

After the Great Recession

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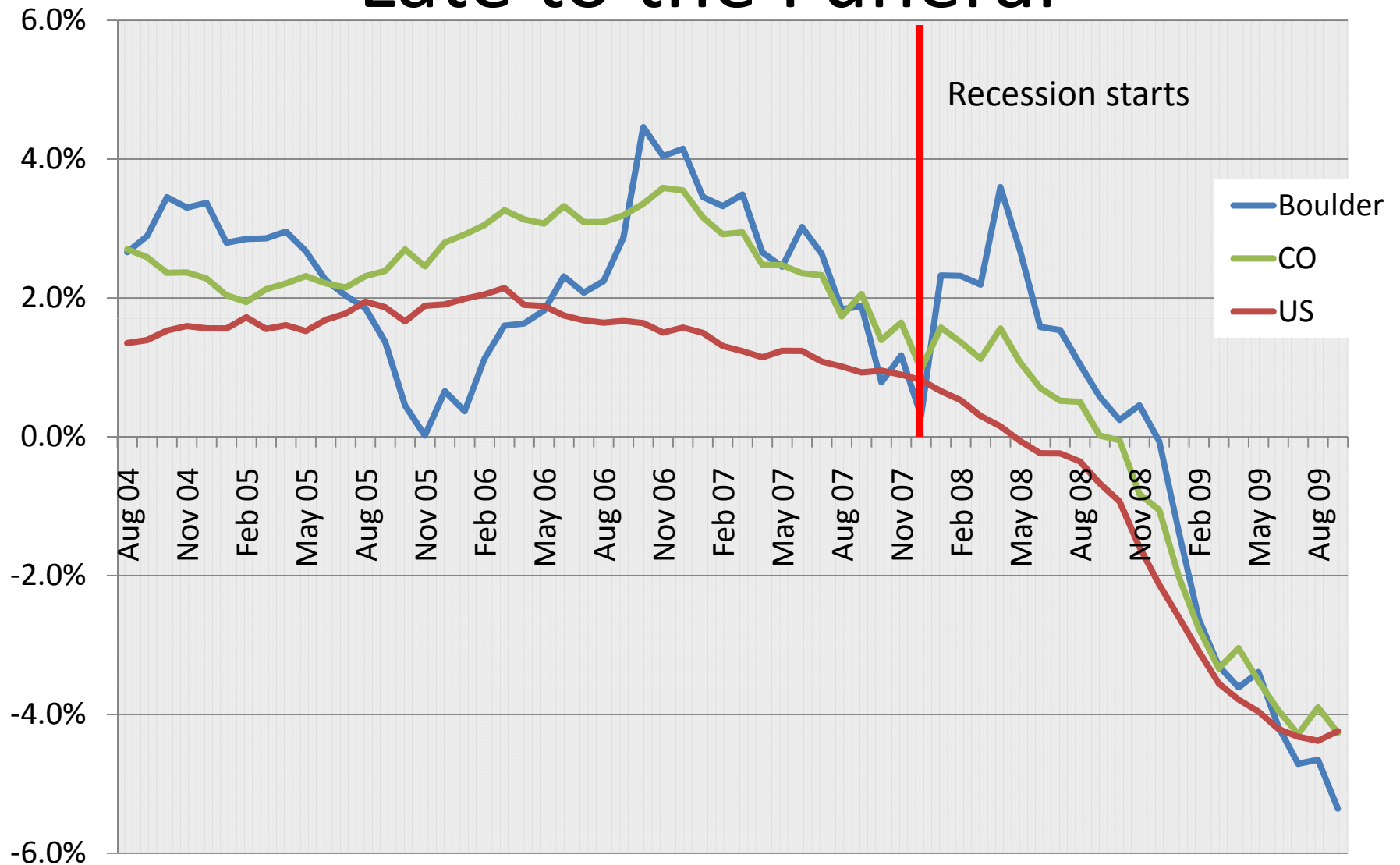
This Morning's Themes

- The state of the regional and national economies
- What needs to happen for meaningful recovery?
- Where is the region heading?

The “Takeaways”

- The national recession is most likely, almost certainly, probably over
 - It was a deep, broad and nasty one, however
- Boulder County has done less bad than the US
 - Until recently, at least
- The US recovery is in its infant stages
- Meaningful job creation is still a ways off
- No single sector will drive the recovery

