



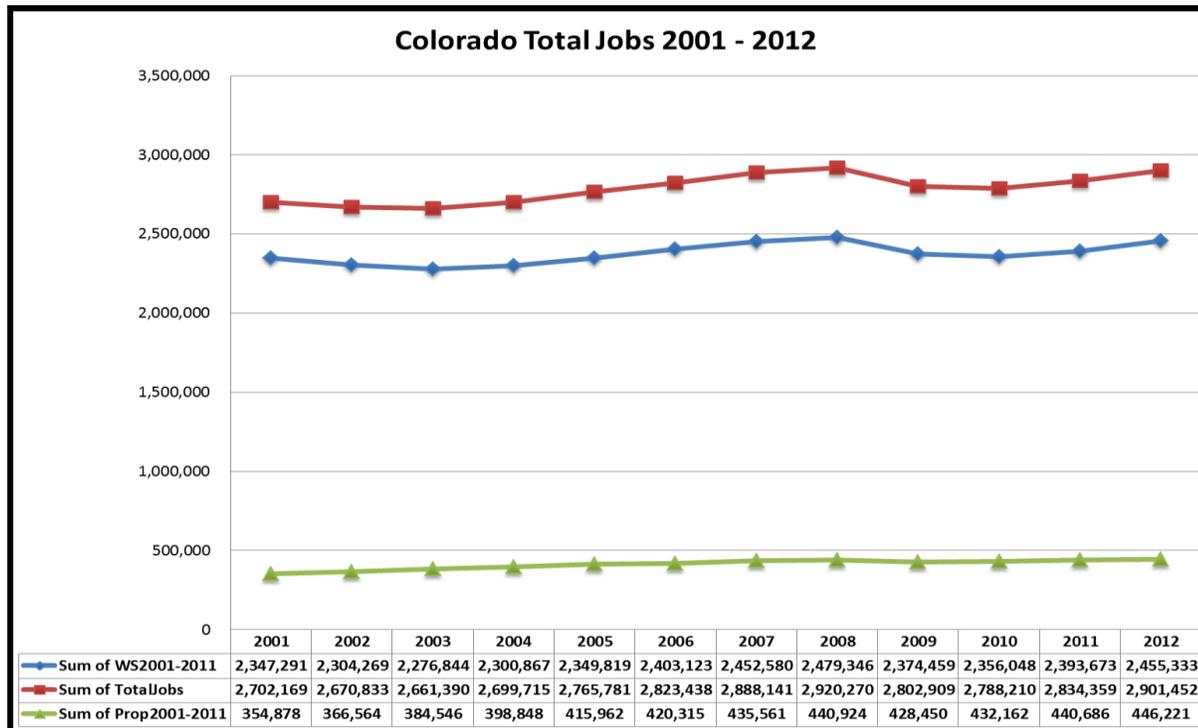
## 2012 Jobs Estimates Summary

### Statewide Estimates

For 2012, Colorado is estimated to have 2,901,554 total jobs comprised of 2,455,333 wage and salary (W&S) jobs and 446,221 self-employed proprietor jobs. The 2012 total jobs figure is an increase of 2.4%, or 67,195 jobs, over the prior year – the second consecutive period of year-over-year job growth. Of the 67,195 increase in jobs, 61,660 are attributable to W&S employment gains and 5,535 jobs to proprietor gains. The annual average growth rates in W&S and proprietor jobs are 2.6% and 1.3%, respectively. More encouragingly, the 2012 W&S gains of 61,660 jobs alone exceed the total job growth posted from 2010 to 2011 - 46,149 jobs.

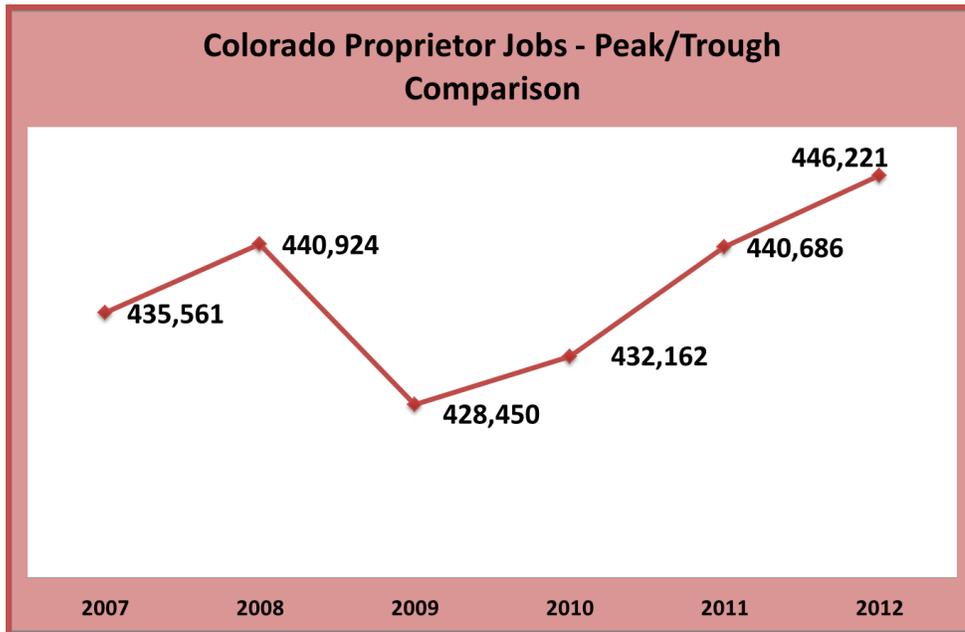
Despite surpassing the 2.9 million jobs threshold in 2012, Colorado remains just shy of the peak total reached in 2008 (see [Figure 1](#) below). In 2008, Colorado totaled 2,920,270 jobs, of which 2,479,346 jobs were the W&S classification and 440,924 were proprietors. The 2012 total jobs estimate is 18,716 jobs shy, or equivalently, 99.4% of the 2008 employment peak.

