

# 2019 Small Business Profile

## Colorado



**630,113** Small Businesses  
**99.5%** of Colorado Businesses

**1.1 million** Small Business Employees  
**48.2%** of Colorado Employees

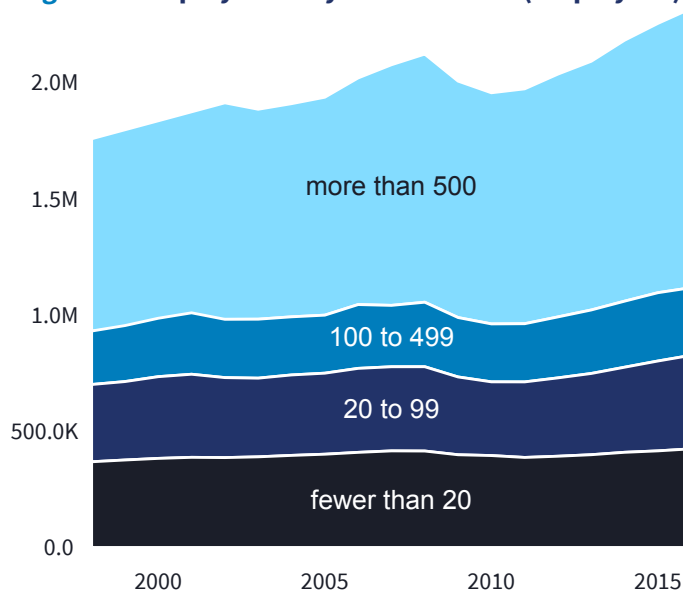


### Overall Colorado Economy

- In the third quarter of 2018, Colorado grew at an annual rate of **3.8%**, which was faster than the overall US growth rate of **3.4%**. Colorado's 2017 growth rate of **2.7%** was up from the 2016 rate of **2.3%**. (Source: [BEA](#))
- In February 2019, the unemployment rate was **3.7%**, up from **2.9%** in February 2018. This was below the February 2019 national unemployment rate of **3.8%**. (Source: [CPS](#))

### Employment

**Figure 1: Employment by Business Size (Employees)**



- Colorado small businesses employed **1.1 million** people, or **48.2%** of the private workforce, in 2016. (Source: [SUSB](#))
- Firms with fewer than 100 employees have the largest share of small business employment. Figure 1 provides further details on firms with employees. (Source: [SUSB](#))
- Private-sector employment increased **1.9%** during the 12-month period ending in February 2019. This was below the increase of **3.3%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2017 by **2.2%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **46,224** net jobs in 2016. Firms employing fewer than 20 employees experienced the largest gains, adding **30,921** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **6,651** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy (<http://advocacy.sba.gov>). Each report incorporates the most up-to-date government data to present a unique snapshot of small businesses. Small businesses are defined for this profile as firms employing fewer than 500 employees. Net small business job change, employees of minority-owned businesses, and exporter share statistics are based on the 2016 Statistics of US Businesses (SUSB), 2016 Annual Survey of Entrepreneurs (ASE), and 2016 International Trade Administration (ITA) data, respectively.

## Income and Finance

- The number of banks decreased by 3 between June 2016 and June 2017 to 88 banks. (Source: FDIC)
- In 2017, 135,881 loans under \$100,000 (valued at \$2.0 billion) were issued by Colorado lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income for individuals self-employed at their own incorporated businesses was \$53,872 in 2017. For individuals self-employed at their own unincorporated firms, this figure was \$26,923. (Source: ACS)

Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

## Employer Business Owner Demographics

**Figure 2: Colorado Employees per Business by Owner's Demographic, 2016**

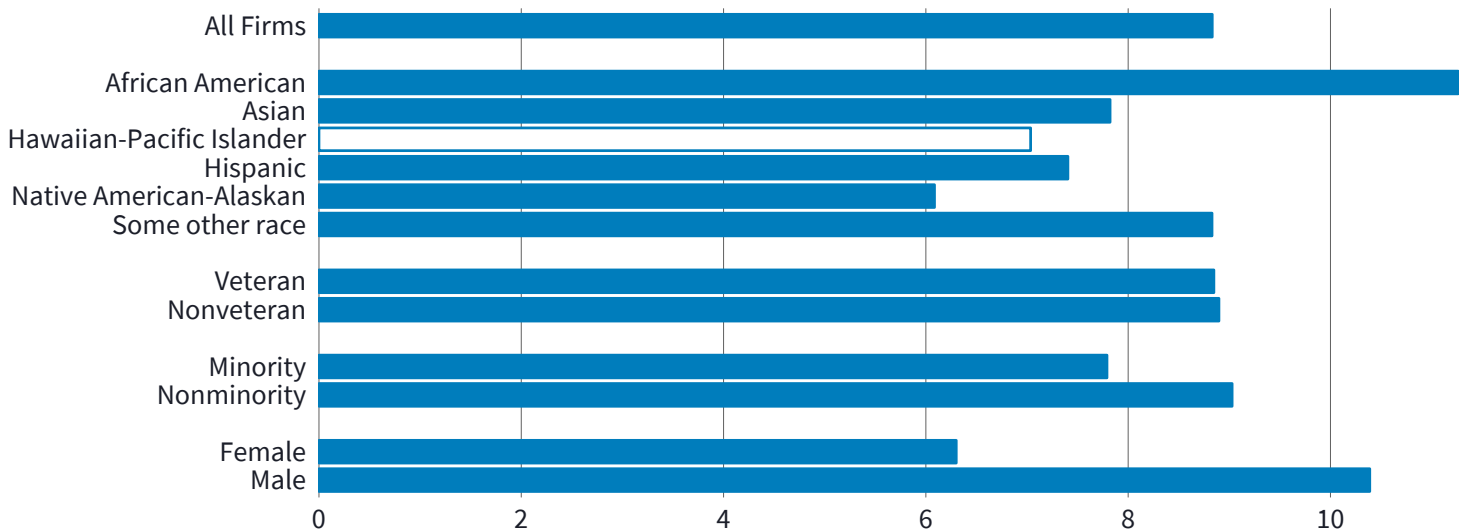
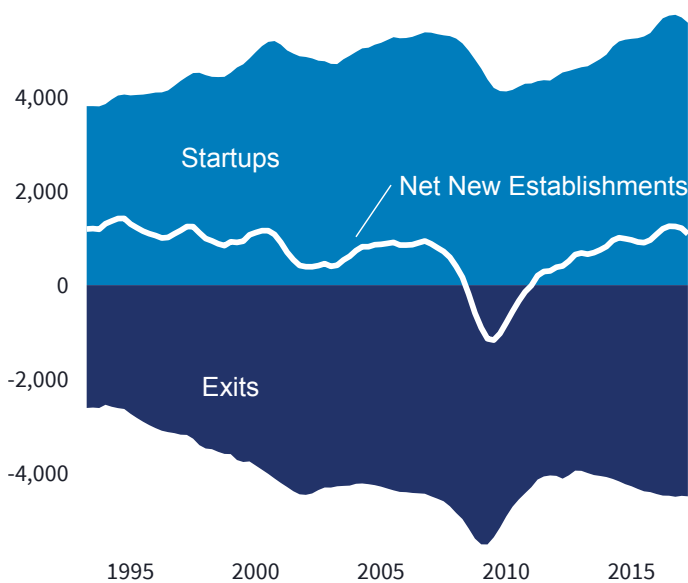


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the 2016 Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding individual businesses.

## Turnover among Establishments with Employees

**Figure 3: Colorado Quarterly Startups and Exits**



- In the third quarter of 2017, 5,464 establishments started up, generating 15,889 new jobs in Colorado. Startups are counted when business establishments hire at least one employee for the first time. (Source: BDM)
- In the same period, 4,771 establishments exited resulting in 15,770 jobs lost. Exits occur when establishments go from having at least one employee to having none, and then remain closed for at least one year. (Source: BDM)
- Figure 3 displays quarterly startups and exits from 1993 to 2017. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

The BLS data covers only business establishments with employees. BLS refers to startups as births and exits as deaths. These terms are distinct from the BLS openings and closings categories. Openings include seasonal re-openings and closings include seasonal shutterings. Quarterly startup and exit values may not align with Figure 3 due to smoothing.

## International Trade

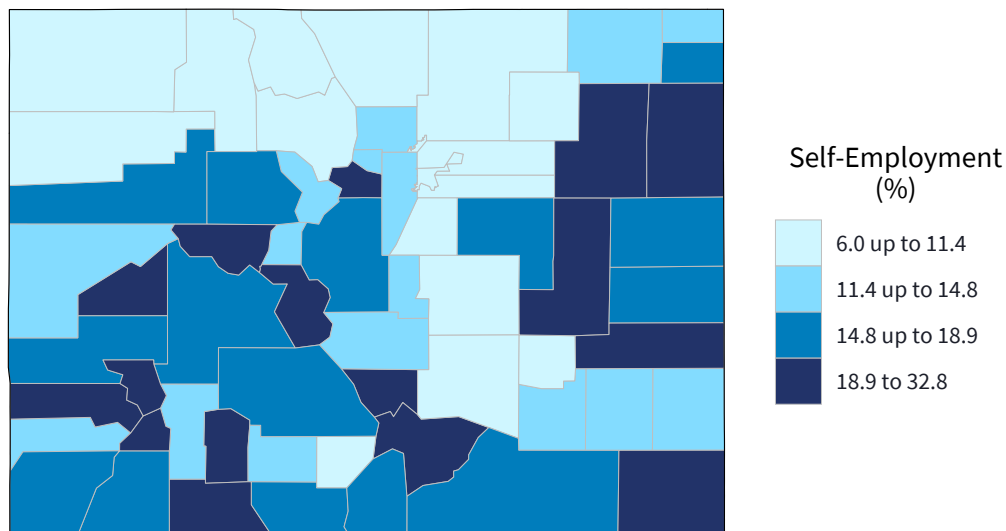
- A total of 5,582 companies exported goods from Colorado in 2016. Of these, 4,857, or 87.0%, were small firms; they generated 28.1% of Colorado's \$7.1 billion in total exports. (Source: ITA)

