



# ColoradoCast

**ECONOMIC FORECAST Q1 2022**

A STATEWIDE 6-MONTH ECONOMIC FORECAST  
FROM THE COLORADO FUTURES CENTER



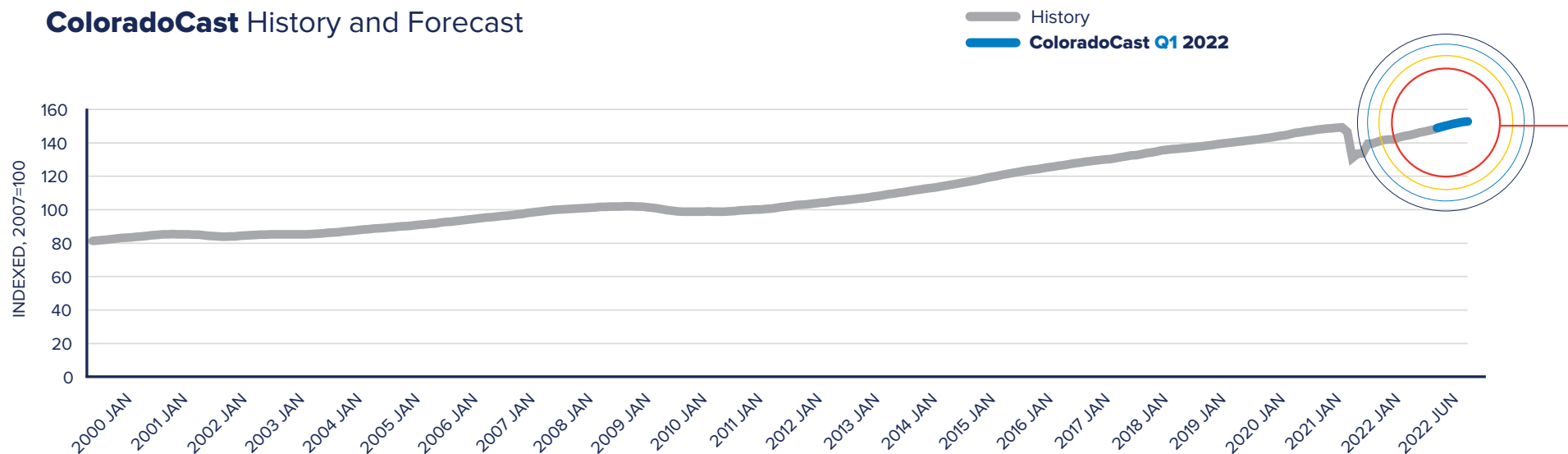
**COLORADO  
FUTURES CENTER**



**CSU SYSTEM**  
COLORADO STATE UNIVERSITY

## Current ColoradoCast

### ColoradoCast History and Forecast



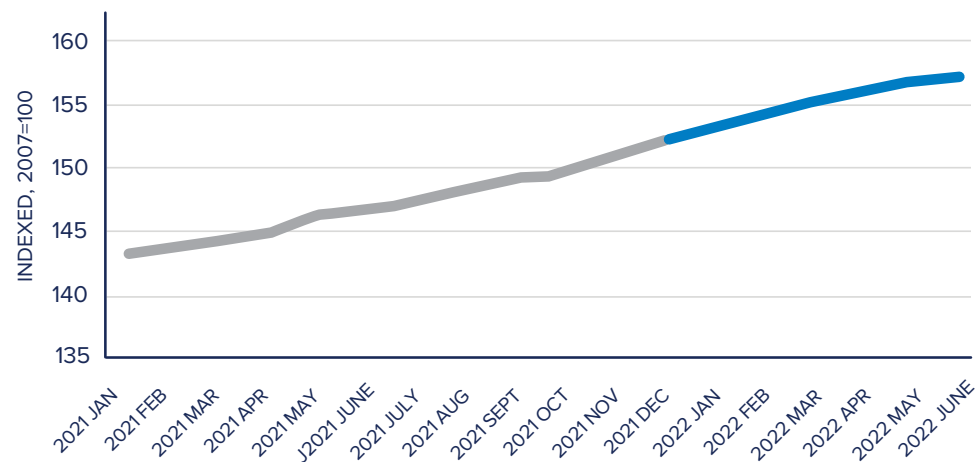
The Federal Reserve Bank of Philadelphia's Coincident Economic Activity Index for Colorado (the base of the ColoradoCast) continues to show that economic activity in Colorado rebounded to its pre-pandemic high in September 2021. The latest ColoradoCast projects that the economy will continue to expand beyond that level throughout the June, 2022 forecast horizon.

