Colorado 2014 Midyear Economic Update

Sector Highlights

Richard Wobbekind

Colorado’s economy continues to outperform the nation’s in 2014. Advance statistics for 2013 GDP were released in June, and Colorado’s GDP grew by 3.8% in 2013—outpacing the nation’s 1.9%. Colorado also is recording faster growth in employment, personal income, and home prices, and Colorado business leaders remain more bullish about the state economy than the national economy according to the Leeds Business Confidence Index.

In December 2013, the Colorado Business Economic Outlook presented key economic indicators for each sector of the Colorado economy and forecasted that Colorado’s employment would increase by 61,300 jobs, or 2.6%, in 2014. Many of the committee chairs who developed those forecasts for the 2014 outlook met in mid-June to provide updates for their sector and discuss how forecasts made at the end of 2013 have played out in the first half of 2014. Accelerating growth in some sectors and some expected data revisions are leading to a revised forecast of about 68,000 jobs for the year.

The December forecasts predicted employment increases in every sector except Information, and those predictions have proven to be reasonably accurate as of mid-2014. The committee is confident that Colorado
From the Editor

The Colorado economy is reviewed midway through the year in this issue. The information presented is compiled from remarks made by Colorado Business Economic Outlook Estimating Group chairs or their representatives at a roundtable meeting held in mid-June. Industry sector summaries include comparisons of the current situation to the forecast presented last December. Key factors influencing recent economic trends are also noted.

We greatly appreciate the time and input from the individuals who participated in the meeting. A list of the contributors appears on page 7. I also wish to acknowledge the BRD research staff who collected data and conducted additional analysis for this issue.

Fiftieth Annual Colorado Forecast

2015 Colorado Business Economic Outlook Forum—Save the Date

It’s not too early to plan to attend the 2015 Colorado Business Economic Outlook Forum on December 8 at the Grand Hyatt Denver. Mark your calendar to attend this special event, and check www.colorado.edu/leeds/outlook for event updates.

We are interested in your suggestions for topics for upcoming issues. Please contact me at 303-492-1147.

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is poised for further growth in 2014. The following paragraphs present a brief look at industry sectors midway through 2014.

Data in the following sections are from the Colorado Department of Labor and Employment, Current Employment Statistics (CES). The May 2014 figures are seasonally adjusted except where noted.

Population and Employment

In 2013, Colorado was the fourth-fastest growing state in terms of population growth and ranked fifth in absolute change, climbing three places in the former and four places in the latter. Colorado was 22nd in the nation in total population overall. According to the State Demography Office, Colorado’s population reached roughly 5.3 million in 2013, an 85,000 net gain from 2012. Natural increase, or births minus deaths, was responsible for 36,500 persons while net migration contributed 48,500. Colorado’s top five-fastest growing counties in absolute terms in 2013 were Denver, Arapahoe, El Paso, Adams, and Larimer. In percentage change, the five-fastest growing counties were San Miguel, Custer, Eagle, Ouray, and La Plata. Only two counties in the state lost population in 2013. Some of these losses can be attributed to a decline in prison population. The slow recovery in the mountain counties, as well as deaths out weighing births in select rural counties, has also contributed to losses. Colorado’s population is expected to reach approximately 5.4 million in 2015.

Total covered employment in Colorado rose 2.9% in 2013 and expanded by 3%, or 70,500 jobs, year-over-year in May 2014. All of Colorado’s Metropolitan Statistical Areas (MSAs) experienced employment growth seasonally adjusted year-over-year in May, with the largest increases in Greeley (5.3%), Boulder (3.2%), and Denver-Aurora-Broomfield (2.8%). Colorado’s unemployment rate was 5.8% while the civilian labor force was 2.8 million, a 1.7% increase, in May 2014. Fourth quarter 2013 Quarterly Census of Employment and Wages (QCEW) results indicate Construction; Trade, Transportation, and Utilities; and Financial Activities will experience the greatest upward revisions to nonfarm payroll jobs, while Professional and Business Services; Leisure and Hospitality; Education and Health Services; and Manufacturing are expected to see the largest downward revisions.

