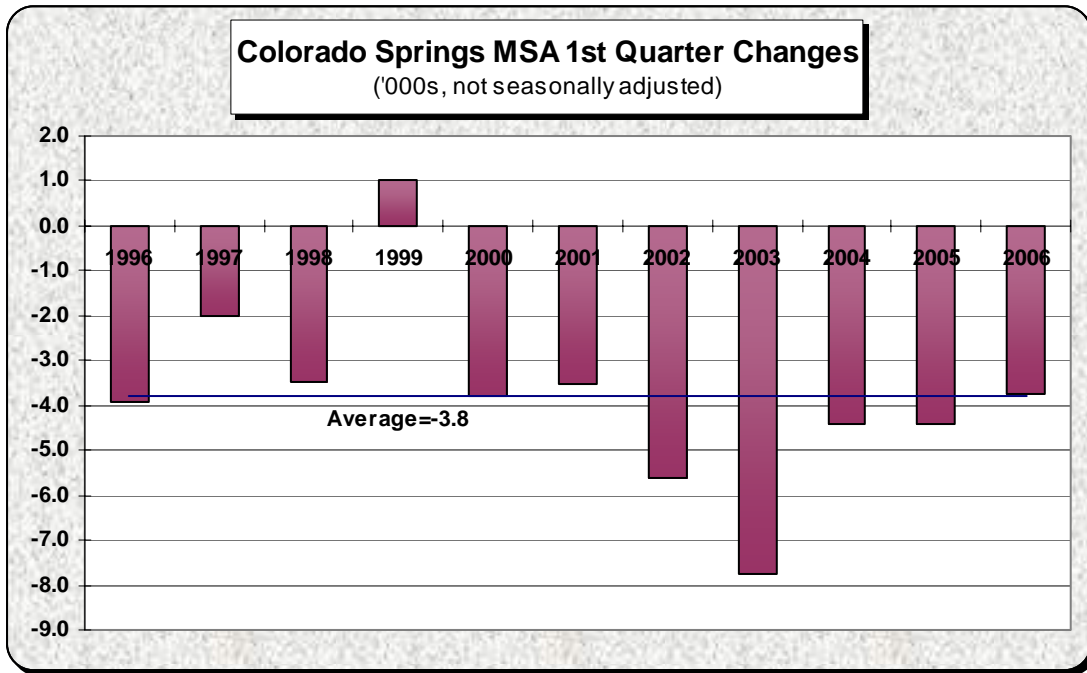


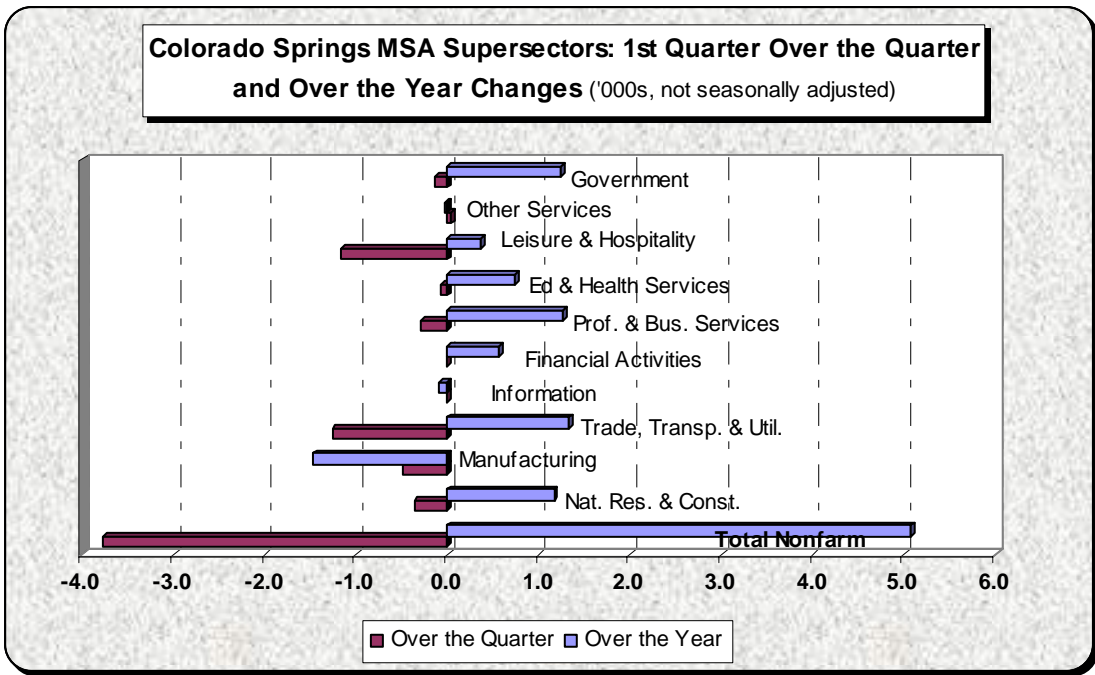
Colorado Springs MSA Preliminary Estimates: By Jennifer St. Peter

