

# Colorado

## *Economic Update*



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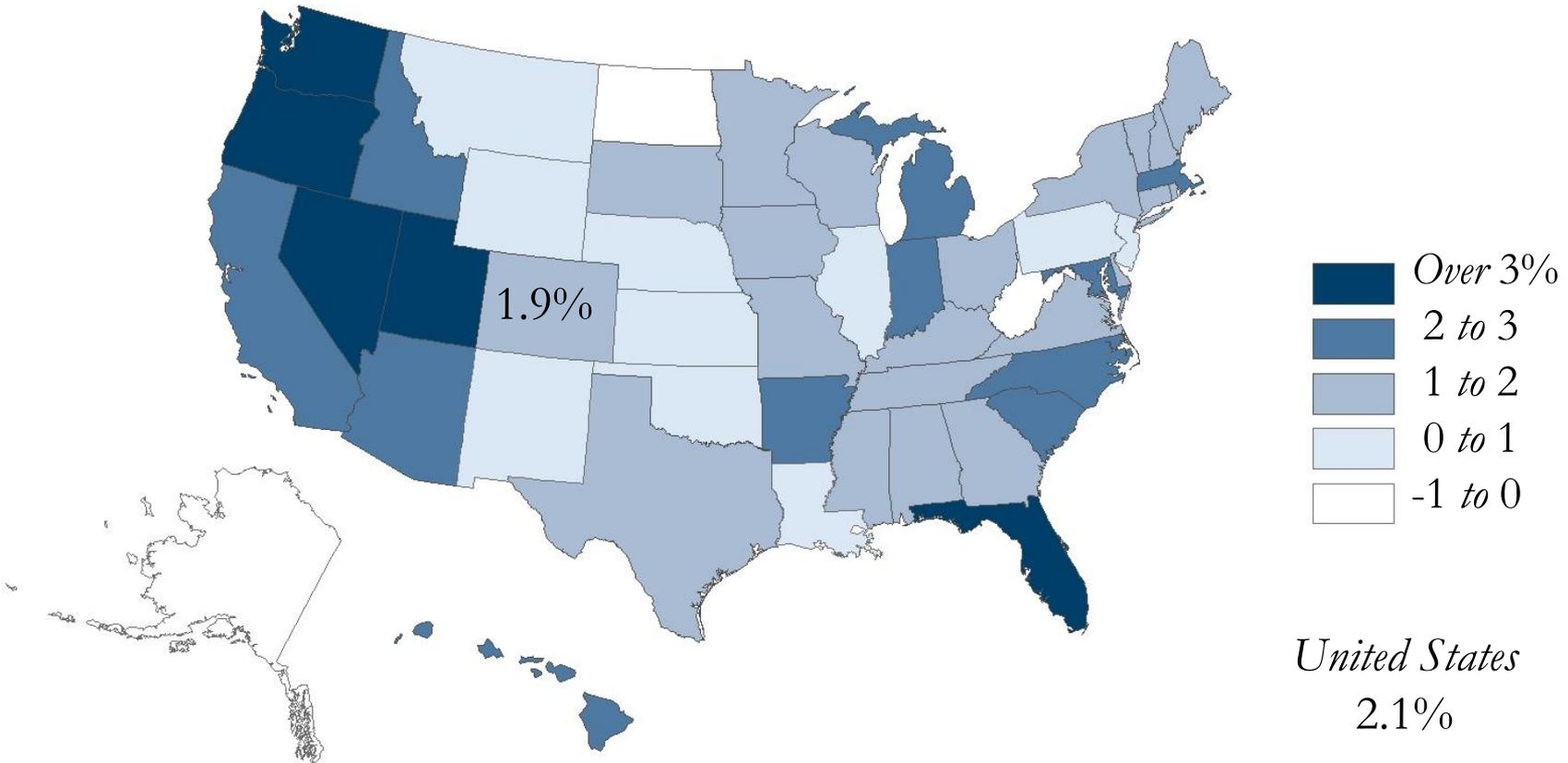
*The views expressed are those of the presenter and do not necessarily reflect the positions of the Federal Reserve Bank of Kansas City or the Federal Reserve System.*

Most states have experienced positive job growth over the past year.



## AUGUST 2015 NONFARM EMPLOYMENT

*Year-over-Year Percent Change, Seasonally Adjusted*



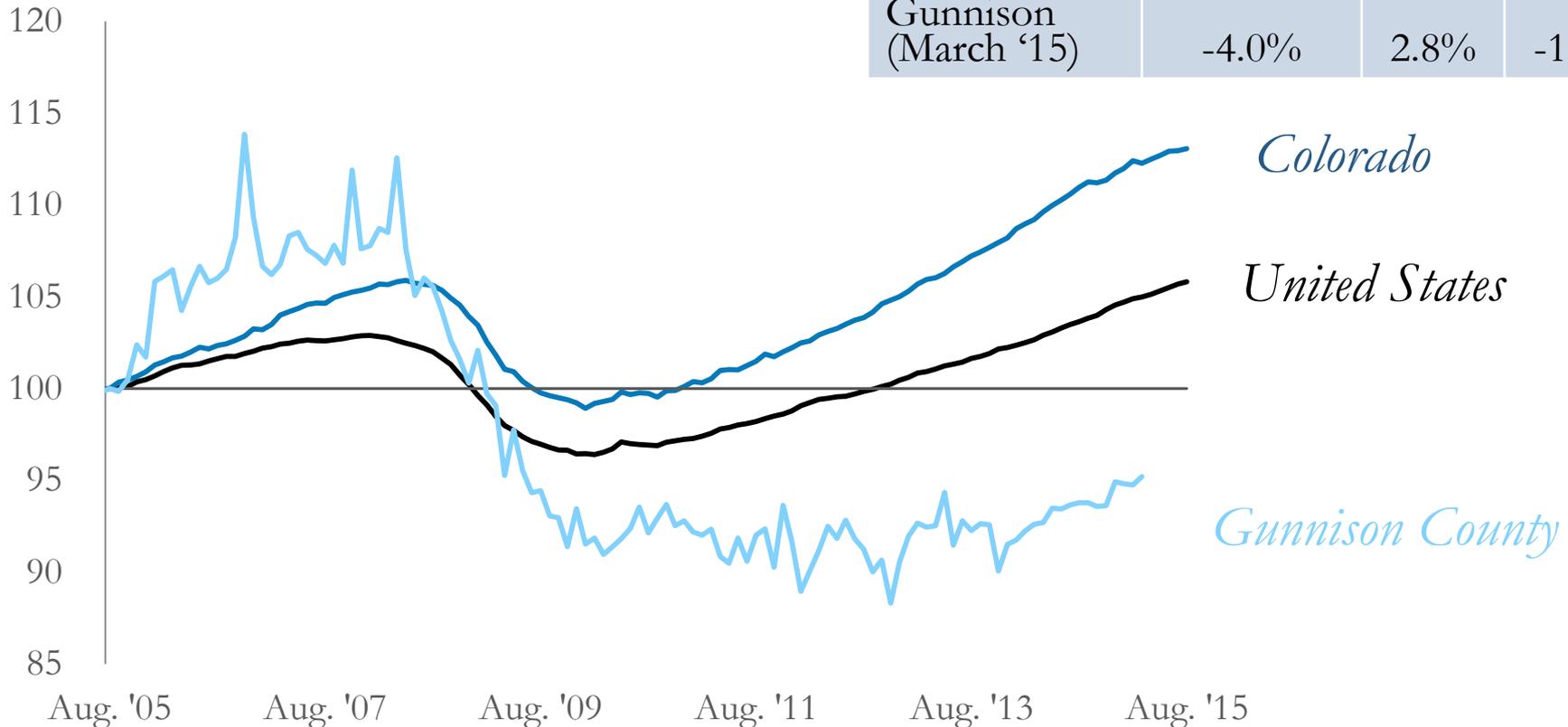
Employment has been increasing in Colorado and in the nation for more than five years, with Colorado gains outpacing the nation.



## PAYROLL EMPLOYMENT GROWTH

*Index 100 = August 2005, Seasonally Adjusted*

<i>Percent Change</i>	<i>Past 10 Years</i>	<i>Past Year</i>	<i>Dec. '07 to Current</i>
U.S.	5.8%	2.1%	2.8%
CO	13.1%	1.9%	7.3%
Gunnison (March '15)	-4.0%	2.8%	-11.5%



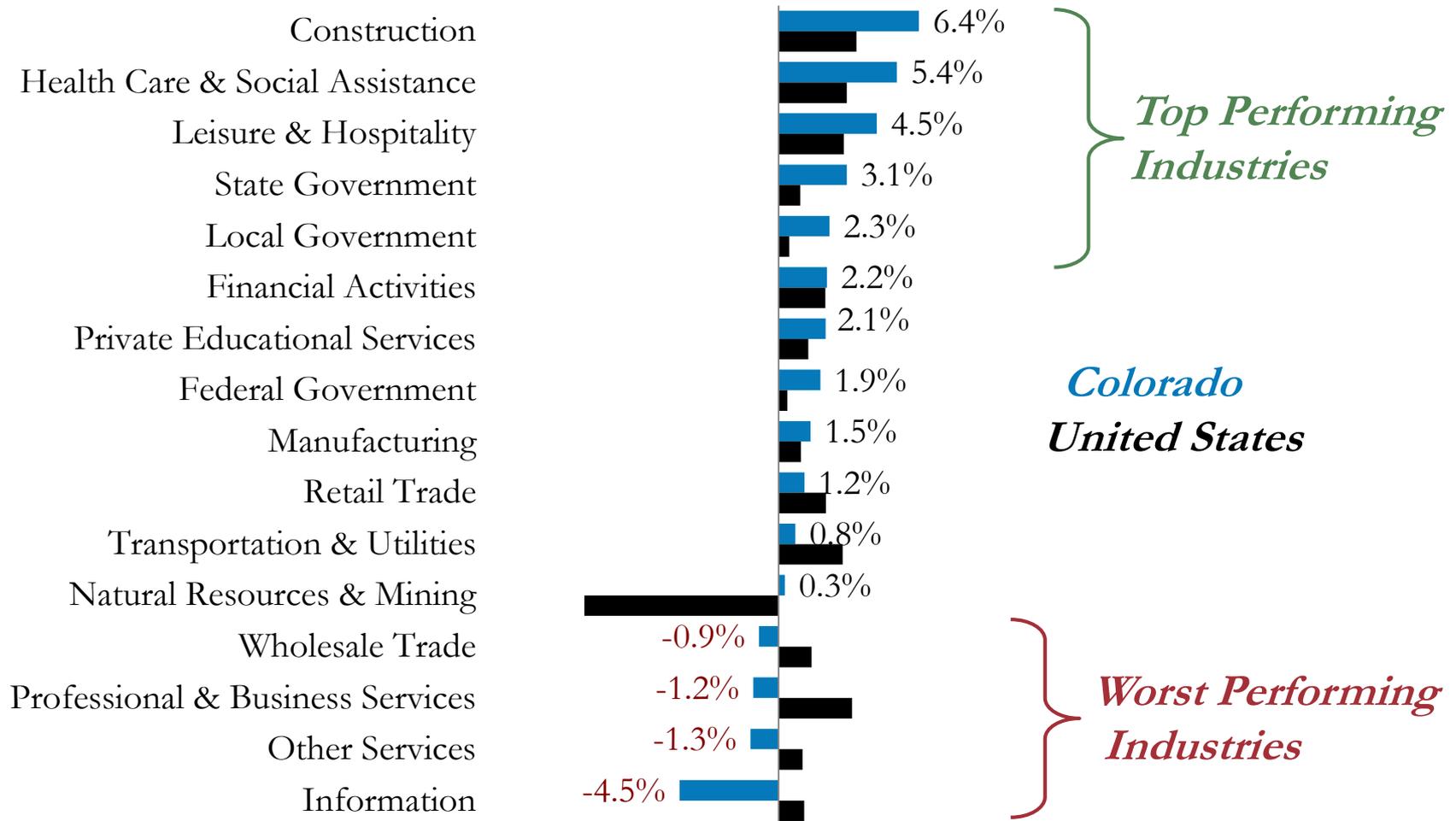
# Job gains have been broad-based across industries in the U.S. and Colorado over the past year.



