



Peak Progress (Quality of Life Indicators)

ECONOMY REPORT

Economy Summary:

Colorado Springs continues to draw people evidenced by the increase in population of the Metropolitan Statistical Area (MSA) by more than a third over the past two decades.

Population growth is good when accompanied by growth in productivity, quality jobs, employment, and personal income. Such growth creates a base of support so that public services and infrastructure can also grow and be sustained. However, without economic growth, population growth increases stress on community assets. Several measures show the quality of Colorado Springs' growth.

- In 2020, the total Gross Metropolitan Product of Colorado Springs in current dollars was \$39.5 billion.
- In 2019, Colorado Springs had 18,727 employers, which is 25 employers per 1,000 residents of working age.
- In 2020, 57.6% of the Colorado Springs population (all ages) was employed, which includes active-duty military and self-employed proprietors.
- Over the past two decades, substantial job increases have been seen in: Education & Health Services +111%; Local Government Education + 38%; Leisure & Hospitality +35%.
- In 2020, median household income for the Colorado Springs MSA was \$71,171.
- In 2020, the cost of rent in Colorado Springs was 16% more than the national average.
- The median price of a single-family home as of March 2022 was \$475,000.

COLORADO SPRINGS ECONOMY



\$475,000
MEDIAN PRICE OF A
SINGLE-FAMILY HOME
(AS OF MARCH 2022)



\$71,171
MEDIAN HOUSEHOLD INCOME
FOR THE COLORADO SPRINGS MSA
(IN 2020)



16% MORE
THE COST OF RENT IN COLORADO
SPRINGS WAS 16% MORE THAN THE
NATIONAL AVERAGE (IN 2020)



18,727 EMPLOYERS
25 EMPLOYERS PER 1,000 RESIDENTS
OF WORKING AGE (IN 2019)

Key Indicators:

There are many factors to consider when assessing the vitality of a local economy. The quantitative measurements included in this section affect, and are affected by, many indicators throughout the report. The Colorado Springs Metropolitan Statistical Area (MSA) has experienced fluctuations in the areas of economic production, employment, income, and cost of living impacting their overall economic performance.

Economic Productivity

What is this?

Gross Metropolitan Product (GMP) is a measure of the goods and services produced by labor and property in a community. It is the local version of Gross Domestic Product (GDP), which measures the economic output of a country. Per capita GMP is a measure of individual economic productivity for a community. It is calculated by dividing the GMP by the population of the community.

How Are We Doing?

Adjusted for inflation, Colorado Springs' economy grew an average of 1.8% annually from 2010 to 2020. In 2020, the total GMP of Colorado Springs in current dollars was \$39.5 billion, which reflected slight contraction from the previous year (-0.1%). The small local drop in productivity during the first year of COVID-19 was much less than that recorded statewide and countrywide. This may have been due to the large concentration of military installations, which makes Colorado Springs less susceptible to downturns than other communities.

Sustainable growth requires individual productivity to keep up with population growth. From 2012 to 2016 it did not, as real (inflation-adjusted) per-capita gross product declined almost every year. That flipped in recent years, with personal productivity increasing in 2017, 2018, and

2019.¹ Over the 2010s Colorado Springs ranked 5th of 6 peer communities in per-capita productivity growth.

Why Is It Important?

GMP per capita shows how efficient members of a community are in delivering goods and services. Increasing per capita productivity creates a healthy tax base to support public services and infrastructure to keep pace with population growth. High productivity also results in higher wages, a sustainable standard of living, and wealth creation. Low productivity requires more people to achieve the same output. This drives a need for more housing, roads, schools, etc.

Potential Actions

A robust assessment of the local economy would determine how well the current tourism/military/service industry economic base can support, sustain, and improve quality of life. It is likely that significant effort will be required to grow and attract high productivity jobs to achieve high levels of economic output without the need to build significantly more infrastructure.



² Bureau of Economic Analysis

Employer Size, Growth & GDP

What Is This?

Employer size looks at the average size of an employer in terms of employee headcount. Employment growth reflects the total number of new jobs created in a given period of time.

