

# 2015 Pueblo Economic Outlook and Industry Analysis

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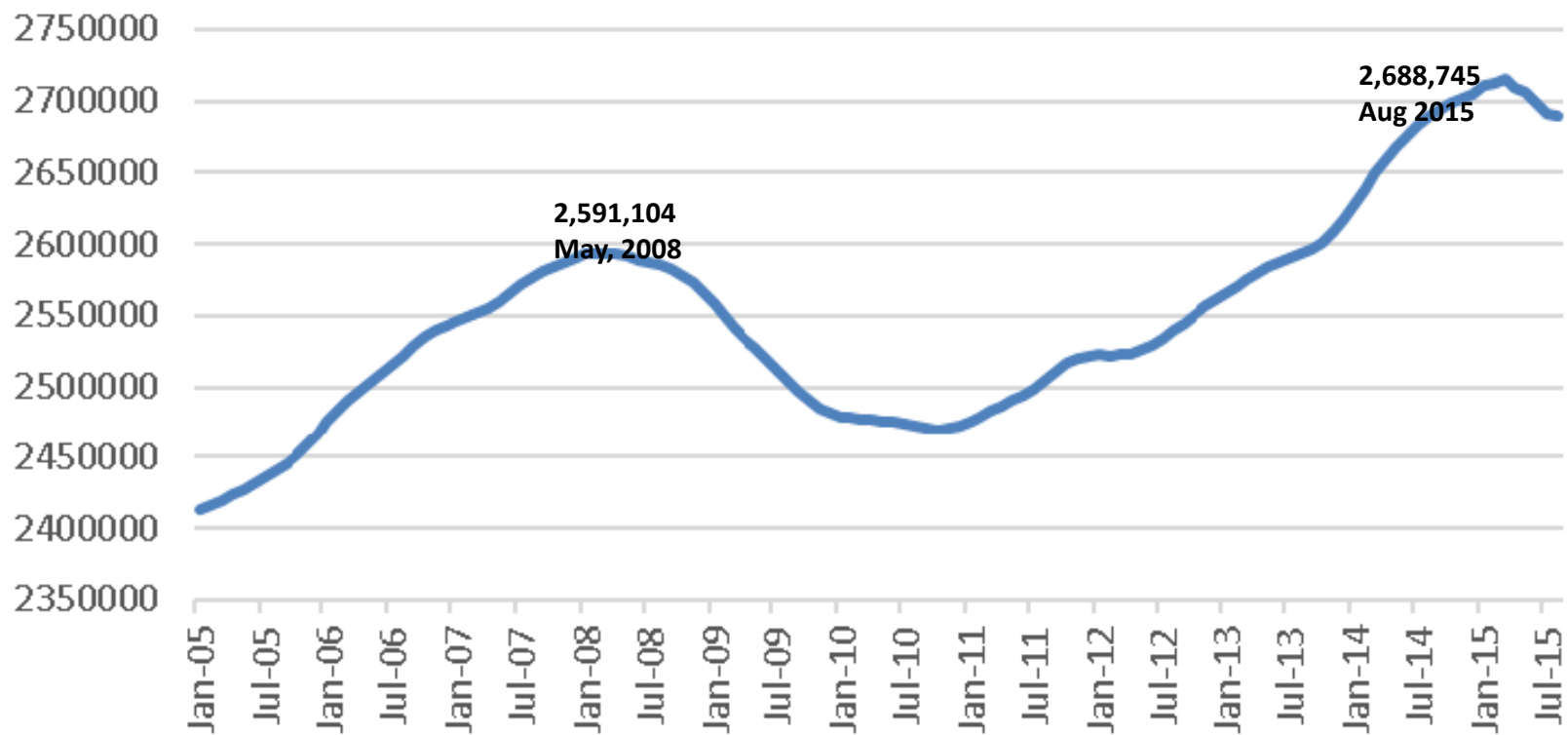
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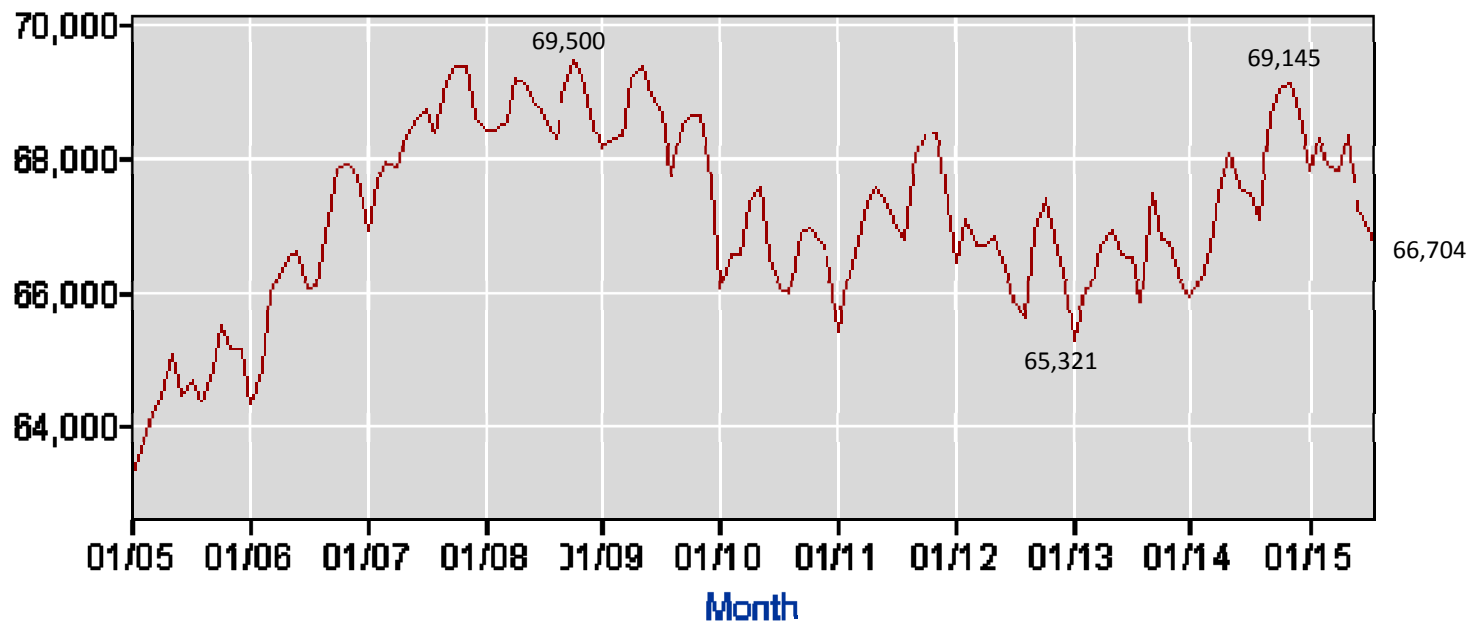


