

Economic Activity Study ***of Metro Denver Culture***

LIKE NO PLACE ELSE

Big Picture

Colorado Business Committee for the Arts

(CBCA) has been demonstrating the social and financial impact of the arts on our region for over 20 years. Together, we continue to reach new heights in cultural tourism, job creation, philanthropy, business development and community outreach.

The results of CBCA's 2014 Economic Activity Study of Metro Denver Culture are calculated using 2013 data reported by nearly 300 organizations that received distributions from the Scientific and Cultural Facilities District (SCFD) in the seven metro counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson. The SCFD is considered a national model that supports our diverse, collaborative, vibrant and unique cultural community.

On the facing page are the results from a high altitude. In the following pages, we'll explore the stories behind these impressive figures and what's on the horizon.

2013 Snapshot

ECONOMIC ACTIVITY \$1.85 BILLION



ECONOMIC IMPACT
\$520.8 MILLION



OUTREACH TO STUDENTS
4.25 MILLION



10,205 JOBS



SCFD DISTRIBUTION
\$46.4 MILLION¹



ATTENDANCE
14.2 MILLION



GIVING TO THE ARTS
\$167 MILLION²

¹ In 2013, the SCFD generated and distributed \$47.3M to its grantee organizations. This study includes analysis on 97.8% of these funds reported by grantee organizations as of December 31, 2013. The unaccounted portion of these funds are due to the timing of distributions, differences in grantees' fiscal year-end dates and accounting policies, and SCFD's recovered election costs from 2004.

² Total contributions to the arts include SCFD distributions for the 2013 calendar year.

Econom Activity

*reflects the financial ripple
effect created by arts, cultural
and scientific organizations
in the metro area.*

As money churns through our community, the ripple effect
grows until it reaches something really big, like

\$1.85 BILLION

in Total Economic Activity

Up 5.1% from 2011

Operating Expenditures
\$820 MILLION

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Capital Expenditures
\$105 MILLION

Direct Economic Activity *consists of three categories of spending: Operating Expenditures, Audience Spending and Capital Expenditures.*

In order to provide quality programs and events, organizations pay operating costs such as buying props for performances, purchasing paintbrushes and getting food for animals. Audience spending is your part! Every time you get a drink at intermission,

dine out before a concert, or put gas in your car to attend a gallery opening, you're contributing. Finally, capital expenditures build community arts centers, renovate treasured places and maintain natural and cultural hubs for future generations to enjoy.

Indirect Economic Activity *includes the “second round” of spending.*

For example, paying a musician a living wage means she can pay her mortgage or buy a new car. Indirect Spending is calculated by applying RIMS Multipliers³ to all three categories of Direct

Economic Activity. This formula enables us to determine the total economic effect of an industry on the entire economy in the seven county metro area.

³ Regional Input-Output Modeling System (RIMS) benchmark series multipliers are provided by the U.S. Bureau of Economic Analysis 2010 Regional Data Edition (most current), with additional input from the Colorado Division of Local Governments.

Audience Spending
\$926 MILLION

Econom Impact

*illustrates the significant
amount of new money*

that enters our regional economy as a result of arts, cultural and scientific offerings. These are dollars that would otherwise not be spent in the seven county metro area. As a portion of the total economic activity, it includes cultural tourism, federal grants, and capital expenditures.

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Total Economic Impact

\$520.8 MILLION

Down 1.2% from 2011

Arts & culture are putting us on the map!

People are streaming to the metro area to engage in the high quality arts, cultural and scientific scene. Blockbuster exhibitions and innovative community events fuel the creative vitality of the entire region.

In 2013, there was a large jump in arts and cultural spending by visitors from outside the seven metro counties. These visitors, including those from outside Colorado, increased their spending by 14% over 2011.

About \$105 million in capital spending was injected into the local economy in 2013. This new money ensures that the theaters, museums and outdoor cultural sites attracting tourists remain fresh and inviting.

Overall, economic impact has remained relatively constant over the past two years. Arts and culture continue to infuse new money into our economy and draw visitors to our area.

Total number of
TOURISTS
from outside of
Colorado participating
in regional arts and
culture was
UP 17%
over 2011.



Total Attendance

14.2 MILLION

Up 4.4% from adjusted 2011 total⁴

Attendance

World-class, entertaining and educational arts experiences

offer citizens, from families to seniors, a variety of ways to engage with their community. Audience spending fuels economic activity, but it also enhances our quality of life.



