
2011 Economic Forecast: Boulder & Beyond

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Development Research Partners



Development Research Partners



Metro **Denver**
Economic Development Corporation

***TOWARD A MORE COMPETITIVE
COLORADO***

Sixth Edition
October 2010

Methodology

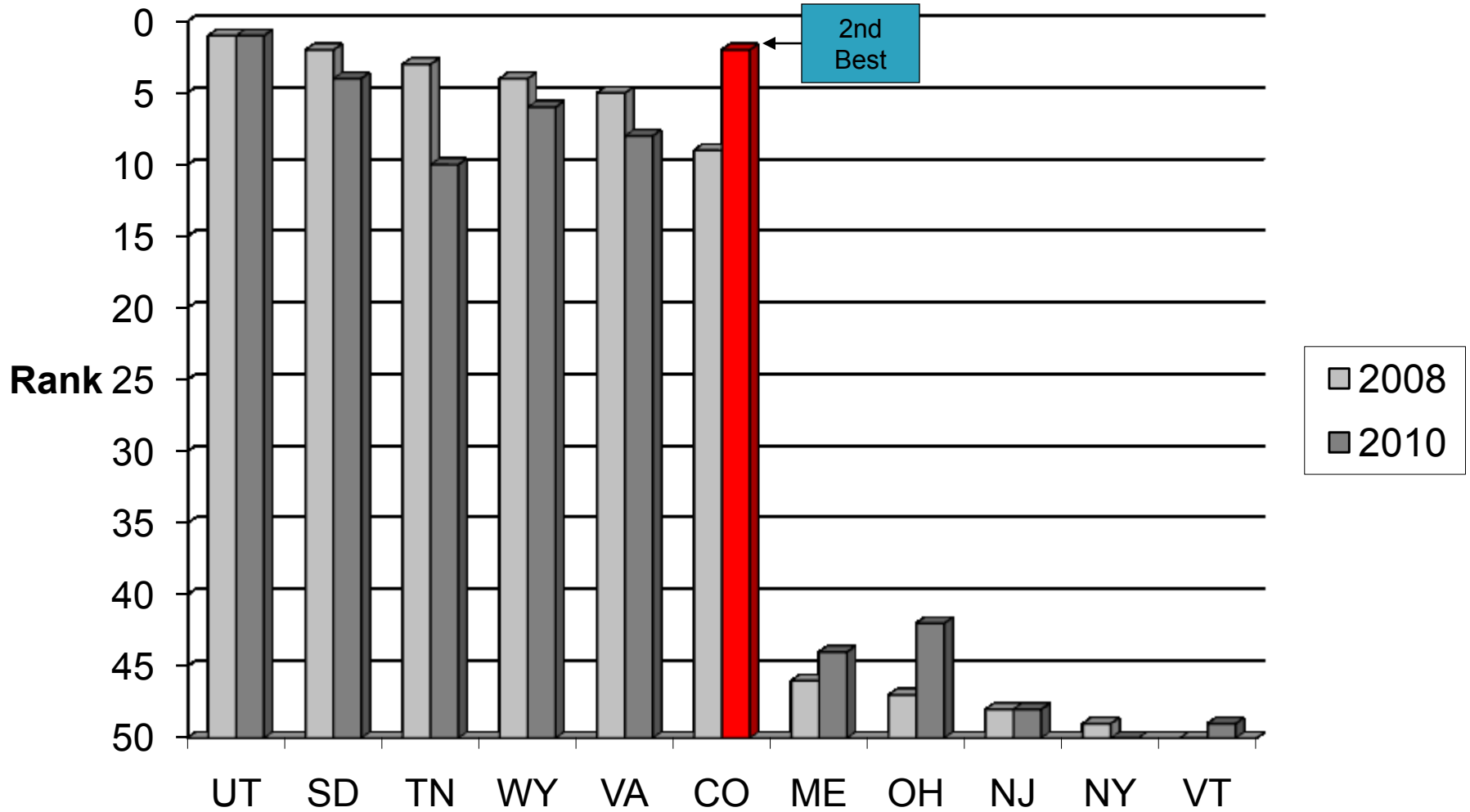
- Sixth Edition includes 100 measures
 - ◆ 67 strengths
 - ◆ 33 challenges
- Nine categories
 - ◆ Economic Vitality
 - ◆ Innovation
 - ◆ Business costs
 - ◆ Taxes
 - ◆ Livability
 - ◆ K-12 Education
 - ◆ Higher Education
 - ◆ Health
 - ◆ Infrastructure
- 2000 – 2009 Data
- Charts include three years: 2000, 2003, and most recent
- States ranked based on 2000 (or earliest year) position
- “Big Bar Good”

Strengths

Focusing on Maintaining Colorado's Competitive Edge
Where We're Strong and Staying that Way

Economic Outlook

American Legislative Exchange Council

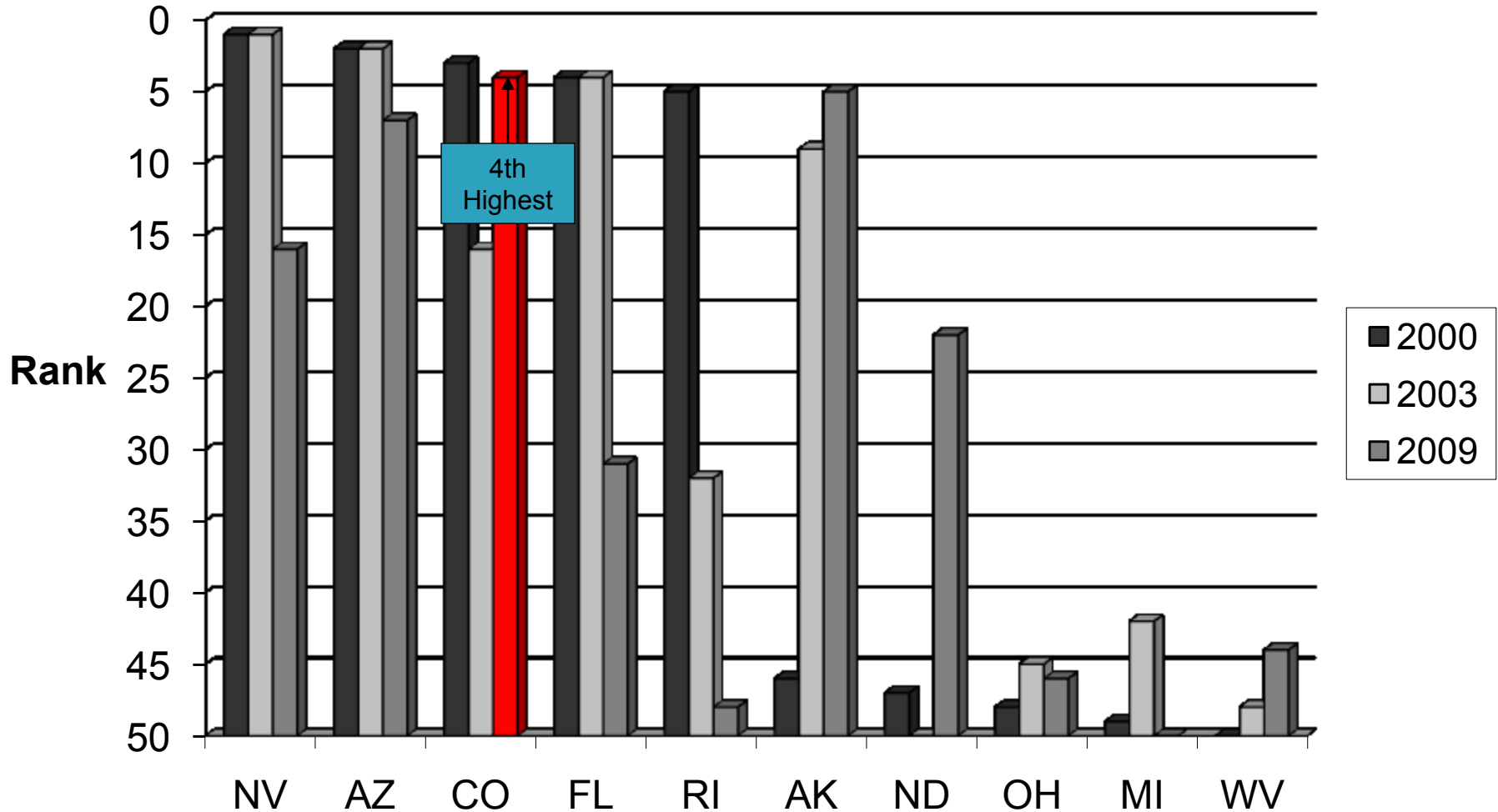


Economically competitive states attract people from less competitive regions around the nation. High ranking states are projected to have positive levels of in-migration, employment growth, and higher personal incomes due to their competitive tax environments, fiscal health, and strong legal systems.

Fig. 9

Annual Population Growth

U.S. Census Bureau, Population Estimates



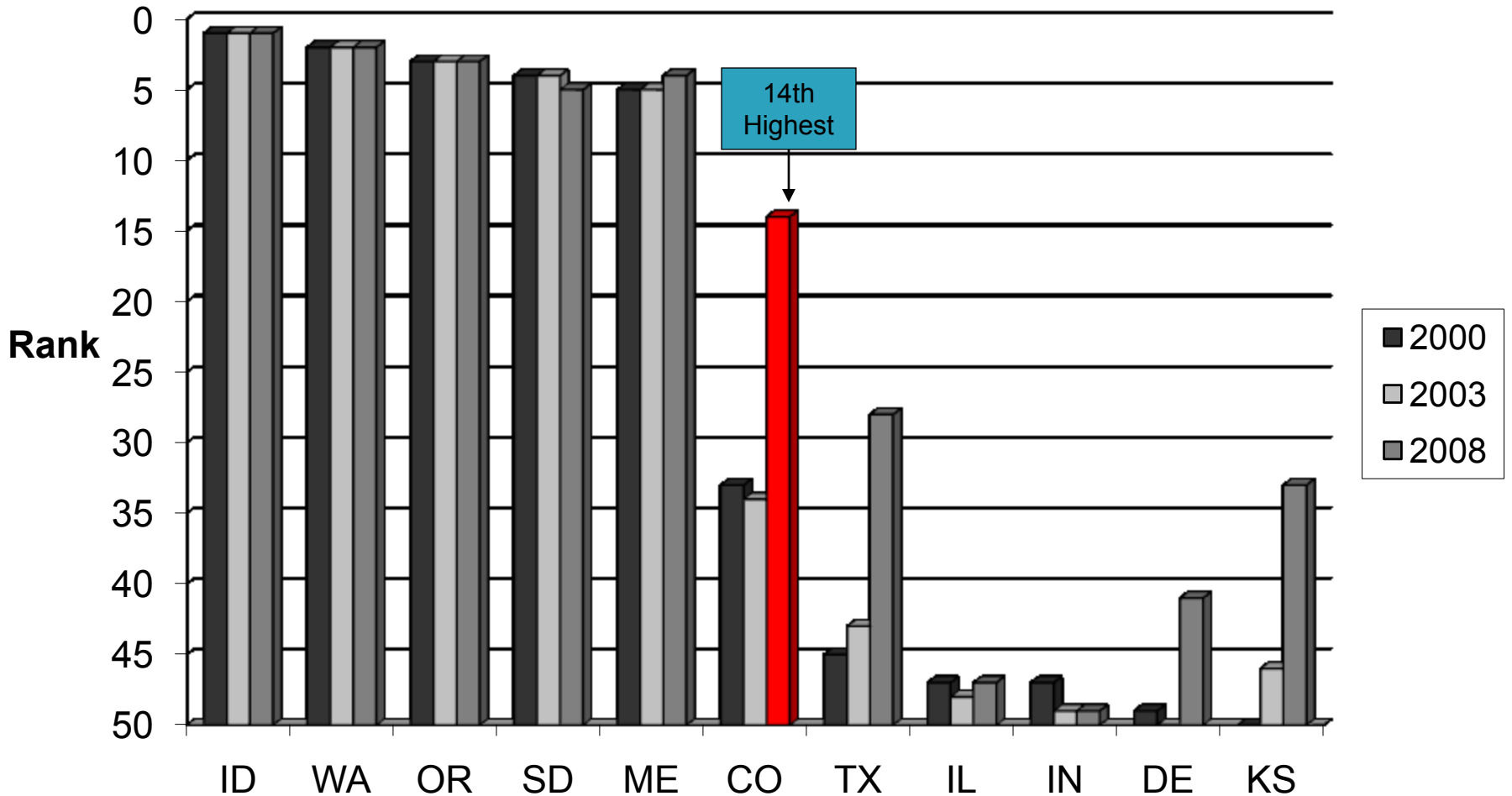
Population growth tends to be higher in states where jobs are perceived to be more readily available. Although Colorado's job growth rate slipped in 2009, the state remained a magnet for job-seekers. Strong population growth in the state is also linked to an inflow of baby boomers' parents.

Fig. 65

New Energy Economy

Percent of Electricity Generated through Renewable Sources

U.S. Energy Information Administration

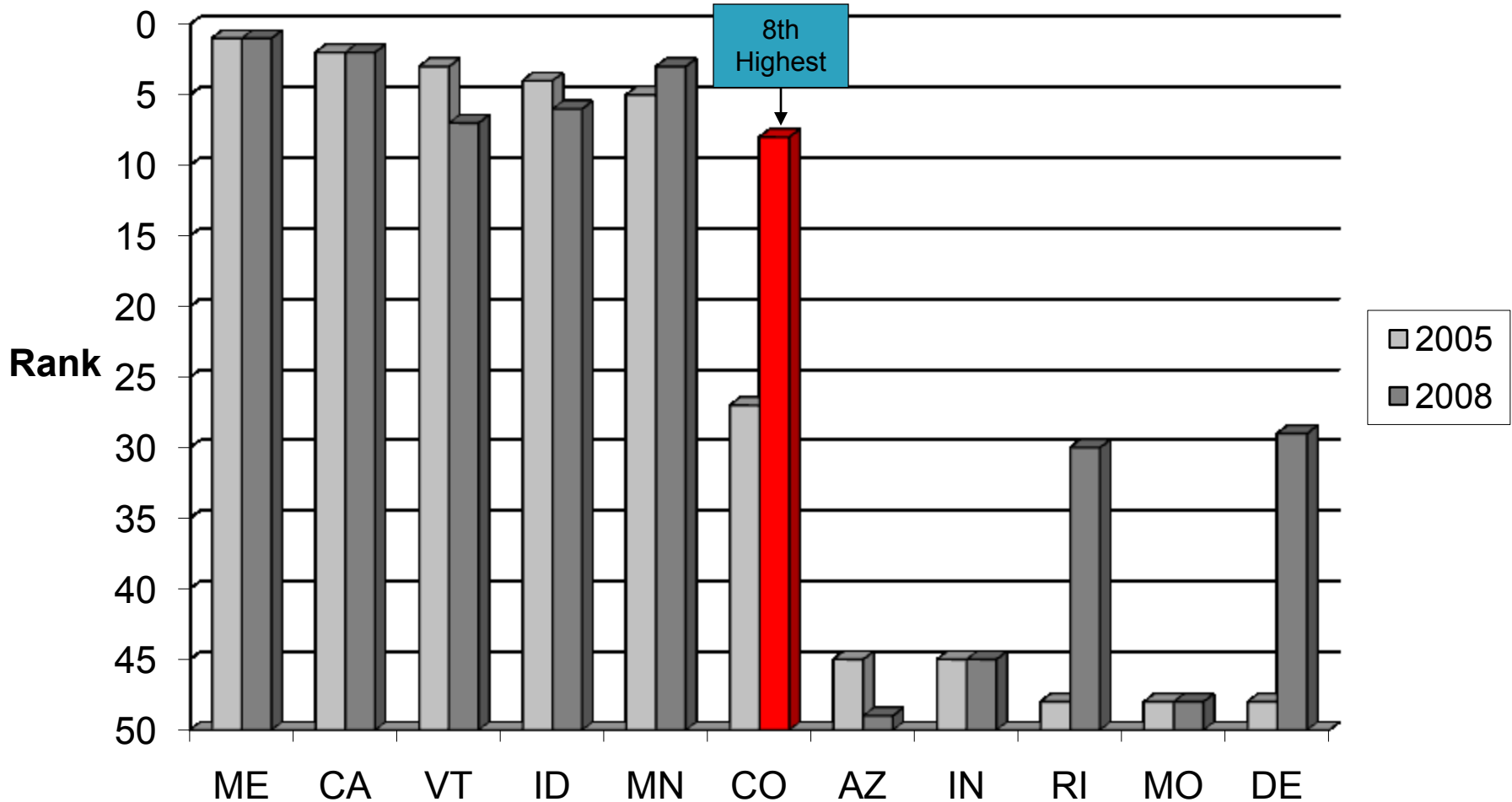


Increased private and public sector interest and a renewable energy standard have improved Colorado's ranking. Colorado's percent of electricity generated through renewable resources increased 75 percent from 5.7 percent in 2007 to 10 percent in 2008.

Fig. 125

Percent of Electricity Generated through Non Hydro Renewable Sources

U.S. Energy Information Administration



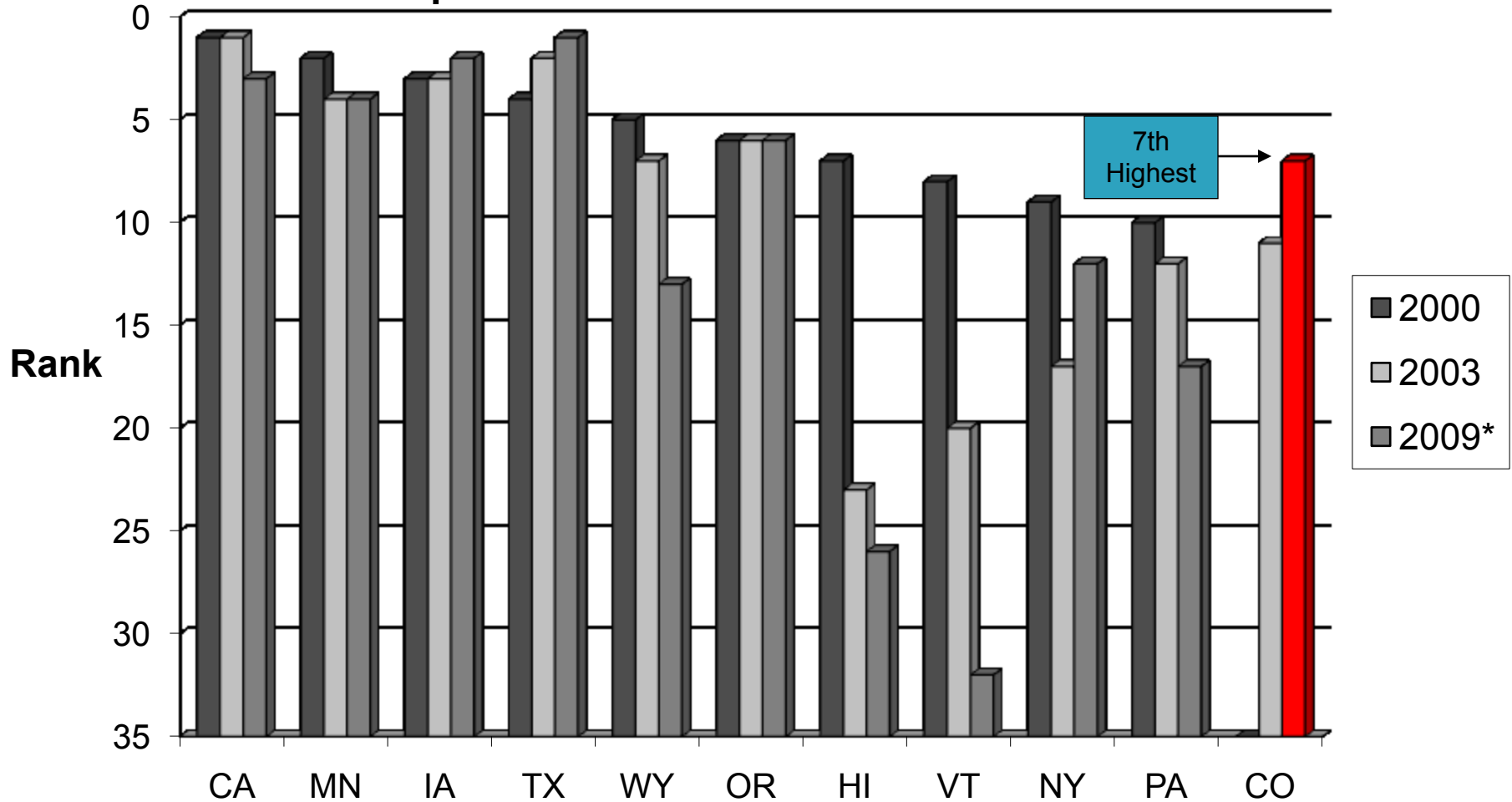
Sources of non-hydroelectric renewable energy include biomass, geothermal, solar, and wind. Many states have focused on expanding these non-hydroelectric energy sources. Colorado's percent of non-hydro renewable energy increased from 2.5 percent in 2007 to 6.1 percent in 2008. Wind is the primary source of renewable energy in the state.