## Colorado Employment 2005-August 2015



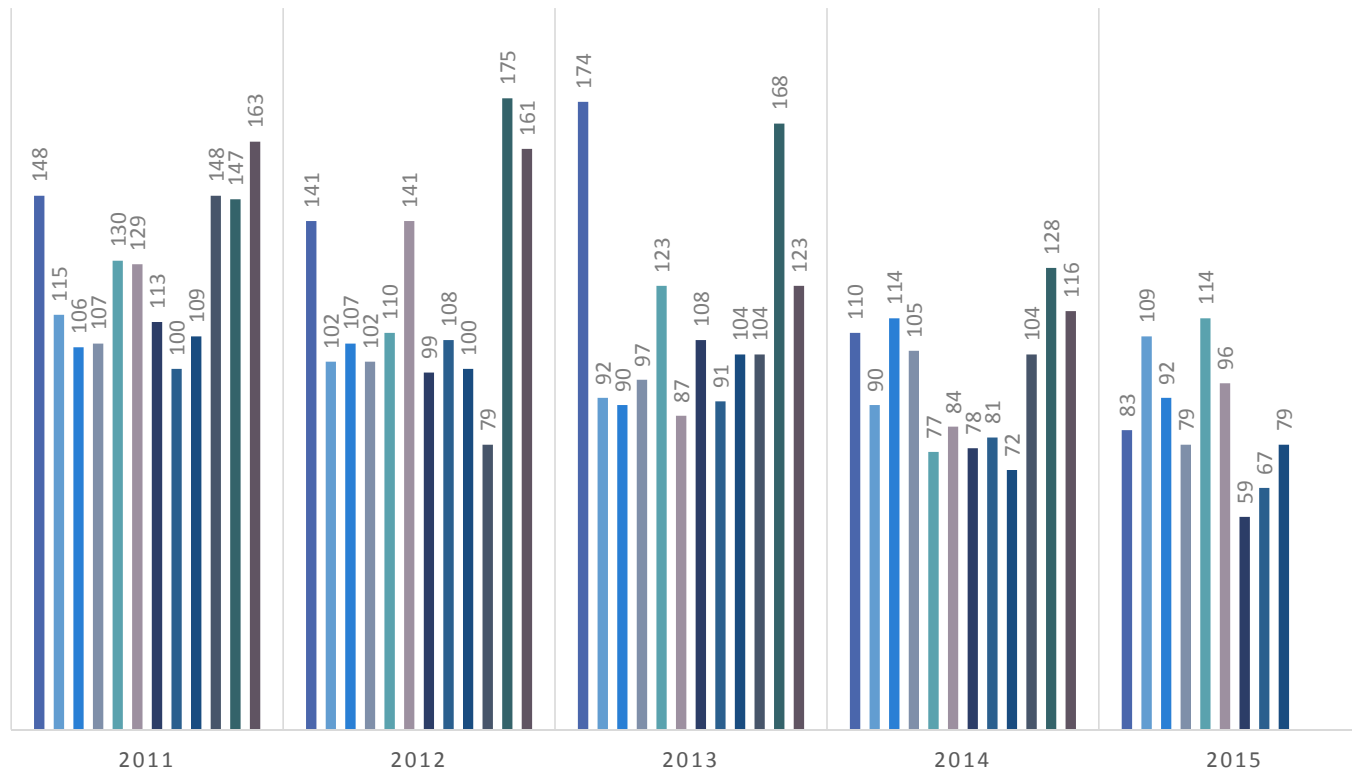
# Pueblo Employment 2005 – August 2015

**employment**

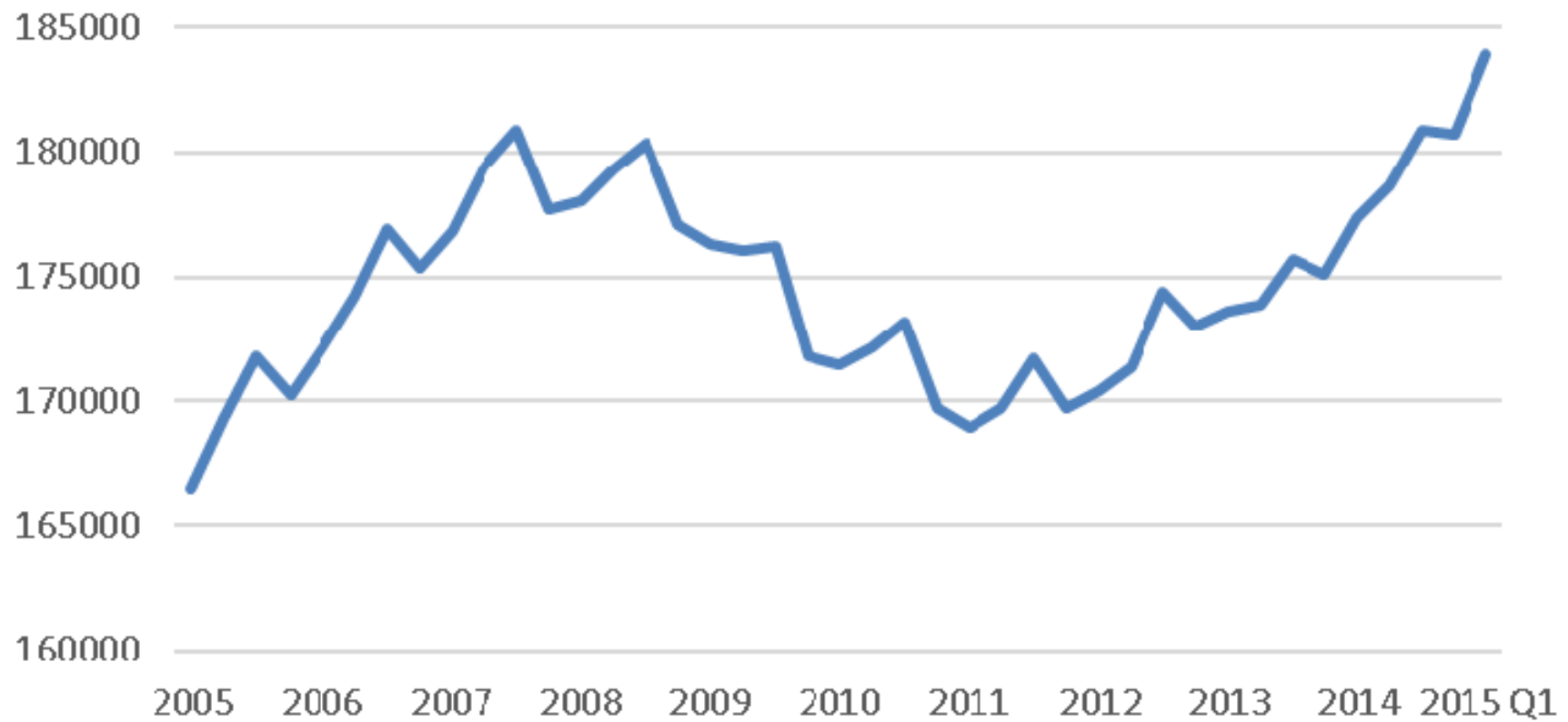


## PUEBLO COUNTY INITIAL JOBLESS CLAIMS

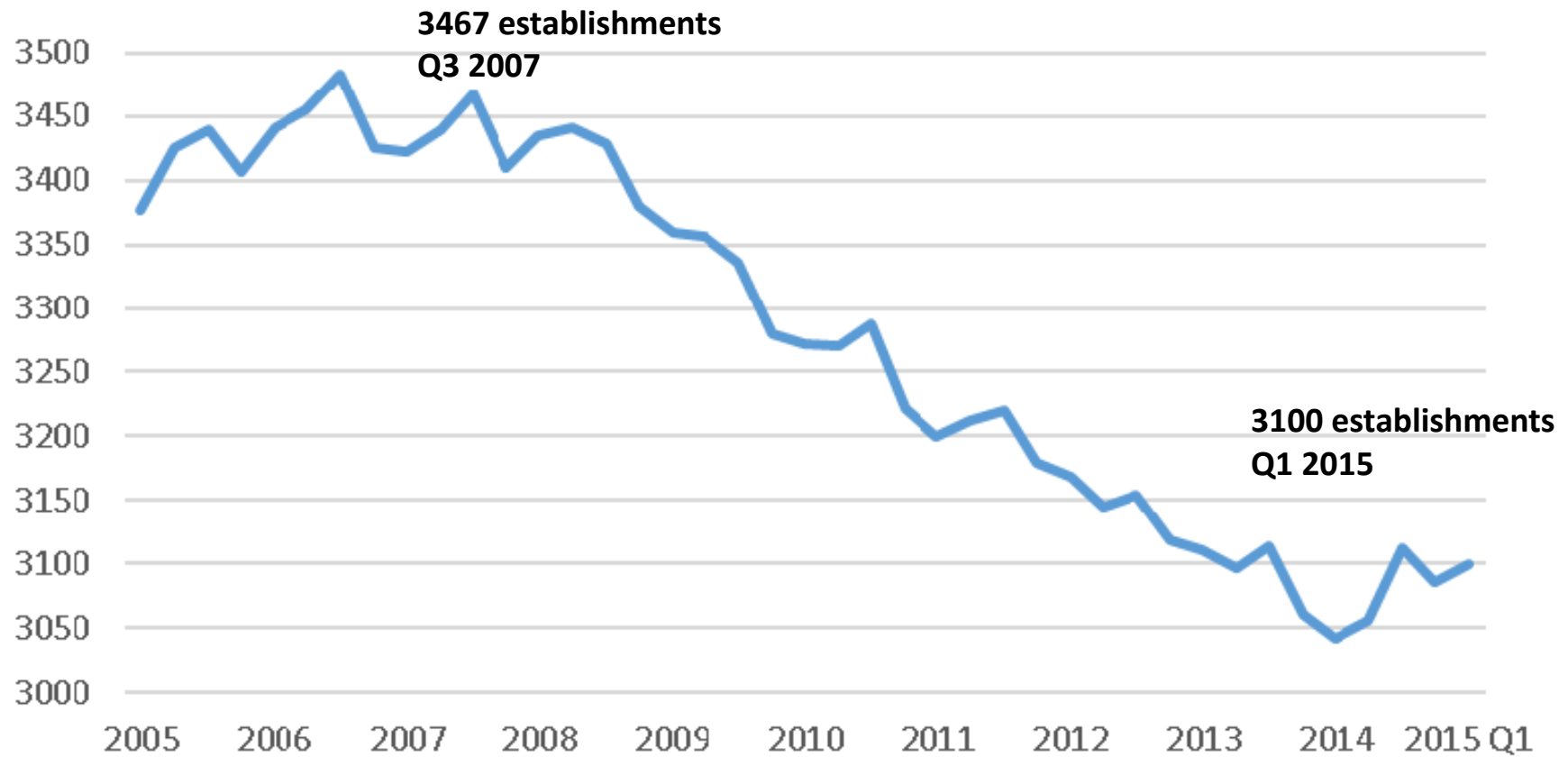
■ Jan ■ Feb ■ Mar ■ Apr ■ May ■ Jun ■ Jul ■ Aug ■ Sep ■ Oct ■ Nov ■ Dec



