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Colorado's economic and business environments shift

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I'm not prone to exaggeration, so I thoughtfully state that I believe we are living through unusually transformational and precarious times. The pace of technological, geopolitical and economic change is unlike anything I've witnessed.



My husband recently sent a photo to the family group chat of a gasoline fillup at $109. Gasoline and diesel prices have surged, with diesel nearly $6.40 a gallon. Virtually all goods are transported using diesel, so these prices touch almost everything we consume.

Prolonged conflict in the Middle East, tariffs and trade uncertainty further exacerbate inflation, probably keeping interest rates high. As of right now, the 30-year mortgage rate is roughly 7.5%, and experts forecast two more rate hikes from the Fed, which kept rates untouched at last week's meeting.

Meanwhile, our increasingly K-shaped economy has provided overall resilience, with higher-income households spending while lower- and middle-income households struggle to maintain purchasing power. These lower-income groups are saving less and borrowing more.

Furthermore, artificial intelligence may represent the largest labor market transformation since industrialization.

In my view, the convergence of these forces creates an extraordinary level of economic uncertainty.

But Colorado faces additional headwinds.

Our high housing costs make attracting workers harder, and increasingly complex regulations raise concerns about business competitiveness.

Colorado Chamber of Commerce research found that 67% of surveyed businesses believe our state is headed in the wrong direction.

Colorado's job growth has also slowed significantly. To be fair, the U.S. has a low-hire environment particularly affecting entry-level workers and AI-exposed occupations. The difference is that Colorado once outperformed the nation in population and employment growth, but that advantage has weakened considerably.

Hence, the central question is whether Colorado can remain competitive in a national milieu of extraordinary uncertainty and technological change.

This is the theme of our Annual State of the Economy event on Wednesday, which will be one day after the election and those impacts will also be discussed.

I'll examine national, state and local economic conditions and forecasts. Timothy Wonhof, Colorado's director of labor market information, will address industry employment trends.

Rachel Beck, executive director of the Colorado Chamber of Commerce Foundation, will discuss regulatory pressures, business costs and the Chamber's 10-year growth plan.

And Jonathan Liebert, president of the Better Business Bureau of Southern Colorado, will share businesses' experiences, including the adoption of AI.

I hope to hear from readers of my articles and viewers of my TV segments. Please join us Wednesday from 2 to 4 p.m. at Garden of the Gods Resort, followed by a networking happy hour. Tickets are $50 plus fees, and registration is available at www.ddestrategies. org.

Tatiana Bailey is executive director of the nonprofit Data-Driven Economic Strategies. Other Denver Gazette articles, TV segments, DDES monthly economic dashboards with technical explanations and how to sponsor their work can be found at ddestrategies.org.