

2016 Pueblo Economic Outlook and Industry Analysis

DR. MIKE WAKEFIELD, PROFESSOR OF MANAGEMENT AND HEALY CENTER DIRECTOR, CSU PUEBLO

DR. BRUCE RAYMOND, DEAN, HASAN SCHOOL OF BUSINESS, CSU PUEBLO

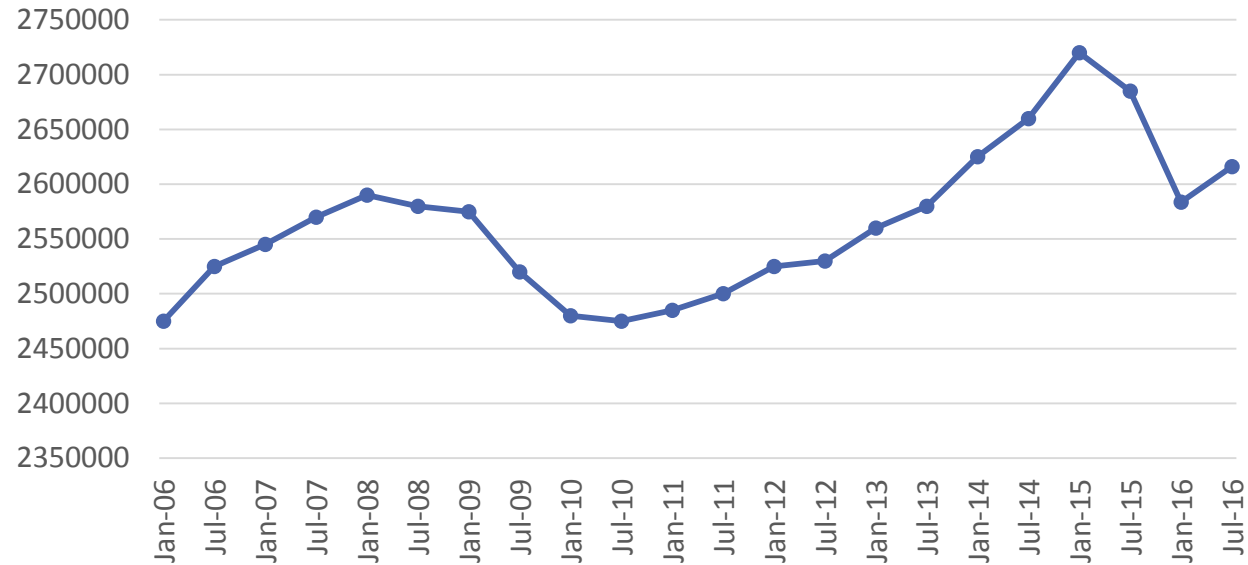
MARSHALL HUGHES, SENIOR HEALY FELLOW, CSU PUEBLO

KEN CORTES, SENIOR HEALY FELLOW, CSU PUEBLO

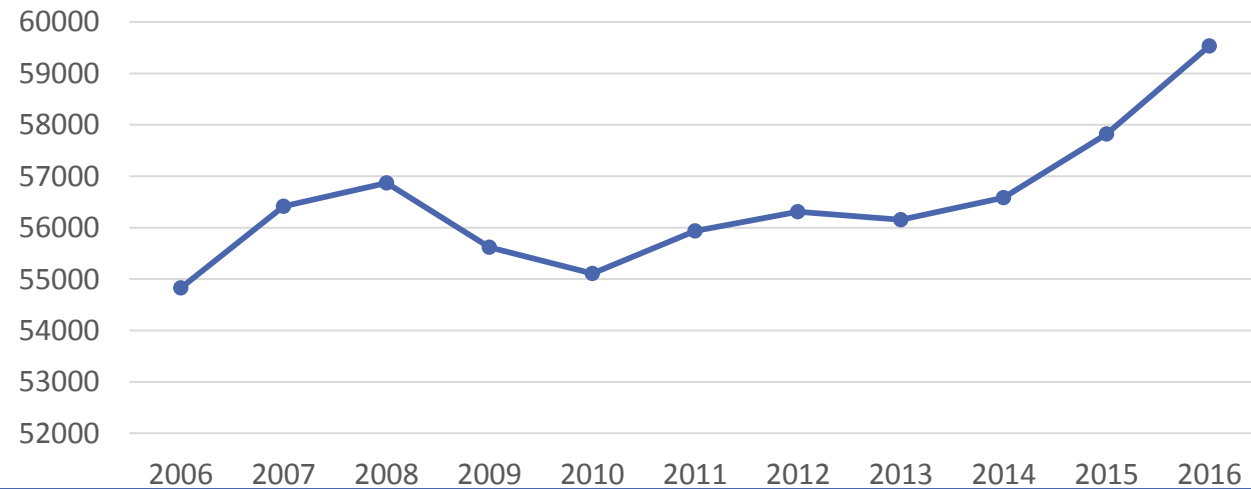
SEAN MCCAIN, JUNIOR HEALY FELLOW, CSU PUEBLO



