

Moving the Economy Forward:

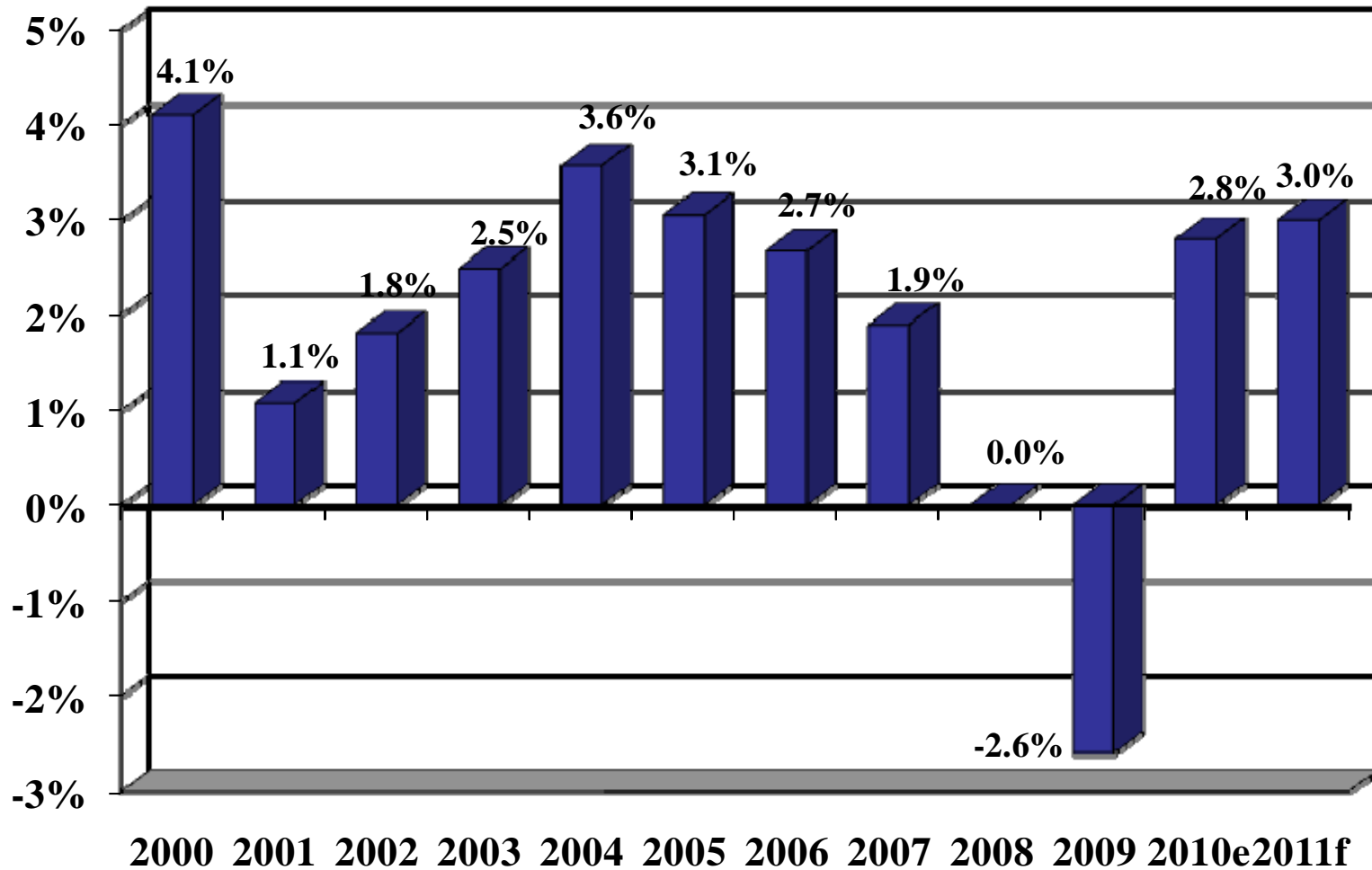
Lessons from Driving School



**Metro Denver
2011 Economic Forecast
January 2011**



Real Gross Domestic Product Growth



Source: U.S. Bureau of Economic Analysis.

