



June 2024

# Colorado Jobs and Labor Force Update – May 2024 Update

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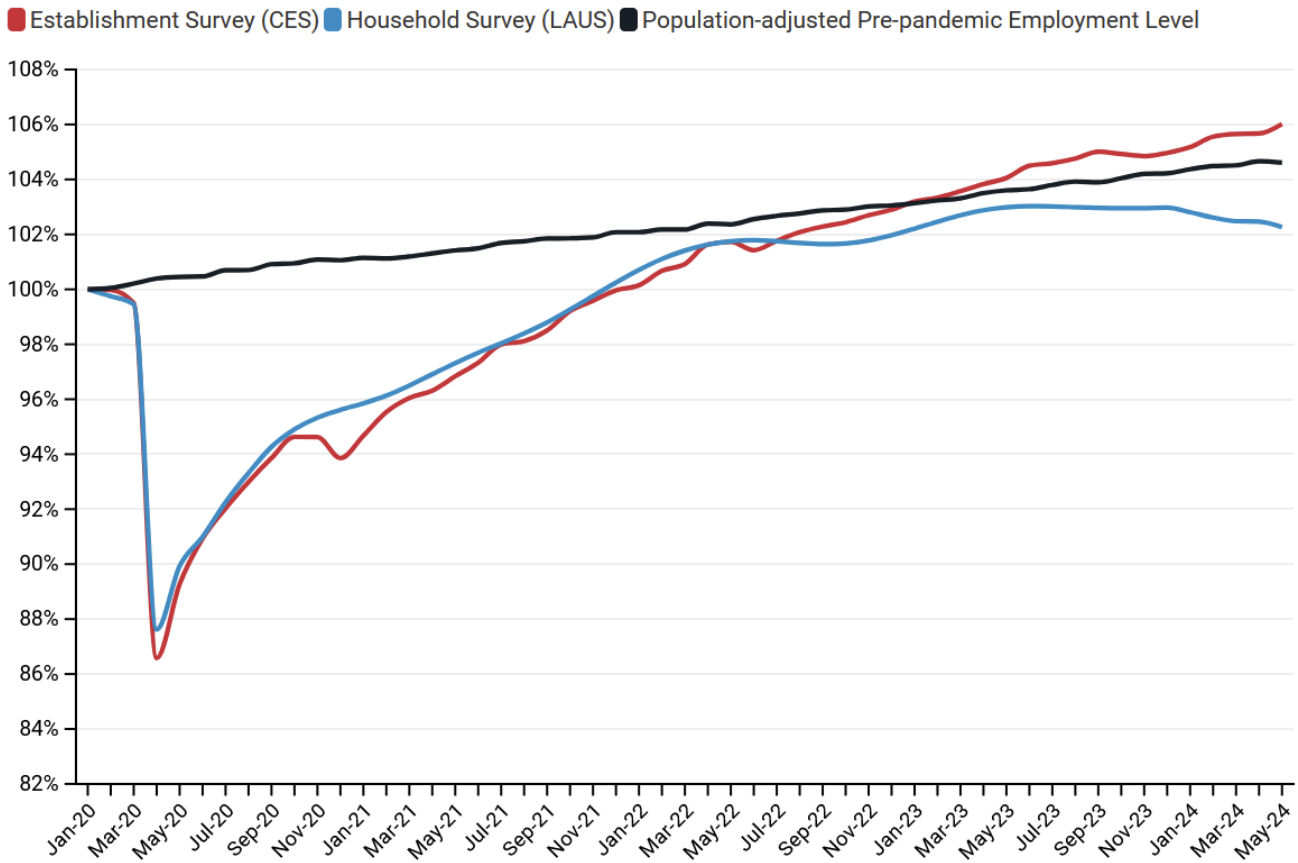
Employers in Colorado added a total of 9,800 jobs in May—the fourth-highest value since 2021. Unlike at many points over the last year, which was characterized by short periods of concentrated growth amid a trend of underperformance and decline, May’s growth was driven by the private sector and relatively diffuse across the state’s industries.

Despite being a very active month for job creation, May was not an unmitigated success for Colorado’s labor market. The state’s unemployment rate rose again to 3.8%, which is higher than it’s been in over two years, and its labor force participation rate fell to its lowest value since 2021. Meanwhile, the number of employed Coloradans, according to the Bureau of Labor Statistics’ Local Area Unemployment Statistics, fell for the sixth consecutive month and by its largest number since April 2020. The divergence between the BLS’ two measures of employment, which is represented by the first graph in this report, will be important to monitor over the coming months.

### Key Findings—Colorado May 2024 Employment Data

- **Colorado’s total employment increased by 9,800 in May.** Unlike in some previous months, the private sector contributed primarily to this growth (7,900 jobs).
  - The BLS’ estimate of employment growth in April was revised upwards from 300 to 500.
- **Colorado’s professional and business services sector rebounded from its largest employment decline since early 2020 by adding 3,700 jobs in May.**
- **Eight of eleven major employment sectors added jobs in May.** The three that declined, education and health services, trade, transportation and utilities, and information, lost a total of 1,700 jobs.
- Colorado’s unemployment rate rose to 3.8%, which is the highest it’s been since January 2022, and its labor force participation rate fell to 67.9%.

