

Emerging Trends in the U.S. and Colorado Economies

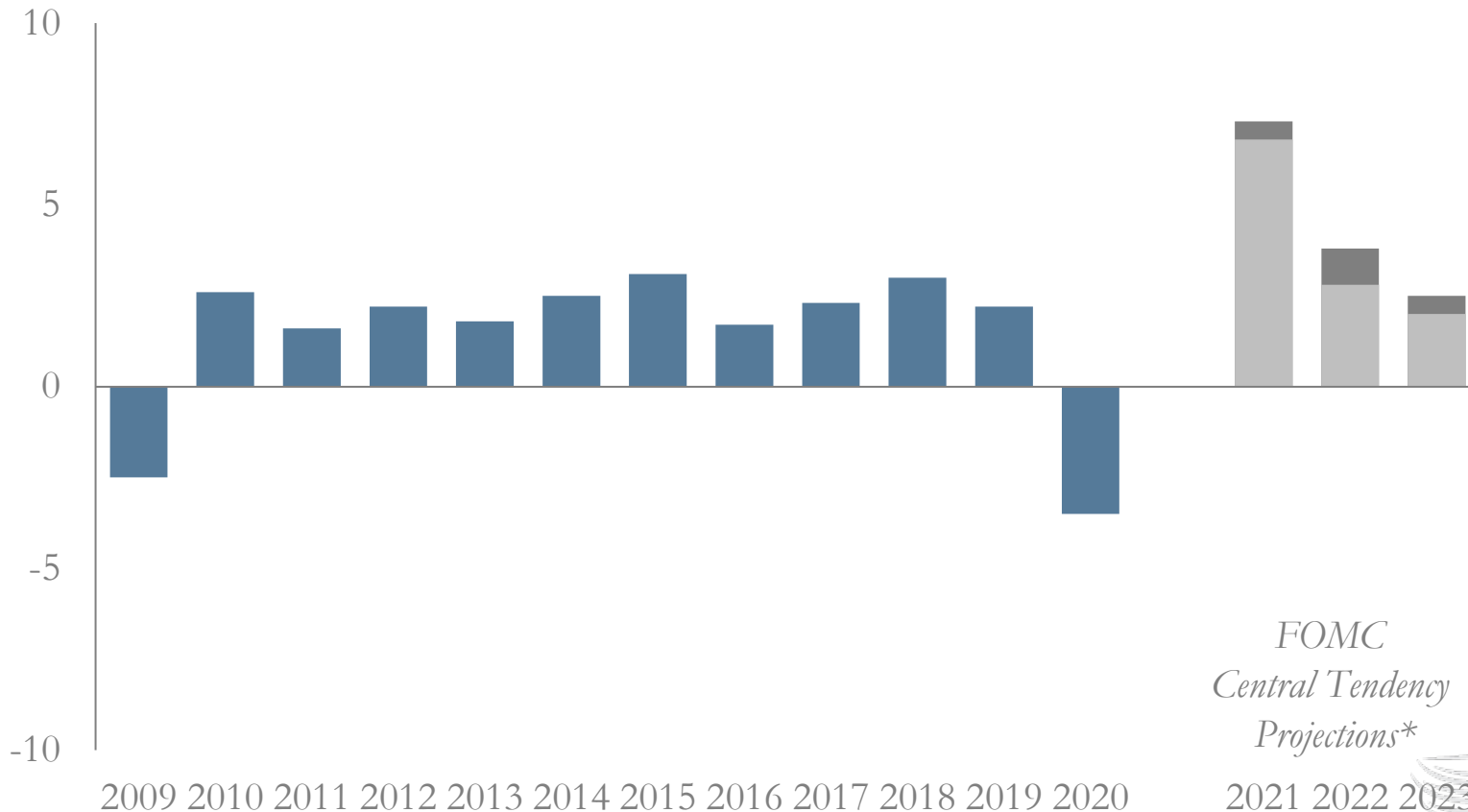
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*The views expressed are those of the presenter
and do not necessarily reflect the positions of the
Federal Reserve Bank of Kansas City or the
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The U.S. economy continues to rebound after contracting sharply following the onset of the pandemic.

REAL U.S. GROSS DOMESTIC PRODUCT *Percent Change from Previous Year*



*FOMC
Central Tendency
Projections**

2021 2022 2023

Sources: Bureau of Economic Analysis and Federal Open Market Committee (FOMC) / Haver Analytics

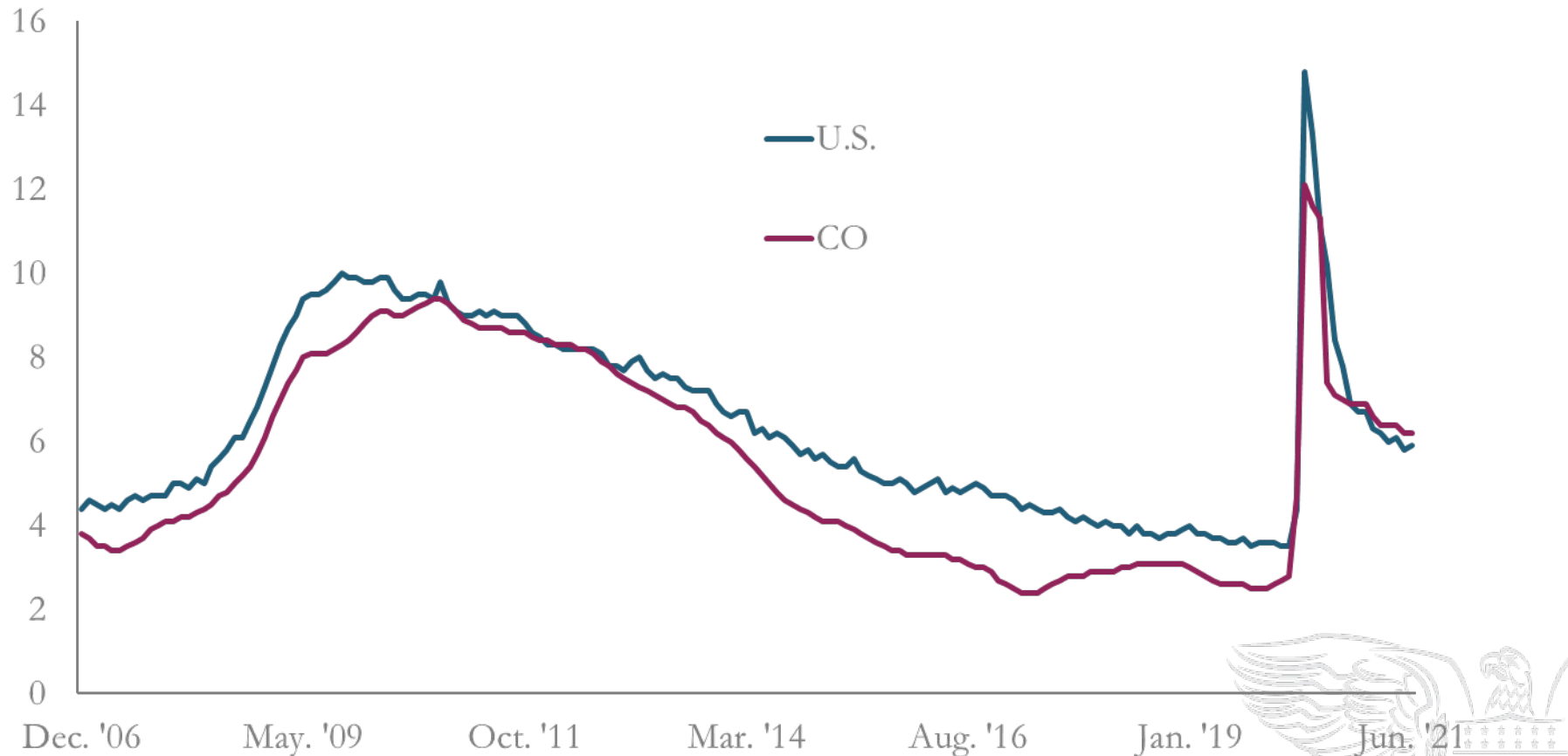
*Projections as of June FOMC meeting



Still, unemployment rates remain elevated compared to pre-COVID levels as the pandemic led to a severe disruption in the labor market.

