

# Trends & Indicators Dashboard

A project of the  
**Citizens' Finance Advisory Commission**

**City of Loveland**  
Updated by  
Alan Krcmarik, Executive Fiscal Advisor  
Draft for the **JULY 2011** CFAC Meeting

# Indicators Definitions

	<b>Status</b>		<b>Projections</b>
	Green – This indicator is performing within the fiscal range needed to meet (or exceed) its COL Budget expectations. Projection should be monitored if it is a declining trend.		Expected trend will meet to exceed COL Budget requirements.
	Amber – This indicator is performing below the fiscal range needed to meet its COL Budget expectations, but is not critical. Projection is important.		Expected trend is at risk to fall below COL Budget requirements. Corrective actions may be needed to prevent further adverse impact.
	Red – This indicator is performing well below the fiscal range needed to meet its COL Budget expectations. Positive projection is desired, otherwise corrective actions are warranted.		Expected trend is to fall below COL Budget requirements. There is no indication of positive correction.
			Expected trend is to fall significantly below COL Budget requirements. Corrective action is beyond COL ability to effect.

# Trends & Indicators Dashboard

## Leading Indicators

	Status	Projection
US Unemployment	●	⬇
US Personal Income	○	↔
Colorado Sales Tax	○	↔
Colorado Unemployment	●	⬇
Loveland Foreclosures	○	↔
Loveland Sales Tax Licenses	●	↔

## Lagging Indicators

	Status	Projection
Loveland sales by GEO area	●	↔
Use Tax - Building Materials	●	⬇
Building Permits	●	⬇
Property Tax projections	○	↔
Local Employment Outlook	○	↔

- Loveland job growth continues to grow.. U.S. and Colorado employment situation slipping.
- Colorado sales tax rebounding from prior year; now up for the year and for the state's fiscal year.
- Colorado General Assembly passed an austere budget . Counties and School district budgets tight.
- Loveland retail sales are stabilizing; solid growth through June. GEO sales tax still green. Six months of no negative GEO areas. Use tax on building permits off to a very slow start, but improving.
- Foreclosure rate up a little in Loveland; inventory still affecting sales prices . Tougher mortgage requirements limiting new building. The ACE project is moving forward and should help a great deal.

# *Summary: Loveland's 2011 on the right track; several risks remain in the near future*

## On one hand . . . .the positives

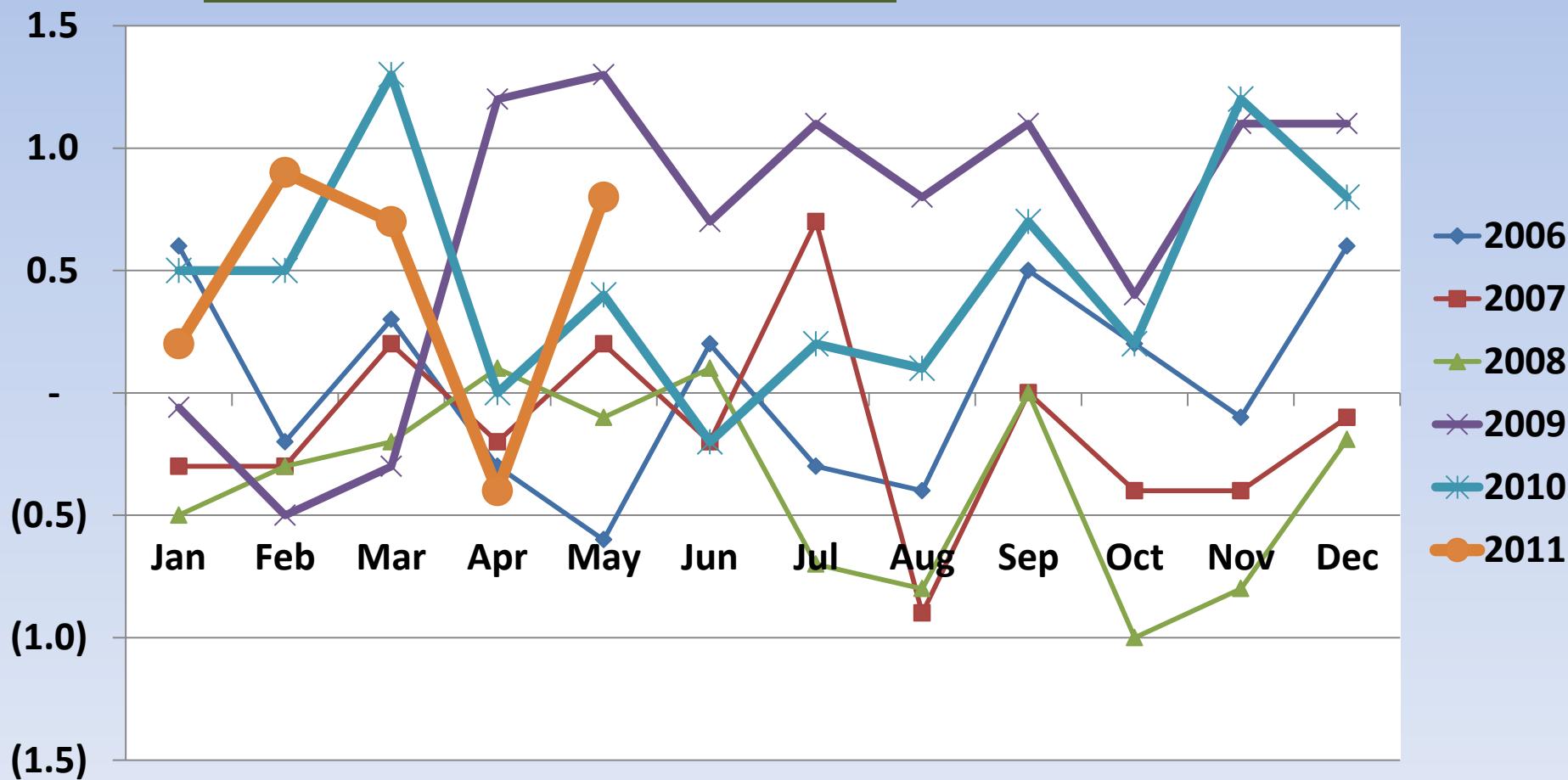
- Employment in Loveland showing improvement
- Personal income and spending rising slowly; real income down
- Foreclosures in Colorado and Loveland decreasing
- Loveland apartment complexes coming on line
- Loveland sales tax collections ahead of last year and budget
- City revenues **ahead of expenditures and budget estimates**

## On the other . .several risks to the outlook

- National and state employment still show a jobs recession in place
- Rising gasoline prices have taken away from broader recovery
- Legal uncertainties may be masking a very weak housing situation
- True recovery in the housing sector probably years away
- Building permits and use tax below projections, but June activity up
- **The fiscal sustainability plan will face continued economic pressure**

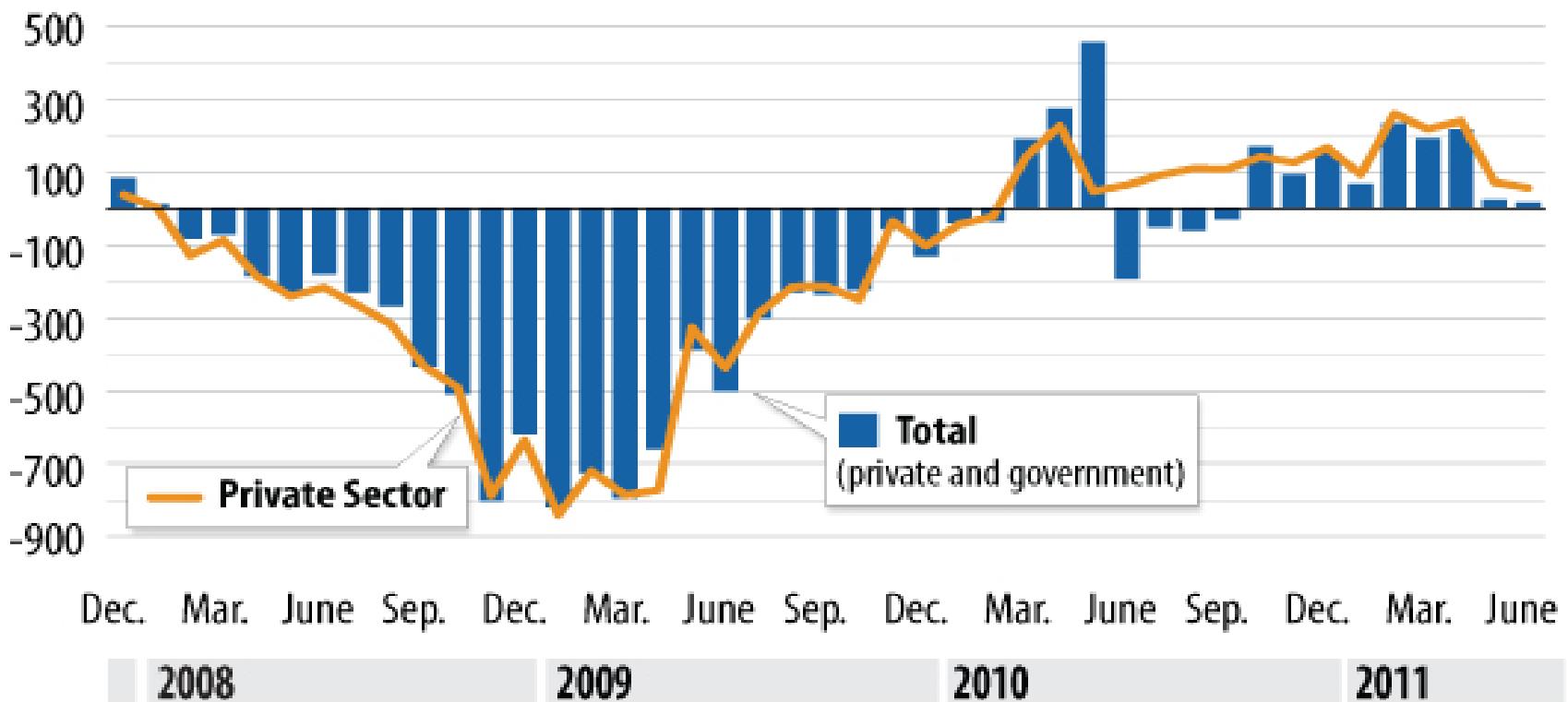
The U.S. Leading Economic Indicators bounced back from a negative reading in April. Weak job creation and a dismal construction industry will bring negative pressure to the LEI.

