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Colorado Jobs and Labor Force Update – March 2024 Update

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In March, Colorado's total nonfarm employment rose by 5,300 jobs although this was below the job gains reported in the two prior months. Over half of this gain, 2,600 jobs, was added in Colorado's government sector while the private sector added 2,700. Colorado has now seen four consecutive months of job growth after seeing declines in October and November of 2023.

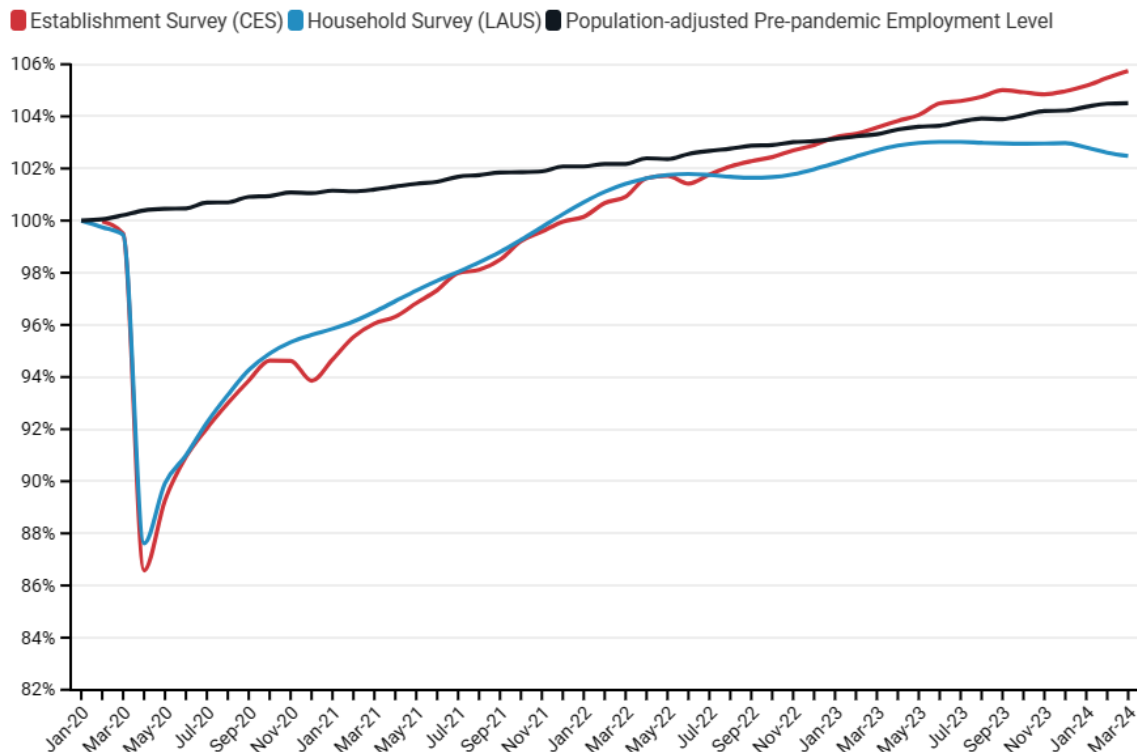
Despite the strong job growth over recent months, Colorado's unemployment rate continues to climb. The state's unemployment rate has increased every month since the beginning of 2024, growing from 3.3% in December of 2023 to 3.7% in March of this year, a rise of 12%. Colorado's labor force participation rate also decreased in March by 0.1 percentage points to 68%, the lowest rate since December of 2022.

After the sector added 1,700 jobs in February, Colorado's construction sector declined by 1,500 jobs in March, the largest decline since October of last year. The state's government sector saw the largest growth, adding 2,600 jobs, while professional and business services increased by 2,100 jobs. After consistent declines following Covid, Colorado's mining and logging sector added 200 jobs in March and has not posted a job decline in five consecutive months, adding 800 jobs over this time.

Key Findings—Colorado March 2024 Employment Data

- **Colorado's private-sector employment increased for the 4th-straight month in March, adding 2,700 jobs.** Cumulative private sector job growth now totals 15,700 over the past 4 months.
- **Colorado's unemployment rate has increased every month since the beginning of 2024, growing from 3.3% in December of 2023 to 3.7% in March of this year, a growth of 12%. This is the highest unemployment rate since January of 2022.**
- **Colorado's construction employment declined by 1,500 jobs in March** while the mining and logging sector added 200 jobs for its fifth consecutive month without negative job growth.

