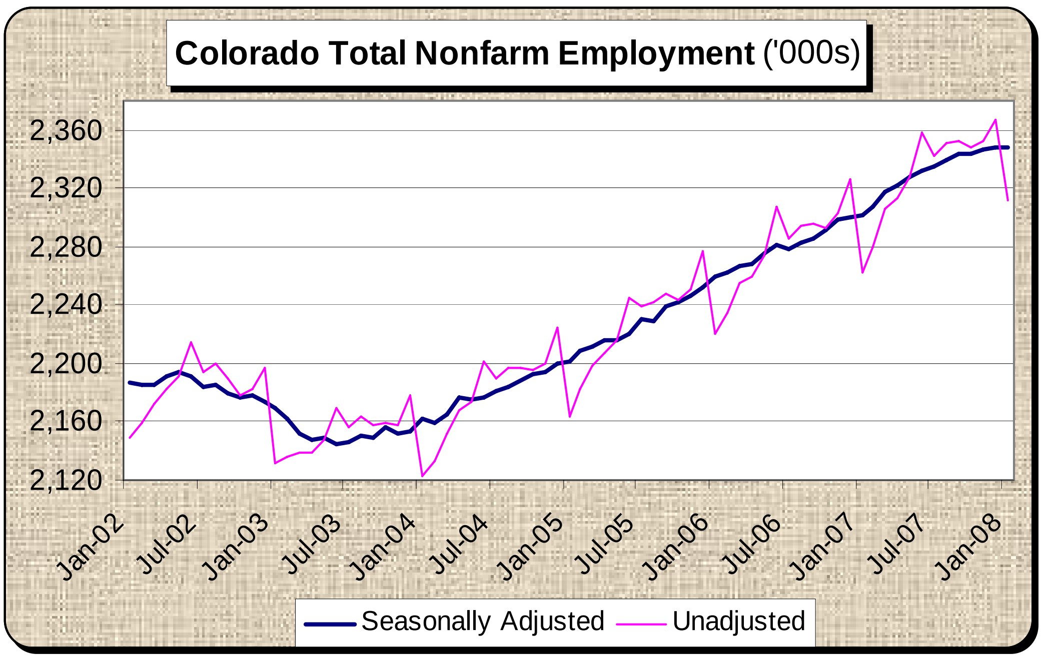
CES Written Comments for Colorado, January 2008

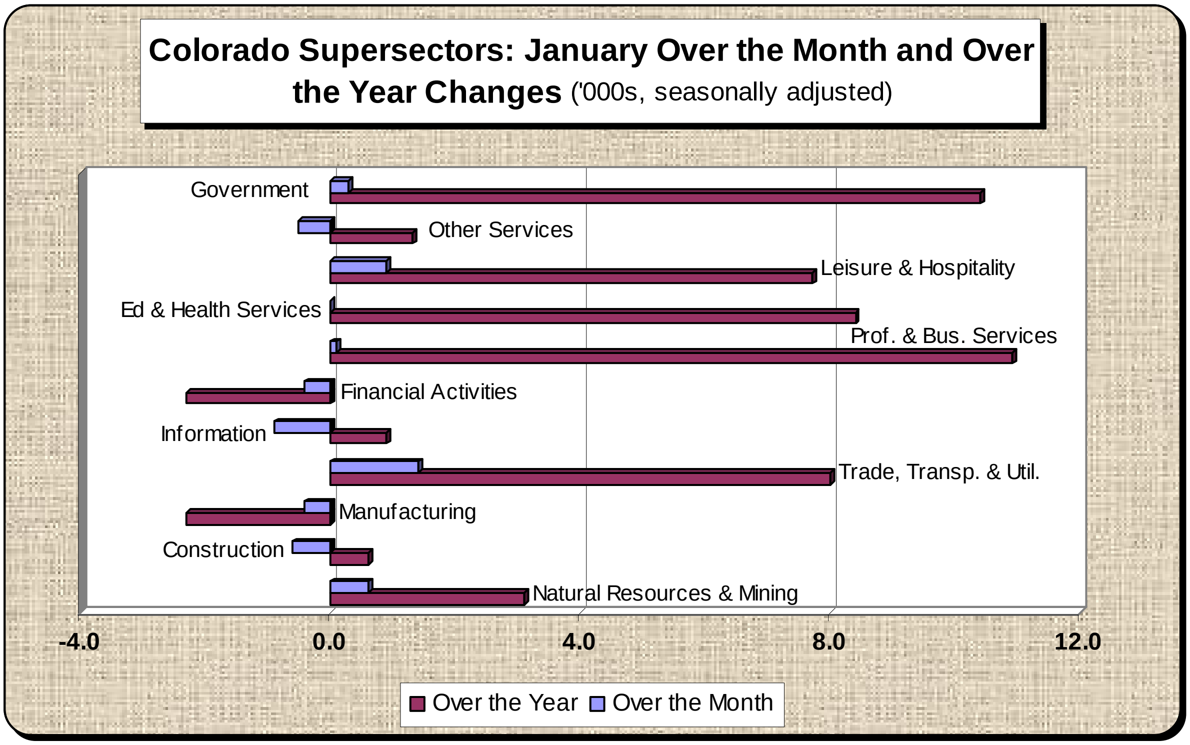
Colorado Preliminary Estimates By: Chris Akers

