

FORTY-FOURTH ANNUAL

COLORADO

BUSINESS ECONOMIC
OUTLOOK

2009

BBVA Compass

University of Colorado at Boulder
Colorado
 **LEEDS** School
of Business
BUSINESS RESEARCH DIVISION

Dr. Dennis Ahlburg

**Dean
Leeds School of
Business**

**University of
Colorado at
Boulder**



Business Research Division

Business Research Division

*Colorado's conduit for business
and economic research*

≈ *since 1915* ≈

Colorado Business Economic
Outlook, industry studies, and more!
<http://leeds.colorado.edu/brd/>

Leeds School of Business
University of Colorado at Boulder
420 UCB
Boulder, CO 80309-0420
303-492-8227

Colorado
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LEEDS School
of Business
BUSINESS RESEARCH DIVISION



Today's Activities

- 1:00 Presentation of Colorado Forecast
- 2:00 Panel Discussion
- 2:30 Keynote Address by Lee A. McIntire, CH2M HILL
- 3:15 Breakout Sessions

Industry Breakout Sessions

- An Energy Update and Policy Issues Facing the State and the Next Administration
(Mt. Oxford Room)
- The Future of Finance, Banking, and Equity Markets
(Mt. Columbia Room)
- Is There a Crisis in Colorado Real Estate Markets?
(Maroon Peak Room)



Rafael Bustillo

**Denver President
BBVA Compass**

Dr. Dennis Ahlburg

**Dean
Leeds School of
Business**

**University of
Colorado at
Boulder**



Dr. Richard L. Wobbekind
Executive Director of BRD
Associate Dean for Graduate
and Enterprise Programs





**Ms. Patty
Silverstein**


**President
Development
Research Partners**

Business Leaders Confidence Index



BLCI Survey

- Please take a few moments to fill out the BLCI Survey found on your chair.
- You may leave your completed survey under your chair and we will collect them following the presentation.


Remove sticker and attach business card

Registration Information - Please help us analyze the BLCI results by providing the following panelist registration information. This information is required for us to understand panel composition. It is used only for analysis and to contact you about future BLCI surveys; it will not be sold or voluntarily provided to outside third parties. Please complete all information or attach a business card using the adhesive.

Name: _____
Title: _____
Company: _____
Address: _____
City, St., Zip Code: _____
E-Mail: _____

Industry

<input type="checkbox"/> Agriculture, Forestry, Fishing and Hunting <input type="checkbox"/> Mining <input type="checkbox"/> Utilities <input type="checkbox"/> Construction <input type="checkbox"/> Manufacturing <input type="checkbox"/> Wholesale Trade <input type="checkbox"/> Retail Trade <input type="checkbox"/> Transportation and Warehousing <input type="checkbox"/> Information <input type="checkbox"/> Finance and Insurance <input type="checkbox"/> Real Estate, Rental and Leasing	<input type="checkbox"/> Professional, Scientific and Technical Services <input type="checkbox"/> Management of Companies and Enterprises <input type="checkbox"/> Administration, Support, Waste Management, and Remediation Services <input type="checkbox"/> Education Services <input type="checkbox"/> Health Care and Social Assistance <input type="checkbox"/> Arts, Entertainment and Recreation <input type="checkbox"/> Accommodation and Food Services <input type="checkbox"/> Other Services (except Public Administration) <input type="checkbox"/> Public Administration
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Annual Sales

<input type="checkbox"/> Under \$1 million <input type="checkbox"/> \$1 to \$5 million <input type="checkbox"/> \$5 to \$10 million <input type="checkbox"/> \$10 to \$25 million <input type="checkbox"/> \$25 to \$50 million	<input type="checkbox"/> \$50 to \$100 million <input type="checkbox"/> \$100 to \$250 million <input type="checkbox"/> More than \$250 million <input type="checkbox"/> Undisclosed
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Number of Employees

<input type="checkbox"/> None <input type="checkbox"/> 1 to 4 <input type="checkbox"/> 5 to 9 <input type="checkbox"/> 10 to 19	<input type="checkbox"/> 20 to 99 <input type="checkbox"/> 100 to 499 <input type="checkbox"/> 500 to 999 <input type="checkbox"/> 1,000 or more
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BLCI Survey

Comparing the upcoming quarter to the current quarter, what are your expectations for change in the following categories?

	Strong Decrease	Moderate Decrease	No Change	Moderate Increase	Strong Increase
Industry Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industry Profits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industry Hiring Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industry Capital Expenditures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Much Worse	Somewhat Worse	Remain the Same	Somewhat Better	Much Better
State Economic Outlook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National Economic Outlook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



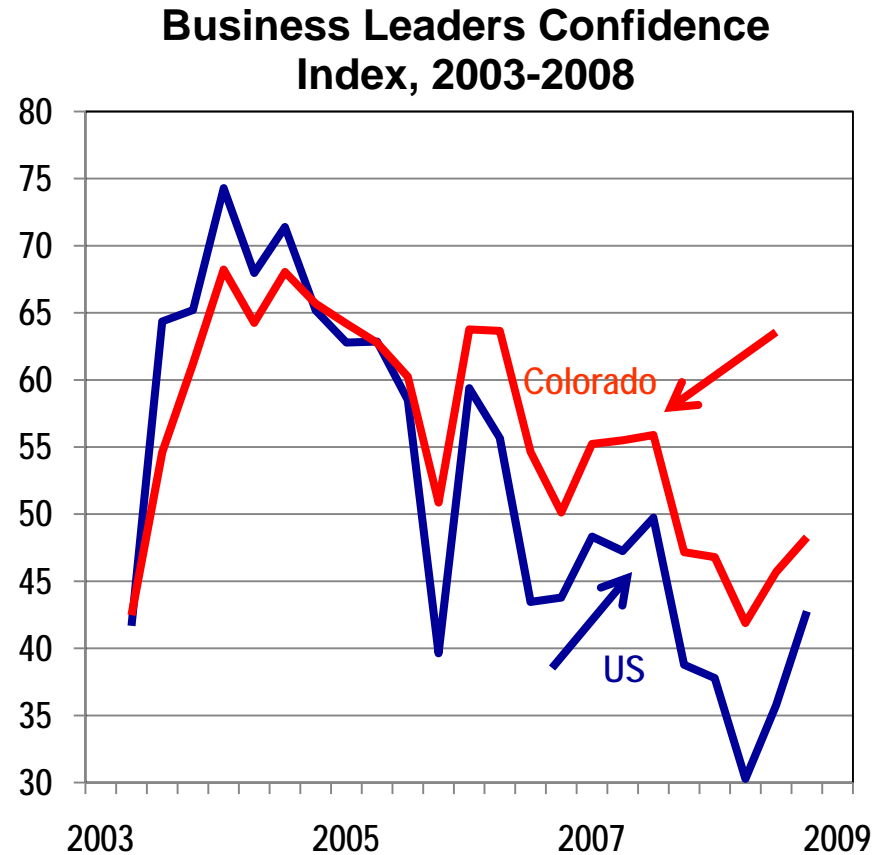
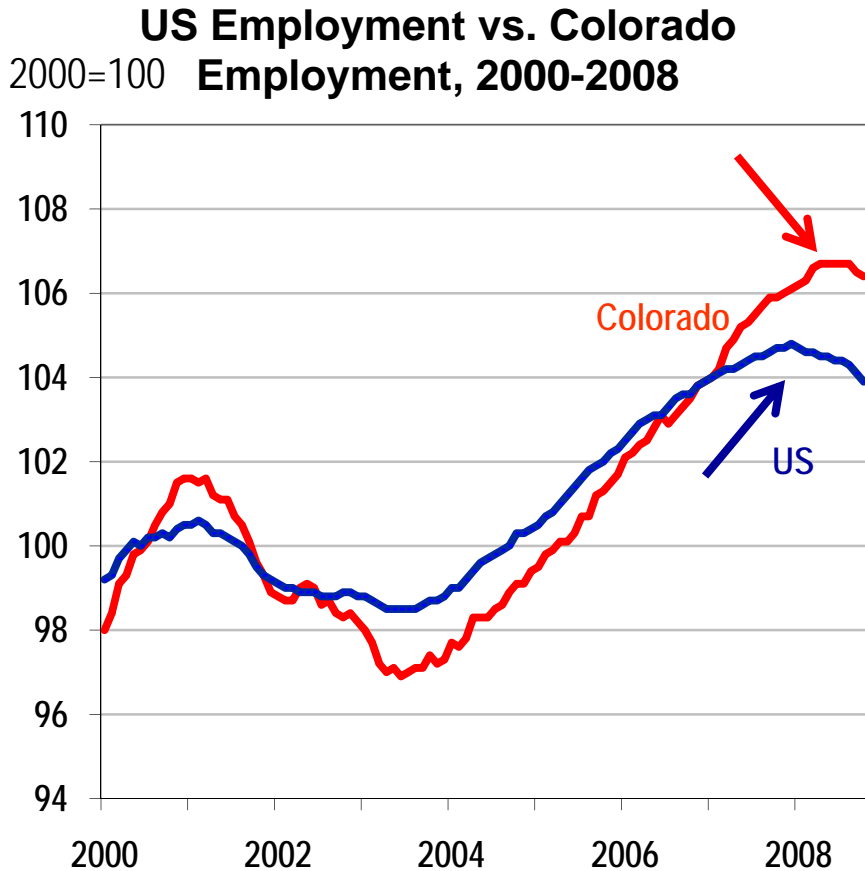
US Outlook

Events Shaping US Economy 2008 and Beyond

**Our Disaster Recovery Plan
Goes Something Like This...**



Monthly Employment and BLCI US vs. Colorado (Seasonally Adjusted)



Source: US Census Bureau, Bureau of Labor Statistics, www.blsi.com, CO BEO Committee.

GDP Components: C + I + G + X

2009 Real GDP (\$ Billions)

Government Spending

18.2% of total GDP

Investment

14.3%

Consumer Spending

70.3%

Net Export (Balance)

-2.8%

Government Spending: \$2,121.6

Investment: \$1,671.9

Consumer Spending: \$8,213.1

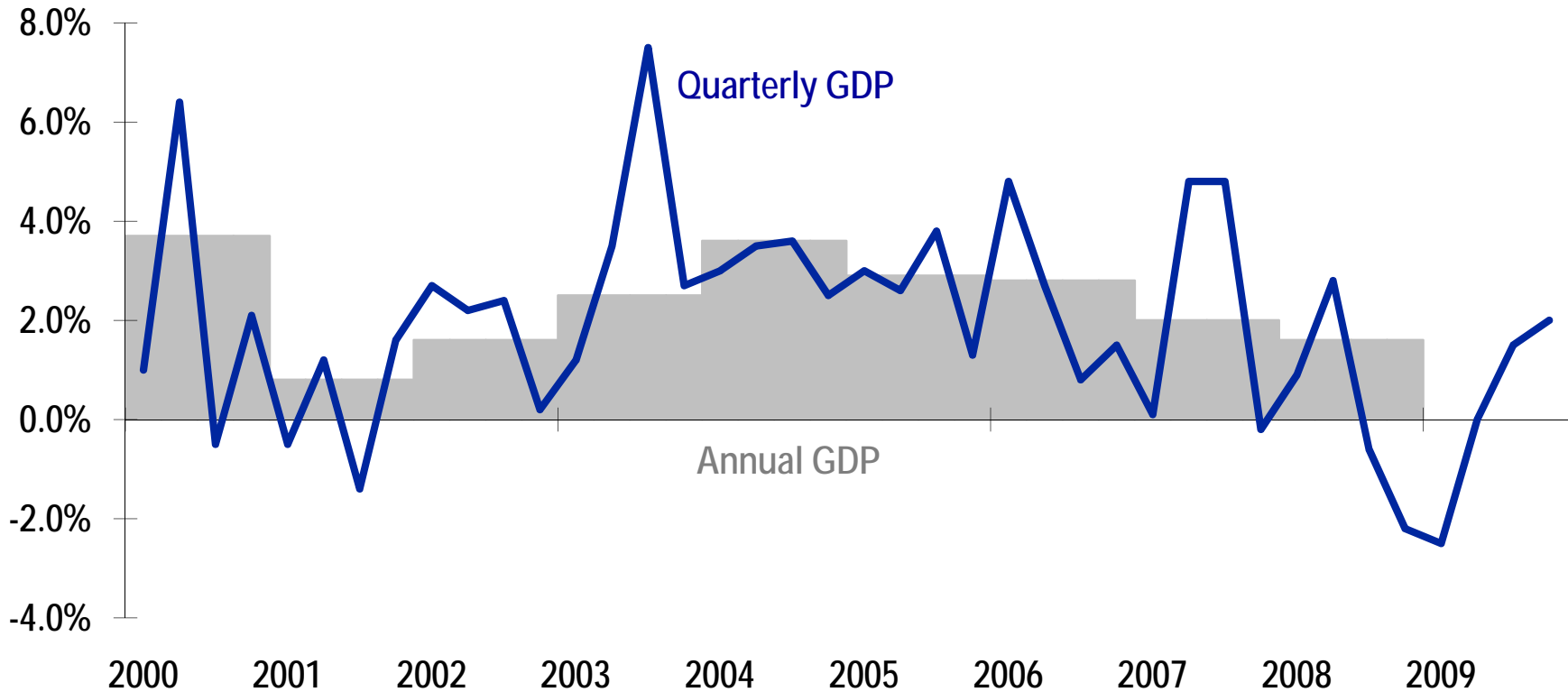
Net Exports: -\$325.6

Source: Bureau of Economic Analysis.

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Real GDP Growth

Quarterly and Annual Real GDP, 2000-2009



Sources: Bureau of Economic Analysis, CO BEO Committee.

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GDP - Consumer Spending

Comprises

- 70.3% of GDP

Issues

- Overleveraged
- Consumer crisis

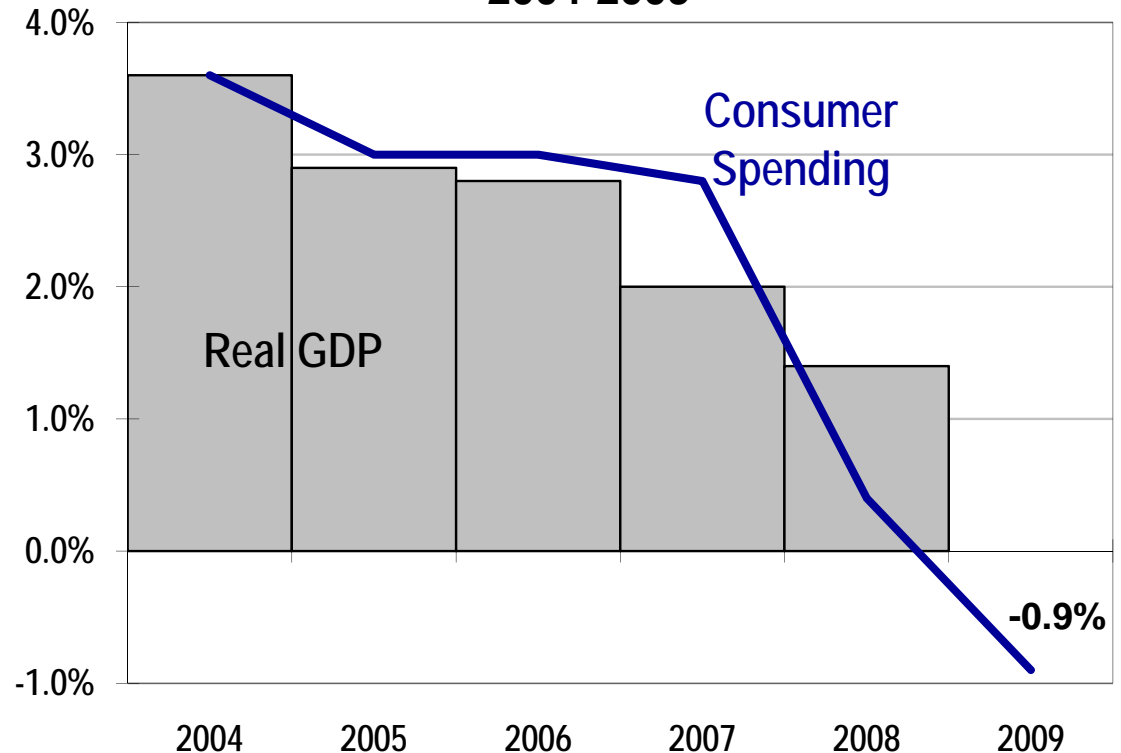
Impact

- Auto sales
- Retail sales
- Construction starts

Good News

- Credit reduction
- Increased savings

Consumer Spending vs. Real GDP,
2004-2009



Sources: Bureau of Economic Analysis, CO BEO Committee.

GDP - Private Investment

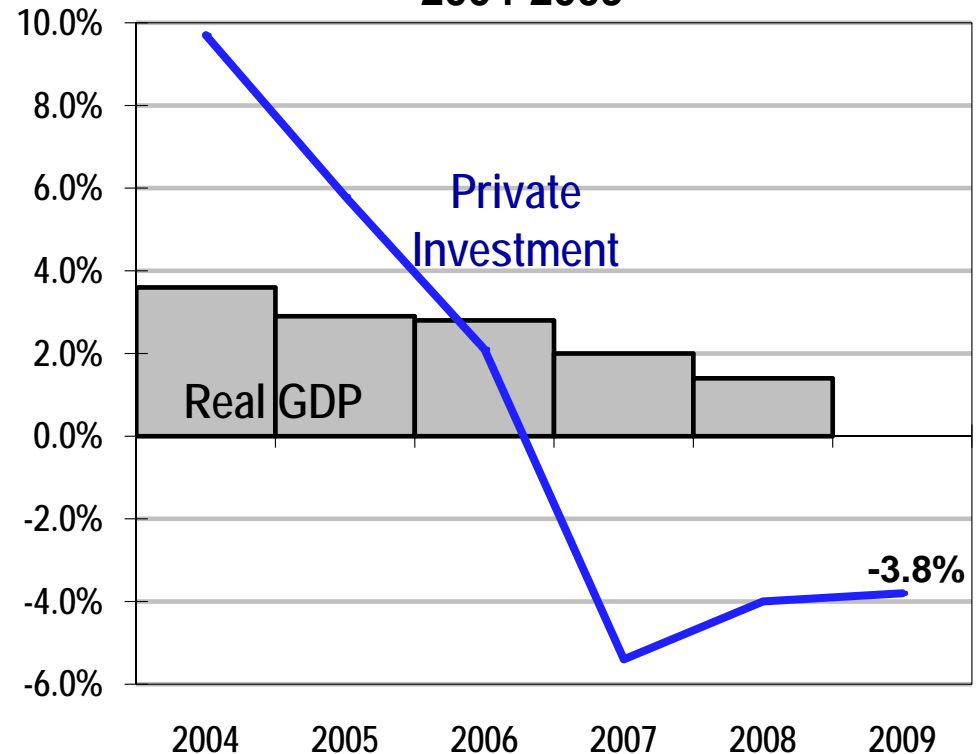
Comprises

- 14.3% of GDP

Pullback

- Residential construction
- Commercial construction
- Equipment
- Software

Private Investment vs. GDP,
2004-2009



Sources: Bureau of Economic Analysis, CO BEO Committee.

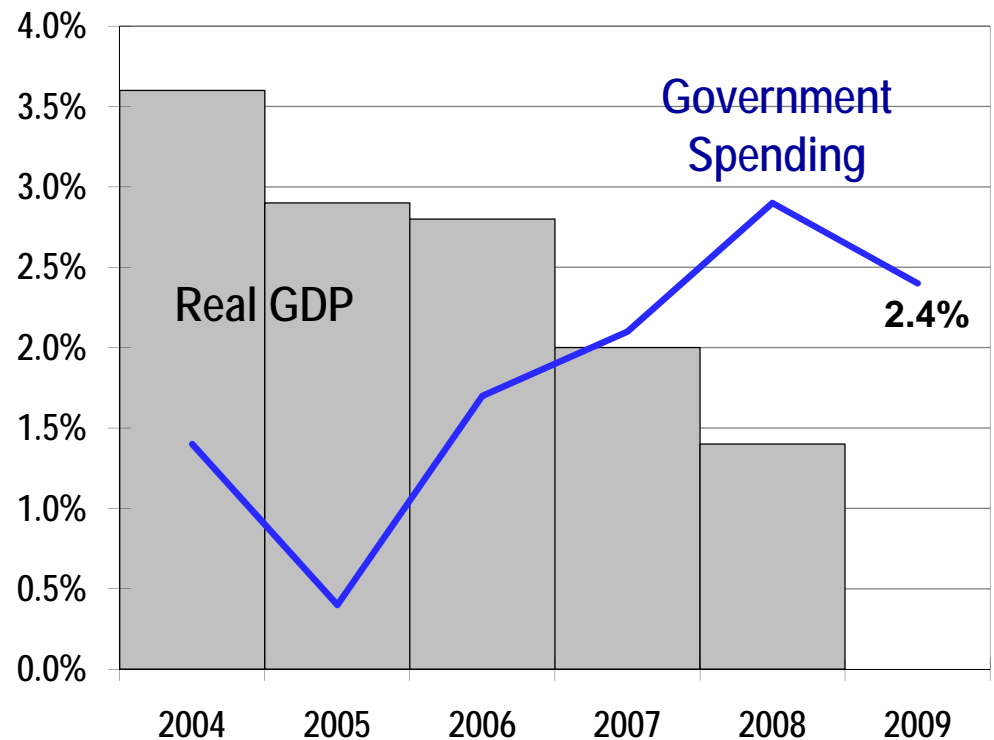
GDP - Government Spending

Comprises

- 18.2% of GDP

Deficit

- Growth rate higher with slowing economy
- Stimulus efforts
- \$600 billion to \$1 trillion



Sources: Bureau of Economic Analysis, CO BEO Committee.

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GDP - Net Exports

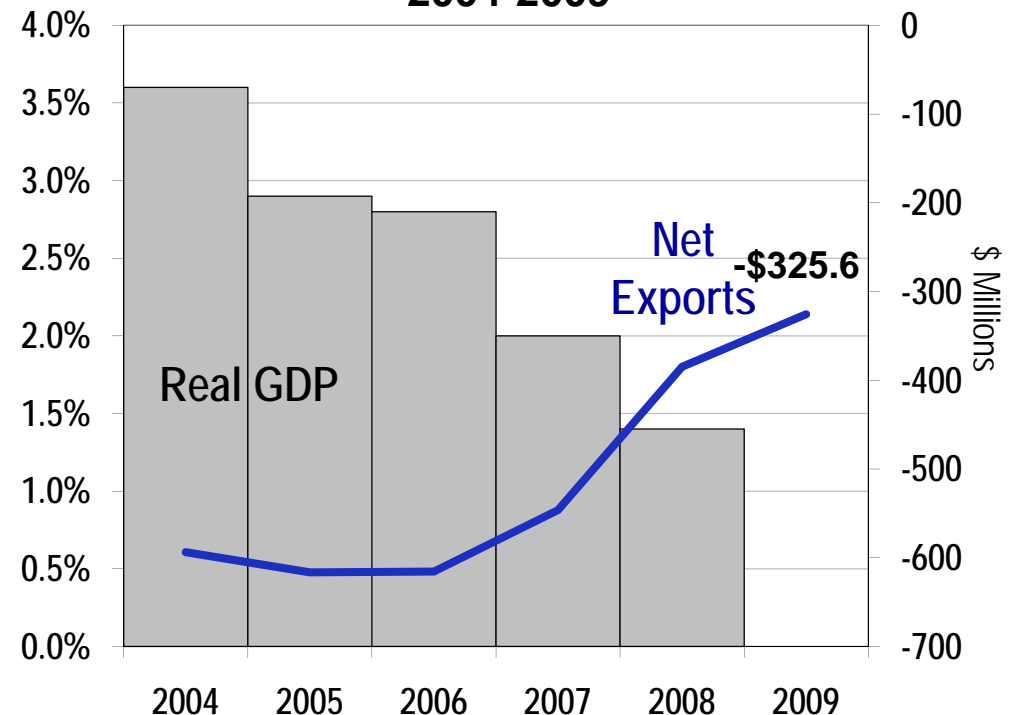
Comprises

- -2.8% of GDP

Trade Imbalance

- Less demand for imports
- Lower oil prices
- Slower consumption
- Strengthening dollar

Net Exports vs. GDP,
2004-2009



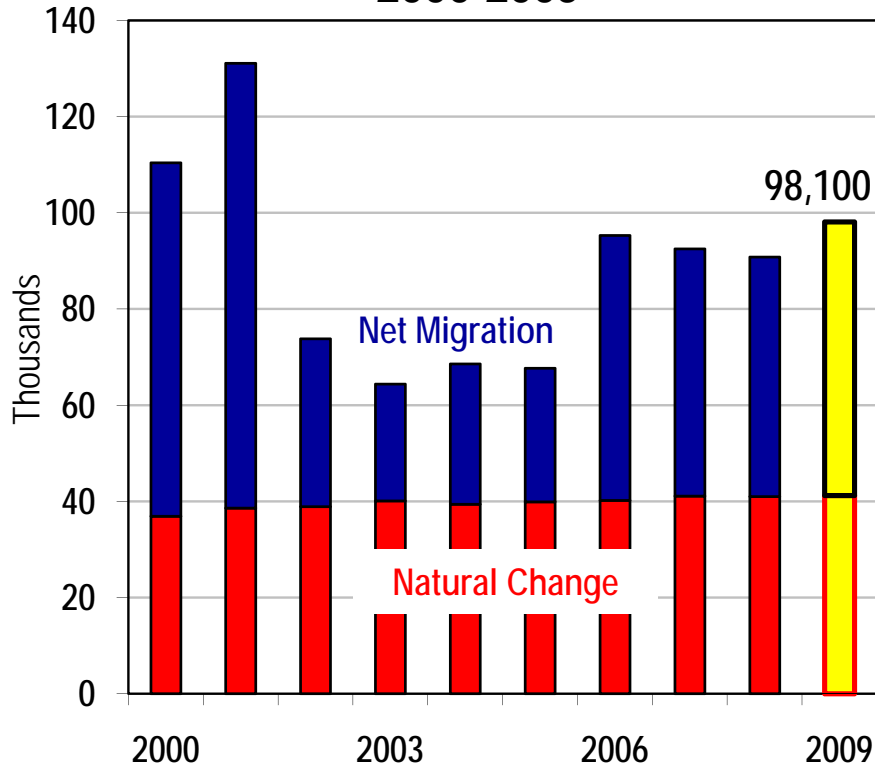
Sources: Bureau of Economic Analysis, CO BEO Committee.

Colorado Population, Employment, and Prices

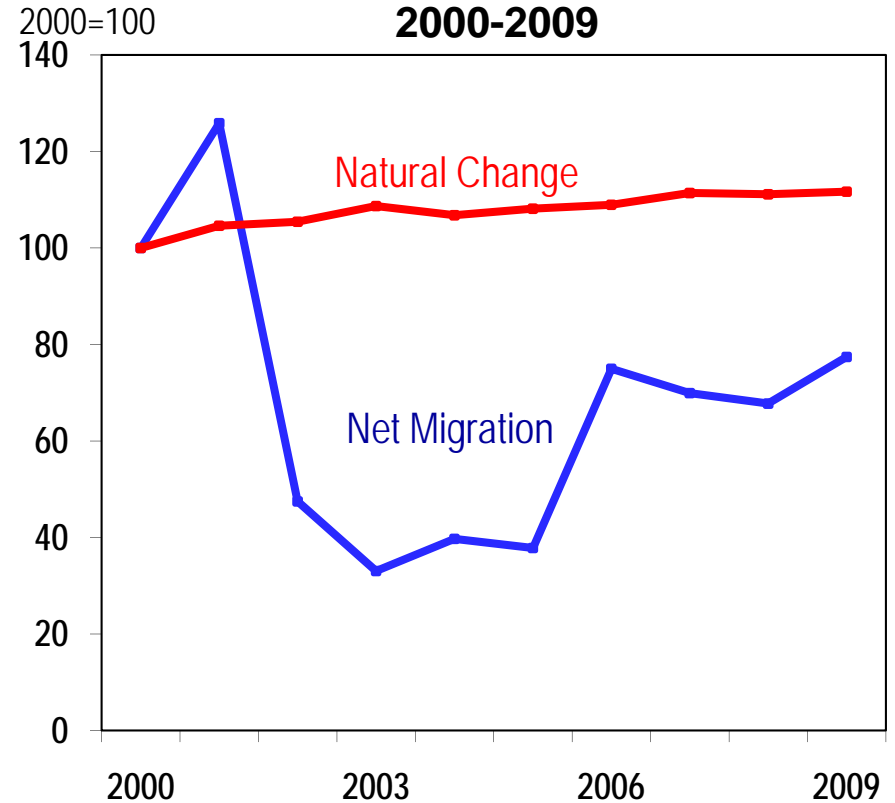


Change in Population

Change in Colorado Population, 2000-2009



Index of Population Change, 2000-2009

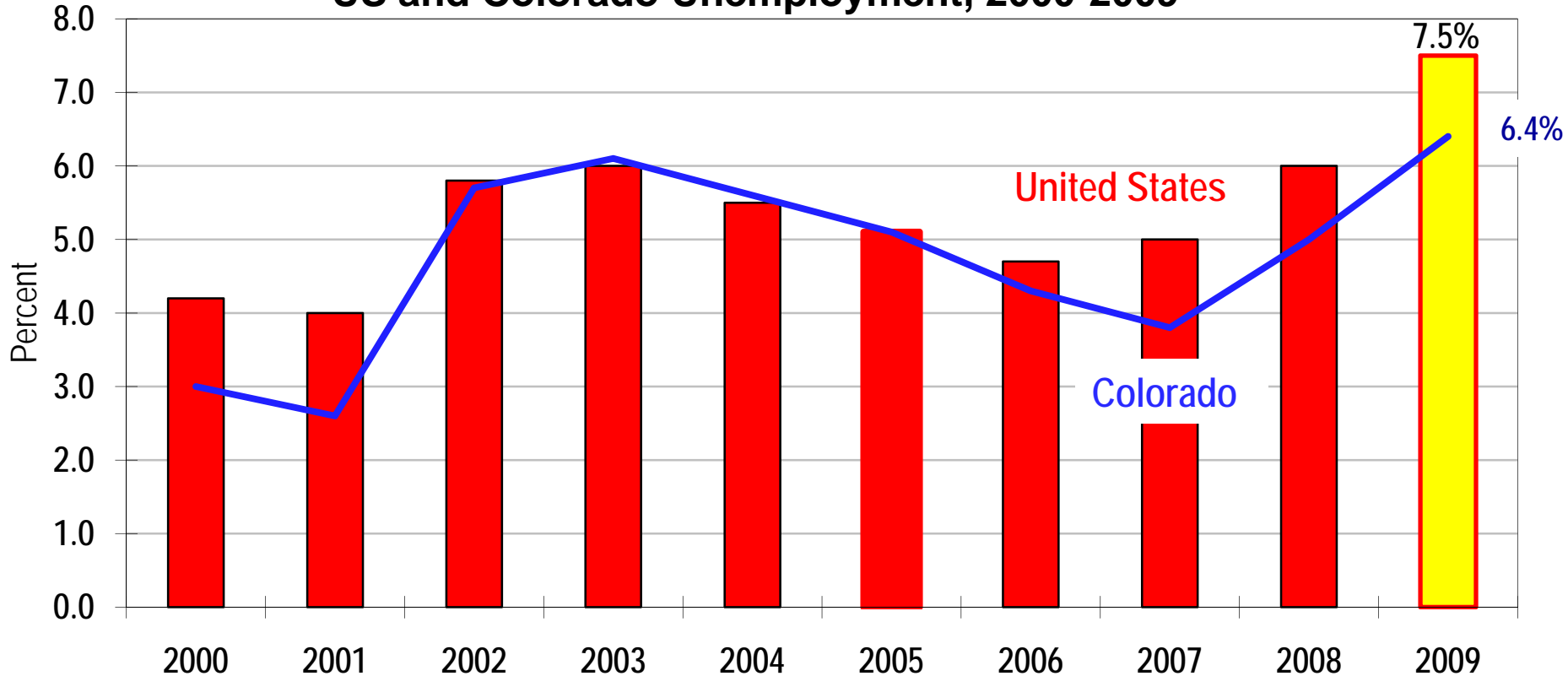


Sources: Colorado Department of Local Affairs, CO BEO Committee.