Labor Force and Employment

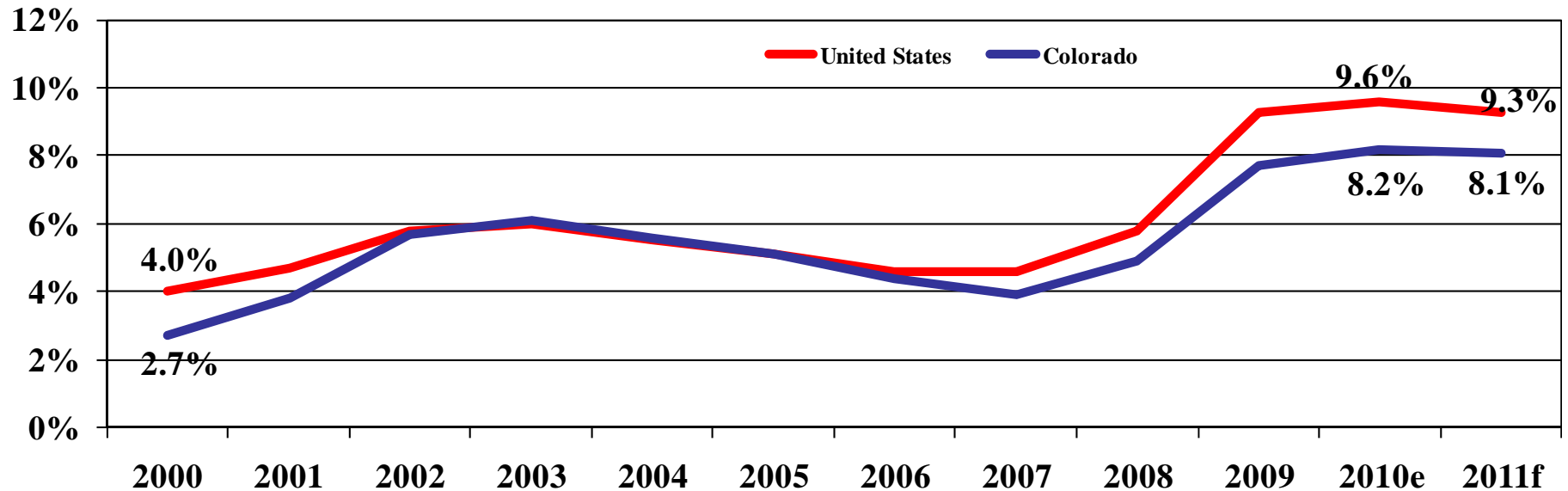
“The car goes where the eyes go.”

- Garth Stein

The Art of Racing in the Rain

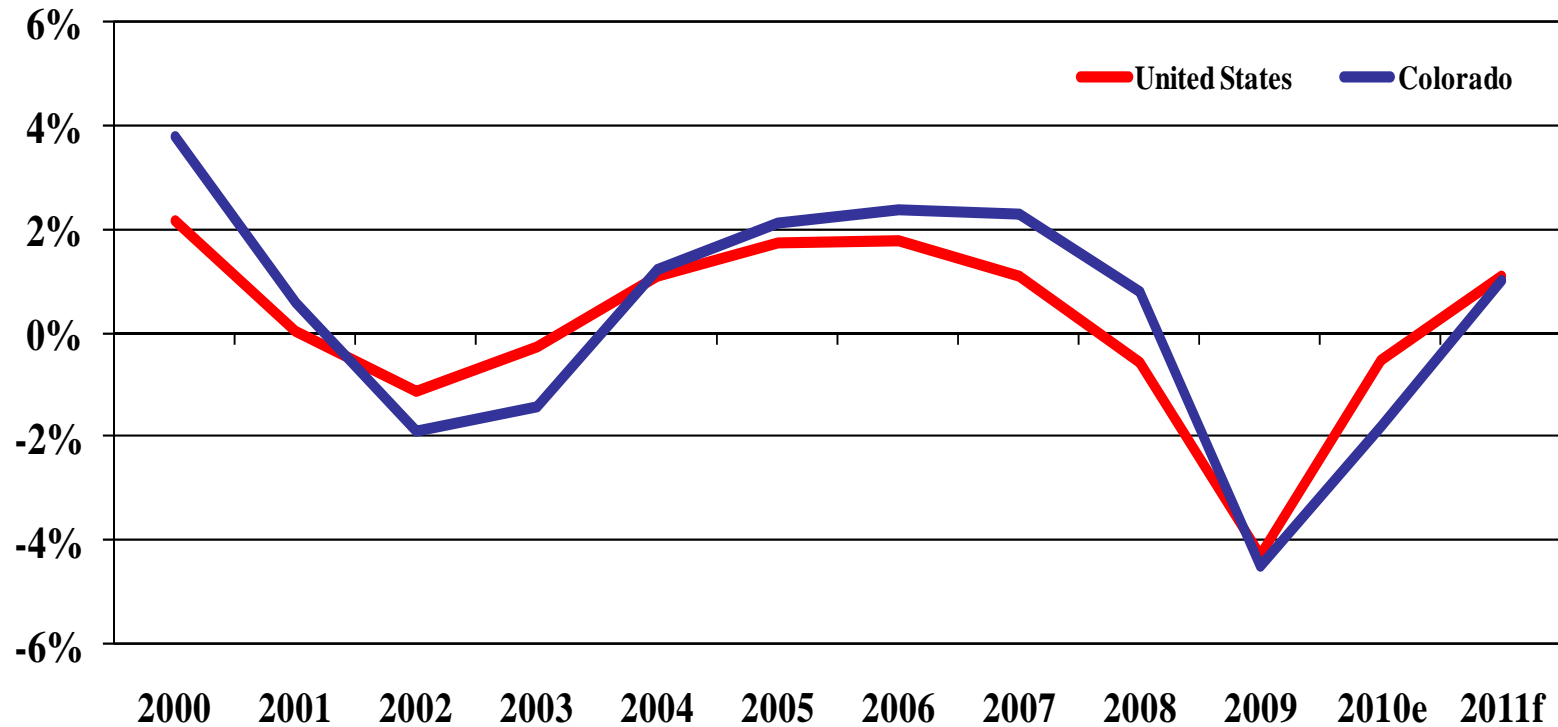
Unemployment Rates (not seasonally adjusted)

