

UCCS
Economic Forum
COLLEGE OF BUSINESS
UNIVERSITY OF COLORADO
COLORADO SPRINGS

24th Annual Economic Update
UCCS
Economic Forum
2020-21



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Ron Chernak, President, The FBB Group, Ltd.® Founding Partner of the UCCS Economic Forum



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Ent Credit Union is honored to continue its support of the UCCS Economic Forum, which provides vital local and national economic data. It remains a valued resource for area businesses (including those owned by our members) and public officials as they strategically plan for the future.

In addition to sponsoring the Economic Forum, Ent has spent the past year helping its members and area businesses weather the storm of the COVID-19 pandemic. Ent's "I Heart Small Business" campaign was recognized nationally as it provided much needed awareness and \$100,000 in cash to small businesses nominated by members and the general public in the Spring of 2020. Ent also provided assistance to members affected by the economic devastation caused by the pandemic, providing more than \$3.8 million in deferred loan payments, 8,460 emergency loans and more than \$365,000 in COVID-19 relief. As summer turned to fall, Ent stepped up financially with a \$50,000 matching campaign, raising more than \$100,000 to aid recovery efforts from the worst wildfires in Colorado history. In the midst of an unprecedented year, Ent also managed to open six new service centers in the Denver metro area and Northern Colorado, introducing the entire Front Range to Colorado's largest credit union, recognized as "Best-In-State" by Forbes for the third straight year.

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Welcome from our Sponsors



Downtown Partnership is a nonprofit membership organization working to ensure that Downtown Colorado Springs serves as the economic, civic and cultural heart of the region. The Partnership serves as the management company for a family of Downtown organizations that includes a business improvement district, the Downtown Development Authority and a charitable nonprofit arm, Downtown Ventures. The collective work of these organizations has stewarded an economic resurgence in Downtown, with more than \$1.5 billion in recent or near-term public and private development investment. With a workforce of 27,000 people, the largest concentration of independent restaurants in Southern Colorado, and status as a state-certified Creative District, Downtown Colorado Springs is experiencing a renaissance unlike any in its history, with hundreds of new residential units, several new hotels and new anchor attractions such as the U.S. Olympic & Paralympic Museum, opened in 2020, and Weidner Field and the Ed Robson Arena, opening in 2021.



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Welcome from the University



Venkat Reddy, Ph.D.
Chancellor,
University of
Colorado Colorado
Springs

Much is different in 2021 than in previous years. COVID-19 has changed the way we live, learn and work. Even as vaccines roll out across the nation, we will feel the reverberations of the pandemic – on the workforce, on the economy and on our lives – for years to come.

Yet much remains the same. I am pleased that the research of UCCS Economic Forum will continue to provide our business and community partners with rich economic forecasts and robust data to fuel the success of our entire region.

Southern Colorado is adapting to economic challenges both old and new. Some of our economic sectors have remained healthy throughout the pandemic, while others are severely constrained.

As we move through these challenges, it is more important than ever that we inform our business and governmental decisions with insightful and accurate economic data. We are proud to offer a rigorous assessment of our region's economic health, our challenges, and our opportunities – as well as a glimpse of the future of the Pikes Peak region.

At UCCS, we build the workforce of the future—and in doing so, fuel the success of the Pikes Peak region. The **UCCS Economic Forum** is just one example of our commitment to bettering Colorado Springs and our wider community. I am grateful to the partners and donors who make this program possible each year, and to the many talented individuals committed to this project.

Thank you for your support of the community, the region, and UCCS.



Karen S. Markel, Ph.D.
Dean, UCCS College of
Business and
Administration

Nearly one year ago, our city and much of the world shut down as a result of the COVID-19 pandemic. This past year brought unprecedented hardships to our region, but it also forced us to be more agile, more inventive, and more receptive to new ways of work and play.

What we missed most of all this past year was the connection to our peers. But what we lacked in face-to-face interaction, we made up for in support and compassion. Our community came together to help local businesses navigate the challenges surrounding COVID-19 with virtual educational resources, events, business insights, and consultations. We adapted to new technologies, delivered innovative curriculum, and celebrated novel academic programs and grants.

Starting Fall 2021, we are thrilled to launch a new Executive Doctor of Business Administration in Cybersecurity Management. This unique terminal degree is designed to develop scholar-practitioners in cybersecurity at senior levels of government and business. This program is meeting the needs of a rapidly growing industry in Colorado Springs and beyond, and we look forward to welcoming our first cohort in August.

2021 brings promise, but forecasting the next year, and even the next few months, is challenging. That is why we look to our experts to provide insights during times of economic uncertainty.

The 24th Annual UCCS Economic Forum publication serves as a comprehensive resource to help inform and guide local businesses through economic recovery. We are confident this report will provide timely and valuable economic insights to all those determining the direction of business and government.

This report is not possible without the commitment and expertise from Dr. Tatiana Bailey and Rebecca Wilder. Thank you for delivering another robust analysis of the economic conditions in the region. We are also grateful to our community partners for their ongoing support of this project.

We aim to serve as a resource and partner in shaping the future of business in the Pikes Peak Region. The **UCCS Economic Forum** is integral to accomplishing this mission. Thank you for your support.

About the UCCS Economic Forum

The UCCS Economic Forum provides businesses and other organizations in Colorado Springs with unbiased information that assesses economic conditions in the region. The Forum analyzes and reports on broad national indicators such as GDP and consumer sentiment, as well as local labor market information, real estate activity and construction, military employment and expenditures, tourism, sales and use taxes, and others. The indicators provide a picture of the economy, the region's quality of life, answering the questions of "how are we doing" and "where are we going." No single indicator can provide a complete picture of the economy or the quality of life of our citizenry. Examined collectively, however, economic and quality of life indicators provide a picture of the region's economic health, the welfare and educational attainment of the people who live and work here, and the progress of businesses and organizations that operate here. The Forum provides this information to help business leaders, government officials and others make more informed decisions with the greater goal of assisting in economic development efforts.

To learn more about the services the Forum you can contact Tatiana Bailey, Director, UCCS Economic Forum at (719) 255-3661 or at tbailey6@uccs.edu.



**Tatiana Bailey,
Ph.D.**

Director, UCCS
Economic Forum
Research Faculty,
UCCS

Tatiana Bailey holds a Master's degree in Economics and a Doctorate in Public Health, both from the University of Michigan. Since obtaining her doctorate, she has taught micro and macroeconomics as well as health economics and policy at the University of Michigan and Walsh College.

Tatiana has worked in the health care and economic development fields. In the health care arena, she has focused on programs that aim to increase access and quality while reducing costs, particularly for at-risk populations. She also does presentations to audiences who wish to be better informed about the general framework of the health care system in the U.S. In the economic development field, she has focused upon economic growth through workforce development initiatives. Under the leadership of the Forum and in collaboration with the community, Tatiana and Rebecca spearheaded the Workforce Asset Map (or WAM), a community-wide initiative targeted in the short-term to engaging and assisting local workers, and in the long-term, closing the skills gap. Details are on page 30. As Director of the UCCS Economic Forum, Tatiana serves as a national, state and local economics resource to businesses and government. Her focus this past year has been to integrate public health and economic data in the analyses and consultation she has been providing to the community and the state during the pandemic. Tatiana has continued to write articles throughout the year to further disseminate economic and public health information.



Rebecca Wilder
Assistant Program
Director, UCCS
Economic Forum

Rebecca Wilder joined the UCCS College of Business staff as a part-time Research Assistant for the UCCS Economic Forum in May 2014 while finishing her Master's degree in Business Administration through UCCS. She joined the full-time UCCS College of Business staff as the Assistant Data Analyst for the Forum in June 2015 after her graduation in May. She earned a bachelor's degree in Elementary Education from Taylor University in Indiana.

Rebecca taught for 11.5 years, primarily at the middle school level in math and science. She also worked for Wachovia Securities for five years where she became very familiar with research, analysis and compilation of data. Her love of numbers, organizational skills and background in education give her a unique understanding of what is currently offered and what is needed for young people to be successful, contributing members of our region.

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Introduction



Executive Summary

Employment

The world had a public health and economic shock in the winter of 2020. COVID-19 caused a level of disruption not seen since the Spanish Flu of 1918. The high transmission rate of COVID-19 resulted in a high overall prevalence of the disease. Although most people would not require hospitalization, the high number of infections meant a high absolute number of people who would require hospitalization. As governments realized this, large swaths of the economy were shutdown especially in the service industries

where people interact most.

- ◆ The national, seasonally adjusted unemployment rate was 6.3 percent in January 2021, increasing from 3.5 percent in January 2020. Most of the losses in the past 12 months were in accommodation and food, retail trade, other services (such as hair salons), and health care and social assistance.
- ◆ The El Paso County not seasonally adjusted unemployment rate at the end of 2020 stood at 8.7 percent. El Paso County and the state of Colorado both had higher unemployment rates than the U.S. at the end of 2020. This is in large part due to the higher labor participation rate regionally and state-wide. Although a high unemployment rate is not favorable, a higher labor participation rate will hasten a recovery to previous levels of economic growth once the pandemic is over.
- ◆ The Quarterly Census of Employment and Wages (QCEW) for El Paso County indicated total jobs increased by 26 percent, or 7,038 positions, in 2019. Our region needs approximately 5,600 new jobs in order to match population growth.
- ◆ More recent data from the QCEW indicates that El Paso County had 8,803 fewer jobs from 2019 Q3 to 2020 Q3. Prior to the pandemic, El Paso County had stellar growth in new jobs surpassing the threshold of 5,600 new jobs needed to match population growth in every year from 2013 to 2019.

Specific Sectors & Employment

Sixteen of the twenty-one industry sectors in **El Paso County** saw job gains in 2019. The most significant gains were in:

- ◆ health care and social assistance (1,709 jobs)
- ◆ professional and technical services (1,234)
- ◆ Educational services (680)
- ◆ construction (651)
- ◆ accommodation and food services (564)

The strong showing in health care and social assistance combined with professional and technical services represented 41.8 percent of total job gains in the county. Job losses took place in five sectors. The most notable losses occurred in retail trade (-402 jobs).

In **Teller County**, which is part of the Colorado Springs metropolitan statistical area (MSA), total jobs increased by 0.2 percent or 16 jobs in 2019. The top five job categories in terms of total employment according to the Quarterly Census of Employment and Wages (QCEW) data for 2019 were accommodation and food services (1,596 total jobs), retail trade (998), health care and social assistance (662), arts, entertainment and recreation (649), and public administration (586). Seven of the twenty-one sectors saw job gains in 2019. The greatest gains were reported in manufacturing (20 jobs gained), retail trade (20), accommodation and food services (16), and construction (14). The most significant job losses were in arts, entertainment and recreation (-26 jobs) and professional and technical services (-11).



Introduction

Regional Wages

Average wages from the Quarterly Census of Employment and Wages (QCEW) across all categories increased in El Paso County from \$50,492 in 2018 to \$52,624 in 2019, or up 4.2 percent.

- ◆ The average wage in El Paso County remains low compared to Colorado as a whole and was 14.9 percent below the state average of \$61,828 in 2019.
- ◆ Average wages in Teller County increased 5.0 percent in 2019 to \$41,496, but the average wage was 32.9 percent below the state average. This is most likely due to the traditionally lower wages that occur in the hospitality sector, which is heavily represented in Teller County.

Per Capita Personal Income

Per capita personal income increased in El Paso County. This measure is calculated by taking the total income in a region and dividing by the number of people, including children. This metric includes not only net earnings, but also personal dividend and interest income, rental income and transfer payments by government sources. El Paso County per capita personal income increased 4.3 percent to \$51,117 in 2019 over the 2018 level of \$49,003.

- ◆ At the 2019 level, per capita personal income in El Paso County was 9.6 percent below the U.S. average and 16.4 percent below the Colorado average.
- ◆ It is important to remember that all “per capita” values will be pulled down by our lower median age since a lower median age inherently means more children will be counted in the denominator of the calculation. For this reason, per capita personal income is not necessarily the best indicator of standard of living in our region.

The Forum forecasts per capita personal income in 2020 in El Paso County will increase at a rate of 5.2 percent, while the Colorado Office of Planning and Budgeting forecasts a similar increase in Colorado (5.2%) and a higher increase in the U.S. (5.5%) in 2020.

Residential Real Estate

Despite the major, pandemic-induced disruption, residential real estate had a remarkably high levels of growth. Highlights in the residential real estate market include:

- ◆ In 2020, there were 4,917 single-family permits issued in the Pikes Peak region. This is an increase of 984 permits (up 25.0%) compared to 2019. The Forum expects approximately 5,409 single-family permits to be issued in the region in 2021.
- ◆ In 2020, multi-family permits for 185 projects and 1,891 units have been pulled. Multi-family permits are expected to add 2,647 units in 2021.
- ◆ Average, monthly rents for apartments in 2020 were \$1,252 per month in the Colorado Springs MSA. By comparison, average rents in Denver in 2020 were \$1,519.
- ◆ Home sales in the Pikes Peak region were 17,337 in 2020 and are projected to be 17,857 in 2020.
- ◆ The average sales price of a home, new or existing, is expected to increase to \$480,244 in the Pikes Peak region in 2021, a 15.5 percent increase from \$415,796 in 2020.
- ◆ The median price of a new or existing single-family home in the Pikes Peak region is expected to increase 15.0 percent to \$423,775 in 2021 compared to \$368,500 in 2020. As a point of reference, median home price in the U.S. was almost 20 percent lower in 2020 at \$298,758.
- ◆ Foreclosures continue to decline in the region. Annual foreclosures decreased 66.0 percent in 2020 to 281. The average number of foreclosures per month in 2020 was 23. The average number of monthly foreclosures in 2009 was much higher at 441. The Forum projects there will be 703 foreclosures in all of 2021 due to the lifting of eviction moratoriums and an increase in delinquency rates across the country, especially for FHA loans.

Introduction

Commercial Real Estate

Prior to the pandemic, the commercial real estate market in El Paso County was healthy. Most leases are at least one year in duration or longer so we may not know the long-term impact of the pandemic on commercial real estate until 2021. Highlights for the city of Colorado Springs include:

- ◆ Commercial office vacancy rates increased slightly to 8.6 percent at the end of 2020 from 8.5 percent at the end of 2019.
- ◆ The industrial vacancy rate declined to 3.8 percent at the end of 2020 from 4.6 percent at the end of 2019.
- ◆ Retail vacancy rates increased to 6.2 percent at the end of 2020 from 4.7 percent at the end of 2019.
- ◆ Medical office vacancy rates decreased slightly to 7.0 percent at the end of 2020 from 7.1 percent at the end of 2019.

Sales and Use Tax

Most cities had severe hits to their tax revenues due to the sharp decline in virtually all economic activity. Thankfully, this was not the case in Colorado Springs. Highlights include:

- ◆ City sales and use tax collections increased 0.4 percent or \$800,000 from \$185.5 million in 2019 to \$186.3 million in 2020. However, if these nominal sales tax figures are adjusted for both consumer price inflation and population increases, sales and use tax collect was down 3.6 percent. This indicates that tax revenues are not keeping pace with population growth.
- ◆ Sales and use tax collections are expected to increase 7.0 percent in 2021 in nominal terms according to Forum estimates. This translates to a 2.8 percent increase in the real value of sales and use tax collections.

Education

- ◆ In fiscal year 2020, Colorado spent \$11,891 per pupil in elementary and secondary schools, while the U.S. average was \$13,399 per pupil (11.3% lower in Colorado).
- ◆ From 2003 through 2019 (most recent data available), 4th and 8th grade students in Colorado public schools outscored the nation in mathematics and language arts.
- ◆ 2020 data is not available, however last years data from spring 2019, the Colorado junior average SAT score was 1001, and 5 of the 17 school districts in the Colorado Springs MSA surpassed this state average. The U.S. mean was 1059 using the scores provided by the College Board and was brought down by the increase in students required to take the test according to *The Wall Street Journal*.
- ◆ In 2020, 10 of the 17 school districts in the Colorado Springs MSA exceeded the state of Colorado's average high school graduation rate of 81.9 percent. The U.S. high school graduation rate in 2018 (most recent data available) was 85.0 percent. Nine of our local 17 school districts reached or surpassed this national graduation rate in 2018.
- ◆ The Colorado Concurrent Enrollment Program Act, passed in 2009, allows students to be simultaneously enrolled in high school as well as in one or more postsecondary courses at an institution of higher education. All districts within the Colorado Springs MSA participate in these programs and had a total of 3,846 students enrolled concurrently in the 2018-19 school year, a 2.8% increase over the 2017-18 school year.
- ◆ In the city of Colorado Springs in 2019, 34.1 percent of the population ages 25 and over had some college or an associate degree, while in the U.S. it was 28.6 percent of that population. For those with a bachelor's degree or higher and ages 25 and older, the city of Colorado Springs (40.3%) again had a higher percentage than the U.S. (33.1%).



Where Are We Headed?

It's an odd feeling to realize you are living in a time that will go down in the history books. My kids marvel at how old my husband and I are, but we didn't live through the world wars, and I don't remember Vietnam. September 11, 2001 is the only stand out if you don't count my enormous, 90's, permed hair (I was a life support system for my hair). Then March 2020 happened, and we were all jolted into an alternate reality. Could this really be happening? I have a public health background and those experts have been saying since before I was in graduate school that a pandemic was imminent, but even I had trouble believing the magnitude of disruption.

Never mind that an economic shutdown became political and divisive. At this point, 2020 happened, and we will only know whether all the decisions were scientifically and economically "worth it" when the pandemic is far in the rear-view mirror. Let's look forward.

The first thing to do is assess the damage. The economy contracted by 3.5 percent in 2020. By way of comparison, the economy contracted by 2.5 percent in 2009 during the Great Recession. Prior to this current shock, trend growth had been about +2.5 percent. If we were to add up the foregone growth (\$1 trillion) and the unprecedented fiscal stimulus, which will likely land at a total of \$4 trillion, we are talking about a \$5 trillion price tag due to a microscopic virus. Five trillion is about 25 percent of U.S. GDP pre-pandemic; a mind-numbing statistic. So, the focus should be how to get back to at least baseline levels of growth and productivity for this calamitous event while assuring another one doesn't happen.

As of now, early 2021, highly effective vaccines are being rolled out across the nation, and we are on our way to herd immunity. We are, however, in a race to immunize the world before viral mutations take hold. The U.S. could have 100 percent immunity, but if the rest of humanity doesn't reach collective immunity and mutations proliferate, one of those mutations will eventually evade current vaccines and we will be playing whack-a-mole with COVID-19. The U.S. could adopt countries with some of the world's most vulnerable health systems and lead in global vaccination efforts. It's not just the right thing to do, it's the strategically smart thing to do both from a leadership perspective and from a self-preservation perspective.

As I wrote in an article earlier this year, there are other structural issues that pre-date the pandemic. For example, experts on climate have been issuing warnings for decades much like the epidemiologists have. I may be an Excel goddess, but I am not a climate expert, so I am going to trust experts from other fields. I don't want to learn the hard way like we did with this pandemic that ignoring warnings and skirting preparation is as costly as it is. Instead, we can use this seismic disruption to breed innovation as humans have successfully done throughout time. Humans are incredible at pivoting when they need to and along the way of developing new pathways, we create new jobs. All it takes is thinking outside the box. Hasn't COVID-19 shown us how adaptable we can be? Now we can be adaptable in a way that adequately prepares a planet with almost 8 billion people who invariably interact, intermingle, and must therefore cooperate both inter- and intra-country.

Undoubtedly, there will be a "new normal" with more work-from-home, less business travel, even more e-commerce, more hybrid space, more hybrid learning, and transformed commercial space. The pandemic has lasted too long to not engrain new behaviors. Perhaps we can take each of these new behaviors and use them to catapult some innovations that put us ahead. For jobs, where it is possible, even partial work-from-home could reduce traffic congestion and carbon emissions. High speed rail like the proposed Front Range Rail could not only further reduce emissions, it could be a stimulative infrastructure investment that creates jobs. The same can be said about wind and solar investments in our windy and sun-soaked state. Bureau of Labor projections from the last several years state that wind turbine technicians and solar panel installers will be two of the fastest growing occupations. Transforming energy is also a great opportunity to revamp our power grids and solidify a sustainable, self-sufficient power source indefinitely while simultaneously creating jobs.

All of this requires the ability and incentive to innovate, which brings up a couple of other structural challenges. I would argue the *ability* to innovate is hampered by a U.S. educational system that needs to transition to today's economy. It's not that educators and administrators are not working hard. It's that our economy has moved along faster than education has been able to keep up. That has perpetuated a negative feedback loop in terms of the aforementioned income inequality. The *incentive* to innovate is also hampered, but in this case, it's ironically hampered by the capitalistic structure that originally nurtured innovation. Entrepreneurship has been declining in the U.S. over the past few decades for a host of reasons. Would-be entrepreneurs are reticent to leave jobs with health care benefits. Most entrepreneurs are young and have onerous student debt (which is now at \$1.7 trillion, only behind mortgage debt). We have mammoth companies that have almost monopolistic market share with huge economies of scale making the barriers to entry for startups often insurmountable. If K-12 and higher education can go online on a dime, we can audit today's and tomorrow's job openings and build curricula around those skill sets. Government can also catch up with today's technology platforms that enable monopolistic-like entities and level the playing field with well-established anti-trust laws. Perhaps large employers could also be mandated to pay for nutritional or health benefits for their employees who technically qualify for those benefits at the expense of taxpayers? After all, those transfer payments are only increasing as the population ages and as income inequality grows. And those transfer payments are much of the reason U.S. debt is now at levels that match our total annual output.