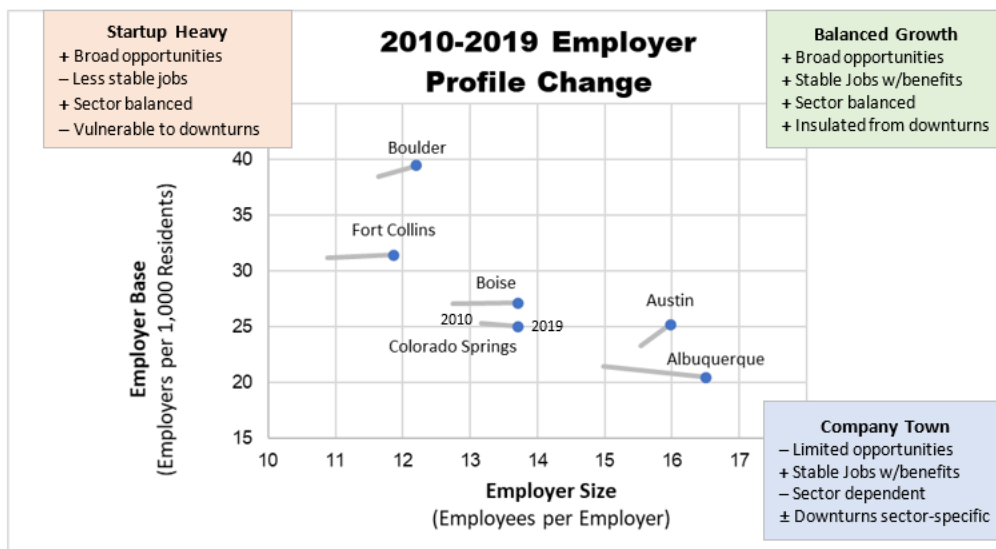
How Are We Doing?

In 2019, Colorado Springs had 18,727 employers, with 25 employers per 1,000 residents of working age.³ The number of employers in Colorado Springs grew by 13.8% over a 10-year period. That growth rate ranked 4th of 6 peer communities, exceeding that of Boulder and Albuquerque. Colorado Springs had 105 employers with at least 250 employees, up from 97 a decade earlier. Healthy growth requires growth in the overall number of employers and also the number of larger employers. Both are shown in the graph below, with total employer base on the

vertical axis and large employers on the horizontal axis. Over the past decade, Colorado Springs has seen a modest increase in average employer size. Growth in the number of employers has not quite matched the area’s population growth.

Why Is It Important?

A robust economy requires a growing base of employers—providing a wide variety of jobs—anchored by a set of large employers that typically offer stable jobs with benefits and strong salaries. Coupled with employment growth, employer size can indicate if the workforce is experiencing growth or contraction. Larger employers will also typically offer higher salary ranges and benefits that small to medium companies struggle to match, thus creating higher paying jobs in the MSA. Increasing employer count would suggest a more varied employer base and growing economy. It also highlights an MSA’s success in attracting new employers. A growing employer base should drive population increases through job creation.



⁴ U.S. Census Bureau

Potential Actions

Colorado Springs’ growth in small-to-mid-sized employers has outpaced the national average. However, growth in large employers has only matched the national average, while other peer communities have seen greater growth. (Note: This data does not include federal government employers). Colorado Springs has done well in attracting new employers over the past 20 years and has maintained an even mix of small to large employers. However, Colorado Springs has very few nationally known large employers with significant, high paying jobs. This likely results in Colorado Springs wages being suppressed compared to that of peer communities. Attracting larger companies would be likely to drive up employee wages to keep pace with increased costs of living.

Employment & Population

What is this?

Workforce participation is the proportion of the population that is working. It provides an alternative to traditional unemployment statistics that exclude people who are neither employed nor looking for a job.

How Are We Doing?

