

# Charting a New (Economy) Course

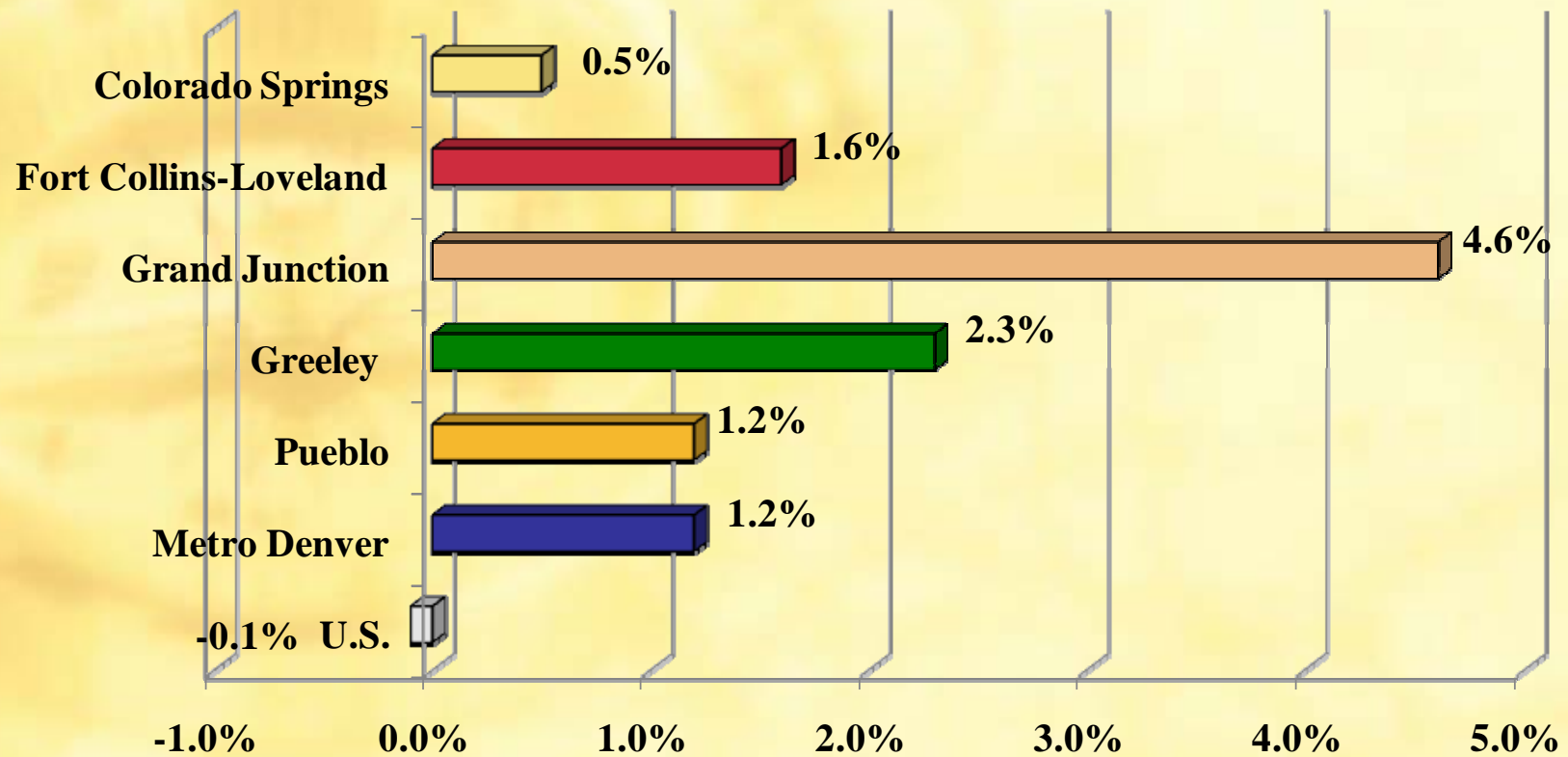
**Metro Denver  
2009 Economic Forecast  
January 2009**



# Colorado Outperforms the U.S.

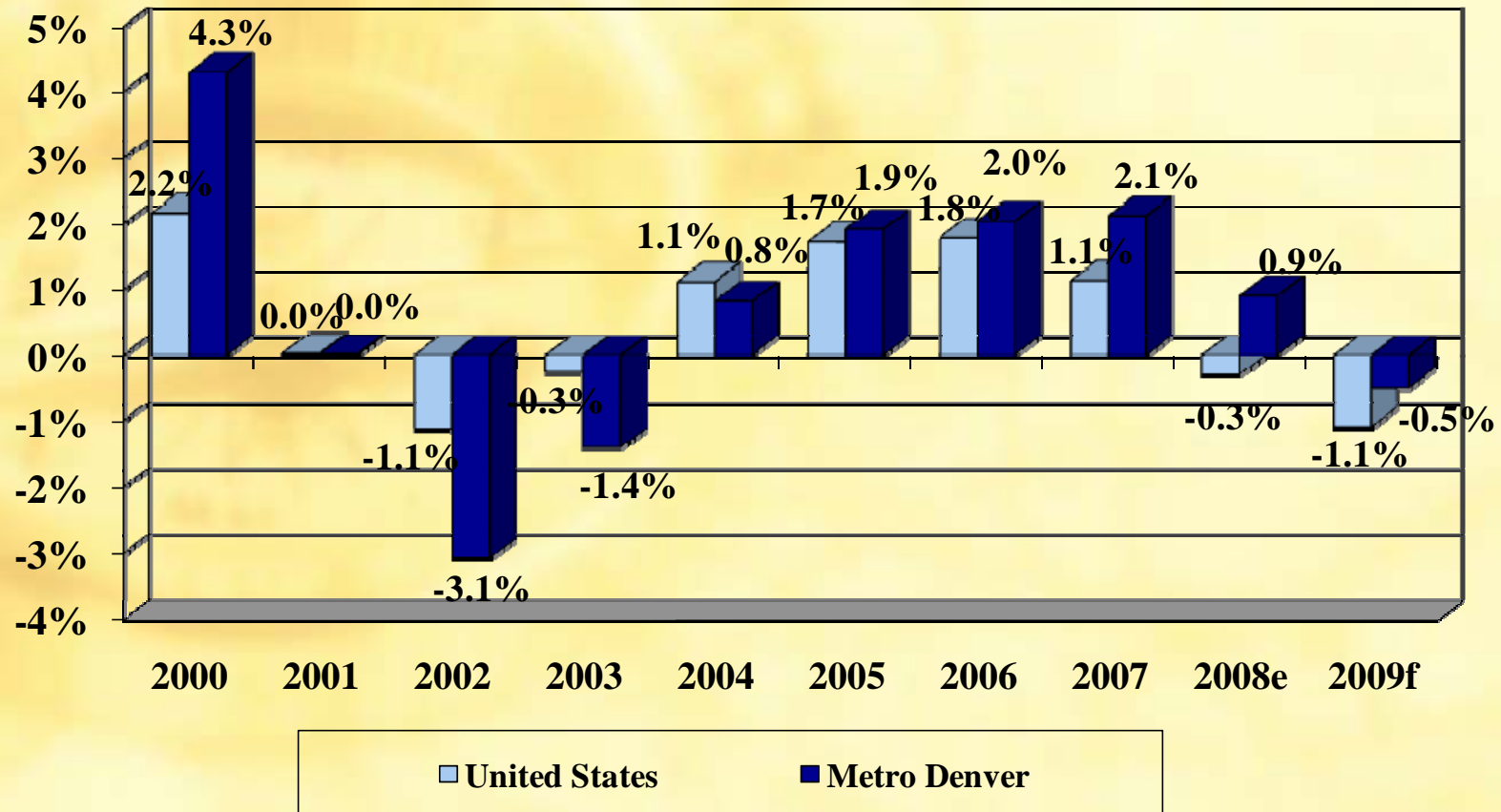
<i>2009 forecast values</i>	<b>Colorado</b>	<b>United States</b>
<b>Job losses less severe</b>	<b>-0.4%</b>	<b>-1.1%</b>
<b>Unemployment rate lower</b>	<b>6.4%</b>	<b>7.7%</b>
<b>Inflation Rate slightly higher</b>	<b>2.2%</b>	<b>1.9%</b>
<b>Real Retail Trade Sales more stable</b>	<b>0.0%</b>	<b>-3.5%</b>
<b>Home Prices more stable*</b>	<b>1%</b>	<b>0%</b>
<b>Median Home Price higher*</b>	<b>\$228,000</b>	<b>\$199,100</b>
<b>Total Personal Income growing faster</b>	<b>2.7%</b>	<b>2.0%</b>
<b>Per Capita Personal Income higher (2008)</b>	<b>\$43,100</b>	<b>\$40,200</b>
<i>*Data for Metro Denver</i>		

