



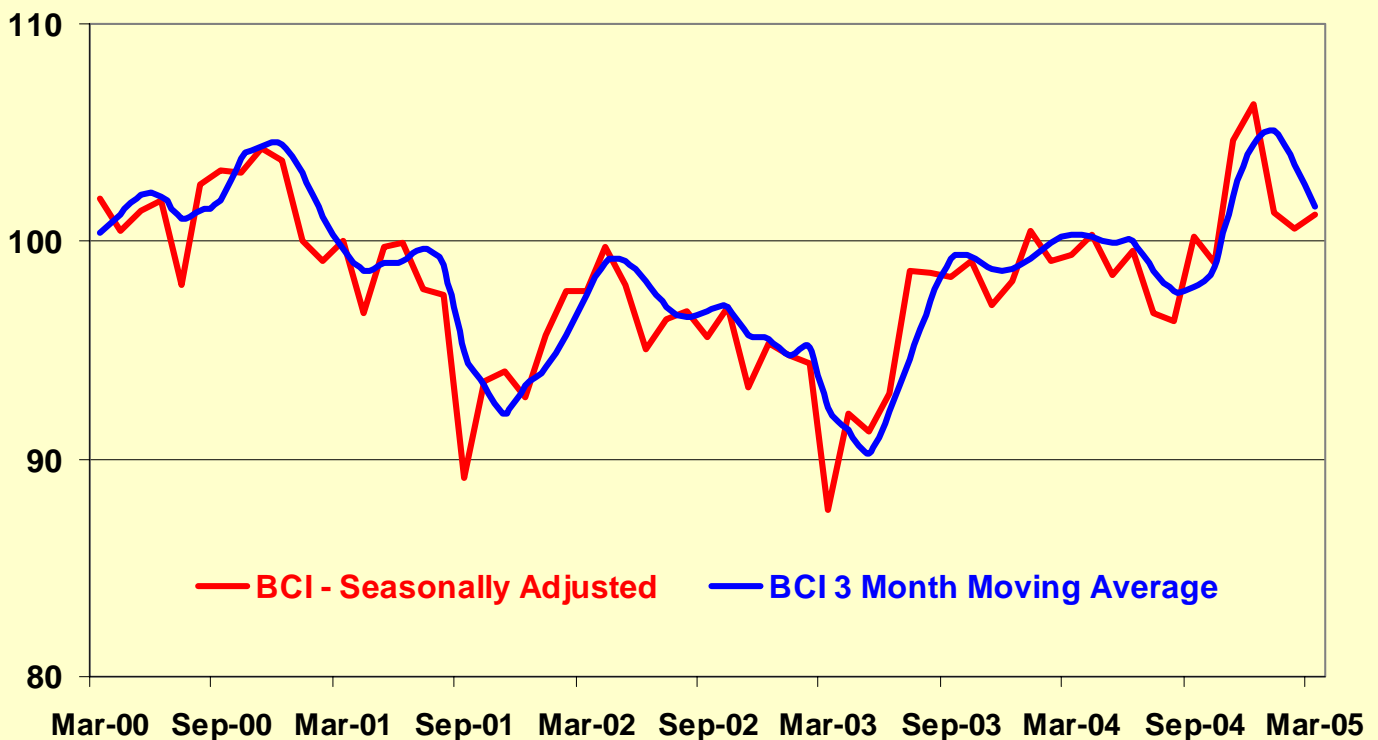
# Quarterly Updates and Estimates

Volume 3, Number 4, April 2005  
 Fred Crowley, Senior Economist

## Update on the Economy

The Forum reported it was not concerned with the slight weakening of the BCI during the third quarter of 2004. Since then, most sectors that the Forum monitors showed improvement. These improvements were expected. *The net effect is the local economy is showing strength not seen since 2000. The Business Conditions Index (BCI) for the Colorado Springs MSA hit a record high of 108.80 in December 2004.* Although the BCI has fallen to 101.27 in March 2005, it is still 1.27 percent above the March 2001 reference point. This indicates our economy is stronger. The drop in the BCI was expected since housing, consumer confidence, car sales and the Colorado PMI were abnormally high in December. While these separate indicators pointed to a strong first six months of 2005, the trend was not sustainable. The BCI is expected to resume its upward trend this year. A year-end BCI of about 106 is projected at this time.<sup>1</sup>

**Figure 1: Colorado Springs  
 Business Conditions Index (March 2001 = 100)**



<sup>1</sup> BCI is a geometric index of ten seasonally adjusted data series. The El Paso County data are single-family and town home permits, new car sales, employment rate, foreclosures, ES202 employment and ES202 wages and salaries. Colorado Springs data are sales and use tax collections and airport enplanements. Two non-regional sources are Creighton University's Purchasing Managers Index for Colorado and The University of Michigan's Consumer Sentiment. BCI is indexed to March 2001 = 100. All raw series are seasonally adjusted by UCCS Southern Colorado Economic Forum using Department of Commerce X12 adjustment process.



