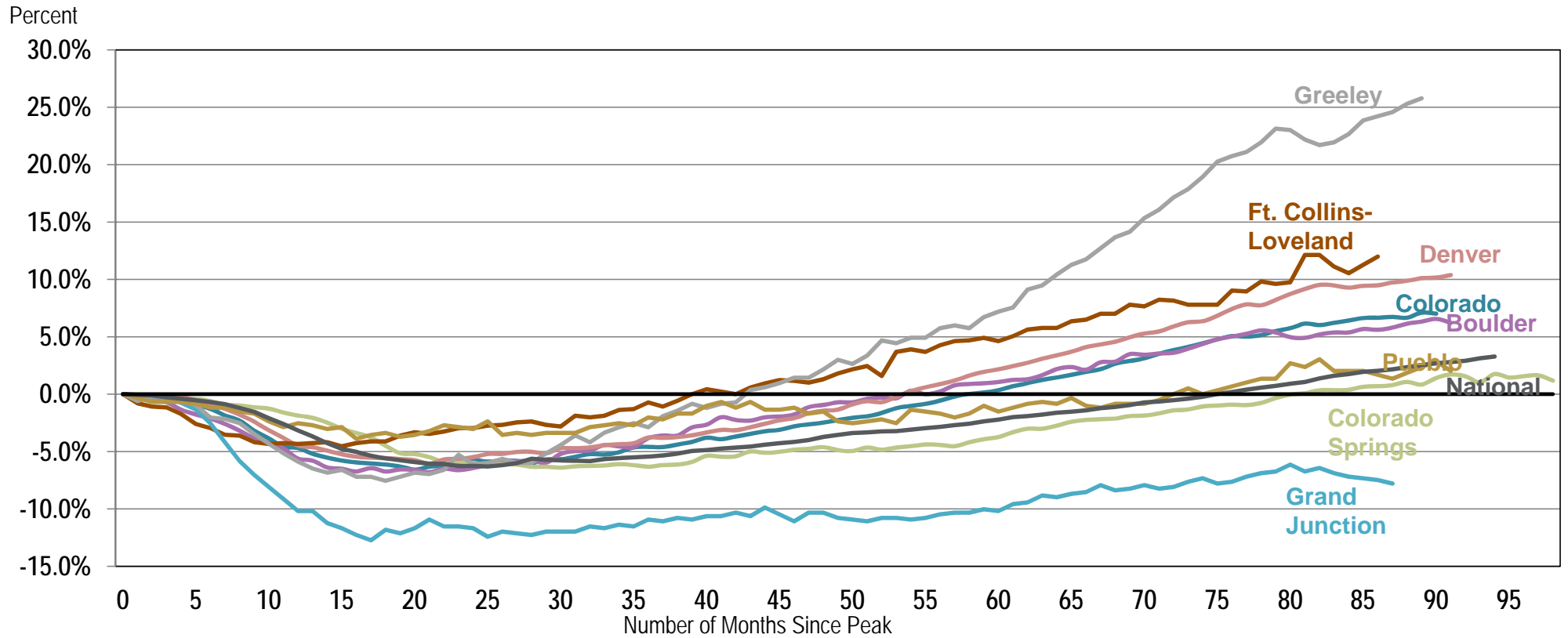
Jobs Added, 1991-2016



Sources: Bureau of Economic Analysis, NIPA Table 3.18B, Consensus Forecasts.

