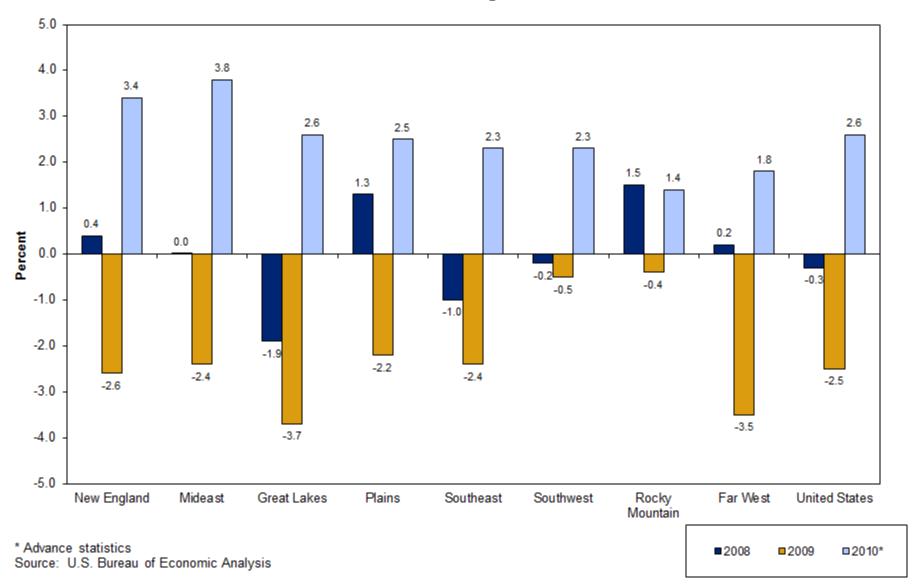
# Local Economic Outlook

Kevin Duncan, Ph.D.
Professor and Senior Economist,
Thomas V. Healy Center for Business and Economic Research

- Healy Center Update:
  - Scholarships next semester, Director
  - Instructions to web page
- Local Economy?
  - ~3,000 new jobs in Pueblo County since January 2011
  - Low growth of region + ongoing housing market issues

