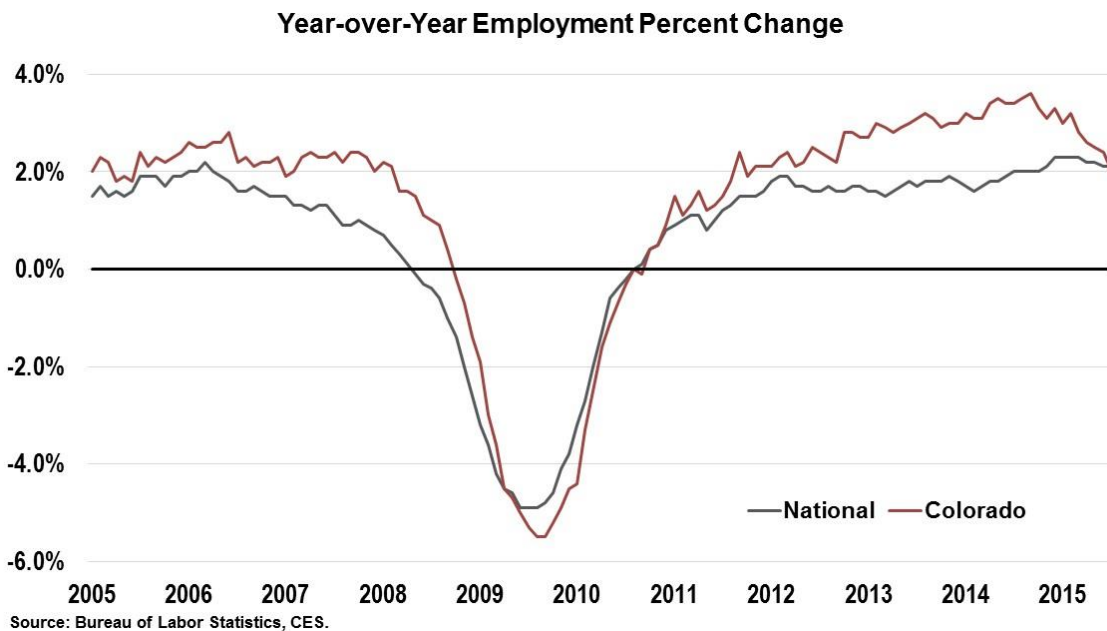


Colorado July Jobs Report Analysis and Other Economic Indicators—August 21, 2015

By Brian Lewandowski, Associate Director, Business Research Division, Leeds School of Business

The July state jobs report was released today, with the preliminary numbers showing a month-over-month decrease in employment (2,200 jobs, 0.1%) and a downward revision (-6,100 jobs) to the June estimates. According to data from the Colorado Department of Labor and Employment (CDLE) and the Bureau of Labor Statistics (BLS), July recorded 50,200 more jobs than the same month in 2014, increasing 2% year-over-year—a deceleration from June. This deceleration in growth marks a convergence with national employment growth.



Three ups:

- The state unemployment rate improved to 4.3%.
- The tourism industry (Leisure and Hospitality) was the fastest-growing industry (5.7%) in the state in July and recorded strong growth in both subsectors (Accommodation and Food Services and in Arts, Entertainment, and Recreation).
- Despite weak prices, oil and gas employment recorded stable employment for the third consecutive month.

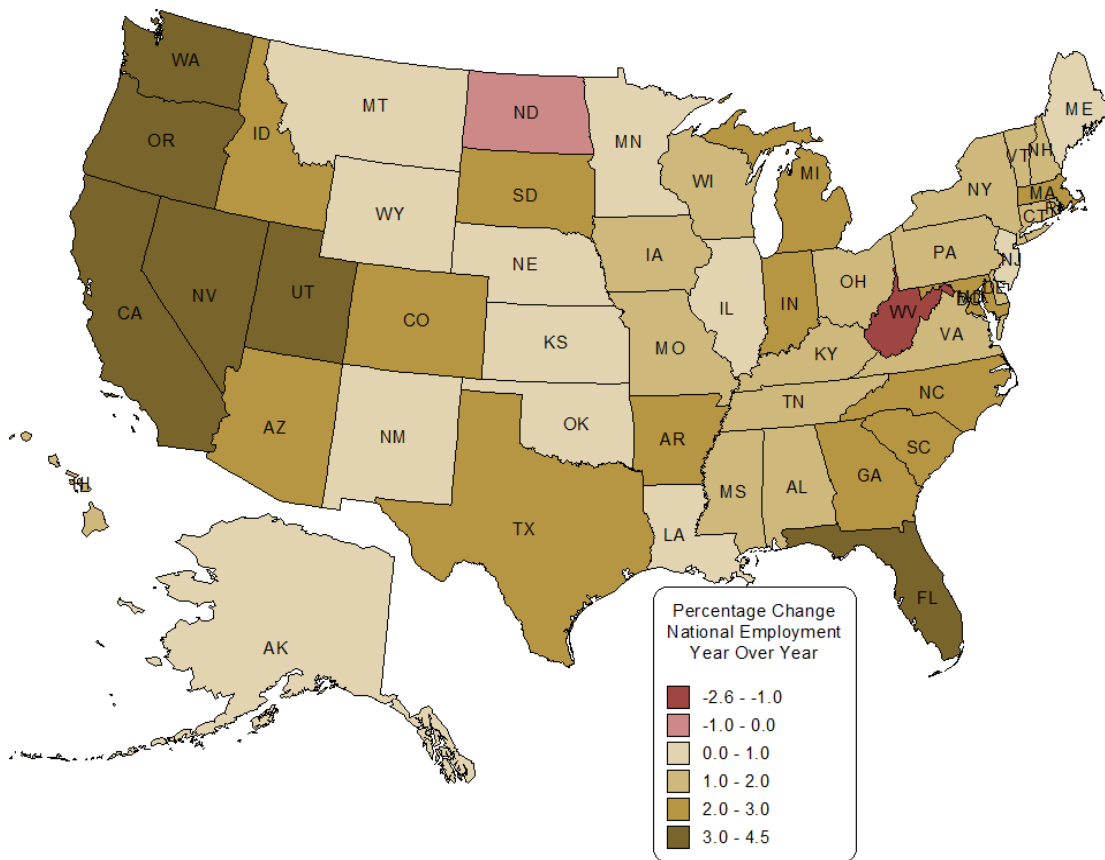
Three downs:

