

Colorado Jobs and Labor Force Update: December 2022

In December, Colorado’s unemployment rate dropped to 3.3%, the lowest since February 2020.

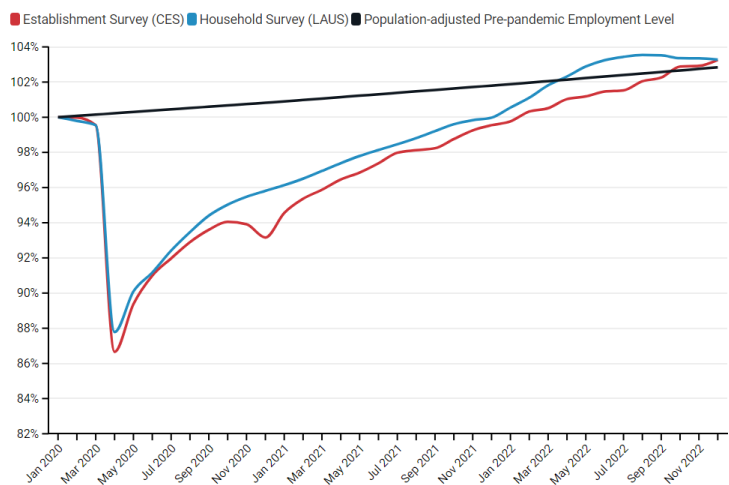
Colorado exhibited strong job growth in December, adding 8,600 jobs amidst higher-than-average inflation and rising interest rates. The professional and business services sector continues to lead Colorado in job creation accounting for 58% of the jobs created in December, equal to 5,000 jobs. December reflects a larger trend for this sector as the professional and business services sector has been responsible for 58% of total job growth since January 2020 creating 53,800 of the 92,000 jobs added in the state since that time. Colorado’s professional and business services sector has the 4th highest growth rate in the nation since January 2020. November’s employment estimate was revised downward by 2,200 jobs, bringing the prior month’s growth to 2,100 jobs. Government employment increased slightly adding 600 jobs in December and private-sector employment grew by 8,000. The leisure and hospitality sector added 4,400 jobs while education and health services shrank by 2,600 jobs and financial activities decreased by 1,100 jobs. The number of unemployed shrank by 6,702 while the labor force decreased by 7,155 to 3,244,739.

The labor force participation of all workers ages 50-64 fell by 1.17 percent to 72.91 percent, the lowest LFPR for this group since December 2020. The labor force participation rate of prime-age workers also fell to 87.87 percent, a decrease of 1.65 percent and the lowest LFPR for this group since September 2022.

Key Findings—Colorado December 2022 Employment Data (BLS CES Survey and LAUS)










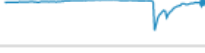

- **Colorado added 8,600 total nonfarm jobs in December**
 - Private-sector employment increased by 8,000 while government employment increased by 600.
 - November job growth was revised downward from a gain of 4,300 to 2,100 jobs.
- **The total employment level is up 3.26% (92,000 jobs) above its pre-pandemic level, ranking Colorado 11th in terms of December '22 job levels relative to Jan. '20.**
 - Twenty-seven states have employment levels above what they were at the start of the pandemic. Texas has the highest differential (+749,300 jobs).
- **For the third consecutive month, Colorado’s labor market has remained above pandemic levels according to both measures of employment.**
 - According to the BLS survey of the number of jobs (CES), Colorado recovered to a pre-pandemic employment-to-population ratio for the first time in October.
 - According to the BLS household survey (LAUS), which captures both traditional jobs and self-employment, the percentage of people employed fell in December but remains above its pre-pandemic value.

Employment Levels in Colorado since January 2020



A Deeper Dive into Colorado Industries (The TBLS CES Survey)

- There was a wide range of job growth across sectors in December.
 - The professional and business services industry added 5,000 jobs and government employment grew by 600.
 - The arts, entertainment, and recreation industry gained 900 jobs.
- The leisure and hospitality industry added 85,500 jobs between Jan. '21 and Dec. '22, and is now up 4,000 jobs, or 1.15%, relative to Jan. '20.
 - Construction is up 2.44% (4,400 jobs).
 - Manufacturing is up 4.16% (6,300 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 11.7% since the start of 2020.
 - The mining and logging sector has declined as a share of state employment by 22.1% since Jan. '22, though this is likely the result of a combination of global trends and state policy.

