



## **Survey of 169 Business Leaders in the State of Colorado**

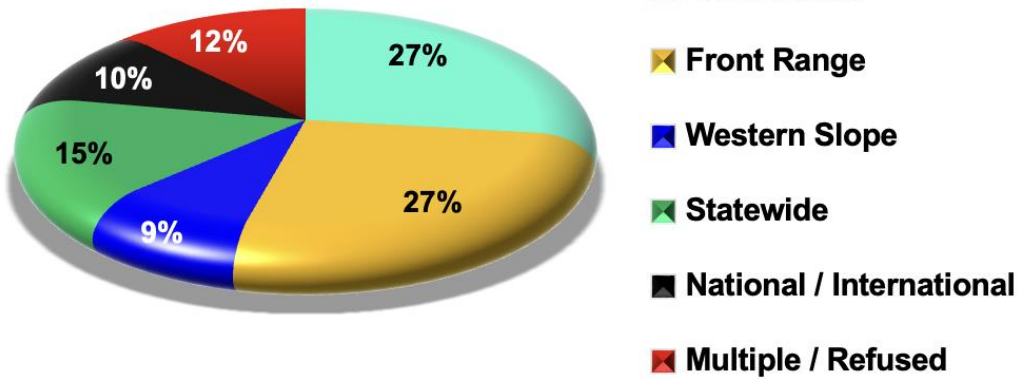
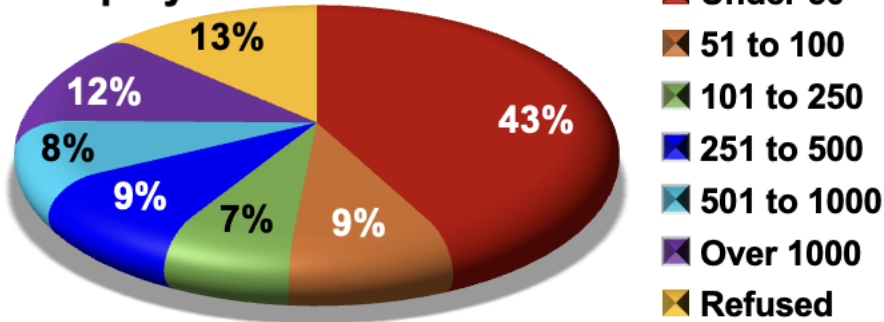
*Conducted by Cole Hargrave Snodgrass & Associates on behalf of the Colorado Chamber of Commerce*

The Colorado Chamber of Commerce commissioned CHS & Associates to conduct a detailed poll of 169 businesses leaders in Colorado to assess economic outlook, sentiments on major policy issues and challenges facing the state business climate. CHS & Associates frequently conducts similar economic surveys in other states and has been working with state chambers to poll the business community for 20 years.

The interviews were conducted between November 25 and December 17, 2024.

### Survey Demographics

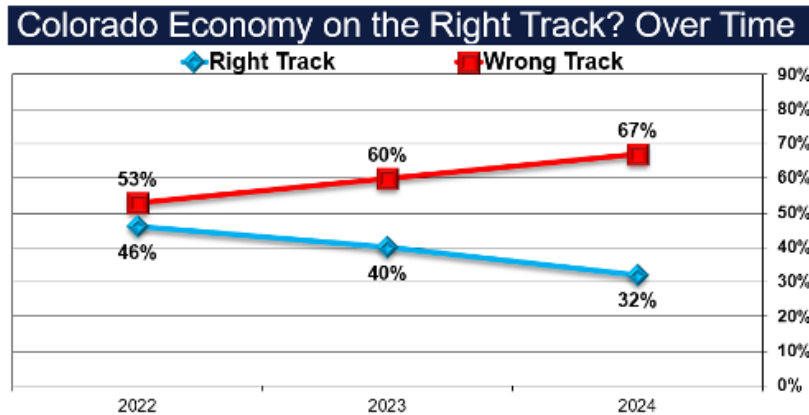
#### Employees



## 2025 Business Leaders Survey: Key Findings

### Economic Outlook and Overall Sentiment:

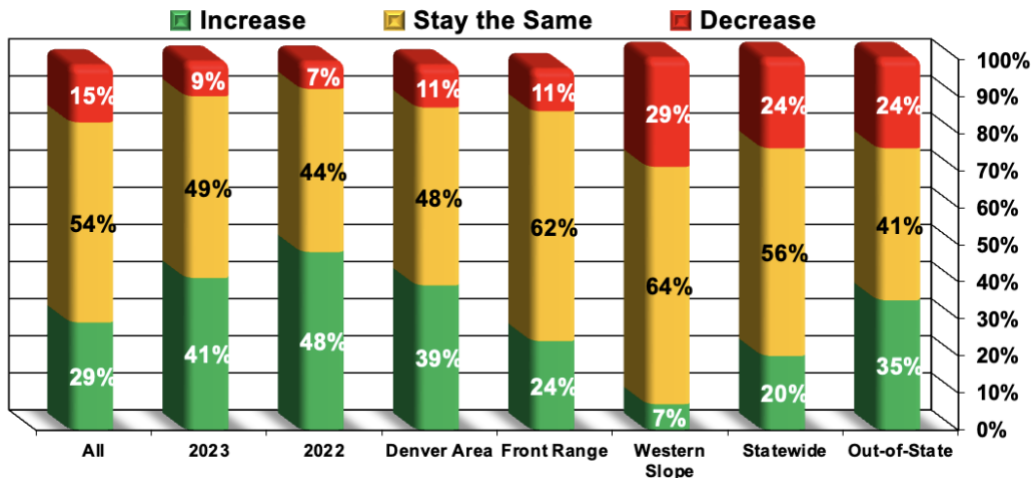
Business leaders have a more dire view of the current economy with only 32% of respondents believing the state’s economy is headed in the right direction while 67% say it is on the wrong track. This is a net change of 15-points in the negative direction since last year (in 2023, the breakdown was 40% right track / 60% wrong track).



There is some optimism on the workforce front as 29% say they have increased the number of employees and only 17% have reduced. In the coming year, 28% of respondents expect to hire more and only 15% expect to cut their workforce.

### Workforce Size Over the Next Year

*1% Increase Substantially; 27% Increase Moderately; 54% Stay the Same; 13% Decrease Moderately; 2% Decrease Substantially; 2% Undecided*



## Top Business Issues – Regulatory Environment Remains Major Concern in Colorado:

Colorado’s regulatory climate has become a greater concern to employers year-over-year. Most states in which CHS operates are seeing the workforce issue dominate, but in Colorado, the concern about the state regulatory climate sets it apart.

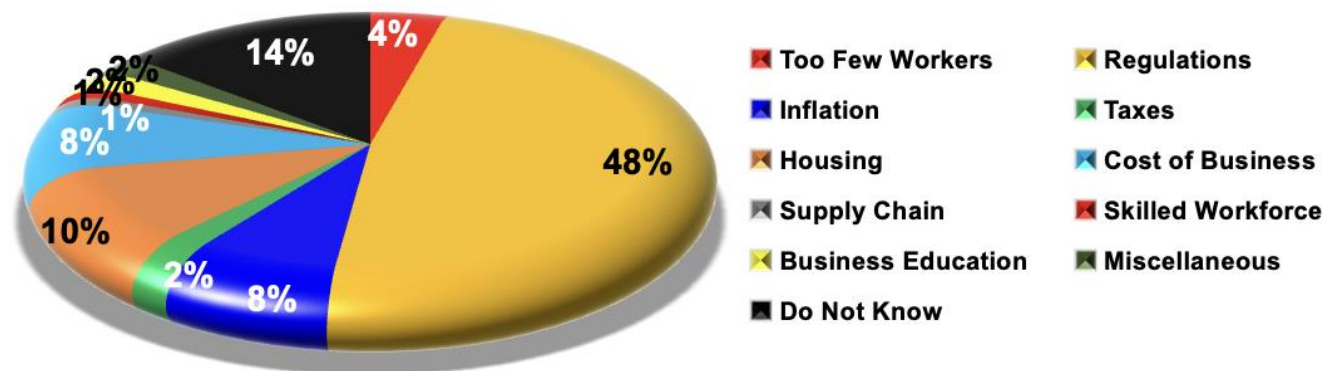
On an open-ended question asking the top concern among employers, a stark 48% of respondents said regulations while housing costs were a distant second (10%). In 2023, 48% identified regulations as the top issue and 8% cited housing cost concerns.

