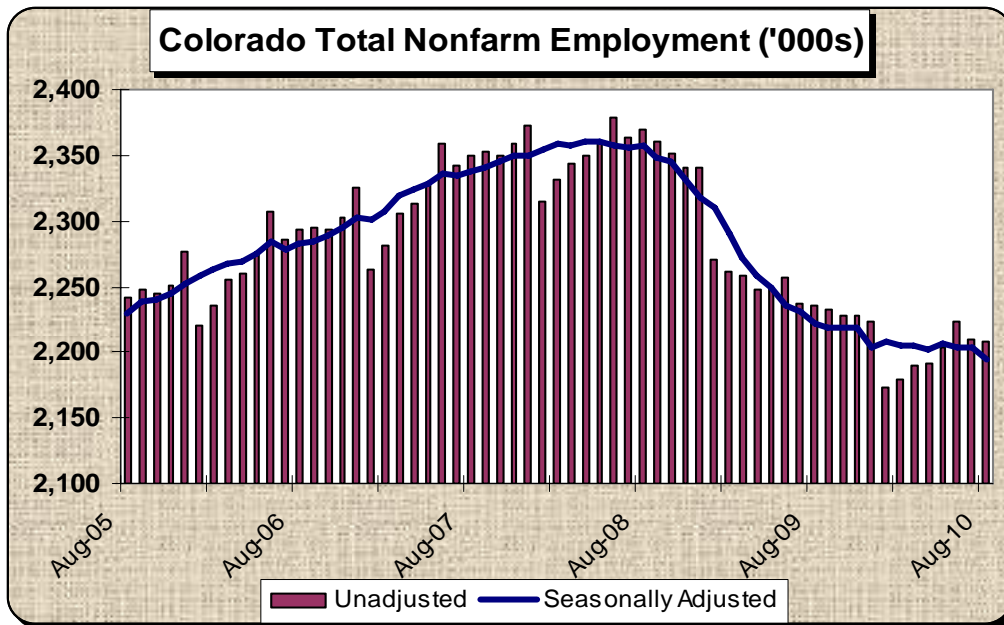


## CES Written Comments for Colorado, August 2010

### Colorado Preliminary Estimates By: Chris Akers

**Total Nonfarm Wage and Salary Employment: - 8,600 (0.4%)**

Seasonally adjusted



Colorado nonfarm employment declined by 8,600 in August, as sizable job losses were recorded in most industries. Payrolls are now 166,400, or just over 7.0 percent, below the May 2008 employment peak.

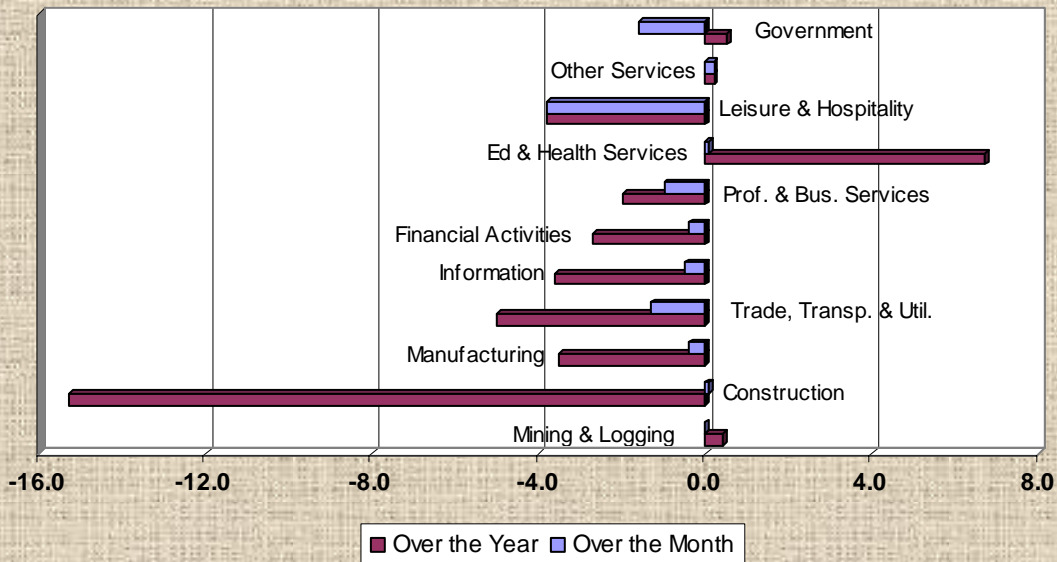
Seven supersectors pared workers in August, while the remaining four were up slightly or little changed. Leisure & hospitality led the decliners with a loss of 3,800 employees, government followed with a 1,600 position drop, and trade, transportation & utilities (TTU) employment fell 1,300. Professional & business services shed 1,000 positions, information fell 500, and both manufacturing and financial activities declined by 400.

