



March 2025

Colorado Jobs and Labor Force Update – January 2025 Update

Author: Jimena Sanchez, Erik Gamm

After two months of job losses, Colorado added 3,900 nonfarm jobs in January. Government employment grew by 2,100 jobs, while private employment grew by 1,800 jobs. There were no changes to government jobs noted at the federal level. The largest growth happened at the local level with an increase of 1,300 jobs. The local government employment levels saw an increase of 800 jobs.

After noting that government employment reached 500,000 jobs in December 2024, there was a downward revision to 494,400 jobs for that month. Despite this decline, the government sector continues to grow at a faster pace than does the private sector.

Revisions to employment data revealed a decline of 32,600 total nonfarm jobs in December 2024. Following this notable decline in jobs, employment in January picked up the loss and increased 3,900 jobs, with majority of the growth happening in the government sector.

Colorado's mining, logging, and construction sector was the hardest hit in January, losing 2,500 jobs from the month prior. Meanwhile, the service-producing industry saw the most growth with 5,300 jobs created during January.

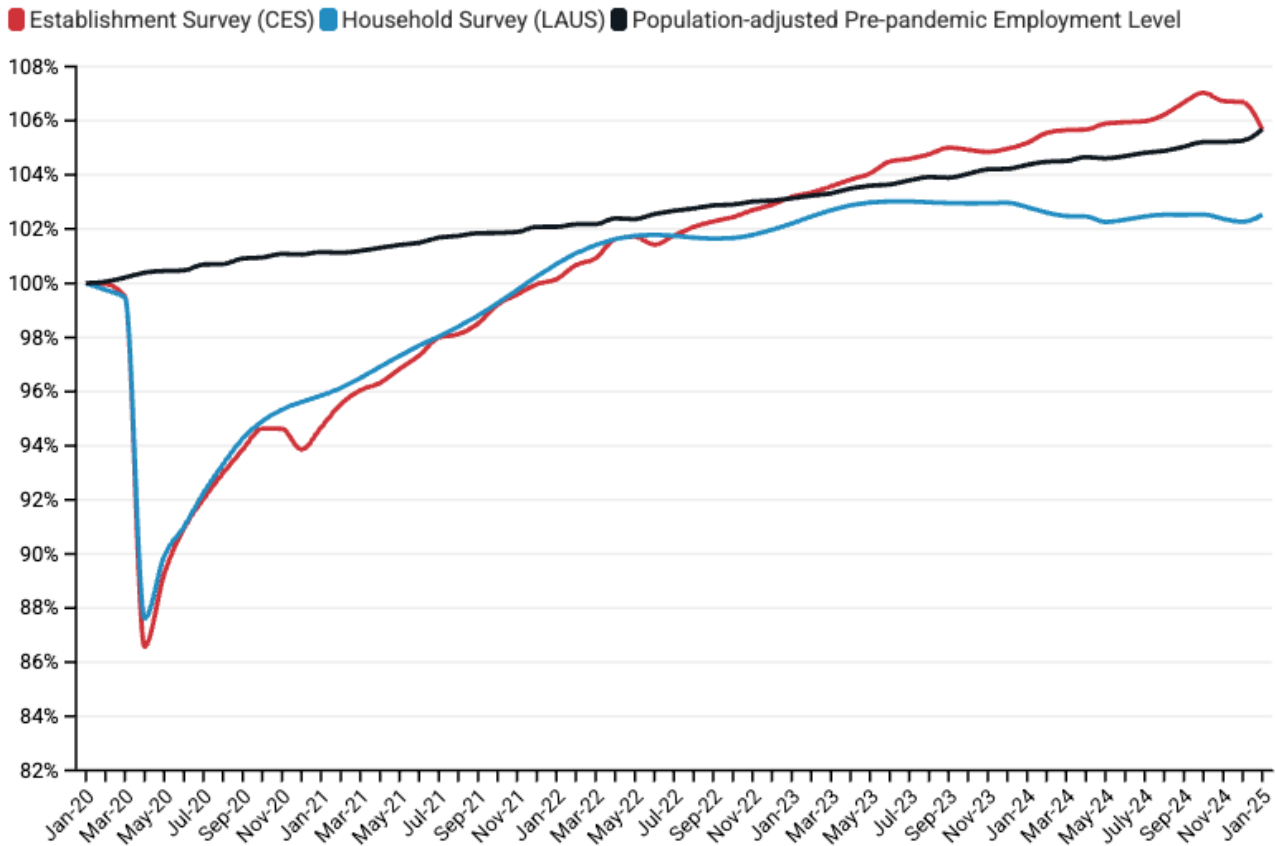
Colorado's unemployment rate moved upward 0.3 percentage points in January to 4.7%. This is the highest unemployment rate in Colorado since it was 4.9% in September of 2021. The national unemployment rate declined in January to 4.0%. This contradicts the historical pattern of Colorado's unemployment rate being below the national rate.

Colorado's construction sector saw a decrease of 2,400 jobs in January after also experiencing a decline of 1,000 jobs in December. The trade, transportation, and utilities sector declined by 400 jobs in January.

