



COLORADO FISCAL  
POLICY INSTITUTE

Justice and Economic Security for all Coloradans

## Colorado Recession Watch

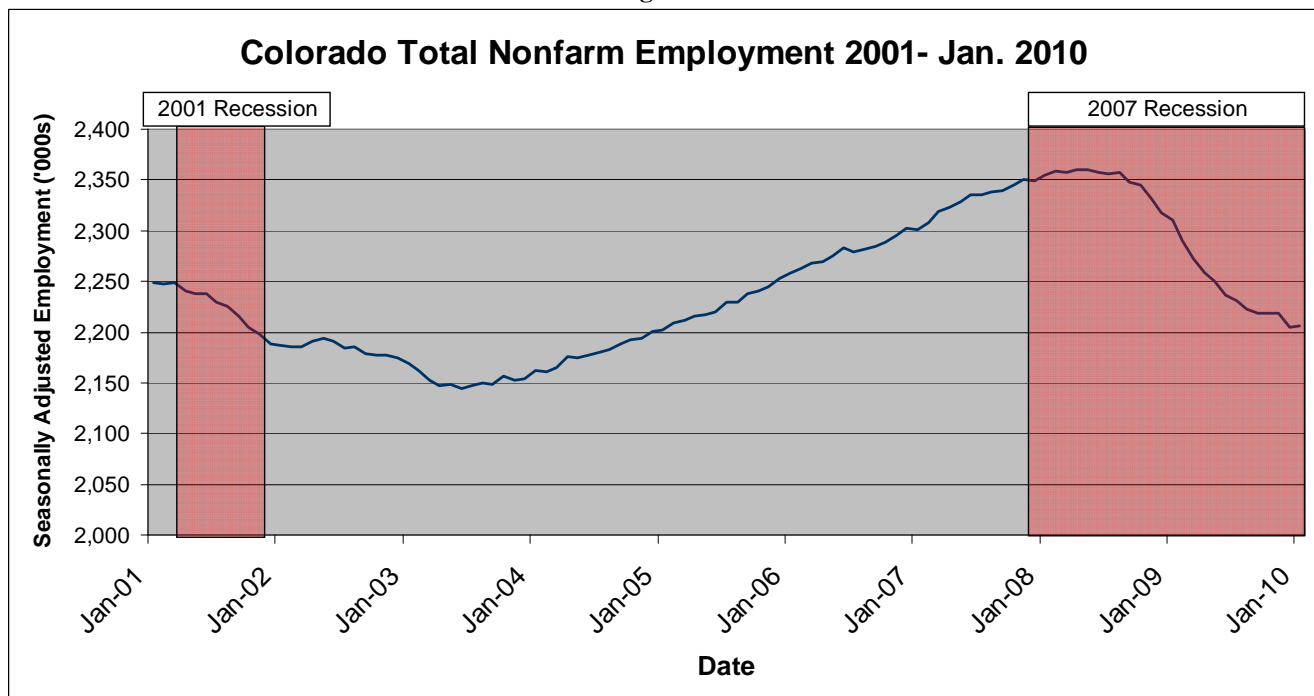
March 17, 2010

This month the federal agency responsible for reporting unemployment rates and other economic measures, the Bureau of Labor Statistics (BLS), released revised historical figures along with measures for January. Revised figures show the Great Recession hit Colorado harder than had been previously understood. The January numbers show that while the economic freefall has slowed nearly to a stop, conditions are still slipping slightly as Colorado and the United States as a whole near a turnaround. In the meantime, demand for state services such as healthcare and food assistance continues to grow in Colorado.

### Employment

While the U.S. economy as a whole began shedding jobs as soon as the recession began in December 2007, revised figures show the Colorado economy did not experience an overall decrease in total employment until six months later, in June 2008. (Fig. 1) Yet once losses began, the decline was dramatic. **From peak employment in May 2008, the Colorado economy has lost 145,700 jobs, or some 6.6 percent of its labor force.** (Fig. 2) While severe, these losses are on par with national trends, where Colorado's job loss as a percentage of the labor force ranked 23<sup>rd</sup> lowest among the states.<sup>i</sup> Recently losses have slowed, and in January the Colorado economy gained close to 2,000 jobs. (Fig. 2)

Figure 1



Source: Analysis of Bureau of Labor Statistics Current Employment Statistics Survey data