Other services saw its employment inch up 200, while construction, along with education & health services were both essentially unchanged, edging up 100. Mining & logging payrolls remained at the same level as in July.

Over the year, wage and salary employment has declined 28,100, or 1.3%. This marks the first time since December 2009 that the year over year loss has grown from the previous month. Construction has accounted for just over half of this loss; it now employs 15,300 fewer people than one year ago. TTU employment has declined 5,000, leisure & hospitality has retreated 3,800, and information has fallen 3,600. Manufacturing payrolls have dropped 3,500, financial activities has dropped 2,700, and professional & business services has shed 2,000 over the past twelve months.

Four supersectors have seen their employment expand over the past twelve months, led by the addition of 6,700 workers in education & health services. Government payrolls have grown by 500, mining & logging has added 400, while other services has added 200.

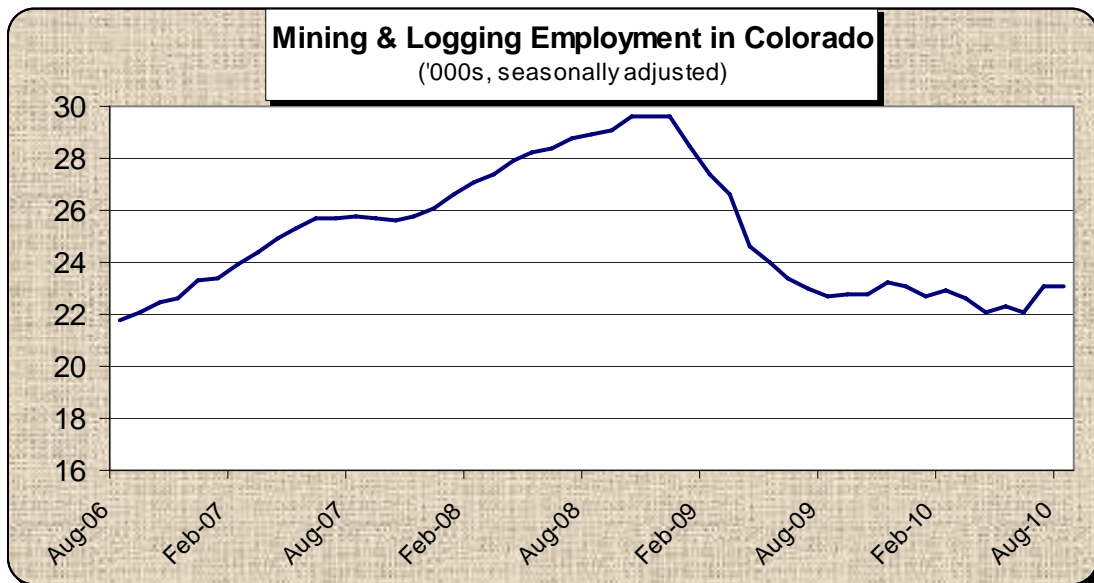
**Colorado Supersectors: August Over the Month and Over the Year Changes ('000s, seasonally adjusted)**



**Mining & Logging: Unchanged**

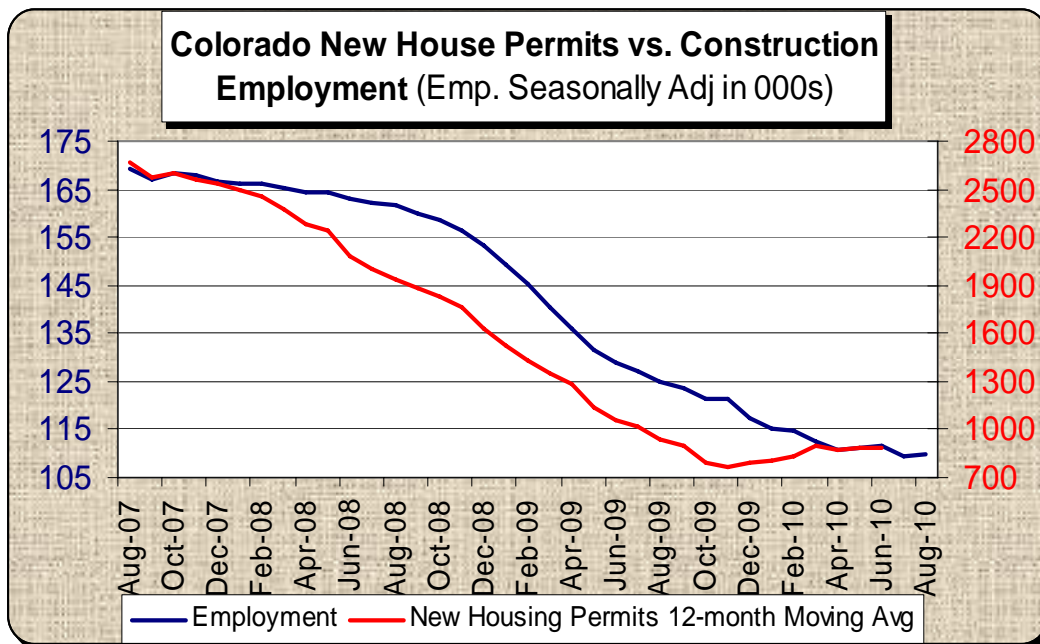
Employment in mining & logging remained unchanged in August. Over the past twelve months, payrolls in this industry have grown by 400; this 1.5% expansion marks the first time since February 2009 that mining & logging has seen a significant year over year payroll increase. This modest twelve-month growth rate compares favorably to the prior year average decline of 15.3%. This supersector had enjoyed a strong expansion from 2004 through the end of 2008, but employment declined rapidly though much of 2009 and employment fell by 6,500 last year. Employment in this industry has stabilized in 2010 and payrolls are now up 400 from their January level.

