

Quarterly Updates and Estimates

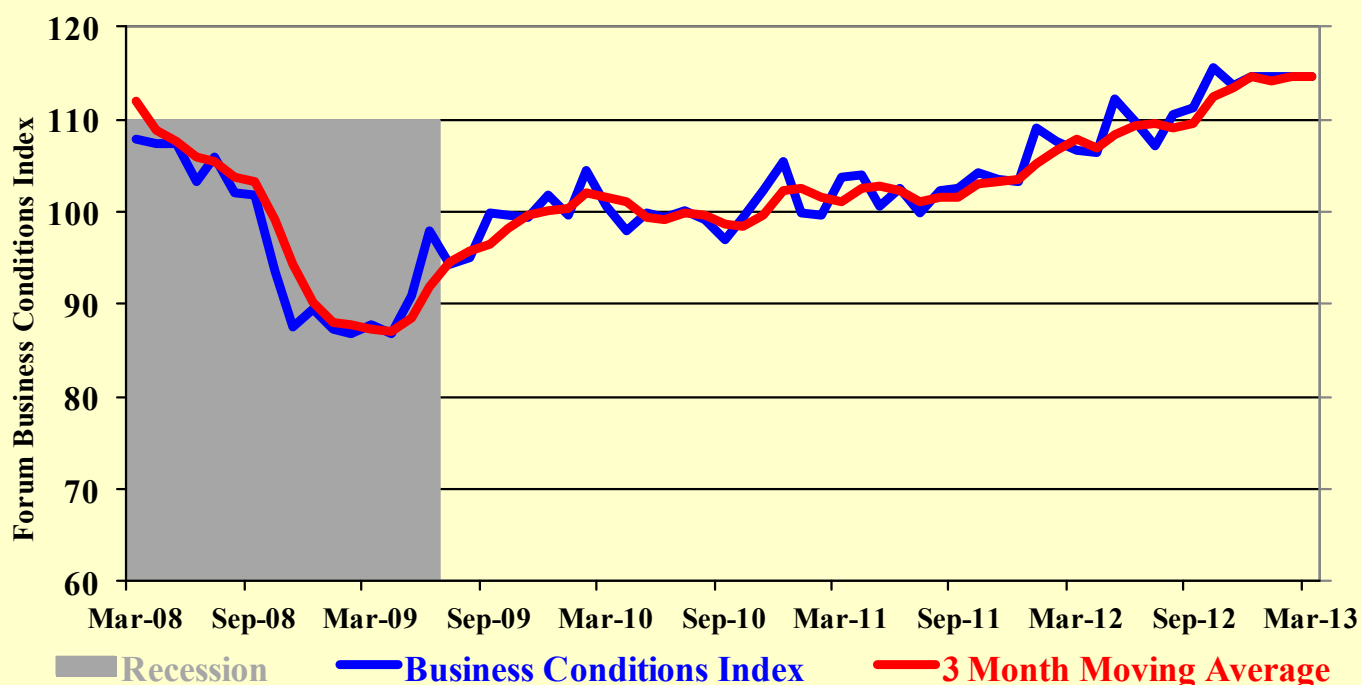
Volume 11 Number 4 April 2013

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Update on the El Paso County Economy

The local economy continued a growth trend that began in the summer of 2011 after hitting bottom in February 2009. The Business Conditions Index (BCI) stands at 111.72, up 4.6 percent from March 2012. The best performing indicators were new single family permits (up 43.1%), new vehicle registrations (up 40.0%), Colorado Springs sales and use tax collections (up 8.5%) and consumer sentiment (up 3.1%). Other improvements were seen in employment, the employment rate and foreclosures. Housing and new vehicle registrations have led the local economy out of the recession. The pace of recovery has been slow. The increase in sales tax numbers points to a broad based level of recovery in the near future. The relative growth rate in sales tax collections in Colorado Springs is also improving.

Business Conditions Index
El Paso County (Dec 2007-June 2009 = 100)



¹ The Business Conditions Index (BCI) is a geometric index of ten seasonally adjusted data series. The El Paso County data are single family and town home permits, new car sales, employment rate, foreclosures, QCEW employment and QCEW wages and salaries. Colorado Springs data are sales and use tax collections and airport enplanements. University of Michigan's Consumer Sentiment and the Federal Reserve Bank of Kansas City Manufacturing Index are non-local indicators in the BCI. The BCI is indexed to December 2007—June 2009 = 100. All raw series are seasonally adjusted by UCCS Southern Colorado Economic Forum using the Department of Commerce X12 adjustment process.

Business Conditions Index Components - All Values Indexed: Dec 2007 - June 2009 = 100

	COS Enplane- ments	El Paso County SF & TH Permits	U Of Mich Con Sent	Kansas City Fed Mfg Index	El Paso <u>Employ- ment</u> Rate	CoSpgs 2% Sales & Use Tax	County New Car Registra- tions	El Paso County Fore- closures	El Paso County Employed	El Paso County Real Wages	BCI
Dec-11	80.77	107.61	108.87	124.62	96.62	102.05	123.21	100.62	96.36	100.25	103.37
Jan-12	80.13	137.13	116.81	142.32	97.06	112.86	128.61	100.76	96.30	96.38	109.18
Feb-12	86.44	114.71	117.28	144.58	97.07	106.39	130.13	100.59	96.27	96.69	107.78
Mar-12	81.44	129.98	118.68	139.68	97.07	108.45	111.05	100.75	95.92	97.31	106.79
Apr-12	79.44	139.34	118.99	125.38	96.92	109.58	113.99	100.68	95.57	96.48	106.38
May-12	83.66	184.61	123.51	132.53	96.86	110.77	122.73	100.72	96.34	97.35	112.14
Jun-12	85.01	168.43	114.01	124.62	96.81	111.67	123.57	100.38	95.68	97.98	109.84
Jul-12	83.21	148.94	112.61	125.00	96.70	108.08	117.18	100.53	95.87	96.93	107.16
Aug-12	83.61	208.81	115.72	133.28	97.14	110.78	101.74	100.70	93.69	97.10	110.44
Sep-12	81.59	186.86	121.95	127.64	97.27	114.40	115.69	100.99	97.04	96.49	111.19
Oct-12	83.87	206.19	128.65	121.23	97.13	115.04	149.19	100.90	97.57	96.72	115.65
Nov-12	83.97	191.43	128.81	118.98	97.59	113.73	139.03	101.25	97.19	96.32	113.68
Dec-12	84.44	200.48	113.54	125.00	97.39	115.35	152.81	101.37	97.60	95.87	114.62
Jan-13	83.78	214.29	114.94	120.86	98.34	113.38	133.35	101.37	97.60	91.71	112.90
Feb-13	80.84	233.03	120.86	109.19	98.36	119.34	136.11	101.37	97.60	91.99	113.71
Mar-13	72.25	186.03	122.42	111.82	98.37	117.67	155.49	101.37	97.60	92.47	111.72
March 2013 Compared to:											
Feb-13	-10.6%	-20.2%	1.3%	2.4%	0.0%	-1.4%	14.2%	0.0%	0.0%	0.5%	-1.7%
Dec-12	-14.4%	-7.2%	7.8%	-10.5%	1.0%	2.0%	1.8%	0.0%	0.0%	-3.5%	-2.5%
Sep-12	-11.4%	-0.4%	0.4%	-12.4%	1.1%	2.9%	34.4%	0.4%	0.6%	-4.2%	0.5%
Mar-12	-11.3%	43.1%	3.1%	-19.9%	1.3%	8.5%	40.0%	0.6%	1.8%	-5.0%	4.6%

Real wages in El Paso County were estimated by the Forum for Oct '12 - Mar '13. Emplanements for Mar were estimated by the Forum.

As with any recovery, not all sectors in the economy perform equally well. Manufacturing declined 19.9 percent compared to a year ago. This is a concern because manufacturing tends to be a high wage sector that creates many indirect and induced jobs in the economy. Part of the effect in the decline in manufacturing can be seen in the 5 percent decline in real wages in the area. The decline in manufacturing is contributing to a slow recovery.

Another very weak segment in the local economy appears to be enplanements at the Colorado Springs Airport. Enplanements are down 11.3 percent from a year ago. This is not expected to improve in the near term.

In all, seven of the ten BCI indicators are higher than a year ago. Measured by the BCI, the local economy is doing approximately 11.7 better than during the recession. This is one of the best performing quarters the region has seen in a number of years. The upward trend is expected to continue through the coming months. The BCI is expected to be in the 116 range by the end of the year, conceivably higher if real wages increase substantially.

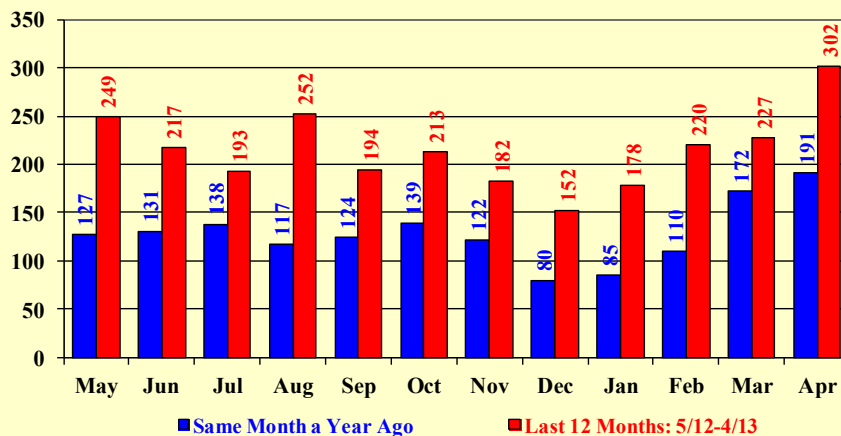
Analysis of the El Paso County Residential Housing Market

Detached, single family permit activity picked up noticeably in March 2011. The rebound continued through all of 2012. New residential permits were 819 higher in 2012 than in 2011 (up 58.5%). 2013 is starting off strong. At the current trend, new permits are expected to be approximately 27 percent higher in 2013 than in 2012. Support for residential construction is attributed to pent up demand, attractive pricing and record low mortgage rates.