Colorado Total Labor Force = 2.7 million



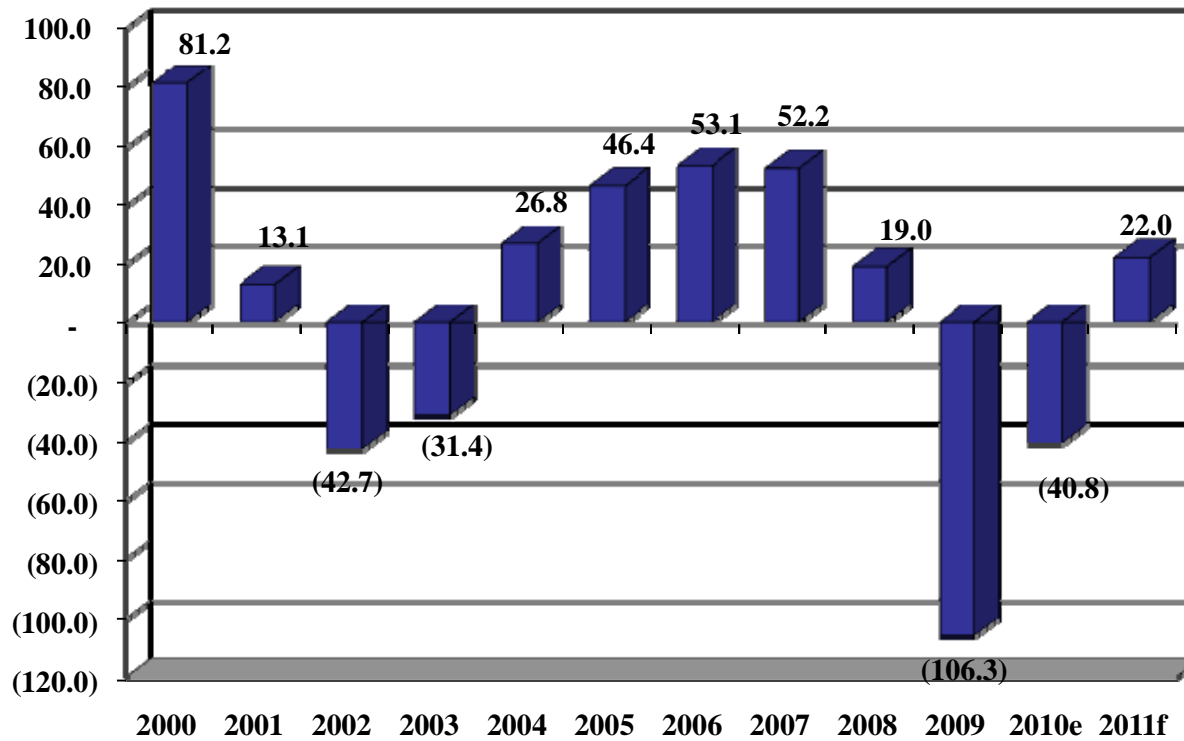
Sources: U.S. Bureau of Labor Statistics; CO Dept. of Labor & Employment.

Nonfarm Job Growth Rates



Sources: U.S. Bureau of Labor Statistics; CO Dept. of Labor & Employment.