**Mining & Logging Employment in Colorado ('000s, seasonally adjusted)**



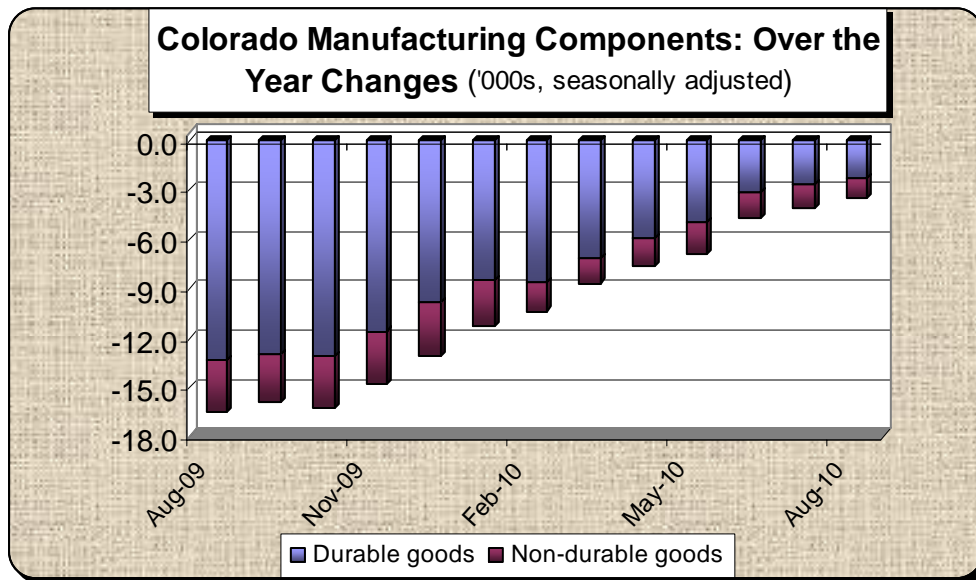
## Construction: + 100 (0.1%)

Construction employment remained essentially unchanged in August, inching up 100. On an unadjusted basis, both construction of buildings and specialty trade contractors remained unchanged over the month, while heavy & civil engineering edged up 100. Over the past twelve months, construction payrolls have fallen 15,300. This 12.2% contraction is the slowest twelve-month rate of decline since January 2009, and it is only 61% of the prior year trend. Although the pace of year over year losses is slowing, activity in this industry remains depressed; the twelve-month moving average for building permits is just over 850 or about one-third of the level recorded when this industry last saw growth. Heavy & civil engineering has experienced the fastest decline of component industries having shed 3,500 positions for a 17.9% contraction. The construction of buildings component has pared an unadjusted 2,000 jobs (8.3%), while specialty trade contractors has lost workers at a slightly slower rate than the industry on the whole; there are now 10,500 (11.8%) fewer workers in this component than at one year ago.



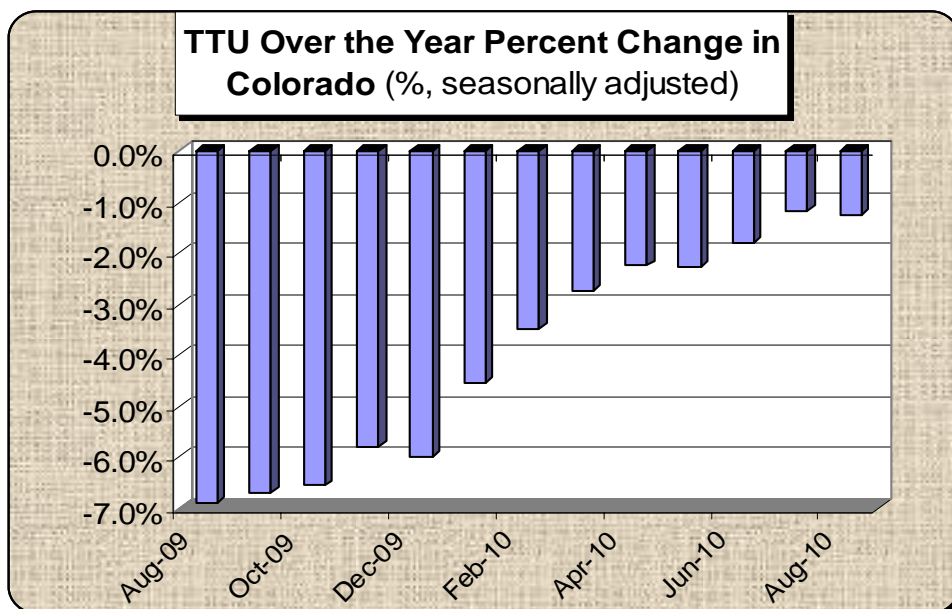
## Manufacturing: - 400 (0.3%)