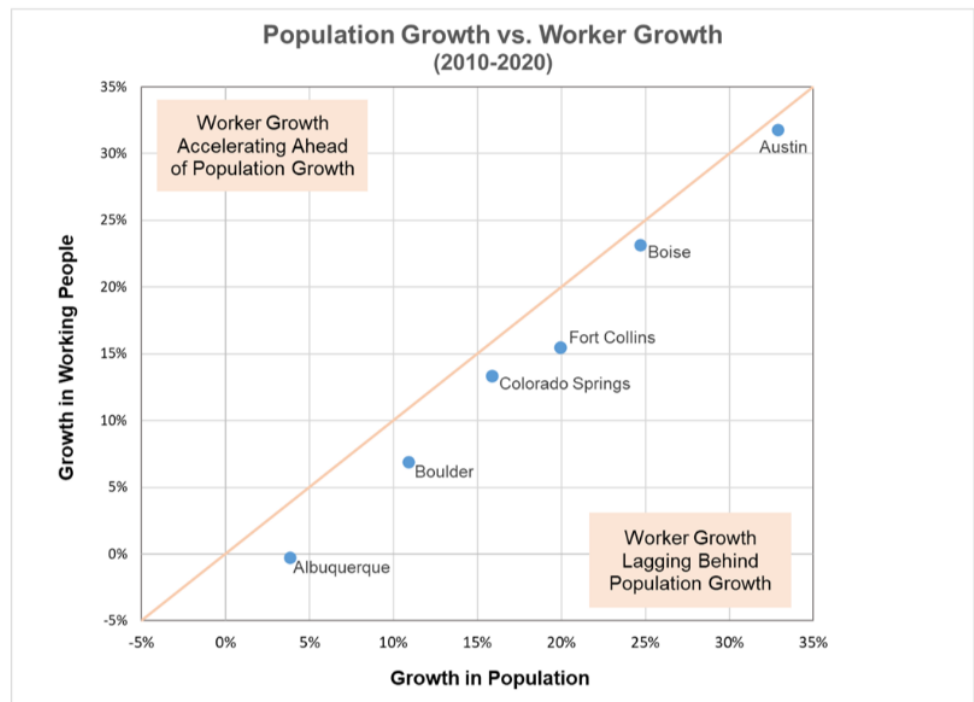
In 2020, 57.6% of the Colorado Springs population was employed, which includes active-duty military and self-employed proprietors. The proportion of the population that works grew consistently between 2012 and 2019 (from 56.7% to 59.5%) before dropping in 2020 due to COVID-19. Colorado Springs ranks 5th of 6 peer cities in terms of the employment-to-population ratio.

Over the past decade, the proportion of Colorado Springs MSA employees who are active-duty military personnel has varied from 8.7% to 10.8%. In 2020, military accounted for 9.3% of employees in the area, or 1 in 11 employed residents.⁵

Why Is It Important?

The number of people working in a community drives economic output and provides income to individuals and families to pay for housing, groceries, education, savings, healthcare, etc. A certain level of income is required to afford a reasonable standard of living. If people cannot secure employment, they may not be able to afford housing or food and in turn will have to rely on social services.

The worker population shown above includes sole-proprietor work (such as those engaged part-time in the “gig” economy). Were these workers not counted, each community would drop further below the diagonal, with population growing faster than wage and salary employment.



⁶ Bureau of Economic Analysis, U.S. Census Bureau

Potential Actions

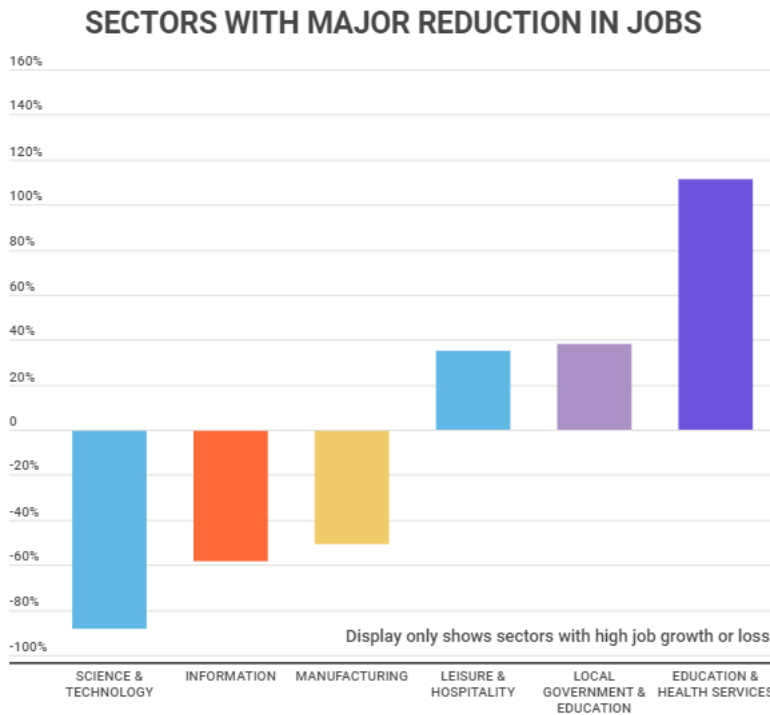
The Colorado Springs MSA would benefit from continued actions to support growth in job opportunities to maximize employment, economic output, and incomes. This would support a secure and enjoyable lifestyle for all residents and improve tax collections to fund infrastructure and regional amenities to enhance quality of life.

