



COLORADO FISCAL
POLICY INSTITUTE

Colorado Recession Watch

July 20, 2010

In June 2010, the jobs picture improved slightly in the United States and remained largely unchanged in Colorado. The national rate of unemployment decreased slightly during the month, and 39 states experienced rate decreases. In employment, the spread was split, with a slight gain at the national level, just fewer than half of the states reporting employment increases or no change, and just more than half reporting employment decreases.

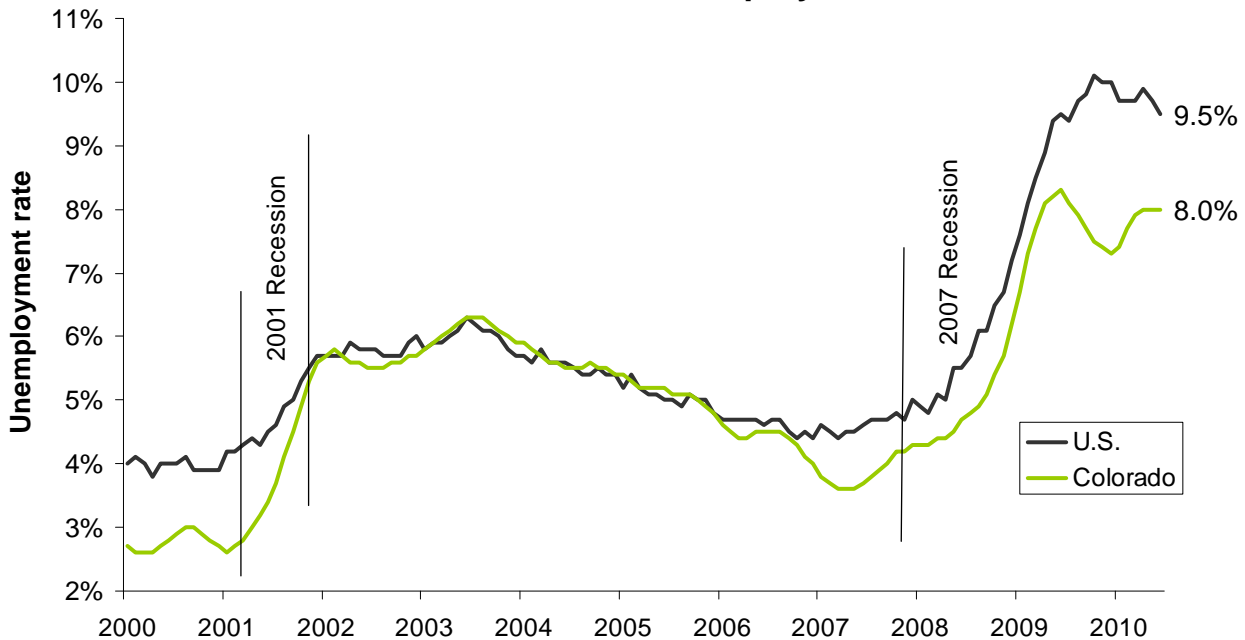
Colorado had no change in the unemployment rate and no meaningful change in total employment.ⁱ This prolonged malaise is hurting Coloradans, who are increasingly running out of unemployment benefits, and looking to public services for help paying for food and medical expenses.

Unemployment

In June, the unemployment rate in Colorado stayed at 8 percent for the third straight month. Even at this high rate, Colorado continues to perform better than the nation as a whole. (Figure 1) Relative to other states, Colorado’s unemployment rate is the 31st highest, and its recessionary increase in unemployment ranks 33rd worst.ⁱⁱ

