

MESA COUNTY ECONOMIC UPDATE

May 2024



Economic Summary

- The 2023 Mesa County labor market was very strong, averaging 75,013 in employment with 2,627 unemployed. The unemployment rate averaged 3.4%, and the labor force averaged 77,639.
- Grand Junction Regional Airport enplanements rose from last year from 228,782 to 251,310, showing a 9.85% increase.
- Total building permits increased almost 15% from 2022 to 2023, while single family building permits were down 36.28%.
- U.S. GDP growth for Q1 2024 was 1.6%, which is a weak growth rate, leading to speculation that the economy is starting to slow. However, the Atlanta Federal Reserve's GDPNow estimates 4.2% growth for Q2, which is a high growth rate. The unemployment rate remains low at 3.9% as of April.

CONTENTS

Local Economic Indicators.....	1
The Local Labor Market	2
Industry Trends.....	6
Local Real Estate Indicators	8
Regional Energy.....	10
Drilling Permits and Energy Prices ...	11
National Economic Indicators	12
GDP and Inflation	13

LOCAL ECONOMIC INDICATORS

	Q4 2023	Q3 2023	Q4 2022	change since last quarter	change since last year (comparable quarters)
Local Labor Market					
Unemployment Rate Mesa County -SA	3.70%	3.60%	3.40%	0.10%	0.30%
Unemployment Rate Mesa County -NSA	3.30%	3.50%	3.10%	-0.20%	0.20%
Unemployment Rate Colorado -SA	3.30%	3.20%	3.00%	0.10%	0.30%
Unemployment Rate U.S. -SA	3.70%	3.70%	3.60%	0.00%	0.10%
Labor Force	78,071	77,956	77,192	115	879
Employed	75,488	75,157	74,925	331	563
Unemployed	2,583	2,799	2,267	-216	316
Business Confidence					
Leeds Colorado Business Confidence	53.7	39.8	45.1	34.92%	19.07%
Sales/Use Taxes					
	2023 (YTD)		2022 (YTD)		
City Sales/Use Taxes	\$76,047,414		\$75,971,387		0.10%
Mesa County Sales/Use Tax	\$53,481,656		\$53,284,825		0.37%
Business Filings					
	2023 (YTD)		2022 (YTD)		
Mesa County New Business Entity Filings (through December)	2,584		2,561		0.90%

Grand Junction Regional Airport	2023	2022			% change from previous year
Scheduled Enplanements (through December)	251,310	228,782			9.85%
Standard of Living and Growth	2022	2021	2020	2019	% change from previous year
Population	158,534	157,432	155,993	155,109	0.70%
Personal Income	\$8,670,085	\$8,374,551	\$7,573,662	\$7,118,150	3.53%
Personal Income Per Capita	\$54,654	\$53,194	\$48,548	\$45,981	2.74%
Mesa County Gross Regional Product (in millions)	\$6,893	\$6,886	\$6,635	\$6,825	0.10%
Median Household Income	\$69,578	\$63,531	\$64,141	\$60,249	9.52%
Percent of Population Below Poverty Line	10.7	10.6	11.1	11.2	0.10

SOURCES: Local Unemployment Rates: Bureau of Labor Statistics (LAUS); National Unemployment Rate: Bureau of Labor Statistics; Labor Force, Employed, and Unemployed: Colorado Department of Labor and Employment; Business Confidence: Leeds Business Confidence Index; Sales/Use/Lodging Taxes: City of Grand Junction, Mesa County; Business Permits: Colorado Secretary of State's Office; Scheduled Enplanements: Grand Junction Regional Airport; Median Household Income, Poverty Rate, and Personal Income: U.S. Bureau of the Census; Gross Regional Product: Bureau of Economic Analysis. Population: Colorado State Demography Office. Note that in all rows where percentages are presented the % change since last quarter and % change since last year represents the difference between the two percentages, not the actual percentage change.

Local Labor Market

The Mesa County labor market was very strong in 2023, averaging 75,013 in employment with 2,627 unemployed. The unemployment rate averaged 3.4%, and the labor force averaged 77,639. The first quarter of 2024 showed some slowing in the labor market, with Q1 employment numbers falling and the unemployment rate rising to 4.3% as of March. There are always seasonal swings in the local labor market, but last March the unemployment rate was at 3.1%. More data is needed to confirm a slowdown, but so far January through March are showing signs of labor market slowing. This data is employment data from the state and is a household survey by place of residence. Even if you have two jobs, you are counted as employed once.

The jobs data from the BEA is by place of work and shows that jobs increased 94,079 to 97,302 from 2021 to 2022. Note the year lag on BEA data. There are more jobs than employment due to the fact that if you work two jobs they are each counted, many commute from Garfield and Delta to work in Mesa County, and jobs are counted by place of work. Top jobs by industry include healthcare (12,610), government (11,351) which in this case includes CMU, retail trade (10,901), and construction (7,728).

Other Indicators

Mesa County sales taxes have increased slightly year over year through November, rising by 0.37%. In an inflationary environment, breaking even on sales taxes means that consumption likely slowed in real terms. Similarly, city sales and use taxes ended the year at \$76,047,414, a 0.10% increase from last year.

Table 1:
10, 5, and 1 Year Employment Comparison

	Labor Force	Employed	Unemployed
Annual	773	759	14
5-Year	2,697	2,898	-201
10-Year	4,159	7,852	-3,694
Annual %	1.01%	1.02%	0.54%
5-Year %	3.60%	4.02%	-7.12%
10-Year %	5.66%	11.69%	-58.44%

Mesa County business filings are up slightly, rising from 2,561 to 2,584. Despite the less than 1% increase, there is a strong positive trend since 2016 (figure 4).

The Leeds Business Confidence Index continues to rise, almost 35% higher than last quarter and 19% higher than last year. The Leeds Business confidence index seems to have bottomed at peak inflation in last 2022, and business confidence is moving higher quickly.

Grand Junction Regional Airport enplanements rose from last year, rising from 228,782 to 251,310, showing a 9.85% increase.

Figure 1:
Employment Estimates

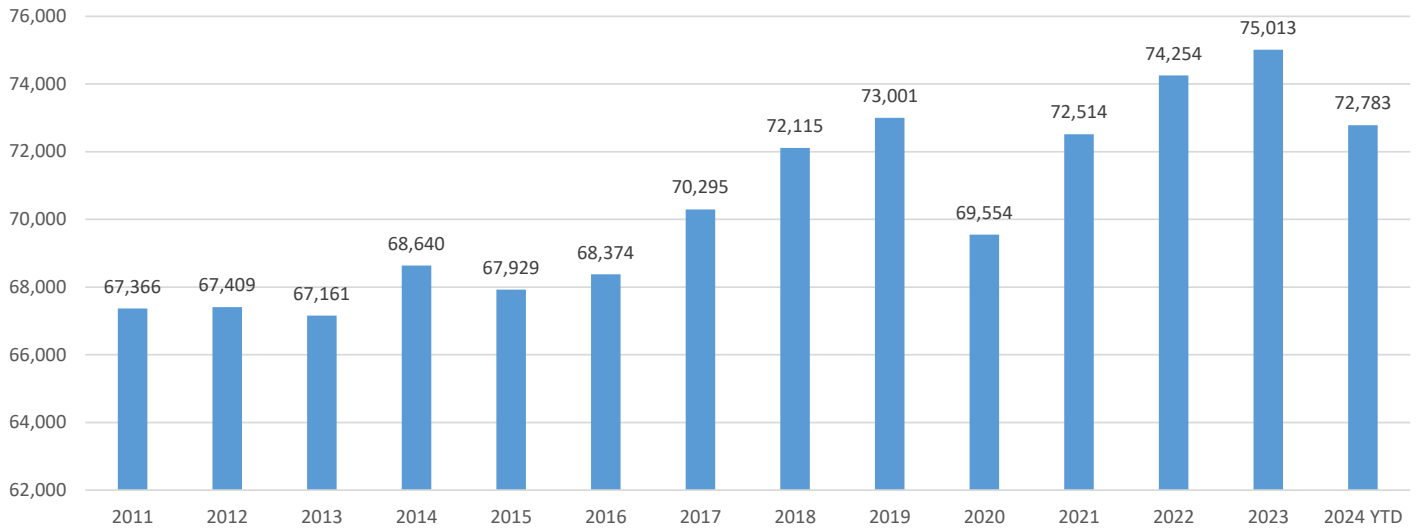


Figure 2:
Total Full and Part Time Jobs (BEA)

