



APRIL 2023

Colorado Jobs and Labor Force Update – March 2023

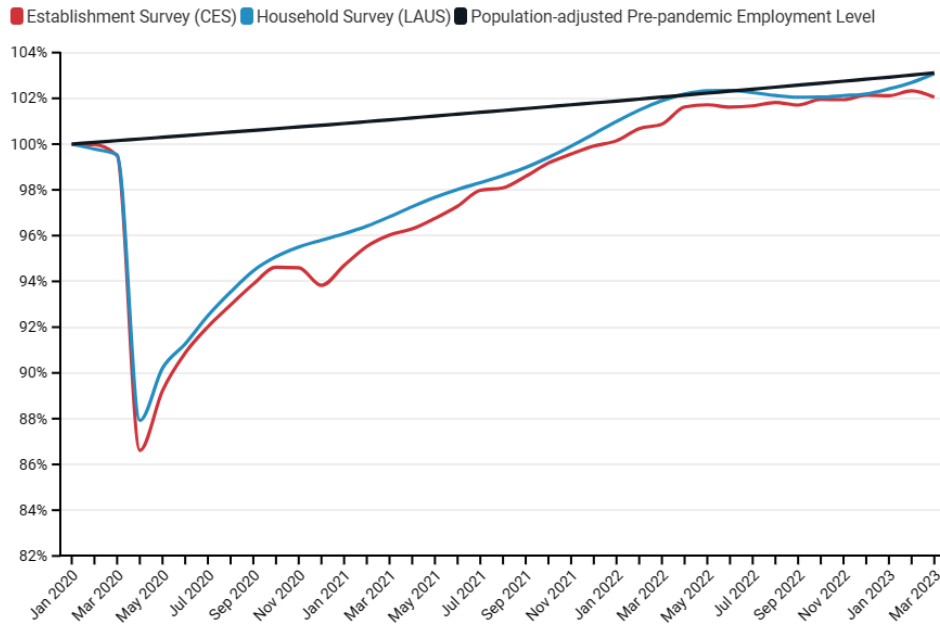
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Colorado lost 4,700 nonfarm jobs in March, while government employment continued to increase, gaining 1,500 jobs in March. Though the BLS initially reported a net gain of 6,200 jobs in February, revisions reduced this number to 3,000. Colorado's decrease of 4,700 jobs was the second largest in the nation in March, behind Minnesota's 5,700. In March, the state's unemployment rate fell by .1 of a percentage point and remains below 3%. Since January 2020, the professional and business services sector is the only one to have increased its share of Colorado's total employment by more than 5%—it has added 44,100 jobs, which has been 70% of all net job growth. Despite robust growth at the beginning of 2023, the leisure and hospitality sector declined in March and has only grown by 0.4% since before the pandemic. The worst performing sector as compared to January 2020 is the mining and logging industry, which has seen a 19.4% decrease in employment since that time.

Key Findings—Colorado March 2023 Employment Data (BLS CES Survey and LAUS)

- **Colorado experienced the 2nd largest job decrease in the nation in the month of March, only behind Minnesota.**
- **Colorado lost 4,700 total nonfarm jobs in March.**
 - After tepid growth in February, the state's private sector lost 6,200 jobs in March.
 - February's job growth was revised downward from 6,200 to 3,000.
- **The total employment level is up 2.05% (57,900 jobs) above its pre-pandemic level,** ranking Colorado 20th in terms of March '23 job levels relative to January '20.
 - Thirty-five states have employment levels above what they were at the start of the pandemic. Texas has the highest differential (+888,900 jobs).
- **According to CSI Mike A. Leprino Fellow Lang Sias's [latest report](#), Colorado has also seen an out-migration trend.**

