

# U.S. and Regional Economic Conditions

*January 29, 2021 – State of the Cities Event – Denver, CO*

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The views herein are those of the presenter and do not necessarily reflect those of the Federal Reserve Bank of Kansas City or the Federal Reserve System



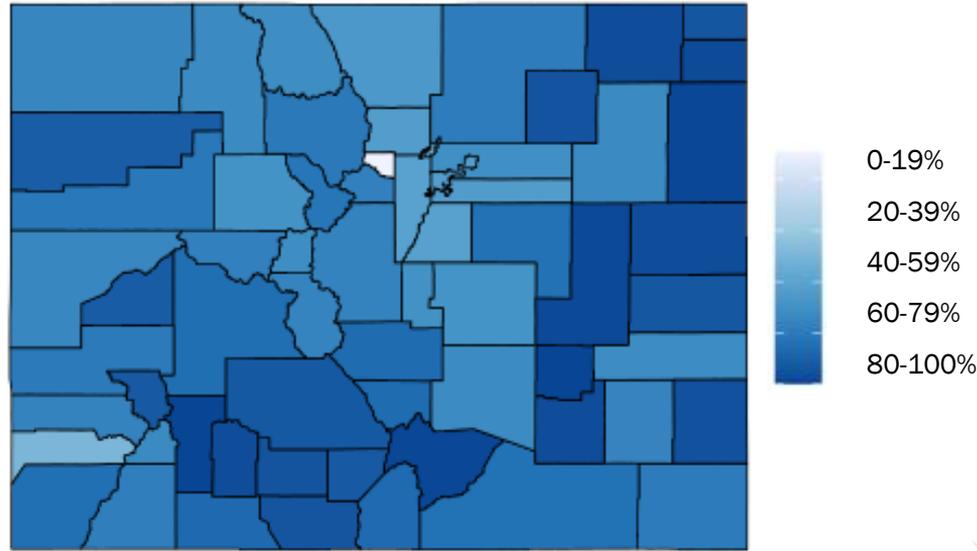
## Outlook themes

- Uncertainty about the near-term outlook remains elevated as a variety of factors – including the pandemic and economic policies – continue to fluctuate
- Retail spending declined in the early winter months, as did employment at restaurants and other leisure and hospitality businesses
- The rollout of COVID-19 vaccines firmed expectations about the medium- to long-term outlook, while questions linger about the viability of many households and businesses in coming months
- Inflation remains subdued on net with some consumer prices facing upward pressures