Total Nonfarm Wage and Salary Employment: + 500 (0.0%)
Seasonally adjusted

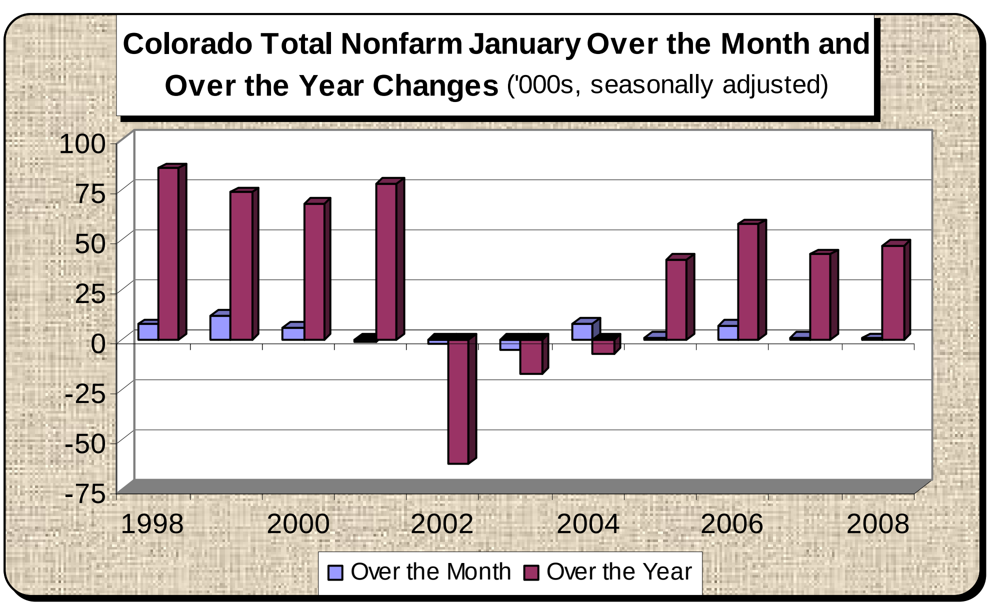
Newly revised, benchmarked data for the end of 2006 and all of 2007 were released concurrently with the January preliminary estimates. Total nonfarm estimates for 2007 were upwardly revised about 0.3%, resulting in annual average payroll employment of 2,330,200 in 2007. This was 51,100, or 2.2%, higher than the previous year.



Total nonfarm employment in Colorado inched up a seasonally adjusted 500 in January, pushing payrolls to a new record level of 2,348,400. Five supersectors contributed positions to this expansion, five experienced contracting employment, and education & health services remained unchanged. Trade, transportation & utilities (TTU) and leisure & hospitality enjoyed the most job growth, increasing by 1,400 and 900, respectively. Natural resources & mining followed with 600 new hires, government employment rose 300, and professional & business services edged up 100. Information experienced the largest decline of all industries, with its payrolls falling 900. Cold weather during the reference week in the Front Range exacerbated construction's seasonal decline and led to the loss of 600 positions. Other services pared 500 jobs, while both manufacturing and financial activities trimmed 400 positions.

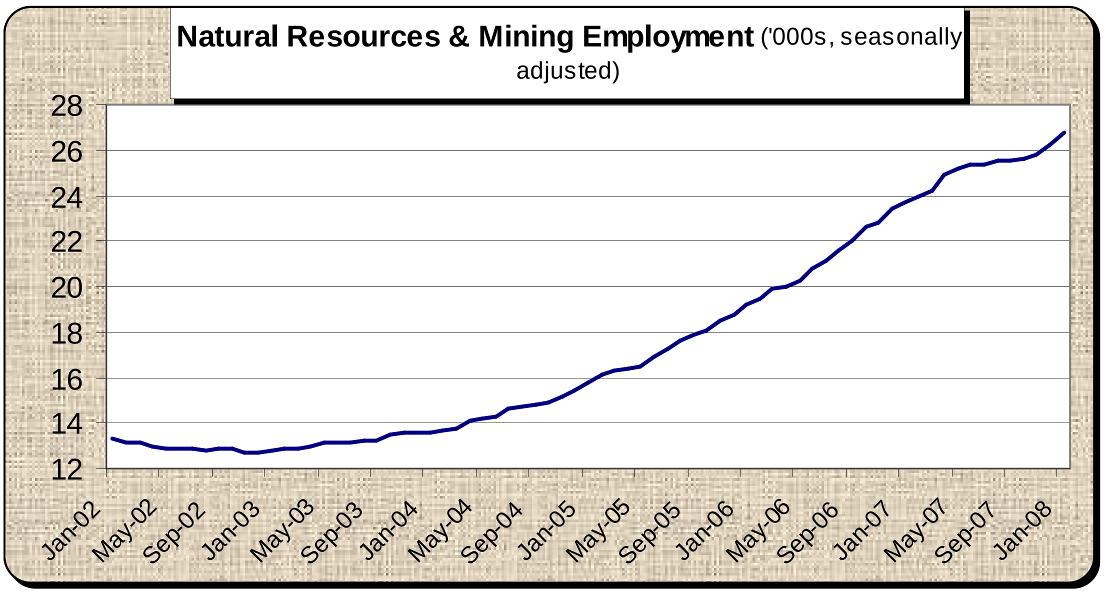


Over the year, 46,700 workers have been added to nonfarm payrolls, for growth of 2.0%. Nine growing industries combined to add 51,300 jobs, while the two contracting industries eliminated 4,600 positions. Professional & business services contributed 10,900 new workers to the expansion; government employment grew 10,400; education & health services along with TTU donated 8,400 and 8,000 employees, respectively. With 3,100 new hires, natural resources & mining's 13.1% annual growth rate was more than three and one half times greater than that of education & health services, the next fastest expanding industry. Leisure & hospitality saw payroll growth of 7,700 since last January and other services grew by 1,300. Information gained 900 positions and construction inched up 600 over the year. Manufacturing payrolls retreated 2,300 during the last twelve months and financial activities also saw a 2,300 decline. The credit crunch and subprime fallout have taken a heavy toll on financial activities employment. This industry now has the fastest rate of decline of the eleven major industries.