**Figure 1**



Distinguishing between W&S employment and proprietors, the 2012 W&S figure is 99% of the 2008 peak of 2,479,346 jobs; by contrast, while the 2011 proprietor jobs total virtually matched the 2008 peak, the 2012 total is 101.2% of the 2008 peak, or almost 5,300 jobs higher (see [Figure 2](#) below).

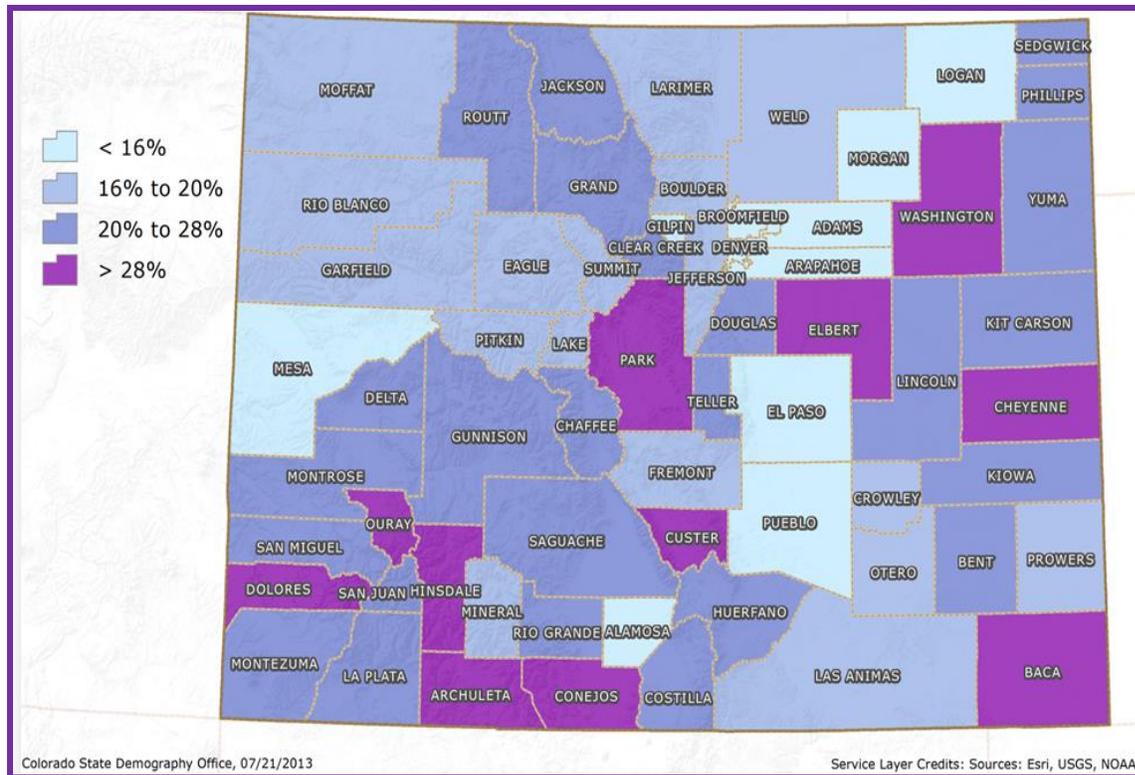
**Figure 2**



Further comparing statewide peak-to-trough measures, Colorado experienced an employment trough in 2010, posting only 2,788,210 jobs comprised of 2,356,048 W&S jobs and 432,162 proprietors. The peak-to-trough difference is 132,060 jobs or a 4.5% total job loss from 2008 to 2010. By adding jobs in 2011 for the first time since the 2007 to 2008 period coupled with even faster growth in 2012, Colorado recovered 85.8% of the total lost jobs going from the 2008 peak to the 2010 trough. Again distinguishing between the W&S and proprietor job categories, only four out of five W&S jobs lost have been recovered; by contrast, proprietor jobs have not only recovered all jobs lost peak to trough, but now constitutes the largest total for that category in the state’s history.

