Everything is Connected

- **Population**
  - Age
  - Births slowing
  - Race & Ethnicity
  - Housing
  - Community services
  - Supply

- **Labor Force**
  - Skills
  - Age
  - Commuting
  - Migration

- **Employment**
  - Industry trends
  - Environment
  - Skills
  - Remote?
  - Demand

- **Drives Economy**
  - Consumer Expenditures
  - Age
  - Income

- **Population**
  - Age
  - Births slowing
  - Race & Ethnicity
  - Housing
  - Community services
  - Supply

- **Labor Force**
  - Skills
  - Age
  - Commuting
  - Migration

- **Employment**
  - Industry trends
  - Environment
  - Skills
  - Remote?
  - Demand

- **Drives Economy**
  - Consumer Expenditures
  - Age
  - Income
Big Picture Trends

• Population growing at a slowing rate - births down, deaths up
• Migration and mobility slowing
  o Harder to attract and retaining the best and brightest.
• Concentrated growth in Front Range - both jobs and people
• Aging - impacts everything
  • Largest share of future growth is the 65+
  • Prime working age and youth becoming smaller share of total pop
  • Growing race and ethnic diversity.
## Big Picture Numbers

<table>
<thead>
<tr>
<th></th>
<th>2010-2020</th>
<th>2020-2021</th>
<th>2021-2022</th>
<th>2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>22.3MM</td>
<td>520k</td>
<td>1.256MM</td>
<td>1.643</td>
</tr>
<tr>
<td></td>
<td>7.4%</td>
<td>0.1%</td>
<td>0.4%</td>
<td>.5%</td>
</tr>
<tr>
<td>Colorado</td>
<td>744.5k</td>
<td>26.5k</td>
<td>27.7k</td>
<td>36.5</td>
</tr>
<tr>
<td></td>
<td>14.8%</td>
<td>0.5%</td>
<td>0.5%</td>
<td>.6%</td>
</tr>
<tr>
<td>Colorado Rank</td>
<td>9th</td>
<td>11th</td>
<td>12th</td>
<td>9th</td>
</tr>
<tr>
<td></td>
<td>6th</td>
<td>20th</td>
<td>19th</td>
<td>18th</td>
</tr>
</tbody>
</table>

- 2010 - 2020
  - Second slowest decade for US in terms of growth
- 2020 - 2021
  - Slowest ever recorded growth rate
  - 17 states lost population
- 2021 - 2022
  - 19 states lost population
- 2022-2023
  - 8 states lost population - fewer deaths, immigration increase
2010 - 2020 - 3 states lost population

2020-2022 - 16 states lost population
2010 to 2020 - 95% of population and job growth along Front Range

2020 to 2022 - Decreased to 75%, with a number of Denver Metro Counties losing population

2022 to future - Forecast to return more of a pre-COVID trend
Colorado growth slows from an annual average of 74K last decade to 30,000 average so far this decade.
Change in Births by Age of Mother

Colorado

Change in Births 2011 to 2021

Age group of Mother

COLORADO
Department of Local Affairs
Births down 650,000 in the US compared to peak in 2007.

Population Under 18 Declined by over 1,000,000 over the decade

27 states lost population under 18
Net Migration by Age

Colorado

Arizona

California

[Graph showing net migration by age for Colorado, Arizona, and California.]

Jobs Are People

Colorado New Jobs and Net Migration

https://gis.dola.colorado.gov/Jobs_Migration_Chart/
The Economy
• Jobs recovered
• Colorado slowing more than US, but recovered faster
• Colorado ranked 38th in job growth in Nov 2023
• Unemployment 3.3% - up slightly from last year
• 68.4% labor force participation rate - 5th highest in US
• 2:1 - Job openings to unemployed ratio vs. 1.5:1 for US
• Data slightly confounding....
Where are we now

Includes some of 2022
• Continued increases (33.1k jobs)
• Slowdown from prior month (40k jobs)
• +1,500 month on month
• Continued growth in Accommodation and Food Services and Prof Sci Tech
• Declines in interest rate sensitive industries (Finance and Insurance, Construction)
• Construction led prior month decline at decrease of 1,400
• Transportation sliding back
• Admin and Support and Waste Management (continued weakness due to office environment)

Other highlights
• 3.3% Unemployment (26th)
• 68.4% labor force participation (4th)
• 197k job openings in September
• 1.9 job openings per unemployed person

Change in Payroll Jobs Over Past 12 Months, by Industry Sector

- Government
- Accommodation and Food Services
- Professional, Scientific, and Technical
- Private Health Care and Social Assistance
- Private Educational Services
- Manufacturing
- Management of Companies and Enterprises
- Mining and Logging
- Arts, Entertainment, and Recreation
- Other Services
- Real Estate, Rental and Leasing
- Information
- Transportation, Warehousing and Utilities
- Retail Trade
- Wholesale Trade
- Construction
- Finance and Insurance
- Administrative and Support and Waste Mgmt

Source: Colorado Department of Labor and Employment, Bureau of Labor Statistics
Data seasonally adjusted, October 2022 to October 2023