In 2013, twice as many people participated in the arts for free or a reduced price than those who paid full admission. Over two-thirds of Americans feel that cost is still a barrier to attending a cultural event⁵, so this financial accessibility remains important.

These figures include some major blockbusters, such as Denver Museum of Nature & Science's *MythBusters*:

The Explosive Exhibition and *Mammoths & Mastodons: Titans of the Ice Age*, which highlighted the exceptional Ice Age fossil site unearthed near Snowmass Village, Colo. in 2010. Organizations like Colorado Dragon Boat Festival, Clyfford Still Museum, Fiesta Colorado and Colorado Chautauqua Association saw remarkable increases in attendance, as well.

⁴ There was a data discrepancy in the 2011 study that overstated the attendance, then reported as 14,657,182 attendees. This number has been adjusted accordingly to 13,613,817.

⁵ LaPlaca Cohen "Culture Track 2014"

Outreach to Students

Total Outreach

4.25 MILLION

Down less than 1% from 2011

Arts engagement at a young age is critical to sustaining our arts and cultural landscape.

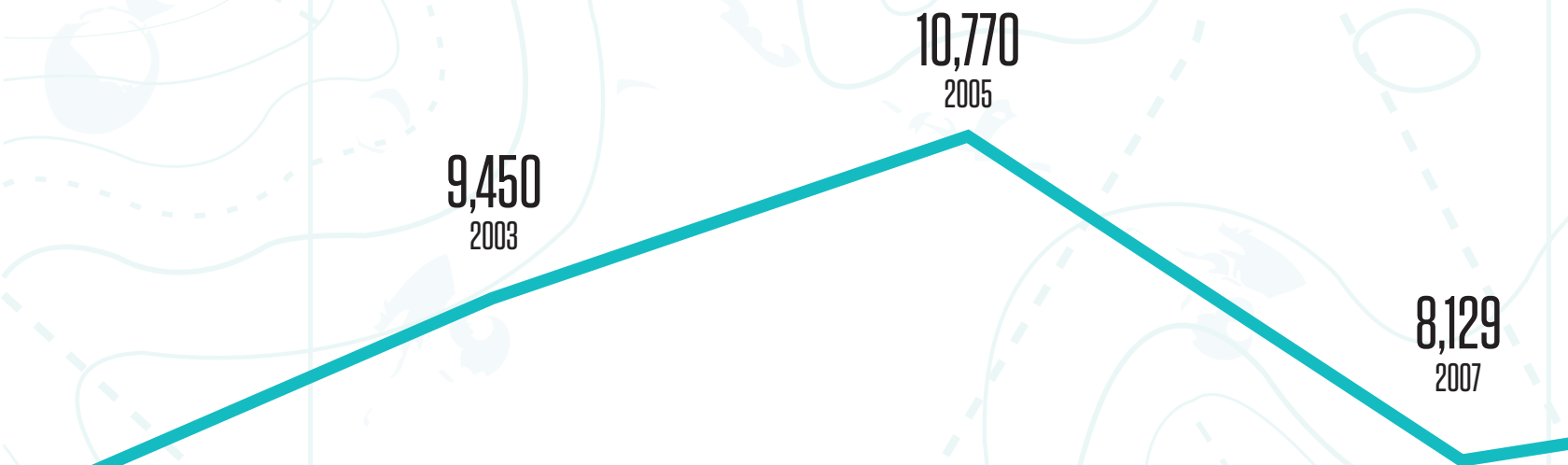
Exposing children to the arts helps to build audiences for the future. Arts, cultural and scientific organizations visit kids in their classrooms and provide educational programs at their own venues. Arts integration has been seen to improve academic achievement and youth development.⁶



Children had an average of
8.5 EXPERIENCES
with arts, cultural and
scientific groups in 2013.⁷

⁶ The Right Brain Initiative "2014 Progress Report"

⁷ Colorado Department of Education, Denver Metro Area
2013 Pupil Membership: 499,383



Jobs & Payroll

Total Payroll & Personnel Expenses

\$150.7 MILLION

Up 4% from 2011

Total Employment

10,205 JOBS

Up 9.1% from 2011



8,718
2009

9,354
2011

10,205
2013

Arts, cultural and scientific organizations are significant employers and job creators.

Healthy organizations can hire more and pay employees a living wage. These jobs directly contribute to the total economic activity for the region.

The number of cultural workers grew over 9% since 2011 with increases in full-time, part-time and contract positions. In 2013, Colorado ranked among the top 10 states for employment growth.⁸

There has been a national decline in artists in the workforce and employees in arts and cultural occupations since the recession.⁹ Yet, metro Denver has seen a promising and steady increase in nonprofit arts employment over the same period of time.

