



Metro Denver
Economic Development Corporation

Toward a More Competitive Colorado Volume 4

Metro Denver Economic Development
Corporation
and
Qwest
2008

Clusters Drive the Economy

Colorado's Clusters

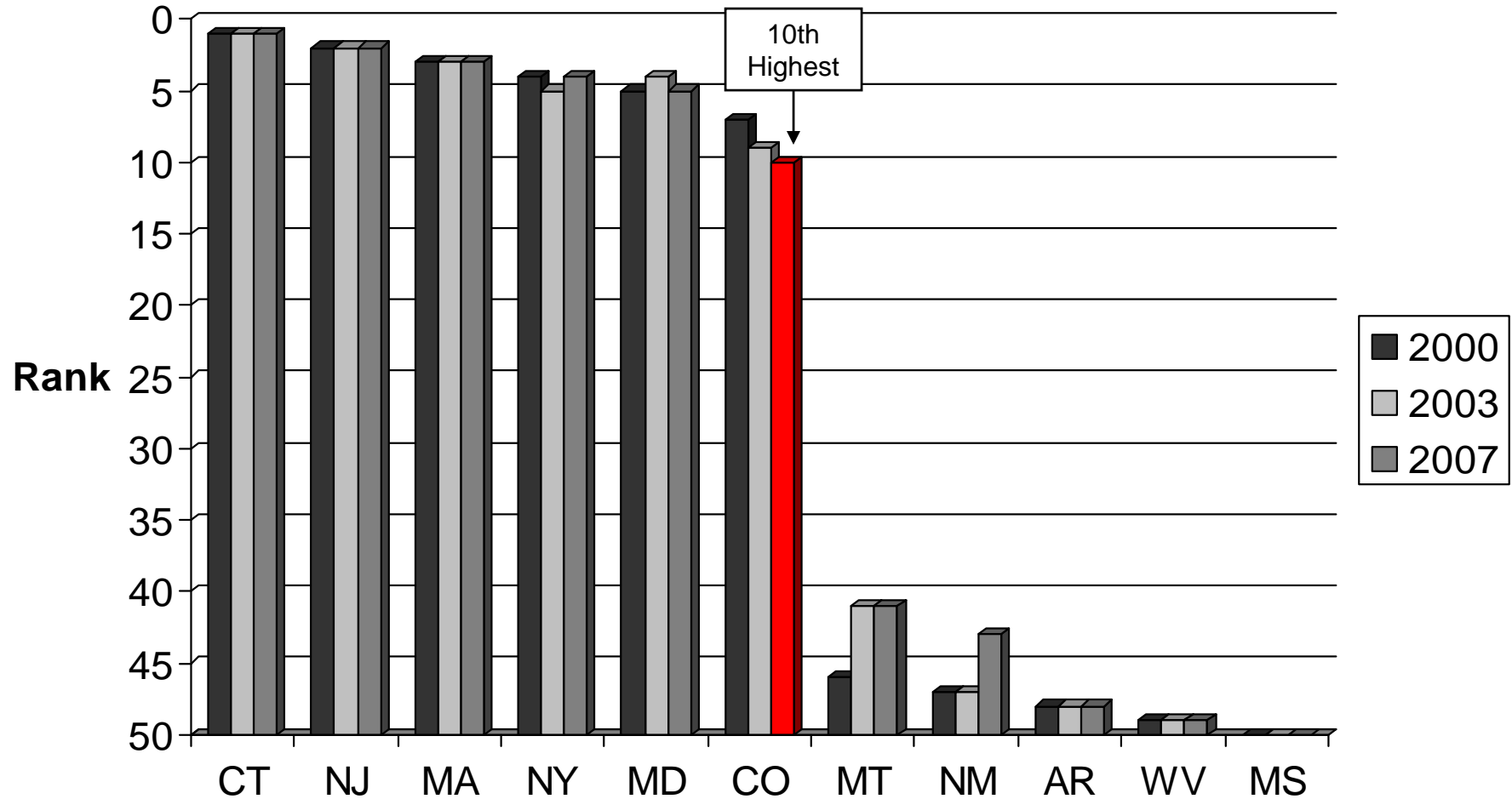
- Aerospace
- Bioscience
- Software/IT
- Energy
- Financial Services
- Tourism
- Agriculture
- Aviation
- Beverages
- Hardware/IT
- Broadcast/Telecom

Colorado Vs. The U.S.

How has our position changed in key components of a healthy economy?

Per Capita Personal Income

U.S. Bureau of Economic Analysis



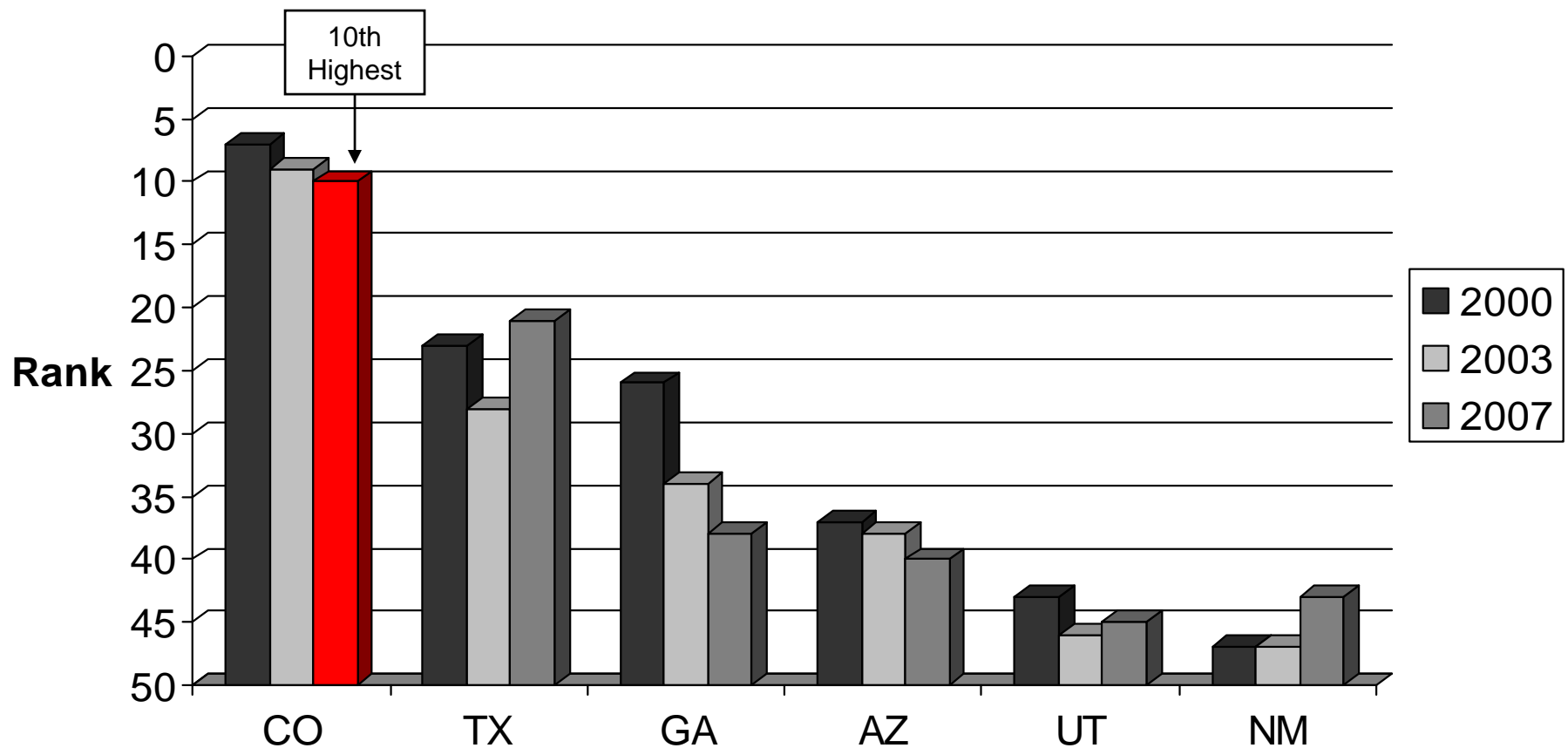
Colorado continues to have high levels of personal income due mainly to its ability to attract and retain highly educated people with high-paying jobs.

Fig. 1

Per Capita Personal Income

U.S. Bureau of Economic Analysis

Colorado vs. Competitors

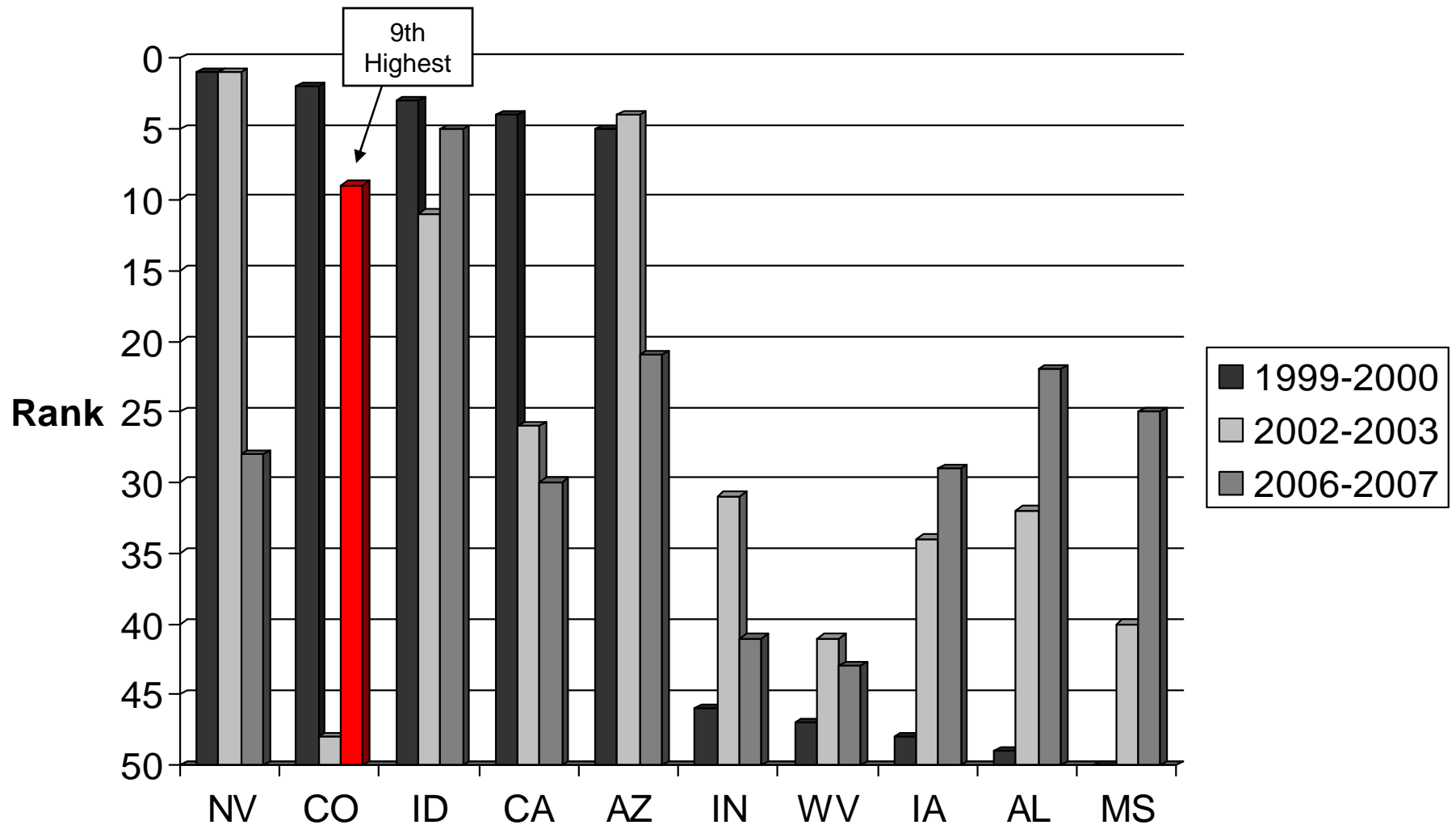


Higher incomes discourage companies with lower paying jobs while providing a lucrative climate to recruit higher paying jobs for well-educated workers. Colorado continues to have a higher per capita personal income than its closest competitors.

Fig. 2

Employment Growth Rankings

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



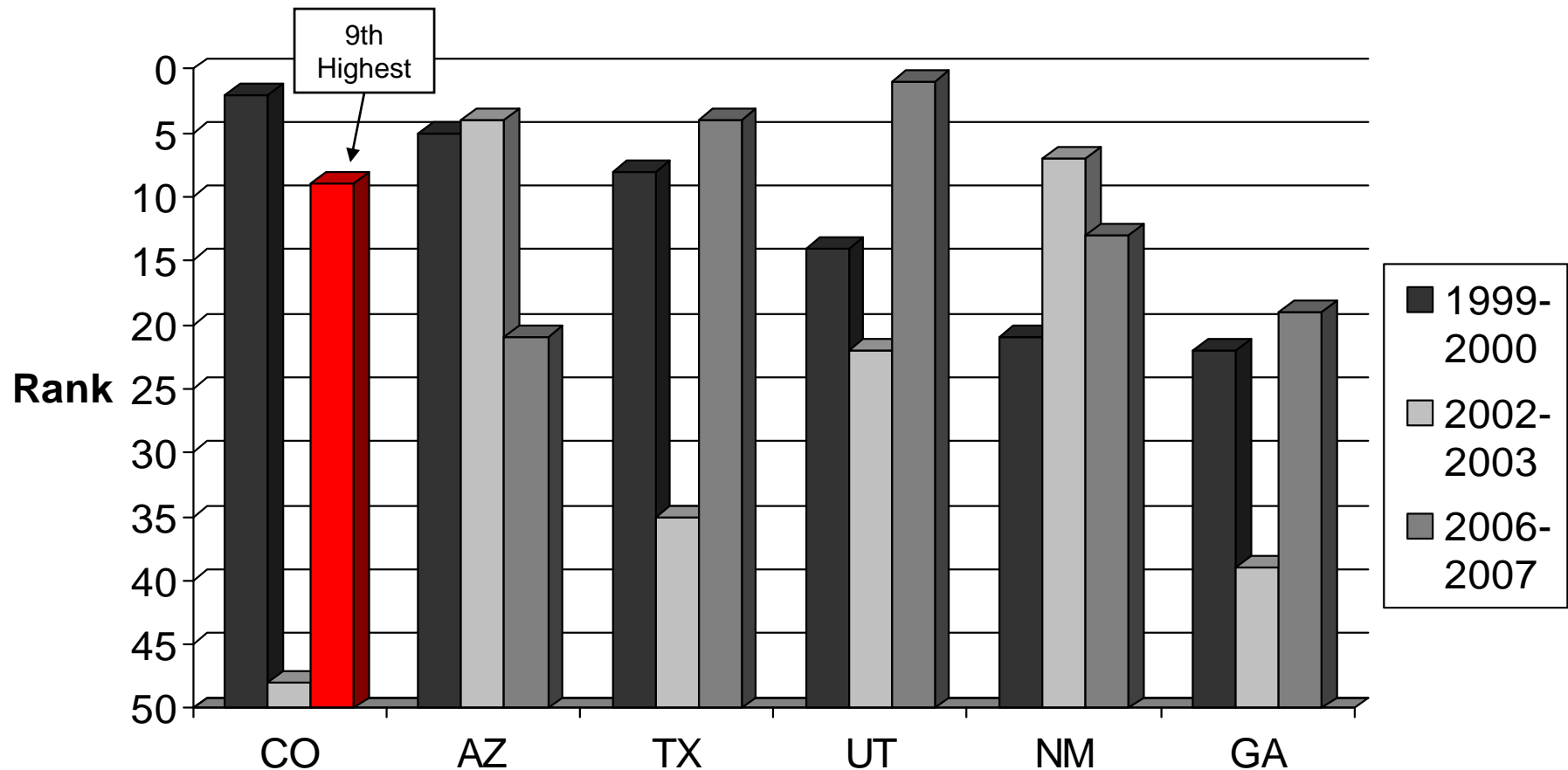
Colorado's job growth following the 2001 recession was more comparable to the industrial areas of the Midwest than to its Sun Belt neighbors. However, Colorado's job growth rate bounced back and remained steady in 2007 while many other states experienced declines.

Fig. 3

Employment Growth Rankings

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

Colorado vs. Competitors



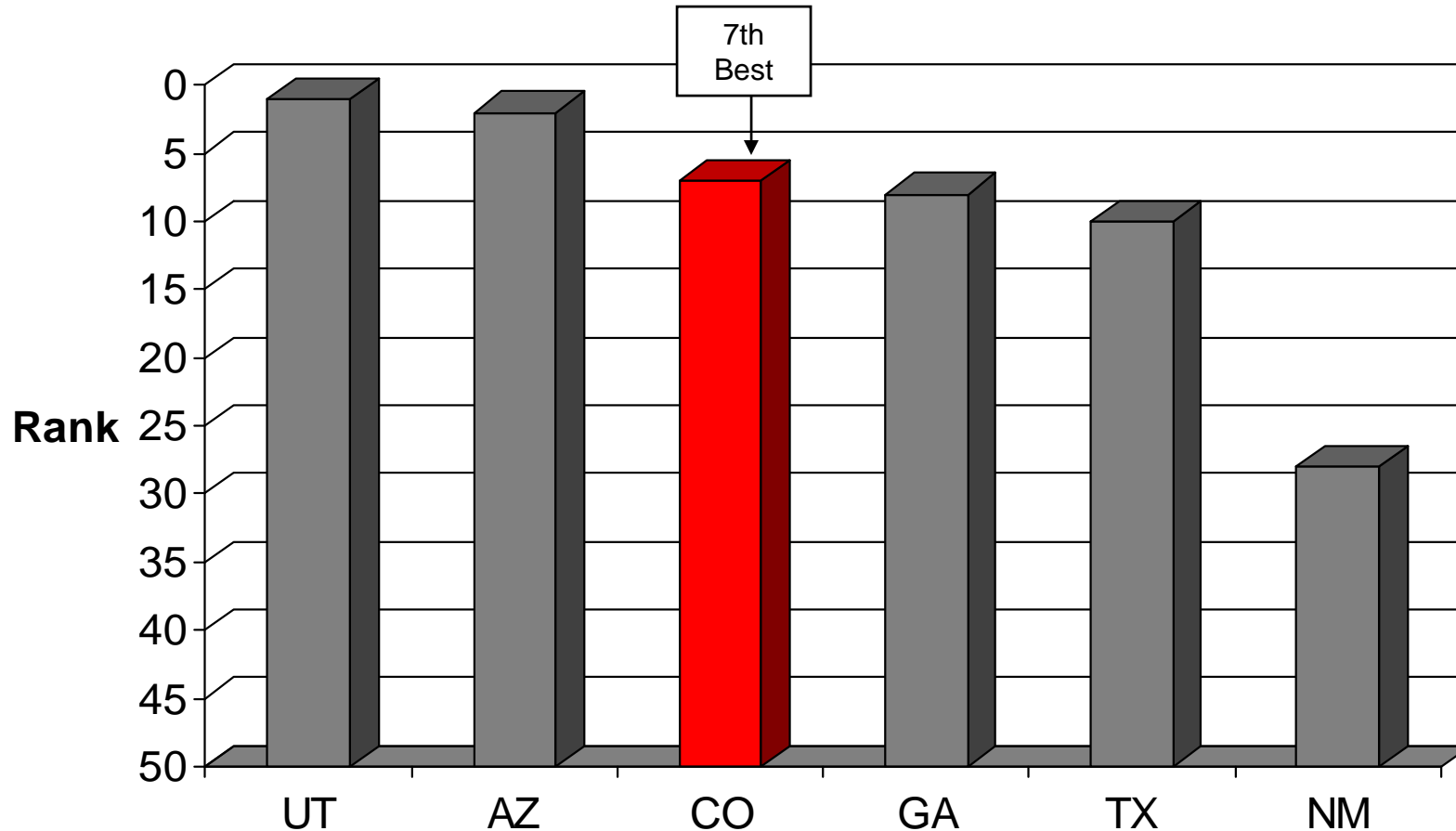
Employment growth in Colorado has improved dramatically since 2003. The employment growth rate in 2007 in Arizona (1.3%), Georgia (1.3%), and New Mexico (1.8%) fell significantly from 2006 levels, all settling below Colorado's rate (2.3%).

