

# SMALL BUSINESS PROFILE

U.S. SMALL BUSINESS ADMINISTRATION

## OFFICE OF ADVOCACY

REGULATION • RESEARCH • OUTREACH

### COLORADO



**572,546**  
97.6% Small Businesses  
of Colorado Businesses

**1 million**  
48.8% Small Business Employees  
of Colorado Employees

**1 million**  
48.8% Small Business Employees  
of Colorado Employees



**EMPLOYMENT**  
**32,304**  
net new jobs<sup>1</sup>



**DIVERSITY**  
**43.9%**  
increase in minority  
ownership<sup>2</sup>



**TRADE**  
**87.2%**  
of Colorado exporters<sup>3</sup>

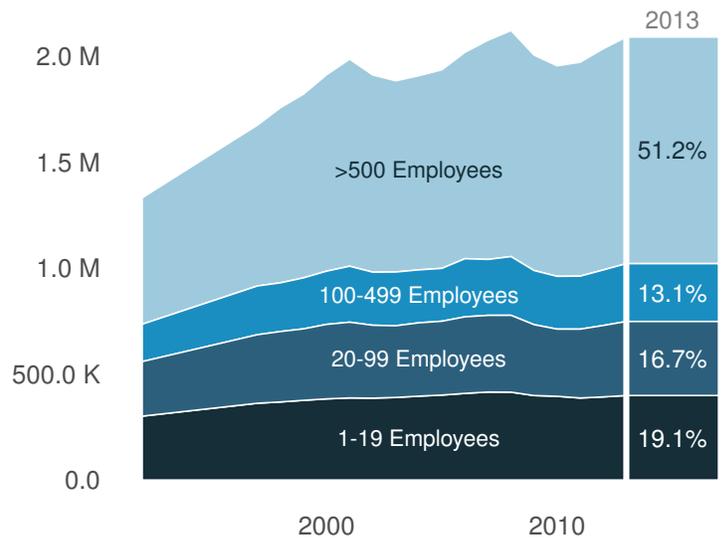
#### OVERALL COLORADO ECONOMY

- In the third quarter of 2015, Colorado grew at an annual rate of 2.4% which was faster than the overall US growth rate of 1.9%. By comparison, Colorado's 2014 growth of 6.6% was up from the 2013 level of 3.9%. (Source: BEA)
- The employment situation in Colorado improved. At the close of 2015, unemployment was 3.5%, down from 4.2% at the close of 2014. This was below the national unemployment rate of 5.0%. (Source: CPS)

#### EMPLOYMENT

- Colorado small businesses employed 1 million people, or 48.8% of the private workforce, in 2013. (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)
- Private-sector employment increased 2.0% in 2015. This was below the previous year's increase of 3.7%. (Source: CES)
- The number of proprietors increased in 2014 by 1.3% relative to the previous year. (Source: BEA)
- Small businesses created 32,304 net jobs in 2013. Among the seven BDS size-classes, firms employing 10 to 19 employees experienced the largest gains, adding 6,138 net jobs. The smallest gains were in firms employing 100 to 249 employees which added 1,088 net jobs. (Source: BDS)

Figure 1: Colorado Employment by Firm Size



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.** Hyperlinks to data sources and report generation information are provided in Table 3.

<sup>1,3</sup> Net small business jobs change and exporter share are based on newly released 2013 BDS and 2012 ITA data.

<sup>2</sup> Diversity statistic tracks changes between 2007 and 2012 based on the Survey of Business Owners (SBO) 2015 release.

## INCOME AND FINANCE

- The number of banks reported in the Call Reports between June 2014 and June 2015 declined. (Source: FDIC)
- In 2014, 123,299 loans under \$100,000 (and valued at \$1.7 billion) were issued by Colorado lending institutions reporting under the Community Reinvestment Act. (Source: FFIEC)
- The median income<sup>4</sup> for individuals who were self-employed at their own incorporated businesses was \$47,943 in 2014. For individuals self-employed at their own unincorporated firms, this figure was \$22,490. (Source: ACS)

