



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Memorandum

February 19, 2025

TO: Interested Persons

FROM: Emily Dohrman, Senior Economist, 303-866-3687

SUBJECT: Suspended Publication of Colorado Labor Market Data

Summary

In December 2024, the United States Bureau of Labor Statistics (BLS) [announced](#) that it is suspending the publication of monthly employment, unemployment, and wage statistics for Colorado due to data quality concerns, beginning with data for January 2025. Colorado is the only state whose data are affected. Select measures of employment and wages will continue to be reported on a quarterly basis, published five months after the end of each quarter.

This decision comes after the Colorado Department of Labor and Employment (CDLE) implemented software system changes in its unemployment insurance program, which disrupted the collection of employment and wage data beginning with data for the third quarter of 2023. The BLS has indicated that it will resume monthly publication of employment, unemployment, and wage data for Colorado when data quality concerns have been resolved. The prospective timeline of this resolution is unknown. In February 2025, the BLS has indicated that some of its data quality concerns have been addressed.

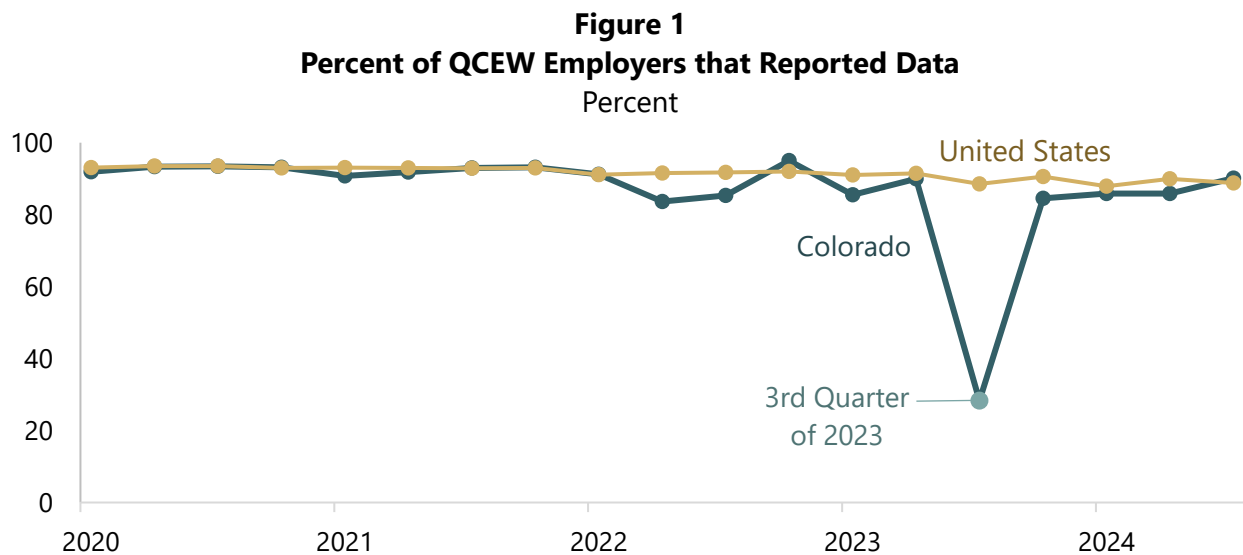
These data are used by many agencies, including Legislative Council Staff (LCS) and the Office of State Planning and Budgeting to prepare quarterly economic and revenue forecasts, and, in some cases, are referenced in statute to determine program benefits or funding amounts. Data quality concerns clouded LCS's understanding of the Colorado economy in 2024, and are expected to continue to do so for the March 2025 forecast. If data publication is suspended for a prolonged period, then the impact on all subsequent forecasts will quickly become increasingly more disruptive.



Data Quality Concerns

The collection of Colorado’s Quarterly Census of Employment and Wages (QCEW) data, an underlying data source for many of the labor market statistics published in the United States, was disrupted by a change to Colorado’s unemployment insurance (UI) system. The QCEW is a count of employment and wages that is released by the BLS and CDLE five months after the end of each quarter, and is typically considered the most reliable data source for employment and wages.

