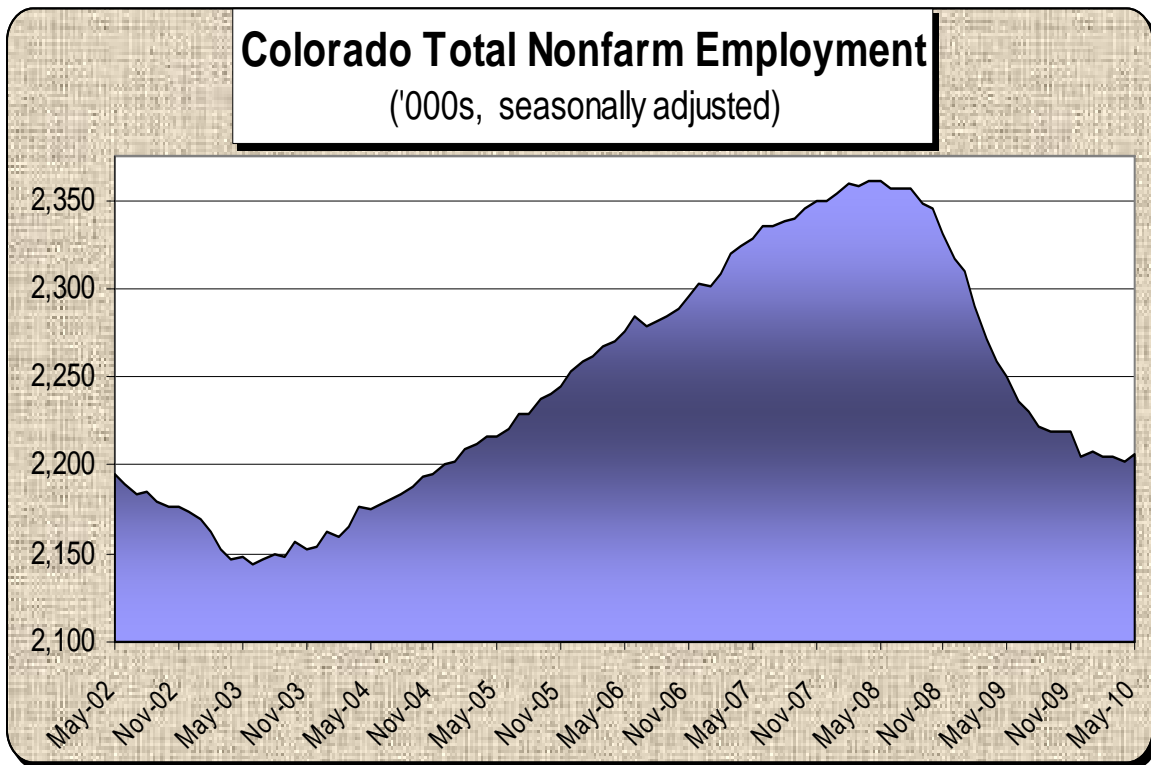


## Colorado Preliminary Estimates By: Chris Akers

**Total Nonfarm Wage and Salary Employment: + 4,900 (0.2%)**

Seasonally adjusted

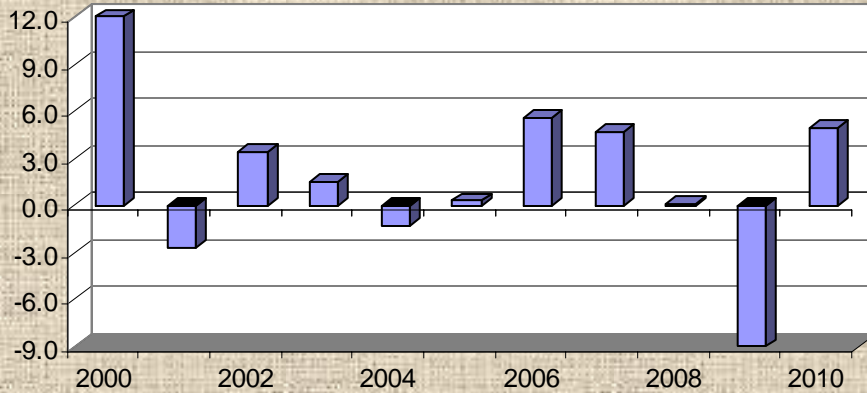


Colorado employers recouped most of the positions shed over the past three months with the addition of a seasonally adjusted 4,900 nonfarm positions in May. This month's gain matches January 2008 as the largest employment increase in the past two and a half years. However, this month's employment rise was driven almost entirely by the public sector as the government added 7,800 positions with most of them coming in the form of temporary Census positions. Aside from government, construction gained 1,500 jobs and other services grew by 800.

Payrolls in mining & logging and education & health services were essentially unchanged.

Employment changes in the remaining six supersectors were predominately negative. Trade, transportation & utilities pared 1,600 positions, financial activities lost 1,100 and information trimmed 1,000 in May. Leisure & hospitality trended down 700, manufacturing declined 500, and professional & business services edged down 300.

