

**Presented by U.S. Bank**

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# INTRODUCTION

Arts, culture and scientific organizations are the backbone of a vibrant, resilient and inclusive society. Colorado Business Committee for the Arts (CBCA)'s **Economic Activity Study of Metro Denver Culture**, presented by U.S. Bank, quantifies the financial and social impact of these institutions. This study illustrates years of record-breaking cultural growth and how a community responds to drastic and disruptive circumstances.

This document presents the comprehensive analysis, methodology, context and reference material for CBCA's Economic Activity Study of Metro Denver Culture, presented by U.S. Bank, published on November 4, 2021.

An interactive digital version of the study is available at [cbca.org/2021-economic-activity-study](https://cbca.org/2021-economic-activity-study). There is also a downloadable summary page available in English and Spanish. Digital copies of CBCA's prior Economic Activity Studies from 2000 to 2018 are available on CBCA's website.

CBCA has been reporting on the impact of the arts for 28 years. This Economic Activity Study of Metro Denver Culture is calculated using data from the 2019 and 2020 calendar years. Data is self-reported by the nearly 300 arts, culture and scientific nonprofits funded by the Scientific and Cultural Facilities District (SCFD) in a seven-county region: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson. This study does not include data from non-SCFD funded nonprofits, for-profit creative businesses, higher education or individual artists. Economic activity and impact are calculated using RIMS II multipliers from the U.S. Bureau of Economic Analysis. CBCA uses a longitudinal analytical model to track changes over time.

Founded in 1985, Colorado Business Committee for the Arts (CBCA) is a 501c3 nonprofit that connects business and the arts to advance Colorado's creative economy through advocacy, research, arts engagement, training and volunteerism.

CBCA welcomes the opportunity to speak to you and your organization about this study and share this information. Contact CBCA at [main@cbca.org](mailto:main@cbca.org) to learn more or schedule a presentation.

Thank you to the Presenting Sponsor, U.S. Bank, for making this report possible, as well as appreciation to all the sponsors: Pinnacle Assurance, Colorado Educational and Cultural Facilities Authority (CECFA), Employers Council, Forte Commercial Real Estate, Scientific and Cultural Facilities District (SCFD), VISIT DENVER, DualDraw and The Publishing House.



## 2019 AND 2020 SNAPSHOT

### 2019 Snapshot



#### Economic Activity

2019   
\$2.3 billion  
17% increase from 2017

#### Jobs

2019   
13,392 jobs  
13% increase from 2017

#### Giving to the Arts

2019   
\$213 million  
17% increase from 2017

#### Economic Impact

2019   
\$860 million  
50% increase from 2017

#### Attendance

2019   
15 million people  
1% increase from 2017

#### Education Outreach

2019   
4 million children  
1% increase from 2017

### 2020 Snapshot



#### Economic Activity

2020   
\$1.5 billion  
34% decrease from 2019

#### Jobs

2020   
9,688 jobs  
28% decrease from 2019

#### Giving to the Arts

2020   
\$225 million  
5.5% increase from 2019

#### Economic Impact

2020   
\$435 million  
49% decrease from 2019

#### Attendance

2020   
8 million people  
49% decrease from 2019

#### Education Outreach

2020   
2 million children  
46% decrease from 2019

## SUMMARY

- **Arts and cultural activity reached a peak in 2019**, breaking records for economic activity and impact. Momentum was building since the last recession, enabling organizations to invest in capital projects, employment growth and blockbuster events.
- **The arts sector lost a decade of growth in 2020** due to the COVID-19 pandemic. The temporary closure of venues and in-person events had an abrupt and drastic impact, reducing key metrics like jobs and attendance to levels from the last recession or lower.
- **Investments in new facilities, renovations and capital campaigns boosted overall economic activity and impact** in 2019 and into 2020, despite many of those spaces remaining closed during the pandemic. This “new money” entering our economy is a hopeful sign for the future.
- **Individual giving and government grants increased significantly** in 2020. These sources, especially federal economic and arts relief programs, helped to cover major losses in earned revenue and corporate event sponsorships as a result of the pandemic.
- Throughout the uncertainty of 2020, public funding through **the Scientific and Cultural Facilities District (SCFD)** proved to be a vital stabilizing force.

## ECONOMIC ACTIVITY

### What is Economic Activity?

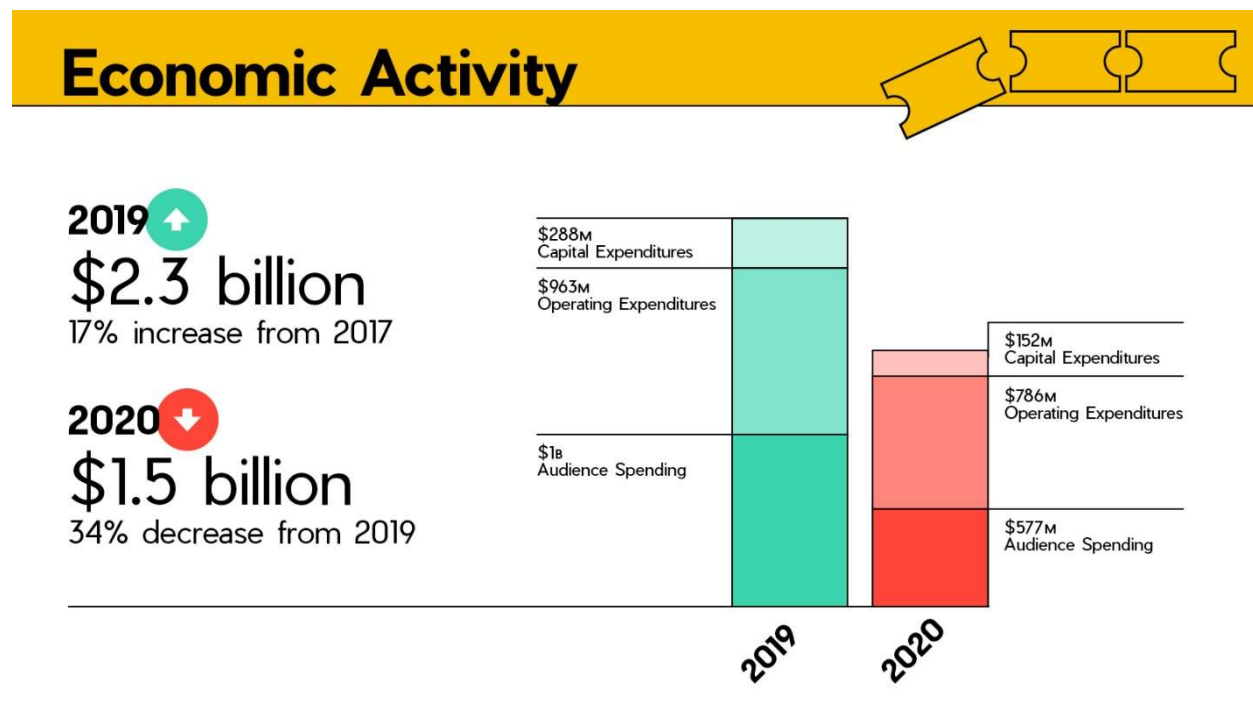
Arts, cultural and scientific organizations fuel the region’s economy by generating vital economic activity.

Economic activity is comprised of three categories:

- **Audience spending**, such as tickets, subscriptions and concessions
- **Operating expenditures**, such as programming costs, supplies, rent and personnel expenses
- **Capital spending** on renovations and new facilities

Within each of these three categories, there is direct and indirect spending. Direct spending includes the cost to operate cultural programs, pay staff and contractors, and maintain facilities, as well as spending by audience members to enjoy these institutions and all of their offerings. Indirect or ancillary spending is the result of these direct expenditures. Every dollar spent by an arts, cultural or scientific institution has an economic ripple effect. Paying a local musician or curator means she can buy groceries or pay rent. Buying materials for a theatre set or art exhibit injects money into the economy. Building a new museum wing provides local construction jobs. When a person decides to participate in the arts, they, too, contribute to this ripple effect, whether it’s gas in their car, a

babysitter, dinner before a show, happy hour after seeing a museum, or staying overnight in a hotel. Indirect spending is estimated based on RIMS II multipliers from U.S. Bureau of Economic Analysis.



