

DELTA COUNTY ECONOMIC UPDATE

May, 2025



The Delta Economic Update is in part funded by
One Delta County

Economic Summary

- Sales taxes in Delta County were up 5.68% from 2023 to 2024, and the City of Delta's sales and use taxes also saw growth, rising 5.25%. However, lodging taxes have remained relatively flat, falling -2.61%.
- The unemployment rate estimate for Delta also increased from 5.4% in 2024 to 6.6% through April 2025,. This is higher than the state average of 4.3% for 2024.
- U.S. GDP growth for Q1 2025 was -0.2%, showing contraction and creating a growing concern for a potential recession. Part of the reason for the negative growth rate is tariffs. Many firms rushed to purchase foreign goods before tariffs hit, causing a surge in imports, which is a subtraction from GDP.
- The national section of this newsletter has information on the purpose of tariffs, pros and cons of tarrifs, and related graphs with additional details.

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LOCAL ECONOMIC INDICATORS

	Q1 2025	Q4 2024	Q1 2024	change since last quarter	change since last year (comparable quarters)
Local Labor Market					
Unemployment Rate Delta County- NSA	6.83%	5.87%	5.73%	0.97%	1.10%
Unemployment Rate Colorado - NSA	4.90%	4.50%	4.00%	0.40%	0.90%
Unemployment Rate U.S. - NSA	4.40%	3.90%	4.10%	0.50%	0.30%
Labor Force	12,238	12,130	11,678	108	561
Employed	11,403	11,421	11,004	-18	399
Unemployed	836	709	674	126	162
Business Confidence					
Leeds Colorado Business Confidence Index	31.9	50	53.7	-36.20%	-40.60%
Sales/Use Taxes					
City of Delta Sales/Use Taxes	\$8,416,474		\$7,996,772		5.25%
Delta County Sales/Use Tax	\$8,755,822		\$8,285,390		5.68%
Lodging Tax	\$177,524		\$182,289		-2.61%
Business Filings					
Delta County New Business Entity Filings	591		672		-12.05%

Standard of Living and Growth	2024	2023	2022	2021	% change
Population (Census)	32,215	31,760	31,573	31,387	1.43%
	2023	2022	2021	2020	
Real Gross Domestic Product	\$911,356	\$900,419	\$853,924	\$854,080	1.21%
Personal Income	\$1,591,638	\$1,515,277	\$1,451,240	\$1,320,202	5.04%
Per Capita Personal Income	\$50,137	\$48,013	\$46,230	\$42,510	4.42%
Median Household Income	\$57,075	\$53,910	\$52,403	\$53,553	5.87%
Percent of Population Below Poverty Line	14.2%	15.0%	16.9%	18.1%	-0.80%
Place of Residence	2023	2022	2021	2020	
Adjustment for Place of Residence (in thousands)	\$99,460	\$92,669	\$83,161	\$84,094	7.33%

SOURCES IN ORDER OF LISTING: State and Local Unemployment rates: Bureau of Labor Statistics (LAUS); National Unemployment rate: Bureau of Labor Statistics; Labor Force, Employed, and Unemployed: Colorado Department of Labor and Employment; Leeds Colorado Business Confidence Index: Leeds School of Business; Sales/Use Tax information: City of Delta and Delta County; Business Permits: Colorado Secretary of State's Office; Population, poverty, and median household income: U.S. Census Bureau; Personal income: Bureau of Economic Analysis. Note that in all rows where percentages are presented the % change since last quarter and % change since last year represents the difference between the two percentages, not the actual percentage change.

Local Labor Market

New data from the Colorado Department of Labor and Employment show significant changes. Figure 1 shows employment estimates, with Delta County average 2024 employment at 11,457 in 2024, compared to the previous estimate of 13,425 (through November). Not only did the levels of employment change, but the trend in employment changed as well.

The unemployment rate estimate for Delta also increased, rising to 6.6% through April 2025, compared to 5.4% in 2024. This is higher than the state average for 2024 of 4.3%. Estimates show the number of unemployed at 711 in April. This employment data has a fairly small sample size at the county level, and is not highly reliable in small counties. Employment estimates are by place of residence, and individuals are counted as employed once even if they have multiple jobs.

The jobs data in figure 2 is from the state and is by place of work, and counts if a person works more than one job. The state shows that jobs in Delta County increased from 13,387 in 2022 to 13,859 in 2023. Top employers are government (2,779), agriculture (1,733), and retail trade (1,532) (Figure 3).

Other Indicators

Delta County sales taxes were up 5.68% comparing 2023 to 2024, and the City of Delta's sales/use taxes also saw growth, rising 5.25%. However, lodging taxes have remained relatively flat, declining by -2.61%.

Business entity filings in Delta County have increased the last several years but fell in 2024, from 672 in 2023 to 591 in 2024.

Table 1:
1, 5, and 10 Year Employment Comparison (Yearly Comparison)

	Labor Force	Employed	Unemployed
Annual	561	399	162
5-Year	359	209	150
10-Year	-921	-890	-31
Annual %	4.8%	3.6%	24.0%
5-Year %	3.0%	1.9%	21.8%
10-Year %	-7.0%	-7.2%	-3.6%

Place of Residence

Figure 6 illustrates what is called a "place of residence adjustment." This data is from the Bureau of Economic Analysis, and shows inflows and outflows of income to and from the county. A positive number indicates that more income is flowing into the county from other counties than flowing out. A negative number implies that more income is flowing out of the county to other counties than flowing in.

Delta County has a history of a positive place of residence adjustment. This implies that there are more people who commute to other counties and bring back income than other counties deriving income from inside of Delta County. Numbers show an 7.33% increase from 2022 to 2023 (Figure 6).

