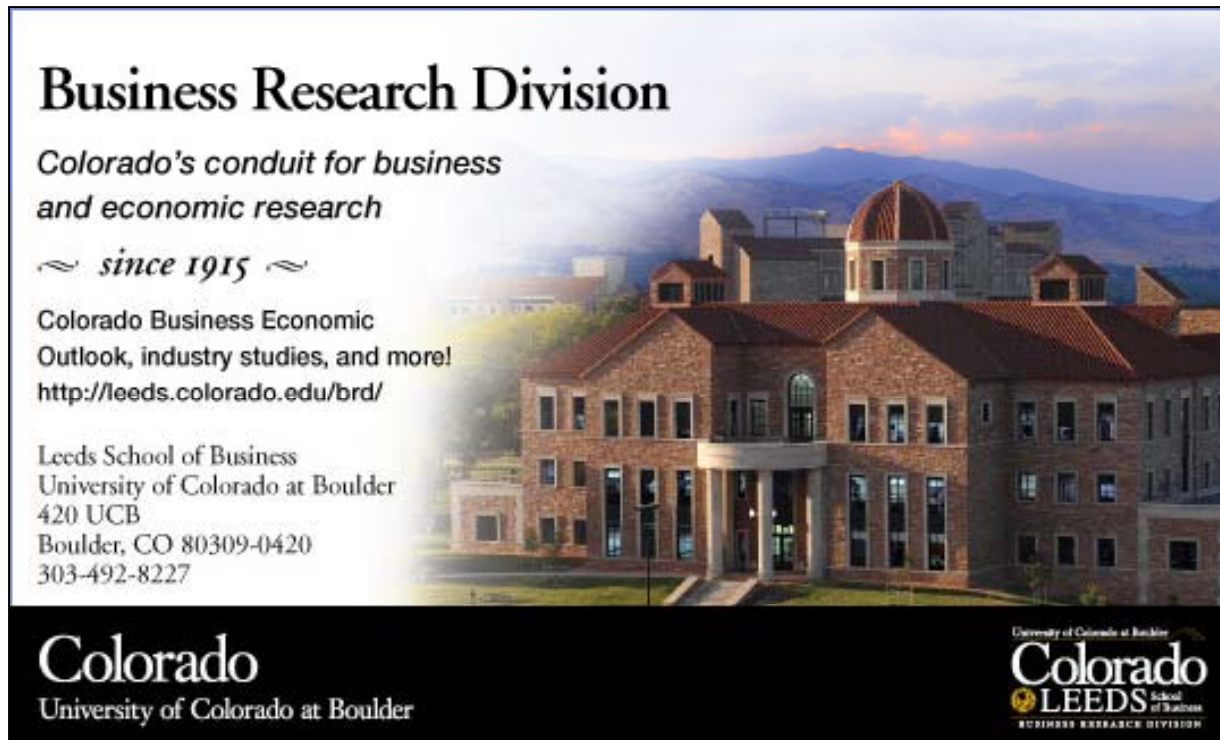


Progressive 15 Economic Outlook



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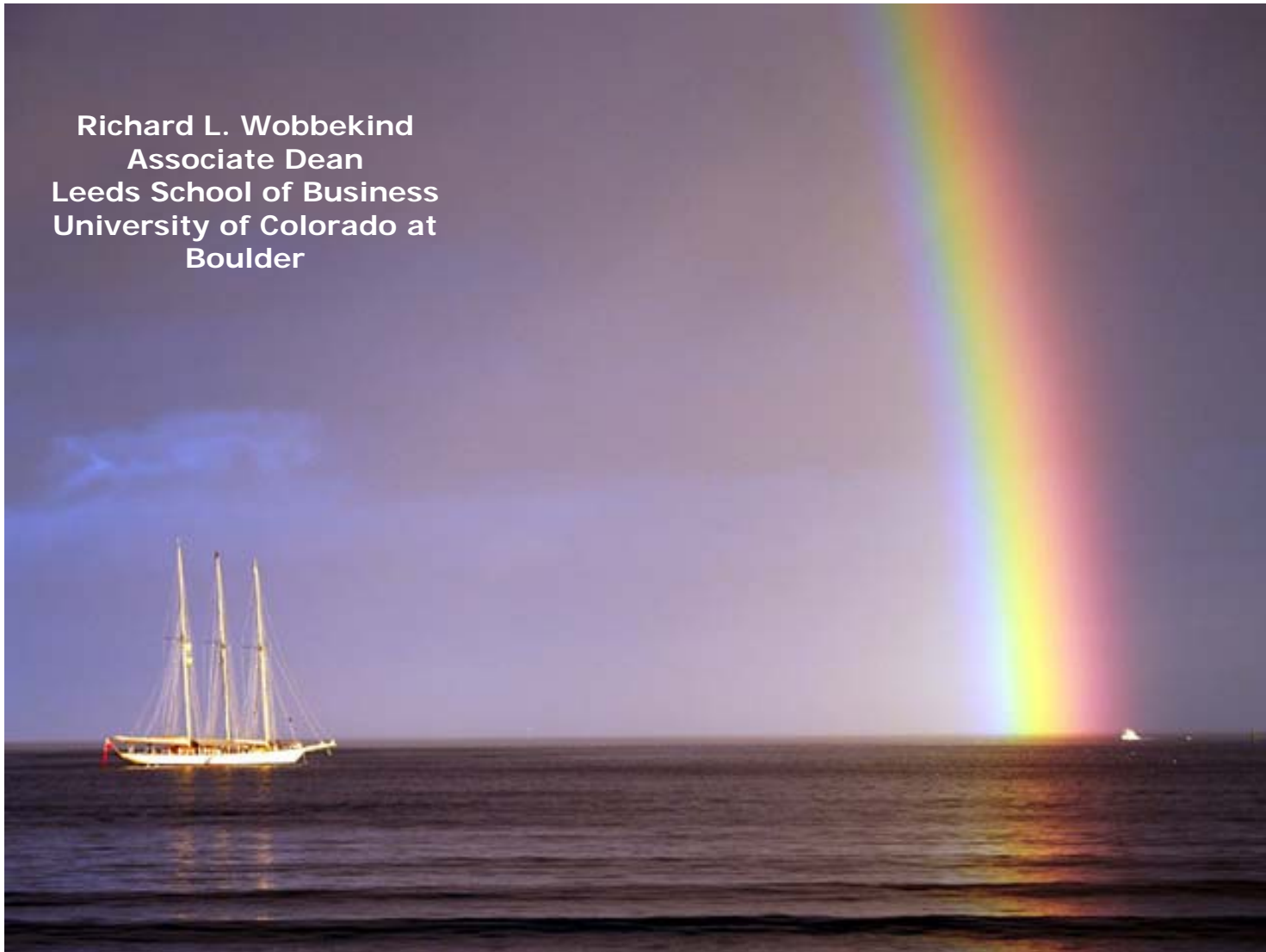
Colorado
University of Colorado at Boulder

University of Colorado at Boulder
Colorado
LEEDS School of Business
BUSINESS RESEARCH DIVISION

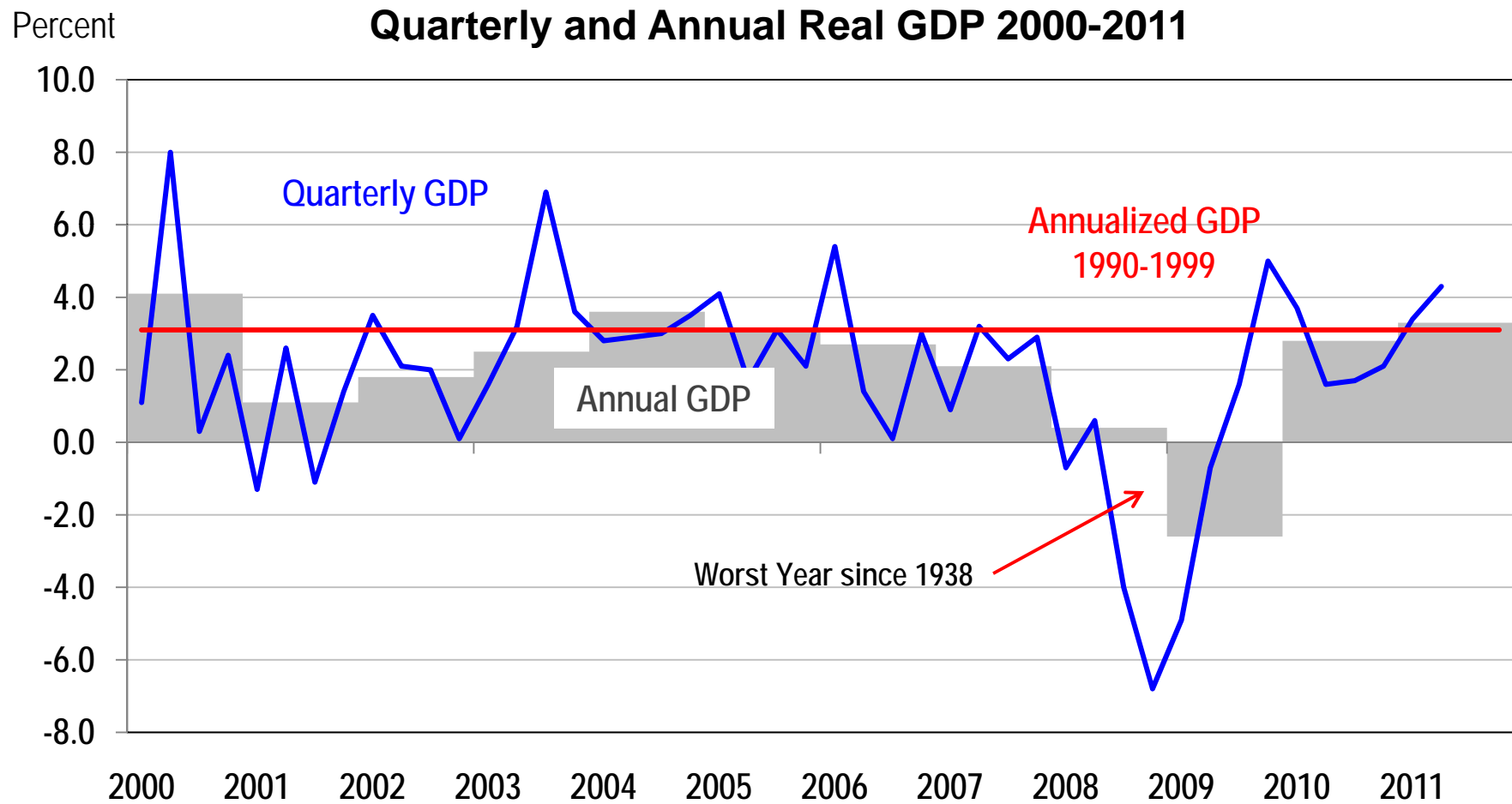
Richard L. Wobbekind
Associate Dean
Leeds School of Business
University of Colorado
at Boulder

Is the storm moving out? . . .

Richard L. Wobbekind
Associate Dean
Leeds School of Business
University of Colorado at
Boulder



Real GDP Growth

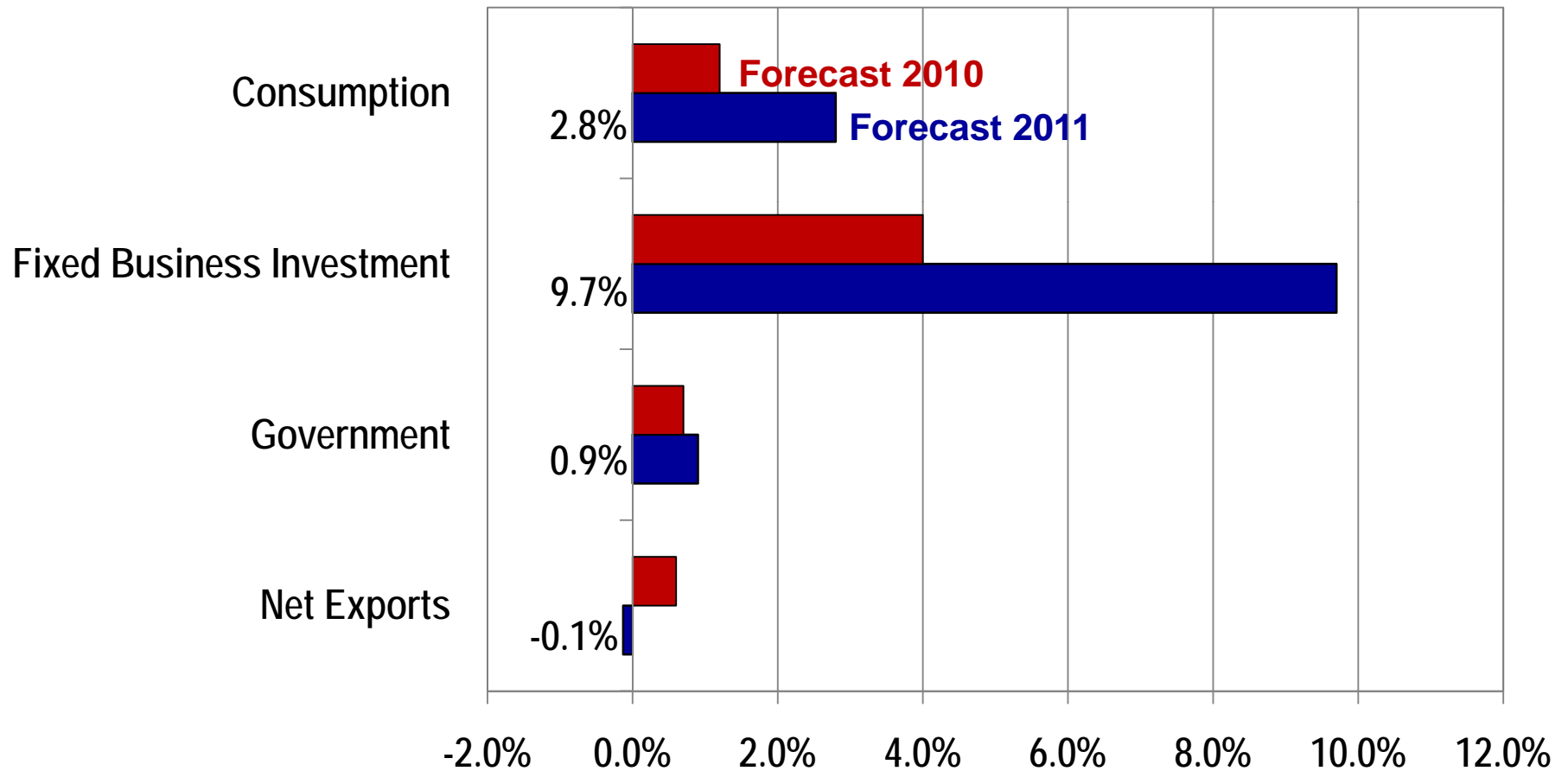


Sources: Bureau of Economic Analysis, Moodys.com.

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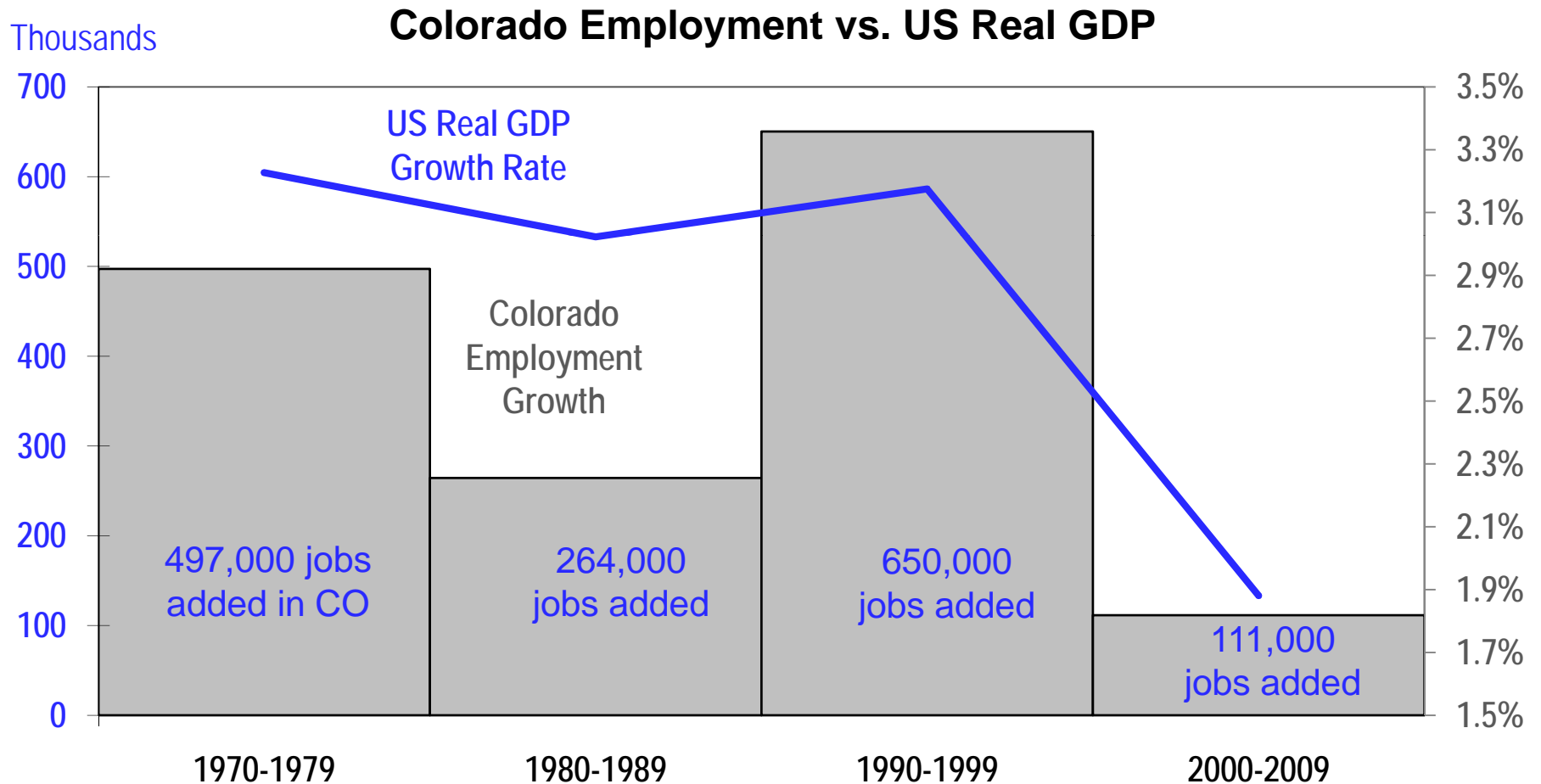
Real GDP Growth

Forecasts for 2010 and 2011



Source: Dismal and Consensus Forecast.

Real US GDP Growth Rate and Colorado Employment Growth Rate

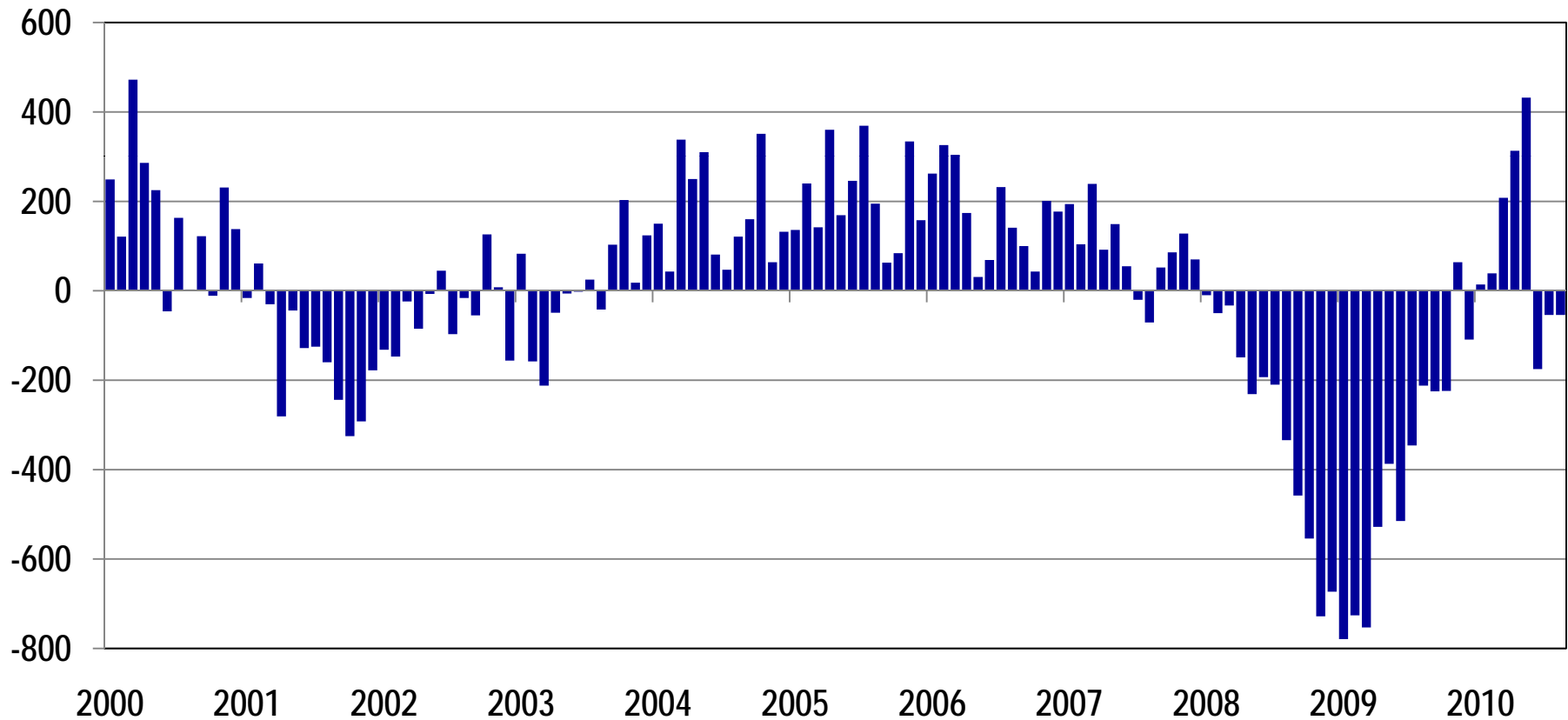


Sources: Bureau of Economic Analysis, Bureau of Labor Statistics.

