



Reshoring Institute

COLORADO

State Economic Survey and Incentive Comparison

CONTACT INFORMATION

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US State Name: Colorado

State Abbreviation: CO

State Economic Development Web Address: www.choosecolorado.com

Additional Relevant Links for Relocating Companies:

1) <https://choosecolorado.com/doing-business/foreign-direct-investment/>

2) <https://choosecolorado.com/doing-business/incentives/>

INCOME AND OUTPUT

This section highlights your state's productivity and income to provide an understanding of the amount of business conducted and the rate of growth for businesses and individuals.

Gross Domestic Product, in millions: \$421,921 million (422 M)¹ in 2021

Gross Domestic Product % Growth: 10.3% growth from 2020 to 2021²

Per Capita Personal Income (*GDP/Population) This is often used as a standard of living measurement: \$69,016 (69 K)³ in 2021

Per Capita Personal Income % Change: 7.8% growth from 2020 to 2021⁴

WORKFORCE

This section gives manufacturers an idea of the industry's environment in your state, including the makeup of the available workforce, the labor requirements, and recent trends.

Total Population: 5,884,424 (5.8 M) in 2021 ⁵

Total Civilian Labor Force: 3,244,129(3.2 M) in June 2022 ⁶

Total Number of Persons Employed: 3,129,050 (3.1 M) in June 2022⁷

Total Number of Persons Unemployed: 105,079 (105 K) in June 2022⁸

Unemployment Rate: 3.4% in June 2022⁹

Manufacturing Employment: 148,649 in 2021¹⁰

Professional and Business Services Employment: 453,608 in 2021¹¹

State Right-to-Work Law Y/N: Colorado is a modified right to work state.¹²

EDUCATION

This section provides further insight into the potential workforce education levels, advanced areas of education, and partnerships between higher education and industry for insight into quality of labor force and growth sustainability.

% High School Diploma or More: 92.4%¹³

% Bachelor's Degree or Higher: 42.7%¹⁴

Enrollment in Higher Education Institutions: 285,143 (285 K)¹⁵

STEM Share of Employment: 7.4% of all employees in Colorado in 2019 were in the STEM sectors

List of High school, College, or University Manufacturing Partnership Programs *These are partnerships with manufacturers to help train future employees in certain skills:*

- Colorado Department of Labor and Employment has an [Office of the Future of Work](#).¹⁶
 - CDLE's Office of the Future of Work (OFOW) prioritizes registered apprenticeships as critical to our future workforce, as it launches the State Apprenticeship Agency (SAA) and implements registered apprenticeship expansion grants statewide.
- On June 23, 2021, Governor Polis signed HB21-1007: State Apprenticeship Agency into law, codifying the state's commitment to increase access to earn-and-learn programs that lead to high quality jobs and to build the talent pipeline that industry needs. The Office of Future Work will lead the implementation of HB21-1007
- The Office of the Future of Work also has an apprenticeship directory with 56 manufacturing apprenticeship programs listed in Colorado: <https://sites.google.com/state.co.us/coapprenticeshipdirectory/home>

List of Additional Manufacturing Training Programs:

- Colorado Advanced Manufacturing Association offers a continuum of programs geared towards students from kindergarten through high school. Hands-on activities engage the students and motivate them to pursue manufacturing careers.¹⁷
- Colorado's Advanced Manufacturing Industry¹⁸ lists the following certification programs:

PARTNER SCHOOLS	Location
Aims Community College	Front Range
Arapahoe Community College	Denver Metro
Colorado Northwestern Community College	Northwest
Community College of Aurora	Denver Metro
Community College of Denver	Denver Metro
Emily Griffith Technical College	Denver Metro,
Front Range Community College	Denver Metro, Front Range
Lamar Community College	Southeast
Metropolitan State University of Denver	Denver Metro
Morgan Community College	Northeast
Northeastern Junior College	Northeast

[Otero Junior College](#)
[Pikes Peak Community College](#)
[Pueblo Community College](#)
[Red Rocks Community College](#)
[Trinidad State Junior College](#)
[Western Colorado Community College](#)

Southeast
South Central
Southeast, South Central, Southwest
Denver Metro
Southeast, South Central
Northwest

COST OF DOING BUSINESS

This section highlights the costs associated with doing business in your state including taxes, wages, insurance, and energy expenses.

