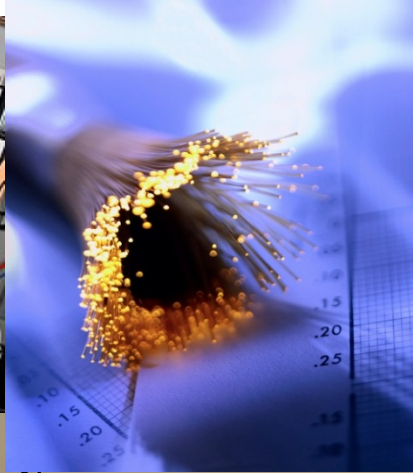


Where the Jobs Are...

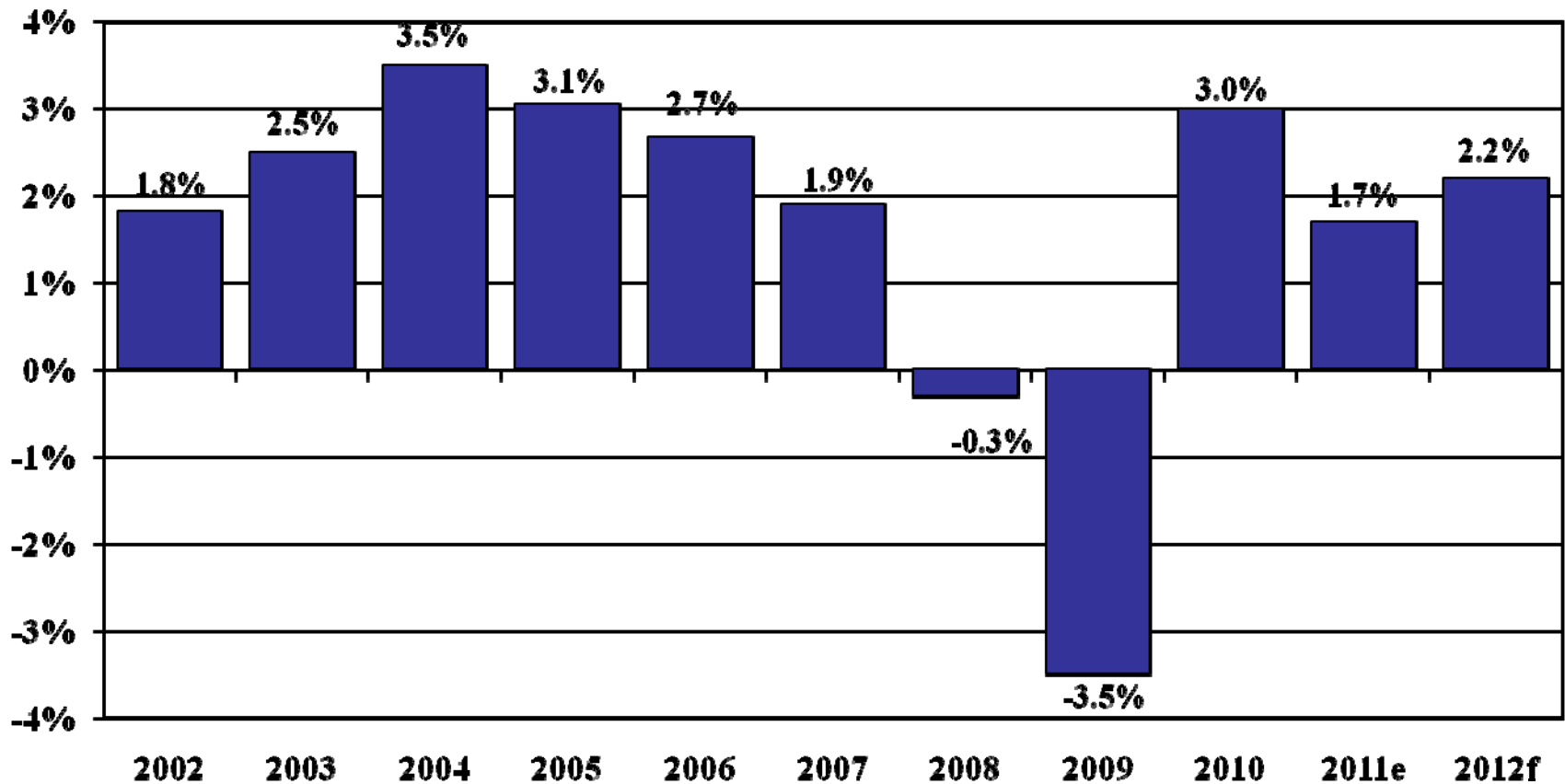


**Metro Denver
2012 Economic Forecast
October 2011**

Program Outline

- ◆ **Broad Economic Overview**
- ◆ **Employment Growth à la federal definitions**
- ◆ **Innovation and Entrepreneurs**
- ◆ **Industry Clusters**
- ◆ **Occupational Outlook**

