

Ten Months into COVID-19: Colorado Labor Force Impacts Through November 2020

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The following series of figures show the impact of policies in response to COVID-19 on Colorado's economy. Most figures show the changes from February 2020, a full month prior to Colorado's stay-at-home order, through November 2020, the most current month of data. Following the most severe shocks brought on by the stay-at-home orders in March, the Colorado economy had been on a general trend of recovery through October. However, the November data shows a reversal in growth as the number of jobs in the state declined for the first time since April. While labor force participation has been more volatile than employment levels, the statewide labor force participation rate also declined in November after consecutive months of improvement since July. Given the increased restrictions on businesses through Thanksgiving and the holidays, and the surge in both initial and continued unemployment insurance claims, it is likely that December data will only show this trend to have worsened.

The figures included in this report cover labor force participation rates, unemployment rates, employment levels, and unemployment insurance claims. The data used in this report is sourced from the U.S. Bureau of Labor Statistics (BLS), U.S. Census Bureau (CENSUS), U.S. Department of Labor, and the Integrated Public Use Microdata Series – Consumer Population Survey (IPUMS – CPS).

Key Findings and Trends:

Colorado Labor Force

- The Colorado labor force participation rate (LFPR) was 67.5% in November. This rate was 2 percentage points below the February level of 69.4%, indicating approximately 90,000 fewer people in the Colorado labor force. (Figure 1).
- The labor force participation rates for both men and women above the age of 35 were lower in November than in February, whereas the labor force participation rates for men and women below 35 were above February levels. (Figures 5 and 6).
- As of November 2020, the LFPR for women with kids was 8.6 percentage points below the LFPR in February of 79%. (Figure 8) This was just .4 percentage points higher than the 2020 low-point in October. This means that just over 1 in every 10 mothers who was in the labor force before the pandemic, was no longer actively participating in the labor force in November. The LFPR for men with or without kids was less than 2 percentage points below its February level and women without kids was up 3 percentage points.

Colorado Unemployment Rate

- The Colorado unemployment (UE) rate remained at 6.4%, virtually unchanged since September. It remained flat as both the number of jobs and the size of the labor force declined at a similar rate. It peaked at 12.2% in April, 9.7 percentage points above the February rate of 2.5% (Figure 2).
- Through the worst economic shocks in March, April and May, the gap in UE rates between those above and below age 35 increased, indicating large employment losses by younger workers. While the gap in UE rates between the two groups shrank through September and October, the November data indicates the gap may be widening again. (Figure 9)

- The decline in employment from October to November seemed to disproportionately impact those with a bachelor’s degree and higher. This group’s UE rate jumped significantly from 4.3% in October to 6.4% in November, while other groups remained more constant or even declined. (Figure 13)

Economic Health of Colorado

- While the November labor force and jobs reports indicate early signs of a declining economy, the weekly unemployment insurance claims show the economic health of Colorado worsening through the holidays. Regular continued unemployment insurance claims fell from the peak in May of 265,000 to 79,000 during the week of November 21st. However, total continued claims increased to 280,000 as of the week of December 19th, and initial claims climbed from 7,000 weekly claims during week of October 24th to 44,000 initial claims during the week of Christmas, *however, CDLE has suggested this value will be revised due to fraud.*
- The November women’s average monthly wage (AMW) was \$1,063, up \$84 from October. Despite this growth, the gap between the male and female AMW dropped 14% as the AMW for men increased to \$1,706, up \$434 from October.
- November was the first month since April to see a decline in the total number of jobs. Private sector employment declined by 6,000 jobs in November, as the leisure and hospitality industry continued to be the most impacted sector. (Figure 17)

When respondent results are broken into sub-groups, there may be different trends from the aggregated level.

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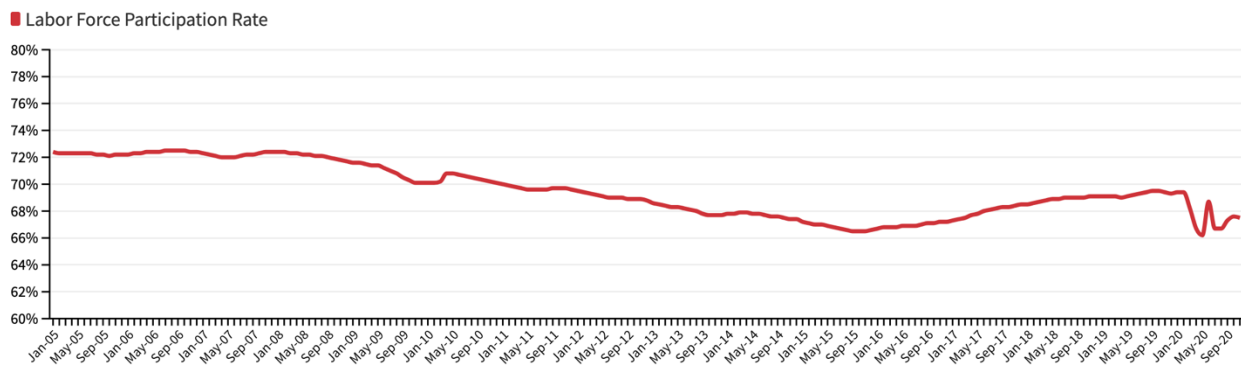
Colorado History

Figures 1 and 2: Labor Force Participation Rate and Unemployment Rate History – 2005 to November 2020

The LFPR and UE rates shown in Figure 1 and 2 reflect high level trends in the Colorado workforce from January of 2005 through November of 2020. The Federal Reserve Economic Data (FRED) has been reporting the data from the Current Population Survey (CPS). Here we can see the trends before and after the Great Recession in 2008 along with the COVID-19 pandemic.

