

2015 Pueblo Economic Outlook and Industry Analysis

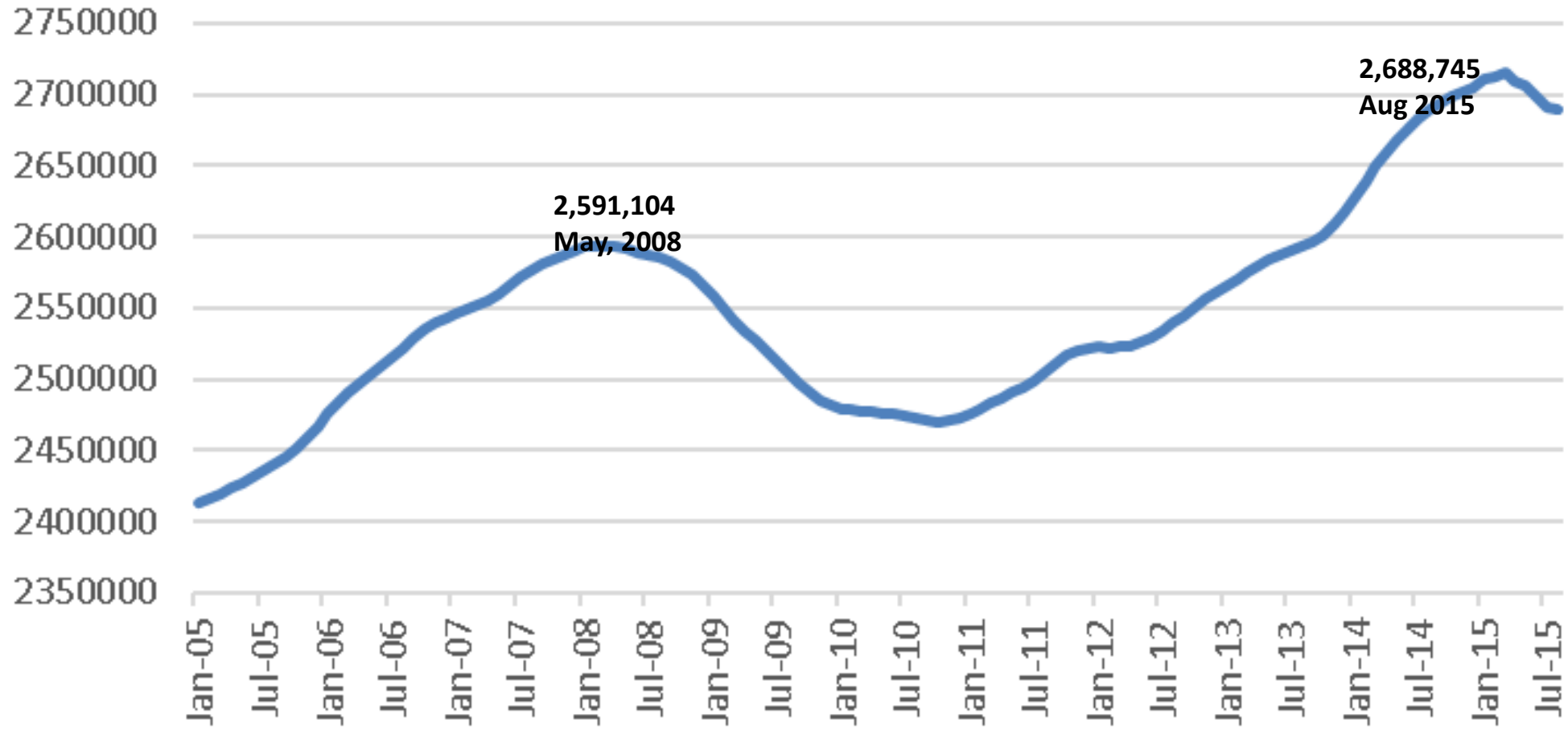
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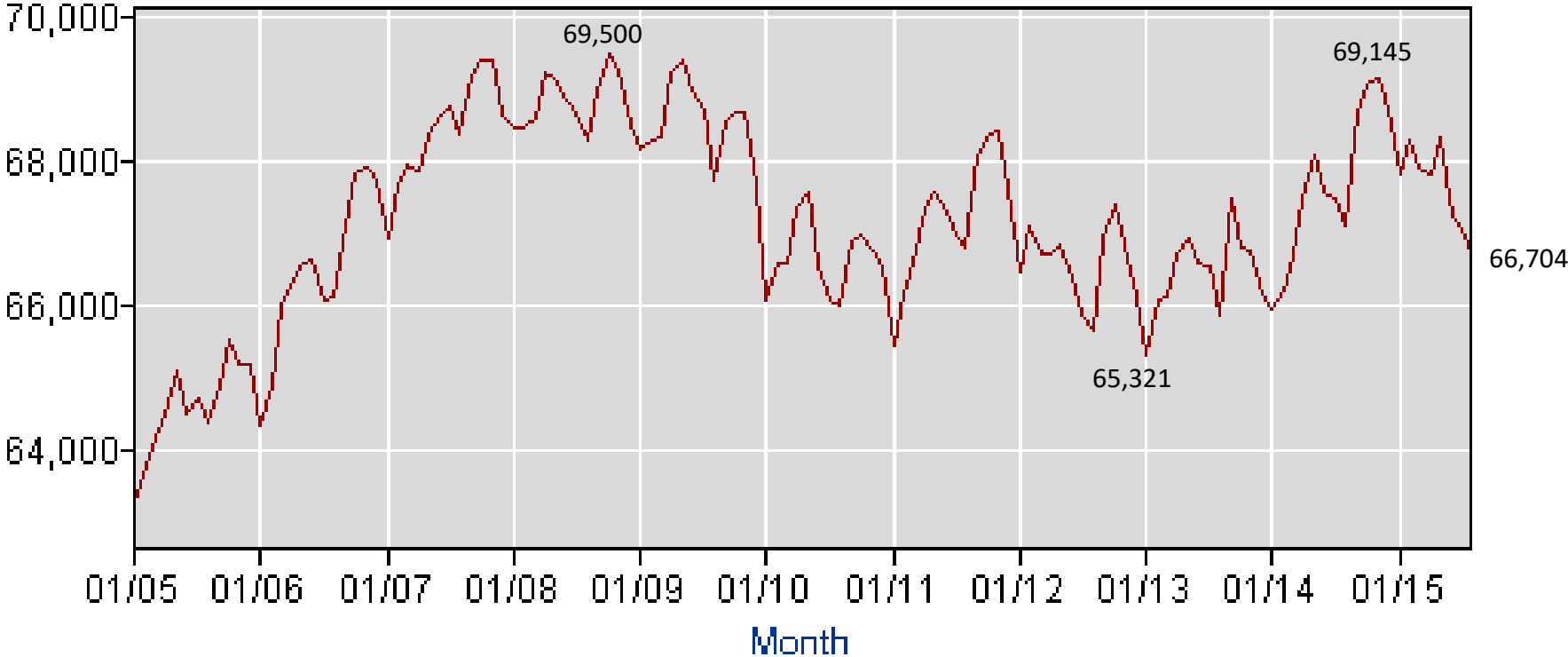