Employment Recovery

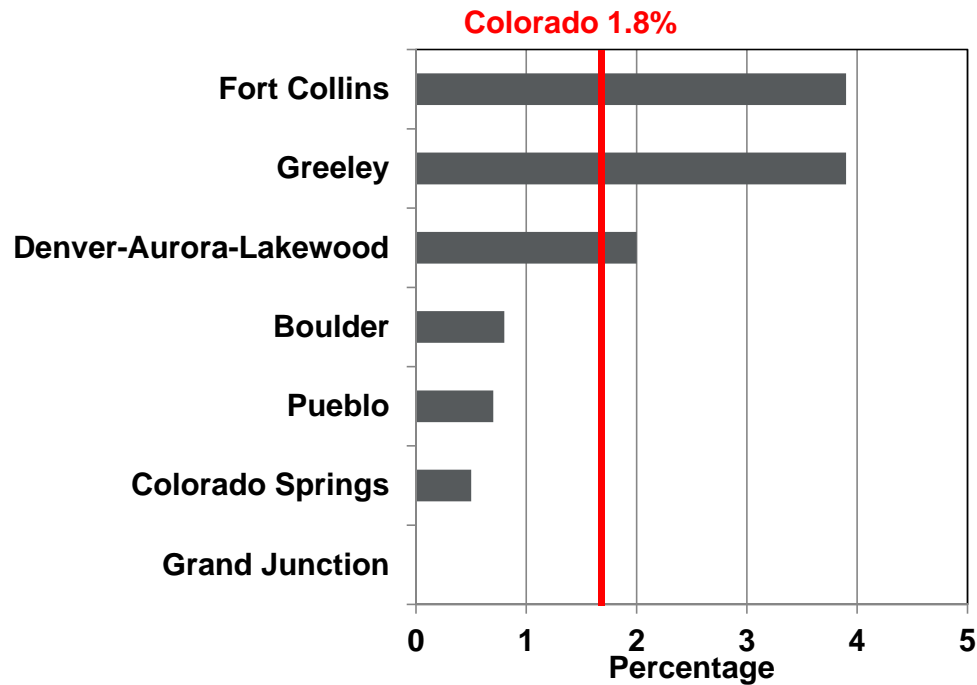
National, State, and Local



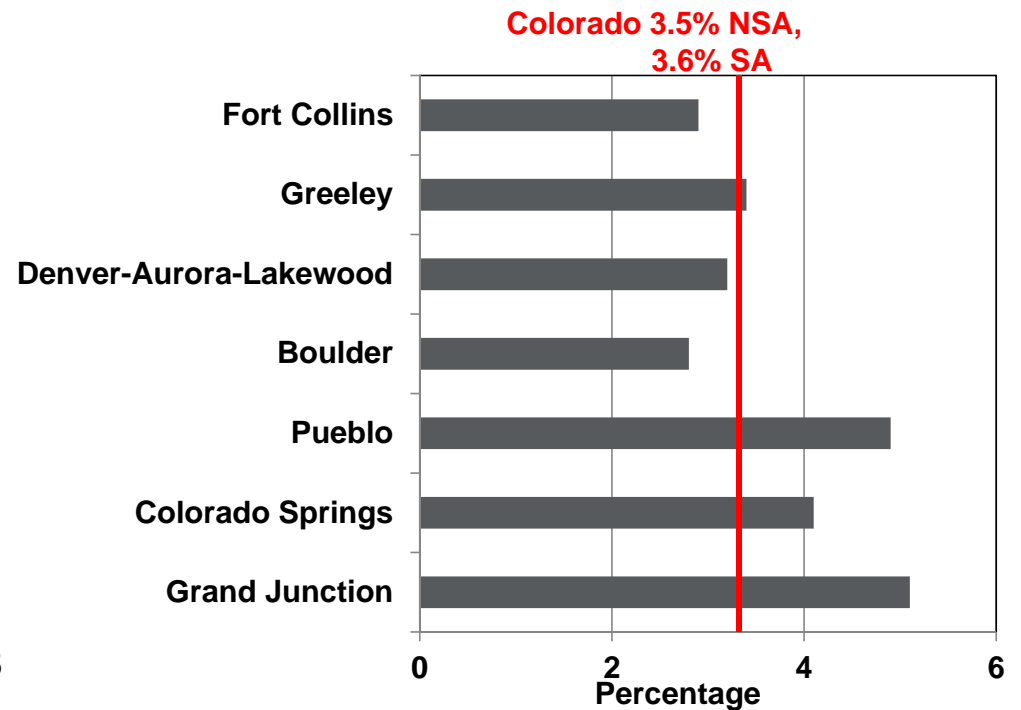
Source: Bureau of Labor Statistics (Seasonally Adjusted).

Regional Employment Growth and Unemployment

Employment Growth Rate, November YoY



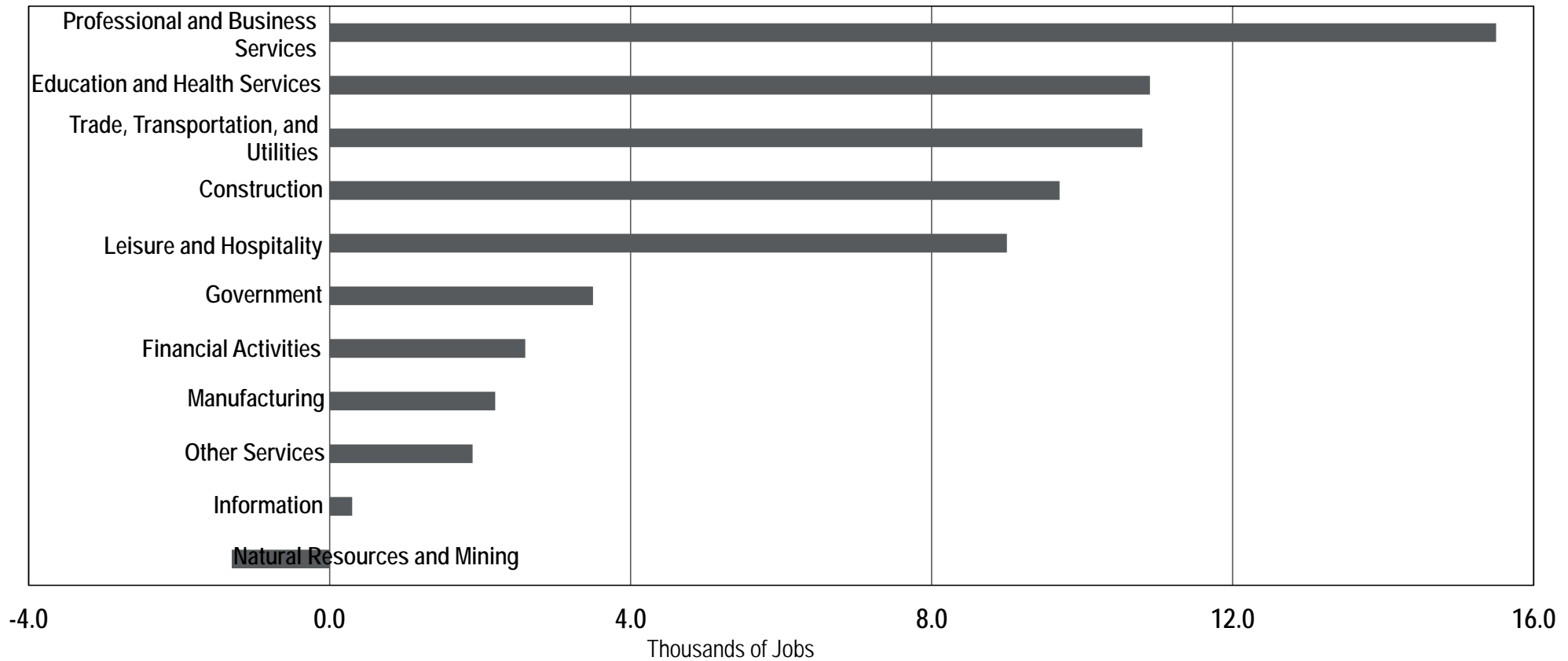
Unemployment Rate November 2015



Sources: CES (Seasonally Adjusted) and LAUS (Not Seasonally Adjusted).

Employment Change

2015-2016



Source: Boulder Economic Outlook Forum (BEOF).