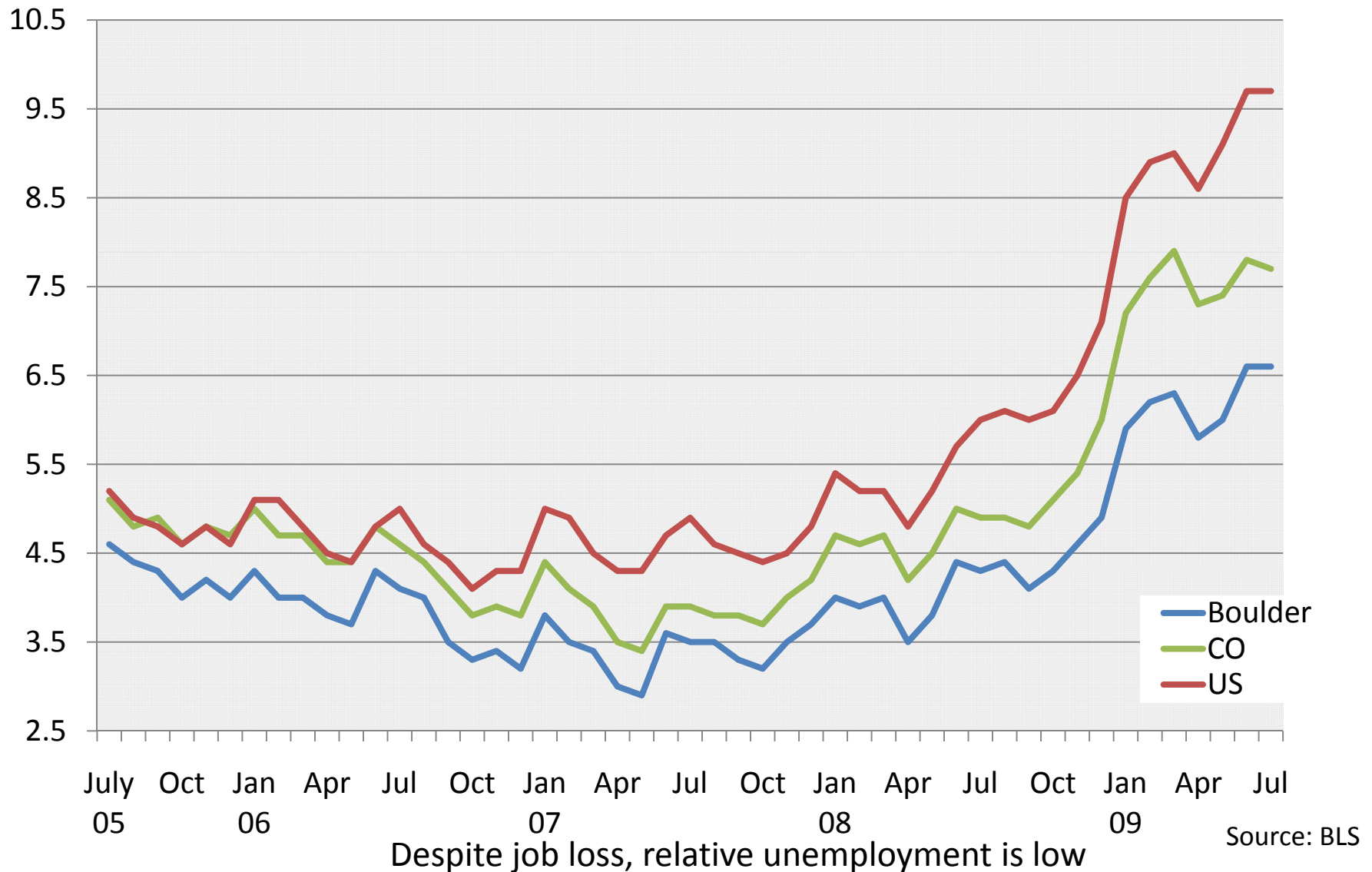
Late to the Funeral



Year over Year Change in Employment

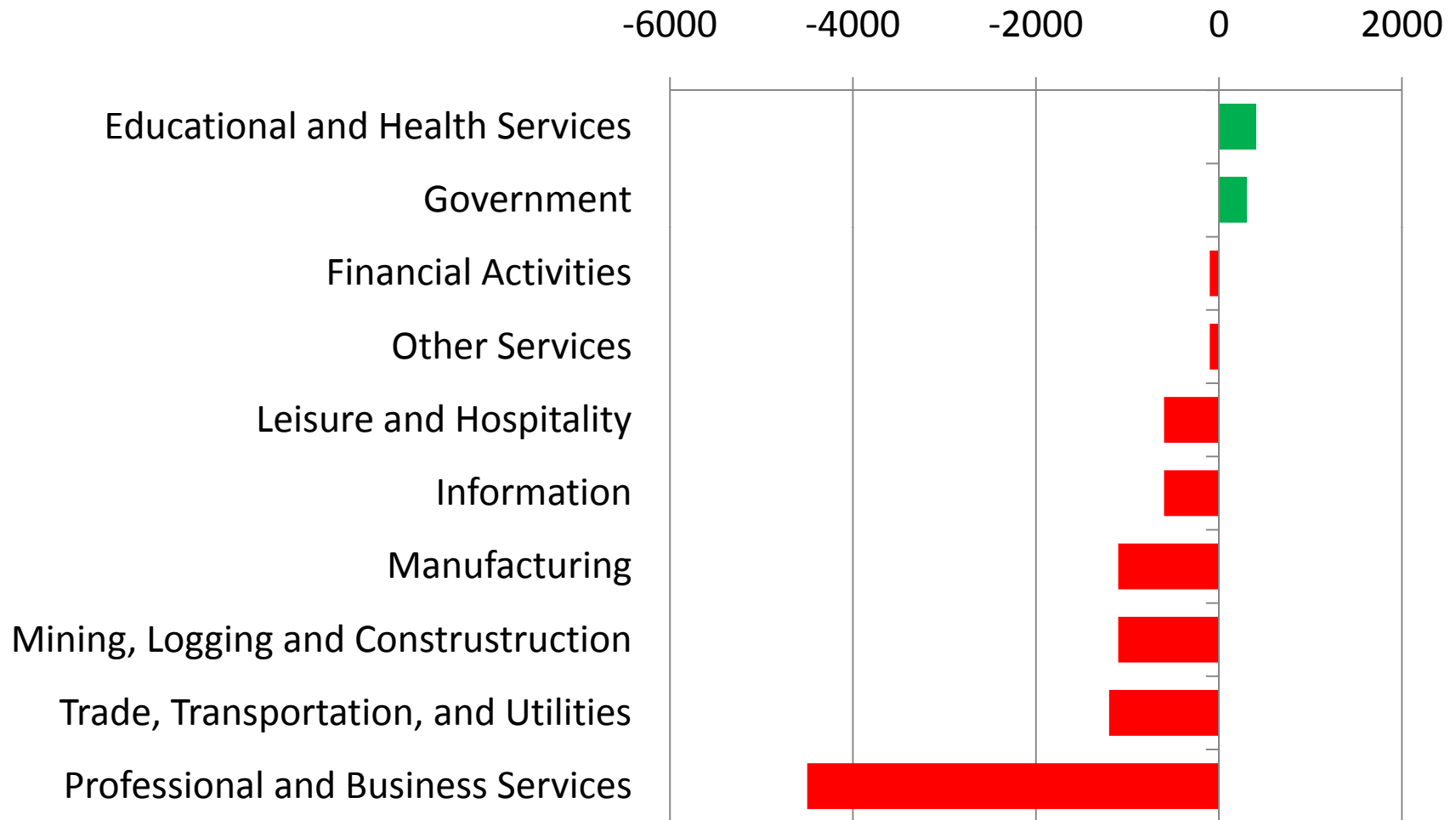
Source: BLS

County Unemployment Rate Trends with State and Nation



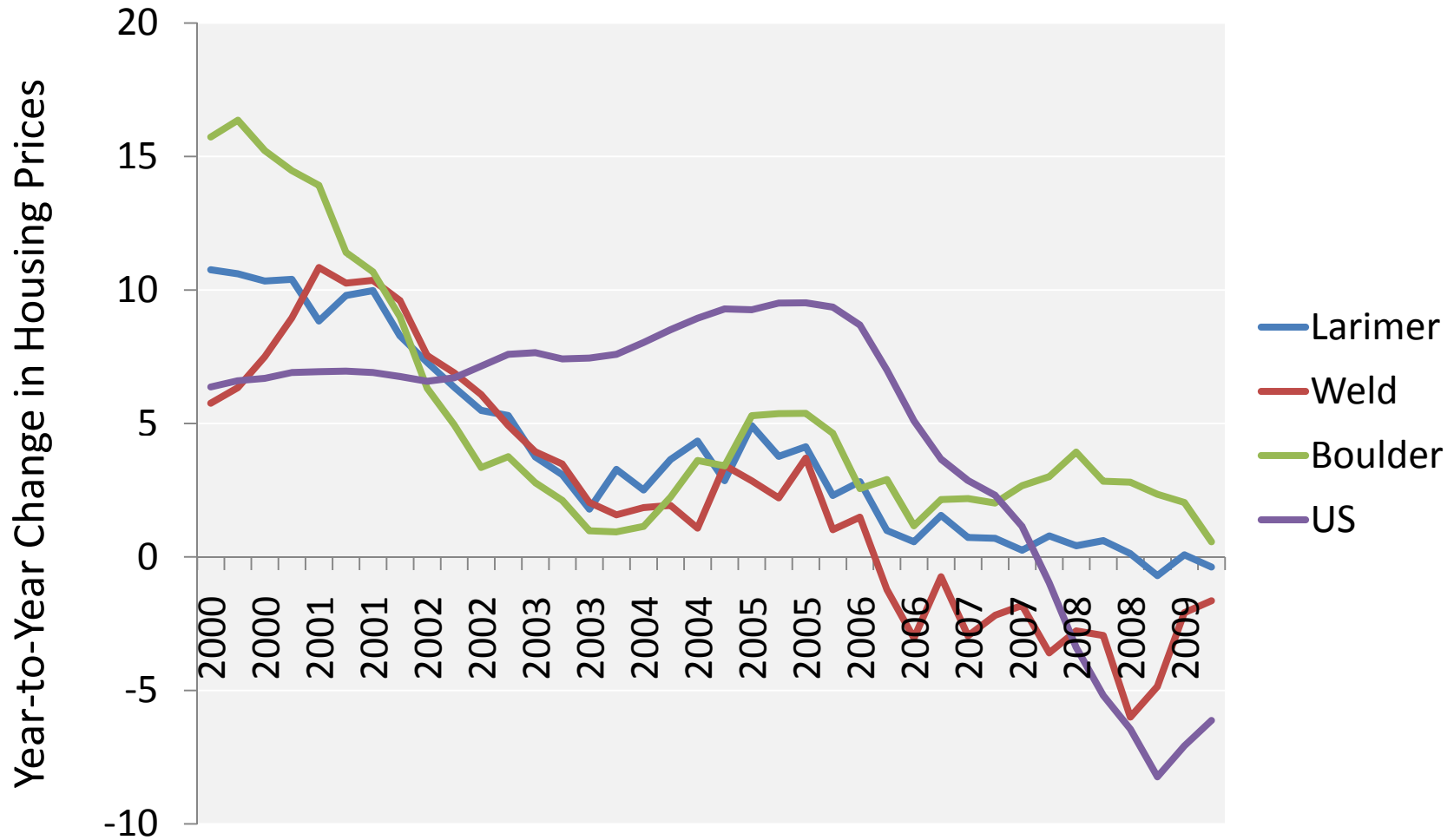
Boulder County Job Losses Widespread

8,800 jobs lost over the past 12 months



