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business

## Six mountain states, including Colorado, hardest hit in U.S. by recession

By Aldo Svaldi  
*The Denver Post*

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The economic crisis last year hit the nation's six mountain states, including Colorado, harder than any other block of states, according to a report Monday from the Brookings Institution.

"In many mountain region locations, the sheer abruptness of the shift from hyper-growth early in the decade to a severe contraction in the last year has spawned a sense of almost existential whiplash," the report found.

The newly minted MountainMonitor, a joint effort between Brookings' Metropolitan Policy Program and the University of Nevada Las Vegas, looked at economic conditions in Arizona,

Colorado, Idaho, Nevada, New Mexico and Utah.

The report found that despite that severe dislocation, metro areas in the mountain region were recovering along with the rest of the nation, although at a slower pace.

Economist Patty Silverstein of Development Research Partners in Jefferson County said Colorado's relatively slower recovery is to be expected.

"We didn't necessarily follow the same trends as the rest of the country, and we came into this (recession) a little later than other areas," she said. "So we're not going to be off to the races with recovery. It's going to be in fits and starts."

Within the mountain region, certain metro areas such as Boise, Phoenix and Las Vegas have suffered larger home-price declines and job losses, while areas such as Albuquerque, Colorado Springs and Denver have fared better.

Those first three cities ranked in the bottom 10 among the nation's 100 largest metro areas in terms of the percentage decline from peak employment levels through the third quarter.

Denver ranked 57th and Colorado Springs ranked 44th on that measure.

An even sharper divide shows up among mountain metro areas when it comes to home prices.

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Among the 100 largest metro areas in the U.S., Phoenix and Las Vegas suffered the two sharpest declines in home prices over the past year as measured by the Federal Housing Finance Agency House Price Index.

Denver home prices ranked 28th best, while Colorado Springs home prices did 37th best, making them the two best-performing metro areas in the region on that measure.

One area where Denver lagged the national averages was in its change in economic output, which fell 4.3 percent from its peak. Nationally, the average decline was 2.3 percent.

Denver and Colorado Springs also showed some of the weakest increases in economic output between the second and third quarters of 2009, the study found.

Denver's increase in output of 0.3 percent between the two quarters was one-third of the 0.9 percent increase averaged among the 10 mountain metro areas.

It was also significantly weaker than the 0.8 percent gains averaged nationally.

*Staff writer Steve Raabe contributed to this report. Aldo Svaldi: 303-954-1410 or [asvaldi@denverpost.com](mailto:asvaldi@denverpost.com)*

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