



**ECONOMIC ACTIVITY STUDY
OF METRO DENVER CULTURE**

DEDICATION

This study is dedicated to Sheila Mieger (1974–2016) whose light shines on through the countless lives she touched.

A STRONG FOUNDATION

Arts, cultural and scientific organizations continue to make an important impact on our regional economy.

The arts boost tourism, spur economic growth, enhance workforce development, advance lifelong learning, expand philanthropy, provide entertainment and build community vitality. The arts here in metro Denver elevate our national reputation and improve our local quality of life.

This report illustrates the financial and social significance of arts, cultural and scientific organizations in the metro area. There is a strong foundation of excellence, impact and investment in the arts. The arts continue to break records. The arts continue to evolve. The arts continue to raise up our community.

TOGETHER, WE BUILD ON THIS
SUCCESS AND HIT NEW HIGH NOTES.

AT A GLANCE

ECONOMIC ACTIVITY

\$1.8 BILLION

ECONOMIC IMPACT

\$512.8 MILLION

SCFD DISTRIBUTION

\$53.2 MILLION¹

JOBS

10,731

GIVING TO THE ARTS

\$176.4 MILLION²

ATTENDANCE

13.9 MILLION

OUTREACH TO CHILDREN

3.9 MILLION

HITTING THE HIGH NOTES

HIGHEST ECONOMIC IMPACT FROM TOURISTS

SECOND HIGHEST AMOUNT OF CORPORATE CONTRIBUTIONS

EMPLOYMENT HAS REACHED PRE-GREAT RECESSION LEVELS

MOST VOLUNTEER HOURS EVER

CONTINUED EMPHASIS ON FREE AND REDUCED PRICE ATTENDANCE

ABOUT THE STUDY

Since 1992, the Colorado Business Committee for the Arts (CBCA) has been quantifying the economic and social relevance of arts, cultural and scientific organizations in the metro area.

The biennial Economic Activity Study of Metro Denver Culture compiles data from all nonprofit organizations who received funds through the Scientific and Cultural Facilities District (SCFD) within a seven-county region: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson. Published in October, 2016, this study examines self-reported data from 264 cultural organizations in the 2015 calendar year with a 100% response rate.

The raw numbers are organized by SCFD and analyzed with a model developed originally by experts at Denver's Deloitte Consulting office using U.S. Department of Commerce Bureau of Economic Analysis multiplier data. Members of our analytical team have worked on the past eight

studies, dating back to the year 2000, and have refined the model over the years for consistency and accuracy. Draft results of our study are presented to economic experts at the Denver Metro Economic Development Corporation for validation and feedback. This independent review provides a regional context in addition to increasing the integrity of our results.

The results speak for themselves — this robust study is cited locally and nationally by elected officials, business executives, media, nonprofit professionals, artists and various civic leaders. CBCA would like to thank our sponsors and production team for making this study available to the public free of charge.

