

SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

COLORADO



596,210
99.5%

Small Businesses
of Colorado Businesses

1.1 million
48.6%

Small Business Employees
of Colorado Employees



EMPLOYMENT
51,068
net new jobs



DIVERSITY
85,809
minority-owned
businesses



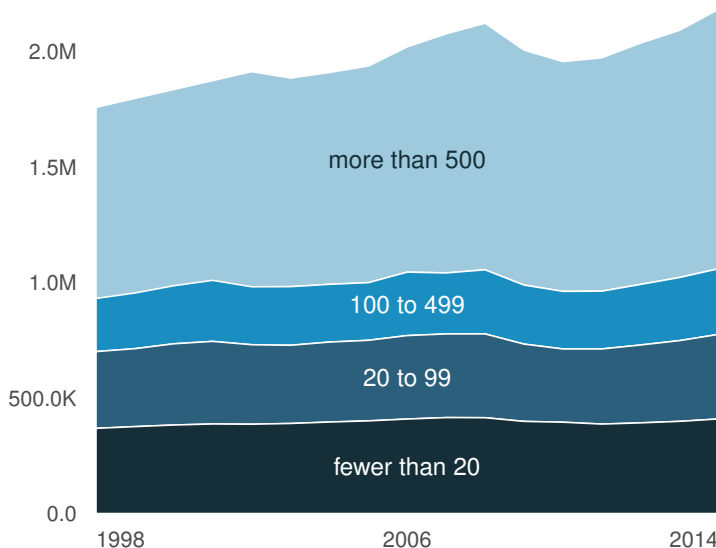
TRADE
87.3%
of Colorado exporters

OVERALL COLORADO ECONOMY

- In the second quarter of 2016, Colorado grew at an annual rate of 1.1%, which was slower than the overall US growth rate of 1.2%. Colorado's 2015 growth rate of 3.2% was down from the 2014 rate of 4.6%. (Source: BEA)
- In November 2016, the unemployment rate was 3.2%, down from 3.5% at the close of 2015. This was below the November 2016 national unemployment rate of 4.6%. (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 2014. (Source: SUSB)
- Firms with fewer than 100 employees have the largest share of small business employment. See Figure 1 for further details on firms with employees. (Source: SUSB)
- During the year ending November 2016, private-sector employment increased 3.6%. This was above the previous year's increase of 1.2%. (Source: CPS)
- The number of proprietors increased in 2015 by 2.7% relative to the previous year. (Source: BEA)
- Small businesses created 51,068 net jobs in 2014. Among the seven BDS size-classes, firms employing 100 to 249 employees experienced the largest gains, adding 10,912 net jobs. The smallest gains were in firms employing 5 to 9 employees, which added 5,321 net jobs. (Source: BDS)

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 as firms employing fewer than 500 employees. Net small business job change, minority small business ownership, and exporter share statistics are based on the 2014 Business Dynamics Statistics (BDS), 2012 Survey of Business Owners (SBO), and 2014 International Trade Administration (ITA) data, respectively.

INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2015 and June 2016 declined. (Source: [FDIC](#))
- In 2014, **123,299** loans under \$100,000 (valued at **\$1.7 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 **\$48,017** in 2015. For individuals self-employed at their own unincorporated firms, this figure was **\$23,286**. (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.

BUSINESS OWNER DEMOGRAPHICS

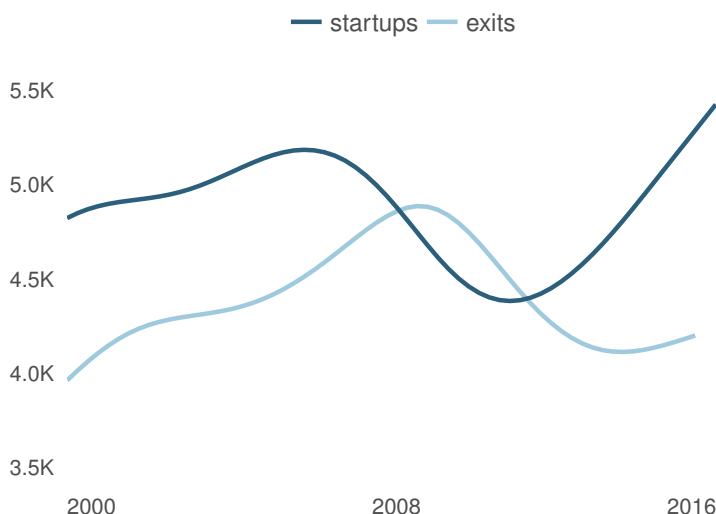
Figure 2: Colorado Small Business Ownership, 2012



Figure 2 displays the number of small firms (SBO) per 100 people 16 years and over (ACS). For example, there are approximately 10 female-owned firms per 100 working age females or $194.4K \div 2.0M \times 100$. ACS and SBO differ in their classifications of individuals reporting more than one race. ACS provides a distinct category for two or more races while SBO tabulates these businesses into more than one group.

BUSINESS TURNOVER

Figure 3: Colorado Quarterly Startups and Exits



- In the second quarter of 2015, **5,228** establishments started up, generating **15,223** 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, **4,675** establishments exited resulting in **15,557** 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 2000 to 2016. Each series is smoothed across multiple quarters to highlight long-run trends.

The 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.

