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Pueblo: A lesson in how to reinvent a city

By Tucker Hart Adams

I've spent the last several months doing an in-depth study of the Pueblo economy for the Business School at Colorado State University-Pueblo. The last time I did such an analysis was more than 25 years ago, and it has been fascinating to document how Pueblo has changed.

Back in 1982, Pueblo's unemployment rate peaked at 19.7 percent, well over twice the Colorado and national levels. CF&I Steel, the city's major employer, accounting for 30 percent of the city's payroll, announced it was discontinuing basic steel-making operations. Four blast furnaces were idled, 2,800 workers were laid off and 4,000 jobs were lost across the city. Three years later the pipe mill was closed. Steel employment, which had been 9,000 in 1957, fell to 761 by 2000.

Pueblo didn't sit by idly as all of this occurred. While the rest of us were busy voting to spurn the 1976 Winter Olympics as a menace to our taxes and environment, Pueblo was busy reinventing itself. The Pueblo Development Foundation was established in the mid-1970s to promote Pueblo's new Airport Industrial Park, with a capacity for 20,000 employees. The Pueblo Economic Development Corp. was established in 1981.

In 1984, the Pueblo Economic Development Adjustment Strategy was completed, and Pueblo's citizens voted to tax themselves to support economic development. The Business and Technology Incubator opened that September. The Enterprise Zone Development Plan was completed in 1986, and Pueblo was the first enterprise zone in Colorado to take advantage of available tax incentives.

Today, as we move through Colorado's worst recession since the 1930s, Pueblo compares favorably to other Front Range cities. The employment decline is well below Denver's, Colorado Springs' and the state as a whole. Retail sales have contracted less. Housing permits barely fell in 2009, while the other areas experienced declines of 40 percent to 55 percent.

Only the unemployment rate was higher than Pueblo's neighbors. Puebloans seem to love their community and stay put when they lose their jobs. As a result, the employment ratio (the percentage of people 16 or older who are working or actively looking for a job) is 60.2 percent, well below the national average of 65.2 percent.

Other interesting facts about Pueblo: 56.4 percent of the population identified themselves as Anglo in 2008, down from 77.2 percent in 1960, while 39.1 percent identified themselves as Hispanic, up from 20.6 percent in 1960. A good study topic for some student out there is to look at why. Has the composition of the population changed that dramatically, or are people identifying themselves differently?

The great majority of Pueblo residents, 96.1 percent, were born in the U.S. and 66.5 percent were born in Colorado. Of the 3.9 percent who were foreign born, one third were naturalized U.S. citizens. More than 85 percent of the population spoke only English, with only 3.5 percent reporting they spoke English less than very well. Pueblo reflects the long-time success story of the American immigrant who comes to this country, learns English, becomes a citizen and works hard to make his community a success.

What surprised me: The employment base isn't that different from the state as a whole. Only 14.1 percent are in the goods-producing sector; for the state, it is 14.2 percent. Pueblo is a manufacturing town no more. Education and health services are very important – 17.0 percent of the jobs versus 10.7 percent for the state. Two large hospitals, a state university and a community college are major employers.

Puebloans have lower incomes than many places. A per capita income of \$28,357 in 2008 ranked it 331st among the nation's 366 metropolitan statistical areas. But it was in the top quintile of income growth for the nation that year and has the lowest cost of living in the U.S.

It's interesting to see what a city can do when it recognizes that its economic base has changed and moves aggressively to reinvent itself. Unlike Detroit, where the unemployment rate reached 17.7 percent last fall, Pueblo is doing just fine!

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