



### Secretary of State Business Filings Q2 2023 Data Analysis Summary

- New entity filings in Q2 2023 remained elevated, surging 39.1% year-over-year, but pulled back 1.6% from the record in Q1 2023. A fee credit that reduced limited liability filing fees to \$1 likely contributed to the surge in filings.
- Colorado's job growth accelerated to 1.5% in June 2023, ranking the state 44th nationally. Evidence suggests this is a signal of a supply constraint rather than easing demand, as well as a data reporting issue that is understating Colorado's job totals. The unemployment rate remained low, job openings remained high, and the labor force grew.
- Inflation continued to improve in the second quarter as May marked decelerating price growth of 5.1% year-over-year in the Denver-Aurora-Lakewood metropolitan area; core inflation rose 5.6%.

#### COLORADO INDICATORS

#### EMPLOYMENT FORECASTS

##### Employment



vs. prior quarter



vs. prior year

##### Unemployment



vs. prior quarter



vs. prior year

##### New Entity Filings



vs. prior quarter



vs. prior year

##### Existing Entity Renewals



vs. prior quarter



vs. prior year



Q2 2023 vs. Q1 2023

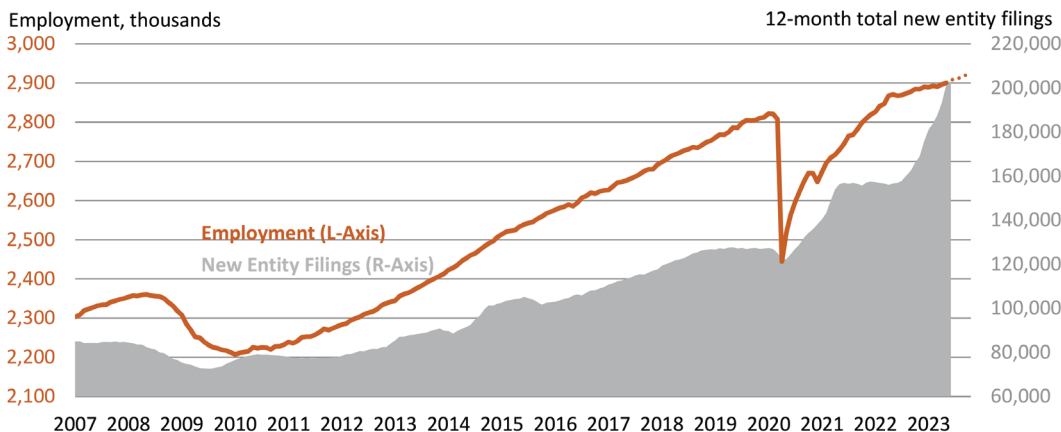


Q2 2023 vs. Q2 2022



Q3 2023 vs. Q2 2023

### Employment and New Entity Filings



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*The Secretary of State's office makes government easy and accessible for people in order to further democracy, support economic opportunity for all Coloradans, and demonstrate a standard of integrity and excellence.*

Note: Solid line displays actual seasonally adjusted employment numbers; dotted line reflects calculated forecasts.  
 Source: Seasonally adjusted. Colorado total nonfarm employees from the Bureau of Labor Statistics, Current Employment Statistics (CES), calculations by BRD research team.

## Secretary of State Business Filings Q2 2023 Data Analysis Summary

### GDP growth accelerated in Q2 2023.

Initial reports for real gross domestic product (GDP) for Q2 2023 indicated 2.4% growth, up from 2.0% growth from the first quarter. According to the report from the Bureau of Economic Analysis (BEA), second quarter consumption grew 1.6%, investment increased 5.7%, government spending grew 2.6%, and the trade deficit posted a modest improvement.

### Job growth has been impressive, but is on a slowing trajectory.

The nation added 6.3 million jobs in 2022—the most jobs added in a single year and the fastest pace of growth (4.3%) since 1984. The average monthly jobs gains in 2022 were 399,000, but the pace slowed to an average of 258,000 in the first seven months of 2023. June and July figures show 185,000 and 187,000 jobs added, respectively (the slowest gain in 2 ½ years).

Like the nation, Colorado recorded the most jobs added in a single year in 2022 (114,000). The 4.1% pace of growth was the fastest rate of jobs added since 1997. While Colorado remains above average in the jobs recovery from the pandemic recession, the state’s jobs growth cooled significantly in 2023. Colorado added an average of 5,900 jobs per month in 2022, the state averaged 3,300 during the first six months of 2023. June 2023 employment increased 42,400 (1.5%) year-over-year (ranking 44th). The largest annual percent increases came from Leisure and Hospitality, Mining and Logging, and Government. However, over-the-year losses were recorded in Financial Activities; Information; Trade, Transportation, and Utilities; and Construction.

The U.S. unemployment rate was 3.5% in July 2023, hovering near 50-year lows. The national labor underutilization rate (U-6) decreased to 6.7% in July. Colorado’s unemployment rate in June (2.8%) matched the average for the past year, ranking the state 20th (tied with one other state).

### State indices pointed to broad growth.

All 50 states posted quarterly

GDP growth from Q4 2022 to Q1 2023. Colorado’s quarterly growth of 1.9% ranked the state 25th, and the year-over-year growth of 1.5% ranked the state 24th.

Colorado’s labor force participation rate ranked 4th-highest (tied with one other state) in June, totaling 68.7%. The state’s labor force grew 1.4% year-over-year (14th-fastest), continuing to set new record levels in the state. The state’s per capita personal income ranked Colorado 8th in Q1 2023 with per capita income of \$76,089, and annual per capita personal income growth (5.1%) ranked 37th.

Colorado’s home prices decreased quarter-over-quarter in Q3 and Q4 2022 but returned to modest growth in Q1 2023. The FHFA All-Transactions Home Price Index increased 4.8% from Q1 2022 to Q1 2023, the 8th-slowest pace in the country, and increased 0.2% quarter-over-quarter (17th-slowest nationally).