Agriculture

As Colorado heads into the hot, dry summer months, the state’s drought condition is a dramatic improvement from a year ago. Topsoil moisture and subsoil moisture are generally adequate on about 50% of farm acres, which is a dramatic improvement from 2013 figures that fell below 23% for subsoil moisture. Pasture and range conditions indicate 39% of acres are in poor to very poor condition—an improvement compared to 2013. Winter wheat production in Colorado has improved from 2013’s drought-ridden output of 44.3 million bushels to a forecasted 84.2 million bushels in 2014. Dry conditions are also causing ranchers to hesitate to grow herds due to the lack of good pasture and high prices for hay. Cattle and calves inventory as of May 1

Source: Colorado Department of Local Affairs, State Demography Office.
was estimated at 960,000, even with last year’s inventory.

While marijuana growth is at the forefront of many headlines, another plant is taking Colorado by storm: tumbleweeds. Recent drought conditions have spurred the growth of this obnoxious weed and have forced several counties, including Pueblo and Crowley, to declare a “state of emergency.”

In February 2013 Japan expanded access to allow beef imports from animals 30 months of age and younger, and Hong Kong followed suit last month. Previously, access had been limited to beef from animals 20 months of age and younger. This change, which significantly increases the percentage of the beef produced in the United States that is now eligible for export to Japan and Hong Kong, is a positive measure for Colorado. Beef exports to Japan are expected to increase and year-to-date exports of fresh beef to that country from Colorado are already up about 7% over last year. The issue of Country of Origin Labeling, however, poses a problem for Colorado beef exporters and processing plants. Canada and Mexico assert that the mandated label is discriminatory in nature as consumers are skeptical about purchasing foreign beef products. Beef prices are expected to rise as the cost of labeling, sorting, and maintaining integrity of the identity of the source is substantially higher with the proposed Country of Origin Labeling. This added cost will be passed onto consumers, and large meat processors may stop sourcing large volumes of meat from Canada and Mexico to avoid the cost. Both countries are locked in a fierce dispute with the United States and are planning to implement carousel retaliation measures since the measure may be approved by the World Trade Organization later this summer. Any such retaliation would surely impact beef exports to these two major trading partners and hurt future trade relations.

Congress enacted a new farm bill in February 2014 that seeks to improve risk management tools while reducing direct payments. So far the bill, which will cost roughly $956 billion over the next decade, is a reflection of the changing American diet. Fruit growers, organic farmers, and hemp producers will have better access to funding as traditional commodity subsidies continue to decline.

Natural Resources and Mining

The Natural Resources and Mining (NRM) Supersector comprises establishments that mine naturally occurring mineral solids (e.g., coal); liquid minerals (e.g., crude petroleum), and gases (e.g., natural gas). This sector has been integral to the state’s post-recession recovery. NRM represents 1.4% of Colorado’s total employment. Oil and natural gas are currently the most significant products of this sector. Colorado’s concentration of NRM employment is 2.1 times the national concentration (this is referred to as the location quotient), and in 2013, the sector had the fastest-growing 1-year GDP of any sector in Colorado, as well as the highest 10-year growth.

The NRM Supersector continues to be a bright spot in Colorado’s economy and has exceeded the committee’s expectations in 2014. Employment was projected to increase to 31,100 but currently sits at 33,200. Despite a fire at Oxbow Mining’s Elk Creek Mine in Somerset that rendered the mine inoperable and resulted in a loss of 300 jobs, employment in the sector has grown about 10% year-over-year.

Colorado saw a record production of 64 million barrels of oil in 2013, contributing $6 billion to the
Issuances have been slightly fewer as of mid-2014. While natural gas and oil wells have continued to grow in production, coal has suffered a steep decline. Since Colorado’s Renewable Energy Standards demand that more electricity be renewably sourced over time and the Clean Air–Clean Jobs Act limits coal use, companies are hesitant to invest in coal energy and are allowing coal-sourced power purchase agreements to expire without renewal. Recent EPA mandates to reduce coal usage nationwide have made companies even more hesitant to invest in coal. Large companies like Xcel Energy have also had difficulty exporting coal to other nations, which further discourages coal mining.

The committee expects the industry to continue growing, especially as geopolitical turmoil in Iraq, Ukraine/Russia, and Libya contribute to skepticism regarding the stability of foreign oil sources.