Real Gross Domestic Product Growth Rate

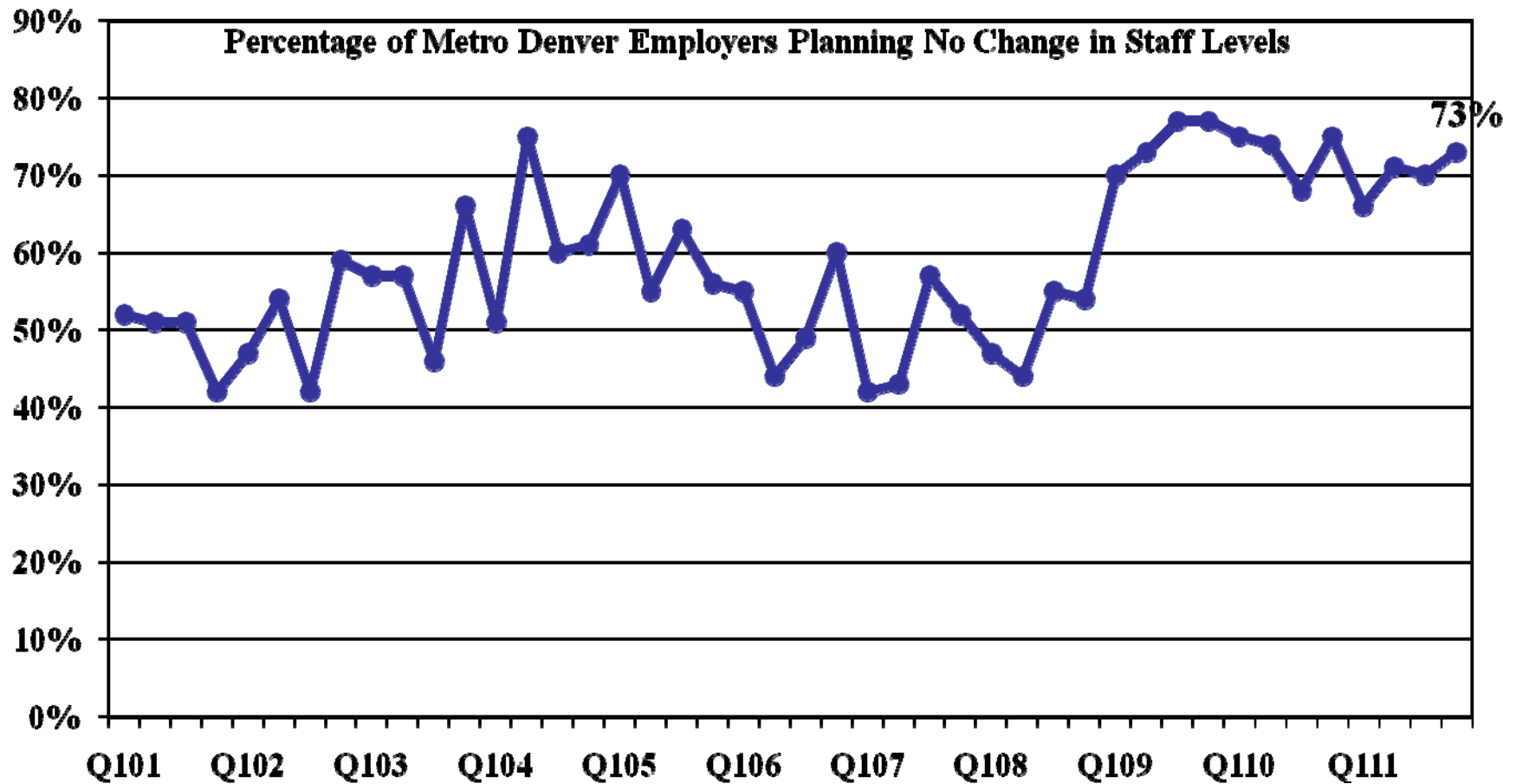


Source: U.S. Bureau of Economic Analysis.

Trouble in all four components of the economic structure...

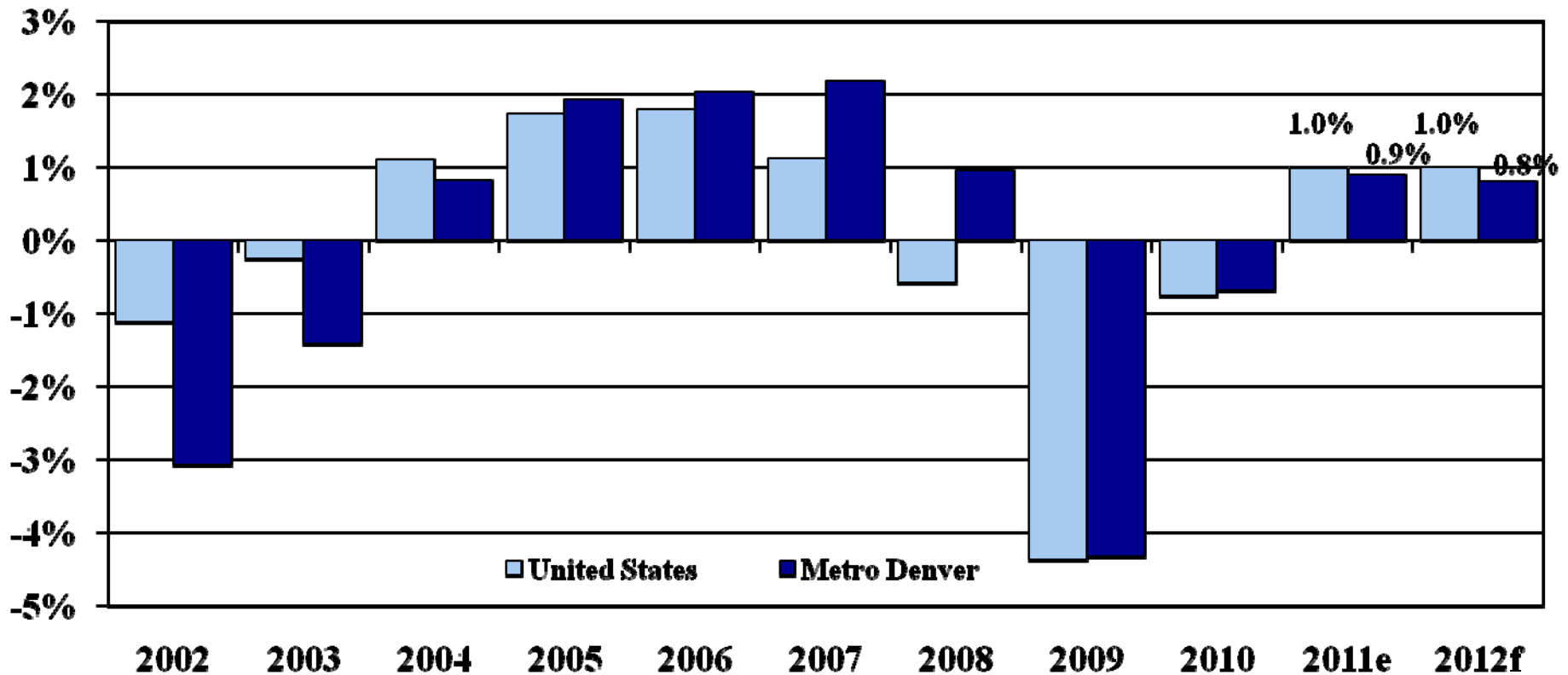
- ◆ **Consumer spending (about 71 percent of GDP)**
- ◆ **Private investment (about 13 percent of GDP)**
 - **Home buying and remodeling**
 - **Business purchases of software, equipment, and real estate**
 - **Private investment contribution to GDP 19 percent smaller in 2Q2011 than it was before the recession.**
- ◆ **Government spending (about 20 percent of GDP)**
- ◆ **Net exports (subtracts 4 percent from GDP)**

