

Emerging Trends in the Colorado Economy

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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
Federal Reserve System.*

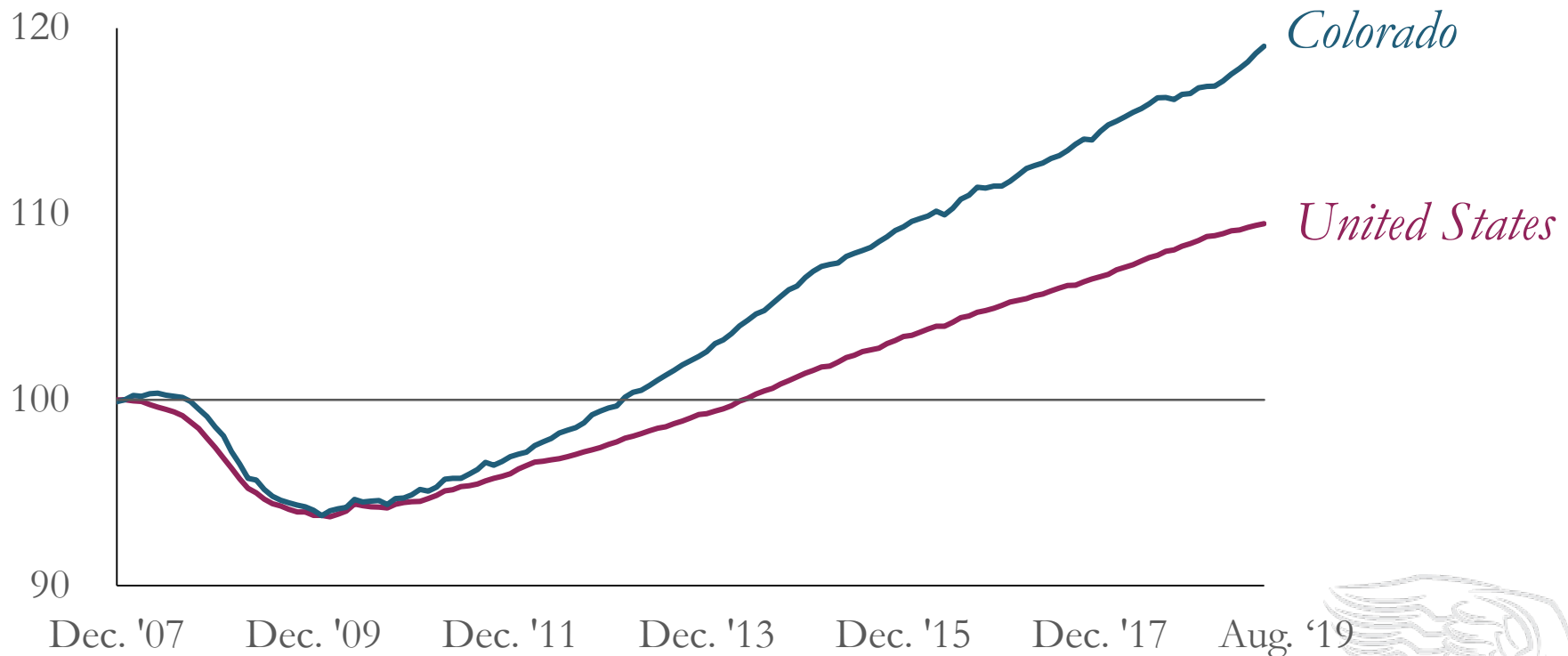


Employment has been increasing in Colorado and the nation for more than nine years.

PAYROLL EMPLOYMENT GROWTH

Index 100 = December 2007, Seasonally Adjusted

<i>Percent Change (Aug. '19)</i>	<i>Dec. '07 to Present</i>	<i>Past Year</i>
U.S.	9.5%	1.4%
Colorado	19.1%	2.4%

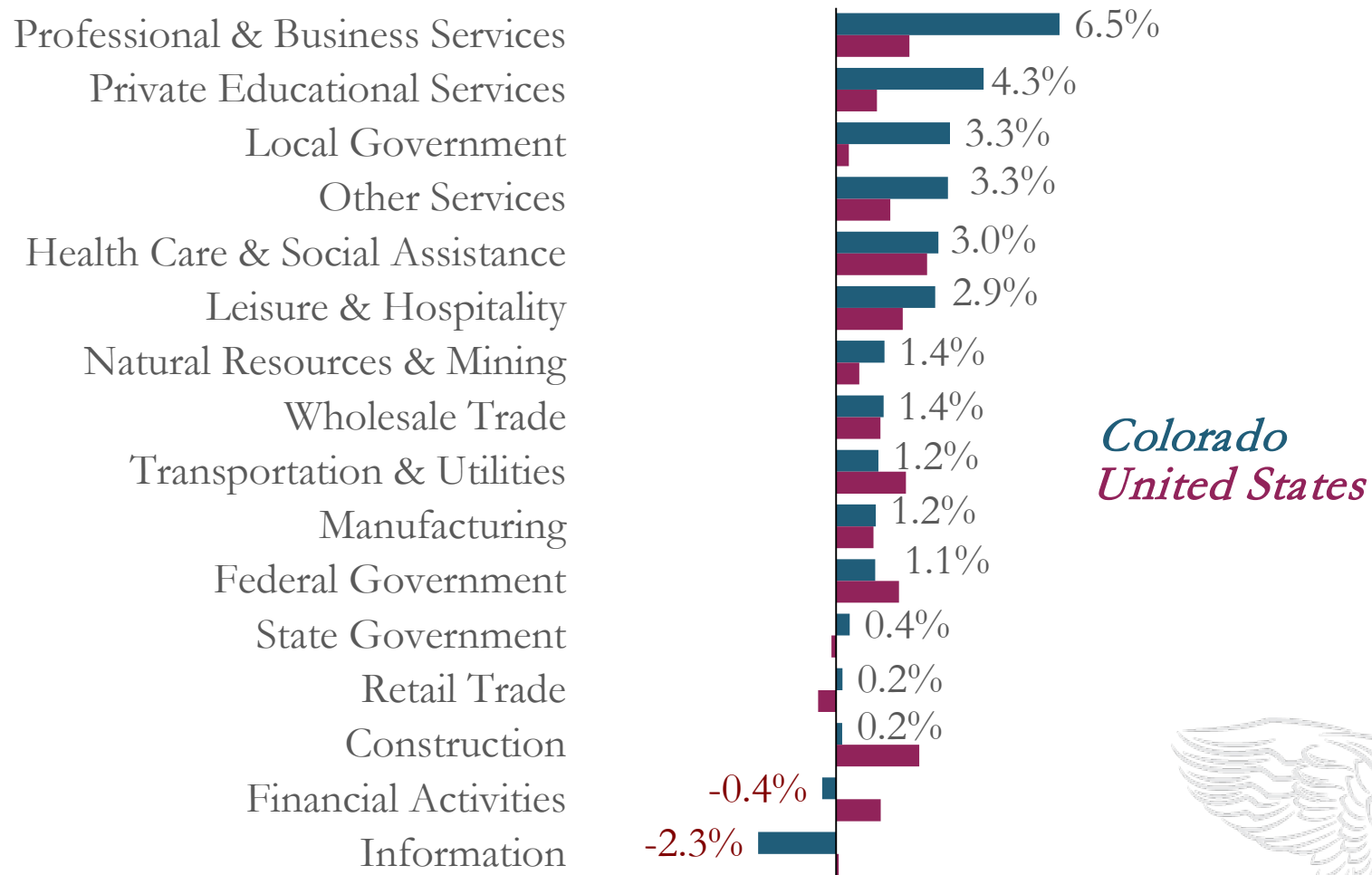


Job gains have been broad based across industries in Colorado over the past year.

