



Secretary of State Business Filings Q1 2023 Data Analysis Summary

- A record number of new entity filings were recorded in Q1 2023, up 27.6% year-over-year. A fee credit that reduced limited liability filing fees to \$1 likely contributed to the surge in filings.
• Colorado's job growth slowed early in 2023, growing 1.2% year-over-year in March.
• Inflation continued to improve in the first quarter as March marked decelerating price growth of 5.7% year-over-year in the Denver-Aurora-Lakewood metropolitan area; core inflation rose 5.6%.
• Evidence is emerging that Colorado is a growing-but-slowing economy based on slower growth from GDP, personal income, retail, and employment; and declines in home prices and construction.
• Annual delinquency and dissolution filings increased in the first quarter.

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

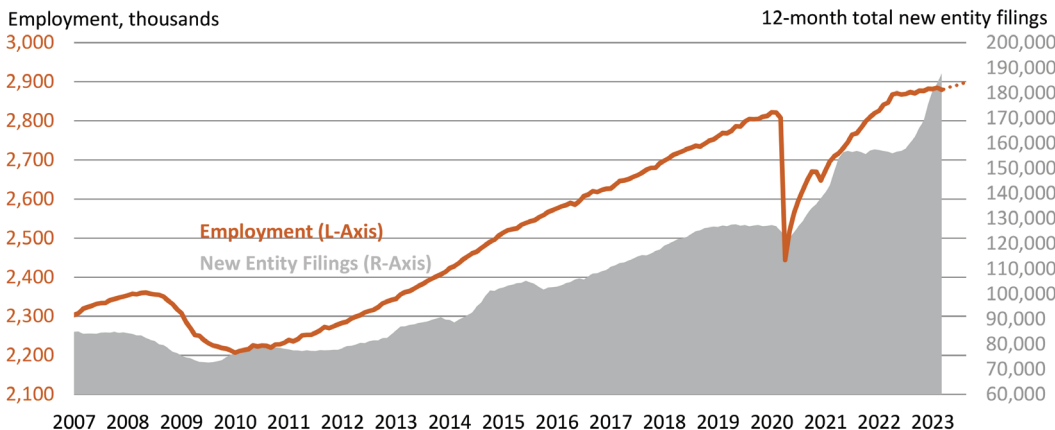


Q2 2023 vs. Q2 2022



Q3 2023 vs. Q2 2023

Employment and New Entity Filings



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.

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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.



## Secretary of State Business Filings Q1 2023 Data Analysis Summary

**GDP growth slowed in Q1 2023.** Real gross domestic product (GDP) posted strong growth in the second half of 2022, but growth slowed in Q1 2023. After growing 3.2% in Q3 2022 and 2.6% in Q4, real GDP grew 1.1% in Q1 2023, according to the Bureau of Economic Analysis (BEA). Consumption grew 3.7% in Q1, government spending grew 4.7%, and the trade deficit posted a modest improvement. Investment decreased in Q1 by 12.5%, driven down by a decrease in equipment, residential, and inventories.

**Job growth on a slowing trajectory.** The nation lost 21.9 million jobs in March and April 2020 but added back 25.1 million jobs from May 2020 through March 2023 to a level 2.1% above the pre-recession peak. The year-over-year job gains were 4.1 million in March 2023, an increase of 2.7% according to data from the Bureau of Labor Statistics. Employment growth has been on a slowing trajectory, adding 236,000 jobs over the month in March (the lowest monthly gain since December 2020).

In Colorado, 377,700 job losses were recorded February-April 2020, but 435,600 jobs were added from May 2020 through March 2023, extending Colorado's rebound 57,900, or 2.1%, above the pre-recession peak (19th-best recovery). Colorado's March 2023 employment increased 33,400 (1.2%) year-over-year (2nd-slowest). The largest annual percent increases came from Mining and Logging, Leisure and Hospitality, and Professional and Business Services. 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 March 2023, hovering at 50-year lows and down from 3.6% a year ago. For comparison, the national unemployment rate was 3.5% in February 2020, just prior to the pandemic's impact on the economy. The national labor underutilization rate (U-6) decreased to 6.7% in March 2023. Colorado's unemployment rate decreased from 2.9% in February to 2.8% in March 2023, ranking the state 15th (tied with two other states).

**State indices mixed.** As of Q4 2022, 41 states recorded real GDP above pre-pandemic levels; 39 states recorded

year-over-year growth in Q4 and 47 states recorded over-the-quarter growth. The state's output grew at an annualized rate of 2.7% from Q3 to Q4 (22nd-highest) and 1.7% year-over-year (8th-highest).

Colorado's labor force participation rate ranked 4th-highest in March, totaling 68.5%. The state's labor force grew 0.7% year-over-year (18th-fastest), continuing further above pre-recession levels. The state's per capita personal income ranked Colorado 8th with per capita income of \$75,206, and annual per capita personal income growth (5.3%) ranked 28th. Colorado's fourth-quarter personal income growth was dampened by the decrease in transfer payments. The average weekly wage grew 5.1% year-over-year, ranking the state 16th in March.

While Colorado's home prices grew in Q4 2022 year-over-year, prices peaked in Q2 2022 and decreased in the second half of the year. The FHFA All-Transactions Home Price Index increased 9% from Q4 2021 to Q4 2022, the 12th-slowest pace in the country. The index fell 1% quarter-over-quarter in Q3 2022 (slowest nationally) and decreased 2.1% in Q4 2022 (8th-slowest).