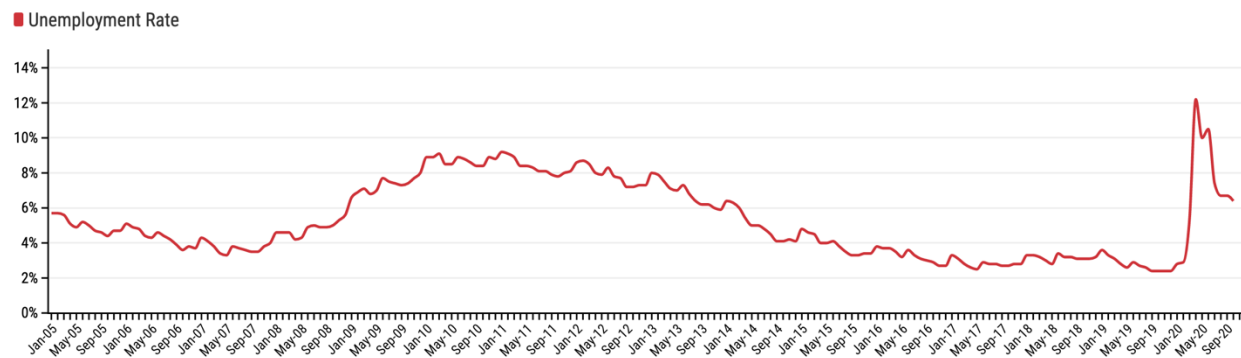
The Colorado LFPR was 67.5% in November. This rate was 2 percentage points below where it was in February at 69.4%. This equates to 90,000 fewer people in the labor force as of November. The Colorado UE rate was 6.4% in November, 3.9 percentage points above the February level of 2.5%.

Colorado Labor Force Participation Rate



Source: Colorado CPS Data, FRED • Common Sense Institute

Colorado Unemployment Rate



Source: Colorado CPS Data, FRED, BLS • Common Sense Institute

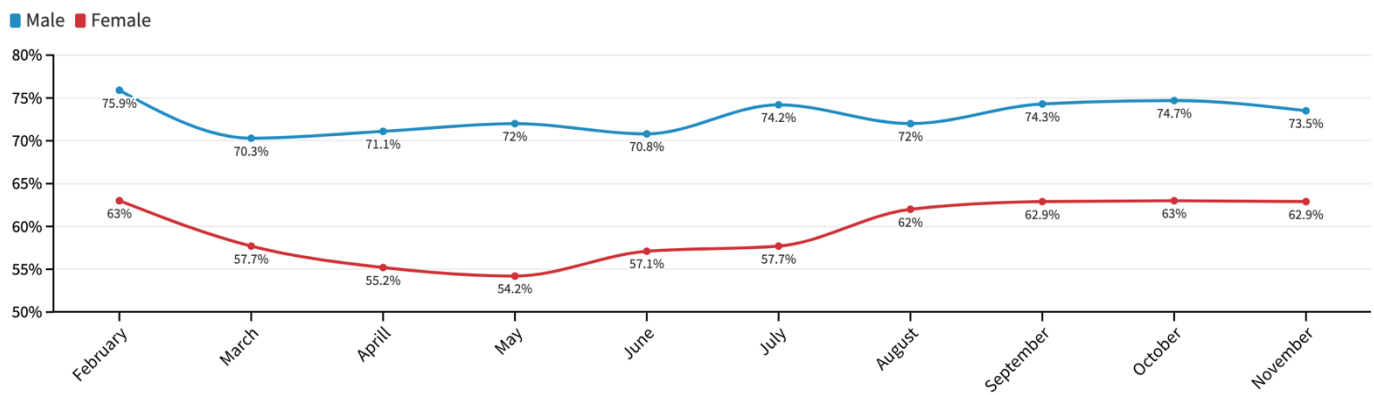
Labor Force Participation Rate Charts

Figures 3 and 4: Colorado and National Labor Force Participation Rate by Gender

During the pandemic Colorado’s LFPR has remained higher than the US national average, which is consistent with historic trends.

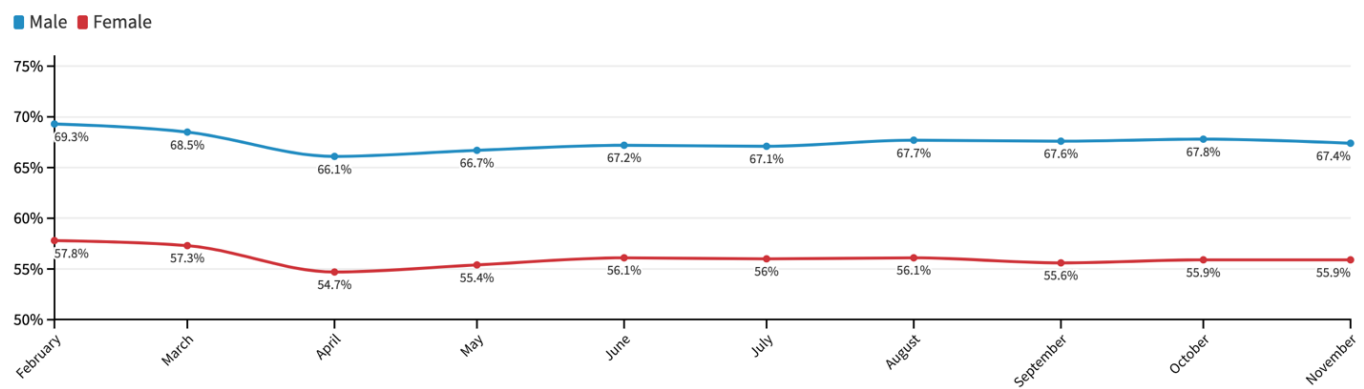
When breaking data down by gender we see different trends. The Colorado male LFPR in November was 73.5%; this was 2.4 percentage points below what it was in February. The National LFPR for men was 67.4% in October; this is 1.9 percentage points lower than in February. The LFPR for women in Colorado was 62.9% in November; this was .1 percentage points lower than in February. The National LFPR for women was 1.9 percentage points lower in November than in February. These trends suggest that as of November, the LFPR for men in Colorado were doing worse than the national average and women were doing better.