Figure 1

A second wave of unemployment



Source: Bureau of Labor Statistics July 2010 data

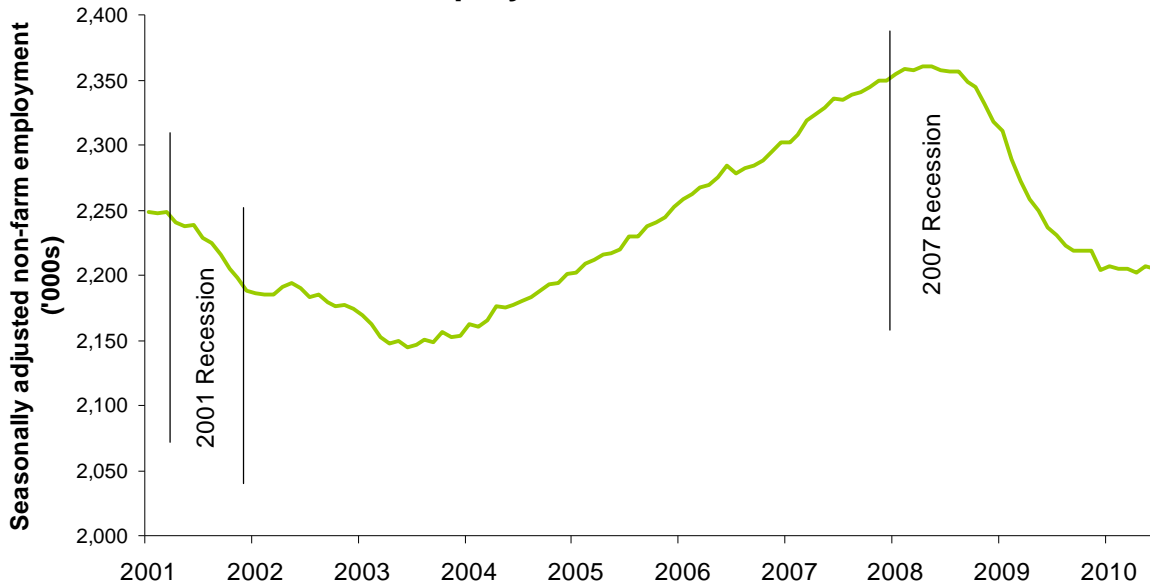
Employment

In June 2010, Colorado employment decreased 1,800 jobs; however, this change was not statistically meaningful. (Figure 2) Overall, Colorado’s employment losses have been severe during the recession despite the state’s lower-than-average unemployment rate. From the onset of the recession in December

2007, Colorado has lost 144,200 jobs, or 6.1 percent of its pre-recessionary labor force. As a percentage this is the 16th largest state job loss.ⁱⁱⁱ

Figure 2

Colorado employment over two recessions



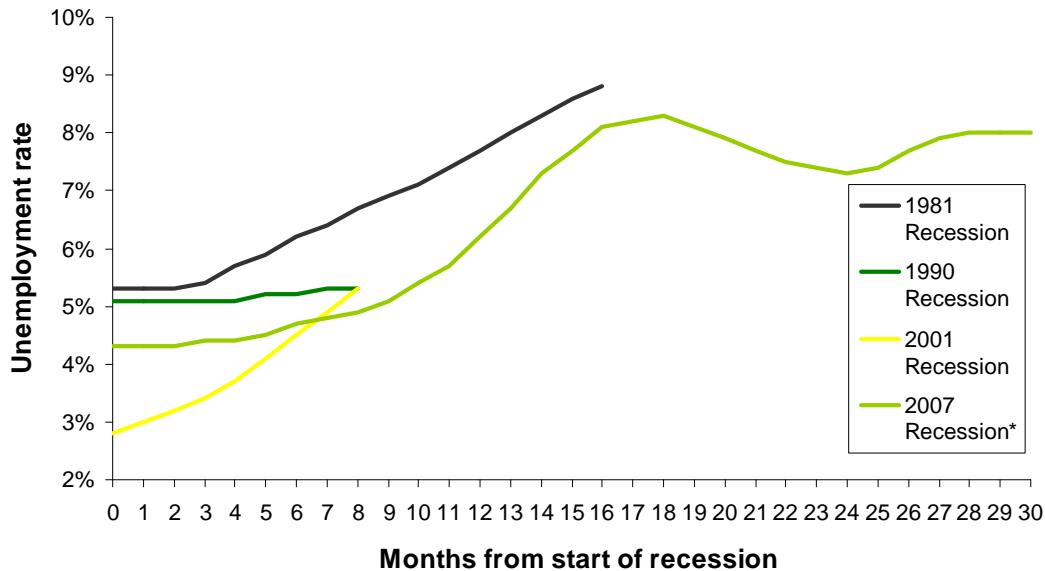
Source: Bureau of Labor Statistics July 2010 data