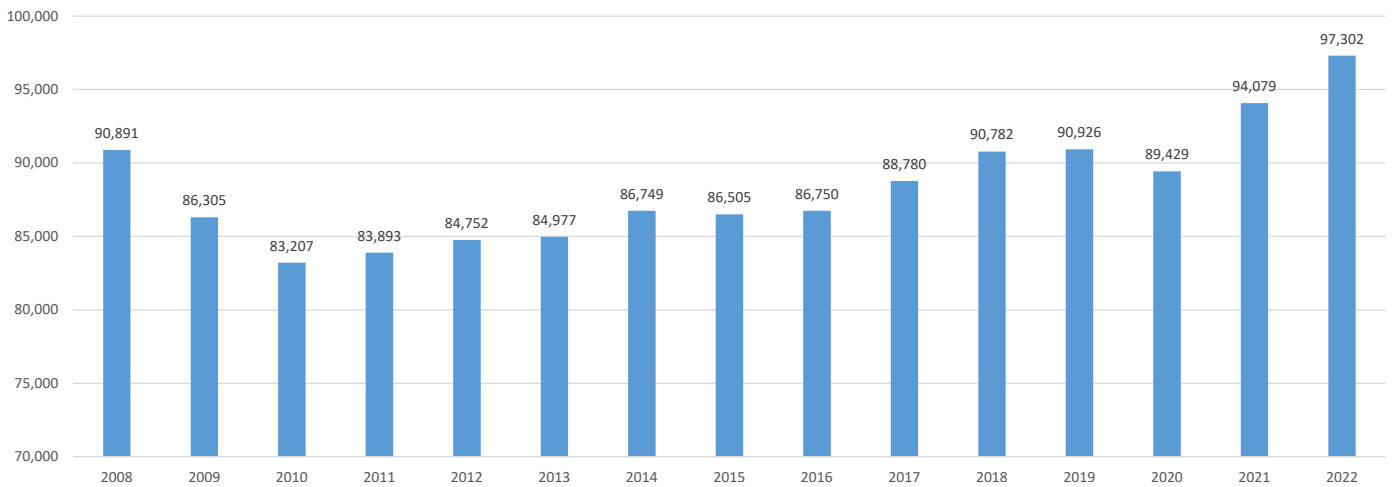


Figure 3:
Jobs by Industry

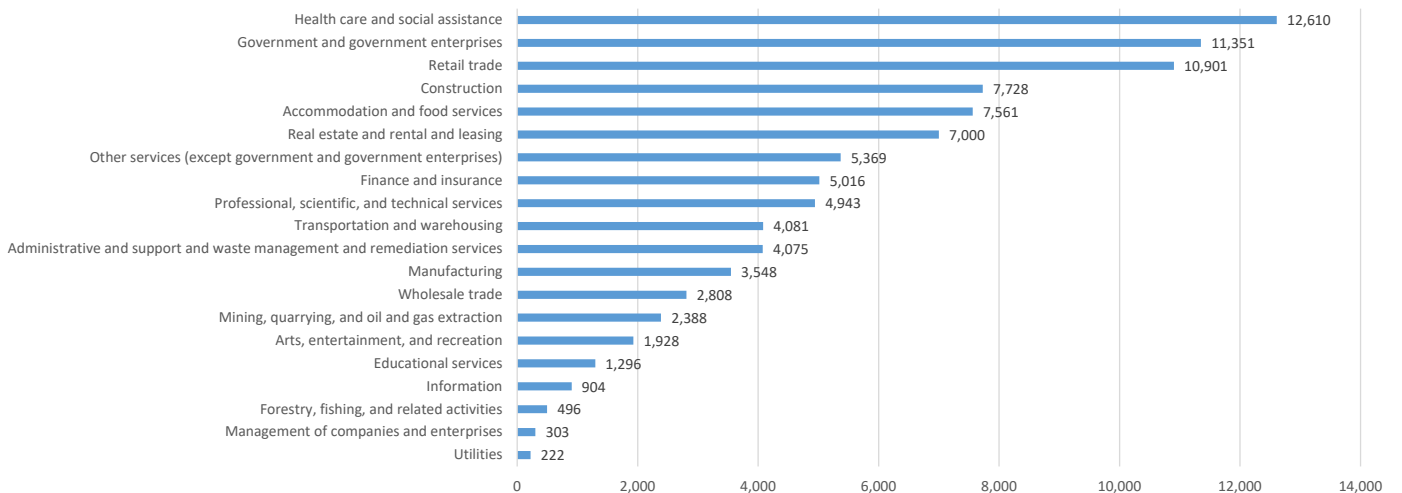


Figure 4:
Mesa County Business Entity Filings

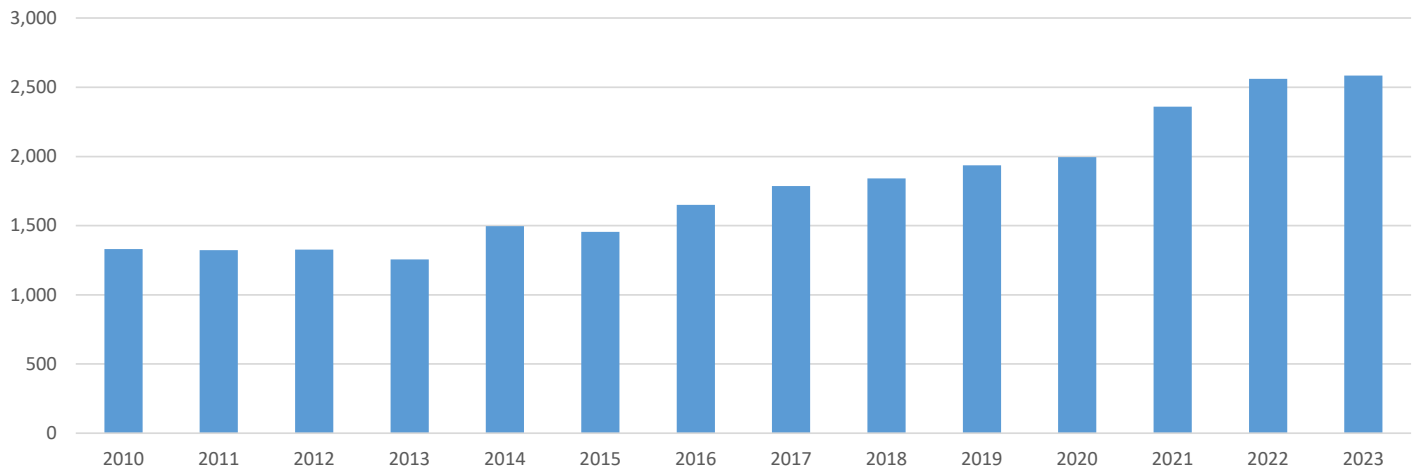


Figure 5:
Per Capita Income

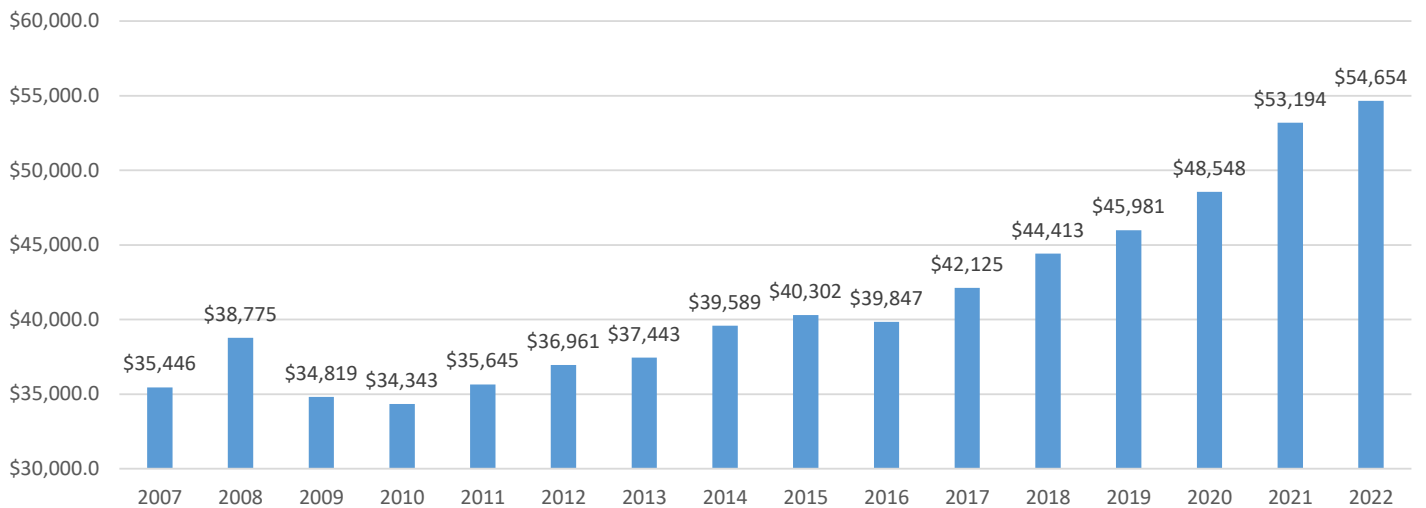


Figure 6:
Mesa County Median Household Income

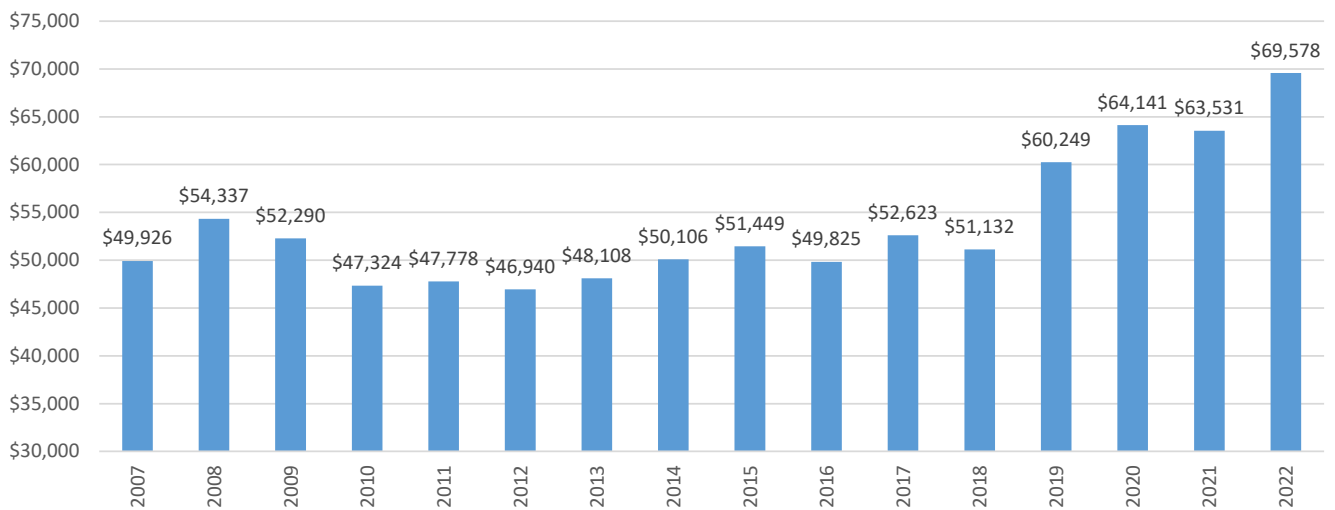


Figure 7:
Percent Below Poverty Line Mesa County

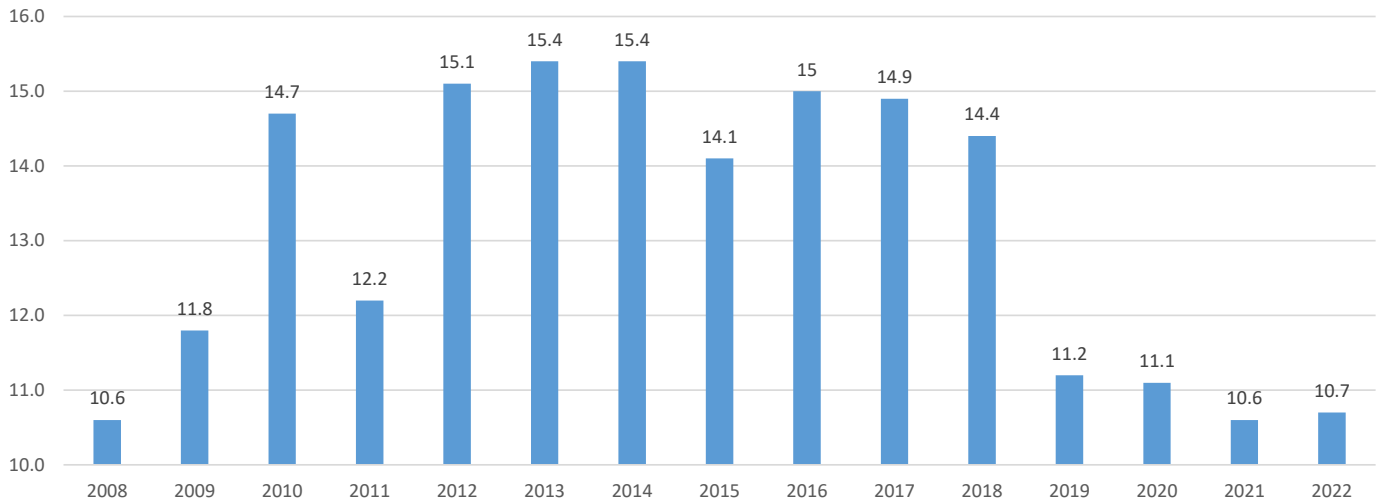


Figure 8:
Western Slope GDP % Change 2022

