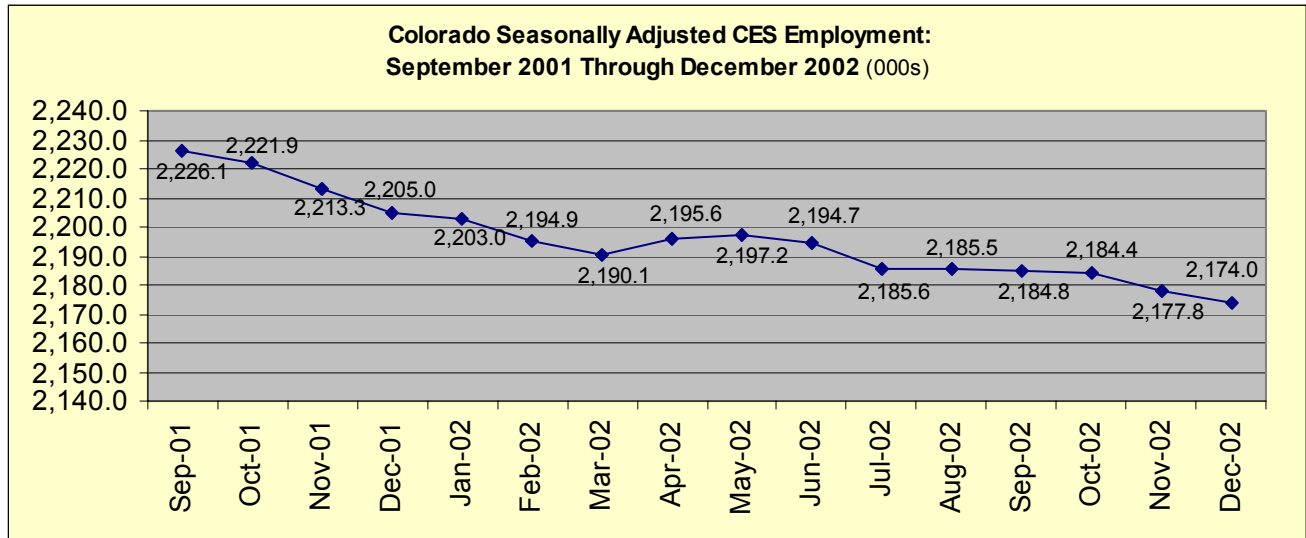


CES Written Comments for Colorado, December 2002

Preliminary Estimates:

By Don Pendroy

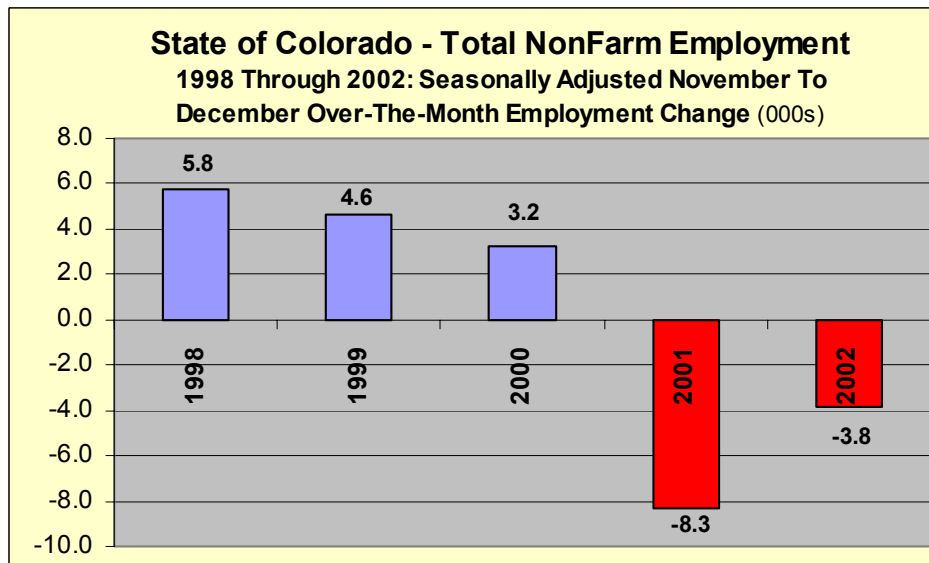
Total Nonagricultural Wage and Salary Employment: -3,800 (0.2%)



(Seasonally adjusted unless otherwise noted with *)

Colorado's Total Nonfarm Wage & Salary Employment fell in December for the seventh month in a row with a decline of 3,800. Trade and Government were the only two divisions that managed growth over-the-month, and both of those divisions reported only small gains.