Colorado Net New Jobs (in thousands)



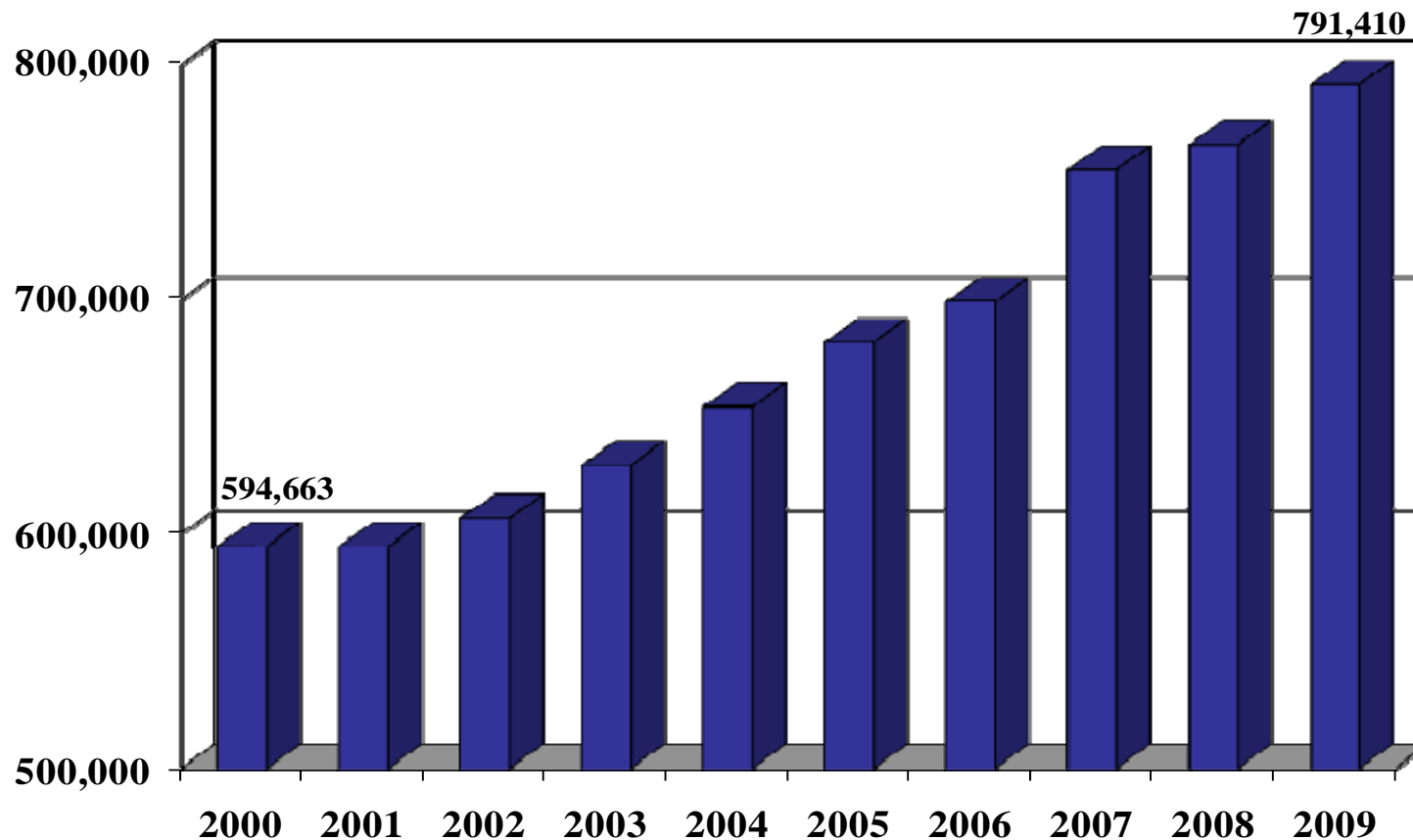
Source: CO Dept. of Labor & Employment.

The Lost Decade (2000 – 2009)

- ◆ Colorado population increased 744,500
- ◆ Potential labor force increased 421,000
- ◆ BUT... only 30,000 wage & salary positions added
- ◆ What about the other 391,000 labor force participants?
- ◆ About 200,000 are unemployed
- ◆ The rest have started their own business....