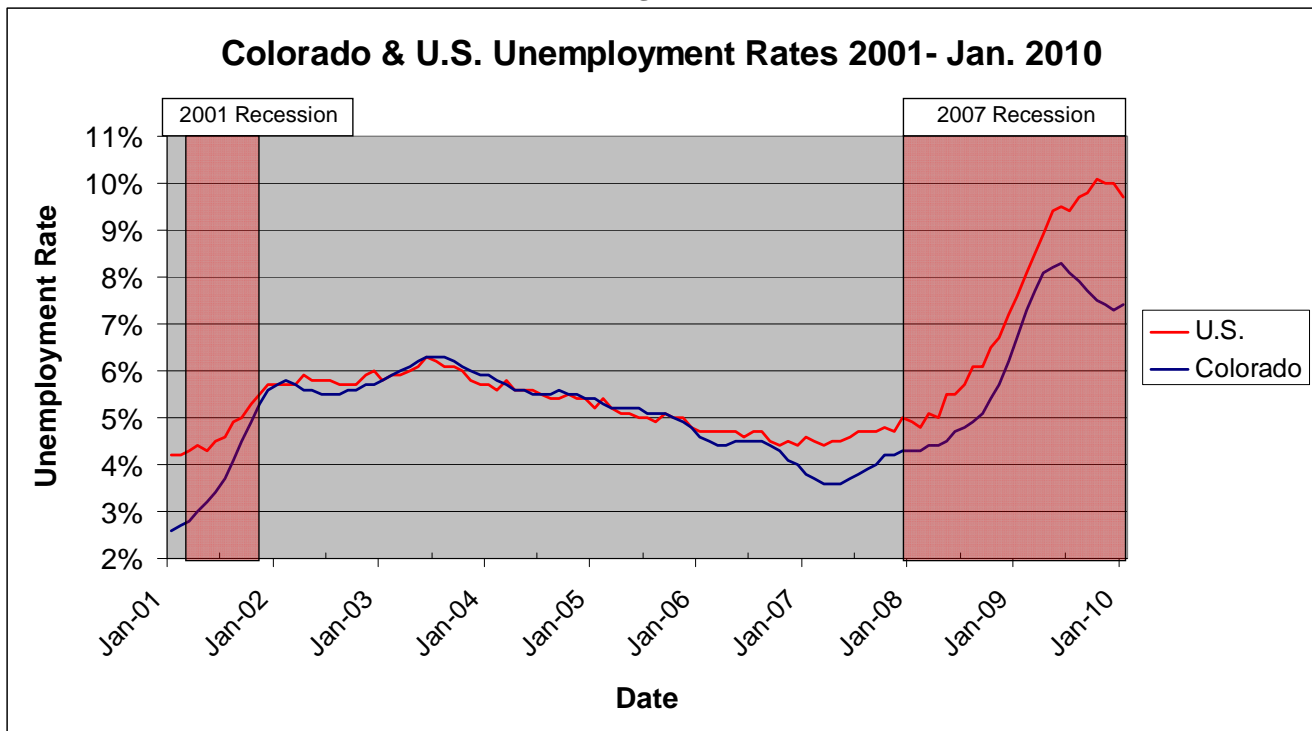
Figure 2

COLORADO TOTAL EMPLOYMENT					
<b>This month</b>	<b>2,206,100</b>				
<b>Change this recession</b>	<b>-143,100</b>				
<b>Level and percentage change:</b>					
Current recession	-143,100	-6.1%	Dec-07	to	Jan-10
Since peak employment	-145,700	-6.6%	May-08	to	Jan-10
Since last month	1,800	0.1%	Dec-09	to	Jan-10
Last three months	-12,900	-0.6%	Oct-09	to	Jan-10
Last six months	-24,400	-1.1%	Jul-09	to	Jan-10
Last year	-104,300	-4.5%	Jan-09	to	Jan-10

### Unemployment

Since the recession began in December 2007, Colorado has seen a dramatic increase in unemployment, which peaked at 8.3 percent in June 2009 according to recently revised figures. From June, unemployment in the state declined to 7.3 percent in December 2009 before ticking up slightly in January 2010. (Fig. 3) As of January, the state unemployment rate was more than three percentage points higher than the pre-recessionary rate. (Fig. 4) While this rate is quite high, Colorado continues well under the national rate, and has the 15<sup>th</sup> lowest state unemployment rate in the nation, along with the 12<sup>th</sup> lowest recessionary increase in unemployment.<sup>1</sup>