Figure 1:
Employment Estimate

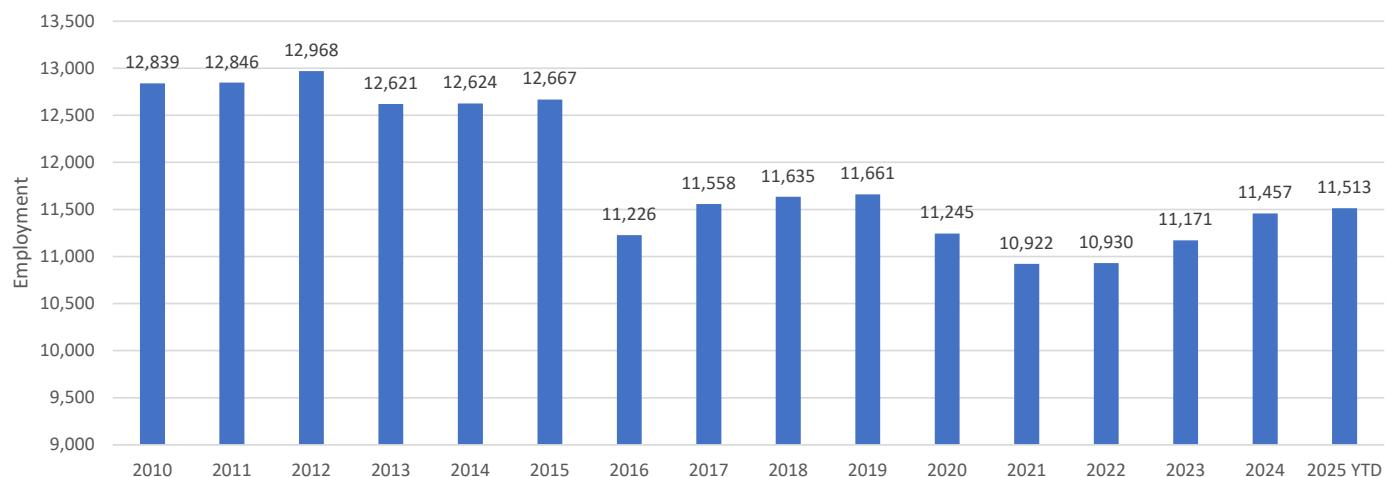


Figure 2:
Total Full and Part Time Jobs

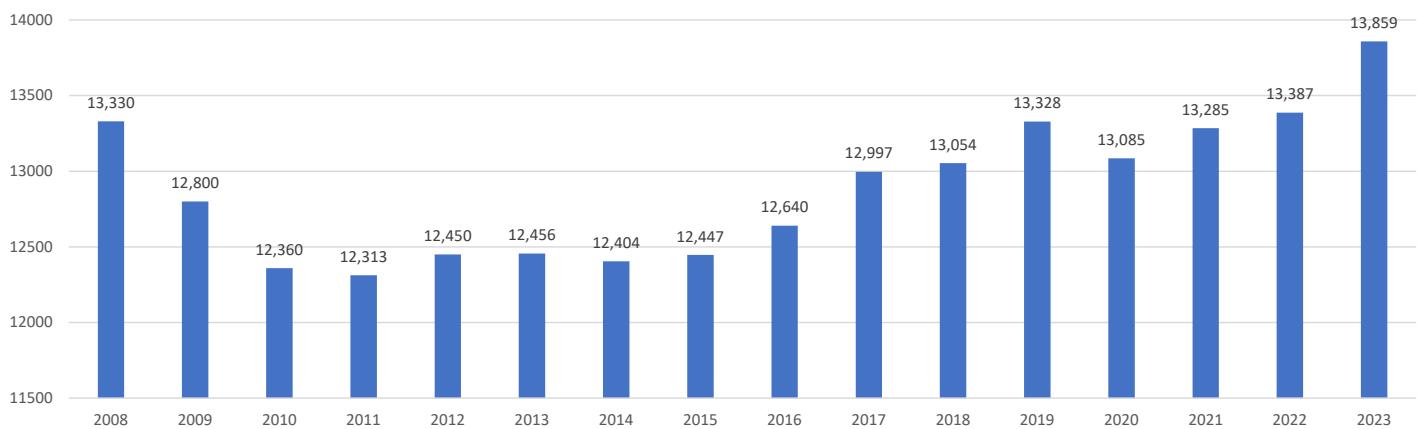


Figure 3:
Jobs by Industry

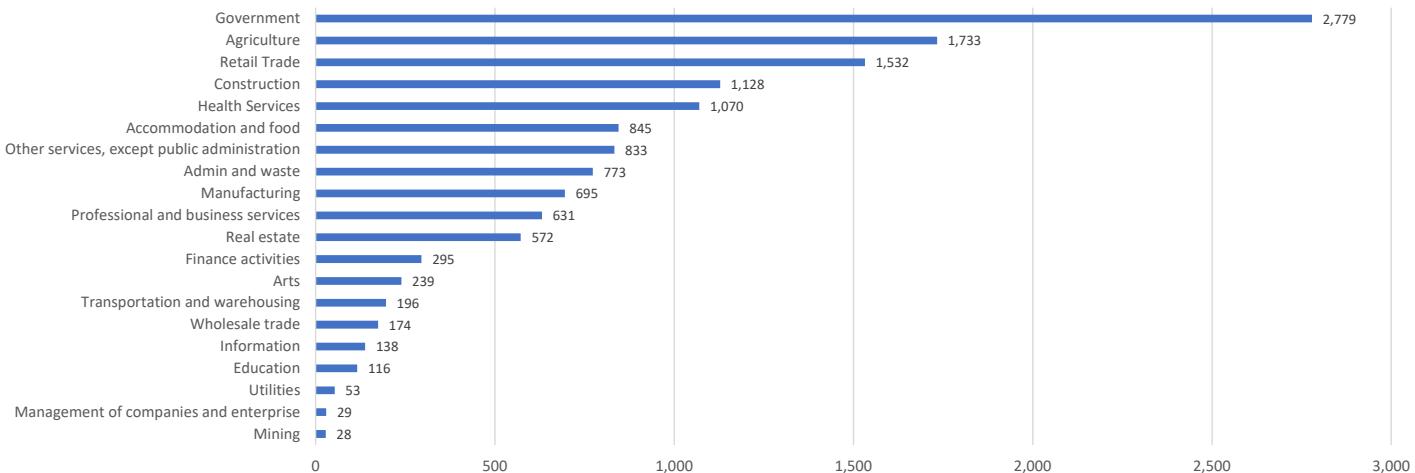


Figure 4:
Delta Sales Taxes

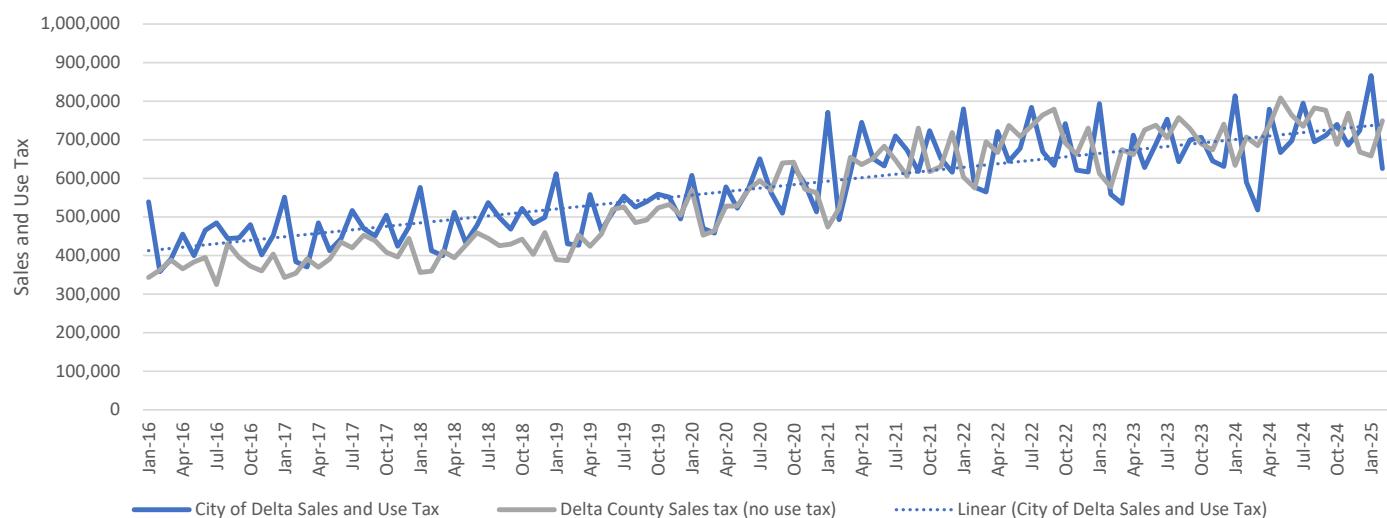


Figure 5:
Business Entity Filings Delta

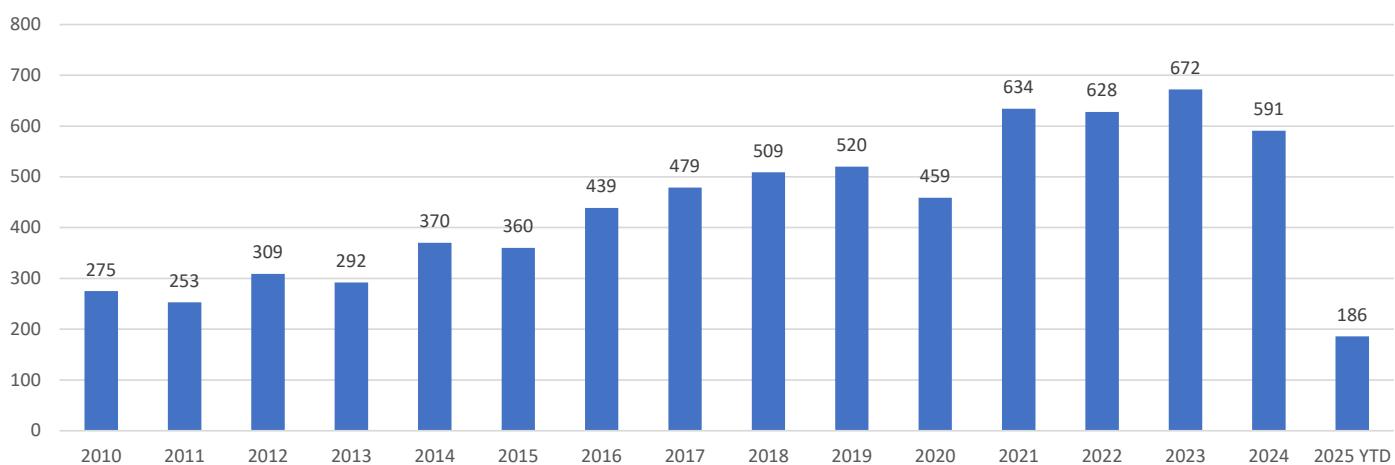
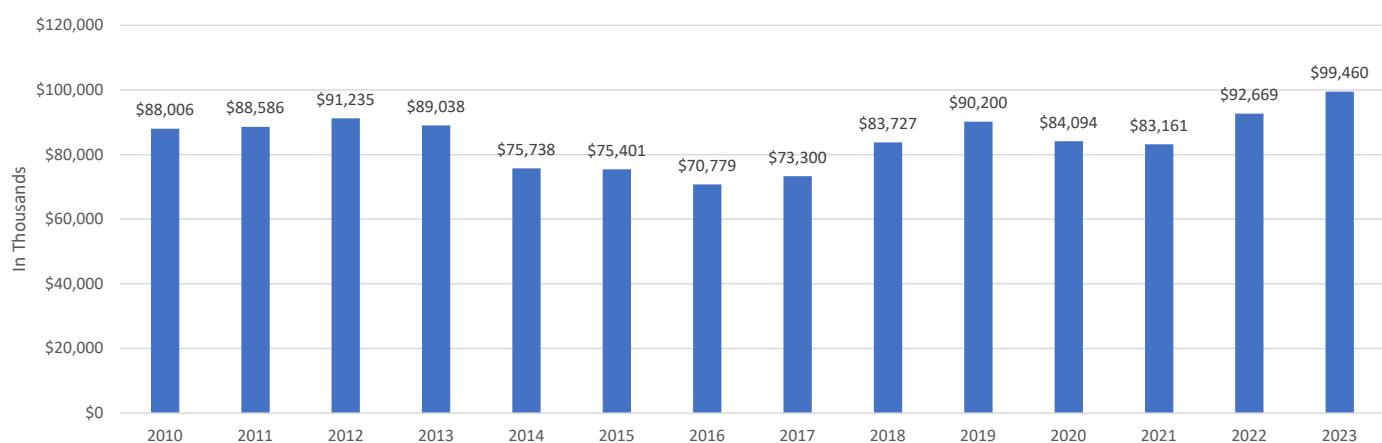


Figure 6:
Place of Residence



Standard of Living Measures

Standard of living measures are generally released each year in December for the previous year's data. Delta County GDP for 2023 grew by 1.21% compared to 2022.