Fig. 127

Total Wind Energy Net Generation

U.S. Energy Information Administration

Top 10 States and Colorado



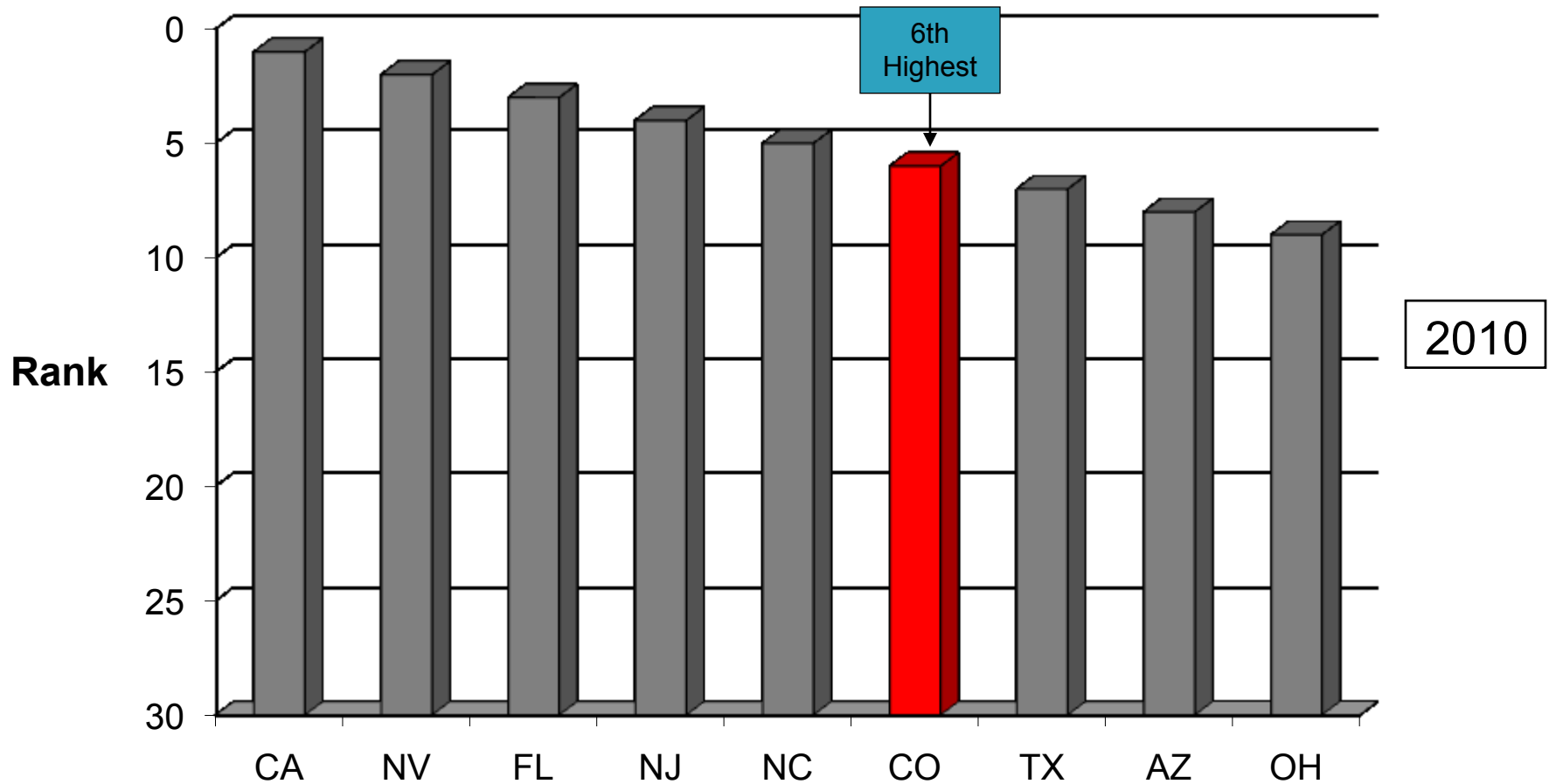
Only 11 states reported energy generated from wind in 2000. That number jumped to 35 states in 2009, with Colorado ranking seventh.

**2009 data is preliminary.*

Total Solar Energy Installed Capacity

SNL Financial Operating Capacity Dataset

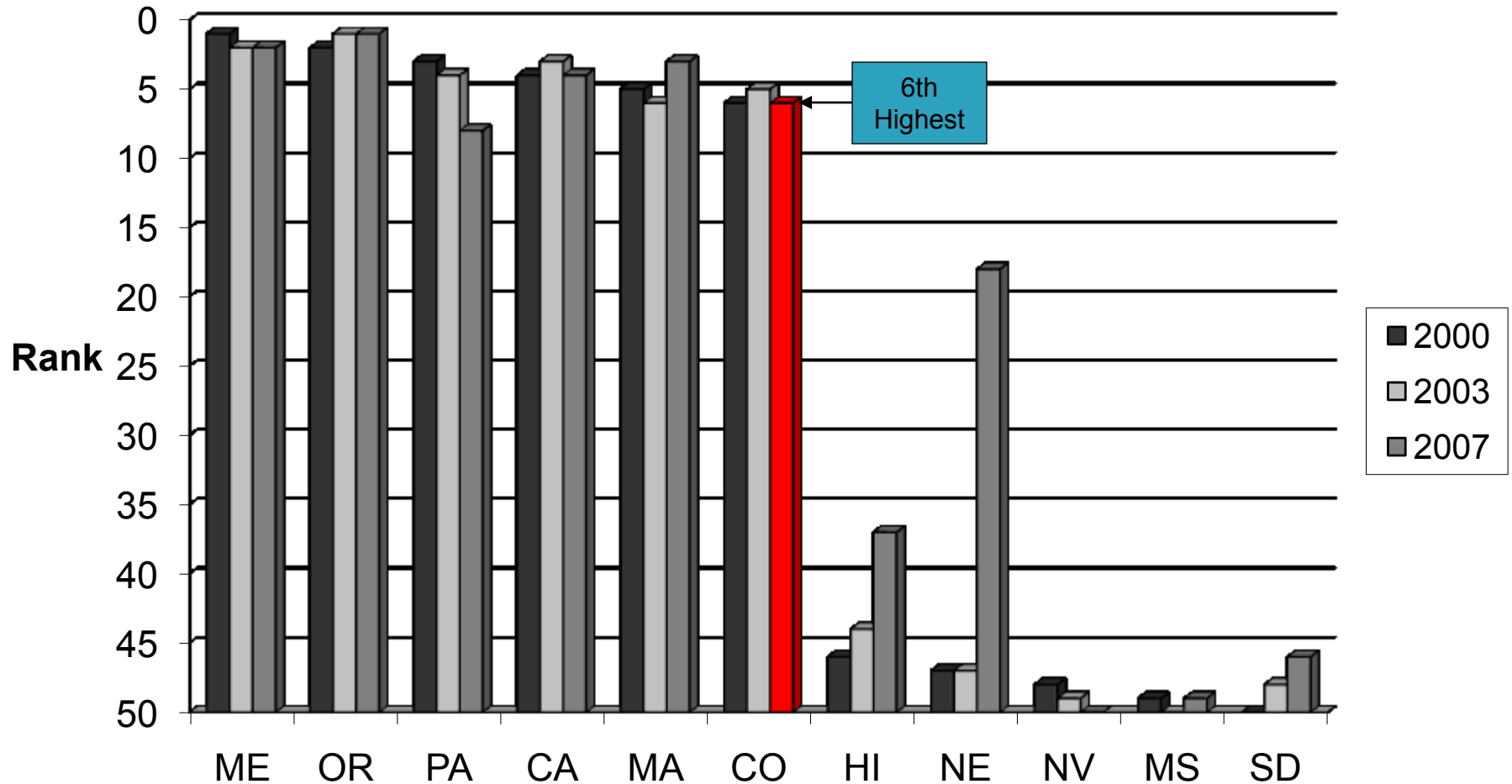
Top 10 States



Large scale solar operations are still new in the United States and require significant amounts of land and sunshine. In 2010, 27 states had quantifiable solar operations.

Clean Energy Employment per 1,000 Workers

Pew Charitable Trusts

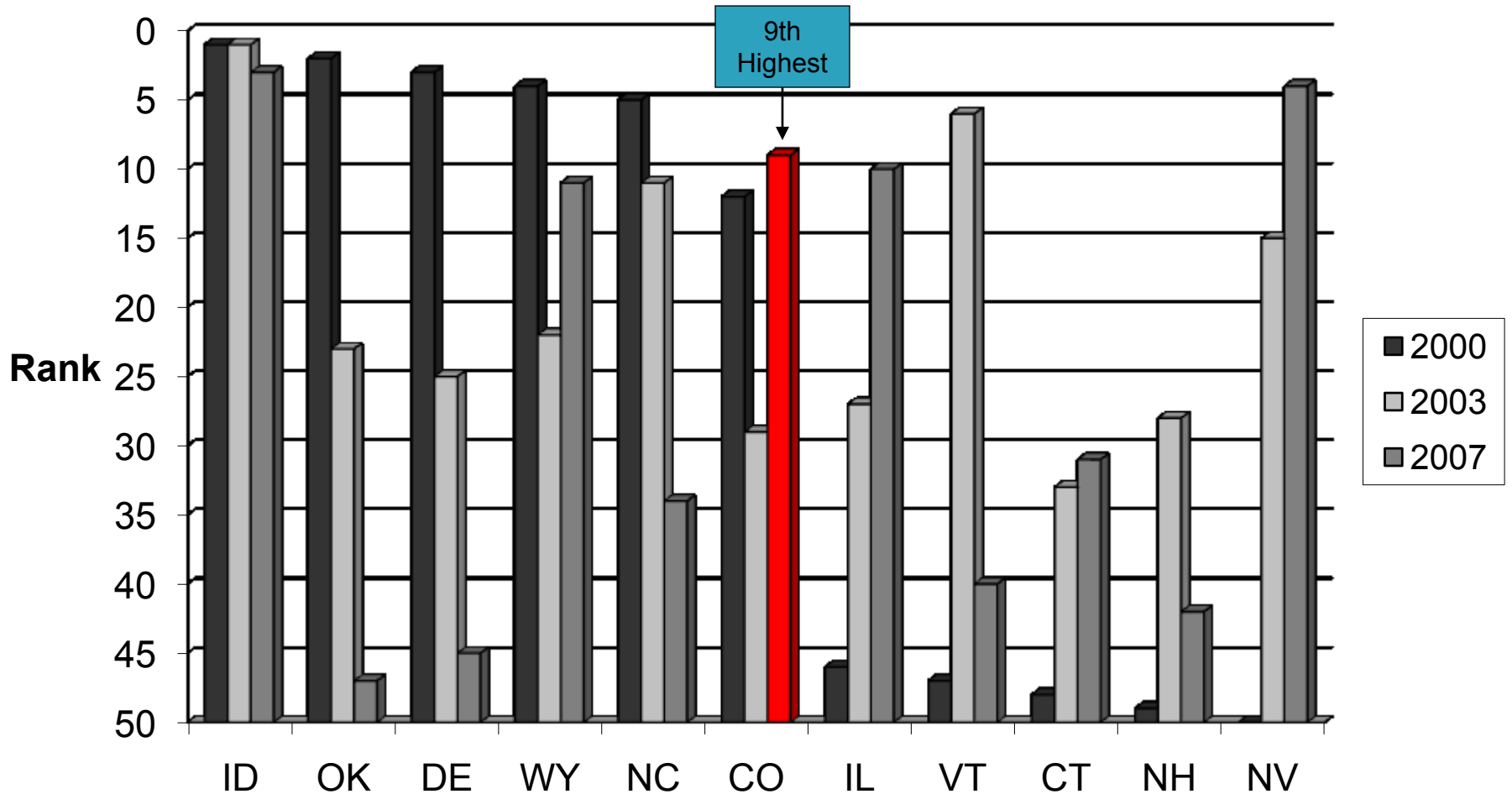


With seven clean energy employees for every 1,000 private sector workers, Colorado's concentration of clean energy jobs consistently ranks among the top-10 states.

Fig. 37

Clean Energy Job Growth

Pew Charitable Trusts



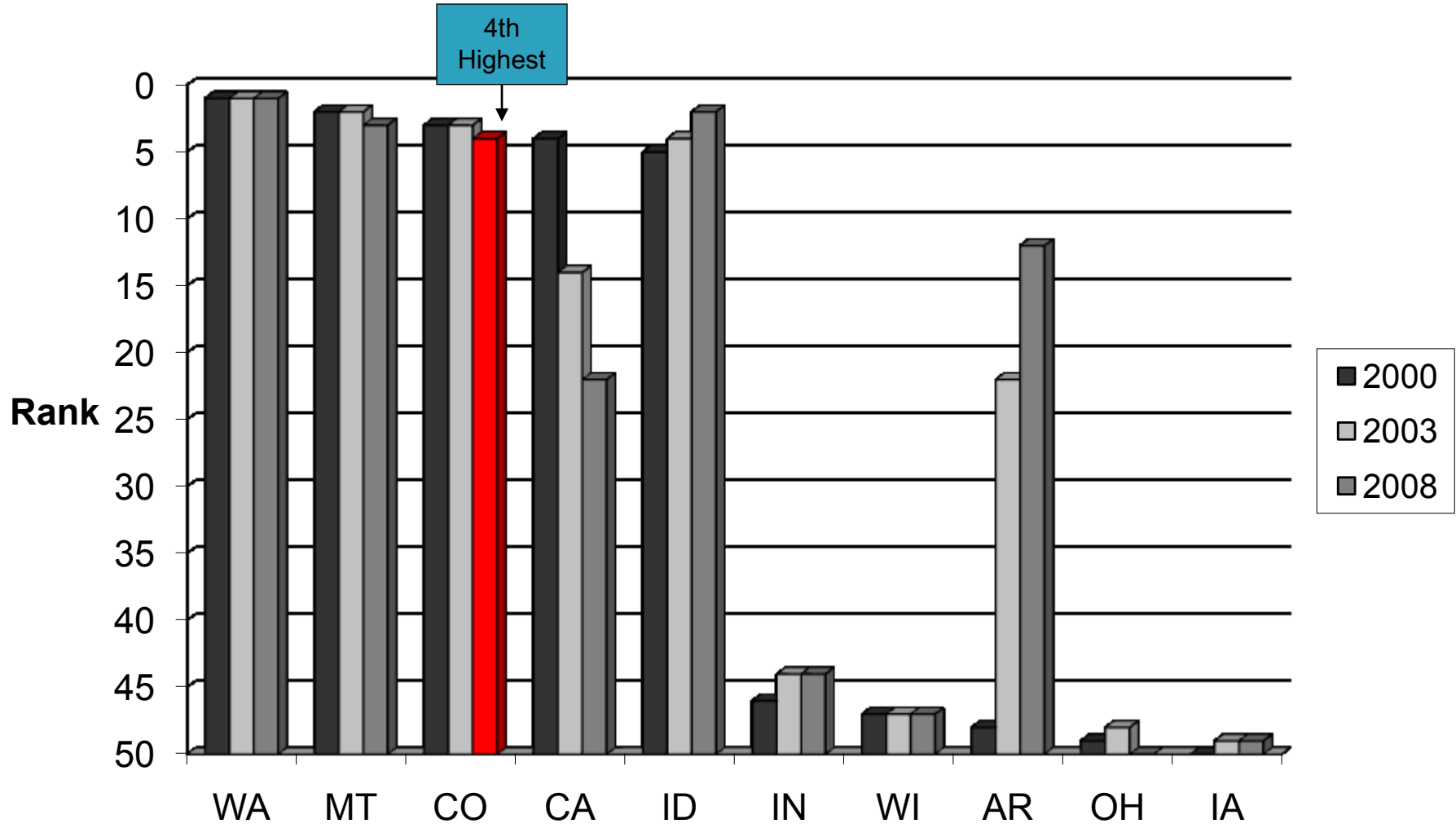
Colorado had large swings in clean energy job growth rates throughout the decade. Indeed, each state has experienced large swings in clean energy job growth since 2000. This is typical of an emerging industry with a small employment base.

Fig. 39

Innovation

Number of New Companies per 1,000 Employees

U.S. Census Bureau; U.S. Bureau of Labor Statistics

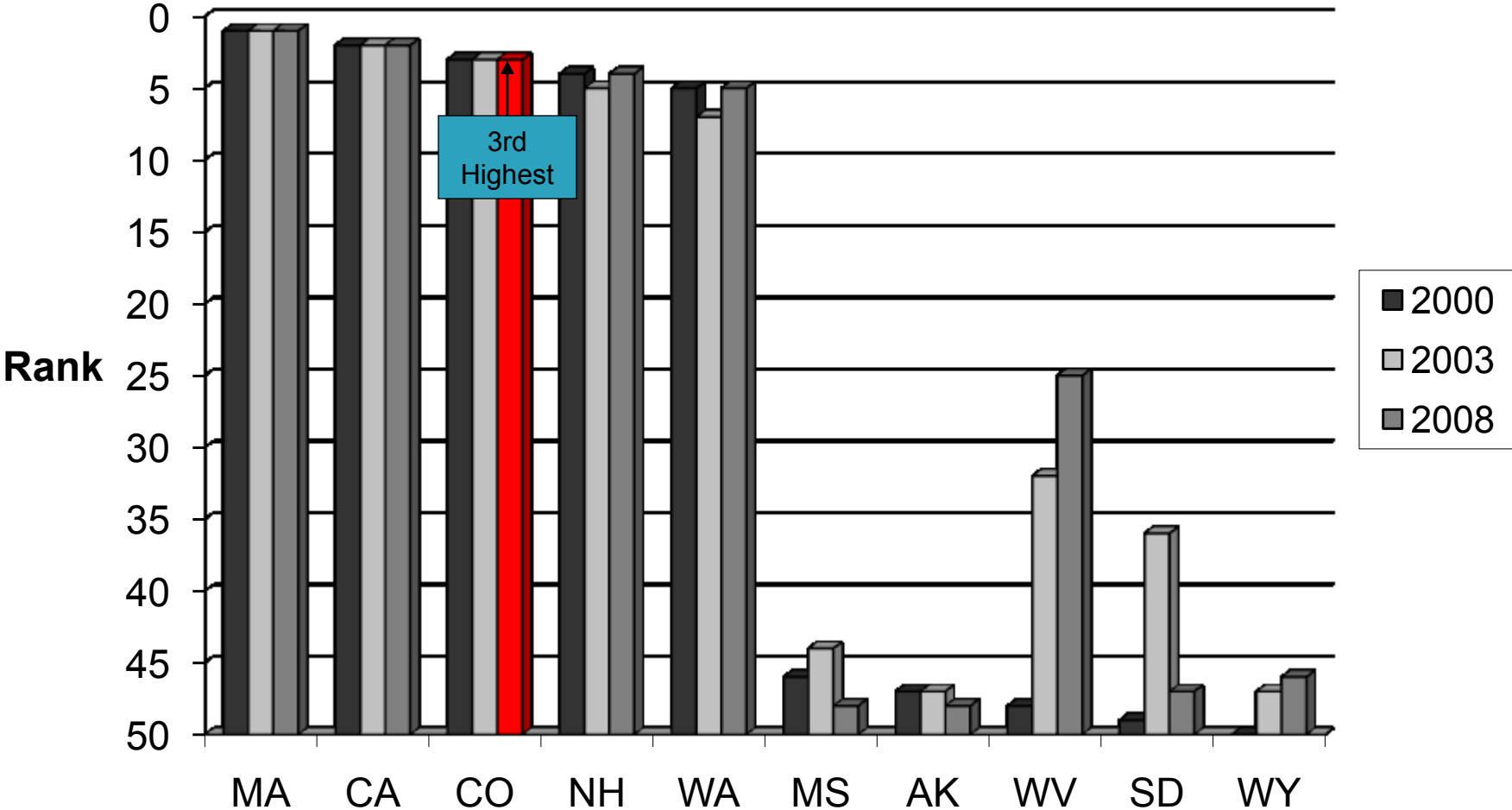


Colorado's highly educated workforce and entrepreneurial environment continue to attract existing companies and support new business creation. The state ranked fourth in the number of new companies per 1,000 workers in 2008.

Fig. 15

Venture Capital Investments per \$1,000 of State GDP

PricewaterhouseCoopers MoneyTree



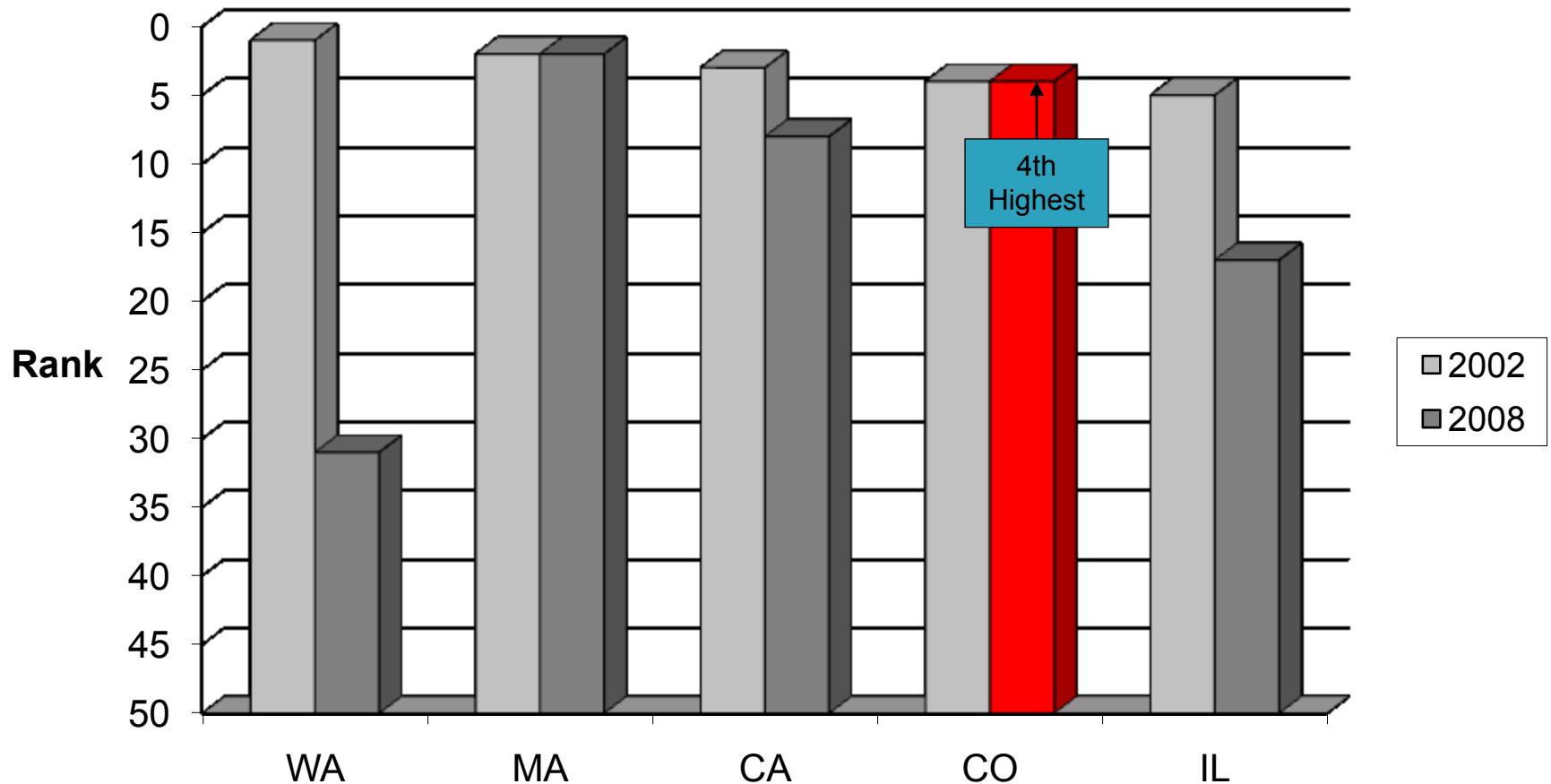
Venture capital investments are often highest in states with a strong culture of innovation and entrepreneurship. With 105 completed deals in 2008, venture capital investment in Colorado was nearly \$832 million.

