

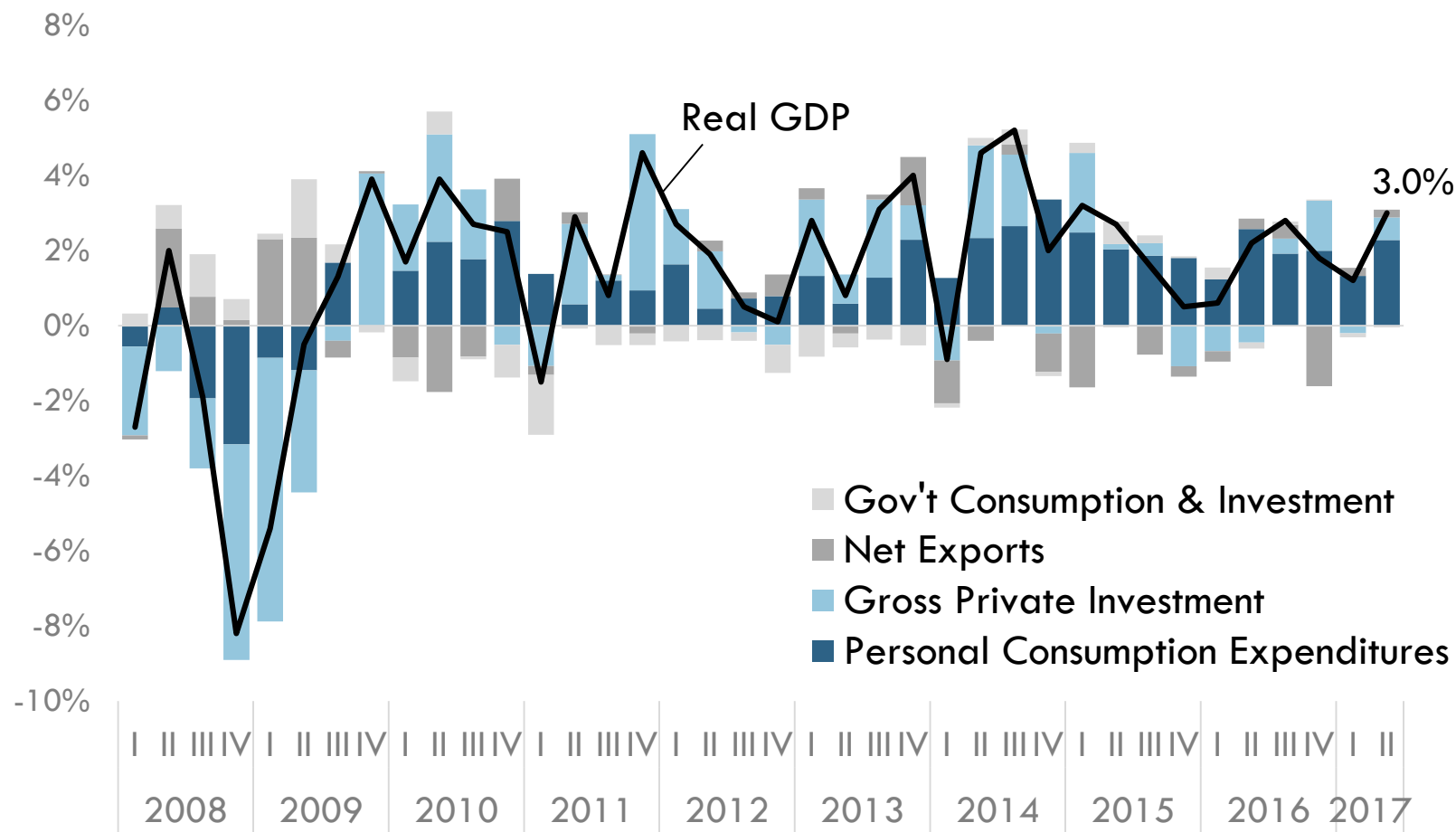
Economic Conditions and Outlook

Legislative Council Staff Economics Section
Presentation to Joint Budget Committee
September 20, 2017



Most recent indicators show a healthy expansion.

