

Colorado Jobs and Labor Force Update: February 2023

Colorado added 6,200 nonfarm jobs in February, indicating a return to steady employment growth after a loss in January. Though the BLS initially reported a net gain of 800 jobs in January, revisions reduced the estimate to a net loss of 700 with a loss of 3,500 in the private sector. Colorado was one of only four states to lose jobs in January. In February, the state’s unemployment rate rose by .1 of a percentage point but remains below 3%. Fortunately, this rise in unemployment was accompanied by an increase of the statewide labor force participation rate by .2 of a percentage point (10,700 people).

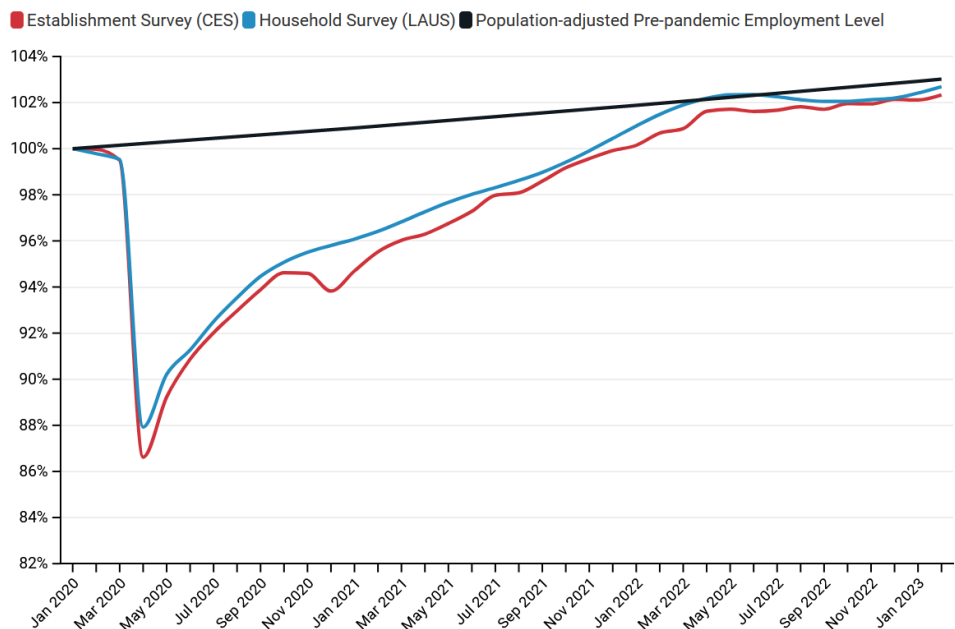
Since January 2020, the professional and business services sector is the only one to have increased its share of Colorado’s total employment by more than 5%—it has added 46,300 jobs, which has been 70% of all net job growth. Despite robust growth in recent months, the leisure and hospitality sector has only grown by 0.9% since before the pandemic. Employment in the mining and logging sector remains 19% below its January 2020 level.

Key Findings—Colorado February 2023 Employment Data (BLS CES Survey and LAUS)

- **Colorado added 6,200 total nonfarm jobs in February.**
 - After losing 3,500 jobs in January, the state’s private sector rebounded by 4,400 in February.
 - January’s job growth was revised downward from a gain of 800 jobs to a loss of 700.
- **The total employment level is up 2.33% (65,800 jobs) above its pre-pandemic level, ranking Colorado 18th in terms of February ‘23 job levels relative to January ‘20.**
 - Thirty-two states have employment levels above what they were at the start of the pandemic. Texas has the highest differential (+881,600 jobs).
- **For the 8th consecutive month, Colorado’s labor market remained below its pre-pandemic strength according to both measures of employment.**

- According to the BLS survey of establishments (CES), Colorado has not recovered to a pre-pandemic employment-to-population ratio since June 2022.
- 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.**

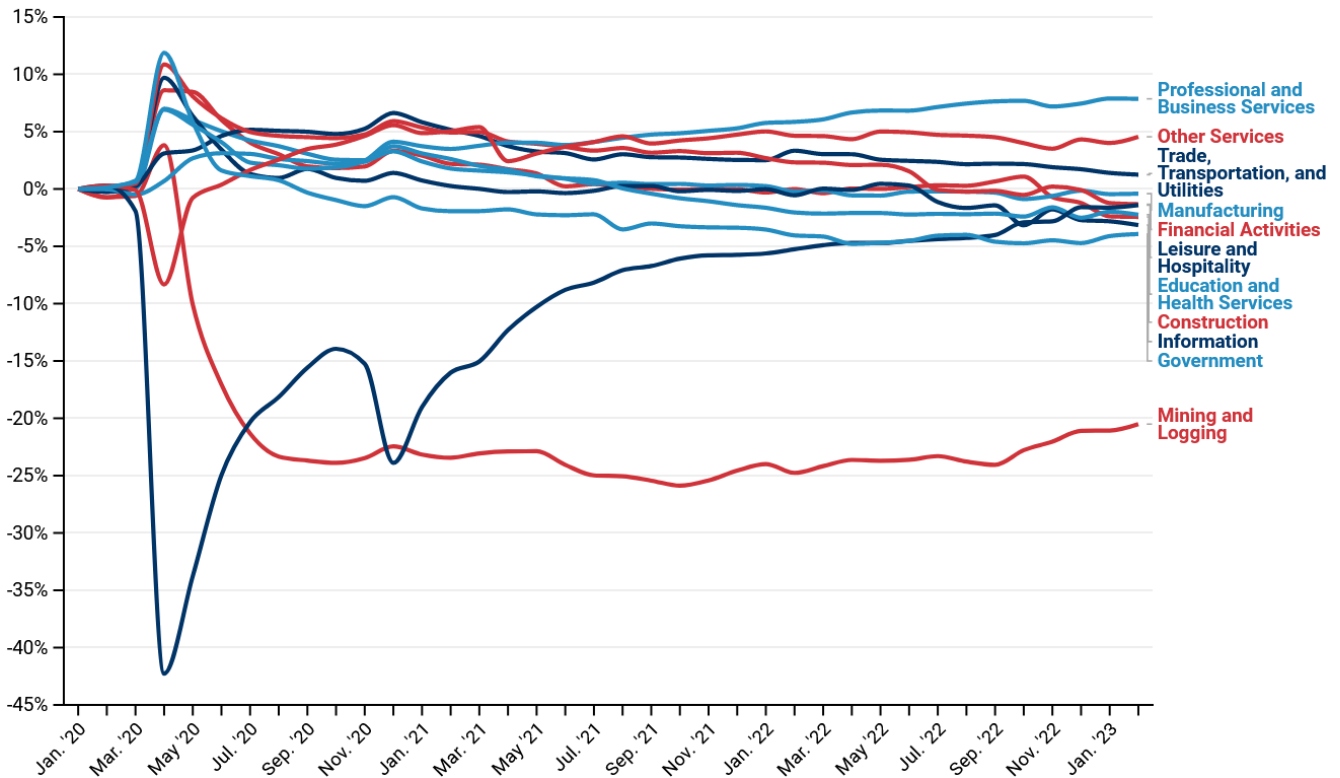
Employment Levels in Colorado since January 2020