Continued Business Uncertainty



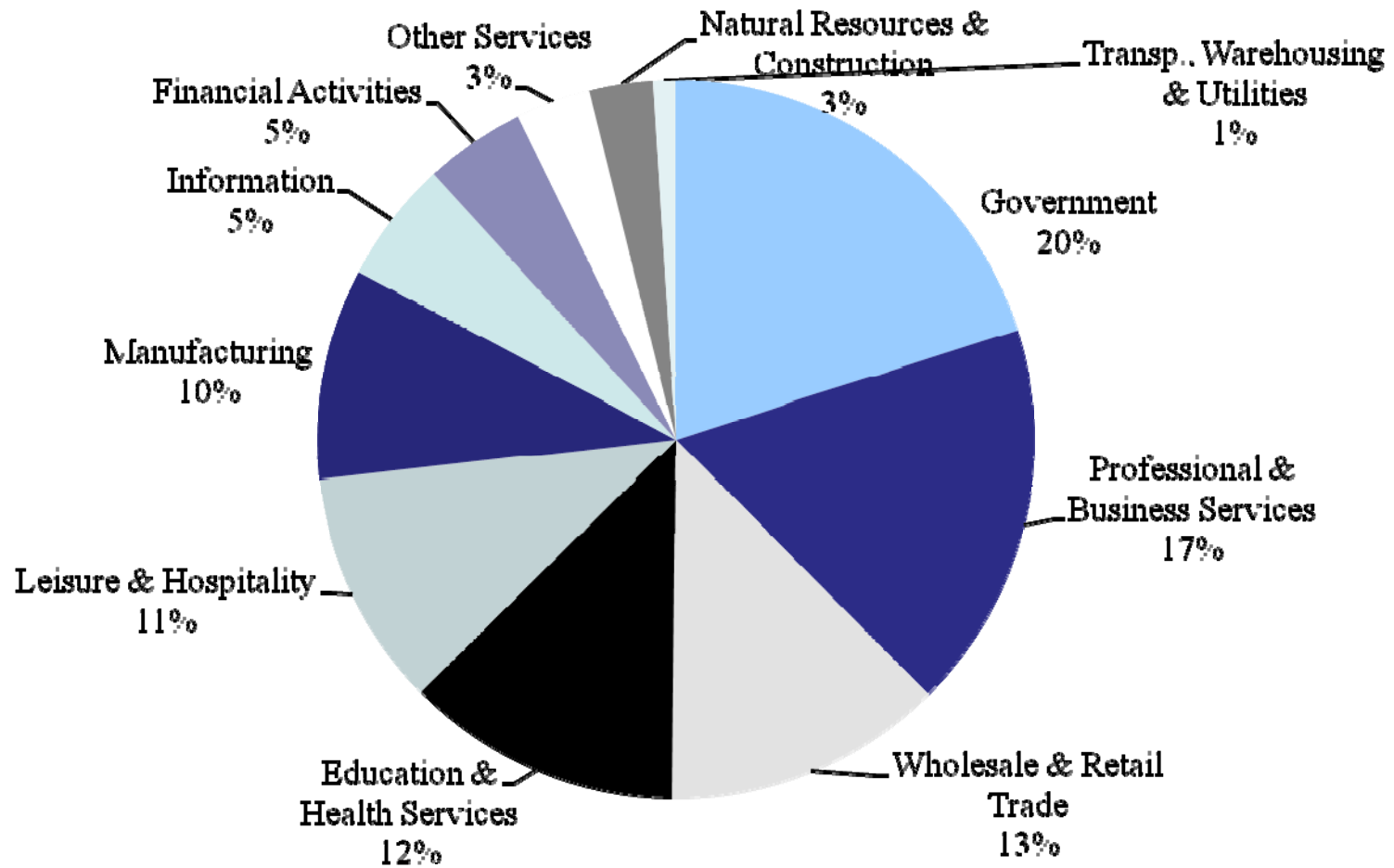
Sources: Manpower Employment Outlook Survey.