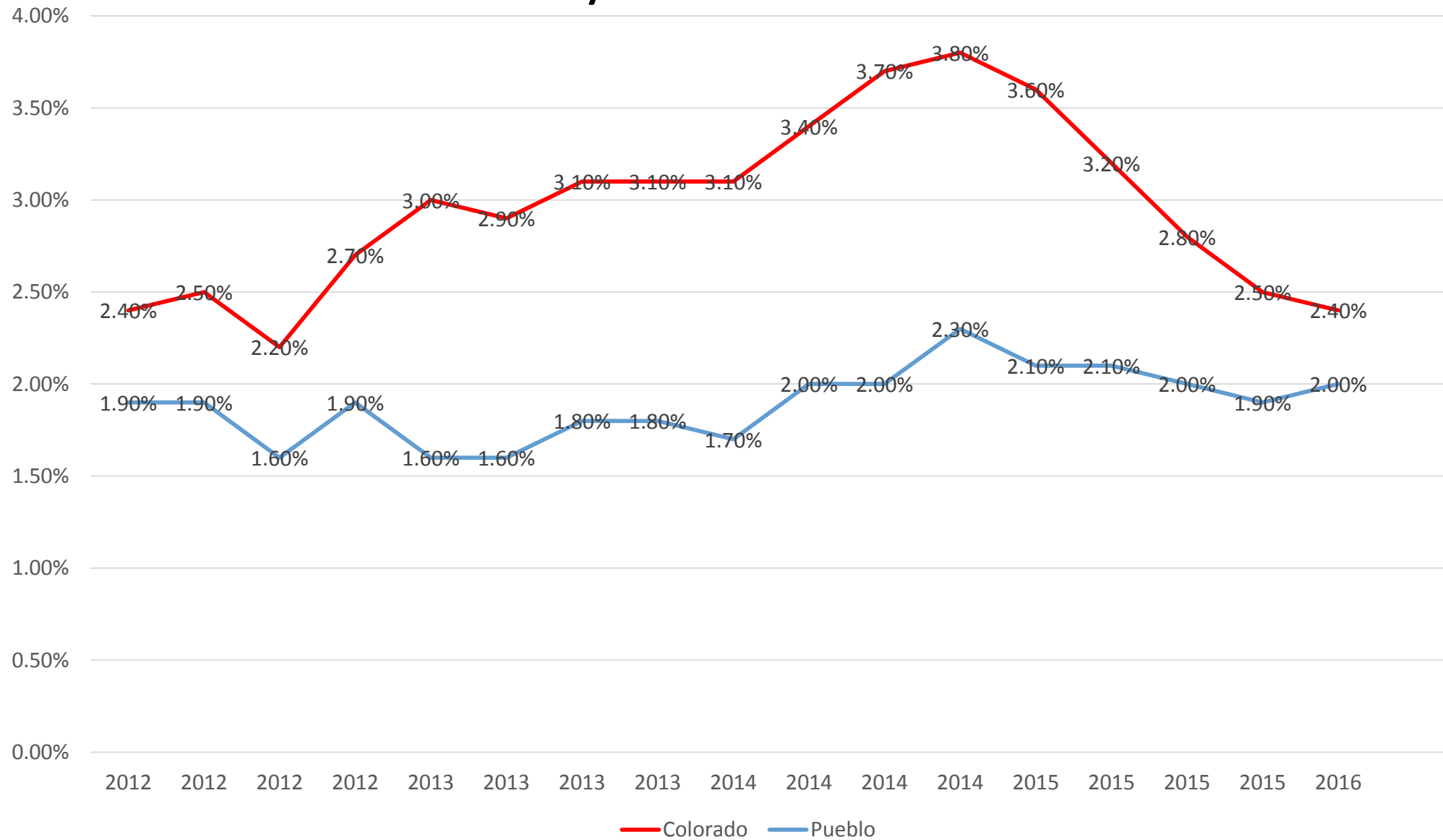
Colorado Employment



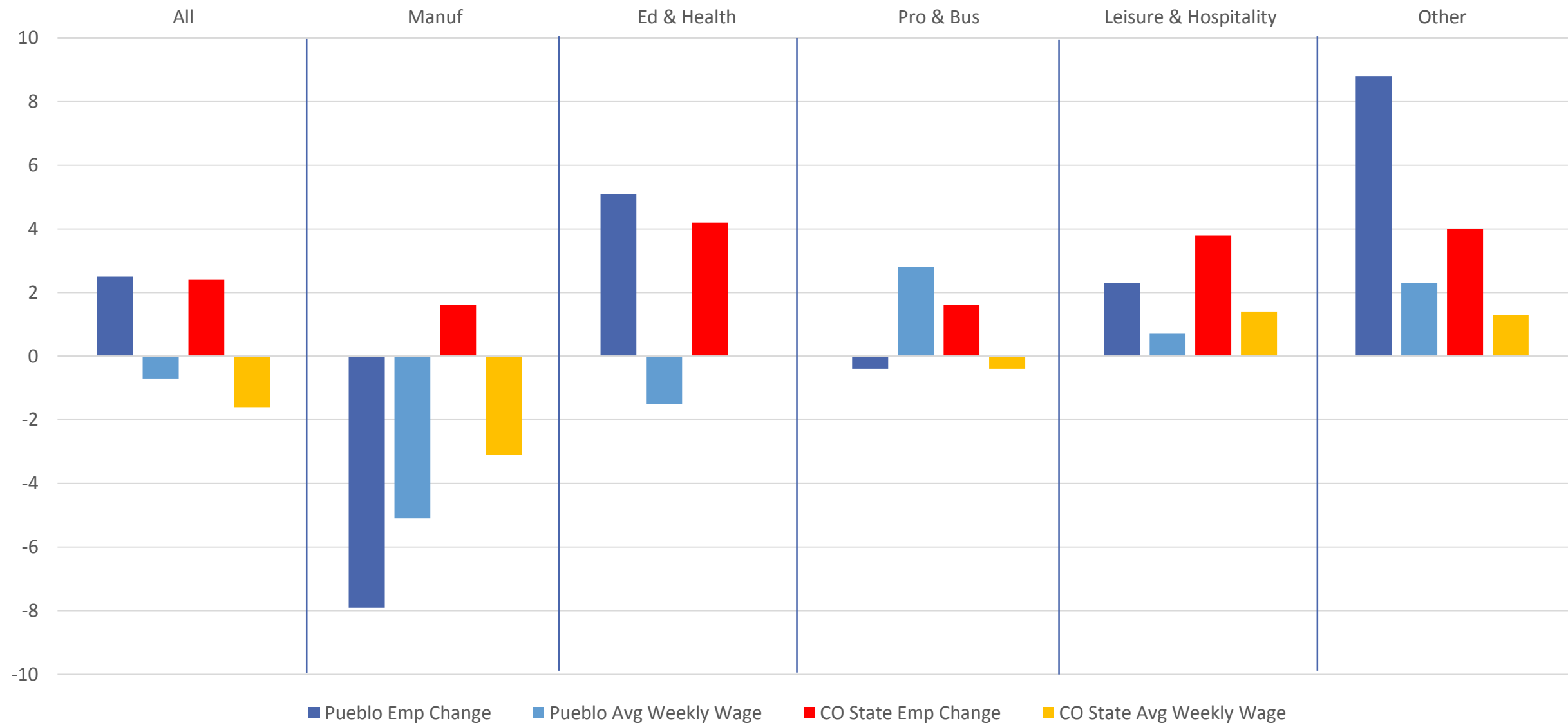
Pueblo County Employment



Pueblo County v. Colorado Job Growth



Pueblo County Employment Recovery 2015-2016 (% change)



Job Creation - PEDCO

Jobs recruited by PEDCO in the last 5 years:

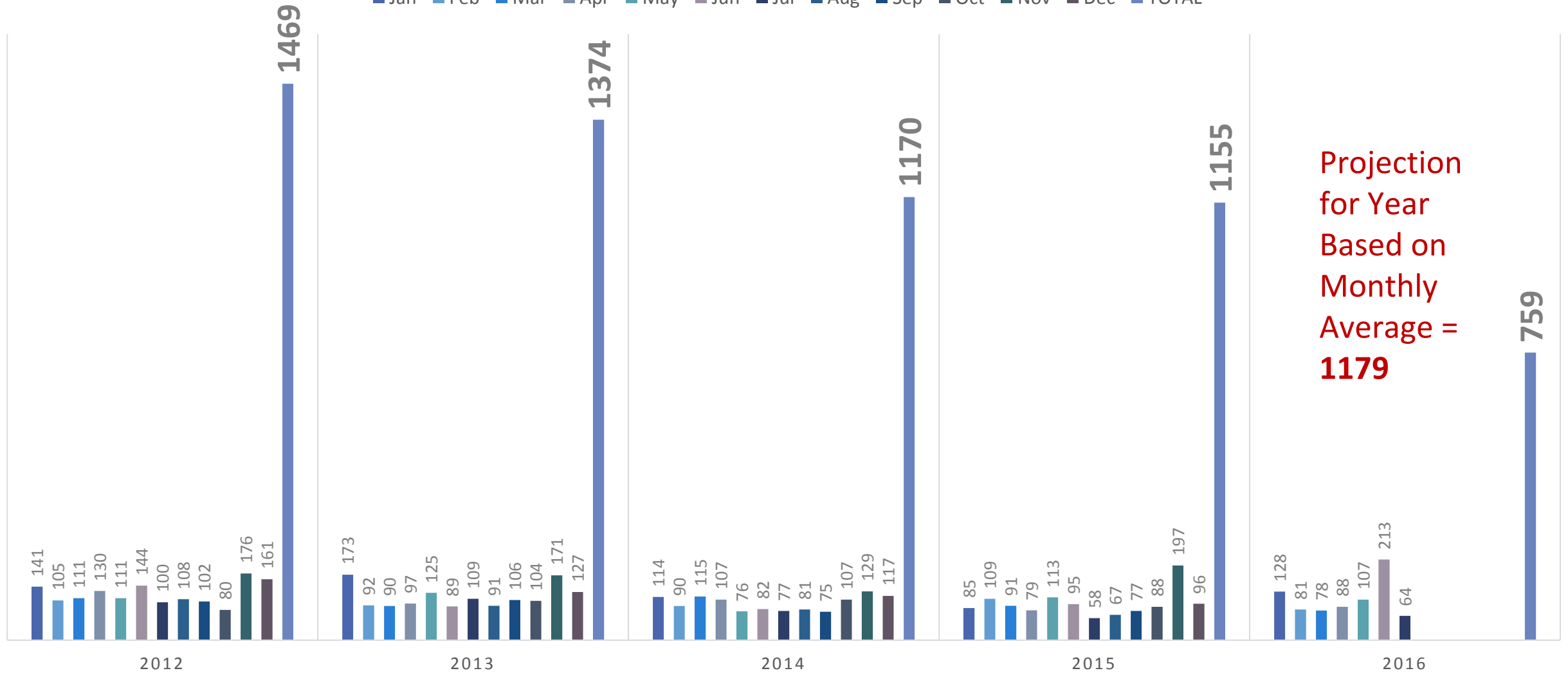
- Average # per year **143.4**
- Average salary per job **\$36,849.74**
- **9,838+ jobs** added to, retained by, Pueblo economy since 1992

PEDCO Industry Cluster Foci

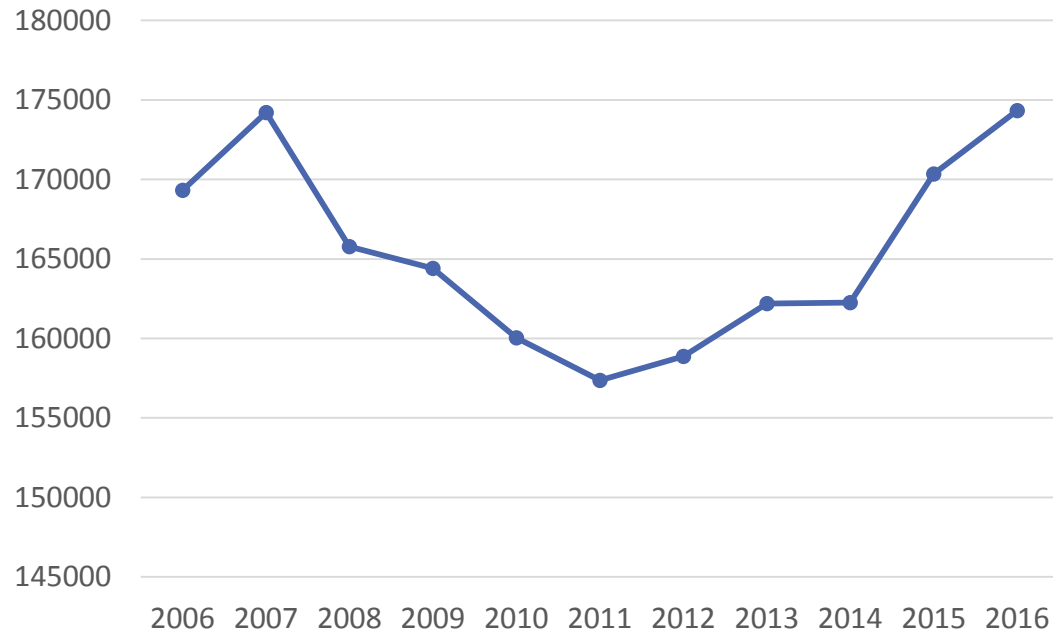
- Outdoor Recreation
- Hemp
- Aerospace
- Rail

PUEBLO COUNTY INITIAL JOBLESS CLAIMS

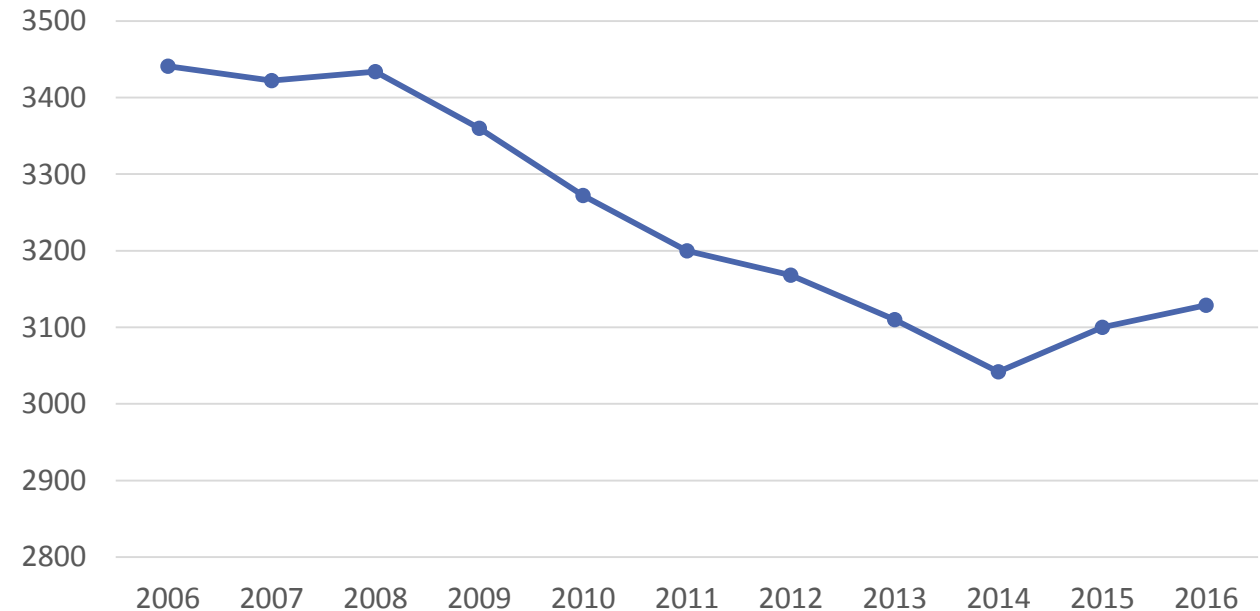
■ Jan ■ Feb ■ Mar ■ Apr ■ May ■ Jun ■ Jul ■ Aug ■ Sep ■ Oct ■ Nov ■ Dec ■ TOTAL



