

Employment and Earnings Trends and Impacts

South Metro Economic Engine Drives Job Growth (2004-2009)

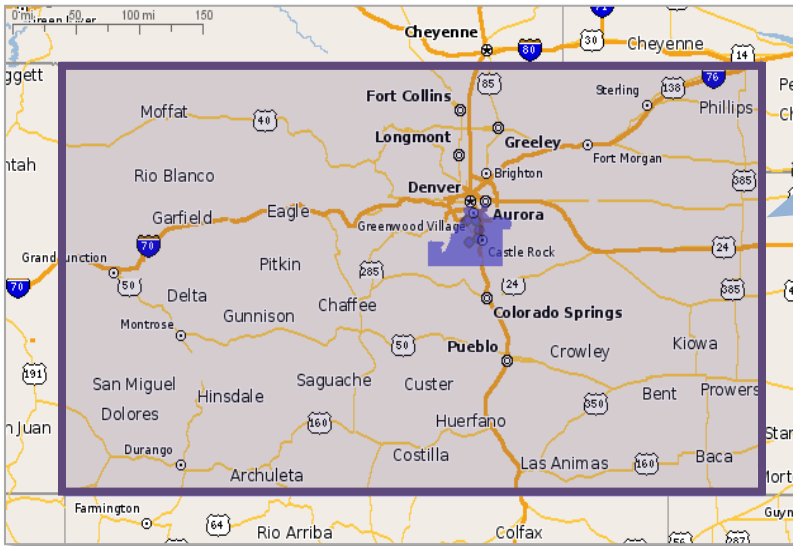
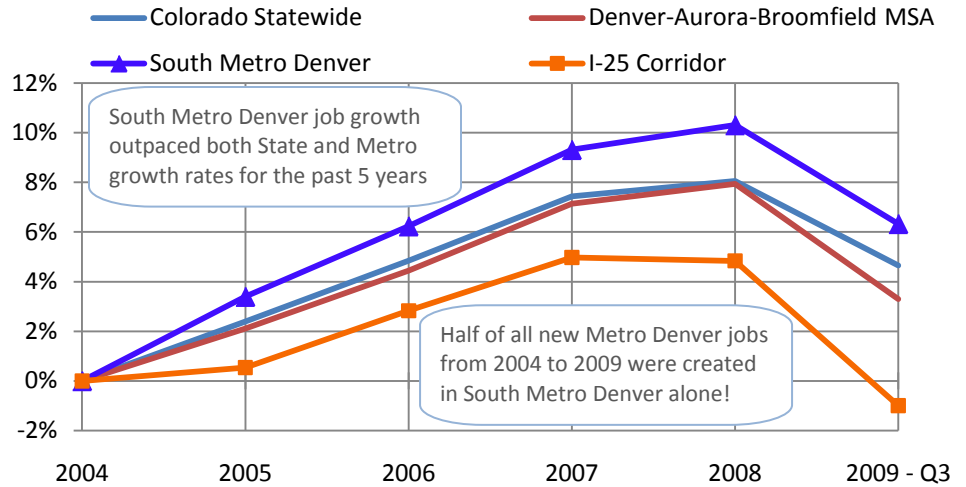
In 2009, South Metro Denver (SMD) employment totaled 427,980, representing a 25,494 job (6.3%) increase over 2004

For every 1 job created in South Metro Denver, a total of 1.67 jobs are generated Statewide. For every \$1 of wage earnings, a total of \$1.54 earnings result Statewide

714,310 or 23.1% of Colorado jobs result from SMD economic activity. \$32.78 billion (29.7%) of state earnings result from the South Metro economy, i.e. direct jobs, indirect jobs and induced spending effects

SMD job growth, at 6.3%, was twice the Denver MSA (10 county) average of 3.3%. The I-25 Corridor Area had 1% decline in job numbers from 2004 to 2009 third quarter

South Metro Denver is a key employment engine for Denver and Colorado



Almost 30% of earnings in Colorado can be traced to South Metro Denver: **714,310 jobs with \$32.78 Billion in wages***

In total, 673,883 or 42.7.1% of Metro-based jobs result from South Metro economic activity, i.e. direct jobs, indirect jobs and induced effects

For every 1 job created in South Metro Denver (blue shading), a total of 1.57 jobs is generated within the wider Metro Denver MSA* (purple shading)