Thus far, rising interest rates have not had a significant effect on the economy. GDP increased 3.8% during the first quarter. Most of these gains appear to be coming from productivity gains. Employment levels are increasing but the unemployment rate has remained relatively stable over the last several months.

The most important downward movers within the BCI have been consumer sentiment, building permits and sales/use tax. The other indicators showed little or no change except for the Colorado PMI. The Colorado PMI was up 25% compared to December 2004.

The decline in single family permits in March is attributed to a comparison to a record level of permits over the last twelve months. The Forum anticipates the record setting pace will continue through 2005. Single family permits are expected to reach about 5,500 for 2005.

The BCI was expected to decline to 103 by the end of the first quarter. The actual decline was somewhat greater to 101.27. This is not believed to be a significant difference. The BCI is now expected to resume its gradual upward

trend and approach a year end figure of 106. The BCI is expected to be approximately 102.3 by July.

Despite the recent downturn in the BCI, all but three of the BCI's components are higher than a year ago. Regardless of which past period is compared with the current data, six or seven of the BCI's components are higher in every comparison.

Energy costs have contributed to an expected slowing in economic growth. Recent announcements by Saudi Arabia suggest we can expect oil prices to remain in the \$50 range. While this is not great news, the information provides an ability to plan business on the premise of a somewhat stable, albeit high, price of energy. Stable growth should result, *ceteris paribus*.

Low mortgage rates show no sign of keeping up with the recent increases in the discount rate. More than anything else, this suggests there is little concern with structural inflationary pressures returning to the economy.

**Table 1: Components of the BCI**

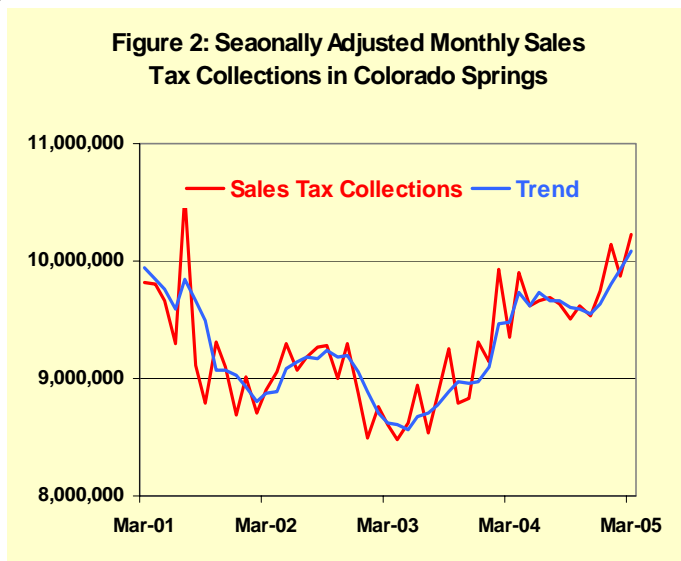
	COS Enplanements	El Paso SF & TH Permits	U Of Mich Con Sent	Creighton CO PMI	El Paso Employment Rate	Colorado Springs 2% Sales & Use Tax	El Paso Car Sales	El Paso Fore-closures	El Paso Employed	El Paso Income	BCI
Dec-03	87.42	84.02	101.82	155.84	97.25	89.02	86.21	99.94	102.66	93.04	98.16
Jan-04	95.36	79.68	113.48	158.41	97.28	93.92	87.70	99.99	102.52	93.58	100.49
Feb-04	89.56	95.01	105.57	137.17	97.31	92.24	87.73	99.95	100.28	93.81	99.09
Mar-04	87.19	95.26	104.67	129.90	97.45	100.20	89.99	99.92	100.78	93.67	99.34
Apr-04	96.92	87.56	103.18	147.88	97.59	94.39	92.04	99.94	99.44	94.89	100.35
May-04	87.35	96.03	94.34	129.11	97.48	99.86	90.98	99.95	100.34	94.66	98.49
Jun-04	88.76	91.39	102.42	132.62	97.88	97.08	96.76	99.96	100.27	94.54	99.59
Jul-04	90.89	73.79	104.26	124.97	97.66	97.47	89.29	99.96	100.56	95.44	96.67
Aug-04	85.52	90.64	104.90	121.15	97.65	97.79	75.02	99.95	101.20	96.34	96.32
Sep-04	89.55	86.24	105.19	137.54	97.65	97.26	96.99	99.95	101.39	97.60	100.18
Oct-04	91.45	94.23	105.38	139.68	97.60	95.87	81.66	99.95	101.18	92.58	99.03
Nov-04	90.42	105.91	103.02	184.56	97.76	97.05	96.09	99.95	101.29	93.84	104.66
Dec-04	91.77	116.19	106.62	164.21	97.69	96.12	109.72	99.95	101.50	94.61	106.32
Jan-05	87.99	120.98	104.32	128.22	98.27	98.39	82.20	99.95	101.85	98.90	101.31
Feb-05	89.22	110.76	105.14	122.01	97.98	102.32	85.36	99.95	102.73	95.11	100.58
Mar-05	90.30	99.46	101.30	152.66	97.83	99.62	84.91	99.95	103.29	95.61	101.27
March 2005 Compared to:											
Feb-05	1.22%	-10.20%	-3.65%	25.12%	-0.16%	-2.64%	-0.52%	0.00%	0.54%	0.52%	0.69%
Dec-04	-1.61%	-14.40%	-4.98%	-7.04%	0.14%	3.63%	-22.61%	0.00%	1.76%	1.06%	-4.75%
Sep-04	0.84%	15.33%	-3.70%	10.99%	0.18%	2.43%	-12.45%	0.00%	1.88%	-2.04%	1.09%
Mar-04	3.57%	4.41%	-3.22%	17.52%	0.39%	-0.58%	-5.64%	0.03%	2.49%	2.07%	1.94%