### Leading Economic Indicators Index



# *Job Growth in June 2011 Anemic May also revised lower*

## **Monthly change in nonfarm employment** in thousands (seasonally adjusted)



Source: Bureau of Labor Statistics

Center on Budget and Policy Priorities | [cbpp.org](http://cbpp.org)

# *July 8, 2011, Employment Situation*

## *Labor Market in Retreat*

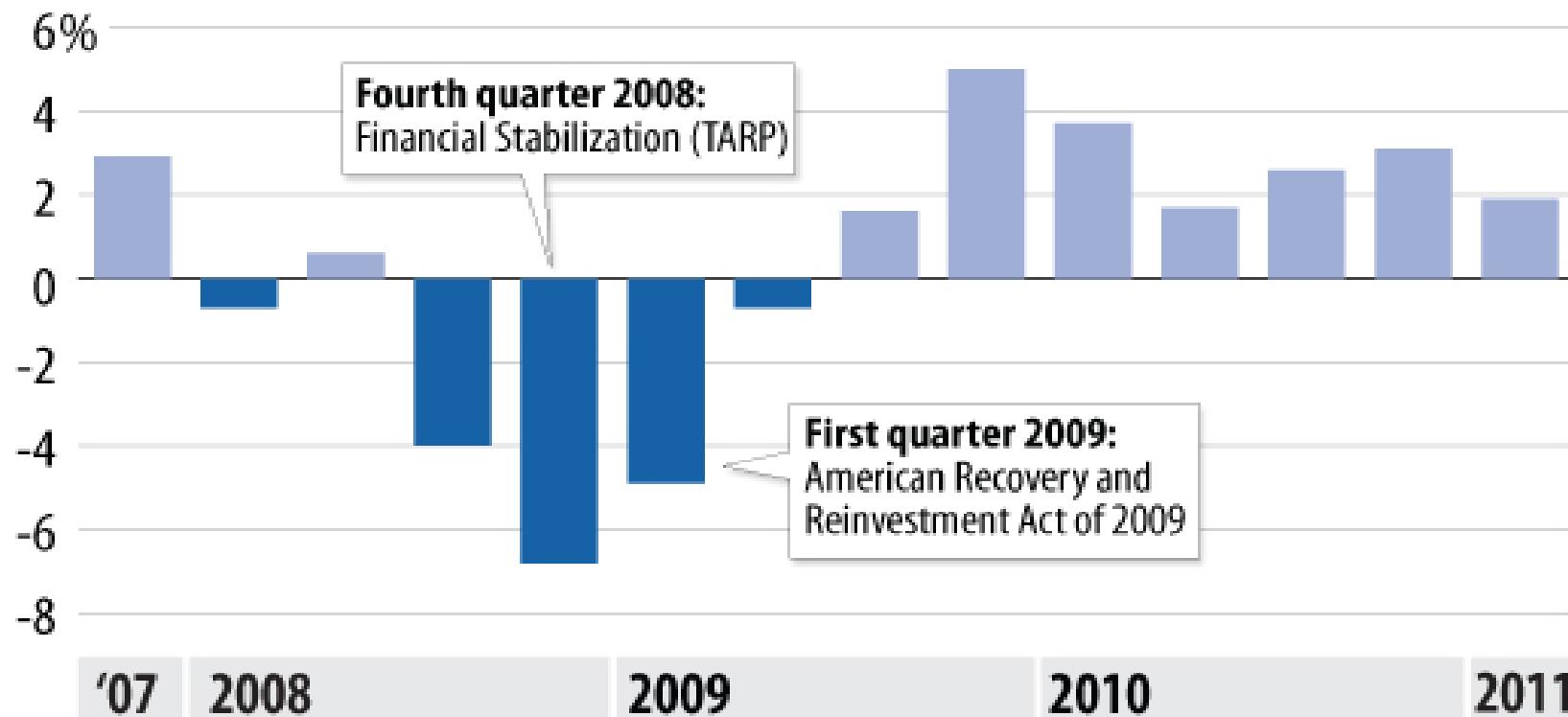
- Every measure of the report was weaker than expected
- Only 18,000 payroll jobs were added
- Nominal wages fell, adjusted for inflation they were even lower
- Unemployment was up for almost all age groups
- Over 250,000 workers dropped out of the labor force
- Public sector continued to lose jobs
- Last month's (May) data was revised downward, below 25,000
- In sum, a remarkable, across-the-board, backslide

Source: Economic Policy Institute , a non-partisan research institute.

# *While the economy has been growing it has not been very robust*

## **Change in real GDP**

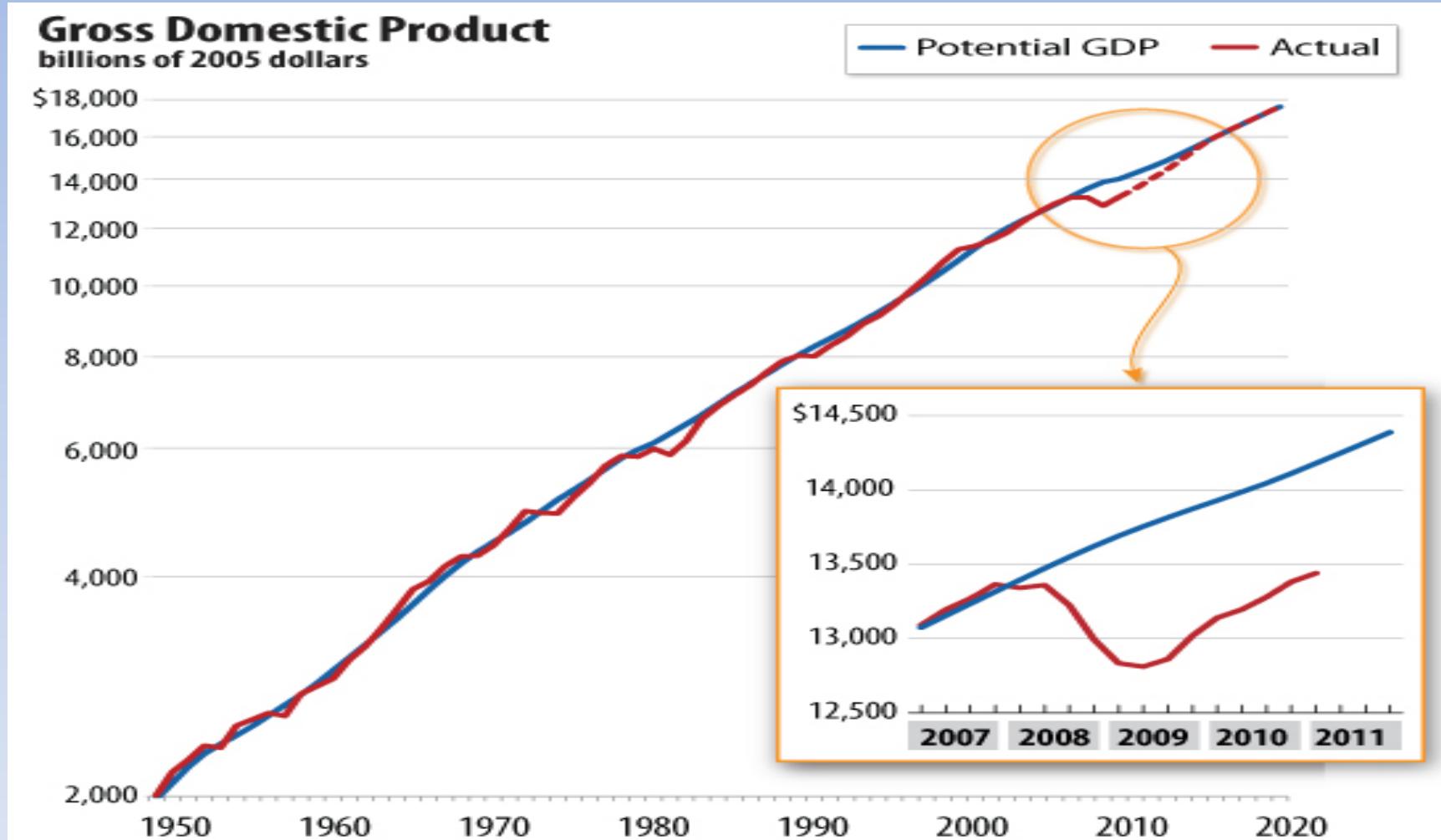
percent change at annual rate (seasonally adjusted)



Source: Bureau of Economic Analysis

Center on Budget and Policy Priorities | [cbpp.org](http://cbpp.org)

