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## **Population drives job growth**

By Vicky Gits , Staff Writer

Fueled by new housing and population growth, job growth in Douglas County is once again on the increase after a three-year hiatus.

Based on monthly employment, jobs in the county grew nearly 13 percent, to 77,242, over a one-year period from March 2004 to March 2005, according to reports by the Colorado Department of Labor and Employment and the Douglas County Community Development Department.

The growth reflects general recovery of the economy of the Denver metro area, which lost 103,764 jobs between the high of 1999 and the low point in 2003. As of September, 88,200, or 85 percent, of the jobs have been recaptured.

"The 12.8 percent growth rate in jobs in Douglas County is slightly slower than the annual average the county has experienced since 1990," said Robert Barton, economic analyst for Douglas County Planning Department.

Looking at annual averages, Douglas County had 65.9 percent of the net gain in jobs in the metro area from 2003 to 2004, Barton said.

To put it in perspective, a 13 percent growth rate in jobs is better than the state, the metro area and the nation in the same year, Barton said. It's not a coincidence that the number of jobs is growing at about the same rate as the population.

Once Douglas County was the fastest-growing county in the nation. According to the U.S. Census Bureau, it is now No. 3, based on population estimates recorded April 1, 2000, to July 1, 2004. "A good part of the job growth in Douglas County is driven by population growth," he said. "The numbers show increases in every industry that serve the needs of a growing population. That growing population also serves as an attractive resource to companies that have a broader market area than county limits."

Population growth has a lot to do with the type of jobs that are increasing the most, namely food service and hotels.

From 2001 to 2004, the sector that gained the most jobs in the county was accommodation and food services, with 1,734 more jobs, the state labor department reports. The next was health care and social assistance (1,693), followed by retail trade (1,682). Government increased 1,528 and construction by 1,036 jobs.

At the same time jobs are growing, the unemployment rate is decreasing, the labor department reports. But Tucker Hart Adams, regional economist for U.S. Bank, said unemployment numbers are misleading. Adams said unemployment rates are "useless" figures that serve to mask a large amount of unemployment and underemployment. The unemployment rate is a survey that is based on about six-tenths of one percent of the workforce. In Colorado that's about 1,500 families.

"So you figure in Douglas County it's about 25," she said. "It's a very small sample. Employment growth in the metro area is 2.2 percent, which is very slow. Wages adjusted for inflation are not going up, although per capita income is going up. The economy is OK. It's better than it was. But it's very sluggish growth."

Statewide housing prices are down and prices have flattened, Adams said, adding the most likely future scenario is another economic downturn.

"It's not a question of if, it's a question of when," she said.

Adams believes consumers have taken on record levels of debt after four years of job losses. They have taken equity out to support spending and bought bigger houses with nontraditional mortgages and adjustable-rate loans. In Adams' scenario, consumers will be forced to cut back on spending in order to make higher interest payments on their mortgages. That will provoke a recession.

"If anything goes wrong they won't be able to handle it and I've never seen a period when nothing went wrong," Adams said.

Contact Vicky Gits at [vgits@ccnewspapers.net](mailto:vgits@ccnewspapers.net).