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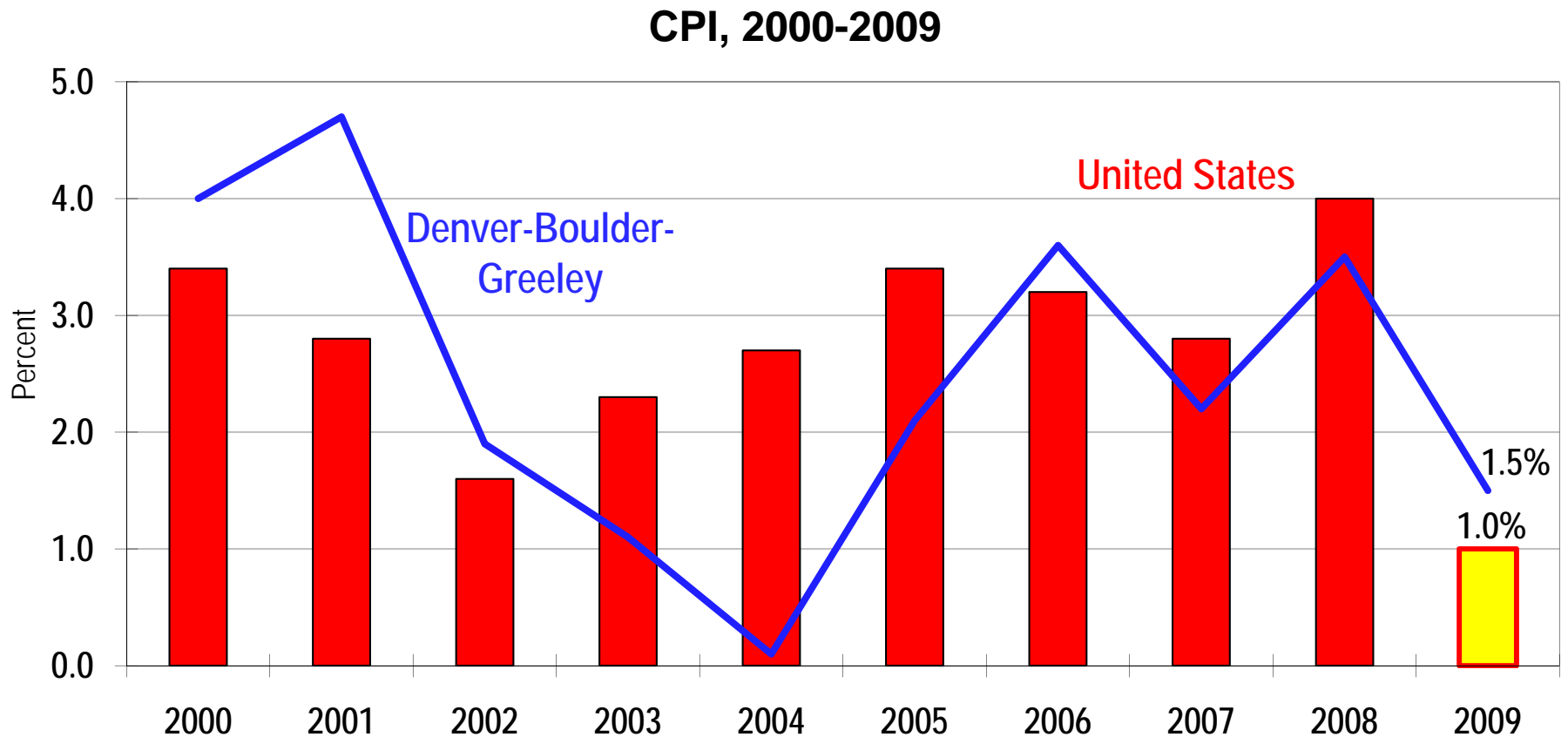
Unemployment

US and Colorado Unemployment, 2000-2009



Sources: Colorado LMI, CO BEO Committee.

Consumer Price Index

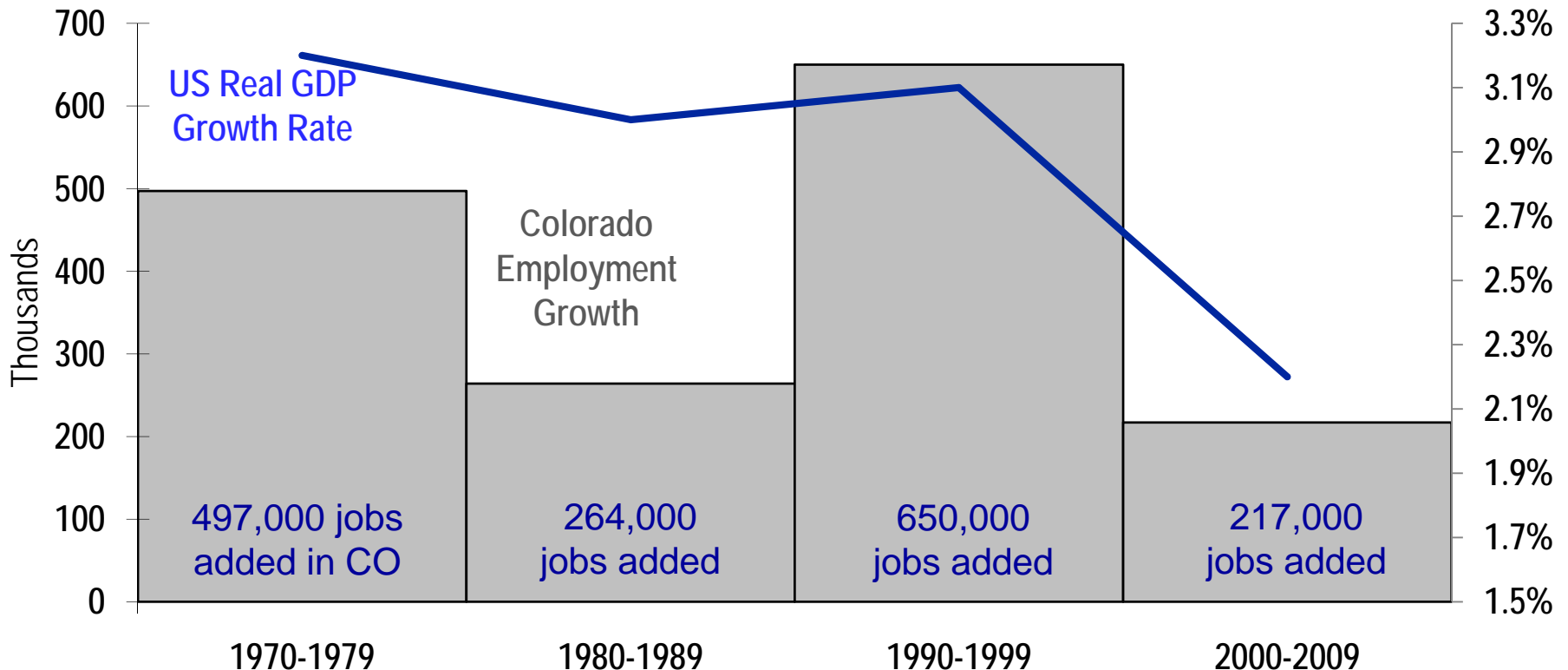


Source: Bureau of Labor Statistics.

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Real US GDP Growth Rate and Colorado Employment Growth Rate

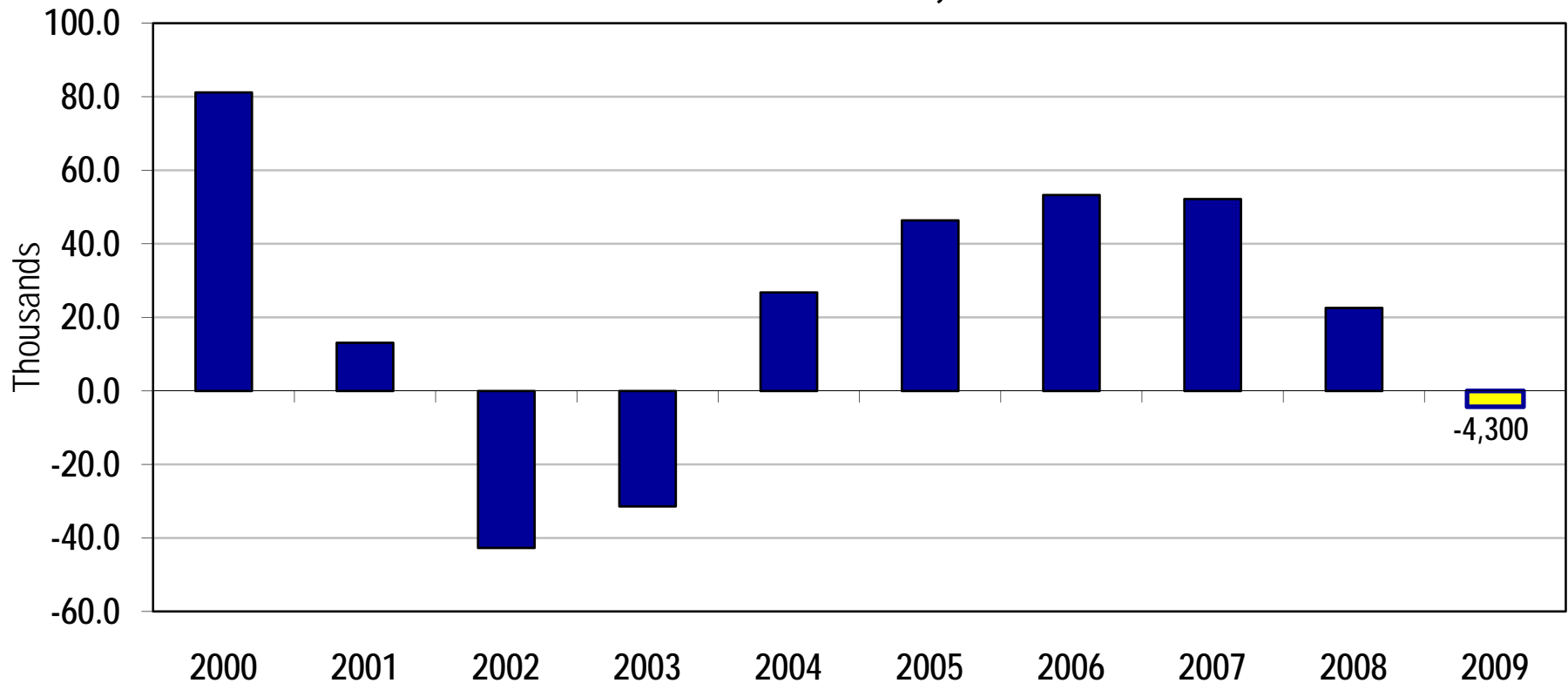
Colorado Employment vs. US Real GDP



Sources: Bureau of Economic Analysis, Colorado LMI, CO BEO Committees.

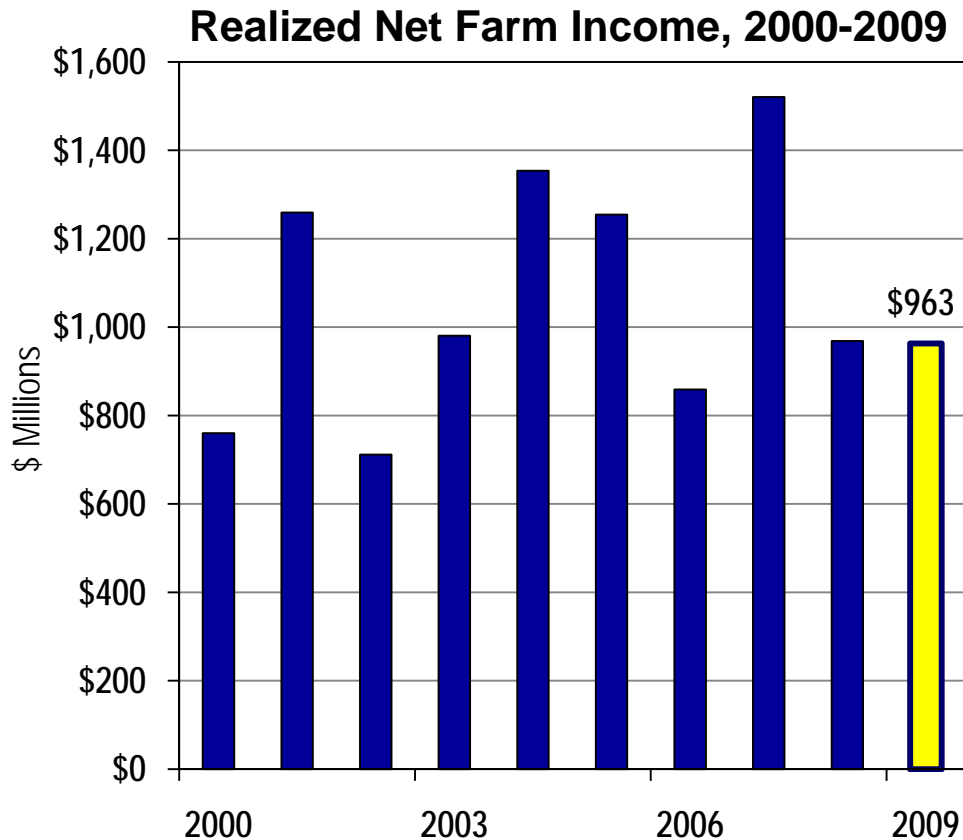
Colorado Employment

Colorado Workers Added, 2000-2009



Source: Colorado LMI, CO BEO Committee.

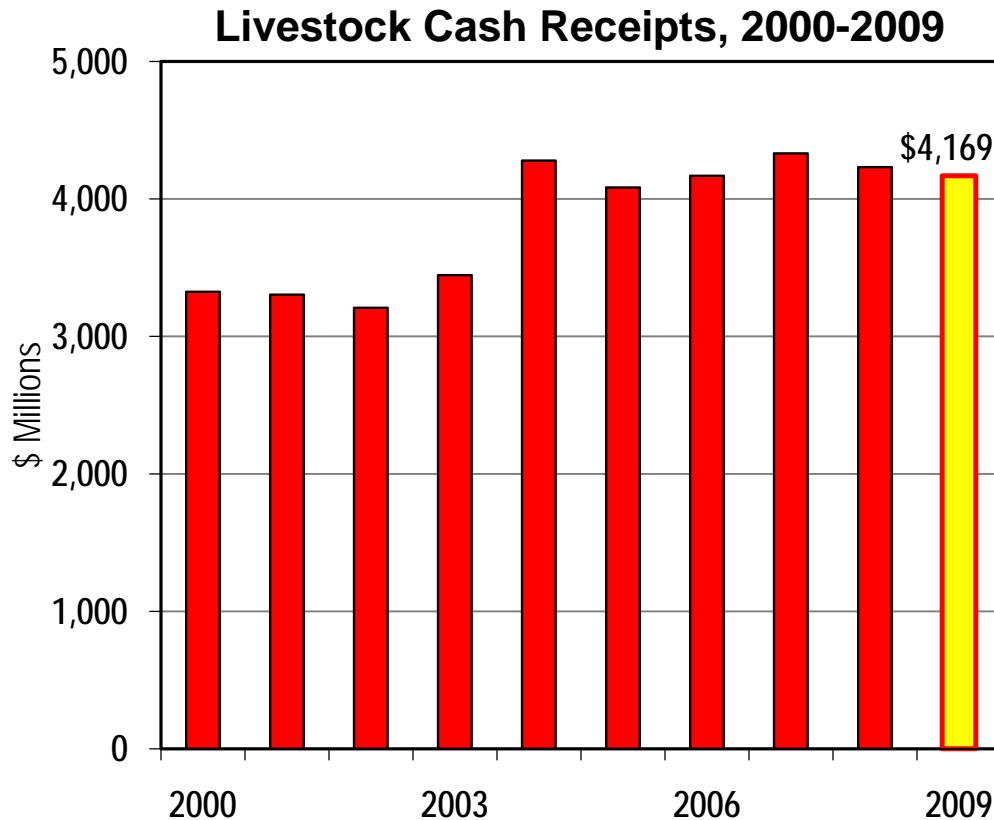
Agriculture



Source: Colorado Agricultural Statistic Service, CO BEO Committee.

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Livestock Cash Receipts



- Largest agricultural sector
- Declining cattle numbers
- Volatile feedstuff costs
- Cash receipts slipping

Source: Colorado Agricultural Statistic Service, CO BEO Committee.

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Dairy News



- Higher dairy cattle numbers
- Increased organic production
- Weaker dairy prices



Crop Receipts of Corn, Wheat, Hay



- Colorado's three largest crops
 - Corn
 - Wheat
 - Hay
- Higher seed and fertilizer costs
- Acreage planted to decrease

Crop Receipts - Corn



- Food or Fuel?
- High demand continues for ethanol production
- Reduced prices
- Decreasing costs
- Less profitability

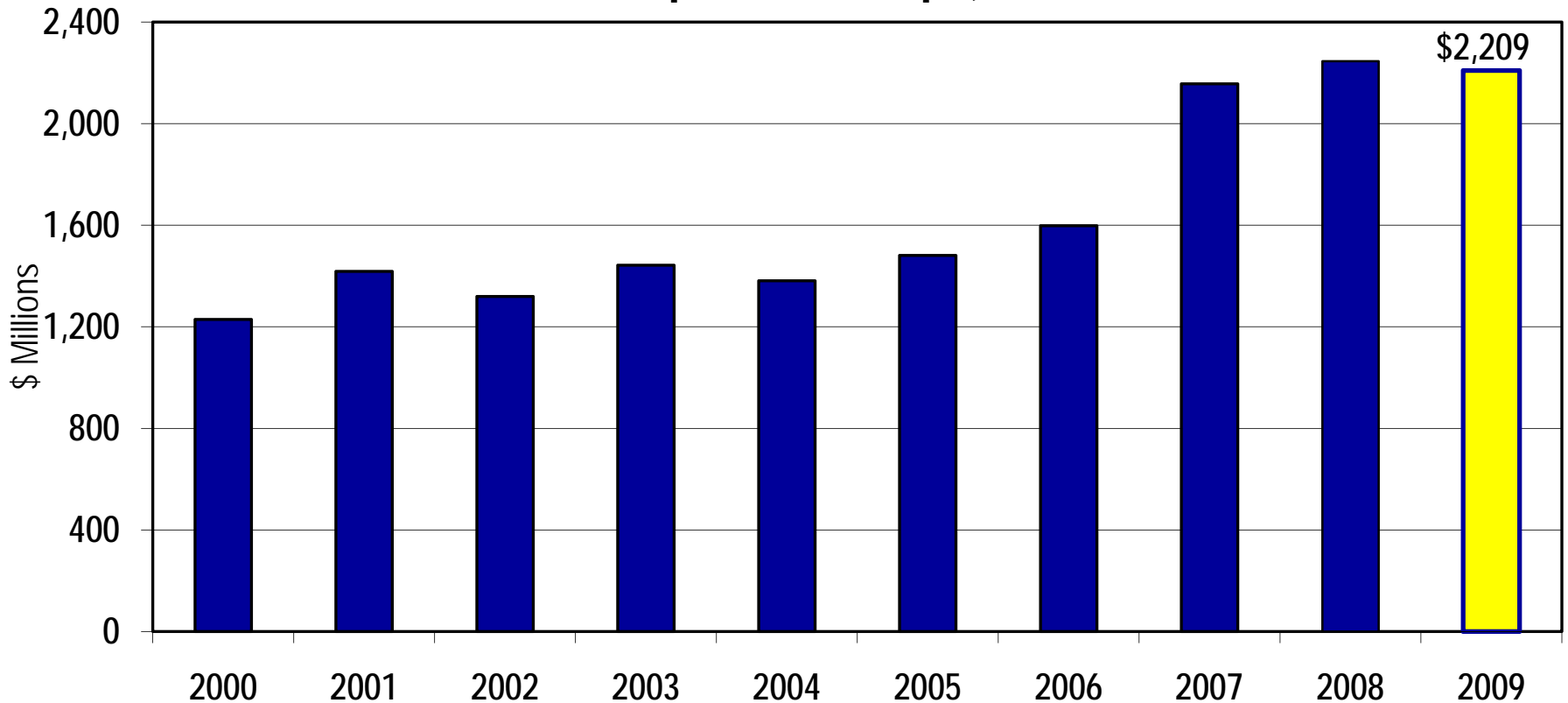
Crop Receipts - Wheat



- Volatile prices
- Optimistic yield expectations in 2009
- Declining prices to continue

Crop Receipts

Cash Receipts from Crops, 2000-2009

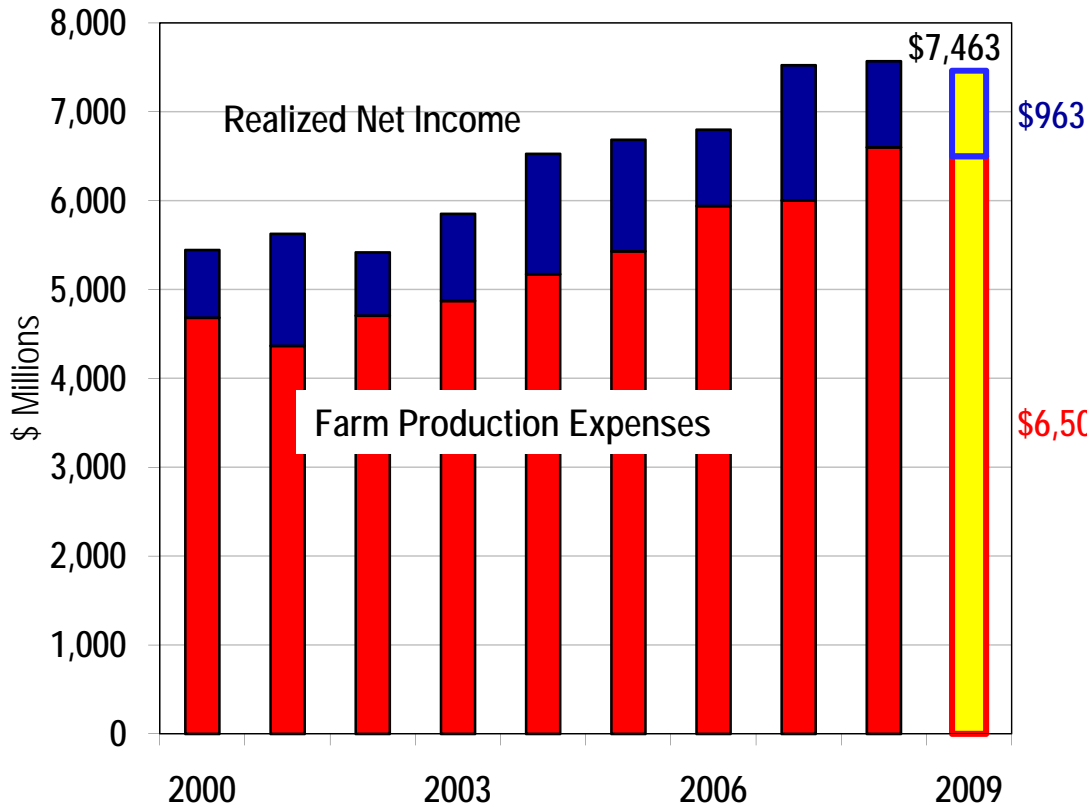


Sources: Colorado Agricultural Statistic Service, CO BEO Committee.

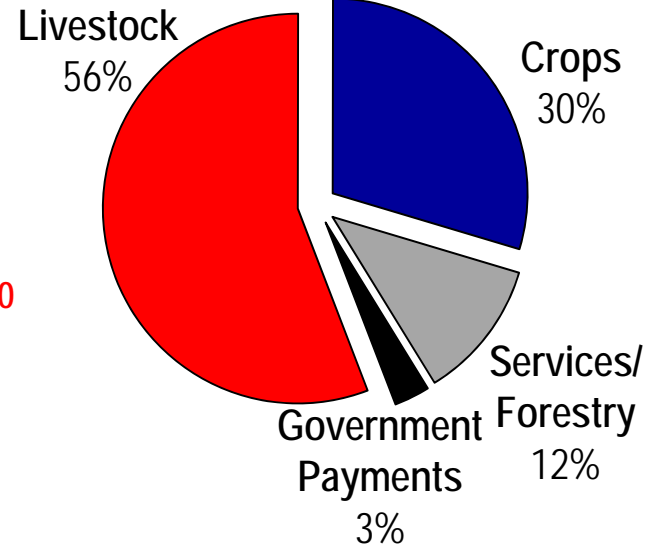
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Realized Gross Farm Revenue and Net Income

Gross Farm Revenue, 2000-2009



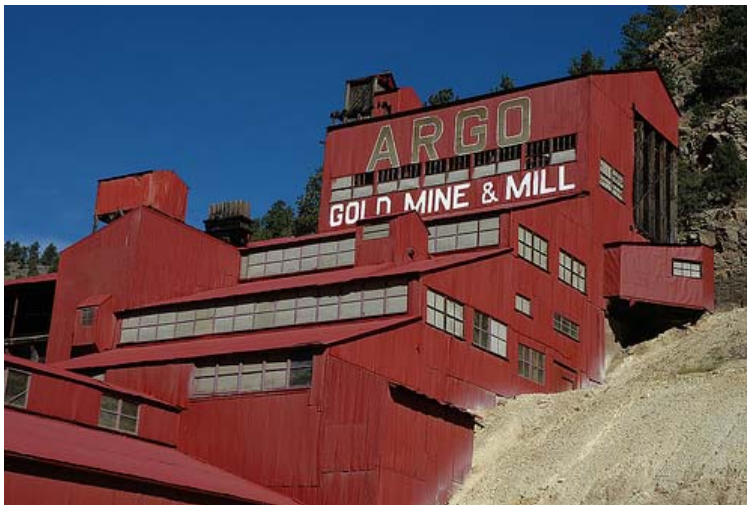
Ag Revenues



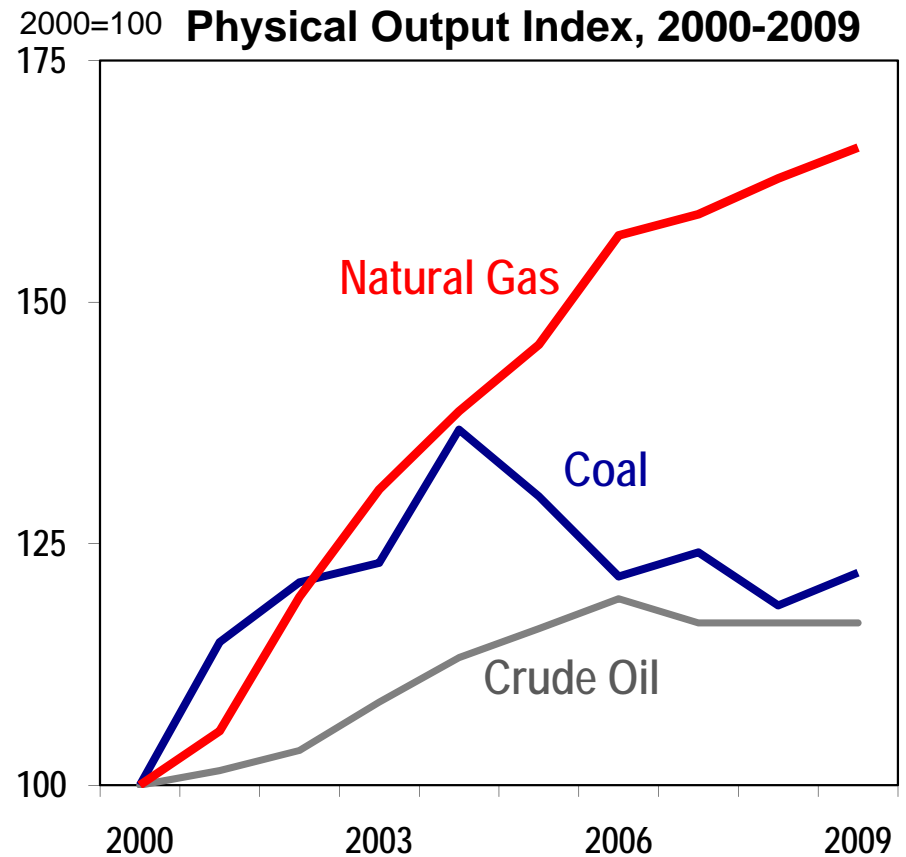
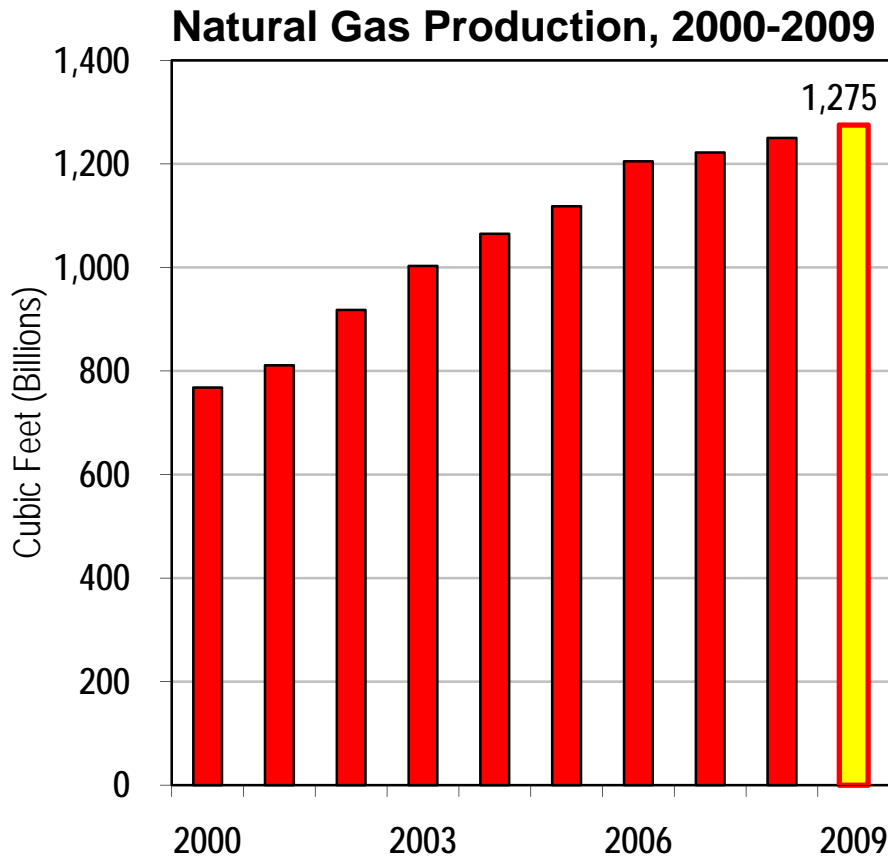
Sources: Colorado Agricultural Statistic Service, CO BEO Committee.

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Natural Resources and Mining

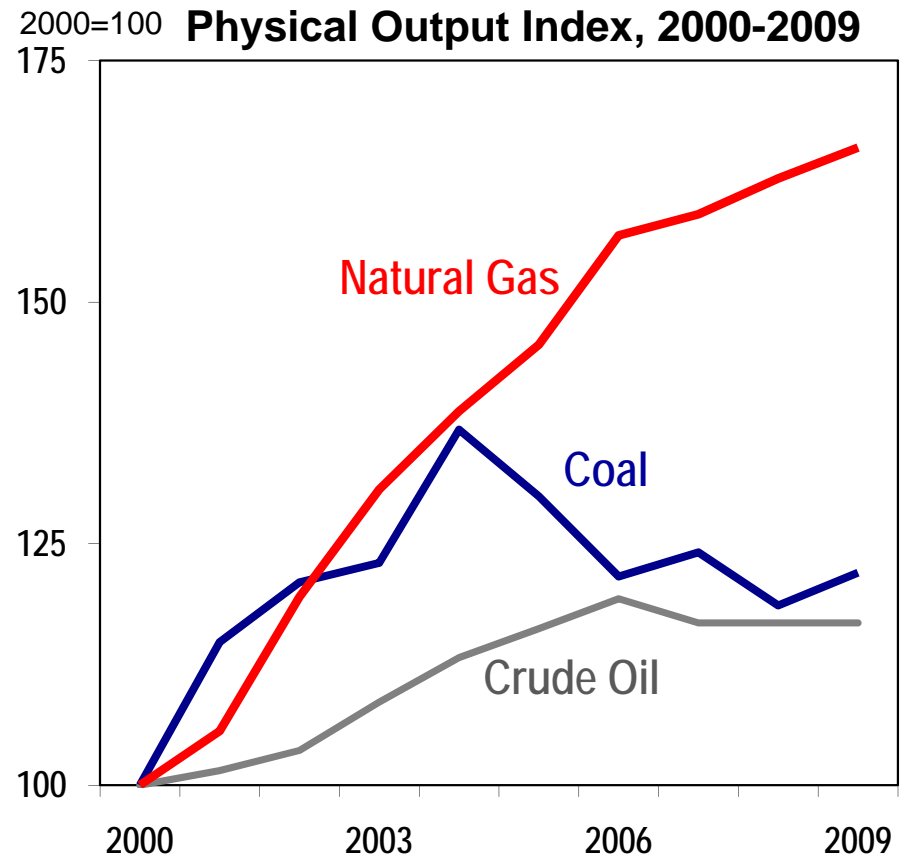
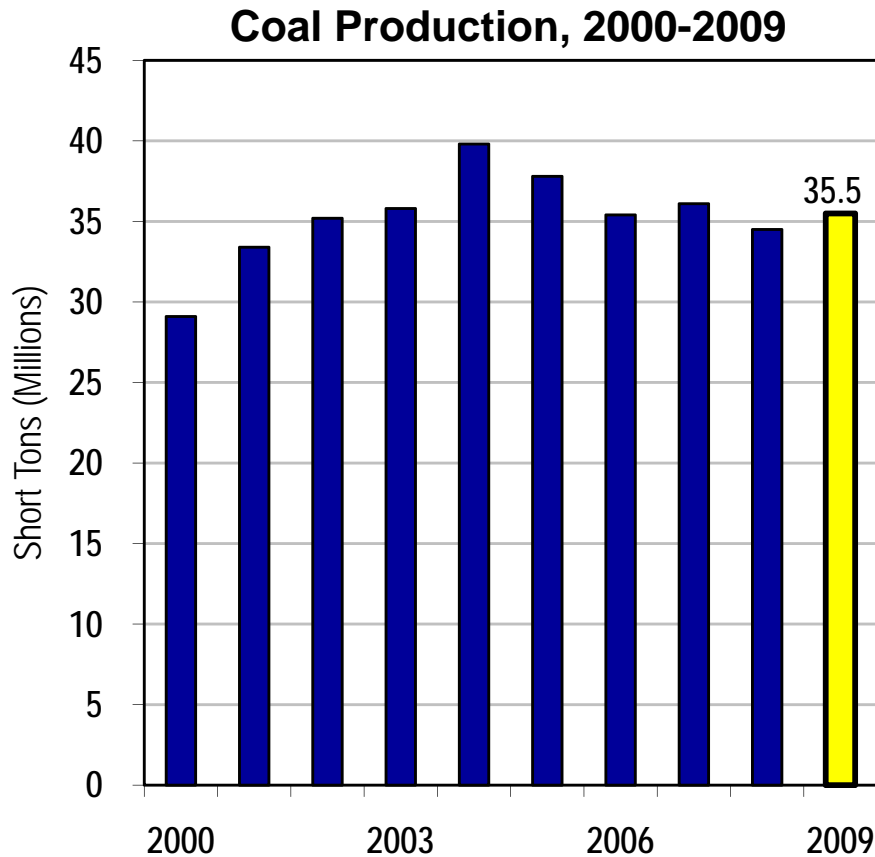


Natural Gas Production



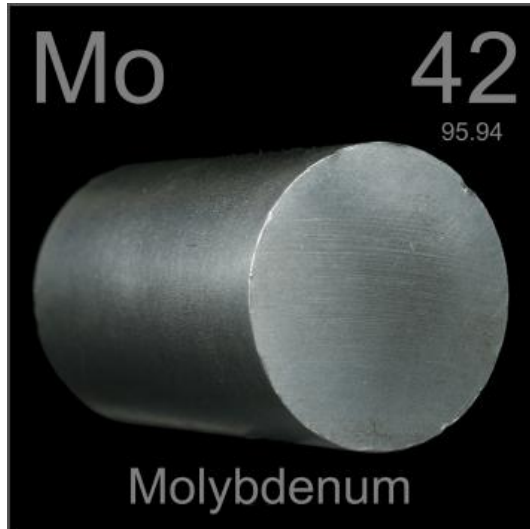
Sources: Colorado Geological Survey Mineral and Mineral Fuel Activity Reports, CO BEO Committee.