TOTAL NONFARM WAGE AND SALARY EMPLOYMENT: -3,800 (1.5%)
 (Not Seasonally Adjusted)

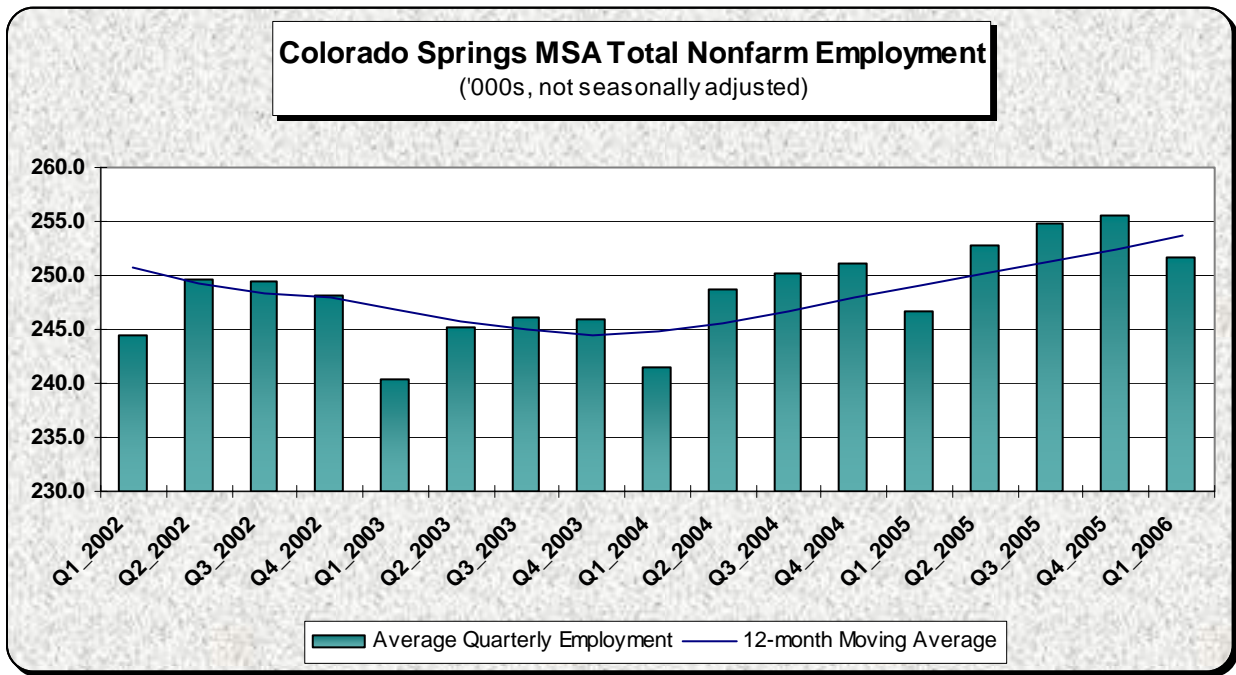


The Colorado Springs MSA shed 3,800 positions in the 1st quarter, bringing average quarterly employment to 251,700. This drop is in line with expectations (10-year average 1st quarter change), and follows typical patterns as the entire decline occurred in January with seasonal layoffs. Performance at the supersector level was mostly downward, with other services posting the only gain of 100, and financial activities and information remaining unchanged. Trade, transportation & utilities led the decliners with a 1,300 drop, and leisure & hospitality followed closely with a 1,200 contraction. Natural resources, mining & construction, manufacturing, and professional & business services combined to donate 1,100 of the losses, and government and education & health services inched down 100 apiece.

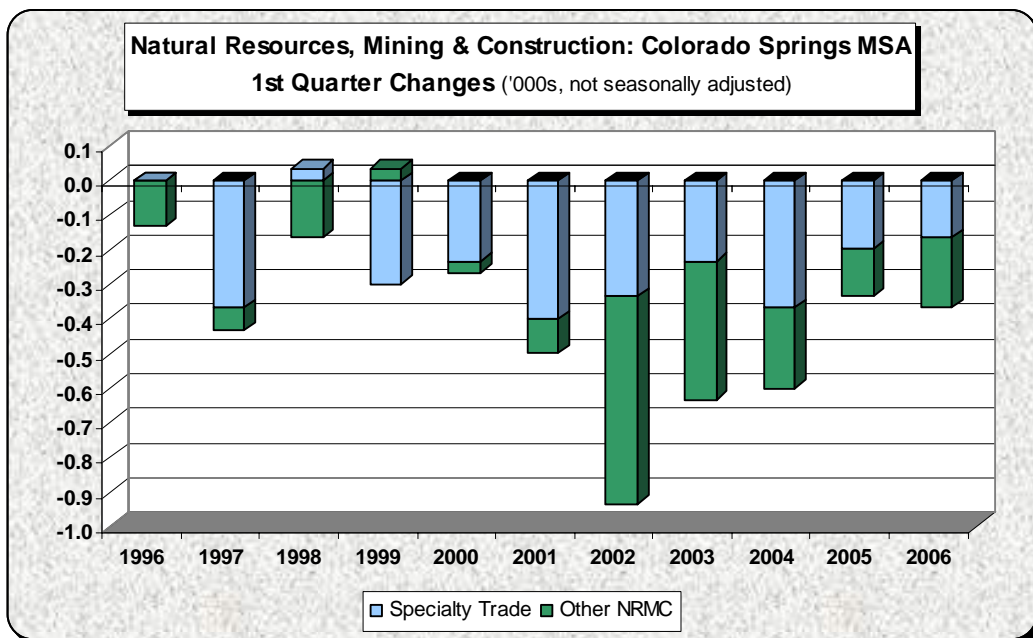
Three-fourths of the 5,100 (2.1%) over the year gain came from three supersectors, as trade, transportation & utilities, government, and professional & business services added 1,300 each. Natural resources, mining & construction surged up 7.5% (1,200 jobs), the strongest supersector growth rate. Education & health services, financial activities, and leisure & hospitality together added 1,600 new hires. Manufacturing cancelled a larger number of these gains with its 1,500 over the year decline. Information inched down 100, and other services was unchanged.