Using the X12 forecast model, the Forum generated a twelve month forecast for detached, single family building permits in El Paso County. The forecast for the next six months is shown in the adjacent chart. The forecast calls for an increase of 601 permits in 2013. If the forecast holds, a total of 2,811 permits will be pulled in 2013 compared to 2,210 in 2012. Please refer to page 5 for a month by month forecast for the next twelve months.

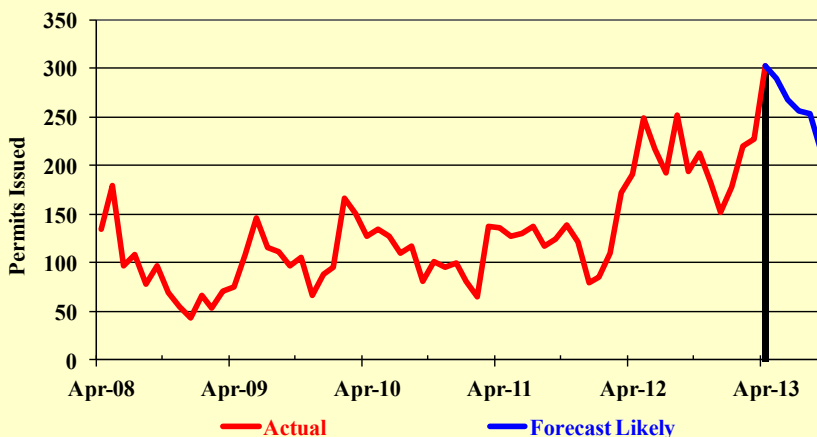
Townhome permit volume was extremely low in 2011 (162 units). It was barely higher in 2012 with 166 units. The additional 4 units were welcome but represented a modest 2.5 percent increase. January 2013 is off to a slow start. However, a steady level of activity seems to be taking place. Forty-three permits have been issued in 2013. This is just 8 fewer than year-to-date 2012, including the 42 units in January 2012. Historic volume, vis-à-vis detached new permits, suggests the number of townhome permits issued in 2013 will increase by at least 10 percent.

Single Family-Detached Building Permits in El Paso County



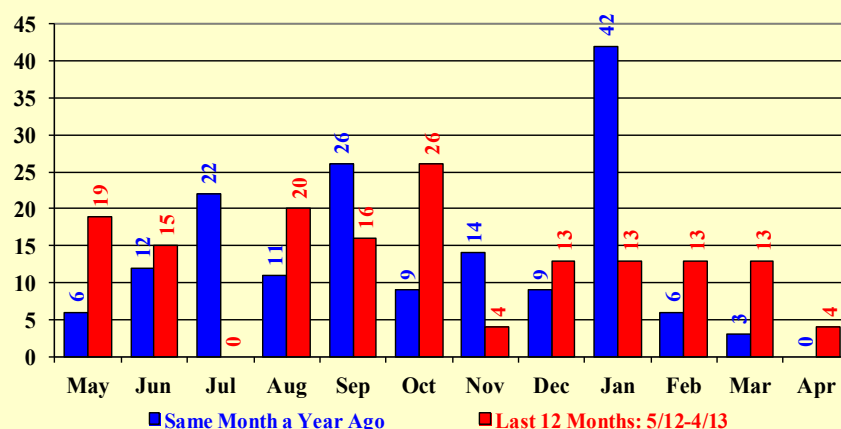
Source: Pikes Peak Rgl Bldg Dept, and UCCS Southern Colorado Economic Forum

Detached Single Family Permit Trends Actual and Forecast in El Paso County



Source: Pikes Peak Regional Bldg Dept, and UCCS Southern Colorado Economic Forum

Single Family-Townhomes Building Permits in El Paso County



Source: Pikes Peak Rgl Bldg Dept, and UCCS Southern Colorado Economic Forum

Despite the low number of townhome permits, combined detached and attached single family permit activity finished 2012 with 823 more units than were issued in 2011. Each of the past twelve months was higher than year ago levels. At the current rate, the combined detached and attached single family permits for 2013, could exceed 2012 by approximately 650 units.

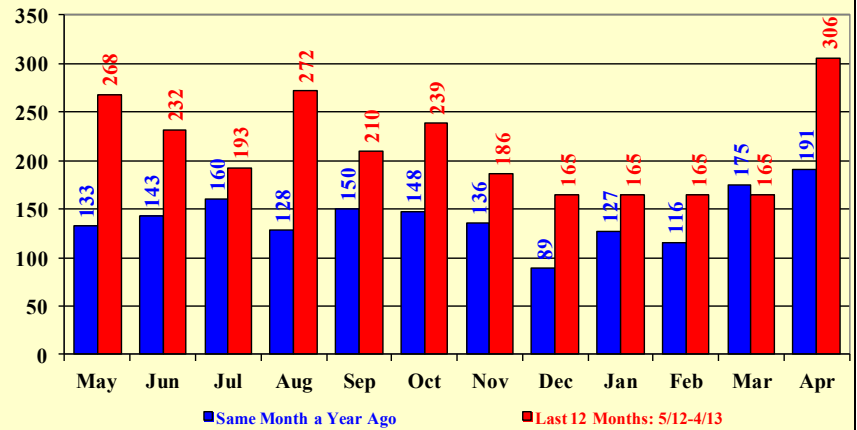
Permit activity started the year strong and appears to be gaining strength through the first four months of the year.

Multi-family construction was strong in 2011 (659 units) and again in 2012 (601 units). Through April, 2013 is off to another strong showing. Multi-family strength is support by:

1. the lack of multi-family construction during the recession
2. vacancies that declined to the 6 percent range
3. rising rents
4. investor interest in the Colorado Springs market

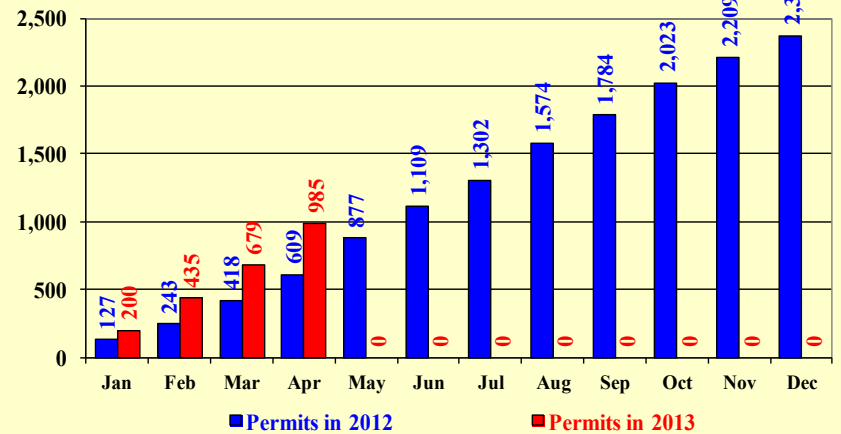
Through April, multi-family permits totaled 312 units. This supports the expectation of a third consecutive 600 plus year for El Paso County.

Single Family Detached & Townhomes Building Permits in El Paso County



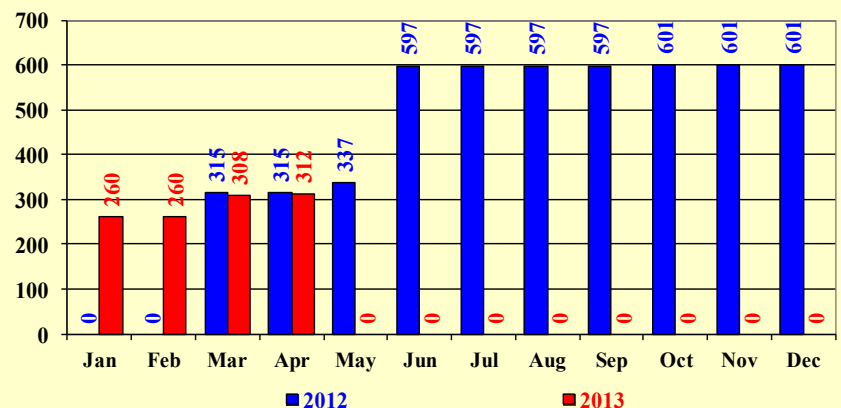
Source: Pikes Peak Rgl Bldg Dept, and UCCS Southern Colorado Economic Forum

Single Family Detached and Townhome Permits in El Paso County: Cumulative Comparison



Source: Pikes Peak Regional Building department and UCCS Southern Colorado Economic Forum

Multi-Family Housing Units in El Paso County - Year to Date Comparison



Source: Pikes Peak Rgl Bldg Dept, and UCCS Southern Colorado Economic Forum

Single Family Permit Forecast

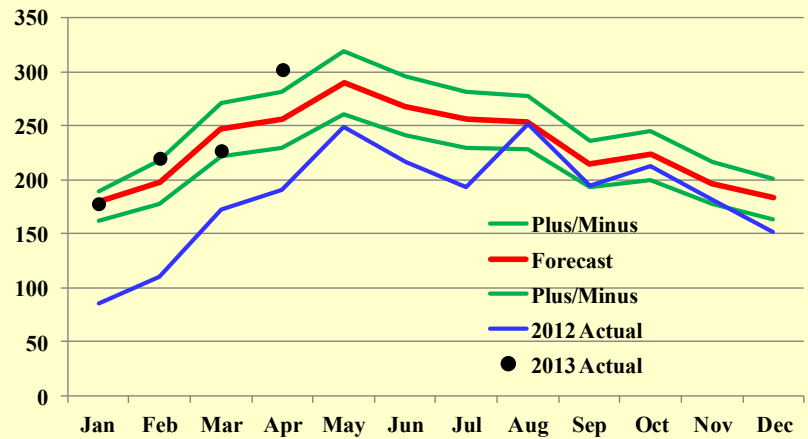
At its Sixteenth Annual Forum on September 28, 2012, the Forum forecasted growth in single family home permits would be 6.5 percent in 2013. The forecast at the time was clouded by concerns over the fiscal cliff and how quickly construction in mountain shadows. Would take place. Congress has at least temporarily kicked the cliff down the road.