The Government gain over-the-month was only 200 and the Trade gain resulted from a combination of a 300 increase in Wholesale Trade coupled with a 1,700 rise in Retail Trade.



Although year 2002 saw an over-the-month decline in December for the second straight year, the loss was at least a slight improvement from the large one-month loss of 8,300 jobs experienced in December 2001. The state is down 31,000 jobs (-1.4%) from last year in December 2002.

Special Trades Construction and *Communications* emerged as the two industries that suffered the greatest losses in December. The 3,000 drop in *Special Trades Construction* by itself would account for 79% of the 3,800 December decline.

Colorado's battered *Communications* industry suffered a drop of 1,800 resulting from more large layoffs reported among the Telecommunication giants, some of whom had earlier been reporting hiring in the second half of year 2002. Manufacturing also endured a fall of 600 in December.

For the most part, the other remaining divisions did not suffer significant decline in December. On a more positive note the huge Services division remained close to level over-the-month. Total Services reported a drop of only 300 jobs, and this provided some stability. One year ago the Services division fell 3,700 by itself in December. The Services division is now level with year-ago employment, and hopefully may soon become the second private sector division to show improvement over year-ago employment.

Mining: -100 (0.7%)

Total Mining remained close to level with a reported decline of 100 jobs in December. Mining employment is 400 jobs (2.7%) higher than last December. This small but mighty division still retains the honor of being the only private sector division with employment higher than year-ago levels.

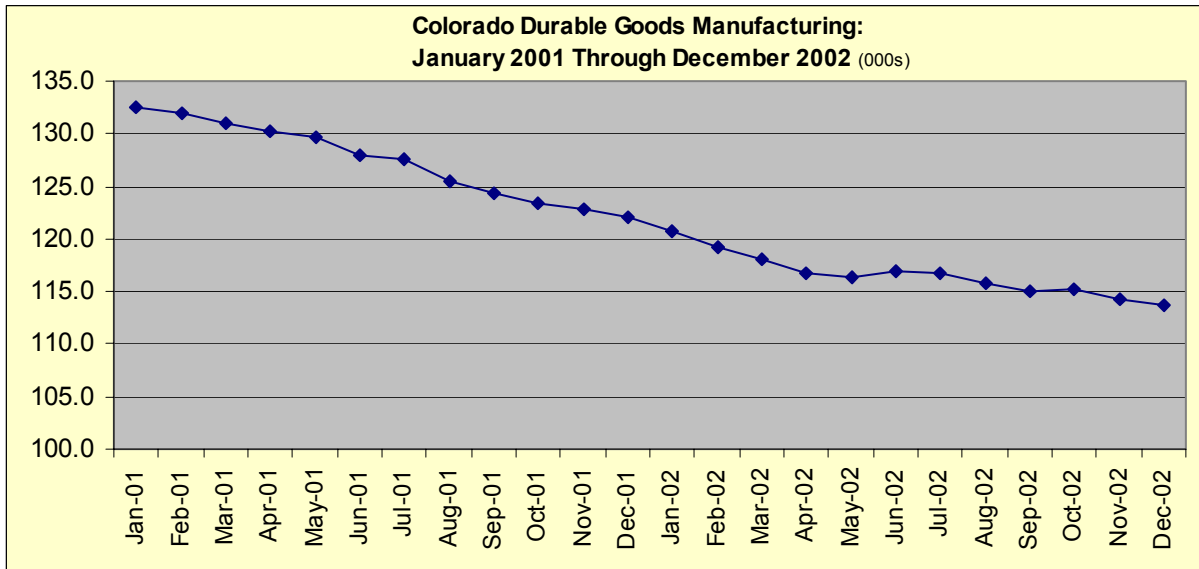
Construction: -2,200 (1.4%)

The *Special Trades Construction* component fell 3,000 on a seasonally adjusted basis in December, as employers trimmed jobs significantly. The offsetting gain in the Construction division came from *Heavy Construction* as large commercial and heavy construction projects continued to add to payrolls in December. This is in contrast to the numerous smaller employers found in the *Special Trades Construction* market who were trimming payrolls in December. *General Building Contractors* remained close to level with a decline of 200 reported over-the-month.