## CHANGE IN PAYROLL EMPLOYMENT, AUGUST 2015

*Seasonally Adjusted*

*Percent Change Year-over-Year*

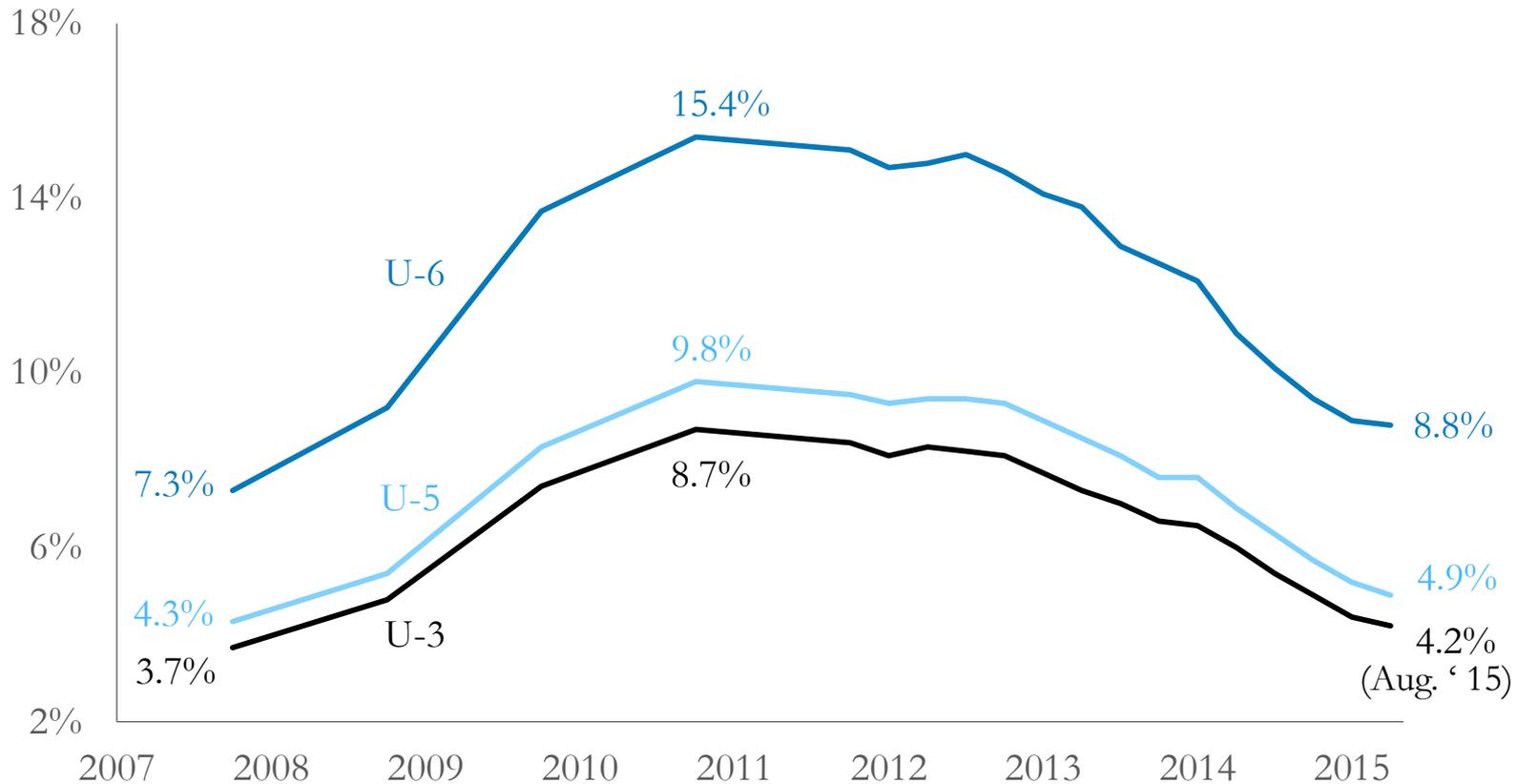


# Unemployment rates have declined sharply in the U.S. and Colorado.



## COLORADO UNEMPLOYMENT RATES

*Seasonally Adjusted*

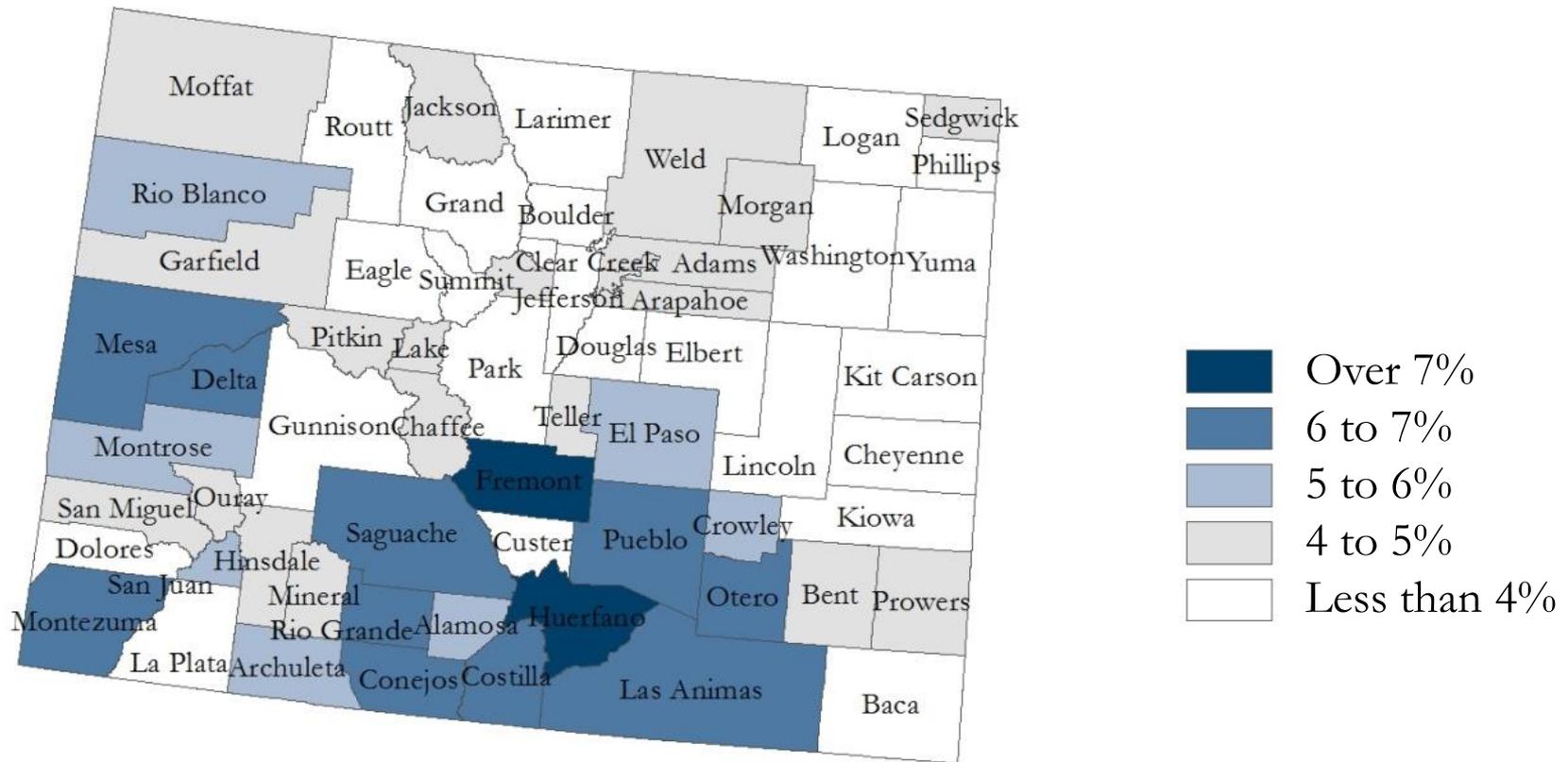


Unemployment rates have fallen across the majority of the state, but pockets of high unemployment remain.



