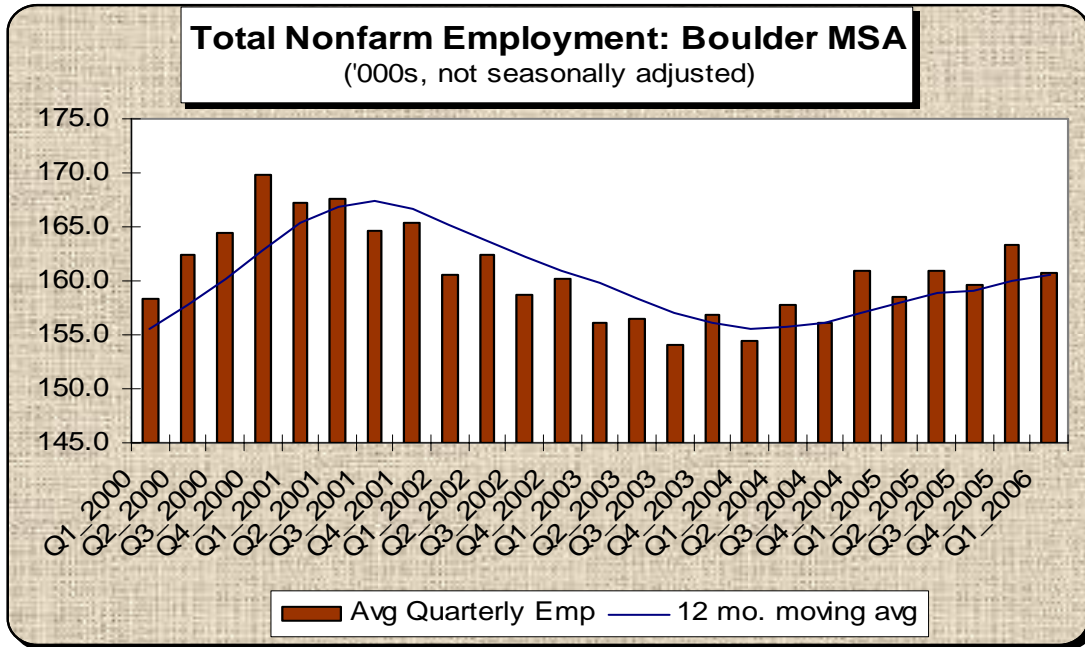


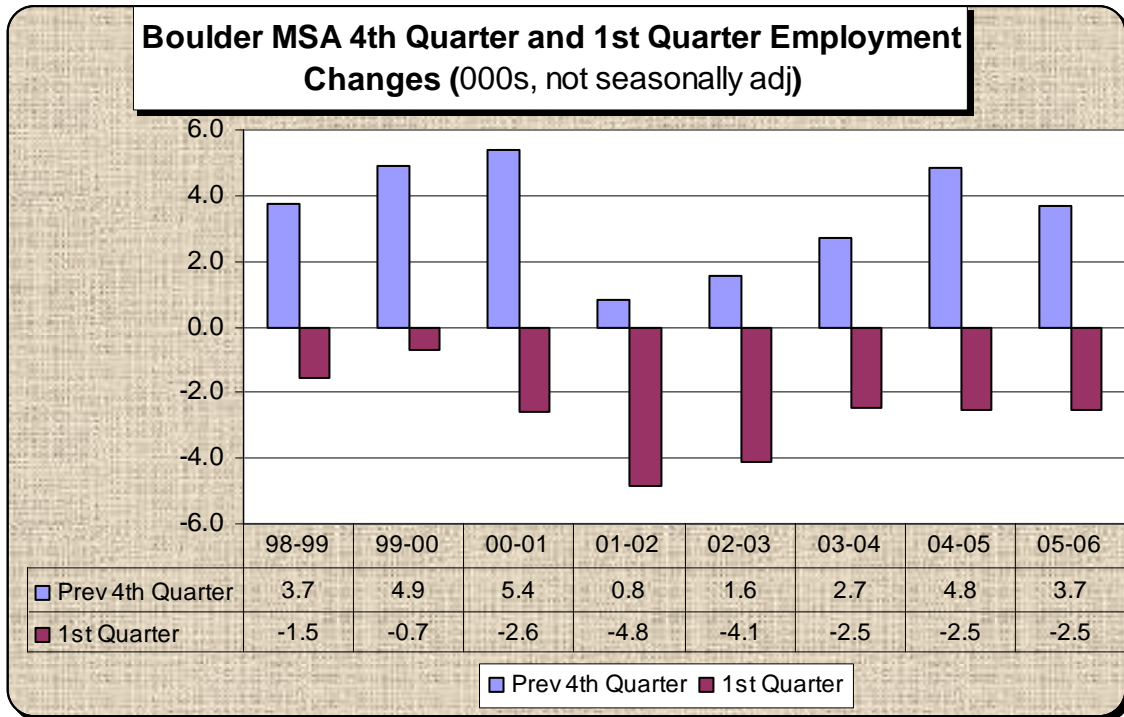
Boulder MSA Preliminary Estimates: By Chris Akers

