

VISION 2033

BLUEPRINT FOR COLORADO'S FUTURE



COLORADO CHAMBER
OF COMMERCE

MAKING COLORADO **THE TOP STATE FOR BUSINESS**



ABOUT THE RECOMMENDATIONS

Vision 2033 is an action plan to foster long-term economic growth and resiliency. These recommendations will ensure Colorado remains a leader in the global economy, develops a strong and diverse workforce that businesses need, and positions us to preserve our recognition.

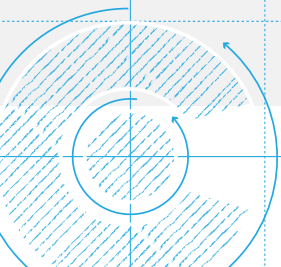


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HOW IT'S MADE: THE PROCESS OF VISION 2033

Vision 2033 is a plan of action to ensure the State strengthens and secures its position as a leader in the global economy and is the best state in the nation for business. The Colorado Chamber collected input by bringing together leaders in business, economic development, workforce, education, housing, and other community representatives to ensure statewide representation of priorities for Colorado's economic prosperity.



5

REGIONAL MEETINGS

ACROSS ALL FOUR CORNERS OF COLORADO WITH REPRESENTATION FROM MORE THAN 20 REGIONAL CHAMBERS OF COMMERCE

337

BUSINESS LEADER INTERVIEWS

BASED ON IN-DEPTH POLLS AND CONFIDENTIAL INTERVIEWS WITH CEOS AND COMPANY EXECUTIVES ON TOP ISSUES FACING COLORADO BUSINESSES

657

DAYS IN DEVELOPMENT

THE COLORADO CHAMBER OF COMMERCE HAS BEEN IN THE PROCESS OF DEVELOPING VISION 2033 FOR NEARLY TWO YEARS, COMBINING RESEARCH, STATISTICS, AND BUSINESS FEEDBACK TO DEVELOP A STRATEGY TO ELEVATE COLORADO'S ECONOMIC CLIMATE

COLORADO VISION 2033

A TIME FOR REFLECTION AND REASSESSMENT

Over the past 30 years we have all witnessed growth and change as Colorado's population has nearly doubled, adding more than 2.6 million new residents and close to 1.5 million net new jobs. In the last ten years, between 2012 and 2022, Colorado enjoyed the 6th highest percentage job growth, the 4th fastest growth in state gross domestic product (GDP), and was ranked 11th in overall wage growth among the 50 states.

There is little debate that the state's economy has been among the best in the country. But when we look closely at recent trends and data, the state's economic future is less certain. Job, wage, and GDP growth rankings were down over the past year. Growth has slowed while the costs of living and doing business have risen. Mounting regulatory burdens are impacting investment decisions.

According to the 2023 CNBC rankings of the Best States for Business, Colorado ranks 11th overall. That is good news – until you remember that in 2018 Colorado ranked 5th. In 2018 the state's economy was ranked in the top 10; in 2023 it was 32nd. Colorado's cost of doing business is among the nation's highest at 38th, worsening from 36th in 2022 and worse than in Illinois, Washington, and New Jersey. The cost of living is now among the 15 highest states. According to the Federal Housing Finance Agency, Colorado's housing costs have risen 52 percent in the past five years.

CNBC BEST STATES FOR BUSINESS RANKINGS 2023

WORKFORCE	9 TH
INFRASTRUCTURE	10 TH
COST DOING BUSINESS	38TH
ECONOMY	32 ND
LIFE-HEALTH-INCLUSION	8 TH
TECH-INNOVATION	10 TH
BUSINESS FRIENDLY	18 TH
EDUCATION	21 ST
ACCESS TO CAPITAL	12 TH
COST OF LIVING	35TH
LEGAL CLIMATE	21 ST

The Colorado Chamber's most recent member survey revealed that 60 percent of businesses believe the state's economy is on the wrong path. Two-thirds say the business climate and costs are more burdensome than in other states where they do business. Three-quarters believe that in-migration has slowed due to the high cost of living and housing exacerbated by state regulations. The struggle to find enough workers has reached a critical juncture.

If we were in a mine, it would be the time to watch our canaries closely. The COVID pandemic dramatically disrupted the global economy, and Colorado shared in the pain and the challenges. The state's job recovery from the losses in 2023 was quick, but as the nation's economy healed and job growth has been surprisingly brisk, Colorado has lagged behind national averages. The past 12 months have seen statewide job reductions in the sectors of Construction, Trade/Transport/Utilities, and Financial Services, and significantly slower growth than the U.S. average in Education and Health Services.

While we are sure that our state remains a great place to live, play, work and build a business, we think that complacency is a poor pathway to future prosperity. Simply, if we want to maintain the state's dynamism, preserve our quality of life, and create opportunity for all our citizens in the next decade, we must identify and address our challenges – starting now. Colorado Vision 2033 is the Colorado Chamber's plan to improve the state's business climate. We have identified our current strengths, our gaps, and our opportunities. Colorado Vision 2033 establishes a foundation to maintain and improve our state's competitiveness and position us for sustained growth and prosperity.

OTHER MULTIFACTOR OVERALL RANKINGS

CNBC (2023)	11 TH
CHIEF EXECUTIVE (2023)	13 TH
US NEWS (2023)	4 TH
WALLETHUB (2023)	4 TH



COLORADO VISION 2033

THE COLORADO WE WANT

Creating a strategy to ensure an economically competitive Colorado starts with an honest assessment of the state's current economic reality. Where do we stand and where are we headed? Next, what do we want for our state in the coming decades? The final step is to identify and then implement specific actions to make sure that Colorado has an economy that creates opportunity, and a quality of life that we can all be proud of.

We believe that successful strategic action agendas are future-focused, realistic, actionable, appropriately resourced, measurable, and regularly updated.