# Metro Area Job Growth, Year-to-Date Through November 2008



*Source: Colorado Department of Labor & Employment*

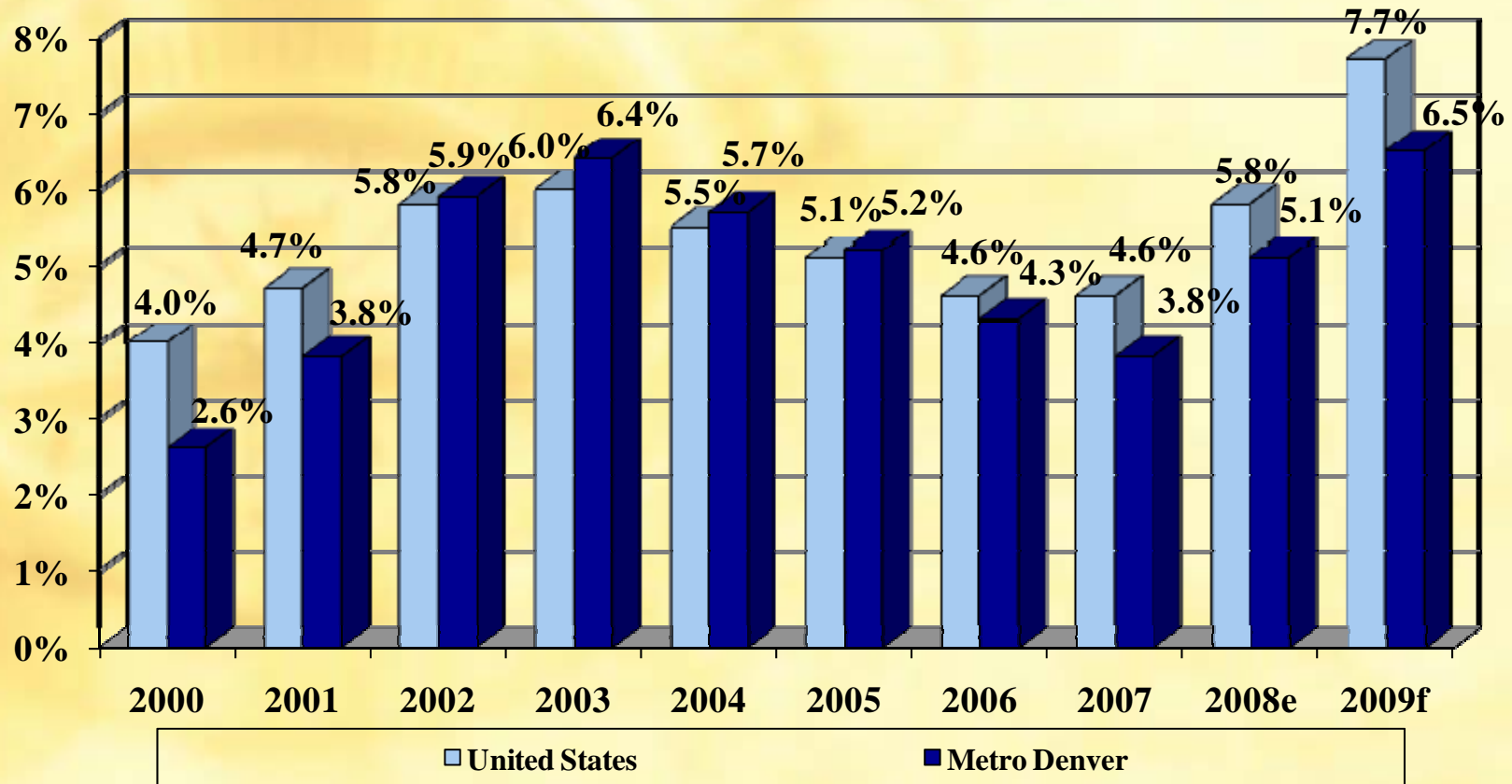
# Nonfarm Job Growth Rates



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

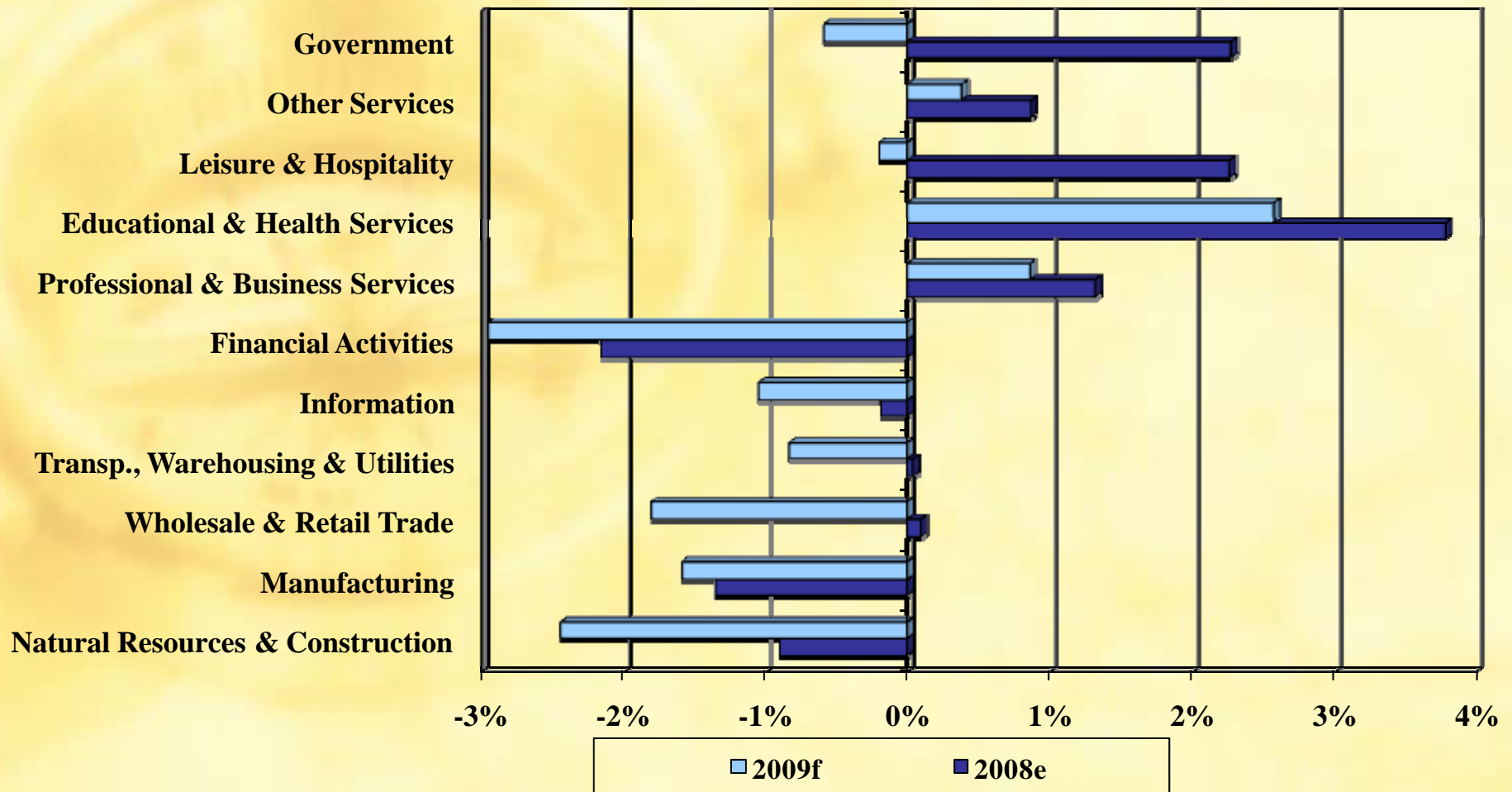