Key Findings—Colorado January 2025 Employment Data

- **Colorado's private sector increased 1,800 jobs in January. Government employment grew by 2,100 jobs over this same time.**
- **The construction sector declined for a second consecutive month**, following a 1,000-job loss in December.
- Colorado's unemployment rate increased to 4.7% in January. **This is the highest rate since September of 2021, and is .7 percentage points above the national rate of 4.0%.**
- Colorado's manufacturing sector added 1,100 jobs while construction employment fell by 2,400 in January.

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.**

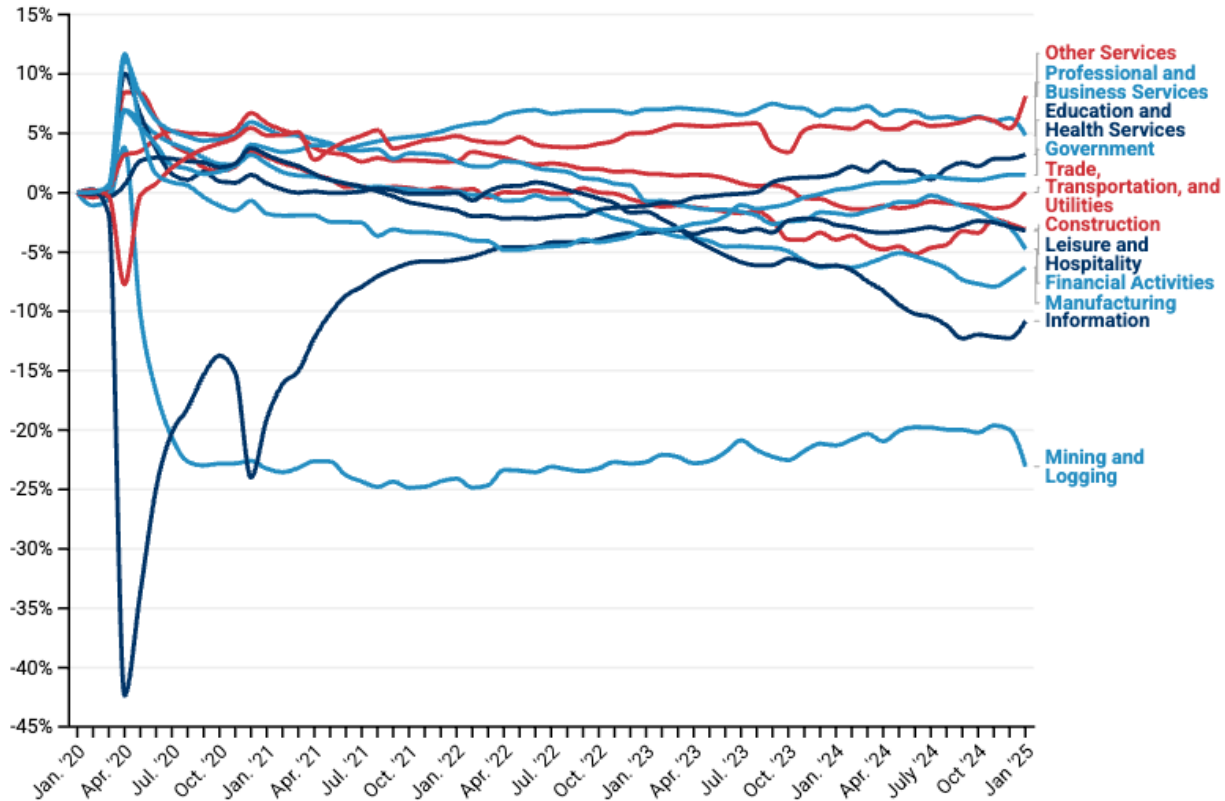
A Deeper Dive into Colorado Industries (BLS CES Survey)

Employers added a net total of 3,900 jobs in January. Public employers added 2,100 jobs while private employment increased by 1,800 jobs.

- The trade, transportation, and utilities sector lost 400 jobs while the manufacturing sector added 1,100.
- The leisure and hospitality industry lost 1,000 jobs in January.
- Employment in Colorado’s education and health services sector grew by 2,500 jobs in January.

- The state’s construction sector lost 2,400 jobs in January. The pandemic caused a major shock to the composition of Colorado’s job market in early 2020 and may have induced some structural changes in the long run.
- The state’s construction sector has increased by 2.39% since the start of 2020.
- Since January 2020, employment in the mining and logging sector has fallen by 18.73%, totaling a reduction of 5,000 jobs. 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) rose to 68.0, breaking an eight-month streak of LFPR being at 67.9. Nationally, LFPR rose 0.1 percentage points to 62.6% in January.

Key Findings—Colorado January ‘25 Labor Force Data (IPUMS/FRED)

- The LFPR rose to 68.0%, which is .8 percentage points below January '20's LFPR of 68.8%.
- The unemployment rate increased to 4.7% in January.
- The national LFPR among 25–54-year-olds surpassed its pre-pandemic level by .4 percentage points to 83.5%.
- The national LFPR among men was 68.0%, while this rate for women was at 57.5% during January.

Labor Force Participation Rate in Colorado Since 2000