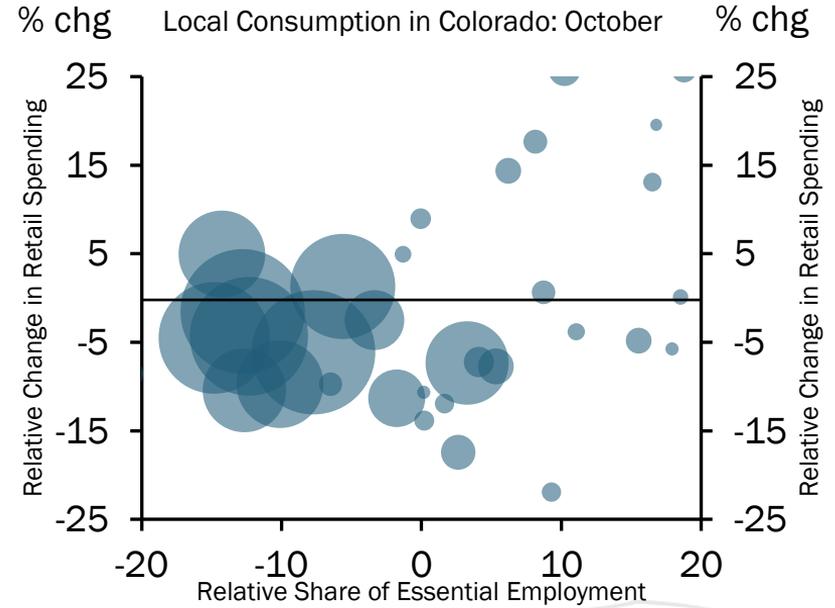
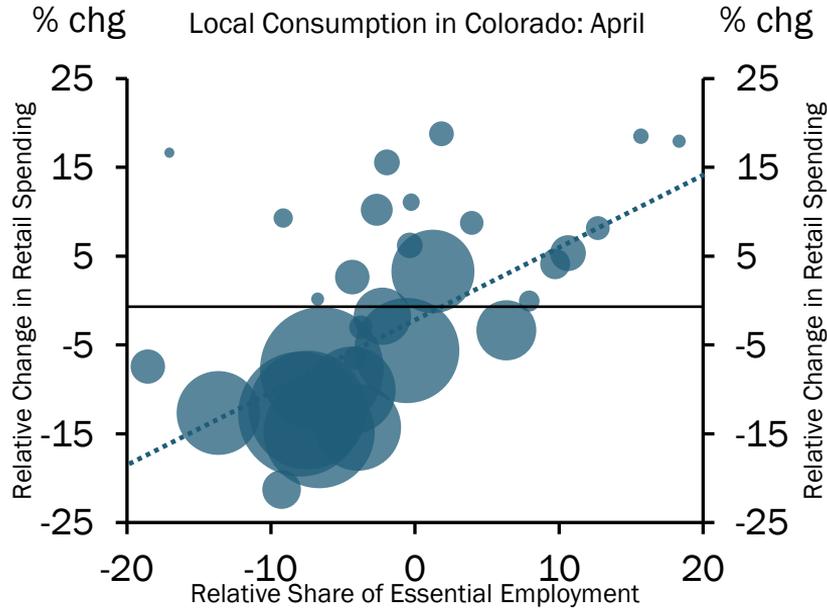


# Colorado counties with a larger share of essential employment experienced smaller declines in employment at the onset of the pandemic

Proportion of Essential Employment

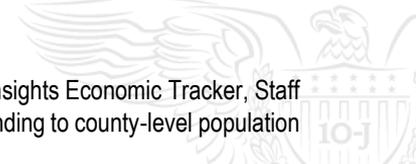


# Proximity to essential employment cushioned local consumption initially, while policy support and adaptation muted local differences later