Total Nonfarm Wage and Salary Employment: -2,500 (1.6%) (Not Seasonally Adjusted)



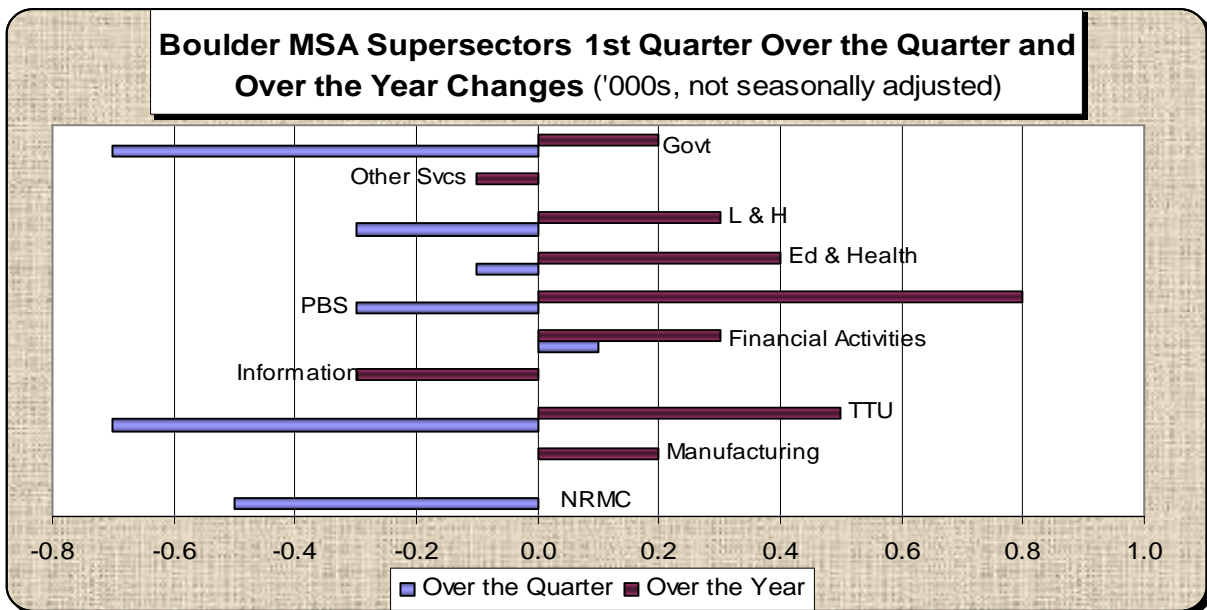
For the third consecutive year, the Boulder MSA shed a seasonally expected 2,500 jobs in the 1st quarter. This decline pulls total nonfarm employment down to an average of 160,800 in the quarter. The drop from the 4th quarter 2005 to the 1st quarter 2006 was expected due to normal seasonal hiring patterns. The 4th quarter holiday build-up in 2005 saw 3,700 workers added to the payrolls, 23% less than the same period one year ago. Last year 39% of the new hires in the 4th quarter were still on payrolls the following quarter, but the retention rate fell to 32% in 2006. Partially due to the smaller percentage of workers still employed this quarter, over the year employment rose by 2,300. This 1.4% annual expansion mirrors last quarter, but is one-third slower than the prior four-quarter average and is the second slowest of Colorado's seven MSAs.

Average annual employment in Boulder peaked at 167,300 in the 3rd quarter 2001 and then shed an average of 1,200 workers per quarter before hitting a trough at 155,600 during the 1st quarter 2004. Subsequently, twelve-month average employment has grown by 5,000, but it remains 6,700 (4.0%) below the 2001 peak.



