



JANUARY 2024

A Snapshot of Colorado's 2023 Economy

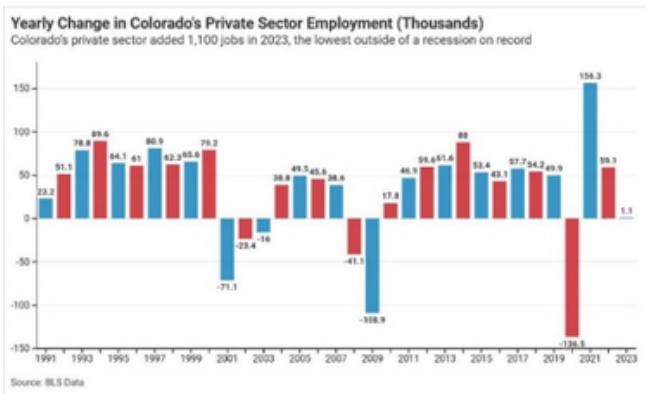
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Common Sense Institute tracked Colorado’s major economic highlights from 2023 in the following categories: jobs, inflation, labor force, and population.

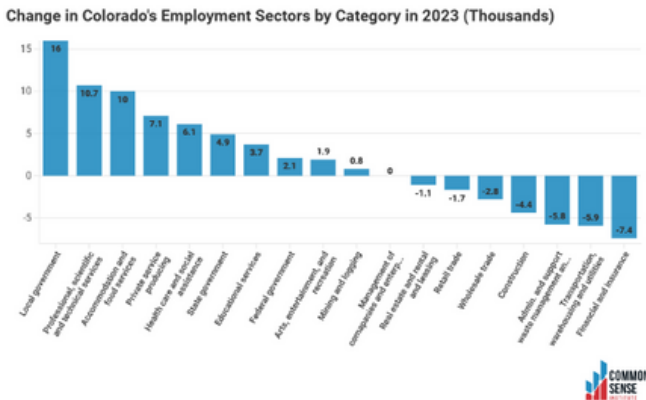
Jobs

Initial Figures Indicate Private Sector Growth Slowed



- In 2023, the private sector only added 1,100 jobs, the lowest number outside of a recession since 1991. However, revisions are expected later in the spring given reported low response rates.[i]
- The average private sector employment growth from 2010-2022, excluding recession anomalies, was 57,350 jobs.
- The 12-month change in government sector jobs in 2023 was an increase of 23,000 jobs.

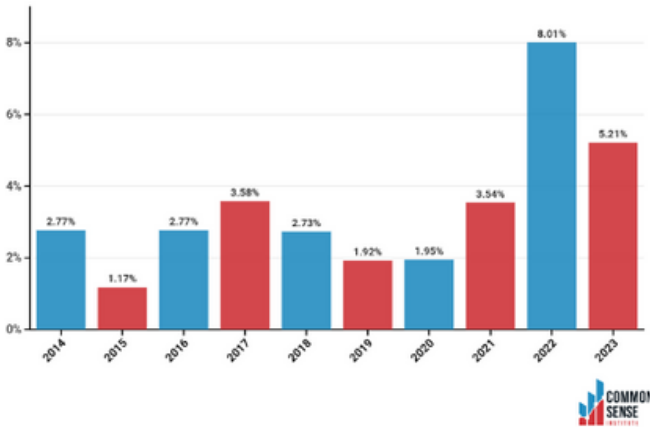
By Sector



- In 2023, the private sector only added 1,100. In 2023, the government (federal, state, local) sector gained 23,000 jobs, the third highest increase in jobs; the service-producing sector gained the most jobs with an increase of 30,100 jobs.
- The financial and insurance sector lost 7,400 jobs, the second highest amounts of jobs loss; the trade, transportation, and utilities sector lost the most jobs equaling a total loss of 10,400 jobs.
- The management of companies and enterprises sector stayed at the same level of jobs as in the previous year.

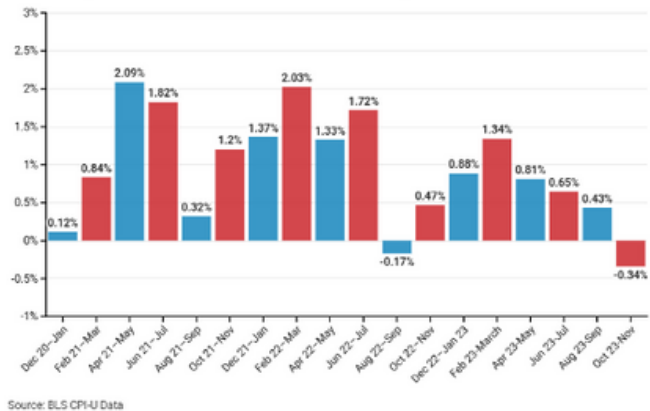
Inflation

2014-2023 Metro Denver Inflation



- The 2023 inflation rate in the Denver Metro Area was 5.21%, a -2.8-percentage point difference from 2022.
- The inflation growth in 2023 was the highest rate of inflation since 1983.
- In October and November of 2023, the average Colorado household spent \$1,206 more per month due to high inflation since 2020.