UNEMPLOYMENT RATES

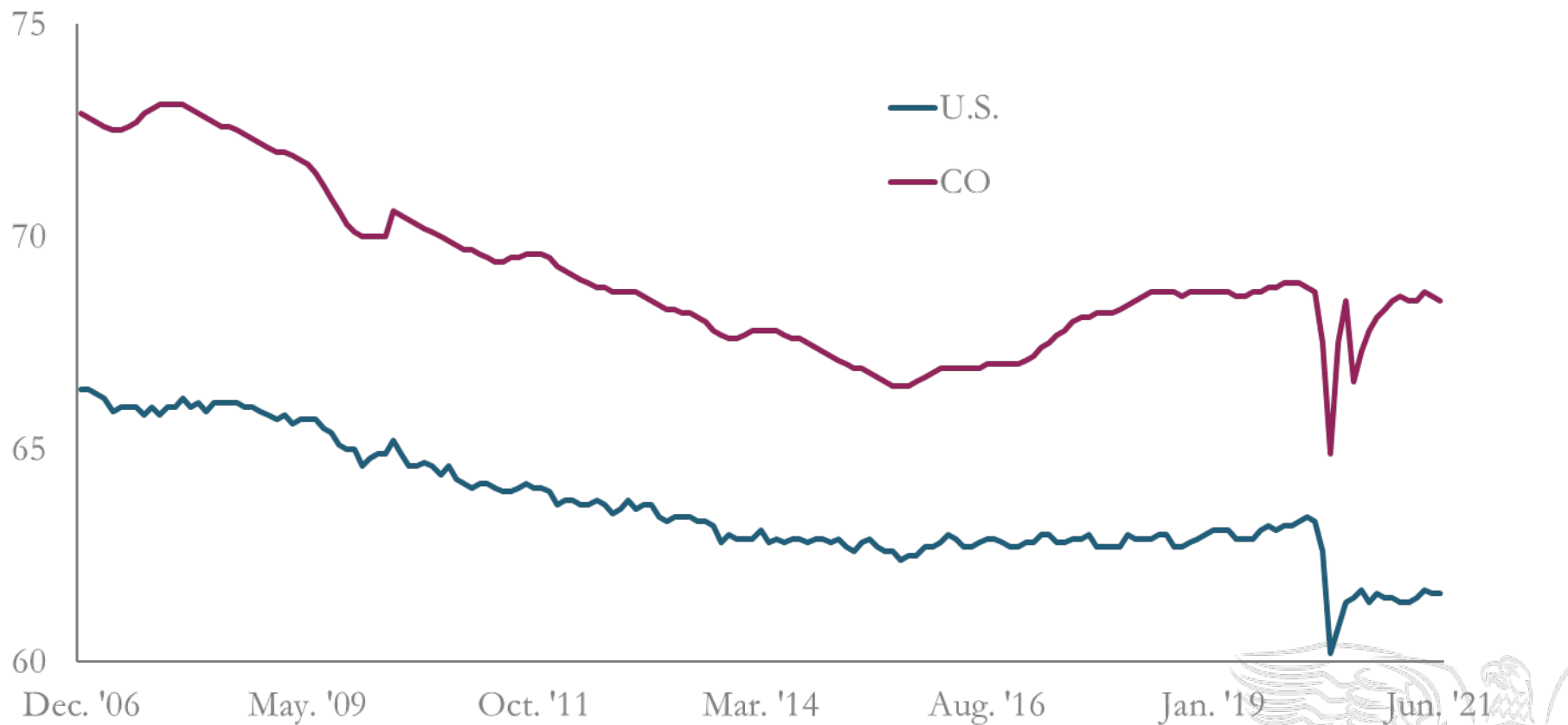
June 2021, Percent, Seasonally Adjusted



Unemployment rates would be even higher at the national level if labor force participation rates hadn't dropped.

LABOR FORCE PARTICIPATION RATES

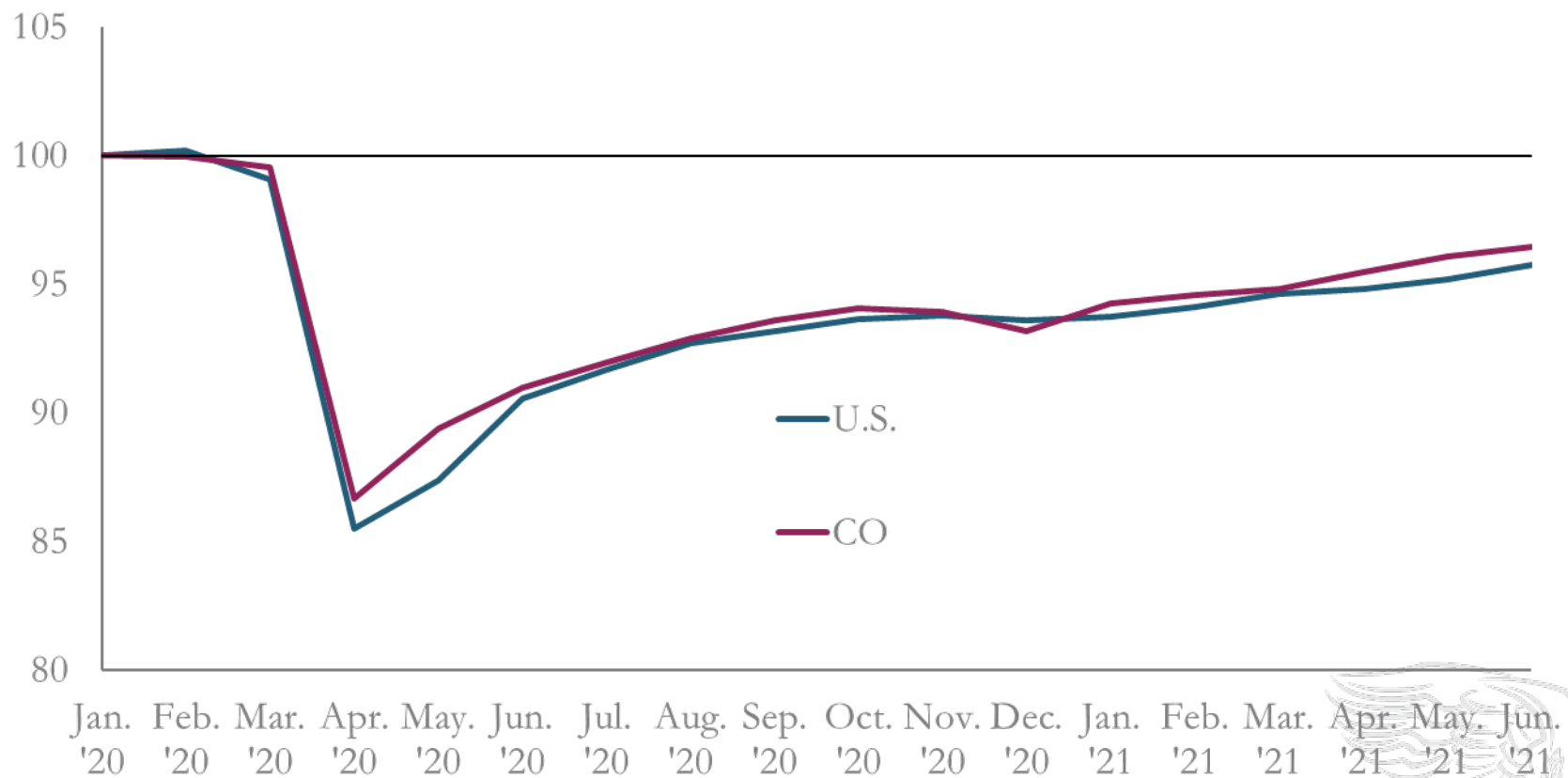
June 2021, Percent, Seasonally Adjusted



Although employment has been increasing steadily since last spring, employment remains below pre-pandemic levels.