CHANGE IN PAYROLL EMPLOYMENT, AUGUST 2019

Seasonally Adjusted

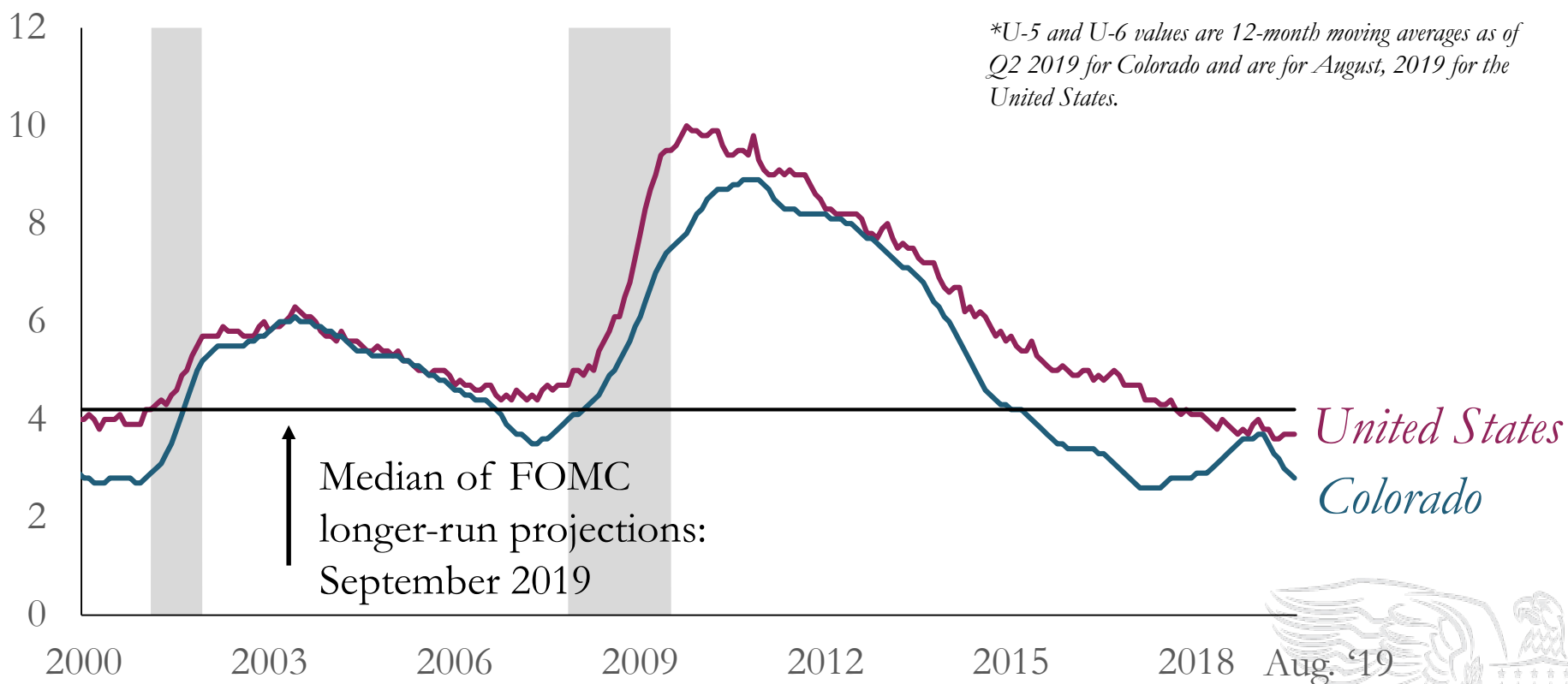
Percent Change Year-over-Year



Unemployment rates have declined steadily in the U.S. and are now below most estimates of their longer-run levels.

UNEMPLOYMENT RATES *U-3, Monthly, Seasonally Adjusted*

<i>Unemployment Rate (Aug. '19)</i>	<i>U-3</i>	<i>U-5*</i>	<i>U-6*</i>
United States	3.7%	4.6%	7.2%
Colorado	2.8%	3.8%	6.6%



Note: Grey regions indicate recessions.

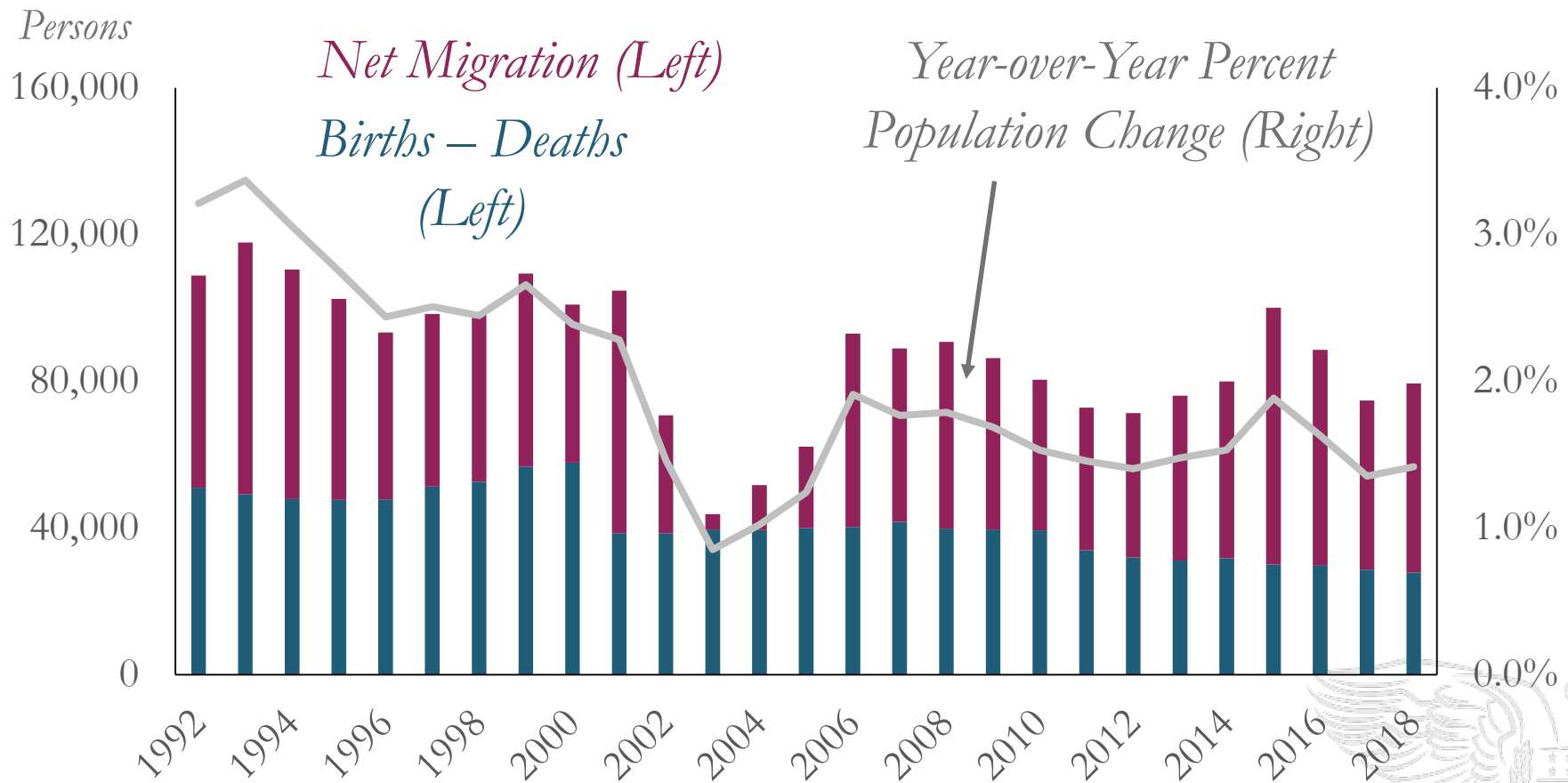
Source: Bureau of Labor Statistics, Federal Reserve Board, NBER / Haver Analytics



Population growth has slowed in Colorado since the 1990s, but people continue to migrate into the state.