According to the Baker Hughes Rig Count, the number of rigs in Colorado totaled 19 in early April 2023 compared to 15 during the same period in 2022.

Colorado's monthly retail gasoline prices spiked in 2022 but began to normalize as the

year progressed. In April 2023, prices were down to an average of \$3.58 per gallon in the state, a decrease of 11.5% compared to the same period in 2022, according to the Energy Information Administration.

Inflation continued to improve in March 2023 but remained high. The Consumer Price Index in the Denver-Aurora-Lakewood region increased 5.7% (not seasonally adjusted) year-over-year in March 2023 (compared to national price growth of 5% for the same month). Core inflation (all items less food and energy) increased 5.6% in the Denver region (same as the national price growth of 5.6%).

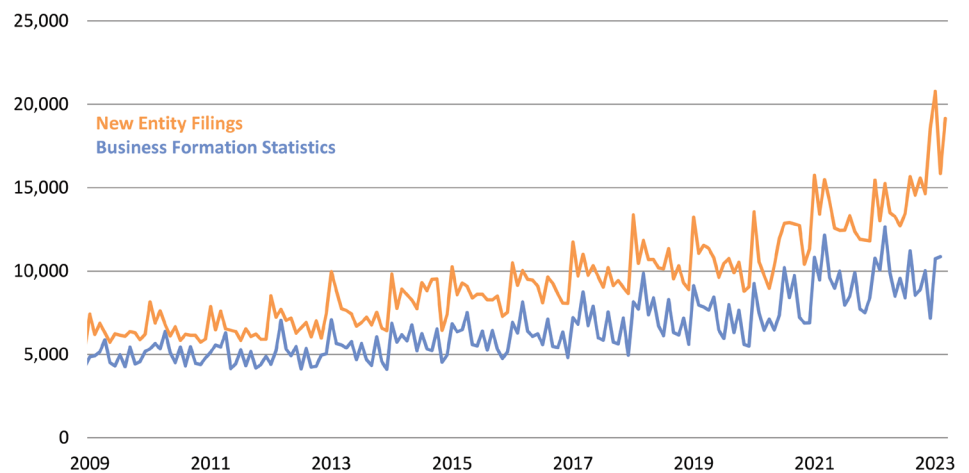
**New entity filings positive.** Total new entity filings increased 27.6% year-over-year and 14.3% quarter-over-quarter. A total of 55,787 new entities were filed in Q1 2023, a record number, most of which were LLCs.

**Existing entity renewals positive.** Existing entity renewals increased 1.2% in Q1 year-over-year and 13.3% quarter-over-quarter. In Q1 there were 194,062 existing entity renewals.

**New entity filings are highly correlated with Business Formation Statistics.**

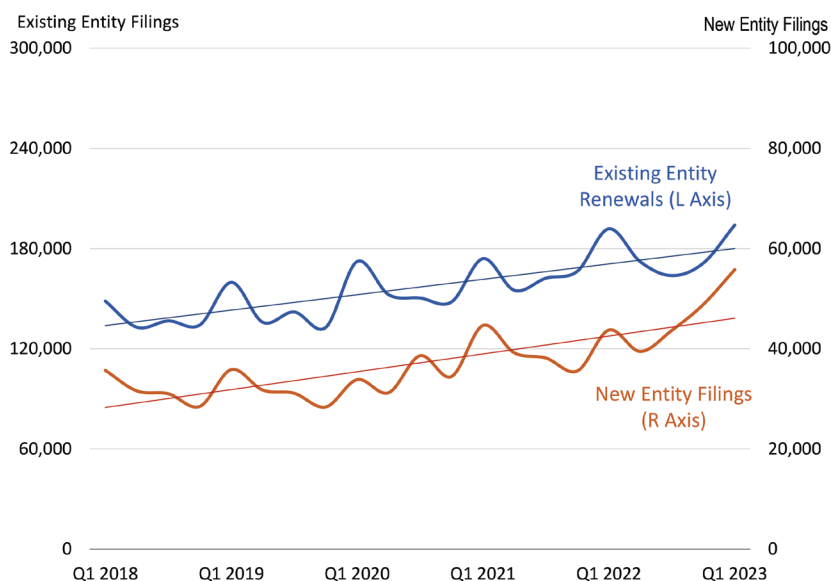
Colorado new entity filings from the Secretary of State's Office are highly correlated ( $r=0.89$ ) with the Business Formation Statistics from the U.S. Census Bureau that tracks business applications and formations.

**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 growth in the first quarter.** The quarterly count of new entity filings increased from Q1 2022 to Q1 2023, and also increased from Q4 2022 to Q1 2023. Existing entity renewals also posted gains.

Entities in good standing increased 7.4% compared to last March. Delinquencies also increased, up 9.3%, and dissolutions were up sharply 19%. Trademark and trade name filings increased for the quarter.