PAYROLL EMPLOYMENT GROWTH

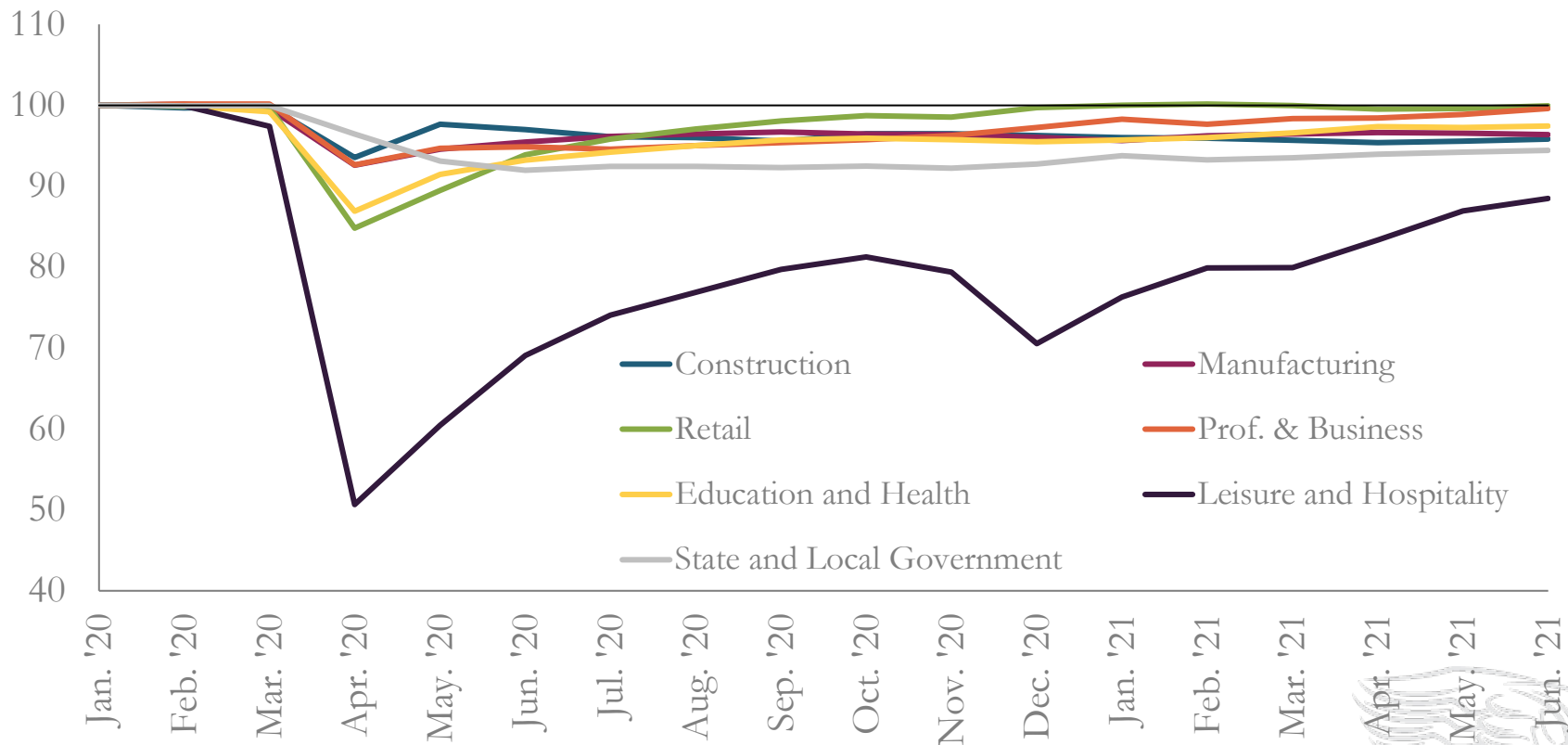
Index 100 = Jan. 2020, Seasonally Adjusted



Employment in most sectors is within 3% of pre-pandemic levels, but larger losses are still apparent in the leisure and hospitality sector.

COLORADO EMPLOYMENT GROWTH BY INDUSTRY

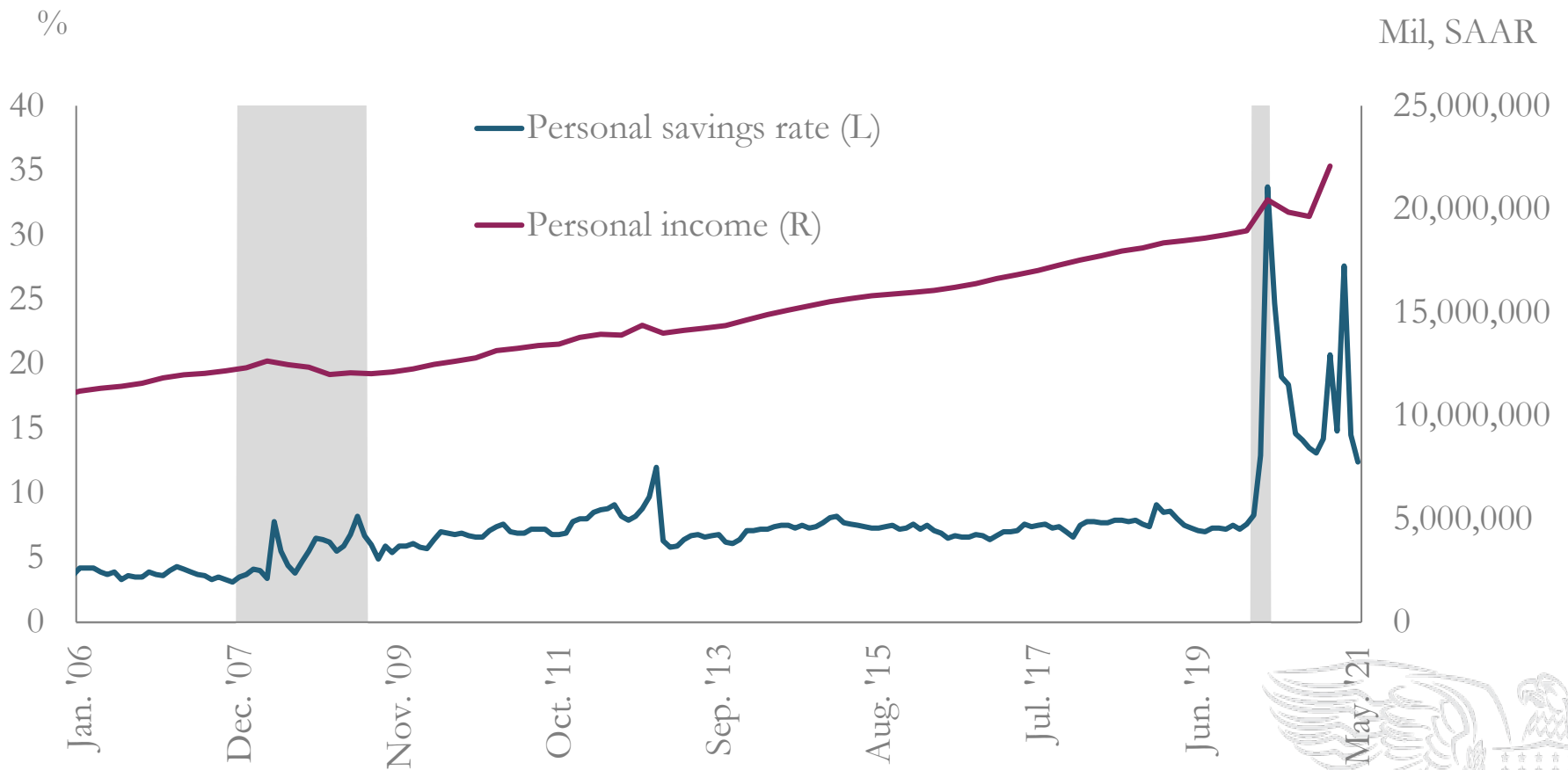
Index 100 = Jan. 2020, Seasonally Adjusted



Despite job losses, personal incomes and savings rates increased during the pandemic due to federal stimulus payments.

