

Colorado: State-of-the-Art

Key Findings from *The State of Colorado's Creative Economy*

February 2009

At a time when virtually every state is searching for its creative soul and its artistic core, Colorado has found a way to blend the contemporary arts with its wild west heritage and to capitalize on strengths in design, the environment, and technology-based enterprises. Colorado was an early leader in the nation's cable industry, a leader in the design and manufacture of outdoor sports apparel and gear, has a vibrant film and media industry, and a national reputation in poetry.

It is evident that Colorado is performing as a "State-of-the-Art" place to live and work. Most important, its creative economy is well distributed among its smaller communities, deeply embedded in the larger economy, and ingrained in the lifestyles of the people.

The State of Colorado's Creative Economy was commissioned by the Colorado Council on the Arts and describes the profile of the creative economy mainly in quantitative terms, but supplemented with examples to provide a context for the numbers. Statistics have been taken from a multitude of existing and accessible economic data and analysis was conducted by Regional Technology Strategies and Mt. Auburn Associates, Inc. The full study can be viewed at www.coloarts.org.

Defining the Creative Economy

The description of the creative economy used for this study is specific to the talents, outputs, and inventive processes unique to Colorado. It combines two populations: people employed in creative enterprises (the unit used to identify an industry "cluster"), and those working in creative occupations in other types of enterprises.

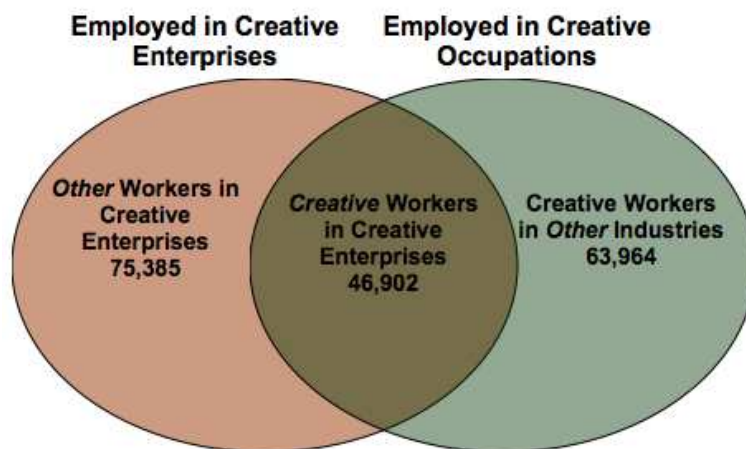
For the purposes of this study, these terms are defined per the following.

- A **creative enterprise** is defined as any company for which the primary value of its products or services is rooted in its emotional and aesthetic appeal to the customer.
- A **creative occupation** is defined as a job in either a creative industry or non-creative industry in which the work itself is inherently creative or artistic.
- The **creative economy** encompasses both of these groups, which overlap.

The Economic Importance of Colorado's Creative Economy

To fully understand the importance of the state's creative economy, one must look at the scale and scope of two critical and overlapping components—creative enterprises and creative occupations. Colorado has deep resources in both areas.

The creative enterprises include nonprofit cultural institutions, commercial businesses creating products with creative content and the thousands of individuals who are self-employed. In addition, many Colorado workers are employed in occupations that require creativity but in businesses that do not meet the criteria for a “creative enterprise.” These include art teachers in schools, musicians in religious organizations, and designers working in manufacturing.



The study shows **186,251 direct jobs** in the state are associated with creative enterprises and creative occupations. Colorado's **creative enterprises employed 122,287** individuals in 7,992 establishments in 2007 and another **63,964 worked in creative occupations** in other sectors.

Employment in creative enterprises alone is roughly **four percent of the state's estimated 3.2 million jobs***. Since 2002, **employment in the state's creative enterprises increased by more than 8,000 jobs**, or seven percent, compared to a six percent growth in creative enterprise employment in the U.S.

Colorado's creative enterprise earnings, including employee benefits, was about **\$5 billion**. A large number of creative individuals earn their living not as employees but as sole proprietors or self-employed. The **number of independent artists, writers, and performers grew 15.7 percent** from 2002 to 2007, more than the national average.

