

2026-4-10

Colorado saw job losses for the first time since pandemic

Gen RE
CTK

The Denver Gazette · 10 Apr 2026 · C1 · BY BERNADETTE BERDYCHOWSKI

Colorado's job market last year appears to have been dimmer than it was originally believed to have been, new state data revisions show.

The labor market wasn't slowly growing, but rather it contracted in 2025.

The state saw job losses for the first time since the pandemic last year, according to annual benchmarking data released by the Colorado Department of Labor and Employment on Wednesday. The state lost 11,700 jobs in 2025 at an annual rate of -0.4%.

Job growth across the nation was relatively flat at 0.1%, according to the report.

The last time the state has seen job losses has often followed recessions, such as in 2008 with the housing crisis and in 2002 following the dot-com bubble.

The Bureau of Labor Statistics releases job reports detailing employment after every month through a sampling process to get an idea on how the nation's job market is faring. The monthly reports are considered to be fairly accurate and are later revised throughout the year as more data comes in through a process called benchmarking.

The benchmarking for 2025 shows that Colorado's job market saw losses instead of gains and more people have left the labor force. This January, Colorado's labor force participation rate fell to 66.8%, down from revised numbers for January 2025 at 67.6%.

With fewer people in the workforce, federal data shows the state's 2025 unemployment rate was revised from 4.5% down to 4%.

The state is facing "headwinds" for both supply and demand of labor, said University of Colorado Boulder economist Brian Lewandowski.

"Slow population growth and falling labor force participation are constraining the supply of workers," he explained.

The state also had one of the lowest job opening rates in 2025, the economist added.

Over the last year, the largest job gains have mostly been in the educational and health services sector. It gained 14,200 jobs from January 2025 to 2026.

But many private sectors reported losses across the board. The largest declines were in trade, transportation and utilities with jobs down by 4,500 over the year, leisure and hospitality saw 4,400 jobs lost, manufacturing declined by 4,200 jobs and financial activities fell by 4,000. Professional and business services and mining and logging also recorded losses. Government jobs also fell by 4,000. The unemployment rate dropped down to 3.9% in January, up from 3.8% in December, the report said.

"The early signal in the January 2026 data shows that the trend continued into the new year, but Colorado is not an anomaly in the slow growth — 27 states recorded a loss of jobs year-over-year in January," Lewandowski said.

Note

The growth of Colorado's economy has slowed considerably compared to the last decade. The University of Colorado Boulder's forecast for the state estimated job growth for 2025 would be 0.4% and 0.6% in 2026, though the margin of error for estimates included falling into negative territory.

Business sentiment in the state has also been negative for the last year as President Donald Trump's tariff policies and federal spending cuts shocked industry leaders across the state, according to the Leeds Business Confidence Index.

As sentiment slightly improved throughout the year, though stayed negative, it dipped again ahead of the second quarter of 2026 as the war in Iran led to volatile energy prices.

The strongest annual job growth in Colorado was in the Greeley metro area, where employment grew 1.3% between January 2025 and 2026. Fort Collins followed at 0.8% and Grand Junction saw job growth at 0.3%.

The Denver metro area was stagnant at 0%.

The most job losses were seen in the Boulder area at 1.1%. Pueblo's employment fell by 0.8% and Colorado Springs was down by 0.4%.