	Q1 2023	Q4 2022	Q1 2022	Percent Change over Prior Year		5-Year CAGR <sup>a</sup>	
<b>New Entity Filings</b>							
Domestic Limited Liability Company	48,058	42,002	34,660	38.7%	▲	12.0%	▲
Domestic Nonprofit Corporation	1,040	881	1,050	-1.0%	▼	0.5%	▲
Domestic Corporation	2,912	2,685	3,568	-18.4%	▼	-4.2%	▼
Other Entity Types	3,777	3,238	4,444	-15.0%	▼	0.1%	▲
Total New Entity Filings	55,787	48,806	43,722	27.6%	▲	9.4%	▲
Total New Entity Filings - 12 mo. trailing	187,716	175,651	156,616	19.9%	▲	9.2%	▲
<b>Existing Entity Renewals</b>							
Domestic Limited Liability Company	129,445	112,494	124,479	4.0%	▲	7.5%	▲
Domestic Nonprofit Corporation	13,561	11,565	14,212	-4.6%	▼	1.8%	▲
Domestic Corporation	29,316	25,973	31,843	-7.9%	▼	-0.3%	▼
Other Entity Types	21,740	21,178	21,312	2.0%	▲	6.4%	▲
Total Existing Entity Renewals	194,062	171,210	191,846	1.2%	▲	5.5%	▲
Total Existing Entity Renewals - 12 mo. trailing	701,185	698,969	675,536	3.8%	▲	6.0%	▲
<b>Other Business Filings</b>							
Dissolution Filings	13,999	13,295	12,831	9.1%	▲	10.3%	▲
Dissolution Filings - 12 mo. trailing	50,661	49,493	42,587	19.0%	▲	11.0%	▲
Trademarks	873	723	844	3.4%	▲	-2.7%	▼
Trademarks - 12 mo. trailing	3,169	3,140	3,161	0.3%	▲	-2.8%	▼
Trade Names	12,613	9,911	11,093	13.7%	▲	0.0%	▲
Trade Names - 12 mo. trailing	43,206	41,686	41,517	4.1%	▲	-0.3%	▼
<b>Entities in Good Standing</b>							
Corporation	122,362	125,705	125,745	-2.7%	▼	-0.2%	▼
Foreign	96,393	96,600	91,977	4.8%	▲	6.1%	▲
Limited Liability Company	641,432	628,638	579,313	10.7%	▲	8.7%	▲
Nonprofit Corporation	54,486	54,783	53,403	2.0%	▲	2.1%	▲
Other Entity Types	11,403	11,658	11,690	-2.5%	▼	-0.1%	▼
Total Entities in Good Standing	926,076	917,384	862,128	7.4%	▲	6.4%	▲
<b>Delinquencies</b>							
Corporation	152,884	149,803	143,510	6.5%	▲	5.6%	▲
Foreign	46,272	44,991	43,050	7.5%	▲	8.9%	▲
Limited Liability Company	579,278	560,760	524,081	10.5%	▲	10.1%	▲
Nonprofit Corporation	28,693	28,068	27,111	5.8%	▲	6.6%	▲
Other Entity Types	15,644	15,359	14,846	5.4%	▲	5.5%	▲
Total Delinquencies	822,771	798,981	752,598	9.3%	▲	8.9%	▲

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

## New Entity Filings & Existing Entity Renewals

**Quarterly new business filings rose to record level.** New entity filings increased 27.6% year-over-year and 14.3% from the prior quarter. Quarterly filings totaled 55,787. This was the highest quarter on record and was a continuation from the exceptionally strong growth at the end of 2022.

The four-quarter rolling sum of filings, which removes seasonality, recorded a 19.9% increase in new entities year-over-year and 6.9% from the prior quarter.

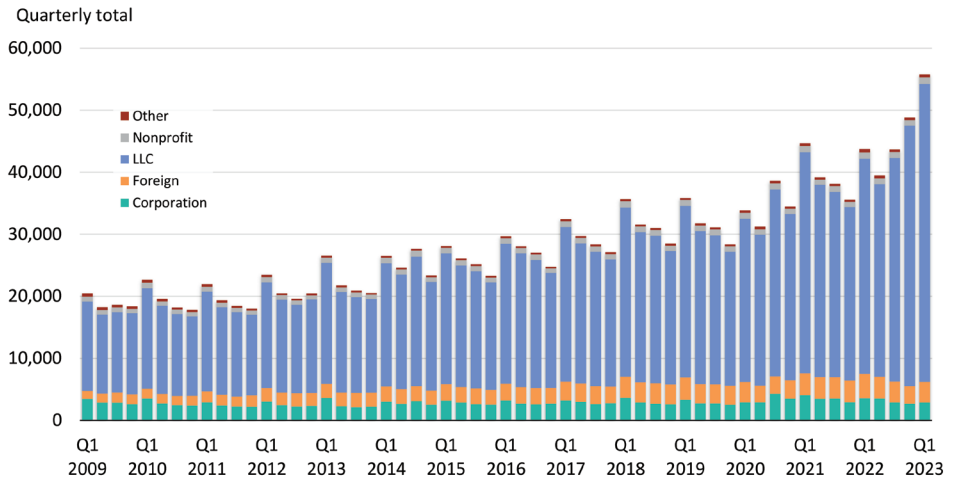
New business filings were likely impacted by the reduction in filing fees that were instituted on July 1, 2022. Fees for LLCs decreased from \$50 to \$1, and fees for trade names decreased from \$20 to \$1. HB22-1001 allocated \$8.435 million to implement the fee reduction program.

**Business renewals increased over the year and over the quarter.** There were 194,062 renewals in Q1 2023, an increase of 1.2% year-over-year and 13.3% over the previous quarter. This was the largest number of existing entity renewals recorded in a single quarter.

