



Colorado Economic Chronicle

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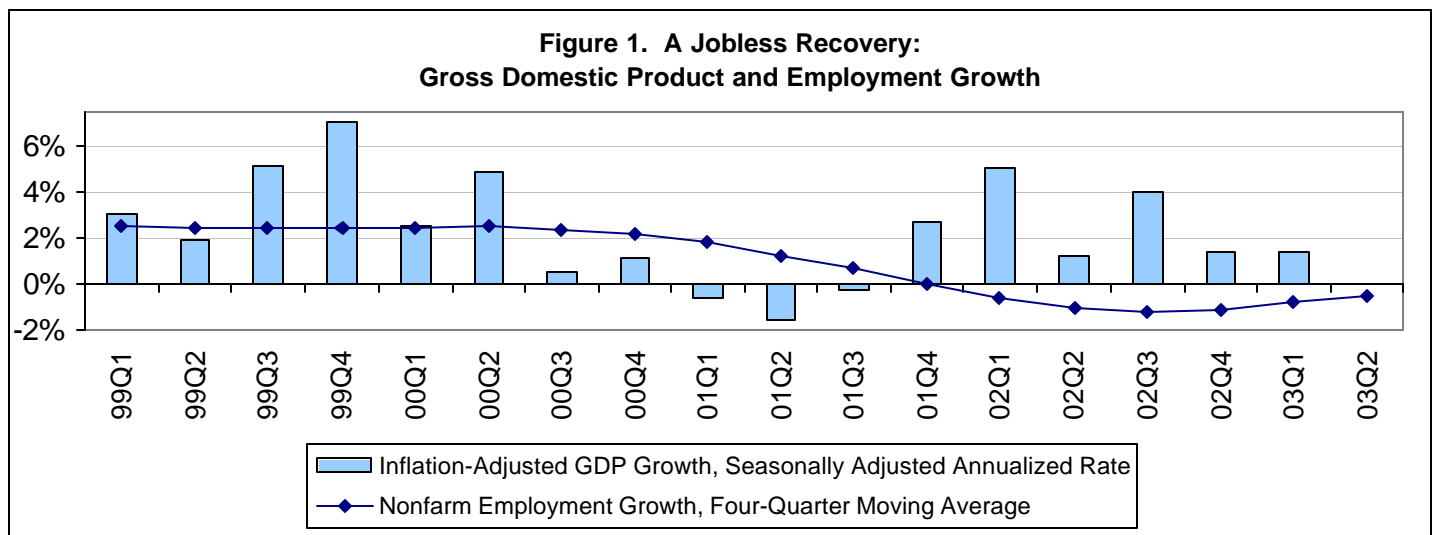
National Economy

The national economy remained stagnant during the first half of 2003. The revised release for inflation-adjusted gross domestic product (GDP) indicated that the economy grew at an annualized rate of 1.4% during the first quarter, down from the previous estimate of 1.9%. The downward revision was caused by a higher-than-expected trade deficit and lower-than-expected inventory building by companies. After its first increase in over two years, business investment decreased 4.4%. Growth in consumer spending was unrevised at 2.0%.

As shown in Figure 1, GDP has been increasing on an annualized basis for more than a year-and-a-half. Despite this, the **employment** situation continues to be bleak. Nonfarm employment fell by 30,000 jobs in June, after a loss of 70,000 jobs in May. Employ-

ment has fallen during sixteen of the 21 months since GDP began expanding in the fourth quarter of 2001, and the nation has lost nearly 1.6 million jobs during that period. Much of the reason GDP was able to expand while employment fell was a record 4.8% increase in productivity during 2002, after a less spectacular 1.1% increase in 2001. Healthy increases in productivity allow businesses to produce more with fewer people. Productivity increased at an average annual rate of 2.2% between 1990 and 2002.