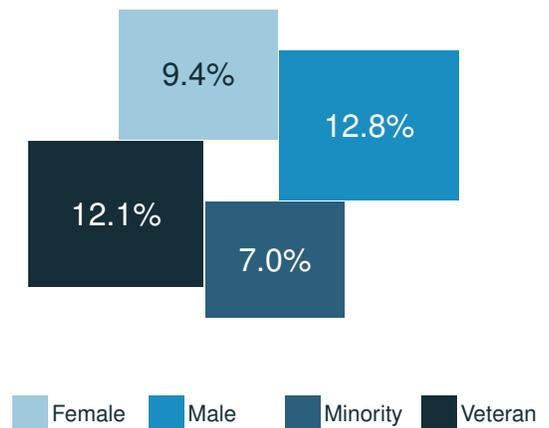
<sup>4</sup> Median income represents earnings from all sources. Unincorporated self-employment income includes unpaid family workers, a very small percent of the unincorporated self-employed.

## BUSINESS OWNER DEMOGRAPHICS

Figure 2: Colorado Changes in Business Ownership by Demographic Group

African American-owned	●	33.9%
Asian-owned	●	28.6%
Hawaiian/Pacific Islander-owned	●	21.5%
Hispanic-owned	●	51.5%
Native American/Alaskan-owned	●	27.8%
Minority-owned	●	43.9%
Nonminority-owned	●	-2.8%

Figure 3: Colorado Self-Employment within Demographic Group

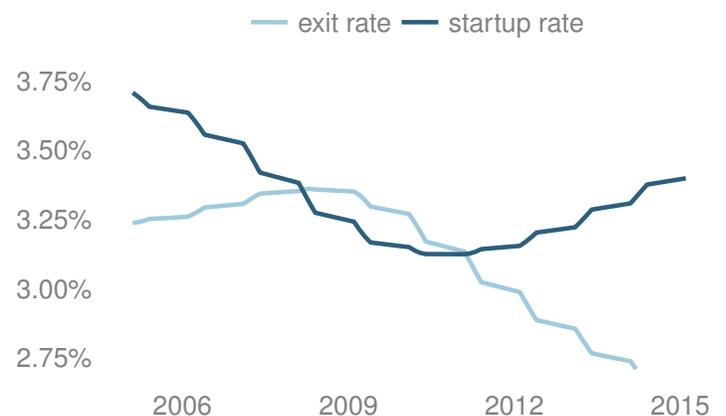


- Figure 2 displays the change in overall firm ownership for each demographic group from 2007 to 2012 based on the Survey of Business Owners (SBO) for Colorado, released in December 2015.
- Figure 3 displays the percent of each demographic group identified as self-employed according to the 2014 American Community Survey (ACS) 5-year estimates.

## BUSINESS TURNOVER

- In the second quarter of 2014, 5,255 establishments started up<sup>5</sup> in Colorado and 4,584 exited.<sup>6</sup> Startups generated 15,270 new jobs while exits caused 13,258 job losses. (Source: BDM)
- Figure 4 displays startup and exit rates from 2005 to 2015. Each series is smoothed across multiple quarters to highlight long-run trends. (Source: BDM)

Figure 4: Colorado Private Startup and Exit Rates



<sup>5</sup> **STARTUPS** are counted when business establishments hire at least one employee for the first time. The BLS terms these **births**, as distinct from the BLS **openings** category which includes seasonal re-openings.

<sup>6</sup> **EXITS** occur when establishments go from having at least one employee to having none, and then remain closed for at least a year. The BLS terms these events **deaths**, as distinct from the **closings** category which includes seasonal shutterings.

- A total of 5,700 companies exported goods from Colorado in 2013. Among these, 4,973, or 87.2%, were small firms; they generated 31.7% of Colorado's total known export value. (Source: ITA)

## SMALL BUSINESSES BY INDUSTRY

Table 1: Colorado Small Firms by Industry, 2013  
(sorted by small employer firms)