Source: CO Dept of Labor and Employment

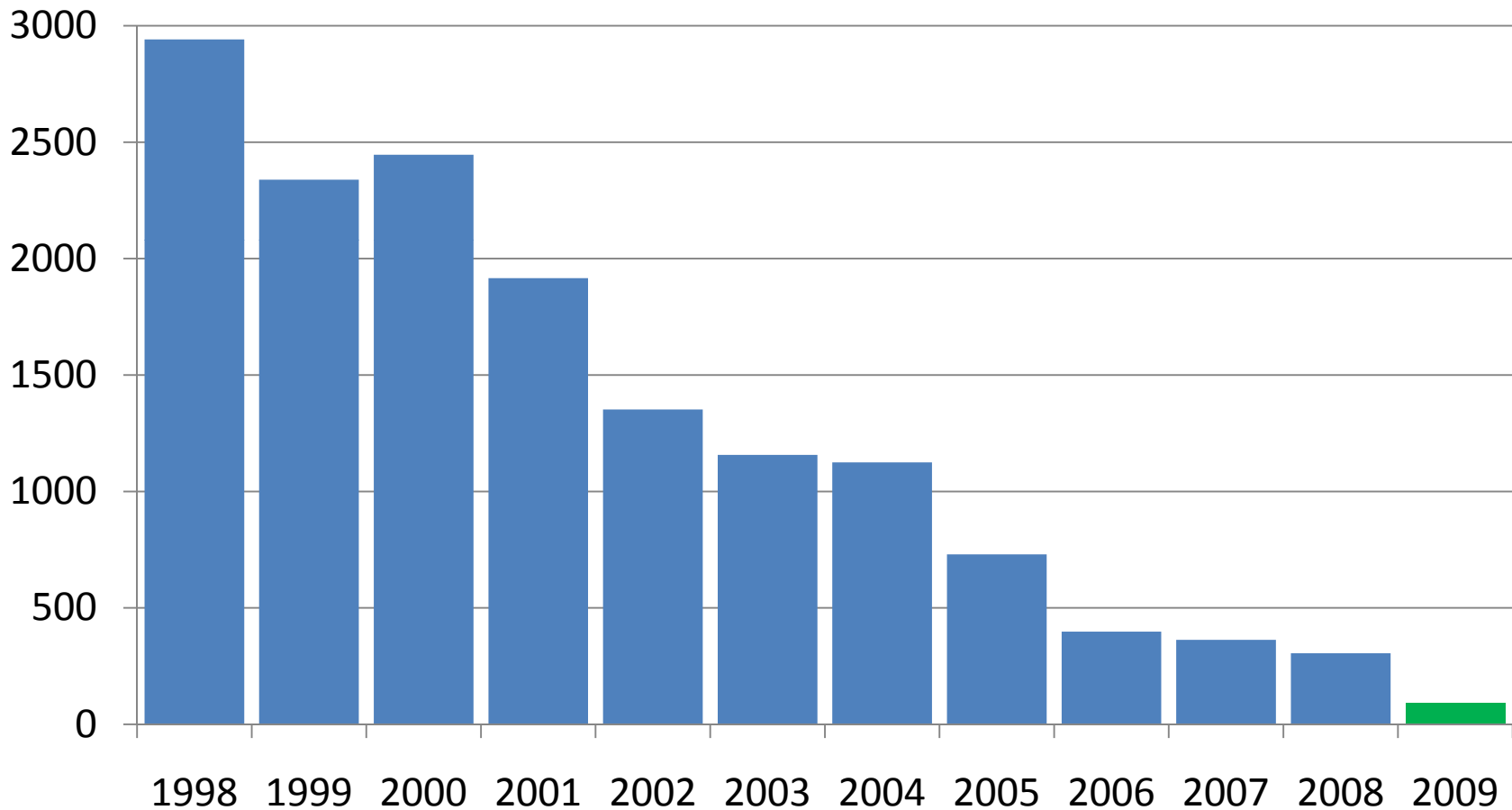
Regional Housing Market Less Bad



Source: FHFA

But Residential Construction Catatonic

Boulder County Single Family Building Permits: By Year

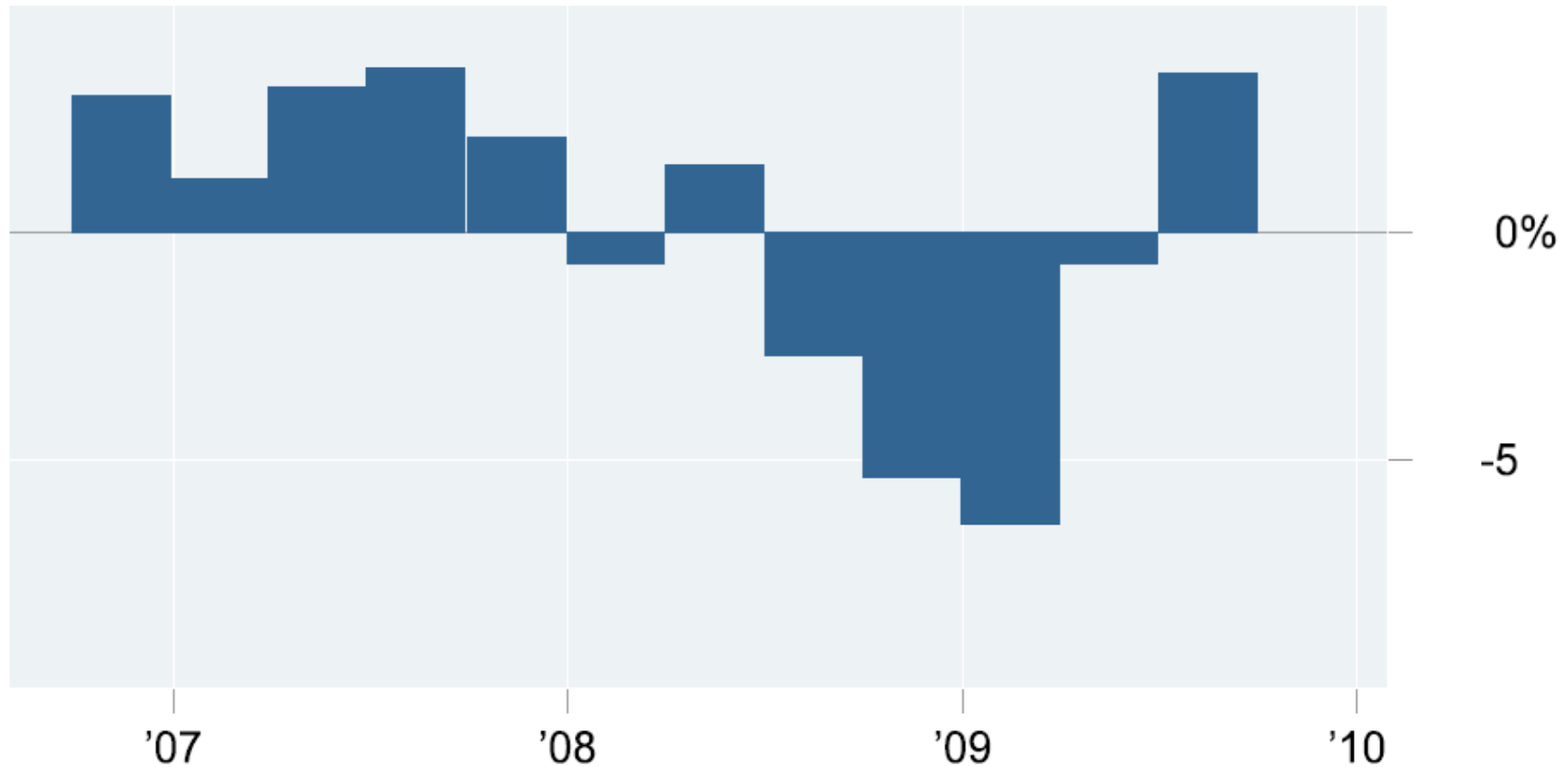


Source: US Census Bureau

“The Recession is Likely Over”

