

December 2025 JobsWatch

Quarterly Employment Update

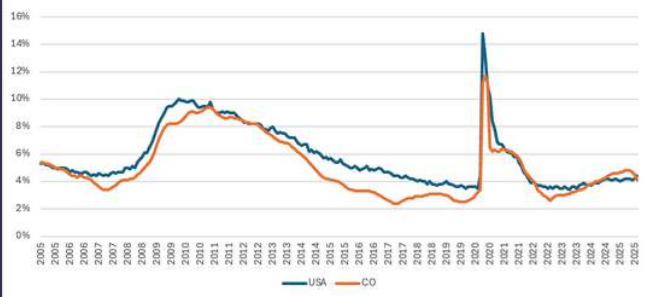
WHY TRACK JOBS DATA?

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.

COLORADO UNEMPLOYMENT RATE IS BELOW THE NATIONAL RATE: FIRST TIME SINCE 2023

Colorado's July unemployment rate has fallen to 4.5%—down 0.2% from the prior month, but still 0.3% above the national rate. For most of the last 20 years, Colorado has remained below the national unemployment rate. However, Colorado's rate has been above the national rate since March 2024. Colorado currently has the 13th-highest unemployment rate in the nation.

Colorado Unemployment Rate Continues to Fall:
Now Below National Rate for the First Time Since 2023



Source: Bureau of Labor Statistics.
Unemployment Data (State and Metro Area) Seasonally Adjusted.
<https://www.bls.gov/data/home.htm>

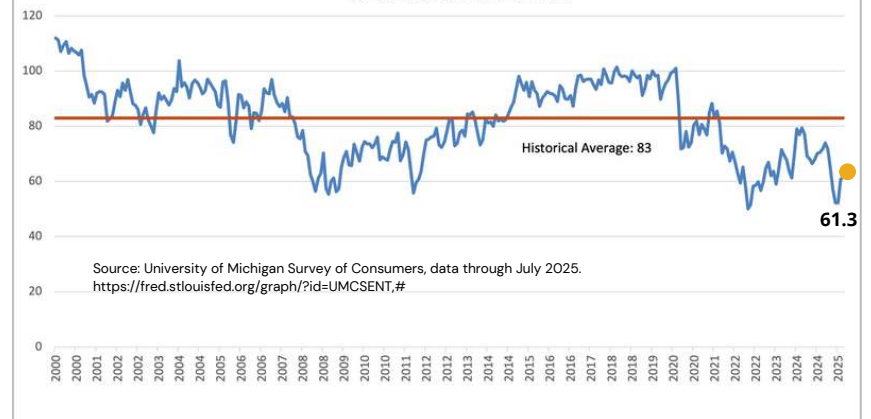
WHAT'S GOING ON WITH BLS DATA?

Interest rates remain high compared with the past 15 years. The Federal Reserve will meet on Sept. 17 to consider a rate cut. We had hoped for a cut earlier this year, but the impact of tariffs kept inflation stubbornly elevated. High interest rates have flowed through to consumers in the form of more expensive mortgages and auto loans. The last two months of weak jobs data show the unemployment rate should be a bigger concern for the Fed. Lowering the interest rate could promote higher employment.

CONSUMER SENTIMENT AND SPENDING DOWN

Higher inflation, interest rates, and economic uncertainty have driven consumer confidence to historic lows. We can expect families to spend less, delay large purchases, and forgo leisure and travel expenses. This impacts Colorado's economy, which heavily relies on tourism dollars. The historical average for consumer sentiment is 83, and July 2025 consumer sentiment is down 20 points from that, sitting at 61.3. We haven't seen consumer sentiment as low as it has been recently since the fallout from the 2008 recession.

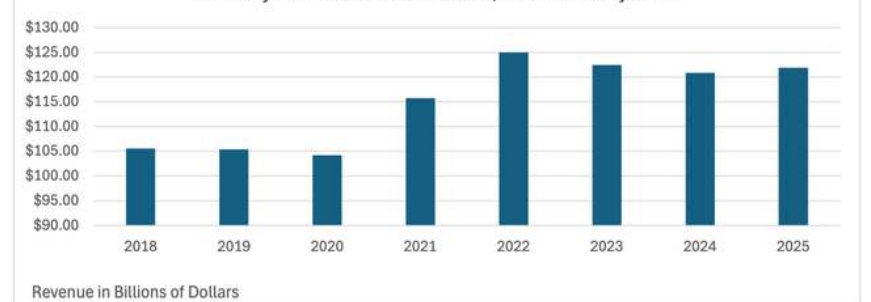
Consumer Confidence at a Low:
Consumer Sentiment Index



Source: University of Michigan Survey of Consumers, data through July 2025.
<https://fred.stlouisfed.org/graph/?id=UMCSENT,#>

Low consumer sentiment is reflected in the loss of leisure and hospitality jobs in Colorado, which fell by about 1,800 jobs from June to July of this year. Tax revenue from retail sales has also stalled since 2022, another indicator that consumers are reducing spending.

Consumers Spending Less, Sales Stagnating:
Jan-May Retail Sales Colorado, Inflation-Adjusted



Source: Colorado Department of Revenue.