



2006 Study Information



Who cares about culture?

All of us! Culture makes a significant and 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.

The *2006 Economic Activity Study of Metro Denver Culture* connects the dots between cultural and scientific activities and their effect on our economy, community, and quality of life. Documenting the economic return on investment generated by culture helps communicate the value of the arts and sciences and stimulates public and private funding. This 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.

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.

What is the Scientific & Cultural Facilities District (SCFD)?

The SCFD is a voter-approved taxing district comprised of the seven metro counties (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties). The sales tax of 0.01%, one penny on every ten dollars, generates over \$38 million annual support for cultural organizations and activities.

The SCFD supports over 300 nonprofit art, music, theater, dance, zoology, botany, natural history, and cultural history organizations, collecting a wealth of

data regarding their activities. This study uses the data about these scientific and cultural activities to analyze the contributions of culture.

How is cultural economic activity calculated?

Direct Economic Activity is generated by combining the operating and capital expenditures of SCFD-funded nonprofit arts and science organizations, together with the dollars spent directly by patrons when they attend cultural events.

Indirect Economic Activity is determined by applying multipliers to the direct expenditures. The multipliers are prepared by the US Bureau of Economic Analysis and customized to the metro Denver area by Deloitte Consulting with input from the Department of Local Affairs, Division of Local Government Services. By applying the multipliers, we calculate the economic activity stimulated in our local economy by the spending of scientific and cultural nonprofits and their audiences.

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!

Total Economic Activity combines both direct and indirect economic activity to provide a compelling picture of the total contribution scientific and cultural nonprofits make to the economic vitality of the metro Denver area.

What is “New Money”?

A particularly important part of the Total Economic Activity is what economists call “**economic impact**,” new money spent in metro Denver by visitors and companies coming from outside the region. This extra spending coming into our community plays a key role in creating new jobs, making businesses more prosperous, and reducing our tax burden.

Want to know more?

CBCA and membership

Additional *2006 Study* information

Presentations and interviews

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