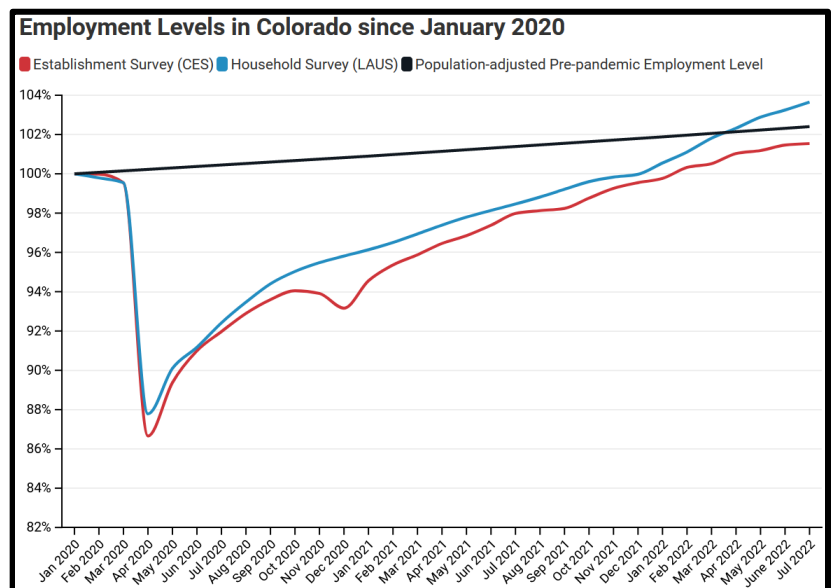


Colorado Jobs and Labor Force Update: July 2022

Colorado added only 2,200 jobs in July—the lowest amount since December 2020. June’s employment estimate, however, was revised up by 3,300 jobs, which means that the state has added 10,000 jobs since May. Governments added a total of 2,000 jobs in July whereas the private sector added only 200; individual industries, however, experienced very different trends (between 2,300 jobs lost and 3,300 gained). The state has still not recovered to its pre-pandemic employment rate according to these numbers, which include only those employed by registered establishments. BLS’ survey of household employment, which also captures self-employment and other nontraditional jobs, however, finds that Colorado’s employment rate recovered months ago and is well above pre-pandemic expectations. The cause of the growing discrepancy between the two surveys is still uncertain, but it may be that there has been a significant structural change within the job market.












Key Findings—Colorado July 2022 Employment Data (BLS CES Survey and LAUSⁱ)

- **Colorado added 2,200 total nonfarm jobs in July (a monthly change of 0.08% for a total year-on-year change of 3.6%).**
 - As of July, the state’s employment level is now 43,400 higher than it was before the pandemic.
- **The total employment level is up 1.5% (43,400 jobs) above its pre-pandemic level, ranking Colorado 13th in terms of July ‘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% and 7.6%, respectively.
 - Seventeen states have employment levels above what they were at the start of the pandemic. Texas has the highest differential (+556,900 jobs).
- **Colorado’s employment rate has recovered from the pandemic according to one measure, but still falls short according to another.**
 - BLS’ CES survey records Colorado’s employment-to-population ratio at 61.2, which is 1.1% (31,795 jobs) below the pre-pandemic ratio of 61.9.
 - To recover to the CES pre-pandemic ratio by January 2023, Colorado needs to add 8,440 jobs each month, on average.
 - According to the BLS’s household survey (LAUS), which captures both traditional jobs and self-employment, Colorado’s job market has completely recovered from the pandemic.
 - LAUS finds that Colorado’s employment-to-population ratio is 67.2, which is above the pre-pandemic level of 66.7.



A Deeper Dive into Colorado Industries (BLS CES Survey)

- There was a wide range of job growth across sectors in July.
 - The professional and business services industry added 3,300 jobs. The trade, transportation, and utilities industry lost 2,300 jobs.
 - Government employment rose by 2,000 while the net job increase across the private sector was only 200.
- Though the leisure and hospitality industry has led the recovery by adding 79,100 jobs between Jan. '21 and July. '22, it is still down 2,400 jobs relative to Jan. '20.
 - Arts, entertainment, and recreation is down 4.5% (2,700 jobs).
 - Accommodation and food services is down 1.77% (5,100 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 6.78% since the start of 2020.
 - The mining and logging sector has declined as a share of state employment by 24.36% since Jan. '22, though this is likely the result of a combination of global trends and state policy.

