

# Glowing forecast for region

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The economic recovery that began last year in Colorado Springs is here to stay and will grow stronger next year, a Salt Lake City-based economist said Tuesday.

Local employers should add up to 7,000 jobs to their payrolls next year because of troops relocating to Fort Carson and gains in the technology and telecommunications industries, said Jeff Thredgold, economic consultant to Vectra Bank Colorado.

"Colorado Springs will move back into the leading role in the state economy next year after being hit hard during the previous recession," Thredgold told 115 bank customers and civic leaders while discussing his 2006 economic forecast at the Cheyenne Mountain Resort.

Job growth in the Springs should average 2.3 percent this year and accelerate to between 2.5 percent and 2.75 percent next year, despite somewhat slower growth in the U.S. economy resulting from higher energy prices and rising interest rates, Thredgold said.

The local and statewide economies will gain strength next year as they continue to recover from the 2001-03 recession, Thredgold said.

Much of the economic growth in the Springs during the next few years is being fueled by the arrival of about 12,000 service members at Fort Carson during a four-year period that began this summer. The arrival of the troops, caused by military restructuring, will nearly double the size of the base.

"Colorado Springs is an allstar of the base-closing process and will benefit from tremendous construction to house those troops," Thredgold said. "I don't see the kind of growth there was in the late 1990s, but it is still a whole lot better than 2002 and 2003."

Thredgold expects the housing market in Colorado and much of the rest of the nation to slow somewhat next year as mortgage rates creep higher, but he doesn't expect the collapse that some fear based on surging prices in many regions.

Thredgold's forecast is in the middle of the pack when compared with other projections made this fall for Colorado Springs by local economists. Those forecasts include:

- Tucker Hart Adams of U.S. Bank predicts slower economic growth in Colorado and the nation and warned that recent financial trends, such as growing consumer debt, could trigger a recession. She said the Springs economy would be sheltered from any downturn but would be affected.
- Fred Crowley of the Southern Colorado Economic Forum forecasts that local payrolls will expand by 2.7 percent next year, but he expects that higher energy prices will slow consumer spending for cars, televisions and restaurant meals.
- Dave Bamberger, a local economic consultant, said the local economy could slow next year if energy prices continue rising, reducing job growth to 1.9 percent. He expects job growth will accelerate to 3.1 percent if energy prices fall a bit.