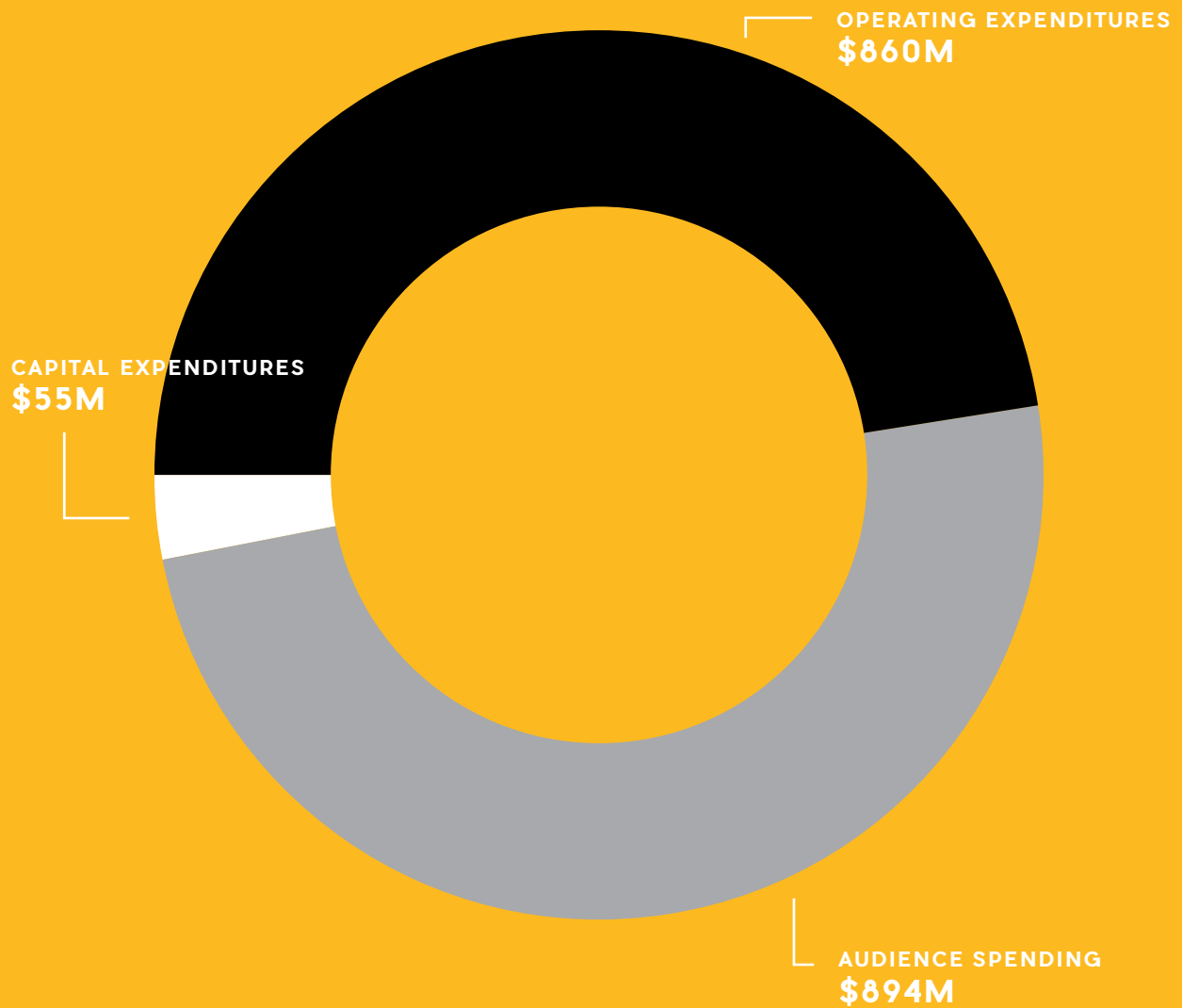
[1] In 2015, the SCFD generated and distributed \$54.35 million to its grantee organizations. This study includes analysis on 98% of these funds reported by grantee organizations as of December 31, 2015. The unaccounted portion of these funds is due to the timing of distributions, differences in grantees' fiscal year-end dates and accounting policies.

[2] Total giving to the arts includes the SCFD distribution for the 2015 calendar year.

TOTAL ECONOMIC ACTIVITY

\$1.8 BILLION

(DOWN 2.2% FROM 2013)



ECONOMIC ACTIVITY

Economic activity is the foundation of our local economy. It consists of the production, distribution and consumption of goods and services. This process enables money to churn through the community and fuel our economic engine. Arts, cultural and scientific organizations play a key role in every step of this system.

Total Economic Activity is the combination of several direct and indirect factors. There are three main categories of economic activity:

OPERATING EXPENDITURES

Daily costs to keep these cultural organizations functioning and serving the public

AUDIENCE SPENDING

What we spend in order to enjoy these arts and cultural offerings, such as tickets, memberships and concessions

CAPITAL EXPENDITURES

Building and renovation expenses to keep facilities and programs fresh, safe and accessible

For every dollar spent, there is a ripple effect across our regional economy. Buying produce

from a nearby farm to feed animals at the Denver Zoo supports a local business. Paying an actress at the Arvada Center for the Arts and Humanities means she can shop at her neighborhood stores. Driving to the Morrison Natural History Museum or Hudson Gardens, buying a snack at the Vintage Theatre during intermission, picking out a souvenir from the MCA Denver gift shop or paying the babysitter for your date night at the Boulder Philharmonic Orchestra are all pieces of this ripple effect, or what is called indirect economic activity. Indirect activity is calculated by applying national and regional RIMS multipliers³ to all three categories of direct economic activity.

The arts remain a strong financial force and bolster our entire regional economy.