**Construction**

The construction industry both constructs new buildings and engineering projects and subdivides land for building sites. Construction has three sectors: residential (e.g., houses, apartments), nonresidential (e.g., commercial, retail, medical), and nonbuilding (e.g., water treatment, highway work, infrastructure). Employment in the industry totals 135,500, and although employment has been increasing since early 2013, it still has not reached pre-recession levels. Employment in May 2014 was still 20.3% below the peak construction employment in 2007. Total annual wages for 2013 exceeded $175 million, an increase over 2012 and 2011.

The committee observes that construction activity is as strong as forecasted in December and still calls for a year in which residential work increases strongly and nonresidential and infrastructure volumes move up as well. The statistics released for the first five months, which show a decline in all areas, underestimate real activity in the forecast. Delays of permanent flood recovery spending, the CSU stadium, and the Gaylord Convention Center weigh on the forecast.

Demand is currently high for for-sale homes, yet inventory is low and homebuilders will find little new land development. Developers are cautious about developing new lots for residential and nonresidential because of the uncertainty regarding the future of the economy in general and concern about the effects of the Federal Reserve as it ends quantitative easing and raises interest rates. For now, supply continues to be driven in part by home price increases of 9–12%.

In the nonresidential sector, hospital construction is slowing down yet medical building
construction has ramped up. Industrial and commercial building are also performing well in 2014. Retail construction continues to lag as well, despite continued increasing demand and rent prices in metropolitan areas.

Colorado's nonbuilding sector has several major ongoing projects, including work on U.S. Highway 36, light rail to Denver International Airport (DIA), and several water treatment plants. More growth is expected in this sector as permanent rebuilding from the September 2013 floods takes place in late 2014 and early 2015. This construction has been delayed from its original time schedule, late 2013/early 2014, because the construction bids that local governments have received from construction companies exceed government budgets. The bids are high because there is a labor shortage of construction workers, and construction companies are engaged with other projects.

Construction employment has grown 8% year-over-year. However, this is still 2,500 jobs below the committee's estimates in December 2013. The labor shortage in this sector is contributing to higher construction costs. The committee expects this sector will experience more pronounced inflation than other sectors of Colorado's economy in the near future.

Manufacturing

Manufacturing is a broad category comprising all establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. Manufacturing employment is currently at 136,100 jobs in Colorado and is 2.8% higher year-over-year. Colorado's location quotient for Manufacturing employment is 0.64.

Manufacturing has grown faster than expected in the first half of 2014. Nondurables are increasing much more slowly than expected with the exception of beverages. Continued demand for craft beer and spirits have buoyed this segment of the sector. Durables manufacturing has grown more quickly than expected, helping to offset the slow growth of the nondurable sector. Computers and electronics have continued to decline in 2014, although this is partially due to the reclassification of some software companies from Manufacturing to Professional and Business Services.

The Manufacturing Supersector has exceeded committee expectations by 1,700 jobs, and the increase marks the third-consecutive year of employment gains following 10 straight years of losses. All subsectors of durables manufacturing grew with the exception of computer and electronics fabrication.

Trade, Transportation, and Utilities

Trade, Transportation, and Utilities (TTU) is one of the services-producing supersectors and consists of four subsectors: Wholesale Trade; Retail Trade; Transportation and Warehousing; and Utilities. It covers many services, including providing services incidental to the sale of merchandise, establishments engaged in retailing merchandise, industries providing transportation of passengers and cargo, warehousing and storage for goods, and establishments engaged in the provision of utility services. TTU added 9,800 jobs in 2013, a gain of 2.4% over 2012. Employment was 1.2% year-over-year in May.

The Wholesale Trade Sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing. The

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majority of the jobs in Wholesale are sales representatives (65%). This sector’s growth has slowed over the past 12 months despite posting 1.7% year-over-year job growth in May 2014.

Retail Trade grew 2.2% in 2013 and 2.9% in May. The future of retail sales employment is concerning due to the trend toward online shopping. Retail sales are on track with forecasts, with statewide retail sales up 3.2% and sales taxes up 8.2% for the month of February 2014 year-over-year.

The Transportation and Warehousing Sector declined by 2.7%, a decrease of 1,500 jobs year-over-year in May 2014. There is optimism, however, with future completion of the RTD FasTracks Program and the DIA Hotel and Transit Center.

The Utilities Sector of TTU has seen high demand from local warehouses for electricity, although prices have remained fairly stable. There is a continued trend in Utilities toward clean energy owing to new legislation. The EPA has set a 35% reduction in carbon intensity emissions by 2030, although Colorado’s energy providers appear to be far ahead of this goal.

