Turnaround Management Association

Business Research Division
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Executive Director, Business Research Division and
Associate Dean for MBA and Executive Programs
http://Leeds.colorado.edu/brd

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Views on the Current State of the Economy
Real GDP Growth

Quarterly and Annual Real GDP 2000-2010

Sources: Bureau of Economic Analysis, Moody's.com.
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Real US GDP and Colorado Employment Growth Rates

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Where Are We in the Recovery Game?

<table>
<thead>
<tr>
<th>Economic Scorecard</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>Presidential Cabinet/Politics</td>
</tr>
<tr>
<td>Collapse of Financial Markets</td>
</tr>
<tr>
<td>Housing Slump</td>
</tr>
<tr>
<td>Tight Credit Markets</td>
</tr>
<tr>
<td>Confidence Crisis</td>
</tr>
<tr>
<td>Overleveraged Consumer</td>
</tr>
<tr>
<td>Commodity Price Stability</td>
</tr>
</tbody>
</table>

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U.S. Income & Consumption

Percent Change

Disposable Income

Personal Consumption

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

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Household Wealth

![Household Wealth Chart]

Sources: Federal Reserve Board, NSA Balance Sheet of Households and Nonprofit Organizations (B100).
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S&P/Case-Shiller Home Price Indices

![S&P/Case-Shiller Home Price Indices Chart]

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Index of U.S. Consumer Confidence

Nominal Corporate Profits and U.S. Business Fixed Investment

Sources: Bureau of Economic Analysis, Consensus Forecasts.
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U.S. Nominal Broad Dollar Index and Real Net Exports

Money, Interest Rates, Prices, and Credit
Interest Rates

Source: Federal Reserve.
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Commodities

Sources: Energy Information Administration, Dismal Scientist, 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 molybdc oxide).
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US Bankruptcies

Consumer Borrowing

Source: American Bankruptcy Institute.
Source: Federal Reserve Board.
Consumer Credit Outstanding

Source: Federal Reserve Board

Household Debt Burdens
Percent of Disposable Income

Source: Federal Reserve Household Debt Service and Obligations Ratios
Availability of Loans vs Actual Earnings Changes - NFIB

Source: National Federation of Independent Businesses.

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US Outlook

Things to watch in 2010.....

- Employment
- Lending
- Small Business
- Home Price Stability
- State and Local Governments
- Federal Debt

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Encouraging Signs

- Leading Economic Indicators
- ISM Surveys
- Retail Sales
- Jobless Claims
- 4th quarter GDP
- Housing Affordability
- Profits/CapEx

Colorado Population, Employment, Wages and Prices
Change in Population

Change in Colorado Population
2001-2010

Source: State Demography Office and Colorado Business Economic Outlook Committee.
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Total Employment

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Colorado Employment

Colorado Workers Added 2001-2010

Thousands

Sources: Colorado Department of Labor and Employment, Colorado Business Economic Outlook Committee.
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Colorado Change in Employment
2008 vs 2009

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Unemployment

US and Colorado Unemployment, 2001-2010

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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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Regional Employment Growth and Unemployment

Employment Growth Rate 2009 v 2008

-7.0 -6.0 -5.0 -4.0 -3.0 -2.0 -1.0 0.0

Boulder
Colorado Springs
Denver-Aurora
Ft. Collins-Loveland
Grand Junction
Greeley
Pueblo

Colorado 4.5%

Unemployment Rate March 2010

0.0 2.0 4.0 6.0 8.0 10.0 12.0

Boulder
Colorado Springs
Denver-Aurora
Ft. Collins-Loveland
Grand Junction
Greeley
Pueblo

Colorado 8.4%

Sources: Bureau of Labor Statistics, NSA.