CONTRIBUTIONS TO POPULATION CHANGE

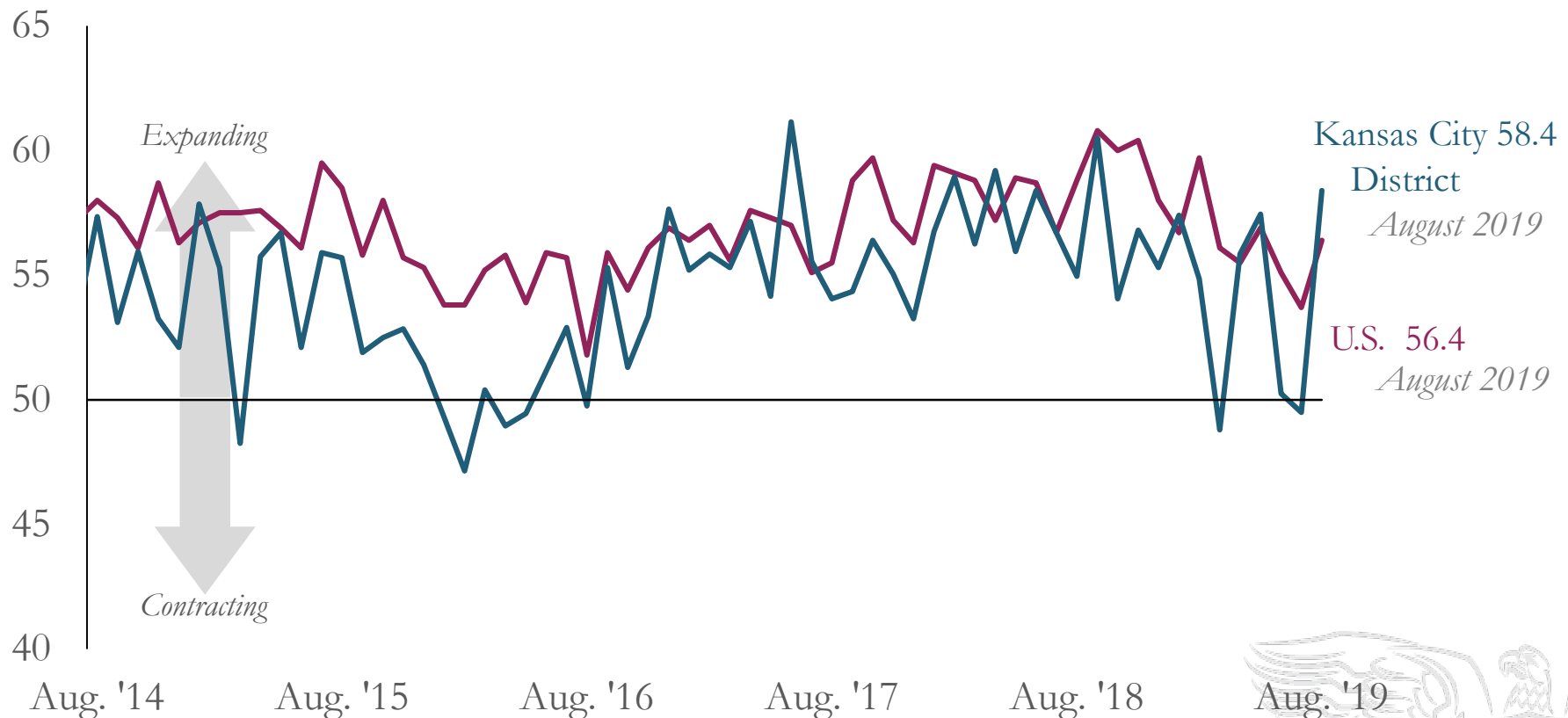
Annual



The services sector is expanding at a moderate pace.

NON-MANUFACTURING AND SERVICES ACTIVITY

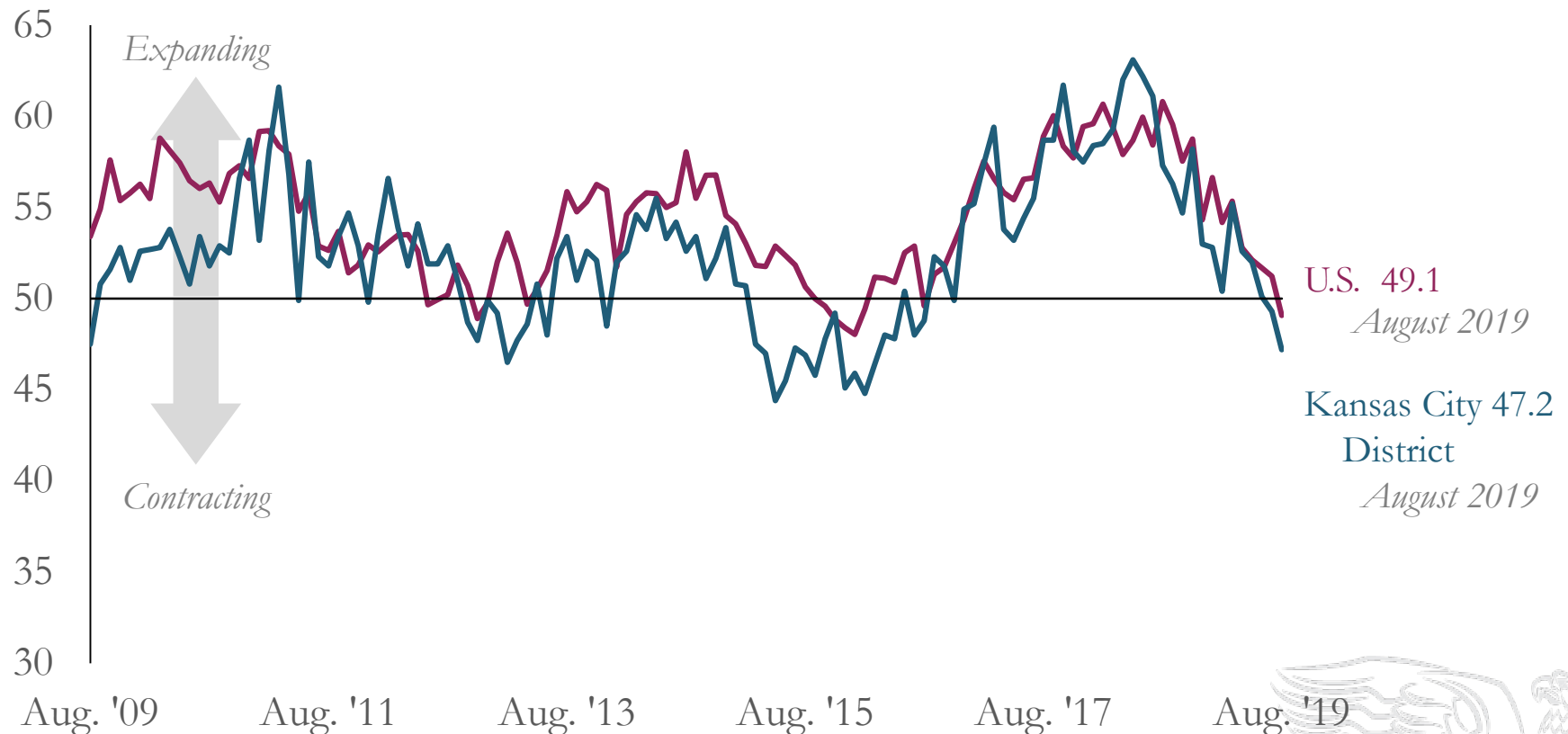
Diffusion Index, Seasonally Adjusted, Month-over-Month



Manufacturing activity has been strong the past two years, but recent surveys suggest the pace of expansion is slowing.

MANUFACTURING ACTIVITY

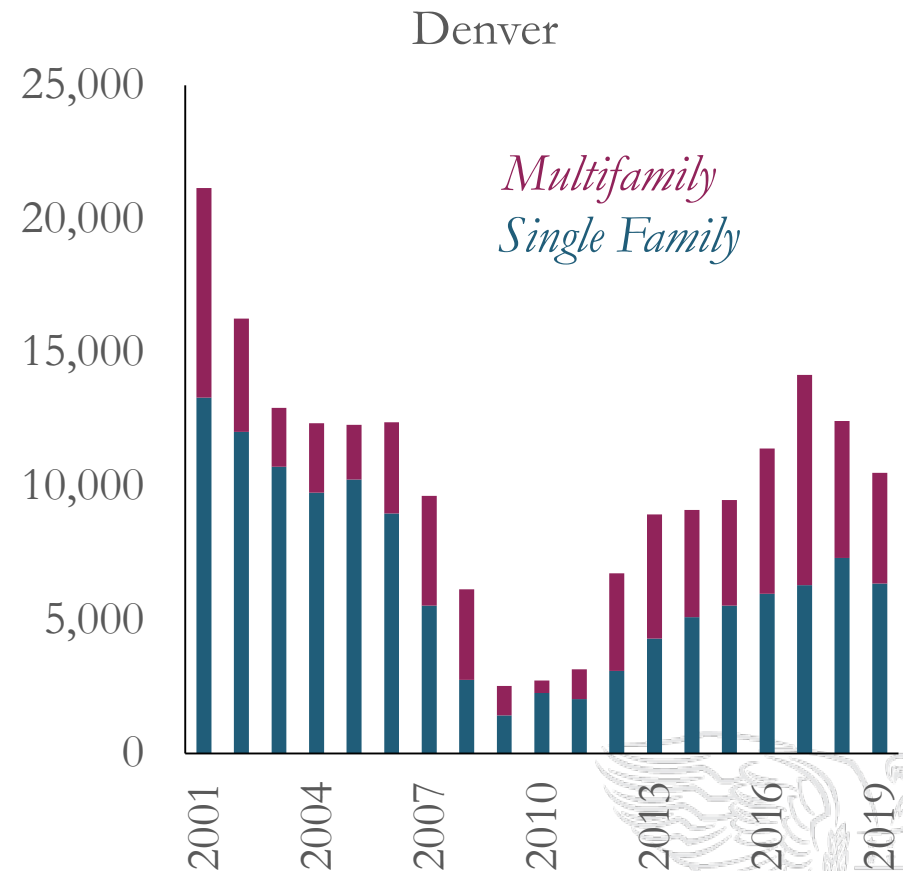
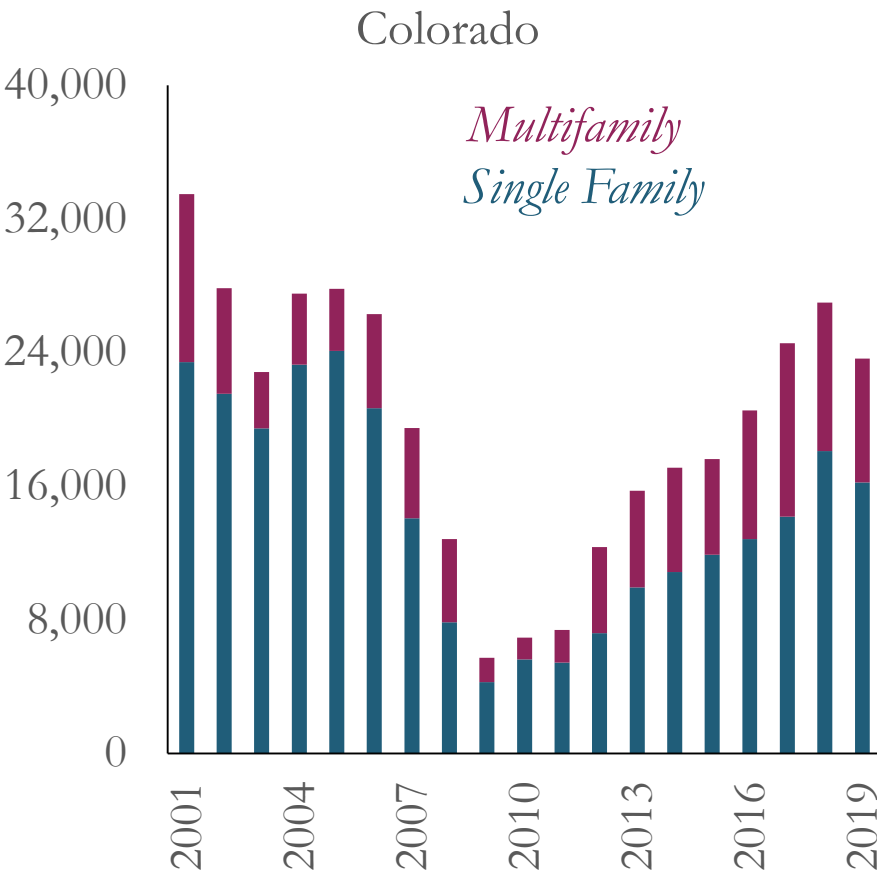
Diffusion Index, Seasonally Adjusted, Month-over-Month