Coal Production



Sources: Colorado Geological Survey Mineral and Mineral Fuel Activity Reports, CO BEO Committee.

Nonfuel Minerals



- Largest producer of molybdenum
- Volatile commodity prices
- Gold tops \$1,000 per ounce



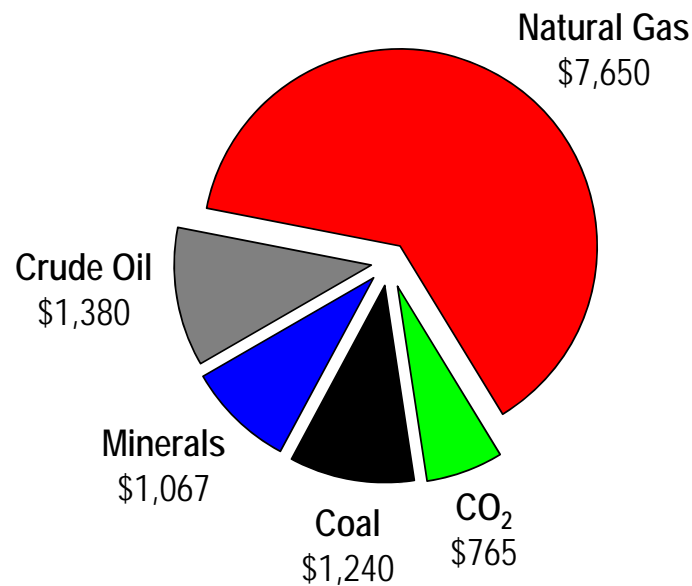
Renewables

- Second-largest solar plant in Alamosa
- 1,200 solar contractors
- 30% annual industry growth
- Currently employs 1,500-3,000

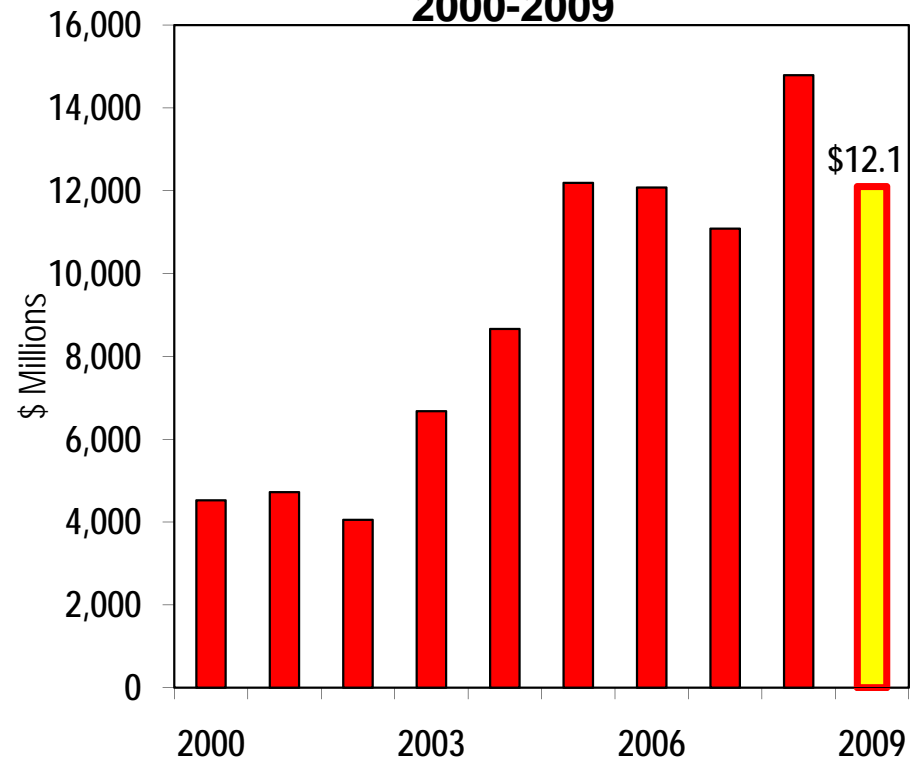


Natural Resources and Mining Valuation

Value of Resources
\$12.1 Billion



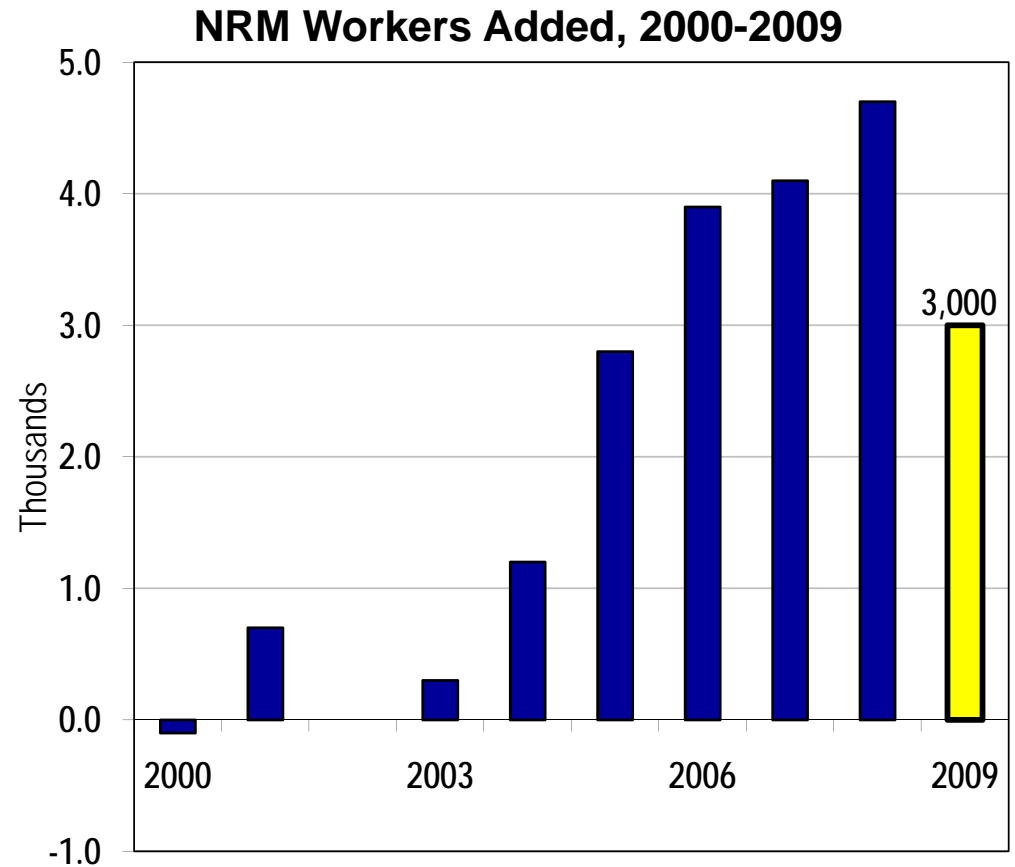
Total Value of Resources, 2000-2009



Sources: Colorado Geological Survey Mineral and Mineral Fuel Activity Reports, Colorado LMI, CO BEO Committee.

Natural Resources and Mining

Energy Breakout Session
Mt. Oxford Room
3:15



Sources: Colorado LMI, CO BEO Committee.

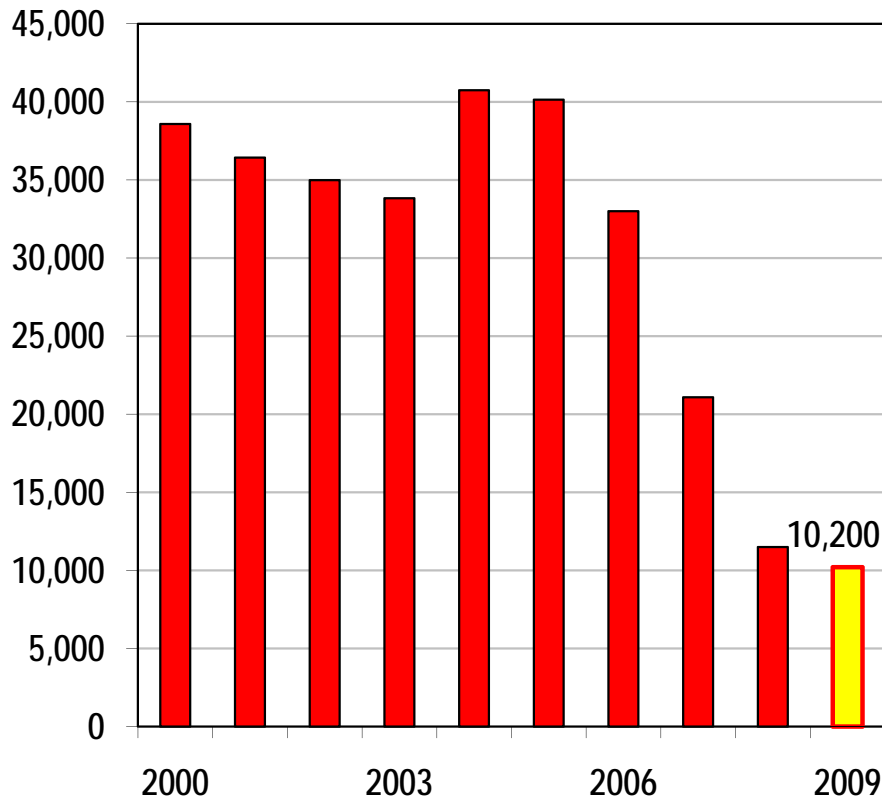
Construction



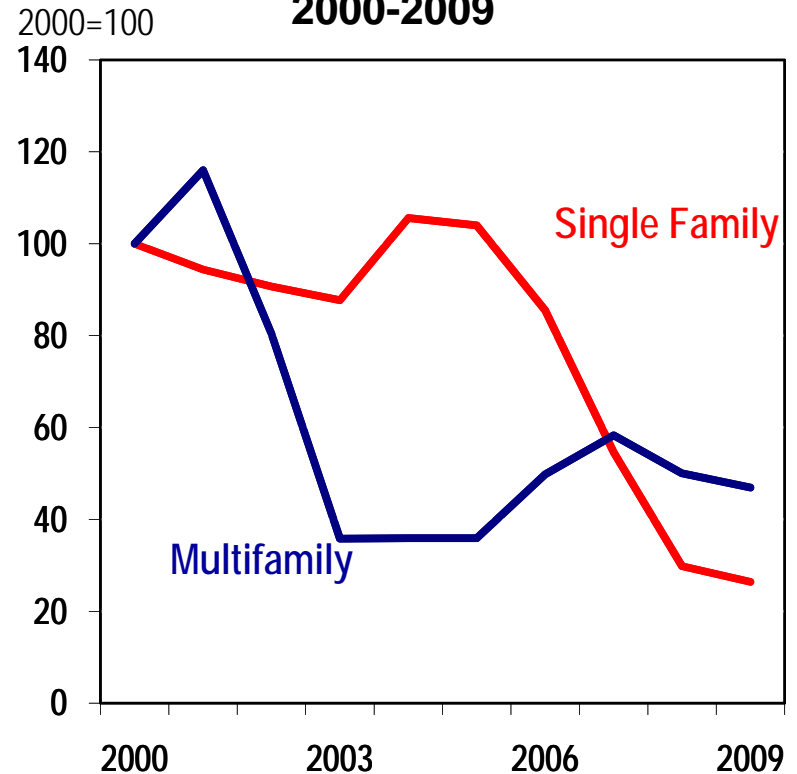
Colorado Building Permits

Single Family

Single-Family Permits, 2000-2009



Index of SF and MF Permits, 2000-2009

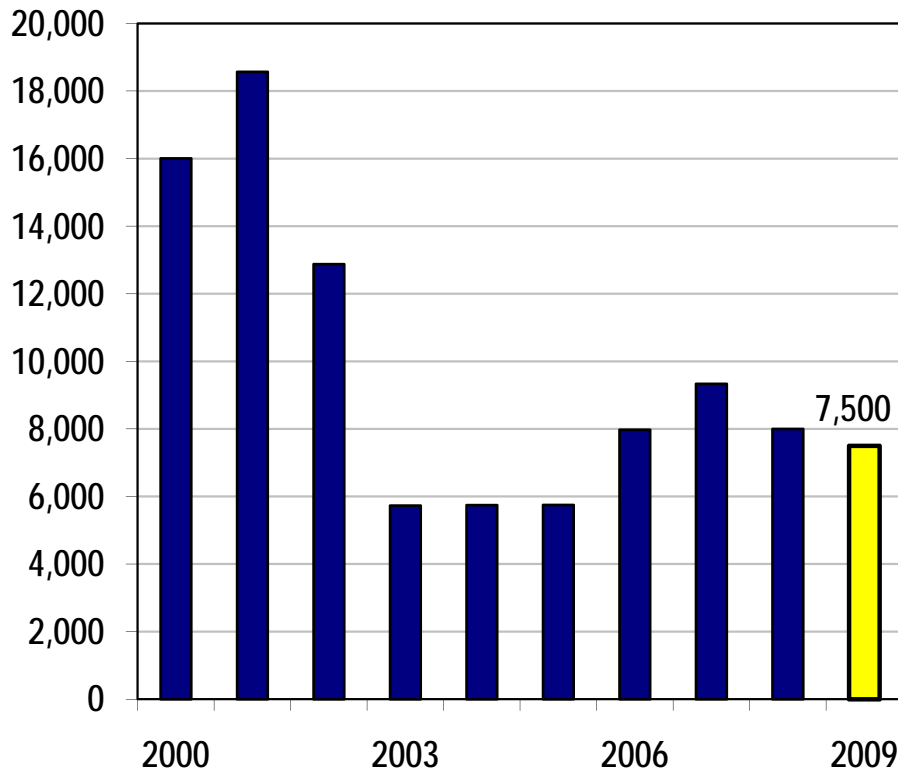


Sources: US Census Bureau, CO BEO Committee.

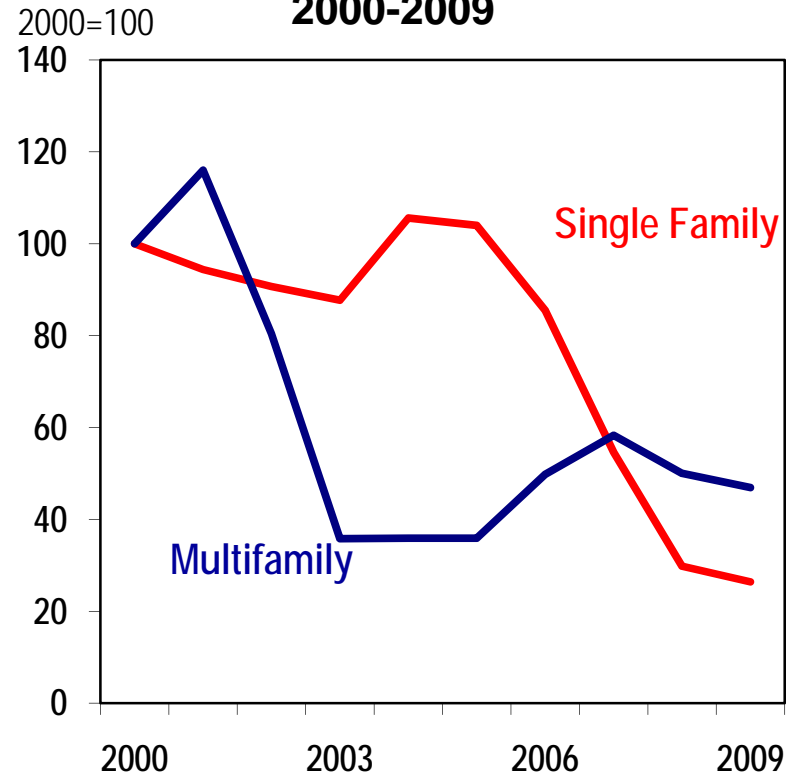
Colorado Building Permits

Multifamily

Multifamily Permits, 2000-2009

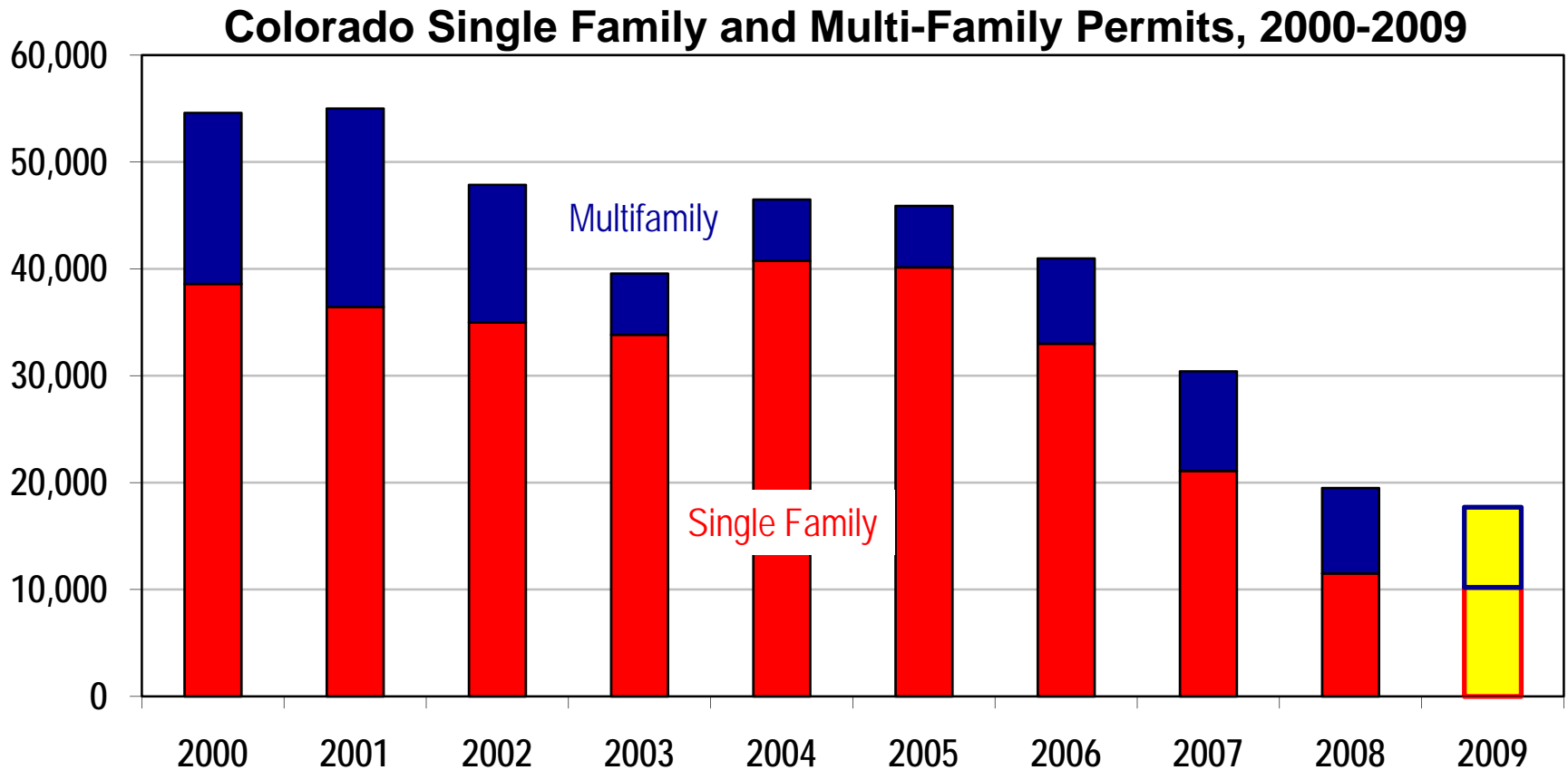


Index of SF and MF Permits, 2000-2009

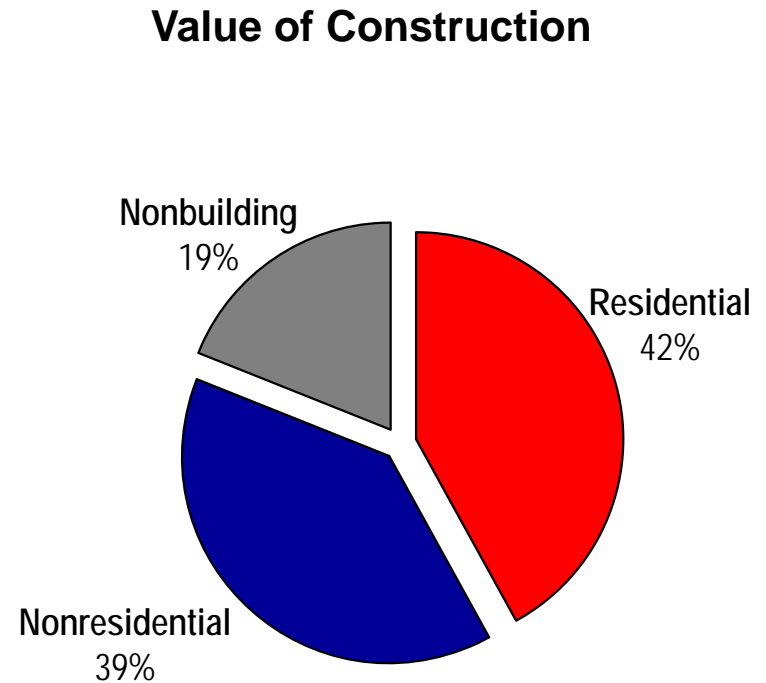
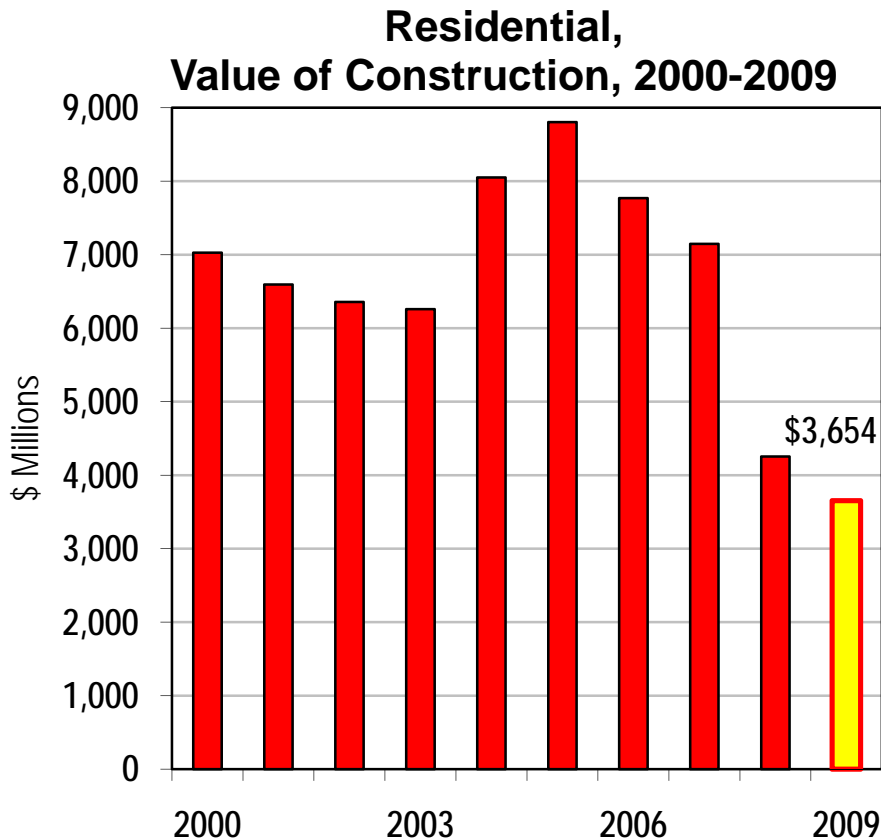


Sources: US Census Bureau, CO BEO Committee.

Colorado Building Permits



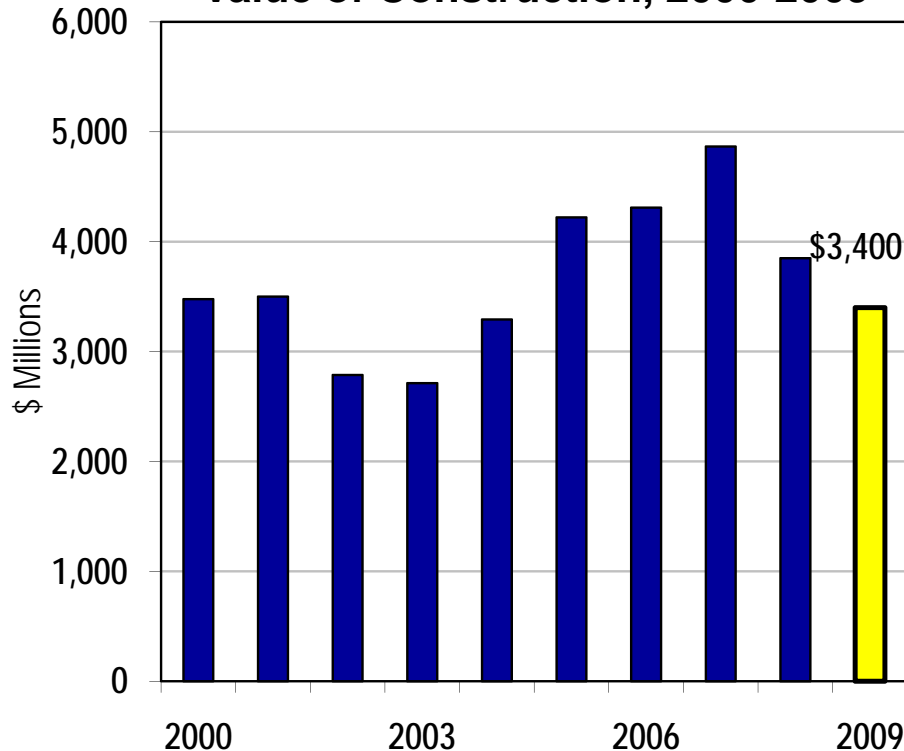
Value of Construction Residential



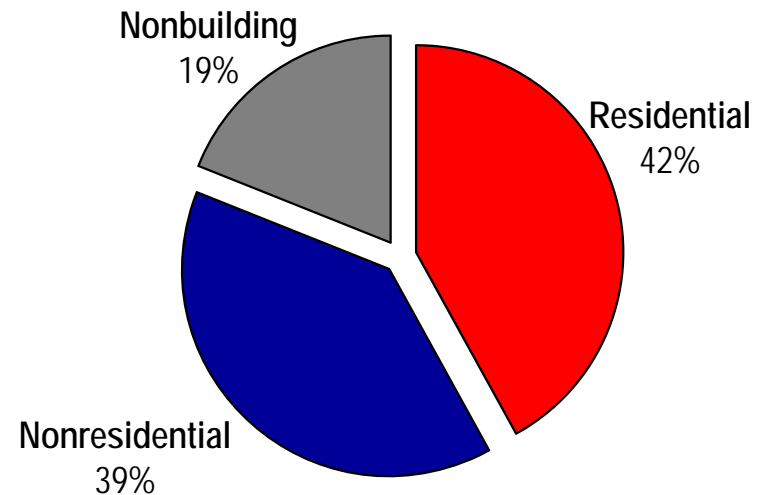
Sources: F.W. Dodge Company, CO Contractors Association, US Census Bureau, CO BEO Committee.

Value of Construction Nonresidential

Nonresidential,
Value of Construction, 2000-2009

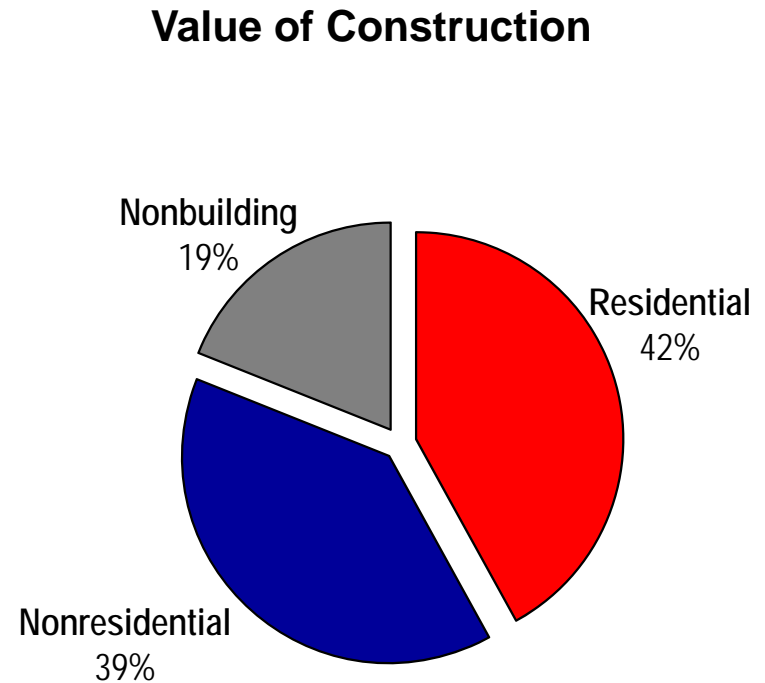
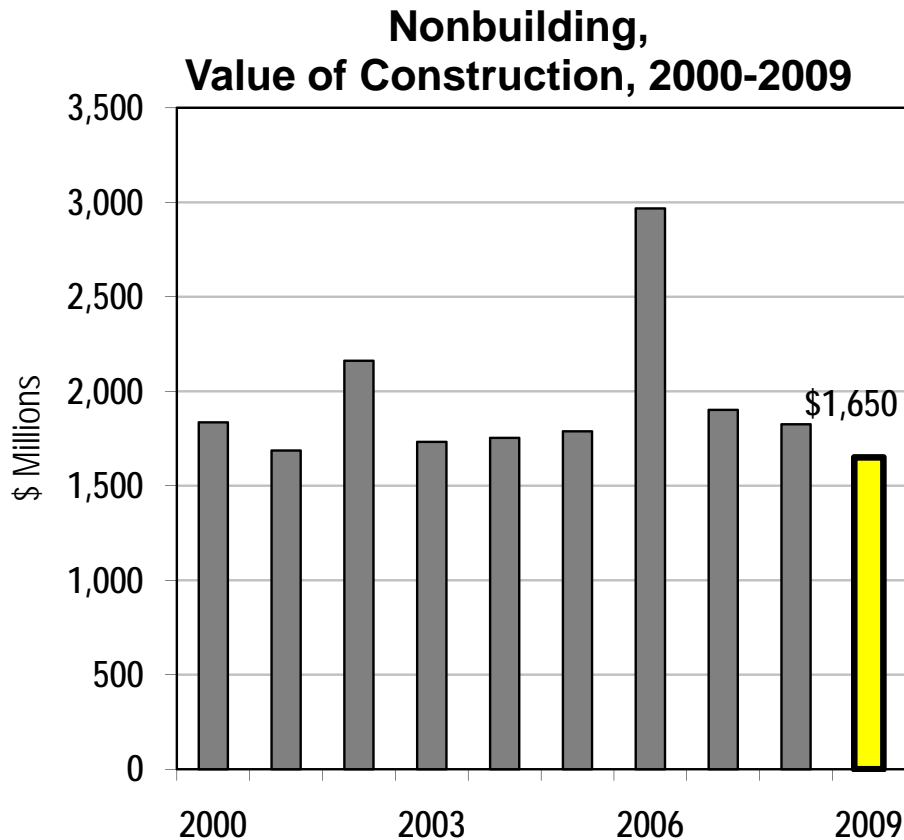


Value of Construction



Sources: F.W. Dodge Company, CO Contractors Association, US Census Bureau, CO BEO Committee.