CONSUMER SAVINGS AND FINANCIAL OBLIGATIONS

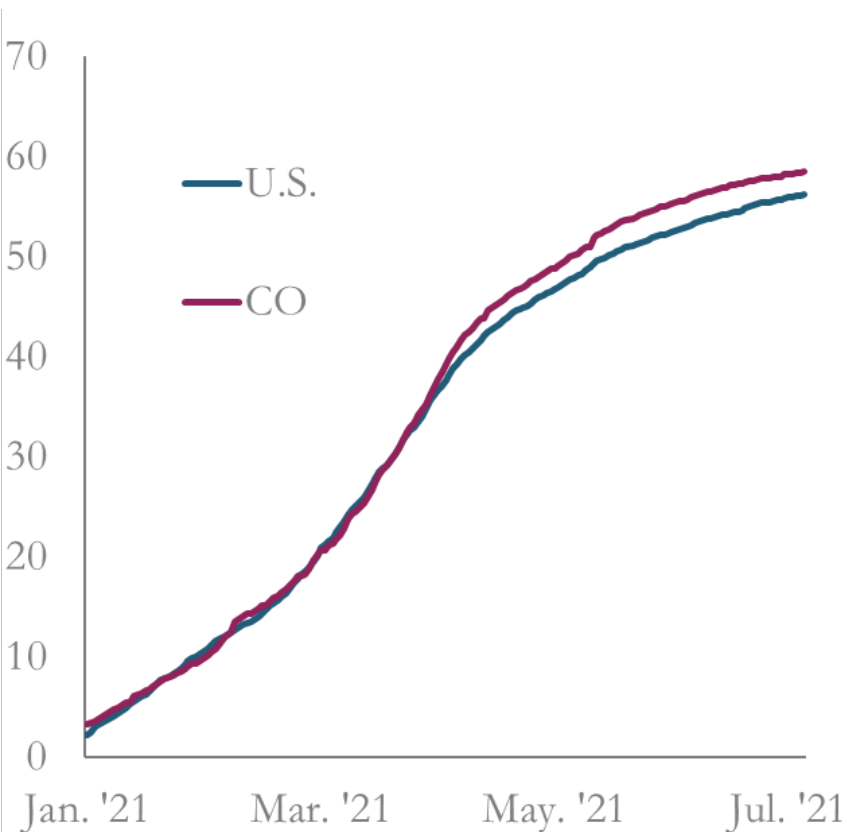
Percent of Disposable Income, Seasonally Adjusted



COVID-related restrictions eased considerably in recent months as vaccinations increased and cases were below peak levels.

