The latest ColoradoCast economic forecast: Slowing, but still growing

A new economic forecast from the Colorado Futures Center predicts that the state's economy will continue growing in coming months, though at an increasingly slower rate.

ColoradoCast, which draws data from a range of sources to produce the state's only short-term economic forecast, indicates the state's economy is likely to slow to an annual growth rate of three-quarters of a percent by the start of the year.

While Colorado's job market remains strong and consumers continue spending, this third quarter forecast takes into account indications of a slowing housing market in predicting a period of increasingly sluggish growth.

"The takeaway from this latest forecast is that Colorado's economy still appears somewhat resilient, even as we confront economic challenges at the national and global levels," said Dr. Phyllis Resnick, director of the Colorado Futures Center. "That resilience will be important as outside factors continue to stress the local economy."

This is the fourth ColoradoCast forecast to be publicly released from the Colorado Futures Center, an independent 501(c)(3) organization that is housed at the Colorado State University System. Resnick, a co-founder of the center, worked with Dr. Steven Fisher, a consulting economist with the center, to develop the model in 2017.

The five years since then have provided an opportunity to fine tune the forecast and track its predictions. ColoradoCast forecasts extend out six months, providing insight on a time scale that is absent from other statewide economic forecasts that make predictions over periods of a year or more.

"This is information that leaders in both the public and private sectors can use to inform short-term planning and also to set priorities as they implement broad initiatives," Resnick said. "At the same time, it can be a helpful tool for families when making important financial decisions."

ColoradoCast relies on six factors that track shifts in sentiment and behavior across the financial and housing, and employment sectors. In the second quarter forecast, released in May, the trend for the three factors relating primarily to the financial sector pointed toward a slowing economy, while the trend for two employment-related factors were neutral. Only the continued strength of the housing market pointed the other direction.

The current forecast, which predicts the state's overall economy will be growing at an annual rate of less than a percentage point at the start of next year, reflects a softening housing market that points toward a period of slower growth.