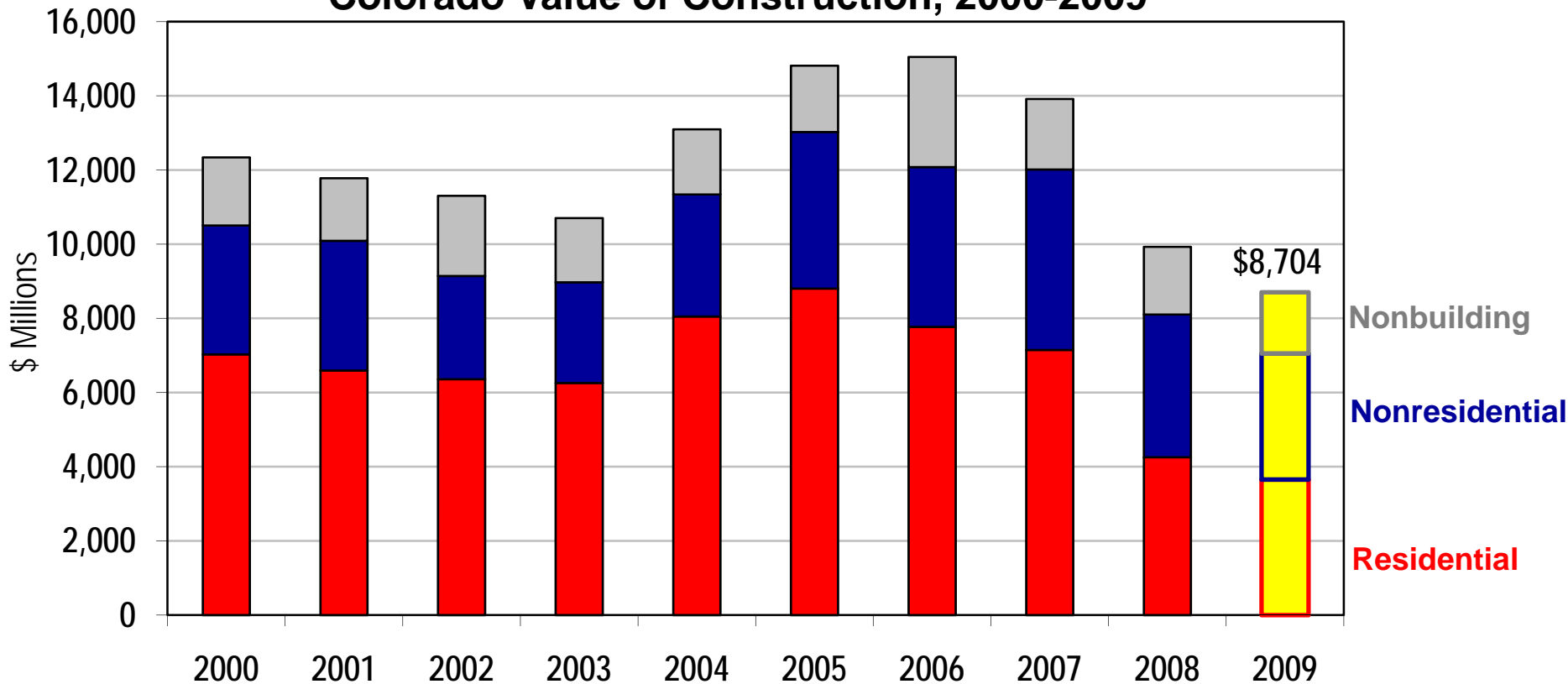
Value of Construction Nonbuilding



Sources: F.W. Dodge Company, CO Contractors Association, US Census Bureau, CO BEO Committee.

Value of Construction

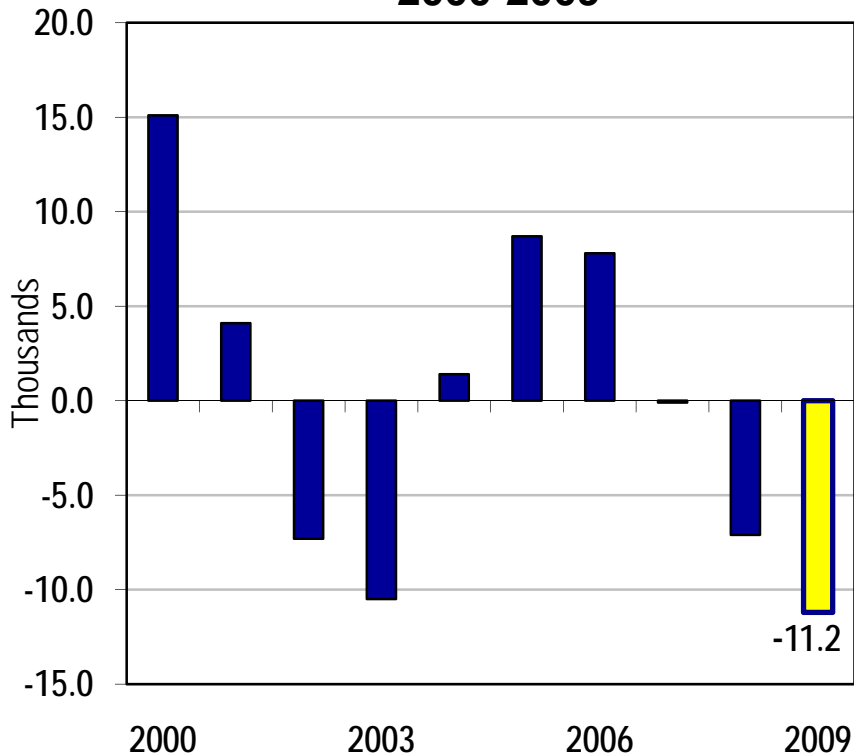
Colorado Value of Construction, 2000-2009



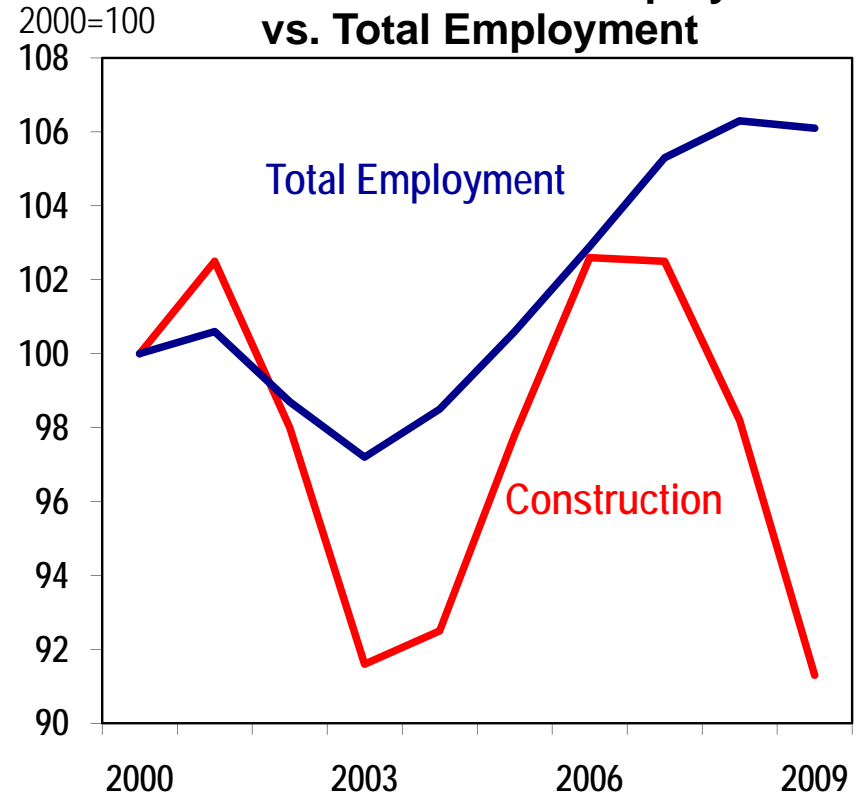
Sources: F.W. Dodge Company, CO Contractors Association, US Census Bureau, CO BEO Committee.

Construction

**Construction Workers Added,
2000-2009**

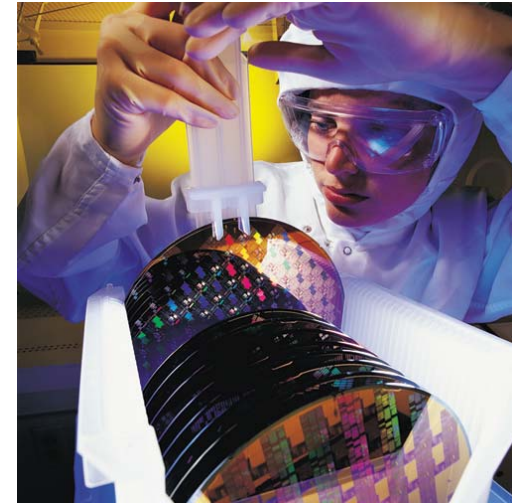


**Index of Construction Employment
vs. Total Employment**



Sources: Colorado LMI, CO BEO Committee.

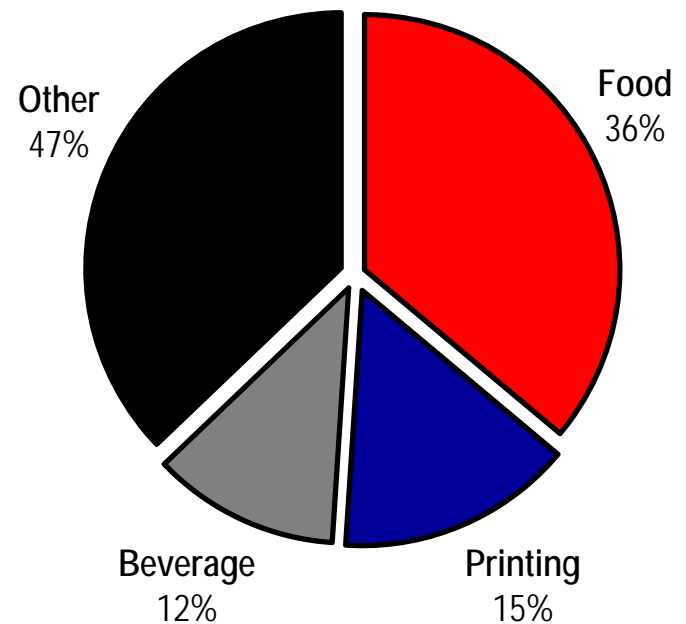
Manufacturing



Manufacturing - Nondurable



Nondurable Employment

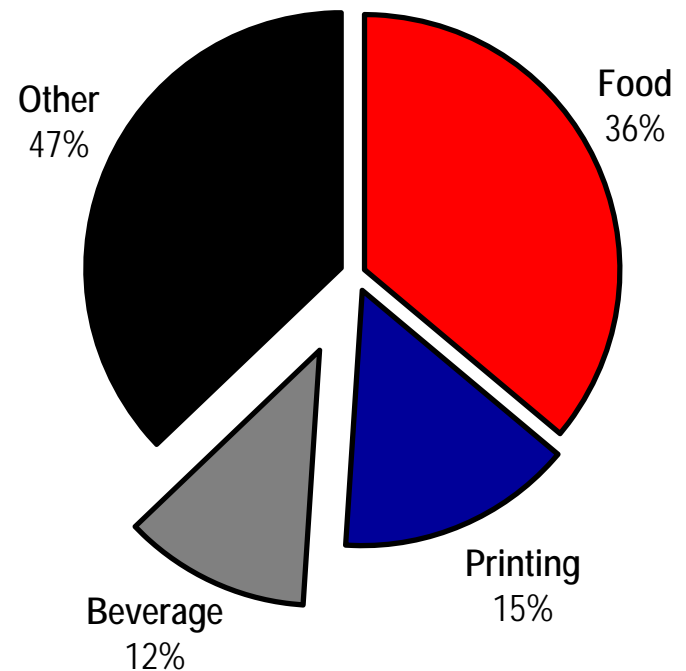


Source: Colorado LMI.

Manufacturing - Nondurable



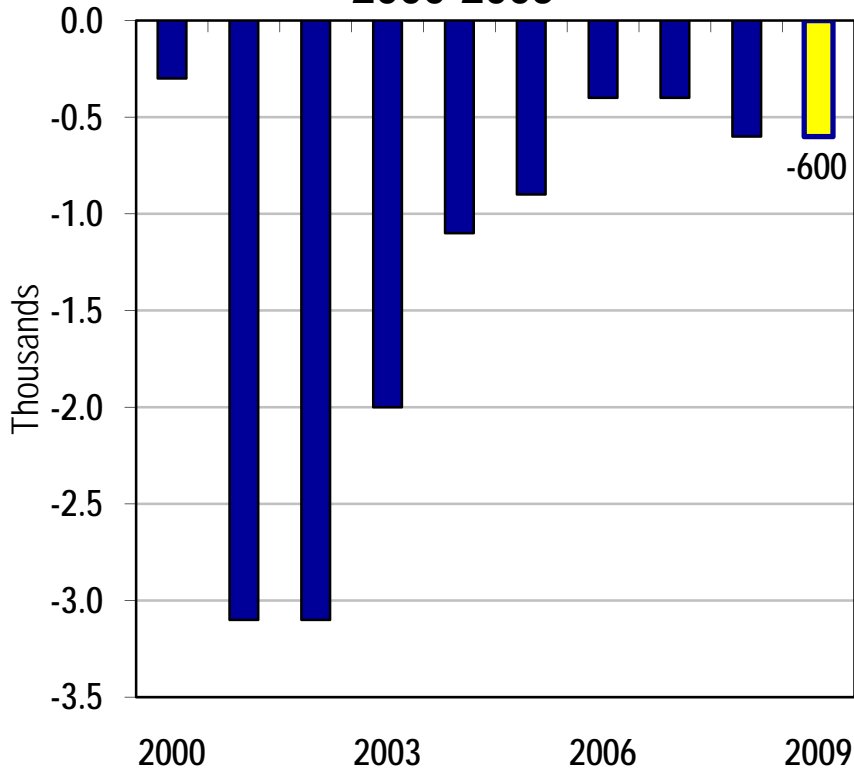
Nondurable Employment



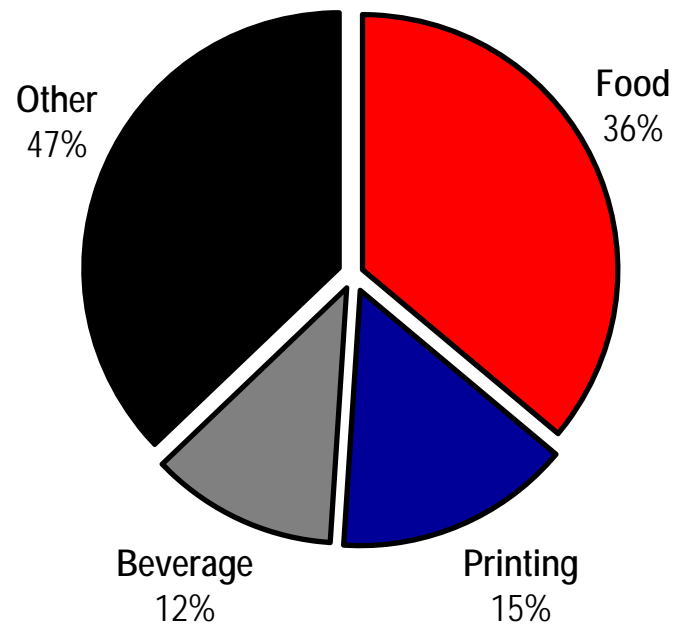
Source: Colorado LMI.

Manufacturing Employment Nondurable

**Nondurable Workers Added,
2000-2009**

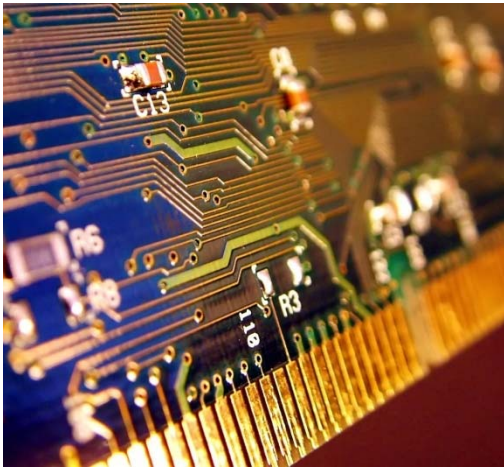


Nondurable Employment

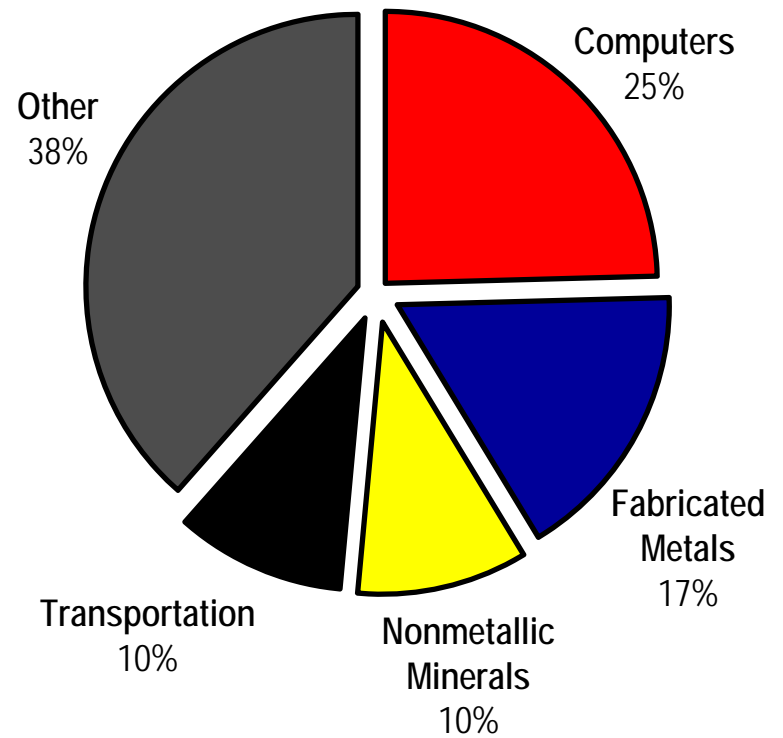


Sources: Colorado LMI, CO BEO Committee.

Manufacturing - Durable



Durable Employment

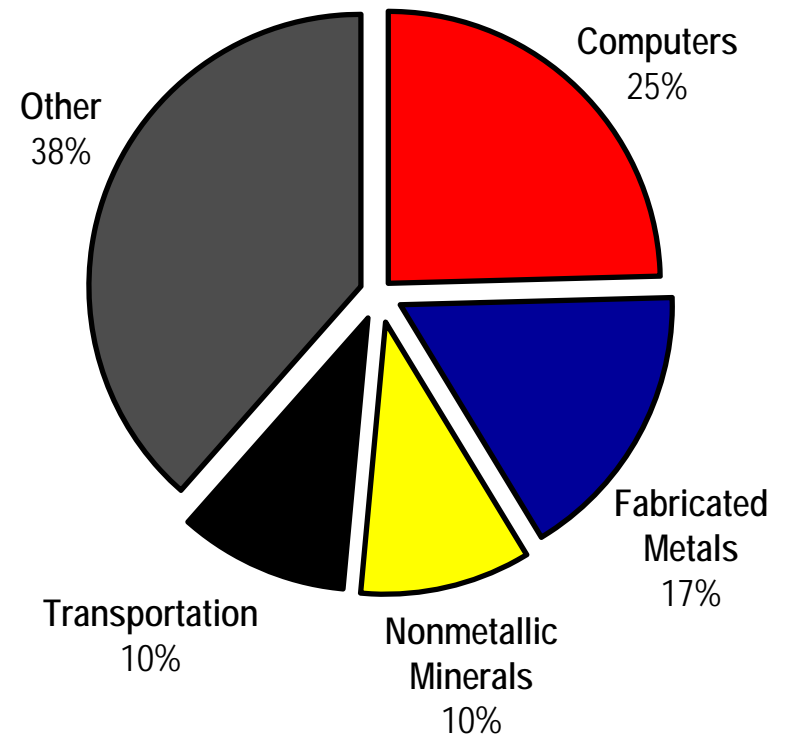


Source: Colorado LMI.

Manufacturing - Durable



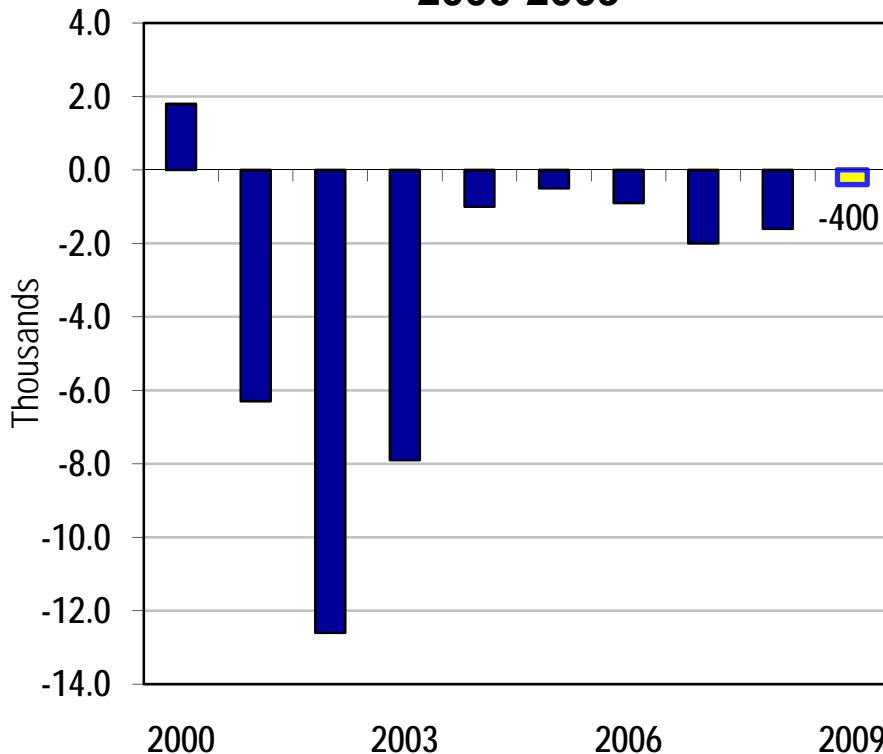
Durable Employment



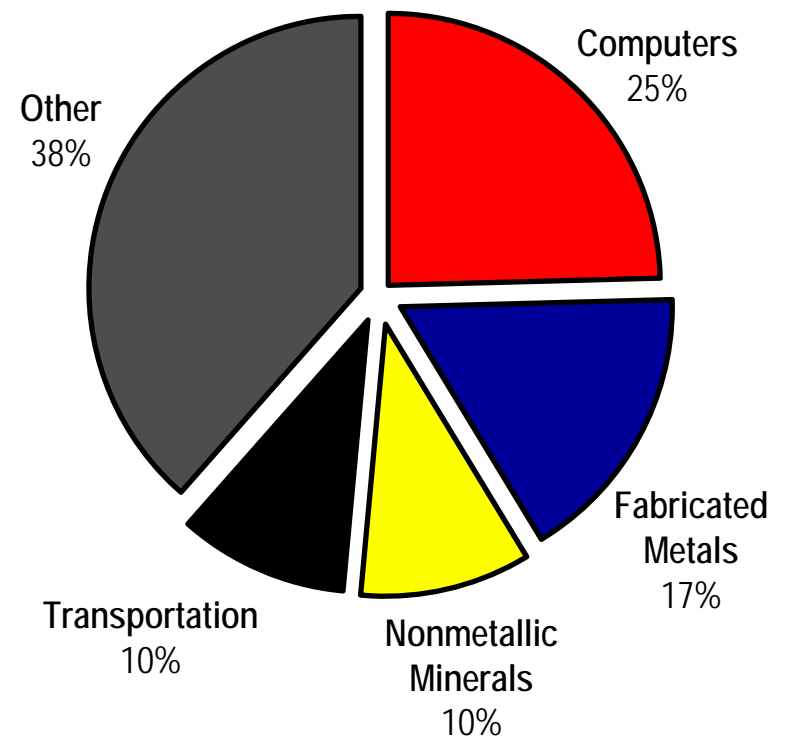
Source: Colorado LMI.

Manufacturing - Durable Goods

Durable Goods Workers Added, 2000-2009



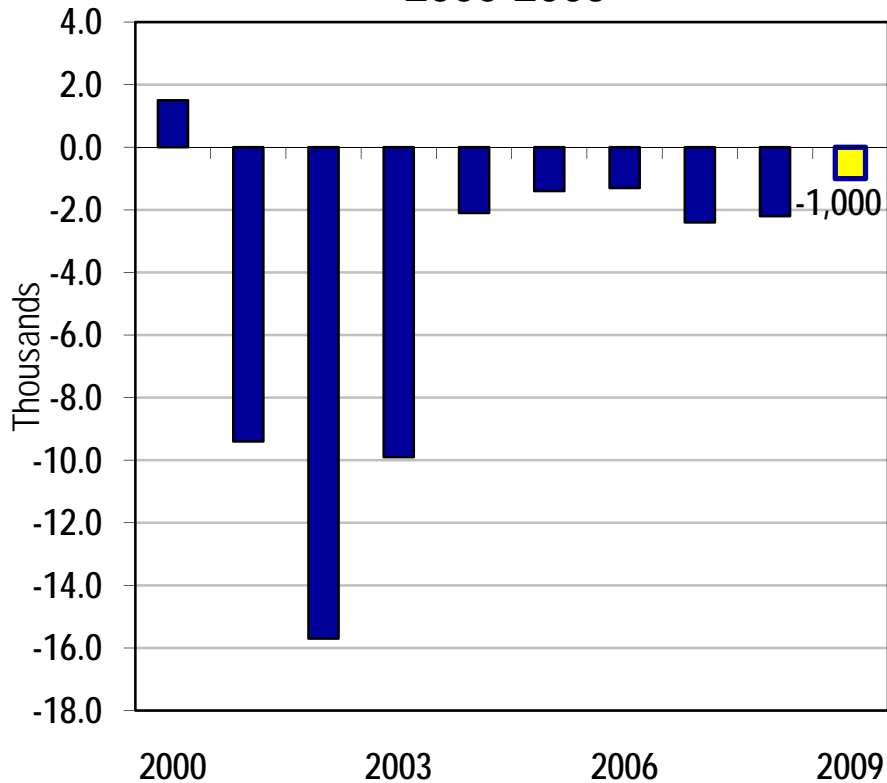
Durable Employment



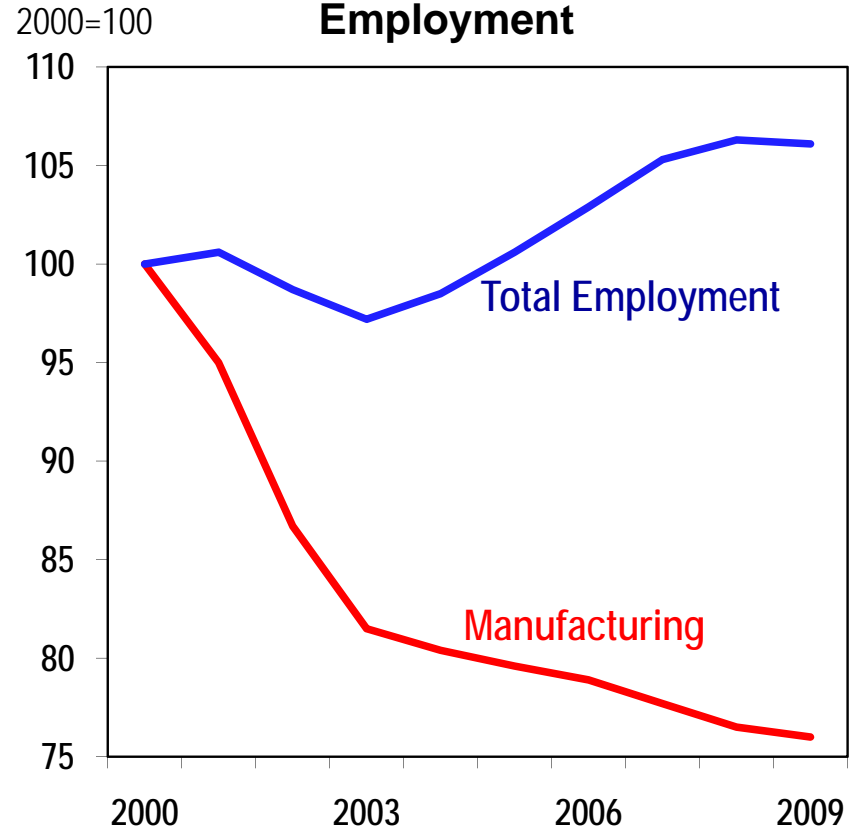
Sources: Colorado LMI, CO BEO Committee.

Manufacturing

**Manufacturing Workers Added,
2000-2009**



**Index of Manufacturing
Employment vs. Total
Employment**



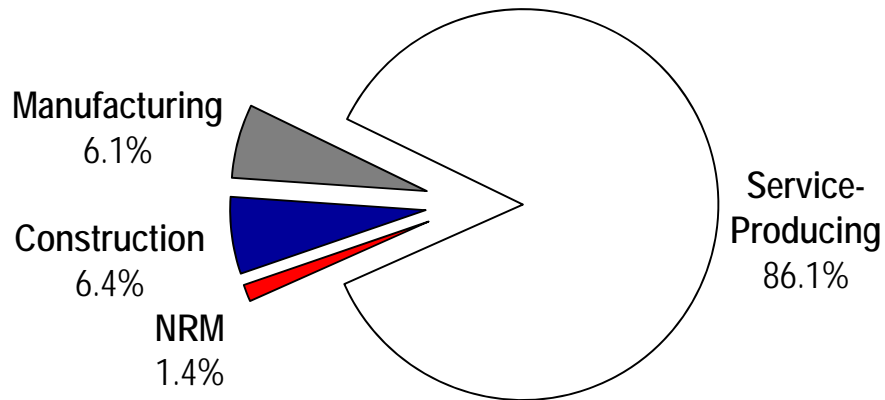
Sources: Colorado LMI, CO BEO Committee.

Goods-Producing Employment

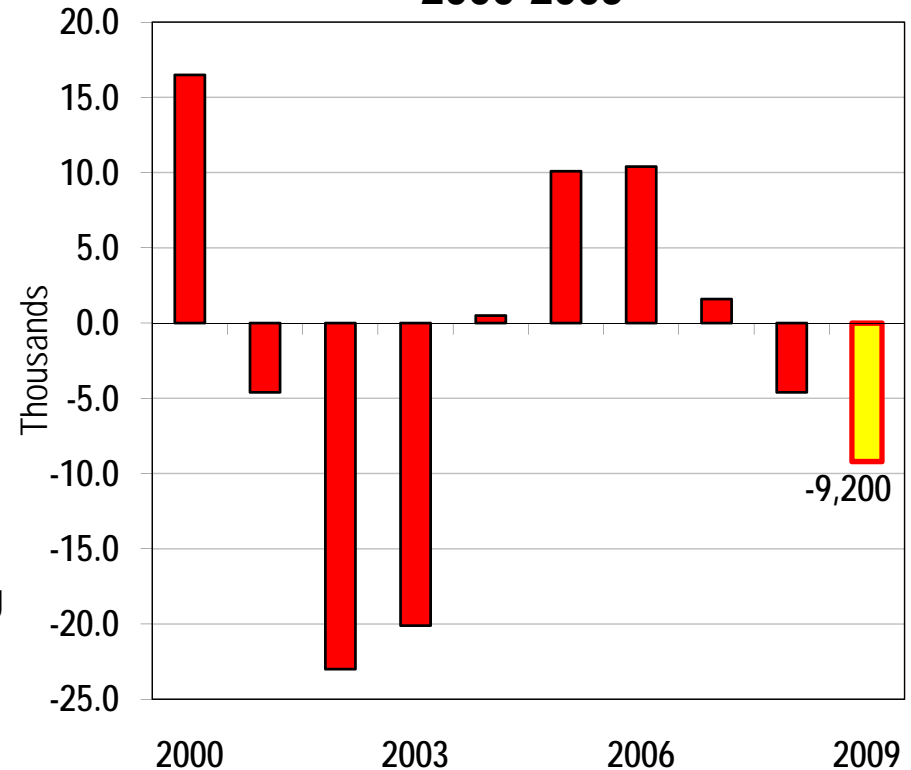
Goods-Producing Average Wages

- NRM \$87,291
- Construction \$45,554
- Manufacturing \$56,873

Goods-Producing Share of Colorado Employment



Goods-Producing Workers Added, 2000-2009



Sources: Colorado LMI, CO BEO Committee.