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National Employment

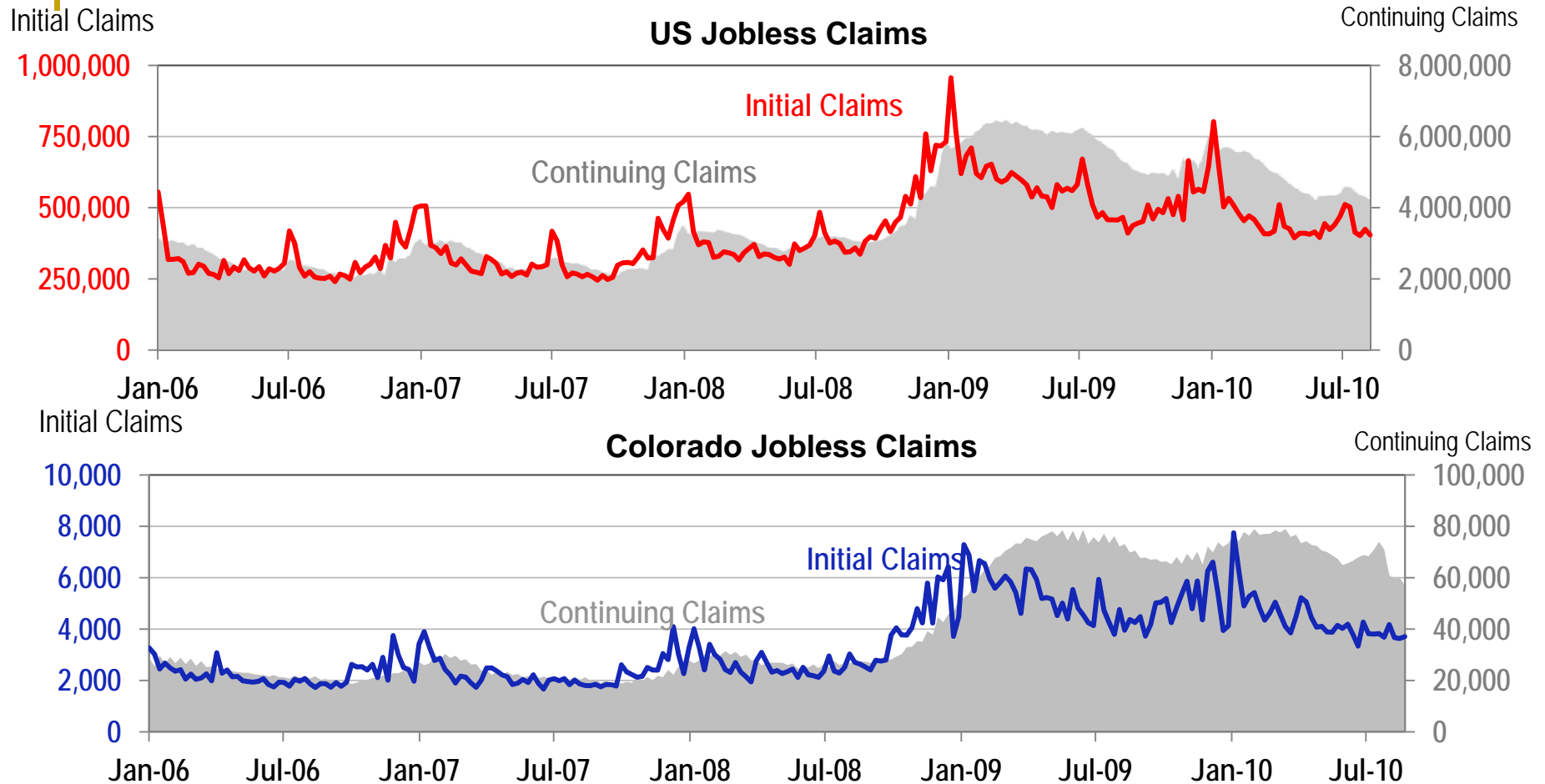
Thousands
Month-Over-Month



Sources: Bureau of Labor Statistics, Employment Situation, SA, Dismal Scientist.

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
















Jobless Claims: US vs. Colorado



Source: US Department of Labor, Employment and Training Administration, Not seasonally adjusted.

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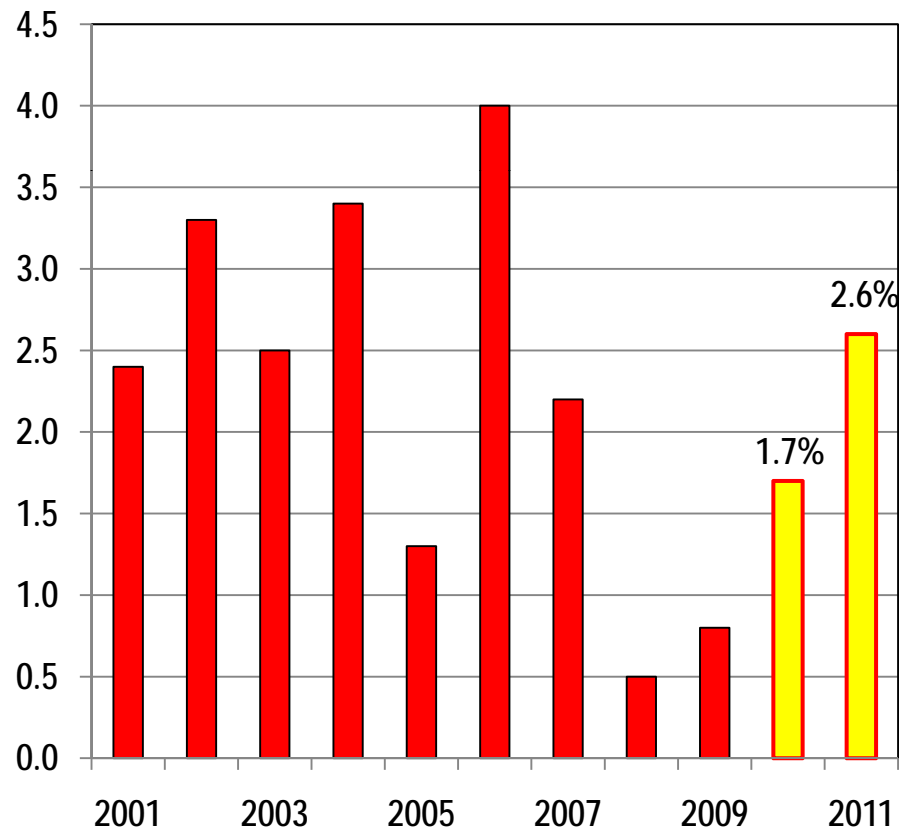
Where Are We in the Recovery Game?

Economic Scorecard									
	1	2	3	4	5	6	7	8	9
Elections Politics									
Collapse of Financial Markets									
Housing Slump									
Tight Credit Markets									
Confidence Crisis									
Overleveraged Consumer									
Commodity Prices									

U.S. Income & Consumption

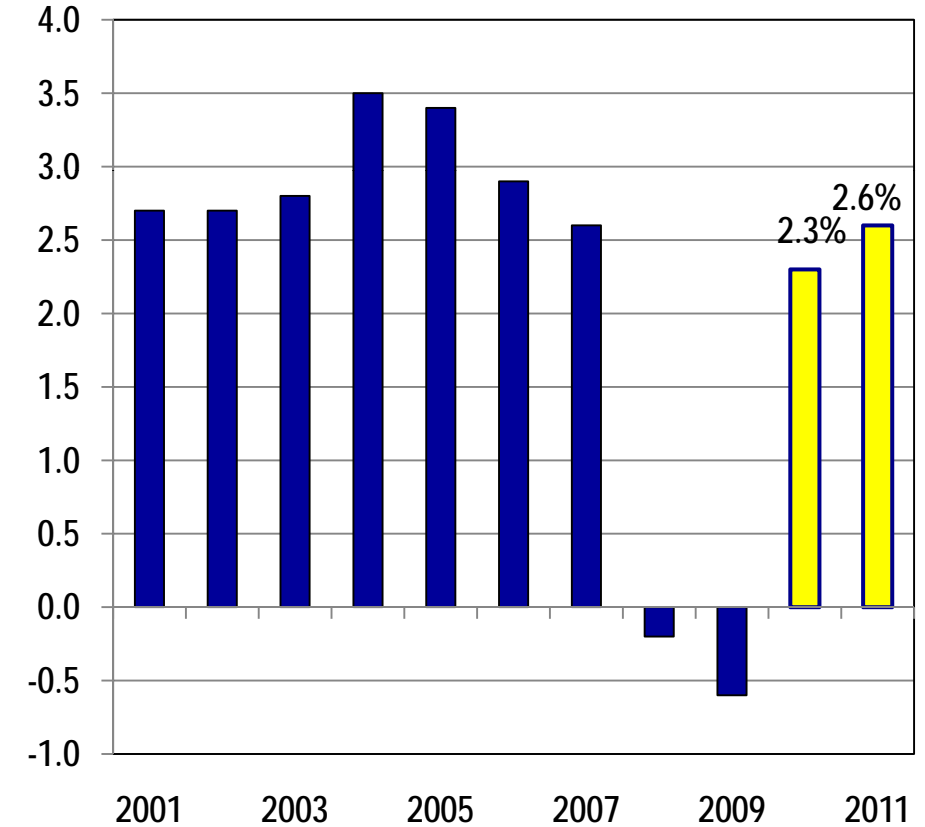
Percent Change

Disposable Income



Percent Change

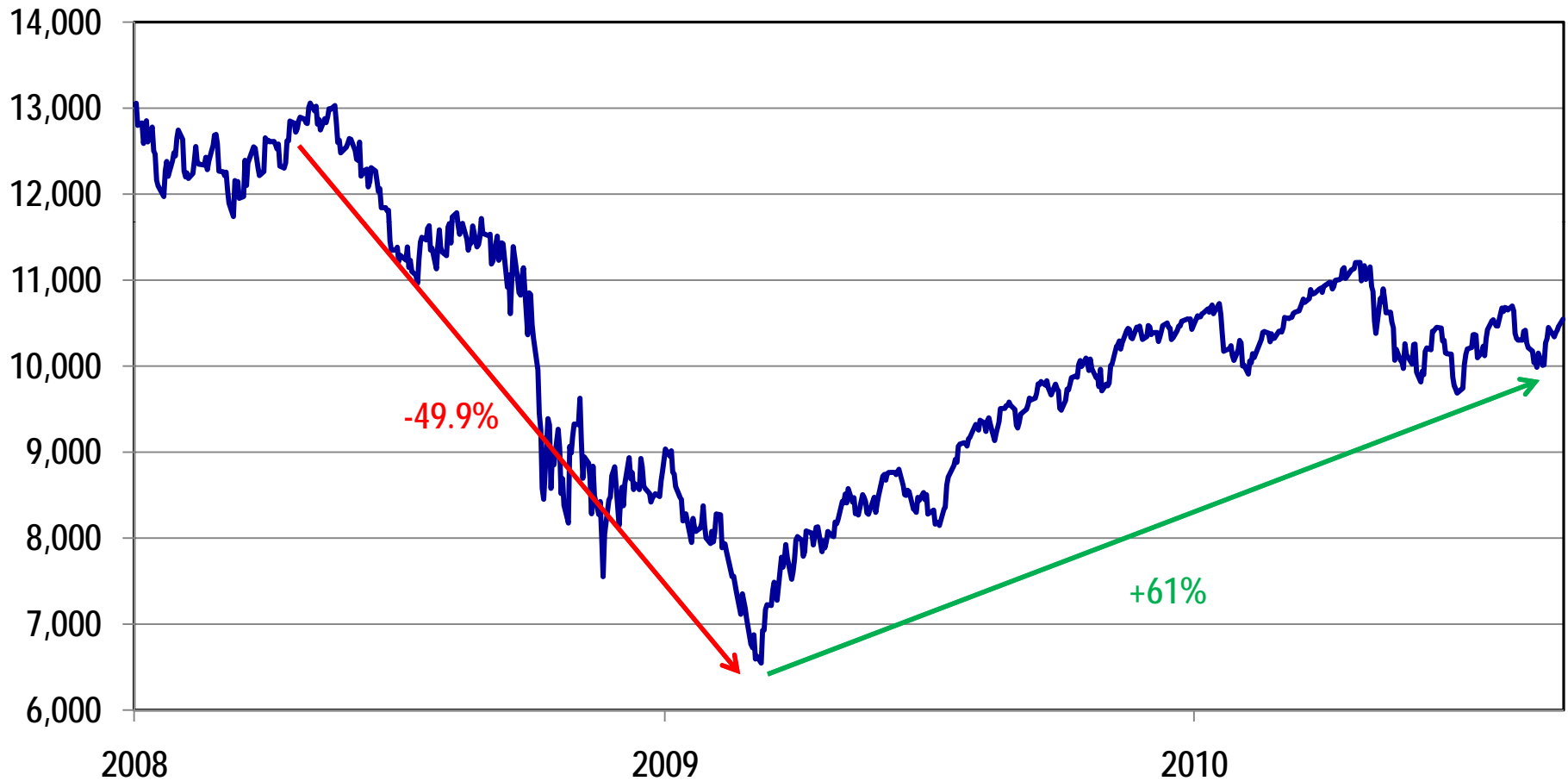
Personal Consumption



Sources: Bureau of Economic Analysis, Consensus Forecasts, Colorado Business Economic Outlook Committee.

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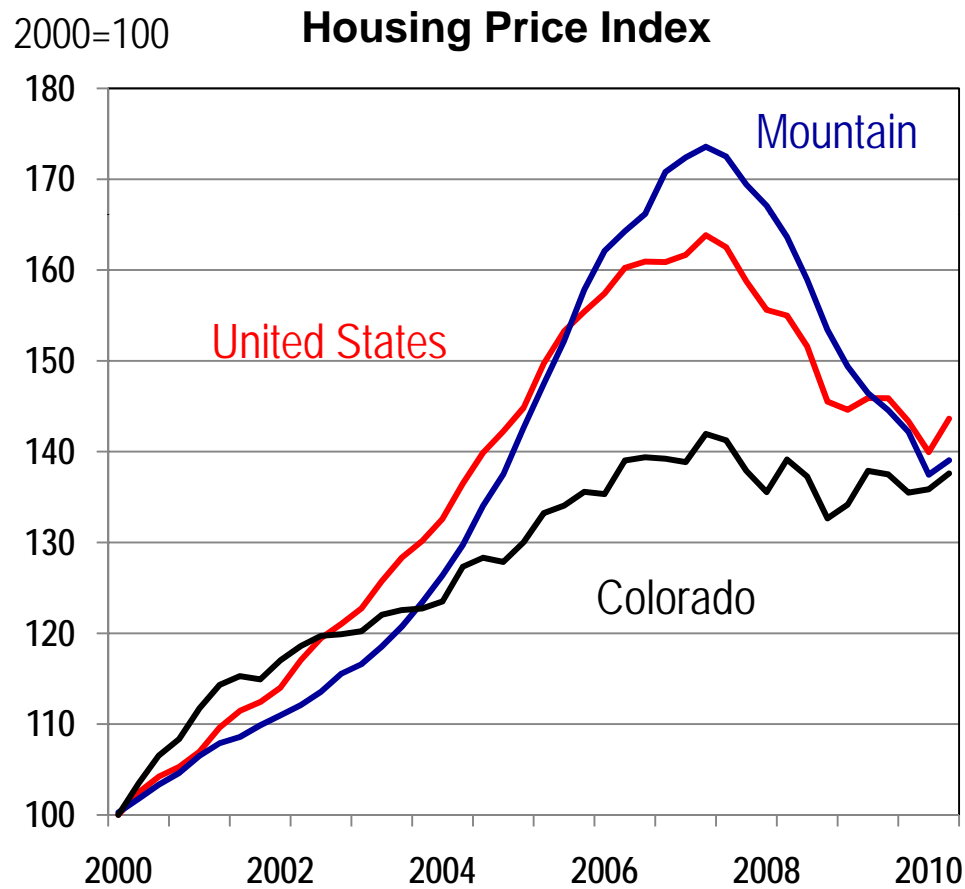
Dow Jones Industrial Average



Source: Bloomberg.

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Index of Housing Prices

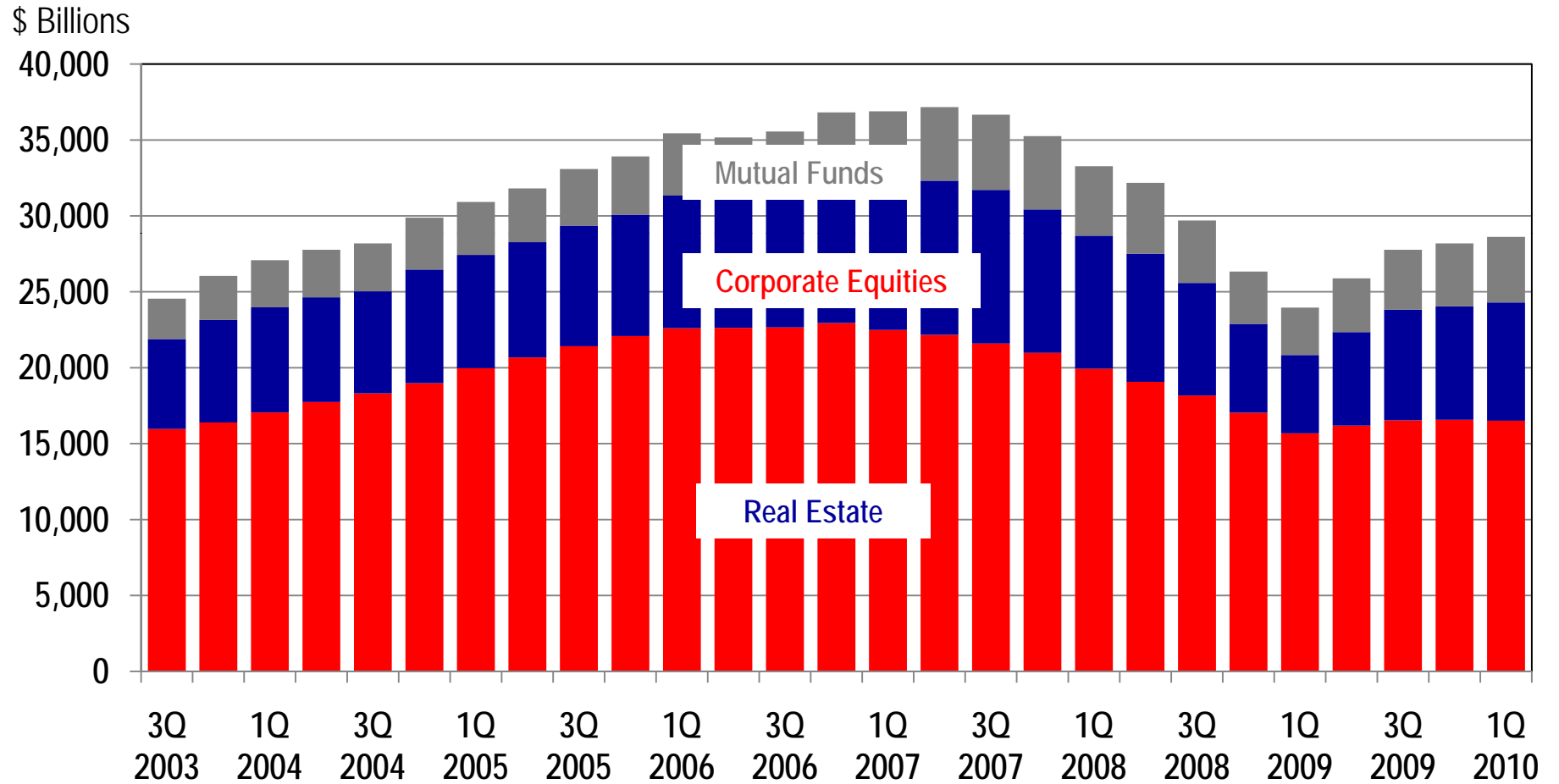


CAGR (2000-2010Q2)

1. Middle Atlantic 5.77%
2. New England 4.81%
3. Pacific 4.31%
4. South Atlantic 3.86%
5. West South Central 3.61%
6. *United States* 3.56%
7. **Mountain** **3.32%**
8. West North Central 3.04%
9. East South Central 2.78%
10. East North Central 1.40%

Source: Federal Housing Finance Agency (FHFA).

