

## COLORADO'S LABOR FORCE THREE MONTHS INTO COVID-19

JULY 2020

The impacts of COVID-19 have not been equally felt across the labor market and certain business models have been disrupted significantly more than others. As expected, restaurants, large event venues, hotels and other personal services have been severely impacted.

This range in impacts across industries, is also reflected in changes across different groups within the labor market. **Women and those with education levels lower than a college degree have been disproportionately negatively impacted.**

The following series of charts show the impacts of COVID-19 on the Colorado labor force between February and May 2020, reflecting the month prior to the start of the pandemic and the latest available monthly data broken down into: **Gender, Age, and Educational Attainment.**<sup>1</sup>

### Key Findings

- From February 2020 to May 2020, **267,000 Coloradans dropped out** of the labor force, as the labor force participation rate dropped from 69.4% to 63.6%. This includes **88,000 men and 179,000 women.**
- One of the **largest drops in the labor force was seen in women over the age of 35**, with this group experiencing a decline of nearly 8% participation dropping from **63% to 55.3%**. This is more than **double** the decline in the same age category for men.
- The drop in the female LFPR, from 63% to 55% suggests that **178,700 women have dropped out of the labor force** and are not currently looking for work. For males, the drop from 76% to 72% indicates 88,000 males dropped out of the labor force.
- Coloradans with no college degree, including those with a high school diploma or those who did not graduate high school, saw **unemployment rate grow from 4.3% to 17.2%.**
- Current unemployment rates don't fully reflect the recent labor market disruptions. If labor force participation rates in May had stayed at the same level as February, then the May unemployment rate would be closer to 18%. By gender it would be 22% for female and 14% for male.

### List of Charts

Monthly History Since 2005	By Gender	By Age (Male)	By Age (Female)	By Educational Attainment Level
Figure 1 – Labor force participation rate	Figure 3 – Labor force participation rate	Figure 5 – Male labor force participation rate	Figure 7 – Female labor force participation rate	Figure 9 – Labor force participation rate
Figure 2 – Unemployment rate	Figure 4 – Unemployment rate	Figure 6 – Male unemployment rate	Figure 8 – Female unemployment rate	Figure 10 – Unemployment rate

<sup>1</sup> The underlying data sources include: The Federal Reserve Economic Data (FRED), Labor Market Information (LMI) Gateway – Colorado, Bureau of Labor Statistics (BLS) and IPUMS Current Population Survey (CPS) harmonized microdata.

## Figure 1 – Colorado Labor Force Participation Rate

The 2015 labor force participation rate (LFPR) was at a low of 66.5%, since then the overall rate had slowly climbed upward to 69% in February of 2020. Over the last three months, the LFPR has fallen by over 3%, slightly below the 2015 low. This drop in the LFPR amounts to 266,700 people dropping out of the labor force.

Colorado Labor Force Participation Rate



Source: Colorado CPS Data, FRED - Common Sense Institute

## Figure 2 – Colorado Unemployment Rate

From February 2020 to May 2020, the state's unemployment rate rose from 3.3% to 10.2%, driven by a net loss of 273,500 jobs. April 2020 was the worst month of job losses in Colorado history with over 326,000 lost jobs from the month earlier. The slight reduction in the unemployment rate from April to May, account for both the

Colorado Unemployment Rate



Source: Colorado CPS Data, FRED, BLS - Common Sense Institute

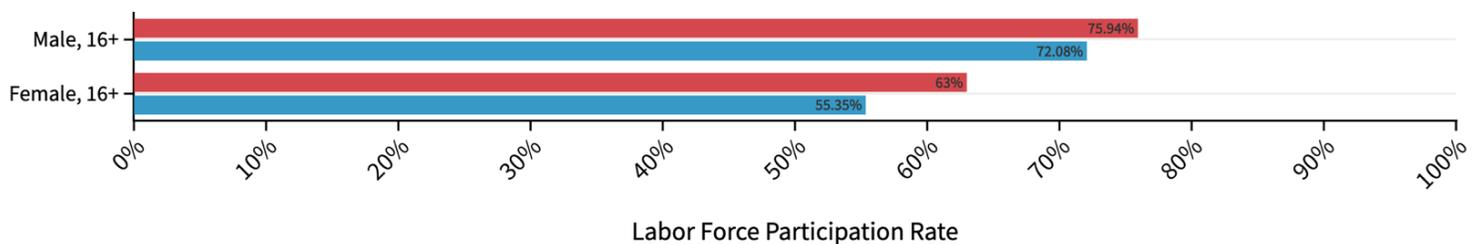
addition of 68,000 jobs and the data reflect the growth of over 68,000 jobs along with the offsetting decline in the labor force participation rate. As more Coloradans drop out of the labor force, which pressures the unemployment rate (total employed/labor force) to drop. If the labor force participation rate had not declined as well, and given the job loss over last three months, the unemployment rate would actually stand at a much higher 18%.

