



October 2023

# Colorado Jobs and Labor Force Update – September 2023 Update

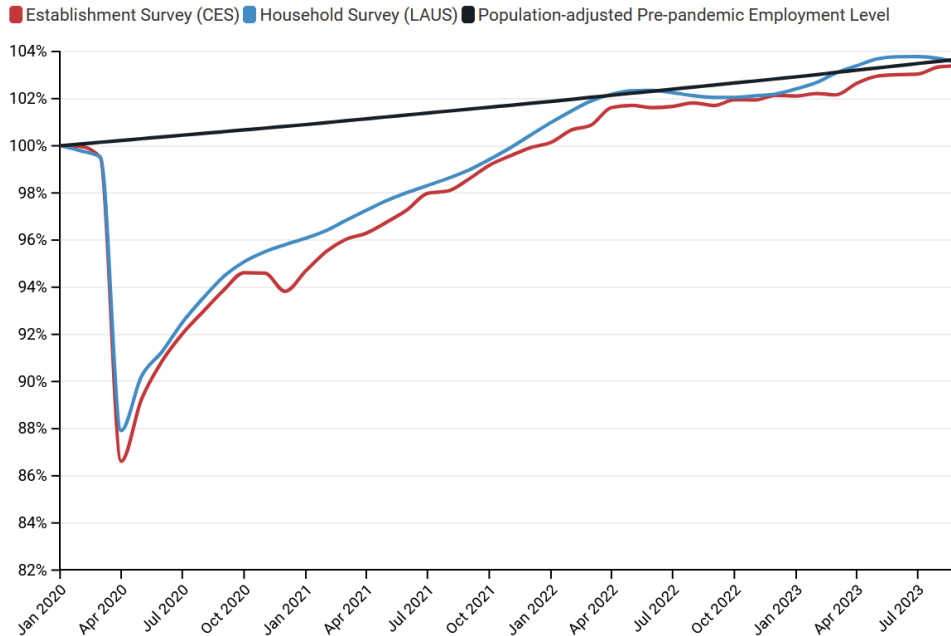
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Colorado's total private employment decreased by 600 jobs in the month of September after gaining 4,800 jobs in August. This is the largest drop in private employment since March of this year when Colorado lost 3,300 private sector jobs. However, the state's total nonfarm employment grew 1,500 jobs, buoyed by the addition of 1,400 local government, 500 state government, and 200 federal government jobs. Colorado's unemployment ticked up for the 3<sup>rd</sup> consecutive month from 3.1% to 3.2%. The last time Colorado's unemployment rate increased for 3 consecutive months was March-May of 2020, when COVID caused the state's unemployment rate to reach 11.6%. The state's professional and business and business services sector added 2,300 jobs in September, its strongest month of growth since April of 2022. Colorado's construction sector lost 800 jobs while manufacturing remained even for the month.

### Key Findings—Colorado September 2023 Employment Data

- **Colorado's private sector lost 600 jobs in September, while government employment added 2,100 jobs.**
- **Colorado's unemployment ticked up for the 3<sup>rd</sup> consecutive month from 3.1% to 3.2%.** The last time Colorado's unemployment rate increased for 3 consecutive months was March-May of 2020, when COVID caused the state's unemployment rate to reach 11.6%.
- The state's professional and business and business services sector added 2,300 jobs in September, its strongest month of growth since April of 2022.
- Colorado's construction sector lost 800 jobs while manufacturing remained even for the month.

### Employment Levels in Colorado since January 2020

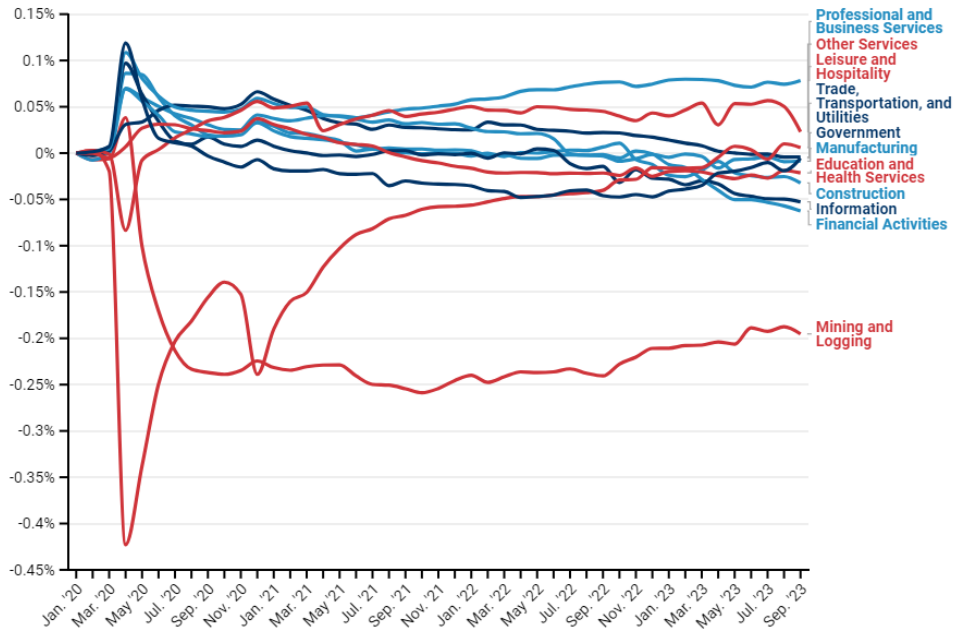


- According to the BLS survey of establishments (CES), Colorado has never recovered to a pre-pandemic employment-to-population ratio.
- According to the BLS survey of households (LAUS), which captures both traditional jobs and self-employment, **Colorado fell below its pre-pandemic employment-to-population ratio in September for the first month in the last six.**

### A Deeper Dive into Colorado Industries (BLS CES Survey)

- After strong growth of 4,800 jobs in August, Colorado’s private sector lost 600 jobs in September.
  - The professional and business services sector added 2,300 jobs while the trade, transportation, and utilities sector added 500.
  - Local government employment increased by 1,400.
- The leisure and hospitality industry has added 95,200 jobs between January ‘21 and September ‘23 and now accounts for 12.4% of Colorado’s total nonfarm employment.
  - Colorado’s manufacturing industry held even in September.
  - The state’s construction sector lost 800 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 seen its employment increase 11.5% since the start of 2020 (see the graph below).
  - Since January 2020, employment in the mining and logging sector has decreased by 16.8%. In September, this sector lost 100 jobs though this is likely the result of a combination of global trends and state policy.

**Changing Industry Shares of Total Colorado Employment since January 2020**



### Colorado Labor Force Update

Colorado’s LFPR (labor force participation rate) dropped 0.1% to 68.6% in September after holding steady at 68.7% for the four previous months.

### Key Findings—Colorado September ‘23 Labor Force Data (IPUMS/FRED)

- The LFPR fell by .1 of a percentage point to 68.6% in September, which is .3 of a percentage point below January ‘20’s LFPR of 68.9%.
- The unemployment rate increased to 3.2% in September, which is 0.4% higher than it was in September of 2022.
- The national female LFPR increased to 57.5%, which is .4 of a percentage point below its pre-pandemic level.

### Labor Force Participation Rate in Colorado Since 2000

