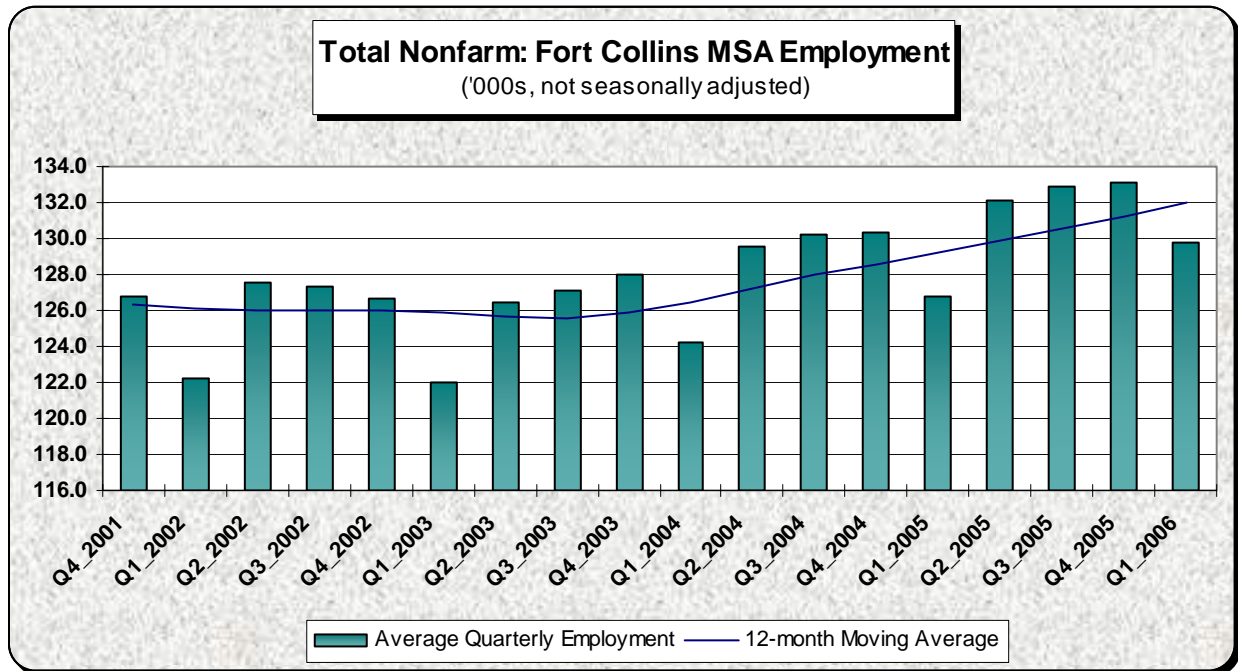


**Fort Collins MSA Preliminary Estimates: By Jennifer St. Peter**

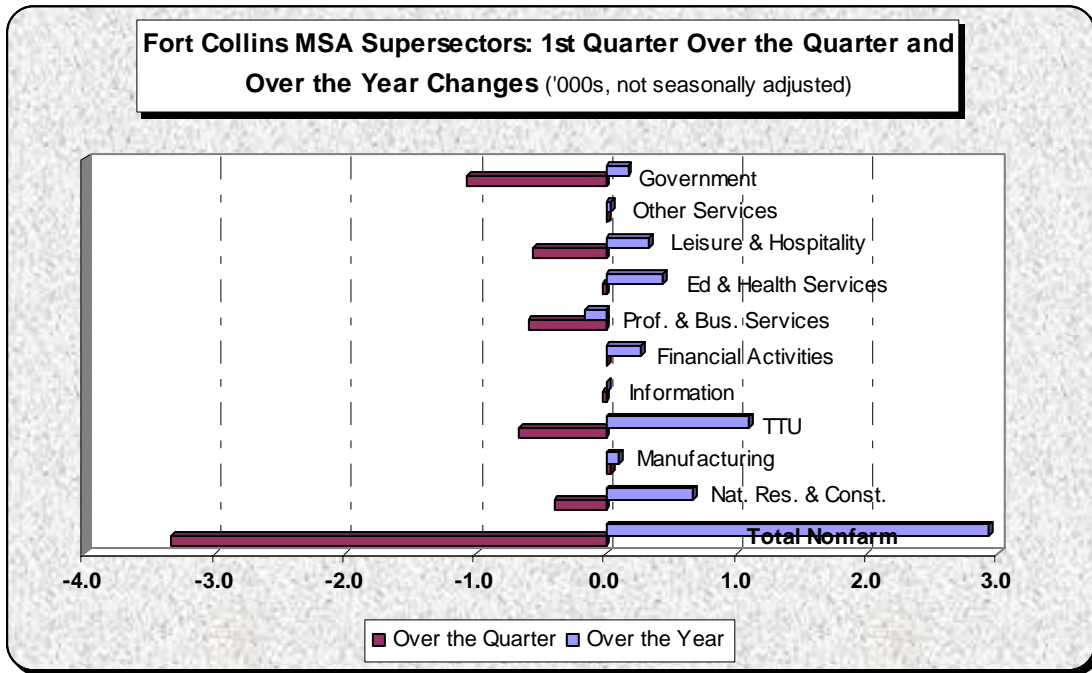
**TOTAL NONFARM WAGE AND SALARY EMPLOYMENT: -3,300 (2.5%)**