## COLORADO UNEMPLOYMENT RATES BY COUNTY, JULY 2015

*Seasonally Adjusted*

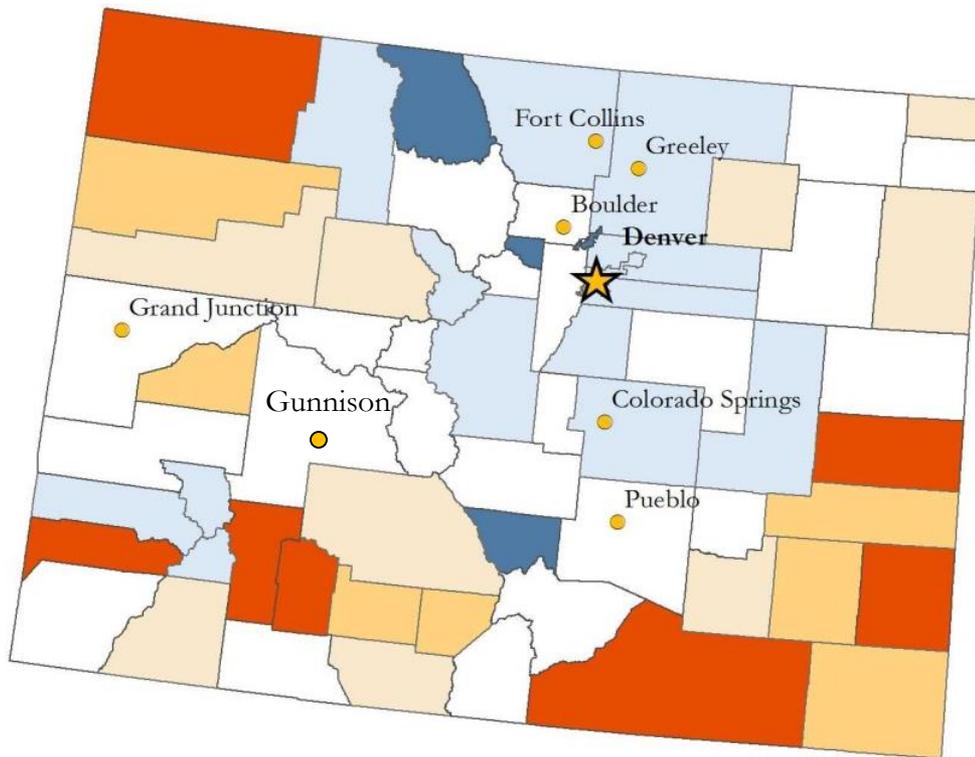


Parts of Colorado continue to experience strong population growth and net in-migration.

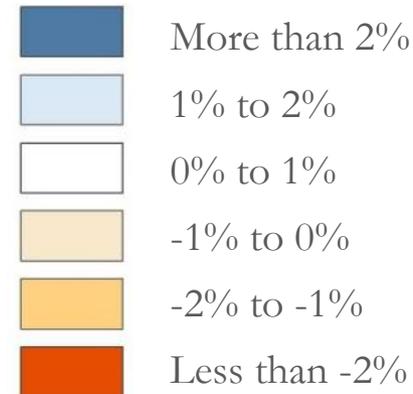


## NET MIGRATION

*Total 2014 Net Migration as a Percentage of 2014 Population*



<i>Annual Percent Change</i>	<i>2014</i>
United States	0.3%
Colorado	1.0%
Gunnison County	0.8%

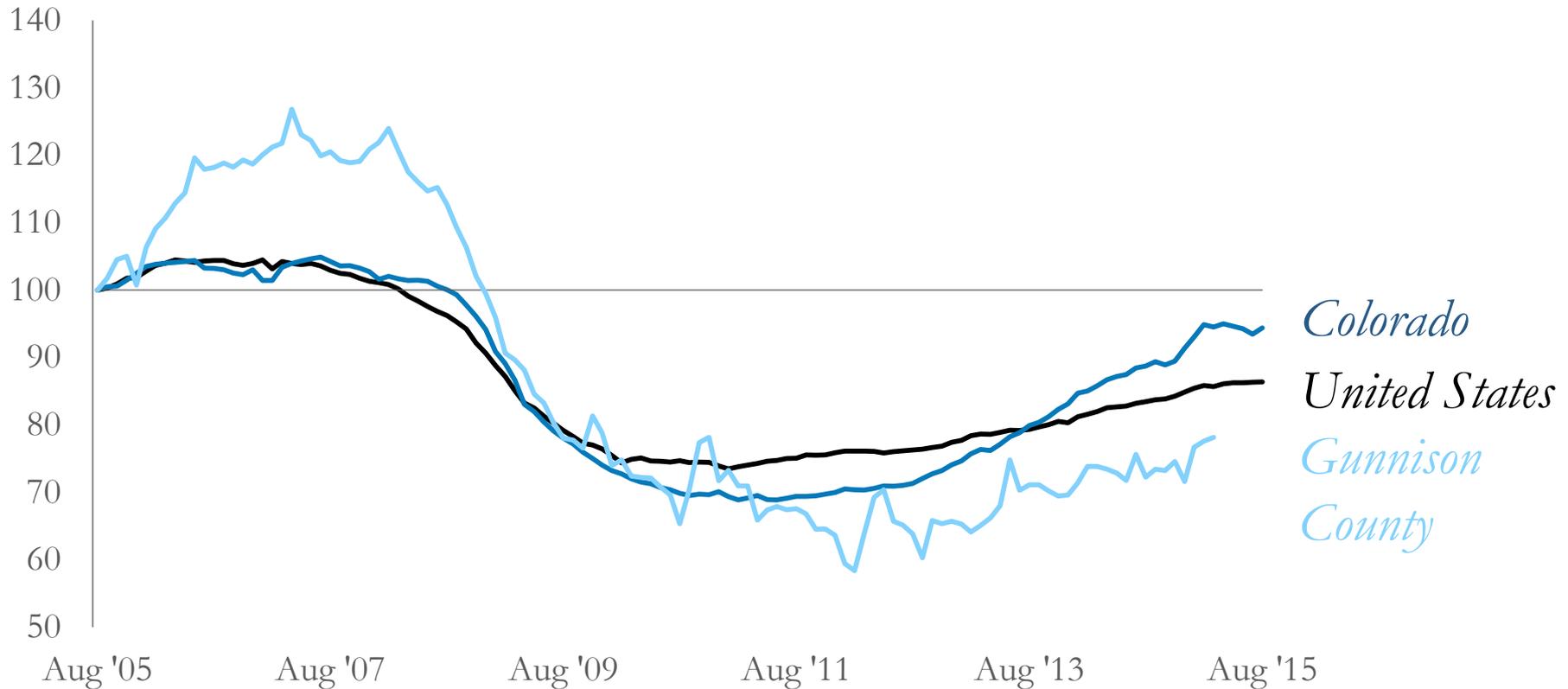


In recent years, Colorado construction employment has increased at a faster pace than the nation.



## CONSTRUCTION EMPLOYMENT

*Seasonally Adjusted*



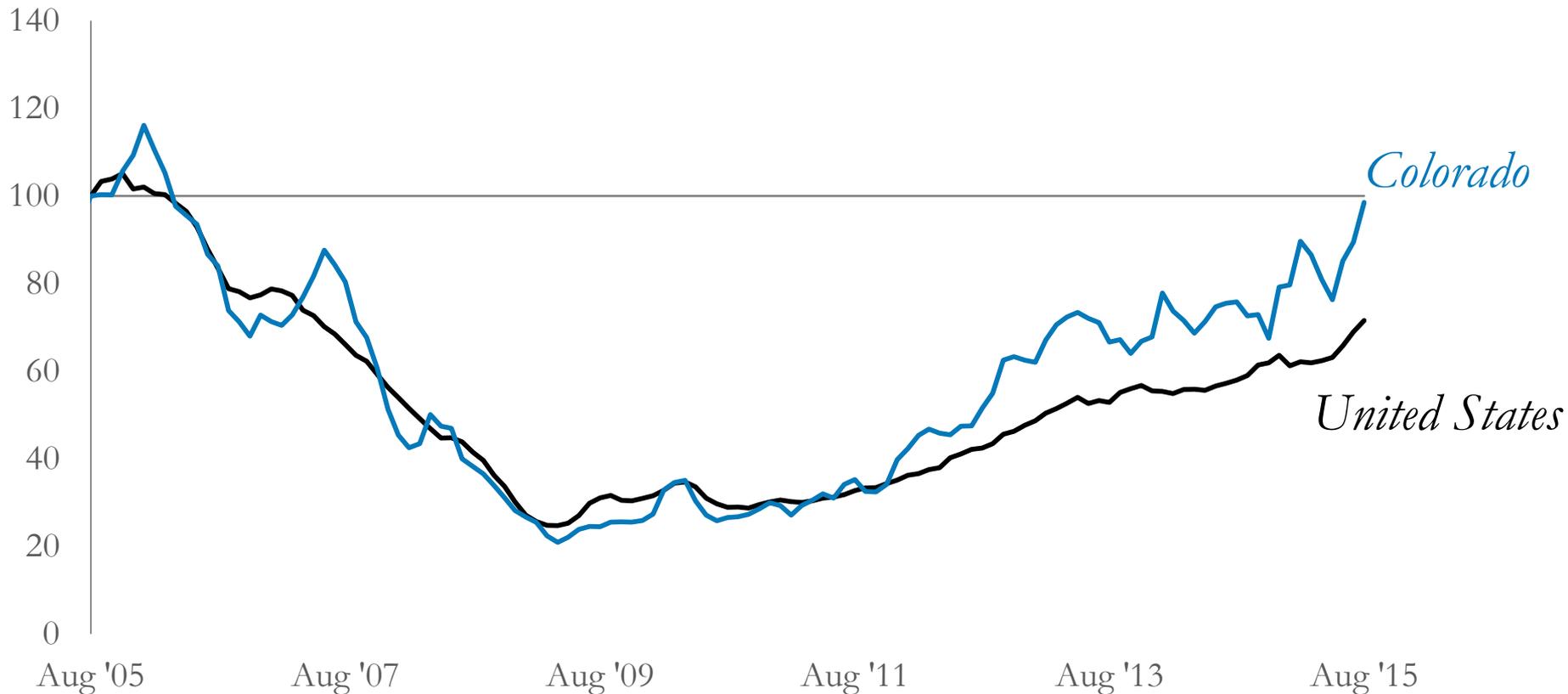
*Note: Gunnison County is using QCEW data, whereas Colorado and the United States are using Current Employment Statistics data.*

Residential construction activity has also picked up at a faster pace over the last several years.