Some have called the creative enterprise cluster a “keystone species” because its impact on a region is disproportionate to its size. In addition to the jobs and revenues it represents, it influences overall quality of life, residential desirability, and creative and innovative milieu.

* The 3.2 million jobs in Colorado figure includes self-employed workers, sole proprietors, farm and railroad workers, military, a more complete coverage of educational institutions, membership organizations, and nonprofit organizations that are not typically covered under civilian labor statistics.

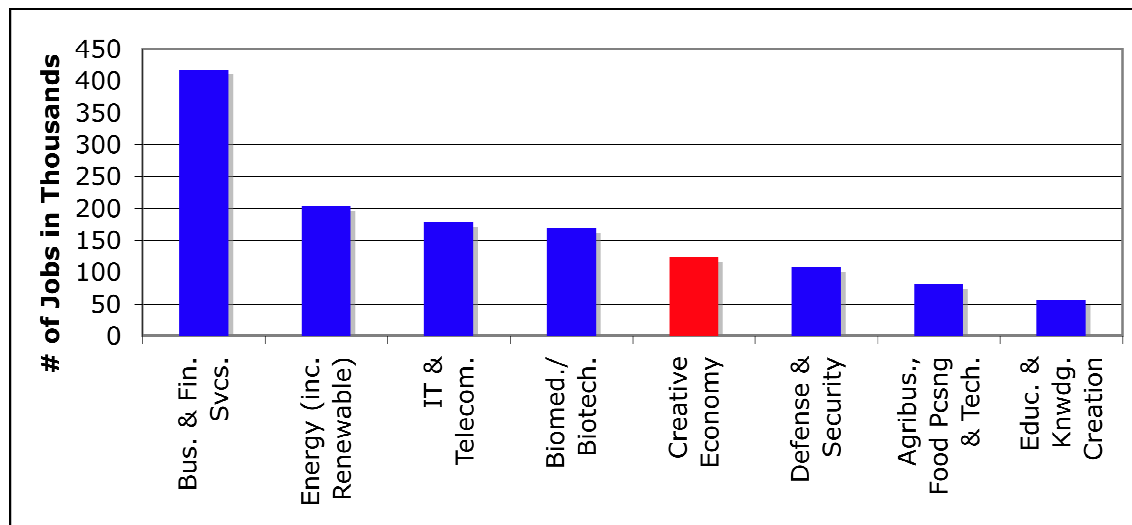
Creative Enterprises

Colorado's creative enterprises consist of **69 industries** that are engaged along the value chain, from the raw materials and supplies through the conceptualization, production, support, distribution, and marketing of aesthetically or emotionally pleasing creative and cultural products. In 2007, the combined creative sectors **employed more than 122,000 individuals** in about 8,000 establishments. Employment in creative enterprises makes up roughly **four percent of the 3.2 million** total jobs in the state.

Creative Enterprises Compared to Other Clusters of Colorado's Economy

The size and performance of the creative enterprises is very competitive compared to other key sectors of the Colorado economy. **The number of jobs in the creative enterprises ranks it as the 5th largest cluster of the Colorado economy**, almost as large as biotechnology/biomedical and IT & telecommunications, and larger than defense & security and agribusiness, food processing & technology.

Comparison of Key Clusters in Colorado—Total Employment



Creative Occupations

Colorado has a very strong pool of residents with creative talent. About **111,000 individuals, 3.4 percent of the workforce**, earn some portion of their incomes through creative occupations. Not only is the size of the creative workforce in Colorado large but it also expects growth well over the national average for the next ten years, filling a pipeline with new talent moving to Colorado to attend college and/or pursue careers and local talent coming up through the state's educational system. Among all states in the U.S., **Colorado ranks**

- **2nd in concentration of architects**
- **5th in total artists**
- **7th in concentration of writers, designers, entertainers and performers**
- **8th in concentration of photographers**

Projected Growth in Creative Occupations

Many creative occupations are expected to grow significantly over the next 10 years and exceed the projected state average growth rate of 25 percent. Growth rates are particularly strong for many media and communications occupations as well as for interior designers and museum curators.