Colorado Employment 2005-August 2015



Pueblo Employment 2005 – August 2015

employment

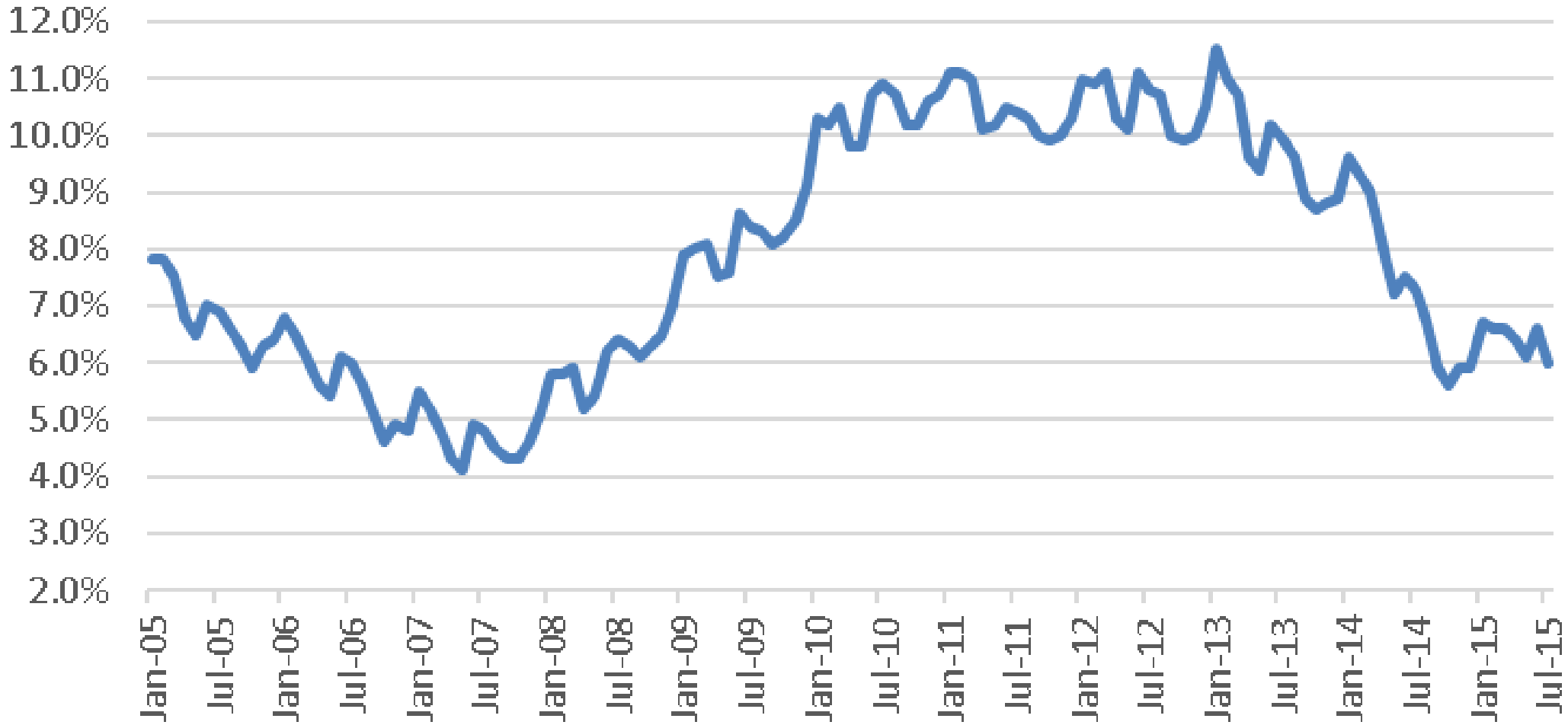


Pueblo and Colorado Employment Growth

Year	Pueblo County	Colorado
2007	2.48%	1.75%
2008	.10%	-1.01%
2009	-.75%	-3.01%
2010	.75%	-.28%
2011	3.32%	1.88%
2012	-.51%	1.55%
2013	1.27%	2.04%
2014	4.16%	2.88%
2015*	-.79%	-.70%

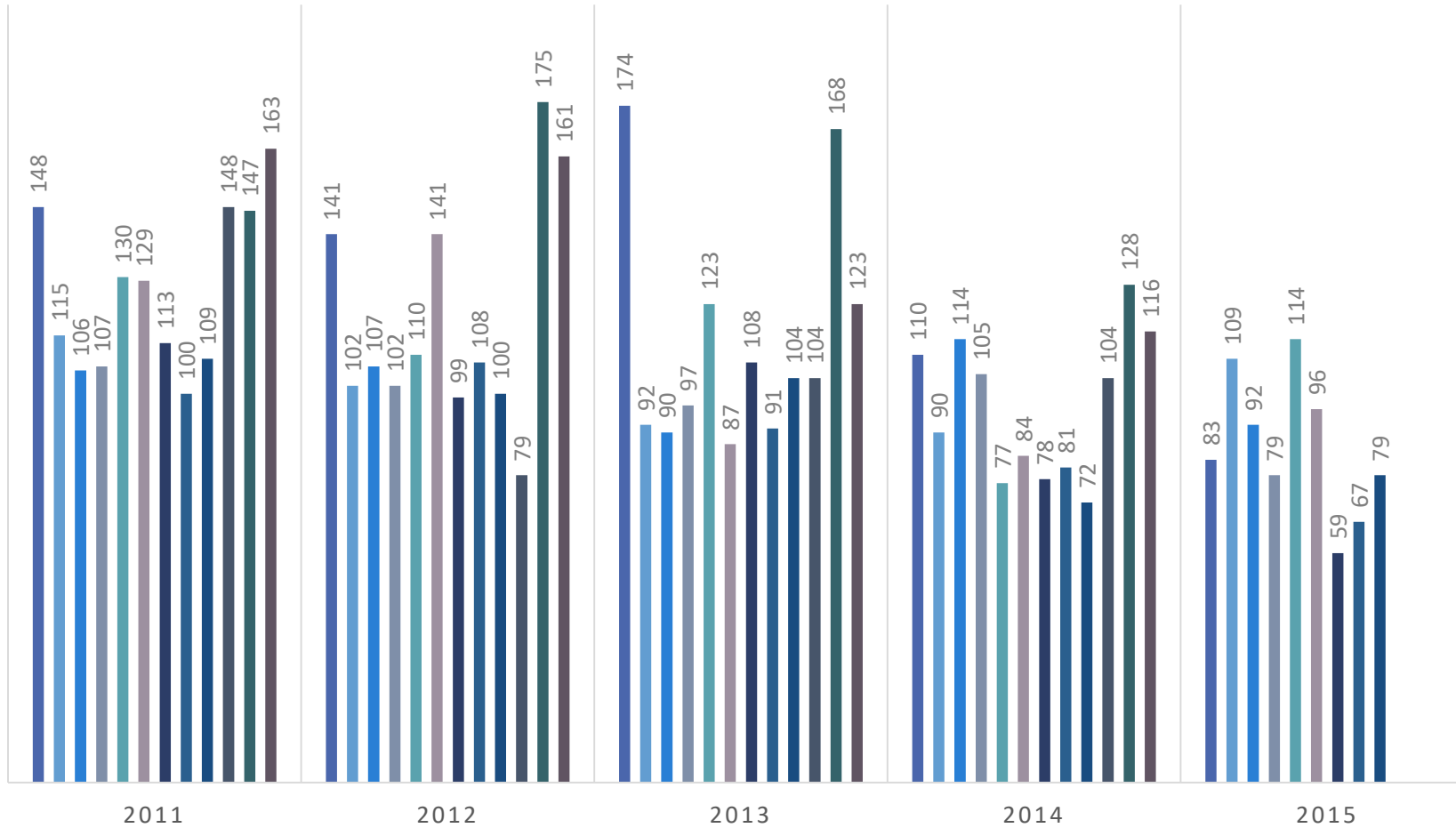
*as of July 2015

Pueblo Unemployment Rate 2005-July 2015



PUEBLO COUNTY INITIAL JOBLESS CLAIMS

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



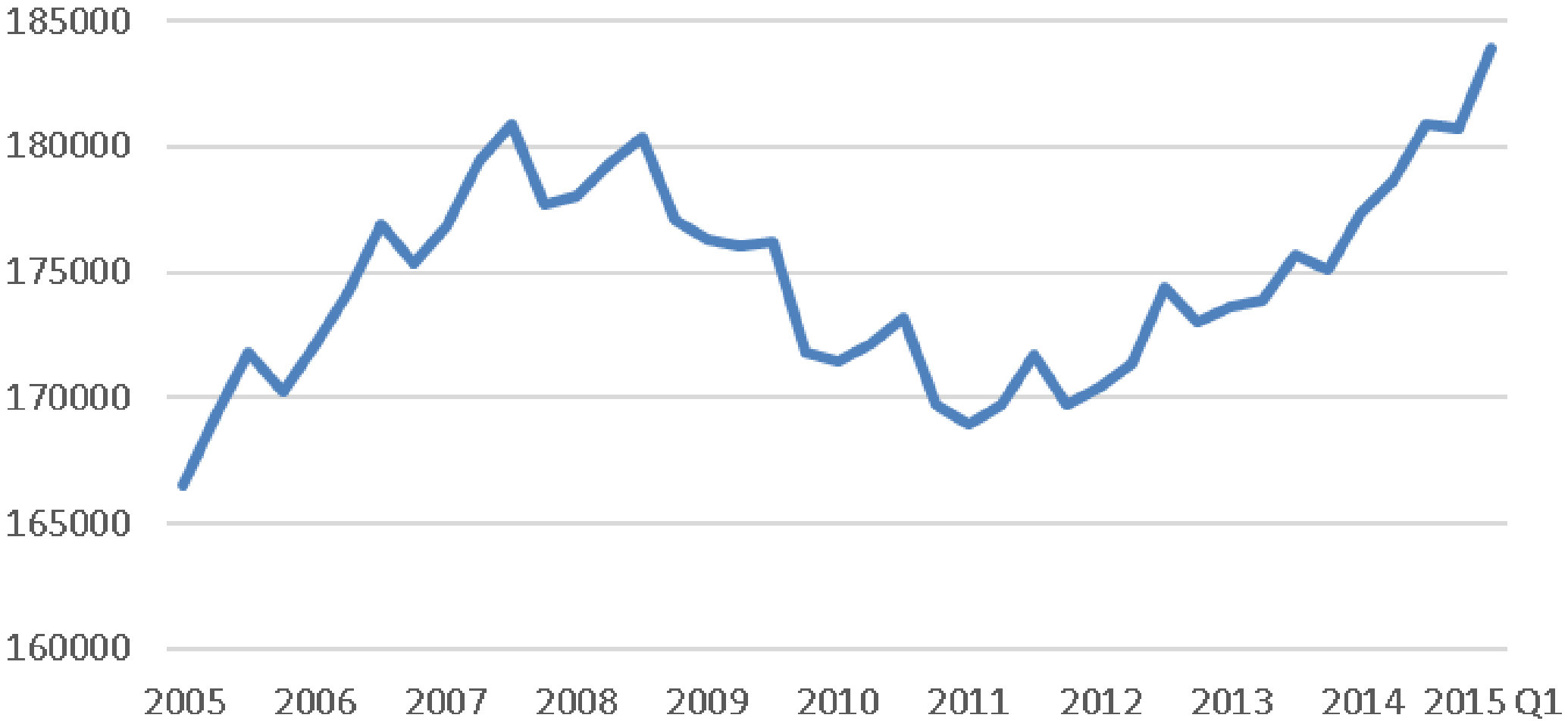
Pueblo Employment Recovery, 2008 – March 2015 - By Industry and Average Salary