## VALUE OF RESIDENTIAL CONSTRUCTION

*Index 100 = August 2005, Seasonally Adjusted Three-Month Moving Average*

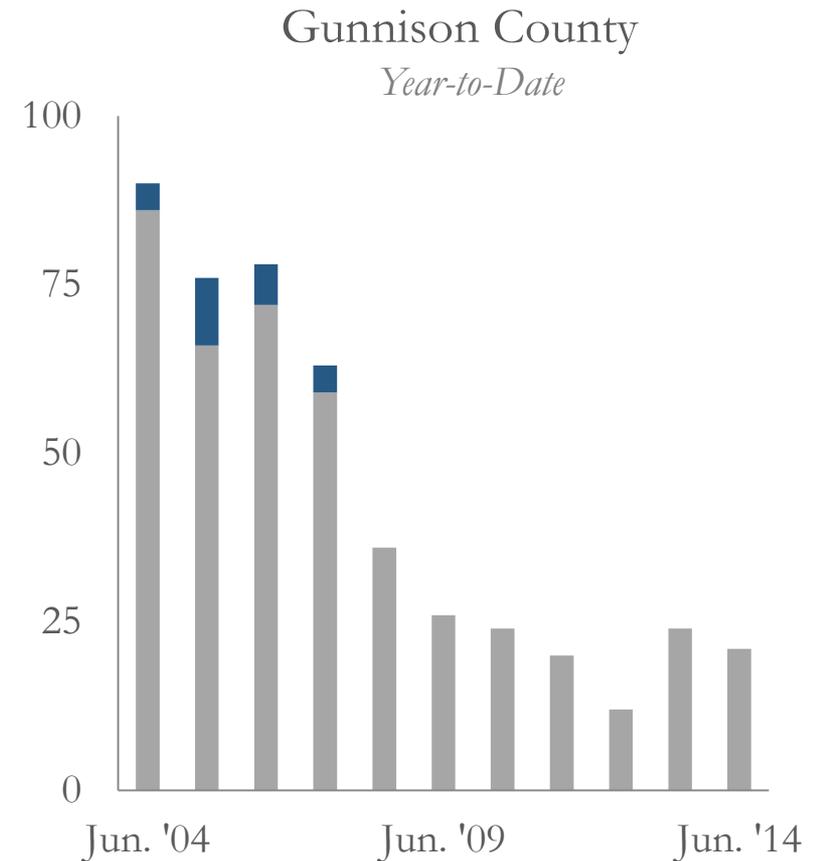
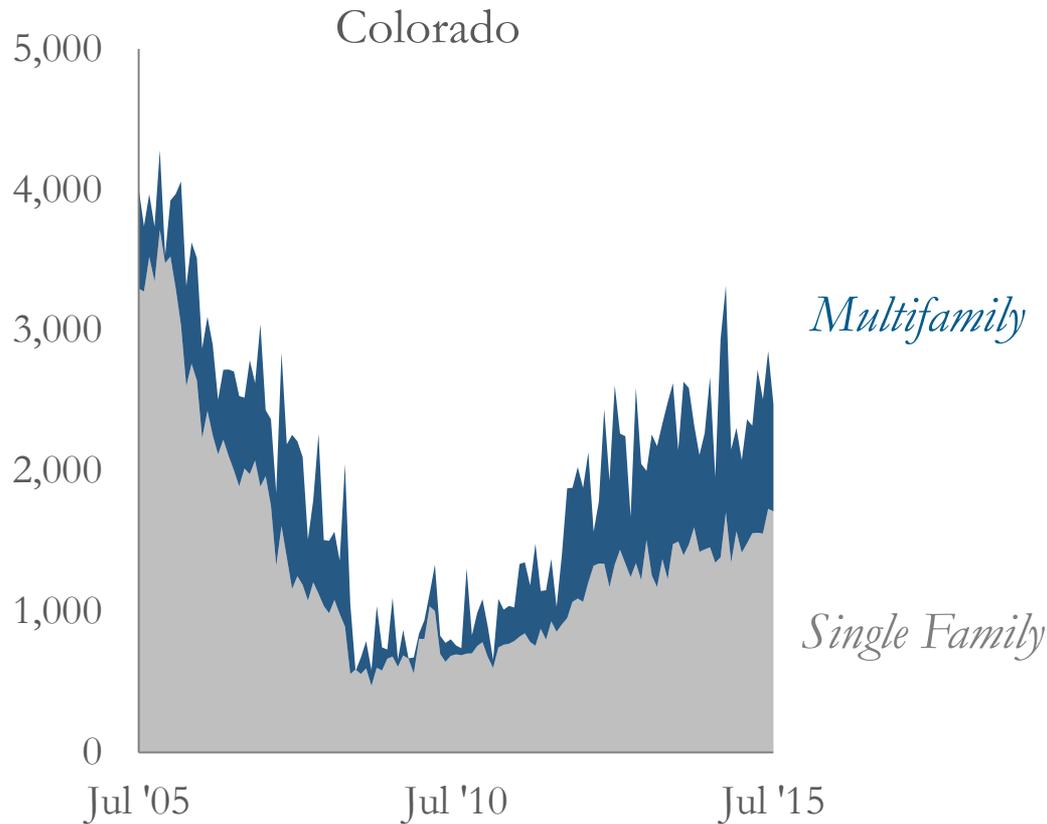


The recovery in residential construction activity has been driven by strong gains in multifamily building at the state level.



## RESIDENTIAL PERMITS

*Seasonally Adjusted*

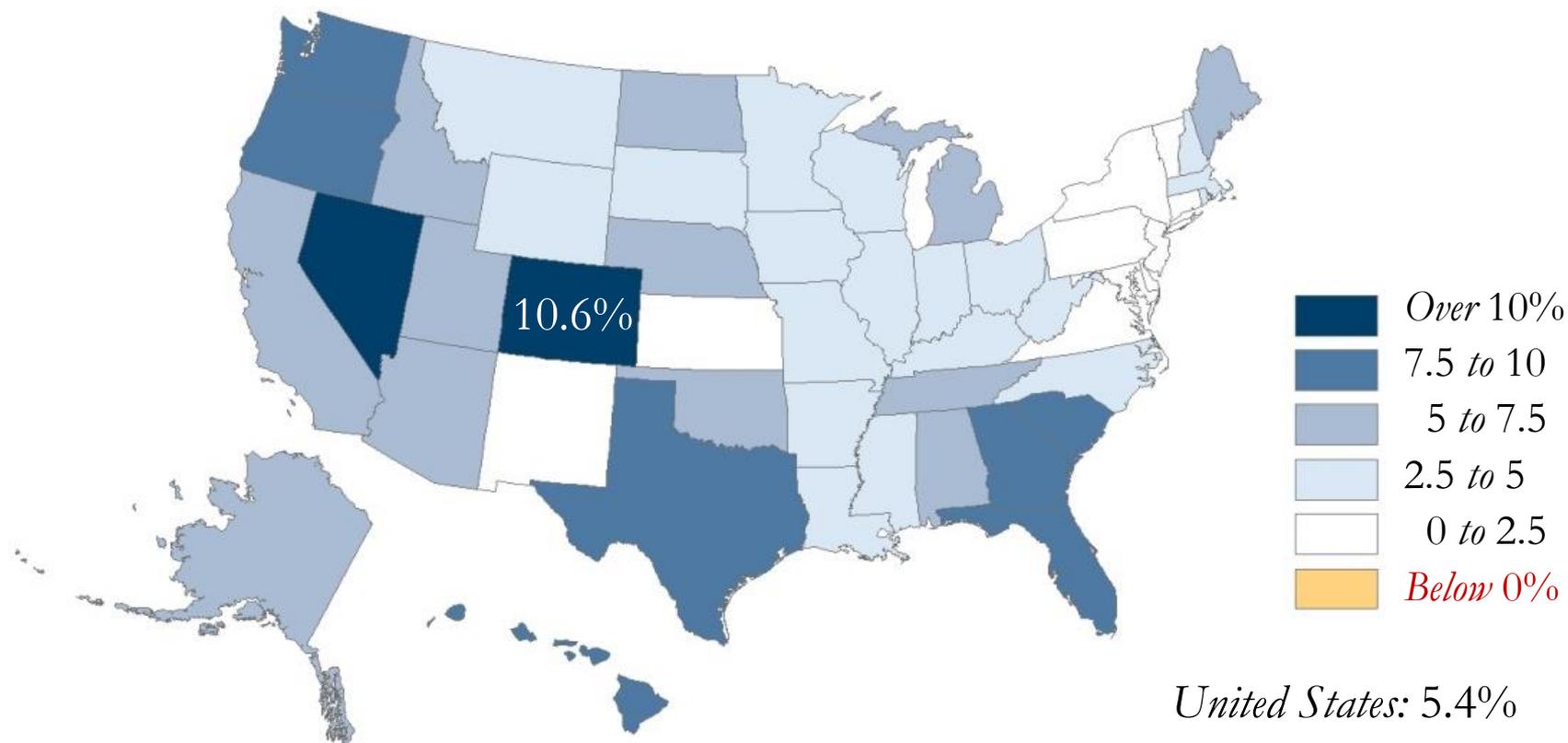


Colorado is experiencing the fastest home price appreciation in the nation.



## FHFA PURCHASE-ONLY HOME PRICE INDEX (2015Q2)

*Percent Change Year-over-Year, Seasonally Adjusted*

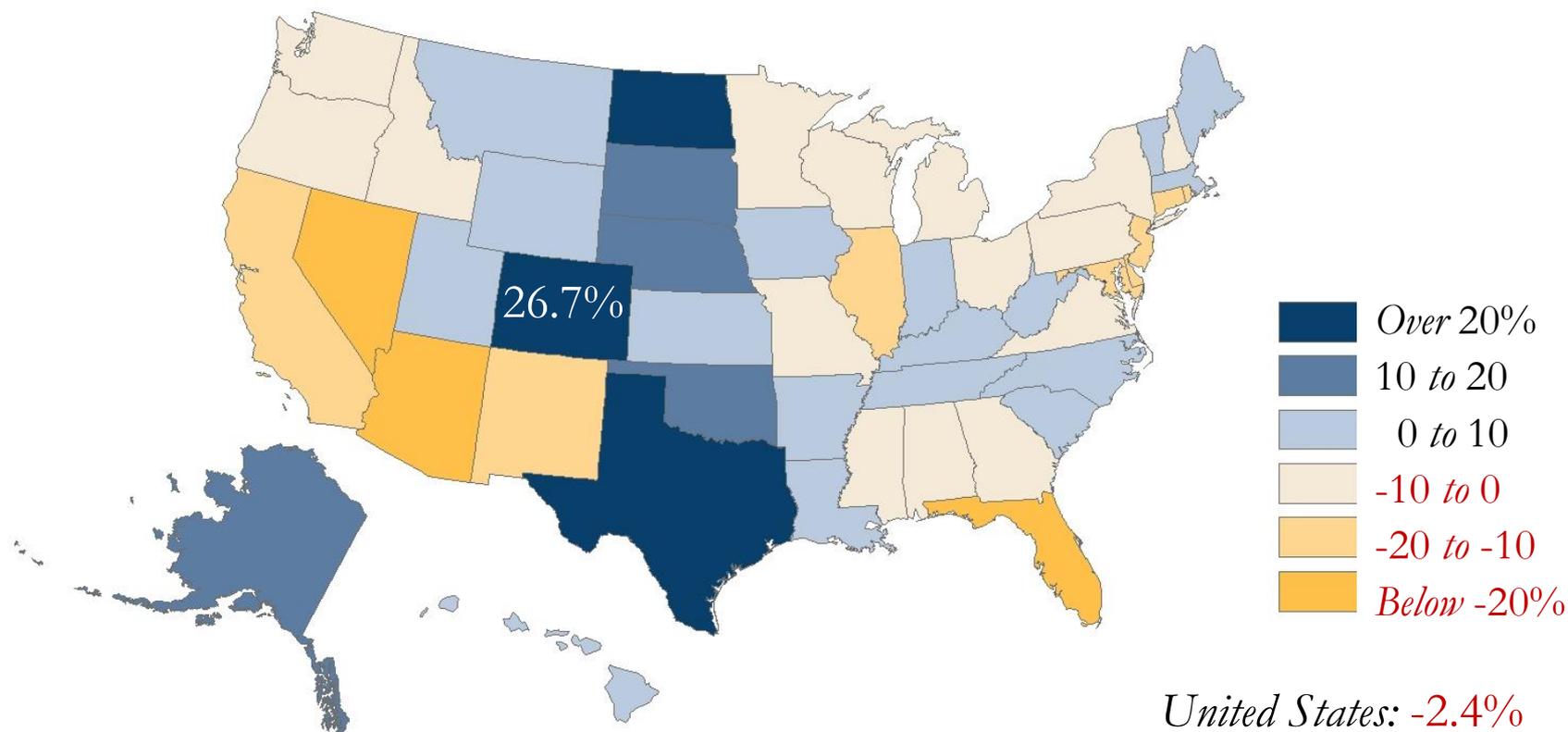


Unlike many states, home prices in Colorado are well above previous peak levels.