Employment by Industry

What Is This?

Employment by industry, reported by the U.S. Bureau of Labor Statistics, is calculated by using data collected by employers in all industry sectors in metropolitan and nonmetropolitan areas in every state and the District of Columbia.

How are we doing? Over the past two decades, we have seen substantial job increases as well as job reductions in the following sectors:



Why Is It Important?

Communities benefit financially from a healthy mix of industry. By reviewing industry employment data, economic development activities can be more focused on companies that support the culture of the community, the skillsets of the available workforce, and the geographic assets of the region.

Display above only shows sectors with high job growth or loss.

Potential Actions

The data reflects that the Colorado Springs MSA has not experienced the strong employment growth of peer MSAs in the post-recessionary period. Continuing to diversify the employment base in the Colorado Springs MSA should be a priority, with an increased focus on the attraction and retention of technology and manufacturing industries.

Income

What Is This?

The section on Productivity considered the total value of goods and services produced by a community (gross product). This section considers the income that local people derive from that production. Per capita income is calculated by taking the total income derived in a community and dividing it by the total number of people in the community. This includes all forms of income salaries, wages, social security, pensions, interest, and dividends but it excludes capital gains. Median household income is the income of the “typical” household—that is, equal numbers of households have more and less income.

How Are We Doing?

In 2020, median household income for the Colorado Springs MSA was \$71,171.⁷ Per capita income that is, all personal income divided by all residents was \$54,166.⁸ Average individual weekly wages—job earnings of those employed by private employers—were \$1,106.⁹

Why Is It Important?

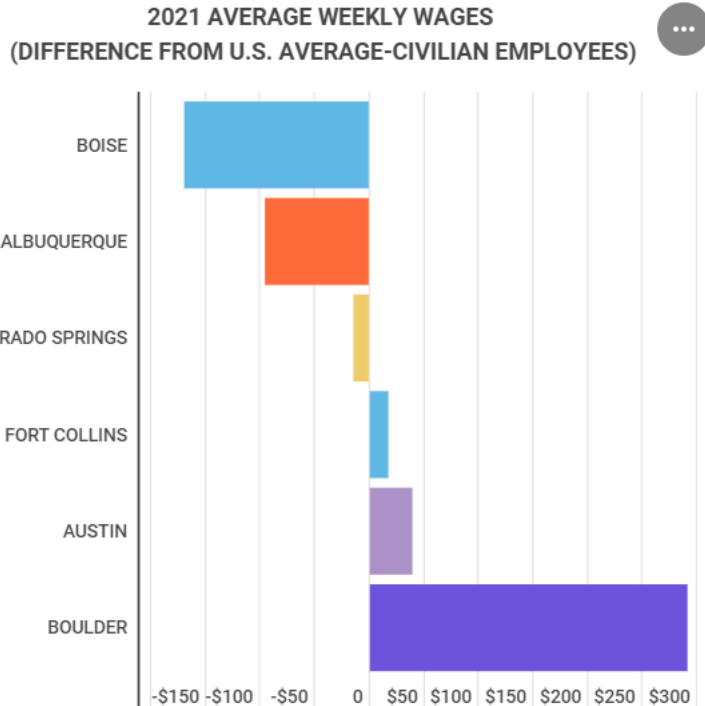
Personal income is the amount that people earn from a variety of sources, including work and investments. It is one measure of the wealth or prosperity of a community. At an individual level, income ensures the affordability of essential elements for a reasonable quality of life, including healthcare, education, and housing.



