

Colorado Jobs and Labor Force Update: January 2023

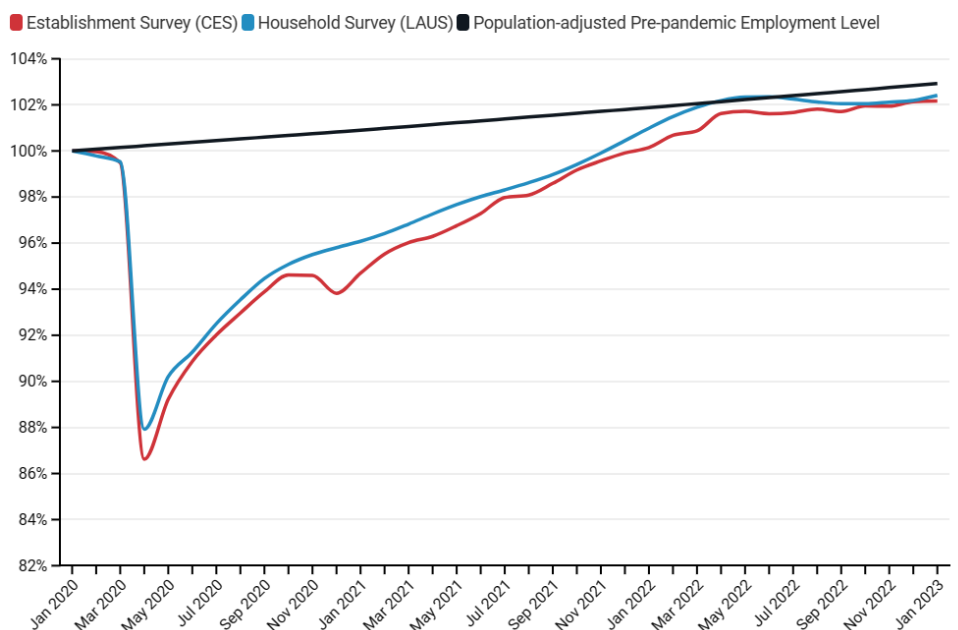
Colorado’s private-sector employment saw no growth in January while government employment grew by 800. Though Colorado’s unemployment rate was revised downward to 2.8%, the state has still not recovered to the pre-pandemic employment-to-population ratio. In December, Colorado’s recovery was the 11th strongest in the nation. As of January, it has fallen to 17th. The education and health services sector added 2,200 jobs, but the construction and financial sectors lost a combined total of 2,400. The professional and business services sector has been responsible for 58% of total job growth since January 2020 creating 53,800 of the 92,000 jobs added in the state since that time. December’s employment estimate was revised downward by 3,100 jobs, bringing the prior month’s growth to 5,500 jobs. The number of unemployed grew by 1,295 while the labor force increased by 8,018 to 3,206,356.

Though labor force participation rates among working-age Coloradans increased slightly in January, the LFPR of retirement-age workers continued to fall sharply. There are now 37,832 fewer retirement-age workers in the labor force today than there would be at the pre-pandemic participation rate.

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

- **Colorado added 800 total nonfarm jobs in January.**
 - Private-sector employment saw no job growth in January while government employment accounted for the entire 800 job increase.
 - December job growth was revised downward from a gain of 8,600 to 5,500 jobs.
- **The total employment level is up 2.17% (61,100 jobs) above its pre-pandemic level, ranking Colorado 17th in terms of January ‘23 job levels relative to January ‘20.**
 - Thirty-one states have employment levels above what they were at the start of the pandemic. Texas has the highest differential (+832,000 jobs).
- **For the 7th consecutive month, Colorado’s labor market remained below pre-pandemic levels according to both measures of employment.**
 - According to the BLS survey of the number of jobs (CES), Colorado has not recovered to a pre-pandemic employment-to-population ratio since June 2022.
 - According to the BLS household survey (LAUS), which captures both traditional jobs and self-employment, **Colorado**






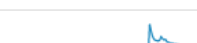





Employment Levels in Colorado since January 2020



has never recovered in both surveys to its pre-pandemic employment to population ratio.

A Deeper Dive into Colorado Industries (The TBLS CES Survey)

- Total private sector job growth was flat in January.
 - The professional and business services industry added 1,300 jobs while government employment grew by 800.
 - The arts, entertainment, and recreation industry lost 700 jobs.
- The leisure and hospitality industry added 85,500 jobs between January '21 and January '23, and is now up 4,000 jobs, or 1.15%, relative to January '20.
 - Construction fell 1.10% in January (-1,100 jobs).
 - Manufacturing dropped 0.7% (-700 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 12% since the start of 2021.
 - Since January 2020, the mining and logging sector has seen an 18.3% decrease in total employment, though this is likely the result of a combination of global trends and state policy.