⁸ Metro Denver Economic Development Corporation "2014 Metro Denver Economic Forecast"

⁹ Americans for the Arts "2013 National Arts Index"

Total employment
in 2013 almost
**REACHED THE
PRE-RECESSION
RECORD.**

TOTAL VOLUNTEERS
44,438
Down 11.9% from 2011

Volunteers

embody the community's dedication to arts and culture in the region.

Tens of thousands of people ushered patrons to their seats, worked booths at festivals, guided tours, provided pro bono professional services and led workshops for school groups. Volunteers keep operational costs down while offering meaningful opportunities for people to participate in the arts.

Total Volunteer Hours

1.77 MILLION HOURS

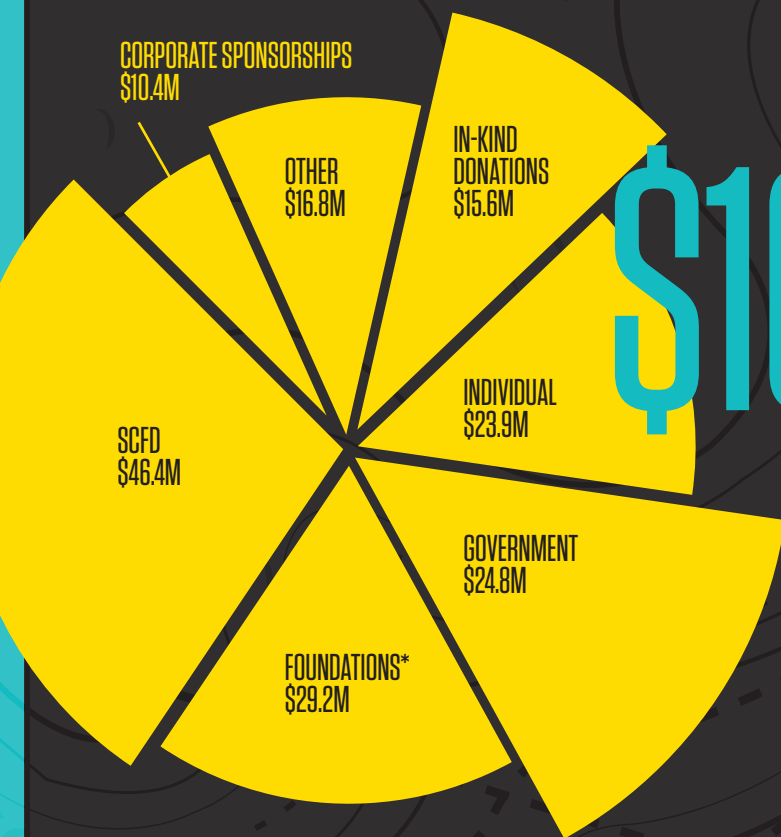
Down 7% from 2011

How big is 1.77 million volunteer hours?

IT EQUATES TO OVER

IT IS THE EQUIVALENT OF **851 FULL-TIME EMPLOYEES.** **\$44 MILLION** IN DONATED TIME.¹⁰

¹⁰ Independent Sector 2013 value of a volunteer hour in Colorado: \$25.10



Total Contributions

\$167 MILLION

Consistent with 2011

Giving to the Arts

Philanthropic giving to the arts is a key piece of our cultural economy.

While the citizen-support generated by the SCFD is significant, businesses, foundations, government agencies and individuals all play a vital part in ensuring stability and growth.

Corporate sponsorships increased 8.37% over 2011. Local companies invest in the arts because it enhances quality of life for their employees, fosters a vibrant and diverse community, educates our children and stimulates substantial economic activity for the metro area.

The face of philanthropy is shifting. Nonprofits will continue to adjust as online and mobile giving go mainstream, foundations reexamine their strategic priorities and corporate social responsibility becomes the norm.