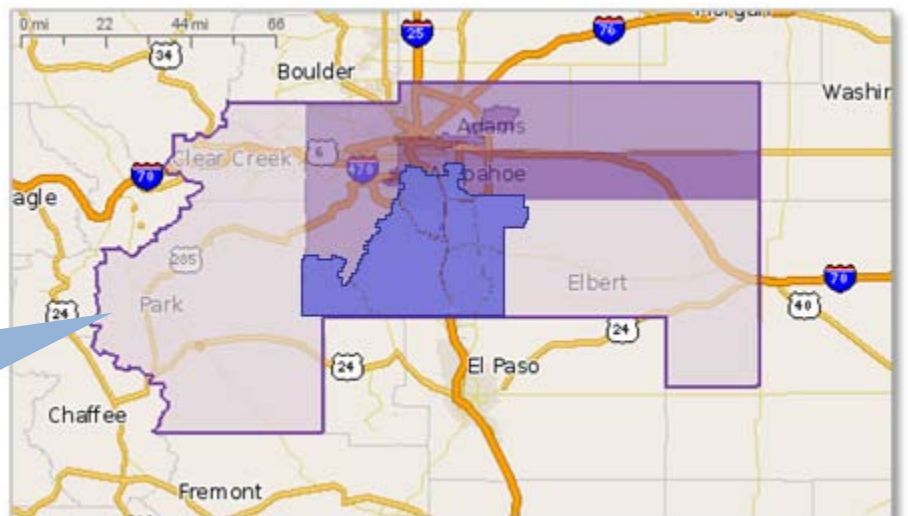
* Denver-Aurora-Broomfield MSA (Principal Counties: Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park)

\$30.93 billion (45.7%) of earnings are generated Metrowide as a result (directly and indirectly) of employment within South Metro Denver. 50% of South Metro employees commute in for work

For every \$1 of wage earnings generated in South Metro Denver, a total of \$1.45 earnings are generated Metrowide

Source: EMSI Complete Employment - 3rd Quarter 2009

SMD's economic impact on the 10 county Metro area: **673,880 jobs with earnings of \$30.93 Billion***



* Gross impact; local economic leakage not included.

South Metro Denver Economic Base

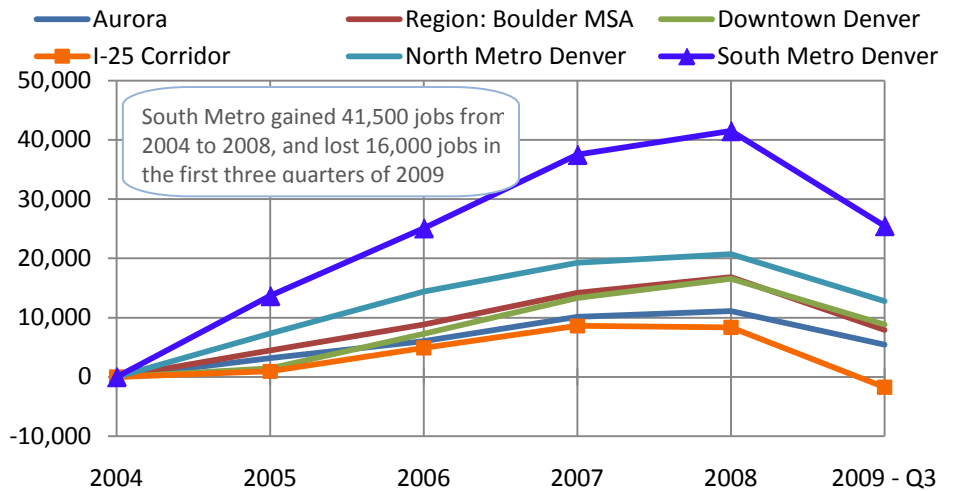
South Metro Rebounded in 2004 with a Growth Surge

South Metro Denver remains the single largest economic area in the 10 county Metro MSA for jobs (427,980). Other parts of Metro Denver are typically half to one third as large.

The major centers of Financial Services; Downtown Denver (179,000 jobs) and the I-25 Corridor area (171,200 jobs), are similar in size. Both have high average earnings of \$60,000 plus per worker.

The diversified Downtown area, helped by the Democratic National Convention, has grown faster since 2004. The I-25 Corridor took the full hit of the 2009 financial crisis (losing 1,730 jobs).