By the end month of this ColoradoCast (June 2022) the Colorado economy is projected to be growing at an annual rate of 4.47 percent. This is a slowdown from the previous ColoradoCast's April 2022 forecast rate of growth, but still a healthy, albeit more normal, growth projection.

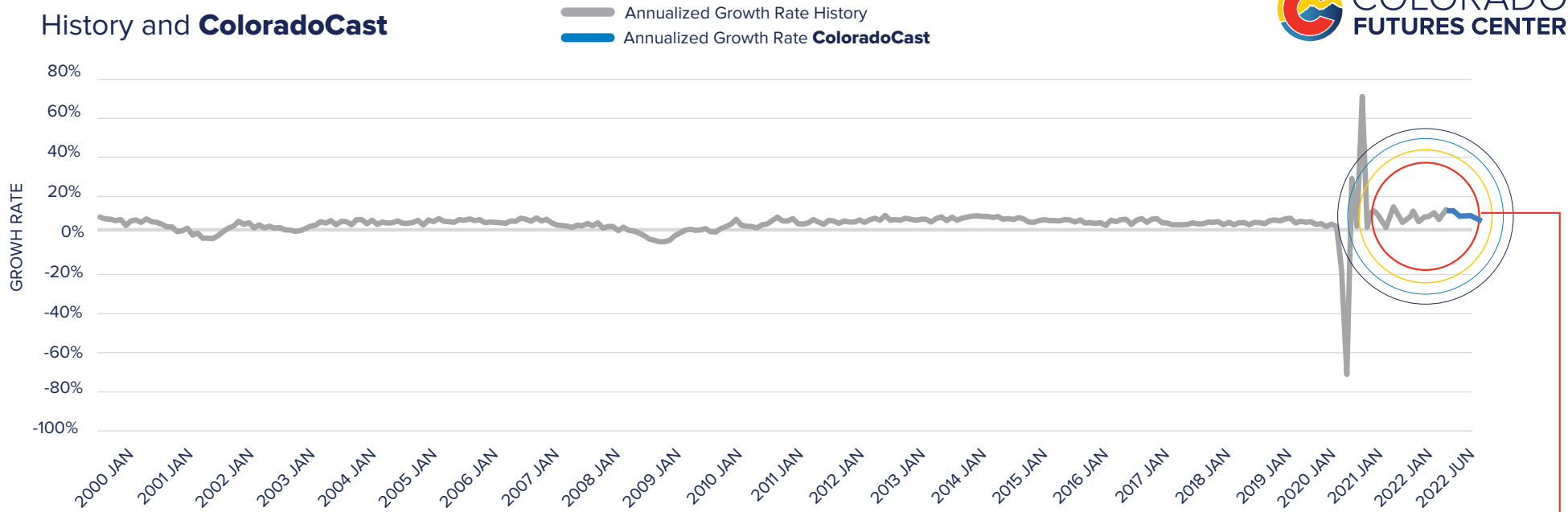
The return to more historically normal rates of growth should continue to happen as the economic recovery normalizes and annualized growth moves beyond the significant decline experienced in the early months of the COVID pandemic.

