COLORADO BUSINESS ROUNDTABLE

EXECUTIVE OUTLOOK

FALL 2025

About the
EXECUTIVE OUTLOOK SURVEY

The Colorado Business Roundtable's Executive Outlook survey captures the perspectives of more than 50 senior executives from leading Colorado employers. This semi-annual survey serves as a pulse check on how business leaders view the economic environment, policy landscape, and employer-specific expectations in the months ahead.

Key Insights

- **The business climate outlook for Colorado fares worse than the U.S**. Two-thirds of respondents expect the state business climate to worsen, citing regulation, cost of doing business, and affordability as major headwinds. While 37% of executives expect the U.S. business climate to improve, only 8% expect improvement in Colorado.
- **Executives remain more optimistic about their organizations' sales and investment outlook.** Despite broader economic and policy concerns, 4 in 5 leaders expect stable or growing sales, and about 75% anticipate steady or higher investment. Businesses are preparing to navigate headwinds rather than retreat.
- **Policy is the defining challenge for Colorado.** 65% of executives say state policy is having a negative impact on business, compared with 47% at the national level. Leaders warn that Colorado's competitive position is eroding as companies weigh relocation or expansion outside the state.

U.S. and Colorado Business Climate Outlook

Executives expressed a sharp contrast in outlook between the U.S. and Colorado.

How do you expect the U.S. and Colorado business climate to change over the next 6 months?

U.S.		Colorado	
37%	improve	8%	improve
35%	decline	65%	decline
28%	no change	27%	no change

Nationally, limited optimism is supported by interest rate cuts, AI-driven construction demand, and onshoring trends, while downside risks stem largely from tariffs, elevated prices, policy uncertainty, and a softening labor market.

In Colorado, pessimism dominates. Executives pointed to rising costs, housing affordability, and an increasingly difficult regulatory environment as structural headwinds. Although tech, aerospace, and AI remain bright spots, most expect slower overall growth.

Context: The Federal Reserve's recent decision to lower interest rates, even amid elevated inflation, shows that the board of governors views the worsening labor market as a greater threat to economic stability. Though we are experiencing a slower period of employment growth, the unemployment rate in the United States has risen from a low of about 3.5% in 2023 to just 4.3% as of August 2025, a rate that is still associated with strong labor markets. In Colorado, total employment has grown only **0.5% year-over-year in Colorado**, lagging behind the U.S., with 7 of the past 12 months experiencing negative job growth. However, due to a slowing labor pool, unemployment in the state sits at just 4.2%.[1] Colorado ranked **16th in total economic size in 2024** but just **40th in growth** (down from 10th in 2023).[2] Seeing an acceleration in economic growth in the state will remain challenging given the slowdown in net migration and a shrinking adult population.[3]

[1] U.S. Bureau of Labor Statistics, Unemployment Rate in Colorado [COUR], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/COUR.

[2] Colorado Legislative Council Staff, Economic & Revenue Forecast September 2025, https://leg.colorado.gov/sites/default/files/images/sept2025forecast.pdf