With few incentives for businesses to add jobs, the employment situation is expected to remain weak through the remainder of 2003. Initial jobless claims for unemployment insurance benefits increased to 439,000 during the first week of July, 9.7% higher than the number of jobless claims a year prior. Job-



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less claims have been above 400,000 for more than five months. A level above 400,000 is indicative of a stagnant economy. The nation's unemployment rate rose from 6.1% in May to 6.4% in June, the highest rate since early 1994 and a new peak for the current business cycle. Meanwhile, temporary employment increased by 38,000 jobs in June after a gain of 44,000 jobs in May. This lends some optimism, since businesses tend to add temporary workers before hiring full-time workers.

While **income** and **spending** are growing slowly, they continue to buoy the economy. *Personal income* increased 0.3% in May, after a revised increase of 0.2% in April. Year-to-date through May, personal income is 3.2% higher in 2003 than in 2002. Much of the growth in income, however, was due to large increases in transfer payments, particularly unemployment insurance benefits. Income and wage gains will likely be limited in the coming months by the lack of job gains and reluctance of employers to increase wages because of rising benefit costs. The weak labor market has begun to gnaw on consumer confidence. Although higher than it has been for many months, the University of Michigan Consumer Sentiment Index decreased somewhat from 92.1 in April to 89.7 in May. The index showed that consumers were less optimistic about the future in May than in April as a result of weak labor conditions. *Consumer spending*, however, continues to be slow but steady, increasing 0.1% in May after a 0.1% increase in April. Mortgage refinancing has helped consumers maintain spending.

“The housing sector...continues to be the strongest sector of the economy.”

The **housing** sector strengthened in May and continues to be the strongest sector of the economy. *Existing home sales* continued to be strong, supported by record-low mortgage rates. May sales were at a 5.92 million annual pace, up 1.2% from April's already high level. Housing prices continue to rise; the median existing home price was up 7.7% in April 2003 over April 2002. *New home sales* were particularly strong in May at an annualized pace of 1.157 million units, a 12.5% increase over April. New home sales are up 10.8% through May, compared with the first five months of 2002.

The **manufacturing** sector continues to be weak. The *Institute of Supply Management Index* for manufacturing was at 49.8 in May, up slightly from 49.4 in April. This indicates that the manufacturing sector is contracting at a very slow rate. An index of 50 demarcates the point between expansion and contraction. Meanwhile, *Industrial production* increased 0.1% in May after a 0.6% decline in April. *Capacity utilization* remained weak in May at 74.3% and the advance estimate for new *durable goods orders* showed a 0.3% decline in May after declining 2.4% in April.

“...the Federal Reserve Board cut the federal funds rate by a quarter of a percentage point in late June...”

The **consumer price index** did not change in May after decreasing 0.3% in April. The core inflation rate, with volatile food and energy prices excluded, increased 0.3% after two consecutive months of no change. While inflation remains tame, concerns have arisen about deflation. Citing the risk of deflation, the Federal Reserve Board cut the federal funds rate by a quarter of a percentage point in late June, the thirteenth rate cut in the current business cycle. At only 1.0%, the federal funds rate is the lowest it has been since July 1958. However, other observers of the economy believe that concerns about deflation may be unwarranted, particularly after the rate cut. The decline of the dollar has and will continue to push up import prices and an expected economic rebound later this year will provide upward impetus to consumer prices.

Despite a probable seven quarters of consecutive growth in GDP, the economy continues to drag its feet through the mud at the bottom of the business cycle. The housing sector continues to be healthy, the consumer sector is holding steady, and the stock market and corporate profits are showing some improvement. Uncertainty in the economy and the rate of its recovery is concentrated in the labor market and business investment. The risk of deflation is most likely abating with the recent cut in the federal funds rate and rising import prices. With corporate profits showing improvement and the confidence of businesses and investors increasing, the second half of 2003 should be healthier than the first.

