

Colorado Chamber of Commerce CEO sees warning signs

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As part of a series examining state's economy, Colorado Chamber of Commerce CEO Loren Furman spoke about the forces driving business success, the challenges ahead and how employers are being affected.



Colorado Politics: Can you reflect on the last decade in terms of the Colorado economy and business health?

Loren Furman: Over the past decade, Colorado's economy has remained on a strong trajectory, though the Colorado Chamber's recent data indicates the state is losing momentum in some key areas. The chamber recently released a strategic action plan for Colorado, assessing our economic strengths, gaps and opportunities. We found that many of our strengths lie in the state's diverse economy, including thriving industries, such as technology, energy, manufacturing and aerospace. It's critical that we remain focused on boosting these industries to advance growth in jobs and GDP.

But when we look closely at recent trends and data, we're seeing some early warning signs of future challenges. For example, we used to be in the Top 10 states for business (No. 5 in 2018 according to CNBC). Today, we've dropped to No. 11. We're ranked No. 39 in cost of doing business and twothirds of business leaders now believe the state's economy is on the wrong track, according to the chamber's latest poll.

We believe our state is at a crossroads. Colorado's economic future and long-term competitiveness is being shaped by the decisions we make as a state today.

CP: Colorado is ranked sixth as the most regulated state in the nation. How does that affect existing, new and prospective businesses?

Furman: Regulatory reform has been a top priority for the chamber since our study identified Colorado as the sixth most regulated state in the nation. In total, we have nearly 200,000 individual regulations at the state level, and we estimate that 45% are duplicative or excessive. Our regulatory climate is now one of the greatest risks to Colorado's business climate and future growth, and we believe it is the primary reason we've been losing momentum in economic competitiveness.

Our research shows that every 10% increase in regulations leads to an estimated loss of 36,000 jobs and 9,000 firms statewide. These regulations also slow economic growth by up to 2% annually and raise costs for consumers, hitting lower-income residents hardest.

The growing regulatory burden not only affects current employers but also Colorado's ability to attract prospective businesses. In our latest survey, more than a quarter of businesses said they're unlikely to make future investments in the state. We're focused on addressing these challenges and we're actively working with policymakers to advance balanced, practical regulatory reforms.

CP: Are businesses seeing the trickle-down effects of the Trump administration tariffs?

Furman: We've heard a range of feedback from businesses across the state, from uncertainty about the future to deep concern over the financial impacts of tariffs. For Colorado, which is already one of the most expensive states to live and do business, tariffs pose a real risk to our competitiveness and economic stability. *Note*

While the full effects vary by industry, any policy that disrupts market predictability or raises the cost of doing business directly affects employers' ability to plan, invest and grow.

CP: How would you rate the performance in terms of the economy and business support from Gov. Jared Polis and in recent years, the Democratic-led legislature?

Furman: The Colorado Chamber works in a bipartisan manner and maintains a strong, collaborative relationship with the governor's office, legislative leadership and policymakers from both sides of the aisle. While Colorado's current political climate can be challenging for business, our strong partnerships have allowed us to secure meaningful victories on our priority issues, including regulatory reform, workforce development and affordability. *Note*

At the same time, our regulatory study showed a dramatic increase in new regulations between 2020 and 2023, largely due to bills passed by the legislature. Our lawmakers need to understand that each bill increasing Colorado's regulatory burden has a real impact on our business climate, making us less competitive with other states and driving companies out of Colorado.

CP: What are some of the biggest issues businesses are facing?

Furman: As the statewide chamber representing businesses of all sizes and industries, we consistently hear from our members about rising cost pressures, Colorado's complex regulatory environment and workforce challenges, though the impact varies by company size.

Small employers continue to struggle with inflation, rising costs of goods and new regulatory mandates that add expenses and uncertainty. Many small businesses report difficulty finding and retaining skilled employees, with Colorado's high cost of living serving as the biggest barrier to hiring. Affordable and attainable housing also remains a major concern as well.

For mid-sized companies, regulatory costs are the most pressing concern, with 92% of them identifying that as one of their top three challenges in our latest survey. Inflation, housing attainability and workforce shortages also rank high. Many medium-sized employers say housing costs are the biggest barrier to attracting and retaining employees.

Large employers are similarly affected by regulatory costs and inflation, with many also pointing to the overall cost of doing business as a growing issue. Housing affordability also affects their ability to attract and retain employees within the state.

CP: How is the Colorado cost of living impacting businesses regarding workforce, housing and other issues?

Furman: Recent rankings place Colorado among the top five most expensive states to live — we rank No. 47 in housing affordability and No. 46 in cost of living. We consistently hear companies point to housing availability, housing costs and child care as primary barriers to workforce recruitment and retention. Colorado's high cost of living is a one of the state's most significant competitive challenges for business and it's a key focus area for the chamber.