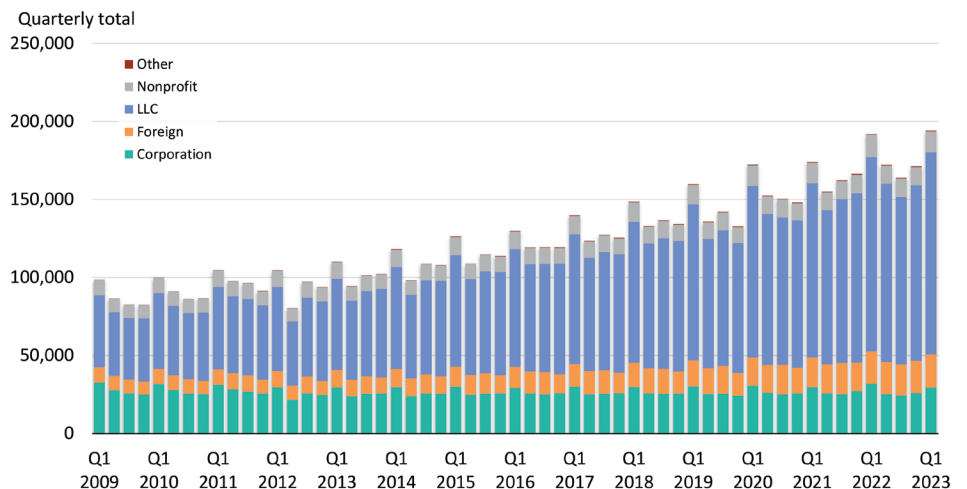
Using a four-quarter rolling sum to remove seasonality, renewals demonstrated an annual increase of 3.8% and a quarterly increase of 0.3%.

**Businesses in good standing increased in Q1.** Total entities in good standing increased 7.4% from Q1 2022 to Q1 2023, continuing a general upward trajectory. Entities in good standing increased 0.9% over the prior quarter. Over the year, limited liability companies recorded the greatest increase in good standing (10.7%) while corporations recorded the largest percent decline (-2.7%).

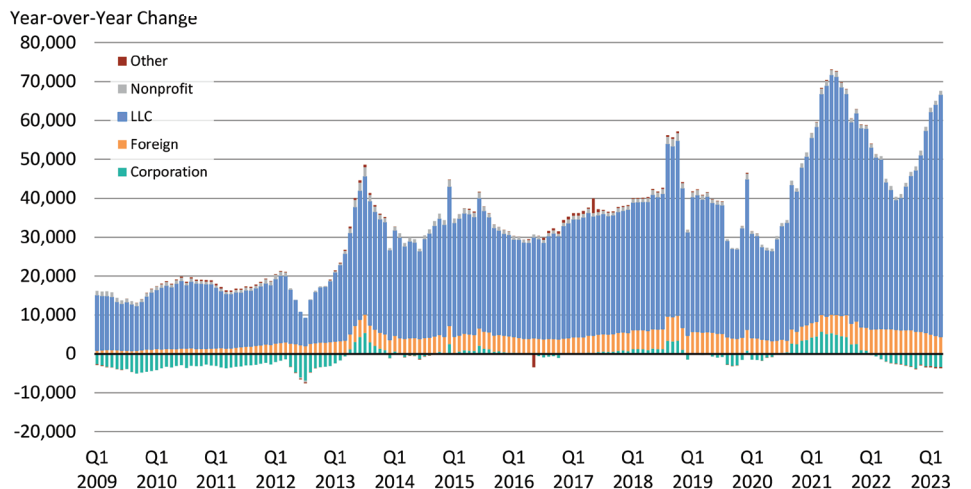
### New Entity Filings



### Existing Entity Renewals



### Entities in Good Standing



## Dissolutions, Trade Names, & Trademarks

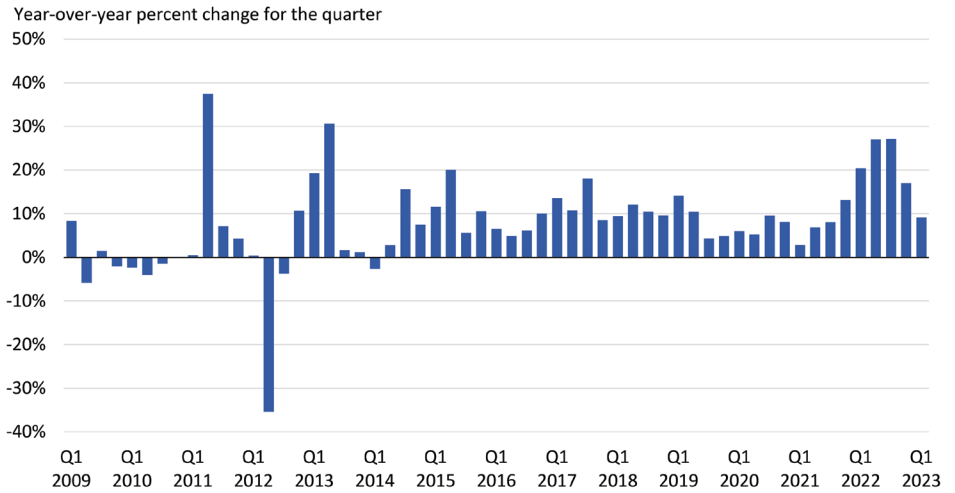
### Dissolutions hit a record in Q1, but the pace of growth slowed.

While the number of dissolutions reached a record-high of 13,999 in Q1 2023 (up 5.3% from the prior quarter), dissolution filings increased 9.1% year-over-year, a decrease in the annual pace from the prior quarter (17%).