## FHFA PURCHASE-ONLY HOME PRICE INDEX (2007Q1 – 2015Q2)

*Percent Change Peak to Current, Seasonally Adjusted*

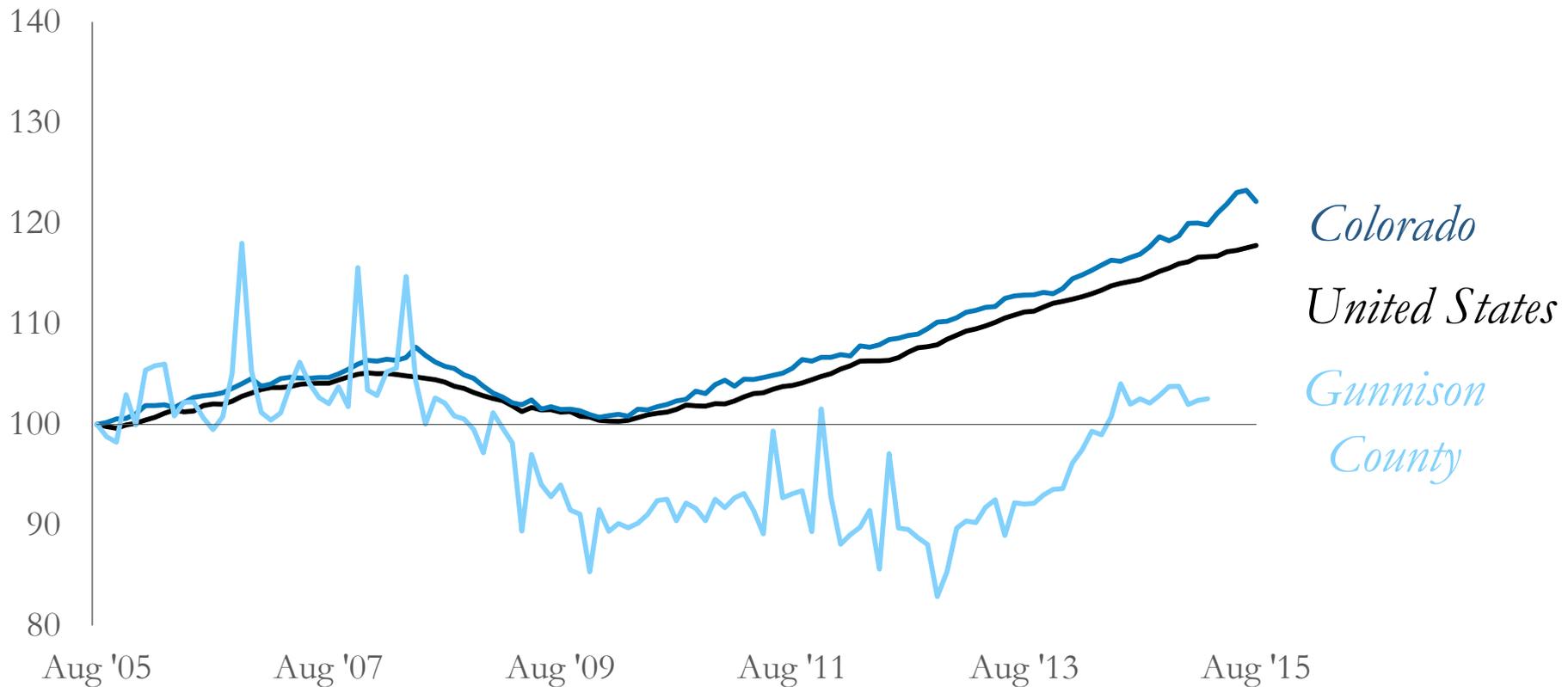


Leisure and tourism is a key sector for the Colorado economy, and job gains in the sector have been steady in recent years.



## LEISURE AND HOSPITALITY EMPLOYMENT

*Seasonally Adjusted*



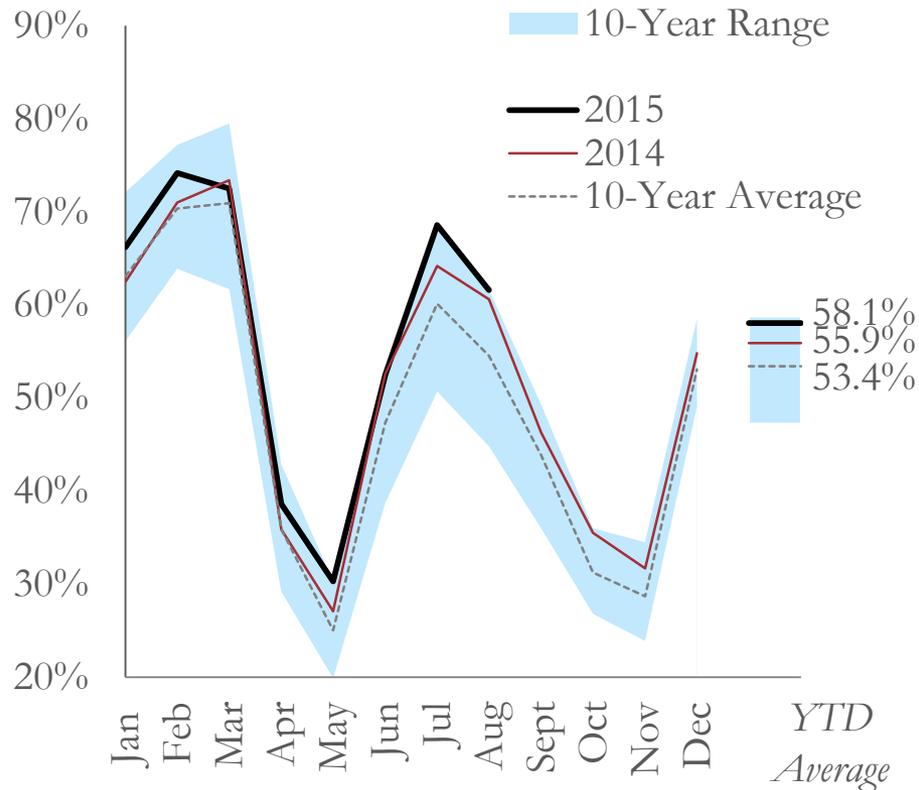
*Note: Gunnison County is using QCEW data, whereas Colorado and the United States are using Current Employment Statistics data.*

Tourism activity has picked up in Colorado over the past two years.