In all three categories, Colorado Springs ranked 4th of 6 peer communities. Median household income ranged from as low as \$55,370 (Albuquerque) to as high as \$87,476 (Boulder). Mean per capita income ranged from as low as \$47,442 (Albuquerque) to as high as \$79,649 (Boulder).

Potential Actions

The recent growth in Colorado Springs is encouragement that it is on the right path. Efforts taken in these years should be emulated moving forward. Attracting better-paying jobs, particularly in technology and manufacturing, should be a priority for Colorado Springs, as should keeping restrictions reasonable for home-based businesses.



¹¹ Bureau of Labor Statistics

Cost of Living

What Is This?

Cost of living for a metropolitan statistical area is captured by the Regional Price Parities data collected by the Bureau of Economic Analysis. Regional price parities (RPPs) are regional price levels expressed as a percentage of the overall national price level for a given year. The price levels are determined by the average prices paid by consumers for the mix of goods and services consumed in each community. Taking the ratio of RPPs shows the difference in price levels across communities.

How Are We Doing?

Colorado Springs’ cost of living, based on all household expenditures, closely matches the overall USA average. Colorado Springs has consistently been between 98% and 102% of the U.S. average.¹² Costs in Colorado Springs also have been consistently lower than the state of Colorado and significantly below Boulder during the period of time measured.

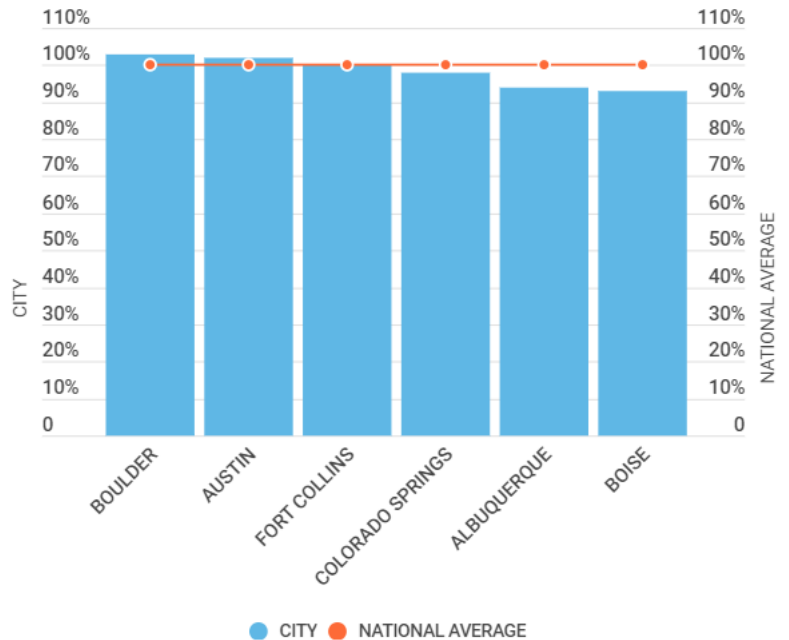
Why Is It Important?

Cost of living reflects how affordable housing, rent, utilities and other household expenses are in a community. (Note, however, that increases in housing costs tend to lag because most

homeowners' mortgages were set at the time of purchase.) A higher cost of living makes it more expensive to live in an area, while a lower cost of living reflects a community that is more affordable.

The following chart shows how the “typical” Colorado Springs resident’s income and spending changed—usually increasing—through the 2010s. Points above the diagonal show years when savings increased (or debt was reduced). Points below the diagonal show years when savings decreased (or debt increased). In 2020, as travel decreased and income uncertainty rose due to COVID-19, consumer spending declined significantly in Colorado Springs as well as nationally. In spite of job transitions, however, median personal income increased significantly during 2020, resulting in increased savings (or reduced debt) for many households.