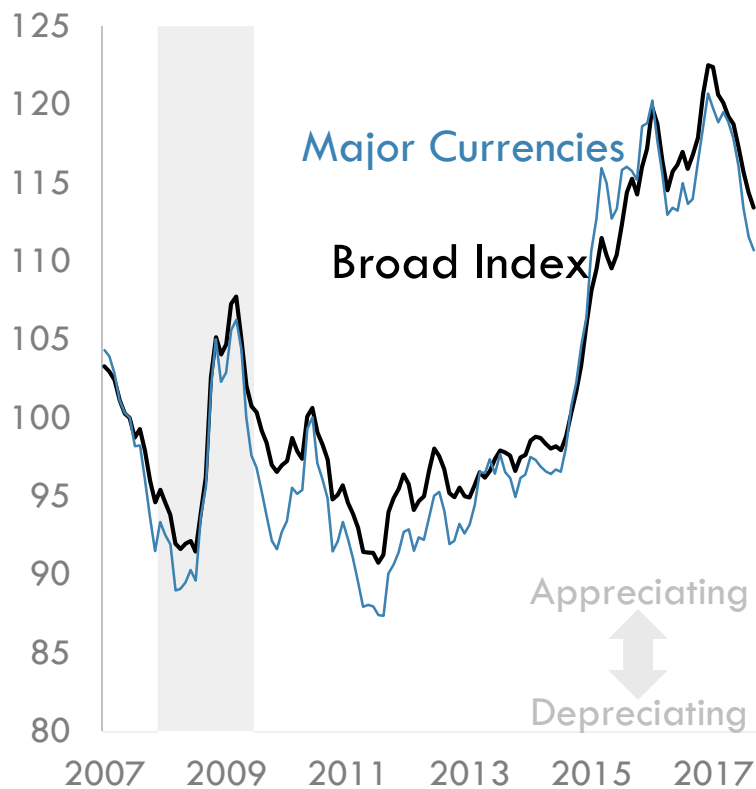
Contributions to Real Gross Domestic Product (GDP)



Exports are on the rebound...