Delta County median household income rose from \$53,910 in 2022 to \$57,075 in 2023 (Figure 9). Median household income estimates have wide confidence intervals, so year-to-year changes should be interpreted cautiously.

Personal income per capita increased from \$48,013 in 2022 to \$50,137 in 2023. Note that these data points also changed from last year. Per capita personal income is a measure of all personal income in the county divided by the population. Per capita personal income has increased drastically over the last decade (Figure 10).

The Census Department's SAIPE program (Small Area Income and Poverty Estimates) released their most recent poverty estimate, with Delta County's poverty falling to 12.9%, down from 14.6% in 2022. Note that these figures are revised and different from last year's release (Figure 11).

Figure 7:
Western Slope GDP % Change 2023

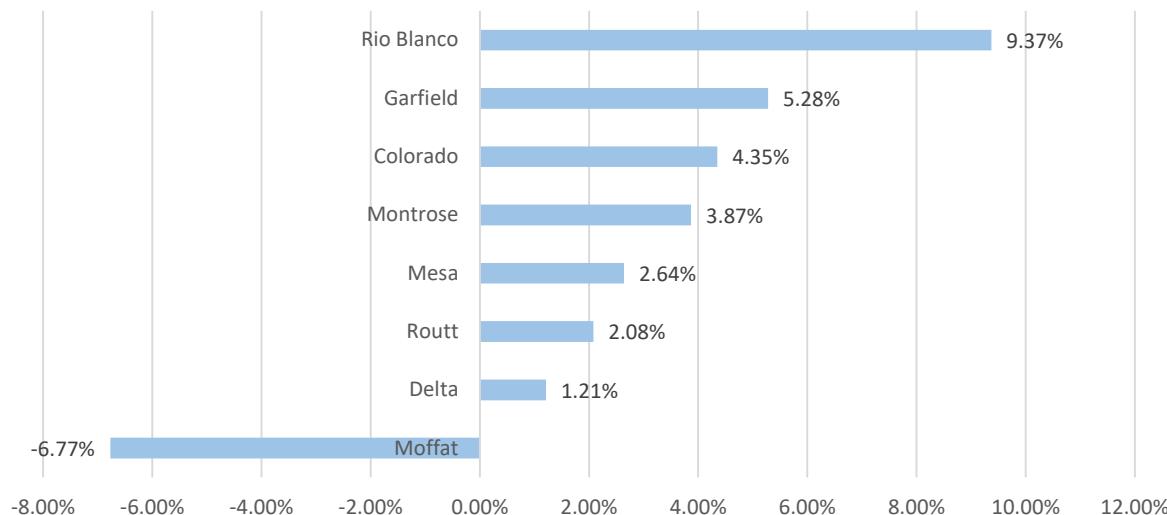


Figure 8:
Delta County Real GDP % Change (chained 2017 dollars)

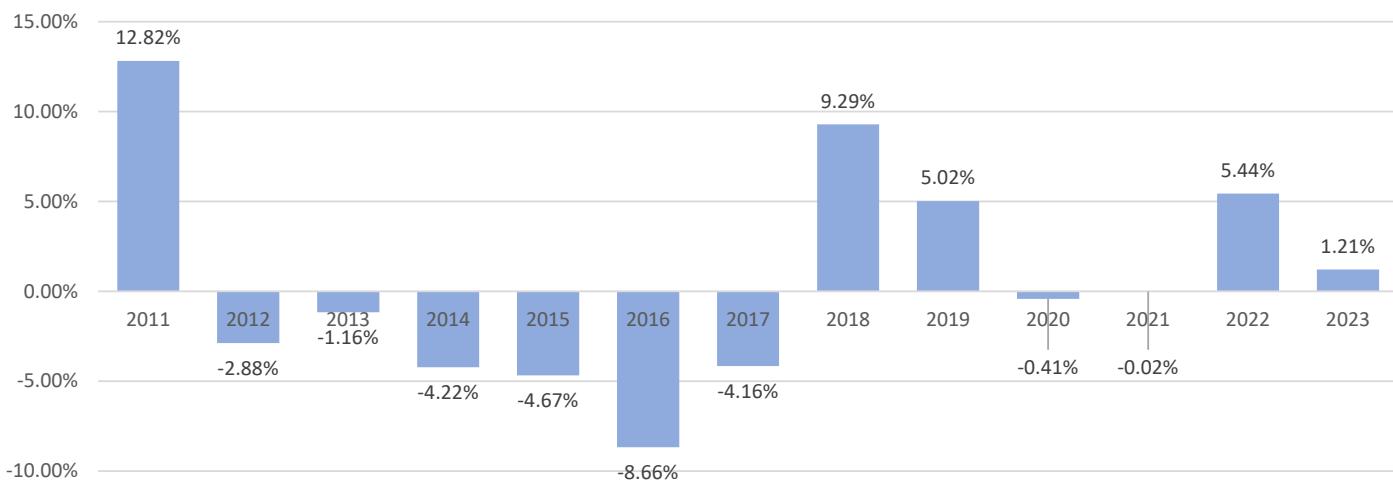


Figure 9:
Delta County Median Household Income

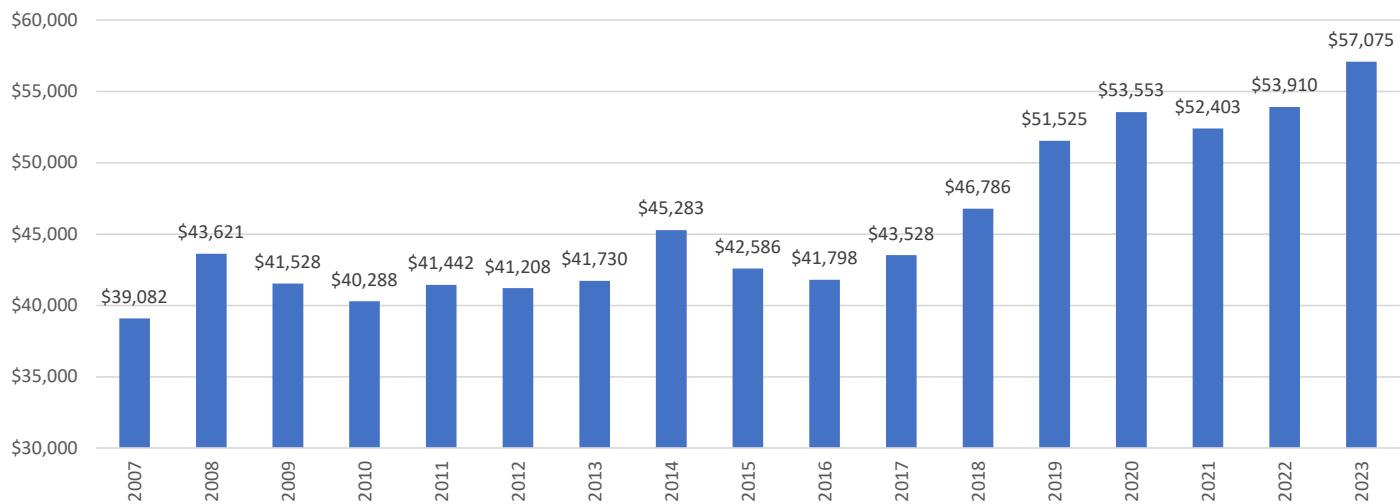
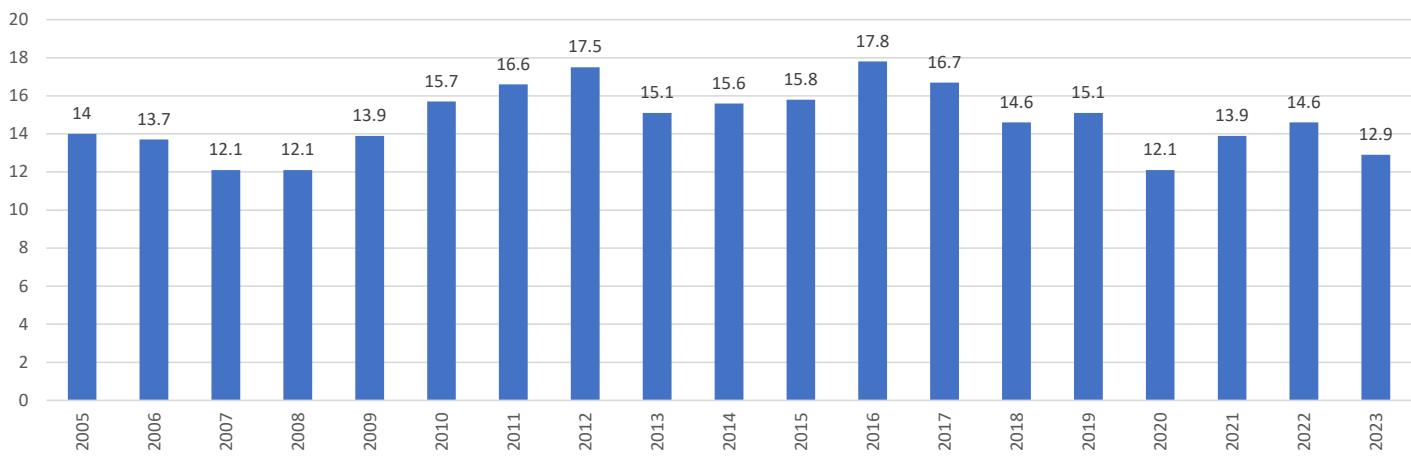


Figure 10:
Delta County Per Capita Income



Figure 11:
Delta County Poverty Rate



Population Trends

The Colorado State Demography Office produces population estimates and population forecasts. Table 2 illustrates these forecasts for the Western Slope counties. Delta County is expected to grow from the previous 2020 estimate of 31,052 to 33,286 in 2030, 35,029 in 2040, to 35,769 in 2050. Population is a function of birth rate, death rate, and migration. Delta County has a higher death rate than birth rate, which means natural population growth is not what is expected to push Delta County's population higher. It is in fact migration that is expected to fuel Delta County's population growth.

