



July 2024

# Colorado Jobs and Labor Force Update – June 2024 Update

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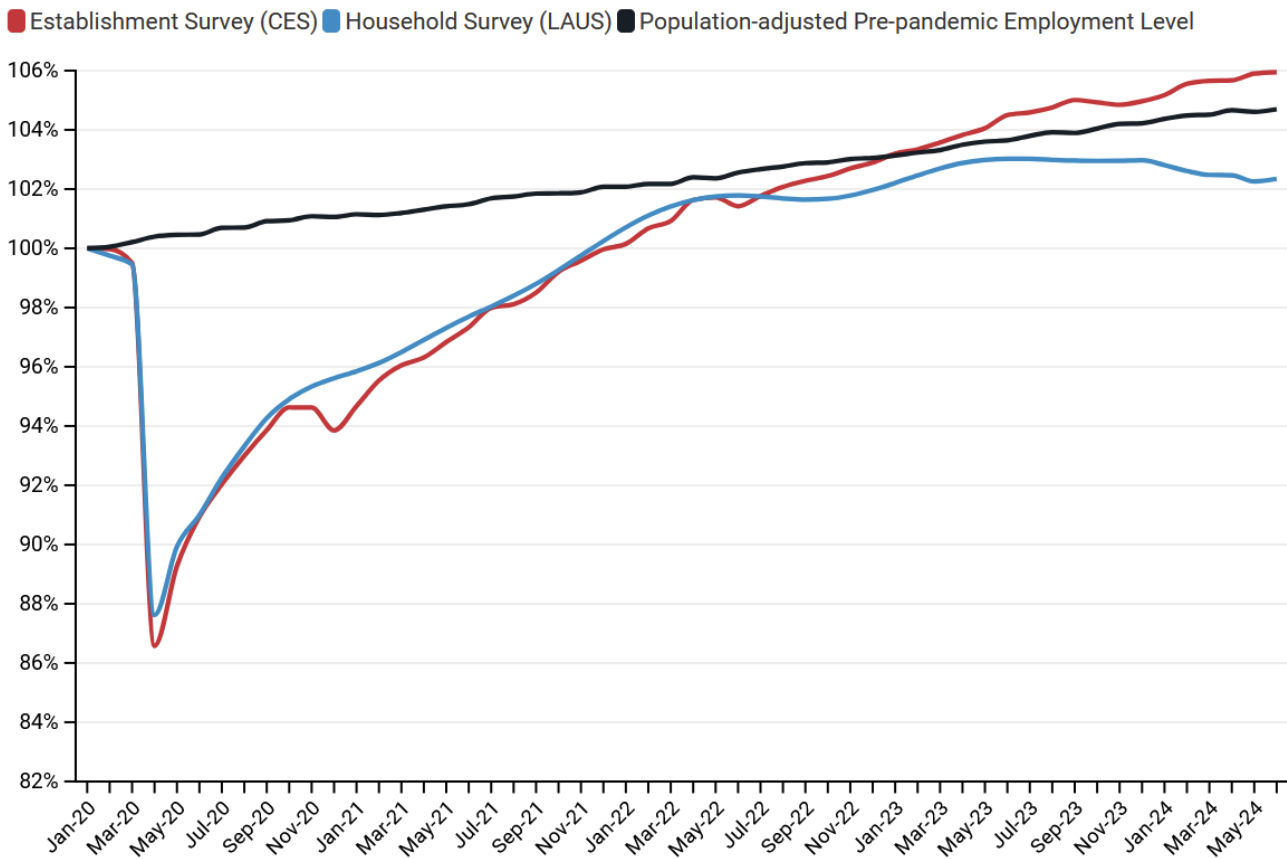
After May, during which the state added an impressive total of 6,400 jobs, June represented a reassertion of the trend that has persisted in Colorado for most of the last year: slow employment growth buoyed by the expansion of the public sector. Still, whereas federal, state, and local governments generated most of last month's 1,400 new jobs, the private sector contributed 600 of its own—only its 5<sup>th</sup>-weakest month in the last 12. That private employment growth, as usual, was concentrated in white-collar sectors like financial activities and professional services.

As befits a month of slow job creation, neither Colorado's unemployment rate nor its labor force participation rate registered a change in June. The state's unemployment rate remains at 3.8%, which is higher than it's been in over two years, and its labor force participation rate remains at its lowest value since 2021. By these measures, alongside prolonged decline in the number of employed Coloradans according to BLS' Local Area Unemployment Statistics, Colorado's job market is still underperforming its potential.

### Key Findings—Colorado June 2024 Employment Data

- **Colorado's total employment increased by 1,400 in June.** Federal, state, and local governments contributed 800 of those jobs.
  - The BLS' estimate of employment growth in May was revised downwards from 9,800 to 6,400.
- **After seven consecutive months of growth, Colorado's employment is now 12<sup>th</sup>-highest in the country relative to its level in January 2020.**
- **Six of eleven major employment sectors added jobs in June, four lost jobs, and one was unchanged.** The four that declined, construction, information, education and health services, and leisure and hospitality, lost a total of 2,100 jobs.
- Colorado's unemployment rate remained at 3.8%, the highest it's been since January 2022, and its labor force participation rate remained at 67.9%, its lowest since February 2021.

