

News Release

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DU research center sees signs that Colorado has entered recession

DENVER— A stunning loss of jobs in October, a sharp rise in the unemployment rate and sagging sales tax revenue are signs that Colorado’s economy is in a recession according to a new report by the University of Denver’s Center for Colorado’s Economic Future (CCEF). As recently as September, Colorado was thought to be one of only six states with an expanding economy as evidenced by job gains. But the expansion was stopped dead in its tracks in October, and Colorado now looks to be following other states into recession.

The CCEF report, available for download at www.du.edu/economicfuture, analyzes the significance of Colorado’s job losses, rise in unemployment, and declining sales tax revenues.

“The conventional wisdom is that Colorado has tended to lag other states in entering a recession” said Tom Dunn, a CCEF economist. “It remains to be seen if the other half of this conventional wisdom – Colorado lags other states in coming out of a recession – will also hold true. In any case, many of Colorado’s hard-working citizens and businesses are facing a difficult road ahead.”

Colorado has had only two definitive recessions during the past 25 years, including one in the early years of this decade that lasted two years.

The center was created in 2007 after DU’s Colorado Economic Futures Panel (CEFP) completed its work in January 2006. The panel spent more than a year examining the fiscal health of Colorado’s state and local governments and their ability to sustain fundamental public investments appropriate to the state’s long-term economic vitality. Establishing a permanent center to study the state’s economic future was a recommendation from the CEFP.

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The University of Denver Center for Colorado’s Economic Future is an independent, nonpartisan organization that conducts research on matters related to Colorado’s fiscal health, trends affecting the state’s economy and proposed legislation relating to taxation and public spending.