Natural Resources & Mining: + 600 (2.3%)

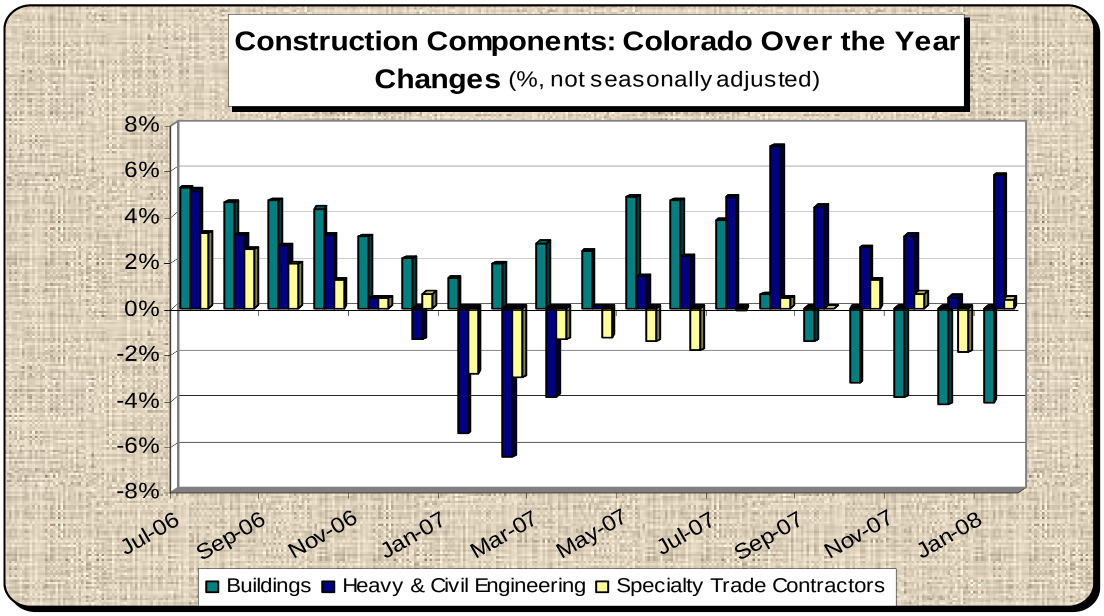
With the addition of 600 jobs in January, it has now been more than five years since this industry has experienced an over the month employment decline. This increase is one-third greater than the prior twelve-month trend and the average over the past sixty-two months. Thanks to a vibrant energy market creating a frenzied pace of drilling throughout the State, there are 3,100 more people working in this industry than one year ago. This 13.1% over the year expansion is the most rapid of the supersectors, but it is considerably slower than the 2007 annual average growth of 19.4%. This is partially due to the growth over the past five years that has caused the employment base to grow. For each of the past thirty months, natural resources & mining payrolls have advanced to or matched a new seasonally adjusted max, and total employment of 26,300 is 51 percent above the previous 1990 max. However, industry employment remains well below the 43,400 unadjusted SIC employment peak in 1981.



Construction: - 600 (0.4%)

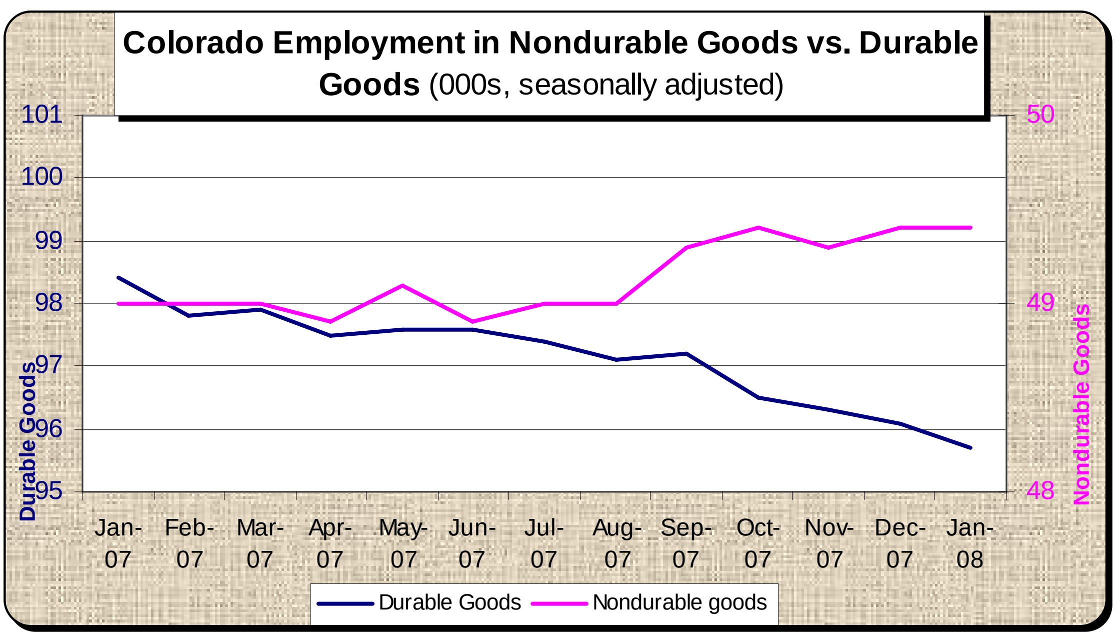
Construction employment failed to expand for the seventh consecutive month, falling 600 in January. However, this decline was considerably smaller than last year when the weakness in construction was exacerbated by two blizzards and snow covered ground hindered construction. On an unadjusted basis, construction of buildings pared 1,300 jobs and heavy & civil engineering shed 1,500. Specialty trade contractors experienced a larger than normal January decrease, paring 4,900 positions.

