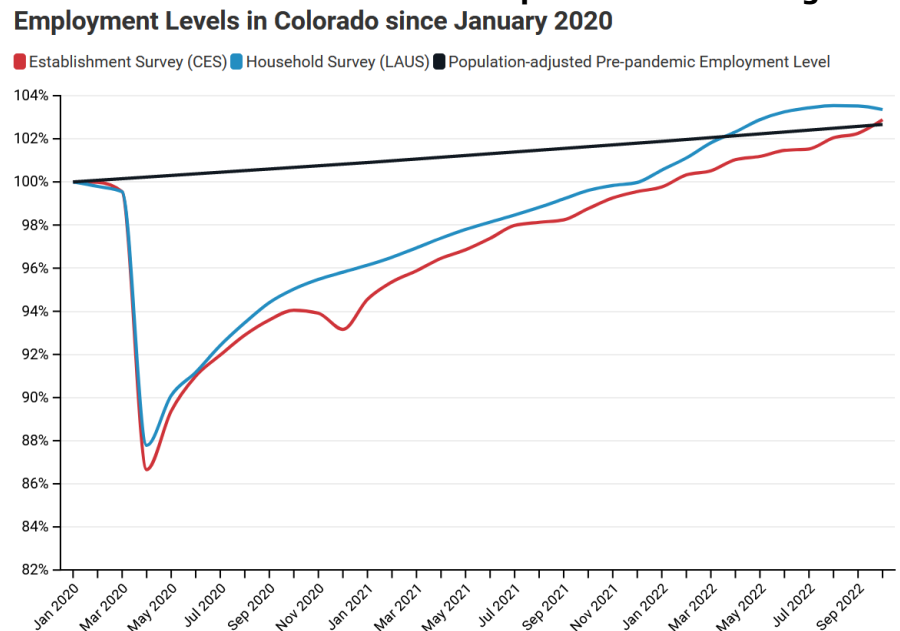# Colorado Jobs and Labor Force Update: October 2022

**In October, Colorado's population-adjusted employment recovered to its pre-pandemic level for the first time.** Colorado added 17,700 jobs in October and the unemployment rate rose to 3.6%. September's employment estimate was revised upward by 300 jobs, bringing the prior month's growth to 5,900 jobs. Government employment increased by 2,300 jobs in October and private-sector employment grew by 15,400. The leisure and hospitality sector added 3,500 jobs and education and health services grew by 2,000 jobs, while financial activities increased by 300 jobs as higher interest rates. The number of unemployed went up by 6,830 and the labor force increased by 1,872 to 3,256,853. The employer survey and the household survey appear to be at odds. The employer survey shows an increase in employment, but the household survey indicates that the labor force grew while the number employed Coloradans shrank, causing the unemployment rate to increase. One can only conclude that either more workers are holding down multiple jobs or that there is a data discrepancy which will be reconciled by future revisions.

The labor force participation rate of prime-age workers increased by 2.03 percentage points to 88.2 percent—the highest it's been since December 2021. Over the year, the average workweek for Coloradoans on nonfarm payrolls increased to 33.8 hours, and average hourly earnings increased by 7.89% to $35.27, which is higher than the national average hourly earnings of $32.58.

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

- **Colorado added 17,700 total nonfarm jobs in October**
  - Private-sector employment increased by 15,400 while government employment increased by 2,300.
  - September job growth was revised upward from a gain of 5,600 to 5,900 jobs.
- **The total employment level is up 2.9% (81,300 jobs) above its pre-pandemic level, ranking Colorado 11th in terms of October '22 job levels relative to Jan. '20.**
  - Twenty-five states have employment levels above what they were at the start of the pandemic. Texas has the highest differential (+673,800 jobs).
- **For the first time, Colorado's labor market has recovered from the pandemic 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 October but remains above its pre-pandemic value.



