Colorado Fiscal Institute

May 2024 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, our economy is at its strongest. This data is one tool that helps inform CFI's worker-centered approach to policy.

UNEMPLOYMENT

3.7% Unemployment has ticked up in Colorado since late 2023. It's currently below the national rate of 3.9%.

However, Colorado's unemployment rate has grown more than the national, with a 0.7% increase in the last year compared to a national 0.5% increase.

DENVER'S MINIMUM WAGE

National leader in living wage jobs

According to the Ludwig Institute for Shared Economic Prosperity (LISEP), the Denver metro area is the national leader for living wage jobs.
LISEP attributes Denver's economic advantage in part to Denver's citywide minimum wage. These minimum wage policies mean a high percentage of the workforce is able to find living wage jobs.

QUANTIFYING ECONOMIC HEALTH

The measures we use to gauge how the economy is doing often leave us with an incomplete picture. Alternative measurements should be taken with traditional statistics for a more comprehensive understanding of economic health.

TRUE RATE OF UNEMPLOYMENT

LISEP's True Rate of Unemployment (TRU) measures the percentage of the labor force that is seeking a full time, living wage job and cannot find one.

Colorado's TRU is 20.7%, much higher than the general unemployment rate of 3.7%. This is one example of how topline economic measurements can paint a misleading picture of economic health.

Even the TRU, which sets an annual living wage for a single adult at $25,000, likely overestimates how many workers are actually making a living. The Economic Policy Institute's calculations show a living wage in the Denver metro is $53,000, more than *double* that used in LISEP's calculations.

EDUCATION AND HEALTH

Despite being one of the fastest-growing sectors in Colorado, workers in these industries are experiencing the slowest wage growth.
As the need for this labor force grows, policies that support their prosperity, like the Careworker Tax Credit (Hb24-1312), will be even more crucial.