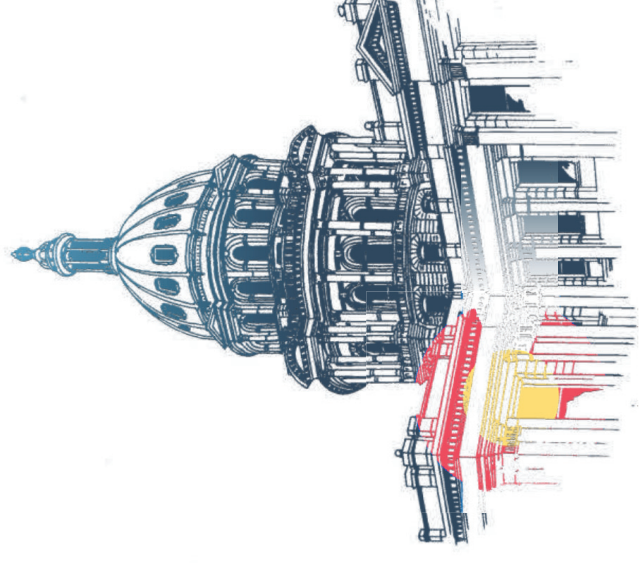
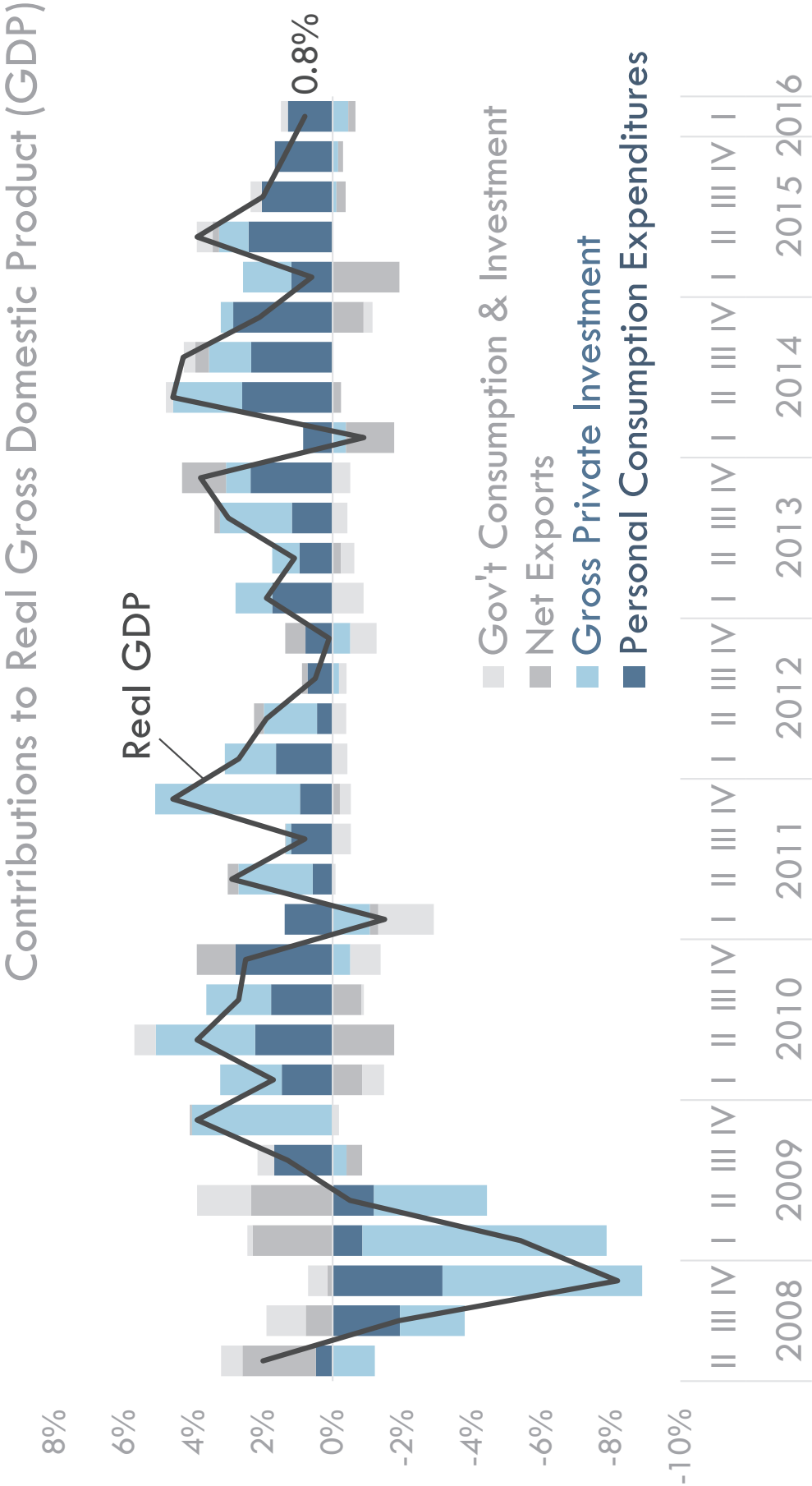