The concern about regulations is reconfirmed when respondents select from a list the biggest challenge facing their business. Here, 28% select regulatory mandates and costs as their top concern, followed by inflation and increased costs of goods at 18% and finding and retaining skilled employees at 12%.

Concern about the regulatory environment is particularly acute at the state level (58%) while only 18% say it is the federal government and 23% say it is the local government level.

### Most Important Issues for Colorado Businesses

Excessive regulations dominate the initial open-ended question and escalated as a concern for business leaders similar to last year. The regulatory burden is higher in Colorado compared to other states where CHS & Associates conducts surveys. Also of note, while workforce was the second most important issue in 2023, it has decreased by 7% in 2024.



### Most Important Issues to Profitability and Growth

When respondents are asked to pick the most important out of 10 issues, regulation and inflation issues dominate the concerns. Over one-quarter select regulatory mandates and costs as their top concern, followed by inflation and increased cost of goods at 18% and finding and retaining skilled employees at 12%. Fully 70% say regulatory compliance was one of their top three issues when asked to choose from a list of 10 issues.

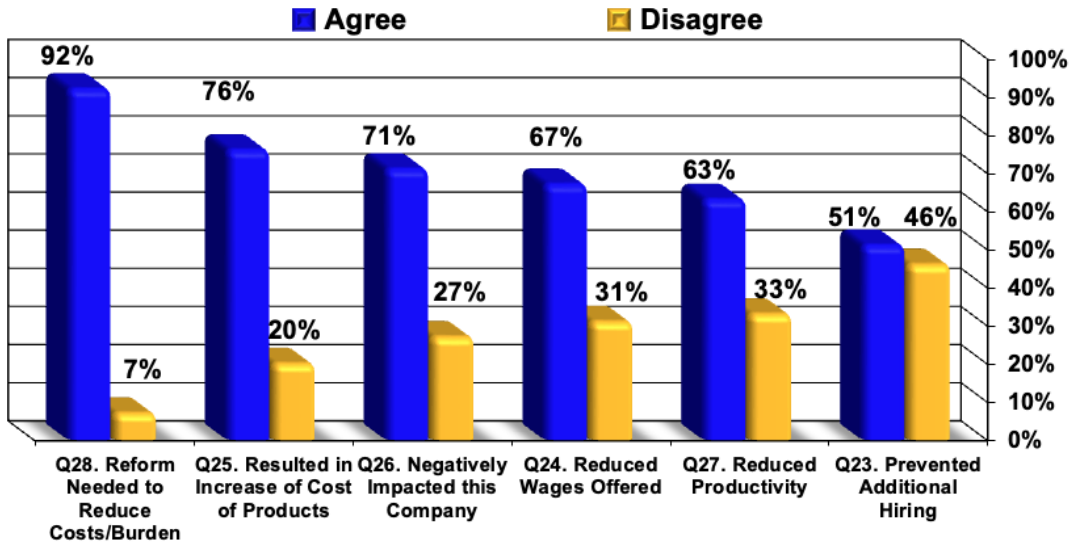
<b>Top 3 Challenges</b>	<b>Top Challenge</b>	<b>Second Challenge</b>	<b>In Top 3</b>
Regulations creating mandates & costs	<b>28%</b>	<b>26%</b>	<b>70%</b>
Inflation and increased cost of goods	<b>18%</b>	<b>15%</b>	<b>51%</b>
Finding / retaining skilled employees	<b>12%</b>	<b>15%</b>	<b>45%</b>
Affordable and attainable housing	<b>10%</b>	<b>16%</b>	<b>39%</b>
The overall tax climate	<b>10%</b>	<b>9%</b>	<b>24%</b>
Controlling health care costs	<b>6%</b>	<b>5%</b>	<b>19%</b>
Homelessness or public safety concerns	<b>6%</b>	<b>4%</b>	<b>15%</b>
Frivolous lawsuits / liability insurance costs	<b>4%</b>	<b>4%</b>	<b>14%</b>
Fuel and energy costs	<b>4%</b>	<b>4%</b>	<b>8%</b>
Managing relations with union/labor groups	<b>%</b>	<b>%</b>	<b>%</b>

Regarding regulations, the top area of concern is very clearly in the labor and employment area (41% say they are the most concerning regulations; 77% have this in their top three of five options). Environmental regulations like permitting are the top concern of 32% of respondents, while data and customer privacy regulations are the top concern for 8%.

**Most Concerning Regulatory Burden**

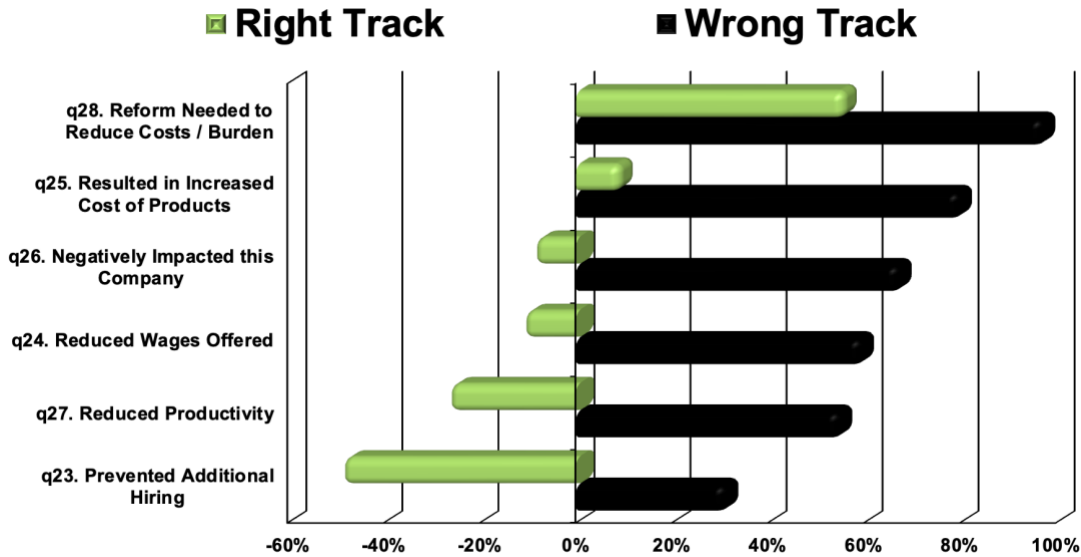
<b>Most Burdensome Regulations</b>	<b>First</b>	<b>Second</b>	<b>In Top 3</b>
Labor and employment-related requirements (such as paid leave)	<b>41%</b>	<b>24%</b>	<b>77%</b>
Environmental regulations, including permitting	<b>32%</b>	<b>16%</b>	<b>64%</b>
Data and customer privacy regulations	<b>8%</b>	<b>18%</b>	<b>42%</b>
Licensing requirements	<b>7%</b>	<b>10%</b>	<b>31%</b>
Minimum wage laws	<b>4%</b>	<b>16%</b>	<b>36%</b>

The majority of respondents (92%) say regulatory reform is needed to reduce costs and burdens placed on businesses. More than three quarters of business leaders say the regulatory environment has increased the cost of their product. A majority (51%) said regulation impacts have prevented them from making additional hires and 67% state they have had to reduce wages offered.