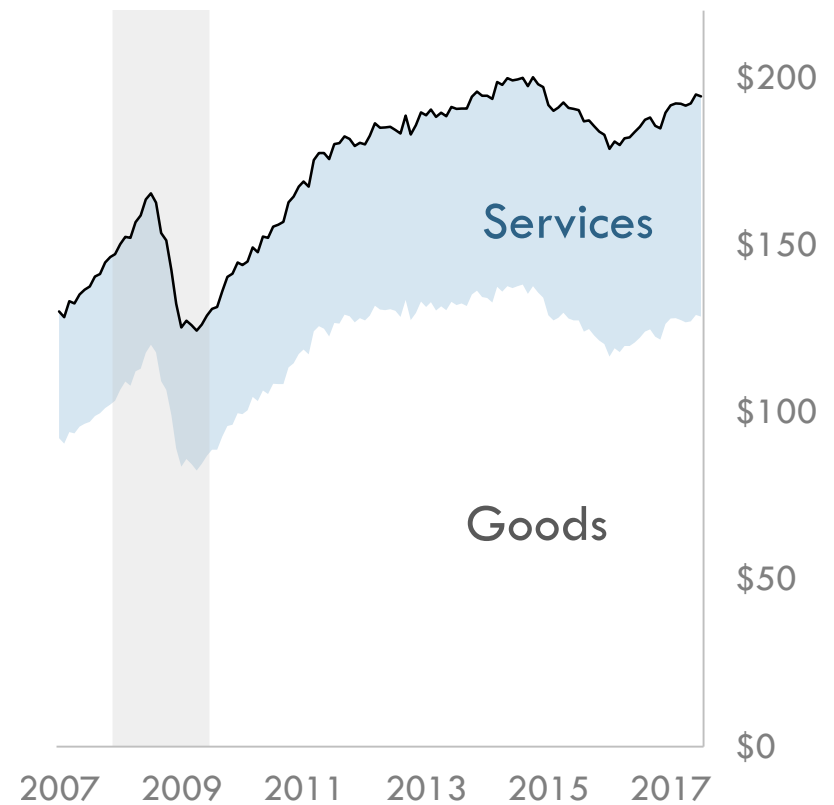
Trade Weighted U.S. Dollar

Index of the Dollar to Foreign Currencies



U.S. Exports

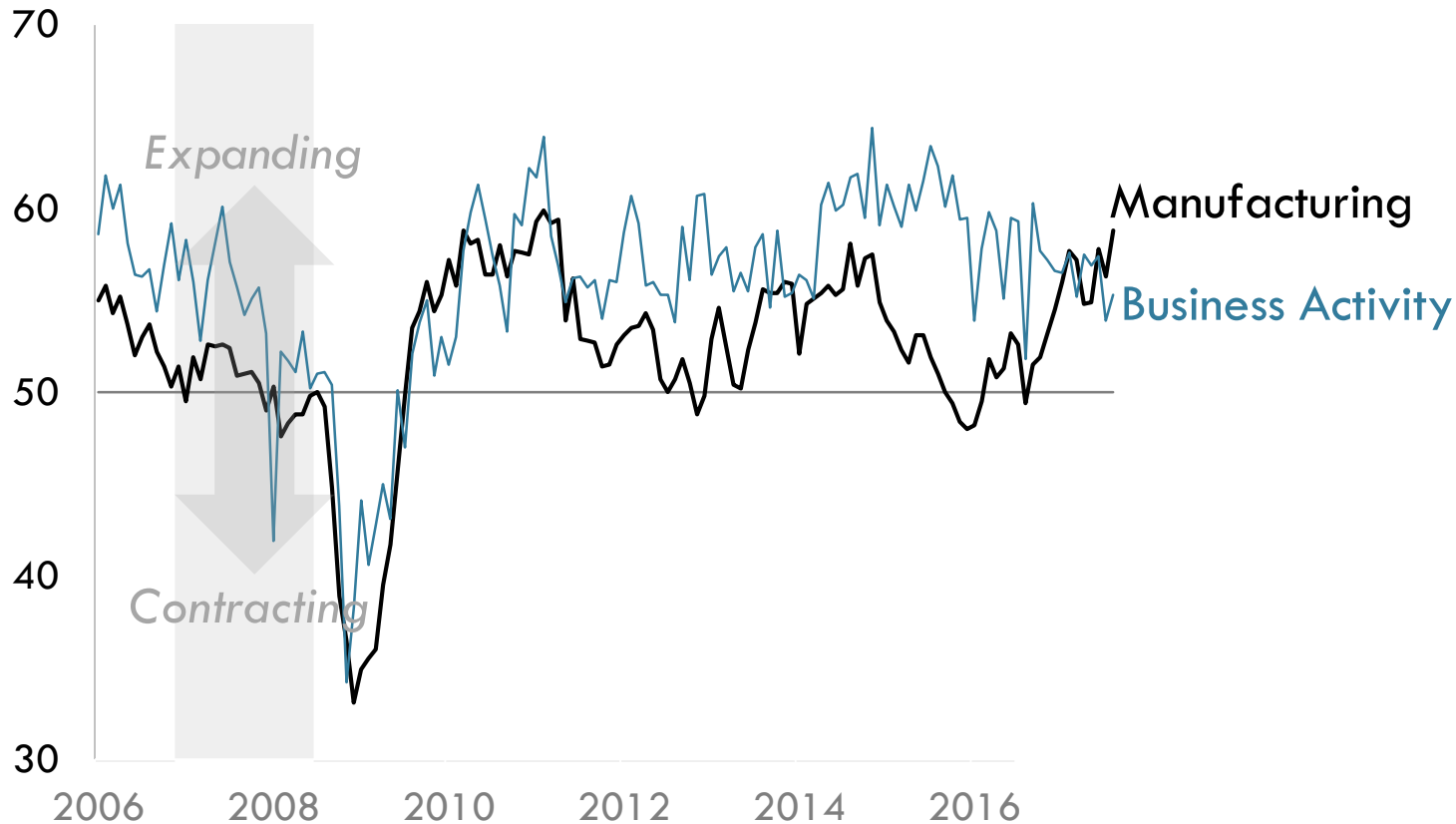
Millions of Dollars



...business activity is expanding...