QCEW data are collected by states via each state’s UI system, and then submitted to the BLS for remediation and publication. When CDLE rolled out changes to the UI system in the third quarter of 2023, only 28 percent of employers initially reported data through the new system, compared to the national average of 88 percent, as shown in Figure 1. The response rate has recovered significantly since, and was in line with the national average in the most recent quarter. CDLE has indicated that UI claims were unaffected by the system changes.



Source: U.S. Bureau of Labor Statistics.

In November 2024, the BLS [announced](#) that it would stop publishing QCEW data by industry and for sub-state areas beginning with data for the second quarter of 2024. However, the BLS has since [reversed](#) its decision, stating that “quality concerns with Colorado data have been sufficiently addressed” to resume publishing QCEW data. Detailed QCEW data for the second and third quarters of 2024 are scheduled to be released on March 5, 2025. Only the QCEW data publication will be resumed; monthly labor market data are expected not to be published. However, this reversal is a positive signal that the BLS’s concerns are being addressed.



Affected Labor Market Statistics

As noted above, QCEW data is an underlying data source for many state labor market statistics. This section outlines which statistics are not currently going to be published due to data quality, which statistics may be less reliable but are expected to continue to be published, and which statistics are unaffected. Only statistics for Colorado and all sub-state areas within Colorado (such as counties and municipalities) are affected. Statistics for the U.S. economy will be published as usual.

Statistics That Will Not Be Published

The following statistics are not currently going to be published by the BLS for Colorado beginning with data for January 2025, originally scheduled to be published in March 2025:

- unemployment (the unemployment rate and number of unemployed people);
- monthly employment (number of jobs, number of employed people, and employment to population ratio);
- labor force (labor force participation rate and number of people in the labor force);
- monthly average hourly wages; and
- average hours worked for all employees.

Each of the statistics listed above uses survey data from either the Current Population Survey or the Current Employment Statistics survey as their primary data source for their monthly publication. This is why monthly data were published throughout 2024 despite the disruption in QCEW data that began in the third quarter of 2023. However, at the beginning of each year, the BLS revises the prior year's monthly survey data through their annual benchmarking process. The benchmarking process involves reconciling the survey data (which are typically less accurate, but more timely) with the QCEW data (which are typically more accurate, but only available with a five-month lag). In this case, the BLS has determined that the QCEW data are not reliable enough to benchmark the 2024 data, and therefore is not publishing the data for 2025 until the data quality concerns have been addressed. The timeline for a resolution to these concerns is unknown. It is also unknown whether there will be a gap in the data once publication resumes.

The BLS will also not publish the annual Occupational Employment and Wage Statistics for Colorado for 2024, which provides granular detail on employment and wages for hundreds of occupations.



Statistics that Will Be Published, But May Be Less Reliable

The QCEW data are used as input for other statistics in addition to those whose publication is suspended. At this time, the statistics listed below are expected to continue to be published, but may be less accurate than normal:

- QCEW employment and wages;
- personal income;
- wage and salary income;
- state GDP; and
- personal consumption expenditures.

As noted in the prior section, the BLS will resume publication of employment and wages from the QCEW data for Colorado by industry and sub-state area. This means that there will still be a measure of the number of jobs and average wages in Colorado, but it will be published on a quarterly basis with a five-month lag and may be less reliable than normal. Additionally, QCEW does not measure unemployment or the size of the labor force.

All other statistics on this list are published by the Bureau of Economic Analysis (BEA). These statistics are included here because the BEA's [handbook of methods](#) indicates that QCEW data are used as an input for each of these series. However, the BEA has not made any comment on the extent to which the quality of these series will be affected, if at all.

Statistics That Are Not Affected

Some labor market statistics do not use QCEW data as an input, and therefore will not be affected by these data quality concerns. These labor market statistics include:

- unemployment insurance claims;
- job openings;
- new hires;
- layoffs; and
- job separations.