Manufacturing payrolls declined by 400 in August. Durable goods edged down 500, while nondurable goods partially offset that drop with the addition of 100 positions. Fabricated metal producers saw its unadjusted employment edge down 100, while computer & electronic product manufacturers remained unchanged over the month. Since last August, manufacturing employment has fallen by 3,500. This 2.7% contraction marks the slowest twelve-month rate of decline in two years and it is only one-third of the prior year average. The job losses over the past year in manufacturing have been proportionately split between durable goods, down 2,300, and non-durable goods, off 1,300, with both of these components being down about 2.7%. Fabricated metal producers and computer & electronic product manufacturers have posted unadjusted drops of 1,600 (12.4%) and 1,400 (6.1%), respectively.



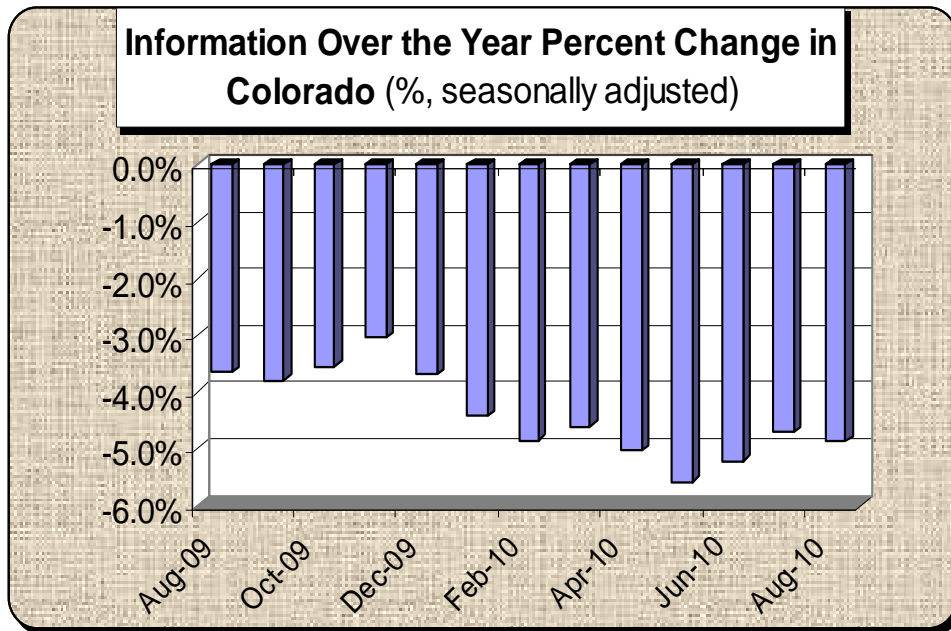
### Trade, Transportation, & Utilities (TTU): - 1,300 (0.3%)

TTU payrolls fell for the fourth time in the past six months as employment in this industry fell by 1,300 in August. Retail trade relinquished 1,500 positions this month and transportation, warehousing & utilities (TWU) trended down 200; wholesale trade saw an increase of 400 over the month. On an unadjusted basis, general merchandise stores, food & beverage stores, and motor vehicle dealers each shed 100 jobs. There are now 5,000 fewer people working in TTU than at this time last year, for an over the year drop of 1.2%. Retail trade is estimated to have added 2,500 (1.1%) positions since last August; however, unadjusted employment in food & beverage stores and general merchandise stores has grown by 500 and 200, respectively, while payrolls in motor vehicle & parts dealers have fallen by 800. TWU appears to have shed 5,300 (7.4%) over the year; however, this loss appears to be over-estimated as newly released QCEW data show this sector was only down about 4.0% over the year in March of 2010. Wholesale trade has shed 2,200 (2.4%) positions since last August, with an unadjusted 2,000 (6.3%) positions having been pared from the smaller non-durable goods wholesale, while 400 (0.8%) have been pared from durable goods wholesale.