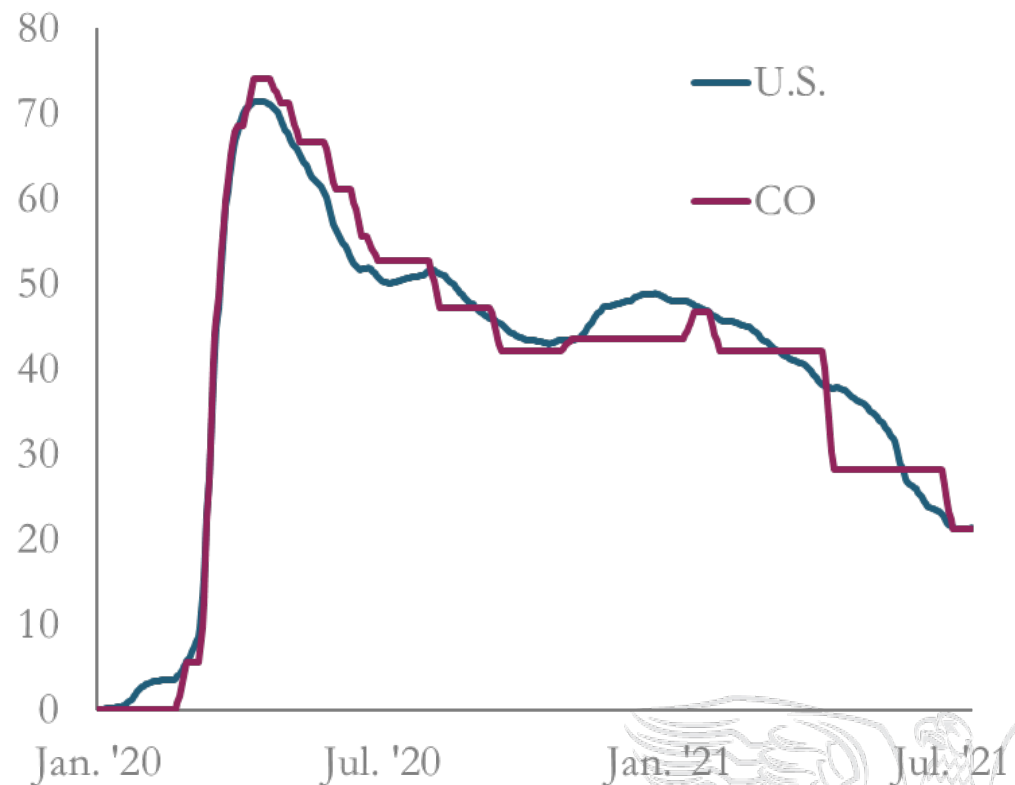
POPULATION WITH AT LEAST ONE VACCINE

Percent



COVID-19 RELATED POLICY

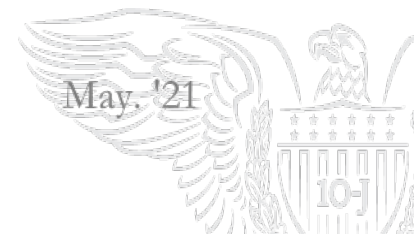
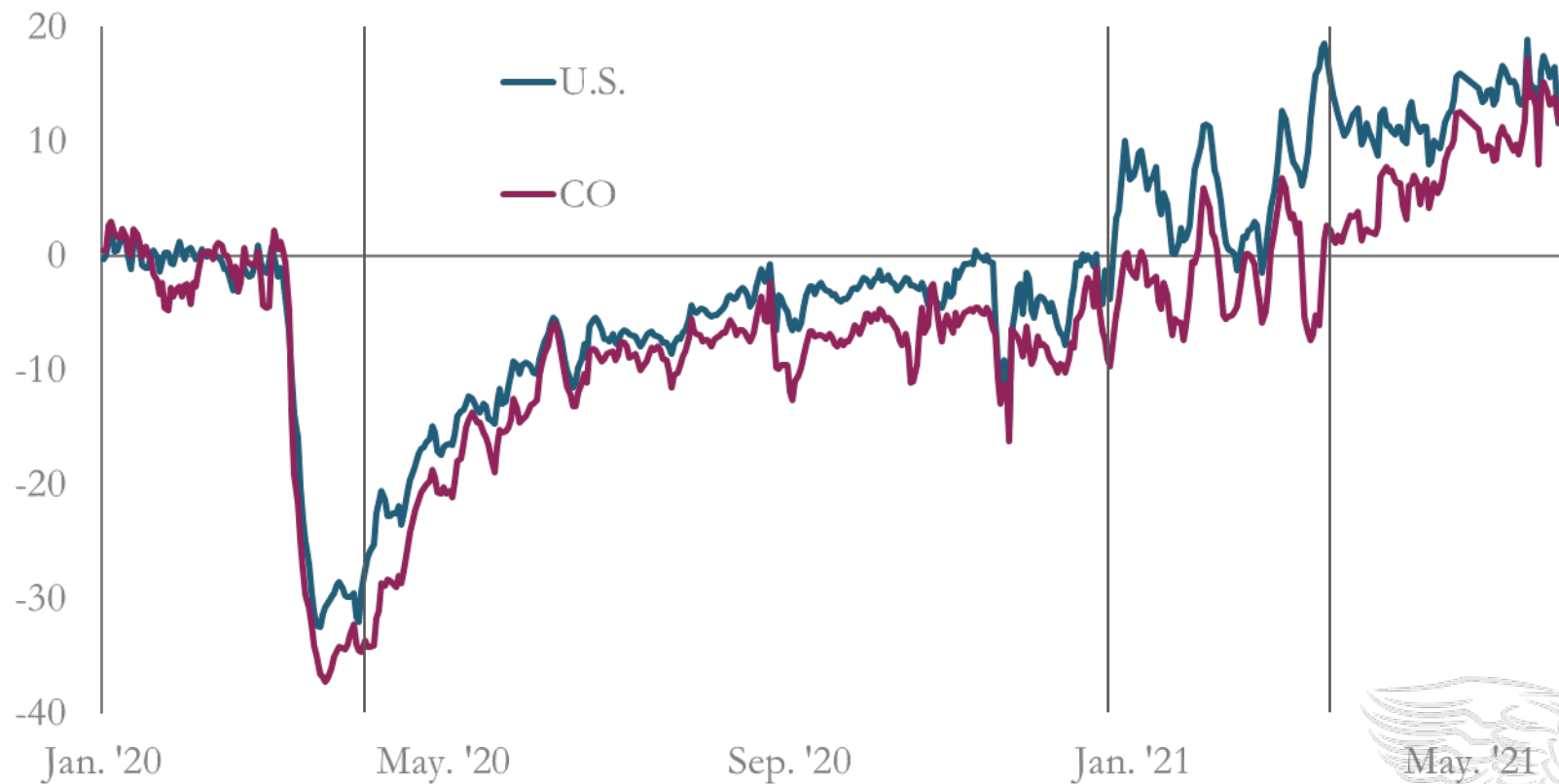
Stringency Index, 7 day moving average



Health concerns and COVID-related restrictions limited spending last year, but consumer spending has now risen above pre-pandemic levels.

CONSUMER CREDIT/DEBIT CARD SPENDING

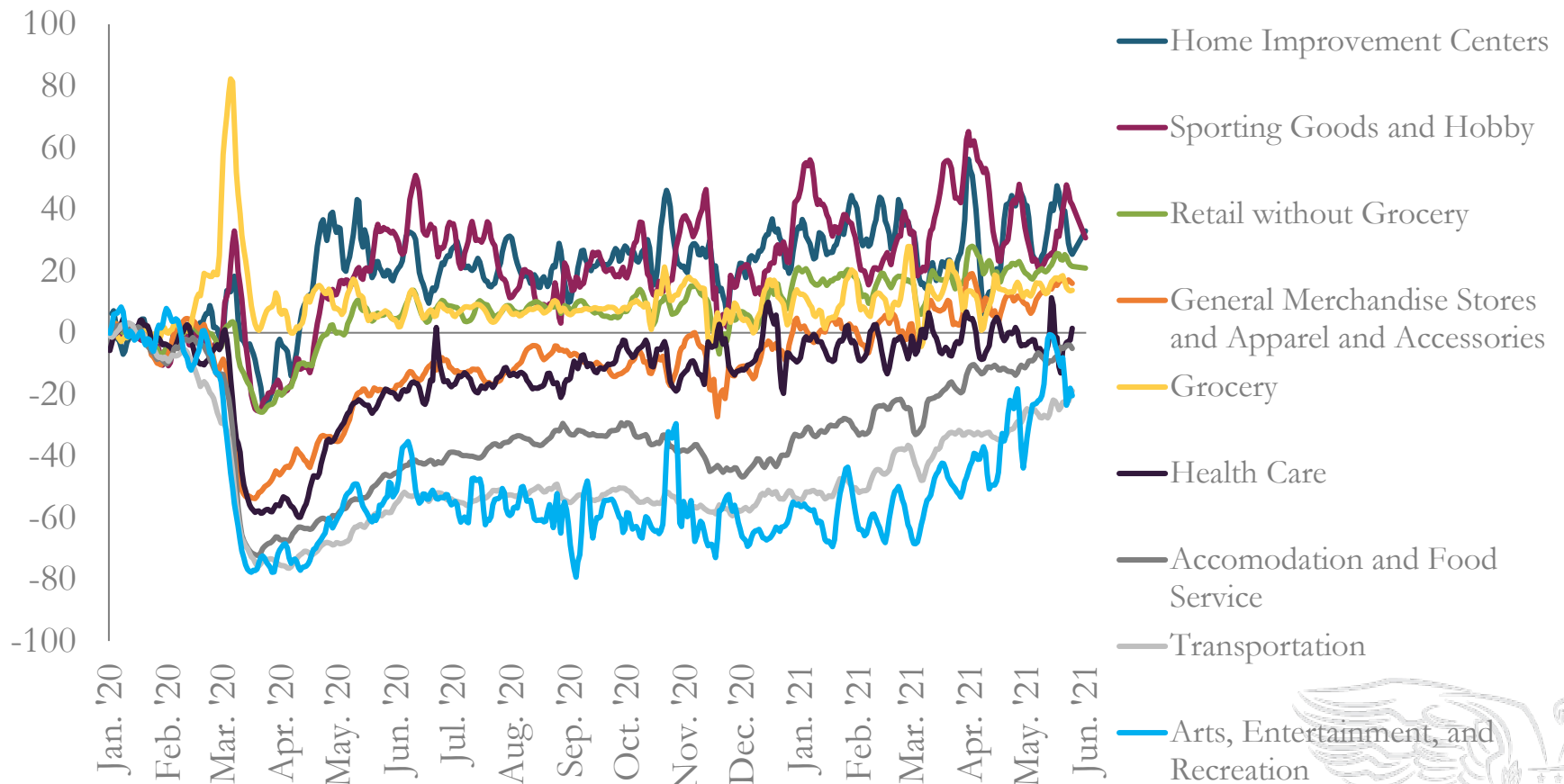
Percent change relative to January 4-31, 2020, 7 day moving average, Seasonally Adjusted



Consumer spending patterns have changed, with travel and service sectors especially hard hit during the pandemic.

CONSUMER CREDIT/DEBIT CARD SPENDING IN COLORADO

Percent change relative to January 4-31, 2020, 14 day moving average, Seasonally Adjusted



In-person dining has improved significantly this year, with levels now comparable to 2019.