According to the Baker Hughes Rig Count, the number of rigs in Colorado totaled 14 in early August 2023 compared to 21 during the same week in 2022.

In July 2023, gasoline prices were up to an average of \$3.96 per gallon in the state, a decrease of 18.9% compared to the same period in 2022, but up 10.7%

since April, according to the Energy Information Administration.

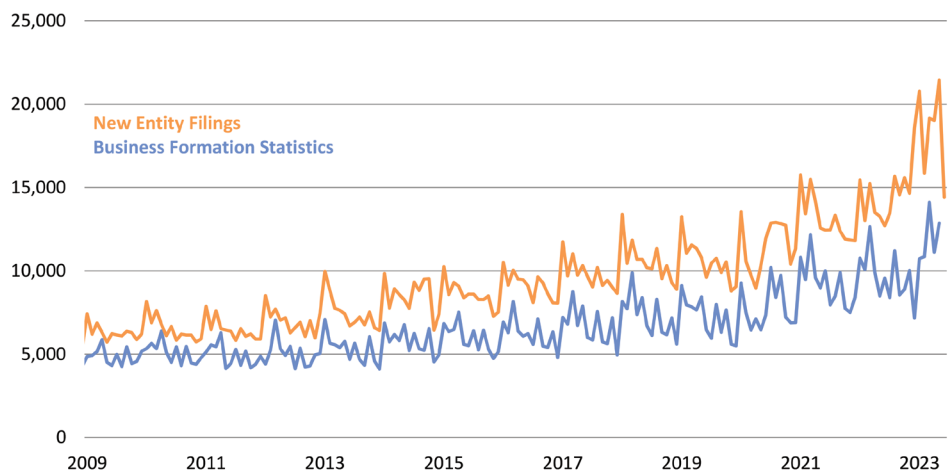
**Inflation continues to improve.** The Consumer Price Index in the Denver-Aurora-Lakewood region increased 5.1% (not seasonally adjusted) year-over-year in May 2023 (compared to national price growth of 4% for the same month). Core inflation (all items less food and energy) increased 5.6% in the Denver region (compared to national price growth of 5.3%). National inflation improved further in June with growth slowing to 3% year-over-year.

**New entity filings posted strong annual growth.** Total new entity filings increased 39.1% year-over-year but fell 1.6% quarter-over-quarter. A total of 54,890 new entities were filed in Q2 2023, most of which were LLCs.

**Existing entity renewals decreased.** Existing entity renewals decreased 0.6% year-over-year and 11.8% quarter-over-quarter. In Q2 there were 171,081 existing entity renewals.

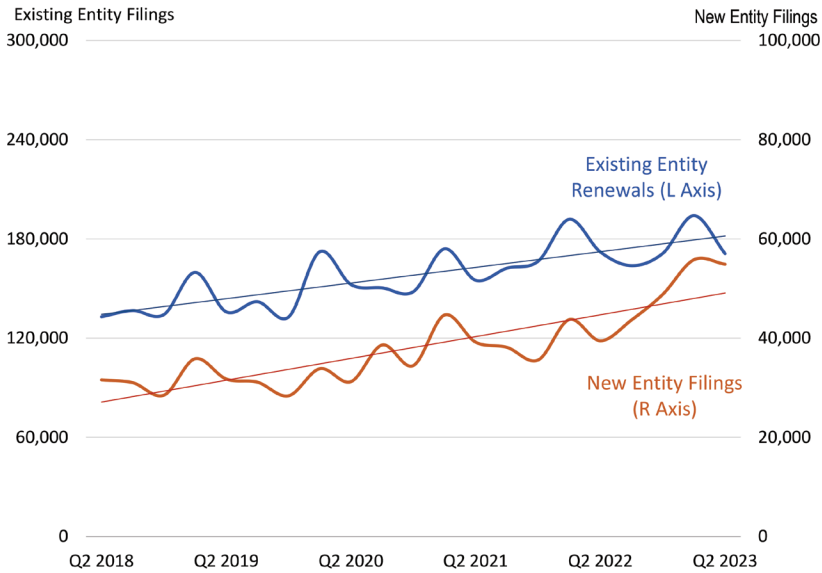
**New entity filings are highly correlated with Business Formation Statistics.** Colorado new entity filings from the Secretary of State’s Office are highly correlated (r=0.89) with the Business Formation Statistics from the U.S. Census Bureau that tracks business applications and formations.

**Colorado Business Formation Statistics and New Entity Filings**



Sources: U.S. Census Bureau and the Colorado Secretary of State’s Office.

### Existing Entity Renewals and New Entity Filings



**Note:** Trendlines based on a year-over-year percent change.

### Business Filings Overview

#### Business filings continued to post strong annual growth in the second quarter.

The quarterly count of new entity filings increased from Q2 2022 to Q2 2023, but pulled back from Q1 2023 to Q2 2023. Existing entity renewals turned, posting declines over the year and the quarter.

Entities in good standing increased 9% compared to last June. Delinquencies also increased, up 9.4%, and dissolutions were up a slight 0.3%. Trademark and trade name filings decreased for the quarter.

