



Swimming Through Uncertainty: Understanding Today's Economic Currents

Colorado Government Finance
Officers Association

Richard Wobbekind
Senior Economist and Associate Dean for
Business and Government Relations
Business Research Division
University of Colorado Boulder



Presented by



National Economy Signals



GDP surged in Q3



Employment stagnating



ISM Mfg below 50 for 9 months



Confidence down



Consumption up



Inflation grew slower



Debt and delinquencies growing



Business confidence bounced



Interest rates decreasing



Industrial production leveling



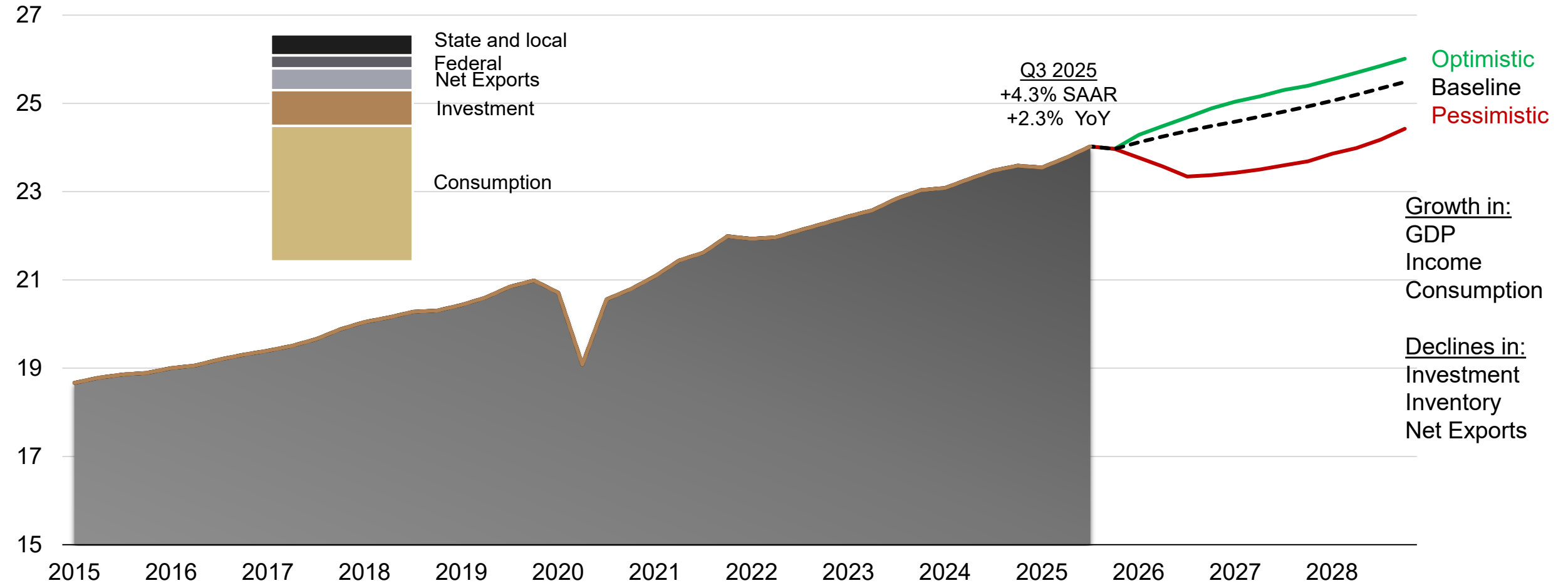
Capacity utilization flat



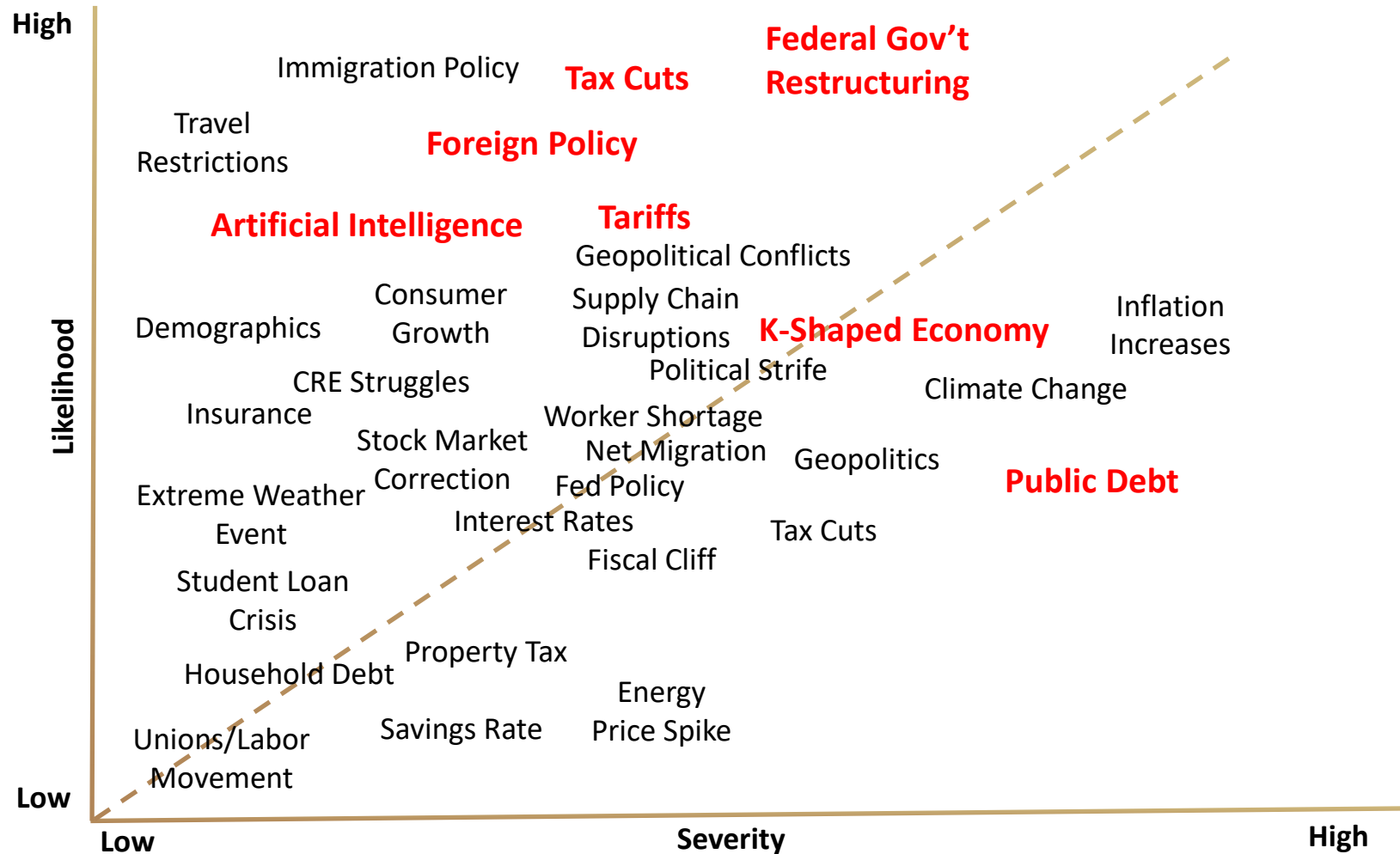
Labor force grew

U.S. Real GDP

U.S. Quarterly GDP, \$ Trillions



Risks

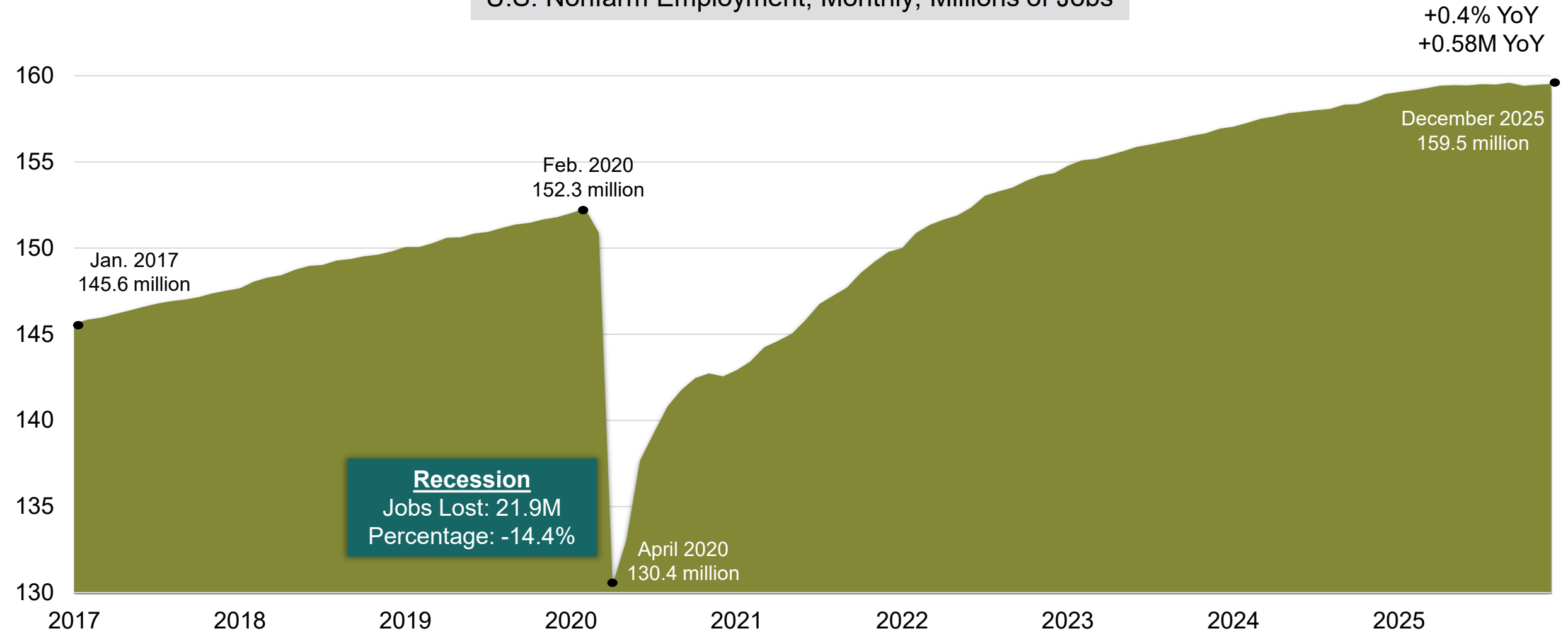




Employment

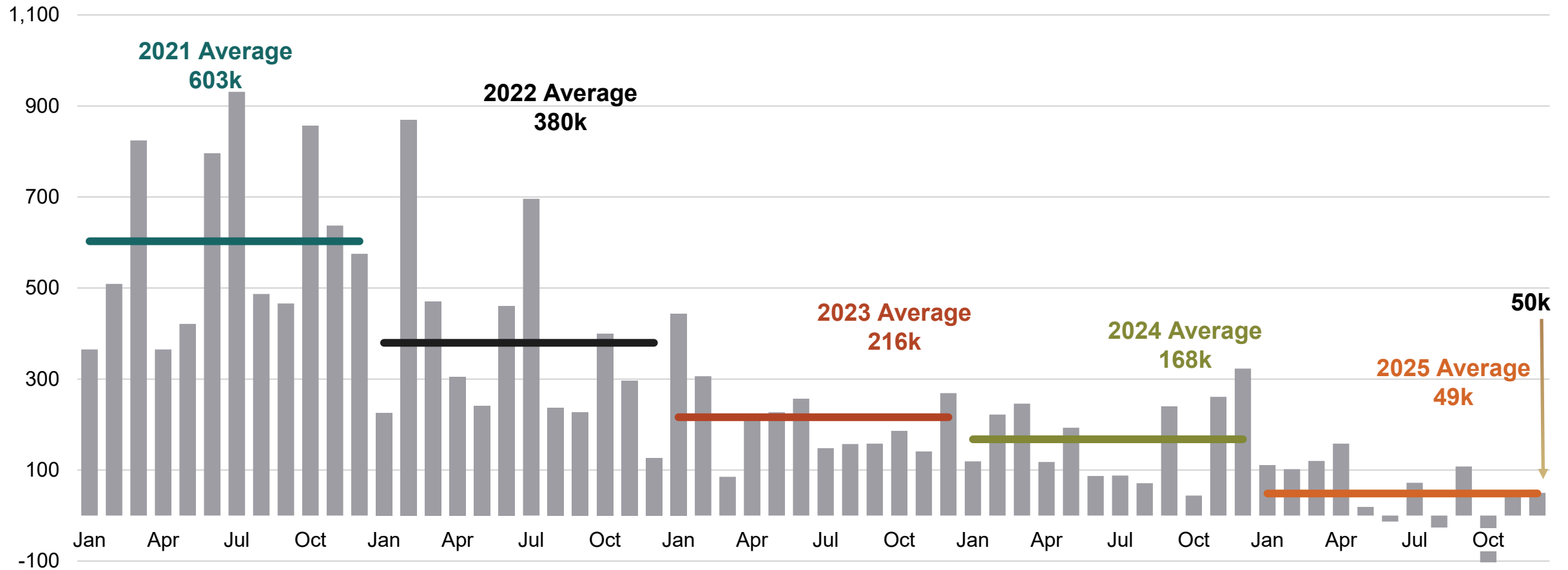
U.S. Nonfarm Employment

U.S. Nonfarm Employment, Monthly, Millions of Jobs



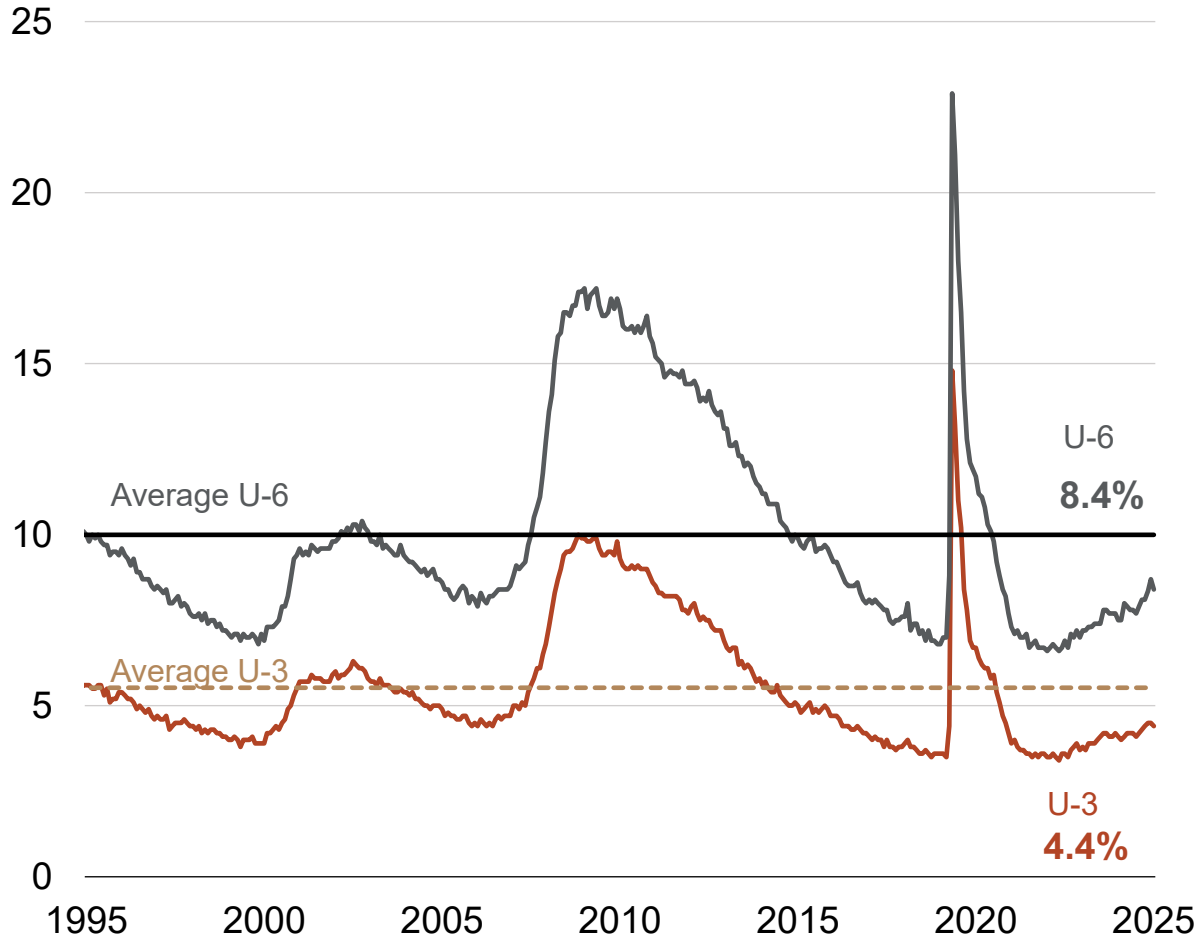
U.S. Nonfarm Employment Growth

Thousands of Jobs Added Per Month