## Data Deep Dive

Economic Activity from arts, cultural or scientific institutions has been steadily growing year over year since the Great Recession.

### ECONOMIC ACTIVITY REACHED A NEW RECORD OF \$2.3 BILLION IN 2019.

An increase in overall cultural participation, as well as a few major blockbuster arts events in 2019 led to increases in audience spending. For example, Denver Art Museum had two internationally acclaimed exhibits in the 2019 calendar year: *Dior: From Paris to the World* (November 2018 – March 2019) and *Claude Monet: The Truth of Nature* (October 2019-February 2020). There was a 10% increase between 2017 and 2019 in economic activity generated from audience spending.

### AVERAGE SPENDING PER PERSON BEYOND ADMISSION IS APPROXIMATELY \$23.

In 2020, economic activity dropped to levels parallel to the Great Recession. Economic activity dropped to \$1.5 billion, which is a 34% decrease from 2019. There was significantly less audience spending due to the temporary shutdown of venues and in-person events starting in March 2020 as a result of the COVID-19 pandemic. Organizations were unable to produce shows and welcome attendees and thus, less overall economic activity. Stay-at-home orders paused the direct and indirect activity generated by cultural participation. The economic ripple effect of arts activities was curtailed or, in some cases, halted altogether.

Most cultural organizations were still very busy during this time. While there was a 45% decrease in economic activity from audiences in 2020, there was only a 16% decrease from operating expenditures. Arts organizations were finding new ways to provide digital cultural programs, online arts and music classes and virtual performances! They found ways to transition their work outdoors and with new safety protocols.

However, it was challenging for many organizations to monetize digital events and virtual programs, and even harder to generate the same economic activity when people had to participate at home. Therefore, CBCA was not able to use the same economic multipliers for virtual arts events as in-person ones. There isn't the same set of assumptions for ancillary spending on things like gas, parking, babysitting, meals and travel. It is for this reason that CBCA removed virtual attendance from the 2020 data.

## Context and Trends

The arts and creative industries are an economic driver nationally and across Colorado. Taking into account the entire creative sector, including all for-profit and nonprofit enterprises, the U.S. Bureau of Economic Analysis reports that arts and cultural production accounts for \$919 billion and 4.3% of the U.S. economy, contributing 5,208,494 jobs in 2019.<sup>1</sup> In Colorado, this same research reports that arts and cultural production accounts for \$16.3 billion and 4.1% of the Colorado economy, contributing 108,462 jobs in 2019.<sup>2</sup>

## Story Spotlight

Even during the height of the pandemic, Denver Film found ways to not just reach cultural audiences but generate that vital economic activity. Denver Film partnered with food and beverage delivery services to put together Dinner + A Movie packages. By purchasing a ticket to one of their featured movies on their virtual cinema platform, patrons could receive a coupon code for a food delivery service to bring a meal to their home, thus supporting local businesses. Denver Film also found a way to continue their popular Film on the Rocks series by bringing back the classic drive-in movie theatre experience. Again, attendees were adding to that economic activity by purchasing food, putting gas in their car and spending a night out.

# ECONOMIC IMPACT

## What is Economic Impact?

Arts, cultural and scientific organizations bring in “new money” into the region, which is defined as economic impact. These valuable dollars would not be entering the regional economy if it weren't for these SCFD-funded institutions.

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<sup>1</sup> Arts and Cultural Production Satellite Account (ACPSA) – a partnership between the National Endowment for the Arts (NEA) Office of Research & Analysis and the U.S. Bureau of Economic Analysis (BEA)

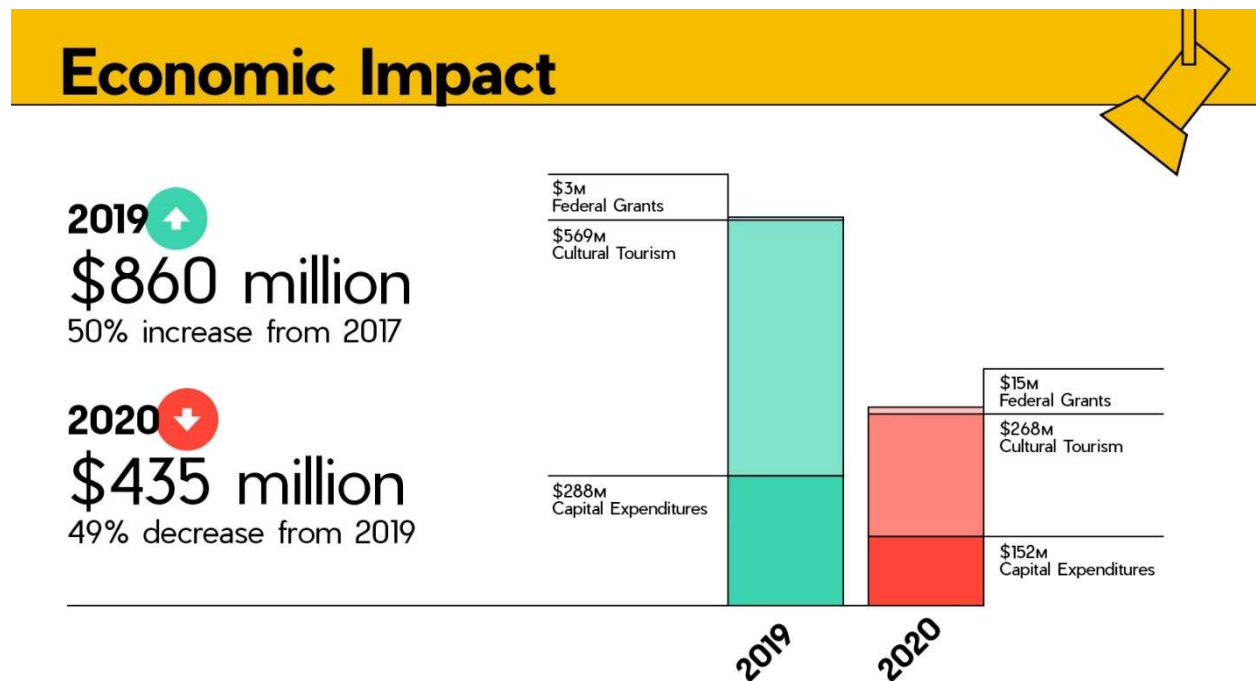
<sup>2</sup> Ibid.

Economic Impact is comprised of three categories:

- Federal government grants
- Cultural tourism
- Capital expenditures

The economic impact of cultural tourists includes the spending from audience members, such as hotel stays and extra meals at restaurants, as well as a portion of organizational operating costs. When someone visits from outside the seven-county area in order to participate in the arts, they are bringing new money into the region. Federal grants are traveling all the way from Washington, D.C., unlike state and municipal government funds, which are already here. And capital spending represents investments above and beyond daily operations and programming. These are significant expenditures to breathe new life into a space or create a new facility.

Economic impact is a segment of total economic activity. The same direct and indirect multipliers are applied to this “new money” to calculate its ripple effect throughout the regional economy.



## Data Deep Dive

Total economic impact or “new money” from arts, cultural and scientific organizations reached \$860 million in 2019, a 50% increase over 2017 and a new record high.

