

## Colorado August Jobs Report Analysis and Other Economic Indicators—September 18, 2015

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The July state jobs report was released today, with the preliminary numbers showing a month-over-month increase in employment (2,400 jobs, 0.1%) and an upward revision (2,800 jobs) to the July estimates. According to data from the Colorado Department of Labor and Employment (CDLE) and the Bureau of Labor Statistics (BLS), August recorded 47,000 more jobs than the same month in 2014, increasing 1.9% year-over-year—a deceleration from July. This deceleration in growth continues a convergence with national employment growth. Colorado home appreciation continues to outpace national growth—the state ranked first for year-over-year growth, 10.6% in Q2 2015, according to the Federal Housing Finance Agency purchase-only index. Energy prices remain depressed, with the West Texas Intermediate (WTI) spot price in August and September (year-to-date) averaging the lowest monthly levels since February 2009.



Three ups:

- The state unemployment rate improved to 4.2%.
- The construction industry was the fastest-growing industry (6.4%) in the state in August, matching growth signals from industry for value of production and home appreciation.
- Despite weak prices, the Greeley MSA continued to add jobs, and the mining industry recorded stable employment for the fourth consecutive month.

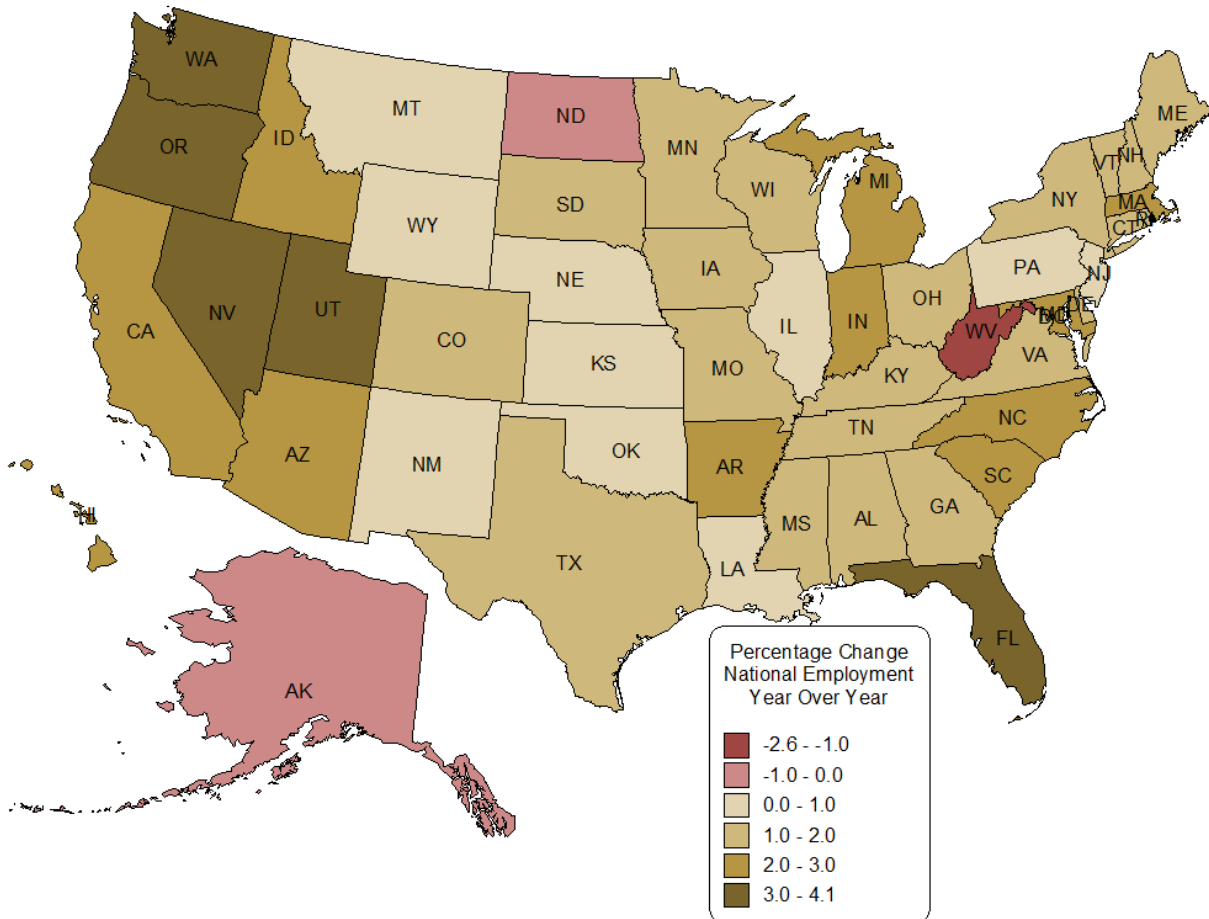
Three downs:

- Colorado's pace of job growth is slowing: 1.9% in August versus 2.1% for the nation.
- The velocity of growth slowed in six of seven Colorado metropolitan statistical areas (MSAs)
- Labor force participation decreased 0.2% from July to August and 0.4% year-over-year, down 26,002 from March.

After growing more than 3% for 16 consecutive months, Colorado has been firmly entrenched in sub-3% growth for six consecutive months (2.8%, 2.6%, 2.5%, 2.4%, 2%, and 1.9% year-over-year March through August). Year-over-year growth in August ranked Colorado 19th nationally, and monthly growth ranked the state 24th.

Colorado employment grew year-over-year in all of Colorado’s MSAs; however, all seven MSAs recorded slower year-over-year growth in August compared to the same period a year ago. Industry growth was recorded in 8 of the 11 industries in the state year-over-year, and growth was recorded in seven industries month-over-month. The velocity of growth slowed in eight industries.

**August 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 (4.5%), Fort Collins-Loveland (2.7%), Denver-Aurora-Broomfield (2.4%), Grand Junction (1.3%), Colorado Springs (1%), Boulder (1%), and Pueblo (0.7%).

The greatest year-over-year percentage gains were recorded in the Construction industry (6.4%), followed by Education and Health Services (5%). The weakest sectors for growth included Information (-4.5%) and Other Services (-1.3%).

Despite slightly slower year-over-year growth, Colorado's Manufacturing Sector continued to rank among the best in the nation for industry growth (ranking 13th), with 1.6% year-over-year growth in August according to the seasonally adjusted statistics. Construction increased 6.4% year-over-year and 1% month-over-month. 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 WTI spot price averaged \$42.87 in August and \$45.46 in September (through September 14), recording year-over-year decreases of 55.6% and 51.2%, respectively. The commodity price decline has driven down drilling applications, rig counts, and severance taxes, and has also weighed on employment. Coal mining production dropped 12.8% year-to-date in 2015 through June, and the number of miners in the state decreased 13.2%. The industry peaked at 36,000 jobs in January and recorded 34,600 jobs in August.

National job growth was 2.1% year-over-year in August and 0.2% month-over-month, with the United States adding 173,000 jobs compared to 245,000 in July. The three-month moving average ending in August was 221,000 compared to 249,000 a year ago.

The September national jobs report will be released by the Bureau of Labor Statistics on Friday, October 2, 2015. The September state jobs report will be released Tuesday, October 20, 2015.