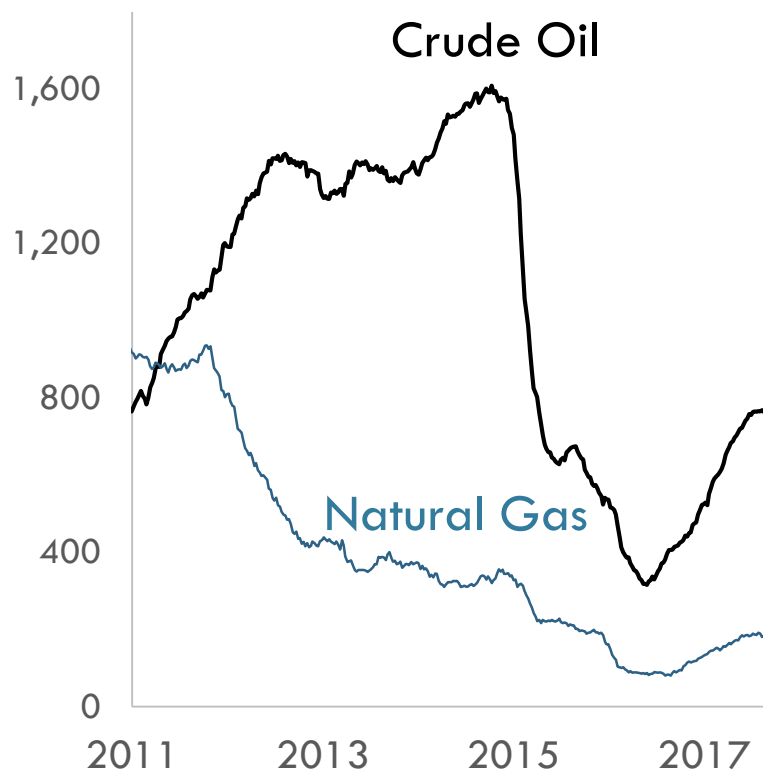
Institute for Supply Management Indices

Diffusion Index

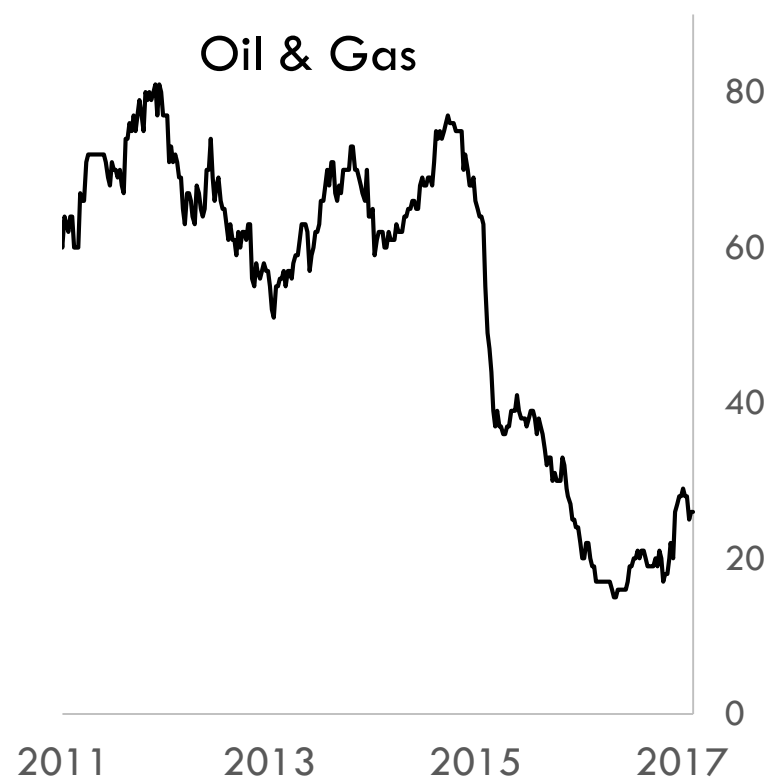


...as is the energy industry.