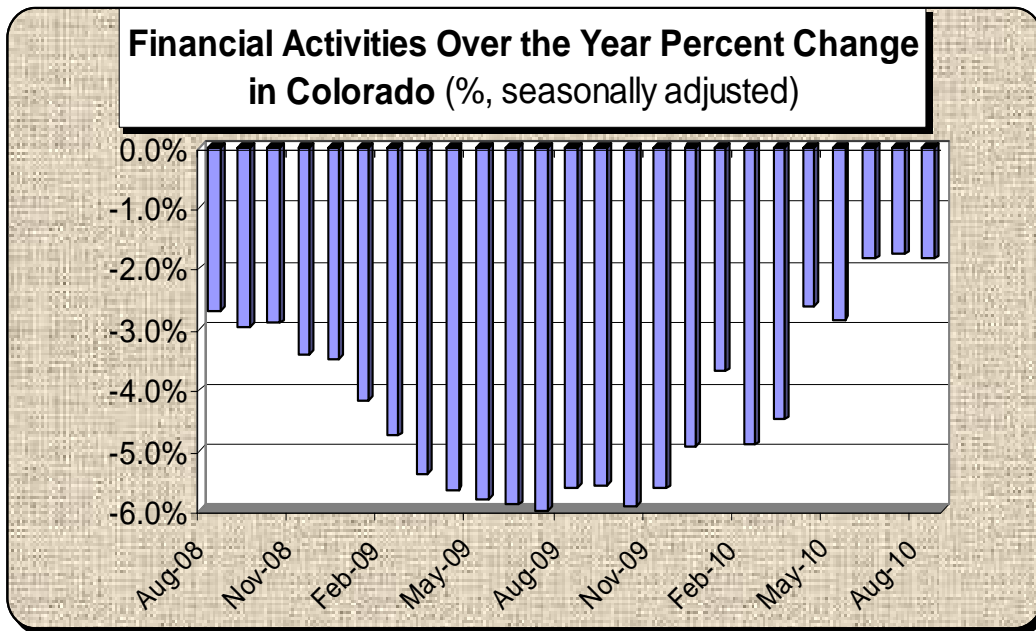
**Information: - 500 (0.7%)**

Payrolls in information dipped by 500 in August, marking this industry's fourth month of losses in the past five months. Publishing industries unadjusted employment trended down 100 and telecommunications fell 300. Since this time last year, the number of people working in information has fallen by 3,600. This 4.9% contraction is on par with the average twelve-month rate of decline observed over the past seven months. Publishing industries employs an unadjusted 1,200 fewer people than at this time last year; telecom now employs 2,100 fewer workers than in August 2009. The 6.6% rate of decline in telecommunication is about 2.3 times greater than the prior year average.



