

## **Colorado June Jobs Report Analysis and Other Economic Indicators—July 21, 2015**

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The June state jobs report was released today, with the preliminary numbers showing a month-over-month increase in employment (11,300 jobs, 0.4%) and a slight downward (-200 jobs) revision to the May estimates. According to data from the Colorado Department of Labor and Employment (CDLE) and the Bureau of Labor Statistics (BLS), June recorded 65,400 more jobs than the same month in 2014, increasing 2.7% year-over-year—an acceleration from May.

After growing more than 3% for 16 consecutive months, Colorado has been firmly entrenched in 2% growth for four consecutive months (2.8%, 2.6%, 2.5%, and 2.7% year-over-year March through June). Year-over-year growth in June ranked Colorado 8th nationally, and monthly growth ranked the state 3rd.

Colorado employment grew year-over-year in all of Colorado's metropolitan statistical areas (MSAs); however, five of the seven MSAs recorded slower year-over-year growth in June compared to the same period a year ago. Industry growth was recorded in 10 of the 11 industries in the state year-over-year, and growth was recorded in eight industries month-over-month. The velocity of growth slowed in six industries.

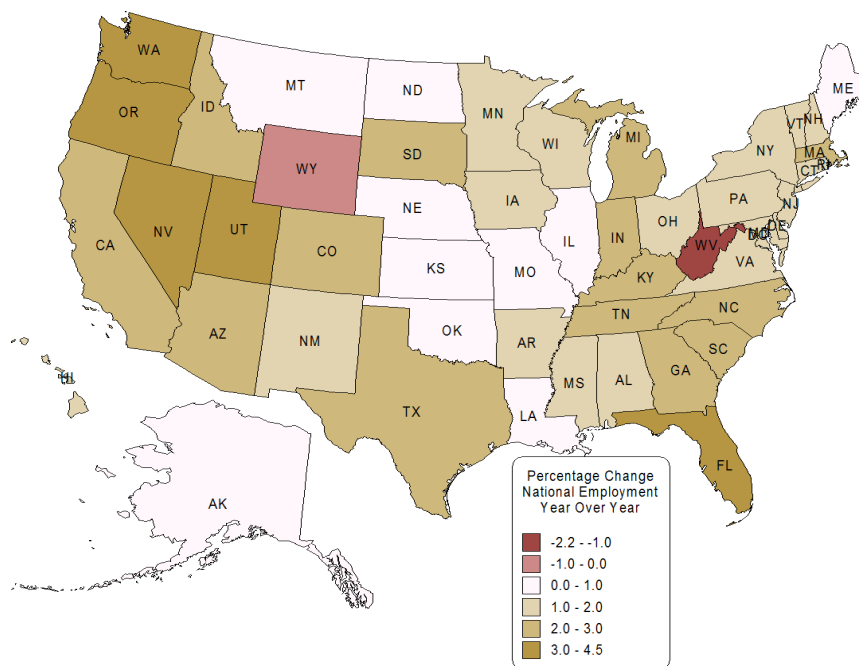
### Three ups

- State employment was among the fastest growing in the nation in June, and showed an acceleration from May.
- Colorado's labor force over the last 8 months averaged higher than any previous period.
- The tourism industry (Leisure and Hospitality) was the second-fastest growing (6.3%) industry in the state in June, increasing the pace of growth for three consecutive months, and recording strong growth in both subsectors (Accommodation and Food Services and in Arts, Entertainment, and Recreation).

### Three downs

- Mining and Logging employment has dropped 4.7% since January.
- Employment growth in Professional and Business Services has slowed for 6 consecutive months, measuring just 0.5% year-over-year in June. Though, the Professional, Scientific, and Technical Services subsector remained strong.
- Retail Trade employment was flat year-over-year in June, and the three-month moving average points to a general slowing of growth for the past year.

## June State Employment Growth, Year-over-Year



Data Source: Bureau of Labor Statistics, CES, Seasonally Adjusted.

Year-over-year growth was recorded in all of Colorado's MSAs: Greeley (4.8%), Fort Collins-Loveland (3.5%), Denver-Aurora-Broomfield (3.2%), Pueblo (2%), Grand Junction (1.3%), Boulder (1.2%), and Colorado Springs (1%).

The greatest year-over-year percentage gains continued to be recorded in the Construction industry (8.2%), followed by Leisure and Hospitality (6.3%) and Education and Health Services (5.3%). The weakest sectors for growth included Information (-3.3%); Other Services (0.2%); and Trade, Transportation, and Utilities (0.4%). Compared to May, the strongest month-over-month growth came from Leisure and Hospitality and from Financial Activities.

Growth in Colorado's Manufacturing Sector continued to rank among the best states for industry growth—5th nationally—with 2.9% year-over-year growth in June, according to the seasonally adjusted statistics. The sector gained 0.7% from May to June. The Construction industry showed the greatest pace of job growth year-over-year in Colorado. The industry grew 8.2%, which leaves Colorado 16,500 construction jobs (9.7%) below the previous industry peak in 2007.

The Mining and Logging sector in Colorado is predominately related to oil and gas activities (drilling, extraction, and support activities). The commodity price decline has driven down drilling applications, rig counts, and employment. Industry growth of 2.4% was recorded year-over-year in June, but employment declined 0.9% from May to June (month-over-month). The sector has now recorded five consecutive months of employment losses. Likewise, the pace of growth in the Greeley MSA, while strong year-over-year, slowed for the fifth consecutive month. Of the 42 states with published seasonally adjusted Mining and Logging employment, only four states marked monthly employment growth in June, and four recorded year-over-year growth.

Two of the states showing monthly growth, Texas and Oklahoma, may suggest the impact of the oil price decline is abating.

The June unemployment rate rose one-tenth of a percent for the second consecutive month, to 4.4%, ranking Colorado 14<sup>th</sup>-lowest nationally. At the low end, Nebraska and North Dakota ranked 1st and 2nd, at 2.6% and 3.1%, respectively. At the high end, Nevada and West Virginia ranked 49th and 50th, with 6.9% and 7.4% unemployment, respectively. Year-over-year growth (0.3%) in the Colorado labor force ranked 35th in percentage terms and 32nd in absolute growth.

When compared to other states, Colorado ranked 4th for growth above the previous peak, behind only North Dakota, Texas, and Utah. Colorado now measures 6.9% above 2008 peak employment compared to 2.5% for the nation. National job growth was 2.1% year-over-year in June and 0.2% month-over-month, with the United States adding 223,000 jobs compared to 254,000 in May. The three-month moving average ending in June was 221,000 compared to 284,000 a year ago.

The July national jobs report will be released by the Bureau of Labor Statistics on Friday, August 7, 2015. The July state jobs report will be released August 21, 2015.