Economic Outlook for the U.S. and Colorado



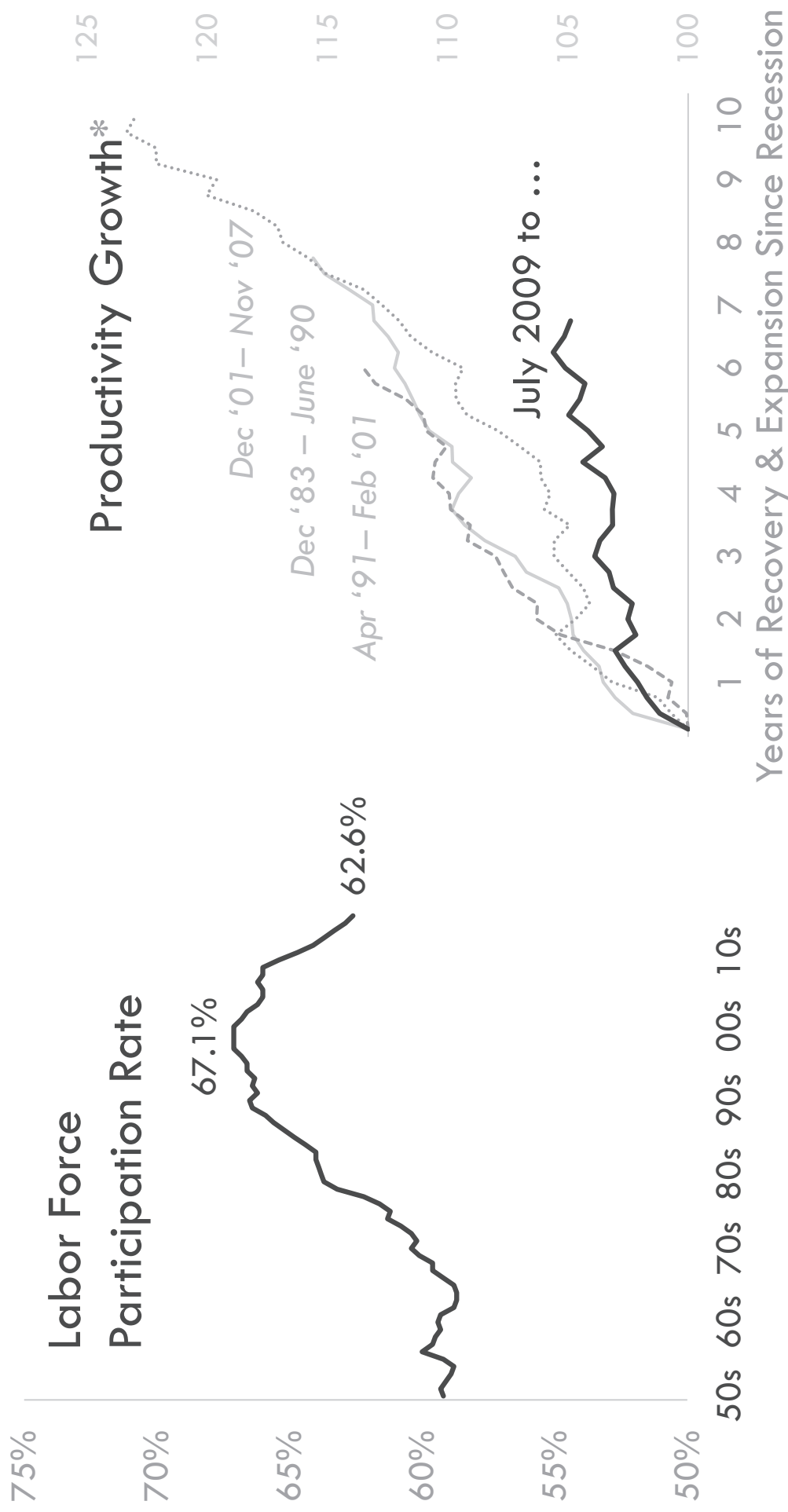
Consistent with the later stages of economic expansion, growth has slowed for the U.S. and Colorado economies.



Source: Bureau of Economic Analysis. Seasonally adjusted annual rates.

LONG-RUN TRENDS

An aging population and low productivity growth are contributing to slower economic growth.



Source: U.S. Bureau of Labor Statistics. Seasonally adjusted. Labor force participation rate shown for the total civilian population.

