

Colorado Jobs and Labor Force Update: September 2022

Colorado added 5,600 jobs in September and the unemployment rate remained at 3.4%. August’s employment estimate was revised up by 2,200 jobs, bringing the prior month’s growth to 14,600 jobs. Government employment declined by 2,000 jobs in September whereas the private sector added 7,600. The leisure and hospitality sector grew by 3,500 and education and health services grew by 2,000 jobs, while financial activities fell by 600 jobs as higher interest rates reduce demand for new mortgages. The number of unemployed fell by 2,200 and the labor force declined by 2,800 to 3,255,100.

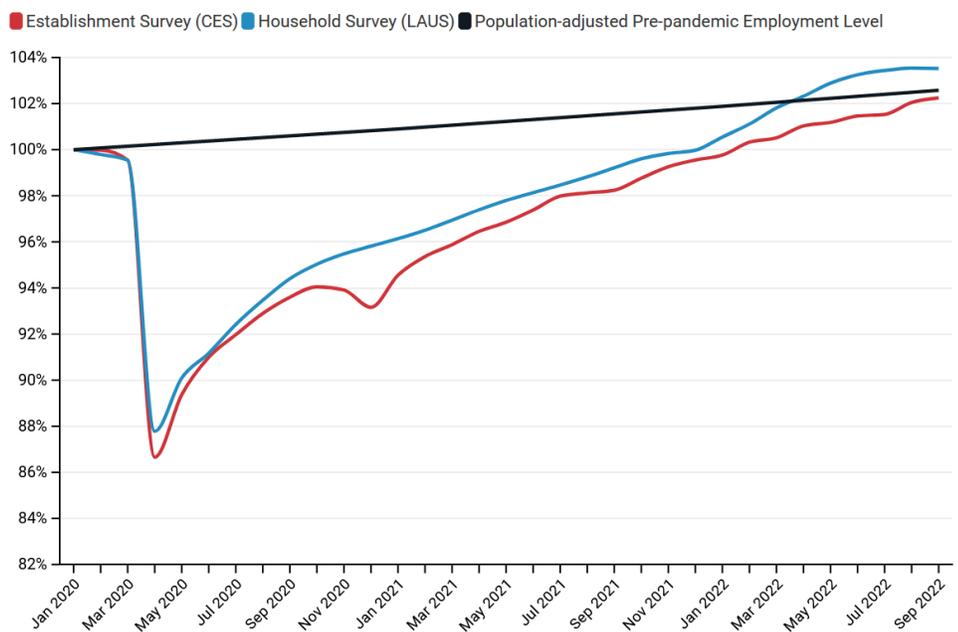
The labor force participation rate for prime age workers increased by 0.82 percentage points to 86.2 percent, the highest it’s been since December 2021. Over the year, the average workweek for Coloradoans on nonfarm payrolls remained at 33.5 hours, and average hourly earnings increased by 6.07% from \$32.46 to \$34.43, higher than the national average hourly earnings of \$32.46.

Key Findings—Colorado September 2022 Employment Data (BLS CES Survey and LAUS)

- **Colorado added 5,600 total nonfarm jobs in September**
 - Private-sector employment increased by 7,600 while government employment declined by 2,000.
 - August job growth was revised upward from a gain of 12,400 to 14,600 jobs.
- **The total employment level is up 2.3% (63,300 jobs) above its pre-pandemic level, ranking Colorado 12th in terms of September ‘22 job levels relative to Jan. ‘20.**
 - Twenty-three states have employment levels above what they were at the start of the pandemic. Texas has the highest differential (+615,600 jobs).
- **Colorado’s employment rate has recovered from the pandemic according to one measure, but still falls short according to another.**

- According to the BLS survey of the number of jobs (CES), Colorado has yet to recover to a pre-pandemic ratio of employment-to-population
- According to the BLS household survey (LAUS), which captures both traditional jobs and self-employment, the percentage of people employed is at its highest level since January 2009.