There were significant investments in 2019 and into 2020 on new building projects, renovations, and capital campaigns. Arts participation has been growing since the Great Recession and organizations started making huge investments in increased capacity, technological advancements and accessibility.

This trend started a few years further back when there was a 40% increase between 2015 and 2017 in the economic impact of capital spending. However, it really sky-rocketed between 2017 and 2019.

## **ECONOMIC IMPACT FROM CAPITAL EXPENDITURES INCREASED 272% FROM 2017 TO 2019.**

In 2020, there was also an unprecedented economic impact from federal grants in response to the COVID-19 pandemic and dire need for economic relief and recovery.

## **ECONOMIC IMPACT FROM FEDERAL GRANTS INCREASED 420% FROM 2019 TO 2020.**

Meanwhile, the economic impact from cultural tourists was more than cut in half between 2019 and 2020. Stay at home orders, fear of traveling and closed venues resulted in a drastic decrease in economic impact from travelers who participate in the arts, especially those from outside of Colorado and outside the United States. Total economic impact or “new money” from arts, cultural and scientific organizations was \$435 million in 2020, an overall 49% decrease from 2019.

## **Context and Trends**

Tourism is a major driver in Denver and Colorado’s economy, and arts and culture are a significant attractor for visitors. Denver welcomed 17.7 million overnight visitors in 2019, which was a new record.<sup>3</sup> Overall visitor spending in 2019 also set a new record of \$7 billion.<sup>4</sup> Tourism fuels tens of thousands of jobs in the City and County of Denver. For Colorado statewide, 86.9 million visitors spent \$24.2 billion in 2019.<sup>5</sup> The stay-at-home orders and public safety measures related to the pandemic halted a significant amount of tourism in 2020, especially from out of state and international visitors.

In November 2017, residents of the City of Denver approved a Cultural Facilities Bond, which authorized “the city to issue up to \$117 million in general obligation bonds—a type of government debt—to fund improvements to cultural facilities, such as museums, the zoo, the botanic gardens, animal care facilities, and theatres and performing arts centers.” As a result, investments began in 2018 and is a driver for the significant increase in capital spending evidenced into 2019 and 2020.

In terms of federal grants, The Coronavirus Aid, Relief, and Economic Security (CARES) Act was passed by the U.S. Congress in March 2020. This relief package delivered over \$2 trillion dollars to provide quick and direct economic assistance for the American workforce, families and small businesses, and support jobs in key industries. The CARES Act included programs like the Paycheck Protection Program, Economic Injury Disaster Loan (EIDL), extra unemployment benefits, as well as \$150 billion in direct aid allocated to state, local and tribal governments to distribute locally.<sup>6</sup>

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<sup>3</sup> Dean Runyan Associates, Colorado Travel Impacts 2000-2019; Longwoods International, Travel Year 2019

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Snell, Kelsey, “What’s Inside The Senate’s \$2 Trillion Coronavirus Aid Package,” *National Public Radio* (March 26, 2020)



Colorado and several municipalities used these funds to offer additional relief funds and grants programs to support local communities.

## Story Spotlight

In June 2020, Denver Art Museum was scheduled to conclude the renovation of the “North Building,” originally designed by Gio Ponti, and to open the Lanny and Sharon Martin Building and Anna and Job J. Sie Welcome Center. This expanded and reimagined campus provides a more accessible and welcoming space for the museum’s encyclopedic collections, including Asian art, Indigenous arts of North America, Northwest Coast and Alaska Native, Latin American and art of the ancient Americas, photography, textile art and fashion, and Western American art collections, as well as educational programming. After an extensive four-year process, the grand opening of the Martin Building was scheduled for October 2021.

Similarly, the Denver Botanic Gardens was scheduled to open their newly completed Freyer-Newman Center in 2020 as a celebration of art and science. The Center is home to the Helen Fowler Library, the Sturm Family Auditorium, art galleries, herbaria, classrooms, the School of Botanical Art & Illustration, and a coffee shop, the Copper Door. This facility concludes the Gardens’ four-phase Master Development plan.

On a smaller scale, but no less significant, the Denver Museum of Miniatures, Dolls and Toys moved from Denver’s City Park neighborhood to Lakewood in Jefferson County. This move enabled the Museum to purchase their building, which will provide significant stability and room for growth for this massive collection of tiny objects.

Major renovations also took place at the Museum of Outdoor Arts (MOA). After an extensive two-year renovation project, MOA’s Marjorie Park reopened in 2021 for events, which houses over 40 artworks from MOA’s permanent sculpture collection.

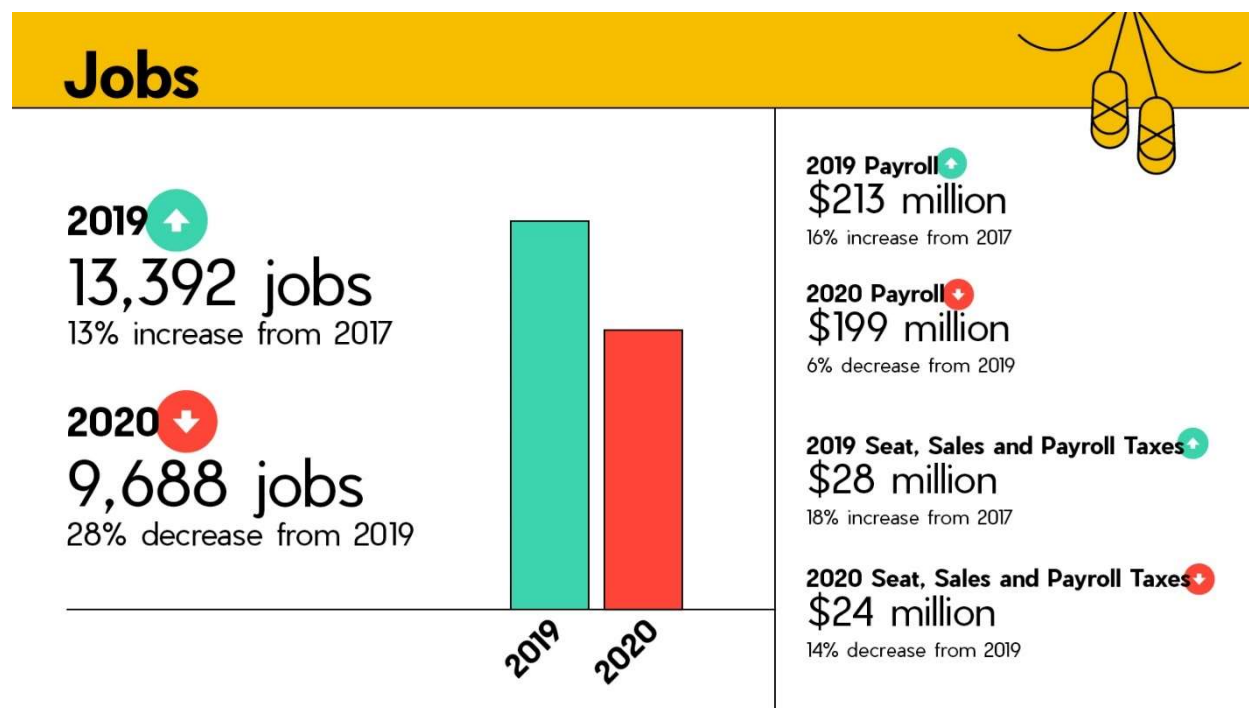
Northglenn Arts built and opened the new Parsons Theatre in a brand-new Recreation Center and Senior Center for the city. In Adams County, the Parsons Theatre provides a state-of-the-art space for all-ages cultural programming, from children’s theatre performances to the Northland Chorale for adult singers.