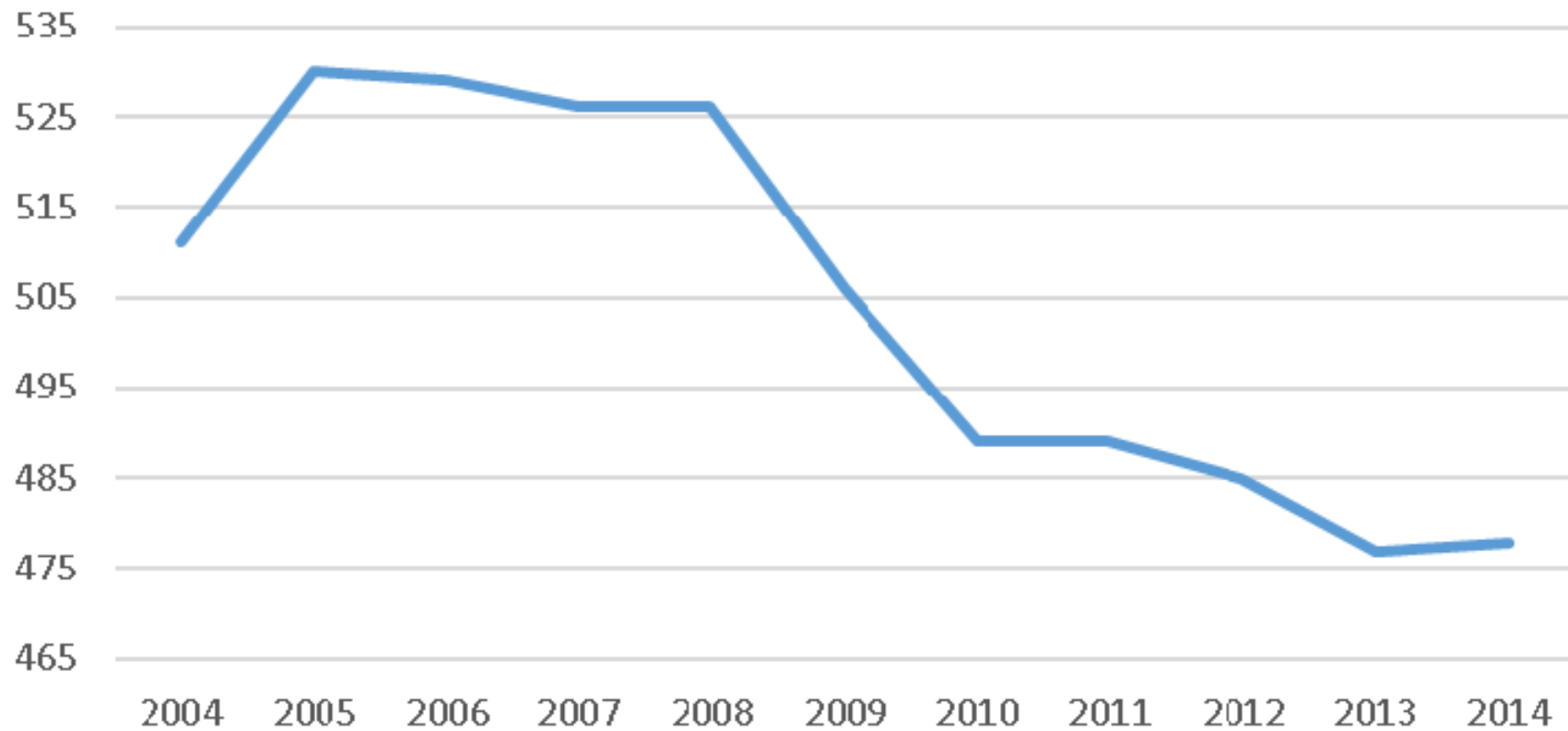
## Colorado Establishments 2005 -Q1 2015



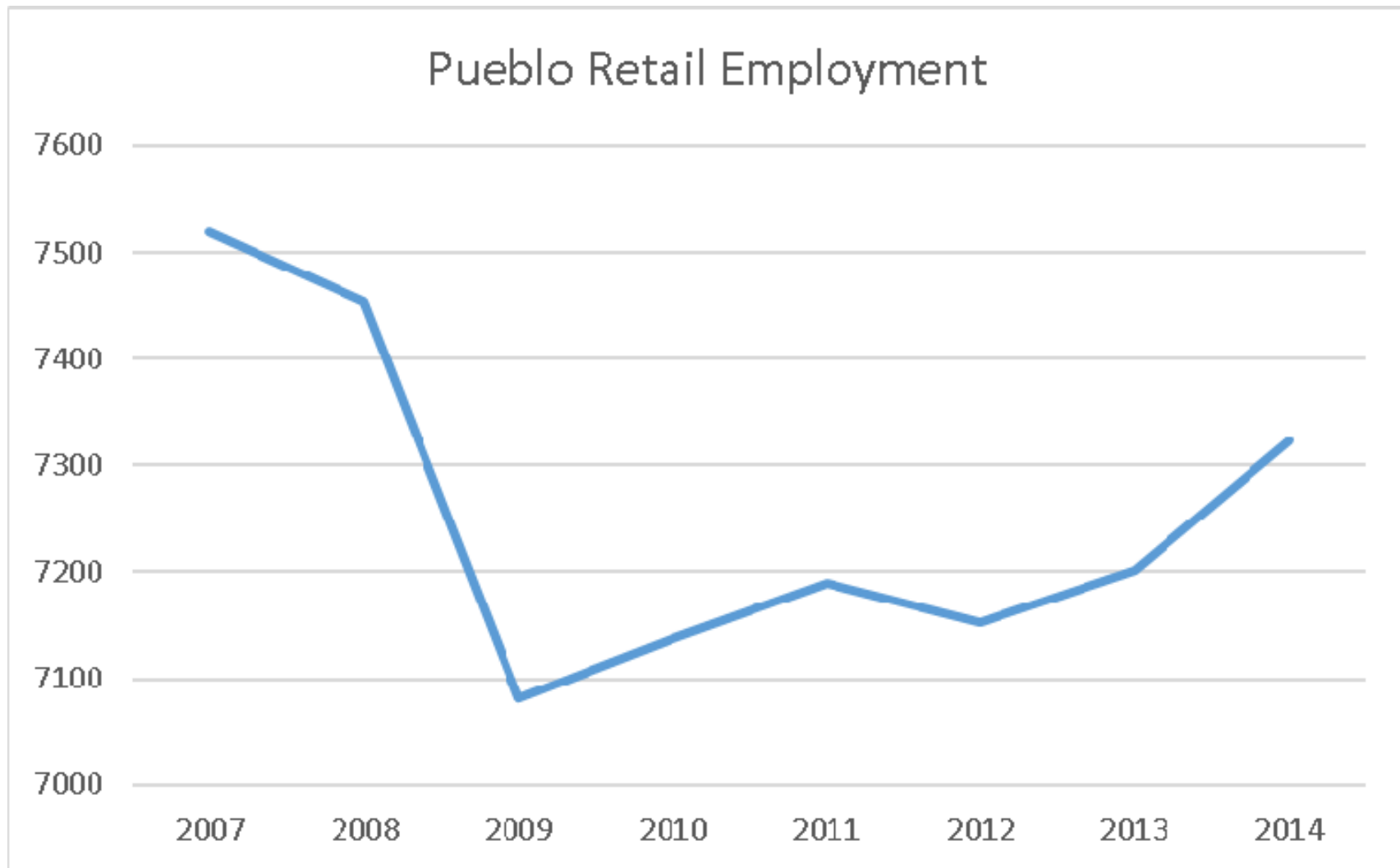
## Pueblo County Establishments 2005-Q1 2015



