Talking Points for 7/17 Press Call:

-INTRO TO HOUSEHOLD AND ESTABLISHMENT SURVEYS:

  • The data I will discuss today are based, in part, on estimates from two surveys. Statistics like the unemployment rate, labor force, total employment, and the number of unemployed are derived from a survey of households, otherwise known as the Current Population Survey. Simply put, the household survey is meant to capture the employment and labor force status of individuals within Colorado during a given period. The household survey also includes the self-employed, independent contractors, farm workers, and those not attached to a traditional payroll employer. However, we are unable to break out those individuals at state-level.

  • Nonfarm payroll jobs estimates come from a survey of business establishments and government agencies, and are intended to measure the number of jobs, not the number of people employed. These estimates exclude employees in agriculture, private households, and the self-employed.

  • As we noted in today's press release, the reference period for the establishment and household surveys was the pay period or week that includes the 12th of the month. Therefore, these data provide a snapshot of Colorado’s employment situation during continued stages of the Governor’s Safer at Home order, which resulted in a return to work for more Coloradans.

  • Revisions to June data, along with preliminary estimates for July, will be released August 21st.
RESULTS FROM HOUSEHOLD SURVEY:

• June’s seasonally-adjusted unemployment rate was 10.5 percent. That represents an increase of three-tenths of a percentage-point from May. The increase is due to stronger growth in labor force (100,000) than in total employment (80,000) last month. This movement can be viewed as positive as it means more people are re-entering Colorado’s labor market and actively seeking employment opportunities.

• The labor force participation rate moved up to 68.7 percent in June, compared to 66.6 percent the prior month. The rate in February was 69.4 percent.

• Additionally, the employment-to-population ratio improved for the second straight month. That ratio has increased from a historically low 58.3 percent in April to 61.4 percent in June, which ranks as the 7th highest in the nation. Colorado’s rate in February was 67.7 percent.

• In June, Colorado had the 34th lowest unemployment rate in the nation. Kentucky had the lowest rate at 4.3 percent and Massachusetts had the highest rate at 17.4 percent.

• As we mentioned in today’s press release, the five counties with the highest not seasonally adjusted unemployment rates were Gilpin, San Miguel, Summit, Pitkin, and Eagle.

• Among the seven metropolitan areas in the state, Denver had the highest unemployment rate (11.0 percent). Boulder (9.5) and Fort Collins (9.2) had rates below 10 percent, while Colorado Springs (10.4), Grand Junction (10.0), Greeley (10.1), and Pueblo (10.8) all had rates of at least 10 percent.
• I have mentioned over the last couple employment situation calls the estimated share of unemployed Coloradans who are on temporary layoff versus permanently separated from their employer. In May about two-thirds of the unemployed in Colorado were on temporary layoff and ten percent were permanently let go. In June the share of those permanently laid off doubled to over 20 percent, while the proportion of those on temporary layoff was a little over 50 percent. The remaining quarter share is made up of a combination of those who have completed temporary jobs, entrants to the labor force, and those who have voluntarily left their job.

• Finally, the share of individuals in Colorado’s labor force who are working part-time, but would prefer full-time hours, continued to hover around 7 percent in June. These types of individuals are categorized as involuntary part-time, or underemployed, workers. Additionally, in this definition part-time is determined as anything less than 35 hours. The involuntary part-time ratio was around 5 to 6 percent during the Great Recession.
-RESULTS FROM ESTABLISHMENT SURVEY:

- The preliminary estimates show that on a seasonally adjusted basis Colorado added 55,000 nonfarm payroll jobs from May to June. This over the month change, in addition to the revised growth of 71,000 in May, means the state has regained 126,000 of the 342,300 payroll jobs lost between February and April.

- The job gains of 126,000 over the past two months represent a recovery of nearly 38 percent of those lost jobs earlier in the year, which ranks as the 23rd fastest rate of recovery in the nation over that period. A similar analysis of the change in U.S. nonfarm payroll jobs since April reveal the U.S. added back around 34 percent of lost jobs.

- The private sector represented 106 percent of the monthly increase in June, adding 58,400 payroll jobs. An estimated 3,400 government jobs were lost last month. State and local educational services are the primary drivers of those job losses in government. That is most likely due to the disruption to the end of the school year across the state.

- Many major private industry sectors experienced significant over the month job gains in June. Information and financial activities experienced varying degrees of job loss. I will highlight the top three gainers, since this was also covered in today’s press release.

- Leisure and hospitality had a second straight month with very strong gains – adding 40,600 jobs in June, which represents 70 percent of the private sector growth. Since May, leisure and hospitality has regained nearly 50 percent of the 161,200 jobs lost from February to April. As a reminder, the majority of leisure and hospitality employment is concentrated in hotels and restaurants.
• Job gains for trade, transportation, and utilities totaled 8,300 in June; however, the retail trade portion of that sector contributed to all of the over the month change. Retail trade has added back 61 percent of jobs lost earlier in the year.

• Professional and business services payroll jobs grew by 4,700 last month. A subset of that industry, professional and technical services, has actually gained back all of the jobs lost from February to April (2,300 jobs). That industry was a key driver to Colorado's economy and job growth during the economic expansion, so its performance will be instrumental to the state’s recovery as well. It is also an industry that provides more opportunities to telework, given the nature of some of the work.

• Finally, I will cover jobs added by metro area – we do not break out nonfarm payroll jobs estimates by county.

Seasonally adjusted:

<table>
<thead>
<tr>
<th>Metro area</th>
<th>Jun job gain</th>
<th>Total payroll jobs</th>
<th>Last time jobs near that level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver</td>
<td>+33,400</td>
<td>1,430,600</td>
<td>June 2016</td>
</tr>
<tr>
<td>Colorado Springs</td>
<td>+7,700</td>
<td>284,800</td>
<td>March 2017</td>
</tr>
<tr>
<td>Greeley</td>
<td>+2,300</td>
<td>106,000</td>
<td>November 2017</td>
</tr>
<tr>
<td>Fort Collins</td>
<td>+2,200</td>
<td>163,200</td>
<td>November 2016</td>
</tr>
<tr>
<td>Grand Junction</td>
<td>+2,200</td>
<td>63,300</td>
<td>January 2018</td>
</tr>
<tr>
<td>Pueblo</td>
<td>+1,600</td>
<td>60,700</td>
<td>August 2015</td>
</tr>
<tr>
<td>Boulder</td>
<td>+800</td>
<td>188,900</td>
<td>March 2017</td>
</tr>
</tbody>
</table>