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# Colorado Jobs and Labor Force Update – December 2023 Update

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In recent months, Colorado’s employment growth has been sustained by robust government job gains in excess of private sector job losses. While Colorado added 300 total nonfarm jobs in December, the private sector declined for the fourth straight month, losing 1,700 jobs. Colorado’s total nonfarm employment was once again buoyed by strong government employment growth—federal, state, and local governments combined to add 2,000 jobs last month.

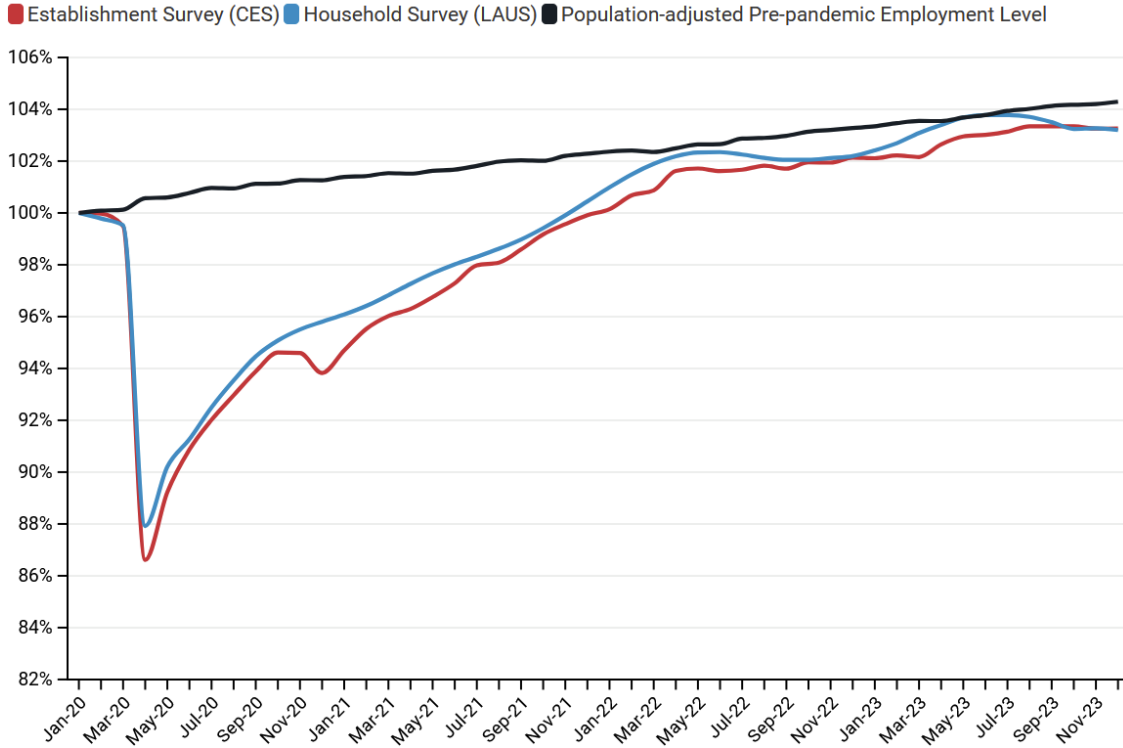
Colorado’s private sector has lost 9,700 jobs over the last four months, while government employment has grown by 7,400 jobs over this time.

The state’s manufacturing sector was especially hard hit, losing 1,300 jobs in December after losing 1,400 jobs in November. This loss of 2,700 jobs was the largest two-month decline since COVID-19 shutdowns and brought the sector’s yearly job growth to -2,400 through December. Transportation, warehousing, and utilities shrank by the most of any sector in December (1,700 jobs).

