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### **Denver Metro Area Loses 31,400 Jobs in a Year, but Jobs are Gaining Lately**

The Denver-Aurora-Broomfield area lost 31,400 private-sector jobs -- 3.08 percent of the total -- over the 12 months ending in April, according to an analysis of new federal jobs data. But that analysis also shows that private-sector jobs in the metro area have been on the rise in recent months. The analysis is by G. Scott Thomas, projects editor of the Denver Business Journal's sister paper, Business First of Buffalo, N.Y. The metro area had 988,600 private-sector jobs in April, versus 1,020,000 in April 2009, Thomas' analysis of U.S. Bureau of Labor Statistics data indicates. But the April metro-area total of 988,600 jobs is up from 980,400 in February. In terms of percentage of net jobs lost over the 12-month period ending in April, the metro area ranked 14th highest out of 100 large U.S. urban areas compared by Thomas. The figures for the Denver area cover Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson and Park counties. They do not include Boulder County. Colorado Springs lost 6,000 jobs over the 12-month period, a 3.01 percent loss. The greatest rate of job loss was in the Las Vegas area, at 4.71 percent, followed by Wichita, Kan. (4.69 percent) and Cape Coral-Fort Myers, Fla. (4.39 percent). Only two of the 100 metro areas in Thomas' report saw job gains over the year-long period: New Haven, Conn. (up 0.52 percent) and Honolulu (up 0.56 percent). The 31,400 lost Denver-Aurora-Broomfield-area private-sector jobs in the 12 months ending in April is a smaller year-over-year loss than in previous months, as the area has started to gain more private-sector jobs recently. For example, in the 12 months ending in January, the metro area lost 49,400 jobs, and in the year ending in August 2009, it lost 58,000 jobs, according to previous reports from Thomas. **(Denver Business Journal)**

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### **Goss Business Index for Colorado Slips in May, but Still Points to Growth**

A monthly index of expected business activity in Colorado fell in May, but the survey still indicated expectations of growth in the state for the eighth straight month, economist Ernie Goss said Tuesday in his latest Business Conditions Index report. But Goss said that while the results of his monthly survey of Colorado business supply managers are "clearly pointing to improving economic conditions in the state, I expect volatility in energy prices and drag from the construction industry to restrain growth in the state." Goss said Colorado has lost almost 150,000 jobs since the beginning of the recession. "It is going to take several years for the state to recover these lost jobs," he said in a statement. Goss is director of the Denver-based Goss Institute for Economic Research and director of Creighton University's Economic Forecasting Group. Goss' monthly business index for Colorado fell to 56.8 in May from 73.5 in April, which was the highest reading since the recession began. Still, Goss said the 56.8 reading was "healthy." The index ranges between 0 and 100. An index greater than 50 indicates expectations of an expanding economy over the next three to six months; 50 is "growth neutral." The index for Colorado stood at 57.0 in March, 58.8 in February, 56.2 in January, 62.8 in December 2009, 70.3 in November and 65.5 in October. Prior to October 2009, Colorado's index had been below 50 every month since September 2008 except for July 2009's 51.1 reading, according to Goss' data. Goss said that his Colorado index for May broke down this way (with indexes for recent months given):

- New orders: 39.6 (79.1 in April, 58.2 in March, 61.9 in February, 59.6 in January, 64.5 in December, 68.9 in November, 64.4 in October, 48.3 in September, 51.1 in August, 57.3 in July).
- Production/sales: 40.3 (80.6 in April, 61.2 in March, 62.6 in February, 57.9 in January, 58.9 in December, 65.7 in November, 56.1 in October, 49.2 in September, 50.7 in August, 56.3 in July).
- Delivery lead time: 76.8 (53.6 in April, 57.2 in March, 56.1 in February, 53.8 in January, 57.7 in December, 65.4 in November, 42.6 in October, 50.1 in September, 47.9 in August, 53.5 in July).
- Inventories: 63.6 (77.2 in April, 54.3 in March, 58.5 in February, 55.6 in January, 66.8 in December, 73.7 in November, 45.7 in October, 44.7 in September, 39.4 in August, 42.3 in July).
- Employment: 63.5 (77.1 in April, 54.2 in March, 54.9 in February, 55.7 in January, 66.3 in December, 77.7 in November, 45.9 in October, 51.3 in September, 46.5 in August, 46.2 in July).

Goss separately released a three-state composite index that covers Colorado, Utah and Wyoming. Across the three-state region, the Business Conditions Index stood at 57.9 in May, down slightly from 58.8 in April but still growth-positive. As in Colorado alone, it was the eighth straight month the tri-state reading was on positive ground. The three-state index was 56.6 in March, 58.6 in February, 55.6 in January, 59.1 in December, 55.4 in November, 51.6 in October, 48.5 in September, 47 in August, 51.5 in July, 41.4 in June and 38.9 in May. Goss said that as part of his May survey, supply managers in Colorado, Utah and Wyoming were asked how Europe's economic problems were affecting their firms. Almost 37 percent reported negative impacts from Europe's woes, while the remaining 63 percent indicated little or no impact so far. "The financial turmoil in Europe is a threat to the economic expansion underway," Goss said. "It has increased the value of the dollar, which has made U.S. manufactured goods and agricultural products less competitive abroad. The flight to the safety of U.S. Treasury bonds, if sustained, will have significant and negative impacts on agriculture income and economic prospects for industries with linkages to agriculture." **(Denver Business Journal)**

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### **Economy Adds 431K Jobs but Few in Private Sector**

Job creation by private companies grew at the slowest pace of the year in May, even while the hiring of temporary census workers drove overall payrolls up 431,000. The unemployment rate dipped to 9.7 percent as many people gave up searching for work. The Labor Department's new employment snapshot released Friday suggested that outside of the burst of hiring of temporary census workers by the federal government many private employers are wary of bulking up their work forces. That indicates the economic recovery may not bring relief fast enough for millions of Americans who are unemployed. Virtually all the job creation in May came from the hiring of 411,000 census workers. Such hiring peaked in May and will begin tailing off in June. By contrast, hiring by private employers, the backbone of the economy, slowed sharply. They added just 41,000 jobs, down from 218,000 in April and the fewest since January. "Although the economic outlook is improving, the recovery is still pretty tepid," said Paul Ashworth, senior U.S. economist at Capital Economics. President Barack Obama acknowledged that temporary census jobs drove the overall payroll gain. But he said private sector hiring is growing. He noted five straight months of job gains after devastating losses from the recession. He said the recovery

is still in its early stages, and that it will be uneven in the months ahead. "Things never go completely in a smooth line," Obama said during a speech Friday. "This report is a sign that our economy is getting stronger by the day." However, Wall Street took the report as a disappointing setback. Many investors had grown optimistic in recent days that the economy was gaining strength and that would be reflected in the May employment data. They hoped a strong U.S. jobs report would put aside some concerns that Europe's debt crisis could upset the U.S. recovery. The weak private-hiring data sent a reminder that economic obstacles at home and abroad remain. The Dow Jones industrial average tumbled about 180 points, or 1.8 percent, in midmorning trading. As stock prices sink, consumers may become more reluctant to spend more. And if consumer spending falters, employers could become even more reluctant to ramp up hiring. The unemployment rate, which is derived from a separate survey than the payroll figures, fell to 9.7 percent from 9.9 percent. The dip partly reflected 322,000 people leaving the labor force for a variety of reasons. All told, 15 million people were unemployed in May. Counting people who have given up looking for work and part-timers who would rather be working full time, the "underemployment" rate fell to 16.6 percent in May from 17.1 percent in April. That reflected fewer people forced into part-time work. Still, the high underemployment figure shows how difficult it is for jobseekers to find work. The number of people out of work six months or longer reached 6.76 million in May, a new high. They made up 46 percent of all unemployed people, also a record high. Employers across a range of industries last month added jobs at a slower pace—or cut them. Factories, professional and business services, leisure and hospitality companies, and education and health care firms all slowed hiring. Financial services, construction companies and retailers all pared jobs. Government, however, led the way in hiring, adding a whopping 390,000 positions last month. Job gains in April were the same as first reported, while payrolls in March were slightly less—208,000 versus 230,000. The prospect of persistently high unemployment is likely to prevent consumers from going on the kinds of shopping sprees they typically do during early phases of recoveries. That's a key reason why this recovery isn't as energetic as those usually seen in the past. Workers did see wages rise modestly last month. Nationwide, average hourly earnings rose to \$22.57, from \$22.50 in April. However, inflation was nibbling into paychecks. Over the past 12 months, wages rose 1.9 percent, while inflation was up 2.2 percent. The unemployment rate in October hit 10.1 percent, a 26-year high. Some analysts think it could go a bit higher and peak at 10.2 or 10.4 percent by June. However, that's lower than some forecasts earlier this year of 11 percent. About 125,000 new jobs are needed each month just to keep up with population growth and prevent the unemployment rate from rising. Hiring isn't expected to be consistently strong enough to quickly drive down the unemployment rate this year. Economists think the rate will remain above 9 percent by the November midterm elections. That could make Democratic and Republican incumbents in Congress vulnerable. Only 20 percent of Americans consider the economy in good condition, according to an Associated Press-GfK Poll conducted in mid-May. Chrysler LLC said and Ford Motor Co. last month announced plans to hire as auto sales have risen. But others are still laying off workers. Hewlett-Packard Co. said this week it is cutting 9,000 jobs in its technology services division. And chocolate-maker Hershey Co. may cut 600 jobs. **(Denver Post)**

	<b>CURRENT</b>	<b>1 MONTH PRIOR</b>	<b>1 YEAR PRIOR</b>
<b>FED FUNDS RATE</b>	.25	.25	.25
<b>3 MONTH LIBOR</b>	.54	.35	.63
<b>PRIME RATE</b>	3.25	3.25	3.25
<b>10 YEAR TREASURY</b>	3.20	3.55	3.71
<b>30 YEAR TREASURY</b>	4.13	4.39	4.58