Similarly, if health care can finally fully embrace telehealth for routine care in record time, can we not find our way to universal health records, streamlined administration and health insurance systems that incentivize preventive health instead of (expensive) curative care both for providers and patients, and better outcomes?

Experts in various fields who are smarter than I am could easily add to this list. Even my humble reflections may seem lofty and deemed unrealistic, but I don't see why we can't get out of our own way and overcome these structural maladies. Beyond creating jobs (necessary) and leading as a nation (desirable), I believe we are at a fork in the road. Today's actions may very well determine whether humans thrive while defining their surroundings or whether our surroundings will define a subpar human existence.

By Tatiana Bailey, Ph.D.

WE WOULD LIKE TO THANK OUR 2020-21 UCCS ECONOMIC FORUM PARTNERS

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Acknowledgments

Thank you to all Forum partners for their support! The UCCS Economic Forum is self-sustaining and would not exist without the commitment of community organizations.

A special thanks to all of our partners who helped organize the 2020 virtual Forum and helped put together our program. We want to also thank our keynote speaker and community participants.

To all of the Forum partners, attendees and other supporters, we wish you continued success in the coming year.

BIG PICTURE INDICATORS

ACTUAL, ESTIMATED AND FORECAST PERCENT CHANGE IN KEY ECONOMIC INDICATORS: U.S., COLORADO AND EL PASO COUNTY										
		United States			Colorado			El Paso County		
		2019	2020*	2021*	2019	2020*	2021*	2019	2020*	2021*
		Actual	Estimate	Forecast	Actual	Estimate	Forecast	Actual	Estimate	Forecast
1	Population	0.5	0.5	0.5	1.2	1.0	0.9	1.1	1.7	1.6
2	Unemployment Rate (NSA)	3.7	8.1	6.7	2.8	7.1	5.7	3.3	7.1	6.2
3	Real GDP/GSP/GMP ¹	2.2	-3.5	4.0	3.9	-3.0	4.8	3.7	-2.8	4.2
4	Non-Agricultural Employment	1.4	-5.8	2.0	2.1	-4.3	3.0	2.3	-3.3	2.5
5	Total Wage & Salary Income	4.7	-0.6	3.4	6.9	-0.3	3.7	5.8	-0.5	3.5
6	Consumer Price Index (CPI) ²	1.8	1.2	1.9	1.9	2.0	2.5	N/A	N/A	N/A
7	Per Capita Personal Income	3.4	5.5	0.9	3.8	5.2	0.7	4.3	5.2	0.7
8	Single-Family Housing Permits ³	1.2	13.1	3.0	-9.4	0.2	8.7	-3.6	25.0	10.0

Sources: Colorado Office of State Planning and Budgeting, December 2020 Revenue Forecast; Federal Reserve Bank of St. Louis; U.S. Bureau of Economic Analysis; Colorado Department of Local Affairs, State Demography Office; Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages, Industry Employment Projections; National Association of Home Builders; The Conference Board; Wells Fargo; UCCS Economic Forum

¹GMP is for the Colorado Springs MSA so it includes both El Paso and Teller counties.

²Colorado CPI is actually the Denver/Boulder/Greeley CPI.

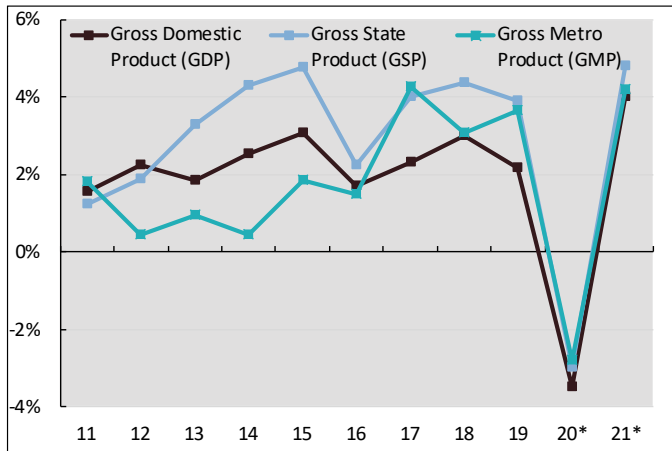
³Includes single-family detached and townhome units.

*Estimate/projection

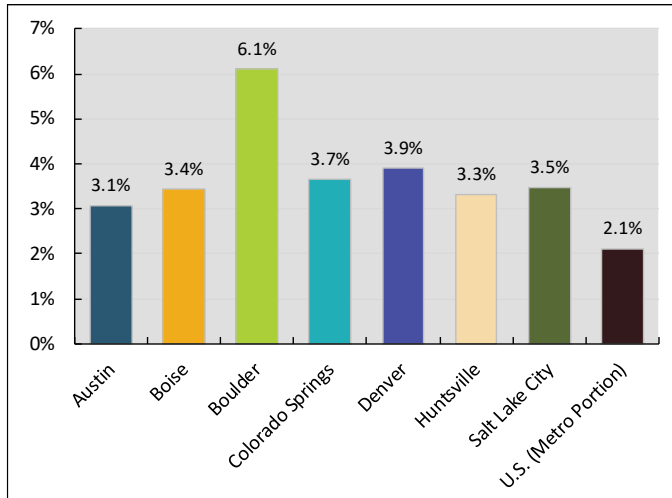
Bold numbers are actuals.

BIG PICTURE INDICATORS

Growth in Real Gross Domestic Product (GDP), Gross State Product (GSP) and Gross Metropolitan Product (GMP)

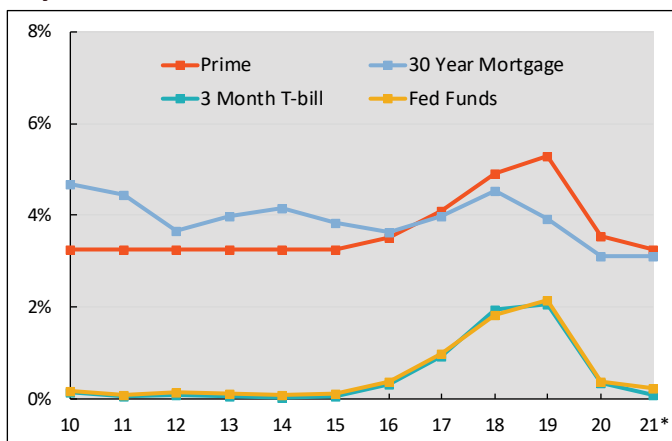


2018-19 Percent Change in Real GMP



Note: Military data is included in GMP. Real GMP is adjusted for regional price differences (RPP).

Key Interest Rates



*2020 GDP is final and GSP and GMP are estimates. GDP, GSP and GMP for 2021 are forecasts. All projections are from the Forum with input from various sources (see p. 12 notes). Key Interest Rates are Wells Fargo forecasts. Sources: U.S. Bureau of Economic Analysis; Colorado Office of State Planning and Budgeting; Federal Reserve Bank of St. Louis; IHS Global Insight (USA), Inc.

WHY ARE THESE IMPORTANT?

Gross domestic product (GDP) is one of the primary indicators used to gauge the health of the nation's economy. GDP is the monetary value of all finished goods and services produced within a country's border in a specific time period, usually a year. The U.S. Bureau of Economic Analysis also measures gross state product (GSP) and gross metropolitan product (GMP), which are state and local equivalent measures of GDP.

Interest rates are the cost of financing and the reward on investments. Low interest rates encourage borrowing and discourage investment. A notable exception to this is a low interest rate that encourages the investment of buying a home.

HOW ARE WE DOING?

Based on the real GDP series from the U.S. Bureau of Economic Analysis, growth in real GDP was 2.2 percent in 2019 versus a 3.0 percent increase in 2018. The latest GDP estimates indicate the economy shrank by 3.5% in 2020 due to the COVID-19 pandemic. Preliminary projections for 2021 suggest real GDP will grow by 4.0 percent. These Forum estimates are a bit more conservative than mainstream forecasts mostly due to the logistics of mass vaccination, low levels of labor participation, higher imports than exports, possible inflation headwinds, and persistently high stock market volatility and instability.

Colorado's real GSP grew by 3.9 percent in 2019 placing the state in third place in terms of growth rates. The largest contributors to growth included the following sectors: professional, scientific and technical; information; real estate; and government. Our state growth rate compared favorably to the nation's 2.2 percent growth rate.

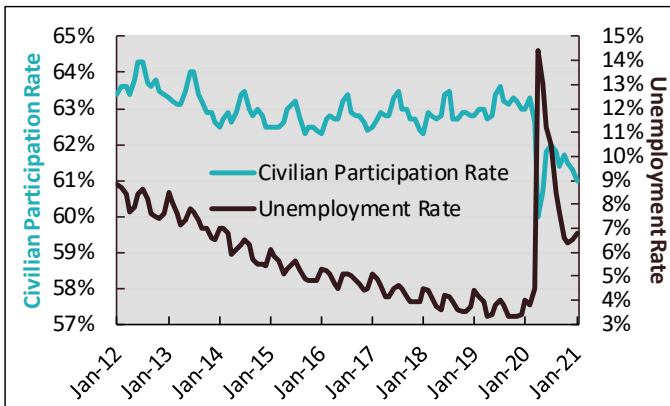
A recurring theme is that forecasts are extremely difficult given the multi-faceted impacts of the pandemic on the economy. At this juncture in early 2021, it appears that Colorado will continue to outperform the nation during 2021 despite the strong presence of the hospitality sector. Another consideration is that state employment levels and consumption did not suffer as much in 2020 as was the case across the U.S. This is most likely due to the high, offsetting prevalence of professional and technical jobs, most (roughly 80%) which can be done remotely from home. Likewise, Colorado has a robust technology sector and the pandemic has accelerated growth in that sector. Hence, estimates are for GSP to have contracted by a smaller percentage in Colorado (-3.0%) than the U.S. in 2020 and for GSP to grow by 4.8 percent in 2021.

The 2019 local measure of GDP, known as gross metropolitan product (GMP), had a real growth of 3.7 percent following real growth of 3.1 percent in 2018. It is no longer predictable that Colorado Springs will lag behind the state and nation in terms of growth. During the 2020 pandemic year, Colorado Springs regained jobs lost during the initial shutdowns in March and April at a much faster rate than the state and nation. This is at least partially due to the strong military presence and associated contracting as well as the quick re-entry of workers into the labor force. Colorado Springs also had a strong, collaborative approach to business assistance and labor training and employment. For these reasons, the Forum projects that final GMP will have declined slightly less than the state (-2.8%) in 2020 and will resume growth at a slightly better rate (4.2%) than the U.S. in 2021.

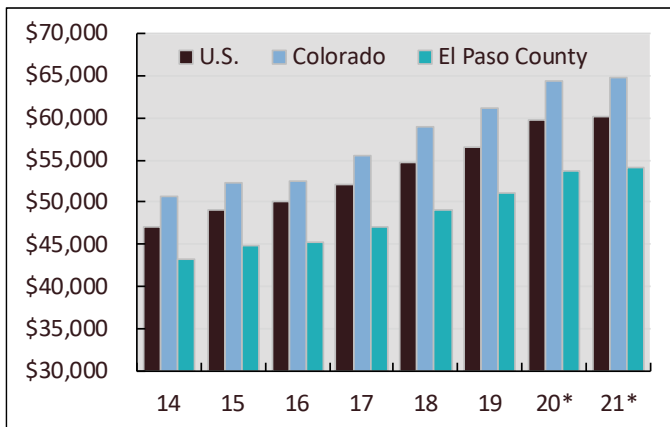
The prime interest rate, which is the interest rate used by banks to lend to customers and businesses, was 3.54 percent in 2020 and the Fed funds rate was at 0.38 percent. The Federal Reserve has indicated that it will keep interest rates low; hence the 2021 forecast is 3.25 percent for the prime rate and 0.25 percent for the Fed funds rate.

BIG PICTURE INDICATORS

U.S. Civilian Participation & Unemployment Rates (NSA)



Per Capita Personal Income



Note: The 2018 EPC per capita personal income is a forecast by the UCCS Economic Forum.

*Colorado Office of State Planning and Budgeting and UCCS Economic Forum forecasts

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

WHY IS THIS IMPORTANT?

Approximately two-thirds of the American economy is driven by consumer spending. Consumer sentiment is highly correlated to how much individuals are willing to spend. Hence, an understanding of consumer confidence in the economy and expected spending patterns over the next twelve months are essential to effective planning for most businesses. Consumer sentiment measures confidence using 1966 as the base year (1966=100). The personal savings rate measures the percent of income put into savings, and it is inversely correlated with consumer sentiment. Higher savings rates often indicate that individuals are not as confident about spending any extra money they have, but those saved dollars do create consumption capacity for the future.

HOW ARE WE DOING?

Consumer confidence significantly fell in 2020 (average of 81.5) from historically high levels in 2019 (average of 96.0). Another recurring theme from the pandemic is the bifurcation between lower-skill/lower-earning individuals, who have been hit hard by the pandemic, versus high-skill/higher-income individuals who maintained or increased their wealth. The chasm in income levels and job security have manifested in political polarization and political affiliation now heavily skews consumer confidence. The Forum projects consumer confidence will rebound for all of 2021 to 88.0 as the pandemic effects subside.

WHY ARE THESE IMPORTANT?

The civilian participation rate measures the percentage of the working population that considers themselves active members of the workforce. A higher civilian participation rate is good because it increases U.S. productivity, GDP and the tax base, while reducing transfer payments such as unemployment and welfare.

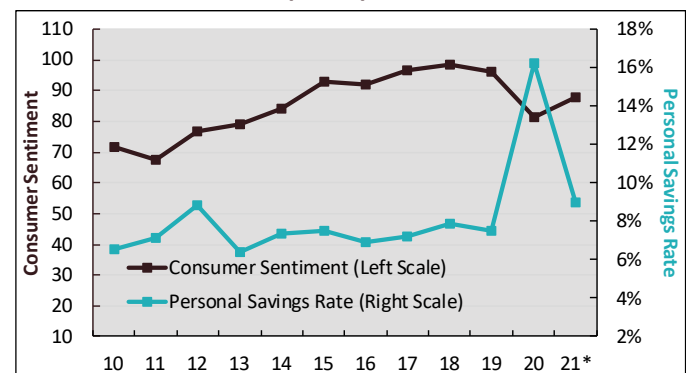
Per capita personal income is measured by taking the total income in a region or country and dividing by the total population. Amounts are calculated before taxes and are not adjusted for inflation. This metric is not the "average income" for individuals since the calculation includes children and non-working individuals. The measure can be pulled down by a large dependency ratio (e.g. a high proportion of children and other dependents). Our lower per capita income can partially be explained by our lower median age (see table on page 16).

HOW ARE WE DOING?

The civilian participation rate has been declining since the Great Recession and has fallen further due to the 2020 pandemic. As of January 2021, the rate was at 61.0 percent, during 2019 it averaged 63.1 percent, and prior to the Great Recession, it was approximately 66 percent. Participation declines are characteristic of recessionary periods. However, some of the persistently low rate is attributable to the aging of the U.S. population, and the misalignment between available jobs and educational/vocational training, particularly for younger people. This is a structural issue that needs ongoing, long-term attention. Locally, many resources have been put into place such as the workforce asset map (WAM), discussed on page 30, the hiring of a "WAMBassador," and the Pikes Peak's Workforce Center's rapid, free training program, "Upskill Pikes Peak."

U.S. personal income grew by 3.4 percent in 2019, and Colorado's personal income grew by 3.8 percent. Local per capita personal income grew 4.3 percent to \$51,117 in 2019. For 2020, the Office of State Planning and Budgeting is forecasting a 5.2 percent increase for the state and the Forum is forecasting the same increase locally. For 2021, forecasted growth is modest at 0.9 percent for the U.S., and 0.7 percent for Colorado and El Paso County.

Consumer Sentiment and Personal Savings Rate Baseline index =100 (1966)



*UCCS Economic Forum forecasts

Sources: University of Michigan; U.S. Bureau of Economic Analysis

In 2020, the personal savings rate was 16.2 percent. The projected, personal savings rate for 2021 is 9.0 percent. These are significantly higher than the 2000 to 2019 average rate (6.1%). Actual and forecasted rates for the pandemic years are high due to aggressive fiscal stimulus in 2020 and an assumption of some carryover of savings in 2021 as well as some form of extended fiscal stimulus.

BIG PICTURE INDICATORS

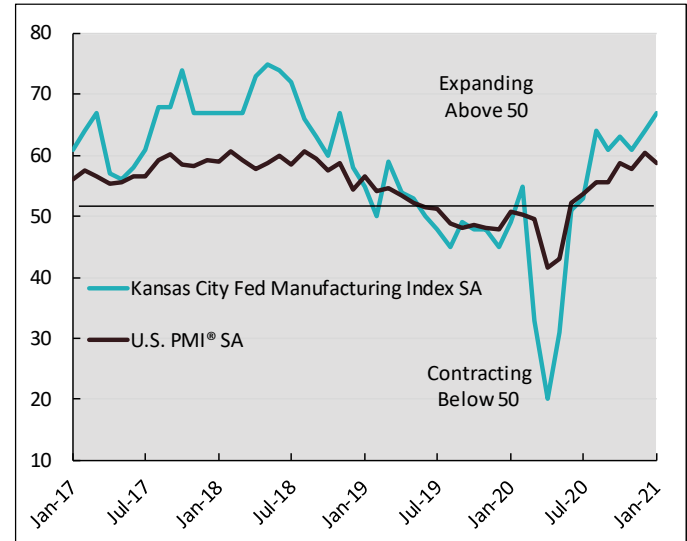
WHY IS THIS IMPORTANT?

The manufacturing index, also called the purchasing managers index (PMI®), is a leading economic indicator measuring the relative health of the manufacturing sector. The manufacturing index is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment. A manufacturing index of more than 50 represents expansion of the manufacturing sector compared to the previous month. A reading under 50 represents a contraction, while a reading at 50 indicates no change.

HOW ARE WE DOING?

As of January 2021, the PMI® for the seven states that comprise the Kansas City Federal Reserve region was 67.0, and for the nation it was 58.7. For all of 2020, the average PMI® was lower at 50.4 for our Kansas City region and 52.5 for the U.S. The more recent increases are welcome news that the economy is rebounding from the pandemic-induced economic shock. Manufacturing tends to be a leading indicator of economic growth trends. Increasing new orders and overall manufacturing activity portends well for increasing economic activity later in 2021. One caveat is that employment in manufacturing has not been growing in recent years as it had previously. That is mostly due to automation, robotics and other efficiencies, which have made manufacturing less labor intensive.

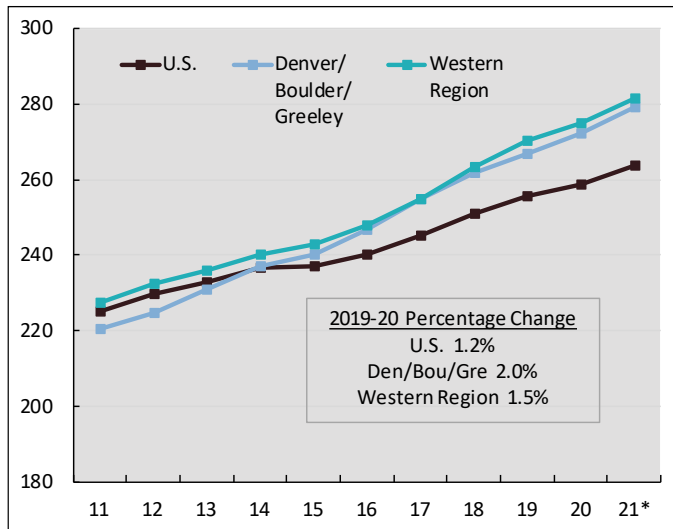
Manufacturing Indices



January 2021	
Kansas City Fed Manufacturing Index SA	U.S. PMI® SA
67.0	58.7

Sources: Institute of Supply Management®; Federal Reserve Bank of Kansas City

The Western Region, Denver/Boulder/Greeley and U.S. Consumer Price Indices (CPI) for all Urban Consumers (1982-1984=100)



*Wells Fargo Securities, Colorado Office of State Planning and Budgeting and UCCS Economic Forum forecasts
Source: U.S. Bureau of Labor Statistics

U.S. Consumer Price Index - January 2021		
	All items	Less food & energy
Change from Dec. 2020 (SA)	0.3%	0.0%
Last 12-months (NSA)	1.4%	1.4%

Note: The Federal Reserve has a target inflation rate of 2.0%.
Source: U.S. Bureau of Labor Statistics

WHY IS THIS IMPORTANT?

The consumer price index (CPI) measures the average price change (inflation) for a basket of goods and services selected by the U.S. Bureau of Labor Statistics. The CPI measures the period-to-period loss of purchasing power of a dollar caused by rising prices. The CPI is often used to compute real wages, income and wealth to help determine whether consumer purchasing power and household wealth are increasing, decreasing, or remaining constant in "real" terms.