COLORADO VISION 2033

WHAT WE HEARD

The Colorado Chamber began looking at competitiveness by conducting interviews with stakeholders and multiple surveys of our members. Then we conducted a barnstorming tour with stops across the state to listen to businesses' and citizens' concerns and their hopes for the future.

The two most common concerns were 1) the lack of workers with the needed skills and 2) the mounting impact of regulations. Many business leaders detailed the challenges they face finding qualified employees. The workforce shortage was found across all skill sets, with some businesses highlighting the lack of entry level workers, while others are challenged to find employees with specific skills such as machinists, nurses, teachers, truck drivers, and tradespeople. We heard frustration that our education systems are disconnected from future workplace skill needs.

At every stop the mounting costs and complexity of state regulations was an animated topic. Administrative interpretations, ambiguous language, overlapping and sometimes contradicting language were all discussed. New and additional mandates related to employee wages, family and medical leave, retail delivery fees, and environmental permitting are driving up costs and complexity for all employers. Larger employers expressed frustration and some smaller companies said that they had no way to keep up. The burden, especially on small and mid-sized businesses was labeled “ever-expanding,” “onerous,” “profit-killing,” and “sand in gears of business.”

“Colorado regulations used to be five years behind California. Now we are setting the pace and becoming a mini-California, a state where nobody but the rich can afford to live and where businesses are leaving every day. Is that really what we want our state to become?”

- Business leader at barnstorming session

Other priorities and concerns for attendees were housing and childcare (both cost and availability), rising crime rates, and the tension between state mandates and local control. Housing availability and affordability were most often linked to government over-regulation and zoning. Almost everywhere we heard that the housing markets were not keeping up with demand and that for many jobs workers were being forced into longer commutes to find any affordable housing. Many saw the relationship between the lack of affordable childcare and workforce shortages.

COLORADO VISION 2033

WHAT WE HEARD

Despite these concerns, attendees also spoke of their love for Colorado, extolling the outdoor recreation, good broadband, energy resources including renewables, sunshine, and plentiful quality jobs. Colorado being at an important crossroads was a common theme.

We heard:

- The state has become regulation happy, and it is driving up the cost of living and of doing business.
- Housing costs are driving native Coloradans out and we need to find ways to make housing development less costly.
- Childcare is in crisis. Do something or the workforce challenge will get worse.
- Our education system needs to prepare young people for a successful career by focusing on in-demand skills.
- Public safety is an increasing concern and is critical to keeping and attracting workers.
- Colorado is a great state with many assets; leaders should focus on supporting existing businesses but also lay the foundation for the jobs and industries of the future.
- Business leadership helped shape Colorado into one of the best places to live and for businesses to prosper. If we want to maintain those accolades into the next decade, business leadership is crucial.



“Colorado has always offered a great quality of life, but it’s getting to where you have to be rich to find a place to live.”

- Business leader at barnstorming session

THE INDUSTRIES DRIVING THE COLORADO ECONOMY

For the last 5 years, Colorado has displayed a diverse economy with strong asset clusters in the following industries:

TECH

**AEROSPACE
& DEFENSE**

**FOOD PROCESSING &
MANUFACTURING**

**BUSINESS
SERVICES**

Emerging sectors that have shown recent growth include:

BIOPHARMA

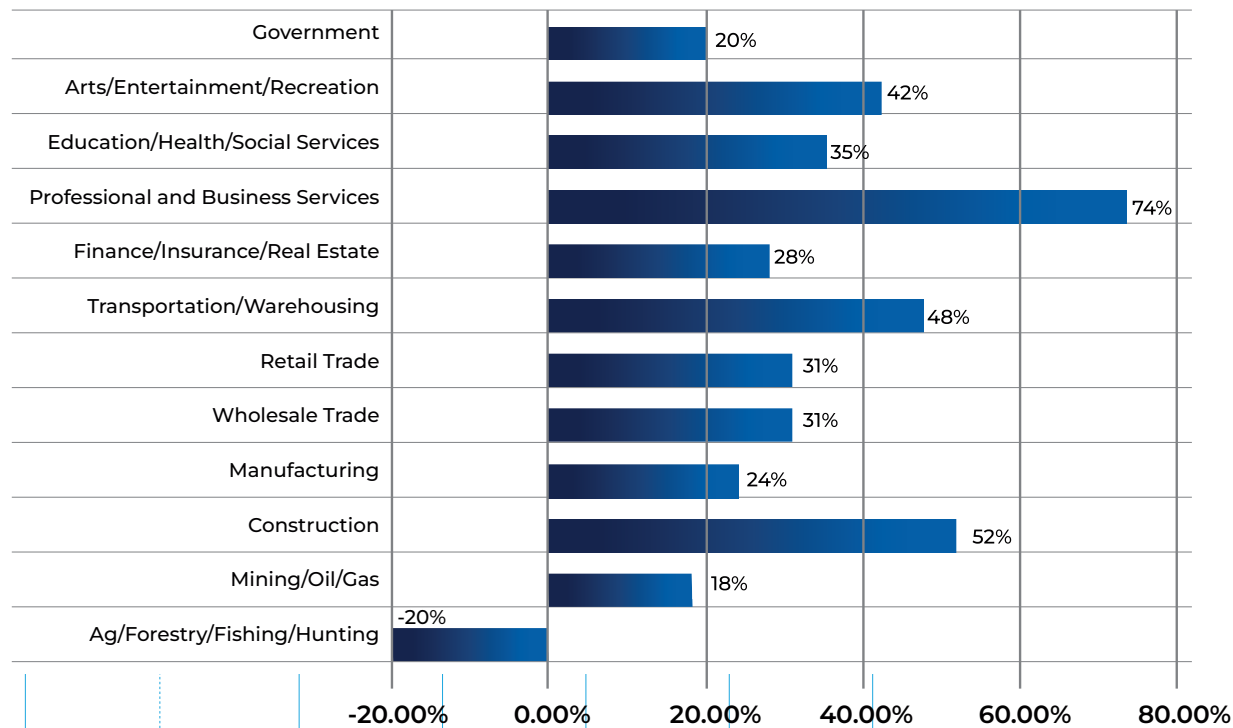
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E-COMMERCE

THE INDUSTRIES DRIVING THE COLORADO ECONOMY

Another way to see how fast the state economy is changing is by looking at the growth in the state's GDP by sector. The last ten years have been marked by robust growth in Colorado's Professional & Business Services, Construction, and Transportation & Warehousing sectors.

