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Culture Means Business - \$1.4 Billion in Metro Economic Activity *Economic Activity Study Links Culture & Economic Vitality*



Denver, Colorado – October 24, 2006 Culture in metro Denver generated \$1.426 billion in economic activity in 2005, with 14 million people attending cultural events, according to a report released today by the Colorado Business Committee for the Arts and Deloitte Consulting LLP, in partnership with U.S. Bank, Denver Metro Chamber of Commerce, and Scientific & Cultural Facilities District.



“Culture makes a critical contribution to metro Denver’s economic vitality. A vibrant cultural community makes this an attractive place to live, work, and visit, brings new dollars into the state, stimulates community development, and strengthens business,” notes



Deborah Jordy, Executive Director of Colorado Business Committee for the Arts.



How do we know culture drives our economy?

The **2006 Economic Activity Study of Metro Denver Culture** analyzes data from over 300 nonprofits funded through the Scientific & Cultural Facilities District tax, including their annual attendance, outreach activities, operating expenditures, capital expenditures, audience spending, employment, and tax contributions.

Documenting the economic return on investment generated by culture helps communicate the value of the arts and sciences and stimulates public and private funding. The *Study* helps translate the value of cultural activity into business terms, demonstrating that science and culture are big business in metro Denver – and generate big business for our economy.



Key findings of the study include:

- **Culture created \$1,426,000,000 in metro area economic activity in 2005.** What can you build with \$1.4 billion? Bronco’s Invesco Stadium, Coors Field & 5 Pepsi Centers. Economic activity includes \$785 million in audience spending, \$597 million in operating expenditures, and \$44 million in capital expenditures.
- **Culture means New Money**, dollars coming into our local economy from outside the metro region which have a particularly important impact on business and community vitality. In 2005, **culture generated \$387 million in new money** from cultural tourism, capital spending, and federal government grants.
- **Culture is big business**, generating jobs, business spending, and tax revenue equivalent to the largest private employers in metro Denver. Nonprofit scientific and cultural organizations **paid almost \$95 million in wages to 10,800 employees and over \$16 million in seat, sales, and payroll taxes.**



Scientific & Cultural
Facilities District
Making It Possible.



- **The attendance at 2005 cultural events reached 14 million** – a line that would stretch from the Denver Art Museum to The Louvre in Paris, France.
- **Culture provided 1.7 million opportunities for metro area school children**, about two experiences for each of our 780,708 students.
- **Cultural activities attracted 2.4 million visitors** from outside the metro area.
- **Cultural spending ripples out to fuel business.** Each \$1 in cultural spending creates \$1.32 for other businesses. What do a hotel, an accountant, a restaurant, and a general contractor have in common? They all get money from culture!
- **Culture is a great return on investment.** Building on \$38.3 million in investment through the Scientific & Cultural Facilities District tax, the cultural sector returned \$387 million in new money to our local economy, an impressive **10:1 return on investment.**

Just as with any organization or business, the operating and capital spending of cultural nonprofits ripples out into the community when they purchase office supplies, rent space, pay for accounting and marketing services, and hire contractors to build or renovate facilities. Audiences also spend additional money when they attend cultural events; paying for gas and parking, shopping at local retailers, dining out, and staying overnight at hotels – and let’s not forget the babysitter!

The *2006 Economic Activity Study of Metro Denver Culture* was made possible by the generous support of U.S. Bank, Denver Metro Chamber of Commerce, Deloitte Consulting LLP, DualDraw LLC, and the Scientific & Cultural Facilities District. Special thanks to Heinrich Hispanidad for their translation services, allowing CBCA to make the *Study* available in Spanish.

For additional information, interviews, or presentations on the *2006 Economic Activity Study of Metro Denver Culture*, visit www.cbca.org or contact Membership & Communications Director Jan Brennan at 303-282-5129 or jbrennan@cbca.org. Data is available in graphic format.