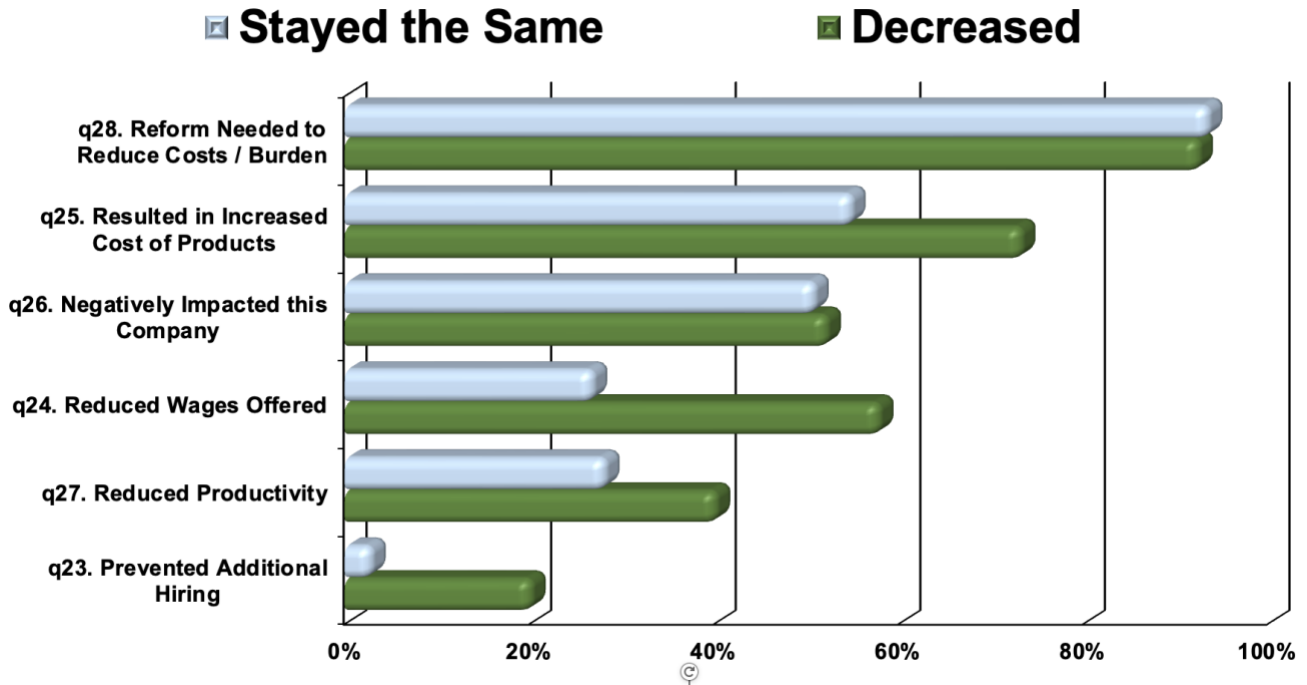


The business community united in the need to reform the regulatory environment as a way to reduce costs. More than three quarters say the regulatory environment has increased the cost of their products. A majority says it has prevented them from making additional hires.

Among those who decreased workforce in the last year, we see the burdens of regulations being a bit higher than they are among those who stayed even.

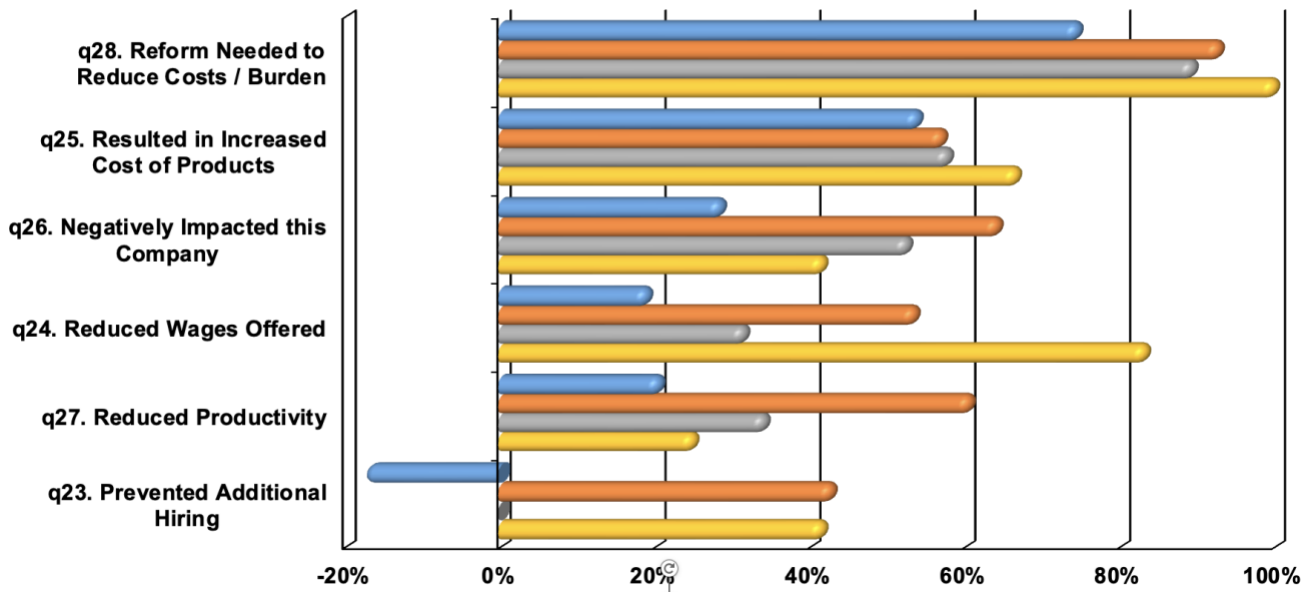


There is clearly a statistically significant correlation between believing the state's economy is headed in the wrong direction and the effect of regulations on the business.



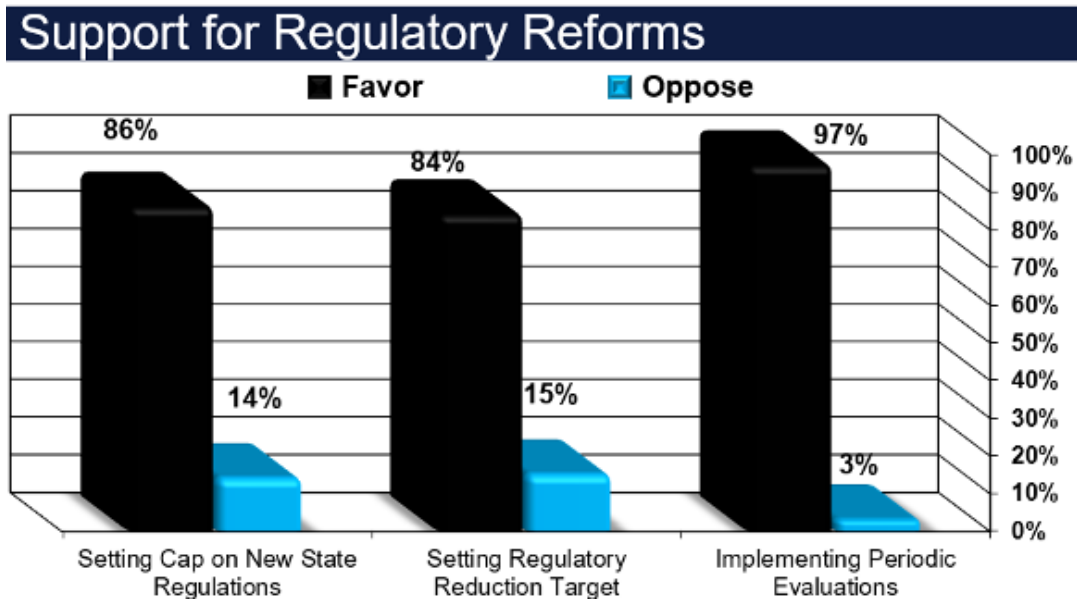
Generally, those who indicate they will not make future investments in Colorado (out-of-state and No Investments) tend to have greater repercussions from the regulatory environment.