### Figure 3 – Labor Force Participation by Gender

From February to May the female LFPR has fallen by 7.65%, double the rate for males. The female LFPR was lower than males to begin with, but as a result of the pandemic, the disparity has grown even larger. The drop in the female LFPR, from 63% to 55% suggests that 178,700 women have dropped out of the labor force and are not currently looking for work. For males, the drop from 76% to 72% indicates 88,000 males dropped out of the labor force.

### Labor Force Participation Rate by Gender Since Start of COVID-19 Pandemic

February 2020 (Red)    May 2020 (Blue)



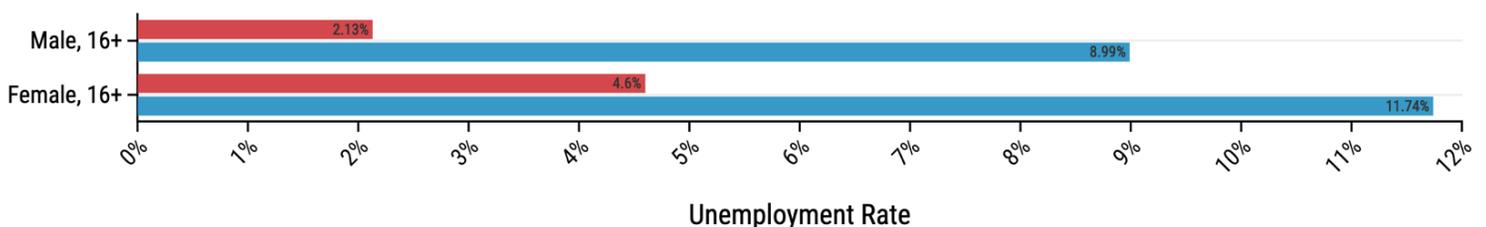
Source: [IPUMS CPS](#) • Common Sense Institute

### Figure 4 – Unemployment Rate by Gender

The unemployment rate for both male and female has jumped significantly. The overall unemployment rate for the month of May was 10.2%, the male unemployment rate is below the state average and female rate is above. Similar to the overall unemployment rates, the rates for both male and female are pushed downward by the fact that more people have dropped out of the labor force. If the LFPR had stayed at the same level as February 2020, then the May unemployment rate would be 14% for male and 22% for females.

### Unemployment Rate by Gender Since Start of COVID-19 Pandemic

February 2020 (Red)    May 2020 (Blue)



Source: [IPUMS CPS](#) • Common Sense Institute

## Figures 5 & 6 – Male Labor Force Participation Rate and Unemployment Rate by Age

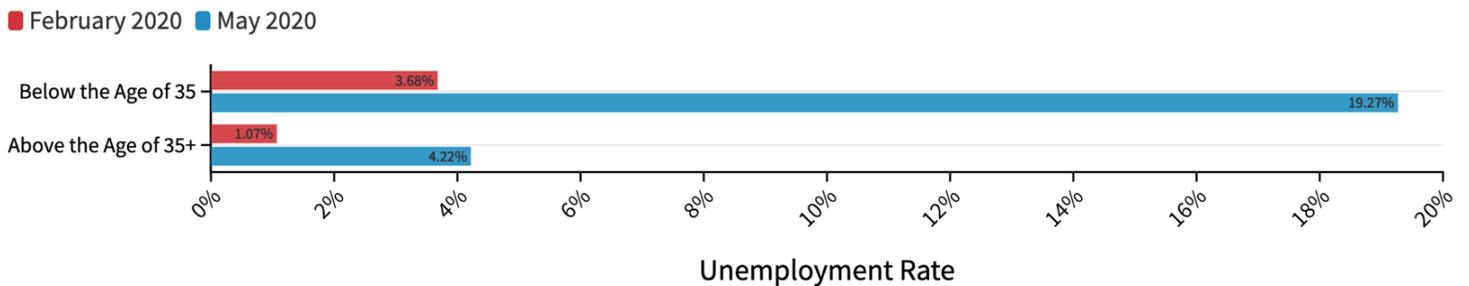
Figures 5 and 6 show the male unemployment rate and labor force participation rate in both February 2020 and May 2020 for men above and below the age of 35. Contrary to the overall trend, males below the age of 35 actually saw a slight increase in their LFPR. This could be just an anomaly in the monthly survey, as April, not shown in the chart, did show a sharp decline this age groups LFPR. The unemployment rate for men below the age of 35 jumped sharply from 3.7% to 19.3%, reflecting both the slight growth in the labor force and the loss of employment.

