



November 2023

Colorado Jobs and Labor Force Update – October 2023 Update

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Colorado's labor growth in October echoed previous months in which government, rather than private, employment grew. Colorado added 1,500 total nonfarm jobs in October. The private sector declined for the second straight month, losing 200 jobs in October. Colorado's total nonfarm employment was once again buoyed by strong government employment growth, adding 1,700 jobs last month.

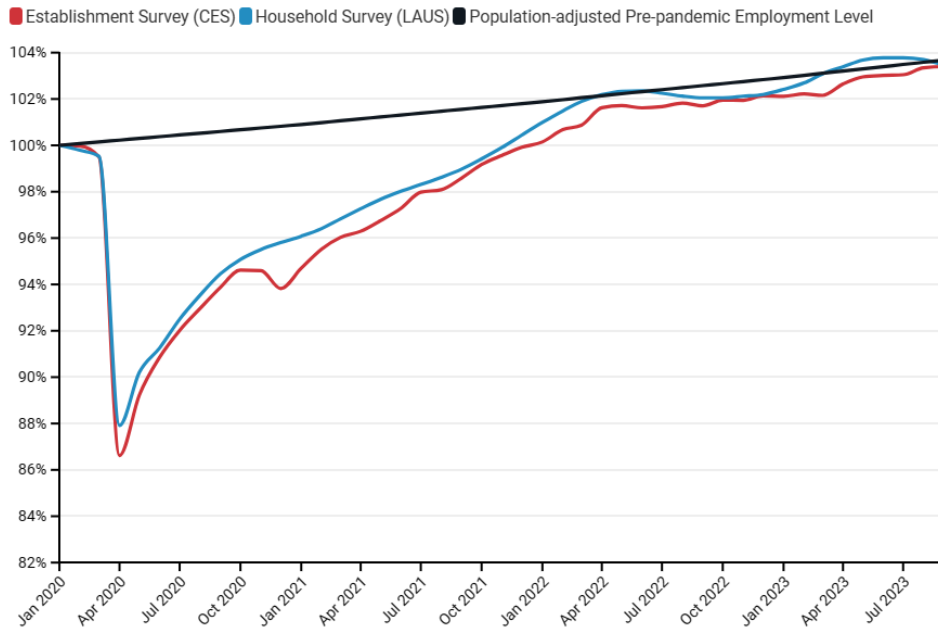
After initially reporting a loss of 600 private sector jobs in September, revisions lowered this further. After corrections, Colorado's private sector lost 1,900 jobs in September, while revisions increased government employment in September from 1,500 to 1,800 government jobs added leading to total nonfarm employment dropping 100 jobs in September.

Manual labor and resource extraction industries are lagging in growth. Colorado's construction sector lost 1,400 jobs in October and remains 1,700 jobs below its employment total of January 2020. The manufacturing sector held steady, while the state's mining and logging sector lost 100 jobs, the 5th straight month with no job growth in this industry.

Key Findings—Colorado October 2023 Employment Data

- **Colorado's private sector employment declined for the 2nd straight month in October, losing 200 jobs, after decreasing by 1,900 jobs in September.** Consecutive months of private sector job loss has only occurred once since February 2019, during COVID job losses.
- **Colorado's government employment has grown 3,500 jobs during October and September, while Colorado's private sector has lost 2,100 jobs over this same time period.**
- **Colorado's unemployment rate increased for the fourth consecutive month, growing 0.1% in October to 3.3%.**
- **Colorado's LFPR (labor force participation rate) fell 0.2% in October to 68.4%, the second straight month of decline.**
- **Colorado construction sector lost 1,400 jobs in October and has not added more than 100 jobs in a single month since April 2023.**

Employment Levels in Colorado since January 2020



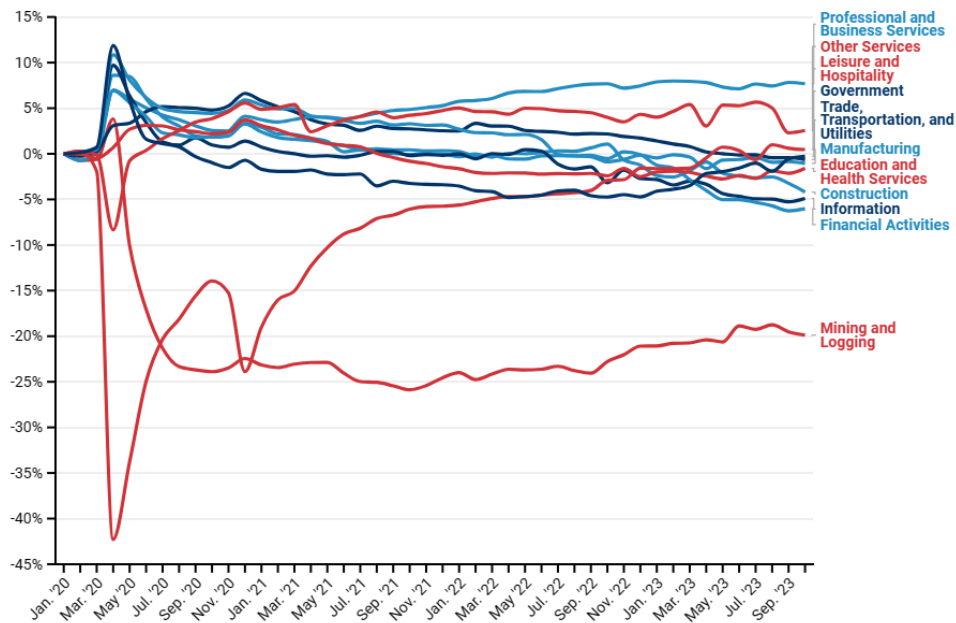
- According to the BLS survey of establishments (CES), Colorado has never recovered to a pre-pandemic employment-to-population ratio.
- According to the BLS survey of households (LAUS), which captures both traditional jobs and self-employment, Colorado has not recovered to its pre-pandemic employment-to-population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

A Deeper Dive into Colorado Industries (BLS CES Survey)

- After disparate growth throughout the summer, Colorado’s private sector lost 200 jobs in October.
 - The professional and business services sector held steady, adding no jobs, while the trade, transportation, and utilities sector lost 900.
 - Local government employment increased by 500, while state and federal government added 1,110, and 100 jobs respectively.
- The leisure and hospitality industry added 94,700 jobs between January ‘21 and October ‘23 and has seen its employment grow 3.87% since Jan. 2020.
 - Colorado’s manufacturing industry employment remained unchanged in October. This sector hasn’t seen job growth since June 2023.
 - The state’s construction sector lost 1,400 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 7.7% since the start of 2020 (see the graph below).

- Since January 2020, employment in the mining and logging sector has decreased by 17%, reducing its share of state employment by 19.8%. 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) fell 0.2% in October to 68.4%, the second straight month of decline.

Key Findings—Colorado October ‘23 Labor Force Data (IPUMS/FRED)

- The LFPR fell 0.2% to 68.4%, which is .5 of a percentage point below January ‘20’s LFPR of 68.9%.
- The unemployment rate increased to 3.3% in October, compared to 2.8% unemployment in October of 2022.
- The national female LFPR increased 0.1 % to 57.6%, which is .2 of a percentage point below its pre-pandemic level.

Labor Force Participation Rate in Colorado Since 2000