Table 2:
Population Estimates Table (2020-2050),
Colorado State Demography Office

	Mesa	Montrose	Delta	Garfield	Rio Blanco	Moffat	Routt
2020	155,993	42,810	31,052	61,791	6,521	13,265	24,834
2025	162,833	45,413	32,027	64,496	6,511	13,037	25,786
2030	174,827	48,327	33,286	69,950	6,440	12,851	27,336
2035	187,931	50,973	34,303	76,392	6,291	12,706	28,840
2040	198,890	52,958	35,029	82,780	6,147	12,577	30,133
2045	207,560	54,152	35,512	88,422	5,978	12,435	31,082
2050	214,206	54,586	35,769	92,516	5,773	12,261	31,700

Table 3:
Delta County Population Change Breakdown,
Colorado State Demography Office

	Population	Change	Births	Deaths	Net Migration
2018	31,033	330	280	438	488
2019	31,237	204	269	407	342
2020	31,052	-185	277	416	-46
2021	31,386	334	300	489	523
2022	31,581	195	261	503	437
2023	31,693	112	264	445	293
2030	33,286	236	282	484	438

Industrial Diversification

Figure 12 illustrates the Hachman Index for Delta County. The Hachman Index is an industrial diversification index that compares the industrial composition of Delta County to the industrial composition of Colorado. A higher Hachman Index indicates that Delta County is closer to the composition of Colorado, whereas a lower Hachman Index implies Delta is less like Colorado, with Colorado considered the comparison of diversification. Figure 12 shows that the Hachman Index indicates Delta County has seen a decrease in diversification peaking in 2007, and moving horizontally since 2013.

Another way to measure industrial diversification is through the Herfindah-Hirshman (HHI) Index. This measure only takes into account the market concentration of Delta County, and does not use a comparison to the state like the Hachman Index. A higher HHI indicates more industrial concentration. The HHI shows that from 2014 through 2021 Delta become more concentrated. Notice the small changes on the Y axis on the HHI Index, indicating that the HHI has not moved too much. Ultimately I believe the Hachman Index is a better measure of industrial diversification because it uses Colorado as a comparison baseline.

Figure 12:
Hachman Index Delta County

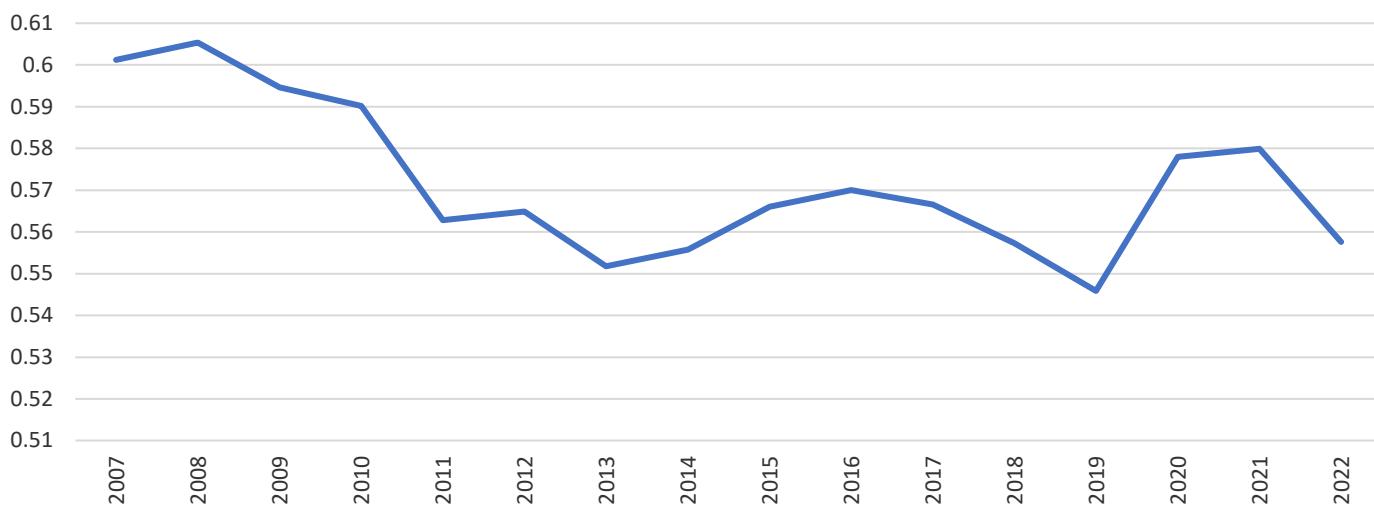
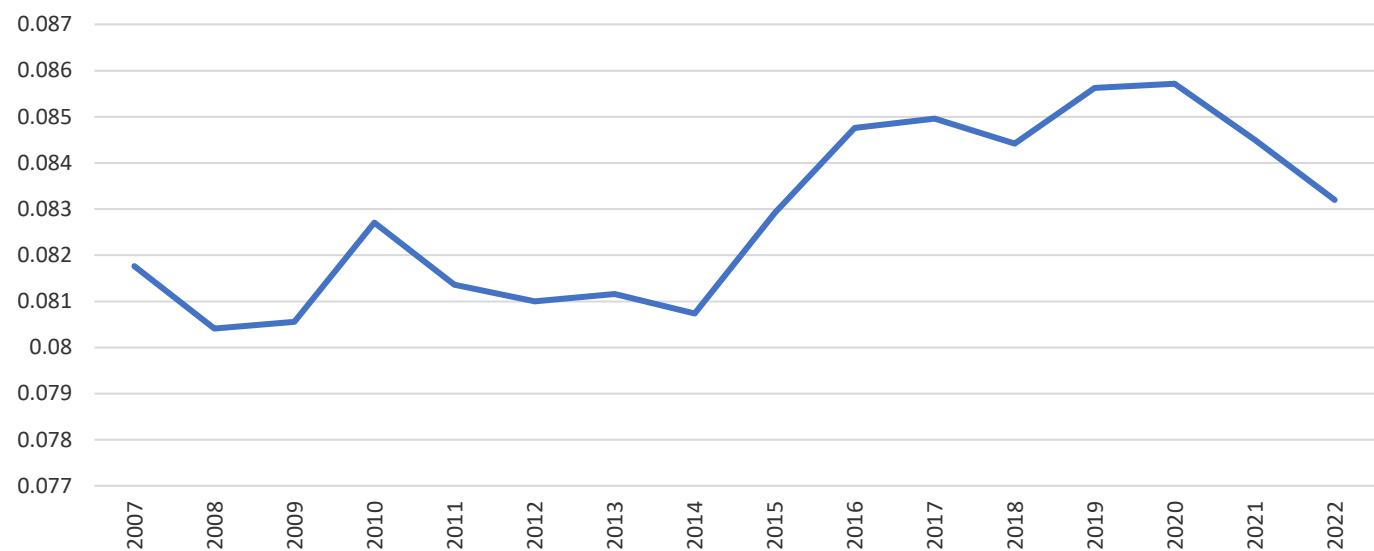


Figure 13:
HHI Index Delta County



Delta County Employment Trends

Q4 2024 QCEW data shows that job growth did not improve much, only rising by 13. The largest job gains were in finance and insurance (62), healthcare (58), and construction (41). The biggest job losses were in administrative and waste services (-73), and real estate, rental, and leasing (-69). Healthcare maintains in the top spot as the largest wage contributor, with public administration and retail trade coming in 2nd and 3rd. Education is omitted due to limited responses to the QCEW survey. The QCEW survey is by place of work and is a business survey.