Colorado Economy

The Colorado economy remains weak. While most indicators suggest that it has reached the bottom of the business cycle, it is likely to remain there for much of 2003. Although jobs increased on a seasonally adjusted basis in April and May, there has yet to be enough data to indicate that employment will begin to recover faster than expected. Indeed, there were substantially more layoff announcements in May and June than job gain announcements. Retail trade sales, which are down 0.7% year-to-date through April, may have been stabilizing now if not for the impact of the snowstorms in February and March. The housing market continues to be healthy due to low mortgage rates, but the weak employment situation has pushed foreclosures to record levels. Meanwhile, the construction sector continues to correct from the boom years in 2000 and 2001.

Employment

On a seasonally adjusted basis, Colorado gained employment in April and May. According to preliminary data, Colorado gained a revised 4,900 jobs in April and 13,600 jobs in May. The increases stopped a string of job losses dating to last summer. While this may seem to indicate that Colorado's economy is improving, employment in Colorado made substantive gains in April and May of 2002 right before a long period of job losses. Thus, the increase will need to occur for several more months before it can be firmly concluded that the recession has ended. Through May, the number of jobs was down 0.4% over a year ago. There were 80,100 fewer jobs in Colorado in May than during December 2000, the peak employment level prior to the recession. Meanwhile, Colorado's unemployment rate decreased slightly from 5.9% in April to 5.8% in May.

Because Colorado's recession was deeper, and because it lagged the national recession, it will take longer for Colorado to recover. Colorado's recession was deeper than the nation's because it had a higher than average concentration in the advanced technology, telecommunications, airline travel, and

tourism sectors. These were the sectors that fueled the boom in the late 1990s and that were the hardest hit by the national recession. Figure 2 shows employment growth nationwide and in Colorado. Colorado's employment growth was the third fastest in the nation for three years from 1998 to 2000. The state's rank fell to 17th in 2001 as the recession developed in Colorado. In 2002, Colorado ranked 49th in the nation for job growth, with a 1.9% decrease. Through the first five months of 2003, the state ranks 43rd in the nation, with a year-to-date growth rate of 0.7%. Meanwhile, according to a survey by Manpower Inc., 20% of employers in Colorado plan to hire during the third quarter. In Denver, only 3% of employers indicated that they plan to hire in the third quarter, with 27% planning to lay off employees and 33% planning no change.

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Personal Income

According to the U.S. Bureau of Economic Analysis, personal income in Colorado increased 1.2% in 2002, a slower pace than that experienced in every state in the nation except New York. Personal income growth in Colorado was the fastest in the nation as recently as 1999, and the second fastest in 2000. Meanwhile, *per capita* personal income decreased 0.5% in Colorado in 2002, the worst per-

Colorado's Economy at a Glance

Key Indicators	Direction	Assessment
Nonfarm Employment Growth	↓	Bad
Unemployment Rate	↓	Weak
Mortgage Rates	↔	Good
Retail Trade Sales	↓	Weak
Home Prices	↑	Neutral
Nonresidential Construction	↓	Bad
Colorado Inflation Rate	↔	Good
Overall Rating	↓	Weak

formance in the nation. However, the *level* of per capita personal income in Colorado remained the 9th highest in the nation in 2002, after ranking the 7th highest in 2000 and 2001.

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Colorado is on pace for a second consecutive record year for bankruptcies. The number of bankruptcies filed in Colorado was 21% higher through the first six months of 2003, compared with the same period in 2002. Real estate foreclosures have also increased. The number of foreclosures filed in the Denver-metro area through June is up 37% compared with the first six months of 2003.