% Change in Sector GDP 2012-2022



Source: US Bureau of Labor Statistics.



VISION 2033

FOCUS AREAS



**WORKFORCE
DEVELOPMENT**



**HOUSING AND
COST OF LIVING**



**BUSINESS
CLIMATE**



**ENVIRONMENTAL
SUSTAINABILITY**



WORKFORCE DEVELOPMENT

Issues of workforce quantity and quality are at the very top of business concerns and once again were ranked in 2023 as the most important factor for economic development site location decisions. Competition for workers is fierce, between employers and between states. Colorado has enjoyed robust labor force growth over the past decade, but regulatory and affordability concerns portend a decline in this competitive advantage.

Colorado has prospered from a competitive advantage. In addition to strong in-migration, the labor force participation rate, 68.7 percent, is ranked top five among states. Colorado also has a very young labor force, with the percentage of workers over 55 among the nation's lowest. High educational attainment levels are also an advantage. Despite these strengths, the lack of workers is throttling growth and there continues to be a mismatch between skills available and skills in demand.

Most states are now taking aggressive actions to increase the size of the active workforce and improve applicant pools. Initiatives center on reaching adults who have been out of the workforce or who need upgraded skills. Rather than focusing on workers after a layoff, some states are offering targeted upskilling and reskilling training.

TOP SITE SELECTION ISSUES 2023

1. Availability of Skilled Labor

- 1. Energy Availability
- 3. Labor Costs (tie)
- 3. Proximity to Major Markets
- 3. State and Local Incentives
- 6. Energy Costs
- 7. Highway Accessibility
- 7. Proximity to Suppliers
- 7. Availability of Land
- 10. Expedited Permitting
- 10. Construction Costs