## Pueblo County Number of Retail Establishments 2004-2014

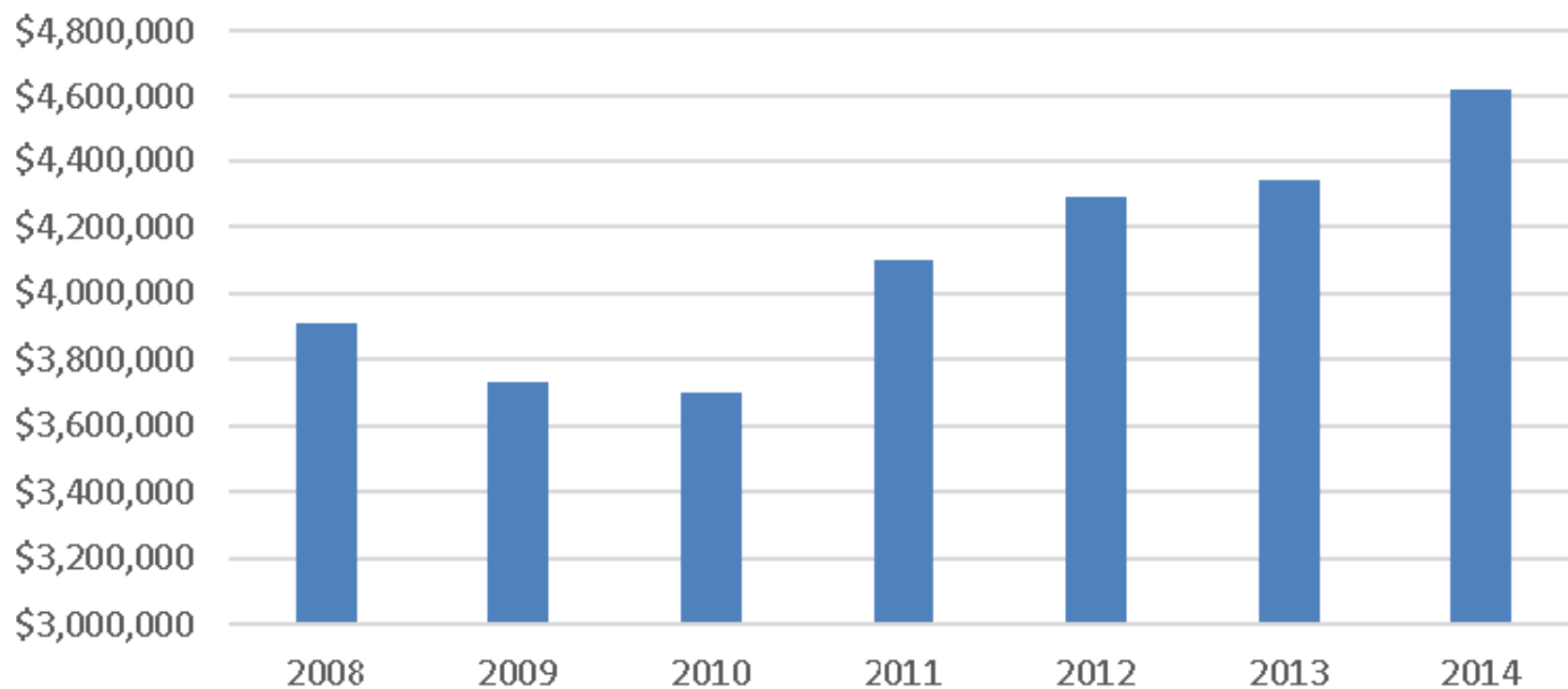


## Pueblo Retail Employment





# Retail Sales 2008-2014 (Thousands)



# Pueblo Employment Recovery, 2008 – March 2015 - By Industry and Average Salary

Industry	Employment Change	Average Annual Salary (2014)
All industries	1416	\$ 38,901
Manufacturing	254	\$57,357
Education & Health Services	1621	\$ 42,680
Professional & Business Services	1017	\$37,646
Leisure & Hospitality	215	\$ 14,940
Other Services	1	\$ 25,920

# Change in Number of Business Establishments in Pueblo and Colorado: 2012 to Q1, 2015

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Industry	Change in Pueblo	Change Statewide
All Industries	-1.49%	6.74%
Manufacturing	10.20%	5.98%
Education & Health Services	-3.72%	5.35%
Leisure & Hospitality	-2.79%	4.57%
Professional & Business Services	-.67%	9.57%
Other Services	-5.81%	9.70%

# Regional Change - Number of Business Establishments, Employment 2010-2015:Q1

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County	Establishment Change	Employment Change
Crowley	-12.5%	-6.89%
Custer	-16.07%	-7.25%
Fremont	-4.02%	-1.71%
Huerfano	-14.42%	-7.64%
Las Animas	-11.41%	-7.65%
Otero	-6.10%	-7.40%

## *Area Development On Line: Leading Metro Areas for Economic Growth 2014 - 2015*

Colorado City	2014 Rank (Out of 379)	2015 Rank (Out of 379)
Denver	8	1
Greeley	70	4
Boulder	30	9
Ft. Collins - Loveland	43	20
Colorado Springs	315	129
Pueblo	243	215
Grand Junction	304	227

# *Area Development On Line: Rankings for Pueblo – 2014 - 2015*

Category	2014 Ranking (of 379)	2015 Ranking (of 379)
Manufacturing & Goods as a % of Population	29	272
Wage Growth	48	224
Employment Growth as a % of Population	111	200
Prime Workforce	169	136
Economics Strength	265	238

# *Area Development On Line: Rankings for Pueblo*

Category	2014 Ranking (of 379)	2015 Ranking (of 379)
Work Force with BA	280	375
BA In-Migration	315	312
Per Capita GMP	328	325
Area Unemployment	328	241

# Comparison of % BA in population to Median Income

Community	% BA or Higher	2013 Median Household Income
Colorado Springs	37.1%	\$53,550
State of Colorado	36.7%	\$58,823
Grand Junction	30.8%	\$44,240
Greely	29.4%	\$50,484
Pueblo	19.1%	\$33,784
Canon City	17.4%	\$37,255
Lamar	13.5%	\$31,523

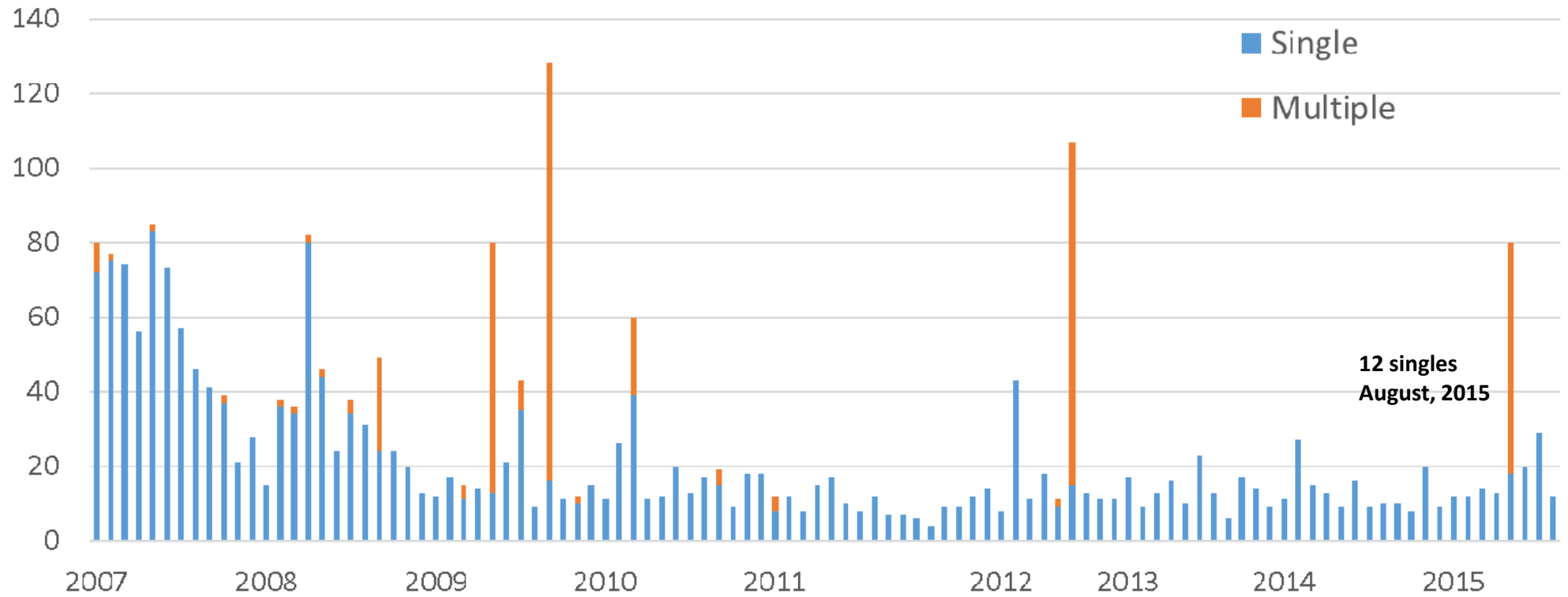


# Is Any Job a Good Job? Chips are Chips, Right?

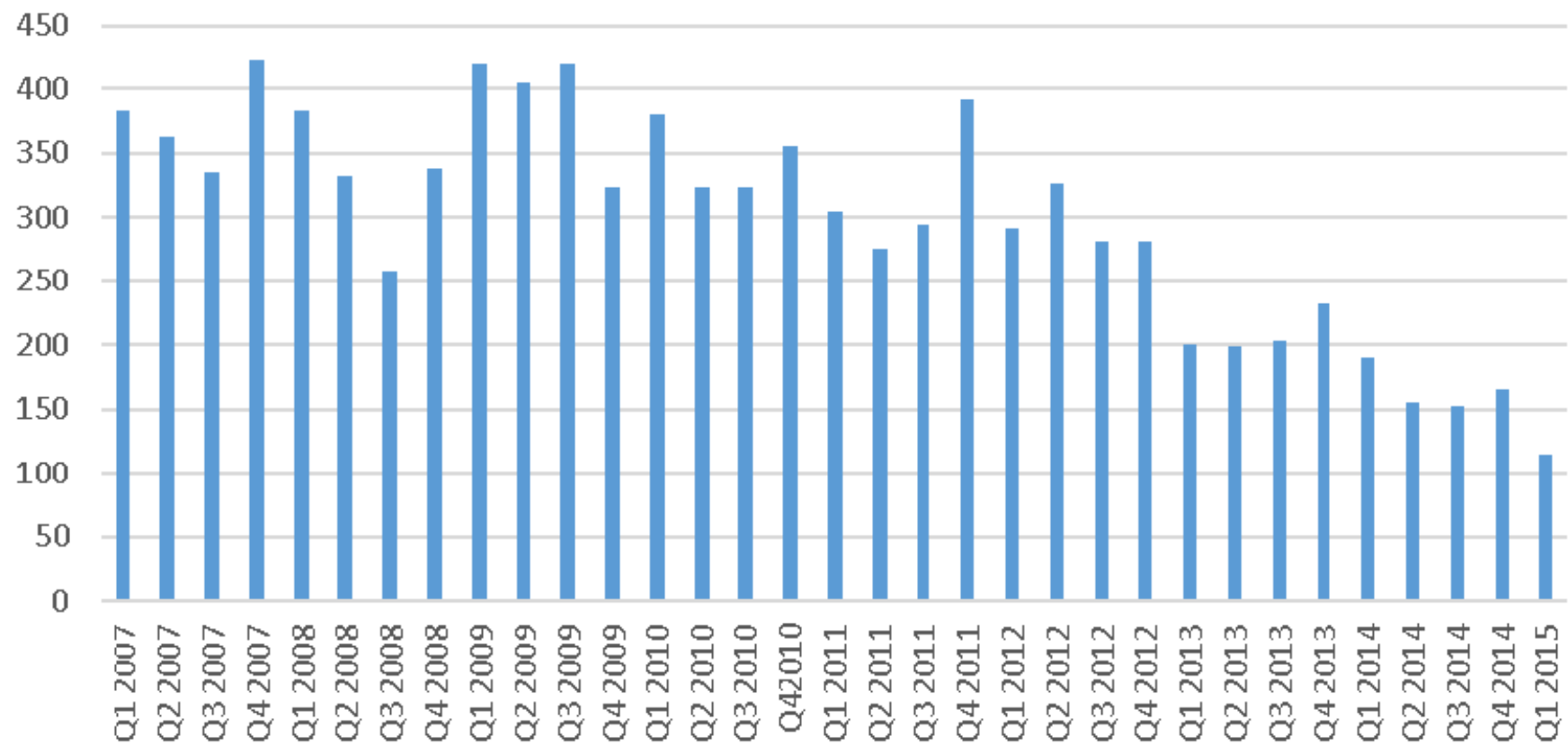
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- Tortilla chips, or micro chips?
- College graduates earn \$17,500 more annually than individuals with only a high school diploma
- Disposable income of college grads positively impacts the local economy
- **CONCLUSION:** Net decline of BA degrees in our population hurts our local economy and our chances of attracting higher paying jobs