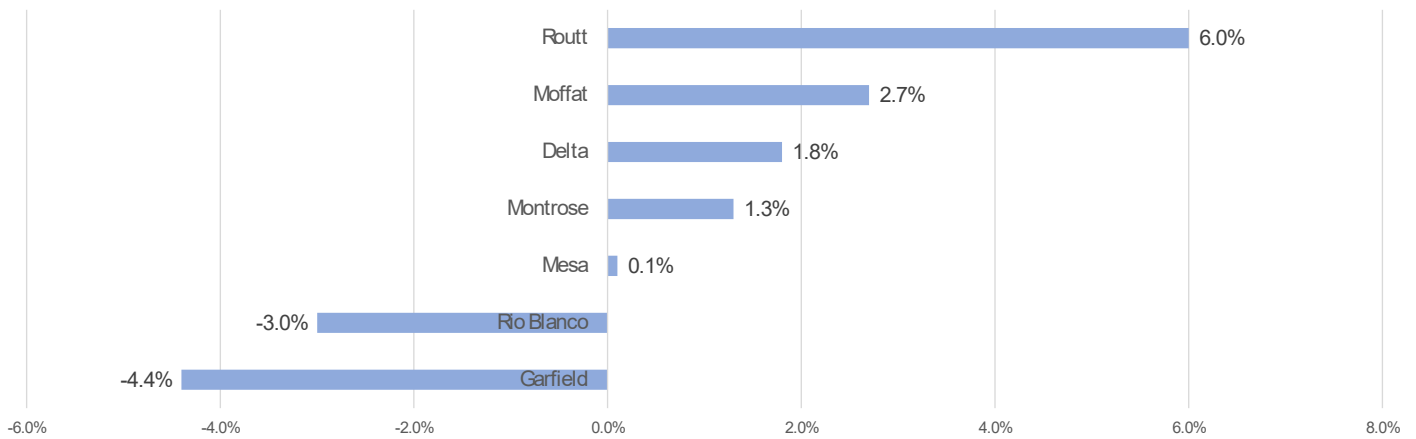
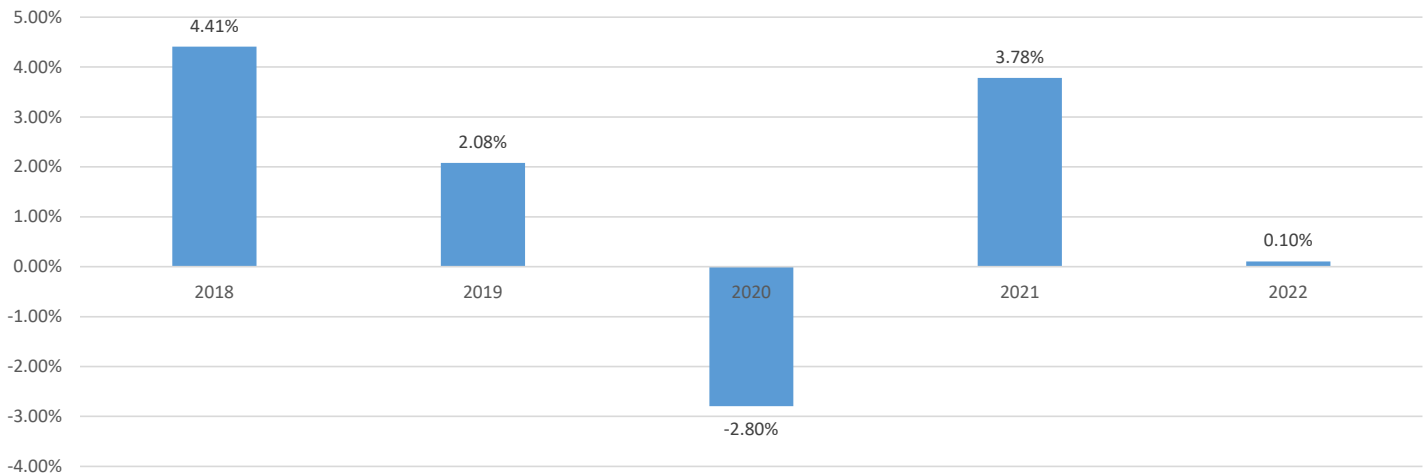


Figure 9:
Mesa County Real GDP % Change (chained 2017 dollars)



Mesa County Industry Trends

Q3 2023 Quarterly Census of Employment and Wage data shows job and wage gains compared to Q3 2022. The biggest gains on the wage side were in healthcare and public administration, similar to last quarter. The biggest job gains compared to one year ago were in healthcare and public administration.