Single family permits in 2006 could set another record year. Solid economic conditions are expected to prevail. Additionally, BRAC 05 and the troops from Korea are expected to increase the demand for single family housing. It is very possible that 2006 will set another record in single family permits for El Paso County.

### Colorado Springs Sales Tax Boom to Bust?

The sales tax boom for the City of Colorado Springs continued through the first quarter. Continued strength is



expected throughout 2005, especially with the arrival of approximately 3,760 troops at Fort Carson in June/July. These troops were stationed in Korea and are currently on deployment to Iraq.

The Forum has estimated an additional 20,500 people will locate in El Paso County over the next 18-30 months as a result of BRAC 05. Approximately, 9,400 will be military in-service. An estimated \$775 million will be spent in the economy as a result of the military changes that are expected to take place as part of the redeployment of troops and BRAC 05. The great majority of the purchases will be within the City of Colorado Springs. Sales tax collections are expected to be strong throughout the BRAC related reassignments.

Despite this good news, the City of Colorado Springs has cause for concern about its future sales tax base. The bedroom communities of Falcon, Fountain, Monument, Woodland Park and Security/Widefield are maturing

quickly. Large format retailers (LFR) have either opened facilities in these locations or are scheduled to do so. When current plans are completed, Monument will have Home Depot and a Wal-Mart Supercenter, Falcon is likely to have a Wal-Mart Supercenter, Fountain will add a Lowe's and Woodland Park will add a Wal-Mart Supercenter. These LFR's generate annual sales per store of approximately \$50 to \$75. Allowing for satellite retailers that will join the LFR's, the Forum estimates the City of Colorado Springs will experience approximately \$300 million loss in retail sales. The effect will be an annual loss in sales tax receipts of approximately \$10.5 million lost sales tax receipts in Colorado Springs as consumer purchase patterns shift to the suburbs. This shift is expected to happen over the next two to five years..

Solutions exist for the impending fiscal constraints for Colorado Springs. They lie in stabilizing the tax base through enhanced diversification of the tax base and the development of alternative tax instruments. These will not be achieved easily in a Gallagher/TABOR tax world.

### BRAC 05

Subject to Congressional approval, BRAC 05 announcements will benefit El Paso County tremendously, especially those areas closest to Fort Carson. The announcements include:

	Military	Civilian	Other	Total
Ft. Carson	4,178	199	0	4,377
Peterson	482	-8	36	510
Schriever	44	51	0	95
USAFA	-30	-9	-1	-40
Total	4,674	233	35	4,942

In addition to the BRAC 05 recommendations, the U.S. Army announced 3,760 troops stationed in Korea and currently deployed in Iraq, will be stationed at Fort Carson. These troops will begin to arrive at Fort Carson in June/July. Altogether, a total of 8,702 direct military and civilian jobs will be coming to El Paso County. The Forum estimates another 2,500 induced jobs will be created among local retailers as the new troops spend their income on consumer goods/services, including automobiles, clothing, entertainment, food, housing and other items.