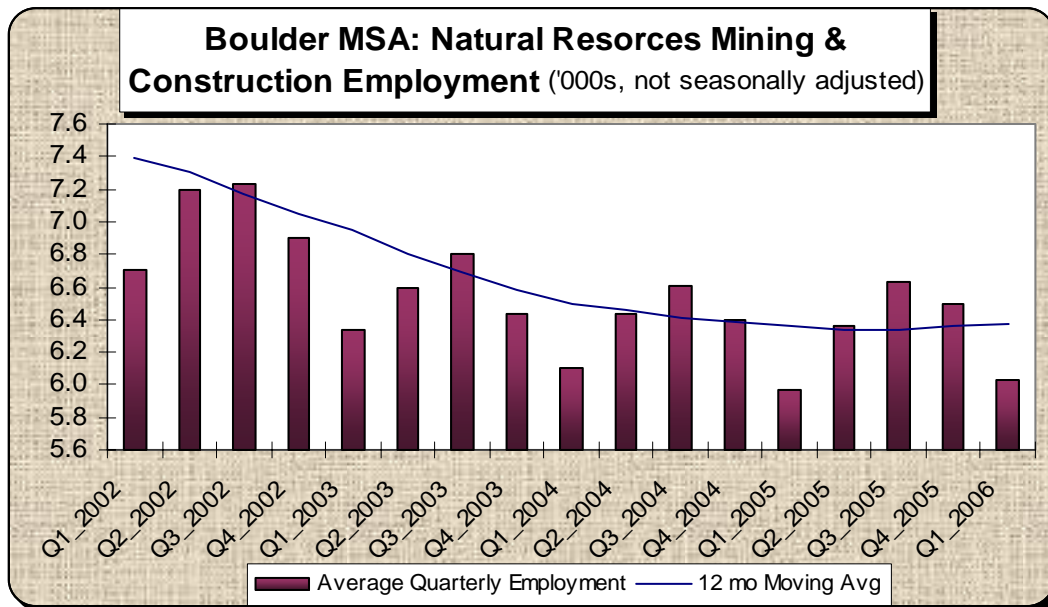
Seven of the ten supersectors in Boulder experienced over the quarter declines. Trade, transportation & utilities (TTU) and government registered the greatest number of job losses with 700 apiece, in line with seasonally expected patterns. Financial activities was the only supersector with a payroll gain this quarter, edging up 100. Employment in manufacturing, information and other services remained at the same level as the 4th quarter 2005.

Seven supersectors also experienced payroll expansions since last March, led by the addition of 800 in professional & business services. TTU had 500 new hires and education & health services added 400 positions, followed by gains of 300 in both leisure & hospitality and financial activities. Government and manufacturing expanded by 200 apiece to round out the gainers. Natural resources, mining & construction payrolls remained unchanged, while other services shed 100 over the year.



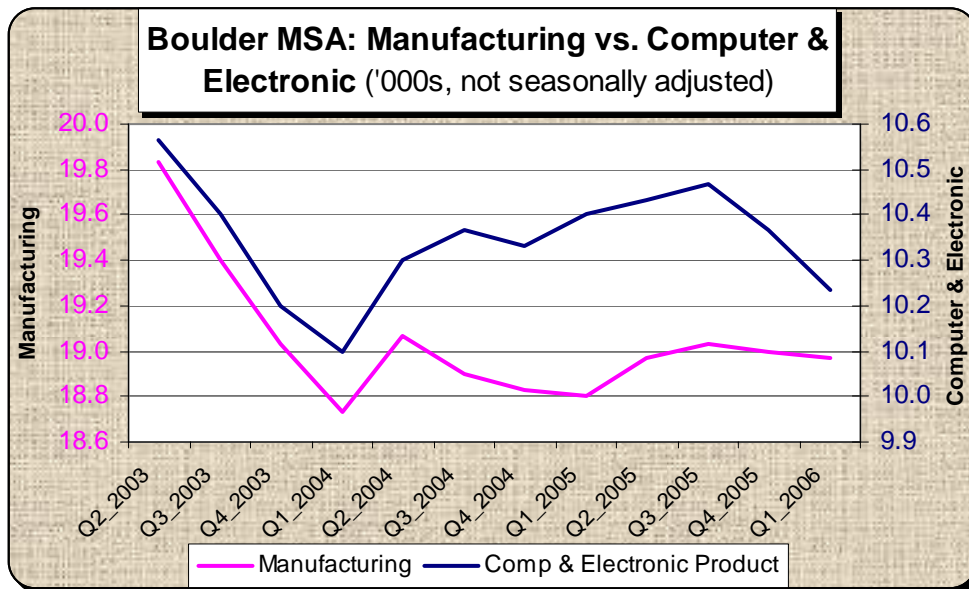
Natural Resources, Mining & Construction: - 500 (7.7%)

Employment in natural resources, mining & construction fell by 500 in the 1st quarter. This is two-thirds larger than the seasonally anticipated 1st quarter decline, and the strongest such drop in three years. Supersector employment reached a peak of 7,500 in 2001, and then declined steadily over the next four years before hitting a trough in the 3rd quarter of 2005. After advancing by 100 last quarter and recording the first over the year job gain since the beginning of 2001, payrolls remained at the same level as the 1st quarter 2005.