<i>Industry</i>	<i>Dec. '22 Employment</i>	<i>Change since Jan. '20</i>	<i>Change since Nov. '22</i>	<i>Share of Total CO Employment (2012– Current)</i>	<i>Current Share of Total CO Employment</i>
Mining and Logging	20,800	-5,900	200		0.71%
Construction	184,500	4,100	-100		6.34%
Manufacturing	157,800	6,500	1,200		5.42%
Trade, Transportation, and Utilities	502,400	21,400	100		17.26%
Information	78,300	200	-800		2.69%
Financial Activities	176,600	800	-1,100		6.07%
Professional and Business Services	499,000	53,800	5,000		17.14%
Education and Health Services	361,700	10,800	-2,600		12.42%
Leisure and Hospitality	351,600	4,000	4,400		12.08%
Other Services	125,000	9,300	1,700		4.29%
Government	453,800	-4,800	600		15.59%

Colorado Labor Force Update

Colorado's LFPR (labor force participation rate) decreased to 69% and its unemployment rate decreased to 3.6% in December. The LFPR of retirement-age (65 years and older) workers, after increasing last month, declined in December and is now below its pre-pandemic level by 11.6%.

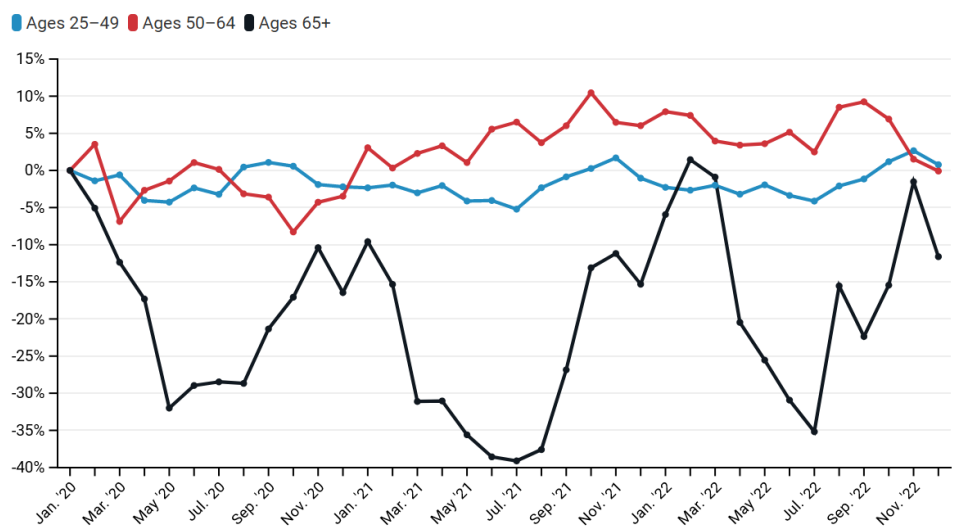
Key Findings—Colorado December '22 Labor Force Data (FRED)

- **The LFPR decreased by .2 percentage points to 69%, which is .4 of a percentage point above Jan. '20's LFPR of 68.6%.**
- **The unemployment rate fell to 3.3% in December, which is 0.9 percentage points below what it was a year ago.**
- **The LFPR of Colorado women increased from 65.85% to 66.37%. It is now 2.23 percentage points above its pre-pandemic level.**
 - The national female LFPR rose by .3 percentage points to 56.8%, which is 1.1 percentage points below its pre-pandemic level.
 - There are now 49,771 more women in the workforce than there would be if Colorado's December's LFPR of women was the same as it was before the pandemic.

Prime-age, Older, and Retirement-age People in the Labor Force

- Since Jan. '20, the labor force participation rate of all 50–64-year-old workers, regardless of sex, has declined by .08%. Just three months ago, it was 9.24% higher than in Jan. '20.
- There are 23,029 fewer retirement-age workers in the labor force today than there would be at the pre-pandemic participation rate. Since peaking in November, this group's labor force participation rate has fallen by 2.92 percentage points and now sits at 25.58%.
- The LFPR of prime-age workers (25–49) fell by 1.65 percentage points and is now .77% above its Jan. '20 level.

LFPR Changes since January 2020, by Age Group



Source: IPUMS-CPS

Monthly trends may be volatile and should be interpreted cautiously.