International Trade

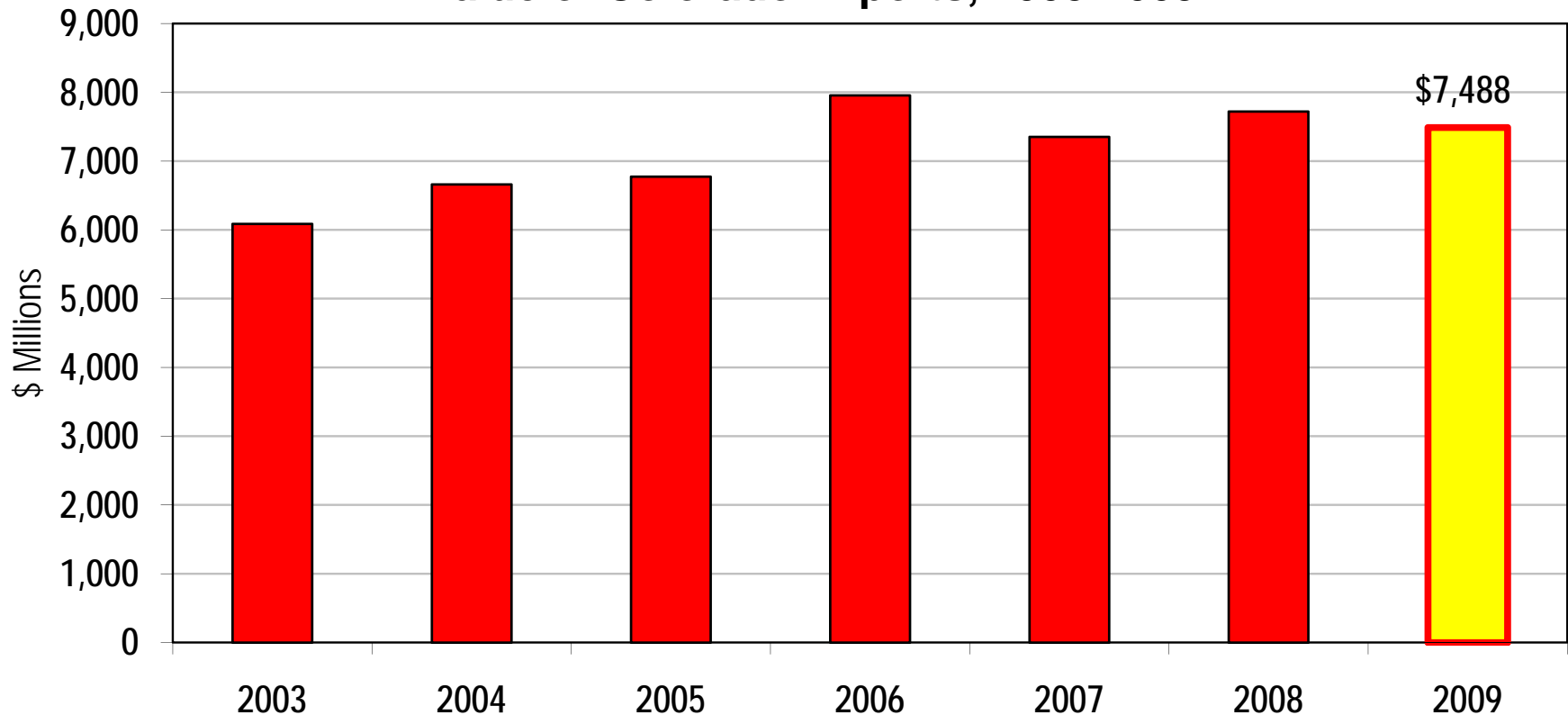
Factors in 2008

- Weaker dollar
- Reopening of beef markets
- Commodity prices
- Closing of high-tech facilities



Colorado Exports

Value of Colorado Exports, 2003-2009



Sources: World Institute for Strategic Economic Research (WISER), CO BEO Committee.

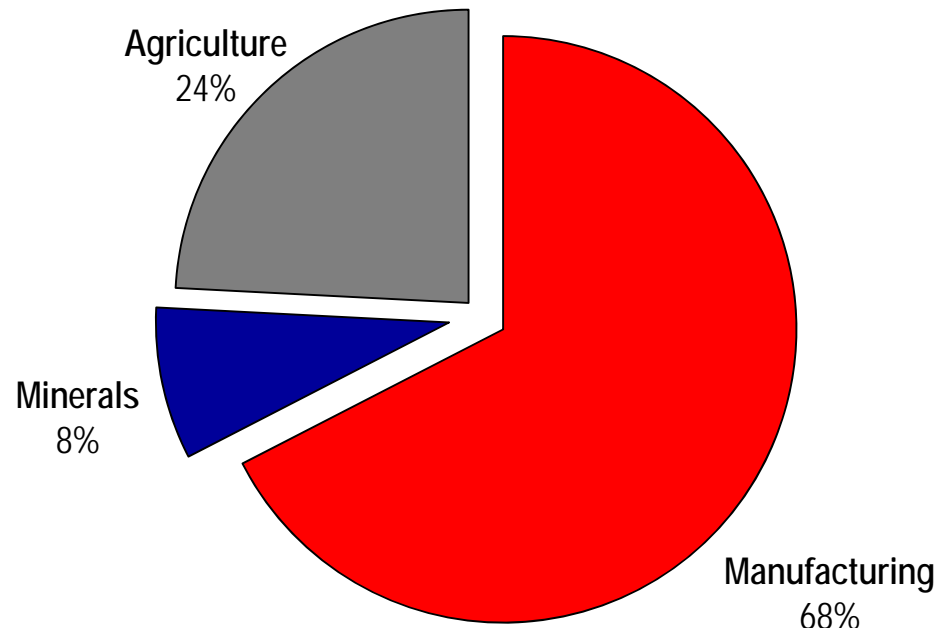
Business Research Division – Leeds School of Business

Manufacturing

Top Manufacturing Exports

- Print machinery
- Electronic integrated circuits
- Instruments
- Data process machines
- Medical, dental, and vet supplies
- Photo plates and film
- Photo film in rolls
- Prosthetics, hearing aids
- Aircraft, spacecraft parts
- Telephone parts
- Office machines
- TV receivers, monitors, etc.

Colorado Exports

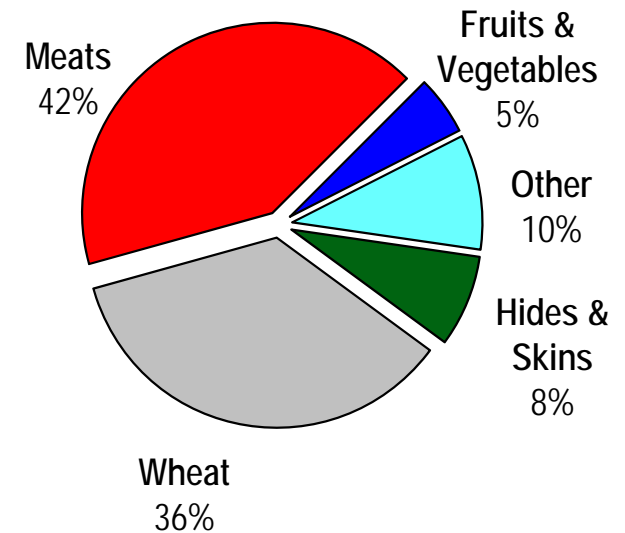


Sources: World Institute for Strategic Economic Research (WISER), CO BEO Committee.

Colorado Agricultural Exports



Colorado Agricultural Exports Total \$1.9 Billion



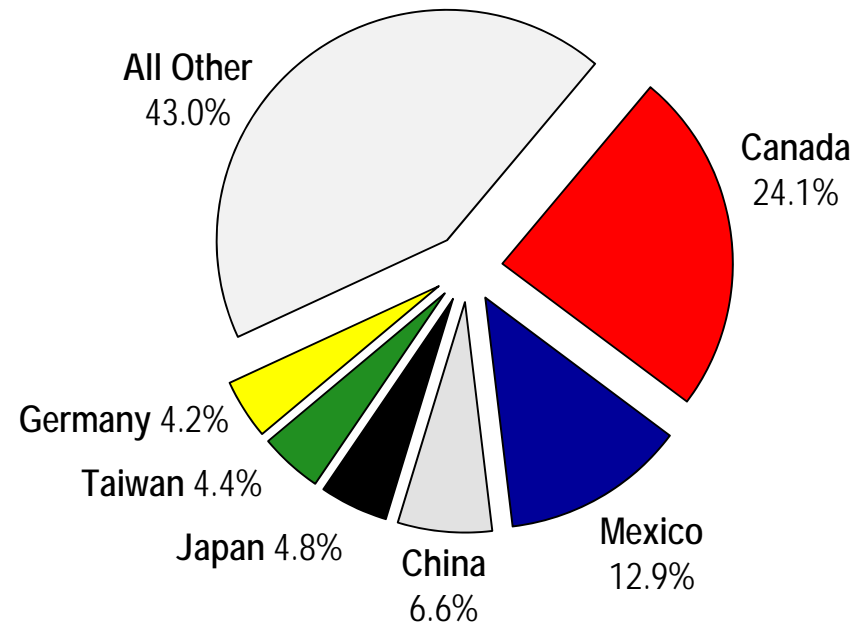
Sources: World Institute for Strategic Economic Research (WISER), CO BEO Committee.

Exports – Major Destinations

Top 14 Export Destinations

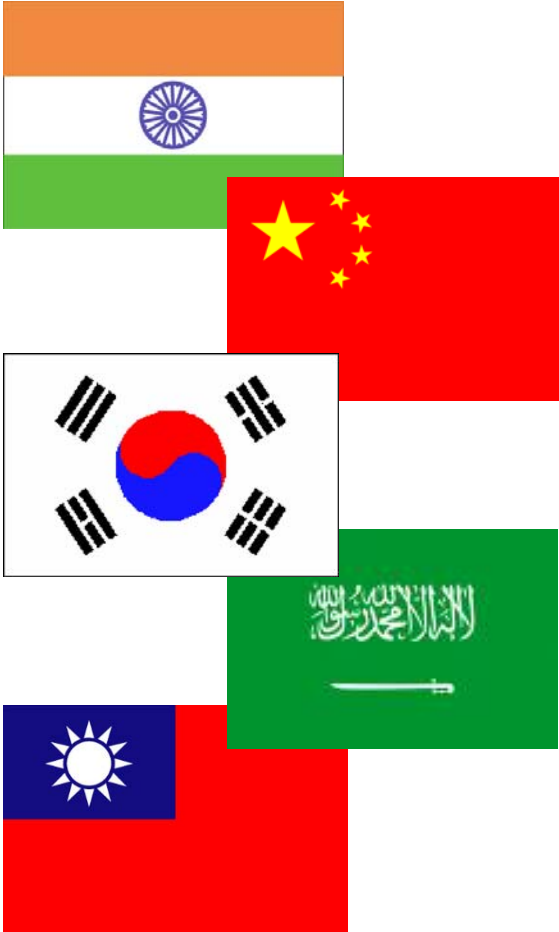
- Canada
- Mexico
- China
- Japan
- Taiwan
- Germany
- The Netherlands
- United Kingdom
- Malaysia
- Philippines
- Hong Kong
- Korea
- Australia
- Switzerland

Export Destinations



Sources: World Institute for Strategic Economic Research, CO BEO Committee.

International Students in Colorado



- Nearly 6,000 students
- Enrollments climbed 11%
- Estimated expenditures \$148.9 M
- Leading countries of origin:
 - India
 - China
 - South Korea
 - Saudi Arabia
 - Taiwan

Sources: Institute of International Education, CO BEO Committee.

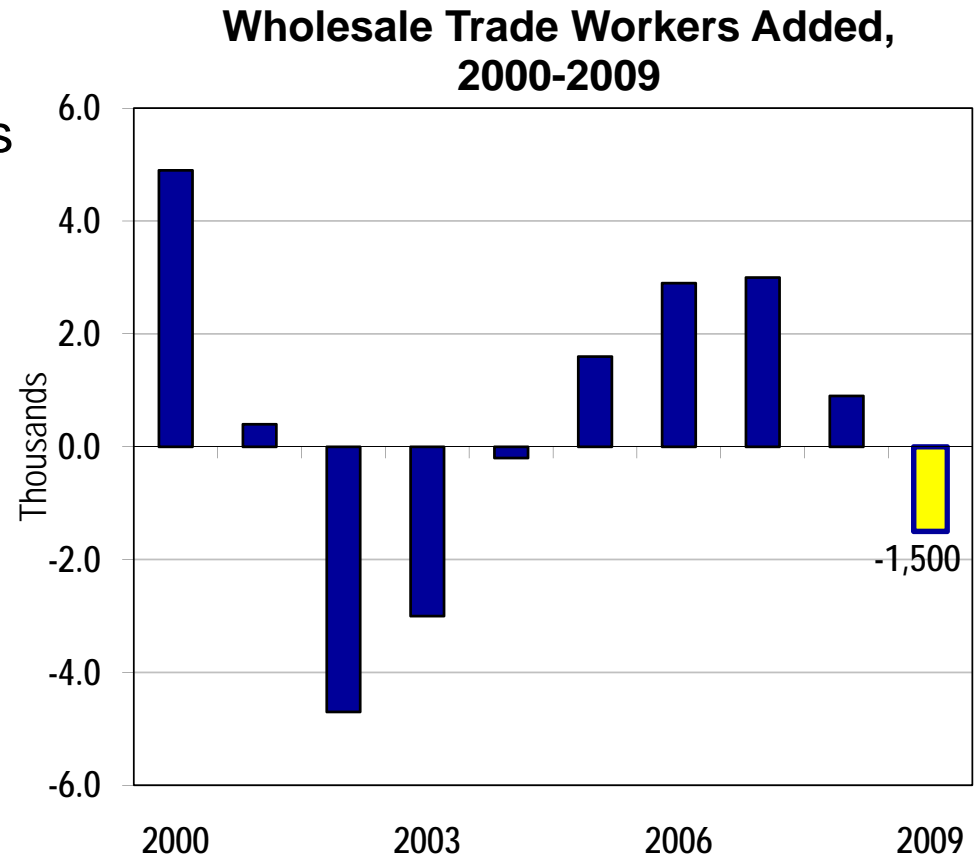
Business Research Division – Leeds School of Business

Trade, Transportation, and Utilities



Wholesale Trade

- 90% Merchant wholesalers
- 54% Durable goods
- Tied to retail
- Wages 40% higher than state average

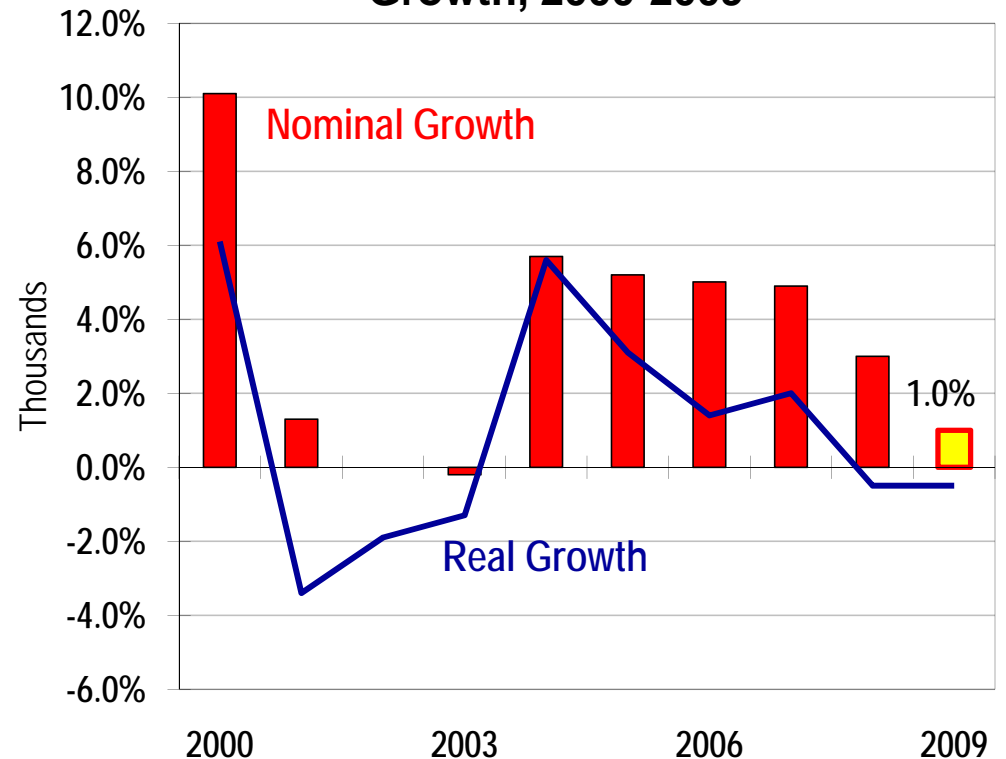


Sources: Colorado Department of Revenue, CO BEO Committees.

Retail Trade Sales



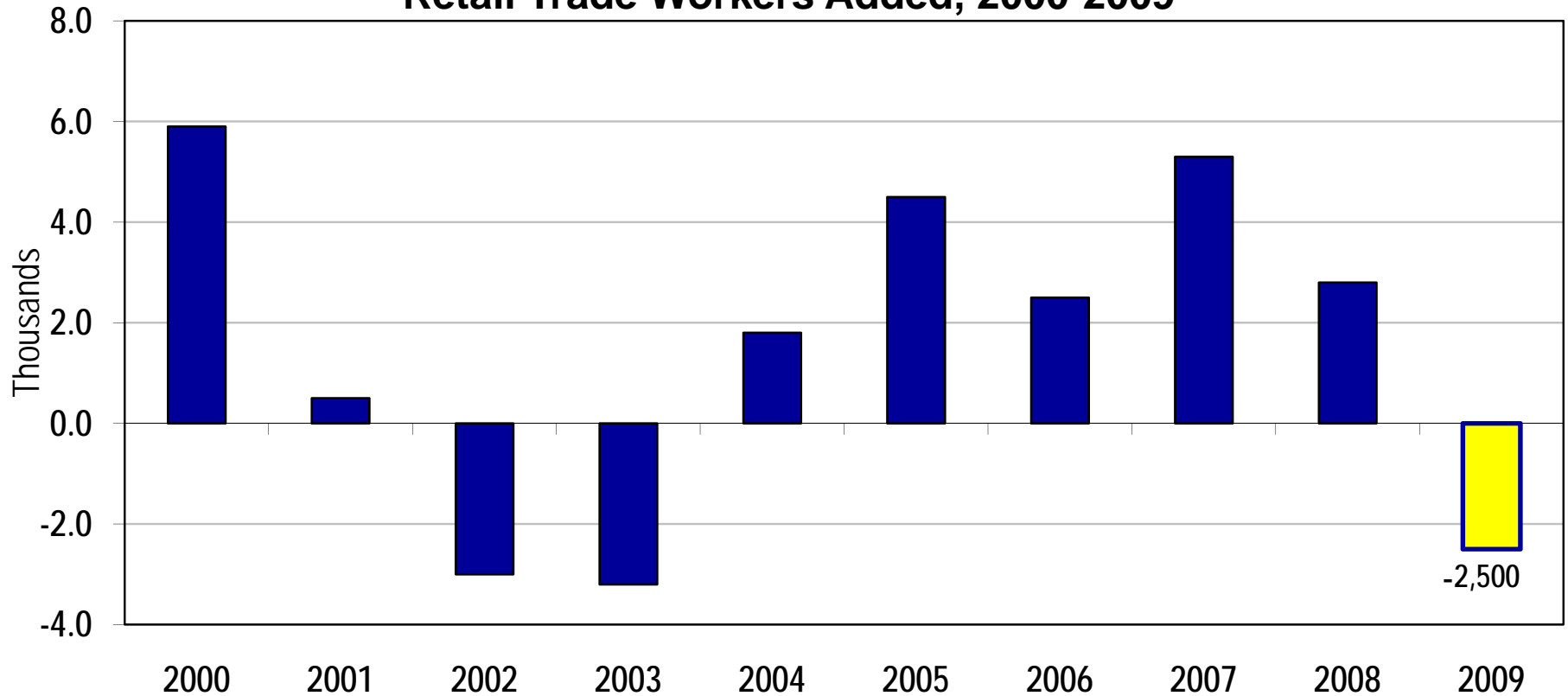
Retail Trade Sales Real and Nominal Growth, 2000-2009



Sources: Colorado Department of Revenue.

Retail Trade

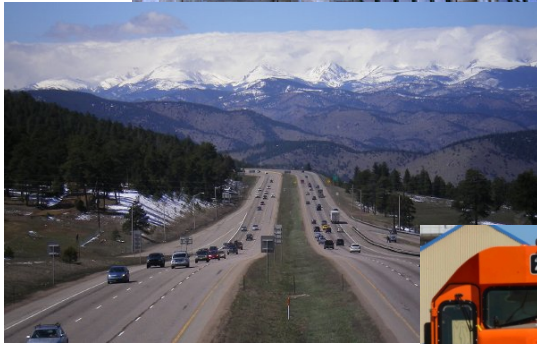
Retail Trade Workers Added, 2000-2009



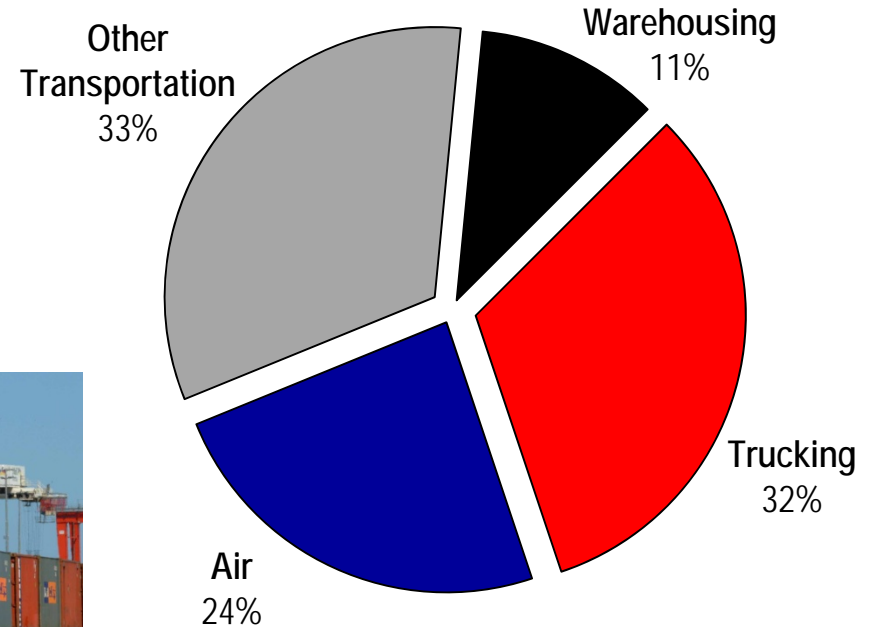
Sources: Colorado LMI, CO BEO Committee.

Business Research Division – Leeds School of Business

Transportation and Warehousing



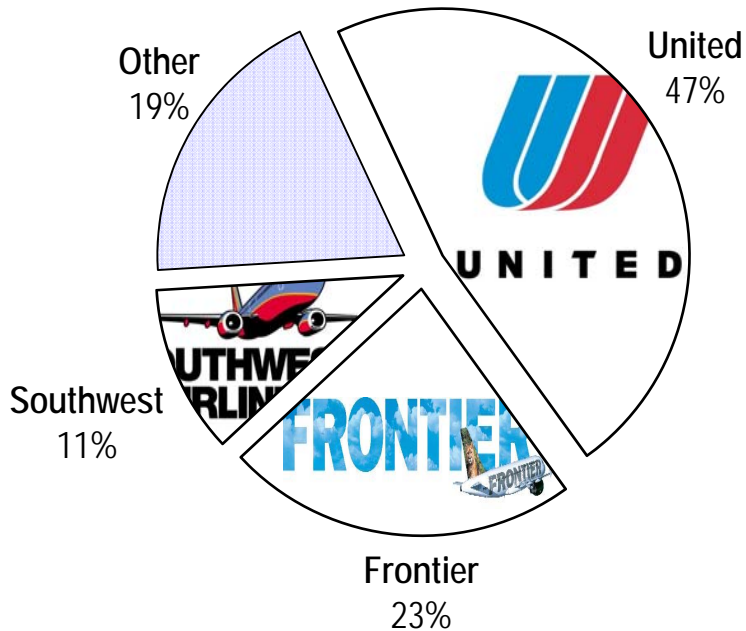
Transportation and Warehousing Employment



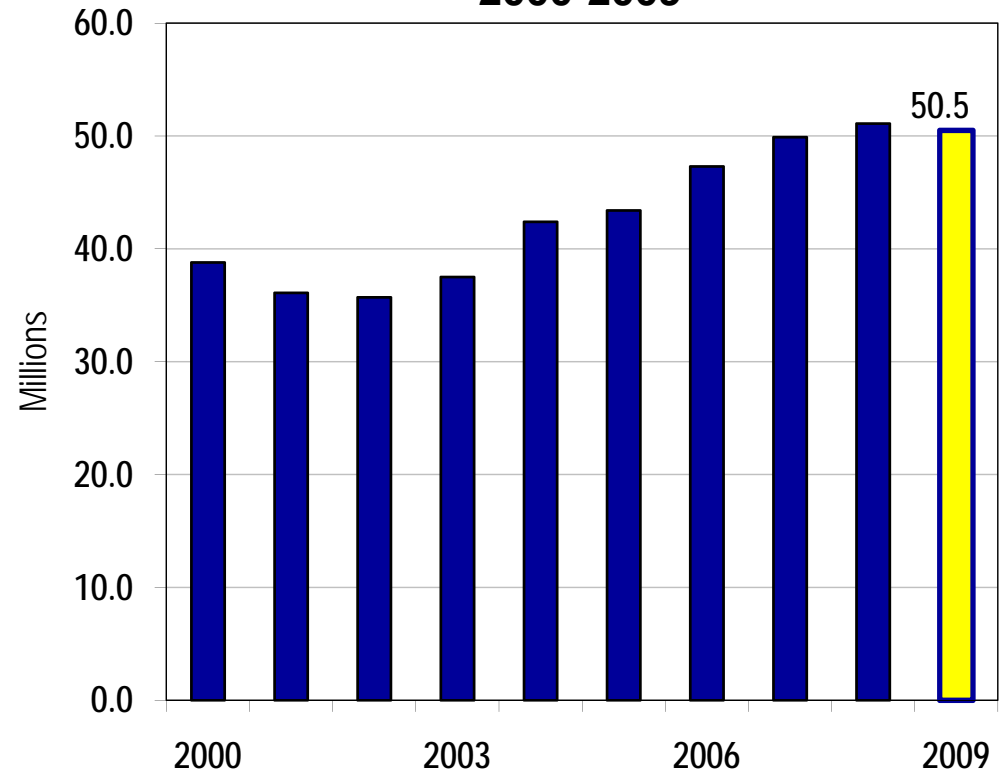
Source: Colorado LMI.

DIA Enplanements and Deplanements

DIA Airline Market Share



DIA Enplanements and Deplanements, 2000-2009



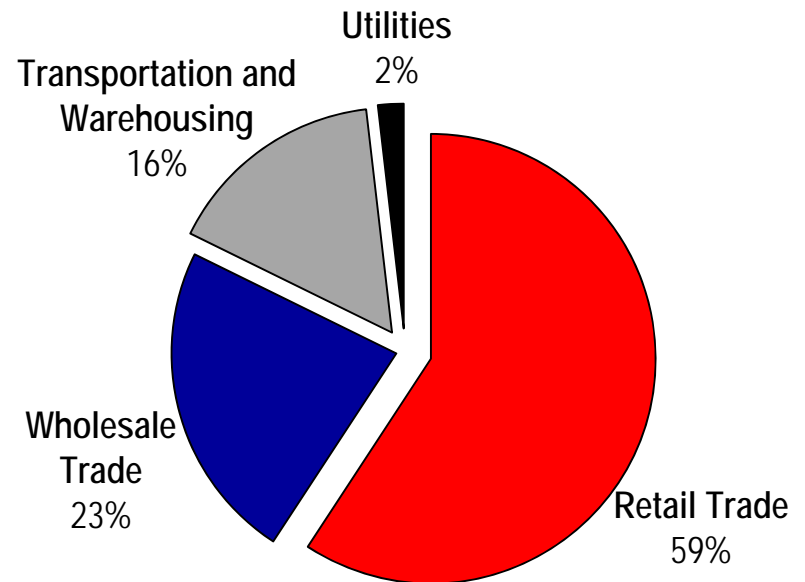
Sources: Denver International Airport, CO BEO Committee.

Business Research Division – Leeds School of Business

Motor Freight Issues

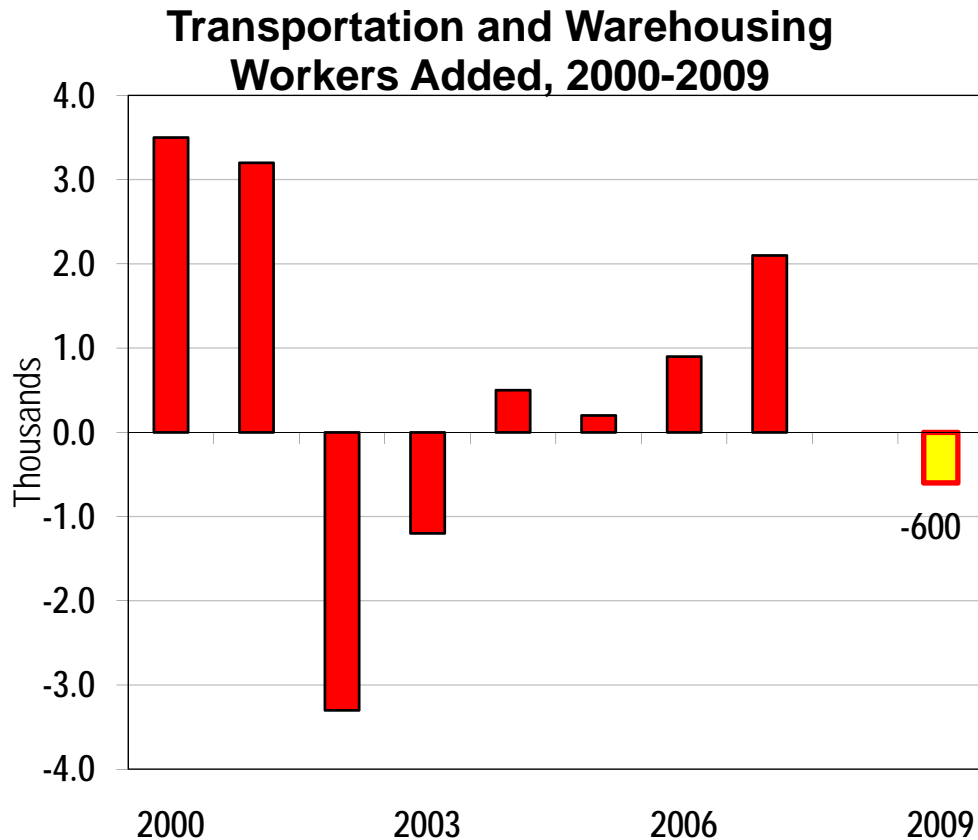
- Small firms
- Fuel costs
- Economy
- Government regulation
- Change in US administration
- Imports exceed exports

TTU Employment



Source: Colorado LMI.