Below are additional findings of the *2006 Economic Activity Study of Metro Denver Culture*:

Cultural economic activity is a growing force for our economy, rising almost a billion dollars from \$461 million in 1992, the first year of CBCA’s Economic Activity Study, to \$1.426 billion in 2005. Cultural growth has also created 6,100 new jobs and \$6.1 million in addition tax revenue since 1997.

Cultural Economic Activity

| | | | | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <i>1992</i> | <i>1995</i> | <i>1997</i> | <i>1999</i> | <i>2001</i> | <i>2003</i> | <i>2005</i> |
| <i>\$461million</i> | <i>\$501million</i> | <i>\$646million</i> | <i>\$844million</i> | <i>\$1.1billion</i> | <i>\$1.3billion</i> | <i>\$1.4billion</i> |

| <u>Cultural sector</u> | <u>Jobs</u> | <u>Tax contributions</u> |
|----------------------------------|---------------|--|
| 1997 | 4,700 | \$10.2 million |
| 1999 | 7,000 | \$12.3 million |
| 2001 | 7,700 | \$14.5 million |
| 2003 | 9,500 | \$13.7 million |
| 2005 | 10,800 | \$16.3 million |
| 6,100 new jobs since 1997 | | \$6.1 million additional tax revenue since 1997 |

Culture plays as significant a role as metro Denver's largest private employers.

Cultural & scientific nonprofits **10,800 employees**

Qwest Communications 9,500 employees

King Soopers Inc. 8,600 employees

Wal-Mart 7,900 employees

HealthONE 7,900 employees

Lockheed Martin 7,700 employees

Private employers compiled by Development Research Partners for the Metro Denver Economic Development Corporation

Metro Denver loves our culture, as well as our sports and mountains!

Cultural attendance tops that of both professional sports and skiing

Professional Sporting Events* 4,500,000

Front Range Ski Resorts** 8,200,000

Cultural Events **14,100,000**

*Home game attendance for the most recent seasons of Avalanche, Broncos, Mammoth, Nuggets, Rockies, and Rapids.

**2004-2005 skier visits to Arapahoe Basin, Beaver Creek, Breckenridge, Copper Mountain, Echo Mountain Park, Eldora, Keystone, Loveland, Monarch, Powderhorn, Ski Cooper, Sol Vista Basin, Sunlight, Vail, and Winter Park as reported by Colorado Ski Country.

39,000 individuals volunteered 1.7 million hours to cultural organizations.

792,000 people enrolled in cultural classes.

Cultural support through the SCFD means greater opportunities and more accessibility for metro Denver residents. A comparison with Dallas/Ft. Worth shows that metro area residents and schoolchildren had twice as many cultural opportunities.

Is everything bigger in Texas? Not culture!

Competitiveness Snapshot

| | Cultural attendance | Opportunities for school kids |
|---------------------|----------------------------|--------------------------------------|
| Metro Denver | 14,100,000 | 1,700,000 |
| Dallas/Ft. Worth* | 7,900,000 | 789,000 |

*Economic Impact Study of Arts & Cultural Organizations in North Texas 2006, North Texas Business Committee for the Arts

Cultural tourism, travel directed towards experiencing the arts & heritage of a destination, helps attract visitors to Colorado.

Total cultural tourists **2,400,000**

Colorado visitors from outside metro Denver 1,300,000

US visitors from outside Colorado 1,000,000

Visitors from outside US 65,000

Visitors from outside metro Denver generated **\$334 million** in new money for our economy.

CBCA

CBCA is a catalyst for Colorado's business community to leverage the arts for workforce creativity, business prosperity, and economic vitality. CBCA provides programs, arts activities, training, research, and advocacy that stimulate creative and innovative success.

We invite local companies to join as a member of this dynamic business organization and experience the results.

CBCA member benefits include:

- Free cultural activities for your employees and clients
- Training programs and activities developing leadership, workforce creativity, and business innovation
- Recognition through publications, events, and awards that promote your corporate citizenship and contributions to the community
- Research, education, and advocacy critical to business interests in economic growth, community development, tourism, and a vibrant cultural environment.

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