Household Wealth

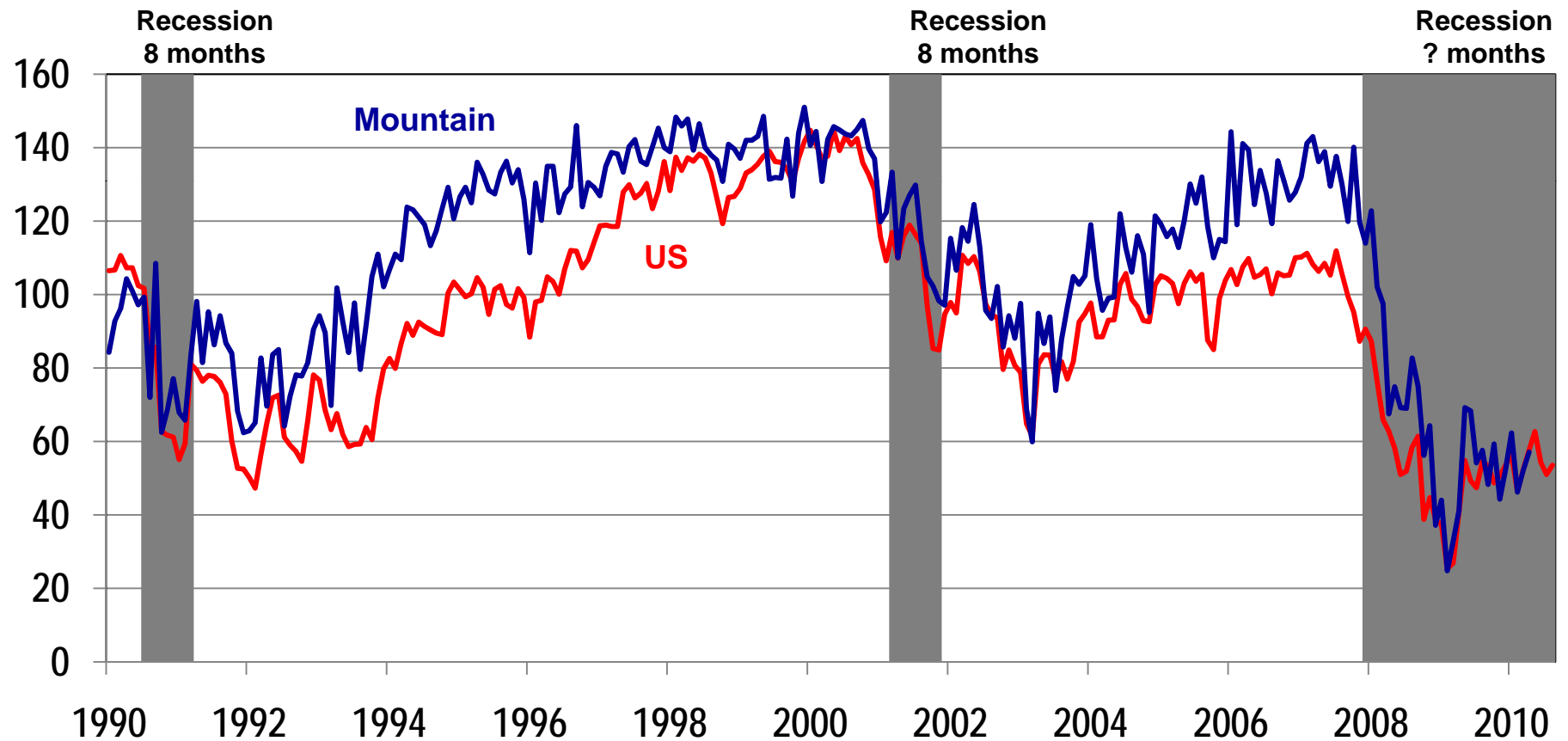


Sources: Federal Reserve Board, NSA Balance Sheet of Households and Nonprofit Organizations (B100).

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Index of Consumer Confidence

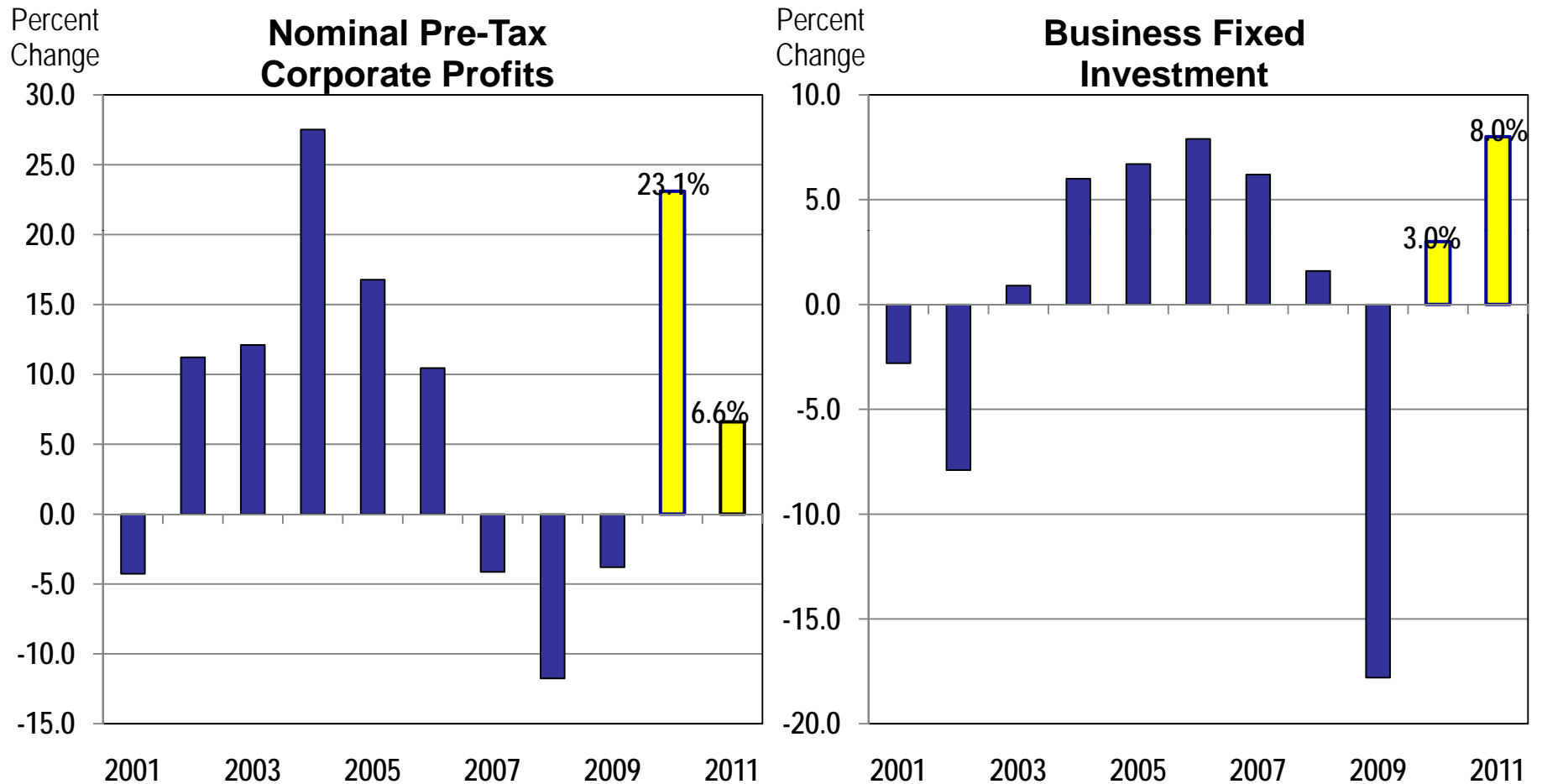
1985=100



Source: The Conference Board; National Bureau of Economic Research.

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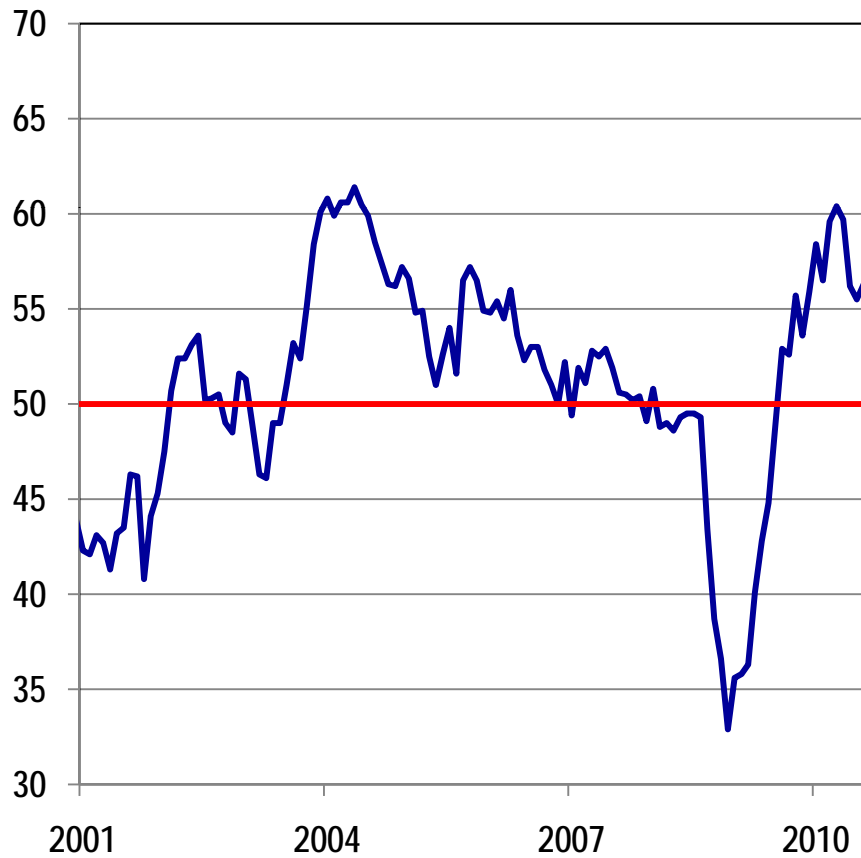
Nominal Corporate Profits and U.S. Business Fixed Investment



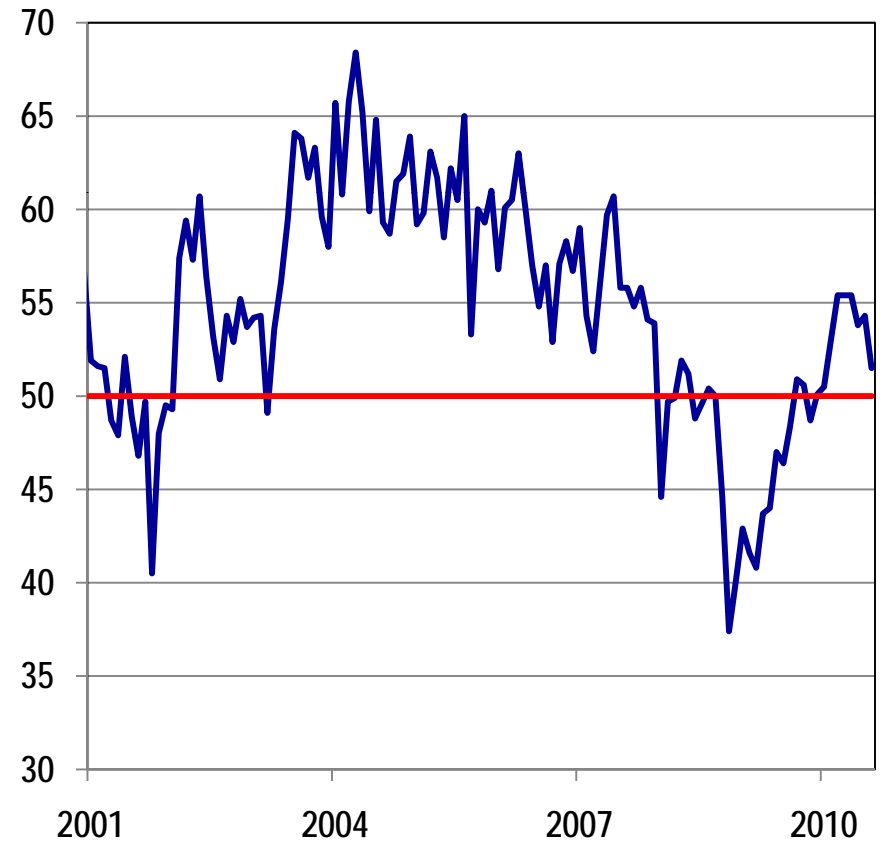
Sources: Bureau of Economic Analysis, Consensus Forecasts.

ISM Indices

ISM Manufacturing Index



ISM Non-Manufacturing Index

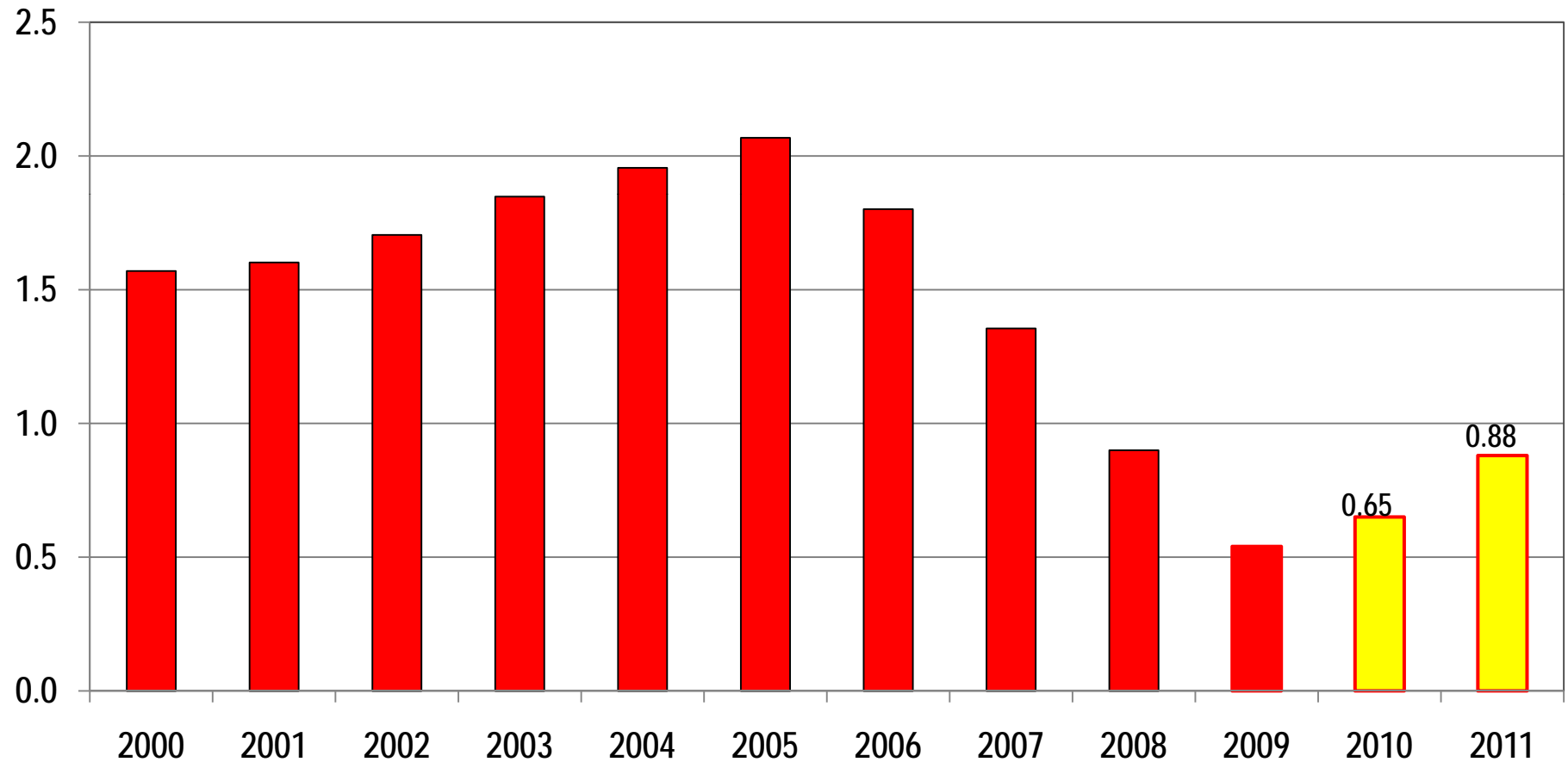


Source: Institute for Supply Management (ISM).

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Housing Starts

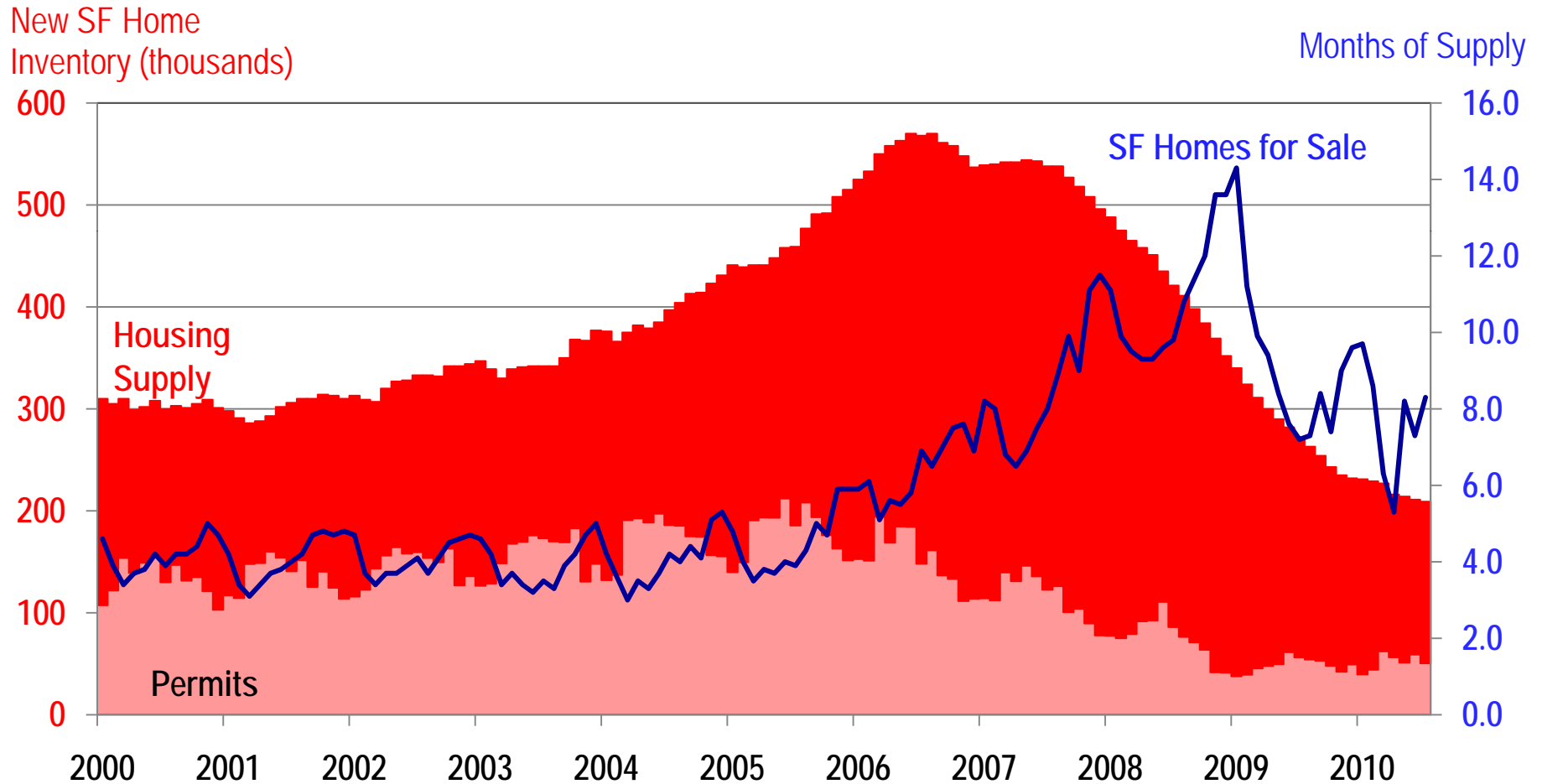
Millions



Sources: Census Bureau, Consensus Forecast, CO BEO Committee.

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U.S. Housing – Supply, Inventory, and Permits



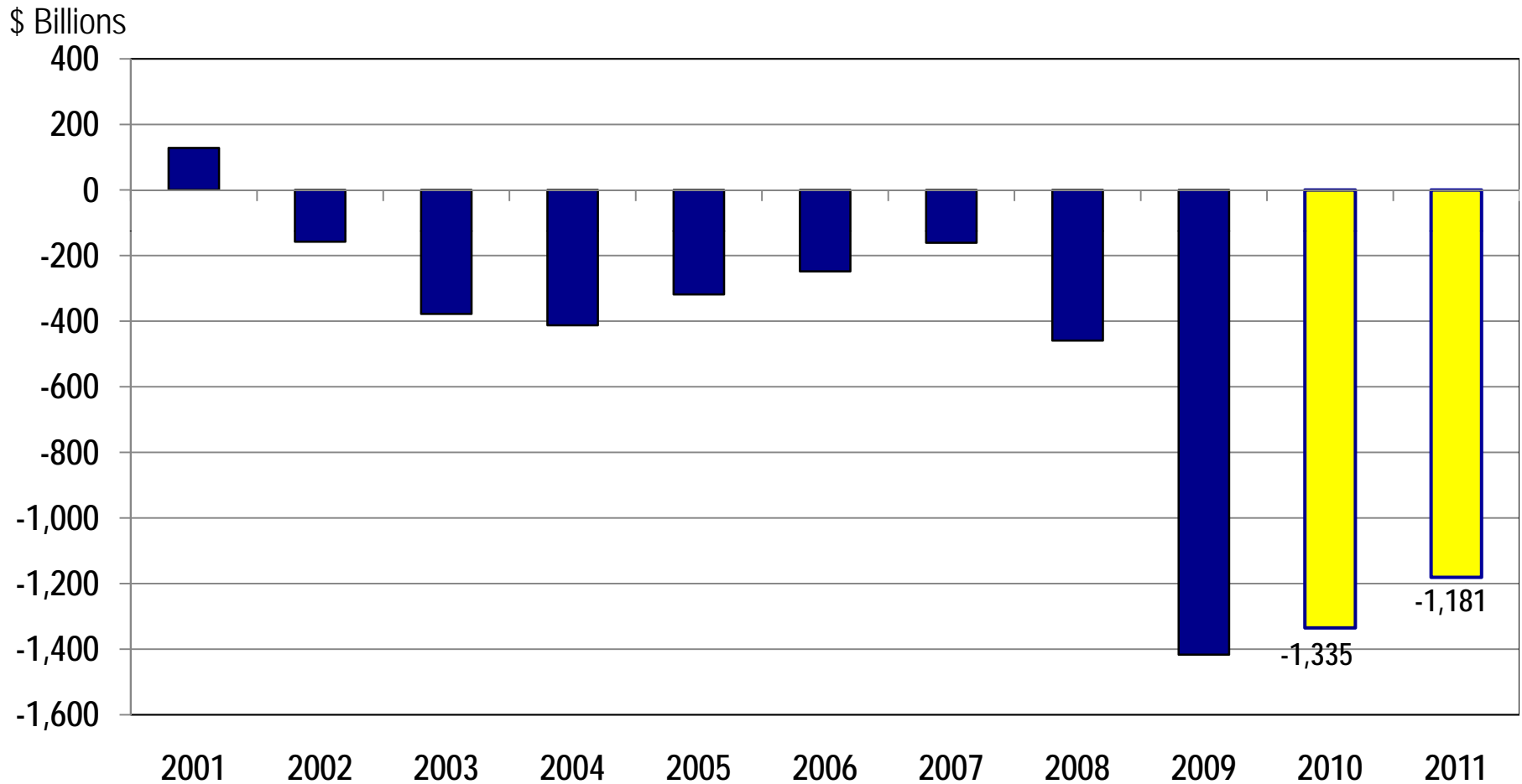
Source: New Houses Sold and For Sale, U.S. Census Bureau.