Site Selection Survey 2023

AS OF 2022 THE COLORADO
LABOR FORCE
PARTICIPATION RATE WAS

68.7%

COMPARED TO THE UNITED
STATES AS A WHOLE AT

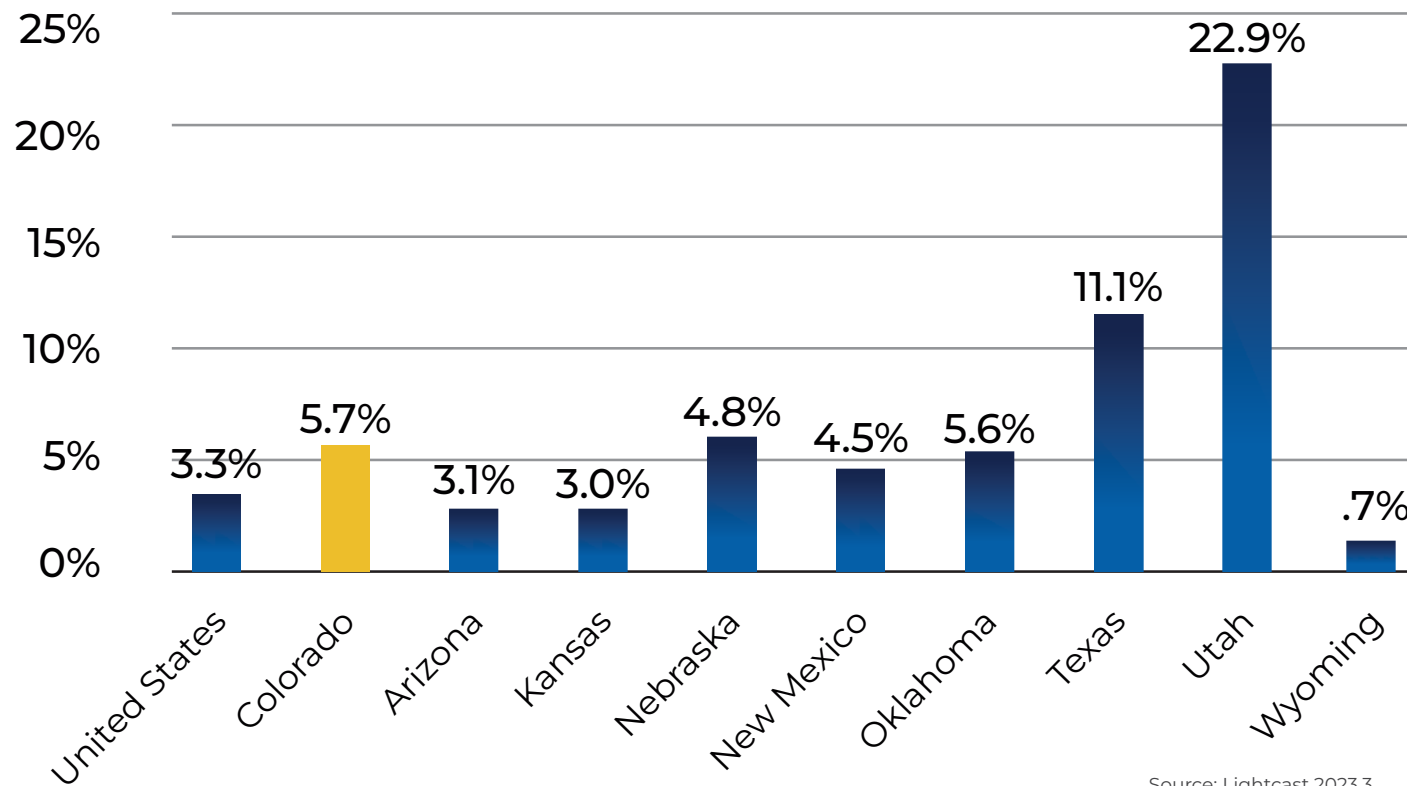
62.6%

- Source: US Bureau of Labor Statistics



WORKFORCE DEVELOPMENT

Projected Working Age Population Growth 2022-2032



Source: Lightcast 2023.3



COLORADO VISION 2033 WORKFORCE DEVELOPMENT GOALS & ACTIONS

Colorado Vision 2033 Workforce Development Goals & Actions

- Develop a long-term and focused workforce agenda that promotes and creates policies to attract and train a skilled 21st century workforce.
- Focus on trades, health care, aerospace, childcare, and other critical areas identified by Colorado employers.
- Focus on school-to-career transition and seek state and federal funding for upskilling workers.
- Establish a goal that every public high school and college student in Colorado be offered a work experience opportunity (such as internships, apprenticeships, and job shadowing.)
- Raise student and parent awareness of future jobs and the skills they require. Explore the successful Be Pro Be Proud initiative to increase career awareness of skilled trades and technical occupations.
- Create a nation-leading adult upskilling and reskilling program for in-demand occupations in Colorado.
- Create a Colorado Chamber business task force to review degree and certificate outcome data from the state's public colleges and universities, recommend ways to publicize programs for in-demand careers to students and parents, and recommend adjustments to program offerings.
- Develop a statewide home ownership initiative to attract young college graduates to remain in or relocate to Colorado.

“Community colleges are very responsive, but we have to start earlier - we need to fuel kids’ passion in middle school.”

- Business leader at barnstorming session



HOUSING AND COST OF LIVING

With the importance of talent attraction and retention across America, housing has risen as a competitiveness factor. In Colorado it is no exaggeration to say that there is a housing crisis. Housing concerns include overall supply, new product development, and affordability. Colorado's housing affordability is a competitive weakness.

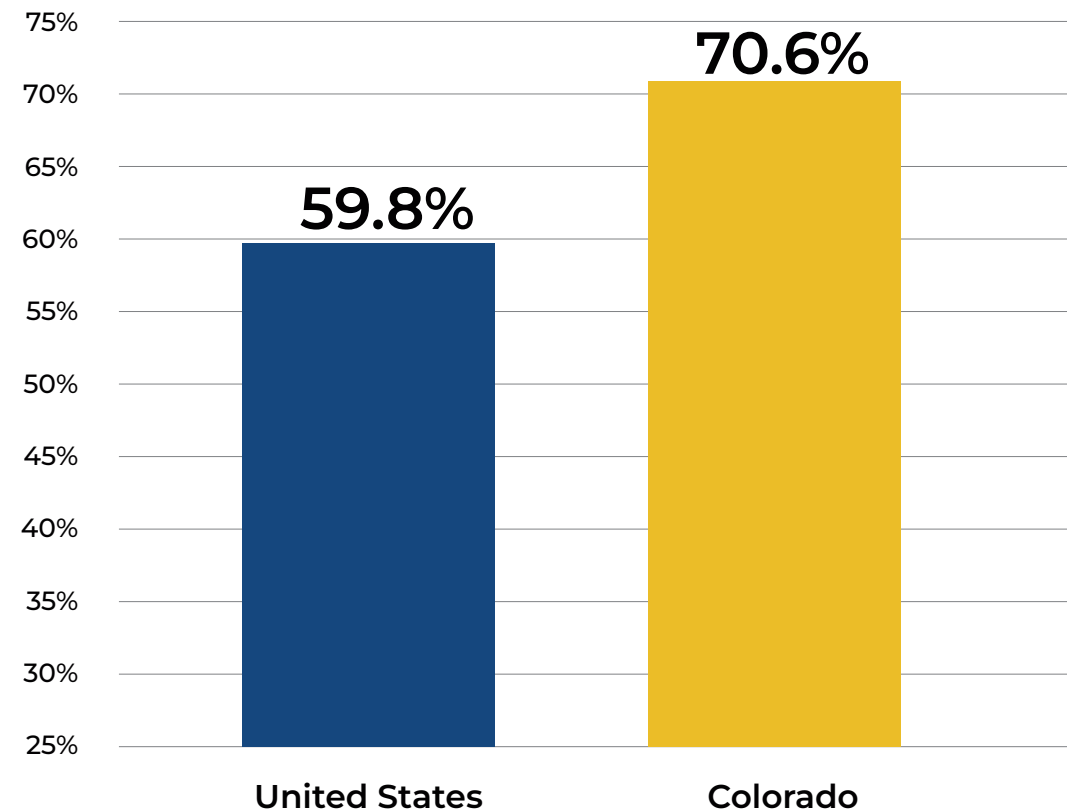
Colorado home prices were expensive before the pandemic and have risen an additional 45 percent over the past five years, forcing more Coloradans to be cost-burdened by rent or mortgage.

- In addition to grants, loans, and tax credits, regulatory changes can stimulate new housing development. State and local governments are increasingly backing zoning code changes to allow greater density, a wider range of housing types, and accessory dwelling units.