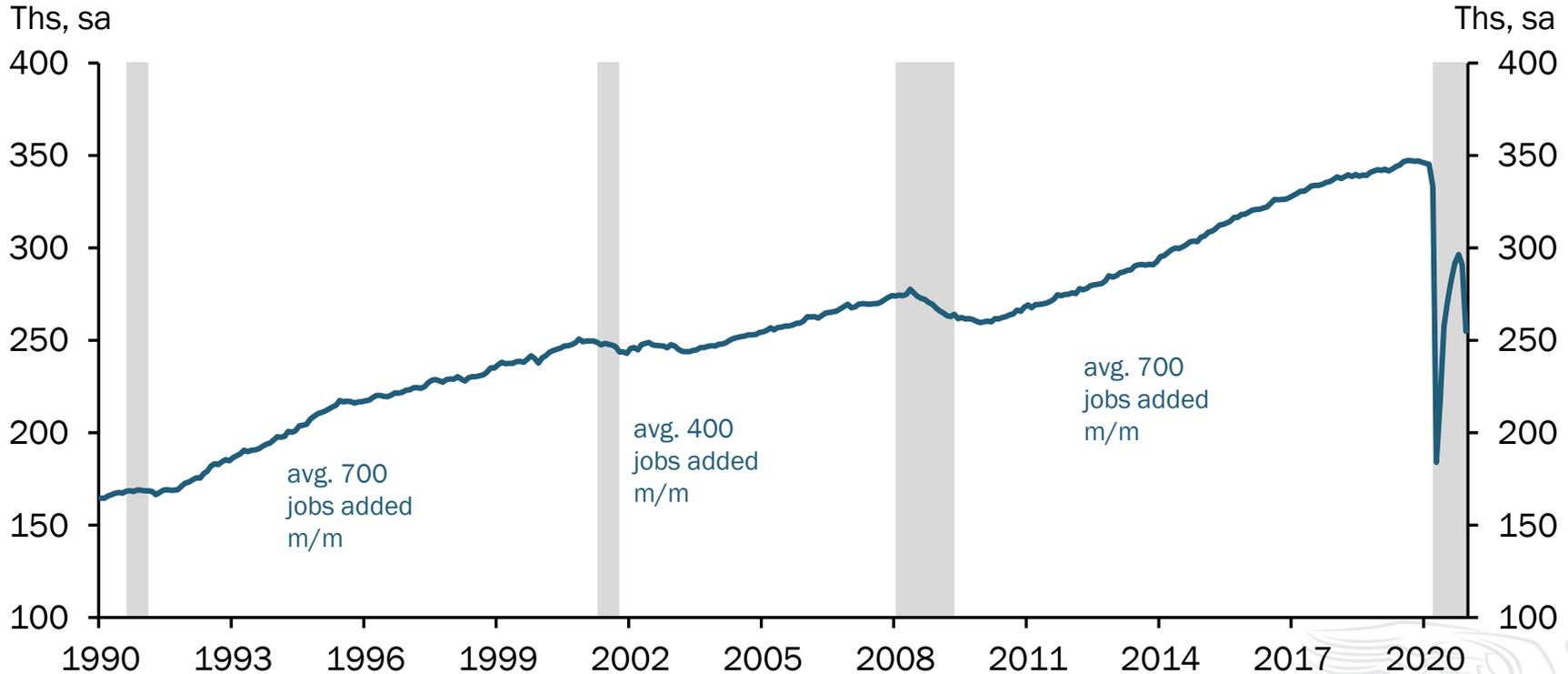


Sources: Bureau of Labor Statistics, Opportunity Insights Economic Tracker, Staff

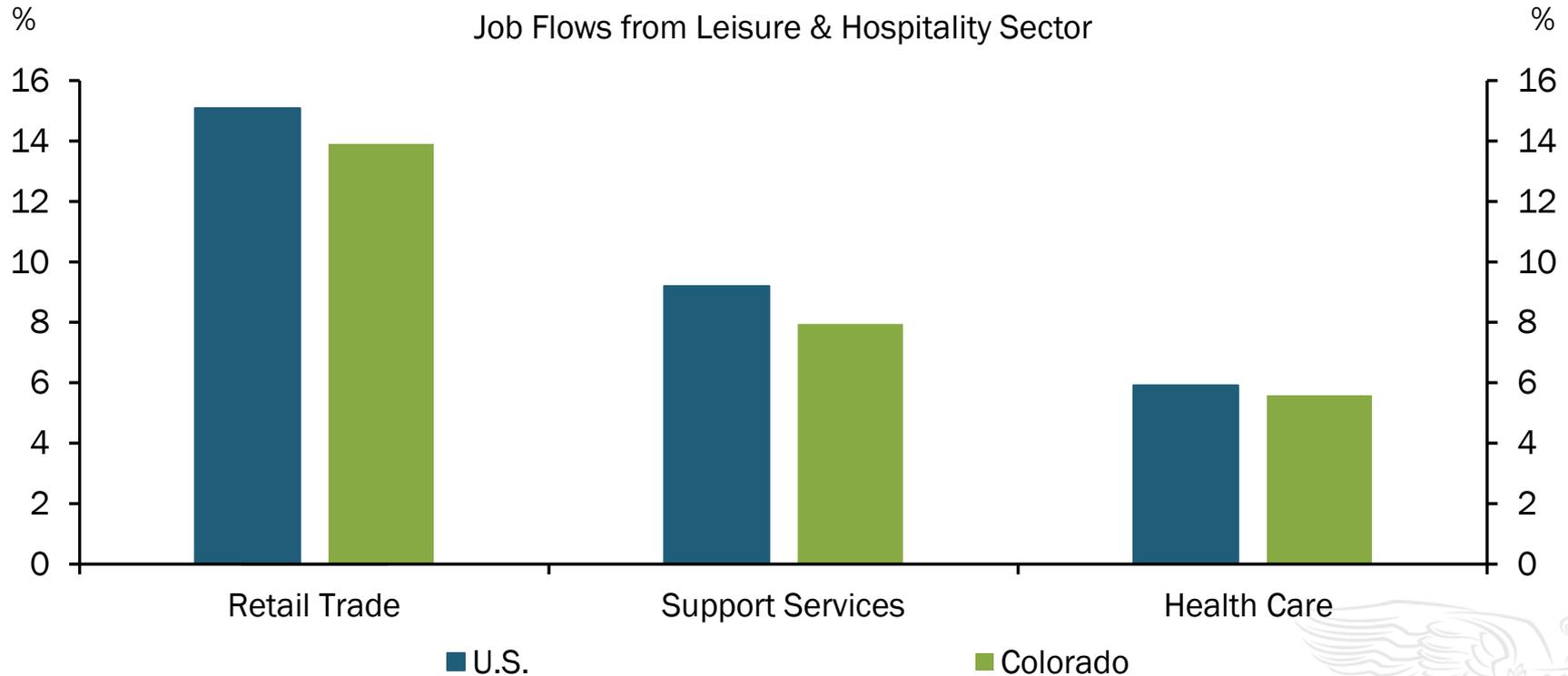
Notes: Each dot corresponds to a single county in Colorado, with the size of the dot corresponding to county-level population