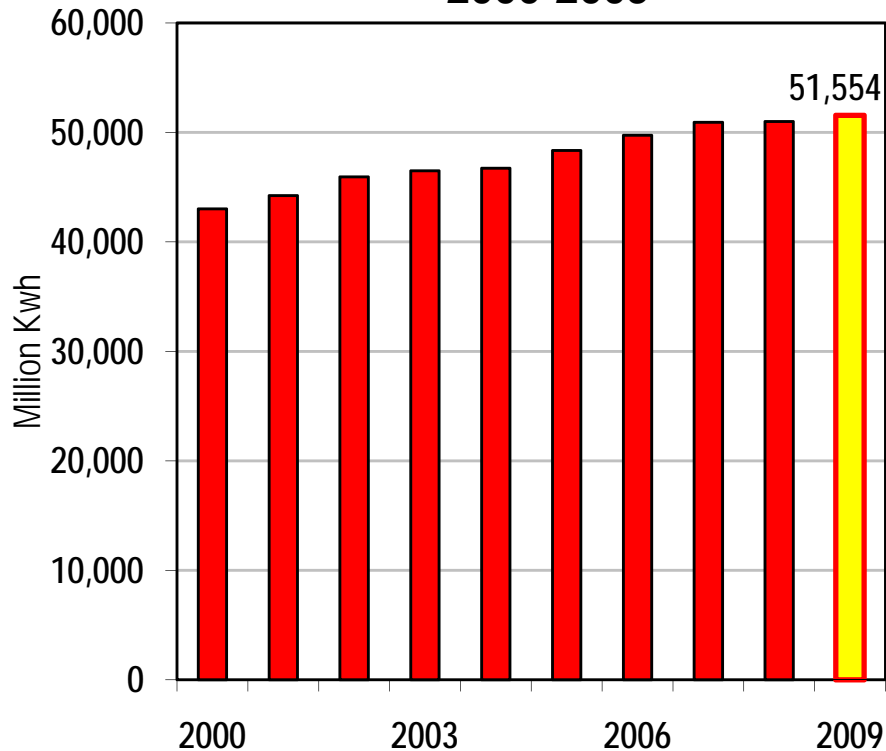
Transportation and Warehousing



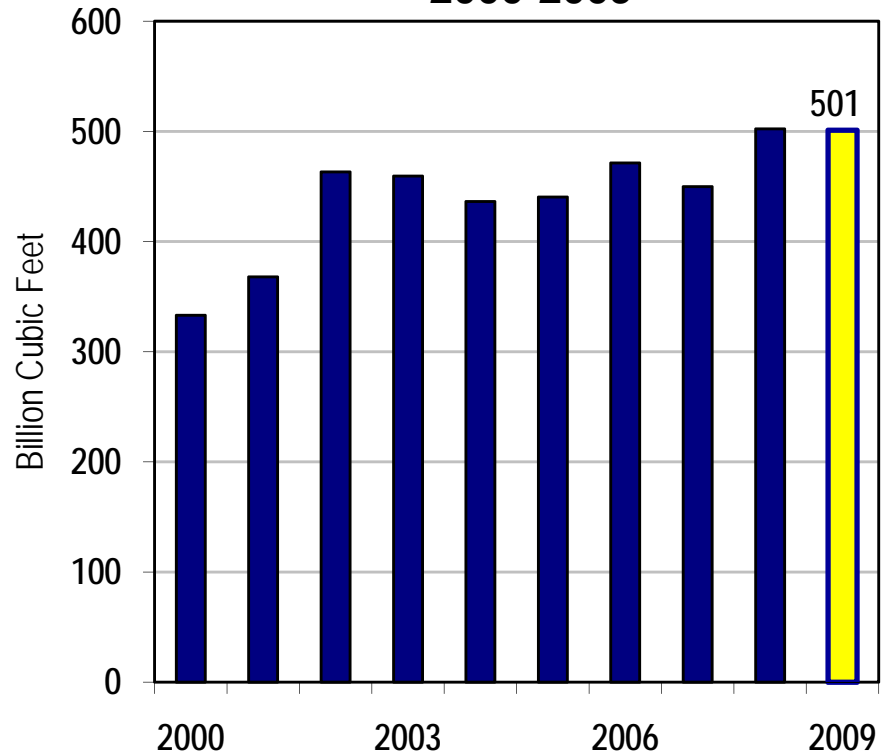
Sources: Colorado LMI, CO BEO Committees.

Electricity and Natural Gas Consumption

Electricity Consumption,
2000-2009



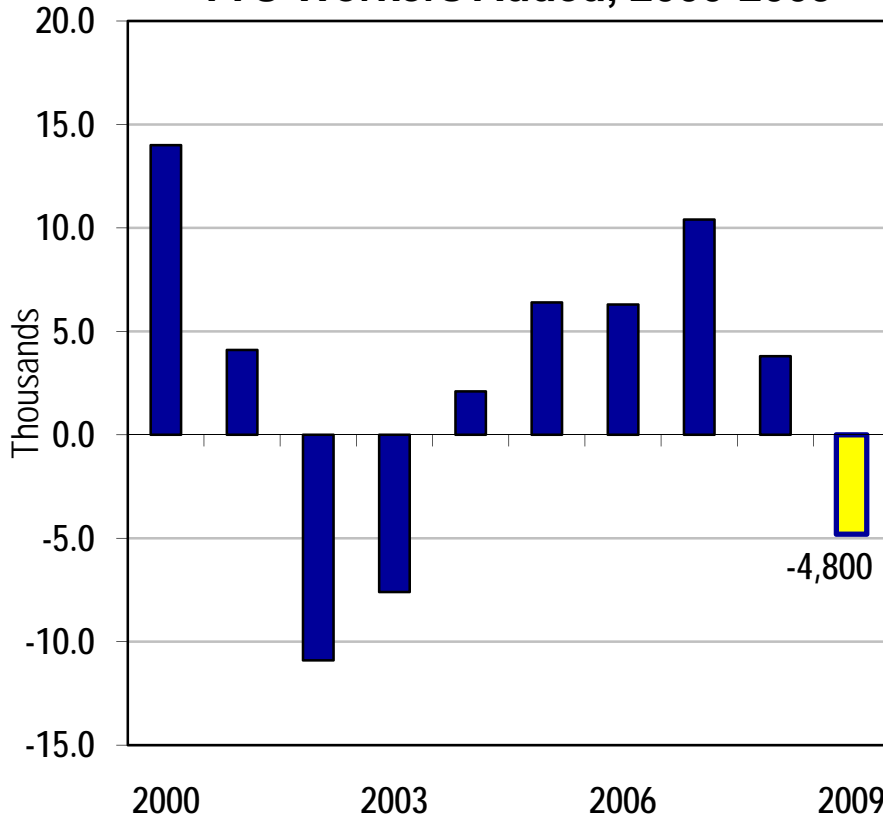
Natural Gas Consumption,
2000-2009



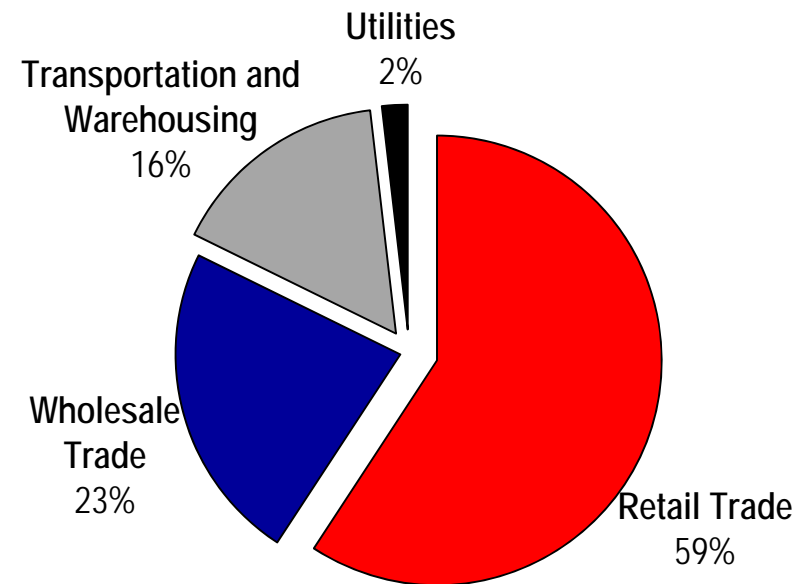
Sources: Edison Electrical Institute Statistical Yearbook, Xcel Energy, CO BEO Committee.

TTU Employment

TTU Workers Added, 2000-2009

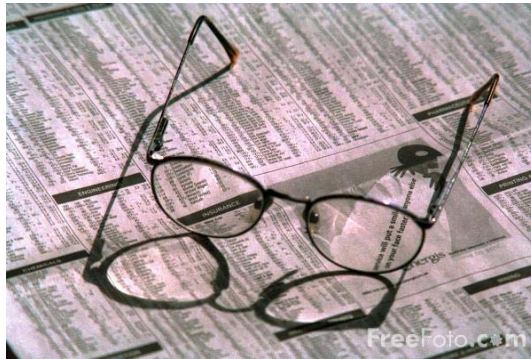


TTU Employment



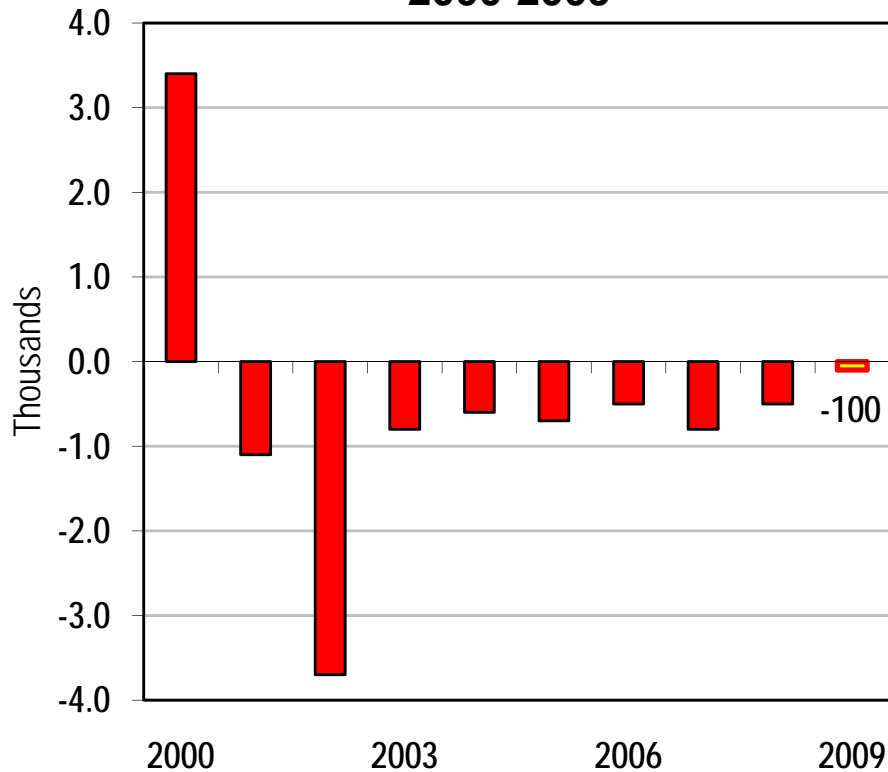
Sources: Colorado LMI, CO BEO Committee.

Information

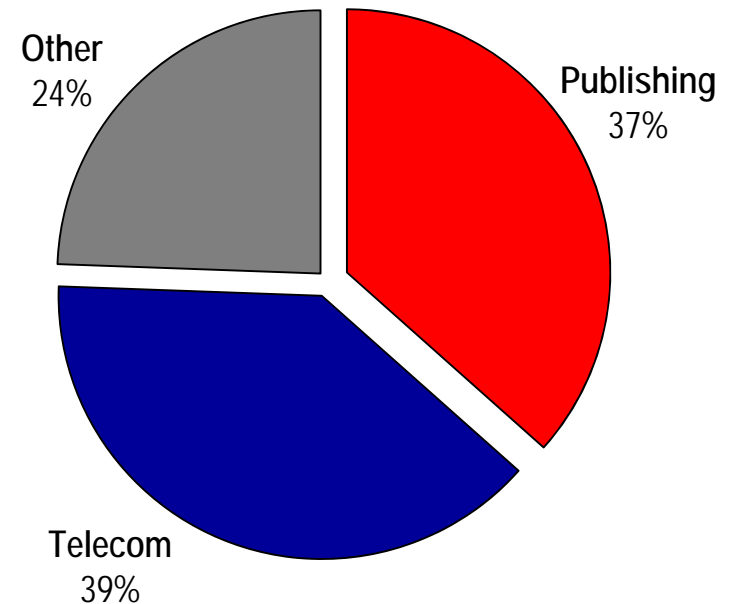


Publishing

Publishing Workers Added, 2000-2009



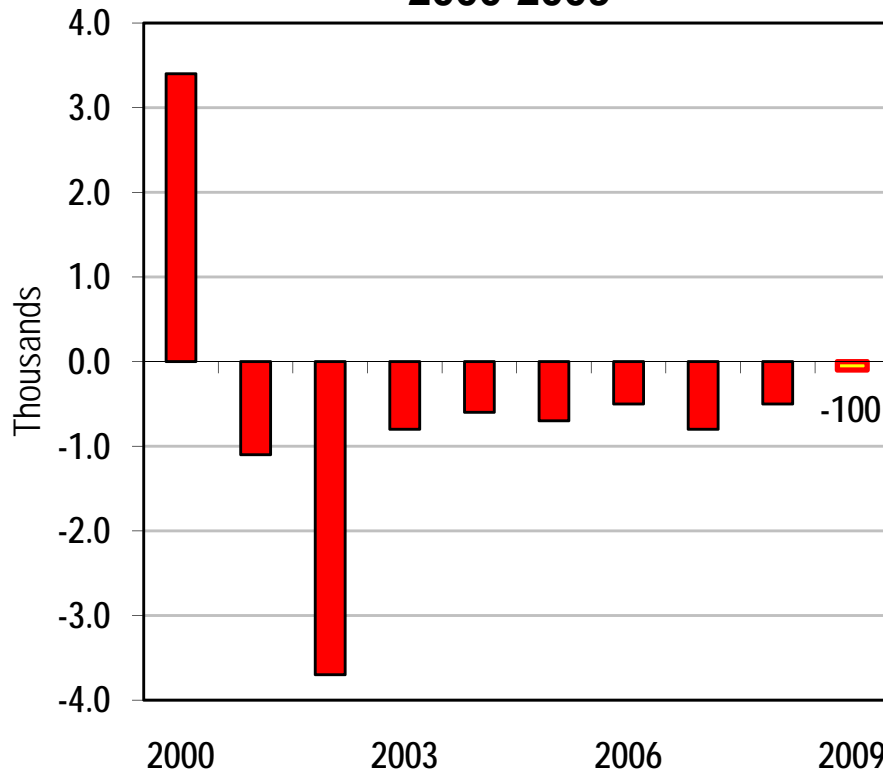
Information Employment



Sources: Colorado LMI, CO BEO Committee.

Publishing

**Publishing Workers Added,
2000-2009**

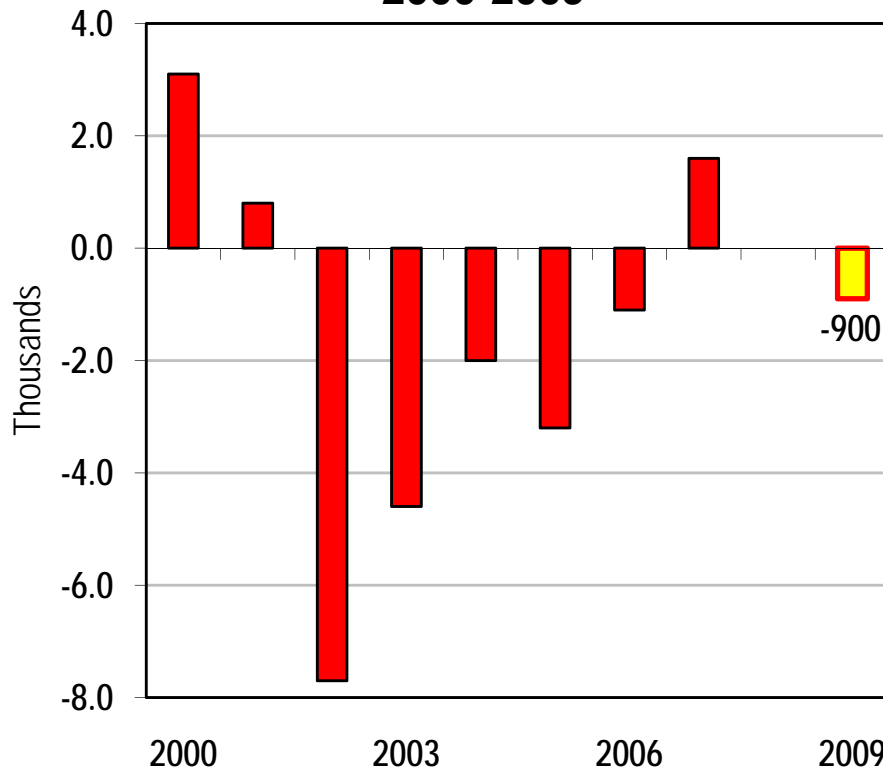


- Preference for e-products
- Increased efficiency
- Circulation decline

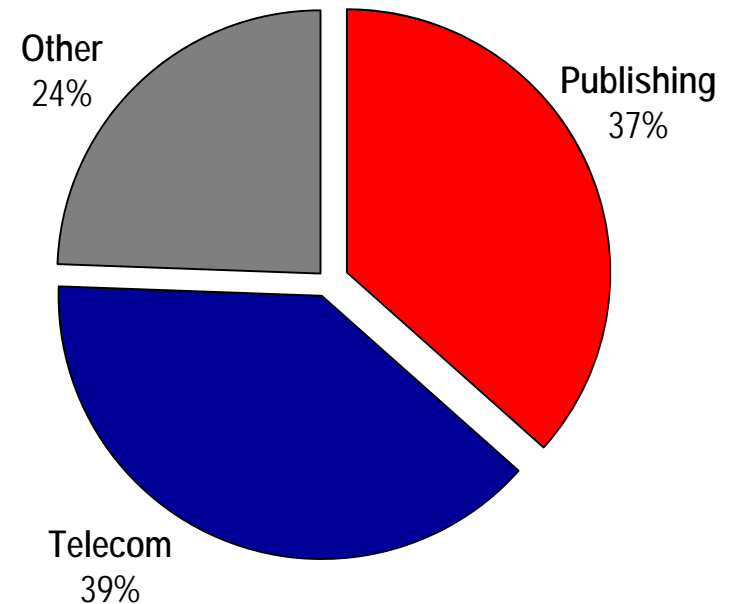
Sources: Colorado LMI, CO BEO Committee.

Telecommunications

Telecom Workers Added, 2000-2009



Information Employment

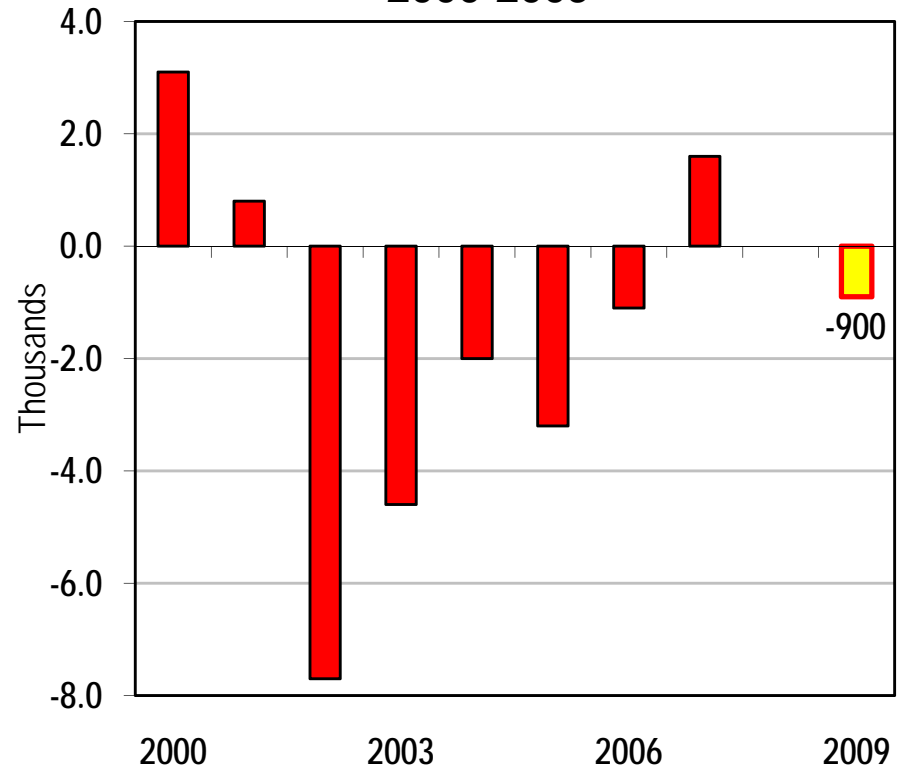


Sources: Colorado LMI, CO BEO Committee.

Telecommunications

- Improvements to infrastructure
- Transition to digital television
- More consumers use wireless

Telecom Workers Added,
2000-2009



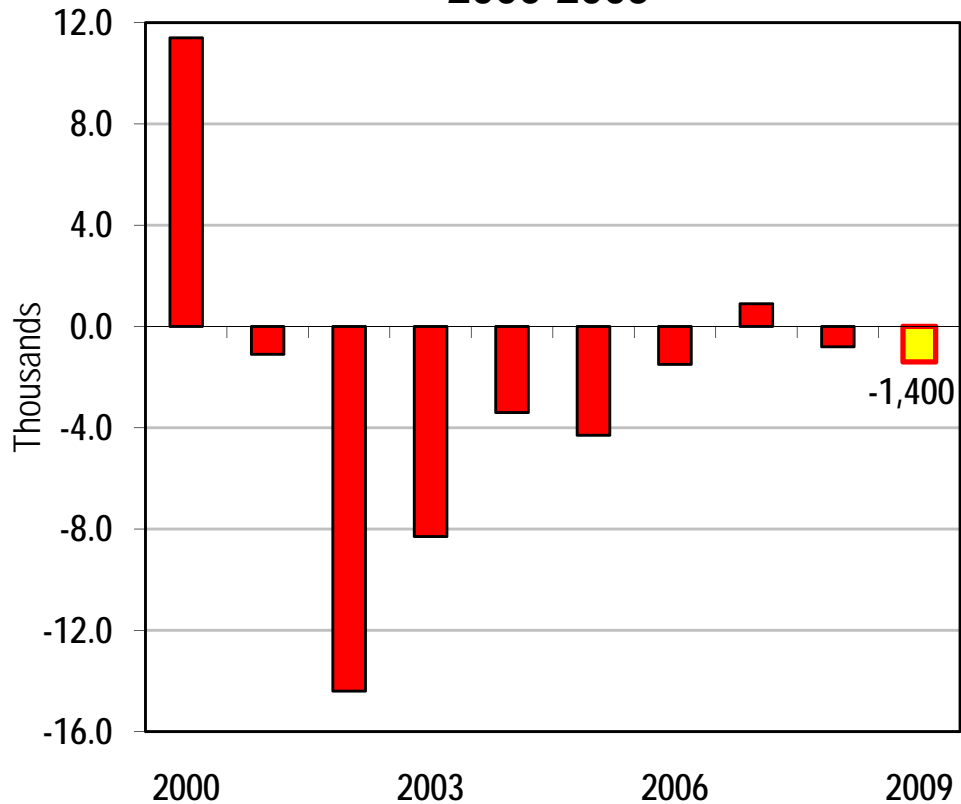
Sources: Colorado LMI, CO BEO Committee.

Colorado's Film Industry

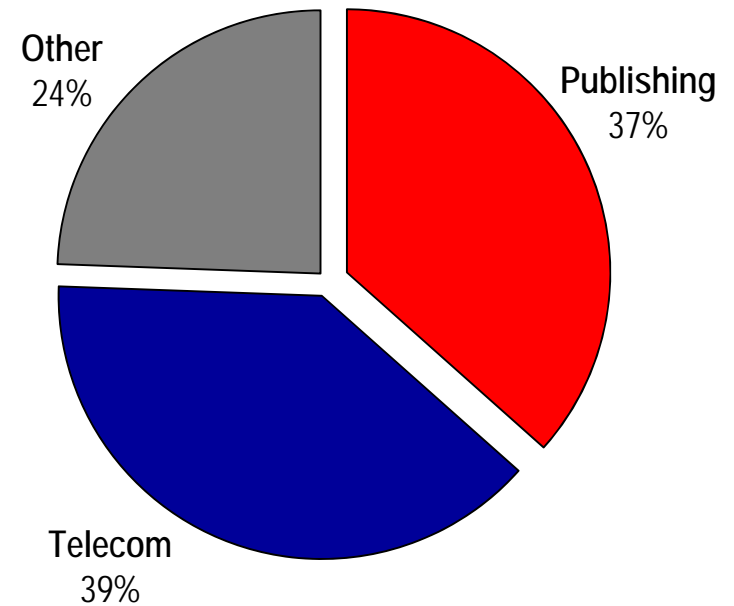


Information

Information Workers Added, 2000-2009



Information Employment



Sources: Colorado LMI, CO BEO Committee.

Financial Activities



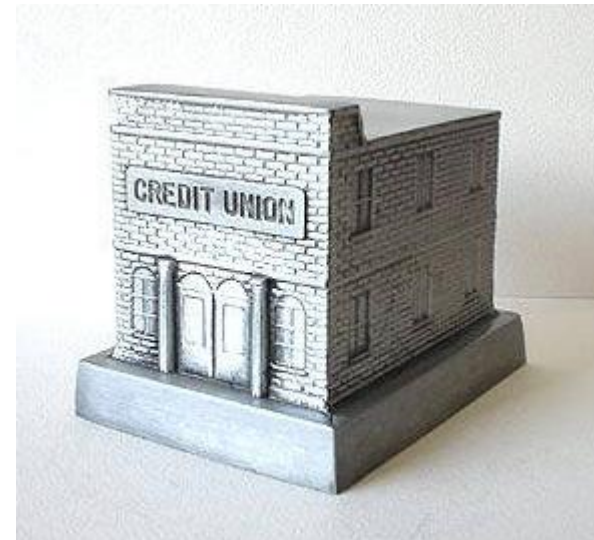
Banking Trends



- National and regional banks
 - Cuts in home states if exposed
- Local community banks
 - Increased deposits
 - Increased volatility
 - Higher overnight rates

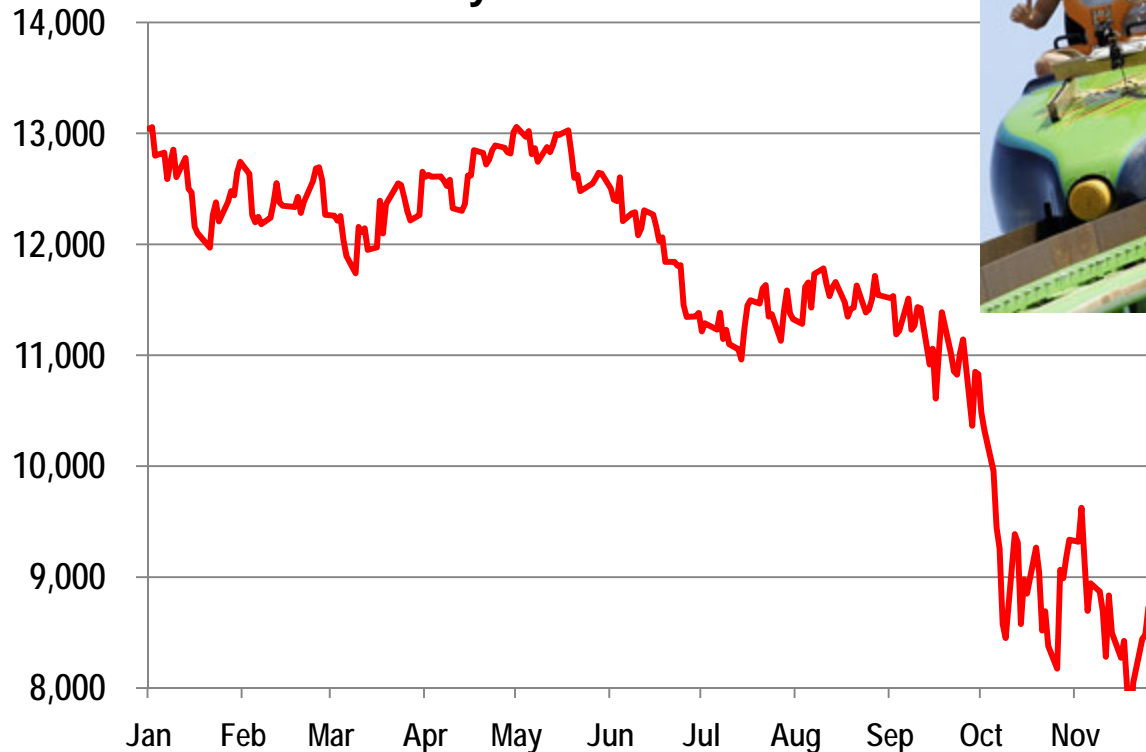
Credit Union Trends

- Average net worth ratio
 - Credit unions 12.8%
 - Required 7%
- Serve niche market
- Perception
 - Stable
 - Higher rates
- Consolidation continues
- Tight margins
- Increasing costs



Securities Trends

**Dow Jones Industrial Average
January - November 2008**



Finance Breakout Session
Mt. Columbia Room
3:15

Source: freelunch.com.

Business Research Division – Leeds School of Business

Colorado Insurance Trends



- Improved risk management
- Expansion into developing countries
- Growth in specialized products
- Increased efficiency – technology
- E-commerce
- More costs passed on to customer

Commercial Real Estate Trends



- Expected to taper off
- Tighter lending
- Vacancy rates increase
- Rents will slip further
- Property values will be impacted

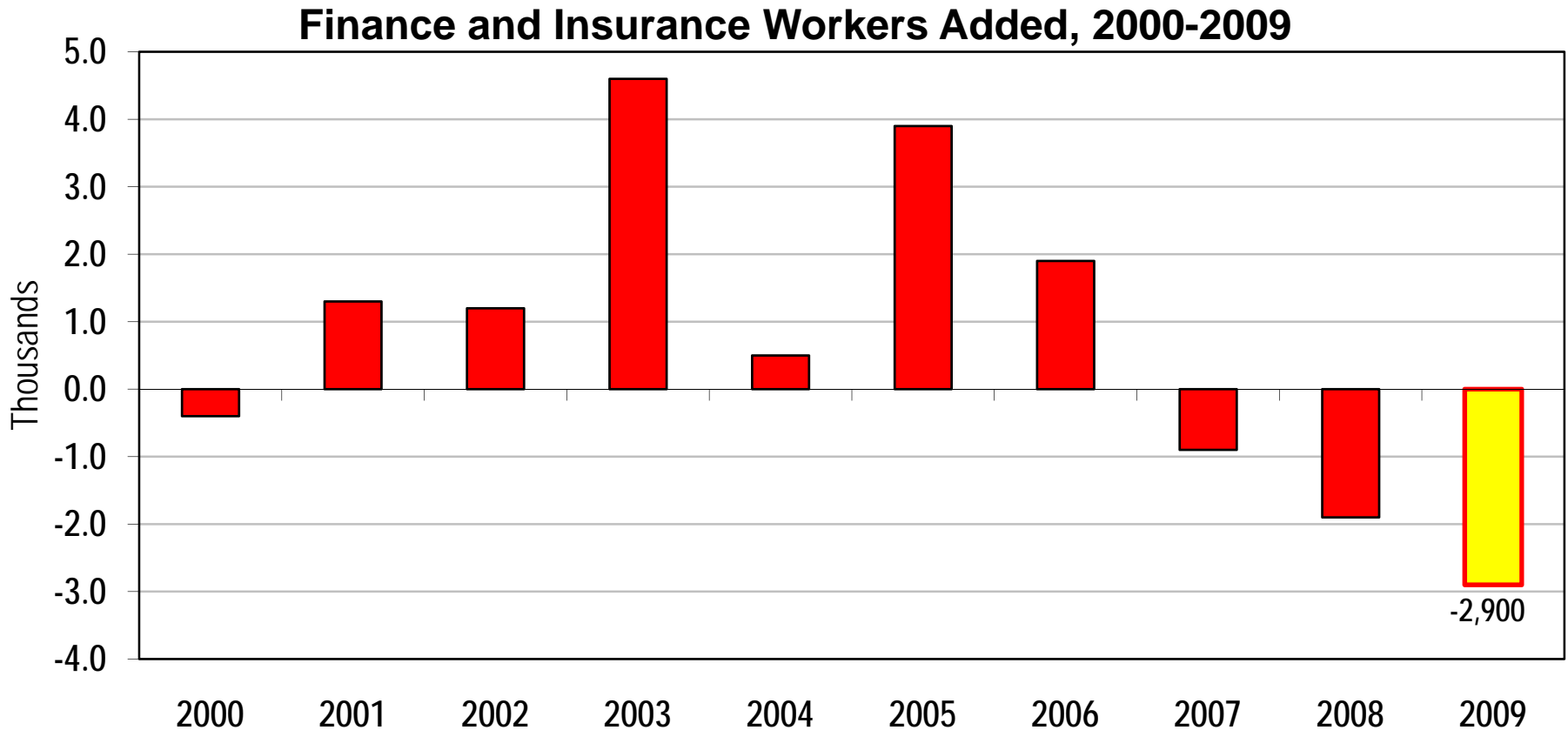
Residential Real Estate Trends

- Foreclosures remain high, but we've seen the worst
- Colorado in top 10 states for lowest depreciation
- Construction halted to prevent overbuilding
- Rental vacancy rates low

Real Estate
Breakout Session
Maroon Peak Room
3:15



Financial Activities

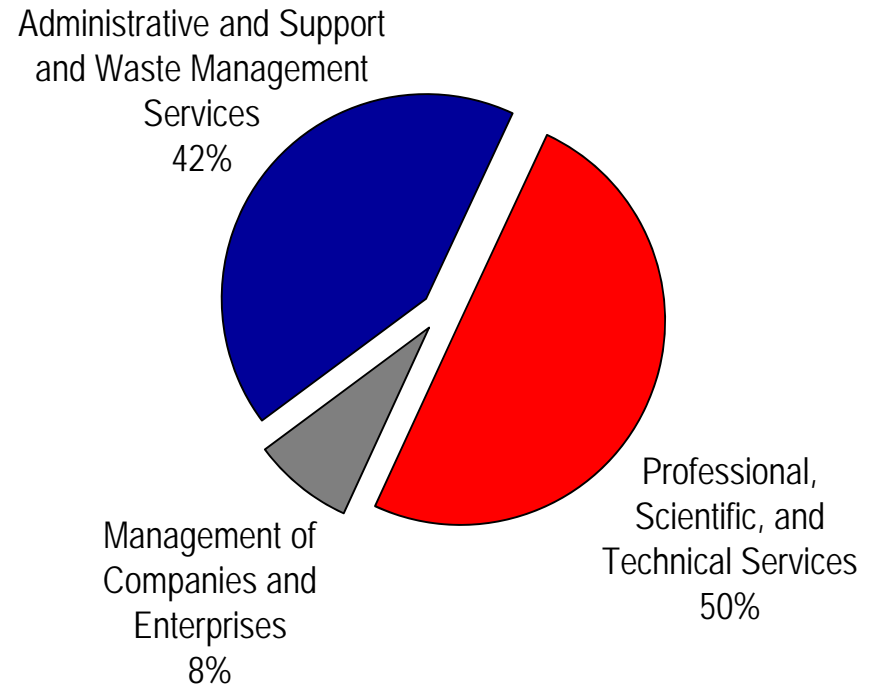


Sources: Colorado LMI, CO BEO Committee.