- Colorado's pace of job growth is slowing; 2% in July versus 2.1% for the nation.
- Employment growth in Professional and Business Services has slowed for seven consecutive months, declining 0.7% year-over-year in July. However, the Professional, Scientific, and Technical Services subsector remained strong.
- Construction employment fell for the month and slowed year-over-year in July.

After growing more than 3% for 16 consecutive months, Colorado has been firmly entrenched in 2% growth for five consecutive months (2.8%, 2.6%, 2.5%, 2.4%, and 2% year-over-year March through July). Year-over-year growth in July ranked Colorado 18th nationally, and monthly growth ranked the state 40th.

Colorado employment grew year-over-year in all of Colorado’s metropolitan statistical areas (MSAs); however, four of the seven MSAs recorded slower year-over-year growth in July compared to the same period a year ago. Industry growth was recorded in 8 of the 11 industries in the state year-over-year, but growth was recorded in only five industries month-over-month, and the velocity of growth slowed in eight industries.

July 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 (5%), Fort Collins-Loveland (4%), Denver-Aurora-Broomfield (2.6%), Pueblo (1.2%), Grand Junction (1.1%), Colorado Springs (1%), and Boulder (0.6%).

The greatest year-over-year percentage gains continued to be recorded in the Leisure and Hospitality industry (5.7%), followed by Construction (5.6%) and Education and Health Services (4%). The weakest sectors for growth included Information (-3.5%); Professional and Business Services (-0.7%); and Other Services (-0.6%).

Despite slightly slower year-over-year growth, Colorado's Manufacturing Sector continued to rank among the best states for industry growth (slipping from 5th to 10th nationally) with 2.3% year-over-year growth in July according to the seasonally adjusted statistics. The sector fell 0.1% from June to July. Likewise, Construction fell 0.9% from June to July, but remained up 5.6% year-over-year. According to data from Dodge Data and Analytics, the value of construction in Colorado was up 15% in July year-over-year, with the greatest growth recorded in nonbuilding (infrastructure).

The West Texas Intermediate spot price averaged \$43.87 in August (through the 19th), a year-over-year decrease of 54.6%. 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 severance taxes, and has also weighed on employment. The industry peaked at 36,000 jobs in January before declining and stabilizing at 34,600 jobs in May, 34,400 in June, and 34,600 in July. Of the 42 states with published seasonally adjusted Mining and Logging employment, only 2 marked year-over-year industry employment growth in July.

The July unemployment rate fell one-tenth of a percent, to 4.3%, ranking Colorado 14th-lowest nationally. At the low end, Nebraska and North Dakota ranked 1st and 2nd, at 2.7% and 3%, respectively. At the high end, Nevada and West Virginia ranked 49th and 50th, with 6.8% and 7.5% unemployment, respectively. Year-over-year, the Colorado labor force fell 0.2%, ranking the state 36th in percentage terms and 39th in absolute growth.

When compared to other states, Colorado ranked 4th for growth above the previous peak, behind only North Dakota, Texas, and Utah (35 states have recouped recession-era job losses). Colorado now measures 6.5% above 2008 peak employment compared to 2.7% for the nation.

National job growth was 2.1% year-over-year in July and 0.2% month-over-month, with the United States adding 215,000 jobs compared to 231,000 in June. The three-month moving average ending in July was 235,000 compared to 257,000 a year ago.

The August national jobs report will be released by the Bureau of Labor Statistics on Friday, September 4, 2015. The August state jobs report will be released September 18, 2015.