

Economic forecast sees some growth in Colorado

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Despite a slowdown in the nation's economy, Colorado officials are expecting some growth in the next few years.

"Colorado's economy is still doing better than most of the country, but the national economic downturn is expected to creep into our state later this year," said Todd Saliman, director of Gov. Bill Ritter's Office of State Planning and Budgeting.

"However, we believe that the state's position with respect to the energy sector, in particular, will allow for Colorado to weather any impending storm much better than most states," he said.

Thursday, the office released its quarterly economic and revenue forecast for the next five years.

The report showed that employment increased by 2 percent in 2007, with a net increase of 45,500 new jobs. The forecast calls for 1.4 percent job growth in 2008 and 1.8 percent in 2009.

Unemployment dropped in Colorado to 3.8 percent in 2007 - that's the lowest since 2000. The unemployment rate is expected to rise to 4.6 percent in 2008 but drop to 4.3 percent in 2009.

Wage and salary income rose 6 percent in 2007, indicating a relatively strong labor market, growth in the labor force and inflation. The forecast is that wage and salary income will increase 5.5 percent in 2008 and 5.6 percent in 2008.

Evan Dreyer, spokesman for Ritter, said that the governor's office will look at two key figures in the coming years: the unemployment rate and housing starts.

"The unemployment rate has been inching up slowly since December," he said, noting that it rose to 4.2 percent in January. "We ended 2007 with a near-record low. For the year, we were well below the national average (4.6 percent).

An energy boom in the state created jobs in the oil and gas industry, as well as in alternative fuels and technology.

The other indicator that Ritter's office is monitoring is housing starts. "The foreclosure issue that we will continue to watch," Dreyer said.

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