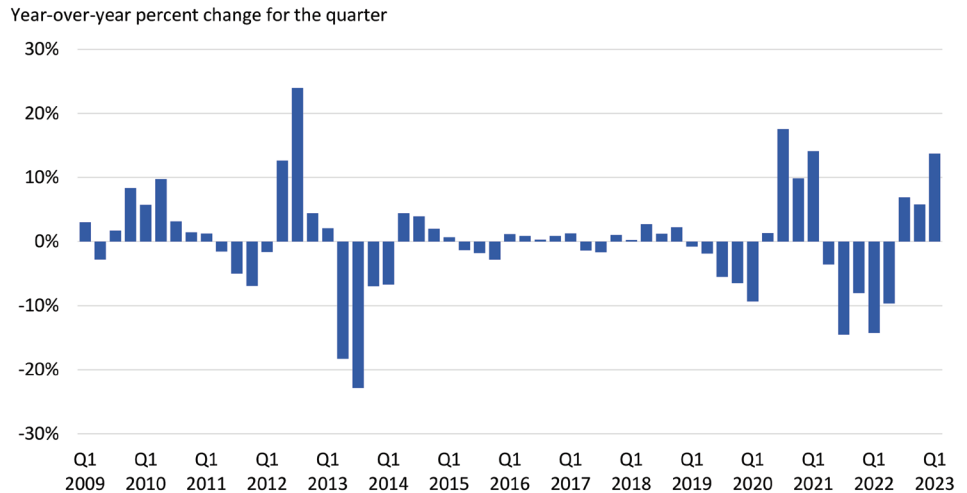
The 12-month trailing total of dissolution filings—50,661—was up 19% year-over-year and 2.4% quarter-over-quarter.

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

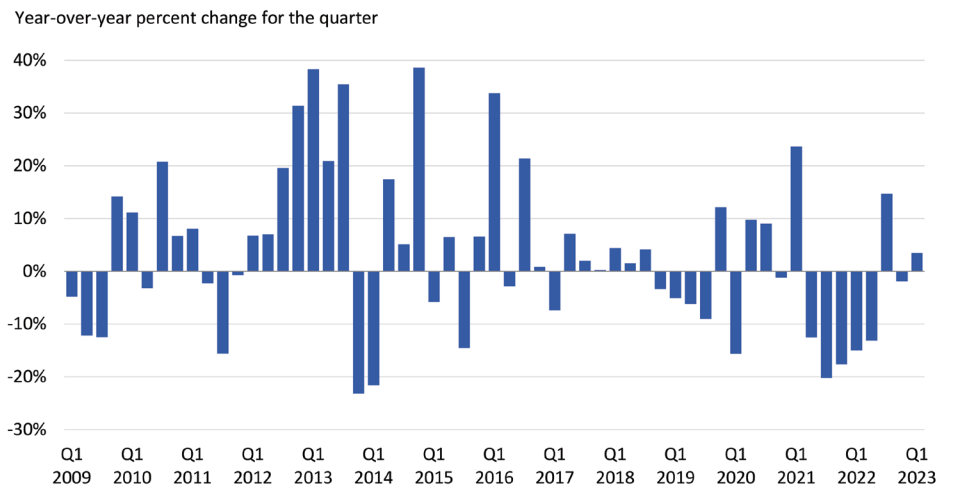
### Dissolution Filings



### Trade Name Filings



### Trademark Filings



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

Trade name filings increased year-over-year and quarter-over-quarter in Q1 2023. The quarter ended with 12,613 trade name filings, an increase of 13.7% over the prior year and 27.3% over the prior quarter. Entities must file a statement of trade name when operating under any name other than their true name.

### Trademark filings rebound in Q1.

Trademark filings totaled 873 in Q1 2023, a 3.4% increase from the prior year and 20.7% from Q4 2022. Using a 12-month trailing sum to adjust for seasonality, filings increased 0.3% year-over-year and 0.9% over the quarter. Trademarks protect the symbols and words used in commerce.

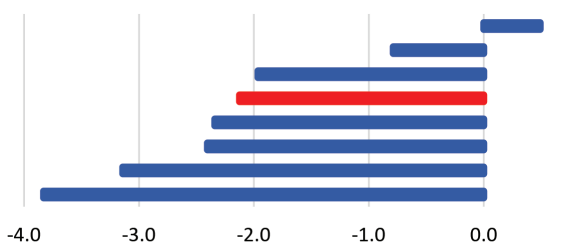
## Colorado Economic Indicators

**Colorado Home Prices Peaked in 2022.** Colorado home prices increased 9% year-over-year according to the Federal Housing Finance Agency All-Transactions home price index. However, Colorado prices peaked in Q2 2022 and recorded over-the-quarter decreases of 1% in Q3 and 2.1% in Q4. The annual changes placed Colorado 39th in the country while the quarterly decline placed Colorado 43rd. The quarterly decrease in index was measured in 6 of Colorado's 7 metropolitan statistical areas, with the sharpest decline in the Colorado Springs MSA (-3.8%) and the Greeley MSA (-3.1%). Only the Pueblo MSA recorded growth (0.5%).