(Not Seasonally Adjusted)

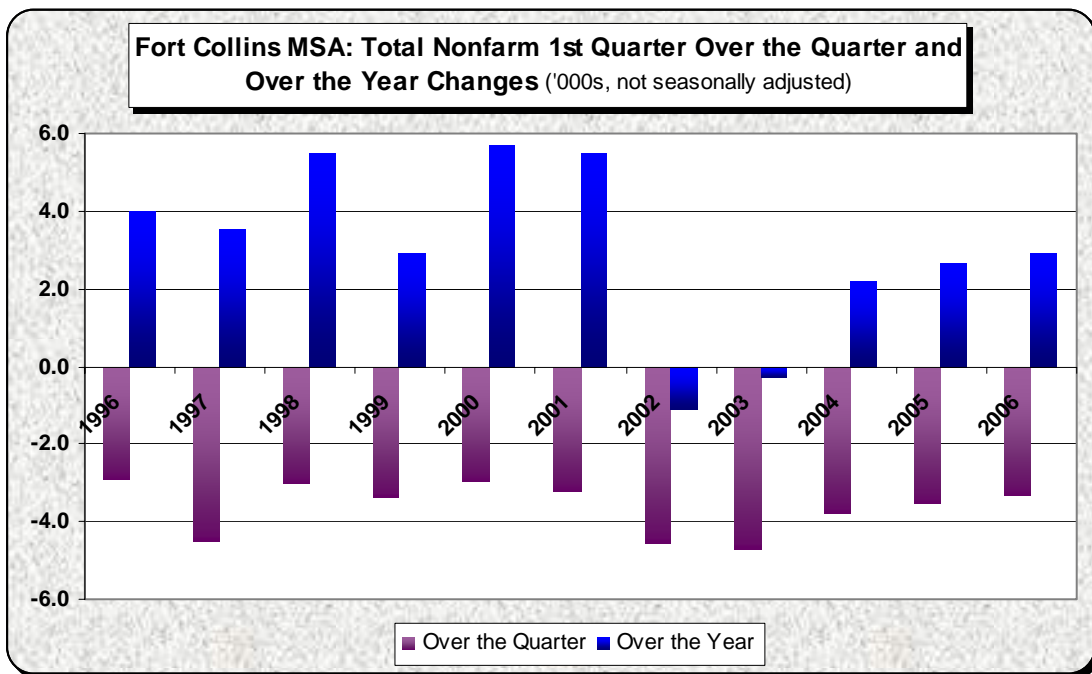


The Fort Collins MSA shed 3,300 jobs in the 1<sup>st</sup> quarter, bringing average quarterly total nonfarm employment to 129,800. This loss was slightly less than expected (10-year average 1<sup>st</sup> quarter change), but comes on the heels of a weak seasonal buildup in the 4<sup>th</sup>, leaving a normal two-quarter movement. Performance at the supersector level was mostly downward, with five industries—manufacturing, information, financial activities, education & health services, and other services—all remaining unchanged. Government led the decliners with a 1,000 drop, and trade, transportation & utilities followed with a 700 contraction. Professional & business services fell by 600, and a combined 900 jobs were lost in leisure & hospitality and natural resources, mining & construction.

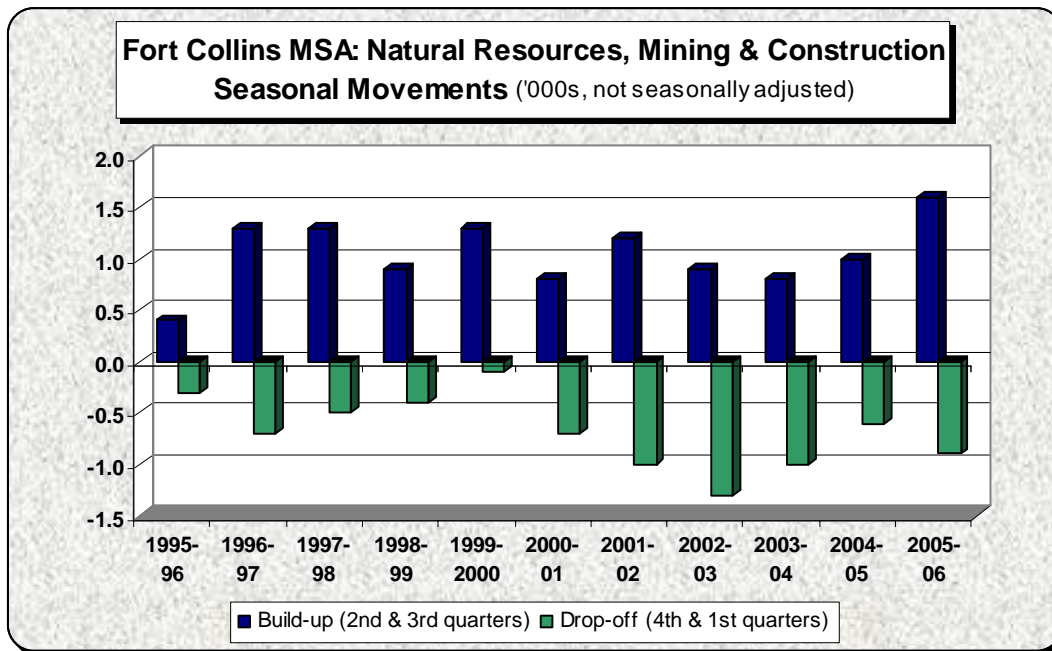
More than one-third of the 3,000 (2.4%) over the year gain came from trade, transportation & utilities, which increased by 1,100. Natural resources, mining & construction posted the strongest growth rate of 7.3% with its 700 new hires. Education & health services advanced by 500, and leisure & hospitality added 400 to its payrolls. Financial activities rose 300, government grew by 200, and manufacturing inched up 100. Professional & business services suffered an uncharacteristic decline of 200, while other services and information remained unchanged over the year.