## Current ColoradoCast

### Highlighting the Current Year

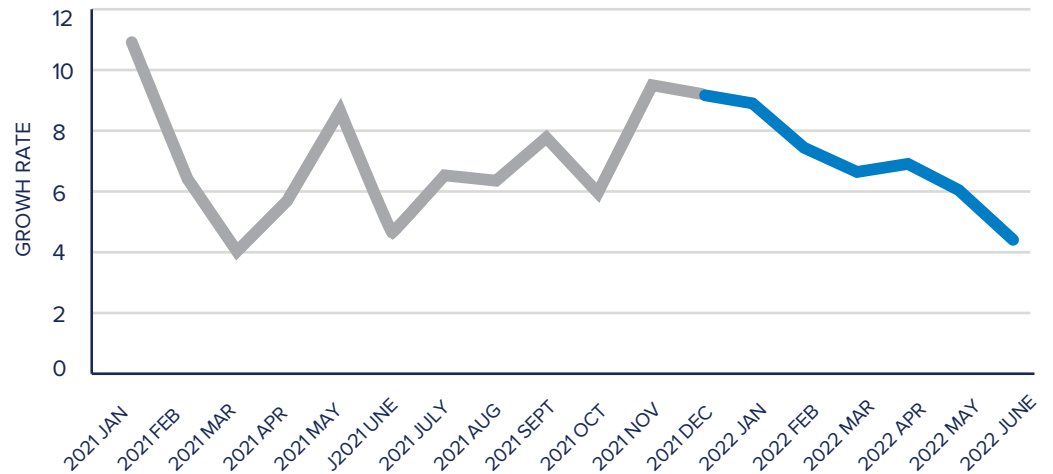


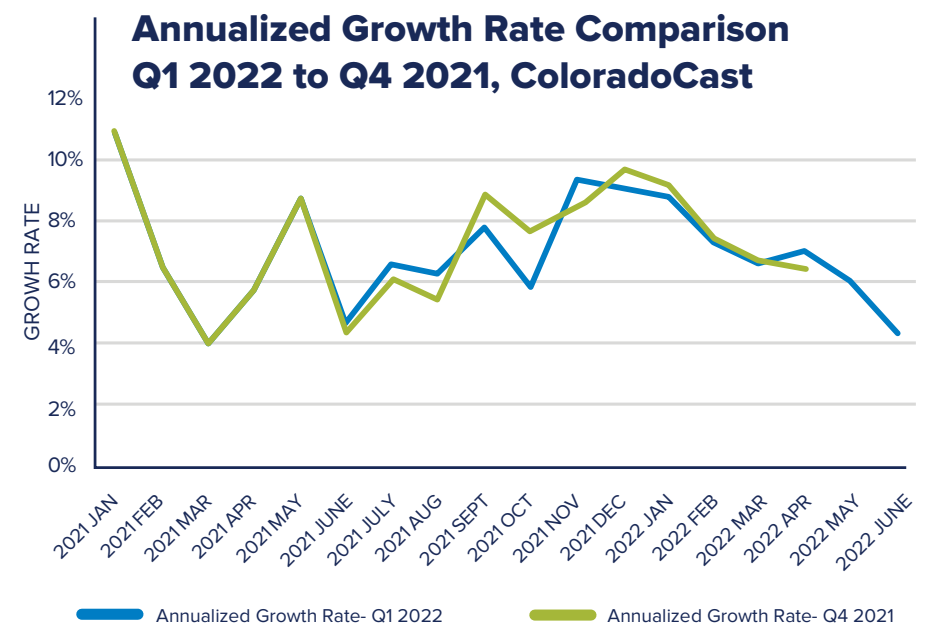
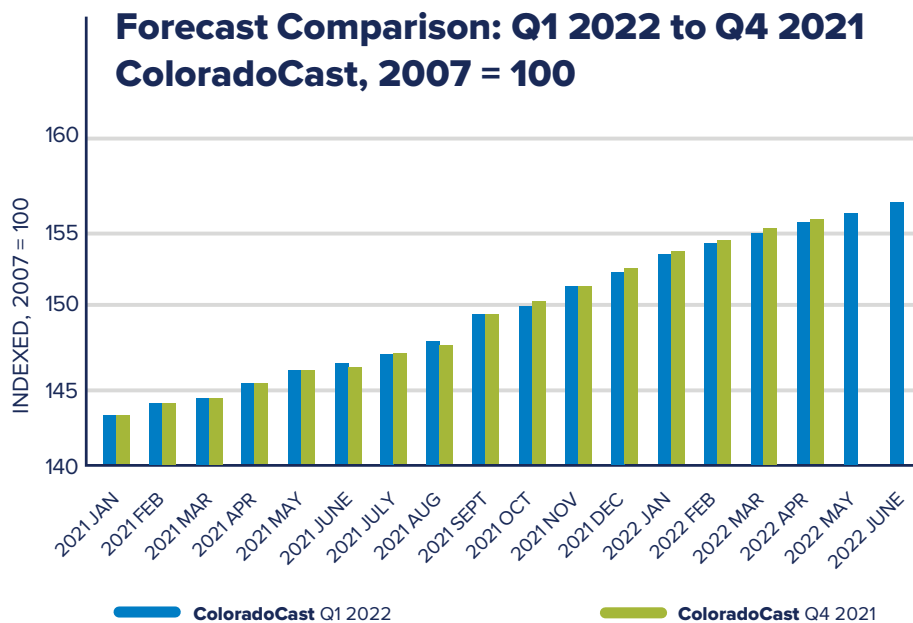
# Annualized Growth Rate History and ColoradoCast