Figure 11 is not QCEW data, and instead shows the percentage of retiree income as a percentage of total income. Retirees have a larger impact in Mesa County than in Colorado as a whole, and help to stabilize spending during economic downturns. Conversely, inflation can hit retirees harder than other groups, hence the downward trend from last year.

Table 2:
Quarterly Census of Employment and Wages (QCEW) Q3 2022 Compared to Q3 2023

Sector	Average Employment	Total Quarterly Wages	Average Weekly Wage	Total Employment Change	Total Wage Change
Total, All Industries	65,856	\$905,742,249	\$1,058	732	\$71,776,880
Health Care and Social Assistance	12,590	\$200,423,232	\$1,225	336	\$24,473,779
Retail Trade	8,890	\$103,266,905	\$894	-24	\$7,728,720
Construction	5,336	\$84,608,124	1,220	22	\$7,701,360
Public Administration	3,937	\$64,748,990	\$1,265	260	\$9,710,073
Educational Services	5,194	\$57,595,618	\$853	-12	-\$1,424,111
Accommodation and Food Services	7,258	\$48,050,258	\$509	116	\$3,935,216
Professional and Technical Services	2,384	\$44,215,301	\$1,427	-158	\$2,235,240
Transportation and Warehousing	2,737	\$43,998,183	\$1,237	68	\$6,962,566
Wholesale Trade	2,452	\$42,214,987	\$1,325	62	\$4,945,309
Mining	1,578	\$41,726,590	\$2,034	-26	\$4,796,067
Manufacturing	3,187	\$41,468,189	\$1,001	26	-\$49,424
Administrative and Waste Services	2,824	\$35,330,248	\$962	156	\$4,420,239
Finance and Insurance	1,670	\$29,597,556	\$1,363	-242	-\$9,673,485
Other Services, Ex. Public Admin	2,015	\$22,013,713	\$841	18	\$2,453,731
Real Estate and Rental and Leasing	1,018	\$12,369,658	\$934	-25	-\$13,587
Information	680	\$10,988,559	\$1,244	19	\$1,707,200
Utilities	378	\$8,550,152	\$1,741	15	\$968,665
Arts, Entertainment, and Recreation	1,094	\$6,409,202	\$451	42	\$597,009
Management of Companies and Enterprises	190	\$4,019,720	\$1,625	54	\$558,395
Agriculture, Forestry, Fishing & Hunting	432	\$3,753,572	\$668	30	-\$242,082

SOURCE: Colorado Department of Labor and Employment (QCEW). The most recent quarterly data available is reported.

Table 4:
Farm and Sole Proprietor Employment

BEA Data	2022	2021	2020	2019	% change from 2021
Farm Employment	2,224	2,235	2,221	2,232	-0.5%
Sole Proprietors (non-farm)	26,452	24,637	22,776	21,271	7.4%

Figure 10:
Total Jobs Change from Q2 2022 to Q2 2023

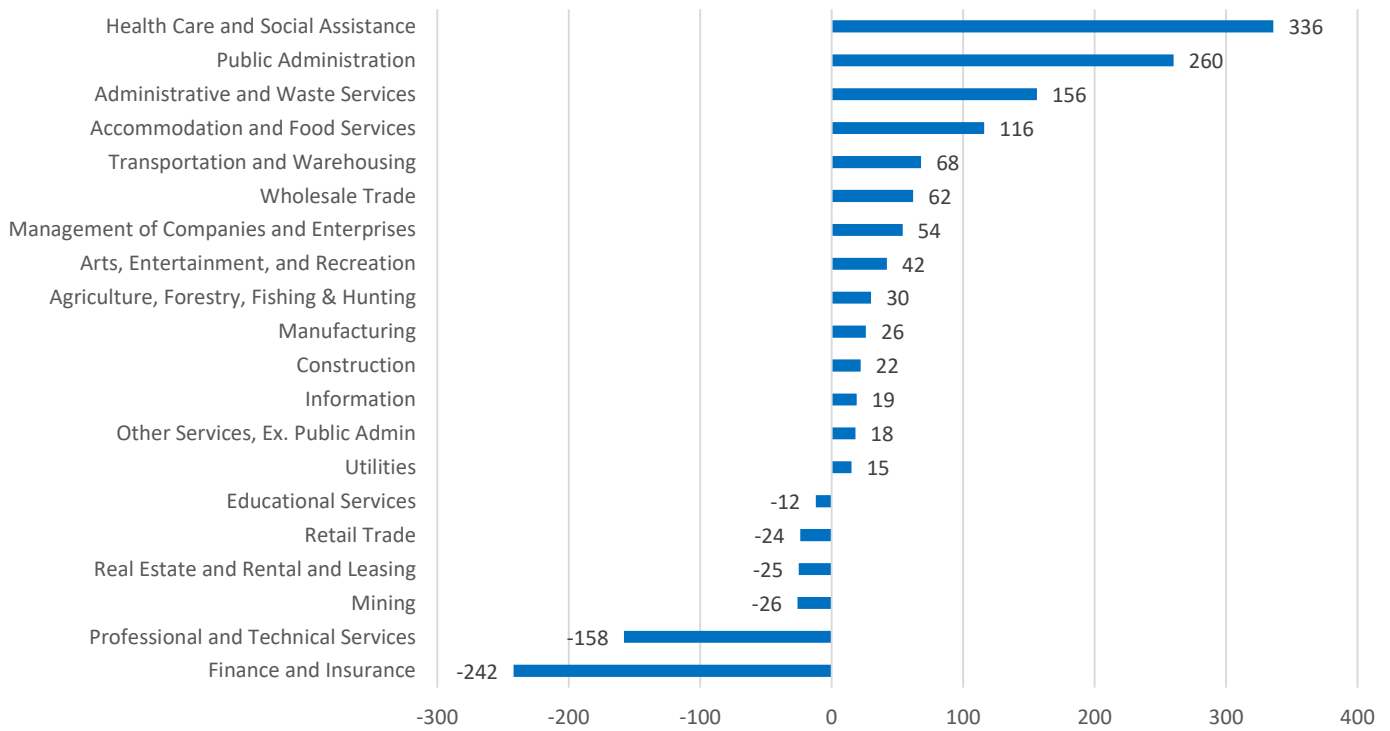
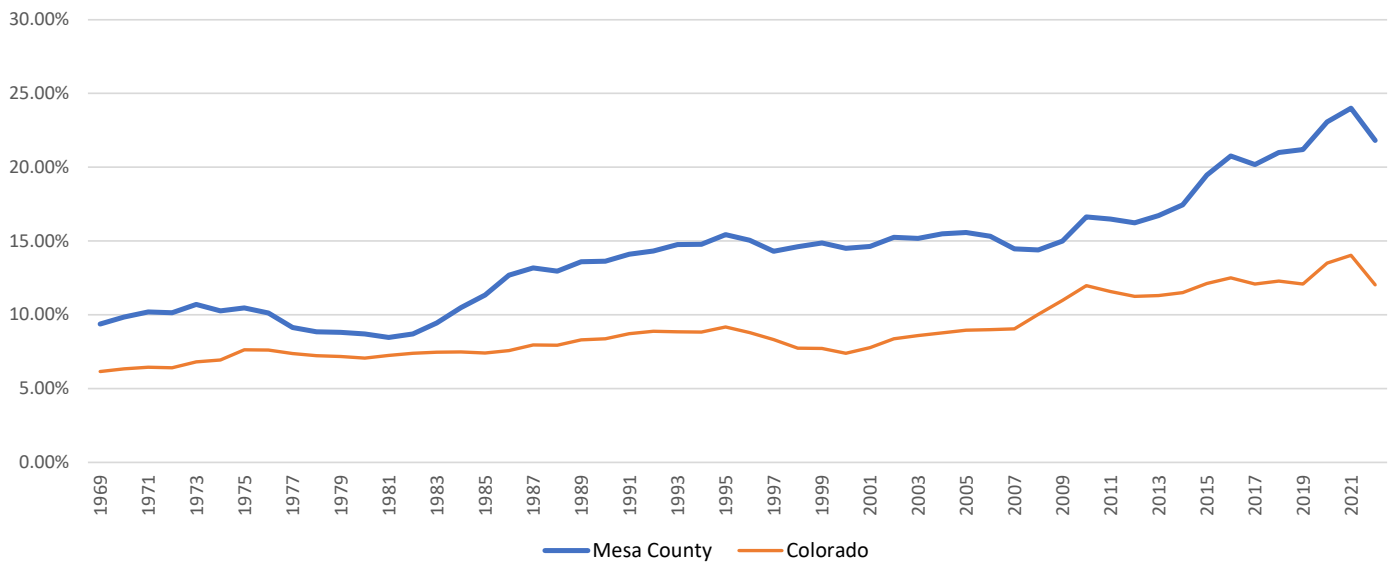