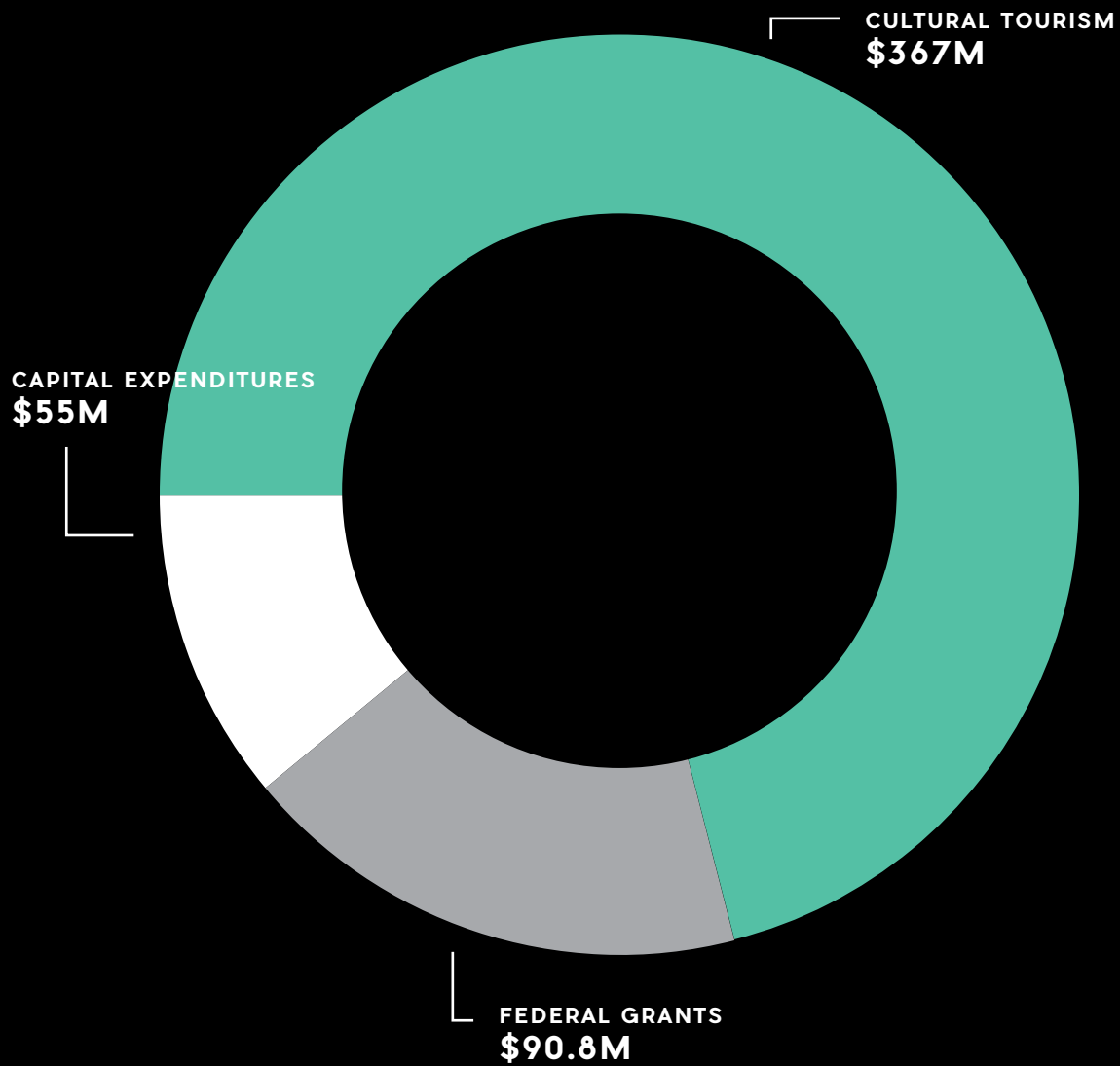
FOR EVERY DOLLAR SPENT, THERE IS A RIPPLE EFFECT ACROSS OUR REGIONAL ECONOMY.

[3] Regional Input-Output Modeling System (RIMS II) multipliers are provided by the U.S. Bureau of Economic Analysis and are based on 2007 national benchmark input-output data and 2013 regional data released in November 2015 (most current).

TOTAL ECONOMIC IMPACT

\$512.8 MILLION

(DOWN 1.6% FROM 2013)



ECONOMIC IMPACT

Economic impact is an important component of overall economic activity. It represents new money entering our economy. Without these arts, cultural and scientific organizations, this level of spending and infusion of new money would not occur.

There are three building blocks that make up economic impact:

CULTURAL TOURISM

Spending from visitors outside the metro area and outside of Colorado

FEDERAL GRANTS

Operating or programmatic support from our national government

CAPITAL EXPENDITURES

Spending on new buildings and renovations outside of daily operations

While the Total Economic Impact was nearly flat between 2013 and 2015 (down slightly, by 1.6%), we saw some shifts within these main categories. In 2015, we saw the largest economic impact from cultural tourists ever, adding \$367 million of new money to our economy. About 18% of all attendance came from visitors outside the metro area. The arts truly attract people to our region. They give travelers something unique to do and

a reason to stay extra days in one of our hotels. Between 2013 and 2015, overnight leisure visits to Denver increased 15%.⁴ During that same time, day trips to Denver increased almost 27%.⁵ Eight of the top 12 paid attractions for these visitors were cultural organizations.⁶

However, the wave of new construction that we saw in the past six years has diminished greatly. There was a 41% drop in capital spending between 2013 and 2015. While this decline affects the aggregated totals, we can see its positive impact in other places. For example, organizations like Colorado Ballet, Denver Botanic Gardens, Longmont Museum, Dairy Center for the Arts, Denver Museum of Nature & Science and Children's Museum of Denver at Marisco Campus completed major construction projects and facility expansions. Now, they can serve more adults, children and those cultural tourists we appreciate so much! It's only a matter of time before they pick up the hammers again.