Residential construction activity has increased significantly since 2009, but permitting has declined so far this year.

RESIDENTIAL PERMITS

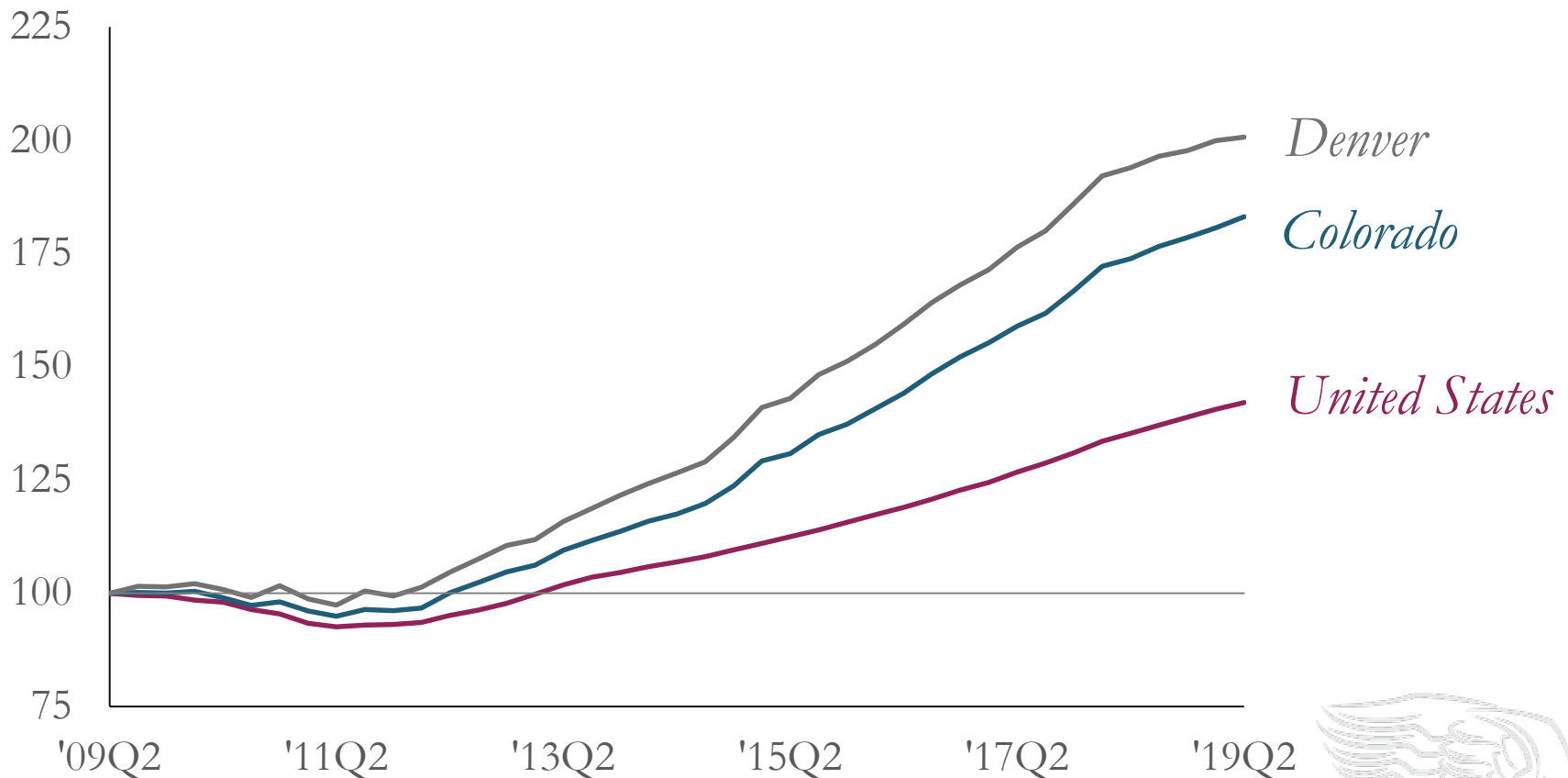
Seasonally Adjusted, Year-to-Date through July



Low inventories have led to strong home price appreciation in recent years in Colorado.

HOME PRICES

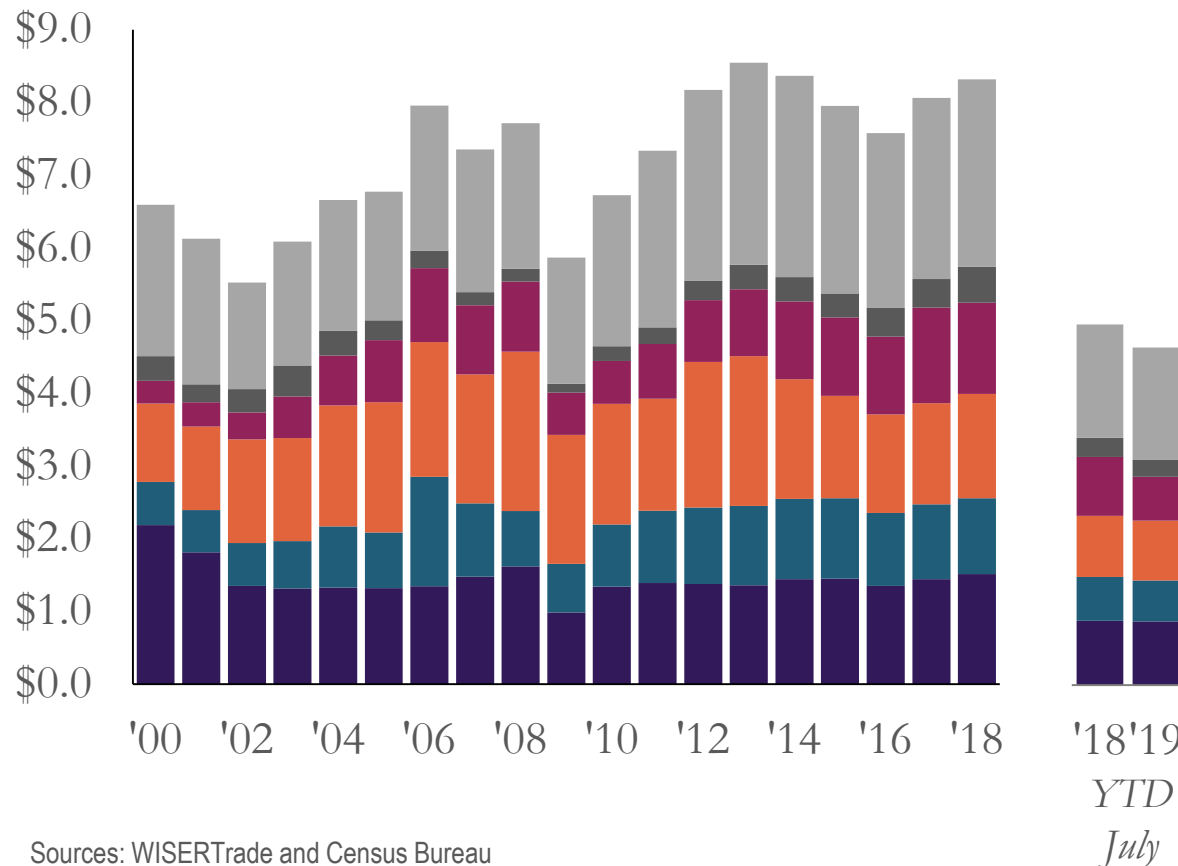
Seasonally Adjusted, Index 100 = Q2:2009



Colorado exports have decreased so far this year.