Colorado Labor Force Participation Rate by Gender Since Start of COVID-19 Pandemic



Source: IPUMS - CPS - Common Sense Institute

National Labor Force Participation Rate by Gender Since Start of COVID-19 Pandemic



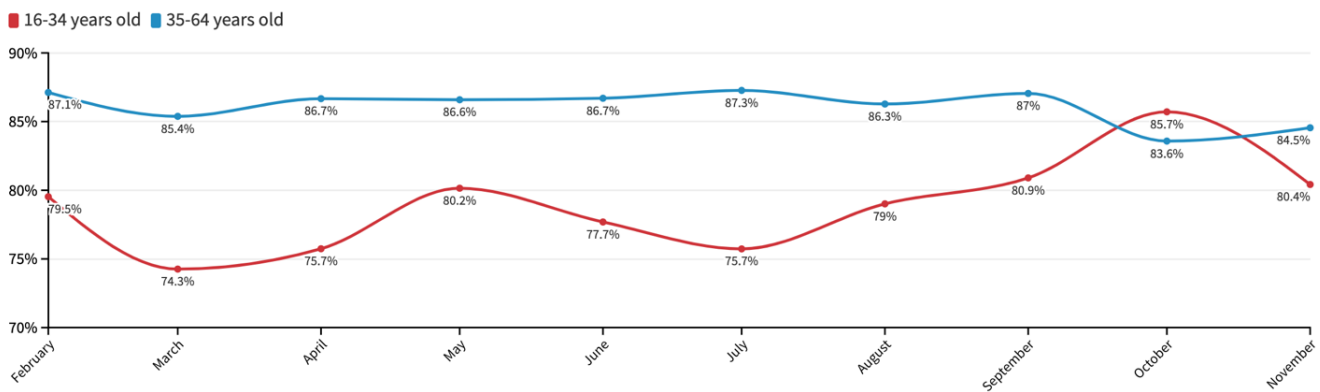
Source: FRED - Common Sense Institute

Figures 5 and 6: Colorado Labor Force Participation Rate by Age and Gender

The LFPR trends have varied across age and gender. Both men and women above 35 had lower LFPR in November when compared to February. The obverse was true for both men and women below 35 years old, as their LFPR were slightly higher in November when compared to February.

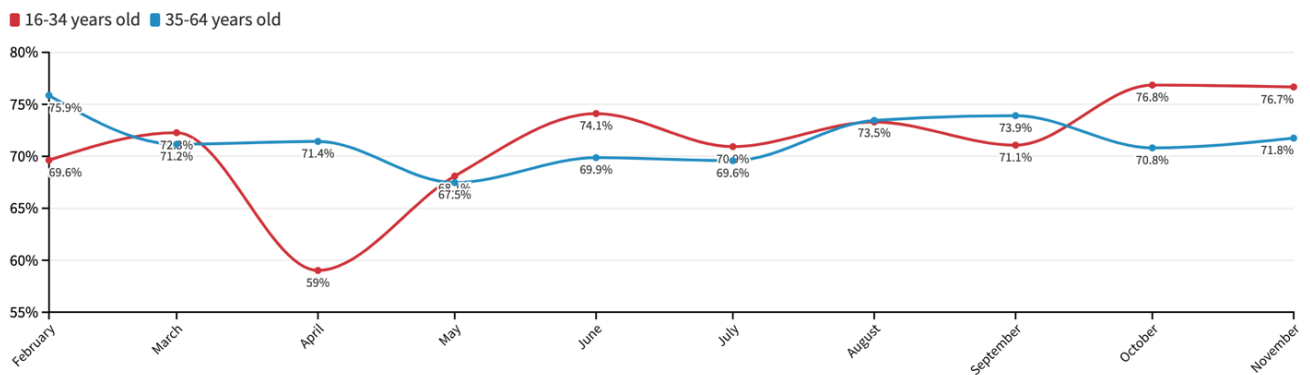
The LFPR for men above 35 years old was 2.6 percentage points less in November than February. The LFPR for women above 35 was 4.1 percentage points lower in November than February. The LFPR for men below 35 years old was 80.4%, .9 percentage points above the February level. The LFPR for women below 35 years old was 76.7%, 7.7 percentage points above the February level.

Male Labor Force Participation Rate by Age Since Start of COVID-19 Pandemic



Source: IPUMS CPS • Common Sense Institute

Female Labor Force Participation Rate by Age Since Start of COVID-19 Pandemic



Source: IPUMS CPS • Common Sense Institute

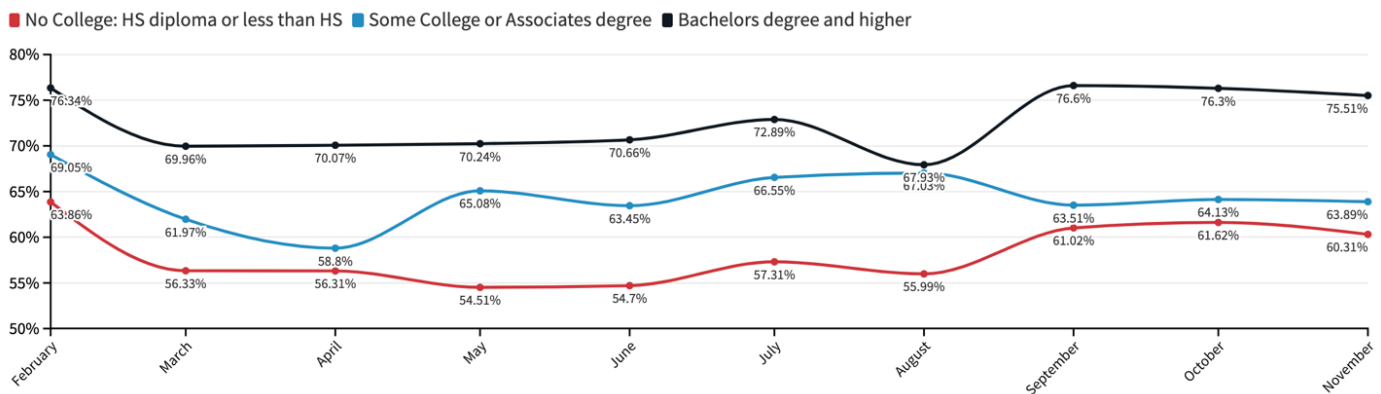
Figure 7: Colorado LFPR by Educational Attainment Level

When comparing February to November, we learn that all three educational attainment levels are below their “pre-pandemic” rates.