Table 2:
Quarterly Census of Employment and Wages (QCEW) Q4 2024 Compared to Q4 2023

Sector	Average Employment	Total Quarterly Wages	Average Weekly Wage	Total Wage Change	Total Employment Change
Total, All Industries	9,007	\$114,801,786	\$980	\$8,589,170	13
Health Care and Social Assistance	1,648	\$25,033,898	\$1,168	\$2,386,237	58
Public Administration	842	\$12,301,071	\$1,124	\$982,468	19
Retail Trade	1,206	\$11,058,030	\$705	\$447,420	-18
Finance and Insurance	386	\$9,919,867	\$1,975	\$3,596,405	62
Construction	624	\$9,883,360	\$1,218	\$1,271,658	41
Manufacturing	608	\$6,963,374	\$881	-\$649,433	-21
Agriculture, Forestry, Fishing & Hunting	429	\$5,386,383	\$965	\$522,420	-3
Accommodation and Food Services	795	\$4,617,590	\$447	\$326,409	-3
Administrative and Waste Services	299	\$3,786,213	\$974	-\$300,763	-73
Professional and Technical Services	218	\$3,245,533	\$1,145	-\$167,620	-16
Other Services, Ex. Public Admin	272	\$3,082,474	\$871	\$134,154	-4
Wholesale Trade	162	\$2,052,770	\$977	\$309,541	27
Transportation and Warehousing	162	\$2,005,784	\$954	\$128,160	15
Real Estate and Rental and Leasing	102	\$1,456,594	\$1,098	-\$1,189,049	-69
Utilities	54	\$1,009,101	\$1,429	\$178,330	2
Information	82	\$989,020	\$924	-\$298,034	-18
Arts, Entertainment, and Recreation	54	\$415,274	\$588	\$121,169	4
Management of Companies and Enterprises	22	\$320,986	\$1,106	-\$74,753	-3
Mining	12	\$257,228	\$1,604	\$5,141	-1

SOURCE: Colorado Department of Labor and Employment (QCEW). The most recent quarterly data available is reported.

Figure 14:
Jobs Change from Q4 2024 to Q4 2023

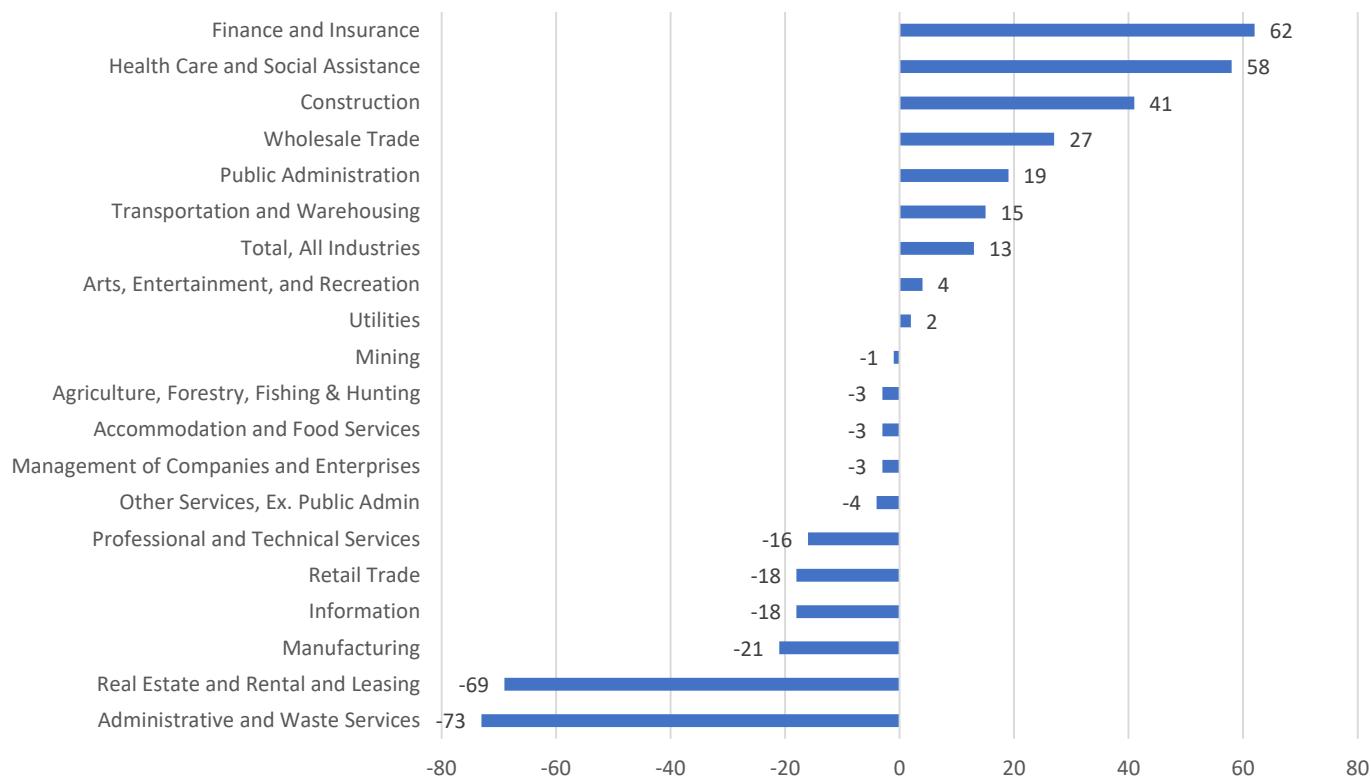
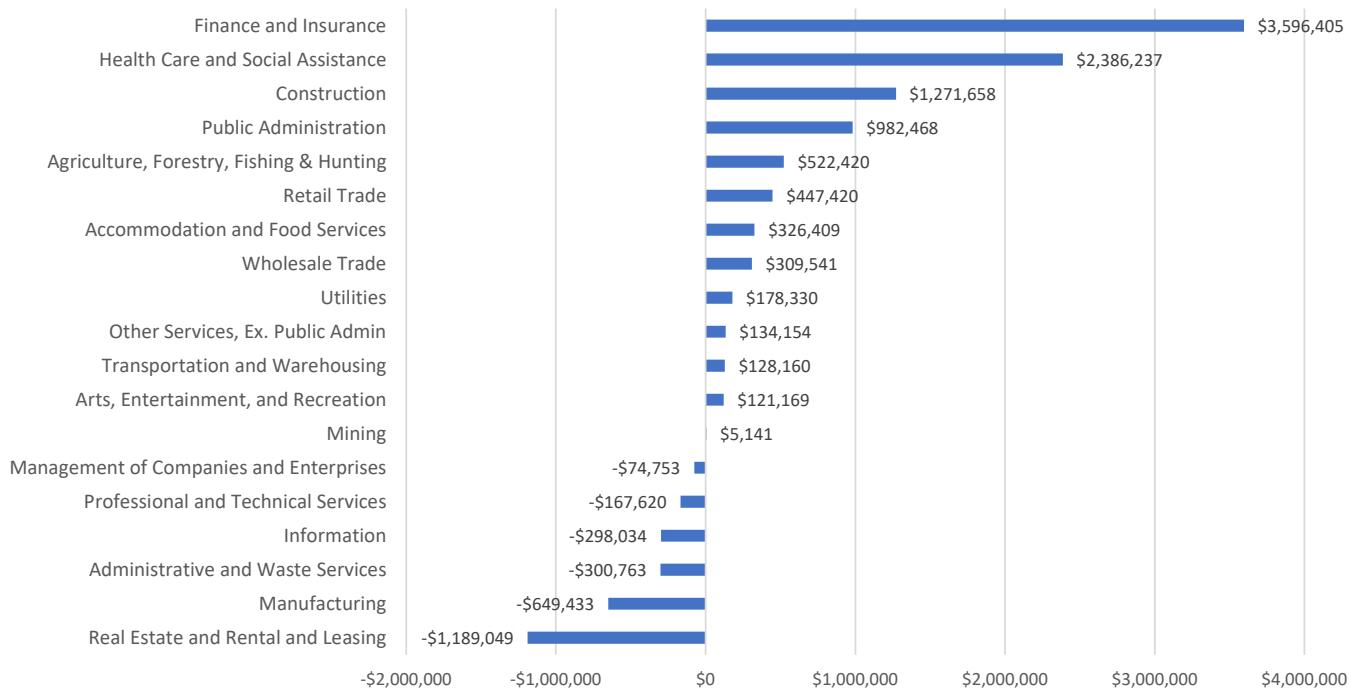


Figure 15:
Total Wage Change from Q4 2023 to Q4 2024



LOCAL REAL ESTATE

	Q1 2025	Q1 2024	% change since last year
Real Estate			
Inventory of Homes for Sale (3 month avg)	160	173	-7.14%
New Residential listings (3 month total)	121	101	19.80%
Sold Residential Listings (3 month total)	67	86	-22.09%
Median Sales Price	\$426,167	\$428,000	-0.43%
Average Sales Price	\$482,015	\$469,245	2.72%
Days on Market	122.67	125.33	-2.13%
Months Supply of Inventory	5.00	5.33	-6.25%
	2024	2023	
Building Permits (Census)	115	53	116.98%
Foreclosures			
Foreclosure Filings (YTD)	31	51	-39.22%
Foreclosure Sales (YTD)	7	17	-58.82%
Mortgage Rates			
	April 2025	April 2024	
15 Year Mortgage Rate	5.90%	6.26%	-0.36%
30 year Mortgage Rate	6.73%	6.99%	-0.26%

SOURCES IN ORDER OF LISTING: Real Estate Data: Colorado Association of Realtors; Building Permits and Valuation: City of Delta and Orchard City totals; Foreclosure Filings and Sales: Delta County; Mortgage rates: Freddie Mac.

Local Real Estate Indicators

Delta County's real estate market shows home values increased year over year, with 2023 median sales price at \$375,358 and 2024 price at \$405,095, or a 7.9% increase. The above table compares Q1 2025 with Q1 2024 and shows a 2.72% increase year over year. Q1 data shows that median sales prices of single family homes are at \$426,167 and average prices at \$482,015. Inventory has stayed consistent at 160 single family homes for sale, with new listings rising by 20 and sold listings falling by 19. Days on market fell slightly, from 125 to 122. Days on market shows a rising trend the last 3 years. Months supply of inventory fell from 5.33 to 5.00. The Census estimates that the number of building permits increased from 2023 to 2024, rising from 53 to 115. This includes all residential housing, single family, multifamily, etc.

