

Simplify Business Banking

SCANCHECK™
remote deposit

Deposit Checks Without Leaving Your Desk

- ✓ Reduce trips to the bank
- ✓ Streamline accounts receivable
- ✓ Accelerate cash flow
- ✓ Improve collections

▶ Learn More at CitywideBanks.com

Denver Home Sales

Existing Single-Family Homes - NSA

	Mar-09	Mar-10
Inventory	14,989	15,584
Under contract	4,644	3,907
Sales	2,801	2,590
Days on the market	86	106

Source: Denver Board of REALTORS® NSA = not seasonally adjusted

Denver Home Permits

Authorized Units Privately Owned - NSA

	Total	Y-Y Change
January-09	188	
January-10	353	+87.7%
February-09	375	
February-10	418	+11.4%

Source: U.S. Census Bureau NSA = not seasonally adjusted

Denver Employment

National Unemployment Average 9.7% - March 2010 - NSA

	Employment Change*	Unemployment Rate
January-09	-20,557	7.4%
January-10	-20,340	8.4%
February-09	-14,940	7.9%
February-10	-537	8.4%

Source: Bureau of Labor Statistics NSA = not seasonally adjusted
*Change from prior month

Carlson Index

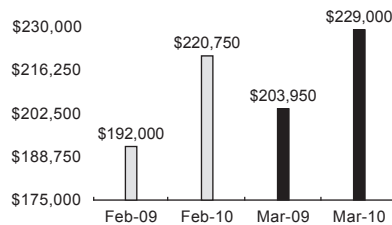
In the month of January, each job in Colorado generated an average of \$4,075 in retail sales expenditures. That is a 2.2% increase from January 2009.

Source: The Carlson Group

Denver Economic Benchmarks

Denver Median Home Price*

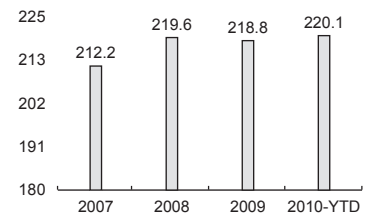
U.S. Median: \$165,100 in February



Source: Denver Board of REALTORS®
*Median sale price for existing single-family home

Denver* Consumer Price Index

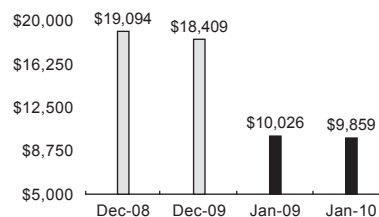
1982-84 = 100 (U.S. Avg 216.7) NSA



Source: Bureau of Labor Statistics
*West Urban Region NSA = not seasonally adjusted

Colorado Retail Sales

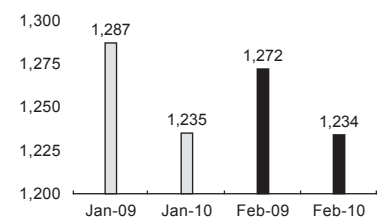
In Millions (000,000s) NSA



Source: Colorado Department of Revenue
NSA = not seasonally adjusted

Denver Employment

In Thousands (000s) NSA



Source: Bureau of Labor Statistics
NSA = not seasonally adjusted

U.S. Employment By The Numbers

Nonfarm payroll employment: +162,000 Civilian labor force participation rate: 64.9%

Source: Bureau of Labor Statistics, March 2010

Inside The Economy

Is It Time to Hire? Is It Time to Spend?

There are signs of life in the economy. Nascent signs, but enough out there to think hard about spending and hiring forecasts for the next couple of months. Seventy percent of our economic growth is driven by personal consumption. The March Conference Board Consumer Confidence Index® now stands at 52.5, up from 46.4 in February. Looks like good news, except for the caution that the same index stood at 56.5 in January. Consumers still seem confused about whether the economy is really on the mend, or if things are going to remain pretty much hum-drum for the next six months or so.

Key to their outlook is employment. According to the Bureau of Labor Statistics, the economy created 162,000 nonfarm jobs in March. So much for the good news. The unemployment rate sat stubbornly at 9.7%, and many of the background statistics actually worsened. The number of long-term unemployed (without work for over 27 weeks) increased by more than 400,000. Part-time workers, those with their hours cut back or who could not find a full-time job, increased to 9.1 million. Discouraged workers (those who have given up because they don't believe there are jobs for them) increased by over 300,000.

However, I cautiously – and I mean *cautiously* – think that there may be a little more good news kicking around out there than we may choose to believe. Of all things, my act of sticking my nose out is based on... productivity! Labor productivity increased at a 6.9% annual rate in the last quarter of 2009. Labor productivity is the amount of output divided by the number of direct hours of labor applied to produce that output. I believe that the main factor driving this stellar productivity increase is that companies have reduced employment so much in pursuit of cost cutting, and the remaining labor force has picked up the slack, that further productivity increases will only be achieved through new hiring. Employment recovery is going to be slow. No one doubts that. But, I'm willing to bet it's going to pick up faster than the 162,000 jobs we saw in March. And, new hiring equals new disposable income, which will equal real economic growth.