The Colorado Springs MSA is now recovered from its 3.7% recession. After hitting a trough December 2003, twelve-month average employment grew by 3.8%, and is now equal to the previous peak reached mid 2001. The recovery lasted 27 months, slightly less than the statewide period.

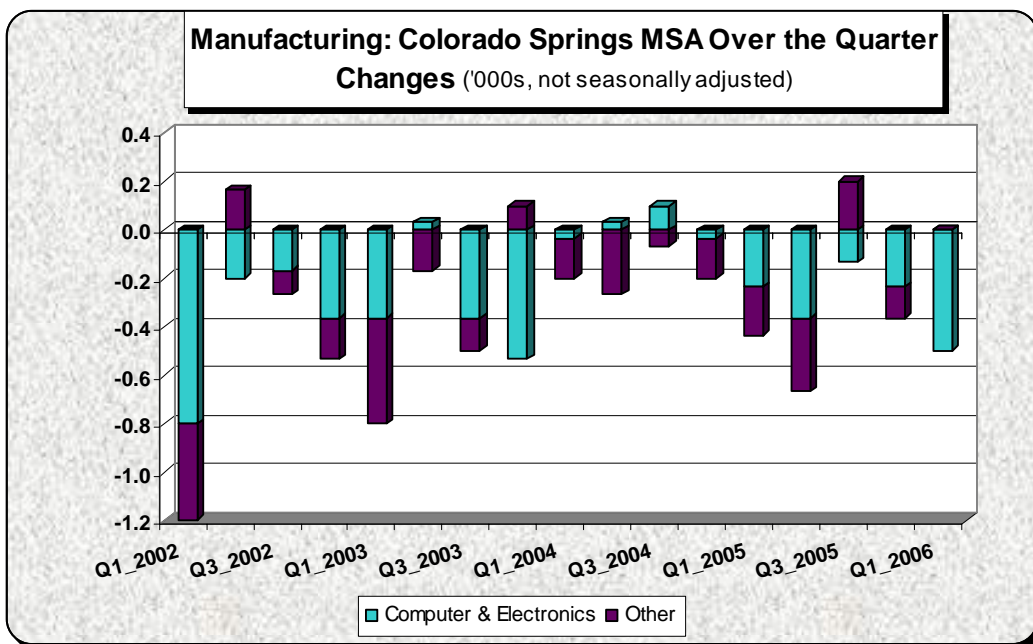


NATURAL RESOURCES, MINING AND CONSTRUCTION: -300 (1.7%)