## JOBS

### How Are Jobs Calculated?

Arts, cultural and scientific organizations are major employers in the region. From the data, total jobs are calculated by combining full-time, part-time and contract positions. These contract positions are particularly important, as those are often freelance artists, educators, performers, stagehands, directors, costume designers, conductors, sound engineers, etc. Cultural organizations also employ a range of other positions, from curators and dramaturges to accountants and marketing professionals.

Payroll and taxes are another way to highlight the economic activity generated by the arts. Organizations are paying salaries and service fees to people who can then contribute to the local economy through those wages. These institutions are also huge contributors of tax revenue, even as nonprofits, through seat/sales tax from patrons and payroll taxes for employment.



## Data Deep Dive

It took a while for the arts sector to recover the jobs lost since the Great Recession. By 2019, the cultural sector reached a new record-level of employment in the arts at 13,392 total positions, including new records for full-time, part-time and contract roles.

### 2019 MARKED THE HIGHEST EMPLOYMENT IN THE CULTURAL SECTOR SINCE THE START OF THIS STUDY.

However, due to the devastating and drastic impact of the COVID-19 pandemic, the cultural sector lost a decade of employment growth! Employment in the arts dropped 28% to 9,688 jobs, near where it was in 2011 as we emerged from the Great Recession.

With so many venues shuttered and programs frozen, many organizations had to make difficult decisions about their staffing needs. The largest employment decrease between 2019 and 2020 was for contract workers (32% decrease) and about a quarter of part-time workers (26%). Contract work typically makes up about half of this cultural workforce. These “gig workers” are the most vulnerable, often without a safety net.

Many organizations did whatever they could to keep artists and staff employed or furloughed. Total payroll went from \$213 million 2019 to \$199 million in 2020, a 6% decrease. Organizations knew how



important it was to keep providing cultural experiences to their patrons and to help artists maintain a living.

If the entire cultural nonprofit sector was one single employer in 2019, it would have been the largest private employer in the metro region! Even with a sharp decrease in employment in 2020, the cultural nonprofit sector is still in the top 10.

## Context and Trends

In 2019, total employment in the seven-county metro region was around 1.7 million with a 2.6% unemployment rate.<sup>7</sup> Starting in March 2020, Colorado's unemployment claims increased drastically, with the largest percentage of continued claims coming from the leisure and hospitality sector.<sup>8</sup>

During the Great Recession, Colorado lost 155,000 jobs over 20 months (May 2008 – January 2010) and it took 38 months (until March 2013) to recover all of those jobs.<sup>9</sup> Once the COVID-19 pandemic hit the U.S. in January 2020, Colorado lost 343,000 jobs in four months (Jan 2020 – April 2020) and only 56% of those jobs were recovered between May – December 2020.<sup>10</sup>

The arts and creative industries were disproportionately impacted by the COVID-19 pandemic and shutdowns, especially when it comes to employment.

According to the “2020 Colorado Creative Economy Report” prepared by Colorado Creative Industries and Colorado State University Study, it was estimated that Colorado's creative industries would lose 59,588 jobs and \$2.6 billion in sales revenue between April and July 2020 due to the COVID-19 crisis.<sup>11</sup> During this four-month period alone, it was estimated that the region's creative workforce would contract by 31% and sales revenue would contract by 8%.<sup>12</sup>

The Music, Theater, Dance, and Visual Arts industry cluster, in particular, was estimated to suffer the majority of the losses as a result of the pandemic. This cluster was estimated to lose 27,193 jobs and over \$1.4 billion in sales revenue between April and October 2020.<sup>13</sup> This seven-month period of estimated losses contracts the Music, Theater, Dance, and Visual Arts cluster by 41% in terms of both employment and annual sales revenue.<sup>14</sup>

Research from the Brookings' Metropolitan Policy Program by Michael Seman and Richard Florida, released in August 2020, estimated that 2.7 million creative jobs were lost, as well as more than \$150

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<sup>7</sup> Metro Denver Economic Development Corporation (MDEDC) profile, from Colorado Department of Labor and Employment, Labor Market Information

<sup>8</sup> Silverstein, Patty and Development Research Partners, “Vectra Bank Economic Forecast” (February 4, 2021)

<sup>9</sup> Ibid.

<sup>10</sup> Ibid.

<sup>11</sup> Seman, Michael, “2020 Colorado Creative Economy Report with Initial Impacts of the COVID-19 Crisis.” Colorado Creative Industries and Colorado State University (October 2020)

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

billion in sales of goods and services in the creative industries.<sup>15</sup> Those figures represent nearly a third of all jobs in the creative sector.<sup>16</sup> Those estimates are even harsher in the fine and performing arts, projecting a loss of 50% of all jobs in those industries.<sup>17</sup>

## Story Spotlight

With their annual summer festival cancelled in 2020 due to the COVID-19 pandemic, Central City Opera released that over a hundred contractors were going to miss a summer paycheck. They organized a dedicated fundraiser to support their numerous contractors, performers and crew members who would have been part of the festival. Thanks to generous donors, Central City Opera surpassed their goal and raised over \$300,000.

Wonderbound kept all of their dancers on the payroll in 2020, despite having to cancel several major performances. Dancers stayed very busy making instructional “dance along” videos and an extensive series of original dance films featuring local music. Wonderbound created over 120 videos and offered them all online for free.

## ATTENDANCE

### How Is Attendance Calculated?

Attendance comprises people exploring museums, listening to concerts, watching theatre and dance performances, hearing live choral and opera singing, experiencing natural and cultural facilities. Total overall attendance aggregates adult and youth participation, as well as paid, free and reduced-price tickets. It also aggregates audience members from within the seven-county metro area and those coming from elsewhere in the state, outside of Colorado and internationally.

For the integrity of the economic activity calculations, the research team attempted to omit virtual attendance. As mentioned earlier, it is not possible to make the same assumptions about indirect economic activity from virtual participation in cultural activities. Digital and online events also varied widely and there was not a consistent methodology for organizations to self-report those attendance and engagement figures. However, it is clear that organizations found various innovative ways to continue connecting with their audiences, even if, or especially because they were stuck at home.

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<sup>15</sup> Florida, Richard and Michael Seman. “Lost Art: Measuring COVID-19’s devastating impact on America’s creative economy.” Metropolitan Policy Program at Brookings (August 2020)

<sup>16</sup> Ibid.

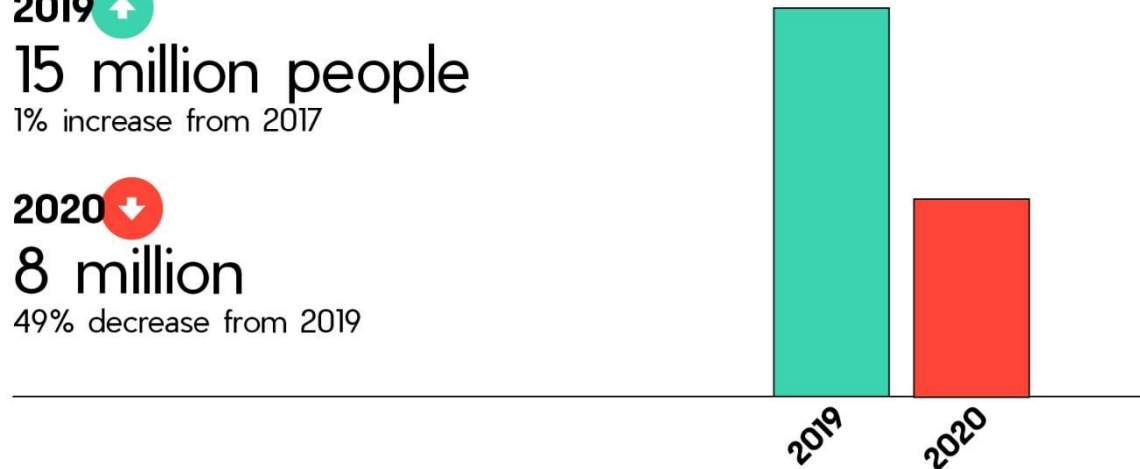
<sup>17</sup> Ibid.