Figure 11:
Retiree Income/Personal Income



LOCAL REAL ESTATE

	Q4 2023	Q4 2022	% change since last year
Real Estate			
Inventory of Homes for Sale (3 month avg)	505	549	-8.07%
New Residential listings (3 month total)	562	567	-0.88%
Sold Residential Listings (3 month total)	449	552	-18.66%
Median Sales Price	\$385,583	\$390,000	-1.13%
Average Sales Price	\$440,105	\$433,535	1.52%
Days on Market	77.33	77.67	-0.43%
Months Supply of Inventory	2.50	2.17	15.38%
Total Building Permits (YTD)	6,607	6,677	-1.05%
Single Family Permits (YTD)	432	715	-39.58%
Foreclosures			
Foreclosure Filings	48	54	-11.1%
Foreclosure Sales	8	5	60.0%
Freddie Mac House Price Index			
	2023	2022	
Grand Junction	305.5	296.7	2.97%
Colorado	277.8	282.8	-1.77%
National	280.8	271.4	3.48%
Zillow Rental Price Index			
	2023	2022	
All rentals combined	\$1,497	\$1,426	5.0%
Single Family	\$1,820	\$1,740	4.6%
Multifamily	\$1,158	\$1,110	4.3%
Mortgage Rates			
	March 2024	March 2023	
15 Year Mortgage Rate	6.18%	5.80%	0.38%
30 year Mortgage Rate	6.82%	6.54%	0.28%

SOURCES: Real Estate: Colorado Association of Realtors Market Trends Program through ShowingTime. Note that real estate data is just single family homes; Permit data: Mesa County; Foreclosure Filings and Sales: Mesa County Public Trustee Office; Freddie Mac House Price Index, Rental Index: Zillow, Mortgage rates: Freddie Mac.

Local Real Estate Indicators

The Mesa County real estate market continues to have low inventory, with inventory falling from 549 to 505 from last quarter. Median sales price stayed steady at \$385,583, which is lower than the previous quarter, likely due to seasonal factors and rising interest rates. The average median price for 2023 was \$397,650. Year over year, the median sales price has not moved much, the market has been stifled by high interest rates and low inventory. Comparing 2022 with 2023, total building permits increased almost 15% since last year, while single family building permits are down 36.28%.

The Freddie Mac house price index confirms the lack of home price appreciation, showing only a 2.97% increase in prices. A new data point that is available for Mesa County because the area is considered a metropolitan statistical area (MSA) is the Zillow rental price index. The index tracks single family homes, multi-family homes, and a combined measure. Rental prices in Mesa County have increased by 5%, rising faster for single family than multi-family. Note that Zillow data only goes back to 2022 for multi-family.

Mortgage rates have picked up in early 2024 due to higher than expected inflation numbers. Hope for rate cuts has almost vanished this year, pushing interest rates back to the 7% level. Mortgage rates falling is dependent on inflation falling and Federal Reserve rate cuts.

Figure 12:
Zillow Rental Index

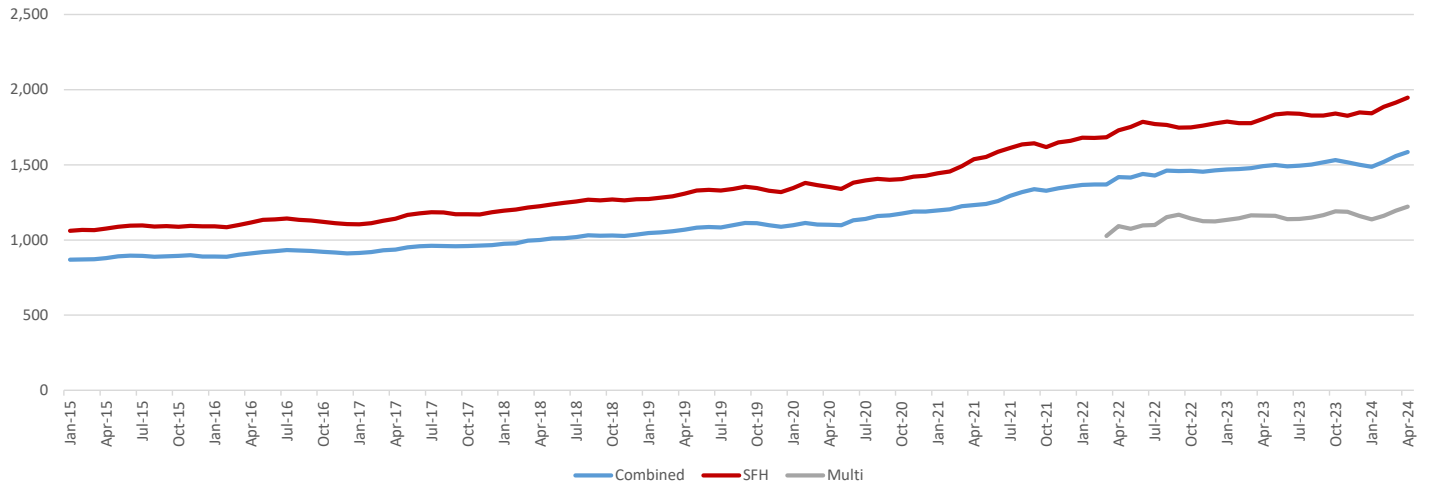


Figure 13:
Median and Average Sales Price

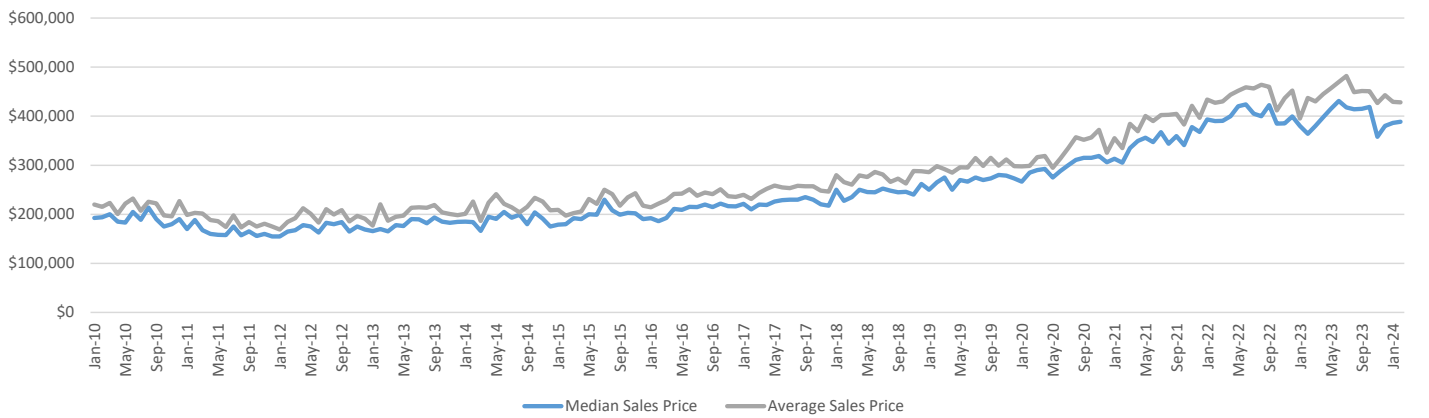
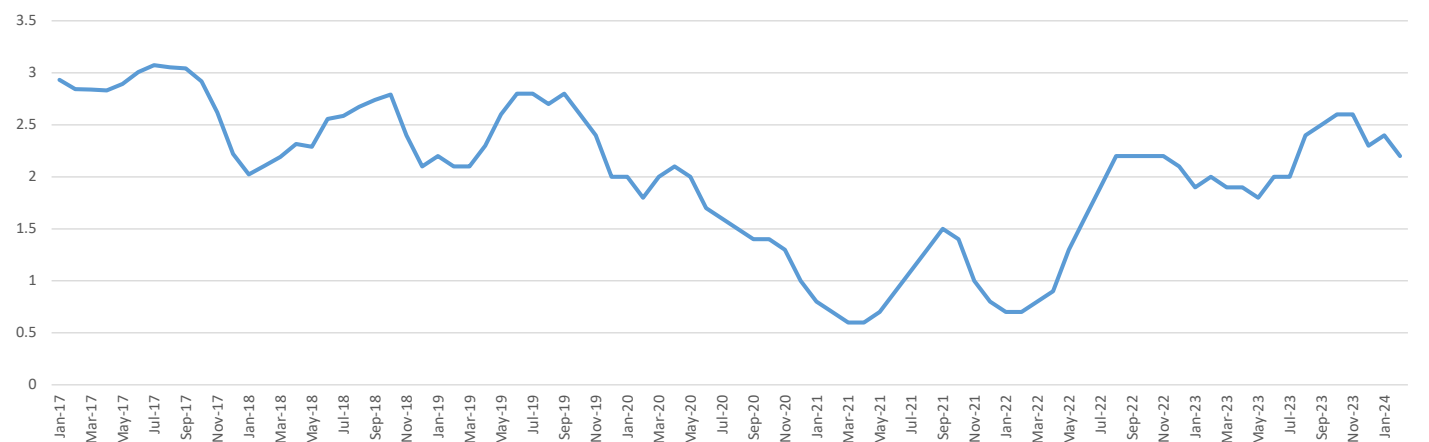