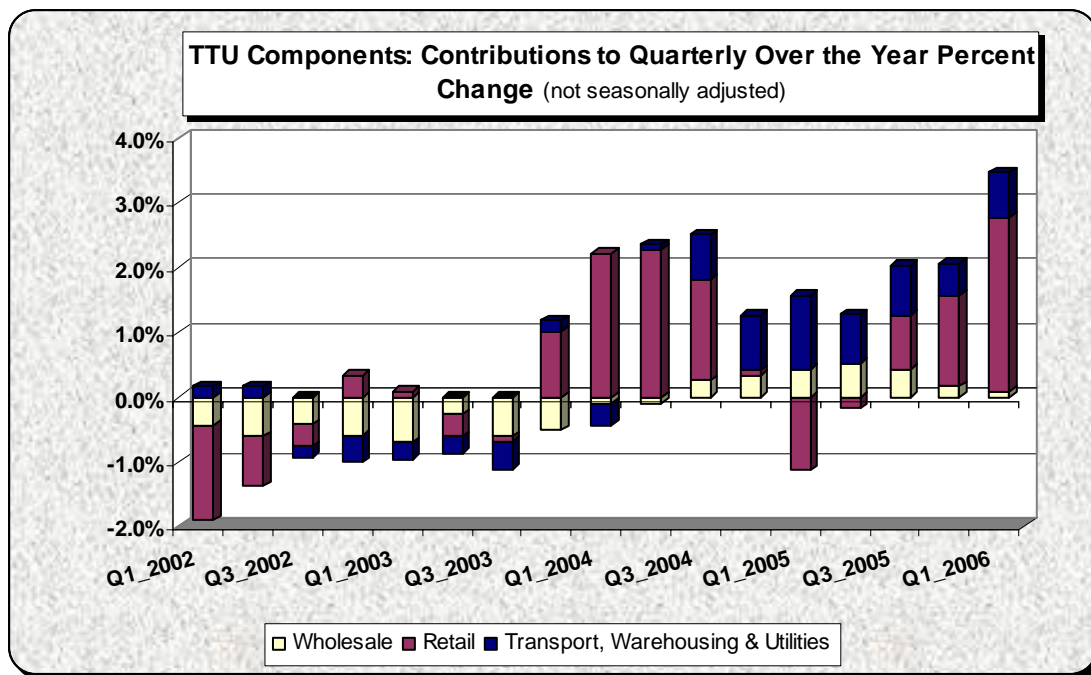
In line with seasonal expectations, natural resources, mining & construction shed 300 in the 1st quarter. This comes on the heels of a typical 4th quarter movement, and puts average employment at its highest 1st quarter level on record. Specialty trade contractors, which comprises seven of ten supersector jobs, lost a smaller than proportional 100 (0.8%). This industry posted the fastest rate of growth over the year with its 7.5% expansion (1,200 jobs). Due in part to an uncharacteristic increase last quarter, specialty trade contractors is up 1,300 over the year, healthy growth of 12.3%. This is 63% faster than the prior four-quarter trend, accounting for the entire annual gain in the supersector. This industry has fully recovered from its 8.3% employment recession, and is now 2.4% above the previous peak.

MANUFACTURING: -500 (2.8%)



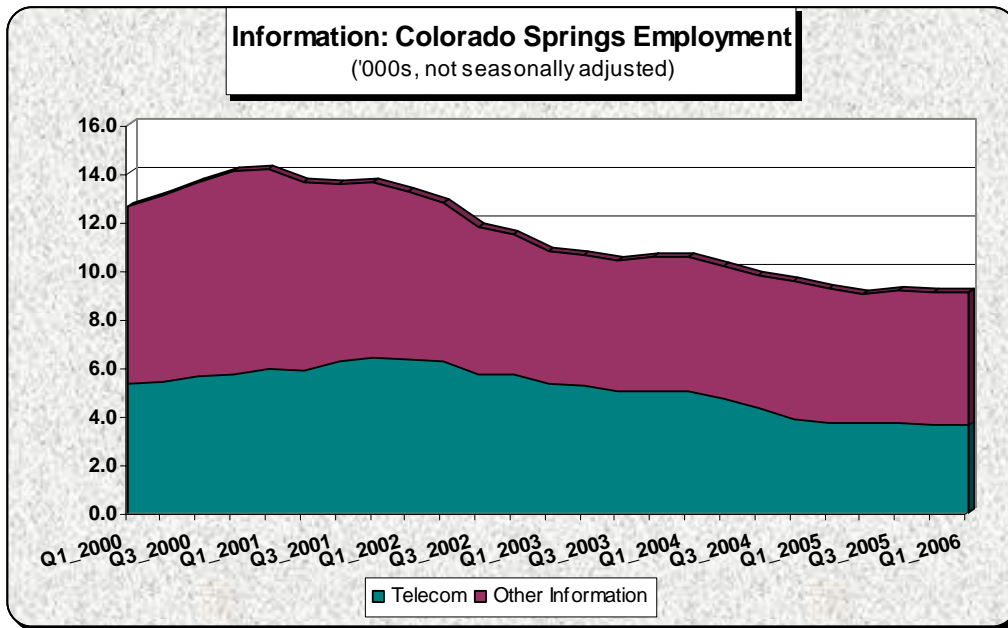
Manufacturing employment declined by 500 in the 1st quarter, mirroring last quarter's movement. This drop is in line with the average 1st quarter change over the last five years, with the entire loss coming from computer & electronic product manufacturing's 6.5% contraction. This quarter's loss, combined with large declines in 2005, pushed manufacturing employment down 1,500 (7.9%) over the year. The rate of contraction has steadily accelerated since a year ago, when the annual losses numbered 800 (4.0%). The computer & electronic product subsector was responsible for a disproportionate amount of the decline since last March, falling by 1,200 jobs (14.3%). The manufacturing industry has suffered acute losses since hitting a quarterly peak early in 2001, having contracted by 33.8% to date. The computer & electronic product subsector has experienced a stronger drop of 44.6% over the same period.