Employment Levels in Colorado since January 2020



A Deeper Dive into Colorado Industries (BLS CES Survey)

- There was a wide range of job growth across sectors in September.
 - The accommodation and food services industry added 4,800 jobs. The “other services” industry added 2,300 jobs.
 - Local government employment declined by 2,600.
- The leisure and hospitality industry has led the recovery by adding 83,000 jobs between Jan. '21 and Sep. '22, but is only up 1,500 jobs, or .43%, relative to Jan. '20.
 - Construction is up 2.17% (3,900 jobs).
 - Manufacturing is up 2.31% (3,500 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 6.9% since the start of 2020.
 - The mining and logging sector has declined as a share of state employment by 26% since Jan. '22, though this is likely the result of a combination of global trends and state policy.

<i>Industry</i>	<i>Sep. '22 Employment</i>	<i>Change since Jan. '20</i>	<i>Change since Aug. '22</i>	<i>Share of Total CO Employment (2012– Current)</i>	<i>Current Share of Total CO Employment</i>
Mining and Logging	20,200	-6,500	-100		0.70%
Construction	184,000	3,600	-200		6.38%
Manufacturing	155,000	3,700	500		5.38%
Trade, Transportation, and Utilities	500,800	19,800	200		17.37%
Information	78,700	600	0		2.73%
Financial Activities	175,500	-300	-600		6.09%
Professional and Business Services	488,000	42,800	0		16.93%
Education and Health Services	360,500	9,600	2,000		12.51%
Leisure and Hospitality	349,100	1,500	3,500		12.11%
Other Services	122,800	7,100	2,300		4.26%
Government	448,200	-10,400	-2,000		15.55%

Colorado Labor Force Update

Colorado’s LFPR (labor force participation rate) fell slightly to 69.4% in September; this alongside moderate job growth caused the state’s unemployment rate to hold steady at 3.4%. The LFPR of retirement-age (65 years and older) workers, after strong growth last month, fell once again in September and is now below its pre-pandemic level by 22.4%.

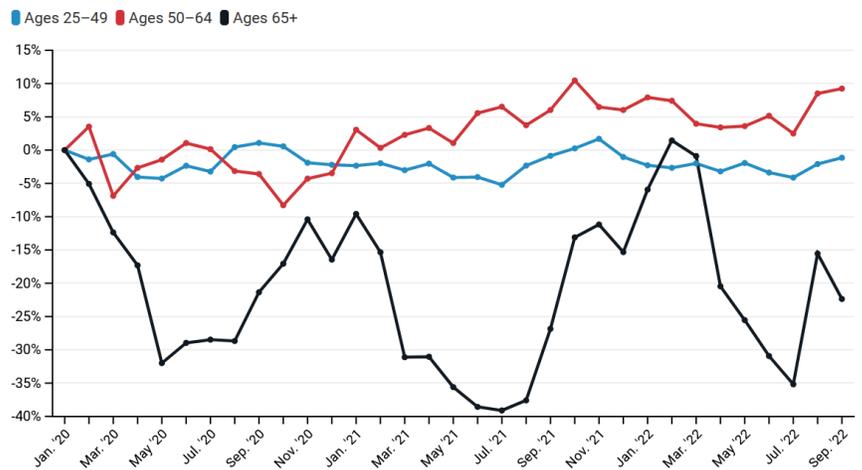
Key Findings—Colorado August '22 Labor Force Data (FRED)

- **The LFPR fell by .2 of a percentage point in September to 69.4%, which is .8 of a percentage point above Jan. '20's LFPR of 68.6%.**
- **The unemployment rate remained at 3.4% in September, down 1.3 percentage points from a year ago and 0.6 above Jan. '20's unemployment rate of 2.7%.**
- **In September, the LFPR of Colorado women increased from 63.08% (revised) to 63.32%. It is now .82 percentage points below its pre-pandemic level.**
 - The national female LFPR fell by .3 percentage points to 56.8%, which is 1 percentage point below its pre-pandemic level.
 - There are now 19,205 fewer women in the workforce than there would be if Colorado’s September's 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 9.24%.
- There are 56,595 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 fallen by 6.21 percentage points since March and now sits at 22.47%.
- The LFPR of prime-age workers (25–49) grew by .82 percentage points and remains 1.15% below its Jan. '20 level.

LFPR Changes since January 2020, by Age Group



Source: IPUMS-CPS

Monthly trends may be volatile and should be interpreted cautiously.