The relatively more robust growth in the proprietor jobs segment is seemingly attributable to a shift from W&S employment to proprietorships as jobs were being lost in greater absolute values in the former category during an acute economic recession and markedly slow economic recovery, coupled with a strong tradition of entrepreneurialism in Colorado, a hallmark that has held strong over the last decade. From 2001 to 2012, proprietor jobs - as a share of total Colorado employment - have grown from 13.1% to 15.4% while the share of W&S employment has dipped from 86.9% in 2001 to 84.6% in 2012. As indicated by [Figure 3](#), the share of proprietor jobs by Colorado county varies markedly and is particularly important in some counties and regions in the state, especially along the Eastern Plains, parts of the Central Mountains, the San Luis Valley and in the Southwestern portions of the state.

**Figure 3: Proprietor's Proportion of Jobs (2012)**



Finally, it is instructive to look at the annual total job count over the last decade. In 2001, during the throes of the first U.S. recession of the 21<sup>st</sup> century, Colorado posted an estimated 2,702,169 jobs. Colorado job losses in the aftermath of the “dot.com bust” that precipitated the 2001 recession were particularly acute given the state’s relatively high concentration of technology-oriented firms. Despite starting from an artificially low, business cycle induced, total jobs base in 2001, Colorado added only 199,285 jobs between 2001 to 2012, growing a mere 7.5% over the period, or just 0.65% per year. Conversely, over the same period Colorado’s population grew by almost 17%. This restrained job growth speaks to the severity of the decade’s second recession spanning the final quarter of 2007 through the second quarter of 2009, which is still evident in some of Colorado’s major industries.

**Job growth by Industry**

Before turning to county job gains and losses, it is instructive to look at growth in jobs by industry, which provides context to the county estimates. Across the 69 State Demography Office (SDO) industry classifications<sup>1</sup>, all but 19 had positive job growth. Average job growth across industries was 1,476 jobs and the median being 759 jobs gained. For the 19 industries that lost jobs, the average employment loss was 352 jobs and the median 145 jobs lost.

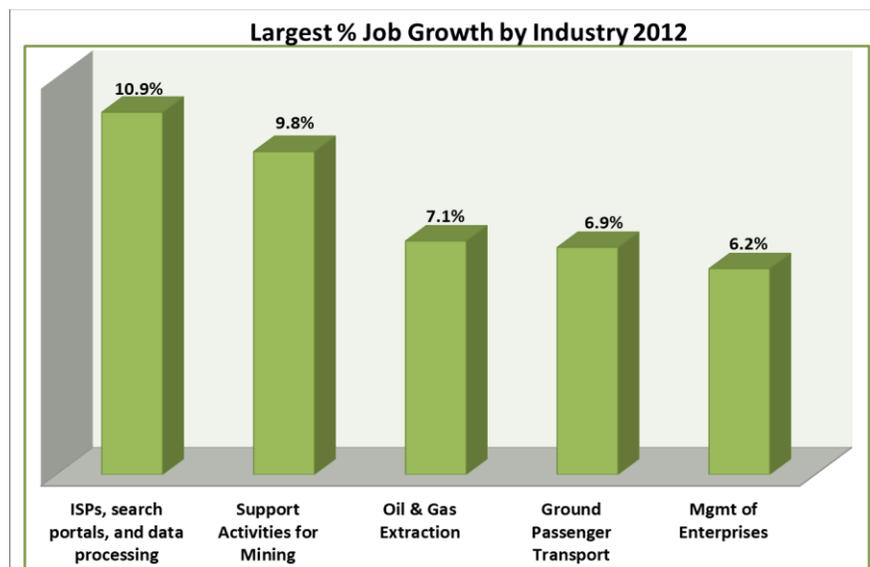
1 The State Demography Office’s “GCode” classifications closely approximate the North American Industrial Classification System (NAICS) at the 3-digit level.

Looking at individual industry classifications, the largest job growth in absolute terms occurred in the Administrative & Support Services sector, with more than 9,040 total jobs – 13.4% of the total job growth in 2012. This sector is inclusive of a variety of business support services, including office administration, employment placement, and facilities management. The second largest total jobs growth came in the Professional & Technical Services category, which added 8,127 jobs; more than three-quarters of those jobs, or 78%, were W&S employment. Rounding out the top three industries is Food Services and Drinking Places, which added 6,536 total jobs. The recovery in these three industries is significant, as Administrative & Support Services, Professional & Technical Services, and Food Services and Drinking Places lost - in peak-to-trough terms – 12,206 jobs, 7,154 jobs, and 6,098 jobs, respectively. The 2012 jobs figures for all three of these industries exceed peak employment in 2008, meaning that each of these industries have not only recovered all jobs lost from the peak-to-trough job loss period, but have now surpassed previous historical highs.