U.S. Active Drilling Rig Counts



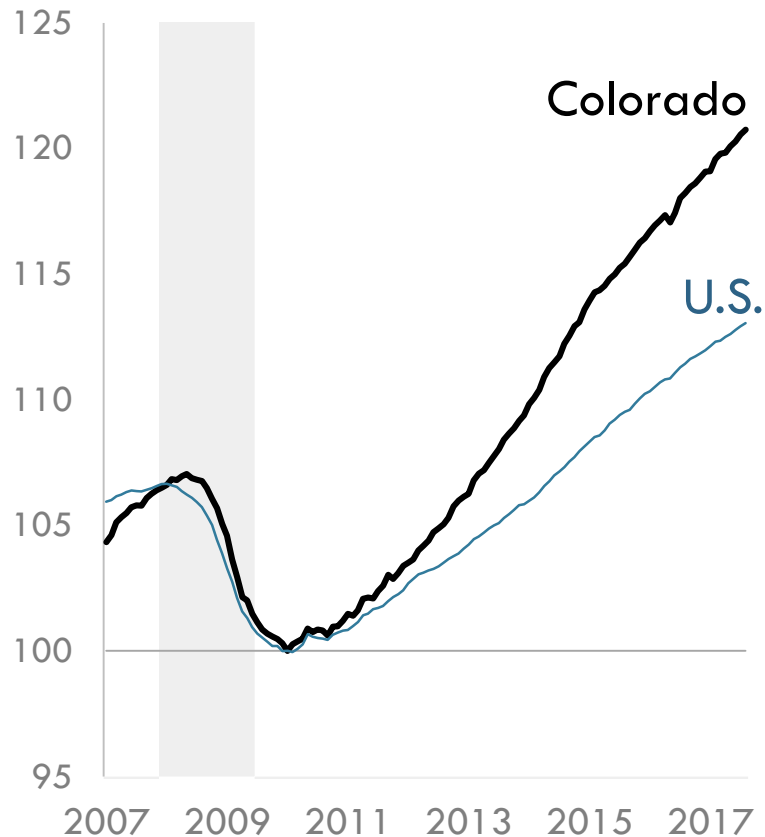
Colorado Rig Counts



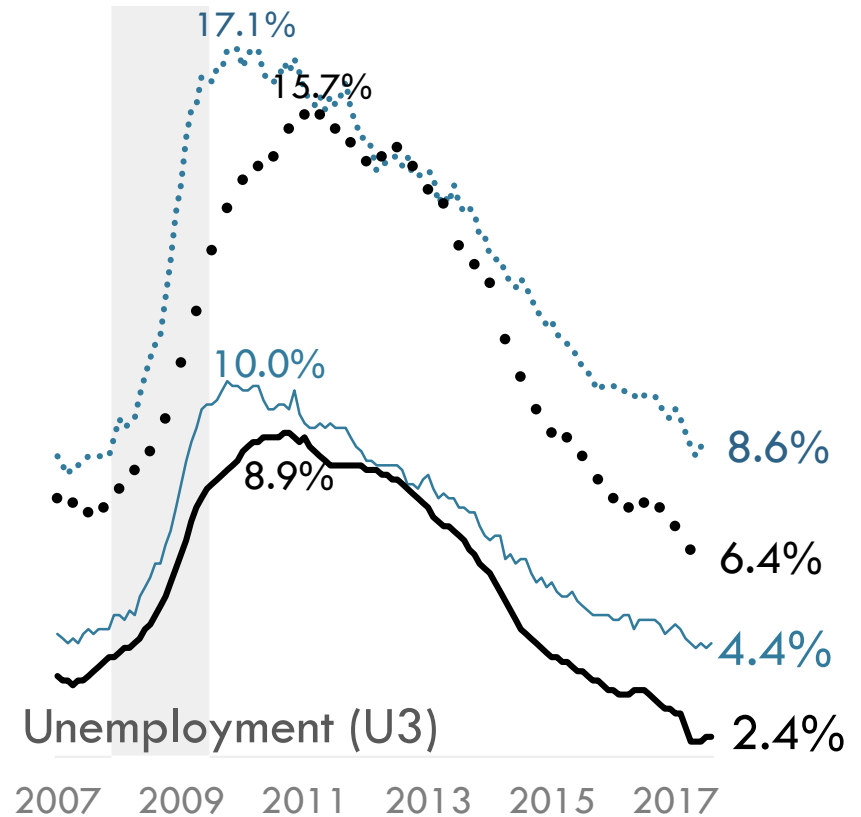
The strong business climate tightens labor markets

Total Nonfarm Employment

Index 100 = January 2010



Underemployment (U6)