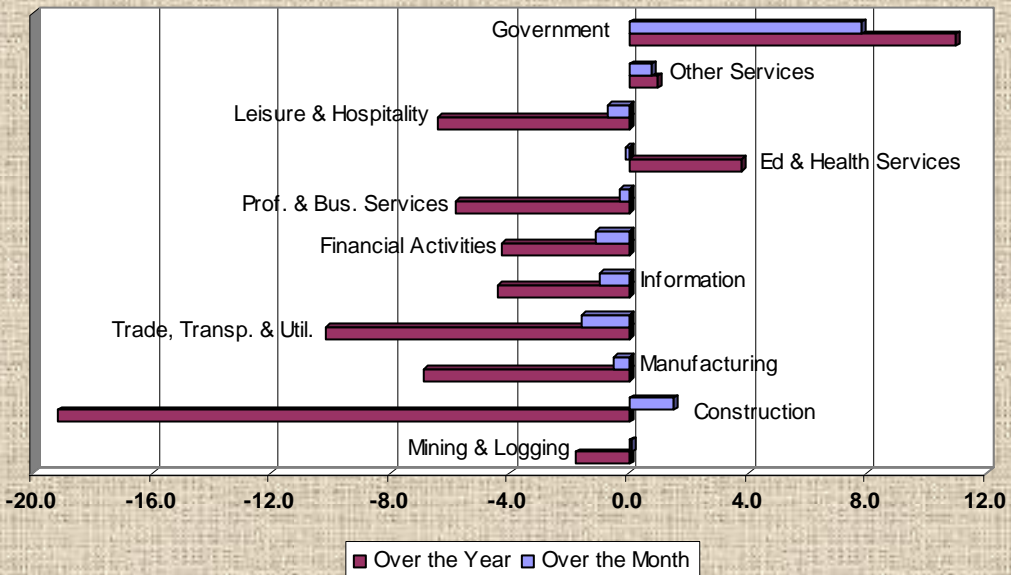
**Colorado Total Nonfarm May Over the Month Changes ('000s, seasonally adjusted)**



Since last May, wage and salary employment has declined 43,200, or 1.9%, marking the smallest twelve-month decline since December 2008. About 84% of the positions that have been shed over the past year have come from three industries; construction has fallen 19,200, TTU has declined 10,200, and manufacturing has dropped 6,900. Payrolls in leisure & hospitality have dropped 6,400 and professional & business services has declined 5,800. Both financial activities and information have seen employment retreat about 4,400 from one a year ago, and mining & logging has fallen 1,800.

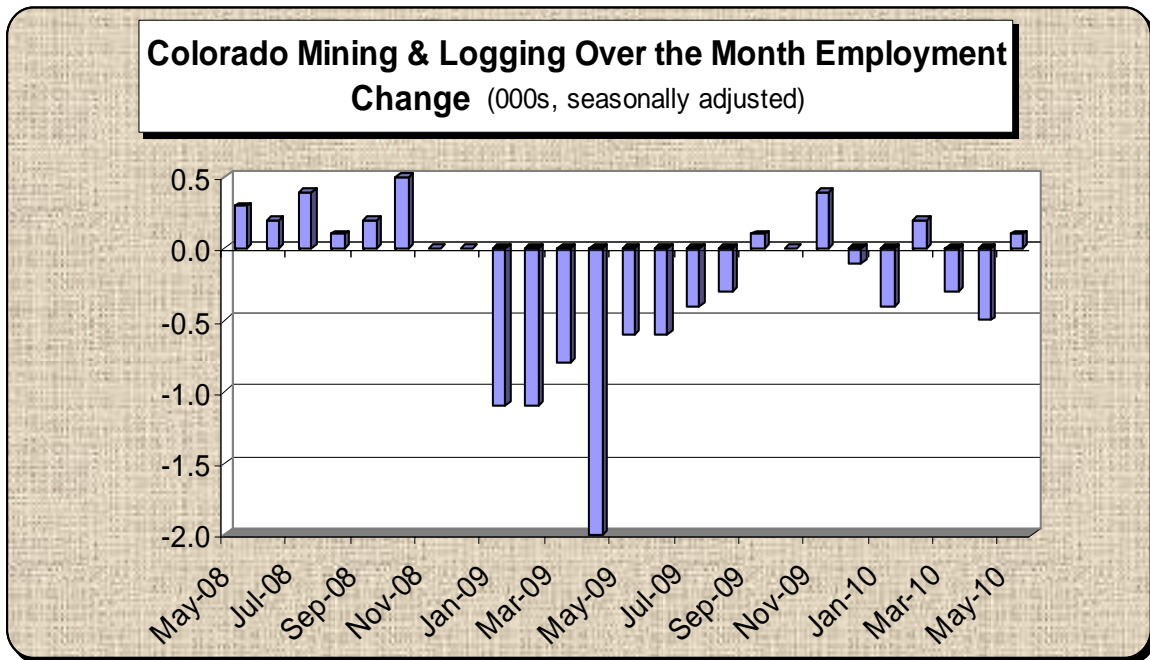
Three supersectors have experienced growth over the past year: education & health services, other services and government. Thanks to the large gain in temporary Census workers, public sector employment is now 11,000 higher than one year ago. Private education and health care have added a combined 3,800 workers, and other services has added 1,000