Bi-monthly Inflation in Metro Denver since January 2021

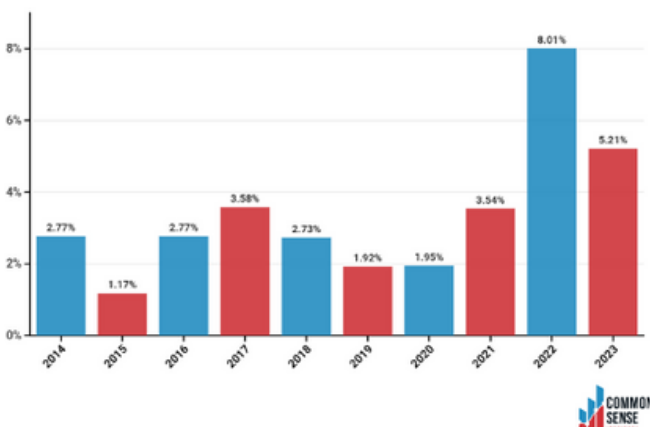


Source: BLS CPI-U Data

- Bi-monthly Inflation was higher at the start of 2023, with the largest increase of 1.34% occurring from February to March.
- From October 2023 – November 2023, the inflation rate decreased by 0.34%, indicating prices actually came down for just the second time since 2020. This was largely driven by the slower rates of growth in prices, like transportation and housing.

Labor Force

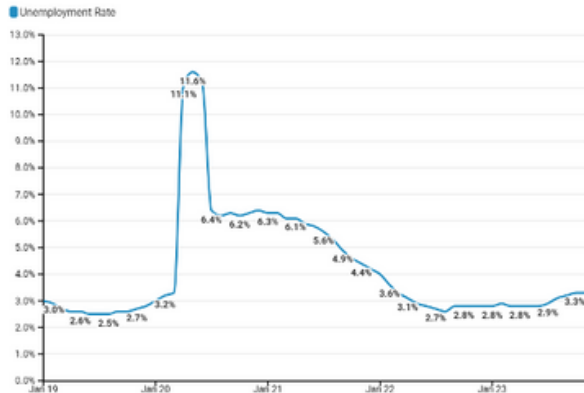
2014-2023 Metro Denver Inflation



- Colorado’s labor force participation rate increased 0.4 percentage points in 2023, from 68% to 68.4%. However, this rate remains below the state’s pre-pandemic LFPR of 68.9%.
- Since 2000, Colorado’s LFPR has fallen from 72.7%, to 68.4%. If the rate had stayed the same, roughly 200,000 more Coloradans would be in the labor force.

Unemployment

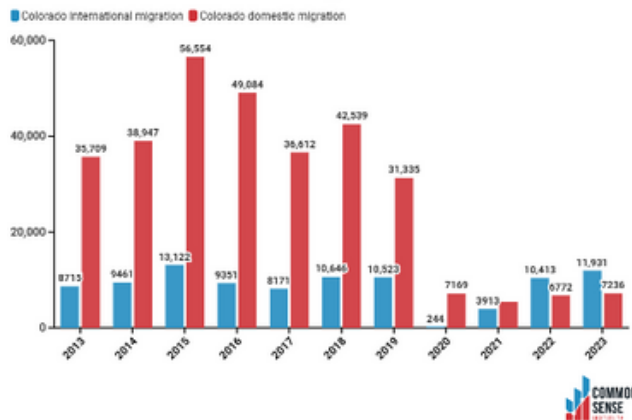
Colorado's Unemployment Rate 2019-2023



- Colorado's unemployment rate increased from 2.8% to 3.4% in 2023. This is the first year since 2019 that the state's unemployment rate never hit 4% at any point.
- The number of unemployed in Colorado was 109,569 in December of 2023, up from 89,130 in December of 2022.
- The average unemployment rate in 2023 was 3.0% compared to 5.5% in 2021.

Population

Colorado International vs. Domestic Migration



- Colorado's population grew to 5.8 million people, a 0.5% increase from 2022.
- For the second year in a row, net international migration outpaced domestic migration in 2023
 - The state gained 11,900 people from international migration and 7,200 from domestic migration

[1] [2023 Q2 Expected Revisions to Colorado Nonfarm Payroll Jobs Press Release \(colmgateway.com\)](https://colmgateway.com)