	Q2 2023	Q1 2023	Q2 2022	Percent Change over Prior Year		5-Year CAGR <sup>a</sup>	
<b>New Entity Filings</b>							
Domestic Limited Liability Company	47,272	48,057	31,044	52.3%	▲	14.3%	▲
Domestic Nonprofit Corporation	979	1,039	960	2.0%	▲	1.5%	▲
Domestic Corporation	3,295	2,912	3,522	-6.4%	▼	2.5%	▲
Other Entity Types	3,344	3,782	3,938	-15.1%	▼	-1.1%	▼
Total New Entity Filings	54,890	55,790	39,464	39.1%	▲	11.7%	▲
Total New Entity Filings - 12 mo. trailing	203,145	187,719	156,902	29.5%	▲	10.6%	▲
<b>Existing Entity Renewals</b>							
Domestic Limited Liability Company	112,494	129,445	114,129	-1.4%	▼	7.1%	▲
Domestic Nonprofit Corporation	11,654	13,561	11,702	-0.4%	▼	1.6%	▲
Domestic Corporation	24,332	29,316	25,071	-2.9%	▼	-1.1%	▼
Other Entity Types	22,601	21,740	21,204	6.6%	▲	6.5%	▲
Total Existing Entity Renewals	171,081	194,062	172,106	-0.6%	▼	5.2%	▲
Total Existing Entity Renewals - 12 mo. trailing	700,160	701,185	692,647	1.1%	▲	5.6%	▲
<b>Other Business Filings</b>							
Dissolution Filings	11,785	14,000	11,753	0.3%	▲	9.6%	▲
Dissolution Filings - 12 mo. trailing	50,694	50,662	45,085	12.4%	▲	10.5%	▲
Trademarks	836	873	746	12.1%	▲	-2.6%	▼
Trademarks - 12 mo. trailing	3,259	3,169	3,048	6.9%	▲	-2.3%	▼
Trade Names	10,694	12,613	9,961	7.4%	▲	-1.5%	▼
Trade Names - 12 mo. trailing	43,939	43,206	40,453	8.6%	▲	-0.1%	▼
<b>Entities in Good Standing</b>							
Corporation	121,421	122,362	125,635	-3.4%	▼	-0.5%	▼
Foreign	96,962	96,393	93,415	3.8%	▲	5.8%	▲
Limited Liability Company	661,632	641,432	583,720	13.3%	▲	9.0%	▲
Nonprofit Corporation	54,520	54,486	53,662	1.6%	▲	2.0%	▲
Other Entity Types	11,314	11,403	11,633	-2.7%	▼	-0.4%	▼
Total Entities in Good Standing	945,849	926,076	868,065	9.0%	▲	6.5%	▲
<b>Delinquencies</b>							
Corporation	155,687	152,884	145,954	6.7%	▲	5.7%	▲
Foreign	47,245	46,272	43,891	7.6%	▲	8.9%	▲
Limited Liability Company	595,448	579,278	538,712	10.5%	▲	10.1%	▲
Nonprofit Corporation	29,268	28,693	27,538	6.3%	▲	6.7%	▲
Other Entity Types	15,879	15,644	15,056	5.5%	▲	5.5%	▲
Total Delinquencies	843,527	822,771	771,151	9.4%	▲	8.9%	▲

<sup>a</sup> Compound Annual Growth Rate.

## New Entity Filings & Existing Entity Renewals

### Quarterly new business filings remained elevated.

New entity filings increased 39.1% year-over-year but decreased 1.6% from the prior quarter, exhibiting a normal seasonal pattern. Quarterly filings totaled 54,890.

The four-quarter rolling sum of filings, which removes seasonality, recorded a 29.5% increase in new entities year-over-year and 8.2% from the prior quarter.

New business filings were likely impacted by the reduction in filing fees that were instituted on July 1, 2022. Fees for LLCs decreased from \$50 to \$1, and fees for trade names decreased from \$20 to \$1. HB22-1001 allocated \$8.435 million to implement the fee reduction program.

### Business renewals decreased over the year and over the quarter.

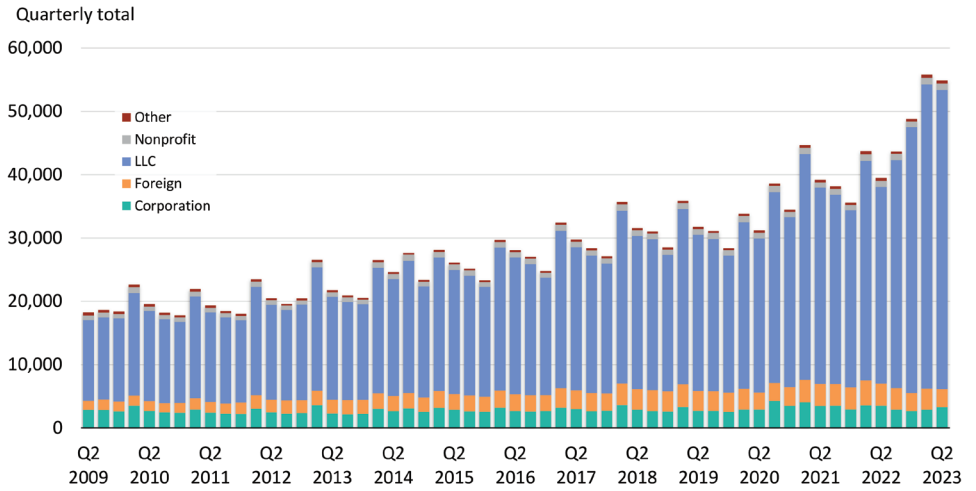
There were 171,081 renewals in Q2 2023, a decrease of 0.6% year-over-year and 11.8% over the previous quarter.

Using a four-quarter rolling sum to remove seasonality, renewals demonstrated an annual increase of 1.1% and a quarterly decrease of 0.1%.