# Unemployment Rates

**Metro Denver Total Labor Force = 1.5 million**



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

# Metro Denver Annual Employment Growth Rate by Industry



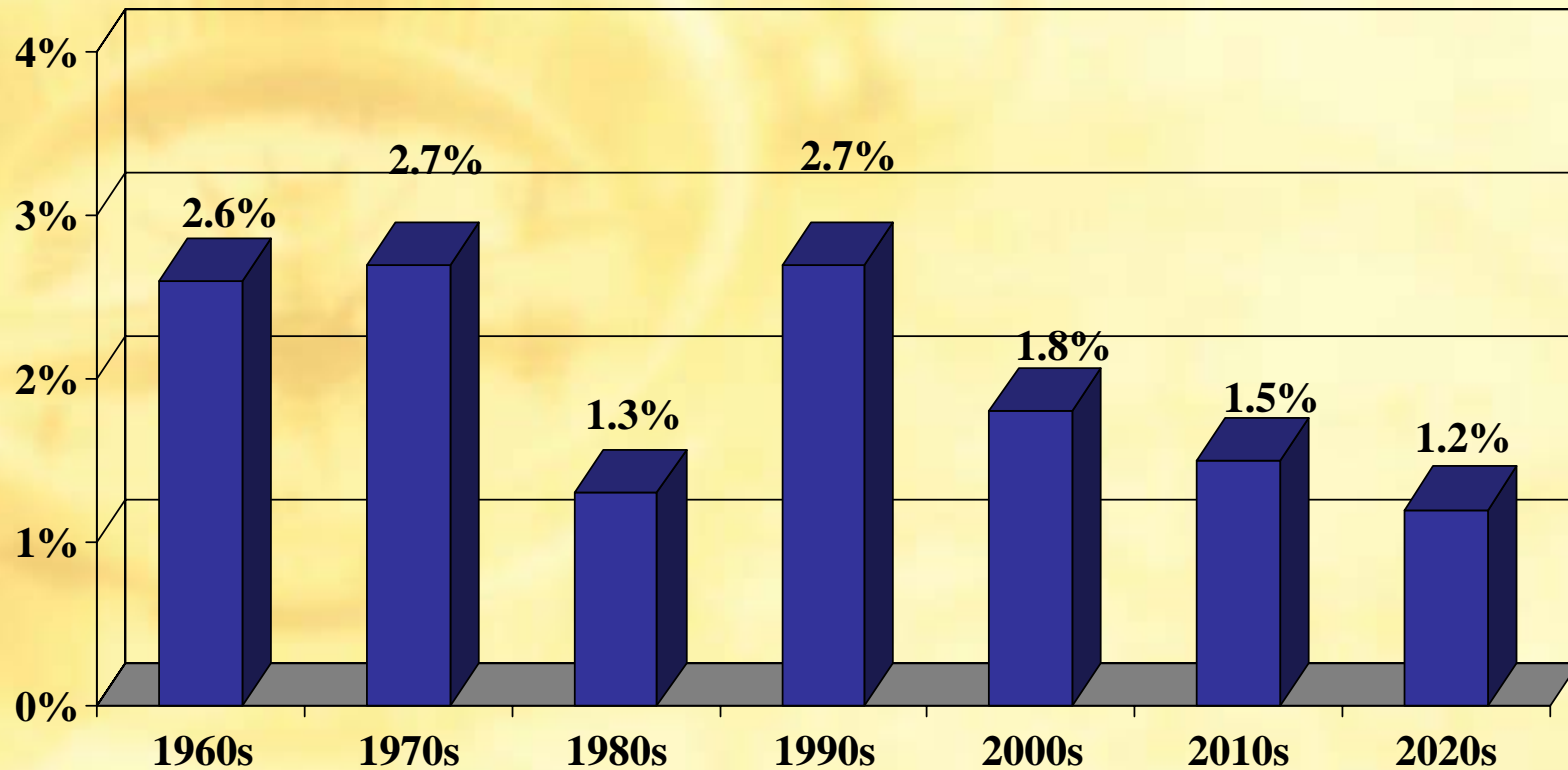
Source: Colorado Department of Labor & Employment

