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Pressure mounts for new and existing businesses

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Editor's Note: Once among the nation's fastest-growing economies, Colorado today confronts mounting challenges that threaten its momentum. This series reveals how a state once defined by prosperity is navigating economic cliffs and ridges. We explore the impact that increased regulations, tariffs, shifting tax policies, the high cost of living and widening urban– rural divides have on businesses, workers, and communities. The series also highlights the push to leverage Colorado's outdoor economy — one of its most valuable assets — for renewed growth, while working to attract industries like quantum and aerospace.

As part of a series examining state's economic policies, the Durango Chamber of Commerce CEO Jeff Dupont answered questions about the impact of state policies on the local economy, the challenges emerging and how businesses are adapting to federal changes.

Colorado Politics: Can you reflect on the last decade in terms of the Colorado economy and business health in your region?

Jeff Dupont: Over the past decade, Southwest Colorado has maintained strong entrepreneurial activity and a resilient tourism sector, diversifying into outdoor recreation, light manufacturing, professional services, and tech-enabled firms. The regional economy has continued to expand despite persistent challenges, including rising housing and insurance costs, limited workforce availability, and fragile supply chains. The COVID-19 pandemic intensified these pressures — pushing younger workers out due to affordability issues while attracting remote professionals and retirees, whose migration to Durango further strained housing availability and shifted demographics toward an aging population no longer in the workforce. The region's remote geography has always posed challenges, from transportation access and supply logistics to broadband connectivity, creating higher costs and slower expansion for growing companies. Combined with increasing regulatory burdens, these factors continue to hinder small business development. Still, Southwest Colorado remains an attractive place to start a company, even as many businesses may eventually outgrow the region's limited infrastructure, workforce pool, and distribution capacity.

Colorado is ranked sixth as the most regulated state in the nation. How does that affect existing, new, and prospective businesses in your region?

Colorado's standing among the most regulated states continues to create pressure for both existing and emerging businesses. Established companies face rising compliance costs and additional administrative layers, as new legislative and regulatory measures are introduced each year. Startups, meanwhile, encounter longer timelines and greater uncertainty as overlapping permitting and reporting requirements accumulate — often forcing them to adjust their scope or delay investment to manage risk. In recent years, the pace of state-level policy changes has added to the strain, especially when combined with local permitting processes that vary widely by community. The result is a system that can feel unpredictable for small businesses and prospective relocations alike. Many entrepreneurs' value Colorado's exceptional quality of life and workforce but express concern that the cumulative impact of evolving legislation and agency rulemaking creates headwinds. Balancing regulatory intent with business predictability remains a key challenge, particularly in rural regions where capacity to navigate complex compliance systems is limited.

Note

Are businesses in your region seeing the trickle-down effects of the Trump administration tariffs?

Yes. Many of our manufacturers, contractors, retailers, and hospitality operators source equipment, materials, or goods with components from abroad. Tariff volatility has raised input costs and added planning uncertainty; quotes now expire faster, and inventory decisions carry more risk. In our remote area, freight distances magnify these effects. Business owners can adapt to stable costs. However, unpredictability makes capital budgeting and pricing far harder.

How would you rate the performance in terms of the economy and business support from Gov. Jared Polis and, in recent years, the Democratic-led legislature?

From a ground-level business perspective, it's a mixed picture. We appreciate the state's investments in entrepreneurship, workforce training, rural broadband, and housing — those efforts directly strengthen competitiveness and create opportunity. At the same time, the volume and pace of new regulations and mandates, however well-intended, continue to create added burdens for small and mid-sized firms.

Businesses would benefit from greater predictability, streamlined implementation, and earlier, practical engagement with business owners before new rules go live. It's also important to recognize that what works for Denver and the Front Range doesn't always translate well to rural regions. Southwest Colorado's geography, workforce dynamics and industry mix differ significantly from urban centers, and one-size-fitsall regulations can create unintended consequences. Policies that account for regional differences and local capacity would help ensure that statewide economic strategies support businesses of all sizes — no matter where they're located.

What are some of the biggest issues businesses in your region are facing?

- Housing affordability for employees; lack of attainable rentals
- Broadband & technology access — lack of connectivity and digital infrastructure in more remote areas
- Childcare access and cost, driving reduced labor force participation
- Workforce pipelines for technical jobs

• Compliance and regulatory complexity and growing requirements (leave, reporting, environmental, wage/benefit rules) without in-house HR/legal
• Rising Insurance costs (healthcare, liability, property/wildfire)
• Supply chain volatility and freight costs

How is the Colorado cost of living impacting businesses regarding workforce, housing and other issues? High and rising living costs are now a primary business constraint. Employers must offer higher wages or non-wage benefits (stipends, flexible schedules, partial remote) to recruit and retain staff. Housing scarcity lengthens commutes and increases turnover. Childcare access remains a choke point for labor force participation. Some firms have reduced hours or services simply because they can't meet demand.

Describe the Colorado economy in your region pre-COVID, during COVID and post-COVID. What issues still linger? What has improved?

• Pre- COVID: Healthy tourism and steady small-business formation; chronic but manageable hiring challenges; housing affordability
• During COVID: Extreme conditions for hospitality/retail; PPP (Paycheck Protection Program) and EIDL (Economic Injury Disaster Loans) helped many; rapid adoption of e-commerce and curbside models; supply chains destabilized
• Post- COVID: Demand rebounded strongly and new business creation remained solid. Lingering issues are workforce shortages, childcare availability, housing/insurance costs (compressing margins for employers), increased regulatory burdens, elevated input and freight costs, and ongoing supply variability.
• What's improved: digital capabilities (except in rural areas, broadband still lags), process efficiency, and regional collaboration across employers, educators, and local governments.