Fig. 4

2007 Economic Competitiveness Index

American Legislative Exchange Council

Colorado vs. Competitors

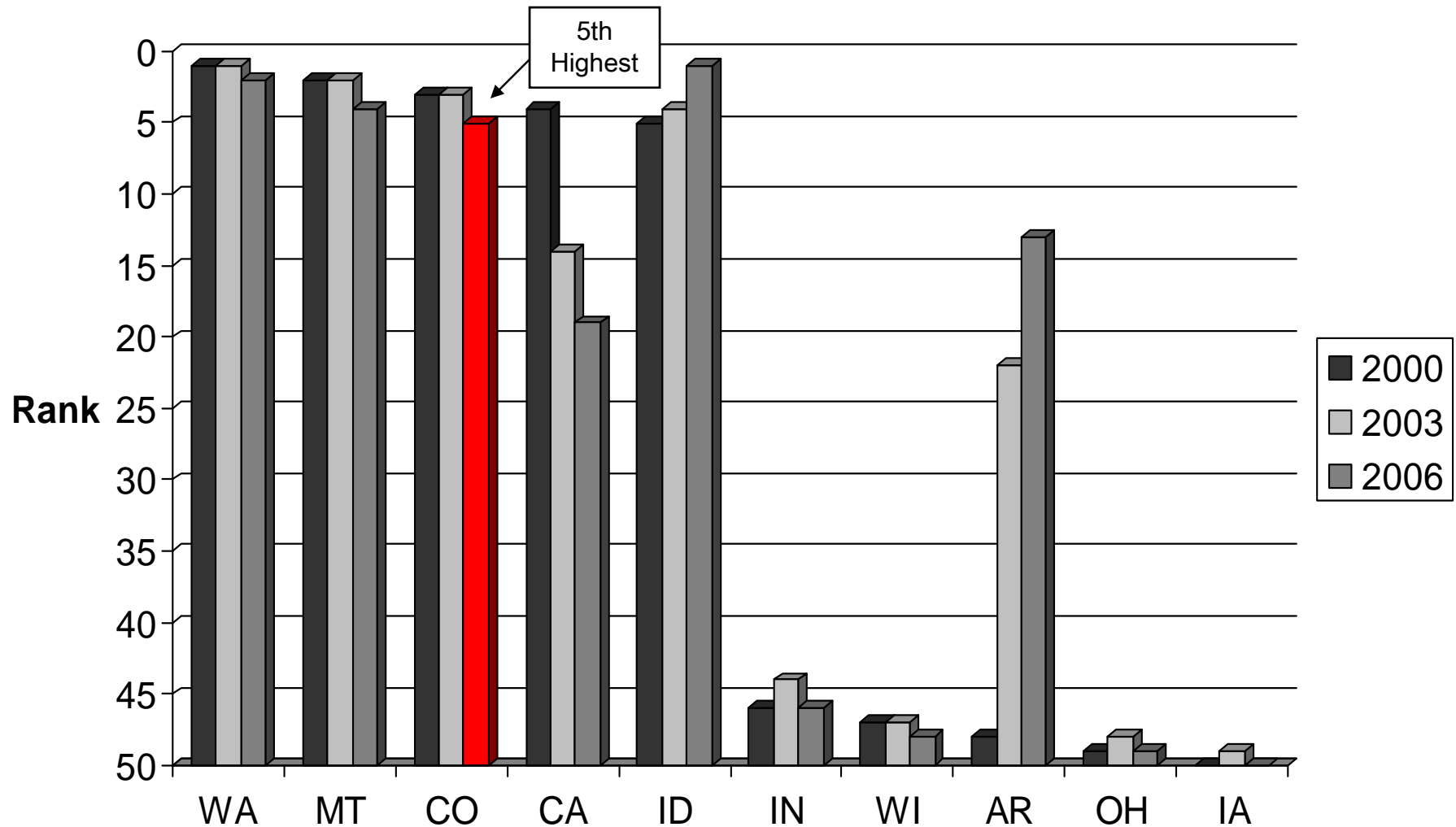


All of Colorado's competitors except New Mexico rank in the top ten states in the nation in economic competitiveness. New Mexico ranked in the bottom half of the nation.

Innovation

Number of New Companies

U.S. Small Business Administration; U.S. Bureau of Labor Statistics

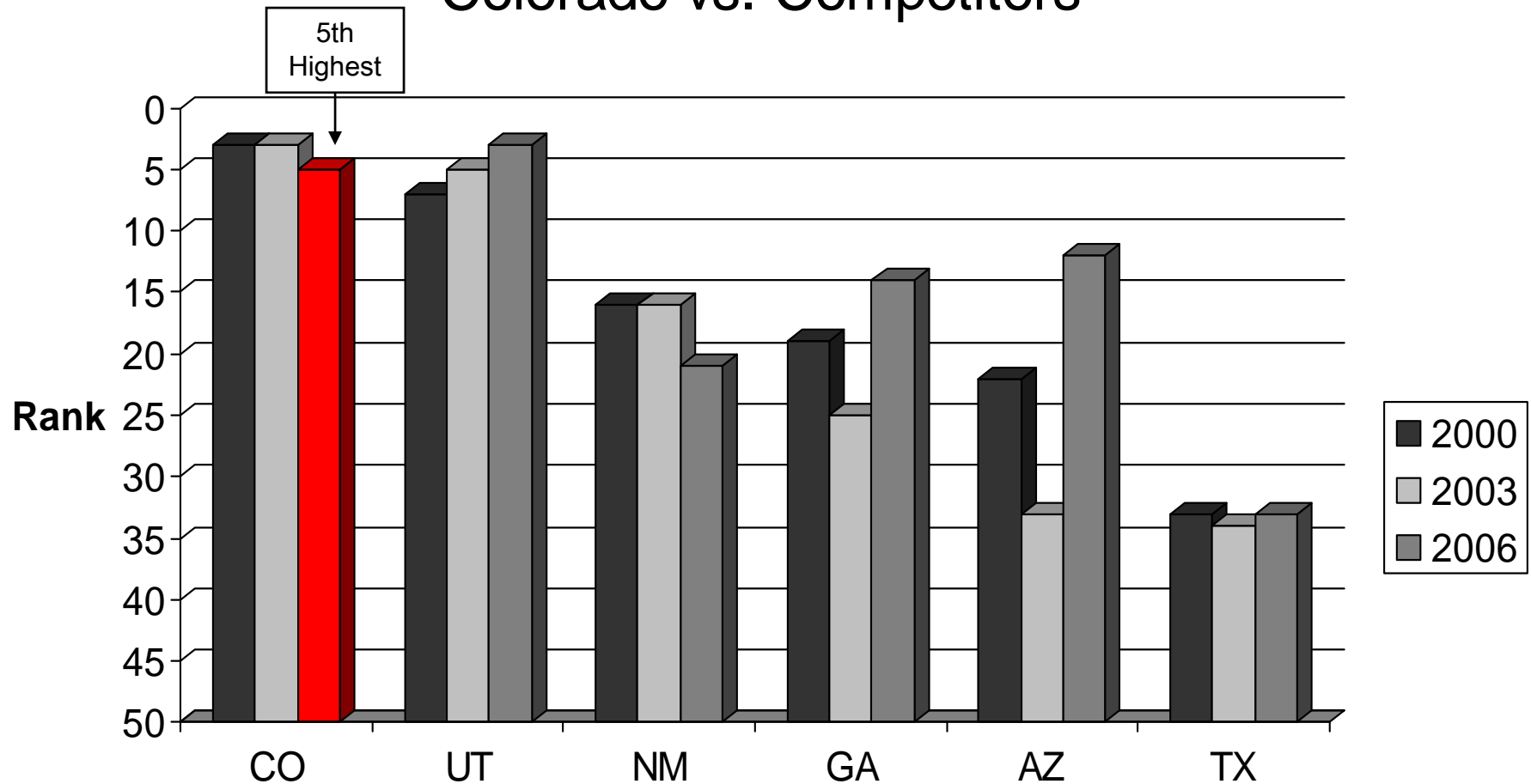


Colorado's highly educated workforce and entrepreneurial environment attract and create a high concentration of new companies every year, ranking the state fifth in new companies per 1,000 workers.

Number of New Companies

U.S. Small Business Administration; U.S. Bureau of Labor Statistics

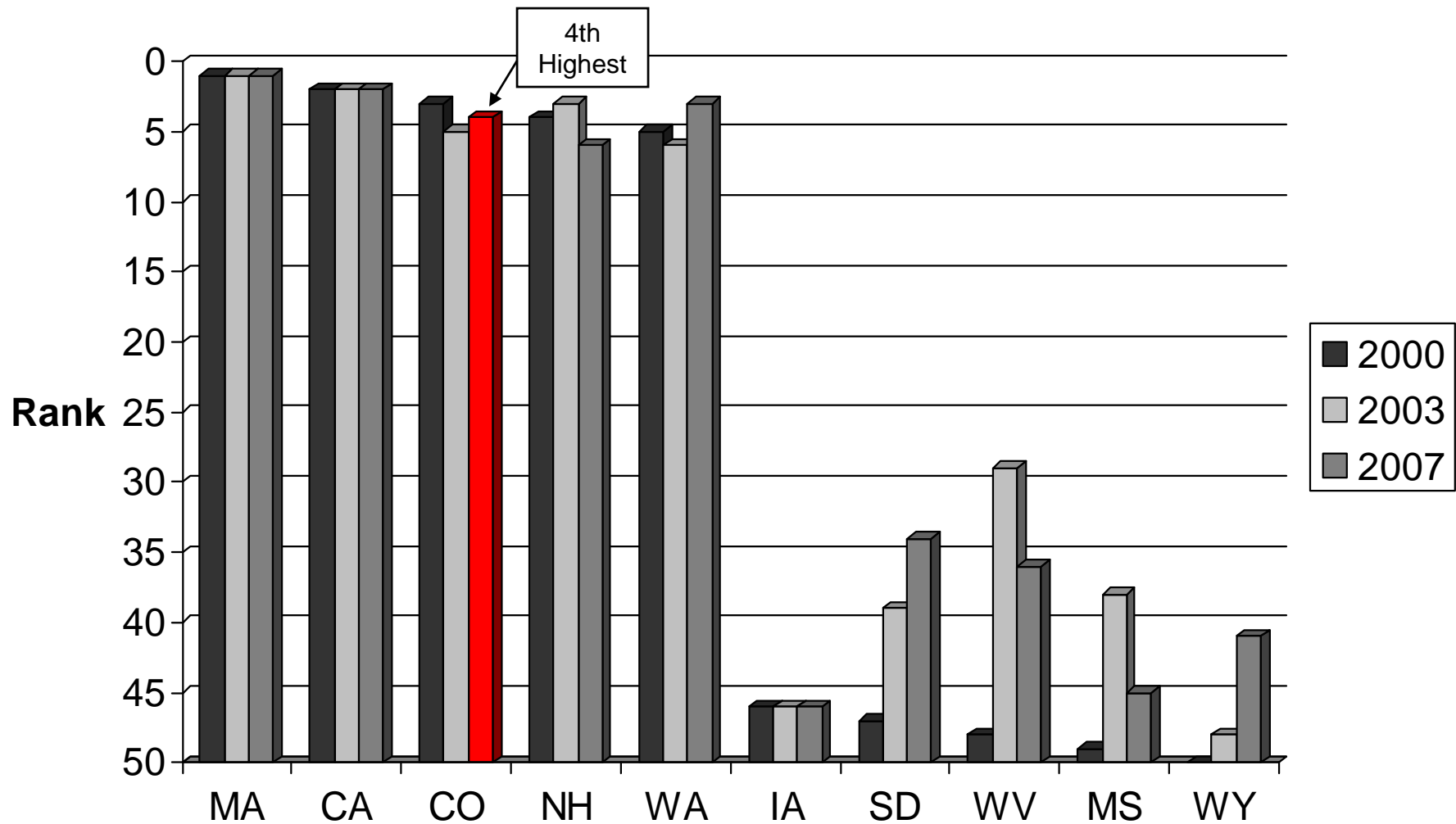
Colorado vs. Competitors



Colorado is rivaled only by Utah among its competitors in the number of new companies per 1,000 workers.

Venture Capital Investments per Capita

PriceWaterhouseCoopers MoneyTree Survey



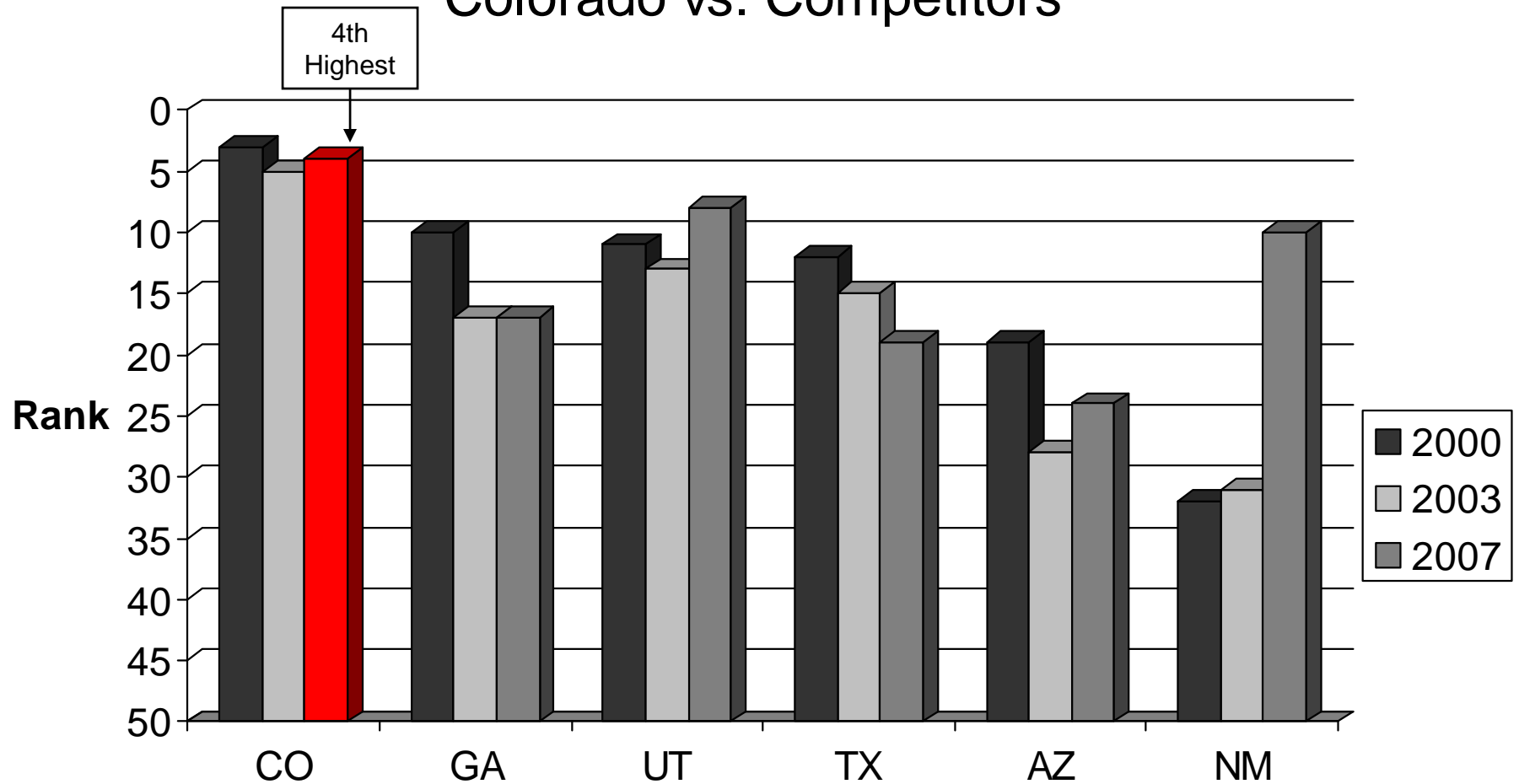
Venture capital investments are an indicator of an economy with strong entrepreneurial and inventive elements. While Colorado venture capital activity overall is modest, the concentration of that activity is higher than New York, Illinois, Maryland, and North Carolina.

Fig. 9

Venture Capital Investments per Capita

PriceWaterhouseCoopers MoneyTree Survey

Colorado vs. Competitors



While all of Colorado's competitors ranked in the top half of the 50 states for venture capital investments per capita in 2007, Colorado was the only competitor in the top five states.