State Corporate Income Tax %: 4.40%¹⁹

State Individual Income Tax %: 4.55%²⁰

State Level Sales Tax %: 2.90%²¹

State Use Tax: 2.90%²²

Unemployment Insurance Tax % (estimate): For the majority of employers, the beginning base tax rate is 0.017 on the first \$17,000 of each employee's annual earnings.

- New non-construction employers use 1.7% for 2022
- General construction employers use 1.86% for 2022
- Heavy construction employers use 7.58% for 2022
- Trade employers use 1.86% for 2022

Additional Relevant Taxes: This depends on local jurisdiction.

Workers' Compensation Employer Insurance Costs per \$100 of Payroll: \$0.86²³

Average Industrial Electric Rate: 10.27¢/kWh²⁴

Average Price of Natural Gas Delivered to Industrial Consumers: \$4.95²⁵

Average Hourly Earnings of Production Workers in Manufacturing: \$25.40/hr – not seasonally adjusted²⁶

Minimum Wage (current): \$12.56²⁷

Pending Legislation Regarding Minimum Wage: Colorado increased the minimum wage from \$12.32 in 2021 to \$12.56 as of January 1, 2022.²⁸

ENTREPRENEURSHIP AND INNOVATION

This section underscores the successes of your state in terms of business innovation through awards, venture capital, and intellectual property attainment.

Venture Capital²⁹

- Colorado ranks #7 in the nation for total amount of VC Deals
- VC Deals in 2021: 583 venture deals for \$6.8 B total funding
- 2021 saw a 2.2x increase in total funding compared to 2020
- The largest deal size (\$1.4B) increased by 155% compared to 2020 (\$549M)

Entrepreneurship and Innovation

- Total Small Business Innovation Research (SBIR) Awards: 287 in 2021
- Total Small Business Technology Transfer (STTR): 52 in 2021
- % of State with Internet Accessibility: 89.6% of households with broadband access³⁰
- Newly Registered Businesses: 157,828 in 2021³¹
- Newly Registered Patents: 3,470 in 2020³²
- RANKINGS
 - Colorado ranked as the 1st Best State for Female Entrepreneurs by FitSmallBusiness.com in 2020 and 1st Best State for Women-Led Startups in 2021 by Merchant Maverick³³
 - Colorado is ranked 2nd in Milken Institute's 2020 State Technology and Science Index³⁴
 - Colorado is 3rd in 2021 Startup Early Job Creation by Kauffman Indicators of Entrepreneurship³⁵
 - Colorado is ranked as the 6th Most Innovate State in 2021 by WalletHub
 - Colorado is ranked 10th in 2020 on Bloomberg Business' State Innovation Index, with the 5th highest STEM concentration of workers.

FOREIGN DIRECT INVESTMENT

This section provides insight into the amount of current investment overseas and the potential state market for manufacturers to reshore.

Data for companies from Colorado investing in 89 destination countries between January 2017 and December 2021.³⁶

Year	Projects	Capex	Avg capex	Jobs created	Companies	Year
2021	47	2,210.3	736.8	1,295	30	2021
2020	33	93.3	46.6	1,485	26	2020
2019	48	414.0	59.1	1,539	42	2019
2018	44	210.5	35.1	1,616	29	2018
2017	36	441.8	88.4	734	28	2017

All Capex figures shown in the table are in USD - United States Dollar millions

TRANSPORTATION AND INFRASTRUCTURE

This section sheds light on the basic infrastructure of your state and what a company can expect in terms of the logistics of shipping their product.