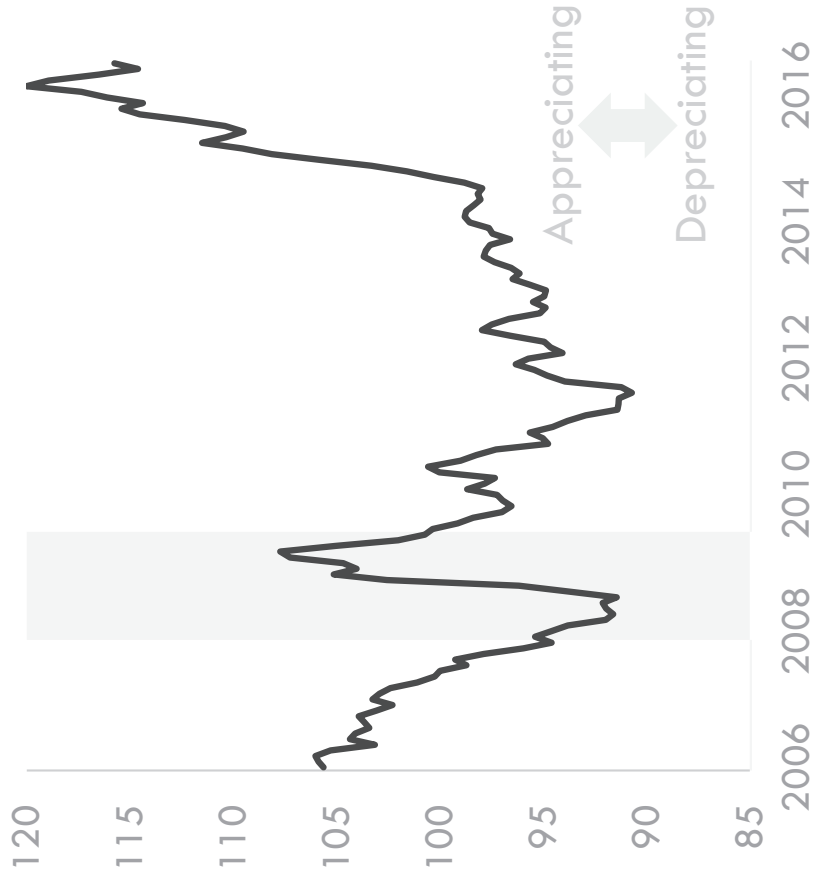
*Growth in real gross domestic product per hour of work by U.S. private employees indexed to the start of each recovery.

GLOBAL DYNAMICS

Global economic and political risks are rising and weighing on U.S. growth prospects.