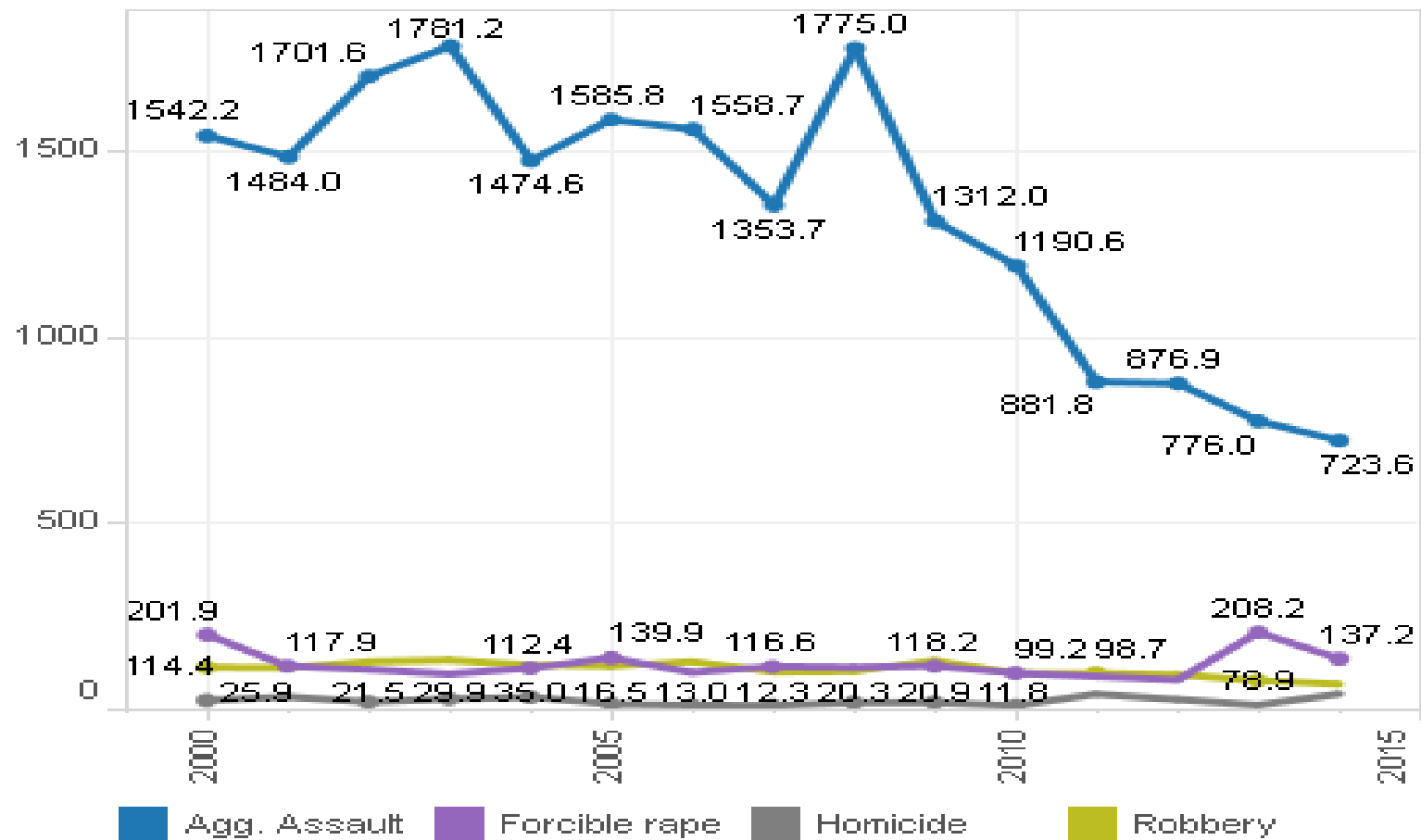
## Pueblo Building Permits (# Units) 2007-August 2015



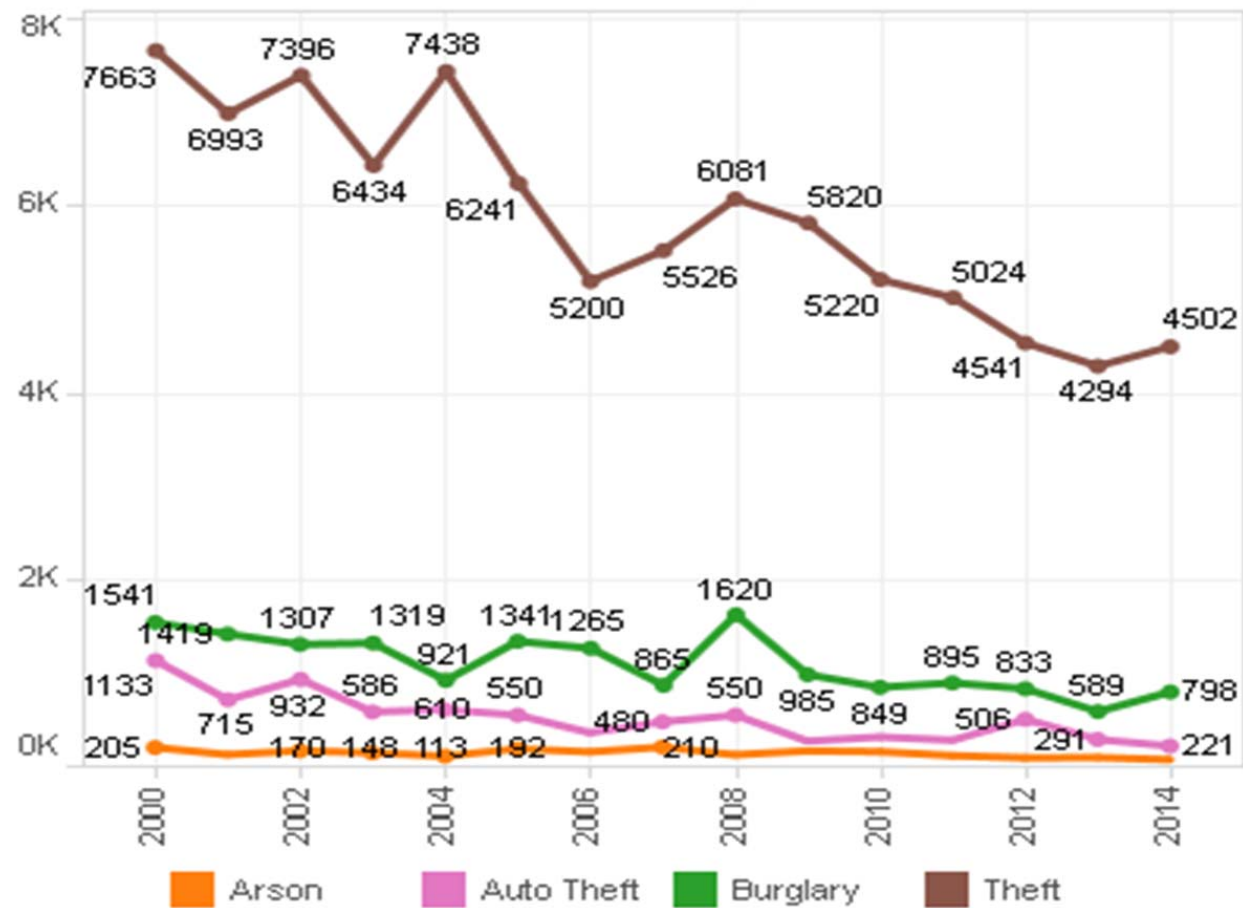
## Pueblo Quarterly Foreclosure Filings 2007- Q1 2015