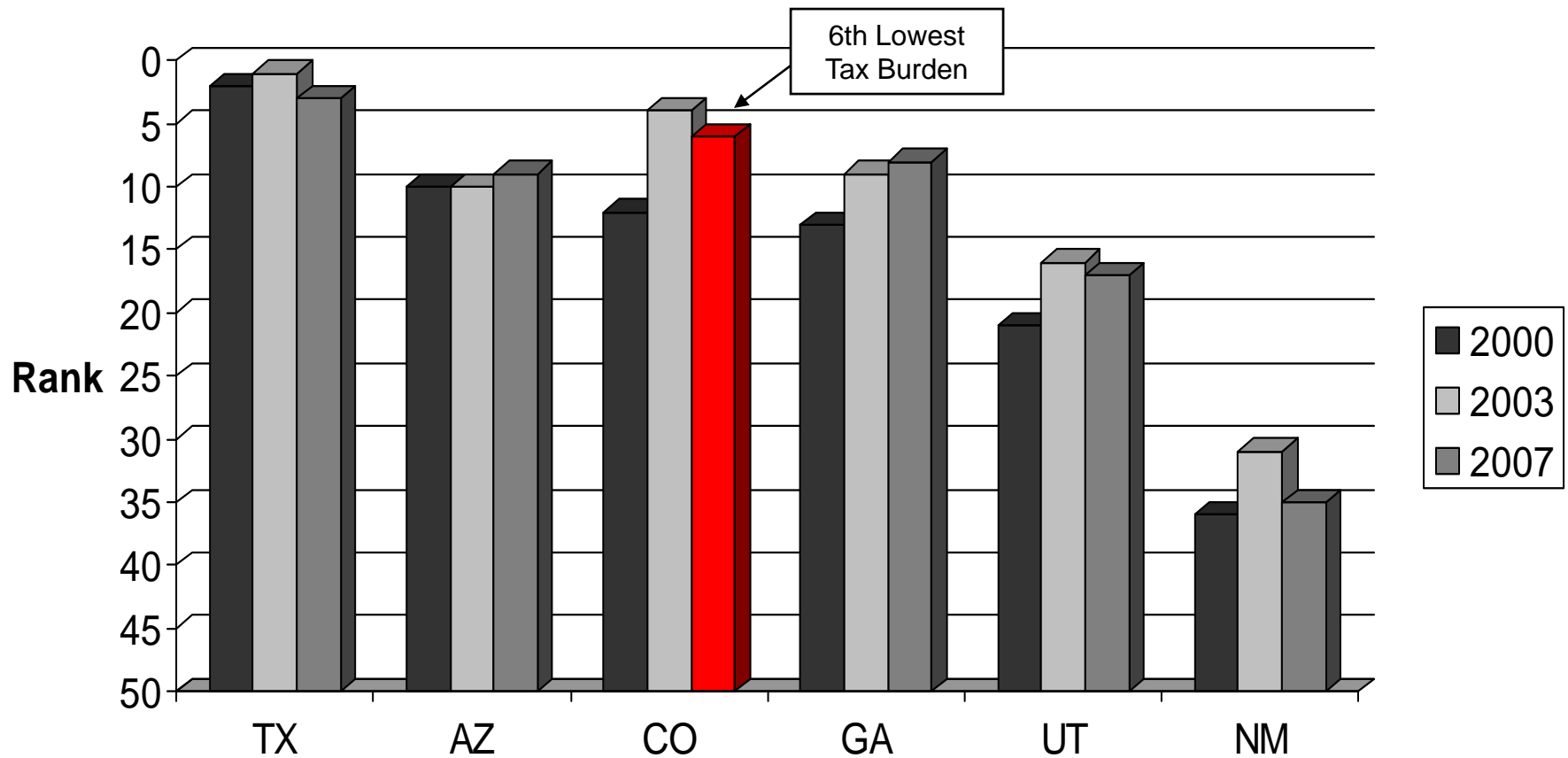
Fig. 10

Taxes

Effective State and Local Tax Burdens

U.S. Census Bureau, Government Finance Series

Colorado vs. Competitors

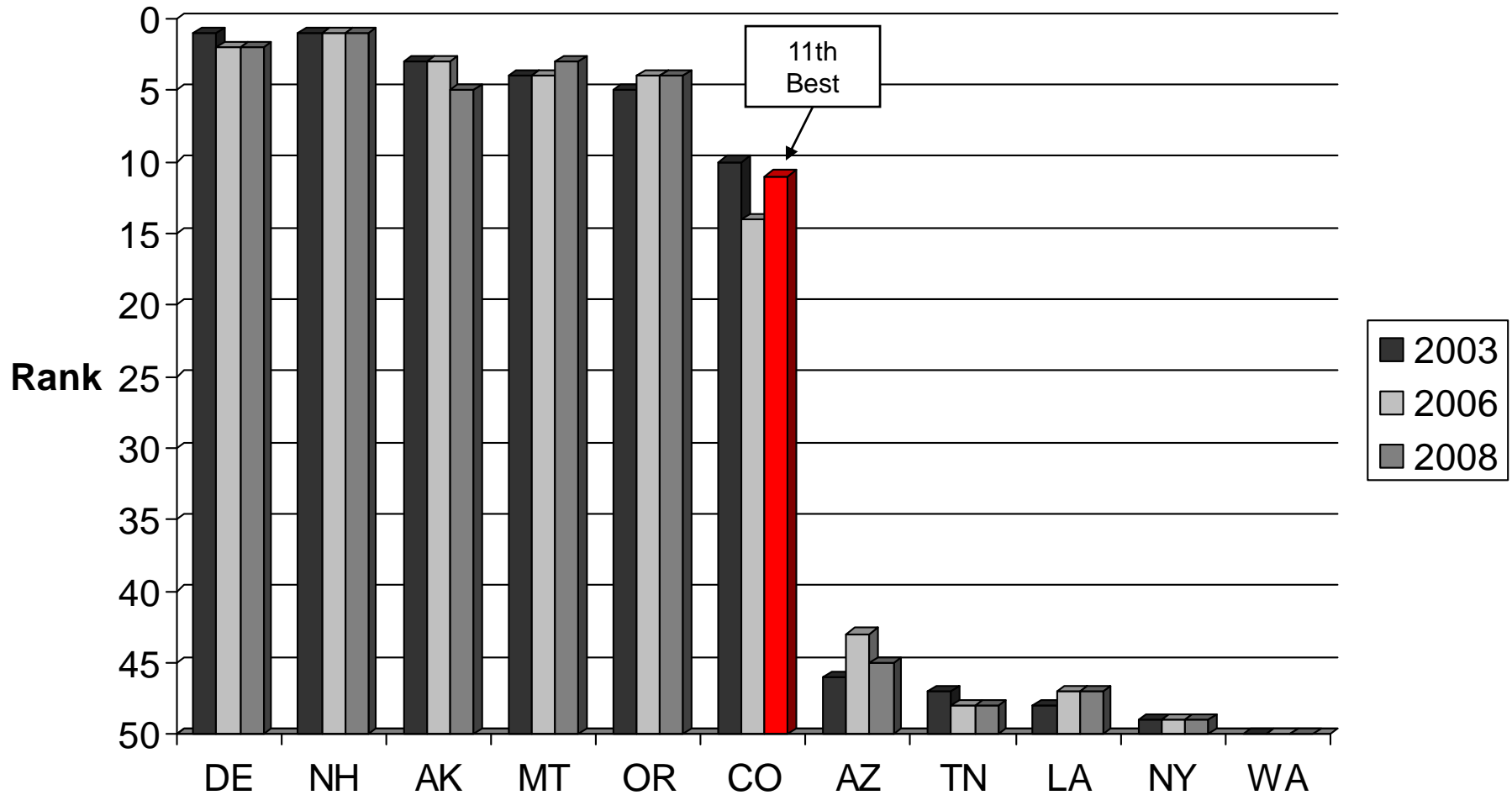


Colorado and Texas have the lowest tax burdens amongst this group of competitors.

Fig. 28

Sales Tax Index Rank

The Tax Foundation



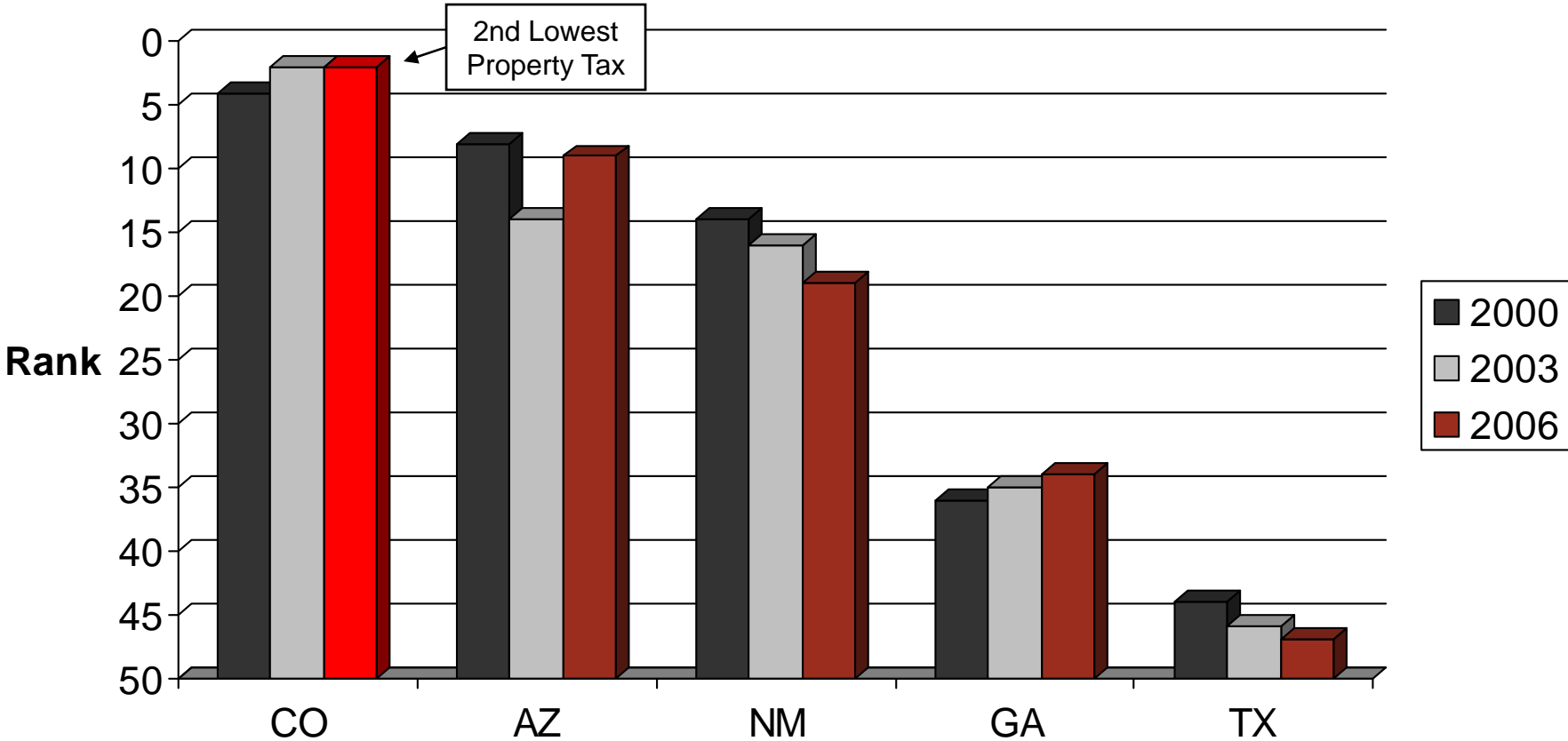
Colorado boasts one of the lowest state sales tax rates and moderate local sales taxes. Colorado ranks well not just for low rates, but for having a comparatively transparent and business friendly sales tax system.

Fig. 113

Residential Property Tax Rate in Largest City in Each State

District of Columbia, Office of the Chief Financial Officer

Colorado vs. Competitors



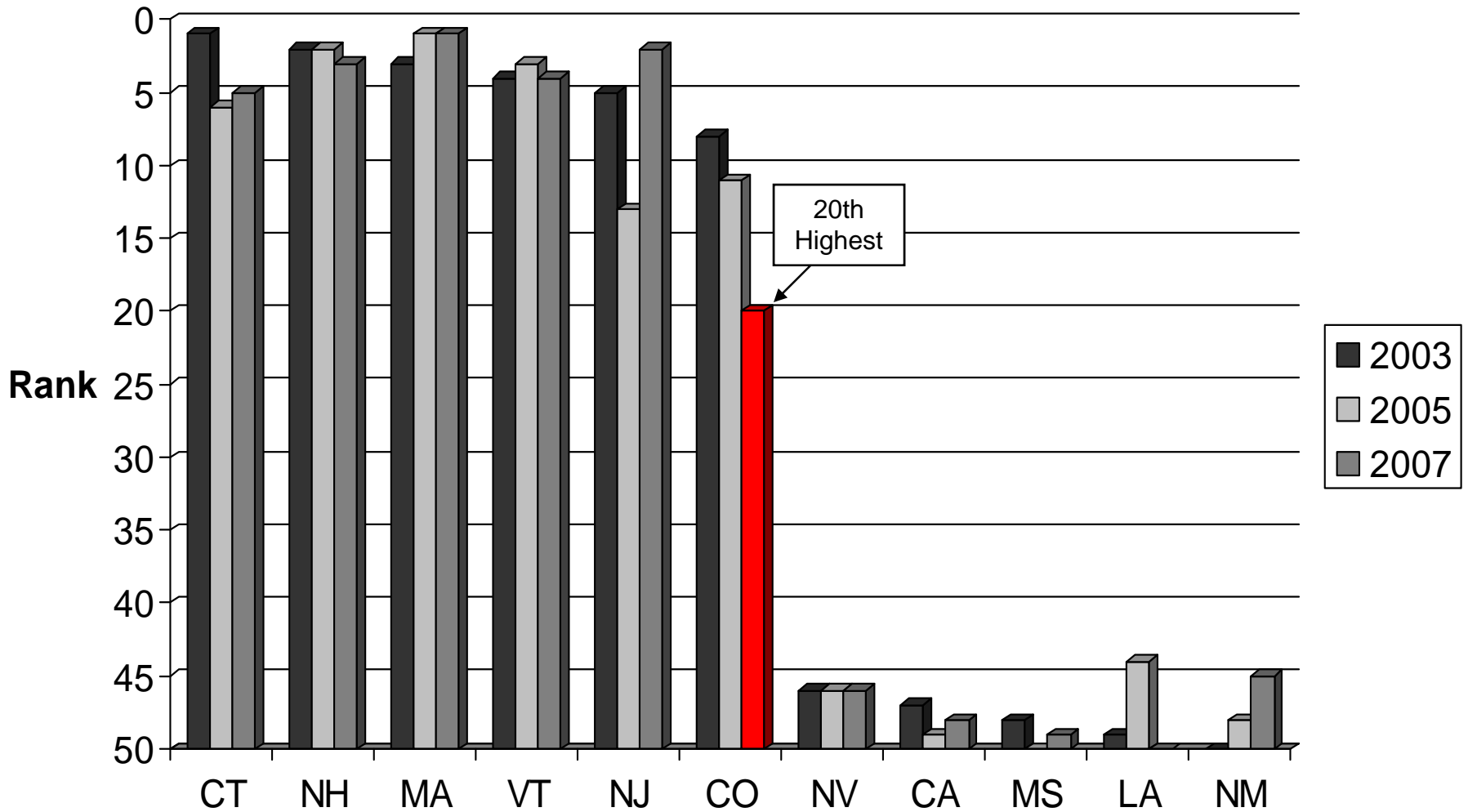
Colorado maintains an edge over the other states with lower residential property taxes than any of the competitors.

Fig. 36

K-12 Education

Average Fourth Grade Reading Scores

National Center for Education Statistics



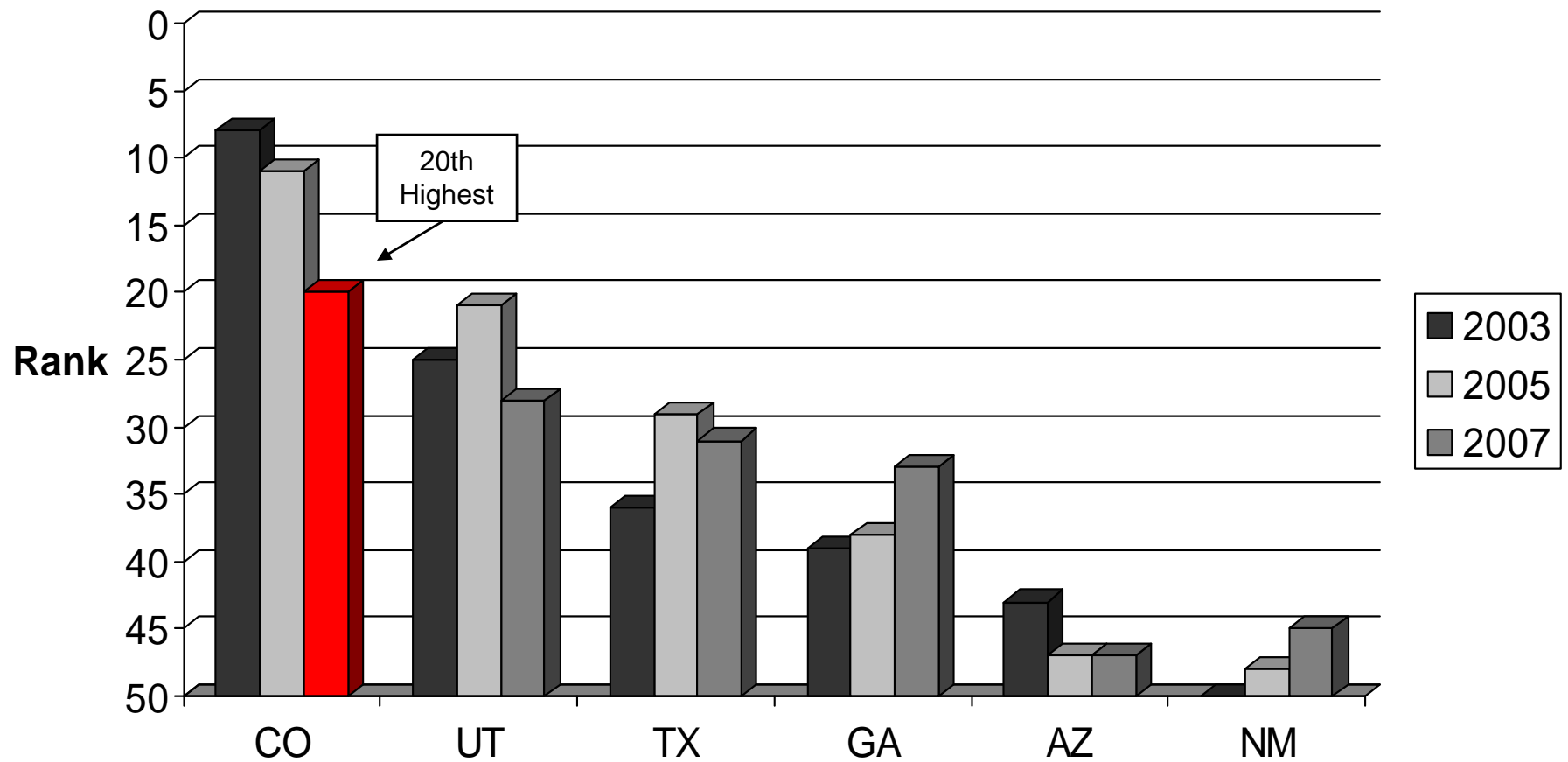
Average overall fourth grade reading scores have declined in recent years. While there is concern regarding this trend, Colorado still ranks in the upper half of the country.

Fig. 61

Average Fourth Grade Reading Scores

National Center for Education Statistics

Colorado vs. Competitors



Fourth grade reading scores are a bigger problem for Colorado's competitors.