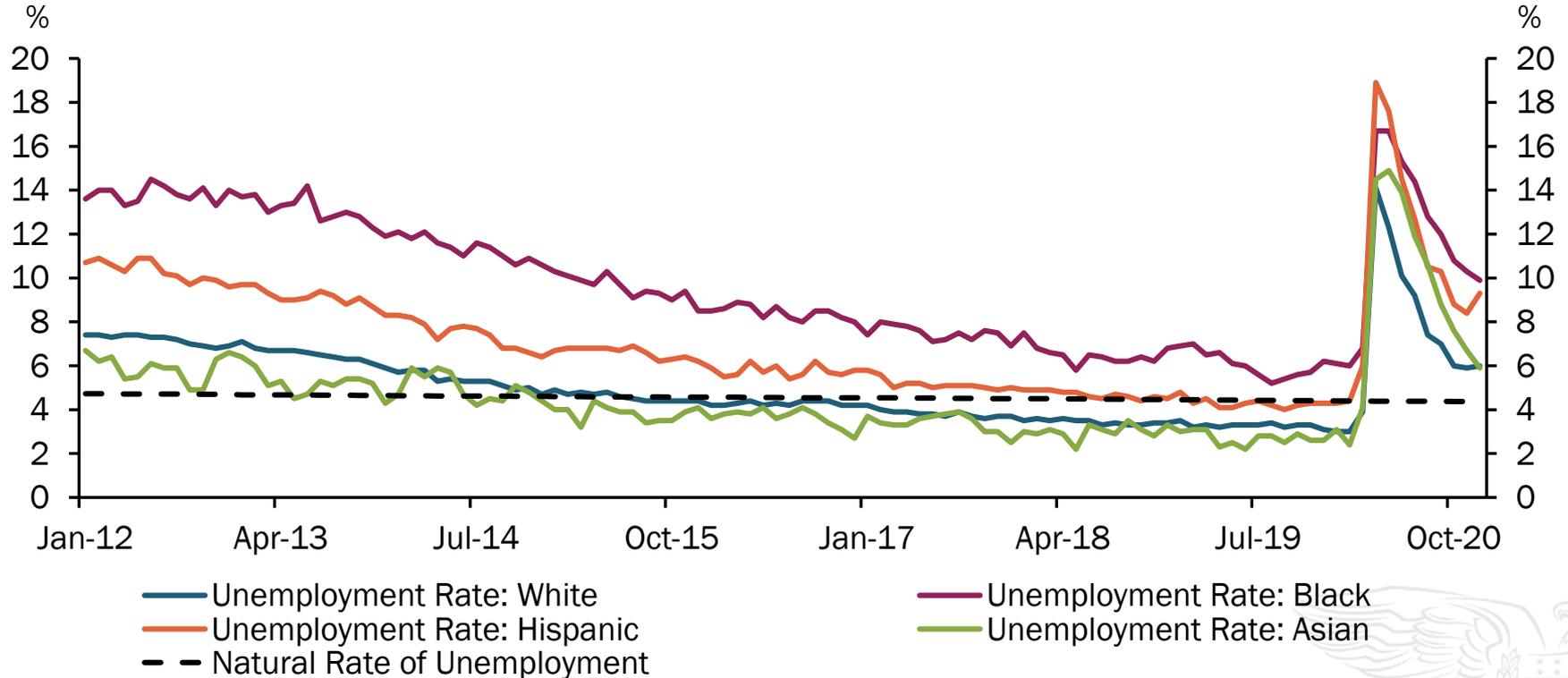
# A return to peak employment in Colorado's leisure & hospitality sector may be delayed if the sector recovers at typical rates