The Fort Collins MSA underwent a slight 0.6% recession after the 12-month average employment reached a peak October 2001. Annual average employment exited a plateau two years later, and expanded by an annualized 1.5% over the next five months to regain the lost jobs. Over the last two years, employment has increased by 4.4%.

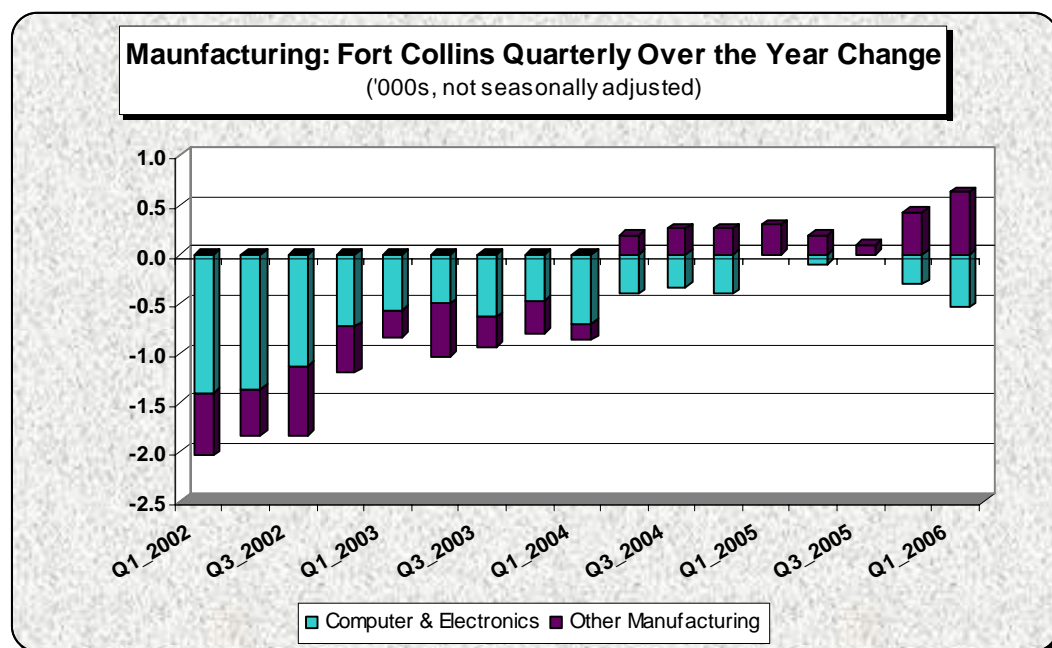


## NATURAL RESOURCES, MINING AND CONSTRUCTION: -400 (3.7%)



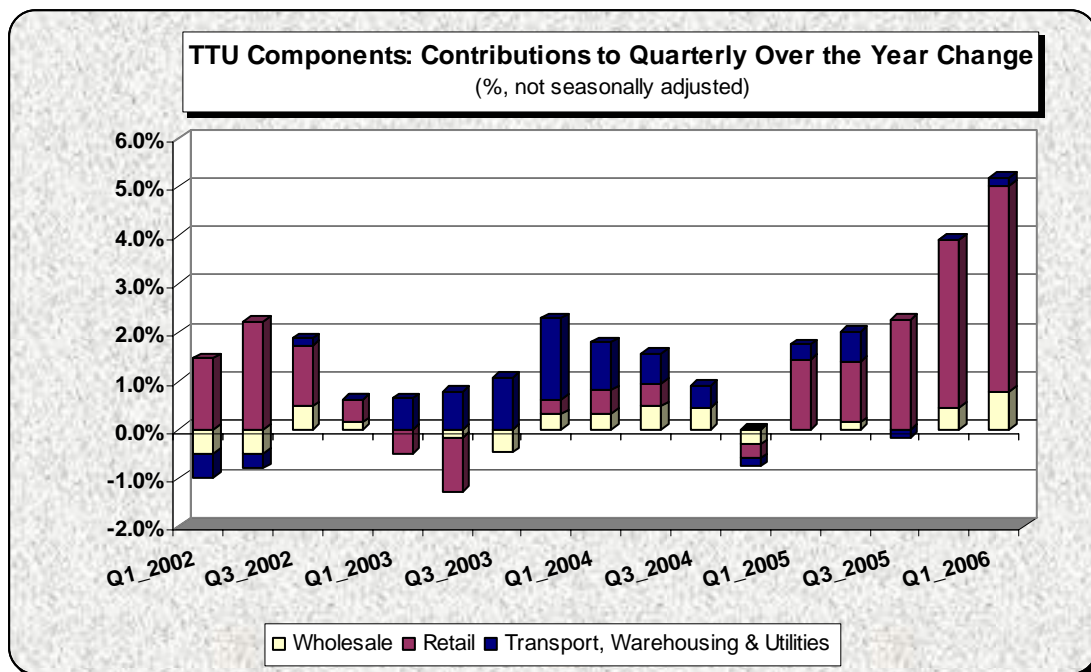
Employment in natural resources, mining & construction fell by 400 this quarter. This movement is in line with expectations, and leaves average employment at its highest 1<sup>st</sup> quarter level. The supersector enjoyed its largest seasonal build-up on record, and combined with last quarter's decline, saw the strongest non-recessionary corresponding drop-off. Over the year, this industry expanded by 7.3% (700 jobs), the strongest of the supersectors. After peaking September 2002, average annual employment contracted by 6.7%, slightly more than 100 positions per quarter before hitting a trough 1<sup>st</sup> quarter 2004. Over the subsequent two years, growth has averaged 1.3% per quarter, leaving the industry 2.9% higher than the previous peak.