Fig. 62

Average Eighth Grade Reading Scores

National Center for Education Statistics

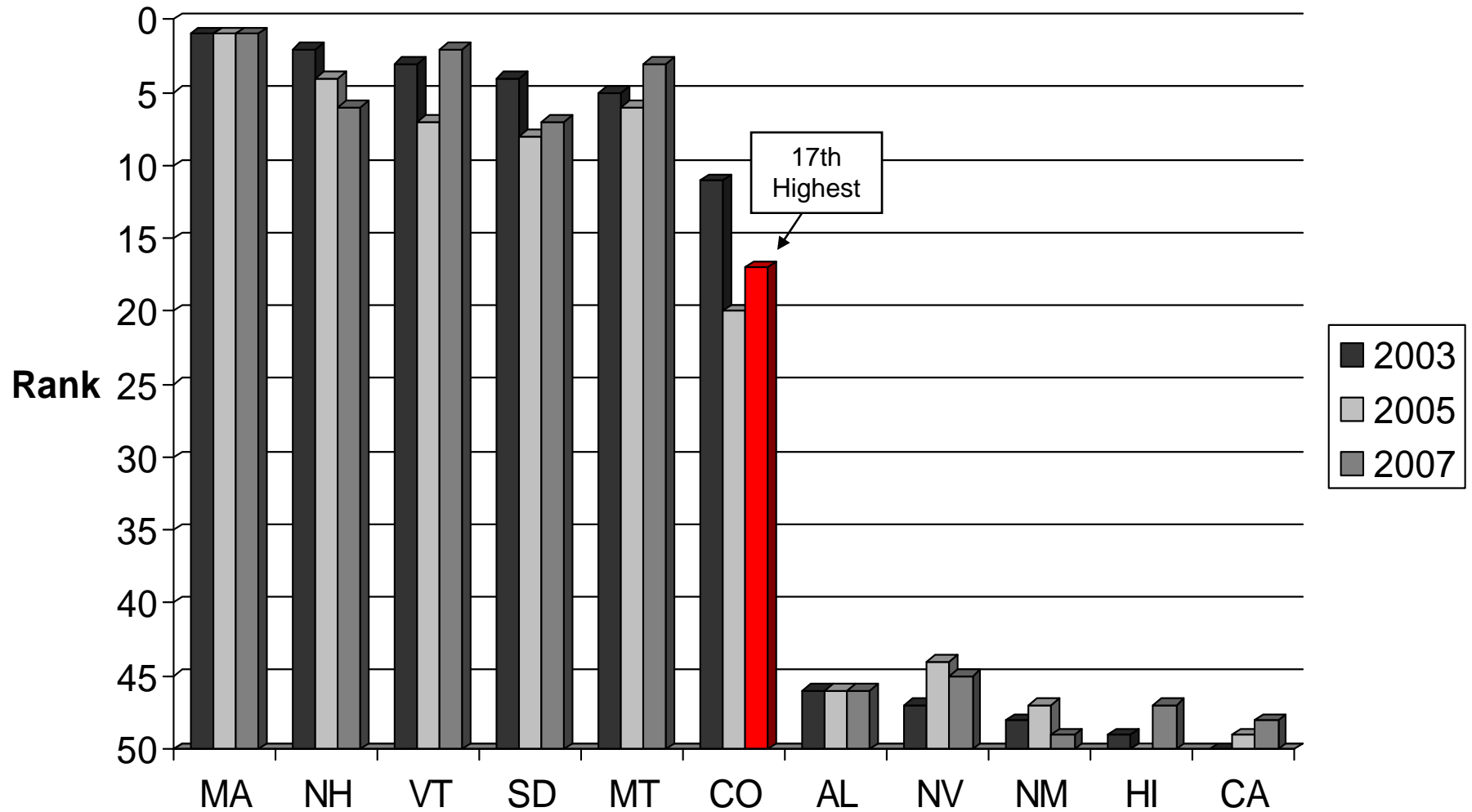
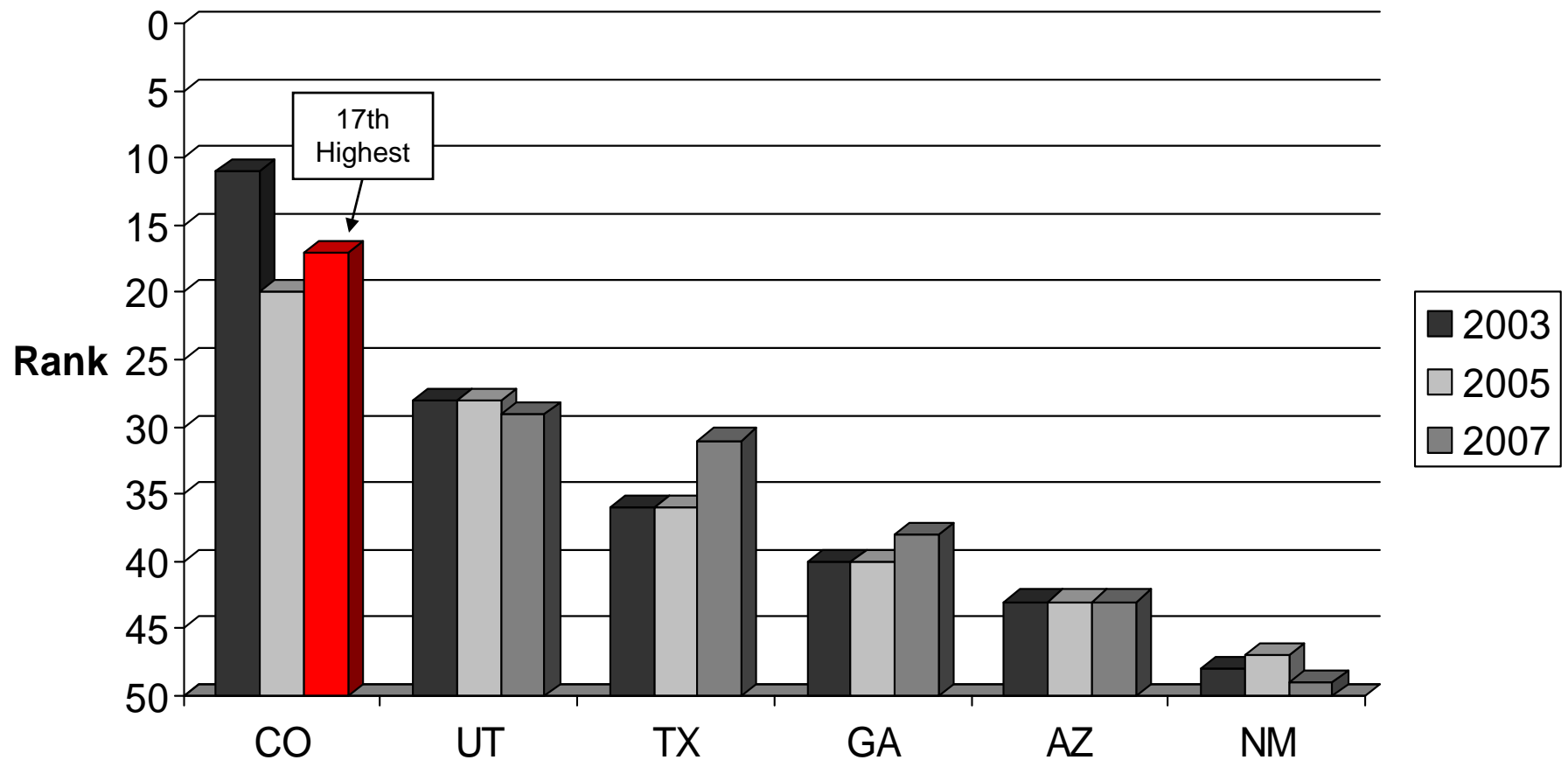


Fig. 65

Average Eighth Grade Reading Scores

National Center for Education Statistics

Colorado vs. Competitors



Average eighth grade reading scores are significantly higher in Colorado compared to the competitor states.

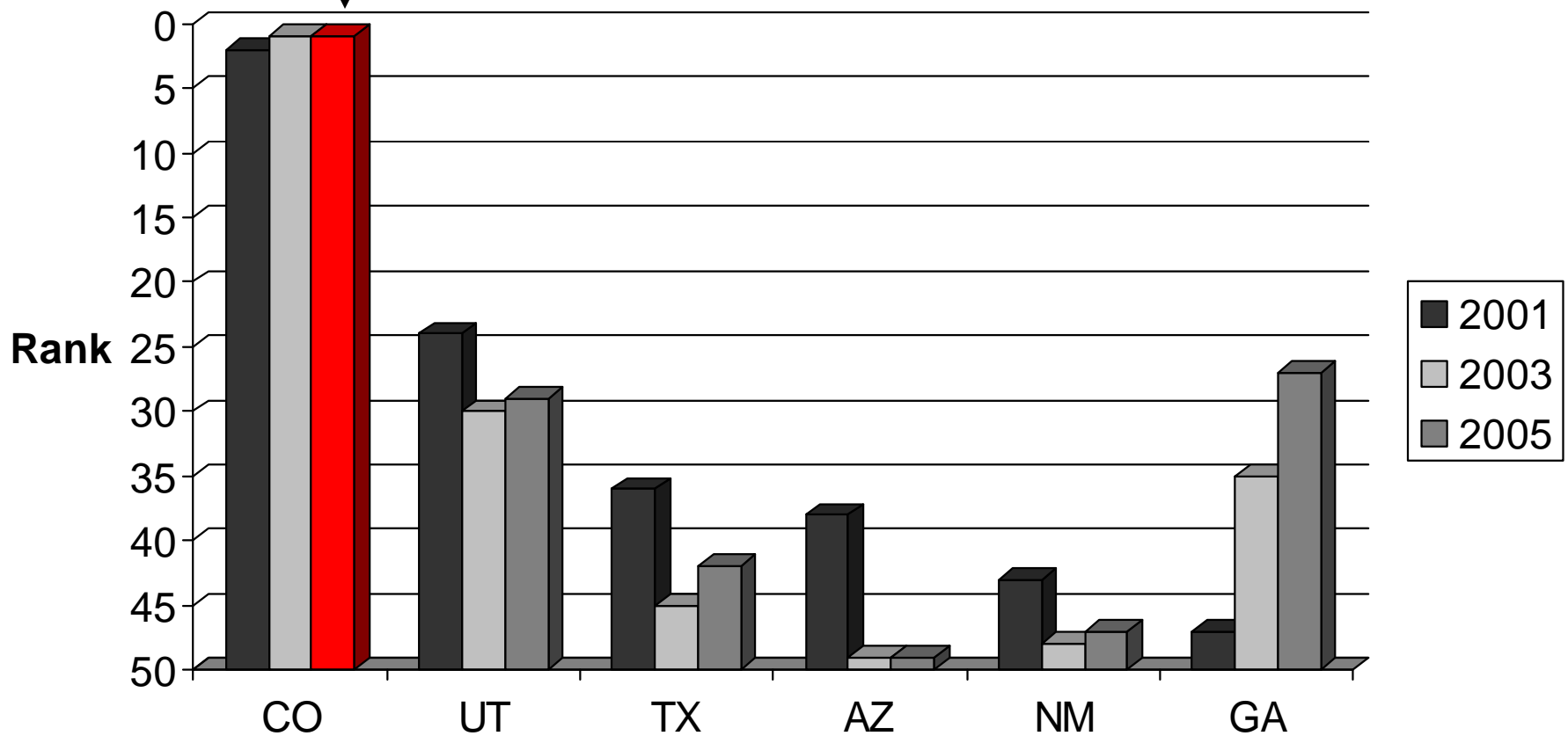
Fig. 66

Highest ACT (26 or above) and SAT (1200 or above) Scores per 1,000 High School Graduates

NCHEMS Information Center

1st Highest

Colorado vs. Competitors

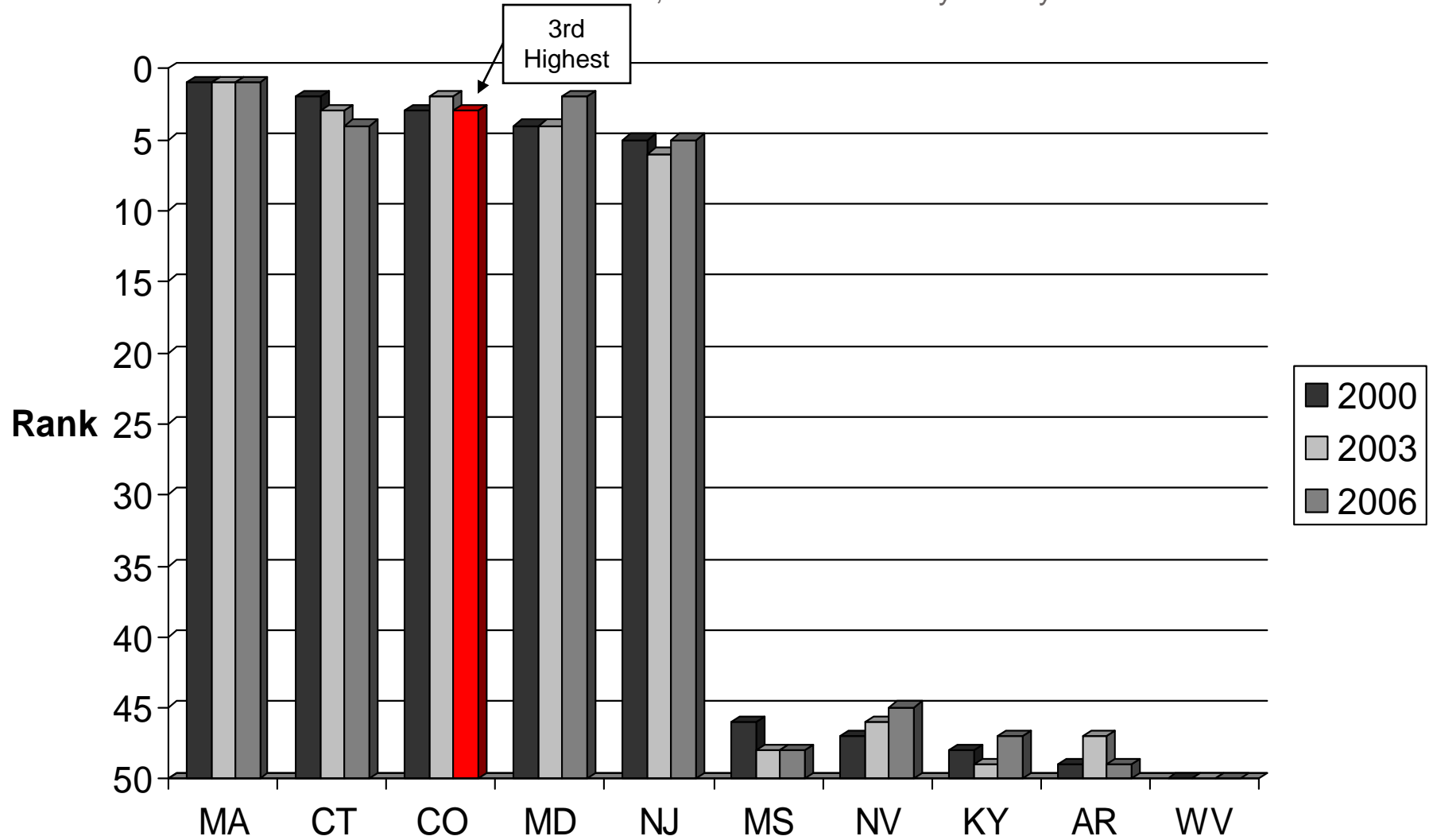


Families with children will find that Colorado is the best at educating bright students. Colorado offers outstanding college prep public schools.

Fig. 72

Population 25+ with Bachelor's Degree or Higher

U.S. Census Bureau, American Community Survey



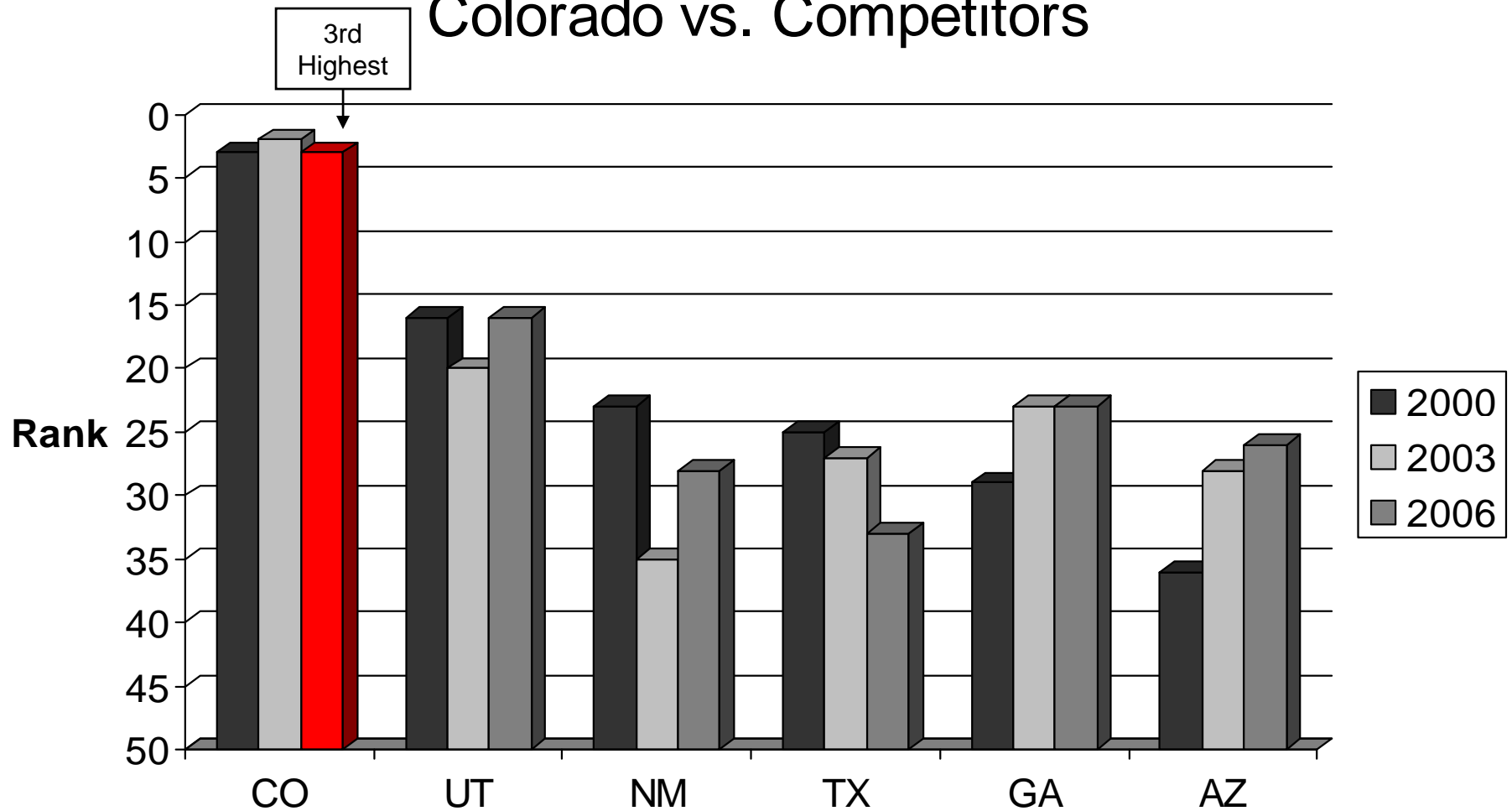
Colorado, with 34.3% of its population over 25 with a bachelors degree or higher, continues to hold its place among the top five states in college-educated adults.

Fig. 75

Population 25+ with Bachelor's Degree or Higher

U.S. Census Bureau, American Community Survey

Colorado vs. Competitors



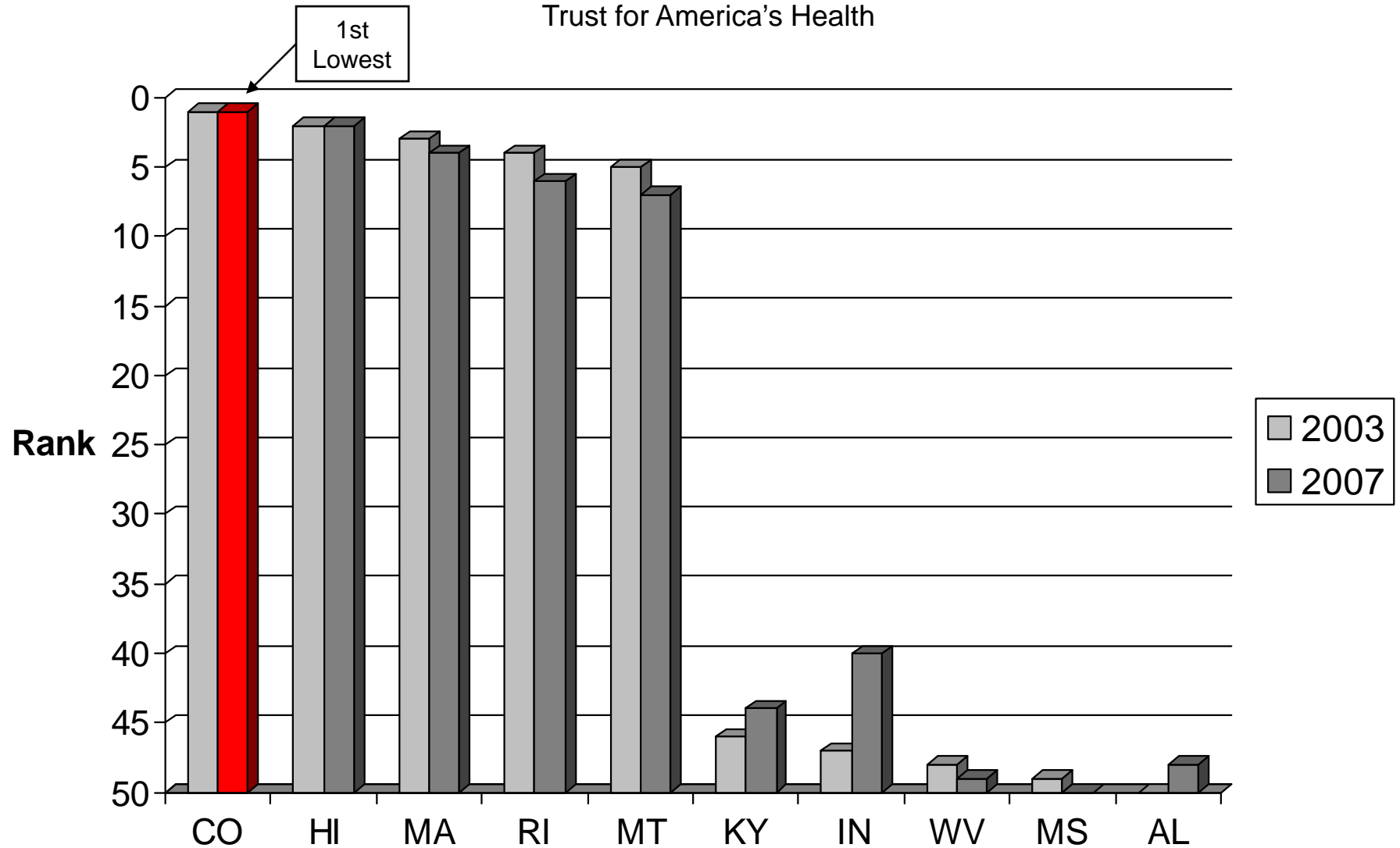
Colorado's advantage against its competitors is the high educational attainment rates of its residents. This results in higher wages for workers.