ECONOMIC IMPACT REPRESENTS NEW MONEY ENTERING OUR LOCAL ECONOMY.

[4] "Denver 2015 Travel Year" (Longwoods International. Prepared for VISIT DENVER)

[5] *Ibid.*

[6] *Ibid.*



TOTAL JOBS

10,731
(UP 5% FROM 2013)

TOTAL PAYROLL

\$165.2M
(UP 9.6% FROM 2013)

TOTAL SEAT, SALES &
PAYROLL TAXES

\$19.8M
(UP 7% FROM 2013)

JOBS

Strong job growth continues in arts, cultural and scientific organizations!
By 2015, the total number of jobs reached pre-Great Recession levels.

These positions range from curator to zookeeper, accountant to jazz teacher. Total employment includes full and part-time positions, as well as contract workers. There were increases in full and part-time jobs in 2015, while the amount of contract workers remained flat. This employment growth positively influences the total economic activity generated through the arts. When we hire more cultural workers, they continue fueling our local economy.

Not only are arts, cultural and scientific nonprofits good employers, but they contribute to our economy through taxes. We saw a 9.6% increase in payroll and a 7% increase in seat, sales and payroll taxes between 2013 and 2015.

The arts outpaced the total employment growth in metro Denver, Colorado and nationally. In the years between 2013 and 2015, overall employment rates averaged 3.5% in metro Denver, 3.1% in Colorado, and 1.9% nationally.⁷