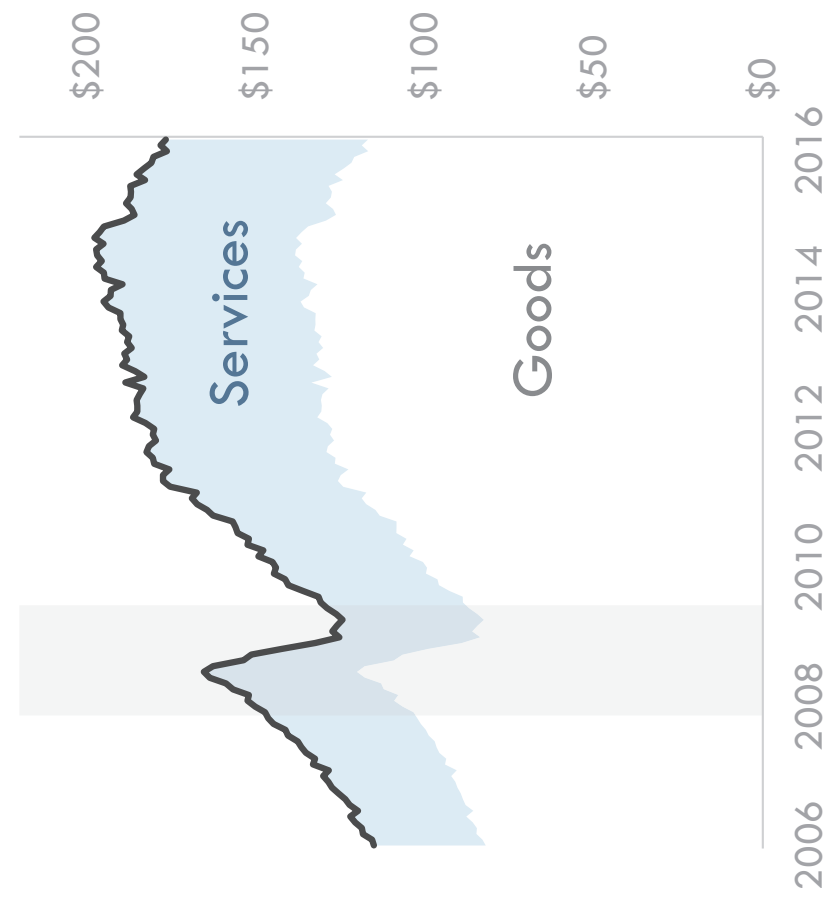
Trade Weighted U.S. Dollar

Broad Index of the Dollar Relative to Foreign Currencies



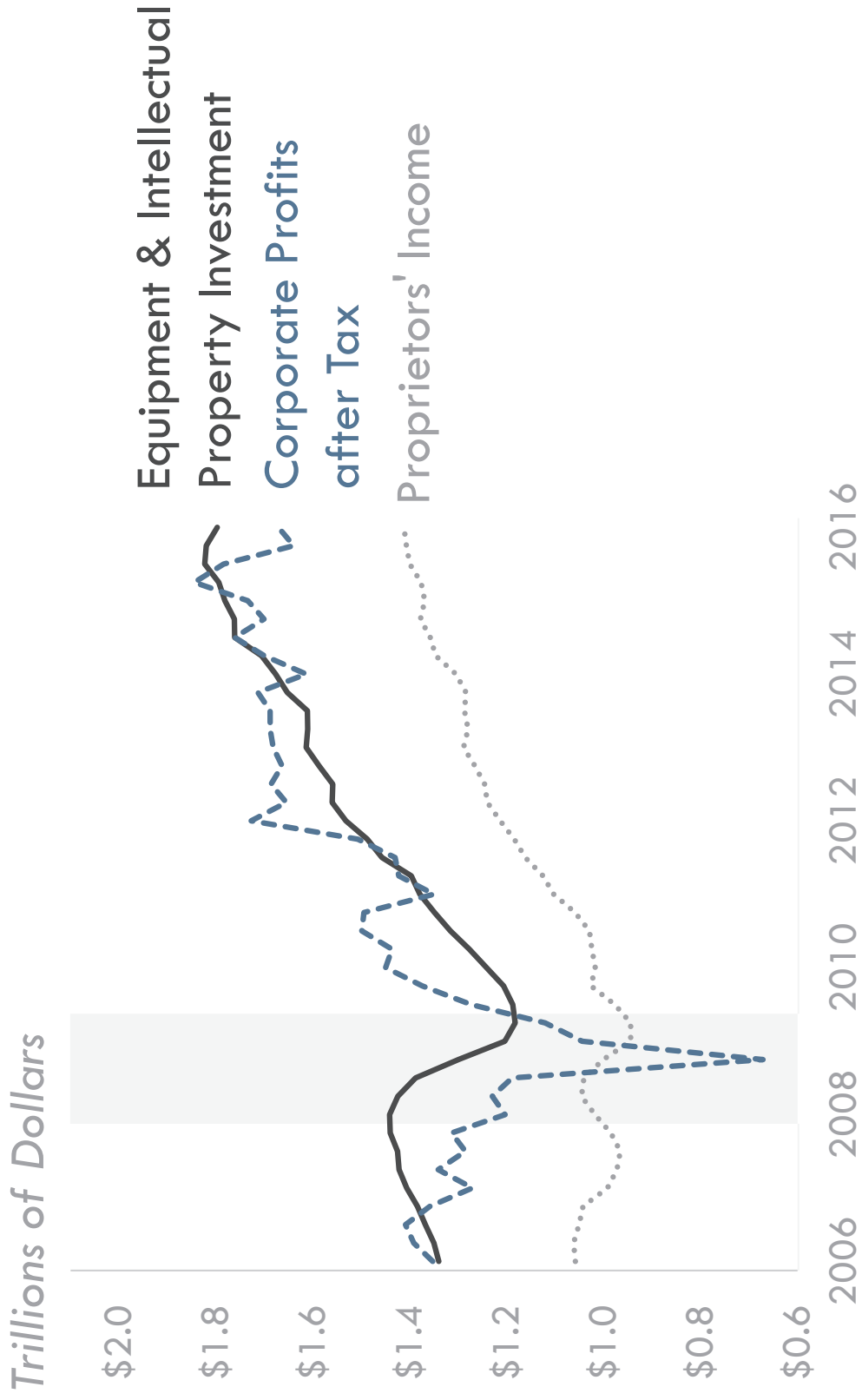
U.S. Exports

Millions of Dollars



LEADING INDICATORS

Business income, spending and investment have weakened with energy, manufacturing, and export industry woes...

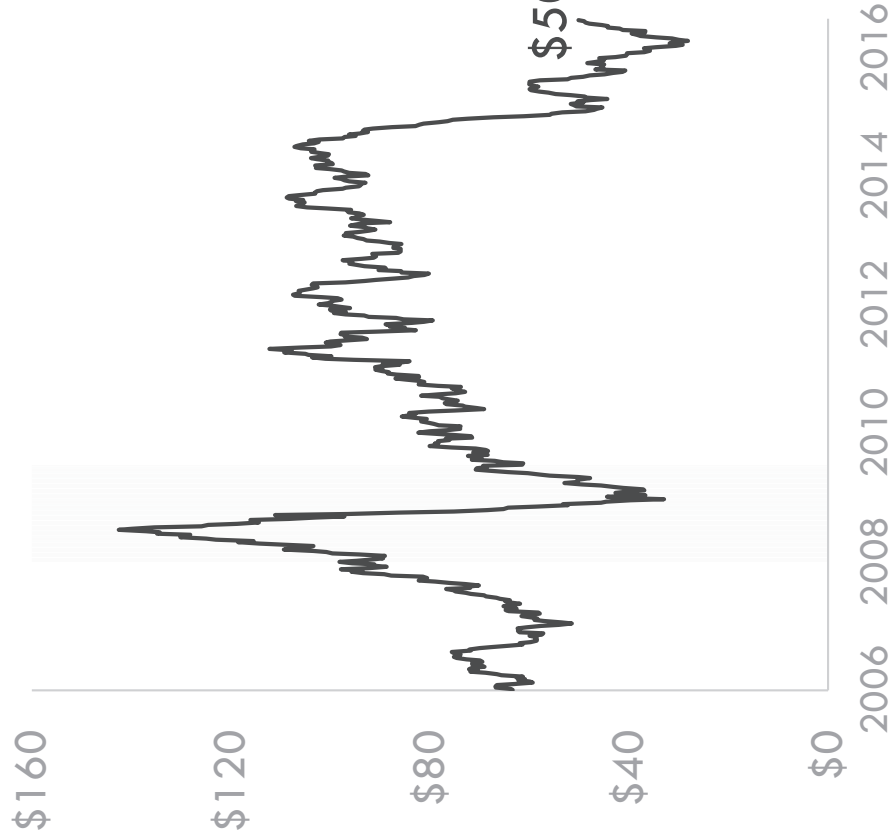


...Oil prices have ticked up in recent months but remain low.