**Colorado Supersectors: May Over the Month and Over the Year Changes ('000s, seasonally adjusted)**



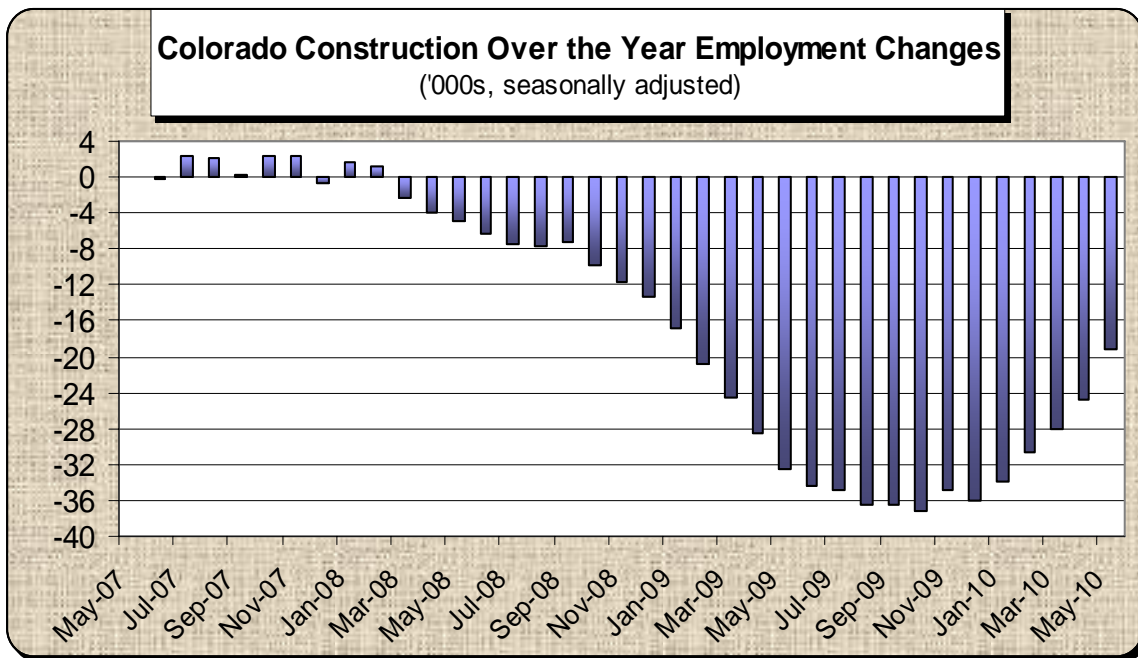
## Natural Resources & Mining: + 100 (0.5%)

Employment in natural resources & mining inched up 100 in May. This marks the second monthly gain in the past four months, but the losses have outweighed the advances and the industry is still trending down albeit at a much slower pace than one year ago. Over the past twelve months, payrolls in this industry have fallen by 1,800, a contraction of 7.5%. This compares favorably to the 18.7% average twelve-month rate of decline seen over the prior year. Natural resources & mining had enjoyed a strong expansion through the end of 2008, but employment declined rapidly over the first eight months of 2009, falling by 6,900. However, over the past nine months, employment has trended down at a much slower pace, dipping by a net of 500.



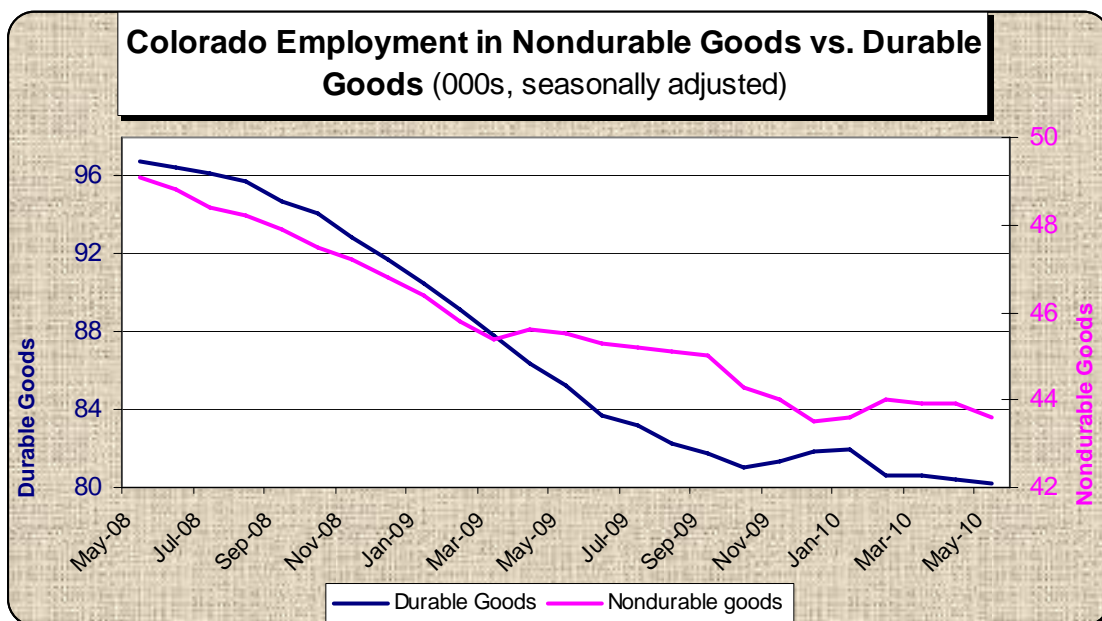
## Construction: + 1,500 (1.4%)

Construction payrolls experienced their largest increase since March 2007, rising by 1,500 in May. On an unadjusted basis, construction of buildings and heavy & civil engineering added 1,500 and 1,000 positions, respectively. Specialty trade contractors complimented these increases with a gain of 1,900. Since last May, construction payrolls have fallen 19,200. This 14.3% contraction is the slowest twelve-month rate of decline since February 2009, and it is only about two-thirds of the prior year trend. All three construction components have seen steep declines over the past year as the pace of building activity decelerated rapidly in 2009 and continued to trend down in early 2010. The construction of buildings component has shed an unadjusted 3,900 jobs (15.8%), while heavy & civil engineering has pared 4,900 (25.5%) over the past twelve months. Specialty trade contractors has lost workers at a slightly slower rate than the industry on the whole; there are now 11,900 (13.4%) fewer workers in this component than at one year ago.