OPEN TABLE, YEAR-OVER-YEAR SEATED DINERS

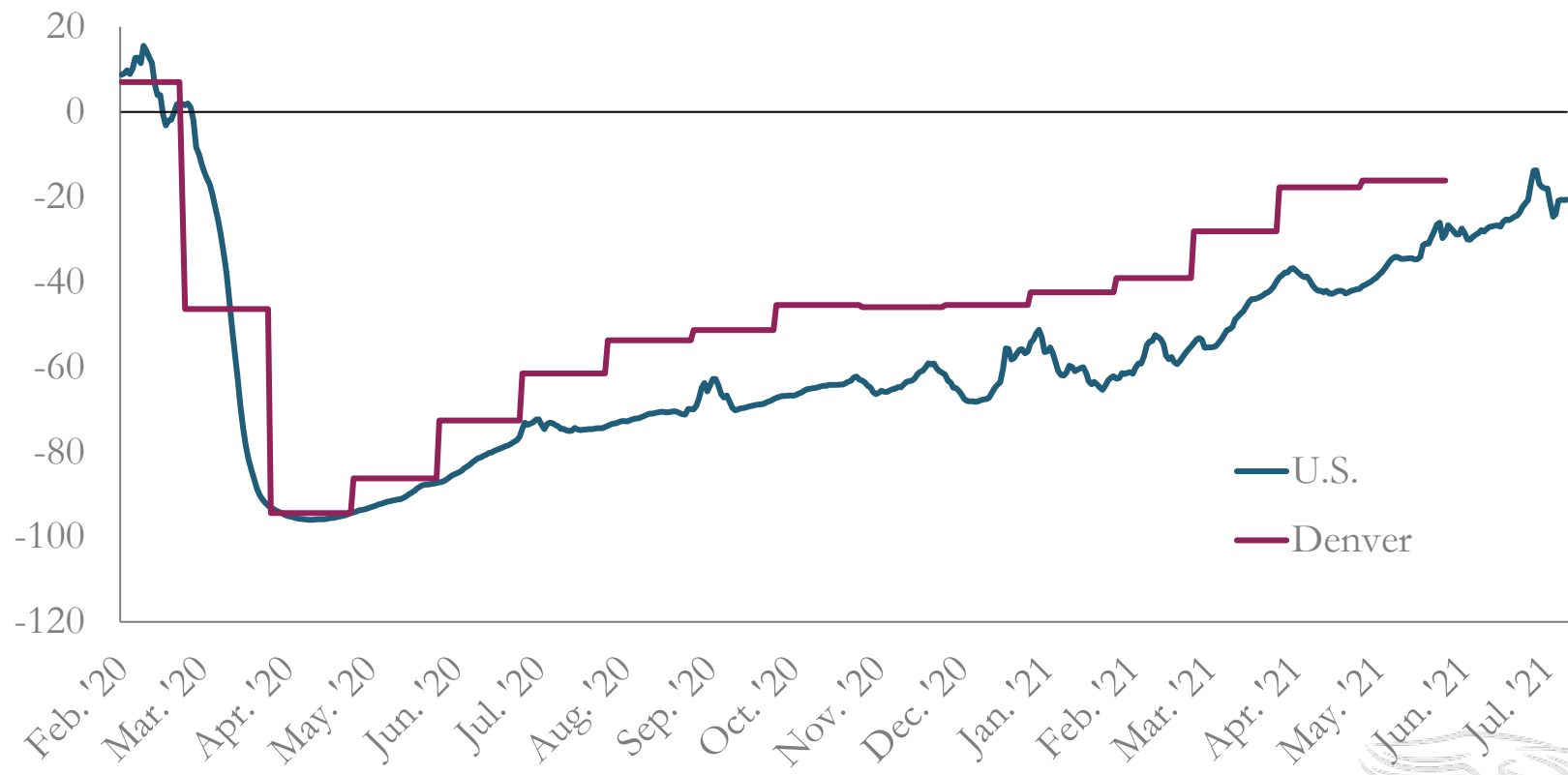
Year-over-2019 Percent Change, 7 day moving average



Air travel also dropped sharply at the onset of the pandemic and has not yet fully recovered.

AIR PASSENGERS, COMPARED TO 2019

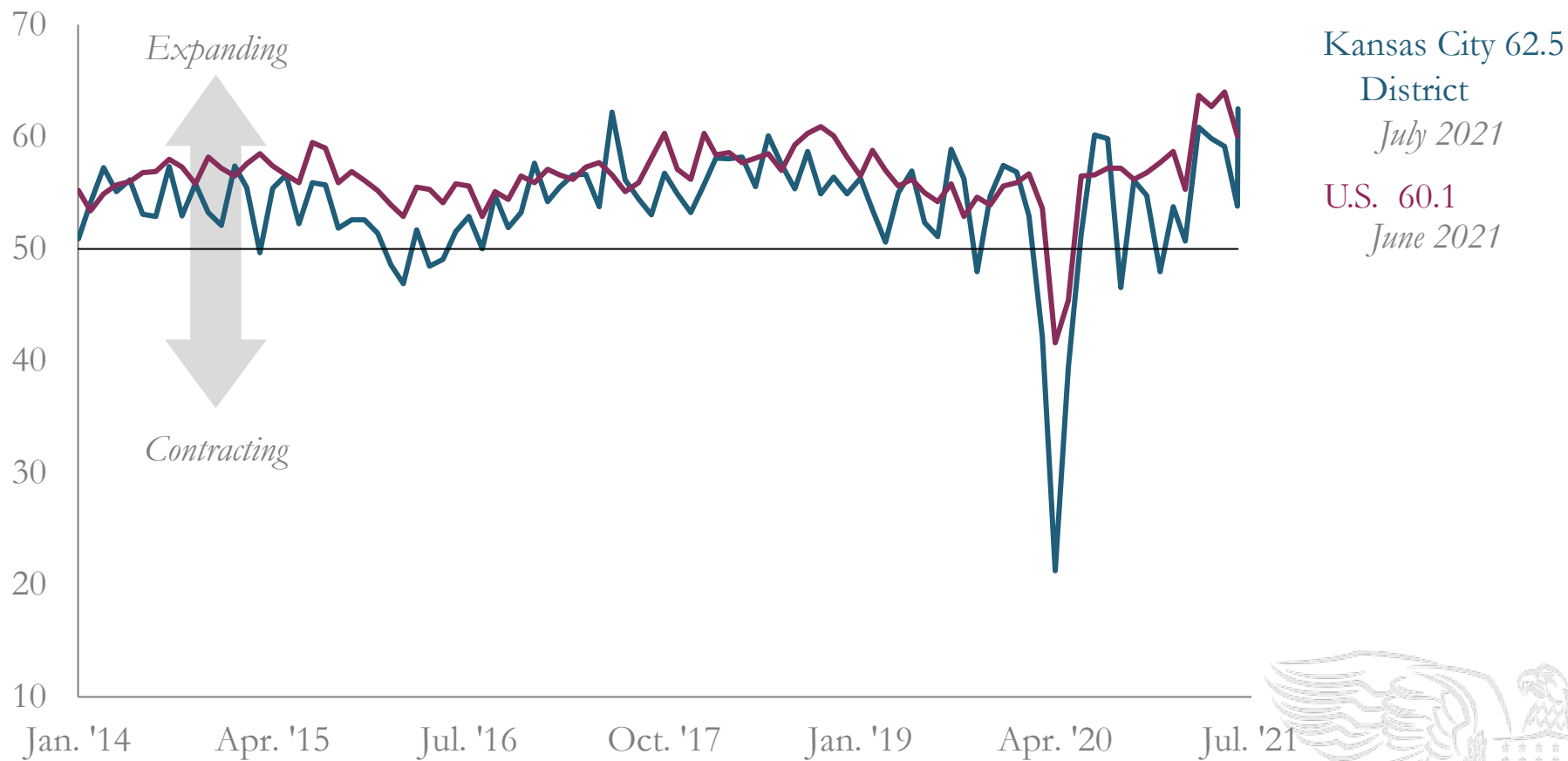
Percent change, 7 day moving average



Overall, services contacts have reported strong activity in recent months.