A Deeper Dive into Colorado Industries (BLS CES Survey)

- After declining in January, Colorado’s private sector added 4,400 jobs in February.
 - The professional and business services industry added 900 jobs and government employment grew by 1,800.
 - The health care and social assistance industry lost 600 jobs.
- The leisure and hospitality industry added 84,300 jobs between January '21 and February '23, and is now up 3,100 jobs (.89%) above its January '20 level.
 - The arts, entertainment, and recreation industry shrank by .73% in February (-400 jobs).
 - The accommodation and food services industry grew by .64% (1,900 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 almost 8% since the start of 2020 (see the graph below).
 - Since January 2020, employment in the mining and logging sector has decreased by 18.7%, reducing its share of state employment by 20.5%, though 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) increased to 68.3% and its unemployment rate increased to 2.9% in February. The LFPR of retirement-age (65 years and older) workers, after peaking in November 2022, rebounded in February and is now below its pre-pandemic level by 6.3%.

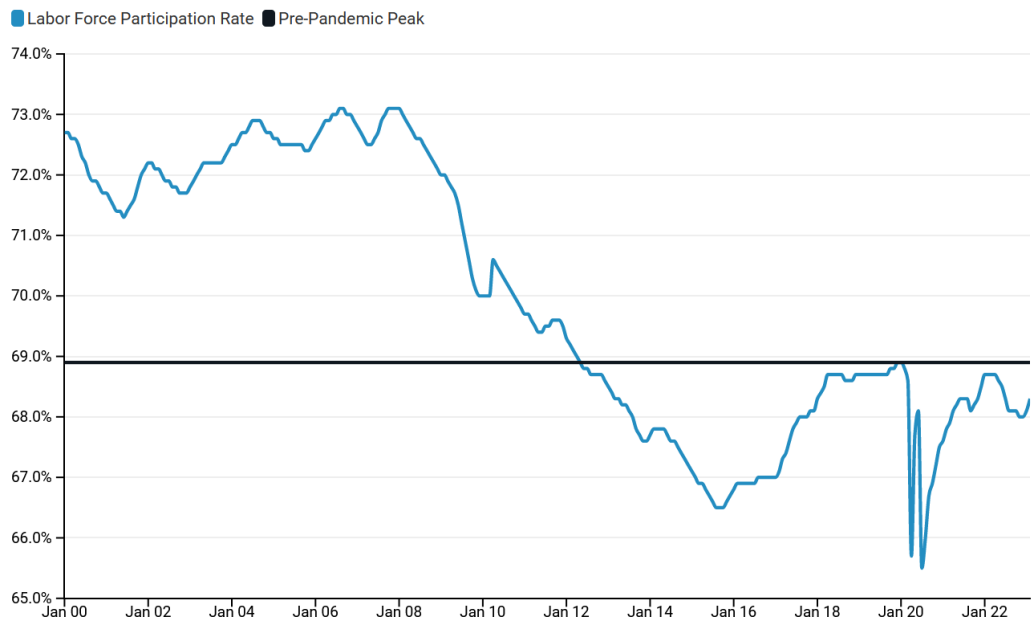
Key Findings—Colorado February '23 Labor Force Data (FRED and IPUMS)

- **The LFPR increased by .2 of a percentage point to 68.3%, which is .6 of a percentage point below January '20's LFPR of 68.9%.**
- **The unemployment rate increased to 2.9% in February, which is 1.1 percentage points below what it was a year ago.**
- **The LFPR of Colorado women decreased from 67.93% to 66.55%. It is now 0.39 percentage points below its pre-pandemic level.**
 - The national female LFPR rose by .2 percentage points to 57.2%, which is .7 percentage points below its pre-pandemic level.

Prime-age, Older, and Retirement-age People in the Labor Force

- Since January '20, the labor force participation rate of all 50–64-year-old workers, regardless of sex, has increased by 7.32%. This group's labor force participation rate in February was the highest it's been since September '22.
- There are 20,852 fewer retirement-age workers in the labor force today than there would be at the pre-pandemic participation rate. This groups' LFPR rose by 16.1% in February.
- The LFPR of prime-age workers (25–49) declined by 1.22 percentage points and is now 1.81% above its January '20 level.

Labor Force Participation Rate in Colorado Since 2000



Monthly trends may be volatile and should be interpreted cautiously.