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What Does \$1.3 Billion Look Like? Arts, Culture and Science.

Bolstered by unique funding model, metro Denver's culture reaches millions



Denver, Colorado – Culture in metro Denver generated \$1.311 billion in economic activity in 2003, with 11.3 million people attending cultural events, according to a report released today by the Colorado Business Committee for the Arts and Deloitte Consulting, in partnership with the Denver Metro Chamber of Commerce and U.S. Bank.

Deborah Jordy, Executive Director of the Colorado Business Committee for the Arts said, “The research strongly indicates that culture is key to the economy. Further, culture attracts significant new dollars to the metro Denver economy and engages millions of metro Denver residents and visitors.”



Denver area culture – driven by more than 300 cultural and scientific organizations – has flourished since 1989 when voters in the seven-county metro region approved the Scientific and Cultural Facilities District (SCFD). This nationwide funding model established a .01 percent sales and use tax – a penny on every \$10 spent – to support culture.

Dan Prather, lead analyst with Deloitte, said, “As we launch our sixth bi-annual study of metro Denver culture in partnership with CBCA, we continue to be impressed by the considerable contributions of our region’s growing cultural community.”



Key findings of the study include:

Arts and culture are big business in metro Denver, generating **more than \$1.3 billion in economic activity**.

The cultural industry **employs well over 9,000 employees, disbursing \$86 million in wages and almost \$14 million in payroll, seat and sales tax** in 2003.

The cultural industry doesn’t just spend money, it attracts it. A destination for cultural tourists, metro Denver **attracted 2.8 million visitors from outside of the metro Denver region, and 1.4 visitors from outside of Colorado**. This cultural tourism created **\$403 million of economic impact** - new money for the metro Denver economy.

New money has a real impact on our economy, and the SCFD generates an impressive return on the investment of metro Denver taxpayers. From the one tenth of one percent sales tax -- a penny on every ten dollar sale -- the SCFD collected \$35 million to infuse into the cultural community. Of the \$1.3 billion in total economic activity, **close to \$500 million was true economic impact**, representing a 14:1 return on investment.



Well-rounded Colorado residents and our visitors seek a variety of leisure-time activities, including sporting events, outdoor recreation, and other pastimes in addition to culture. **In 2003, more than 11 million people, well over twice the state’s population, attended Denver area cultural activities**. Such large attendance reflects metro Denver’s widespread participation in culture.

The region's landscape continues to be transformed by cultural facilities. **In 2003, cultural and scientific organizations generated \$84 million of economic impact through capital expenditures.**

The purchase of new equipment, the construction of new facilities, and the remodeling of existing facilities all contribute to the economic impact generated by the cultural industry. Capital expenditures, combined with the economic activity generated by cultural tourism and federal government grants, introduced **nearly half a billion in new money** to the metro Denver economy.

Culture builds community in less tangible ways as well. There are a myriad of ways culture creates value for our region's businesses, communities, and overall quality of life.

Metro Denver community members are highly engaged with cultural and scientific organizations. **Nearly two million volunteer hours were contributed by over 41,000 volunteers** in 2001, and **almost one million people enrolled in educational courses** at cultural and scientific organizations, indicating the public's broad support for culture.

Another special aspect of the 2004 study of metro Denver culture relates to the role cultural and scientific organizations assume in **challenging economic times**.

In 2003, more than sixty percent of all visits to metro area cultural activities were offered at **free or reduced rate admissions**, demonstrating how cultural organizations effectively removed financial barriers to participation in culture.

Outreach activities help to build the next generation of cultural participants. Cultural and scientific organizations offered **more than 2.3 million outreach opportunities to school children** across metro Denver. There are just over 418,000 children in the metro area schools.

The flourishing of metro Denver's culture, both economically and in social participation, is made possible by metro Denver taxpayers through the SCFD. The SCFD first distributed funds in 1989 with \$14 million granted to 154 cultural organizations. In 2003, the SCFD granted \$35 million to more than 300 cultural institutions.

CBCA and Deloitte's study surveys organizations that receive funding from the SCFD, which celebrated its fifteenth anniversary in 2004, and is up for renewal by metro area voters in November. SCFD organizations that responded to surveys accounted for 96% of funds distributed by SCFD. This is the strongest survey response rate to date.

Support from the Denver Metro Chamber of Commerce, U.S. Bank, and numerous in-kind corporate sponsors, with the participation of hundreds of metro Denver cultural and scientific organizations, make the study possible. This is CBCA and Deloitte's sixth study measuring the effects of SCFD-funded organizations.

For additional information, or to RSVP, please contact Crystal Potter, Colorado Business Committee for the Arts, 303-282-5129 or cpotter@cbca.org.

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