# Attendance



**2019**   
**15 million people**  
1% increase from 2017

**2020**   
**8 million**  
49% decrease from 2019



## Data Deep Dive

It is clear that people from across the metro area and beyond enjoy a wide variety of arts, cultural and scientific experiences. These range from performances at the Arvada Center or Lone Tree Arts Center, music concerts at Colorado Chautauqua, cultural history exhibits at the Black American West Museum or the Broomfield Veterans Memorial Museum, dance shows at Colorado Ballet or Kim Robards Dance, family-friendly outings at Children’s Museum of Denver, or natural history experiences at Dinosaur Ridge.

### 2019 MARKED THE SECOND HIGHEST ATTENDANCE IN THE HISTORY OF THIS STUDY.

Although total attendance reached 15 million in 2019, the highest attendance recorded was in 2007 right before the Great Recession.

However, total attendance in 2020 dropped to 8 million, the lowest it’s been since 1997 – essentially losing *two decades* of audience growth due to the pandemic.

The impact of the COVID-19 safety protocols, stay-at-home orders, temporary venue closures and capacity restrictions starting in March 2020 was particularly hard for organizations that rely on intimate indoor experiences, as well as big summer festivals, like Central City Opera and Colorado Music Festival. It also impacted organizations with large-scale summer events like Colorado Dragon Boat Festival and CherryArts. Many of these organizations still found ways to engage with their constituents in 2020. For example, City Park Jazz hosted an abbreviated virtual-only season of concerts highlighting local talent in the Denver metro area, which provided an opportunity for musicians to keep performing and offered a creative outlet for audience members stuck at home.

Despite this drastic drop in in-person attendance due to the COVID-19 crisis, arts, cultural and scientific organizations found many creative ways to still connect with audiences, families and fans. They offered online music classes, virtual concerts, at-home art kits, livestream sing-alongs, instructional dance videos, interactive science experiments, meet-and-greets with animals, and so much more engaging and enriching creative content. And most of it was free of charge!

## Context and Trends

Culture Track is a national online survey of audience behaviors, attitudes, motivations, and barriers to cultural participation, which has been conducted by LaPlaca Cohen since 2001. In Spring 2020, LaPlaca Cohen launched their first wave of research, “Culture + Community in a Time of Crisis,” which was one of the largest surveys focused on arts and culture ever conducted. This survey asked a range of questions about the role and relevance of arts and culture in the lives of Americans in face of the COVID-19 public health crisis. Some of their key findings include:<sup>18</sup>

- 45% of cultural audience members reported feeling much more worried/afraid and bored.
- 44% also felt significantly less “connected to others.”
- 81% reported “doing something creative during the pandemic” such as cooking, singing, crafting or making something by hand, photography, drawing/painting, writing.
- 53% reported participating in one or more digital cultural activities in the last 30 days. The most common activity was watching pre-COVID recorded performances and #2 was watching a live-stream performance.
- About 60-70% of people felt these digital cultural experiences were valuable, yet only 13% reported paying for access to digital cultural content.

Other studies have demonstrated the connection between participating in arts activities and mental health outcomes. Creativity was an outlet for many people and a way to feel connected during unprecedented isolation and uncertainty.

## Story Spotlight

Miners Alley Playhouse launched their Quarantine Cabaret series in 2020, which focused on highlighting and broadcasting local performers and musicians. Miners Alley Playhouse used some of the government relief funding they received to invest in the necessary technology and equipment to provide a high-quality experience for patrons.

Motus Theater was able to shift to a virtual space, especially for their UndocuAmerica monologue series and Shoebox Stories podcast. This work was very relevant in 2020 as our nation reckoned with its history of racial injustice and discrimination against immigrants.

Colorado Ballet partnered with Rocky Mountain PBS to broadcast *The Nutcracker*. Colorado Ballet was going to premier their new *Nutcracker* costumes and sets in 2020 but was delayed.

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<sup>18</sup> La Placa Cohen and Slover Linett Audience Research. “Culture & Community in a Time of Crisis: A Special Edition of Culture Track” (July 2020)

Access Gallery brought their programming to the front porches of their participants, all of whom have intellectual and developmental disabilities. They provided pizza from a local business and a valuable opportunity to connect.

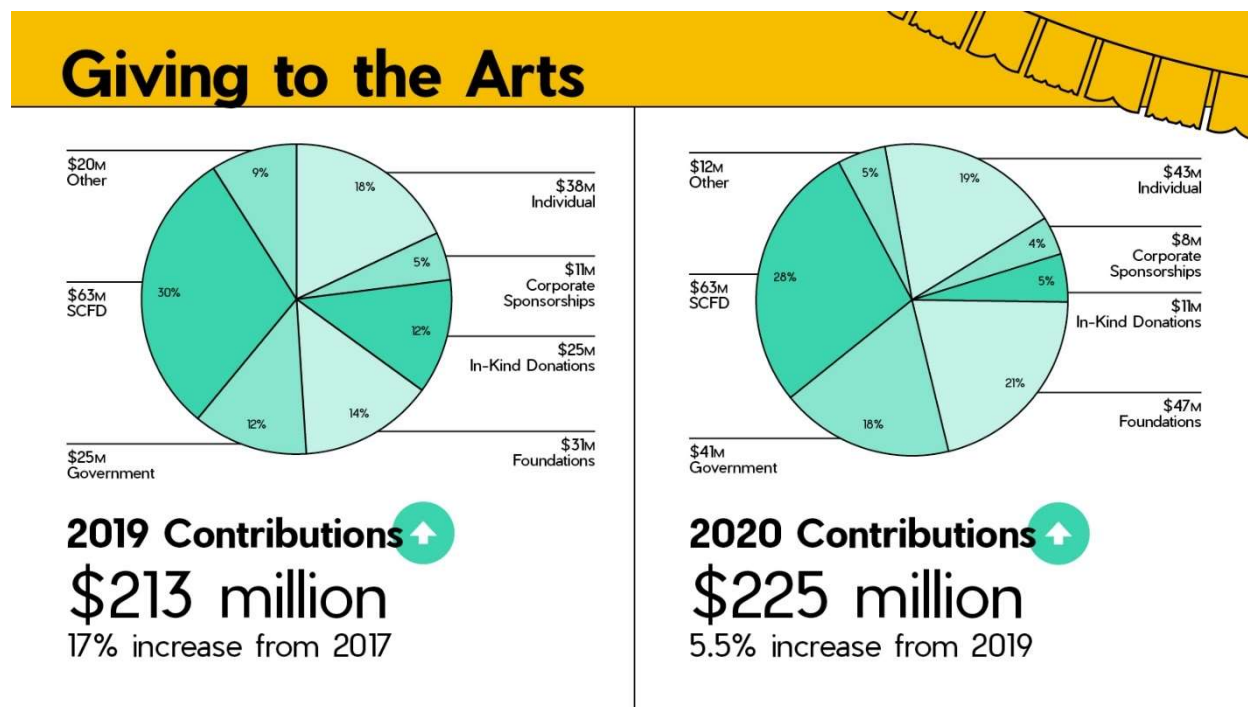
Lighthouse Writers Workshop began offering free one-hour workshops to essential workers who had to face the dangers of the pandemic while providing critical services, workshops for teens of color and LGBTQ+ teens, weekly academic writing help sessions for anyone ages 8-18, and biweekly “Writing for Happiness and Stress Relief” workshops for all teens throughout 2020, all for free.

## GIVING TO THE ARTS

### How Is Giving to the Arts Calculated?

Arts, cultural and scientific organizations compile funding from several sources. In addition to earned income from audience members and other services, there are a range of philanthropic channels that provide valuable contributed income to fuel programs, special events, daily operations and growth.