Professional and Business Services

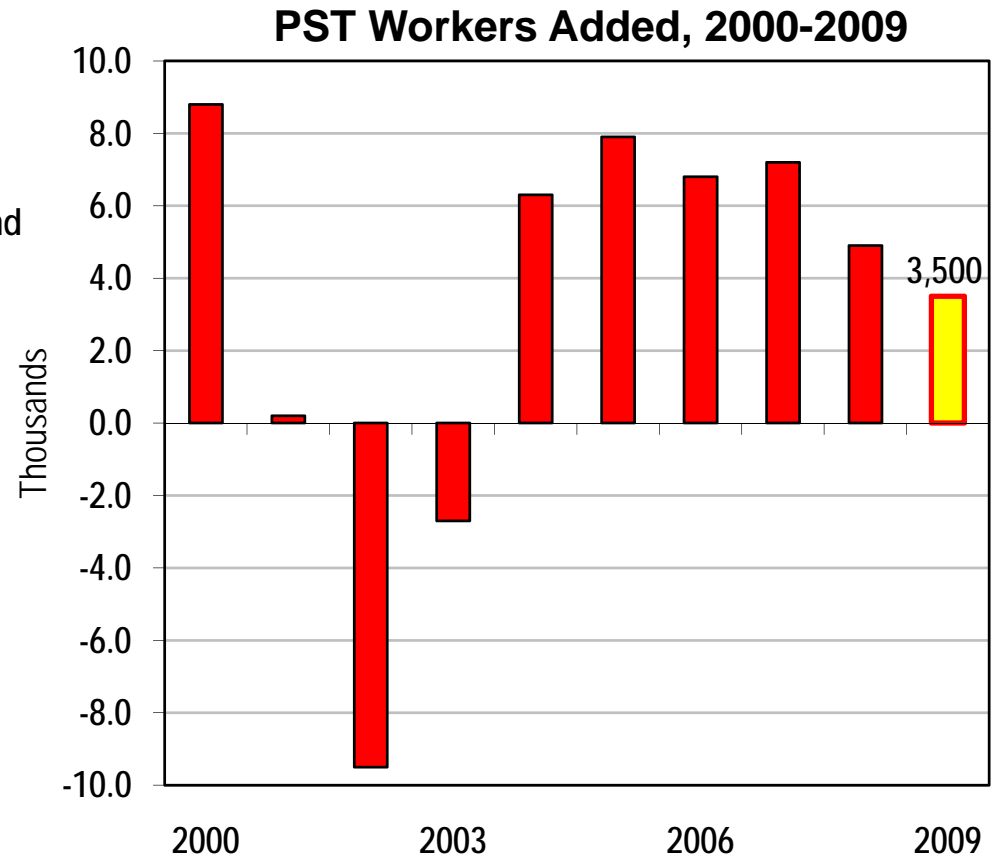
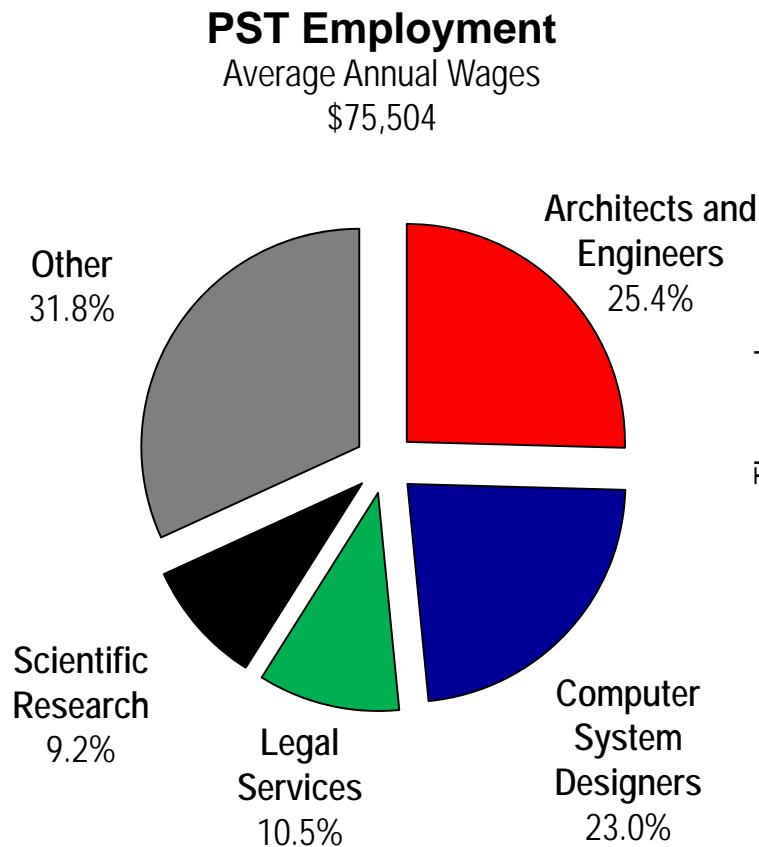
- Average annual wages
 - \$59,450
- 18.0% of Colorado employees
- 23.5% of Colorado wages

PBS Employment



Source: Colorado LMI.

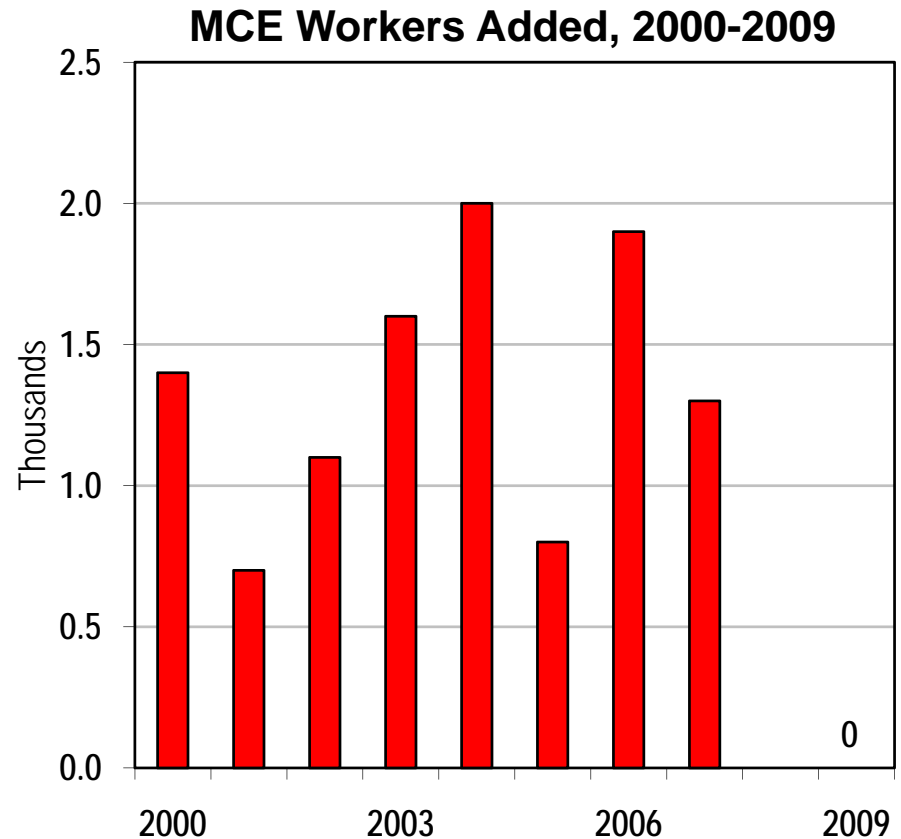
Professional, Scientific, and Technical Services



Sources: Colorado LMI, CO BEO Committee.

Management of Companies and Enterprises

- Spending associated with headquarters location
- Headquarters bring in spending from out-of-state companies
- Broad base helps diversify economy
- Average annual wages
 - \$110,084

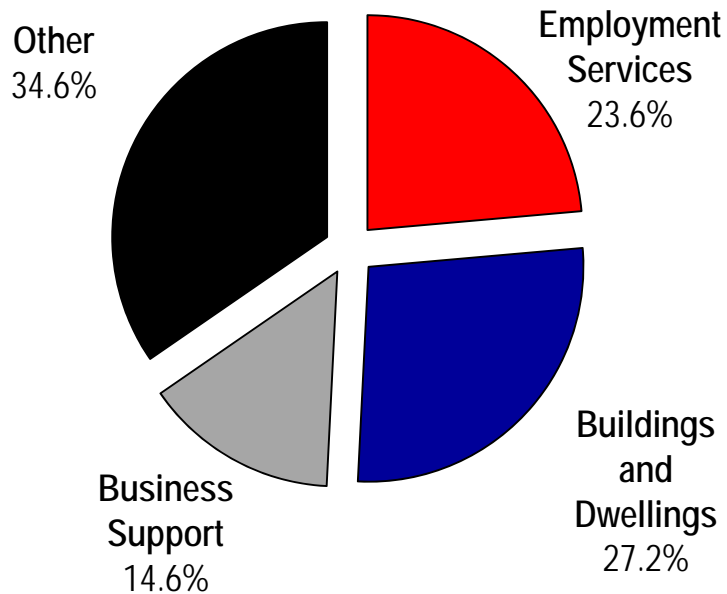


Sources: Colorado LMI, CO BEO Committee.

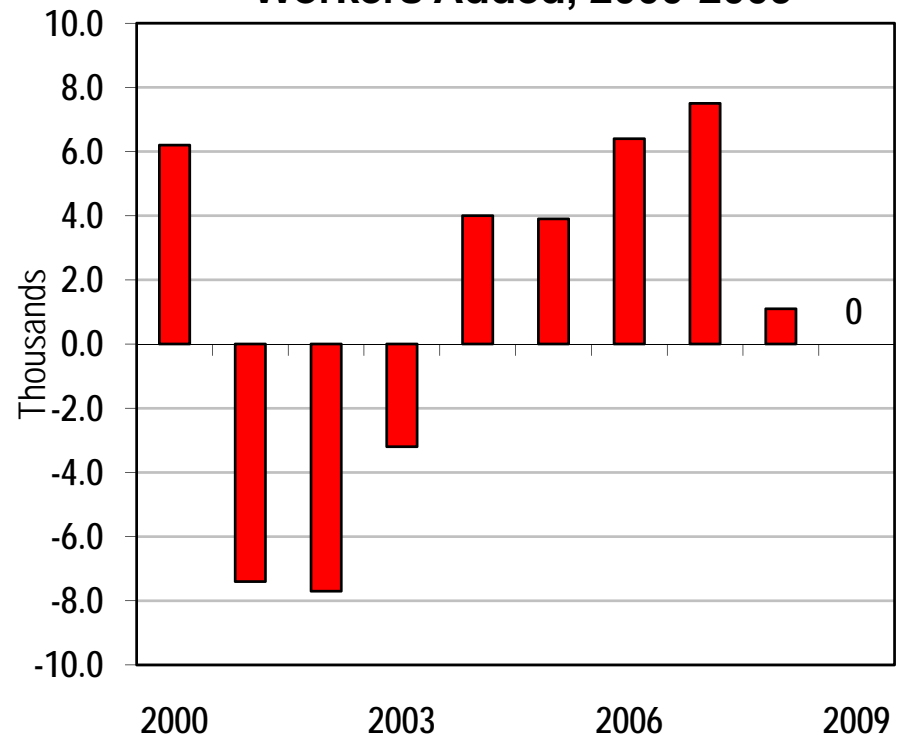
Administrative and Waste Services

Admin and Waste Services Employment

Average Wages \$31,668

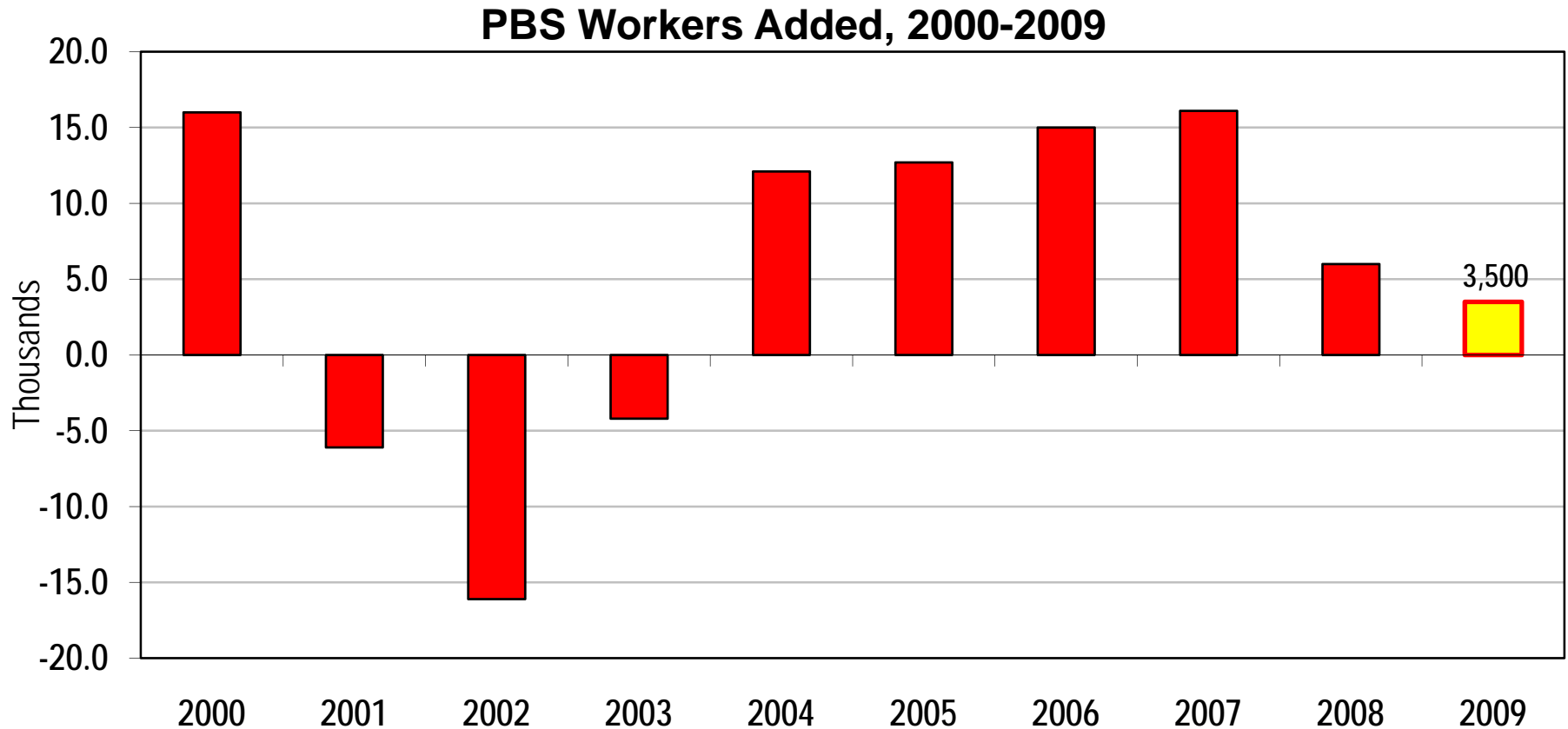


Admin and Waste Services Workers Added, 2000-2009



Sources: Colorado LMI, CO BEO Committee.

Professional and Business Services



Sources: Colorado LMI, CO BEO Committee.

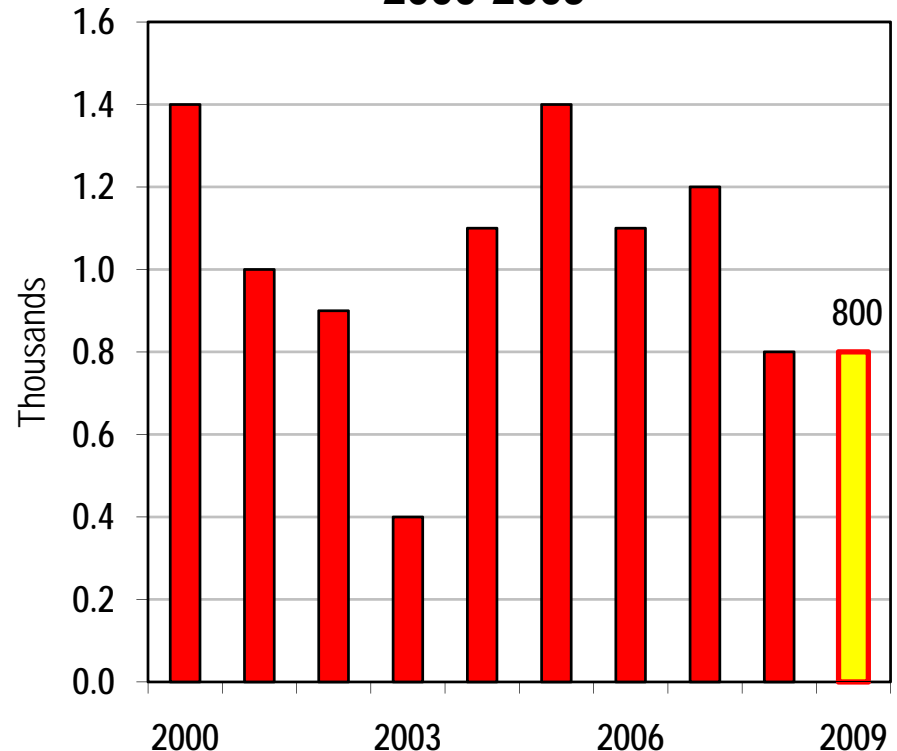
Educational and Health Services



Education

- Continuing education
- Retraining – new skills, new professions
- Upgrade skills
- 10,100 jobs added this decade

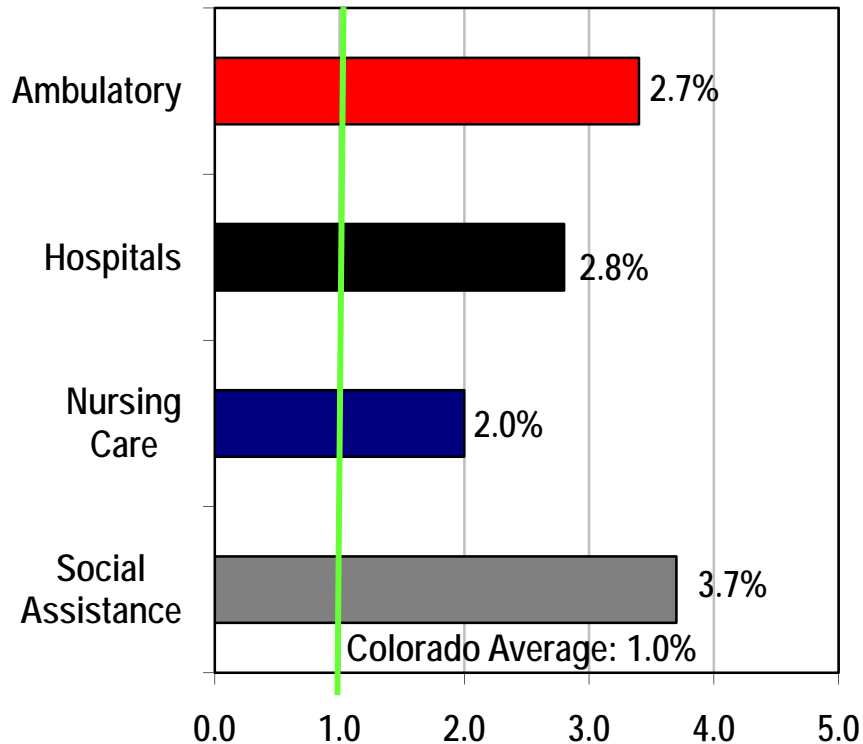
**Private Education Workers Added,
2000-2009**



Sources: Colorado LMI, CO BEO Committee.

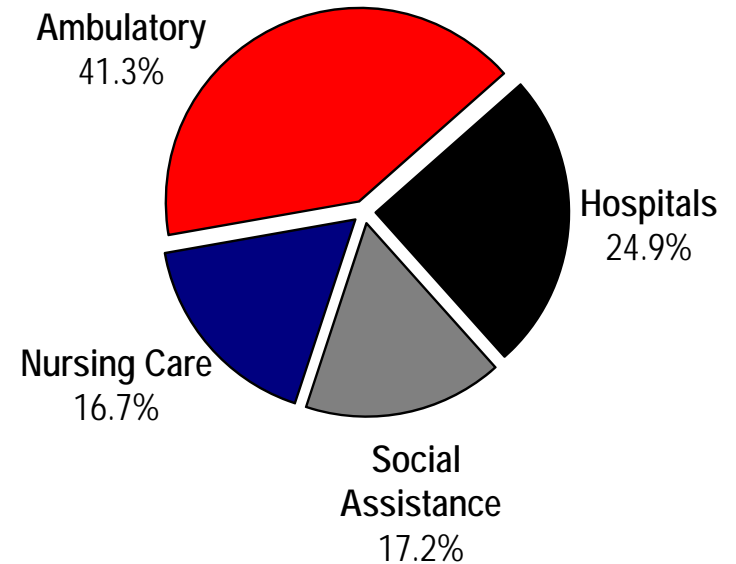
Health-Care Services

Health Services Employment Growth, 2000-2009



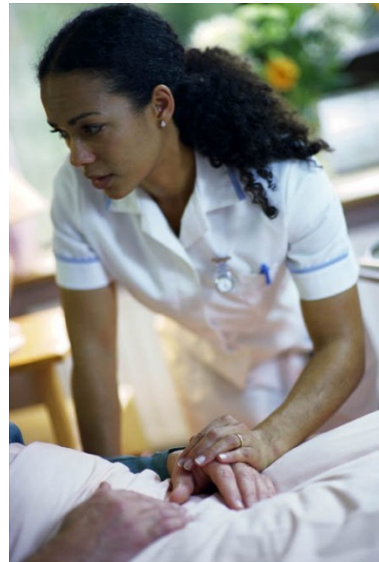
Health-Care Employment

223,700 in 2009

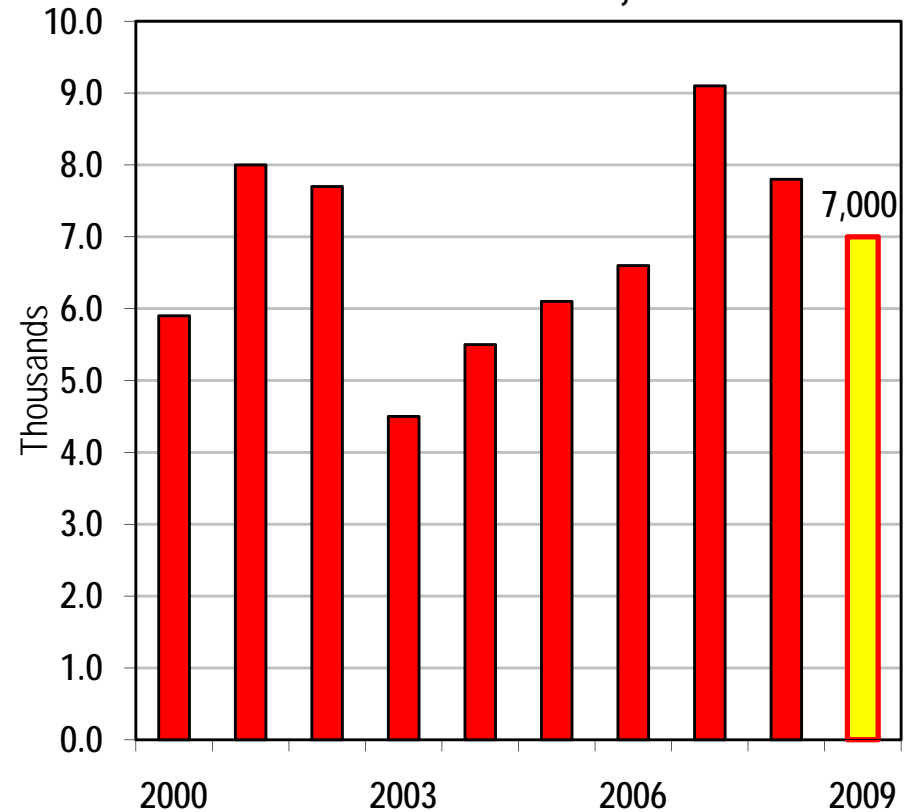


Sources: Colorado LMI, CO BEO Committee.

Health Services

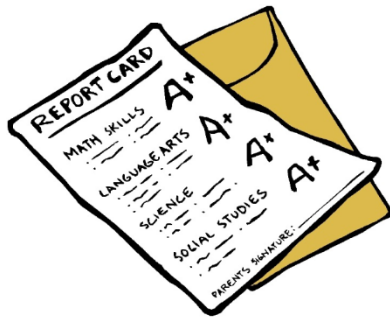


EHS Workers Added, 2000-2009



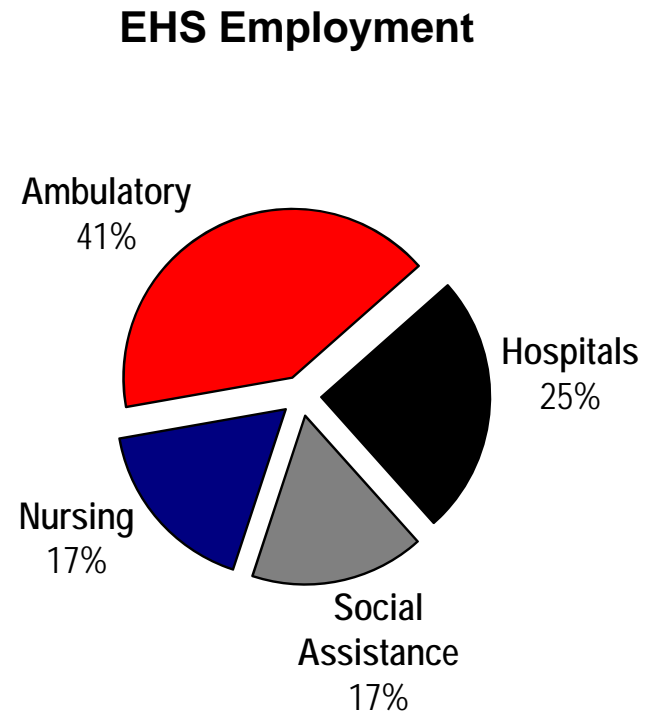
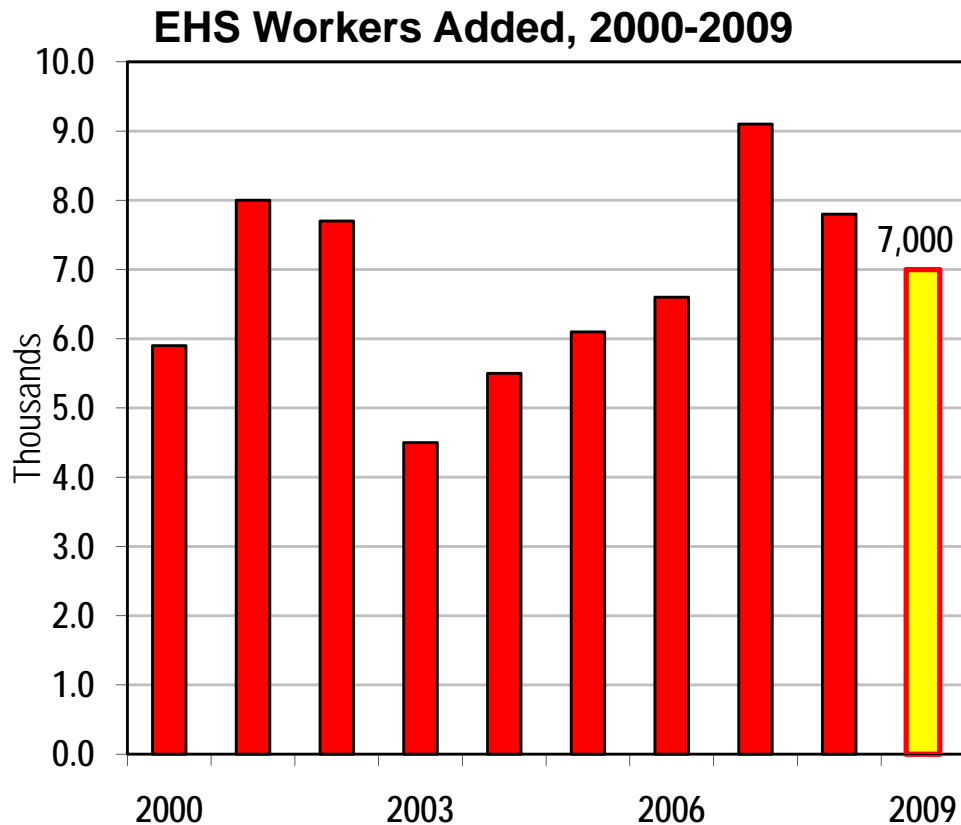
Sources: Colorado LMI, CO BEO Committee.

Colorado Health Care Trends



- Growth in high-deductible plans with savings option
- Hospital report cards
- Fitzsimons/Anschutz Medical Campus impact increases
- Health-care costs most cited cause of personal bankruptcies
- Health-care expenditures 16% of GDP
- Medical employment limited by the supply side

Educational and Health Care



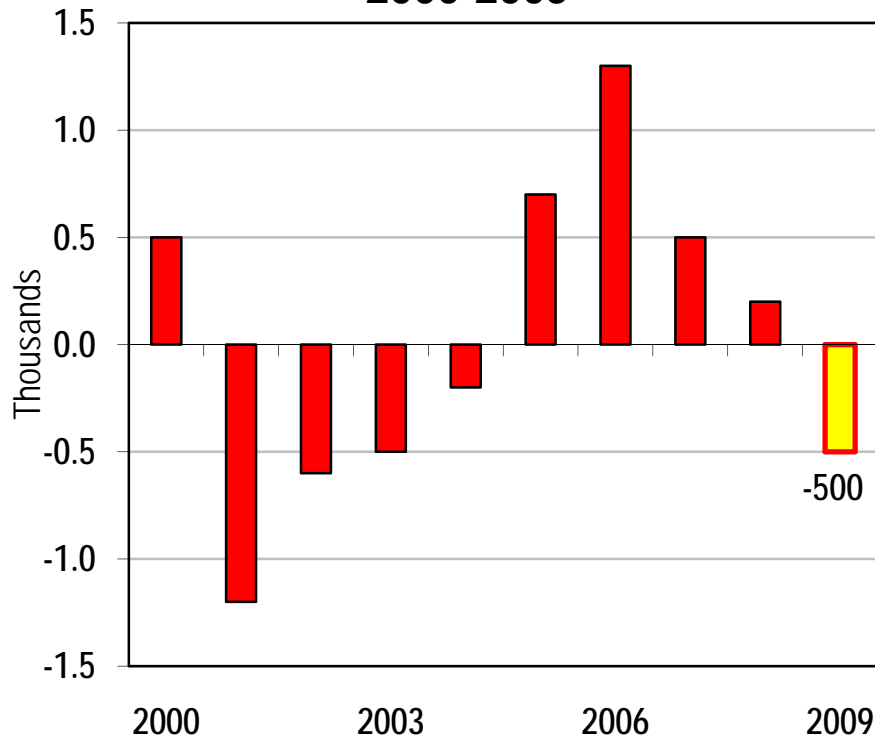
Sources: Colorado LMI, CO BEO Committee.