Manufacturing: Unchanged

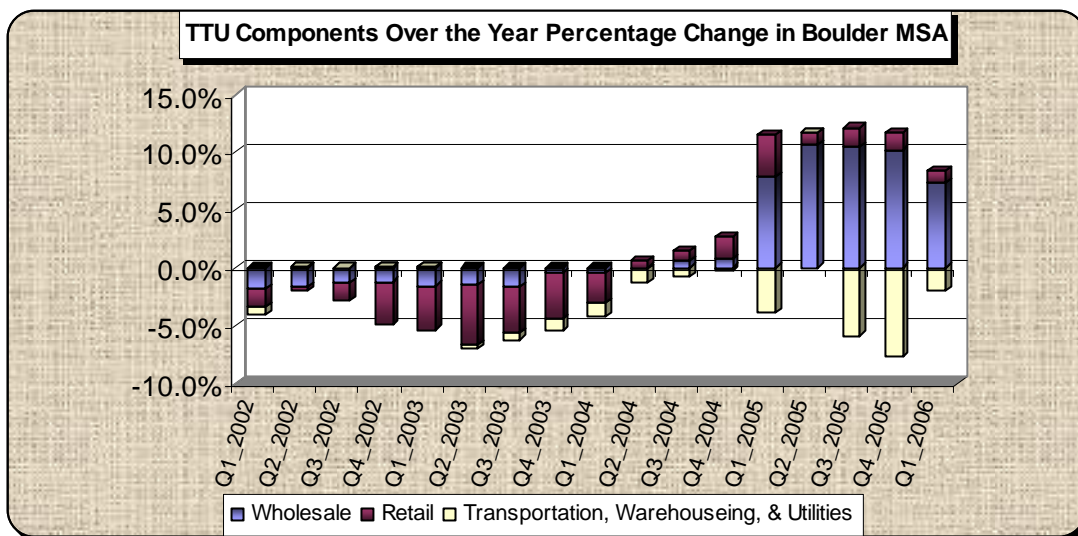
Manufacturing employment in the 1st quarter 2006 remained at the same level as the 4th, despite computer & electronic product manufacturing's decline of 200 over the quarter. Employment in this sector reached a high of 14,500 in the beginning of 2001 before shedding 4,200 positions, or 29.0% of its workforce, over the next three years. Disproportionate weakness in this component caused the supersector's annual average employment to decline by 5,800 (23.2%) over this same period. After posting over the year gains in the first three quarters of 2005 and remaining flat in the 4th, computer & electronic product manufacturing experienced a 200 (1.9%) annual contraction. Manufacturing overcame the decline in its largest component to gain 200 (1.1%) jobs over the year. The relative weakness in its computer & electronic product manufacturing has caused its share of industry employment to erode by almost 10% from a high of 59.4% in 1999 to its current 53.7%.



Trade, Transportation, & Utilities (TTU): - 700 (3.4%)

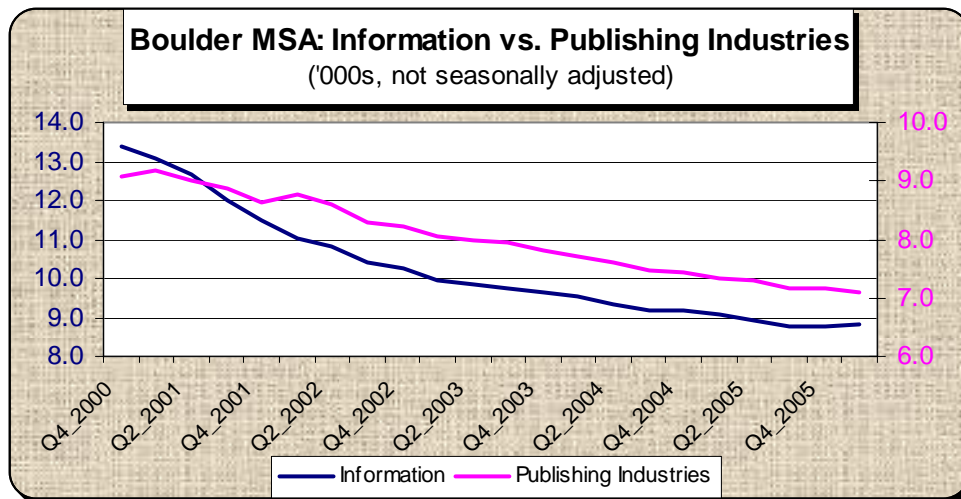
The 700 position decline TTU experienced in the 1st quarter was about one-fifth smaller than anticipated. Wholesale trade and transportation, warehousing & utilities (TWU) payrolls remained unchanged, while retail trade accounted for the entire drop with its normal contraction following the holidays. Annual average employment increased by 200 this quarter to 23,000, but remains 8.4% below the peak reached five years ago due to weakness in retail and TWU.