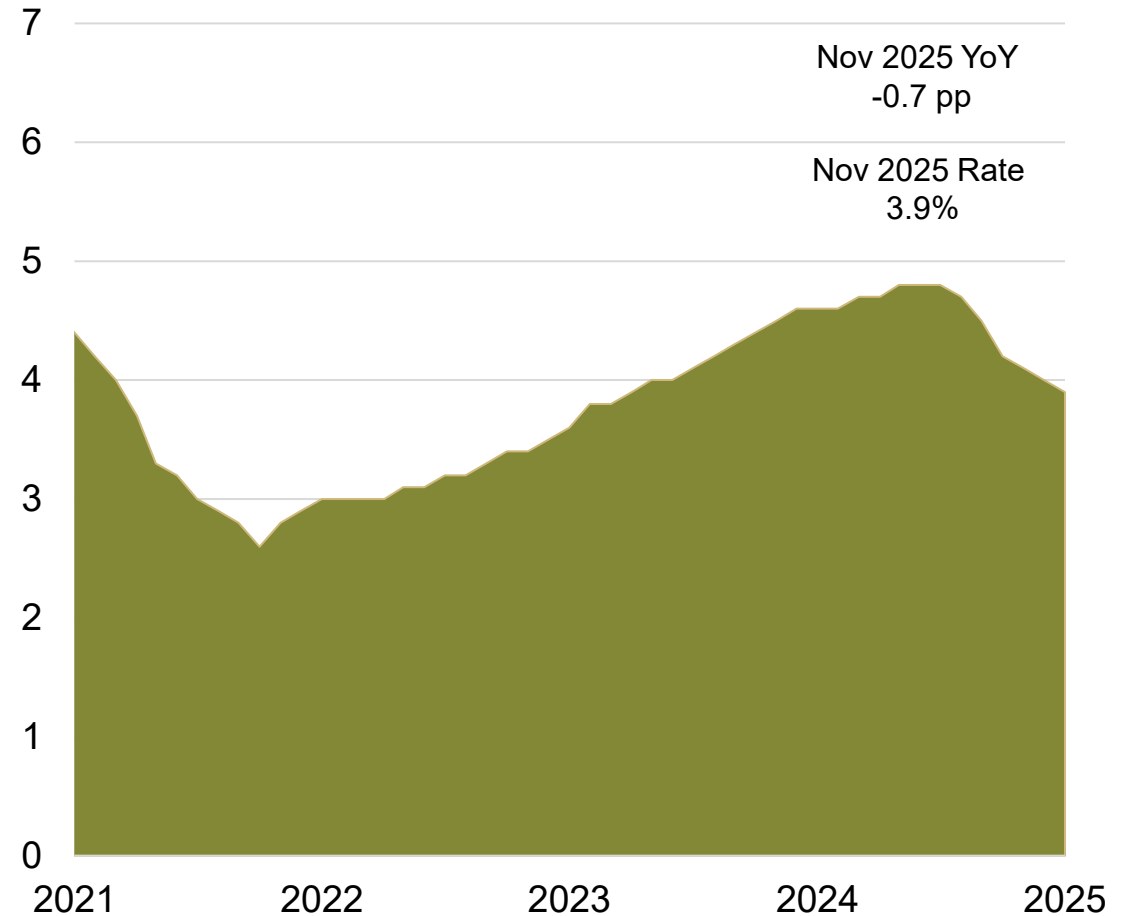


Unemployment Rate

U.S. Unemployment Rate %, Monthly

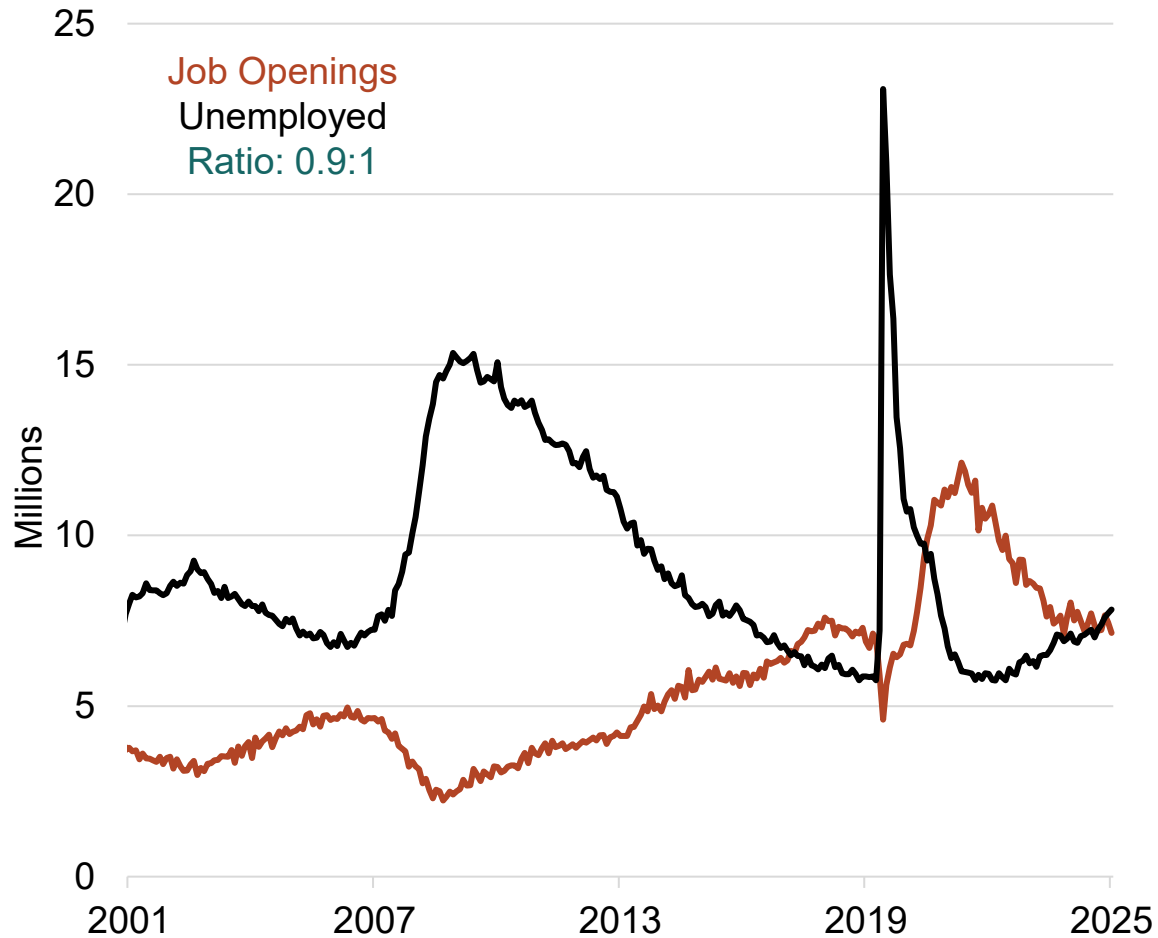


Colorado Unemployment Rate %, Monthly

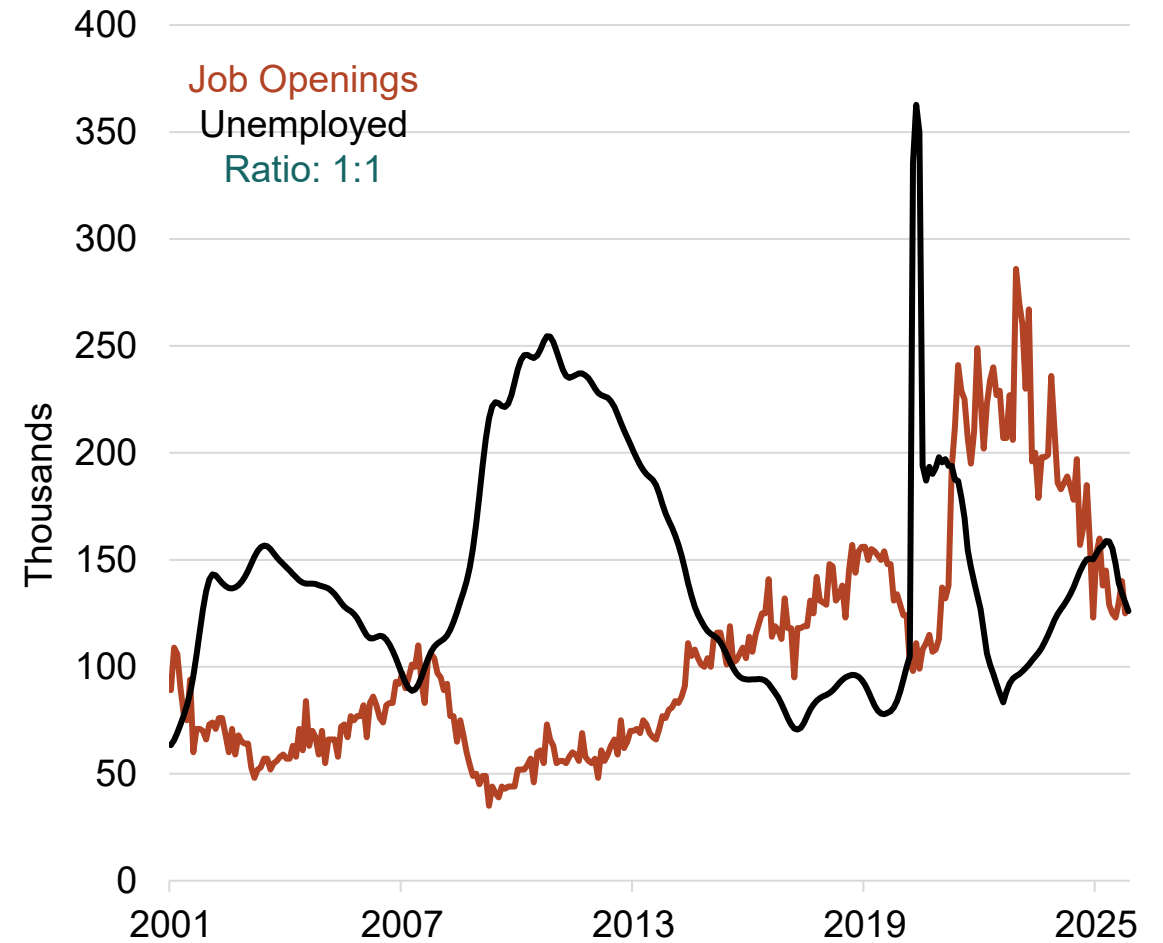


Labor Market

United States



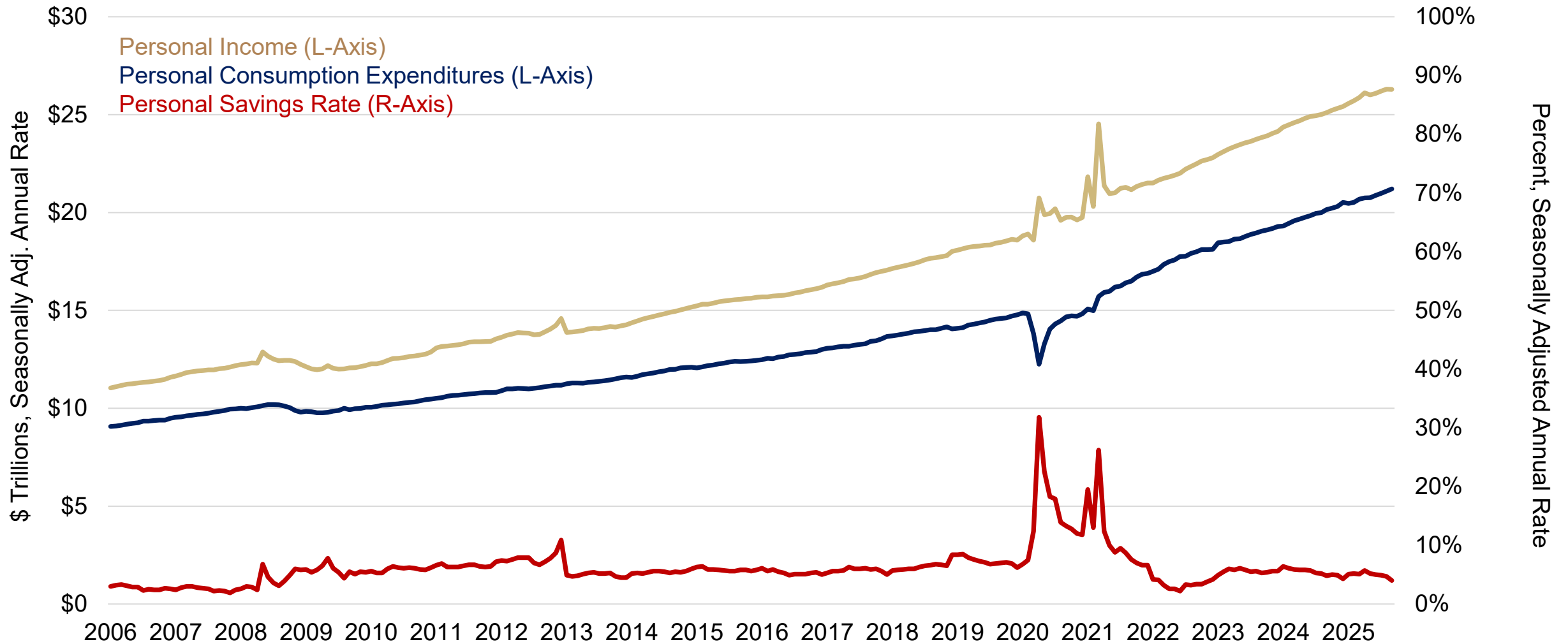
Colorado



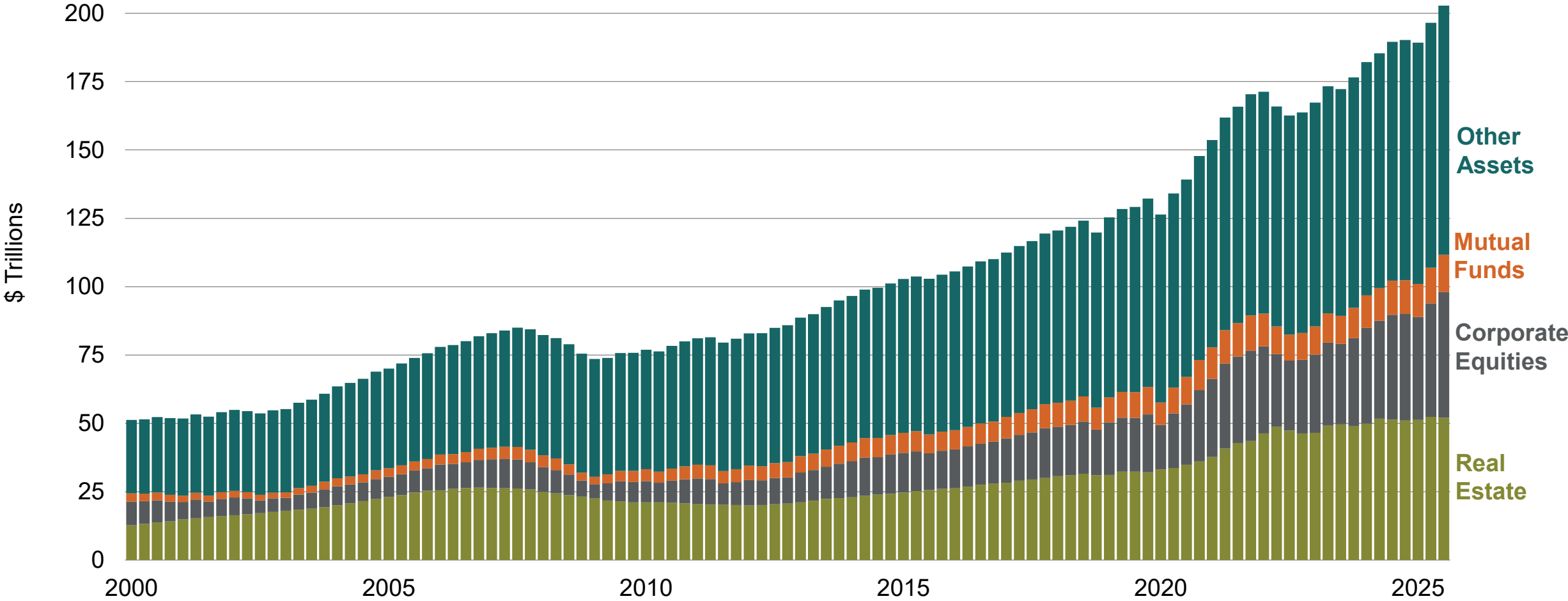


Income, Consumption, Prices, and Confidence

Personal Income and Savings

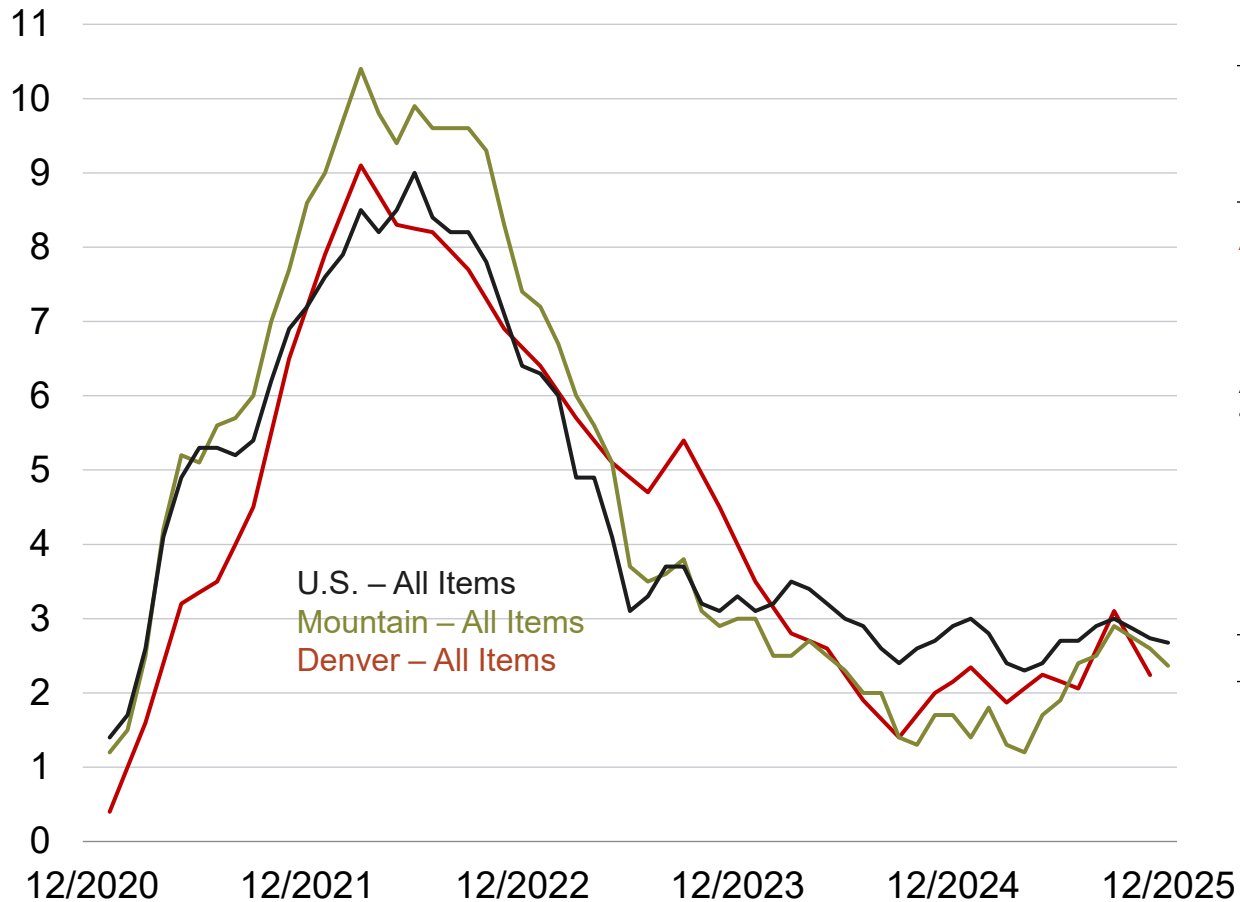


Household and Nonprofits Wealth



Inflation

Consumer Price Index, % Change Year-Over-Year

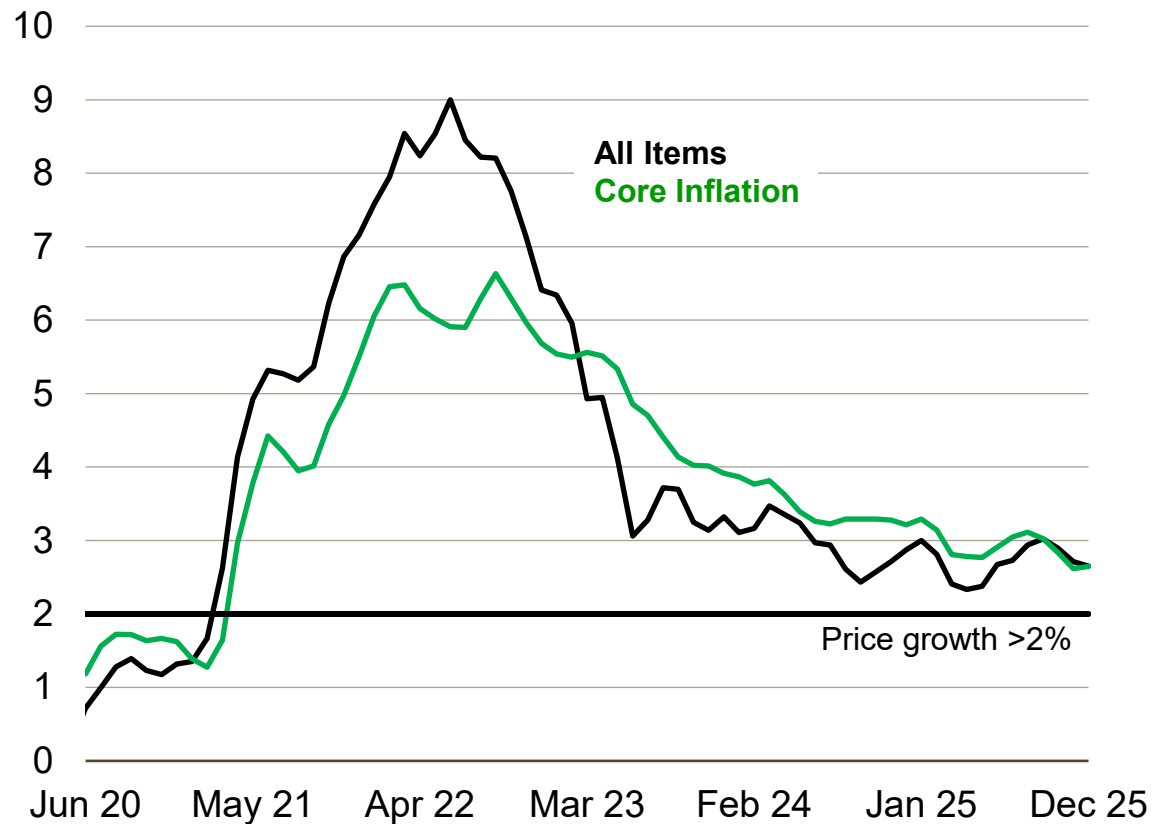


Change by Item, % Change Year-Over-Year

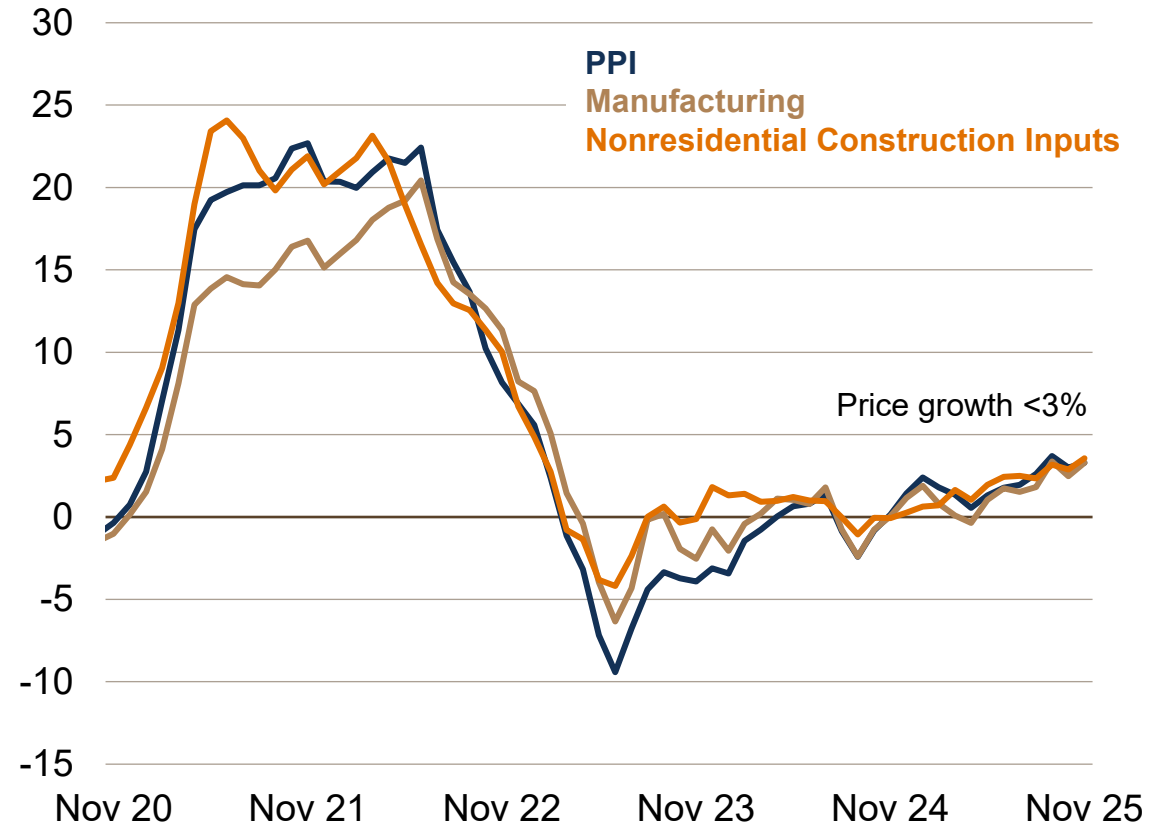
Items	U.S. City Average	Mountain	Denver-Aurora-Lakewood	Item Weights
All items	2.7%	2.6%	2.2%	100.0%
Food and beverages	2.6%	2.6%	1.7%	14.5%
Housing	3.5%	1.8%	3.6%	44.2%
Apparel	0.2%	1.4%	-4.1%	2.5%
Transportation	1.6%	1.4%	-2.7%	16.6%
Medical care	2.9%	6.7%	7.3%	8.3%
Recreation	1.8%	4.5%	2.8%	5.3%
Education and comm.	1.5%	3.0%	-1.7%	5.7%
Other goods and services	3.9%	5.3%	3.3%	2.9%
Core Inflation	2.6%	2.6%	2.7%	

