

**Executive summary: Culture counts**  
**September 27, 2002**

## **Culture Counts**

### **The economic & social impact of metro Denver culture**

#### **Why culture is good business**

The same qualities that guide successful business growth — innovation, creativity, diversity — originate in culture. Culture attracts and retains highly skilled professionals. Culture draws consumers to hotels, stores, and restaurants. Culture is key to economic prosperity.

Perhaps even more valuable is the climate that culture creates. Culture's many forms — arts, history, sciences — build community. Culture inspires and transforms. Culture has the unique power to transport you from daily reality and connect you to something outside yourself. Cultural assets bring cities acclaim and create civic pride.

Simply put, culture counts.

#### **A billion dollar industry...**

*Insert illustrator PDF of chart*

As an industry, metro Denver culture generated more than \$1 billion in economic impact in 2001 — \$648 million in industry spending and \$435 million in event-related spending by cultural audiences.

Source: Deloitte & Touche analysis of SCFD survey responses. RIMS multipliers provided by the Colorado Department of Local Affairs.

#### **...that benefits millions.**

*Insert illustrator PDF of bar graph*

More than 9 million people, twice the state's population, attended Denver area cultural activities in 2001. This compares to 7.5 million people visiting Front Range ski resorts and 5.3 million people attending Denver's professional sporting events.

Sources: U.S. Census Bureau, 2001.

Colorado Ski Country USA, 2001-2002 Season Front Range Destination & Front Range Resorts: ArapahoeBasin, Beaver Creek, Breckenridge, Copper, Eldora, Keystone, Loveland, Ski Cooper, SolVista, Vail, and Winter Park.

2000-2001 Season home game attendance for Colorado Avalanche, Colorado Rapids, Colorado Rockies, Denver Broncos, and Denver Nuggets.

#### **Jobs, Salaries, Revenue**

Cultural organizations employed nearly 7,700 people in 2001. Collectively, cultural institutions are the 6<sup>th</sup> largest non-government employer in the Denver area.

Cultural revenue in 2001 was \$208 million — one half earned through ticket and other sales, and the other contributed by individuals, corporations, foundations, and governments.

Cultural institutions invested \$41 million in new construction, remodeling, and equipment.

Cultural audiences spend significant amounts on event-related activities like hotel stays, meals, transportation and shopping. Event-related spending — on average \$22 per person — totaled more than \$435 million in 2001.

Cultural tourism generated \$139 million in 2001, evidence that Denver has become a destination city.

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Cultural organizations paid \$14.5 million in payroll, seat, and sales taxes in 2001.

#### **Creativity, Discovery, Community**

More than ever before, people want experiences that matter. Whether spending time with family, helping others, learning something new, or just relaxing — leisure time is precious. More than ever before, people turn to culture for experiences that count.

In 2001, cultural visits consisted of 4.3 million paid, 3.9 million free, and 870,000 reduced rate admissions. Almost 860,000 cultural visitors were from outside of Colorado.

Cultural organizations offer unique, interactive learning experiences for all ages. More than 1 million people enrolled in culturals' paid and free courses, with an equal number of people choosing to become members or subscribers.

Cultural organizations provided tours and educational experiences for 2 million school children — more than 4 times the number of metro area K-12 students.

Cultural community outreach programs impacted almost 940,000 people, providing experiences for children who live in poverty, people of diverse ethnic backgrounds, the elderly, and people with disabilities.

Volunteers reap the intrinsic rewards of giving back to their communities while also providing critical expertise to cultural organizations. More than 28,800 people volunteered an estimated one million hours in 2001.

#### **Who is included in this study**

Organizations that receive funding from the Scientific and Cultural Facilities District are included in this study. The SCFD, a voter-approved sales tax district, funds arts and scientific organizations located within Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties.

SCFD organizations that responded to surveys accounted for 93% of the \$37 million SCFD funds distributed in 2001. Data reported are from fiscal year 2001. The data in this study reflect the activity of survey respondents only.

#### **Purpose**

This study provides an overview of the cultural industry by quantifying and describing the economic and social impact of SCFD organizations. The purpose of the study is to broaden awareness of culture's effect on the economy and community. This is the fifth study of SCFD organizations conducted by CBCA and Deloitte & Touche (1992, 1995, 1997, 1999, 2001).

#### **A growth industry: 1989 - 2001**

The SCFD is a forward-thinking way to fund cultural organizations. The tax, a penny on every \$10 sale in the seven-county area, helps ensure that the Denver area remains the cultural capital of the Rocky Mountain region.

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Because of SCFD funding, the cultural industry in metro Denver has grown dramatically in the past 15 years — allowing more people to enjoy what culture offers and broadening the range of activities available.

Culture's economic impact has increased from \$627 million in 1992\* to more than \$1 billion in 2001, a 73% percent increase.

The SCFD distributed its first funds in 1989, with \$14 million granted to 154 cultural organizations. In 2001, \$37 million was granted to more than 300 cultural institutions.

Culture's total income has grown from \$61 million to \$208 million.

The number of people employed by cultural organizations has increased 188%, with the total payroll growing from \$28 million to more than \$78 million.

Volunteer hours have increased 212%, from 354,000 hours to more than 1 million hours.

Total admissions have grown by 80%. Paid admissions have increased by more than 2 million people and free admissions have more than doubled since SCFD funding began.

Attendance in paid and free cultural courses offered has grown from 30,000 to more than 1 million.  
\*1992 total economic impact adjusted for inflation.

### **Conclusion**

Culture is essential to economic prosperity, attracting a competitive work force and generating significant economic impact. Through culture, communities discover common threads and identity. Corporate, nonprofit and government leaders must recognize culture's role in commerce and community, and make lasting investments in this fundamental resource.

The SCFD is a successful model of cultural funding and is the largest citizen-supported cultural initiative in the nation. SCFD funding has allowed culture to flourish, exposing more people to cultural experiences and garnering an enviable national reputation. This is something to talk about — and something to applaud.

This report on the Scientific and Cultural Facilities District was completed by the Colorado Business Committee for the Arts with in-kind support from Deloitte & Touche LLP, and additional support from the Denver Metro Chamber of Commerce. For a copy of the full report, please contact CBCA.

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