

Colorado Jobs and Labor Force Update: May 2022

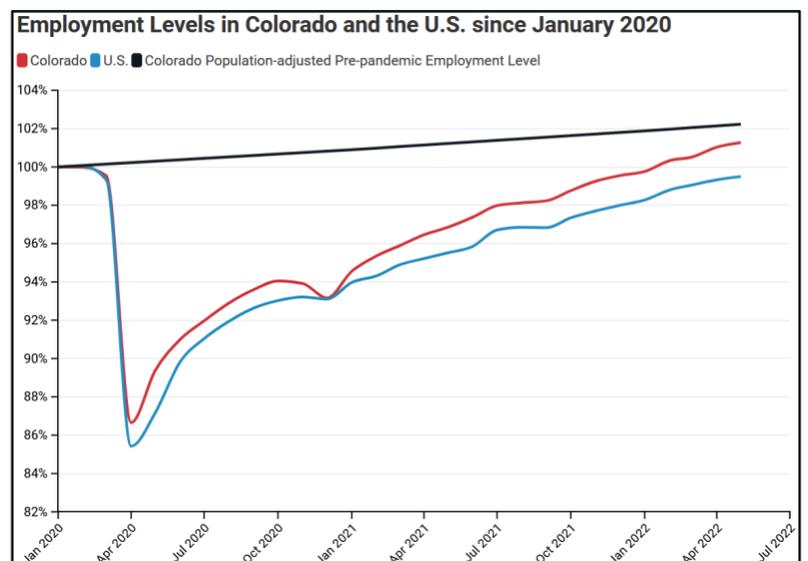
Colorado’s robust economy has added 405,400 jobs since April 2020, eclipsing the 374,500 jobs the state lost in March and April 2020. This represents a recovery rate of 109.6 percent which is 13.3 percentage points higher than the nationwide recovery rate of 96.3%. Colorado added 5,400 jobs in May and April’s employment level was revised downwards by 1,400. May nonfarm employment rose to 2,855,400, which is 4.6% higher than May 2021’s 2,730,800. Colorado’s unemployment rate now stands at 3.5%.

Key Findings—Colorado May 2022 Employment Data (BLS CES Survey¹)

- Colorado added 5,400 total nonfarm jobs in May (a monthly change of 0.2% for a total year-on-year change of 4.6%).**
 - In May, the state’s employment level continued to recover and is now 35,900 higher than it was before the pandemic.
 - To recover to the pre-pandemic employment-to-population ratio by January 2023, Colorado needs to add 6,330 jobs each month, on average.
 - According to the BLS’s household survey, which captures both traditional jobs and self-employment, Colorado has recovered to a 66.9 employment-to-population ratio, which is above the pre-pandemic level of 66.7.
- The total employment level is up 1.3% (35,900 jobs) above its pre-pandemic level, ranking Colorado 11th in terms of May ‘22 job levels relative to Jan. ‘20.**
 - Alaska ranked 50th and Hawaii 51st in terms of current job levels relative to Jan. ‘20 and are down 5.1% and 8.9%, respectively.
 - Fifteen states have employment levels above what they were at the start of the pandemic. Texas has the highest differential (+400,900 jobs).

A Deeper Dive into Colorado Industries

- Some sectors in Colorado added jobs in May and others lost jobs.
 - The professional and business services industry added 3,000 jobs. There were 4,800 job losses in the retail trade industry.
- Though the leisure and hospitality industry has led the recovery by adding 75,000 jobs between Jan. ‘21 and Apr. ‘22, it is still down 6,900 jobs relative to Jan. ‘20.
 - Arts, entertainment, and recreation is down 2.5% (1,500 jobs).
 - Accommodation and food services is down 1.74% (5,000 jobs).



Colorado Labor Force Update

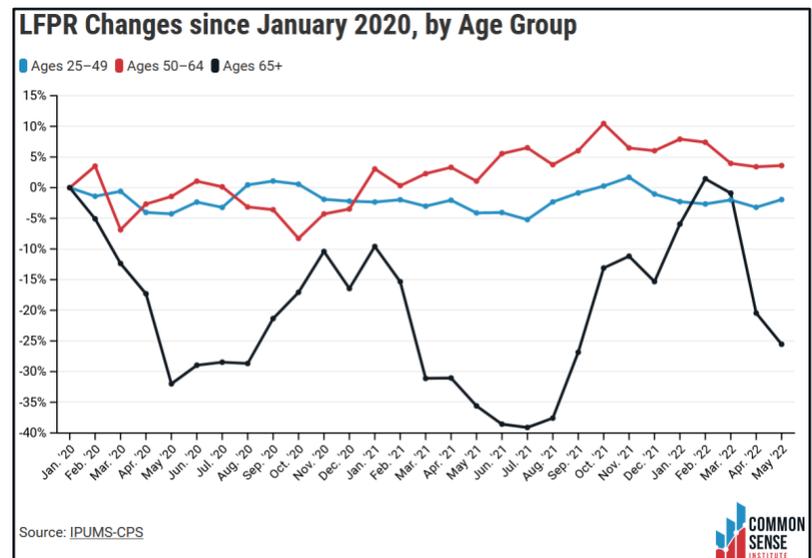
Colorado’s LFPR (labor force participation rate) increased in May to 69.4%, which combined with the strong job growth led to a decline in the unemployment rate to 3.5%. The LFPR of retirement-age (65 years and older) workers is now below its pre-pandemic level by 7.39 percentage points. After months where retirement age workers were re-entering the labor force, their LFPR has unexplainably plummeted since March by 7.13 percentage points. This could be a seasonal phenomenon whereby retirement age workers are taking the summer off.

Key Findings—Colorado May '22 Labor Force Data (FREDⁱⁱ, and IPUMS-CPSⁱⁱⁱ)

- **The LFPR increased slightly in May to 69.4%, .8 percentage points above Jan. '20's LFPR of 68.6%.**
- **May's unemployment rate dropped by .1 percentage points to 3.5%, which is still 0.8 percentage points above Jan. '20's unemployment rate of 2.7%.**
- **In May, the LFPR of Colorado women increased from 58.89% to 62.27%. It is now 1.87 percentage points below its pre-pandemic level.**
 - The national female LFPR rose by .3 percentage points to 57%, which is .8 percentage points below its pre-pandemic level.
 - There are now 43,581 fewer women in the workforce than there would be if Colorado's May LFPR of women was the same as it was before the pandemic.

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

- Since Jan. '20, the labor force participation rate of all 50–64-year-old workers, regardless of sex, has increased by 2.63%.
- There are 63,396 fewer retirement-age workers in the labor force today than there would be at the pre-pandemic participation rate. After several months of strong recovery, this group's labor force participation rate has plummeted by 7.13 percentage points since March and now sits at 21.55%.



- The LFPR of prime-age workers (25–49) rose by 1.1 percentage points but remained 1.69 below its Jan. '20 level. Now that the stock market has shed \$3 trillion and the Federal Reserve is raising interest rates to stamp out inflation, expectations are that we will see more workers in this age group return to the labor force.

Monthly trends may be volatile and should be interpreted cautiously.

ⁱ <https://www.bls.gov/data/>

ⁱⁱ <https://fred.stlouisfed.org/>

ⁱⁱⁱ <https://cps.ipums.org/cps/>