

# 2018 SMALL BUSINESS PROFILE

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### COLORADO



**611,495** Small Businesses  
**99.5%** of Colorado Businesses

**1.1 million** Small Business Employees  
**48.6%** of Colorado Employees

**EMPLOYMENT**  
**52,209**  
net new jobs

**DIVERSITY**  
**85,809**  
minority-owned  
businesses

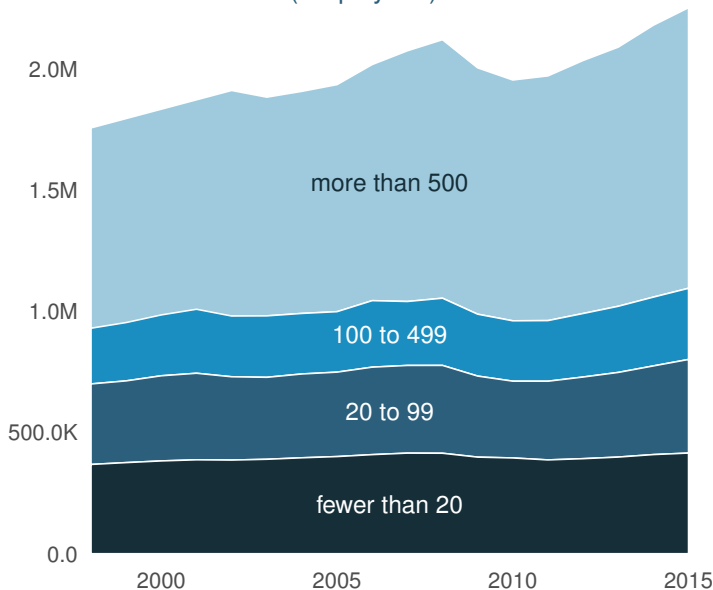
**TRADE**  
**5,027**  
small business  
exporters

#### OVERALL COLORADO ECONOMY

- In the third quarter of 2017, Colorado grew at an annual rate of **3.7%**, which was faster than the overall US growth rate of **3.4%**. Colorado's 2016 growth rate of **1.1%** was down from the 2015 rate of **3.4%**. (Source: [BEA](#))
- In January 2018, the unemployment rate was **3.0%**, up from **2.8%** in January 2017. This was below the January 2018 national unemployment rate of **4.1%**. (Source: [CPS](#))

#### EMPLOYMENT

Figure 1: Colorado Employment by Business Size (Employees)



- Colorado small businesses employed **1.1 million** people, or **48.6%** of the private workforce, in 2015. (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 **3.0%** during the 12-month period ending in January 2018. This was below the increase of **3.6%** during the prior 12-month period. (Source: [CPS](#))
- The number of proprietors increased in 2016 by **2.3%** relative to the previous year. (Source: [BEA](#))
- Small businesses created **52,209** net jobs in 2015. Firms employing fewer than 20 employees experienced the largest gains, adding **30,730** net jobs. The smallest gains were in firms employing 100 to 499 employees, which added **10,349** net jobs. (Source: [SUSB](#))

The Small Business Profiles are produced by the US Small Business Administration's Office of Advocacy. 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, minority small business ownership, and exporter share statistics are based on the 2015 Statistics of US Businesses (SUSB), 2012 Survey of Business Owners (SBO), and 2015 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 2016, 131,038 loans under \$100,000 (valued at \$1.9 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 \$49,977 in 2016. For individuals self-employed at their own unincorporated firms, this figure was \$24,631. (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, 2015