More broadly, of the 69 industry classifications utilized by the SDO, 22 industries' 2012 job total exceeds the peak job number posted in either 2007 or 2008. Aside from the three industries mentioned above, other notable categories include Machinery Manufacturing, Management of Companies and Enterprises, Insurance Carriers, and State Government. [Appendix A](#) at the end of this report displays the industries and the number of 2012 jobs expressed as a percentage above or below the pre-recession peak.

In terms of the industry classification posting the largest year-over-year percentage growth in Colorado, that distinction occurred in the Information industry, specifically, the Internet Service Providers (ISP), Search Portals, and Data Processing classification. Whereas two of the other three classifications in the Information industry posted among the largest job losses from 2011 to 2012, the ISP classification grew robustly. The next two fastest-growing classifications are found in the Mining and Energy industry, specifically the Support Activities for Mining and Oil & Gas Extraction sectors. The Support Activities for Mining classification spans all ancillary activities related to both the mineral and energy extraction sectors. The two classifications added 1,435 and 815 jobs, respectively, reaching the highest employment totals on record for both. [Figure 4](#) below displays the other fastest-growing industries by percentage growth values.

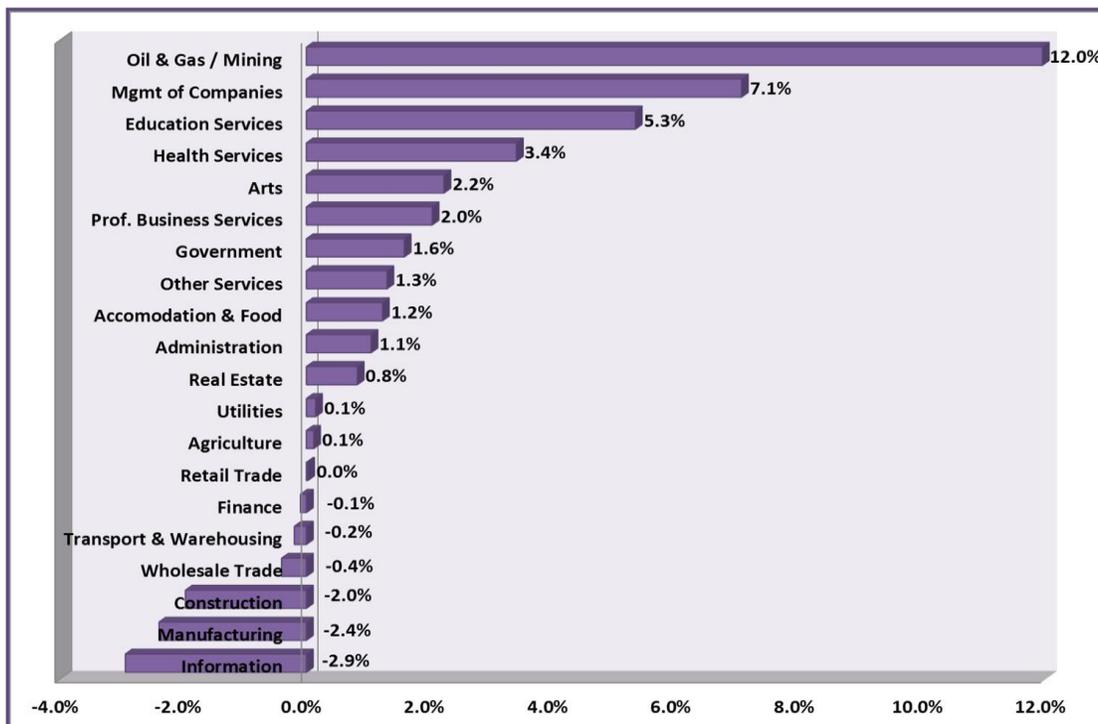
**Figure 4**



As prefaced above, job losses, the largest absolute job losses from 2011 to 2012 occurred in two Information industry classifications. The Telecommunications and Publishing classifications lost 2,791 and 886 jobs, respectively. Furniture, Electronics, and Appliance Retail stores declined 1.6%, losing 648 jobs. Rounding out the top five largest job-shedding industries are the government sector, with Federal and Local Government jobs falling by 484 and 414 jobs, respectively.