Total giving to the arts is calculated by aggregating a variety of public and private funding sources, including individual donations, corporate sponsorships, foundation grants, in-kind gifts, government funds and SCFD disbursements. The “foundation” category is an aggregate combination of corporate, private and public foundations grants. The “other” category includes things like endowment income and exceptional situations like special events.



## Data Deep Dive

Overall giving to the arts has grown every year over the last 10 years. It is the only key metric that increased from 2019 to 2020, going from \$213 million to \$225 million, a 5.5% increase. The most significant contributors to this increase in 2020 were from individual donors and government grants.

Despite the economic uncertainty during the pandemic, individual giving has been on the rise for the last 15 years.

### INDIVIDUAL GIVING TO THE ARTS INCREASED BY 30% FROM 2017 TO 2019 AND THEN BY 14% IN 2020.

There was a major increase in government grants in 2020. Federal grants increased 420% from 2019 to 2020 and other government grants for state and local municipalities increased 43% in 2020.

There continues to be volatility in corporate sponsorships in the arts, which has been yo-yoing for the past few years. Sponsorships actually increased 22% in 2019 over 2017, but then dropped 24% in 2020. Company priorities can shift from year to year, and sponsorship support often relies on the level of public engagement and brand visibility. It was no surprise to see a decrease in some of these sponsorships, in-kind donations and other contributions that are usually tied to special events, fundraisers and in-person programs. When the pandemic shut down in-person and large-scale events, many of these opportunities for company recognition or volunteerism disappeared.

One data point that illustrates the shift in business model as a result of the pandemic is the ratio of earned to contributed income. In 2019, 59% of aggregated income was earned and 41% was contributed across SCFD organizations. This ratio flipped in 2020 and 43% of aggregated income was earned and 57% was contributed.

Public support through SCFD proved to be a vital stabilizing force. While residents of the seven-metro counties were staying home and safe, they were still spending money in the local economy and generating sales tax revenue. As a result, funding from SCFD was able to remain stable at over \$60 million in 2019 and 2020.

## Context and Trends

According to Giving USA, Americans gave \$449.6 billion to charity in 2019, of which arts, culture and humanities remained 5% of total giving by cause area (\$21.6 billion).<sup>19</sup> In 2020, Americans increased their giving by 5.1% for a total of \$471.4 billion.<sup>20</sup> However, giving to arts, culture and humanities decreased to be only 4% of total giving by cause area nationally.<sup>21</sup>

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<sup>19</sup> Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy, *Giving USA 2019: The Annual Report on Philanthropy* (2020)

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.



In addition to CARES Act funds that made their way to Colorado's state and local governments, our state arts agency, Colorado Creative Industries, and many local municipalities started emergency relief funds for cultural organizations and individual artists impacted by the sudden and drastic lack of income due to the pandemic.

With a lead \$1 million commitment, the Bonfils-Stanton Foundation started the COVID-19 Arts & Culture Relief Fund. This initial investment was leveraged to secure additional funding from The Denver Foundation, Denver Arts & Venues, Create Boulder, Gates Family Foundation, PNC Bank, individual donors and several others. Forty-one organizations received emergency funds in the first round of grantmaking in 2020.

During a special legislative session in December 2020, the Colorado legislature passed SB01-001, which allocated \$7.5 million in statewide arts relief funds, which were distributed in early 2021. Then, during the regular 2021 legislative session, the Colorado legislature passed HB21-1285, which allocated an additional \$15.5 million in statewide arts relief funding for cultural organizations, creative businesses and individual artists and crew members. This bill also allocated \$1.5 million to certain cultural facilities that focus on programming for and have representation from defined historically marginalized and under-resourced communities (otherwise known as Community ACTS grantees in the seven-county Denver metro area).

## Story Spotlight

This study is only quantifying the significant amount of government relief and recovery grants awarded to arts and culture nonprofit organizations in 2020. However, individual artists were also severely impacted, seeing their personal income disappear as the pandemic hit. RedLine partnered with government agencies like Colorado Creative Industries and Denver Arts & Venues to help administer these relief funds to the artists, musicians and crew members that make our cultural community possible.

## EDUCATION OUTREACH

### How Is Education Outreach Calculated?

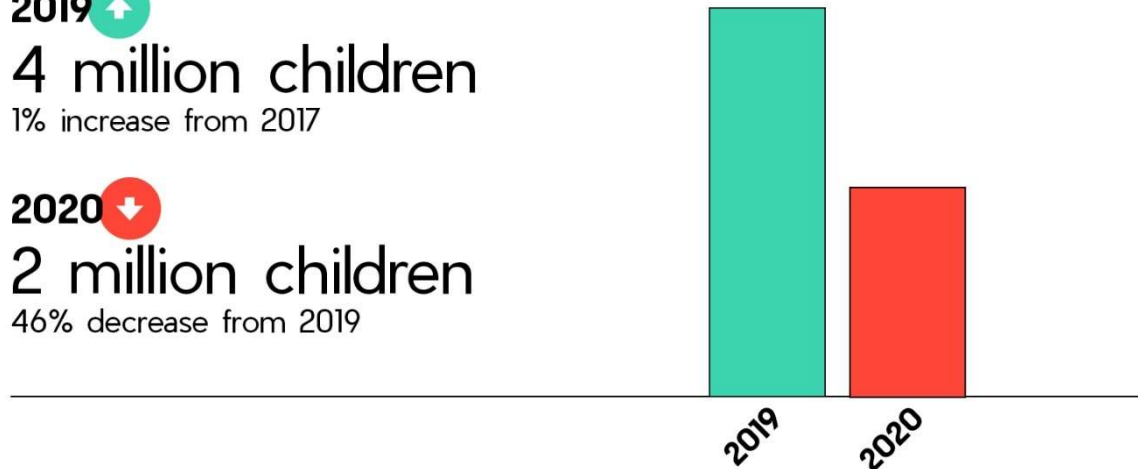
Arts, cultural and scientific organizations play a significant role in providing enriching educational and access opportunities to school children in the metro area. Educational outreach aggregates in-school activations, like arts integration in classrooms and assembly performances, school field trips to arts venues, after-school activities for youth, as well as classes and lessons for adults and children.

## Education Outreach



**2019**   
**4 million children**  
1% increase from 2017

**2020**   
**2 million children**  
46% decrease from 2019



### Data Deep Dive

Educational outreach stayed relatively constant from 2017 to 2019 with only a 1% increase in total number of children reached – 4 million.

**ON AVERAGE, SCHOOL CHILDREN IN 2019 RECEIVED  
8.5 ARTS EXPERIENCES IN THE YEAR.<sup>22</sup>**

There was a 46% decrease in educational activities from 2019 to 2020, dropping to around 2 million children reached. Not only did the pandemic temporarily close cultural venues in 2020, but it also moved classrooms online too! Even if students were able to attend school in-person, outside visitors, like teaching artists and performances were not allowed. In 2020, school children received an average of 4.8 arts experiences in the year.<sup>23</sup>

### Story Spotlight

Think 360 Arts for Learning launched their Teaching Artist TV, which was a free online platform to support ongoing arts education efforts in Colorado and beyond. These videos, featuring local teaching artists, provided a way for schoolteachers to bring the arts-infused lessons to the virtual classroom. Each one had an accompanying study guide to reinforce the learning objective. These videos were also a great tool for parents to engage with their children.