Residential Construction

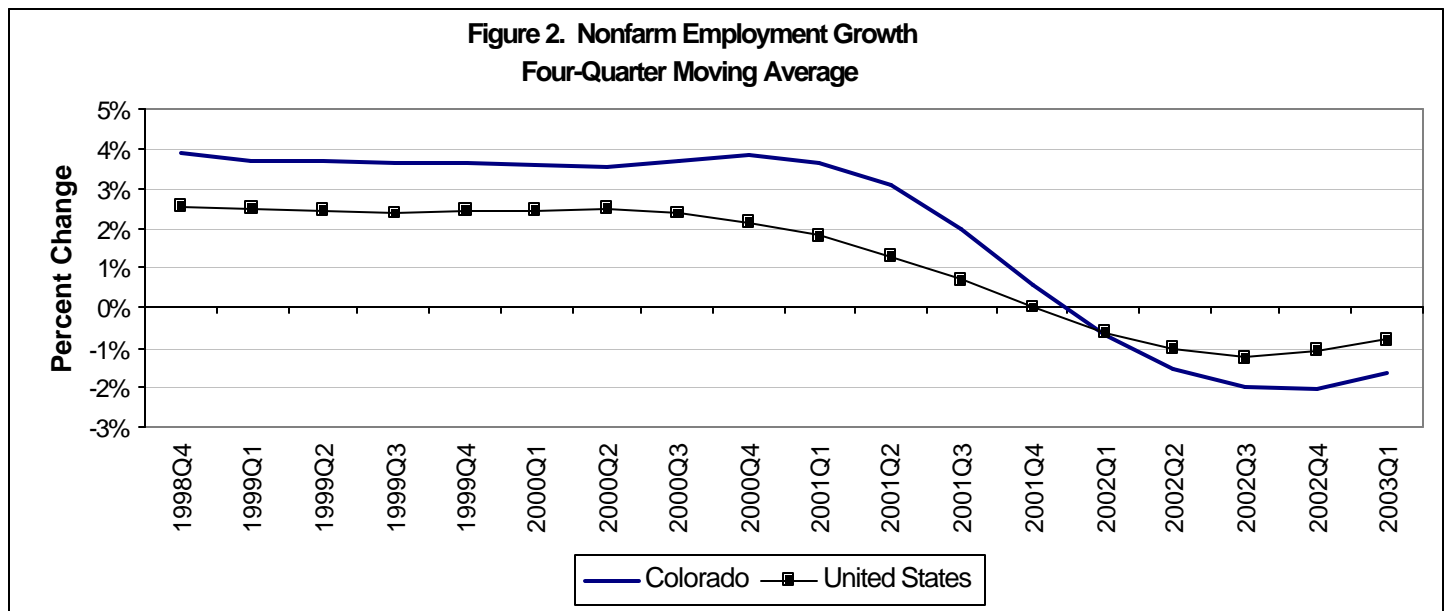
Residential construction is undergoing a contraction necessitated by the weak economy and lower net migration to the state. According to the U.S. Census Bureau, total housing permits decreased 21.1% year-to-date through May, compared with the same time period in 2002. Housing permits decreased 12.2% in 2002. Single-family construction has weathered the storm better than multi-family construction. The number of permits issued for single-family homes decreased 11.0% year-to-date through May, while

permits for multi-family homes decreased 52.4%. Multi-family construction is undergoing a correction following the construction boom in 2000 and 2001.

The residential real estate market in the metro-Denver area continues to be weak. According to Coldwell Banker Residential Brokerage, the number of unsold homes on the market was 26.0% higher through May compared with a year ago. Record-low mortgage rates have allowed prices to continue to increase at slow rates, however. The *average* price of a single-family home in metro-Denver was \$275,879 in May, up 2.6% compared with May 2002. The *median* home price increased 3.3% to \$228,600.

Nonresidential Construction

According to F.W. Dodge, the value of nonresidential construction decreased 27.3% year-to-date through May, compared with the same time period in 2002. Nonresidential construction decreased 20.9% in 2002. Activity declined in every major category except the hospital and health treatment sector. The value of construction in the commercial and manufacturing sectors decreased 10.7% and 47.4%, respectively. The office market in Denver continues to be weak and is not expected to return to good health for several years. According to a report by Cushman & Wakefield of Colorado, the office vacancy rate for Denver office buildings was 21.8% in the first quarter of 2003. Meanwhile, the average rental rate de-



creased from a peak \$20.79 in 2000 to \$17.16 in the first quarter of 2003.