# Key Metro Denver Industry Clusters

	<b>Employment</b>	<b>2007 Job Growth</b>	<b>Absolute Ranking (50 largest metros)</b>
<b>Aerospace</b>	20,500	12.6%	1
<b>Bioscience</b>			
Pharmaceuticals and Biotechnology	5,500	2.1%	16
Medical Devices and Instruments	10,000	6.7%	7
<b>Energy</b>			
Fossil Energy	14,600	2.0%	2
Renewable Energy & Energy Research	13,900	3.0%	6
<b>IT/Software</b>	45,800	1.4%	11
<b>Aviation</b>	14,200	1.3%	8
<b>Financial Services</b>			
Banking & Finance	44,500	-0.1%	9
Investments	23,400	-0.9%	10
Insurance	28,000	0.7%	12

# Metro Denver Average Annual Population Growth

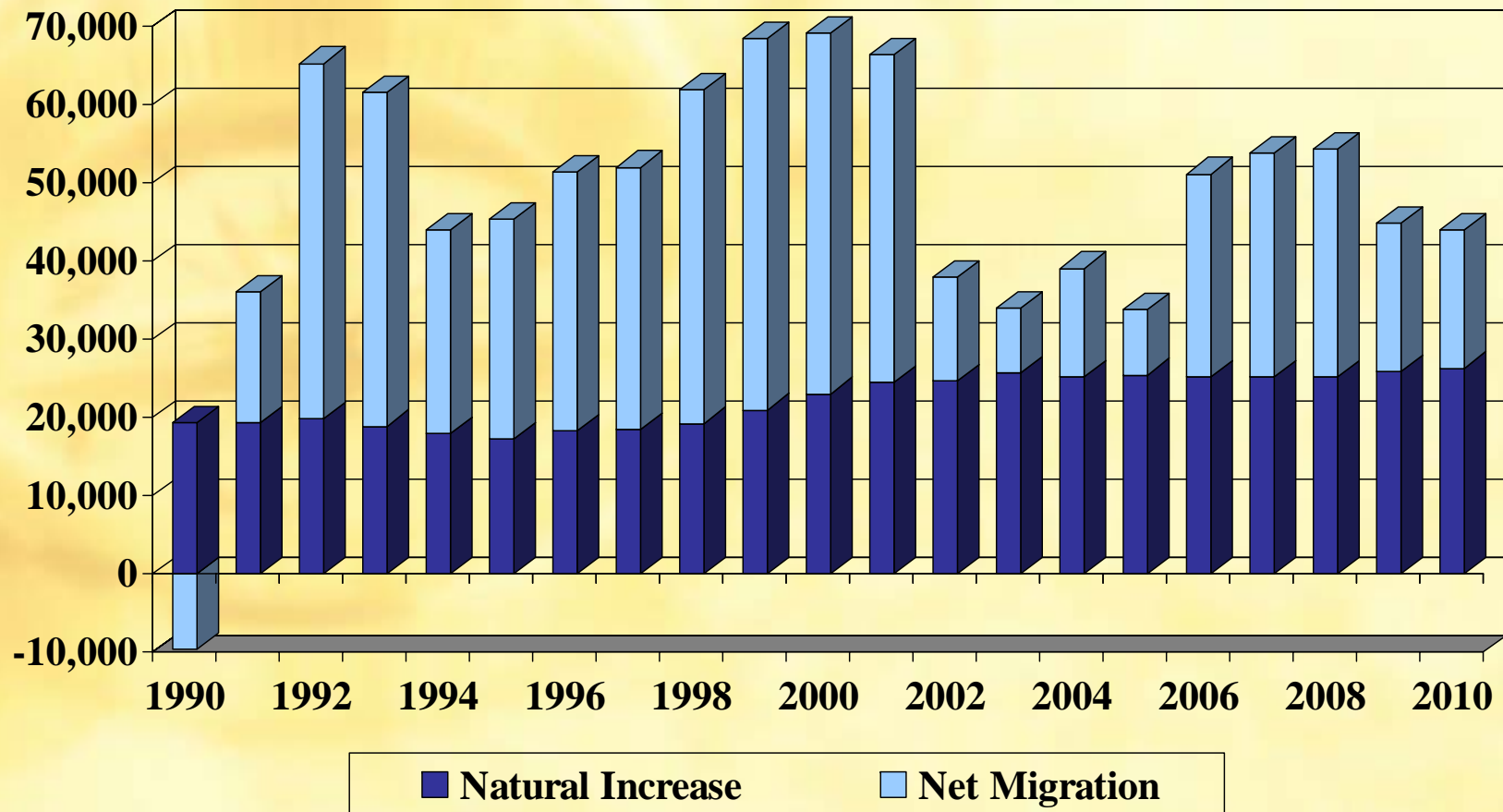
2009 population = 2.83 million



Source: Colorado Division of Local Government



# Metro Denver Annual Change in Population



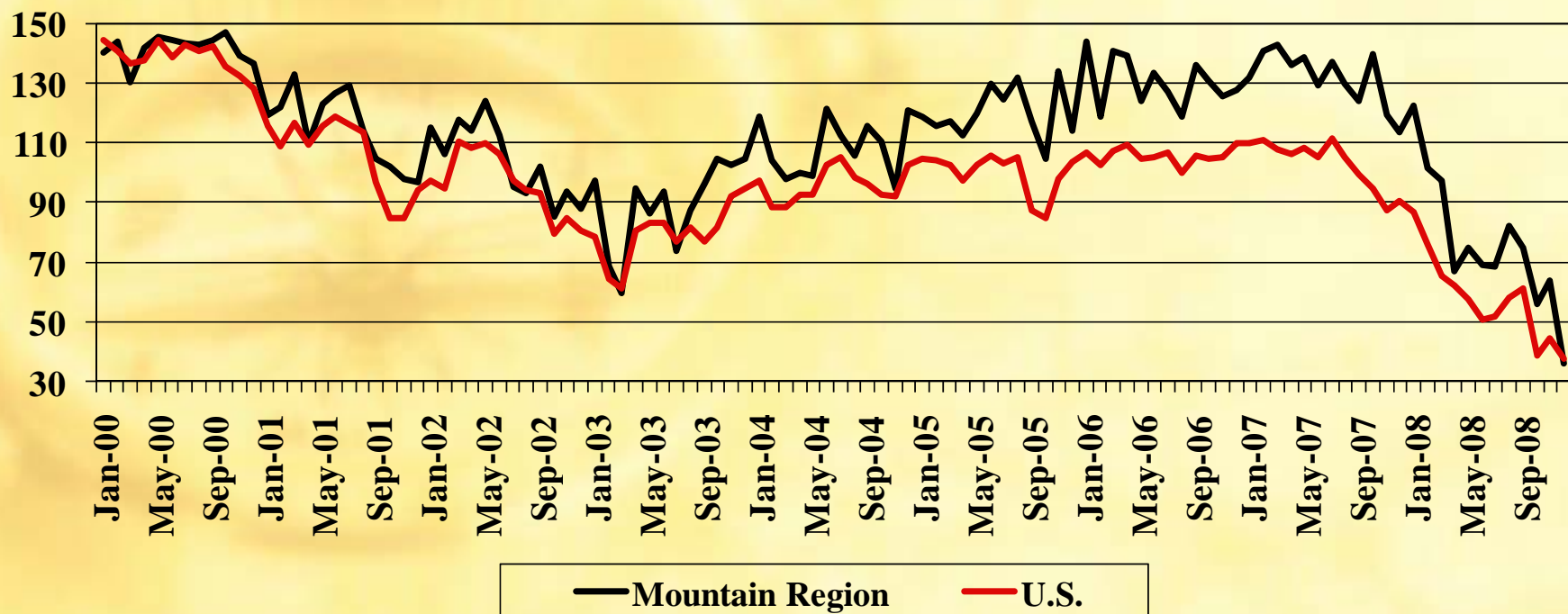
Source: Colorado Division of Local Government

# Aging of the Baby Boomers

- ◆ **First “Boomers” (born 1946-1964) reach 65 in 2011 (Ages 45 to 63 in 2009)**
- ◆ **26.7% of Metro Denver’s population are Baby Boomers compared to 25.7% for U.S.**
- ◆ **Between 2008 and 2018, Metro Denver’s population 65 years+ will expand from 9% of the population to nearly 14% (from 252,000 to 450,000 people)**