Number of major 2 or 4-Lane Highways running through state: 195 (5 interstate + 25 US highways + 165 state highways)

Number of major railways going through state: 4 [2 freight lines (BNSF & UP), 2 passenger lines (Amtrak's California Zephyr through Union Station, and the Southwest Chief through southern Colorado)]

Number of major ports connected to state: 10 fixed ports³⁷

Number of airports throughout state: Colorado is home to 76 public use airports, 14 are categorized as commercial service airports and 60 categorized as non-commercial service general aviation airports, and 2 seaplane bases.³⁸

Number of International airports throughout state: 1 – Denver International Airport.³⁹

Number of distribution centers: N/A

Number of foreign trade zones: Colorado is home to 3 foreign trade zones (zones 112, 123, and 298).⁴⁰

INCENTIVES

Pending Legislation

Proposed Incentives Currently Pending Approval (Y/N): No

Cash Incentives

Does your state provide any CASH incentives? (Y/N): Yes

Strategic Fund

The Strategic Fund Job Growth Incentive is for business expansion or relocation projects for which Colorado is in competition with at least one other state and the company has received a commitment of local government funding that matches any requested state government incentives. The incentive provides a cash payment over five years to companies that create and maintain new permanent jobs in Colorado.

1. Eligibility Requirements:

- create permanent, full-time net new jobs in Colorado
- maintain the net new jobs for at least one year
- have inter-state competitive factors
- secure a 1-to-1 local matching commitment (see below)
- have the potential for significant economic spinoff benefits, such as attracting prestigious companies or suppliers, developing a large expansion initiative, or generating tourism and travel activity
- produce significant capital investment
- See this link for further details: <https://oedit.colorado.gov/strategic-fund-job-growth-incentive>

State Tax Credits

Does your state provide any Tax Credit incentives? (Y/N): Yes

Enterprise Zone Program

The Colorado legislature created the Enterprise Zone Program to encourage development in economically distressed areas of the state. The 16 designated enterprise zones have high unemployment rates, low per capita income, or slow population growth. Enterprise zone areas within rural counties that meet additional economic distress criteria receive enhanced rural enterprise zone status. Businesses within enhanced rural enterprise zones earn additional tax credits when adding net new employees. List of possible tax credits:

- *Enterprise Zone Job Training Tax Credit*: 12% of eligible training costs
- *Enterprise Zone New Employee Tax Credit*: \$1,100 or more per net new employee
- *Enterprise Zone Employer-Sponsored Health Insurance Tax Credit*: \$1,000 per net new employee
- *Enterprise Zone Research and Development Tax Credit*: 3% of an increase in research and development expenses
- *Enterprise Zone Vacant Commercial Building Rehabilitation Tax Credit*: 25% of rehabilitation costs (up to \$50,000 in credits on \$200,000 or more in costs)
- *Enterprise Zone Commercial Vehicle Investment Tax Credit*: 1.5% of purchase price
- *Enterprise Zone Investment Tax Credit*: 3% of business personal property investment
- *Enterprise Zone Sales and Use Tax Exemption for Manufacturing and Mining*: Sales and use tax exemption
- See this link for further details: <https://choosecolorado.com/doing-business/incentives/enterprise-zone-program/>

Job Growth Incentive Tax Credit

The Job Growth Incentive Tax Credit is an eight-year job creation incentive and provides a state income tax credit equal to 50% of the Federal Insurance Contributions Act (FICA). It is paid by the business on the net new job growth for each calendar year in the credit period. This incentive supports competitive, multi-state or country relocation and expansion projects. It is performance-based, meaning companies that underperform in job creation or wages will not receive the total credit amount.