Based on Census 2000 household characteristics for the military and civilian populations, the Forum has estimated El Paso County will have a population increase of approximately 20,500 as a result of the military changes. Approximately 25-30% will live on base. The remaining will live off-base in multi-family and single family housing. A GIS analysis of the military, by place of residence, was conducted. The Forum estimates an equilibrium distribution of housing will find 75% of the soldiers and civilians will live within a 10 mile radius of their base, especially in the Fountain, Security/Widefield areas.

Vacancy rates are expected to drop. Rents will increase. The population influx will encourage new multi-family housing construction. Single family housing permits will also increase. It is very likely the increase in housing construction will begin later this year to no later than spring 2006.

The governing force behind the BRAC 05 arrivals will be the BRAC 05 adoption schedule. The schedule is:

**Jul 1, 2005:** Not later than this date, the Comptroller General shall transmit to the congressional defense committees, a report containing a detailed analysis of the Secretary’s recommendations and selection process.

**Sep 8, 2005:** Not later than this date, the Commission must transmit to the President “a report containing its findings and conclusions based on a review and analysis of the Secretary’s recommendations.”

**Sep 23, 2005:** Not later than this date, the President shall transmit to the Commission and to the Congress, “a report containing the President’s approval or disapproval of the Commission’s recommendations.” If the President approves the recommendations, the recommendations are binding 45 “legislative” days after Presidential transmission or adjournment sine die, unless Congress enacts joint resolution of disapproval.

**Oct 20, 2005:** If the President disapproves the Commission’s initial recommendations, the Commission must submit revised recommendations to the President not later than this date.

**Nov 7, 2005:** If changes are recommended by the Congress, the President must approve the revised recommendations and transmit approval to Congress by this date or the process ends. The recommendations become binding 45 “legislative” days after Presidential transmission or adjournment sine die, unless Congress

enacts joint resolution of disapproval.

**Apr 15, 2006:** Commission terminates.

### *National Expectations*

The latest expectations of professional economists for the next four quarters are summarized below.<sup>2</sup>

	Annualized Rate for				
	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06
Real GDP growth	3.0%	3.5%	3.4%	3.2%	3.4%
Inflation for	3.3%	2.3%	2.4%	2.4%	2.4%
3-Month T-Bill	3.0%	3.4%	3.8%	4.0%	4.1%
10-Year T-Bond	4.4%	4.6%	4.8%	5.1%	5.2%
AAA Corp Bond	5.5%	5.7%	5.9%	6.1%	6.3%
Unemployment	5.2%	5.2%	5.1%	5.1%	5.1%
Ind Prod Index	117.5	118.9	119.8	121.0	122.3

Chance of decline in real GDP over next 4 quarters	Q2-05	Q3-05	Q4-05	Q1-06	Q2-06
	4.0%	7.0%	9.0%	11.0%	12.0%

The consensus among professional economists is growth will be slow in 2005. Unemployment will remain in the 5.2% range. Little concern exists about inflation. The chance for a decline in GDP increased slightly from previous surveys. The most pessimistic thought suggests there is, at most, a 12% likelihood the economy will decline in 2006.

#### **(Footnotes)**

<sup>2</sup> Federal Reserve Bank of Philadelphia, November 2004.

### *Economic Base Follow-up*

The Forum completed a grant through the Pikes Peak Workforce Center (PPWFC) and the U.S. Department of Labor to conduct a community audit during 2002-2003. The audit included an analysis of the economic base for El Paso county and an assessment of how well it was diversified. At the time, the Forum concluded the economy was reasonably well diversified. The Forum also concluded it would be possible to enhance the community’s employment base diversification, reduce unemployment rates through diversification, provide higher employment and income growth.

The Forum applied the mathematics of portfolio theory to the employment base in El Paso County through the year 2000. Year 2000 was the most recent year for which reliable data were available at the time of the study. Specifically, the Forum sought to identify possible business



sectors that would be expected to maximize employment growth while minimizing unemployment variability.

Based on employment statistics by business sectors through year 2000, the Forum identified sixteen business sectors that would be expected to increase job growth, contribute to a lower unemployment rate in the County and increase diversification in the employment base. The sectors and their respective theoretical ideal employment proportions are summarized below.