Fig. 17

Initial Public Offerings

Information Technology and Innovation Foundation; Ewing Marion Kauffman Foundation

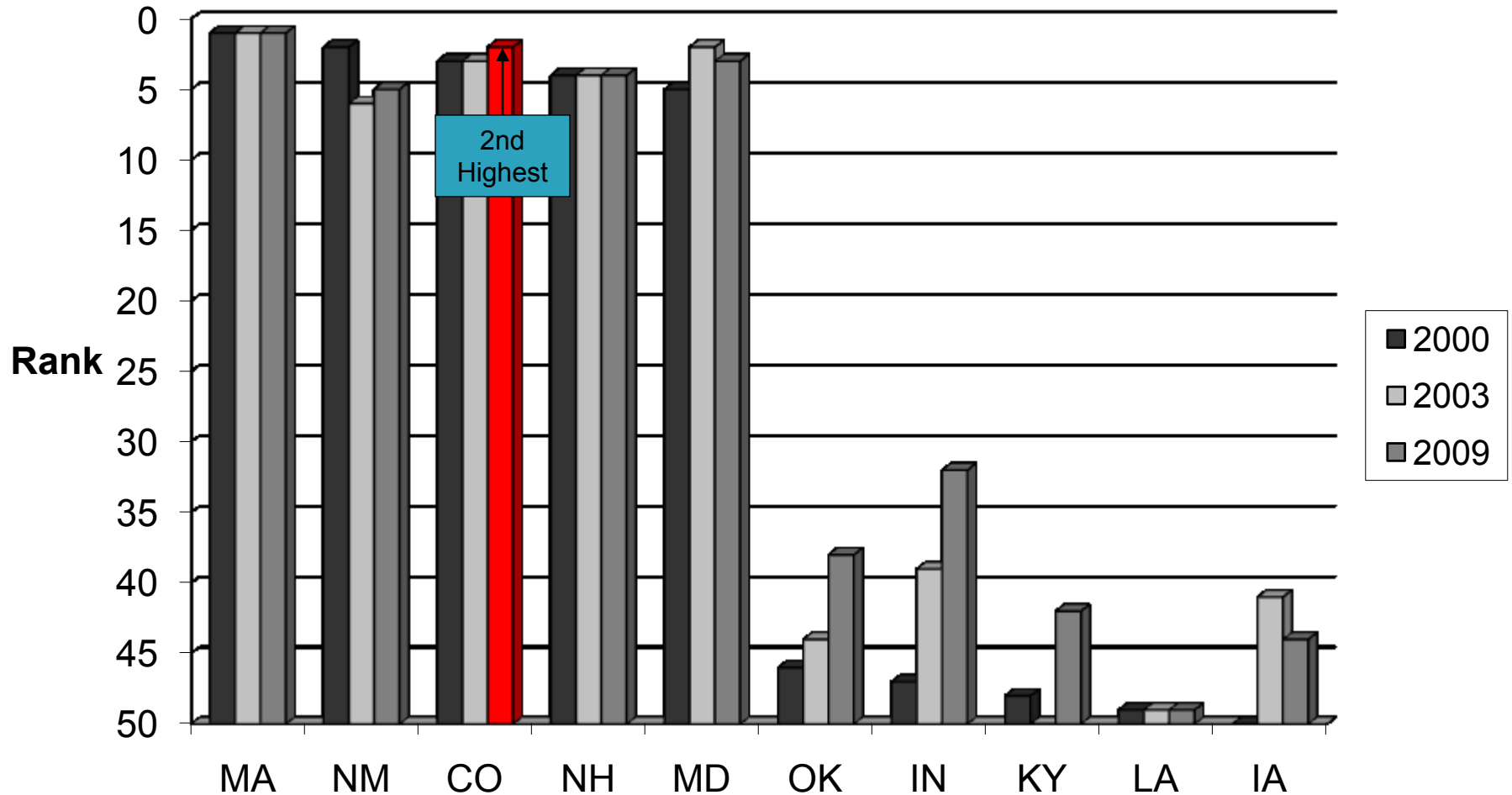
(Top Five States & Colorado)



This measure ranks states based on the number and value of initial public offerings (IPOs) in each state as a share of total worker earnings. Many states tie for last place in this ranking with no IPOs issued in the measured years. Colorado is a top creator of IPOs in the country.

Small Business Innovation Research Grants

U.S. Small Business Administration (SBA); U.S. Bureau of Labor Statistics

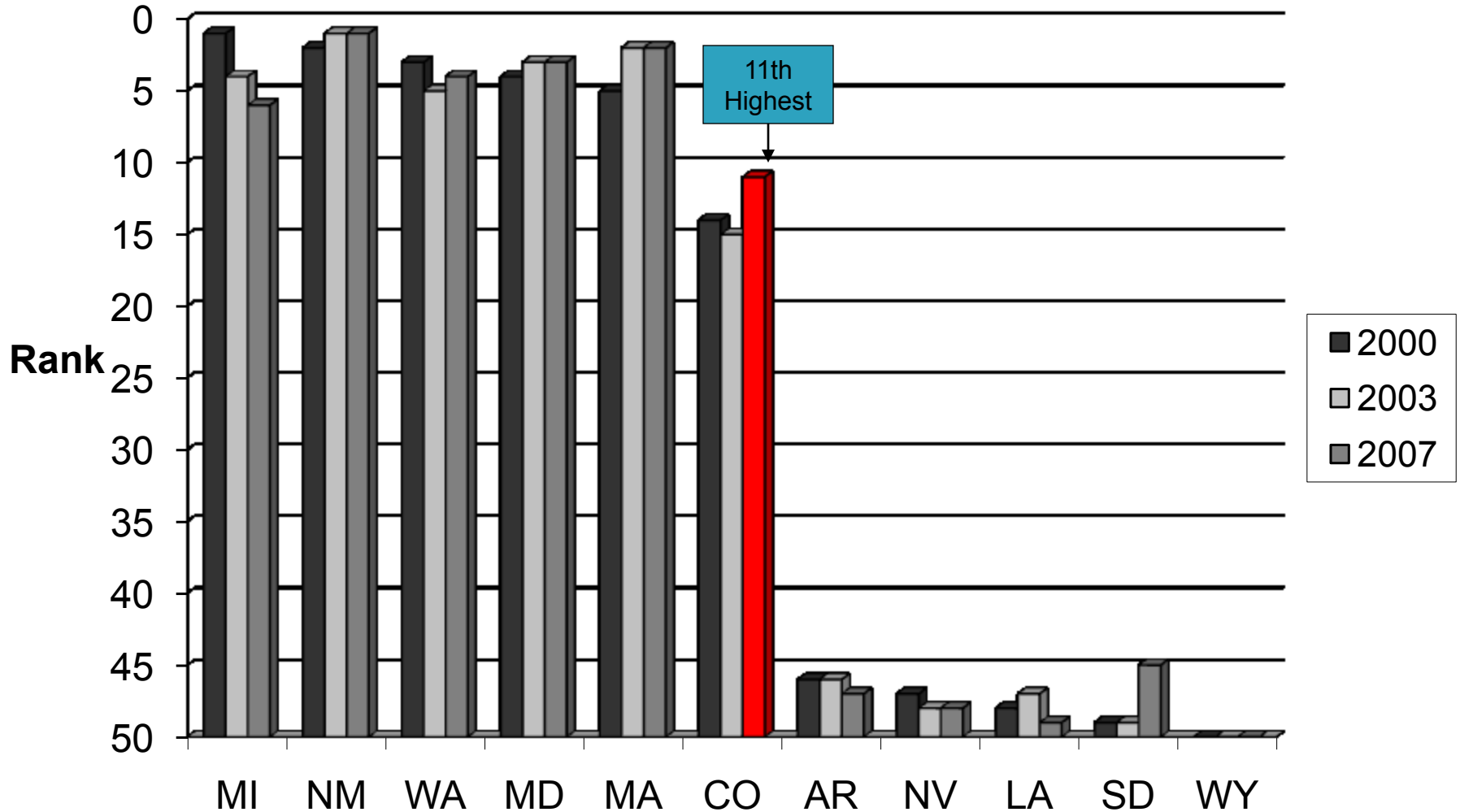


Awards received from SBA's Small Business Innovation Research (SBIR) grant program are often used to measure innovation and entrepreneurship. Colorado has historically ranked among the most successful states for high dollar value of SBIR grants per worker.

Fig. 21

Ratio of Total R&D Expenditures to State GDP

State Science and Technology Institute

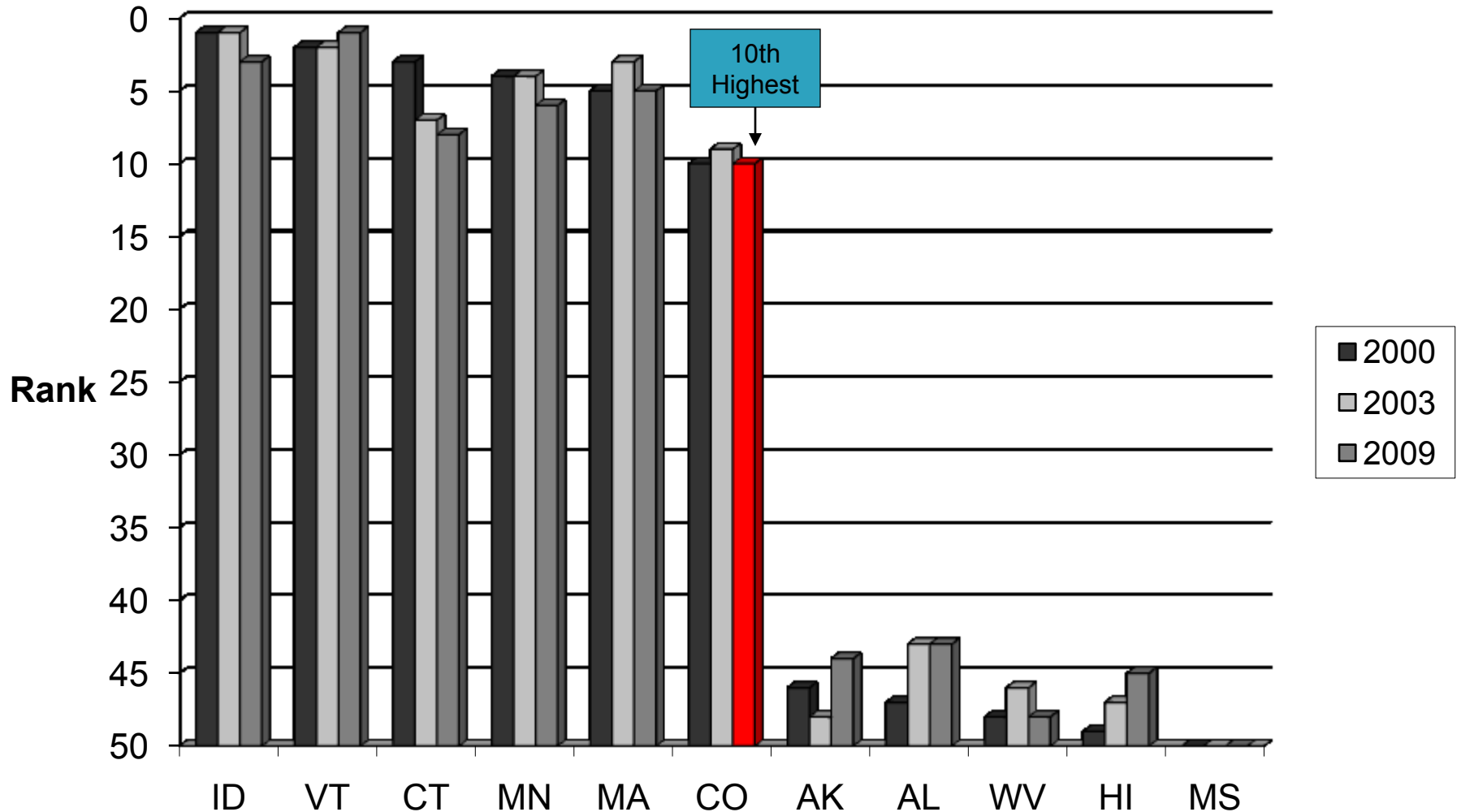


A strong entrepreneurial economy and substantial public and private R&D investment contribute to Colorado's high ranking.

Fig. 25

Number of Patents Granted per One Million Residents

U.S. Patent and Trademark Office

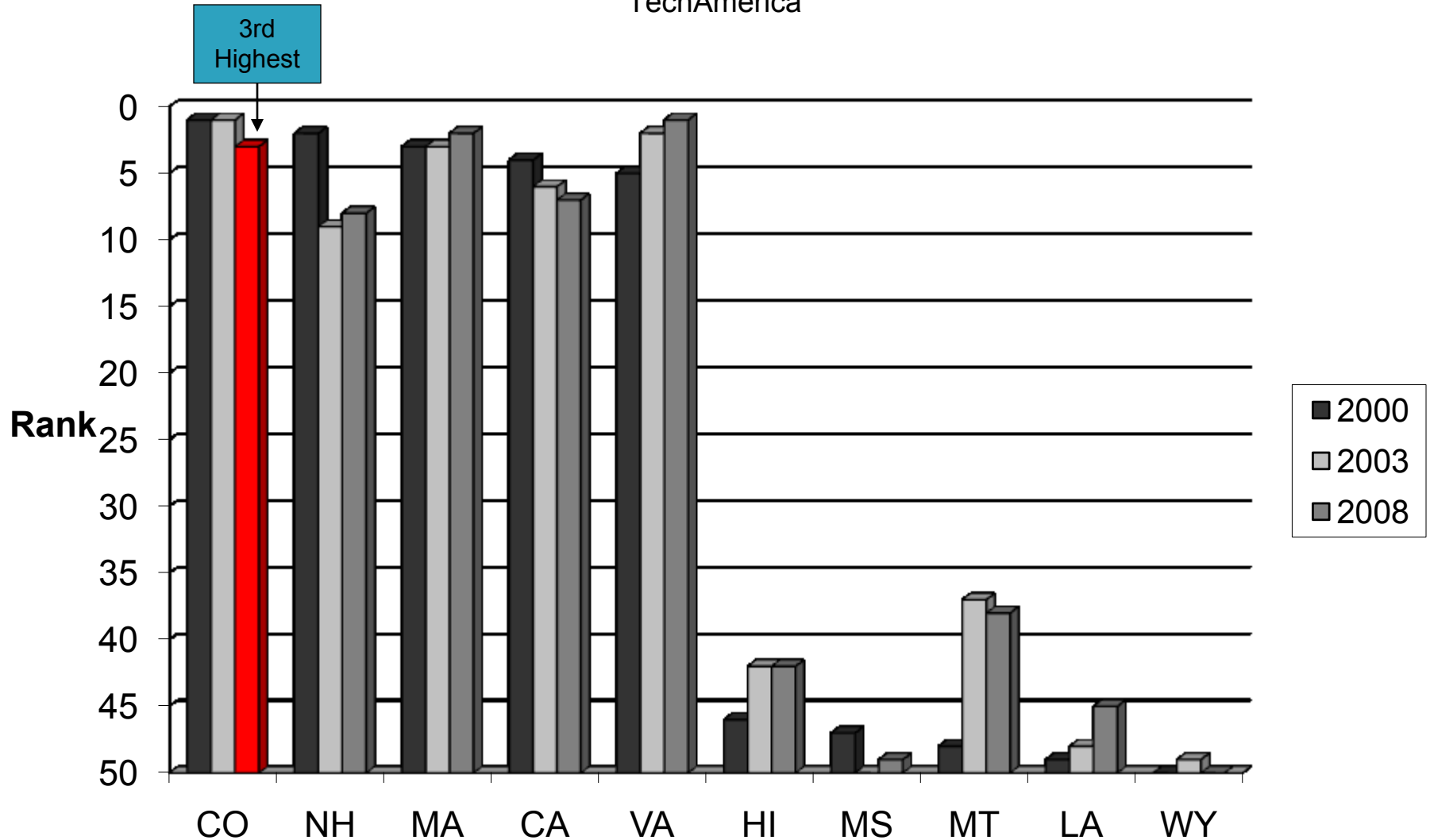


Colorado's high concentration of tech workers and strong research universities create an environment conducive to new inventions.

Fig. 27

High-Tech Employment per 1,000 Workers

TechAmerica

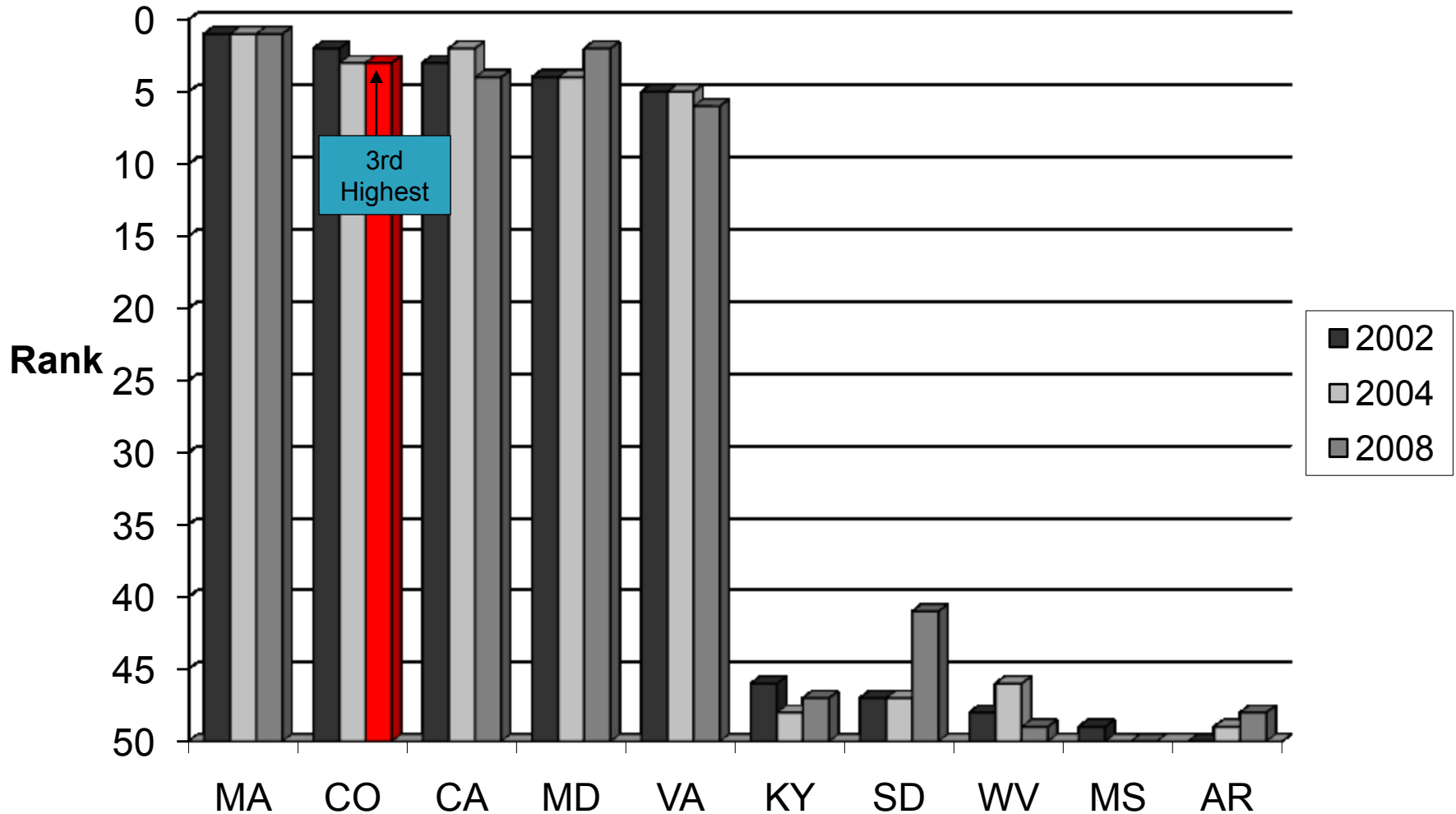


Colorado's favorable wage structure, high quality of life, and diverse technology-based industries lead to one of the highest concentrations of high-tech employees in the country.

Fig. 31

State Technology and Science Index

Milken Institute



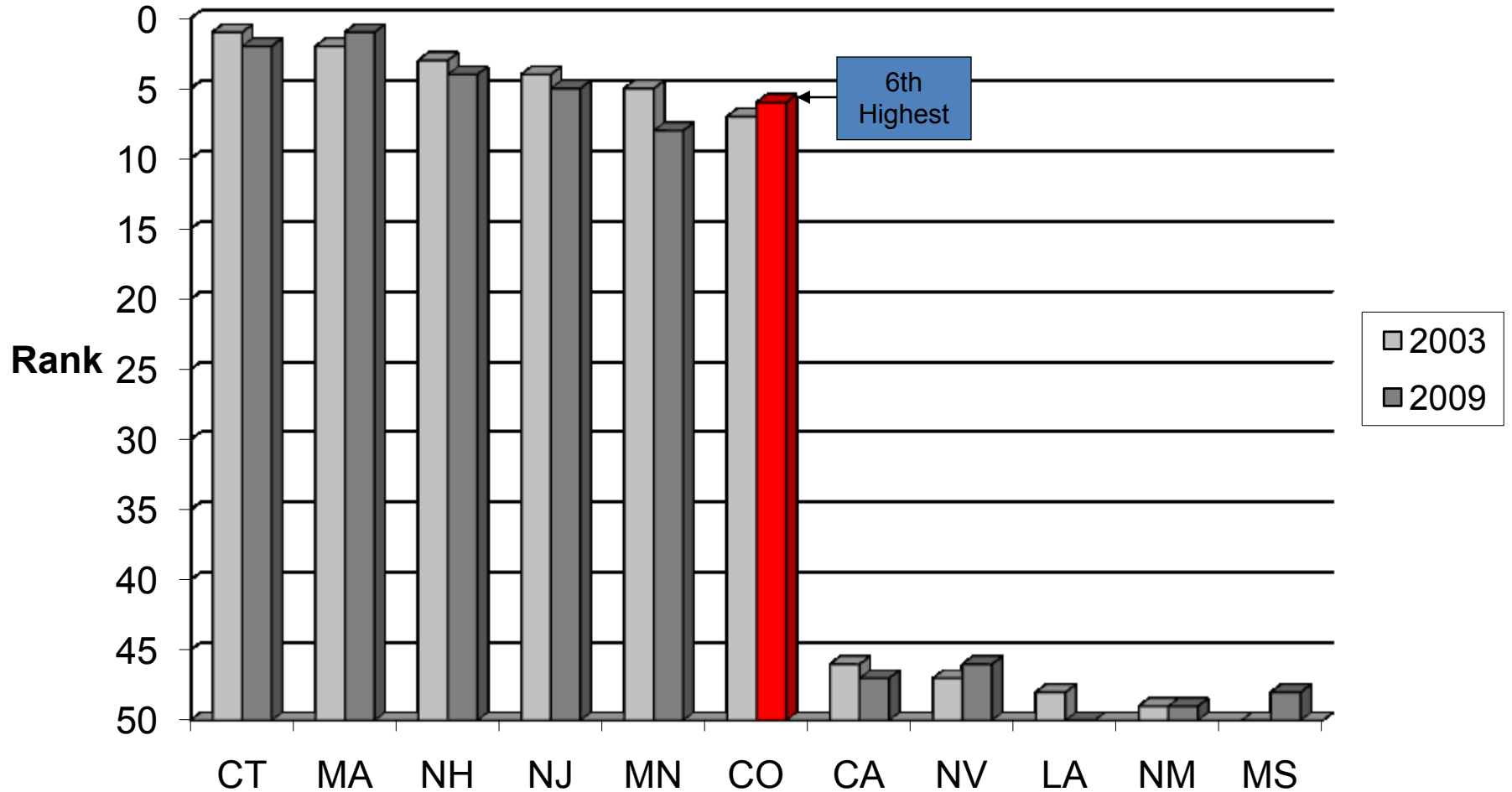
With one of the highest concentrations of scientists and engineers, Colorado ranks highly for its R&D infrastructure, entrepreneurial culture, human capital investments, innovative workforce, and technological strength.