**In Colorado**    **Out of State**    **Both**    **No Investments**



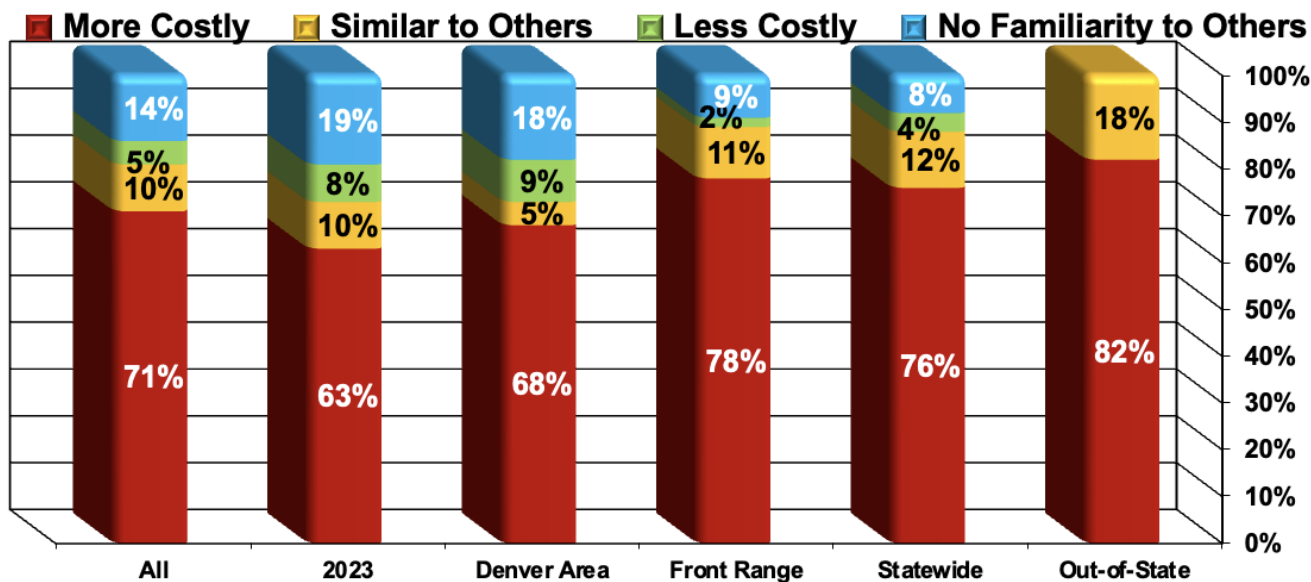
On regulatory reform measures, 86% support setting a cap on new state regulations, 84% support setting a regulatory reduction target and 97% support implementing periodic

evaluations of regulations (with 66% strongly in favor which is a unification of the business community not often seen by CHS & Associates).



### Colorado’s Economic Competitiveness:

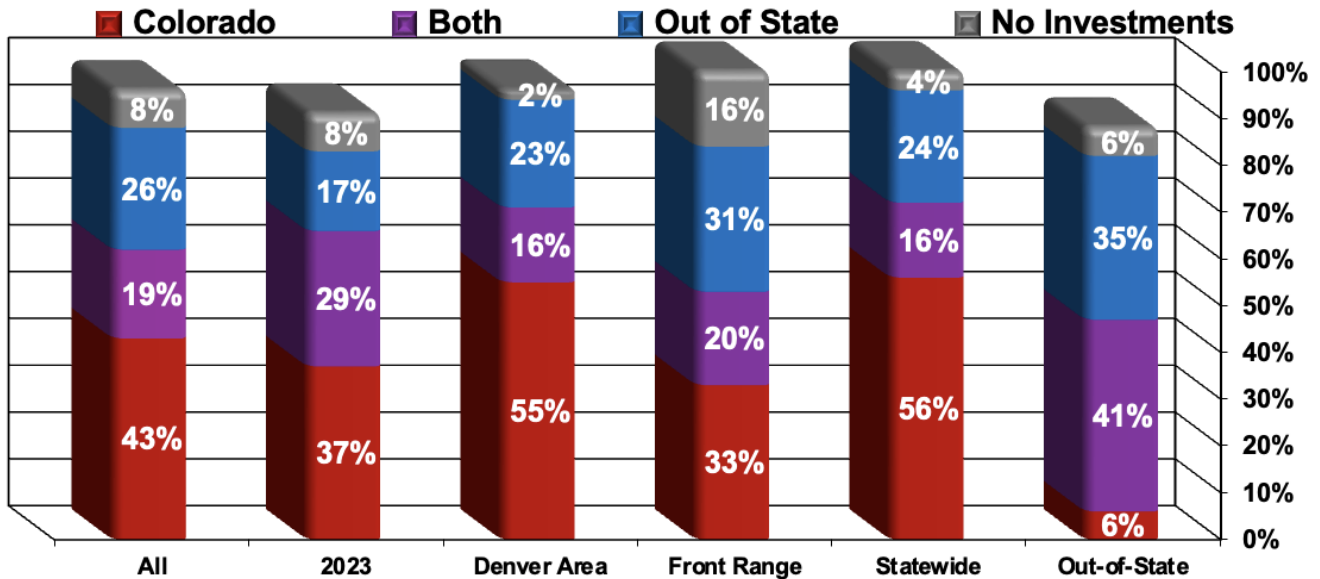
Perhaps the most concerning finding of the study is that 71% of the business leaders believe Colorado’s business environment is more costly or burdensome than in most other states. Only 5% say it is less costly. Those with experience working in other states have even stronger views, with 83% saying Colorado has a more costly business climate.





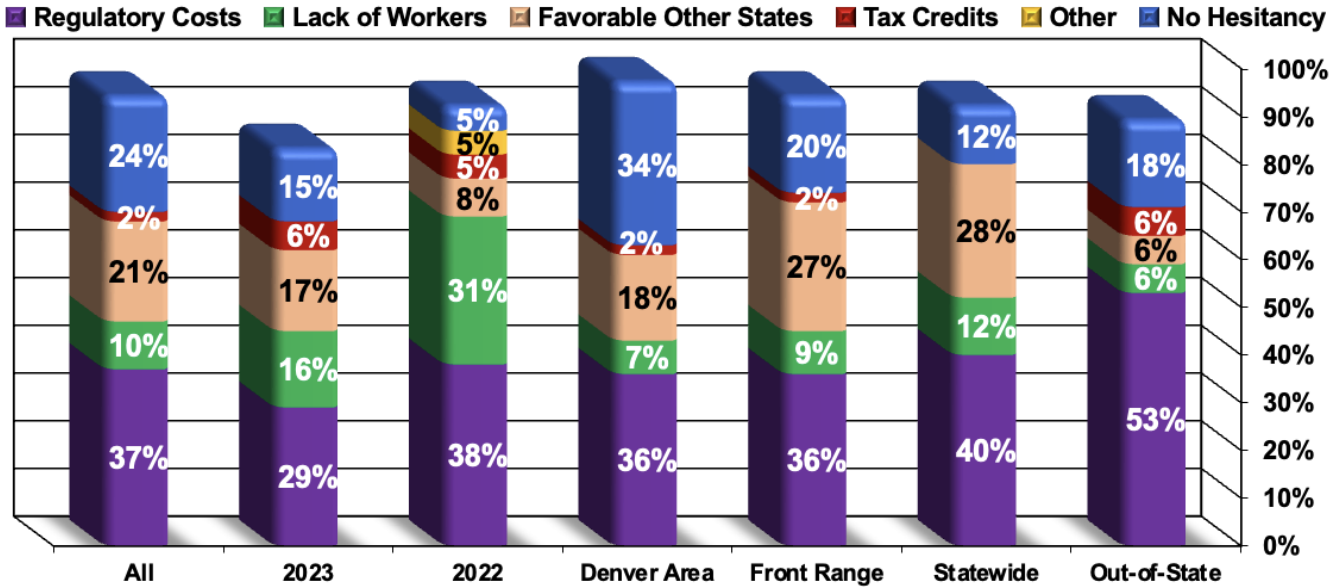
### Business Investments Over the Next Year

43% In Colorado; 19% Both; 26% Out of State; 8% Won't Make Investments; 3% Undecided

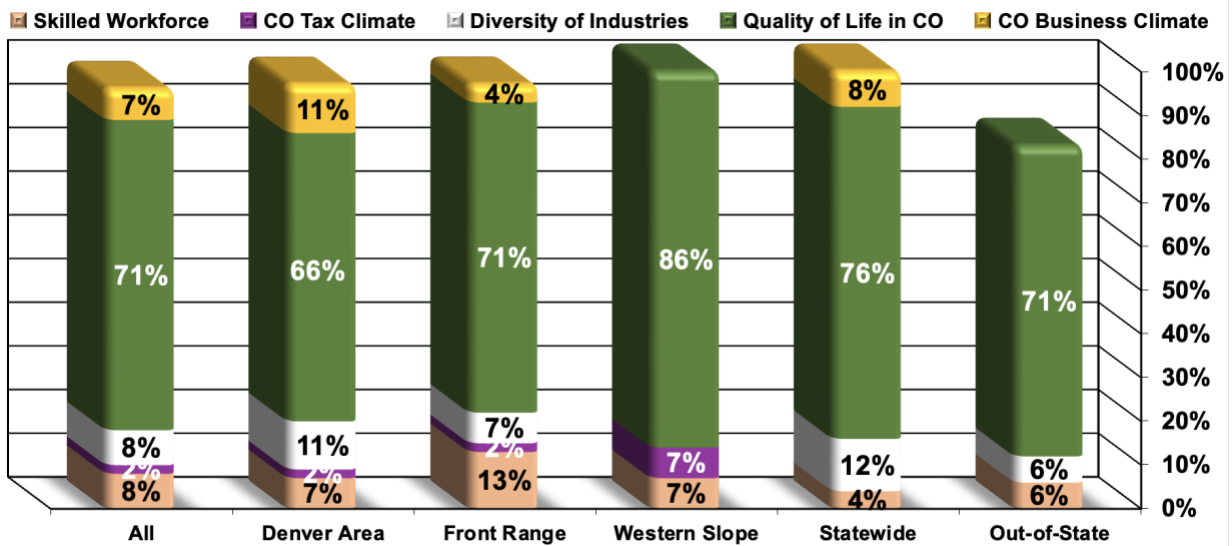


When asked about future investments being made by their company, 45% said at least some of those investments will be made out of state. Among those already operating in multiple states, the number hit 76% while only 6% said they intend to solely invest in Colorado.