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

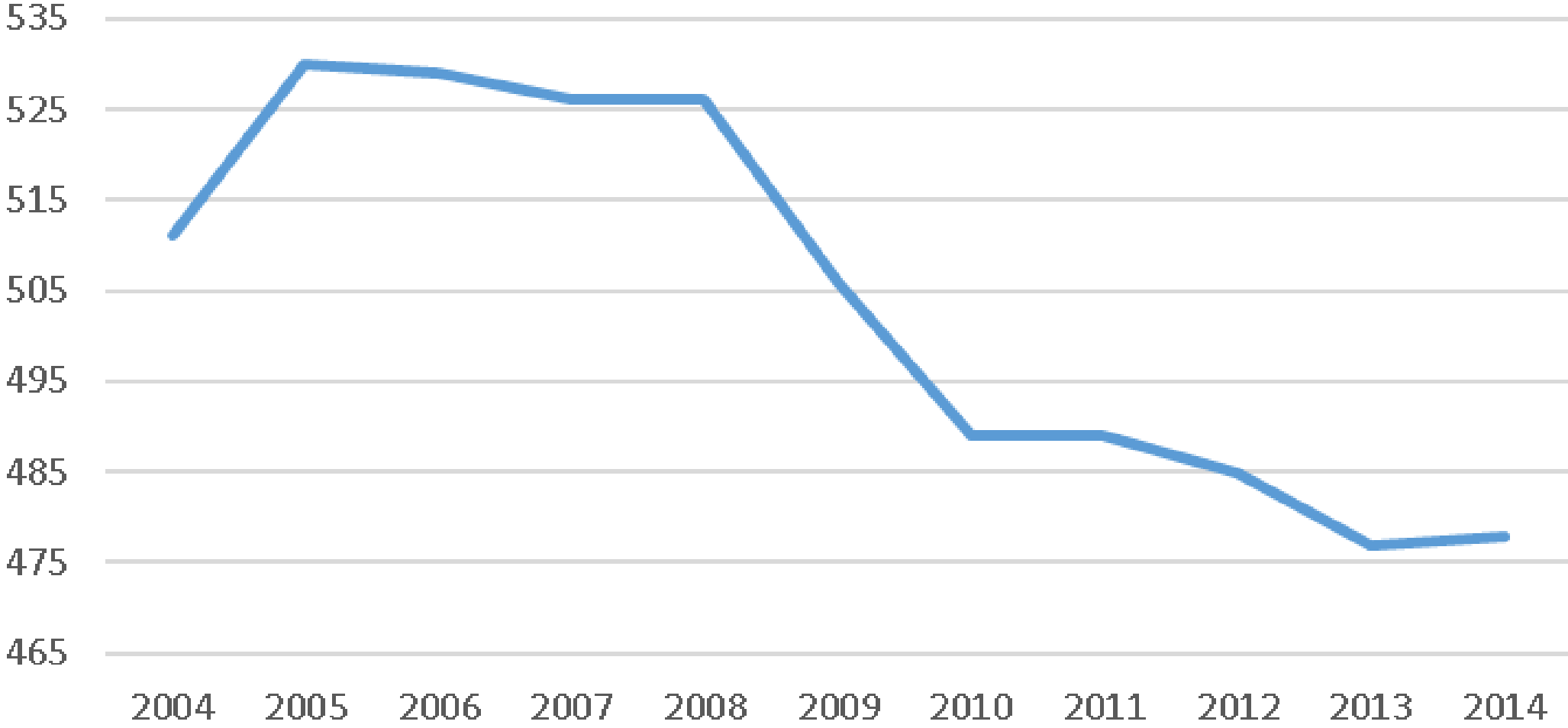
Change in County Employment and Number of Business Establishments 2010-2015:Q1

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%

Colorado Establishments 2005 -Q1 2015



Pueblo County Number of Retail Establishments 2004-2014



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

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%

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

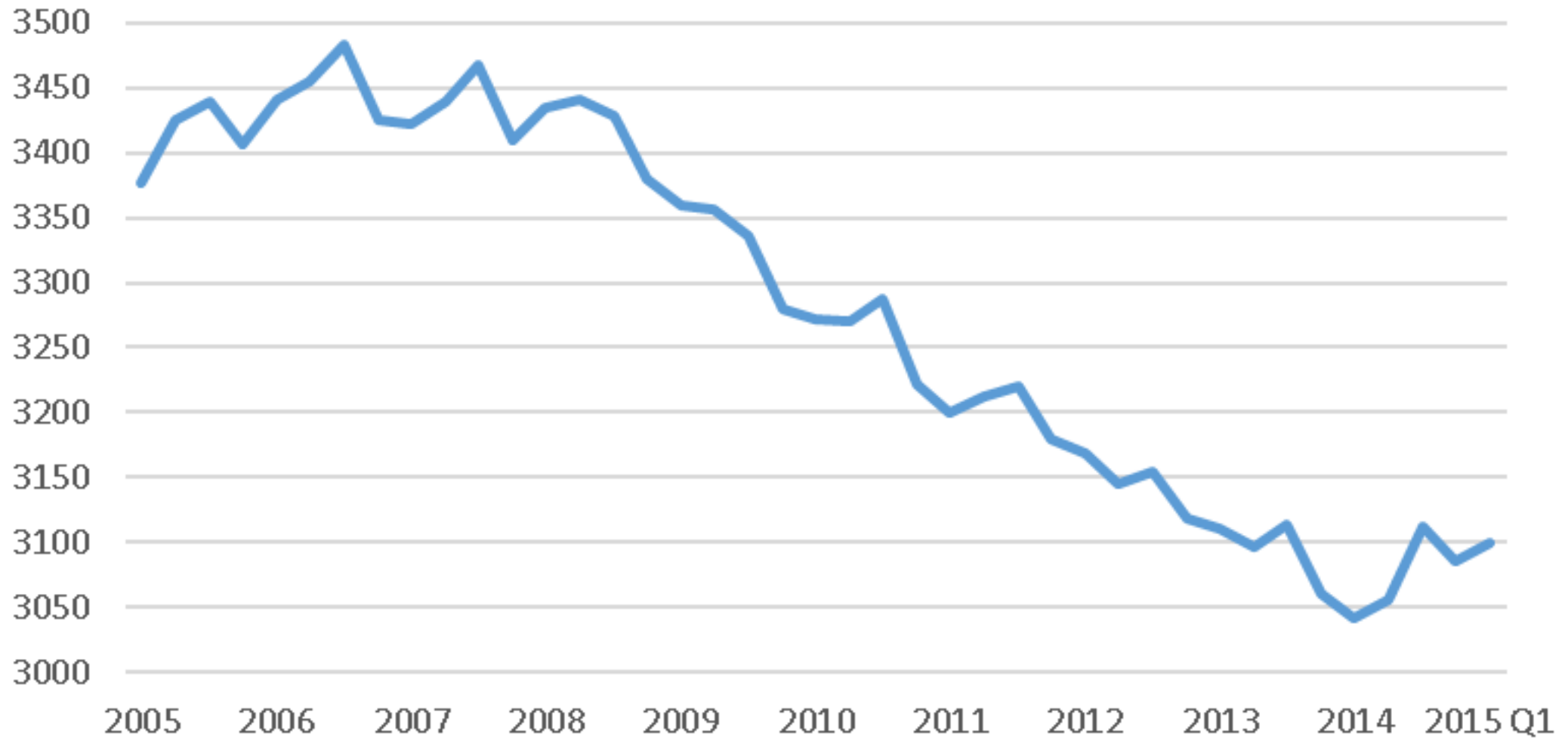
Area Development On Line: Rankings for Pueblo – 2014 - 2015