Fig. 76

Health

Lowest Obesity Prevalence Among Adults

Trust for America's Health



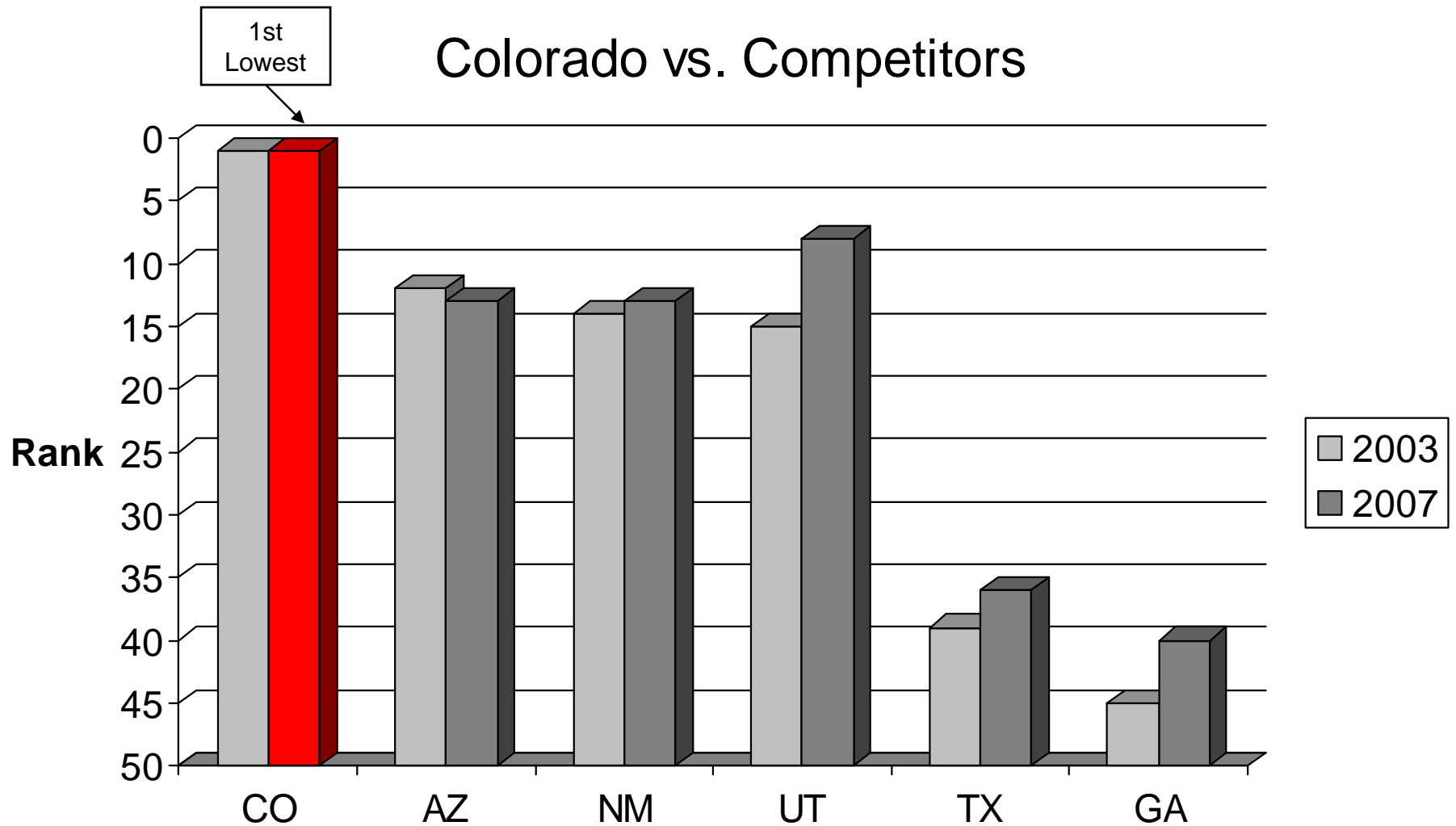
Coloradans are the “thinnest” people in the nation, with only 18.4% of its population diagnosed as obese. Colorado was the only state in 2007 with a rate below 20%. Healthy workers are more productive, require fewer health services, and enjoy longer working lives.

Fig. 87

Lowest Obesity Prevalence Among Adults

Trust for America's Health

Colorado vs. Competitors

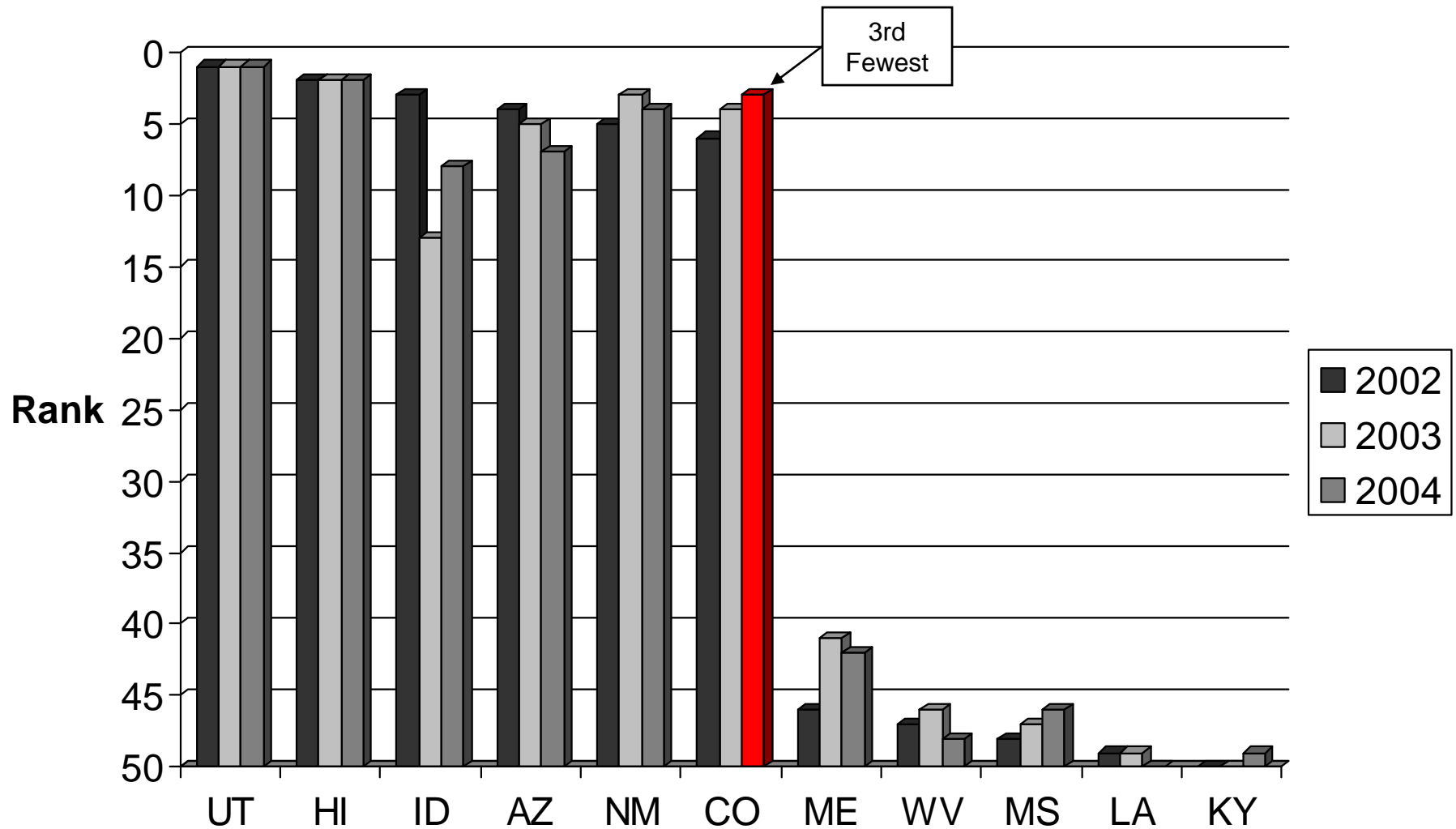


Colorado and Utah rank among the states with the lowest obesity rates.

Fig. 88

Fewest Cancer Deaths per 100,000 Population

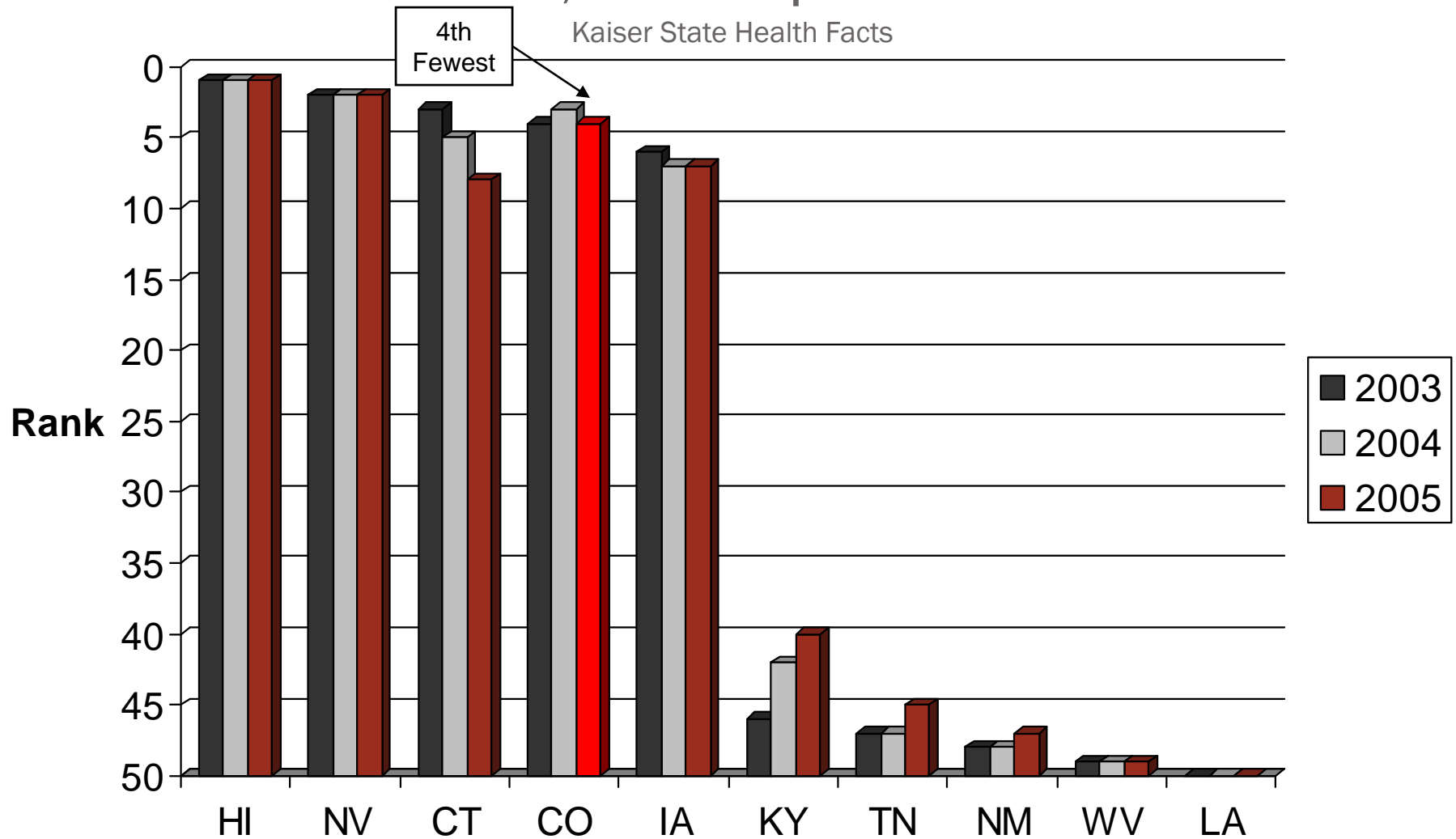
Kaiser State Health Facts; The United Health Foundation



Western states, including Colorado, tend to have the lowest incidence of cancer deaths in the nation.

Fig. 95

Fewest Diabetes Deaths per 100,000 Population



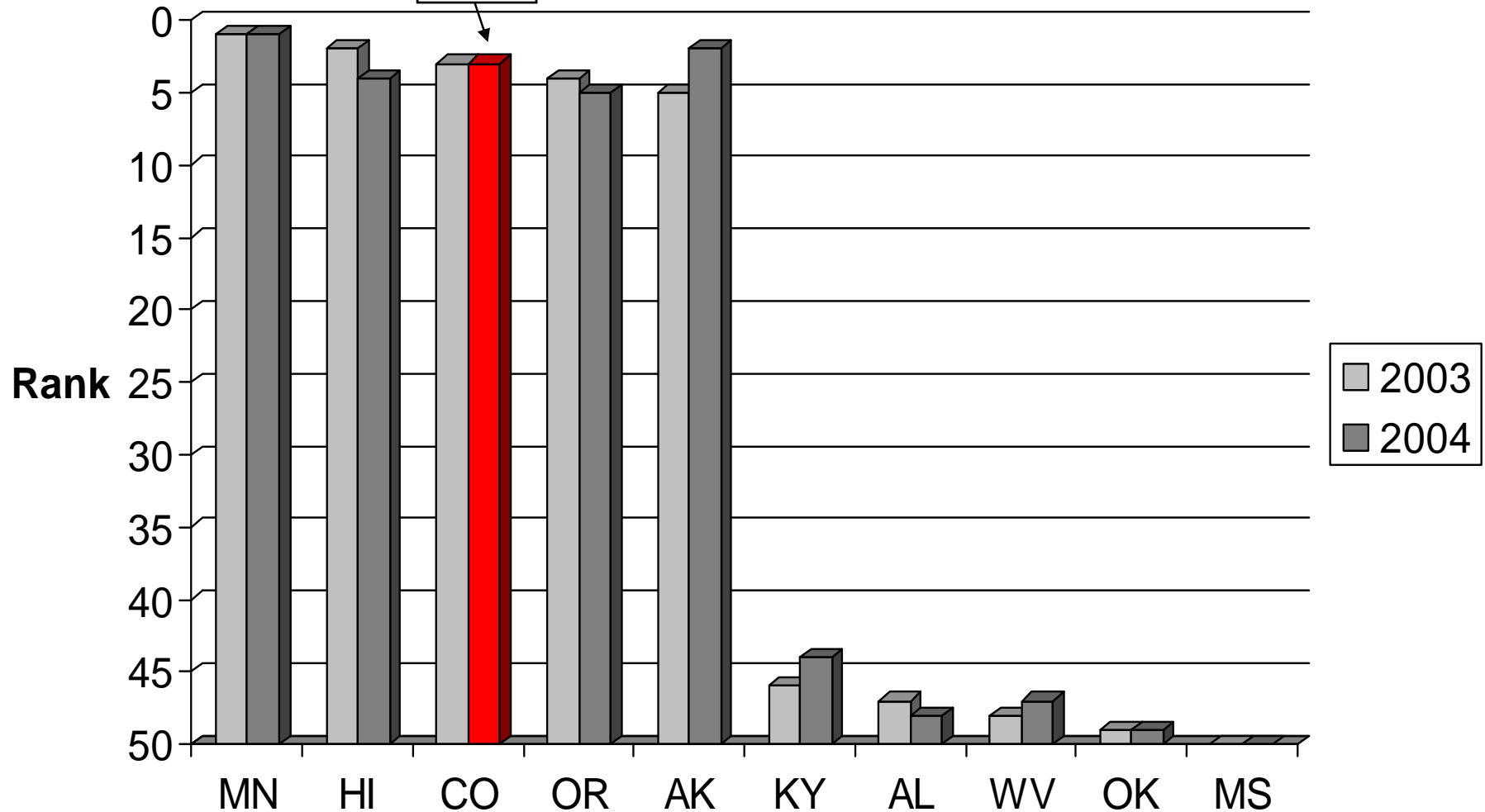
Colorado's low obesity rate is reflected in the low number of diabetes deaths. Louisiana and West Virginia are also among the nation's most obese states.

Fig. 97

Fewest Heart Disease Deaths per 100,000

Population

Kaiser State Health Facts

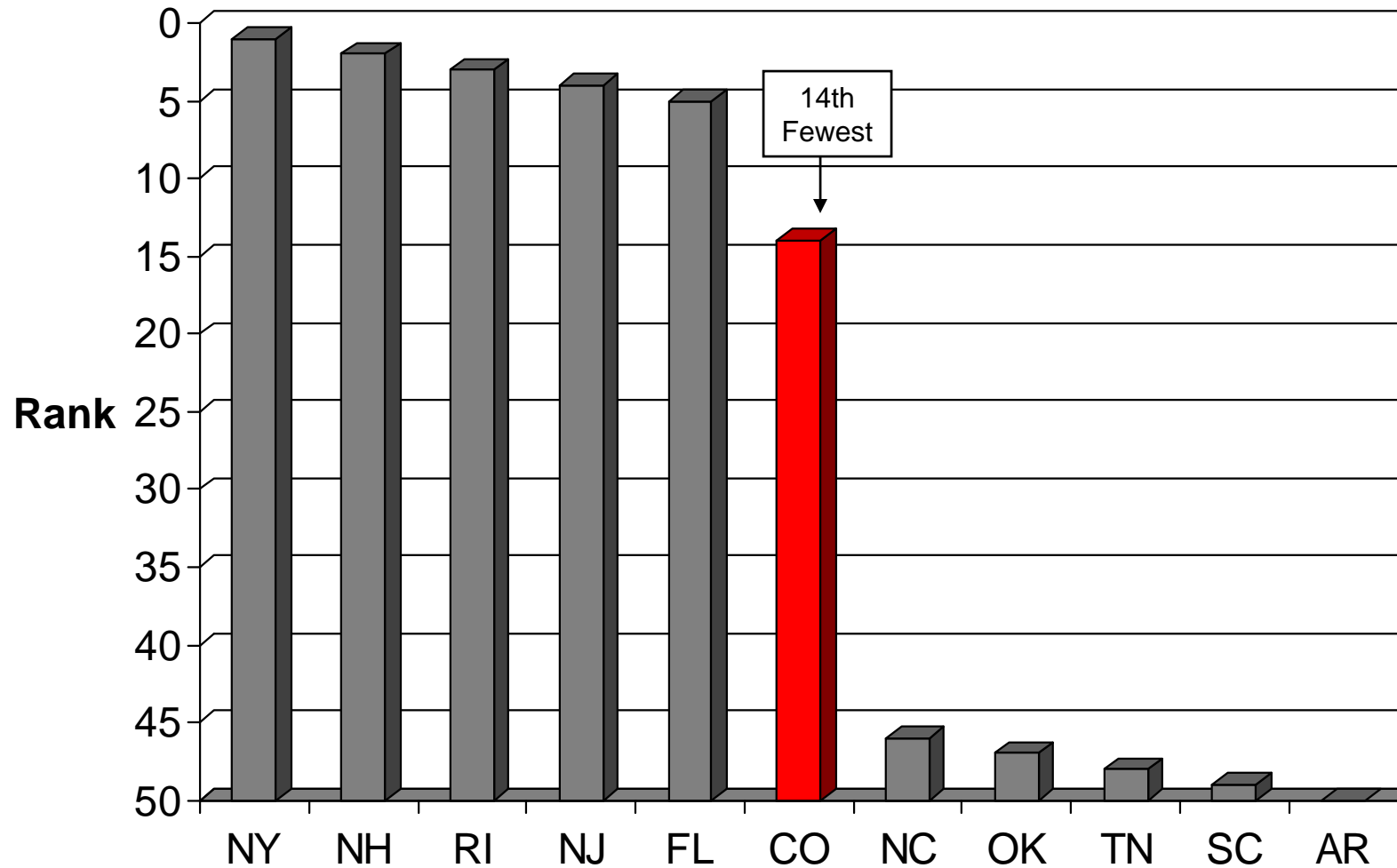


Healthy lifestyles and low obesity rates rank Colorado among the nation's lowest in heart disease-related deaths. Southern states dominate the rankings for high death rates.