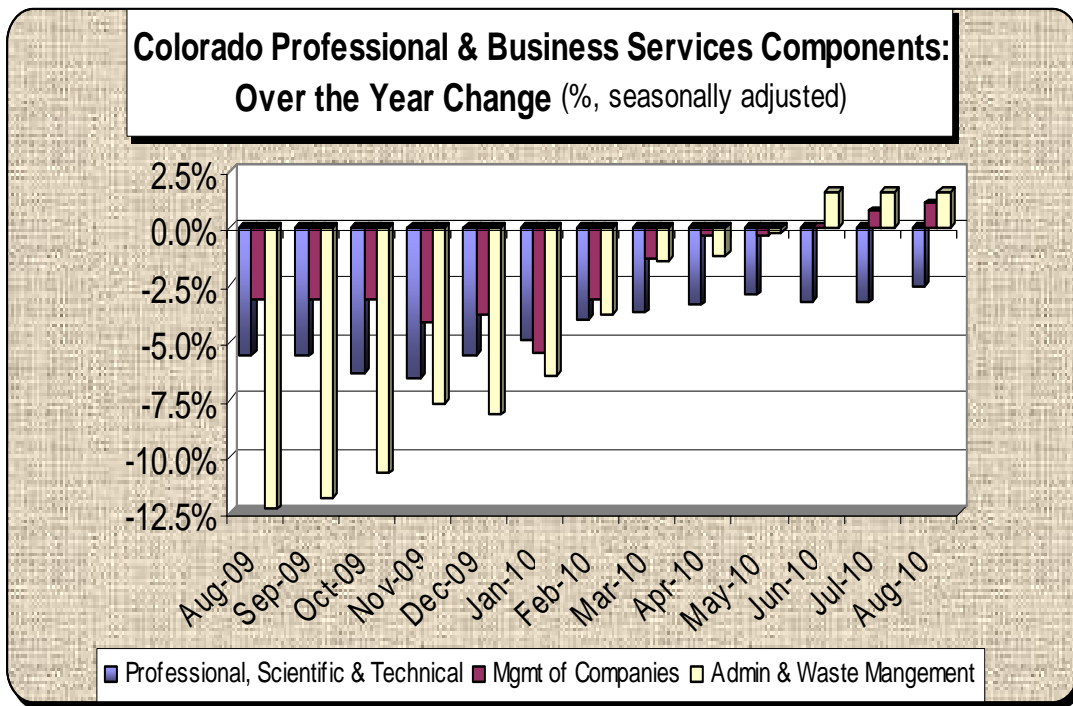
**Financial Activities: - 400 (0.3%)**

Financial activities pared 400 positions in August, with this entire drop occurring in its real estate, rental & leasing component. An unadjusted gain of 300 occurred both in securities, commodities & other financial investments and in credit intermediation; however insurance carriers & related experienced a loss of 300. With an estimated 143,500 people currently working in financial activities, payrolls are up by 1,000 since March, but they have fallen by 2,700 from this time last year. This 1.8% twelve-month rate of contraction is has remained unchanged over the past 3 months. Employment in finance & insurance has fallen 1,900, or 1.9%, over the past twelve months; insurance carriers & related now employs 1,100 fewer workers now than in August 2009. Real estate, rental & leasing has experienced an employment decline of 800 (1.8%) over the year; the real estate component has shed an unadjusted 700 (1.6%) over the year.



### Professional & Business Services: - 1,000 (0.3%)

Employment in professional & business services fell for the third consecutive month, dropping by 1,000 in August. Payrolls in the catchall administrative, support, waste management & remediation sector declined 1,200; management of companies remained unchanged, and professional, scientific & technical services inched up 200 over the month. On an unadjusted basis, employment services gained a fairly typical 1,200 jobs, but the 900 drop in services to buildings & dwellings was about three times greater than the normal August decline.

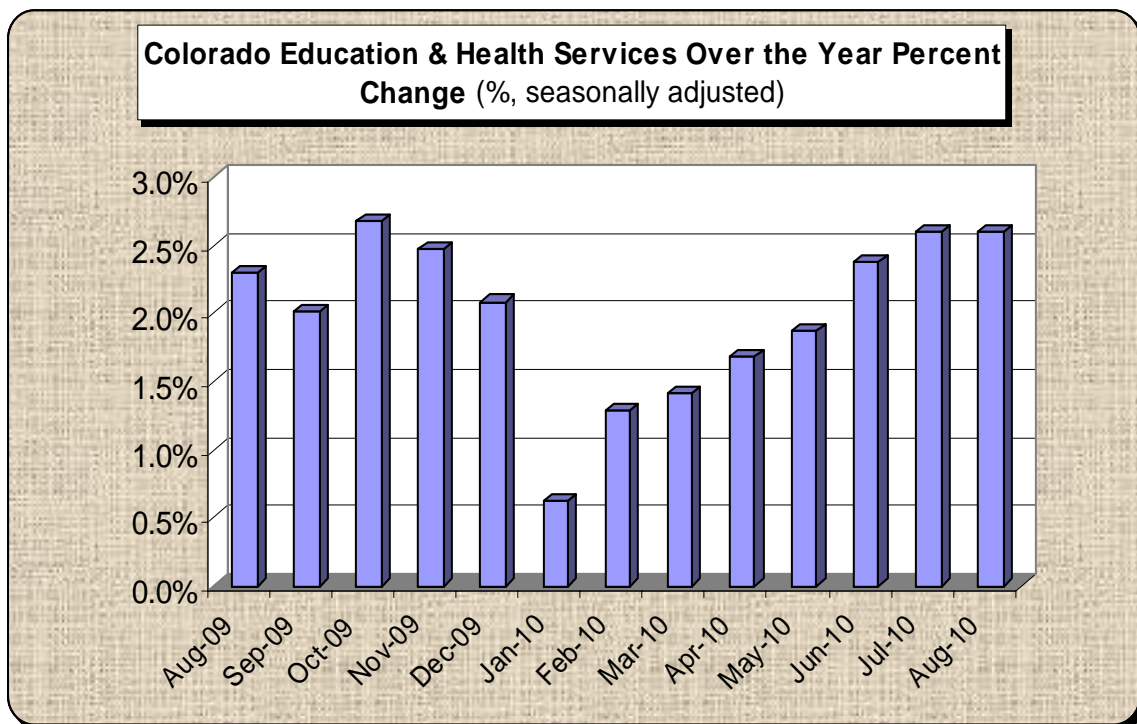


Over the last twelve months, the number of people working in professional & business services has declined by 2,000. This 0.6% contraction matches November 2008 as the slowest since the

beginning of the recession and it is only 13% of the previous twelve-month average. The catchall administrative sector has gained 2,000 (1.6%) jobs since last August; marking the third consecutive month in which this sector's employment was 2,000 higher than it was one year ago. Employment services has been the driving force behind this sector's employment gains; it now employs an unadjusted 5,400 (17.7%) more workers than at this time last year. Services to buildings & dwellings remains the only estimated component with fewer employees than one year ago as its payrolls have declined 2,100, or 5.0%. Management of companies has seen its employment edge up 300 (1.1%) over the past twelve months. Professional, scientific & technical services has not enjoyed the same recovery as the other two components; its employment remains 4,300, or 2.6%, below the August 2009 level. Computer systems design & related has trended down 1,100 (2.8%), while architecture, engineering & related services has shed an unadjusted 700 positions, a 1.7% contraction.