Taking a longer view, [Figure 5](#) below shows the average annual job growth rates by major industry. From the graph one can readily see how quickly the Oil & Gas / Mining industry grew over the last 11 years, averaging 12% growth per year. In 2001 the industry had just over 14,700 jobs; as of 2012, that total has more than doubled, swelling to approximately 34,000 jobs. A decade of rapid appreciation of mineral and energy commodity prices coupled with the introduction of innovative new extraction techniques in the Oil & Gas sector facilitated the growth of jobs in this industry. Other fast-growing industries include Management of Companies, which grew 7.1% per annum and Education Services that averaged 5.3% growth per year.

**Figure 5: Average Annual Job Growth by Major Industry, 2001-2012**



Regarding absolute gains over the period 2001-2012, the largest growth occurred in the Health Services industry, adding just over 77,500 jobs or accounting for nearly two out of every five of the net jobs created from 2001 to 2012. The second largest absolute growth occurred in the Professional Business Services Industry, an industry that added 47,300 jobs over the 11-year period. Combined, these two industries comprise 62.6% of the 199,285 jobs created from 2001 to 2012.

On the job loss side over the same period, it is apparent that the Information, Manufacturing, and Construction sectors were adversely affected by the two recessions that occurred in 2001 and from late 2007 to 2009. The largest absolute declines occurred in manufacturing. In 2001, the industry had 187,780 jobs statewide; by 2012, there were only 138,322 jobs, a loss of 49,458 jobs, or a 26.3% drop over that period.

The story is similar in the construction sector. Since peak employment in 2007, the three construction industry classifications (Construction of Buildings, Heavy & Civil Engineering Construction, and Special Trade Contractors) have lost (13,575), (4,744), and (37,377) jobs, respectively, or more than 1 out of every 4 jobs in each classification in 2007 has been lost. These across-the-board losses in construction categories attest to the severity of the economic downturn afflicting residential, commercial, and government construction activities since the onset of the “Great Recession” in late 2007.

### **County job growth**

Unlike the industry job classifications, the county total jobs estimates were much more mixed in posting year-over-year gains. Among 64 counties, only 55% - 35 counties total - experienced job growth from 2011 to 2012. Job gains averaged 1,988 jobs while the median gain was 192 jobs.

In absolute terms, the largest job growth occurred in Denver County, which added 12,767 jobs (2.5% growth) of which 10,386 jobs were W&S employment. Job growth in Denver County was led by Professional & Technical Services (2,693 jobs), Administrative & Support Services (2,320 jobs), Private Educational Services (1,779 jobs) Food Services and Drinking Places (1,403 jobs) and Management of Companies and Enterprises (1,090 jobs); these five industries account for nearly three out of every four jobs created in Denver County in 2012. Despite these gains, Denver County’s 2012 job total of 518,804 is still 10,297 jobs, or 1.9%, shy of its 2008 employment peak. The county has only recovered 72.6% of its peak-to-trough job loss of 24,589 jobs. It is also the only county in Metro Denver that has not exceeded its 2008 peak job total.

Inclusive of Denver County, the 7-county aggregation comprising Metro Denver added 49,944 jobs (3% growth and three-fourths of the state total). The top five job-gaining counties statewide were all found in the Denver Metro Area – Denver, Jefferson, Arapahoe, Boulder, and Adams counties. What’s more, positive job growth occurred in all seven counties: Adams County (5,445 jobs, 2.8% growth), Arapahoe County (9,132 jobs, 2.7% growth) Boulder County (5,864 jobs, 2.9% growth), Broomfield County (1,840 jobs, 5.1% growth), Douglas County (4,790 jobs, 3.8% growth), and Jefferson County (10,106 jobs, 3.8% growth). Overall, the Denver Metro region has exceeded its 2008 employment peak, posting 1,726,607 jobs, which is 0.6% higher than the 2008 total.

Outside the Denver Metro area, Larimer County’s 4,921 job gain, 2.9% growth, was chiefly fostered by Food Services and Drinking Places (3,419 jobs), Ambulatory Healthcare Services (1,063 jobs), and Wholesale Trade (944 jobs). Although neighboring Weld County did not add as many absolute jobs as Larimer County, Weld did grow jobs at a rate of 4.3% from 2011 to 2012, primarily abetted by the addition of oil and gas industry jobs. Both North Front Range counties have exceeded 2008 peak job

totals. Along the southern portion of the Front Range, El Paso County added 4,757 jobs, growing by 1.4% and bettering its 2008 job total. On the Western Slope, Mesa County grew by 1.4% and Garfield County grew by 2.1%; both remain below 2008 peak jobs totals, with Mesa at 91.6% of the 2008 peak and Garfield at 88.1%.

As of 2012, only 16 of Colorado’s 64 counties (1 out of 4 counties) have exceeded pre-recession peak job totals. Outside of the Front Range counties mentioned above, the other counties that have surpassed the pre-recession peak job totals are: Costilla, Kiowa, Kit Carson, Morgan, Phillips, Saguache, and Washington. Figure 6 below illustrates the disparities across Colorado counties in terms of counties’ 2012 job estimates exceeding or lagging pre-recession peak employment.