Fig. 99

Fewest Stroke Deaths per 100,000 Population, 2003

Kaiser State Health Facts

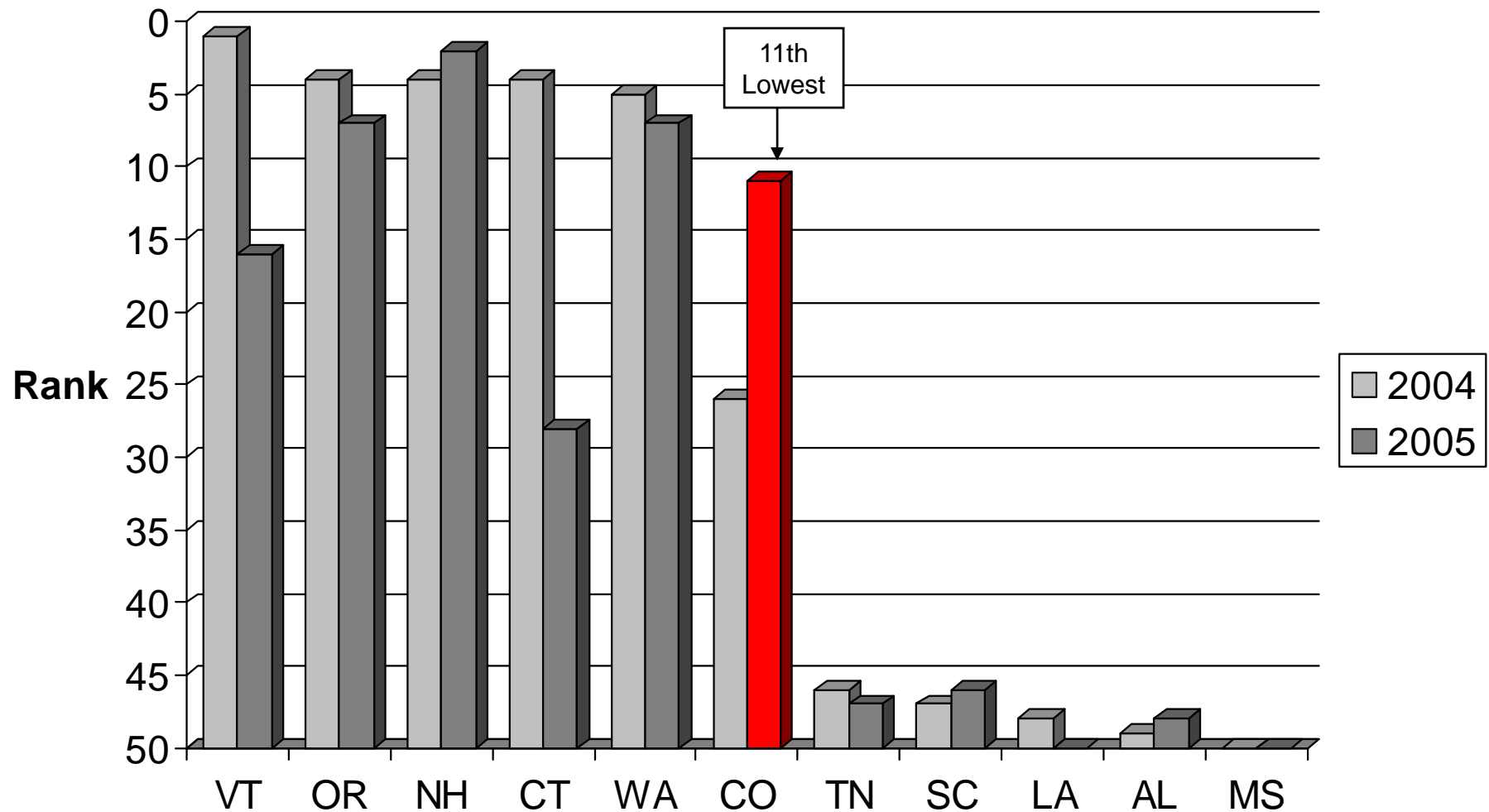


High rates of stroke deaths are concentrated in the South.

Fig. 101

Lowest Percentage of Pre-term Births to Live Births

Kaiser State Health Facts



Pre-term births are one measure of the extent and quality of pre-natal care. Southern states with lower educational levels and fewer doctors have the highest number of pre-term births.

Fig. 155

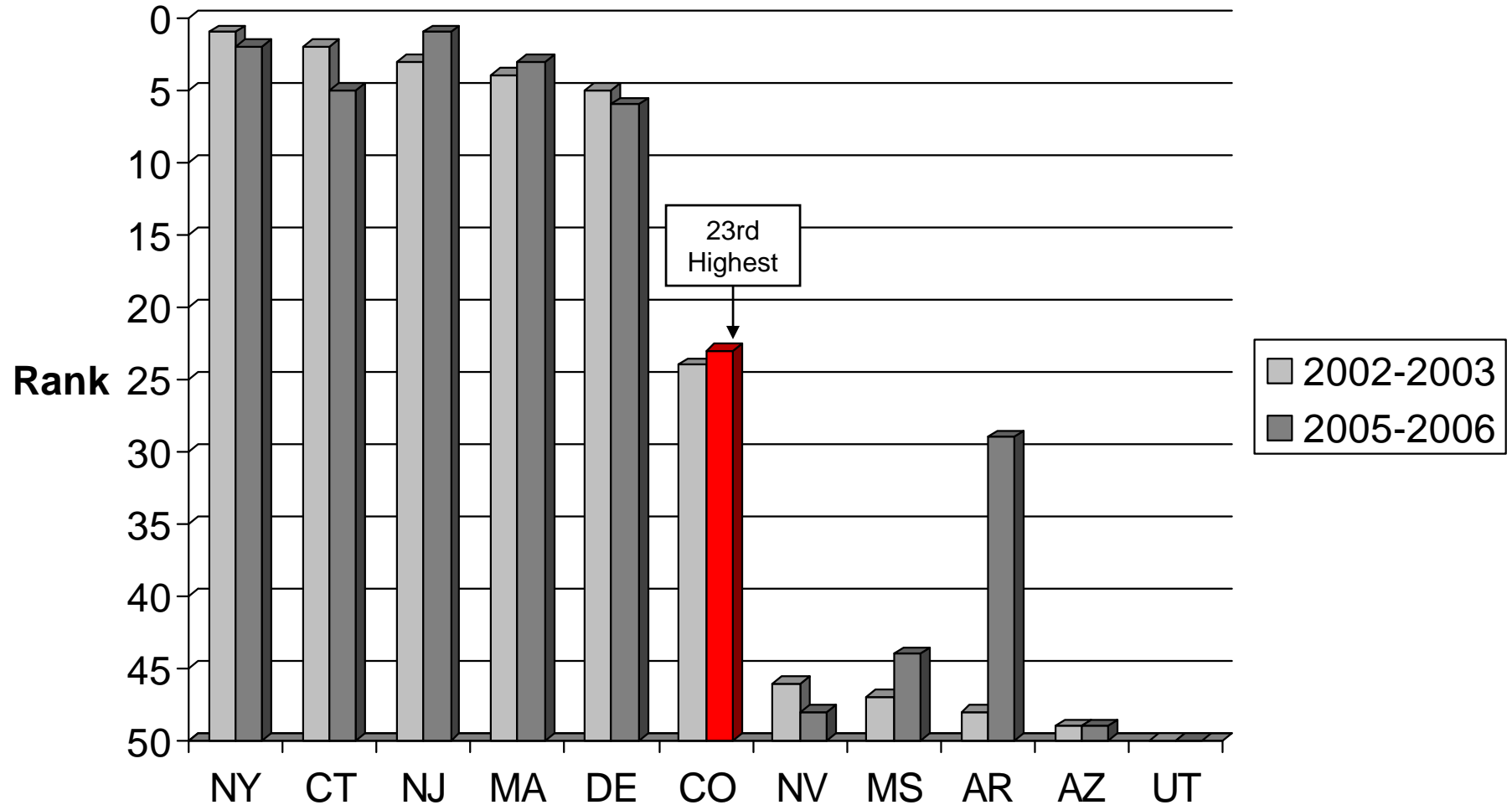
Where Colorado is Challenged....

Economic policy and public policy sometimes
diverge in “Colorado’s Future” debate

Education

Expenditures for Public K-12 Schools per Student

National Education Association



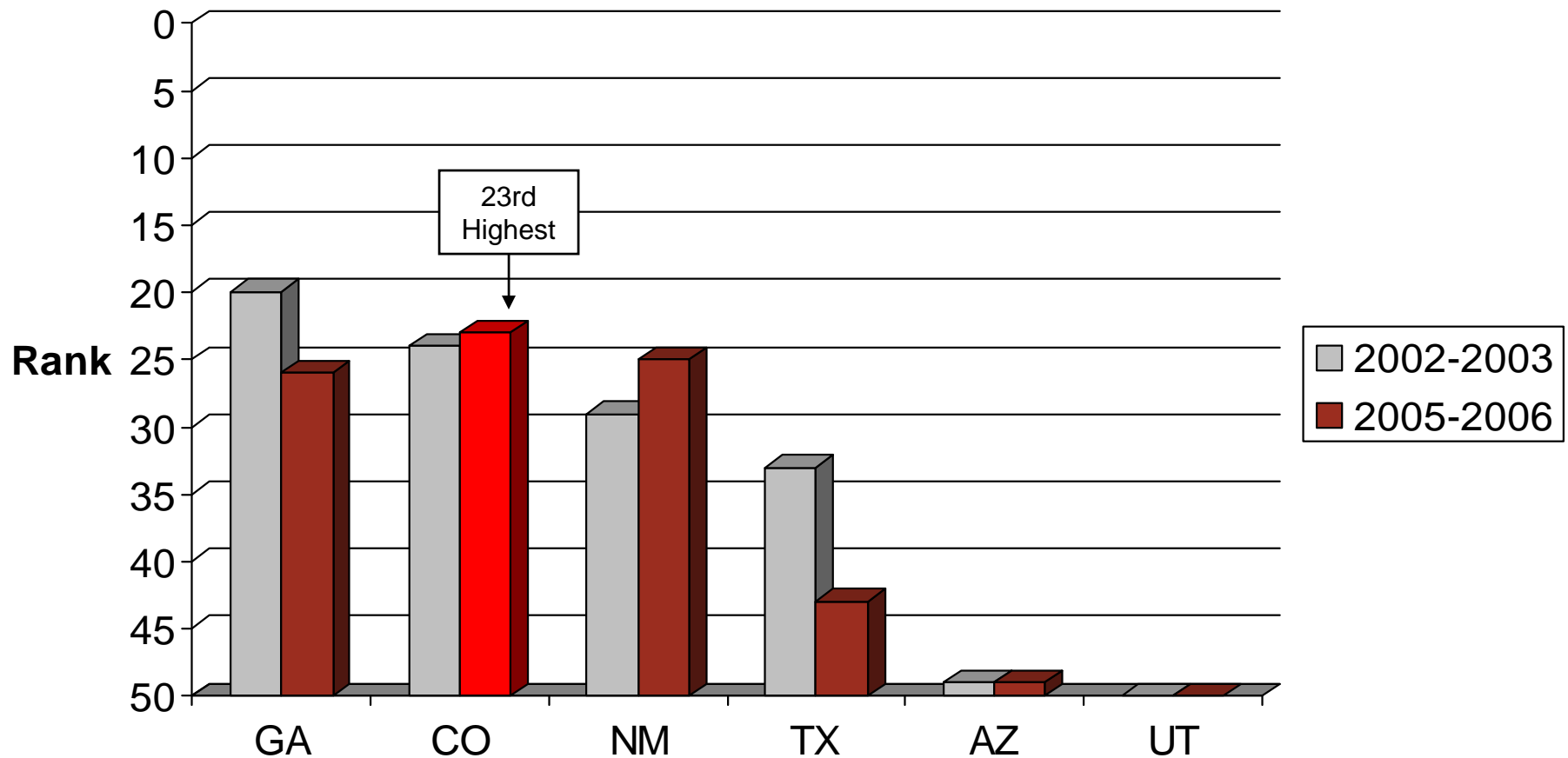
Colorado ranks in the middle of all states for K-12 education funding, a ranking that has remained relatively consistent throughout the years.

Fig. 121

Expenditures for Public K-12 Schools per Student

National Education Association

Colorado vs. Competitors



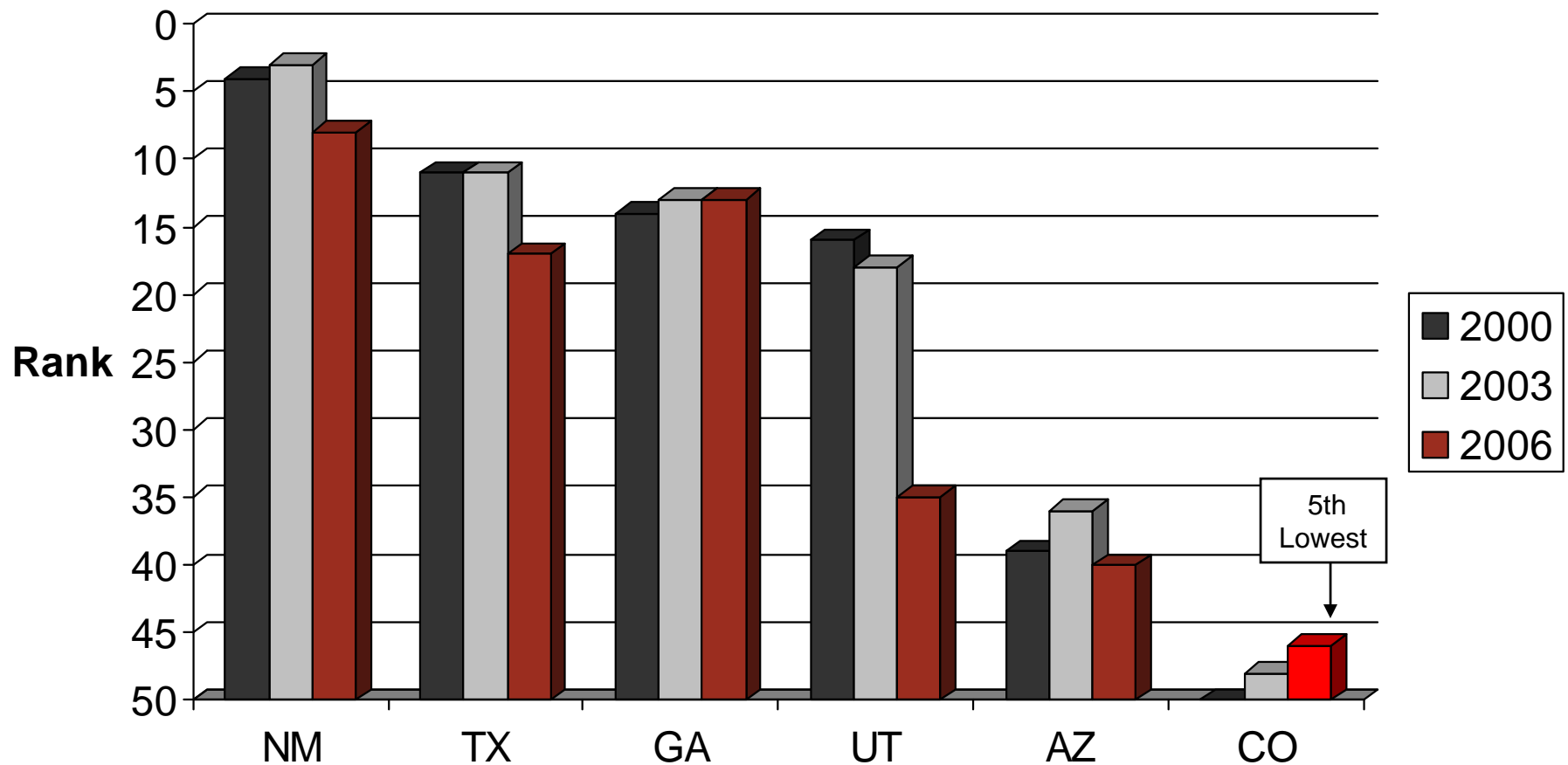
Colorado's ranking in 2005-2006 is similar to Georgia and New Mexico and is significantly higher than Texas, Arizona, and Utah.

Fig. 122

Spending on K-12 Public Schools as a Percent of Personal Income

U.S. Bureau of Economic Analysis; National Center for Education Statistics

Colorado vs. Competitors

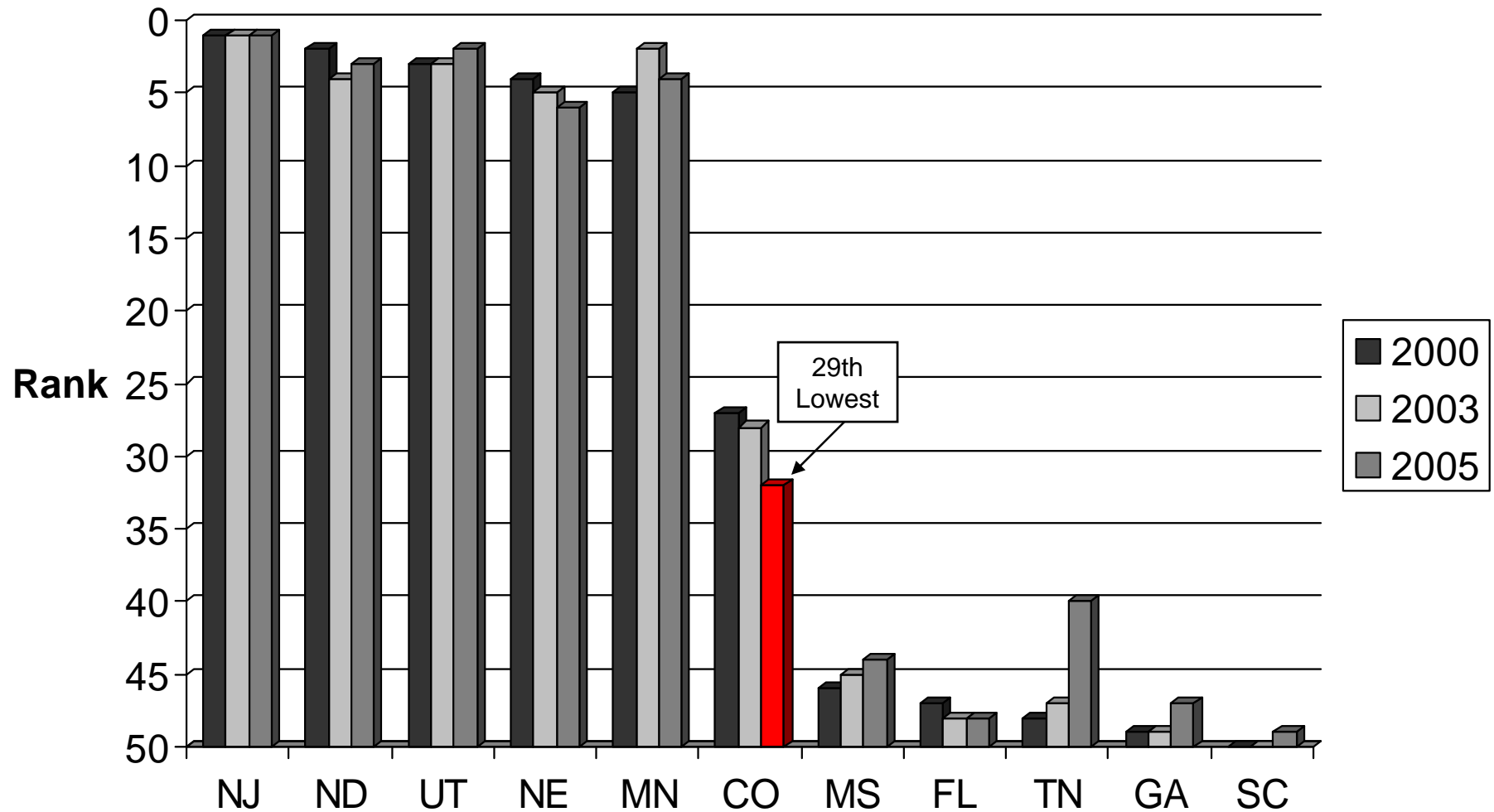


Both Colorado and Arizona fall to the bottom of this ranking. Colorado spending has increased since 2000 and may continue increasing with the passage of Referendum C in the fall of 2005.