Nonfarm Job Growth Rates

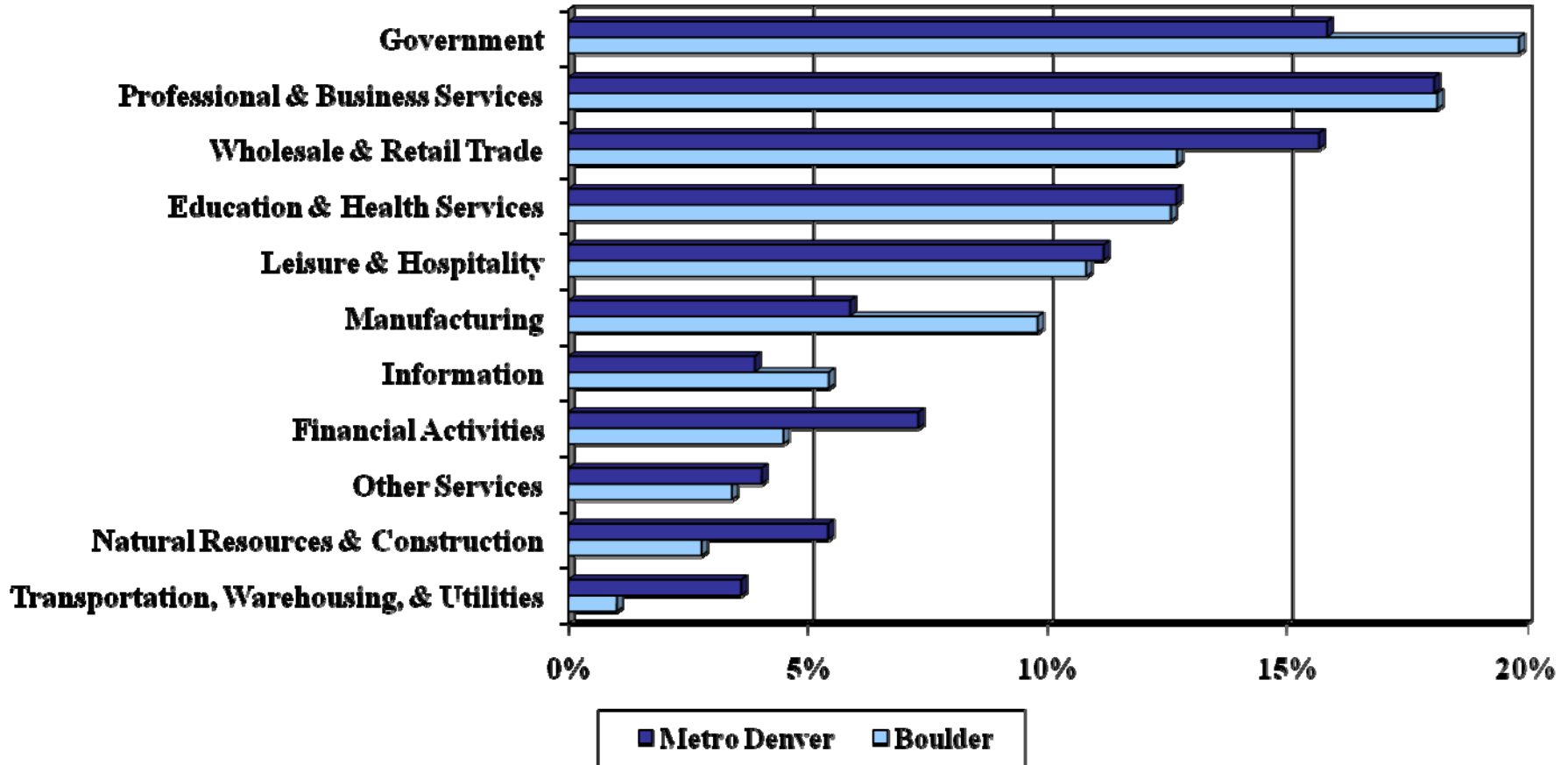


Sources: U.S. Bureau of Labor Statistics; CO Dept. of Labor & Employment.