Manufacturing: -600 (0.3%)

The 600 lost jobs in the manufacturing division all came from Durable Goods Manufacturing. *Stone, Clay and Glass Products* manufacturing lost 400 in December, and *Miscellaneous Durable Goods Manufacturers* reported similar declines. Since January of 2001 Durable Goods Manufacturing in Colorado has fallen a full 18,900 jobs.

Durable Goods Manufacturing continued its trend of long-term decline.

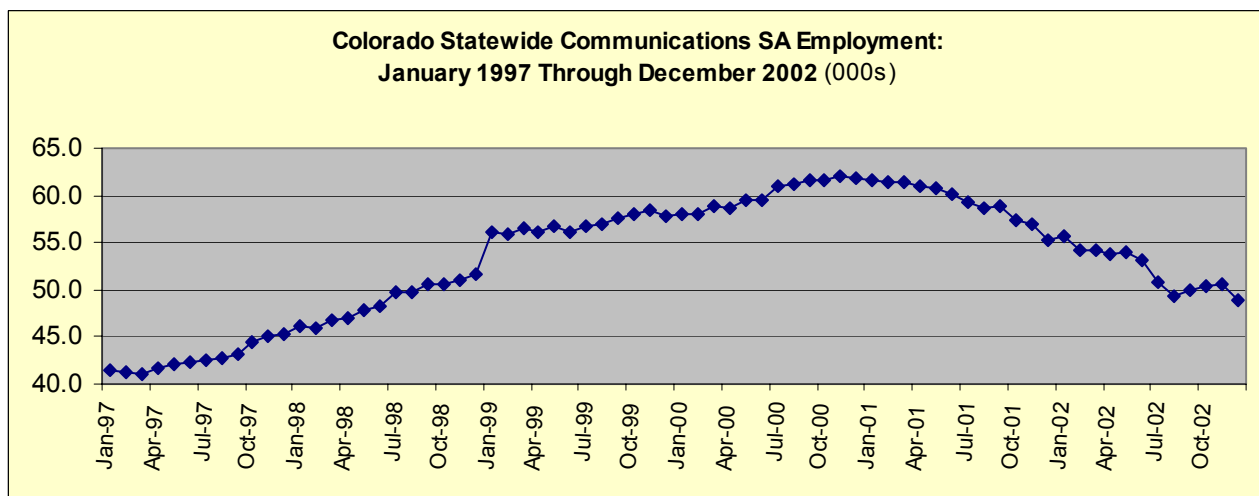


Nondurable Goods Manufacturing employment remained stable over-the-month in December and ended the year 2002 only minus 1.0% from year-ago levels. This is in stark contrast to Durable Goods Manufacturing, which is down 6.8% from year-ago.

Transportation, Comm., & Public Utilities (TCPU): -2,500 (1.9%)

Both *Communications* and *Transportation by Air* sustained large declines within the economically diverse TCPU division in December. The drop of 700 in *Transportation by Air* along with the 1,800 drop recorded in *Communications* resulted in virtually the entire TCPU decline in December. *Trucking*, and *Utilities* both remained close to level for the month.

TCPU still is still down 6,200 (4.6%) from year-ago employment levels. All of the over-the-year decline in TCPU effectively results from the *Communications* industry which is down 6,400 jobs from year-ago. Even the *Air Transportation* industry, which is still suffering badly, is 300 jobs ahead of December 2001. *Communications* industry employment began its decline near the beginning of year 2001.



Trade: +2,000 (0.4%)

Total Trade gained 2,000 jobs (0.4%) in December. Retail Trade employment has been sluggish for most of 2002 but was helped out in November and December by hiring increases related to the opening of the large “Colorado Mills” shopping complex in Lakewood. The “Colorado Mills” hiring helped Retail Trade to post its gain of 1,700 over-the-month in December. Wholesale Trade increased slightly in December with a gain of 300.

Although Retail Trade did not show a loss in December, its performance over the entire year of 2002 can only be characterized as dismal. In viewing Retail Trade in comparison to a year ago, one finds that Retail is down a full 12,800 jobs (3.0%) from December in year 2001.