Ben Bernanke, Federal Reserve Chair,
15 September 2009

Real GDP Growth Turns Positive in the 3rd Quarter

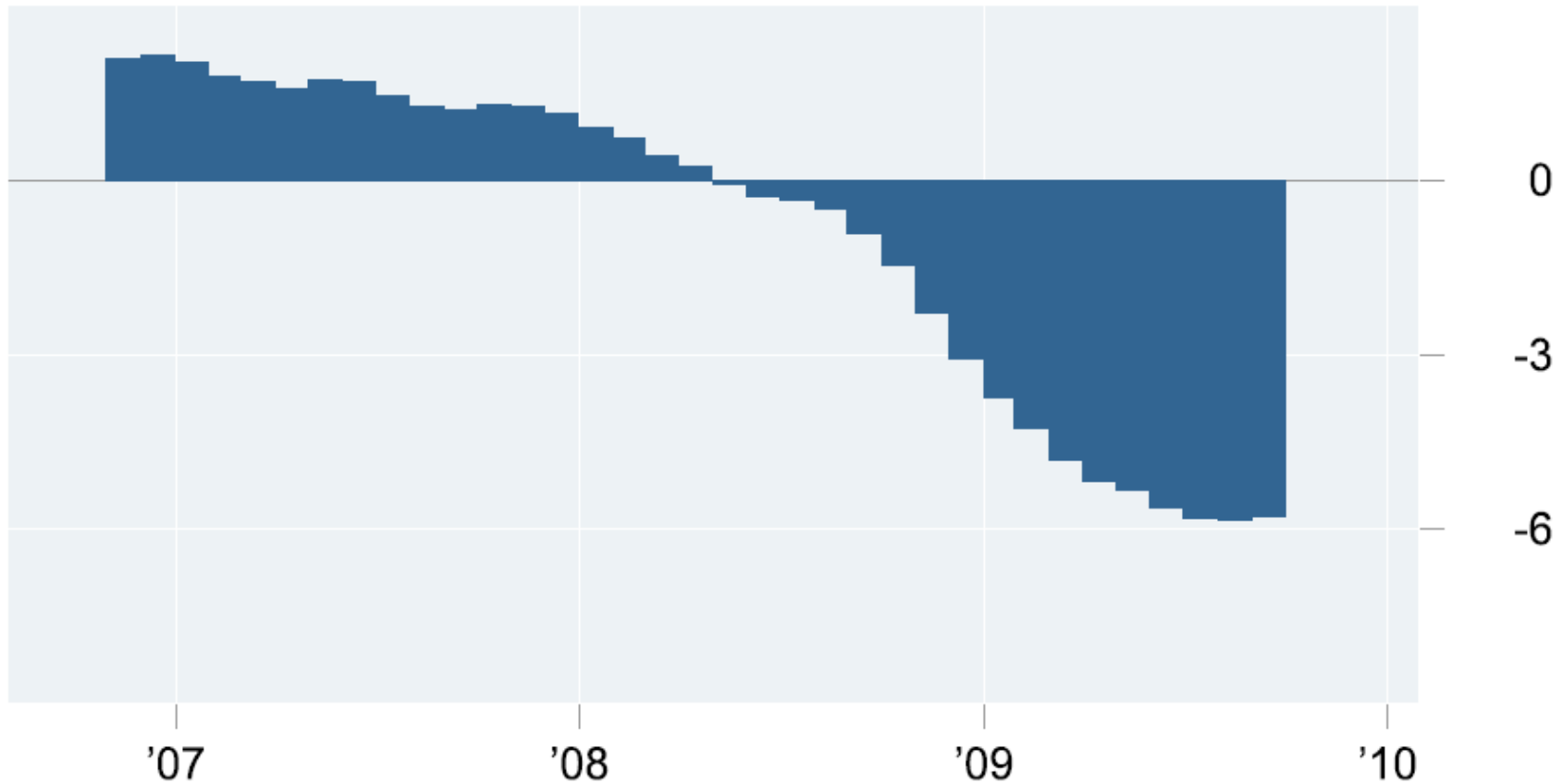


Source: US Department of Commerce

But the Downturn was the Longest Since the Great Depression

Peak	Trough	Duration (months)	Duration Expansion (months)
November 1948	October 1949	11	45
July 1953	May 1954	10	39
August 1957	April 1958	8	24
April 1960	February 1961	10	106
December 1969	November 1970	11	36
November 1973	March 1975	16	58
January 1980	July 1980	6	12
July 1981	November 1982	16	92
July 1990	March 1991	8	120
March 2001	November 2001	8	73
December 2007	<i>June 2009</i>	<i>18</i>	