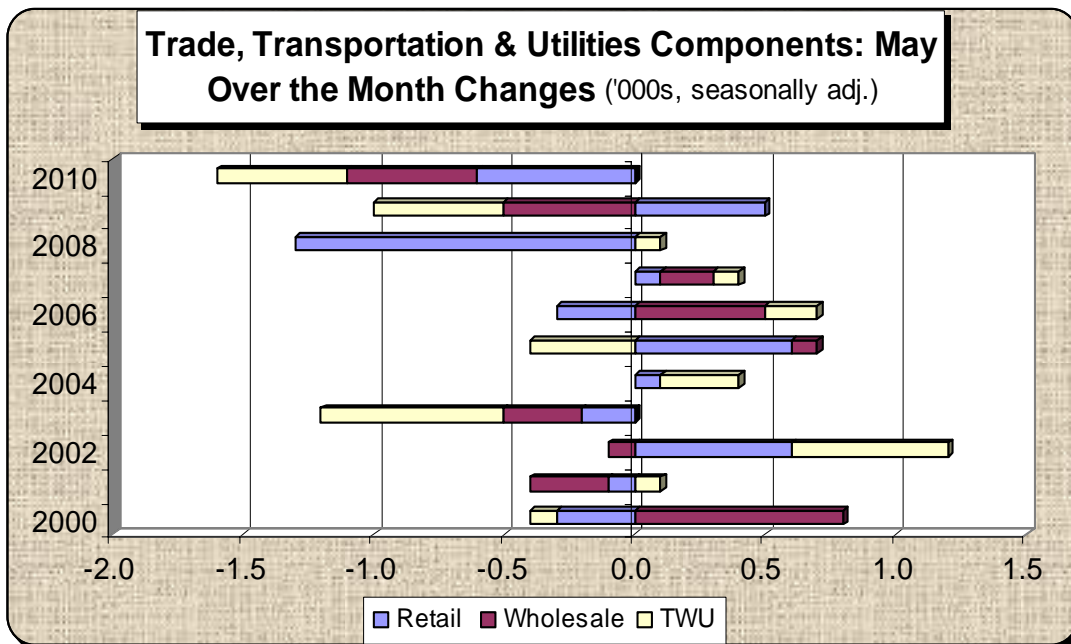
### Manufacturing: - 500 (0.4%)

Manufacturing payrolls fell for the fourth consecutive month, declining by 500 in May. Durable goods trended down 200 workers, while nondurable goods saw its employment fall by 300. Computer & electronic product manufacturers saw no change in its unadjusted employment, and both fabricated metal producers and transportation equipment fell 100 over the month. Over the past twelve months, manufacturing employment has fallen 6,900. This 5.3% contraction is the slowest since the end of 2008 and is only 55% of the prior year average. The majority of this loss has occurred in durable goods as this sector has pared 5,000 (5.9%) jobs since last May. Computer & electronic product manufacturers and fabricated metal producers have recorded unadjusted decreases of 1,900 apiece. Non-durable goods has eliminated 1,900 (4.2%) positions in the past year, with an unadjusted 200 coming from beverage manufacturing.



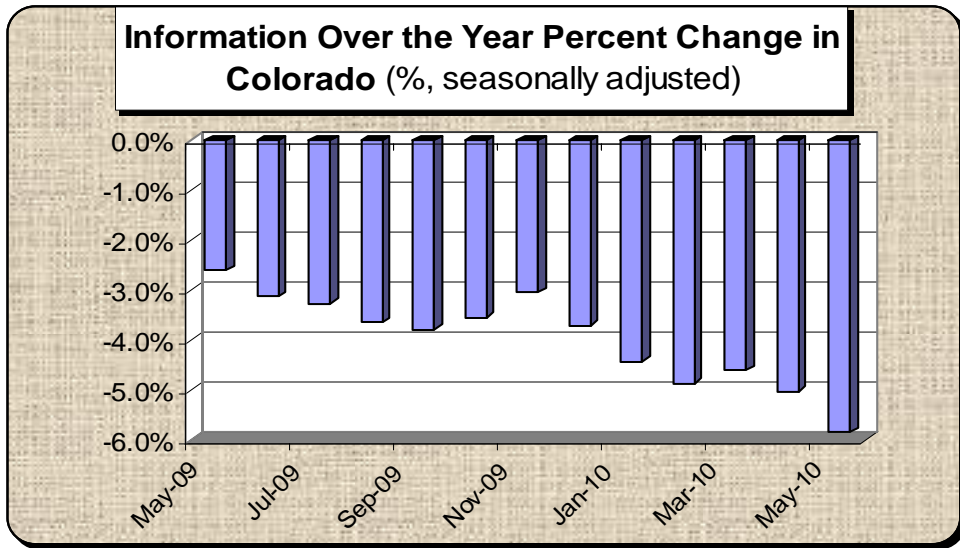
## Trade, Transportation, & Utilities (TTU): - 1,600 (0.4%)