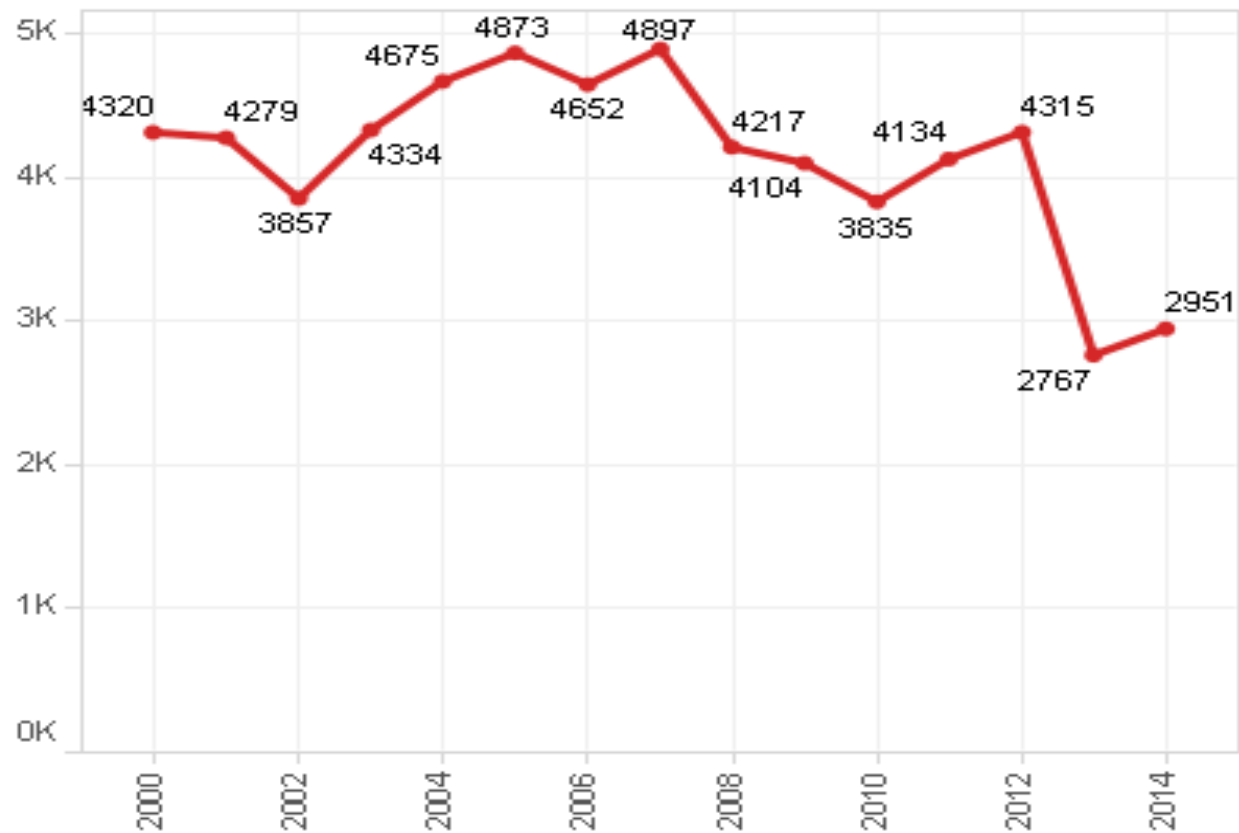
## Arrest Rates for Violent Crimes - All



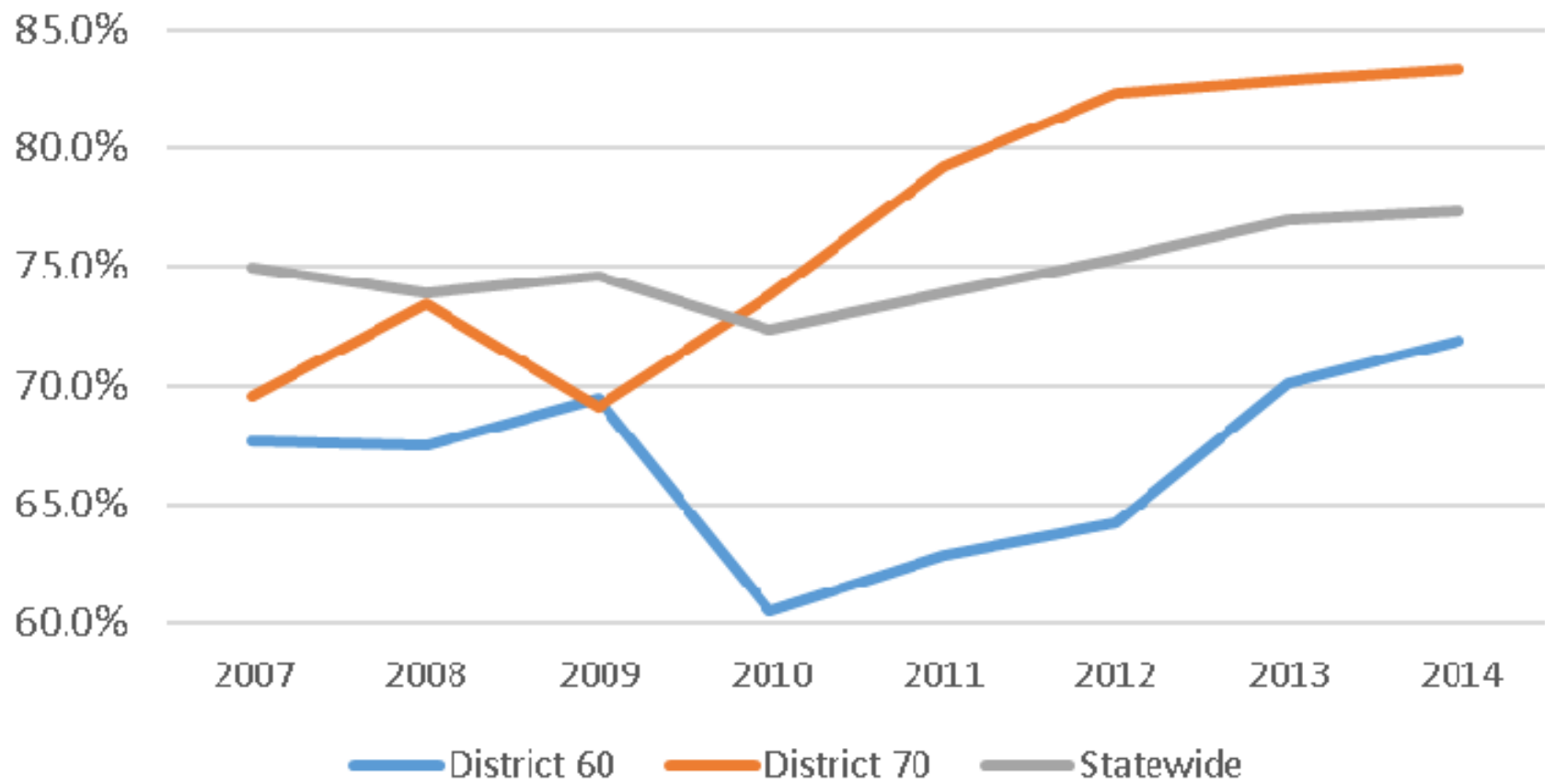
## Arrest Rates for Property Crimes - All



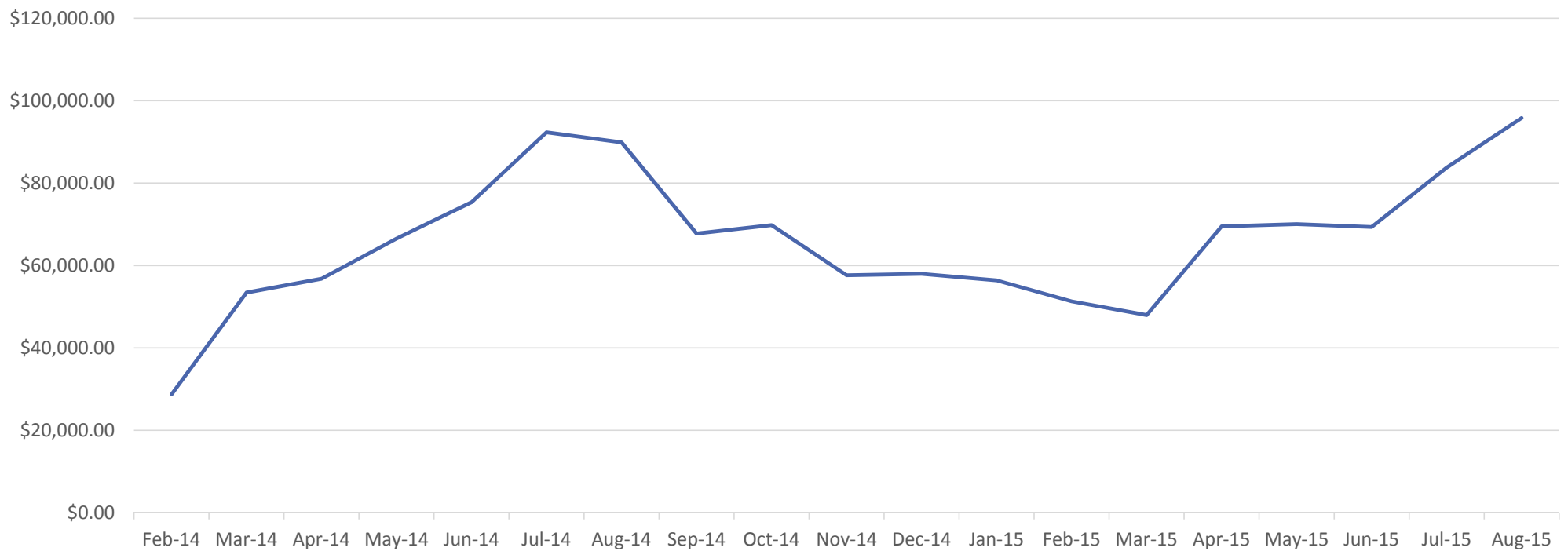
### Arrest Rates for Drug Violations - All