In Summer of 2020, CherryArts partnered with Denver Public Schools, Understudy, La Napoule Art Foundation, the Museum of Contemporary Art Denver, Balefire Goods and Food For Thought Denver to create and distribute free Art Kits to students in need throughout Denver. CherryArts also put

<sup>22</sup> Based on Colorado Department of Education; Pupil Membership for 2019 - District Data

<sup>23</sup> Based on Colorado Department of Education; Pupil Membership for 2020 - District Data



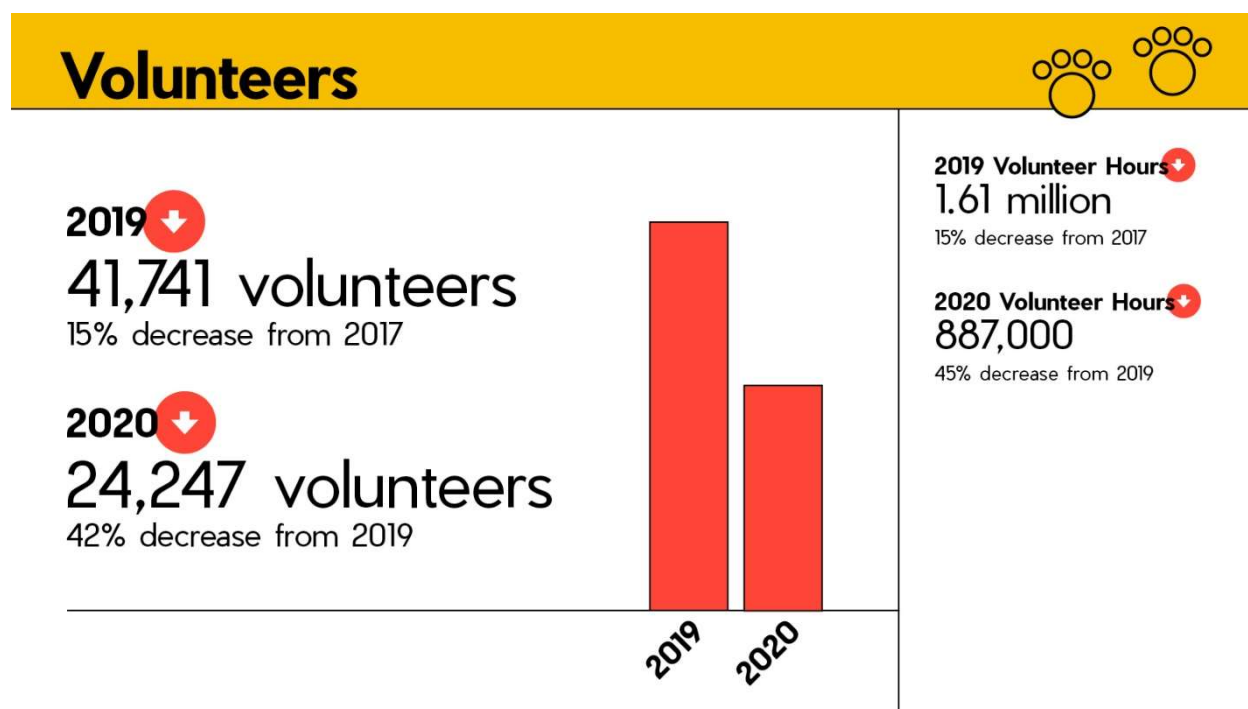
together Art Kits for purchase, which provided a creative learning opportunity for students K-12 to engage with new art materials in-school or remotely.

Organizations like Parlando School of Musical Arts and Swallow Hill offered virtual music classes to continue lifelong learning for all ages.

## VOLUNTEERS

### How Are Volunteers Calculated?

Volunteer opportunities offer a meaningful way for people to give back to the arts, cultural and scientific organizations they care about. Volunteers also help to offset operational and personnel costs, providing valuable people power. The total number of volunteers and their aggregate volunteer hours are self-reported by SCFD organizations. These individuals participate in a range of volunteer positions including ushers, docents, event staff and skilled volunteers like board and committee members.



### Data Deep Dive

There was an overall decline in volunteers in 2019 and 2020, going from 41,471 volunteers and 1.61 million hours in 2019 to 24,247 volunteers and 887,000 hours in 2020. In fact, the number of volunteers and their hours are the only key metrics that decreased from 2017 to 2019 with a 15% decline in both. It is possible that this decline in volunteers is related to the increase in employment in the cultural sector, which reached a new height in 2019.

In 2020, there was a 42% decline in the number of volunteers and 45% decline in total hours. Many volunteer positions are connected to in-person events and programs, such as docents, nature interpreters and concert ushers. This drop in volunteers in 2020 can likely be attributed to the impact of the COVID-19 pandemic. However, volunteers continued to help offset the cost of additional full-time equivalent or FTE employees.

**IN 2019, VOLUNTEERS EQUATED TO 774 FTE INDIVIDUALS AND CONTRIBUTED \$47.5 MILLION IN DONATED TIME.**

**IN 2020, VOLUNTEERS EQUATED TO 426 FTE INDIVIDUALS AND CONTRIBUTED \$26.8 MILLION IN DONATED TIME.**

Volunteers are still immensely valuable and help to keep operating costs down. The estimated value of volunteer time is updated every year, state by state, by the Independent Sector.<sup>24</sup>

## **ABOUT THE SCIENTIFIC AND CULTURAL FACILITIES DISTRICT (SCFD)**

### **What is SCFD?**

The Scientific and Cultural Facilities District (SCFD) is the only cultural funding model in the nation that serves a region of seven counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson. This broad base has allowed SCFD to grow into the second largest cultural funding mechanism in the United States.

SCFD is a special tax district created within Colorado law, approved by Colorado's General Assembly and renewed by voters multiple times for more than 30 years.

Just one penny on every \$10 in sales and use tax collected goes to SCFD. Annually, that adds up to over \$60 million, which is distributed to nearly 300 arts, cultural and scientific organizations ranging in size from volunteer-led community choruses and orchestras to internationally acclaimed museums.

Throughout the unprecedented uncertainty of 2020, SCFD provided vital stability – financial and beyond – for arts, cultural and scientific organizations. For example, SCFD partnered with groups like the Collaborative of the SCFD, Colorado Creative Industries, Colorado Office of Film, Television and Media, and Colorado Business Committee for the Arts (CBCA) to offer a variety of webinars and round table discussions for organizations to learn skills, share ideas, ask questions and connect with their community of peers.

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<sup>24</sup> According to Independent Sector, the 2019 value of a volunteer hour in Colorado was \$29.50. In 2020, the value of a volunteer hour in Colorado was \$30.31.

## Data Deep Dive

Public funding through SCFD has steadily increased over the last decade. 2019 was a record-breaking year for the SCFD, distributing over \$63 million in the calendar year. This was a 12% increase over 2017.

Throughout the uncertainty of 2020, public funding through the SCFD proved to be a vital stabilizing force. Funding through the SCFD only declined 1% between 2019 and 2020 based on the data in this study.

It is important to note that this study includes analysis on 98.4% of SCFD funds self-reported by grantee organizations as of December 31, 2020. The unaccounted portion of these funds is due to the timing of distributions, differences in grantees' fiscal year-end dates and accounting policies. In total, SCFD generated \$66 million in 2019 and \$64 million in 2020 total. This is a 3% change from 2019 to 2020.

## Impact of SCFD

Culture for All. Equity, diversity and inclusion are critical values in the mission of SCFD. Residents pay this tax, and it is then infused back into nearly 300 diverse cultural organizations in the seven-county metro region. This funding makes culture in the community available and affordable to all children and adults.

Life is more colorful with SCFD. Through SCFD, priceless collections of animals, art, plants, natural history and historical sites are being preserved for children and future generations. Cultural experiences plant a seed within children that ultimately impacts their growth into higher achieving students and well-rounded adults. SCFD is a tax that provides instant enjoyment, but also builds equity in the character of our people, the quality of life in our community, and invaluable assets for our future.