## 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 1,400 jobs Colorado employers added in June, 600 were private-sector jobs.

- The “other services” sector gained 1,200 jobs and the construction sector lost 1,100.
- The public sector added 800 jobs, of which local governments contributed half.

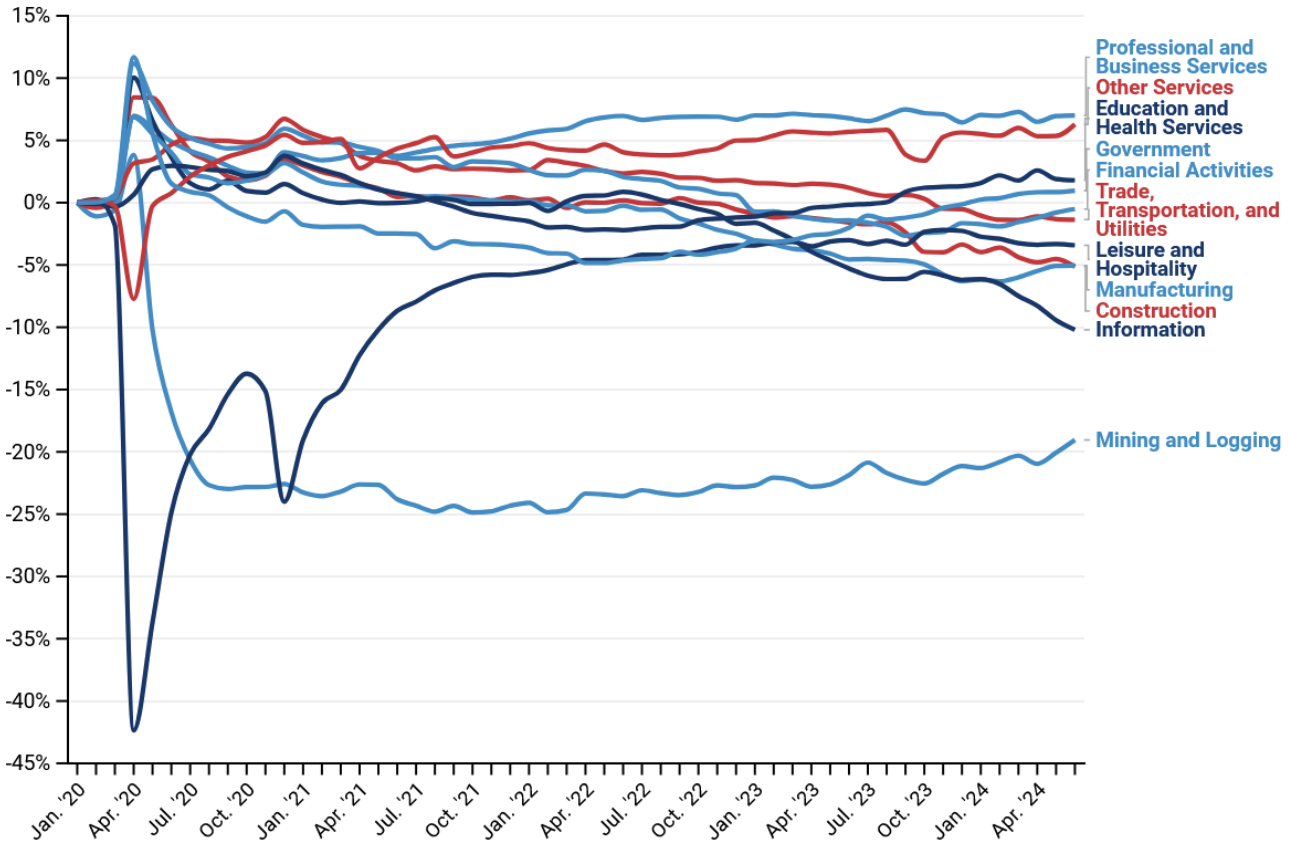
The leisure and hospitality industry added 89,400 jobs between January ‘21 and June ‘24 and has grown by 2.3% since January ‘20.

- Employment in Colorado’s professional and business services sector rose by 500 in June and is now 13.4% above its pre-pandemic level.
- The state’s financial activities sector added 600 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 7% since the start of 2020 (see the graph below).
- Since January 2020, employment in the mining and logging sector has decreased by 14.2%, reducing its share of state employment by 19%. 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 June after declining five times since August of 2023.**

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

- The LFPR remained at 67.9%, which is 1 percentage point below January ‘20’s LFPR of 68.9%.
- The unemployment rate remained at 3.8% in June.
- The national female LFPR fell by .3 of a percentage point to 57.3%, which is .7 of a percentage point below its pre-pandemic level.

## Labor Force Participation Rate in Colorado Since 2000