## Employment Levels in Colorado since January 2020



According to the BLS survey of establishments (CES), Colorado’s employment-to-population ratio has exceeded its pre-pandemic level since January 2023.

According to the BLS survey of households (LAUS), which captures both traditional jobs and self-employment, **Colorado has never recovered to its pre-pandemic employment-to-population ratio.**

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

Of the 9,800 jobs Colorado employers added in May, 7,900 were private-sector jobs.

- The professional and business services sector gained 3,700 jobs and the trade, transportation, and utilities sector lost 900.
- The public sector added 1,900 jobs, of which local governments contributed 1,200.

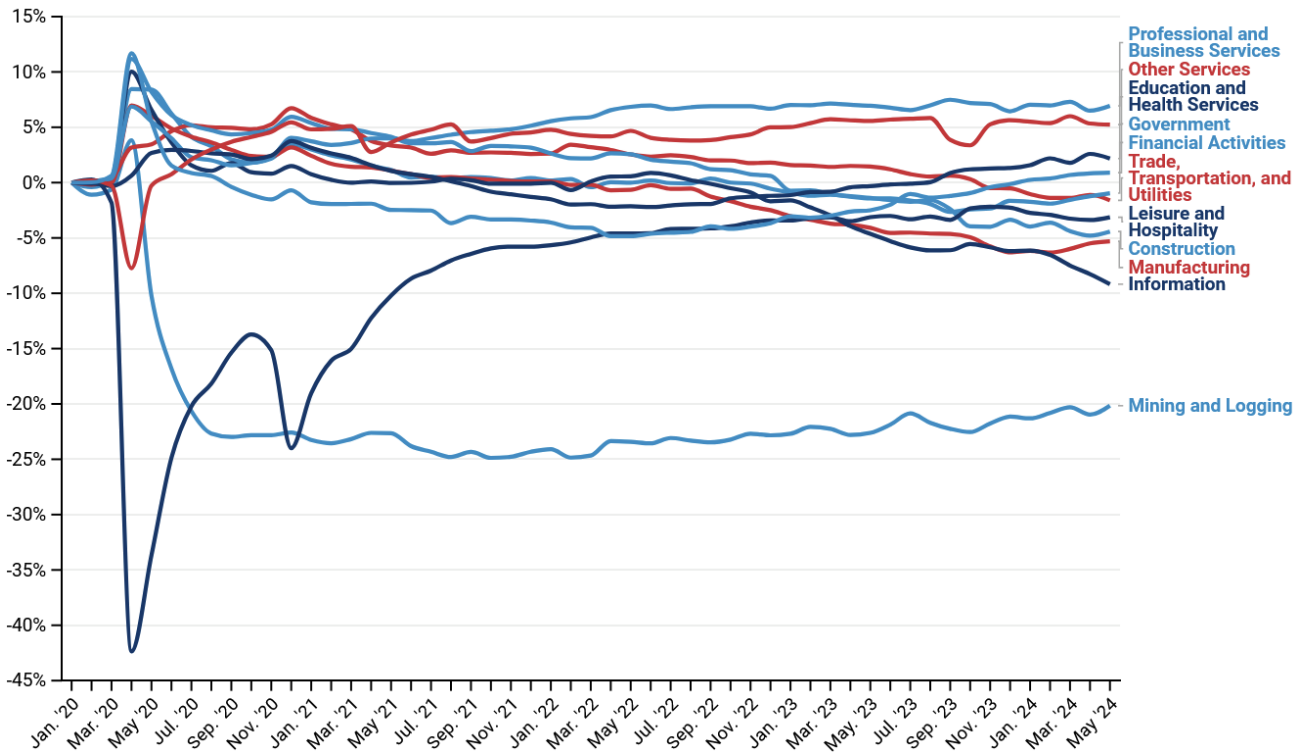
The leisure and hospitality industry added 90,700 jobs between January ‘21 and May ‘24 and has grown by 2.7% since January ‘20.

- Employment in Colorado’s manufacturing sector rose by 800 in May and is now 600 jobs above its pre-pandemic level.
- The state’s construction sector added 1,300 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 over 6.9% since the start of 2020 (see the graph below).
- Since January 2020, employment in the mining and logging sector has decreased by 15.4%, reducing its share of state employment by 20%. 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) fell to 67.9% in May and has declined five times since August of 2023.

### Key Findings—Colorado May ‘24 Labor Force Data (IPUMS/FRED)

- The LFPR fell to 67.9%, which is 1 percentage point below January ‘20’s LFPR of 68.9%.
- The unemployment rate rose to 3.8% in May.
- The national female LFPR fell by .1 of a percentage point to 57.6%, which is .4 of a percentage point below its pre-pandemic level.

## Labor Force Participation Rate in Colorado Since 2000