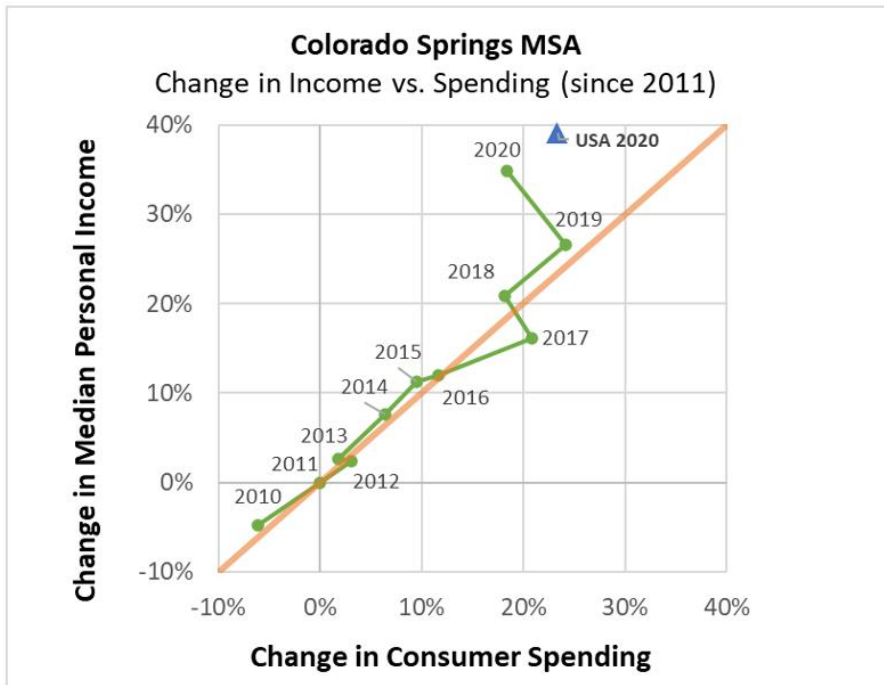
2020 HOUSEHOLD EXPENDITURES
(% OF NATIONAL AVERAGE)



¹³ Bureau of Labor Statistics

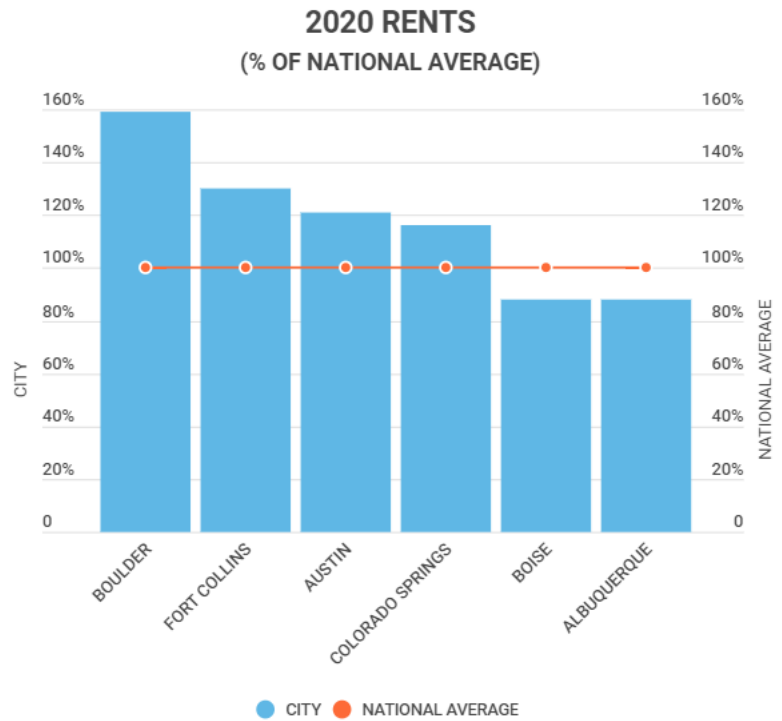
Ten years ago, Colorado Springs housing rental costs were virtually identical to the national average (101%). Regional costs increased significantly during the decade, and in 2020 rent in Colorado Springs was 16% more than the national average.