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Why is this Baby Laughing?



Federal Budget Balance



Sources: Bureau of Economic Analysis, NIPA Table 3.18B, Consensus Forecasts.

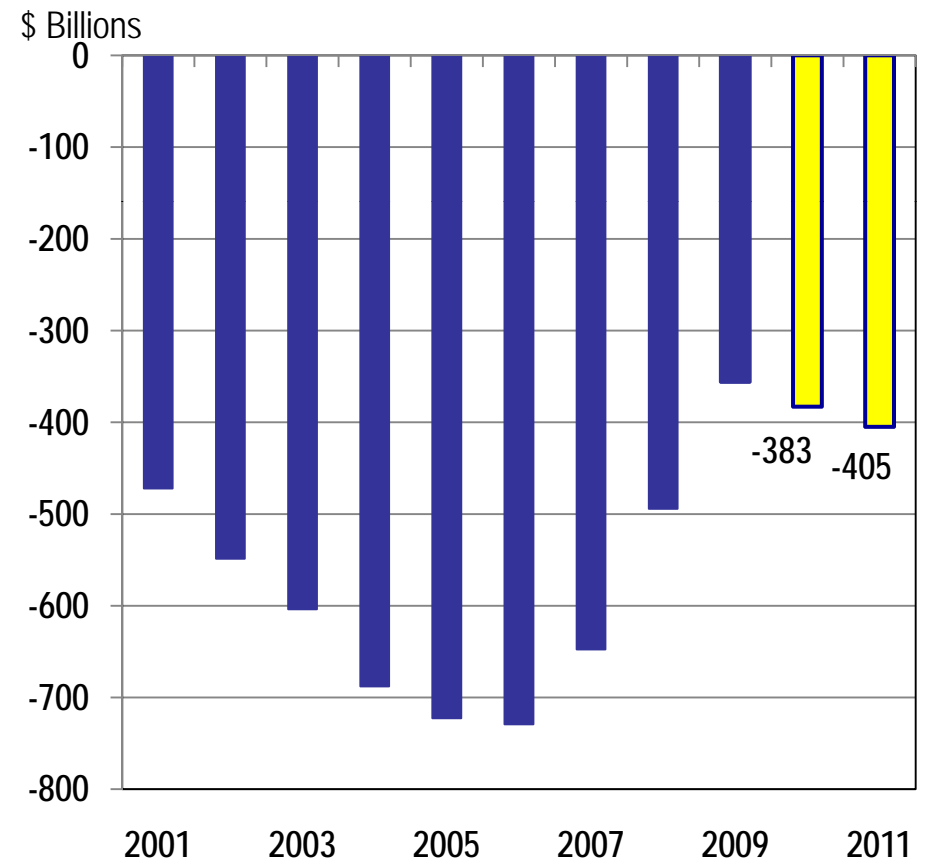
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U.S. Nominal Broad Dollar Index & Real Net Exports

U.S. Nominal Broad Dollar Index

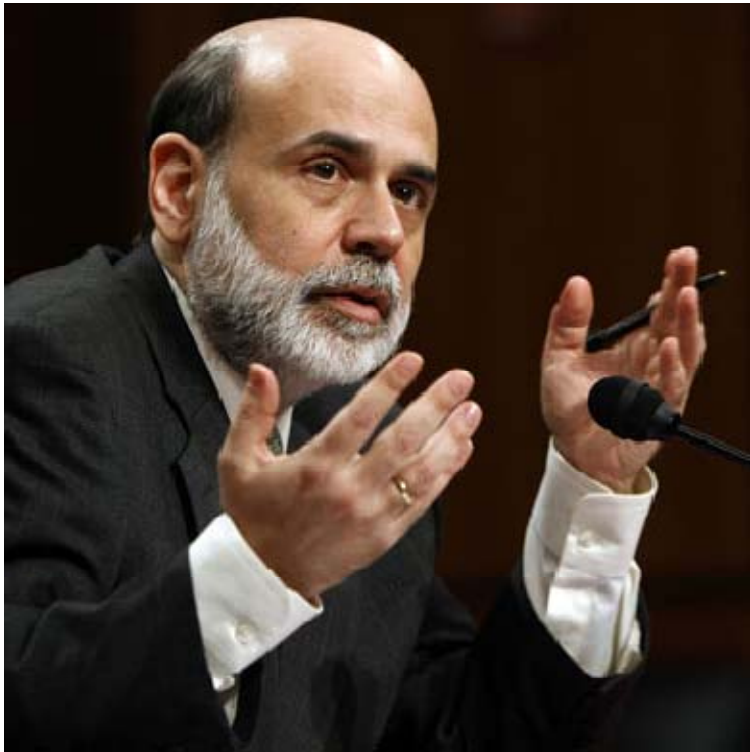


Real Net Exports

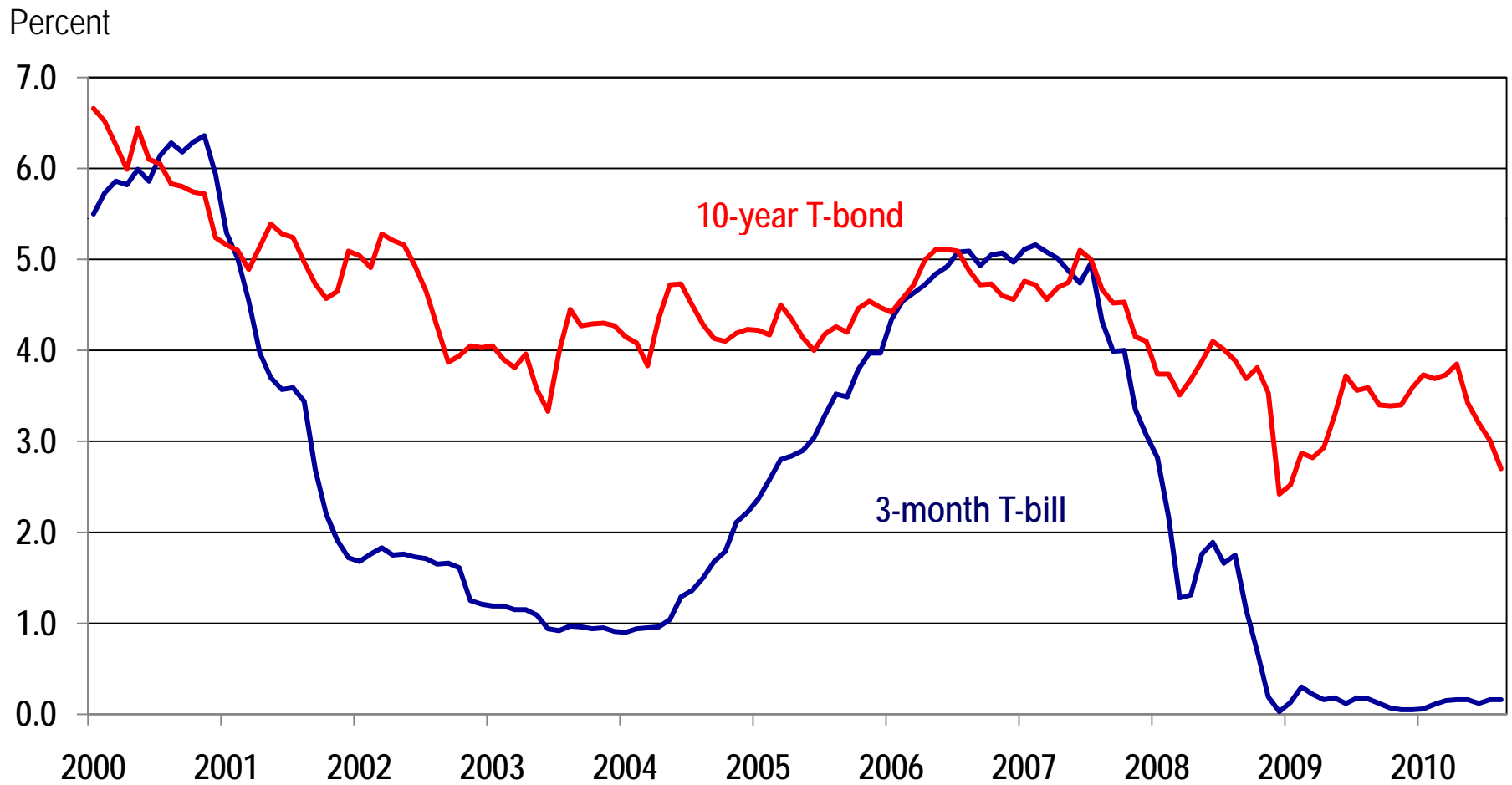


Sources: Federal Reserve, Bureau of Economic Analysis, Consensus Forecasts.

Money, Interest Rates & Prices



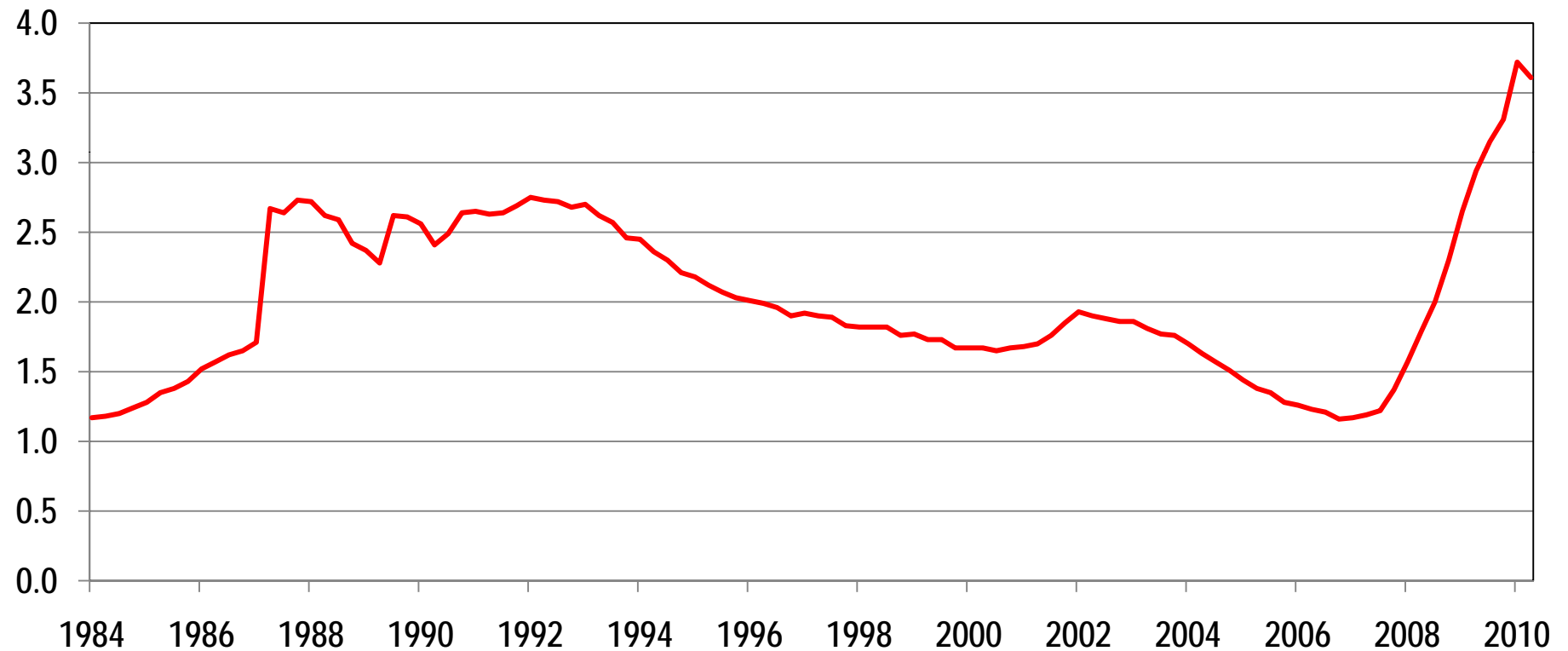
Interest Rates



Loan Loss Reserve / Total Loans

All U.S. Banks

Annualized
Percentage Change

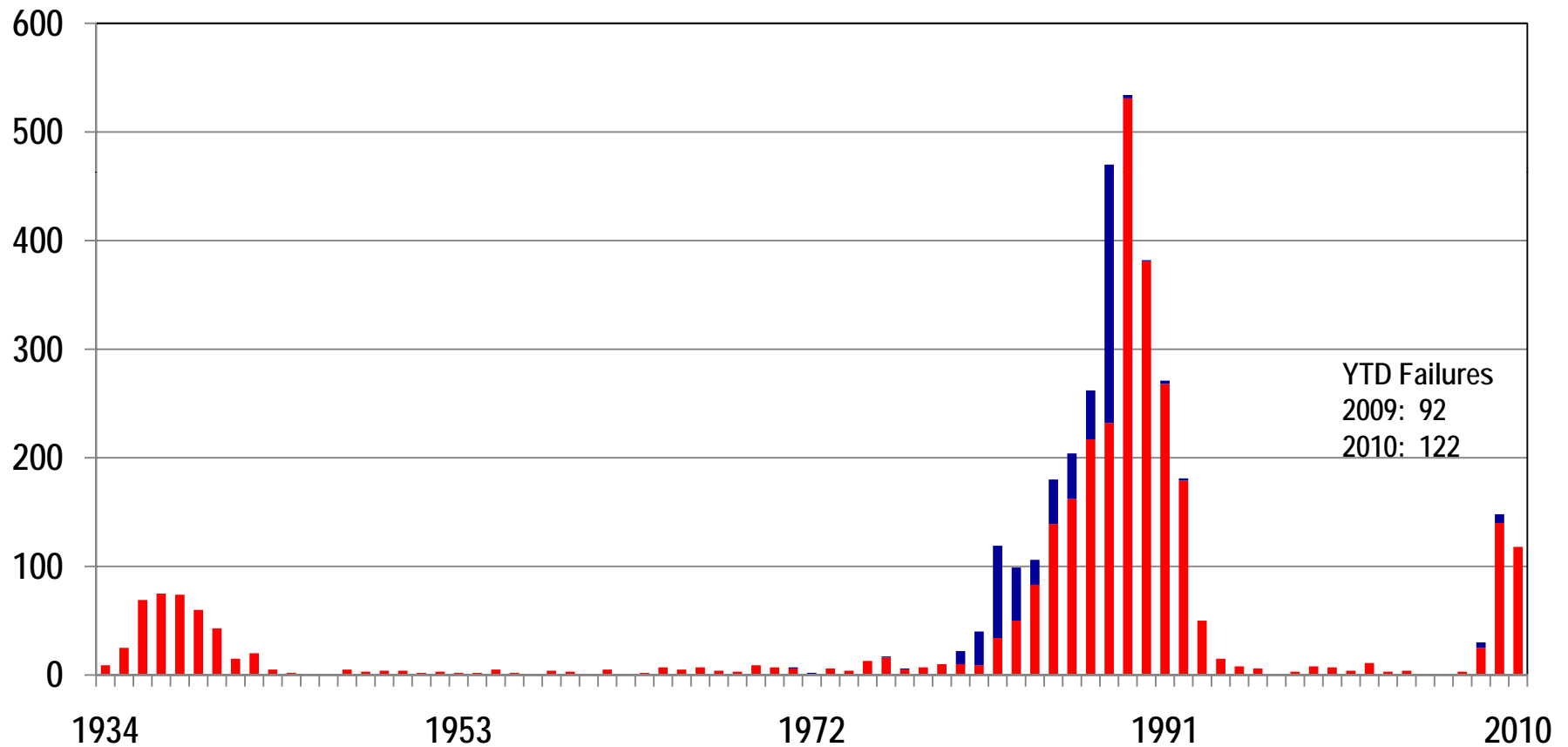


Source: Federal Reserve Bank of St. Louis.

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Bank Failures and Assistance 1934-2010

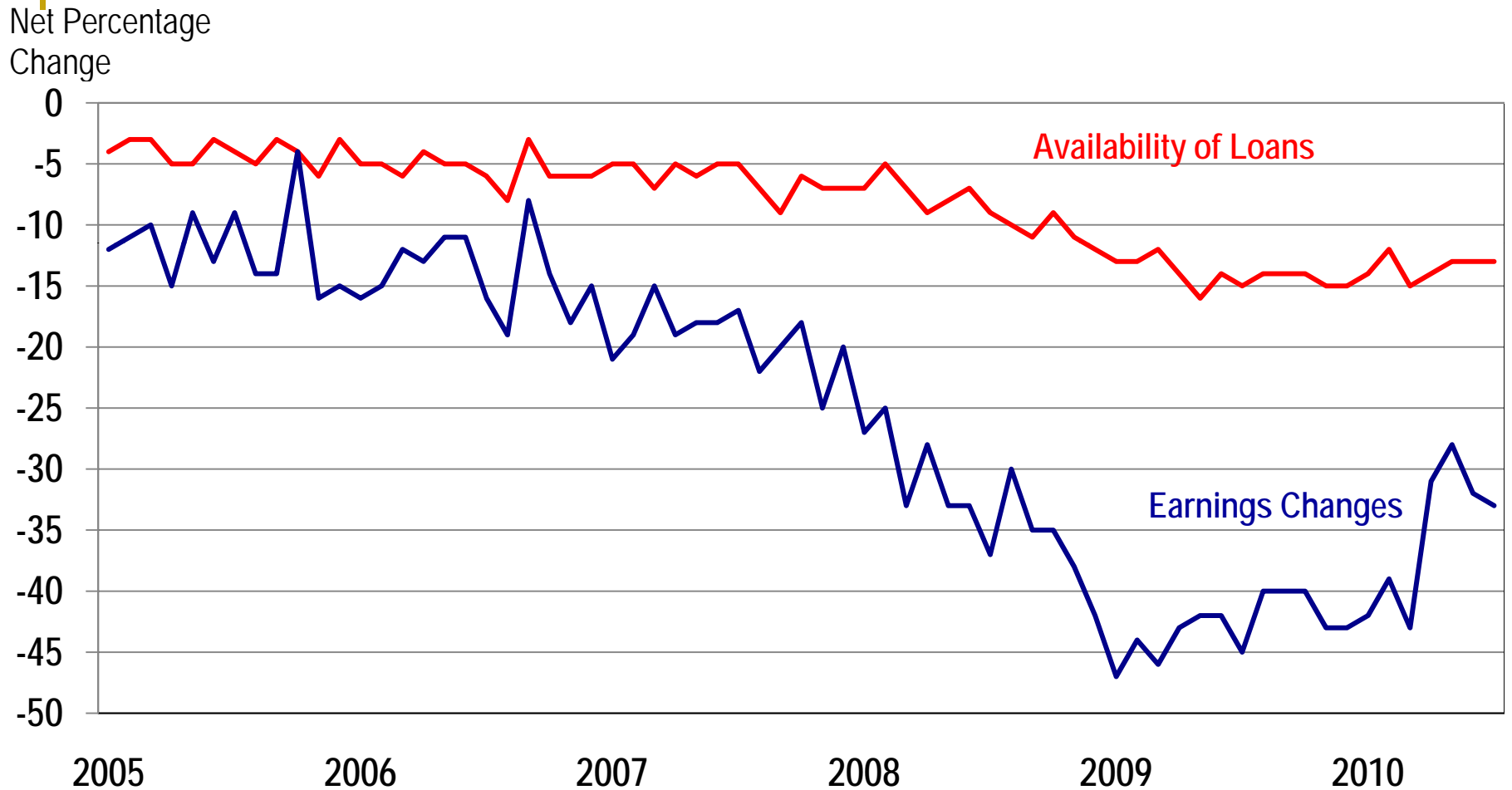
Number of Banks



Source: FDIC.