Agriculture

According to the Colorado Association of Wheat Growers, the winter wheat harvest will be substantially improved in 2003 relative to 2002, and even better than that reaped in 2000 and 2001. After a crop of 66 million bushels in 2001 and a dismal 36 million bushels last year, they expect 73 million bushels this year. The average annual crop harvested between 1993 and 2002 was 80.3 million bushels.

“...the winter wheat harvest will be substantially improved in 2003 relative to 2002...”

The Colorado Department of Agriculture approved a plan by Meristem Therapeutics to begin biopharming near Holyoke. They plan to plant 30 acres of corn that would contain the protein lipase, a pharmaceutical agent used to treat gastric disorders in those suffering from cystic fibrosis.

Business

According to the Business School at the University of Colorado at Denver, the state's service economy began to expand in May and June after shrinking in April. The new service economy index measures the health of the service economy in Colorado, the largest employment sector in Colorado. An index level above 50 indicates expansion in the services sector, while an index below 50 indicates contraction. The index increased from 46.7 in April to 53.6 in both May and June. While this may be an encouraging sign that Colorado's economy may be beginning to recover, May and June is the season for expansion in the services sector and it is unclear whether or not the expansion is a harbinger for continued growth.

Venture capital investment in Colorado firms decreased 88.3% in the second quarter of 2003, compared with the second quarter of 2002. According to VentureWire, an online venture capital newsletter, five Colorado firms raised \$27 million during the

second quarter of 2003, compared with \$230 million raised by 14 firms during the second quarter of 2002.

Energy

Xcel Energy opened a \$125 million, 300-megawatt power plant east of Denver in June. The plant, which runs on natural gas, is intended to help Xcel avoid rolling blackouts in case of energy shortages. Xcel is also building a 600-megawatt power plant near Hudson. The price of natural gas has increased from an average of \$3 in 2002 to \$6.25 per cubic foot in June. The price of natural gas is expected to remain high through the coming winter.

Tourism and Gaming

Skier visits to Colorado ski resorts increased 4.3% to 11.6 million during the 2002-2003. Visits to destination resorts, which include Aspen and Steamboat, increased 2.6%. Front Range destination ski areas, which include Vail, Keystone, Copper Mountain, and Winter Park enjoyed a 4.4% increase. The largest increase occurred among the state's three resorts closest to the Front Range: Eldora, Loveland, and Ski Cooper. Visits to these resorts increased 14.2%.

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Gaming revenues increased 2.0% in May compared with May 2002, after three months of consecutive declines. Weather, war, and the economy were blamed for the recent declines and the relatively slow growth in May. Black Hawk casinos generated \$45.2 million, Cripple Creek casinos \$12.5 million, and Central City casinos \$4.2 million. Central City announced plans to build an 8.7-mile, four-lane road between the Hidden Valley exit of Interstate 70 and the south side of Central City. Central City recently sold \$42.5 million in bonds to finance the new road, which is expected to allow easier access to the gaming establishments in the

town. The road is expected to open in the fall of 2004.

According to the 2002 Longwoods tourism report, out-of-town visitors to Denver spent \$2.4 billion in 2002, 3% higher than in 2001. Meanwhile, 10.2 million people stayed the night, compared with 10.3 million in 2001. Of the 10.2 million that stayed the night, 8.1 million were leisure visitors and 2.1 million business travelers.

Manufacturing

Colorado's manufacturing industry could be on the rebound. The Front Range Purchasing Managers' Index showed that Colorado's manufacturing sector expanded for the third month in a row in June. The expansion was fueled by increases in production and new orders.

Metro-Denver

For the remainder of 2003, it will be difficult to discern employment trends in the metro-Denver area. The City and County of Broomfield was added to the metro-Denver MSA. The area was previously included in the Boulder-Longmont MSA. Data for 2002 has not been corrected for the changes. Based on information provided by the Colorado Department of Labor, employment in the newly-defined metro-Denver area increased 1.0% year-to-date through May, relative to employment in the previously-defined area.