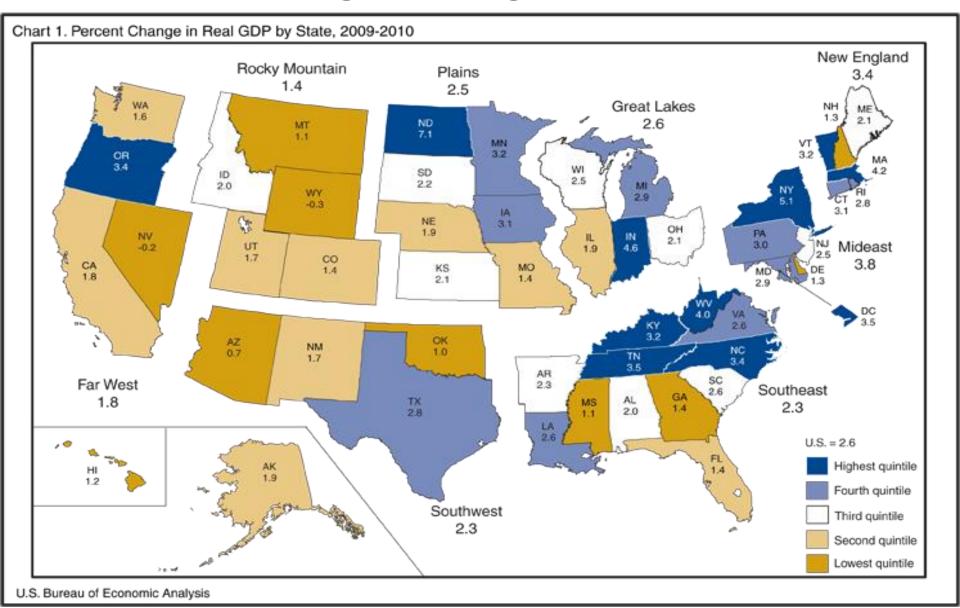
#### Annual Percent Change in Real GDP



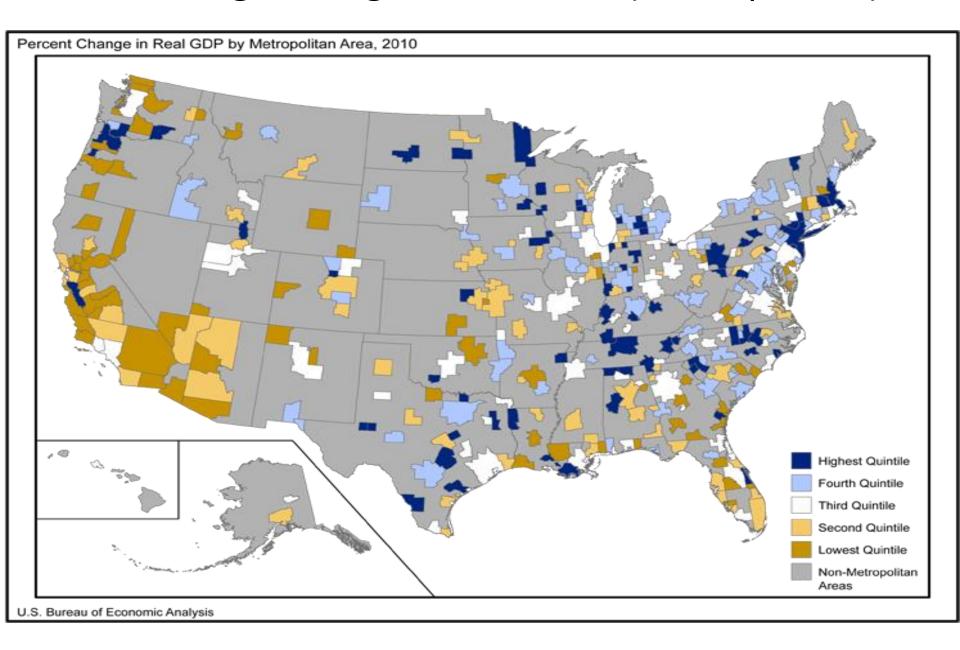
## U.S. Economic by Region

- Rocky Mountain region:
  - Lower growth, but lower dip during recession.
- Colorado in middle of Rocky Mountain region for 2010 growth.

## Percentage change in Real GDP



#### Percentage change in Real GDP (Metropolitan)



# 2010 GDP Growth by Metro Area, Colorado

- Data released September 13 provide information on recent economic growth.
- Pueblo is not always the low growth area.
  - 2007 & 2008, Pueblo in upper half of growth in state.
- High growth in Boulder because of sharp dip.
- Lower growth in Pueblo, lower dip during recession.

#### **Economic Growth Rates by Region/Year**

**Source: BEA** 

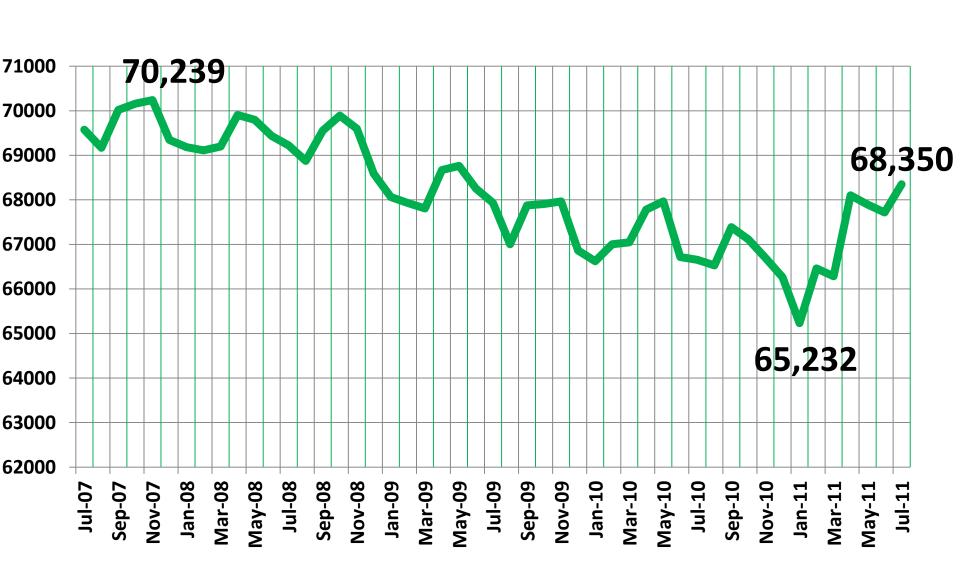
Region	2010	2009	2008	2007
U.S.	3.0	-3.5	-0.3	1.9
Colorado	1.4	-0.5	1.9	2.5
Pueblo	0.8	-0.6	4.4	2.8
Boulder	4.0	-3.0	0.6	5.3
Colorado Springs	3.5	1.7	1.0	2.1
Denver- Aurora- Broomfield	1.3	0.5	2.2	1.7
Grand Junction	-3.3	-6.3	8.4	9.3
Greeley	1.9	-3.5	1.1	3.3