COLORADO EXPORTS BY TRADING PARTNER

Billions



JULY 2019 YEAR-TO-DATE

Year-over-Year Percent Change

Total Trade	-6.4%	SHARE*
All Other	-1.1	31.5%
Japan	-9.6	5.5
Mexico	-25.8	15.1
Canada	-2.0	17.3
China	-6.9	12.5
Eurozone	-0.7	18.1

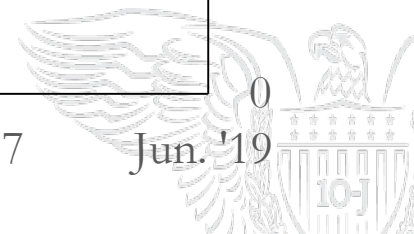
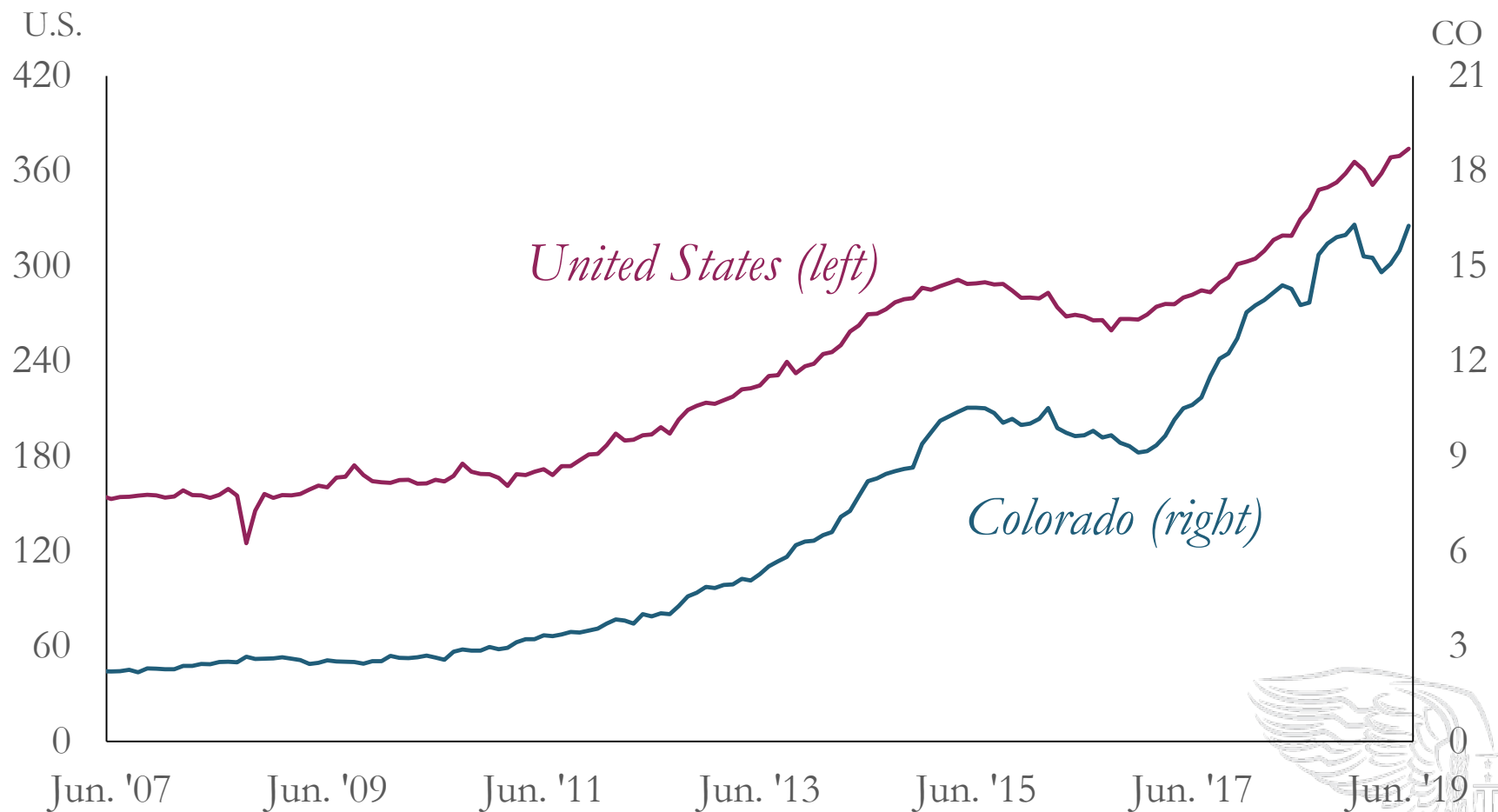
**Shares are for 2018*



Oil production in near record-high levels in Colorado.

CRUDE OIL PRODUCTION

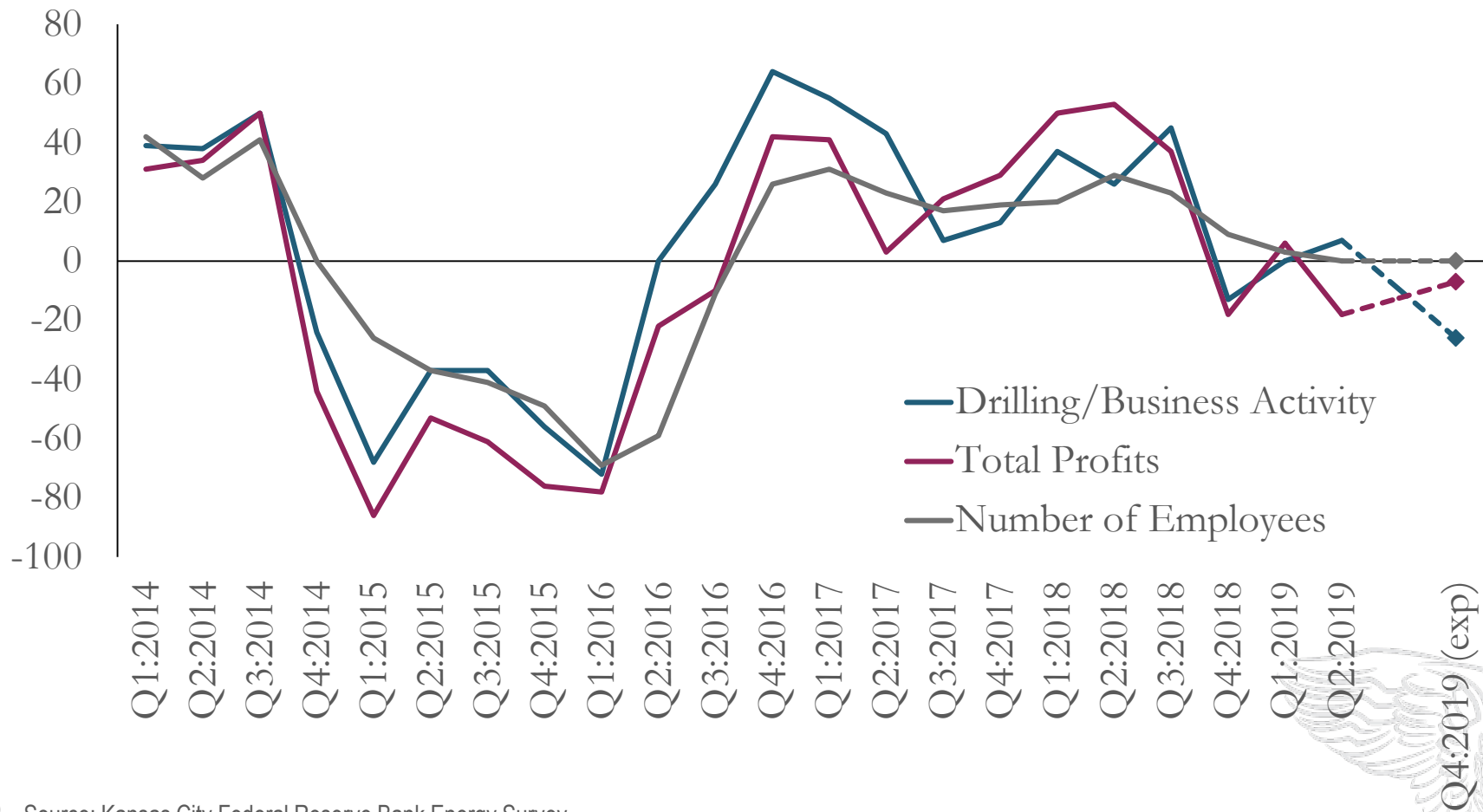
Millions of Barrels, Monthly, Seasonally Adjusted



Expectations for energy activity have weakened as oil prices remain below year-ago levels.

