

Colorado September Jobs Report Analysis and Other Economic Indicators—October 20, 2015

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The September state jobs report was released today, with the preliminary numbers showing a month-over-month increase in employment (2,000 jobs, 0.1%) and a downward revision (800 jobs) to the August estimates. According to data from the Colorado Department of Labor and Employment (CDLE) and the Bureau of Labor Statistics (BLS), September recorded 41,500 more jobs than the same month in 2014, increasing 1.7% year-over-year—a deceleration from August. This deceleration in growth continues a convergence with national employment growth—Colorado is now growing more slowly than the nation.

After growing more than 3% for 16 consecutive months, Colorado has been firmly entrenched in sub-3% growth for seven consecutive months (2.8%, 2.6%, 2.5%, 2.4%, 2.1%, 1.9%, and 1.7% year-over-year March through September). Year-over-year growth in September ranked Colorado 21st nationally, and monthly growth ranked the state 14th.



Three ups:

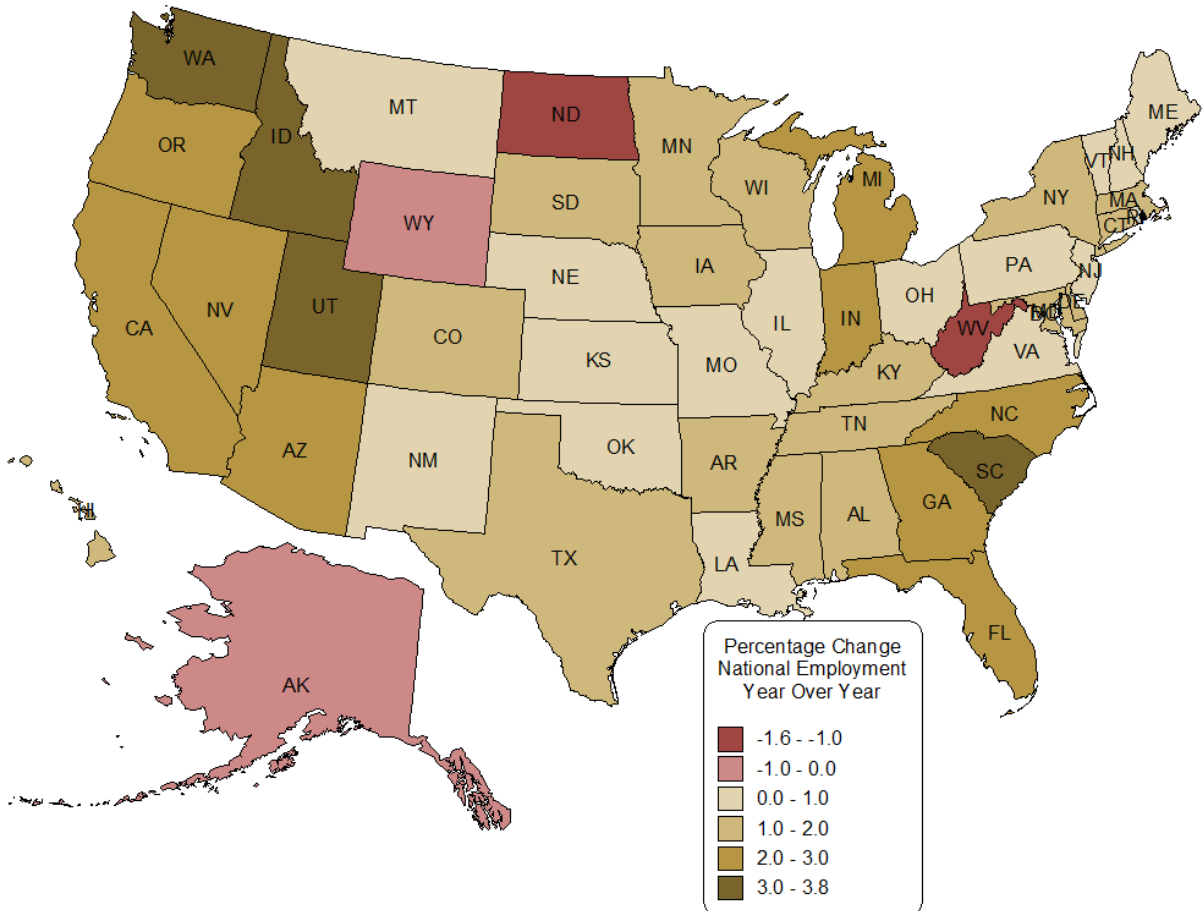
- The state unemployment rate improved to 4%.
- Inflation has remained subdued in the state, with prices in the Denver-Boulder-Greeley area increasing 1% year-over-year overall, while core inflation increased 3.2% and shelter increased 5.5%.
- Despite weak prices, the Greeley MSA continued to add jobs, and the mining industry recorded stable employment for the fourth consecutive month.

Three downs:

- Colorado's pace of job growth is slowing: 1.7% in August versus 2% for the nation.
- The velocity of growth slowed in six of seven Colorado metropolitan statistical areas (MSAs) compare to growth one year ago.
- Labor force participation decreased by 1,346 from August to September and 15,870 (0.6%) year-over-year.

Colorado employment grew year-over-year in all of Colorado’s MSAs; however, all seven MSAs recorded slower year-over-year growth in September 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 five industries month-over-month. The velocity of growth slowed in six industries.

September 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 (3.7%), Fort Collins-Loveland (2.6%), Denver-Aurora-Broomfield (2%), Pueblo (1.5%), Boulder (1.2%), Colorado Springs (1.1%), and Grand Junction (1%).

The greatest year-over-year percentage gains were recorded in the Education and Health Services (4.8%), Leisure and Hospitality (4.5%), and the Construction (4.1%) industries. The weakest sectors for growth included Information (-3.5%) and Professional and Business Services (-1.2%).

Colorado’s Manufacturing Sector continued to rank among the best in the nation for industry growth (ranking 12th), with 2% year-over-year growth in September according to the seasonally adjusted statistics.

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. Construction employment increased 4.1% year-over-year but decreased month-over-month. According to data from Dodge Data and Analytics, the value of construction in Colorado in 2015 is up 14% through August, year-over-year, with the greatest growth recorded in nonbuilding (infrastructure).

Energy prices remain depressed, and have resulted in a decrease in industry activity in the state. The WTI spot price averaged below \$50 per barrel for the last three months (\$42.87 in August, \$45.48 in September, \$47.32 in October month-to-date), recording year-over-year decreases of 55.6% and 51.2%, and 43.9%, 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 10.6% year-to-date in 2015 through August, and the number of miners in the state decreased 14.4%. Mining and Logging industry peaked at 36,000 jobs in January and recorded 34,600 jobs in September.

National job growth was 2% year-over-year in September and 0.1% month-over-month, with the United States adding 142,000 jobs. The three-month moving average ending in September was 167,000 compared to 237,000 a year ago.

The October national jobs report will be released by the Bureau of Labor Statistics on Friday, November 6, 2015. The October state jobs report will be released Friday, November 20, 2015.