Consumer and Producer Prices

U.S. Consumer Price Index, % YoY

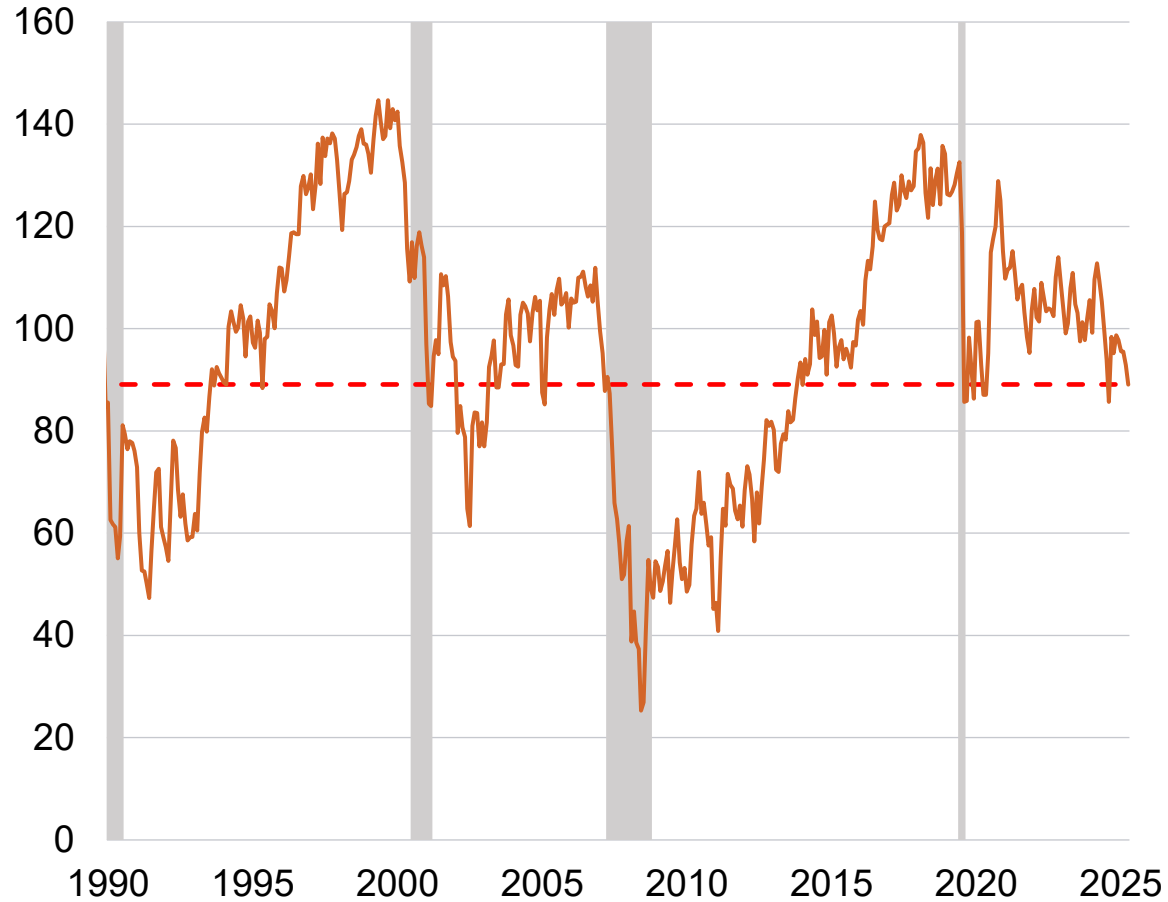


U.S. Producer Price Index, %YoY

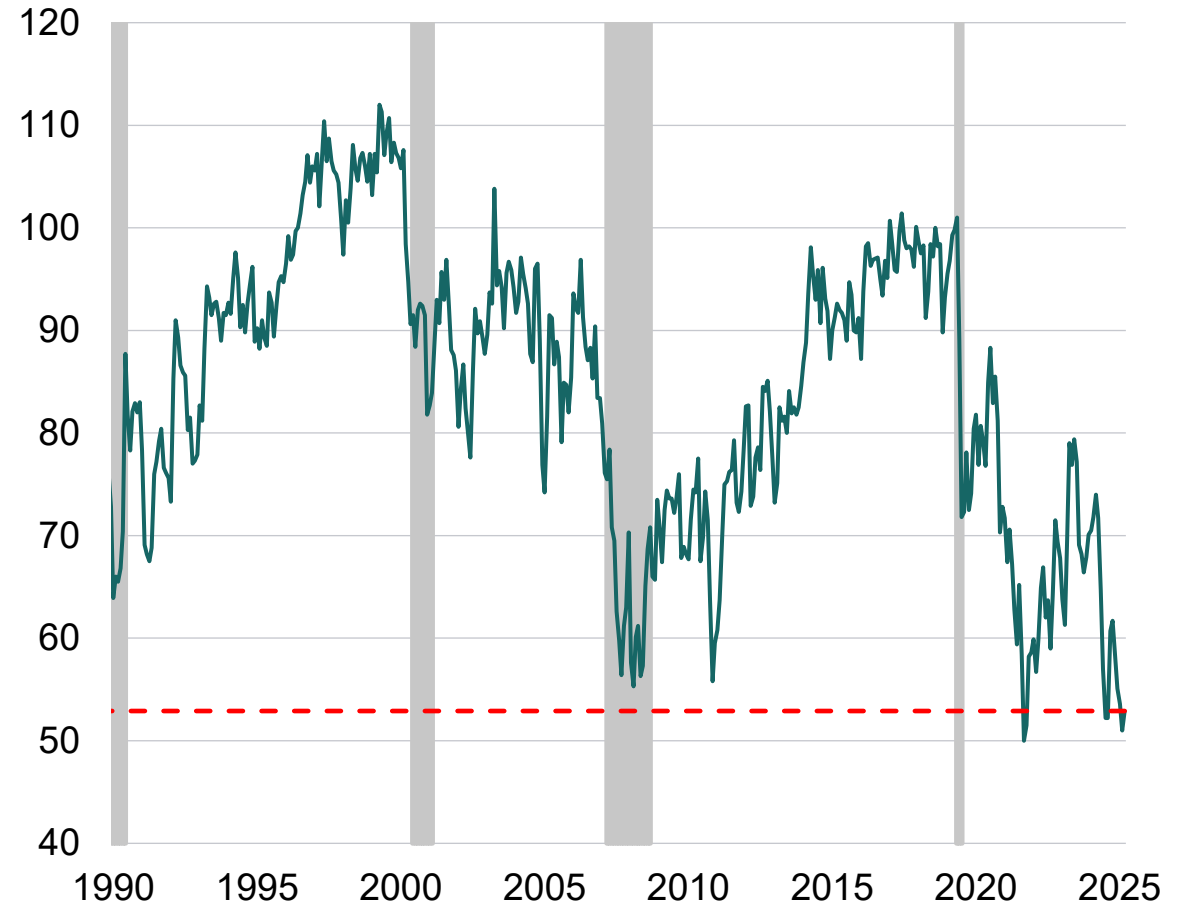


Index of Consumer Confidence

Consumer Confidence



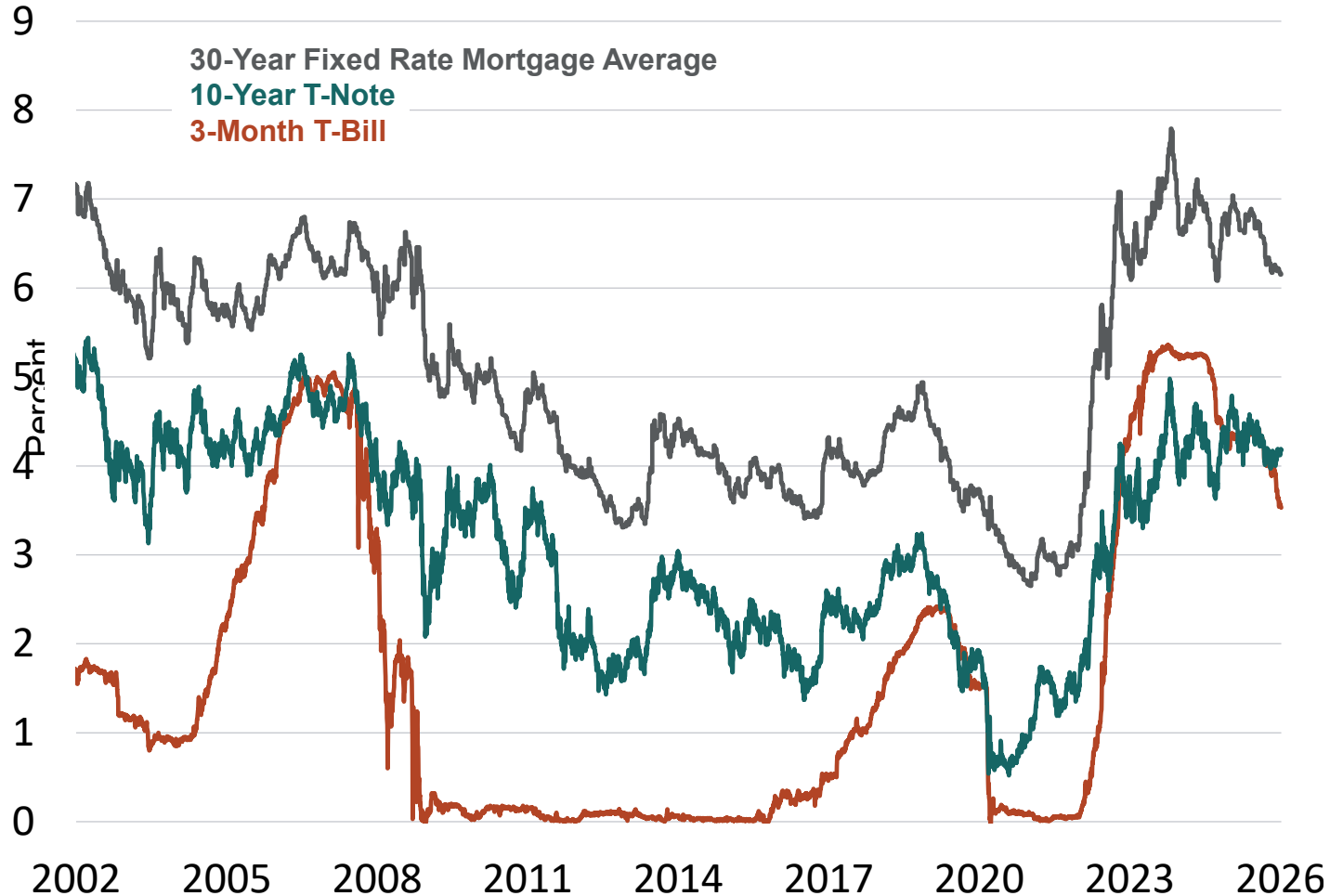
Consumer Sentiment



Monetary Policy, Interest Rates and Credit Markets



Interest Rates



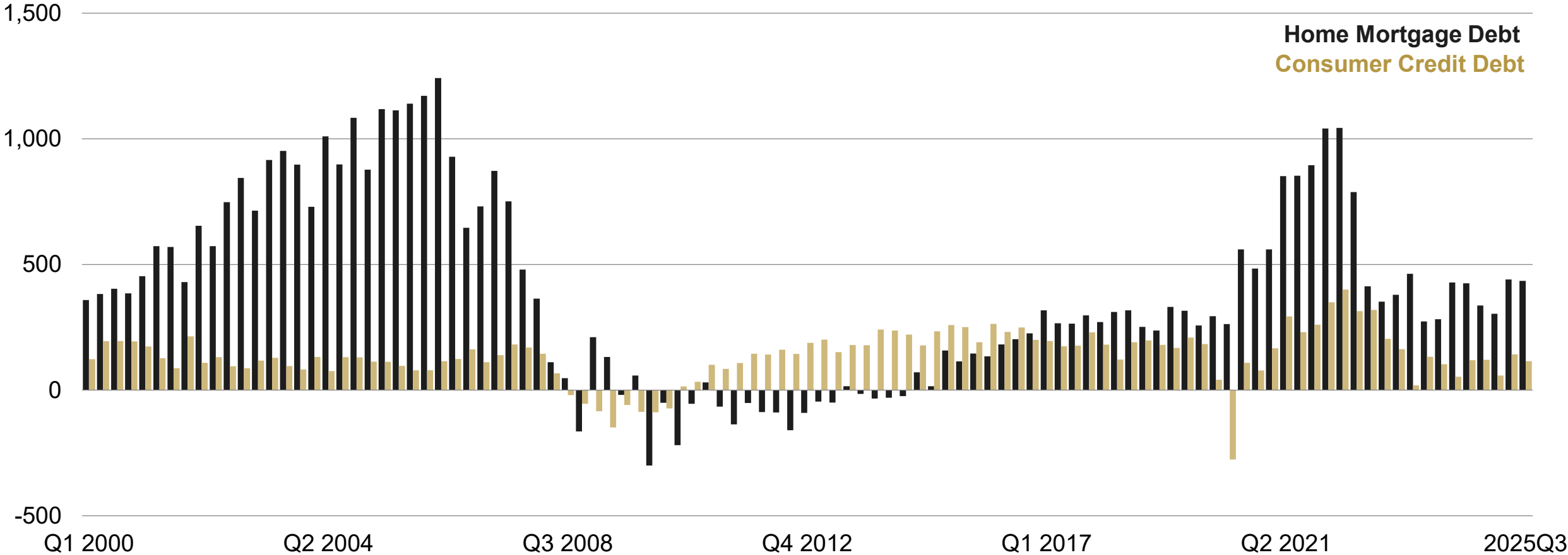
The Federal Reserve cut interest rates by **25 basis** points on December 10, 2025

The Fed has signaled a “pause and hold” stance for Q1 2026 to evaluate the impact of 3 consecutive rate reductions in 2025

New target range of **3.5%-3.75%**

Household Debt

Borrowing by Sector, \$ Billions

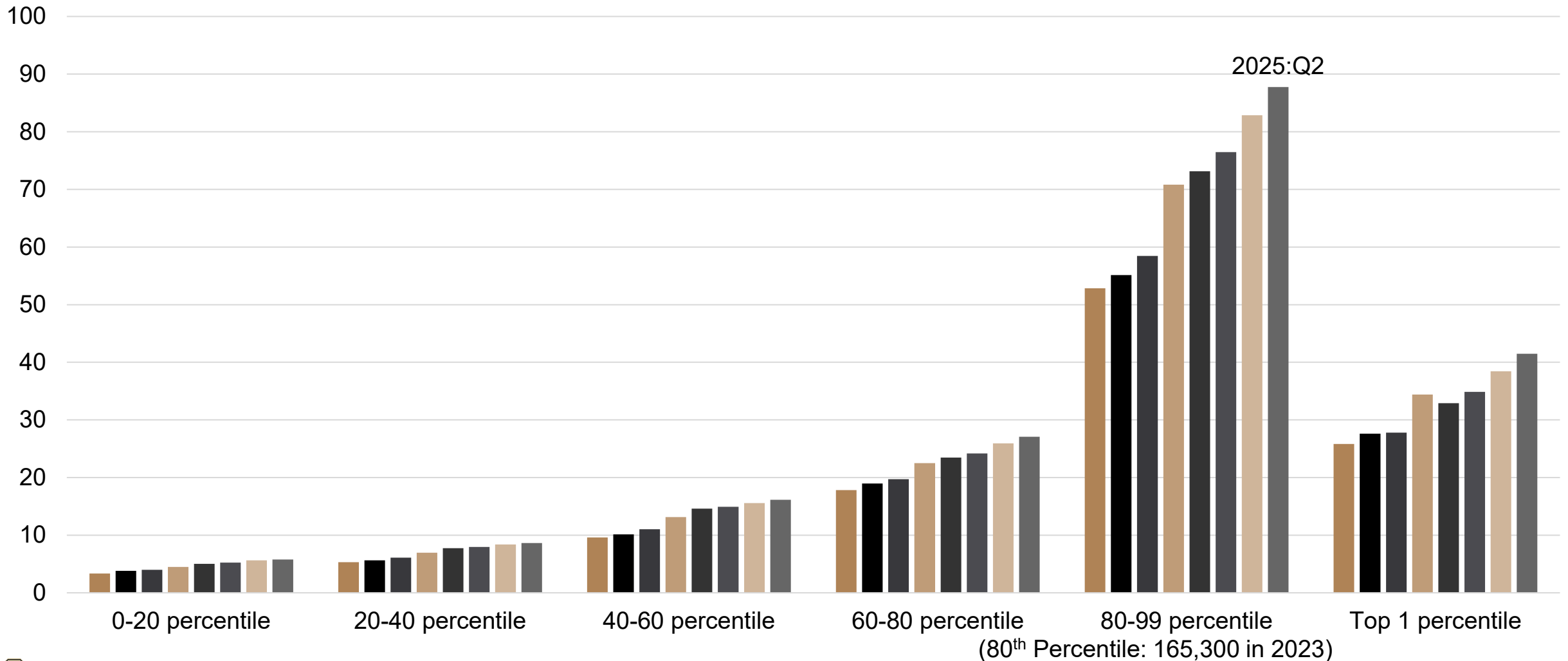


Revolving Consumer Credit as Share of Disposable Personal Income



Assets Across the Income Distribution

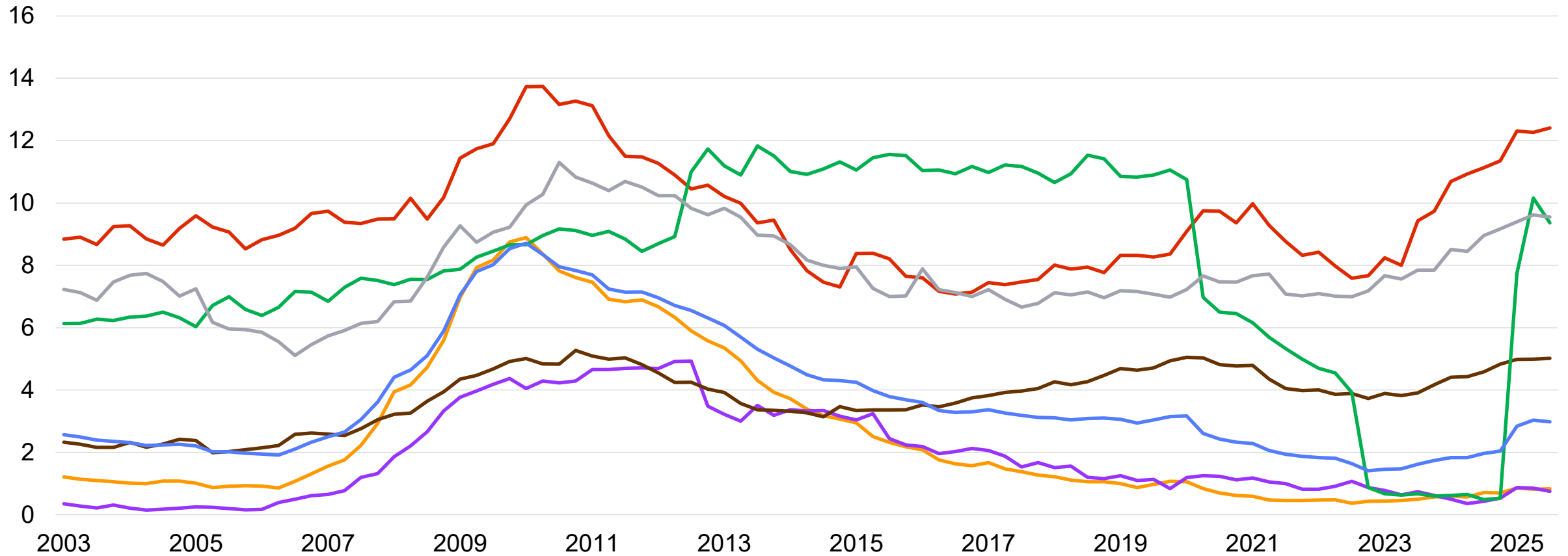
Q2 2018-2025, \$, Trillions



Loan Delinquency

Percent of Balance 90+ Days Delinquent by Loan Type

Mortgage HELOC Auto Credit Card Student Loan Other All





Colorado Population, Employment, and the Economy

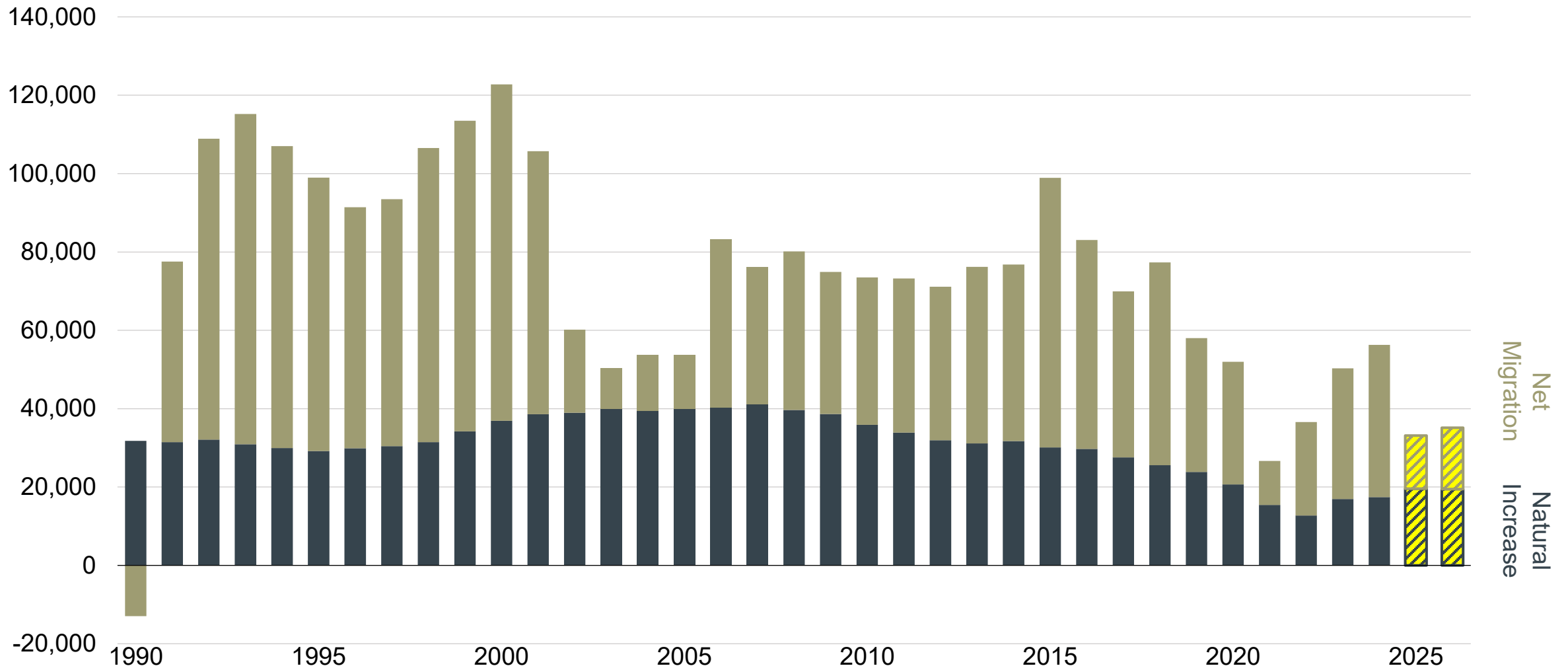
Colorado 15-Year Ranking, 2024

Metric	15-Year Rank
Real GDP Growth	5
Employment Growth	7
Population Growth	6
Personal Income Growth	4
Per Capita Personal Income Growth	3
Labor Force % Growth	6
FHFA Home Price Index Growth	6

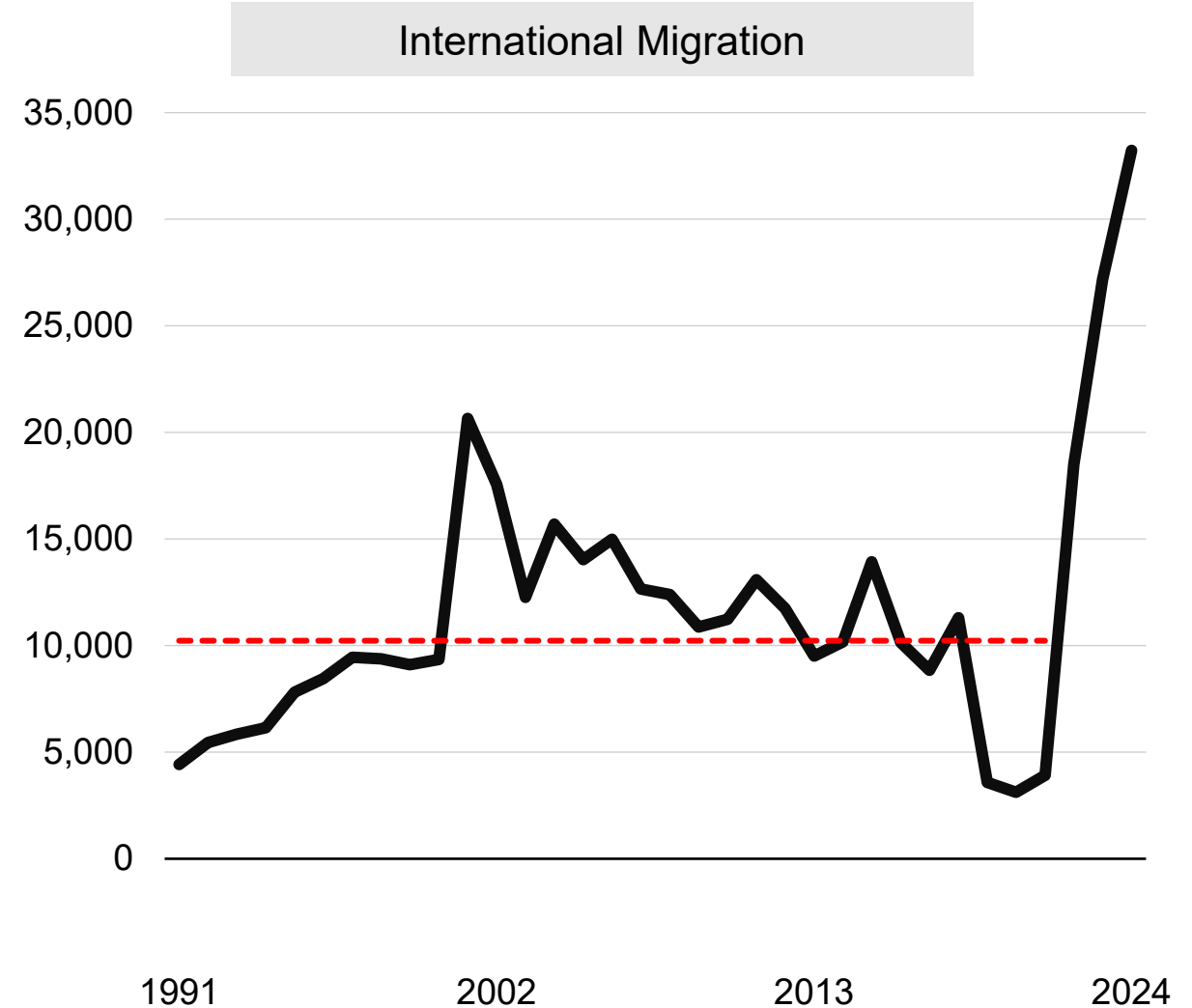
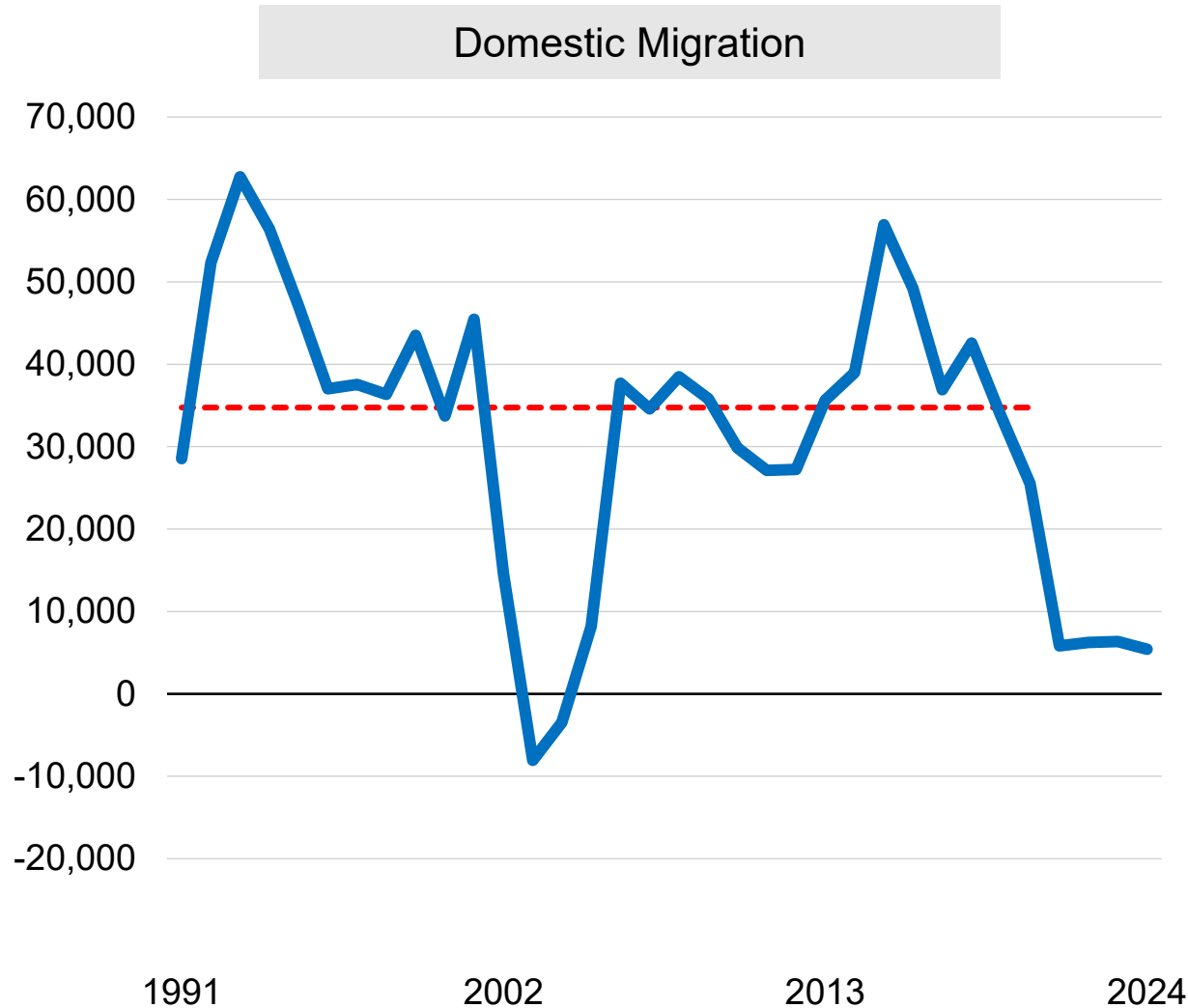
Colorado Rank Among States

Metric	1-Year Change/ Current Level		1-Year Rank
Real GDP Growth	1-Year Change	1.8%	22
Employment Growth	1-Year Change	0.8%	18
Population Growth	1-Year Change	1.0%	16
Personal Income Growth	1-Year Change	5.0%	29
PCPI Growth	1-Year Change	4.3%	33
PCPI	Current Level	\$86,526	9
Average Hourly Wage % Growth	1-Year Change	6.2%	25
Average Annual Pay % Growth	1-Year Change	4.3%	23
Average Annual Pay	Current Level	\$81,170	7
Unemployment Rate	Current Level	3.9%	23
Labor Force % Growth	1-Year Change	-0.5%	42
LFPR	Current Level	67.0%	8
FHFA Home Price Index Growth	1-Quarter Change	-0.1%	41
FHFA Home Price Index Growth	1-Year Change	0.6%	48
Job Openings Rate	Current Level	4.0%	46
Worker Shortage Ratio	Current Level	1.0	37