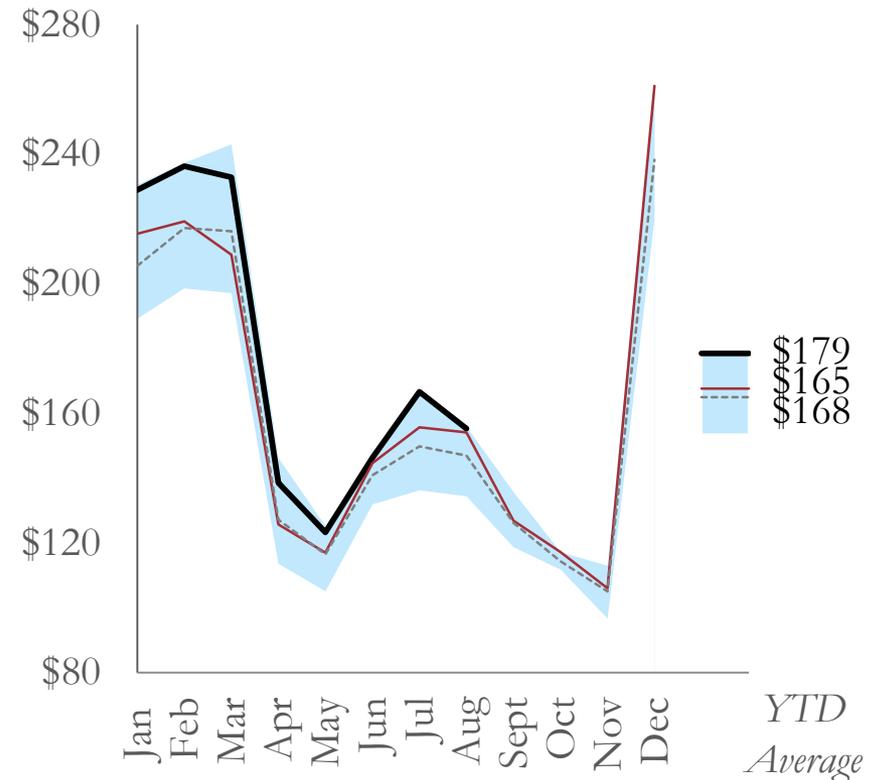
## HOTEL OCCUPANCY RATES

*Colorado Resorts*



## REAL HOTEL ROOM RATES

*Colorado Resorts, January, 1999 Dollars*

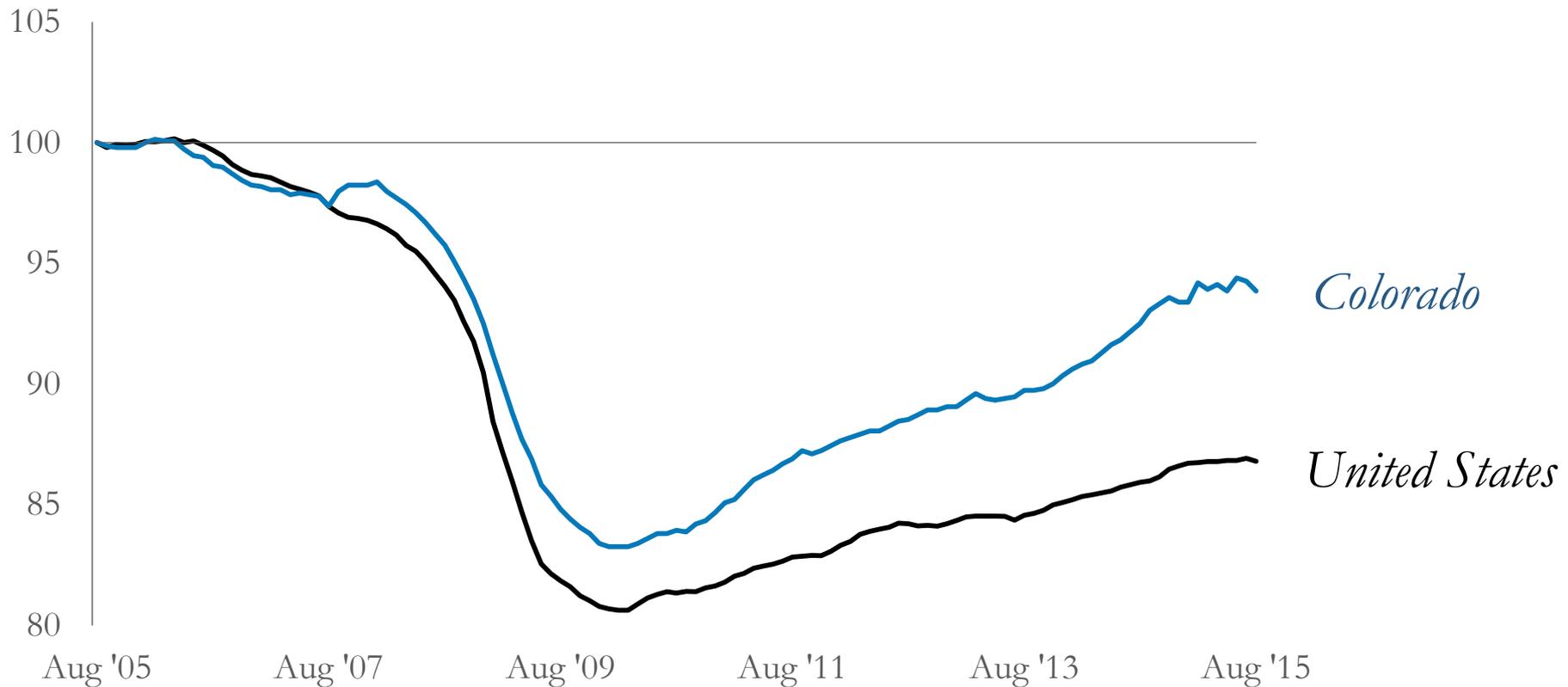


Employment in the Colorado manufacturing sector has declined slightly in recent months.



## MANUFACTURING EMPLOYMENT

*Seasonally Adjusted*



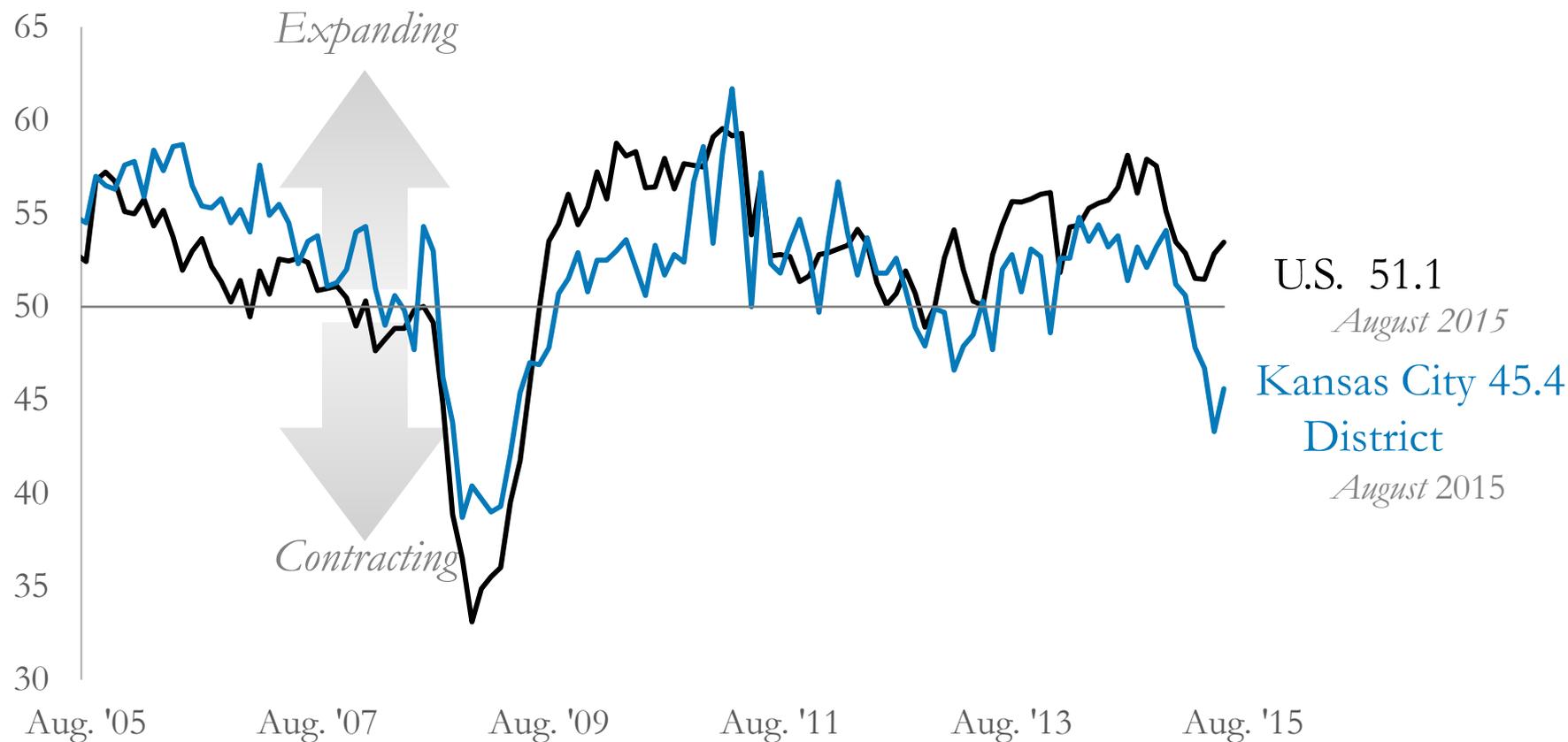
*Note: Gunnison County is using QCEW data, whereas Colorado and the United States are using Current Employment Statistics data.*

Manufacturing activity has slowed in the region due in part to weak energy and agriculture sectors and a stronger dollar.



## MANUFACTURING ACTIVITY

*Diffusion Index, Seasonally Adjusted, Month-over-Month*

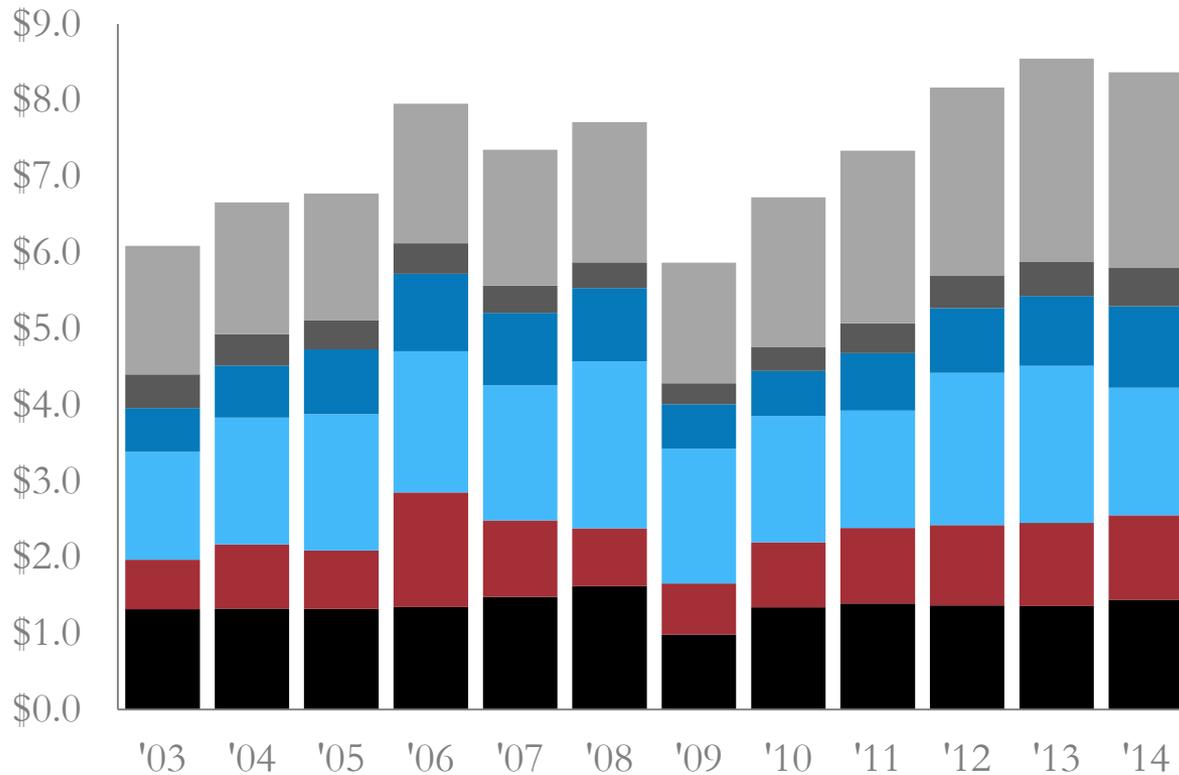


After a slight decline in 2014, Colorado export activity is up slightly so far this year.