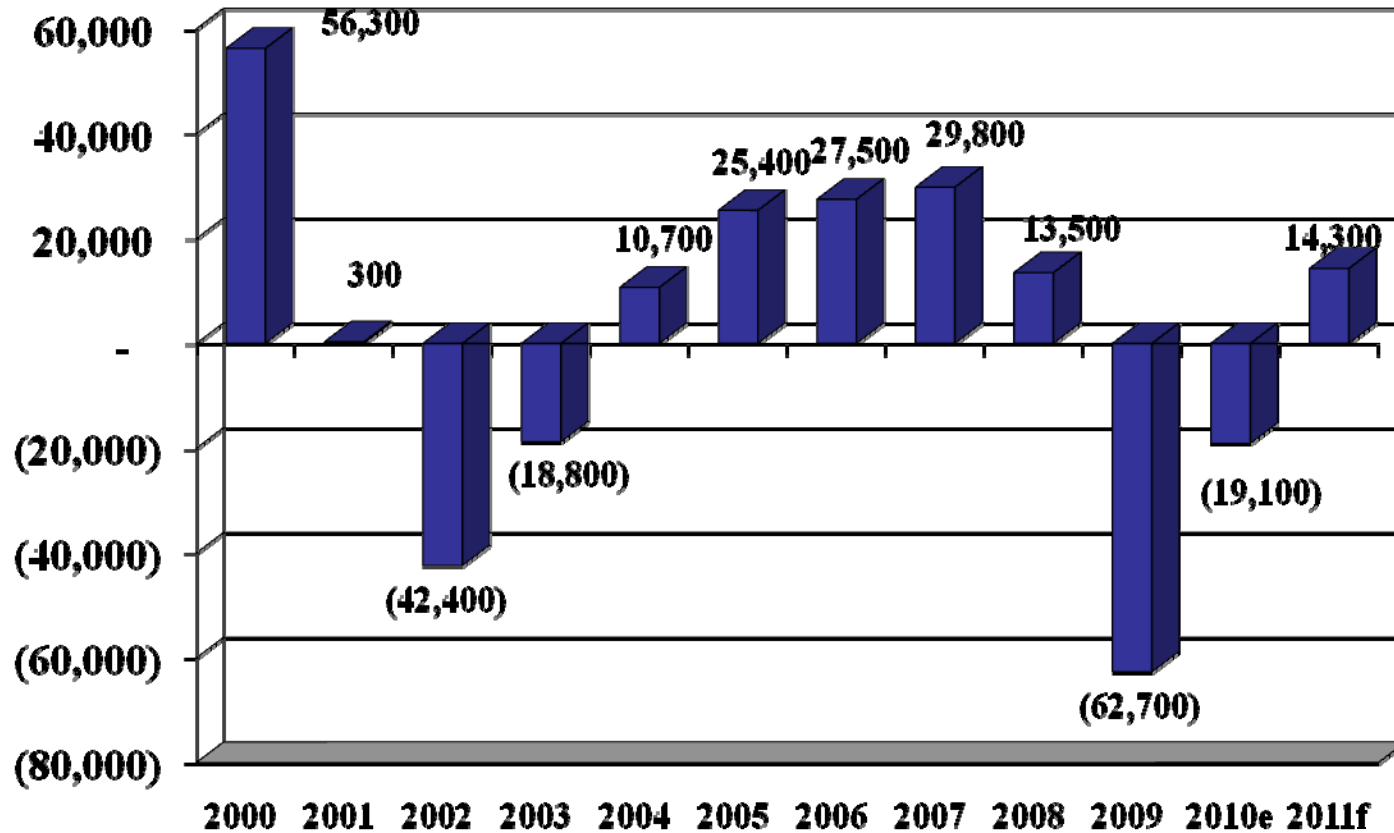
Proprietors Employment

25.1% of Colorado's Total Employment (US avg = 21.3%)



Source: U.S. Bureau of Economic Analysis.

Metro Denver Net New Jobs



Source: CO Dept. of Labor & Employment.

Key Metro Denver Industry Clusters

	Employment	2010 Job Growth	Concentration Rank (50 metros)
Aerospace	19,200	-4.4%	1
Aviation	15,100	-4.0%	11
Bioscience			
Medical Devices & Diagnostics	9,500	-0.3%	8
Pharmaceuticals & Biotechnology	5,000	-7.2%	20
Broadcasting & Telecommunications	40,800	-1.4%	3
Energy			
Fossil Fuels	21,000	-5.2%	6
Cleantech	17,000	7.1%	7
Financial Services			
Banking & Finance	39,300	-8.8%	3
Investments	23,300	0.0%	6
Insurance	24,900	-7.4%	22
IT/Software	40,400	-4.6%	11