Boulder County Employment by Supersector



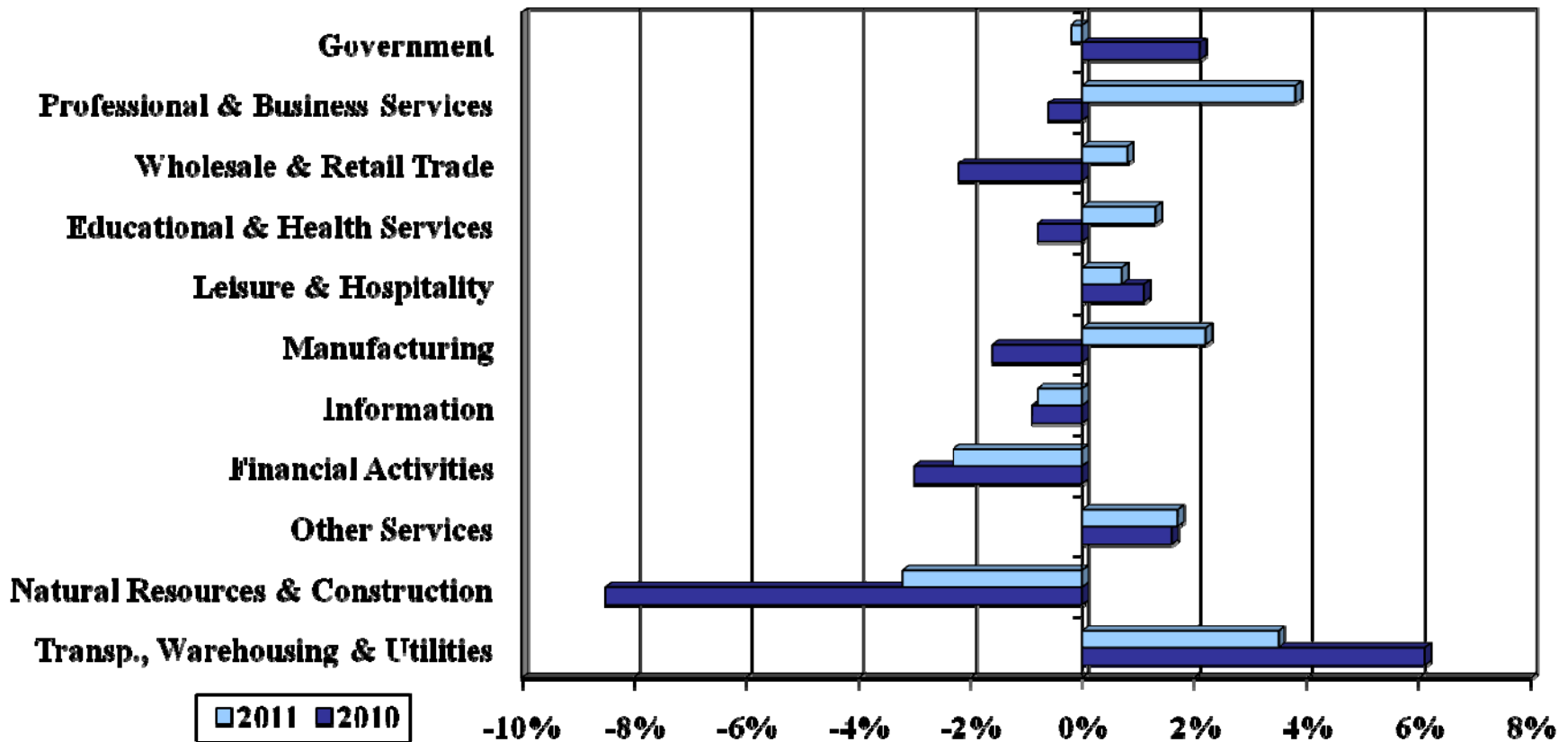
Employment by Supersector



Source: Colorado Department of Labor & Employment

Boulder County Annual Employment Growth Rate by Industry

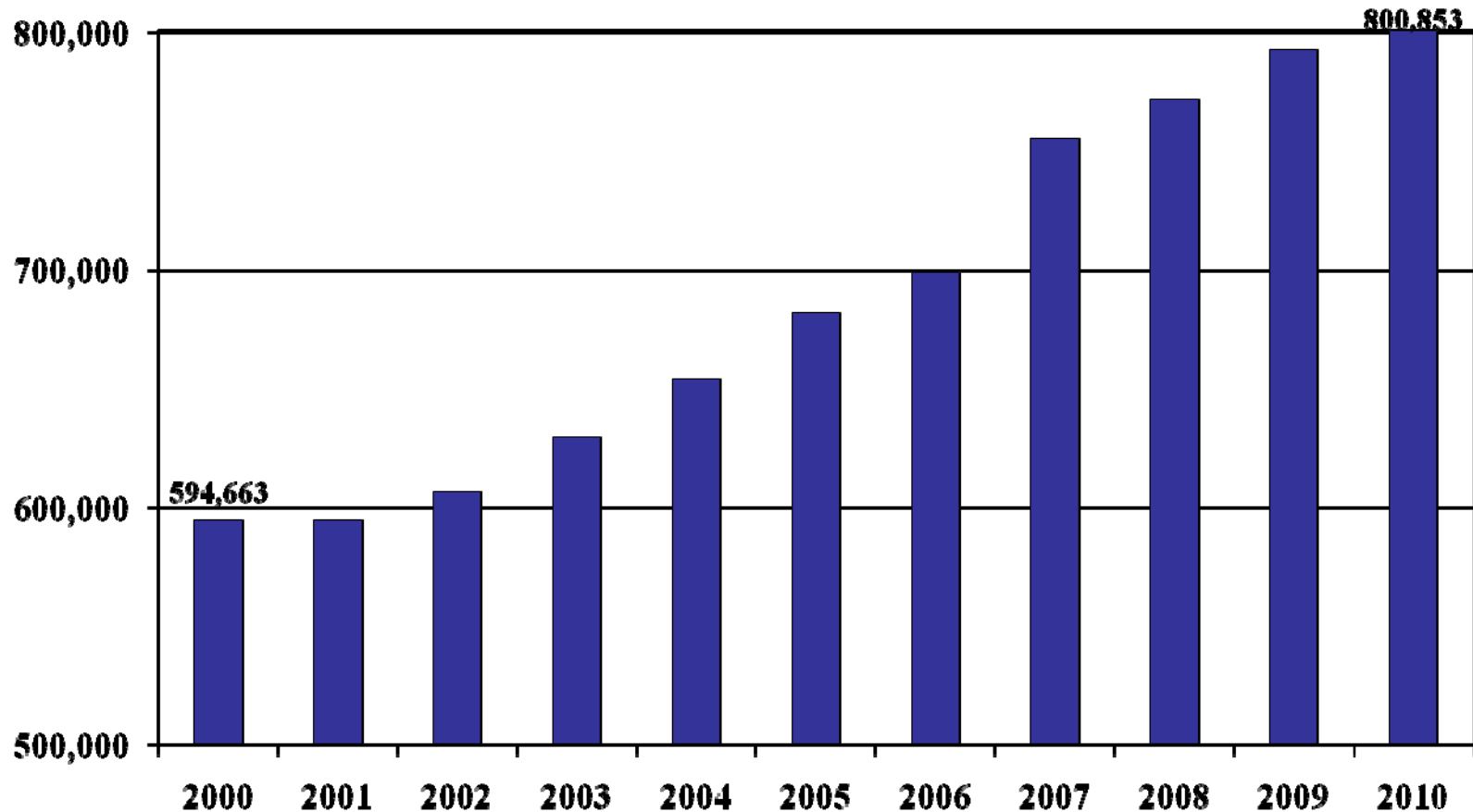
Boulder County Employment = 159,700



Source: Colorado Department of Labor & Employment

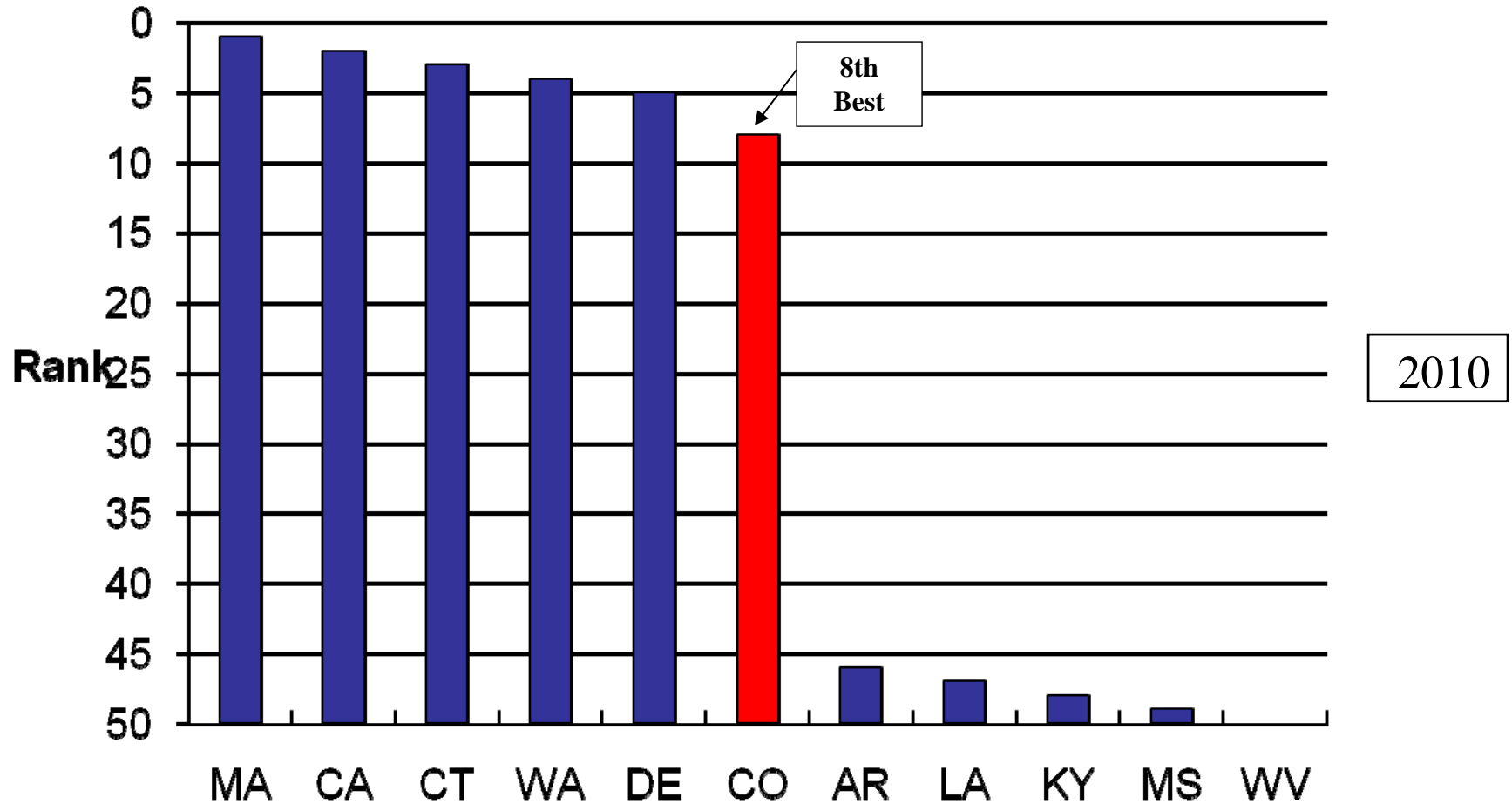
Proprietors Employment

25.4% of Colorado's Total Employment (US avg = 21.7%)



Source: U.S. Bureau of Economic Analysis.

State Innovation Index



Source: U.S. Department of Commerce, Economic Development Administration.

Identify & Profile Industry Clusters

- ◆ **Recognize that all industries are important**
- ◆ **Identify key industry clusters based on economic data**
- ◆ **Examine the short- and long-term prospects for each industry cluster**
- ◆ **Provide a detailed look at how each cluster exists currently in Metro Denver**