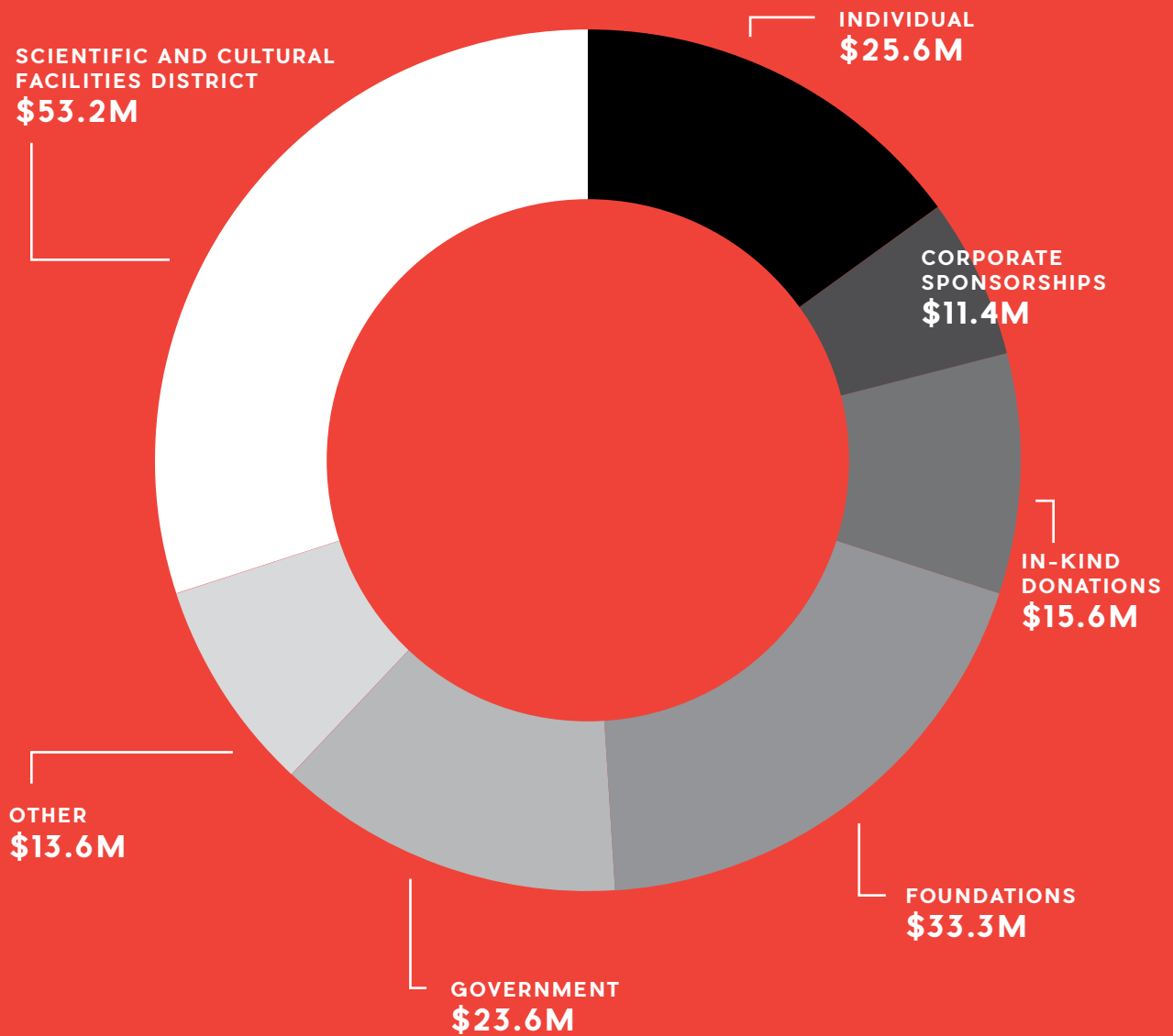
**TOTAL EMPLOYMENT REACHED
PRE-GREAT RECESSION LEVELS.**

[7] "2015 Economic Update" (Metro Denver Economic Development Corporation)

TOTAL CONTRIBUTIONS

\$176.4 MILLION

(UP 5.5% FROM 2013)



GIVING

Our cultural sector is strong thanks to enthusiastic patrons and generous community partners. Philanthropic giving to the arts is an important aspect of our regional economy.

There were substantial increases in philanthropic giving from individuals (up 7% from 2013), corporate sponsorships (up 10% from 2013), and foundations (up 14% from 2013).

Under the category of foundations, there are three types of sources. There was a 36% increase in giving from private foundations, a 32% increase from corporate foundations and a 59% decrease from community foundations giving to the arts in 2015.

For the second study in a row, contributed income made up only 44% of aggregated organizational budgets. The remaining 56% came from earned income, like ticket sales, merchandise and program fees. Diverse earned income streams

can help nonprofits be more innovative, flexible, self-sufficient and relevant to the community they serve.⁸ Combined with a solid philanthropic base, these entrepreneurial strategies can help organizations be more sustainable into the future.

This local snapshot reflects national trends in philanthropy. Total estimated charitable giving increased 4.1% nationally between 2014 and 2015.⁹ There were also increases in philanthropy from corporations (up 3.9% from 2014), from individuals (up 3.8%), and from foundations (up 6.5%).¹⁰ Giving to arts, culture and humanities makes up 5% of all charitable giving across the country. About 5% of all corporate philanthropy nationally goes to arts and culture.¹¹

**CORPORATE SPONSORSHIPS IN THE ARTS
INCREASED OVER 10% BETWEEN 2013 AND 2015.**

[8] "Pros and Cons: Earned Income" (Society for Nonprofits)

[9] Giving USA™ 2016 Highlights: An overview of giving in 2015 (Researched and written by IUPUI Lilly Family School of Philanthropy)

[10] Ibid.

[11] Giving in Numbers 2015 edition (CECP in association with The Conference Board)



TOTAL ATTENDANCE

13.9 MILLION

(DOWN 1.8% FROM 2013)

HOW MANY IS
13.9 MILLION PEOPLE?

YOU COULD TAKE EVERYONE SKIING AT BRECKENRIDGE SKI RESORT AND IT WOULD TAKE ALMOST 5 DAYS NONSTOP TO GET EVERYONE UP THE MOUNTAIN USING EVERY SINGLE CHAIRLIFT.

YOU COULD FILL SPORTS AUTHORITY FIELD AT MILE HIGH STADIUM, PEPSI CENTER, COORS FIELD AND DICK'S SPORTING GOODS PARK EVERY SINGLE DAY FOR ALMOST 3 MONTHS.

YOU COULD TAKE EVERYONE TO A SOLD OUT CONCERT AT RED ROCKS AMPHITHEATER EVERY DAY FOR 4 YEARS STRAIGHT.



ATTENDANCE

Arts, cultural and scientific organizations continue to provide quality, unique, cutting-edge and memorable experiences for the public. These experiences include museum visits, concerts, live theater performances, animal encounters, nature walks, festivals, literary readings and much more!

The average metro resident had 4.5 arts experiences over the course of 2015.¹²

There is an ongoing trend to offer more free and reduced-price opportunities to engage with arts and culture. Free attendance went up 3% from 2013, while paid attendance dropped 9% in that same time.

As a state, Colorado ranks top in the country for classical music concert, dance and theater performances and art museum attendance. Denver metro area (Denver-Aurora-Boulder) is also ranked high nationally for performing and visual arts attendance.¹³



WITH AN EMPHASIS ON ACCESSIBILITY,
FREE ATTENDANCE WENT UP 3% FROM 2013.



