



COLORADO

Governor Jared Polis

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Economic Forecast Shows COVID-19's Significant Impact on Colorado Economy

DENVER - Today the Office of State Planning and Budgeting released the May 2020 Economic Forecast showing the impact of COVID-19 on Colorado's economy.

"Just as families across Colorado are tightening their belts because of this pandemic, so is our state. I know this is a difficult time for many hardworking people and Coloradans are doing all they can to make ends meet," said Gov. Polis. **"This pandemic is affecting the global economy, and Colorado is not immune to this economic crisis. This is a challenging budgetary environment and everyone is working hard to ensure Colorado remains on the right path. We are all in this together and we will get through it together."**

The economic recession that began in March is unprecedented in both speed and scope. More than 20 million jobs have been lost as businesses close and consumers stay home in an effort to slow the spread of the virus. Colorado's tourism and energy industries are a significant part of the state's economy. Both have been impacted by the pandemic and are expected to rebound more slowly than other industries. More than 16% of the state's workers have filed unemployment claims since mid-March, predominantly in low-wage industries.

General Fund revenue is expected to fall by 7.4 percent in FY 2019-20 and by another 7.5 percent in FY 2020-21. The General Fund revenue forecast was revised down from the March forecast by a total of \$3.4 billion through June 30, 2021, and by \$5.5 billion over the forecast period through June 30, 2022. This decline is due not only to the impact of the pandemic-induced recession but also due to federal tax policy changes in the CARES act that will reduce the state's income tax collections from businesses by more than \$400 million over the forecast period.

On April 30, Governor Polis signed an Executive Order proactively making specific cuts with the least possible impact to State programs and services. This reduced \$228.7 million from the budget, the General Fund reserve now is projected to be \$3.4 billion below the proposed statutory reserve amount for FY 2020-21. Recovery from this recession is expected to be slow and highly contingent upon progress against the virus.

Here are the [forecast slides](#) and the [May 2020 forecast](#).

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