Key Metro Denver Industry Clusters

◆ Aerospace

◆ Aviation

◆ Bioscience

- Pharmaceuticals & Biotechnology

- Medical Devices & Diagnostics

◆ Broadcasting & Telecommunications

◆ Energy

- Fossil Energy

- Cleantech

◆ Financial Services

- Banking & Finance

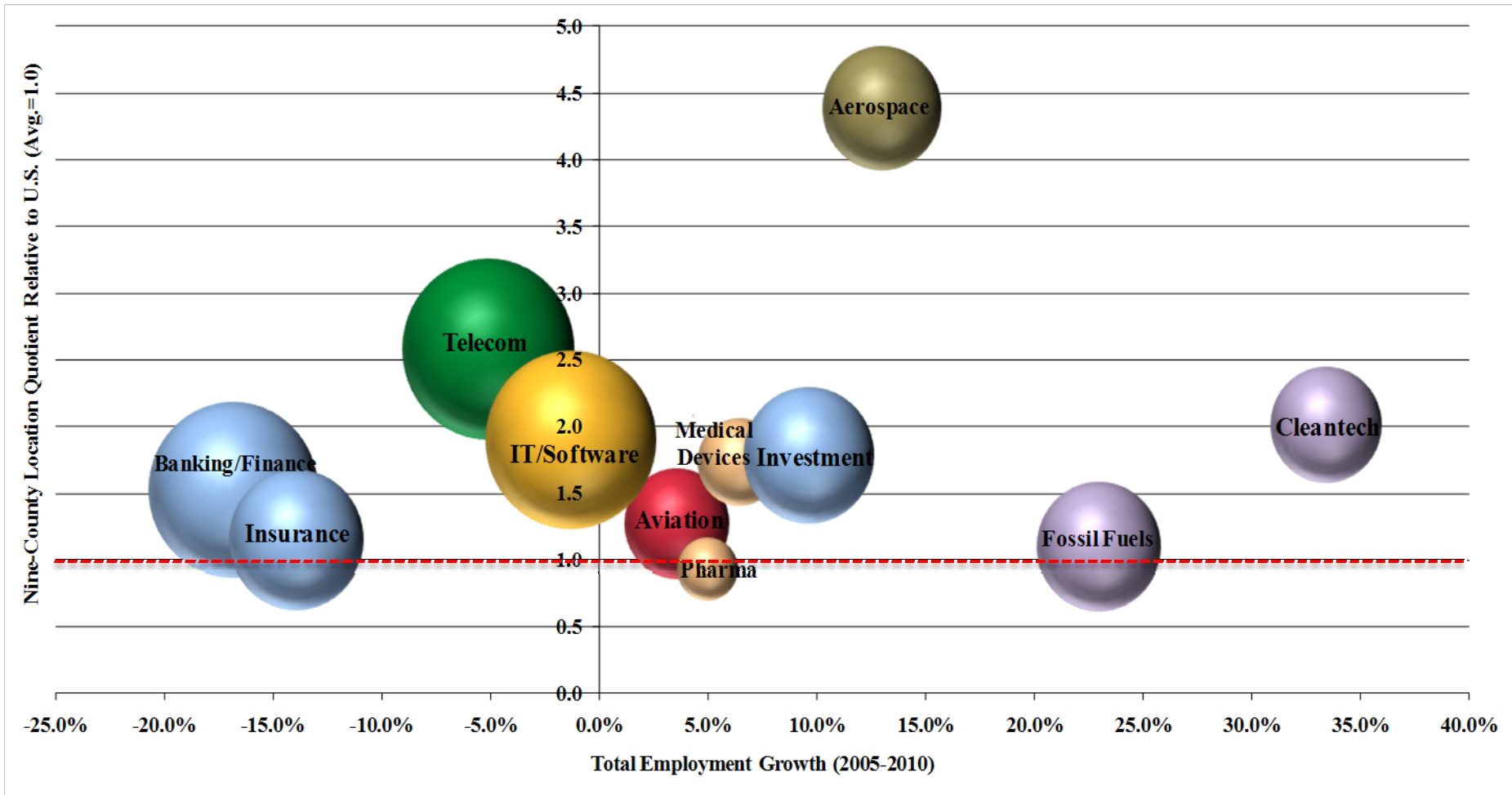
- Investments

- Insurance

◆ IT/Software

◆ Healthcare & Wellness (added in January 2012)

Metro Denver Industry Clusters



Aerospace

- ◆ **Critical Mass: Four military commands, several universities involved in leading space research, eight major space contractors**
- ◆ **19,170 private employees plus 28,700 military personnel, 90 companies (CO 24,740 emps & 120 cos.)**
- ◆ **Ranked 1st in employment concentration, 1st in absolute employment (CO 1st, 3rd)**
- ◆ **Employment growth rates: -4.4% in 2010, +2.5% average annual from 2005-2010 (CO -4.1%, +1.3%)**
- ◆ **2009 average annual salary \$107,670 (CO \$108,930)**
- ◆ **Location factors: technical and scientific workforce, proximity to vendors, pro-business government, proximity to colleges and universities**

Aviation

- ◆ **DIA passenger count totaled 50.2M in 2009, 3 reliever airports, 5 general aviation airports**
- ◆ **15,060 employees, 440 companies**
- ◆ **Ranked 11th in employment concentration, 12th in absolute employment**
- ◆ **Employment growth rates: -4.0% in 2010, +0.7% average annual from 2005-2010 (U.S. -3.6%, -0.8%)**
- ◆ **2009 average annual salary \$46,110 (\$57,310 U.S.)**
- ◆ **United Airlines, Frontier Airlines, Southwest Airlines**
- ◆ **Location factors: air transportation location, quality of life, costs of doing business, aviation training programs**

Bioscience:

Medical Devices & Diagnostics

- ◆ **Fitzsimons Life Science District; Anschutz Medical Campus; Incubators (RMI², Boulder Innovation, FBBp)**
- ◆ **Major Companies: CaridianBCT , Covidien, Hach Company, SomaLogic, Sorin Group USA**
- ◆ **9,460 employees, 280 companies (CO 11,080 emps & 350 cos.)**
- ◆ **Ranked 8th in employment concentration, 8th in absolute employment (CO 6th, 11th)**
- ◆ **Employment growth rates: -0.3% in 2010, +1.2% average annual from 2005-2010 (CO -0.5%, +1.6%)**
- ◆ **2009 annual average salary \$63,860 (\$63,920 CO)**

Bioscience: Pharmaceuticals & Biotechnology

- ◆ 10 higher education institutions with bioscience programs; nationally recognized hospitals
- ◆ 5,000 employees, 230 companies (CO 5,410 emp & 290 co.)
- ◆ Ranked 20th in employment concentration, 16th in absolute employment (CO 21st, 19th)
- ◆ Employment growth rates: -7.2% in 2010, +1.0% average annual from 2005-2010 (CO -6.8%, +0.6%)
- ◆ 2009 annual average salary \$92,900 (\$93,000 CO)
- ◆ Location factors: technical and scientific workforce, affordable, competitive tax structure, access to financial resources

Broadcasting & Telecommunications

- ◆ **Companies received awards totaling over \$167M for broadband expansions in 2010**
- ◆ **40,780 employees, 1,700 companies**
- ◆ **Ranked 3rd in employment concentration, 8th in absolute employment**
- ◆ **Employment growth rates: -1.4% in 2010, -1.0% average annual from 2005-2010 (U.S. -4.3%, -2.7%)**
- ◆ **2009 annual average salary \$85,220 (\$71,040 U.S.)**
- ◆ **Avaya, Comcast, EchoStar, Level 3, Qwest, tw telecom**
- ◆ **Location factors: central location & easy global access, concentration of technology workers, low business costs, competitive tax structure, quality of life**