[12] Population of metro Denver as of July 01, 2015 was 3.077 million (United States Census Bureau)

[13] Survey of Public Participation in the Arts (SPPA) 2012 estimates are available for: the U.S.; regions; regional sub-divisions; 32 states; and 11 metropolitan areas. "Sample Findings: Performing Arts Attendance by State" (Conducted by the U.S. Census Bureau for the National Endowment for the Arts)

TOTAL OUTREACH TO CHILDREN

3.9 MILLION

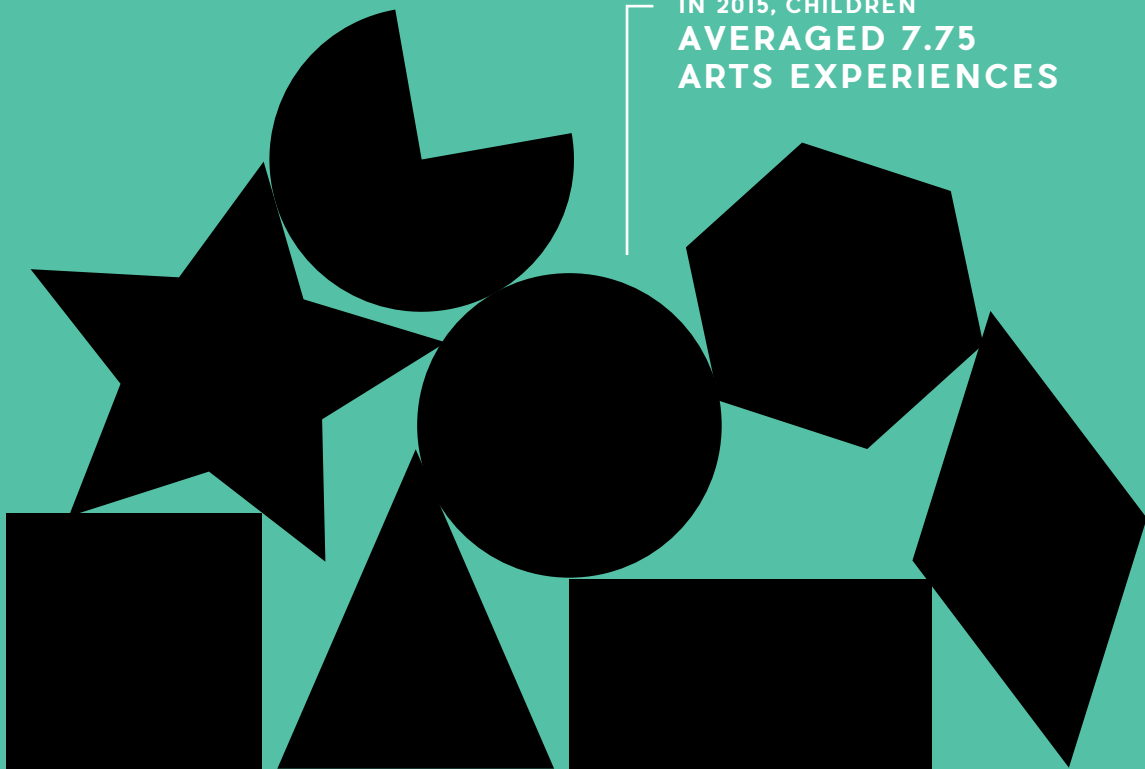
(DOWN 6.9% FROM 2013)

TOTAL CLASS ENROLLMENT (ADULT AND YOUTH)

507,238

(UP 12% FROM 2013)

IN 2015, CHILDREN
AVERAGED 7.75
ARTS EXPERIENCES



EDUCATION

Arts, cultural and scientific organizations do more than fuel our local economy and community vitality. They play a dynamic role in educating our children and engaging adults in creative outlets.

These organizations are committed to offering educational opportunities for kids. Educational outreach comes in all shapes and sizes. It can be subsidizing buses so students can go on field trips to Butterfly Pavilion or Denver Art Museum. It can be experiences in classrooms, teaching math curriculum through dance or theater. From hands-on workshops with Think 360 Arts to full school performances from Wonderbound, these nonprofits provided almost 4 million outreach activities with children in 2015. Based on the total students in the metro area, that averages to 7.75 arts experiences per kid in one year.¹⁴

There have been several studies that illustrate the positive impact of early exposure to the arts, arts education and lifelong creative learning. For example, a report from the National Endowment for the Arts (NEA) found that at-risk students who have access to the arts in and out of school also tend to see improved academic results, better job opportunities and increased civic engagement.¹⁵ In addition, a thorough literature review by

the NEA cited that arts can foster openness to new ideas and multiple perspectives, as well as stronger connections to people and community at “virtually every stage of life.”¹⁶

Total class enrollment in 2015 was 507,238, which is up 12% from 2013. Arts, cultural and scientific organizations aren’t just teaching children. Adults are also taking classes. Whether they are in a course at Lighthouse Writers Workshop, continuing guitar lessons at Swallow Hill Music, learning modern dance with 3rd Law Dance/Theater or finally taking a ceramics class at the Art Students League of Denver, adults benefit from creative expression. In fact, Colorado is top in the nation for adult residents (64.6%) who personally perform or create artworks.¹⁷ A study by The Conference Board showed that “creativity ranks among the top five skills that U.S. employers believe to be of increasing importance.”¹⁸ More and more, companies are engaging their employees with the arts and encouraging creative thinking in and outside of the office.