Colorado Establishments



Pueblo County Establishments



Business Establishments Change By Industry 2013 to Q1, 2016

Industry	Pueblo County 2013	2016 (%change)
All Industries	3,023	3,096 (+2.4%)
Manufacturing	97	101 (+4.1%)
Education & Health Services	423	424 (+0.2%)
Leisure & Hospitality	400	390 (-2.5%)
Professional & Business Services	436	465 (+6.7%)
Other Services	235	259 (+10.2%)

Colorado 2013	2016 (%change)
170,239	186,835 (+9.7%)
5,325	5,772 (+8.4%)
16,875	18,273 (+8.3%)
15,034	16,013 (+6.5%)
42,678	48,358 (+13.3%)
13,229	15,392 (+16.4%)

Regional Change - 2011-2015:Q1

County	Establishments 2011	Establishments 2016 (%change)
Pueblo	3,104	3,096 (-0.3%)
Crowley	42	42 (0.0%)
Custer	156	137 (-12.2%)
Fremont	838	877 (+4.7%)
Huerfano	181	166 (-8.3%)
Las Animas	415	408 (-1.7%)
Otero	457	427 (-6.6%)

Employment 2011	Employment 2016 (%change)
43,918	47,215 (+7.5%)
637	576 (-9.6%)
571	581 (+1.8%)
7,483	7,920 (+5.8%)
1,219	1,158 (-5.0%)
3,249	3,219 (-0.9%)
4,377	4,221 (-3.6%)

Leading Metro Areas for Economic Growth 2015 - 2016

City	2015 Rank (Out of 379)	2016 Rank (Out of 394)
Denver	1	8
Greeley	4	58
Boulder	9	49
Ft. Collins-Loveland	20	11
Colorado Springs	129	131
Pueblo	215	209
Grand Junction	227	229

Workforce Rankings for Pueblo 2015 - 2016

Category	2015 Ranking (of 379)	2016 Ranking (of 394)
Manufacturing & Goods as a % of Population	272	186
Wage Growth	224	316
Employment Growth as a % of Population	200	234
Prime Workforce Indicators Ranking	136	237
Economic Strength Indicators Ranking	238	202

Workforce Rankings for Pueblo 2015 – 2016 (2)

Category	2015 Ranking (of 379)	2016 Ranking (of 394)
Workforce with Bachelor's degree	275	325
In-migration with Bachelor's	312	275
Per Capita GMP	325	339
Area Unemployment	241	210

Comparison of % BA in population to Median Income

Community	% Bachelor's or Higher	2016 Median Household Income
State of Colorado	37.5	\$59,448
Colorado Springs	36.3	\$54,228
Grand Junction	29.5	\$44,887
Greeley	25.6	\$47,342
Pueblo	19.4	\$34,889
Canon City	19.1	\$38,540
Lamar	12.4	\$31,741

School Districts 60 & 70

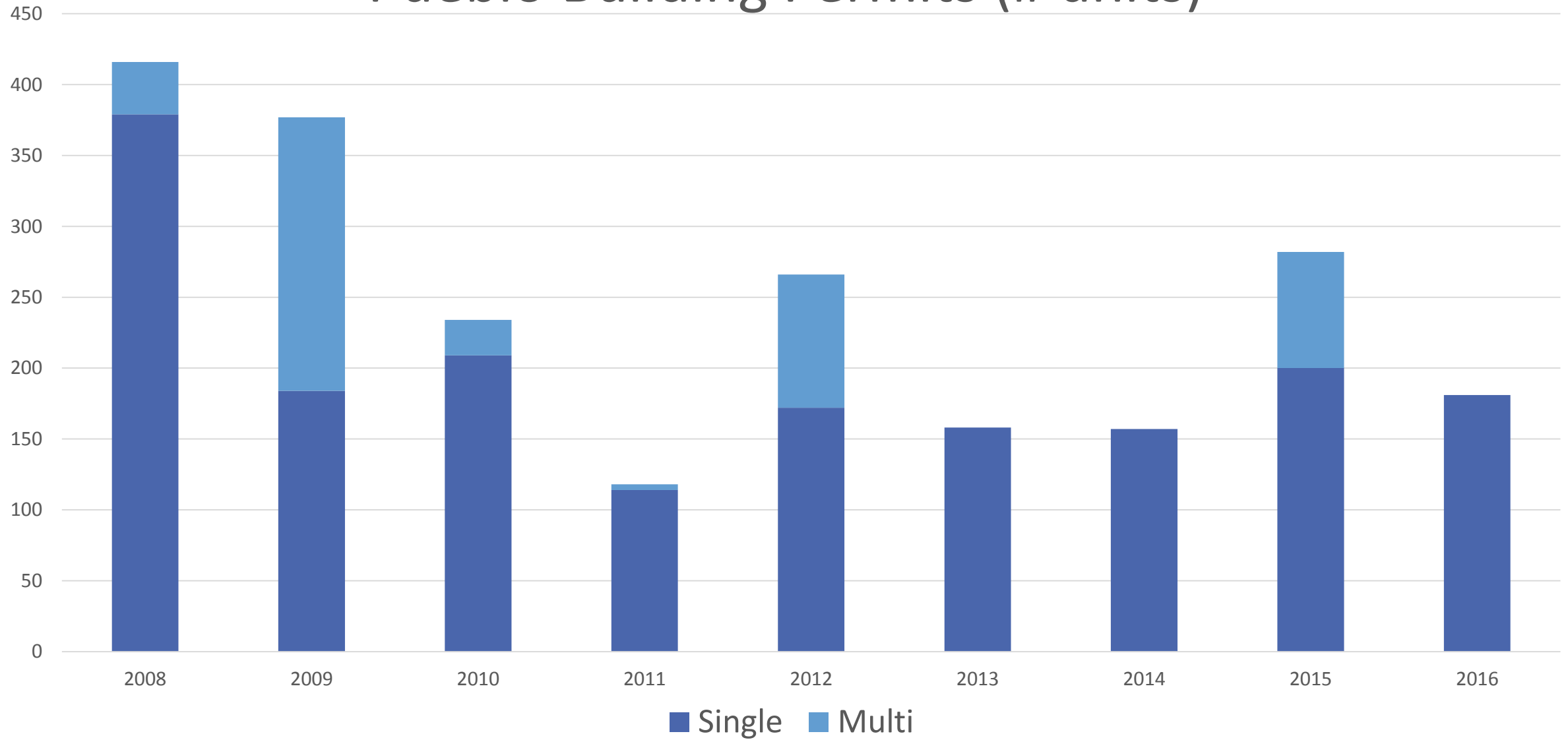
ACT Scores

	2015 Composite	2015 English	2015 Math	2015 Reading	2015 Science	2016 Composite	2016 English	2016 Math	2016 Reading	2016 Science
State of CO	20.1	19.4	20.0	20.2	20.5	20.4	19.6	20	20.7	20.6
D60	17.9	17.1	17.4	18.3	18.2	18.2	17.3	17.7	18.9	18.5
D70	19.4	18.7	18.7	19.8	19.8	19.8	18.8	19.2	20.4	20.3