Figure 14:
Months Supply of Inventory



REGIONAL ENERGY

	Q4 2023	Q3 2023	Q4 2022	% change since last quarter	% change since last year (comparable quarters)
Energy Prices					
WTI Crude Oil	\$78.53	\$82.25	\$82.79	-4.52%	-5.15%
Henry Hub Natural gas	\$2.74	\$2.59	\$5.55	5.79%	-50.63%
Retail Gasoline Price	\$3.21	\$3.63	\$3.42	-11.65%	-6.12%
Drilling Permits					
	2023	2022	2021	2020	
Drilling Permits (Mesa County)	23	0	0	1	
Drilling Permits (Rio Blanco County)	61	40	40	33	
Drilling Permits (Garfield County)	21	139	133	127	
Drilling Permits (Moffat County)	0	3	4	1	
Total Permits (Mesa, Rio Blanco, Garfield, Moffat)	105	182	177	162	
Total Permits (Colorado)	199	1,005	805	1,543	
Local Rig Count					
	April-24	Dec-23	Oct-23		
Rig Count (Western Colorado, Mesa, Rio Blanco, Garfield, Moffat)	1	3	3		

SOURCES: All energy prices: Energy Information Agency; All permit data from Colorado Oil and Gas Conservation Commission (COGCC); Local Rig Count: Baker Hughes Rig Count

Figure 15:
Oil and Natural Gas Prices

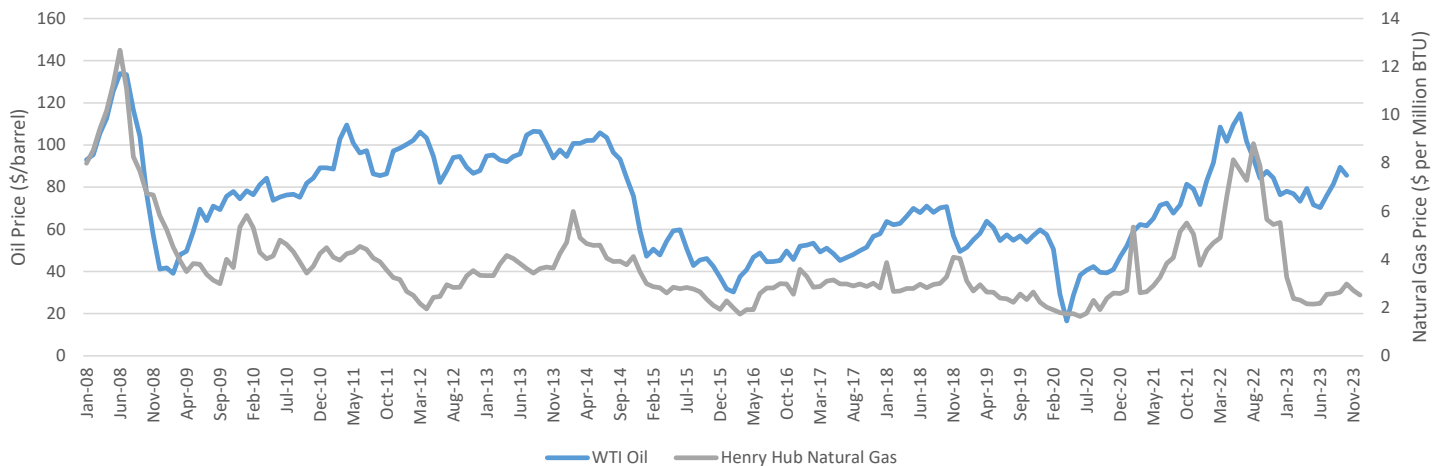


Figure 16:
Oil/Gas Drilling Permits and Oil/Gas Jobs

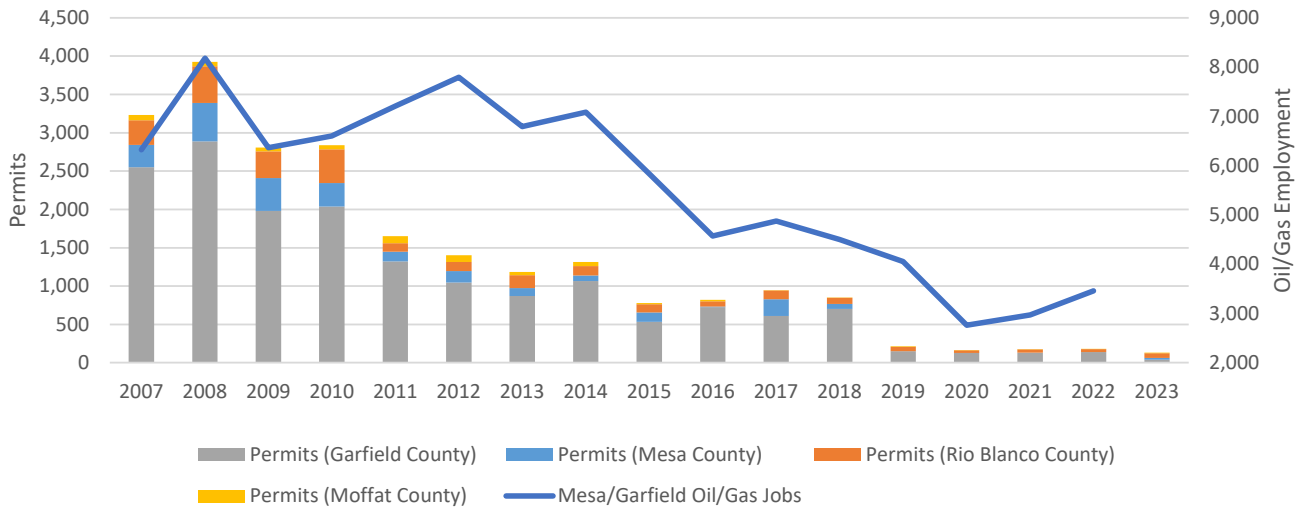
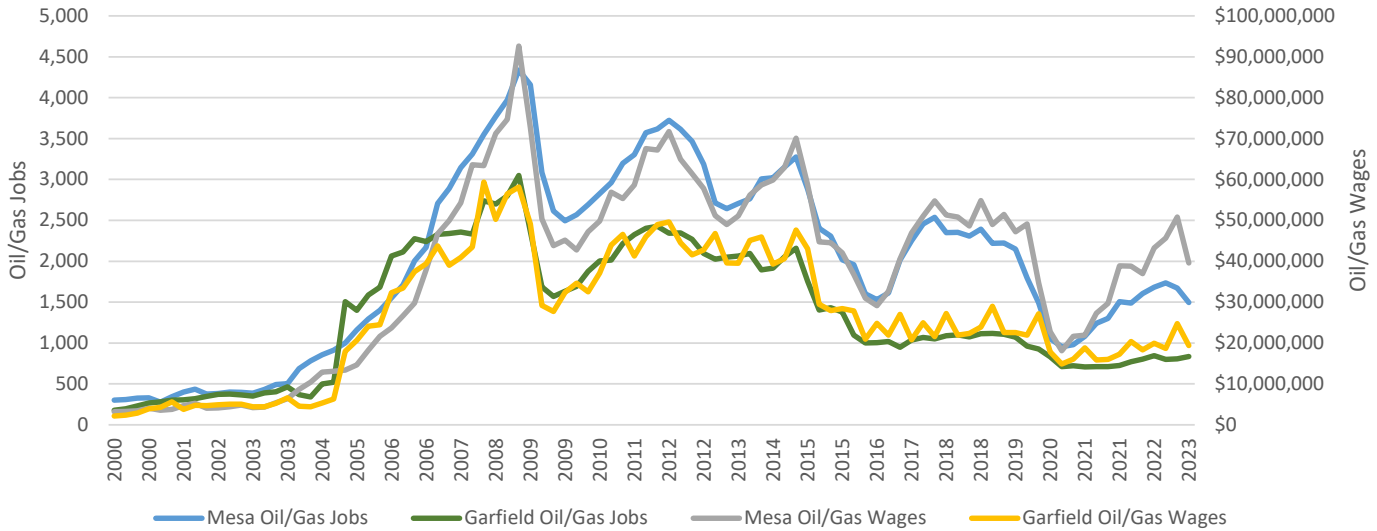