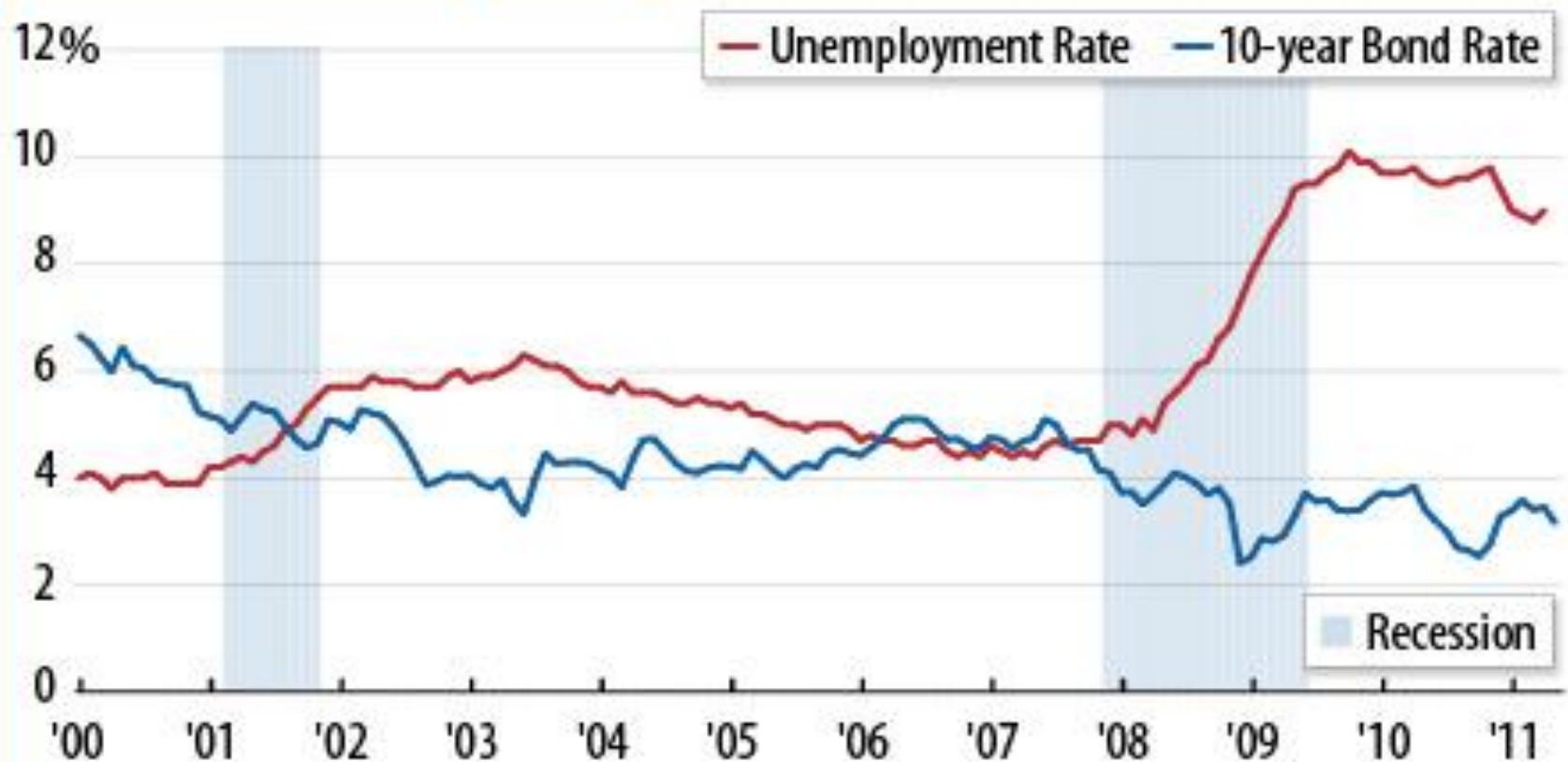
# *GDP is still well below its potential*



Sources: Bureau of Economic Analysis and  
Congressional Budget Office

Center on Budget and Policy Priorities | cbpp.org

## High Unemployment and Low Interest Rates Suggest Financial Markets More Concerned with Recovery Prospects than Debt or Inflation

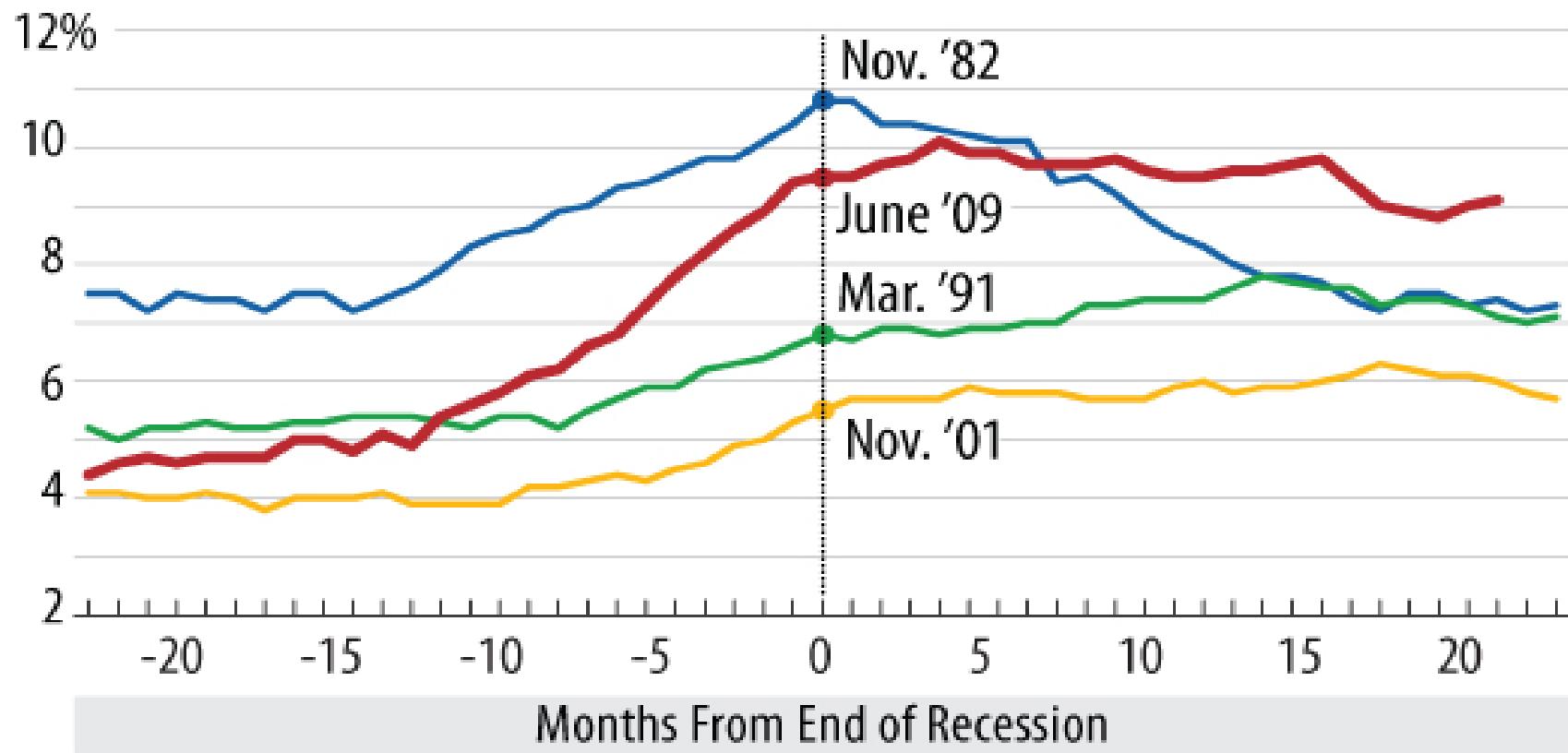


Sources: Bureau of Labor Statistics, Federal Reserve and National Bureau of Economic Research

Center on Budget and Policy Priorities | cbpp.org

# *... And Could Stay High for Some Time*

## Unemployment Rates During Recessions and Recoveries



Source: CBPP calculations from Bureau of Labor Statistics data. Center on Budget and Policy Priorities | [cbpp.org](http://cbpp.org)

# *Case Shiller Index for April shows housing markets still struggling*



## **Denver Home Prices**

**Monthly Change:** 1.5 percent

**Yearly Change:** -4.1 percent

**National:** 8.8 percent

# *S&P/Case-Shiller Index for April 2011*

By Joel Stonington Bloomberg Businessweek July 12, 2011

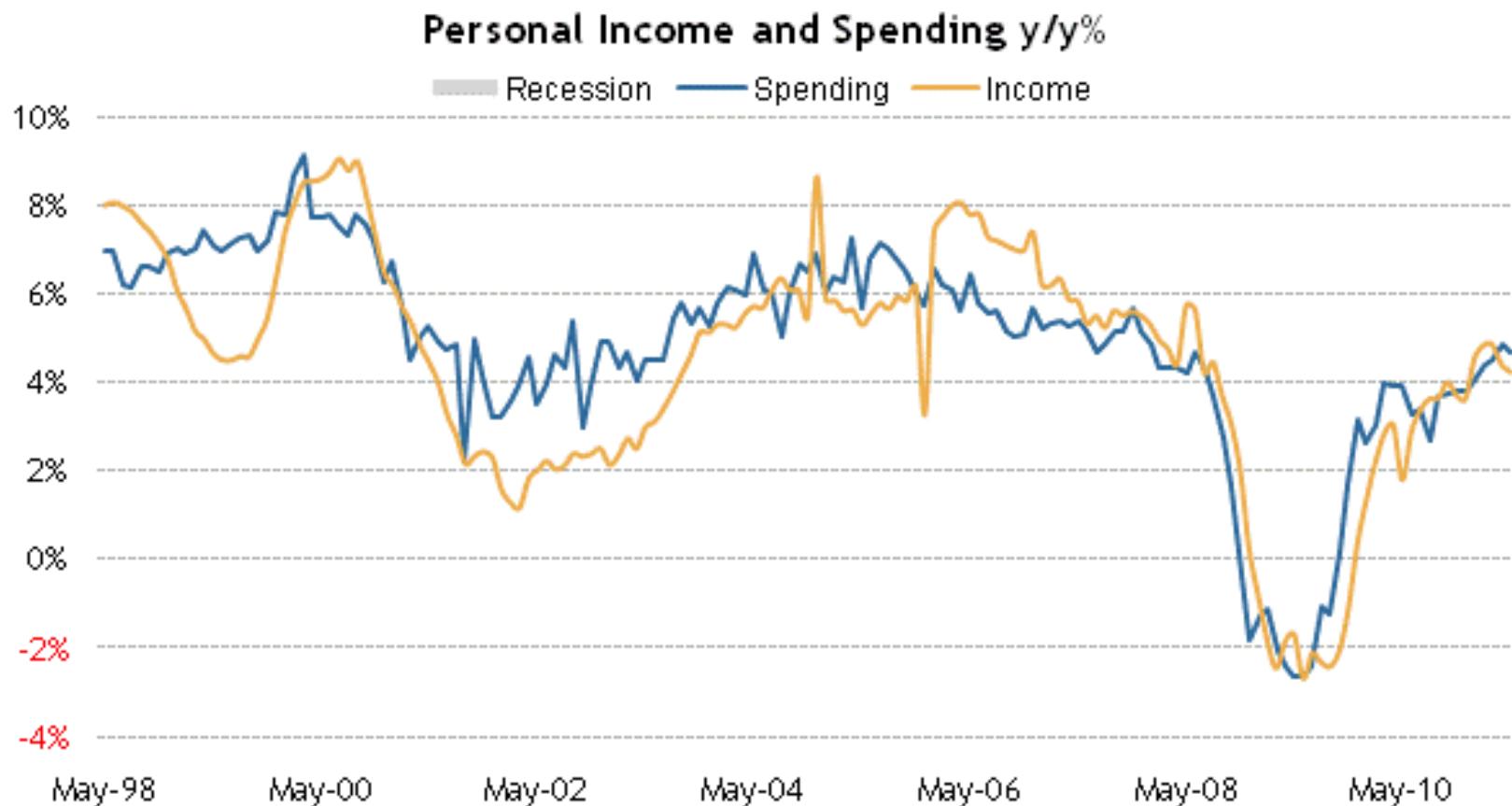
A double dip in the housing market is becoming a reality as home prices nationwide fell 4 percent from April of 2010, according to the S&P/Case-Shiller Home Prices Index. The decline was the most in more than a year.