## MANUFACTURING: UNCHANGED



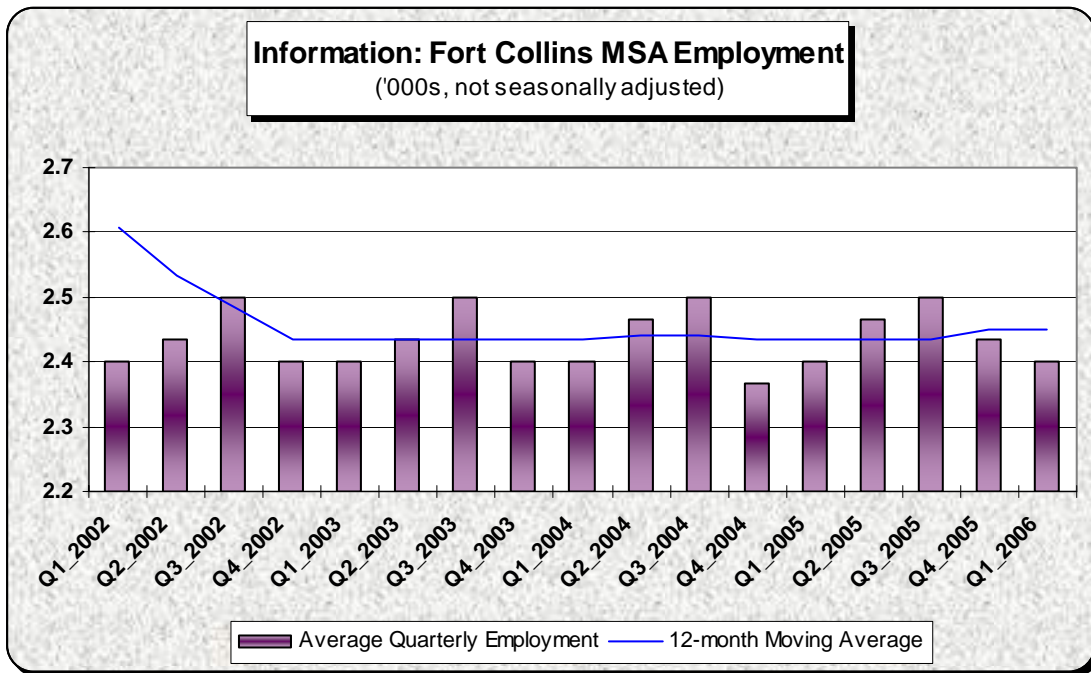
For the second consecutive quarter, manufacturing remained unchanged over the quarter and notched up 100 (0.8%) over the year. The computer & electronic product manufacturing subsector, which now comprises nearly four of ten supersector jobs, has been particularly weak. This component declined by 100 (2.1%) over the quarter and 500 (9.8%) over the year, countering gains in other manufacturing sectors. This industry has been in a period of substantial declines, with a 23.9% contraction over three years from the March 2001 quarterly peak. With its 34.6% drop over the same period, the computer & electronics sector was responsible for a disproportionate 71.1% of the industry losses. During the last two years, gains in other manufacturing components have offset the further 9.8% decline in computer & electronics, resulting in a 400 job (3.3%) uptick in the supersector. Manufacturing has now posted positive over the year growth in the last five quarters, a drastic improvement in an industry that last saw annual expansion in June 2001.