The Fed prefers a CPI increase of around 2.0 percent. Although lower prices are desirable, prices that rise too slowly or even fall can have negative effects on the economy if consumers and businesses delay their consumption and investment (thinking prices will fall further) and by making loans more expensive to service (banks receive fewer dollars on fixed rate loans when low inflation expectations are built into loans they make today). Conversely, prices that rise too quickly are characteristic of an "overheated" economy typically caused by low unemployment rates and higher wages. This is one of the triggers for the Fed to increase interest rates. See "Where We Are Headed" on page 10.

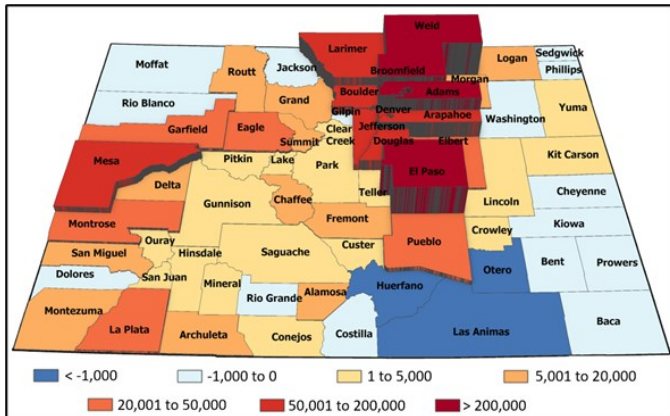
HOW ARE WE DOING?

The U.S. urban CPI rose 1.2 percent in 2020 after increasing 1.8 percent in 2019. U.S. inflation is expected to be 1.9 percent in 2021 according to the Colorado Office of State Planning and Budgeting.

The Denver/Boulder/Greeley CPI rose 2.0 percent in 2020 after increasing 1.9 percent in 2019. Inflation is expected to be 2.5 percent in 2021 for the Denver/Boulder/Greeley CPI. As a point of reference, the entire western region had an inflation rate of 1.7 percent in 2020, which was lower than the Colorado rate. In past years, the Western region has typically had a higher price index because of California although the Denver region has become more expensive as evidenced by the higher CPI.

DEMOGRAPHIC INDICATORS

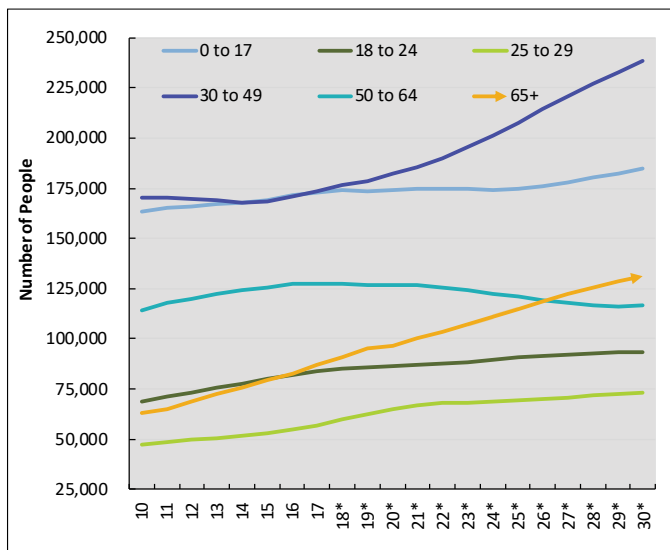
Projected Population Change: 2020 to 2050



Population Estimates

	2019	2050
El Paso County	722,493	1,056,771
Colorado	5,763,976	7,929,112

El Paso County Annual Population Projections by Age Group



*Colorado Department of Local Affairs, State Demography Office estimates
Source: Colorado Department of Local Affairs, State Demography Office

2019 Components of Population Change

	Percent of Population Change from Births minus Deaths	Percent of Population Change from Net Migration
Colorado Springs MSA	52.1%	47.9%
Colorado	35.5%	64.5%

Colorado Department of Local Affairs, State Demography estimates
Source: Colorado Department of Local Affairs, State Demography Office

2019 Median Age

2019 Median Age	
El Paso County	United States
34.6	38.4

Source: U.S. Census Bureau, Population Division

WHY ARE THESE IMPORTANT?

Population growth is important because it influences the labor market, education and other infrastructure needs, the tax base, the future planning and conservation of resources, as well as the health of the economy in general. Understanding population trends helps government officials, businesses and others plan for the future. Population estimates are used for planning and evaluation, state revenue sharing, and distribution of funds by public and private agencies.

Population changes come from natural increase (births minus deaths) and from net in-migration (or out-migration). The sum of these components is the change in population. Identifying trends in these indicators helps project future changes in the county's population, the workforce, and the proportion of the population that is dependent on the workforce, such as children and the non-working elderly. Knowing these trends helps us understand all of these groups' respective impacts on the economy.

HOW ARE WE DOING?

El Paso County's population grew 1.1 percent in 2019 to 722,493 residents according to the Colorado State Demography Office. It is projected to grow by an additional 9,310 residents in 2020 (1.3% growth rate) and another 9,011 residents in 2021 (1.2% growth rate). It is noteworthy that these growth estimates are lower than the county's growth rate from 1990 to 2000 (3.1%) and also lower than they were from 2000 to 2010 (2.1%). The Colorado State Demography Office is forecasting that the rate of population growth locally and across the state will slow due to the pandemic mostly because Colorado typically obtains a significant portion of its growth from international in-migration, which slowed due to added immigration restrictions during the Trump administration, a negative perception from foreigners from those policies, and the reduced travel due to the pandemic.

The Colorado State Demography Office states that El Paso County is projected to be one of four counties in the state to have a population increase of at least 200,000 between 2020 and 2050 as can be seen on the map. This means El Paso County will have over a million people by 2045. An increase of this magnitude will have large implications for residents, government and businesses.

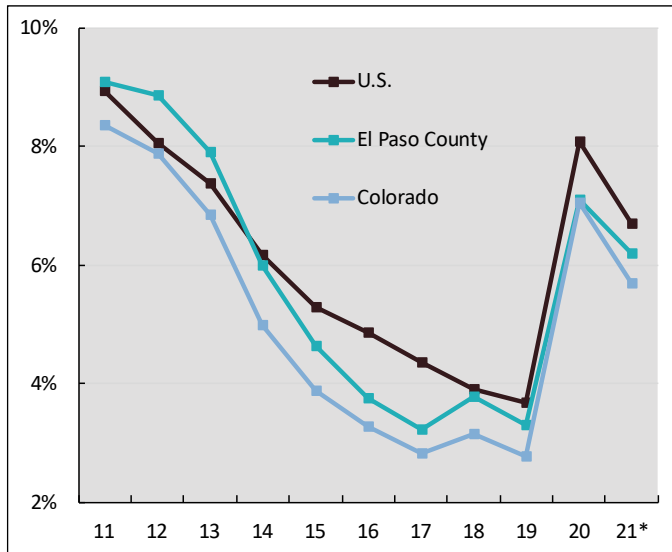
The second graph shows that the projected population increases will be seen mostly in the age 65 and older cohort, but also in the 30 to 49 year old cohort, which is favorable given that those are the prime working ages. Increases will also be seen in the ages leading up to that cohort (ages 0 to 29), while there are projected decreases for the pre-retirement cohort (ages 50 to 64).

The natural increase (births minus deaths) in the El Paso County population was estimated to be 4,395 in 2019 and net in-migration was 3,712. Projections from the Colorado Department of Local Affairs for 2020 have births decreasing, but have continued a projected increase for in-migration for 2020 (5,359) as well as for 2021 (4,704). Although these are good levels of population growth overall, they are not as high as the growth experienced from 2015 to 2018. It is noteworthy that the Forum does not think the pandemic will negatively impact local population to the extent forecasted by the State Demography Office. Second-tier, relatively less expensive cities seem to be benefiting from pandemic-induced migration.

The bottom table shows that in 2019, the local median age was 34.6 years old, whereas it was 38.4 years old in the U.S.

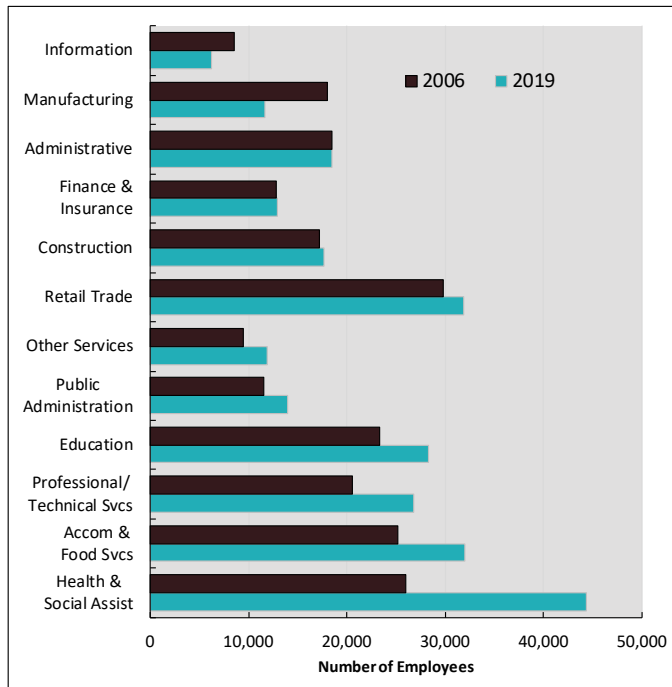
EMPLOYMENT & WAGE INDICATORS

The Unemployment Rate in El Paso County, Colorado and the U.S. (NSA)



2020 Q3 for All Private Industries		
El Paso County Average Annual Wage	Colorado Average Annual Wage	United States Average Annual Wage
\$53,820	\$64,116	\$60,840

El Paso County Employment in Selected Sectors for 2006 and 2019



*CO Office of State Planning and Budgeting and UCCS Economic Forum forecasts
Sources: U.S. Bureau of Labor Statistics; Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW); UCCS Economic Forum

WHY ARE THESE IMPORTANT?

The number and types of jobs available and filled is perhaps the most important indicator of economic health and sustainability in a given community. While the presence of large, profitable companies in a community is a positive thing, approximately 50 percent of private sector employment emanates from small businesses (defined as 500 employees or less). Since the recession, almost 70 percent of new jobs created have been from small businesses. This means that entrepreneurial, start-up companies are central to regional economic prosperity. Likewise, a healthy number of small companies usually means economic diversity, which is also of paramount importance since it is risky for a region to be too dependent on one or a few employers (e.g. oil and gas industry or the military).

The unemployment rate represents the percentage of people who are looking for work who do not have jobs. There will always be some unemployment due to seasonal factors, workers between jobs, recent graduates looking for work and other causes. The optimal scenario is one where unemployment for individuals is temporary, there are enough jobs for job-seeking individuals, and there are enough skilled workers for businesses to fulfill their production needs.

HOW ARE WE DOING?

The U.S. unemployment rate for all of 2019 was 3.7 percent and rose to 8.1 percent in 2020. Colorado's unemployment rate rose from 2.8 percent in 2019 to 7.1 percent in 2020. For El Paso County, the rate moved from 3.3 percent in 2019 to 7.1 percent in 2020 (all data not seasonally adjusted). At the time of publication, there is still much uncertainty about the timeline and full effectiveness of vaccination efforts. Hence, further shutdowns are still possible making employment projections, particularly in hospitality, difficult.

The Colorado Office of State Planning and Budgeting projects the state unemployment rate will average 5.7 percent in 2021, indicating a slow resumption of employment mostly due to the high prevalence of hospitality jobs across the state and continued contraction of the oil and gas industry. The Forum projects El Paso County unemployment will average 6.2 percent in 2021. This assumes the region will regain jobs at a faster rate than the nation, but not necessarily the state.

The Quarterly Census of Employment and Wages (QCEW) total employment in the county just prior to the recession in 2006 was 245,230. As of 2019, total employment was 282,707, which represents a 16.7 percent increase (or 41,238 jobs). During that same time period, the population increased 24 percent. Page 19 shows that the "ideal" number of new jobs needed in El Paso County to match population growth is approximately 5,600 per year.

In 2020 Q3, El Paso County wages in private industries were a full 7.3 percent higher than 2019 Q3. State wages went up 5.7 percent in the same time period, and the U.S. increased 7.8 percent. However, as the table in the middle of the page shows, regional wages are still significantly below both the state and nation.

The bottom graph shows that in El Paso County, the sectors with the greatest increase in terms of employment have been health and social assistance, accommodation and food services, professional and technical services, and education. Manufacturing has seen the greatest decline, which is a nation-wide trend mostly due to automation, robotics and other efficiencies. See page 15 for comments on the manufacturing sector.



EMPLOYMENT & WAGE INDICATORS

Private* Industry Employment and Annual Pay in 2019

	<i>El Paso County Percentage of Total Employment (Number of Employees)</i>	<i>El Paso County Average Annual Pay</i>	<i>% Difference EPC to CO Annual Pay</i>	<i>% Difference EPC to U.S.** Annual Pay</i>
Total, All Private Industries	231,484	\$51,494	-17.4%	-13.0%
Agriculture, Forestry, Fishing & Hunting	0.3% of total employment (631 employees)	\$47,770	18.2%	28.4%
Utilities (not CSU)	0.2% (485)	\$119,682	8.5%	5.6%
Construction	7.6% (17,532)	\$57,610	-10.8%	-11.1%
Manufacturing	5.0% (11,674)	\$63,858	-13.6%	-8.7%
Wholesale Trade	2.5% (5,863)	\$71,213	-21.2%	-11.2%
Retail Trade	13.7% (31,629)	\$32,657	-3.4%	-2.8%
Transportation & Warehousing	2.0% (4,740)	\$43,748	-25.6%	-19.5%
Information	2.5% (5,682)	\$84,161	-23.1%	-29.6%
Finance & Insurance	5.6% (12,923)	\$73,073	-28.2%	-35.1%
Real Estate, Rental & Leasing	2.1% (4,943)	\$46,684	-23.9%	-23.9%
Professional & Technical Services	11.5% (26,696)	\$95,240	-7.7%	-5.4%
Management of Companies & Enterprises	0.6% (1,291)	\$203,783	37.2%	61.3%
Administrative & Waste Services	8.0% (18,510)	\$42,136	-8.1%	-2.1%
Educational Services	1.8% (4,214)	\$36,461	-14.2%	-30.8%
Health Care & Social Assistance	15.3% (35,402)	\$47,235	-10.4%	-8.8%
Arts, Entertainment & Recreation	2.4% (5,504)	\$22,951	-40.2%	-42.7%
Accommodation & Food Services	13.8% (31,845)	\$21,818	-12.1%	-3.0%
Other Services (incl. nonprofits)	5.1% (11,860)	\$44,470	4.9%	11.4%

*Average pay in these tables does NOT include government workers. Also, mining and unclassified industry groups were excluded, which had a combined total of 75 employees in 2019.

**U.S. private annual pay is for all U.S. locations (urban and rural).

Sources: U.S. Bureau of Labor Statistics; Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages; UCCS Economic Forum

WHY ARE THESE IMPORTANT?

The Colorado Springs region has grown in population and has become more economically diverse. Competitive salaries are an important part of attracting and retaining labor, which is critical to business growth. In the past twenty to thirty years, technology has rapidly changed the labor landscape. Skills have been highly specialized and skewed towards proficiency in today's technologies. Across the nation, employers state that it is difficult for them to find employees with the exact skills they need. Hence, it will be important for post-secondary training and education to pivot towards those skills and be nimble enough to accommodate new training needs. Likewise, it will be important for employers to be competitive with wages in order to attract and retain the best talent. All of this is critical for robust, local economic growth.

HOW ARE WE DOING?

Across the nation and in El Paso County, wages have proven to be very "sticky," meaning they have been slow to respond to the pressures of low unemployment. This has been particularly disadvantageous for our region because we started at a baseline of lower average pay many years ago. It is also likely that the high number of retired military in the region pulls down wages. Many of those retirees are relatively young, have pensions, and can consult for incremental income. Similarly, military spouses have often had many breaks in their career path and that can depress wages. Lastly, the region has a high hospitality sector and those jobs typically have lower wages. As the table above shows, across all private industries, which excludes government, El Paso County average pay was 13.0 percent lower than the U.S. average pay and 17.4 percent lower than Colorado average pay in 2019.



EMPLOYMENT & WAGE INDICATORS

Colorado Springs MSA: January 2021

Top Job Titles	# of Job Postings	Market Salary
Registered Nurses	992	\$60,510
Software Developers, Applications	643	\$93,441
Sales Reps, Wholesale & Mfg	575	\$41,682
Retail Salespersons	469	\$26,262
Customer Service Reps	417	\$28,060
Managers	401	\$67,357
Heavy & Tractor-Trailer Truck Drivers	378	\$56,529
Computer Systems Engineers/Architects	367	\$97,364
First-Line Supervisors of Retail Sales Workers	336	\$34,403
Nursing Assistants	334	\$27,039

Colorado Springs MSA, December 2020

TOTAL Job Openings: 20,747

TOTAL Unemployed: 31,485

Job Change in El Paso County 2019 Q3 to 2020 Q3: down 8,803

Note: Local unemployment data lags in each new year.

Sources: The Conference Board® Burning Glass® Help Wanted Online™ via Pikes Peak Workforce Center and CO Department of Labor and Employment; CO Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW); UCCS Economic Forum

WHY ARE THESE IMPORTANT?

The Forum tracks the types of jobs that are in highest demand. This can help inform job seekers but also the relevant training institutions such as community colleges, industry training programs, and four-year universities.

WHY ARE THESE IMPORTANT?

The military has been a part of the local economy since World War II. Approximately 60,000 military and civilian workers are employed by this sector at either the United States Air Force Academy (USAF), Peterson, Schriever or Fort Carson.

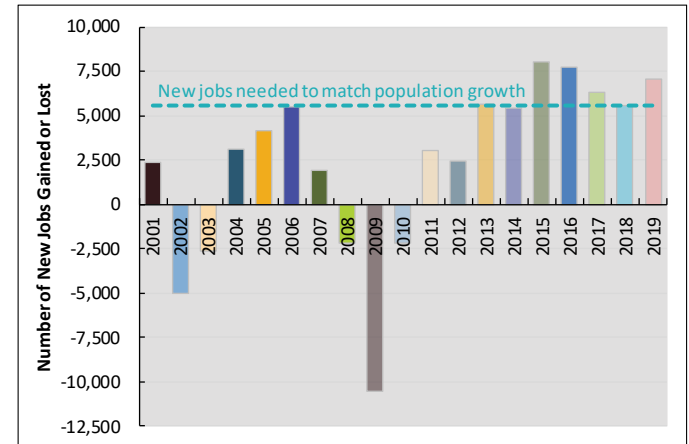
HOW ARE WE DOING?

Total military and civilian employment decreased in 2019 at Peterson, while it increased at Fort Carson, Schriever and USAFA. When employment changes at all the military installations were combined, there was a 3.7 percent growth in total military employment compared to 2018. Of note, Schriever included 4,775 civilian employees, and Fort Carson included 6,678 civilian employees in 2019.

When comparing 2019 to 2018, Schriever's economic impact decreased to \$766 million (down 43.1%) due to changes in how Schriever calculates its impact, Fort Carson's impact increased to \$2.37 billion (up 8.3%), Peterson's impact stayed fairly flat at \$1.33 billion (down 0.1%), and USAFA's impact increased to \$1.09 billion (up 13.2%). Combined the economic impact was estimated for these installations to be 4.7 percent lower in 2019 than in 2018 skewed by the change in calculation methods at Schriever.

Just prior to Donald Trump leaving office, his administration announced that Space Command would be moved to Huntsville, Alabama. Although Colorado state and local leadership is trying to reverse the decision, it is anyone's guess whether a reversal is at all possible. Previous estimates showed that having Space Command in Colorado Springs would generate an estimated \$500 million to \$1 billion in military construction, and approximately 1,500 new jobs.

El Paso County New Jobs

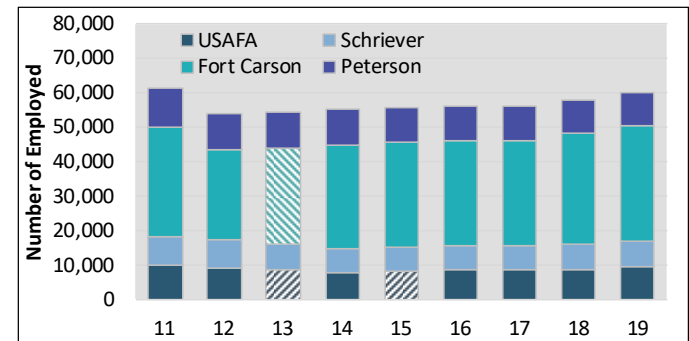


Sources: Colorado Department of Labor and Employment, Quarterly Census of Employment and Wages (QCEW); UCCS Economic Forum

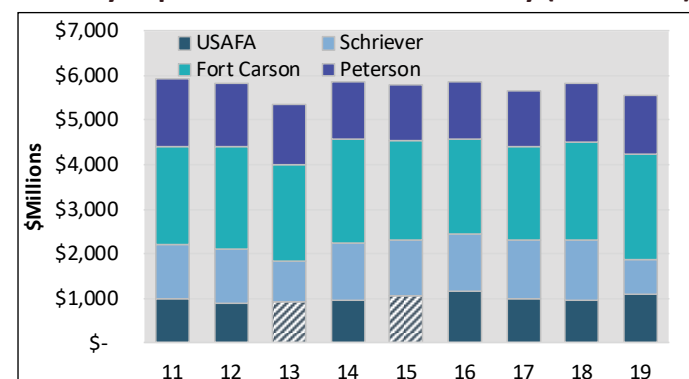
HOW ARE WE DOING?