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

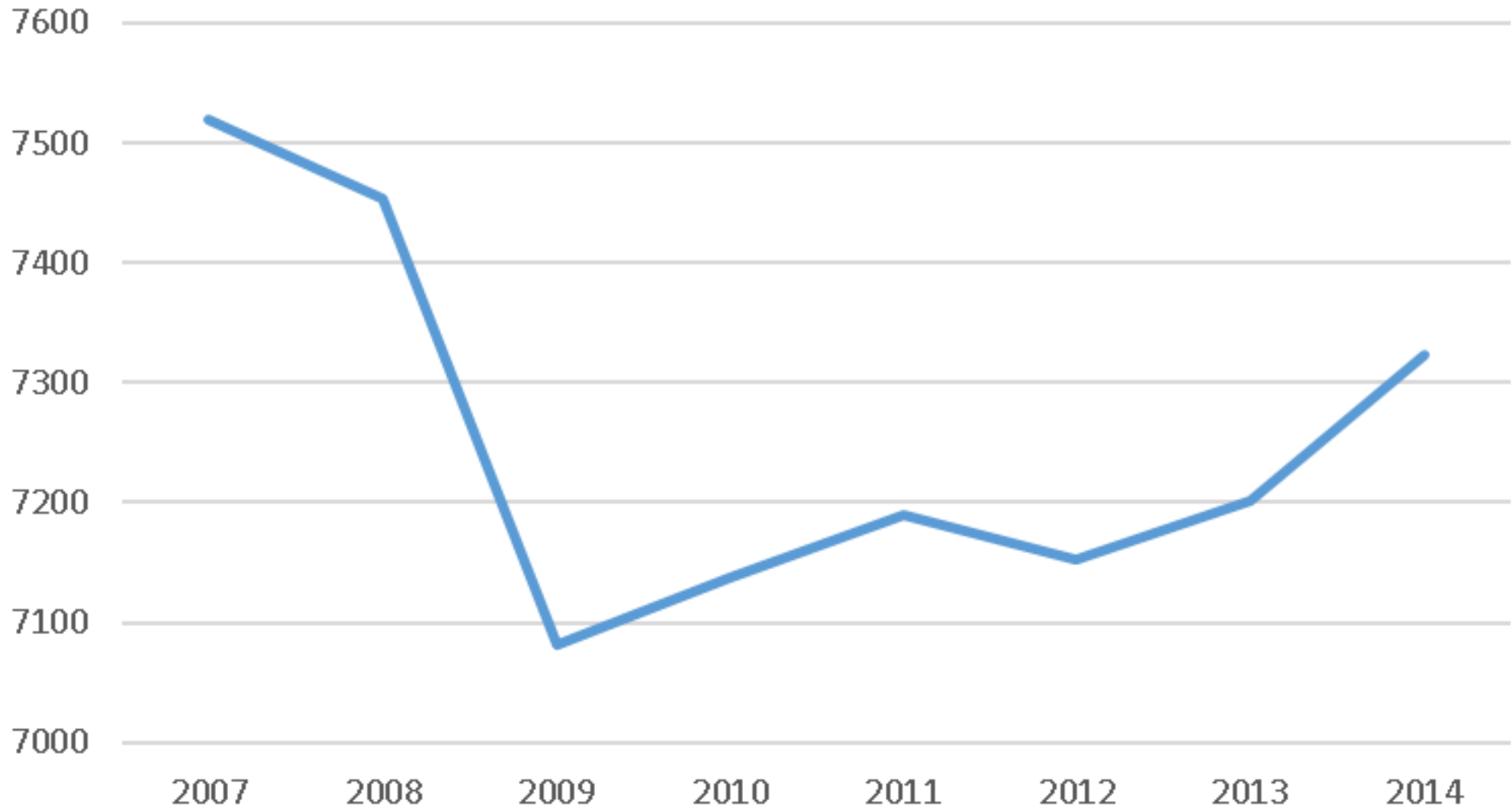
Area Development On Line: Rankings for Pueblo

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

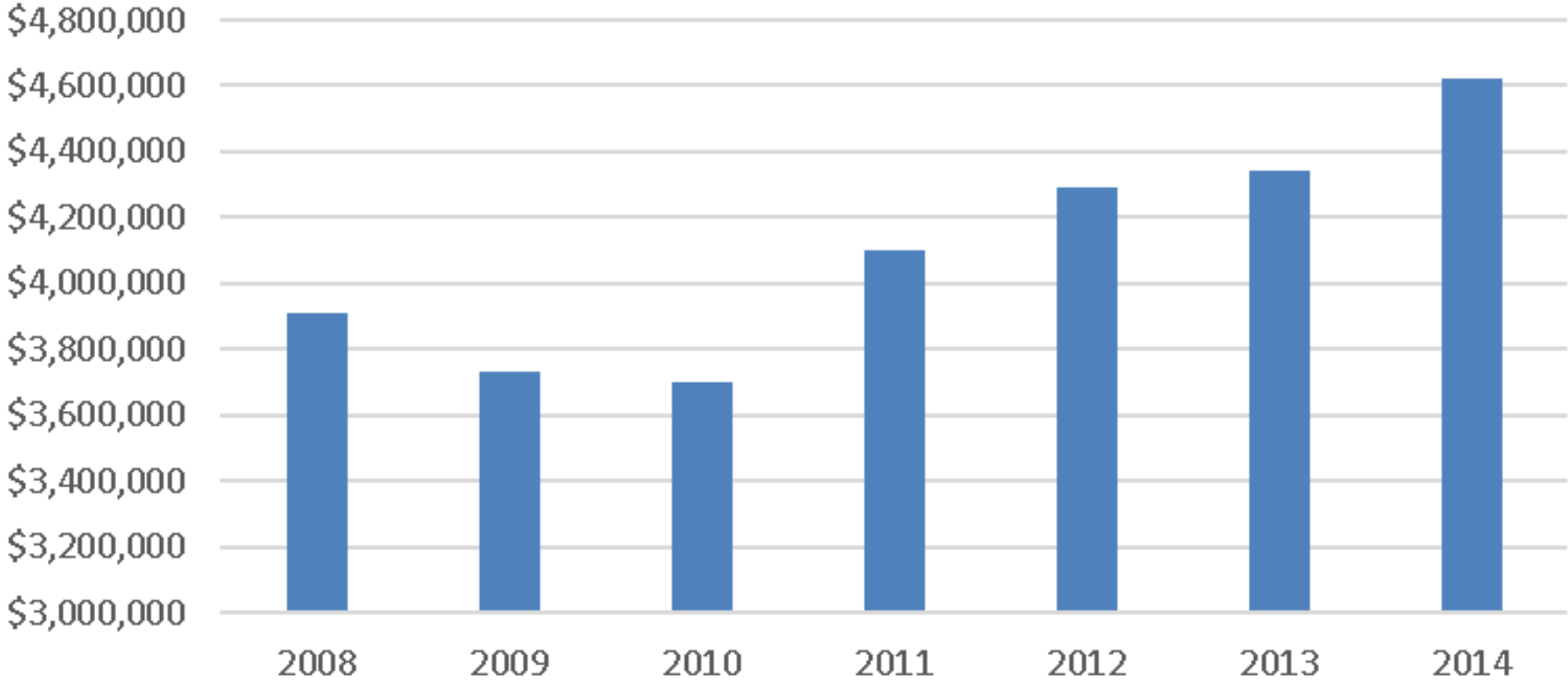
Pueblo County Establishments 2005-Q1 2015



Pueblo Retail Employment



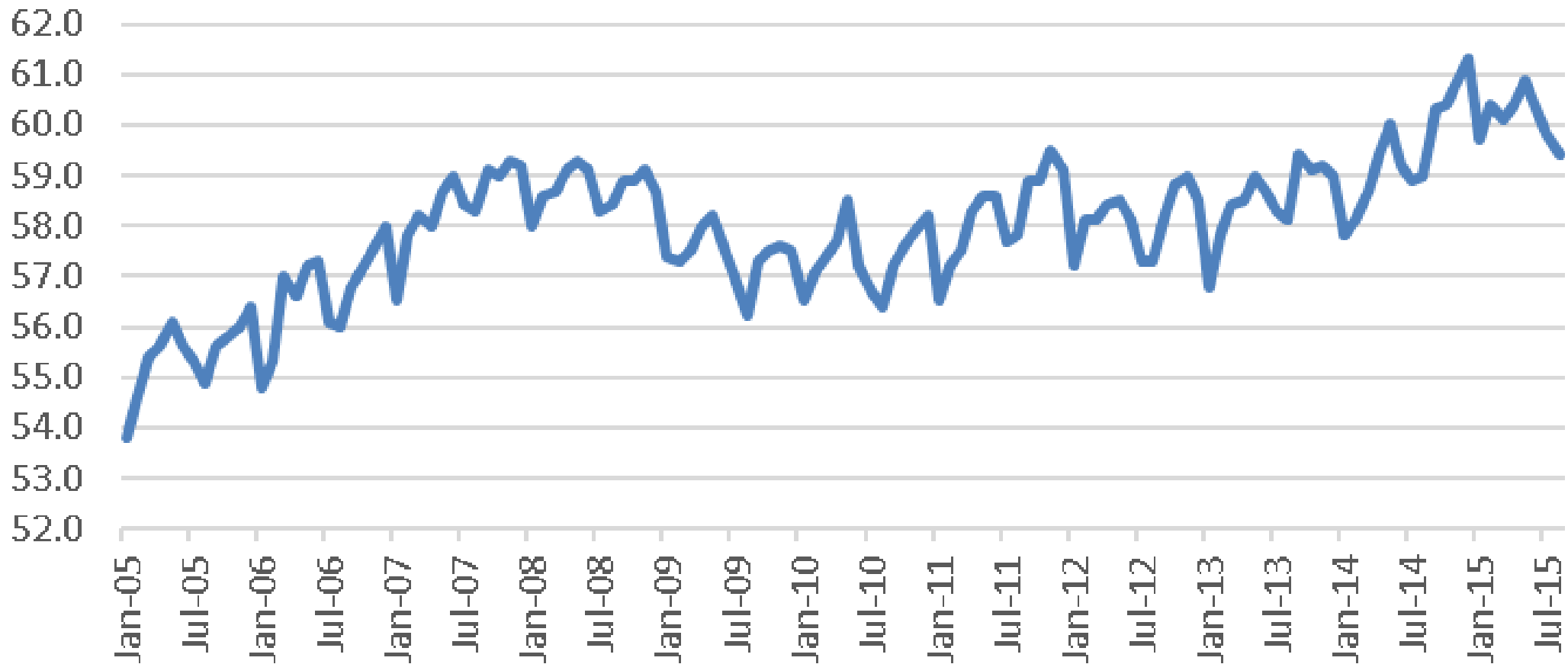
Retail Sales 2008-2014 (Thousands)