With the loss of 1,600 in May, TTU has now shed jobs for three consecutive months. All three component sectors declined over the month, with retail trade falling 600 and a 500 drop in both wholesale trade and transportation, warehousing & utilities (TWU). Unadjusted data shows general merchandise stores realized a 500 position increase and food & beverage stores edged up 400, but these gains were smaller than normal for the month. There are now 10,200 fewer people working in TTU than at this time last year. This 2.5% over the year decline is only 46% of the previous twelve-month average. Retail trade appears to have gained 1,700 (0.7%) positions since last May; however, food & beverage stores unadjusted employment is unchanged over the year, while motor vehicle & parts dealers and general merchandise stores each employ about 1,000 fewer workers. TWU has posted the most rapid year over year decline of the sector industries, at 9.7% (7,000 jobs), with unadjusted decreases of 1,700 in truck transportation and 1,300 in air transportation. Wholesale trade has shed 4,900 (5.2%) positions over the past year, with the unadjusted rate of decline in non-durable goods wholesalers about 3 times that of durable goods wholesalers.



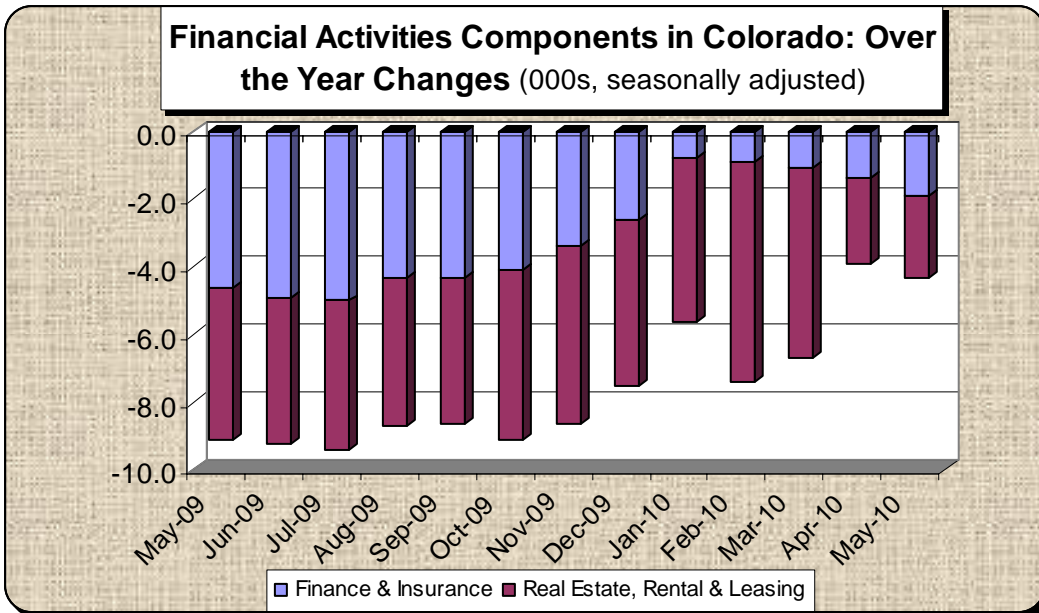
## Information: - 1,000 (1.4%)

Information employment fell by 1,000 in May. This month's decline and last month's 700 revised drop were computed without the data from largest telecommunications provider in the state; if this company had reported its employment data, this would have likely dampened the monthly declines in the past two months. Publishing industries posted an unadjusted loss of 300 jobs, while telecommunications edged down 200. Since this time last year, the number of people working in information has fallen by 4,400. This 5.9% contraction marks the fastest rate of decline seen in this industry since the first half of 2005. Publishing industries has been steadily declining for the past nine years; it now employs an unadjusted 1,900 fewer people than in last May. However, this 7.9% contraction is only 83% of the prior year trend and is the slowest since the end of 2008. Telecom, on the other hand, had posted year over year growth from the end of 2006 through the end of 2009, but there are now 2,100 (6.5%) fewer workers on telecom payrolls than there were one year ago.



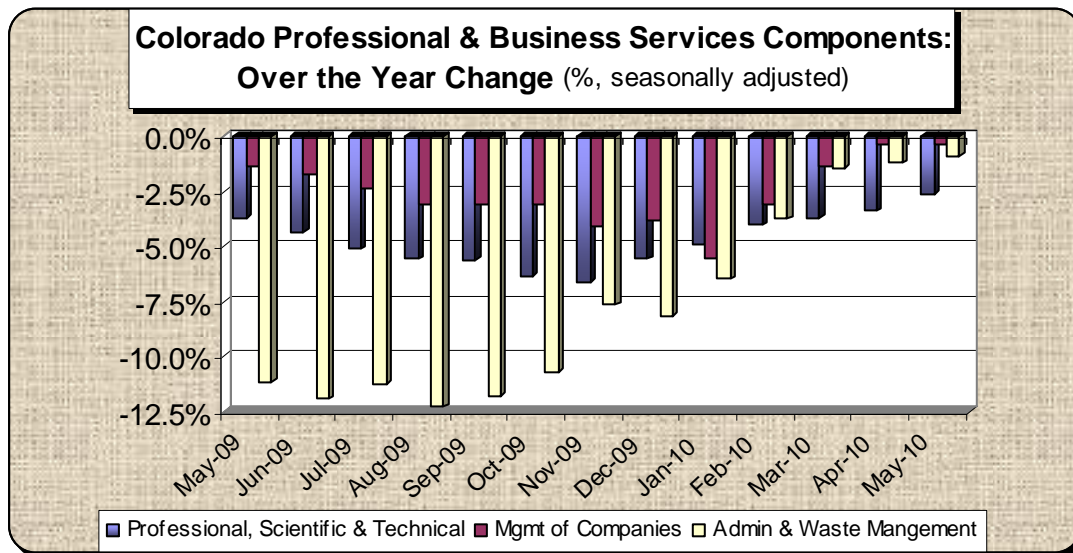
**Financial Activities: - 1,100 (0.8%)**