TOTAL CLASS ENROLLMENT INCREASED 12% FROM 2013.

[14] *Pupil Membership for 2015 - District Data* (Colorado Department of Education)

[15] *“The Arts and Achievement in At-Risk Youth: Findings from Four Longitudinal Studies”* (NEA, 2012)

[16] *“The Arts in Early Childhood: Social and Emotional Benefits of Arts Participation”* (NEA, 2015)

[17] *“Arts Data Profile #11 (August 2016) – State-Level Estimates of Arts Participation Patterns (2012-2015)”* Annual Arts Basic Survey and Survey of Public Participation in the Arts (NEA, 2016)

[18] *“Ready to Innovate: Are Educators and Executives Aligned on the Creative Readiness of the U.S. Workforce?”* (The Conference Board, 2008)

TOTAL VOLUNTEERS

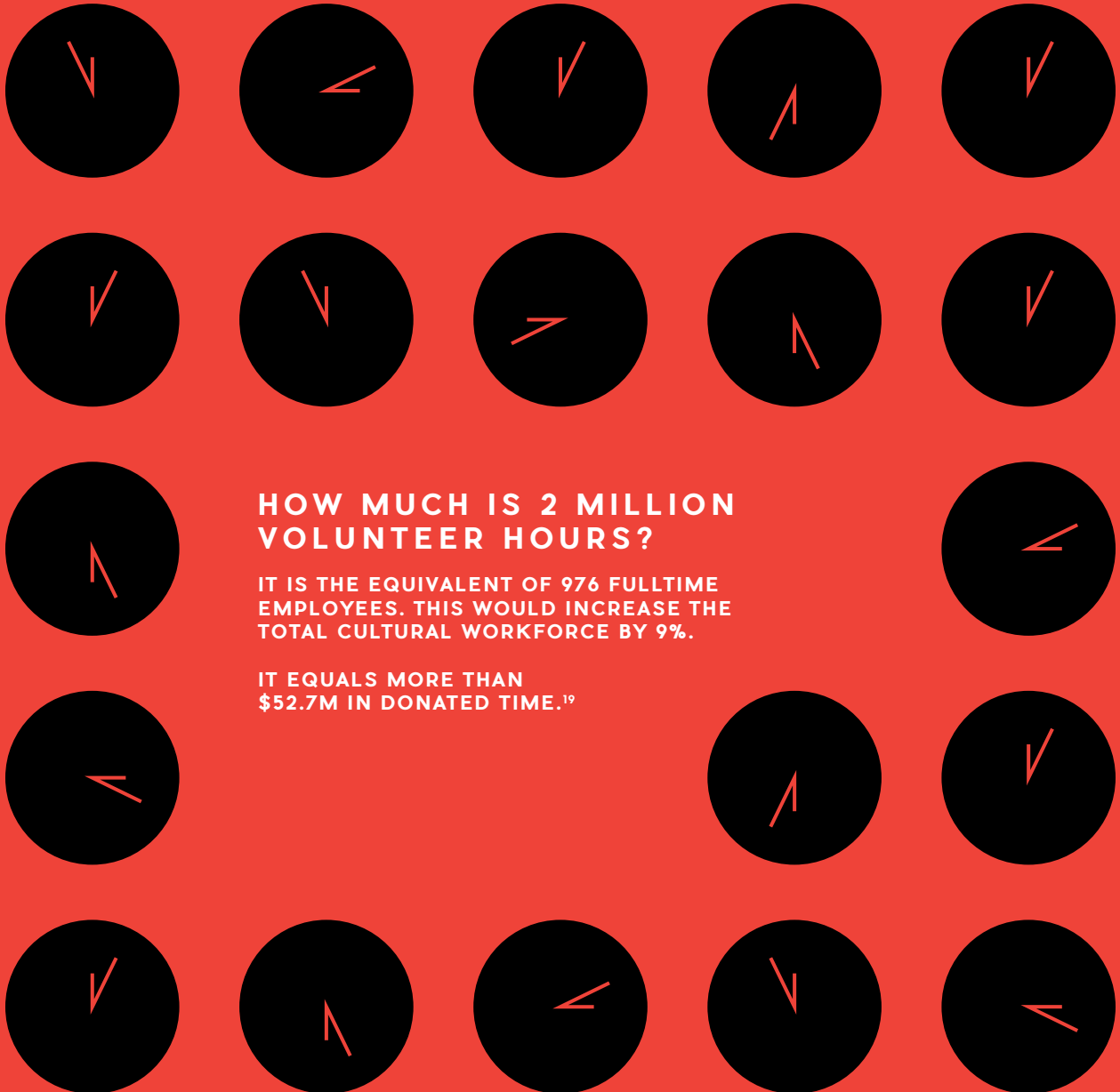
42,415

(DOWN 4.5% FROM 2013)

TOTAL VOLUNTEER HOURS

2,031,073

(UP 15% FROM 2013)



HOW MUCH IS 2 MILLION VOLUNTEER HOURS?

