



August 2024

Colorado Jobs and Labor Force Update – July 2024 Update

Authors: Cole Anderson, Erik Gamm

Employers in Colorado added 4,800 jobs in July after adding only 1,500 in the prior month. While previous months had seen job growth spread amongst the various sectors, July's growth was buoyed largely by the state's trade, transportation, and utilities sector which grew by 4,100 jobs, and government employment which increased by 2,300. Retail trade, a subcomponent of trade, transportation, and utilities, added 2,000 jobs in July—its largest single-month gain since February of 2022.

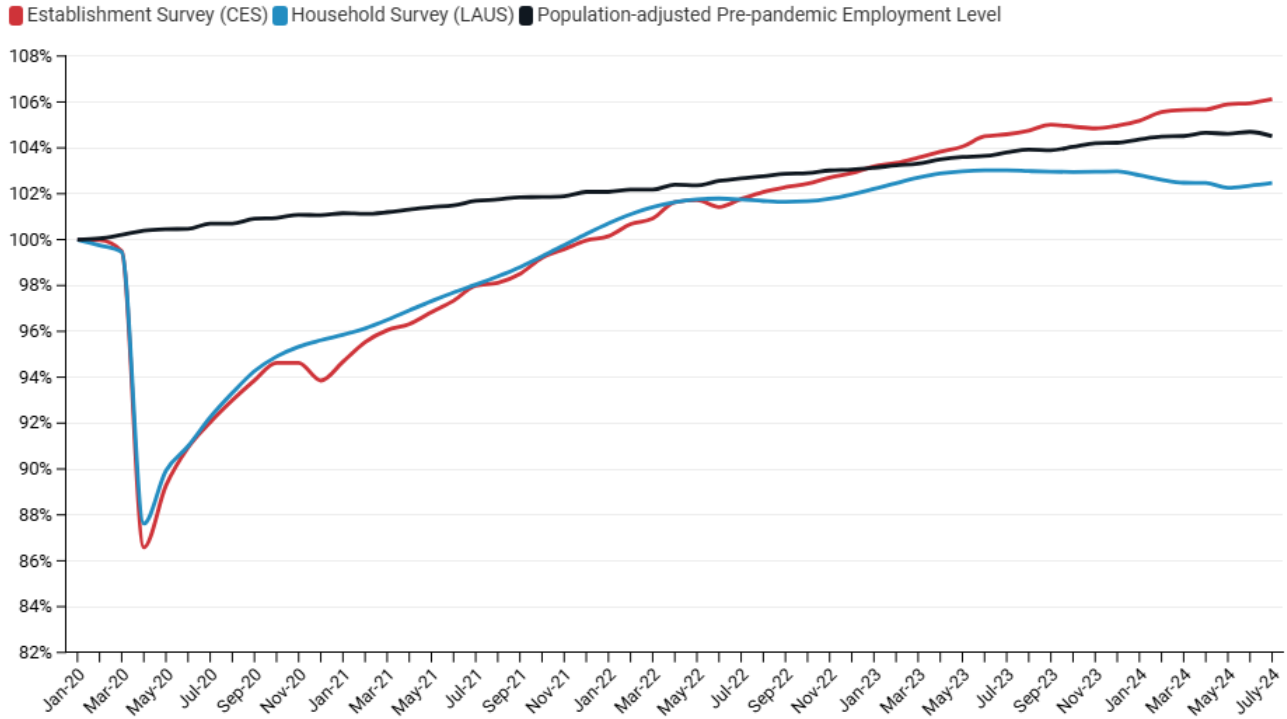
Despite this growth, Colorado's unemployment rate yet again ticked higher to 3.9%. The increase is its fifth in the last eight months and brings the state's unemployment rate to its highest level since January of 2022. The national unemployment rate increased by .2 percentage points to 4.3% between June and July. Meanwhile, Colorado's labor force participation rate held steady at 67.9% for the third straight month.

Colorado's manufacturing employment declined by 1,000 in July marking the second straight month of job losses for the sector and the state's construction sector held steady at 180,900 jobs.

Key Findings—Colorado July 2024 Employment Data

- **Colorado's total employment increased by 4,800 in July.** Private-sector employment grew by 2,500 while government employment increased by 2,300.
- The BLS' estimate of employment growth in June was revised upwards from 1,400 to 1,500.
- **Colorado's unemployment rate ticked higher to 3.9% in July marking the 5th increase in the last eight months. This is the highest rate since January of 2022.**
- **The state's trade, transportation, and utilities sector added 4,100 jobs in July, the biggest gain of any sector.** Retail trade, a subcomponent of this supersector added 2,000 jobs—the largest single-month gain since February of 2022.
- Manufacturing employment declined by 1,000 in July while the state's construction sector held steady.