Employment Levels in Colorado since January 2020

## A Deeper Dive into Colorado Industries (BLS CES Survey)

- There was a wide range of job growth across sectors in October.
  - The professional and business services industry added 5,900 jobs and government employment grew by 2,300.
  - The arts, entertainment, and recreation industry lost 1,400 jobs.
- The leisure and hospitality industry added 81,000 jobs between Jan. '21 and Oct. '22, but is still down 500 jobs, or .14%, relative to Jan. '20.
  - Construction is up 3.94% (7,100 jobs).
  - Manufacturing is up 2.84% (4,300 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 7.9% since the start of 2020.
  - The mining and logging sector has declined as a share of state employment by 25.4% since Jan. '22, though this is likely the result of a combination of global trends and state policy.

| Industry | Oct. '22 Employment | Change since Jan. '20 | Change since Sep. '22 | Share of Total CO Employment (2012–Current) | Current Share of Total CO Employment |
|---|---|---|---|---|---|
| Mining and Logging | 20,500 | -6,200 | 300 | | 0.71% |
| Construction | 187,200 | 6,800 | 2,600 | | 6.45% |
| Manufacturing | 155,800 | 4,500 | 1,300 | | 5.37% |
| Trade, Transportation, and Utilities | 502,800 | 21,800 | 2,000 | | 17.33% |
| Information | 78,500 | 400 | -300 | | 2.71% |
| Financial Activities | 176,200 | 400 | 300 | | 6.07% |
| Professional and Business Services | 495,700 | 50,500 | 5,900 | | 17.09% |
| Education and Health Services | 361,300 | 10,400 | 1,400 | | 12.46% |
| Leisure and Hospitality | 347,100 | -500 | 800 | | 11.97% |
| Other Services | 123,600 | 7,900 | 1,100 | | 4.26% |
| Government | 452,100 | -6,500 | 2,300 | | 15.59% |

## Colorado Labor Force Update

Colorado's LFPR (labor force participation rate) remained unchanged in at 69.4% in October; the state's unemployment rate, however, increased to 3.6%. The LFPR of retirement-age (65 years and older) workers, after declining last month, rebounded slightly in October and is now below its pre-pandemic level by 15.5%.
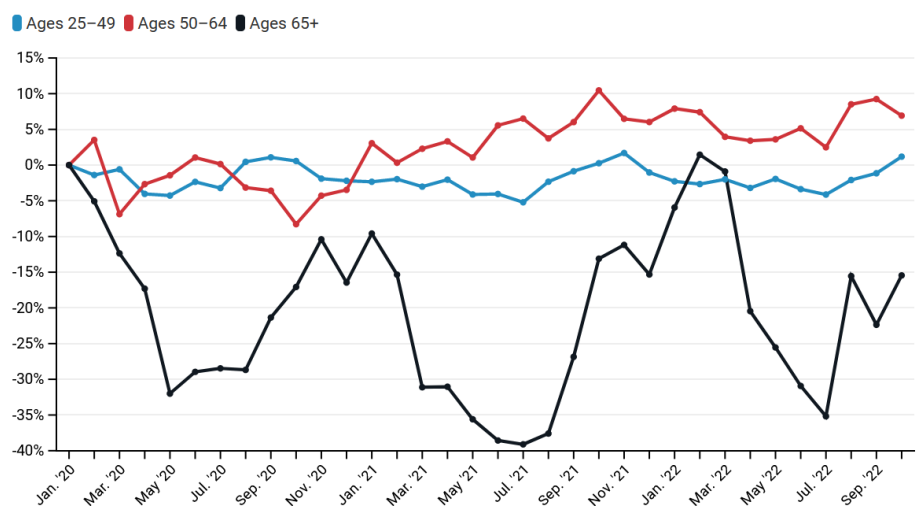
## Key Findings—Colorado October '22 Labor Force Data (FRED)

- **The LFPR was unchanged at 69.4%, which is .8 of a percentage point above Jan. '20's LFPR of 68.6%.**
- **The unemployment rate rose to 3.6% in October, down 0.9 percentage points from a year ago.**
- **The LFPR of Colorado women increased from 63.32% to 64.25%. It is now .11 percentage points above its pre-pandemic level.**
    - The national female LFPR fell by .1 percentage points to 56.7%, which is 1.1 percentage points below its pre-pandemic level.
    - There are now 2,693 more women in the workforce than there would be if Colorado's October'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 increased by 6.92%.
- There are 41,409 fewer retirement-age workers in the labor force today than there would be at the pre-pandemic participation rate. After several months of strong recovery, this group's labor force participation rate has fallen by 4.21 percentage points since March and now sits at 24.47%.
- The LFPR of prime-age workers (25–49) grew by 2.03 percentage points and is now 1.18% above its Jan. '20 level.



### LFPR Changes since January 2020, by Age Group

● Ages 25–49  ● Ages 50–64  ● Ages 65+

Source: IPUMS-CPS

*Monthly trends may be volatile and should be interpreted cautiously.*