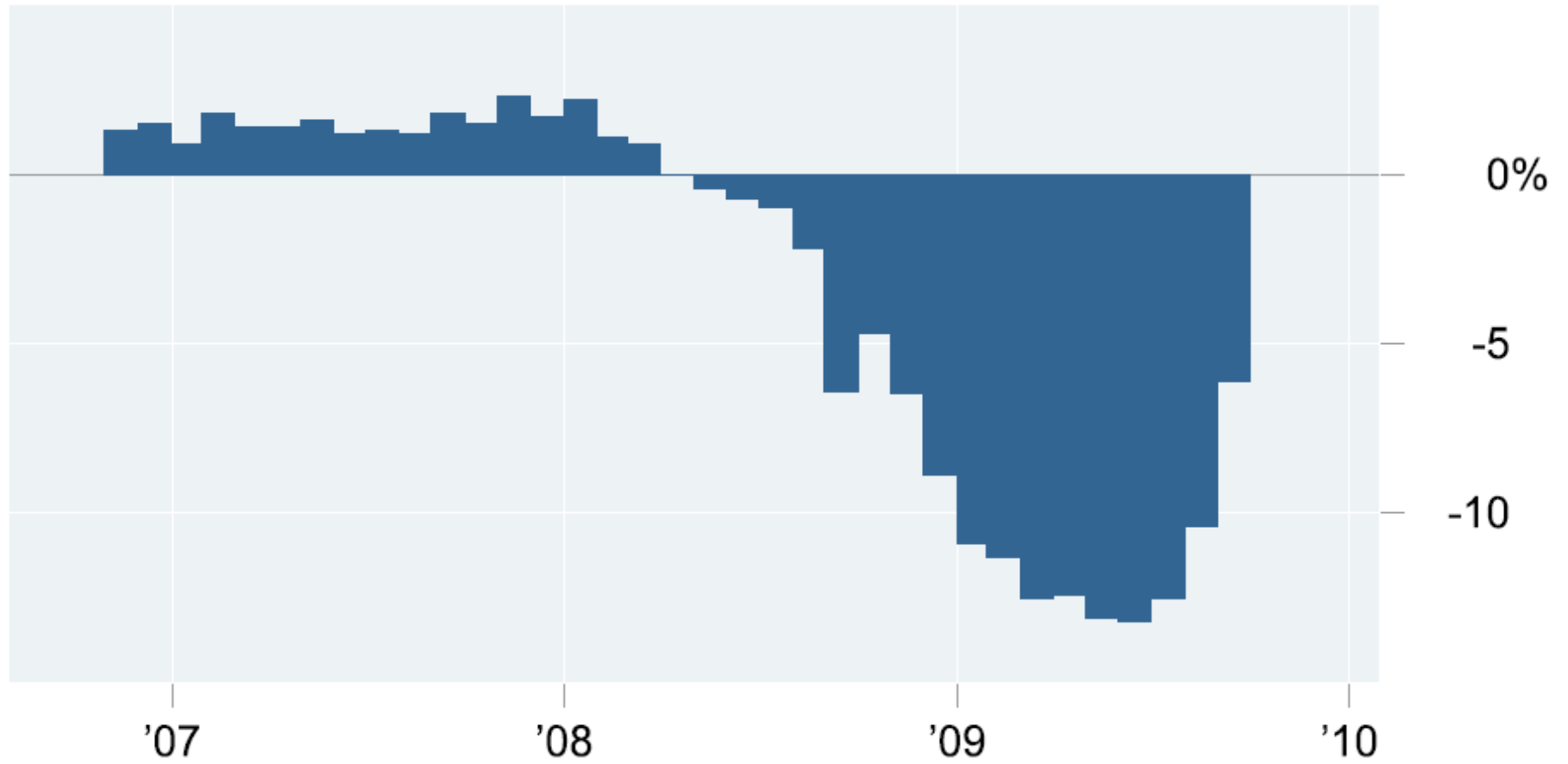
US Job Market has Stopped Hemorrhaging



Job change, in millions, from previous year

Source: BLS

Industrial Production Declines Slow

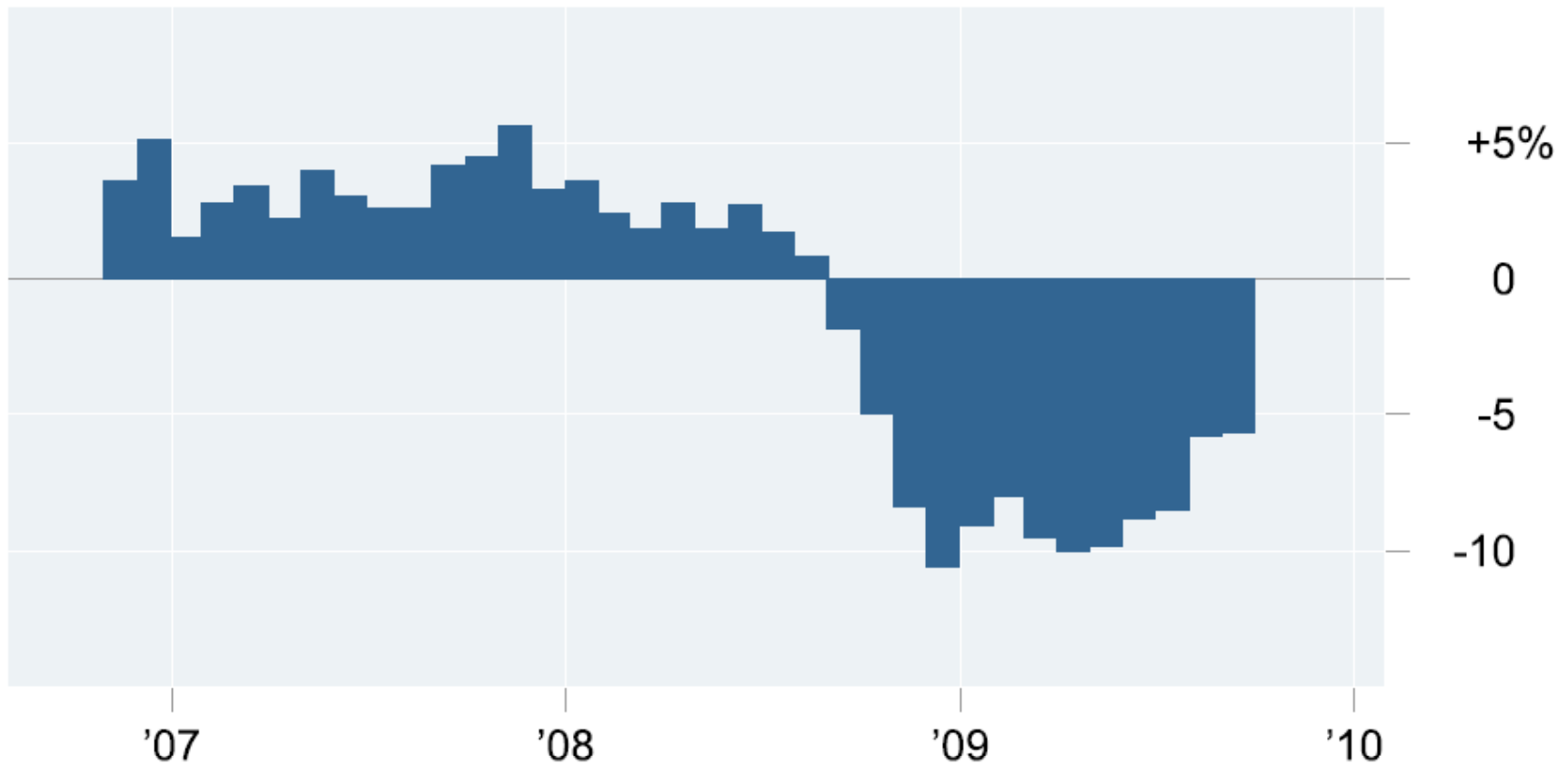


12 month Change in Industrial Output

Source: US Census Bureau

Retail Sales Improving, but Still Weak

Consumer spending makes up about two thirds of GDP



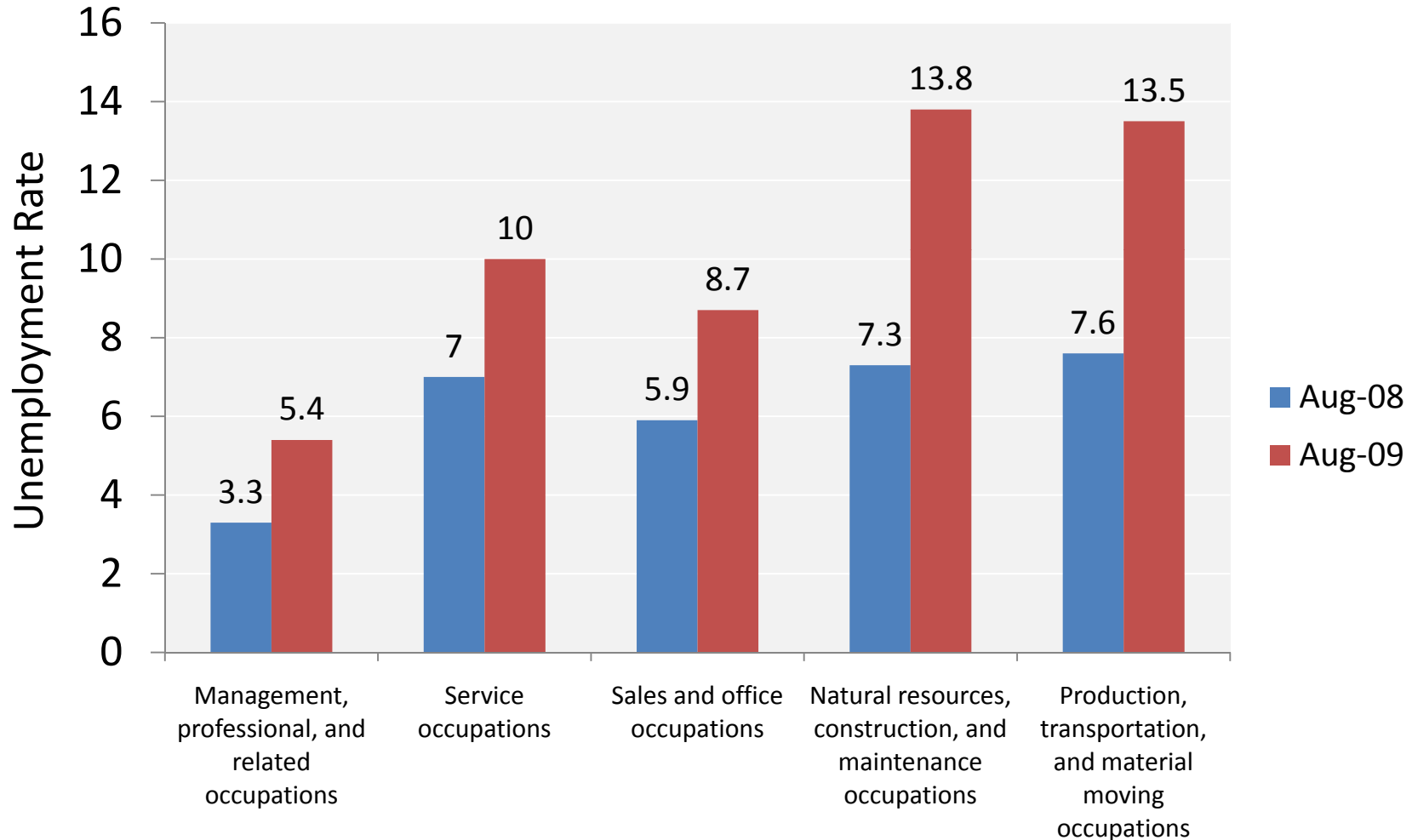
12 month Change in Retail Sales

Source: US Census Bureau

Labor Demand Weakens Across Occupations and Skills

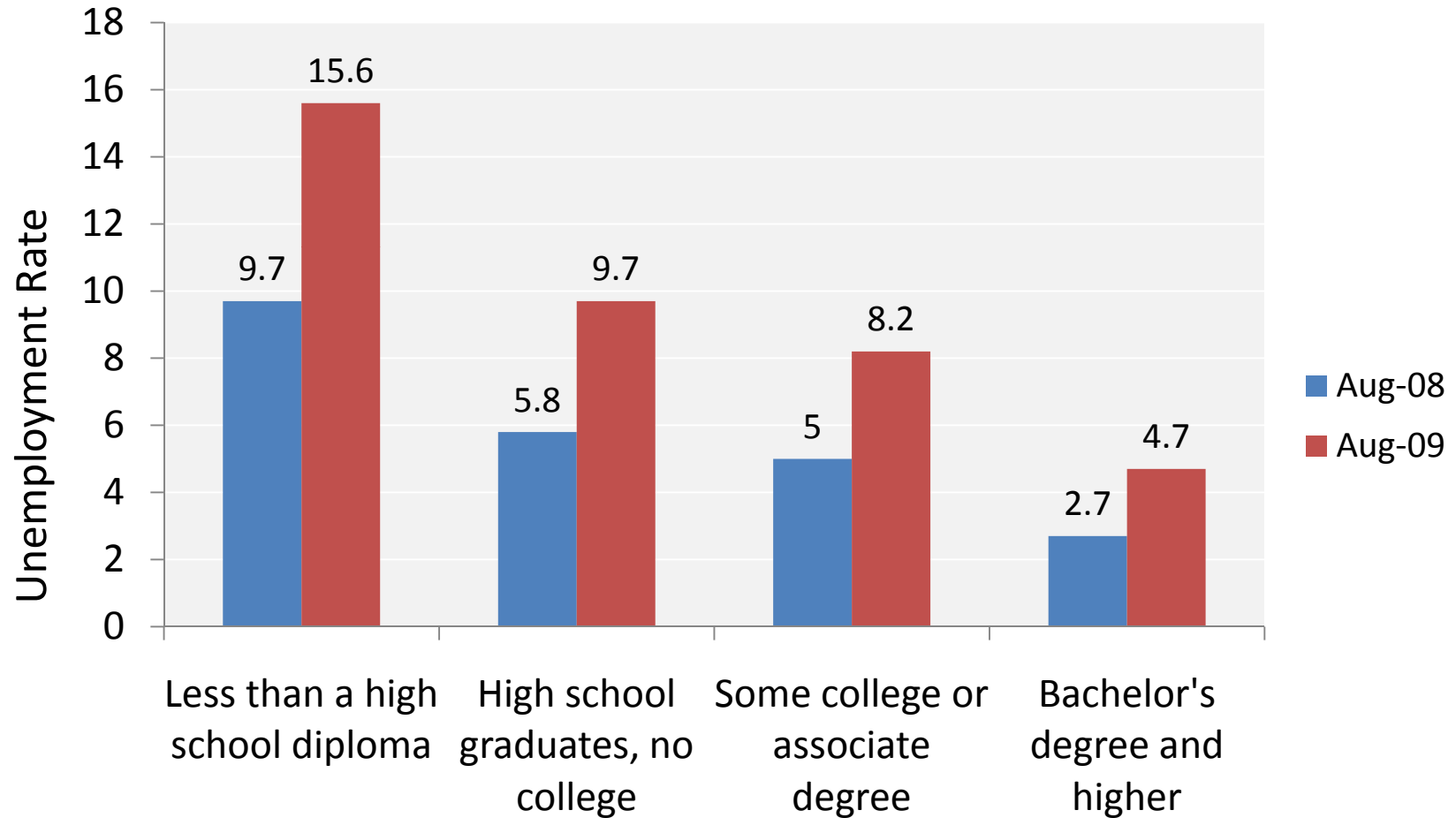
This has been an Equal
Opportunity Recession