As the table shows, many of the posted jobs are professional jobs, which pulls up the median salary of posted jobs in the region. This is probably why local wages are slowly moving closer to the national average. It is worth noting that low and middle-skill jobs are also well represented, which is good in terms of job availability across the skill spectrum. According to QCEW data, there were 7,038 actual new jobs in 2019 in El Paso County. As the graph above shows, we need approximately 5,600 new jobs per year to match population growth in our region. Unfortunately, the pandemic caused a decline of 8,803 jobs from 2019 Q3 to 2020 Q3 in El Paso County.

Military Employment in El Paso County



Military Expenditures in El Paso County (\$ millions)

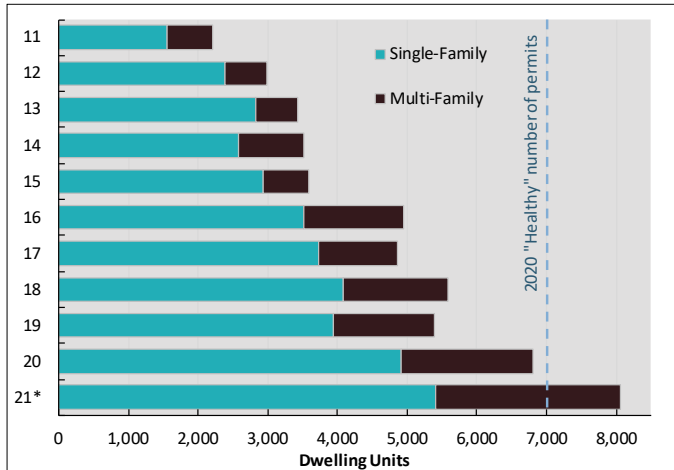


NOTE: Shaded data indicate UCCS Economic Forum estimates.

Sources: Colorado Springs Chamber & EDC; Respective military installations

REAL ESTATE INDICATORS

Residential Building Permits (Dwelling Units)



WHY ARE THESE IMPORTANT?

Residential building permits reflect the general demand for housing and also the type of housing that local residents prefer. If there is natural population growth and in-migration, there will be demand for new homes, especially if consumer preferences lean towards new construction. El Paso County has had an average population growth rate over the last 10 years of 1.7 percent. If trends persist, it is likely that demand for residential building permits will continue, especially with the historically low mortgage rates made lower by the Federal Reserve at the beginning of the pandemic-induced recession.

HOW ARE WE DOING?

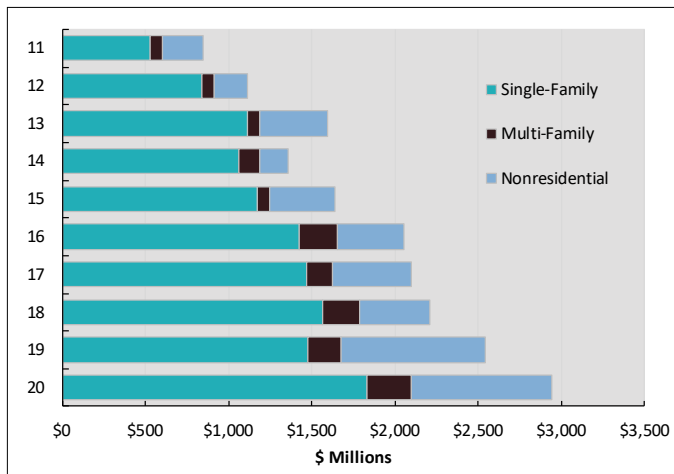
Residential building increased from 2019 to 2020. There were 4,917 single-family permits during 2020, which was a 25.0 percent increase from the 3,933 permits in 2019. After discussion with various large-scale local builders, the Forum is projecting a 10.0 percent increase in single-family residential permits during 2021.

After nearly nonexistent multi-family home building in 2009 and 2010, permits for this type of housing have significantly rebounded. In 2010, there were only permits for 88 units issued in Colorado Springs. In 2020, there were permits issued for 1,891 multi-family dwelling units, indicating the strength in the local economy. It is important to note that according to the Department of Housing and Urban Development (HUD), Colorado Springs has a "balanced" apartment market. Several local multi-family investors have stated that demand and absorption is still high most likely because there was an undersupply of apartments previously, especially downtown.

Estimates from the Forum have suggested that in 2020 for the population size of Colorado Springs, 7,000 single and multi-family building permits for the year is a healthy equilibrium. This is important because housing "bubbles" have proven to be problematic for many communities. Local builders state that there is not enough vacant developed land, and that construction costs, both labor and materials, have boosted new construction costs and pricing.

The value of nonresidential construction was \$846.5 million in 2020 whereas it was \$870.3 million in 2019, a decline of 2.7 percent.

Value of Construction (\$ millions)



*UCCS Economic Forum forecasts with input from PPRBD, Keller Homes, Inc. and Classic Homes
Source: Pikes Peak Regional Building Department

WHY IS THIS IMPORTANT?

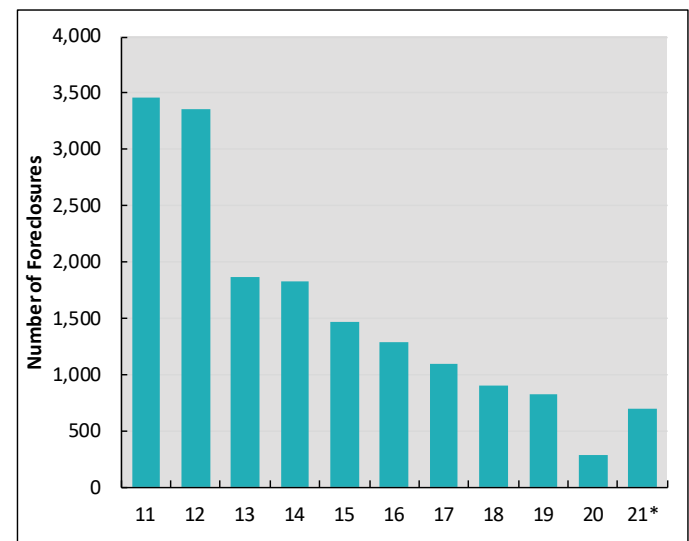
A negative indicator for the housing market is an increasing foreclosure rate. Foreclosures are normally used by economists as a lagging indicator since they tend to peak just about the time an economic recovery commences.

HOW ARE WE DOING?

There were 281 foreclosures in 2020, a decrease of 66.0 percent from 2019 when foreclosures were already low at 827. Foreclosures likely stayed low during the 2020 pandemic year because there was a foreclosure moratorium as part of the Federal stimulus plan. It is likely that foreclosures will again increase during 2021 once that moratorium is lifted. For this reason, the Forum anticipates there will be 700 foreclosures in 2021 if the eviction moratorium is lifted during that year. This number of foreclosures would still be low by historic standards.

Foreclosures depend on housing values, employment, and income levels of homeowners holding a mortgage. Interest rates also play a role in foreclosures because lower interest rates translate to lower monthly payments. The current low rates help homeowners but not if they have lost their jobs. It is notable that the average number of foreclosures prior to the recession (2005-2007) were 233 per month. By contrast, the average number of foreclosures in 2020 were 23 per month.

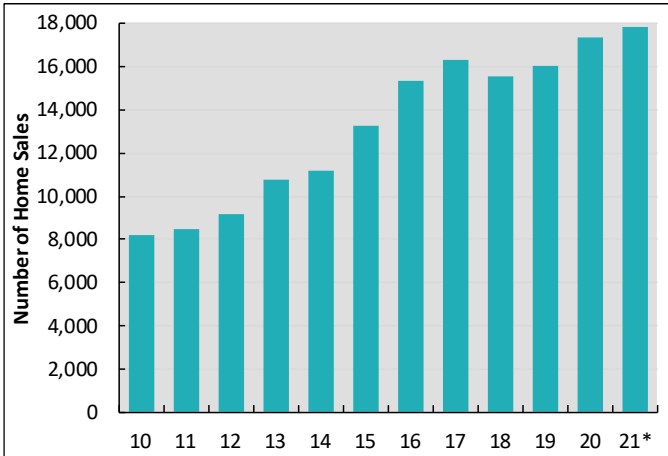
Foreclosures in El Paso County



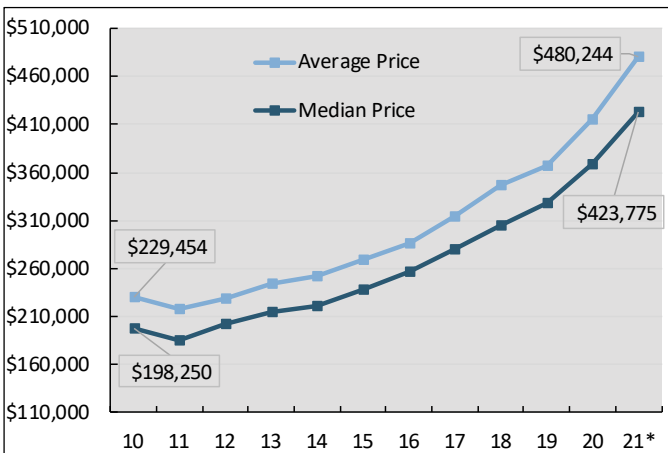
*UCCS Economic Forum forecasts
Source: El Paso County Public Trustee

REAL ESTATE INDICATORS

Pikes Peak Region Single-Family Home Sales



Pikes Peak Region Mean and Median Prices of Single-Family Homes Sold



Note: Data is for new and existing homes. Median price calculated by the UCCS Economic Forum off of monthly data from Pikes Peak Association of REALTORS®.

*Forecasts by UCCS Economic Forum with input from Cherri Fischer, Doug Stimpfle, Eddie Hurt, Harry Salzman, Michelle Blessing and Zillow.

Source: Pikes Peak REALTORS® Services Corp. (RSC)

WHY ARE THESE IMPORTANT?

Home sales are an indicator of vitality in the local real estate market. Home values are one of the indicators of the wealth of the community. Home owners want to see an increase in the value of one of their largest assets. Home valuation forms the basis of local residential property taxes. Property taxes, in turn, are used to support public schools in the area.

HOW ARE WE DOING?

In the Pikes Peak region, sales for new and existing single-family homes were 17,337 in 2020, up 8.0 percent (1,277 more sales than in 2019). The Forum forecasts home sales will modestly increase in 2021 up by 3.0 percent mostly from new construction. As the pandemic (hopefully) recedes, homeowners should feel more comfortable putting their homes on the market and having prospective buyers walk through their homes and this too should help modestly increase supply. Prices are increasing at double-digit rates and that too will entice some existing homeowners to sell their homes. One unknown is whether older homeowners will still want to downsize post COVID-19. Some data is showing that homeowners are coveting larger homes due to the increased amount of time they and close family members are spending at home. Some (particularly local) homeowners are seeing the upside of larger spaces indefinitely.

Average home sales price in the Pikes Peak region was \$415,796 in 2020, up 13.4 percent from \$366,522 in 2019. The Forum is projecting an average home price of \$480,244 in 2021 (up 15.5%). The increase in sales particularly for new homes emanates from historically low mortgage rates, an increase in population, (often cash) investors who are hedging against inflation and a possible stock market bubble burst, and a desire for more space. Those who can afford it are investing in real estate. National experts are citing average price increases for 2021 in the 20 percent range across the nation. For comparative purposes, the table below shows housing price data for Colorado Springs, Denver, Boise and the U.S.

2020 Q4 Median Home Price				
Location:	Colorado Springs	Denver	Boise	United States
Price:	\$371,300	\$512,500	\$381,300	\$315,900
1-year % Change:	15.2%	11.9%	27.1%	14.9%
MSA Rank:	30	14	27	n/a

Source: National Association of REALTORS®

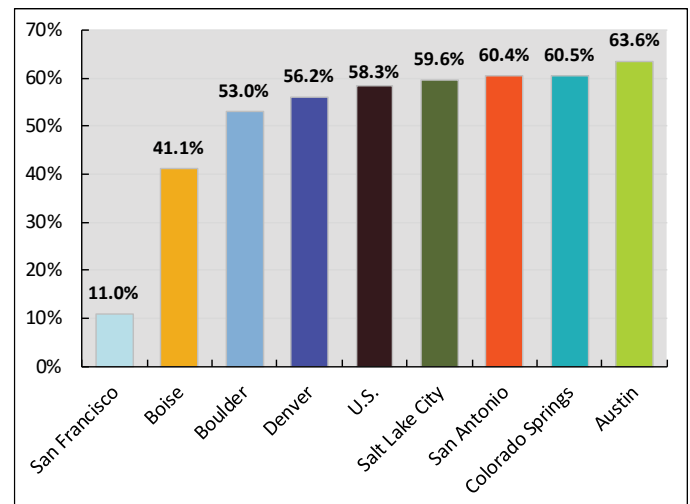
WHY IS THIS IMPORTANT?

Housing affordability is a major consideration for individuals and families when they think about moving to the region or staying in the region. The National Association of Home Builders and Wells Fargo measure housing opportunity by looking at the percentage of median-priced homes sold that a family earning the local median income could afford.

HOW ARE WE DOING?

The housing opportunity index (HOI) for 2020 Q4 showed that Colorado Springs is still quite affordable compared to the other MSAs with 60.5 percent of the median-priced homes sold affordable to families with our local median income. For the U.S., 58.3 percent of the median-priced homes sold were affordable for families earning the national median income. Despite recent increases in home prices, our region is still relatively affordable. However, it is important to highlight that the HOI index was significantly higher for Colorado Springs in 2019 Q1 at 66.8 percent indicating rapidly declining affordability for local homes. Unprecedentedly low supply of existing homes is one of the primary reasons along with the other reasons mentioned above.

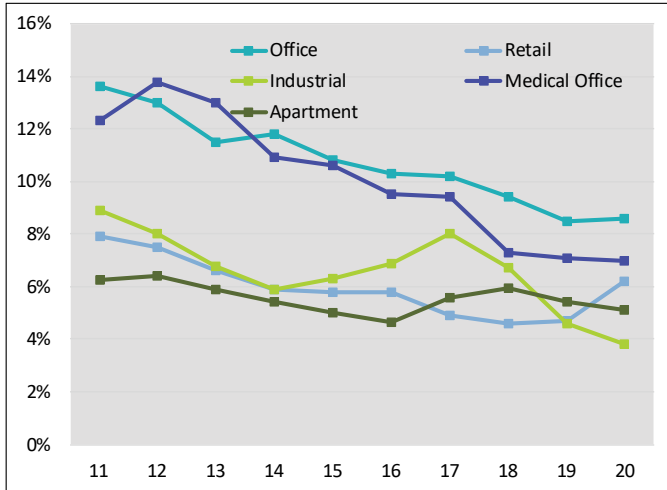
2020 Q4 Housing Opportunity Index



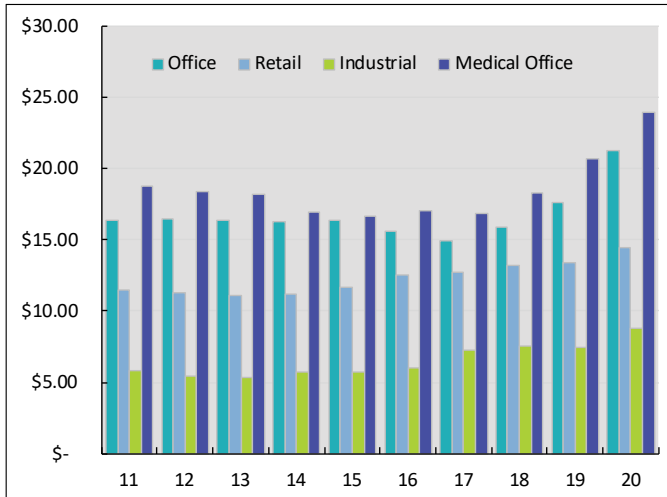
Sources: National Association of Home Builders; Wells Fargo

REAL ESTATE INDICATORS

Colorado Springs Vacancy Rates for Apartment, Office, Retail, Industrial and Medical Spaces**



Colorado Springs Asking Rents for Office, Retail, Industrial and Medical Spaces**



Vacancy Rates and Rents (per Sq. Ft. NNN*)		
Property Type	2019**	2020**
Office	8.5% (\$17.59)	8.6% (\$21.26)
Retail	4.7% (\$13.39)	6.2% (\$14.45)
Industrial	4.6% (\$7.46)	3.8% (\$8.76)
Medical Office	7.1% (\$20.70)	7.0% (\$24.00)
Apartment	5.5% (\$1,205.53)	5.1% (\$1,251.99)

*NNN stands for triple net lease, which means that the tenant is responsible for net real estate taxes on the leased assets, net building insurance and net common area maintenance. Apartment data is rent per month and not per square foot.

**Commercial data is for the last day of the year, while apartment data is an average of the whole year.

Sources: CoStar Group™; Olive Real Estate Group, Inc.; Colorado Department of Local Affairs, Ron L. Throupe, Ph.D. of The Daniels College of Business at the University of Denver & Jennifer L. Von Stroh

WHY ARE THESE IMPORTANT?

Vacancy rates are a key indicator of economic activity. Declining vacancy rates put upward pressure on lease rates. Low vacancy rates reduce location choices for businesses. The availability of adequate and affordable commercial space allows existing companies to expand and helps attract new companies to the area. This may be particularly relevant for Colorado Springs given the high lease rates in the Denver metropolitan area.

HOW ARE WE DOING?

Vacancy rates in 2020 stayed the same or trended down in all categories except retail space. Compared to 2019, medical office space vacancies stayed relatively unchanged (from 7.1% to 7.0%), industrial space declined (4.6% to 3.8%), office space was almost identical (8.5% to 8.6%) and retail space increased significantly (4.7% to 6.2%). Apartment vacancies declined from 5.5 percent to 5.1 percent.

It is well documented that large cities are experiencing spikes in vacancy rates and declining rents both for commercial space (except industrial) and apartments. Many employers have declared open work models moving forward where employees can either fully or partially work from home. This has led many individuals and households to flee expensive cities to less expensive markets (like Colorado Springs). Regionally, we also have world-renowned outdoor amenities and a growing local economy, which has further fueled the in-migration. For these reasons, local experts and the Forum are projecting continued low vacancy rates for apartments and continued increase in rental rates. In 2020, the average apartment in Colorado Springs cost \$1,252 per month to lease.

At this juncture, it is difficult to know whether commercial real estate will fully rebound post pandemic. The Forum projects that office space will indeed be redefined as flex space where employees have choices to go into the office for team or other meetings or work from home. Some softening of the office market is indeed materializing locally according to various commercial real estate brokers. Medical office space is projected to also be impacted due to telehealth, although the Forum projects only a slower rate of expansion for this subsector simply because of the aging of the population (older people need a lot of health care). Retail space will continue to decline, but often be repurposed as residential apartments or distribution centers. Industrial space will be a big winner of the pandemic as last-mile and larger distribution centers will be needed to accommodate the rapid acceleration of online retail.

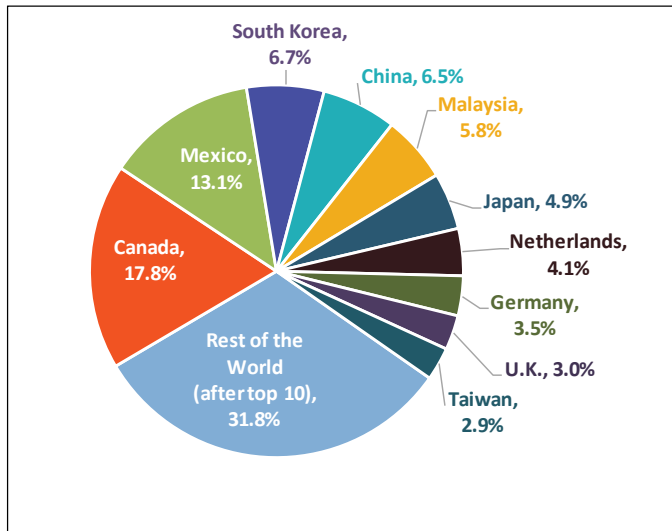
The end-of-year lease rates for each property type are listed in the bottom left table. It is important to note that these are averages for all class types and do not take into account the quality of space. The table below shows comparative lease rates between Colorado Springs and Denver.

2020** Comparative Rents per Square Foot*			
Property Type	Colorado Springs	Denver	% Difference
Office	\$21.26	\$32.33	-34.2%
Retail	\$14.45	\$21.83	-33.8%
Industrial	\$8.76	\$7.40	18.4%
Medical Office	\$24.00	\$21.49	11.7%
Apartment	\$1,251.99	\$1,518.50	-17.6%

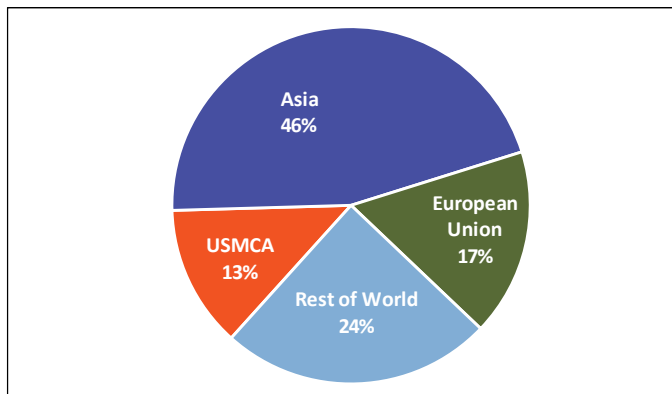
See notes and source information to the left.