“Aerospace firm Raytheon Co. announced plans to hire up to 200 systems engineers, software developers, and computer scientists...”

Aerospace firm Raytheon Co. announced plans to hire up to 200 systems engineers, software developers, and computer scientists in Aurora before the end of the year. The firm has already added approximately 200 people during the last twelve months.

Job losses were announced in several sectors. In the services sector, Sprint Corp. will close its Internet-site management operation and eliminate 500 jobs,

including some at another internet-related site in Aurora by the end of the year. Meanwhile, there were three announcements in the retail sector. Both citing costs, Safeway Inc. laid off 14 people at its administrative offices in Centennial, while the Tattered Cover Book Store laid off an additional 12 people in May after laying off 27 people earlier this year. Finally, retail-chain Paper Warehouse Inc. will close eight stores in Colorado after filing for bankruptcy. Some of the 60 employees affected by the closings may be hired at the company's seven remaining Colorado stores.

In the finance sector, Invesco Funds Group laid off 125 people in Denver on July 1 as a result of the transfer of the management of twenty funds to its sister company, Aim Investments. Invesco now employs 450 workers in Denver. Shoe manufacturer Tare7 laid off 41 people, including 37 people in Golden, in May. The firm will license the manufacturing and distribution of its brands to other companies. Finally, pharmaceutical company Allos Therapeutics Inc. laid off 32 people, or 30% of its workforce, in Westminster to cut costs.

“United Airlines announced that they will lay off 100 of its 170 airplane cleaners in Denver in late July.”

United Airlines announced that they will lay off 100 of its 170 airplane cleaners in Denver in late July. The company plans to hire contractors to do the same work at lower cost.

The Denver Newspaper Agency announced tentative plans to build a 275,000-square-foot, 10-story building on the corner of Broadway and Colfax Avenue in Denver. The firm plans to consolidate the headquarters of the *Denver Post* and the *Rocky Mountain News* in the new building.

Plans were announced for "The Delgany", a \$29 million, 44-unit luxury loft project at Delgany Street facing Cherry Creek in Denver. The units will range in size from 1,200 to 2,400 square feet and in price from \$475,000 to \$1 million. Construction will begin in September. A 256,000-square-foot, 291-unit apartment complex is planned at the intersection of Interstate 25 and Hampden Avenue. The project will

include 16,500 square feet of retail space and is expected to be completed in late 2005.

Two new industrial parks in Aurora are being planned. The first, a 160-acre industrial business park at Interstate 70 and East 470, will have between 2.2 million and 2.7 million square feet at build-out. Construction on the business park is expected to begin during the spring of 2004. The second, Airways Business Center, will be located nearby at Interstate 70 and Airport Boulevard. The 53-acre Airways Business Center could have up to 2.7 million square feet at build-out. Construction on the first two buildings, with a total of 425,000 square feet, is expected to be done in early 2004.

May Department Stores Co. laid off 1,500 people nationwide and 50 people in Colorado in late June. The 50 layoffs in Colorado occurred at three Lord & Taylor and 11 Foley's stores statewide. The firm cited costs as the reason for the layoffs.

Boulder Region

According to the U.S. Census Bureau, housing construction in the Boulder-Longmont MSA continues to contract. Total housing permits decreased 27.3% year-to-date through May, compared with the first five months of 2002. Single-family permits decreased 14.1%, while multi-family permits decreased 48.2%.

According to a recent study by the Federal Housing Enterprise Oversight, home values were 2.5% higher in the Boulder-Longmont area in March 2003 than in March 2002. The growth rate was among the slowest in the nation, with a rank of 202 out of 220 areas studied nationwide. Denver ranked 163rd with a 3.2% increase, while Grand Junction ranked 81st with a 6.4% increase. Home values nationwide increased 6.5%. According to the Boulder County Assessor's Office, the median price for a single-family home in Boulder County was \$299,950 in January and February, up from \$289,100 a year before.