Crude Oil Production

2006-2016

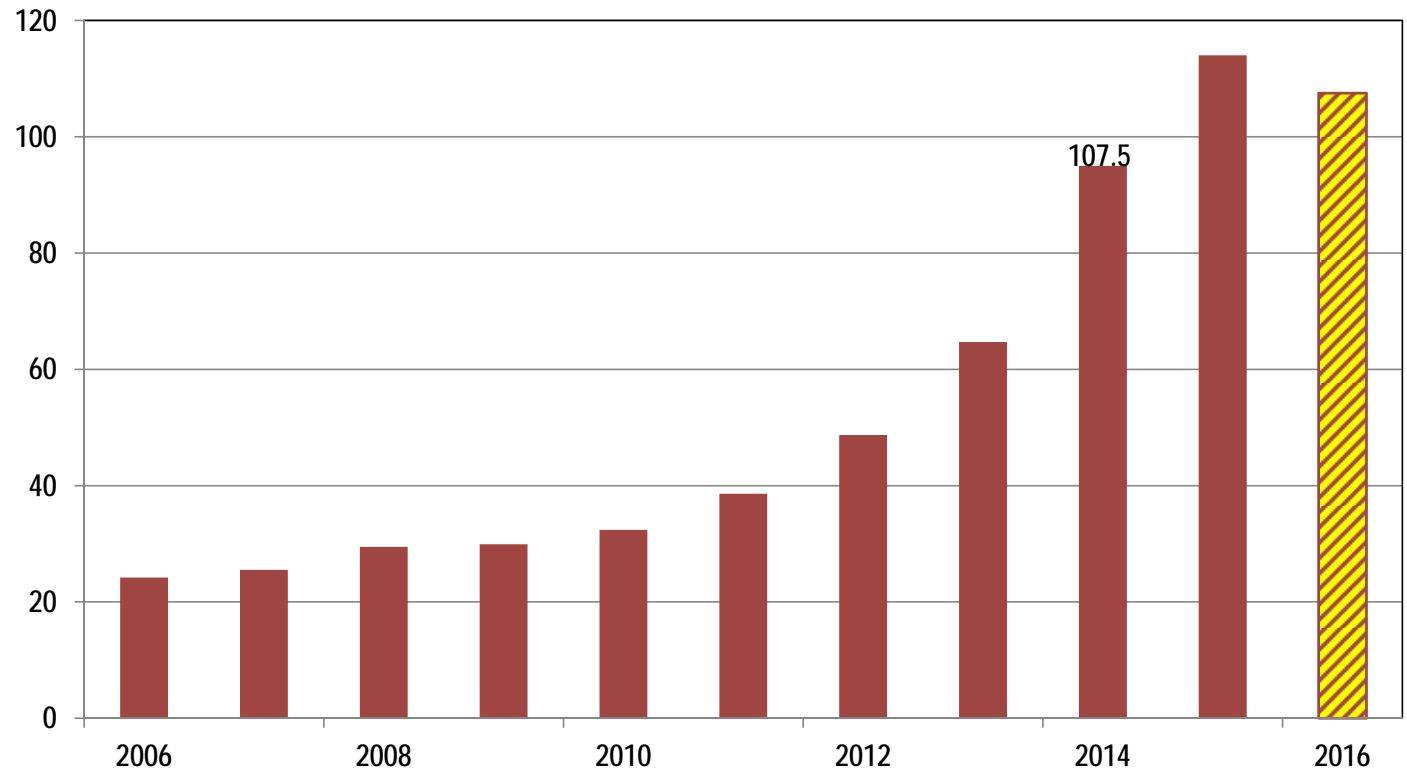
Millions of Barrels

Largest Producers

1. Texas
2. North Dakota
3. California
4. New Mexico
5. Alaska
6. Colorado
7. Oklahoma
8. Wyoming
9. Louisiana
10. Kansas

Production boosted by

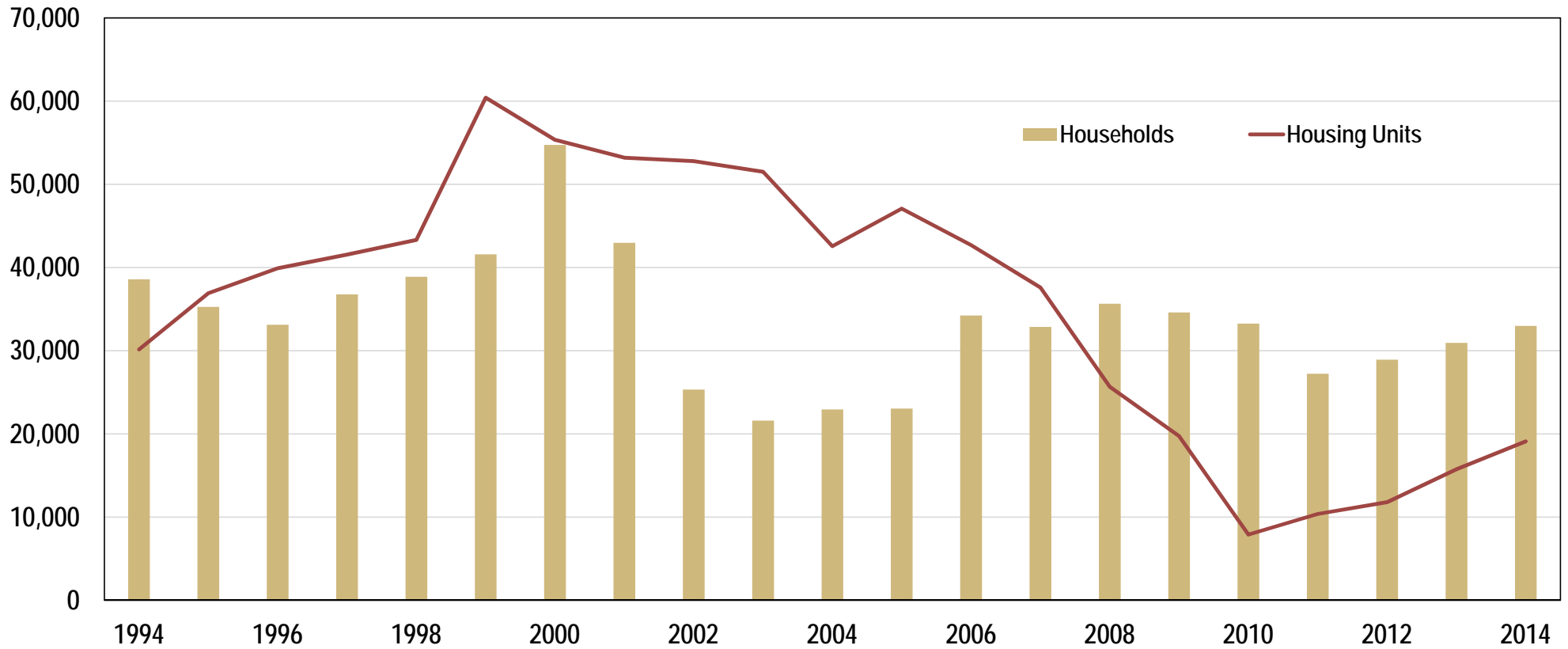
Horizontal drilling
Hydraulic fracturing