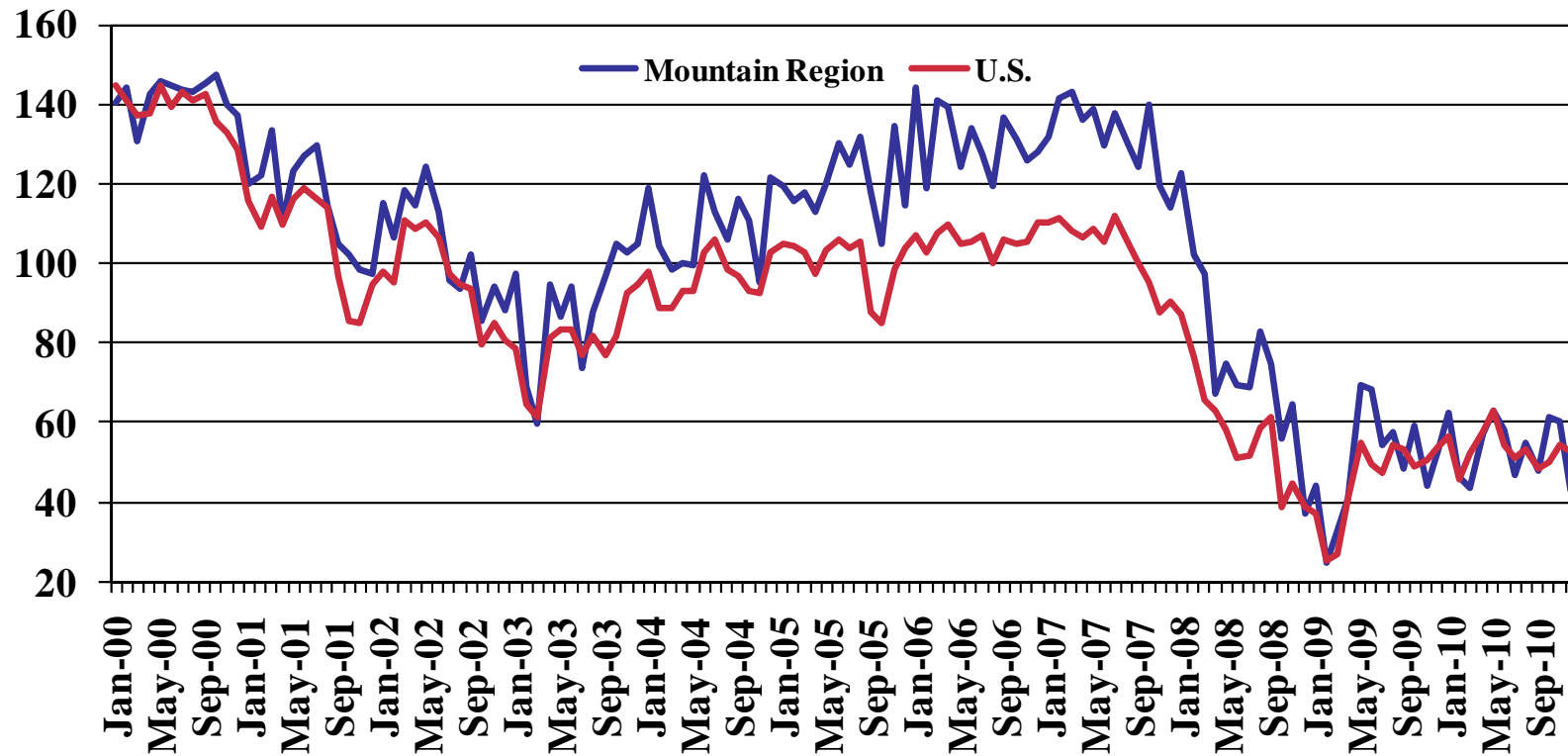
Consumer Sector

“A car is only as good as its tires. If the tires lose traction, nothing else matters.”