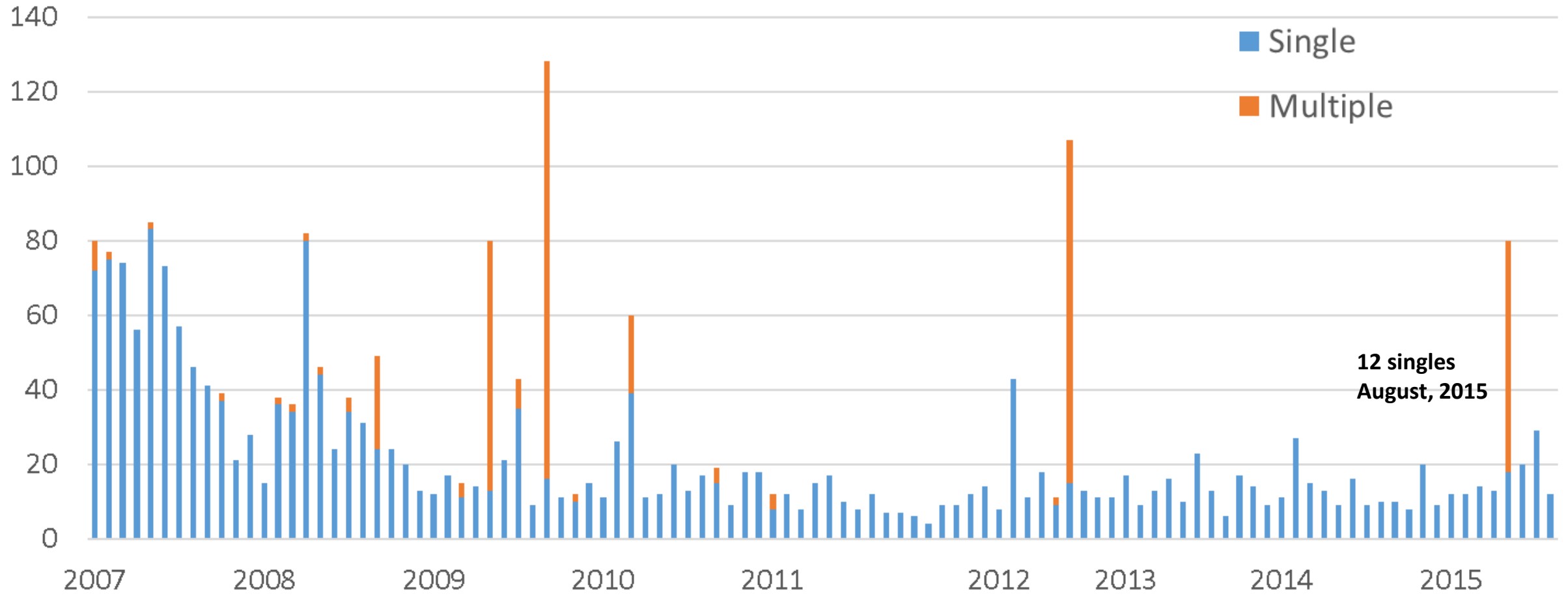
Pueblo County Private Manufacturing 2007-March 2015



Pueblo Nonfarm Employment 2005- August 2015 (Thousands)

