Pikes Peak Region ECONOMIC VIEWPOINTS SURVEY

Results and Insight Report March 2016





Andrew Hershberger Creative A H A Marketing Agency

Why We Conducted This Survey

We are ever-curious investigators of the Pikes Peak region marketplace, constantly on the hunt to learn more about what people are thinking, buying, anticipating, and experiencing in this beautiful community of ours. Our quarterly surveys aim to reveal relevant insights and current local perceptions that help make us smarter as an agency and, in turn, better able to help our clients. Oh, and we always share our survey results community-wide and make them publicly available. Because we're all in this together.

What Makes Us Different

We are driven to understand the why, who, and how because we believe insight and data are the basis for effective marketing. What is the overall brand vision? What does the competitive landscape look like? What consumer trends will impact purchasing? These are the kind of questions we pursue answers to ... and they're also the kind of questions that lead to successful campaigns and marketing programs.

But while we are passionate about data-gathering, we're even more passionate about results. Getting our clients to their desired outcome is always our top priority. So if you'd prefer working with a true marketing partner, if you like the idea of fact-based decision-making, if you enjoy sensible conversations that lead to sensational successes, then Andrew Hershberger Creative may be a good fit for your future.

Andrew Hershberger Creative



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Where do you believe Colorado Springs will see the most job growth in the next three years?



Insight: As a population, we're getting older. And, lots more of us are now qualified for healthcare coverage. These factors may fuel the healthcare sector growth that 38 percent of us hope to see. A smaller number of respondents are hopeful about leisure and hospitality growth which have been impacted by recent fires and floods. Nearly 12 percent expect a reversal as we bounce back from disasters and consider increasing taxes on hotel stays to help fund tourism. The construction of the new Pikes Peak Visitors Center and other planned projects will no doubt add to the draw. A small but significant percentage of our respondents are not expecting to see growth in the next three years – perhaps a hangover of pessimism from the recession.





How do you think the Colorado Springs economy will perform the next three years?

Growth across the board – all sectors 6.6% 5 Some sectors will perform well & grow No growth economy will stay the same Some sectors are going to struggle
and decline

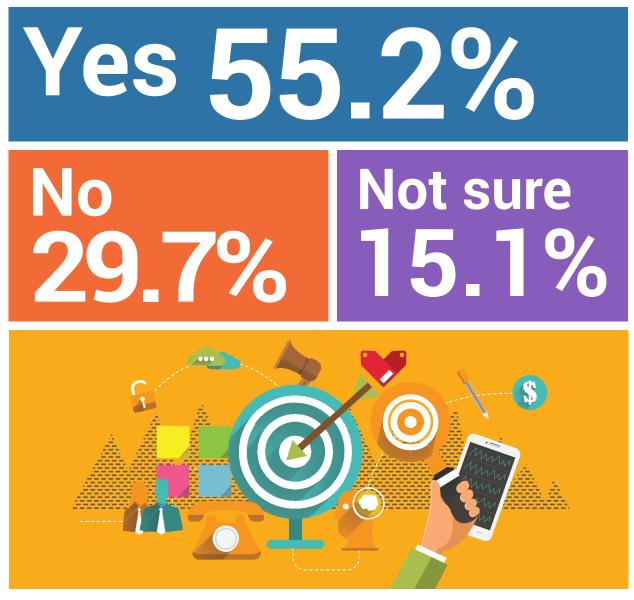
Most sectors are going to struggle and decline $3_8\%$

Insight: We are optimistic! Two-thirds believe we'll see performance and growth in some sectors of our economy over the next three years, and an additional six percent expect growth across the board. This aligns with recent forecasts by local economists who have been predicting slow, steady improvement in our economy. While 16 percent expect no growth or decline, these opinions may be driven personal impacts falling out of the recent economic downturn, or concerns over shifts in military spending priorities.





Over the next three years, do you expect your company will invest in growth through capital investment and/or employee hiring?



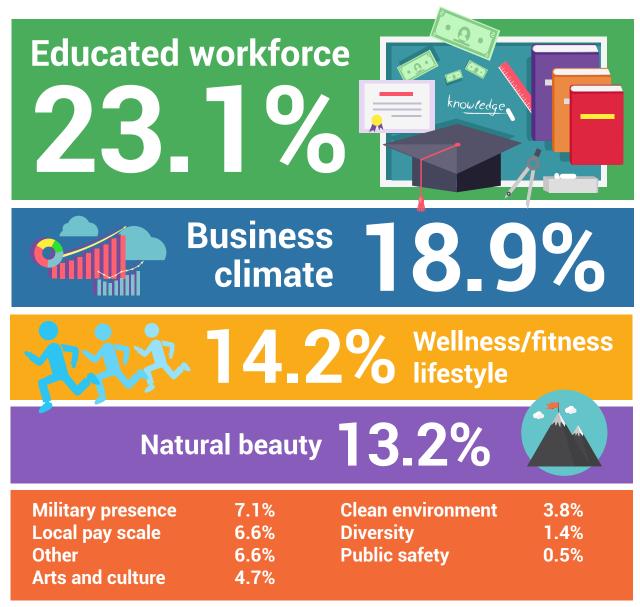
Insight: More than half of those responding anticipate their companies will expand by 2019, either through capital investment or growing the employee base. This suggests that decision-makers have a certain level of confidence that the economy is improving and demand will grow. That said, almost a third say their companies will not grow in the next three years, perhaps reflecting sectors that are continuing to struggle in spite of the turnaround. This adds to the evidence in this survey that there is a significant block of community members who are not yet seeing a reason to be hopeful that the recovery is real and lasting.

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What Pikes Peak region attribute do you believe is most powerful in attracting new companies to the area – what do you think big employers value most?



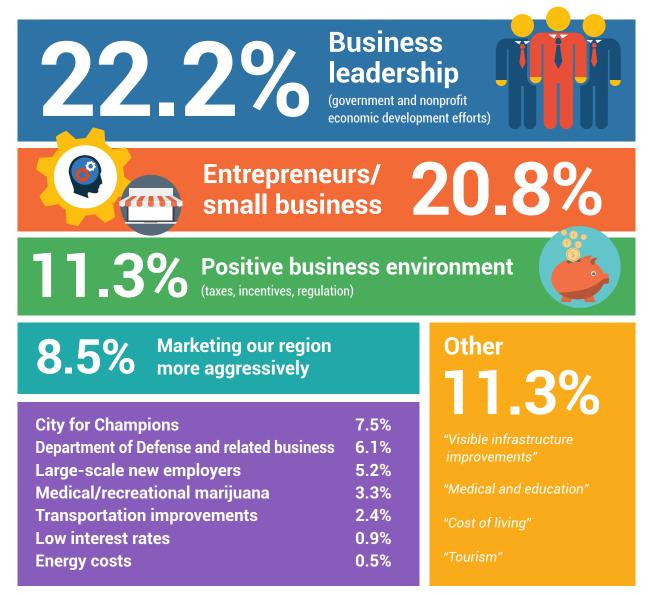
Insight: Colorado Springs city leaders huddled last December to sort out how to attract more young professionals with desirable skills in technology and healthcare. Twenty-three percent of our respondents agree that this educated workforce will be the most potent lure for new employers and local job creation. Another solid chunk – 19 percent of respondents – see our business climate as a leading factor to bring new business to the area. Those of us who live here and enjoy this lifestyle can appreciate its attractions such as our wellness focus and natural beauty. However, as development leaders have noted, there is an outside misconception by some that the community is overly zealous and unsophisticated. We expect more effort at brand-building will help overcome this.

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What do you think will be the single most influential factor/sector in our regional economic growth between now and 2018?



Insight: Respondents are almost evenly split on their top two choices with roughly 20 percent each believing business leadership or small business will lead the charge on regional economic growth in the coming two years. We see reasons that BOTH factors will play important roles. The election of John Suthers as mayor ushered in a new climate of collaboration in Colorado Springs, not just inside city government, but also the business sector. Additionally, small businesses are widely recognized as the backbone of our economy. The vast majority (about 86 percent) of companies employ fewer than 20 people; no doubt at all that small firms hold a lot of power and potential to drive economic growth. A solid group of 11 percent expect that our overall business environment will be the most persuasive factor. In the end, it's probably going to be a combination of characteristics that lifts our economy.

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If there was one thing you could tell economic development leaders to do in order to create more local jobs, what would that one thing be?

Focus on local business

respondents felt that additional investment in local businesses was needed, with several mentioning that entrepreneurs and startups should receive extra focus. "Improve and cultivate the local entrepreneurial climate."

"Pay attention to the small businesses that sustain this community."

"Recruit more industry and corporate companies to Colorado Springs with business incentives. We obviously have a desirable community. We need more mid- and upper-level job growth."

Attract businesses



respondents felt that attracting business needs to be a priority with 9 respondents mentioning the need to offer incentives.

Workforce & wages

respondents pointed to the need to address the region's workforce, with a majority subset suggesting a focus on increasing wages. "Sustainable wellpaid jobs. Short-term, low-paying jobs with no benefits don't help the region."

"Help promote funding to improve the roads so that commerce can increase and we look more enticing to business looking to move here."

16

Infrastructure

respondents identified infrastructure as the priority.

City brand & marketing

respondents suggested more attention to developingand marketing the region's brand.

"Tell a more complete balanced story of who we really are, which is a rich, diverse community." "Focus on communicating with and marketing the need for economic/business development in the COS region to residents, beyond tourism related industries."

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In which business sector are you employed?

Professional and business services	19.3%
Arts, media, entertainment	13.2%
Nonprofit/religious	11.8%
Other	9.4%
Information and technology	9.0%
Finance	6.1%
Government	5.7%
Education	5.2%
Healthcare	4.7%
Real estate	3.8%
Construction and mining	3.3%
Manufacturing	2.8%
Leisure and hospitality	2.4%
Retail and personal care services	1.9%
Trade, transportation, utilities	1.4%

Question 8

Which best describes your current role?

Executive, GS 12-15, or O4-6	28.3%
C-Level, GS 16+, or 07-10	25.5%
Upper management, GS -11, 01-3, W2, W4	20.3%
Middle management, GS 5-6, or E5-E9	18.9%
Entry level, GS 1-4, or E1-4	7.1%

Question 9

What is your gender?

 Male
 50.0%

 Female
 50.0%

