

MAY 2026

# COLORADO LOST WORKPLACES AT ONE OF THE COUNTRY'S HIGHEST RATES IN 2024

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## INTRODUCTION

Last month, the Colorado Chamber of Commerce published a report on corporate relocation, expansion, and site selection that identifies 98 firms and 13,607 known jobs lost to businesses choosing against operating in Colorado since 2019.<sup>i</sup> Other sources, like Business Employment Dynamics (BDM) data from the BLS, also demonstrate the severity of corporate flight from Colorado, especially relative to other U.S. states, alongside high closure rates and declines in new business formation.<sup>ii</sup> Across 2024, the latest year from which complete data are available, Colorado's rate of net new establishments per capita ranked 48th in the country, representing the largest relative employment loss of any state. Although trends in BDM data can be very volatile over time, these findings clearly indicate high costs of doing business in Colorado and low confidence among business owners in the state's economic prospects.

## KEY FINDINGS

In 2024:

- Colorado lost a **net total of 3,934 business establishments** (28,121 births and 32,055 deaths).
  - > This amounts to two-thirds of an establishment per 1,000 people, which ranks **48th among U.S. states.**
- Colorado's net loss of 3,934 establishments caused a **net employment loss of 13,287.**
  - > This amounts to **2.25 lost jobs per 1,000 people**, which is the **worst in the country.**
- Colorado was **one of only six states**, along with Massachusetts, New York, North Carolina, Oregon, and Washington, with declines in **both net establishments and employment.**
  - > Most states, as well as the U.S. overall, registered net gains of both establishments and employment.

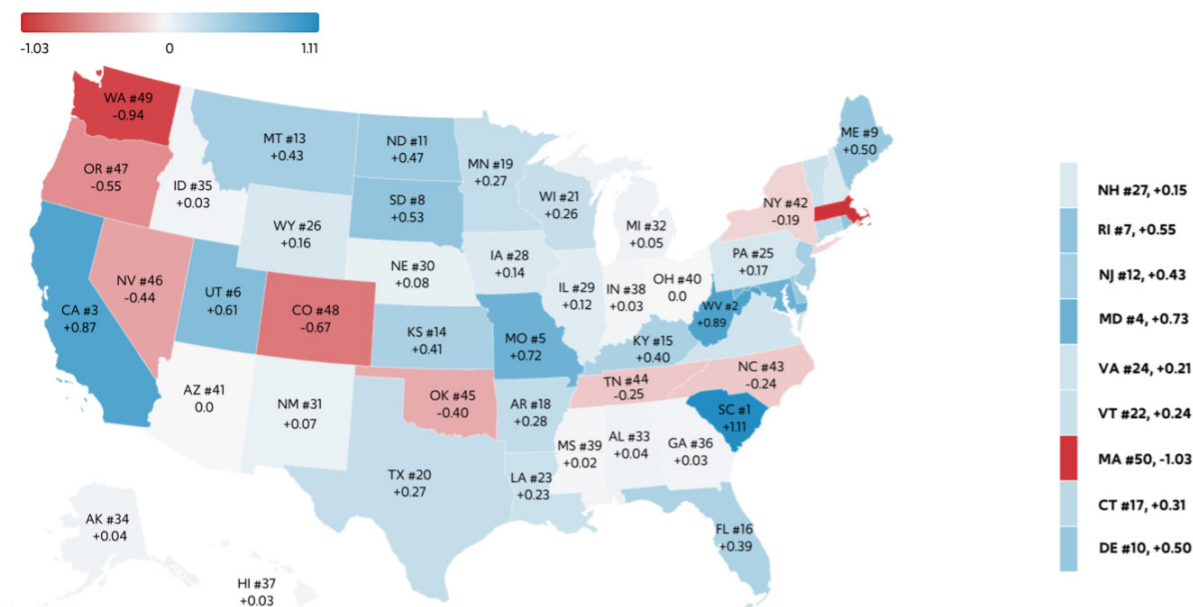
# NET ESTABLISHMENT BIRTHS/DEATHS

The following map ranks each state's net establishment births/deaths per 1,000 people in 2024. Blue shading represents net growth in the number of active establishments throughout the year while states shaded red experienced net losses. Colorado is among just 10 states whose establishment counts fell; its rate of loss was exceeded only by those of Massachusetts and Washington.

**FIGURE 1.**

## Net Establishment Births per 1,000 People by State with Ranks (2024)

"Net establishment births" is the difference between permanent openings and closures of physical places of business, including both independent firms and franchises, over a period of time. This map ranks each state's net establishment births relative to its population.



SOURCE: BLS BDM, CSI CALCULATIONS

# EMPLOYMENT GROWTH FROM NET ESTABLISHMENT BIRTHS/DEATHS

Across the country, one net new establishment employed an average of 4.4 people; because this is above the historical average, which is closer to 4, it represents a slight increase in the average establishment size. As a result, more states achieved net new employment than grew their establishment counts: whereas 10 states lost more business establishments than they gained, only eight registered a combined loss of employment attributable to net establishment births in 2024.

Colorado, one of only six states with negative growth in both measures, experienced the largest employment loss, relative to its population, of any state.

**FIGURE 2.**

## Employment from Net Establishment Births per 1,000 People by State with Ranks (2024)

"Net establishment births" is the difference between permanent openings and closures of physical places of business, including both independent firms and franchises, over a period of time. This map ranks statewide employment changes attributable to net establishment births relative to each state's population.