2016 Standardized Test Scores

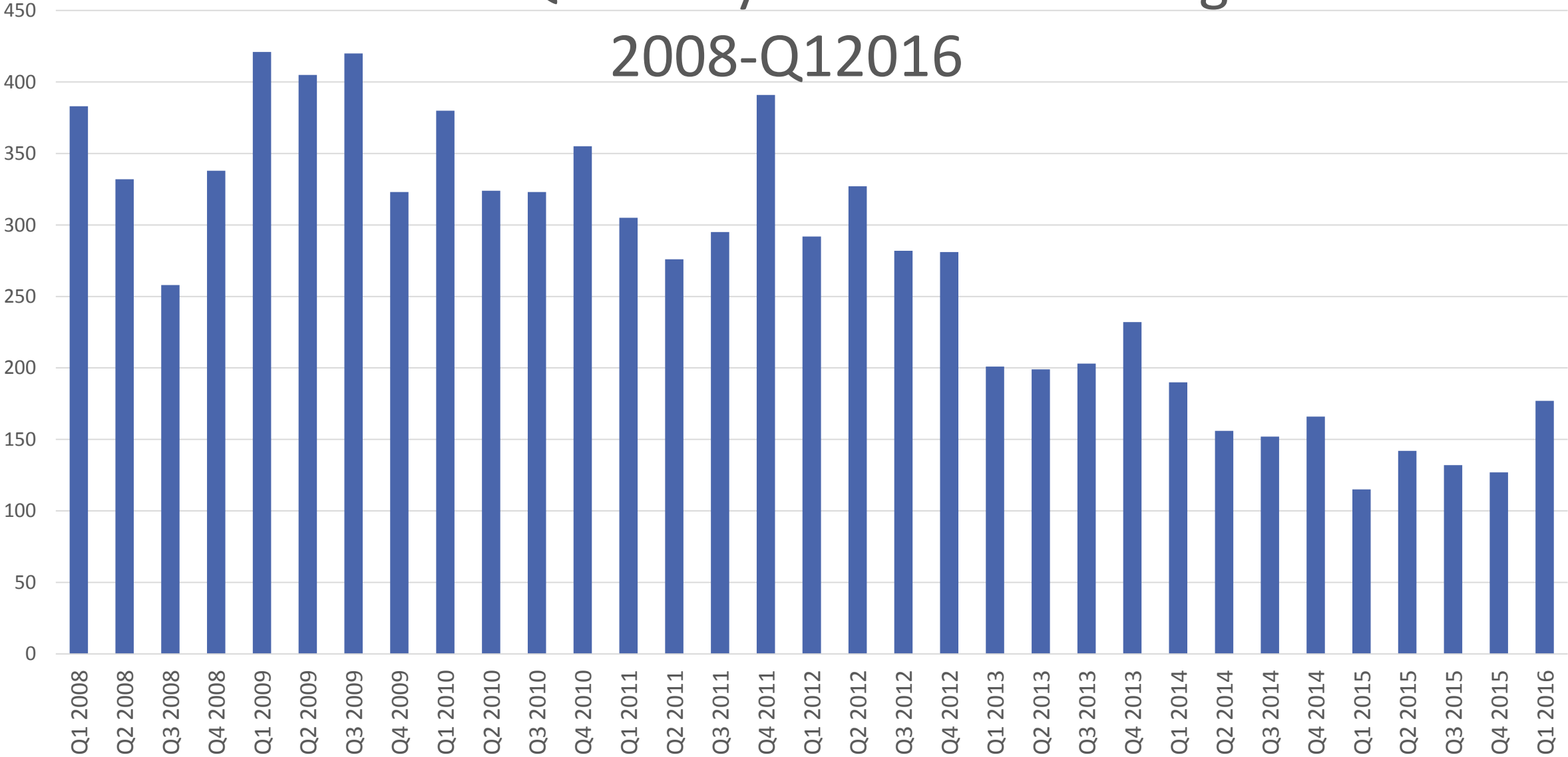
	Overall Mean	Reading/Writing	Math
State of CO	944.0	475.6	468.4
D60	873.4	443.7	429.7
D70	909.0	458.5	450.5

Pueblo Building Permits (# units)