SCFD makes our community more vibrant. As a vital stabilizing force, SCFD funding was crucial to helping ensure valuable cultural assets could weather unprecedented circumstances like the COVID-19 pandemic.

# ABOUT THE 2021 ECONOMIC ACTIVITY STUDY OF METRO DENVER CULTURE

## Methodology

This Economic Activity Study of Metro Denver Culture was written and published by Colorado Business Committee for the Arts (CBCA) on November 4, 2021.

This study was calculated using data from the 2019 and 2020 calendar years. Data was self-reported by the nearly 300 arts, cultural and scientific nonprofits funded by the Scientific and Cultural Facilities District (SCFD) – 287 organizations in 2019 and 288 organizations in 2020. These arts, cultural and scientific organizations reside in the Denver metro area’s seven-county region: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson. Data comes directly through the SCFD final grant reports from grantees through a partnership between CBCA and SCFD exclusively to produce this report. As a result, there is 100% response rate on the data collection tool.

This study *does not* include data from non-SCFD funded nonprofits organizations within or beyond the seven-county metro area, for-profit creative businesses, higher education or individual artists. Throughout the study, CBCA references outside research and statistics to provide context, comparisons and trends.

Economic activity and impact are calculated using the Regional Input-Output Modeling System (RIMS II) multipliers provided by the U.S. Bureau of Economic Analysis. The most currently available RIMS II multipliers are based on 2019 regional data and the 2012 national benchmark input-output.

CBCA uses a longitudinal analytical model to track changes over time. The immediate prior study was released in November 2018, examining data from the 2017 calendar year. This is why there are direct comparisons in the study to show changes from 2017 to 2019. This study also draws comparisons to the state of the cultural sector before, during and after the Great Recession, as well as back to the early 1990s when this study began. The Great Recession generally refers to the time period between 2008-2009.

While the majority of organizations in this study have a calendar fiscal year, some organizations’ fiscal year starts and ends in the middle of the calendar year. As a result, there is some incomplete data for the remainder of the 2020 calendar year as the impact of the pandemic continued. For the purpose of comparison with the 2019 calendar year and the longitudinal data, the model was maintained and enables year-over-year comparisons.

To the extent possible, attendance at virtual-only events was removed, including cultural programs and events offered digitally or live streamed in 2020. The accuracy and consistency of collecting attendance and engagement data from virtual events and programs cannot be guaranteed. Moreover, the research team could not apply the same economic activity multipliers to virtual attendance. The

assumptions for indirect or ancillary audience spending are different and more variable for virtual attendance.

This study includes analysis on 98.4% of SCFD funds self-reported by grantee organizations as of December 31, 2020. The unaccounted portion of these funds is due to the timing of distributions, differences in grantees' fiscal year-end dates and accounting policies.

All data is presented in aggregate and rounded to the nearest whole number for ease of communication. CBCA does not breakout data by SCFD funding tier, geography or discipline, such as performing arts or natural history. The current SCFD final grant report does not inquire about the demographics of cultural audiences and attendees, with the exception of adult or youth participation.

## History

CBCA has been reporting on the economic and social relevance of arts for 28 years. The first study was published in 1993 using self-reported data from SCFD-funded organizations from 1992. Since then, CBCA has published an economic activity and impact report approximately every other year. For the last two decades, CBCA has partnered with SCFD to collect data as part of the grantee organization's final grant report process. This model was originally designed by Denver's Deloitte Consulting Office, and it has been refined over time for consistency and accuracy.

This particular study was originally scheduled to be released in November 2020, reporting on data from the 2019 calendar year. Due to the impact of the COVID-19 pandemic beginning in March 2020, and its severe impact on the arts and cultural sector, CBCA postponed that study. It was delayed in November 2021 in order to include data from both the 2019 and 2020 calendar years.

## Context

CBCA would like to acknowledge the convergence of circumstances that provide a backdrop for this report. The impact of the COVID-19 pandemic is an important through line in this data and analysis. In many cases, the shifts in attendance, jobs, economic activity, and philanthropy in 2020 can be directly attributed to the pandemic. The public health safety measures, stay-at-home orders and temporary closures of venues and in-person events had an abrupt, unforeseen, extended and devastating impact on the arts and cultural sector.

However, this was not the only factor at play. America embarked on a reckoning with historical racial and social injustice in 2020. Many arts, cultural and scientific organizations have since been examining their role in perpetuating systems of oppression, holding community conversations about diversity and inclusion, and taking actions to create more equitable environments for cultural access.

There are other external forces that impacted the cultural sector, such as the impact of climate change, poor air quality from summer wildfires, an affordable housing crisis and more. This study does not have data to explicitly demonstrate the implications and outcomes of these circumstances, but it is important to acknowledge them.

At the same time, CBCA recognizes the resilience of our cultural sector. Throughout the pandemic, not a single SCFD-funded organization permanently closed their doors. In fact, many found ways to celebrate their longevity. In 2019, Lakewood Heritage, Culture & the Arts marked 50 years, and both The Upstart Crow Theatre Company and the Lyons Historical Museum reached 40 years. While celebrations were altered or postponed in 2020 due to the pandemic, Cleo Parker Robinson Dance, Colorado Chorale, and Northland Fine Arts Association reached their 50-year milestone and Colorado Ballet recognized 60 years of dance.

## Call to Action

CBCA is committed to making this and prior Economic Activity Studies of Metro Denver Culture accessible and available to anyone. This report is used by arts, cultural and scientific organizations, state and local elected officials, economic development professionals, business leaders, and arts advocates in the region and beyond.

*Please help us spread the word and share this report with your organization, board of directors, elected officials and network! Together, we can help ensure arts and culture not only endures but comes back stronger!*

CBCA welcomes the opportunity to speak to you and your organizations about this study and share this information. Contact CBCA to schedule an in-person or virtual presentation: [main@cbca.org](mailto:main@cbca.org) or 720-428-6720.

## Acknowledgements

There are several individuals and organizations that have made this study possible.

Thank you to Dan Prather, CBCA Board Member and Managing Partner & President at DualDraw. Dan has been on the research team for this Economic Activity Study for the last two decades! The 2021 report is Dan's 10<sup>th</sup> study with CBCA, and he has led the process for the past several years.

Thank you to Courtney Boltz and Matt Ederer with U.S. Bank for their hard work on the research team. Courtney and Matt worked closely with Dan to update the longitudinal model with this 2019 and 2020 data. This report would not be possible without their meticulous efforts.

Thank you to Kendal Zimmermann and the whole team at SCFD for their support in compiling all the data and answering questions along the way.

Sincere gratitude to Presenting Sponsor, U.S. Bank, for their financial support of this report and its release event on November 4, 2021. In addition, thank you to sponsors: Pinnacol Assurance, SCFD, CU Denver College of Arts & Media, Colorado Educational and Cultural Facilities Authority (CECFA), Employers Council, Forte Commercial Real Estate and VISIT DENVER.

Thank you to in-kind partners: DualDraw and The Publishing House. Thank you to Footers Catering, Ratio Beer Works and Total Wine for their in-kind support of the release event on November 4, 2021.

Graphic design and web development was done by Ligature Creative.

## ABOUT COLORADO BUSINESS COMMITTEE FOR THE ARTS (CBCA)

Colorado Business Committee for the Arts (CBCA) is a 501(c)3 nonprofit organization that has been forging inspiring partnerships between business and the arts since 1985 through year-round advocacy, research, training and arts engagement efforts. CBCA advances Colorado's creative economy by connecting arts and business.

As a champion of artists, cultural organizations and creative industries, CBCA advances Denver and Colorado as a cultural hub and validates the arts as an integral part of our regional economy. CBCA also demonstrates that art is smart for business by providing the business community with access, exposure and visibility for their investment in the arts.

[LEARN MORE AT CBCA.ORG](https://www.cbcacolorado.org)