- Garth Stein

The Art of Racing in the Rain

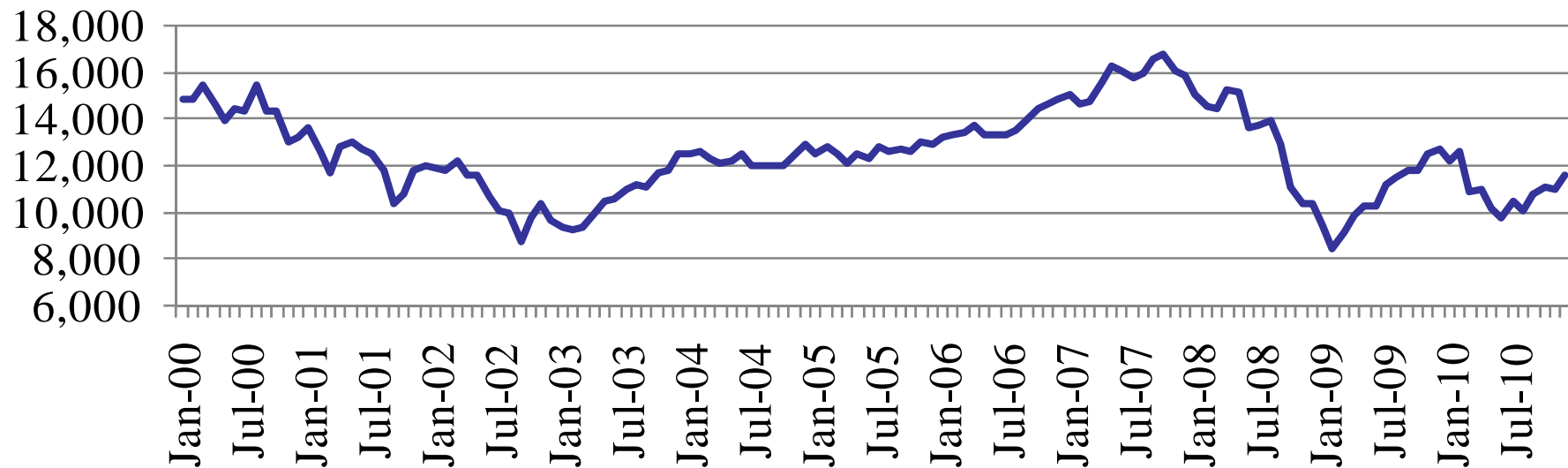
Consumer Confidence Index



Source: The Conference Board.

Dow Jones Industrial Average

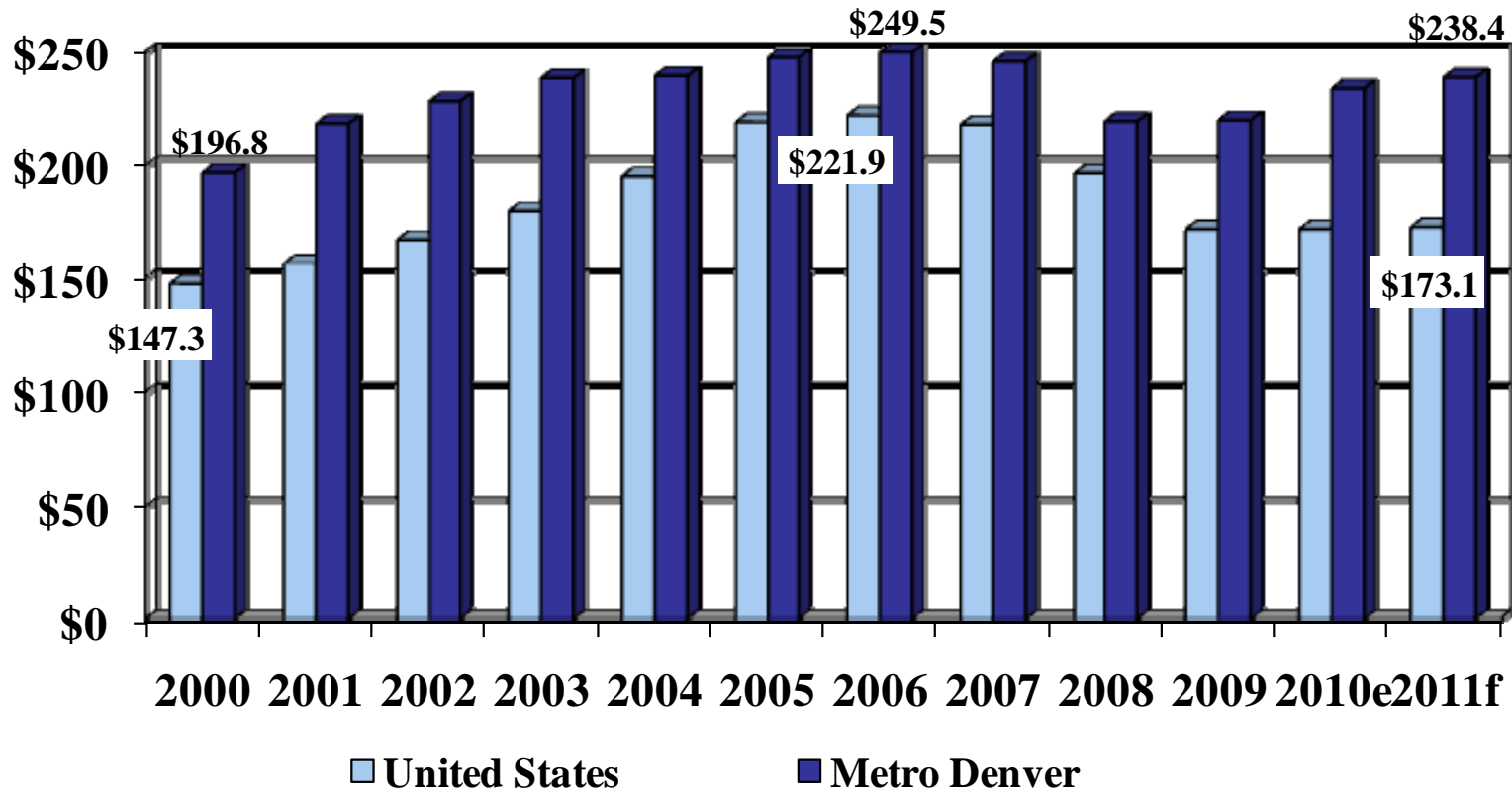
2007: 18% of U.S. families have stocks; 53% have retirement accounts



Source: Yahoo! Finance.