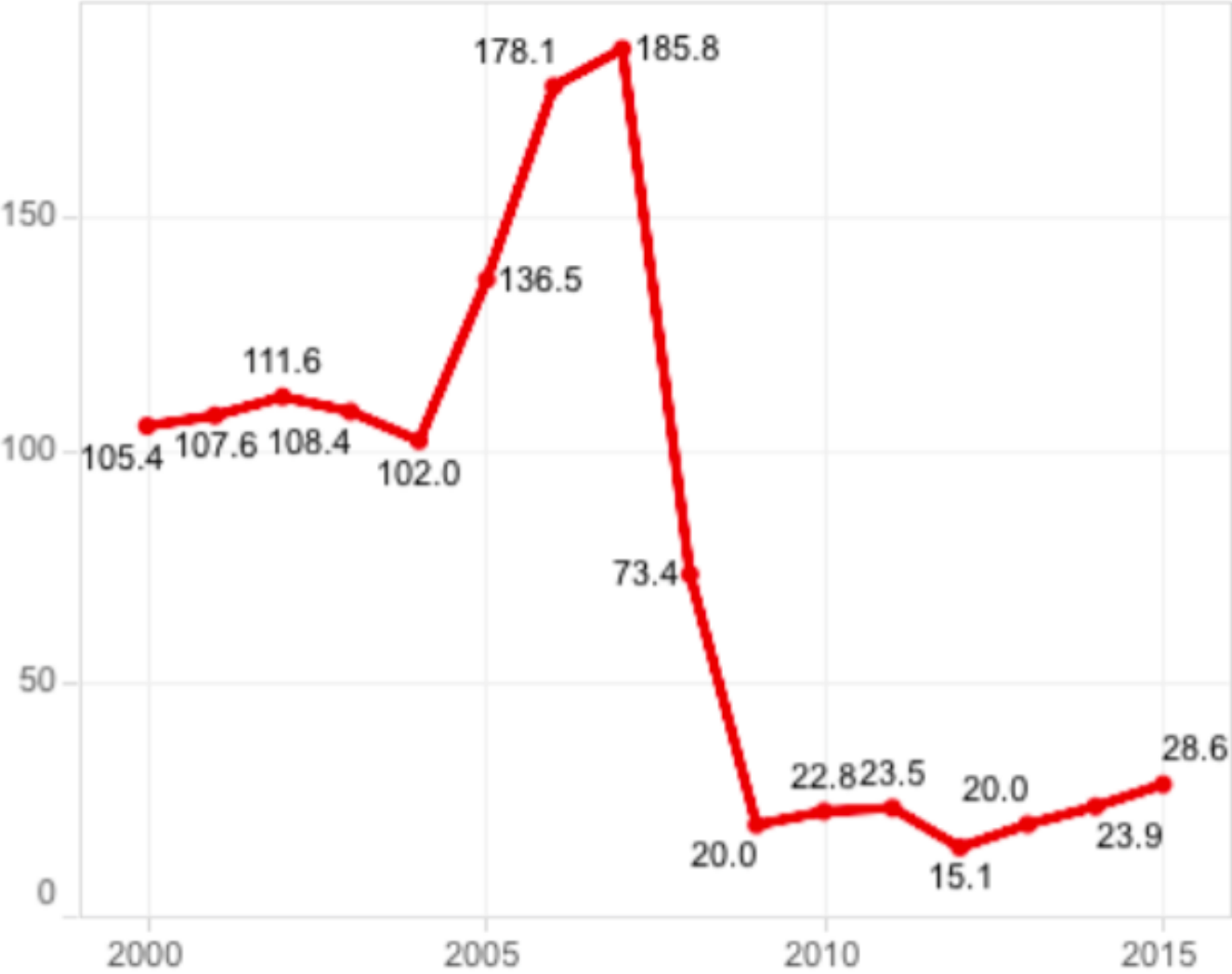


Pueblo Quarterly Foreclosure Filings

2008-Q12016



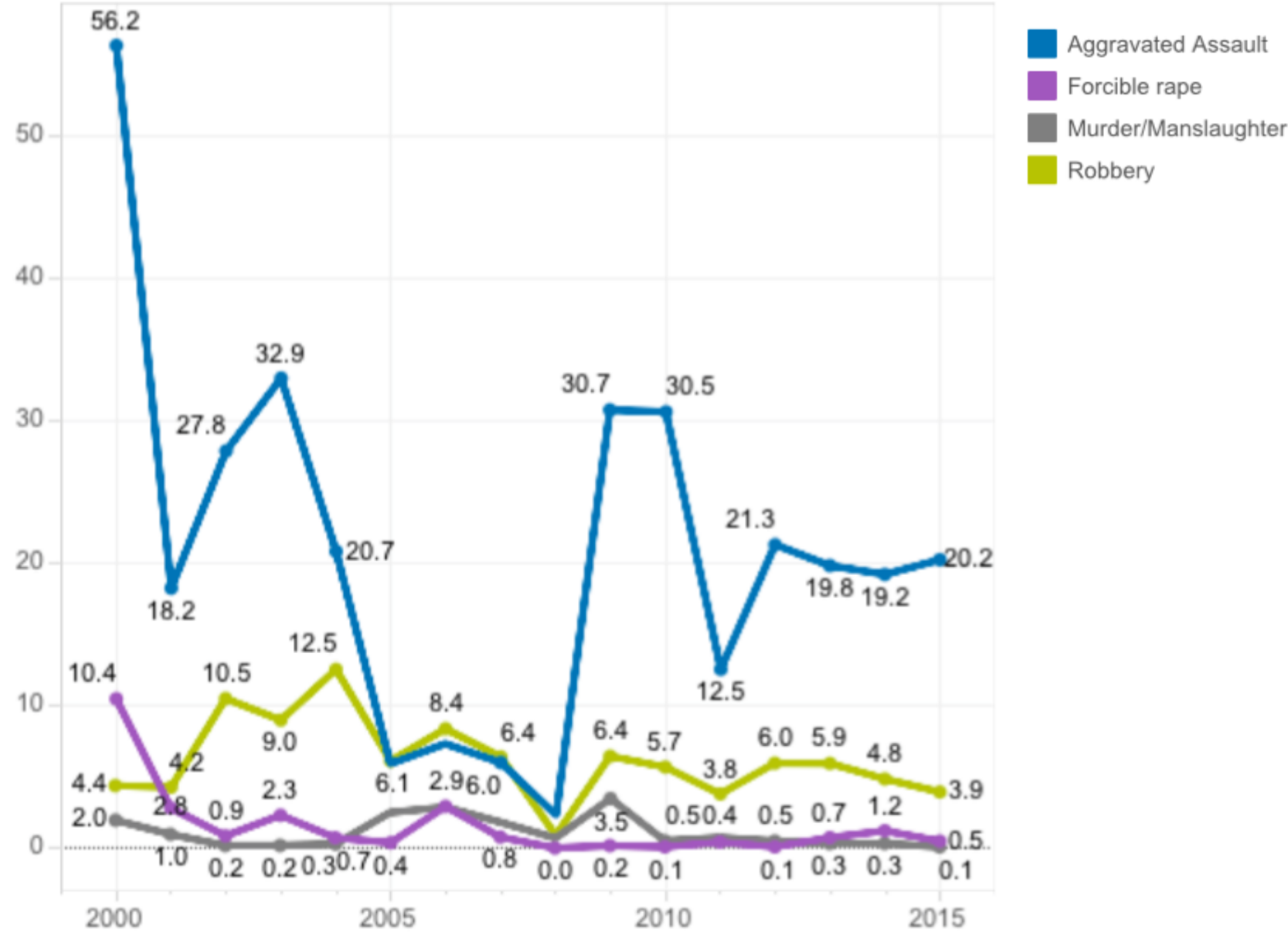
Arrest Rates for Drug Violations - Pueblo