Sources: Rankings from the Energy Information Administration. Production data from Colorado Geological Survey Mineral and Mineral Fuel Activity Reports, Colorado Oil and Gas Conservation Commission, Department of Minerals and Geology, and Colorado Business Economic Outlook Committee.

Housing Units vs. Households

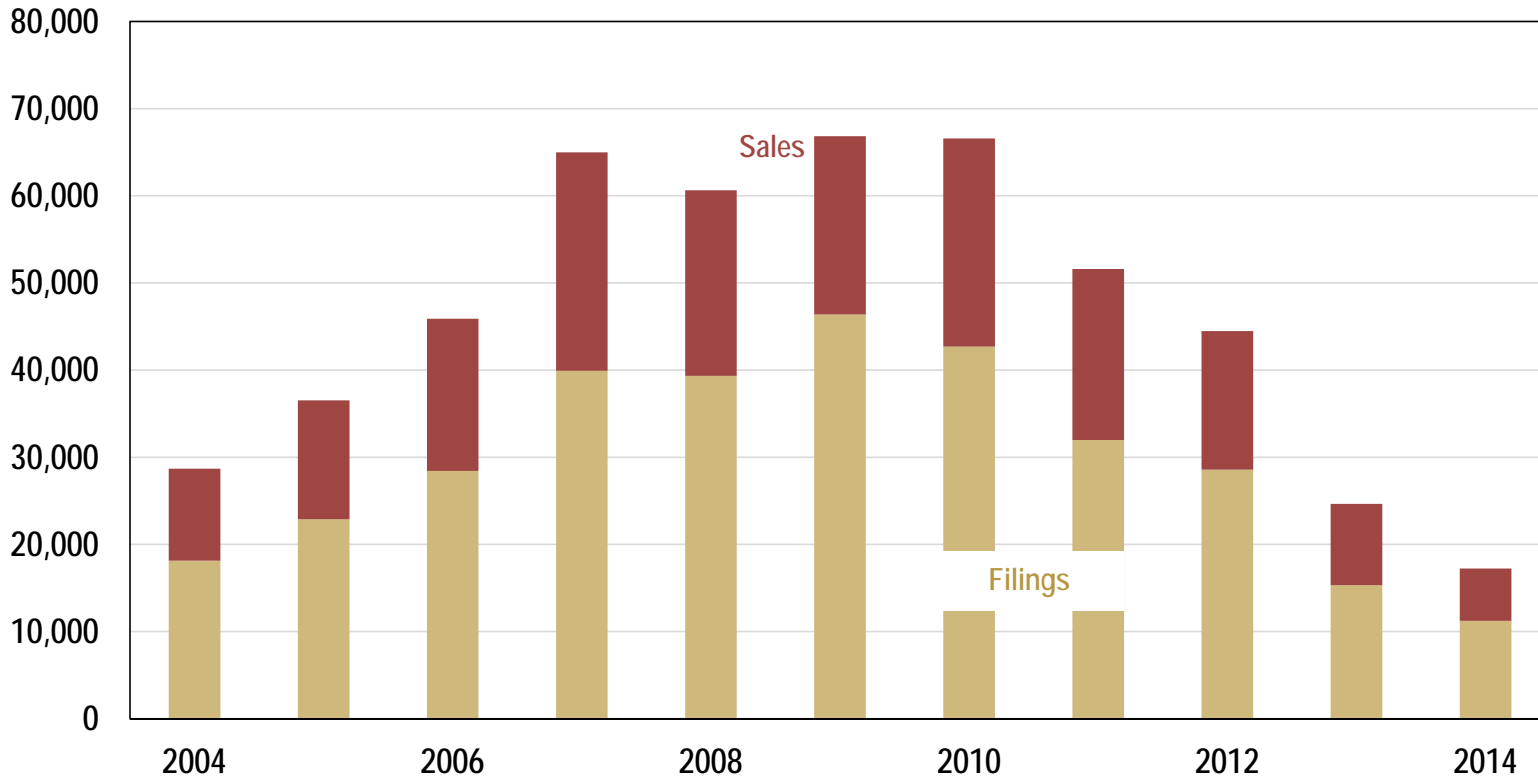
Annual Change



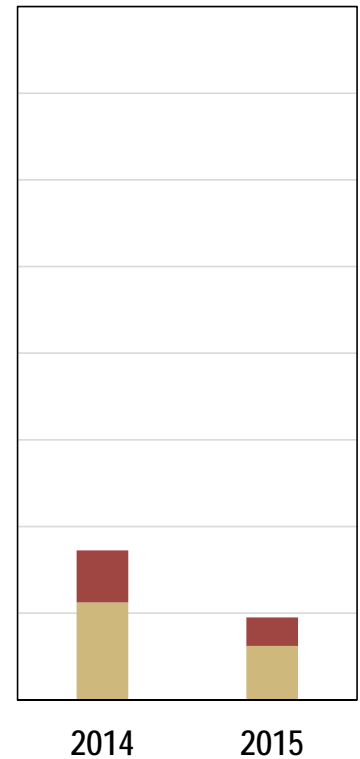
Colorado Foreclosures

2004-2015

Total State Foreclosures Over Time



September YTD 2014-2015

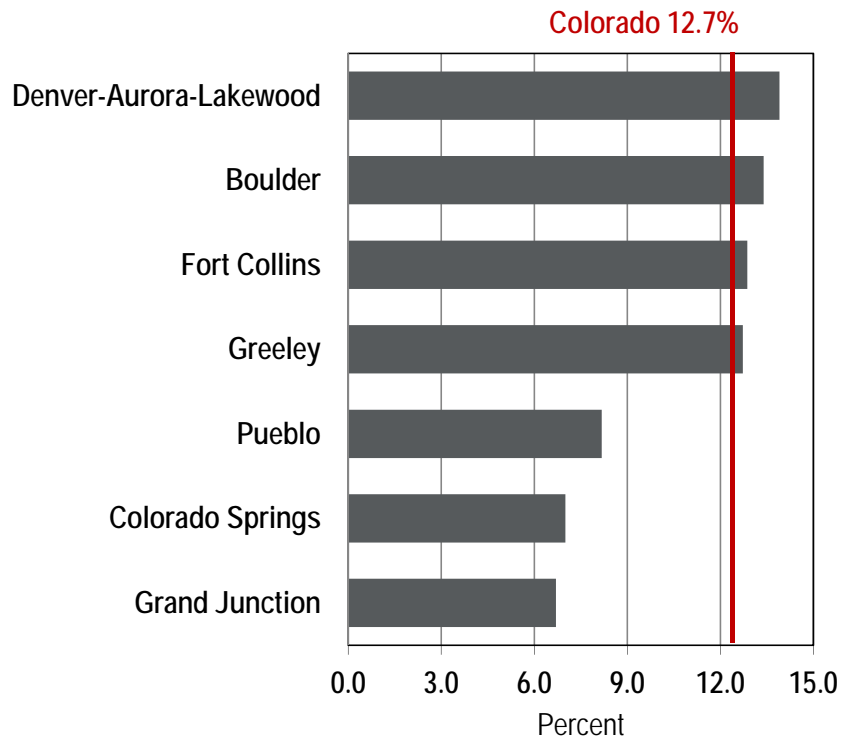


Source: Colorado Division of Housing

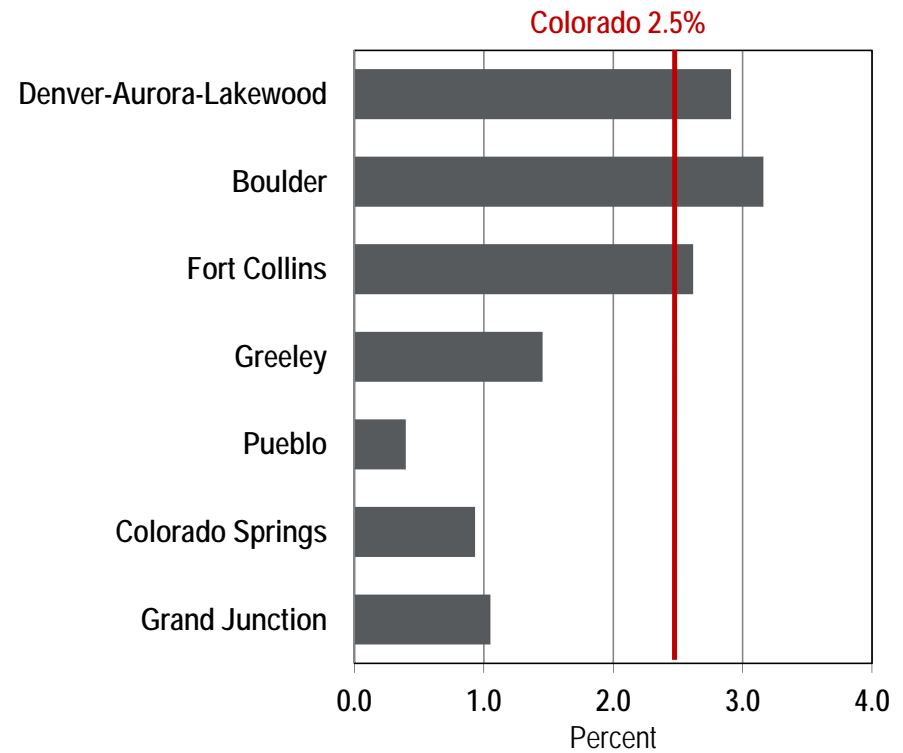
Federal Housing Finance Agency (FHFA)