**BY JUNE, 2022 THE  
COLORADO ECONOMY  
IS PROJECTED TO BE  
GROWING AT AN ANNUAL  
RATE OF 4.47%**

## Annualized Growth Rate Highlighting the Current Year





In comparison with the fourth quarter 2021 run of the ColoradoCast, the out months in the current forecast show a marginal drop in the size of the Colorado economy and an emerging decline in the rate of economic growth. While housing process continue to positively contribute to the ColoradoCast's projection for growth, changing conditions in equity and bond markets are serving to dampen growth rates and marginally decrease the projected size of the Colorado economy relative to the previous ColoradoCast. Nevertheless, the 4.47 percent projected growth rate for June, 2022 still represents historically robust growth and an anticipated beginning of a return to more historically normal rates of economic growth; growth less distorted by the collective responses to the COVID pandemic.

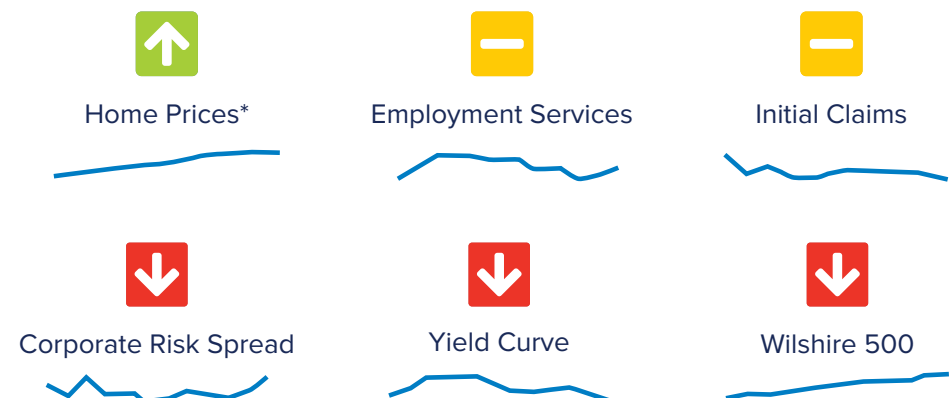
## Factors Driving the ColoradoCast

2021 pattern of the 6 variables used to forecast the ColoradoCast

### Impact on last month of **ColoradoCast**

Positive
 Neutral
 Negative

\*Home prices include forecast values for Dec. 2021





The **ColoradoCast** is a short-term (approximately 6 months ahead) economic forecast for the Colorado economy developed by the Colorado Futures Center. It is designed to forecast a well-known contemporaneous measure of statewide economic activity, the Coincident Economic Activity Index for Colorado, developed by the Federal Reserve Bank of Philadelphia. The Coincident Economic Activity Index includes four indicators: non-farm payroll employment, the unemployment rate, average hours worked in manufacturing and wages and salaries. The trend for the index is set to match the trend for gross state product.

The **ColoradoCast** predicts the value and annualized growth rate in the coincident index using six factors whose predicted relationship with economic activity are as follows (relationship in parentheses): the yield curve measured by the spread between two and ten month treasuries (positive), the risk spread between high quality corporate and ten year treasury returns (negative), employment in the employment services sector (positive), housing prices as measured by the Case-Shiller index for Denver (positive), initial claims for unemployment insurance (negative), and the value of the Wilshire 5000 stock index (positive).

The **ColoradoCast** will be released quarterly in February, May, August and November.

**Thank you to Steven Fisher, PhD for his collaboration on the initial development of the ColoradoCast.**

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The Colorado Futures Center is a 501c3 organization dedicated to informing about economic, fiscal and public policy issues impacting community economic health and quality of life.