

ECONOMY 'ON A ROLL'

Oct 17, 2005

1,200 new jobs, incoming soldiers good news for Springs

By WAYNE HEILMAN THE GAZETTE

A string of announcements over the past month that companies plan to create more than 1,200 jobs has put some bounce into the Springs economy.

And economists say more jobs could be on the way in Colorado Springs, offering further hope for a continuing rebound from the last recession.

"The Springs economy is certainly on a roll, and what's important about it to me is that rather than adding low-paying service jobs, these are employers who are paying significant wages," said Joseph Winter, an economist with the Colorado Labor and Employment Department.

The recent announcements from three companies — Barclays PLC, Intel Corp. and Northrop Grumman Corp. — came on top of plans by others to hire hundreds of additional workers. Then there's the expected arrival of more than 10,000 soldiers at Fort Carson over the next three years as a result of base closings and unit realignments.

That all adds up to a welcome boost for businesses and job seekers alike.

The Springs economy has been recovering for the past two years from a recession that claimed more than 10,000 jobs from 2001-2003. Employment growth has far outpaced layoffs this year.

Mike Kazmierski, president of the Greater Colorado Springs Economic Development Corp., expects more good news in coming months. He said a few small business expansions probably will be announced by the end of the year, and more employers are looking at and visiting the area as a potential site for expansion.

"The last recession forced a lot of companies to put projects on hold, and now they believe that conditions are getting better and they are willing to make decisions to expand," Kazmierski said. "We are hearing from companies that had contacted us before the recession."

Most employers are attracted to the Springs by a well-educated work force, a high quality of life and a welcoming business climate, he said. EDC often works with relocating or expanding businesses to identify a pool of available workers.

"While quality of life and business climate are high on the list, to get past the first hurdle with many of these companies, the quality of the work force is most important," Kazmierski said. "They want to know they can get quality people to do the job for them."

The additional jobs are especially good news for home builders and car dealers. Housing construction is on a recordsetting pace for a second consecutive year, and both industries benefit from job gains that tend to bolster consumer confidence.

Housing construction over the long term is tied to employment growth, which suggests local builders "should have a promising economic environment during the next three or four years," said Jeff Smith, chairman of Classic Homes, one of the area's largest builders.

The relocation of troops to Fort Carson should be "all positive" for car dealers, said Mark Coffin, sales manager for Joe Ferguson Pontiac-Buick-GMC. "The business climate in Colorado Springs is certainly on the rise, and we will benefit from that."

The recently announced expansions include:

• Northrop Grumman has hired 100 people in the past year, has 50 openings and could hire 200-400 more in the next two years. The new workers will help complete a Missile Defense Agency contract to draft threat scenarios and find solutions through simulations and war-gaming at the Joint National Integration Center at Schriever Air Force Base.

• Barclays will hire 450 people by mid-2006 at an average salary of \$34,288 to

operate a call center for its U.S. credit card operation. The Londonbased financial giant issues cards on behalf of other companies, such as Frontier Airlines in Denver.

c Intel has added more than 200 employees in the past year at an average salary of \$53,000 as it built a second manufacturing area within a formerly vacant half of its local plant. The company plans additional hiring as it ramps up production of components for wireless fidelity cards for personal computers.

The company also plans to spend up to \$190 million — in addition to the \$400 million already spent on finishing the second manufacturing area — to prepare for production in 2008 of silicon wafers used to create microprocessors for personal computers.

Some warn that the U.S. economy could be headed for a downturn. The influx of jobs locally would at least cushion Colorado Springs if the economy sputters, and could mean much faster local growth if the U.S. economy continues to grow, said Dave Bamberger of Bamberger & Associates, a local economic research and consulting firm.

“If there is a recession, some of these expansions could be delayed and you will probably see layoffs,” he said.

Tucker Hart Adams, a Springs resident who is chief economist in the Rocky Mountain region for U.S. Bank, thinks soaring consumer-debt levels as well as rising interest rates and energy prices will trigger a recession in the next year or so.

“Colorado Springs will be better off than the rest of the state, but it will still feel the effects of any national downturn,” Adams said. “At some point, consumers are going to have to stop spending and pay for what they have already purchased” on credit.

Fred Crowley, senior economist for the Southern Colorado Economic Forum, said the expansions will make the Springs somewhat less vulnerable to business cycles since military-related jobs and financial services tend to feel fewer effects from recessions.

“These projects will reduce the volatility of the local economy because of the stability of the employers involved,” Crowley said. “Financial services is expected to add the most jobs nationwide of any industry during the rest of the decade.”

CONTACT THE WRITER: 636-0234 or wayneh@gazette.com

JOB GAINS AND LOSSES

The Greater Colorado Springs Economic Development Corp. tracks expansions and relocations that add jobs as well as closures and consolidations that eliminate jobs:

HIRING

Company Jobs added

Barclays PLC

.....450

Northrop Grumman Corp.

.....450

Science Applications International Corp.

.....400

Chef’s Catalog

.....	270
SkyWest Airlines	
.....	200
RT Logic Inc.	
.....	168
CareCore National LLC	
.....	135
SI International Inc.	
.....	100
Xanthus Higher Education Loan Program LLC	
.....	100
Quantum Corp.	
.....	37
Total:	
.....	2,310

LAYOFFS

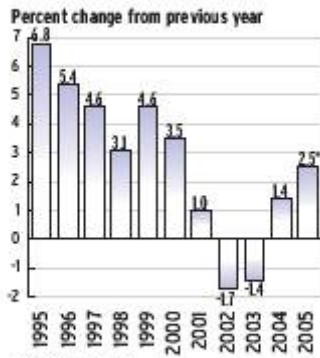
Sanmina-SCI Corp.	
.....	200
Atmel Corp.	
.....	150
U.S. Olympic Committee	
.....	32
UtiliQuest LLC	
.....	32
ModusLink Corp.	
.....	30
Pikes Peak International Raceway	
.....	16

Maximum Dynamics Inc.

Total:

SOURCE: Greater Colorado Springs
Economic Development Corp.

**Colorado Springs-area
job growth**



* through August

SOURCE: Colorado Department of Labor and Employment THE GAZETTE