*Source: Colorado Division of Local Government, State Demography Office*

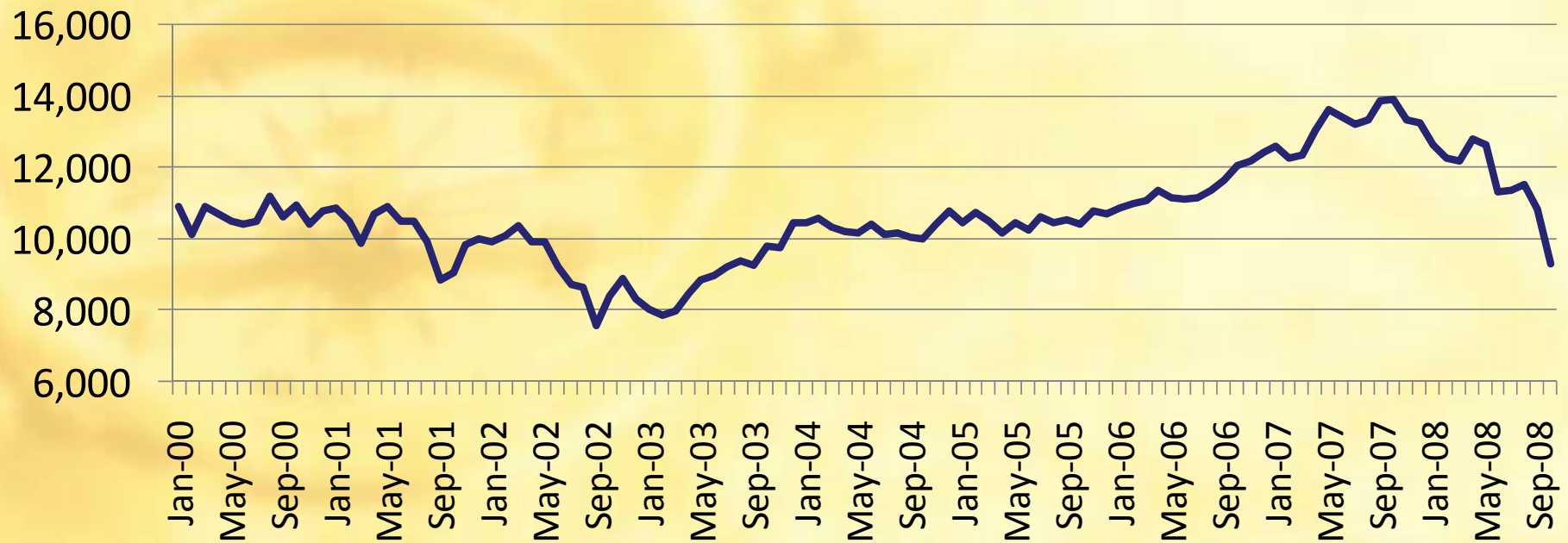
# Consumer Confidence Index



Source: The Conference Board

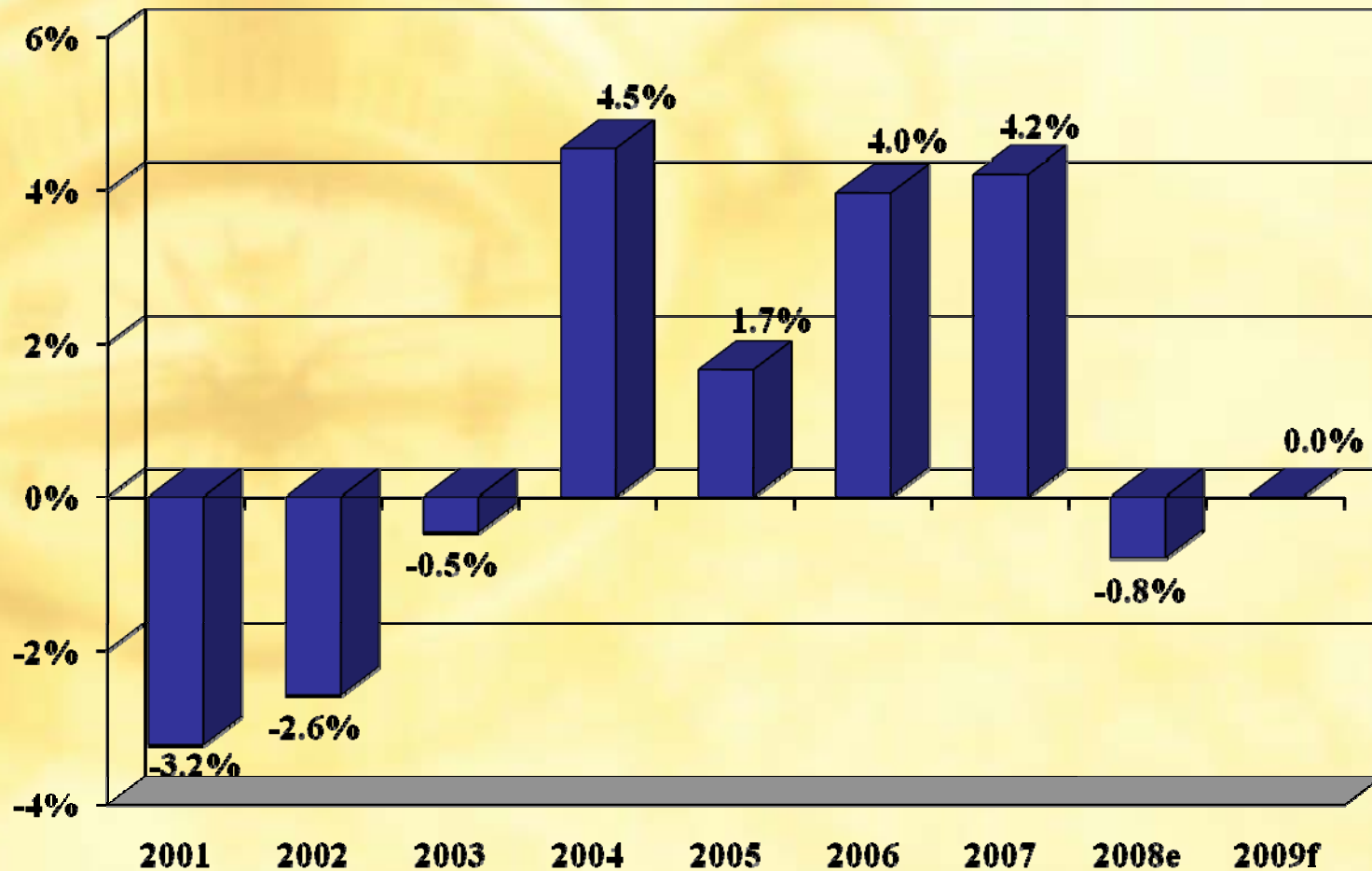
# Stock Market Volatility (DJIA)