NON-MANUFACTURING AND SERVICES ACTIVITY

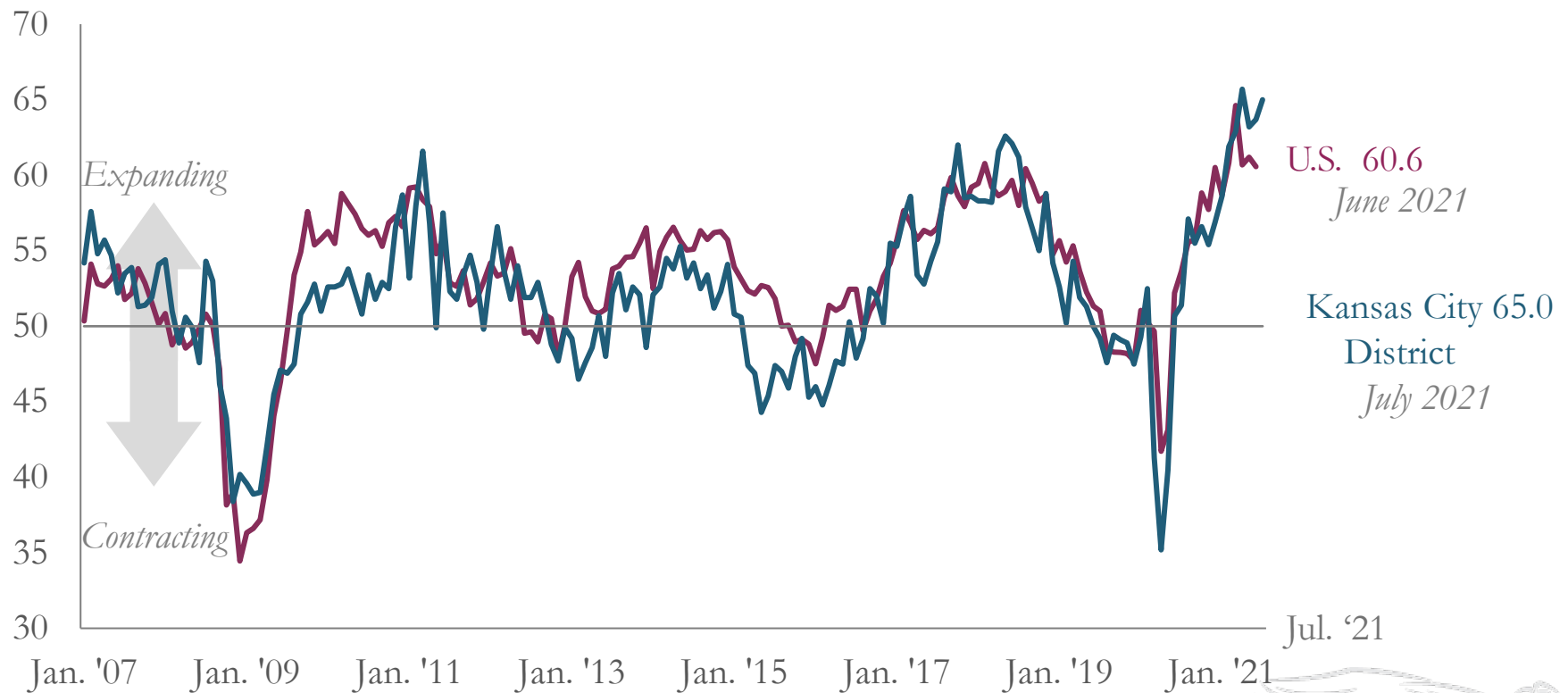
Diffusion Index, Seasonally Adjusted, Month-over-Month



Manufacturers have also reported a robust pace of activity in recent months.

MANUFACTURING ACTIVITY

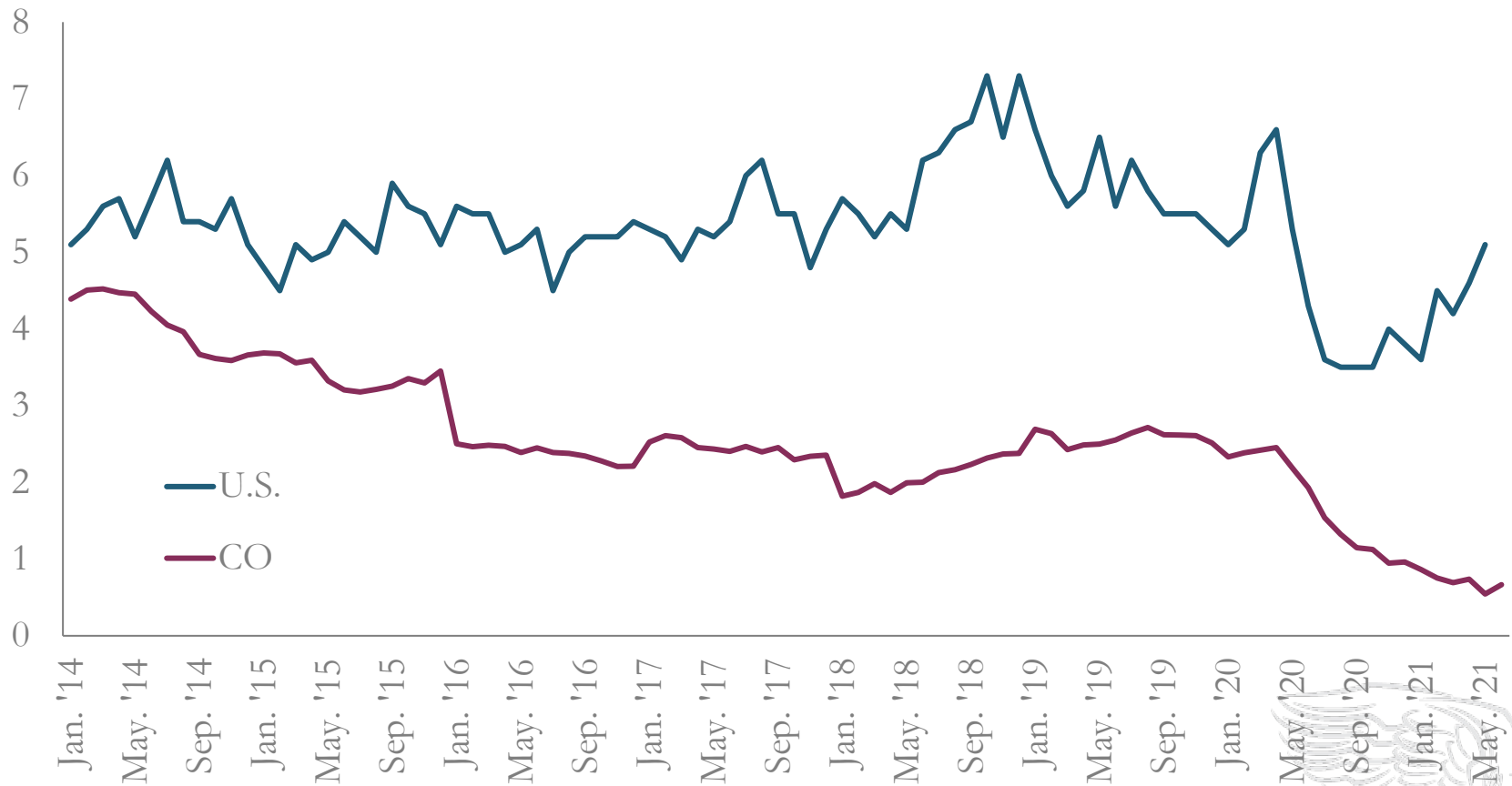
Diffusion Index, Seasonally Adjusted, Month-over-Month



The housing market is extremely tight as the number of homes for sale remains historically low.

