



August 2025

# Colorado Jobs and Labor Force Update – July 2025 Update

Author: Jimena Sanchez

During July, Colorado gained 3,700 total nonfarm jobs. The state's private sector gained 2,900 jobs, while government employment grew by 800 jobs.

The state's unemployment rate decreased 0.2 percentage points to 4.5% in July. This unemployment rate is the lowest it has been since September 2024, when it was also 4.5%, and currently sits 0.3 percentage points above the national rate of 4.2%.<sup>i</sup> Historically, Colorado's unemployment level has usually remained below the national average.

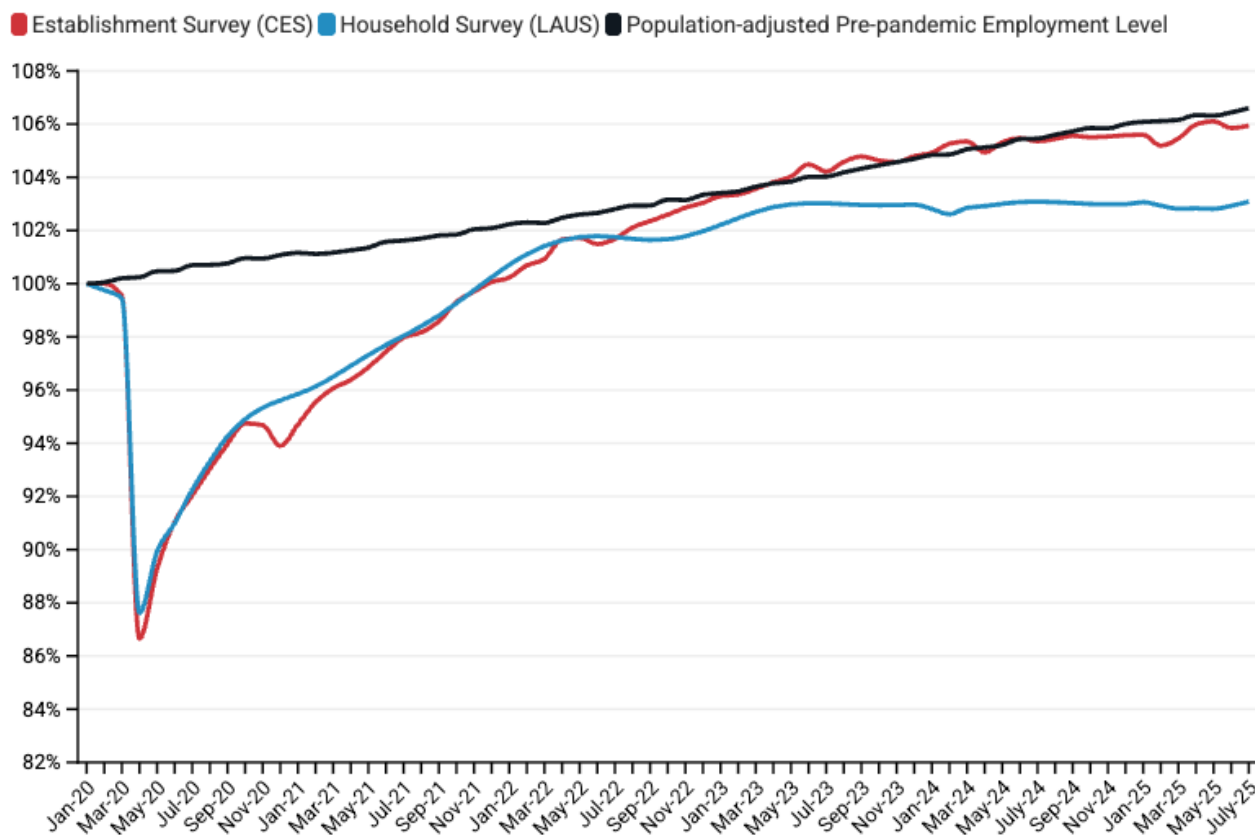
Total government employment rose by 800 jobs in July; both state and local government sectors saw an increase of 500 jobs each, and federal government employment saw a decline of 200 jobs. The federal government lost jobs for the 7<sup>th</sup> consecutive month while state government employment saw growth for the 12<sup>th</sup> consecutive month.

The largest growing sector in July was the state's construction industry, which increased by 3,800 jobs. Colorado's leisure and hospitality sector saw the largest decrease in July, losing 1,800 jobs.