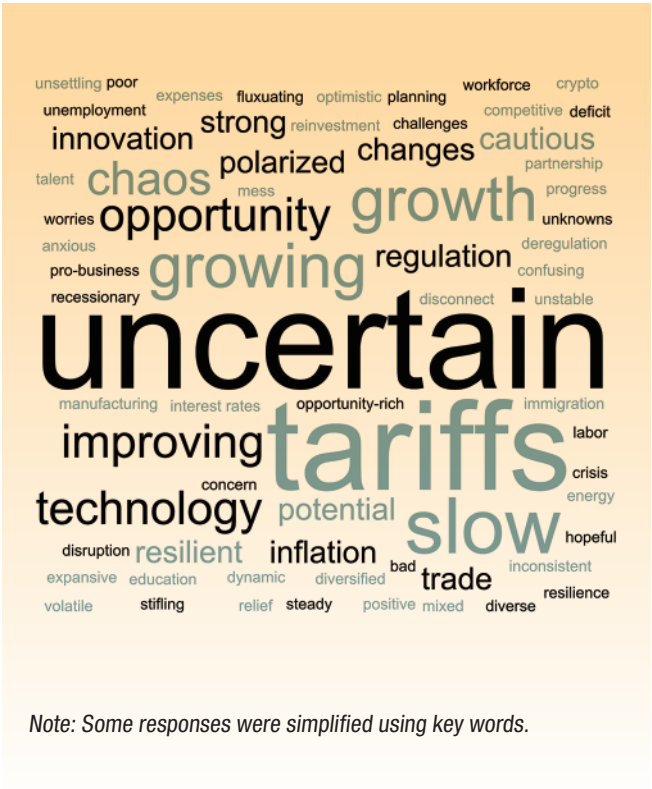
[3] Metro Denver EDC, Toward a More Competitive Colorado 2025 Report, https://www.metrodenver.org/regional-data/toward-a-more-competitive-colorado

Word Clouds from Survey Responses

Write a few words or a sentence about your views of Colorado's current business climate.

Note: Some responses were simplified using key words.

Write a few words or a sentence on your views of the U.S. business climate.



Note: Some responses were simplified using key words.

Employer Outlook on Sales and Investment

Sales Outlook

4 in 5 executives expect sales to increase or remain stable over the next six months.

How do you expect your company's sales to change in the next 6 months?

50% increase

32% no change

18% decrease

Despite broader concerns about the national and state business climate, most leaders remain confident in their own organization's ability to sustain or grow revenues. Aside from employers in a few isolated sectors, the expectation is to see success navigating a challenging business climate.

Investment Outlook

Employers' outlook for their planned capital investments are fairly consistent for the U.S. and Colorado, with just a few employers indicating they were only planning to increase investment outside of the state.

How do you expect your company's U.S. and Colorado capital spending/investment to change in the next 6 months?

U.S.		Colorado	
50%	increase	23%	increase
32%	no change	50%	no change
18%	decrease	27%	decrease

About three-quarters of respondents expect stable or higher investment, though companies without operations outside Colorado were more likely to cut back locally. Executives highlighted bright spots in **tech-related capital expenditures (data centers, quantum, aerospace)** but noted Colorado's limited share of this activity.

* Respondents that answered "not applicable" to the sales and investment questions were removed from these results.

Context: The most recent national Business Roundtable Quarterly Economic Outlook Index remained below its historic average. However the index values representing CEO expectations for sales, capital investment, and employment increased slightly from the previous quarter, indicating some improvement in the outlook.[4]

The most recent Leeds Business Confidence Index report showed all indicators in negative territory, though industry sales had the least pessimistic outlook. Citing Dodge Data and Analytics, that report indicated that construction activity—an investment proxy—declined **12.9% in 2024** and another **9.7% year-to-date in 2025**, underscoring slower momentum in Colorado's investment climate.[5]

[4] Business Roundtable, CEO Economic Outlook Index Q3 2025, https://www.businessroundtable.org/media/ceo-economic-outlook-index/ceo-economic-outlook-index-q3-2025

[5] University of Colorado, Leeds Business Confidence Index Second Quarter 2025, https://www.colorado.edu/business/media/19297

Workforce Plans

Executives reported mixed but generally stable workforce expectations for the next 12 months.

What are your organization's workforce plans in Colorado over the next 12 months?

(Respondents could select more than one)

33% Expanding in Colorado

28% No Change

22% Reducing in Colorado

14% Expanding outside Colorado

3% Considering leaving Colorado

Overall, **60% of leaders expect to maintain or grow their Colorado workforce.** Notably, nearly all companies planning to expand outside the state also plan to grow within Colorado.

Still, 1 in 5 are planning reductions, reflecting the pressures of rising costs and policy headwinds. Employers who indicated they expected to reduce their workforce in Colorado were more closely connected with federal funding.