West Texas Intermediate

Crude Oil Price

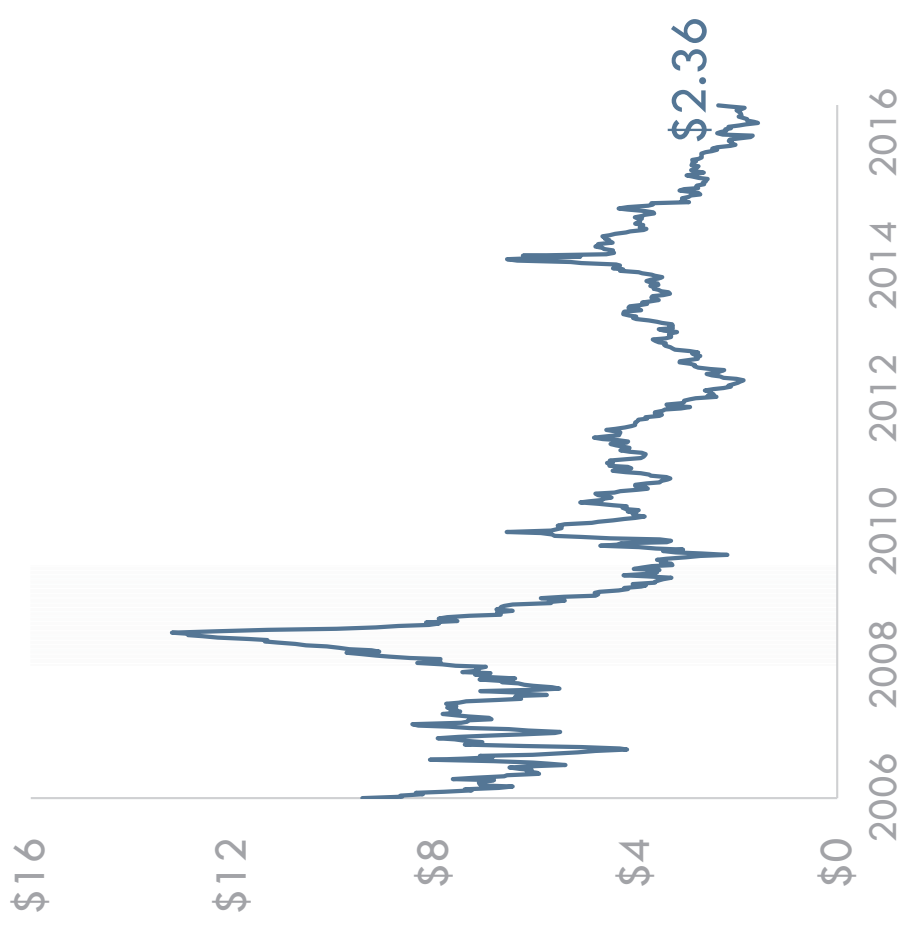
Dollars per Barrel



Henry Hub

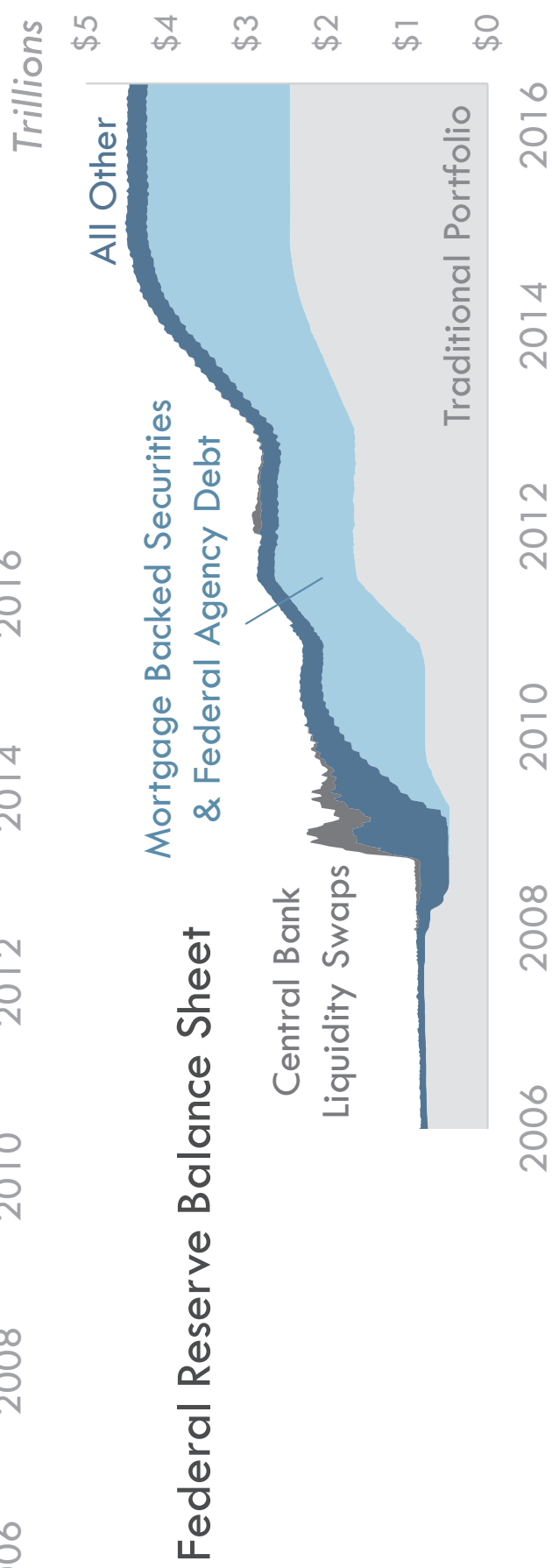
Natural Gas Price

Dollars per Mcf