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 4,800 jobs Colorado employers added in July, 2,500 were private-sector jobs.

- The trade, transportation, and utilities sector gained 4,100 jobs and the manufacturing sector lost 1,000.
- The public sector added 2,300 jobs, of which local governments contributed 1,800.

The leisure and hospitality industry added 91,300 jobs between January ‘21 and July ‘24 and has grown by 2.9% since January ‘20.

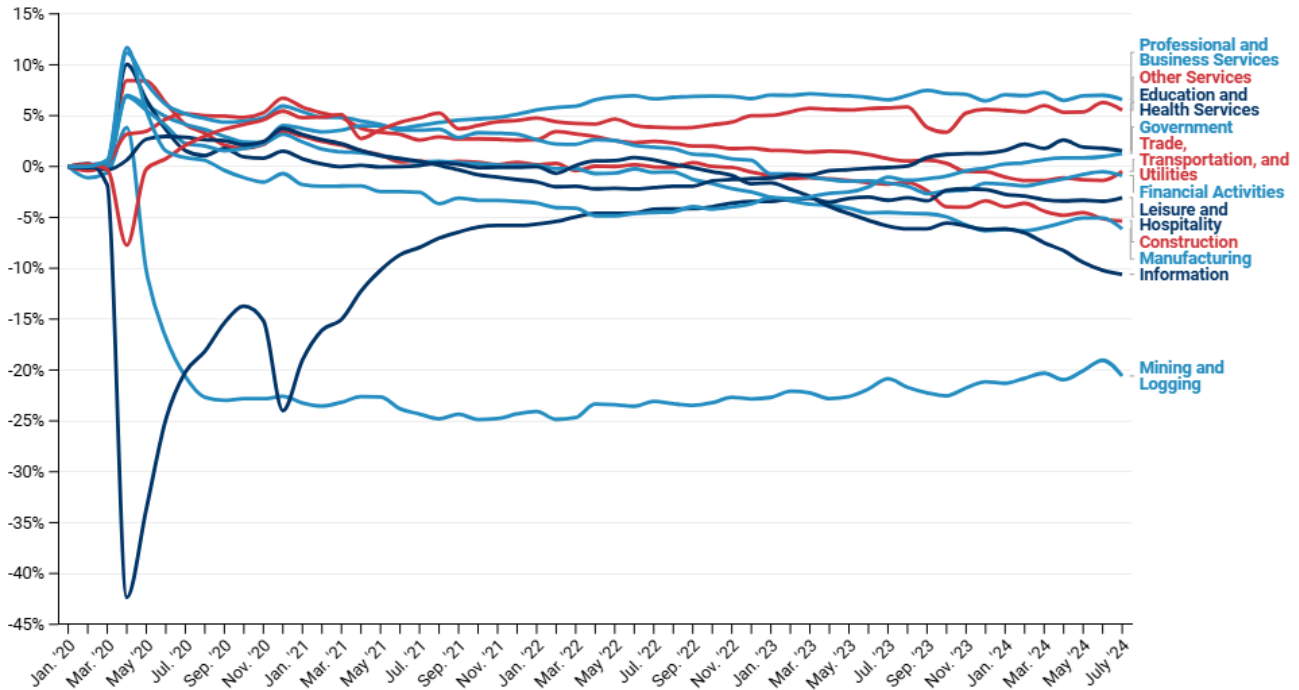
- Employment in Colorado’s education and health services sector, which declined in the previous three months, fell by another 500 in July.
- The state’s construction sector added zero jobs.

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 6.5% since the start of 2020 (see the graph below).

- Since January 2020, employment in the mining and logging sector has fallen by 15.7%, reducing its share of state employment by more than 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) remained at 67.9% in July for the third straight month. Nationally, LFPR rose one-tenth of a percentage in July to 62.7%.

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

- The LFPR fell to 67.9%, which is .9 percentage points below January ‘20’s LFPR of 68.8%.
- The unemployment rate rose to 3.9% in July.
- The national female LFPR rose by .2 percentage points to 57.5%, which is .5 of a percentage point below its pre-pandemic level.

Labor Force Participation Rate in Colorado Since 2000

