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CBCA 2008 Economic Activity Study of Denver Metro Culture Shows Positive Impact of Arts and Culture on Metro Area Economy

Denver, CO – Denver’s arts and cultural community created \$1.691 billion in economic activity in 2007, up 19% from 2005, according to a report released today by the Colorado Business Committee for the Arts (CBCA). Over 16.4 million Coloradans and other visitors attended cultural events in 2007, including 3.5 million contacts with school children. Nearly \$331 million was generated from cultural tourism at area arts, cultural and scientific institutions.

City leaders presented findings of the study at a breakfast at Palettes restaurant this morning. Denver Mayor John Hickenlooper commented, “Documenting the economic contributions of arts, cultural and scientific organizations focuses attention on their value as businesses, not only as vehicles for entertainment or education. Their success is a key component of the economic vitality of the entire metro region.”

The *2008 CBCA Economic Activity Study of Metro Denver Culture* reflects information collected in 2007 from 93% of the nonprofits funded by Scientific Cultural Facilities District (SCFD) across the seven-county metro area including Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson counties. The data was analyzed by Deloitte Consulting LLP and DualDraw LLC.

This year the study also looked back at growth from 1997 through 2007. Total cultural economic activity and attendance at events more than doubled. In addition, jobs attributable to arts, cultural and scientific nonprofits increased 76% with a corresponding 49% increase in payroll over the ten year period.

“For 18 years, CBCA has conducted the biennial *Economic Activity Study* because we know that arts, cultural and scientific nonprofits are significant businesses in the region. Their operations contribute to local economic development every day,” said Deborah Jordy, CBCA Executive Director. She added, “Arts organizations also have a larger impact by the role they play in strengthening cultural tourism. The spending associated with it further stimulates our economy.”

James Harrington, SCFD Board Chair said, “SCFD organizations work very hard to ensure that the residents of the seven-county region see a positive return on their investment. The trends illustrated in the *2008 CBCA Economic Activity Study of Metro Denver Culture* indicate that there is more access to and community participation in the greater Denver metro area arts and cultural events than ever before.”

"People may not stop to consider that theaters, museums and other arts, cultural and scientific nonprofits are businesses. They employ artists, but also operations staff and management professionals; they contract for services and pay taxes. Our arts and cultural community continues to attract new capital from outside the region. This grows the economy as well as adding to the fabric of the community," said Tom Clark, Executive Vice President of the Denver Metro Chamber of Commerce and Metro Denver Economic Development Corporation.

The 2008 CBCA Economic Activity Study of Metro Denver Culture is generously supported by U.S. Bank, Denver Metro Chamber of Commerce, Whiting Petroleum, Denver Metro Convention and Visitors Bureau and our partners at Deloitte Consulting, DualDraw, SCFD and The Publishing House.

Additional key findings of the CBCA 2008 Economic Activity Study of Metro Denver Culture include:

- **The \$42 million of SCFD funding to nearly 300 organizations is a catalyst for the nearly \$1.7 billion of cultural economic activity in the seven-county area.**
- **The \$1.69 billion of 2007 economic activity is composed of:**

Total Spending Number = \$1.691 billion

Audience Spending - \$936 million

Operating Expenditures - \$701 million

Capital Expenditures - \$53 million*

Total Spending includes both Direct and Indirect Activity and breaks down as follows:

Direct Economic Activity = \$726 million

Audience Spending - \$421 million

Operating Expenditures - \$283 million

Capital Expenditures - \$22 million*

Indirect Economic Activity = \$965 million

Audience Spending - \$515 million

Operating Expenditures - \$419 million

Capital Expenditures - \$31 million*

* A capital expenditure is money spent that is expected to have a value longer than one year, such as new construction, major renovation or remodeling and equipment.

Total economic activity is the sum of direct and indirect economic activity. Direct activity combines operating and capital expenses with money spent by audiences. Indirect activity is determined by applying multipliers prepared by the U.S. Bureau of Economic Analysis to direct activity that calculate local spending stimulated by the cultural nonprofits themselves and their patrons. Examples include rent, services and office supplies on the business side and purchases of food, retail goods, hotel stays, parking and gasoline on the audience side.

- **The \$392 million of 2007 economic activity is considered “new money” or economic impact and is composed of:**

Capital Expenditures - \$53 million

Federal Government Grants - \$8 million

Cultural Tourism - \$331 million*

* Cultural tourism as statistically defined here is the impact of visitors from outside the metro area on both operating expenditures and event related spending.

- **The reporting SCFD organizations employed 8,244 people in 2007. Total 2007 payroll for cultural employees was over \$119 million. Although 2007 employee numbers dropped 23%, the average salary increased 65% over 2005.**

- **The combined payroll, seat and sales taxes paid in 2007 by arts, cultural and scientific nonprofits were \$21.3 million, up 31% over 2005.**
- **In 2007, nearly 40,000 people contributed their time and talent by volunteering in arts, cultural and scientific nonprofits.**
- **Metro Denver cultural and scientific organizations enjoyed over 16.4 million total visits in 2007, an increase of 17% over 2005. The 2007 visits break down as follows:**
 Free visits– 9.4 million
 Paid visits – 4.8 million
 Reduced rate visits – 2.2 million
- **Included in the 16.4 million total visits were 3.5 million contacts between arts, cultural and scientific nonprofits and school children in 2007. Contacts are defined as the total number of students participating in a program or event.**
- **Over 1.1 million residents attended educational classes offered by arts and cultural institutions, a 44% increase over 2005.**

10 YEAR TRENDS	<u>1997</u>	<u>2007</u>
Total Economic Activity	\$823 million	\$1.69 billion
Total Employees	4,688	8,244
Payroll	\$79.9 million	\$119.3 million
School Children Contacts	1.7 million	3.5 million
Total Attendance	7.9 million	16.4 million

*1997 dollars adjusted for inflation to 2007 dollars per U.S. Bureau of Labor Statistics CPI-U for Denver-Boulder

Colorado Business Committee for the Arts (CBCA) is a catalyst for Colorado’s business community to leverage the arts for economic vitality. CBCA is a member organization of leading companies that have a philanthropic commitment to the arts and recognize the link between cultural vitality and creative and innovative success. Over 130 metro area businesses, representing 75,000 employees, are members of CBCA. Established in 1985 by local business leaders, Colorado is one of 12 affiliates of the National Business Committee for the Arts founded by David Rockefeller in 1967. www.cbca.org

For more information, photos, charts and graphs or to schedule presentations, please contact:

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