LEADING INDICATORS

Monetary policy remains accommodative and contingent upon further economic and labor market improvements.

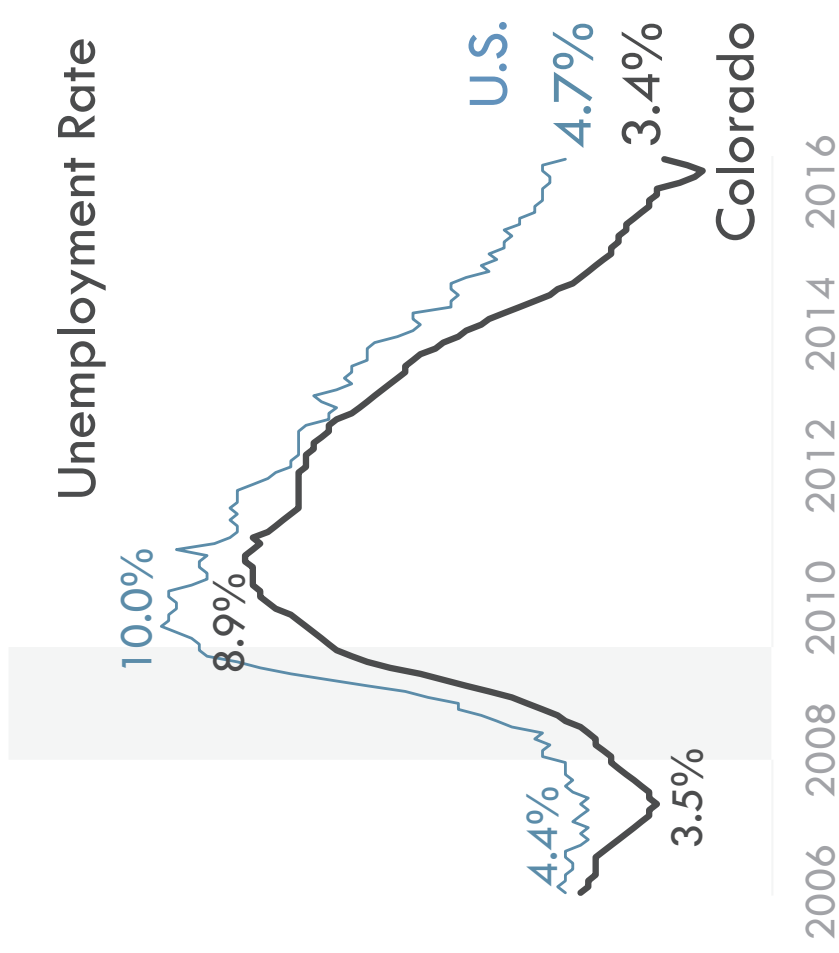
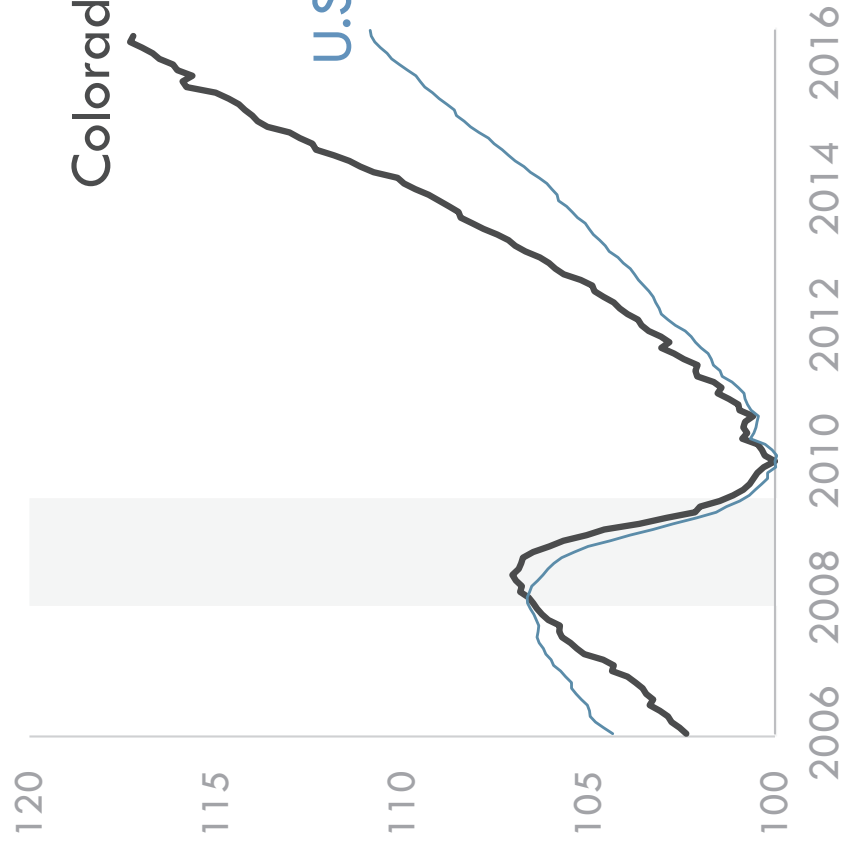