TRADE, TRANSPORTATION, & UTILITIES (TTU): -1,300 (3.2%)



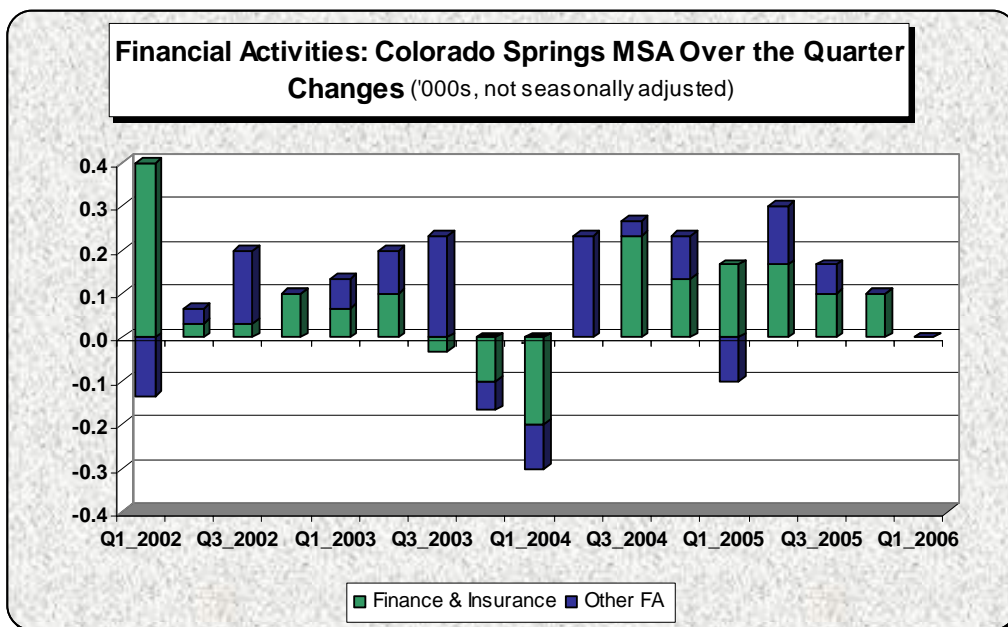
Trade, transportation & utilities shed 1,300 this quarter, with the entire drop coming from retail trade's 3.6% decline following the holiday season. This loss is slightly less than expected, but follows a weak seasonal build-up in the 4th, leaving an average two-quarter movement. Over the year, 1,300 have been added to industry payrolls, for growth of 3.4%. This quarter's small drop, combined with a relatively large one in 1st quarter last year, resulted in annual growth that is more than two times the prior four-quarter trend and the strongest since March 2001. Retail trade donated most of the gains with a 1,100 (3.9%) increase, and transportation, warehousing & utilities outpaced the industry and climbed 6.8% (300 jobs). This sector has displayed relative strength and has averaged 7.2% annual growth over the last six quarters, versus retail trade's 0.9%. Retail trade, however, appears to be on the upswing—at this time last year, it had lost 1.8% over the year.

INFORMATION: UNCHANGED



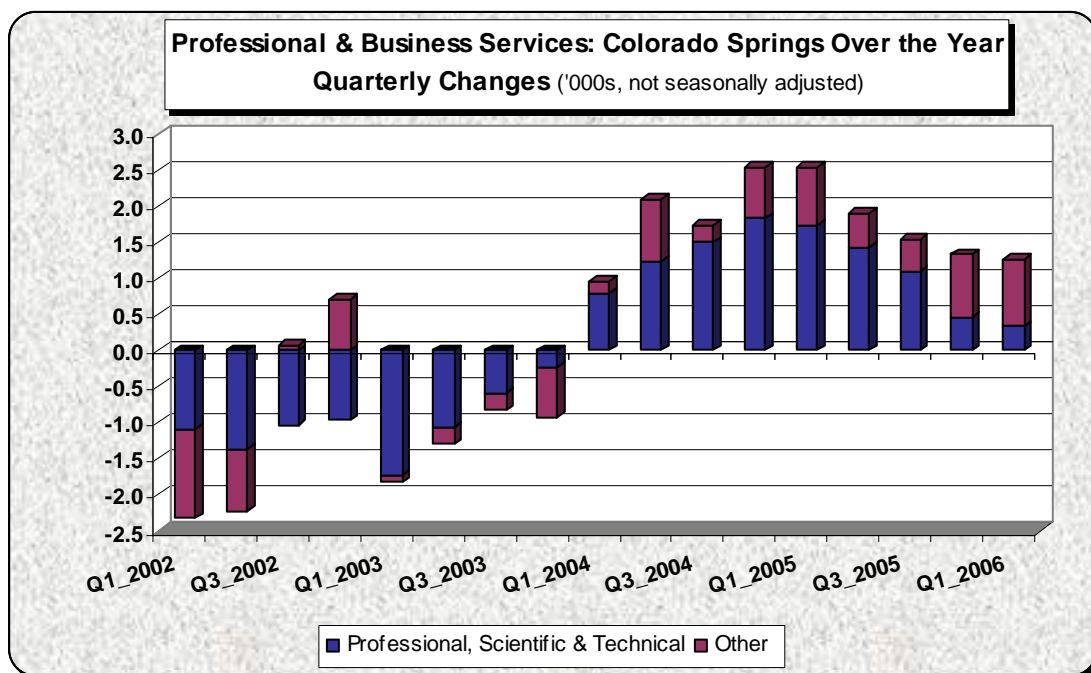
Information was unchanged in the 1st quarter, as was the telecommunications component. Industry employment is down 100 (1.1%) over the year, the smallest such contraction since 3rd quarter 2001. Telecommunications accounted for the entire loss with its 2.7% drop, its smallest pace since the annual contractions began in mid 2002. Information has been in a period of substantial declines, with average quarterly employment falling by 5,000 (35.5%) since the 1st quarter 2001 peak. The rate of contraction in annual average employment had oscillated, from 13.8% in 2003, to 5.7% in 2004, and back up to 9.0% in 2005. Telecommunications has seen consistently stronger declines, having lost 15.0% in 2003, a further 11.8% in 2004, and 17.8% in 2005.