Sufficient time has passed to take a preliminary review of these business sectors

Business Sector	Proportion
Agriculture services	0.43%
Air transportation	0.56%
Amusement & recreation services	7.69%
Auto dealers-service stations	7.75%
Auto repair services	3.34%
Business services	3.82%
Eating & drinking	9.54%
Furniture stores	6.92%
General merchandise	2.04%
Insurance carriers	9.31%
Mining & quarry nonmetal	2.11%
Miscellaneous repair services	0.07%
Miscellaneous retail	13.51%
Motion pictures	1.11%
Security & commodity	1.70%
Non profits	30.09%

Conventional economic development concepts would not define most of these sectors as “basic” industries. Traditionally, a basic industry is thought to be one that brings income and jobs into a community. Any business that keeps jobs and income in a community might also be thought of as a basic industry.

The mathematics of the portfolio approach identified fifteen sectors as likely to have employment growth. This was done based on data through year 2000. The recommendations were done without knowledge of the future. In order to determine how well the “selected” business sectors did relative to all other sectors, ES202 employment and income data were obtained. With few exceptions, ES202 files contain employment and wage data for businesses that are subject to unemployment insurance. It turned out that thirteen of the 15 selected sectors did have employment growth.

	Jobs Q1 2001	Jobs Q3 2004	Change
Agriculture services	8	14	6
Air transportation	263	308	45
Amusement & rec svc	1,783	3,068	1,285
Auto dealers & repair ...	5,605	5,665	60
Business services	18,499	17,729	-770
Eating & drinking	18,022	19,821	1,799
Furniture stores	1,103	1,143	40
General merchandise	5,467	5,8864	19
Insurance carriers	4,582	4,871	289
Mining & quarry nonmetal	91	93	2
Misc repair svc	2,624	2,672	48
Misc retail	2,212	2,129	-83
Motion pictures	371	452	81
Security & commodity	1,008	1,120	112
Non profits	4,601	4,699	98
Total	66,239	69,670	3,431

Due to changes in the definitions of the sectors, Auto dealers/repairs were merged with gas stations. Of the remaining fifteen sectors, thirteen had growth in employment. Two had declines in employment. ***The “selected” sectors experienced an increase of 3,431 jobs and 7% increase in income between Q1 2001 and Q3 2004.*** Sixty sectors were not selected as candidates for employment growth using the portfolio approach. Of the sixty that were not recommended, twenty-eight had employment gains. Thirty-two had employment declines. ***The “unselected” sectors experienced an aggregate employment loss of 6,329 jobs and a 4.68% decrease in income between Q1 2001 and Q3 2004.*** A comparison of the results are summarized below.

	Number of Sectors with employment	
	Increases	Decreases
“selected”	13	2
“unselected”	28	32

	Employment	
	Q1 2001	Q3 2004
“selected”	66,239	69,670
“unselected”	135,139	128,810

	Employment	
	Change	% Change
“selected”	3,431	5.18%
“unselected”	-6,329	-4.68%

	Aggregate Weekly Wage	
	Q1 2001	Q3 2004
“selected”	\$41,980,077	\$44,917,345
“unselected”	93,345,939	90,842,975

	Income	
	Change	% Change
“selected”	\$2,937,268	7.00%
“unselected”	-\$2,502,964	-2.68%



Part of the reason El Paso County experienced growth in the “selected” sectors is due to the efforts of the EDC. For example, the EDC announced significant employment gains for the insurance industry during 2004. Efforts to promote employment in insurance, financial services, and other identified ideal business sectors are likely to produce stronger gains in employment and income than if energies are used to attract declining business sectors.

During the period of the PPWFC grant, the Forum also found that business sectors that tended to be selected in one period tended to be identified in other periods. When differences between periods existed, they tended to be relatively minor. Differences will be expected over time. This is the result of the dynamics of the economy. The mathematics also pointed out that it is not always a good thing to “invest” in the latest industry trend. While the trend may prove to be profitable, it may not be a good component for our local economy.

The analysis consistently demonstrates a diversified economic base is preferred to a base that is not diversified. Periodically, the economic base should be reevaluated to determine if it is close to optimal. “Go-Go” sectors aside, changes in policy do not have to be made rashly since the economy moves at a pace policy makers can adapt to without missing an opportunity to affect a positive change in the community.

The results also suggest economic base revisions can point to expected gains in employment and income. This ability might be crucial if economic incentives are to be used to attract/retain a business.