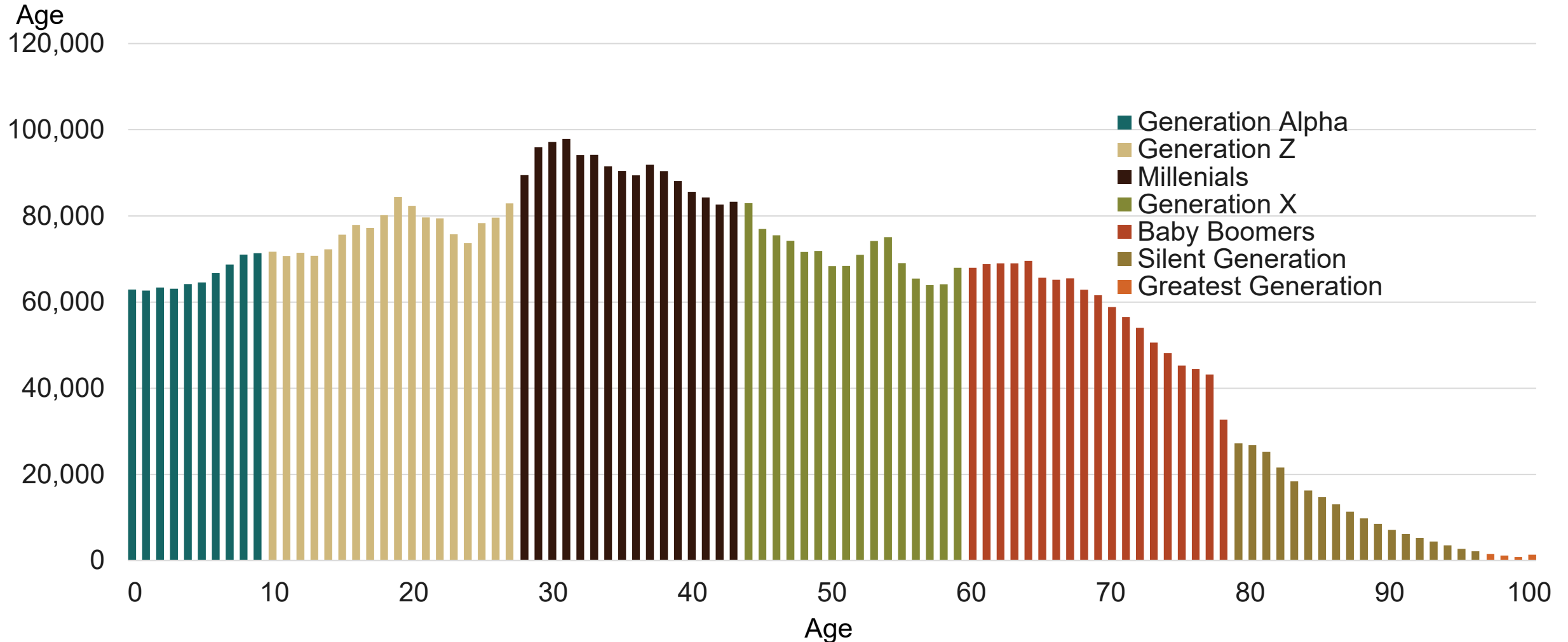
Colorado Change in Population



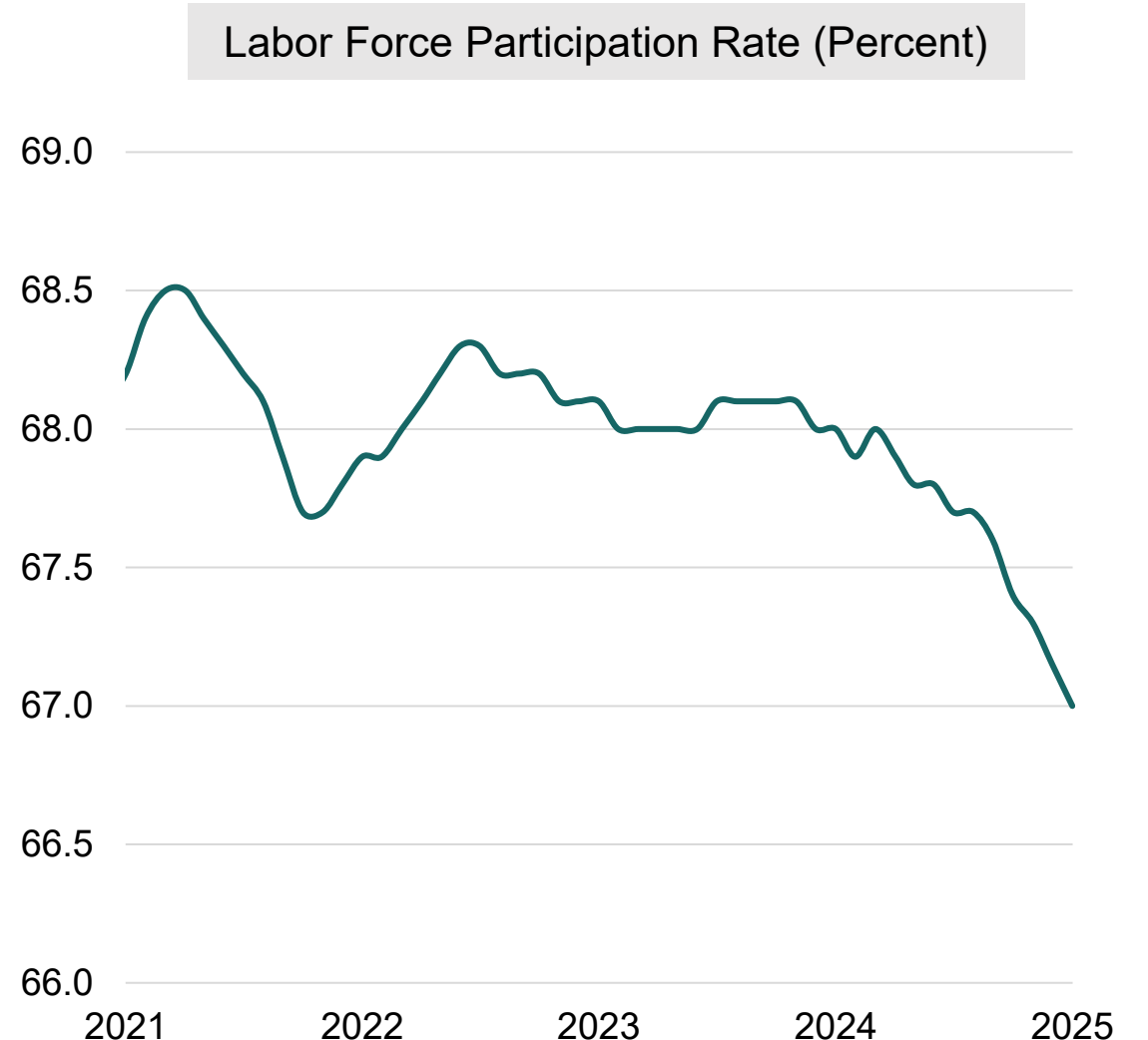
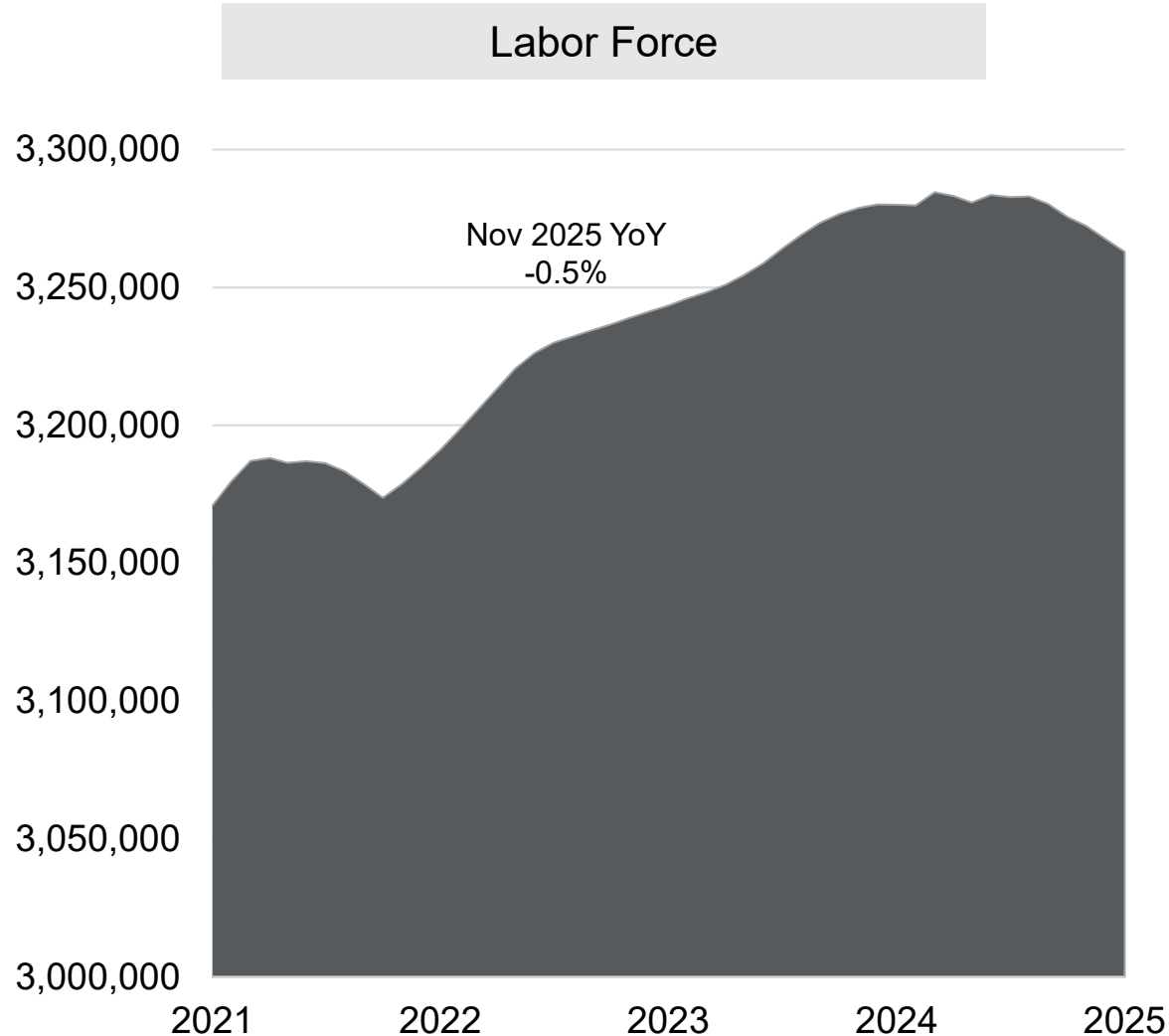
Colorado Net Migration