ENERGY SURVEY ACTIVITY INDICATORS

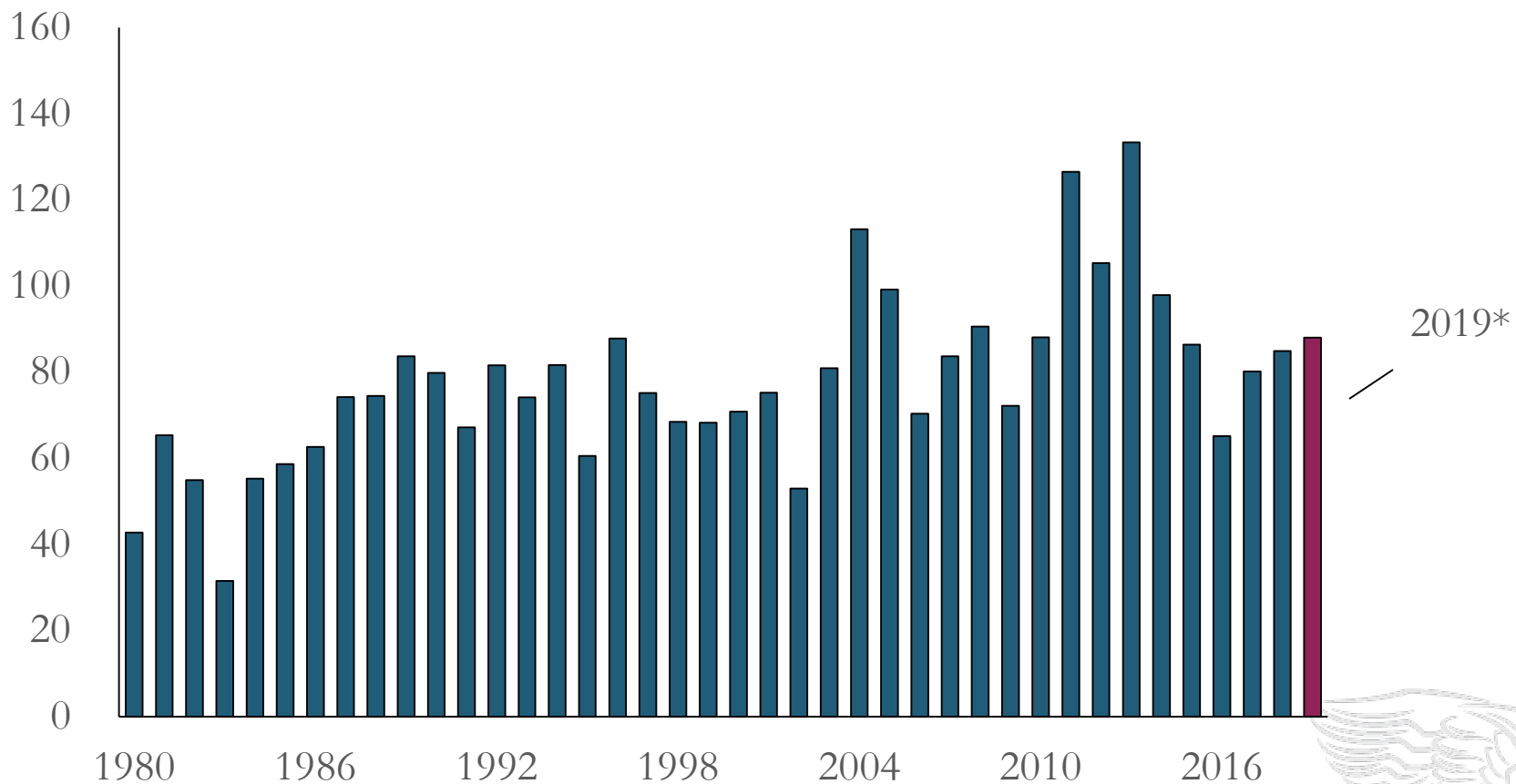
Quarterly Diffusion Index



The agriculture sector continues to struggle as commodity prices remain low.

U.S. REAL NET FARM INCOME

Billions, 2019 Dollars



*Forecast for 2019

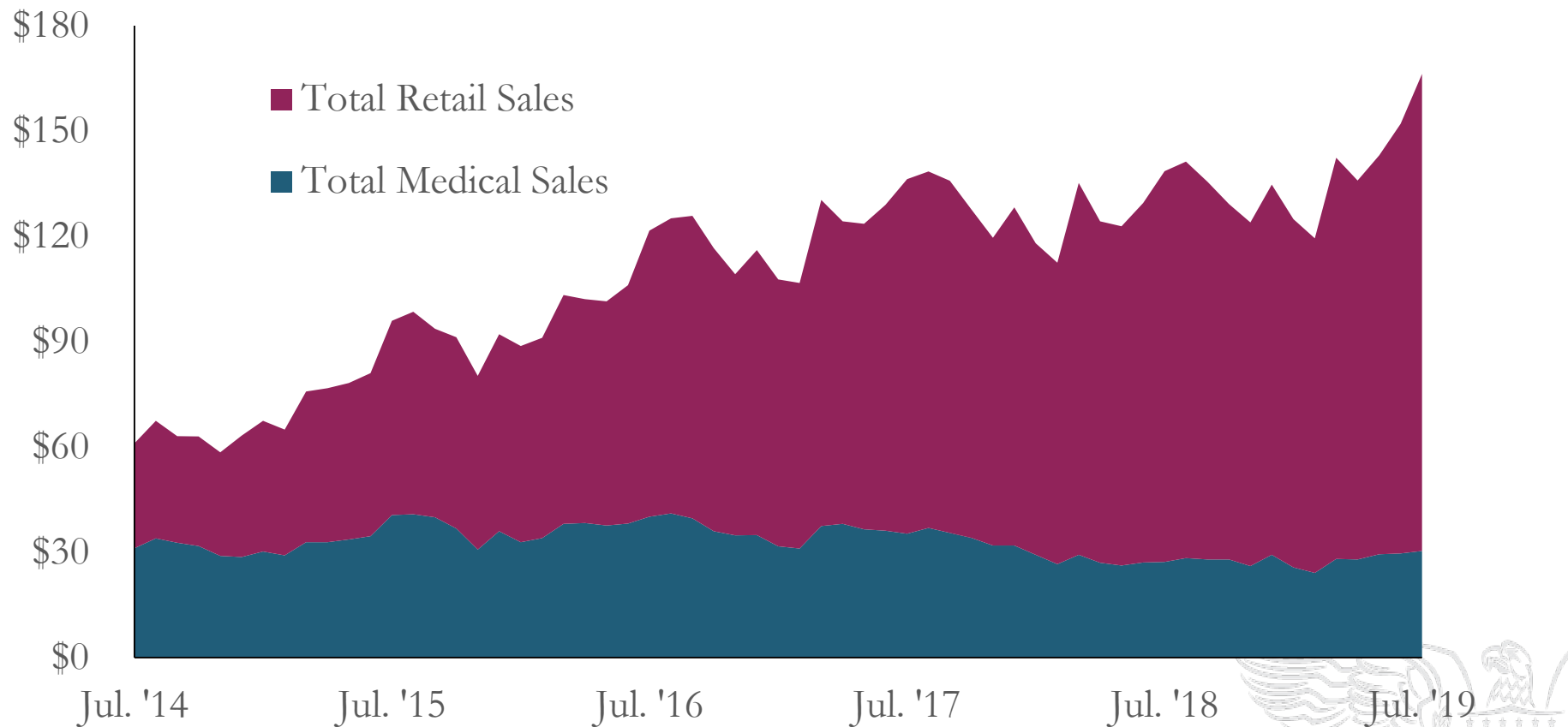
Source: USDA



Marijuana sales continue to rise in Colorado, but the pace of growth has slowed.