Construction swung back to positive year over year growth with 600 more people on the industry payrolls than in last January. However this shift is likely attributable to the large seasonally adjusted drop experienced last January due to the inclement weather rather than to an improvement in the employment situation in this supersector. Heavy & civil engineering has been a bright light in gloomy times for construction and there are now an unadjusted 1,100 more people working in this sector than one year ago. Much of this growth is attributable to pipeline construction having occurred in the north east portion of the state. Similarly, specialty trade contractor payrolls have been buoyed by non-residential construction and the sector has consequently posted an over the year after expansion of 400 jobs, or 0.8%. Construction of buildings negated most of these gains by paring 1,300 (4.1%) positions in the past twelve months. According to a January Census Bureau report, the number of new construction building permits in the State has declined by 22% since January 2007 and nearly 50% since January 2006.



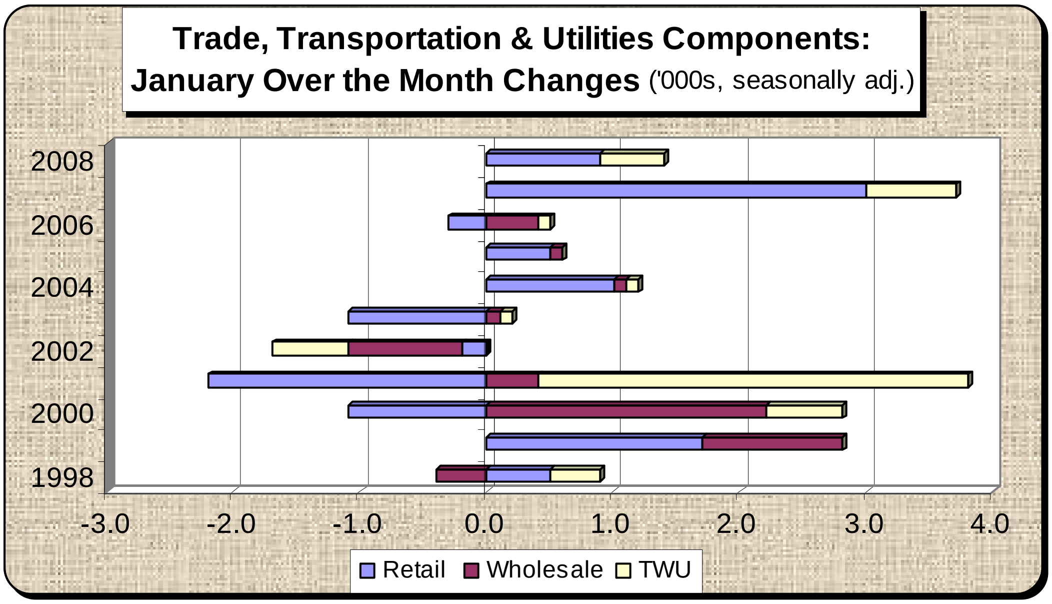
Manufacturing: - 400 (0.3%)

Manufacturing payrolls fell for the fourth consecutive month, declining by 400 in January. Durable goods, hampered by continued weakness in computer & electronic product manufacturing, accounted for the entire over the month loss as nondurables remained unchanged. This month's contraction in manufacturing payrolls was about double the average over the prior year; since last January this industry has pared 2,300 positions. This 1.6% contraction matches the biggest year over year decline in the past five months, but it is a moderate improvement over the previous twelve-month trend. Durable goods shed 2,700 (2.7%) positions, due largely to unadjusted declines of 1,900 (7.1%) workers in computer & electronic product and 500 (4.9%) in transportation equipment manufacturing. Payrolls in non-durable goods have grown 400 since last January, and this 0.8% increase matches the rate recorded last month as the sector's fastest increase in nearly nine years. A large meat processor recently added a second shift, providing the impetus for nondurable goods' year over year growth.



Trade, Transportation, & Utilities (TTU): + 1,400 (0.3%)

TTU experienced the largest employment change of the eleven supersectors by adding 1,400 in January. Retail trade added 900 positions as retailers likely boosted staffing levels for January white sales, merchandise returns, and redemptions of the record $26 billion in gift cards sold during the holidays. Transportation, warehousing & utilities was responsible for the remaining 500 new hires, while wholesale trade was unchanged over the month. On an unadjusted basis, both retail trade and transportation, warehousing & utilities experienced their smallest January declines in the past ten years.