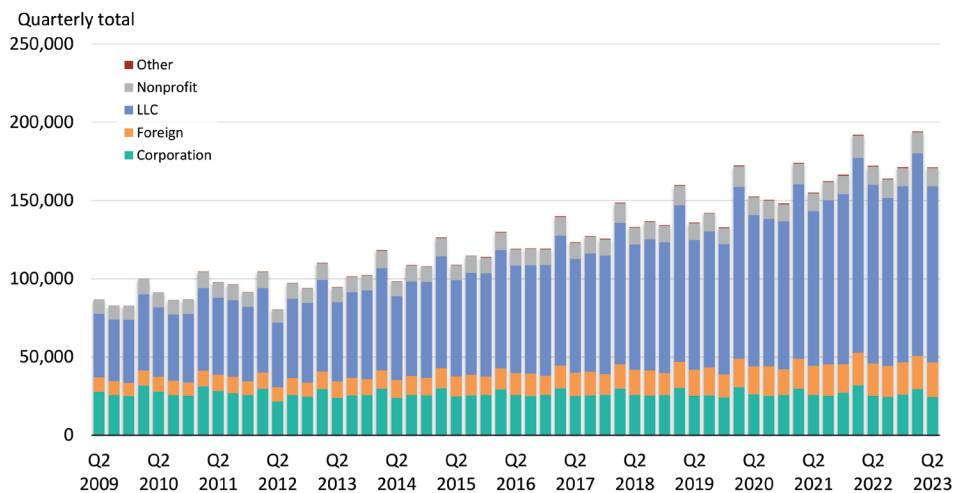
### Businesses in good standing increased in Q2.

Total entities in good standing increased 9% from Q2 2022 to Q2 2023, continuing a general upward trajectory. Entities in good standing increased 2.1% over the prior quarter. Over the year, limited liability companies recorded the greatest increase in good standing (13.3%) while corporations recorded the largest percent decline (3.4%).

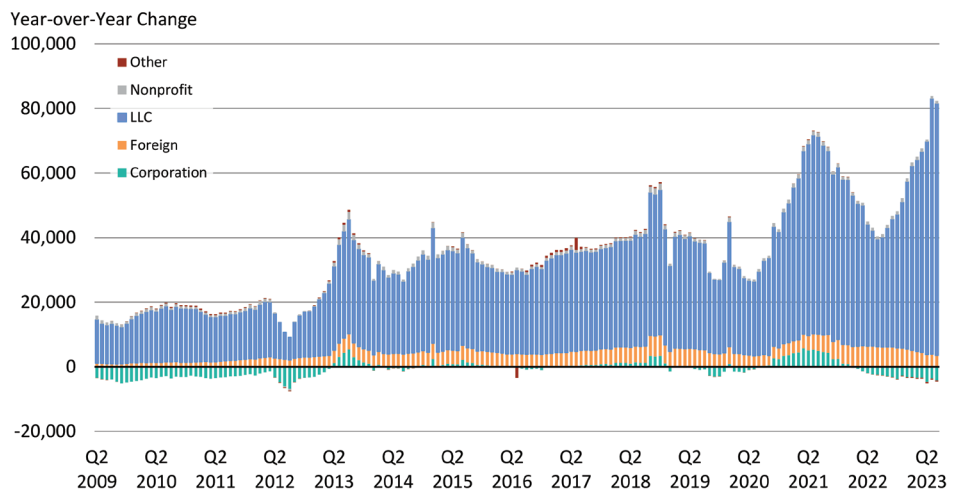
## New Entity Filings



## Existing Entity Renewals



## Entities in Good Standing



## Dissolutions, Trade Names, & Trademarks

**Dissolutions improved in Q2.** The number of dissolutions were nearly flat year-over-year and decreased over the quarter. Dissolution filings totaled 11,785 in Q2 2023 compared to 11,753 in Q2 2022—a change of 0.3%. Filings decreased 15.8% from the 14,000 recorded in Q1 2023.

The 12-month trailing total of dissolution filings—50,694—was up 12.4% year-over-year and 0.1% quarter-over-quarter.

The spike in dissolutions during the last recession occurred in Q2 2011, after the official end of the recession.

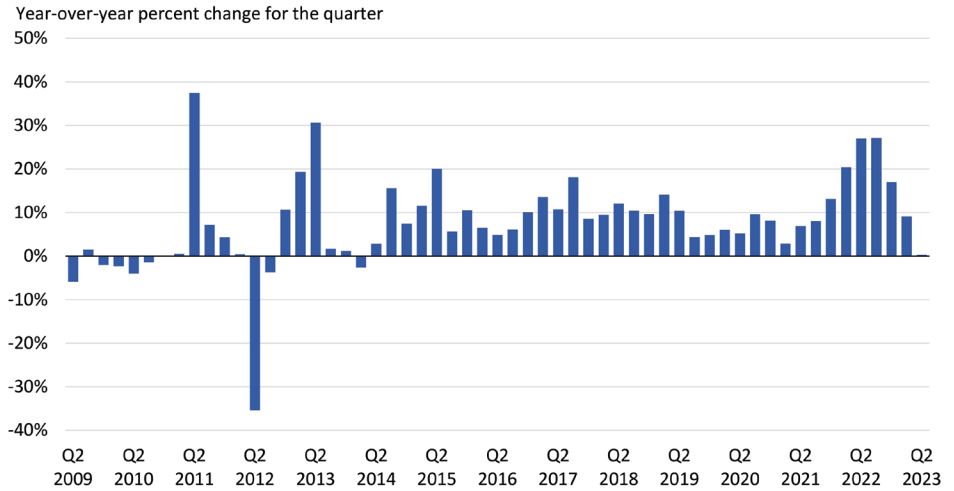
### Trade name filings increased year-over-year in the second quarter.

Trade name filings increased year-over-year, but decreased quarter-over-quarter in Q2 2023. The quarter ended with 10,694 trade name filings, an increase of 7.4% over the prior year, but a decrease of 15.2% over the prior quarter. Entities must file a statement of trade name when operating under any name other than their true name.