The primary reason Colorado business leaders are hesitant to invest in Colorado has to do with regulatory costs in the state (37%), but other reasons include other states having a more favorable business climate (21%) and a lack of workers (10%). Companies with out of state operations have stronger feelings about the business climate, with 53% saying Colorado's regulatory costs are the biggest hesitation and 6% citing a favorable business climate in other states.



Colorado’s biggest competitive advantage compared to other states is its quality of life (71%).



### Colorado’s Workforce – Labor Shortage, Workforce Quality and Workforce Programs:

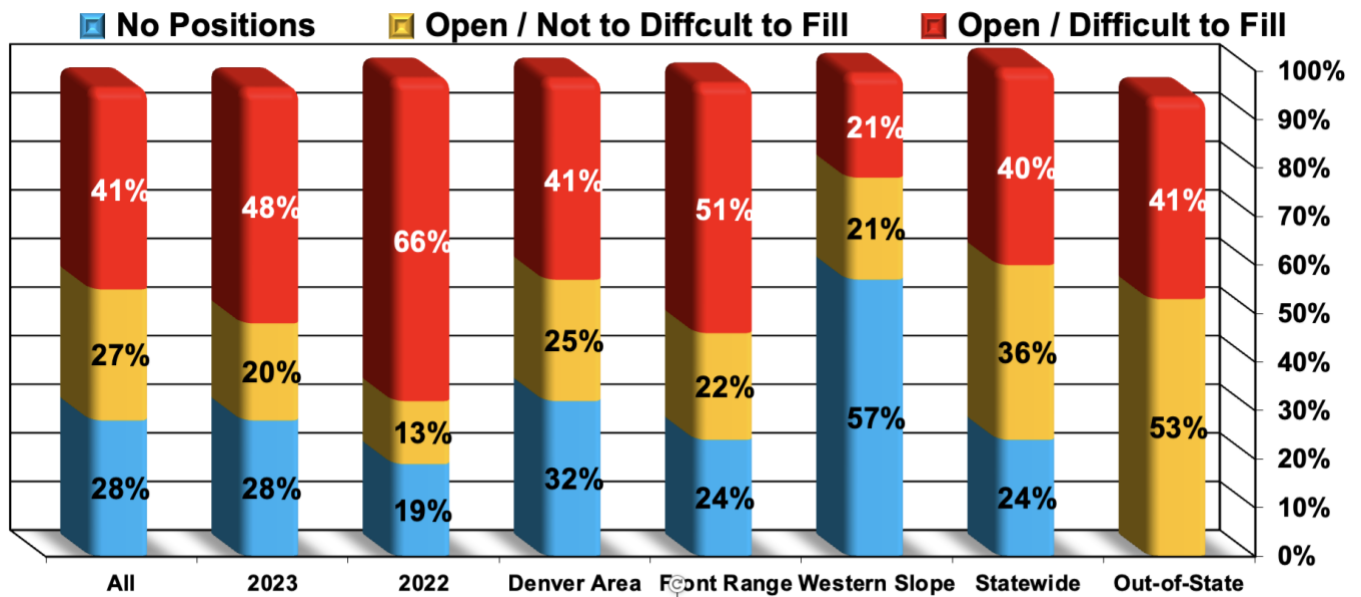
Down from the 48% recorded last year, the challenge of filling positions still exists as 41% report having job openings that are difficult to fill. This is particularly strong among companies with more than 100 employees (67%) and manufacturers (54%).

Colorado businesses are addressing the workforce shortage with 41% saying they are planning to increase employee compensation in the next year. This is higher among those whose primary activities are in the Denver area (55%) and companies with more than 100 employees (58%).

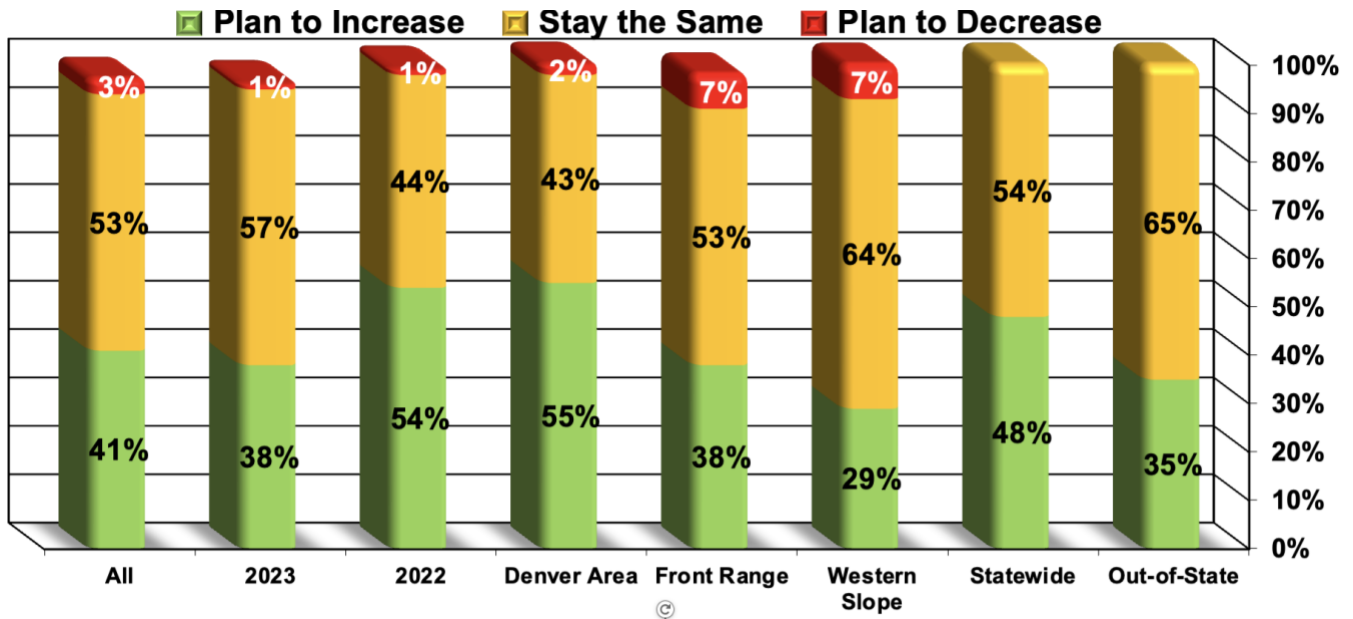
While 72% of Colorado businesses say they are satisfied with the workforce (compared to 71% in 2023), it is still far from a ringing endorsement as only 15% say they are very satisfied. Those operating in multiple states are the most likely to say they are satisfied with Colorado’s workforce (82%).

### Current Hiring Status

While still at 41%, the percentage of companies having difficulty to fill positions has declined – but that is still high and means we can continue to expect to see wage inflation.