2004: 21% of U.S. families have stocks; 50% have retirement accounts



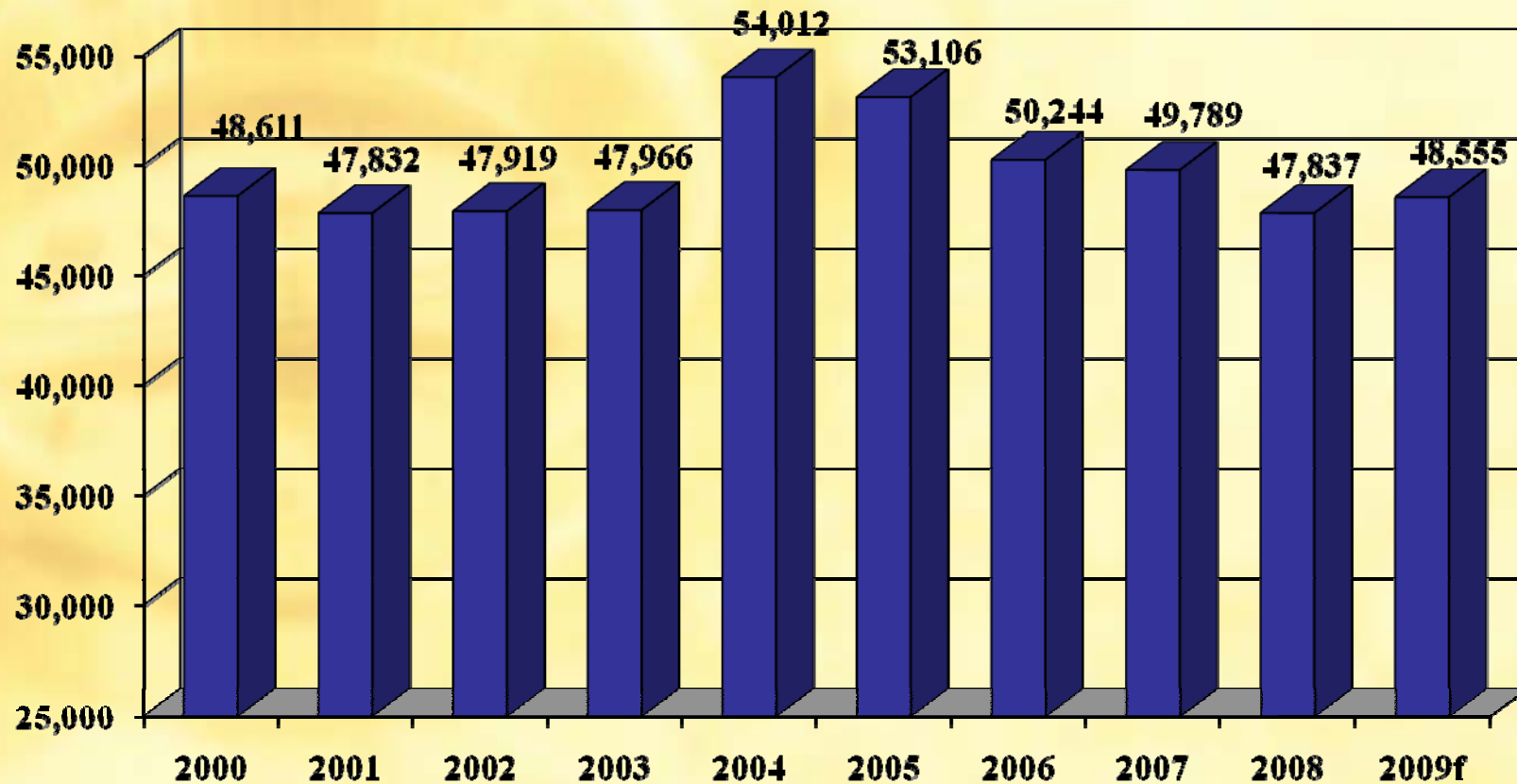
Source: Yahoo! Finance

# Metro Denver Real Retail Trade Sales Growth Rates



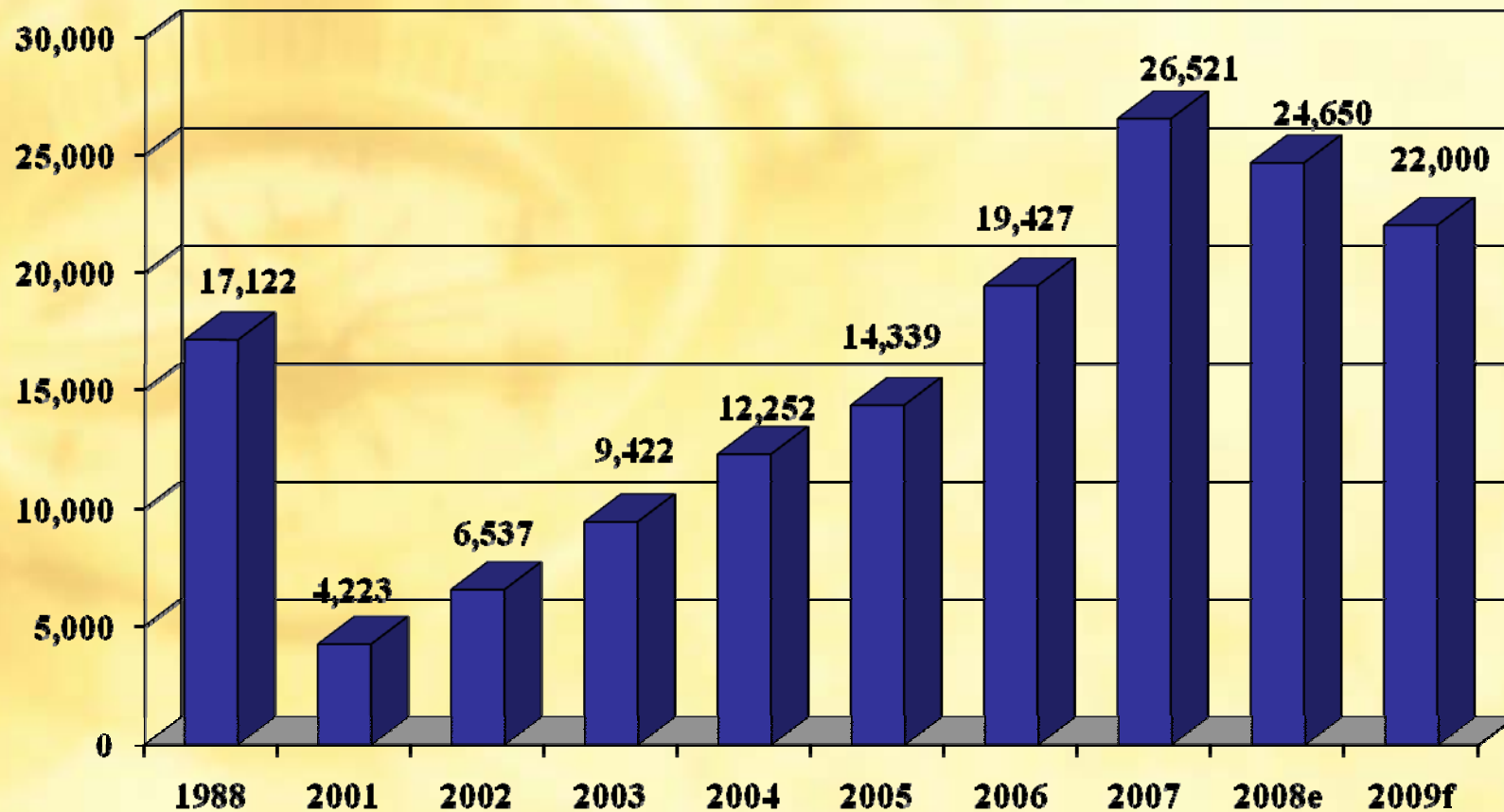
Source: Colorado Department of Revenue

# Metro Denver Home Sales



*Source: Metrolist, Inc.*

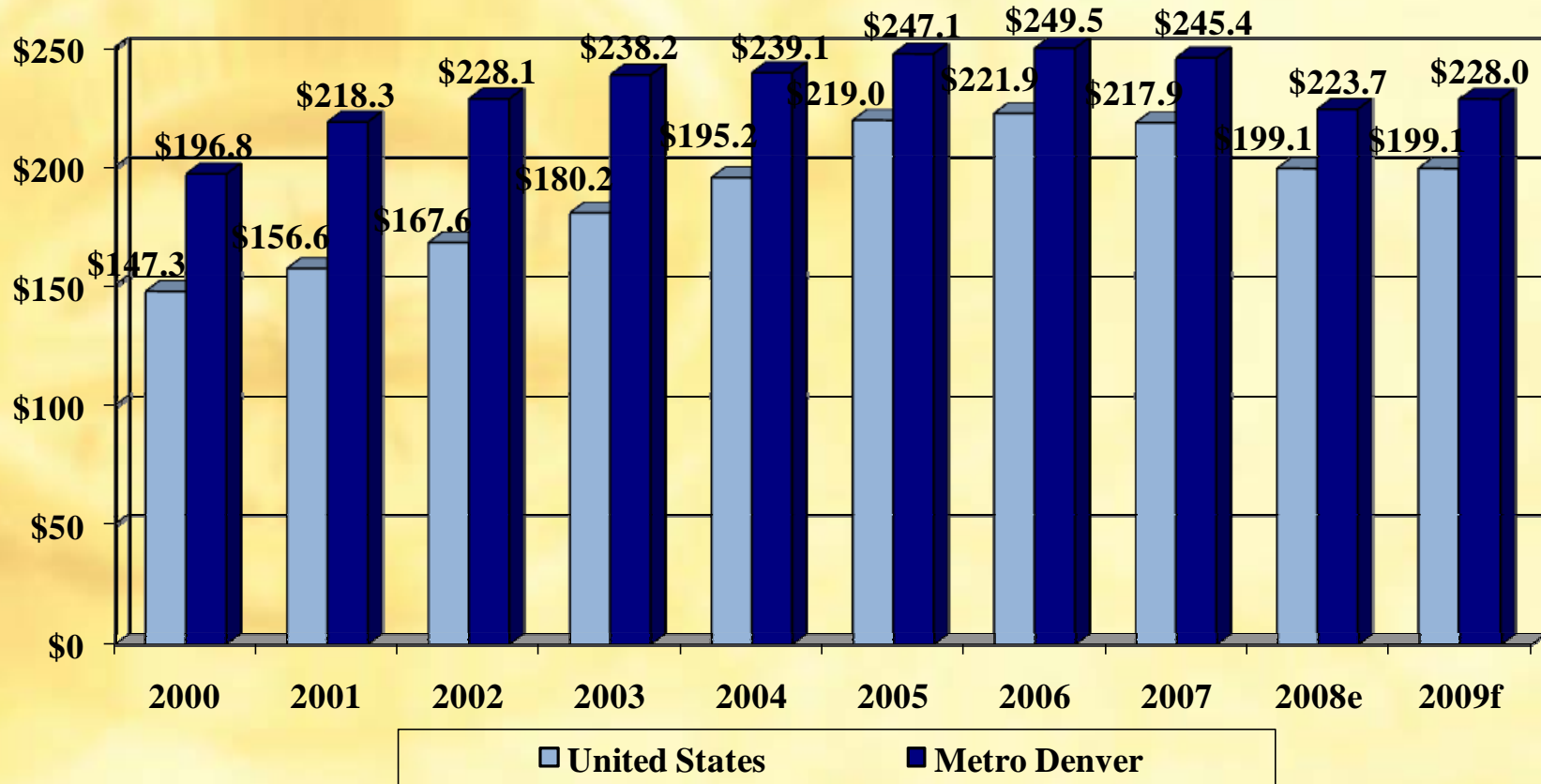
# Metro Denver Foreclosures



Sources: CB Richard Ellis; County Public Trustees