**Figure 6**

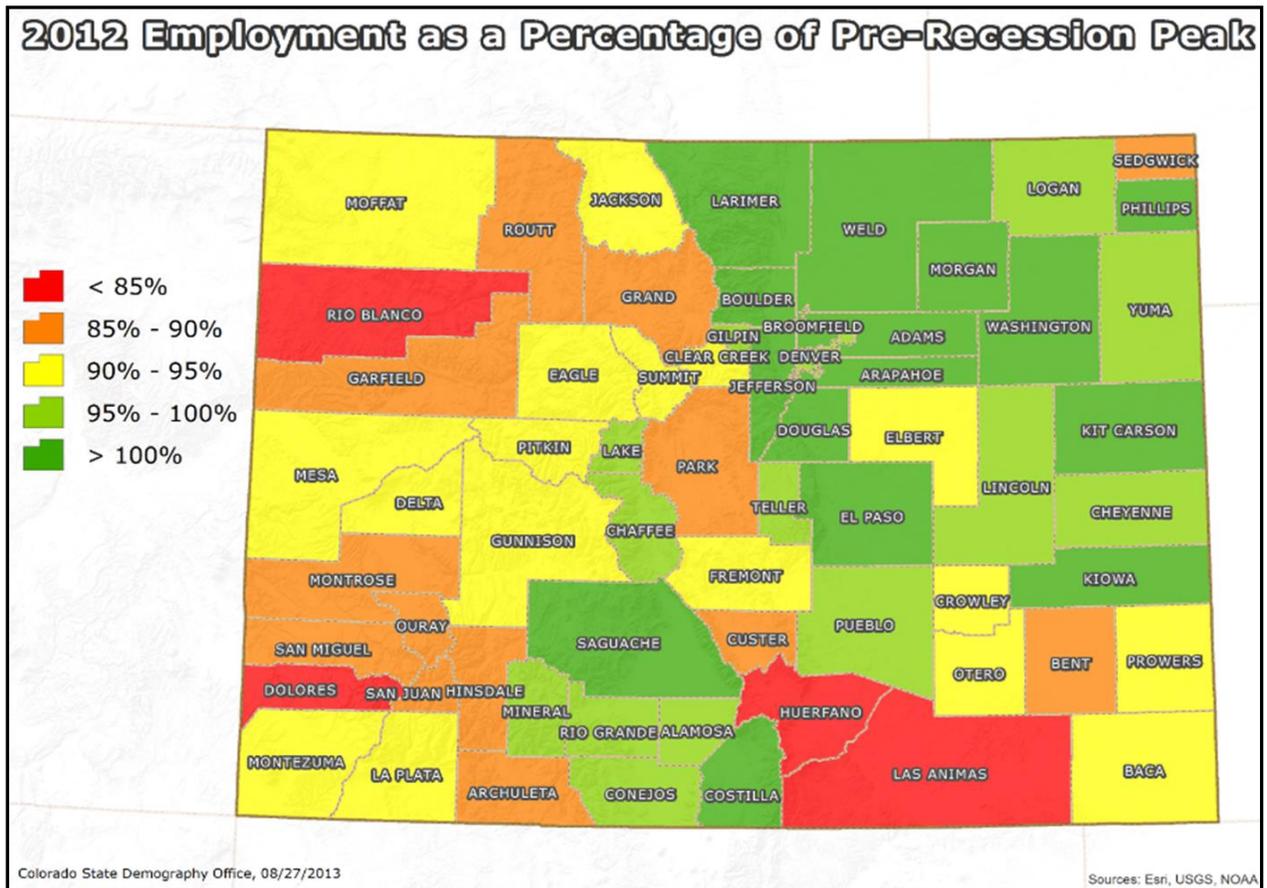
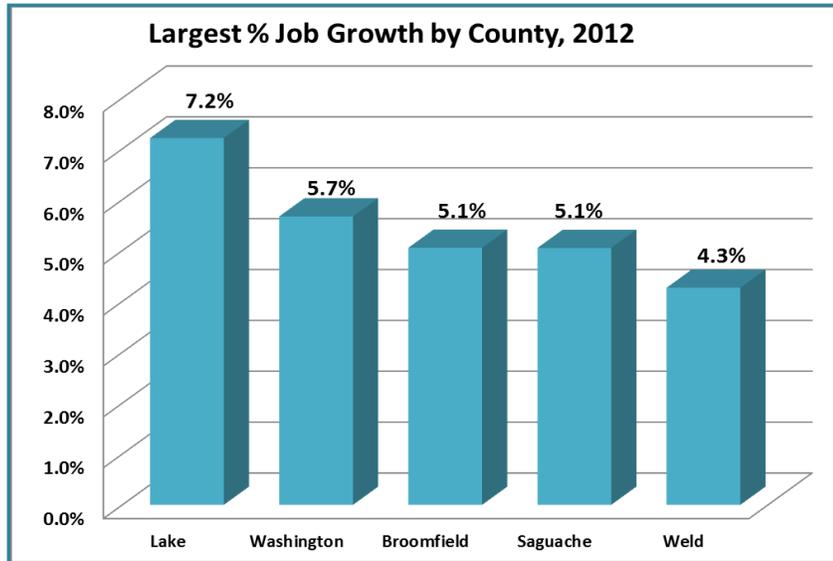