Since 2020, housing prices have continued their steep incline, with the median price of a single-family home rising to \$475,000 in March 2022, according to the Pikes Peak Association of Realtors—a 16% increase over the prior 12 months.¹⁶



Potential Actions

The HUD Office of Policy Development and Research noted that “land use policies and zoning regulations constrain the supply of affordable housing.”¹⁷ One response is the use of “by right” development to enable “timely completion of projects while also reducing regulatory expenses, thereby reducing development costs and encouraging the construction of less-expensive housing.”¹⁸ Additionally, zoning incentives can encourage development of affordable units in public transit corridors.¹⁹ Finally, the Affordable Housing Collaborative recommends the use of land trusts and community impact funds to enable private citizens, public entities, and nonprofit organizations to allocate surplus land and other resources for affordable housing, in partnership with for-profit and nonprofit developers.²⁰



References

¹ Bureau of Economic Analysis tables CAGDP9 & SAGDP9 (to control for inflation effects) and CAINC4 & SAINC1 (for per-capita calculations), accessed via <https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1#reqid=70&step=1>, March 22, 2022. CAINC4, Community GDP data from BEA Table GCAGDP9; Selections—Table Heading: Gross Domestic Product (GDP) by County and Metropolitan Area, Table: CAGDP9, Major Area: Metropolitan Statistical Area, Statistic: All Industry Total, for selected MSAs (Levels). National and state GDP data from Table and SAGDP9N Series; Selections—Table Heading: Annual Gross Domestic Product by State, Table: SAGDP9, Classification: NAICS, Statistic: All Industry Total for United States and Colorado (Levels). Community population data for per-capita calculations from BEA Table CAINC4; Selections—Table Heading: Personal Income and Employment by County and Metropolitan Area, Table: CAINC4, Major Area: Metropolitan Statistical Area, Statistic: Population (Persons) for selected MSAs (Levels). National and state population data for per-capita calculations from BEA Table SAINC1; Selections—Table Heading: Annual Personal Income and Employment by State, Table: SAINC1/SAINC51, Table ID: SAINC1, Statistic: Population (Persons) for United States and Colorado (Levels).

² Ibid.

³ U.S. Census Bureau. Business counts from County Business Patterns datasets, complete MSA file for 2019, field “est”; from <https://www.census.gov/programs-surveys/cbp/data/datasets.html>. Working population from County Population by Characteristics, Vintage 2020 data, 2010-2020, field AGE16PLUS_TOT minus field AGE65PLUS_TOT, aggregated for El Paso & Teller Counties, from <https://www.census.gov/programs-surveys/popest/technical-documentation/research/evaluation-estimates/2020-evaluation-estimates/2010s-county-detail.html>. Sites accessed March 22, 2022.

⁴ U.S. Census Bureau. Business counts from County Business Patterns datasets, complete MSA files for 2010 and 2019, field “est”; from <https://www.census.gov/programs-surveys/cbp/data/datasets.html>. Working population from County Population by Characteristics, Vintage 2020 data, 2010-2020, field AGE16PLUS_TOT minus field AGE65PLUS_TOT, aggregated across MSA component counties, from <https://www.census.gov/programs-surveys/popest/technical-documentation/research/evaluation-estimates/2020-evaluation-estimates/2010s-county-detail.html>. Sites accessed March 22, 2022.

⁵ Bureau of Economic Analysis, Table CAEMP25, accessed via <https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&acrdn=6>, April 7, 2022; Selections—Table Heading: Personal Income and Employment by County and Metropolitan Area, Table: CAEMP25, Classification: NAICS, Major Area: Metropolitan Statistical Area, Statistic: Military, for Colorado Springs and peer communities (Levels), Years 2010-2020.

⁶ Bureau of Economic Analysis, U.S. Census Bureau. Growth in number of people working from Bureau of Economic Analysis, Table CAINC30, <https://apps.bea.gov/itable/iTable.cfm?ReqID=70&step=1#panel-9>; Selections—Table Heading: Personal Income and Employment by County and Metropolitan Area, Table: CAINC30, Major Area: Metropolitan Statistical Area, Statistic: Total Employment (number of jobs) for selected

MSAs, (Levels), Years 2010 & 2020. Growth in working population from U.S. Census Bureau, Vintage 2020 data, County Population by Characteristics, 2010-2020, field AGE16PLUS_TOT minus field AGE65PLUS_TOT, aggregated across MSA component counties, from <https://www.census.gov/programs-surveys/popest/technical-documentation/research/evaluation-estimates/2020-evaluation-estimates/2010s-county-detail.html>, accessed March 22, 2022.