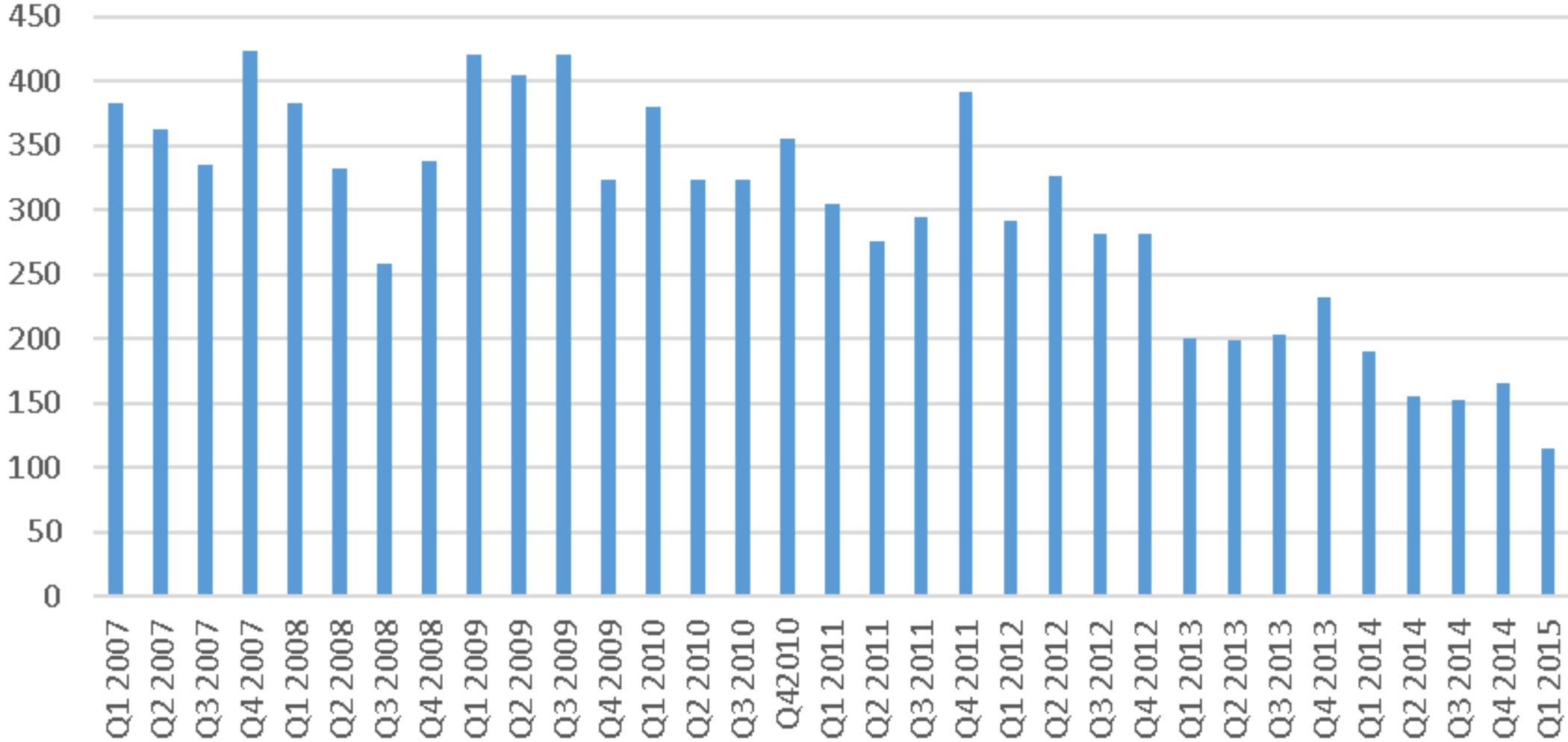


Pueblo Building Permits (# Units) 2007-August 2015

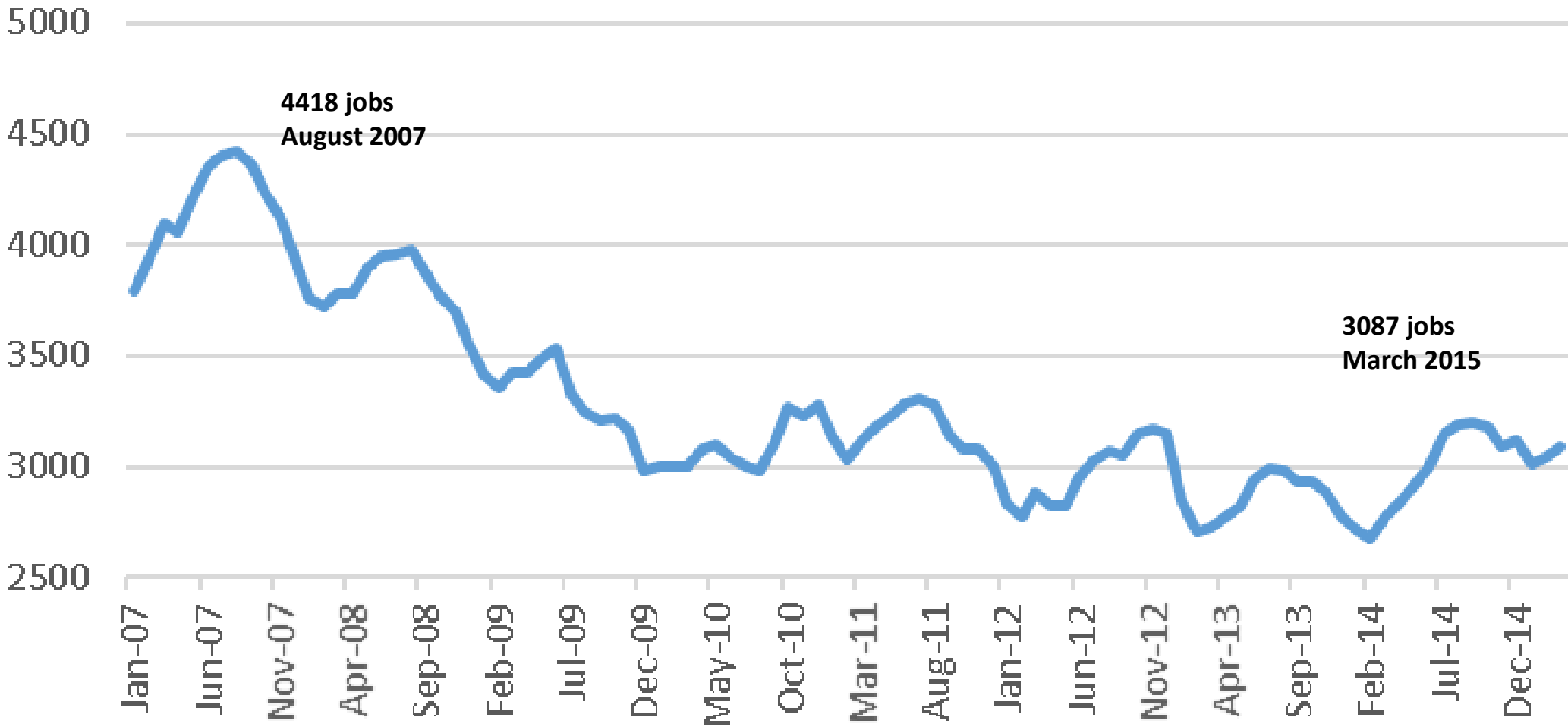


12 singles
August, 2015

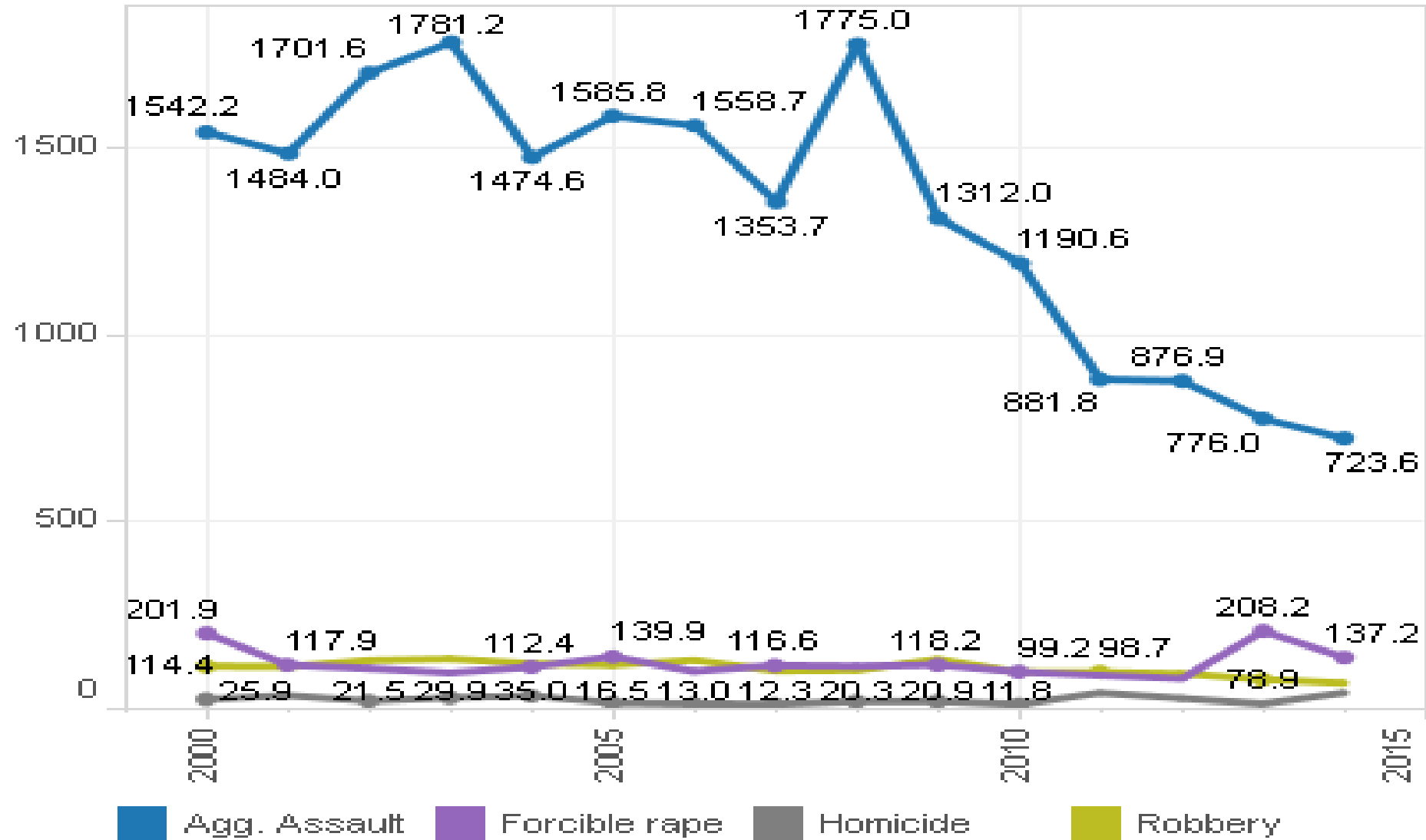
Pueblo Quarterly Foreclosure Filings 2007- Q1 2015



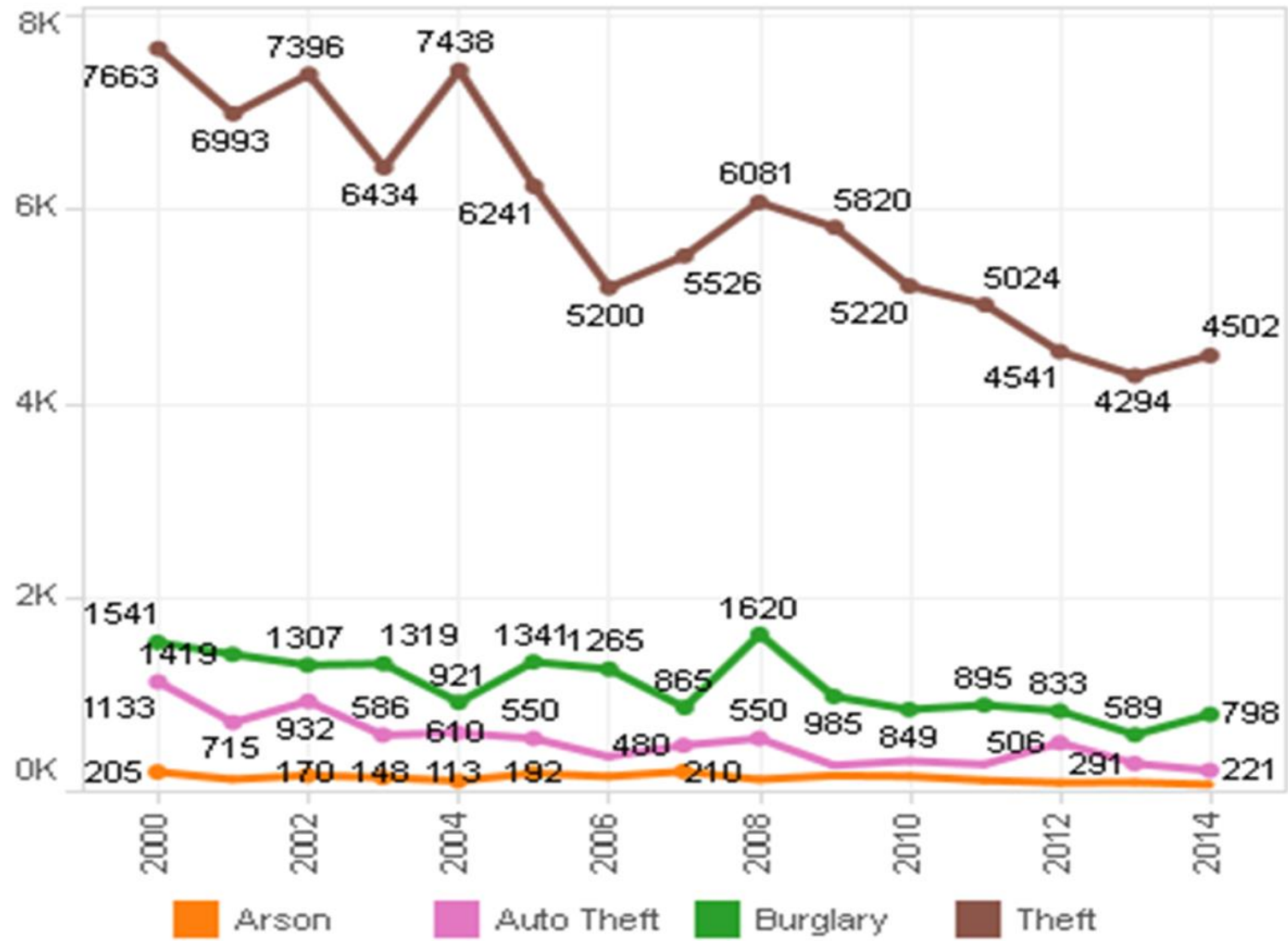
Construction Private Employment 2007-March 2015