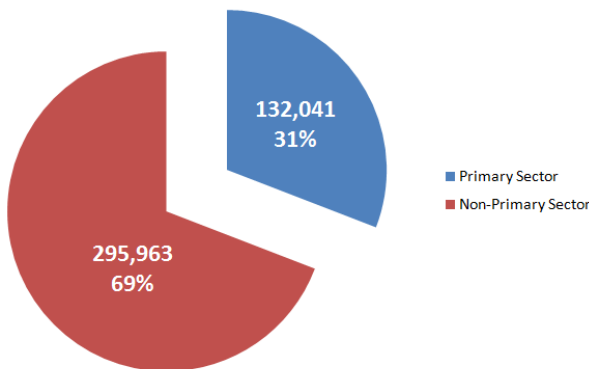
South Metro Denver Out-performs Metro Peers (2004–2009)



Change in Employment	Aurora	Boulder	Downtown	North Metro	South Metro	I-25 Corridor
2004 Industry Jobs	131,010	214,802	170,248	194,238	402,482	172,932
2009 Industry Jobs (3 rd Quarter)	136,423	222,698	179,092	207,046	427,975	171,201
Total Change	5,413	7,896	8,843	12,808	25,494	-1,731
Total % Change	4.1%	3.7%	5.2%	6.6%	6.3%	-1.0%
Current Avg. Earnings p/Worker	\$38,651	\$54,643	\$64,512	\$43,949	\$49,863	\$60,186

Source: EMSI Complete Employment - 3rd Quarter 2009

Chart 1: South Metro Denver: Primary Jobs (2009)



Economic base analysis shows which groups of industries really drive a region's economy; that is, which sectors bring the most dollars into a region (i.e. export sales, income and investment), rather than simply circulating dollars that are already present.

Chart 1 (above) provides a breakdown of the South Metro Denver's economic base by primary and non-primary jobs. Primary jobs have a much greater economic impact (through high multiplier effects) compared to non-primary jobs.

South Metro has 132,000 primary jobs, representing 31% of total employment. The non-primary sector accounts for almost 296,000 jobs or 69% of total.

Chart 2: South Metro Denver: Economic Base by Income (2009)

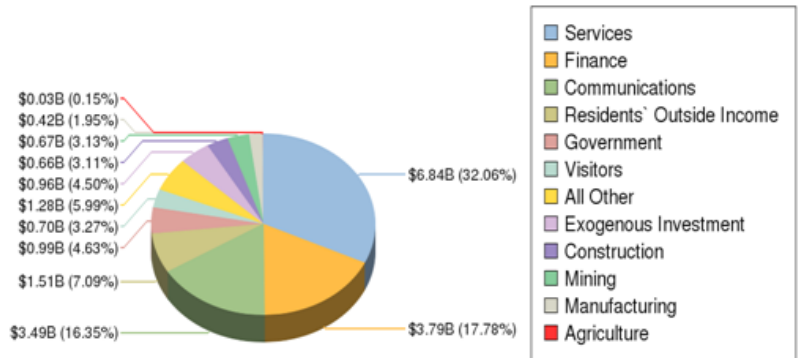


Chart 2 shows that the Services sector is the single most important activity for generating income in the South Metro area. This super sector underpins 136,990 jobs (32% of total) and \$6.84 billion of income (32% of total). Important industries in this sector include Architectural/engineering services, Computing services and Management consulting services.

Finance and Communication sectors have a similar scale of impact:

- Finance supports 67,839 jobs locally (16% of total) and \$3.79 billion of income (18% of total).
- Communications supports 61,770 jobs locally (14% of total) and \$3.49 billion of income (16% of total).

Service sectors are often not given recognition as drivers of modern economy.

I-25 Corridor Economic Base

Areas Outside the I-25 Corridor Growing Faster

Income from Employment	Colorado	Denver MSA*	South Metro	I-25 Corridor
2004 Industry Jobs	2,951,041	1,527,190	402,482	172,932
2008 Industry Jobs	3,088,487	1,578,144	444,007	181,298
2004 Total Income (Billion)	\$91.84	\$54.38	\$19.67	\$10.48
2008 Total Income (Billion)	\$114.59	\$67.60	\$22.14	\$10.91
Total Income Change (Billion)	\$22.75	\$13.22	\$2.47	\$0.43
Total % Change (2004 - 2008)	24.8%	24.3%	12.5%	4.1%

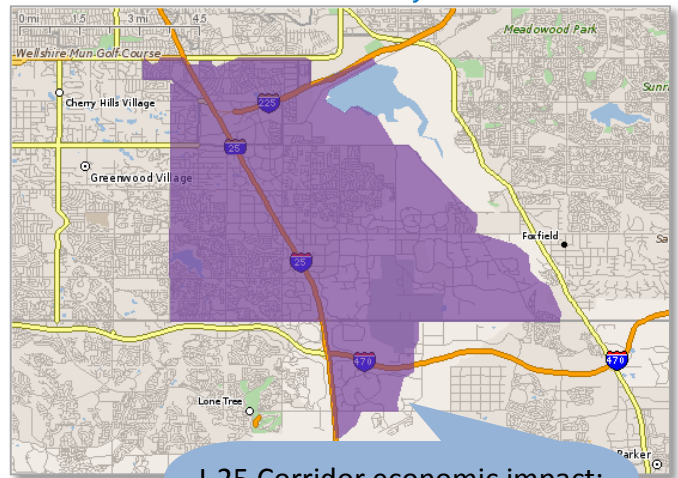
Source: EMSI Complete Employment – Annual 2008; QCEW Annual 2004