Recent global data suggest Europe is bottoming out and is likely to grow slowly in 2013. Growth in China is accelerating. Employment gains in the U.S. are improving. Initial claims for unemployment insurance continue to drop. The Federal Reserve has repeatedly assured financial markets it will continue to pursue an aggressive pro-growth monetary policy. Inflation concerns appear to be minimal. The emerging economic recovery made it appropriate to revise the 2013 forecast for single family permits in El Paso County in the prior *QUE*. A quarterly revision will become normal. Enclosed is this quarter's scorecard and revision.

The prior forecast proved to be very reliable for the January-April 2013 period. The cumulative forecast was off by 5 percent through April 2013. Alternatively stated, the forecast underestimated new permits by 46 during a period when there were 927 actual permits issued. The Forum has revised the forecast for the next twelve months (May 2013 through April 2014). The Forum expects there will be 2,850 permits. This would be an increase of 271 permits (10.5%) compared to the twelve prior months.

The Forum's forecast for 2013 calls for 2,811 detached, single family permits in El Paso County. This would be a 27 percent increase over 2012.

Forecast of Monthly Detached Single Family Permits for 2013
El Paso County



Data Source: PPRBD. Forecast by UCCS Forum

Forecast - Detached Single Family Permits in El Paso County

Prior Forecast Review							
Month	Low	Likely	High	Actual Permits	Error	Cum Error	Cum Error %
Jan 2013	162	180	189	178	-2	-2	-1.1%
Feb 2013	178	198	218	220	22	20	5.0%
Mar 2013	222	247	271	227	-20	0	0.0%
Apr 2013	230	256	281	302	46	46	5.0%
Month	Forecast			Year Ago Month	Actual Permits	Projected Growth	Projected Growth %
May 2013	261	290	319	May 2012	249	41	16.5%
Jun 2013	241	268	295	Jun 2012	217	51	23.5%
Jul 2013	230	256	281	Jul 2012	193	63	32.6%
Aug 2013	228	253	278	Aug 2012	252	1	0.4%
Sep 2013	193	215	236	Sep 2012	194	21	10.8%
Oct 2013	200	223	245	Oct 2012	213	10	4.7%
Nov 2013	177	196	216	Nov 2012	182	14	7.7%
Dec 2013	164	183	201	Dec 2012	152	31	20.4%
Jan 2014	175	195	214	Jan 2013	178	17	9.6%
Feb 2014	200	222	244	Feb 2013	220	2	0.9%
Mar 2014	238	265	291	Mar 2013	227	38	16.7%
Apr 2014	256	284	313	Apr 2013	302	-18	-6.0%
Total	2,563	2,850	3,133	Total	2,579	271	10.5%

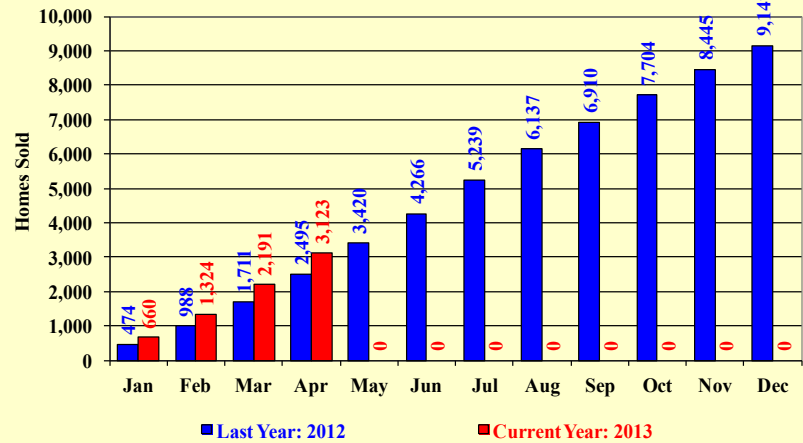
MLS Activity

The trend in home sales continues to improve. Through April, there were 618 (25.2%) more homes sold than the same period in 2012. While not a record pace, this is a significant departure from the weak sales trends over the last five years. Low inventory levels (listings) may constrain sales growth in 2013.

In 9 of the last 12 months, monthly home sales were higher than year earlier number. The demand for housing remains strong through April 2013.

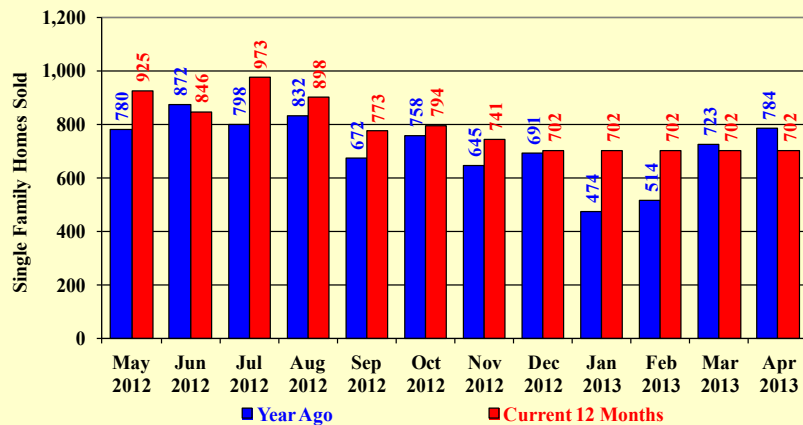
Since March of 2011 (the apparent turning point for listings), active listings of homes have been significantly lower than the year ago month. As of April 2013, there were 451 (13.3%) fewer homes listed for sale than there were in April 2012. This is part of a consistent trend for over a year. The decrease in supply of homes for sale coupled with an increase in sales of homes suggests equilibrium is returning to the local housing market. As expected, this was accompanied by an increase in the average price of homes sold.

Year to Date Sales
(Pikes Peak Region)



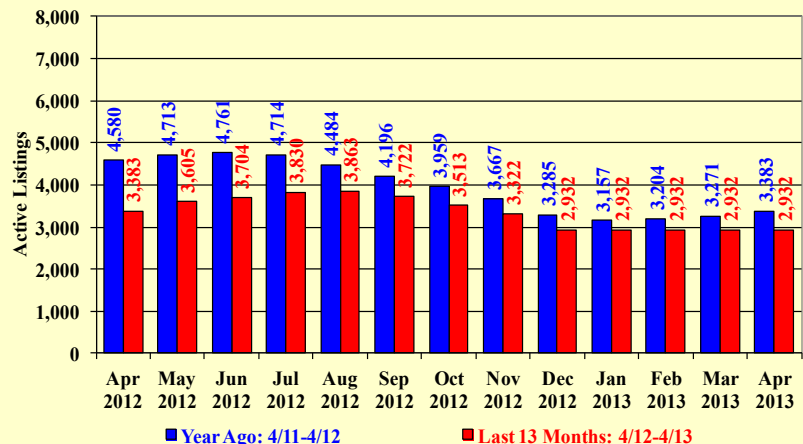
Source: Pikes Peak REALTOR Services Corp. and UCCS Southern Colorado Economic Forum

Monthly Single Family Home Sales
(Pikes Peak Region)



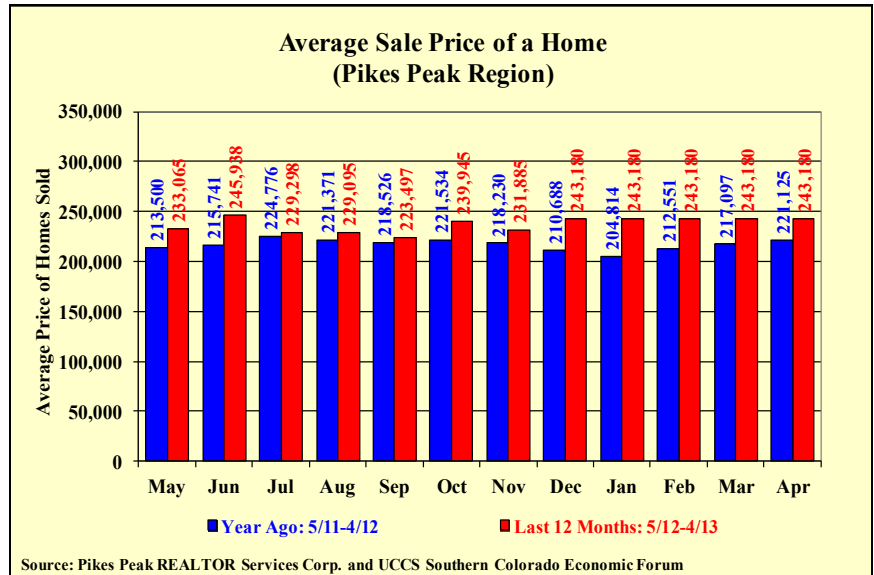
Source: Pikes Peak REALTOR Services Corp. and UCCS Southern Colorado Economic Forum

Active Listings of Homes
(Pikes Peak Region)