- Companies need to:
 - create at least 20 net new jobs in Colorado during the credit period with an average annual wage of at least 100% of the county's average annual wage where the project will be located
 - consider at least one other state or international market for the project
 - acknowledge receipt of the credit as major factor in its decision to locate in Colorado
- The project needs to:
 - be able to reasonably and efficiently locate the project outside of Colorado
 - have a reduced probability of commencing in the state without this incentive
 - be actively considered in multiple states and/or countries, meaning additional qualitative and quantitative information that supports the competitiveness of the project may be requested

See this link for further details: <https://choosecolorado.com/doing-business/incentives/job-growth-incentive-tax-credit/>

Colorado offers over 100 programs and funding opportunities to business within our state. Review the full directory of programs here: <https://oedit.colorado.gov/programs-and-funding>

COLORADO'S ECONOMIC REGIONS

GRAY - WESTERN SLOPE

BLUE - ROCKY MOUNTAINS

RED - FRONT RANGE

GREEN - EASTERN PLAINS



DENVER METRO REGION
3 MILLION



COLORADO SPRINGS
750,000



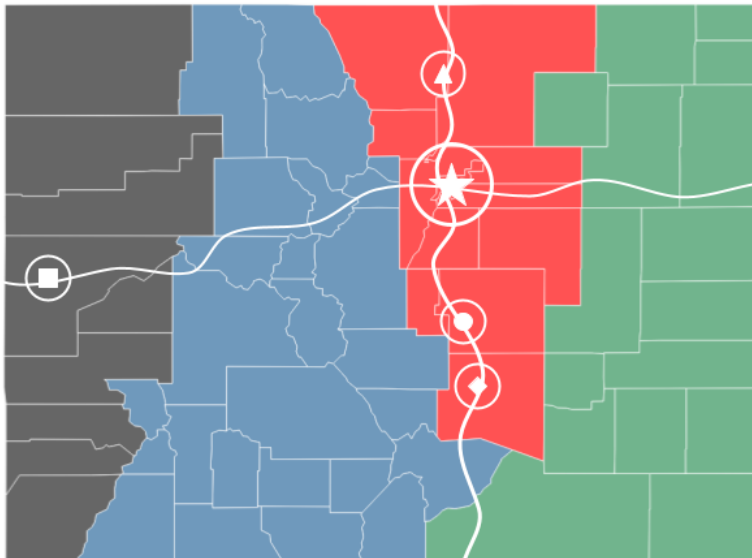
FORT COLLINS/GREELEY
690,000



PUEBLO
170,000



GRAND JUNCTION
150,000



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Colorado is home to 14 economic administrative regions, each as diverse as the 104,000 plus square miles that make up the Centennial State. As seen above, we have narrowed the state down to four economic regions. This includes the Western Slope, Rocky Mountains, Front Range, and Eastern Plains. For more in depth information regarding all 14 of our regions, please visit: <https://chooscolorado.com/doing-business/regions/>.

1. The Western Slope

- a. You can expect high deserts, mesas, and plateaus throughout this region.
- b. The highlighted industries in this region are as follows:
 - i. Oil, Gas, & Mining
 - ii. Agriculture
 - iii. Tourism
 - iv. Outdoor Recreation
- c. This region is home to Grand Junction, CO which is known for their regional healthcare center and success in the tech and advanced manufacturing industries.

2. The Rocky Mountains

- a. You can expect mountain ranges, basins, and valleys throughout this region.
- b. The highlighted industries in this region are as follows:
 - i. Tourism
 - ii. Outdoor recreation
 - iii. Oil, Gas, & Mining
- c. This region is what most people think about when they hear "Colorado". It is most known for famous ski resort towns such as Vail, Steamboat Springs, and Aspen, CO.

3. The Front Range

- a. This region is known as Colorado's urban center, holding about 84% of the state's population.
- b. With the I-25 corridor that runs along the foothills of the Rocky Mountains, the Front Range is known for its diverse modern economy, with dense clusters of advanced industries including but not limited to aerospace, bioscience, information & technology, electronics and advanced manufacturing

4. The Eastern Plains

- a. You can expect grasslands throughout this region.
- b. Known as the agricultural and energy heartland of the state, you will find cattle ranches and farms that grow corn, wheat, hay, and other crops.
- c. This region is known for their thriving oil/gas sector in the north.
- d. You will find wind farms throughout the area.