### Male Labor Force Participation Rate by Age Since Start of COVID-19 Pandemic



Source: [IPUMS CPS](#) • Common Sense Institute

### Male Unemployment Rate by Age Since Start of COVID-19 Pandemic



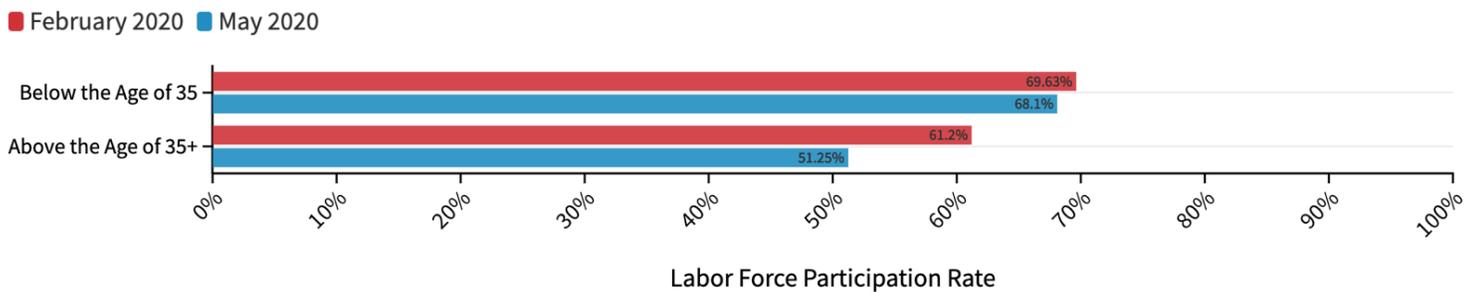
Source: [IPUMS CPS](#) • Common Sense Institute

### Figure 7 & 8 – Female Labor Force Participation Rate by Age

Figures 7 and 8 depict the female labor force participation rate and unemployment rate in both February 2020 and May 2020, for women above and below the age of 35.

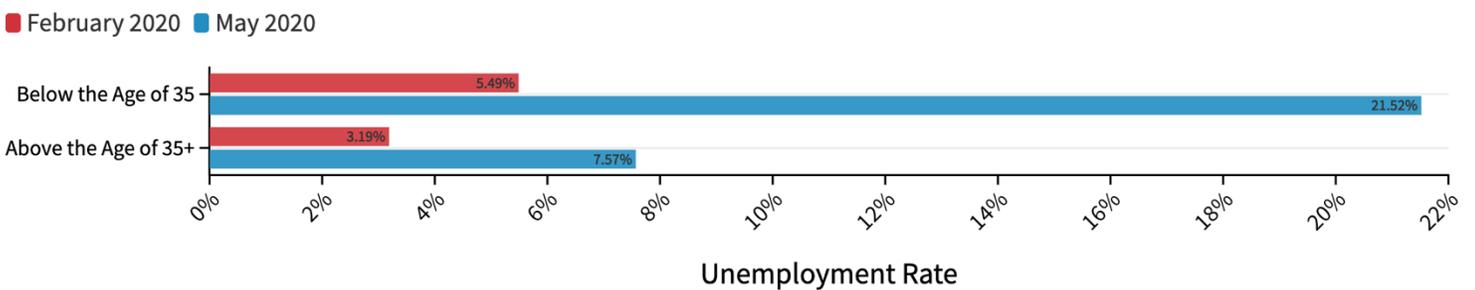
Women over the age of 35 saw a large drop in LFPR, declining from 61.2% to 51.3%. Despite this large drop, the unemployment rate still increased significantly from 3.2% to 7.6%.