The approach is not a perfect solution to economic development. It has a number of limitations and data requirements that may preclude its use. Limitations aside, the economic base needs to be evaluated periodically to assess progress against definable goals.

The approach the Forum used is probably best used in the context of targeting discretionary economic development. For example, a community would probably not say no to a new company bringing 500 jobs at an average annual wage of \$90,000 just because it was not on the “selected” list. Rather, policy should reevaluate the

employment mix to determine if the new employer complements the existing economic base.

There are a number of limitations to a portfolio approach to economic development. Arguably, the most important of the limitations might be the need for historical data. The process requires historical data to establish fundamental relationships among the employment sectors. A new business sector cannot be incorporated into the model until it has a history. While this might be a limitation, it might also be a benefit. New business sectors could be unstable. The instability might be enough to exclude the sector, regardless of data limitations. Once established, the sector could be reexamined to determine if it would be expected to increase job growth and promote employment stability.



## *From Our Partners*

*The Forum wishes to thank Mr. Ron Chernak, President of First Business Brokers, Ltd. for providing financial support for the QUE. In addition, First Business Brokers is contributing a four part series about developing an exit strategy for privately held firms.*



This is the third in a four-part series of articles addressing the sale of privately owned businesses. The first article addressed some of the issues relating to the sale of a business to family members, employees, and competitors, the second article addressed business valuation issues (copies of these articles are available by contacting Kim Bentz at (719) 635-9000 or fbb@fbb.com). In this article, we will address positioning your business to achieve its maximum value. The final article will address the sales process and the use of professionals, such as attorneys, accountants, broker/intermediaries, and financial planners.

### **Positioning Your Business For Sale**

The sale of a privately held business is a complex and time-consuming task. It is something that most entrepreneurs do only once in their lifetime and may represent the single most significant financial transaction of their life.

Due in large part to the time that it takes to implement changes and to have those changes reflected in the appropriate manner on the Seller's financial records, we typically advise Sellers to take proactive measures to initiate the positioning of their business for sale, **two to three years** prior to actually taking their business to market.

- I. Financial and tax records - Most business sales are financially driven transactions. If there is only one item that is remembered as a result of reading this article it should be **“Good numbers sell businesses**

**“faster for more money.”** There are several ways to implement this concept.

- A. Use a full service CPA firm. – Although your internal records may be accurate to the penny, the buyer and the lender are going to feel more comfortable with verification from a credible outside party.
- B. Upgrade your financials to audited or reviewed financial statements. When you sell your business, the upgraded financials will increase its value and save you time and money in the due diligence process. In fact, for larger transactions some buyers will not even consider looking at your business unless you have audited financials.
- C. Clean up your Balance Sheet. – If you have not already done so, now is the time to eliminate shareholder / employee loans. Write off bad debts and make sure that your inventory is accurately valued.
- D. Clean up your Income Statement. – Eliminate large discretionary expenses such as airplanes, excessive rents on individually owned real estate leased back to the business, or family members on the payroll at other than fair market values. Although we “recast” financial performance to reflect true operating costs, a credibility issue arises if these amounts are excessive and can't be readily verified.
- E. Consider changing from a C to an S Corporation. – As a result of the 2003 tax law changes, this may be an opportune time to implement this strategy. Due to timing issues, you should consult your tax advisor several months prior to the end of your fiscal year.



- II. Assemble an experienced acquisition team. – Your team will typically consist of an attorney to handle the contract documentation, an accountant/tax advisor to assist in due diligence, tax planning and compliance, a financial planner on larger transactions to handle investment planning and an intermediary/business broker. A good broker will advise you on value, create appropriate marketing material including a comprehensive business presentation package, provide confidentiality, identify, screen, and qualify prospective buyers, and assist in negotiating the transaction.
- III. Presale audit – Your intermediary/business broker can assist you in this process by looking at the business from a buyer’s perspective. Reduce customer concentration – Buyers and lenders get apprehensive if a significant amount of your sales and profits are concentrated with just a few of your customers. A large and diversified customer base not only adds value, but creates opportunities to sell more products or services.
- IV. Create second level management – For larger more complex businesses a good second level management team is important. Perceived value is decreased when the knowledge base and customer relationships are concentrated in the owner that is exiting the business.
- V. Curb appeal – Similar to selling your house, first appearances are important. Invest a little time and money to paint and clean up.
- VI. Documentation – Prior to going to market is an appropriate time to get your documentation in order. Make sure insurance, permits and licensing documentation are current.
- VII. Business plan – Most businesses do not have a written business plan. Not only will a business plan help add value to your business in the eyes of a Buyer, but it will also make the Buyer more comfortable if your second level management team is a little weak.