32% OF COLORADO HOUSEHOLDS ARE COST BURDENED BY RENT OR MORTGAGE AS OF 2021

Source: EL calculations based on US

Colorado Compared to US Average Growth in Housing Prices Last 5 Years



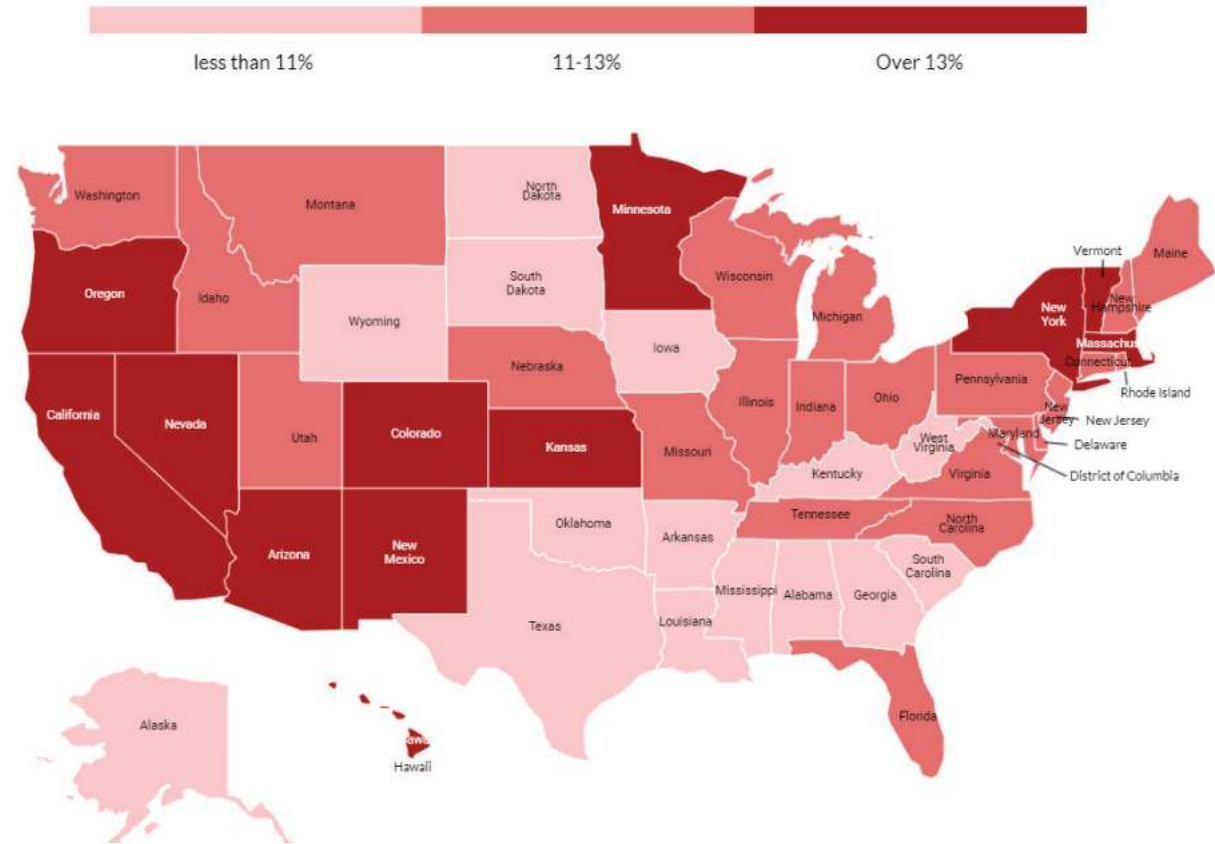
Source: Housing: FHFA



HOUSING AND COST OF LIVING

Childcare affordability and availability can also be a deterrent to work. When compared to median household incomes in the state, childcare for one infant can account for about 16.4 percent of annual income for a married couple household and 49.3 percent for a single-parent household in Colorado.

Infant Center-Based Childcare Cost as a Percentage of Median Household Income, 2021



COLORADO COST FOR FULL-TIME CHILD CARE

INFANT:

\$19,573

TODDLER:

\$16,307

Source: Childcare Aware of America (2022)



HOUSING AND COST OF LIVING GOALS AND ACTIONS

Colorado Vision 2033 Housing and Cost of Living Goals & Actions

- Identify partnerships between local communities, chambers, and employers to publicize housing shortage data and promote increased housing supply.
- Identify new legislative ideas that will incentivize affordable housing for workers.
- Partner with Colorado Housing & Finance Authority to identify housing solutions and needs assessment in specific regions.
- Develop a statewide home ownership initiative to attract young college graduates to remain in or relocate to Colorado.
- Retain and strengthen incentives for Colorado employers to offer on-site or subsidized childcare, such as the Employer Child Care Facility Investment Tax Credit and the Child Care Contribution Tax Credit.
- Publicize the added regulatory cost to homebuilding and childcare centers.