				
Industry	1 – 499 Employees	1 – 19 Employees	Nonemployer Firms	Total Small Firms
Professional, Scientific, and Technical Services	22,416	21,090	78,573	100,989
Construction	15,602	14,487	50,490	66,092
Health Care and Social Assistance	12,289	10,953	32,319	44,608
Other Services (except Public Administration)	11,999	11,130	55,638	67,637
Retail Trade	11,771	10,733	35,540	47,311
Accommodation and Food Services	9,495	7,219	5,440	14,935
Real Estate and Rental and Leasing	7,991	7,657	57,775	65,766
Administrative, Support, and Waste Management	7,237	6,442	32,373	39,610
Finance and Insurance	5,688	5,279	15,931	21,619
Wholesale Trade	5,449	4,537	6,891	12,340
Manufacturing	4,414	3,578	7,165	11,579
Transportation and Warehousing	2,758	2,406	14,546	17,304
Arts, Entertainment, and Recreation	2,336	2,058	26,017	28,353
Educational Services	2,246	1,890	13,383	15,629
Information	1,716	1,450	7,295	9,011
Mining, Quarrying, and Oil and Gas Extraction	1,096	938	3,949	5,045
Agriculture, Forestry, Fishing and Hunting	311	297	3,941	4,252
Utilities	184	143	320	504
<b>Total</b>	<b>124,998</b>	<b>112,287</b>	<b>447,586</b>	<b>572,584</b>

Totals for Tables 1 and 2 differ from SUSB's statewide tallies due to firms with establishments in more than one industry and the omission of industry classifications not reported by NES. (Source: NES and SUSB)

s Indicates samples deemed too small to represent the population according to SUSB.

Table 2: Colorado Employment by Industry and Firm Size, 2013  
(sorted by small firm employment)

Industry	Small Business Employment	Total Private Employment	Small Business Employment Share
Accommodation and Food Services	154,750	249,594	62.0%
Health Care and Social Assistance	139,297	265,893	52.4%
Professional, Scientific, and Technical Services	102,309	182,594	56.0%
Construction	98,524	122,908	80.2%
Retail Trade	91,481	254,679	35.9%
Other Services (except Public Administration)	81,582	99,456	82.0%
Administrative, Support, and Waste Management	65,181	226,550	28.8%
Manufacturing	61,879	118,701	52.1%
Wholesale Trade	47,164	96,393	48.9%
Finance and Insurance	32,018	101,049	31.7%
Real Estate and Rental and Leasing	28,436	41,563	68.4%
Arts, Entertainment, and Recreation	27,866	49,448	56.4%
Educational Services	26,550	46,683	56.9%
Transportation and Warehousing	20,736	63,219	32.8%
Information	18,362	81,292	22.6%
Mining, Quarrying, and Oil and Gas Extraction	12,168	28,581	42.6%
Utilities	2,747	s	-
Agriculture, Forestry, Fishing and Hunting	1,557	1,646	94.6%
<b>Total</b>	<b>1,012,607</b>	<b>2,030,249</b>	<b>49.9%</b>

Figure 5: Colorado County-Level Job Changes, 2015 (CEW)

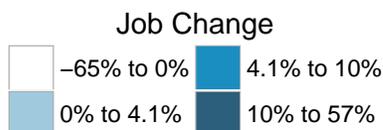
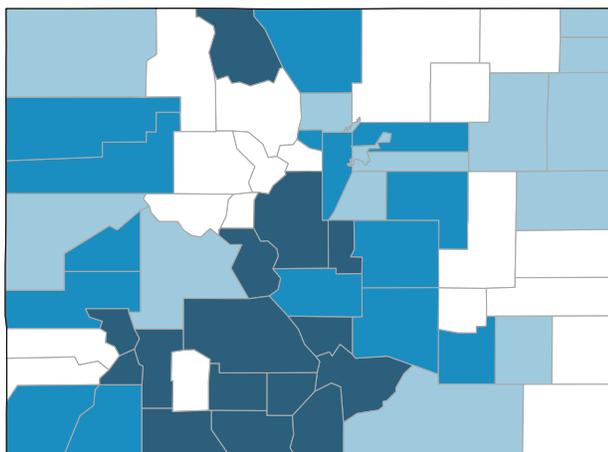


Table 3: Abbreviations and Resources

ACS	American Community Survey, US Census Bureau
BEA	Bureau of Economic Analysis
BDM	Business Employment Dynamics, BLS
BDS	Business Dynamics Statistics, US Census Bureau
BLS	Bureau of Labor Statistics, US 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, US Census Bureau
SBO	Survey of Business Owners, US Census Bureau
SUSB	Statistics of US Businesses, US Census Bureau

All profiles, source data, methodology notes, and county-level employment statistics are available at <http://go.usa.gov/cfKMd>