LAGGING INDICATORS

Both the U.S. and Colorado are at or near full employment, which will put upward pressure on wages.

Total Nonfarm Employment Growth

Index 100 = January 2010

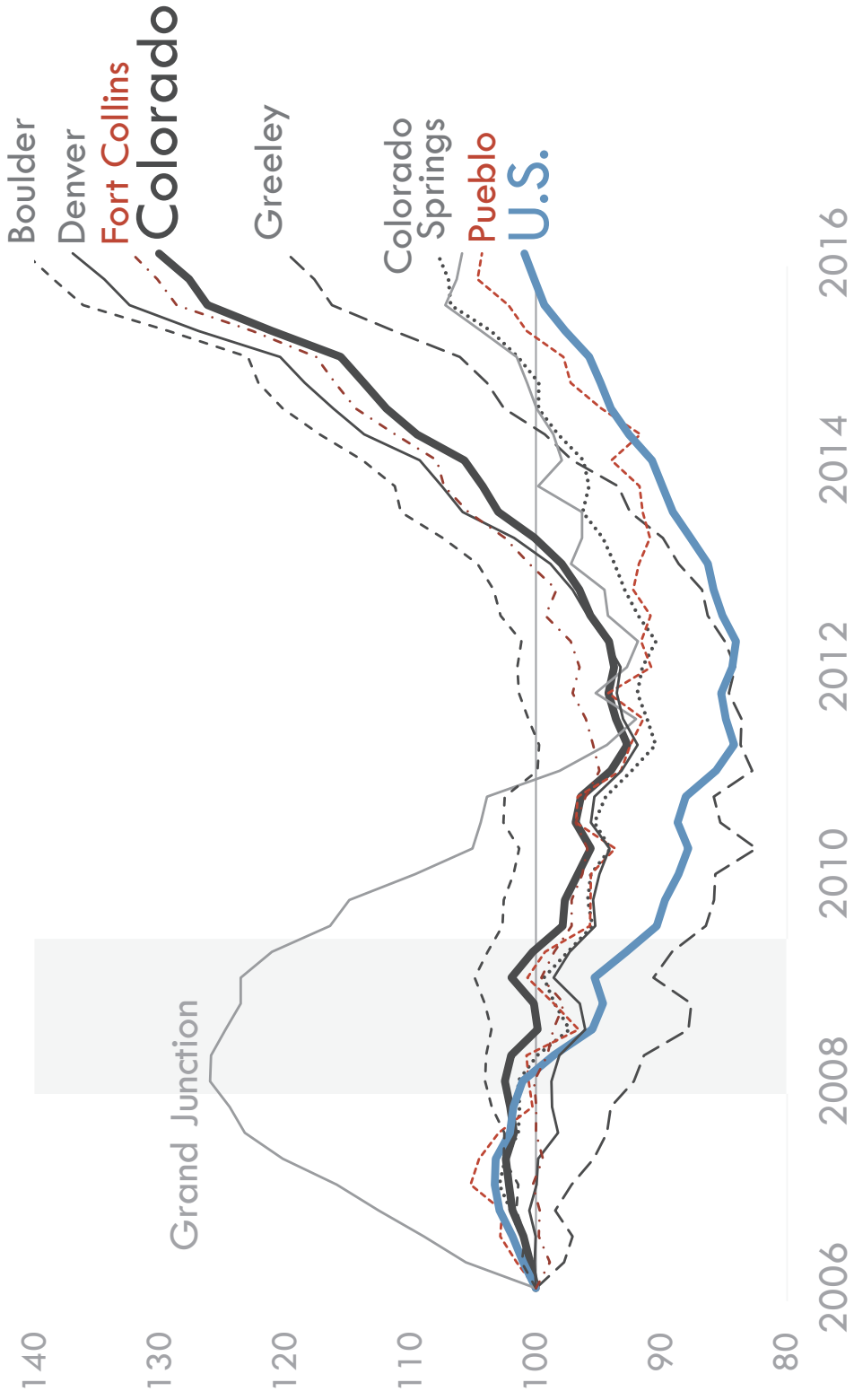


Source: U.S. Bureau of Labor Statistics with Legislative Council Staff rebenchmarking estimates. Seasonally adjusted. Colorado U6 rates shown as four-month moving averages.

REGIONAL TRENDS

Colorado housing costs continue to soar, dampening the outlook for consumer spending.