MONTHS SUPPLY

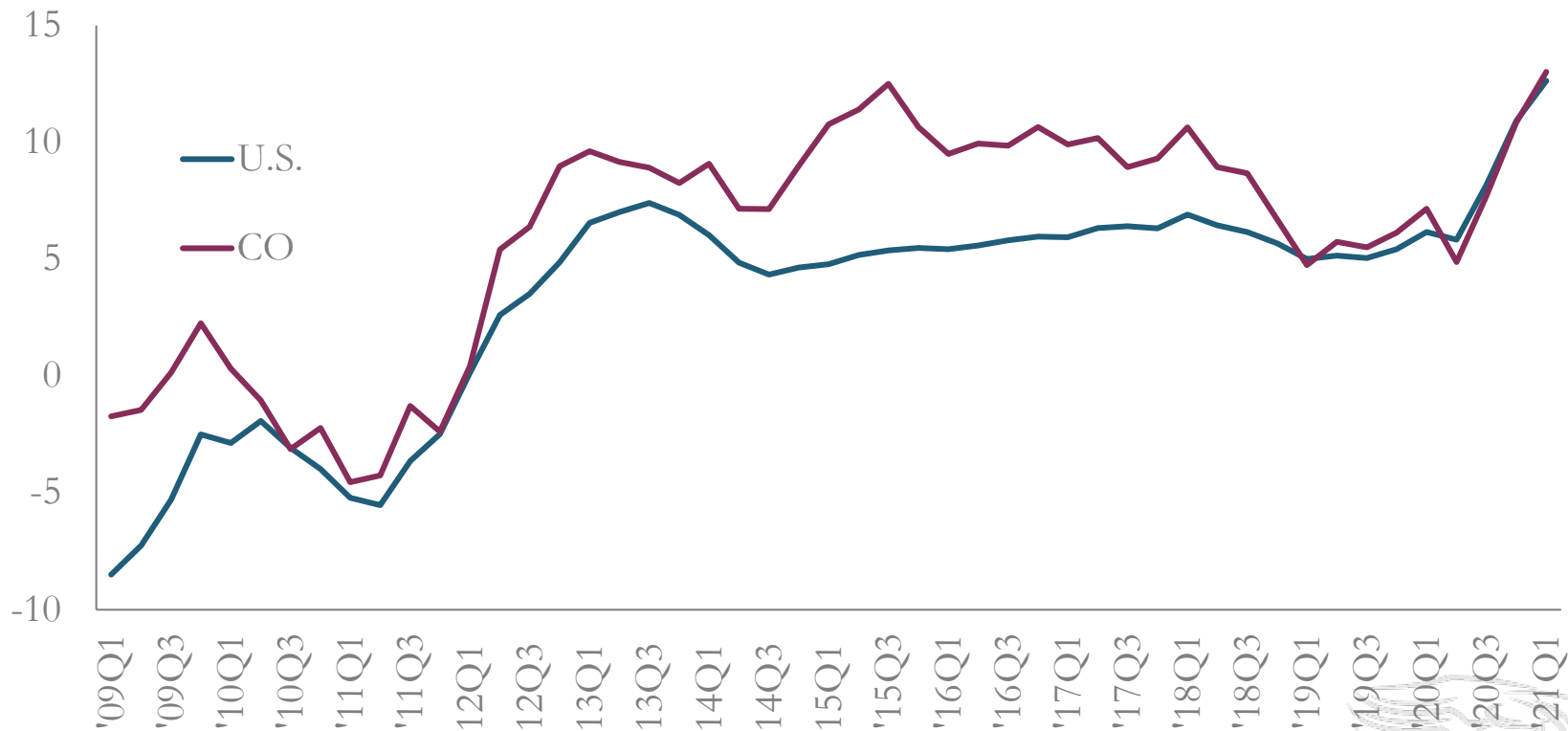
Seasonally Adjusted



Home prices have risen sharply due in part to exceptionally low inventories.

HOME PRICES

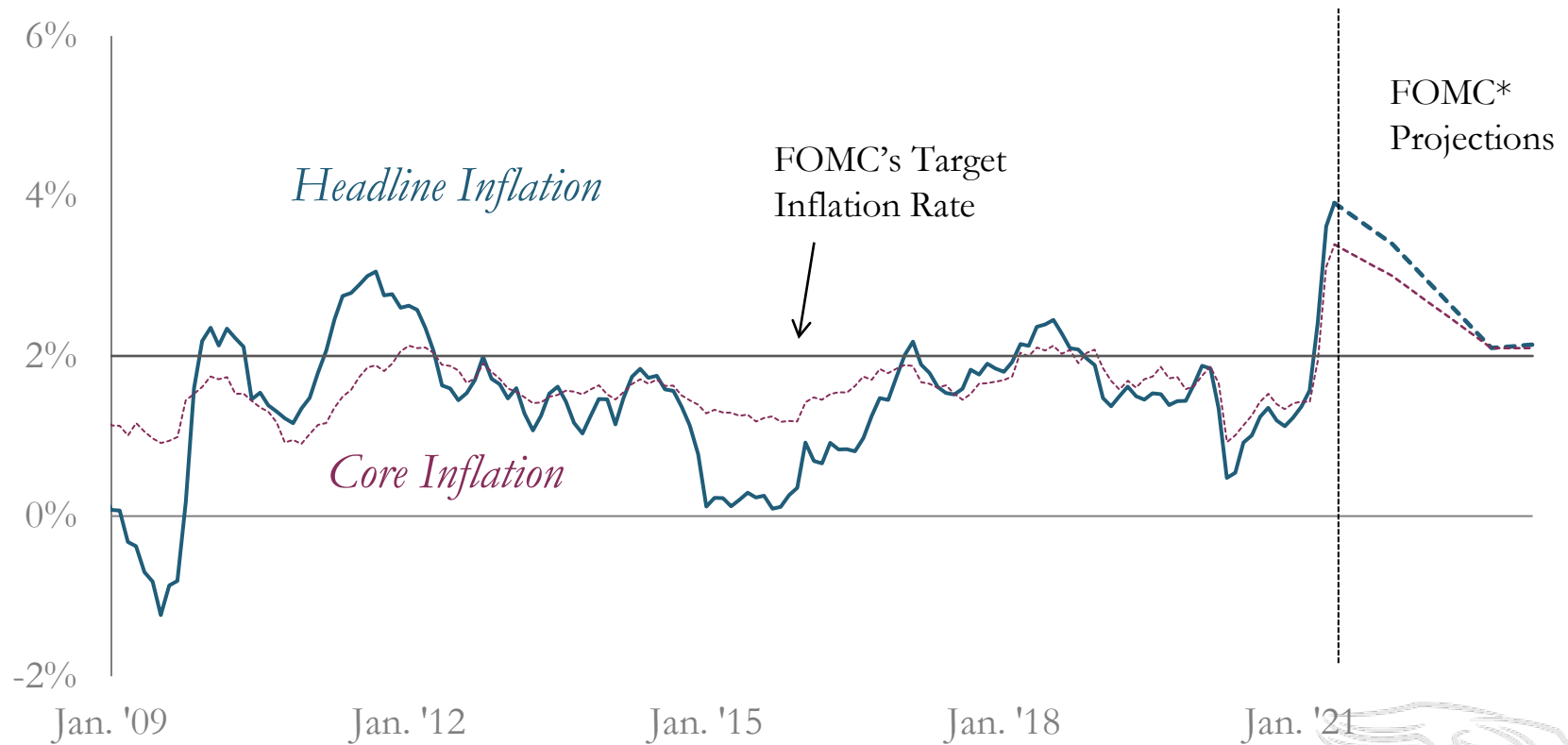
Percent Change Year-over-Year



More broadly, inflation has risen as firms have struggled to keep up with rising demand, materials costs/availability, and labor shortages.

PERSONAL CONSUMPTION EXPENDITURE PRICE INDEX (PCEPI)

Percent Change Year-over-Year



Sources: Bureau of Economic Analysis and Federal Open Market Committee / Haver Analytics

*Projections as of June FOMC meeting; median projections



The image features a large, circular, embossed seal of the Federal Reserve Bank of Denver, Colorado, set against a light-colored, textured background. The seal is made of a dark material with a gold-colored border. The outer ring contains the text "FEDERAL RESERVE BANK" at the top and "DENVER, COLORADO" at the bottom. The center of the seal depicts an eagle with wings spread, perched atop a shield. The shield is divided into sections, with a central section containing a scale of justice. The shield is flanked by olive branches and a bundle of arrows. The seal is partially obscured by a semi-transparent grey banner that contains text.

For economic research and additional information on the economy:

<https://kansascityfed.org/research/>