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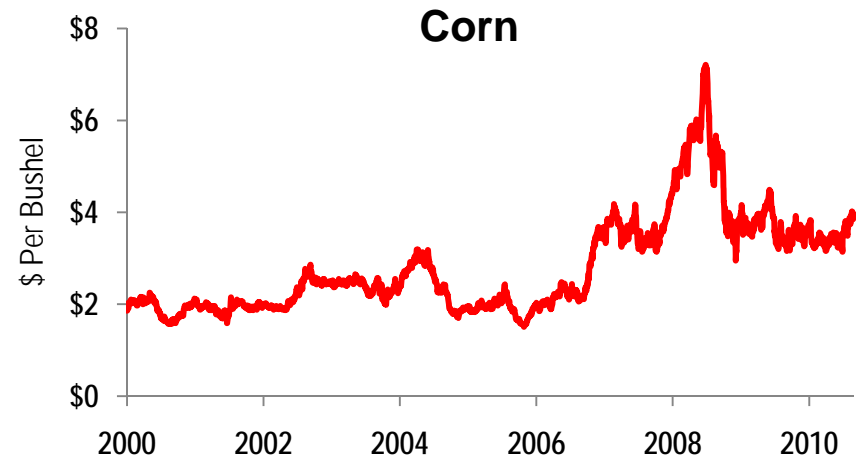
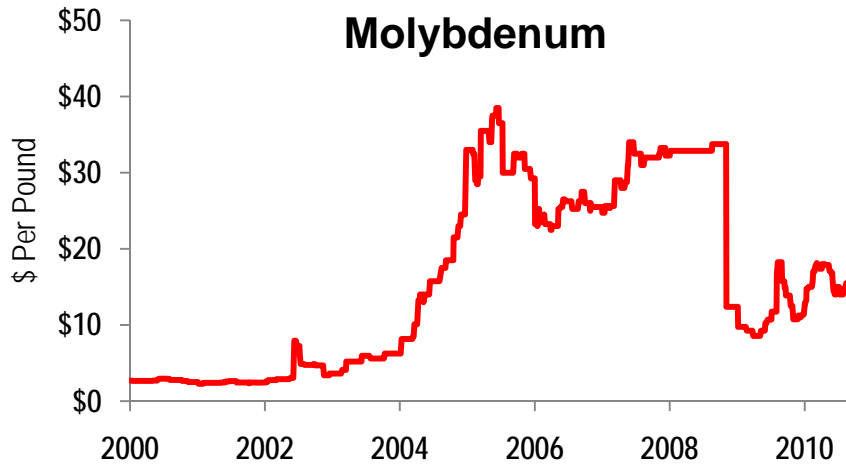
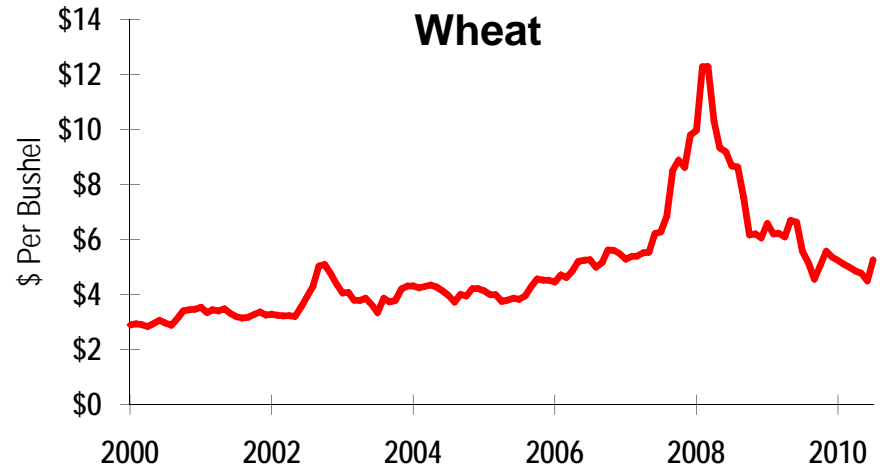
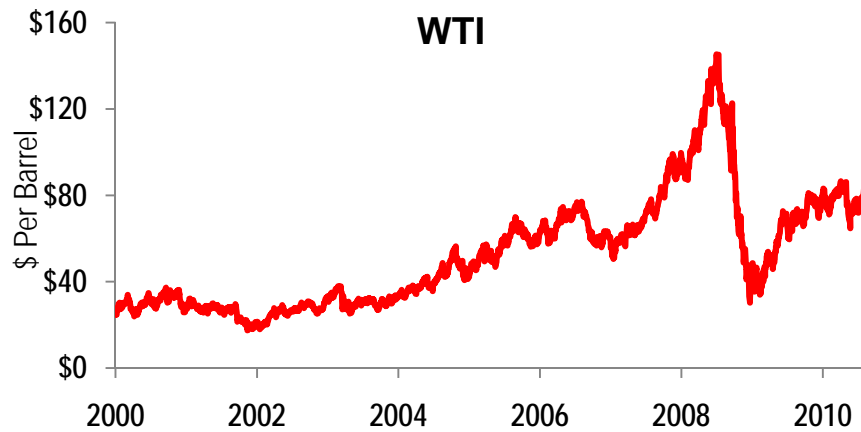
Availability of Loans vs Actual Earnings Changes



Source: National Federation of Independent Businesses.

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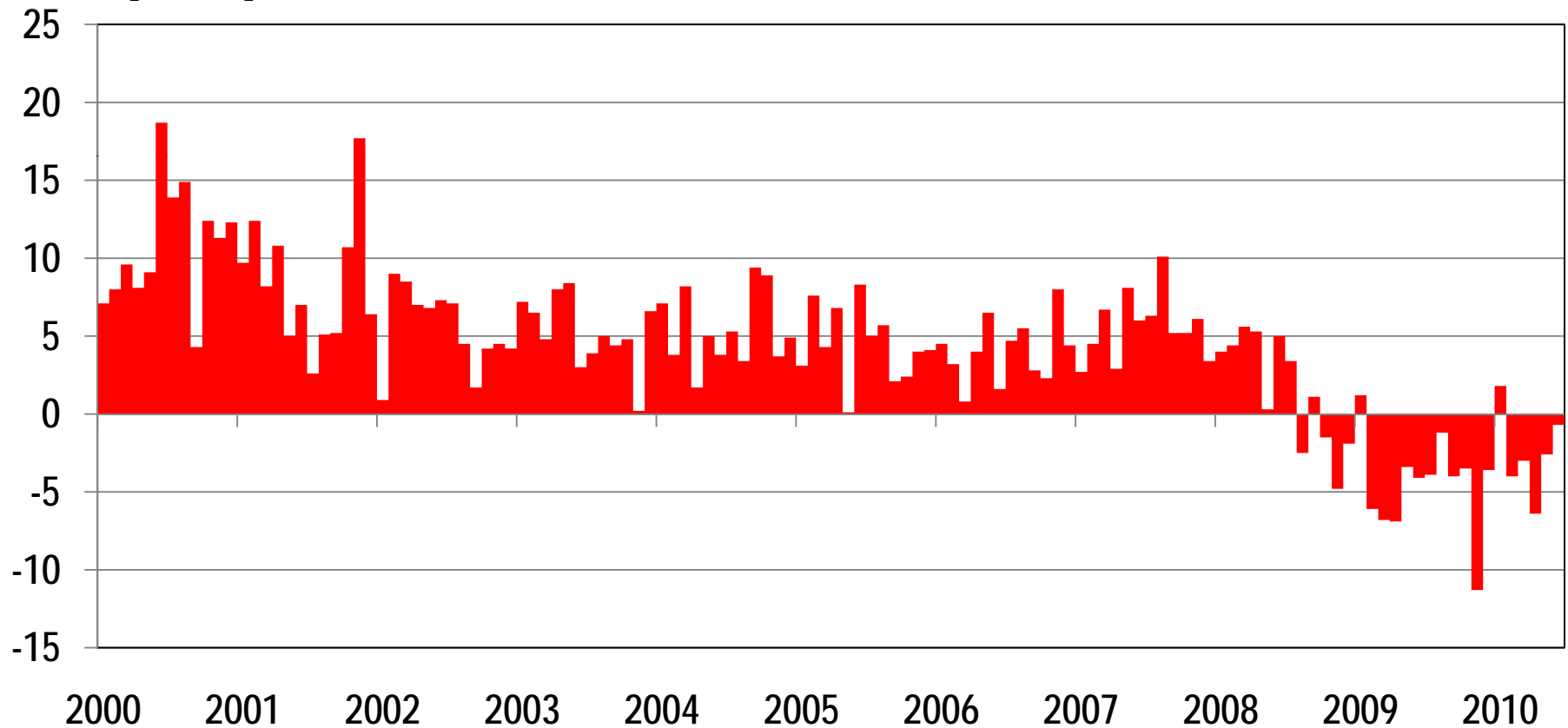
Commodities



Sources: Energy Information Administration, U.S. Department of Agriculture (No. 1 hard red winter -ordinary protein, Kansas City, MO), Bloomberg (USDA Toledo No.2 Yellow Corn Not on the River Spot Price), Bloomberg (Molybdenum canned molybdic oxide).

Consumer Borrowing

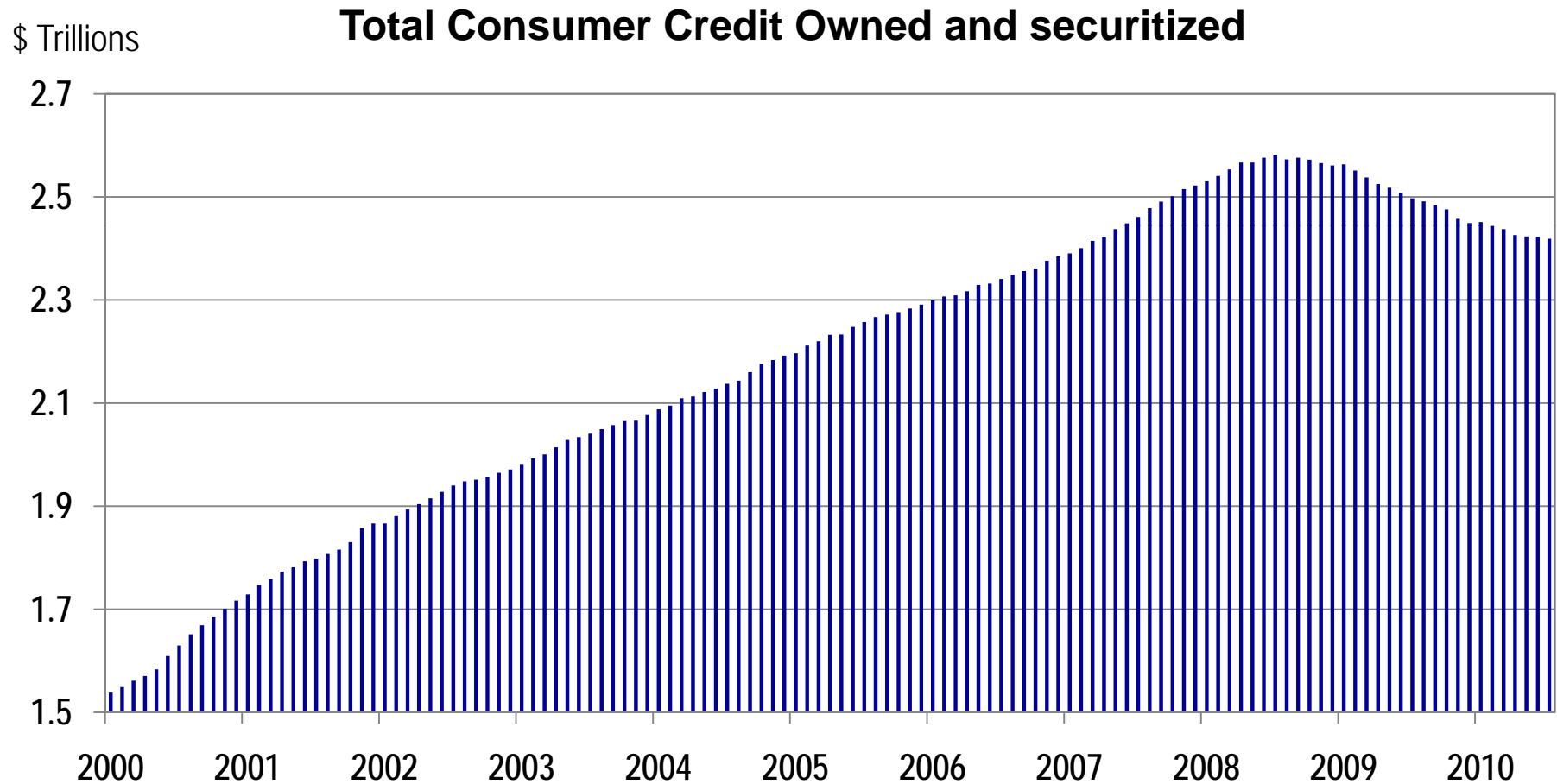
Annualized
Percentage Change



Source: Federal Reserve Board, Seasonally adjusted percent change of Total Consumer Credit, at an annual rate.

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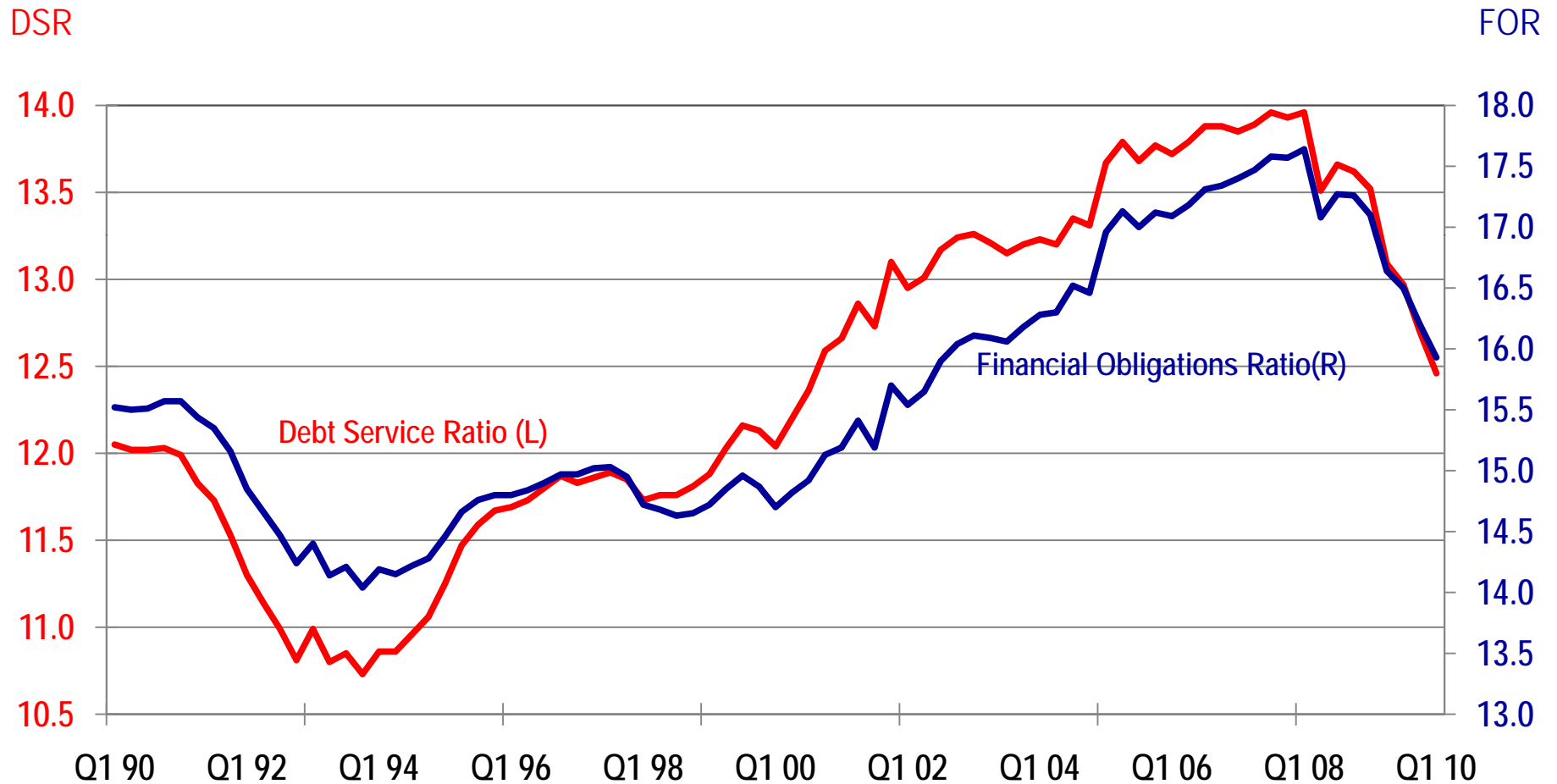
Outstanding Consumer Debt



Source: Federal Reserve, SA

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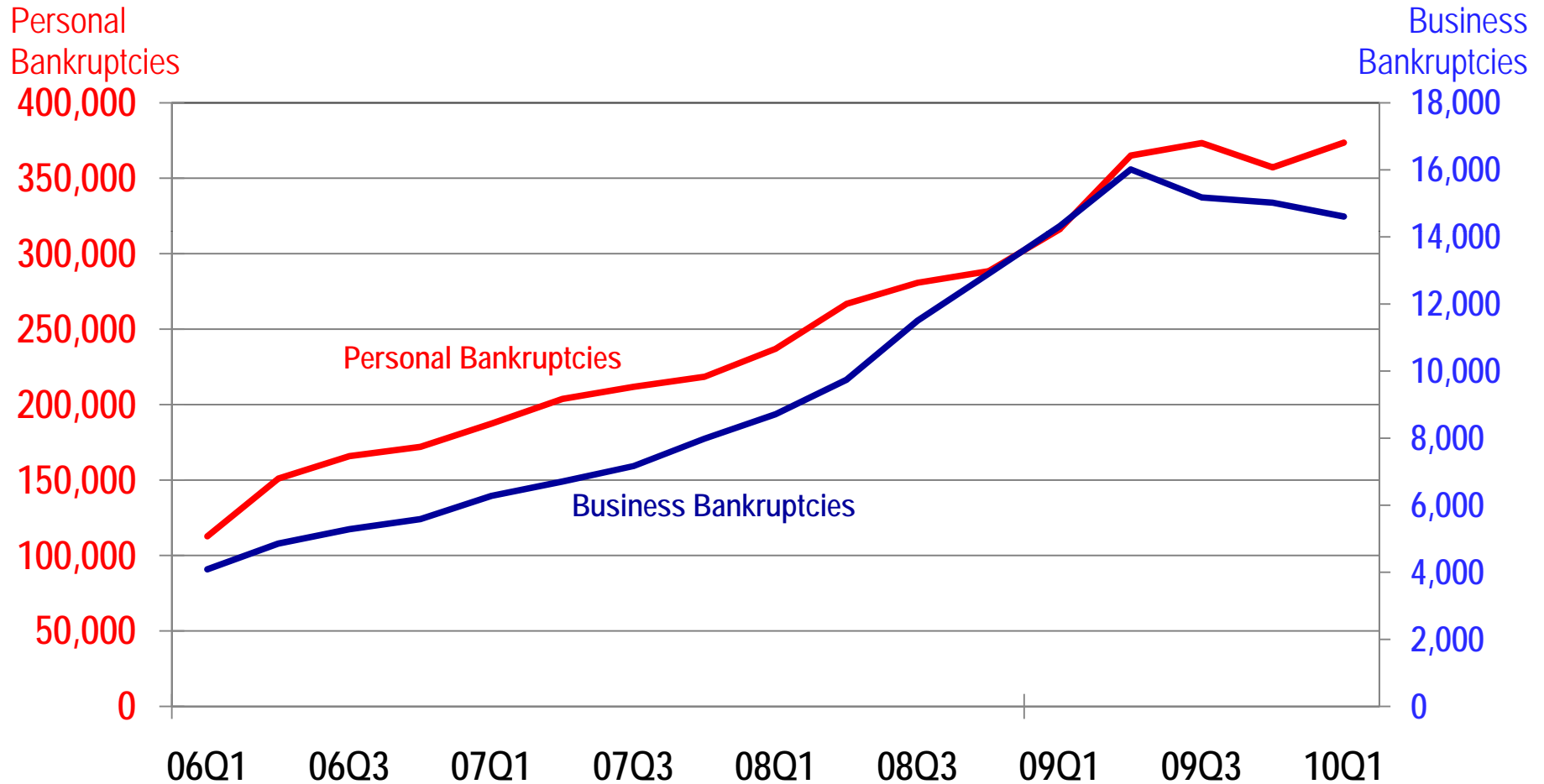
Household Debt Burdens Percent of Disposable Income



Source: Federal Reserve, Household Debt Service and Obligations Ratios.

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US Number of Bankruptcies Personal and Business



Source: www.uscourts.gov

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Encouraging Signs???



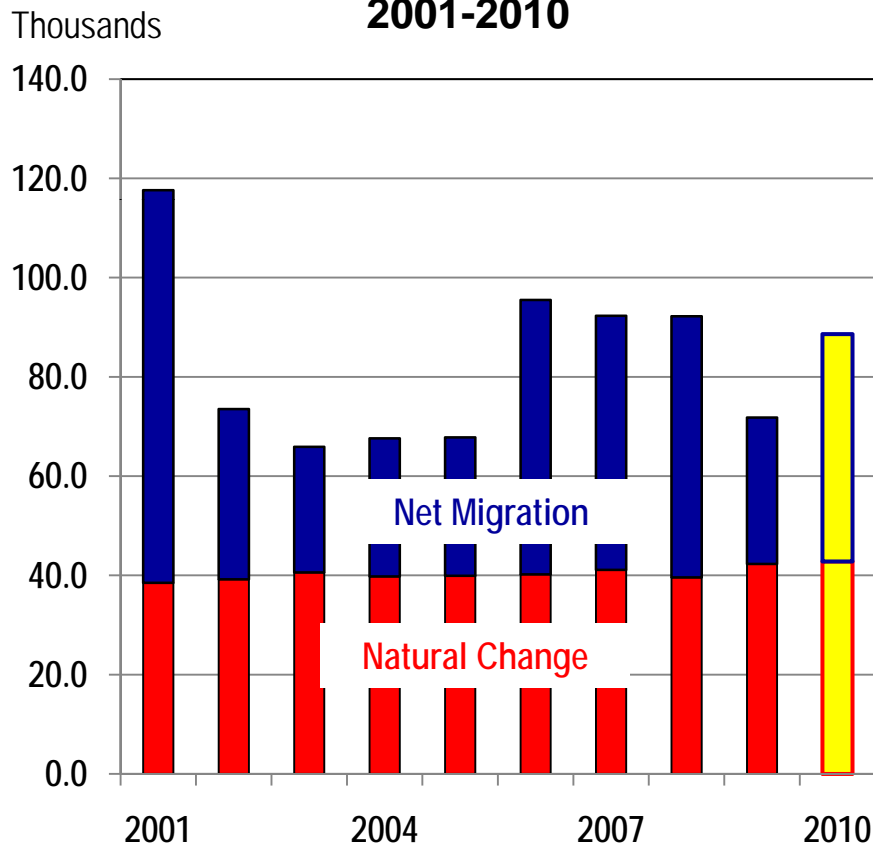
- Leading Economic Indicators
- Retail Sales
- Housing Affordability
- ISM Surveys
- Profits/CapEx
- Industrial Production/
Capacity Utilization
- 4th and 1st Quarter GDP (Q2 ???)
- Jobless Claims ???
- New Job Numbers ???