Fig. 29

Education

Percent of Public School Fourth Graders Proficient or Better in Reading

National Center for Education Statistics

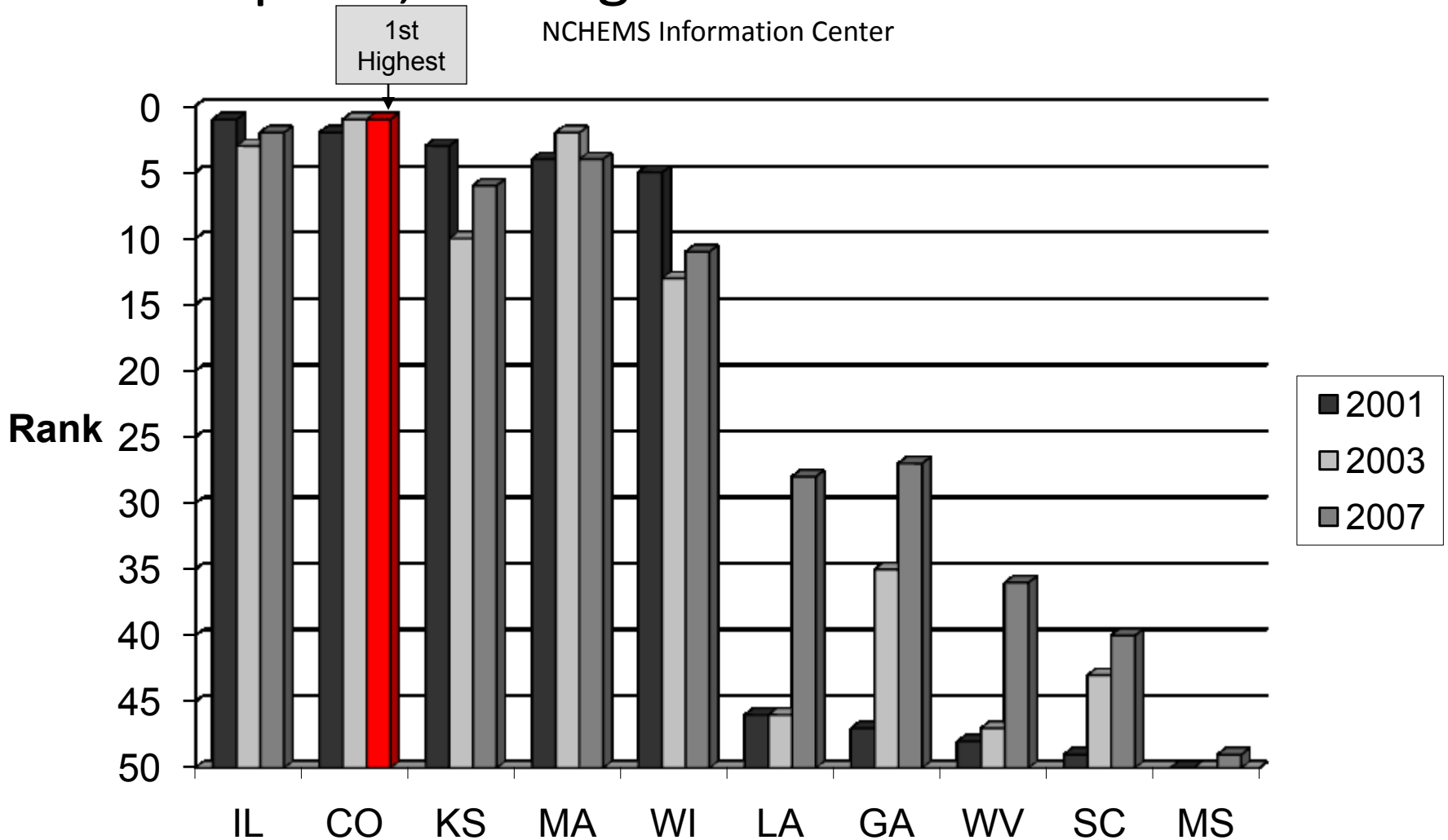


Colorado not only has a high percentage of proficient fourth grade readers, it exceeds every other western state in the percent of fourth graders who read at advanced levels.

Fig. 77

Highest ACT (25 or above) and SAT (1780 or above) Scores per 1,000 High School Graduates

NCHEMS Information Center

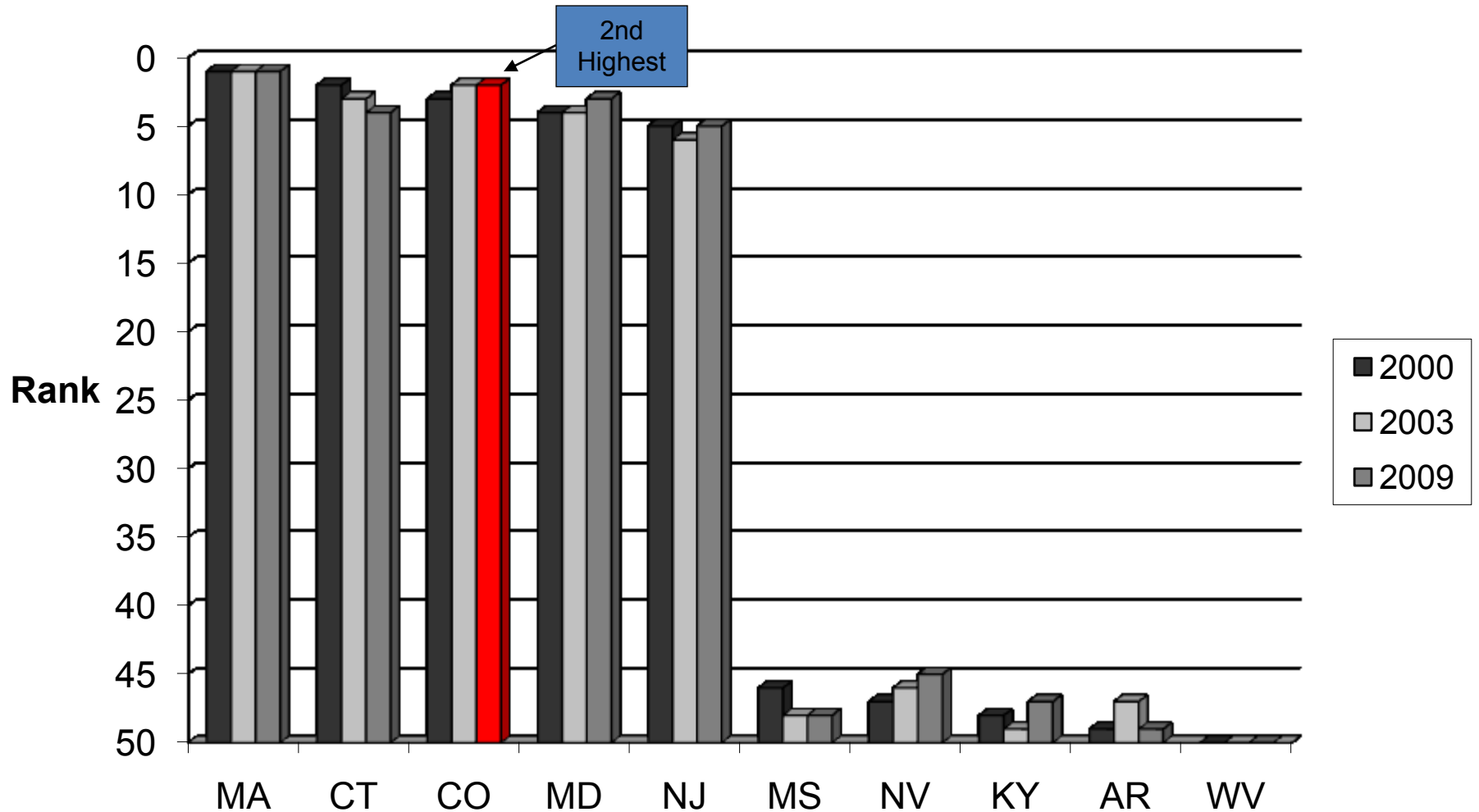


Colorado leads the U.S. in college entrance exam scores for the brightest students. Many factors influence Colorado's overall scores positively and negatively in the ACT and SAT, but this ranking measures only the brightest students from each state.

Fig. 85

Population 25+ with Bachelor's Degree or Higher

U.S. Census Bureau, American Community Survey

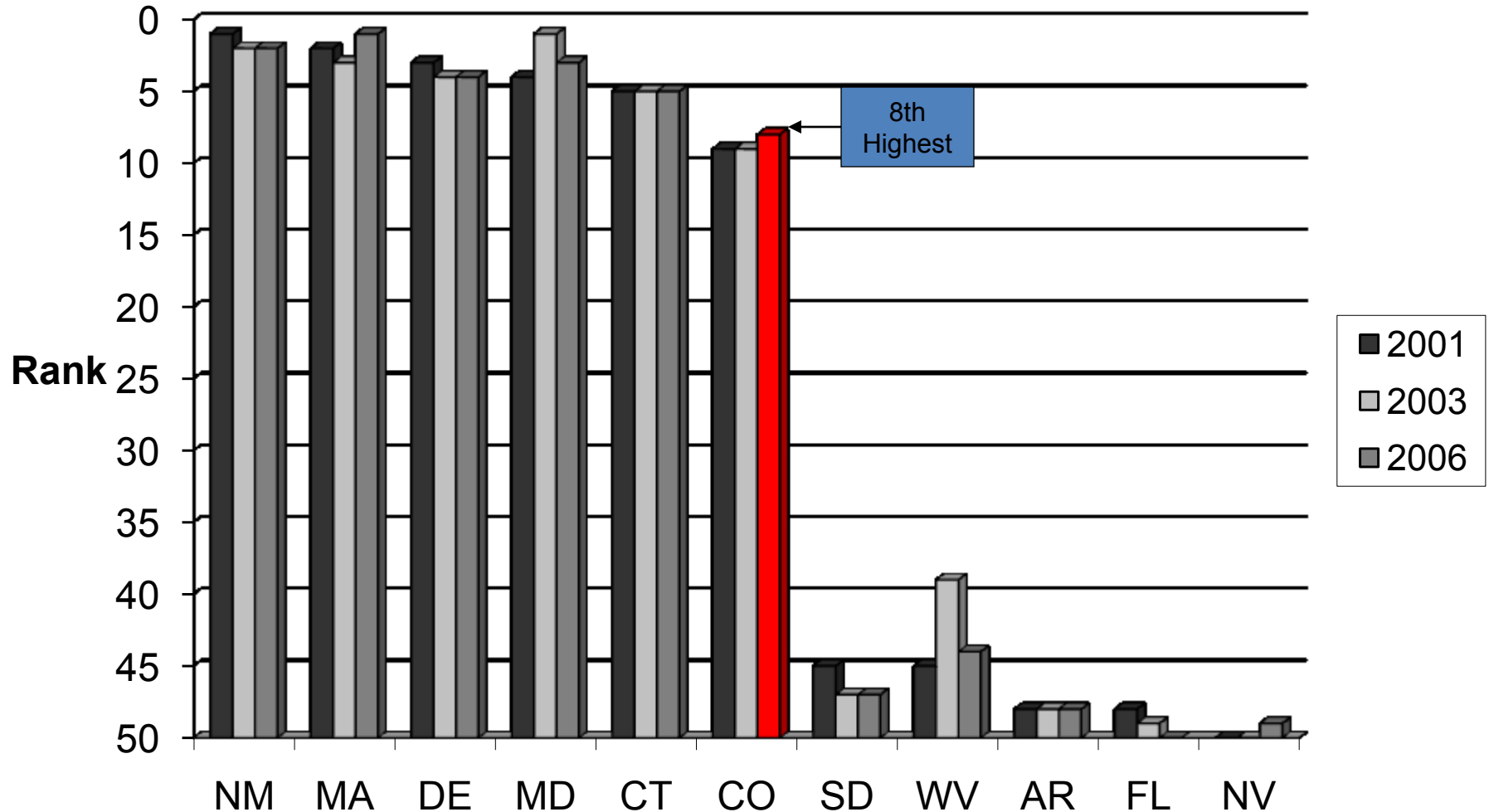


Colorado, with 35.9 percent of its population over 25 with a bachelor's degree or higher, continues to hold its place among the top five states in college-educated adults.

Fig. 91

Science & Engineering Doctorate Holders as a Percent of the Workforce

National Science Foundation



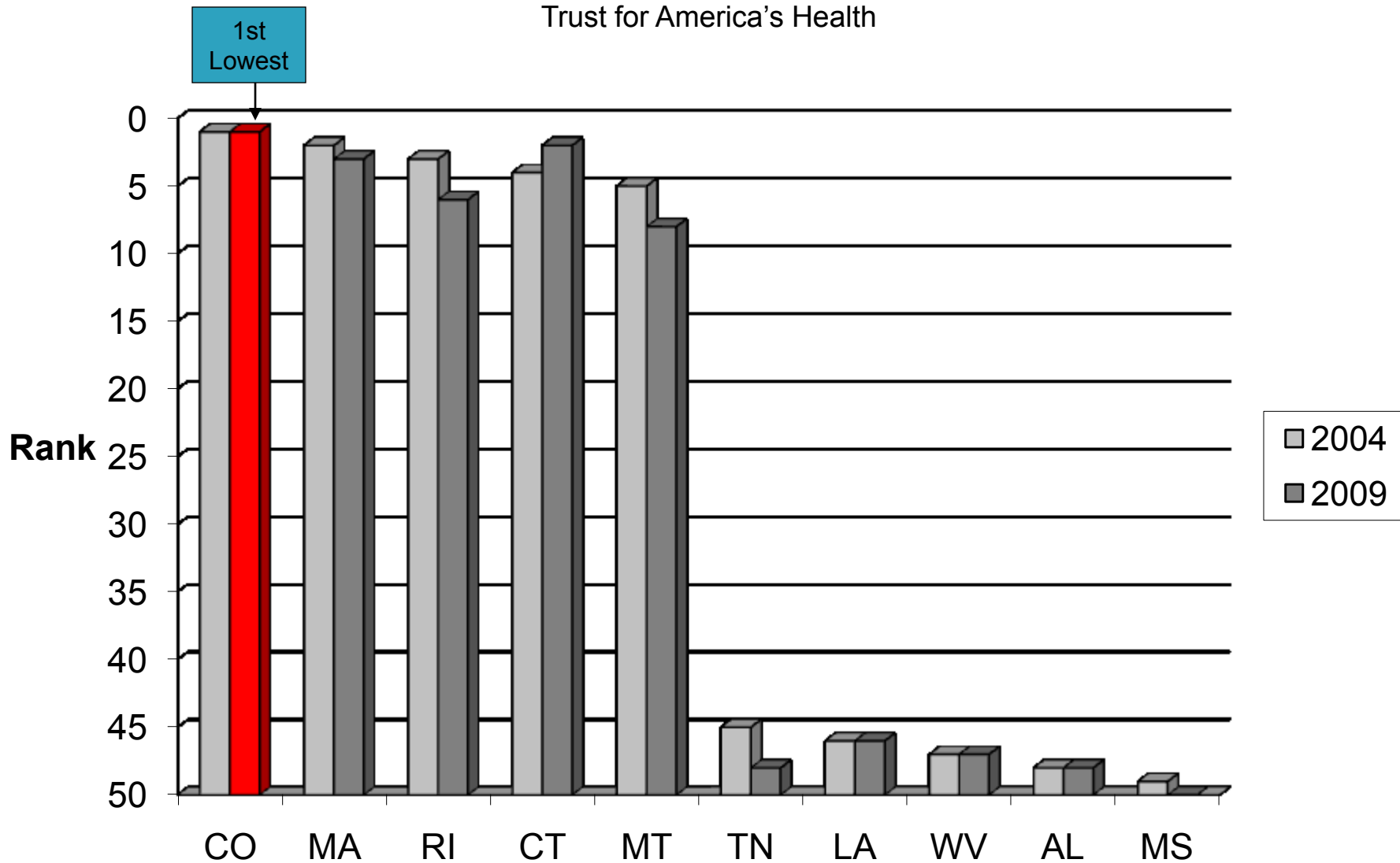
Colorado's research laboratories, universities, and technology-based economy attract scientists and engineers from around the world.

Fig. 95

Health

Lowest Obesity Prevalence Among Adults

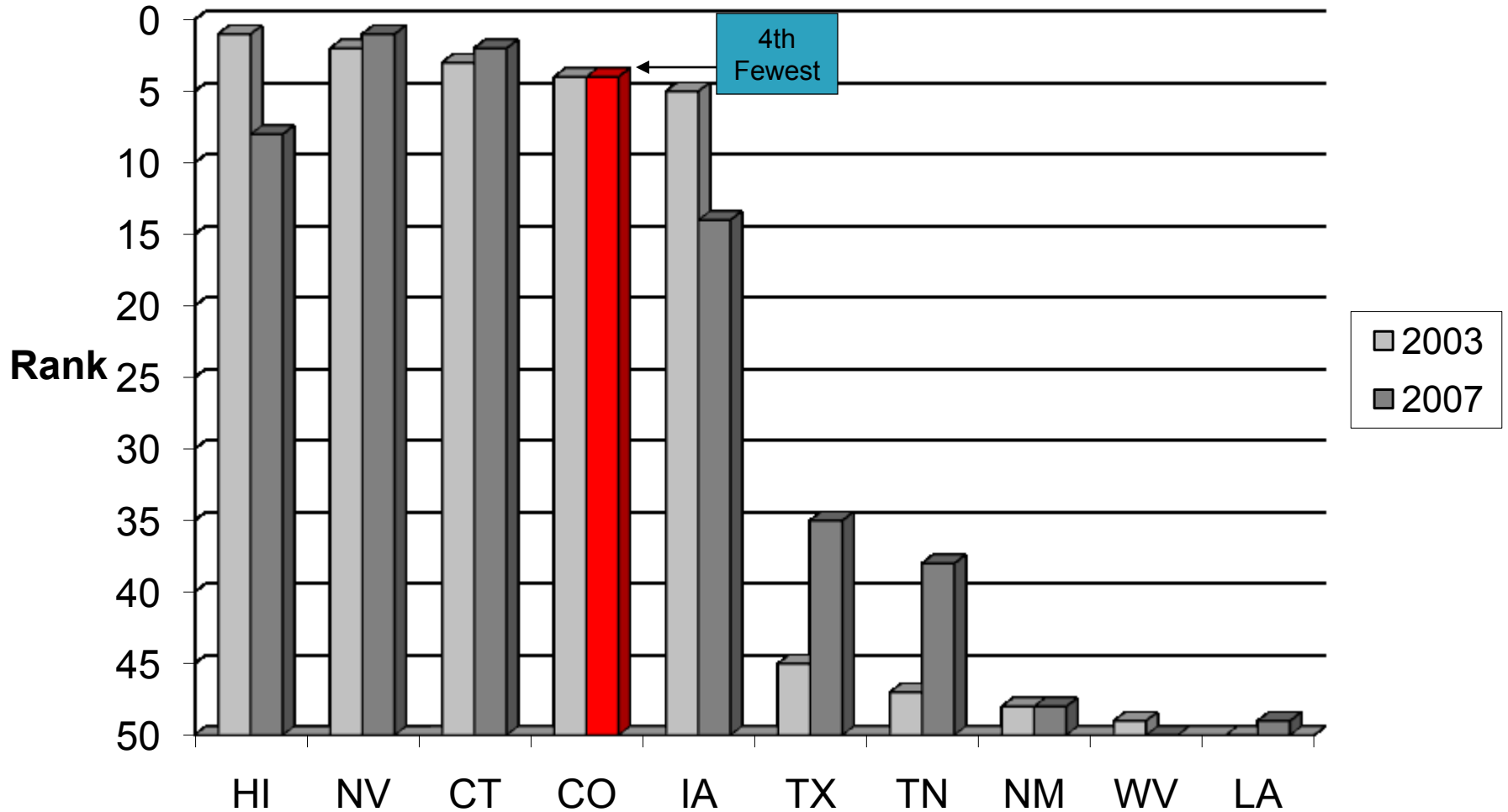
Trust for America's Health



Colorado was the only state in 2008 and 2009 with obesity rates below 20 percent. Healthy workers are more productive, require fewer health services, and enjoy longer working lives.