There are 500 more people working in TTU than at this time last year. The 2.2% annual expansion is the weakest in a year and a half, and is 26.7% smaller than the prior four-quarter average. Wholesale trade accounted for a majority of this growth, with 400 new hires. However, its 7.3% over the year growth is one-fourth slower than the prior year trend. Retail trade added 200 (1.3%) positions since last March, while TWU remained unchanged.



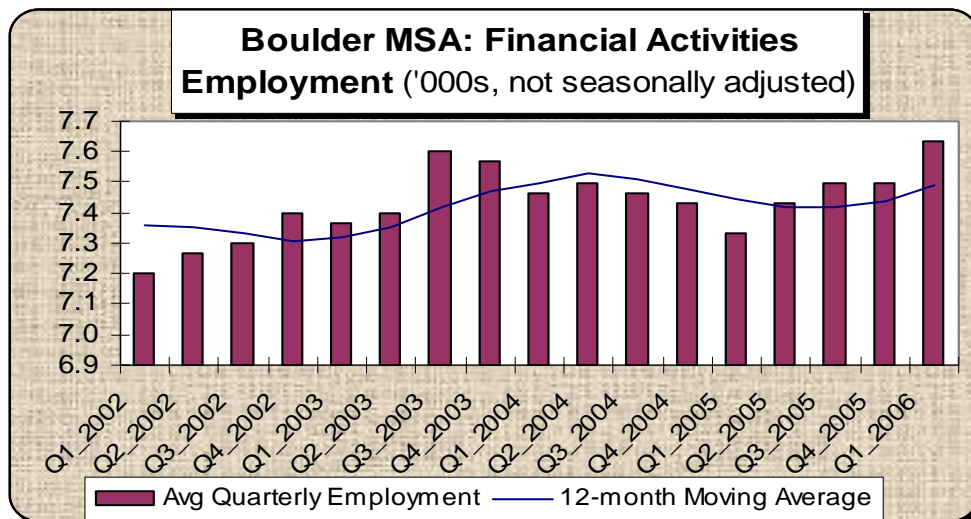
Information: Unchanged

For the second consecutive quarter, information payrolls remained unchanged. Despite the lack of change in the supersector, publishing industries, which comprises 80.7% of industry employment, edged down 100 in the 1st quarter. Information employment of 8,800 remains at its lowest level in more than seven years. Since hitting an employment peak at 13,400 in the 4th quarter of 2000, information has lost just over a third of the workforce, with the majority of these losses occurring 2001 and 2002. The 300 positions (3.3%) eliminated over the past year are one-fourth less than the 1st quarter last year and the smallest annual loss in the industry since it began contracting in the 3rd quarter of 2001. Likewise, publishing industries' 2.7% (200 positions) decrease represents its slowest rate of decline in seven years, and is 34.1% slower than its prior year trend.