Growth in Home Prices over the Past 10 Years

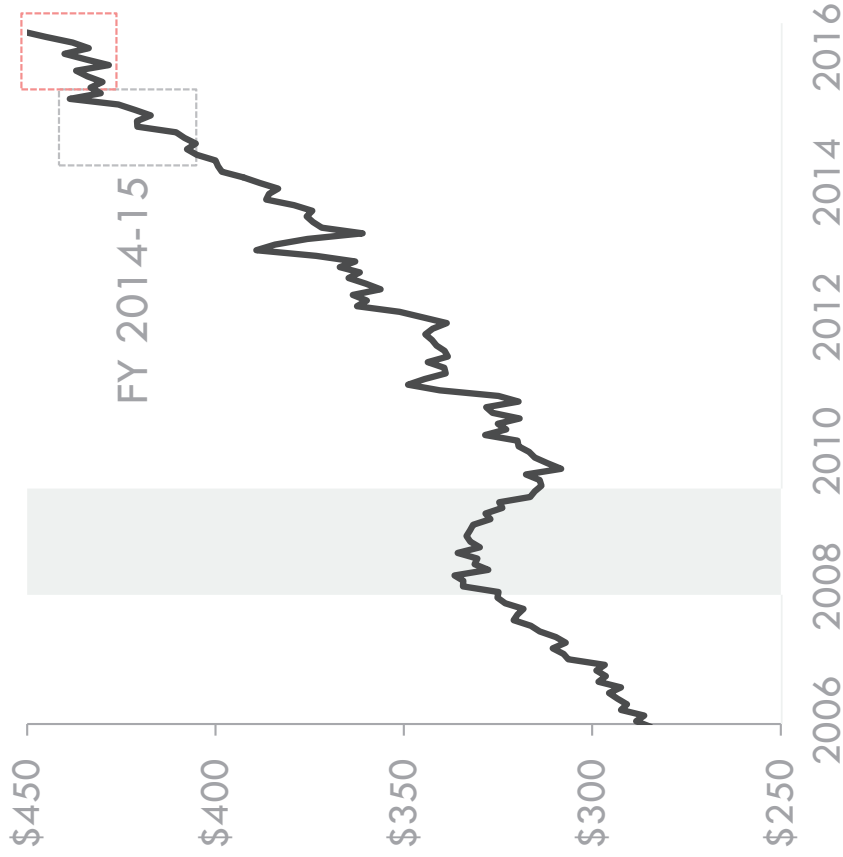


Source: Federal Housing Finance Agency (FHFA). All Transaction Home Price Indices, Index 100 = First Quarter of 2006.

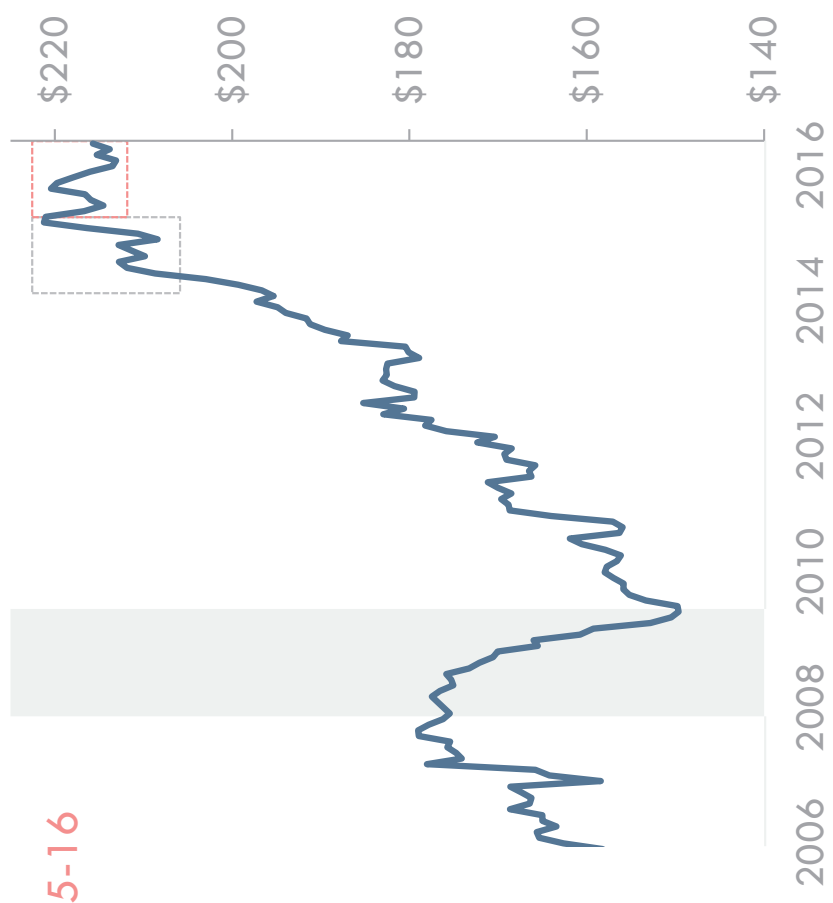
GENERAL FUND OUTLOOK

Revenue slowed in FY 2015-16, reflecting modest wage growth and weaker spending on goods.

Individual Income Tax Withholding



Sales Tax Collections



Millions of Dollars in Monthly Collections, Three-Month Moving Averages

Source: Colorado Office of the State Controller and Department of Revenue. Legislative Council Staff seasonal adjustments.