BUSINESS CLIMATE

**LEGAL
REFORM**

REGULATIONS

**TECH
INDUSTRIES**

**DATA
WATCHDOG**

Business Climate

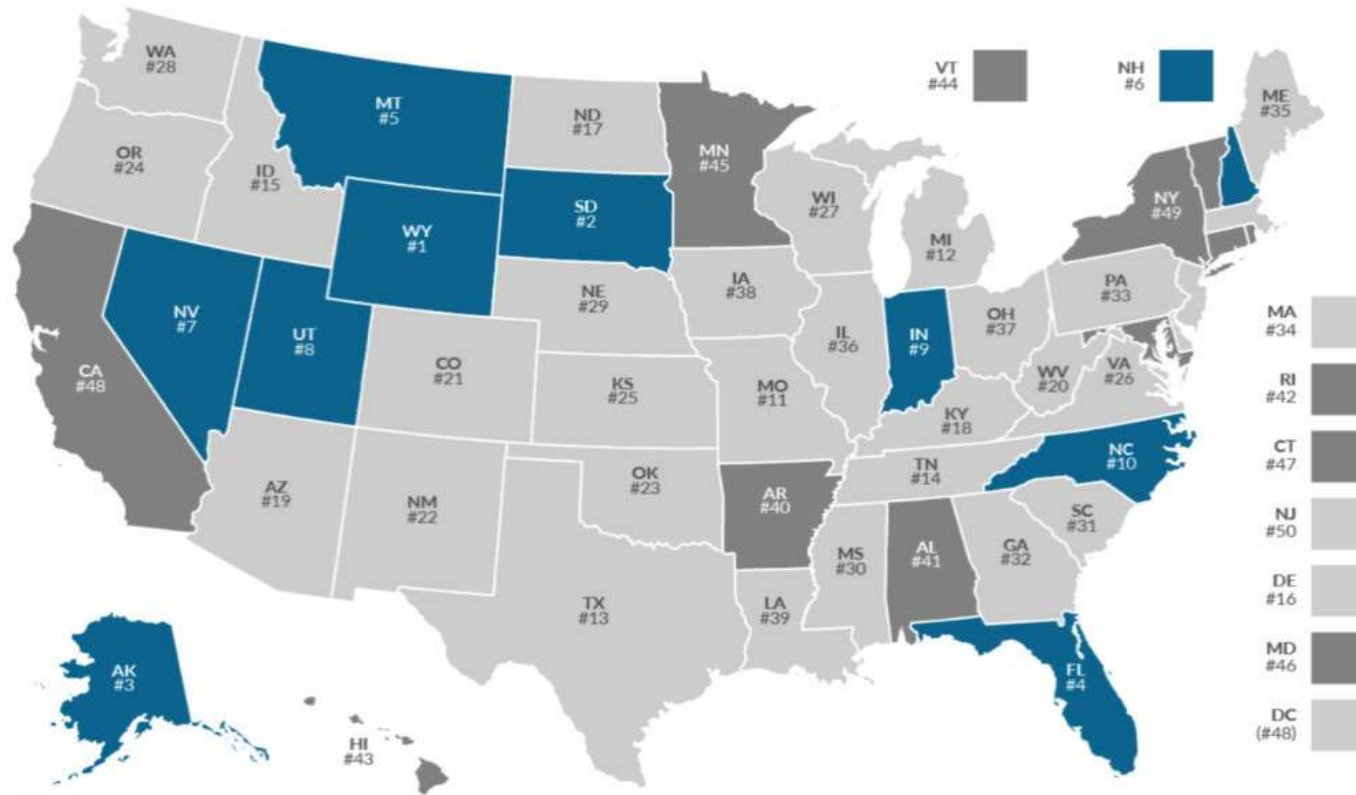
At the Colorado Chamber we believe that our state is at a crossroads. Our economy has been one of the best state economies over the past decade, but our future is being shaped by accelerated global and technological change and by the decisions we make as a state. We need to watch the data closely, publicize important trends, and be prepared to address deficiencies while taking advantage of opportunities. The Colorado Chamber is prepared to expand our research capacity, better share our key findings, identify best practices, and fight for widespread prosperity.

Data analytics are the determining factor as companies and people make investment decisions. Colorado's cost of doing business (38th), legal climate (21st), and tax climates (21st) are all middling among states and there are signs that the most recent numbers are slipping. Complex, burdensome, and mounting issues with the state's regulatory and legal climate was the most concerning issue among businesses in a 2023 survey. We know how important and challenging workforce issues are, but almost twice as many businesses named "Legislation and regulations creating mandates and costs" as their biggest challenge. A striking 48 percent of business owners said that the regulatory burden is the most important issue facing Colorado companies.

High cost, high regulation states like California and Illinois are seeing businesses and residents flee to states that are more business friendly and affordable. Colorado is competing with states that are aggressively making improvements.



BUSINESS CLIMATE



Note: A rank of 1 is best, 50 is worst. D.C.'s score and rank do not affect other states. The report shows tax systems as of July 1, 2022 (the beginning of Fiscal Year 2023). Source: Tax Foundation.

- 10 Best Business Tax Climates
- 10 Worst Business Tax Climates



BUSINESS CLIMATE GOALS AND ACTIONS

Colorado Vision 2033 Business Goals and Actions

- Research national best practices to improve Colorado's business climate.
- Conduct research and communicate findings on the effectiveness, efficiency, and business burden of environmental laws and rules over the last 10 years.
- Conduct research and communicate findings on the effectiveness, efficiency, and business burden of employment laws and rules over the last 10 years.
- Grow chamber staff to provide greater expertise on regulatory issues.
- Create metrics to track progress toward our goals.
- Establish legal reform alliance to include representation of legal counsel and businesses committed to reversing the trajectory of Colorado's legal climate.
- Establish a technology alliance to be the voice of tech industry competitiveness in Colorado.
- Work through the Colorado Chamber's Technology Alliance to fight legislation and regulations that threaten Colorado's national tech leadership, and promote solutions that increase the state's tech competitiveness.
- Work through the Colorado Chamber's Legal Alliance to fight legislation, court cases and rules/regulations that are adverse and create costly litigation for employers.
- Require a regular review of every state agency's regulations in order to eliminate or revise any unnecessary, duplicative or contradictory regulations. Set a goal of a 25 percent reduction in the overall volume of regulations within four years.
- Create a research and dashboard function within the Chamber, and regularly communicate economic competitiveness progress and concerns with stakeholders, the media, elected officials, and the general public.
- Defeat/modify or support legislation that directly impacts the tech industry.
- Education of state leaders and others on emerging technologies.