SALES & TAX INDICATORS

2019 Colorado Exports to Selected Destinations



2019 Colorado Springs MSA Exports



Note: All calculations are in U.S. dollars.

Source: Office of Trade and Economic Analysis, International Trade Administration

WHY ARE THESE IMPORTANT?

One indicator of the state and local competitiveness in a global economy is the ability to export goods and services. A higher level of export activity translates into more jobs in the state and local region and more income and wealth. Economies that expect to compete in today's global economy need to grow export activity.

HOW ARE WE DOING?

As the graph shows, approximately one-third of Colorado exports go to Canada and Mexico, which are a part of the United States-Mexico-Canada Agreement (USMCA). Approximately another third go to primarily Asian countries including South Korea, China, Malaysia, Japan, and Taiwan. Approximately 10.5 percent of Colorado exports go to the Netherlands, Germany and the U.K. The remaining third goes to the rest of the world. This profile is fairly similar to that of all U.S. exports. In 2019, it is notable that 7.7 percent of the U.S. GDP emanated from export activity whereas in Colorado, only 2.1 percent of GSP emanated from export activity. Hence, Colorado is not as export dependent as other states, which can be favorable if there are international trade disputes, but unfavorable if Colorado is losing out on potential export revenue.

Thirteen of 31 manufacturing categories in Colorado increased exports in 2019. The largest dollar gains were in machinery except electrical, \$121 million (up 13.7%); fabricated metal products, \$121 million (up 35.9%); oil & gas, \$50 million (1751.4%); and transportation equipment, \$49 million (11.1%). Significant export declines took place in computer & electronic products, -\$132 million (-6.8%); food manufactures, -\$129 million (-7.5%); primary metal manufacturing, -\$87 million (-35.2%); and beverages & tobacco products, -\$50 million (-60.7%).

The second graph to the left shows that Colorado Springs exports are more heavily skewed towards Asia at 46 percent of all exports in 2019. Exports only made up 2.2 percent of GMP in 2019 in Colorado Springs. Canada and Mexico have a lower percentage of exports coming from Colorado Springs at 13 percent. From 2008 to 2019, Colorado Springs exports declined 55.3 percent. However, in the last three years, export activity has modestly increased (by 4.2% in 2017, another 3.8% in 2018, and 1.6% in 2019.)

WHY ARE THESE IMPORTANT?

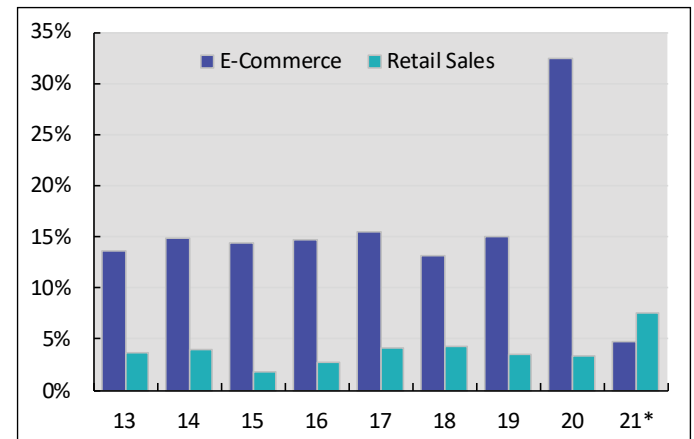
Retail sales are finished goods and services sold to consumers and businesses. Traditionally, retail sales follow the general trends in the economy meaning if there is economic expansion occurring, retail sales typically are growing as well. E-commerce is the buying and selling of goods and services via the internet. E-commerce sales can occur between consumers and businesses although some e-commerce is business-to-business or consumer-to-consumer.

HOW ARE WE DOING?

The pandemic caused a large portion of retail sales to move online. Prior to the pandemic, about 13 percent of total retail sales were online, and during 2020, that proportion jumped to almost 20 percent.

In 2020, e-commerce sales increased 32.4 percent largely due to the pandemic. It is likely that the pandemic will cause permanent changes in the way individuals shop, even for groceries. E-commerce will likely further entrench itself into buying patterns, and the Forum projects a continued increase in online buying. Several social media platforms are increasing their abilities to have users buy products directly from advertisers using their platforms. Older demographic groups have also increased their

E-Commerce versus Retail Sales Growth in the U.S.



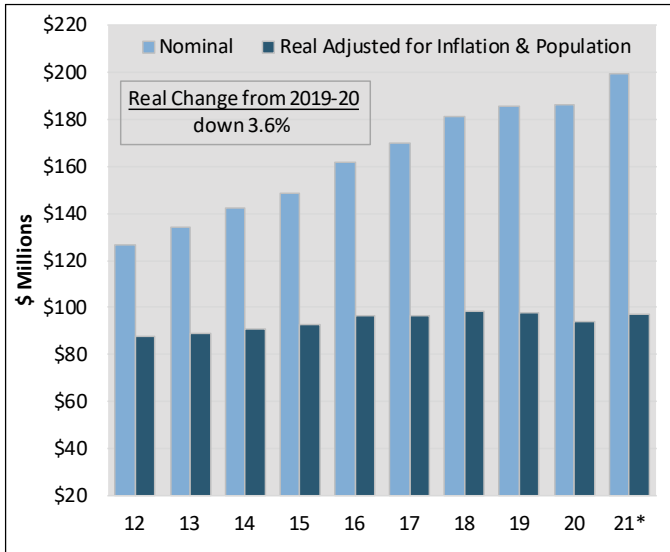
*Statista and National Retail Federation forecasts

Source: U.S. Department of Commerce

comfort levels with online shopping during the pandemic. Statista projects a further increase in e-commerce sales in 2021 of 4.7 percent. The National Retail Federation projects a 7.5 percent increase in all retail sales.

SALES & TAX INDICATORS

Colorado Springs Sales and Use Tax Collections (Nominal in actual \$ millions. Real indexed for inflation: 2001=100 and adjusted for population growth)



*UCCS Economic Forum forecasts

Sources: City of Colorado Springs; UCCS Economic Forum

WHY IS THIS IMPORTANT?

City sales and use tax revenues are used for municipal operations by the city of Colorado Springs for such purposes as law enforcement, fire protection, street repair and park maintenance. It is critical that these revenues increase along with community growth in order for the city to provide necessary services.

HOW ARE WE DOING?

City sales and use tax collections were \$186.3 million in 2020 (nominal dollars). This is \$781,521 more than collections in 2019 (up 0.4%). This was a pleasant surprise given the severity of the economic shock inflicted by the pandemic. Other cities across the nation had severe cuts in their sales and use tax revenues. There are various reasons that local revenues were not negatively impacted: robust construction (building materials), online retail and grocery purchases, and medical marijuana. The sales and use tax collections for 2021 are expected to increase by 7.0 percent to \$199.3 million. Most of the increase will be driven by the same categories as 2020; however, there will likely be a services surge starting in the summer months as the pandemic recedes.

If we account for inflation and population increases, “real” sales and use tax collections declined by 3.6 percent in 2020 and have been relatively flat over the past several years.

WHY ARE THESE IMPORTANT?

The Forum tracks registrations for new vehicles purchased directly from dealers. Since vehicles are a relatively large purchase for most households, tracking new sales and registration helps gauge the consumer confidence and economic health in a given area. Lodger’s and automobile rental tax collections are also a way of gauging the robustness of the tourism sector.

HOW ARE WE DOING?

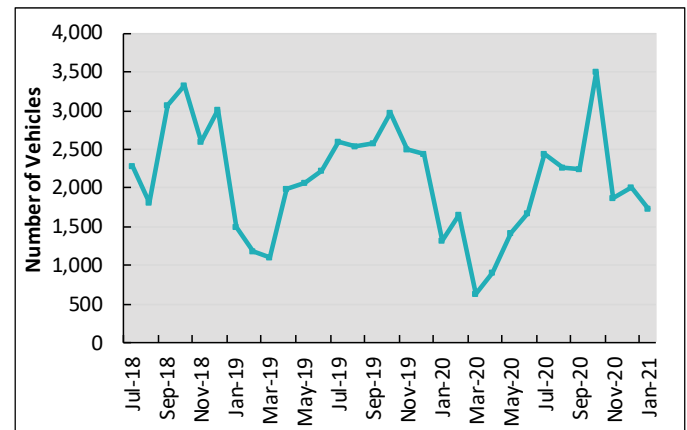
The State of Colorado changed sources for new vehicle registration information in 2018. For this reason, the trend data can only go back to June of 2018. In 2020, there were an average of 1,827 new vehicle registrations per month.

In Colorado Springs, lodger’s and automobile rental taxes (LART) decreased from \$7,508,794 in 2019 to \$4,530,057 in 2020, a 39.7 percent decrease. With input from the regional tourism office (Visit Colorado Springs), the Forum projects a 37.0 percent actual increase (to \$6,206,178) for 2021. The projected 37.0 percent increase is based upon the economy re-opening during the summer months, a continued 2020 trend for desirable outdoor recreational activities (which benefited Colorado Springs even during 2020), and new attractions and hotels within the region. These higher 2021 levels would still be 17.3 percent below pre-pandemic (2019) levels.

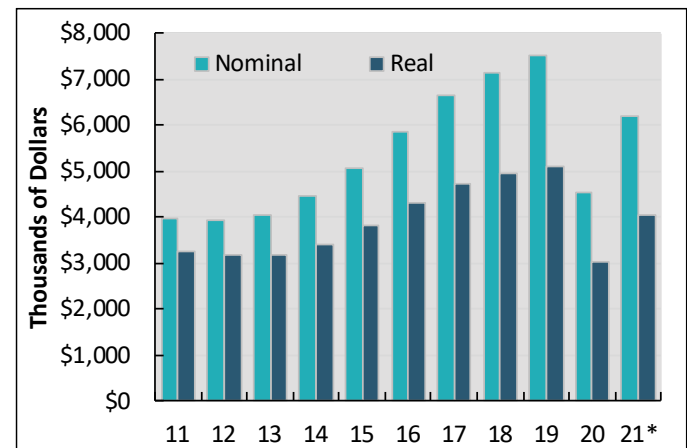
In terms of hotel occupancy, PriceWaterhouseCoopers states that rates fell 36.6 percent in 2020 across the U.S. This source is stating that occupancy will increase 16.6 percent in 2021 from the low 2020 levels. Coldwell Banker Richard Ellis, or CBRE, is forecasting that hotel revenues will not return to 2019 levels until sometime in 2024.

It is worth noting that hotels are projected to have a high level of disruption beyond the pandemic mostly due to the explosive growth of short-term rentals of primarily private properties made available through Airbnb.

New Vehicle Registrations in El Paso County



Lodger’s and Automobile Tax Collections (\$000s)



*City of Colorado Springs forecasts

Sources: Colorado Interactive LLC; City of Colorado Springs Finance Department, Sales Tax Division; UCCS Economic Forum

EDUCATION INDICATORS

WHY ARE THESE IMPORTANT?

The amount a region spends on educating its future workforce is critical in terms of sustainable economic growth. Although there are certainly other factors at play, sufficient funding to provide high quality, mass education is one of the most important variables in educational and life outcomes.

HOW ARE WE DOING?

The top table shows that per pupil spending varies greatly by school district. Average per pupil spending ranges from a high of \$15,822 in the Hanover school district to a low of \$9,156 in the Falcon school district. Per pupil spending can be higher in smaller districts because they cannot reap the economies of scale in purchasing materials as can the larger school districts.

In terms of comparing Colorado to the U.S. pupil expenditures, the middle graph is telling. In 1982, our state spent on average \$232 more per student than the national average. By 2017, Colorado spent \$2,409 less per student than the national average. This lower level of funding is likely what is driving the lower Colorado teacher pay and is a factor in the teacher shortage. The average starting salary in 2018-19 for Colorado was \$34,229 and for the U.S. it was \$40,154. This is ironic given that Colorado ranked number three in the nation in terms of real GSP growth in 2019. If Colorado is to continue on its higher economic growth trajectory, we will have to not only import educated people, we will also need to ensure excellent K-12 education and ample access to post-secondary education.

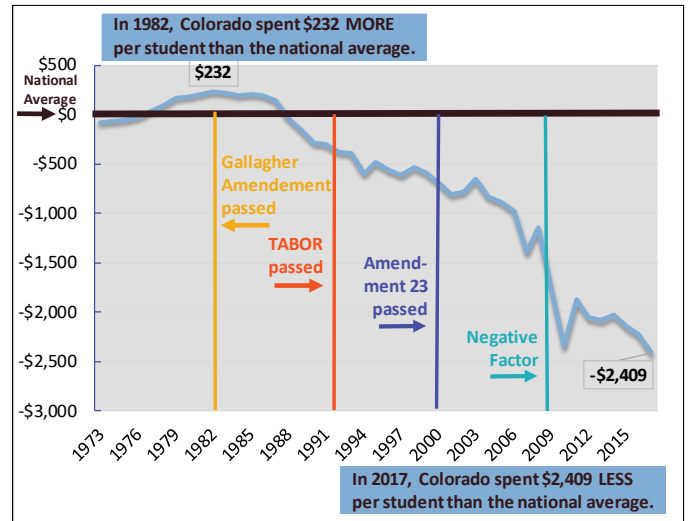
Our future workforce is being constrained by the high cost of higher education. For publicly-funded institutions, the bar chart at the bottom shows that U.S. students are paying, on average, almost half of the total costs of tuition, while in the state of Colorado, students are paying about 70 percent of total tuition costs. According to data from the Federal Reserve, 54 percent of college attendees now take on student debt and the average amount per borrower is \$37,584. In 2020, total student debt came to \$1.6 trillion dollars, more than auto and credit card loans and second only to total mortgage loans. Approximately 20 percent of adults with student loans are delinquent. Part of the reason for the high delinquency and default rates is that only 62 percent of students who enter college graduate within six years. Another factor is that a degree no longer guarantees a higher paying job due to the rapid technological changes and shifting labor market of the past few decades.

2018-19 K-12 Enrollment and Per Pupil Spending

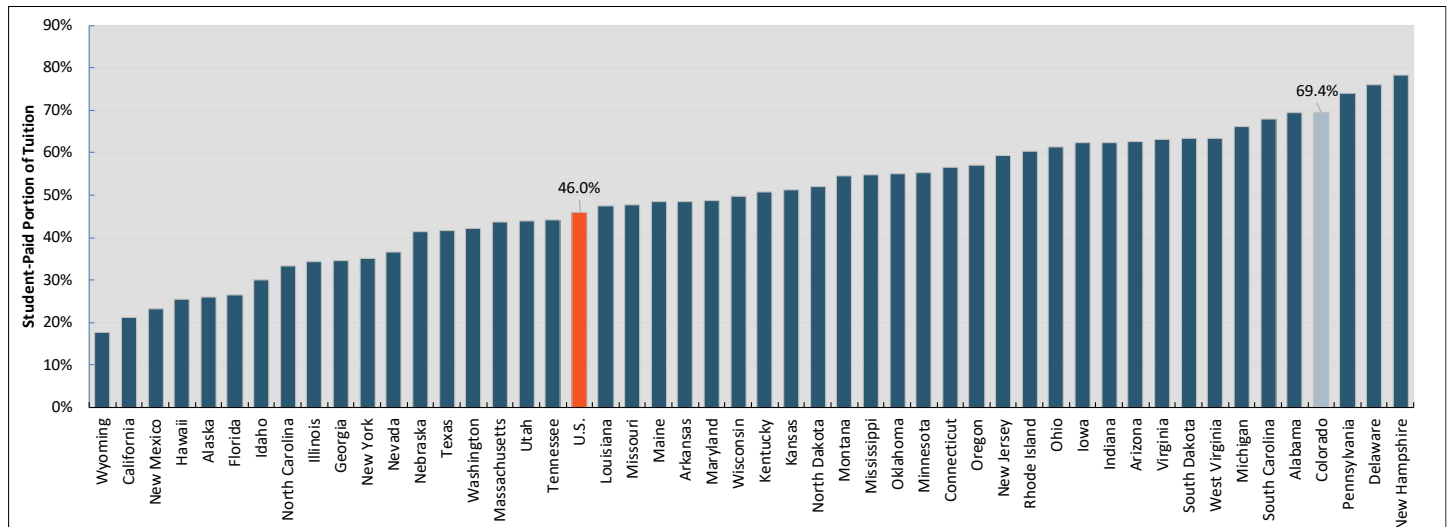
School District	County	Pupil Enrollment	Per Pupil Spending
Hanover 28	El Paso	248	\$15,822
Cripple Creek-Victor RE-1	Teller	372	\$15,714
Miami-Yoder 60 JT	El Paso	305	\$12,905
Colorado Springs 11	El Paso	26,395	\$12,631
Edison 54 JT	El Paso	232	\$11,871
Peyton 23 JT	El Paso	593	\$11,311
Manitou Springs 14	El Paso	1,494	\$11,290
Harrison 2	El Paso	11,735	\$11,196
Calhan RJ-1	El Paso	485	\$10,576
Woodland Park RE-2	Teller	2,380	\$10,557
Fountain 8	El Paso	8,298	\$10,497
Lewis-Palmer 38	El Paso	6,895	\$9,914
Cheyenne Mountain 12	El Paso	5,274	\$9,832
Academy 20	El Paso	26,939	\$9,697
Widfield 3	El Paso	9,592	\$9,515
Ellicott 22	El Paso	1,116	\$9,290
Falcon 49	El Paso	22,397	\$9,156

Source: Colorado K-12 Financial Transparency

K-12 Per Pupil Expenditures: Colorado versus National Average



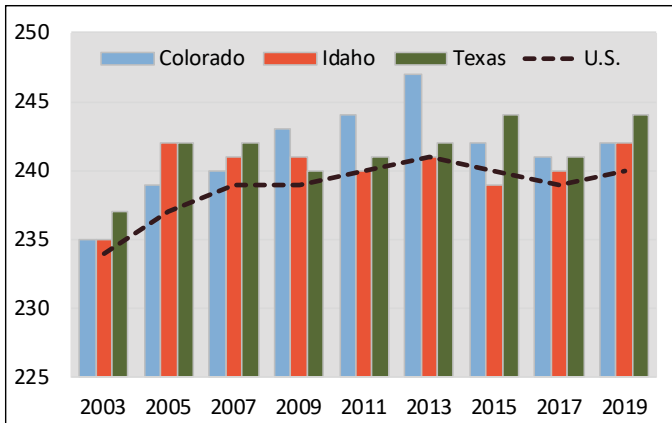
Student-Paid Portion of Higher Education Tuition at Public Institutions in 2019



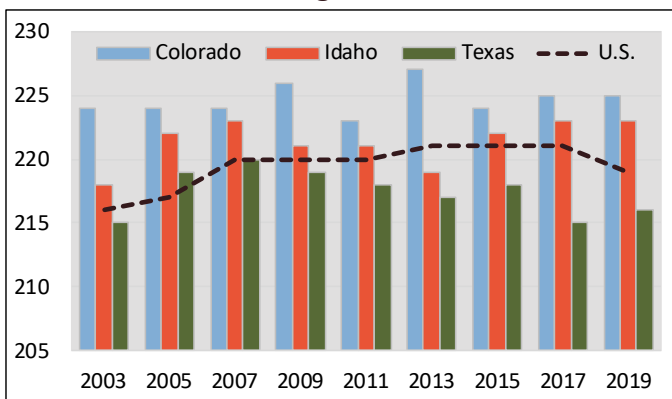
Source: 2019 SHEF Report, State Higher Education Executive Officers

EDUCATION INDICATORS

NAEP 4th Grade Mathematics



NAEP 4th Grade Reading



Source for all test scores on this page: U.S. Department of Education, National Center for Education Statistics

WHY ARE THESE IMPORTANT?

The National Assessment of Educational Progress (NAEP) tests can be used again in later ages to assess how students are learning compared to the U.S. and other states. This is useful information in terms of gauging whether Colorado students are progressing through the K-12 system in a way that prepares them for entering the workforce or pursuing higher education.

HOW ARE WE DOING?

The dashed lines on the graphs show the national averages. Colorado 8th graders in public schools also average consistently higher scores than the U.S. average for public and private school students. As the graph shows, in 8th grade math skills, Colorado students outperformed both Idaho and Texas until 2019 when Idaho led. In 8th grade reading skills, Colorado students perform significantly better than Texas, but just ahead of Idaho.

It is again important to point out that for 8th graders in Colorado, math scores were on an upward trajectory from 2005 to 2011, but then declined and plateaued. In reading, scores for Colorado 8th graders have been bouncing up and down. The trends in Colorado 8th grade NAEP scores in both reading and math appear to be similar to national outcomes.