Context: As highlighted in COBRT's April report, major global trends are influencing the Colorado workforce.[6] Companies are working through updated processes to integrate AI and adopt more skills-based hiring. COBRT's April report also found 89% of employers were interested in increasing partnerships with universities, workforce development organizations, and other stakeholders in order to increase access to skilled talent.

The latest Business Roundtable Economic Outlook Index does not indicate that hiring is expected to turn around quickly, with employers' hiring expectations ranking lowest, just below a level signaling contraction. These hiring headwinds are exacerbated in Colorado by the cost of living, driven largely by the rapid growth in housing prices, ranking 5th nationally according to Forbes.[7] Compounding these trends, the Colorado Chamber Foundation estimates that **11,679 jobs** have left the state due to employer relocations recently.[8]

[6] Colorado Business Roundtable, Looking Around Corners Workforce Survey, https://www.cobrt.com/workforce-survey/

[7] Forbes Media, Median Home Price By State, https://www.forbes.com/advisor/mortgages/real-estate/median-home-prices-by-state/

[8] Colorado Chamber, Lost Opportunities Colorado, https://cochamber.com/wp-content/uploads/Lost-Opportunities-Colorado.pdf

View of Policy Impacting Business

Employers view public policy as a significant drag on future competitiveness, particularly in Colorado.

How do you view federal/state policy impacting your business?

U.S.		Colorado	
47%	negative	65%	negative
31%	neutral	31%	neutral
22%	positive	4%	positive

Leaders cited **taxation, labor and environmental regulation, and affordability pressures** as the most pressing challenges. Many warned that the state's policy environment risks driving investment and talent elsewhere, overshadowing otherwise strong sector opportunities in tech, aerospace, and advanced industries.

Context: Colorado's competitiveness has eroded over time. Since 2011, the state has dropped from **15th to 26th** in the Common Sense Institute's Free Enterprise Competitiveness Index (CSI).[9] In a 2025 Colorado Chamber survey, **67% of executives said the state's economy is headed in the wrong direction**, with 92% calling for regulatory reform to reduce employer burden.[10] CSI's recurring work has highlighted the mounting costs associated with labor and environmental regulations specifically. A growing number of policies targeting emission reductions in Colorado contributed to a full 1% drag on the state economy, and contribute to declining competitiveness in electricity prices.[11] With many national economic headwinds in the forecast, it will be critical for Colorado policy makers to recognize the layered impact of costly business policy and work towards solutions to mitigate those impacts.

[9] Common Sense Institute Colorado, January 2025 Colorado's Free Enterprise Competitiveness, https://www.commonsenseinstituteus.org/ResearchUploads/JAN2025_FREE%20ENTERPRISE_ONE%20PAGER.pdf

[10] Colorado Chamber of Commerce, 2025 Business Survey, https://cochamber.com/2025/02/13/colorado-chamber-2025-business-survey-employers-united-in-need-for-regulatory-reform/

[11] Common Sense Institute Colorado, Costs of Colorado's Environmental and Emission Reduction Targets over 15 Years, https://www.commonsenseinstituteus.org/colorado/research/energy-and-our-environment/costs-of-colorados-environmental-and-emission-reduction-targets-over-15-years-

Conclusion

This Executive Outlook reveals a two-sided picture. Executives see opportunity in AI investment and interest rate cuts, but tariffs and policy uncertainty cloud the outlook. Leaders are more pessimistic about the state, citing regulation, taxation, and affordability as structural barriers to growth.

Despite these concerns, most executives remain confident in their own ability to sustain or grow sales, maintain investment, and keep or expand their workforce—demonstrating the resilience of Colorado's business community even in a challenging environment.

About the Survey

This survey was conducted between September 9–19, 2025 and captured responses from 51 participants. Respondents represented primarily large private-sector employers, along with leaders from academia and non-profit institutions in Colorado. The results provide timely insights into the perspectives of Colorado's business community on underlying economic conditions.

This report was prepared with support from Chris Brown, Principal at Centennial Economics.

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