Information

The Information Sector has grown extensively in Colorado in terms of output over the past decade, but growth slowed in 2013. Information GDP rose 0.9% in the state in 2013 and advanced 49% over the past 10 years. In 2012 (most recent data available at the sector level), data processing, internet publishing, and other information services climbed 15.8%; motion picture and sound recording increased 7.8%; publishing grew 5%; and even telecom and publishing rose 0.2% in terms of real GDP in the state.

However, this growth has not translated to additional employment. Annual Information employment peaked at 108,400 jobs in 2000, and except for two years in the mid-2000s, has been in decline. Total employment in 2013 was flat, at 69,800 jobs, or 36% below peak. In fact, 9 of the last 17 months have recorded job losses year-over-year. The 2014 declines are a result of a shrinking job market in publishing, which is down 1,100 jobs, or 5.4% year-over-year, in May. Software publishers continue to decrease as well, by 500 jobs, or 4.2% year-over-year. CenturyLink’s acquisition of Qwest continues to reduce the company’s employment footprint in Colorado, and print publishers are still shedding jobs. Nationally, employment in Information grew 0.9% in 2013 but fell 1.4% year-over-year in May.

Employment in the telecommunications industry in Colorado recorded its first net gain in three years in 2013, increasing by 200 jobs. Much of this gain is likely attributable to Level 3 Communications and TW Telecom as both companies continue to add activity in 2014. Broomfield’s Level 3 Communications acquired TW Telecom in June 2014, and it will be important to follow employment figures down the road as the acquisition is finalized. TW Telecom has between 1,000 and 1,500 workers in Colorado, and many work at its headquarters in Greenwood Village. Level 3 Communications has approximately 2,500 workers in the state.

Despite the success of many software publishers, the sector in Colorado has recorded net job losses in 2012 and 2013, tumbling 4.2% in 2013. The May 2014 year-over-year percent change posted a 4.2% decrease, indicating a continued downward trend. This is counter to the software industry nationally, which added jobs at a rate of 3.6% in 2013 and 2.2% year-over-year in April 2014.

Boulder’s Rally Software went public in 2013, garnering a higher-than-expected offering of $84 million yet has seen its stock price plummet over the last year.
Software publishing often attracts the largest share of VC funding in the state. In 2013, a Pricewaterhouse-Coopers MoneyTree report indicated that software received $414.8 million in VC investment, or 25% of total VC investment in Colorado.

Financial Activities

The Financial Activities Supersector includes establishments primarily engaged in financial transactions. It also includes establishments engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments that provide related services. Financial Activities Supersector employment grew 2.7% in 2013. As of May 2014, employment in the sector was nearly flat year-over-year.

Real Estate, Rental, and Leasing grew 1.4% year-over-year in May 2014, indicating growth in the housing industry. As more people reenter the housing market and construction grows cautiously, the available resale supply is decreasing, which leads to an increase in rents. As construction increases, however, this demand will be met by new units.

After the recession, many banks laid off large mortgage divisions. It was projected that 2014 would see many of those mortgage lending jobs added back; however, the recovery of these positions has not been as quick as was initially projected. Despite the slow growth in mortgage divisions, consumer lending has seen a steady increase in 2014.

The number of FDIC-insured institutions is down in the first quarter of 2014 compared with Q1 2013, yet total loans are up $272 billion as of March 2014 and domestic deposits are up 5.3%. In Colorado, net loans and leases are up 1.7% over last year, and assets are up 2.6% for the same period.

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In 2013, the stock market had one of the best performances since the 1990s. The S&P 500, Dow Jones, and NASDAQ ended the year with 26.4%, 23.6%, and 34.2% annual growth, respectively. While this growth is expected to slow in 2014, forecasts project mid to high single-digit annual returns.

Home prices in Colorado are up 7.6% over last year with a median sale price of $251,750. Growth in home prices is projected to slow in 2015, with estimates around 1.5%.

Professional and Business Services

A services-producing supersector, Professional and Business Services (PBS) consists of three subsectors: Professional, Scientific, and Technical Services; Management of Companies and Enterprises; and Administrative and Support and Waste Management and Remediation Services. The supersector expanded 4.5% in 2013 and added 17,500 jobs year-over-year in May 2014.