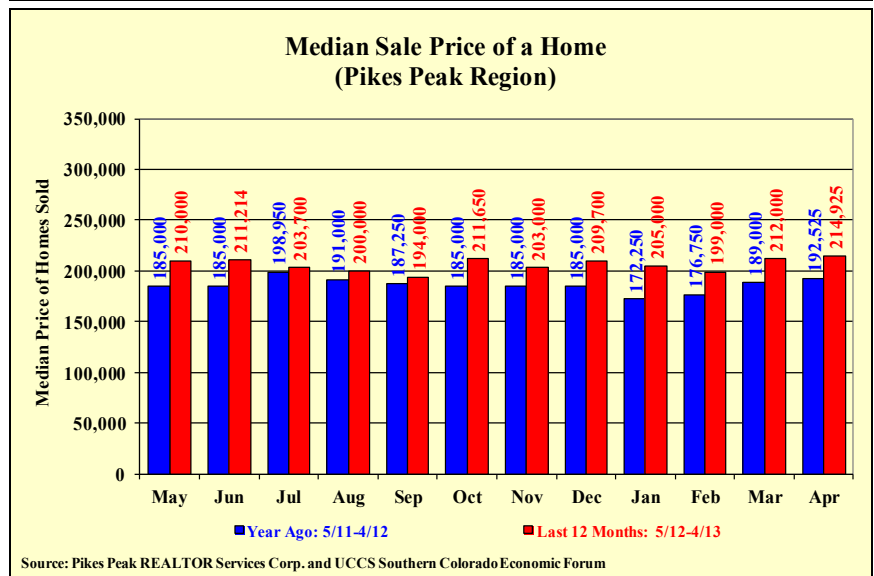


Source: Pikes Peak REALTOR Services Corp. and UCCS Southern Colorado Economic Forum

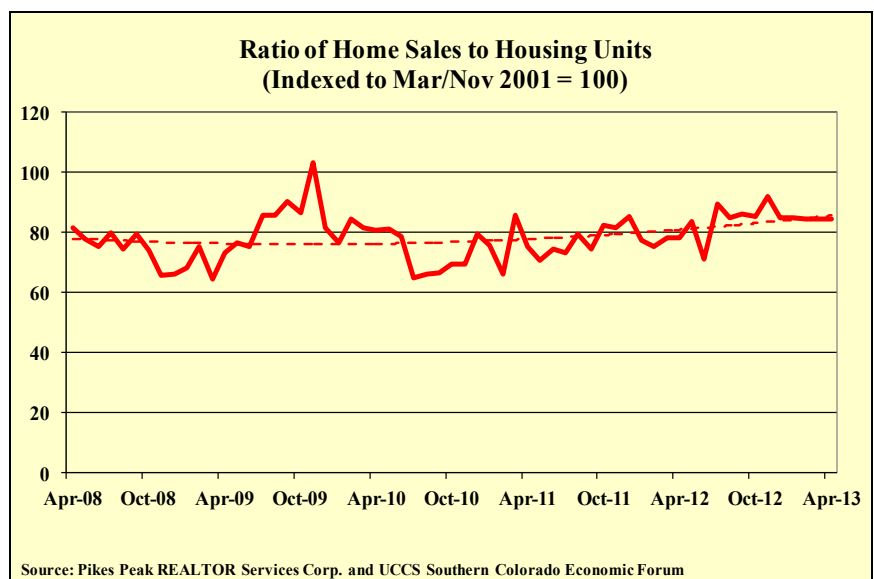
Prices have been trending up since early 2011. The average price of a home sold through April was \$243,180 in April. This is 6.3 percent higher than a year ago. It also follows an 11.6 percent increase for 2012.



Trends in median prices of homes sold are behaving similarly to the average price trend. The median price of a home sold in April was \$209,700. This is 11.6 percent higher than a year ago. It also follows an 13.4 percent increase for 2012.

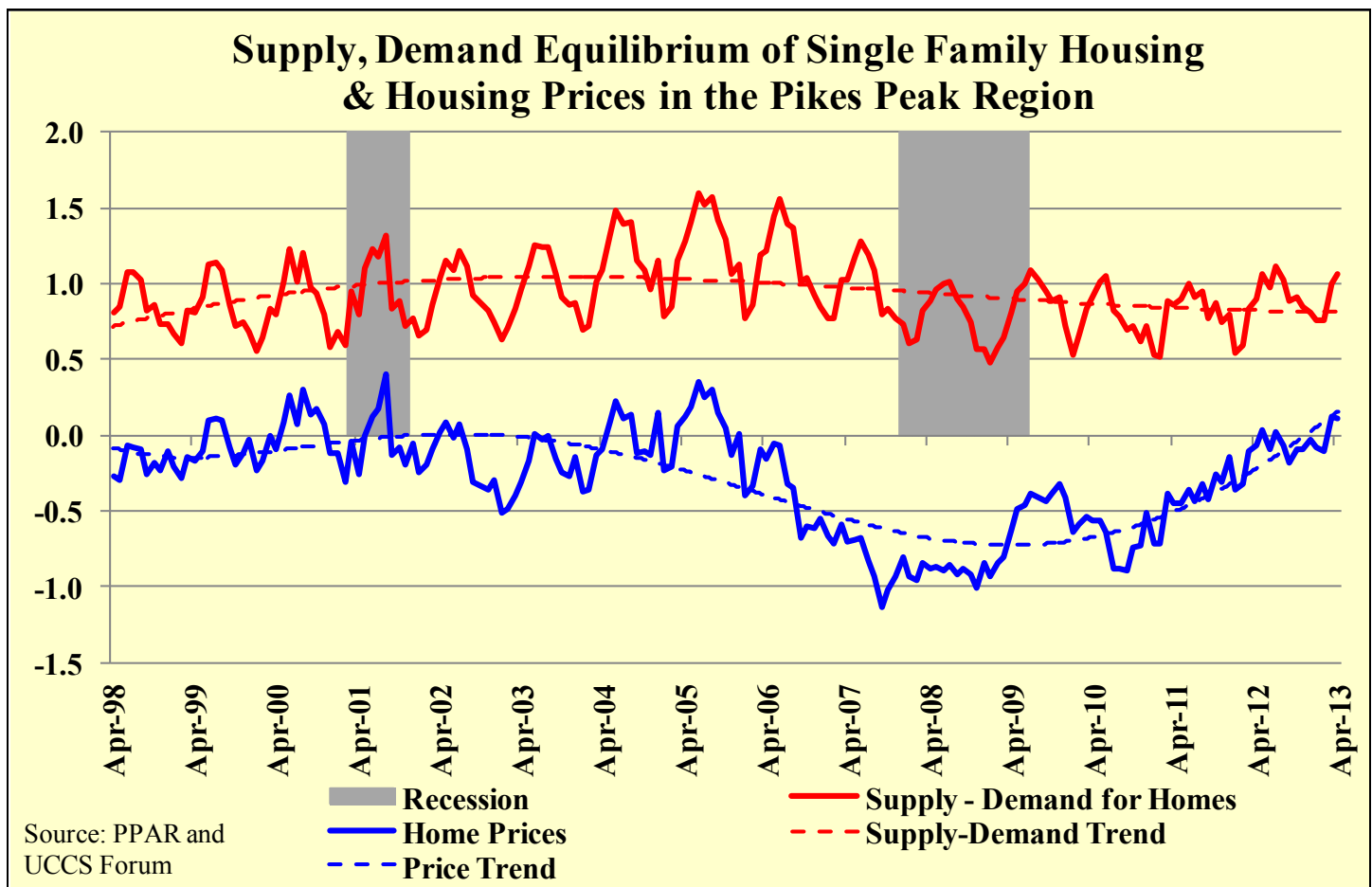


The ratio of homes sold to total single family homes in El Paso County has proven to be a good indicator of strength/weakness in housing. Spikes caused by home buyer tax credits can be seen in late 2009 and early 2010. The trend (dashed line) continues to suggest there is a stable-to-improving local housing market compared to a flat/declining market over the last few years.



Housing Price Equilibrium in the Region

The relation between supply and demand for private residential housing in the region was out of balance because of a significant oversupply in late 2006. This persisted through the middle of 2009. The excess supply of housing contributed to declines in housing prices (blue line) through the end of 2008. Tax credits stimulated an increase in demand through the first half of 2010. Since then, market forces appear to have driven supply/demand to equilibrium as of June 2012. The movement toward supply/demand balance was noted in the last several issues of the *QUE*. The expected increase in prices has taken place. Continued improvement in housing prices will depend on low mortgage rates and income and job growth.



Explanation of Data and Process

The Forum was asked to study the effect demand and supply of single family housing has on housing prices. The Forum gathered monthly demand, supply and price data from the Pikes Peak Association of REALTORS® and its Pikes Peak REALTOR® Services Corporation (RSC) for this study. Demand was identified as actual sales reported by RSC. Supply was identified as the number of active listings by RSC. Price is the average price of an MLS facilitated sale in the region. Demand, supply and price data were seasonally adjusted and indexed. If sustained demand exceeded supply the excess demand would suggest prices would trend upward. If sustained demand is less than supply, the excess supply would suggest prices would trend downward. If trends in supply and demand of housing were roughly equal, prices should behave “normally” with limited plus and minus variations around an upward price trend. Supply/demand equilibrium takes place on the graph at the horizontal “1” value. Relative supply/demand equilibrium tends to be observed in a band +/- 0.25 around “1.”

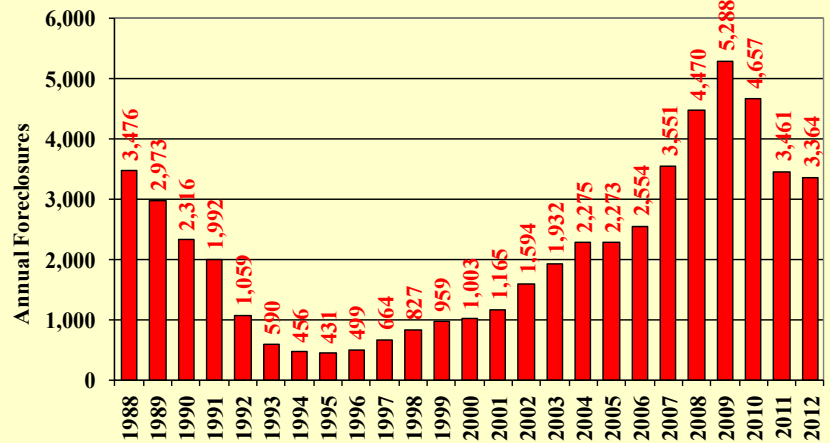
Foreclosures

Foreclosures continue to trend downward. As with other recent housing trends, this suggests the local housing market is improving. The return of Fort Carson troops from deployments in the middle east might contribute to additional improvements in 2013. The effect of sequestration at Fort Carson, and its impact on housing is not known. Foreclosures in 2013 are expected to decline, perhaps to 2,000-2,400.