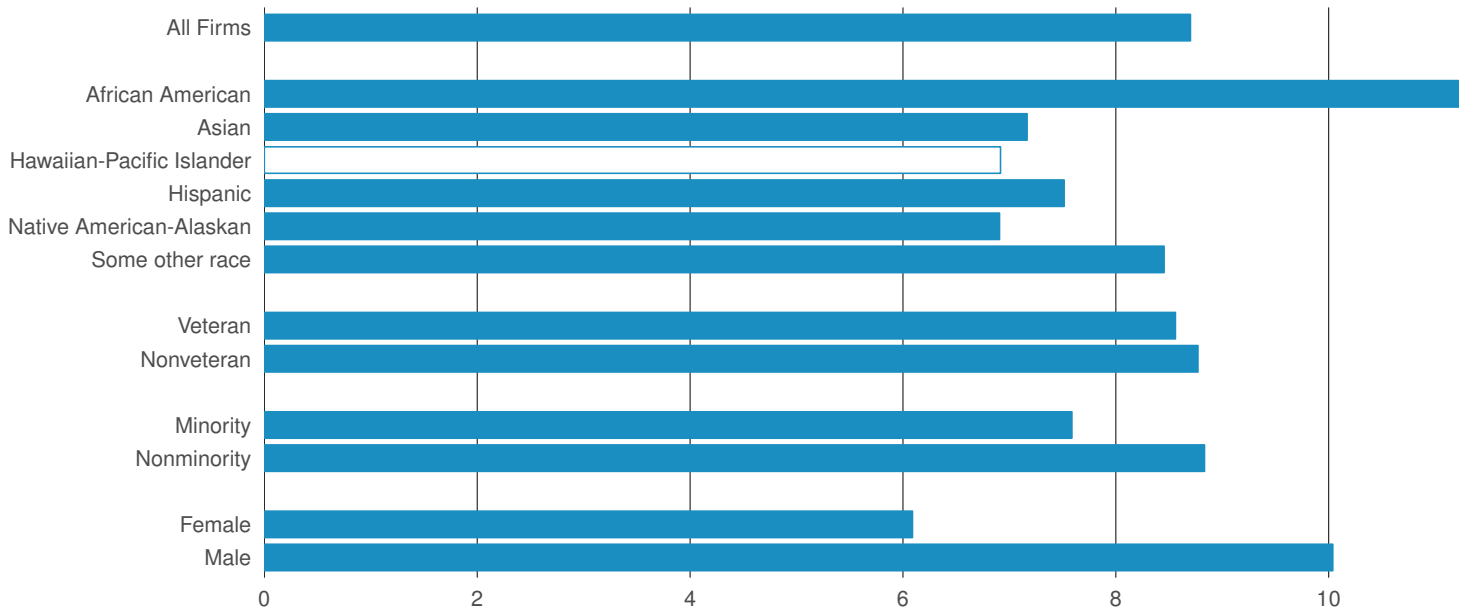
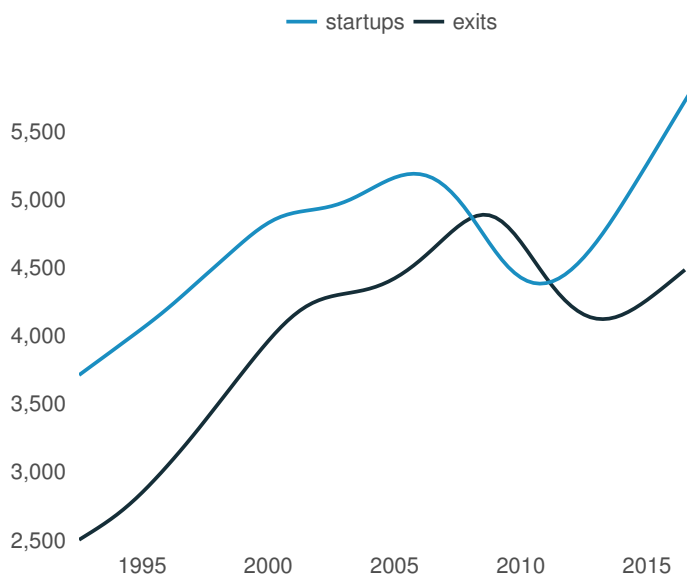


Figure 2 shows the average number of employees per employer business by owner's demographic group according to the Annual Survey of Entrepreneurs (ASE). Unshaded bars display US values; data were withheld because they do not meet Census Bureau publication standards or could disclose information regarding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

## TURNOVER AMONG ESTABLISHMENTS WITH EMPLOYEES

Figure 3: Colorado Quarterly Startups and Exits



- In the third quarter of 2016, 5,898 establishments started up, generating 17,847 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, 4,393 establishments exited resulting in 13,050 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 1992 to 2016. 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 5,747 companies exported goods from Colorado in 2015. Of these, 5,027, or 87.5%, were small firms; they generated 30.6% of Colorado's \$7.4 billion in total exports. (Source: ITA)

## SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Colorado Employment by Industry, 2015





 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Accommodation and Food Services	168,691	270,647	62.3
Health Care and Social Assistance	148,351	292,970	50.6
Construction	116,776	145,088	80.5
Professional, Scientific, and Technical Services	108,416	191,456	56.6
Retail Trade	97,265	272,567	35.7
Other Services (except Public Administration)	85,323	104,477	81.7
Administrative, Support, and Waste Management	71,523	251,026	28.5
Manufacturing	62,955	121,335	51.9
Wholesale Trade	50,052	100,067	50.0
Finance and Insurance	30,582	105,193	29.1
Educational Services	30,286	50,283	60.2
Real Estate and Rental and Leasing	29,832	43,329	68.8
Arts, Entertainment, and Recreation	27,765	55,061	50.4
Transportation and Warehousing	23,048	69,739	33.0
Information	18,971	81,017	23.4
Mining, Quarrying, and Oil and Gas Extraction	13,272	30,018	44.2
Management of Companies and Enterprises	7,629	57,014	13.4
Utilities	3,044	10,592	28.7
Agriculture, Forestry, and Fishing and Hunting	1,437	1,548	92.8
Industries not classified	368	368	100.0
<b>Total</b>	<b>1,095,586</b>	<b>2,253,795</b>	<b>48.6</b>