Colorado Population by Age

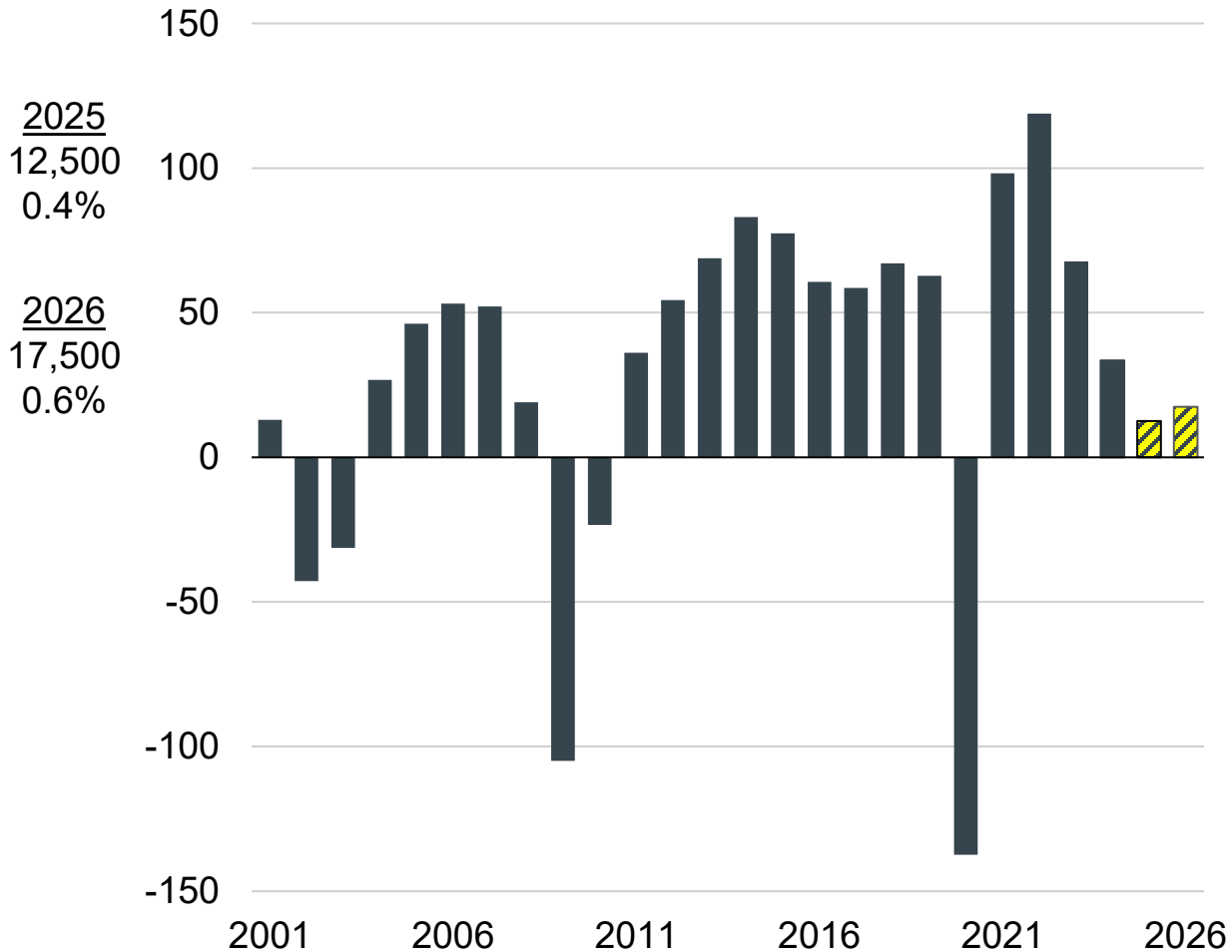


Colorado Labor Force and Participation

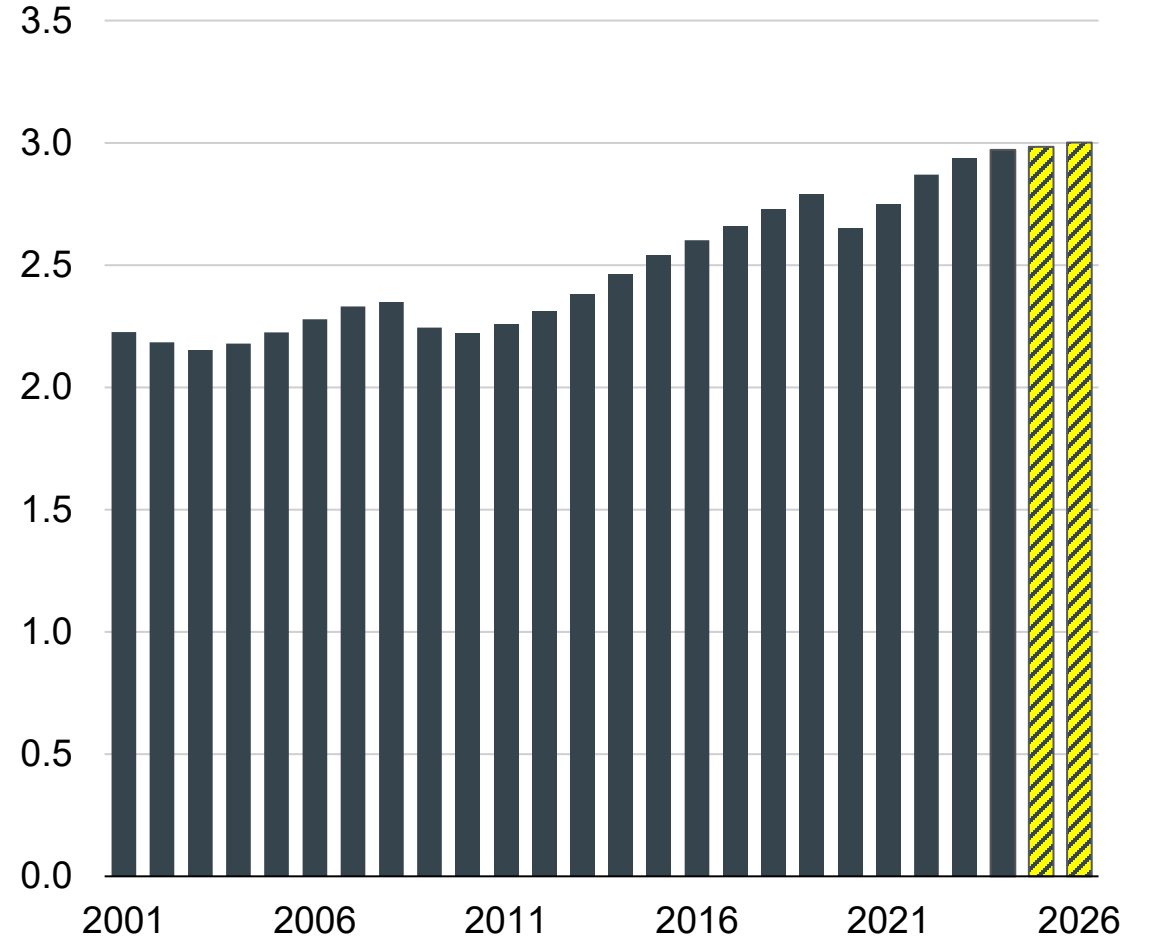


Colorado Employment Forecast

Jobs Added, Thousands, 2001-2026

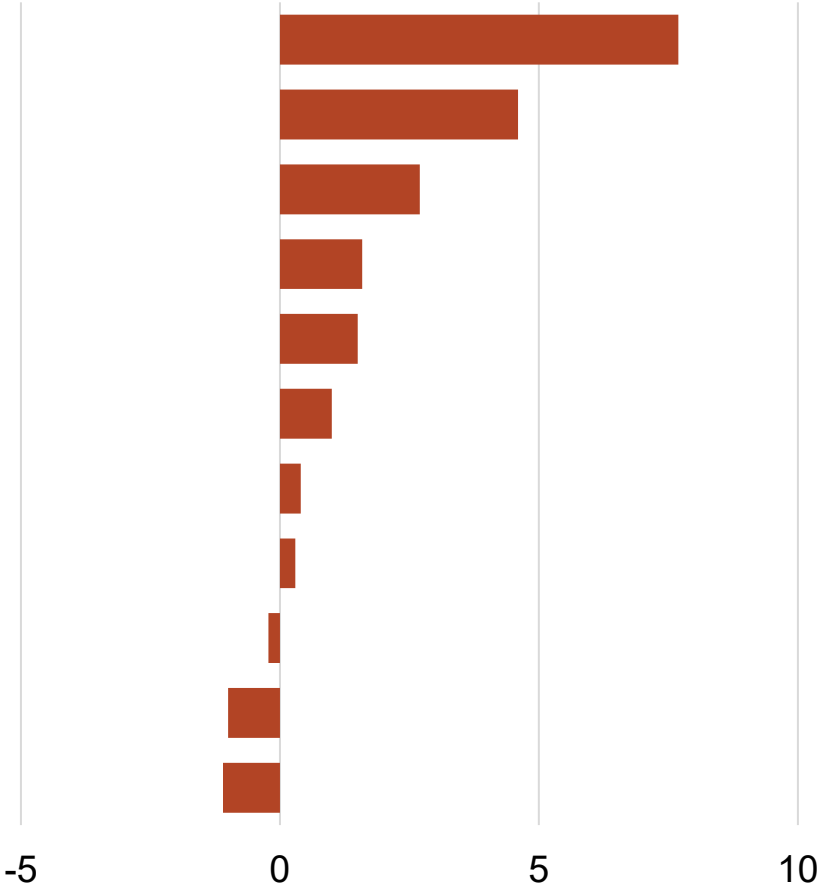


Total Jobs, Millions, 2001-2026

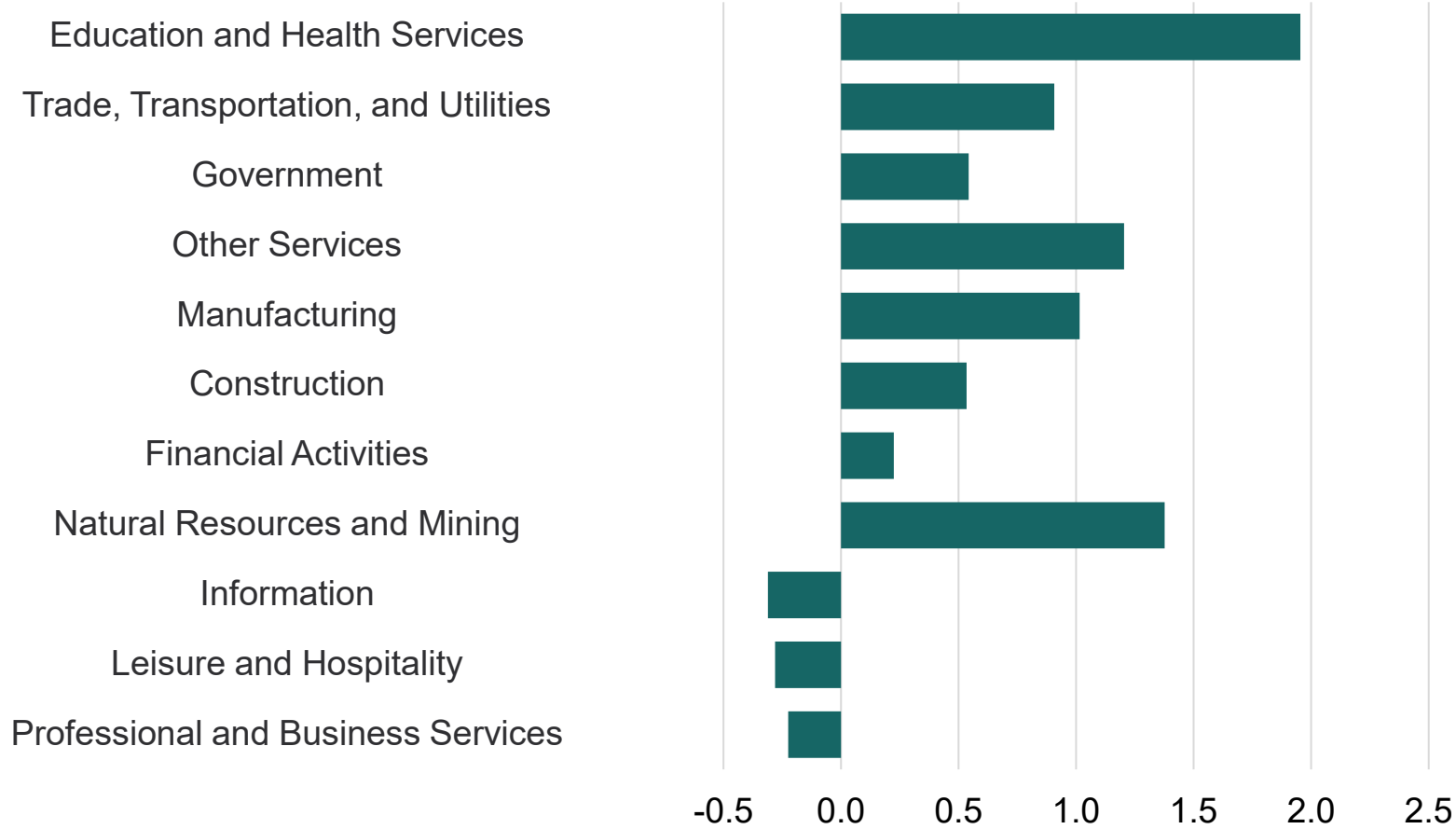


Colorado Projected Employment Change 2026

Jobs Added, Thousands



Percent Change

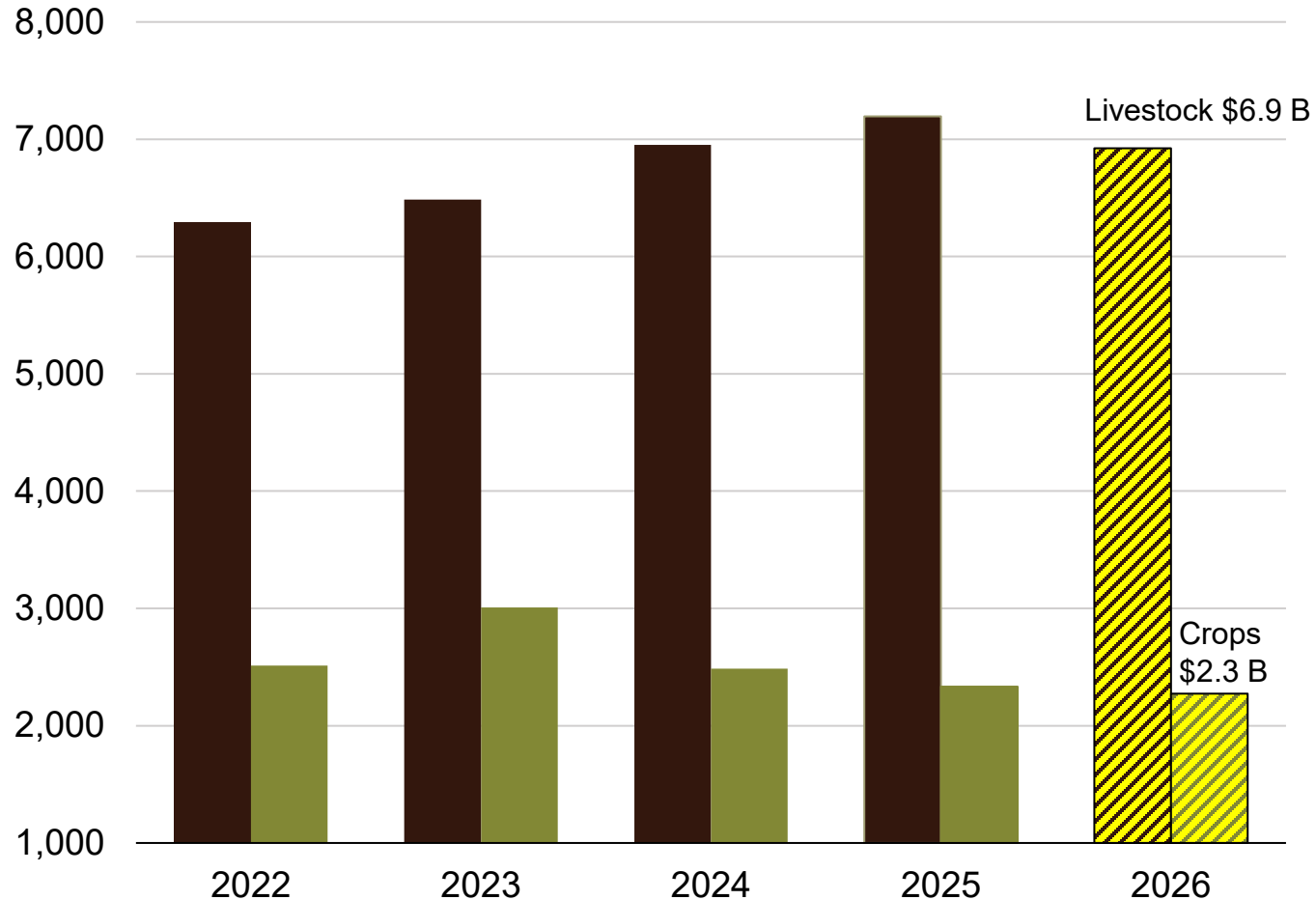




Agriculture

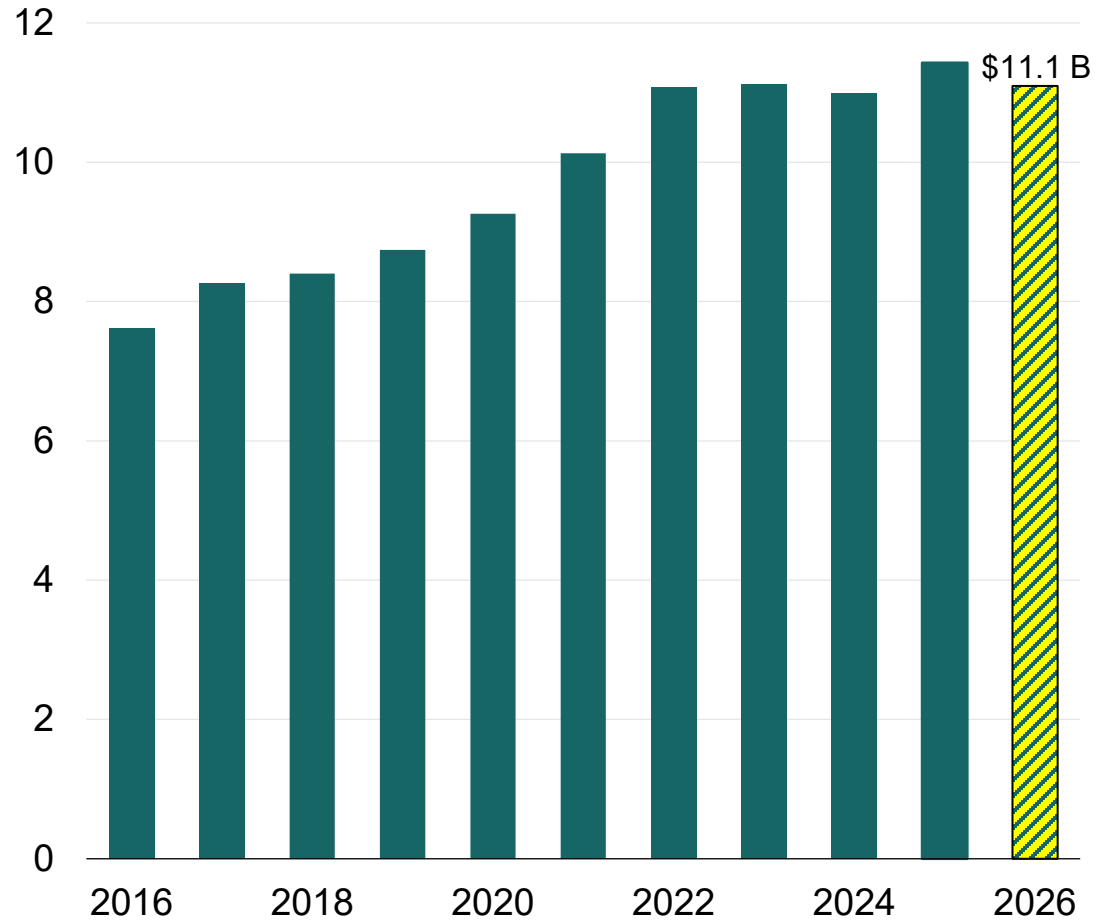
Crops and Livestock Cash Receipts

Colorado Cash Receipts, \$ Millions

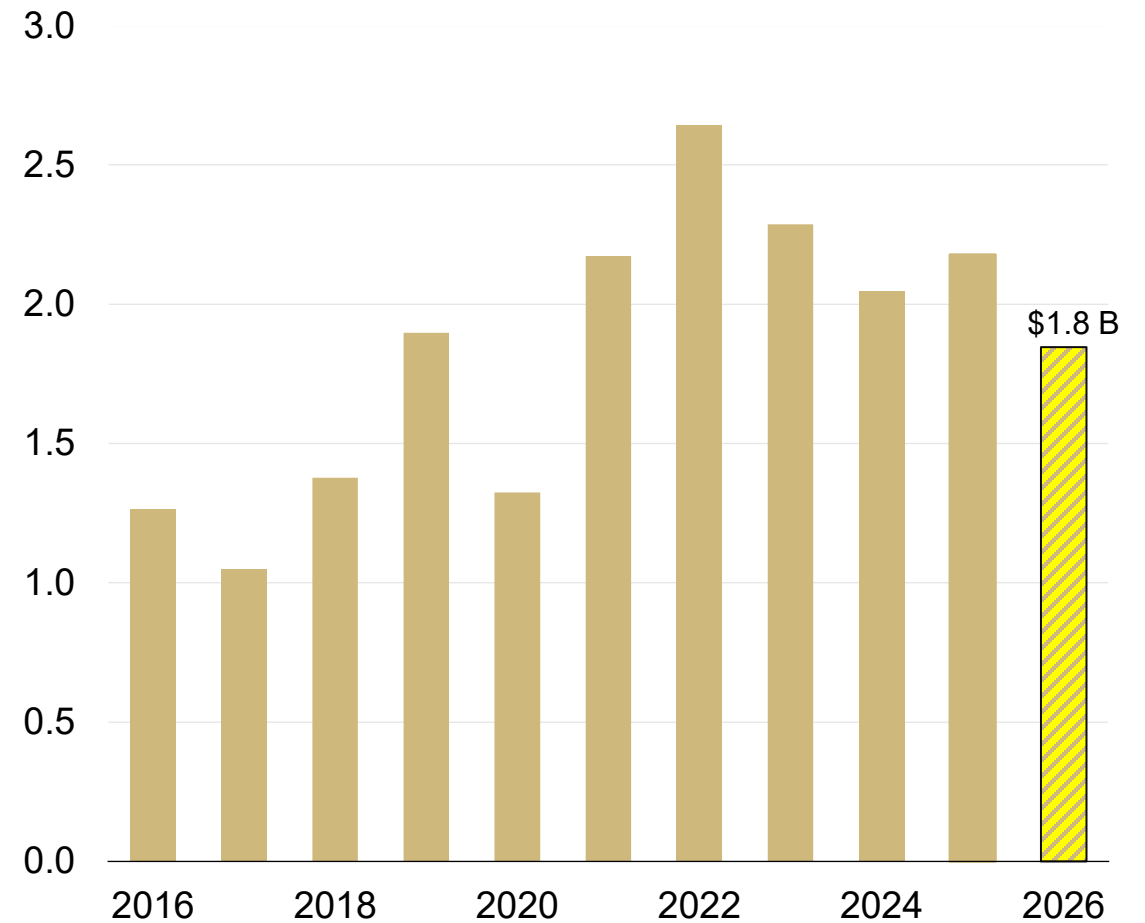


Gross Farm Revenue and Net Income

Gross Farm Revenue, \$ Millions



Net Farm Income, \$ Millions

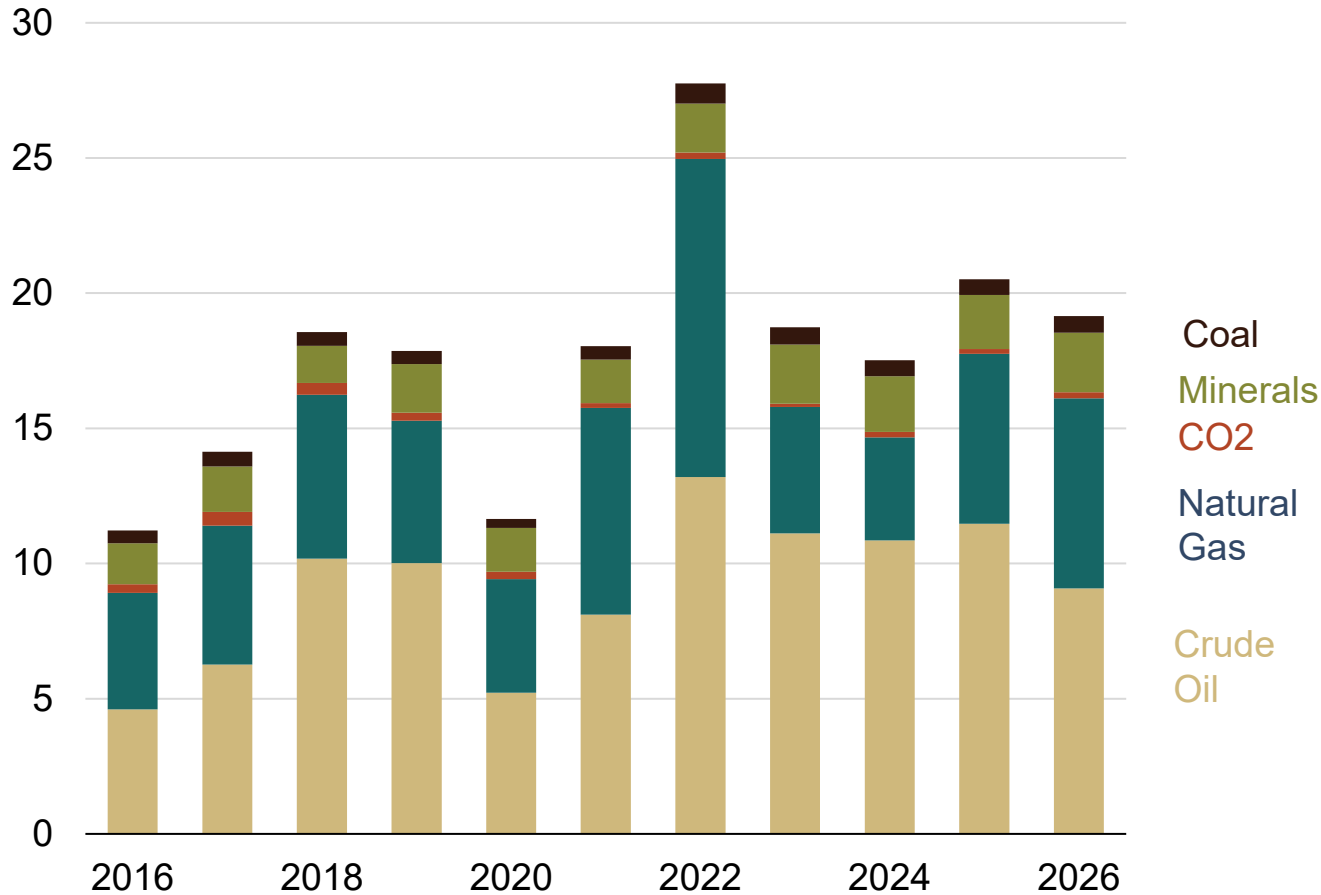




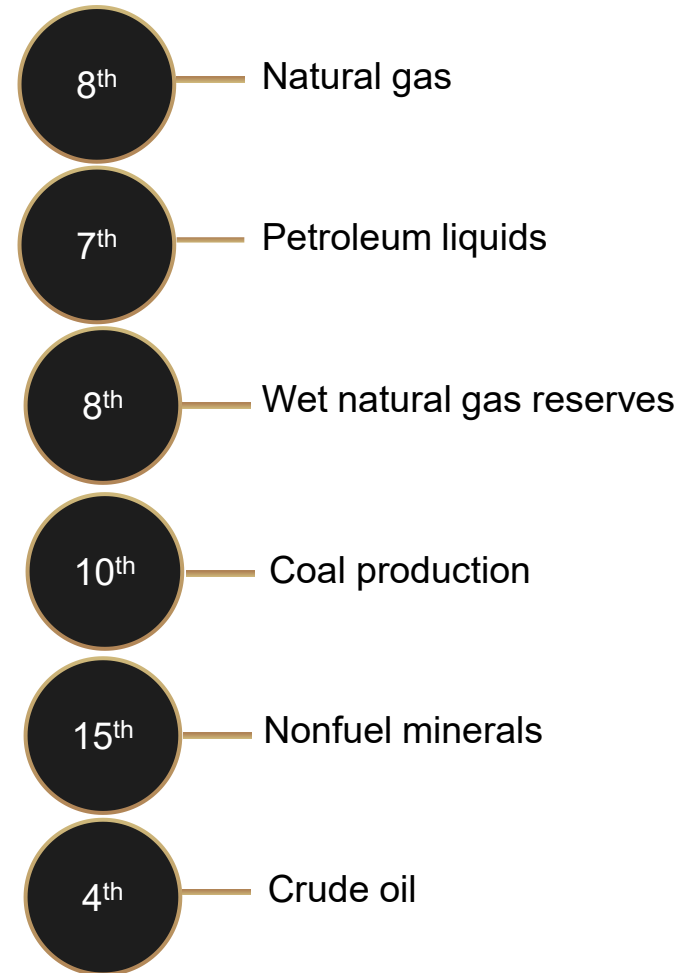
Natural Resources and Mining