El Paso County foreclosure proceedings per 1,000 single family homes continue to decline from the peak in 2009. The ratio would need to decline approximately 40 percent from the 2012 level to the healthier experienced in 2002.

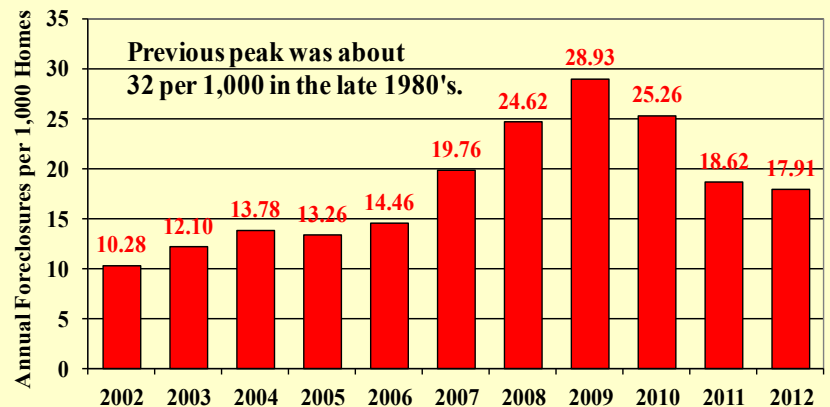
An alternative view that supports an improving trend in the area's single family housing market is illustrated in the chart to the right. New residential permits and foreclosures appear to be inversely related. After peaking in mid 2009, foreclosures have trended down. Single family permits bottomed out in 2009 before beginning to increase slowly. The downward trend in foreclosures through 2012 was accompanied by an increase in new permits. This is expected to continue in 2013.

El Paso County Foreclosure Proceedings



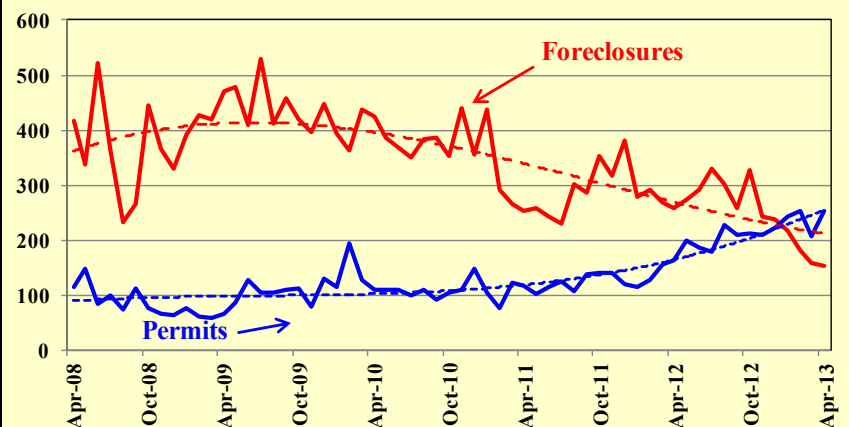
Source: El Paso County Public Trustee and UCCS Southern Colorado Economic Forum.
*2012 are projections by the Forum.

El Paso County, Foreclosure Proceedings per 1,000 Single Family Homes (Detached + Townhomes)



Source: El Paso County Public Trustee and UCCS Southern Colorado Economic Forum
*Projection

Detached Single Family Permits and Initiated Foreclosure Proceedings in El Paso County (Seasonally Adjusted)



Source: El Paso County Trustee, PPRBD and UCCS Forum

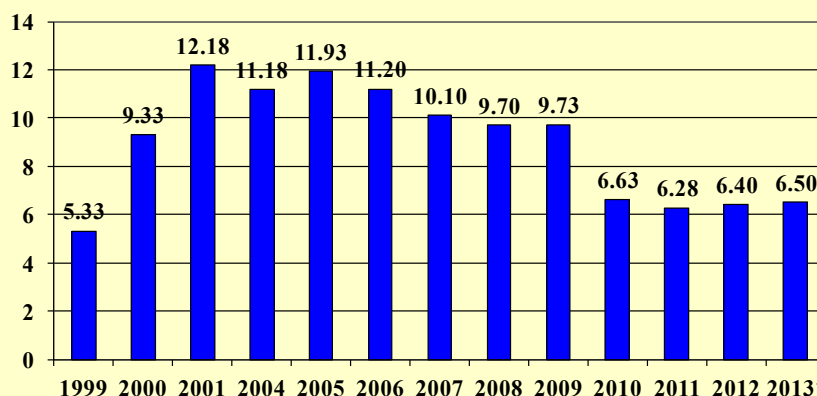
Multi-family Market

The market for multi-family housing continues to tighten. The Forum estimated the March 2013 vacancy rate at 6.5 percent (6.4% in March 2012) and apartment rents at \$780 (\$755 in March 2012). Recent and planned multi-family permit activity will alleviate some of the pressure on this market. However, it is not expected to offset the increase of troops at Fort Carson who will be at the base rather than being deployed in the middle east. The market for multi-family housing is expected to remain tight through 2013.

A large unknown about multi-family housing in 2013 is the effect federal budget cuts will have on the number of active military stationed at the region's bases. The Department of Defense examined a scenario in which troop levels at Fort Carson might be reduced by 8,000. Some cuts can be expected. If cuts do occur, they may take place over several years.

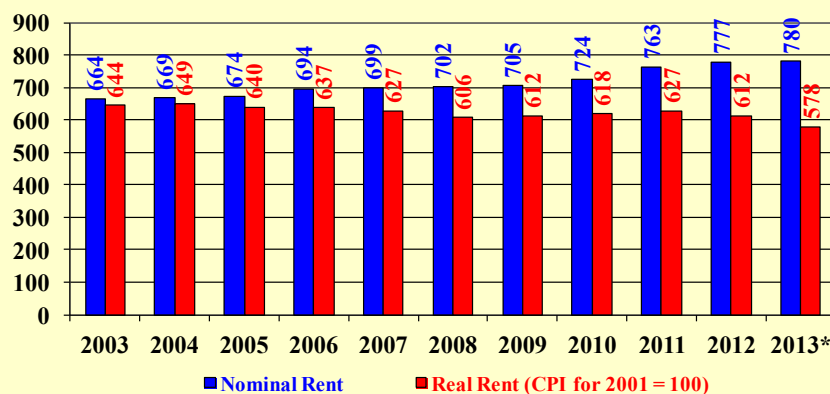
Alternatively, Fort Carson might see an increase of 3,000 troops as part of the sequestration process. This scenario was also considered by the Department of Defense. If this happens, the market for multi-family housing will tighten in 2013 and 2014.

Multi-Family Annual Vacancy Rates in El Paso County



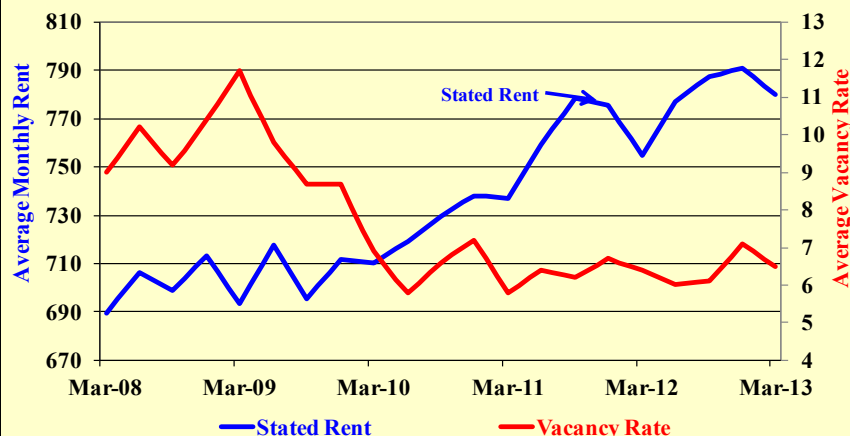
Source: Colorado Division of Housing
*Estimate by UCCS Forum

Annual Nominal & Real Multi-Family Rents in El Paso County



Source: Colorado Division of Housing
*Estimated by the Forum

Monthly Apartment Rents and Vacancy Rates in El Paso County



Source: Colorado Division of Housing, UCCS Forum estimated for latest quarter

Colorado Springs Airport Trends

Enplanements at the Colorado Springs Airport continued a downward trend. This is believed to be the result of:

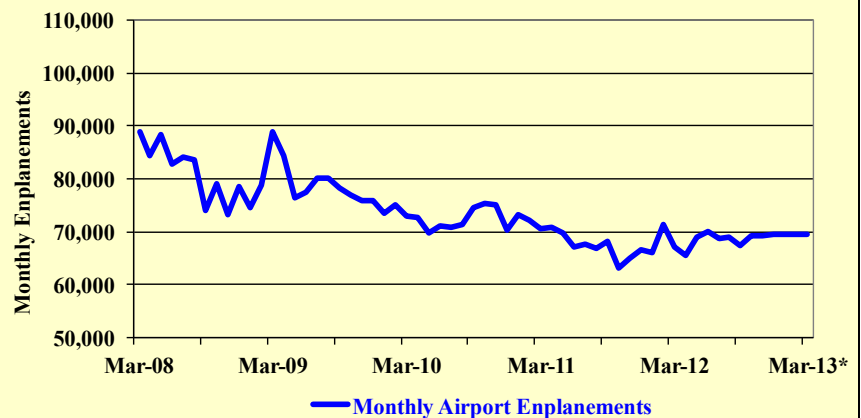
1. realignment of airline routes
2. the slow economy
3. decline in business travel
4. weak tourism activity
5. high fuel prices
6. fewer strategic carriers
7. reduced flights.