As of mid-May 2025, U.S. mortgage rates remain elevated, with the average 30-year fixed-rate mortgage at 6.73%, marking the highest level since late April. This uptick aligns with recent movements in the 10-year Treasury yield, which stood at 4.45% on May 15, 2025. The 10-year Treasury yield serves as a key benchmark for mortgage rates, and its fluctuations often influence borrowing costs. While some forecasts anticipate a modest decline in mortgage rates to around 6.5% by the end of the year, the trajectory will largely depend on economic factors such as growth/recession, tariff rates and inflation, and unanticipated supply shocks.

Figure 16:
Building Permits (Census)

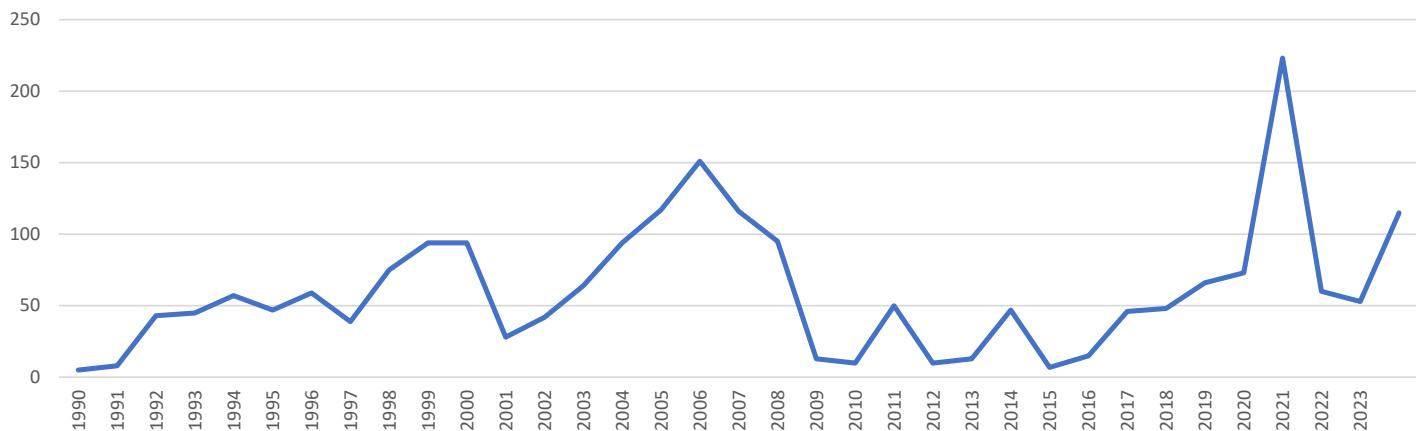


Figure 17:
Median and Average Sales Price

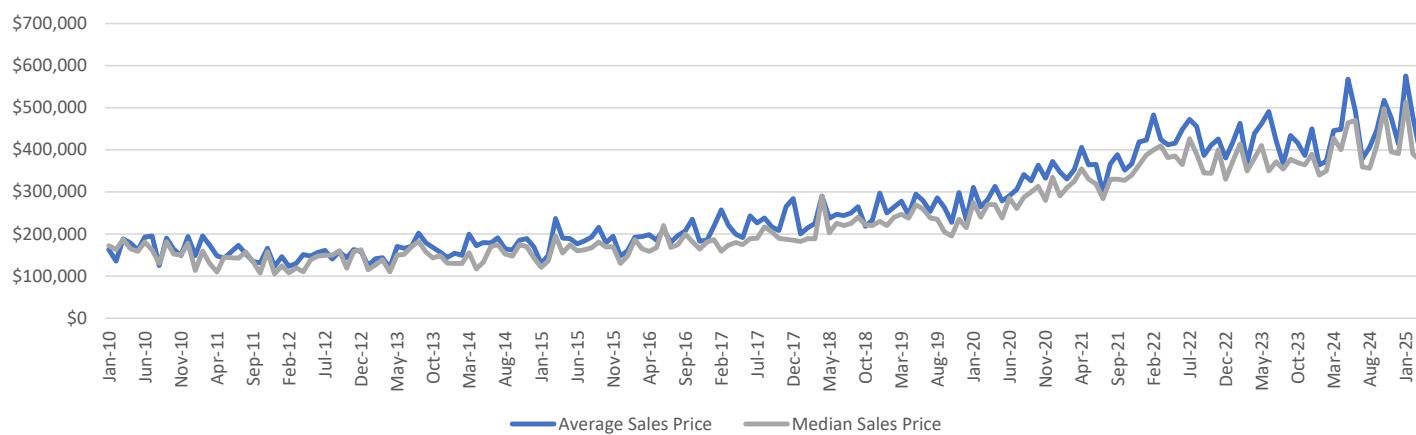


Figure 18:
Months Supply of Inventory



REGIONAL ENERGY

	Q1 2025	Q4 2024	Q1 2024	% change since last quarter	% change since last year (comparable quarters)
Energy Prices					
WTI Crude Oil	\$71.78	\$70.73	\$77.50	1.48%	-7.38%
Henry Hub Natural gas	\$4.15	\$2.44	\$2.13	70.08%	94.84%
Retail Gasoline Price	\$2.99	\$2.97	\$3.13	0.47%	-4.45%
Drilling Permits					
	2024	2023	2022	2021	
Drilling Permits (Mesa County)	40	0	0	1	
Drilling Permits (Rio Blanco County)	67	40	40	33	
Drilling Permits (Garfield County)	18	139	133	127	
Drilling Permits (Moffat County)	10	3	4	1	
Total Permits (Mesa, Rio Blanco, Garfield, Moffat)	135	182	177	162	
Total Permits (Colorado)	980	1,005	805	1,543	
Local Rig Count					
	25-May	Feb-23	Aug-22		
Rig Count (Western Colorado, Mesa, Rio Blanco, Garfield, Moffat)	1	3	4		

SOURCES: All energy prices: Energy Information Agency; All permit data from Colorado Oil and Gas Conservation Commission (COGCC); Local Rig Count: Baker Hughes Rig Count; Coal data from the Colorado Division of Reclamation, Mining, and Safety.