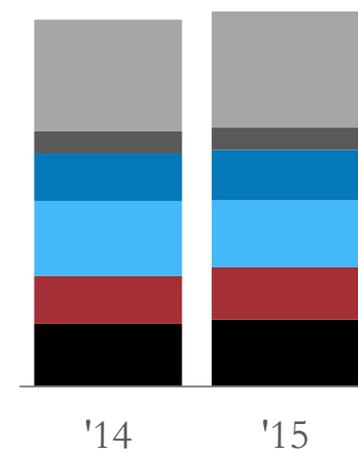
## COLORADO EXPORTS BY TRADING PARTNER

*Billions*



JULY 2015  
YEAR-TO-DATE  
*Percent Change*

Total Trade	2.2%	SHARE*
All Other	3.9	30.8%
Japan	1.5	6.1
Mexico	5.7	12.8
Canada	-10.8	19.7
China	9.7	13.3
Eurozone	6.6	17.3



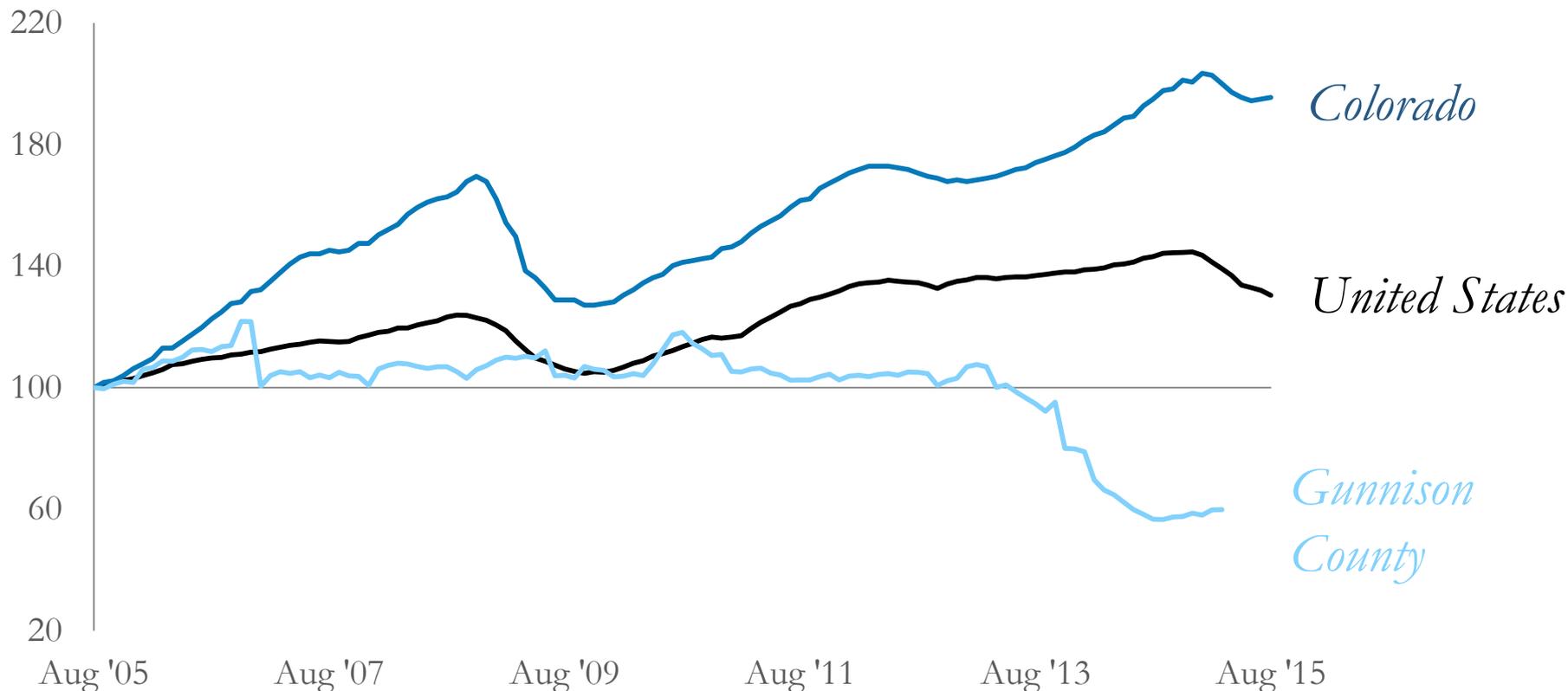
*YTD through July*

As a result of continuing weakness in the energy sector, energy employment has declined about 4 percent in Colorado since January.



## COLORADO ENERGY EMPLOYMENT

*Seasonally Adjusted*



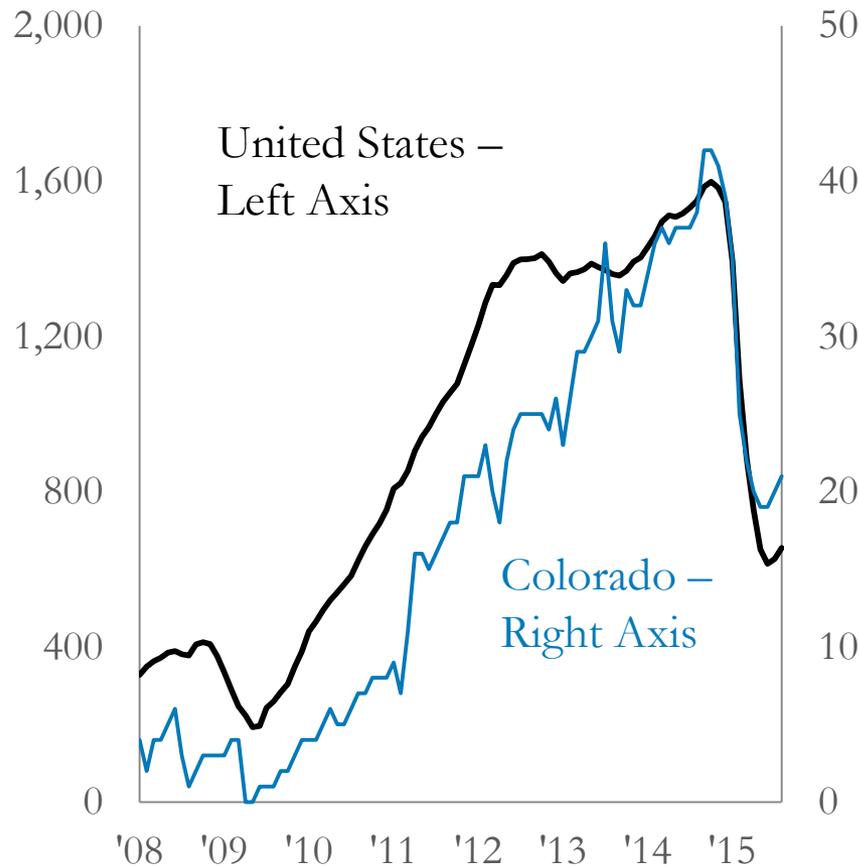
*Note: Gunnison county is using QCEW data, whereas Colorado and the United States are using Current Employment Statistics data.*