House Price Index by MSA

Q3 2014 – Q3 2015



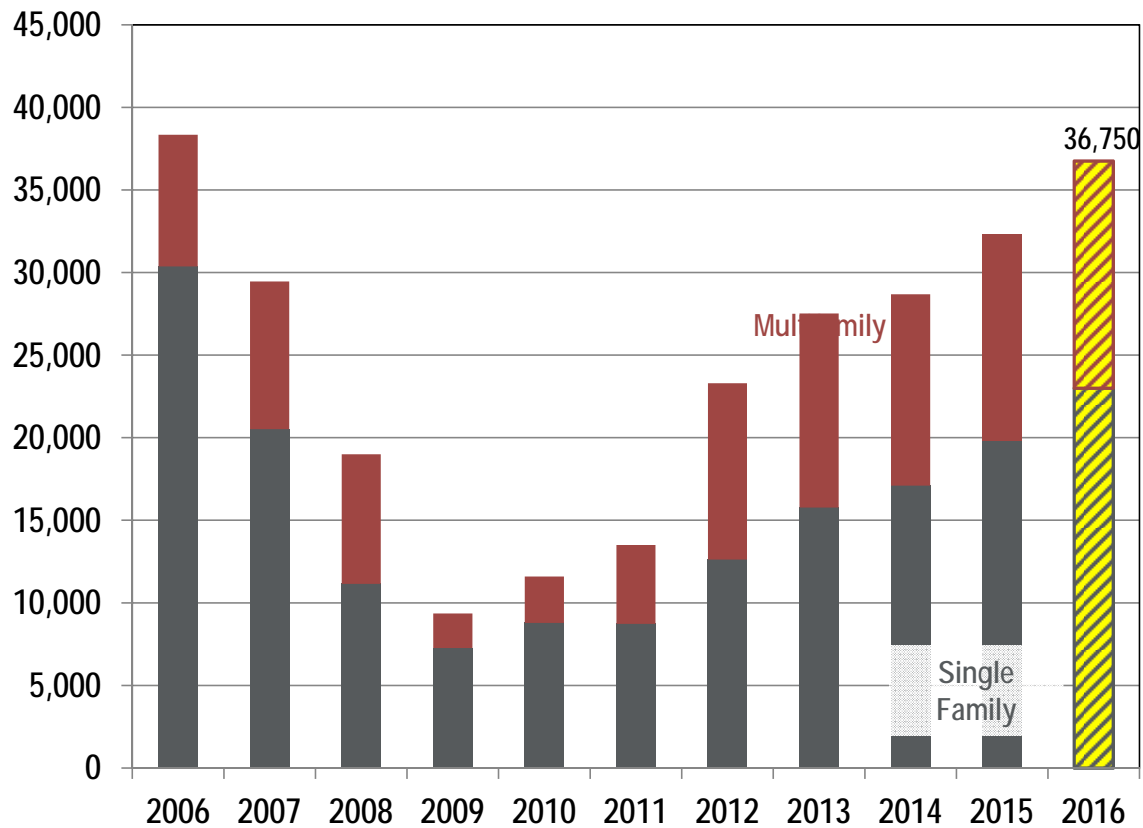
CAGR Q3 2005 – Q3 2015



Source: Federal Housing Finance Agency, All Transactions Indexes.

Residential Building Permits

2006-2016



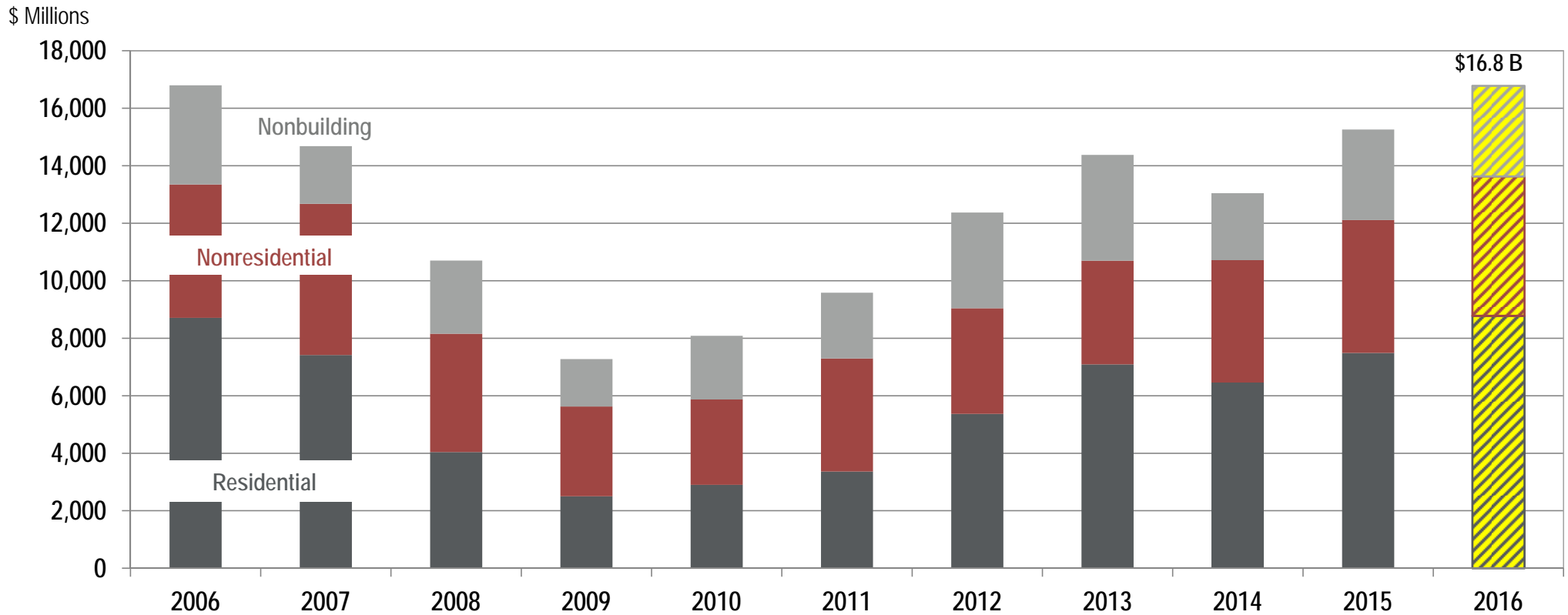
Residential Housing:

- Home appreciation among the fastest nationally
- Mostly single family permits in 2016
- Lowest foreclosure rate in two decades

Sources: U.S. Census Bureau and Colorado Business Economic Outlook Committee.