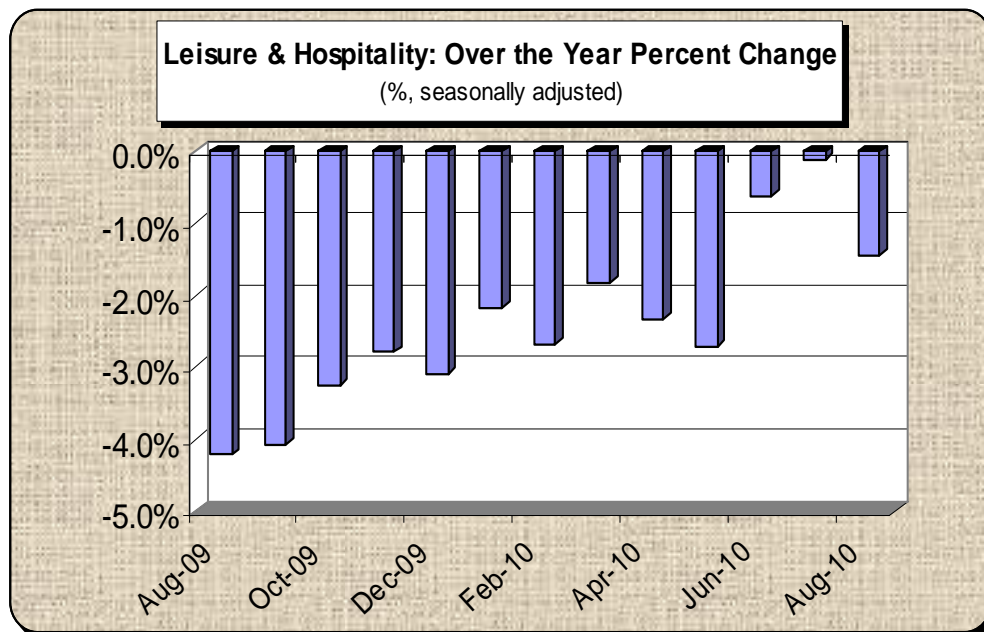
**Education & Health Services: + 100 (0.0%)**

Following average employment gains of 1,300 over the past four months, payrolls in education & health services were essentially unchanged in August. Educational services experienced a decline of 300, while health care & social assistance saw its payrolls rise by 400 over the month. The educational component's decrease is a partial correction from an unreasonably large gain that appeared to have occurred in June; about half of the 2,000 positions educational services was estimated to have added that month have been trimmed in July and August. Employment in ambulatory care rose by an unadjusted 400, nursing & residential care facilities posted a 100 increase, while social assistance and hospitals both remained unchanged from July. Education & health services has seen its payrolls expand by 6,700 since over the past twelve months; this 2.6% advance is most rapid since last October and it is 30% greater than the prior year trend. Educational services now employs 1,700 (5.5%) more people than it did at this time one year ago. Health care & social assistance has expanded by 5,000 positions over the past year for growth of 2.2%. In the unadjusted components, ambulatory care has added 2,500 (2.5%), hospitals has gained 1,200 (2.2%) positions, while social assistance and nursing & residential care have risen 700 (1.8%) and 500 (1.3%), respectively.



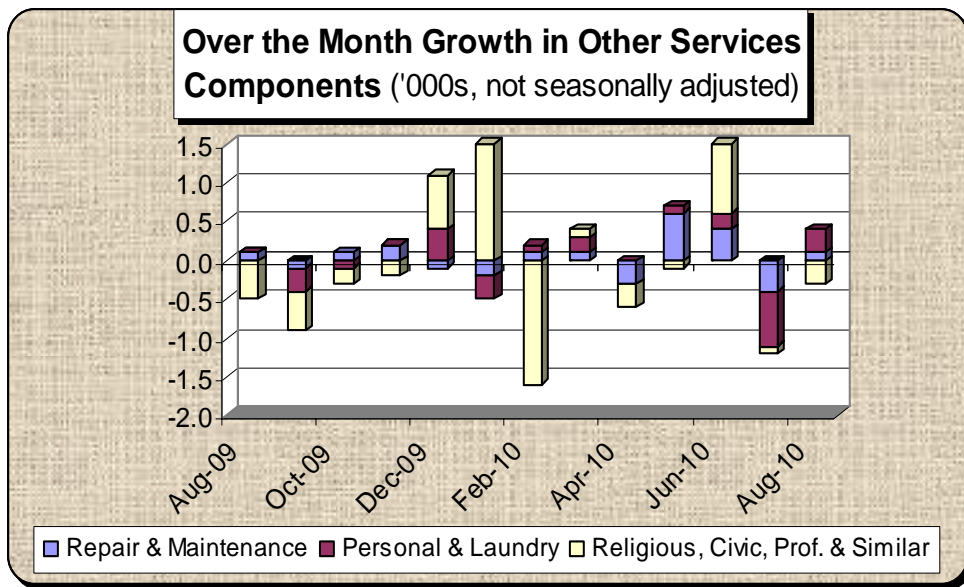
## Leisure & Hospitality: - 3,800 (1.5%)