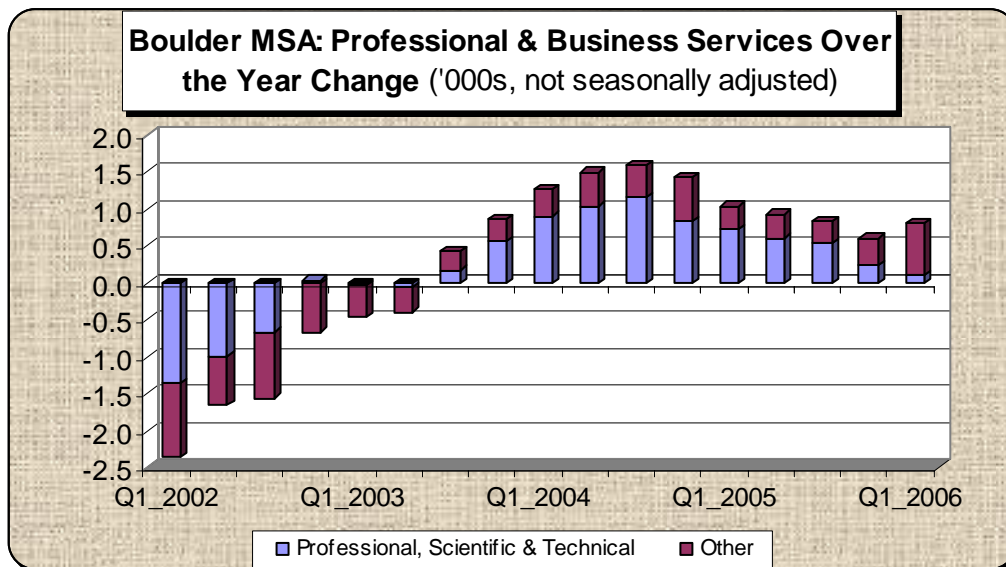
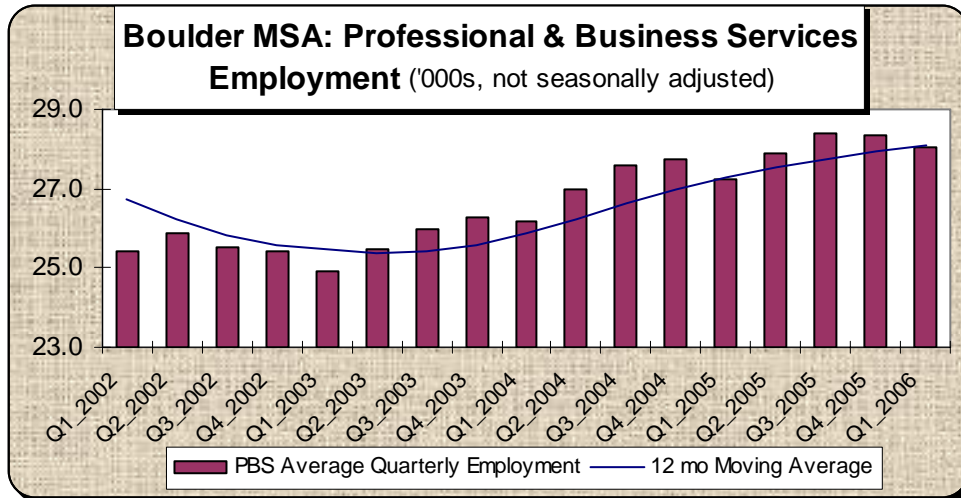
Financial Activities: + 100 (1.3%)

Financial activities payrolls edged up 100 in the 1st quarter 2006. Over the year, this industry has added 300 new hires, for growth of 4.1%. This matches the strongest annual expansion experienced in this supersector since the end of 2001. A sustained period of low interest rates helped annual average employment expand by 2.7% over five quarters from the beginning of 2003. Subsequent to the peak, it declined by 1.3%, reached a trough in mid 2005 and has again reached the 7,500 max.



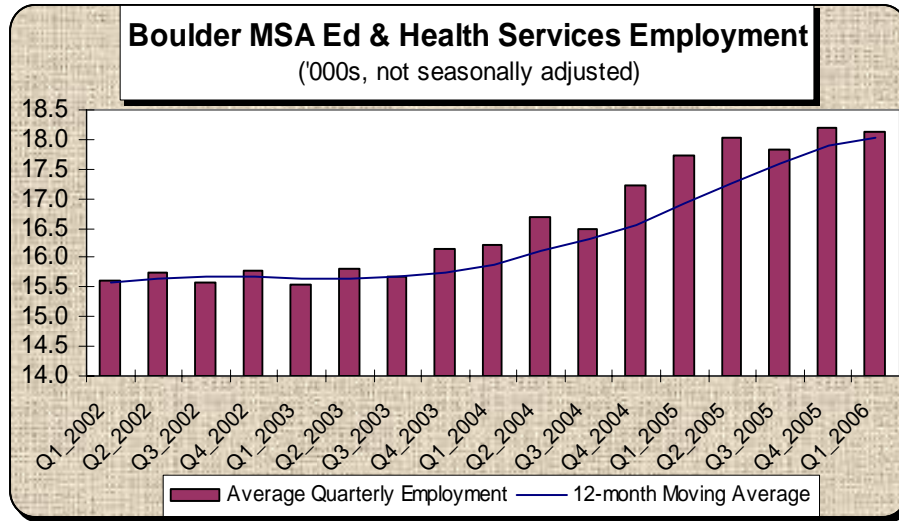
Professional and Business Services: - 300 (1.1%)

In line with seasonal expectations, professional & business services shed 300 positions in the 1st quarter, with professional, technical & scientific services accounting for one-third of this decline. Since the 1st quarter 2005, 800 positions have been created in this supersector, accounting for more than a third of the annual expansion in Boulder. While growth of 2.9% is marginally slower than the prior four-quarter average, this advance was 86.2% slower than the same quarter one year ago. Most of this weakness can be attributed to professional, technical & scientific services, a component that comprises just over 70% of the industry's employment. This sector's payrolls have inched up 100 over the year, for growth of 0.5%, an expansion that is 81.5% weaker than the prior year trend and 87.2% slower than the 1st quarter 2005.