Figure 4: Colorado Small Business Employment by County, 2015

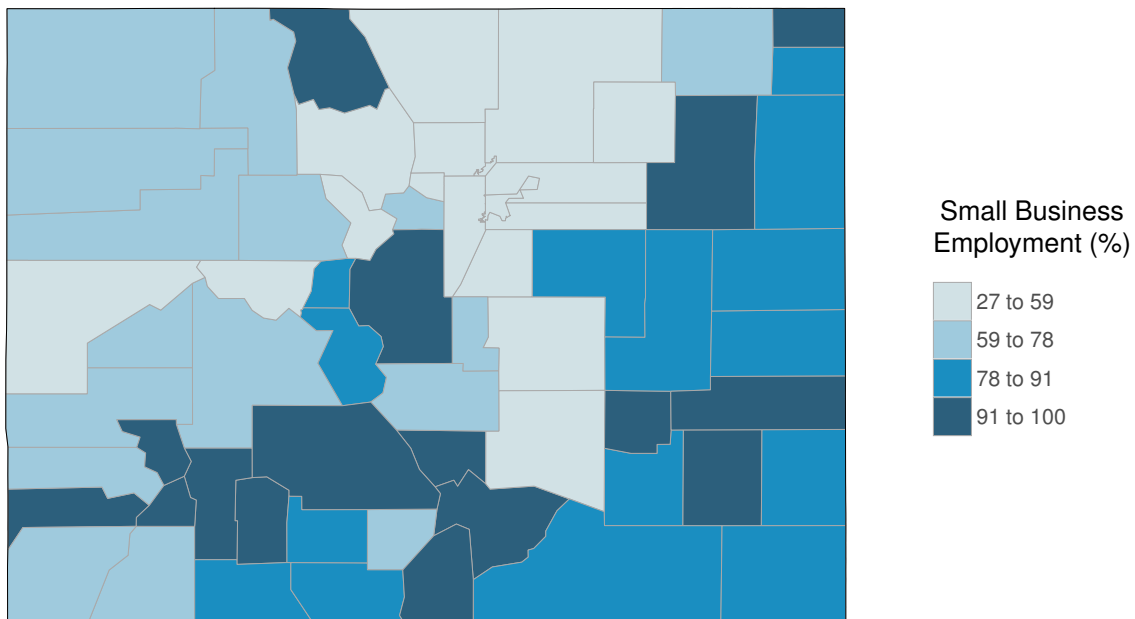


Table 2: Colorado Small Businesses by Industry and Firm Size, 2015






 Industry	 1-499 Employees	 1-20 Employees	 Nonemployer Firms	 Total Small Firms
Professional, Scientific, and Technical Services	23,376	21,964	83,914	107,290
Construction	16,787	15,495	53,643	70,430
Other Services (except Public Administration)	12,683	11,758	58,208	70,891
Health Care and Social Assistance	12,627	11,130	33,084	45,711
Retail Trade	11,897	10,791	37,696	49,593
Accommodation and Food Services	9,776	7,177	5,870	15,646
Real Estate and Rental and Leasing	8,971	8,613	61,846	70,817
Administrative, Support, and Waste Management	7,446	6,597	32,994	40,440
Finance and Insurance	5,789	5,389	15,632	21,421
Wholesale Trade	5,377	4,470	7,317	12,694
Manufacturing	4,577	3,722	7,747	12,324
Transportation and Warehousing	3,032	2,673	23,159	26,191
Arts, Entertainment, and Recreation	2,566	2,283	28,393	30,959
Educational Services	2,309	1,924	15,725	18,034
Information	1,736	1,469	7,408	9,144
Mining, Quarrying, and Oil and Gas Extraction	1,101	926	3,756	4,857
Agriculture, Forestry, and Fishing and Hunting	326	314	4,090	4,416
Utilities	190	148	365	555
<b>Total</b>	<b>130,648</b>	<b>117,198</b>	<b>480,847</b>	<b>611,495</b>

Figure 4 and Tables 1 and 2 display data from the 2015 SUSB. Table 2 includes additional data from the 2015 Nonemployer Statistics (NES).

REFERENCES

The Small Business Profiles, source data, and methodology are available at <https://go.usa.gov/xQT4w>.

- 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
- SBO Survey of Business Owners, US Census Bureau
- SUSB Statistics of US Businesses, US Census Bureau