Professional, Scientific, and Technical Services (PST) accounted for 50% of total PBS employment in May. Within PST, it appears that growth in legal services has flattened, perhaps due to the increase in law firm mergers. The bright spot for PST is Architectural, Engineering, and Related Services; the subsector showed sustained growth through 2013 and continues to show promise in 2014, increasing 4.4% year-over-year in May 2014. This growth is attributed in particular to nonbuilding services, such as bridge and road design. Some of this growth, however, may be due to a temporary need for services to repair damages done by the recent floods and wildfires in Colorado.

PST is followed by Administrative and Support and Waste Management and Remediation Services, which accounted for 40% of total PBS employment. Specifically, Services to Buildings and Dwellings added 7,000 of the 15,100 jobs added so far this year as of May. This is likely a result of the increase in occupied units and thus more demand for services to buildings, as well as the increase in warehouse use due to growing operations. Growth is expected to continue in this category, but may level off when vacancy rates flatten.

The final subsector of PBS is Management of Companies and Enterprises, which added 300 jobs year-over-year in May 2014 and continues to show positive employment growth (0.9%) despite a slowing trend.

Education and Health Services

The Education and Health Care Services Supersector includes establishments that provide instruction and training by private schools and universities, and training centers, as well as establishments that provide health care and social assistance to individuals. This supersector did not suffer major employment losses in the recession; both the Health Care and Social Assistance Sector and the Education Sector have grown steadily since a slight four-month dip in 2009. In 2013, the annual average wage for this supersector was $84,760; this was 0.5% higher than the annual average wage in 2012. The location quotient of EHS in Colorado is 0.78, indicating that Colorado has a lower concentration of Education and Health Services jobs than the national average.

Health Care and Social Assistance makes up a majority of the Education and Health Services (EHS) Supersector and accounts for most of the growth within the supersector. Overall, EHS has grown slower than expected in May but is still up 4.1%...
year-over-year. This growth is despite an early-year decline in employment at hospitals and physician’s offices as a result of expectations that the Patient Protection and Affordable Care Act would lower reimbursement. Employment in these areas started growing again in March. The long-term economic impacts of the Affordable Care Act remain to be seen, but the health care exchange and pent-up demand for health care is credited for the 10% jump in national health care spending that added $43.3 billion in nationwide consumer spending.

Growth in the private education subsector has been flat in 2014. The University of Phoenix has continued to close brick-and-mortar locations in Colorado, and Corinthians College has closed two schools in the state at the request of the federal government. These closings caused a drop in employment that was barely offset by increases in other private education services. Employment in private educational services has seen 1.7% year-over-year growth in May 2014. This increase is significantly lower than public state and local education employment, which have grown 2% and 2.8% year-over-year, respectively.

Leisure and Hospitality

The Leisure and Hospitality Supersector covers the establishments that operate within the tourism, travel, and recreational industries.

Leisure and Hospitality employment levels in Colorado increased 3.6% in 2013 and has grown an additional 4.9% year-over-year in May 2014.

Similar trends can be seen in Denver’s leisure and hospitality industry, which experienced its best tourism year ever in 2013. The city saw a record-breaking number of visitors, visitor spending, and lodger’s tax collection. The increase in visitors came from a strong rise in marketable visitors, reaching 5.5 million, a 13% increase year-over-year in 2013, while business travel remained flat. Spending by overnight visitors hit a record high of roughly $4.1 billion in 2013, an increase of 12%. Visitors spent $1.2 billion on lodging, $1.2 billion on transportation, and $796 million on food and drink. This was the ninth-straight year Denver registered an increase in marketable visitors.

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DIA is the fifth-busiest airport in the nation. Three hub airlines and increased service from low-cost carriers have helped rank Denver as a destination that offers competitive airfare pricing. The recently added United Airlines nonstop service to Panama City is anticipated to boost tourism from South and Central American markets. Colorado will also be on the world stage once again with the fourth annual USA Pro Cycling Challenge in August. The legalization of recreational marijuana is still questionable as to whether it will help make Colorado more attractive to out-of-state tourists.

Park visits in Colorado reached 5.4 million in 2013, down 7.2% from 2012. Total adjusted gross proceeds at casinos increased 1% year-to-date through May 2014 over the same time in 2013 while hotels and other accommodation services generated $242 million in net taxable sales and $6.9 million in net sales taxes in 2013.