Author: Ken Maxey

Local Trends

Quick Fact

19.3% | The increase in the average wage per job in Denver between 2003 and 2008. Comparatively, the consumer price index for Denver grew 16.4% during the same period.

Source: Bureau of Economic Analysis and Bureau of Labor Statistics

Cost of Living Index Denver (Nat'l Avg = 100)

All items	103.1
Grocery	101.6
Housing	107.9
Utilities	99.3
Transportation	94.5
Health care	105.5
Miscellaneous	103.5

Source: ACCRA 4th Qtr. 2009

Denver Employment Private Sector Workers

2004	1,004,000
2005	1,025,600
2006	1,048,700
2007	1,071,600
2008	1,079,400
2009	1,022,300
2010-YTD	980,400

Source: Bureau of Labor Statistics

Government Jobs Denver Government Workers

2004	163,300
2005	164,500
2006	166,500
2007	169,600
2008	173,800
2009	176,200
2010-YTD	176,500

Source: Bureau of Labor Statistics

Colorado Employment Growth Rates Change from Prior Year

	Q4-09	Q3-09	Q4-08	2009	2008
Total nonfarm	-5.0%	-5.5%	-0.7%	-4.5%	0.8%
Manufacturing (6%)	-10.6%	-11.2%	-4.8%	-10.1%	-1.9%
Other (nonmanufacturing) goods-producing (7%)	-23.2%	-21.4%	-3.9%	-18.7%	-1.4%
Private service-producing (70%)	-3.9%	-4.6%	-0.7%	-3.9%	0.9%
Government (17%)	1.0%	1.1%	2.7%	1.7%	2.5%
Unemployment rate (percent of labor force)	7.4%	7.9%	5.8%	7.7%	4.9%

Source: FDIC

National Trends

CEO Survey - First Quarter 2010

	Increase	No Change	Decrease
How do you expect your company's sales to change in the next six months?	73%	23%	5%
How do you expect your company's U.S. capital spending to change in the next six months?	47%	46%	7%
How do you expect your company's U.S. employment to change in the next six months?	29%	50%	21%

Source: Business Roundtable Q1 2010. Survey is a forecast of economic conditions in the next six months. Percentages may not equal 100 due to rounding.

U.S. Job Openings, SAAR

Survey Date	Job Openings (000s)
February 2010	2,723
January 2010 (r)	2,854
December 2009	2,531
November 2009	2,456
October 2009	2,546
September 2009	2,624
August 2009	2,411
July 2009	2,338

Source: Bureau of Labor Statistics SAAR = seasonally adjusted annual rate (r) = revised

Housing Starts, SAAR

	Units (000s)	Percent Change
January-09	488	
January-10 (r)	611	+25.2%
February-09	574	
February-10	575	+0.1%

Source: U.S. Census Bureau SAAR = seasonally adjusted annual rate (r) = revised

New Home Sales, SAAR

	Units (000s)	Percent Change
January-09	329	
January-10 (r)	315	-4.2%
February-09	354	
February-10	308	-12.9%

Source: U.S. Census Bureau SAAR = seasonally adjusted annual rate (r) = revised

Domestic Automotive Units (000s)

	U.S. Production	Unit Sales	Inventory Level
January-09	110.1	247.5	1,083.5
January-10	237.9	316.4	726.2
February-09	142.0	244.4	1,026.5
February-10	246.1	311.2	776.4

Source: Bureau of Economic Analysis (r) = revised data

Personal Income

In Billions of Dollars, SAAR

	Sep-09	Oct-09 (r)	Nov-09 (r)	Dec-09 (r)	Jan-10 (r)	Feb-10
Personal income	12,028	12,049	12,095	12,148	12,178	12,179
Disposable personal income	10,959	10,982	11,026	11,077	11,051	11,053
Personal consumption expenditures	10,132	10,188	10,241	10,278	10,317	10,352

Source: Bureau of Economic Analysis SAAR = seasonally adjusted annual rate (r) = revised

Gross Domestic Product

Q4-08	-5.4%
Q1-09	-6.4%
Q2-09	-0.7%
Q3-09	2.2%
Q4-09 (r)	5.6%

Source: Bureau of Economic Analysis Percent change from prior qtr. (r) = revised

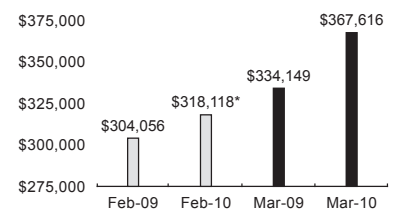
Consumer Confidence Index

Nov-09	50.6
Dec-09	53.6
Jan-09	56.5
Feb-10 (r)	46.4
Mar-10 (p)	52.5

Source: The Conference Board 1985 = 100 (p) = preliminary (r) = revised

Total U.S. Retail Sales

In Millions (000,000s) NSA



Source: U.S. Department of Commerce NSA = not seasonally adjusted *revised data