

Colorado

556,586 Small Businesses

121,676 Small Businesses with Employees

434,910 Small Businesses without Employees (Nonemployers)

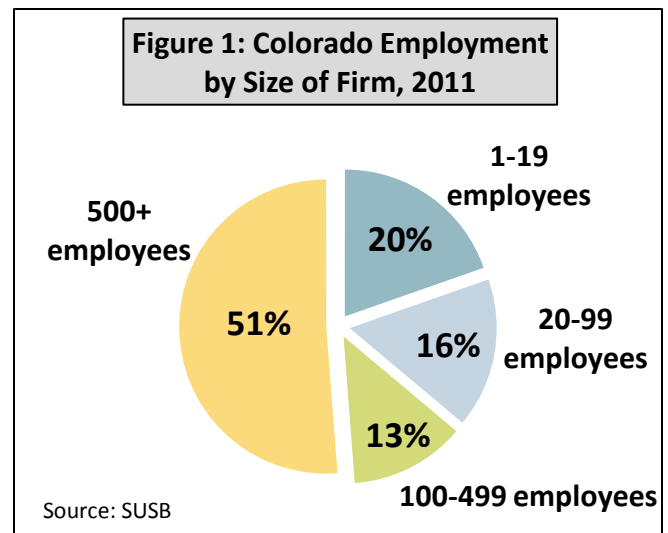
962,232 Workers Employed by Small Businesses

State Economy Overall

- Colorado's economy grew at a slower rate than the United States in 2012. Colorado's real gross state product increased by **2.1 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in Colorado has improved. The unemployment rate in Colorado declined from **7.6 percent** in December 2012 to **6.2 percent** in December 2013. This is below the national average of **6.7 percent**. (Source: BLS)

Employment

- Colorado's small businesses employed about half or **962,232** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **97.6 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: accommodation & food services, health care & social assistance, and professional, scientific, & technical services (**Table 4**).
- In Colorado, small businesses created **19,780** net new jobs in 2011. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed decreased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **3.1 percent**, which was above the national average growth rate of **2.1 percent**. (Source: BEA, BLS)



The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **7.7 percent** in the 3rd quarter of 2013 and totaled **\$25 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **117,165** loans under \$100,000 (and valued at **\$1.4 billion**) were issued by Community Reinvestment Act lending institutions in Colorado. (Source: FFIEC)

Business Owner Demographics

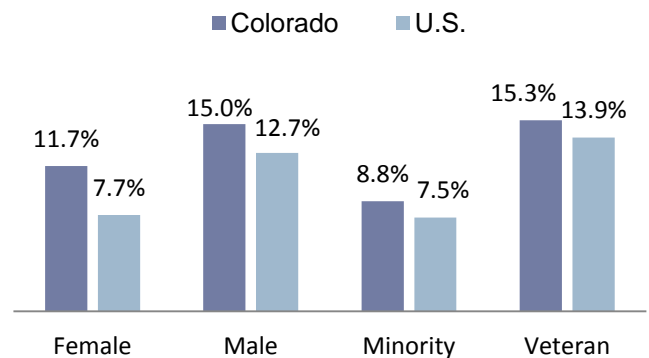
- In 2011, there were an estimated **163,000** woman-owned businesses and **61,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All Colorado Businesses, 2011

	Number of All Businesses ^e	Share of All Businesses (%) [*]
Male Owned	270,000	48.3
Woman Owned	163,000	29.2
Equally Male and Female Owned	104,000	18.6
Minority Owned	61,000	10.9
Veteran Owned	50,000	8.9

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/co10.pdf.

Figure 2: Colorado Self-Employment Demographics, 2012



Source: CPS

Note: Share of self-employed workers within a demographic group.

Business Turnover

- **Table 2** gives Colorado's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **9,095** establishments opened and **8,712** closed in the state of Colorado. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in Colorado

	Establishments Opened*	Share Surviving Until 2012 (%)
2002	14,522	31.3
2007	16,056	44.2
2010	11,438	65.8

Source: BLS, BED. *Data year ending in March.

International Trade

- A total of **5,580** companies exported goods from the state in 2012. Of these, **4,900** or **87.8 percent** were small firms; they generated about a third (**31.8 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of Colorado Small Firms by Industry, 2011
(ranked by number of small employer firms)

Industry	Employer Firms With 1-499 Employees	Employer Firms With 1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, scientific, & tech. svcs.	21,781	20,587	76,882	98,663
Construction	15,581	14,582	49,493	65,074
Health care & social assistance	12,087	10,818	32,225	44,312
Other services (except public admin.)	11,643	10,807	54,179	65,822
Retail trade	11,584	10,613	35,094	46,678
Accommodation & food services	9,114	7,025	5,166	14,280
Real estate & rental & leasing	7,395	7,098	55,270	62,665
Admin., supp., waste mgt., remed. svcs.	7,045	6,339	31,135	38,180
Finance & insurance	5,577	5,174	16,185	21,762
Wholesale trade	5,362	4,471	6,932	12,294
Manufacturing	4,363	3,578	6,957	11,320
Transportation & warehousing	2,605	2,289	13,641	16,246
Arts, entertainment, & recreation	2,243	1,990	24,249	26,492
Educational services	2,030	1,713	11,980	14,010
Information	1,641	1,397	7,175	8,816
Mining	1,091	948	4,070	5,161
Management of comp. & enterprises	375	99	0	375
Forestry, etc. & agriculture support	299	289	3,966	4,265
Unclassified	270	269	0	270
Utilities	197	155	311	508
Total	121,676	110,157	434,910	556,586

Table 4: Employment in Colorado by Industry and Firm Size, 2011
(ranked by small firm employment)

Industry	Employment		Small Firm Share of Industry Employment (%)
	Small Firms	Total Firms	
Accommodation & food services	141,604	228,341	62
Health care & social assistance	135,805	257,481	53
Professional, scientific, & tech. svcs.	97,898	170,484	57
Construction	91,350	115,615	79
Retail trade	85,065	242,477	35
Other services (except public admin.)	78,618	96,646	81
Admin., supp., waste mgt., remed. svcs.	63,431	206,447	31
Manufacturing	57,720	117,810	49
Wholesale trade	45,563	90,442	50
Finance & insurance	32,740	92,251	35
Real estate & rental & leasing	25,097	40,022	63
Educational services	24,795	44,308	56
Arts, entertainment, & recreation	24,597	50,935	48
Transportation & warehousing	18,630	59,932	31
Information	17,152	78,188	22
Mining	10,642	25,006	43
Management of comp. & enterprises	7,142	44,857	16
Utilities	2,766	8,969	31
Forestry, etc. & agriculture support	1,315	1,758	75
Unclassified	D	D	D
Total	962,232	1,972,271	49

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

(D) Data suppressed to protect the confidentiality of individual firms.

Abbreviations and Resources

BEA	Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov .
BED	Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm .
BDS	Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds .
BLS	Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov .
CPS	Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps .
FDIC	Federal Deposit Insurance Corporation, www.fdic.gov .
FFIEC	Federal Financial Institutions Examination Council, www.ffiec.gov .
ITA	International Trade Administration, U.S. Department of Commerce, www.trade.gov .
SBO	Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo .
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb .
U.S. Courts	Administrative Office of the U.S. Courts, www.uscourts.gov .