Colorado’s ski industry experienced a record-breaking year in 2013–14 with the help of an early start of the season and a late finish. The industry recorded 12.6 million skier visits—a 10% increase over 2012–13. Colorado Ski Country resorts had 7.1 million visitors while Vail Resorts—Beaver Creek, Breckenridge, Keystone, and Vail—saw 5.5 million.

Government

The Government Supersector includes employment of federal, state, and local government employees, including state university and school employees. The supersector employs 408,100 people in the state, making up approximately 17% of all Colorado jobs. Federal program consolidations and budget cuts have hurt federal employment in the sector, and despite rapid gains at both state and local levels, the supersector is still below pre-recession levels.

Even with losses at local and federal levels, the Government Supersector is outperforming the committee’s projections made in December. This is largely due to employment gains in state government.

Federal employment has continued the downward trend it has displayed in the past few years and currently sits approximately 1,500 jobs below the committee’s forecast. It is expected to continue losing jobs in 2014. The committee attributes the reduction to continued consolidation of government programs, as well as budget cuts.
State employment has exceeded its target; it is currently above projections and has grown 1.3% year-over-year. This is mostly caused by expansion of the state education subsector due to the University of Colorado’s acquisition of two hospitals, although general government employment has also grown. This subsector had year-over-year growth of 2% as of May 2014.

Local government employment is below estimate but has grown 2.3% year-over-year. No growth was recorded in the same period last year. Local government noneducation employment (not seasonally adjusted) has grown 1.4% year-over-year. Local education employment, however, has climbed by 2.8% year-over-year in May, which offsets the losses in noneducation employment. Local government has gained a total of 5,600 jobs year-over-year.

The June 2014 economic report by the Governor’s Office of State Planning and Budgeting (OSPB) revised the Colorado General Fund projections, projecting that the fund will grow by $500 million more than previously forecast in March. Since December 2011 OSPB has been revising its forecasts upward, and the current revision is a continuation of that positive trend.

Colorado home values have increased in 2014, which has led to an increase in assessed property values. This is a boon for the Colorado economy for two reasons: it is expected to help balance the housing market, which was previously drastically skewed toward sellers, by increasing the supply of homes for sale, and it has helped avert a crisis in property taxes.

The Government Committee underestimated employment growth in the supersector this year. Actual employment exceeds projections, and the committee believes it should maintain or grow this level during the remainder of 2014. The year-to-date job gains are strong, and increases in state and local governments should continue to outweigh the federal government job losses.

**International Trade**

As of April 2014, exports from the United States increased about 3% year-over-year. The top five export markets for the nation are (in order): Canada, Mexico, China, Japan, and Germany.

Colorado exports declined 4.3% year-over-year in April 2014. Trade with Canada, the state’s top export market, is down 5%. However, large growth has been seen in other Colorado trade markets. Exports to Mexico are up 26.2% in April. China continues to be Colorado’s third-largest export market, with a modest growth of 1.1% over 2013. Japan, the state’s fourth-largest export market, saw an increase of 7.5%. Exports to the Republic of Korea and Malaysia grew to fifth and sixth place, respectively, increasing 21% and 36%.

Electronic integrated circuits remains Colorado’s top export commodity, increasing 12.9%, to $173 million year-over-year in April. Medical, surgical, and dental devices, the state’s second-largest export commodity, grew 1.1%, to $148 million year-over-year. Export categories that have grown substantially over last year include prefabricated houses (778%) and motor cars and vehicles for transporting persons (144.3%).

Colorado’s top three import markets are Canada ($4 billion), China ($1.9 billion), and Mexico ($1.3 billion). Imports grew 1.3% in 2013, to just over $12 billion, with the top import commodity, crude oil, decreasing 14% year-over-year. The second and third-largest import commodities, automatic data processing machines and medicaments, increased 41% and 1.4%, respectively.

Several important factors will influence Colorado’s International Trade Sector in the second half of the year, including Europe’s continued contraction, emerging markets’ vulnerability to the eurozone debt crisis, and fiscal policy uncertainty in Washington, D.C. It is also important to note the growing concern over a potential economic slowdown and a massive real estate bubble in China that could create greater instability in the global economy. However, moving forward international trade in Colorado appears to remain a positive force that is helping drive the state’s continued economic recovery.

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Colorado Employment Change
May 2014 Year-Over-Year