Figure 19:
Oil and Natural Gas Prices

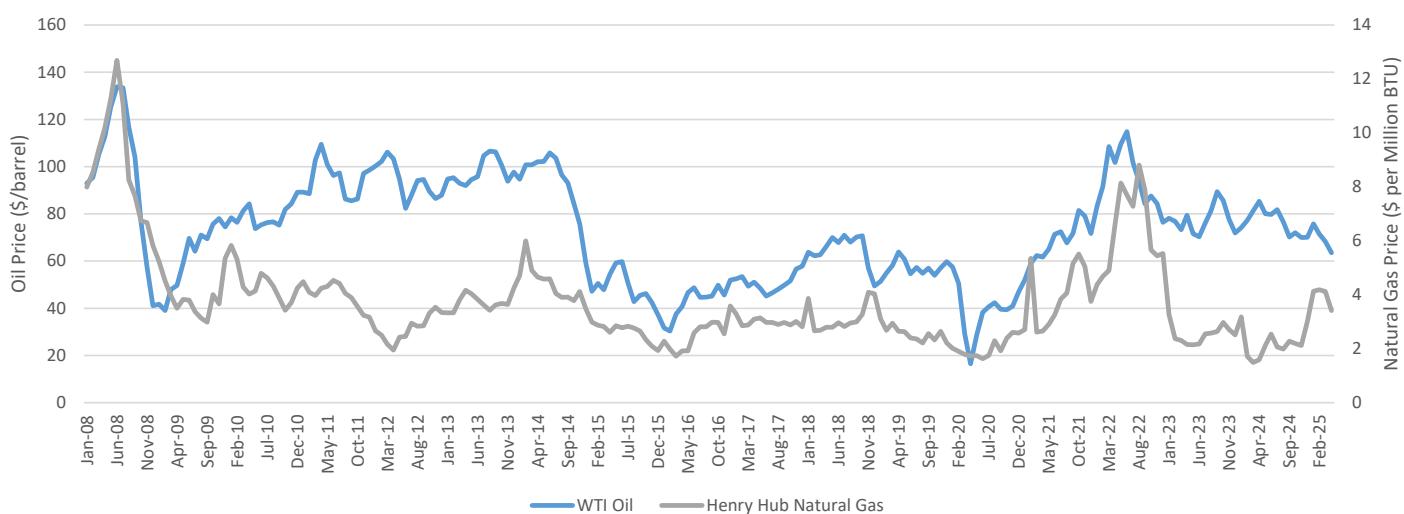


Figure 20:
Oil/Gas Drilling Permits and Oil/Gas Jobs

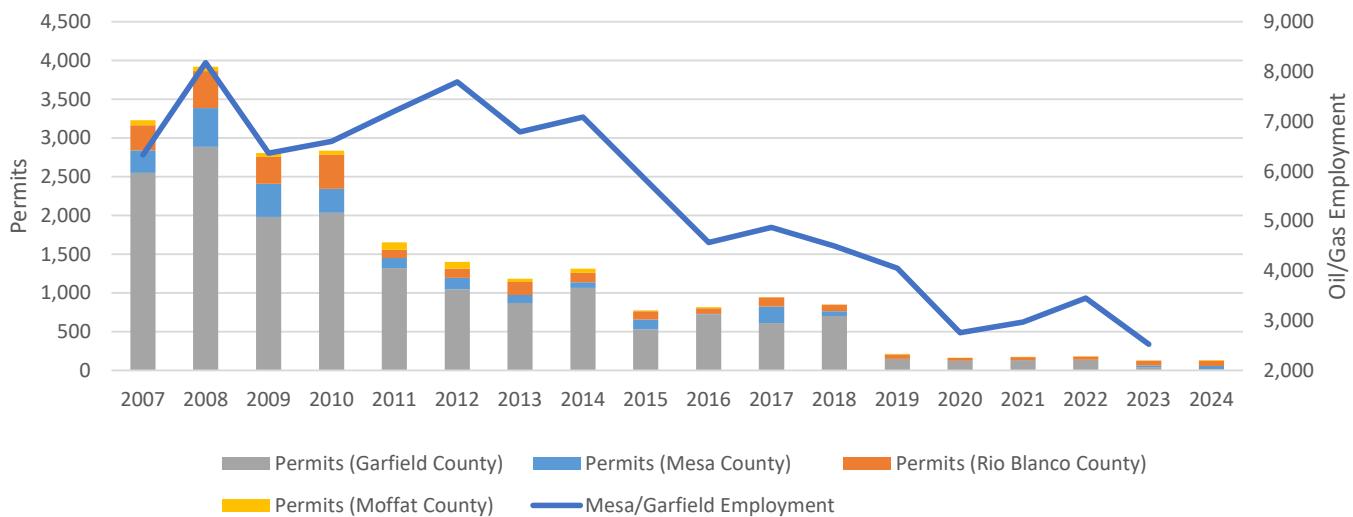
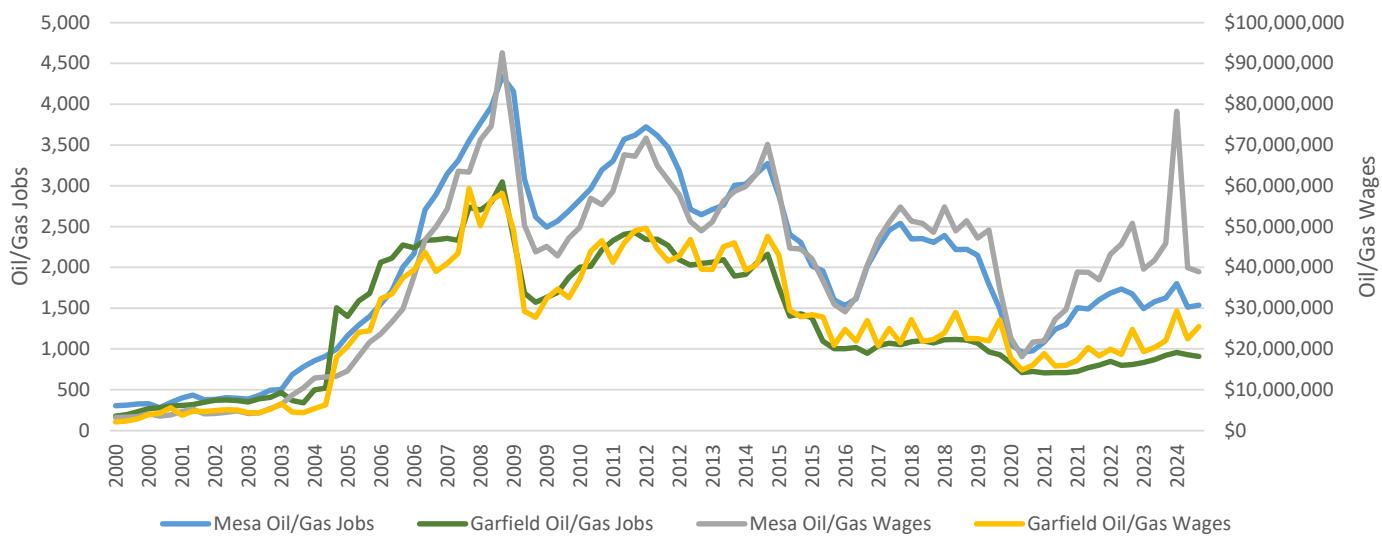


Figure 21:
Mesa and Garfield Oil and Gas Jobs/Wages



Western Slope Energy

Natural gas prices are on the rise in 2025, rebounding from the lows experienced in 2024. The U.S. Energy Information Administration (EIA) projects the Henry Hub spot price to average \$4.10 per million British thermal units (MMBtu) this year, nearly doubling from last year's average of \$2.20/MMBtu. This increase is driven by several factors, including reduced storage levels, increased demand, and lower associated gas production.

The first half of 2025 has seen a continued slide in oil prices, driven by global supply growth outpacing demand. The EIA projects Brent crude to average \$59 per barrel for the year, down from \$81 in 2024. This decline is attributed to increasing oil inventories, with global stockpiles expected to grow by an average of 0.4 million barrels per day in 2025. The EIA forecasts Brent prices to decrease from \$76 per barrel in the first quarter to \$61 by the fourth quarter of 2025. This oversupply is largely due to production increases from non-OPEC+ countries, including the U.S., Canada, Brazil, and Guyana. While OPEC+ plans to raise output in June, their production is still projected to remain below target levels.

NATIONAL ECONOMIC INDICATORS

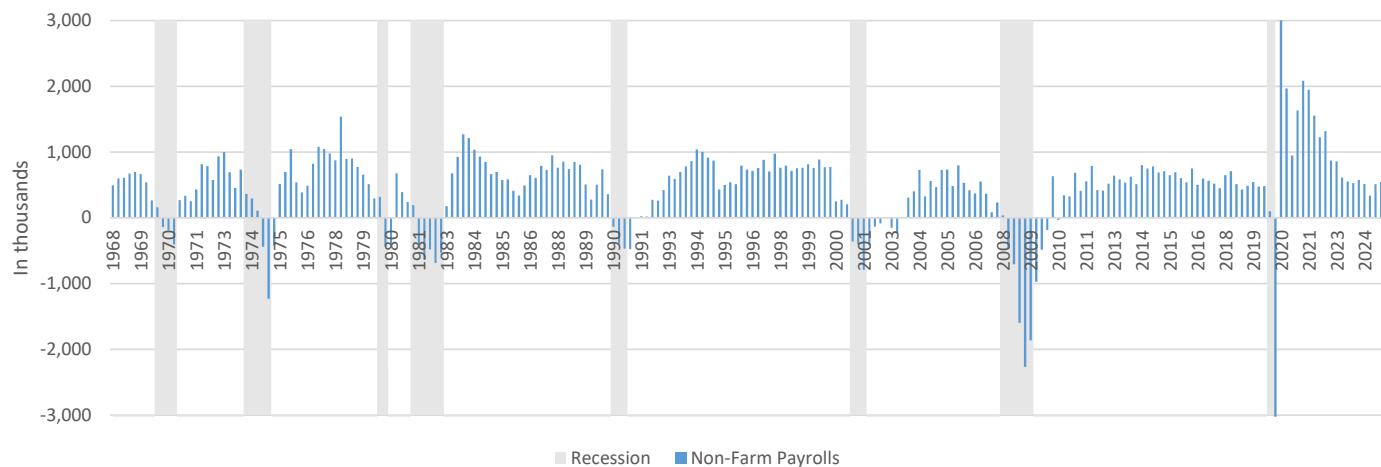
	Q1 2025	Q4 2024	Q1 2024	% change since last period	% change since last year (comparable quarters)
Business Cycle Indicators					
Real GDP	-0.30%	2.40%	1.60%	-2.70%	-1.90%
Personal Consumption Expenditures	1.80%	4.00%	1.90%	-2.20%	-0.10%
Gross Private Domestic Investment	21.90%	-5.60%	3.60%	27.50%	18.30%
National Consumer Confidence	64.5	72.1	78.4	-10.54%	-17.73%
Industrial Production Index	103.7	102.4	102.2	1.31%	1.47%
Initial Weekly Unemployment Claims (4 week MA)	220,212	226,577	210,481	-2.81%	4.62%
Non Farm Payroll Change (in thousands)	543,000	509,333	575,333	6.61%	-5.62%
Unemployment					
Unemployment Rate-U3-SA	4.10%	4.10%	3.80%	0.00%	0.30%
Unemployment Rate-U6-SA	7.80%	7.60%	7.30%	0.20%	0.50%
Interest Rates					
Federal Funds Rate	4.33%	4.68%	5.33%	-0.35%	-1.00%
10 Year U.S. Treasury	4.45%	4.28%	4.16%	0.17%	0.29%
30 Year U.S. Treasury	4.71%	4.49%	4.33%	0.22%	0.38%
Inflation Measures					
Inflation Rate (CPI)	2.74%	2.72%	3.25%	0.02%	-0.51%
Core Inflation Rate (All Items Less Food and Energy)	3.08%	3.26%	3.82%	-0.18%	-0.74%
Inflation Rate (Shelter)	4.21%	4.76%	5.82%	-0.55%	-1.61%
Producer Price Index (PPI)	1.88%	0.24%	-1.89%	1.65%	3.77%
Employment Cost Index	3.60%	3.76%	4.20%	-0.16%	-0.60%
Stock Prices					
S&P 500	5,895	5,907	4,993	-0.21%	18.07%
Dow Jones Industrial Average	43,240	43,257	38,517	-0.04%	12.26%
Trade Balance and Debt					
Trade Balance (% of GDP)	-1262.307	-920.084	-841.569	37.19%	49.99%
Federal Debt (% of GDP)*	121.9%	120.7%	120.2%	1.1%	1.7%

SOURCES: GDP, Consumption, Investment, and Trade Balance: Bureau of Economic Analysis; Consumer Confidence: University of Michigan; Industrial Production, Interest Rates and USD Exchange Rate: Board of Governors of the Federal Reserve System; Weekly Unemployment Claims: U.S. Employment and Training Administration. Non-Farm Payroll, Unemployment Rates, Inflation Measures: Bureau of Labor Statistics; Stock Prices: S&P Dow Jones Indices, LLC.; USD Exchange Rate: Board of Governors of the Federal Reserve; Trade Balance: BEA; Federal Debt: U.S. Office of Management and Budget. * indicates data is lagged by one quarter. Regional CPI data from the Bureau of Labor Statistics. Yield Curve from the Federal Reserve Board. Tariff rate from (10.5281/zenodo.15151391).

