

I. EXECUTIVE SUMMARY

Purpose and Goals

Colorado Business Committee for the Arts (CBCA), an organization of businesses whose goal is to encourage business support for the arts, and Deloitte & Touche, an accounting and professional services firm, collaborated to develop a study of scientific and cultural organizations in metropolitan Denver. This study develops an overview of these organizations by quantifying and describing the economic and social impacts of these institutions. The purpose of the study is to create a heightened awareness in the business and governmental sectors of the relationship of scientific and cultural organizations to the economy and the community.

The Survey

To collect the data for the study, a survey was mailed to the 305 arts and science organizations that received funds from the Scientific and Cultural Facilities District (SCFD) during the 1998-99 calendar years. The SCFD is a voter-approved sales tax district that funds arts and science organizations located within Adams, Arapahoe, Boulder, Denver, Douglas and Jefferson counties. The survey and resulting study provide the following information:

- The survey was completed by 111 of the 305 scientific and cultural organizations that received surveys. Total survey respondents accounted for 89% of the \$33.5 million SCFD funds distributed in 1999.
- Survey respondents reported two years (1998-1999) of financial and employment information for their organizations.
- Survey respondents also provided information on their organizational type, admissions from 1998-1999, and the involvement of the organization in education and outreach to children and underserved populations.

- The economic and social impacts of this study reflect the activity of survey respondents only. The data was not extrapolated to any organizations that did not complete the survey.
- This is the fourth survey (1992, 1995, 1997, 1999) of scientific and cultural organizations conducted by Deloitte & Touche and CBCA. Information from these surveys has been used to provide insight into scientific and cultural organization trends during this period of time.

Economic Impact Highlights

- The operating expenditures including operating surplus, capital expenditures and audience ancillary spending by patrons of the 111 scientific and cultural organizations created an estimated \$844 million economic impact in 1999.
- Scientific and cultural institutions paid more than \$15 million in payroll, seat and sales taxes in 1999.
- Scientific and cultural organizations employed nearly 7,000 people in 1999.
- If the 111 scientific and cultural institutions were counted as one organization, they would be the 11th largest non-government employer in metropolitan Denver.
- The economic impact in 1999 of science and cultural patrons that came from outside of Colorado and stayed overnight was more than \$130 million.
- Of the 35 respondents who indicated they maintain a Web site and utilize the Internet, 100% use the Web for informational purposes. For e-commerce uses, 29% use their site for ticket sales and 11% for merchandise sales.

Social Impact Highlights

- The total attendance (9.3 million) at performances and programs offered by scientific and cultural organizations exceeded the combined 1998-99 season home game attendance of the Colorado Rockies, Colorado Avalanche, Denver Nuggets, and Denver Broncos by almost 3.8 million visitors.
- Scientific and cultural organizations provided almost 2,700 programs targeted to specific underserved populations including children at or below the poverty level, people of diverse ethnic backgrounds, the elderly, and people with disabilities.
- Of these organizations, 85% had educational outreach programs that had more than 1.8 million contacts with school children in 1999.
- Members and subscribers of scientific and cultural organizations accounted for more than 779,000 people.
- More than 489,000 people enrolled in paid and free courses offered by scientific and cultural organizations, exceeding the 389,000 school children enrolled in K-12 public schools in the 6-county Denver area by 100,000 students.

Survey Respondents

Of the 305 organizations surveyed, 111 or 36% responded. The respondents account for more than 89% of the \$33.5 million SCFD funds distributed in 1999. The chart in the next column illustrates the respondents by type and size of organization as determined by revenue.

Responding Organizations Classified by Income and Type

1999			
Type of Organization	Income Range		
	Under \$250,000	\$250,000 - \$1M	Over \$1M
Historical/Natural Science	14	6	5
Visual Arts	5	5	1
Multi-disciplinary	7	3	6
Music	17	3	3
Theatre	9	2	1
Festivals/Special Events	1	1	3
Dance	4	4	2
Councils/Resources/Education	8	1	0
Total	65	25	21
Percent of respondents	59%	22%	19%

Financial Information

The following financial data for 1999 was reported by the 111 survey respondents representing six metropolitan counties:

- The operating revenues of cultural and scientific organizations were approximately \$184 million. Approximately \$104 million or 56% of the total revenue was “earned” while the remaining \$80 million or 44% was “contributed” by individuals, corporations, foundations and governments. Of the \$184 million in revenue, the breakdown among organization type is as follows:

**Responding Organizations Classified by Type,
Operating Revenue and Percent of Total**

1999		
Type	Operating Revenues (in millions)	Percent
Historic/Natural Sci	58	32%
Visual Arts	21	11%
Multi-disciplinary	69	38%
Music	17	9%
Theatre	4	2%
Festivals/Special Events	8	4%
Dance	6	3%
Councils/Resources/ Education	1	1%
Total	184	100%

- Unrestricted corporate cash contributions to scientific and cultural organizations totaled more than \$8.2 million or 10% of total contributions.
- In-kind contributions represented over \$7.7 million or equivalent to 10% of total contributions.
- The operating expenditures of scientific and cultural organizations totaled approximately \$166 million. At the end of fiscal year 1999, 80 or 72% organizations had large surplus revenues totaling approximately \$19.8 million. Another 2 organizations or 2% broke even, while 29 organizations or 26% ended the fiscal year with a deficit.
- In addition to operating expenditures, scientific and cultural organizations invested nearly \$8 million in capital additions for the purchase of new equipment, the construction of new facilities and the remodeling of existing facilities.
- Direct and indirect ancillary spending by the 9.3 million patrons of scientific and cultural institutions was estimated to be \$420 million based on an average expenditure of \$21. per-person on non-ticket items (i.e. transportation, parking, food) outside the scientific or cultural facility.
- Direct ancillary spending of science and cultural patrons that came from outside of

Colorado and stayed overnight was more than \$60 million, with the indirect more than \$70 million bringing the total spending of out-of-state patrons to more than \$130 million. (Ancillary lodging spending figures obtained from BBC Consulting, 1999)

- Unpaid volunteers and interns provided critical administrative, artistic and technical expertise to scientific and cultural organizations. More than 16,000 volunteers provided their time and expertise to these organizations. Volunteer hours totaled an estimated 599,000 hours or 288 full-time equivalent jobs.

Economic Impact

In 1999, the operating expenditures including operating surplus and capital expenditures and audience ancillary spending by patrons of the 111 scientific and cultural organizations created an estimated \$844 million economic impact.

Economic Impact of Scientific and Cultural Organizations 1999 (Millions)			
Expenditure	Sales Economic Impact		
	Direct	Indirect	Total
Operating (Inc. Surplus)	\$184	\$221	\$405
Capital	8	11	19
Audience Ancillary	192	228	420
Total	\$384	\$460	\$844

The total economic sales impact is composed of the direct and indirect economic impacts of operating and capital expenditures of organizations and the audience ancillary spending of 9.3 million patrons.

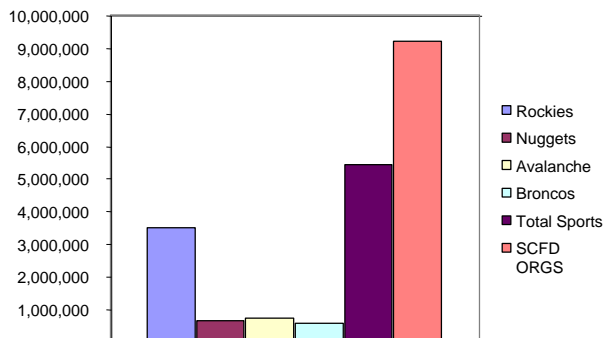
The direct economic impact measures the initial operating, capital and audience ancillary expenditures. The original expenditures continue to generate additional sales as related industries make additional purchases from suppliers. This second wave of impacts is referred to as the indirect economic impact. To quantify both the direct and indirect economic impacts, this Study uses data collected by the survey, other original research and the RIMS multiplier supplied by the U.S. Bureau of Economic Analysis.

Attendance and Outreach Programs

Inherent in the mission of the nonprofit scientific and cultural organizations surveyed is the goal of reaching out to the diversified population of metropolitan Denver. To capture the social impact of scientific and cultural organizations, survey respondents provided information on the number of performances and programs available to the public. By quantifying the attendance of scientific and cultural organizations, a more accurate picture is obtained of the contribution to all socio-economic groups.

- Scientific and cultural organizations attracted more than 9.3 million visitors in 1999. The visits consisted of approximately 7.1 million paid, 1.8 million free, and 440,000 reduced rate admissions.
- Attendance from outside of the state of Colorado at science and cultural venues in 1999 accounted for 1.1 million visitors, or 12% of total attendees.
- In 1999, scientific and cultural organizations provided close to 2,700 programs targeted to specific underserved populations including children at or below the poverty level, people of diverse ethnic backgrounds, the elderly and people with disabilities.
- The total attendance at performances and programs offered by scientific and cultural organizations exceeded the combined 1998-1999 season home game attendance of the Colorado Rockies, Colorado Avalanche, Denver Nuggets, and Denver Broncos by 69%, or 3.8 million visitors.

Attendance Comparison: 1999



Scientific and cultural organizations offer unique, interactive learning experiences for persons of all ages. These organizations offer scientific, cultural, and artistic professional development

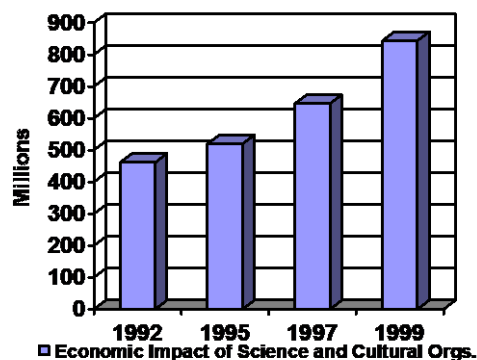
and lifelong learning opportunities to interested individuals. Scientific and cultural organizations also serve as classrooms for children of the metropolitan region, providing learning experiences that complement the traditional classroom education for all children, kindergarten to grade twelve.

- Approximately 85% of scientific and cultural organizations offer educational outreach program for grades K through 12.
- In 1999, scientific and cultural organizations had more than 1.8 million contacts with school children.
- In 1999, more than 489,000 people enrolled in paid and free courses offered by scientific and cultural organizations. By comparison, public school enrollment in the six counties included in the SCFD totaled 389,000 in the fall of 1999.

Trends

The SCFD distributed its first funds in 1989, with \$14 million granted to 154 organizations. In 1999, \$33.5 million was granted to 305 organizations.

- The total economic sales impact in 1999 from scientific and cultural organizations is \$844 million. This figure has grown 83% since 1992.



- The total tax receipts generated from the SCFD and distributed to SCFD recipient organizations has grown from \$14 million in 1989 to \$33.5 million in 1999.
- Since 1989, the total payroll of scientific and cultural organizations has grown by 126%,

from approximately \$28 million to more than \$63 million in 1999.

- The number of volunteers has remained relatively flat, decreasing 9% from 18,000 in 1989 to 16,415 in 1999. However, volunteer hours have increased by 69%, from approximately 354,000 hours to more than 598,000 hours in 1999.
- Since 1989, the number of people employed by scientific and cultural organizations has increased 157%.
- Since 1989, corporate cash sponsorship has increased by 276%, from approximately \$2.2 million to nearly \$8.3 million in 1999. Additionally, in-kind contributions from businesses totaled more than \$7.7 million in 1999.
- Since 1989, total admissions have grown by 84%. Paid admissions have increased 119% from approximately 3.25 million to 7.1 million in 1999; free admissions have increased 31% from approximately 1.35 million to 1.77 million in 1999; and reduced rate admissions have shown no growth during the same time period.
- Since 1989, attendance in paid and free courses offered by the scientific and cultural organizations has grown from approximately 30,000 participants to more than 490,000 participants in 1999.
- Outreach programs to underserved populations has significantly increased from 210 to almost 2,700 in 1999.
- Internships at scientific and cultural organizations have grown from 35 in 1989 to 152 in 1999.
- Since 1989, the total earned and contributed income of scientific and cultural organizations has grown from \$61 million to nearly \$184 million in 1999. This represents a 201% increase.

these organizations create sales, employment and earnings for the regional economy. In the drive for excellence and accessibility, the Scientific and Cultural Facilities District (SCFD) contributes to the quality of life in metropolitan Denver through performances, opportunities, and outreach and educational programs to children, underserved populations and the general public.

This Executive Summary provides a brief overview of the impact of scientific and cultural institutions on metropolitan Denver. From this information, both the business and cultural community can benefit from enhanced understanding of the roles these organizations play. A full report, describing the economic and social impacts of scientific and cultural organizations, is available for a nominal fee by calling CBCA at (303) 764-7248, or by writing CBCA at 700 Broadway, Suite 110, Denver, CO, 80203. In addition, information can be obtained on the CBCA Web Site at www.cbca.org.

Conclusion

Scientific and cultural organizations are responsible for many types of impacts on the metropolitan Denver community. As an industry,