### Key Findings—Colorado December 2023 Employment Data

- **Colorado's private sector employment declined for the 4<sup>th</sup> straight month in December, losing 1,700 jobs, after decreasing by 5,200 jobs in November.** Consecutive months of private sector job loss has only occurred once since February 2019, during COVID job losses.
- **Since September of this year, Colorado’s government employment has grown by 7,400 jobs, while Colorado’s private sector has lost 9,700 jobs.**
- **After losing 1,400 jobs in November, Colorado’s manufacturing sector continued to decline by 1,300 jobs in December. Over the last year, this sector has lost 2,400 jobs.**
- **Colorado’s unemployment rate ticked up by 0.1% to 3.4%. This is the 5th increase in the state’s unemployment rate in the last 7 months.**

## Employment Levels in Colorado since January 2020



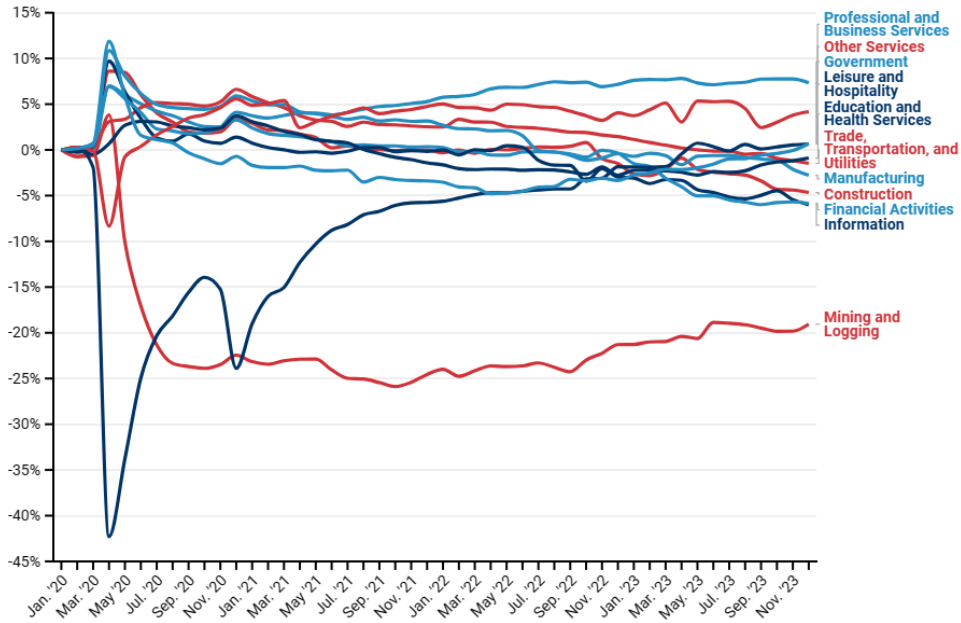
- **According to the BLS survey of establishments (CES), Colorado has never recovered to a pre-pandemic employment-to-population ratio.**
- **According to the BLS survey of households (LAUS), which captures both traditional jobs and self-employment, Colorado has never recovered to its pre-pandemic employment-to-population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

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

- After disparate growth throughout the summer and consistent decline throughout fall, Colorado’s private sector lost another 1,700 jobs in December.
  - The professional and business services sector lost 1,500 jobs and the financial activities sector lost 500.
  - Local government employment increased by 1,700, while the state and federal governments added 200 and 100 jobs, respectively.
- The leisure and hospitality industry added 94,900 jobs between January ‘21 and December ‘23 and has seen its employment grow 3.93% since Jan. 2020.
  - Employment in Colorado’s manufacturing sector fell by 1,300 in December. This sector hasn’t grown since June 2023.
  - The state’s construction sector gained 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 over 7.3% since the start of 2020 (see the graph below).
- Since January 2020, employment in the mining and logging sector has decreased by 16.4%, reducing its share of state employment by 19%. 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) held steady at 68.4% in December for the 3<sup>rd</sup> consecutive month.**

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

- The LFPR held at 68.4%, which remains .5 of a percentage point below January ‘20’s LFPR of 68.9%.
- The unemployment rate increased to 3.4% in December, up from 2.8% unemployment in December of 2022.
- The national female LFPR decreased 0.3 % to 57.1%, which is .7 of a percentage point below its pre-pandemic level.

### Labor Force Participation Rate in Colorado Since 2000