Payrolls in financial activities retreated by 1,100 in May. The finance & insurance component bears responsibility for much of this drop as its employment fell 900 over the month. The real estate, rental & leasing sector trended down 200. Unadjusted losses of 100 apiece were seen in insurance carriers & related and credit intermediation; a gain of 100 occurred in securities, commodities & other financial investments. Since this time last year, 4,300 workers have been pared from financial activities payrolls. This 2.9% twelve-month rate of contraction is marginally faster than in April, but it remains only 57% of the prior year average. Finance & insurance payrolls have trended down 1,900, or 1.8%, during the past year; however, a combined unadjusted 2,100 jobs have been lost in insurance carriers & related and securities, commodities & other financial investments. Real estate, rental & leasing has experienced an employment decline of 2,400 (5.4%) over the past year; an unadjusted 1,200 (3.8%) have come from the real estate component.



## Professional & Business Services: - 300 (0.1%)

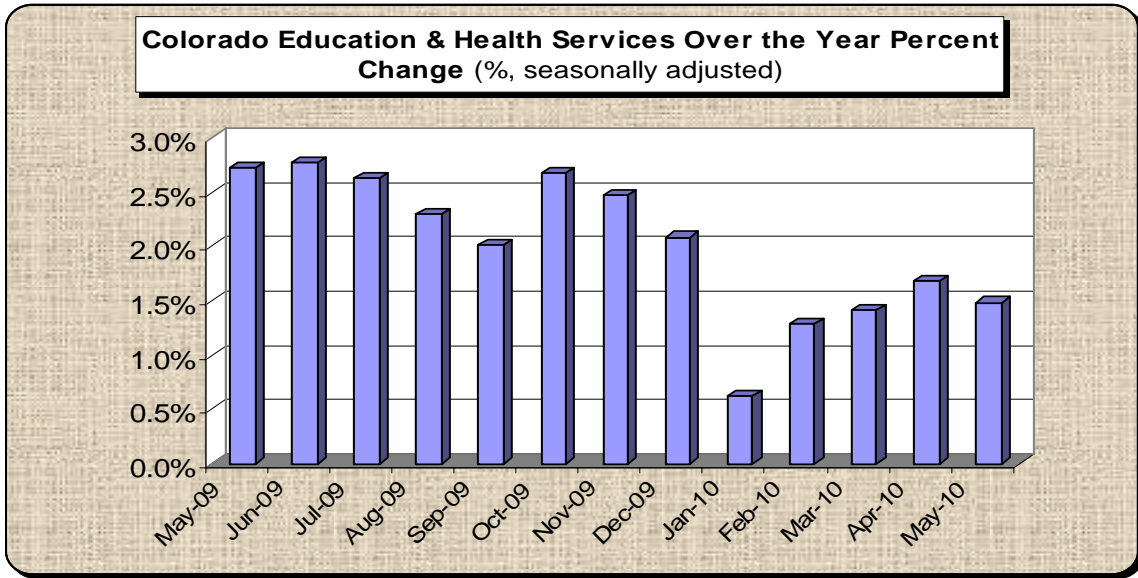
Professional & business services declined for the second consecutive month, but the 300 drop in May was roughly one-tenth the magnitude of the retreat in April. Payrolls in the catchall administrative, support, waste management & remediation sector fell by 500 (0.4%); a larger than normal 2,600 unadjusted increase in employment services was negated by a smaller than usual gain of 1,400 in services to buildings & dwellings. Management of companies was little changed over the month, while professional, scientific & technical services inched up 300 jobs. Architecture, engineering & related services was the only component with unadjusted growth, up 100; its gain was countered by the loss of 200 in computer systems design & related.



This industry has shed 5,800 positions in the past twelve months. This 1.8% year over year drop is the slowest since the end of 2008 and it is only 30% of the prior year trend. Professional, scientific & technical services has been lagging the other component industries as it employs 4,500 fewer employees than twelve months ago, a decrease of 2.6%. Architecture, engineering & related services has shed an unadjusted 1,600 positions, for a 3.8% contraction, while computer systems design & related has trended down 1,400 (3.5%). The catchall administrative sector has shed 1,200 jobs for a loss of 0.9%. Services to buildings & dwellings remains the only estimated component with fewer employees than one year ago; its payrolls have fallen 2,500, or 6.2%. Employment services has continued to recover from the lows of 2009 and now employs 2,900 (9.8%) more people than one year ago; business support services has edged up 500 (2.1%) positions. Management of companies has changed little over the past year, nudging down 100.

