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colorado's economic outlook for 2010

Colorado's job losses are apt to mount in 2010

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The Denver Post

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Colorado's economy, after stumbling horribly this year, will have to limp along next year before it can start running again, according to the state's most comprehensive economic forecast.

Employers will shed a net 3,200 non-farm jobs next year, mostly in the first half, predicts the 2010 Colorado Business Economic Outlook, which came out Monday.

While discouraging, those losses are a fraction of the estimated 100,000 jobs that the state has probably shed this year.

Even with those forecast losses, Colorado will still rank among the top 10 states for job creation in 2010, predicts economist Richard W obbekind, who oversaw the forecast for the University of Colorado Leeds School of Business.

"Even though times remain difficult, the worst is behind us," he said.

Colorado's unemployment rate, predicted to be 7.3 percent for this year, will average 8.1 percent next year, the report predicts.

Construction will remain the hardest-hit sector, losing 9,000 jobs or 6.6 percent of its workforce next year.

Although builders are expected to pull more residential permits next year, that won't be enough to make up for a deepening slump in commercial real estate.

EDUCATIONAL AND HEALTH SERVICES



Growth will be driven by the demand for medically trained workers, information-technology workers to develop and manager computer networks... and billing staff to collect payments and reduce bad debts."

2.6%

Gain of 6,600 jobs projected in 2010

PROFESSIONAL AND BUSINESS SERVICES



Colorado is home to a growing number of clusters whose companies cross a number of industries... Aerospace, biotechnology, renewable energy and software are benefactors of the enabling technologies."

2%

Gain of 6,300 jobs projected in 2010

CONSTRUCTION



Weak demand will be further limited by continued chronic oversupply from a combination of distressed home sales... and by the need for lenders to move foreclosure properties."

6.6%

Loss of 9,000 jobs projected in 2010

GOVERNMENT



Local government grew 2.2 percent in 2007 and 2.6 (in 2008). However, the impacts of the current economic downturn have been pervasive, and local government employment is expected to... decline 0.9 percent in 2010."

0.5%

Loss of 2,900 jobs projected in the state

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Manufacturing, which has lost jobs every year since 2001, will drop another 3,800 jobs next year, and financial-service firms are expected to lose 2,900 jobs.

Government, one of only two sectors that added jobs this year, will be forced to trim payrolls, even with heavy federal stimulus funding.

"Many governments have reached the point where cuts must be deep and narrow rather than broad and shallow," Wobbekind said.

Educational and health services, a rock through the past two recessions, will add 6,600 positions and remain the strongest sector.

Professional and business services, which lost 26,600 positions this year, is expected to add 6,500 jobs in 2010 as temporary hiring surges.

Growth in that sector pulled Colorado out of the 2001 recession, and Outlook economists forecast a repeat performance.

"It is going to do the same next year," predicted John Lymberopoulos, a former University of Colorado professor who helped Wobbekind present the forecast.

Not all the economists agree the state will lose jobs once 2010 wraps up. Even so, they don't see robust gains.

"If we do see any kind of job growth, it will be

slight," said Patricia Silverstein, another economist who worked on the Outlook.

Last year's Outlook predicted the state would lose only 4,300 jobs. Instead, 2009 losses are estimated to reach 100,000.

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