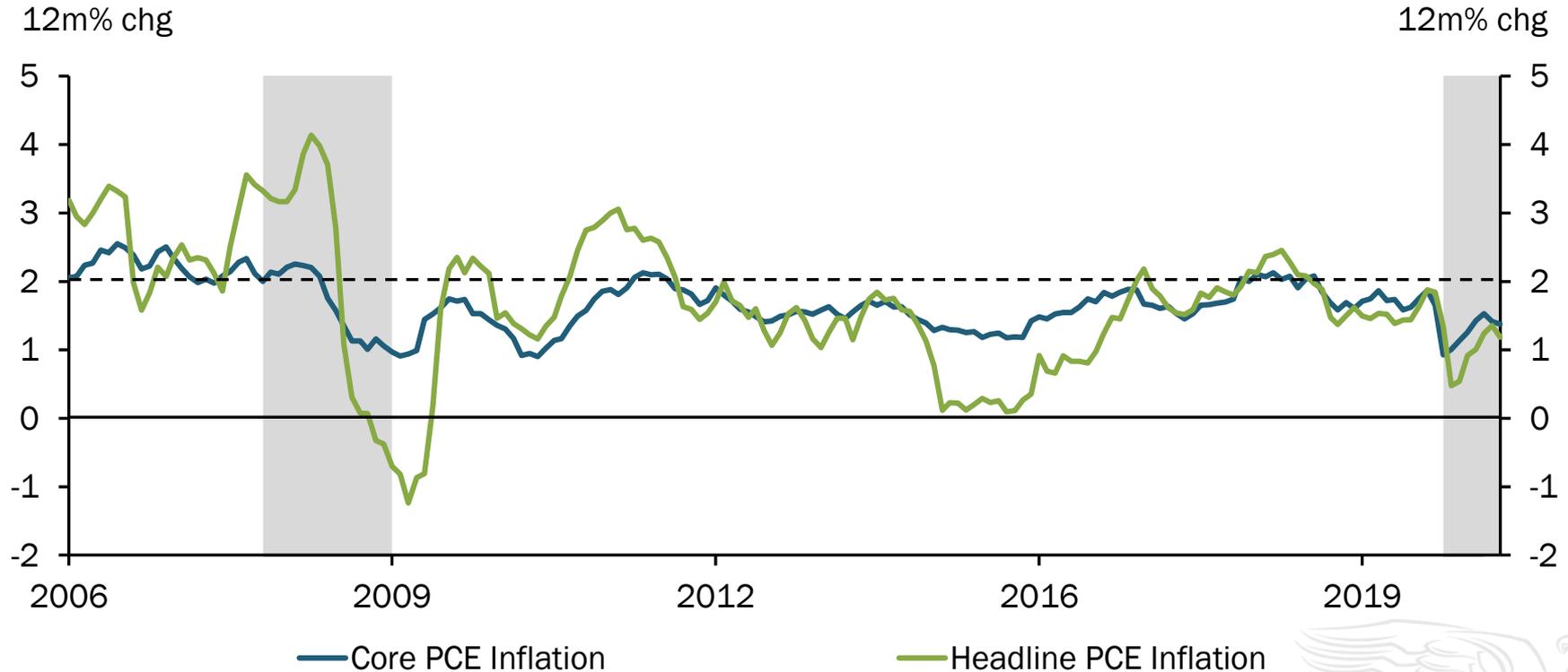
# Other sectors where leisure & hospitality workers find employment are also facing headwinds, suggesting recent job losses may be persistent