INTERNATIONAL TRADE

- A total of 5,810 companies exported goods from Colorado in 2014. Among these, 5,071, or 87.3%, were small firms; they generated 31.9% of Colorado's \$7.7 billion in total known exports. (Source: ITA)

SMALL BUSINESS EMPLOYMENT BY INDUSTRY AND COUNTY

Table 1: Colorado Employment by Industry, 2014





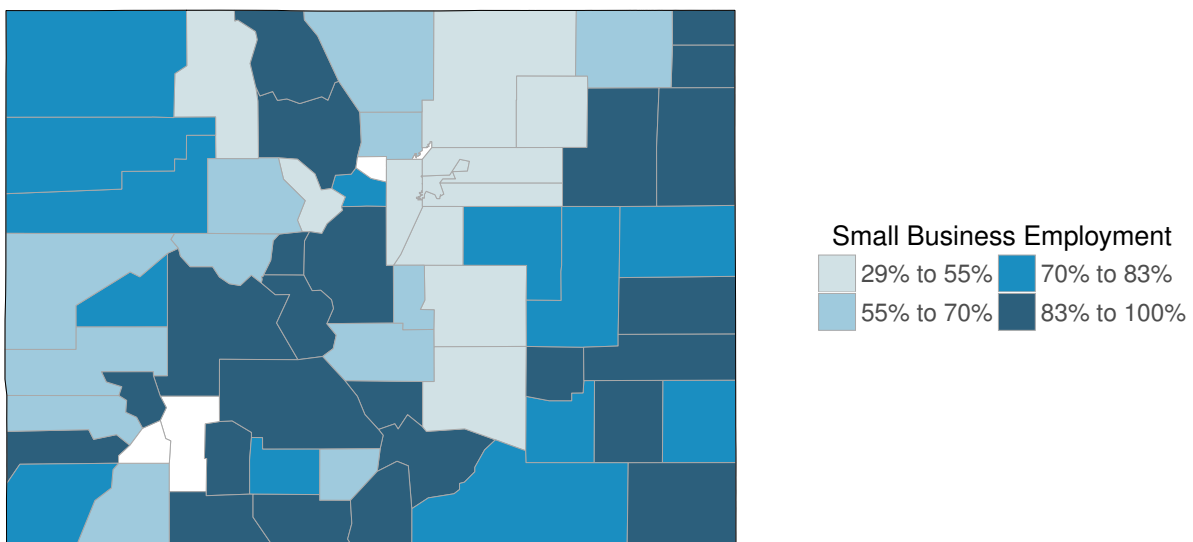
 Industry	 Small Business Employment	 Total Private Employment	 Small Business Employment Share
Accommodation and Food Services	160,575	260,852	62%
Health Care and Social Assistance	143,024	279,544	51%
Construction	110,105	135,889	81%
Professional, Scientific, and Technical Services	105,744	193,812	55%
Retail Trade	93,168	262,395	36%
Other Services (Except Public Administration)	83,164	101,857	82%
Administrative, Support, and Waste Management	69,106	236,838	29%
Manufacturing	62,083	120,963	51%
Wholesale Trade	47,574	94,793	50%
Finance and Insurance	31,803	103,532	31%
Educational Services	29,458	50,399	58%
Real Estate and Rental and Leasing	28,577	41,061	70%
Arts, Entertainment, and Recreation	27,709	52,402	53%
Transportation and Warehousing	21,610	65,352	33%
Information	19,083	83,495	23%
Mining, Quarrying, and Oil and Gas Extraction	13,515	30,741	44%
Utilities	2,914	s	-
Agriculture, Forestry, and Fishing and Hunting	1,272	1,693	75%
Total	1,059,196	2,181,455	49%

Figure 4: Colorado Small Business Percent of Employment by County



SMALL BUSINESSES BY INDUSTRY

Table 2: Colorado Small Businesses by Industry and Firm Size, 2014

Industry	1-499 Employees	1-20 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	22,785	21,427	82,597	105,382
Other Services (Except Public Administration)	12,320	11,447	57,569	69,889
Construction	16,100	14,890	53,046	69,146
Real Estate and Rental and Leasing	8,407	8,061	59,937	68,344
Retail Trade	11,786	10,706	37,006	48,792
Health Care and Social Assistance	12,435	11,067	32,879	45,314
Administrative, Support, and Waste Management	7,391	6,572	32,997	40,388
Arts, Entertainment, and Recreation	2,459	2,183	27,767	30,226
Finance and Insurance	5,724	5,326	15,957	21,681
Transportation and Warehousing	2,873	2,519	17,591	20,464
Educational Services	2,294	1,916	14,870	17,164
Accommodation and Food Services	9,621	7,213	5,849	15,470
Wholesale Trade	5,399	4,498	7,155	12,554
Manufacturing	4,489	3,641	7,507	11,996
Information	1,696	1,428	7,568	9,264
Mining, Quarrying, and Oil and Gas Extraction	1,129	957	4,068	5,197
Agriculture, Forestry, and Fishing and Hunting	306	293	3,994	4,300
Utilities	195	151	372	567
Total	127,481	114,633	468,729	596,210

Data for counties shown in white in Figure 4 and values labeled "s" in Tables 1 and 2 were withheld by the Census Bureau because they do not meet publication standards or could disclose information regarding individual businesses. (Source: SUSB, NES)

REFERENCES

The Small Business Profiles, source data, and methodology are available at <http://go.usa.gov/x9yxK>.

ACS	American Community Survey, 5-year estimates, U.S. Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, U.S. Census Bureau
BLS	Bureau of Labor Statistics, U.S. Department of Labor
CES	Current Employment Statistics, BLS
CEW	Census of Employment and Wages, BLS
CPS	Current Population Survey, BLS
FDIC	Federal Deposit Insurance Corporation
FFIEC	Federal Financial Institutions Examination Council
ITA	International Trade Administration
NES	Nonemployer Statistics, U.S. Census Bureau
SBO	Survey of Business Owners, U.S. Census Bureau
SUSB	Statistics of U.S. Businesses, U.S. Census Bureau