Value of Construction

2006-2016

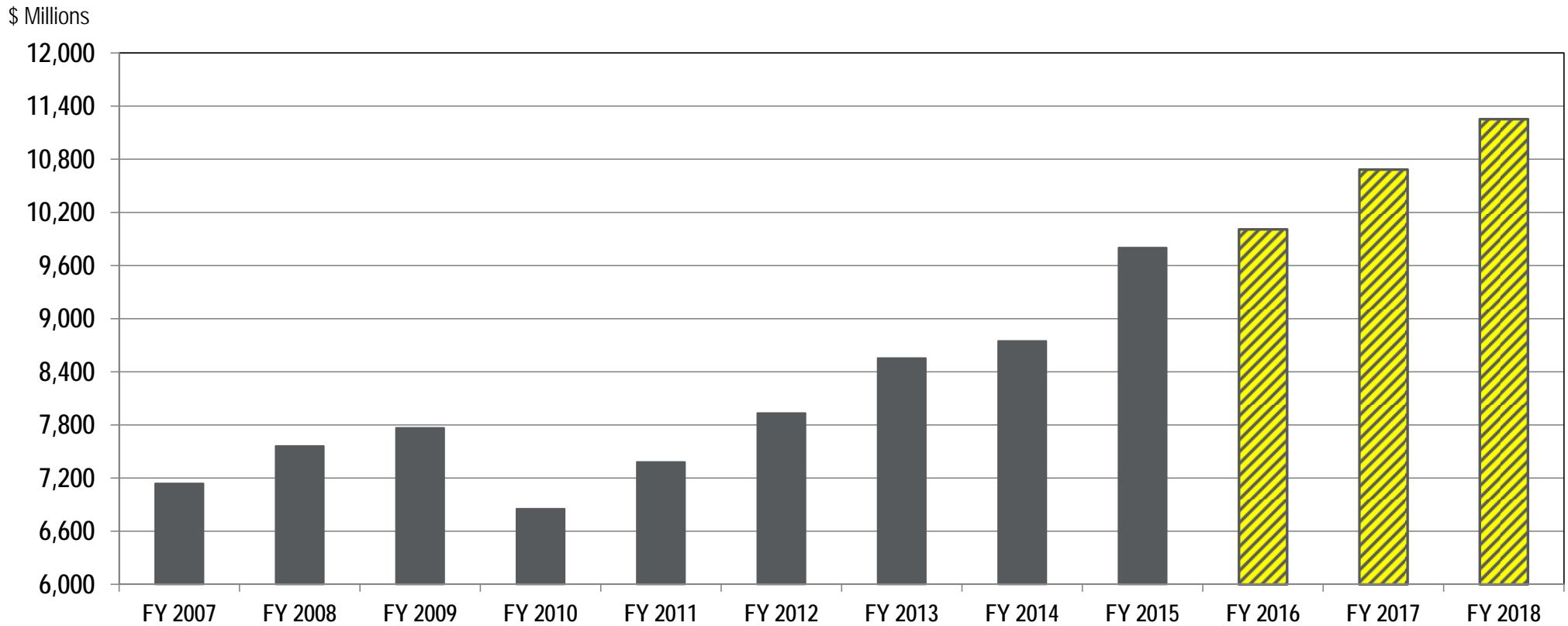


\$16.8 B

Sources: McGraw-Hill Construction Dodge Research and Analytics and Colorado Business Economic Outlook Committee.

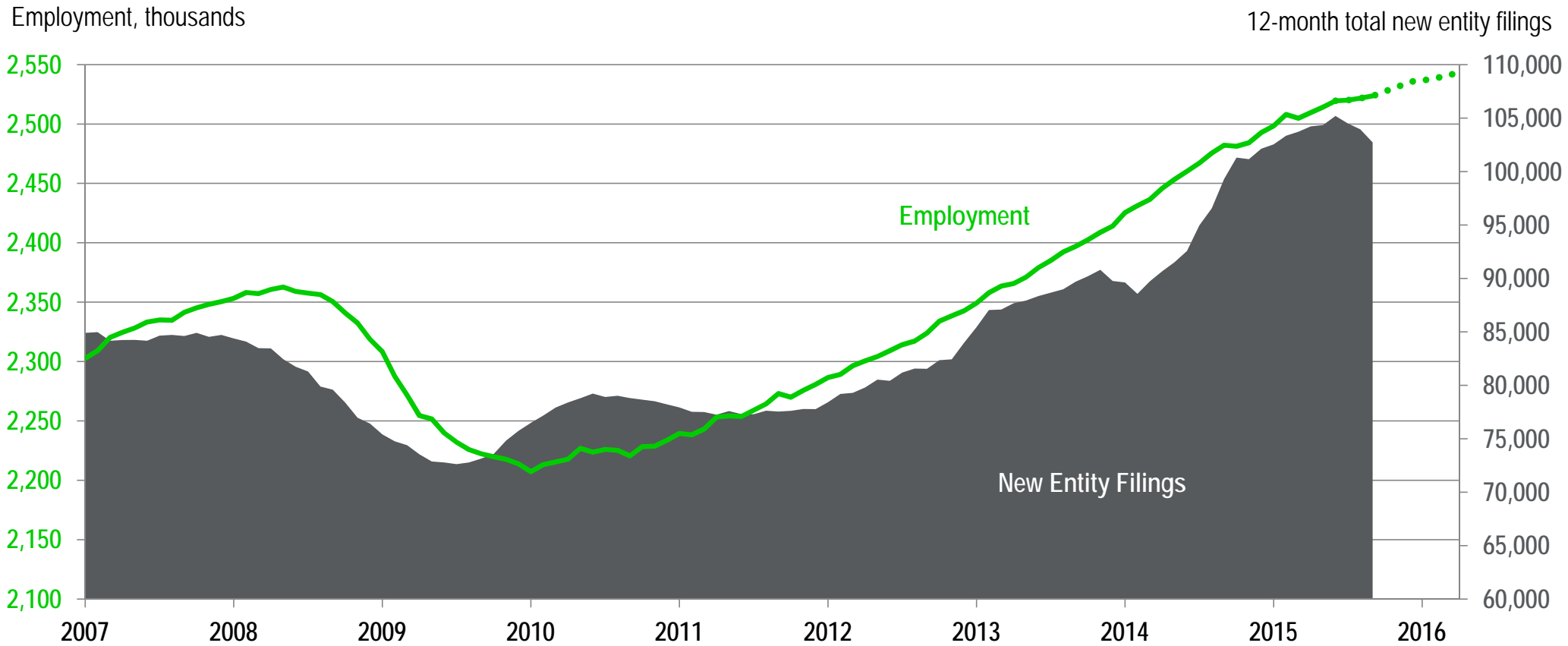
Colorado General Fund

Gross Revenue (excluding reserves, diversions, and transfers)



Source: Colorado Office of State Planning and Budgeting, excluding reserves, diversions, and transfers, December 2014.

