Labor Market Report – Employment Growth driven by the Non-Salaried Segment and Analysis of Remote Work in Colombia

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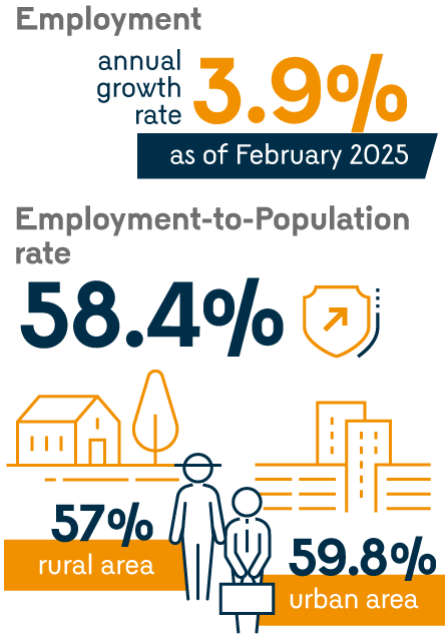
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Data from the official household survey in Colombia (GEIH in Spanish) show that, as of February 2025, employment continued to grow at an annual rate of 3.9%. This is primarily attributed to better employment dynamics within rural sectors, which expanded at a 4.9% rate. Regarding the dynamics and effects of remote work, results show that in the post-pandemic period job vacancies for remote positions increased 4.4%. Although there is no evidence that teleworking affects wage increases, it appears to improve the efficiency of job matching in the labor market.

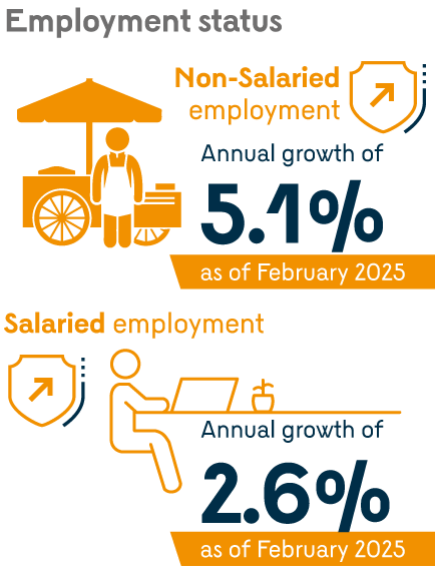
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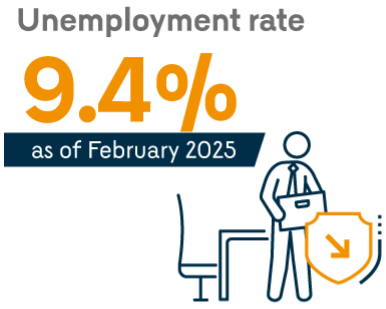
- As of February 2025, employment continued to grow at an annual rate of 3.9%, primarily driven by rural employment, which grew at a 4.9% rate.This has resulted in a 1.4 percentage point (pp) increase in the employment-to-population rate (EPR) and a 1.8 pp rise for rural areas. As a result, EPRs stand at 58.4% and 57%, respectively. In urban areas, the EPR increased at a slower rate (0.9 pp) and stands at 59.8%.

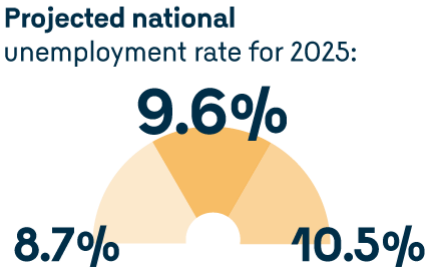


- Recent employment growth has been primarily driven by the stronger performance of the non-salaried segment.
- Between February 2024 and 2025, non-salaried employment grew by 5.1%, while salaried employment increased by 2.6%.
- The sectors contributing most to annual employment growth are commerce and accommodation, while professional activities, recreation, and other services showed the greatest negative contribution.
- In line with lower performance in formal employment, job vacancy rates continue to decline, approaching pre-pandemic levels.



- As of February 2025, the national unemployment rate (UR) decreased by 1.1 pp, reaching 9.4%.
- In the Colombian main twenty-three cities, the UR also fell and stood at 9.2%, while in other municipalities and rural areas it stood at 9.7%.
- Despite a slowdown in job vacancy indicators, the relationship between the unemployment rate and the vacancy rate, also known as the Beveridge curve, exhibits a still tight labor market, particularly due to the recent decline in the unemployment rate.
- Median real incomes grew significantly between 2024 and 2025, especially among the salaried segment and people without higher education.
- Considering the gross domestic product (GDP) projections published in the Monetary Policy Report (MPR, April 2025), the latest unemployment rate forecast suggests relative stability throughout 2025.
- The urban average unemployment rate is expected to range between 8.3% and 10.1%, with 9.2% as the most likely value for 2025. For the national aggregate, the projected range is between 8.7% and 10.5%, with 9.6% as the most likely figure.





- Regarding the dynamics and effects of remote work on wage variations and labor market efficiency, results exhibit that job vacancies for teleworking increased by 4.4% in the post-pandemic period.
- There is no causal evidence that remote work vacancies offer higher wages, once the estimation biases are corrected.
- On the other hand, the evidence presented in this Report suggests that the increase in remote work may have improved the efficiency of job matching between vacancies and unemployed workers.

Fuente: https://www.banrep.gov.co/en/publications-research/labor-market-report/april-2025