However, the group of bachelor’s degree and higher was only down .8 percentage points, while the groups of some college or associates degree and no college, are down 5 and 3.5 percentage points, respectively.

29% of Coloradans have a High School (HS) diploma, GED, or less. When broken down by race, of those with a HS diploma, GED, or less, 28.3% are Hispanic, 16.9% are American Indian, 13.9% Asian, and 10.2% are Black. Educational attainment inequalities have been illuminated and deepened by the economic fallout from the COVID-19 pandemic.¹

Labor Force Participation Rate by Educational Attainment Level Since Start of COVID-19 Pandemic



Source: IPUMS CPS • Common Sense Institute

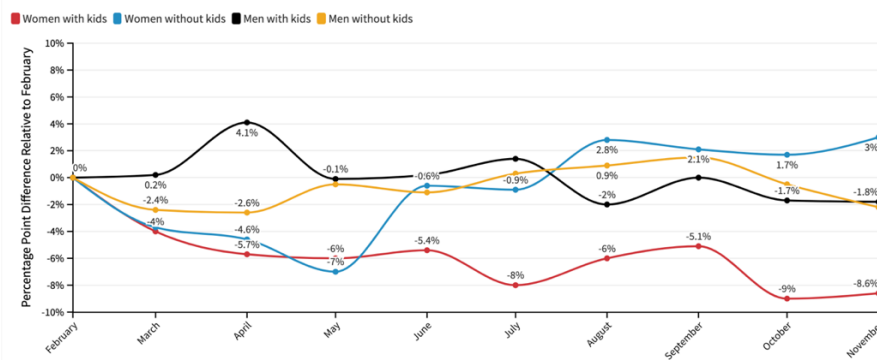
¹ <https://www.towncharts.com/Colorado/Colorado-state-Education-data.html>

Figures 8 and 9: Colorado LFPR by Gender, With and Without Kids

Figure 8 and 9 depict the month-to-month changes in LFPR relative to February over the last ten months whether at the state, or national level. While the national averages indicate trends which are more consistent across each group, the Colorado data shows more volatile monthly changes. However, one trend is clear and consistent between the two figures. Parents, and particularly mothers, have been impacted significantly more than the other groups. As of November 2020, the LFPR for women with kids was 8.6 percentage points below its February level of 79%, indicating 1oe in every ten mothers who was in the labor force prior to the pandemic has dropped out.

A study by the Rand Corporation found that parents with children at a more dependent stage, are more likely to leave the workforce.² Nicole Riehl, president of Executives Partnering to Invest in Children, said “working women with children, disproportionately women of color, are leaving the workforce in droves due to demands placed on families during this pandemic.”³ Having to choose between employment and childcare is not easy.

Difference in Colorado Labor Force Participation Rate Relative to February by Gender, Aged 25-64 With and Without Kids



Source: IPUMS-CPS • Common Sense Institute

2020 National Change in Labor Force Participation of Women and Men, Aged 18-55

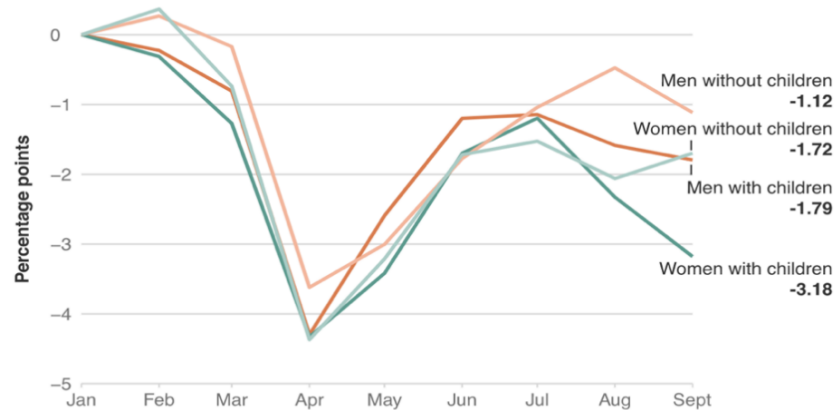


Image source: Rand Corporation

² <https://www.rand.org/blog/2020/11/women-are-leaving-the-labor-force-in-record-numbers.html>