Projected Percent Growth in Creative Occupations, 2008-2018

Field	Occupation	% Growth
Media/communications	Audio & video equipment technicians	45.9
Media/communications	Broadcast technicians	43.6
Media/communications	Camera operators, TV, video, films	32.6
Media/communications	Film and video editors	31.7
Media/communications	Broadcast news analysts	30.9
Cultural	Curators	30.1
Designer	Interior designers	28.6
Media/communications	Public relations managers	28.5
State average		25.0

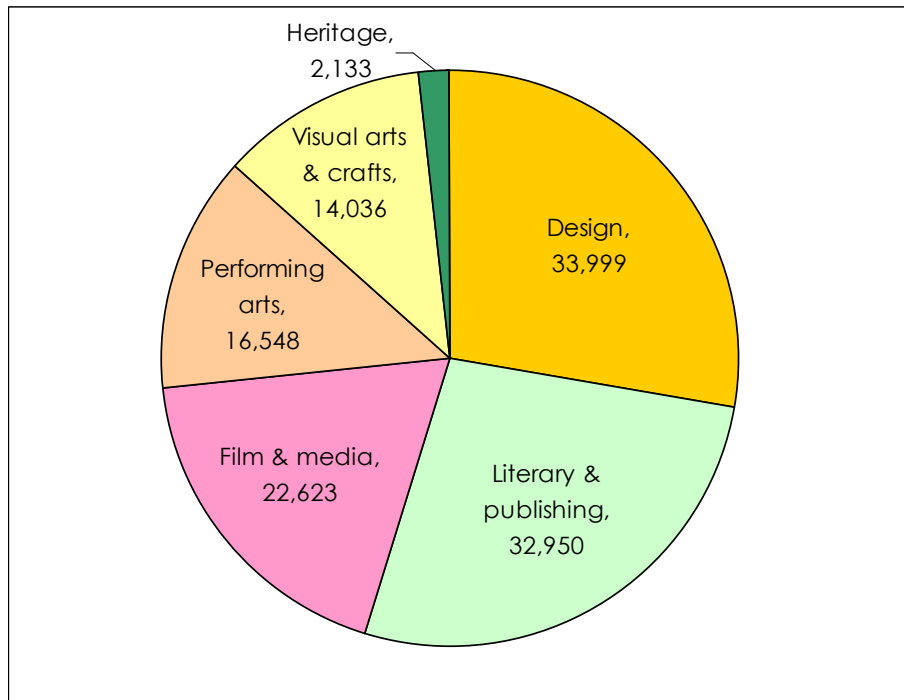
Education Pipeline

Beyond those attracted to the state because of its obvious natural amenities, **the educational pipeline in Colorado is a powerful generator of new talent.** Colorado's college and university landscape covers a wide spectrum of creative industries, from fine arts to green design and technology-based music business programs. In addition to four-year and postgraduate programs, the state offers associate degree, certificate, and non-credit programs such as Rocky Mountain College of Art and Design's (RMCAD) certificate in sustainability or green building; Red Rocks Community College's courses in chairmaking, period furniture reproduction, and classical guitar making; Colorado State University's master's degree in Neurologic Music Therapy; the University of Colorado Denver's Department of Music and Entertainment Industry Studies in music performance, music business, and the recording arts; the University of Denver's baccalaureate in game development; and Colorado Film School resources in theatre, film, and television production.

Sub-groups of Colorado's Creative Enterprises

To better understand the nature of the creative economy, enterprises were categorized within six sub-groups.

Employment by Sub-group



Design has the largest number of jobs and establishments in the creative economy, with strengths in architects, urban design firms, interior designers, landscape designers, and in the growing sustainable (green) design area.

Literary and Publishing has been adversely affected by declines in commercial printing attributed in part to changes in the way content is received. However, greeting card publishers are concentrated at almost six times the national average.