FINANCIAL ACTIVITIES: UNCHANGED



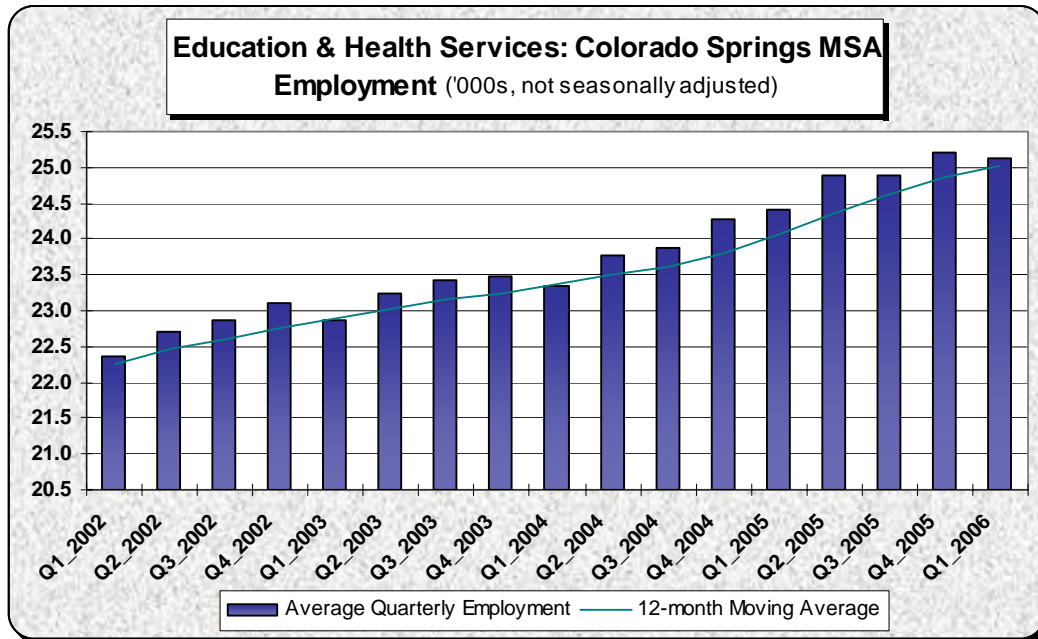
Due to weakness in finance & insurance, financial activities missed expectations and remained unchanged in the 1st quarter. This is only the second time in the last eight quarters that this supersector has not enjoyed a job gain. Mirroring last quarter, six hundred new hires have been added to financial activities payrolls over the year, for growth of 3.4%. The major finance & insurance sector donated half of these gains with a 2.3% increase, less than proportionally expected due to this quarter's weakness. Annual average employment in this industry ran counter to total MSA trend during the recession, gaining 4.4% and 3.0% in 2002 and 2003, while total nonfarm employment contracted by 1.7% and 1.4%. Financial activities stagnated in 2004 with growth of 0.6%, and rebounded to increase by 4.6% in 2005, more than two times the analogous pace for total nonfarm. These rates have converged this year, with annualized growth of 2.1% in the MSA and 2.2% in the supersector.

PROFESSIONAL AND BUSINESS SERVICES: -300 (0.8%)