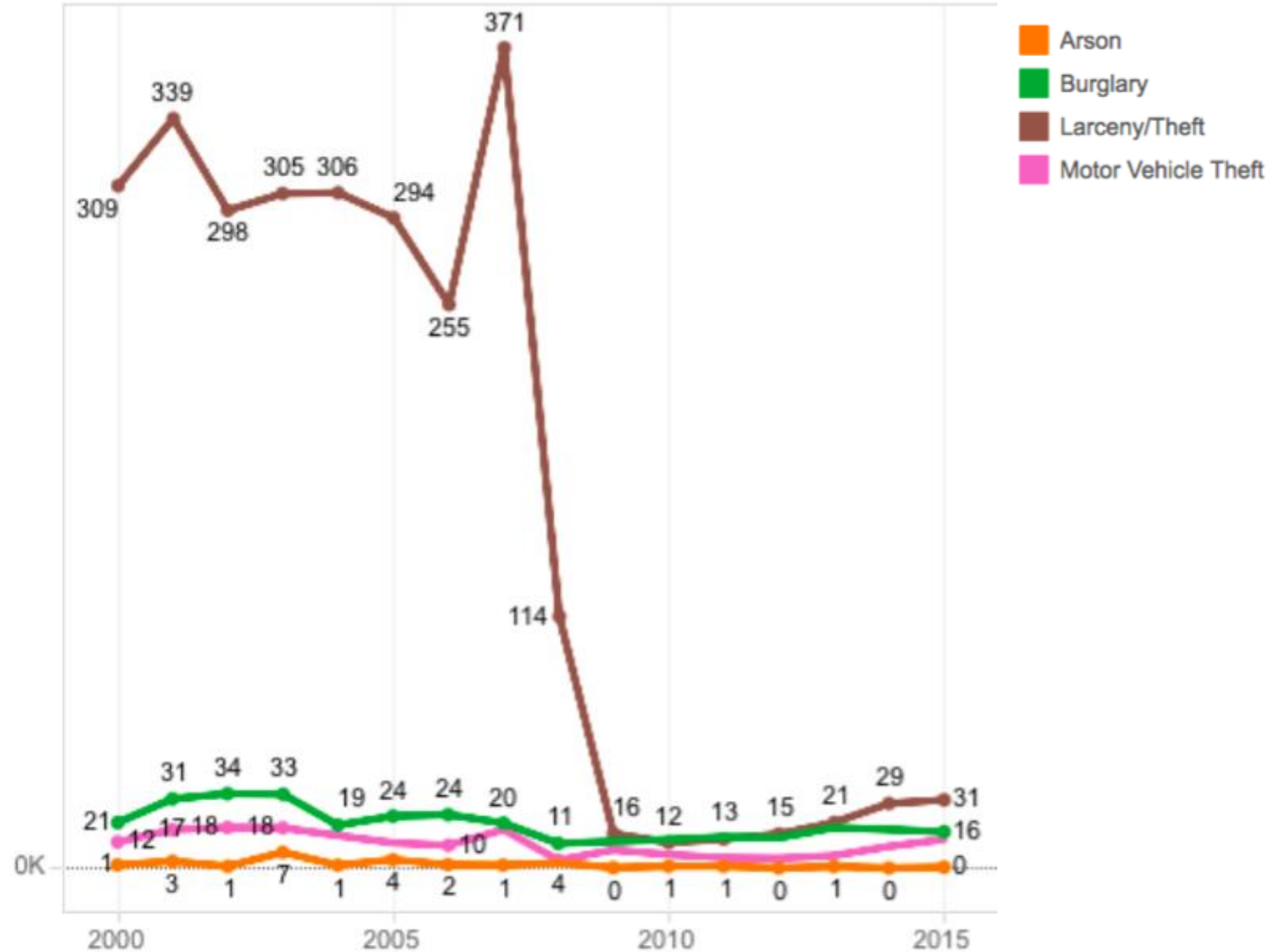
Year	2014	2015
# of Arrests	236	327
# Per 10,000	23.9	28.6

Percent Growth: 38.56%

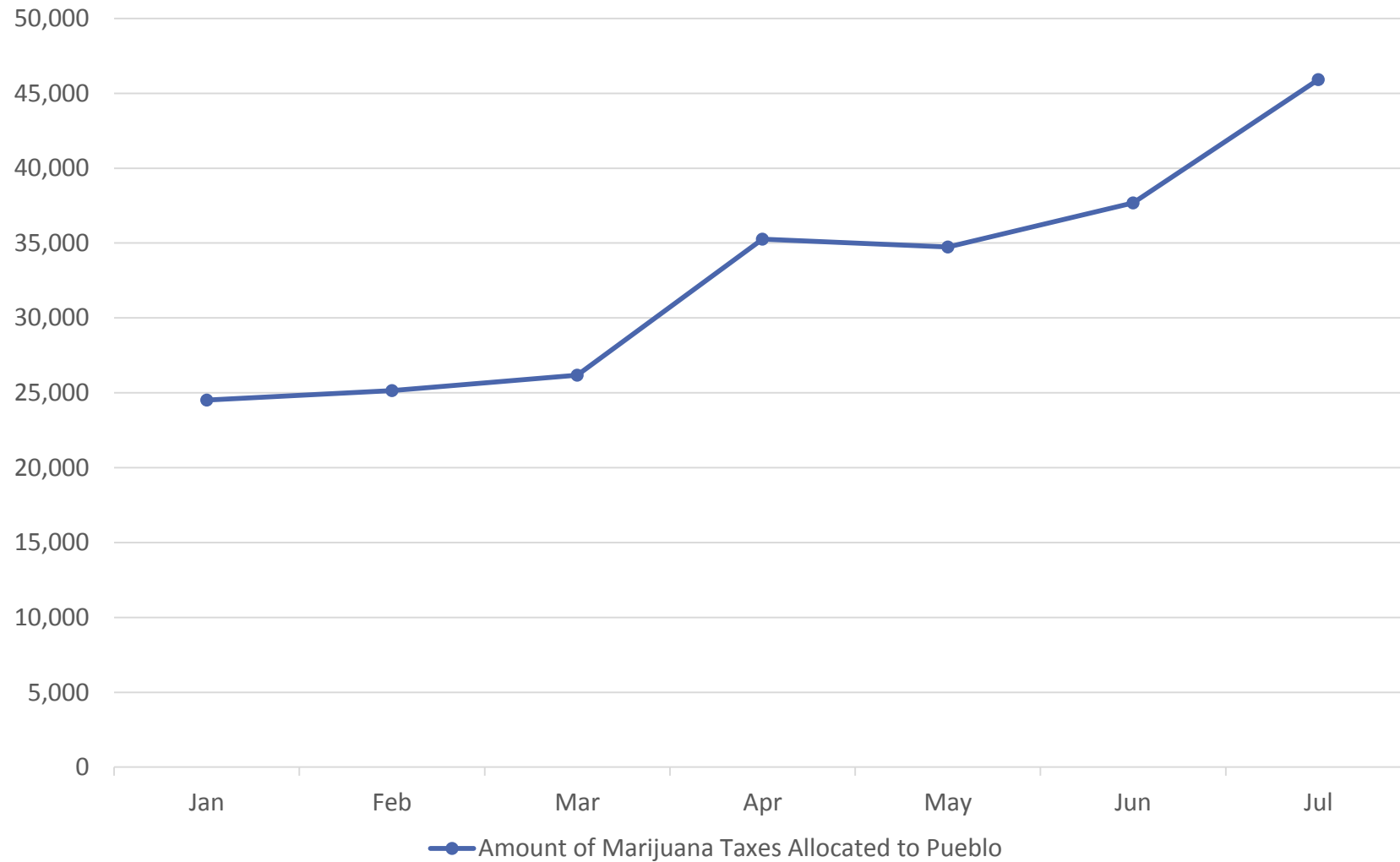
Arrest Rates for Violent Crimes - Pueblo



Arrest Rates for Property Crimes - Pueblo



Amount of Marijuana Taxes Allocated to Pueblo 2016



Indigent Needs Increasing in Pueblo?