The Colorado Economy

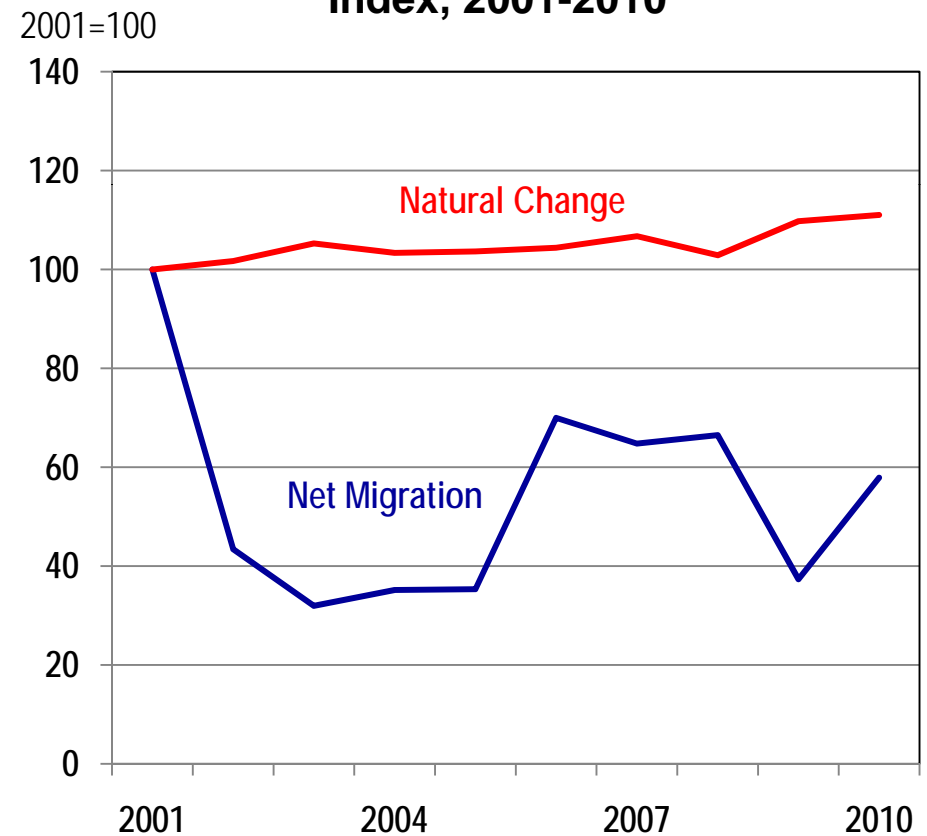


Change in Population

**Change in Colorado Population
2001-2010**



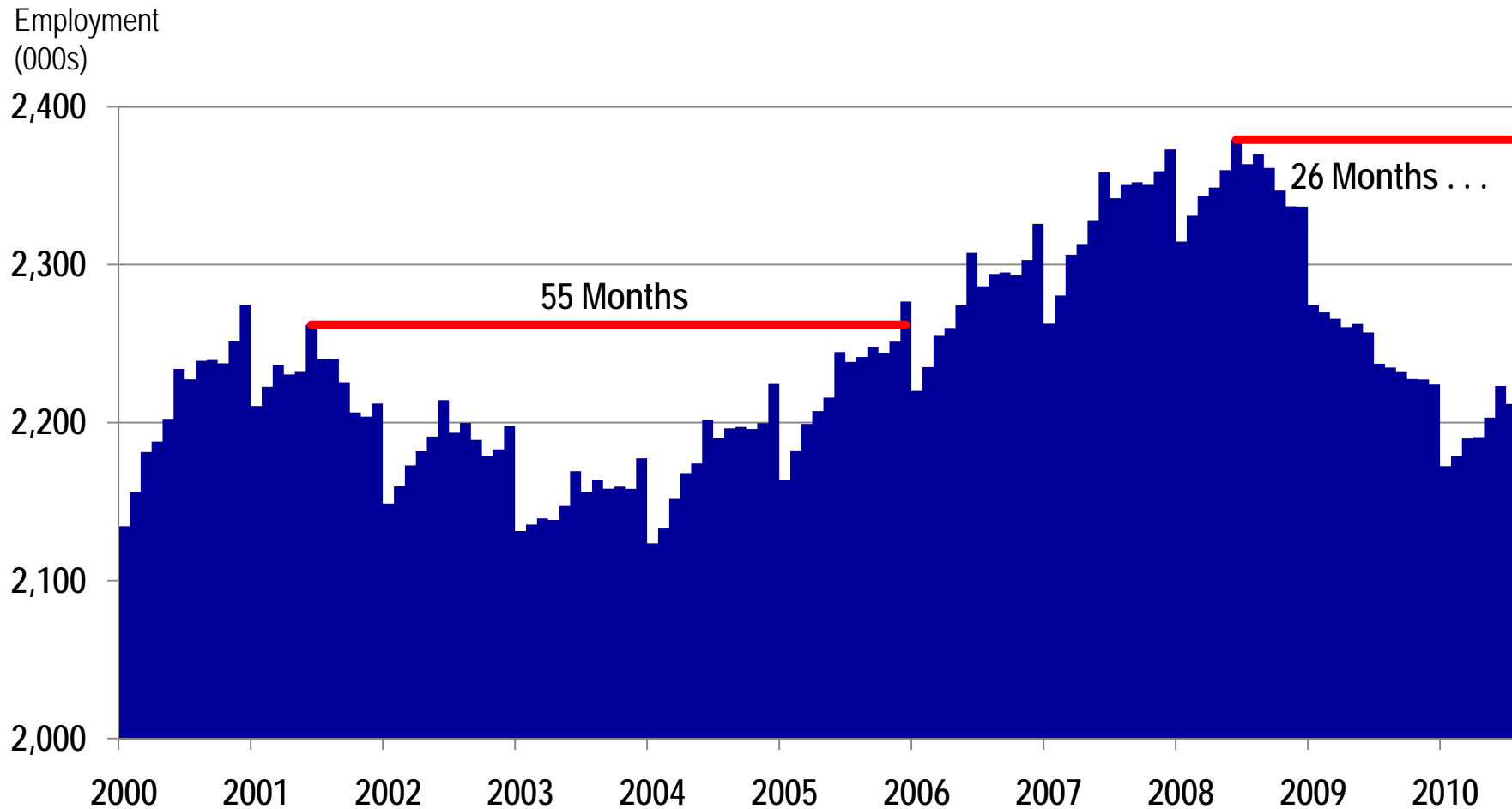
**Change in Colorado Population
Index, 2001-2010**



Sources: State Demography Office and Colorado Business Economic Outlook Committee.

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Total Nonfarm Employment Colorado

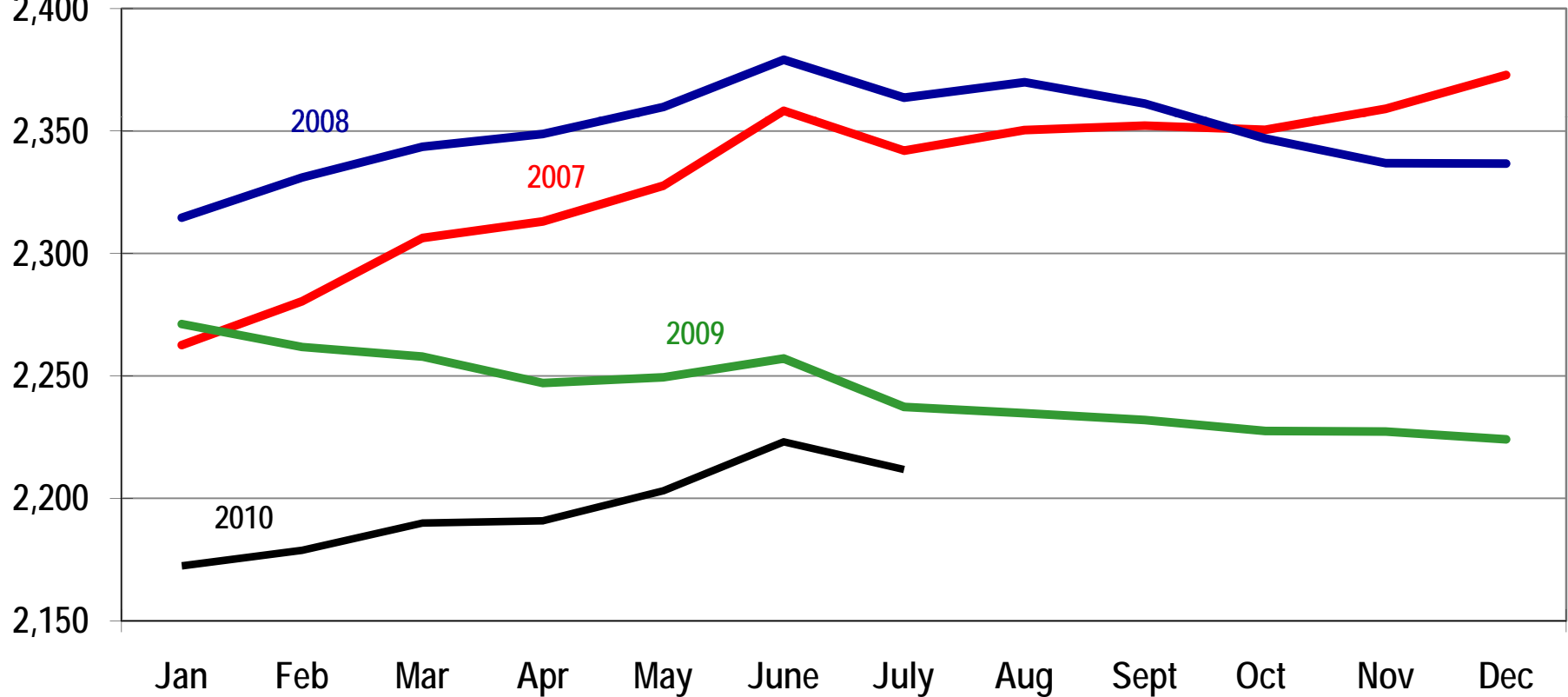


Source: Colorado Department of Labor and Employment (NSA).

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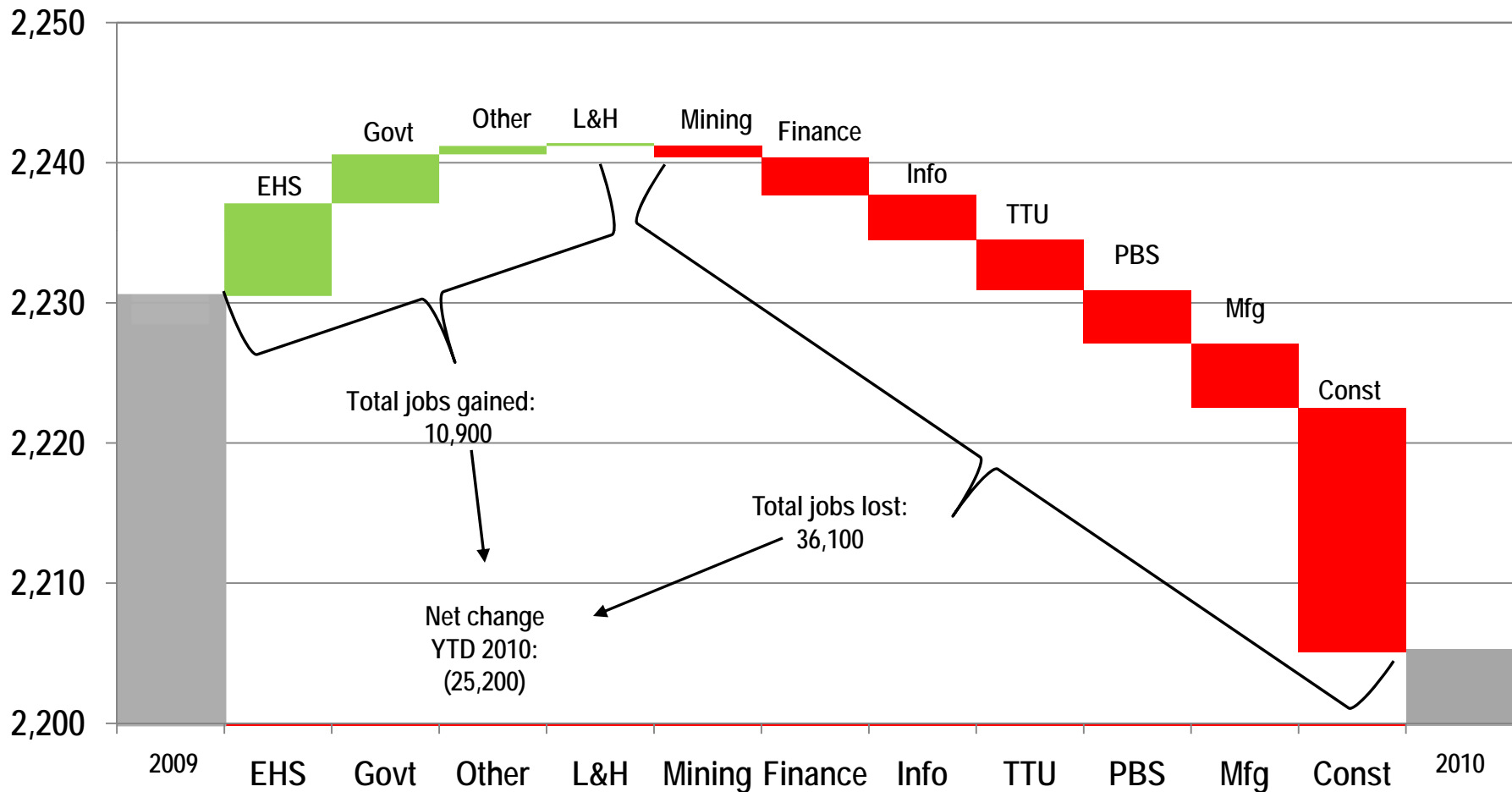
Monthly Nonfarm Employment Colorado

Thousands
of Employees
2,400



Source: Bureau of Labor Statistics.

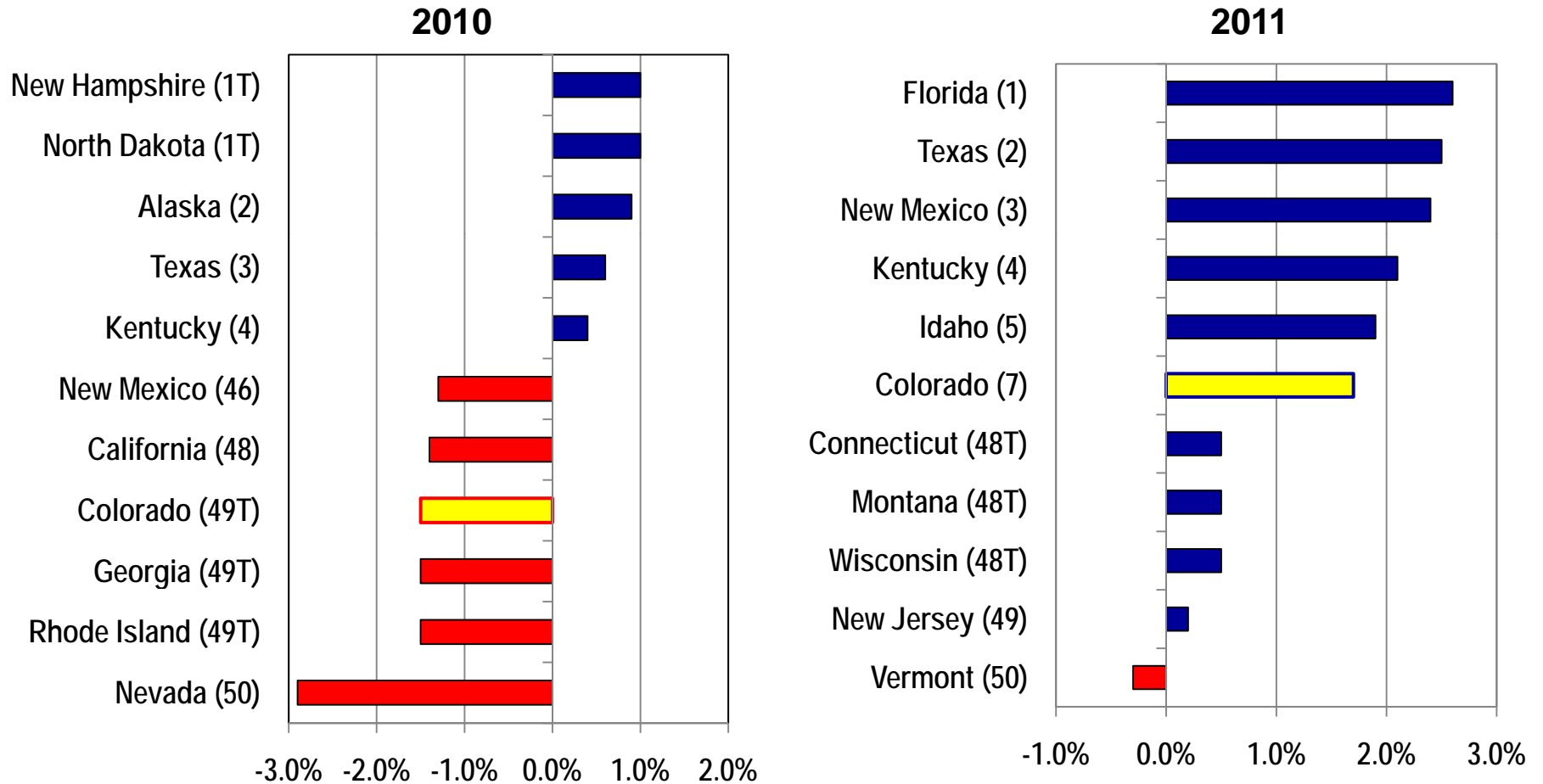
Change in Average Employment Through July 2010



Source: Bureau of Labor Statistics, SA.

The Top 5 vs. The Bottom 5 States

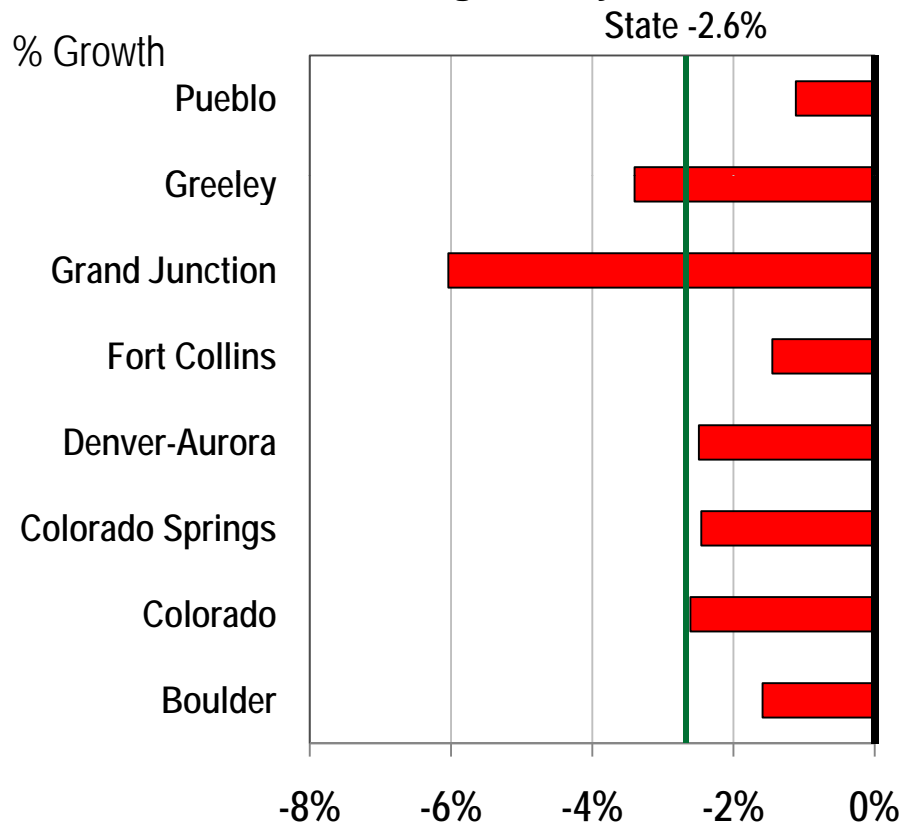
Jobs Added in 2010 and 2011 Forecast



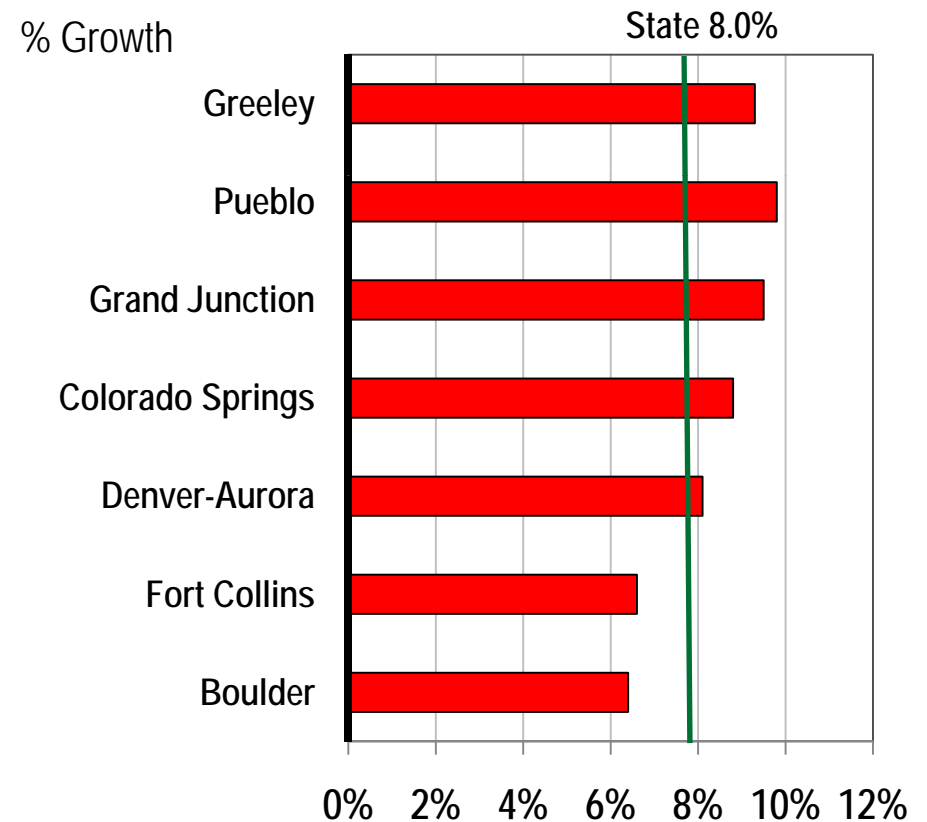
Source: Moody's Economy.com

Employment and Unemployment By MSA

**2010 Employment Growth
7 Month Avg. YoY by MSA**



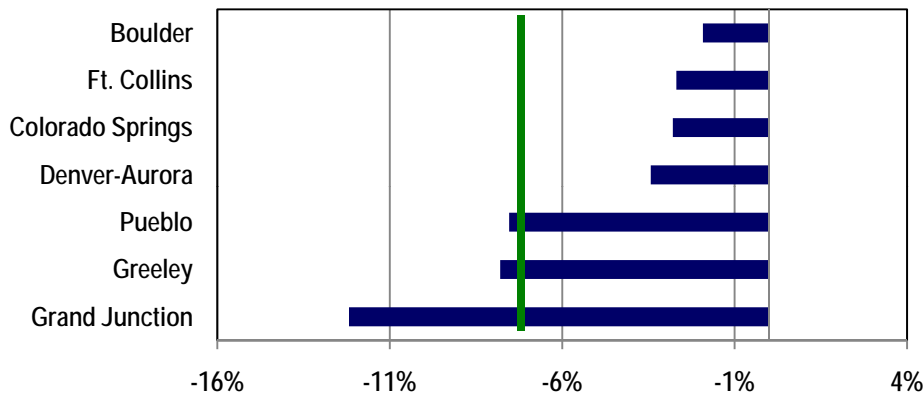
**Unemployment Rate
By MSA – July 2010**



Source: Bureau of Labor Statistics.