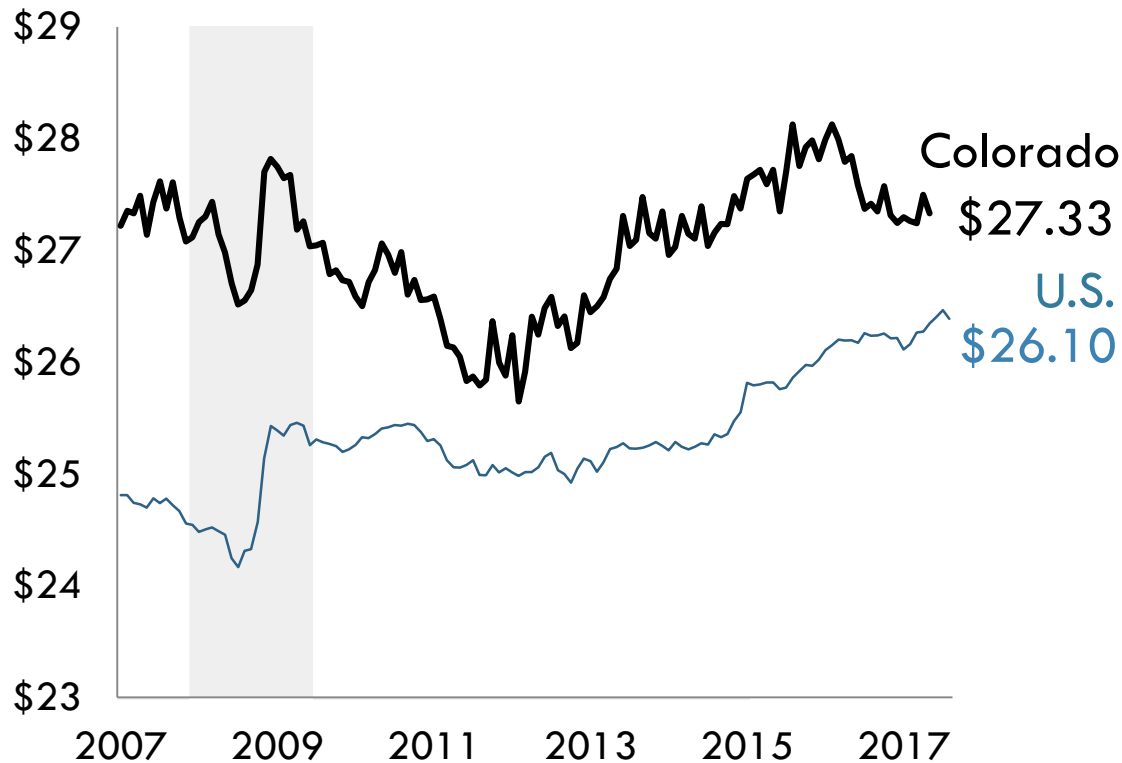


Source: Bureau of Labor Statistics. Seasonally adjusted. Colorado U6 rates shown as four-month moving averages. Colorado nonfarm employment estimates include Legislative Council Staff rebenchmark estimates.