- VIII. Commitment to the process – The sale of a privately owned business is a significant event and you need to be sure that your other shareholders, spouse and children are supportive of the decision to sell.
- IX. Intangible assets – Identify business attributes that are readily discernible from your financials. Some examples include:
- Skilled and highly trained employees
  - Diversified customer base
  - Location
  - Upgraded equipment
  - Tooling
  - Mailing lists
  - Patents and trademarks

Like most significant events, planning can materially increase the likelihood of a better outcome. The Seller of a business is not only “selling” to the potential buyer, but must also “sell” or convince the buyer’s lender and advisors, usually an attorney and an accountant, that the business is worth the purchase price.

***Since 1982, First Business Brokers, Ltd., has specialized in the sale of privately held businesses located in Colorado. As the premier business brokerage firm in Colorado, First Business Brokers, Ltd., has sold over 800 companies by providing top quality, comprehensive, professional service at every phase of the transaction.***

***For a confidential, no-cost, no-obligation consultation, please contact Ronald V. Chernak, President, at (719) 635-9000. First Business Brokers, Ltd., is located at 303 South Cascade Avenue, Suite 200, in Colorado Springs, Colorado (80903). The fax number is (719) 635-4988, and email for Ron Chernak can be sent to [rvc@fbb.com](mailto:rvc@fbb.com).***

***Additional information about First Business Brokers, Ltd., can be viewed on their web site, at [www.fbb.com](http://www.fbb.com).***