Construction on "Summit Marketplace," a 79,400-square-foot retail development at the corner of U.S. 287 and Baseline Road in Lafayette, is expected to begin in September and be complete in April 2004.

The development will be anchored by a 65,000-square-foot King Soopers grocery store.

"...advanced technology manufacturer Samina-SCI laid off 99 people from its electronics plant in Fountain. "

El Paso County

El Paso County employment decreased 0.4% through May, compared with the first five months of 2002. Nonfarm employment declined 1.6% in 2002. The unemployment rate decreased from 6.3% in April to 5.7% in May, indicating that some workers may have become frustrated and dropped out of the labor force. Meanwhile, advanced technology manufacturer Samina-SCI laid off 99 people, or 9% of its work force, from its electronics plant in Fountain.

According to the U.S. Census Bureau, the number of residential building permits issued in the Colorado Springs area through May decreased 30.9% compared with the same period in 2002. The multi-family sector fared worse, with the number of multi-family permits issued decreasing 82.6%.

Southern Region

Employment in Pueblo County increased 1.0% through May, compared with the same time period in 2002. The unemployment rate decreased substantially from 6.9% in April to 6.0% in May.

The employment situation in Alamosa improved in May. Alamosa employment increased 1.7% year-to-date through May, compared with the first five months of 2002. Nonfarm employment in Alamosa had been declining through April. Meanwhile, the unemployment rate in Alamosa increased from 5.7% in April to 6.0% in May.

Northern Region

Employment in the Fort Collins-Loveland area increased 1.8% through May, compared with the same period in 2002. Meanwhile, the unemployment rate fell from 5.4% in April to 5.0% in May. Meanwhile,

Macaroni Grill will open a new restaurant in Fort Collins in July and hire between 120 and 130 people to staff it.

Employment increased 2.6% in Greeley through May, compared with the first five months last year. Greeley's unemployment rate dropped from 6.7% in April to 6.0% in May. Employment in Weld County has been extremely healthy compared with much of the rest of the state. Statewide, employment decreased 0.4% through May. According to the U.S. Census Bureau, Weld County was the second-fastest-growing county in Colorado and the 17th-fastest-growing county in the nation in 2002, with a 5.8% growth rate between July 1, 2001 and July 1, 2002.

Mountain Region

The City of Breckenridge announced a 20-year, \$300 to \$400 million redevelopment. The plan includes 501 single-family homes and 429 multi-family homes around Peaks 7 and 8, 15,000 square feet of retail and restaurant space, a 60,000-square-foot skier service center, a \$16 million gondola, and a \$4 million skiway from a run on Peak 8 to parking lots.

“Plans were announced to build a 300-unit affordable housing development in Fairplay.”

Plans were announced to build a 300-unit affordable housing development in Fairplay. The development will be made up of two- to six-unit buildings. Townhomes will sell for about \$107 per square foot. The developer hopes to sell to Summit County workers.

Western Region

Employment in Grand Junction has been very healthy relative to the rest of the state, increasing 3.7% through May, compared with the same period in 2002. Statewide, employment decreased 0.4% during the same period. The Montrose employment market has also been relatively healthy, with a 2.3% increase through May. The unemployment rates in Grand Junction and Montrose stood at 4.7% and 5.1% in May, compared with 5.8% statewide. Employment increased 1.4% in Durango through May,

with the unemployment rate at 4.3%, down from 4.6% in April.

“Employment in Grand Junction has been very healthy relative to the rest of the state...”

Citing costs, Valley-Wide Health Systems Inc. will lay off more than half of its staff at the Durango Primary Care Clinic this summer, including four doctors and more than 40 support staff. The non-profit estimates that 7,000 people will lose their primary care doctor. Meanwhile, the Valley View Manor nursing home will close down this summer in Craig, eliminating 50 positions and displacing its 39 elderly residents.