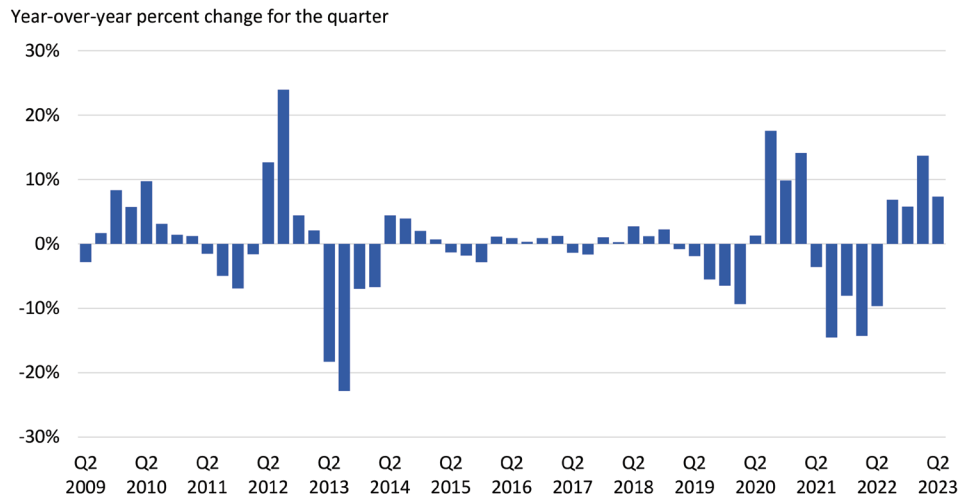
### Trademark filings mixed in Q2.

Trademark filings totaled 836 in Q2 2023, a 12.1% increase from the prior year but a 4.2% decrease from Q1 2023. Using a 12-month trailing sum to adjust for seasonality, filings increased 6.9% year-over-year and 2.8% over the quarter. Trademarks protect the symbols and words used in commerce.

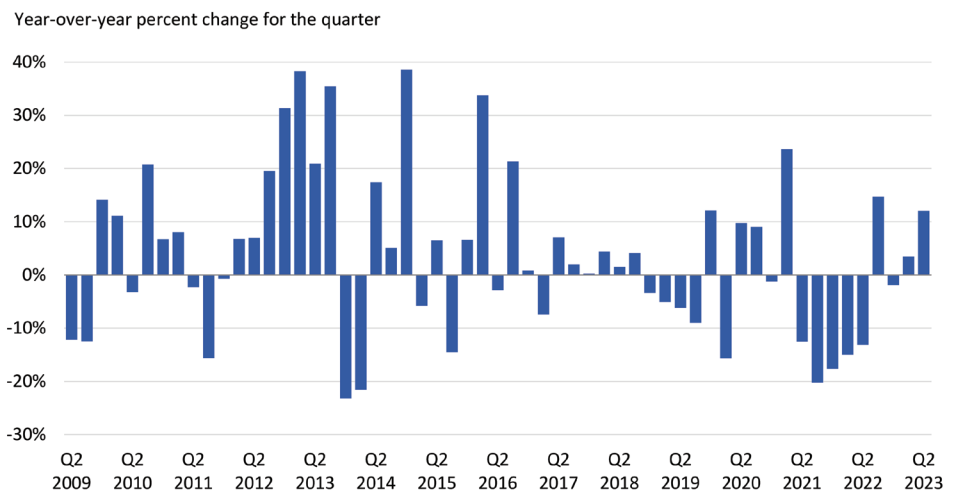
### Dissolution Filings



### Trade Name Filings



### Trademark Filings



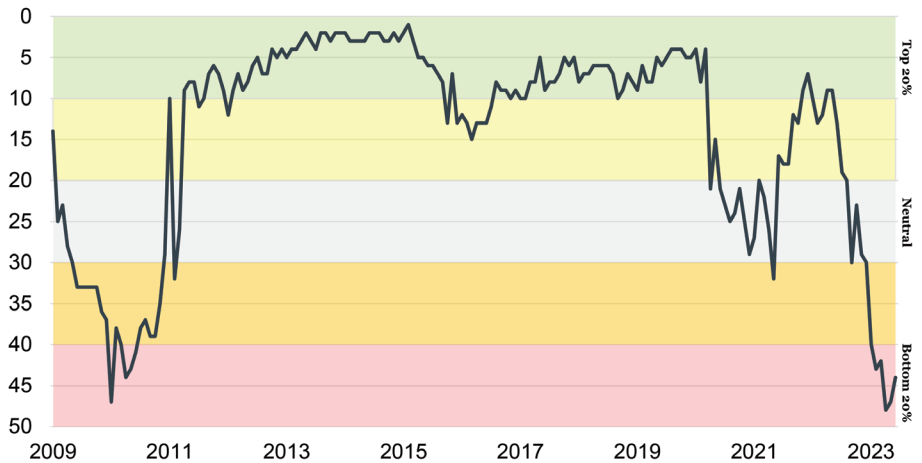
## Colorado Economic Indicators

**Is there a Colorado labor market paradox?** For the past 12 years, Colorado has been a leading employment growth state 90% of the months, ranking in the top half of the country for the pace of growth. Most of those months, Colorado ranked among the top 10 states for the pace of growth. However, since November 2022, Colorado has been among the bottom half of the country for growth, and ranked 40th or higher for the past 6 months. Colorado's job growth of 1.5% ranked 44th in June 2023, based on the preliminary estimates from the Bureau of Labor Statistics. Data from the Colorado Department of Labor and Employment indicates an undercounting of jobs by 0.6% in December that likely persisted into 2023.

The employment slowdown arises at the same time that Colorado records the 14th-highest job openings rate, the 4th-highest labor force participation rate, the 14th-fastest growth in labor force, and the highest number of people in the labor force in state history. With an unemployment rate of just 2.8%, Colorado's slowdown in job growth appears to be a symptom of a worker shortage rather than softening demand for workers. Other economic metrics remain positive, but also suggest a slowdown in Colorado's economy. GDP, personal income, and taxable retail are posting positive, but slower growth.

## Colorado Employment Growth Ranking

Year-over-Year Growth Rank



Data Source: Bureau of Labor Statistics (CES). Ranking by the Business Research Division. Note: 1=Fastest Percent Growth, 50=Slowest Percent Growth.