## **Employment Trends for Pueblo County**

- Employment peak in November 2007 (70,239)
- Employment trough in January 2011 (65,232)
- July Employment = 68,350
  - Over 3,000 jobs since January
  - July trend: usually a cyclical downturn
    - A particularly good sign

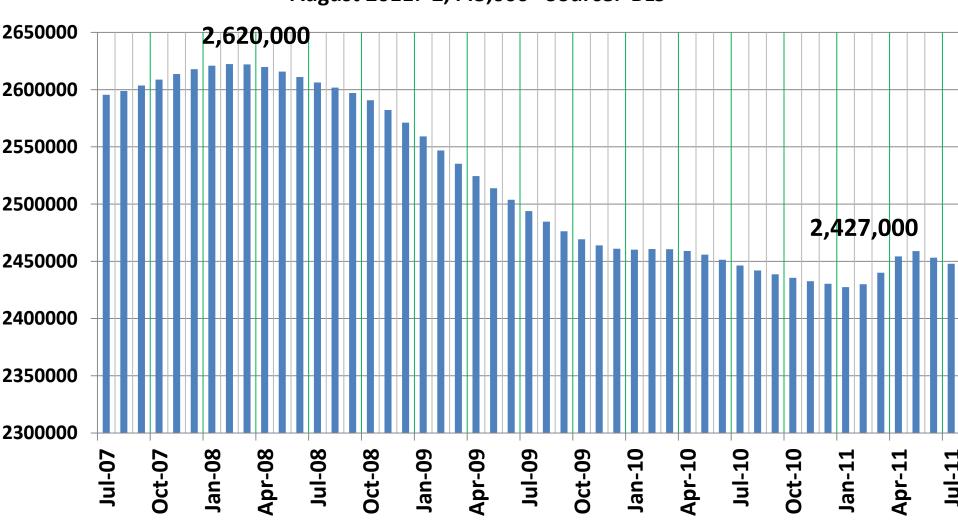
## **Pueblo County Employment**

Monthly Employment (68,350 July) Source: BLS



## **Colorado State Monthly Employment**

August 2011: 2,445,000 Source: BLS



#### Local Job Growth

- Industries included employ over 3,000
  - Account for 2,500 of new jobs since January
- Construction: Recovering from 2001-2011 low of 2,800, but still below recent peak of 4,400.
- Manufacturing: follows national trend.
  - Peaked at 4,800 in 2001.
  - Steady decline since, not recovering after recessions
- Professional & Business Services and Education and Health: Increased to recent peaks, both higher than pre-recession levels.

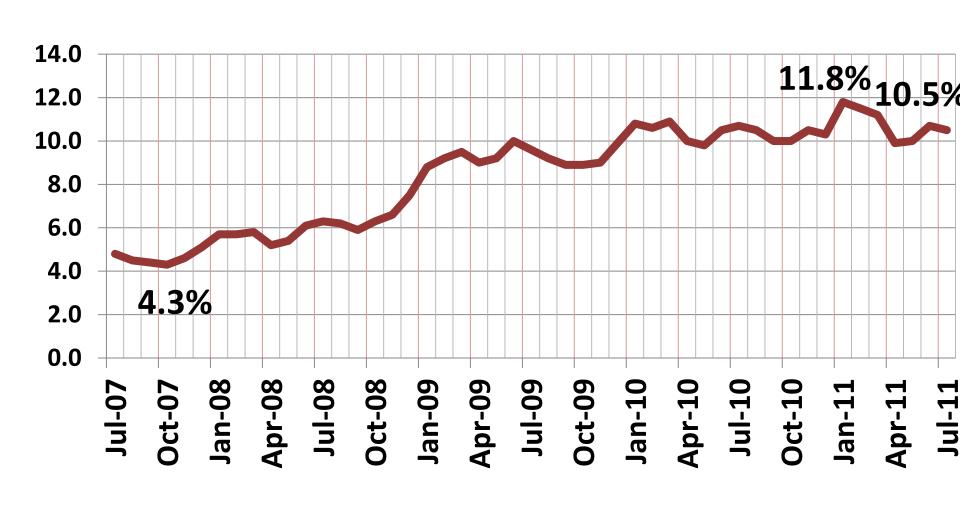
### **Local Job Growth**

(selected industries, BLS)