Energy: Fossil Fuels

- ◆ **Integration of two subclusters key to future growth, such as ConocoPhillips and Cedar Creek II**
- ◆ **20,980 employees, 1,260 companies (CO 34,680 emps & 1,970 cos.)**
- ◆ **Ranked 6th in employment concentration, 3rd in absolute employment (CO 11th, 7th)**
- ◆ **Employment growth rates: -5.2% in 2010, +4.2% average annual from 2005-2010 (CO -4.6%, +3.8%)**
- ◆ **2009 annual average salary \$94,750 (\$88,690 CO)**
- ◆ **DCP Midstream, EnCana, Suncor Energy, Xcel Energy**

Energy: Cleantech

- ◆ **SMA Solar Technology AG was named “Deal of the Year” award winner in 2010 by Metro Denver EDC**
- ◆ **Convergence of industry clusters that transcend energy**
- ◆ **16,960 emps, 1,150 cos. (CO 19,420 emps & 1,600 cos.)**
- ◆ **Ranked 7th in employment concentration, 8th in absolute employment (CO 4th, 11th)**
- ◆ **Employment growth rates: +7.1% in 2010, +5.9% average annual from 2005-2010 (CO +8.9%, +5.8%)**
- ◆ **2009 annual average salary \$76,130 (\$75,240 CO)**
- ◆ **Location factors: access to natural resources, scientific talent, federal labs & private R&D facilities, higher education programs**

Financial Services: Banking & Finance

- ◆ Major financial center between Chicago & LA
- ◆ Federal Reserve Bank branch, Denver Mint
- ◆ 39,280 employees, 3,440 companies
- ◆ Ranked 3rd in employment concentration, 10th in absolute employment
- ◆ Employment growth rates: -8.8% in 2010, -3.6% average annual from 2005-2010 (U.S. -11.4%, -3.4%)
- ◆ 2009 annual average salary \$60,420 (\$59,670 U.S.)
- ◆ Employment concentrated in Denver, Arapahoe, and Jefferson Counties

Financial Services: Investments

- ◆ **23,250 employees, 4,500 companies**
- ◆ **92% of the companies have fewer than 10 employees**
- ◆ **Ranked 6th in employment concentration, 12th in absolute employment**
- ◆ **Employment growth rates: 0.0% in 2010, +1.9% average annual from 2005-2010 (U.S. -1.7%, +0.8%)**
- ◆ **2009 annual average salary \$147,450 (\$168,030 U.S.)**
- ◆ **Concentrated employment in Denver and Arapahoe Counties**
- ◆ **Charles Schwab, Janus Capital Group, Oppenheimer Funds, TIAA-CREF**

Financial Services: Insurance

- ◆ **24,930 employees, 3,210 companies**
- ◆ **90% of insurance companies have fewer than 10 employees**
- ◆ **Ranked 22nd in employment concentration, 15th in absolute employment**
- ◆ **Employment growth rates: -7.4% in 2010, -3.0% average annual from 2005-2010 (U.S. -7.4%, -1.6%)**
- ◆ **2009 annual average salary \$61,450 (\$68,300 U.S.)**
- ◆ **Key location factors: large and qualified workforce, quality of life, low business costs, competitive tax structure, central location**

Information Technology-Software

- ◆ **Colorado ranked third in high-tech workers per 1,000 private sector workers (TechAmerica, 2010)**
- ◆ **40,360 employees, 3,790 companies**
- ◆ **Ranked 11th in employment concentration, 12th in absolute employment**
- ◆ **Employment growth rates: -4.6% in 2010, -0.3% average annual from 2005-2010 (U.S. -9.1%, -0.5%)**
- ◆ **2009 annual average salary \$87,970 (\$88,560 U.S.)**
- ◆ **Center Partners, IBM Corp., Intrado, Oracle Corp.**
- ◆ **Key location factors: technical talent, large customer base, quality of life, low business costs, competitive tax structure**

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			
Medical Devices & Diagnostics	9,500	-0.3%	8
Pharmaceuticals & Biotechnology	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

Boulder County Occupational Projections (top 10 by 2013 employment)

Occupation	2011 Employment	2013 Employment	2011-2013 Change	2011-2013 Avg Ann % Change
Total, All Occupations	167,521	170,264	2,743	0.8
Office and Administrative Support Occupations	24,030	24,029	-1	0
Sales and Related Occupations	17,371	17,403	32	0.1
Food Preparation and Serving Related Occupations	14,795	15,044	249	0.8
Computer and Mathematical Occupations	12,120	12,725	605	2.5
Computer Specialists	12,002	12,603	601	2.5
Education, Training, and Library Occupations	11,162	11,295	133	0.6
Business and Financial Operations Occupations	9,286	9,540	254	1.4
Healthcare Practitioners and Technical Occupations	9,031	9,342	311	1.7
Management Occupations	8,448	8,511	63	0.4
Retail Sales Workers	8,431	8,364	-67	-0.4

Source: Colorado Department of Labor & Employment.

Boulder County Occupational Projections (top 10 by 2011-2013 change)

Occupation	2011 Employment	2013 Employment	2011-2013 Change	2011-2013 Avg Ann % Change
Total, All Occupations	167,521	170,264	2,743	0.8
Computer and Mathematical Occupations	12,120	12,725	605	2.5
Computer Specialists	12,002	12,603	601	2.5
Healthcare Practitioners and Technical Occupations	9,031	9,342	311	1.7
Architecture and Engineering Occupations	7,509	7,775	266	1.8
Business and Financial Operations Occupations	9,286	9,540	254	1.4
Food Preparation and Serving Related Occupations	14,795	15,044	249	0.8
Computer Software Engineers, Applications	2,830	3,070	240	4.2
Business Operations Specialists	5,886	6,121	235	2.0
Health Diagnosing and Treating Practitioners	6,234	6,453	219	1.7
Personal Care and Service Occupations	5,852	6,054	202	1.7

Source: Colorado Department of Labor & Employment.

Development Research Partners

10184 West Belleview Avenue, Suite 100

Littleton, Colorado 80127

(303) 991-0070

www.DevelopmentResearch.net

Patty Silverstein, President

Patty@DevelopmentResearch.net