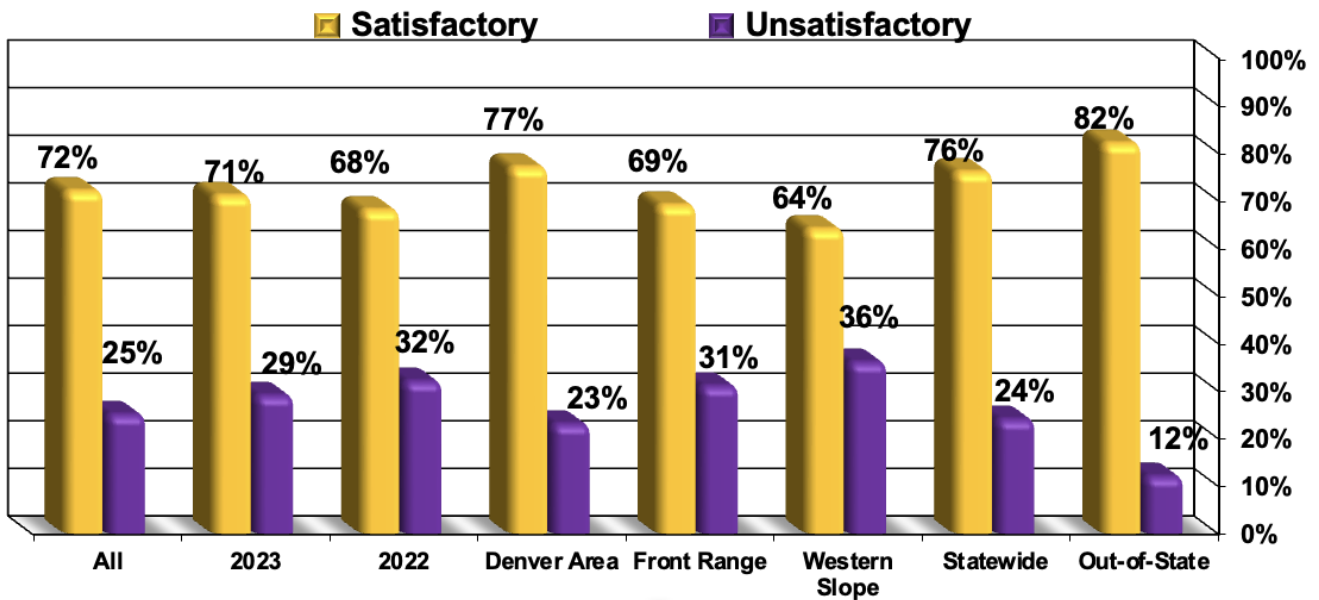


While not where it was in 2022, we can expect higher pay from many companies – especially those focused on Denver.



### Satisfaction with Workforce

15% Very Satisfactory; 57% Somewhat Satisfactory;  
24% Somewhat Unsatisfactory; 2% Very Unsatisfactory; 2% Undecided



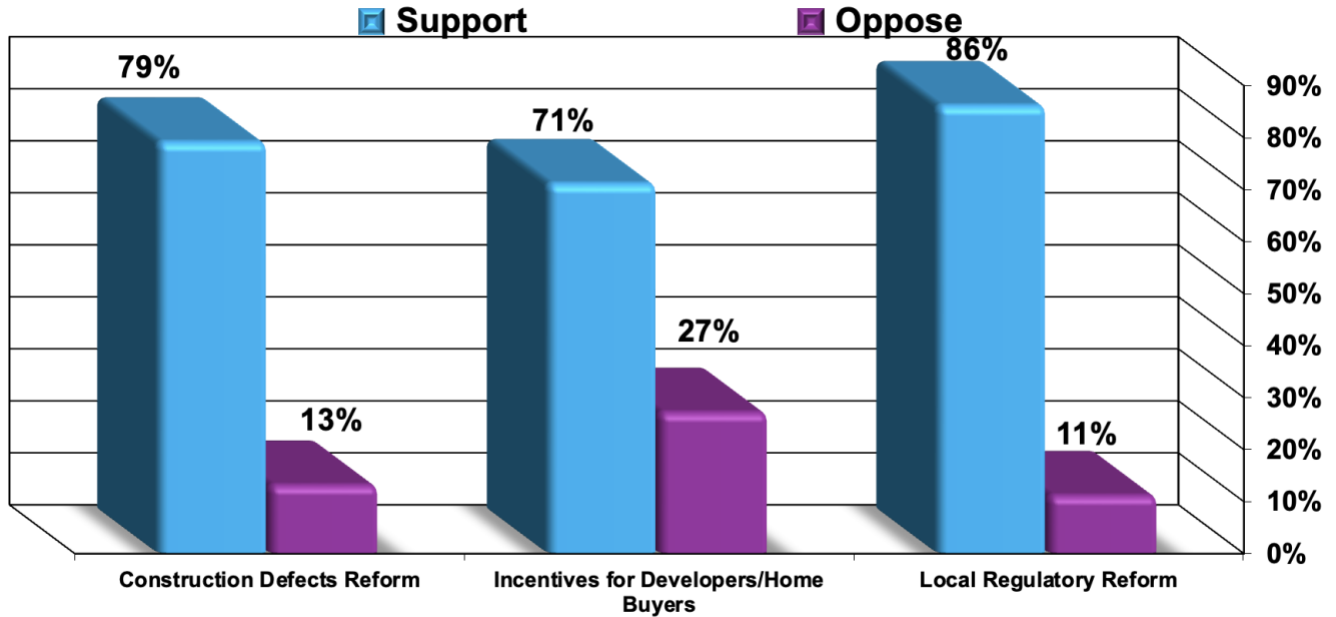
When asked to select from a list of what needs improvement among the Colorado workforce, soft skills (31%), technical skills (30%) and professional experience (26%) go to the top. What is interesting is that compared to what is seen in other CHS & Associates studies, there appears to be less concern about scheduling (4%), passing a drug test (4%), or finding employees with college degrees (0%) in Colorado.

Blame for not being able to attract and retain workforce talent centers around the related high cost of living (73% say it is in the top two concerns) and housing attainability (50% say it is in the top two concerns). Issues like availability of childcare (17% in top two) and infrastructure (6% in top two) trail these other aspects by very wide margins – margins that are significantly wider in Colorado than seen in other states.

Most Significant Barriers	Top 2 Barriers
High cost of living	<b>73%</b>
Housing attainability	<b>50%</b>
Lack of adequate infrastructure (transportation, utilities)	<b>6%</b>
Affordability and availability of childcare	<b>17%</b>
Federal immigration/visa policies	<b>3%</b>
The state’s education system	<b>5%</b>
Health care accessibility	<b>3%</b>
Other	<b>2%</b>

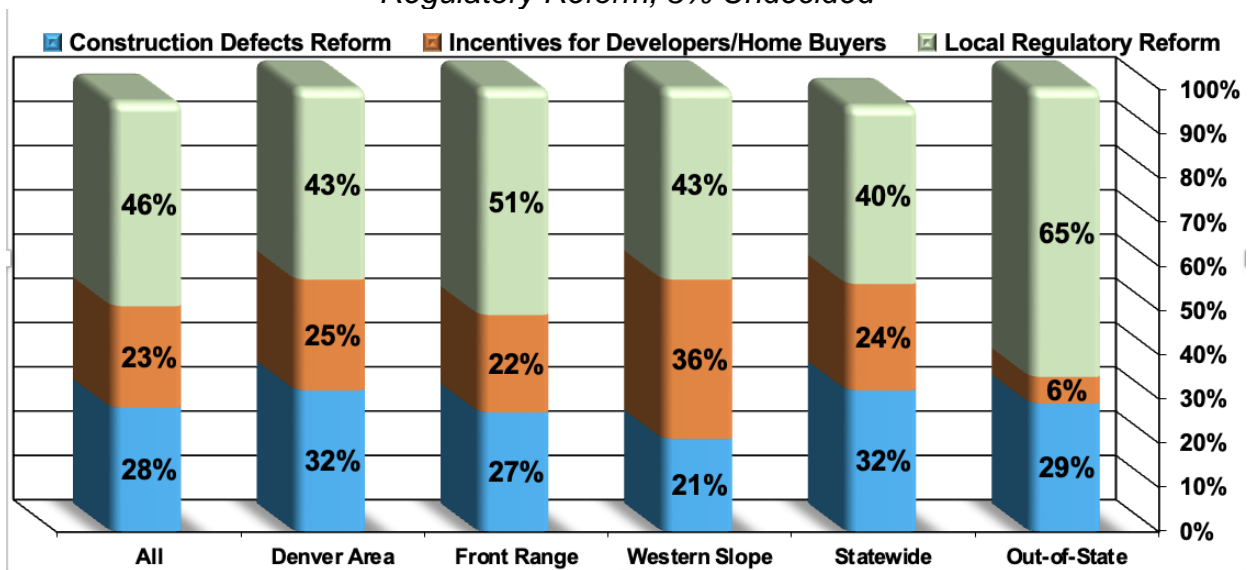
**Support Affordability & Availability of Housing**

There is broad support for housing reform among employers. When asked about construction defects reform, incentives for development, and local regulatory reform, all are extremely popular.