Despite respectable income growth, the I.25 Corridor and South Metro Denver, lost ground in wealth generation from 2004 to 2008:

- Colorado wage revenue grew by 24.8% (up \$22.7 billion)
- **Metro-wide wage revenue increased by 24.3% (up \$13.2 billion)**
- South Metro wage revenue grew 12.5% (2.47 billion gross)
- **I-25 Corridor wages grew by 4.1% (0.43 billion gross)**
- South Metro Denver's share of total statewide income slipped from 21.4% in 2004 to 19.3% in 2008
- **The I-25 Corridor's share of total statewide income also slipped; down from 11.4% in 2004 to 9.5% in 2008**
- By comparison, Metro Denver's share has held steady at 59%. This effect may be due to the massive boost in oil and gas revenues in recent years, as well as the 'one time' boost of the 2008 Democratic National Convention for the city.

Note: The I-25 Corridor Study area (map right) has been used to match the historical study; in future the area will include Lone Tree (80124)

I-25 Corridor Study Area



I-25 Corridor economic impact:
307,100 jobs and \$16.22 Billion
in earnings Statewide
289,700 jobs and \$15.30 Billion
in earnings Metrowide*

Chart 3: I-25 Corridor: Economic Base by Income (2009)

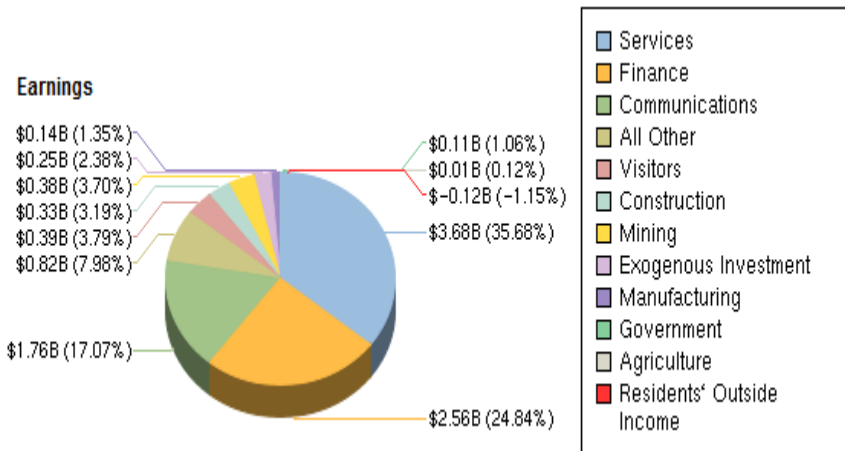


Chart 3 (left) shows that the Services sector plays an even larger role in generating revenue within the I-25 Corridor. This super sector underpins \$3.68 billion of income (36% of total) and 66,900 jobs (39% of total)

The Finance sector also plays a larger role, supporting 40,830 jobs locally (24% of total) and \$2.56 billion of income (25% of total)

Communications supports 26,110 jobs locally (15% of total) or \$1.76 billion of income (17% of total)

Service sectors are often not given full recognition as primary drivers in a knowledge-based economy

I-25 Corridor 2009 Q3 Impact			Employment		Earnings (\$ Billions)	
I-25 Corridor Area	Direct jobs	Indirect jobs	Total impact*	Direct impact	Indirect impact	Total Impact*
Metro-wide Impact	161,512	128,211	289,723	9.72	5.58	15.30
State-wide Impact	171,202	135,903	307,105	10.30	5.91	16.22

\$15.30 billion (22.6%) of earnings Metrowide are generated (directly or indirectly) from employment within the I-25 Corridor. Likewise, 18.4% of jobs Metrowide (289,700) are generated directly or indirectly from the I-25 Corridor economy.