Fewest Diabetes Deaths per 100,000 Population

Kaiser State Health Facts



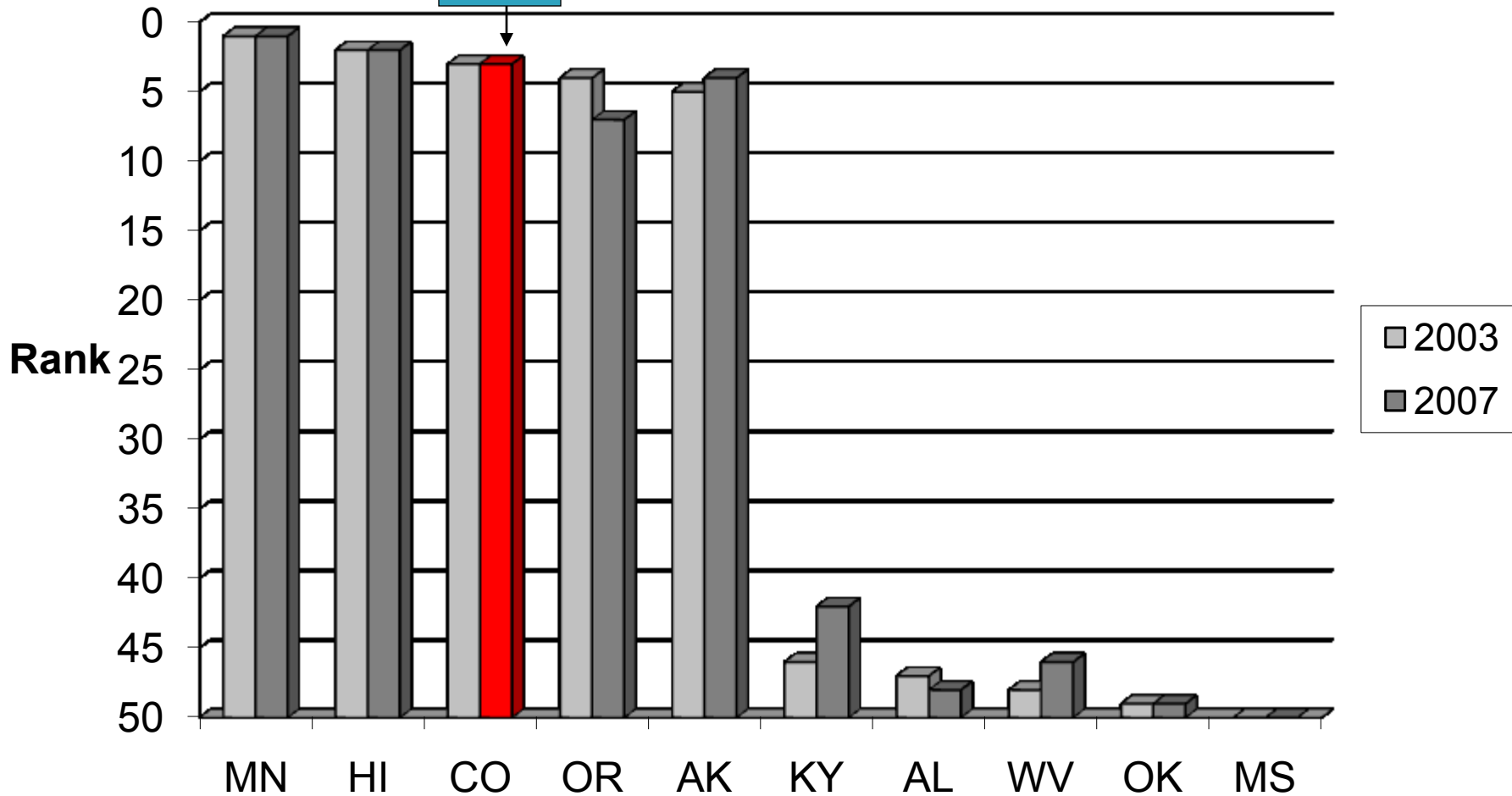
Colorado's low obesity rate is reflected in the low number of diabetes deaths. Louisiana and West Virginia are among the nation's most-obese states.

Fig. 111

Fewest Heart Disease Deaths per 100,000 Population

Kaiser State Health Facts

3rd
Fewest

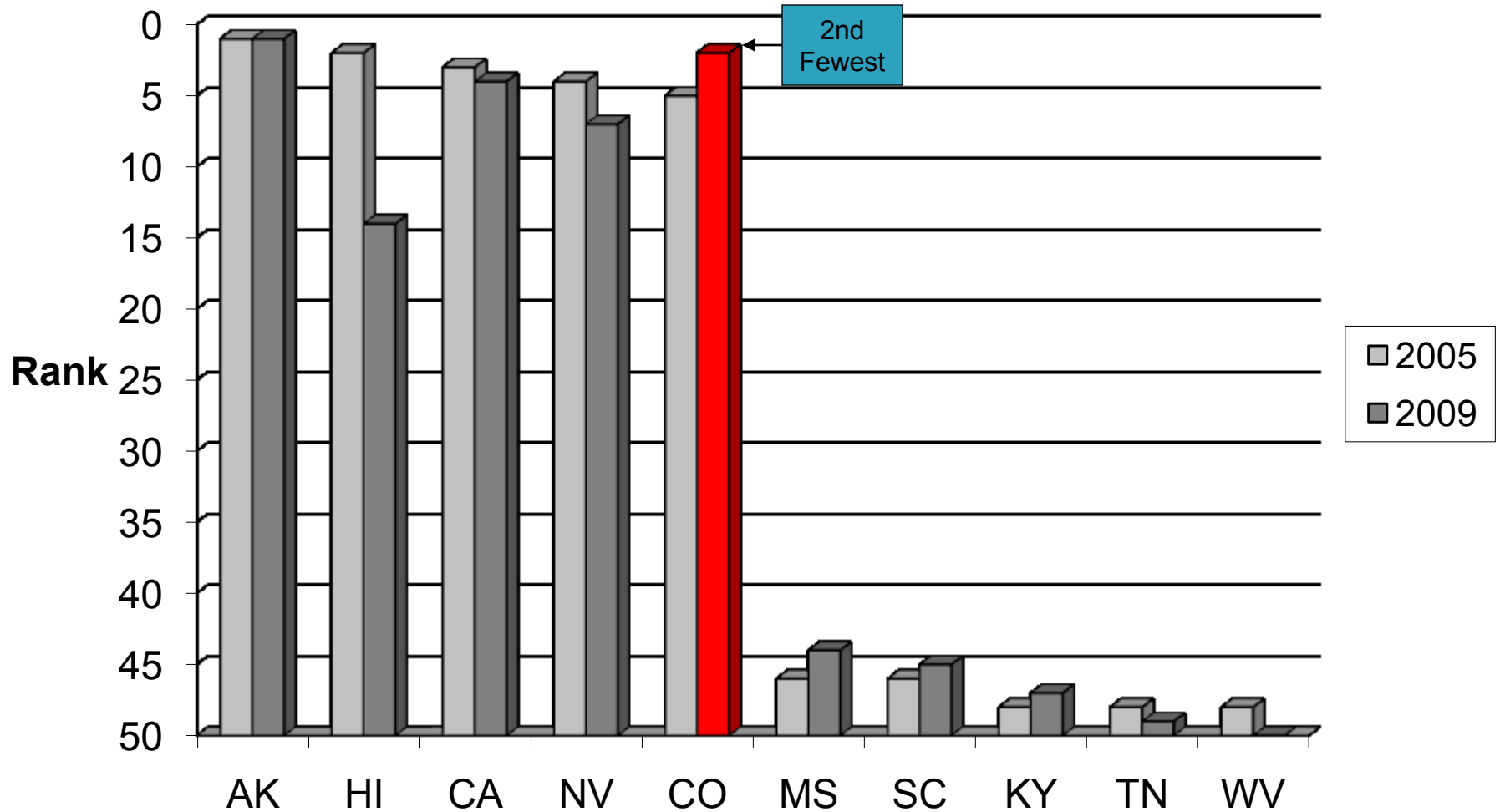


Healthy lifestyles and low obesity rates contribute to Colorado's low frequency of heart disease-related deaths. Southern states dominate the rankings for high heart disease death rates.

Fig. 113

Fewest Retail Prescriptions Filled per Capita

Kaiser State Health Facts

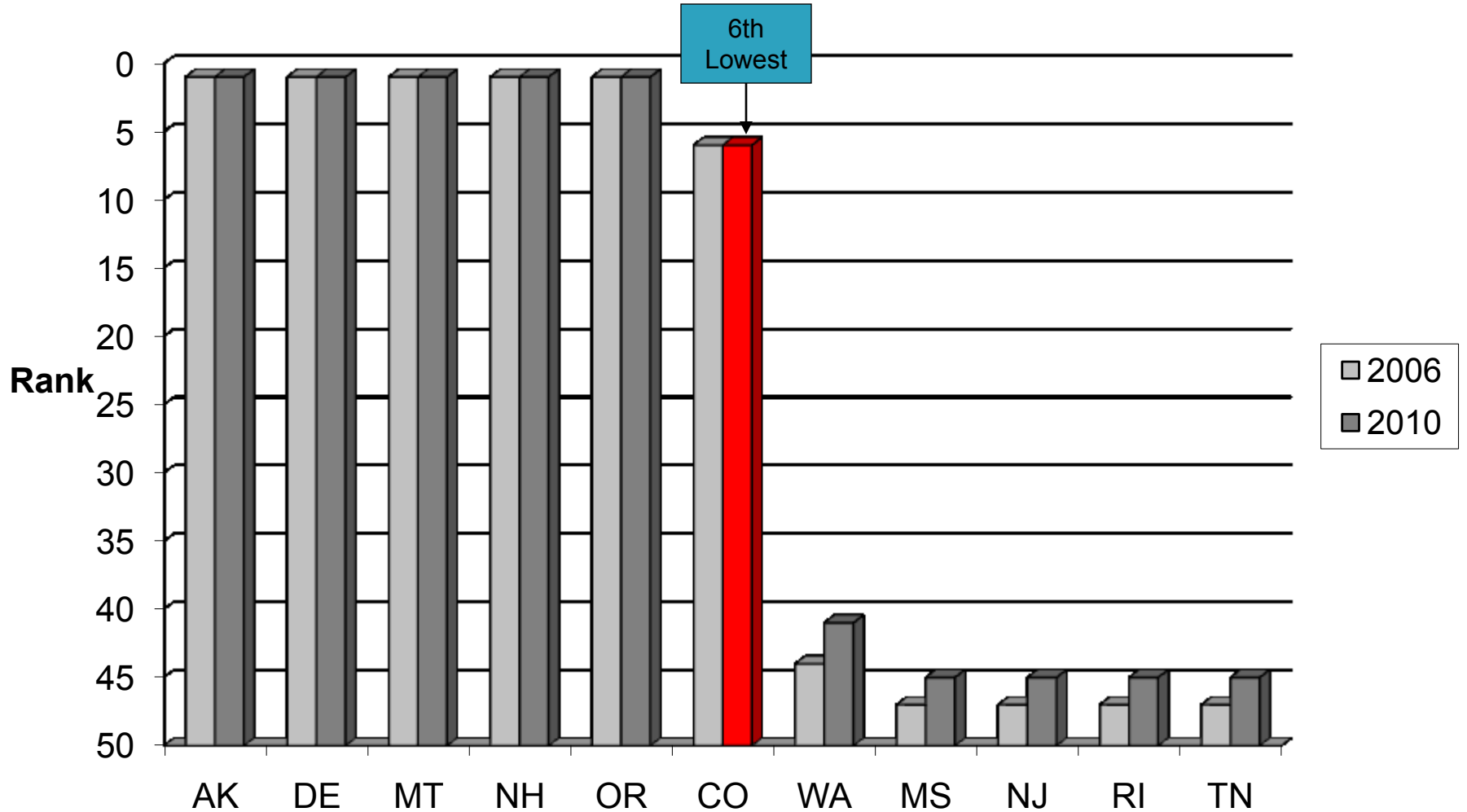


With low rates of obesity, cancer, diabetes, and other diseases, Colorado residents require fewer drug prescriptions than any other state except Alaska.

Taxes

State Sales Tax Rates

The Sales Tax Institute

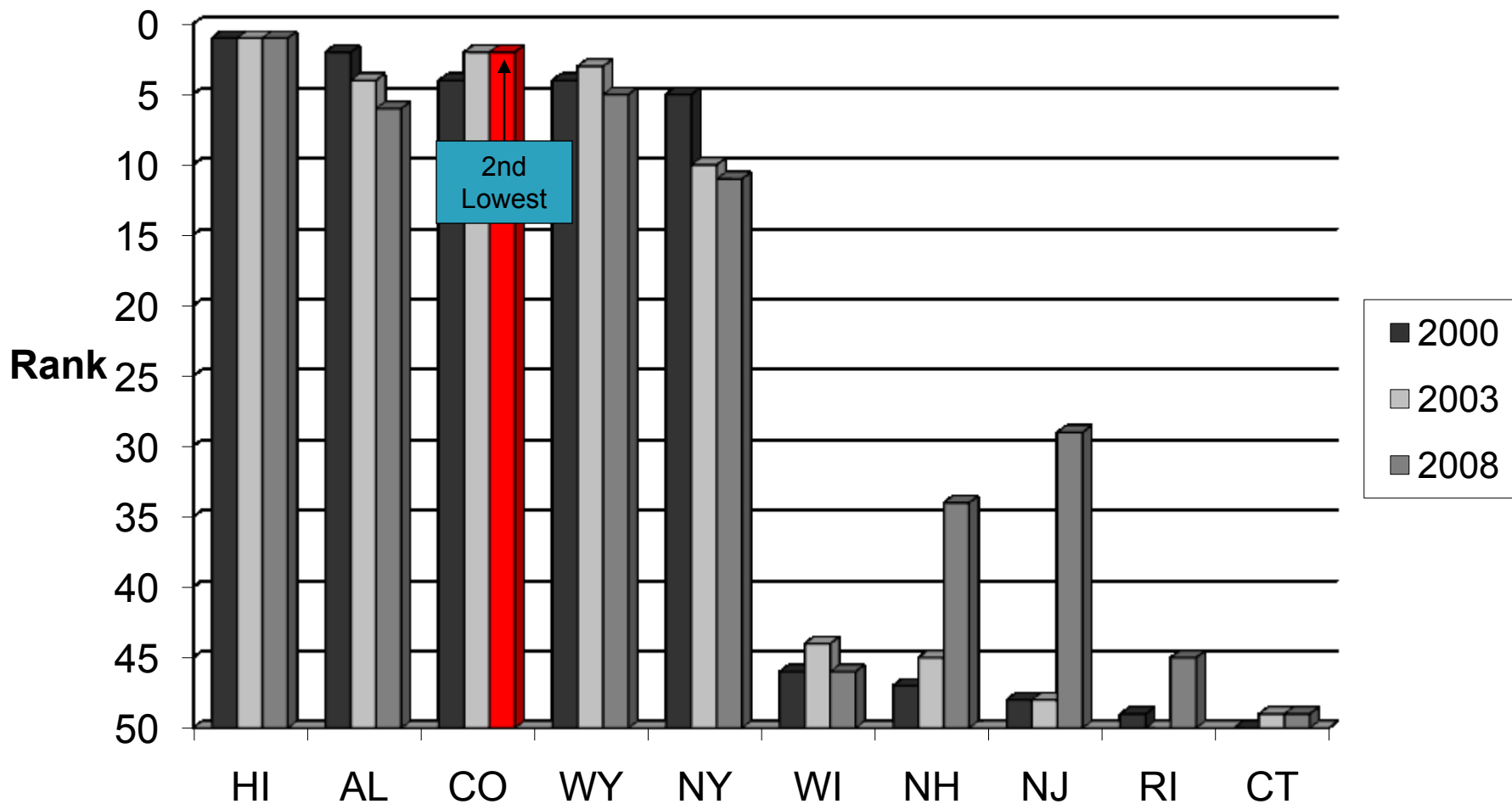


The state sales tax rate in Colorado (2.9 percent) is among the lowest in the country. States ranked higher than Colorado charge no sales tax. States ranked in the bottom four have rates of seven percent or higher.

Fig. 53

Residential Property Tax Rate in Largest City in Each State

District of Columbia, Office of the Chief Financial Officer



Passed in 1982, the Gallagher Amendment has kept the assessment ratio of residential property in Colorado low, resulting in the second-lowest residential property tax rate in the nation.

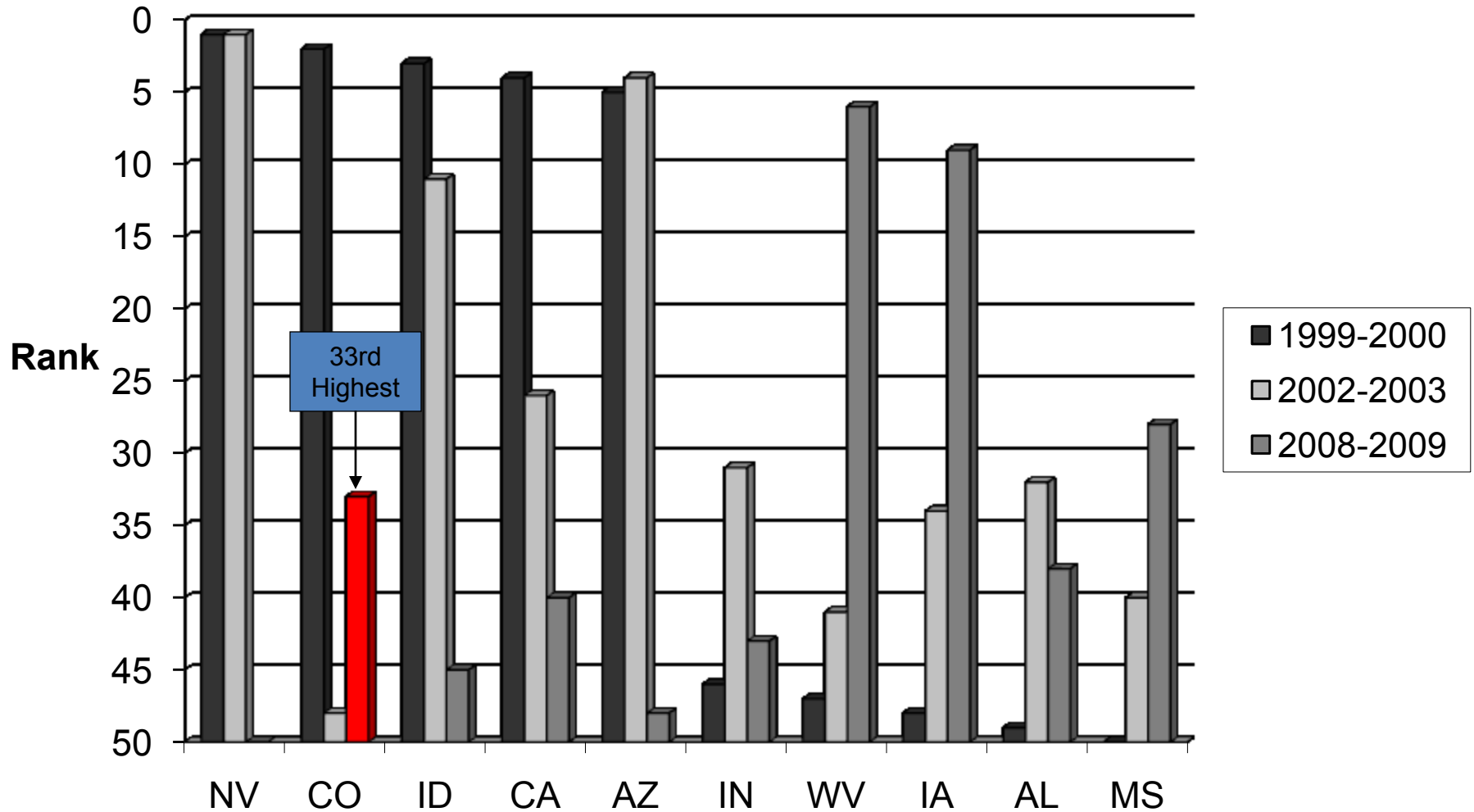
Fig. 55

Weakening Strengths

Where We're Strong but Losing Ground

Employment Growth

U.S. Department of Labor, Bureau of Labor Statistics

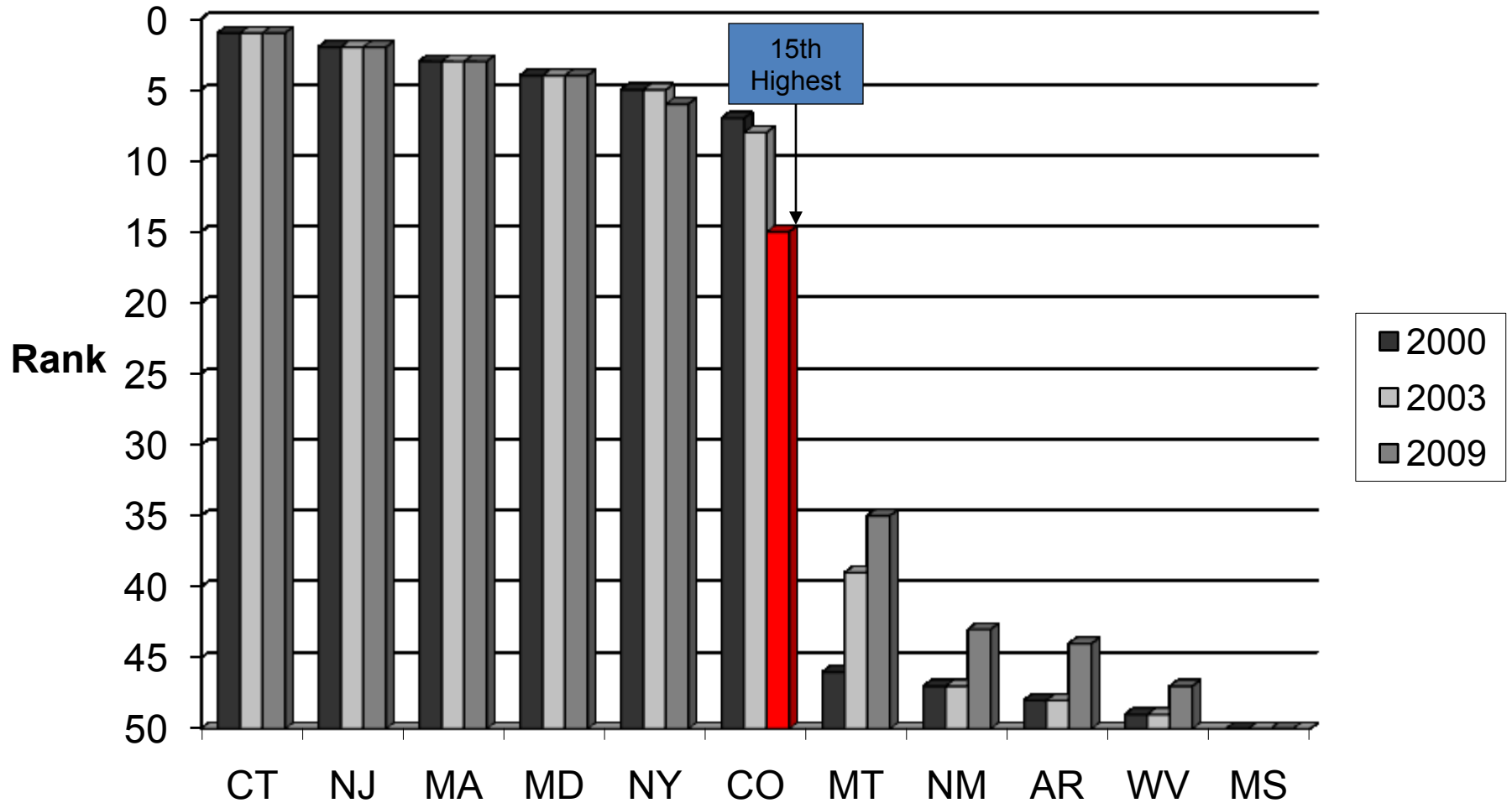


Employment growth trends were extremely volatile for most states throughout the 2000 decade. After being a top employment growth state at the beginning of the decade, Colorado now ranks toward the middle. No state reported job growth between 2008 and 2009.