Industry	Jan. '22 Employment	Change since Jan. '20	Change since Dec. '22	Share of Total CO Employment (2012–Current)	133	Current Share of Total CO Employment
Mining and Logging	21,900	-4,900	300		0.76%	0.76%
Construction	180,900	500	-1,100		6.27%	6.27%
Manufacturing	153,900	2,300	-700		5.34%	5.34%
Trade, Transportation, and Utilities	501,300	19,000	200		17.39%	17.39%
Information	77,400	-800	-300		2.68%	2.68%
Financial Activities	178,300	2,300	-1,300		6.18%	6.18%
Professional and Business Services	491,100	44,800	1,300		17.03%	17.03%
Education and Health Services	355,000	700	2,200		12.31%	12.31%
Leisure and Hospitality	349,300	900	-900		12.12%	12.12%
Other Services	123,900	7,900	300		4.30%	4.30%
Government	450,000	-11,600	800		15.61%	15.61%

Colorado Labor Force Update

Colorado’s LFPR (labor force participation rate) increased to 68.1% and its unemployment rate remained at 2.8% in January. The LFPR of retirement-age (65 years and older) workers, after peaking in November, this group’s LFPR continued to decline in January and is now below its pre-pandemic level by 19.3%.

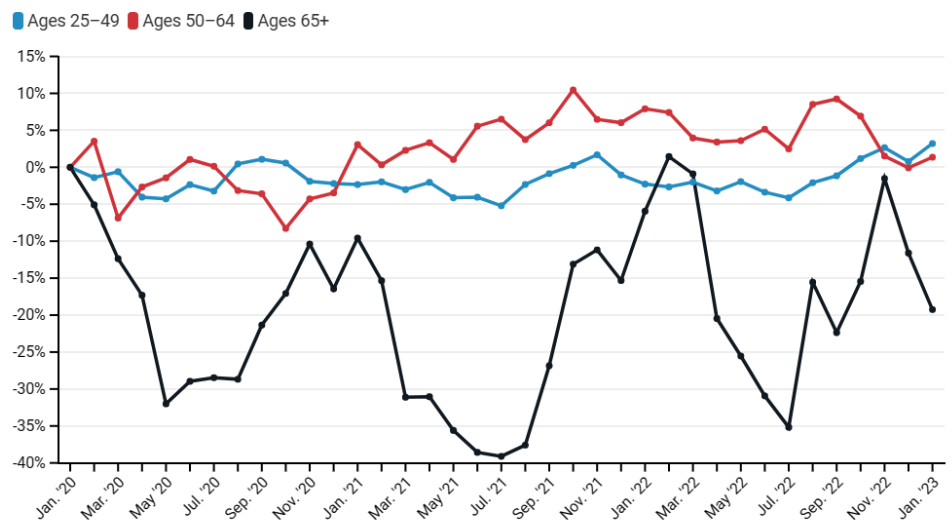
Key Findings—Colorado January '23 Labor Force Data (FRED)

- **The LFPR increased by .1 percentage points to 68.1%, which is .5 of a percentage point below January '20’s LFPR of 68.6%.**
- **The unemployment rate remained at 2.8% in January, which is 1.2 percentage points below what it was a year ago.**
- **The LFPR of Colorado women increased from 66.37% to 67.93%. It is now 0.99 percentage points above its pre-pandemic level.**
 - The national female LFPR rose by .2 percentage points to 57%, which is .9 percentage points below its pre-pandemic level.
 - There are now 62,636 more women in the workforce than there would be if Colorado’s January’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 January '20, the labor force participation rate of all 50–64-year-old workers, regardless of sex, has increased by 2.51%. Just four months ago, it was 9.24% higher than in January '20.
- There are 37,832 fewer retirement-age workers in the labor force today than there would be at the pre-pandemic participation rate. Since peaking in November, this group’s labor force participation rate has fallen by 2.34 percentage points and now sits at 23.37%.
- The LFPR of prime-age workers (25–49) grew by 2.13 percentage points and is now 2.80% above its January '20 level.

LFPR Changes since January 2020, by Age Group



Source: IPUMS-CPS

Monthly trends may be volatile and should be interpreted cautiously.