³ <https://coloradosun.com/2020/12/02/coronavirus-aid-for-child-care-centers/>

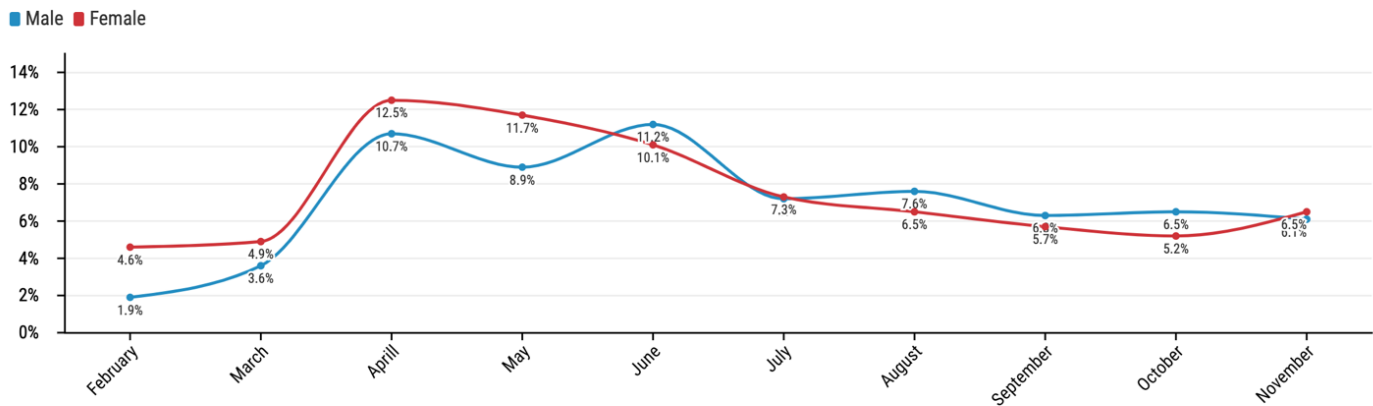
Unemployment Rate Charts

Figures 10 and 11: Colorado and National Unemployment Rates by Gender

The statewide unemployment rate has remained around 6.4% since September 2020. Yet, during the months of September through November there were significant changes to both the number of jobs and the labor force participation rate. Therefore, the UE rate remaining around 6.4% reflects the facts that each month, the number of jobs and the size of the labor force grew or fell at about the same rate, in order to keep the UE rate relatively consistent.

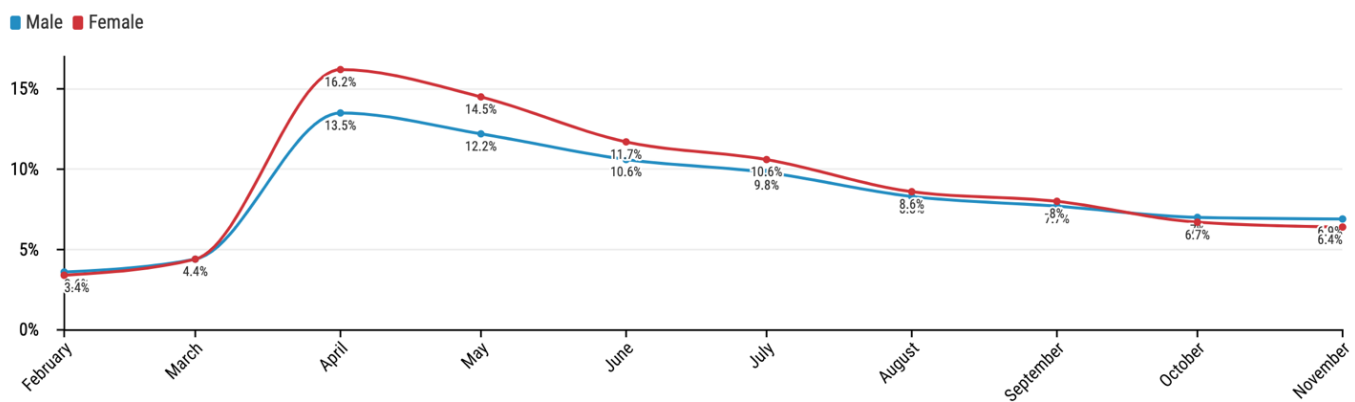
The data indicate that UE rates have varied slightly between men and women over time. This tells us that the working conditions are still changing within some demographic groups, in ways where the states average may not always be reflected. In the early months of the pandemic the gap in UE rates between men and women grew at both the state and national level, however the gap has remained tighter in recent months.

Colorado Unemployment Rate by Gender Since Start of COVID-19 Pandemic



Source: IPUMS CPS • Common Sense Institute

National Unemployment Rate by Gender Since Start of COVID-19 Pandemic



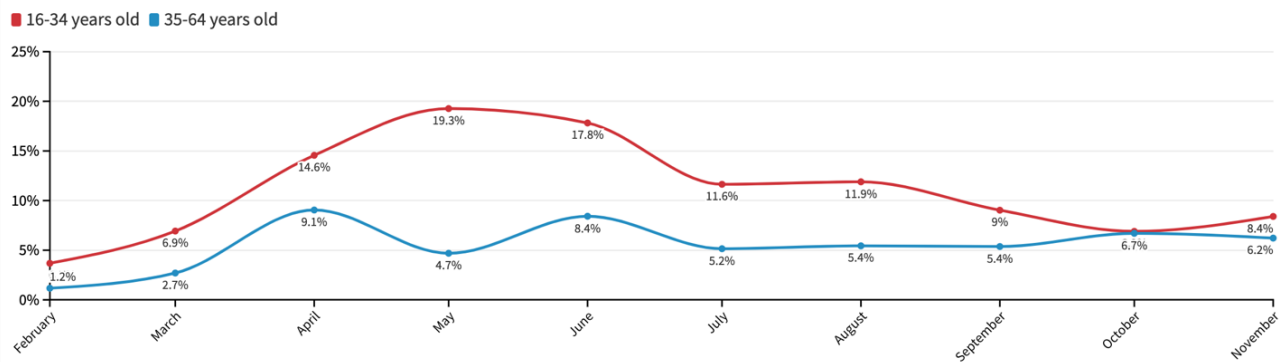
Source: FRED • Common Sense Institute

Figures 12 and 13: Male and Female Unemployment Rate by Age

Men and women below 35 historically have slightly higher unemployment rates than those above 35. The gap between those above and below the age of 35 increased in the early months of the pandemic however tightened through the early fall. The UE rate for men below 35 years old was 4.7 percentage points higher in November than in February, while the UE rate for Women below 35 years old was 2.4 percentage points higher in November than February.