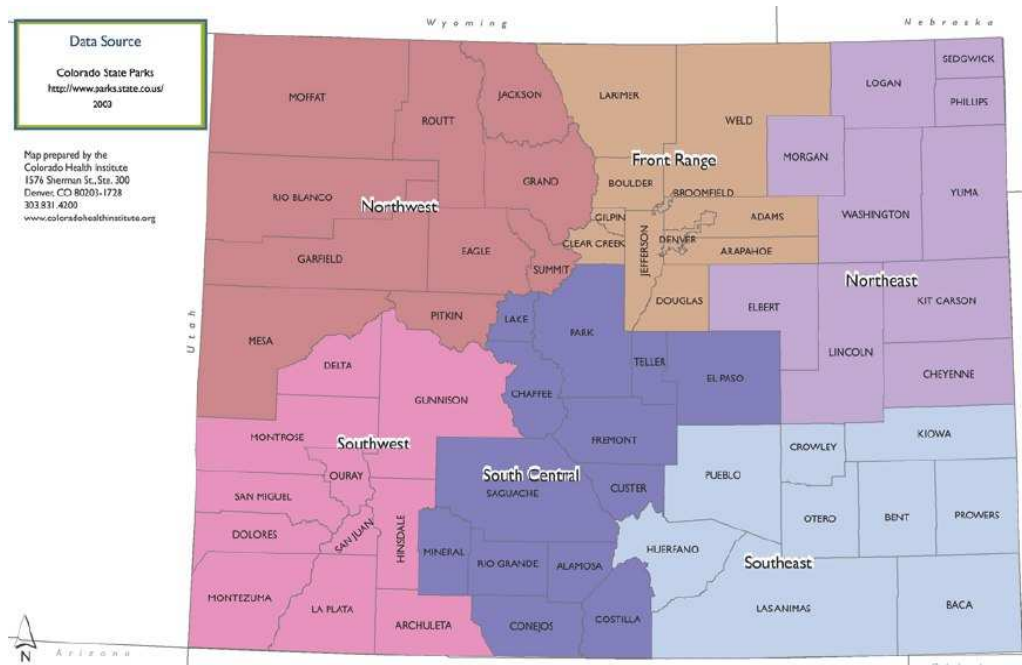
Film and Media remains an important economic force with many industry headquarters in the Denver area; however consolidation and contraction have reduced cable-related employment.

Performing Arts includes self-employed and part-time musicians, dancers, and other performers. There are 225 theater companies in the state, including rural community theaters and companies at colleges and universities.

Visual Arts and Crafts encompasses painters, photographers, sculptors, jewelers, fine art schools, art shops and galleries. This sub-group includes thousands of individual artisans and crafts people. In 2007 about 40 percent were self-employed.

Heritage which includes museums, zoos, botanical gardens, and historical sites, represents the smallest sector in terms of jobs in the creative economy but an important aspect of the state's tourism industry.

Regional Distribution of Employment in Creative Enterprises



The strengths of the creative economy vary across the state. Certain regions exhibit very specific strengths.

Front Range (92,400 jobs) which includes Denver and surrounding areas, has the highest relative concentrations in design, literary and publishing and film and media. Independent artists, writers and performers tend to flock to this region, with 16,900 jobs.

South Central (15,500 jobs) is strong in literary and publishing including the greeting card and newspaper publishing industries. Roughly 65 percent of creative economy jobs are in El Paso County. Many writers and authors also work in the region.

Northwest (9,800 jobs) includes many resort communities which host nationally significant art and music festivals during the summer months. The region's largest city, Grand Junction, has a vital art community.

