

SEPTEMBER EMPLOYMENT

Hiring loses some oomph after a strong August

State numbers released after delay because of government shutdown

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The wait is over. Colorado gained a tepid 500 nonfarm jobs and the state's unemployment rate fell slightly to 4.1% in September, according to a much-anticipated report from the Colorado Department of Labor and Employment.

The holdup was a result of the federal government shutdown, which prevented several agencies from gathering data and issuing reports, including the U.S. Bureau of Labor Statistics, which works closely with the CDLE in compiling the monthly report.

Private sector employers in Colorado cut their payrolls by a net 200 jobs, while government employers, who are under increasing fiscal pressures, added 700 jobs. For the year, the private sector has added 10,400 jobs, while the public sector, which accounts for just under one in five jobs in the state, has added 7,700 jobs.

On the plus side, revisions pushed the number of jobs added between July and August to 5,700 compared to the initial estimate of 3,000.

Since September 2024, the state has added a net 18,100 jobs, which is close to the 17,500 jobs that the Colorado Business Economic Outlook from the University of Colorado forecasts the state will add in 2026.

The two private industry sectors with the biggest monthly gains were professional and business services, up 1,700, and other services, up 1,000. The biggest losses on the month came in trade, transportation and utilities, down 2,100 jobs; and in construction, down 1,000.

For the 12 months through September, the largest gains have come in educational and health services, up 9,200; leisure and hospitality, up 8,800; information, up 2,900, and professional and business services, up 1,600.

Broomfield economist Gary Horvath said he was encouraged that the employers in professional and business services (PBS) are adding workers rather than letting them go, which had been the pattern for most of the year.

"It was positive news to see the upward revision in August. It was great to see that the PBS sector is again in positive territory. That is a critical sector for the overall economy," he said.

The biggest annual declines came in financial activities, down 4,800 jobs; trade, transportation and utilities, down 4,600 jobs, and construction, down 3,200 jobs. Colorado ranked 46th worst for the monthly change and 44th for the annual change in construction jobs, according to the Associated General Contractors. Contractors have become more reluctant to shed construction workers, given how difficult it is to find them due to ongoing shortages. But building activity is slowing in Colorado, one of 23 states where construction employment has shrunk over the past year.

"Firms continue to report that finding enough qualified workers is one of their biggest challenges and a key factor behind project delays," said Macrina Wilkins, senior research analyst at the association, in the report.

Overall, the state's rate of annual job growth is 0.6%, which is below the U.S. rate of 0.8%.

Colorado's unemployment rate fell from 4.2% in August to 4.1% in September, reflecting 4,800 fewer unemployed workers.

The labor force participation rate, a measure of the share of people working or looking for work, also fell, from 67.4% to 67.3%, marking the lowest level since November 2020.

The CDLE said it will not publish a report for October, given that the household survey wasn't conducted that month.

The employment report for November is expected to be released on Dec. 16.