⁷ U.S. Census Bureau, American Community Survey, Dataset ACSDP5Y2020, Table DP03, <https://data.census.gov/cedsci/table?q=DP03&t=Income%20%28Households,%20Families,%20Individuals%29%3AIncome%20and%20Earnings&g=310XX00US10740,12420,14260,14500,17820,19740,22660&y=2020&tid=ACSDP5Y2020.DP03>, accessed March 22, 2022. Five-year estimates were used because one-year estimates were unavailable.

⁸ Bureau of Economic Analysis, Table CAINC1, accessed via <https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&acrdrn=6>, March 22, 2022; Selections—Table Heading: Personal Income and Employment by County and Metropolitan Area, Table: CAINC1, Major Area: Metropolitan Statistical Area, Statistic: Per capita personal income (dollars) for Colorado Springs (Levels), Year 2020.

⁹ Bureau of Labor Statistics, Occupational Employment Statistics. https://www.bls.gov/oes/current/oes_17820.htm#00-0000, accessed March 22, 2022. Row: All Occupations, Field: Mean Hourly Wage (multiplied by 40-hour standard work week).

¹⁰ Bureau of Labor Statistics, Occupational Employment Statistics. Accessed from <https://www.bls.gov/oes/tables.htm>, March 22, 2022. One data set per year. For each selected MSA, use Row: All Occupations, Field: Mean Hourly Wage (multiplied by 40-hour standard work week).

¹¹ Ibid.

¹² Bureau of Economic Analysis, Table RPP, accessed <https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdrn=8#>, March 22, 2022; Selections—Table Heading: Real Personal Income (RPI), Regional Price Parities (RPPS), Real Personal Consumption Expenditures (RPCE), Table: RPP, Table ID: MARPP, Statistic: All Items for selected MSAs (Levels), Years: 2010-2020.

¹³ Ibid.

¹⁴ Bureau of Labor Statistics, Bureau of Economic Analysis. Consumer spending is based on national mean consumer spending from BLS Consumer Expenditure Survey, <https://www.bls.gov/cex/tables/top-line-means.htm>, accessed March 22, 2022, with local adjustments made based on BEA Regional Price Parities, accessed via <https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdrn=8>, March 22, 2022; Selections—Table Heading: Real Personal Income (RPI), Regional Price Parities (RPPS), Real Personal Consumption Expenditures (RPCE), Table: RPP, Table ID: MARPP, Statistic: All Items for Colorado Springs (Levels), Years: 2010-2020. Median personal income is from Bureau of Economic Analysis, Table CAINC1, accessed via

<https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&acrdn=6>, March 22, 2022; Selections—Table Heading: Personal Income and Employment by County and Metropolitan Area, Table: CAINC1, Major Area: Metropolitan Statistical Area, Statistic: Per capita personal income (dollars) for Colorado Springs (Levels), Years 2010-2020. Annual change percentage is computed by dividing current year amount by prior year amount, minus 100%.

¹⁵ Bureau of Economic Analysis, <https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&acrdn=8>, accessed, March 22, 2022; Selections—Table Heading: Real Personal Income (RPI), Regional Price Parities (RPPS), Real Personal Consumption Expenditures (RPCE), Table: RPP, Table ID: MARPP, Statistic: ‘RPPs: Services: Housing’ for selected MSAs (Levels), Years: 2010-2020.

¹⁶ Pikes Peak Association of Realtors, Average and Median Sales Prices, via <https://ppar.com/MarketTrends.aspx>, accessed April 30, 2022.

¹⁷ HUD Office of Policy Development & Research, “Regulatory Barriers and Affordable Housing Quarterly Update,” PD&R Edge, July 23, 2018, <https://www.huduser.gov/portal/pdredge/pdr-edge-featd-article-072318.html>, accessed April 7, 2022.

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¹⁹ City of Colorado Springs, Alternative Transit Service Model Analysis, Oct. 2020. https://coloradosprings.gov/sites/default/files/alternative_transit_service_model_analysis_final_report_reduced_size.pdf, accessed April 7, 2022. See page 81 for map of proposed rapid transit corridors.

²⁰ Affordable Housing Collaborative, Affordable Housing Information Hub, Section: “What Can You Do?” <https://affordablehousingelpasoco.org/>, accessed April 7, 2022.