The table to the right shows the average spending per pupil for Colorado, Idaho, Texas and the U.S. As the data shows, Colorado spent more per pupil than Idaho and Texas, however, all three states rank quite low compared to the U.S. It is interesting to note that despite the lower per pupil spending, NAEP scores (graphs above) show that Colorado outperformed the U.S. in reading and math assessments.

WHY ARE THESE IMPORTANT?

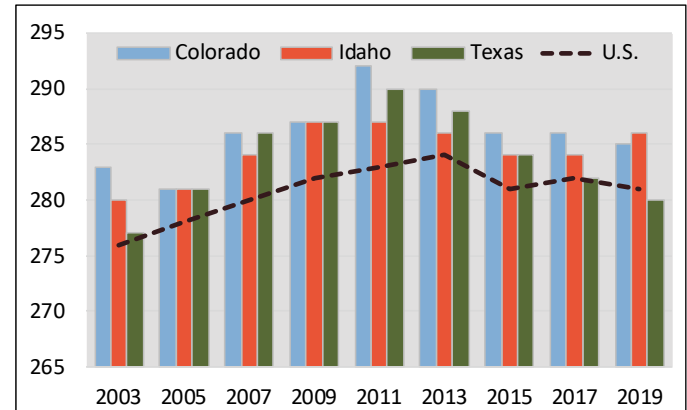
Every two years, representative samples of students in public schools in each state are tested using the National Assessment of Educational Progress (NAEP) to compile state scores in mathematics and reading, among other subjects. Students from both public and private schools are assessed to compile the national score. The NAEP is one of three valid estimates of U.S. national academic performance, and it allows us to compare students across the nation over time.

HOW ARE WE DOING?

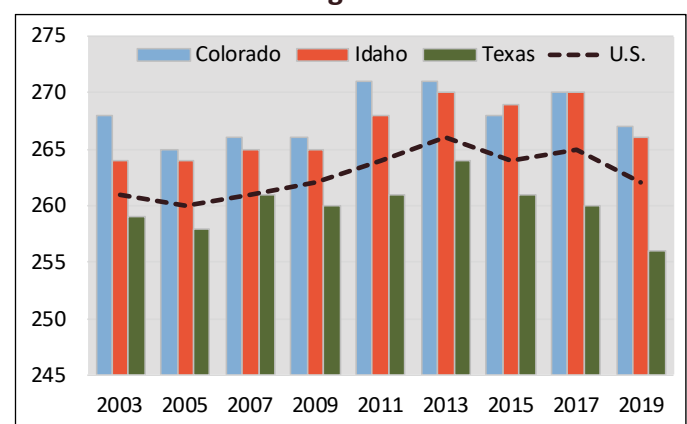
The dashed lines on the graphs show the national averages. Colorado 4th graders in public schools consistently score higher than students in public and private schools across the U.S. in both math and reading. Compared to Texas in 2019, Colorado scored a little lower in math but much higher in reading. Compared to Idaho, Colorado scored the same in math but a little higher in reading.

It is important to note that for both Colorado and the U.S., math scores have fallen since 2013 after a consistently upward trend. From 2003 to 2007 across the U.S., there were increases in 4th grade reading scores, although they have been level since then.

NAEP 8th Grade Mathematics



NAEP 8th Grade Reading



2019-20 Average per Pupil Spending

Colorado (30th)	\$11,891
Idaho (50th)	\$7,475
Texas (38th)	\$10,583
United States	\$13,399

Source: National Education Association

EDUCATION INDICATORS

WHY ARE THESE IMPORTANT?

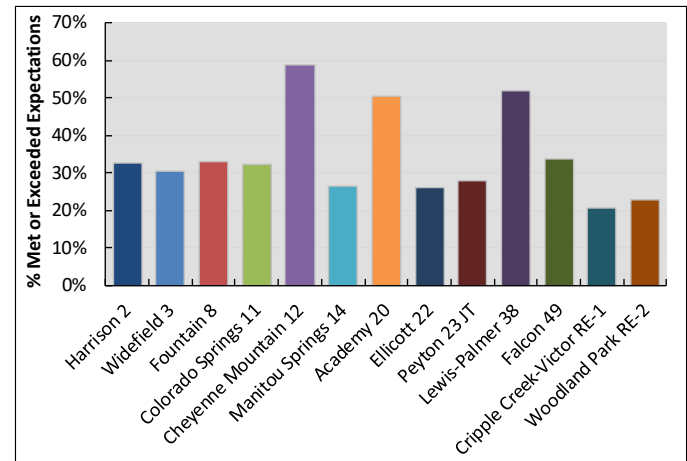
During the spring of 2015, Colorado began administering the Colorado Measures of Academic Success (CMAS) in mathematics and English language arts. These new, computer-based assessments incorporate the Common Core State Standards but also contain “unique to Colorado” standards. Because of these changes, a new baseline is being established so only the latest results from testing are shown here for the school districts in the Colorado Springs MSA. While these tests lend a uniform source of information on how proficient Colorado students are at meeting the standards, it is critical to remember that these tests do not represent the whole picture of student learning.

HOW ARE WE DOING?

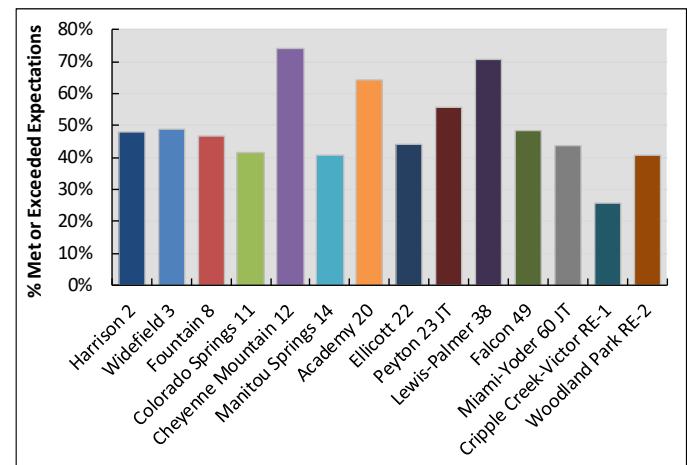
DUE TO PANDEMIC DISRUPTION TO SCHOOLING, THERE IS NO UPDATED CMAS INFORMATION. ALL DATA IS FROM LAST YEAR, 2019.

Overall, 4th graders did better on English language arts than mathematics testing in the 2018-19 school year. For 4th grade mathematics, results range from 21 percent meeting or exceeding expectations in Cripple Creek-Victor to 59 percent in Cheyenne Mountain. For 4th grade English language arts, results range from 26 percent meeting or exceeding expectations in Cripple Creek-Victor to 74 percent in Cheyenne Mountain.

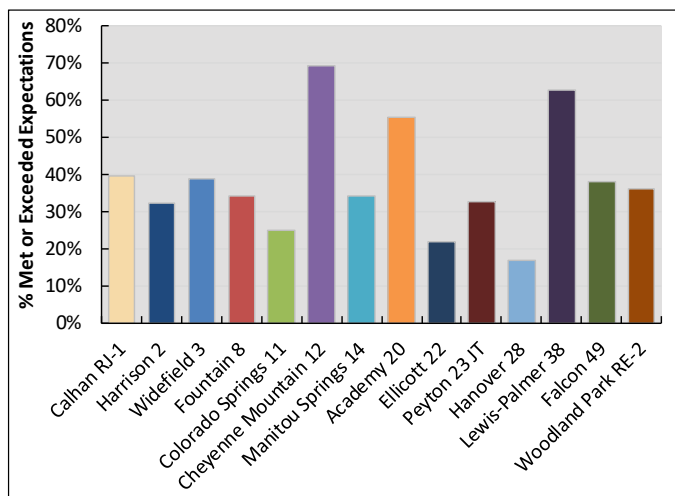
2019 CMAS: 4th Grade Mathematics



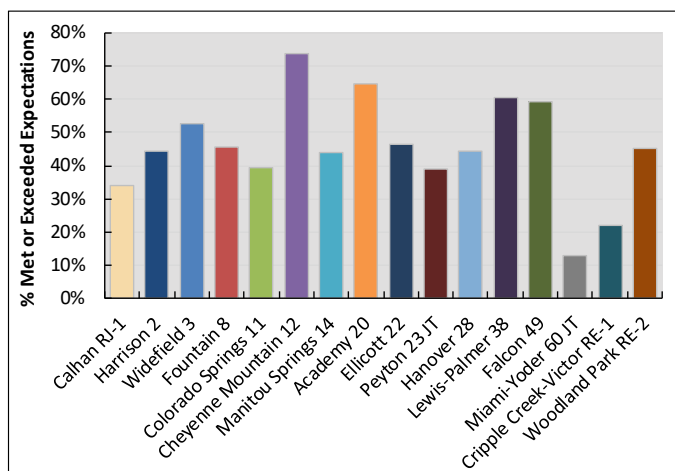
2019 CMAS: 4th Grade English Language Arts



2019 CMAS: 8th Grade Mathematics



2019 CMAS: 8th Grade English Language Arts



Note: Some districts' scores are not available due to the small number of students.
Source for all CMAS information: Colorado Department of Education

WHY ARE THESE IMPORTANT?

The new Colorado Measures of Academic Success (CMAS) tests are also administered in higher grades. While these tests lend a uniform source of information on how proficient Colorado students are at meeting the standards, it is critical to remember that these tests do not represent the whole picture of student learning.

HOW ARE WE DOING?

DUE TO PANDEMIC DISRUPTION TO SCHOOLING, THERE IS NO UPDATED CMAS INFORMATION. ALL DATA IS FROM LAST YEAR, 2019.

The same trend of higher English language arts scores than math scores seen in 4th graders holds true for 8th graders. It is also true that there is great variation between school districts. For 8th grade math, results range from 17 percent meeting or exceeding expectations in Hanover to 69 percent in Cheyenne Mountain. For 8th grade English language arts, scores range from 13 percent meeting or exceeding expectations in Miami-Yoder to 74 percent in Cheyenne Mountain.

Although these tests do not present the whole picture of student learning, the high deviation in scores provides important information about the disparity in school outcomes by region.

Starting in 2019, all 8th graders took the same math test whereas in previous years, advanced students who were in algebra or geometry took the CMAS test that corresponded to the higher grade level. Having all 8th graders take the same math test now, including the advanced students, would skew the math scores upwards.



EDUCATION INDICATORS

WHY IS THIS IMPORTANT?

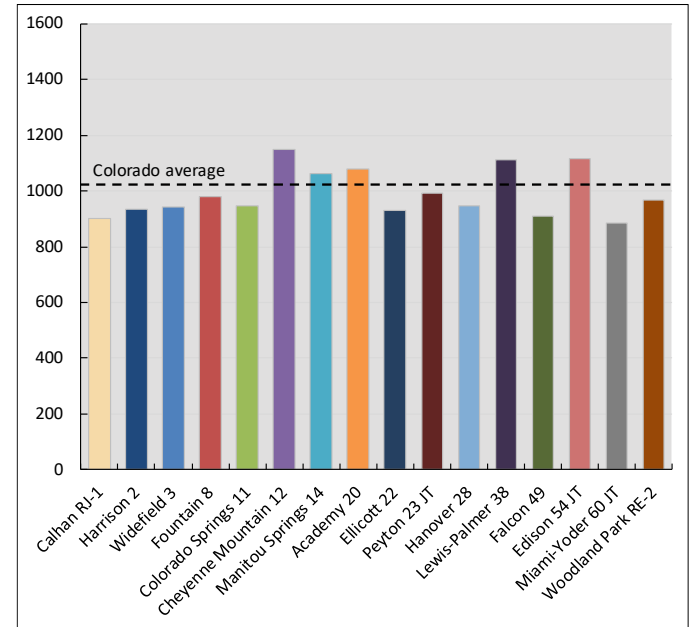
Academic performance of high school students is an important indicator of the knowledge base of the future workforce. In our highly specialized economy this is especially significant. In 2017, all high school juniors began taking the SAT instead of the ACT because this college entrance exam is more closely aligned with Colorado Academic Standards and provides free test preparation services for all students. A perfect score is 1600 (not including the optional essay).

HOW ARE WE DOING?

DUE TO PANDEMIC DISRUPTION TO SCHOOLING, THERE IS NO UPDATED SAT INFORMATION. ALL DATA IS FROM LAST YEAR, 2019. In 2019, the Colorado Department of Education reported that Colorado juniors had an average SAT score of 1001. The juniors in Cheyenne Mountain D12 (1151), Manitou Springs D14 (1061) Academy D20 (1081), Lewis-Palmer D38 (1114), and Edison D54 JT (1116) all had average SAT scores higher than the state average.

In 2019, the U.S. mean SAT score was 1059, brought down by the increase in students required to take the test according to *The Wall Street Journal* using the scores provided by the College Board. Colorado contributes to this downward bias in SAT results by requiring that all high school juniors take the SAT, not just those who are college bound. Any other students from other grades, including seniors, are not included in the Colorado composite SAT results. Hence, only juniors' SAT scores are measured in the Colorado averages.

High School Junior SAT Scores in Colorado Springs MSA, 2019



Note: Scores for Cripple Creek-Victor RE-1 were not available due to the small number of students.

Source: Colorado Department of Education

WHY ARE THESE IMPORTANT?

Dropout rates are indicators of possible future societal costs from underemployment or unemployment and low earning potential. In a global economy, a skilled workforce is a requirement for personal and societal success. Today, a high school degree is a bare minimum requirement for virtually any job in the U.S. Providing a quality education to all racial and ethnic groups is important to our economic well-being because of the high demand for skilled workers, but also because racial/ethnic minorities are comprising an increasing proportion of the U.S. population.

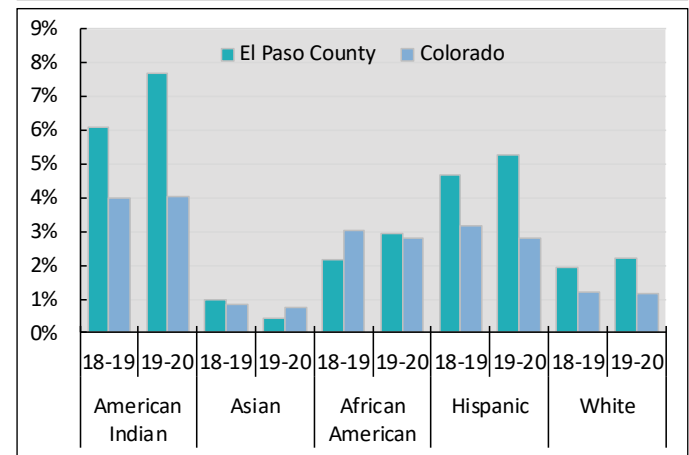
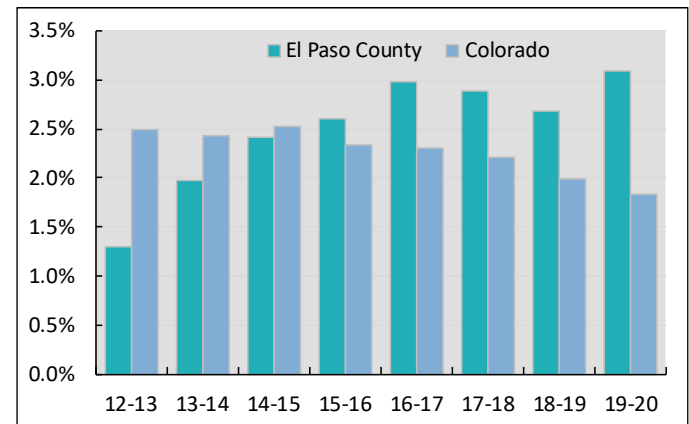
HOW ARE WE DOING?

Dropout rates in El Paso County (3.1%) were higher than Colorado (1.8%) in 2020. In El Paso County, dropout rates had started to decline slightly in 2018 but jumped to their highest level in 2020. In the state of Colorado, dropout rates have had a downward trend since 2010.

Dropout rates in El Paso County are highest among American Indian and Hispanic students. Rates for all racial/ethnic groups rose in 2020 except for Asian students. Dropout rates are lowest among Asian and White students, which is consistent with national trends. In El Paso County in 2020, the lowest drop out rate was for Asian students (0.4%), whereas the highest dropout rate was for American Indians (7.7%).

According to a study by the Brookings Institute, 80 percent of incarcerated male adults in the U.S. in 2014 were high school dropouts. From an earnings perspective, the median earnings for someone who had not completed high school was \$25,876 in 2019 according to the Census Bureau. By contrast, a high school graduate earned \$31,956 and an individual with a bachelor's degree earned \$56,344.

Grade 7 through 12 Dropout Rates

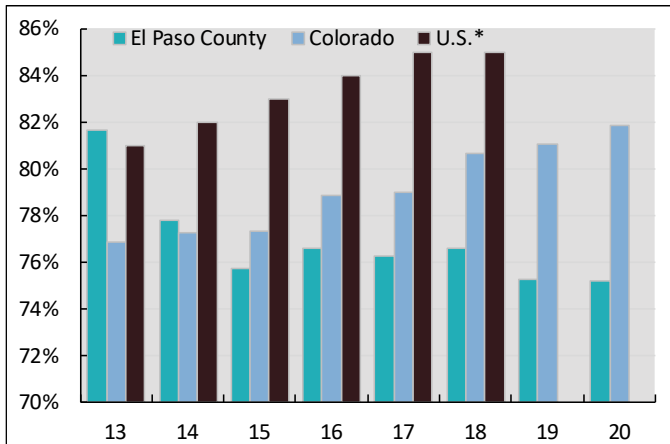


Note: The information above the racial/ethnic groups represent 2018-19 and 2019-20.

Source: Colorado Department of Education

EDUCATION INDICATORS

High School Graduation Rates



*Estimate based on state data collected by the U.S. Department of Education; U.S. data lags.

Sources: Colorado Department of Education; U.S. Department of Education, National Center for Education Statistics

WHY IS THIS IMPORTANT?

A skilled workforce is essential for an economy to be competitive in world markets. Completion of high school is the minimal requirement to obtain needed skills in the 21st century. Low high school graduation rates are an indicator of possible future societal costs from underemployment or unemployment and low earning potential.

HOW ARE WE DOING?

In 2010, the formula for calculating high school graduation rates in Colorado was changed to include only those students who graduate in four years to align with calculations made by other states. The El Paso County graduation rate had a high of 81.7 percent in 2013. Part of the decline seen in 2014 and 2015 is due to the addition of a group of students in online schools who take longer than four years to graduate. In 2020, Colorado's graduation rate (81.9%) was higher than the overall rate for El Paso County (75.2%); however, nine of the fifteen El Paso County school districts had higher graduation rates than the state.

WHY IS THIS IMPORTANT?

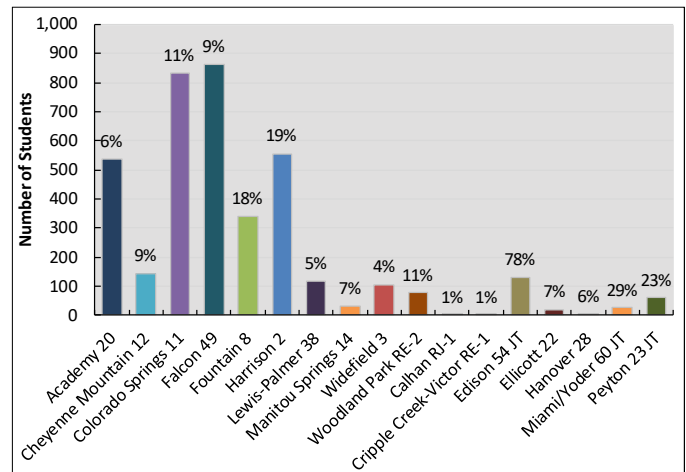
Concurrent or dual enrollment gives high school students the opportunity to earn postsecondary school credit by taking college or certificate program courses or course work related to an apprenticeship program or internship. Concurrent enrollment provides many benefits, including increased readiness for college coursework, reduced time to graduate with a postsecondary degree or certificate, and reduced tuition costs.

Districts use per pupil revenue to pay the tuition for the postsecondary courses at the resident community college.

HOW ARE WE DOING?

Participation in concurrent enrollment programs has seen sustained increases, with 34,519 students participating statewide in 2018-19 (up 11% from the previous year). Across the state, 97 percent of school districts and 86 percent of high schools offer concurrent enrollment programs. In the Colorado Springs MSA, 3,846 students participated in concurrent enrollment programs in the 2018-19 school year with all districts having these programs.

Students in Concurrent Programs in 2018-19



Note: Labels show the percentage of high school students in each district in concurrent enrollment programs.

Source: Colorado Department of Education, Legislative Reports

WHY IS THIS IMPORTANT?