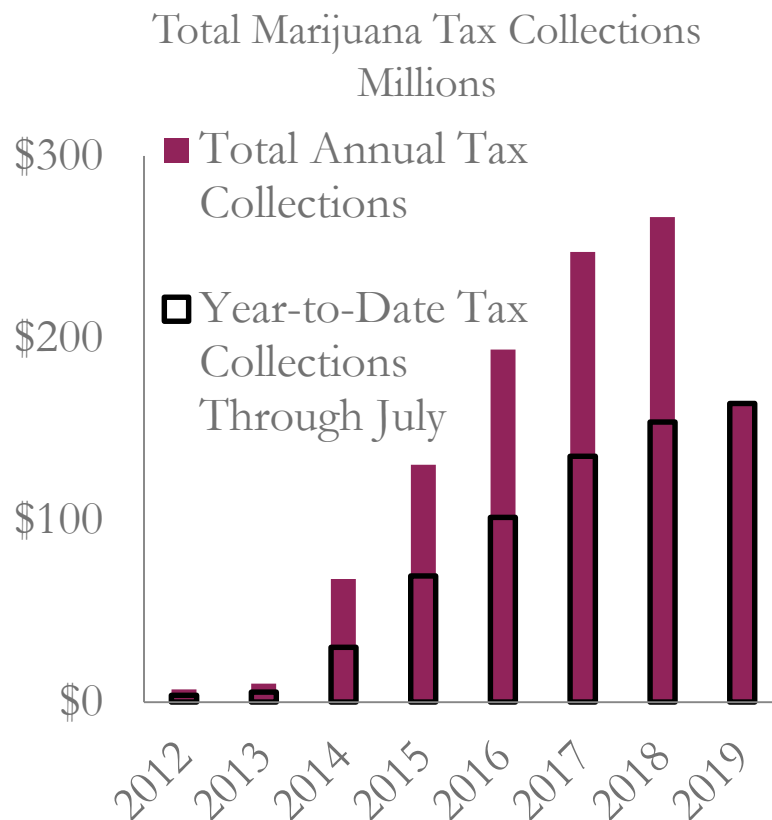
MARIJUANA SALES IN COLORADO

Monthly, Millions

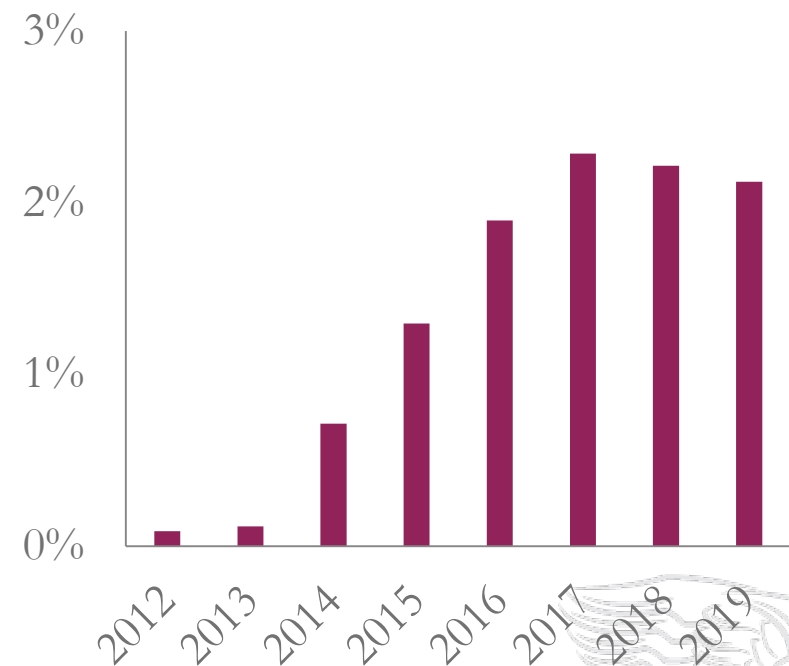


Similarly, tax collections are above year-ago levels but are rising at a slower pace.

MARIJUANA TAX COLLECTIONS IN COLORADO



Total Marijuana Tax Collections as Percent of Total General Fund Revenue



Note: Total monthly tax collections include state sales tax, retail marijuana sales tax, retail marijuana excise tax, and licenses and fees.

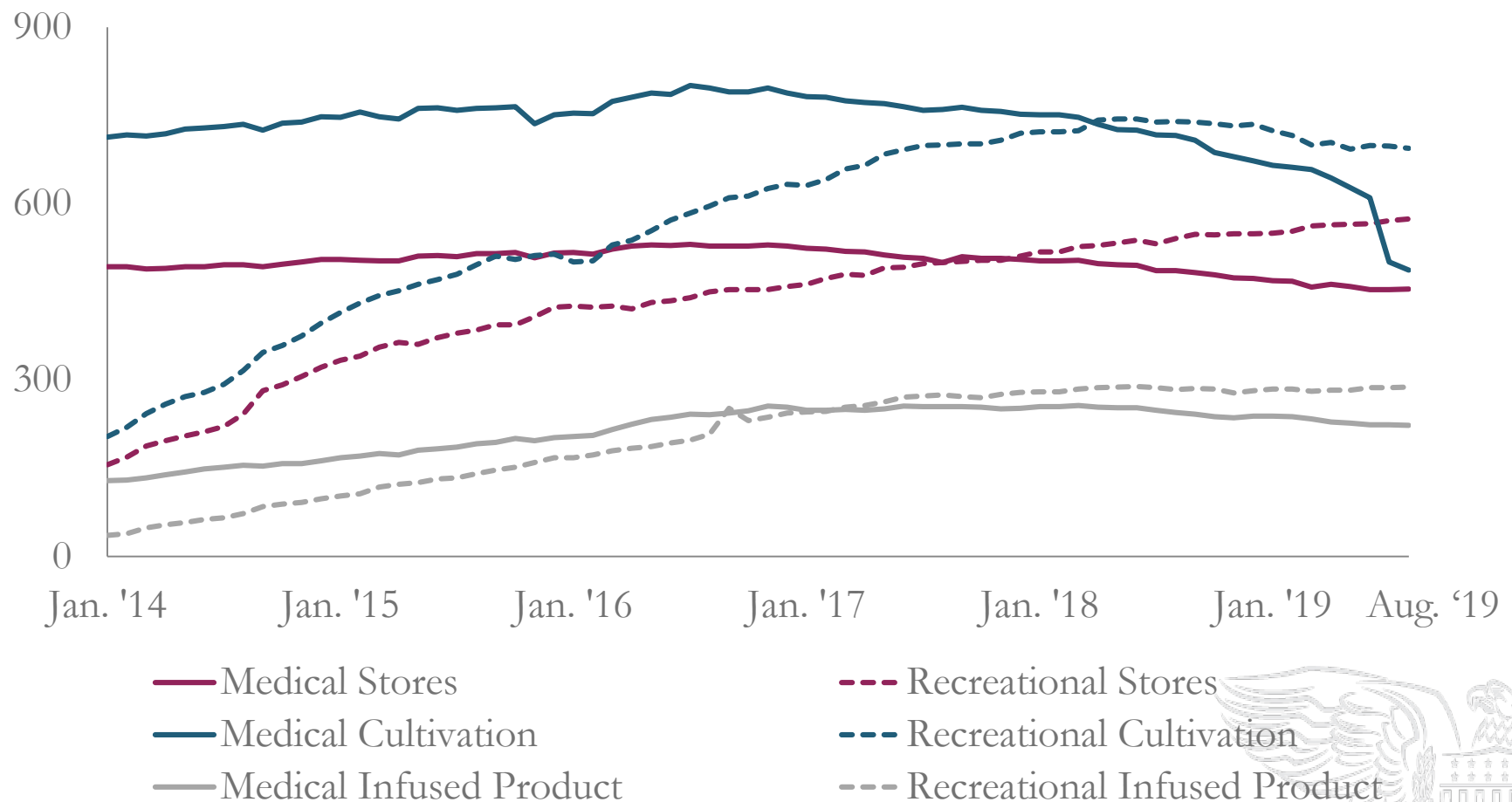
Sources: Colorado Department of Revenue & author's calculations



The number of medical stores is declining, but the number of retail stores continues to increase.