Frontier Airlines announced in February 2012 that it would offer four new non-stop routes from Colorado Springs to Phoenix, Los Angeles, Portland and Seattle. This proved to be a brief reprieve.

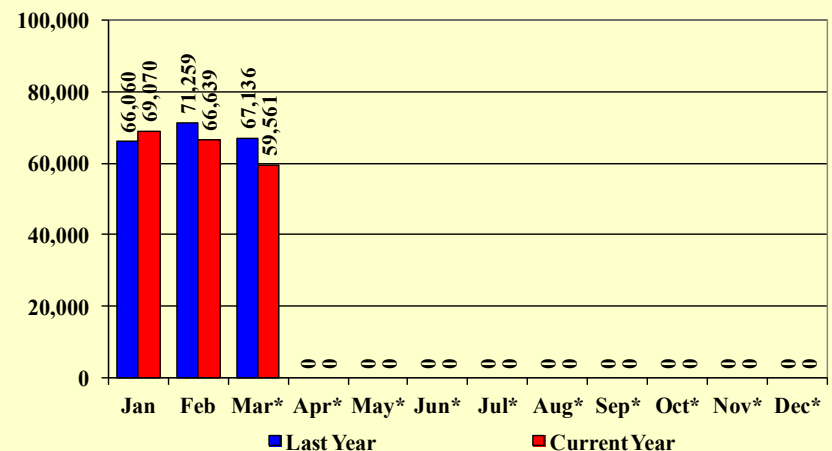
Frontier announced in January 2013 that it would only keep the Phoenix and Los Angeles routes. This stems from disappointing ticket sales. Frontier's September load factor was 63.3 percent vs. 75.4 percent for all other air carriers at the airport. By the middle of February, Frontier announced it would end all service to Colorado springs.

Without new carriers or replacement routes, enplanements at the airport will decline in 2013. A decline of 6-12 percent is likely.

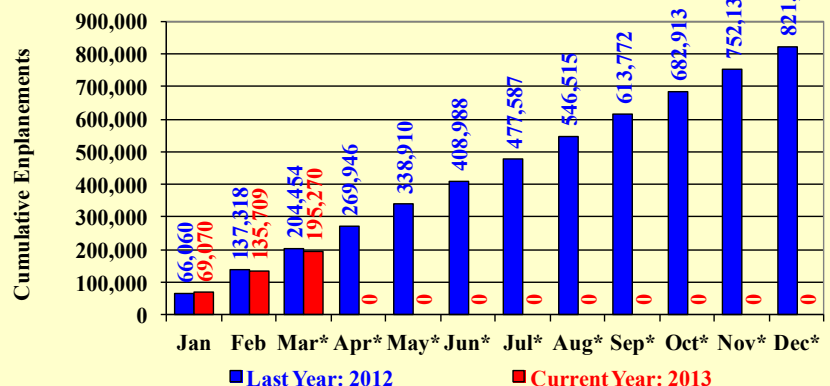
Enplanement Trends at Colorado Springs Airport (Seasonally Adjusted)



Colorado Springs Airport Enplanements Monthly Comparisons: Current & Previous Year



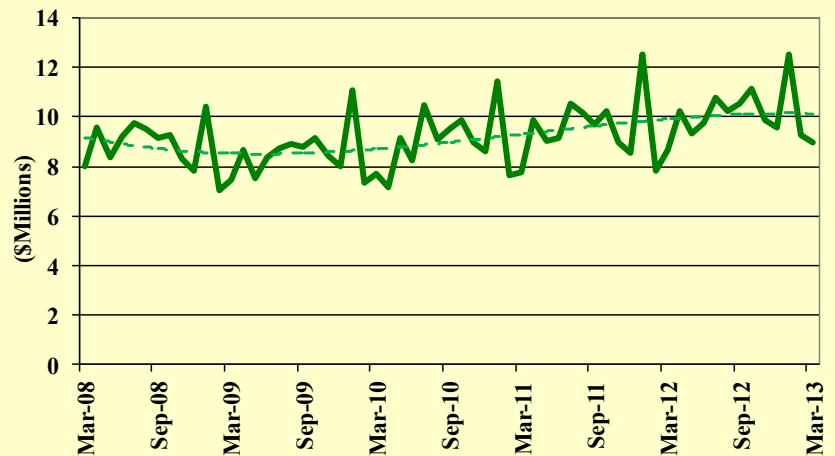
Colorado Springs Airport Enplanements Year to Date Comparison



Colorado Springs Sales Taxes

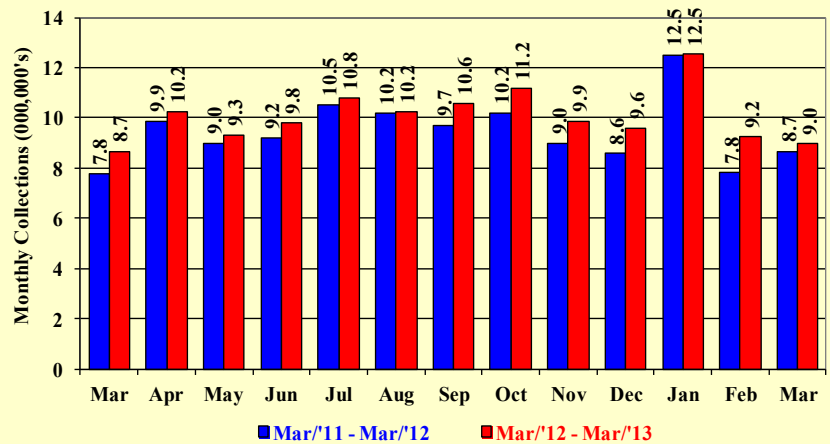
Despite the increase in payroll taxes that took effect January 1st, 2013, consumers are finding more ways to spend fewer dollars (see page 2 for decline in real wages). Much of the gain in sales tax collections was led by collections on building materials and new vehicle registrations. The latest collection figures point to a general increase in sales tax collections across most categories that are reported by Colorado Springs. A year-to-date comparison indicates sales tax collections are 6.3 percent higher than in 2012.

Colorado Springs
2% Monthly Sales Tax Collections



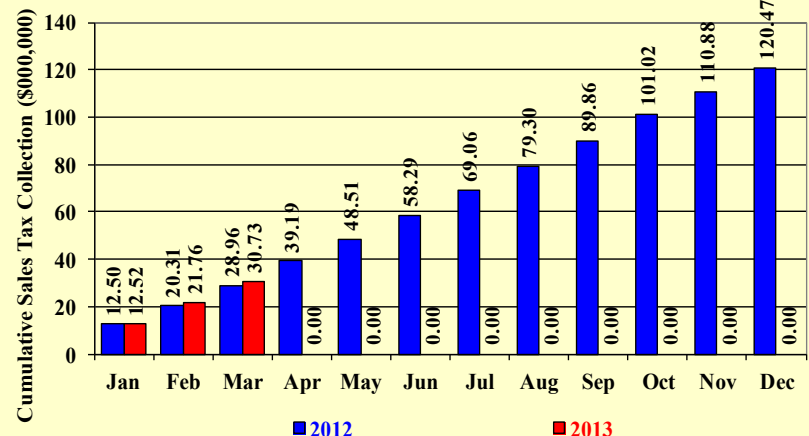
Source: City of Colorado Springs and UCCS Southern Colorado Economic Forum

Sales Tax Collections City of Colorado Springs



Source: City of Colorado Springs and UCCS Southern Colorado Economic Forum

Colorado Springs Cumulative Sales Tax Collections:
Prior and Current Year



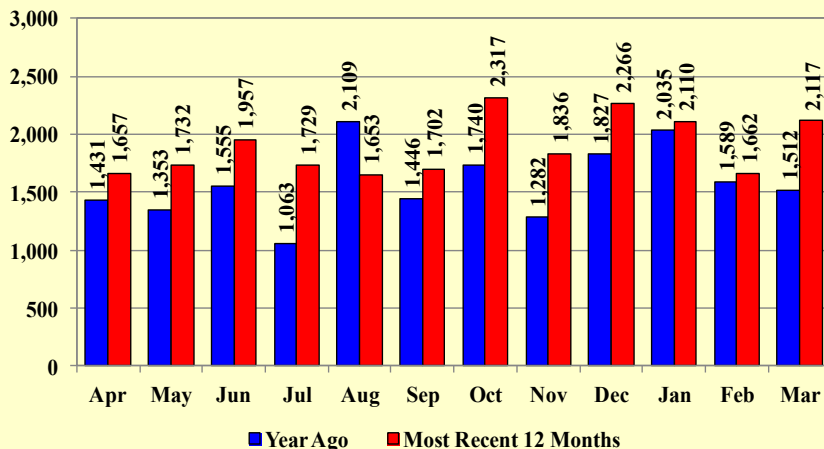
Source: City of Colorado Springs and UCCS Southern Colorado Economic Forum

New Car Registration Trends

Registrations reflect a two month lag from the time a vehicle is sold until it is registered. As with most other indicators the Forum monitors, new vehicle registrations in El Paso County bottomed out around the first quarter of 2009. Increased new car sales and registrations are believed to reflect rising consumer sentiment, the return of troops at Fort Carson and the inevitable pent up demand that developed over the last several years. The average age of a vehicle in the U.S. is 10.8 years. Registrations have been higher in 11 of the last 12 months vs. year ago registrations. Registrations in 2012 were up 24.1 percent over 2011. The trend is continuing in 2013. Through April, registrations are up 21 percent (1,424 vehicles). New registrations through April 2013 were 8,217 compared to 6,793 through April 2012.