# Unemployment across the U.S. remains above its natural level, and is more elevated for black and Hispanic workers

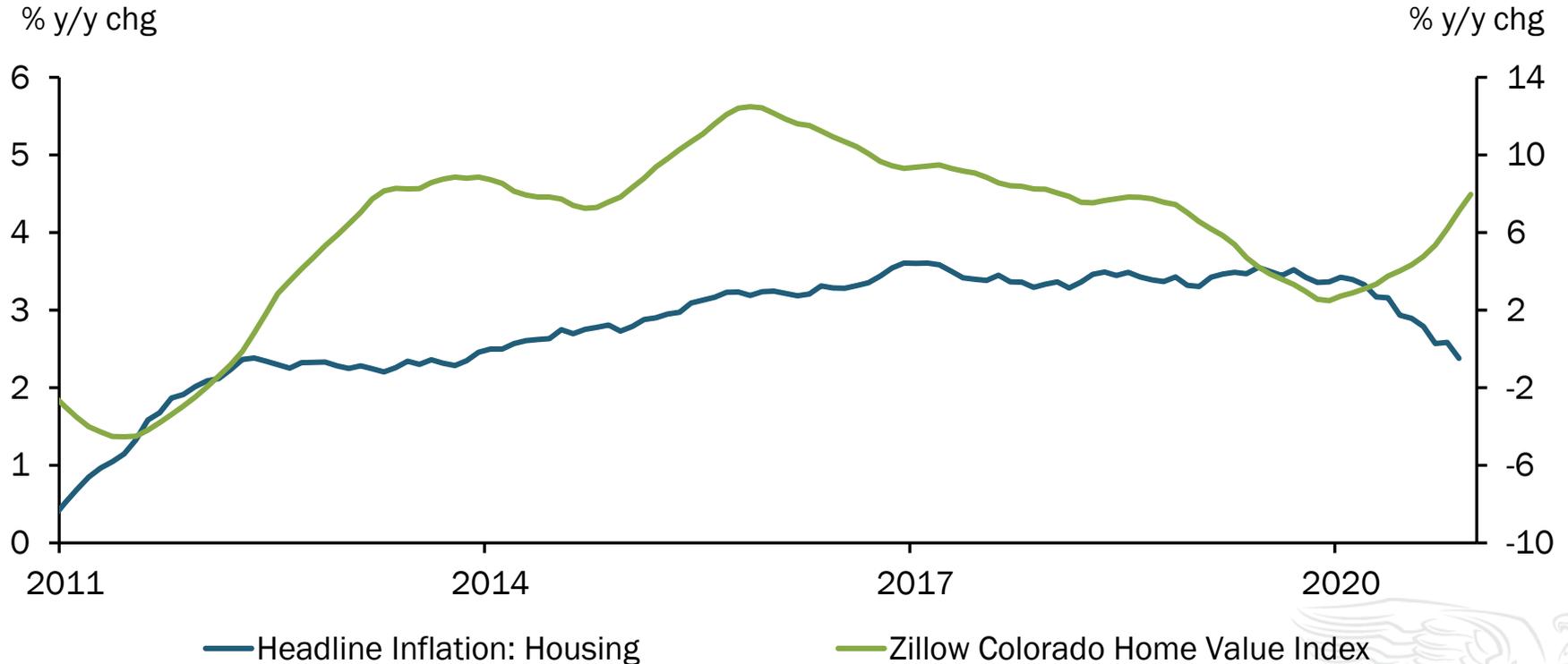


# Inflation is likely to remain subdued on net over the medium term

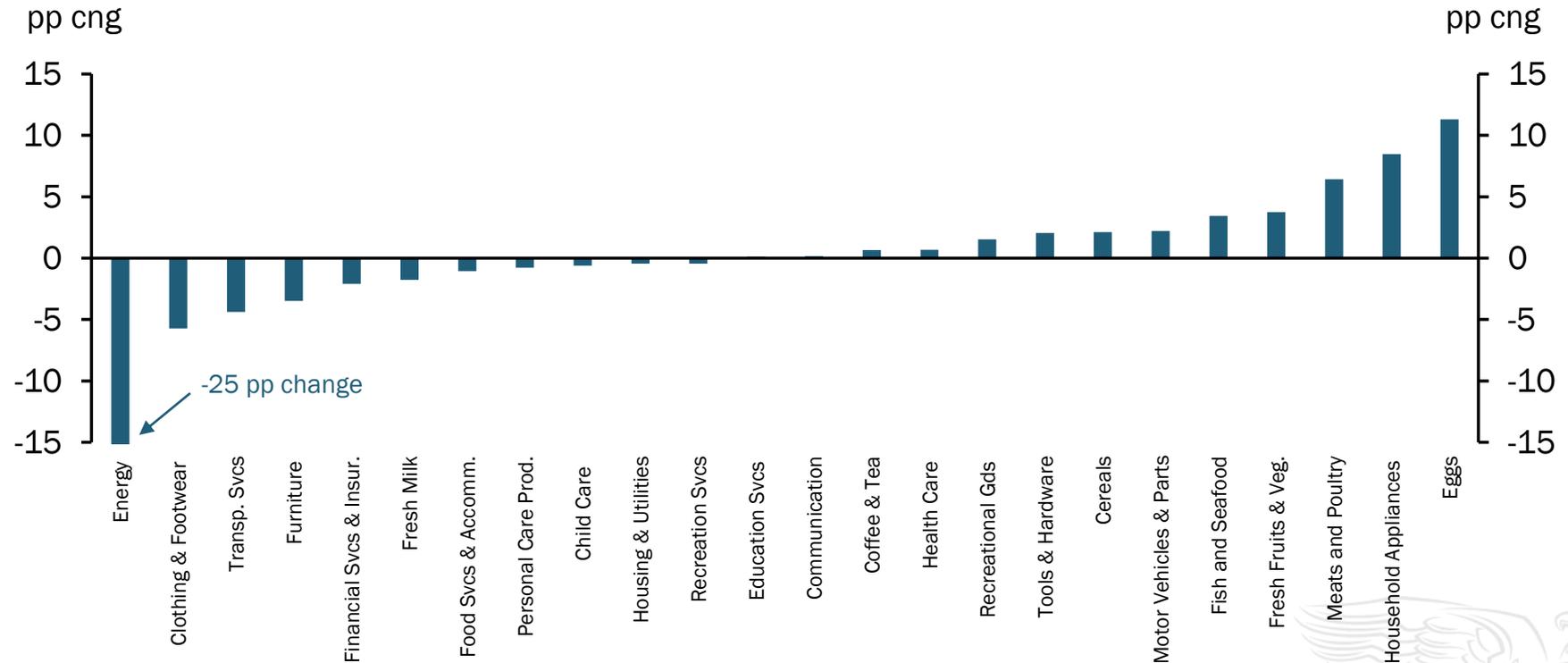


Sources: BEA, NBER, Haver Analytics  
 Note: Grey bars represent recession shading

# Growth in Colorado home values is accelerating, while overall housing price growth is decelerating on average



# Inflation slowed overall but accelerated in some key components at the onset of the pandemic



Sources: Bureau of Economic Analysis, Haver Analytics

Note: Bars indicate change in year over year price growth between February and July of last year

## Looking forward

- While proximity to essential work drove some local differences early in the pandemic, policy support muted many of those local differences over the past year
- Leisure and hospitality remains the most disaffected sector, and employment in the industry continues to be linked closely with the path of the pandemic
- The rate of recovery in labor markets will depend how consumer confidence responds to the rollout of the vaccine and the remaining resources households have to continue spending