Total giving to the arts rose 7.8% between 2012 and 2013 nationwide, which makes it one of the fastest growing areas for philanthropy.¹¹

¹¹ Giving USA 2014 Report

*Includes Private, Corporate, and Community Foundations

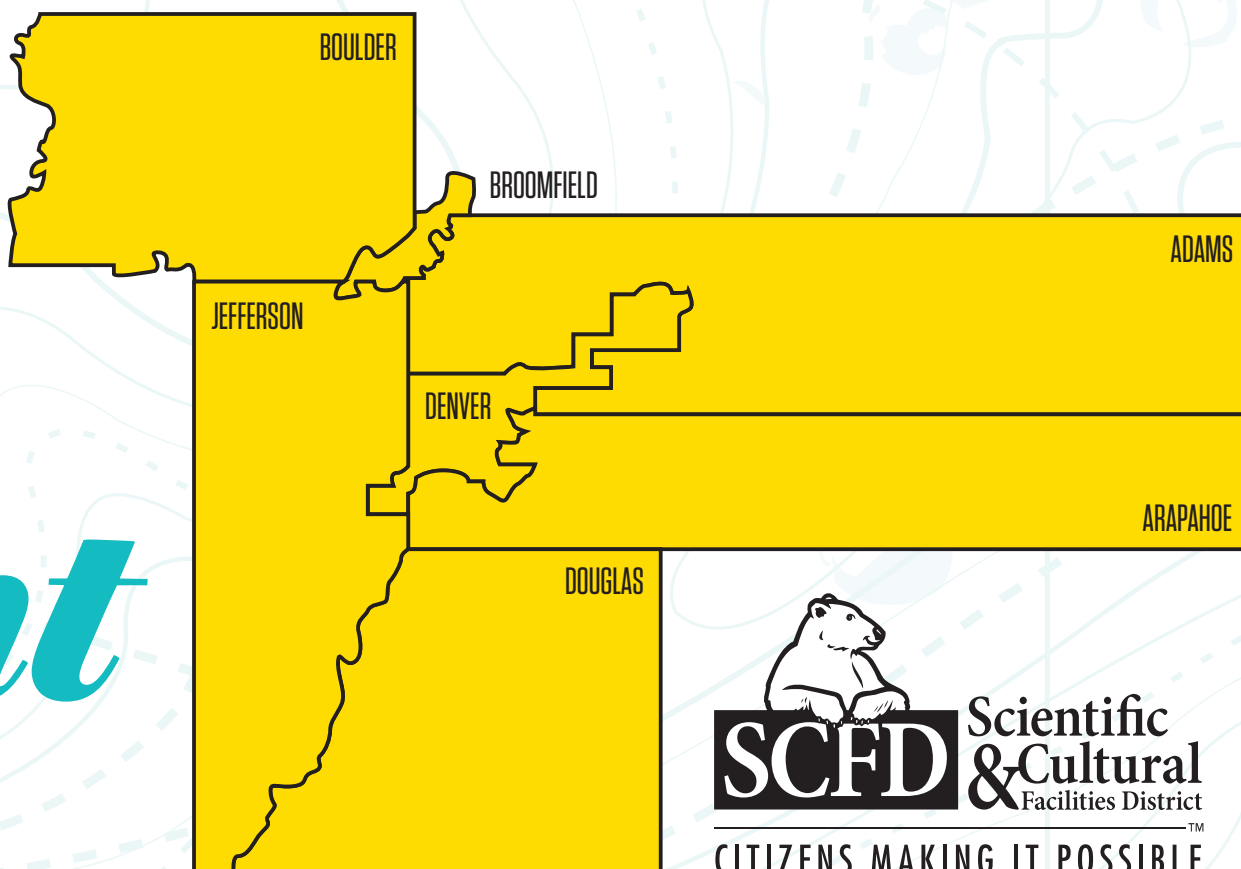
SCFD *Past & Present*

The Scientific and Cultural Facilities District (SCFD), is a special tax district created by voters in 1988.

Voters approved extensions of the aggregated¹² 1¢ on \$10 cultural tax in 1994 and 2004. This citizen support promotes greater public access to a wide variety of scientific & cultural programs while fueling regional economic activity.

SINCE 1989,
\$804 MILLION
HAS BEEN DISTRIBUTED TO
MORE THAN 300
UNIQUE SCIENTIFIC AND
CULTURAL ORGANIZATIONS.

¹² The 1¢ consists of three tax levies, each of which relates to a specific group of organizations.



Over the past 25 years, SCFD has grown significantly, in tax revenue (tripled) and in total number of recipient organizations (doubled).

***In 2013 alone,
SCFD funds supported:***

- 40 VISUAL ARTS ORGANIZATIONS
- 28 SCIENCE (BOTANY, ZOOLOGY, NATURAL HISTORY) ORGANIZATIONS
- 35 CULTURAL HISTORY ORGANIZATIONS
- 17 DANCE ORGANIZATIONS
- 98 MUSIC ORGANIZATIONS
- 32 THEATRE ORGANIZATIONS
- 29 MULTI-DISCIPLINARY ORGANIZATIONS

The District encompasses seven metropolitan counties and covers more than 4,500 square miles, within which half the population of the state resides. The SCFD's array of cultural assets—along with Colorado's natural beauty, recreation opportunities, transportation, and sports amenities—is central to the region's superior quality of life and its thriving economy.