## Small Business Employment by Industry and Self-Employment by County

**Table 1: Colorado Employment by Industry, 2016**

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Accommodation and Food Services	174,231	282,483	61.7
Health Care and Social Assistance	152,257	307,955	49.4
Construction	121,557	152,325	79.8
Professional, Scientific, and Technical Services	111,721	194,466	57.5
Retail Trade	99,429	281,435	35.3
Other Services (except Public Administration)	86,883	107,296	81.0
Administrative, Support, and Waste Management	71,827	256,339	28.0
Manufacturing	62,208	121,428	51.2
Wholesale Trade	49,890	102,986	48.4
Real Estate and Rental and Leasing	31,238	45,440	68.7
Finance and Insurance	31,228	106,462	29.3
Educational Services	30,893	51,155	60.4
Arts, Entertainment, and Recreation	28,200	58,086	48.5
Transportation and Warehousing	21,972	67,489	32.6
Information	20,075	86,918	23.1
Mining, Quarrying, and Oil and Gas Extraction	10,669	22,684	47.0
Management of Companies and Enterprises	7,604	60,073	12.7
Utilities	3,106	10,868	28.6
Agriculture, Forestry, and Fishing and Hunting	1,843	1,931	95.4
Industries not classified	371	371	100.0
<b>Total</b>	<b>1,117,202</b>	<b>2,318,190</b>	<b>48.2</b>

**Figure 4: Colorado Self-Employment Rates by County, 2017**



**Table 2: Colorado Small Businesses by Industry and Firm Size, 2016**

Industry	1-499 Employees	1-19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	23,605	22,144	85,971	109,576
Construction	17,421	16,029	55,552	72,973
Real Estate and Rental and Leasing	9,468	9,087	63,338	72,806
Other Services (except Public Administration)	12,967	12,030	58,937	71,904
Retail Trade	11,944	10,783	38,142	50,086
Health Care and Social Assistance	12,872	11,303	33,087	45,959
Administrative, Support, and Waste Management	7,536	6,683	33,768	41,304
Transportation and Warehousing	2,979	2,638	30,410	33,389
Arts, Entertainment, and Recreation	2,655	2,356	29,745	32,400
Finance and Insurance	5,906	5,512	15,597	21,503
Educational Services	2,404	2,000	15,743	18,147
Accommodation and Food Services	9,981	7,261	6,366	16,347
Wholesale Trade	5,329	4,423	7,252	12,581
Manufacturing	4,564	3,699	7,703	12,267
Information	1,818	1,544	7,566	9,384
Agriculture, Forestry, and Fishing and Hunting	317	302	4,158	4,475
Mining, Quarrying, and Oil and Gas Extraction	998	845	3,401	4,399
Utilities	186	141	373	559
<b>Total</b>	<b>133,004</b>	<b>119,093</b>	<b>497,109</b>	<b>630,113</b>

Tables 1 and 2 display data from the 2016 SUSB. Table 2 includes additional data from the 2016 Nonemployer Statistics (NES). Figure 4 provides estimates of the rate of self-employment among employed civilians, 16 years and over, including both incorporated and unincorporated businesses, from the 2017 American Community Survey (ACS).

**References**

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xmb5R>.

- ACS American Community Survey, US Census Bureau
- ASE Annual Survey of Entrepreneurs, US Census Bureau
- BEA Bureau of Economic Analysis, US Department of Commerce
- BDM Business Employment Dynamics, BLS
- BLS Bureau of Labor Statistics, US Department of Labor
- CPS Current Population Survey, BLS
- FDIC Call Reports, Federal Deposit Insurance Corporation
- FFIEC Federal Financial Institutions Examination Council
- ITA International Trade Administration, US Department of Commerce
- NES Nonemployer Statistics, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau