



## From the Director's Desk -

### A State Losing Its Mojo

As if nothing changed while everything shifted, State Demographer Elizabeth Garner was back May 5<sup>th</sup> at the Silverthorne pavilion where NWCCOG hosted the first in-person Regional Economic Summit in 3 years. What sounded like far off warnings in 2019 are now upon us.

My big takeaway: Colorado is losing its mojo. It's economic mojo and that other mojo—the one that fills preschool classrooms.

Fifty percent of counties in the U.S. shrank in population last decade compared to the previous census decade, and 43 of 64 Colorado Counties are in absolute decline in producing under-18-year-old persons. Only Summit County in our region has a net increase in producing the next generation.



The peak of the last wave of childbirths in the U.S. was 2007 which was a third-wave bump of Millennials who are 40 plus. Millennials are the 1990s kids and second wave of the Baby Boom generation. We've been underproducing since. Of the absolute growth of births in the state, 2/3 are "people of color." Garner challenged us with the question, "are we adequately preparing and welcoming that population into our workforce?" This decline impacts schools, higher education, the workforce and eventually every community. COVID has not produced a baby boom. Even if there is a time soon that we can honestly call post-COVID, considerable uncertainty—economic, social, political, make a 1950's-like boom unlikely to turn that around.

A robust in-migration due to Colorado's blistering economy, quality of life and other factors masked that long downward trend of births in previous decades. We've been a magnet and a place of opportunity for those at the beginning of their work years in the past. That too has shifted. Now, international migration is down 70% and domestic migration into Colorado is down 35% according to Garner.

Garner says, "over the next decade expect a slowdown in net migration of young adults." Colorado's secret weapon – jobs, affordability, quality of life that we've relied upon for decades to fuel rapid population growth through the 1990s and 2000s – well that secret sauce doesn't taste quite the same today. As the Baby Boomers age-out of the workforce, and we block the flow of international migration for political (not economic) reasons, every state across the country is competing for a shrinking population of young people. Garner sees State Colleges across the country out-competing Colorado for younger in-migrants that we've relied upon. The largest growth





**Elizabeth Garner - Colorado State Demographer**

demographic in Colorado is over 65 years old.

How is this happening when NWCCOG's own [Mountain Migration Report](#) shows the rapid influx of newcomers and part-timers? Most newcomers remain non-residents under the demographic radar. We do know they are also a generation older. The shift of mid-career remote workers and part timers to the high country has benefits, as well as deleterious effects on the opportunities for younger workers staying or coming into the high country. As the report showed, Mountain Migrants are much better positioned than those previous waves of immigrating young folks to compete for higher rents and for shrinking housing stock. Garner's data also shows that Colorado is far behind in keeping up in the

production of housing units. Garner has been persistent over the years reminding those who would listen that a job is a person is a place to live, and you can't have one without the other two.

Garner wryly notes, "there's been a debate over time: do we really like people? There are drawbacks for sure." It wasn't all that long ago (for some of us) that the State Demography office was under fire for inflated projections of population growth across much of Colorado. She repeatedly corrects media reporting growth as "exponential." The growth pressure was real-- for a while. It was never exponential. For instance, the Town of Eagle grew 15% year over year for a decade from 1998 to 2008 while I was on the Board. In most places the prospect of doubling or tripling of small-town populations resulted in a lot of local resistance that seems to have continued even as other dynamics have changed. One cannot vote to exclude people or choose their demographic. One can only oppose the development projects that would house newcomers—notably those of less means. Thus, driving up housing costs. Even when units ARE approved, the construction industry that has never really recovered from 2008 to a degree can't muster the labor to build them.

In the 1990s Colorado had a solid formula— a very attractive place to live (echoes of "The Rocky Mountain Way"), one of the most competitive and best-funded State University and Pre-K-12 systems, a balanced political landscape, lots of tech, research and military jobs as well as entrepreneurs flocking to remain in the state, lots of developable land around a metro area that was investing heavily in amenities such as major sport stadiums and redevelopment, smaller towns waking up to what made them compelling, community-based resorts (not bent on impressing stockholders), and a construction industry that had the workers and capacity to (nearly) keep up with housing demand. TABOR ghettoized our education system and the national economy seems to have done what NIMBY's couldn't.

Today, Colorado has fallen from the top ten in growth to the top 20—that's pretty much the middle, folks. Each those factors have slowed or been reversed for various reasons, not the least of which is the ability to approve development and build homes that would allow a younger generation to stay and attract talent. Think the stability of a new home for a new couple isn't good for mojo, think again. Garner points out that we also need to be realistic about producing not just "Jobs" but jobs that pay the bills. "What does it take to attract a young adult? A house," she replies, "or the potential to own a home."

Well, we know how that is going these days.

**Jon Stavney**

Executive Director - NWCCOG

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## More From Regional Economic Summit

### Insight Collective Panel – Shock Event Leads to Pillow Fights

The NWCCOG 2022 Economic Summit this year was anchored by a presentation "Dynamics Impacting Resort Communities" presented by think tank Insight Collective made up of Ralf Garrison, Barb Taylor Carpenter (BT), Dave Belin, Carl



Rimbaudo and Tom Foley. The individuals in the group are each gurus in advising Destination Marketing Organizations and resort towns. Let us start with their closing takeaways:

"Don't look for a new normal, new normal is change." Tom Foley

"Think about 3 buckets, full-time, part-time and visitors—how do you prioritize?" Dave Belin

"Some fear change while others are excited by change, I recommend being excited." Carl Rimbaudo

"I need a place for my lift tickets to sleep has shifted to where will my lefties sleep. Are you shifting to a resident community or reverting to a visitor model?" Rolf Garrison



**Rolf Garrison & Barb Taylor Carpenter  
interacting with audience**

"The Community Destination Model is about forward thinking, and bottom-up driven good for the community which will be good for the visitors." Barb Taylor Carpenter

Garrison began by sharing that the perception among visitors they poll is that "COVID is no longer top of mind" although there are still a host of other dynamic factors impacting tourism right now from war to a number of jumbled economic indicators.

The 2.5 year experiment that we appear to be emerging from was an accelerant that helped those who were observing clarify what they have been thinking before and according to BT "made us think OK maybe some things are more important than we thought." In the experiment forcing people into homes and sequestration—working, schooling and socializing remotely, people figured out working home might be pretty nice. Dave Belin pointed out that the data shows more people skiing mid-week, and more arrival dates mid-week. The pandemic smoothed out the peak valley weekend to weekday sequence. **Key Concept: Geographic Independence.**

**Tribal Tourism?** Americans are becoming more tribal, according to Carl Rimbaudo who heard that message at Berkshire Hathaway recently. Which means, he notes that tribal identities are impacting tourism and the in-migration of newcomers into communities is changing the dynamics of local politics. For DMOs that operated in a tourism bubble, it is a relatively new phenomenon to be confronted with tribal signals and "resident-centric dynamics" and ballot measures to change tourism policy. When asked if Sustainable Tourism (a later panel at the Summit) was viewed as political he advised to operate from the position that "everything is political." People are traveling to places that align with their political tribes. How exactly that translates is not so clear. It is not unlikely that the this will further sift our country by state and by places we visit.

Tom Foley characterizes the change to communities as "a shock event." He noted that those elected to town councils 2 or more years ago were elected by those living "a mountain lifestyle" and to be prepared for that to change with the in-migration of people leaving urban centers. Christina Oxley in the audience noted that "when a worker comes into a community for an on-site job, that anchors them into the community." Rolf expanded on that saying, "those who are economically independent vs those who are economically dependent on a community come at local issues very differently. **Key Concepts: Community Dependent vs Economically Independent.**

A recurring theme was that there is a movement from being a "resort community" to a "community resort" with a greater emphasis on quality of life, and questions such as the one by BT, "how do we find and create opportunities for new homeowners to be invested in community?" In a related light moment Garrison characterized the agonizing debates over Short Term Rentals or "housing vs lodging" as "Pillow Fights." Foley noted that for many owners over years as units turn over or from day to week that tracking the unit type is difficult. **Key concept: Pillow type.**

In a subsequent panel, Breckenridge Assistant Town Manager Shannon Haynes shared that the Breck Tourism Office just completed a Destination Management Plan which was adopted by the town council that had some key goals such as giving residents a break from the year-round economy, or "more boots and bikes, less cars" for which they had identified clear strategies. Another Breck DMP goal was creating "harmony between visitors and residents." Asked if Breckenridge had developed any strategies for that, Haynes admitted, not yet.

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**Highlight from Business panelist, Erin Young  
owner of Red Buffalo Coffee and Tea,**





**Erin Young, owner Red Buffalo Coffee & Tea, received Energize Colorado grant from NLF's Anita Cameron and Scott Pugsley.**

At the NWCCOG 2022 Economic Summit, Erin Young inspired the group testifying how she and her business survived recent years unlike some of the chain coffee shops nearby. Erin said, "people don't do business with businesses, people do business with people—that's community." She says, "We can't expect what works for a business of 500 to work for a business with 10 employees. She pointed out that a small local business can and should emphasize being people centric. For instance, she has adapted to more workers wanting to be part time "because people want a side gig; you need to stop fighting that and lean into it." She insists that "people can

be invested in service industry jobs if (managers) care about them." Young recommends micro businesses move to an employee ownership model so that when confronted with the inevitable "when are you going to get a real job" a barista might reply, "No I'm a part owner," which Young believes, "will shut up Grandpa at Thanksgiving."

All that great business insight aside, Young still had to adapt rapidly with COVID. She said her employees kept her focused, "as an owner you don't have time to say 'oh crap.' People are counting on you. I made plans from A-Z with Z being I sell everything and close. The plan was to never get to Z. I went through 12 plans." She added that a lot of folks in the community reached out to her, like an informal group that met at her shop which she called "Entrepreneurs Anonymous" among others. "Every challenge is an opportunity for success, and during that time I didn't have a choice. I started saying 'yes' to every opportunity."

She also gave some advice that no doubt makes her coffee shop great for customers as well as employees, she said that the experience made her say "hey how are you?" with the key part being leaving a long enough pause after the question for someone to answer. "Otherwise, it is just along way to say 'hey.'"

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## Somber Stats: One million of 329.5 million Americans

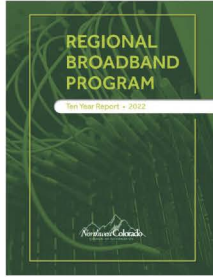
At the Economic Summit, Ralf Garrison pointed out that on May 4th, the U.S. passed the 1 million mark in deaths related to COVID even as the pandemic is no longer top of mind. It is difficult to get one's mind around one million. As a percentage of the total U.S. 1M is less than a third of one percent. As a percentage of Colorado it would be roughly 17% of the state. It would be 25% more than the population of Denver.



Think that everything crazy going on right now isn't impacting our youth? Another grim statistic also close to home for many Coloradans is the rising number of overdose deaths, especially among our youth. [The Guardian](#) reports this month that deaths in the U.S. due to overdoses exceeded 1 million since records have been kept. And 2021 was a record year with over 107,000 overdose deaths, a 15% increase from the prior year. [The Colorado Sun](#) reports that the state legislature just passed HB 1326 which is an attempt to address the more than 900 deaths in Colorado last year due to Fentanyl! The theory is that by raising the penalties for possession of fentanyl to a Level 4 Drug Felony punishable by 3 months in jail will act as a deterrent to dealers and drug users alike. The bill also funds naloxone to counter opioid overdoses, treatment centers and harm reduction programs. Heavy sentencing requirements (left over from the failed "war on drugs" era of the 1970s and 1980s) for possessing small amounts of drugs were successfully reduced recently by those who believe draconian drug penalties have inequitably impacted poor and minority communities and led to America having close to 20% of the world's prison population while only making up 5% of the total population on Earth. Law Enforcement lobbied hard for putting fentanyl back in the high penalty category. HB 1326 attempts to balance a "tough on crime" approach with a recognition that addiction is a disease worthy of



## NWCCOG Reports Released



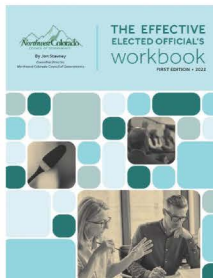
The **Regional Broadband Report** highlights member and partner jurisdictions local efforts at public broadband over the past decade or more. The document is available as a PDF on the NWCCOG [website here](#). Printed copies may be requested by contacting [office@nwccog.org](mailto:office@nwccog.org)

As one of the most critical players of the success of the project, Nate Walowitz had some thoughts on the completion of this historic report:

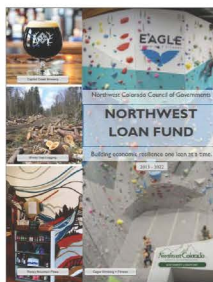
In his words "This report does an excellent job documenting and recognizing all the efforts we've put into making this project a success; including the collaboration with our numerous partners and investment in time and money that we've put into this project. The progress thus far ensures that our region enjoys the kind of connectivity needed for competitive advantage, educational gains, and enjoying the improvements of having reliable, high performance broadband access."

When asked about "what's next?", he replied, "In the future we plan to continue to work with our partners to provide additional services and network capacity for.....service providers and local governments to ensure we can get more connectivity to reliable & affordable Broadband services. We intend to provide additional support for local fiber build projects and work with ISP's to build the "last mile" infrastructure to areas of the region that are still without reliable Broadband services. To quote an economic development aphorism, "A rising tide lifts all boats". This is what our regional program intends to do, help communities raise the tide, so everyone in the region benefits from our programmatic success."

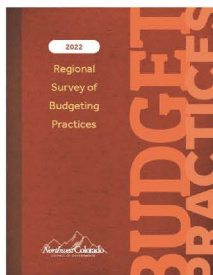
All who had a hand in this project during the past 10 years should be proud of this accomplishment.



The **Effective Elected Officials Workbook** written by Executive Director, Jon Stavney has been mailed to all 31 Member jurisdiction managers with an extra copy for the Mayor or Chair. Already a number of jurisdictions have requested copies for their entire board. NWCCOG recommends an all-Council or all-Board retreat each time a new board or council member is seated as a best practice. Stavney is available upon request to facilitate retreats. The report is also [available on our website](#).



The **Northwest Loan Fund - Sample of Clients** Between 2013 and 2022, The Northwest Loan Fund has made 74 loans for a total of \$5.88 Million, creating in excess of 200 jobs throughout the NLF Region. This booklet is a sample of some of the loans that were made possible through the work at the NLF. The report is not intended to be all inclusive, many of our clients prefer their privacy and have asked not to be included. We hope this sample will encourage small business owners in our Region to reach out to our team when they need funding for equipment, staffing, operating capital, expansion etc.



The **Regional Budgeting Practices Report** released this month. The results of the recent survey will be presented at the May NWCCOG Council meeting, along with a presentation from ResourceX a consultant that assists local governments in aligning budgeting strategies with priorities and outcomes. When printed the report will also be distributed among the membership and [available online](#).

Location: Zoom Conference Call, On-site location TBD

Time: Council 10:00 AM - 12:00 PM - EDD 12:30 PM - 2:30 PM

Primary Agenda Items: Member survey results; approve 1st Quarter financials; review/acceptance of 2021 audit; approve March minutes; overview of Vintage and Energy to budget for Fiscal Year beginning July 1 and any related program changes