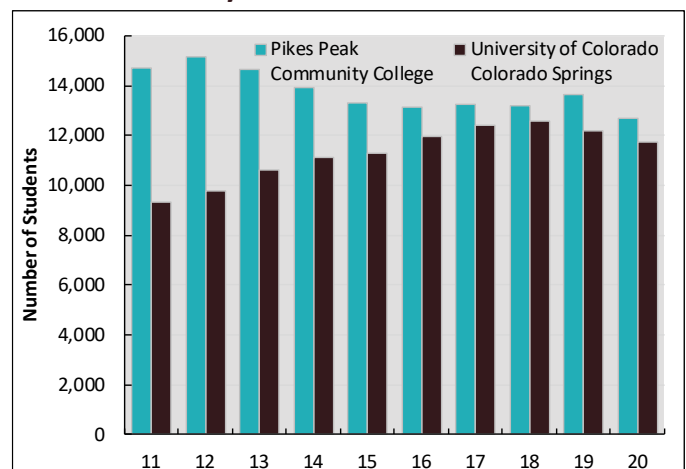
With a population of almost 723,000 and a demand for skilled labor, El Paso County needs quality public higher education institutions in order to have economic growth and vitality. Higher education enrollments are an indicator of the future supply of qualified workers. Having various, local institutions of higher learning including UCCS, Colorado College, Pikes Peak Community College, the U.S. Air Force Academy and other smaller, local training institutions is an asset given current and future workforce needs.

HOW ARE WE DOING?

Enrollment at the University of Colorado Colorado Springs (UCCS) decreased from 12,180 in 2019 to 11,747 students in the fall of 2020 (down 3.6%). Since 2006, enrollment at UCCS has grown 55.7 percent (7,547 to 11,747).

Pikes Peak Community College (PPCC) enrollment decreased by 7.1 percent to 12,684 in 2020 from 13,655 in 2019. Enrollment is up 20.5 percent since 2006 (10,526 to 12,684) at PPCC.

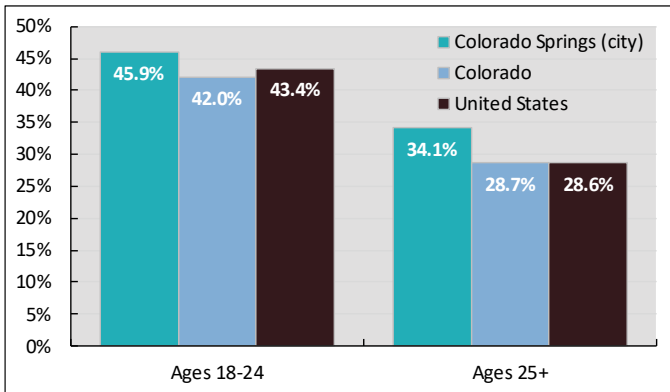
Enrollment at Public Institutions of Higher Learning in El Paso County



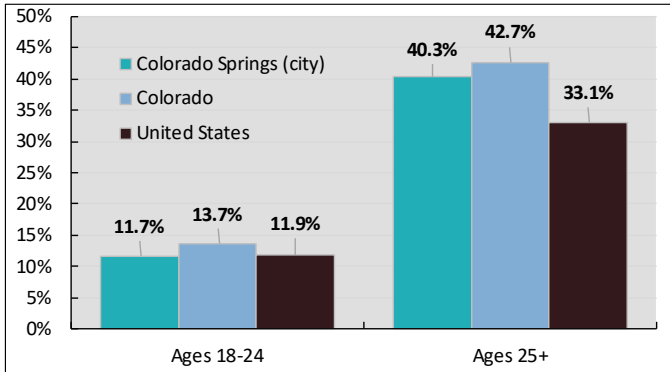
Sources: Institutional Effectiveness Office at Pikes Peak Community College; UCCS Institutional Research

EDUCATION INDICATORS

Population with Some College or an Associate Degree in 2019



Population with Bachelor's Degree or Higher in 2019



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

Peer State Educational Rankings

Highest % of Associate Degree or College-Experienced Adults		Highest % of Bachelor's Degree Holders	
1	Colorado	1	Massachusetts
2	Utah	2	Colorado
3	Washington	3	Maryland
4	Minnesota	Tie - 4	Connecticut
5	Oregon	Tie - 4	New Jersey

Source: "Most & Least Educated States in America" *WalletHub*, January 20, 2020.



WHY ARE THESE IMPORTANT?

The higher educational attainment of a populace is important because well-trained individuals are necessary for business growth and overall economic growth. Seventy-four percent of jobs in the state will require some form of postsecondary education by 2020. This puts Colorado third in the nation in terms of postsecondary educational requirements.

HOW ARE WE DOING?

In 2019, Colorado Springs had 34.1 percent of its population ages 25 and older with some college or an associate degree, which is significantly higher than the state (28.7%) and the U.S. (28.6%). Given that many current and projected high-demand jobs are considered "middle skill" jobs, some technical training or an associate degree can be helpful in fulfilling local business needs and providing a livable wage for workers. Tracking the highly demanded jobs in the region (page 19) is important because job postings give us tailored information about workforce needs and the corresponding training programs that should be present in our community.

In 2019, Colorado Springs had 40.3 percent of its population ages 25 and older attaining a bachelor's degree or higher, which is comparable to the state (42.7%) and significantly higher than the U.S. (33.1%).

According to a 2020 WalletHub analysis that used U.S. Census Bureau and National Center for Education statistics, Colorado ranks number two in the nation for the highest percentage of bachelor's degree holders and number one in the nation for the highest percentage of associate degree holders or college-experienced adults. The tables to the left show the top five states in each category.

To help address the local workforce shortage and skills gap, the UCCS Economic Forum led a group of workforce-related organizations in Colorado Springs to form WAM, the Workforce Asset Map. The mission statement for WAM is in the box below. The Forum has been working closely with the newly funded, "WAMBassador," and other workforce-related individuals and organizations to assist with various initiatives that aim to assist pandemic-related, displaced workers.

The WAMBassador position is a joint effort between the Pikes Peak Workforce Center, the Chamber & EDC, the City of Colorado Springs, El Pomar Foundation and the UCCS Economic Forum. The vision is for this individual to be the community liaison that brings together training institutions, businesses, and government to catalyze workforce-related initiatives. Post-pandemic, this person will also present to local middle and high schools with information on the current and future high growth occupations, the credentials/degrees needed for those occupations, and the associated salary levels.

WAM is intended to be a "one-stop" resource for job seekers, employers and students where they can access all available workforce-related resources. This includes links to organizations and other sources of information related to looking for a job; finding qualified workers; building internships and apprenticeships; obtaining occupational supply and demand data; finding entry-level, mid-career, and experienced average salary levels; and finding current, available training programs including number of graduates by occupational group. Veteran-specific programs are easily found with a symbol.

Visit the Workforce Asset Map (WAM) at wam.uccs.edu.



QUALITY OF LIFE, TOURISM AND OTHER INDICATORS

WHY IS THIS IMPORTANT?

As a city grows, increased traffic leads to congestion, longer travel times, and more pollution. Although roadway improvements can alleviate some congestion, it may not be the total solution. Communities interested in quality of life and mobility will seek alternatives to relieve traffic congestion including expanding and improving public transit, better location planning, more telecommuting, and walking and biking infrastructure.

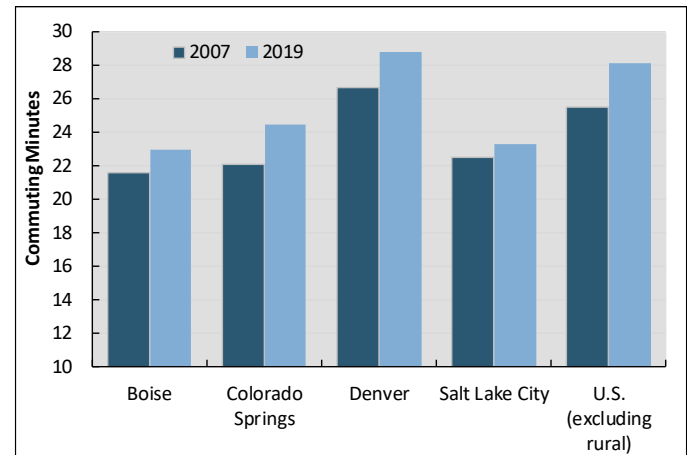
HOW ARE WE DOING?

The U.S. Census Bureau's American Community Survey has collected data on travel time to work for workers ages 16 and older who do not work from home. Travel time to work refers to the total number of minutes that it usually takes an individual to get from home to work each day during the reference week.

The Colorado Springs MSA had a mean travel time to work of 24.5 minutes in 2019, (up from 23.9 in 2018), and up significantly from 22.1 minutes in 2007. Denver's mean travel time to work (28.8 minutes in 2019) is higher than the U.S. mean city travel time to work (28.1 minutes). For comparative purposes, you can see that Boise (23.0 minutes) had a lower mean travel time than Colorado Springs in 2019 as did Salt Lake City (23.3 minutes).

It seems likely that the pandemic will permanently change work-from-home patterns. Many large employers across the nation have announced that employees can partially or fully work from home post pandemic. This may not impact daily commute time, but will impact total monthly travel time, productivity, and carbon emissions.

MSA Mean Travel Time to Work



2019 MSA Mean Travel Time to Work

Boise	23.0 min.
Colorado Springs	24.5 min.
Denver	28.8 min.
Salt Lake City	23.3 min.
U.S. (excluding rural)	28.1 min.

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

WHY IS THIS IMPORTANT?

Air service can have a profound impact on the local economy, particularly on air-dependent industries. The travel and tourism industry is heavily dependent on quality air service. Companies also need convenient and efficient service in order to maximize productivity and minimize travel time. Company location and expansion decisions are impacted by local air service.

HOW ARE WE DOING?

Total enplanements at the Colorado Springs Airport were 363,845 in 2020, which is down from 841,059 in 2019: a decrease of 56.7 percent. The pandemic impacted airline travel mostly because it is more difficult to physically distance in smaller spaces. In terms of airplane travel, businesses also virtually halted work-related travel, and this too hurt airlines, airports, and hospitality. In the future, the airline industry may look very different. Business travel makes up approximately 12 percent of total airplane travel, but 75 percent of airline revenue. This is a seismic disruption that could result in higher leisure fares if businesses do permanently curtail travel.

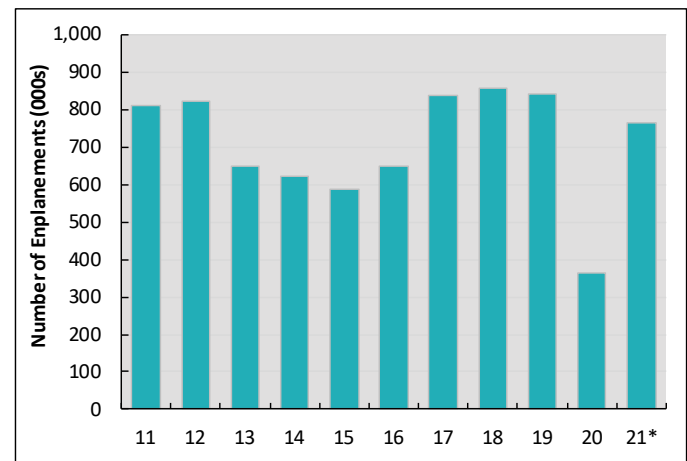
Listed to the right are the cities now serviced by Colorado Springs. Some cities are only serviced seasonally so look before you book.

Airport officials forecast that enplanements will be around 764,000 in 2021, up 110.0 percent from 2020 but lower than the previous three years.

During 2020, Southwest Airlines announced that they will now be offering flights out of the Colorado Springs Airport. Those flights are direct flights to Denver, Las Vegas, Phoenix, Dallas and Chicago.

The business park at the airport is experiencing tremendous growth. There is a large Amazon distribution center and two hotels currently

Colorado Springs Airport Enplanements (000s)



*Colorado Springs Airport forecasts

Source: Colorado Springs Airport

Look before you book!

The Colorado Springs Airport now has direct flights to Chicago, Dallas, Denver, Houston, Las Vegas, Los Angeles, Phoenix, and Salt Lake City.

under construction. Amazon already has a delivery station at the airport. More development will follow in the 960-acre Peak Innovation Park, which will include convenience stores, restaurants, office buildings, an outdoor amphitheater, Ultimate Frisbee courses, and other amenities.



QUALITY OF LIFE, TOURISM AND OTHER INDICATORS

WHY ARE THESE IMPORTANT?

The hotel and lodging industry uses two primary mechanisms to gauge how their sector is performing. Hotel occupancy is one major indicator, and it simply measures the percentage of rooms that are occupied out of the total number of rooms available. The other indicator is “RevPAR,” or revenue per available room, which is the occupancy rate multiplied by the average room rate. RevPAR is a measurement tool that is used to analyze the impact of changes in occupancy and average daily rate on hotel revenues, as well as to assess the overall health of the market.

All compiled statistics are from voluntary surveys. Communication with the source reveals there is somewhat of a selection bias in this information because larger hotels more typically participate in the survey, which means smaller lodging establishments are not as well represented. Also, the Broadmoor Hotel and the Cheyenne Mountain Resort are not included in the hotel category because they are “resorts,” as opposed to hotels.

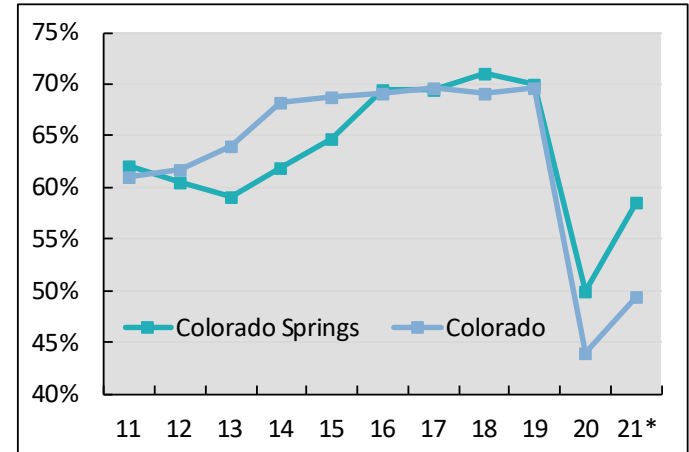
HOW ARE WE DOING?

Tourism from within and outside the state contributes greatly to local employment. Although not all hospitality activity is from travelers, a large portion of that activity is from tourists, especially during the summer months. Local tourism had been growing significantly prior to the pandemic. In 2004, the average hotel occupancy rate was 59.3 percent whereas it was 70 percent in 2019. Colorado Springs occupancy rates held up better than the Colorado-wide rates during the pandemic.

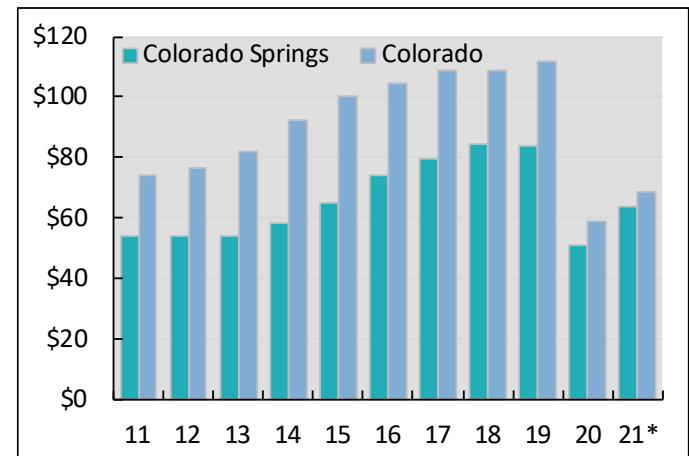
From 2019 to 2020, hotel lodging in Colorado Springs decreased from 70.0 percent to 50.0 percent as measured by the occupancy rates. For the entire state of Colorado, occupancy rates decreased from 69.7 percent to 44.0 percent. Hotel occupancy is forecasted to be 58.5 percent locally and 49.5 percent Colorado wide.

RevPAR decreased in Colorado Springs from \$83.76 in 2019 to \$51.19 in 2020. RevPAR also decreased in Colorado from \$111.59 to \$58.64 in 2020. RevPAR is forecasted to be \$64 in 2021 in Colorado Springs and \$68.50 across Colorado.

Colorado and Colorado Springs Hotel Occupancy



Colorado and Colorado Springs RevPAR Trends



*UCCS Economic Forum forecasts with input from Robert S. Benton & Associates, Inc. Source: Colorado Hotel and Lodging Association, Rocky Mountain Lodging Report

City* Park Acres per 1,000 Residents in 2019



*Parkland includes city, county, metro, state and federal acres within city limits.

Source: The Trust for Public Land, 2019 City Park Facts Report

WHY IS THIS IMPORTANT?

Open space, trails and parkland provide important areas for recreation and leisure activity, support natural habitat and enhance the visual appeal of the region. Open space has a significant impact on the quality of life and even health in the area. The beauty and attraction of the region is enhanced by parks and other open space available for public use.

HOW ARE WE DOING?

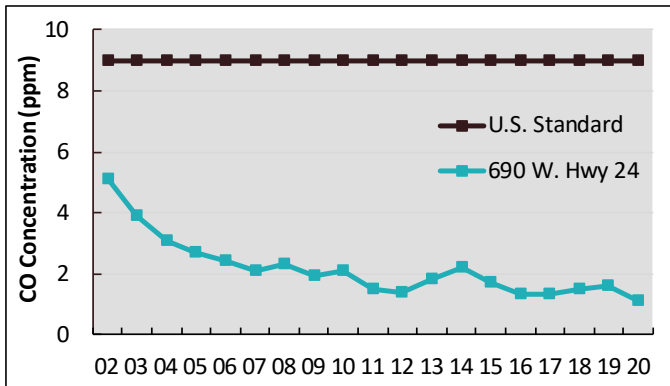
The entire Pikes Peak region is blessed with beautiful views and natural, scenic areas. Together, the city and county managed 26,276 acres of open space and parkland or 36.4 acres per 1,000 residents in 2019. Managing this many acres of parks, open space and trails is a heavy fiscal responsibility for the county and city, but increased tourism is favorable for local businesses and for the associated tax receipts. The city of Colorado Springs has 18,420 acres of parkland and open space under management. El Paso County manages 7,856 acres of trails and open space. Parkland and open space has increased 84.9 percent since 2000.

The graph shows that compared to other cities and to the U.S. median, Colorado Springs has a high number of acres of parkland per 1,000 residents. In 2019, Colorado Springs had 23.1 acres per 1,000 residents, which is significantly higher than the U.S. median (13.0 per 1,000) of the 98 cities studied and higher than all other comparison cities.



QUALITY OF LIFE, TOURISM AND OTHER INDICATORS

Carbon Monoxide



WHY ARE THESE IMPORTANT?

Air and water quality are fundamental to community health, the environment and the economy. There is growing concern over the interdependence between the health of the environment and the economy. Many people move to Colorado to enjoy sunny days, clean air, and overall healthy living. While there is no overall index of environmental health, carbon monoxide, particulate concentrations and ozone levels provide an indication of air quality. There are various components to measuring water quality, which are further discussed below.

HOW ARE WE DOING?

Carbon monoxide levels have been falling mostly due to tighter emission standards over the years, as well as the technology of newer cars that aim to adhere to the lower emission standards. As older cars are replaced by newer ones, this trend should continue. Population growth will likely (negatively) impact this metric, but that could also be mitigated if the region invests in a more robust public transportation system or there is persistently more work from home. Currently, there is a state-sponsored study on building a “Front Range Rail” system that would connect Denver and Colorado Springs. For 2020, Colorado Springs had a carbon monoxide concentration of 1.1 parts per million (ppm), well below the U.S. maximum standard of 9.0 ppm.

According to the Environmental Protection Agency (EPA), particulate matter is a complex mixture of extremely small particles and liquid droplets that get into the air. Once inhaled, these particles can affect the heart and lungs and cause serious health effects. The “haze” associated with pollution is due to particulate matter. The threshold for the U.S. standard in particulate matter changed in 2012 to an annual standard of 12 micrograms per cubic meter ($\mu\text{g}/\text{m}^3$). Even with the lower threshold, our region still has relatively clean air and is well below the EPA-set standard at $6.0 \mu\text{g}/\text{m}^3$ in 2020.

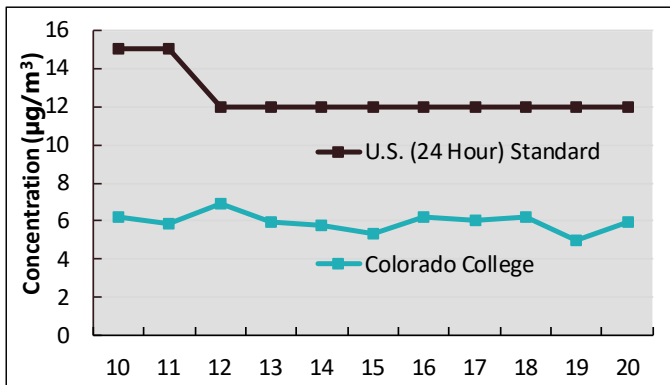
Ozone is a toxic gas not directly emitted into the air, but formed by a reaction of volatile organic compounds and nitrogen oxides in the presence of heat and sunlight. Volatile organic compounds are emitted by motor vehicles, chemical plants, refineries and other types of factories. Local ozone level readings were on an upward trend from 2010 to 2013, most likely due to a variety of factors including the forest fires and increased vehicle use. While our region’s ozone levels then decreased from 2013 to 2016, the readings have been increasing since then and reached the standard in 2018 at the U.S. Air Force Academy (0.070 ppm). After a slightly better level in 2019, our region exceeded this new U.S. standard in 2020 (0.072 ppm). The national standard for ozone dropped to 0.070 ppm in 2015.