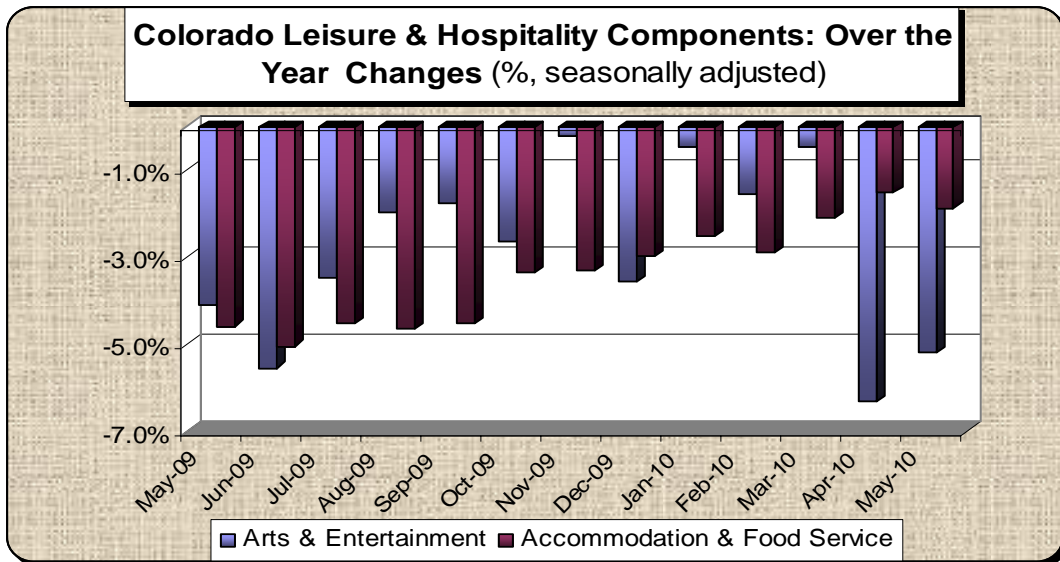
## Education & Health Services: - 100 (0.0%)

Employment in education & health services rose was essentially unchanged in May. Health care & social assistance saw its payrolls rise 200 this month, while educational services trended down 300. Employment in ambulatory care rose by an unadjusted 600, social assistance edged up 200, while the loss of 100 in hospitals offset a gain of the same amount in nursing & residential care facilities. Education & health services has created 3,800 positions over the past twelve months, but this 1.5% advance is only 71% of the prior year trend. Educational services grew at 2.9%, having added 900 jobs. Health care & social assistance has expanded by 1.3%, with addition of 2,900 positions. On an unadjusted basis, employment in ambulatory care has seen the weakest year over year gain, up only 500 (0.5%). Social assistance employment has risen 900 (2.3%), hospitals have trended up 1,000 (1.8%), and nursing & residential care has gained 700 (1.8%) over the year.



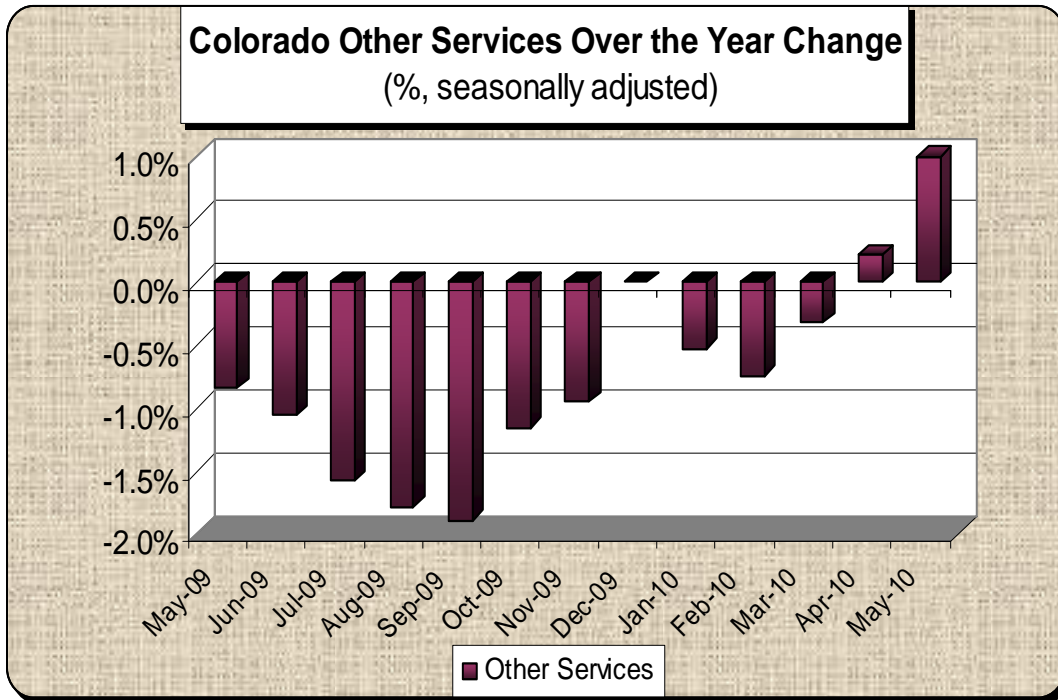
**Leisure & Hospitality: - 700 (0.3%)**

Leisure & hospitality payrolls fell 700 in May. Arts, entertainment & recreation, the component containing ski resorts, edged up 400; many ski resorts had already begun operating at lower staffing levels in April so the unadjusted May decrease was smaller than normal. Accommodation & food services negated this increase with the loss of 1,100 jobs. The decrease in destination tourists at the end of the ski season was reflected in the 2,000-position unadjusted decline in accommodation. Food services & drinking places retreated by 1,700, with a 1,600-worker loss in full-service restaurants getting partially offset by the addition of 800 positions in limited-service eating places. In the past twelve months, the industry's payrolls have been reduced by 6,400 workers. This 2.4% twelve-month rate of decline compares favorably to May 2009 when the pace of loss was 4.5%. Since last May, arts, entertainment & recreation has declined at a 5.2% rate (2,300 jobs). Accommodation & food services has declined at a slower rate, 1.9%, but this has amounted to 4,100 job losses over the past twelve months. Accommodation has edged down 200 jobs since last May, while employment in both full-service restaurants and limited-service eating places is down 3.5%, with drops of 3,200 and 2,500, respectively.