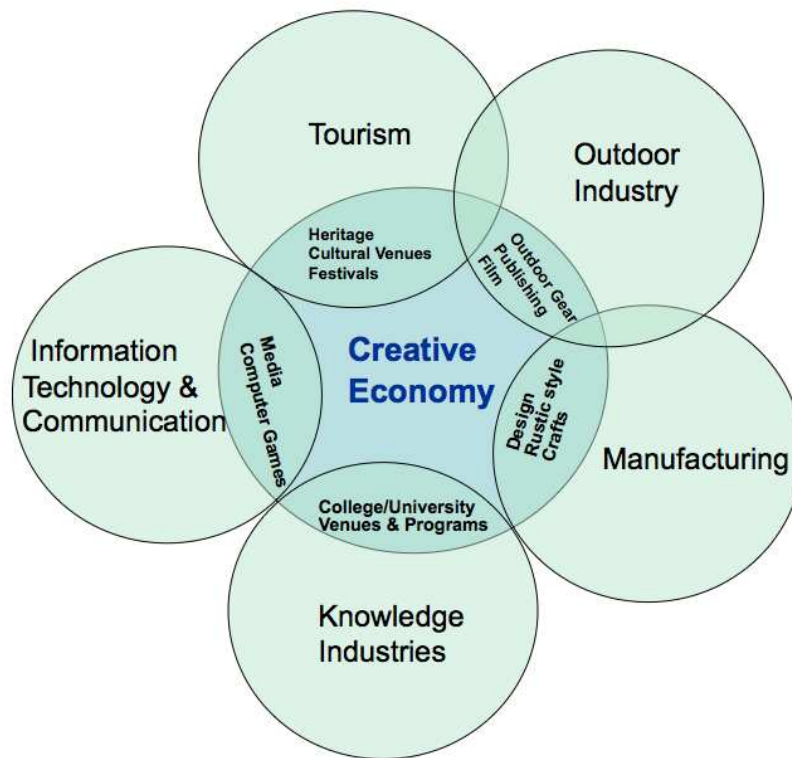
Southwest (4,500 jobs) has strengths such as drafting services and ornamental architectural metalwork which are concentrated at twice to three times the national average.

Southeast (2,300 jobs) exemplifies the heritage arts associated with the Santa Fe Trail and the Native American community, as well as a growing art scene in Pueblo.

Northeast (900 jobs) hosts over 150 fairs, rodeos, and food, arts and crafts festivals. Many small towns are working to build their cultural assets.

Creative Convergence: Where Talent and Enterprise Meet

Traditional economic data tell only part of the story about the creative economy. There is a significant amount of **economic activity that is clearly “creative” but embedded in other industries**. The 186,251 jobs reported in creative enterprises and creative occupations is an extremely conservative estimate of employment. It excludes a great deal of creative employment including the following.



Manufacturing: Much of the state's crafts enterprises are embedded in manufacturing such as art glass producers and pottery studios. Hundreds of companies produce handcrafted furniture and home accessories, including the Colorado “rustic style”, that depend upon design talent to be competitive in the marketplace.

Technology Industries: While this is not yet a large sub-group of the economy, it is poised for future growth. The necessary skills to create game software translate to arenas beyond video games including education, healthcare and the military. There are over 40 design and development companies comprising Colorado's game industry.

Recreational Industries: There are over 170 companies in Colorado that are engaged in some aspect of the outdoor industry, from ski equipment and specialized apparel, to guidebooks and films. Many of these companies depend upon the design talent in Colorado to shape their products and services.

Tourism: A 2005 study of the economic benefits of historic preservation in Colorado reported that in 2003, 5.1 million trips, 24 percent of the total in the state, included a visit to at least one historic area. This study estimated that heritage tourism alone generated about \$1.5 billion in direct economic benefits in the state.

Growing the Creative Economy: Next Steps

Colorado has established itself nationally as a premier creative economy, which can be confirmed by its high national rankings and concentrations in numerous categories of creative enterprises and occupations. But despite its national reputation, **the state has not yet realized its fullest potential** both in building on the growing convergence and synergies with other high growth sectors such as green products, outdoor products, tourism, and technology and its potential for stimulating new kinds of learning and improving educational outcomes.

To further build the creative economy in Colorado, it would be necessary to **more fully understand the competitive challenges faced by each of the sub-segments**, as well as to **identify areas of significant economic opportunity**. Taking the next steps requires a more comprehensive economic strategy that would include:

- Understand what drives and what impedes the growth of the various segments of the creative economy
- Develop a deeper understanding of the linkages between the creative talent in the state and the other important clusters—to deepen these connections and improve the competitiveness of some of the more traditional industries, such as manufacturing
- Further assess the strengths of the state's higher education institutions to identify how these assets could be further harnessed to build the creative sector
- Learn more about where creative people choose to live and why, by region, which then would lead to suggested strategies and policies that would take Colorado to the next level as a creative economy

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