Index of Housing Prices – Colorado Metro Areas

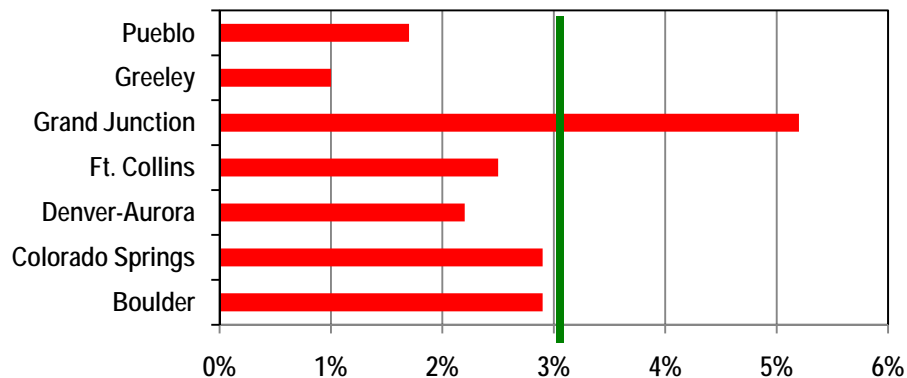
HPI Growth Q2 2010 vs. Q2 2009



One Year Growth

Boulder	-1.92%
Grand Junction	-12.18%
Colorado	-4.39%
U.S.	-4.95%

HPI Growth Q2 2010 vs. Q2 2000

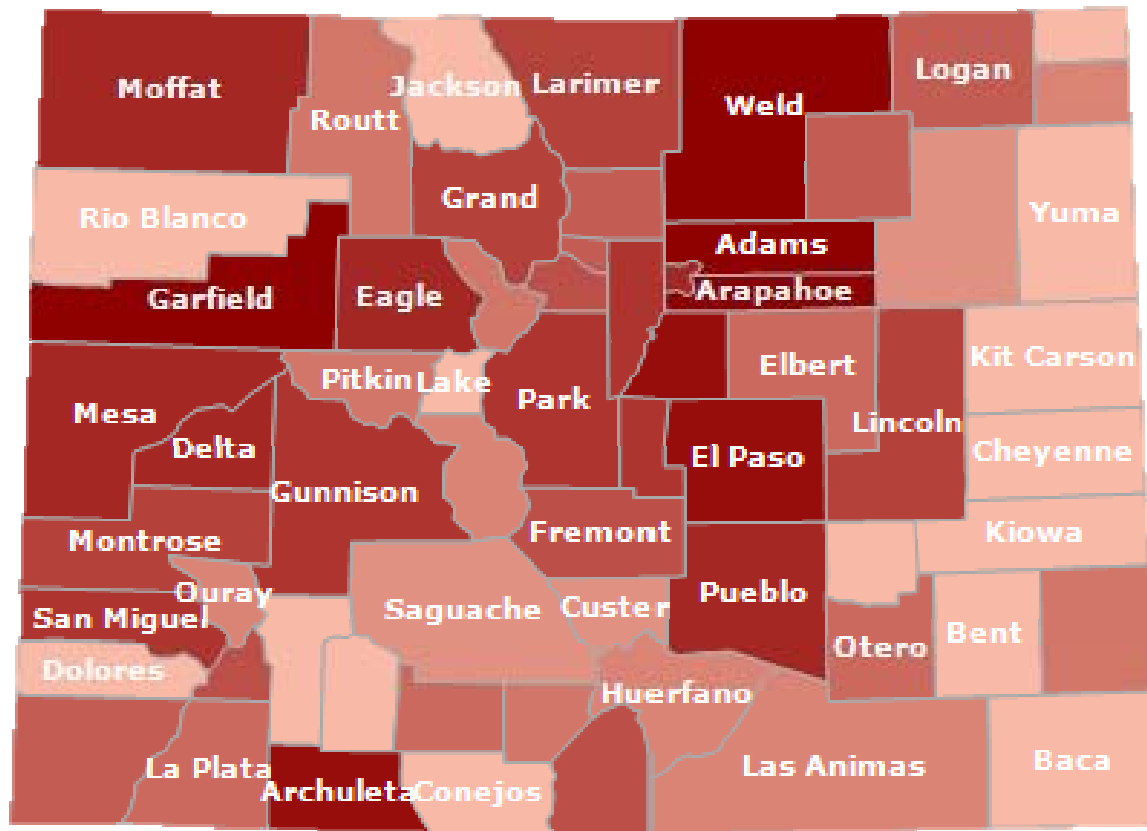


Ten Year CAGR

Grand Junction	5.5%
Greeley	1.6%
Colorado	3.1%
U.S.	4.1%

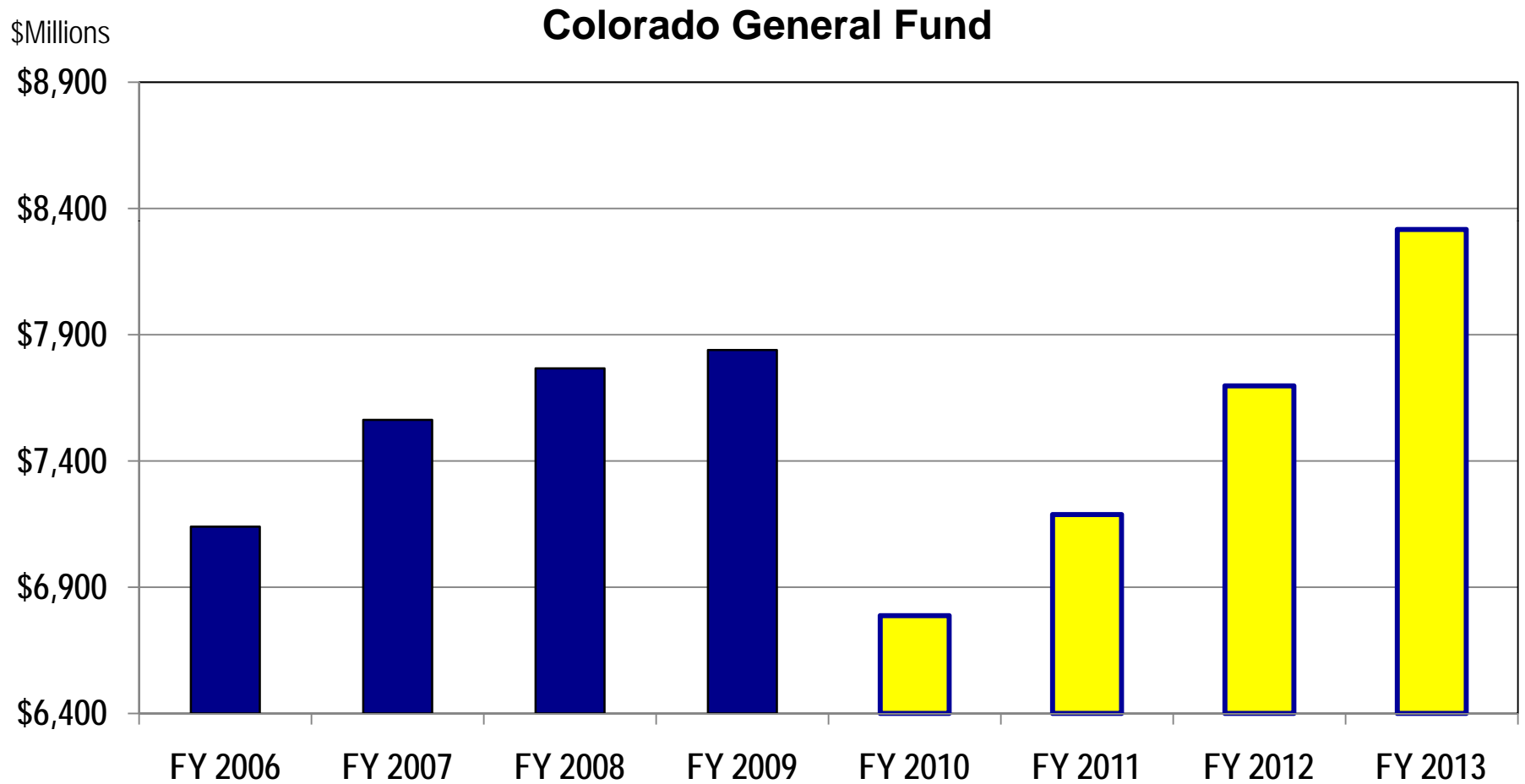
Source: Federal Housing Finance Agency (All Transactions).

Foreclosure Heat Map



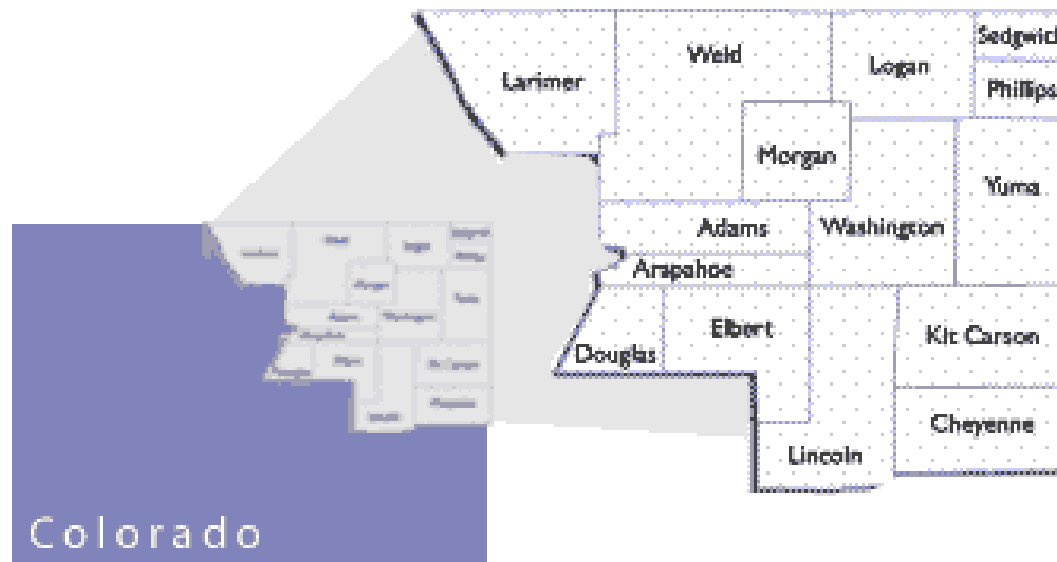
Source: RealtyTrac.

Colorado General Fund



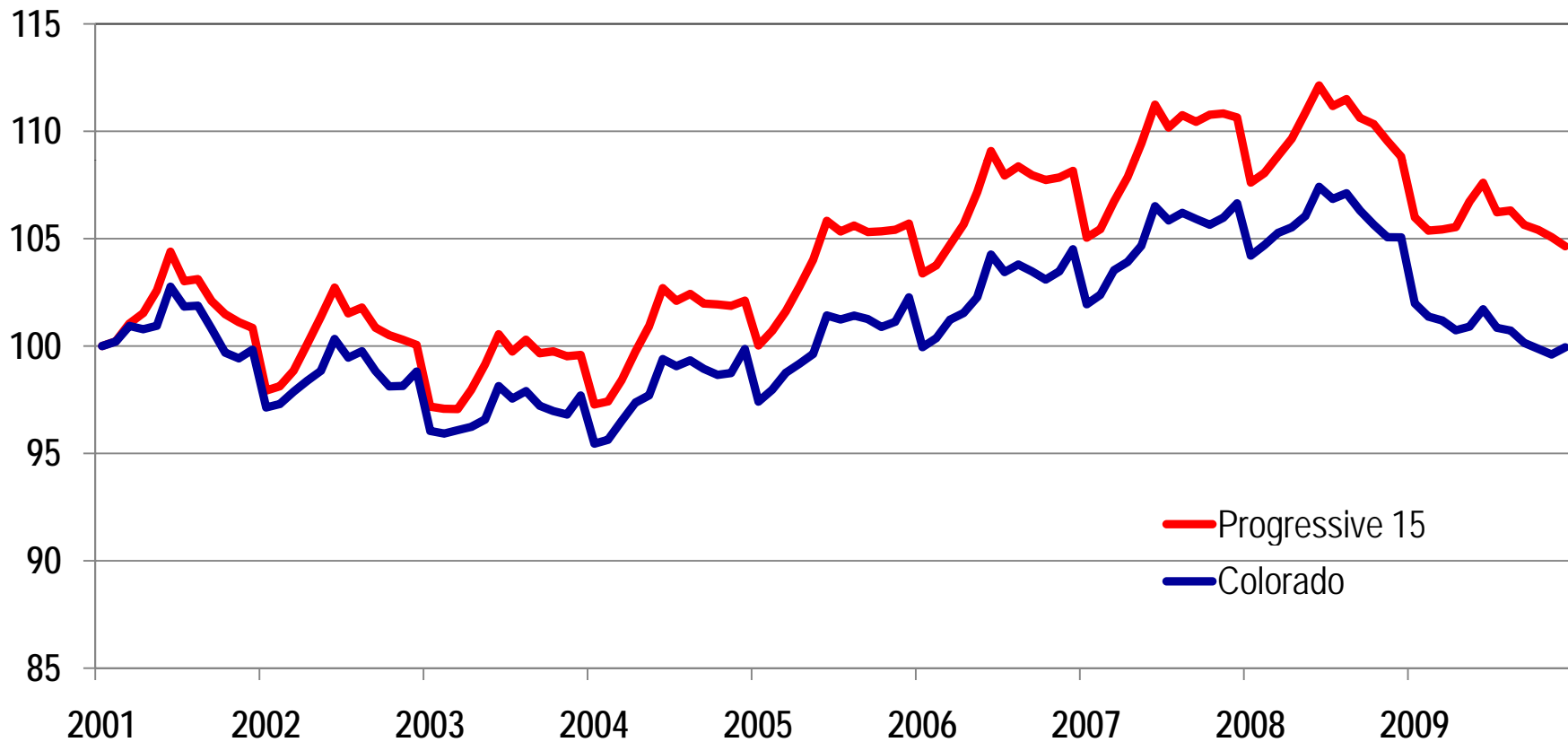
Source: Colorado Office of State Budgeting and Planning.

Progressive 15



Employment Progressive 15 vs. Colorado

January 2000=100

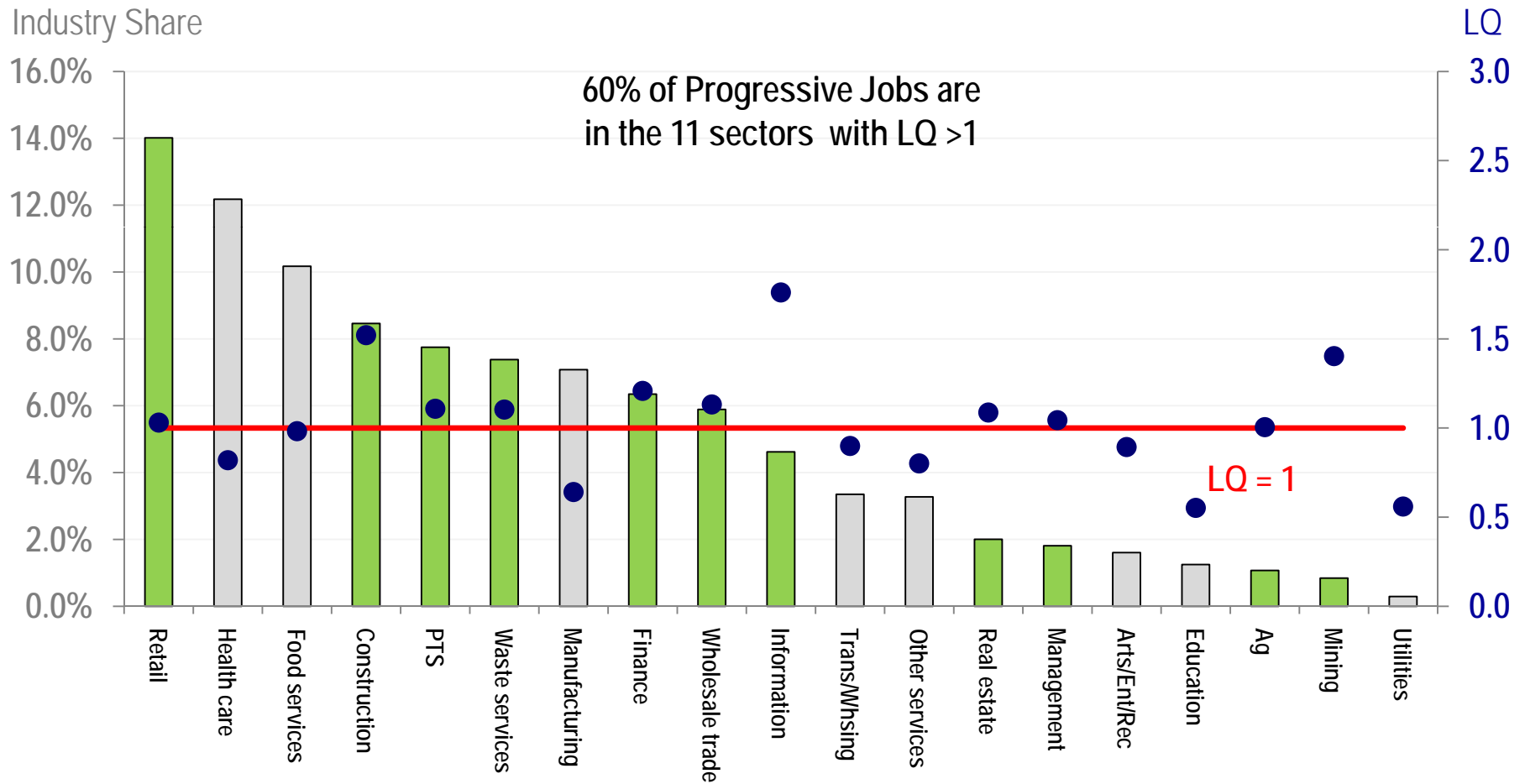


Sources: Bureau of Labor Statistics, OCEW (NSA).

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Industries

Regional Share and Location Quotient



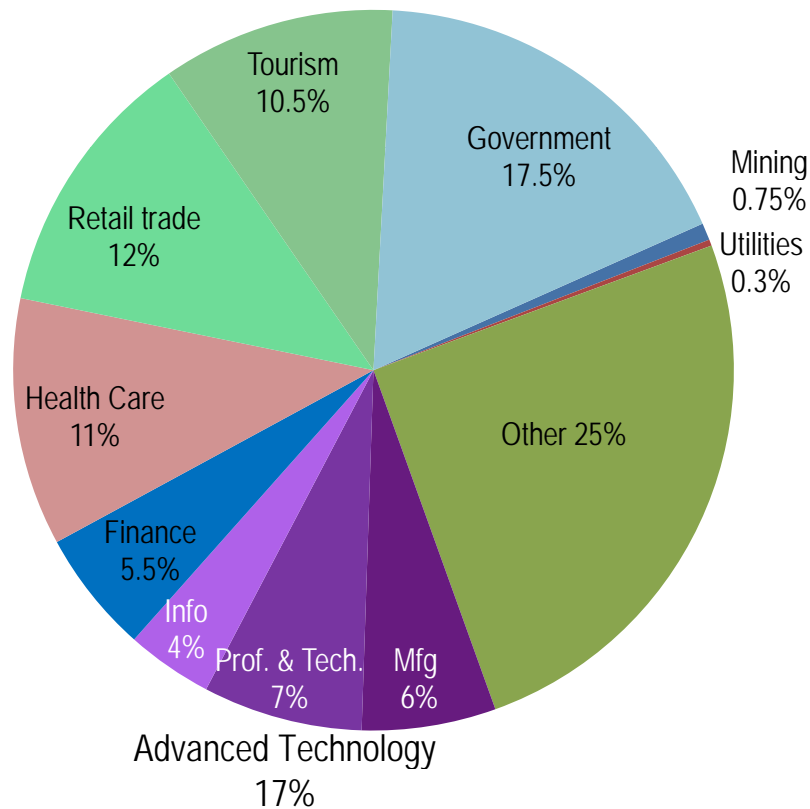
Sources: Bureau of Labor Statistics.

