

# January 2025 JobsWatch

## Quarterly Employment Update

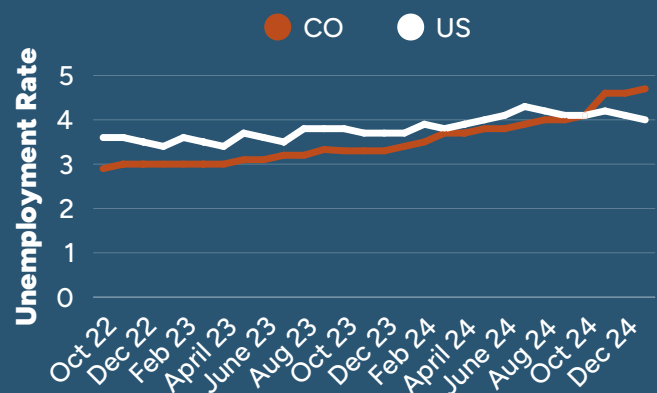
### WHY TRACK JOBS DATA?

CFI believes in a people-centered economy. When we center policies around the people who uplift our economy, including workers, we are at our strongest. This data is one tool that helps inform CFI's worker-centered approach to policy.

### UNEMPLOYMENT JUMPS TO 4.7%

Colorado's unemployment rate jumped 0.1% since December, on a steady rise, while the U.S average dropped by the same amount to 4% and has been falling in recent months. Colorado typically sits below the national rate. The BLS suspended Colorado's data publication in November due to UI system changes and quality concerns, leading to substantial revisions, but has since deemed the issues resolved and resumed publication.

The official unemployment rate doesn't tell the full story. Many people in Colorado want full-time jobs but are either underemployed, not actively looking, have only part-time work, or have given up searching altogether. When these groups are included, Colorado's broader unemployment rate averaged 8.1% in 2024—higher than the national average of 7.5%.



### THE LABOR SHORTAGE AND SKILLS GAP MYTH

Colorado's labor force boasts a 68.0% participation rate, above the national average of 62.6%. While unemployment is a concern, job openings slightly outnumber job seekers, with up to three openings per unemployed person post-pandemic. The notion of a "skills mismatch" is misleading, as research shows little evidence of a skills shortage; Colorado is among the most educated states. The real issue is employers' willingness to pay for skills, highlighting the need for better labor standards. With 40,000 retirements expected annually over the next decade, attracting new talent is crucial.

### LEISURE AND HOSPITALITY: WHAT DOES THE DATA SAY?

While media attention has focused on restaurant closures in Denver, long-term QCEW statewide data indicates a stable industry in the state's capitol and across Colorado. UI data does not indicate mass closures; excluding pandemic years, the food and accommodations sector has had a lower-than-proportional share of UI claims statewide.

On the whole, leisure and hospitality employment is up 2% since pre-pandemic (Feb 2020), and comprises about 12% of all Colorado jobs (national average is only 10.7%).