National Unemployment Rate Higher Across All Occupations



Source: BLS

And by Education



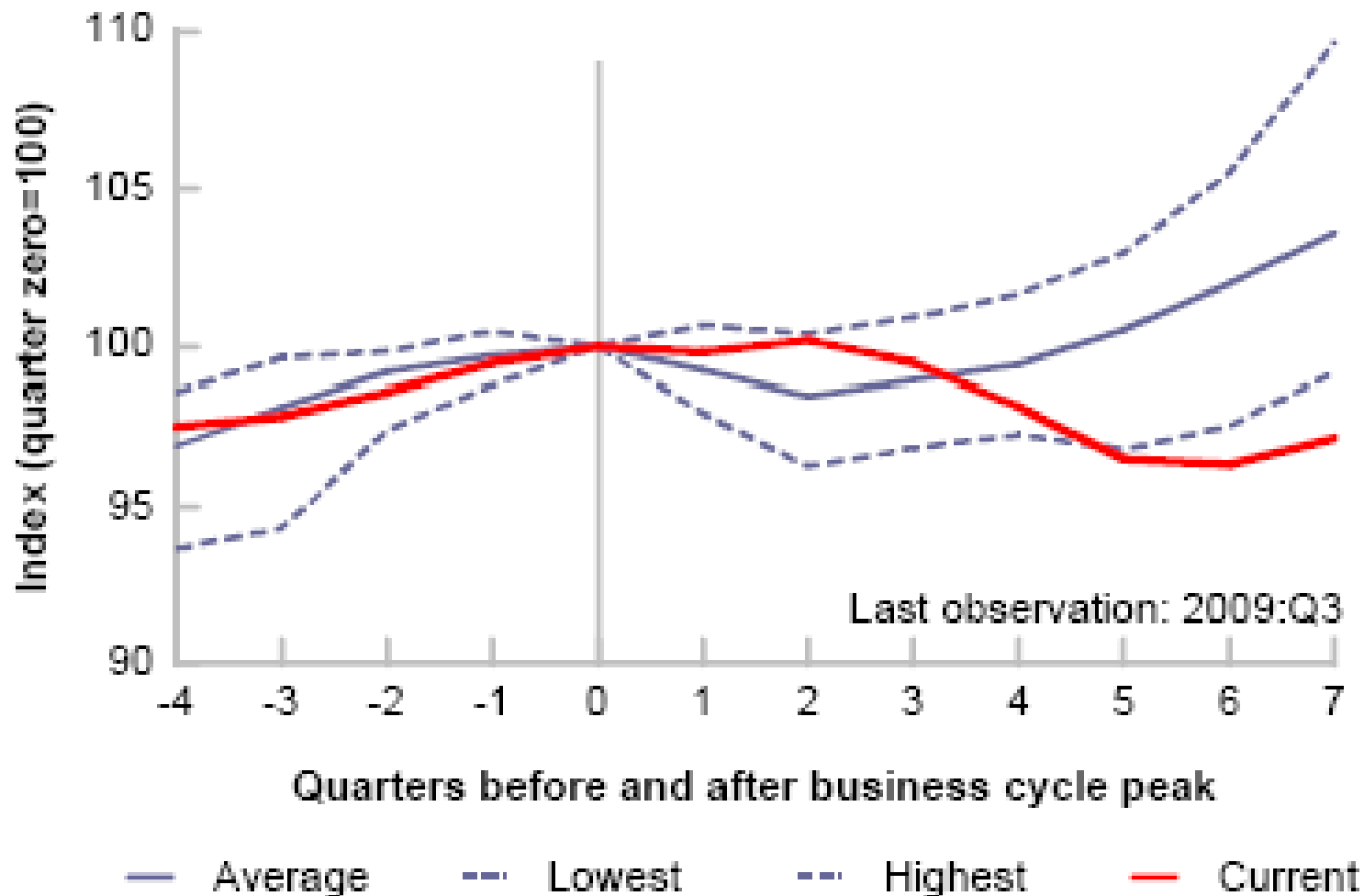
Source: BLS

“It's still going to feel like a very weak economy for some time”

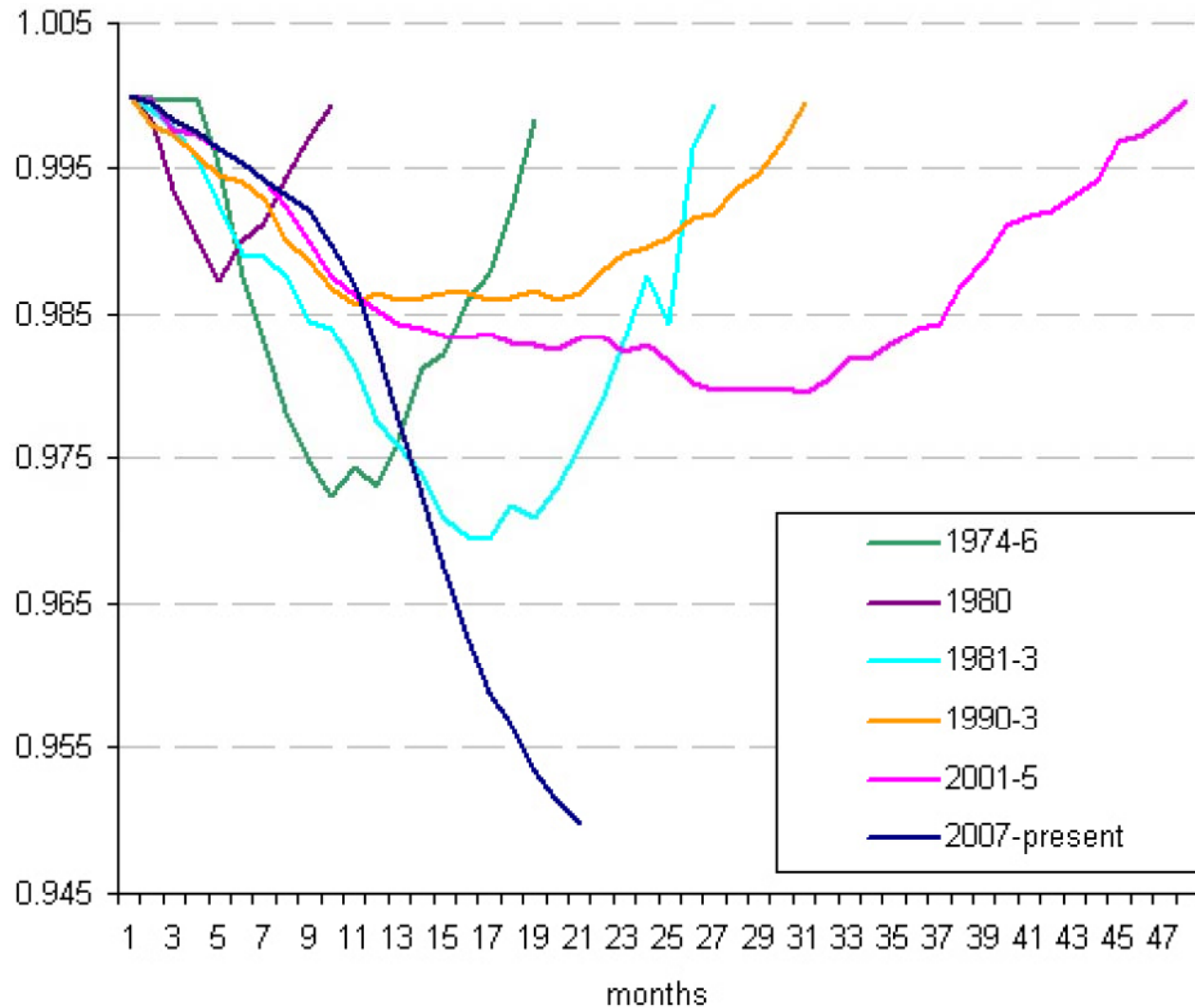
Ben Bernanke, Federal Reserve Chair,
15 September 2009

The Recession was Slow to Rev Up...

