The speed of the economic contraction is unprecedented and the path to recovery remains uncertain.
Job Loss Relative to Peak Employment

Percentage of Job Loss Relative to Peak Employment

Source: U.S. Bureau of Labor Statistics
Unemployment Claims by County
through April 25th

Average UI Claim Rate

- Eastern  9.2%
- Front Range  11.5%
- Mountain  21.6%
- Southern  11.3%
- Western  17.4%

Sources: CDLE & Colorado Counties Inc.
Unemployment hits industries with lower wage earners

Source: CDLE (unemployment claims filed from March 21st through April 25th, 2020)
Tourism and Energy

Tourist Spending in Colorado

Active Rig Count in Colorado

Change in Traveler Spending vs. Prior Year (%)

Change in Active Rig Count by Month
Consumer Activity

Changes in U.S. Retail Sales, March 2020

- Food services & drinking places: -26.5%
- Online & mail-order shopping: -19.7%
- Department stores: -23.3%
- Sports, hobby, music & book stores: -17.2%
- Clothing & accessories: -50.5%
- Gas stations: 4.3%
- Health & personal care stores: 26.9%
- Grocery stores: 1.3%
- Building material & garden dealers: -15.1%
- Electronics & appliance stores: -26.8%
- Furniture & home stores: -25.6%
- Motor vehicle & parts dealers: -8.7%
- TOTAL: retail & food services: -8.7%
What a recovery could look like

- V-shaped economic recovery
- Square root economic recovery
- W-shaped economic recovery
GDP Benchmarks
General Fund revenue forecasts were revised significantly downward from March
General Fund Revenue
General Fund Revenue Forecast Revisions

Changes in Revenue Forecast

- $1.1 Billion
- $2.4 Billion
- $2.0 Billion
## CARES Act Revenue Impacts

- Corporate & Income Tax Reduction Estimates

<table>
<thead>
<tr>
<th></th>
<th>FY 19-20</th>
<th>FY 20-21</th>
<th>FY 21-22</th>
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</thead>
<tbody>
<tr>
<td>Individual Income Tax</td>
<td>$75 million</td>
<td>$222 million</td>
<td>$41 million</td>
</tr>
<tr>
<td>Corporate Income Tax</td>
<td>$11 million</td>
<td>$50 million</td>
<td>$27 million</td>
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</tbody>
</table>
Declining revenues are driving a significant budget shortfall
Budget Impacts

• FY21 budget will need to be $3.4 billion less than Governor’s request (including FY20 impacts carried over)
• That is equivalent to $2.7 billion less than current year spending (as reduced by Executive Order D 2020 050)
Questions?