# Median Home Price

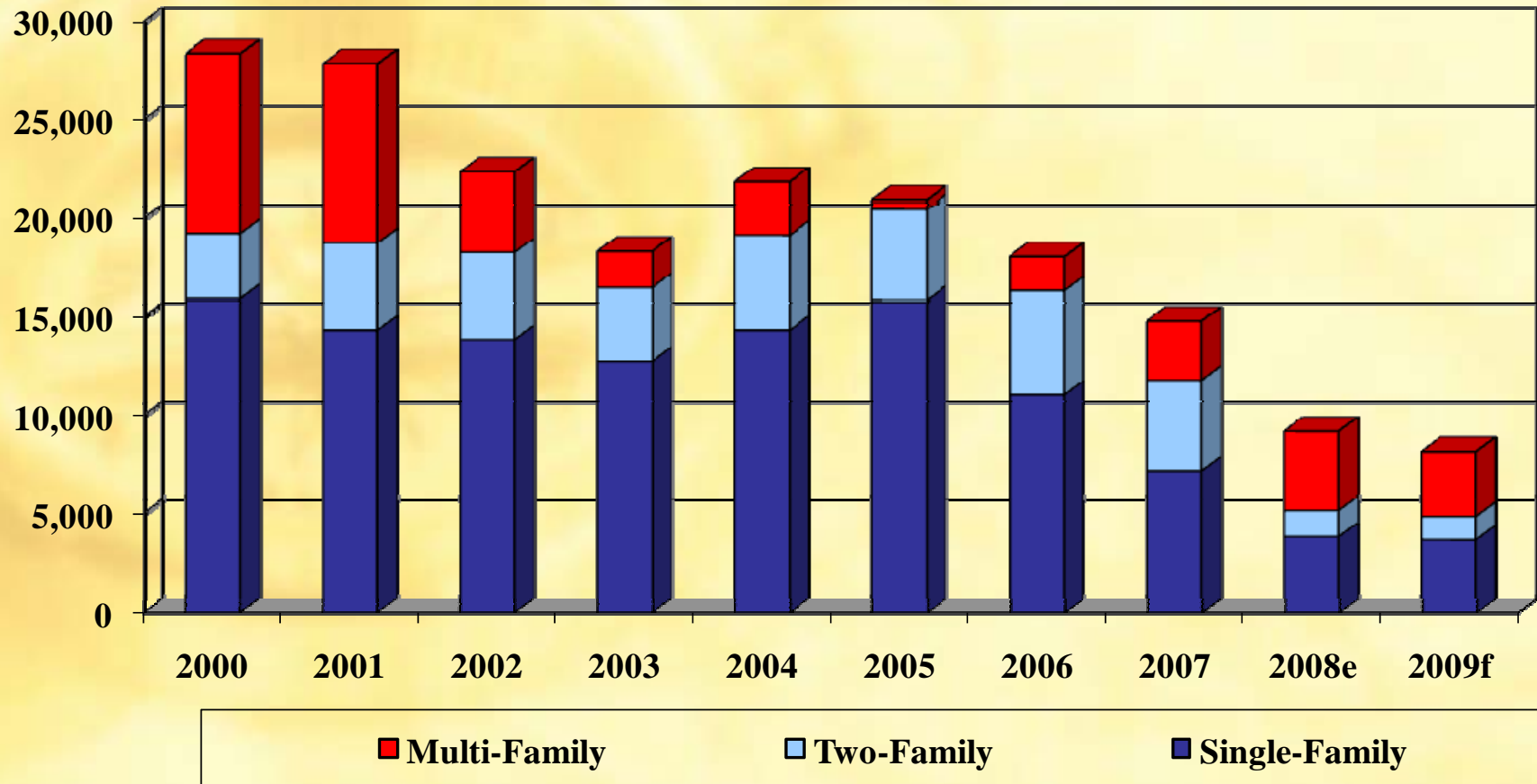
(in thousands)



Source: National Association of REALTORS



# Metro Denver Building Permits



*Source: Home Builders Association of Metropolitan Denver*

# Charting a New Course...

## ▲ Basics matter

- **Business spending – focus on increased efficiency, profitability. Adaptations to more limited financing options.**
- **Lending practices – reassessment of risk, purging of bad assets. Return to more sound financial underwriting takes time.**
- **Household budgets – painful adjustments to new price levels and spending priorities. Review of options for re-growing wealth.**

## ▲ Governments face new challenges

- **Declining tax revenues from auto sales, fuel sales, other retail**
- **Declining property tax revenues – lower property values and/or residents unable to pay**
- **Debt financing more difficult to obtain**

## ▲ The darkest hour is just before dawn

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