Fig. 7

Per Capita Personal Income

U.S. Bureau of Economic Analysis

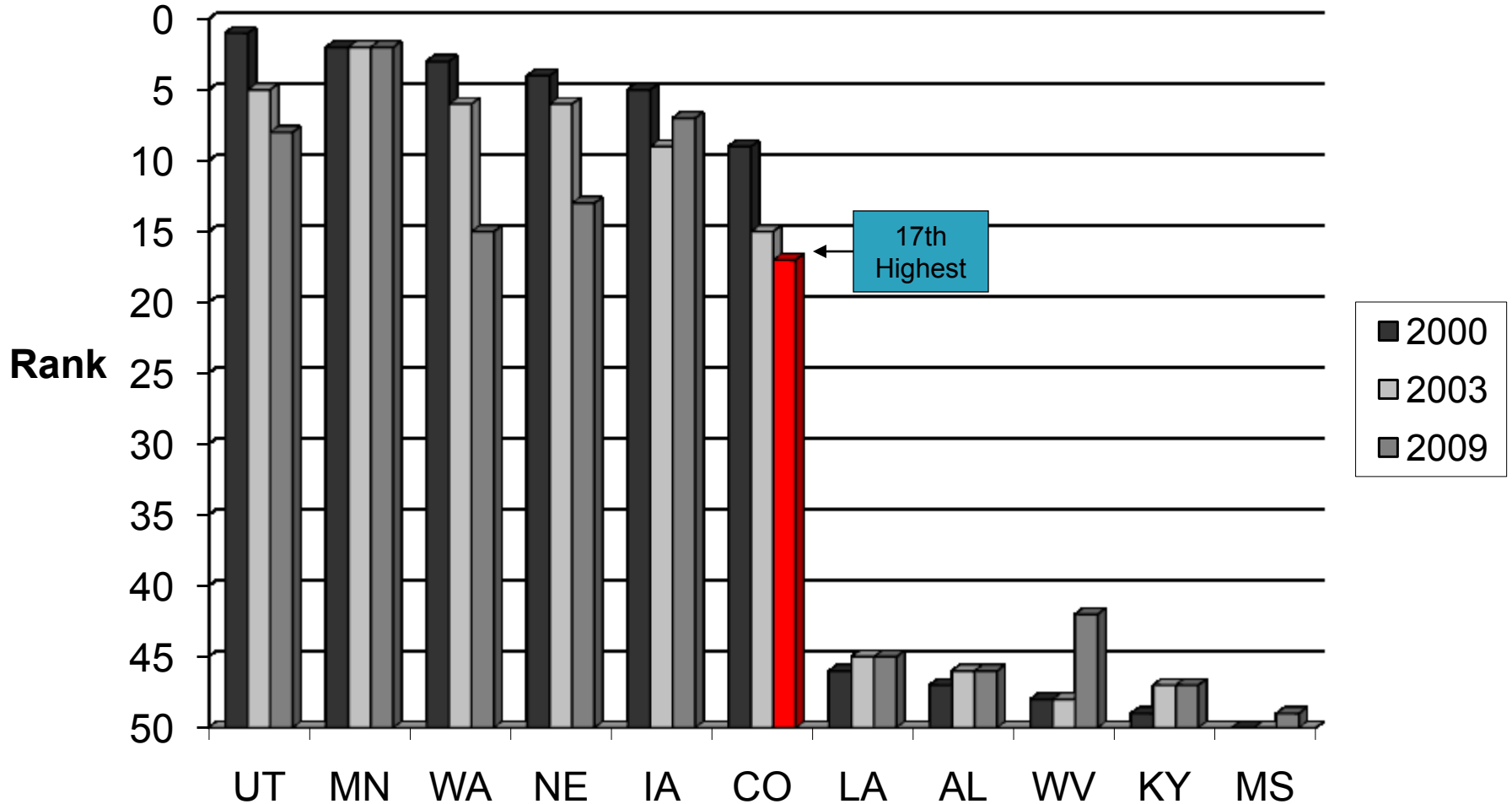


Colorado's high personal income level is due mainly to its ability to attract and retain highly educated people with high-paying jobs.

Fig. 5

Population 25+ Completing High School

U.S. Census Bureau, American Community Survey



Over 89 percent of Colorado's population aged 25 and over have completed high school, ranking the state in the top half of the nation.

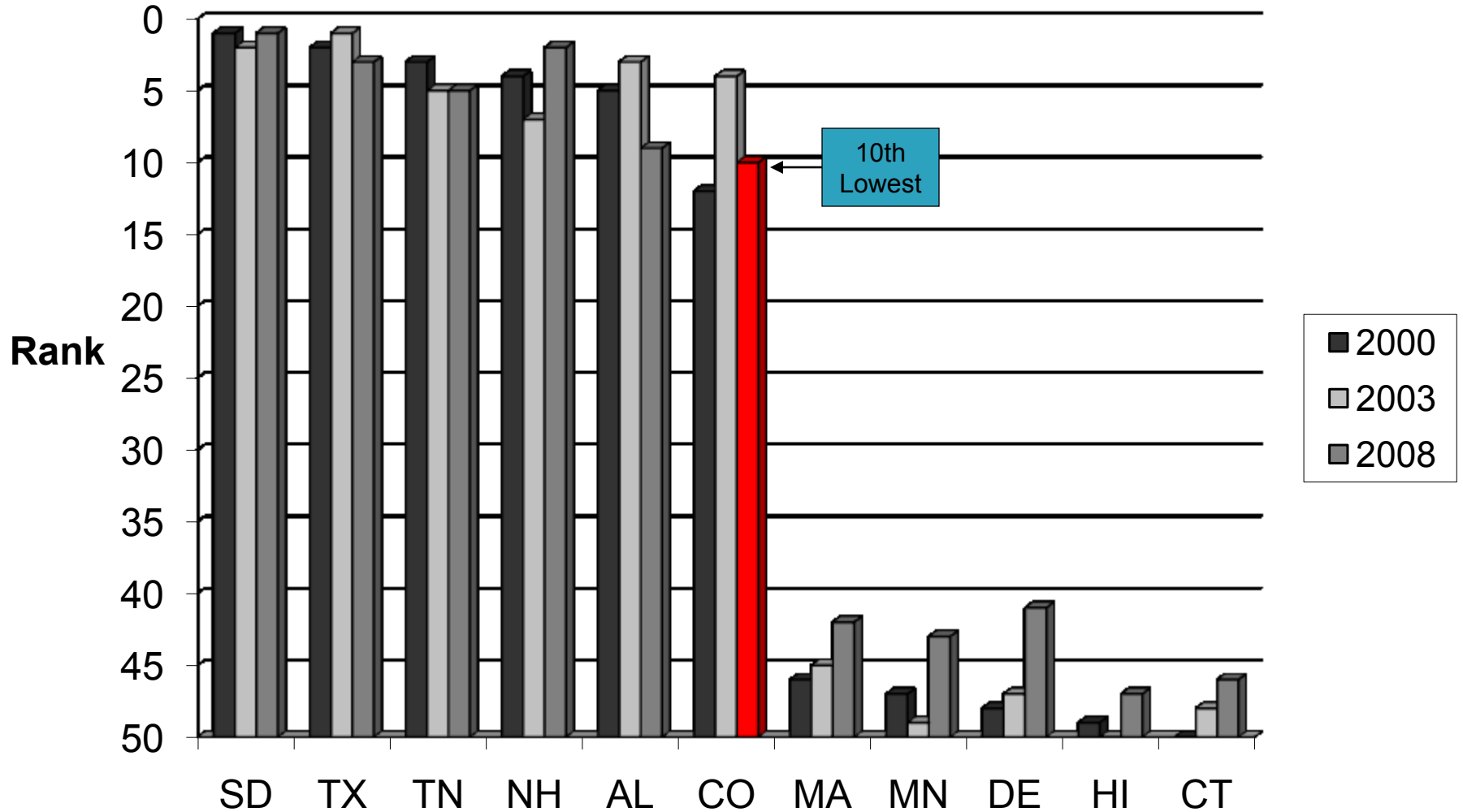
Fig. 87

Where Colorado is Challenged

States in Stronger Positions than
Colorado

State Tax Revenue per Capita

U.S. Census Bureau, Government Finance Series

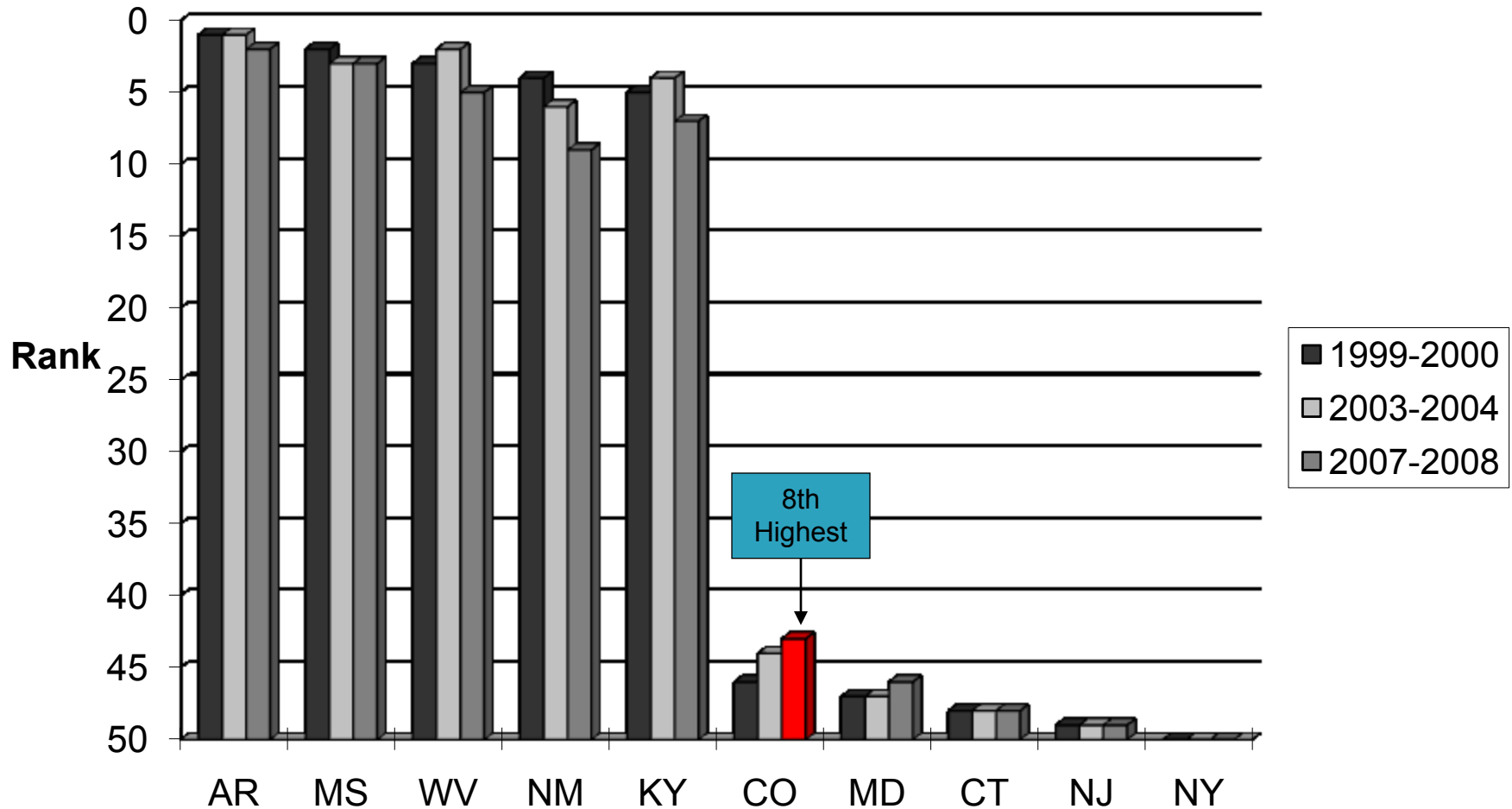


Colorado has a decentralized tax structure with low levels of state government taxation.

Fig. 49

Local Government Tax Revenue per Capita

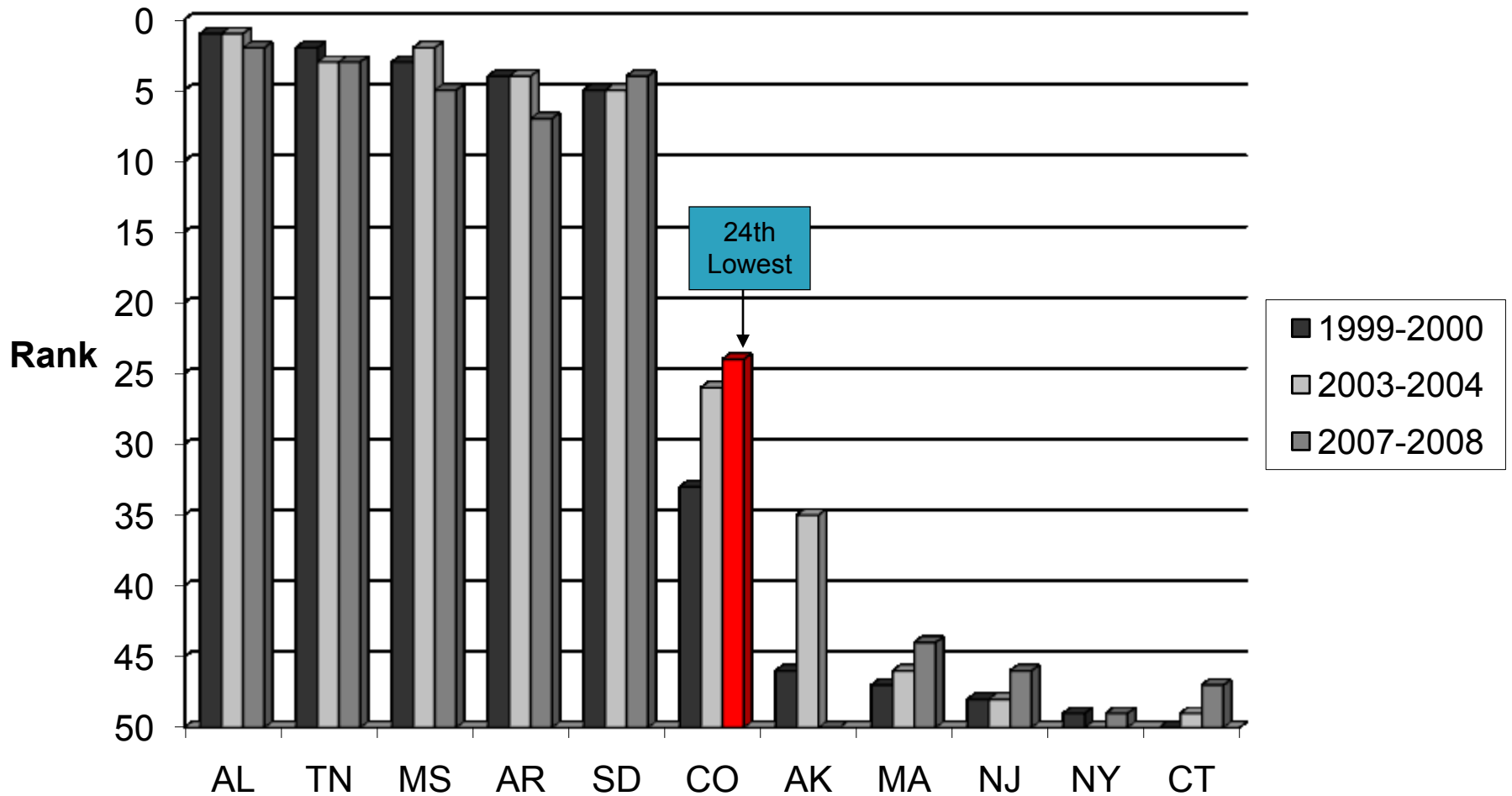
U.S. Census Bureau, State and Local Government Finances



States with low levels of state tax revenue generally compensate with higher levels of local government tax revenue. Colorado is no exception. Maryland, Connecticut, New Jersey, and New York all rank among the states with the highest taxing local governments and they have among the highest state taxes as well.

State and Local Tax Revenue per Capita

U.S. Census Bureau, State and Local Government Finances



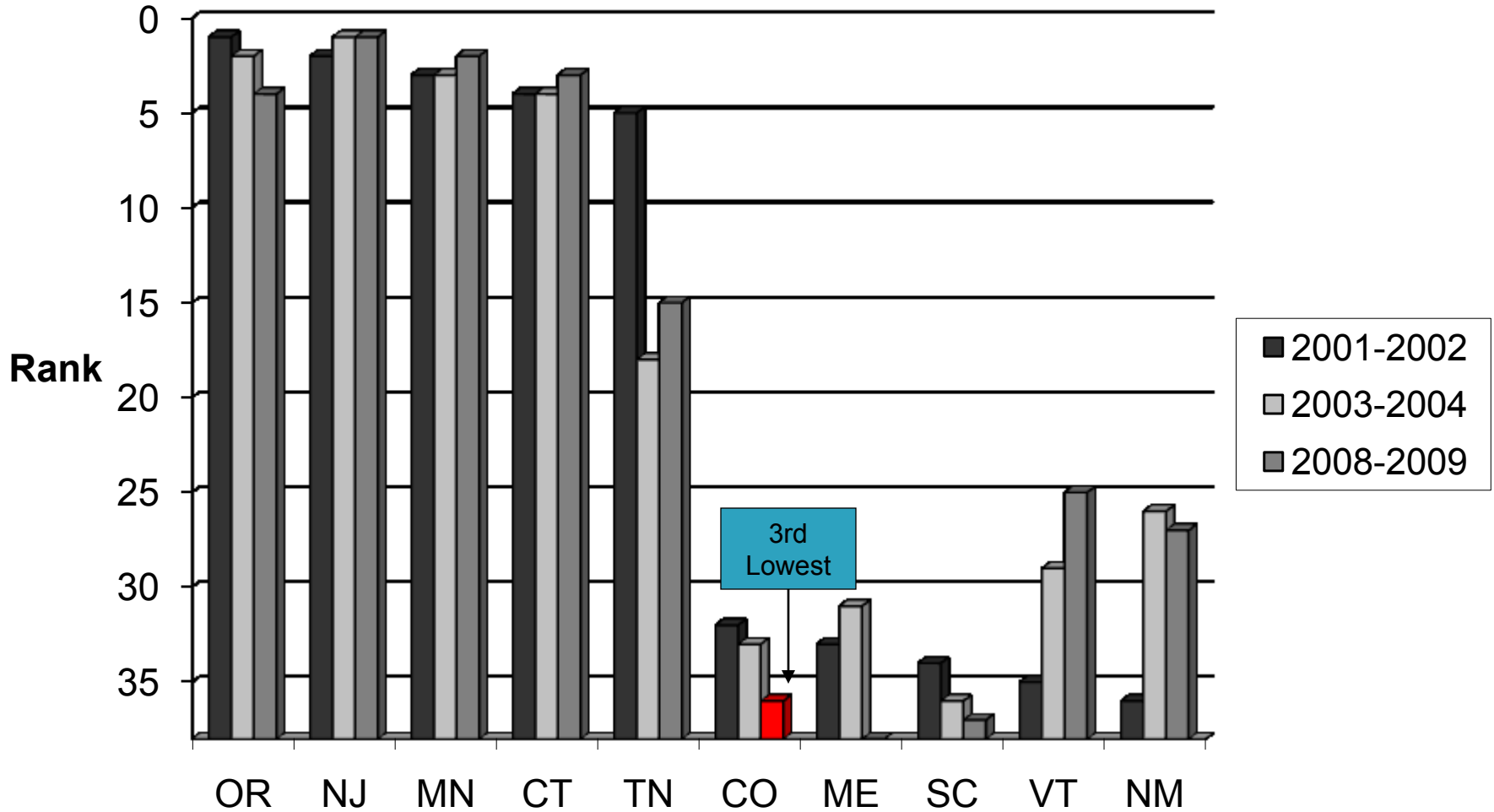
While Colorado has one of the lowest levels of state tax revenue per capita, its ranking declines when both state and local tax revenue are considered.