Number of People seeking aid at Posada

Year	# Individuals	% Increase
2013	2,444	n/a
2014	3,767	54.1
2015	4,946	31.3

Higher Ed

Pueblo Community College - Industry supportive, affordable

- Corporate Training - Employee workforce training
- Mobile Training Labs
- Culinary Arts
- SBDC
- Center for New Media

CSU-Pueblo - Limited programs (improving), affordable, recognized

- HSI
- New programs: Homeland Security, Cyber Security, Doctorate of Nursing Practice
- U.S. News and World Report Ranked for Engineering and Business, many programs accredited in discipline
- Hemp research initiatives
- Ranked in top 25 colleges and universities for military veterans
- Five time RMAC Football Champs since 2011; Athletics = \$5 million annual impact to Pueblo

Additional Points...

Cost of Living Index

- Pueblo = 82.90 with an average index = 100.00
- For comparison, Denver = 115.10
- To match Pueblo living standard at \$50,000, must earn \$69,421 in Denver

Health Care Update

- Last year, 800+ nursing positions unfilled, Higher Ed bottleneck
- Parkview gifted \$1 million to CSU-Pueblo Nursing program

Some Observations

Schools

- D60 performance mixed, still weak
- D70 performance slightly below State average

Marijuana/Hemp Positives and Negatives

- Net Economic Impact of Marijuana and Hemp - (+) or (-)?

Reputation/Image of Pueblo

- Web, National and Regional Publications
 - Increases difficulty in attracting businesses, high caliber personnel

Self-Perception of Pueblo

Pueblo's Economic Report Card

How Are We Doing?

Jobs/Workforce

Unemployment

Job Growth/Job Creation

Median Per Capita Income

"Quality" of Labor Force



Schools

◦ D60

◦ D70

◦ PCC

◦ CSU-Pueblo



Well Above Average



Moderately Above Average



Slightly Above Average



Average



Slightly Below Average



Moderately Below Average



Well Below Average

Pueblo's Economic Report Card

How Are We Doing?(2)

Health Care System



Managing Crime



Low Cost of Living



Reputation Regional/National



Self Image



Arts/Quality of Life



Well Above Average



Moderately Above Average



Slightly Above Average



Average



Slightly Below Average



Moderately Below Average

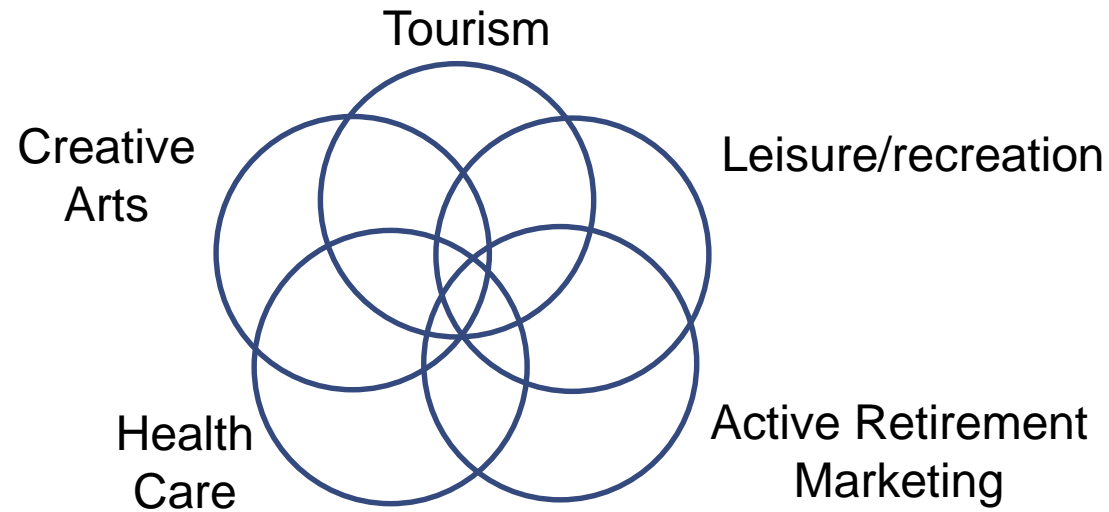


Well Below Average

How Can We Do Better?

- **Decreasing crime...** real change can take generation(s)
 - **Reactive:** Increase police force size - Officers per 1,000 residents: Pueblo = 1.76; Colorado = 2.14 (2014)
 - **Proactive:** Engage “at risk” neighborhoods’ community leaders
 - Develop programs to stay in school, out of gangs - 67% of inmates are dropouts - When do kids decide to drop out?
- **School Districts – especially D60**
- **“Tell the story” of Pueblo’s good points**
- **Systematic “strategic industry cluster”** approach to business recruitment, new business
 - Labor force we have v. labor force wanted
 - Recruit jobs for current labor force, “Economic gardening” to diversify, enhance labor force
- **Stem “Brain Drain,” create “Brain Draw”**
 - Establish Entrepreneurial Ecosystem

Strategic Industry Clusters Example



These are “quality of life” industries, attractive to educated individuals in other jobs. Careful cluster analysis helps ID businesses to pursue, nurture.

Creating an Entrepreneurial Eco-system

Progressive communities have robust entrepreneurial eco-systems

- Denver, Colorado Springs, Ft. Collins, Loveland, Boulder, Grand Junction, Durango, Centennial, Frisco

Key Components of Entrepreneurial Eco-Systems

- Co-working space
- Maker space
- Business incubator
- Business accelerator
- Tri-Fold Partnership support (Triple-Helix)

Co-Working Space

For new business startups

- Open space
- Break-out rooms
- Educational programs
- Networking Events



Makerspace



Where ideas become tangible

- Proof of Concept – small scale
- Tools, media vary by location

Business Incubator

Launch phase

- Processes, structures
- Key support and resources
- Objective: Make business viable



Business Accelerator

Competitive application process

- Intensive consulting, mentoring
- All business functions evaluated
- Accelerator often assumes equity position
- Goals:
 - Expand business capabilities
 - Maximize reach, profit



Tri-Fold Partnership

Tri-Fold Partnership (Triple-Helix)*
Innovation concept to create new
business

- Government, Higher Ed, Business



Proposed Pueblo Entrepreneurial Ecosystem

A Pueblo system could work using “economies of scope”

- Combine activities in one space
 - Reduces overhead
 - Smoother transition between stages
- “INNOVATION CENTER”

For maximum creative impact, locate near Pueblo Arts Alliance



INNOVATION CENTER TASKS

Done

- ✓ Research other communities (Ft. Collins)
- ✓ Brainstorm with partners
 - ✓ PCC, SBDC, City Council, PEDCO, Urban Renewal, County Commissioners, CSU-Pueblo, HSB, Healy Center
- ✓ Draft operations plan
- ✓ Consider possible locations



To Do

- ☐ Attract key business partners
- ☐ Apply for grants
- ☐ Secure location
- ☐ Sign initial members/tenants
- ☐ LAUNCH BUSINESSES

INNOVATION CENTER OBJECTIVES



A successful Pueblo INNOVATION CENTER can

- Launch new businesses, create jobs
- Mitigate “Brain Drain”
- Create “Brain Draw” – bring educated, ambitious people to Pueblo
- Create, develop and enhance strategic industry clusters
- Improve median income

Successful local business owners more likely to reinvest in Pueblo

Presentation Concluded

Comments and questions are welcome!