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Index of Housing Prices – Colorado Metro Areas

HPI Growth Q4 2009 vs Q4 2008

-8% -6% -4% -2% 0% 2% 4%

Boulder
Colorado Springs
Denver-Aurora
Ft. Collins
Grand Junction
Greeley
Pueblo

One Year Growth

Denver and Fort Collins growth (-1.4%)
Grand Junction = -5.6%
Colorado = -2.4%
U.S. = -4.7%

Ten Year CAGR

Grand Junction and Boulder lead state growth
(6.3% and 3.9%)
Colorado 3.6%
U.S. 4.5%

HPI Growth Q4 2009 vs Q4 1999

0% 2% 4% 6% 8% 10%

Boulder
Colorado Springs
Denver-Aurora
Ft. Collins
Grand Junction
Greeley
Pueblo

Source: Federal Housing Finance Agency (All Transactions)

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### 2009 Foreclosure Totals by County vs. Number of Houses Per Completed Foreclosure

<table>
<thead>
<tr>
<th>County</th>
<th>Foreclosure Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arapahoe</td>
<td>6,000</td>
</tr>
<tr>
<td>Denver</td>
<td>6,000</td>
</tr>
<tr>
<td>Adams</td>
<td>5,500</td>
</tr>
<tr>
<td>El Paso</td>
<td>5,000</td>
</tr>
<tr>
<td>Jefferson</td>
<td>4,500</td>
</tr>
<tr>
<td>Weld</td>
<td>4,000</td>
</tr>
<tr>
<td>Douglas</td>
<td>3,500</td>
</tr>
<tr>
<td>Larimer</td>
<td>3,000</td>
</tr>
<tr>
<td>Pueblo</td>
<td>2,500</td>
</tr>
<tr>
<td>Boulder</td>
<td>2,000</td>
</tr>
<tr>
<td>Broomfield</td>
<td>1,500</td>
</tr>
</tbody>
</table>

**Colorado Average No. of Houses Per Completed Foreclosure = 94**


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### Goods-Producing Employment

#### Goods-Producing Share of Colorado Employment

- **Service-Producing**: 86.1%
- **Manufacturing**: 6.1%
- **Construction**: 6.4%
- **Natural Resources and Mining**: 1.4%

#### Goods-Producing Workers Added 2001-2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Thousands</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>-13.3</td>
</tr>
</tbody>
</table>

Sources: Colorado Department of Labor and Employment, Colorado Business Economic Outlook Committee.

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Service-Producing Employment

![Service-Producing Employment Chart]

Service-Producing Share of Colorado Employment

- TTU: 18%
- PBS: 15%
- EHS: 11%
- Gov't: 17%
- Other Services: 4%
- Goods-Producing: 13%
- Financial Activities: 7%
- Info: 3%
- L&H: 12%

Service-Producing Workers Added 2001-2010

Thousands

Sources: Colorado Department of Labor and Employment, Colorado Business Economic Outlook Committee.
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Retail Trade Sales

![Retail Trade Sales Chart]

Retail Trade Sales Real and Nominal Growth 2001-2010

Real Growth

Nominal Growth

Sources: Colorado Department of Revenue, Colorado Business Economic Outlook Committee.
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## Colorado General Fund

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2006</td>
<td>$6,400</td>
</tr>
<tr>
<td>FY 2007</td>
<td>$6,600</td>
</tr>
<tr>
<td>FY 2008</td>
<td>$6,800</td>
</tr>
<tr>
<td>FY 2009</td>
<td>$7,000</td>
</tr>
<tr>
<td>FY 2010</td>
<td>$7,200</td>
</tr>
<tr>
<td>FY 2011</td>
<td>$7,400</td>
</tr>
<tr>
<td>FY 2012</td>
<td>$7,600</td>
</tr>
<tr>
<td>FY 2013</td>
<td>$7,800</td>
</tr>
</tbody>
</table>

Source: Office of State Budgeting and Planning

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## State Factors

- State and local government finance and employment
- Recession cut into state’s intellectual firepower
- Loss of primary jobs
- Lasting social impacts
- Education funding

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Does Colorado Lead or Lag Recovery?

Pluses

- Tech Base
- Stimulus
- Housing
- Agriculture
- Transportation

Minuses

- Energy
- Tourism

Monthly Employment and LBCI
US vs. Colorado

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