Additionally, most statistics that measure other parts of the Colorado economy, outside of the labor market, will also not be impacted. For example, measures of inflation, retail trade,



international trade, oil and gas production, construction activity, and population will continue to be published as normal.

Impact of Suspended Data Publication

The affected data identified in this memo are used by a wide variety of stakeholders including LCS, the Office of State Planning and Budgeting, the Division of Local Affairs, the Department of Human Services, other state agencies, higher education institutions, local governments, researchers, and business economists in the private sector. This section outlines the impact of the suspended publication on the LCS quarterly economic and revenue forecast and identifies places where the Colorado Revised Statutes reference the impacted data directly.

Economic and Revenue Forecasts

The data identified above are used extensively by LCS when preparing the quarterly economic and revenue forecasts. These data are used to prepare the economic outlook and are a primary input for some revenue forecasts, including collections from individual income tax withholding, sales tax, and unemployment insurance premiums.

The impact on the March 2025 forecast is expected to be moderate. Labor market data for January 2025 and data revisions for 2024 will be published for all other states on March 17, 2025, the first data release for which Colorado's data will be suspended. Therefore, LCS would not have been able to use this data to prepare the March forecast, even if it were scheduled to be published as normal. The impact to the March forecast is mostly due to heightened uncertainty around the quality of data from 2024.

Currently available establishment (employer) survey data for 2024 indicate a significantly higher level of employment than currently available QCEW data for the same time period. At this point, it is unclear whether the survey data are erroneously high, the QCEW data are erroneously low, or some combination of both.

After the March forecast, the economic outlook for the Colorado economy, as well as for some key revenue forecasts, will quickly become increasingly unclear. For example, for a typical June forecast, staff would usually have state labor market data through April of the current year, and labor market data for the prior year would have been revised and benchmarked to the QCEW, making it more reliable. For the June 2025 forecast, however, staff expect to only have labor market data through December 2024, and the available data may be less accurate than in a typical year. Disruptions for subsequent forecasts beyond June 2025 will become progressively worse for as long as the suspension remains in place.



Statutory References to Affected Labor Market Data

Staff have identified at least four cases where Colorado Revised Statutes refer directly to statistics that will not be published. This list may not be exhaustive. In each of these cases, a brief interruption in the publication of data is not likely to cause substantial problems. However, if data publication is suspended for a prolonged period, then departments may have difficulty implementing these statutes as written.

- The availability and amount of the Family Affordability Tax Credit, created in HB 24-1311, is contingent on an adjustment factor beginning in tax year 2025. The adjustment factor is calculated as the forecasted compound annual growth of state revenue subject to TABOR in any fiscal year, except that it must be increased by one tenth of one percentage point for every one percentage point increase in the Colorado unemployment rate above 5 percent.¹
- The unemployment insurance program offers extended benefits during periods of high unemployment. The unemployment rate is used to determine whether the state is in a period of high unemployment, and therefore eligible to offer extended benefits.²
- The Enterprise Zone program uses state and local unemployment rates as one criteria for determining whether an area qualifies as an enterprise zone or as an enhanced enterprise zone.³
- The Investments in Reskilling, Upskilling, and Next-skilling Workers Program, created in HB 21-1264, provides training to unemployed and underemployed Coloradans when the state unemployment rate is above 4 percent. However, this program only received one-time funding in FY 2021-22.⁴

Additionally, there are multiple statutory references to data series that are expected to still be published, but may be less reliable than normal. These references are not listed in this section because the data will continue to be published, but include, for example Family and Medical Leave Insurance Program (FAMLI) payments being determined by the average wage in Colorado.

¹ Section 39-22-130 (2)(b)(IV), C.R.S.

² Section 8-75-108, C.R.S.

³ Sections 39-30-103 and 39-30-103.2, C.R.S.

⁴ Sections 24-46.3-602 and 24-46.3-603, C.R.S.