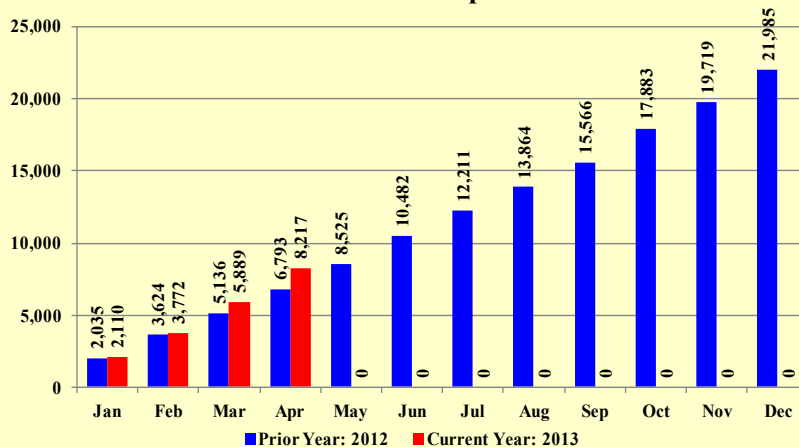
An alternative measure of the strength in new vehicle registrations is registrations per capita. There were more than 150 new registrations per 1,000 residents in April. This is the highest April level since 2007. The current level is 2.5 time higher than the lows hit during the summer of 2009.

New Vehicle Registrations in El Paso County:
Previous and Current Twelve Months



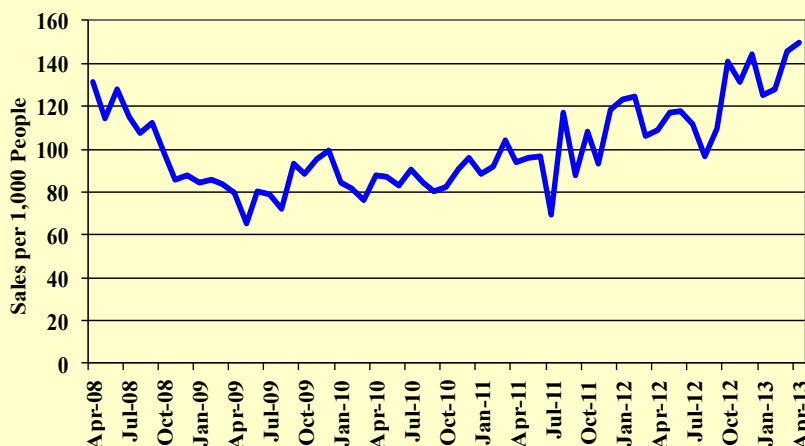
Source: El Paso County Clerk and Recorder and UCCS Forum

New Vehicle Registrations In El Paso County
Year to Date Comparison



Source: El Paso County Clerk and Recorder and UCCS Southern Colorado Forum

Monthly, Per Capita New Vehicle Registrations
in El Paso County, SA & Indexed: 12/07-6/09 = 100



Source: El Paso County Clerk and Recorder, CO DOLA and UCCS Southern Colorado Economic Forum

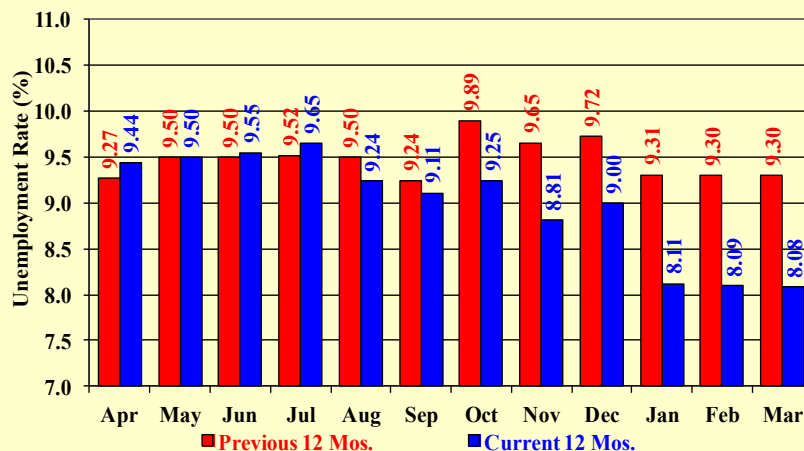
Employment Trends and Wages

The seasonally adjusted unemployment rate for March was 8.08 percent. This is a sharp departure from the 9+ percent unemployment rate plateau that has marked most of the local labor market since May 2009. The lack luster employment growth has been a continuing drag on the local economy.

While the improvement in local unemployment rates is welcome, it should be noted that employment in El Paso County continues to be well below the levels experienced in 2007. Employment in March 2013 is 17,222 lower than the peak employment level of 290,544 in September 2007. Put into context, the county's population grew approximately 67,000 since 2007. A population increase of 67,000 would normally translate to an increase in the labor force of 33,000. The labor force actually shrank by 9,255 from its peak of 308,305 in June 2009. The effective decrease of 42,255 (33,000 + 9,255) indicates there is a large number of people who are no longer looking for work. While the number of discouraged workers is disappointing, it should be noted that this decreased by 6,488 since November 2012.

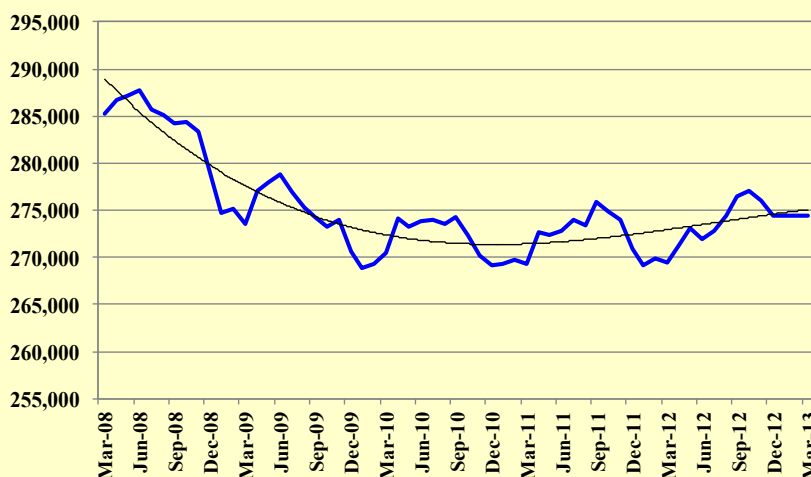
The department of labor revised its labor force and wage data. Based on the revisions, real wages in 2012 declined approximately 4.5 percent. Preliminary estimates for the first quarter indicate real wages are continuing to decline.

El Paso County Unemployment Rate:
(Seasonally Adjusted)



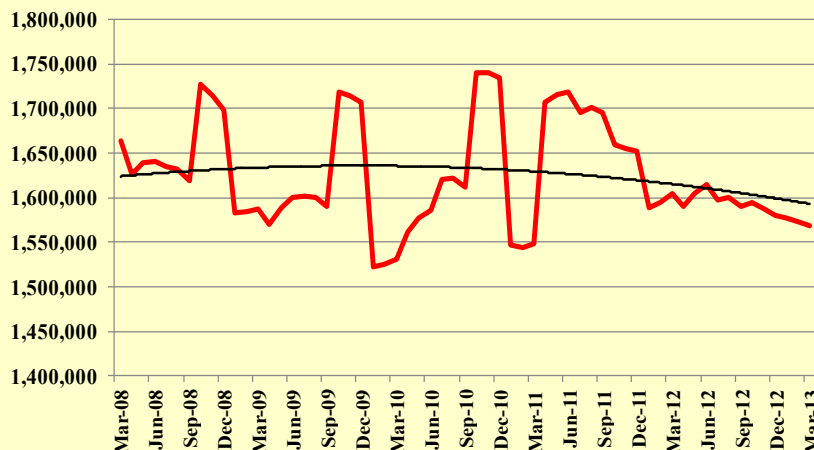
Source: CO LMI and UCCS Forum

Employment Trends in El Paso County



Source: CO LMI and UCCS Forum

Total Monthly Real Wages in El Paso County (000's)



Source: Colorado LMI and UCCS Forum.
July 2012 - December 2012 values were estimated by UCCS Forum.

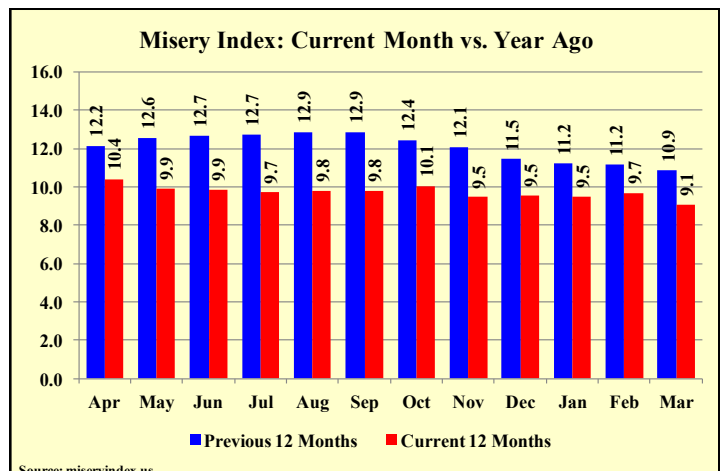
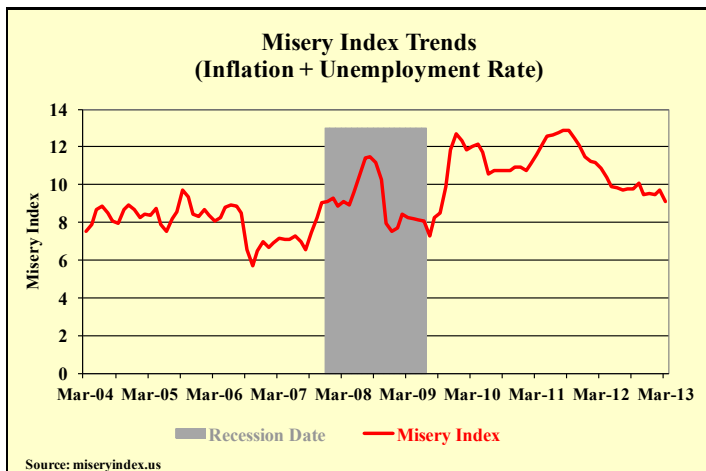
National Expectations

The Federal Reserve Bank of Philadelphia August 2012 *Survey of Professional Economists* (<http://www.philadelphiafed.org/index.cfm>) points toward an improving national economy. A lower unemployment rate, higher GDP and industrial output are expected with inflation of about 2.1 percent. Higher interest rates are expected to accompany the growing demand for money as the economy expands. Concern about a near-term recession is waning. Real growth in GDP is expected to be in the 2.5 percent range.