## Other Services: + 800 (0.8%)

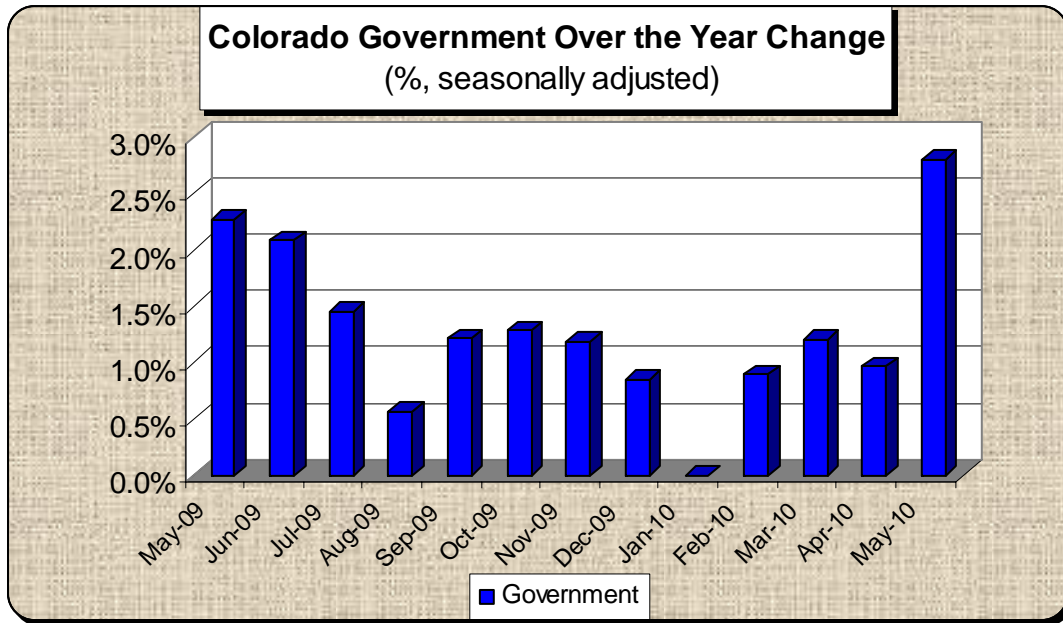
After remaining essentially unchanged in April, payrolls in other services gained 800 this month. Repair & maintenance drove most of the gain as it added an unadjusted 400 jobs; personal & laundry services rose by 200, and the catchall religious, grantmaking, civic, professional & similar organizations was unchanged. Over the year, employment in other services has risen by 1,000. This 1.1% increase represents the fastest twelve-month advance since January 2009. Repair & maintenance has experienced unadjusted payroll growth of 500 positions over the year and personal & laundry has added 200 workers. Employment in the catchall organizations sector has trended down 300.



## Government: + 7,800 (2.0%)

Government payrolls experienced the largest monthly gain in their twenty-year seasonally adjusted history with the addition of 7,800 jobs in May. The Federal government added 7,600 workers, with over 90% of this gain coming from the hiring of temporary workers for the 2010 Census. Coincidentally, the only other time that government payrolls rose by more than 5,000 in a single month was May 2000, when employment was again boosted by the decennial census. Employment at the State level inched up 200, while the number of people working in local government remained unchanged. In the unadjusted education components, the State shed 600, but 1,000 local educators were added to payrolls in May. Eleven thousand more people are working in the public sector than at this time last year. Annual growth of 2.8% is the fastest in since January 2009, and it is more than double the previous twelve-month average. However, in June 2000, 91% of the public sector positions that were added in the previous month were retracted. Assuming the same trend holds true with this Census, government should see a large drop in employment next month and the over the year growth rate will decline as well. State government, with 2,500 (2.8%) new hires, has been the constant force behind the industry's employment growth; the educational component has been responsible for nearly all of this advance as it now employs 2,400 (3.9%) more educators than in May 2009. The Federal government has experienced year over year employment increases in every

month of 2010, and it now employs 9,800 (18.1%) more workers than it did one year ago. Local government employment has retreated 1,300 (0.5%) over the year, continuing the trend of annual losses that began to occur in February. Local government education payrolls have gained an unadjusted 500 from one year ago.



Produced By:  
 State of Colorado: Bill Ritter, Governor  
 Colorado Department of Labor & Employment: Donald J. Mares, Executive Director  
 Labor Market Information: Alexandra E. Hall, Director  
 Current Employment Statistics (CES): Joseph F. Winter, Program Manager

Contact Information:  
 Visit the CES Home Page: <http://www.coworkforce.com/lmi/CES/ceshome.asp>  
 Phone: Labor Market Information (303) 318-8850  
 Email: [lmi@state.co.us](mailto:lmi@state.co.us)

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