	Current Period	3 Months Prior	Percent Change over Prior Period		Annual Percent Change		5-Year CAGR <sup>a</sup>	
<b>Wealth &amp; Income</b>								
Personal Income (billions of dollars)	446.0	440.8	1.2%	▲	5.8%	▲	6.7%	▲
Colorado Sales Tax Receipts, 12 mo. trailing (billions of dollars)	4.3	4.3	0.1%	▲	7.5%	▲	8.1%	▲
Retail and Food Services Sales, 12 mo. trailing (millions of dollars)	303,302.5	301,441.9	0.6%	▲	6.5%	▲	8.8%	▲
Food Services and Drinking Places Sales, 12 mo. trailing (millions of dollars)	17,707.5	17,424.5	1.6%	▲	9.1%	▲	5.8%	▲
Sales Expectations (LBCI)	48.0	50.4	-4.8%	▼	3.5%	▲	-4.8%	▼
Profit Expectations (LBCI)	45.7	47.6	-4.0%	▼	8.1%	▲	-5.2%	▼
<b>Business Outlays</b>								
Annual Wages Per Employee (\$)	64,681	63,804	1.4%	▲	5.4%	▲	5.5%	▲
Hiring Expectations (LBCI)	43.7	46.7	-6.5%	▼	-9.4%	▼	-6.0%	▼
Capital Expenditures Expectations (LBCI)	43.1	42.4	1.6%	▲	2.2%	▲	-7.4%	▼
Retail Gasoline Price (dollars per gallon; monthly average)	3.96	3.58	10.7%	▲	-18.9%	▼	6.6%	▲
<b>Labor Markets</b>								
Employment (in thousands)	2,909.9	2,890.5	0.7%	▲	1.5%	▲	1.3%	▲
Unemployment Rate <sup>b</sup>	2.8%	2.8%	0.0%	▷	0.0%	▷	-0.3%	▼
Initial Jobless Claims (monthly average)	2,198	3,084	-28.7%	▼	-6.7%	▼	5.7%	▲
Continuing Jobless Claims (monthly average)	20,096	22,876	-12.2%	▼	19.2%	▲	1.0%	▲
Hires	124	125	-0.8%	▼	-11.4%	▼	-0.8%	▼
Job openings	212	241	-12.0%	▼	-9.8%	▼	9.8%	▲
Total separations	77	79	-2.5%	▼	-12.5%	▼	0.8%	▲
Quits	111	120	-7.5%	▼	-13.3%	▼	-1.7%	▼
Labor Force	3,249	3,227	0.7%	▲	1.4%	▲	1.2%	▲
Labor Force Participation Rate <sup>b</sup>	69	69	0.2%	▲	0.2%	▲	0.0%	▷
<b>Economic Overview</b>								
Real Quarterly GDP (billions of chained 2012 dollars)	390.7	388.9	1.9%	▲	1.5%	▲	2.9%	▲
Building Permits, Number of Units, 12 mo. trailing	41,955	44,380	-5.5%	▼	-31.3%	▼	-1.1%	▼
Valuation (millions of dollars), 12 mo. trailing	11,397	11,799	-3.4%	▼	-23.2%	▼	2.7%	▲
FHFA Purchase-Only Home Price Index	665	670	-0.8%	▼	-1.1%	▼	8.7%	▲
Private Firms	250,750	243,710	2.9%	▲	9.3%	▲	5.0%	▲
Rotary Rig Count (monthly average)	14	19	-24.3%	▼	-33.3%	▼	-14.1%	▼
Total Business Bankruptcy Filings	75	63	19.0%	▲	27.1%	▲	-4.4%	▼
Chapter 7	51	39	30.8%	▲	24.4%	▲	-5.6%	▼
Chapter 11	15	13	15.4%	▲	-16.7%	▼	8.4%	▲
Chapter 13	0	2	-100.0%	▼	NA	▲	-100.0%	▼
State Economy Expectations (LBCI)	44.9	46.4	-3.3%	▼	12.8%	▲	-6.7%	▼

Sources in order as metrics appear and dates in parentheses indicate most recent data at time of publication: Bureau of Economic Analysis, Quarterly Personal Income (SA) (Q1 23); Colorado Department of Revenue, Office of Research and Analysis (NSA) (06/23); Leeds School of Business, Leeds Business Confidence Index (LBCI) (Q3 23); Colorado Department of Labor and Employment, QCEW (NSA) (Q4 22); U.S. Energy Information Administration, Weekly Retail Gasoline and Diesel Prices (07/01/23); Bureau of Economic Analysis, (SAAR) (Q1 23); Bureau of Labor Statistics, CES (SA) (06/23); Bureau of Labor Statistics, LAUS (SA) (06/23); U.S. Department of Labor, Employment and Training Administration (NSA) (07/01/23); Census Bureau, New Privately Owned Housing Units Authorized (NSA) (5/23); Bureau of Labor Statistics (SA) (05/01/23); Bureau of Labor Statistics (SA) (06/01/23); Colorado Division of Housing, Foreclosure Report (Q1 21); FHFA Purchase-Only Home Price Index (SA) (Q1 23); Bureau of Labor Statistics, QCEW (Q4 2022); Baker-Hughes (08/01/23); Administrative Office of the U.S. Courts (Q1 23); Leeds School of Business, Leeds Business Confidence Index (LBCI) (Q3 23).

<sup>a</sup>Compound Annual Growth Rate. <sup>b</sup>Percentage point change.

