

# How is Colorado Gov. Jared Polis Attracting Businesses to His State?



**Gene Marks**

CPA, Columnist, and Host



**Jared Polis**

Governor of Colorado

**Announcer:**

Welcome to THRIVE, a Paychex business podcast where you'll hear timely insights to help you navigate marketplace dynamics and propel your business forward. Here's your host, Gene Marks.

**Gene Marks:**

Hey everybody. It's Gene Marks, and welcome to the podcast. Today we've got coming up Governor of Colorado, Jared Polis. Stay tuned.

**Gene Marks:**

So Governor, so first of all, thank you so much for joining me. I'm glad you're here. You come from a family and a background of entrepreneurs. I know you're a big supporter of small business. You're running for reelection in 2022, so this is like your chance here, right? I mean, my audience are small business owners, many of them are in Colorado. Tell us how your administration has benefited small businesses in Colorado and tell me as well what your plans are for your next term.

**Gov. Jared Polis:**

Well, as you know, Gene, my own world comes out of more kind of venture-backed businesses, and we're very proud that Colorado small businesses have raised over \$6 billion in venture capital in the last year. We're doing everything we can to really get on a map for destination of capital, but we also know that a lot of small businesses are family-owned and never need to raise outside capital.

**Gov. Jared Polis:**

We've reduced the need for tens of thousands of our small businesses to file something called the business personal property tax or pay it. We've reduced the income tax rate twice in our state, we've exempted social security benefits from the income tax. One of the cool things we're looking to do this year is making it free to start a business, Gene. So no, you know, it's \$75 or \$100 to incorporate, but if your whole budget to start a business is \$500, that's a lot of money.

**Gene Marks:**

It is.

**Gov. Jared Polis:**

So, we make that filing free for the year. We want to just further send that message that you might have always had this idea, and there might be a reason of course to pursue limited liability through, through company, and that we're going to make that free to you.

**Gene Marks:**

That's great. It's funny, I was just saying before we went on and started this conversation, my wife and I were in Colorado Springs for about a week, a couple months ago, which is just absolutely beautiful. We see, we went to a few local restaurants, Governor, and you could see there's a lot of small businesses that, you know, people eating lunch there and whatever.

**Gene Marks:**

I'm from Philadelphia, Colorado seems like a million miles away from the East Coast, from Washington. There are big bills that have been going through Washington trying to get through, like the Build Back Better bill. How do you convince or how do you persuade your constituents that what's going on in Washington really does benefit Colorado businesses? When I, I get the feeling that most business owners in your state would be more inclined to say, "Please leave us alone and let us run our own business."

**Gov. Jared Polis:**

Well, in general, that's true, Gene, but I think certainly so many Colorado small businesses participated in the Paycheck Protection Program, PPP. I think it really hit the mark. Most businesses got it through their bank, not too hard, the right level of oversight, so I think many businesses are grateful for that. Then some that were particularly hit from the pandemic got that second round too. In our state that wasn't as many restaurants, because most of our restaurants were open during that period, but certainly some did.

**Gov. Jared Polis:**

We also provided sales tax relief here in Colorado. So, our restaurants collect normally a 3.9% sales tax. For a number of months, we were able to pass the bill through our legislature saying you get to keep that. So, that's 3.9 and add on top of what you normally collect. So, I'm proud of how everybody's come through this, but no question, if you look at one federal thing, Paycheck Protection Program absolutely helped a lot of Colorado businesses.

**Gene Marks:**

Yeah, I agree. I agree. It's funny, with businesses, I mean, again, I cover small businesses and so many of us want to be independent, independent, and then COVID hits and people are like, "Well, can the government now help us, you know?" So it does-

**Gov. Jared Polis:**

Yeah, and here's an important thing to point out too. I mean, certainly in some times, and in some places there were government restrictions that hurt business, but frankly the bigger part of it was consumer behavior. I mean, while our restaurants were open during much of this, there weren't a lot of people going out when the virus was high, right?

**Gov. Jared Polis:**

So whether the local county had open or closed, it was more a function of consumer behavior. People just weren't doing the same things because of the elevated risk, and that affected areas that had restrictions

and areas that didn't. That's why I'm very grateful the federal government, Republicans and Democrats, did come together around PPP, because I think that played a big role in sustaining our economy going forward and really positioned ourselves for a robust recovery, which is what we're having now. In Colorado and across the country, we are back above 2019 levels in employment in almost every key sector. So, this is a strong recovery.

**Gene Marks:**

Small business in your state are dealing with two big issues that businesses around the country are dealing with this year. One is inflation related to supply chain, and the other is, is labor shortages. So let me first ask you about inflation, rising costs, supply chain issues. What do you tell your small business constituents? What kind of help can the state provide? What advice have you been giving?

**Gov. Jared Polis:**

Yeah, so like everywhere in the country, we're having an upward pressure on wages. Isn't necessarily a bad thing, it's really not for the workers, and they're earning more and they're spending more, but it's also difficult, because businesses are having trouble filling slots and their expenses are going up. It's all part of that figure, inflation.

**Gov. Jared Polis:**

There's a lot of causes to this, Gene. You can have economists on here, they can debate monetary policy, war in Ukraine, government spending, supply chain interruptions. There's probably some truth to all of those. They probably all contribute, but the issue is how do we solve it? How do we reduce costs?

**Gene Marks:**

Right.

**Gov. Jared Polis:**

So that's, again, a reason in Colorado we've cut the income tax twice, we're trying to reduce fees. I've called on the federal government to suspend their gas tax. We're going to avoid a two cent per gallon fee on gas here, the federal per gallon gas tax is 18 cents. If we can do a one-year holiday, that would be helpful for, for people. So there's a lot of things we can do to ease that pressure, and we're really focused on reducing fees and costs here in Colorado, and hopefully the federal government will have the same focus.

**Gene Marks:**

All right, sounds good. So, the second big issue is labor disruption, as you know. There's 11.3 million nationally unfilled jobs. By the way, as you know as well, this was a problem before COVID, it's just been exacerbated because of the pandemic. So coming back to you again, what more can you be doing, what more can the state be doing to help small businesses find people and help pay them?

**Gov. Jared Polis:**

Two things. I think we can be creative about out the nature of work, meaning how do we lean into the fact that sometimes it's easier to fill a full-time job with two people working 20 hours a week, because that's what people want to do, right? How do you lean into that as a state, as an employer, the private sector, facilitating benefits? The fact that where the market is today, many people might prefer to work part-time or two part-time jobs, or flexible hours.

**Gov. Jared Polis:**

And that can be challenging, but, you know, when you're given lemons, you make lemonade. I mean, it's not about how do you convince people to take the 40-hour week job, it's how do you meet them, and how do you get the productivity you need if in fact that's not where they are, right? So, that's number one.

**Gov. Jared Polis:**

Number two is really upskilling, re-skilling, training. We have people in our state, absolutely, right? How do we get them the skills that they need to earn more for themselves and fill critical key roles in the economy? That's whether it's the construction industry, early childhood education and daycare, you name it. There's people that are willing to do the work, and we need to figure out through our community college training system, apprenticeships — we're doing all the above here in Colorado — how they get the skills they need to be able to fill that important role that they have the desire to and the ability to, but they just need the training.

**Gene Marks:**

You had mentioned community colleges, but any other thoughts for your next term as to what type of programs or things you might want to consider that would help get that training for businesses to hire good people?

**Gov. Jared Polis:**

We've been big on apprenticeships here in Colorado, and we've been highlighting both conventional areas like the trades, of course, electrician, plumbers, but really extending to office jobs in many other companies. And this is, we have a great program career-wise, it works with high schoolers that are apprenticed several days a week. They graduate right from high school, usually with a job offer at a company where they had an apprenticeship and already got trained up, but also for people of all ages.

**Gov. Jared Polis:**

So while our community colleges are adaptable, they're good at partnering, they're nimble, it's also above and beyond that, and really looking at a workforce transformation. We fundamentally have to look at workforce readiness in a different way than we did for the last century.

**Gene Marks:**

Okay, fair enough. Two quick more questions and then I'll let you go. First has to do with minimum wage. Colorado's minimum wage is now up to \$12.32. Give us your thoughts on minimum wage. Again, from a , the small business owners in your state are seeing it rise, obviously that is contributing to all the other costs that they're seeing rise. Give us your thoughts on minimum wage.

**Gov. Jared Polis:**

Well, I think most of all business owners would be thrilled if they could find people that were willing to work at \$12.32 an hour. I mean, frankly, the minimum starting wage across almost every job is 15 bucks an hour here. I mean, maybe you get teenagers for less or something, but I mean, for most jobs, if you are serious about getting good folks, you're at at least \$15.

**Gov. Jared Polis:**

In fact, our just, our major mountain resort, Vail Resorts, big employer, they just upped the bar to 20 bucks an hour minimum, right? Must be hard for some small businesses to keep up. So of all the things people are worried about, minimum wage is not high on that list, because real employers know they're already paying, you know, a few bucks an hour more than that, and really struggling to attract talent even at that rate.

**Gene Marks:**

Okay, great answer. Finally, Colorado consistently leads in lots of studies around the country for a state that is good for attracting startups. So, your chance now to give a pitch for the state. Like, why is it a good environment to move your business there or even relocate employees there?

**Gov. Jared Polis:**

Best place to start and grow a business, that's why we attracted over \$6 billion in venture capital investment last year. Low taxes, lower cost of doing business, very innovation-friendly. Not only do we have great community colleges and colleges, but it's also a great place to attract talent from both coasts across the country, and across the world. We got a central location right here in Colorado, and of course world-class opportunities for fishing, hiking, and skiing, all within hours of where you live. So we really have a lot going on here for quality of life, and it's a great place to grow a business.

**Gene Marks:**

Yeah, you know, you sold me. I was sold when we visited Colorado Springs, like I said, a few months ago, but you have reinforced that as well. Governor, thank you very much. Great information, and good luck in the election this year.

**Gov. Jared Polis:**

Thank you so much. Have a great day.

**Gene Marks:**

Take care.

**Gene Marks:**

Do you have a topic or a guest that you would like to hear on THRIVE? Please let us know. Visit [payx.me/thrivetopics](https://payx.me/thrivetopics) and send us your ideas or matters of interest. Also, if your business is looking to simplify your HR payroll benefits or insurance services, see how Paychex can help. Visit the resource hub at [Paychex.com/worx](https://paychex.com/worx). That's W-O-R-X. Paychex can help manage those complexities while you focus on all the ways you want your business to thrive. I'm your host, Gene Marks, and thanks for joining us. 'Til next time, take care.

**Announcer:**

This podcast is property of Paychex Incorporated, 2022. All rights reserved.