Natural Resources and Mining Valuation

Value of Production, \$ Billions

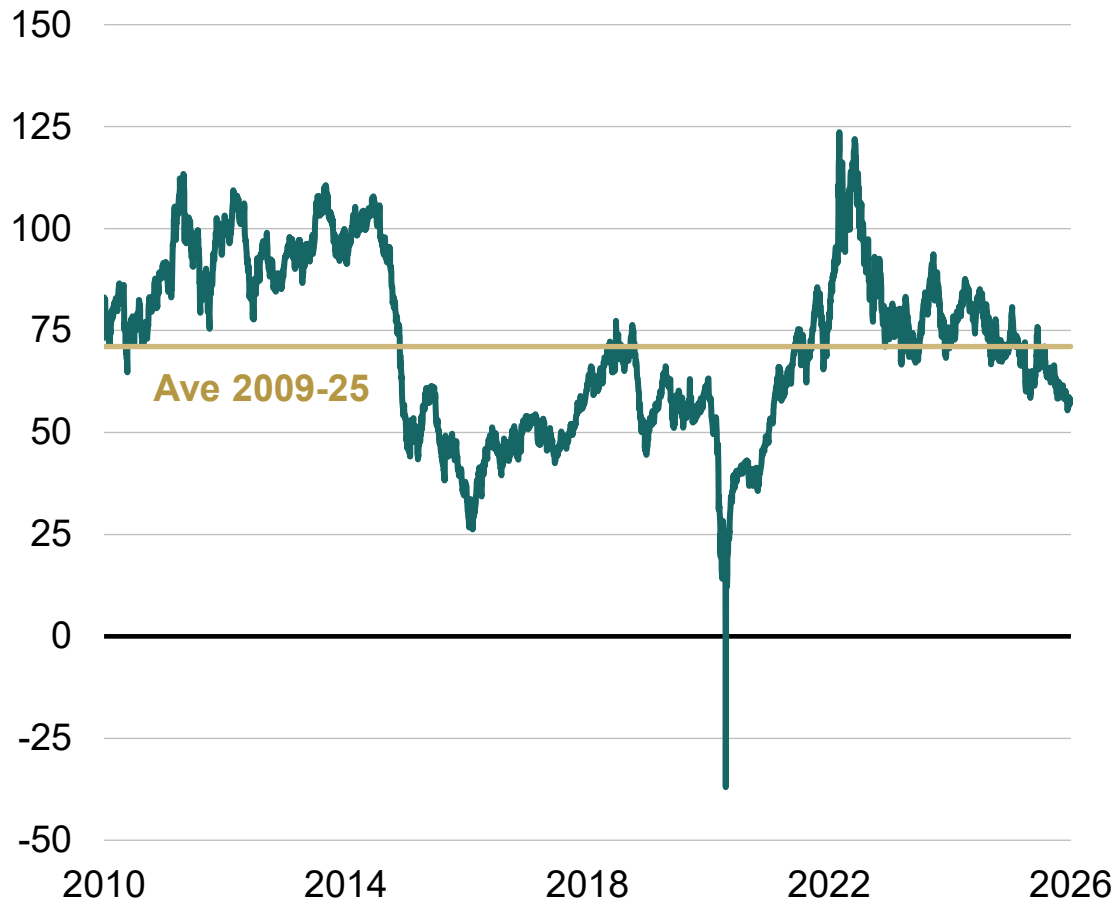


Colorado's National Ranking

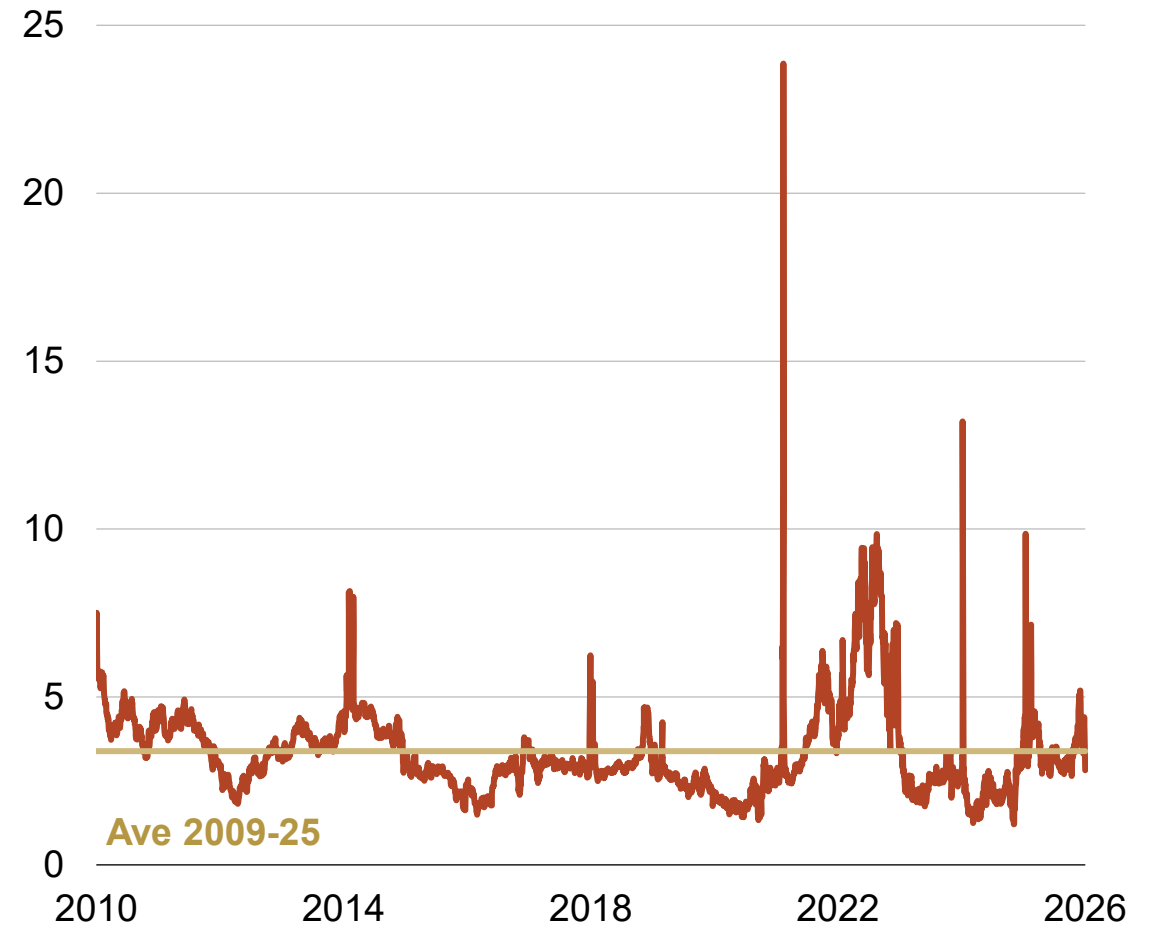


Oil and Gas Prices

West Texas Intermediate, \$ per Barrel

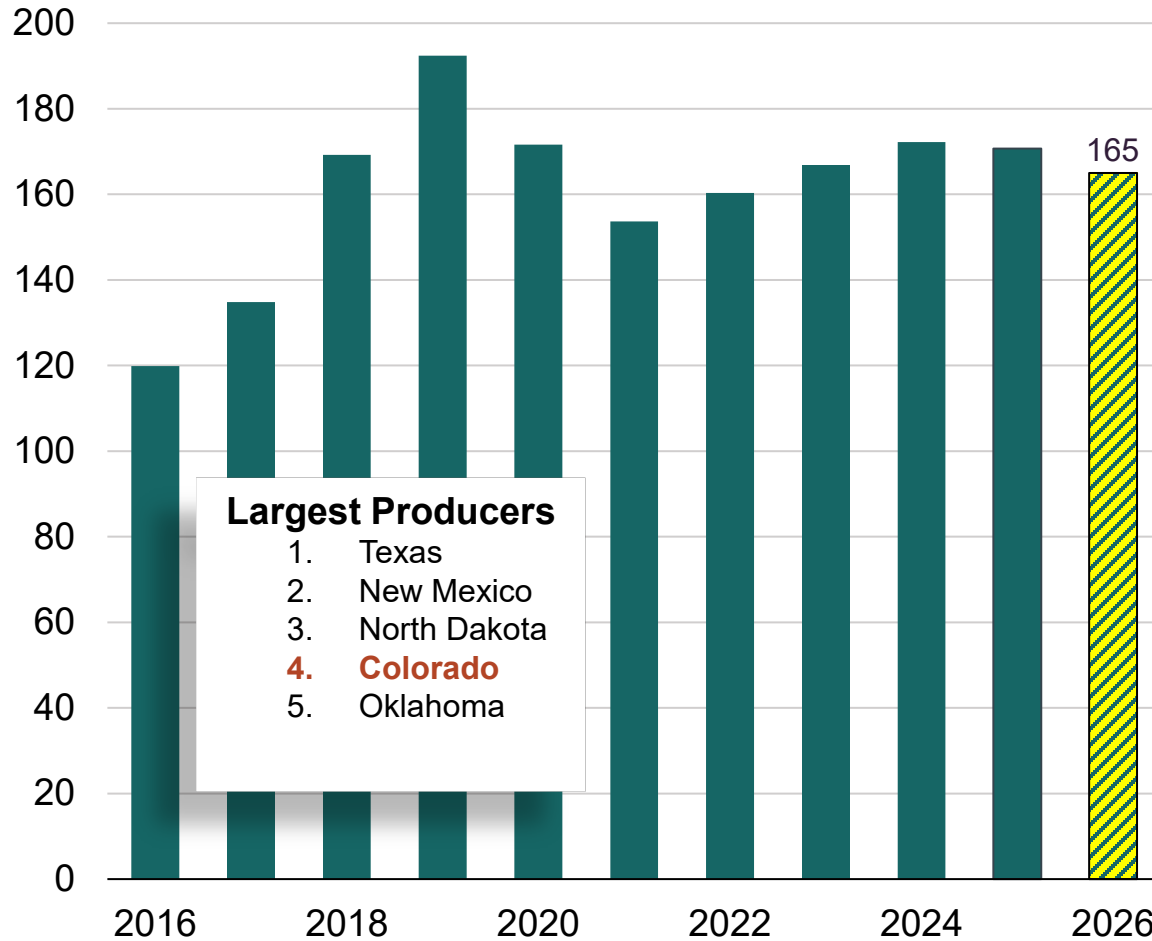


Henry Hub Natural Gas, \$ per Million Btu

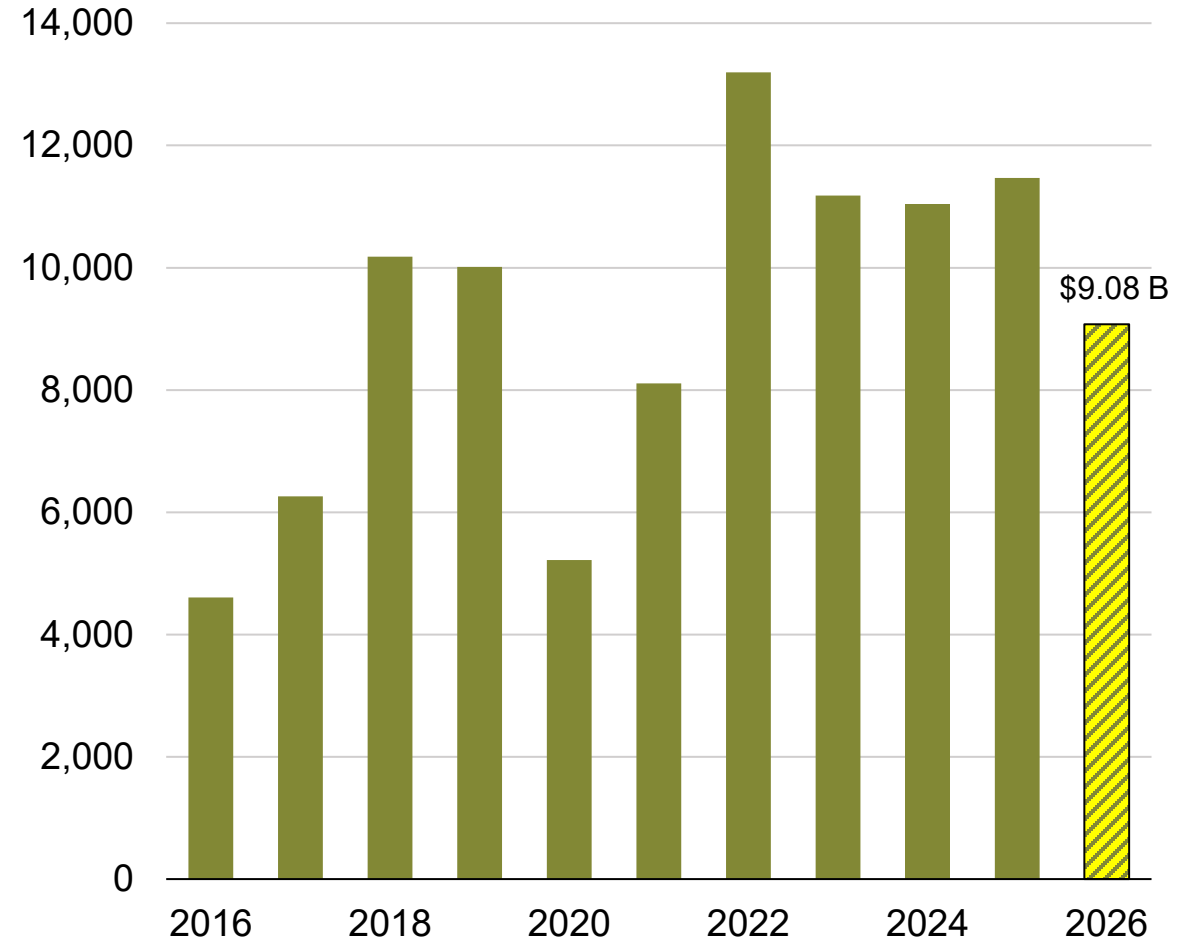


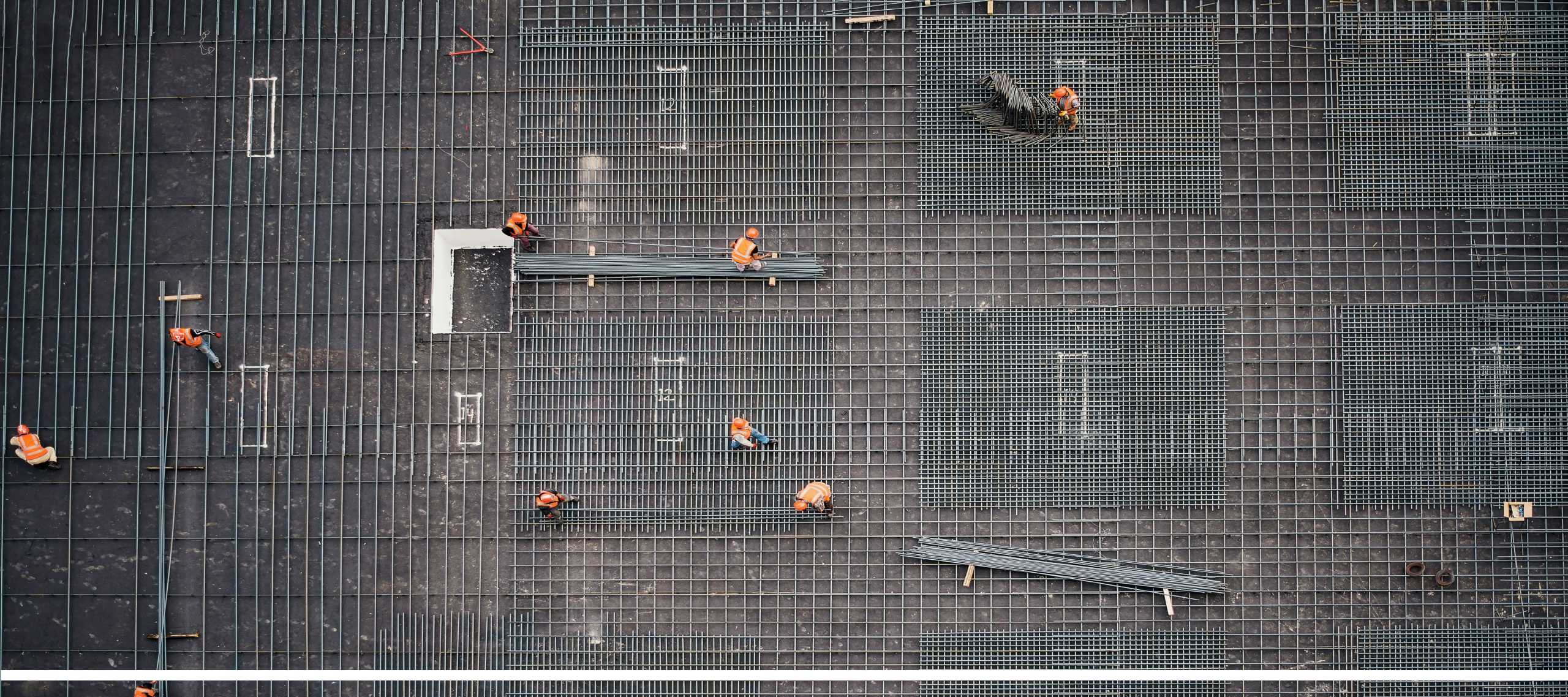
Oil Production and Value

Crude Oil Production, Millions of Barrels



Value of Oil Production, \$ Millions

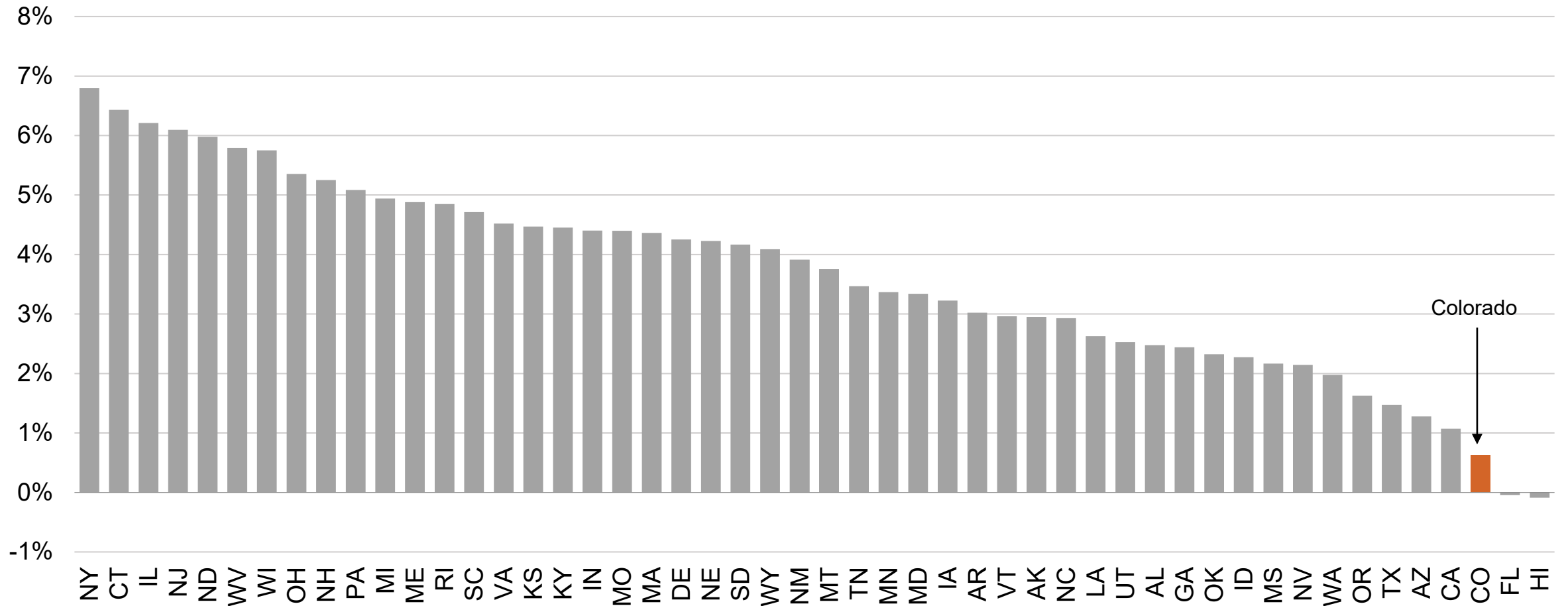




Construction

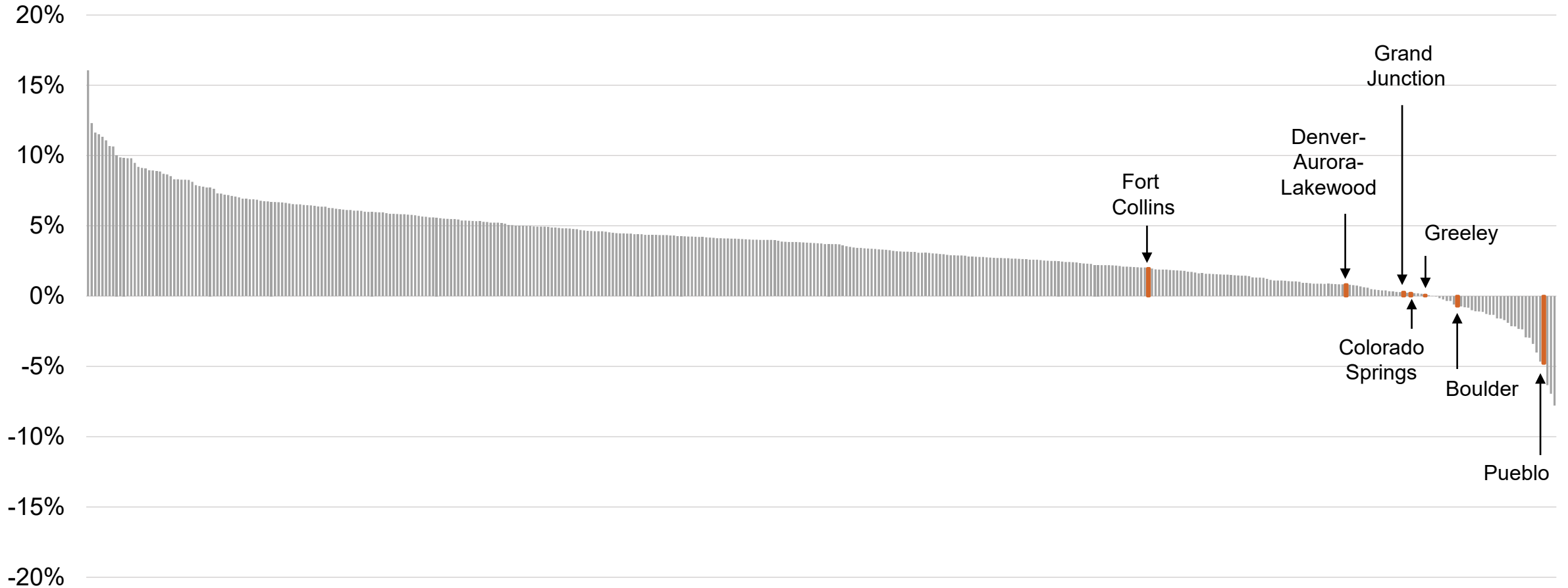
FHFA Home Price Index by State

One-Year Home Price Percent Change, Q3 2025

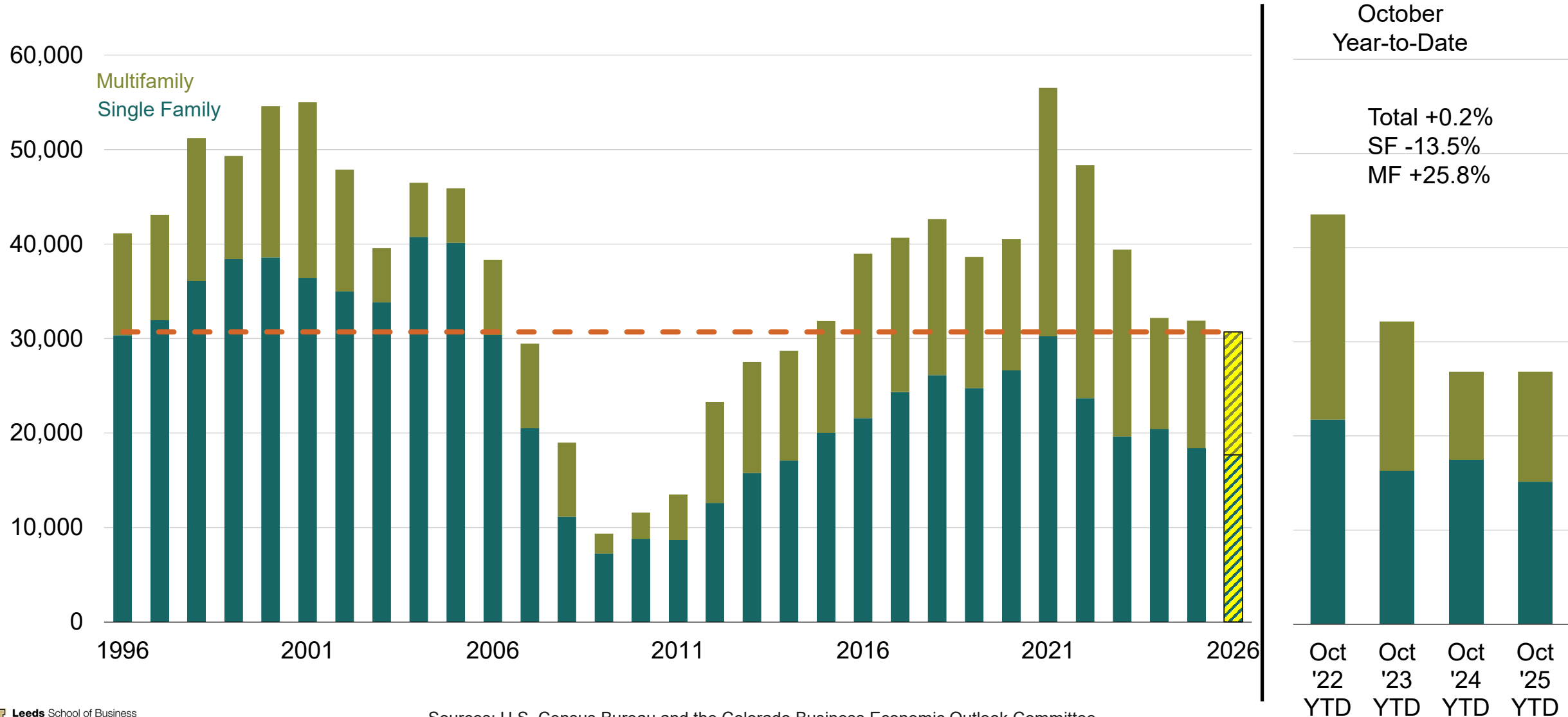


FHFA Home Price Index by MSA

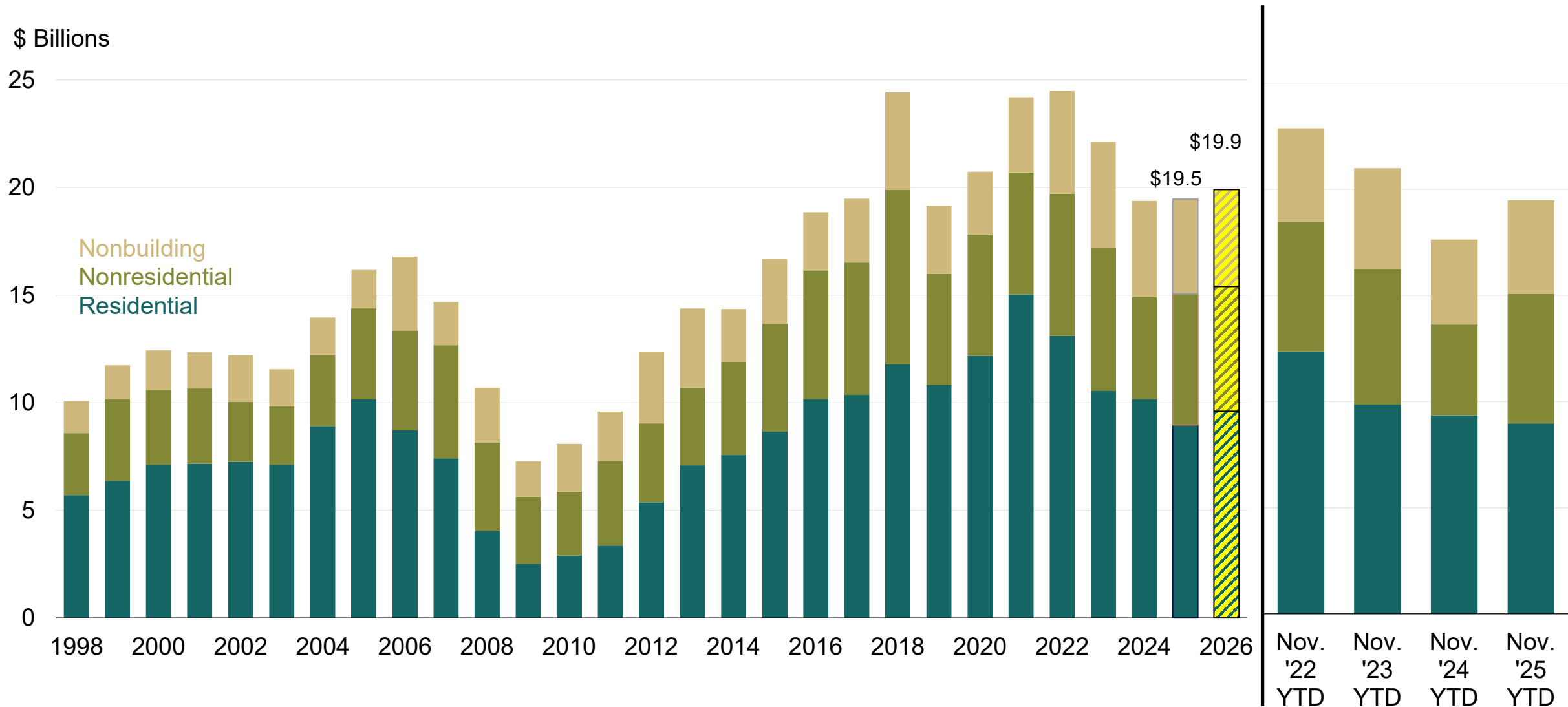
One-Year Home Price Percent Change, Q3 2025