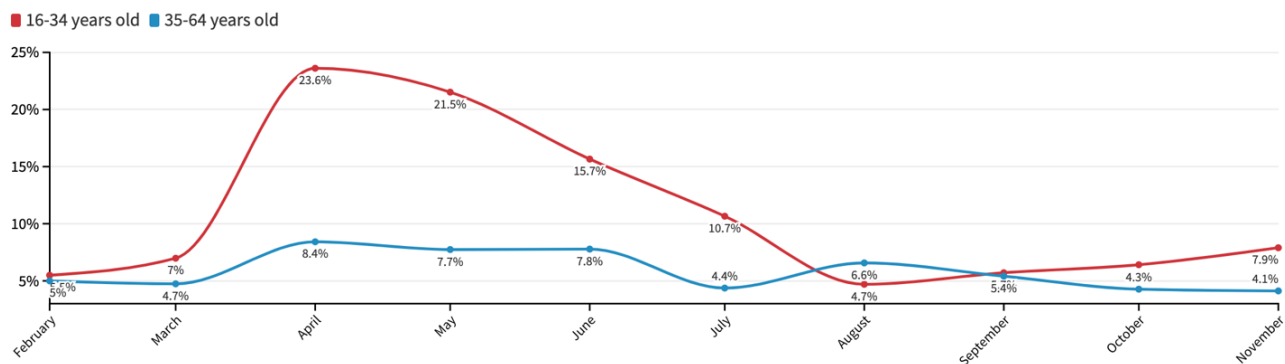
The unemployment rate for women above 35 was below its pre-pandemic level; this reflects the large decline in labor force participation, more so than a recovery of employment. Those below the age of 35 may have higher UE levels because their LFPR did not fall and younger age groups tend to be concentrated in more service-related jobs, i.e., entertainment, food service, hospitality, and tourism, etc., as those have less educational barriers.⁴ These specific industries have been more impacted by COVID-19.

Male Unemployment Rate by Age Since Start of COVID-19 Pandemic



Source: IPUMS CPS • Common Sense Institute

Female Unemployment Rate by Age Since Start of COVID-19 Pandemic



Source: IPUMS CPS • Common Sense Institute

⁴ <https://www.bls.gov/cps/cpsaat11b.htm>

Figure 14: Unemployment Rate by Educational Attainment Level

The educational attainment level of “No College” had an UE rate of 10% in November, this was 5.7 percentage points higher than the 4% UE rate in February. The group of “Bachelor’s Degree and Higher” had an UE rate of 6.4% in November, this was 4.7 percentage points higher than the February level.

Unemployment Rate by Educational Attainment Level

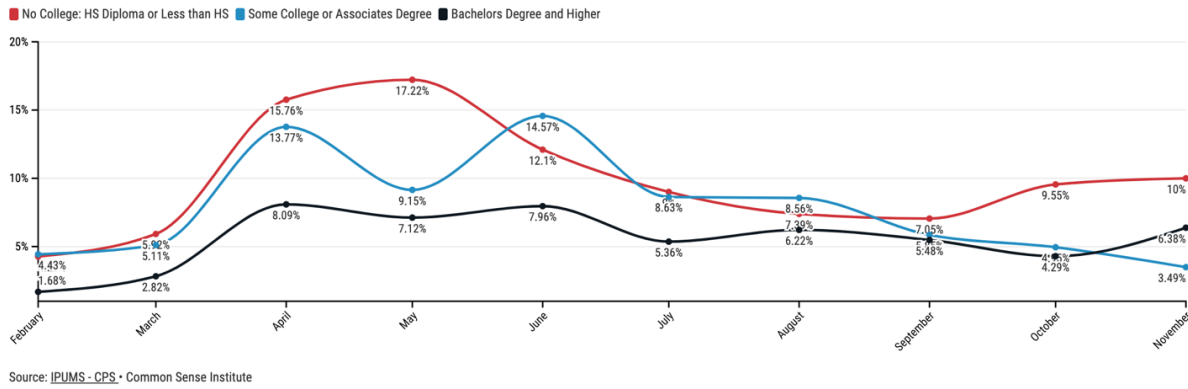
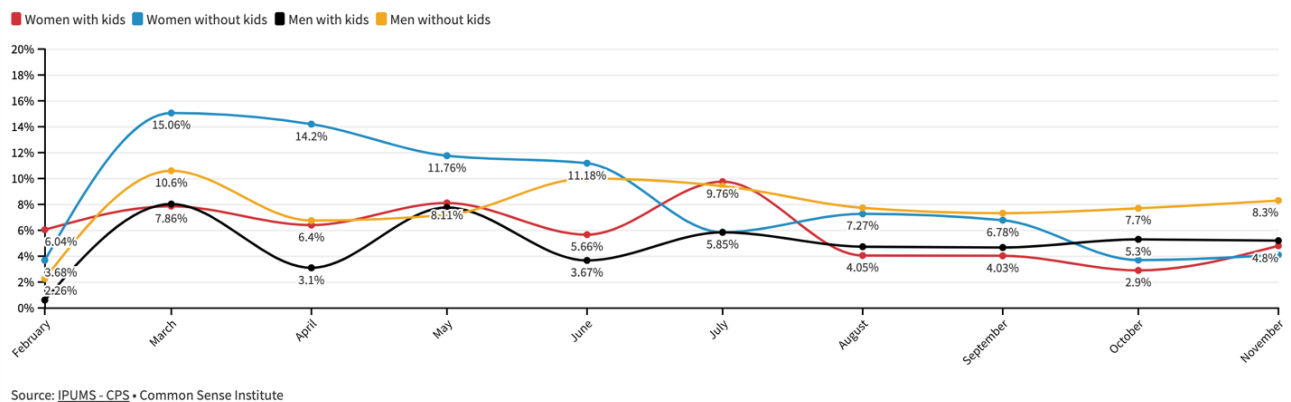


Figure 15: Unemployment Rate by Gender for With and Without Kids

Similar to the previous figures showing the changes in unemployment rates, when broken down by gender and whether or not the individual has children, the monthly data indicates recently there has been lower volatility in the UE rate than in early months of the pandemic.