Evaluation of net migration

Colorado Unemployment Rate State Rank vs. Net Migration V22

- CO Net Migration
- Projection
- CO Unemp Rt State Ranking
- Projection

Natural resource bust  Tech bust  Great Recession

State unemployment rates, November 2023, seasonally adjusted

Nov 2023 Ranked 21

https://www.bls.gov/lau/
Age Matters

Colorado is young but aging

- Preferences - where people shop and what they buy.
- Housing - type, size, mobility
- Labor Force
- Income
- Service Demands
Peak Millennials aging into prime childbearing

Slow down in migration
Most of these folks already live here and most of them own their house.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2020</th>
<th>2030</th>
<th>Change</th>
<th>Pct Ch</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 17</td>
<td>1,270,519</td>
<td>1,260,203</td>
<td>-10,316</td>
<td>-0.8%</td>
</tr>
<tr>
<td>18 to 24</td>
<td>539,144</td>
<td>584,329</td>
<td>45,185</td>
<td>8.4%</td>
</tr>
<tr>
<td>25 to 44</td>
<td>1,694,991</td>
<td>1,878,133</td>
<td>183,142</td>
<td>10.8%</td>
</tr>
<tr>
<td>45 to 64</td>
<td>1,410,374</td>
<td>1,477,443</td>
<td>67,069</td>
<td>4.8%</td>
</tr>
<tr>
<td>65 &amp; Over</td>
<td>869,556</td>
<td>1,186,435</td>
<td>316,879</td>
<td>36.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,784,584</td>
<td>6,386,542</td>
<td>601,958</td>
<td>10.4%</td>
</tr>
</tbody>
</table>
Change in the School Age Population
2020-2030
Implications From Age and Aging

- Consumer demand
  - Older - fastest growth, services vs. goods
  - Younger - more diverse
- Labor force
  - Faster growth in retirees, slower growth in new entrants
  - Young entrants more diverse
- Migration
  - Tend to be younger / childbearing age
Housing and Households
Households and Housing Are Complicated

Demand
- Occupied = Households
  - Jobs = New + Retirements + Remote
  - Income vs. Cost
  - Age - growth different by age groups
    - HH size, mobility, tenure, income
    - Worker/Non-Worker
  - Interest Rates
- Vacant/ Non-primary Residence
  - Seasonal, Second home, VRBO
  - Investor - VRBO or Vacant
  - Other - remodel, hold, probate, storage

Supply
- Boom and Bust Cycle
- Financing dried up in Great Recession
- Slow industry to start and stop
- Water
- Public will
- Interest rates
Concern with:
• Boom and bust cycle of housing construction.
• Creates long run impacts on the industry.
• Long run impact on housing costs.
• Ability to support business
Monitoring Conditions

Prices:
- Home price index down
- Colorado Ranked 43 in home price growth in Q3 2023
- Rents down
In Q3 2023, Colorado ranked 42nd nationally for home price growth, increasing 1.4% year-over-year in the third quarter.
Factors Influencing Housing

**Supply**
- Boom and Bust Cycle
- Financing dried up in Great Recession
- Slow industry to start and stop
- Supply chain and tight labor
- Water, infrastructure
- Public will - NIMBY, Anti growth/density
- Permits and new housing back to 40K+ since 2018
- Interest rates

**Demand**
- Job growth = workers = housing
- Aging - smaller household size, non workers
- Millennials - Prime home buying
- Gen Z - entering first time apt/home
- Household formation rates by age
- Second Homes - especially Millennials
- Changes in where people live/work
- Institutional Investors
- Interest rates
  * Once interest rates fall, demand will spike again impacting price.

• How do we continue to build when macro factors are not in our favor?
• How can people move when macro factors are against them?
• How do we preserve resident owned housing when there is demand by investors and second home owners.
Forecast
Colorado population forecast methodology

**Economic forecast**
- Jobs
- \(-2^{nd} \) & \(3^{rd}\) job
- Commuters
- Labor Demand

**Cohort-component**
- +Births - Deaths
- + Net Migration
- X LFPR
- Labor Supply

Differences resolved by net migration
Forecast Factors

• US population growth is slowing
• Births have slowed, deaths increase
• Migration/Mobility slowing, International?
  • Tight labor force
  • Competition to attract and retain workers
• Aging -
  • 400K expected to retire this decade
  • Drives economy - health care, leisure and hospitality
  • Move less and smaller household size - competition for housing
• Job growth drives migration
  • New Jobs + Retirements + Remote workers
  • Annual = 40K + 40K + ?
Population growth rates are slowing

What we know

Global population trends have changed, reached peak child

U.S. and CO total fertility rates firmly below replacement

Colorado and U.S. Growth Rate, 1990 - 2050

Colorado Births, Deaths, and Migration 1980-2050

- Births
- Deaths
- Net Migration
Projected Population Change
2020 - 2050 5.7 to 7.4 Million

State: 1.7 million
Front Range: 1.49M
Western Slope: 200K
Central Mtns: 4K
San Luis Valley: -2K
Eastern Plains: 11K

Population Change
-1,000 to 0
1 to 5,000
5,001 to 20,000
20,001 to 50,000
> 200,000

Source: Colorado State Demography Office

Colorado Population Change by Decade

Department of Local Affairs
Uncertainties to the Forecast +/-

- Intl’ immigration
- Water
- Housing - supply, price, type, location
- Industry changes - boom/bust, competitiveness
- Aging - labor force, prepared labor force
- Infrastructure/Transportation
- Natural disasters - nationally
- State Budget