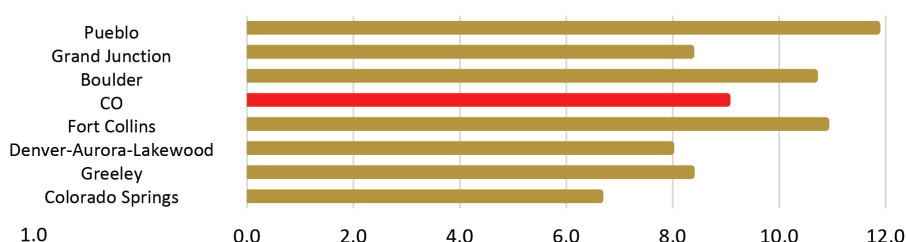
The decrease in home values coincides with a decrease in construction activity. On the residential side, 2023 activity started soft with a 31% decrease in residential building permits spread across both single family and multifamily units as of March (year-to-date). Preliminary data from Dodge Construction also suggests a slowdown in commercial activity in the state.

Despite evidence of a slowing economy, Colorado continues to record growth, albeit slower growth. GDP, personal income, employment, and wages all continued to grow in the current data, and inflation marked further improvement in March 2023.

**Home Price Index**  
Quarter-over-Quarter Percent Change



**Home Price Index**  
Year-over-Year Percent Change



Source: Federal Housing Finance Agency, All Transactions Index (Not Seasonally Adjusted).

	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)	440.2	443.0	-0.6%	▼	5.9%	▲	6.7%	▲
Colorado Sales Tax Receipts, 12 mo. trailing (billions of dollars)	4.3	4.2	1.7%	▲	11.1%	▲	8.4%	▲
Retail and Food Services Sales, 12 mo. trailing (millions of dollars)	301,441.9	298,194.2	1.1%	▲	9.4%	▲	9.0%	▲
Food Services and Drinking Places Sales, 12 mo. trailing (millions of dollars)	17,424.5	16,980.3	2.6%	▲	12.3%	▲	5.8%	▲
Sales Expectations (LBCI)	47.9	47.6	0.6%	▲	13.4%	▲	-4.3%	▼
Profit Expectations (LBCI)	45.1	46.7	-3.4%	▼	-6.6%	▼	-5.4%	▼
<b>Business Outlays</b>								
Annual Wages Per Employee (\$)	64,681	63,804	1.4%	▲	7.8%	▲	5.8%	▲
Hiring Expectations (LBCI)	43.1	42.4	1.7%	▲	2.3%	▲	-5.4%	▼
Capital Expenditures Expectations (LBCI)	44.8	45.1	-0.7%	▼	9.0%	▲	-4.7%	▼
Retail Gasoline Price (dollars per gallon; monthly average)	3.58	3.48	2.7%	▲	-11.5%	▼	6.0%	▲
<b>Labor Markets</b>								
Employment (in thousands)	2,879.8	2,882.2	-0.1%	▼	1.2%	▲	1.2%	▲
Unemployment Rate <sup>b</sup>	2.8%	2.8%	0.0%	▷	-0.5%	▼	-0.1%	▼
Initial Jobless Claims (monthly average)	2,876	3,580	-19.7%	▼	20.5%	▲	6.4%	▲
Continuing Jobless Claims (monthly average)	23,692	24,879	-4.8%	▼	46.2%	▲	2.7%	▲
Hires	137	118	16.1%	▲	-7.4%	▼	1.9%	▲
Job openings	218	215	1.4%	▲	7.4%	▲	7.2%	▲
Total separations	87	89	-2.2%	▼	-9.4%	▼	4.7%	▲
Quits	126	152	-17.1%	▼	-8.0%	▼	-0.3%	▼
Labor Force	3,227	3,198	0.9%	▲	0.7%	▲	1.2%	▲
Labor Force Participation Rate <sup>b</sup>	69	68	0.5%	▲	-0.2%	▼	0.0%	▷
<b>Economic Overview</b>								
Real Quarterly GDP (billions of chained 2012 dollars)	388.9	386.4	2.7%	▲	1.7%	▲	3.0%	▲
Building Permits, Number of Units, 12 mo. trailing	44,380	48,995	-9.4%	▼	-28.2%	▼	-0.8%	▼
Valuation (millions of dollars), 12 mo. trailing	11,799	12,896	-8.5%	▼	-20.4%	▼	3.1%	▲
FHFA Purchase-Only Home Price Index	674	678	-0.5%	▼	5.7%	▲	9.7%	▲
Private Firms	243,582	238,779	2.0%	▲	6.7%	▲	4.4%	▲
Rotary Rig Count (monthly average)	19	20	-8.6%	▼	25.0%	▲	-8.9%	▼
Total Business Bankruptcy Filings	63	62	1.6%	▲	-7.4%	▼	-7.9%	▼
Chapter 7	39	35	11.4%	▲	-4.9%	▼	-10.5%	▼
Chapter 11	13	17	-23.5%	▼	-38.1%	▼	-4.1%	▼
Chapter 13	2	2	0.0%	▷	NA	▲	NA	▲
State Economy Expectations (LBCI)	38.3	37.1	3.2%	▲	38.5%	▲	-7.7%	▼

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) (Q4 22); Colorado Department of Revenue, Office of Research and Analysis (NSA) (M3/23); Leeds School of Business, Leeds Business Confidence Index (LBCI) (Q3 23); Colorado Department of Labor and Employment, QCEW (NSA) (Q3 22); U.S. Energy Information Administration, Weekly Retail Gasoline and Diesel Prices (04/01/23); Bureau of Economic Analysis, (SAAR) (Q4 22); Bureau of Labor Statistics, CES (SA) (03/23); Bureau of Labor Statistics, LAUS (SA) (03/23); U.S. Department of Labor, Employment and Training Administration (NSA) (04/01/23); Census Bureau, New Privately Owned Housing Units Authorized (NSA) (2/23); Bureau of Labor Statistics (SA) (); Bureau of Labor Statistics (SA) (3/23/23); Colorado Division of Housing, Foreclosure Report (Q1 21); FHFA Purchase-Only Home Price Index (SA) (Q4 22); Bureau of Labor Statistics, QCEW (Q3 2022); Baker-Hughes (04/01/23); Administrative Office of the U.S. Courts (Q4 22); Leeds School of Business, Leeds Business Confidence Index (LBCI) (Q3 23).