Annualized Rate for					
	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14
10-Year T-Bond Rate (%)	1.91	2.00	2.14	2.29	2.45
3-Month T-Bill Rate (%)	0.10	0.10	0.10	0.10	0.11
AAA Corp Bond Rate (%)	3.73	3.80	3.90	4.04	4.15
New Private Housing Starts (Annualized Rate Millions)	0.92	0.95	0.98	1.03	1.09
Industrial Production Index (2007=100)	98.3	99.1	100.0	100.8	101.7
CPI Annual Rate %	1.8	2.1	2.1	2.1	2.1
Real GDP Growth %	2.1	2.3	2.6	2.5	2.7
Unemployment Rate %	7.8	7.7	7.6	7.5	7.4
Employment Growth					
Nonfarm Payroll Employment Growth (000's)	165.3	154.2	172.0	180.4	171.5
Nonfarm Payroll Employment Growth (%)	1.5	1.4	1.5	1.6	1.5
Likelihood of Decline in Real GDP					
Mean Likelihood of a Decline in Real GDP (%)	15.3	18.0	12.5	13.6	13.2

Misery Index

The Misery Index, a consumer economic wellness measure (www.miseryindex.us), defines consumer misery as the sum of the rate of unemployment and the rate of inflation. The lower left chart illustrates the historical values for the last ten years through March 2013. As expected, the index remained in the 9.0 to 9.5 percent range. An improving job market will help reduce the Misery Index over the coming months. Uncertainty lies with food and energy costs. The net effect could be an offset that leaves the Misery Index around 9 percent over the next few months.



Selected Economic Indicators													
National Quarterly Data			2012 Q2			2012 Q3			2012 Q4			2013 Q1	Change vs. Yr Ago
Ttl Loans/Lease Charge-off Rate %			1.17			1.21			0.91			na	-0.43
Loan Delinquency Rate %			5.15			5.02			4.65			na	-0.80
Benefit Costs SA 2005=100			117.4			118.1			118.8			118.4	1.70
Compensation Costs SA 2005=100			116.3			116.8			117.3			117.7	2.00
Retail Sales SA (billions)			1,093			1,081			1,157			na	44.48
e-Sales SA (billions)			51.2			52.5			71.6			na	9.79
e-Sales as % of Retail Sales SA			4.7%			4.9%			6.2%			na	0.006
GDP Real % Growth SA			1.3%			3.1%			0.4%			2.5%	0.005
Household Debt Service Ratio			10.7%			10.6%			10.4%			na	-0.01
National Monthly Data	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Change vs. Yr Ago
Capacity Utilization SA	77.70	77.80	77.70	77.90	77.20	77.20	77.00	77.80	77.70	77.60	78.30	78.50	1.20
Car & Lt Trk Sales Millions SA	14.08	13.90	14.33	14.04	14.46	14.88	14.23	15.48	15.33	15.22	15.32	15.21	1.12
Cons Sent (1966=100) SA	76.4	79.3	73.2	72.3	74.3	78.3	82.6	82.7	72.9	72.9	72.9	72.9	-3.3
CPI-U 1982-84=100 SA	228.95	228.65	228.92	228.84	230.03	231.23	231.62	231.07	231.14	231.20	232.77	232.34	1.5%
Federal Funds Rate (Effective)	0.14%	0.16%	0.16%	0.16%	0.13%	0.14%	0.16%	0.16%	0.16%	0.14%	0.15%	0.14%	0.01%
Gasoline Price per Gal. of Regular	3.90	3.73	3.54	3.44	3.72	3.85	3.75	3.45	3.31	3.32	3.67	3.71	-\$0.14
Ind Production (1997=100) SA	96.86	97.10	97.13	97.56	96.79	96.95	96.84	98.03	98.11	98.03	99.07	99.48	3.34
Inventory/Sales Ratio SA	1.26	1.27	1.29	1.28	1.29	1.28	1.28	1.28	1.28	1.29	1.28		0.02
Mtg Rate, 30 Yr Conventional NSA	3.91	3.80	3.68	3.55	3.60	3.50	3.38	3.35	3.35	3.41	3.53	3.57	-0.38
Prime Rate (%) NSA	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	0.00
Purch Mgr Index SA	54.10	52.50	50.20	50.50	50.70	51.60	51.70	49.90	50.20	53.10	54.20	51.30	-2.00
Real Rtl/Food Svc Sales SA (billions)	404.11	403.64	400.64	403.59	407.70	412.71	412.00	414.04	416.07	415.80	420.10	418.28	11.48
S&P500	1408.5	1405.8	1278.0	1362.2	1375.1	1406.6	1444.5	1427.6	1416.2	1462.4	1513.2	1518.2	144.1
Tech Index SA - Mar 2001 = 100	112.8	113.5	110.5	108.3	106.7	105.6	106.8	108.1	108.2	104.5	103.5	102.9	-8.9
Trade Weighted Dollar	72.8	73.9	75.0	75.2	74.2	72.6	72.7	73.6	73.1	73.5	74.6	76.2	3.3
West Texas Oil Spot Price NSA	103.3	94.7	82.4	87.9	94.2	94.7	89.6	86.7	88.3	94.7	95.3	93.1	-13.1
Colorado Data	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Change vs. Yr Ago
Denver-Boulder CPI SA (est)	228.49	229.43	230.36	231.32	232.28	233.24	231.54	232.68	233.81	233.81	233.81	233.81	2.75%
Kansas City Fed Mfg Index (NSA)	125.4	132.5	124.6	125.0	133.3	127.6	121.2	119.0	125.0	120.9	109.2	111.8	-32.0
Labor Force NSA (000's)	2,720	2,732	2,767	2,763	2,751	2,760	2,766	2,744	2,742	2,742	2,742	2,742	21.2
Labor Force SA (000's)	2,745	2,744	2,742	2,740	2,740	2,742	2,744	2,746	2,748	2,748	2,748	2,748	12.2
Employment NSA (000's)	2,505	2,516	2,534	2,534	2,534	2,555	2,561	2,543	2,536	2,536	2,536	2,536	38.7
Employment SA (000's)	2,520	2,519	2,517	2,518	2,521	2,525	2,532	2,537	2,541	2,541	2,541	2,541	43.7
Unemployment Rate NSA	7.9%	7.9%	8.4%	8.3%	7.9%	7.4%	7.4%	7.3%	7.5%	7.5%	7.5%	7.5%	-0.7%
Unemployment Rate SA	8.2%	8.2%	8.2%	8.1%	8.0%	7.9%	7.7%	7.6%	7.5%	7.5%	7.5%	7.5%	-0.3%
Colorado Springs Data	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Change vs. Yr Ago
Business Conditions Index SA	106.38	112.14	109.84	107.16	110.44	111.19	115.65	113.68	114.62	112.90	113.71	111.72	4.9
Co Spgs Airport Boardings SA	65,492	68,964	70,078	68,598	68,928	67,258	69,141	69,225	69,608	69,070	66,639	59,561	-4,688
Foreclosures SA	293	274	336	318	331	252	304	207	220	214	180	155	-109
New Car Registrations SA	1,667	1,795	1,807	1,714	1,488	1,692	2,182	2,033	2,235	1,950	1,990	2,274	650
Sales & Use Tax (\$million) SA	10.517	10.630	10.717	10.372	10.631	10.979	11.040	10.915	11.070	10.881	11.452	11.292	0.885
Single Family & TH Permits SA	164	218	198	175	246	220	243	226	236	252	275	219	95
Labor Force NSA (000's)	298.9	300.4	301.9	302.5	301.9	302.1	303.2	301.3	300.6	300.4	301.8	299.1	0.03
Employment NSA (000's)	271.4	273.1	272.0	272.8	274.4	276.4	277.1	276.0	274.4	274.0	275.5	273.3	3.92
Unemployment Rate NSA	9.2%	9.1%	9.9%	9.8%	9.1%	8.5%	8.6%	8.4%	8.7%	8.8%	8.7%	8.6%	-1.3%
Unemployment Rate SA	9.4%	9.5%	9.5%	9.6%	9.2%	9.1%	9.2%	8.8%	9.0%	8.1%	8.1%	8.1%	-1.2%



About the Forum

The Southern Colorado Economic Forum (SCEF) is part of the College of Business outreach to the Colorado Springs Community. The Forum gathers, analyzes and disseminates information relevant to the economic health of the region. Through its efforts, the Forum has gathered a number of unique data sets. The Forum and its staff are available for fee-for-service work to analyze business situations, develop forecasts, conduct and analyze surveys and develop solutions to other business problems you may have. Examples of prior work include Small Area Forecast for the Pikes Peak Area Council of Governments, Colorado Springs Airport Passenger Survey, exit survey for La-Z-Boy, a Community Audit for the Pikes Peak Workforce Center and the Data Mining Project for the Colorado Workforce Centers. If you would like additional information about how the Forum can assist you, contact Fred Crowley at (719) 255-3531 or e-mail at fcrowley@uccs.edu.

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