Figure 22:
Real GDP for U.S.



Figure 23:
Non-Farm Payrolls (Quarterly)



Economic Growth

U.S. GDP growth for Q1 2025 was -0.2% (revised), showing contraction and creating a growing concern for a potential recession. Part of the reason for the negative growth rate is tariffs. Specifically, many firms rushed to purchase foreign goods before tariffs hit, causing a surge in imports, which is a subtraction from GDP.

It is likely that Q2 will have the opposite anomaly, with less imports that could push growth higher. The Atlanta Fed GDPNow forecasts 2.4% growth for Q2 as of mid May. Economists were predicting solid growth in 2025 until the White House tariff plans were unveiled.

As more information about trade deals becomes known, growth forecasting will be more accurate. As of now, with tariff uncertainty, economists are expecting slow growth and potential recession as the economy adjusts to altered trade agreements and higher prices on imports.

Labor Market

The seasonally adjusted unemployment rate held just above 4% for the last several months, at 4.2% as of March (Figure 26). Colorado's seasonally adjusted unemployment rate is 4.8%, while the non-seasonally adjusted rate was 4.6% as mentioned earlier. Non-farm payroll numbers have leveled off the past few months, holding steady and showing some job growth (Figure 23).

JOLTS data, which tracks hires, quits, and layoffs, shows that job hiring is slowing, the quit rate has fallen, and layoffs have fallen. This translates to a stagnant labor market, with less hiring, but also low layoffs for those who are employed. The rising quit rate shows that workers realize they don't have better opportunities outside of their current employment and are staying put.

The employment cost index (Figure 27) shows that wages continue to fall from COVID level increases. This is a mixed bag for workers, and increased wages are helpful but they also contribute to inflation, which has been hurtful to consumers.

Tariffs

Tariffs are taxes on imported goods, and serve multiple economic and political purposes. The historical effective tariff rate can be seen in Figure 25. Economists often refer to the "3 Rs" of tariffs as Revenue, Retaliation, and Restriction.

Revenue is the oldest justification for tariffs. Before the modern income tax system, tariffs were the primary source of government revenue.

Retaliation refers to tariffs used as a tool in trade disputes. If one country believes another is engaging in unfair trade practices, it may impose retaliatory tariffs. Currently, the Trump administration is accusing China of unfair trade which is why tariffs on China were set at a higher rate than other countries.

Restriction describes tariffs' use as a tool to limit imports. By making foreign goods more expensive, tariffs can protect domestic industries from global competition. This can support domestic employment and production in targeted sectors, but it also raises prices for consumers and downstream producers that rely on imported inputs.

There are pros and cons to tariffs. The pros include tariff revenue, the reduction of the trade deficit, and the encouragement of supply chains and manufacturing in the U.S. Figure 24 shows the current account divided by GDP for the United States. The current account is essentially the trade deficit, and shows the U.S. has imported much more than exported since the early 1980's.

The cons of tariffs are the potential for retaliatory tariffs, the increase the cost of foreign goods and inputs which can be inflationary, and the potential for a large disruption of the international trade and political order, specifically the "exorbitant privilege" of the dollar.

Exorbitant privilege is a global demand for dollars that has

existed since World War II, and especially after the Bretton Woods system collapsed in the early 1970s. Countries, central banks, and corporations have held and traded in dollars for key global transactions such as oil, commodities, sovereign reserves, and international debt markets, which has increased the demand for dollars and hence U.S. financial assets like treasury bonds. The dollar has been both the official and de-facto world reserve currency. This grants the U.S. benefits including low borrowing costs because interest rates are lower, the ability to run persistent trade deficits, and additional monetary policy autonomy.

The flip side of this privilege is the large trade imbalance and the outsourcing of manufacturing. Here's how it happens: Global demand for dollar-denominated assets like treasuries means foreign investors and governments need dollars. To acquire those dollars, foreign countries sell goods to the U.S., running trade surpluses with America. The U.S., in turn, runs chronic trade deficits, buying more than it sells, which feeds the global demand for dollar liquidity. Unlike other countries, the U.S. doesn't need to balance trade with exports, because it can pay with its own currency, which other countries need to hold.

While the exorbitant privilege allows the U.S. to sustain consumption and investment levels beyond what it produces, it also contributes to industrial decline in some sectors and growing concerns about external debt and competitiveness.

Economists debate how long this system can last, but so far, the dollar's dominance has proven remarkably resilient, even amid rising global challenges from currencies like the euro or China's renminbi.

The current political debate centers around who benefits from this exorbitant privilege, and whether scaling back its advantages to restore domestic supply chains and manufacturing would serve the U.S. better overall.

Figure 24:
Current Account Deficit

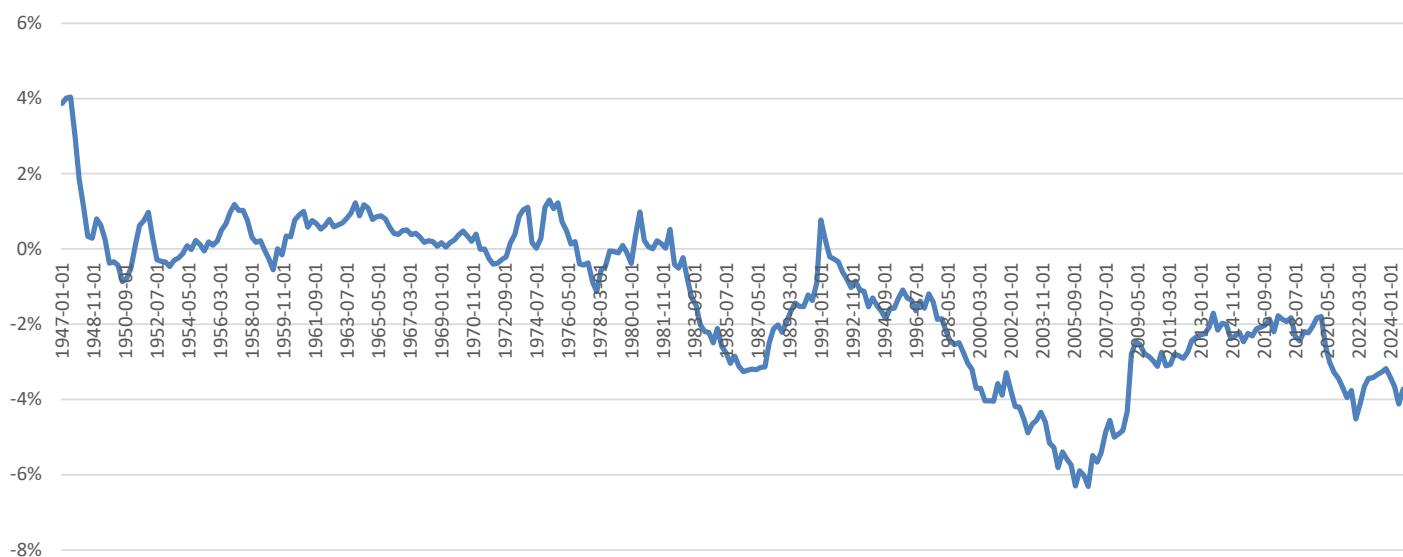


Figure 25:
Effective Tariff Rate



Figure 26:
Unemployment Rate

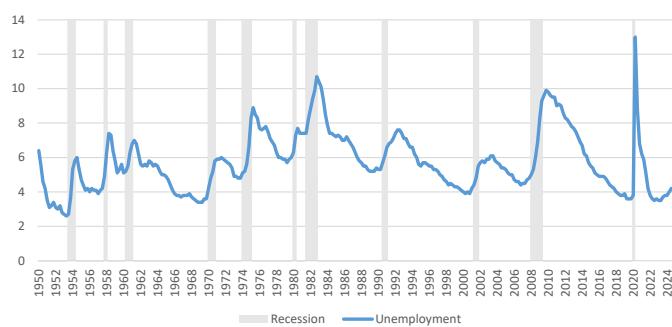


Figure 27:
Employment Cost Index



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