Cluster Industries and Economic Impact

Knowledge-based Services Driving Wealth Creation

The chart (right) shows that the Business and Financial Services was the largest cluster which added most jobs by 2009 (5,700 new jobs or 6% growth)

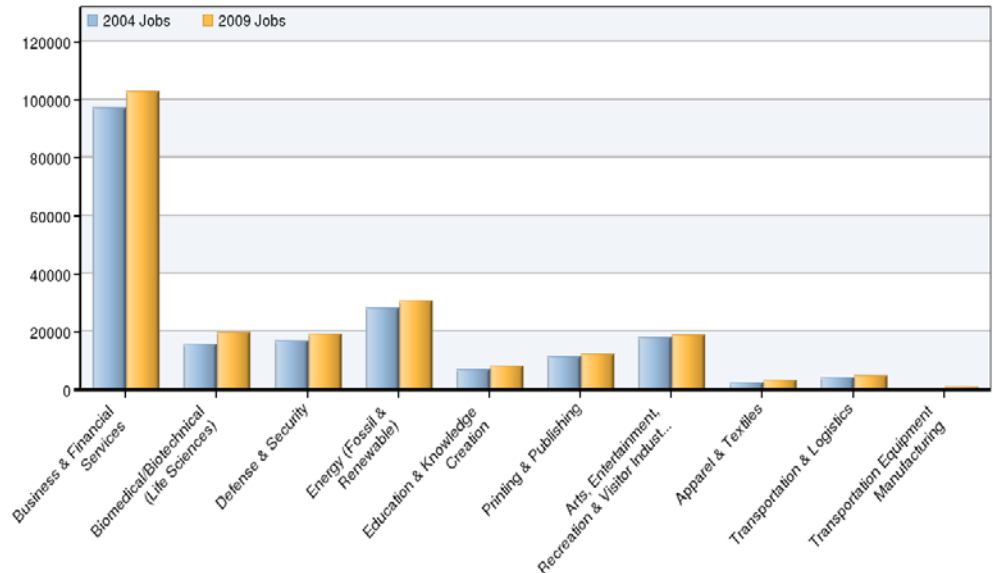
The Life Sciences ranks second for job growth (4,200 jobs or 27% growth), though the Energy sector is larger.

In 2009, Energy was the third largest sector; employing 30,600 in the South Metro area. The sector added 2,490 jobs over the period (9% growth)

Defense and security is equal in size as Life Sciences, and it grew by 15% over the period (2,510 jobs added)

Education and Knowledge added 1,240 new jobs (18% growth); while Transportation Equipment Manuf. added 440 new jobs.

South Metro Clusters 2004 – 2009



South Metro Clusters' Job Share of Metro Denver Total (2009)

Cluster Category	2009 Jobs	Share of Metro Jobs	Location Quot.
Business & Financial Services	102,868	41.8%	1.4
Information Technology & Telecommunications	39,075	42.5%	1.4
Energy (Fossil & Renewable)	30,607	30.6%	1.0
Biomedical/Biotechnical (Life Sciences)	19,807	22.1%	0.7
Defense & Security	19,183	31.6%	1.0
Arts, Entertmnt., Recreation & Visitor Industries	18,822	29.2%	1.0
Printing & Publishing	12,281	35.7%	1.2
Education & Knowledge Creation	8,135	24.5%	0.8
Transportation & Logistics	4,782	9.1%	0.3
Transportation Equipment Manufacturing	868	11.4%	0.4

The chart (left) shows that three sectors have a higher than expected share of cluster jobs compared to the whole Metro Denver MSA:

- Business and Financial Services (41.8% share)
- IT & Telecoms (42.5% share)
- Printing & Publishing (35.7% share)

Three sectors have the expected share of cluster jobs compared to Metrowide:

- Energy (Fossil & Renewable) (30.6% share)
- Defense & Security (31.6% share)
- Arts & Visitor Industries (29.2% share)

Aerospace and Aviation are notably weaker:

- Transportation Equip. Manuf. (11.4% share)
- Transportation & Logistics (9.1% share)

South Metro Denver: Top Ten Economic Impact Industries

Industry Category	Metro-wide impact	
	Jobs	Earnings (Bn)
Professional and technical services	81,273	\$4.82
Finance and insurance	81,876	\$4.59
Information	81,739	\$4.56
Real estate and rental and leasing	58,169	\$2.04
Health care and social assistance	52,892	\$2.11
Construction	41,822	\$1.96
Retail trade	48,600	\$1.38
Wholesale trade	29,808	\$1.86
Government	35,555	\$1.50
Administrative and waste services	33,716	\$1.11

The table above quantifies the total number of jobs and the total earnings generated by each industry Metrowide (both directly and indirectly) as a result of South Metro high paying jobs and wages

South Metro Denver: Jobs in Key Industries by Zip Area