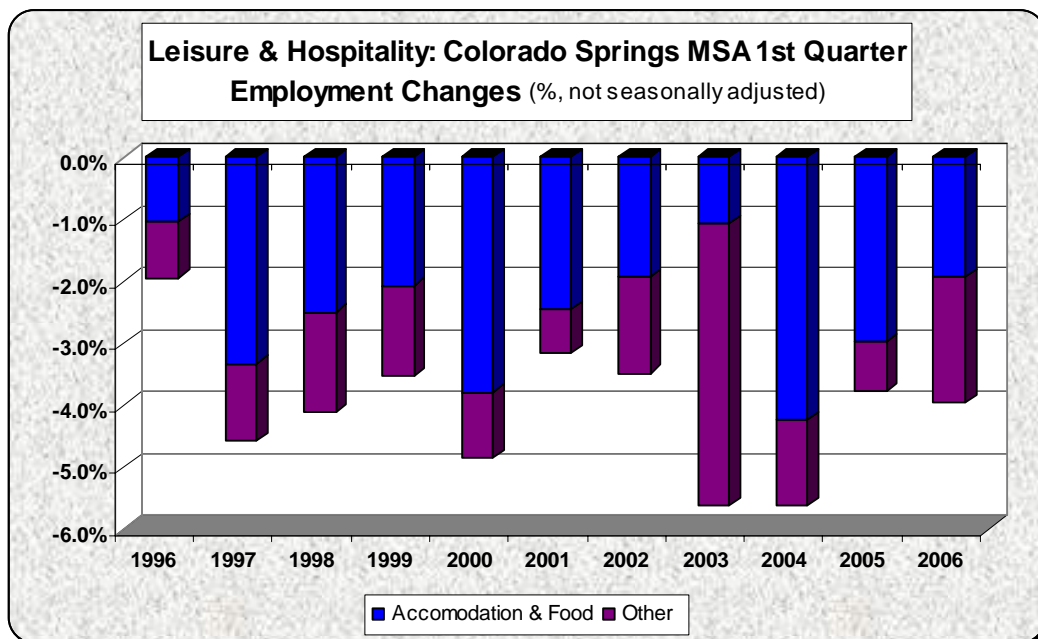
Professional & business services lost 300 jobs in the 1st quarter. This is only one-half of the expected decline, and follows a small uptick in the 4th quarter. The professional, scientific & technical services component bucked the industry and added 200 (1.0%) this quarter. Annual growth of 3.6% (1,300 new hires) matches that seen last quarter, after averaging 6.0% over the prior six quarters. Professional, scientific & technical services increased by 300 (1.5%), less than half of the proportionally expected increase. This component has seen its strength wane, as its annual growth rate has steadily declined from a high of 10.5% in 4th quarter 2004. Professional & business services suffered substantial losses during the recession, with average annual employment contracting by 12.9% over the three years from the mid 2000 peak. Since the trough, the industry has gained 11.9%, leaving employment 2.6% below its prior peak. Professional, scientific & technical services declined by 16.7% over the same recessionary period, and has added a strong 15.4% in the recovery to leave the component 3.9% below its peak.

EDUCATION AND HEALTH SERVICES: -100 (0.4%)



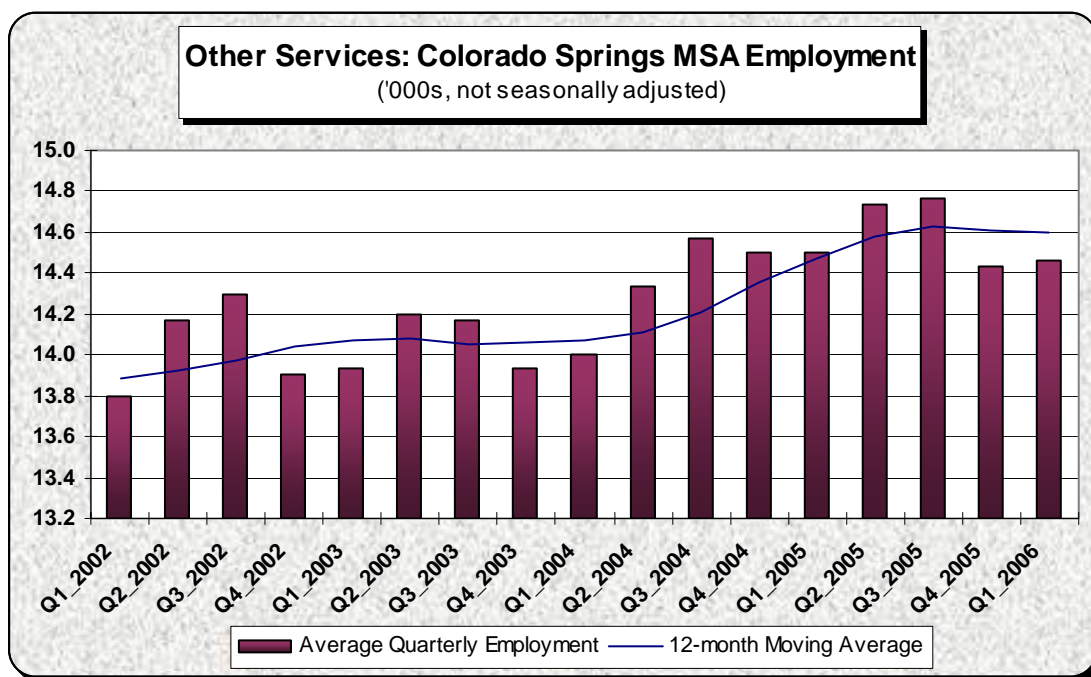
Due to a sizeable drop in January, education & health services declined by 100 in the 1st quarter. Although this is in line with the 10-year average 1st quarter change, it is the first loss in this industry since March 2004. Seven hundred positions have been added over the year, for growth of 2.9%. This is the slowest expansion since 3rd quarter 2004, and is 34% lower than the previous four-quarter trend. The industry experienced robust growth of 4.7% in 2001 and 3.2% in 2002. Although the supersector never underwent a recession, the rate of expansion slowed to 2.2% in both 2003 and 2004. This pace picked up drastically in 2005, more than doubling to 4.6%. This equates to 275 jobs per quarter, surpassing the rate seen during the previous employment boom of the early 2000s.