There is a risk of home prices falling even further due to decreasing sales, a large backlog of foreclosures and a recent decline in consumer spending.

On the positive side, numerous cities saw month-to-month gains, although the gains are likely due to seasonal changes in that market and the annual gain or loss is more telling of the housing market in general. Only one of the 20 cities that make up the 20-City Composite of metropolitan areas saw annual house prices rise in April. Washington D.C.'s home prices grew 4 percent between April of 2010 and April of 2011.

“This month is better than last,” said David Blitzer, chairman of the index committee at S&P, in a statement. “However, the seasonally adjusted numbers show that much of the improvement reflects the beginning of the spring-summer home buying season. It is much too early to tell if this is a turning point or simply due to some warmer weather.”

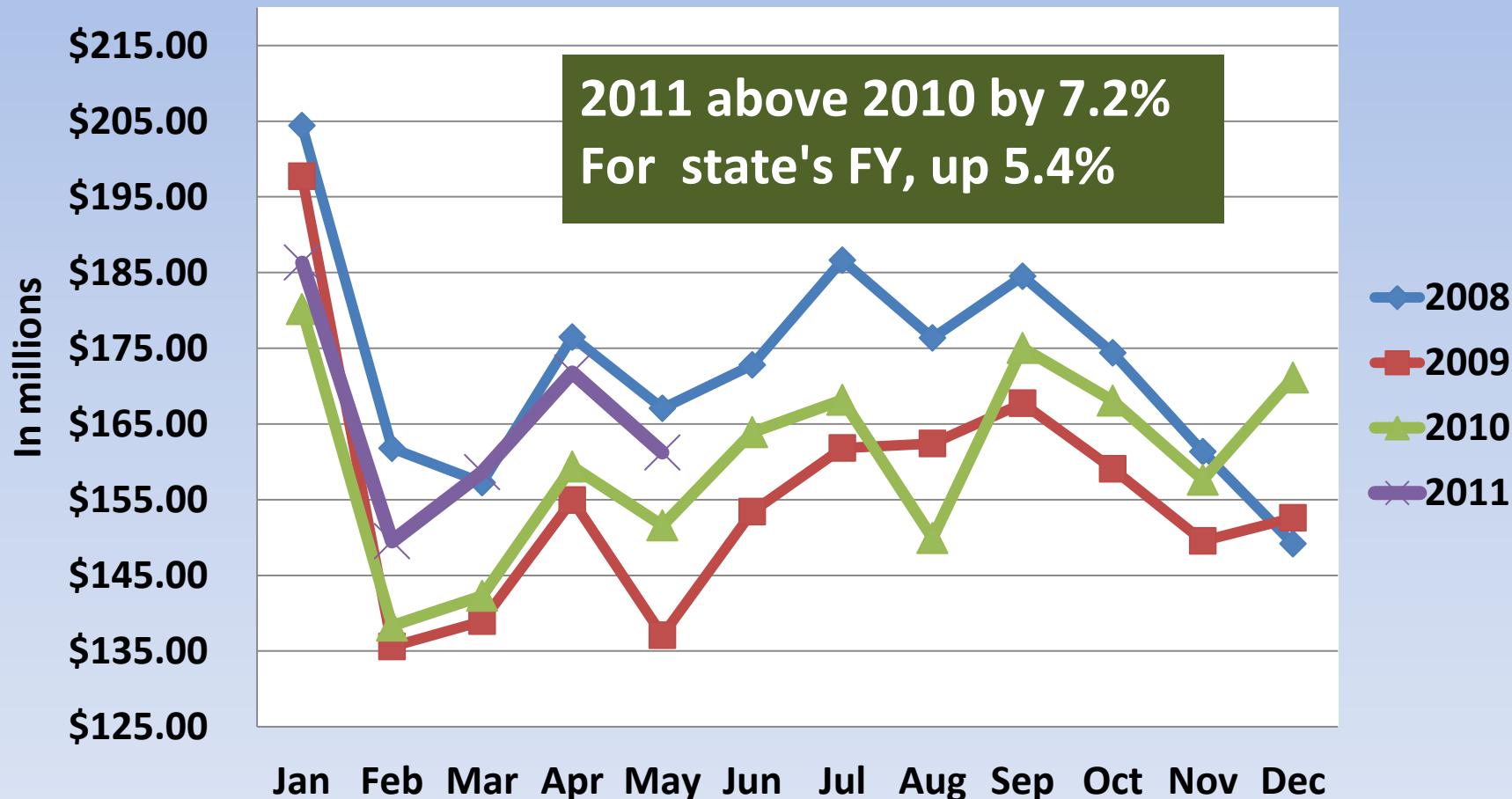
Nominal Personal Income and Spending stayed above 4% in May. **Real** personal spending declined 0.1% for the second consecutive month. That is the first back-to-back decline in that measure since March and April 2009. This corresponds exactly with the disappointing April and May retail sales reports. Most of the growth came from sectors affected by high inflation -- gasoline stations and grocery stores.



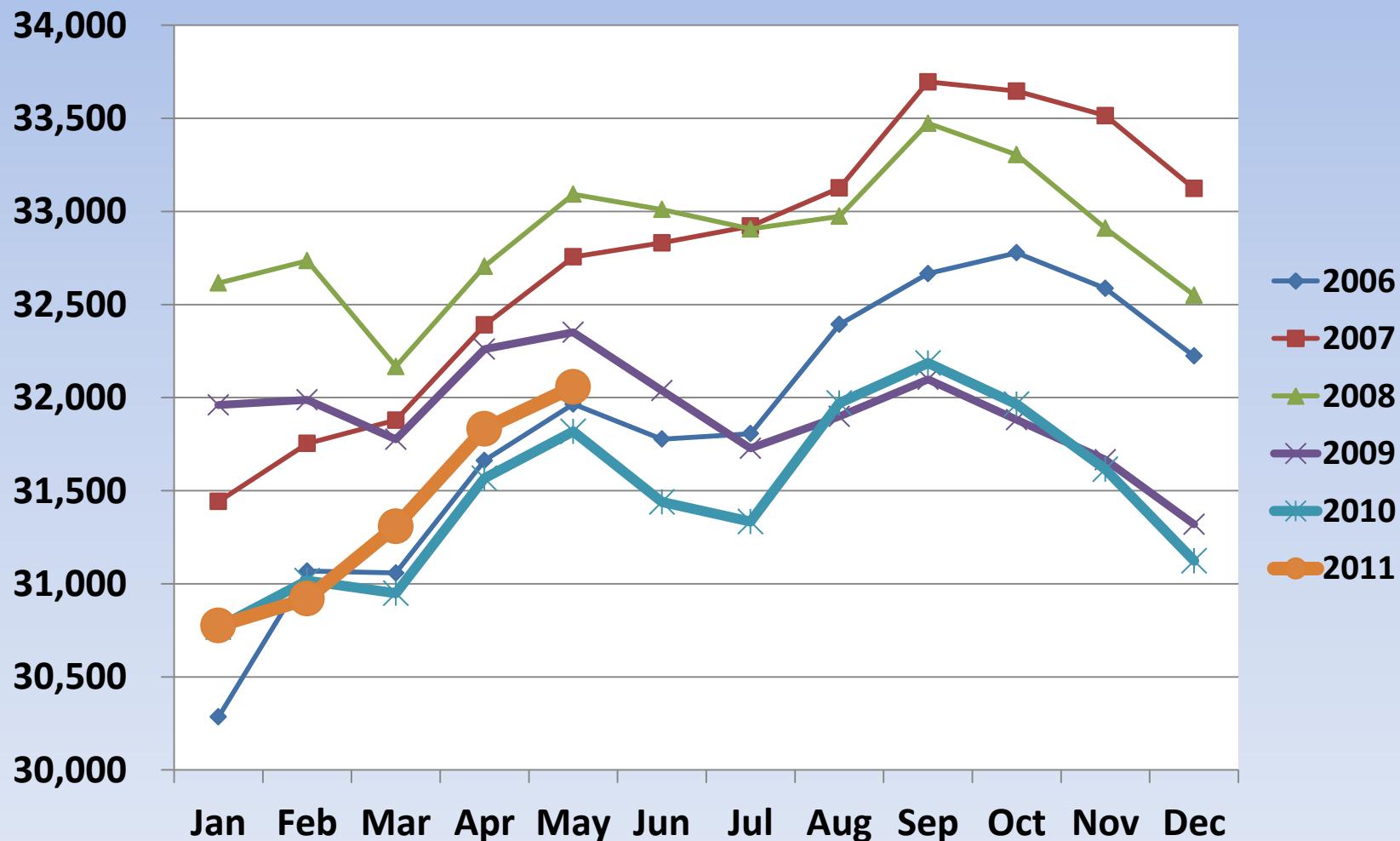
Source: Census Bureau; updated 06/27/11

Briefing.com

*State Collections exceed FY 2009-2010 collections  
2011 Calendar year collections even better*