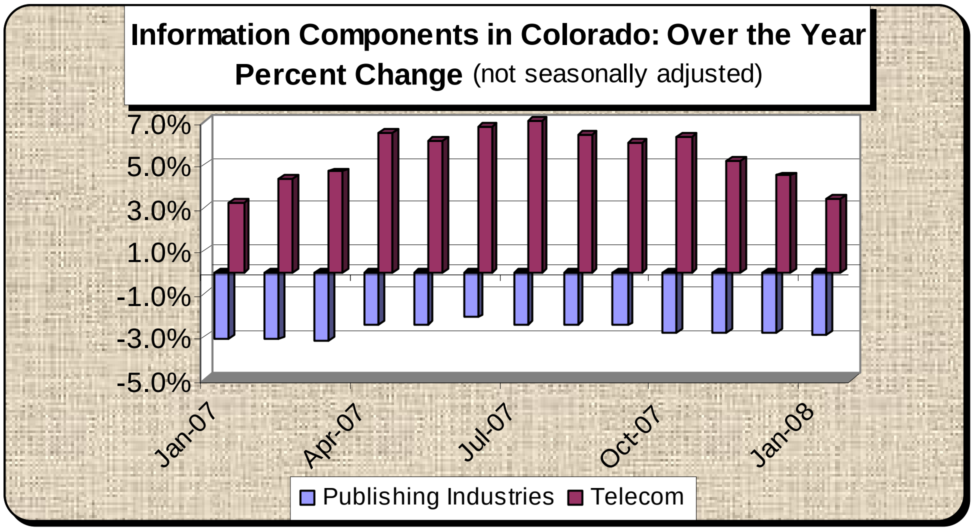


Since last January, TTU payrolls have risen 8,000 for a 1.9% expansion. This marks the first time in one year that industry's twelve month growth rate fell below 2.0%, and it is about a quarter slower than the prior year growth trend. Wholesale trade grew in tandem with the supersector and created 1,900 positions over the year. Most of this growth occurred in the smaller electronic markets wholesalers as nondurable and durable goods wholesalers saw unadjusted growth of 700 and 300, respectively. Transportation, warehousing & utilities experienced the most rapid advance of the TTU components, but its 2.1% (1,600 jobs) increase marks the slowest year over year expansion in eight months. Similarly, retail trade's 1.8% payroll increase represents the slowest twelve-month rate of growth in nine months. Of the 4,500 positions this component gained over the year, roughly 30% of them came from food & beverage stores.

Information: - 900 (1.2%)

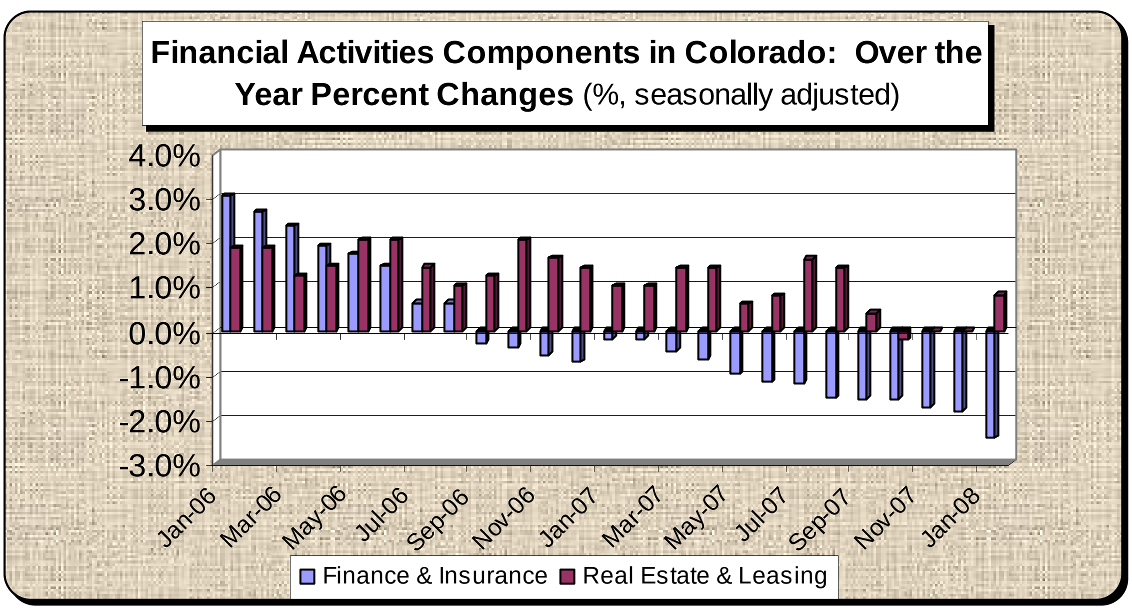
Information pared 900 jobs in January to record its most substantial over the month decline in five years. On an unadjusted basis, both telecommunications and publishing industries shed 300 positions and other components that are not directly estimated lost 1,000. Despite this monthly contraction, information has 900 more people working in the industry than at this time last year. This 1.1% expansion is in line with the prior year trend, but it is considerably slower than the year over year growth rate posted over the past seven months. Telecom was the driving force behind the over the year growth in this industry with an unadjusted 1,000 (3.4%) more positions than last January. Publishing industries partially offset the gains in telecom by paring 700 jobs in the past twelve months.

The composition of information's workforce has changed again of late. Due to increased automation in publishing industries and the rebound in telecom payrolls, there are now 2,800 more people working in telecom than in publishing industries. On annual average in 2006, there were 300 more people employed in publishing industries than in telecom.