...but wages are not growing as much as expected

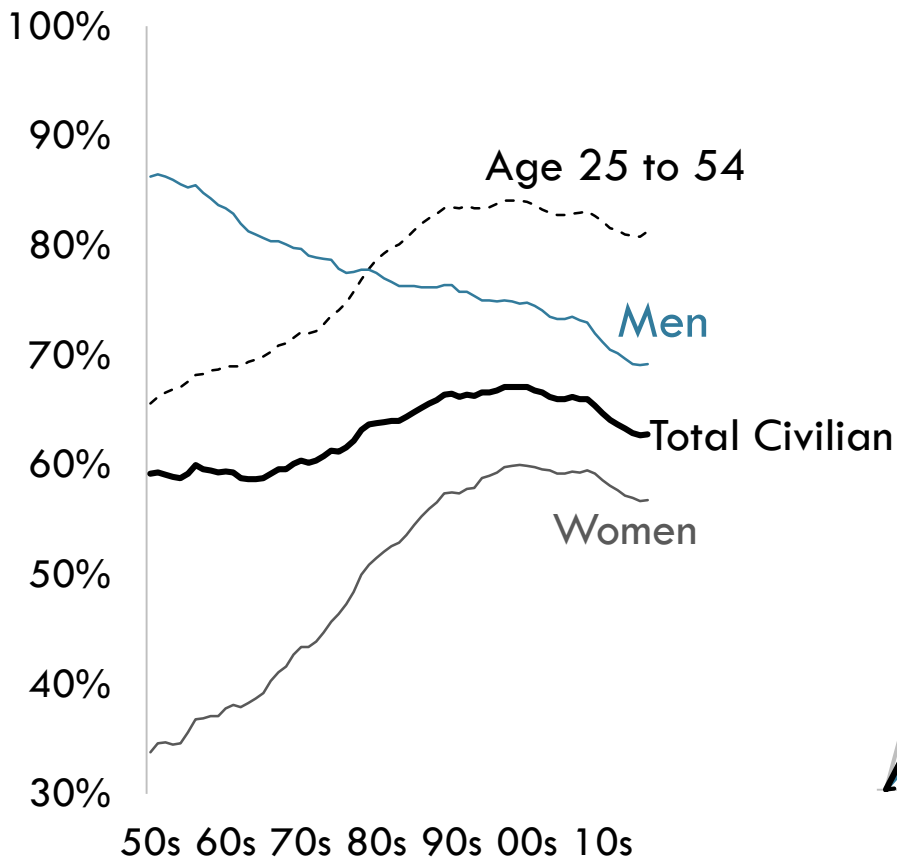
Real Average Hourly Earnings

2015 Dollars

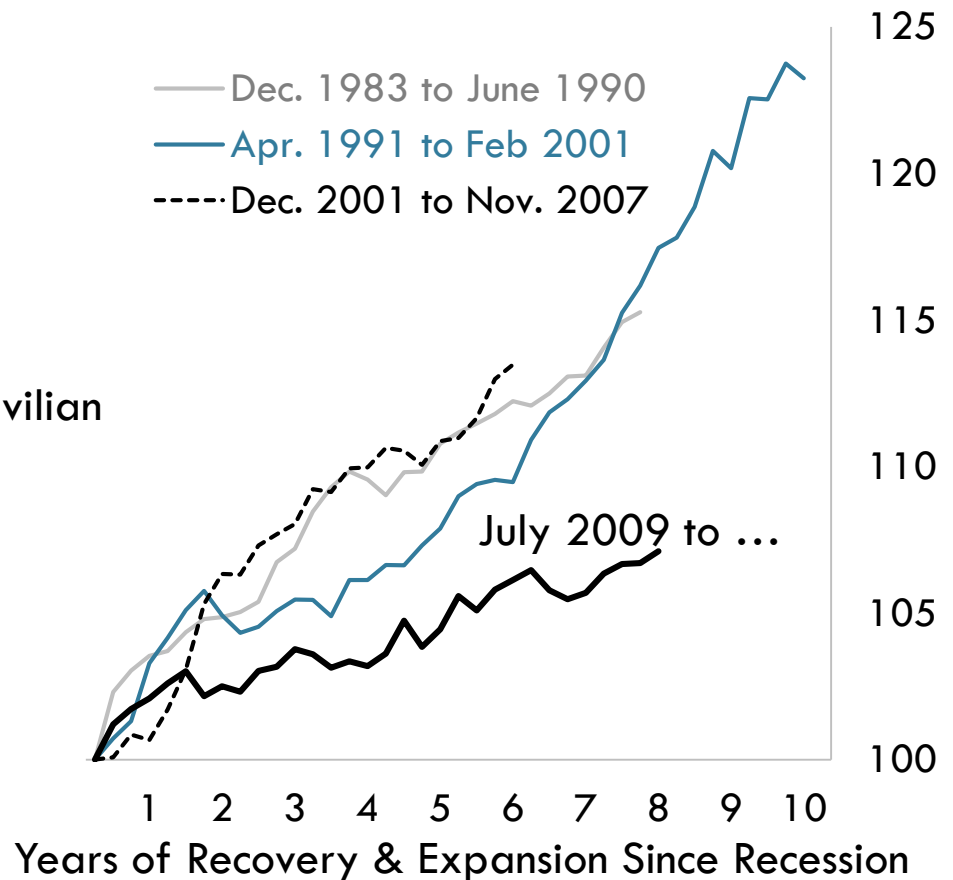


Demographics constrain this economy

U.S. Labor Participation Rate