MARIJUANA BUSINESS LICENSES IN COLORADO

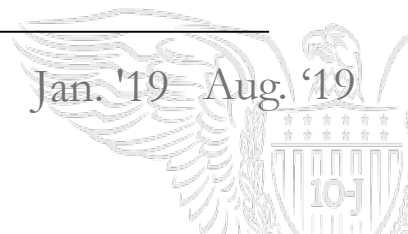
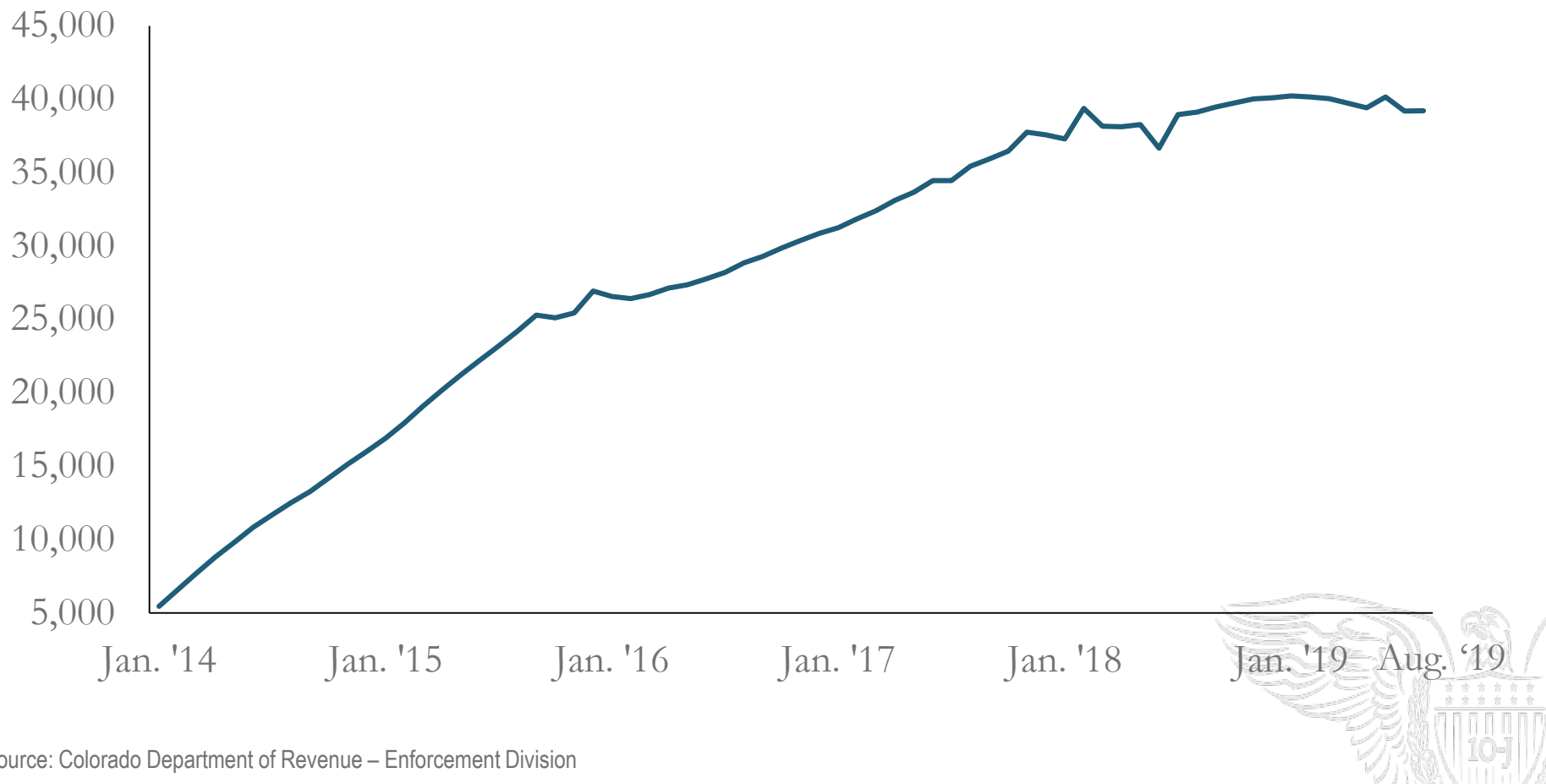
Monthly



The number of occupational licenses in the marijuana industry is also leveling off.

ACTIVE MARIJUANA OCCUPATIONAL LICENSES IN COLORADO

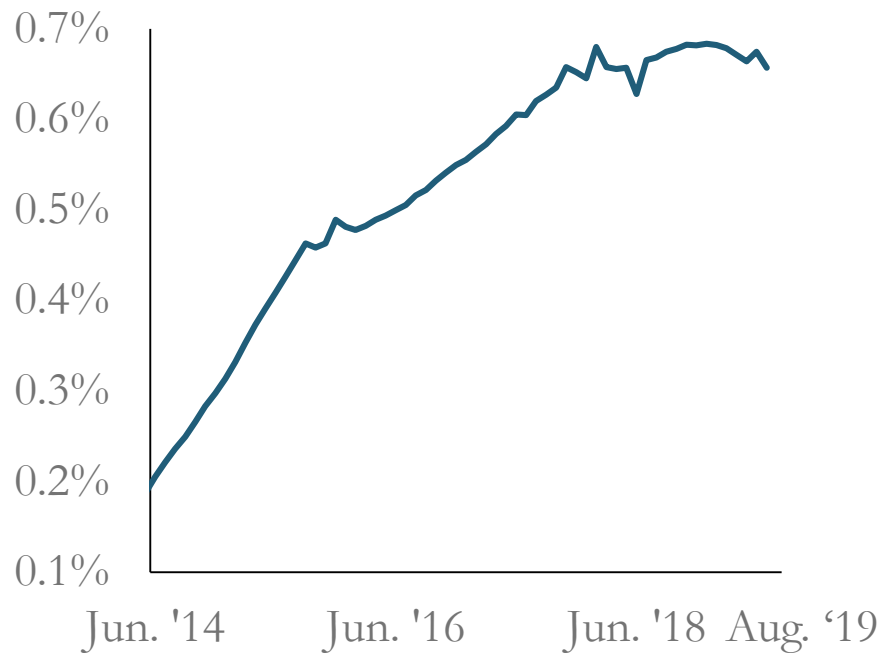
Monthly



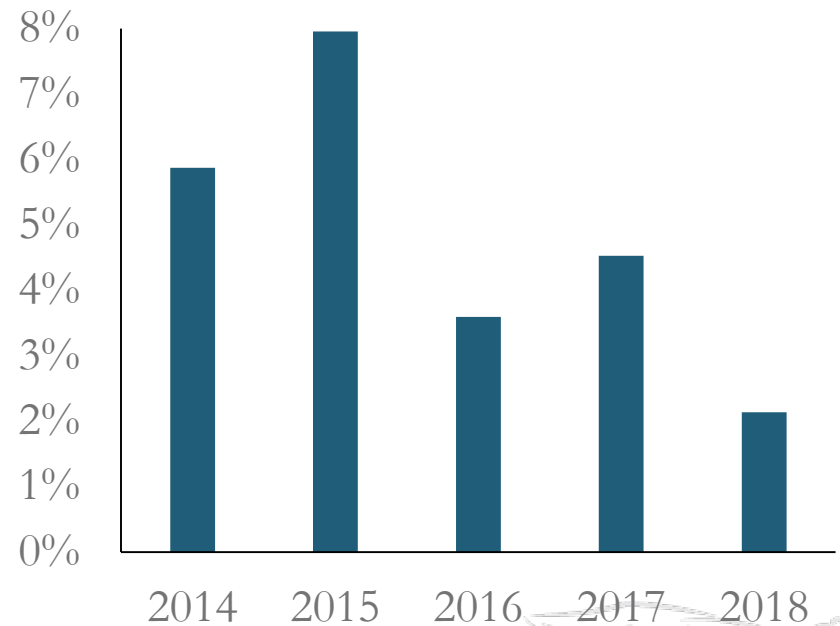
Employment in the marijuana industry makes up less than one percent of Colorado employment.

MARIJUANA EMPLOYMENT IN COLORADO

Direct Employment in the Marijuana Industry as a Share of Total Employment



Change in Marijuana Employment as a Share of Change in Total Employment



Note: In Chart 5, 2014 represents an 11-month change from January to December. Total active marijuana occupational licenses include current total active occupational licenses multiplied by 0.467.

Sources: Colorado Marijuana Enforcement Division, Bureau of Labor Statistics and Haver Analytics



The background of the slide features a large, circular seal of the Federal Reserve Bank of Denver, Colorado. The seal is made of a dark material with a gold-colored border. The words "FEDERAL RESERVE BANK" are inscribed in gold letters along the top arc, and "DENVER, COLORADO" is inscribed along the bottom arc. In the center of the seal is an eagle with spread wings, perched atop a shield. The shield contains a series of vertical lines and stars. The entire seal is set against a light gray, textured background.

For additional information on the regional economy:

<http://www.KansasCityFed.org/Denver>