Employment and New Entity Filings

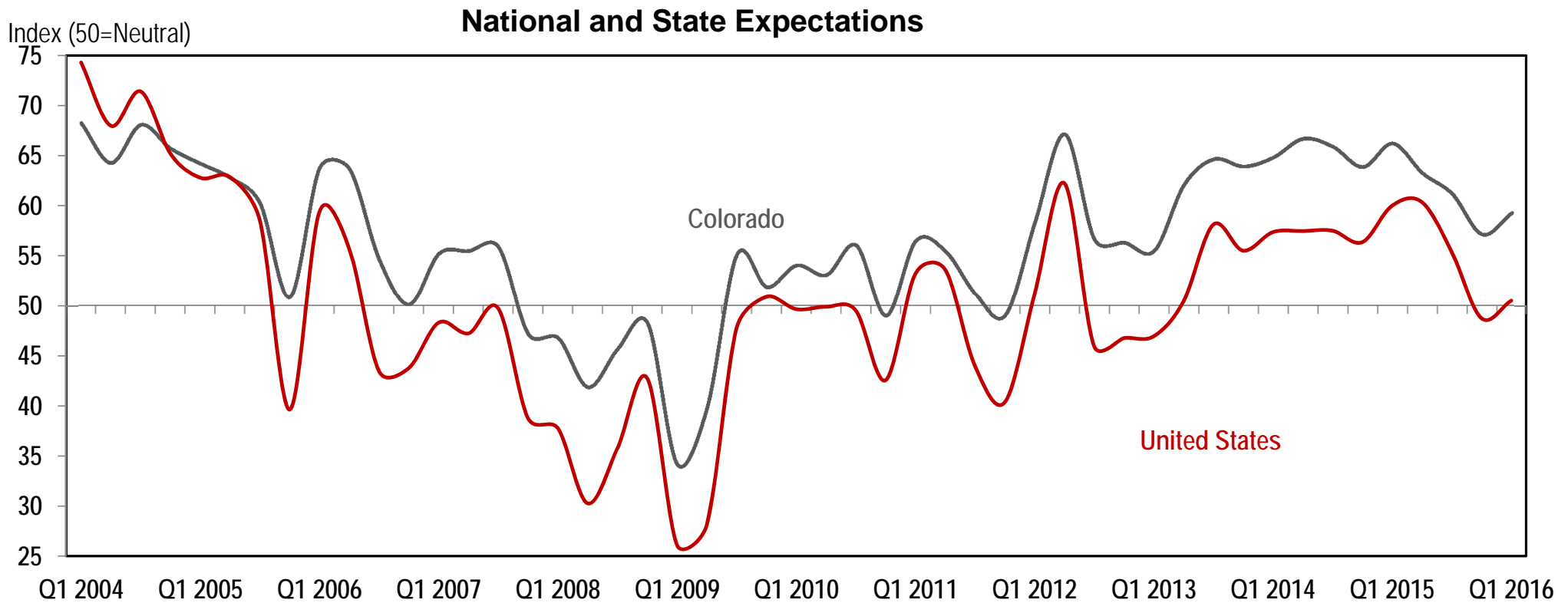


Note: Solid line displays actual seasonally adjusted employment numbers; dotted line reflects calculated forecasts.

Source: Seasonally adjusted. Colorado total nonfarm employees from the Bureau of Labor Statistics, Current Employment Statistics (CES), calculations by BRD research team.

U.S. and Colorado Economies

Q1 2004 – Q1 2016



Colorado Ranking Among Other States

Metric	1-Year	3-Year	5-Year	10-Year
Real GDP Growth	5	3	9	9
Employment Growth	21	6	5	5
Population Growth	4	3	4	6
Personal Income Growth	7	1	3	9
PCPI Growth	9	12	23	29
PCPI	14	16	13	12
Average Annual Pay Growth	8	16	20	20
Average Annual Pay	13	12	12	12
Unemployment Rate	13	27	29	22
Labor Force	38	17	12	7
FHFA Home Price Index	1	5	6	4

Data Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, U.S. Census Bureau, Federal Housing Finance Agency, and the Colorado State Demography Office. BRD calculations. Note: 1-year, 3-year, and 5-year are based on the compound annual growth rate.

Colorado Economic Indicators

Colorado Economic Indicators					
Year	Consumer Price Inflation	Percent Change Retail Sales	Percent Change Personal Income	Unemployment Rate	Percent Change Employment
2013 ^a	2.77	4.76	2.88	6.53	2.99
2014 ^a	2.78	6.62	6.04	4.94	3.32
2015	0.22	5.38	5.07	4.08	2.94
2016	1.20	5.44	5.81	3.35	2.17
2017	2.29	7.00	6.92	3.71	2.55
2018	2.48	6.38	6.68	3.88	2.48
2019	2.55	4.50	5.08	3.95	1.85
2020	2.42	3.46	3.98	4.15	1.12
2021	2.38	3.42	3.86	4.37	1.16

^aHistorical data. Note: Represents annual averages of the month-to-month growth rate.

State Summary

Colorado outperforms nation in employment growth

Falling unemployment

Labor force pressures

Full employment???

Growing population

Strong in-migration



Concerns

Fed funds target rate

Cost of housing

Availability of labor

Price of oil

El Niño

Median family income



Thank You!