...but once it got going it got really bad

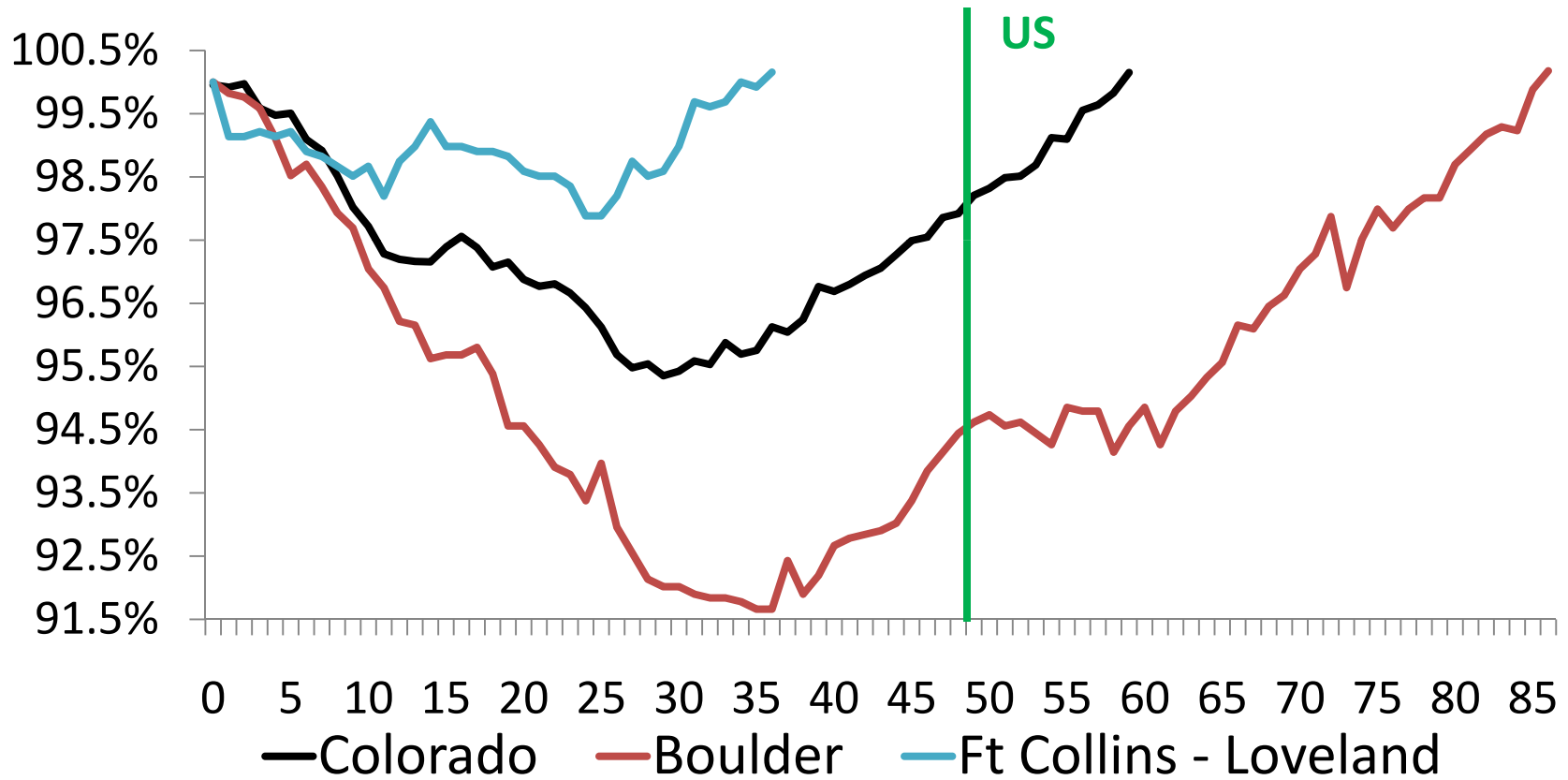


Picturing a Jobless Recovery



Source: BLS

CO Recovery from 2001 Recession Mixed



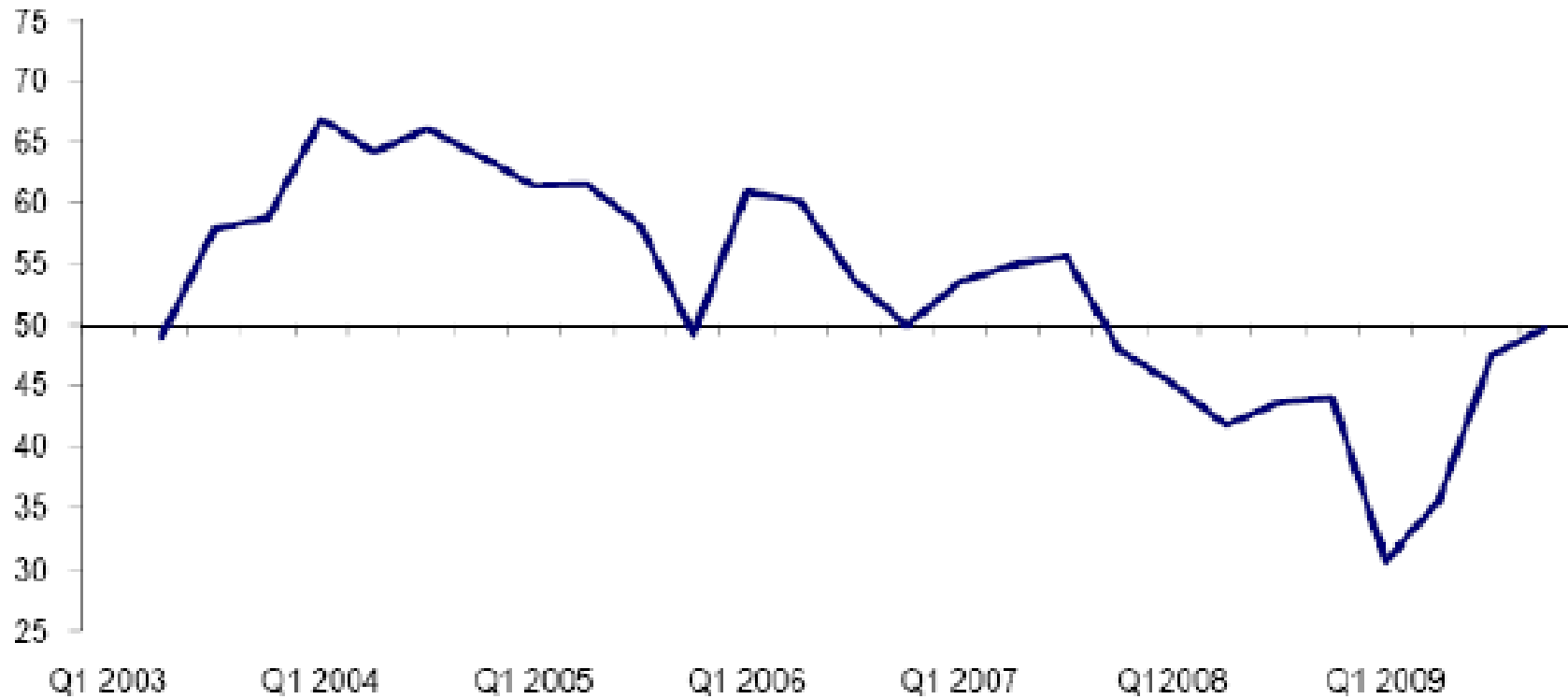
Months to re-attain Pre-recession Employment Peak