Colorado Residential Building Permits



Colorado Total Value of Construction

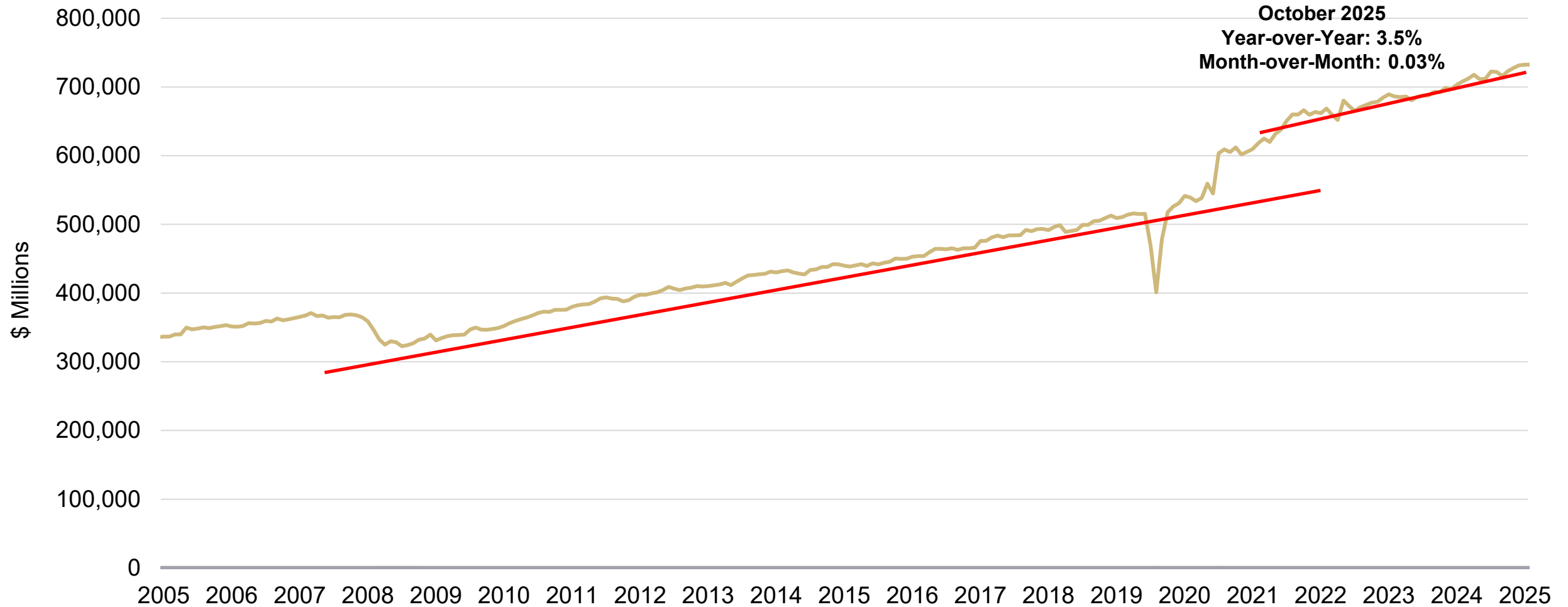




Retail

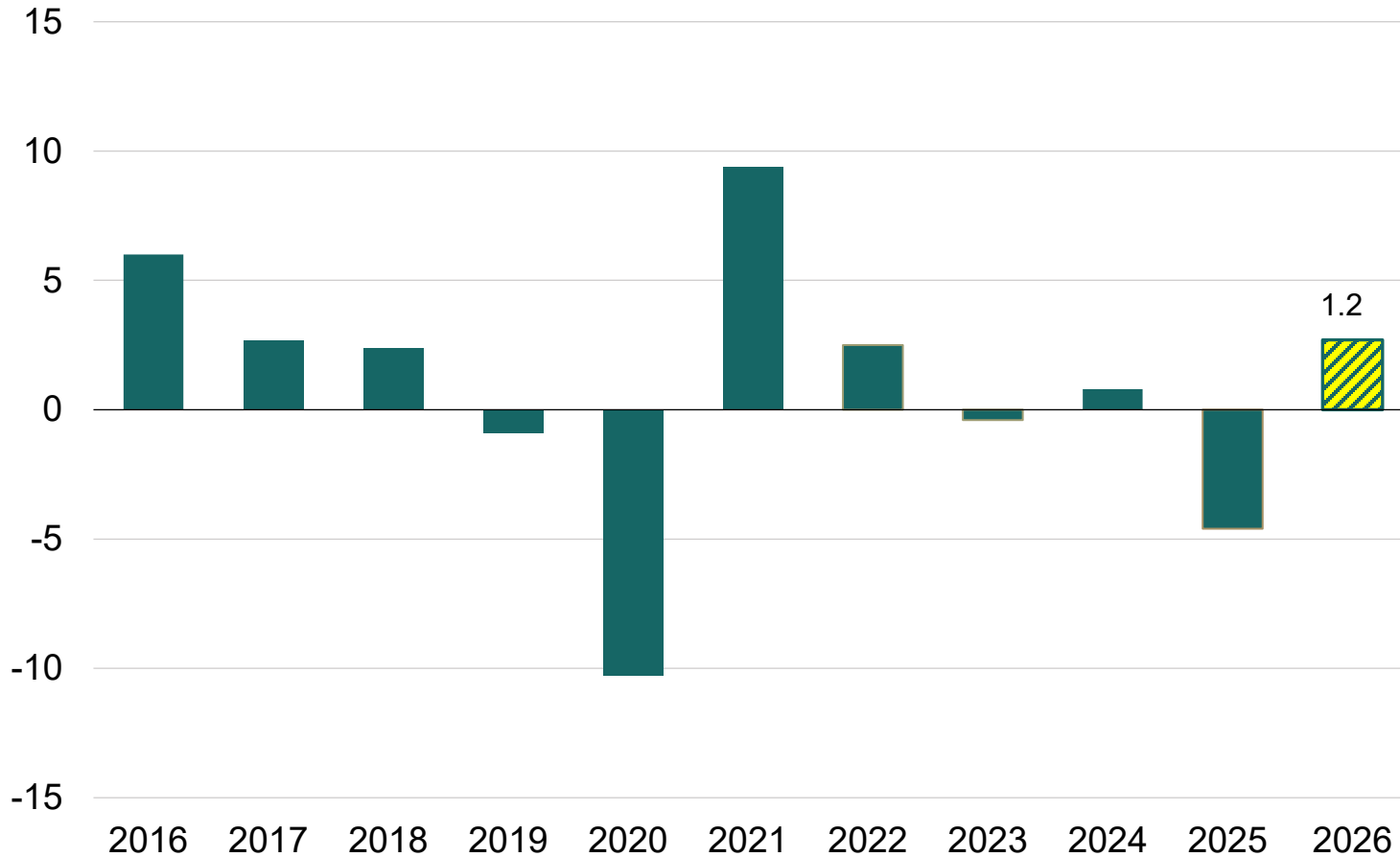


National Retail and Food Services Sales



Retail Employment and Sales

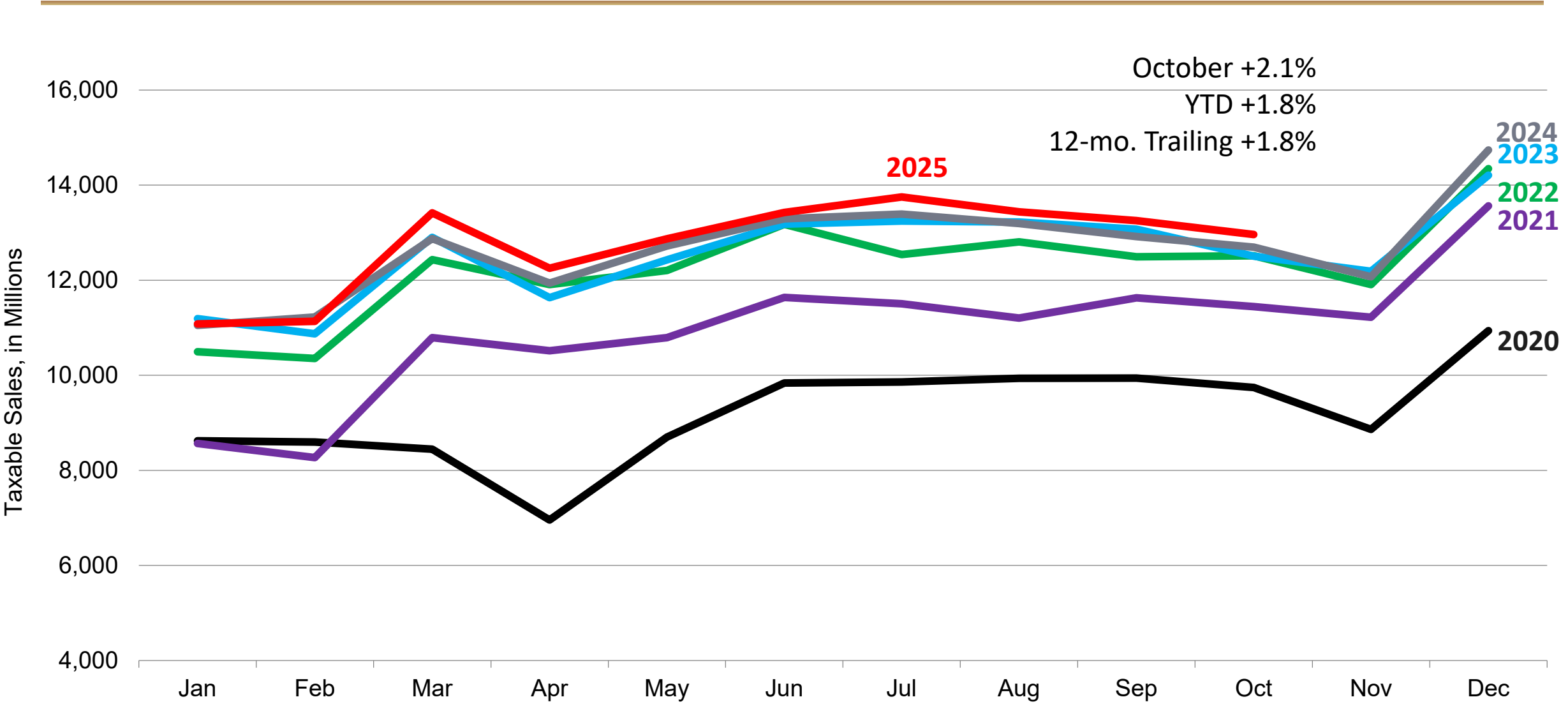
Workers Added, Thousands, 2016-2026



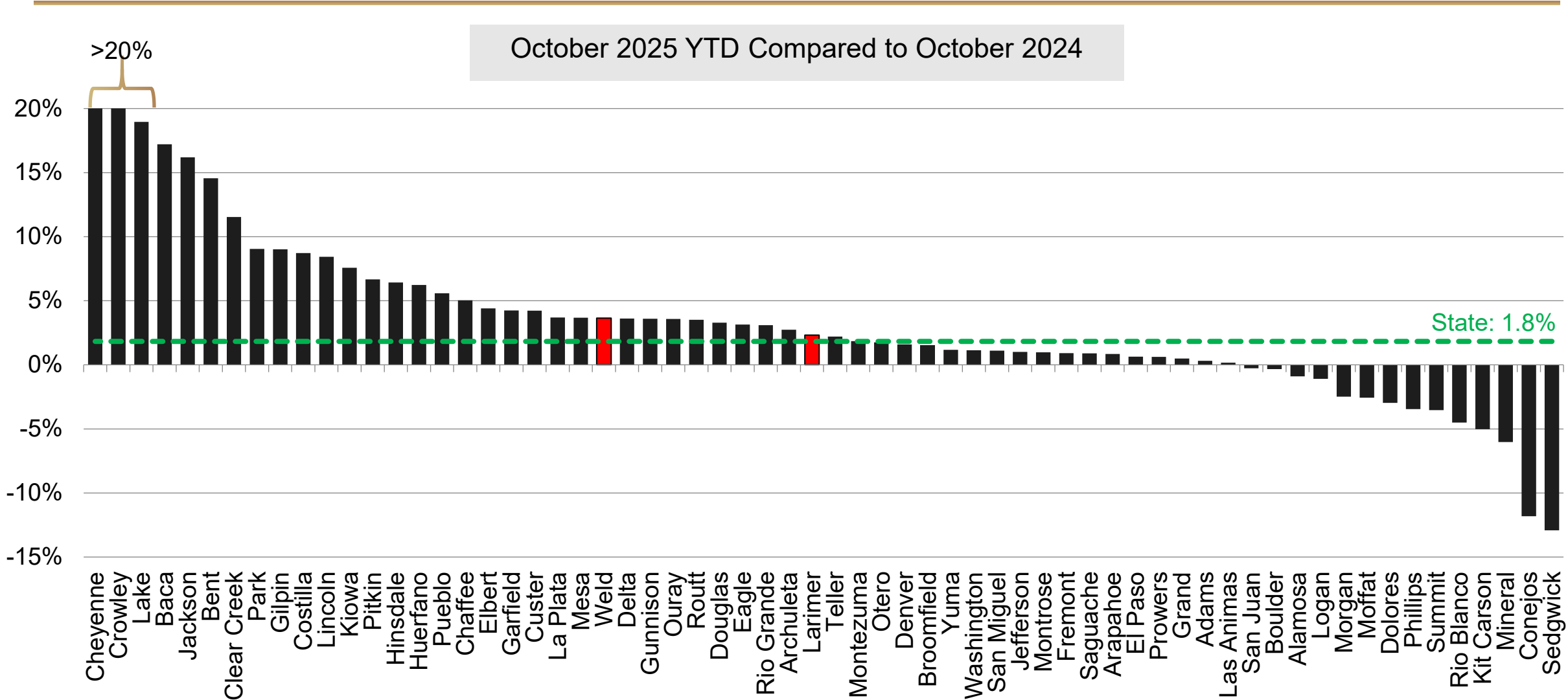
Retail Sales

Year	Total Retail Trade Sales	Percentage Change
2016	\$98.6	3.8%
2017	\$104.1	5.6%
2018	\$109.2	4.8%
2019	\$114.3	4.7%
2020	\$119.9	4.9%
2021	\$140.3	17.0%
2022	\$153.5	9.4%
2023	\$155.7	1.4%
2024	\$156.3	0.4%
2025	\$159.4	2.0%
2026	\$161.7	1.4%

State's Taxable Sales

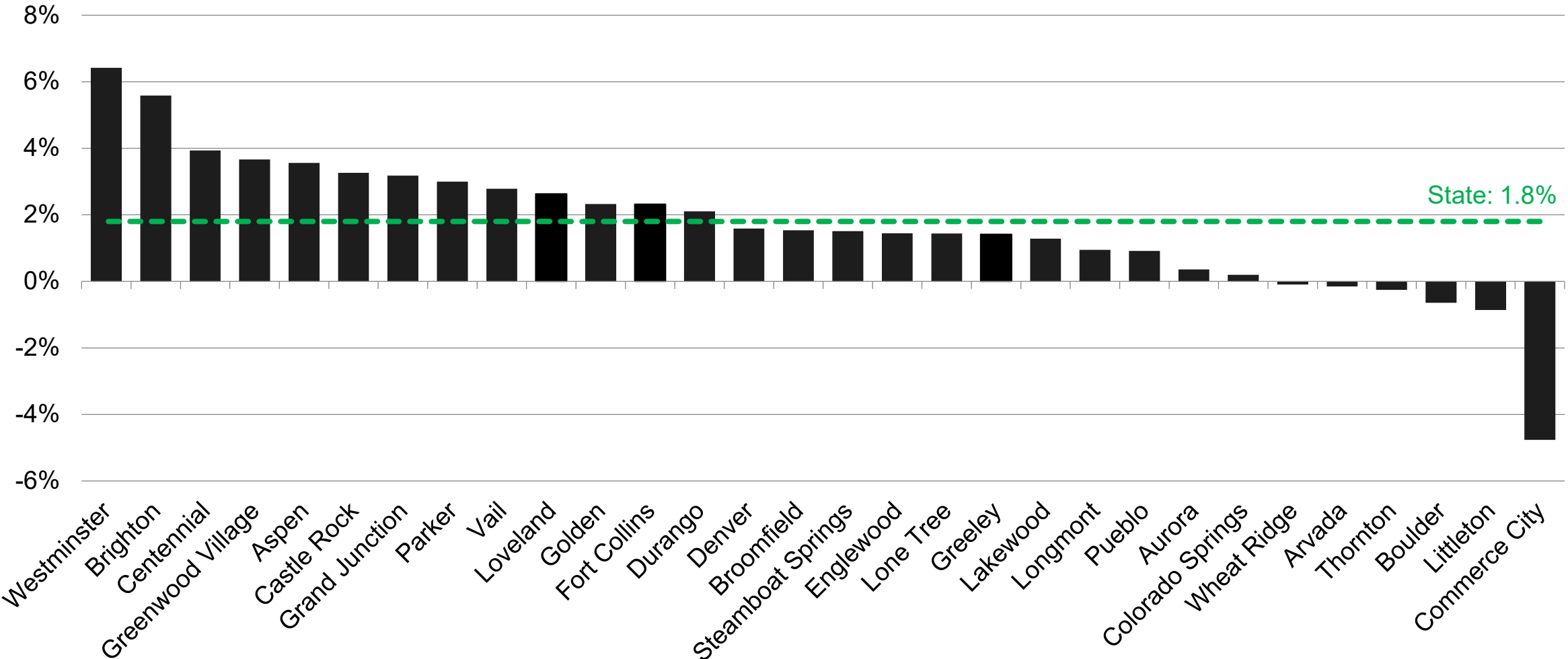


State Taxable Sales from Counties



State Taxable Sales from 30 Cities

October 2025 YTD Compared to October 2024

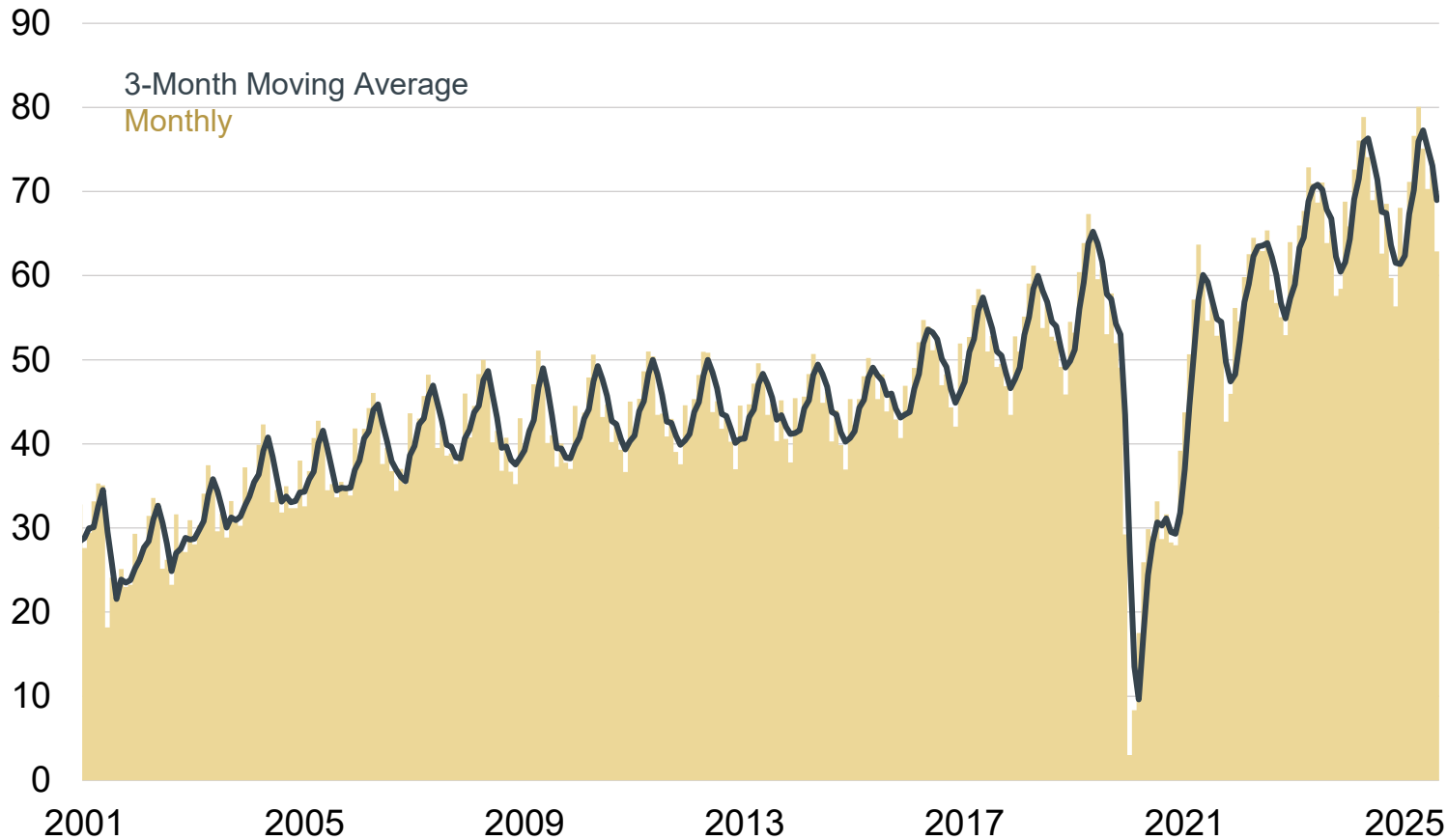




Leisure and Hospitality

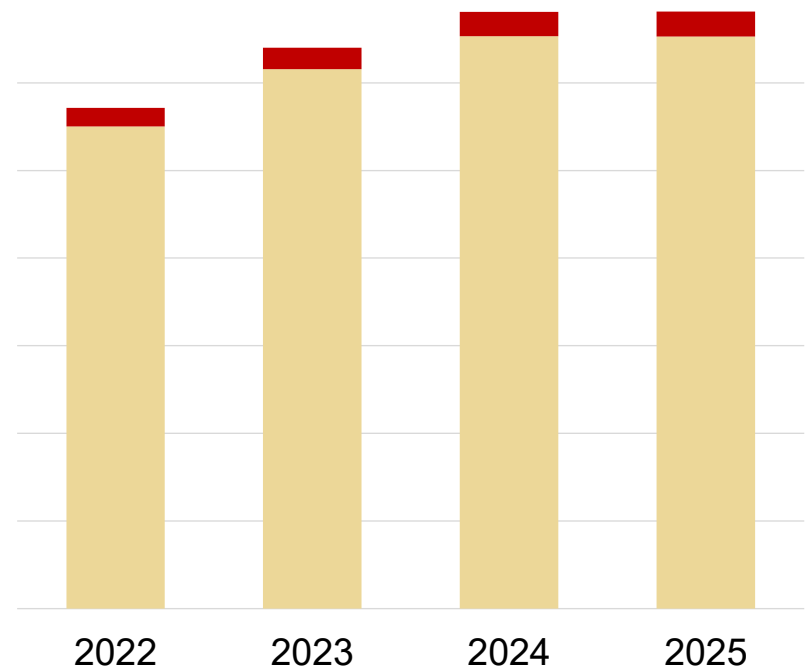
DIA Enplanements and Deplanements

DIA Monthly Passenger Traffic, Hundreds of Thousands 2001-2025



November YTD, Millions 2022-2025

International 4.4%
Domestic -1.0%
Total 0.2%



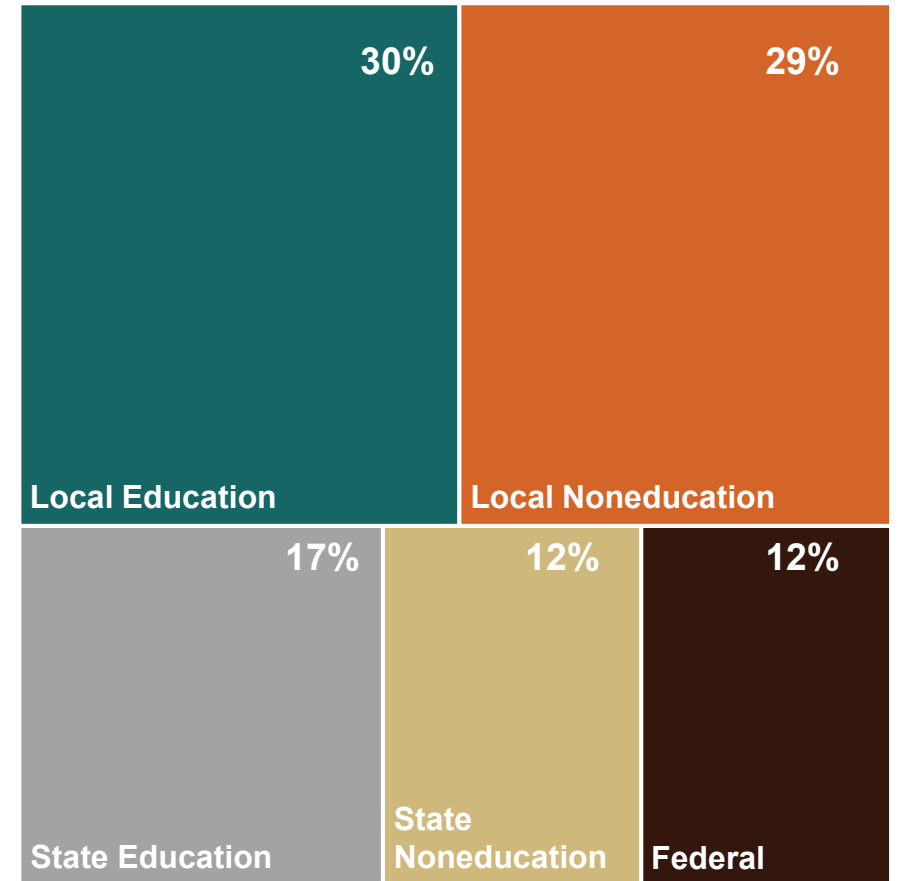
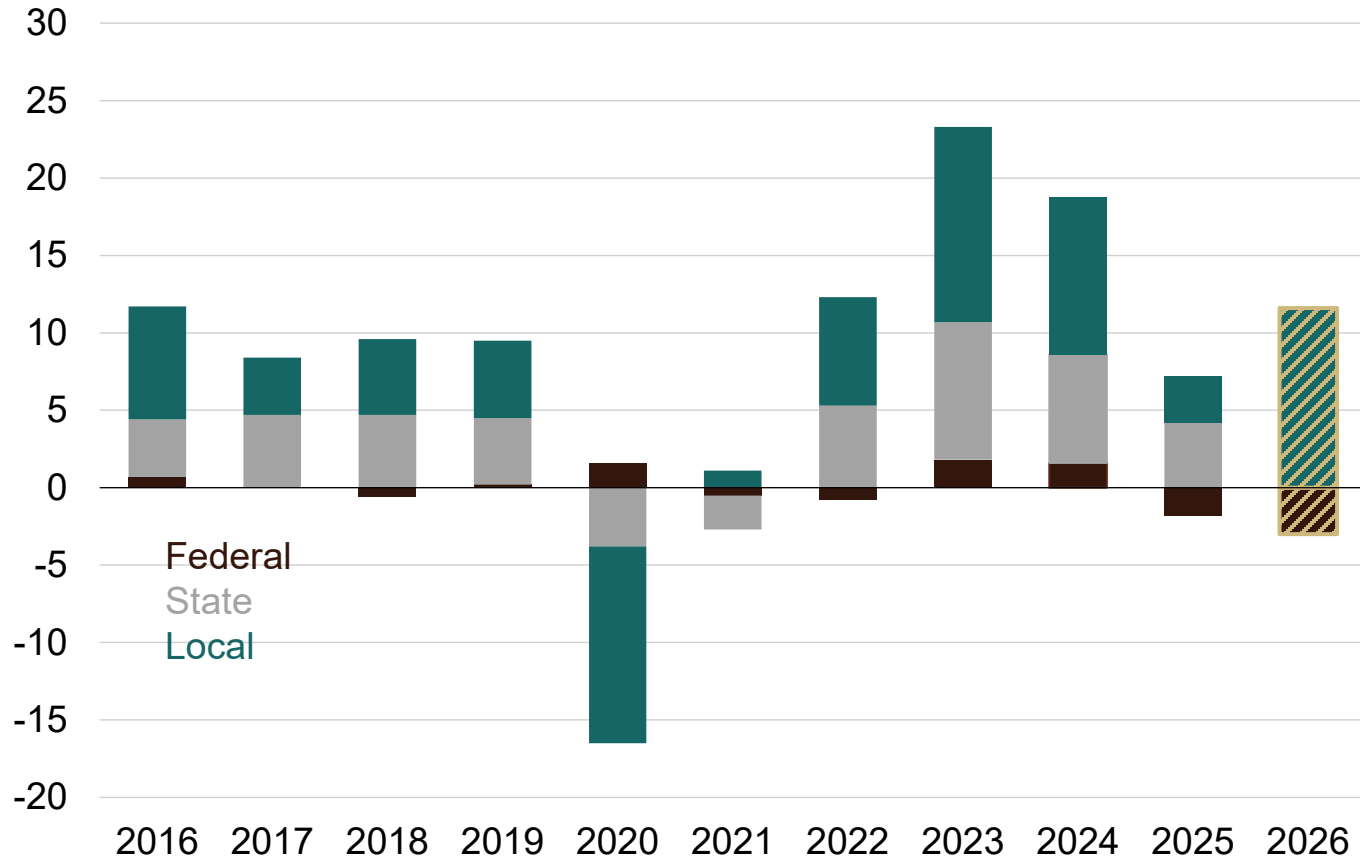


Government

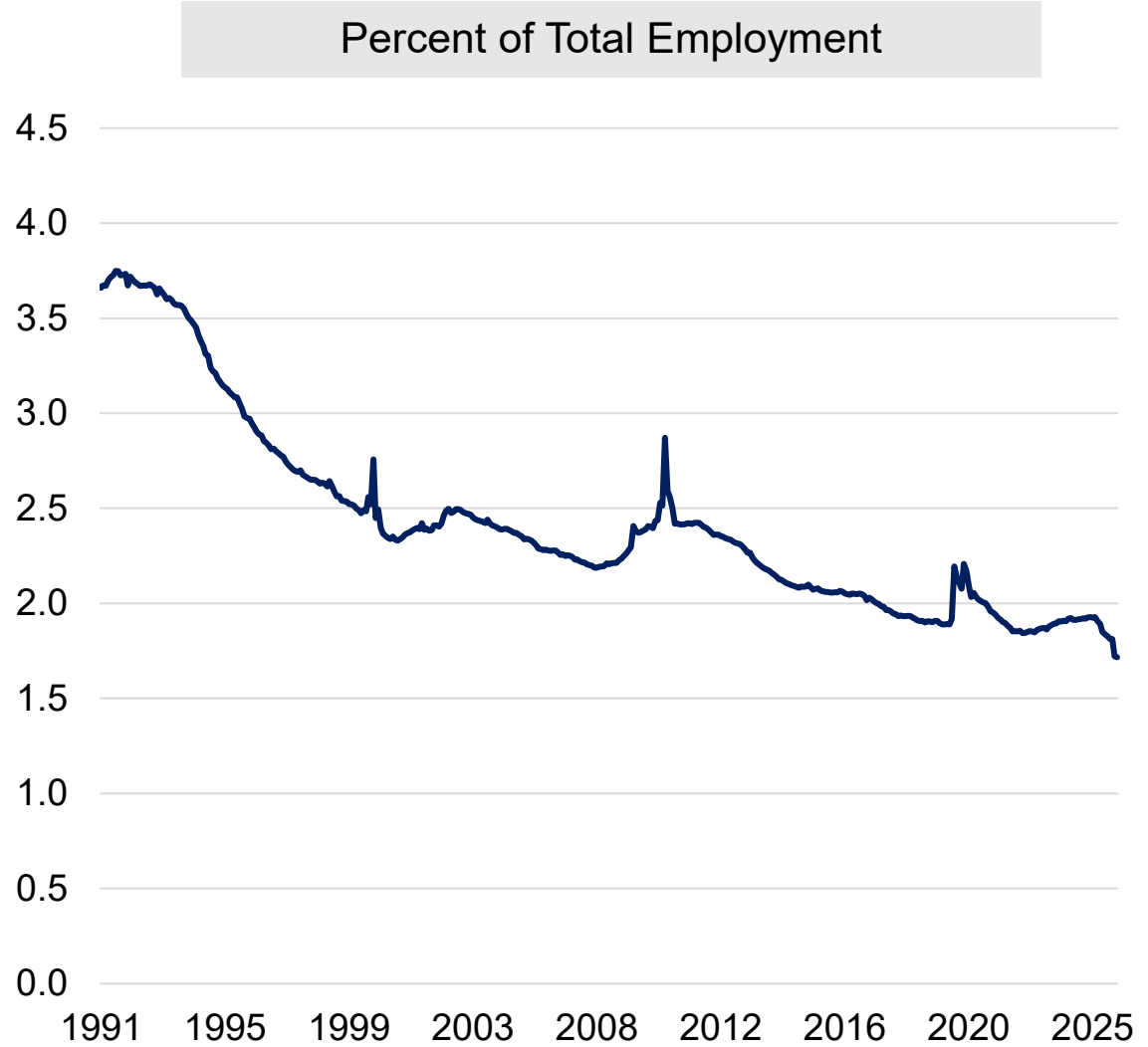
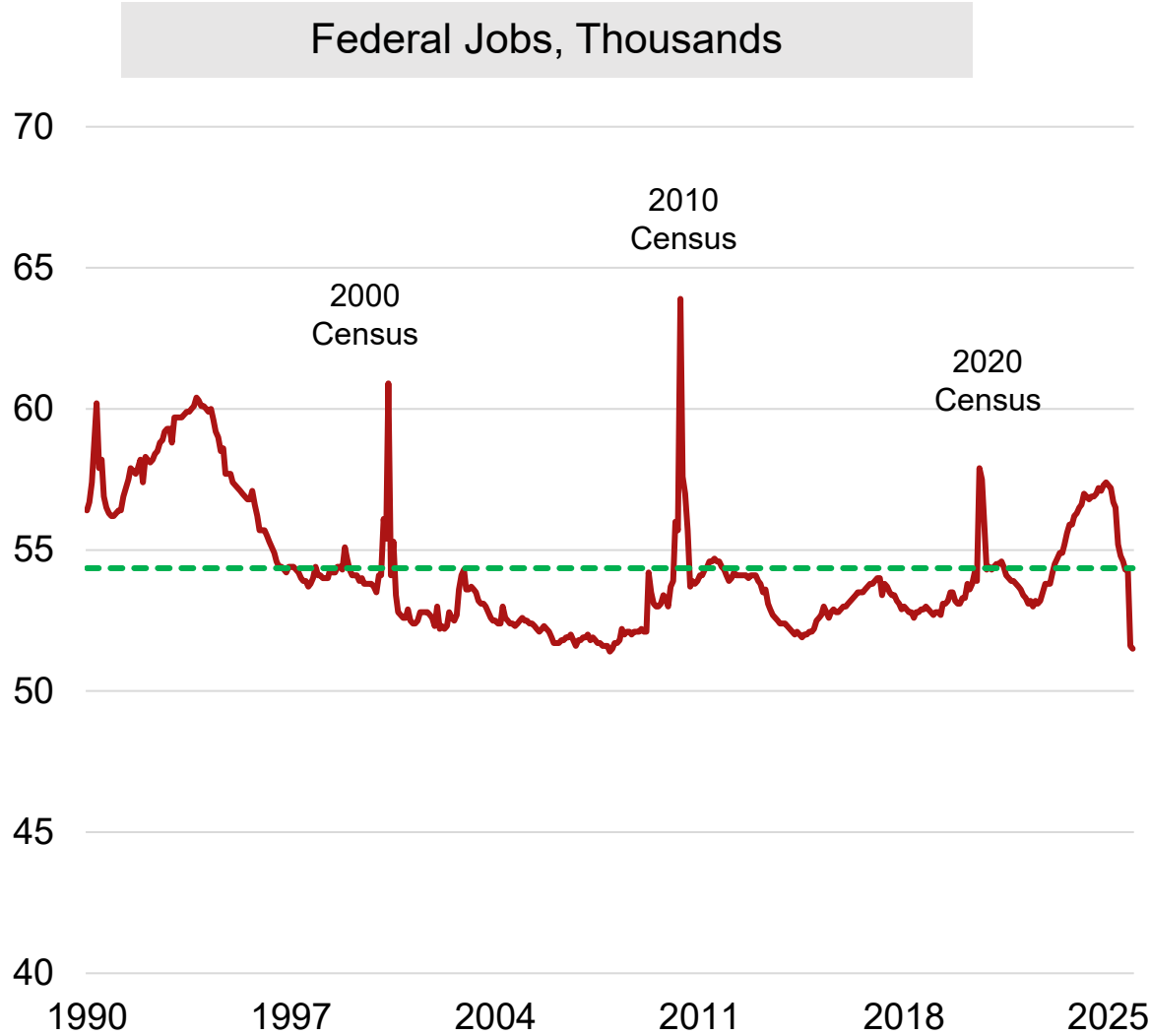