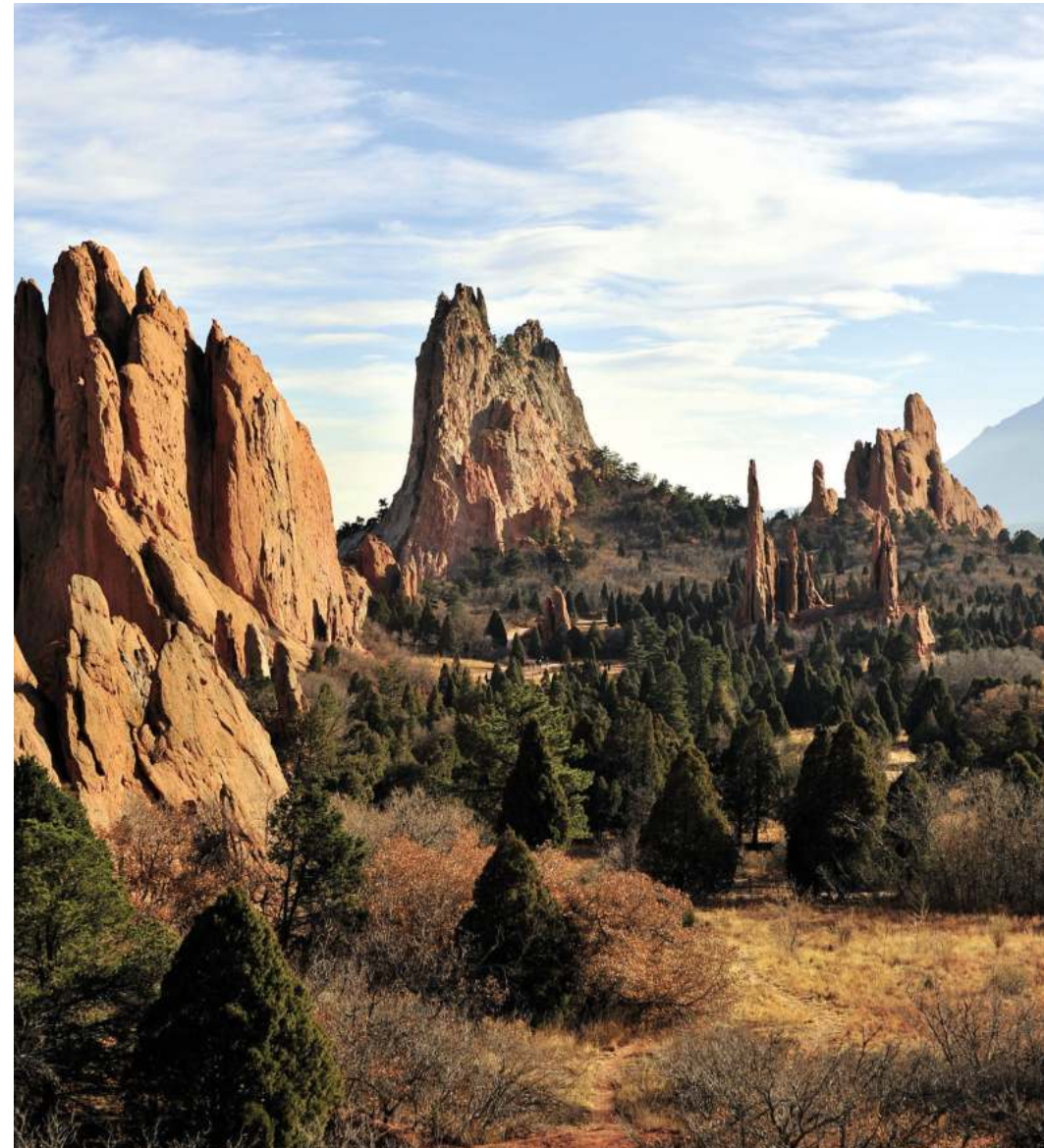


ENVIRONMENTAL SUSTAINABILITY

Environmental Sustainability

Businesses across the state are highly invested in a clean environment and healthy economy for their communities and the future of Colorado. A collaborative effort is needed to establish climate and sustainability policies that address responsible production and provide tools businesses need to succeed. We believe that working together, we can protect our environment without sacrificing economic growth.

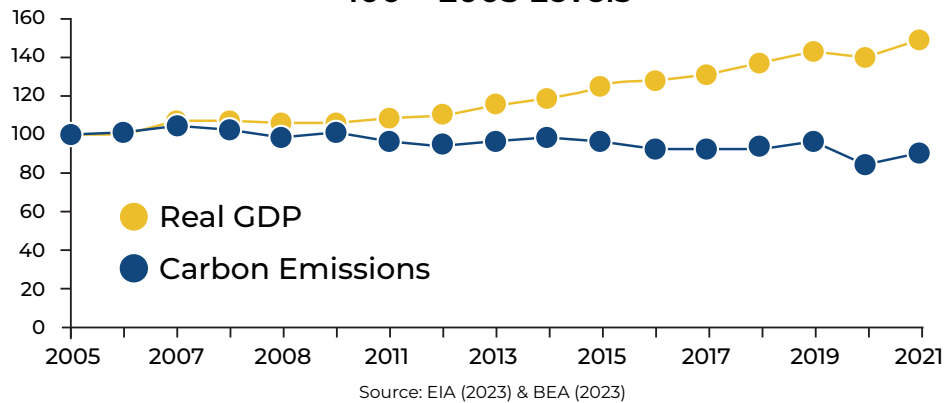
Colorado businesses struggle to find a balance between their investment in a clean environment and the challenge of implementing complex environmental regulations. Almost half (46%) of Colorado businesses say that environmental regulations are one of their top three regulatory concerns. The Colorado Chamber's goal is to pave the way for collaboration in addressing environmental sustainability with responsible, reasonable policies and regulations that are predictable and avoid a one-size-fits-all approach for businesses.