Step Off of the Ledge

There are some encouraging signs

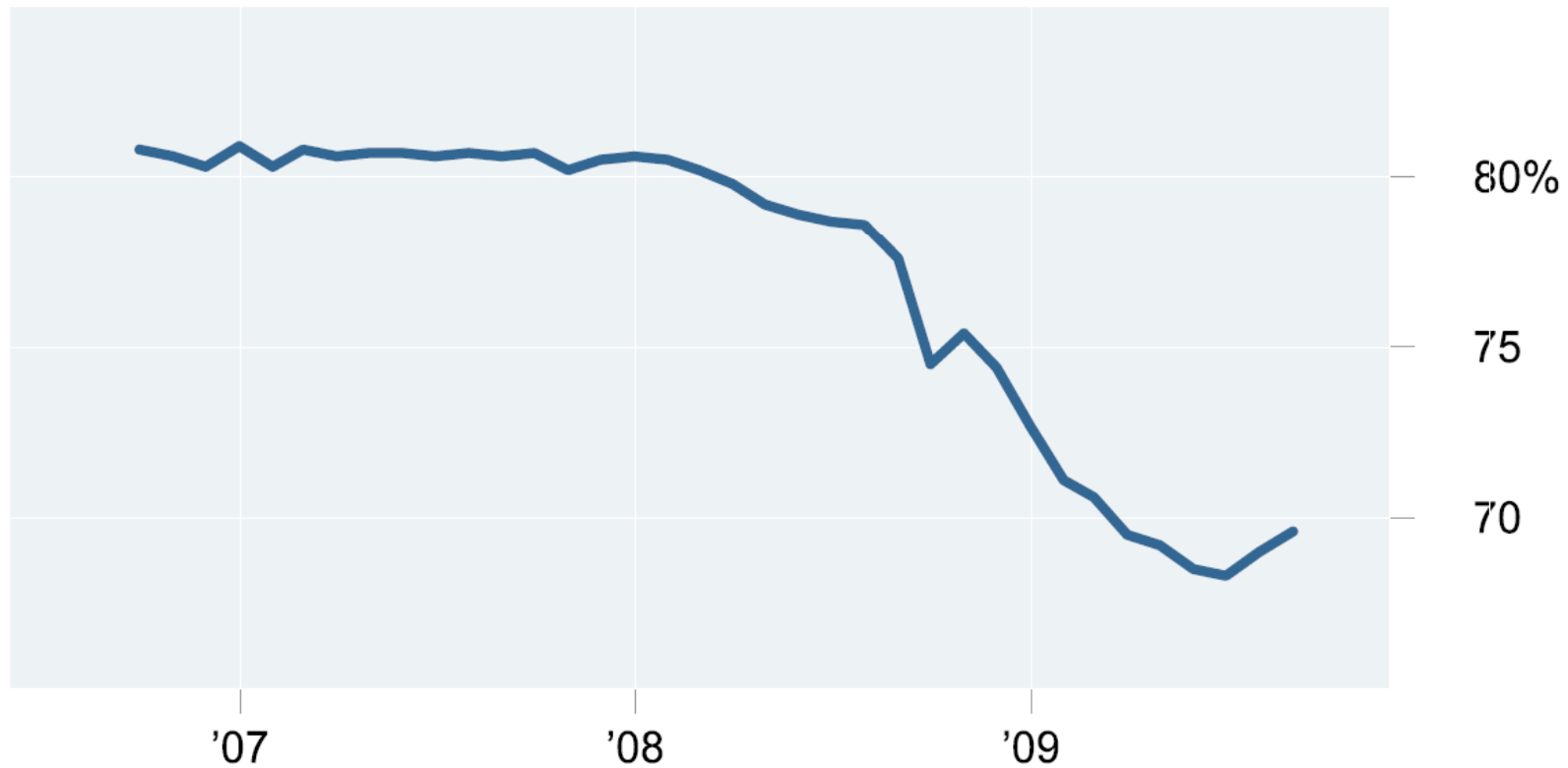
Colorado Colleagues' Confidence Climbs

Index (50=neutral)



Source: Leeds Business School

Capacity Utilization Increasing

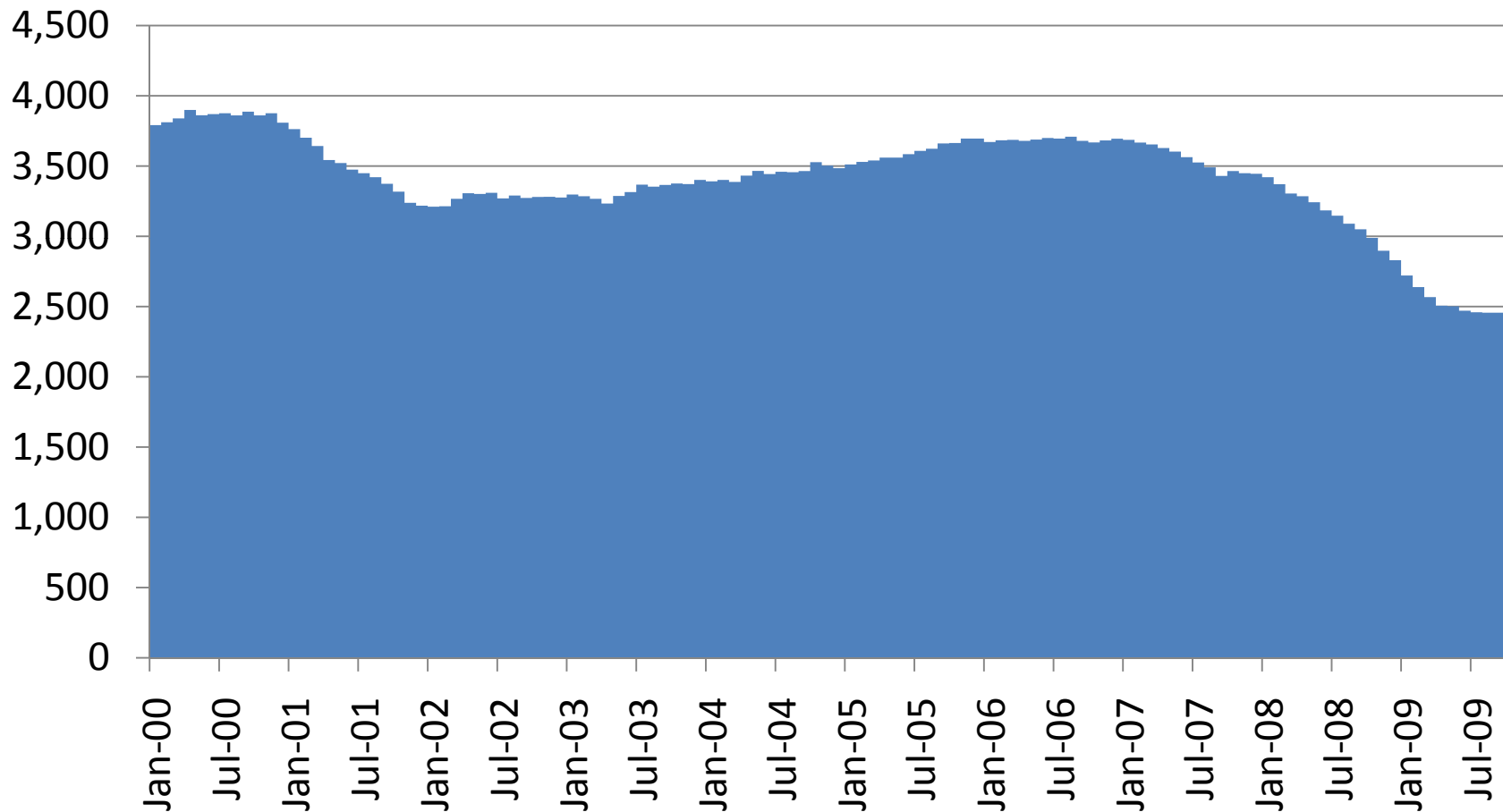


September 2009: 70.5%

80% is "normal"

Source: Federal Reserve

Temporary Employment Starting to Bounce Back



US monthly temporary employment: Jan 2000-Sept 2009 (in thousands)

Source: BLS

A Meaningful Recovery

The Worst is Behind Us

- As usual, consumers will drive the recovery
 - But high unemployment will persist, and that will continue to temper spending
- For businesses, credit markets remain key
 - It helps to have cash
 - How long will the Fed and Treasury continue to prop up the financial system?
- It's hard to say where the jobs will come from
 - But they'll show up eventually

2010 and Beyond

- Unemployment will continue to grow nationally, but seems to have stabilized locally
- Notable job creation won't begin in earnest until the middle of 2010
- It will be well into 2011 (or beyond) until the region makes up for the jobs it's lost over the past 12 months

Where Are the Jobs?

- No single sector brought the region down and no single sector will drive the recovery
 - Health care growth expected to slow
 - State and local government budget woes are significant
 - Housing construction has to turn around some time
 - Clean energy offers promise (and that's not hyperbole)