The UE rate for women with kids was the only category to have a lower UE rate in November than in February. However, this reflects the significantly lower LFPR for women with kids rather than an increase in employment levels. Men without kids had an UE rate of 8.3% in November, 6 percentage points higher than the 2.3% UE rate in February. Men with kids had an UE rate of 5.2% in November, 4.6 percentage points higher than the .6% UE rate in February.

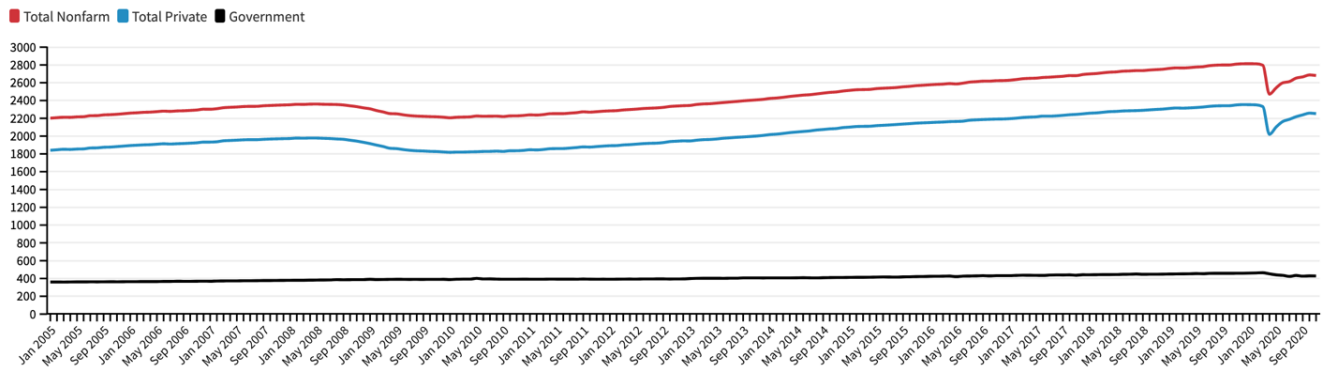
Colorado Unemployment Rate by Gender, Aged 25-64 With and Without Kids



Figures 16, 17, and 18: Monthly Employment Levels

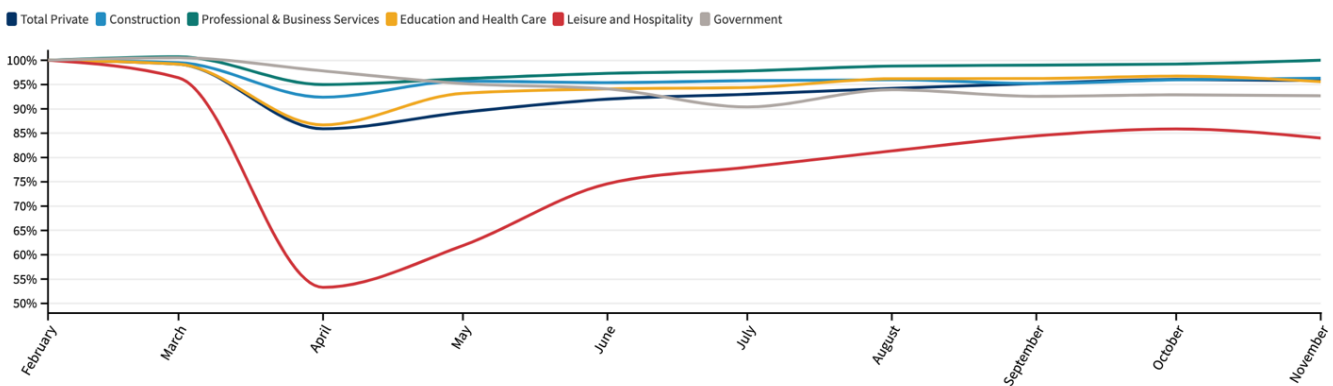
Due to social distancing restrictions, the leisure and hospitality industry has been the most impacted sector since the start of the pandemic, down 55,000 jobs in November relative to February. Leisure and Hospitality is the industry classification that includes, arts, entertainment, and recreation; accommodation; food services, and restaurants. Researchers in NYC, the COVID epicenter in early 2020, found 1.4% of COVID-19 spread was from restaurants, whereas 73.5% was through personal gatherings.⁵ Relative to Colorado, the Colorado Restaurant Association finds, "restaurants employ more minority managers, and women in management and ownership positions than any other industries."⁶ Efforts to minimize the spread of the virus must be weighed against the long-term socioeconomic impacts minorities and women have experienced amid the pandemic.

Monthly Employment Level in Thousands Since 2005



Source: BLS • Common Sense Institute

Change in Monthly Employment By Industry Relative to February 2020



Source: BLS • Common Sense Institute

⁵ <https://ny.eater.com/2020/12/11/22169841/restaurants-and-bars-coronavirus-spread-data-new-york>

⁶ <https://corerestaurant.org/>

Colorado Change in Employment by Industry (Thousands of Jobs)

	February	March	April	May	June	July	August	September	October	November
Industry	Level	Level	Level	Level	Level	Level	Level	Level	Level	Level
Total Nonfarm	2,813	2,797	2,471	2,540	2599	2605	2651	2667	2687	2680
Total Private	2,351	2,332	2,019	2,100	2164	2187	2217	2239	2258	2252
Mining and Logging	27	27	25	24	24	24.0	23	23.9	24	24
Construction	180	179	166	172	171	172	172	171	172	173
Manufacturing	151	150	139	145	149	150	150	152	153	153
Trade, Transportation and Utilities	481	478	437	439	44	453	459	467	473	474
Information	76	76	76	75	73	73	73	73	72	72
Financial Activities	175	176	169	172	170	169	168	171	174	172
Professional and Business Services	450	453	428	433	438	440	444	445	446	449
Education and Health Services	352	349	305	328	330	331	338	338	340	336
Leisure and Hospitality	345	333	184	214	257	269	280	291	296	290
Other Services	115	112	92	98	102	103	102	104	104	105
Government	462	465	452	440	435	417	434	428	429	428

Figure 19: 2020 Average Monthly Wages in Colorado

Lower-wage jobs were disproportionately impacted during the stay-at-home order and a large number of women who left the labor force likely worked part-time. Part-time workers have fewer hours and earn a lower wage, resulting in a lower AMW.