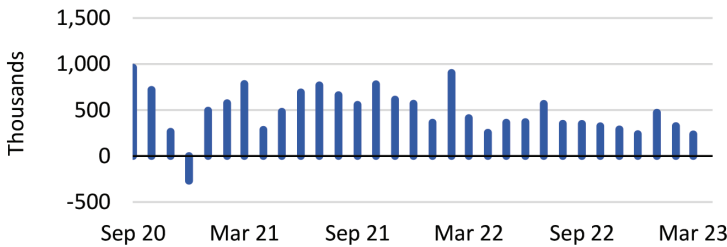
<sup>a</sup>Compound Annual Growth Rate. <sup>b</sup>Percentage point change.

## National Economic Indicators

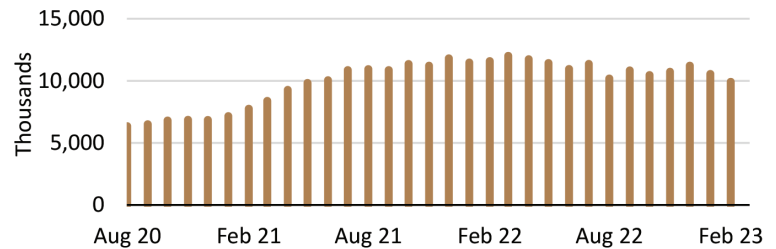
**Labor Market Signaling Slowdown.** The labor market still suggests an imbalance in the favor of employees—demand for workers is outstripping the supply of labor. This is evident in the job postings relative to the number of unemployed individuals in economy. However, data released by the Bureau of Labor Statistics for March 2023 indicate both a lower number of job openings and a slowing rate of hiring while the labor force grew and the participation rate posted incremental gains (but the number of unemployed and the unemployment rate decreased).

Job openings decreased from a seasonally adjusted 11.6 million in February 2022 to 9.9 million in February 2023 based on data from the JOLTS report, and fell by 632,000 from January to February 2023. Employment growth decelerated with the U.S. adding 236,000 jobs in from January to February—the lowest number of jobs added in over two years. Meanwhile, the labor force grew by 2.4 million year-over-year and 480,000 over the month. Despite this, conditions remain tight—the unemployment rate decreased to 3.5% in March 2023.

**Employment Growth**  
Month-over-Month Jobs Added



**Job Openings**  
Monthly Levels



Source: Bureau of Labor Statistics, CES and JOLTS.

	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)	22,717	22,446	1.2%	▲	6.0%	▲	5.5%	▲	
Retail and Food Services Sales, 12 mo. trailing (billions of dollars)	8,164.3	8,070.9	1.2%	▲	7.8%	▲	7.1%	▲	
Food Services and Drinking Places Sales, 12 mo. trailing (billions of dollars)	1,012.7	975.9	3.8%	▲	14.3%	▲	7.7%	▲	
S&P 500	4,158.6	4,016.2	3.5%	▲	-0.4%	▼	9.3%	▲	
Annual Wages Per Employee	70,450	69,353	1.6%	▲	5.9%	▲	6.5%	▲	
<b>Business Outlays</b>									
Consumer Price Index	301.8	299.0	0.9%	▲	5.0%	▲	3.9%	▲	
Core Inflation (All Items Less Food & Energy)	305.2	301.5	1.3%	▲	5.6%	▲	3.6%	▲	
Shelter	374.9	367.4	2.1%	▲	8.2%	▲	4.2%	▲	
Retail Gasoline Price (dollars per gallon; monthly average)	3.71	3.45	7.7%	▲	-11.9%	▼	5.2%	▲	
<b>Labor Markets</b>									
Employment (in thousands)	155,569	154,535	0.7%	▲	2.7%	▲	1.0%	▲	
Unemployment Rate <sup>b</sup>	3.5%	3.5%	0.0%	▷	-0.1%	▼	-0.5%	▼	
Initial Jobless Claims (monthly average)	236,000	199,500	18.3%	▲	9.5%	▲	-9.9%	▼	
Continuing Jobless Claims (monthly average)	1,841,000	1,660,000	10.9%	▲	21.2%	▲	3.9%	▲	
Hires	6,163	6,253	-1.4%	▼	-9.4%	▼	1.8%	▲	
Job openings	9,931	10,746	-7.6%	▼	-14.4%	▼	8.7%	▲	
Total separations	5,820	5,945	-2.1%	▼	-4.1%	▼	1.8%	▲	
Quits	4,024	4,148	-3.0%	▼	-6.7%	▼	4.5%	▲	
Labor Force	166,731	164,966	1.1%	▲	1.5%	▲	0.6%	▲	
Labor Force Participation Rate <sup>b</sup>	63	62	0.3%	▲	0.2%	▲	-0.3%	▼	
<b>Economic Overview</b>									
Real Quarterly GDP (billions of chained 2012 dollars)	20,236	20,182	1.1%	▲	1.6%	▲	1.9%	▲	
Building Permits, Number of Units, 12 mo. trailing	1,536,644	1,626,225	-5.5%	▼	-12.4%	▼	3.4%	▲	
Valuation (millions of dollars), 12 mo. trailing	345,308	364,302	-5.2%	▼	-8.6%	▼	5.8%	▲	
FHFA Home Price Index	389.1	387.8	0.3%	▲	8.4%	▲	9.6%	▲	
Rotary Rig Count (monthly average)	752	772	-2.7%	▼	9.0%	▲	1.7%	▲	
Total Business Bankruptcy Filings	3,519	3,527	-0.2%	▼	11.4%	▲	-9.3%	▼	
Chapter 7	2,031	1,975	2.8%	▲	5.2%	▲	-10.1%	▼	
Chapter 11	1,147	1,204	-4.7%	▼	20.4%	▲	-7.2%	▼	
Chapter 13	55	65	-15.4%	▼	-15.4%	▼	-11.1%	▼	
National Economy Expectations (LBCI)	38.3	37.1	3.3%	▲	38.5%	▲	-7.6%	▼	