Depth and duration

A look at the current recession alongside the three previous recessions reveals the unusual length and severity of the Great Recession. No recession since the Great Depression has been as long or as severe as the current one, which has lasted 30 months as of June.^{iv} (Figure 3)

Figure 3

Colorado unemployment rate in 4 recent recessions



Source: Economic Policy Institute analysis of Bureau of Labor Statistics June 2010 data

*The 2007 recession has not officially ended

Construction jobs

The construction sector took a huge hit during the Great Recession, losing roughly one-third of total employment since the recession began. In June, the Colorado construction employment level did not change. (Figure 4)

Figure 4

| COLORADO CONSTRUCTION EMPLOYMENT (June 2010) | | | | |
|--|----------------|--------|--------|------------|
| This month | 111,300 | | | |
| Level and percentage change: | | | | |
| Current Recession | -54,400 | -33.2% | Dec-07 | to June-10 |
| Since last month | 0 | 0.0% | May-10 | to June-10 |
| Last three months | -1,300 | -1.2% | Mar-10 | to June-10 |
| Last six months | -6,000 | -5.1% | Dec-09 | to June-10 |
| Last year | -17,600 | -13.7% | Jun-09 | to June-10 |

Source: Economic Policy Institute analysis of Bureau of Labor Statistics Current Employment Statistics Survey

Job shortfall

Job shortfall is a calculation to help put longer-term changes in employment into context. It measures the difference between actual employment and what employment would need to be to keep up with population growth since the onset of the recession. In June 2010, the Colorado job shortfall stood at 246,347 jobs. (Figure 5)

Figure 5

| COLORADO JOB SHORTFALL SINCE RECESSION BEGAN (Dec. 07 – June 10) | |
|---|----------------|
| Working age population growth | 4.3% |
| Employment this month | 2,205,000 |
| Employment level needed | 2,451,347 |
| <i>(the number of jobs total in the state if job growth kept pace with working age population growth)</i> | |
| Job shortfall | 246,347 |

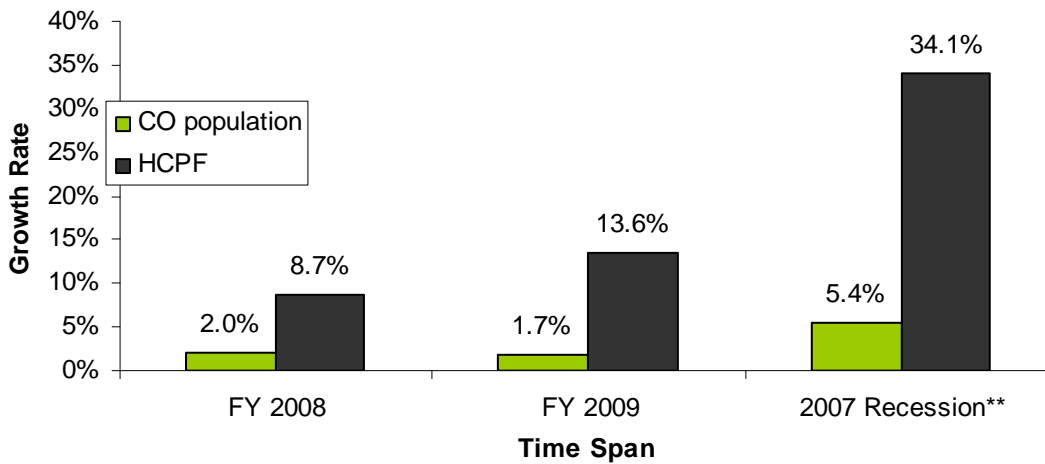
Source: Economic Policy Institute analysis of Bureau of Labor Statistics Current Employment Statistics Survey

Medicaid and CHP+

During the recession, Colorado has seen consistent and substantial caseload growth in Medicaid and the Children's Basic Health Program (CHP+), programs that provide medical care for low-income residents and children, respectively. Since the start of the recession, the combined caseload of those programs has increased 34 percent. (Figure 6) During that period, the state population grew an estimated 5.4 percent, which means since the start of the recession, combined Medicaid and CHP+ caseload grew more than six times faster than the state population.^v 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 continues.