## Graduation Rates



## Marijuana Tax Revenue





# Indigent Needs Increasing in Pueblo?

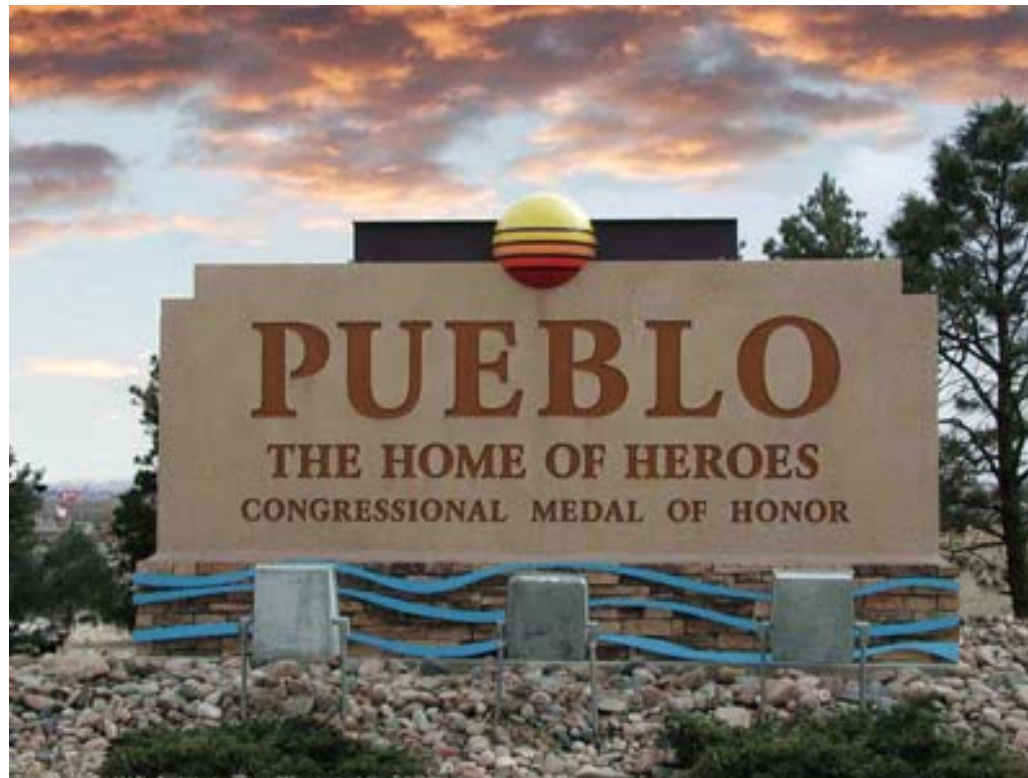
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Number of people seeking aid at Posada

<u>Year</u>	<u># individuals</u>	<u>% increase</u>
2013	2,444	
2014	3,767	54%

# Pueblo County Industry Strategic Evaluation








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# INFRASTRUCTURE/SITUATION

	Assessment	Commentary
Interstate -25/Hwy 50	☝	Great North/South and East/West access
Rail	☝	Very good access
Water Availability	☝	Current availability is good
Utilities Cost	☝	80.1% of average – (Source: infoplease.com)
Air Transport	☞	Great resource, but significant underutilized capacity. Very limited commercial service. Climate is beneficial to air traffic.
Available Labor Pool	☝	Unemployment moderately low, education levels below state average, some difficulty with drug testing.
Building Availability	☝	Large inventory and selection of building space

# INFRASTRUCTURE/SITUATION (2)

	Assessment	Commentary
Inner City Transport		Bus service limited. No regular service to airport, Pueblo West, or County destinations.
Higher Ed		PCC and CSU-Pueblo offer a range of educational alternatives. Potential for more integration in community, economic development.
K-12		Disappointing standardized test scores. Turnaround underway? H.S. grad rates improving.
Arts/Music		Lots of traction with Creative Corridor, Sangre de Cristo, Memorial Hall, State Fair, Hoag Hall, etc.
Cost of Living		85.6% - (Source: infoplease.com)
Recreation		Plentiful. 3 municipal golf courses, Pueblo reservoir, Arkansas River, kayak course, hiking, biking, gateway to Royal Gorge, mountains, etc.
Climate		4 mild seasons. Lots of sun, some wind.

# Overall Infrastructure Assessment

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- Pueblo infrastructure is good, many components are excellent
- Weaknesses include City transportation and available labor pool concerns

# Colorado Blueprint - Suggested Foci

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Colorado Blueprint 2.0 under development

From first Colorado Blueprint, key Pueblo County industries to support:

- Manufacturing (primary jobs)
- Tourism
- Expand existing industry, encourage small business
- Health Care – Promote as regional destination
- Improve Ag Economy
- Higher Education Partnerships – Especially engineering, ag, hospitality, and entrepreneurial studies

# Selected Professions – Growth and Salary

2012 National Employment Matrix title and code		Employment		Change, 2012—22		Median annual wage, 2012 (1)
		2012	2022	Number	Percent	
Total, All Occupations	00-0000	145,355.8	160,983.7	15,628.0	10.8	\$34,750
Personal care aides	39-9021	1,190.6	1,771.4	580.8	48.8	19,910
Registered nurses	29-1141	2,711.5	3,238.4	526.8	19.4	65,470
Home health aides	31-1011	875.1	1,299.3	424.2	48.5	20,820
Nursing assistants	31-1014	1,479.8	1,792.0	312.2	21.1	24,420
Customer service representatives	43-4051	2,362.8	2,661.4	298.7	12.6	30,580
Construction laborers	47-2061	1,071.1	1,331.0	259.8	24.3	29,990
Medical secretaries	43-6013	525.6	714.9	189.2	36.0	31,350
Licensed practical and licensed vocational nurses	29-2061	738.4	921.3	182.9	24.8	41,540
Medical assistants	31-9092	560.8	723.7	162.9	29.0	29,370
Software developers, applications	15-1132	613.0	752.9	139.9	22.8	90,060
Production occupations	51-0000	8,941.9	9,017.5	75.6	0.8	35,490

## Footnotes:

1 Data are from the Occupational Employment Statistics program, U.S. Department of Labor, U.S. Bureau of Labor Statistics.

Source: Employment Projections program, U.S. Department of Labor, U.S. Bureau of Labor Statistics

# Expansion Opportunities Low Hanging Fruit Tied to Blueprint

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## Manufacturing

- Do more of what has been done
  - PEDCO recruiting
  - PCC training programs

## Tourism

- Increase promotion of existing attractions

## Small Business Opportunities

- Increase support of SBDC, SCORE, Pueblo Entrepreneurship Competition



# Expansion Opportunities

## Low Hanging Fruit Tied to Blueprint (2)

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### Health Care

- Critical shortage of MDs and nurses – significant opportunity
- Nursing programs at PCC and CSUP at capacity
- Jobs are available... trained, qualified workers are not
  - Community, Health Care and Higher Ed must ensure adequate resources are allocated to meet this need

# Expansion Opportunities

## Low Hanging Fruit Tied to Blueprint (3)

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### Agriculture

- Critical to keep water in the region, for more than Ag
- Promote efficient use of water
- Partner with CSU Extension, CSUP to maximize farm productivity

# Blueprint Emergent Opportunities – Phase 2 Examples

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## Tourism

- Reposition Pueblo
  - Capitalize on “Home of Heros” theme, extend to other events, attractions
  - “Gateway to the Southwest” - History and Geographic significance
- Significant tourism expansion requires “anchor” attractions
  - Theme park
  - Unique offerings, e.g., interactive STEM museum, IMAX, indoor ski slope, zip lines over Arkansas River, Mars Biosphere Living Module... something SPECTACULAR!
- Explore developing tourism studies at PCC and CSUP

## Small Business, Expanding Businesses

- Expand entrepreneurial studies at PCC and CSUP
- Create an entrepreneurial culture: develop “maker’s space” in the community

# Blueprint Emergent Opportunities – Phase 2 Examples (2)

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## MFG - Expand PEDCO latitude

- “Economic gardening” – invest in promising start-ups, growth companies in strategic industries
- Target jobs that require some college education