Employment Levels in Colorado since January 2020



According to the BLS survey of establishments (CES), Colorado’s employment-to-population ratio has exceeded its pre-pandemic level since January 2023.

According to 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)

Colorado’s private sector added 5,300 jobs in March— marking four consecutive months of job growth totaling 25,200 jobs.

- The education and health services sector lost 200 jobs in March, the first time this sector has seen a decline in employment since June of 2022.
- Local government employment increased by 1,700, and total government employment rose by 2,600.

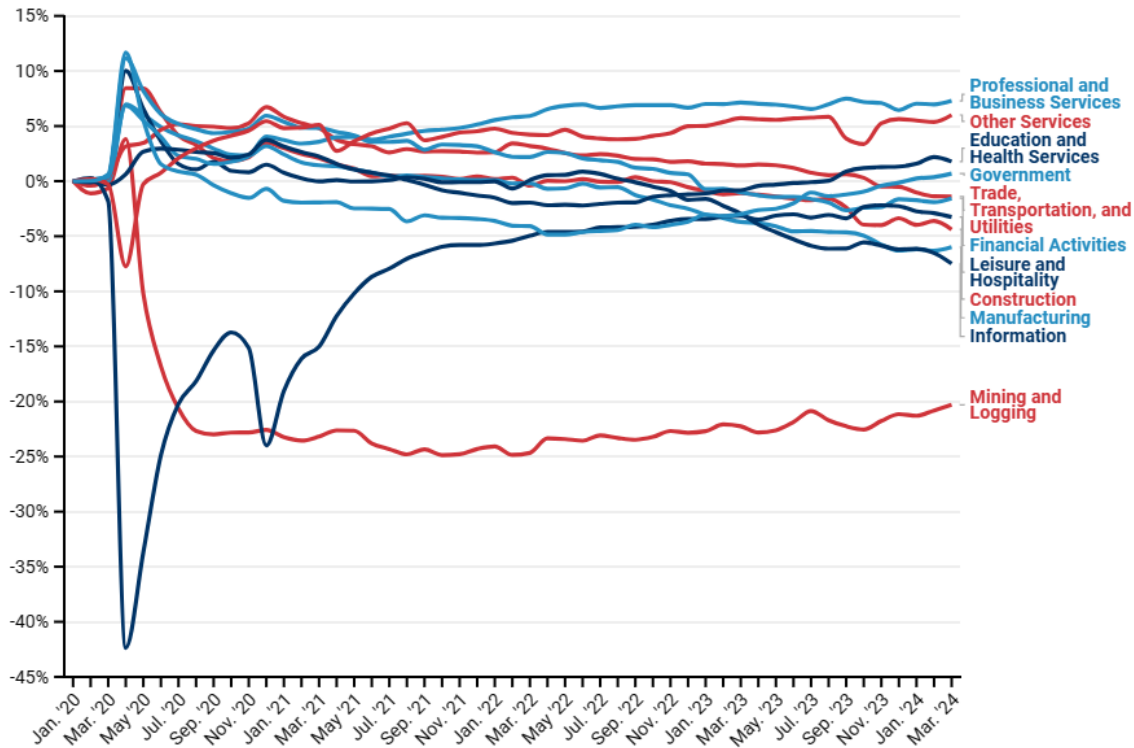
The leisure and hospitality industry added 89,300 jobs between January ‘21 and March ‘24 and has grown by 2.30% since Jan. 2020.

- Employment in Colorado’s manufacturing sector rose by 600 in March but remains 900 below its pre-pandemic level.
- The state’s construction sector lost 1,500 jobs.

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

- As a share of Colorado’s total employment, the professional and business services sector has grown by over 7% since the start of 2020 (see the graph below).
- Since January 2020, employment in the mining and logging sector has decreased by 15.7%, reducing its share of state employment by 20.3%. This is likely the result of a combination of global trends and state policy.

Changing Industry Shares of Total Colorado Employment since January 2020



Key Findings—Colorado March ‘24 Labor Force Data (IPUMS/FRED)

- The LFPR fell by 0.1 percentage points to 68% in March, the lowest rate since December of 2022. This is .9 of a percentage point below January '20's LFPR of 68.9%.
- The unemployment rate increased by .2 percentage points to 3.7% in March, its highest level since January of 2022.
- The national female LFPR remained steady at 57.6%, which is .4 of a percentage point below its pre-pandemic level.

Labor Force Participation Rate in Colorado Since 2000