Figure 6

Colorado HCPF caseload* growth markedly outpaces population growth



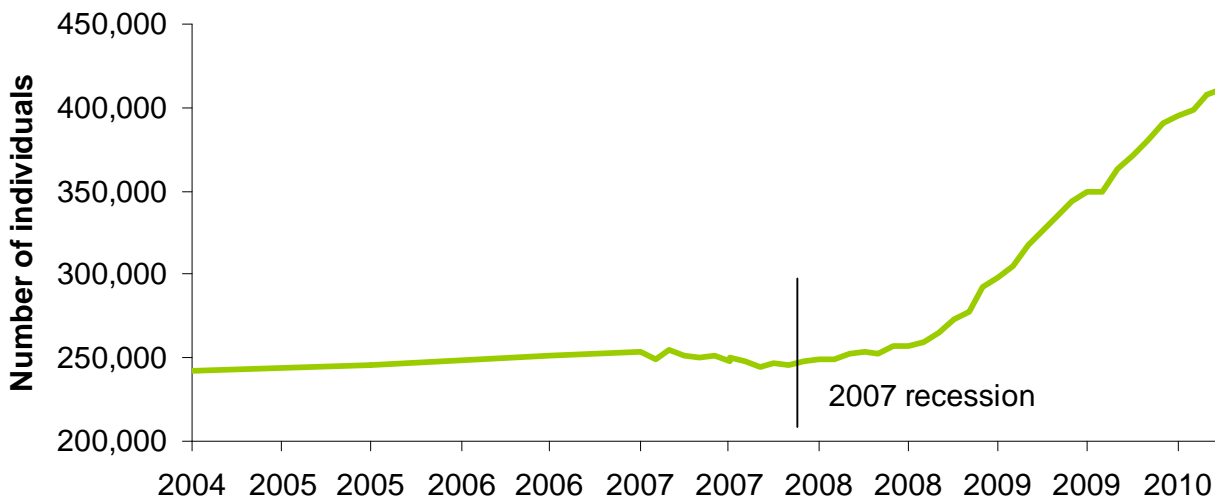
Source: Author's analysis of HCPF Premiums, Expenditures and Caseload Reports
*HCPF caseload is defined as the sum of Medicaid and Children's Basic Health Plan caseloads
**2007 Recession = December 2007 – May 2010

Food stamps

The recession has created a substantial need for the food provided by the U.S. Department of Agriculture's Supplemental Nutritional Assistance Program (SNAP). In April 2010, 411,245 Coloradans received food stamps, up 66 percent since the recession began. (Figure 7)

Figure 7

Colorado food stamp enrollment up dramatically during recession



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

The doldrums of recovery

As the national economy improves tenuously, Colorado's economic progression seems to be at a standstill. While better than rapid decline, this stasis in Colorado exacts a high cost on those who live here and the support systems on which they rely.

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

ⁱ "Regional and State Employment and Unemployment – June 2010," *Bureau of Labor Statistics: Economic News Release*. July 20, 2010.

ⁱⁱ Economic Policy Institute analysis of U.S. Bureau of Economic Analysis Current Employment Survey data.

ⁱⁱⁱ Economic Policy Institute analysis of U.S. Bureau of Economic Analysis Current Employment Survey data.

^{iv} NBER reporting of business cycles and contractions. <http://www.nber.org/cycles.html>

^v Analysis of Colorado State Demography Office population figures. http://www.dola.state.co.us/dlg/demog/pop_totals.html