Figure 3



Source: Analysis of Bureau of Labor Statistics State Employment Data

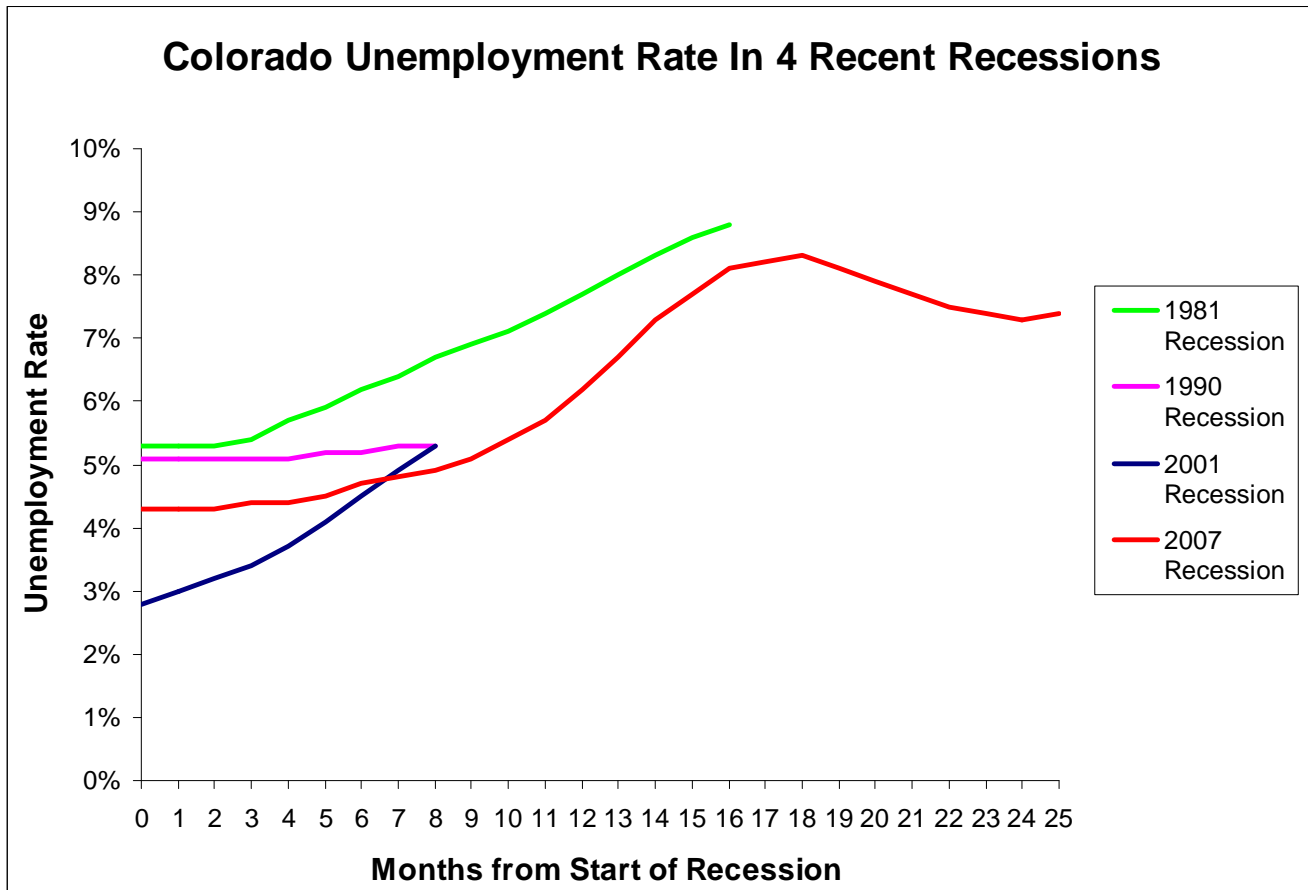
Figure 4

COLORADO UNEMPLOYMENT RATE (January 2010)			
<b>This Month</b>	<b>7.4%</b>		
<b>Percentage Point Change:</b>			
Current Recession	+3.1	Dec-07	to Jan-10
Since Last Month	+0.1	Dec-09	to Jan-10
Last Three Months	-0.1	Oct-09	to Jan-10
Last Six Months	-0.7	Jul-09	to Jan-10
Last Year	+0.7	Jan-09	to Jan-10

Source: Economic Policy Institute Analysis of BLS Current Employment Statistics Survey

A look at the current recession alongside the three previous recessions reveals the unusual depth and duration of the current recession. **No economic downturn since the Great Depression has been as long or as severe as the current one, which had lasted 25 months as of January 2010 and saw a 4 percent increase in unemployment at its peak.**<sup>ii</sup> (Fig. 5)

Figure 5



Source: Economic Policy Institute Analysis of BLS Current Employment Statistics Survey