### Key Findings—Colorado July 2025 Employment Data

- **Colorado gained 3,700 jobs in the month of July. The state's private sector grew by 2,900 jobs while government employment grew by 800.**
- **Over the last 12 months, Colorado's government employment has grown by 10,900 jobs while private employment increased by just 5,500 jobs.**
- **Colorado's unemployment rate decreased 0.2 percentage points to 4.5%. This is the lowest it has been since September 2024 when the rate was also at 4.5%; it remains above the national rate of 4.2%.<sup>i</sup>**
- **The construction industry gained 3,800 jobs in July, the largest increase since May 2020 when the industry gained 5,100 jobs.**
- **Over the past year, federal government employment in Colorado declined by 2,300 jobs, while state and local government employment grew by 10,200 and 3,000 jobs, respectively.**
- **The trade, transportation, and utilities sector gained 2,800 jobs in July. The manufacturing sector remained steady last month.**

## Employment Levels in Colorado since January 2020



According to the BLS survey of establishments (CES), Colorado's employment-to-population ratio has not exceeded its pre-pandemic level since June 2024.

Based on the BLS survey of households (LAUS), which captures both traditional jobs and self-employment, **Colorado has never recovered to its pre-pandemic employment-to-population ratio.**

### A Deeper Dive into Colorado Industries (BLS CES Survey)

Employers added a net total of 3,700 jobs in July. Private employment increased by 2,900 while public employment grew by 800. Since last July, government employment has grown by 10,900 jobs while private employment increased by just 5,500 jobs.

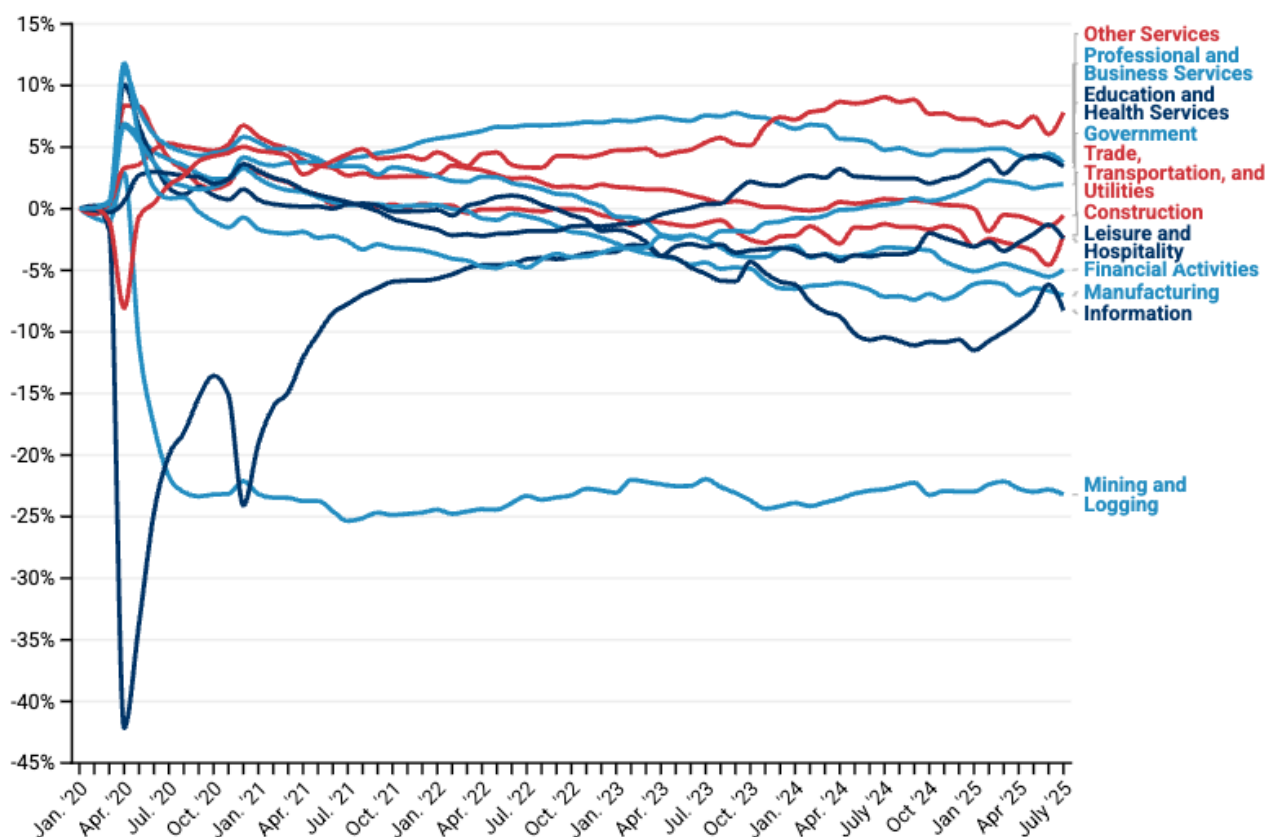
- The construction sector saw an increase of 3,800 jobs, the largest growth since May 2020 when workers re-entered the workforce after pandemic disruptions.
- The trade, transportation, and utilities sector gained 2,800 jobs last month.