Figure 17:
Mesa and Garfield Oil and Gas Jobs/Wages



Western Slope Energy

WTI oil prices fell from \$82.25 in Q3 to \$78.52 in Q4. Natural gas prices averaged \$2.59 in Q3, rising to \$2.74 in Q4. Record natural gas production and inventories keep natural gas prices from rising. The Energy Information Agency (EIA) forecasts the Brent crude oil price to average \$82 per barrel in 2024, falling to \$79 per barrel in 2025. The EIA forecasts natural gas prices to average \$2.70 in 2024 and to rise to \$3.00 in 2025. Locally, rig counts in the Piceance fell to 1. Rig counts had stayed consistent at 3 for several quarters. Oil and gas permits in figure 16 are updated through end of year 2023, and show the lowest number of drilling permits since 2000, which is the starting year for the dataset.

NATIONAL ECONOMIC INDICATORS

	Q4 2023	Q3 2023	Q4 2022	% change since last period	% change since last year (comparable quarters)
Business Cycle Indicators					
Real GDP	3.40%	4.90%	2.60%	-1.50%	0.80%
Personal Consumption Expenditures	3.30%	3.10%	1.20%	0.20%	2.10%
Gross Private Domestic Investment	0.70%	10.00%	3.40%	-9.30%	-2.70%
National Consumer Confidence	64.9	69.6	58.8	-6.75%	10.37%
Industrial Production Index	102.7	103.2	102.7	-0.48%	0.05%
Initial Weekly Unemployment Claims (4 week MA)	212,712	236,429	205,571	-10.03%	3.47%
Non Farm Payroll Change (in thousands)	617,000	667,000	829,333	-7.50%	-25.60%
Unemployment					
Unemployment Rate-U3-SA	3.70%	3.70%	3.60%	0.00%	0.10%
Unemployment Rate-U6-SA	7.10%	6.90%	6.60%	0.20%	0.50%
Interest Rates					
Federal Funds Rate	5.33%	5.25%	3.62%	0.08%	1.71%
10 Year U.S. Treasury	4.44%	4.15%	3.83%	0.29%	0.61%
30 Year U.S. Treasury	4.59%	4.24%	3.90%	0.35%	0.69%
Inflation Measures					
Inflation Rate (CPI)	3.24%	3.56%	7.09%	-0.33%	-3.85%
Core Inflation Rate (All Items Less Food and Energy)	3.98%	4.42%	5.98%	-0.44%	-2.00%
Inflation Rate (Shelter)	6.47%	7.37%	7.15%	-0.89%	-0.68%
Producer Price Index (PPI)	-3.59%	-4.85%	8.42%	1.26%	-12.00%
Employment Cost Index	4.18%	4.35%	5.06%	-0.18%	-0.89%
Stock Prices					
S&P 500	4,465	4,458	3,852	0.15%	15.91%
Dow Jones Industrial Average	34,933	34,669	32,490	0.76%	7.52%
Trade Balance and Debt					
Trade Balance (% of GDP)	-783.734	-779.231	-877.204	0.58%	-10.66%
Federal Debt (% of GDP)*	120.1%	119.5%	119.0%	0.7%	1.1%

SOURCES: GDP, Consumption, Investment, and Trade Balance: Bureau of Economic Analysis; Consumer Confidence: University of Michigan; Industrial Production, Interest Rates and USD Exchange Rate: Board of Governors of the Federal Reserve System; Weekly Unemployment Claims: U.S. Employment and Training Administration. Non-Farm Payroll, Unemployment Rates, Inflation Measures: Bureau of Labor Statistics; Stock Prices: S&P Dow Jones Indices, LLC.; USD Exchange Rate: Board of Governors of the Federal Reserve; Trade Balance: BEA; Federal Debt: U.S. Office of Management and Budget. * Indicates data is lagged by one quarter. Regional CPI data from the Bureau of Labor Statistics. Yield Curve from the Federal Reserve Board.

Figure 18:
Real GDP for U.S.

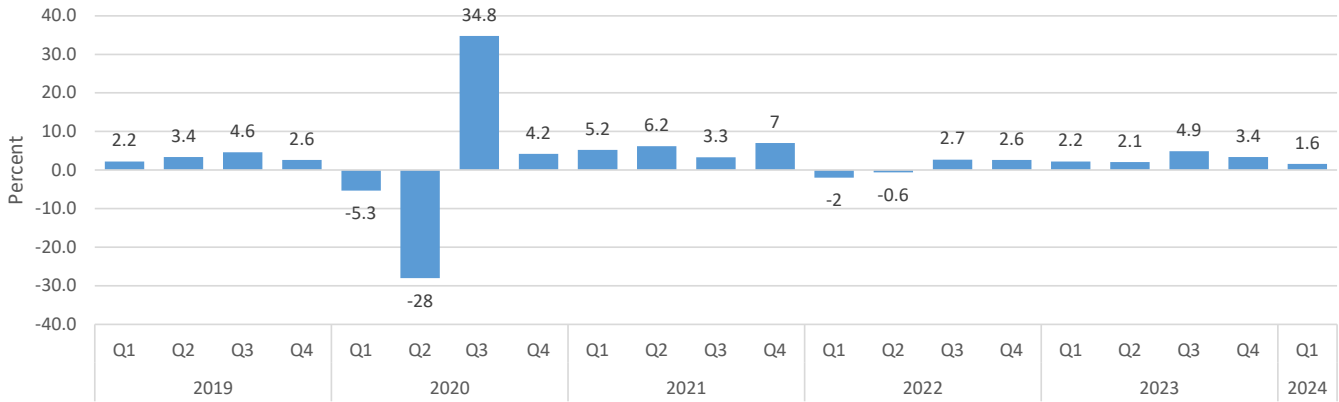
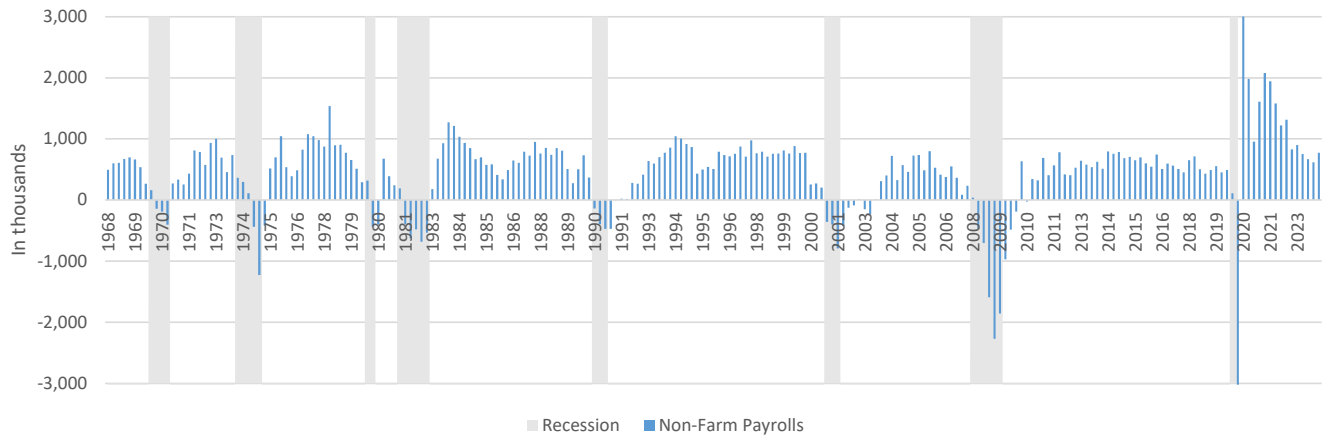


Figure 19:
Non-Farm Payrolls



Economic Growth

U.S. GDP growth for Q1 2024 was 1.6%, which is a weak growth rate, leading to speculation that the economy is starting to slow. However, the Atlanta Federal Reserve's GDPNow estimates 4.2% growth for Q2, which is a high growth rate. The unemployment rate remains low at 3.9% as of April. The labor market remains tight and continues to add jobs, although the number of jobs being added each month is slowing. The slowing of job gains shown in figure 19 is expected, as the labor force can only support so much employment. However, this labor force is expanding with large immigration numbers the last few years.