While all three are supported, when pitted against each other, we see a preference for local regulatory reform.

*28% Construction Defects Reform; 23% Incentives for Developers/Home Buyers; 46% Local Regulatory Reform; 3% Undecided*

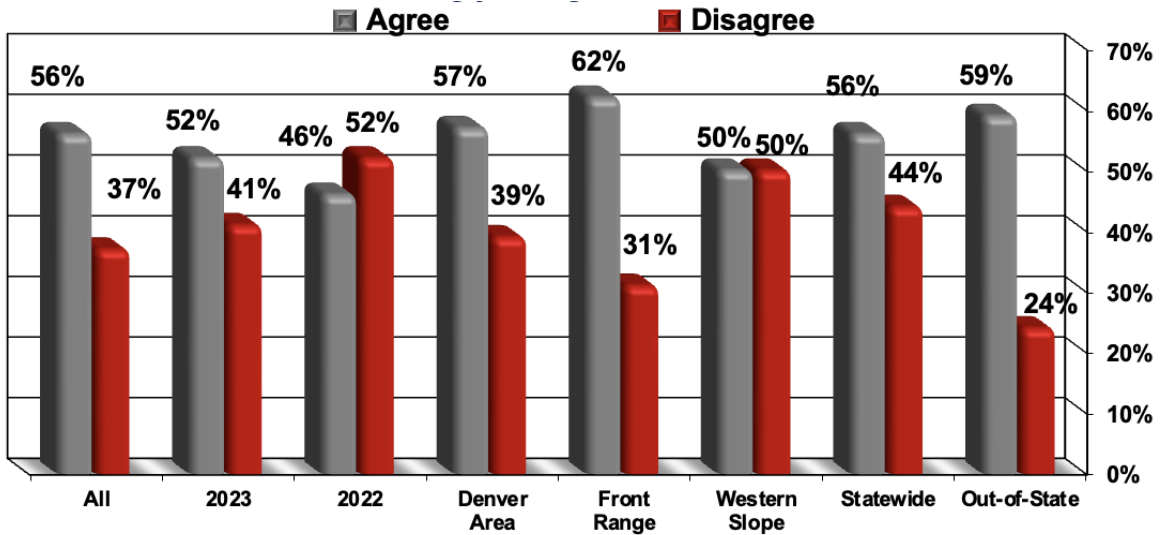


**Colorado Government Funding Workforce Programs**

*9% Strongly Agree; 47% Somewhat Agree; 28% Somewhat Disagree;*

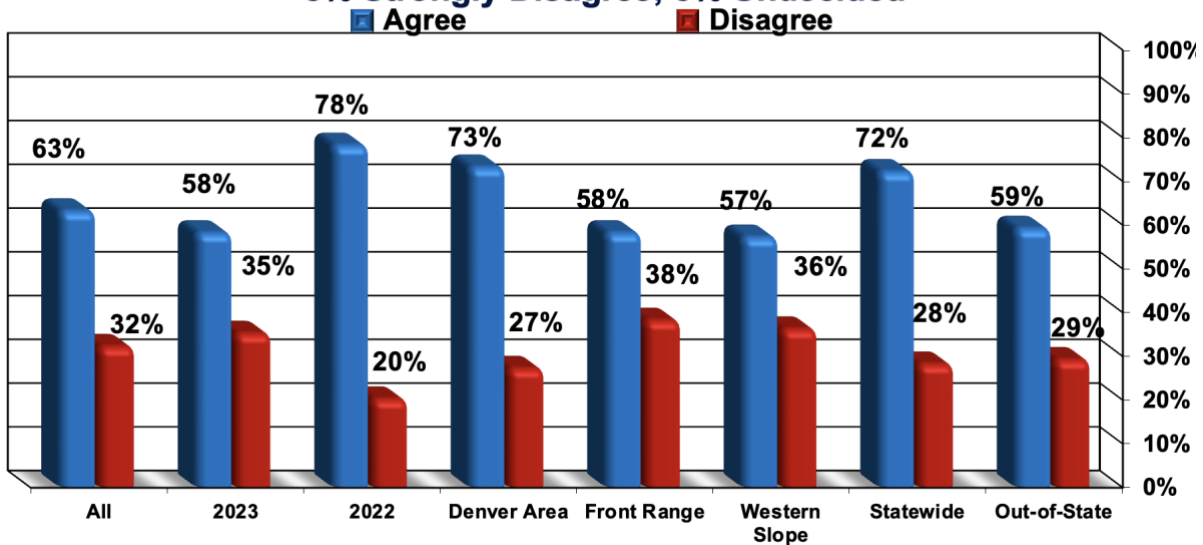
8% Strongly Disagree; 7% Undecided

A majority (56%) of respondents support Colorado’s government funding workforce programs to support greater workforce needs. This is strongest among companies with more than 250 employees (65%).



Improving from last year (58%), the majority of respondents (63%) agree that universities are properly preparing students for the workforce. This is particularly strong among companies with more than 100 employees (75%) and manufacturers (67%).

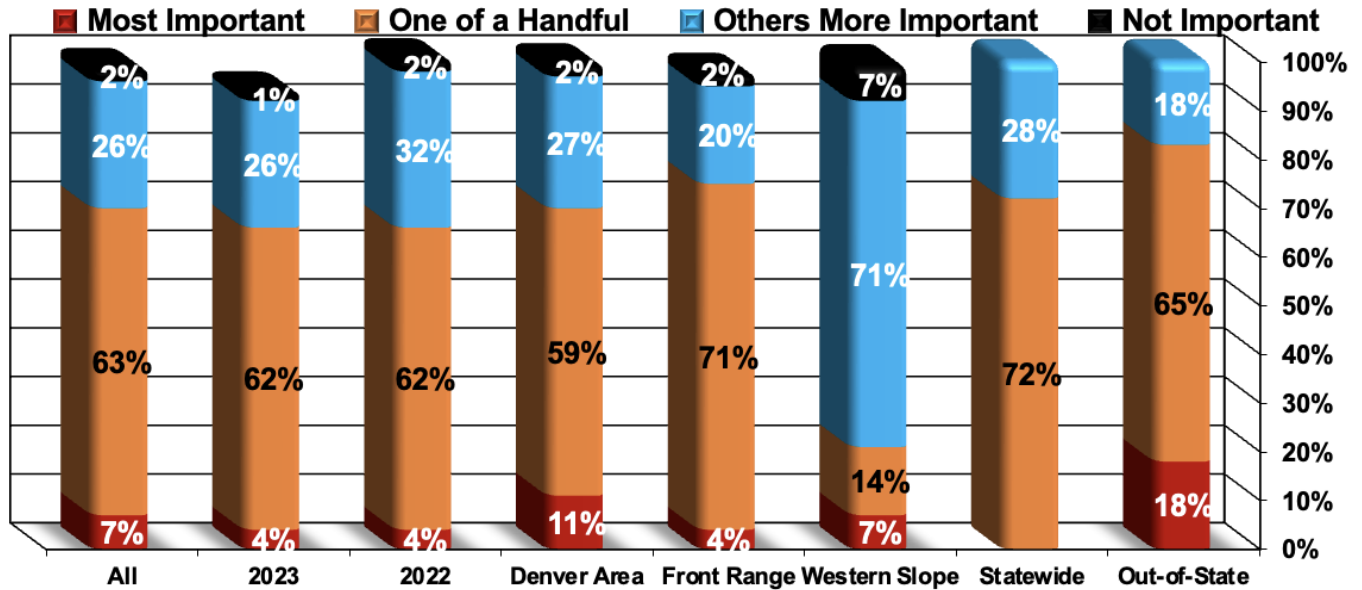
15% Strongly Agree; 48% Somewhat Agree; 24% Somewhat Disagree; 8% Strongly Disagree; 5% Undecided