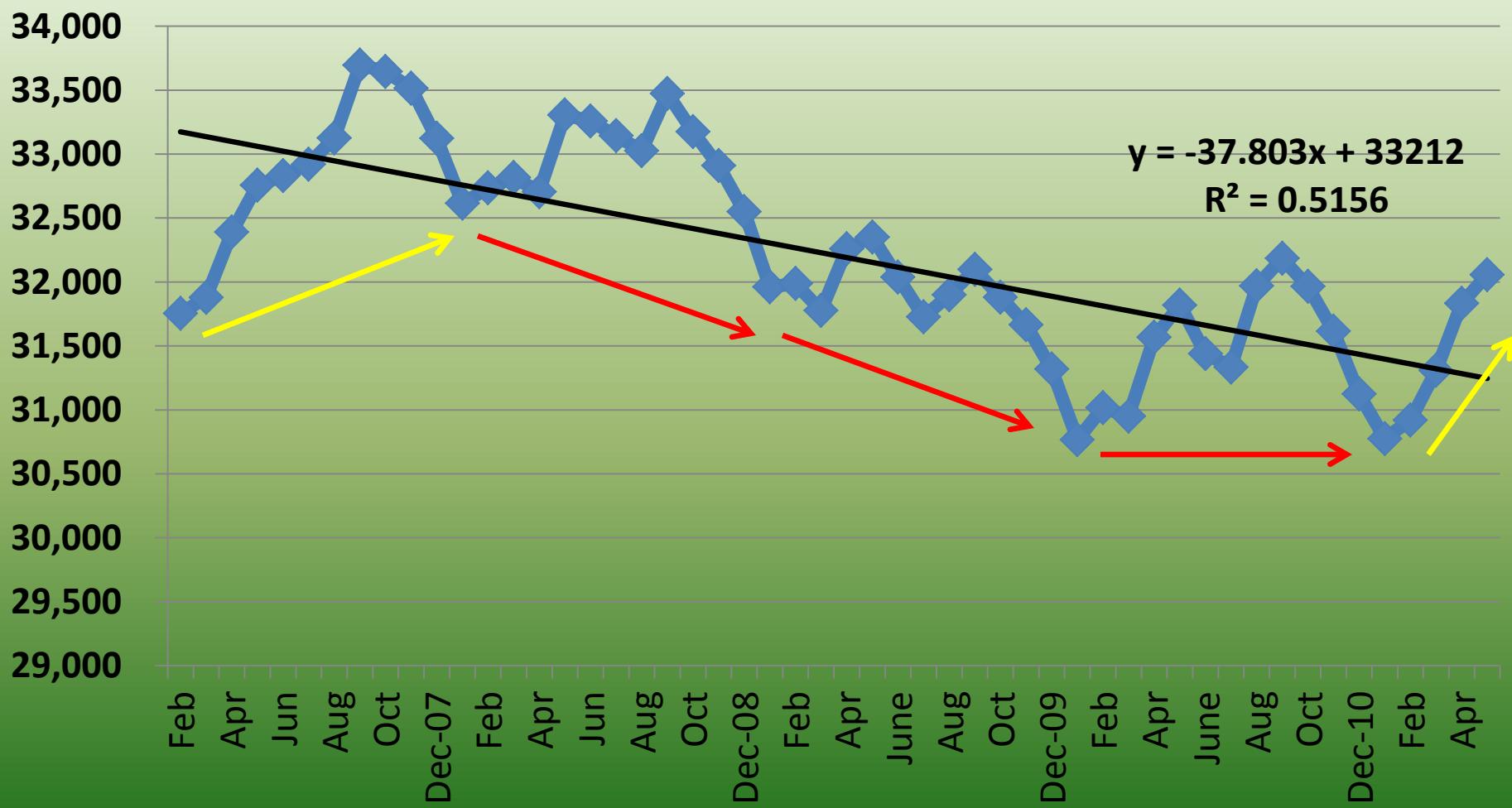


*Another month of Job Growth, Loveland  
added jobs from April to May and from May of 2010*



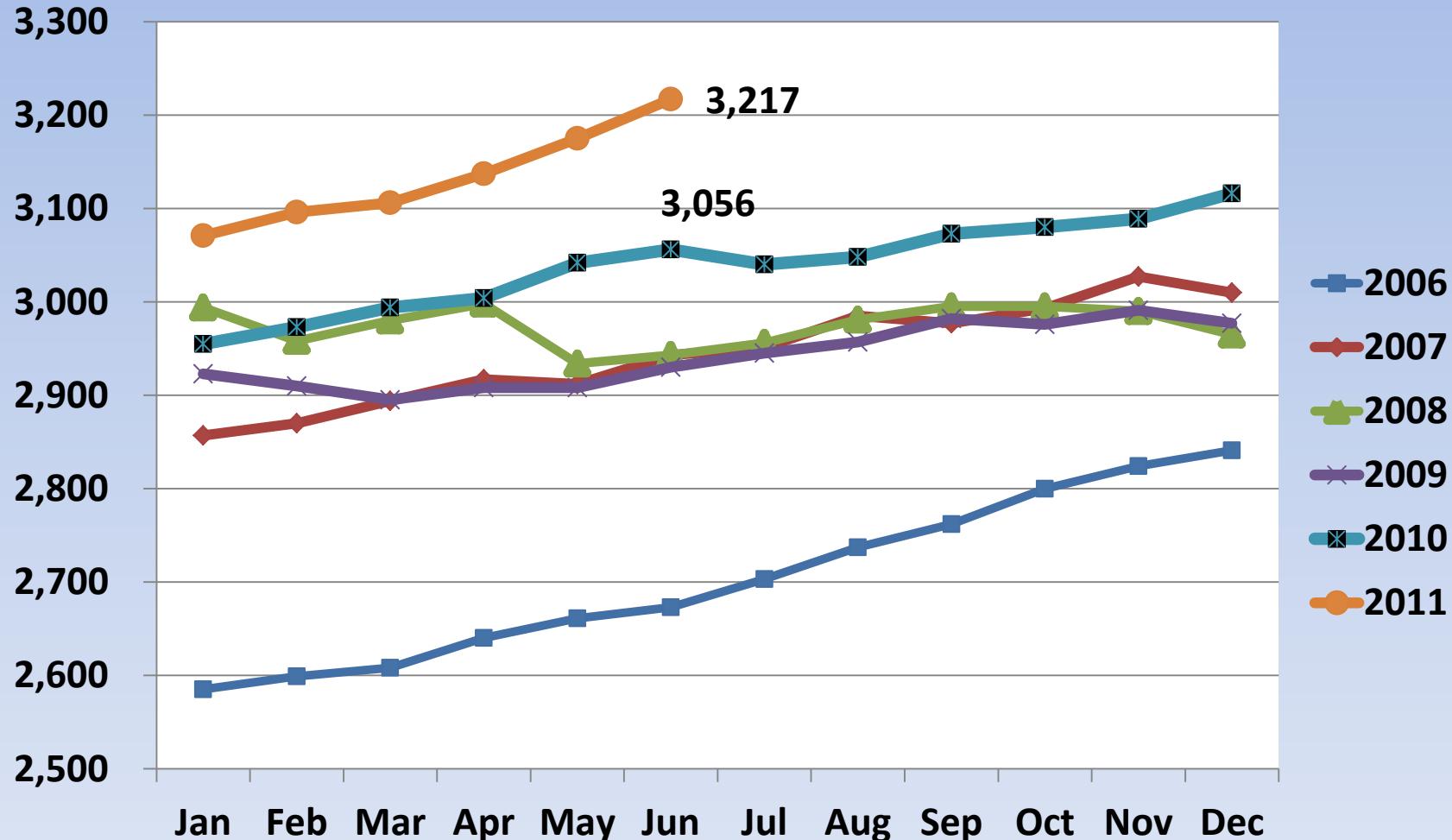
# Loveland's 4½ year Employment Trend Downward