Figure 7 shows the fastest growth job growth by county in 2012. Lake County topped the list growing by 7.2% on account of the opening of the Climax Molybdenum Mine. Due to the opening of the mine, Lake County’s mining job total has increased from just 3 jobs in 2010 to 318 jobs in 2012.

**Figure 7**



On the job loss side of the ledger, the counties with the largest absolute job declines were Fremont (262 jobs lost, a 1.5% decline), Pueblo (236 jobs lost, a 0.3% decline), and Prowers (227 jobs lost, a 3.8% decline). Among the 29 counties that lost jobs, the average job loss was 85 jobs and the median job loss was 63 jobs. About half of the counties that lost jobs were in the triple digits.

**Figure 8**

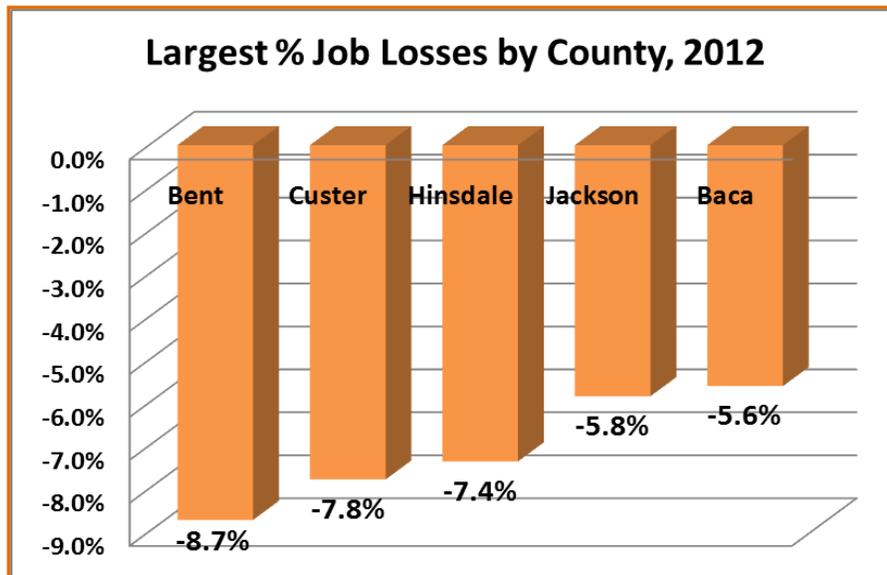


Figure 8 above displays the largest percentage job losses by county. Bent County, which lost the most jobs in percentage terms, was adversely affected by the closure of the Fort Lyon State Correctional Facility, which precipitated the loss of approximately 160 state jobs from 2011 to 2012. Passage of Senate Bill 13-210<sup>2</sup> by the Colorado General Assembly and Executive signature is intended to re-purpose

<sup>2</sup> See the Colorado General Assembly website <http://www.leg.state.co.us/clics/clics2013A/cslFrontPages.nsf/HomeSplash?OpenForm> for more details regarding SB 13-210.

the Fort Lyon facility as a transitional residential community for the homeless for the purpose of providing substance abuse treatment, medical care, job training, and skill development for the residents. The Division of Housing within the Colorado Department of Local Affairs is required to contract with a private entity experienced in providing statewide integrated housing, healthcare, and supportive service programs for homeless individuals to establish the residential community; financial incentives tied to the employment of former correctional facility workers. It is anticipated the re-purposed facility will support up to 300 homeless individuals when fully functional in 2014 or 2015, creating new job opportunities in Bent County.

## **Summary**

In 2012, Colorado continued the road to economic recovery. For the second consecutive year total jobs increased in the State, a phenomenon not observed since 2008. Moreover, total jobs have almost reached the 2012 peak. Although the 2012 job outcomes were mixed depending on industry classifications and counties, the outlook for 2013 has initial indications of being more promising for a larger proportion of Colorado industries and counties. Through June 2013, the state unemployment rate has fallen from 7.5% at the start of the year to 7%. The Coincident Economic Activity Index<sup>3</sup> for Colorado, a measure of the strength of state economic activity developed by the Federal Reserve Bank of Philadelphia, reached 181.97 in June, the highest figure the index has recorded in the more than 30 years of monthly observations for Colorado. Coupled with a recovery in broader United States macroeconomic conditions, these trends indicate that the 2013 jobs estimates have the potential to be larger in terms of absolute and percentage growth figures than the 2012 totals.