- Colorado's professional and business services sector lost 700 jobs in July. Over the last 12 months this sector has lost 2,100 jobs.
- Employment in Colorado's leisure and hospitality sector lost 1,800 jobs.
- Employment in the state's mining and logging sector has remained unchanged at 21,800 for two consecutive months.

The pandemic caused a major shock to the composition of Colorado's job market in early 2020 and may have induced some structural changes in the long run.

- The state's manufacturing sector has seen its share of total employment fall by over 7% since the start of 2020.
- Since January 2020, the mining and logging sector has seen its share of state employment fall by over 23%. This is likely the result of a combination of global trends and state policy.

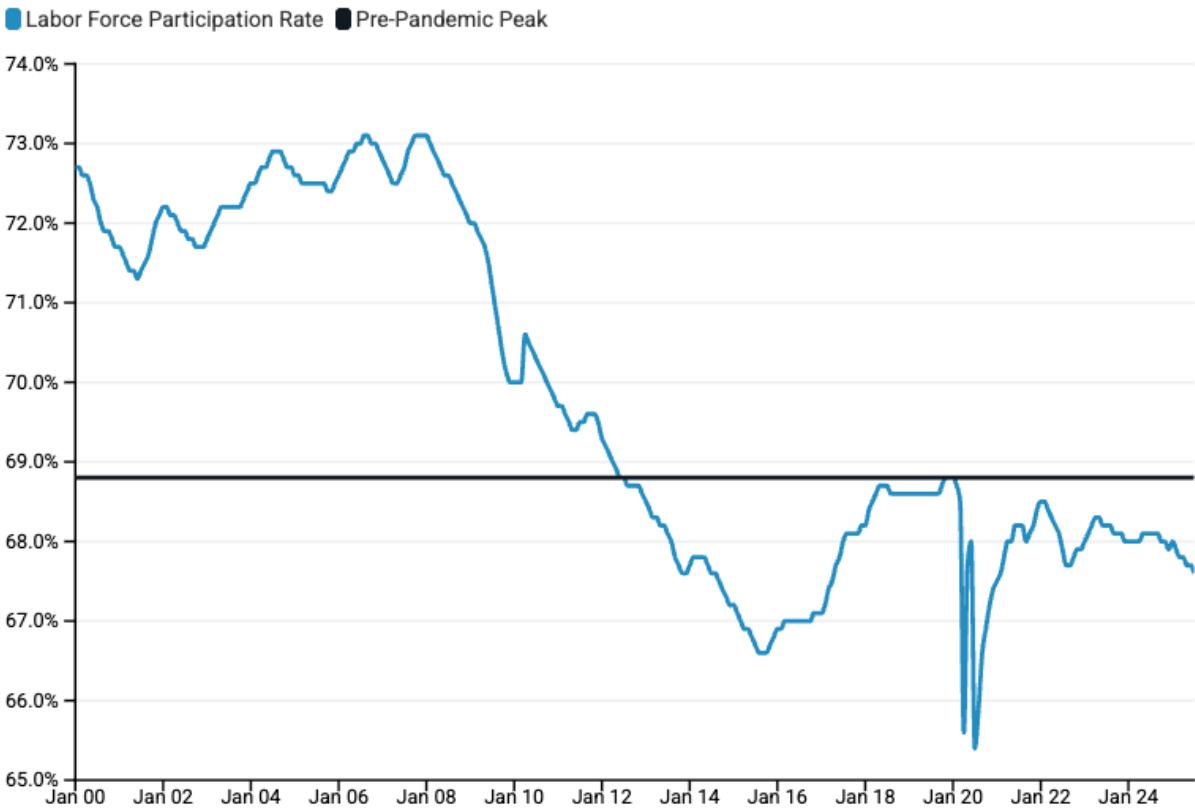
### Changing Industry Shares of Total Colorado Employment since January 2020



# Colorado Labor Force Update

Colorado’s LFPR (labor force participation rate) decreased 0.1 percentage points to 67.6% in July. The national LFPR for the month of July was 62.2%.<sup>ii</sup>

## Labor Force Participation Rate in Colorado Since 2000



<sup>i</sup> <https://www.bls.gov/cps/>

<sup>ii</sup> <https://www.bls.gov/charts/employment-situation/civilian-labor-force-participation-rate.htm>