When we look back at 2018, women in Colorado earned \$789 per week, or 81.1 percent of the \$973 median for men.⁷ The wages of those working part-time are much lower than full-time, and nationally there are more women working part-time jobs than men.⁸ From October to November, the monthly wages increased \$84 for women and \$434 for men, this equates to a 14% reduction in women’s earnings as a percent of men’s.

2020 Average Monthly Wages (AMW)			
Month	Women	Men	Women % of Men earnings
January	\$1,014	\$1,455	69.7%
February	\$924	\$1,162	79.5%
March	\$871	\$1,307	66.6%
April	\$1,155	\$1,444	80.0%
May	\$1,288	\$1,432	89.9%
June	\$1,135	\$1,485	76.4%
July	\$975	\$1,295	75.3%
August	\$966	\$1,424	67.8%
September	\$962	\$1,283	75.0%
October	\$979	\$1,272	76.9%
November	\$1,063	\$1,706	62.3%

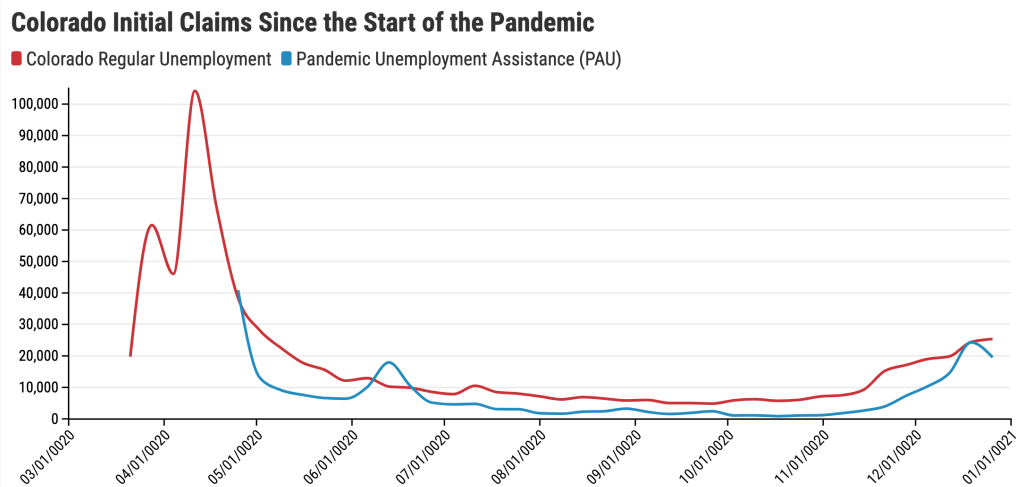
⁷ https://www.bls.gov/regions/mountain-plains/news-release/womensearnings_colorado.htm#:~:text=In%202018%2C%20Colorado%20women%20who,of%20Labor%20Statistics%20reported%20today.

⁸ <https://www.bls.gov/opub/reports/womens-databook/2019/home.htm#:~:text=In%202018%2C%2024%20percent%20of,worked%20part%20time%20in%202018.>

Figures 20 and 21: Colorado Initial and Continued Unemployment Insurance Claims

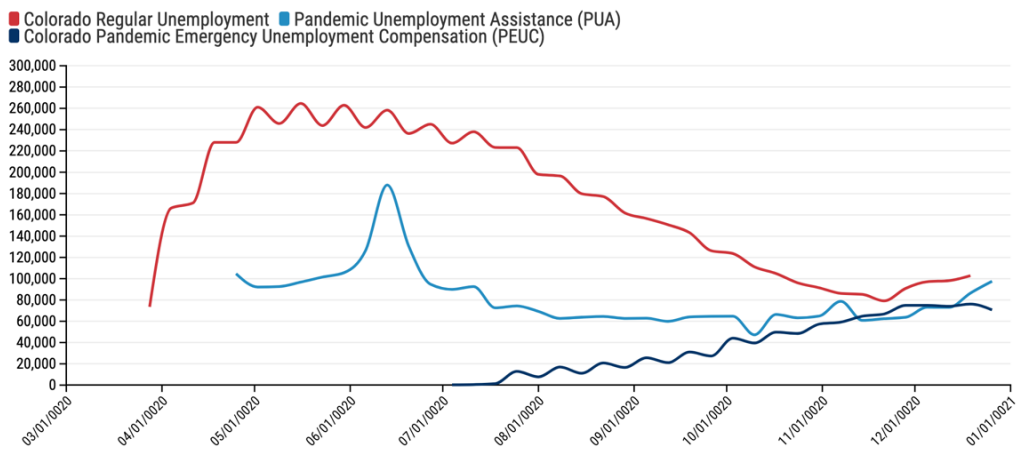
An initial claim is defined as the first week of consecutive unemployment benefits someone requests. A continued claim is any claim filed consecutively after week one. The pandemic unemployment assistance (PUA) is a federal program that allows states to offer benefits to self-employed people, contract workers, gig workers, etc. who aren't eligible for standard unemployment benefits. The Pandemic Emergency Unemployment Compensation is another federal program which gives people additional weeks of unemployment benefits.

Following the April record highs, regular continued claims continued to decline up until the week of November 21st when greater social distancing restrictions began again. Total continued claims, including PUA and PEUC began to climb after the week of October 24th. Since the week of October 24th Colorado continued unemployment insurance claims grew from 200,000 to 280,000 through the week of December 19th. **Note: CDLE has indicated that new claims starting the week end of December 19th will likely be revised due to fraud.**



Source: Colorado LMI Gateway • Common Sense Institute

Colorado Continued Claims Since the Start of the Pandemic



Source: Colorado LMI Gateway • Common Sense Institute