**Other Policy Issues:**

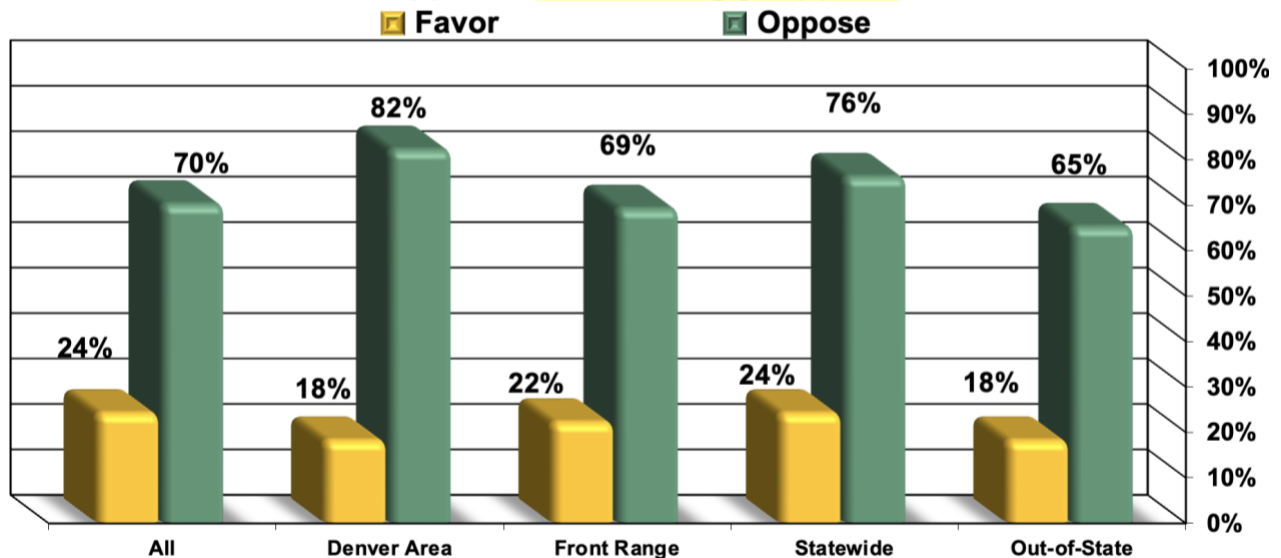
### Importance of Legal Reform and Reducing Costs

Two-thirds of respondents say that legal reform is either the single most important issue being faced in the state (7%) or one of only a handful of important issues (63%). Just 2% say legal reform is not an important area.



On health insurance, businesses are strongly opposed to a single-payer health model with 70% saying they are opposed and almost six-in-ten respondents saying they are strongly opposed.

**9% Strongly Favor; 15% Somewhat Favor; 13% Somewhat Oppose; 57% Strongly Oppose; 6% Undecided**

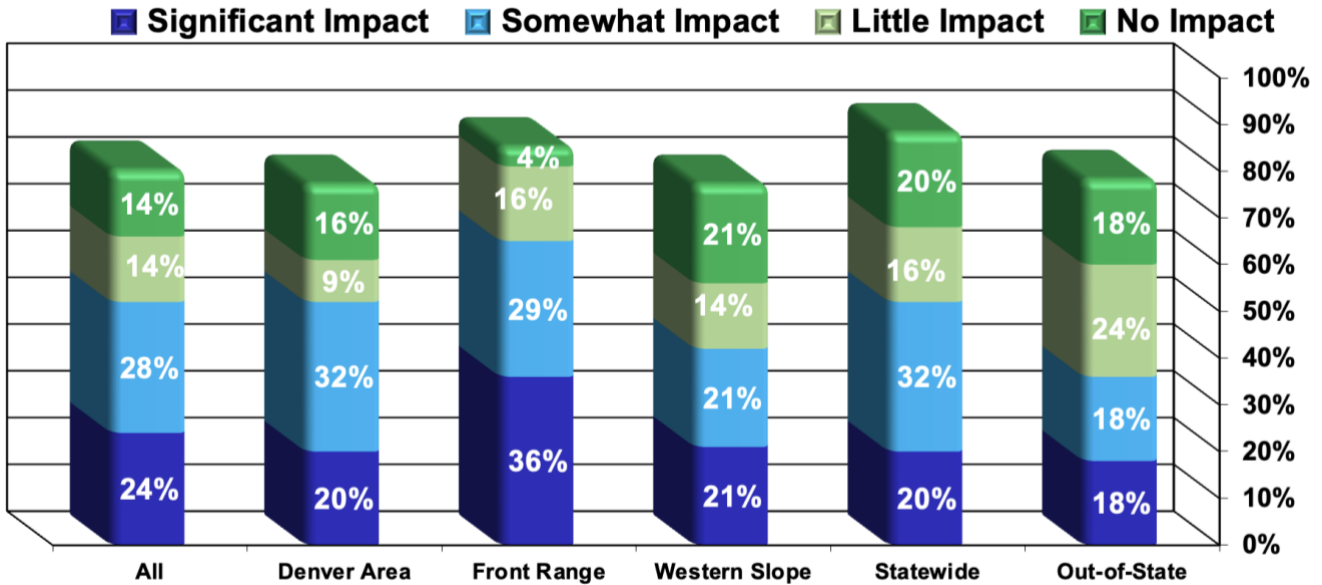


### Impact of Tariffs on Colorado Businesses



More than half of the respondents indicate increased tariffs will have an impact on their company. This is strongest in the Front Range.

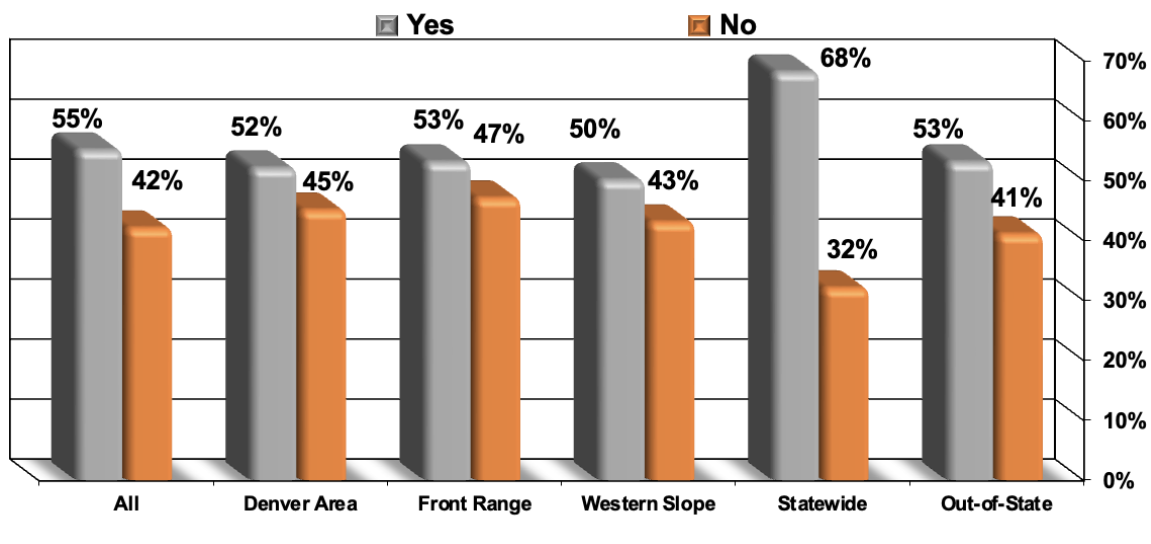
*24% Significantly Impact Co. ; 28% Somewhat Impact Co. ;  
14% Little Impact on Co. ; 14% No Impact on Co. ; 20% Not Sure*



### Importance of Colorado's Technology Industry

The majority of employers (55%) view Colorado as a leading state in the technology industry and this view is particularly strong among associations (67%).

*55% Yes; 42% No; 2% Undecided*



When discussing artificial intelligence (AI) usage, only 5% of respondents say they will not use AI which is lower compared to what is seen in other CHS & Associates studies. Interestingly, those working in multiple states are the most likely to have embraced AI with 88% saying they are using it.

When asked about how AI is expected to impact employment numbers, four times as many respondents (12%) said they expect AI to reduce employment versus increase it (3%). But there is a great deal of uncertainty, with 34% saying they are unsure.