Inflation and Interest Rates

Inflation for April came in at 3.4%, lower than March's 3.5%, which was higher than expected. The March number reversed the recent trend of falling inflation, but April shows that trend may start again. The March number was alarming and caused the Federal Reserve to reconsider anticipated interest rate cuts. The April number may put rate cuts back on the table in the fall.

Wages have been falling for the past several quarters as seen in figure 23, which is good for inflation, but the most recent

employment cost index number raised alarm bells as it increased slightly. In addition, the purchaser price index (PPI), which tracks inputs into businesses and producers, has been rising, which could translate into higher consumer price inflation.

There is a real debate about where inflation goes from here. To some, inflation is looking more sticky than expected. Inflation fell so quickly that many economists thought inflation may be tamed quickly, accomplishing a so called "soft landing." There is a debate in the economics profession regarding whether inflation can fall without unemployment rising. Historically, in order to lower inflation, the unemployment rate has risen. This relationship between the inflation rate and unemployment rate is called the Philips Curve, and illustrates a tradeoff between inflation and unemployment. As a recipe for fighting inflation, and based on historical Philips Curve estimates, some economists are calling for the Fed to push interest rates high enough to raise the unemployment rate past 5%, which by some estimates would then bring inflation down. It's too soon to say if rising unemployment will be necessary to curb inflation, but if inflation continues to creep up it may become a possibility.

Figure 20:
CPI (Inflation) Release from the Bureau of Labor Statistics (reproduced from BLS.gov)

	Seasonally adjusted changes from preceding month							Un-adjusted 12-mos. ended Apr. 2024
	Oct. 2023	Nov. 2023	Dec. 2023	Jan. 2024	Feb. 2024	Mar. 2024	Apr. 2024	
All items.....	0.1	0.2	0.2	0.3	0.4	0.4	0.3	3.4
Food.....	0.3	0.2	0.2	0.4	0.0	0.1	0.0	2.2
Food at home.....	0.3	0.0	0.1	0.4	0.0	0.0	-0.2	1.1
Food away from home ¹	0.4	0.4	0.3	0.5	0.1	0.3	0.3	4.1
Energy.....	-2.1	-1.6	-0.2	-0.9	2.3	1.1	1.1	2.6
Energy commodities.....	-4.3	-3.8	-0.7	-3.2	3.6	1.5	2.7	1.1
Gasoline (all types).....	-4.3	-4.0	-0.6	-3.3	3.8	1.7	2.8	1.2
Fuel oil.....	-6.4	-1.1	-3.3	-4.5	1.1	-1.3	0.9	-0.8
Energy services.....	0.4	1.0	0.3	1.4	0.8	0.7	-0.7	3.6
Electricity.....	0.4	1.0	0.6	1.2	0.3	0.9	-0.1	5.1
Utility (piped) gas service.....	0.3	1.2	-0.6	2.0	2.3	0.0	-2.9	-1.9
All items less food and energy.....	0.2	0.3	0.3	0.4	0.4	0.4	0.3	3.6
Commodities less food and energy commodities.....	0.0	-0.2	-0.1	-0.3	0.1	-0.2	-0.1	-1.3
New vehicles.....	-0.1	0.0	0.2	0.0	-0.1	-0.2	-0.4	-0.4
Used cars and trucks.....	-0.4	1.4	0.6	-3.4	0.5	-1.1	-1.4	-6.9
Apparel.....	0.0	-0.6	0.0	-0.7	0.6	0.7	1.2	1.3
Medical care commodities ¹	0.4	0.5	-0.1	-0.6	0.1	0.2	0.4	2.5
Services less energy services.....	0.3	0.5	0.4	0.7	0.5	0.5	0.4	5.3
Shelter.....	0.3	0.4	0.4	0.6	0.4	0.4	0.4	5.5
Transportation services.....	0.9	1.0	0.1	1.0	1.4	1.5	0.9	11.2
Medical care services.....	0.2	0.5	0.5	0.7	-0.1	0.6	0.4	2.7

Figure 21:
Inflation Rate and 10 Year Treasury

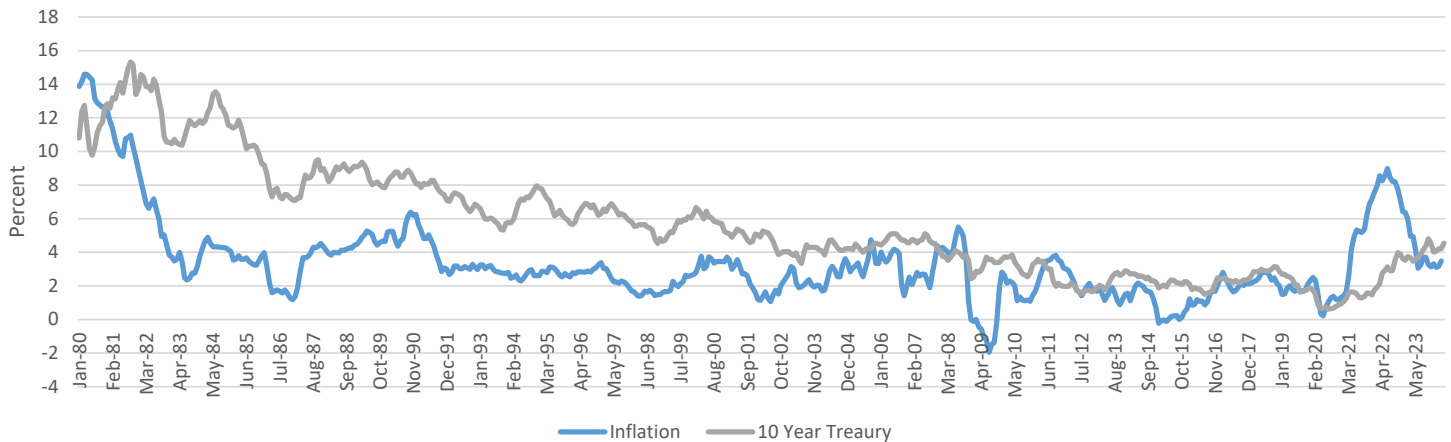


Figure 22:
Unemployment Rate

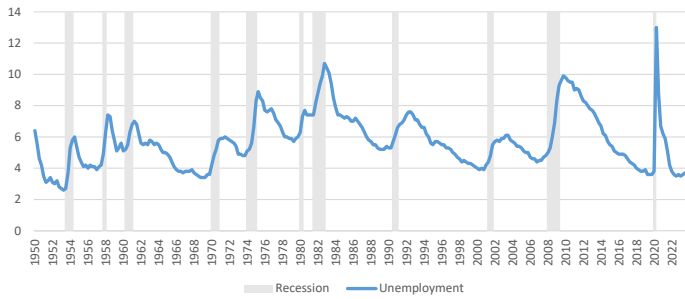


Figure 23:
Employment Cost Index

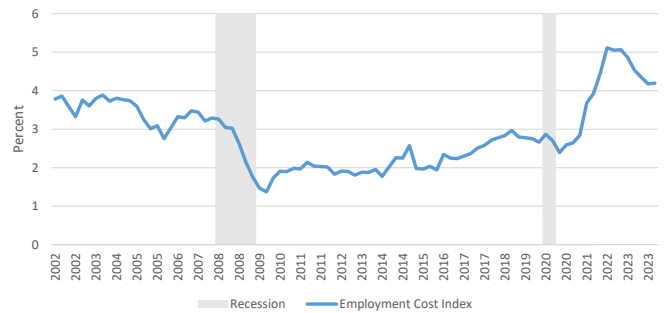


Figure 24:
Personal Savings Rate



The Mesa County Economic Update is compiled and written by Dr. Nathan Perry, Professor of Economics at Colorado Mesa University.

📞 970.248.1888

✉️ naperry@coloradomesa.edu



1100 North Avenue
Grand Junction, Colorado 81501-3122
970.248.1778 • 970.248.1138 (f)

coloradomesa.edu