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) (3/23); U.S. Census Bureau (NSA) (3/23); Yahoo Finance (4/28/23); Bureau of Labor Statistics, QCEW (NSA) (Q3 2022); Bureau of Labor Statistics, All Urban Consumers, U.S. City Average (SA) (3/23); U.S. Energy Information Administration, Weekly Retail Gasoline and Diesel Prices (4/1/23); Bureau of Economic Analysis (SAAR) (Q1 23); Bureau of Labor Statistics, CES (SA) (3/23); Bureau of Labor Statistics (SA) (3/23); U.S. Department of Labor, Employment and Training Administration (SA) (4/1/23); Bureau of Labor Statistics (SA) (2/23); Bureau of Labor Statistics (SA) (3/23); Census Bureau, New Privately Owned Housing Units Authorized (NSA) (3/23); FHFA Purchase-Only Home Price Index (SA) (Q4 22); Baker-Hughes (4/1/23); Administrative Office of the U.S. Courts (Q4 22); Leeds School of Business, Leeds Business Confidence Index (LBCI) (Q3 23).

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

## Secretary of State Business Filings Q1 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.

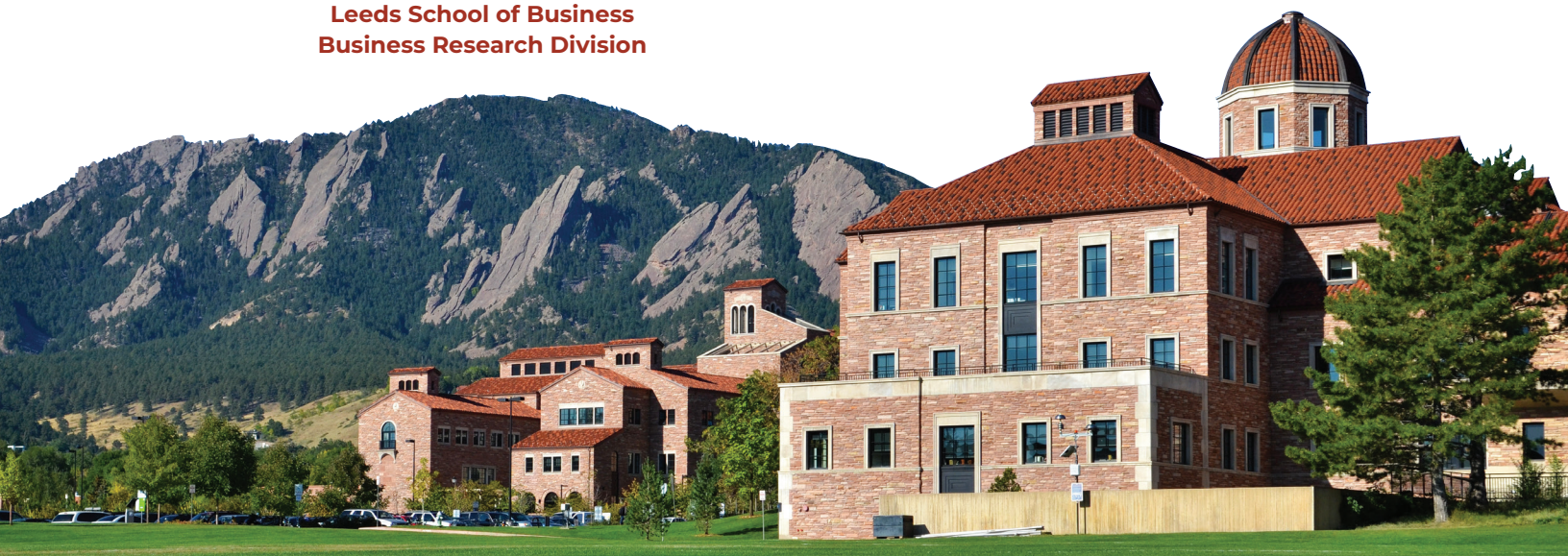
Public benefit corporations (PBC) create a framework for companies that seek to solve social and environmental problems while benefiting their shareholders. Group14 Engineering, which provides sustainable energy and environmental solutions for buildings, is an example of this type of corporation in Colorado.

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**  
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