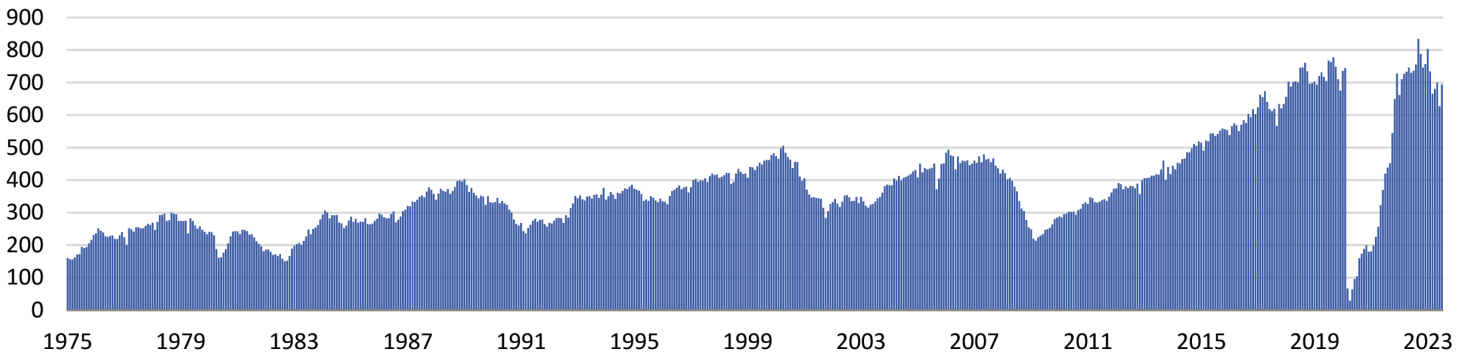
## National Economic Indicators

**Labor Market Resilient, but Growth Softening.** Past the halfway point in 2023, the strong hiring and low unemployment still suggest a tight labor market. Through July, the U.S. added an average of 258,000 jobs per month, with an unemployment rate of 3.5%. The June job openings rate stood at 5.8%. There is a persistent imbalance in the favor of employees—demand for workers is outstripping the supply of labor. This is evident in the 1.6 job openings to unemployed individuals in economy. Job openings remain elevated and the unemployment rate remains low by historical standards.

Employment growth in June and July showed the slowest job growth in 2 ½ years—185,000 and 187,000 jobs added, respectively, but growth still remained above 2% year-over-year.

The number of initial and continued jobless claims remain low and stable—both below their 50-year average, despite a labor market that is twice the size from 50 years ago. Initial jobless claims averaged 232,400 in July, and continued claims averaged 1.7 million.

### Number of Employed Divided by Jobless Claim



Source: Department of Labor, Initial Jobless Claims; Bureau of Labor Statistics, Employment.

	Current Period	3 Months Prior	Percent Change over Prior Period		Annual Percent Change		5-Year CAGR <sup>a</sup>		
<b>Wealth &amp; Income</b>									
Personal Income (billions of dollars)	22,836	22,605	1.0%	▲	5.3%	▲	5.3%	▲	
Retail and Food Services Sales, 12 mo. trailing (billions of dollars)	8,197.2	8,164.9	0.4%	▲	5.7%	▲	6.9%	▲	
Food Services and Drinking Places Sales, 12 mo. trailing (billions of dollars)	1,035.5	1,012.7	2.3%	▲	12.6%	▲	7.8%	▲	
S&P 500	4,478.0	4,119.6	8.7%	▲	9.5%	▲	9.6%	▲	
Annual Wages Per Employee	69,985	70,395	-0.6%	▼	3.5%	▲	6.0%	▲	
<b>Business Outlays</b>									
Consumer Price Index	303.8	301.8	0.7%	▲	3.1%	▲	3.9%	▲	
Core Inflation (All Items Less Food & Energy)	308.3	305.2	1.0%	▲	4.9%	▲	3.7%	▲	
Shelter	380.0	374.9	1.3%	▲	7.8%	▲	4.3%	▲	
Retail Gasoline Price (dollars per gallon; monthly average)	3.71	3.71	0.0%	▲	-20.5%	▼	4.9%	▲	
<b>Labor Markets</b>									
Employment (in thousands)	156,342	155,689	0.4%	▲	2.2%	▲	1.0%	▲	
Unemployment Rate <sup>b</sup>	3.5%	3.4%	0.1%	▲	0.0%	▷	-0.3%	▼	
Initial Jobless Claims (monthly average)	232,400	237,000	-1.9%	▼	8.1%	▲	-13.5%	▼	
Continuing Jobless Claims (monthly average)	1,712,250	1,823,200	-6.1%	▼	28.3%	▲	5.1%	▲	
Hires	5,905	6,066	-2.7%	▼	-8.4%	▼	0.5%	▲	
Job openings	9,582	9,745	-1.7%	▼	-12.6%	▼	5.8%	▲	
Total separations	5,637	5,994	-6.0%	▼	-5.9%	▼	0.3%	▲	
Quits	3,772	3,842	-1.8%	▼	-9.3%	▼	2.2%	▲	
Labor Force	167,103	166,688	0.2%	▲	1.9%	▲	0.6%	▲	
Labor Force Participation Rate <sup>b</sup>	63	63	0.0%	▷	0.5%	▲	-0.4%	▼	
<b>Economic Overview</b>									
Real Quarterly GDP (billions of chained 2012 dollars)	20,404	20,283	2.4%	▲	2.6%	▲	1.9%	▲	
Building Permits, Number of Units, 12 mo. trailing	1,488,200	1,568,300	-5.1%	▼	-16.1%	▼	2.4%	▲	
Valuation (millions of dollars), 12 mo. trailing	336,167	345,308	-2.6%	▼	-12.4%	▼	4.8%	▲	
FHFA Home Price Index	390	388	0.5%	▲	4.3%	▲	9.3%	▲	
Rotary Rig Count (monthly average)	659	728	-9.4%	▼	-13.7%	▼	-2.9%	▼	
Total Business Bankruptcy Filings	4,063	3,519	15.5%	▲	32.6%	▲	-6.4%	▼	
Chapter 7	2,294	2,031	12.9%	▲	23.6%	▲	-7.3%	▼	
Chapter 11	1,418	1,147	23.6%	▲	51.7%	▲	-3.8%	▼	
Chapter 13	57	55	3.6%	▲	-12.3%	▼	-13.2%	▼	
National Economy Expectations (LBCI)	41	39	3.2%	▲	32.2%	▲	-4.2%	▼	