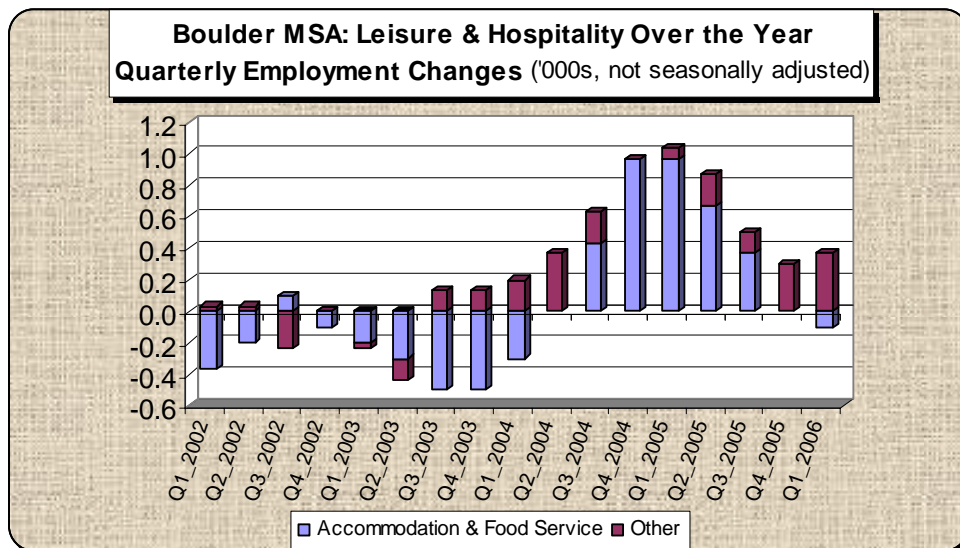
Education and Health Services: - 100 (0.5%)

Education & health services shed 100 positions in the 1st quarter. Since this time last year, 400 new hires have been added to industry payrolls. Annual growth of 2.3% is the second fastest in Boulder, but it is significantly weaker than the prior four quarter average of 7.8% and is 75.8% slower than the 1st quarter 2005 expansion. Annual average employment reached a plateau at 15,700 throughout 2002 and 2003. Subsequently, the industry has added 2,200 positions, or an average of 1.5% per quarter, with much of this growth attributable to the opening of a new hospital in Lafayette.



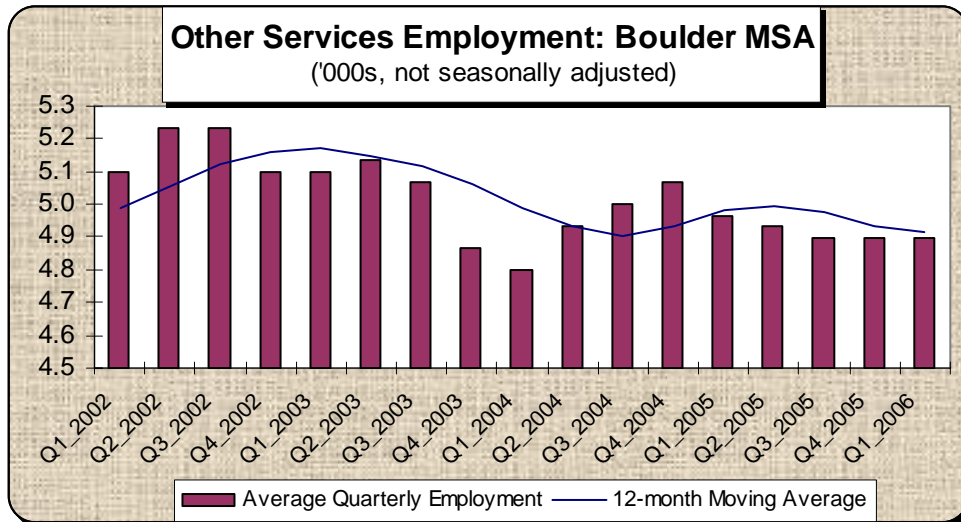
Leisure and Hospitality: - 300 (1.8%)

Employment in leisure & hospitality fell by a slightly less than expected 300 this quarter, despite a 500 position decline in accommodation & food services that represents this component’s strongest 1st quarter decline in three years. In the last four quarters, 300 have been added to supersector payrolls. Over the year growth of 1.9% matches last quarter as the weakest expansion in seven quarters, and is 55.8% slower that the prior year trend. Weakness in accommodation & food services is responsible for the slowing growth in the supersector. This component experienced its first annual contraction in two years, edging down 100 (0.8%).