## Since 2008, Strong Job Loss trend is in place but may be turning



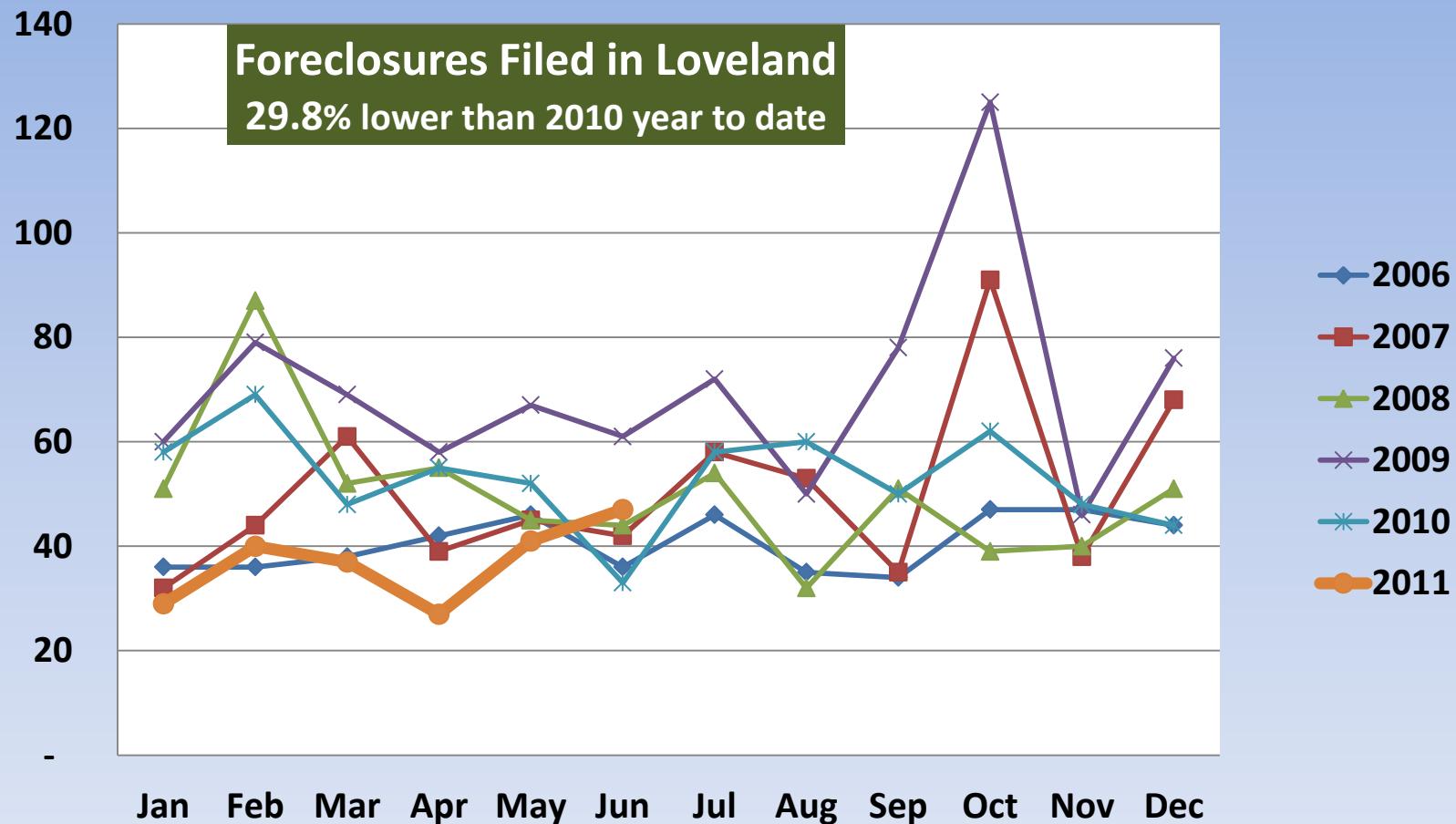
# *Sales Tax licenses holding up*

*Several closings at year end – now well ahead of 2010*



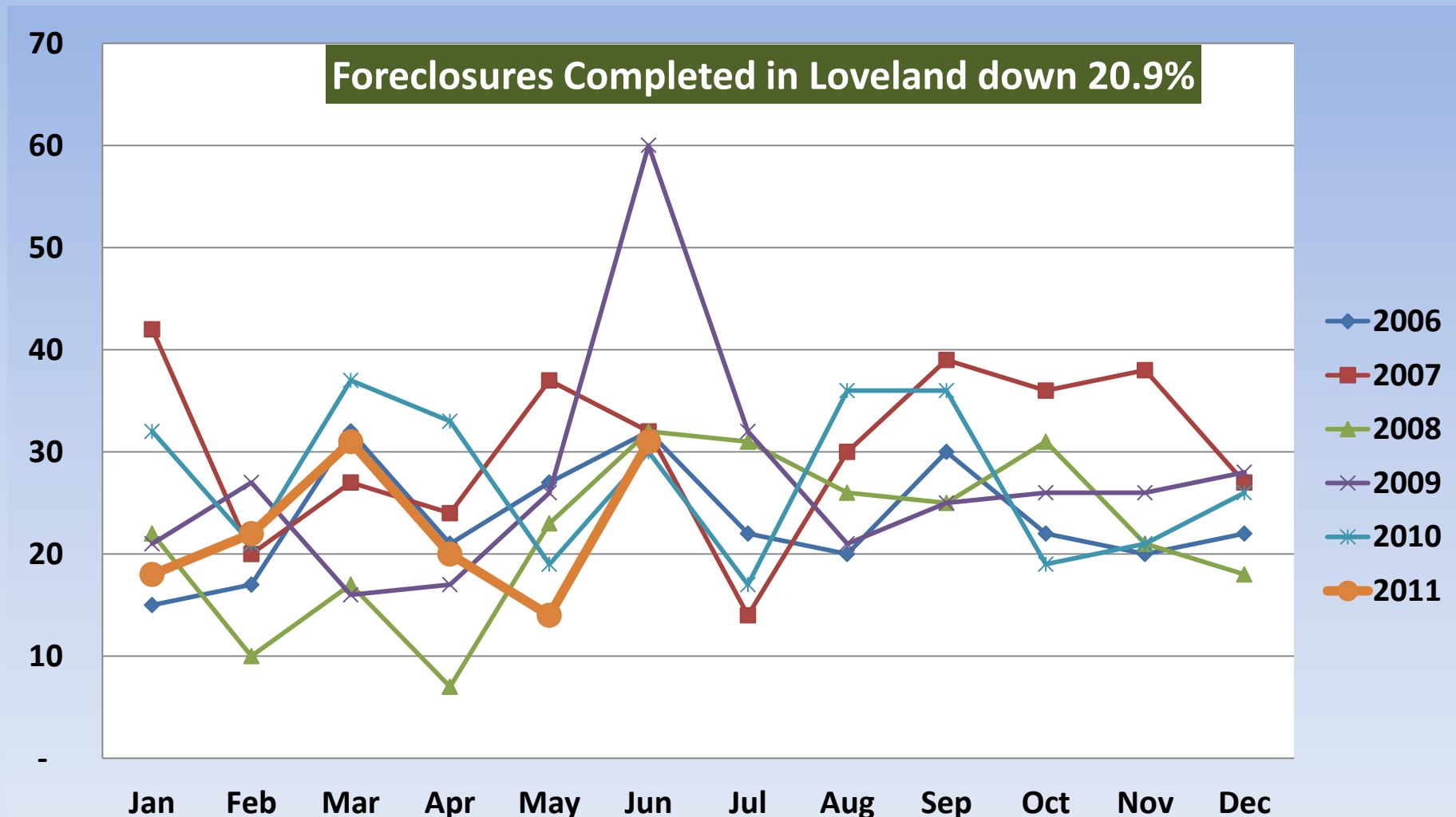
# *In Loveland foreclosures filed are lower*