Sources in order as metrics appear and dates in parentheses indicate most recent data at time of publication: Bureau of Economic Analysis, Quarterly Personal Income (SA) (6/23), U.S. Census Bureau (NSA) (6/23), Yahoo Finance (8/4/23), Bureau of Labor Statistics, QCEW (NSA) (Q4 2022); Bureau of Labor Statistics, All Urban Consumers, U.S. City Average (SA) (6/23); U.S. Energy Information Administration, Weekly Retail Gasoline and Diesel Prices (7/1/23); Bureau of Economic Analysis (SAAR) (Q2 23); Bureau of Labor Statistics, CES (SA) (7/23); Bureau of Labor Statistics (SA) (7/23); U.S. Department of Labor, Employment and Training Administration (SA) (7/1/23); Bureau of Labor Statistics (SA) (6/23); Bureau of Labor Statistics (SA) (7/23); Census Bureau, New Privately Owned Housing Units Authorized (NSA) (6/23); FHFA Purchase-Only Home Price Index (SA) (Q1 23); Baker-Hughes (8/1/23); Administrative Office of the U.S. Courts (Q1 23); Leeds School of Business, Leeds Business Confidence Index (LBCI) (Q4 23).

<sup>a</sup>Compound Annual Growth Rate. <sup>b</sup>Percentage point change.

## Secretary of State Business Filings Q2 2023

Businesses are established under several different entity types. The most commonly formed is a domestic limited liability company (DLLC), blending structures from both corporations and partnerships/sole proprietorships. DLLCs provide owners with protection from personal liability and also offer benefits from the effects of pass-through income taxation. As an example, Wynkoop Brewing is a brew pub located in Denver.

Domestic corporations (DCs) are the second-most popular business filing received by the Secretary of State. DCs provide owners with limited liability, similar to DLLCs, and business must be conducted in the state in which it was formed. Johns Manville manufactures and sells construction materials and is headquartered in Denver.

A third entity type is a domestic nonprofit corporation (DNC). DNCs differ from DLLCs

and DCs in that they are formed not for profit and pursue an agenda of social responsibility. Protect Our Winters operates as a DNC with the goal of mobilizing the snowsports community on climate change.

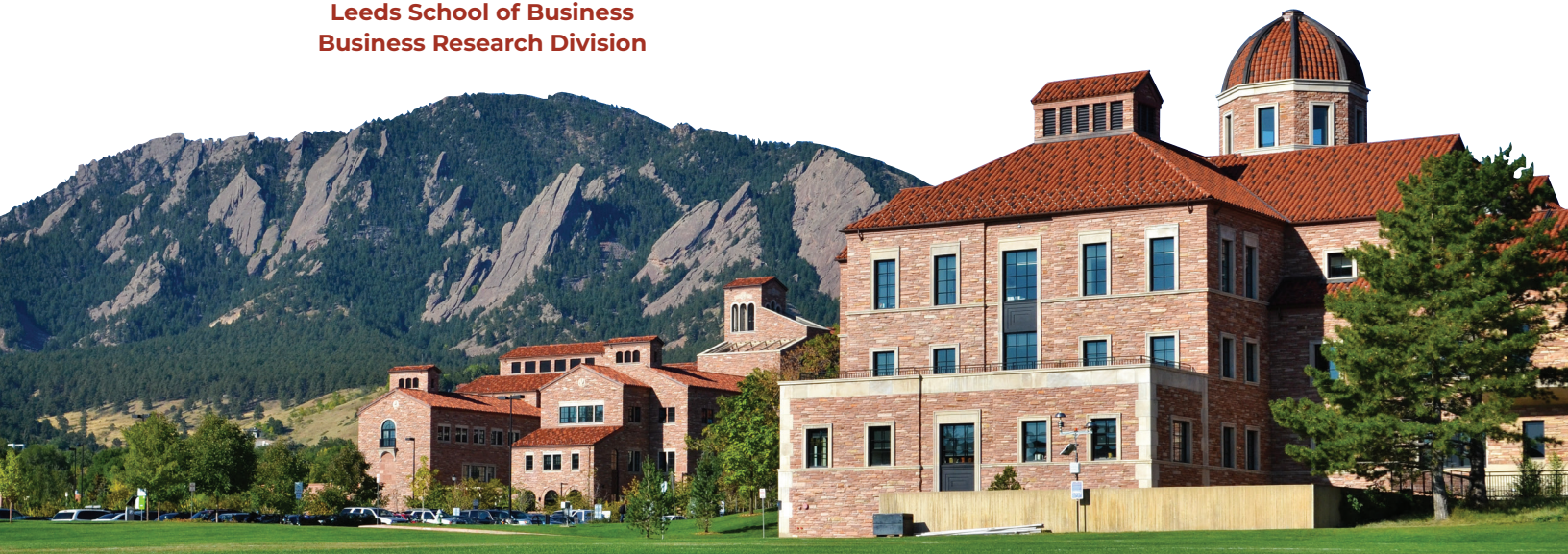
Public benefit corporations (PBC) create a framework for companies that seek to solve social and environmental problems while benefiting their shareholders. Group14 Engineering, which provides sustainable energy and environmental solutions for buildings, is an example of this type of corporation in Colorado.

Foreign entities (FE), or business entities registered in a different state, are authorized to transact business or conduct activities in the state of Colorado. According to the Colorado Secretary of State, all foreign entity types are functionally equivalent to their domestic counterparts. Simple Energy Inc. is an example of a foreign entity in Colorado.

A partnership between the  
**Colorado Secretary of State's Office**  
and the  
**University of Colorado Boulder**  
**Leeds School of Business**  
**Business Research Division**



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