## TRADE, TRANSPORTATION & UTILITIES (TTU): -700 (3.0%)



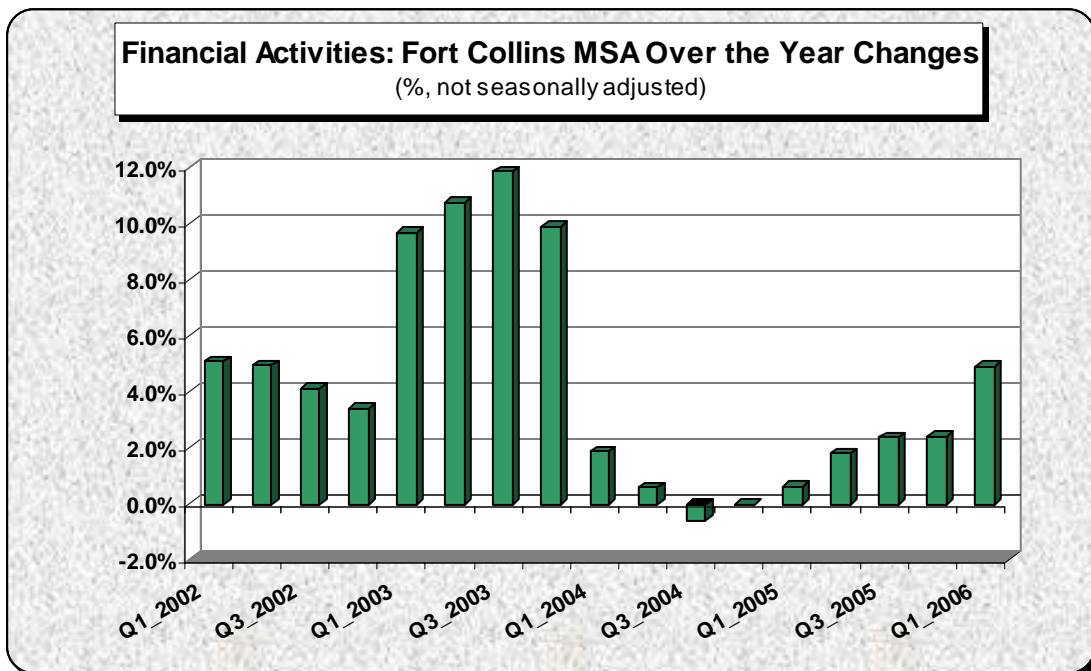
Trade, transportation & utilities shed 700 jobs this quarter, only two-thirds of the expected decline due partly to the openings at Promenade Shops at Centerra. In line with seasonal patterns, retail trade was responsible for most of the losses with its 600 (3.5%) drop. A gain of 100 (3.3%) in wholesale trade was cancelled by a 200 (6.9%) drop in transportation, warehousing & utilities. Over the year, 1,100 jobs (5.2%) have been added to industry payrolls, the strongest growth since late 1999. All of the expansion occurred in the trade sectors-- retail donated a majority of the positions with its 900 (5.8%) gain and wholesale added 200 (6.9%). This industry did not undergo a recession, but instead hit a plateau over the year to September 2003. During the subsequent quarters, growth has rebounded to an annualized 2.1%. Despite recent weakness, the transportation, warehousing & utilities component has grown faster than the trade sectors over this period, posting a 3.1% annualized expansion.

## INFORMATION: UNCHANGED



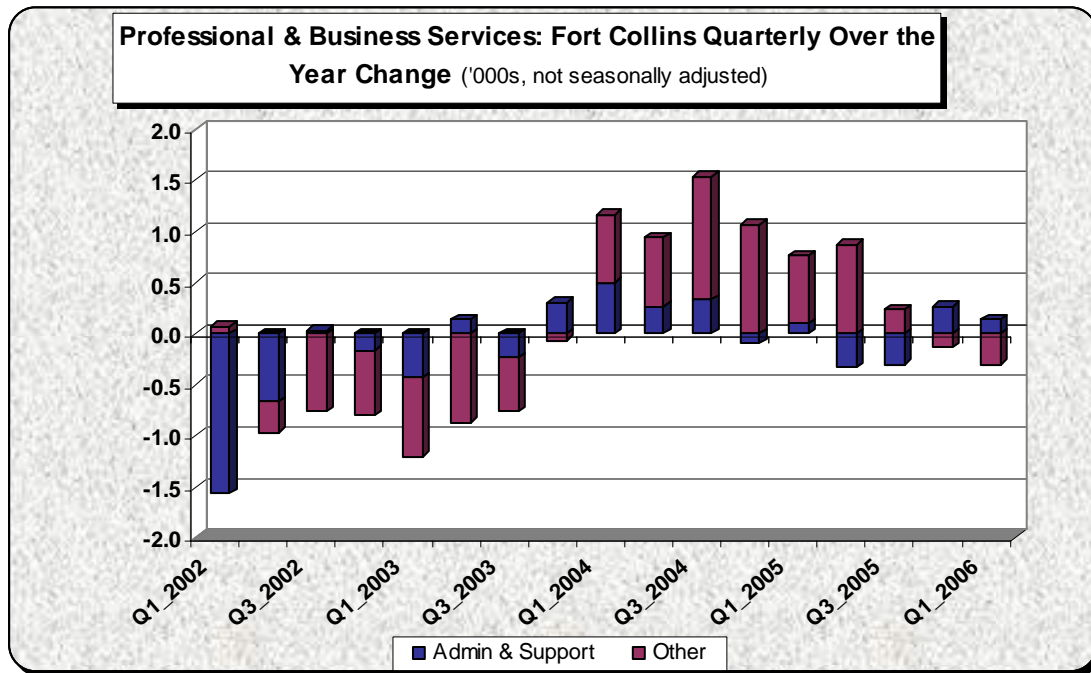
Employment in information was unchanged in the 1<sup>st</sup> quarter. Movements in 2005 cancelled each other out, leaving the level unchanged over the year for the seventh consecutive quarter. This industry has experienced fairly strong losses since peaking in 2001, as annualized employment declined 11.1% in 2002. The contraction subsided in 2003 and 2004, and employment remained steady. The twelve-month average employment level inched up 100 (4.2%) last quarter, returning to a level last seen in late 2002.