May be due to legal uncertainties, not economic strength

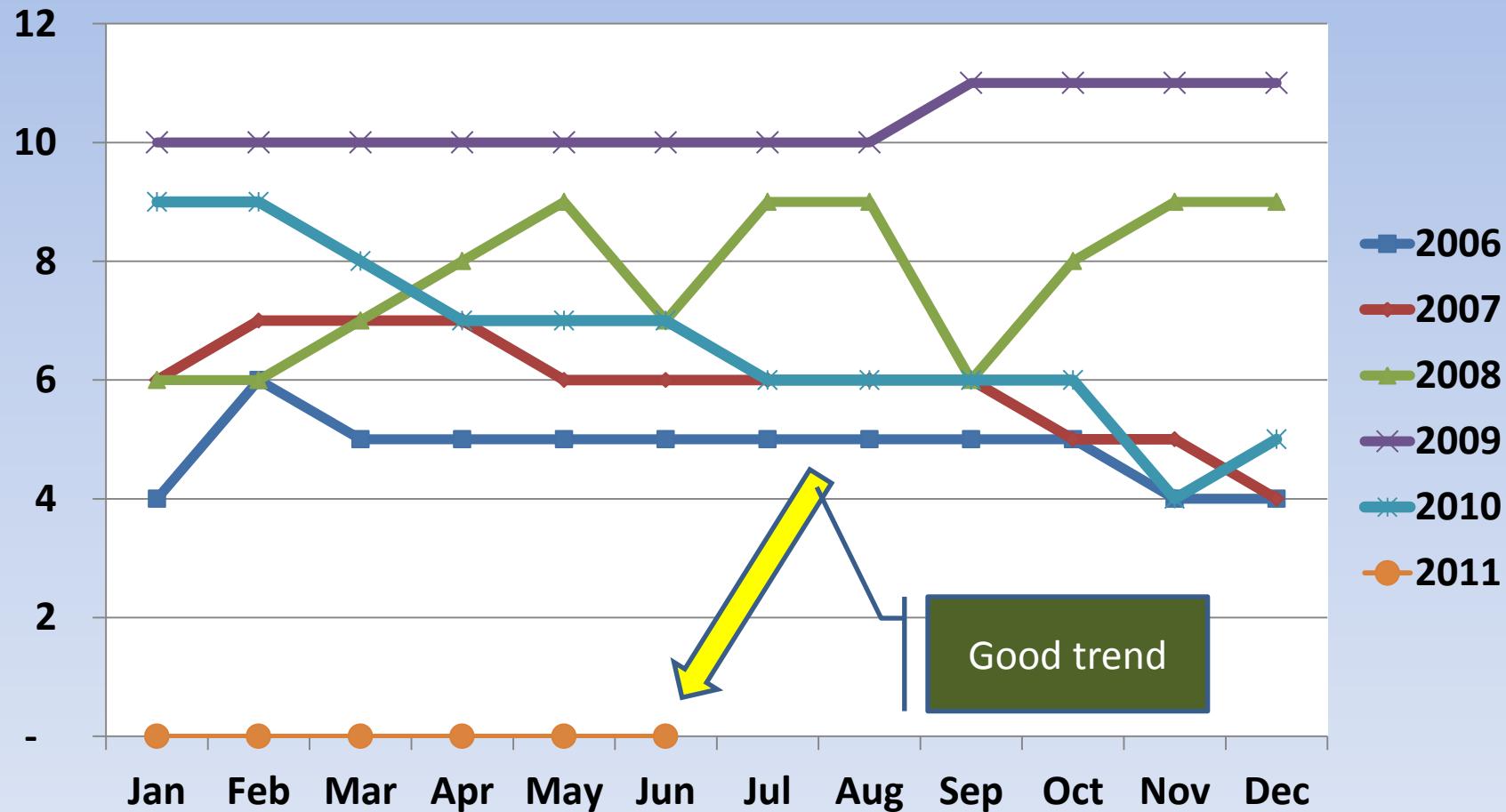


# *Local foreclosures completed lower than 2010*

*Many bank foreclosure processes were delayed due to legal concerns*

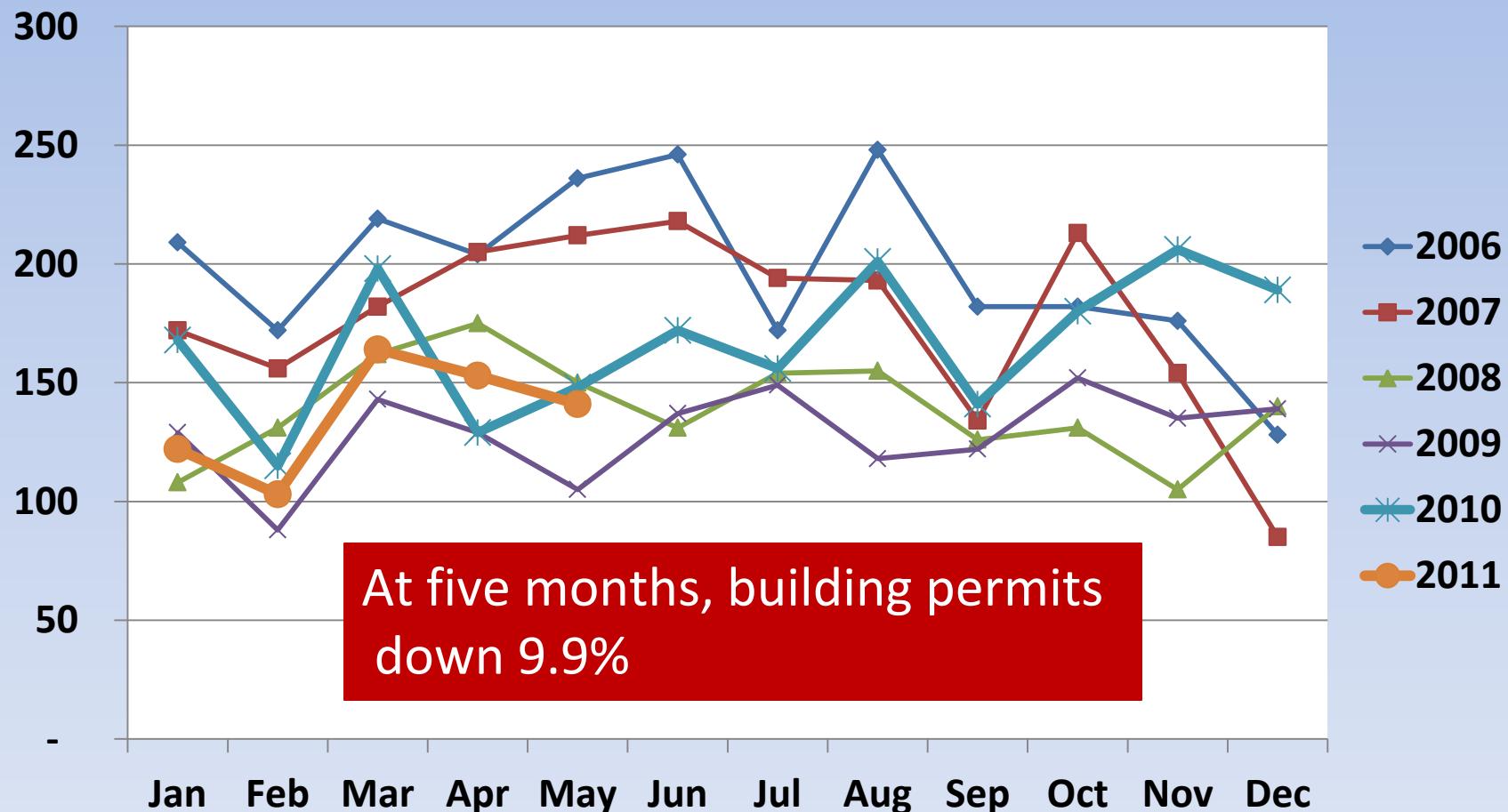


*Retail activity has lifted all GEO areas to positive  
No locales in the red for six months in a row*