Fig. 124

Public High School Graduation Rates

NCHEMS Information Center



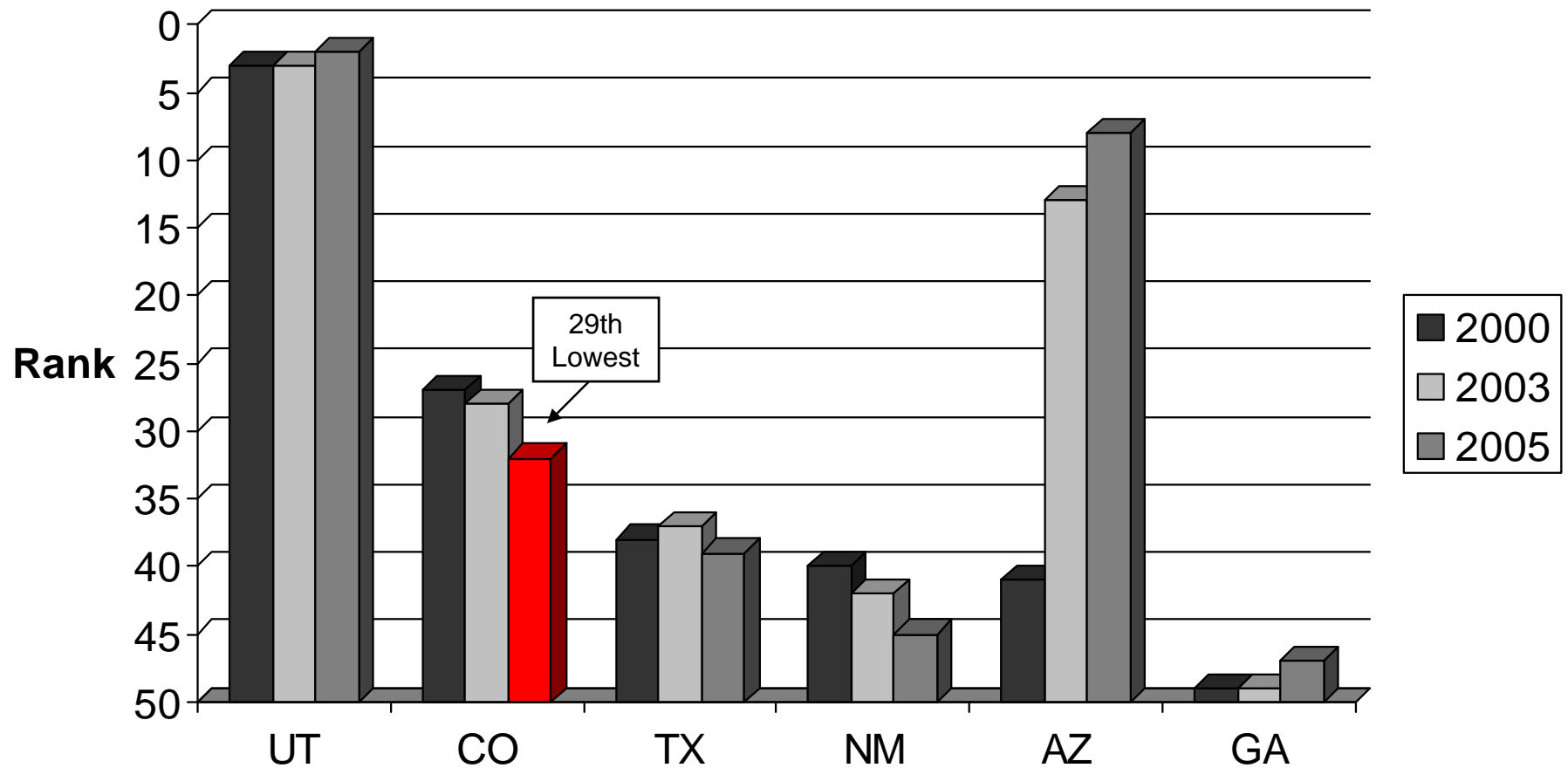
While the North Central states continue to graduate students at high levels, Colorado's ranking declined. Colorado's graduation rate of 71% in 2005 ranks in the fourth quintile in the country.

Fig. 129

Public High School Graduation Rates

NCHEMS Information Center

Colorado vs. Competitors

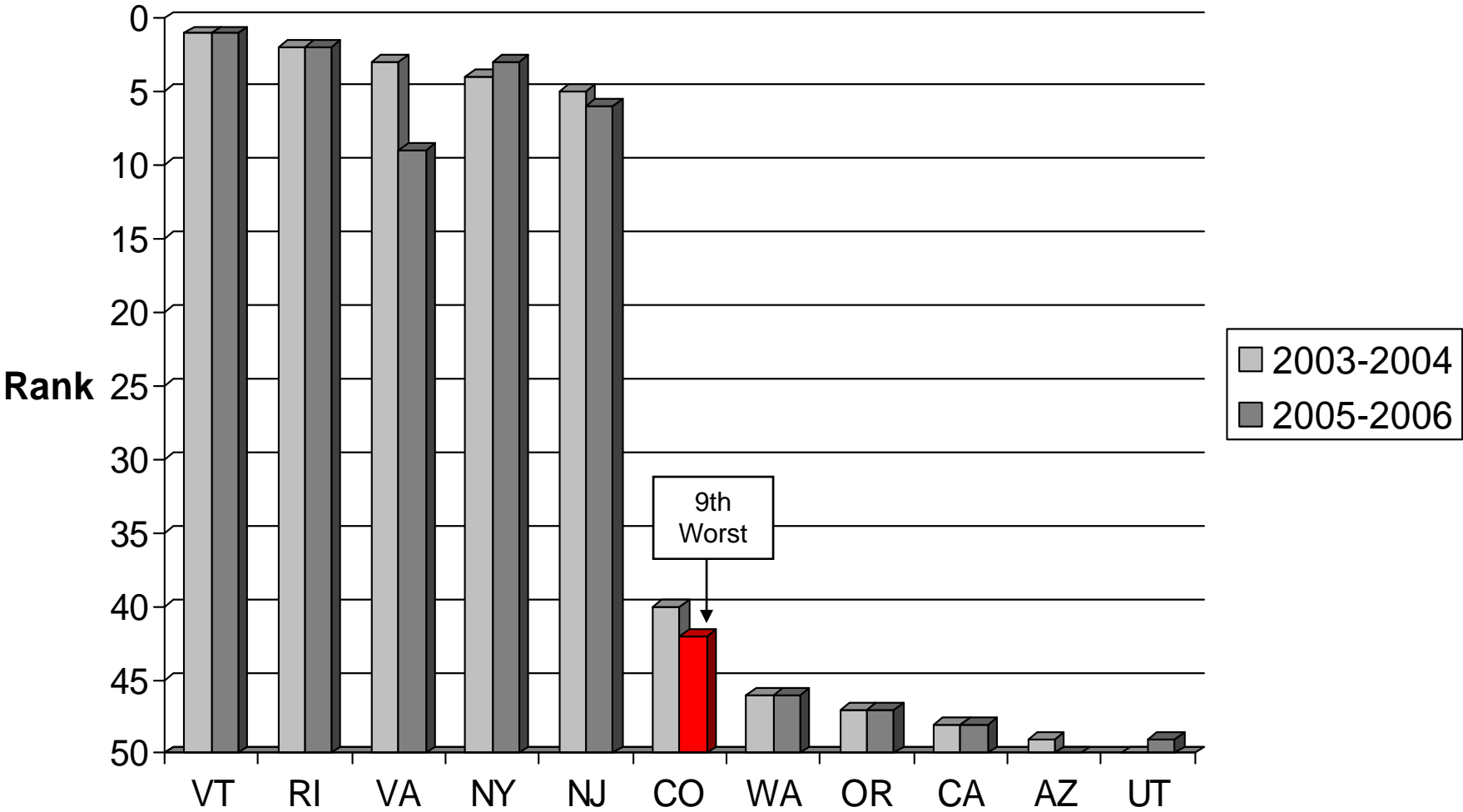


Colorado's declining graduation rates exhibit the disconnect between the state's students and its highly educated workforce. While Colorado exceeds its competitors in high achievement students, Arizona and Utah vastly surpass Colorado in overall graduation rates.

Fig. 130

Student-Teacher Ratio in Public Elementary and Secondary Schools

National Education Association



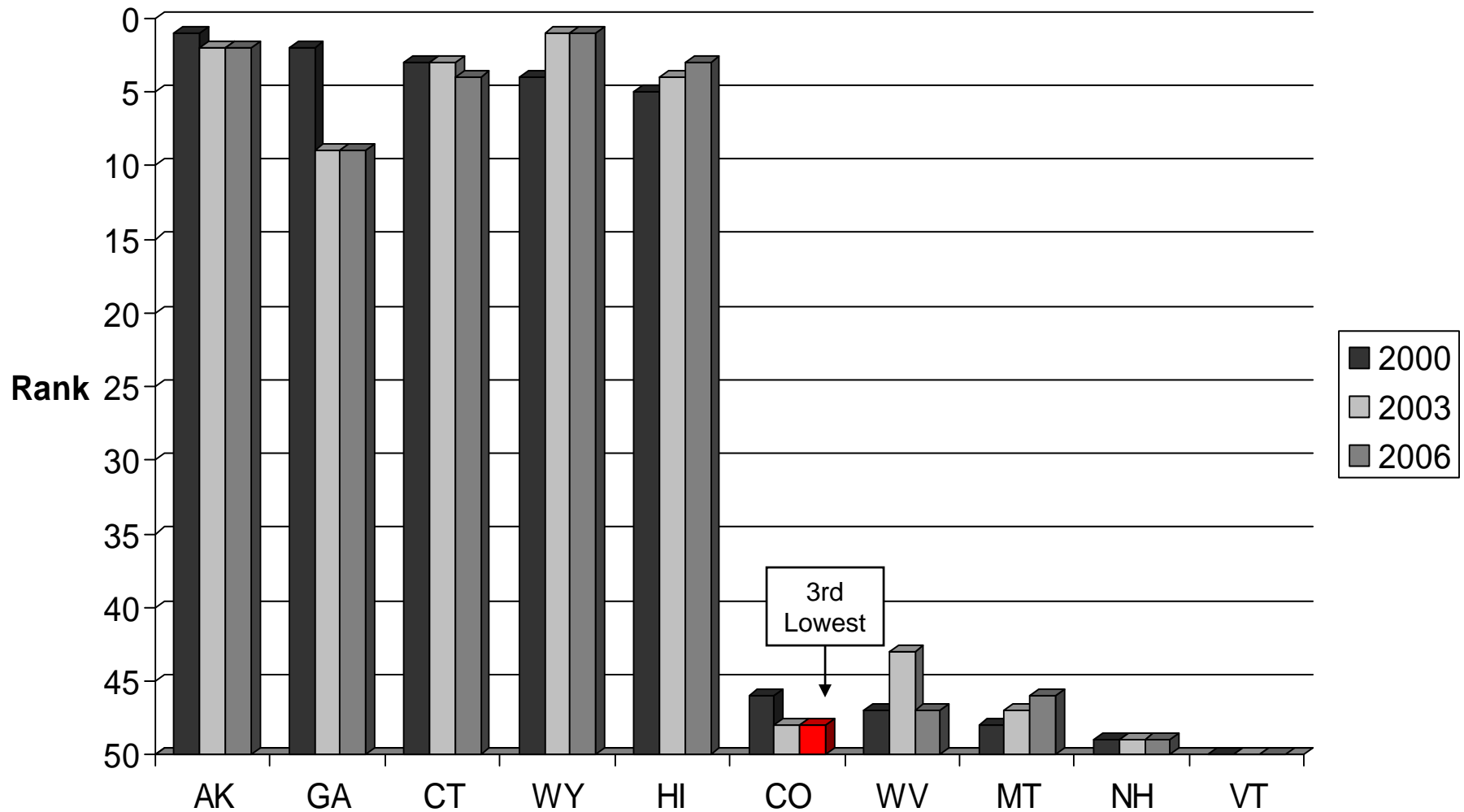
With an average of 17 students per teacher throughout the state, Colorado's student-teacher ratio is ranked as one of the ten worst in the country (National Average = 15.6).

Fig. 125

Higher Education

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

NCHEMS Information Center



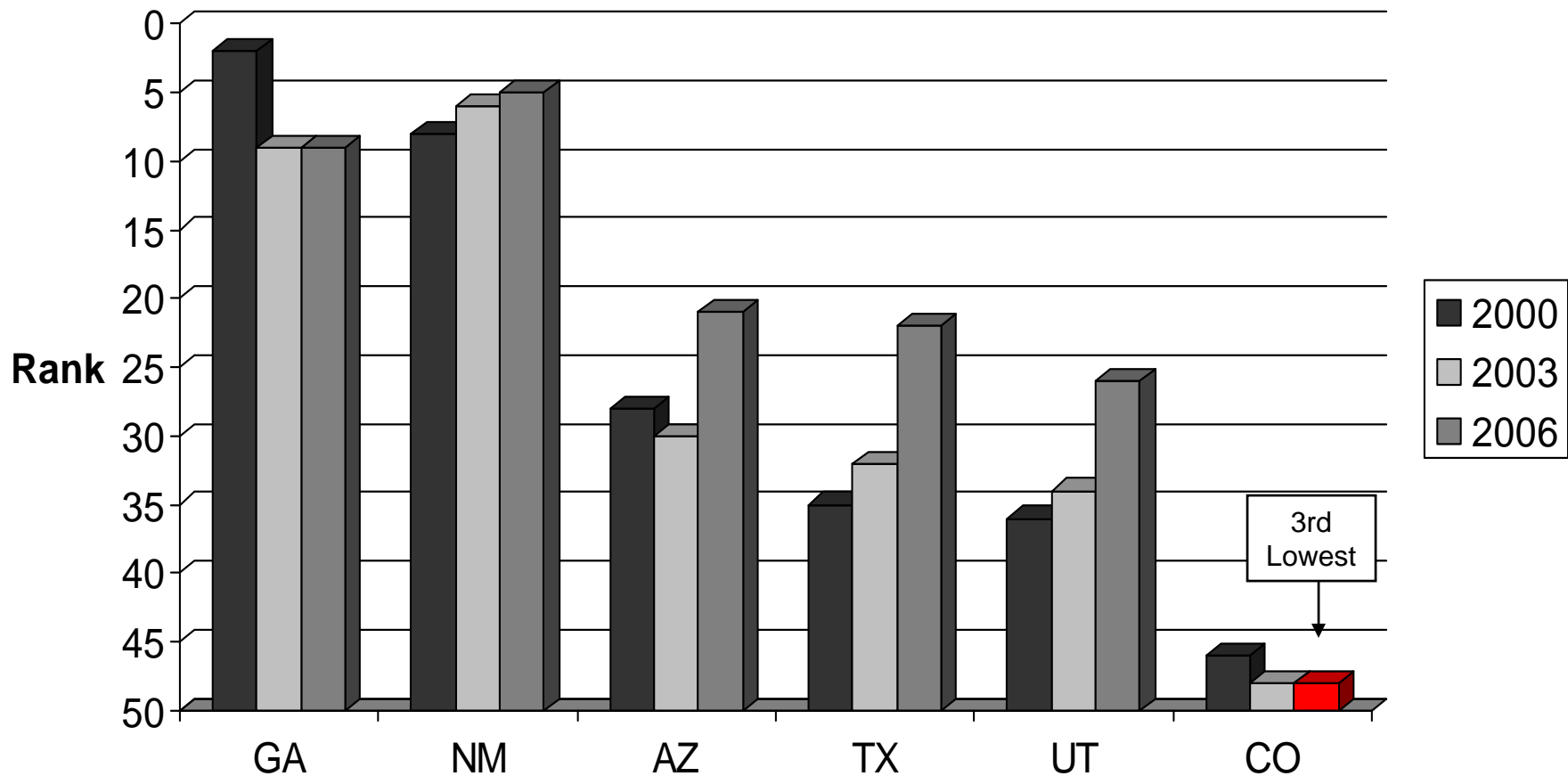
Colorado continues to offer one of the lowest support rates per full-time higher education student. With the passage of Referendum C, rankings are expected to improve.

Fig. 133

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

NCHEMS Information Center

Colorado vs. Competitors

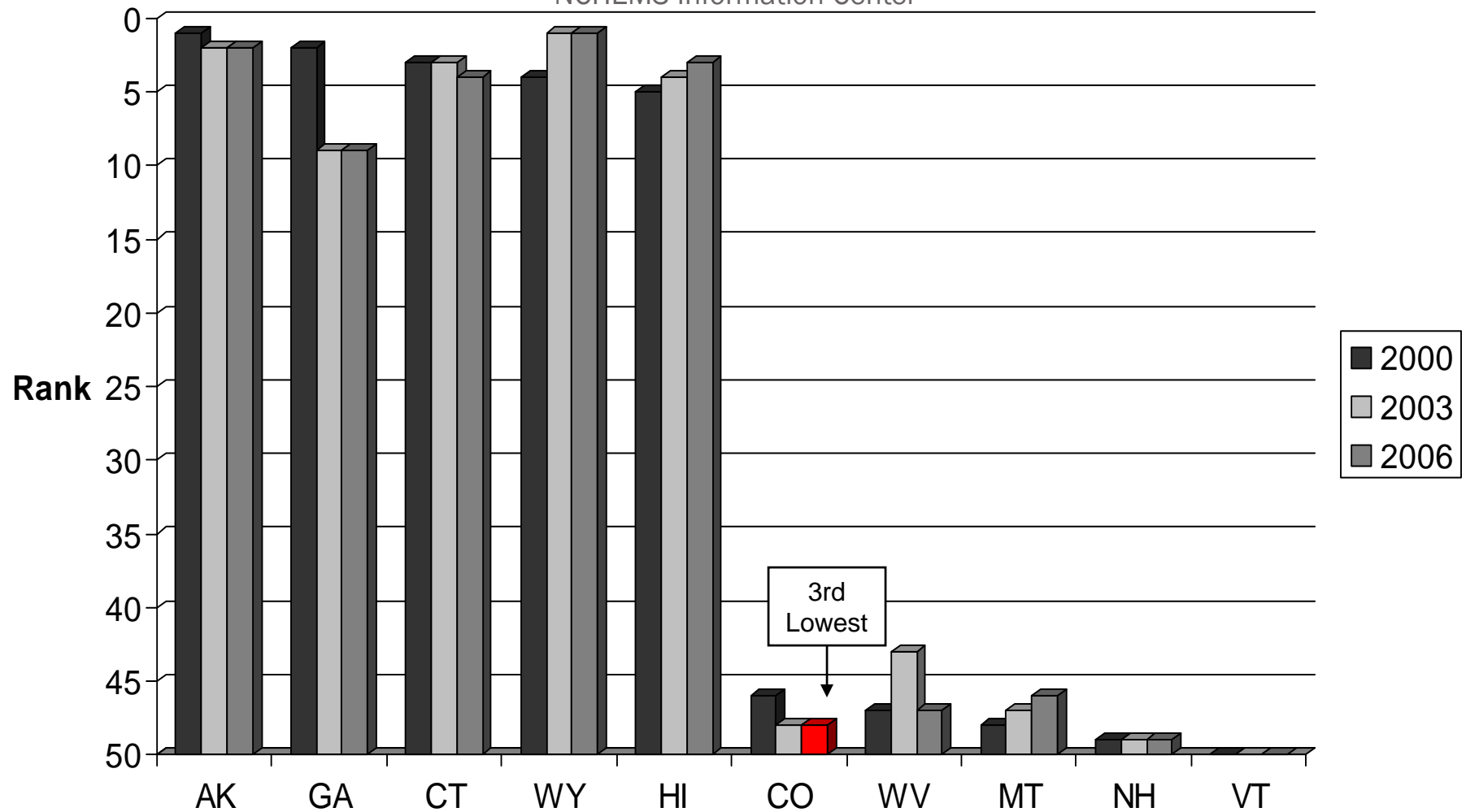


Colorado's competitors continue to provide greater support per student for higher education.