	•	•	
Industry	August 2011	January 2011	August 2007
Mine, Log, Construction	3,400	2,800	4,400*
Manufacturing	4,300	4,000	4,400
Trade, Trans & Utilities	10,400	10,100	11,000*
Prof. & Bus. Services	6,200*	5,700	5,900
Ed & Health	11,100*	10,800	9,500
Leisure & Hospitality	6,500	6,000	6,600 * = peak

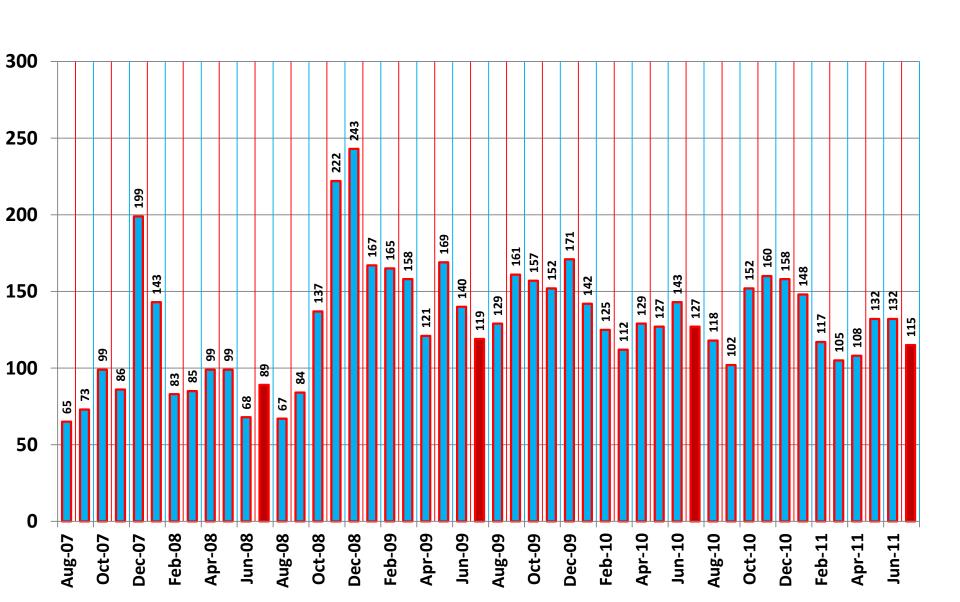
# Pueblo County Unemployment Rate July 2007 to July 2010

Source: BLS



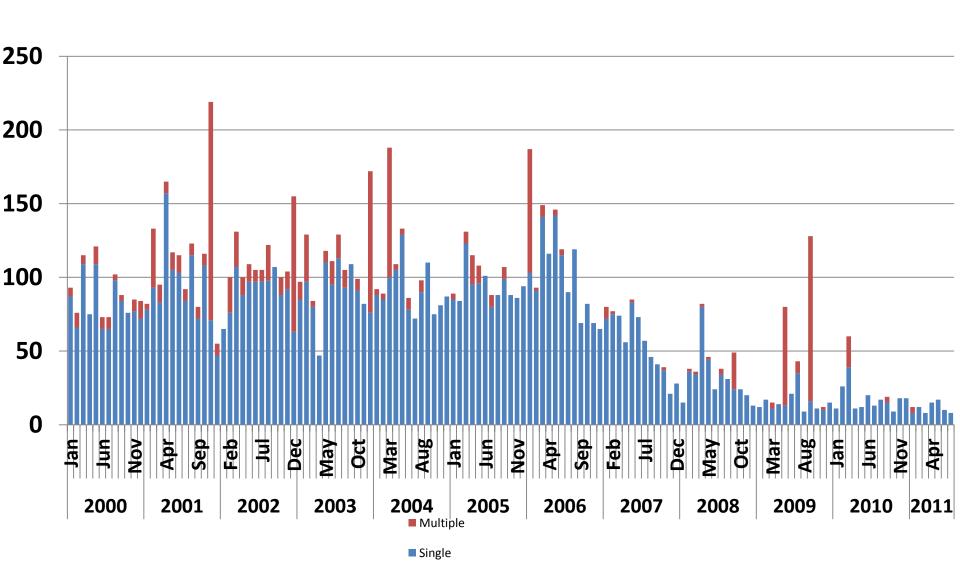
## **Initial Claims for Unemployment Insurance**