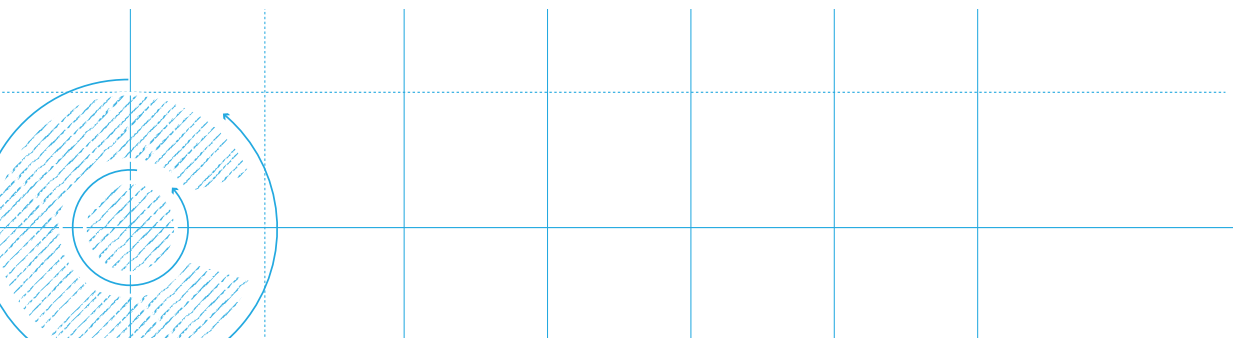
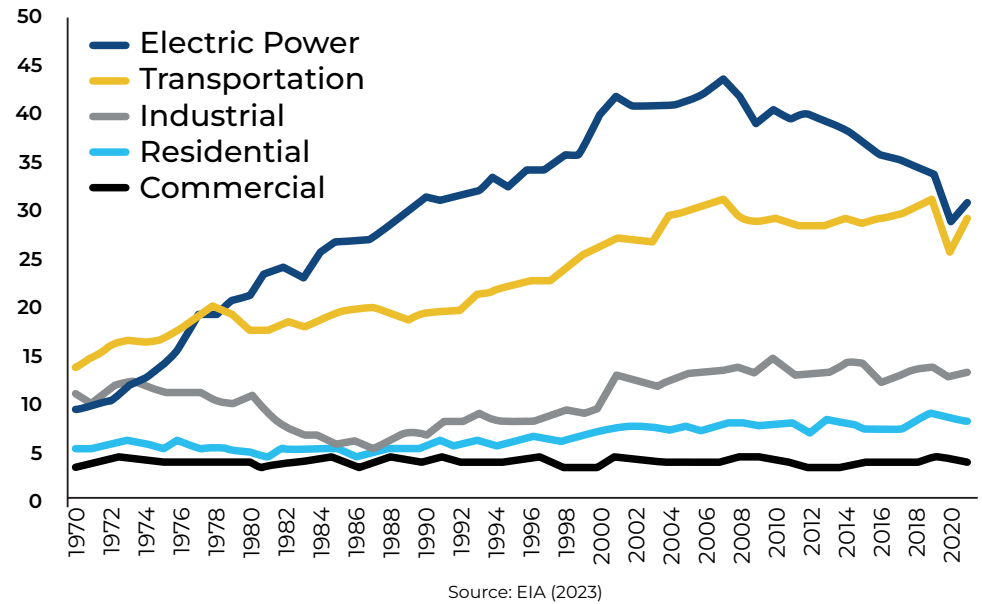


ENVIRONMENTAL SUSTAINABILITY

Colorado Change in GDP and Carbon Emissions 100 = 2005 Levels



Colorado Greenhouse Gas Emissions by Sector Million Metric Tons of CO₂eq, 1970-2021





ENVIRONMENTAL SUSTAINABILITY GOALS AND ACTIONS

Colorado Vision 2033 Environmental Sustainability Goals & Actions

- Establish an Environmental Sustainability & Climate Action Task Force to create proactive sustainability principles and policies that are achievable and also balance climate goals with the economic impact on businesses.
- Create a long-term collaborative working group of industry and environmental partners.
- Address the current environmental permitting backlog through legislative or regulatory actions.
- Conduct an assessment of current environmental laws and regulations to determine their effectiveness, efficiency, and burden on Colorado businesses.



METRICS OF SUCCESS FOR COLORADO VISION 2033



Business Climate:

- Elevate Colorado in CNBC's Top States for Business Rankings to top 25 for cost of doing business.
- Reduce the total volume of state agency regulations by 10% over five years.
- Improve Colorado's legal climate with the goal of ranking in the top 15 states by the U.S. Chamber Institute for Legal Reform.
- Improve Colorado's state ranking for Technology and Innovation in the CNBC Best States for Business report.
- Achieve a net annual improvement in tech industry jobs



Workforce:

- Increase the percentage of high school students having a work experience opportunity (job, internship, apprenticeship, job shadowing) by graduation.
- Elevate Colorado as a Top 5 state for Workforce in CNBC's Best States for Business rankings.
- Reduce the ratio of open jobs to unemployed Coloradans. (Currently there are more than two jobs available for ever unemployed worker).
- Boost the rate of employment among 18- to 24-year olds.



Cost of Living and Housing:

- Reduce the percentage of state residents cost burdened by rent or mortgage to below the national average.
- Boost housing supply by achieving an increase in total units of new housing starts.
- Increase the number of employer-sponsored childcare programs across the state.



Environmental Sustainability:

- Reduce the total volume of environmental regulations by 10% over five years.
- Increase efficiency of environmental permits by reducing permit processing time to eliminate backlogs and adequately keep pace with industry
- Reduce greenhouse gas emissions without sacrificing Colorado's business climate and economic competitiveness.
- Achieve a 20% reduction in emissions by 2030 through collaborative programs like a state-managed fund for impacted industry partners that allow for flexibility and regulatory certainty.