IT IS THE EQUIVALENT OF 976 FULLTIME EMPLOYEES. THIS WOULD INCREASE THE TOTAL CULTURAL WORKFORCE BY 9%.

IT EQUALS MORE THAN \$52.7M IN DONATED TIME.¹⁹

VOLUNTEERS

Volunteerism offers a meaningful way for people to engage with the arts, cultural and scientific organizations they love. Volunteers also help keep operating costs down.

In 2015, the total number of volunteers in the arts was 42,415. These community members donated a record-breaking number of hours: 2 million. Compared to 2013, fewer people volunteered more time than ever before, an average of 48 hours a year per person. This outpouring of support is unprecedented in the history of this study.

Statewide, Colorado ranks 15th in the nation for volunteerism with almost 31% of residents volunteering in 2014.²⁰ Volunteers are also one-third more likely to contribute philanthropically across the board.

**THIS OUTPOURING OF SUPPORT IS UNPRECEDENTED
IN THE HISTORY OF THIS STUDY.**

[19] *Estimated Value of Volunteer Time in Colorado in 2015 is \$25.96 per hour (Independent Sector)*

[20] *"Colorado Profile - Volunteering and Civic Life in America" (Corporation for National & Community Service 2014)*

SCFD DISTRIBUTIONS

\$53.2 MILLION

(UP 14.6% FROM 2013)

1 CENT
OF EVERY \$10

SCFD

The Scientific & Cultural Facilities District (SCFD) is the region's one-of-a-kind community investment in arts, cultural and scientific organizations.

Two important factors converged in the late 1980s in metro Denver. Civic leaders had a vision of a great city and region, which included strategic improvements to transportation, infrastructure, tourism, neighborhood development, and arts & culture. At the same time, the region was experiencing an economic recession that resulted in major changes to public funding.

In 1988, voters in metro Denver approved the SCFD, a special taxing district that is now a national model for regional collaboration and cultural funding. SCFD is a dedicated 0.01% sales tax in the metro counties: Adams, Arapahoe, Boulder, Broomfield (added in 1998), Denver, Douglas and Jefferson. Since the first distribution of funds in 1989, SCFD continues to set new records!

One penny of every \$10 spent reached \$53.2 million²¹ and was allocated across 264 nonprofit organizations in 2015.²² These organizations provide the public with quality experiences in arts, dance, botany, zoology, literature, theater, music, cultural and natural history, as well as multi-disciplinary collaborations.

SCFD funds supplement general operating budgets, which enable these organizations to focus on innovative programming, education and community access. For example, there were over 100 free days in 2015 for metro residents, which comprises half the population of Colorado.

**SCFD PROVIDED SUPPORT FOR OVER 100
FREE DAYS IN 2015 FOR METRO RESIDENTS.**

[21] See note [1].

[22] The data in this study comes from SCFD grantee final reports received in 2016 with data from the 2015 calendar year. There were some new organizations that started receiving funding 2015, but their final report won't be due until 2017. With that, 272 organizations received funds from the SCFD in 2015.

ABOUT CBCA

Colorado Business Committee for the Arts (CBCA) is a 501(c)3 nonprofit, membership organization that has been forging inspiring partnerships between business & the arts for over 30 years. We advance Colorado's creative vitality through advocacy, research, training, volunteerism and arts engagement. Our members represent numerous local companies from all sectors choosing to be at the exciting intersection of arts and business across the state.

WHAT WE DO

Publish the **Economic Activity Study of Metro Denver Culture**, a biennial culmination of research that quantifies the economic contributions of arts and culture on the region

Present the **Business for the Arts Awards** to honor innovative partnerships, generous philanthropy, creative businesses and stellar leadership across Colorado

Offer our members free tickets to diverse and unique arts experiences through exclusive **Night At...** events

Train professionals to be effective volunteer leaders and arts advocates through our **Leadership Arts** program and foster ongoing engagement with the **Leadership Arts Alumni Network**

Operate **Colorado Attorneys for the Arts**, a pro bono legal referral service that matches artists and creative entities with volunteer attorneys

Offer **On My Own Time**, which celebrates workforce creativity through employee art shows

JOIN CBCA

This is your opportunity to connect with business, arts and civic leaders in Colorado. Become our newest member. Demonstrate your philanthropic commitment to the arts. Provide your employees with meaningful ways to experience and support the arts. Use the arts to advance your business goals. Join CBCA today.

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