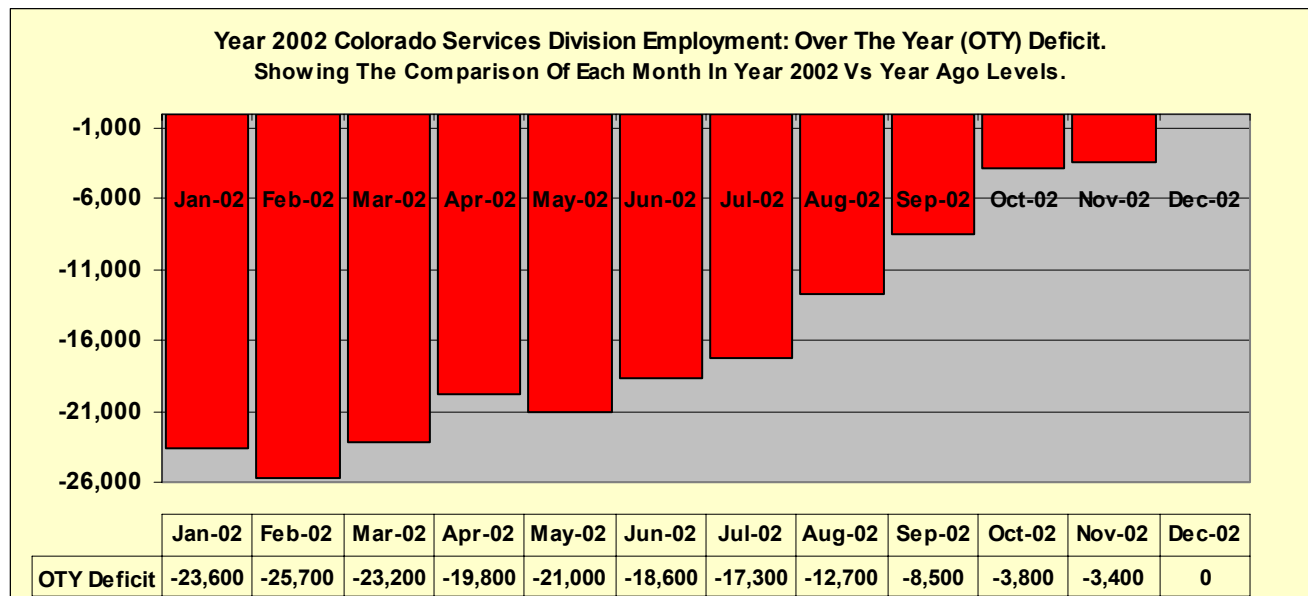
Finance, Insurance, and Real Estate: -300 (0.2%)

Finance, Insurance and Real Estate (FIRE) remained essentially level for the month, and reported a small decline of 300 in December. The division is down 3,100 (2.2%) from year-ago levels. Employment in FIRE was at 139,300 in December 2002.

Services: -300 (0.0%)

With a small decline of 300 to 673,000 in December 2002, Colorado’s huge Services division managed to remain near level for the month. *Amusement & Recreation* along with stronger *Ski and Ski Lodging* employment together helped December’s Services division employment. In addition, *Business Services, & Personnel Supply Services* reported moderate gains for the month. Most other components did not report significant changes for the division and generally reflected normal seasonal hiring fluctuations.

Last year, in 2001, the Services division began the year with January employment of 697,300 and declined a staggering 24,300 to end in December 2001 with employment of 673,000. The Services division is now level with year-ago employment.



Government: +200 (0.1%)

Total Government in Colorado remained near level in December, after recording a seasonally adjusted change of plus 200. *Federal Government* added 100 and *Local Government* added 100 also. *State Government* remained level over-the-month.

Produced By:

State of Colorado: Bill Owens, Governor
Colorado Department of Labor & Employment: Jeffrey M. Wells, Executive Director
Labor Market Information: Alexandra E. Hall, Director
Current Employment Statistics (CES): Joseph F. Winter, Supervisor

Contact Information:

Visit the CES Home Page: <http://www.coworkforce.com/lmi/CES/ceshome.htm>

Phone: Labor Market Information (303) 318-8850

Email: lmi@state.co.us

This Current Employment Statistics data and any accompanying analysis are in the public domain and, with appropriate credit, may be reproduced without permission.

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