Fig. 51

Education

Pre-K Resources per Child*

National Institute for Early Education Research

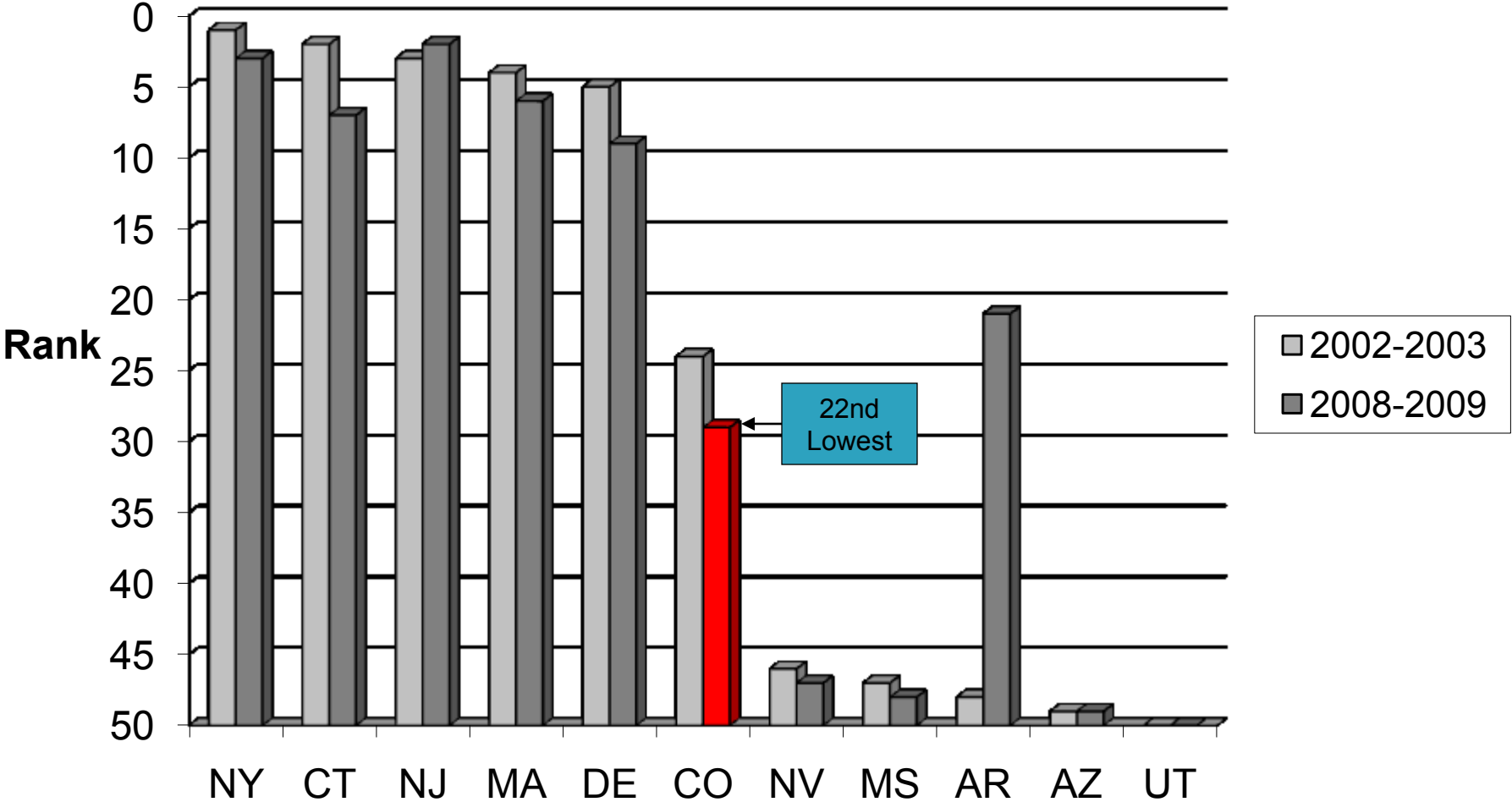


Early childhood education is an essential part of long-term student success. Colorado ranks in the bottom three states in resources devoted to Pre-K education.

*Rankings based on the 38 states with programs.

Expenditures for Public K-12 Schools Per Student

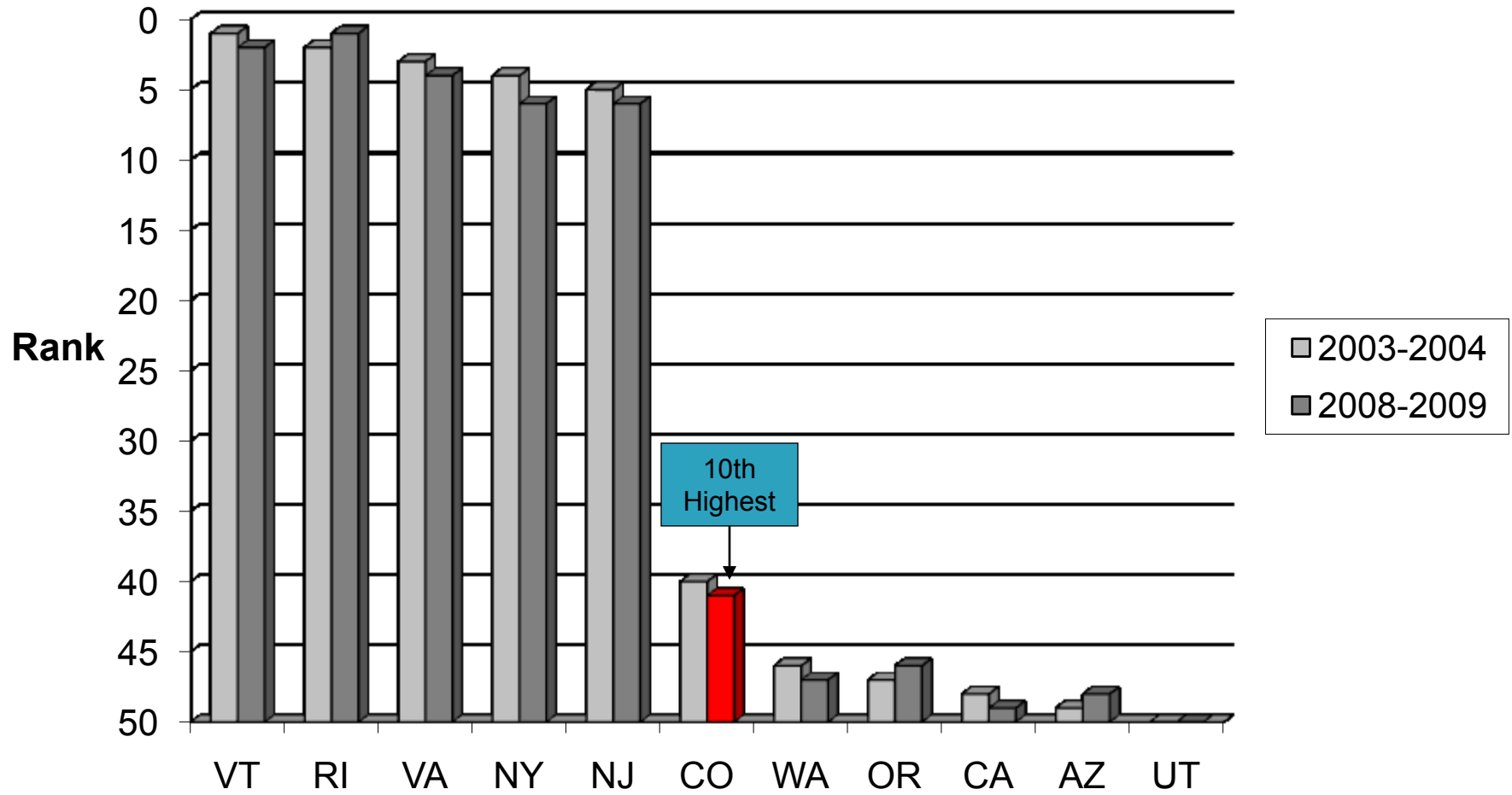
National Education Association



Colorado has consistently ranked in the middle of all states for K-12 education funding.

Student/Teacher Ratio in Public Elementary and Secondary Schools

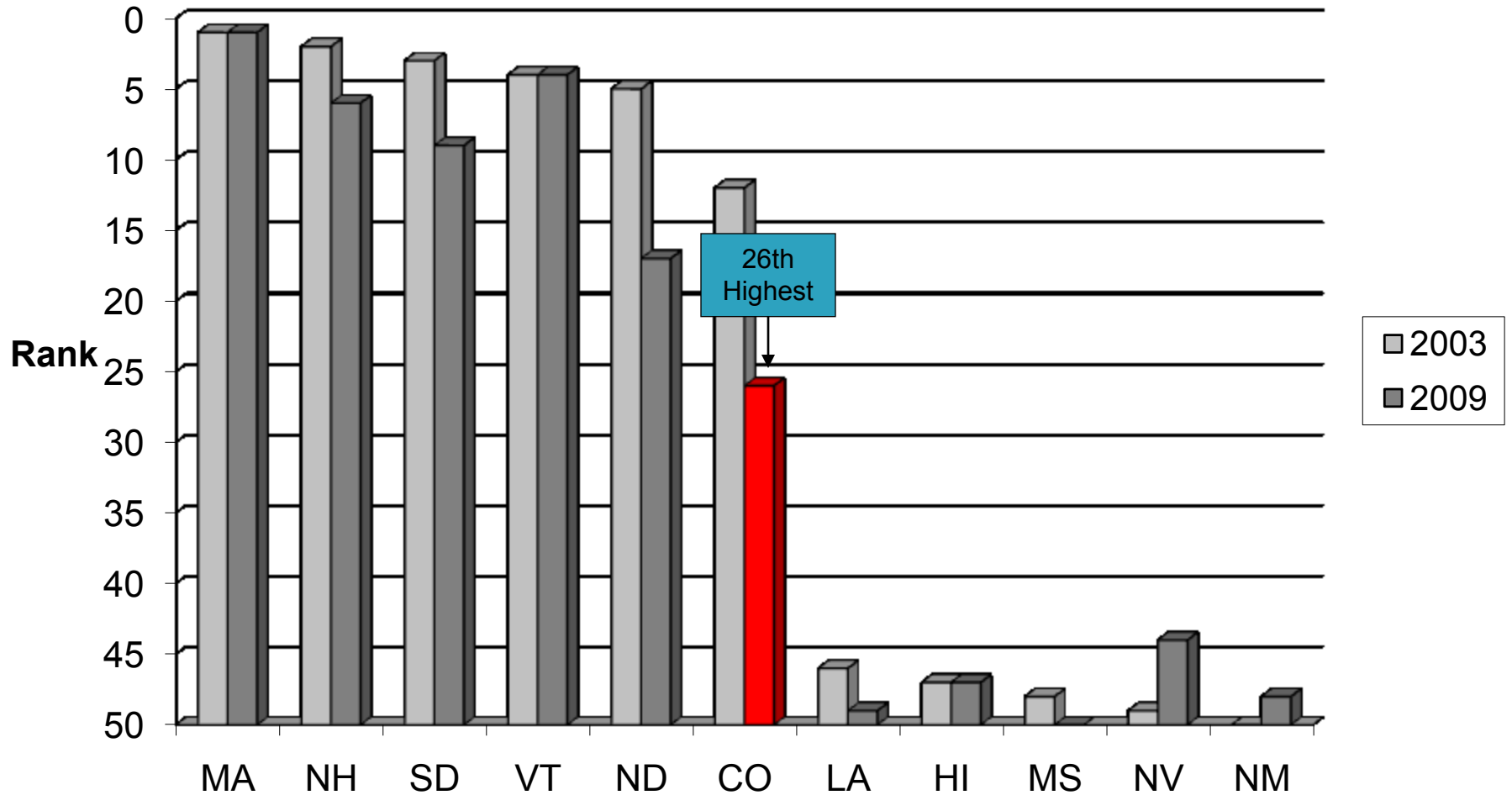
National Education Association



With an average of 16.8 students per teacher throughout the state, Colorado's student-teacher ratio ranks as one of the 10 highest in the country. The national average is 15.2.

Percent of Public School Eighth Graders Proficient or Better in Reading

National Center for Education Statistics

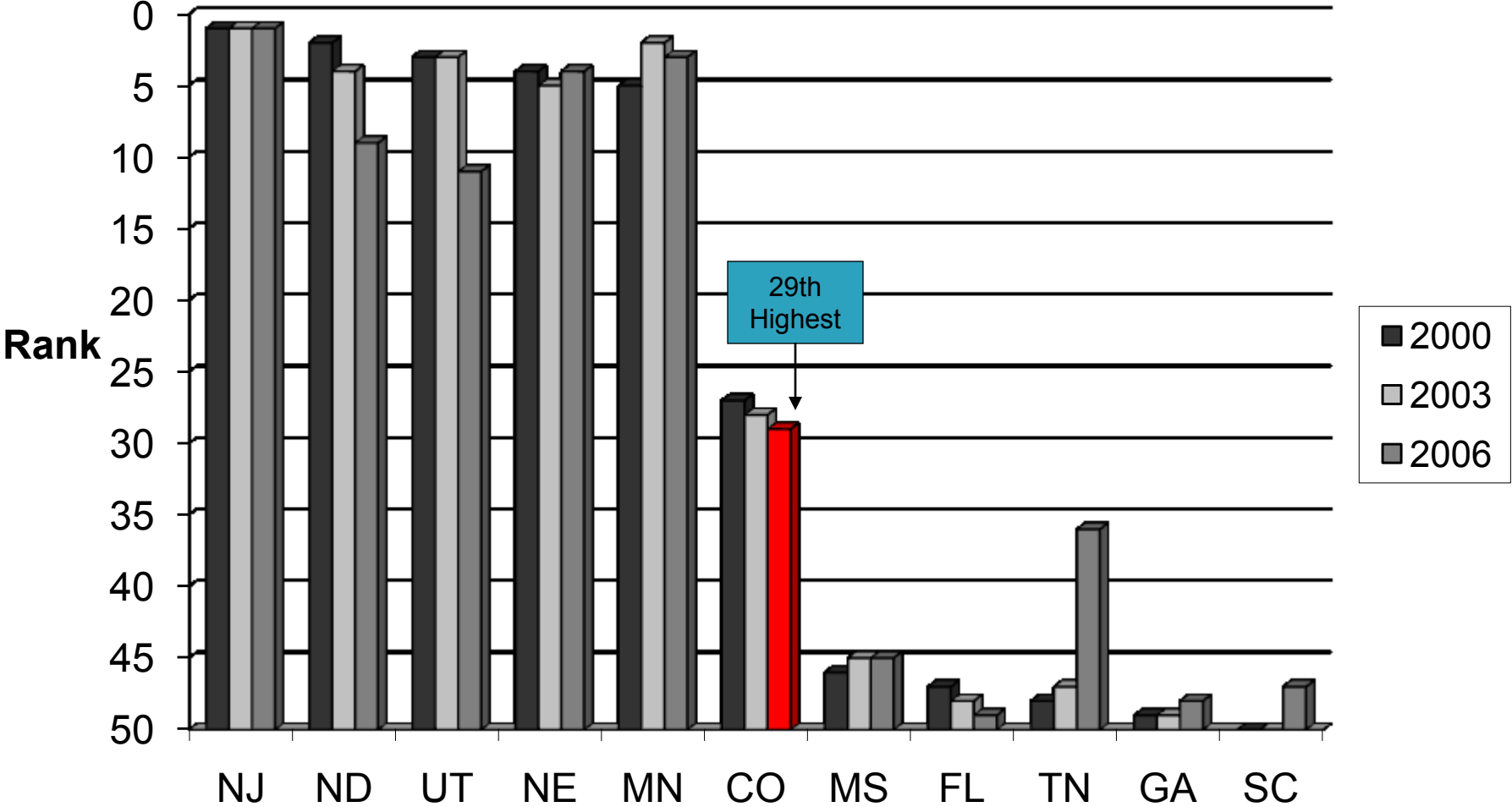


Colorado's eight grade reading rankings have not been as consistent as its fourth grade rankings since 2003. Colorado's rank has fluctuated in the second quartile, but the state's percent of eighth graders proficient or better in reading has been trending down since 2003.

Fig. 154

Public High School Graduation Rates

NCHEMS Information Center



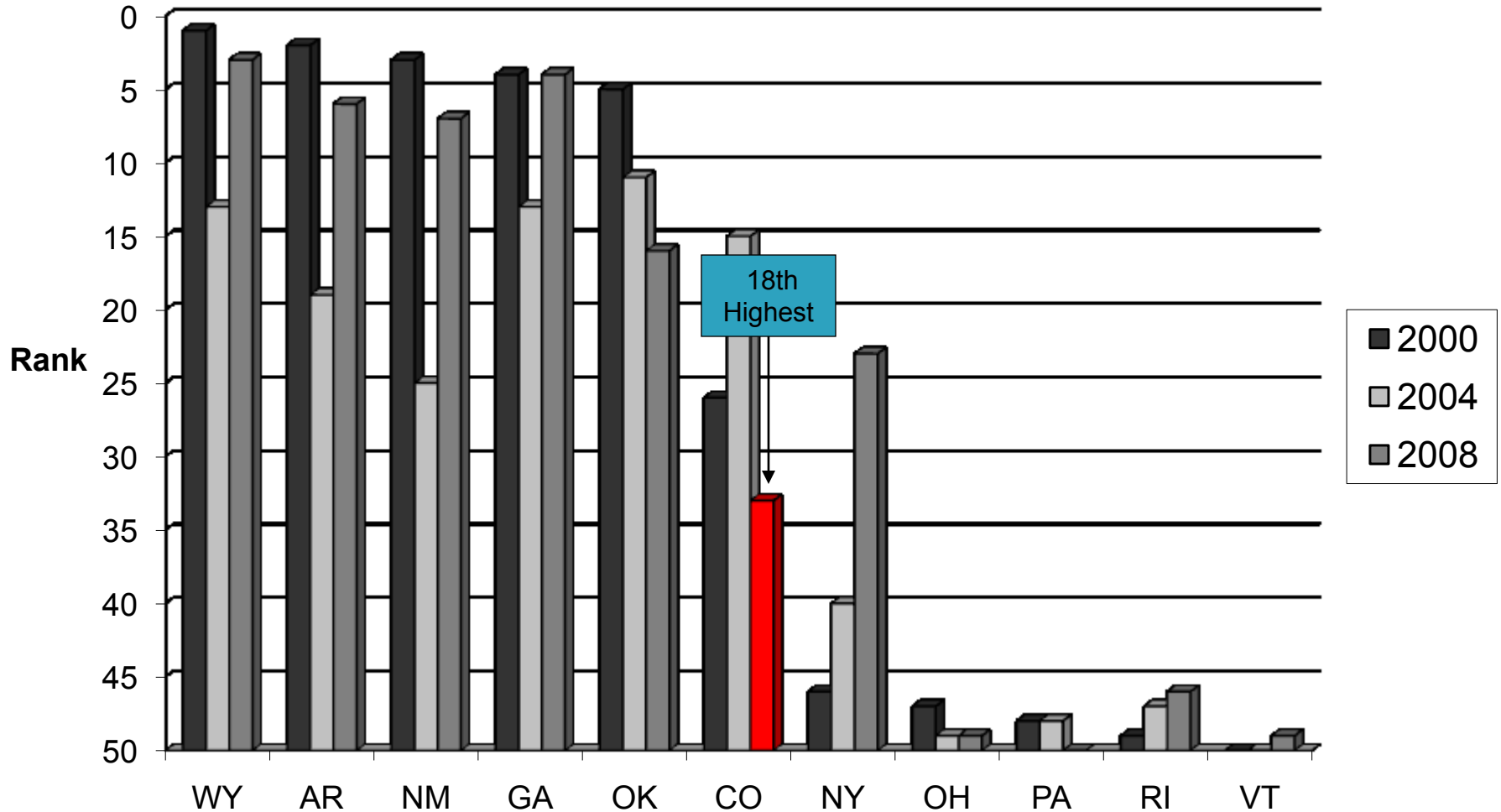
The north central states continue to graduate the largest shares of high school students. Colorado's rank has shifted slightly from 27th-highest in 2000 to 29th in 2006. Colorado's graduation rate was 70.4 percent in 2006.

Fig. 158

Higher Education

Percent of Family Income Needed to Pay for a Public Four-Year College

NCHEMS Information Center

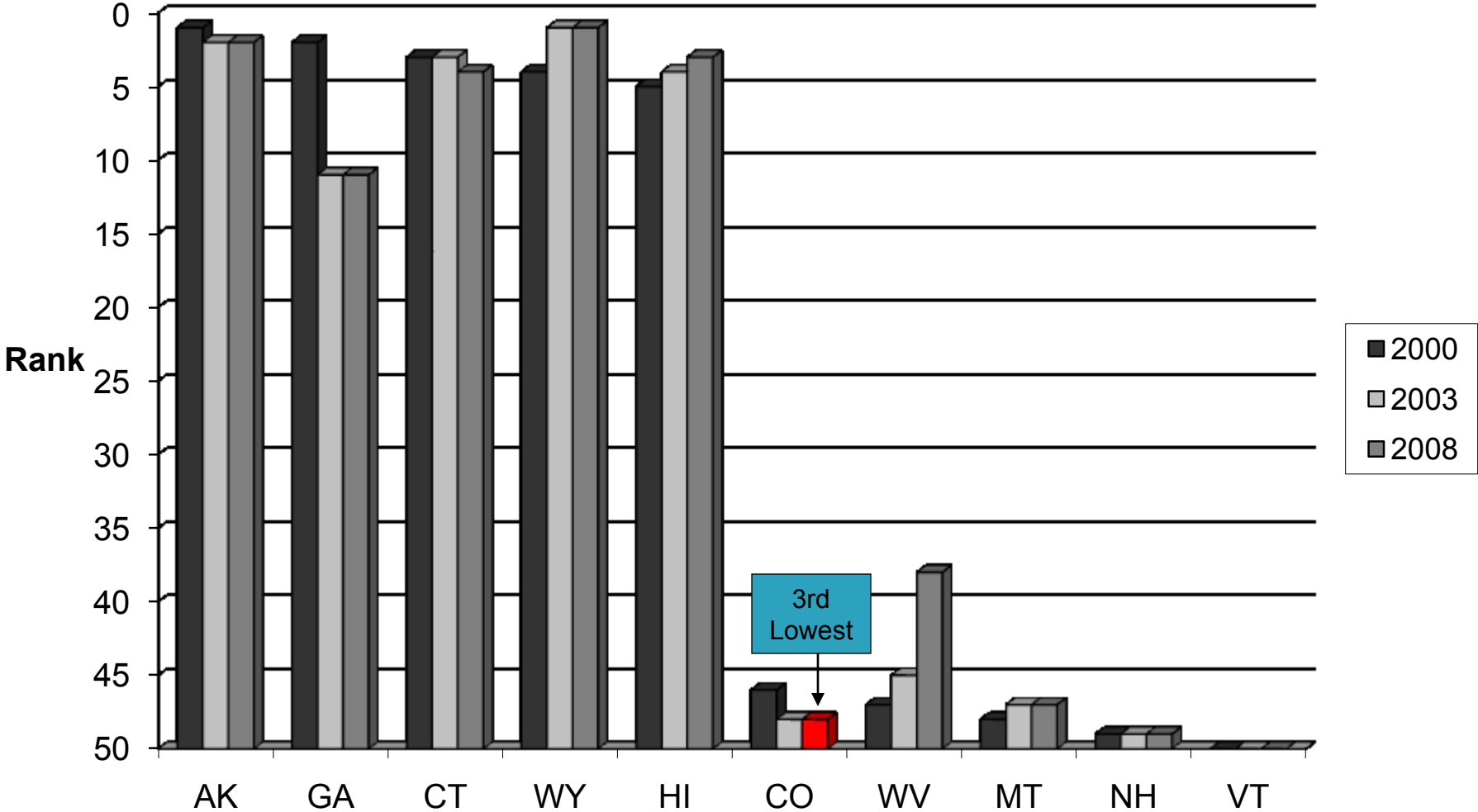


Rising college costs and diminished levels of state funding result in a higher share of a family's income required for college.