2008

2013

On the

Forecasting

The SCFD has been supporting regional and community-based organizations for 25 years. What can we predict for the future?

BY 2028
\$3.82 BILLION
IN ECONOMIC ACTIVITY
4.95% Average Annual Change



BY 2028
\$989 MILLION
IN ECONOMIC IMPACT
4.4% Average Annual Change

CBCA reviewed the historical data and calculated trend forecasts for key economic indicators. These forecasts were derived by averaging the annual percentage change from 2001 to 2013. The annual percentage was then applied to the preceding year to forecast the subsequent 5, 10 and 15 years. This data is provided for general purposes only, but illustrates a promising upward trajectory.

BY 2028
29.3 MILLION
IN ATTENDANCE
4.94% Average Annual Change



BY 2028
16,582 JOBS
3.1% Average Annual Change

Horizon

Changes in the Metro Denver Area

The metro Denver region will not look the same in the future.

Currently, SCFD serves the 2.9 million metro residents, which is over half of Colorado's population. By 2028, the metro area is projected to be 3.6 million.¹³

In 2013, nearly 20% of the metro area was over 60 years old. By 2035, this cohort will jump to be one in four residents.¹⁴ At the same time, Denver has been consistently ranked as a top metro area for

millennials, especially for affordability and career opportunities.

Between 2013 and 2028, Colorado's Hispanic population will grow from one-fifth to over a quarter of the population. Asian Americans will grow from 3% to 5% and African Americans are projected to stay steady at 4% statewide.¹⁵

Changes in Arts Engagement

More than two-thirds of adults nationally accessed art via electronic media, including TV, radio, mobile devices, the Internet, and DVDs in 2012.¹⁶

Local institutions are adapting and reaching out in new ways. The Denver March Powwow was streamed live and Lighthouse Writers Workshop provides online writing courses.

Audiences are connecting through social networks and mobile devices. For example, Denver Philharmonic Orchestra tweets photos and facts during concerts and encourages patrons to view paperless programs on their tablets.

Cultural entities are reaching people beyond their facilities and collaborating with diverse partners. Dancers appear at hospitals and hotel lobbies. Numerous chorales perform the National Anthem at sports arenas. Orchestras play at senior living centers and on guided hiking trails.

¹³ Colorado Department of Local Affairs

¹⁴ Denver Regional Council of Governments (DRCOG) Metro Vision 2011–2035

¹⁵ Colorado Department of Local Affairs

¹⁶ National Endowment for the Arts "2012 Survey of Public Participation in the Arts"

About

Colorado Business Committee for the Arts

The Colorado Business Committee for the Arts (CBCA) has been advancing Colorado's creative economy by connecting businesses and the arts since 1985.

CBCA is a membership-based 501c3 nonprofit organization consisting of leading companies and individuals that have a philanthropic commitment to the arts. CBCA's over 120 members recognize the link between cultural vitality and business success. CBCA is an affiliate of Americans for the Arts and formerly of the National Business Committee for the Arts founded by David Rockefeller in 1967.

In addition to economic research and advocacy, CBCA programs include Leadership Arts board service training, annual Business for the Arts Awards, and numerous member events designed to raise awareness and encourage participation in arts and culture. Learn more about CBCA membership and programs at www.cbca.org.

Economic Activity Study of Metro Denver Culture

With the assistance of key partners, CBCA has been producing the biennial Economic Activity of Metro Denver Culture for two decades.

The study reflects self-reported information that was collected in the 2013 calendar year from 100% of the nonprofits receiving SCFD funds that year.

The request for data is integrated into the SCFD grant process. The raw numbers are compiled by SCFD and analyzed by DualDraw and Ernst & Young. The data analysis model, originally designed by Deloitte Consulting, is based on the questionnaire and modified over time for consistency and accuracy.

Year after year, the information in this economic study is used locally and nationally by business

executives, elected officials, artists, civic leaders, members of the media, nonprofit directors, and many others to demonstrate the role of arts and culture as a driver for economic and community development.

CBCA would be happy to come to your office, board meeting or community gathering to present the results of the 2014 Economic Activity Study of Metro Denver Culture and discuss the important connections between the arts and business. To schedule a presentation, contact main@cbca.org or call 303-282-5135.

Your Notes:

Acknowledgements

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