## FINANCIAL ACTIVITIES: UNCHANGED



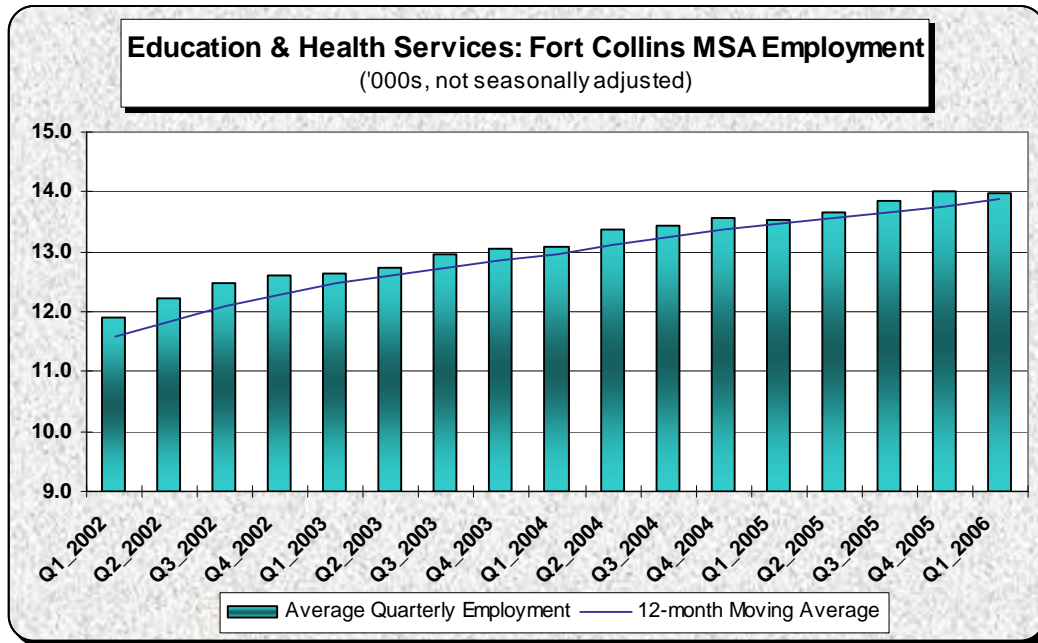
Financial activities remained unchanged in the 1<sup>st</sup> quarter. Over the year, 300 new hires have been added, for growth of 5.6%. This is the strongest rate since December 2003, due partly to a sizeable decline in 1<sup>st</sup> quarter 2005. The pace of expansion is more than three times the average over the year growth experienced in 2005. Fueled by low interest rates and a booming housing market, this industry ran counter to total nonfarm trends until recently. While total MSA employment declined by an annual average 0.2% in 2002 and a further 0.1% in 2003, financial activities increased by 4.2% and 10.0%. In 2004, total employment recovered to add 2.1%, while the industry was flat. These trends have converged since the beginning of 2005, with annualized growth of 2.1% in the MSA versus 2.9% in this supersector.