Government

Jobs Added, Thousands, 2016-2026



Federal Employment in Colorado

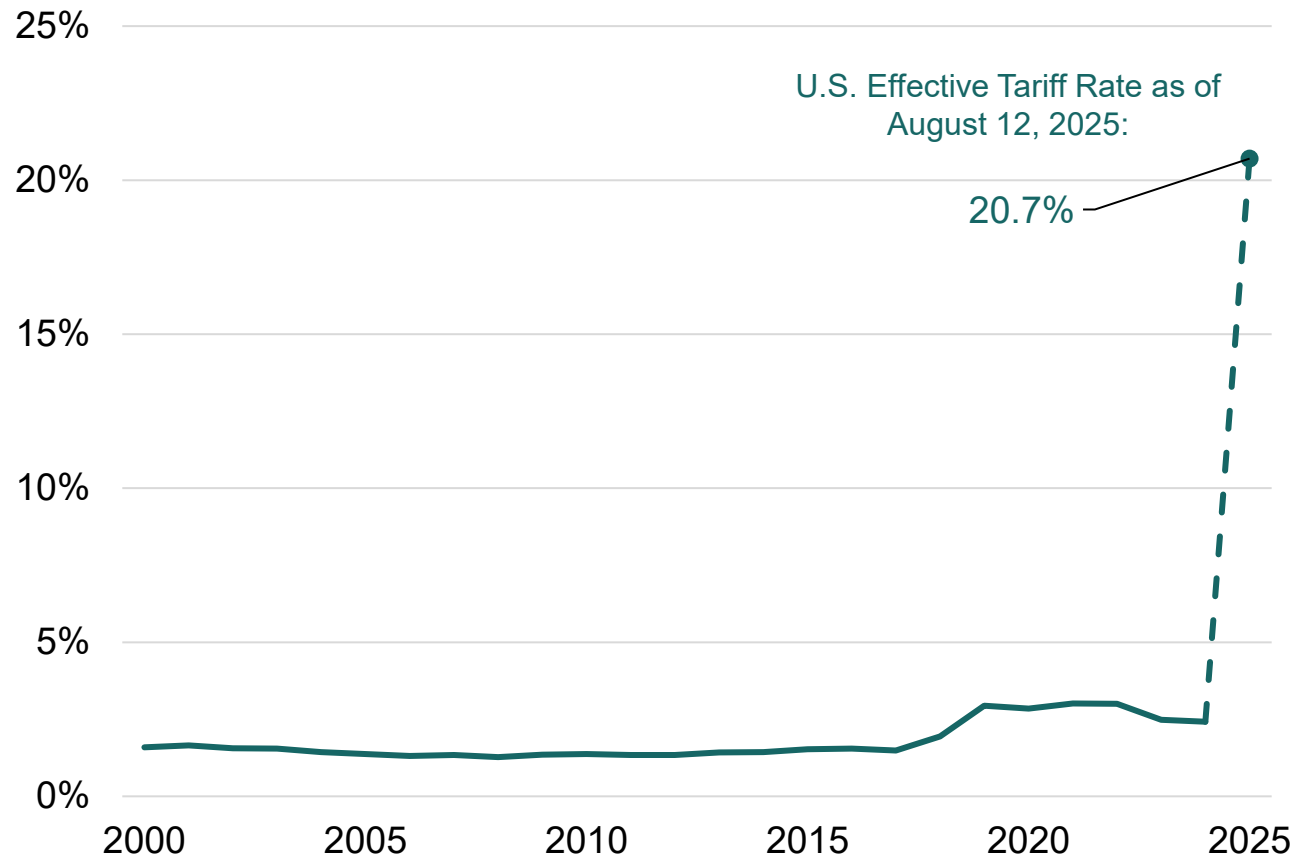




Among the Risks

Tariffs

U.S. Effective Tariff Rate



Expected losses estimated by OSPB:

Computer and Electronics

- 476 jobs
- \$200 million in GDP

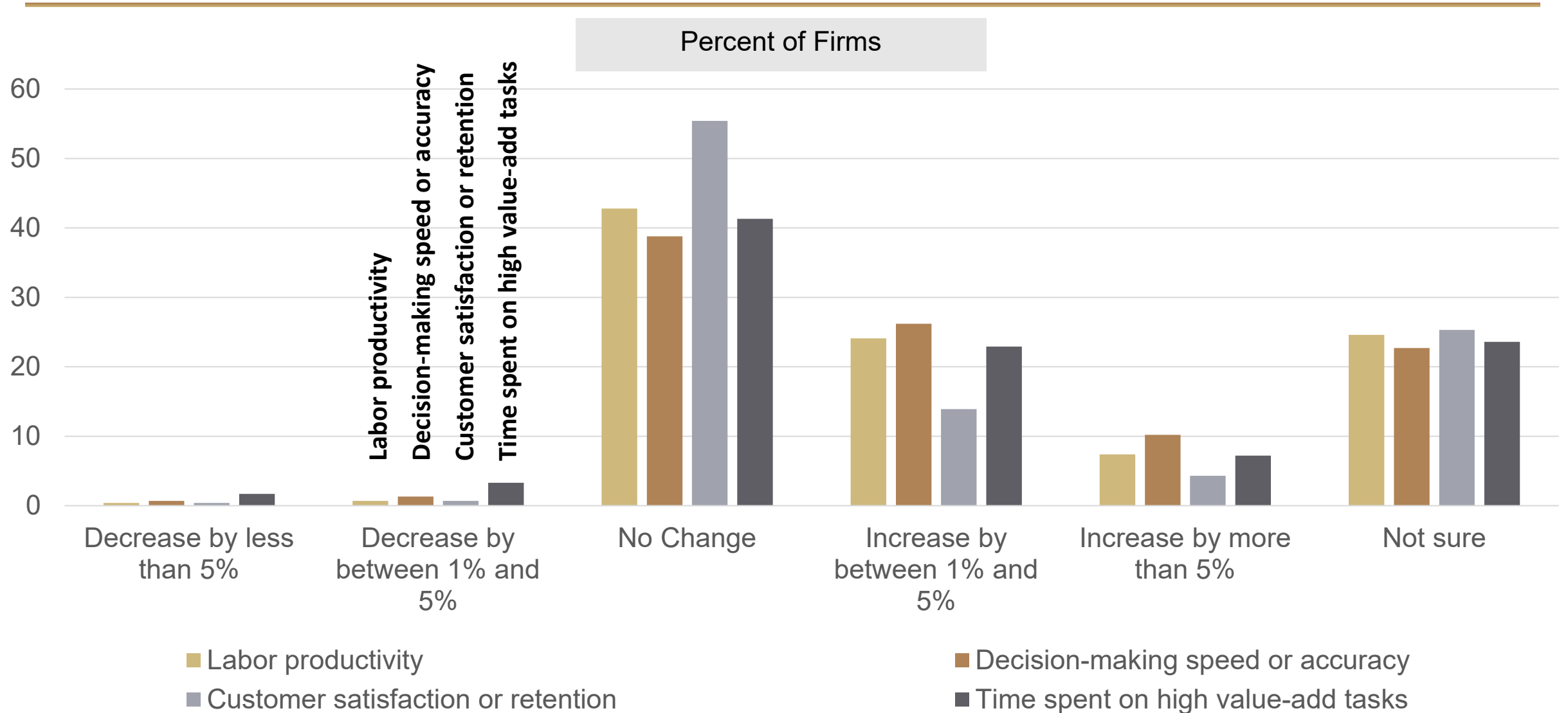
Beef

- 265 jobs
- \$80 million in GDP

Aerospace

- 195 jobs
- \$62 million in GDP

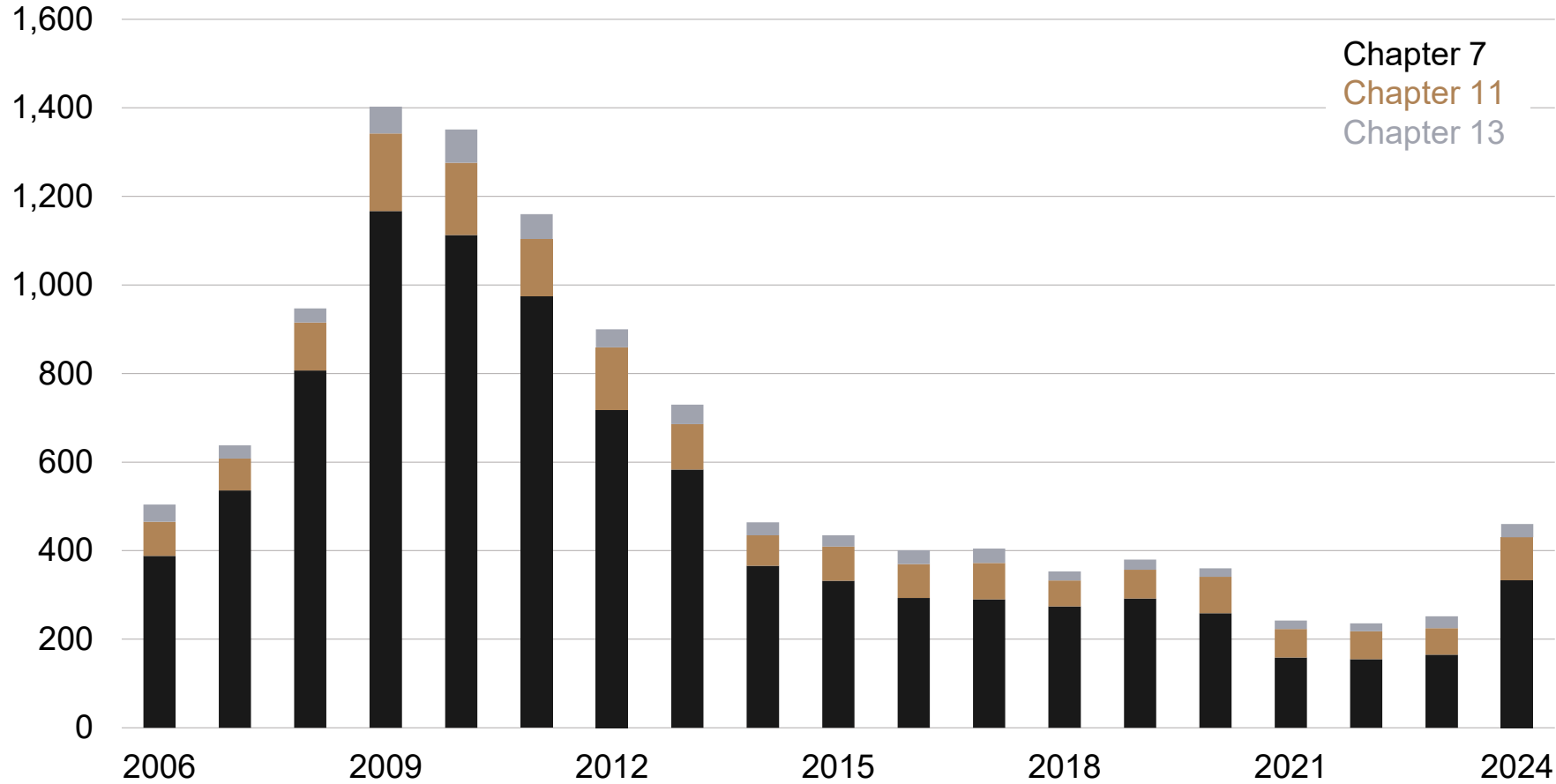
Impact of AI on Efficiency and Outcomes



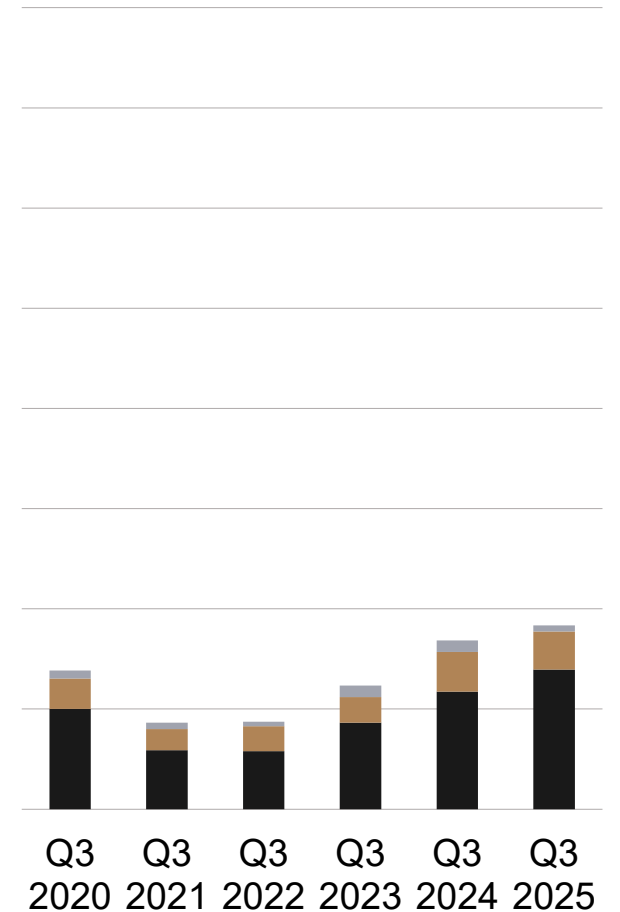
Source: CFO Survey, Federal Reserve Bank of Richmond, Federal Reserve Bank of Atlanta.

Colorado Bankruptcy Filings

Business Bankruptcies

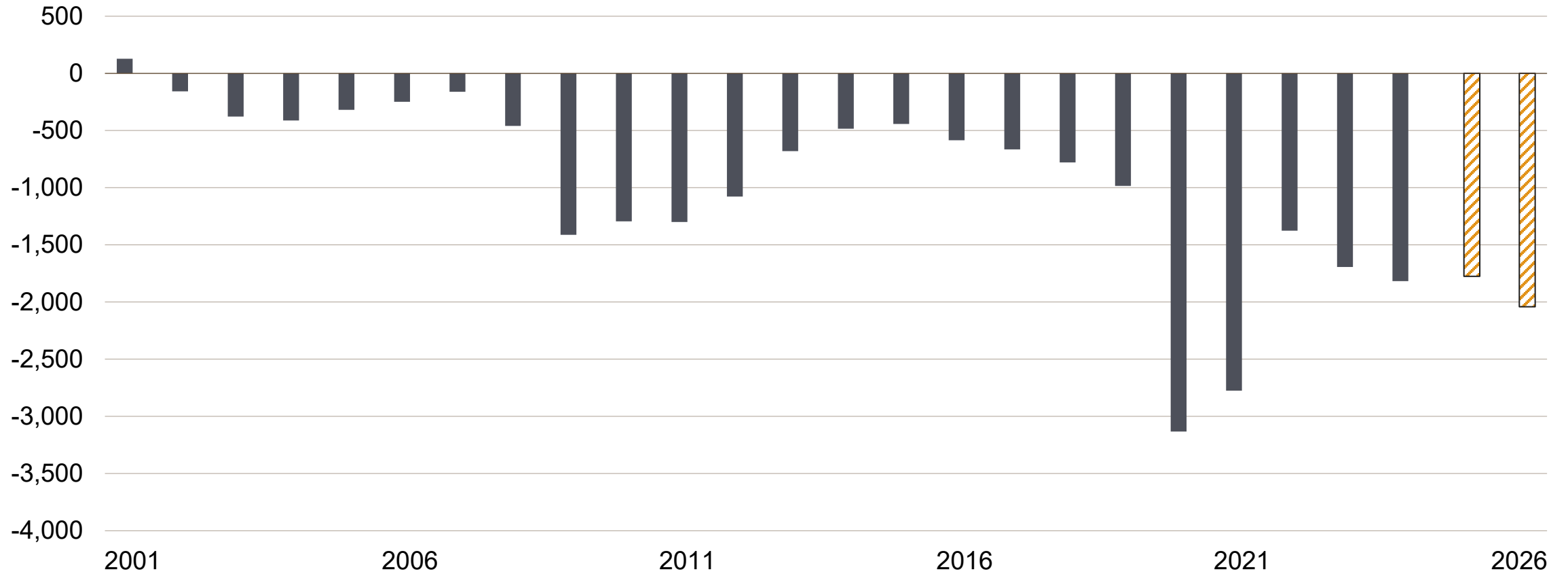


Year-to-Date

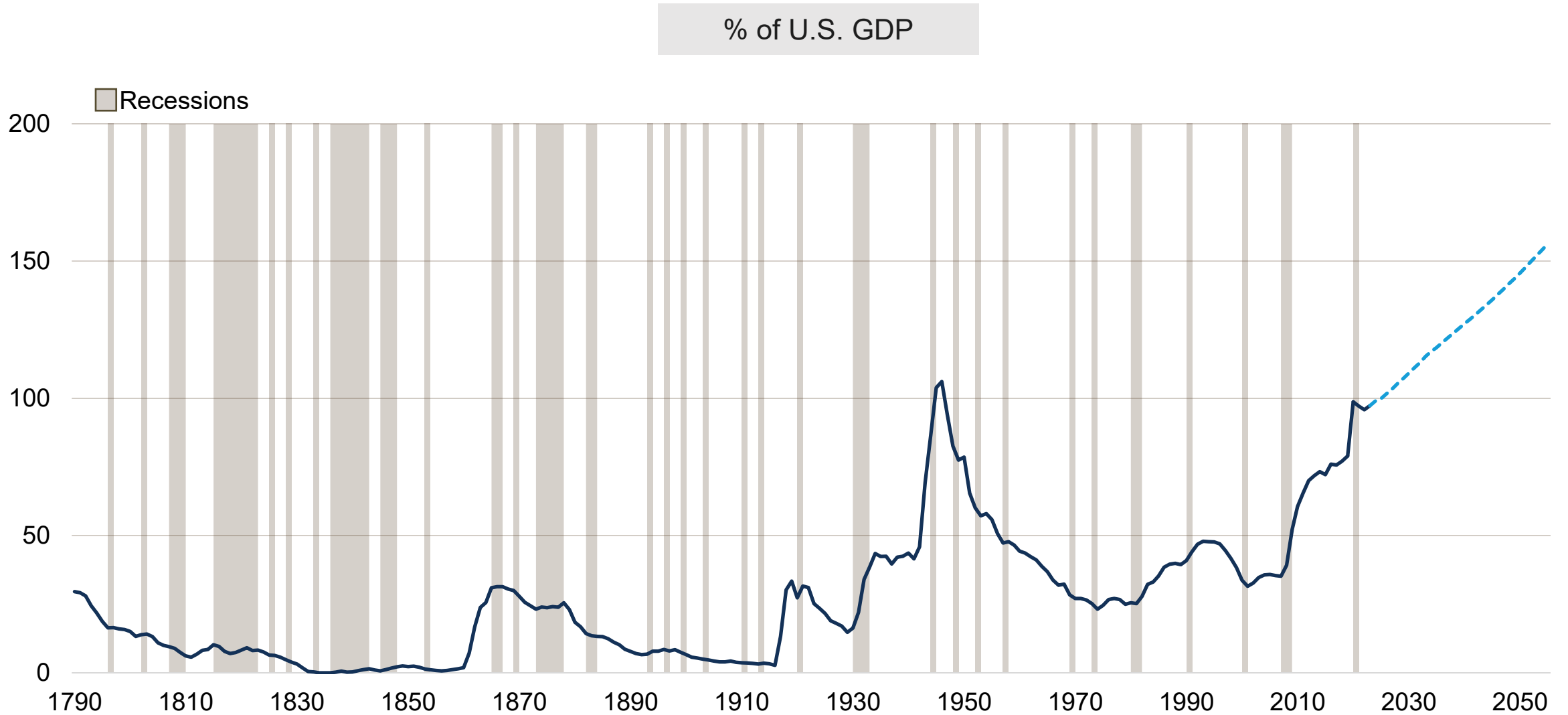


Federal Budget Balance

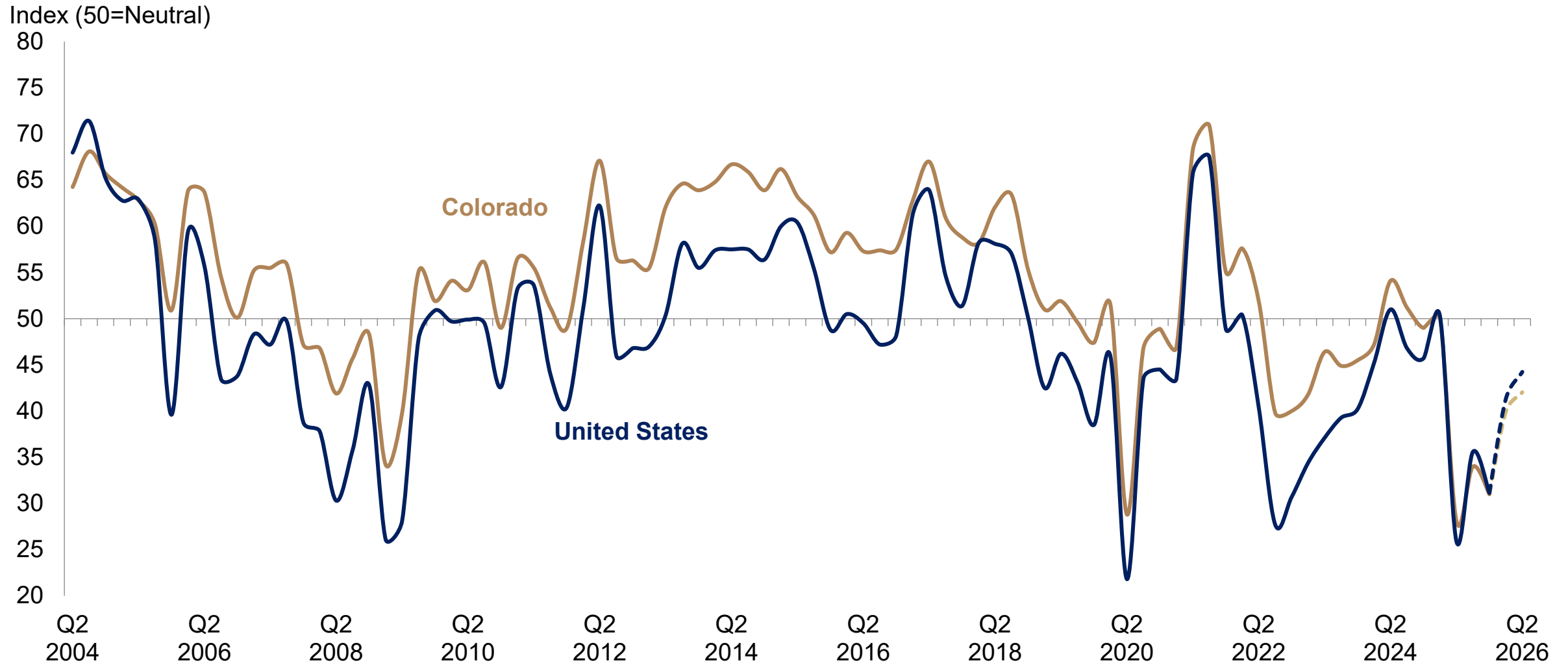
Balance, \$ Billions



Federal Debt



National and State Expectations



BRD Publications and Confidence Index



Register and Receive Free Access to:

- Colorado Business Economic Outlook
- Colorado Business Review
- Leeds Business Confidence Index
- Quarterly Indicators Report
- Research Publications



Tailwinds versus Headwinds

Continued consumption

H.R.1:

- Lower taxes (higher return, lower withholding rate)
- Overtime pay and tips
- Encouraging investment

Less trade war uncertainty

Low energy prices

Increased wealth

Slow growth in:

- Population
- Labor force
- Employment

High and increasing cost of living

Loan delinquencies

Weakening economic growth

Federal realignment

Bankruptcies up (but dissolutions are down)

Federal deficit and debt rising

Federal restructuring

2026 Colorado Business Outlook booklet