## Agricultural Expansion

- Develop “Food Hubs”
  - Purchase small lot production
  - Increase local processing activities, build commercial kitchens (value added)
  - Provide distribution channel to local cafeterias and restaurants
- Water Management Strategies
  - Create regional Water Center
  - Testing, water management practices, water law, water economics
- Hemp R&D

# Blueprint Emergent Opportunities – Phase 2 Examples (3)

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## Renewable Energy Research Center

- Solar, Wind, Hydro, Algae Bio-Diesel, Other Bio-Mass

## Active Retirement Community

- Combines positioning of tourism, life style opportunities, health care
- Attracts retirees, semi-retirees and their investment income

## Organic pharmaceutical research

- NOT related to retail MMJ sales or recreational use
- Embracing cannabis research can counter negative image of current marijuana culture
- Pursuit of patents, research jobs
- Ties to Ag, byproducts of algae-biodiesel

# Strategic Industry Clusters

## Phase 3 - Fruit on Higher Branches

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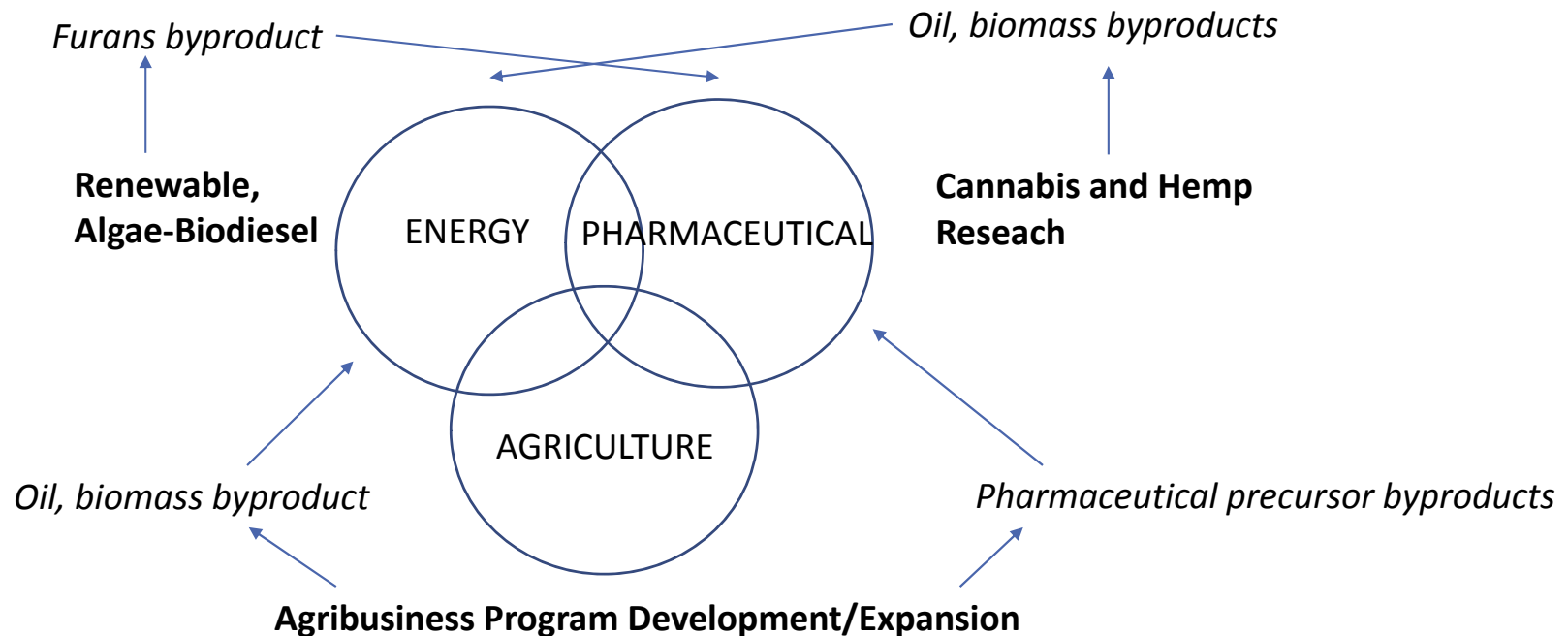
### Diversification of Industrial Base Needed

- Industry diversification insulates from economic shock of any one industry

### Concentric Diversification

- Synergies created through shared:
  - Technologies
  - Resources
  - Distribution channels/customers
  - Use of byproducts (sustainable operations)
- Results can include:
  - Shared research applications
  - Shared worker training
  - Shared resources, byproducts
  - Attraction for similar or related firms to the area

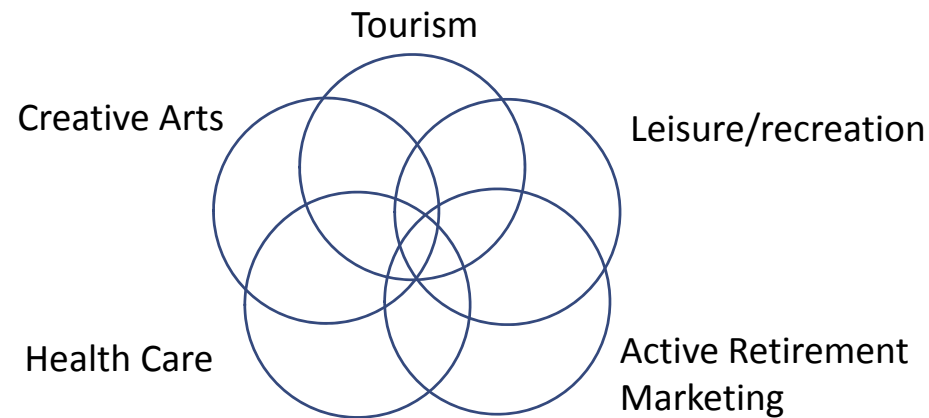
# Synergies Among Emergent Energy, Pharmaceutical and Ag Industries



*Each intersection in the diagram represents an opportunity for synergy*

# Another Example of Industry Clusters That Can Produce Synergy

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These industries create an important “quality of life” foundation to attract educated individuals for other jobs



# Significant Strategic Issues

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Low percent of 4 year college degrees in population

- Brain Drain Conundrum – Most college graduates leave Pueblo County

Positioning Pueblo as a low wage county is a double edged sword

- Makes us attractive for businesses locating here
- It exerts pressure to keep wages low
- Lower wage jobs do not require bachelor degrees, exerting further downward pressure on the economy.

Pueblo Transit system must expand

# Significant Strategic Issues (2)

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Manufacturing is not likely to carry us into the future

- Automation, robotics decrease available manufacturing jobs
- Low projected job growth and income in manufacturing
- Are we on the right path with the jobs pursued with ½ cent sales tax?

We have a perception and story telling problem

- Excessive focus on the retail Marijuana culture
- We haven't done a good job telling our story... getting the right message to the right people
- Affects Tourism... people's perceptions are based on freeway views
- We need to get out the good news

# Significant Strategic Issues (3)

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## Capitalize on regional resources and history

- Home of Heroes – Celebrate Medal of Honor recipients, consider other “Heroes”
  - Can this idea be echoed through the arts, appearance of our city from the highway, our attitudes about our own community?
- PBRA – Little has been done vis-à-vis the community
- History of region - Native Americans, Bat Masterson, Kit Carson (Bent’s Fort), immigrant laborers, etc.
- Consider other unusual industries/ideas - Space Tourism, Mars Biosphere Living Module, Theme Park, “Branson on the Arkansas,” Indoor Ski Slope, Extreme Sports, Gateway to the American Southwest, etc.

## Pueblo needs a strong, unified vision driving strategic industry development

- We have nicknames. What shall we rally around? Steel? Heroes? Chile? Or??
- Great clusters and pieces of industries are in place, but more coordination is needed
- More collaboration needed between business, government, education
  - Unified City/County government may be helpful - many details to work through

# Wednesday Morning “to do” list

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## Work on “telling our story”

- Crime rates down, HS grad rates up, many great things about life in Pueblo

## Work on key infrastructure issues:

- Transportation systems
- Available labor pool (publicize the number of graduates from PCC and CSU-Pueblo) – expand key programs at each institution, e.g. nursing, to reduce BA/BS migration.
- Continue to support the Creative Corridor and River Walk expansion - critical for tourism and quality of life to attract other industries

## Expand efforts to develop tourism, ag, entrepreneurial, manufacturing, and health care

- Mentoring tied to more intensive internship programs
- Pursue businesses that require educated workers
- Expand nursing programs at PCC and CSUP
- Develop entrepreneurial and tourism programs at PCC and CSUP (consistent with Blueprint)

# Wednesday Morning “to do” list (2)

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## Diversify our industrial base

- Note projected low increase of manufacturing jobs, extremely high increase in health care
- Attract/create jobs that require college degrees
- Consider expanding search latitude for PEDCO – refine investment parameters for ½ cent sales tax

## Explore viable emerging industries, integrate partnerships with PCC and CSU-Pueblo

- Renewable energy research and production – Wind, Solar, Hydro, Biotech
- Organic pharmaceutical research
- Active senior living

## Develop 10-year, 25-year, and 50-year plans to create a UNIQUE Pueblo draw

- Space tourism, theme park, Mars biosphere living module, or ???

*The best way to predict the  
future is to create it.  
- Peter Drucker*

Questions for Norman or Mike?

For a copy of today's presentations,  
please email:

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