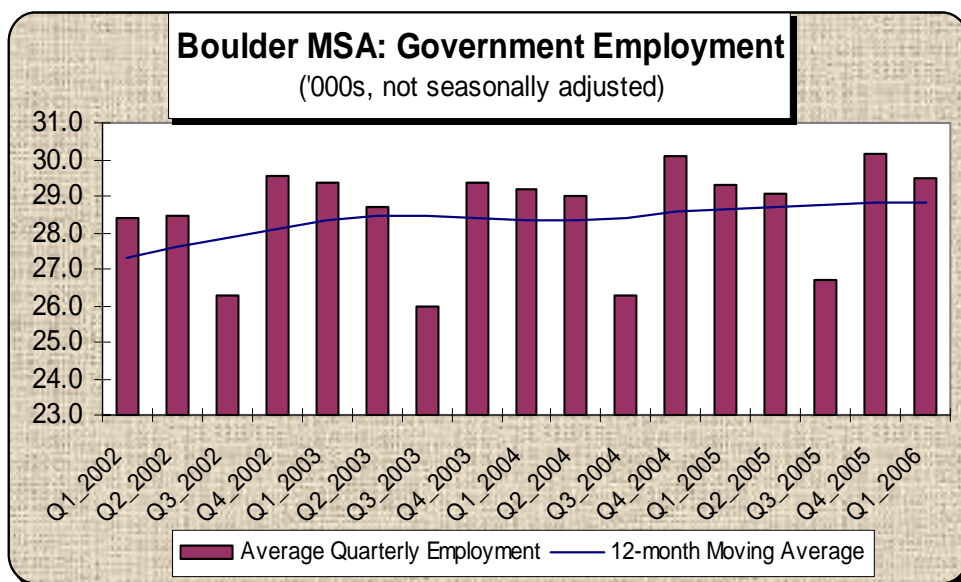
Other Services: Unchanged

For the third consecutive quarter, other services payrolls remained unchanged. Small and infrequent employment changes are the norm in the smallest industry in Boulder. This supersector shed jobs in the 2nd quarter 2005, resulting in 100 (2.0%) position decrease over the year. Similarly, average annual employment peaked at 5,000 in the first three quarters of 2005 before retreating 100 to its current level.

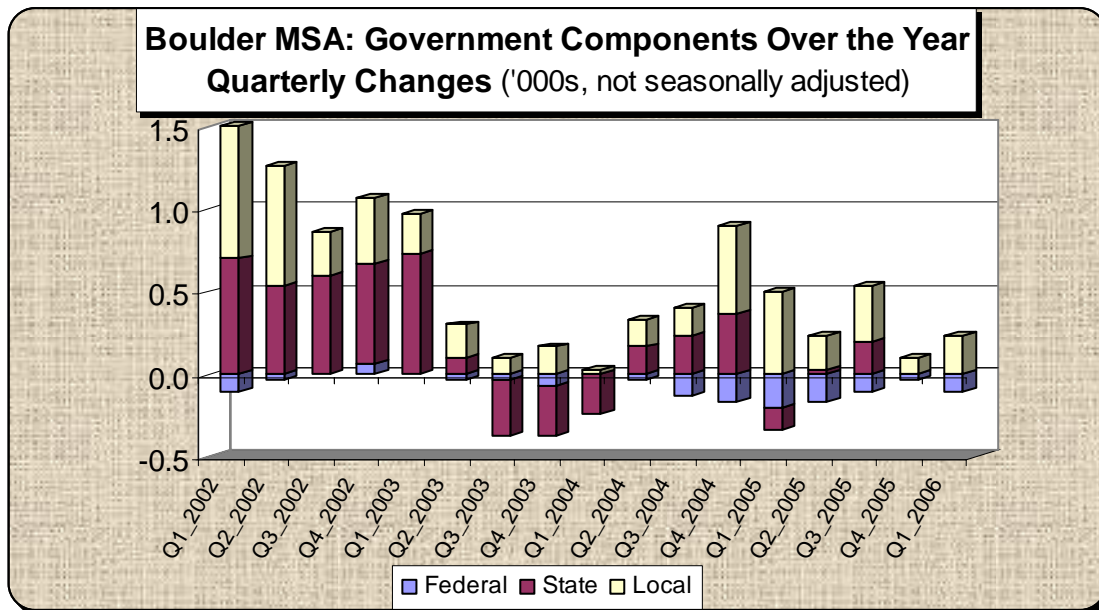


Government: - 700 (2.3%)

During the 1st quarter 2005, government payrolls declined by 700. The Federal government shed 100 positions and State government declined by 600, with the entire drop occurring in its educational component. Employment at the local level remained unchanged, despite a 200 job increase in local education.



Since the 1st quarter 2005, government payrolls have grown by 200 (1.0%). Local government was the only component with expanding annual employment, as it added 300 jobs, with 100 found in education. The Federal government shed 100 positions, while both the State and its educational component remained unchanged since this time last year.



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