Sulfur dioxide is yet another measure of air quality. About 99 percent of sulfur dioxide in the air emanates from human sources primarily from the burning of fossil fuels. It is considered a toxic substance and is harmful to the health of all living organisms. It impacts humans mostly through inhalation and absorption into the soil. Our region fares well in this metric at 8.6 ppm although increasing traffic congestion could negatively impact sulfur dioxide measures in the future.

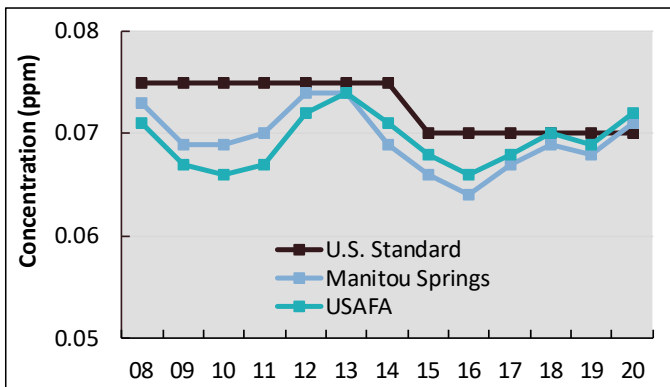
Overall, our region has good water. Colorado Springs Utilities continuously tests our local water sources taking more than 12,000 samples per year and running more than 400 tests per month. The 2020 water quality report can be found at:

<https://www.csu.org/Documents/2020WaterQualityReport.pdf>.

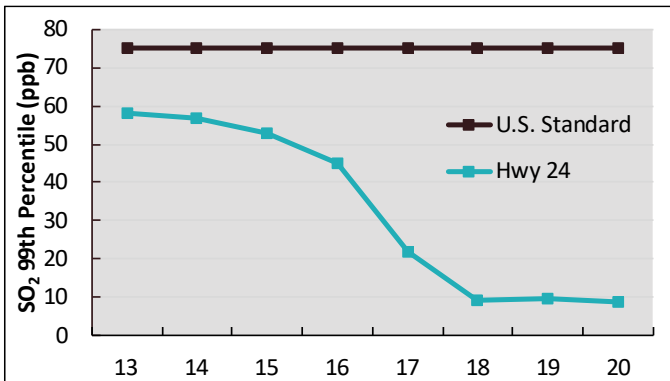
Particulate Matter



Ozone Trends in El Paso County



Sulfur Dioxide



Note: 2012 saw a change in EPA standards for particulate matter. 2007 and 2015 saw changes in EPA standards for ozone.

Source: Colorado Department of Public Health and Environment



QUALITY OF LIFE, TOURISM AND OTHER INDICATORS

WHY ARE THESE IMPORTANT?

Violent and property crimes result in the loss of life and property. Fighting crime is expensive and uses valuable community resources. Crime affects the business climate, as well as individual perceptions of the quality of life in the community. The graphs show peer comparisons to Colorado Springs MSA. The two comparison MSAs also fall between 500,000 to 999,999.

HOW ARE WE DOING?

From 2009 to 2019, the number of violent crimes per 100,000 inhabitants increased by 3.1 percent in the Colorado Springs MSA according to the Federal Bureau of Investigation even as the population increased by 119,558. During that same ten-year period, property crimes per 100,000 inhabitants increased by just 0.4 percent in the Colorado Springs MSA.

While the graph shows data for several MSAs and for cities with similar population to the Colorado Springs MSA, the FBI strongly cautions against simplistic comparisons (see note below).

The table below shows that both the city of Colorado Springs and the entire MSA have fewer sworn police officers per 10,000 than the average for cities with a population of 500,000 to 999,000.

Sworn Police Officers per 10,000 Inhabitants in 2019

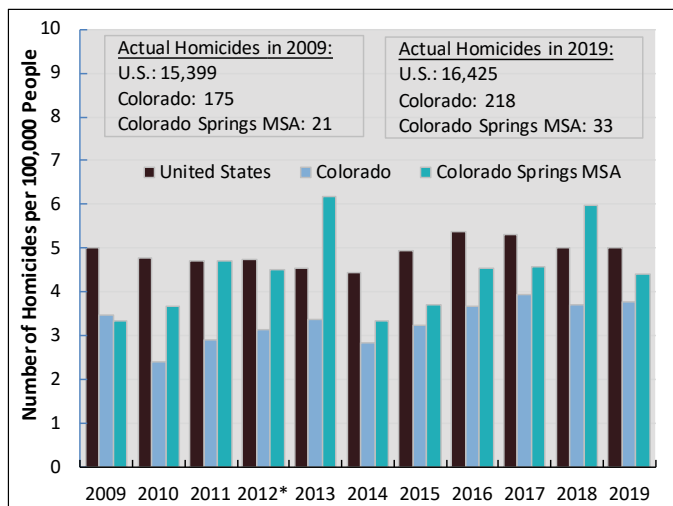
City of Colorado Springs	15.1
Colorado Springs MSA	7.7
Cities with Population 500,000-999,999	23.1

Source: Federal Bureau of Investigation, Uniform Crime Report

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

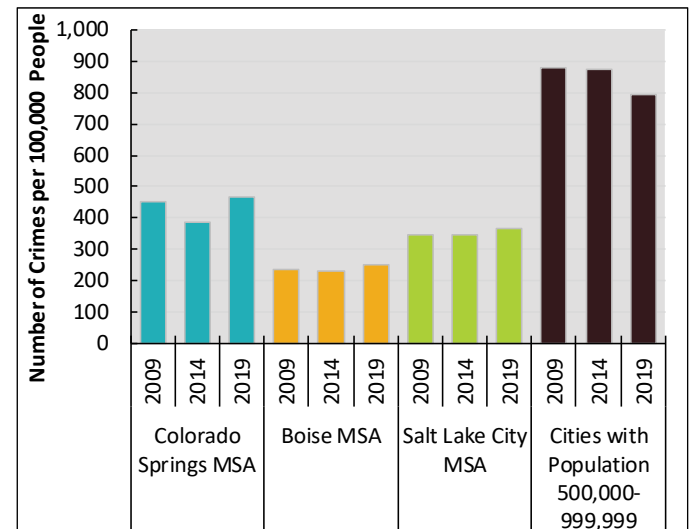
Homicides per 100,000 Inhabitants



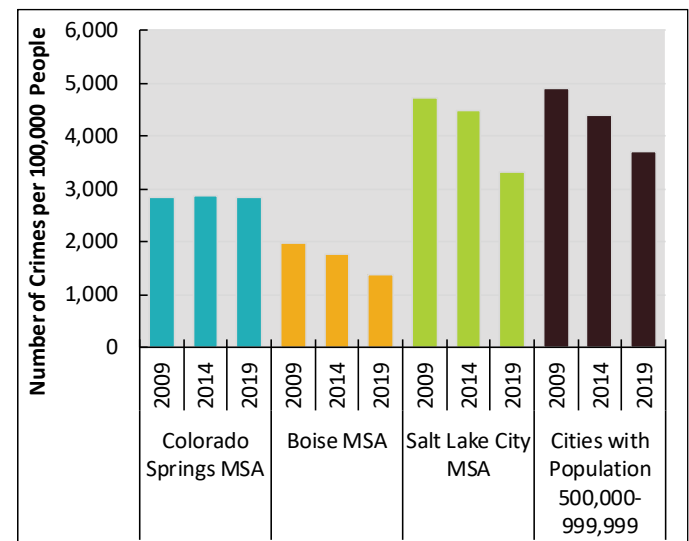
*2012 data for the Colorado Springs MSA is from the Centers for Disease Control & Prevention

Source: Federal Bureau of Investigation, Uniform Crime Report

Violent Crimes per 100,000 Inhabitants



Property Crimes per 100,000 Inhabitants



Source: Federal Bureau of Investigation, Uniform Crime Report

Homicides are a subcategory under violent crimes. The Colorado Springs MSA has consistently been below the U.S. average except in 2011, 2013 and 2018. Our region has had a higher homicide rate than the state since 2010. Please note that the FBI strongly cautions against simplistic comparisons.

The World Bank tracks homicide per 100,000 people. As seen in the table below, the U.S. rate of 5.4 per 100,000 was well above other developed nations in 2018, which is the most recent year data is available.

2018 Mortality Rates due to Homicide per 100,000 Population

Canada	Germany	Italy	Japan	United States
1.7	1.2	0.7	0.3	5.4

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

QUALITY OF LIFE, TOURISM AND OTHER INDICATORS

WHY ARE THESE IMPORTANT?

Most people would agree that the indicators that are of greatest importance in terms of quality of life are related to health status. The World Health Organization defines health as “a state of complete physical, mental and social well-being, and not merely the absence of disease.” Life expectancy, causes of death, death rates and access to health care are often-used metrics to at least partially assess overall health. These metrics are discussed below.

HOW ARE WE DOING?

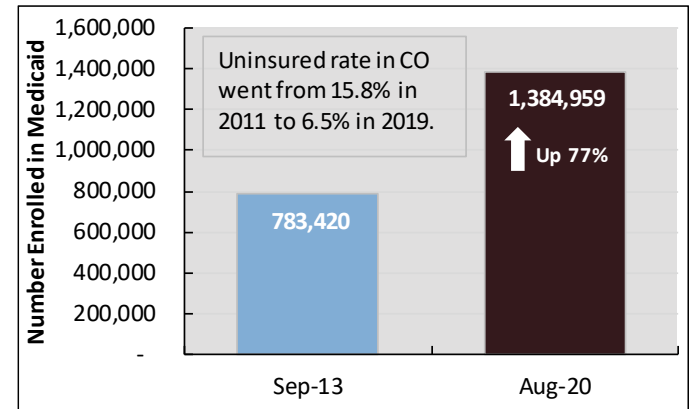
Colorado expanded Medicaid under the Affordable Care Act (ACA) in 2013. From September 2013 to August 2020, an additional 601,539 people had acquired medical insurance across the state, a 77 percent increase in that seven year span. The peak year was 2017 and since then, Medicaid enrollment had been declining until 2020, when it increased to numbers higher than every year except 2017. It is likely that Medicaid enrollment increased during the pandemic because such a large proportion of workers lost health insurance. It is also possible that individuals who did not have health insurance prior to the pandemic, but who qualified for Medicaid, decided to sign up due to fears of contracting COVID-19.

In aggregate, Medicaid enrollees represented 24 percent, or roughly 1 in 4, of the total population of Colorado in 2020. The costs have also been high. More Coloradans enrolled in Medicaid after the ACA expansion than what was originally anticipated. Expansion costs were \$1.6 billion in the first two years but were anticipated to be \$1.2 billion (Colorado Health Institute). Conversely, some studies have also shown economic benefits mostly due to new health care jobs (Colorado Health Foundation).

In the Colorado Springs MSA in 2020, there were 176,532 people enrolled in Medicaid including all adults and children who were either already enrolled in Medicaid or became enrolled via the ACA expansion. This translates to 23 percent of the total population or roughly 1 in 4 people. Of the 176,532 Colorado Springs MSA residents enrolled in Medicaid, 72,615 (or 41%) were children.

Unfortunately, suicide rates for youth ages 10-19 are alarmingly higher in our region than in the state of Colorado and the U.S., as the table to the right shows. El Paso County had a youth suicide rate of 19.8 in 2019, higher than the rate in the state of Colorado (14.1) and approximately triple the national rate (6.6). According to the Centers for Disease Control and Prevention’s *High School Youth*

Total Colorado Medicaid Enrollment



Source: Kaiser Family Foundation; Colorado Health Institute

Suicide Rates per 100,000 in 2019

	Youth (Ages 10-19)	All Ages (Age Adjusted*)
El Paso County	19.8	28.2
Colorado	14.1	22.0
United States	6.6	13.9

*Age-adjusted rates make a fairer comparison between locations with different age distributions.

Sources: Centers for Disease Control & Prevention, National Center for Health Statistics; UCCS Economic Forum

Risk Behavior Survey conducted every two years, 18.8 percent of U.S. high school students in 2017 have thought seriously about attempting suicide, up from 17 percent in 2017. The number of U.S. high school students who attempted suicide also increased in 2019 (8.9%) compared to 2017 (7.4%). Colorado had the same percentage of students who seriously considered suicide (18.8%) but had a lower percentage of actually attempts (13.7%) in 2019.

The smaller tables below show the age-adjusted mortality rates and life expectancy for El Paso County, Colorado and the U.S. Our state fares well, although El Paso County’s mortality rates are higher than the state and national levels. The larger table shows the top leading causes of death, which can help identify preventable deaths in El Paso County, such as those related to unhealthy lifestyles, accidents, and poor mental health. Unintended injuries include car accidents, drug overdoses, falls and other accidents.

2019 Mortality Rates (deaths per 100,000)	
El Paso County	718.0
Colorado	647.8
United States	715.2

2019 Life Expectancy (in years)	
El Paso County	79.9
Colorado	80.9
United States	78.8

Sources: Centers for Disease Control & Prevention; Colorado Department of Public Health and Environment

Top 5 Leading Causes of Death by Age in El Paso County, 2019		
Age <1	Ages 1-14	Ages 15-24
<ol style="list-style-type: none"> 1. Perinatal Period Conditions 2. Congenital Anomalies 3. Unintentional Injuries <i>*Numbers were too small to rank additional causes of death</i>	<ol style="list-style-type: none"> 1. Unintentional Injuries 2. Suicide <i>*Numbers were too small to rank additional causes of death</i>	<ol style="list-style-type: none"> 1. Suicide 2. Unintentional Injuries 3. Homicide/Legal Intervention 4. Malignant Neoplasms 5. Congenital Anomalies
Ages 25-44	Ages 45-64	Ages 65+
<ol style="list-style-type: none"> 1. Unintentional Injuries 2. Suicide 3. Malignant Neoplasms 4. Heart Disease 5. Homicide/Legal Intervention 	<ol style="list-style-type: none"> 1. Malignant Neoplasms 2. Heart Disease 3. Unintentional Injuries 4. Chronic Liver Disease & Cirrhosis 5. Suicide 	<ol style="list-style-type: none"> 1. Heart Disease 2. Malignant Neoplasms 3. Chronic Lower Respiratory Diseases 4. Cerebrovascular Diseases 5. Alzheimer's Disease

Source: Colorado Department of Public Health and Environment, Vital Statistics Program

QUALITY OF LIFE, TOURISM AND OTHER INDICATORS

City Comparisons

Metropolitan Statistical Area (MSA)	Austin, TX	Boulder, CO	Colorado Springs, CO	Denver, CO	Huntsville, AL	Salt Lake City, UT	United States*
Average unemployment rate (2020)	6.2%	6.0%	7.1%	7.3%	4.8%	5.3%	8.1%
Percent change in real GMP (2018-19)	3.1%	6.1%	3.7%	3.9%	3.3%	3.5%	2.1%
Average wage and salary disbursements (2019)	\$66,395	\$72,866	\$54,795	\$69,057	\$60,562	\$57,626	\$61,562
Percent of the population 25 years and over with an associate degree or higher (2019)	52.6%	71.1%	50.9%	53.3%	49.2%	45.4%	43.7%
Percent of the population 25 years and over with a bachelor's degree or higher (2019)	46.2%	64.8%	39.2%	45.8%	40.2%	36.5%	35.2%

*All United States metrics are for the metro portion of the U.S. population, except for the average unemployment rate which is for the total U.S. population only. Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Census Bureau, American Community Survey 1-year estimates

WHY ARE THESE IMPORTANT?

The Forum looks at several metropolitan statistical areas (MSAs) to provide a relative measure of how the Colorado Springs MSA compares with other metropolitan regions in the U.S. The MSAs included in this analysis are cities that compete directly with the Colorado Springs MSA for jobs. The table provides comparisons of unemployment rates, wages and salaries, and educational attainment. Please note that due to differences in data availability, the year for each metric may vary.

HOW ARE WE DOING?

Prior to the pandemic, Colorado cities had been outperforming the U.S. and most other peer cities in most economic metrics. In 2020, the Colorado Springs MSA (7.1%) and all of the above comparison cities had unemployment rates well below the nation (8.1%). The Huntsville and Salt Lake City MSAs had the lowest unemployment rates of all the comparison cities.

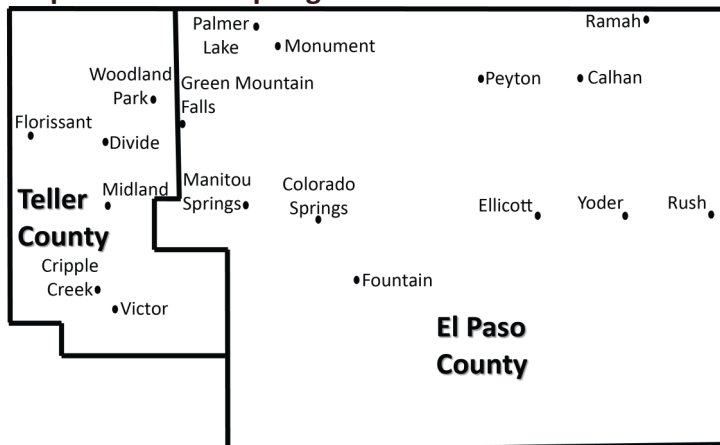
Prior to the pandemic, Colorado Springs significantly outperformed the nation in terms of “real,” or inflation-adjusted gross metropolitan product, or GMP at 3.7 percent versus the U.S. city average of 2.1 percent.

The wage and salary disbursements in the table are the monetary remuneration made to all employees, including bonuses, commissions and other incentive payments. In 2019, the wage and salary disbursements averaged \$61,562 in the U.S. metros, while they were \$54,795 in the Colorado Springs MSA (11.0% lower than the U.S.).

With respect to educational attainment, the average percentage of the population ages 25 and over with an associate degree or higher for the U.S. metros for 2019 was 43.7 percent, while it was much higher in the Colorado Springs MSA at 50.9 percent. The percent of the U.S. metro population with a bachelor’s degree or higher was 35.2 percent in 2019. For the Colorado Springs MSA, that average was significantly higher at 39.2 percent. As a whole, the state of Colorado has a considerably higher educational attainment rate than the U.S. average, an important asset for both long-term growth as well as the recovery from the 2020

pandemic. The higher the level of education, the greater the labor participation rate and the more likely it is that the workforce is comprised of qualified labor.

Map of Colorado Springs MSA



Forum partners receive a monthly economic dashboard of key metrics with commentary. For more information on becoming a Forum partner, please contact Tatiana Bailey at tbailey6@uccs.edu or Rebecca Wilder at rwilder2@uccs.edu.



UCCS by the facts

- The fall student enrollment in 2020 was 11,747.
- The student-to-faculty ratio is 15:1.
- About 29 percent of UCCS students are first generation students.
- Nearly 1 in 5 students is military affiliated.
- UCCS students come from all 50 states and 82 different nations.
- At least 8 U.S. Olympic hopeful athletes attend UCCS.
- The UCCS average student loan debt is about one-third less than the national average.
- There are 46 bachelor's degrees, 22 master's degrees, and 8 Ph.D. programs.
- There are six academic colleges: College of Business; College of Education; College of Engineering and Applied Science; Helen and Arthur E. Johnson Beth-El College of Nursing and Health Sciences; College of Letters, Arts & Sciences; and School of Public Affairs.
- Founded in 1965 at the foot of Pikes Peak in response to community and business needs, UCCS is one of four campuses in the University of Colorado system.

UCCS kudos

- Expanding its footprint with the new Ent Center for the Arts, Mountain Lion Park and Fieldhouse, UCCS Downtown, and the William J. Hybl Sports Medicine and Performance Center
- 70% of UCCS students received financial aid in 2018.
- Among the fastest growing college campuses in the state
- Ranked fifth among large public institutions on the Military Friendly® Schools list.
- UCCS is one of the nation's most sustainable higher education institutions, according to the Princeton Review Green College Honor Roll and the Sierra Club's official magazine.
- UCCS contributes about \$600 million each year in economic impact in El Paso County alone.
- Accrediting agencies: North Central Association of Colleges and Schools, The Higher Learning Commission, AACSB International, Accreditation Board for Engineering and Technology, Commission on Collegiate Nursing Education, National Association of Schools of Public Affairs and Administration, and National Council for Accreditation of Teacher Education

UCCS College of Business and the Graduate School of Business Administration

The College of Business was established along with the University of Colorado Colorado Springs in 1965. The College awards the Bachelor of Science in Business, the Bachelor of Innovation™ in Business Administration, the Master of Business Administration, the Master of Science in Accounting, and the Executive Doctor of Business Administration degrees.

All degree programs are accredited by AACSB International—the Association to Advance Collegiate Schools of Business. This represents the highest standard of achievement for business schools worldwide. The College of Business is nationally ranked by *U.S. News and World Report*.

Our internationally-recognized doctoral faculty is known for innovative thinking, skilled teaching, and relevant research. A distinctive focus on business ethics complements the knowledge and technical skills our students gain. Employers seek our graduates for their ability to immediately apply classroom learning to real-world business challenges.

The UCCS College of Business is proud of its partnership with the local business community. These relationships are essential in infusing current business practices into the classroom. The College connects to the community in a variety of ways, including the UCCS Economic Forum, the UCCS Career Networking Night, UCCS Executive Education programs, and the Daniels Fund Ethics Initiative Collegiate Program at UCCS. Get information about alumni, executive education, working with interns, or hiring graduates by visiting business.uccs.edu.

Contact: College of Business

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