## PROFESSIONAL AND BUSINESS SERVICES: -600 (3.5%)



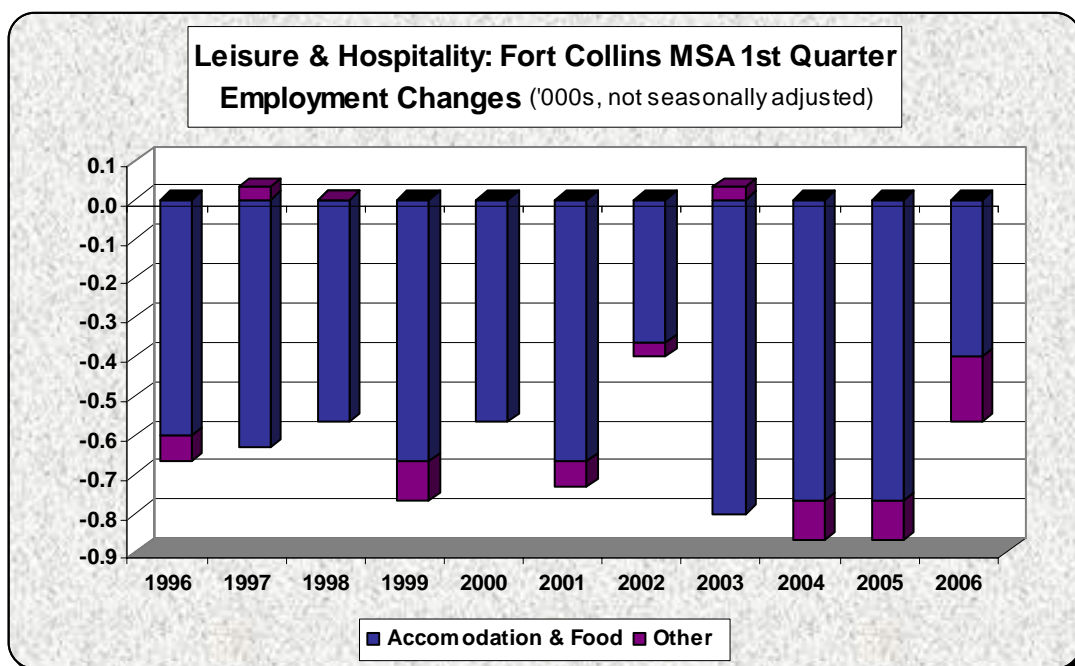
Professional & business services dropped by a larger than anticipated 600 in the 1<sup>st</sup> quarter. This is the strongest quarterly decline in three years, and came mostly from the catchall administrative, support, waste management & remediation services component, which shed 500 (6.8%). Supersector employment inched down 200 (1.2%) over the year, its first annual contraction since September 2003. Strength in this industry has been waning, as the over the year growth fell from a quarterly average of 7.5% in 2004 to 2.1% in 2005. After struggling with annual declines in three of the last six quarters, the administrative & support sector has added 100 (1.5%) since this time last year. Following a mid 2001 peak, average annual employment in this industry contracted by 11.0% before reaching a trough 3<sup>rd</sup> quarter 2003. The job market improved markedly over the next year, with a 6.5% expansion. Growth has since flattened to an annualized 2.0%. The administrative & support sector has lagged behind the industry since peak employment—it accounted for a disproportionate 73.7% of the recessionary job losses, posted a more moderate 5.9% recovery in the year to 3<sup>rd</sup> quarter 2004, and has contracted by an annualized 0.9% in the last six quarters.

## EDUCATION AND HEALTH SERVICES: UNCHANGED



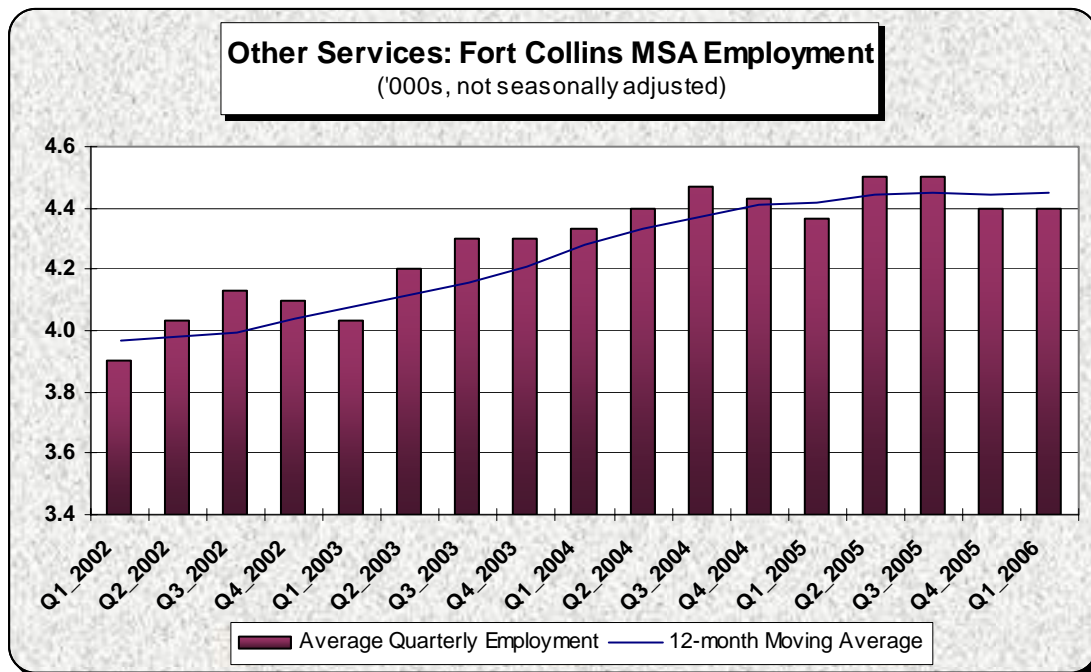
Payrolls in education & health services remained level in the three months to March. This industry has shown consistent growth and has seen only two quarterly declines since the beginning of the 2000s. Over the year growth was 3.7% (500 jobs), slightly above the prior four-quarter trend. Growth in average annual employment has steadily declined, from a high of 7.8% in 2002 to 4.9% in 2003 and 3.9% in 2004. Though still strong, the expansion fell further to 3.0% in 2005. As this industry is demographically driven, this trend mirrors that seen in population growth, which fell from 3.5% in 2001 to 1.4% in 2002, 0.6% in 2003, and back up to 1.4% in 2004.\*