Source: CDLE



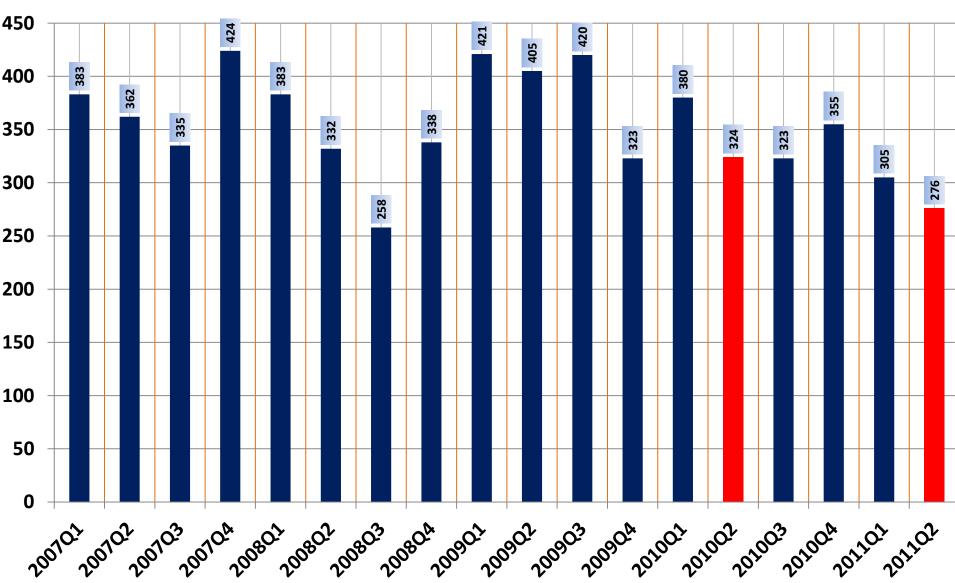
#### **New Privately Owned Residential Building Permits**

Source: Census Bureau Less building, fewer loans into Pueblo



## **Pueblo County Foreclosure Filings**

2004 and 2005: less than 300 per month



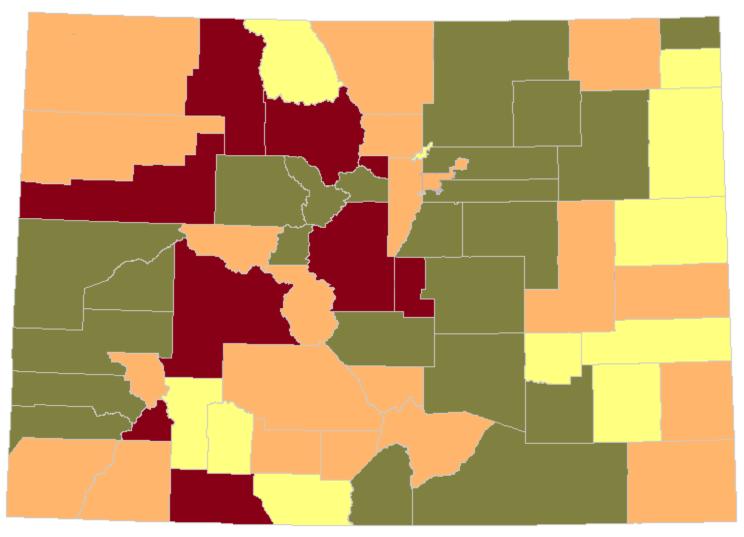
Source: DOL

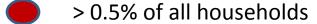
## Foreclosure Filings for August

- US Average: 1 in 570 houses
- Vermont: 1 in 34,916 houses
- Nevada: 1 in 118 houses
- Colorado: 1 in 439 (labeled "hot" by Realty Trac).

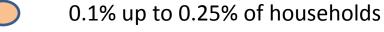
#### **Percentage County Households Completing Foreclosure Process**

Source: DOLA





0.25% up to 0.50% of households



0.1% or less of all households

## The Housing Market Problem

- A self-reinforcing cycle:
  - Weak housing market
  - Reduce consumer wealth and spending
  - Reduces economic activity and job creation
  - Reduces household formation
  - Weaken housing market...
- A headwind for the economy

### Outlook?

- National economy is vulnerable to Japanese supply disruptions, high gas prices and European debt crises...
- Pueblo economy should hold steady.