Leisure and Hospitality



Accommodations

Accommodations Workers Added,
2000-2009

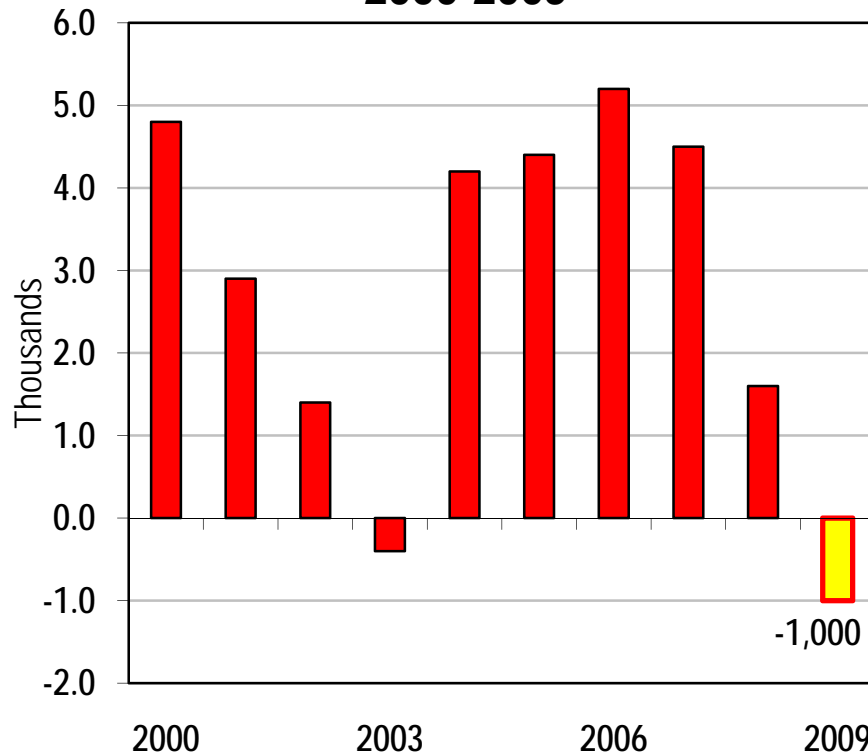


- Colorado in the spotlight
- Lower occupancy rates
- Lower room rates

Sources: Colorado LMI, CO BEO Committee.

Food Services

**Food Services Workers Added,
2000-2009**

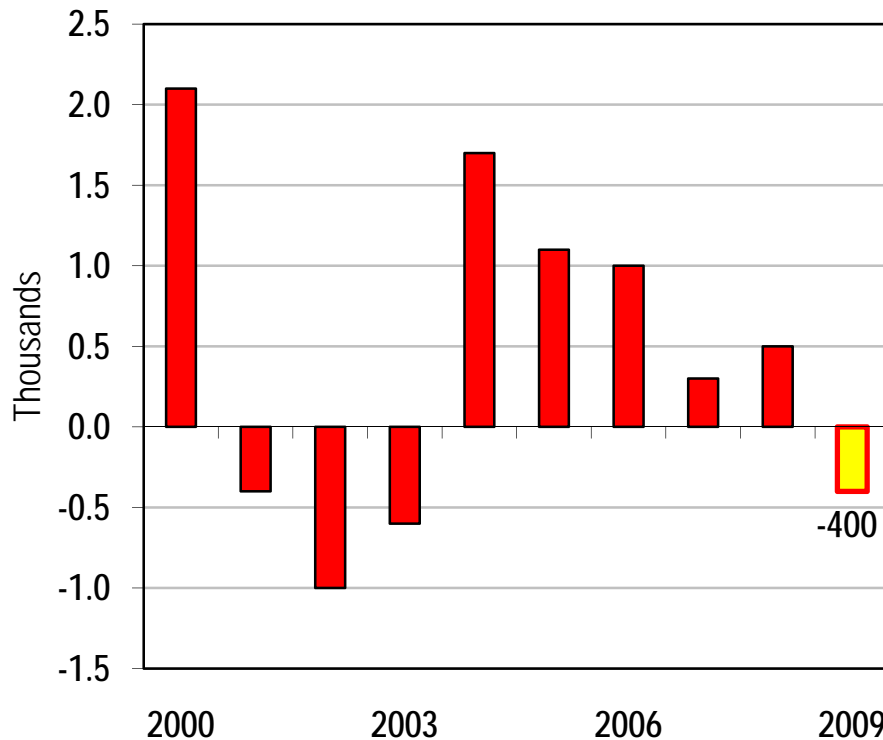


- 10,600 restaurants
- Sales topping \$8.5 billion
- Shrinking profit margins
- Competing on service

Sources: Colorado LMI, CO BEO Committee.

Arts, Entertainment, and Recreation

AER Workers Added, 2000-2009



- Creative Class
- Attendance at:
 - Museums
 - Film festivals
 - Performing arts centers
 - Sports venues

Sources: Colorado LMI, CO BEO Committee.

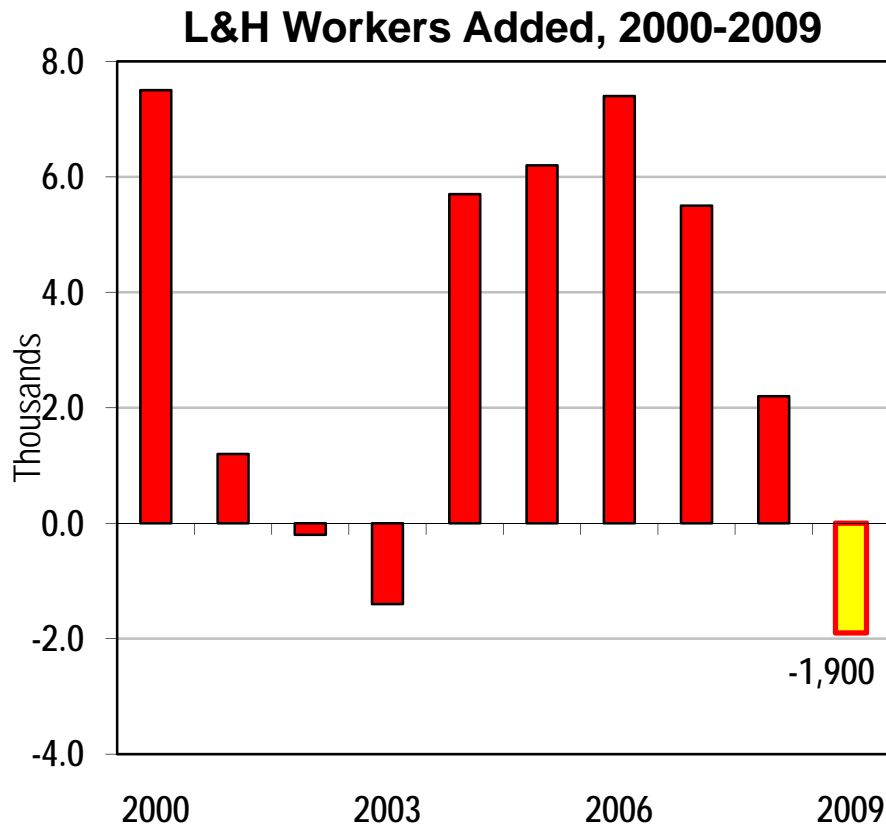
Arts, Entertainment, and Recreation



- Lower fuel may increase visitation
- Good snow trumps bad economy
- Casino towns may vote to increase betting limits



Leisure and Hospitality



Sources: Colorado LMI, CO BEO Committee.

Other Services

Repair and Maintenance



Personal and Laundry Services

Membership Associations (Religious, Grantmaking, Civic, Professional, and Similar Organizations)



Other Services

Repair and Maintenance

- Improved product quality
- People will postpone repairs

Personal Services

- Services are essential

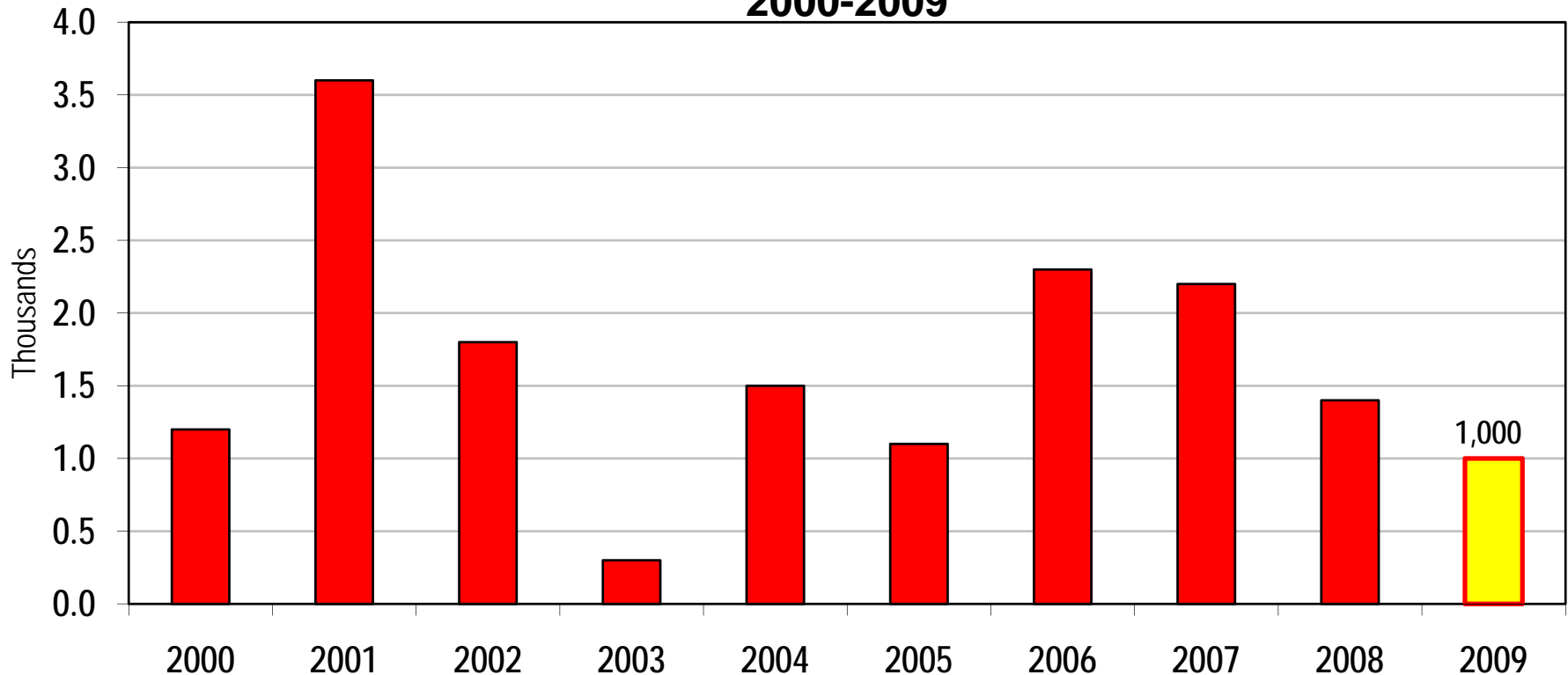
Grantmaking

- More demand
- Lower support funding



Other Services

**Other Services Workers Added,
2000-2009**



Sources: Colorado LMI, CO BEO Committee.

Government



Federal Government

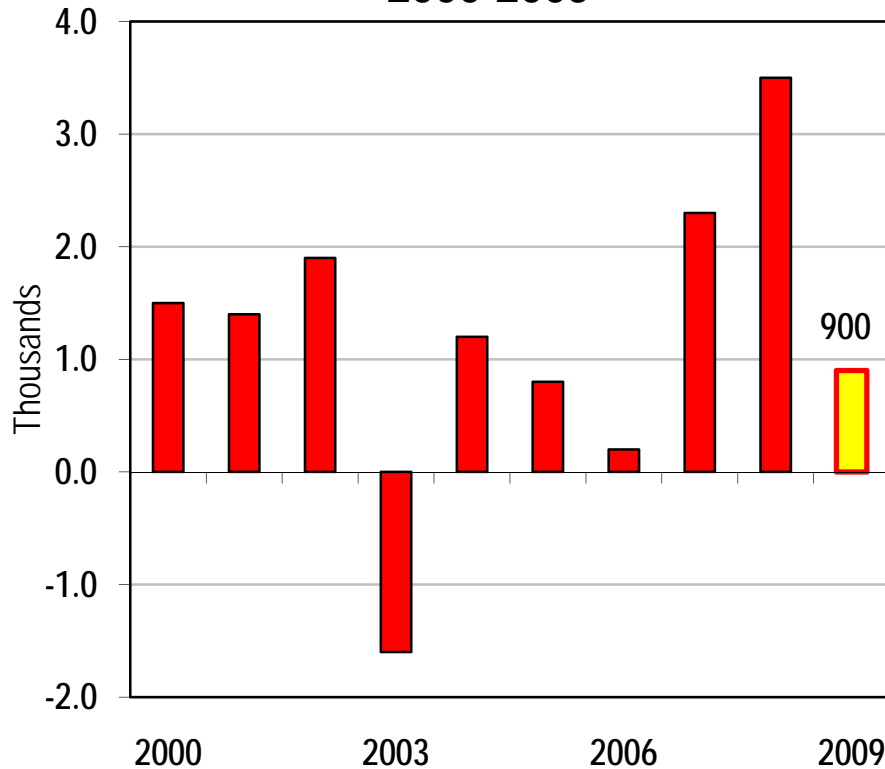
High Paying, High Skilled Jobs

- Accountants
- Engineers
- Scientists
- Managers
- Planners
- Inspectors
- Officers
- Researchers



State Government

State Government Workers Added, 2000-2009

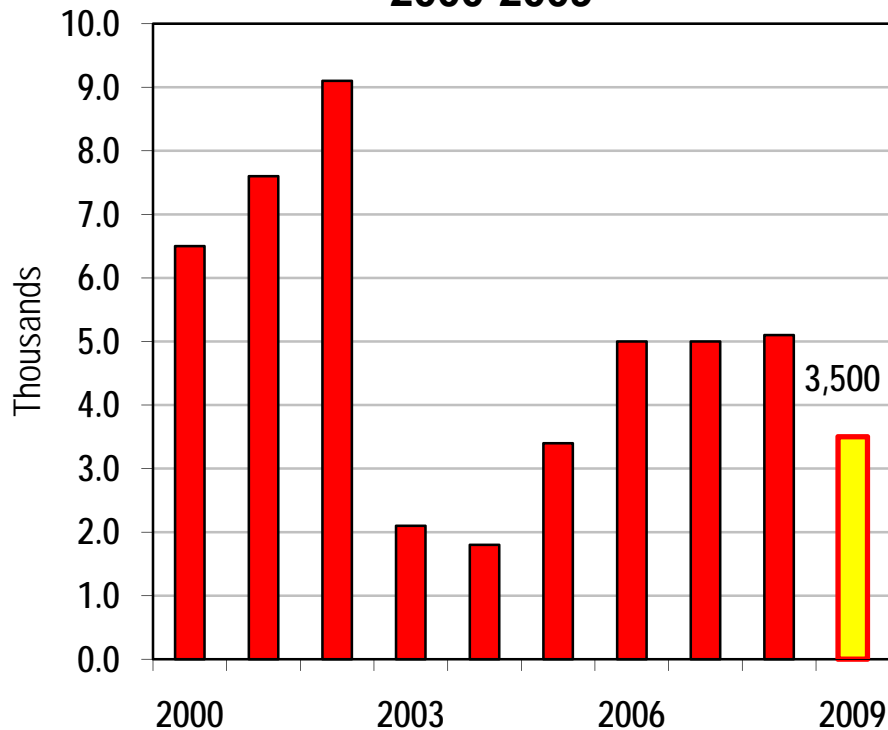


Sources: Colorado LMI, CO BEO Committee.



Local Government

Local Government Workers Added,
2000-2009

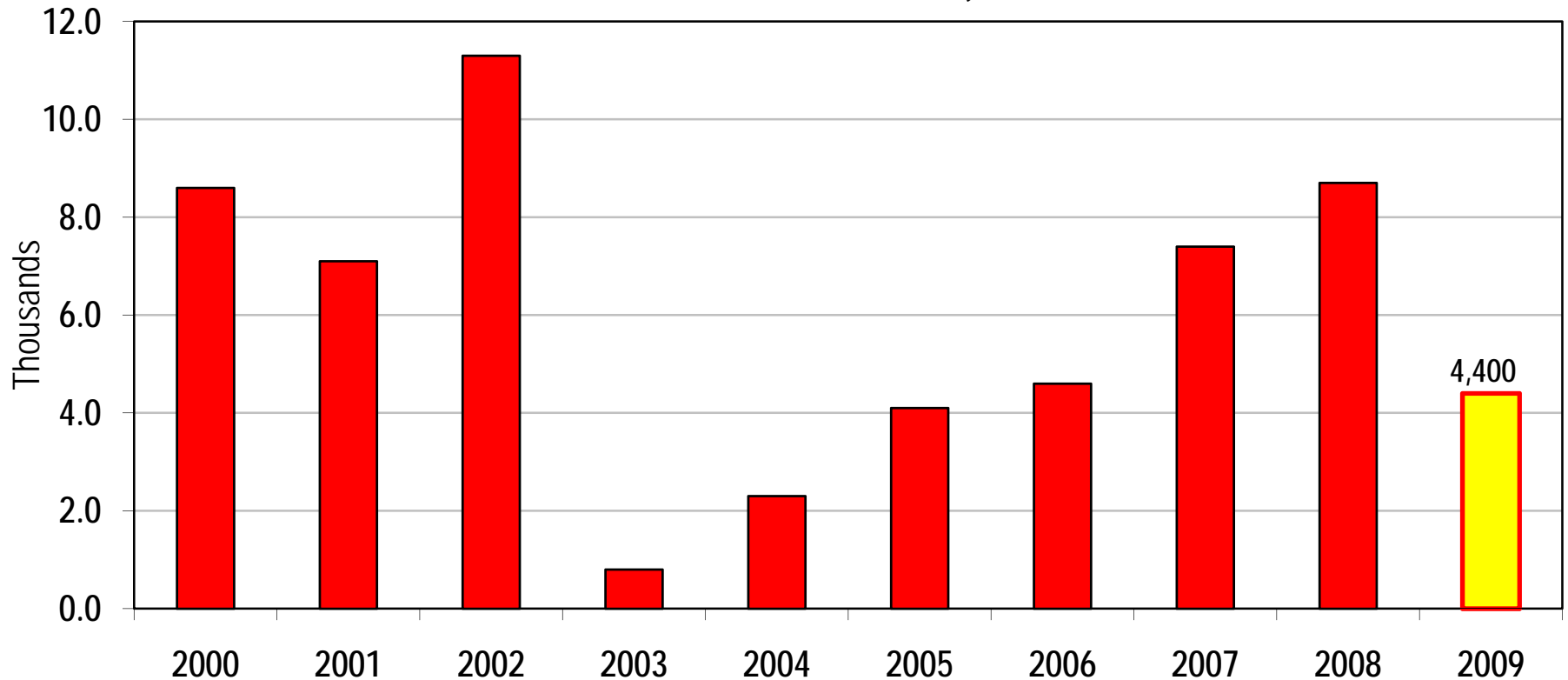


Sources: Colorado LMI, CO BEO Committee.



Government

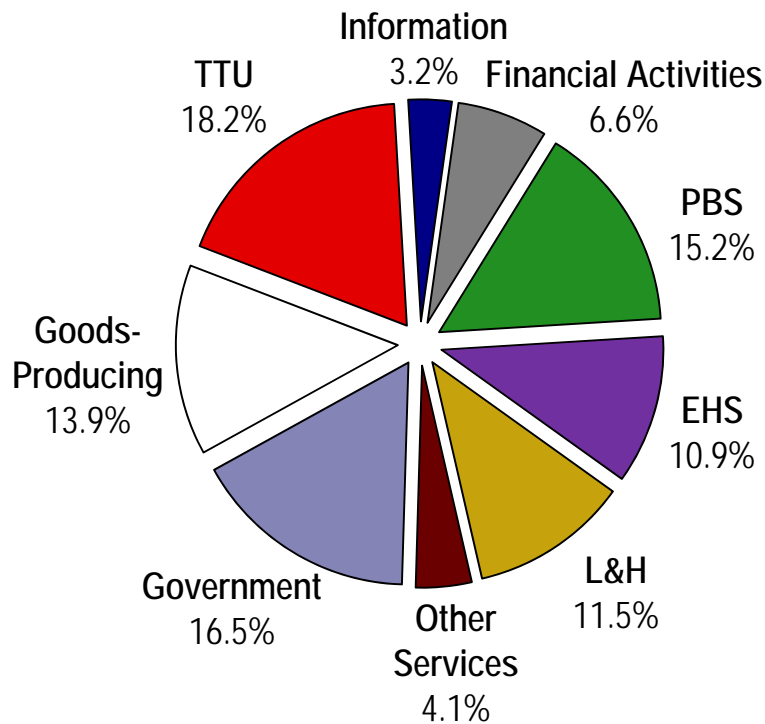
Government Workers Added, 2000-2009



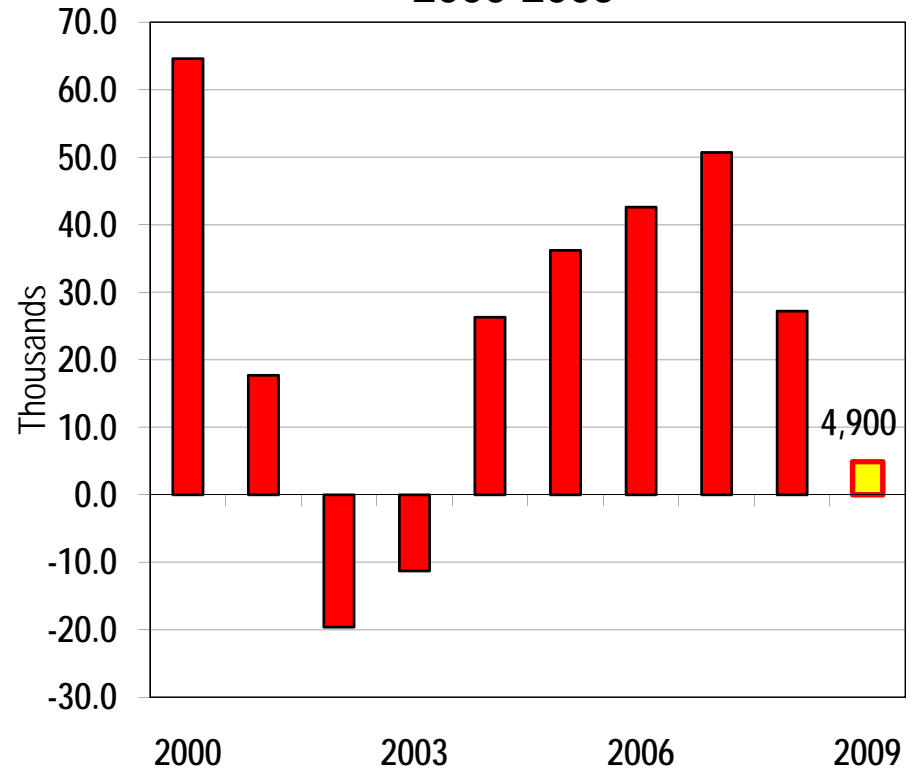
Sources: Colorado LMI, CO BEO Committee.

Service-Producing Employment

Service-Producing Share of Colorado Employment



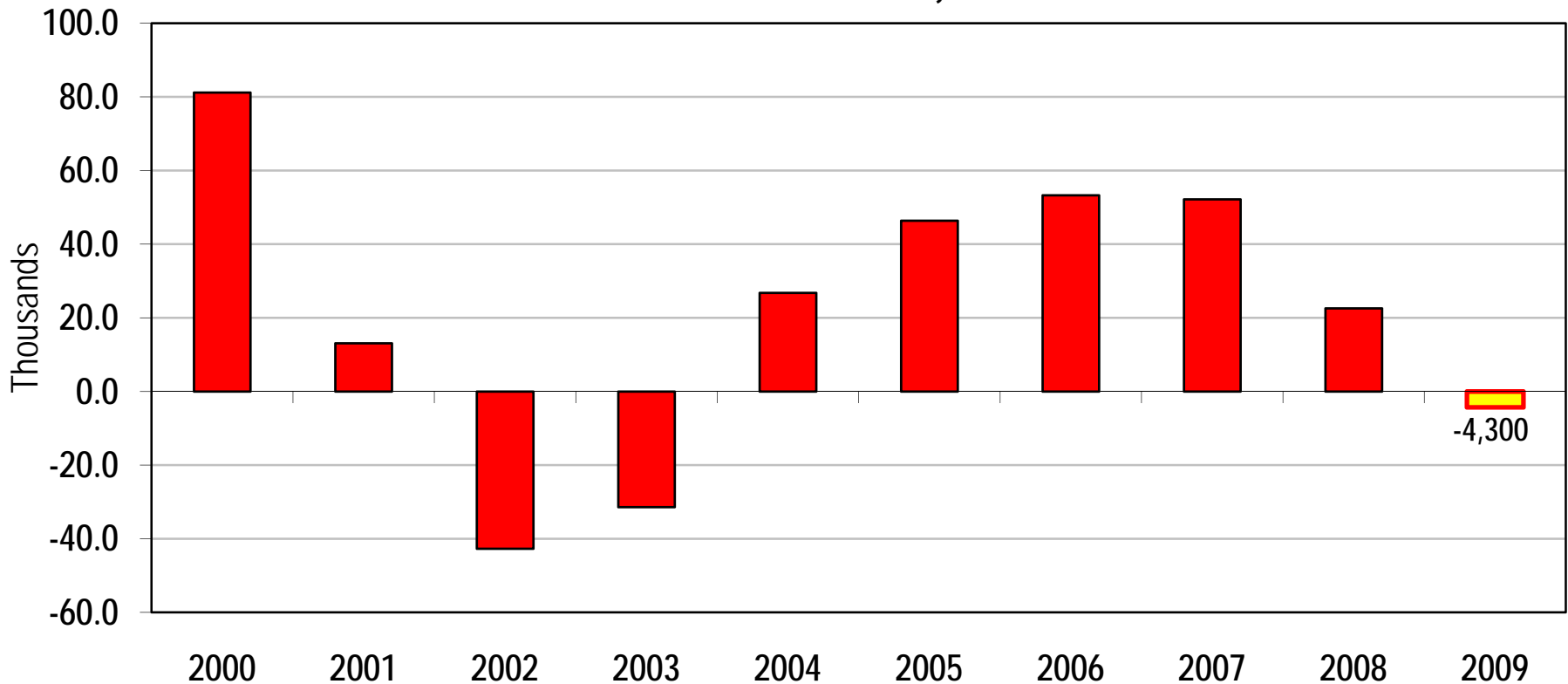
Service-Producing Workers Added, 2000-2009



Source: Colorado LMI, CO BEO Committee.

Colorado Total Employment

Colorado Workers Added, 2000-2009



Sources: Colorado LMI, CO BEO Committees.

Today



- Fundamentals strong
- Employment losses
 - Broad-based
 - Shallow
 - Fewer than last recession

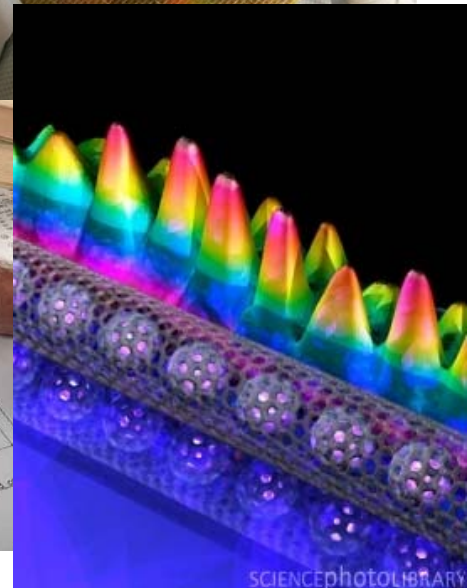
Tomorrow

- People want to live in Colorado
- Population growth
- State's image enhanced
- Competitive housing prices



The Future . . .

- Visitors will return!
- Highly educated workforce
- Advanced/disruptive technologies



SCIENCEPHOTOLIBRARY

A scenic view of a Colorado landscape featuring large, reddish-brown rock formations and a blue sky with white clouds. The foreground shows a dense forest of green trees, and the background includes more distant mountain ranges under a bright, cloudy sky.

**We will all feel the effects of the recession
in 2009 and beyond . . .**

**However, Colorado is a great place
to live during good times and bad!**

44th Annual Business Economic Outlook Forum



<http://leeds.colorado.edu/brd>

Presented by the
Business Research Division

**Leeds School
of Business**

**University of Colorado
at Boulder**

and

BBVA Compass

Industry Breakout Sessions

- An Energy Update and Policy Issues Facing the State and the Next Administration
(Mt. Oxford Room)
- The Future of Finance, Banking, and Equity Markets
(Mt. Columbia Room)
- Is There a Crisis in Colorado Real Estate Markets?
(Maroon Peak Room)

Thank You



Remove sticker and
attach business card

Registration Information - Please help us analyze the BLCI results by providing the following panelist registration information. This information is required for us to understand panel composition. It is used only for analysis and to contact you about future BLCI surveys; it will not be sold or voluntarily provided to outside third parties. Please complete all information or attach a business card using the adhesive.

Name: _____
Title: _____
Company: _____
Address: _____
City, St., Zip Code: _____
E-Mail: _____

Industry

- Agriculture, Forestry, Fishing and Hunting
- Mining
- Utilities
- Construction
- Manufacturing
- Wholesale Trade
- Retail Trade
- Transportation and Warehousing
- Information
- Finance and Insurance
- Real Estate, Rental and Leasing
- Professional, Scientific and Technical Services
- Management of Companies and Enterprises
- Administration, Support, Waste Management, and Remediation Services
- Education Services
- Health Care and Social Assistance
- Arts, Entertainment and Recreation
- Accommodation and Food Services
- Other Services (except Public Administration)
- Public Administration

Annual Sales

- Under \$1 million
- \$1 to \$5 million
- \$5 to \$10 million
- \$10 to \$25 million
- \$25 to \$50 million
- \$50 to \$100 million
- \$100 to \$250 million
- More than \$250 million
- Undisclosed

Number of Employees

- None
- 1 to 4
- 5 to 9
- 10 to 19
- 20 to 99
- 100 to 499
- 500 to 999
- 1,000 or more

BLCI Survey

Comparing the upcoming quarter to the current quarter, what are your expectations for change in the following categories?

	Strong Decrease	Moderate Decrease	No Change	Moderate Increase	Strong Increase
Industry Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industry Profits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industry Hiring Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Industry Capital Expenditures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Much Worse	Somewhat Worse	Remain the Same	Somewhat Better	Much Better
State Economic Outlook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
National Economic Outlook	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Thank You – Steering Committee

- **Jim Burnell**
- **Patrick Byrne**
- **Steve Fisher**
- **Elizabeth Garner**
- **Charles Goeldner**
- **Mark Hamouz**
- **Gary Horvath**
- **Bill Kendall**
- **Brian Lewandowski**
- **Tom Lipetzky**
- **Donna Marshall**
- **Vince Matthews**
- **Richard Morgan**
- **Natalie Mullis**
- **Penn Pfiffner**
- **Pam Reichert**
- **Tim Sheesley**
- **Patty Silverstein**
- **Joseph Winter**
- **Richard Wobbekind**

Thank You – Around the State

Boulder

Frances Draper
Jennifer Pinsonneault

La Plata County

Luke Miller
Robert Sonora
Deborah Walker

Mesa County

Ann Driggers

Northern Colorado

David Keyser
Martin Shields

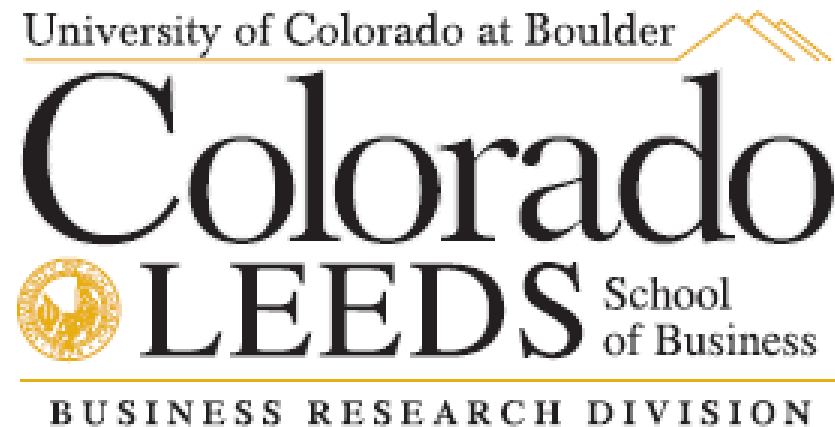
Pueblo County

David Cockrell
Don Vest

Southern Colorado

Fred Crowley
Tom Zwirlein

Thank You – BRD Staff



Question and Answer Panel

Bill Kendall

- Center for Business and Economic Forecasting

Todd Saliman

- Governor's Office of State Planning and Budgeting

Tim Sheesley

- Xcel Energy



Mr. Lee McIntire

**President - Chief
Executive Officer
Elect**

CH2M Hill

Industry Breakout Sessions and Reception

- An Energy Update and Policy Issues Facing the State and the Next Administration
(Upstairs in the Mt. Oxford Room)
- The Future of Finance, Banking, and Equity Markets
(Upstairs in the Mt. Columbia Room)
- Is There a Crisis in Colorado Real Estate Markets?
(Across the lobby in the Maroon Peak Room)
- ***Reception in the Imperial Foyer immediately following the breakout sessions.***