Financial Activities: - 400 (0.3%)

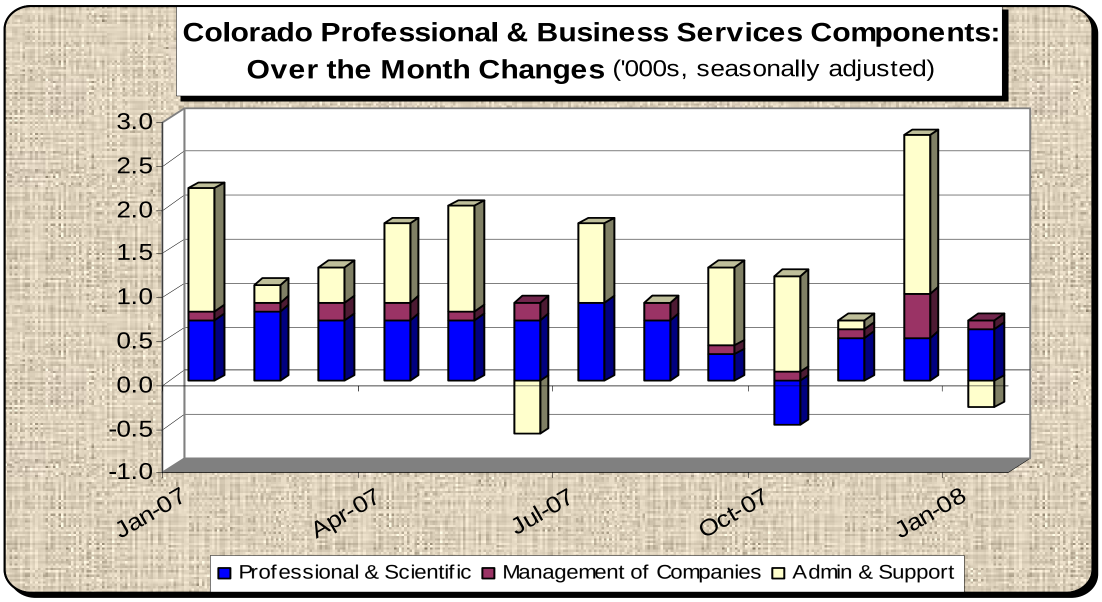
Financial activities payrolls trended down for the eleventh consecutive month, losing 400 in January. Finance & insurance, which has pared workers for twelve straight months, shed 600 jobs to suffer its largest monthly decline in nearly nine years. Real estate, rental & leasing has proven resilient in the wake of the housing downturn and it added 200 positions this month.



Troubles in the sub-prime lending market and the subsequent credit crunch are now being reflected in financial activities' employment as there are now only 2,300 fewer people working in this industry than one year ago. The rate of twelve-month contraction in this industry has become successively faster in each month since July 2007 and the 1.4% year over year decline in January was the most rapid since April 2000. Finance & insurance bears responsibility for this decline, as its payrolls have fallen 2,700 (2.4%) since last January. Credit intermediation has born the brunt of the sector's decrease, losing an unadjusted 2,600 positions in the past twelve months. Similarly, insurance carriers & related have pared 1,000 jobs; however, 900 new hires in securities, commodities & related activities partially negated this weakness. The 400 position increase in real estate, rental & leasing came entirely from real estate, and this 0.8% growth mirrors the prior year average.

Professional & Business Services: + 100 (0.0%)

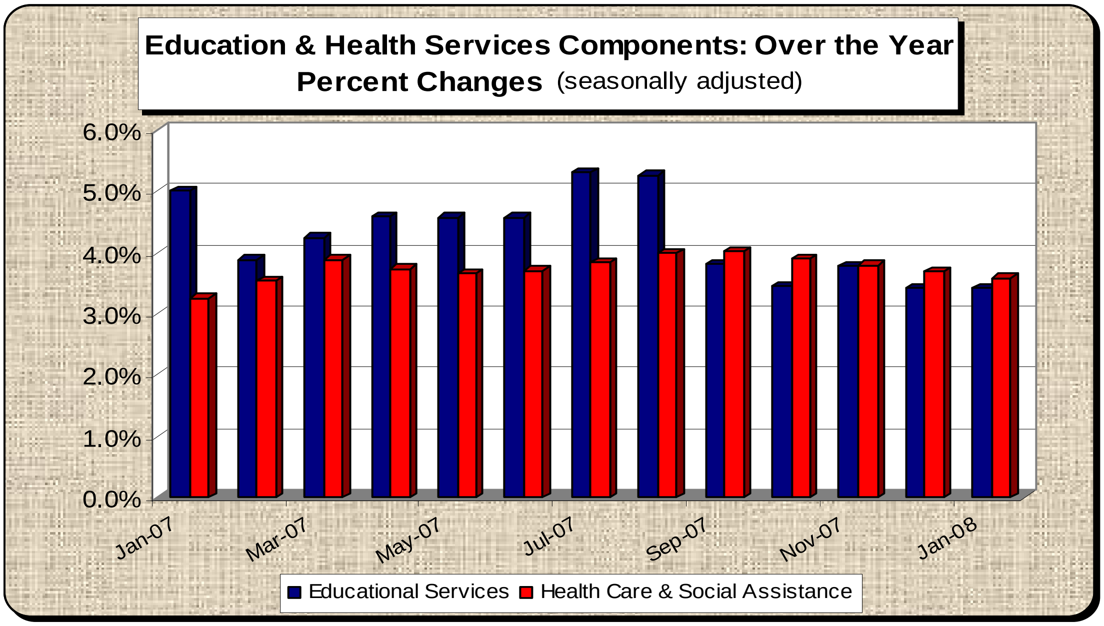
Employment in professional & business services was little changed in January. Professional, scientific & technical services gained 600 workers and management of companies trended up a seasonally 200 positions. The catchall administrative, support, waste management & remediation sector pared 700 jobs as both services to buildings & dwellings and employment services experienced unadjusted declines that were larger than the previous year.