#### Female Labor Force Participation Rate by Age Since Start of COVID-19 Pandemic



Source: [IPUMS CPS](#) • Common Sense Institute

#### Female Unemployment Rate by Age Since Start of COVID-19 Pandemic



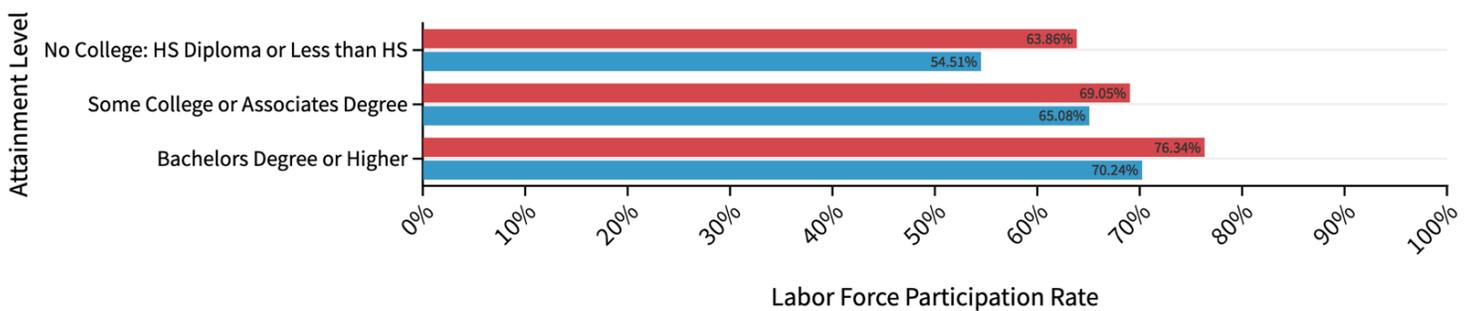
Source: [IPUMS CPS](#) • Common Sense Institute

## Figure 9 & 10 – Labor Force Participation Rate and Unemployment Rate by Educational Attainment Level

Figures 9 and 10 show the change in LFPR and unemployment rates by three levels of educational attainment. Similar trends are observed with declining labor force participation rates and increasing unemployment rates across all groupings. However, those with no college credentials, including those with high school diplomas or those who did not graduate high school, showed the largest changes in both declining LFP and an increasing unemployment rate.

### Labor Force Participation Rate by Educational Attainment Level Since Start of COVID-19 Pandemic

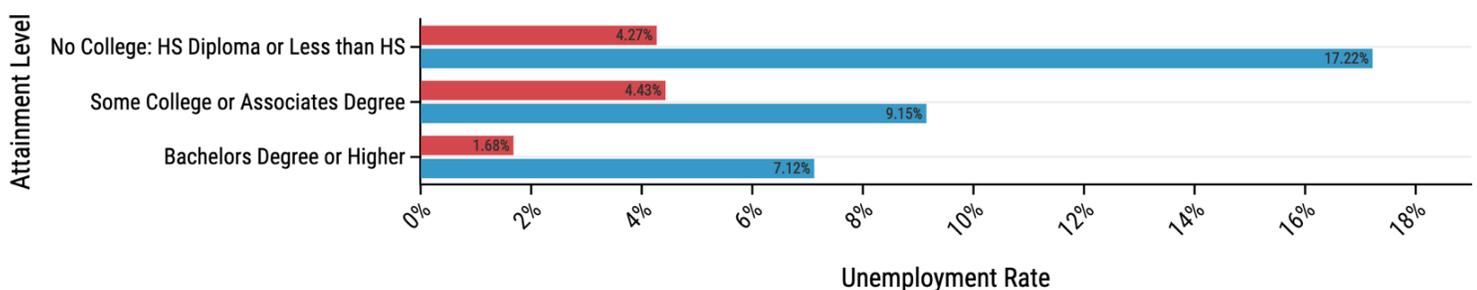
February 2020 (red) May 2020 (blue)



Source: [IPUMS CPS](#) • Common Sense Institute

### Unemployment Rate by Educational Attainment Level Since Start of COVID-19 Pandemic

February 2020 (red) May 2020 (blue)



Source: [IPUMS CPS](#) • Common Sense Institute