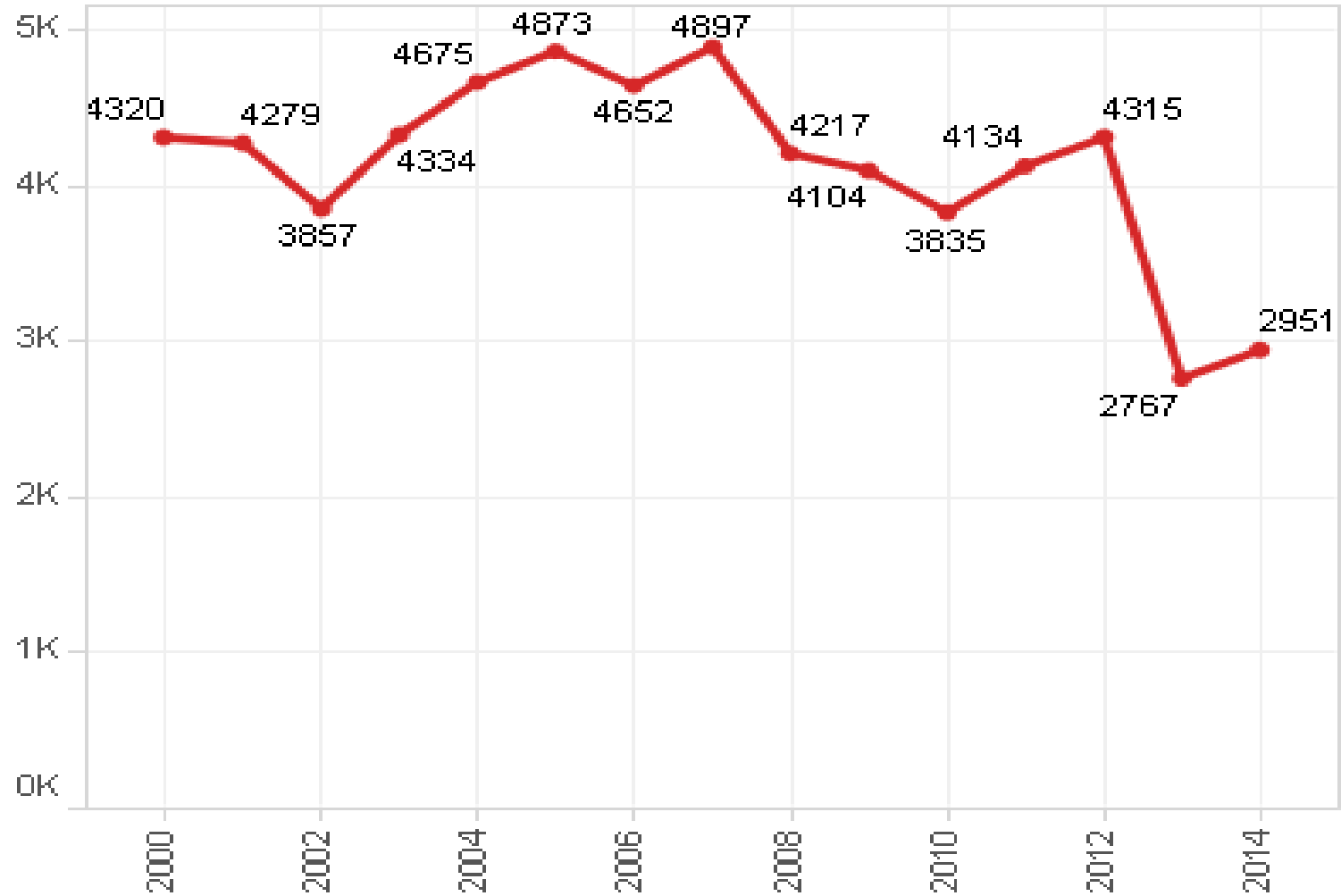
Arrest Rates for Violent Crimes - All



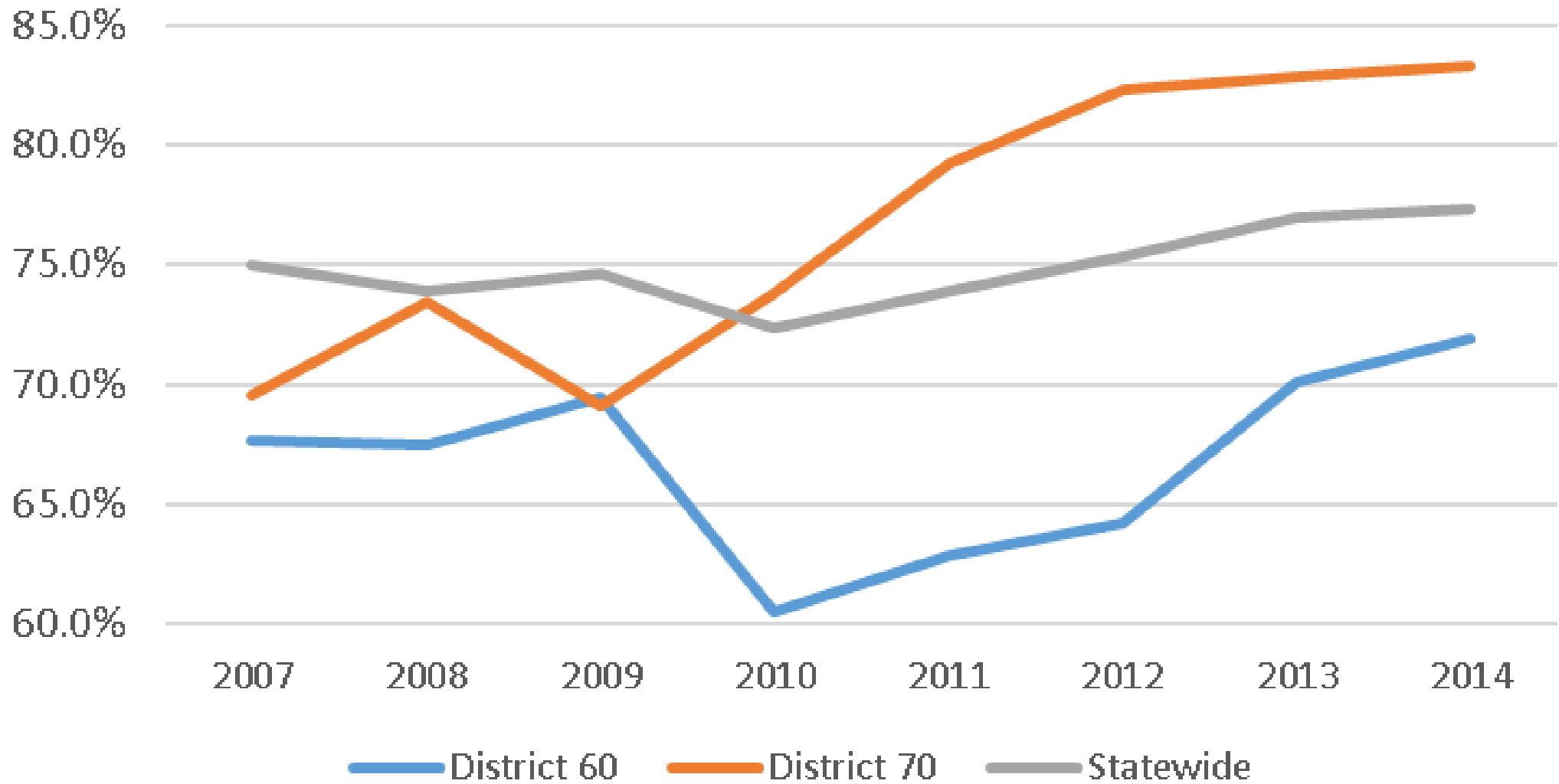
Arrest Rates for Property Crimes - All



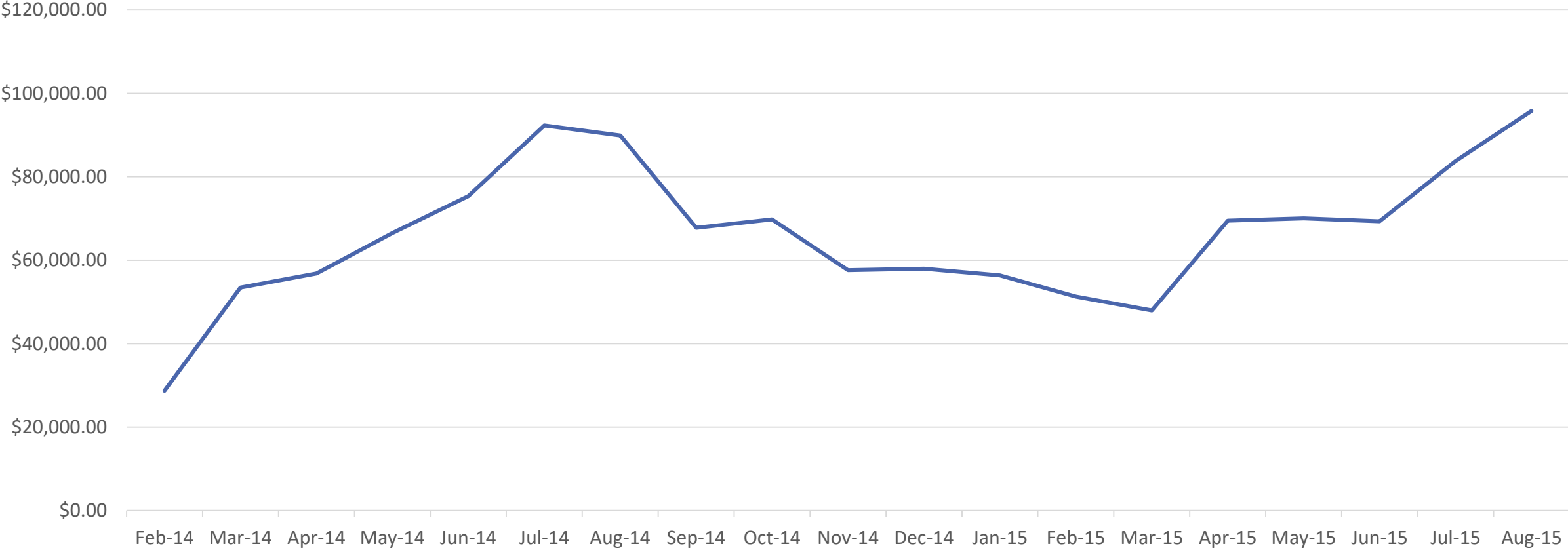
Arrest Rates for Drug Violations - All



Graduation Rates



Marijuana Tax Revenue



Indigent Needs Increase in Pueblo?