Since last January, employment in professional & business services has grown by 10,900. This 3.2% growth is the slowest in nearly four years and it is only about two-thirds of the prior year trend. Professional, scientific & technical services saw payroll growth of 6,600 over the past twelve months and this 4.0% expansion is the fastest of the component sectors. Employment in management of companies inched up 800 in the past year, marking the first time in twenty-six months it added fewer than 1,000 positions in a twelve-month period. The catchall administrative sector experienced payroll growth of only 3,500 (2.4%) in the last year. However, this growth was diminished due to the inflated employment level last January resulting from the large snow removal operations occurring along most of the Front Range. On an unadjusted basis, services to buildings & dwellings and employment services, two component industries involved with snow removal, had a gain of 1,500 and a 700 loss, respectively, over the year.

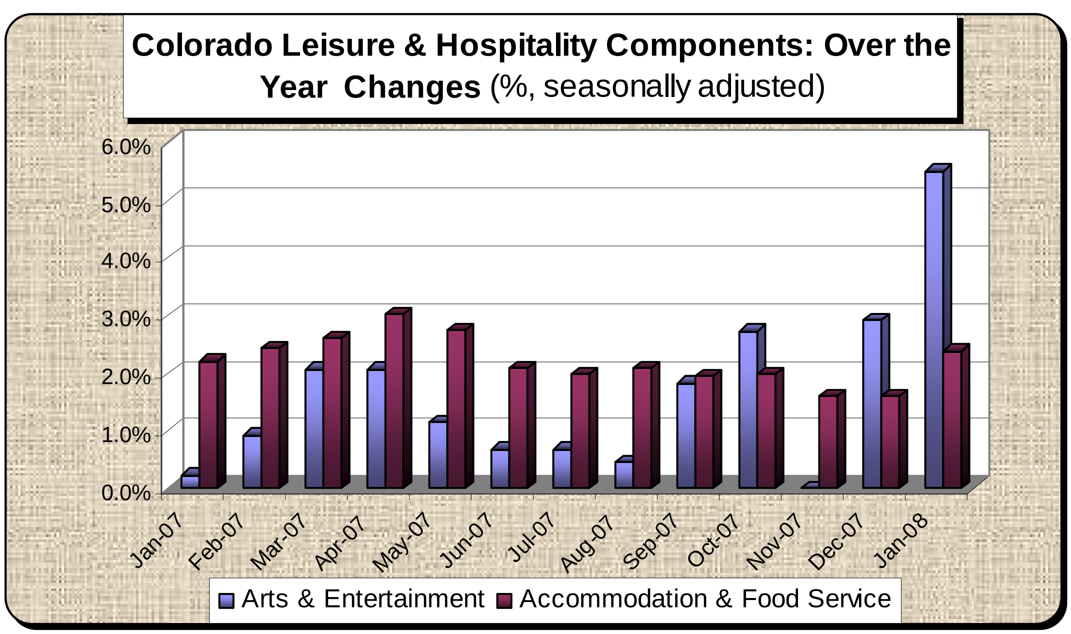
Education & Health Services: Unchanged

Payrolls in education & health services showed no change from their December level as a small increase in educational services was offset by a loss in health care & social assistance. There are now 8,400 more people employed in education & health services than at this time last year; however, this 3.6% twelve-month growth rate is the slowest in eleven months. Health care & social assistance, which accounts for seven out of eight industry jobs, grew at the same pace as the supersector and created 7,400 positions. Ambulatory care accounted for an unadjusted 3,000 of these workers while social assistance and hospitals each had 2,200 new hires. Educational services gained 1,000 jobs over the year for a 3.4% advance.



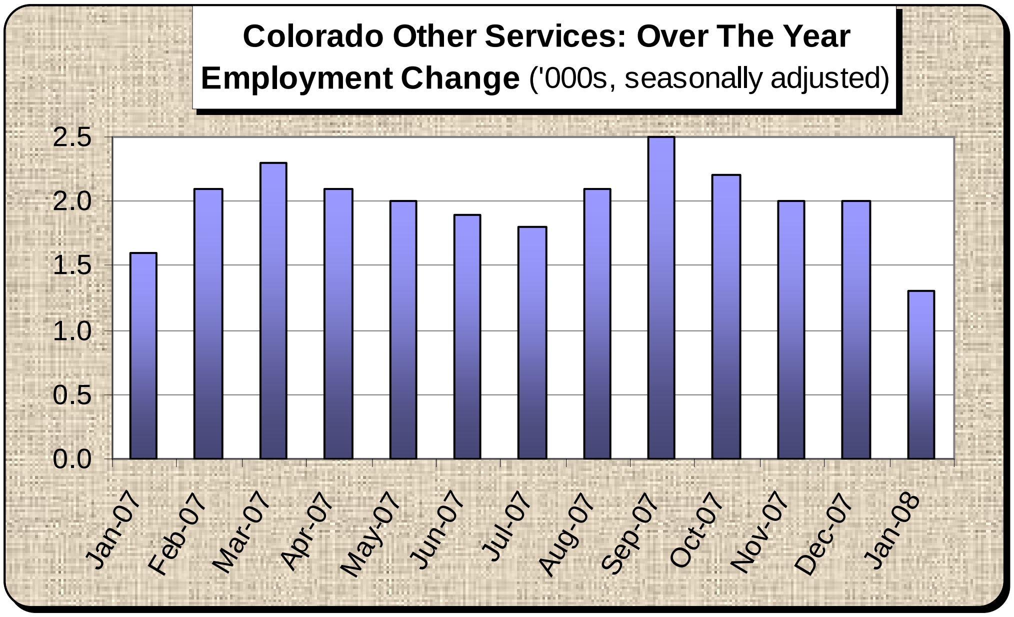
Leisure & Hospitality: + 900 (0.3%)