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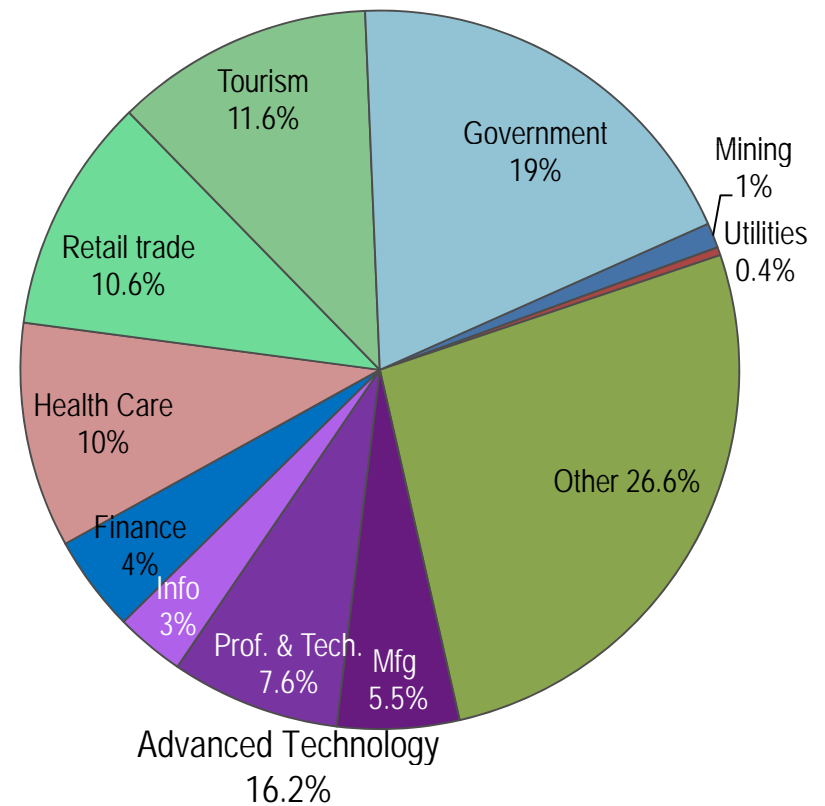
Industries

Categories/Clusters 2010

Progressive 15 Industries



Colorado Industries

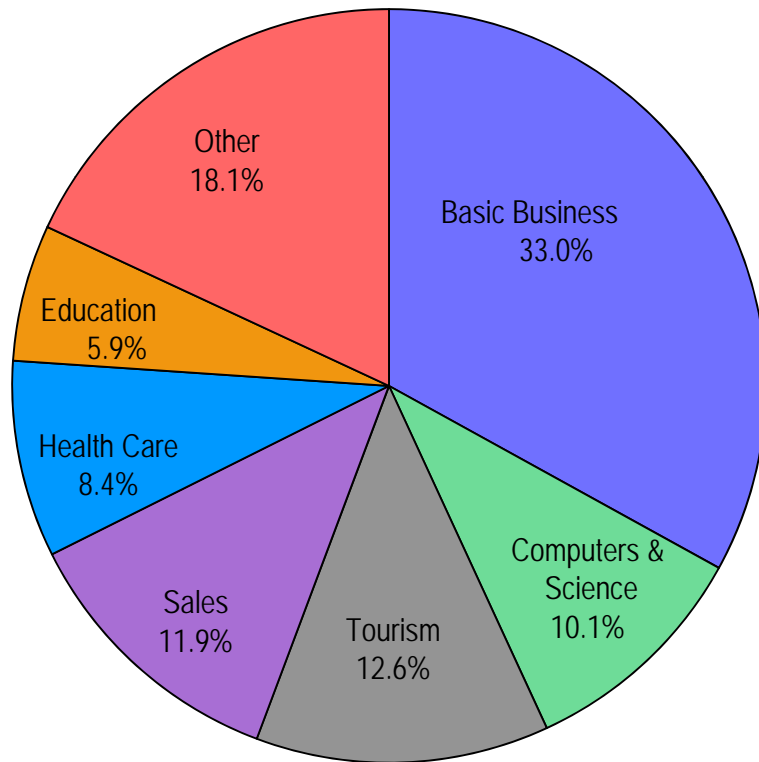


Source: Economic Modeling Specialist Inc.

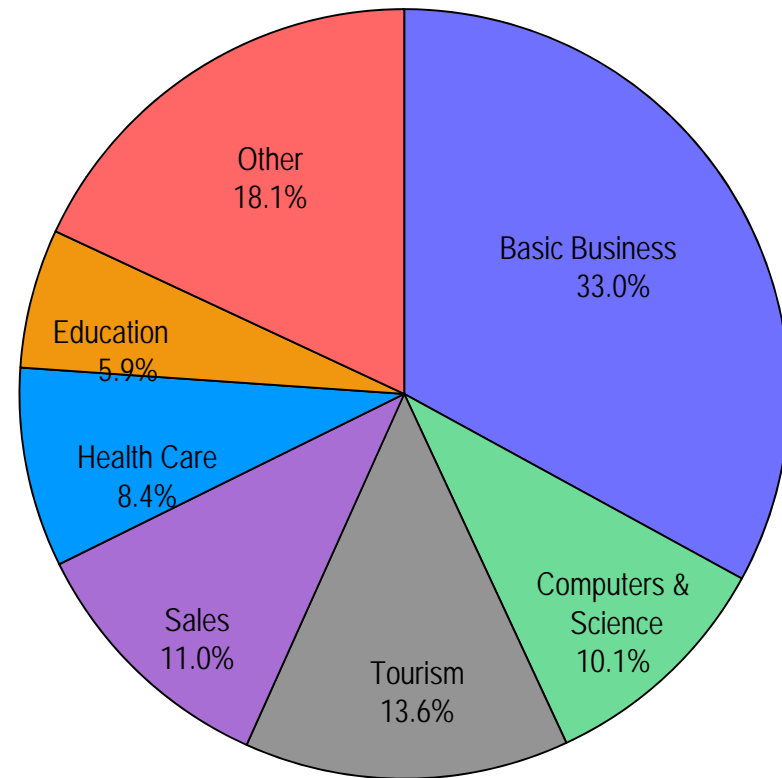
Occupations

Categories/Clusters 2010

Progressive 15 Occupations



Colorado Occupations



Source: Economic Modeling Specialist Inc.

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Does Colorado **Lead** or **Lag** Recovery?

Pluses

- Tech Base
- Stimulus
- Housing
- Agriculture
- Transportation

Minuses

- Construction
- Energy
- Tourism
- Small Business

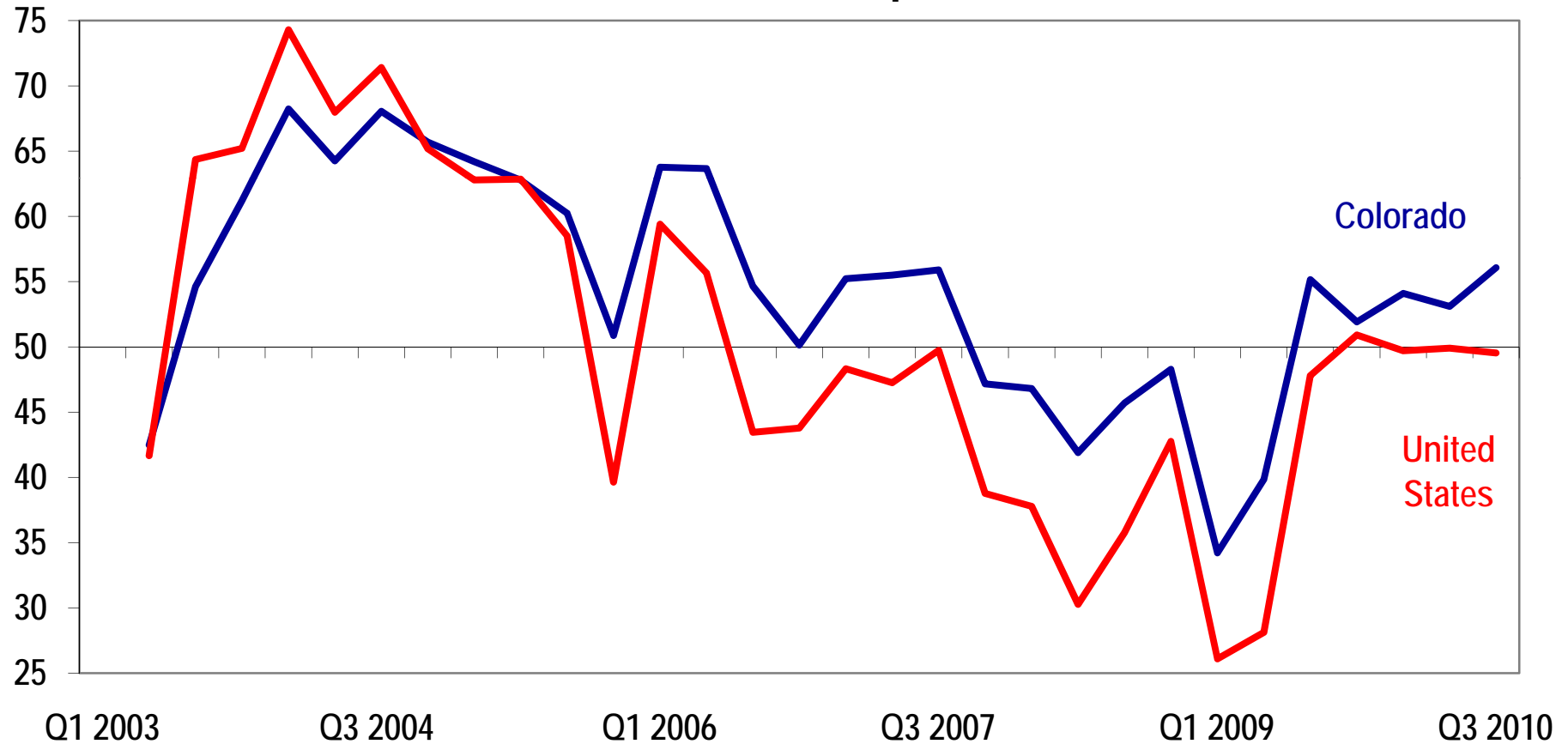
U.S. and Colorado Economies

Q2 2003 – Q3 2010

LBCI LEEDS BUSINESS
CONFIDENCE INDEX

Index (50=Neutral)

National and State Expectations



Source: Business Research Division.

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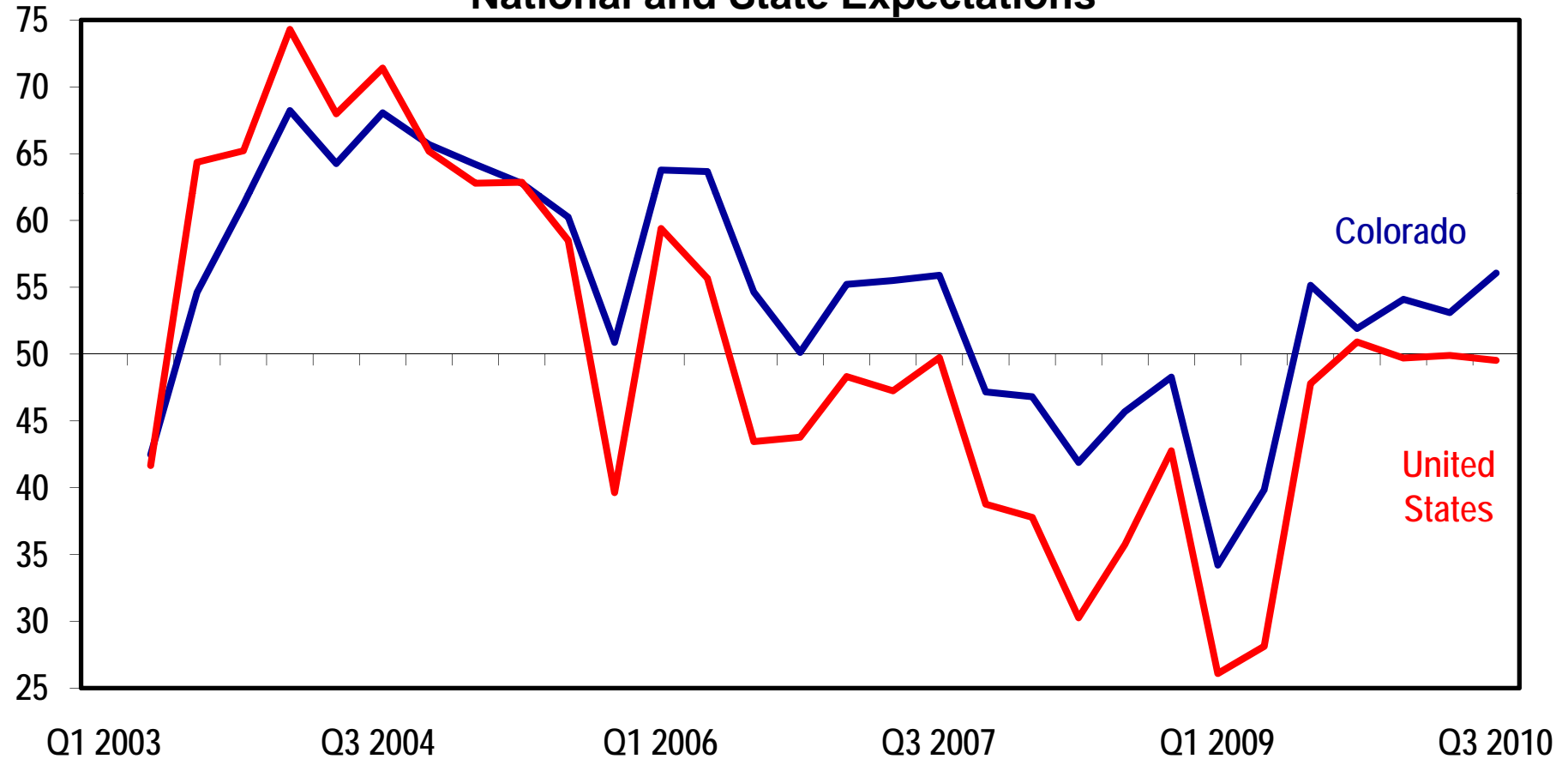
U.S. and Colorado Economies

Q2 2003 – Q3 2010

LBCI LEEDS BUSINESS
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Index (50=Neutral)

National and State Expectations



Source: Business Research Division.

Business Research Division • Leeds School of Business • University of Colorado

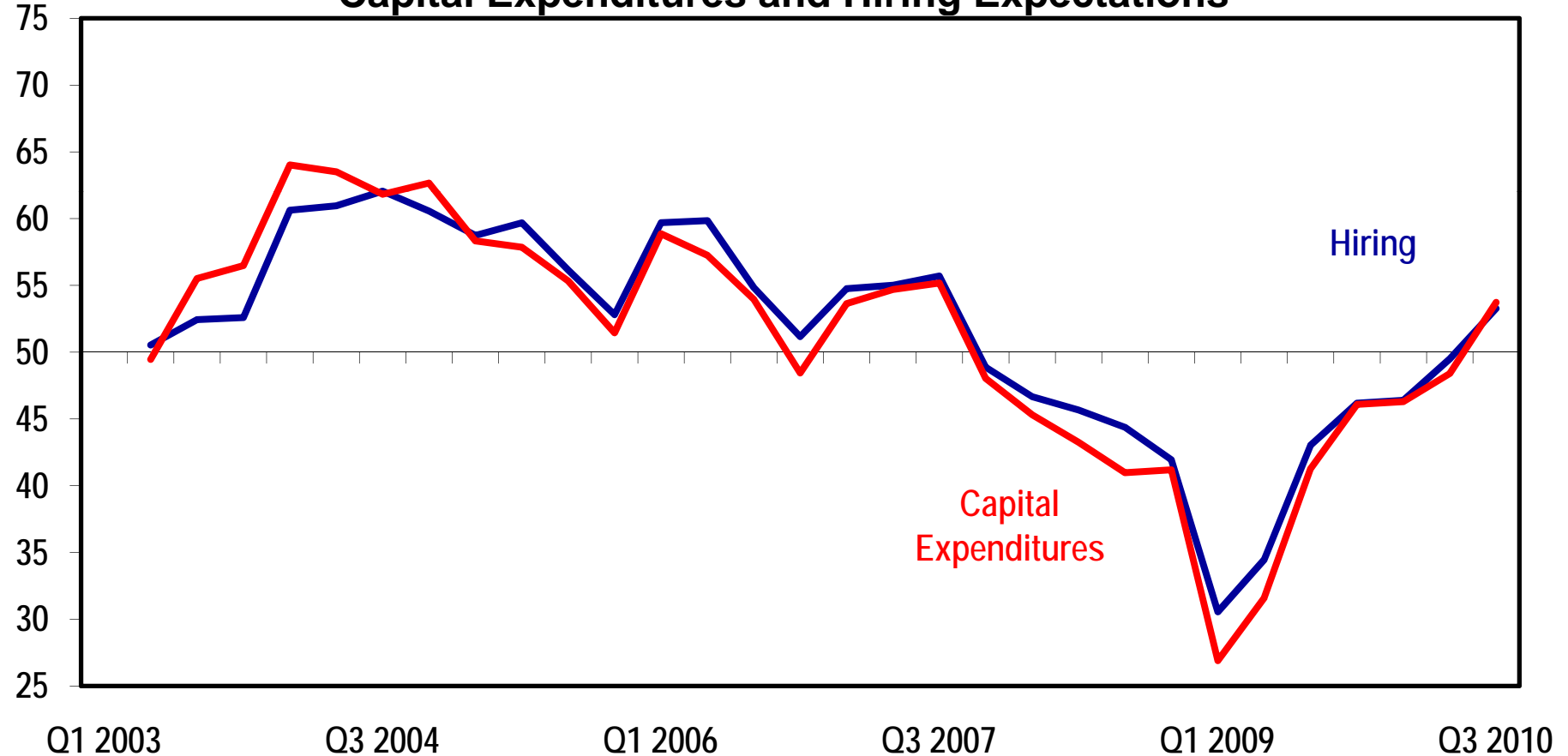
Capital Expenditures and Hiring

Q2 2003 – Q3 2010

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CONFIDENCE INDEX

Index (50=Neutral)

Capital Expenditures and Hiring Expectations

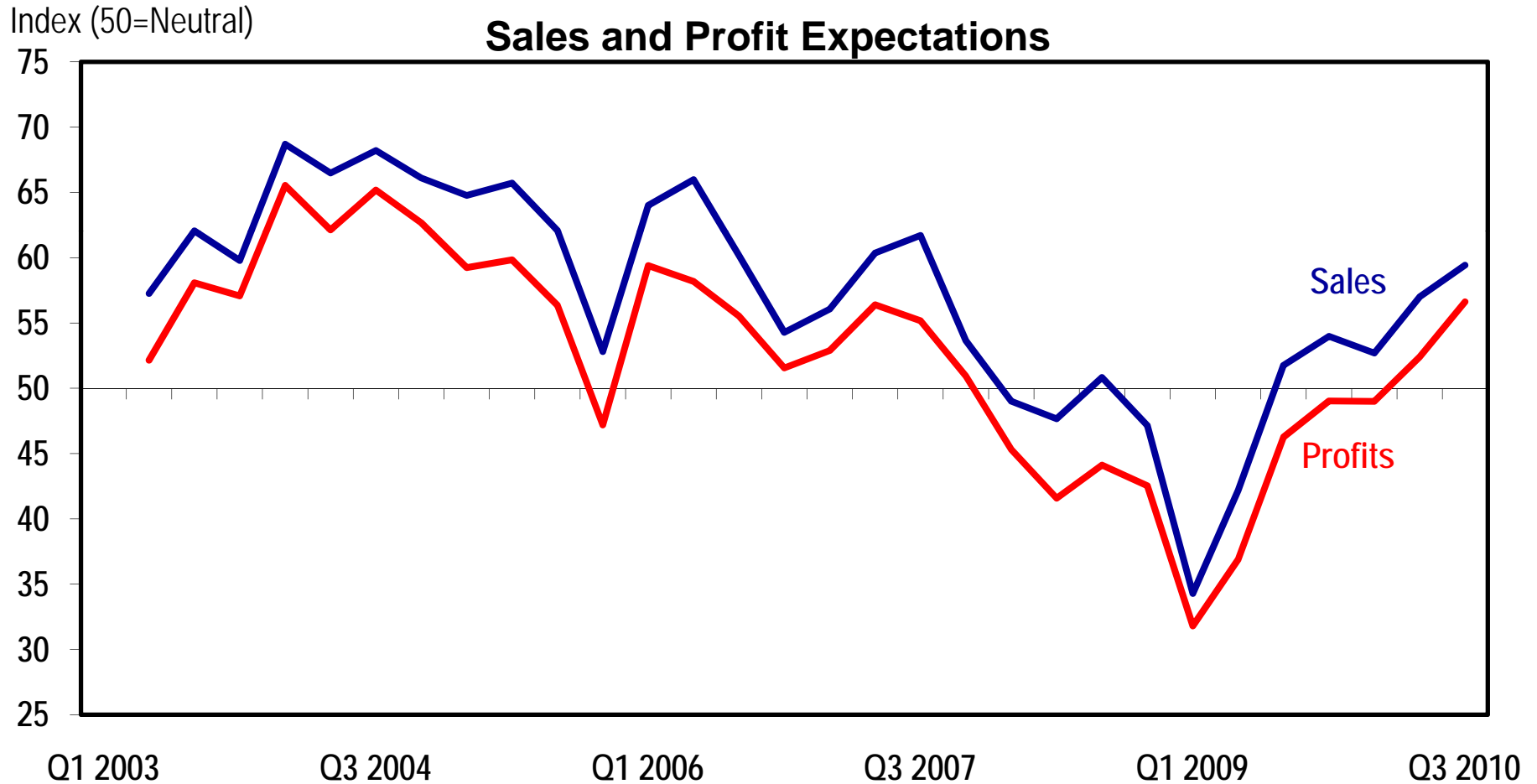


Source: Business Research Division.

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Sales and Profits

Q2 2003 – Q3 2010



Source: Business Research Division.

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