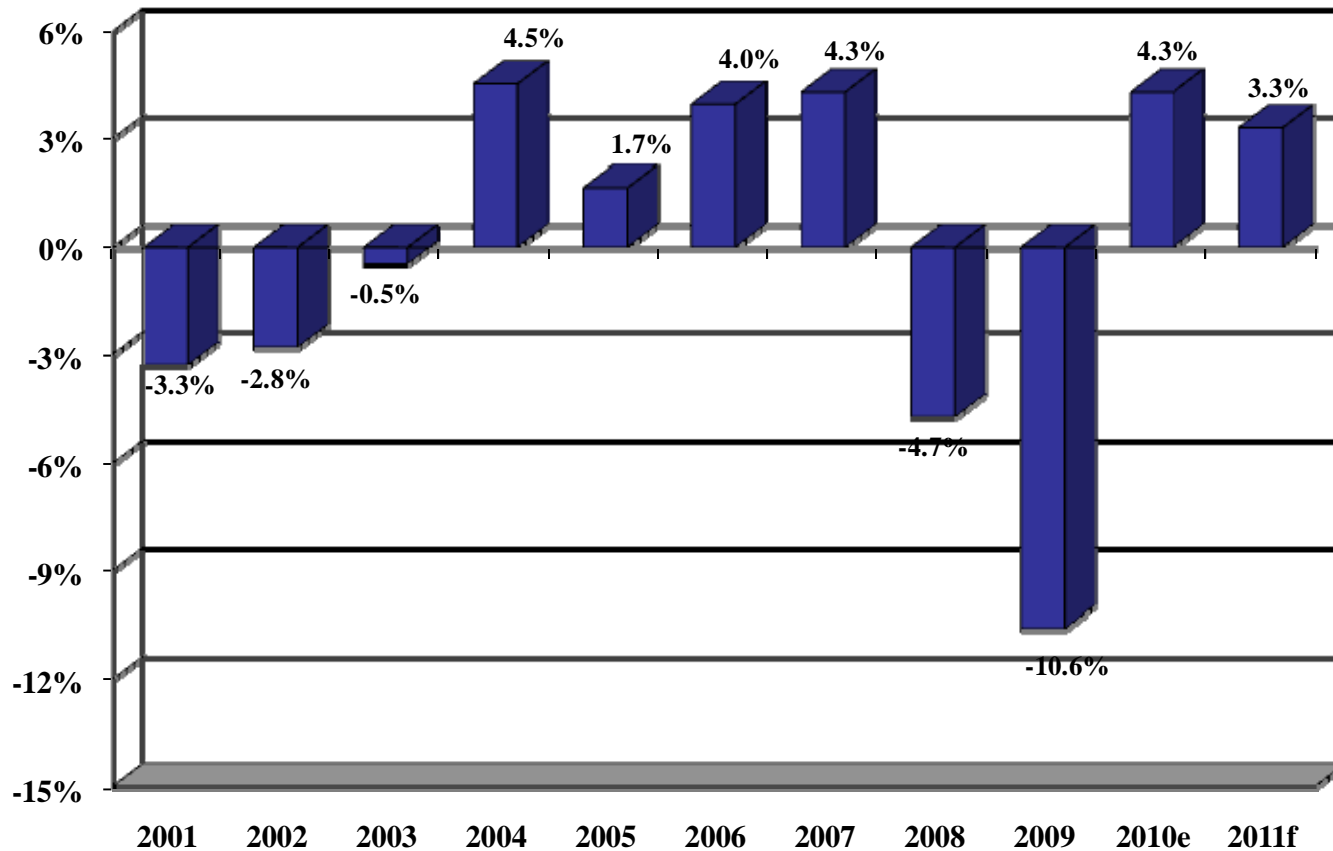
Median Home Price

(in thousands)



Source: National Association of REALTORS.

Metro Denver Real Retail Trade Sales Growth Rates



Source: Colorado Department of Revenue.

Moving Forward

◆ Road Hazards

- Minimal job opportunities
- Duration of unemployment (median duration 22.4 weeks in Dec, SA)
- Federal, state, and local government budget woes

◆ Green Lights

- Corporate profits rising (after tax profits up 17% YOY in Q3)
- Consumers spending again
- Consumer credit outstanding decreasing (down 3.5% YOY in Q3)
- Residential real estate stabilizing
- Commercial real estate has hit bottom (potentially)
- Local infrastructure development (DIA, FasTracks)

“Often things happen to race cars in the heat of the race....When faced with one of these problems, the poor driver crashes. The average driver gives up. The great drivers drive through the problem. They figure out a way to continue racing.”

- Garth Stein

The Art of Racing in the Rain

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