**Table 2: Selected Indicators**

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National Quarterly Data		2004 Q2			2004 Q3			2004 Q4			2005 Q1	Vs Year Ago	
Banks, Charge-Off Rates % SA		0.62			0.57			0.51			na	-0.20	
Banks, Delinquency Loan Rates % SA		1.84			1.74			1.67			na	-0.28	
Employment Cost - Benefits SA 1986=100		194.50			196.40			199.30			202.00	10.80	
Employment Cost - Compensation SA 1986=100		173.00			174.50			174.80			177.30	6.00	
e-Sales as % of Retail Sales NSA		1.93			2.00			2.06			2.16	0.29	
e-Sales NSA (billions)		16.758			17.632			18.607			19.798	3.801	
GDP Real Annual Growth (Chained) SA		3.31			4.00			3.10			3.80	-0.70	
Retail Sales NSA (billions)		868.40			881.97			903.62			916.89	62.76	
National Monthly Data	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	Change vs. Apr '04
Capacity Utilization SA	78.20	77.80	78.30	78.30	78.00	78.50	78.70	79.20	79.10	79.40	79.40	na	1.70
Car & Lt Trk Sales Annualized Millions SA	17.66	15.37	17.20	16.56	17.46	16.92	16.35	18.35	16.18	16.25	16.8	17.40	0.82
Consumer Sentiment (1966=100) SA	90.20	95.60	96.70	95.90	94.20	91.70	92.80	97.10	95.50	94.10	92.60	87.70	-6.50
CPI-U 1982-84=100 SA	188.80	189.30	189.20	189.30	189.60	190.70	191.20	191.20	191.30	192.00	193.20	194.20	6.50
Federal Funds % (Effective)	1.00	1.03	1.26	1.43	1.61	1.76	1.93	2.16	2.28	2.50	2.63	2.79	1.79
Industrial Production (1997=100) SA	115.53	115.12	115.93	116.04	115.71	116.65	116.95	117.91	117.75	118.33	118.51	118.28	3.54
Inventory/Sales Ratio SA	1.30	1.31	1.32	1.32	1.31	1.30	1.31	1.30	1.30	1.32	1.31	na	0.00
Mortgage Rate 30 Year Conventional % NSA	6.27	6.29	6.06	5.87	5.75	5.72	5.73	5.75	5.71	5.63	5.93	5.86	0.03
Prime Rate NSA	4.00	4.01	4.25	4.43	4.58	4.75	4.93	5.15	5.25	5.49	5.58	5.75	1.75
Purch Mgr Index SA	62.80	61.10	61.60	59.60	59.1	57.5	57.6	57.3	56.4	55.3	55.2	0.00	-62.40
Retail & Food Service Sales SA (billions)	323.04	321.32	324.03	323.70	329.45	332.28	332.39	336.58	336.79	338.99	340.18	344.90	27.19
S&P500	1,120.7	1,140.8	1,101.7	1,104.2	1,114.6	1,130.2	1,173.8	1,211.9	1,181.3	1,203.6	1,180.6	1156.9	49.55
Technology Index SA - Mar 2001 = 100)	126.26	125.35	123.14	124.06	134.33	129.79	125.21	129.07	128.32	128.70	132.10	na	4.97
Trade Weighted Dollar	88.97	87.52	86.40	86.66	86.19	84.25	81.03	80.11	81.06	81.81	80.89	82.23	-5.19
West Texas Oil Spot Price Barrel NSA	40.28	38.02	40.69	44.94	45.95	53.13	48.46	43.33	46.84	47.97	54.31	53.04	16.35
Colorado Data													
Denver-Boulder CPI SA						186.5						na	0.80
Colorado Purch Mgr Index SA	61.00	57.60	54.50	55.50	57.50	54.80	76.10	70.60	51.90	51.70	62.20	na	-8.10
Labor Force NSA (000's)	2,500.7	2,548.0	2,545.5	2,556.7	2,562.0	2,559.5	2,541.7	2,536.0	2,519.6	2,522.9	2,520.7	2,535.6	58.65
Labor Force SA (000's)	2,516.2	2,518.8	2,517.2	2,521.6	2,530.7	2,542.9	2,534.5	2,541.7	2,537.8	2,542.8	2,543.9	2,558.8	54.25
Employment NSA (000's)	2,386.1	2,415.3	2,416.8	2,432.2	2,443.2	2,440.7	2,415.4	2,408.3	2,386.6	2,382.0	2,382.0	2,403.9	55.44
Employment SA (000's)	2,393.2	2,394.2	2,388.3	2,394.2	2,407.8	2,416.8	2,408.1	2,411.6	2,416.1	2,418.7	2,413.3	2,424.5	47.27
Unemployment Rate % NSA	4.58	5.21	5.06	4.87	4.64	4.64	4.97	5.03	5.28	5.58	5.50	5.20	0.01
Unemployment Rate % SA	4.89	4.95	5.12	5.05	4.86	4.96	4.99	5.12	4.79	4.88	5.13	5.25	0.16
Colorado Springs Data													
Business Conditions Index SA	98.49	99.59	96.67	96.32	100.18	99.03	104.66	106.32	101.31	100.58	101.27	na	0.92
Colorado Springs Airport Enplanements SA	83,533	84,880	86,913	81,780	85,638	87,450	86,465	87,763	84,143	85,316	86,353	na	-6328.2
Foreclosures SA	128	201	201	189	202	192	193	194	187	195	200	na	11.71
New Car Sales SA	2,207	2,347	2,166	1,820	2,353	1,981	2,331	2,662	1,994	2,071	2,060	na	-172.90
Sales & Use Tax for Month of SA (000's)	9,899	9,624	9,662	9,694	9,641	9,503	9,620	9,528	9,753	10,142	9,875	10,232	875.63
Single Family Permits SA	441	420	339	416	396	433	487	534	556	509	457	na	54.67
Labor Force NSA (000's)	276.3	280.9	282.0	282.4	281.9	283.8	281.9	280.7	277.9	278.3	281.2	284.9	11.02
Employment NSA (000's)	261.4	263.5	265.6	266.7	266.4	268.3	266.6	265.4	262.6	262.7	264.8	268.9	10.69
Unemployment Rate % NSA	5.42	6.17	5.84	5.56	5.52	5.46	5.45	5.45	5.49	5.58	5.85	5.59	-0.10
Unemployment Rate % SA	5.90	5.51	5.72	5.74	5.73	5.78	5.62	5.69	5.13	5.41	5.56	5.68	-0.11



## *About the Forum*

The Southern Colorado Economic Forum (SCEF) is part of the College of Business outreach to the Colorado Springs Community. The forum gathers, analyzes and disseminates information relevant to the economic health of the region. Through its efforts, the Forum has gathered a number of unique data sets. The Forum and its staff are available for fee-for-service work to analyze business situations, develop forecasts, conduct and analyze surveys and a number of other situations you may need to have analyzed in an objective manner, using the best data and analysis available. Examples of current and prior work include Small Area Forecast for the Pikes Peak Area Council of Governments (population employment and housing projections to the year 2030), Colorado Springs Airport Passenger Survey, exit surveys and a Community Audit for the Pikes Peak Workforce Center. If you would like additional information about how the Forum can assist you, contact Fred Crowley at (719) 262-3531 or [fcrowley@uccs.edu](mailto:fcrowley@uccs.edu).

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