After gaining an average of 3,200 positions in June & July, leisure & hospitality payrolls retreated by 3,800 this month. The vast majority of this decrease occurred in the mountains as the 7 MSAs in the state only accounted for 13.6 of the unadjusted decrease that occurred statewide. Arts, entertainment & recreation saw its employment fall by 1,300 over the month. Accommodation & food services experienced a payroll decline of 2,500. Food services & drinking places shed 900 unadjusted positions, in a month that it typically gains just under 2,000. Full-service restaurants were essentially unchanged, up 100, while limited-service eating places realized a drop of 300. Leisure & hospitality employment has fallen by 3,800 over the past twelve months ago. This 1.5% pace of decline is considerably faster than in July, but it is only 60% of the prior year average rate of contraction. Arts, entertainment & recreation has shed 1,200 (2.7%) over the year. Accommodation & food services has pared 2,600 jobs, for a 1.2% contraction. On an unadjusted employment basis, accommodation has gained 400, limited-service eating places has remained unchanged over the year, and full-service restaurants has experienced a drop of 2,100 (2.2%).



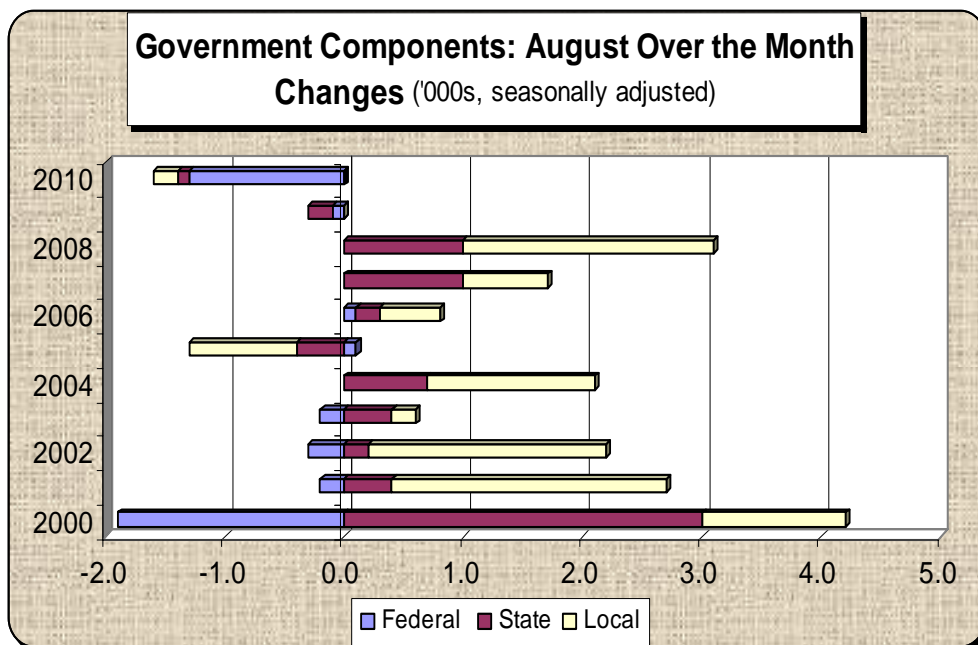
## Other Services: + 200 (0.2%)

Other services was the only major industry group to see a significant increase in its employment in August; employment in this supersector rose by 200. Repair & maintenance experienced an unadjusted increase of 100 jobs, while a gain of 300 in personal & laundry services was negated by a loss of the same magnitude in the catchall religious, grantmaking, civic, professional & similar organizations. Since last August, employment in other services has edged up by 200, or 0.2%. Repair & maintenance has seen unadjusted payroll growth of 500 over the year. Both personal & laundry and religious, grantmaking, civic, professional & similar organizations have seen little change in their payrolls over the past twelve months as they have each edged down 100.



**Government: - 1,600 (0.4%)**

Government payrolls declined by 1,600 in August, with employment falling in each of the three components. The Federal government pared 1,300 workers as it continued to trim temporary workers from the 2010 Census. State government shed 100 and local government edged down by 200. In the unadjusted education components, 2,600 local educators were added to payrolls in August, while State education rose 1,400. Over the past twelve months, the number of people working in government has remained essentially flat, inching up 500 or 0.1%. Federal and State government are the only sectors with positive employment growth since last August, with payrolls having risen by 2,300 (4.3%) and 1,500 (1.7%), respectively. Local government has seen its employment decline by 3,300 (1.3%) as municipalities reduced their budgets in the face of declining tax revenues. In the unadjusted educational components, State now employs 1,400 (2.8%) more educators than at this time last year and local government education payrolls have remained unchanged over the past 12 months.



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