\*The 2007 recession has officially not yet ended

## Construction jobs

The construction sector has taken a huge hit during the Great Recession, **losing close to one-third of total employment since the recession began.** Recently losses have slowed, but in January 2010 the Colorado construction sector was down another 1,200 jobs. (Fig. 6)

Figure 6

COLORADO CONSTRUCTION EMPLOYMENT (January 2010)					
<b>This Month</b>	<b>116,100</b>				
<b>Level and Percentage Change:</b>					
Current Recession	-50,600	-30.4%	Dec-07	to	Jan-10
Since Last Month	-1,200	-1.0%	Dec-09	to	Jan-10
Last Three Months	-5,300	-4.4%	Oct-09	to	Jan-10
Last Six Months	-11,000	-8.7%	Jul-09	to	Jan-10
Last Year	-33,200	-22.2%	Jan-09	to	Jan-10

Source: Economic Policy Institute Analysis of BLS Current Employment Statistics Survey

## Job shortfall

Job shortfall is a metric to help add context to changes in the size of the labor market. It measures the difference between actual employment and what employment would be need to be to keep up with population growth. **In January 2010, the Colorado job shortfall stood at 229,812 jobs.** (Fig. 7)

Figure 7

COLORADO JOB SHORTFALL SINCE RECESSION BEGAN (Dec. 07 – Jan. 10)	
Working age population growth	3.7%
Total jobs this month	2,206,100
Calculated jobs needed <i>(the number of jobs total in the state if job growth kept pace with working age population growth)</i>	2,435,912
<b>Job shortfall</b>	<b>229,812</b>

Source: Economic Policy Institute Analysis of BLS Current Employment Statistics Survey

## Medicaid and CHP+

During the recession, Colorado has seen consistent and substantial caseload growth in Medicaid and the Children's Basic Health Program (CHP+), which provide medical care for low-income residents and children, respectively. **Since the start of the recession, the total combined caseload of these two programs has increased by 28 percent.** (Fig. 8) During this period, total state population grew by approximately 3.3 percent.<sup>iii</sup> Thus, since the start of the recession, **combined Medicaid and CHP+ caseload grew roughly nine times faster than the state population.** This explosive growth rate underscores the economic hardship for many Coloradans, who are forced to rely on the state for medical support in staggering numbers as the recession drags on.

Figure 8

COLORADO MEDICAID & CHP+ ENROLLMENT (January 2010)					
<b>This month</b>	<b>571,453</b>				
<b>Level and percentage change:</b>					
Current recession	126,120	28.3%	Dec-07	to	Jan-10
Since last month	5,586	1.0%	Dec-09	to	Jan-10
Last six months	32,206	6.0%	July-09	to	Jan-10
Last year	70,500	14.1%	Jan-09	to	Jan-10

Source: Analysis of Colorado Health Care Policy and Financing Premiums, Expenditures and Caseload Reports

### Food stamps

The recession has also created a substantial need for the nutritional assistance provided by the U.S. Department of Agriculture's Supplemental Nutritional Assistance Program (SNAP), formerly called food stamps. **In December 2009, 390,656 Coloradans received food stamps, up 58 percent since the recession began.** (Fig. 9)

Figure 9

COLORADO SNAP PARTICIPATION (December 2009)					
<b>This month</b>	<b>390,656</b>				
<b>Level and percentage change:</b>					
Current recession	142,881	57.7%	Dec-07	to	Dec-09
Since last month	10,700	2.8%	Nov-09	to	Dec-09
Last year	98,752	33.8%	Dec-08	to	Dec-09

Source: Analysis of U.S. Department of Agriculture SNAP program data

### The path to recovery

While Colorado might be turning the corner toward recovery, the effects of the Great Recession reverberate throughout the state. The downturn continues to generate high unemployment, employment losses, a job shortfall, and a huge demand for nutritional and medical assistance.

Contact: Alec Harris  
 Policy Analyst  
[aharris@cclponline.org](mailto:aharris@cclponline.org)  
 (303) 573-5669 ext. 316

Unless otherwise noted all figures are from the U.S. Bureau of Economic Analysis Current Employment Survey

<sup>i</sup> Economic Policy Institute analysis of U.S. Bureau of Economic Analysis Current Employment Survey data.

<sup>ii</sup> NBER reporting of business cycles and contractions. <http://www.nber.org/cycles.html>

<sup>iii</sup> Analysis of Colorado State Demography Office population figures.

[http://www.dola.state.co.us/dlg/demog/pop\\_totals.html](http://www.dola.state.co.us/dlg/demog/pop_totals.html)