Fig. 134

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

NCHEMS Information Center



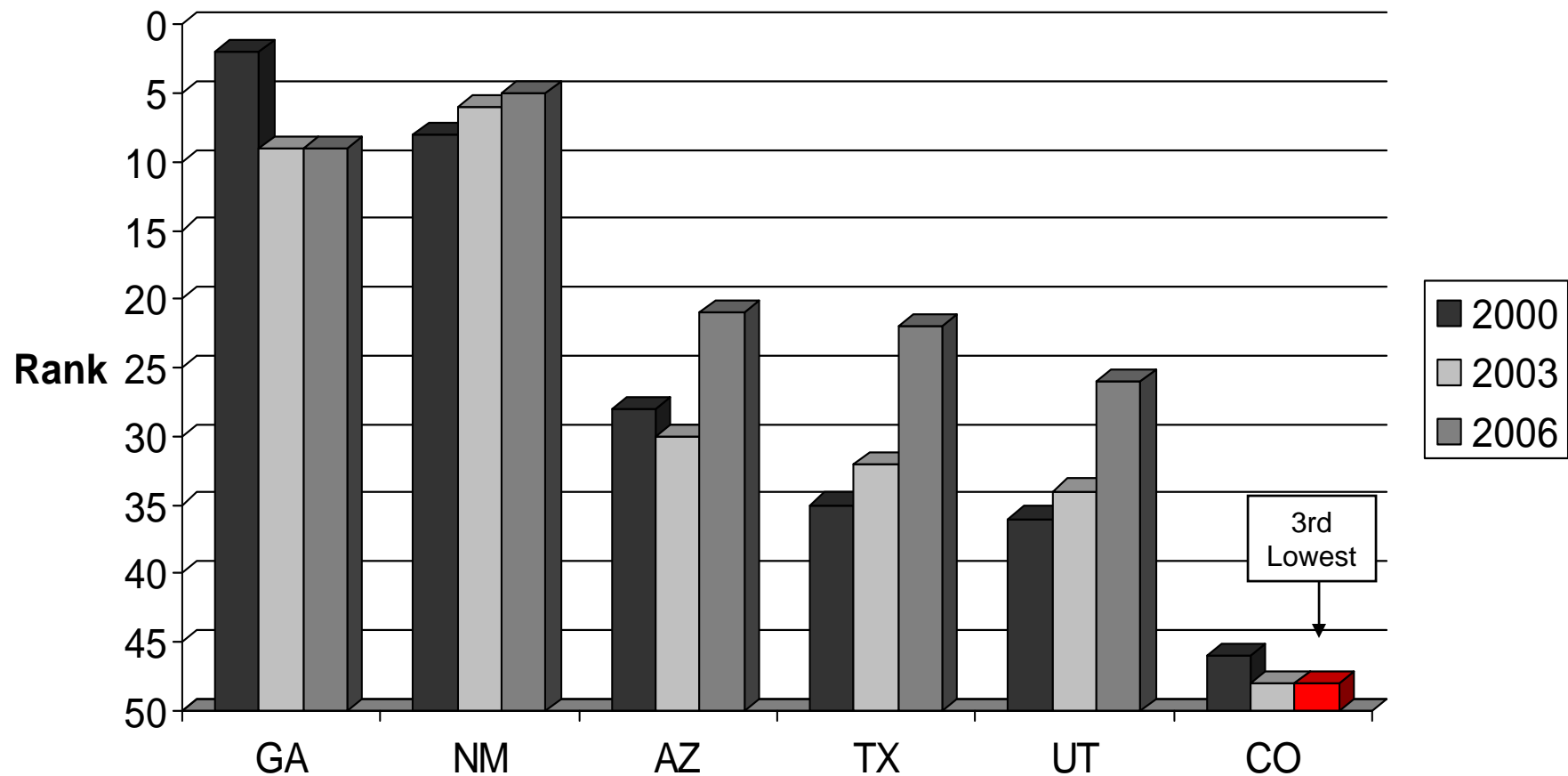
Colorado continues to offer one of the lowest support rates per full-time higher education student. With the passage of Referendum C, rankings are expected to improve.

Fig. 133

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

NCHEMS Information Center

Colorado vs. Competitors



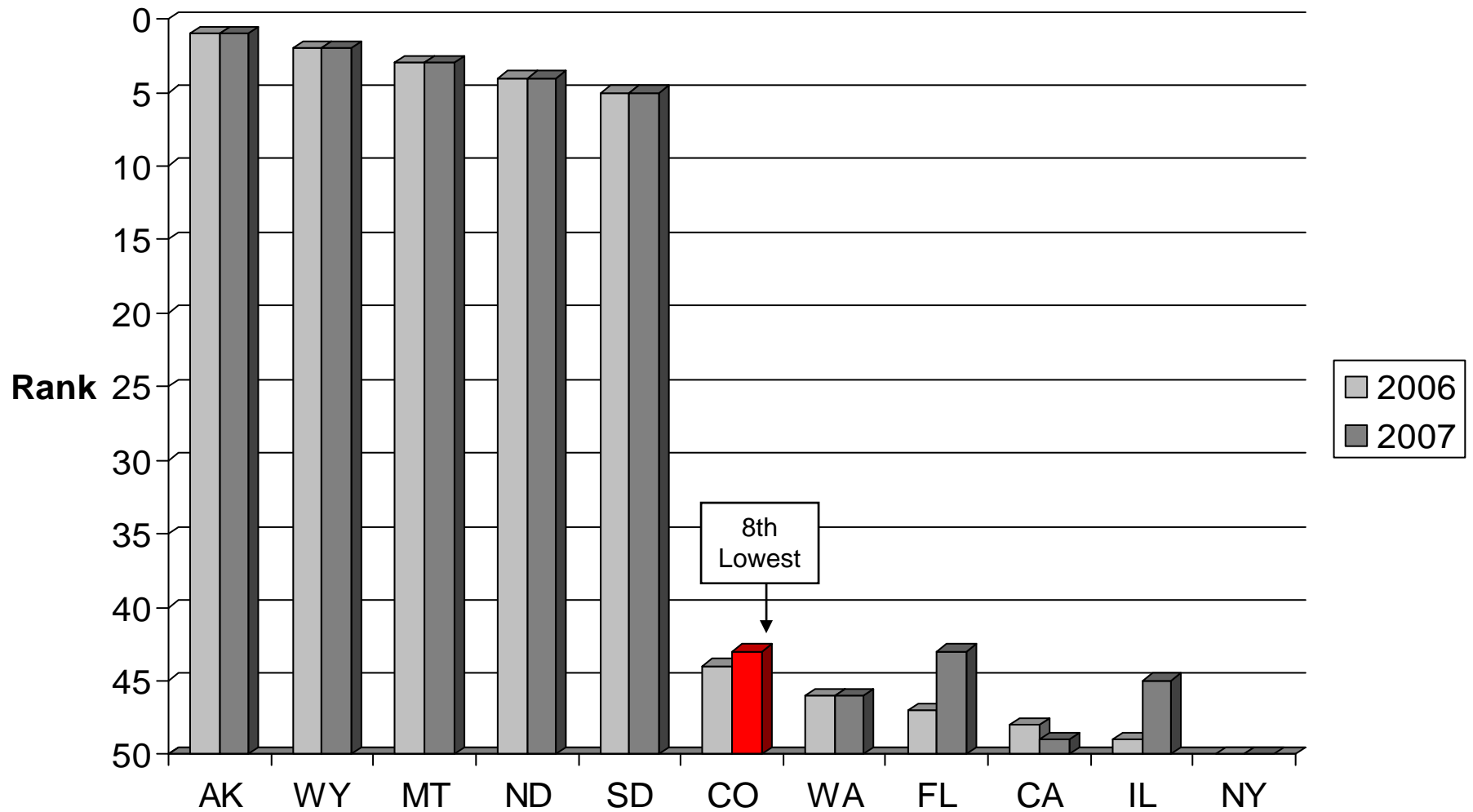
Colorado's competitors continue to provide greater support per student for higher education.

Fig. 134

Highways

Federal Highway Funding Per Capita

Federal Highway Administration; U.S. Census Bureau



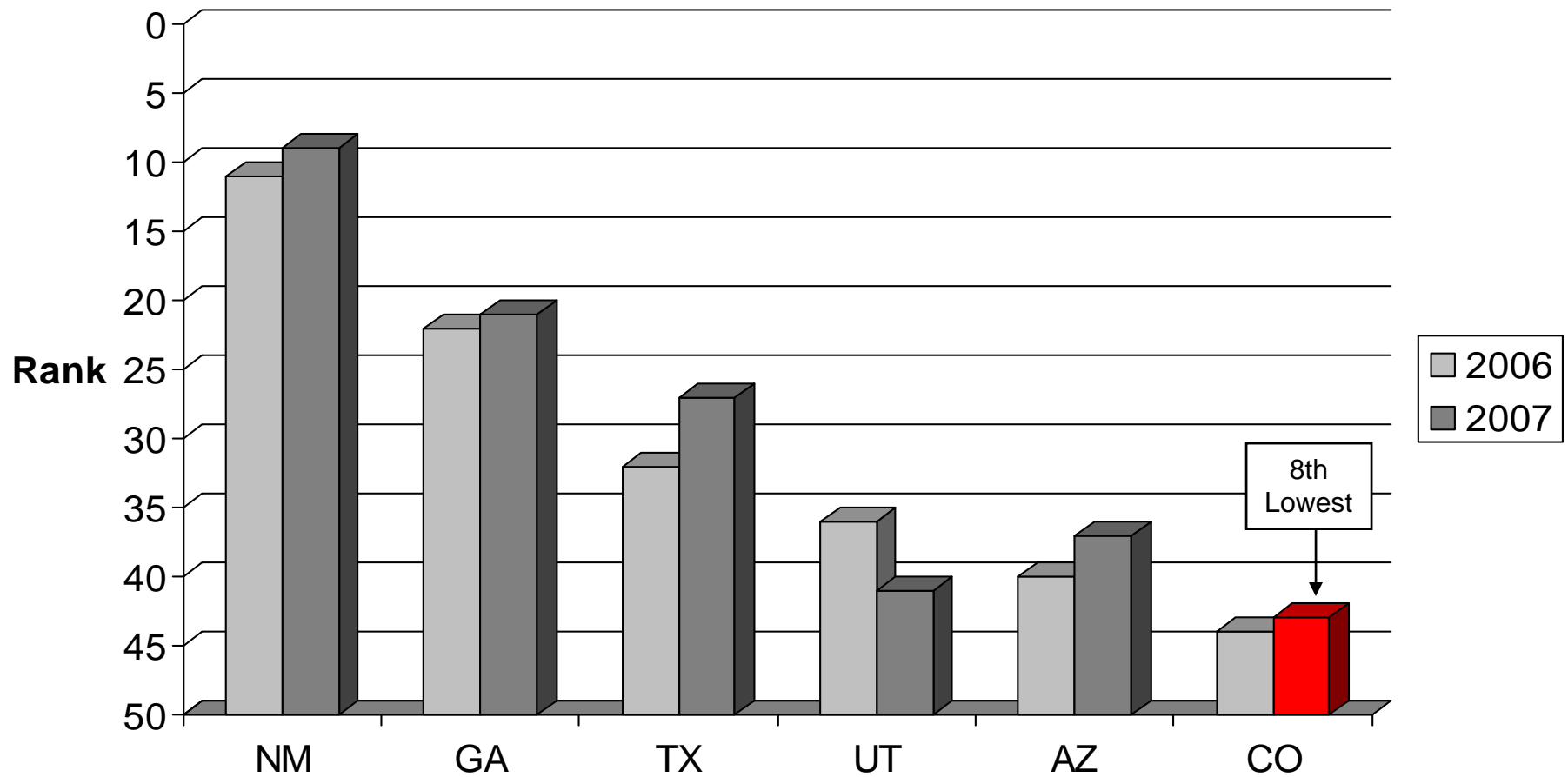
Colorado's low highway funding leads to a similarly low rank in highway performance measures.

Fig. 170

Federal Highway Funding Per Capita

Federal Highway Administration; U.S. Census Bureau

Colorado vs. Competitors

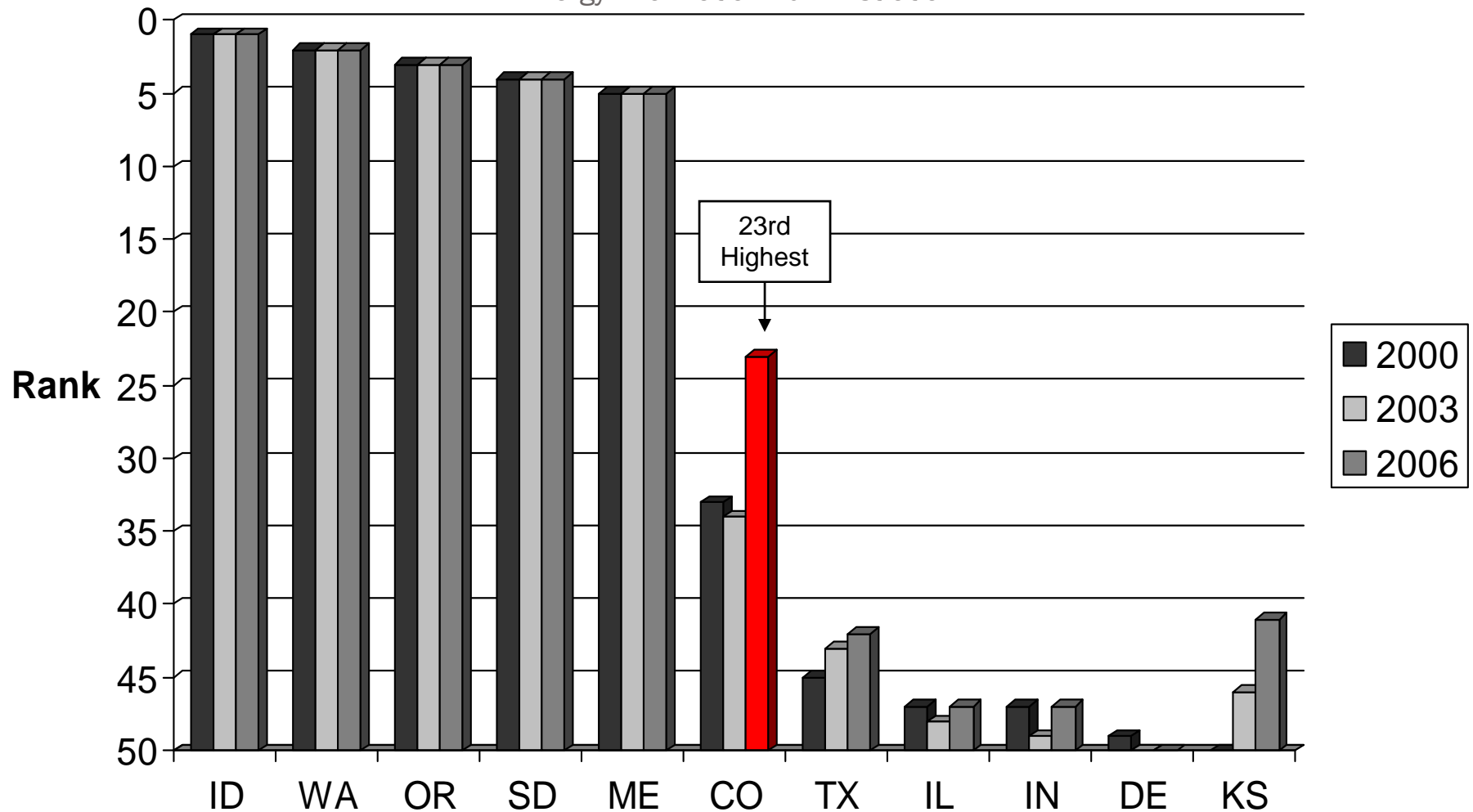


Each of Colorado's competitors receive greater per capita federal funding for roads.

Fig. 171

Percent of Electricity Generated Through Renewable Sources

Energy Information Administration



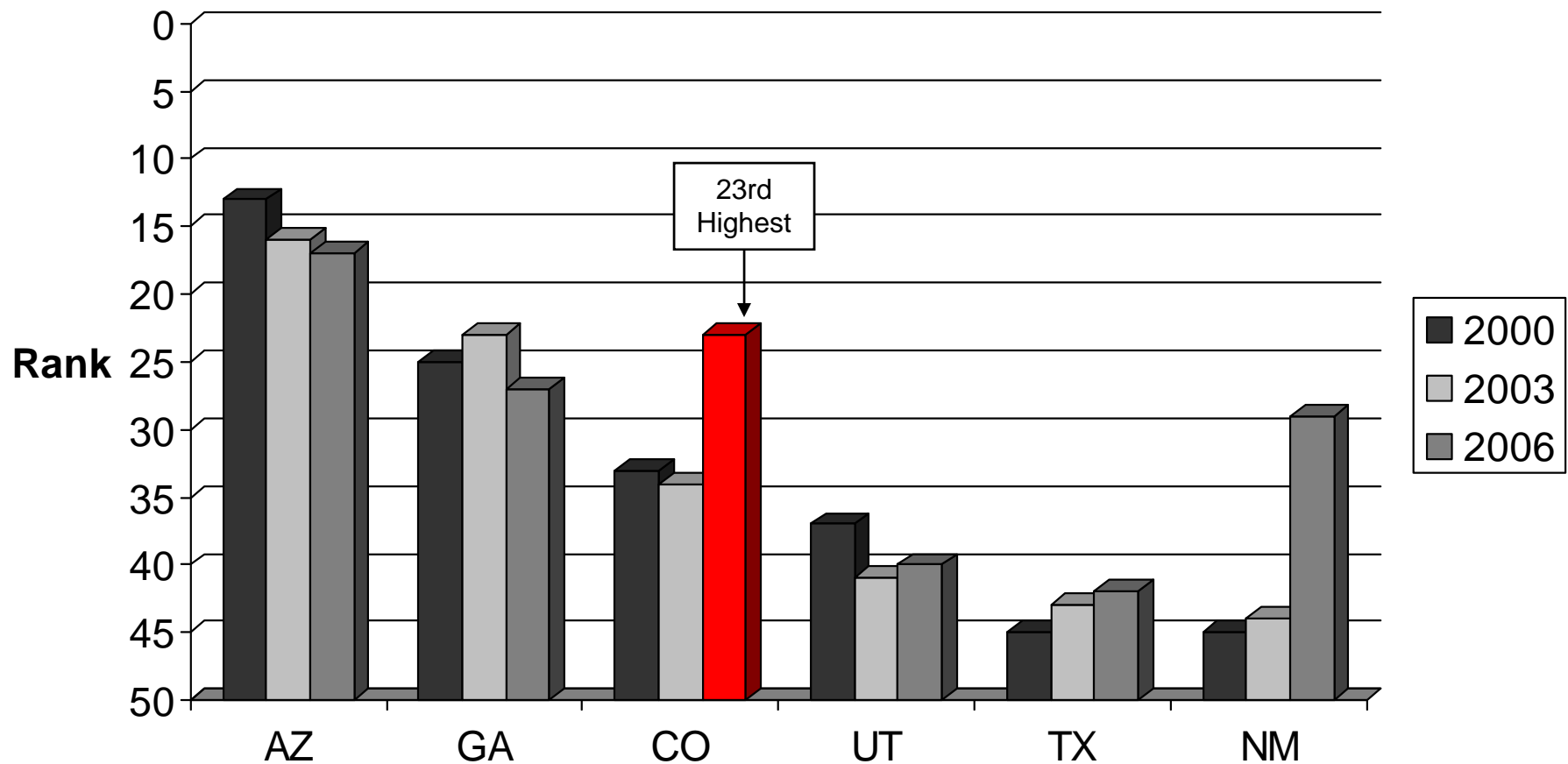
Recent initiatives in mandated use of renewable energy sources - particularly wind energy - coupled with increased private and public sector interest has improved Colorado's ranking.

Fig. 175

Percent of Electricity Generated Through Renewable Sources

Energy Information Administration

Colorado vs. Competitors



Arizona initiated a series of renewable energy programs near the turn of the century. The state's early start has given Arizona its present competitive advantage over neighboring states. In recent years Colorado has adopted a more aggressive program.

Fig. 176

Our Conclusions

- Colorado stands at the crossroads of incredible economic opportunity.....the potential to lead the nation in energy research and development, alternative sources of energy and energy conservation.
- To become the State that takes us back to the Moon and on to Mars
- We may become the State where many of the cures for cancer are discovered.
- We remain nationally and globally competitive in the quality of our workers and the industries that are driving our economy.

- We are challenged with igniting our children's interest in science, technology, engineering and math.
- We risk turning our major universities from “best in class” to “second tier”.
- Unlike some other states where the economic challenges are virtually intractable, Colorado's problems are solvable.