## LEISURE AND HOSPITALITY: -500 (3.3%)



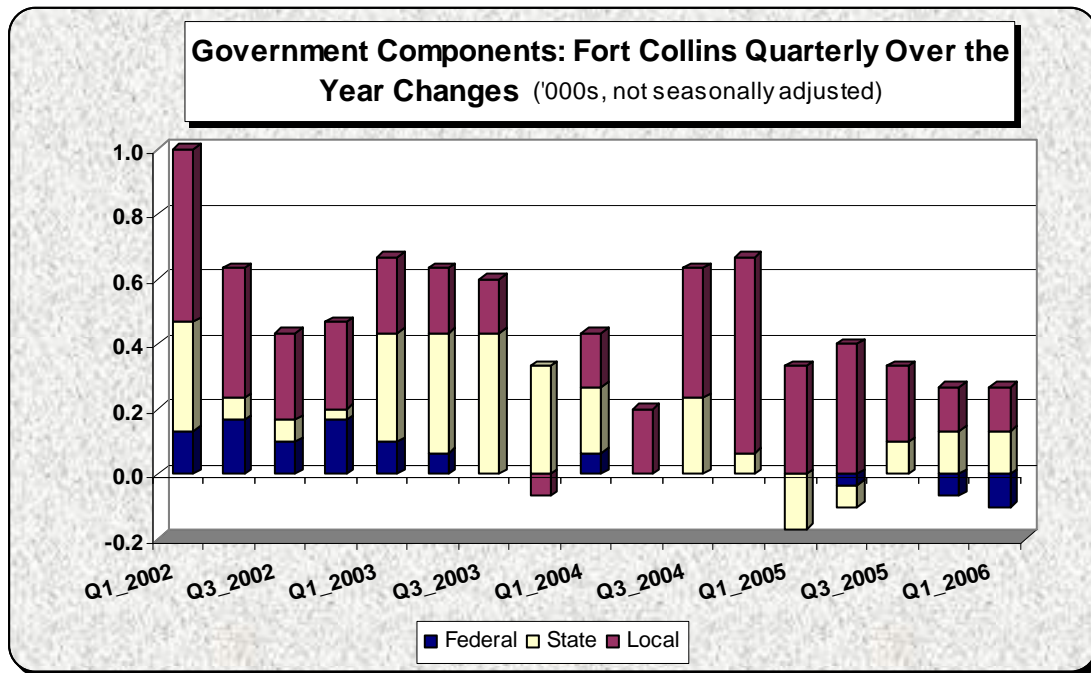
Driven by a seasonal decrease of 400 (2.9%) in its accommodation & food services sector, leisure & hospitality shed 500 in the last three months. This is the smallest 1<sup>st</sup> quarter drop for both the supersector and its component since 2002, and leaves the industry's average employment at its highest 1<sup>st</sup> quarter level on record. Since the same time last year, 400 (2.8%) supersector jobs have been added, as a gain of 500 (3.9%) in accommodation & food services was partially countered by a decline in other sectors of leisure & hospitality. This industry did not suffer a recession, but rather saw employment go from a 3.5% expansion in 2002 to flat in 2003. Growth rebounded to 2.7% in 2004, but fell back to only 0.7% in 2005. Accommodation & food services did undergo a 1.5% contraction in 2003, but fully recovered by advancing 2.3% in 2004. Since the beginning of 2005, the sector's annualized growth of 1.8% leads the industry's 1.0% expansion.

## OTHER SERVICES: UNCHANGED



Other services was unchanged both over the quarter and over the year. This is in line with expectations, and the third consecutive quarter of flat annual growth. This small supersector has posted relatively strong growth over the past couple of years, with expansions of 5.1% in 2002, 4.9% in 2003, and 4.7% in 2004. Due largely to weakness in the second half of the year, the employment level has increased by an annualized 1.8% since the beginning of 2005.

## GOVERNMENT: -1,000 (3.5%)



In line with seasonal patterns, government posted the largest quarterly decline of the supersectors by shedding 1,000 positions. Most of the losses occurred in State education, which dropped 800 (6.3%), as colleges were closed for the holiday break. Federal and local governments declined by 100 each with their respective 4.2% and 0.8% contractions. Over the last twelve months, government employment has increased by 200, growth of 0.7%. Local government added 200 (1.6%) to payrolls, with none of the gains coming from its educational component. Employment at the State level advanced by 100 (0.8%), with the educational sector donating the entire increase. This gain was cancelled by a similar decrease at the Federal level, which slid by 4.2%.

\* Data from Colorado State Demographer's Office: <http://dola.colorado.gov/demog/demog.cfm>.

-end-

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Please reference, Source: "Colorado Department of Labor and Employment, Labor Market Information".