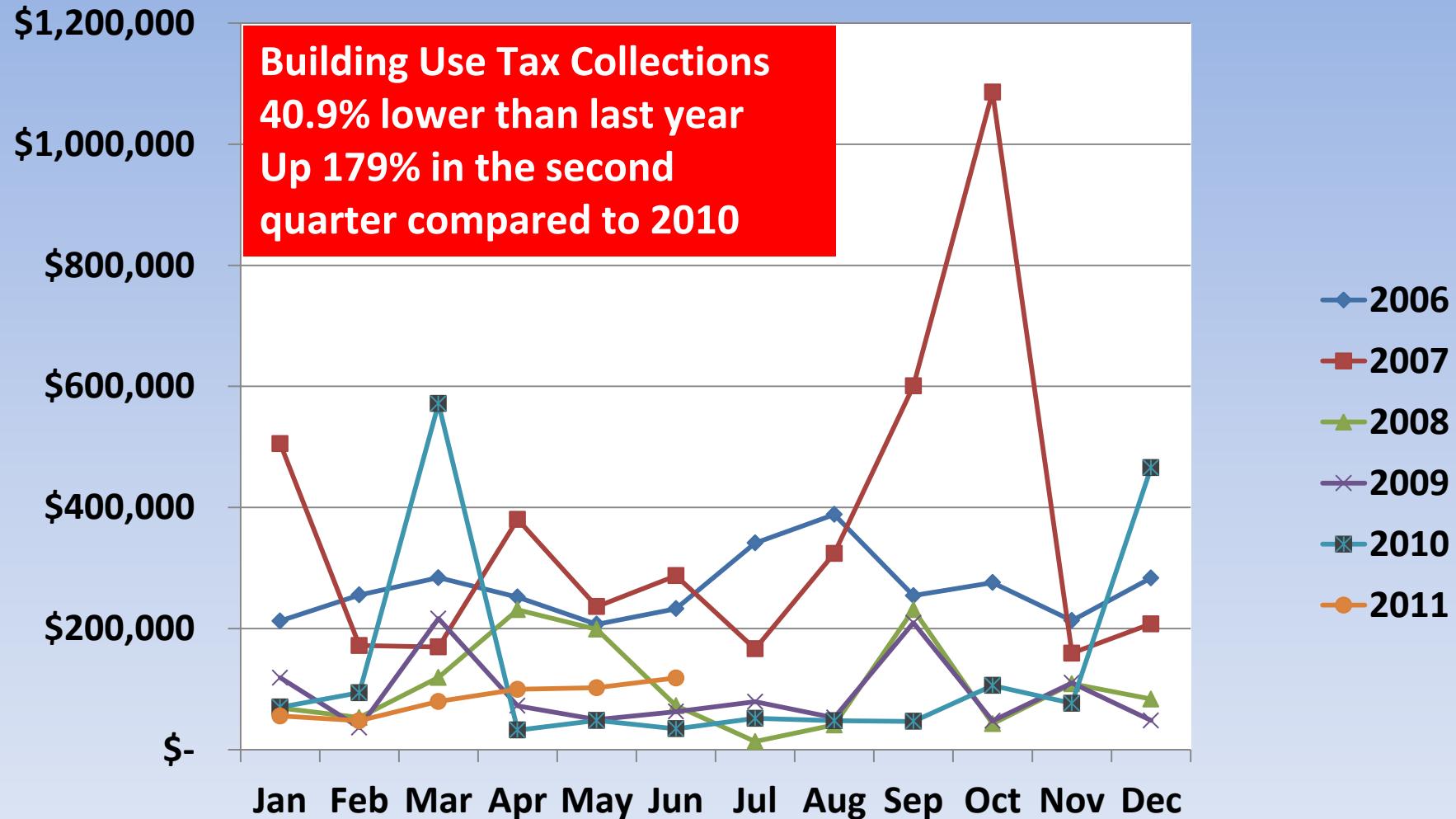


# *Building Permits slow start in 2011*

## *In 2010 were up due to the fee incentives*



# Building Use Tax Collections

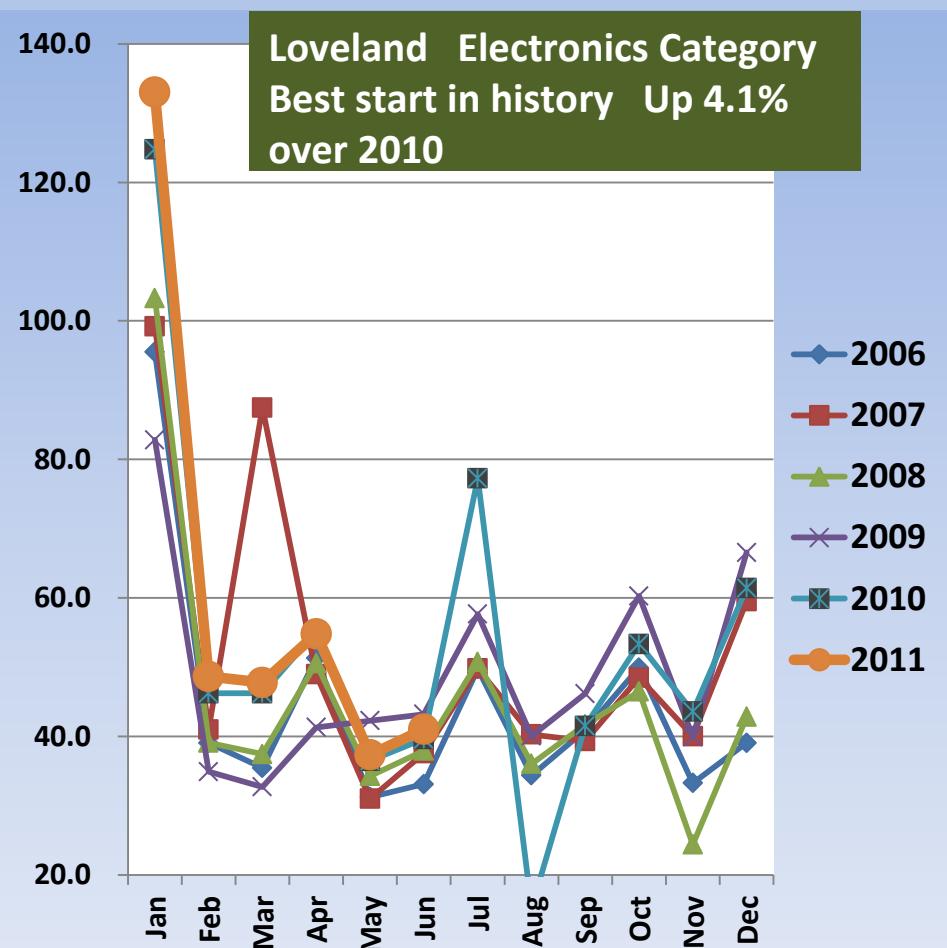


# Turnaround in Electronics sales

*Energy price increases may limit growth in future*

*May sales flatten, moving back toward 2010 levels*

*In this retail sales category, Loveland outperforming national trends*

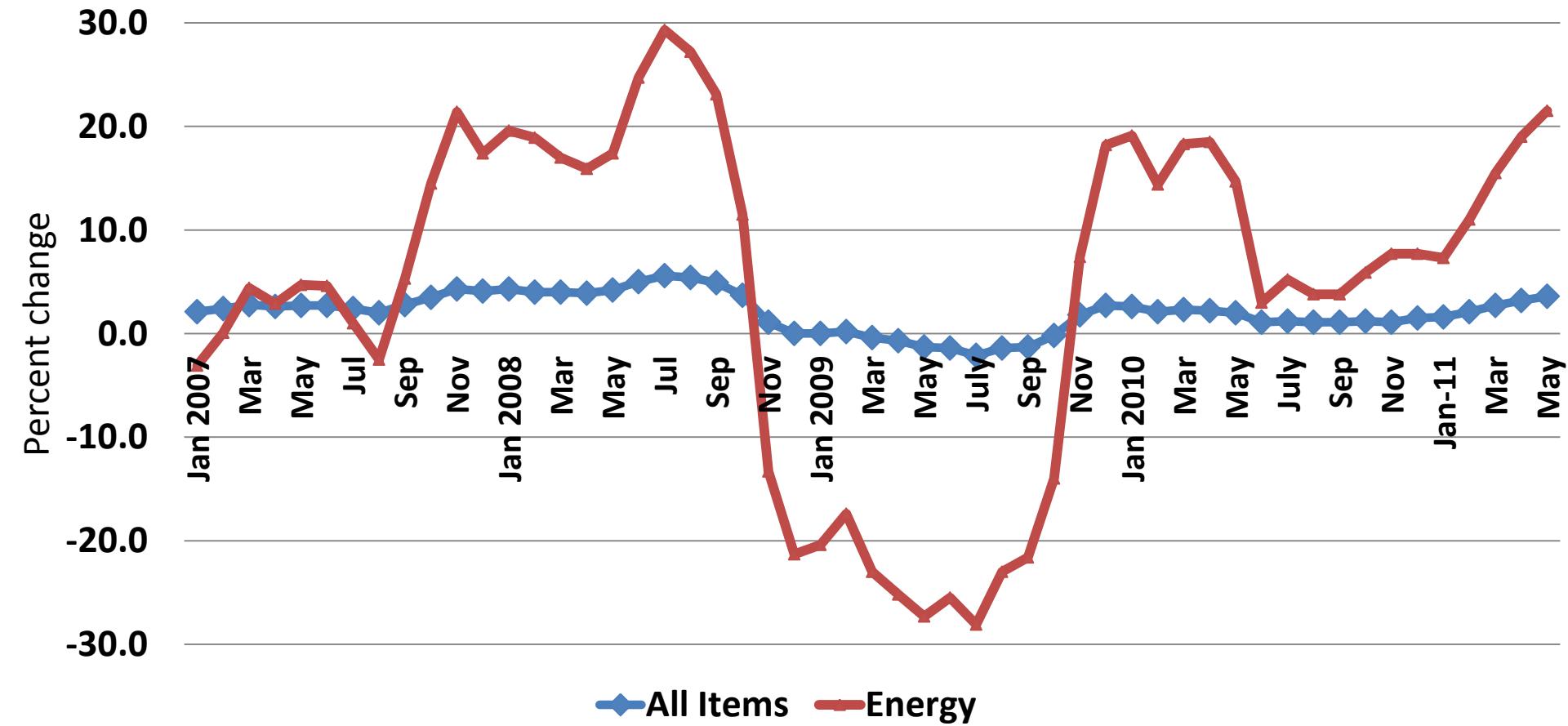


# *US Inflation trend now rising*

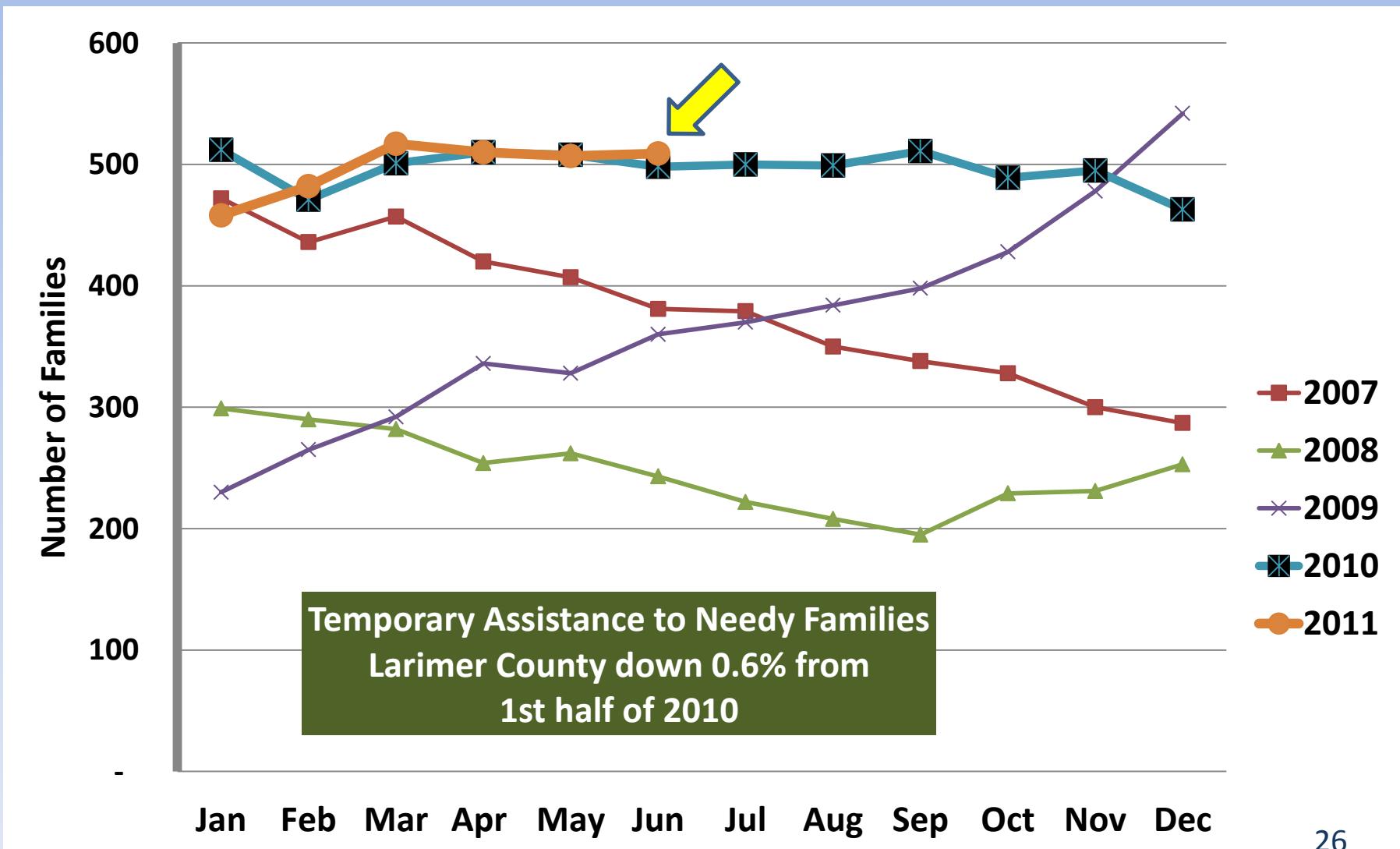
*all items staying around 3.6% but energy costs up 21% yoy;*

*Fed still not worrying about “transitory” inflation.*

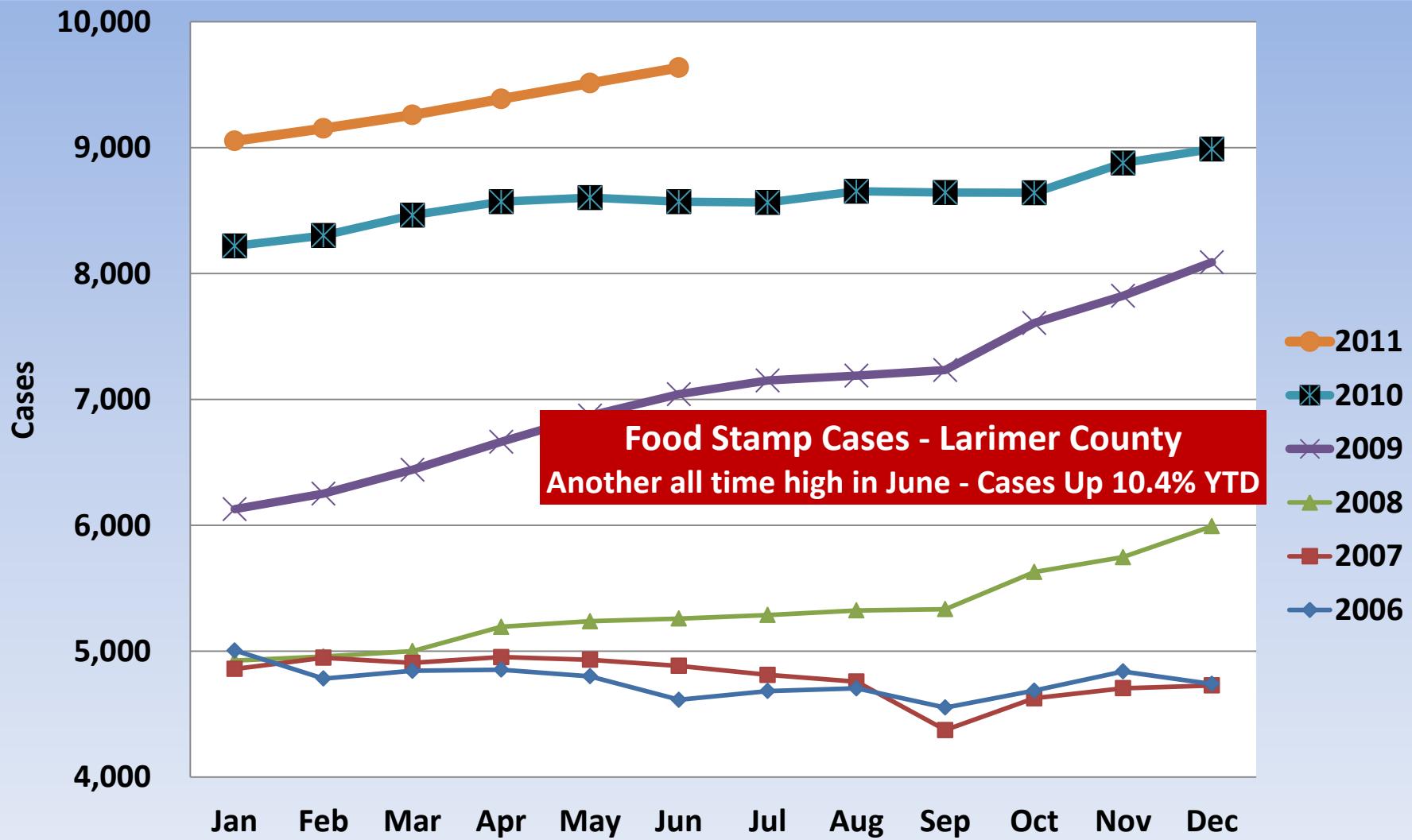
Inflation since January 2007



# *County caseload persistently high*



# *Food Stamp cases reach all time high*



# *Disconnects slightly lower than a year ago*