LEISURE AND HOSPITALITY: -1,200 (4.1%)



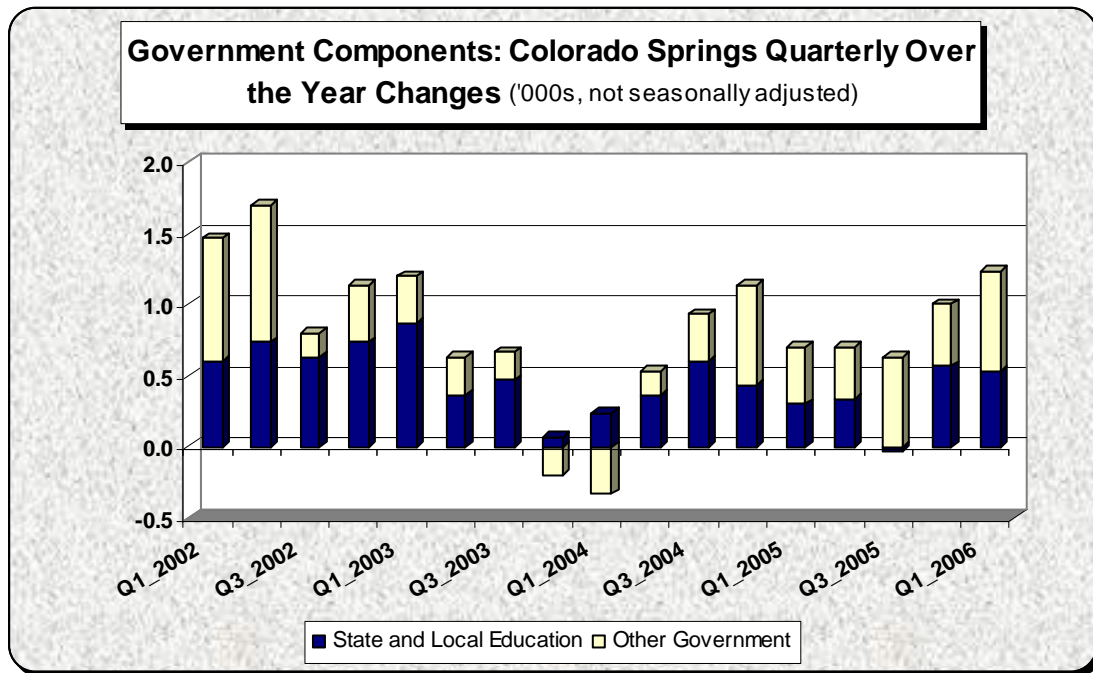
Leisure & hospitality lost 1,200 in the last three months, with a disproportionately small 600 (2.4%) decline in accommodation & food services. This average drop follows a relatively weak contraction in the 4th quarter, leaving average employment at its highest 1st quarter level on record. For the second consecutive quarter, there are 300 (1.1%) more leisure & hospitality jobs than at this time last year. The accommodation & food services component was responsible for the entire gain with a 700 (2.9%) advance, its fastest growth rate since June 2004. The 12-month average employment in this industry stagnated from 2001 through 2003, with zero net growth in the supersector and a 5.1% expansion in the accommodation & food services sector. In 2004, growth rebounded to 1.7% in the supersector and 1.6% in the component. Industry expansion declined slightly to 1.4% in 2005, while the subsector contributed only half of the gains by adding 0.8%. Annualized growth so far this year in the component has overtaken that in the supersector, with relative rates of 3.2% and 1.3%.

OTHER SERVICES: +100 (0.7%)



This small supersector inched up 100 in the 1st quarter, following the largest decline in more than three years last quarter. Due largely to this weakness, employment is unchanged over the year, well below the prior four-quarter trend. Annual growth has been steadily decreasing since hitting 4.3% last December, even dipping in to negative territory last quarter. After enjoying relatively robust average growth of 6.1% in 2000 and 2001, the expansion in annualized employment dropped back to 1.1% per year in 2002 and 2003. This rate popped up to 2.1% in 2004, but fell back to 1.4% in 2005, and has been flat in 2006.

GOVERNMENT: -100 (0.2%)



Government declined by a seasonally anticipated 100 in the 1st quarter. For the second consecutive quarter, employment at the Federal level was unchanged. A gain of 200 (0.7%) in local government, with half of the increase coming from the educational component, was erased by a 300 (7.1%) decline at the State level, with all of these losses occurring in education. Employment is up 1,300 (3.0%) over the last twelve months, the strongest rate in more than three years. Growth of 3.8% (400 positions) in Federal employment outpaced the industry, while State and local government lagged with relative expansions of 100 (2.6%) and 800 (2.8%). A combined 600 new hires came from the educational components at the State and local levels.

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