AMERICAN MADE LABEL REQUIREMENTS

Federal Trade Commission oversees “Truth in Advertising” regulations including promotion or disclosure of products displaying “Made in USA” labeling. FTC requires products advertised as “Made in USA” be “all or virtually all” made in the U.S. “all or virtually all” means the product should contain no – or negligible – foreign content.

Made In USA Requirements

Does the state have any specific requirements for labeling products "Made in USA"? (Y/N): No

Is there pending legislation regarding these requirements? (Y/N): No

Made In YOUR STATE Requirements

Does your state have any specific requirements for labeling products "Made in YOUR STATE"? (Y/N):

If you answered YES to the question above, what are the requirements for labeling products "Made in YOUR STATE":

Is there pending legislation regarding these requirements? (Y/N): No

Is there an organization or entity that monitors state labeling? (Y/N):

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Thank you for your time. Please email your responses to alevy@reshoringinstitute.org and your responses will be recorded and available online for review at www.reshoringinstitute.org.

- ¹ <https://fred.stlouisfed.org/series/CONQGSP#0>
- ² *ibid*
- ³ <https://fred.stlouisfed.org/series/COPCPI>
- ⁴ *ibid*
- ⁵ <https://www.bls.gov/>
- ⁶ *ibid*
- ⁷ Lightcast
- ⁸ *ibid*
- ⁹ <https://fred.stlouisfed.org/series/COUR#0>
- ¹⁰ www.data.bls.gov
- ¹¹ *ibid*
- ¹² <https://www.metrodenver.org/do-business/labor-status>
- ¹³ <https://www.metrodenver.org/regional-data/demographics/educational-attainment>
- ¹⁴ <https://www.metrodenver.org/regional-data/demographics/educational-attainment>
- ¹⁵ <https://www.metrodenver.org/regional-data/demographics/educational-attainment>
- ¹⁶ <https://cdle.colorado.gov/future-of-work>
- ¹⁷ <https://coloradomanufacturing.org/workforce-programs/>
- ¹⁸ <https://cocareeractiontools.com/education-providers>
- ¹⁹ <https://taxfoundation.org/state/colorado/>
- ²⁰ <https://taxfoundation.org/state/colorado/>
- ²¹ <https://taxfoundation.org/state/colorado/>
- ²² <https://taxfoundation.org/state/colorado/>
- ²³ <https://www.insureon.com/small-business-insurance/workers-compensation/colorado>
- ²⁴ <https://www.eia.gov/electricity/state/colorado/>
- ²⁵ <https://www.eia.gov/electricity/state/colorado/>
- ²⁶ <https://fred.stlouisfed.org/series/SMU08000003000000008#0>
- ²⁷ <https://cdle.colorado.gov/wage-and-hour-law/minimum-wage>
- ²⁸ <https://cdle.colorado.gov/wage-and-hour-law/minimum-wage>
- ²⁹ <https://accessvp.com/blog/report-colorado-venture-capital-investment-activity-in-2021/>
- ³⁰ <https://www.census.gov/quickfacts/fact/table/CO/BZA110220>
- ³¹ <https://www.sos.state.co.us/pubs/business/quarterlyReports/2021/2021Q4-SOSIndicatorsReport.pdf>
- ³² https://www.uspto.gov/web/offices/ac/ido/oeip/taf/st_co_20.htm
- ³³ <https://www.merchantmaverick.com/best-states-for-women-led-startups-2022/>
- ³⁴ <https://statetechandscience.org/>
- ³⁵ <https://indicators.kauffman.org/>
- ³⁶ fDi Markets
- ³⁷ <https://leg.colorado.gov/content/ports-entry>
- ³⁸ <https://www.codot.gov/programs/aeronautics/colorado-airport-system>
- ³⁹ <https://www.codot.gov/programs/aeronautics/colorado-airport-system/ColoradoAirportMap>
- ⁴⁰ <https://ofis.trade.gov/Zones>