Leisure & hospitality enjoyed the second largest advance of the state's supersectors with 900 new hires in January. With ski season in full swing, arts, entertainment & recreation added 200 employees this month. Accommodation & food services matched its largest over the month increase in fourteen months with the addition of 700 new jobs this month. In the last twelve months, leisure & hospitality payrolls have grown by 7,700. This 2.9% expansion is nearly one percentage point faster than the prior year average, and it matches the industry's fastest advance in eight months. Growth of 5.5% (2,400 positions) in arts, entertainment & recreation was the catalyst for the healthy increase and was more than four times greater than the twelve-month trend. With 5,300 new hires, the 2.4% expansion in accommodation & food services was marginally faster than the average in 2007. On an unadjusted basis, the growth rates of accommodation and food services & drinking places were similar. Limited services eating places gained an unadjusted 3,300 jobs, growth of 4.9%, while full service restaurants created 1,700 positions, a 1.8% over the year increase.



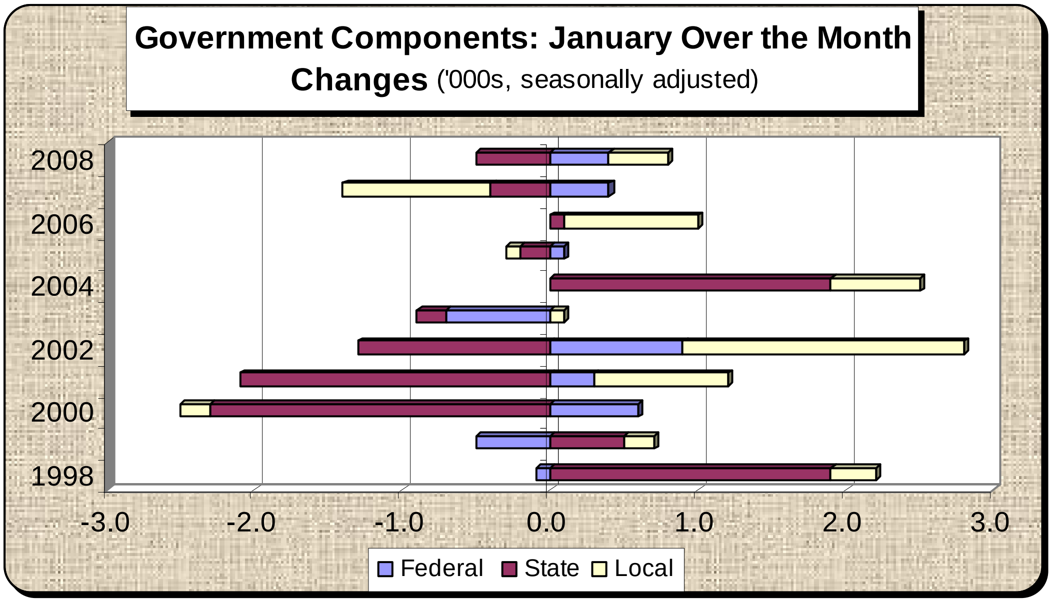
Other Services: - 500 (0.5%)

Other services matched its largest payroll decline in three years by paring 500 in January. Repair & maintenance and personal & laundry services both experienced typical unadjusted payroll declines of 100 and 400, respectively, while the catchall religious, grant making, civic, professional & similar organizations sector gained a smaller than usual 300 positions. Since last January, other services has added 1,300 (1.4%) new employees, but this is the smallest twelve-month advance in one year. The catchall organizations sector added an unadjusted 700 positions and this 1.5% over the year expansion is only about half of the prior year trend. Personal & laundry services and repair & maintenance both have 500 more employees than last January.



Government: + 300 (0.1%)

Government employment edged up 300 in January. The Federal government accounted for most of this advance as it trended up 400 jobs. Similarly, local government employment grew by 400; however, a 500 position loss in State government partially offset these gains. State and local education both had normal unadjusted seasonal declines of 9,700 and 1,100, respectively. Over the year, government employment has grown by 10,400 (2.4%). This represents the largest twelve-month increase since late 2002 and it makes this industry the second largest contributor to the state's annual growth. Local government continues to be the driving force behind the public sector expansion. This sector grew by 6,900 over the past twelve months, a 2.9% increase. State government's advance was more rapid at 4.0% and it contributed 3,300 positions to the industry's year over year advance. The Federal government saw its payrolls eke out growth of 200 since last January. On an unadjusted basis, State education recorded its largest twelve-month gain in nearly four years by adding 2,900 (6.3%) educators and local education posted its largest advance in more than five years with the addition of 5,100 (4.2%) jobs.



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