<i>Industry</i>	<i>July '22 Employment</i>	<i>Change since Jan. '20</i>	<i>Change since June '22</i>	<i>Share of Total CO Employment (2012– Current)</i>	<i>Current Share of Total CO Employment</i>
Mining and Logging	20,500	-6,200	100		0.72%
Construction	185,000	4,900	-200		6.46%
Manufacturing	153,100	1,600	-1,300		5.35%
Trade, Transportation, and Utilities	498,000	16,400	-2,300		17.39%
Information	79,100	1,000	-200		2.76%
Financial Activities	179,100	3,100	200		6.26%
Professional and Business Services	484,200	37,500	3,300		16.91%
Education and Health Services	352,700	-1,500	300		12.32%
Leisure and Hospitality	345,200	-2,400	700		12.06%
Other Services	120,100	4,500	-400		4.20%
Government	445,900	-16,300	2,000		15.58%

Colorado Labor Force Update

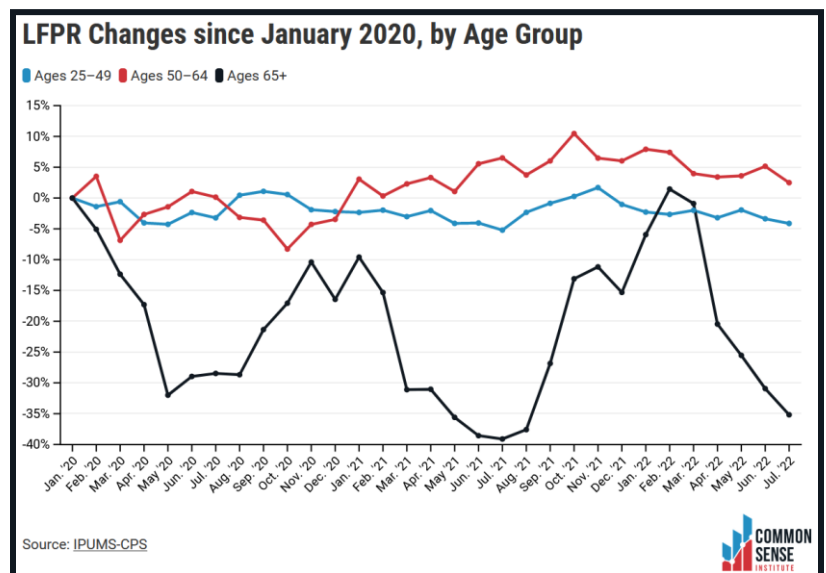
Colorado’s LFPR (labor force participation rate) remained at 69.5% in July; this alongside job growth, especially that indicated by June’s revision, led to a decline in the state’s unemployment rate to 3.3%. The LFPR of retirement-age (65 years and older) workers is now below its pre-pandemic level by 35.18%. After months where retirement age workers were re-entering the labor force, their LFPR has continued to decrease by 9.92 percentage points since March. This is surprising given the continued high level of inflation eating into household budgets, especially those on fixed incomes, but unsurprising as a seasonal summer trend.

Key Findings—Colorado July '22 Labor Force Data (FREDⁱⁱ)

- **The LFPR remained at 69.5% in July, which is .9 of a percentage point above Jan. '20's LFPR of 68.6%.**
- **The unemployment rate dropped by .1 of a percentage point in July to 3.3%, which is still 0.6 above Jan. '20's unemployment rate of 2.7%.**
- **In July, the LFPR of Colorado women decreased from 63.33% to 62.56%. It is now 1.58 percentage points below its pre-pandemic level.**
 - The national female LFPR fell by .1 percentage points to 56.9%, which is .9 of a percentage point below its pre-pandemic level.
 - There are now 36,854 fewer women in the workforce than there would be if Colorado’s July 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 2.49%.
- There are 88,648 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 9.92 percentage points since March and now sits at 18.76%.
- The LFPR of prime-age workers (25–49) shrunk by .66 percentage points and remains 4.13% below its Jan. '20 level.



Monthly trends may be volatile and should be interpreted cautiously.

ⁱ <https://www.bls.gov/data/>

ⁱⁱ <https://fred.stlouisfed.org/>