# Drilling rigs have fallen sharply in 2015, but oil production has held steady.



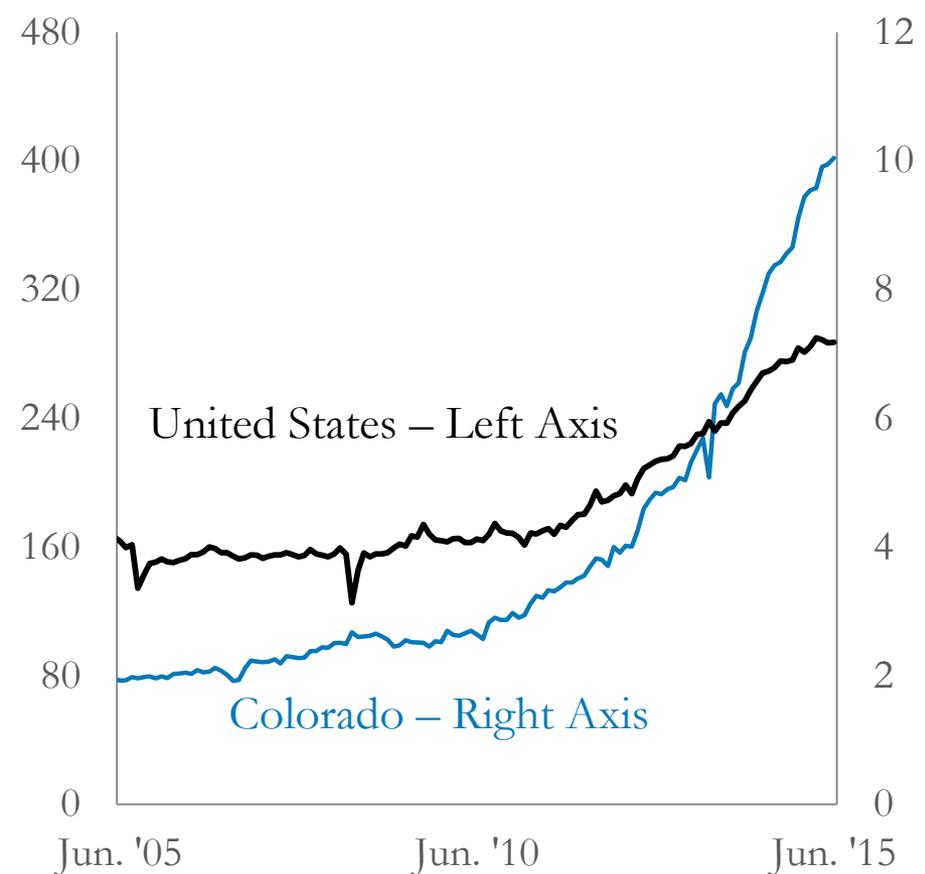
## OIL RIG COUNT

*Number of Active Drilling Rigs*



## OIL PRODUCTION

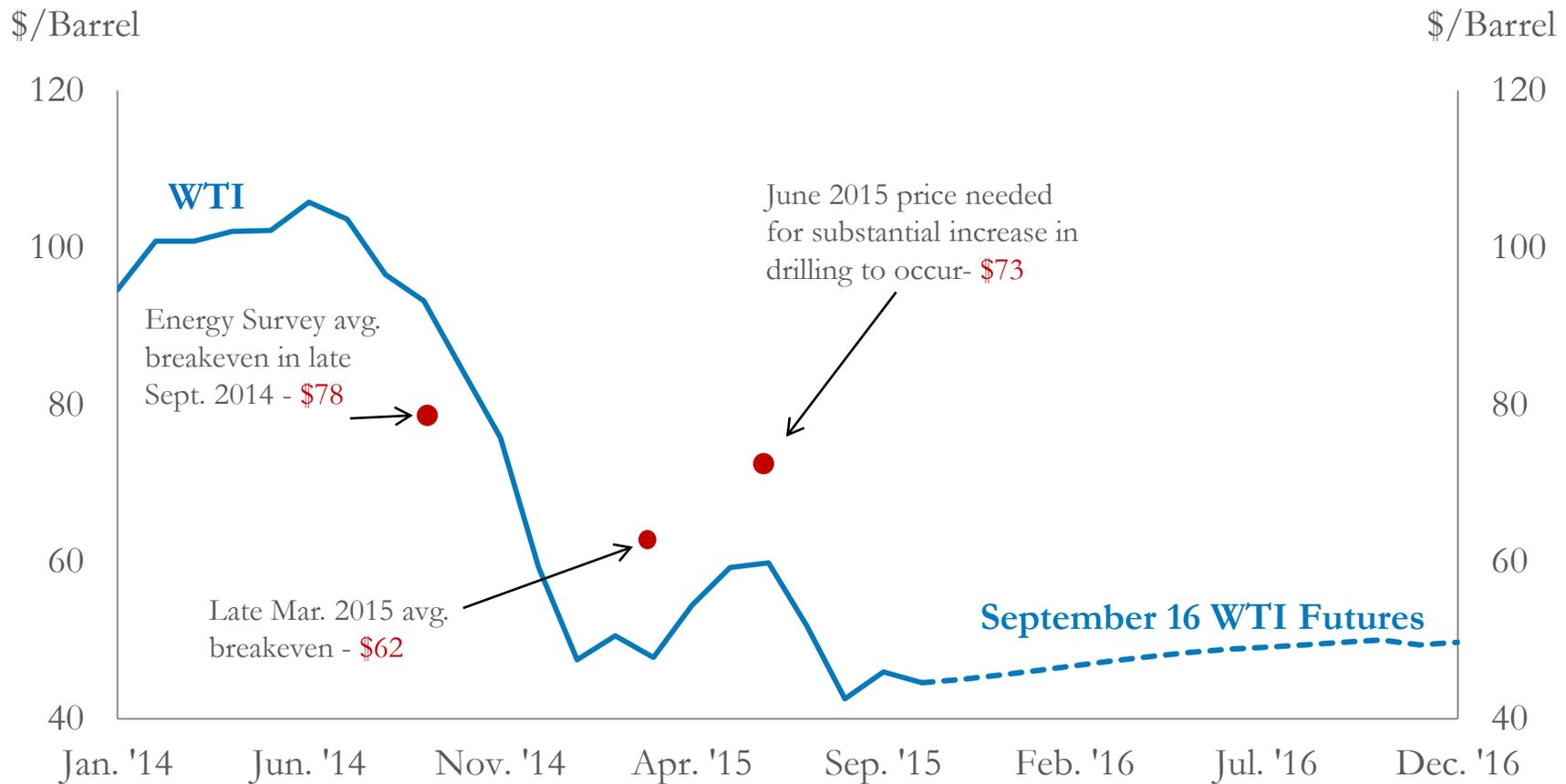
*Million Barrels per Month, SA*



Breakeven oil prices have fallen as productivity rises and costs decline, but oil prices remain well below the levels needed for a substantial increase in drilling.



## REPORTED BREAKEVEN OIL PRICES AND WTI EXPECTATIONS

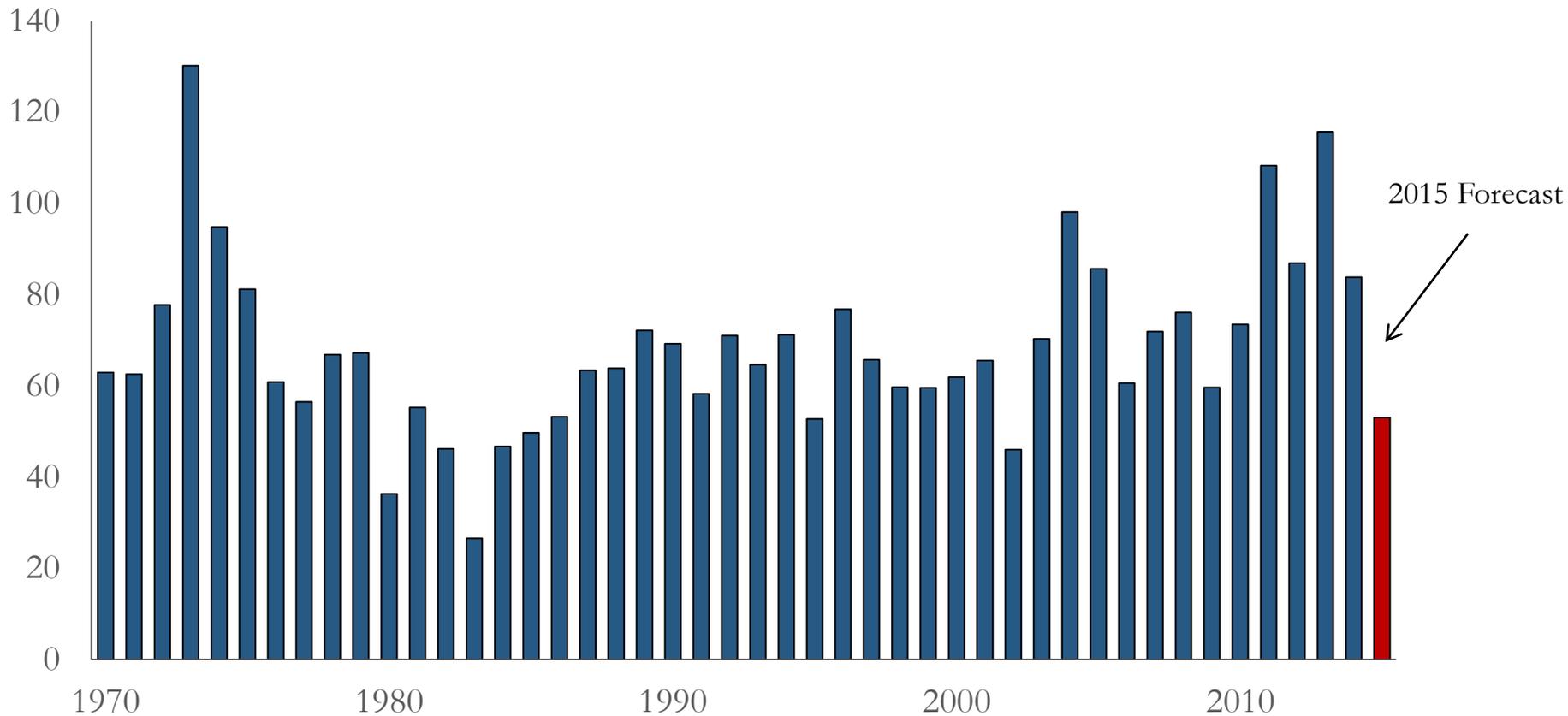


# U.S. real net farm income is projected to decline in 2015.



## U.S. REAL NET FARM INCOME

*Billions, 2009 Dollars*

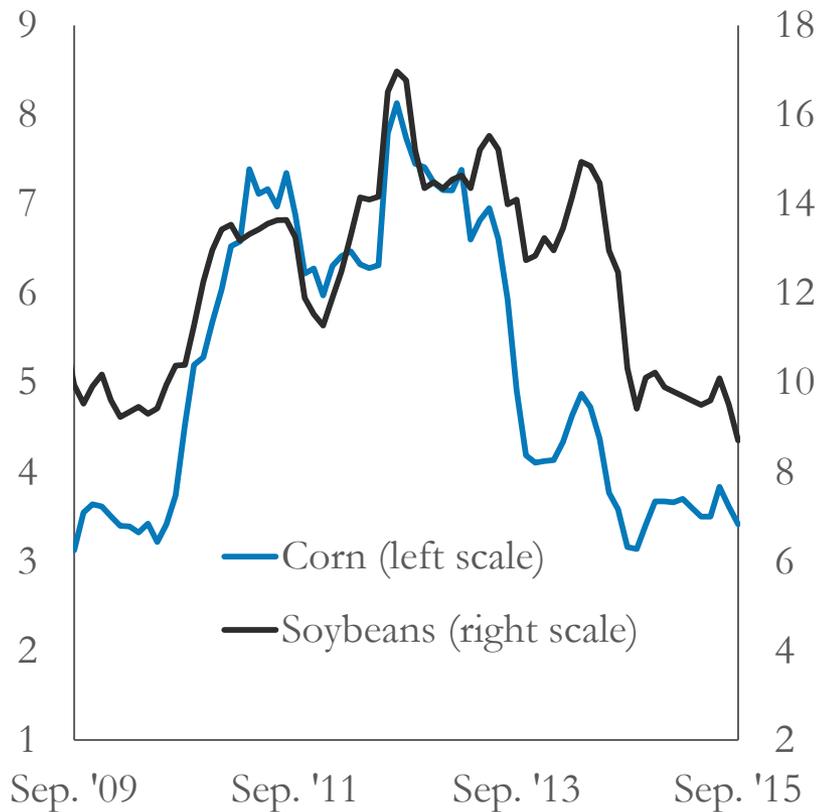


Crop prices remain low, and cattle prices are starting to decline after a record year.



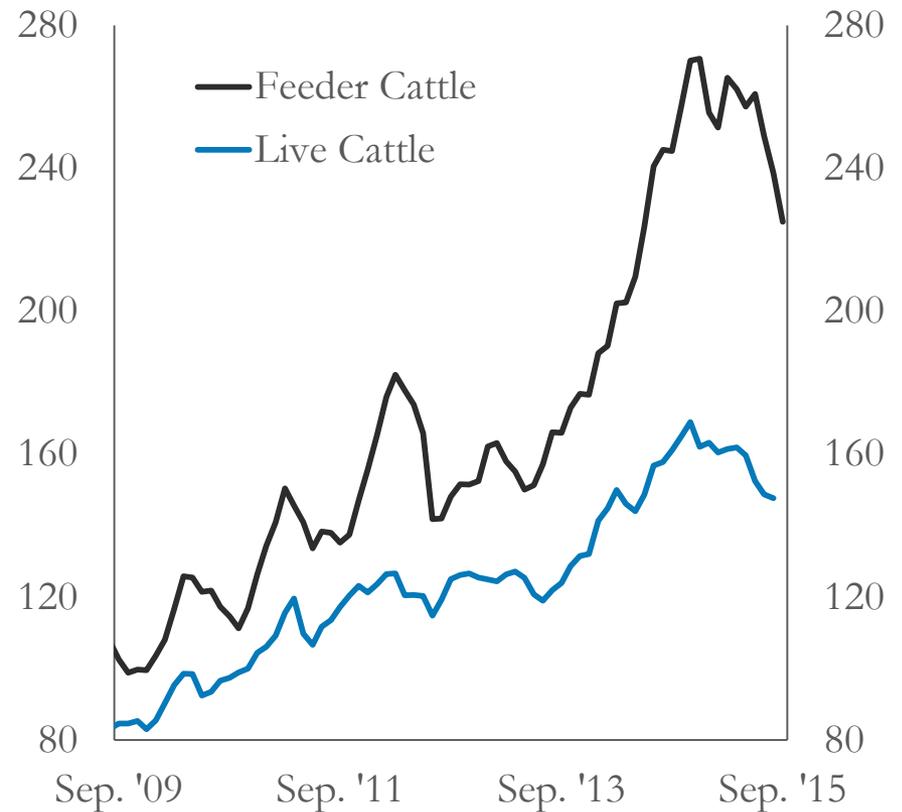
## U.S. CROP PRICES

*Dollars per Bushel*



## U.S. LIVESTOCK PRICES

*Dollars per Hundredweight*



For additional information on the regional economy:  
<http://www.KansasCityFed.org/Denver>