County and industry data can be found on the State Demography Office website at: [www.colorado.gov/cs/Satellite/DOLA-Main/CBON/1251593348637](http://www.colorado.gov/cs/Satellite/DOLA-Main/CBON/1251593348637). For specific information about industry or county-specific data, please contact Grant Nülle, Economist, at the State Demography Office: [grant.nulle@state.co.us](mailto:grant.nulle@state.co.us)

## **About the Estimates**

The 2012 jobs estimates, including revisions to prior year's estimates, prepared by the Colorado State Demography Office (SDO), are generated for the State of Colorado, its 64 counties, and a 7-county aggregation representing the Denver Metro area. Estimated jobs<sup>4</sup> are deemed to be comprehensive, in that the estimates are inclusive of wage and salary jobs as well as self-employed individuals operating as proprietors. The SDO produces job estimates in order to better understand the dynamics of population change in Colorado. For more information, visit the SDO website at [www.colorado.gov/demography](http://www.colorado.gov/demography).

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<sup>3</sup> See <http://research.stlouisfed.org/fred2/series/COPHCI> for further details regarding the Colorado Coincident Economic Activity Index.

<sup>4</sup> The jobs estimates are based on data compiled by the Colorado Department of Labor and Employment, Labor Market Information (LMI), the Bureau of Labor Statistics (BLS), the US Department of Commerce, Bureau of Economic Analysis (BEA), the U. S. Census Bureau, the United States Railroad Retirement Board, and the US Department of Agriculture.

## Appendix A

Industry Classifications Above Pre-Recession Peak	2012 % Above Peak	Industry Classifications Below Pre-Recession Peak	2012 % Below Peak
ISPs, search portals, and data processing	110.9%	Automotive and other repair and maintenance	99.9%
Oil and gas extraction	107.1%	Food and beverage stores	99.8%
Transit and ground passenger transportation	106.9%	Farm services	98.9%
Management of companies and enterprises	106.2%	Scenic, sightseeing, and water transportation	98.9%
Crops and livestock production	106.2%	Local Government	98.8%
Military	106.1%	General merchandise stores	98.4%
Private Educational services	104.9%	Accommodation	98.1%
Support Activities for mining	104.8%	Membership associations and organizations	97.9%
Personal and laundry services	104.2%	Truck transportation	97.6%
Hospitals	103.8%	Gasoline stations	97.4%
Ambulatory health care services	103.4%	Miscellaneous manufacturing	97.3%
Food services and drinking places	103.4%	Clothing and clothing accessories stores	97.2%
Machinery manufacturing	103.2%	Waste management and remediation services	97.2%
Professional and technical services	102.8%	Miscellaneous store retailers	96.9%
Social assistance	102.6%	Federal government, civilian	96.8%
Arts, entertainment, and recreation	102.5%	Motor vehicle and parts dealers	95.1%
State Government	101.8%	Private households	95.1%
Health and personal care stores	101.3%	Utilities	94.8%
Nursing and residential care facilities	101.2%	Mining (except oil and gas)	94.7%
Food and beverage product manufacturing	100.3%	Wholesale	94.2%
Administrative and support services	100.2%	Real estate	93.9%
Insurance carriers, funds, trusts	100.0%	Plastics and rubber products manufacturing	93.4%
		Primary and fabricated metal manufacturing	93.1%
		Motion picture and broadcasting, except internet	92.4%
		Support for transportation	91.7%
		Securities, commodity contracts and investments	91.4%
		Warehousing and storage	89.5%
		Air transportation	89.1%
		Chemical manufacturing	88.6%
		Nonstore retailers	88.6%
		Sporting goods, hobby, book and music stores	87.2%
		Rail transportation	87.1%
		Motor vehicle and transportation manufacturing	86.4%
		Furniture, electronics, appliances, and building m	86.0%
		Couriers and messengers and postal service assista	86.0%
		Telecommunications	84.3%
		Monetary authorities and credit intermediation, ex	82.3%
		Computer and electrical equipment manufacturing	81.5%
		Heavy and civil engineering construction	80.6%
		Pipeline transportation	78.1%
		Publishing industries	77.2%
		Special trade contractors	75.8%
		Textile mills and product, apparel manufacturing	75.0%
		Construction of buildings	72.0%
		Paper and printing manufacturing	69.8%
		Nonmetallic mineral product manufacturing	69.5%
		Wood product and furniture manufacturing	60.2%