Fig.162

State and Local Public Higher Education Support per Full-Time Student

NCHEMS Information Center

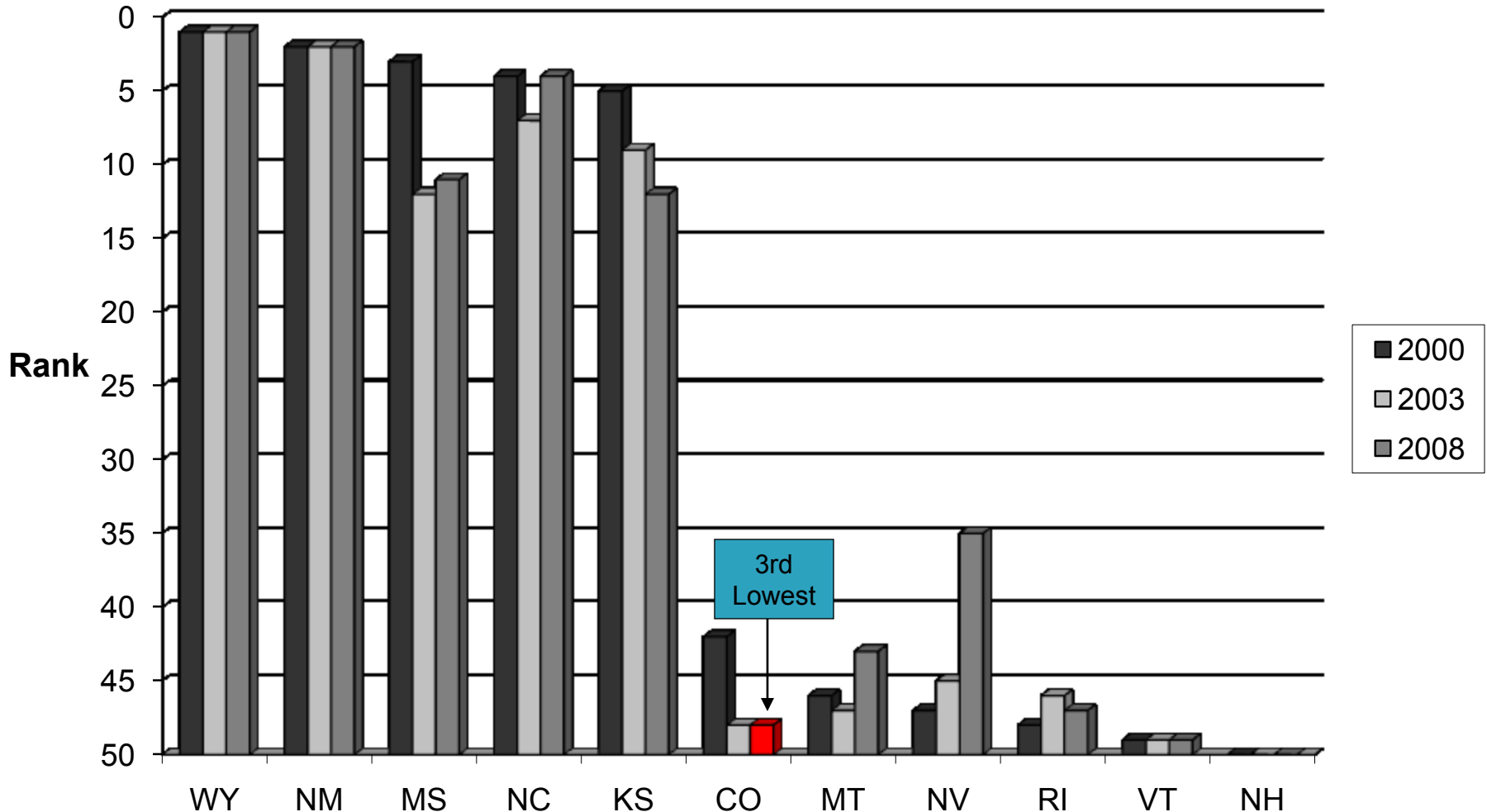


Colorado continues to offer one of the lowest levels of support per full-time higher education student. Colorado spends 6.4 percent less than its 2001 peak in the level of support per student.

Fig. 166

State and Local Public Higher Education Support per Capita

NCHEMS Information Center

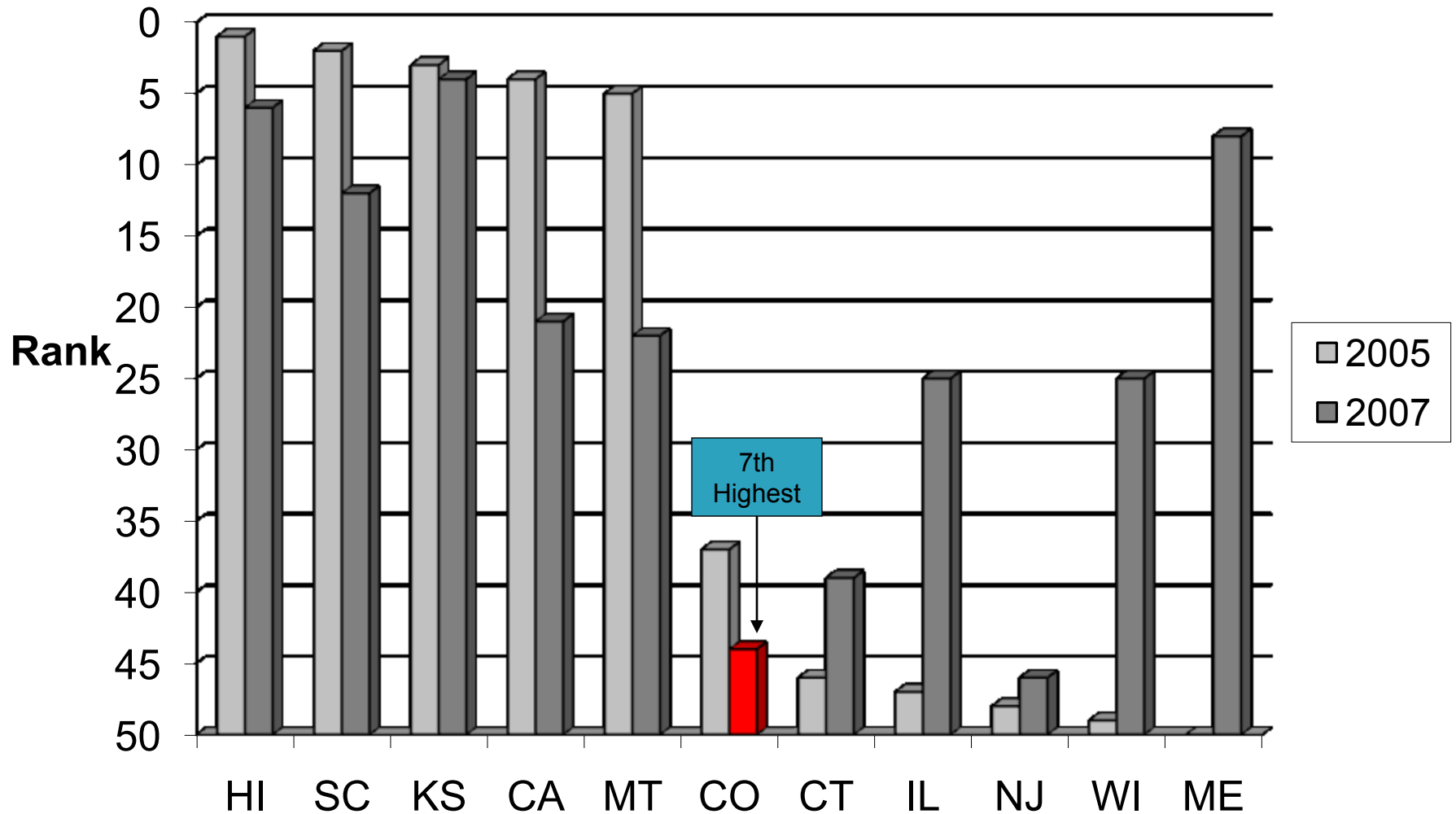


Higher education in Colorado continues to absorb large budget reductions. Colorado provides just 22 percent of the support provided in Wyoming, the top-ranked state.

Health

Health Insurance Costs

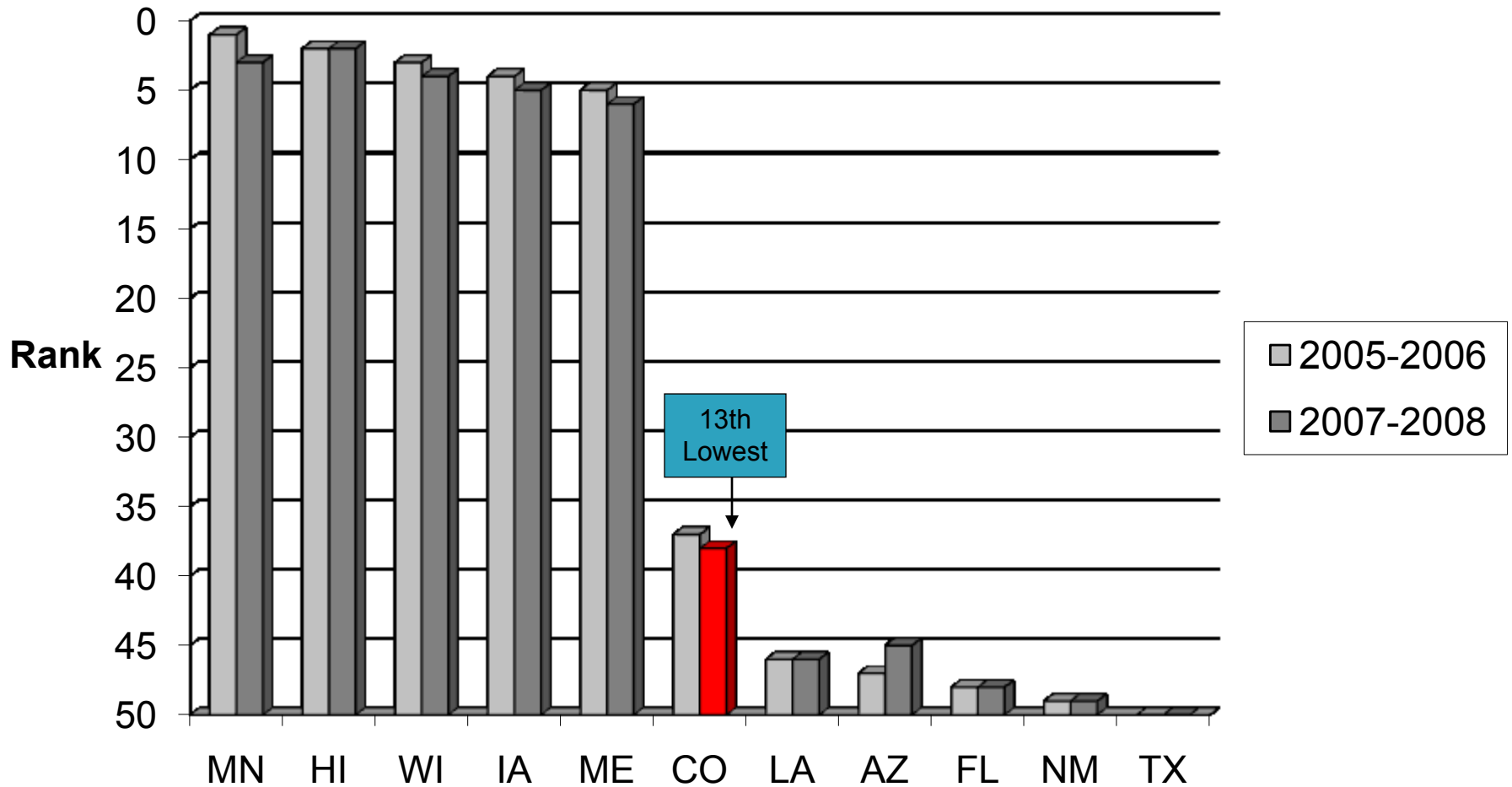
Penton Media, Inc.



Colorado's health insurance costs rank as some of the highest in the nation. While Colorado is one of the nation's healthiest states, its low affordability may reflect the higher number of physicians per 100,000 residents or the increased demands on the medical industry made by Colorado's well-educated and comparatively wealthy citizens.

Percentage of Population with Health Insurance

Kaiser State Health Facts

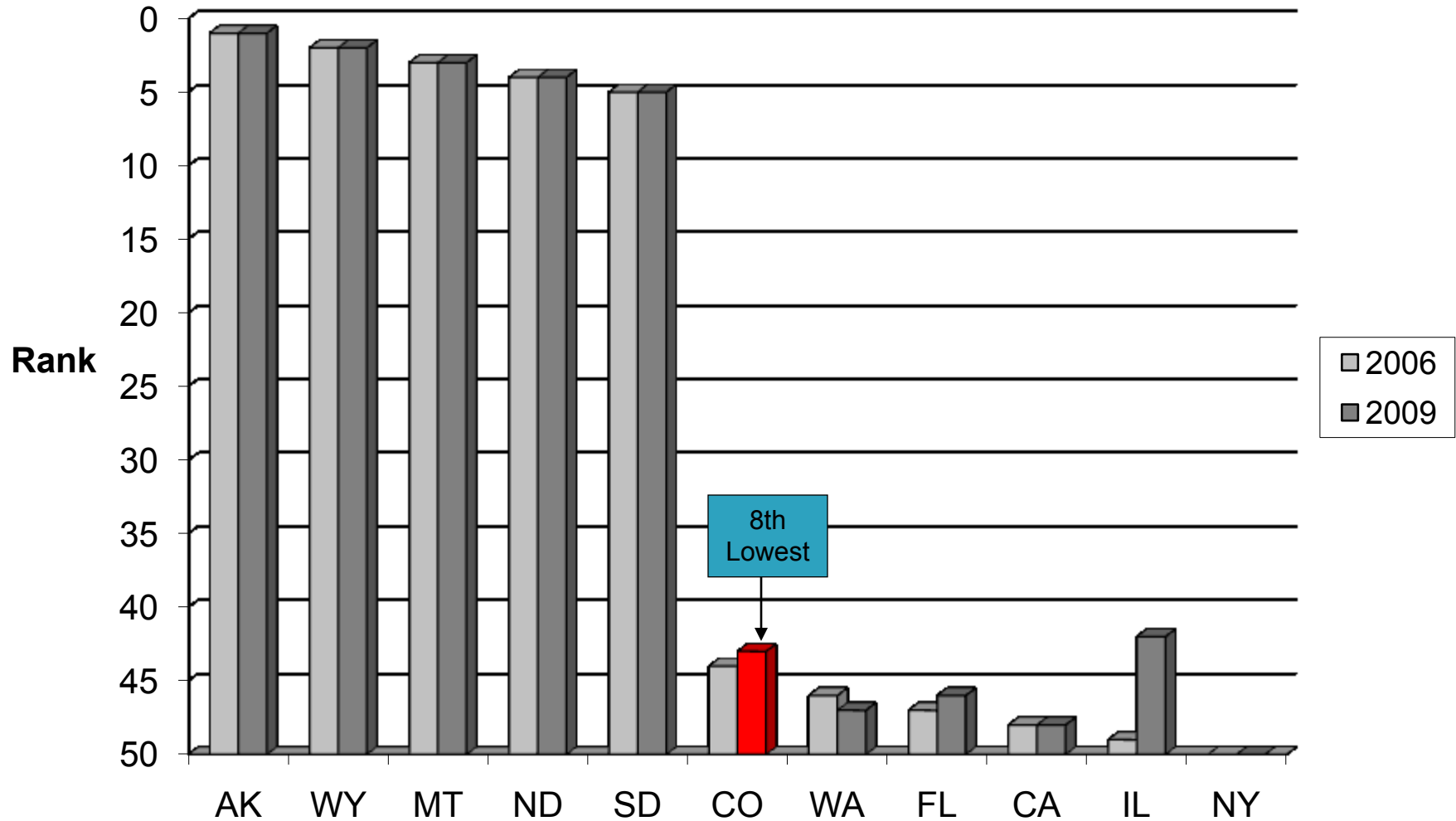


Like many western states, Colorado has a relatively large share of residents (16.2 percent) without health insurance.

Infrastructure

Federal Highway Funding per Capita

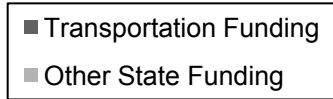
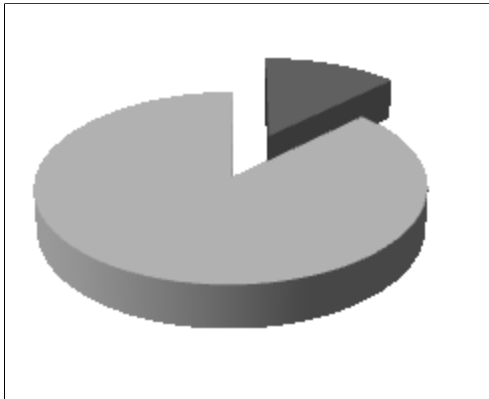
Federal Highway Administration; U.S. Census Bureau



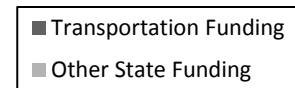
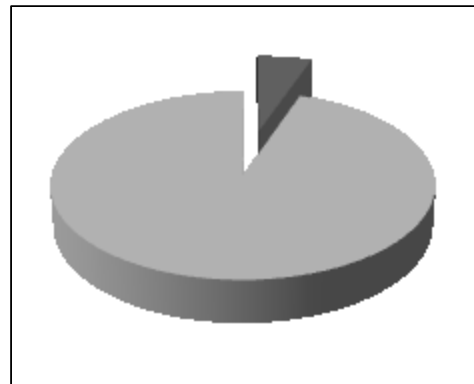
Colorado's low federal highway funding contributes to its low ranking in highway performance.

Percentage of State Funding for Transportation (1980 vs. 2010)

1980 Transportation Funding: 12.7%

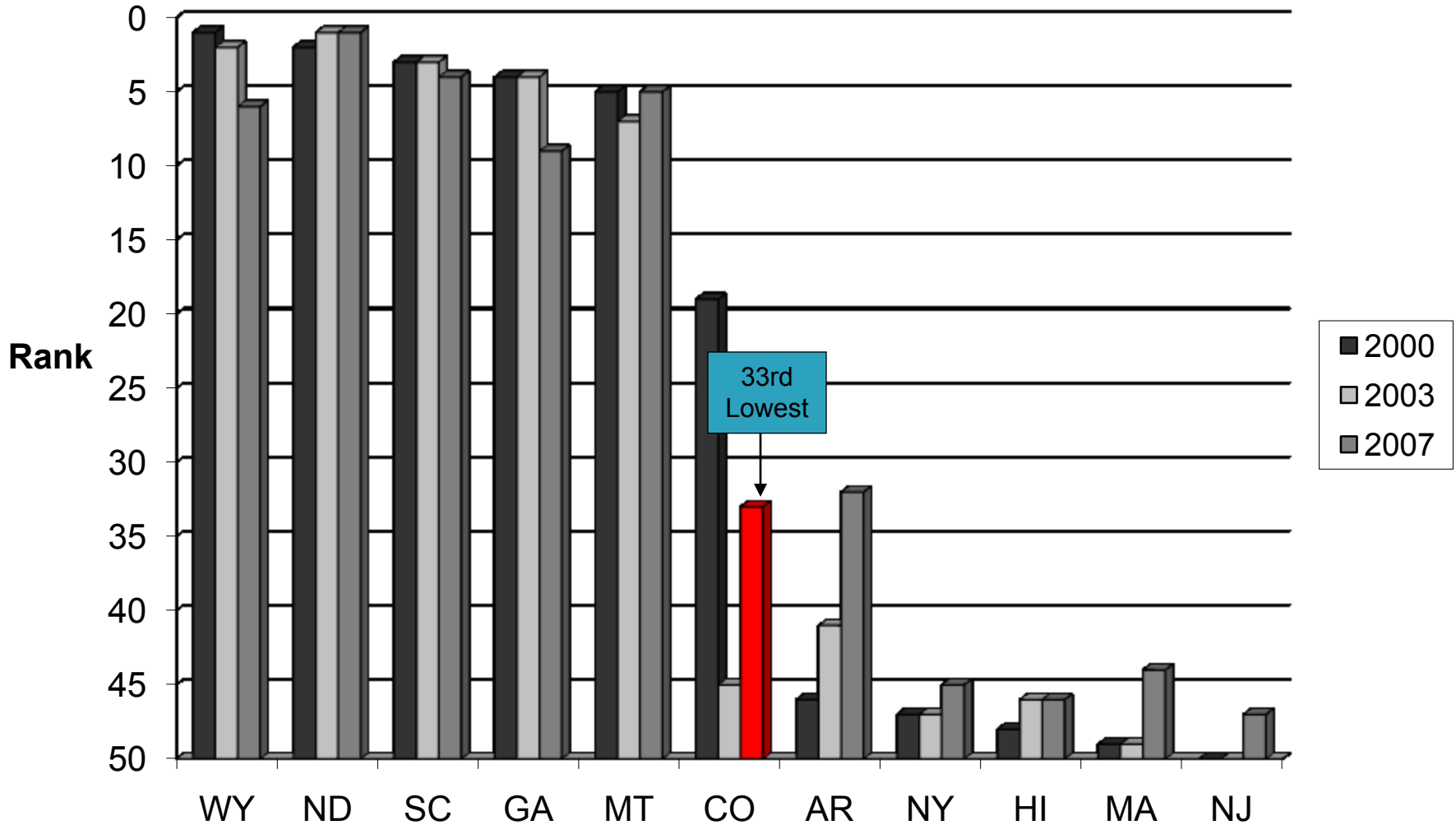


2010 Transportation Funding: 5.3%



Highway Performance

The Reason Foundation



This ranking is a cost effectiveness index that measures each state's highway budget per mile compared to each system's quality and performance. States with higher rankings do more for less. Colorado improved significantly from 2003 to 2007.

Key Metro Denver Industry Clusters

	Employment	2010 Job Growth	Concentration Rank (50 metros)
Aerospace	19,200	-4.4%	1
Aviation	15,100	-4.0%	11
Bioscience			
Pharmaceuticals & Biotechnology	9,500	-0.3%	8
Medical Devices & Instruments	5,000	-7.2%	20
Broadcasting & Telecommunications	40,800	-1.4%	3
Energy			
Fossil Fuels	21,000	-5.2%	6
Cleantech	17,000	7.1%	7
Financial Services			
Banking & Finance	39,300	-8.8%	3
Investments	23,200	0.0%	6
Insurance	24,900	-7.4%	22
IT/Software	40,400	-4.6%	11

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