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 Strategic Evaluation



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 and economic development.
K-12		Reported standardized test scores have disappointed for several years. Turnaround underway? H.S. grad rates improving
Arts/Music		Lots of traction with Creative Corridor, Sangre de Cristo, Memorial Hall, State Fair, Hoag Hall
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.

Colorado Blueprint Suggested Foci

Colorado Blueprint 2.0 under development

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

- Manufacturing (primary jobs)
- Tourism
- Expand existing industry and small business opportunities
- 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

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)

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, Higher Ed must ensure adequate resources are allocated to meet this need

Expansion Opportunities

Low Hanging Fruit Tied to Blueprint (3)

Agriculture

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

Blueprint Emergent Opportunities - Examples

Tourism

- Reposition Pueblo
 - Capitalize on “Home of Heros” theme, extend to other events, attractions
 - Gateway to the Southwest - History and Geographic significance
- Significant improvement in tourism receipts will require “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!

Small Business, Expanding Businesses

- Expand entrepreneurial studies at PCC and CSUP
- Explore developing tourism studies at PCC and CSUP

Blueprint Emergent Opportunities – Examples (2)

Expand PEDCO latitude

- “Economic gardening” – invest and nurture promising start-up and growth businesses in strategically selected industries

Agricultural Expansion

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

Blueprint Emergent Opportunities – Examples (3)

Renewable Energy Research Center

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

Active Retirement Community

- Combines positioning of tourism, life style opportunities, health care

Organic pharmaceutical research

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

Strategic Industry Cluster Pursuits Fruit on Higher Branches

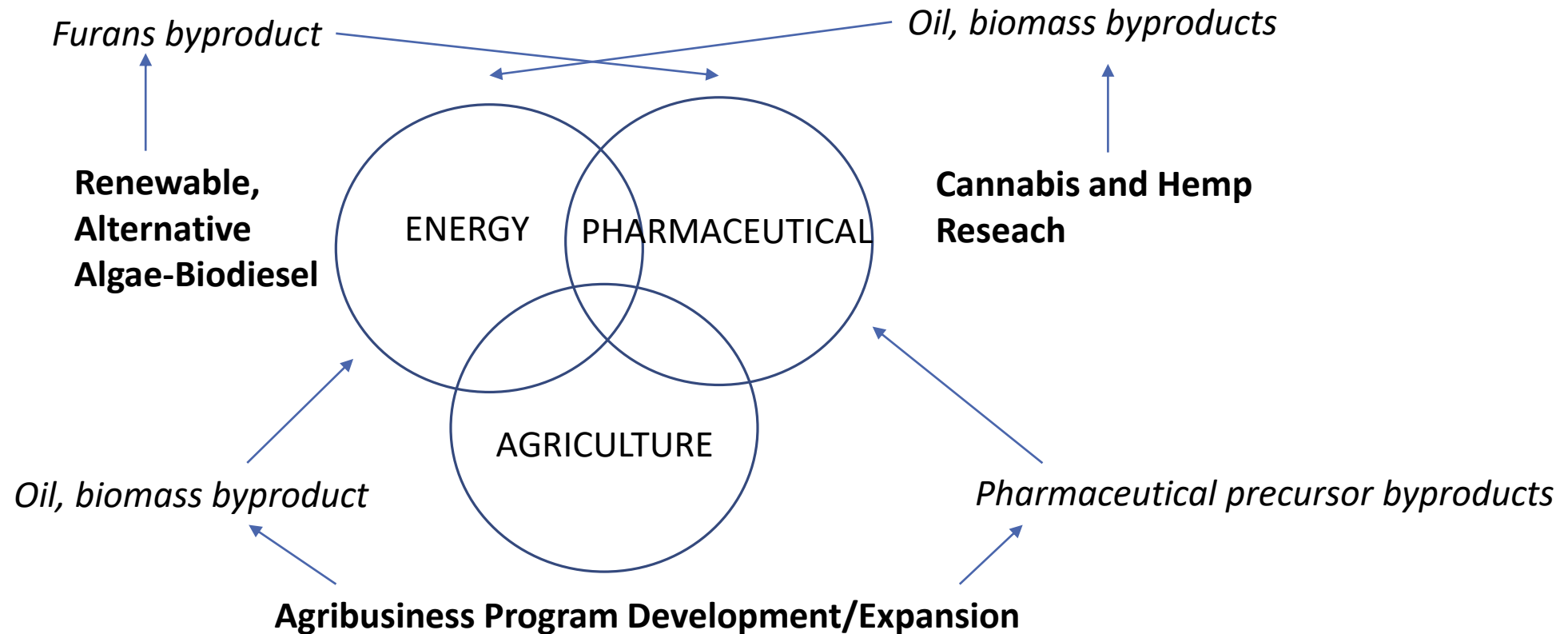
Diversification of Industrial Base Needed

- Industry diversification insulates from economic shock of any one industry
- Synergies between industries are desired to
 - Exploit research with common applications
 - Identify common worker preparations
 - Use common resources, byproducts
 - Attract similar or related firms to the area

Concentric Diversification

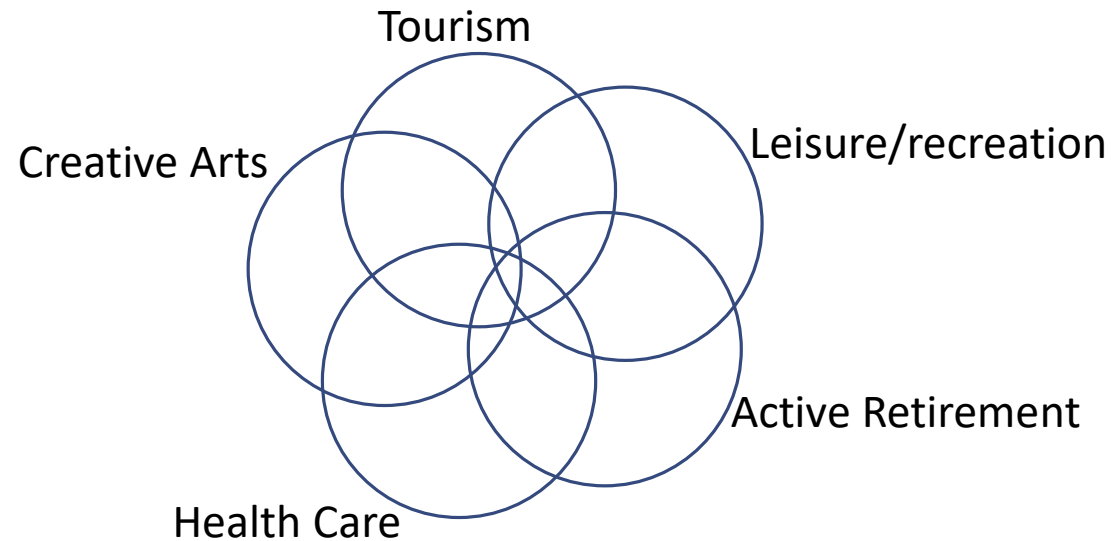
- Synergies created through shared
 - Technologies
 - Resources
 - Distribution channels/customers
 - Use of byproducts (sustainable operations)

Synergies Among Emergent Energy, Pharmaceutical and Ag Opportunities



Community Investment Needed to Capitalize on Emergent Opportunities

Another set of industry clusters can produce similar synergies:



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

Significant Strategic Issues

Blueprint 2.0 is under construction... we should have results in about a year

Low percent of BS degrees in population is problematic

- Brain Drain Conundrum – Most college graduates leave Pueblo County
 - Need to keep grads, encourage entrepreneurship (consistent with Colorado Blueprint)
 - Mentoring tied to more intensive internship programs may be helpful
 - Pursue businesses that need educated workers

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

- It can make 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)

Manufacturing is not likely enough to carry us into the future.

- Automation, robotics decreasing number of manufacturing jobs available
- Low projected job growth and income increases 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
 - H.S. grad rate narrowing
 - Crime rates down

Significant Strategic Issues (3)

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?
- Bull riding – 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

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

Wednesday Morning “to do” list (2)

Diversify our industrial base

- Note projected low increase of manufacturing jobs, extremely high increase in health care
- Focus heavily on attracting/creating 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?