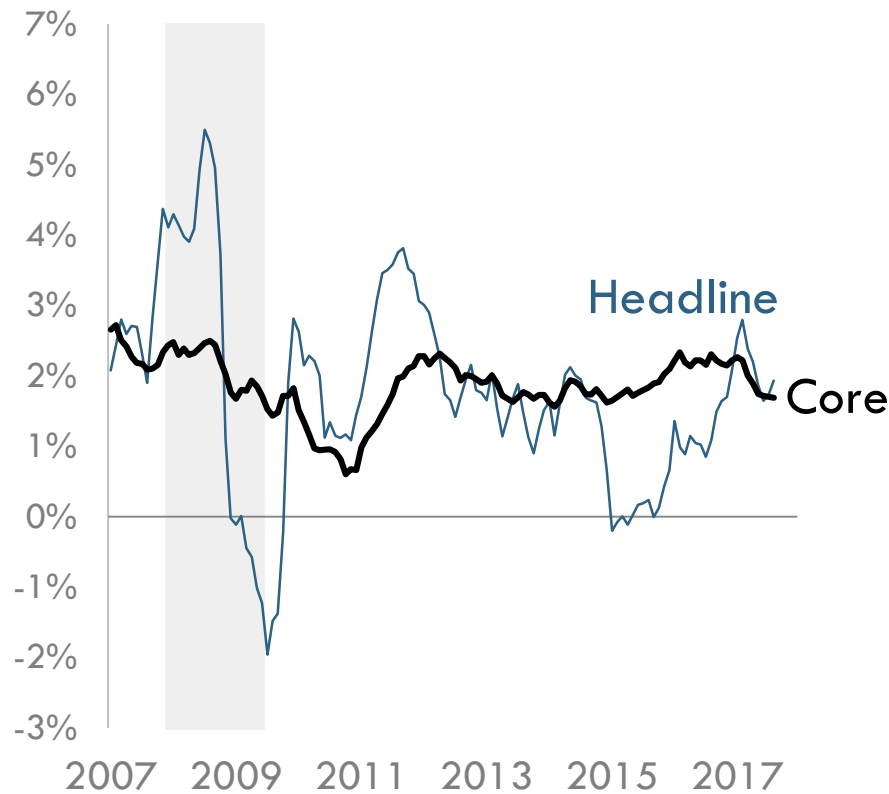
Productivity Growth *Real Output per Hour*



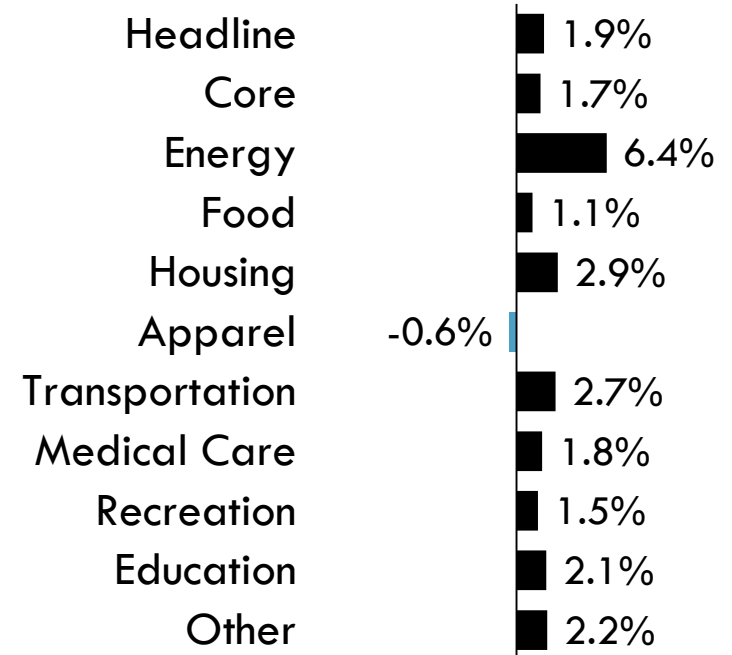
Inflation is low...

CPI-U Inflation

Year-over-Year Change in Prices



August 2017 over August 2016



...and the Fed faces difficult decisions.