Steamworks Brewing Company will move its brewing operation from Durango to Bayfield and open a new restaurant. Bayfield is located in La Plata County near Durango. The new brewing facility will employ only 25 people, compared to 75 in Durango. Some of the displaced employees will be hired at the new restaurant.

Webb Crane closed its three facilities in Denver, Gypsum, and Grand Junction in late May, laying off 150 people statewide. Forty people were laid off in Grand Junction. Webb Crane supplied crane services and rented crane equipment to construction companies.

Eastern Plains

Employment growth in Sterling has been relatively healthy compared with much of the rest of the state. Employment increased 3.4% in Sterling through May, compared with the same period a year ago. Meanwhile, at 3.1%, the unemployment rate is the lowest in the state. A new Greenbacks/All a Dollar store opened in the High Plains Shopping Center in Sterling on May 15. The store will employ 26 full- and part-time people.

Employment in Lamar decreased 1.3% through May, compared with the same period in 2002. The unemployment rate was 4.4% in May, down from 4.7% in April.

Regional Overview Year-to-Date Growth Rates

	Alamosa	Boulder	Colorado Springs	Metro Denver	Durango	Fort Collins	Grand Junction	Greeley	Lamar	Montrose	Pueblo	Ski Counties (Eagle, Pitkin, and Summit)	Steamboat Springs	Sterling
Employment Growth ◆ (through May 2003)	+1.7	-13.8	-0.4	1.0	1.4	1.8	3.7	2.6	-1.3	2.3	1.0	-0.9	3.5	3.4
Unemployment Rate ◇◆ (not seasonally adjusted) (May 2003)	6.0	5.2	5.7	5.6	4.3	5.0	4.7	6.0	4.4	5.1	6.1	7.9	6.3	3.1
Retail Trade Sales Growth ▼△ (through April 2003)	1.1	0.0	0.2	-0.2	7.8	0.5	2.5	4.2	-5.2	3.1	1.2	-1.1	-1.0	-1.8
Growth in Value of Non-residential Construction* (through May 2003)	②	-23.0	11.5	-41.6	-84.1	-46.1	-44.3	182.1	①	-5.9	-4.5	-43.8	-68.6	③
Housing Permit Growth ° (through May 2003)	0.0	-27.3	-30.9	-22.4	45.5	-12.8	6.6	20.9	33.3	-5.6	-5.9	8.1	-57.1	0.0

◇ Actual level not growth rate.

◆ Colorado Department of Labor and Employment data. Boulder and metro Denver affected by the move of Broomfield to metro Denver.

* F.W. Dodge data.

° F.W. Dodge & U.S. Census Bureau

▼ Colorado Department of Revenue data.

△ Boulder retail trade excludes Broomfield while Metro Denver includes Broomfield.

① \$5.1 million was contracted through May, while nothing was contracted in 2002.

② Nothing was contracted through May, while \$3.3 million was contracted in 2002.

③ \$300,000 was contracted through May, while \$13.4 million was contracted in 2002.

Colorado Indicators Year-to-Date Growth Rates

Indicator	April 2003 Average	2002 Annual Average
Nonfarm Employment Growth ☒	-0.8%	1.9%
Unemployment Rate ☒ ‡ (seasonally adjusted)	6.0	5.7
Housing Permit Growth ~ Single family	-18.1	-12.2
Apartment	-8.8	-2.6
	-46.6	-31.4
Growth in Value of Nonresidential Construction §	-44.8	-20.9
Retail	-28.6	-8.3
Offices	-43.2	-43.8
Factories	-76.6	-77.3

☒ Colorado Department of Labor and Employment data.

‡ Actual level, not growth rate.

~ U.S. Census Bureau data.

§ F.W. Dodge data.

Note: An inflation rate is not calculated for the state. The Denver-Boulder-Greeley inflation rate is often used as a proxy for Colorado's inflation rate. The Denver-Boulder-Greeley inflation rate was 1.9% in 2002, compared with 4.7% in 2001.