Employment Levels in Colorado since January 2020



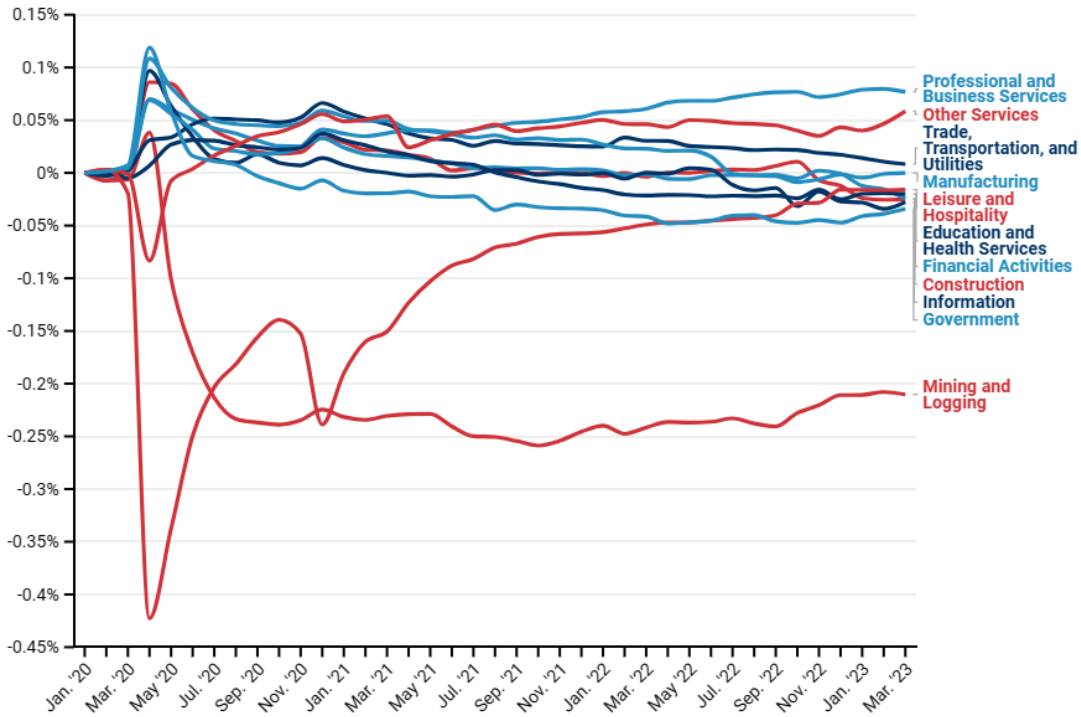
- According to the BLS survey of establishments (CES), Colorado has not recovered to a pre-pandemic employment-to-population ratio since June 2022.
- According to the BLS survey of households (LAUS), which captures both traditional jobs and self-employment, **Colorado has never recovered to its pre-pandemic employment-to-population ratio.**

A Deeper Dive into Colorado Industries (BLS CES Survey)

- After declining in January and growing slightly in February, Colorado’s private sector once again lost jobs in March.
 - The professional and business services industry lost 2,200 jobs and the financial activities sector fell by 1,900.
 - Government employment grew by 1,500.
- The leisure and hospitality industry added 82,700 jobs between January ‘21 and March ‘23 and is now up 1,500 jobs (.43%) above its January ‘20 level.
 - The arts, entertainment, and recreation industry grew by 1.48% in March (800 jobs).
 - The accommodation and food services industry shrank by .41% (1,200 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 almost 8% since the start of 2020 (see the graph below).

- Since January 2020, employment in the mining and logging sector has decreased by 19.4%, reducing its share of state employment by 21%, though 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) increased to 68.5% and its unemployment rate decreased to 2.8% in March. The LFPR of prime-age male (25-49 years old) workers, decreased to 92%, the lowest level for this group since August 2022.

Key Findings—Colorado March ‘23 Labor Force Data (FRED and IPUMS)

- The LFPR increased by .2 of a percentage point to 68.5%, which is .4 of a percentage point below January ‘20’s LFPR of 68.9%.
- The unemployment rate decreased to 2.8% in March, which is .5 of a percentage point below what it was a year ago.
- The LFPR of Colorado women increased from 66.55% to 66.74%. It is now .2 of a percentage point below its pre-pandemic level.
- The national female LFPR fell by .1 of a percentage point to 57.1%, which is .8 of a percentage point below its pre-pandemic level.

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

Labor Force Participation Rate in Colorado Since 2000



Monthly trends may be volatile and should be interpreted cautiously.

- Since January '20, the labor force participation rate of all 50–64-year-old workers, regardless of sex, has increased by 4.88%, despite decreasing in March by 1.78 percentage points.
- There are 7,324 fewer retirement-age workers in the labor force today than there would be at the pre-pandemic participation rate. This groups' LFPR declined slightly by 0.06 percentage points in March.