



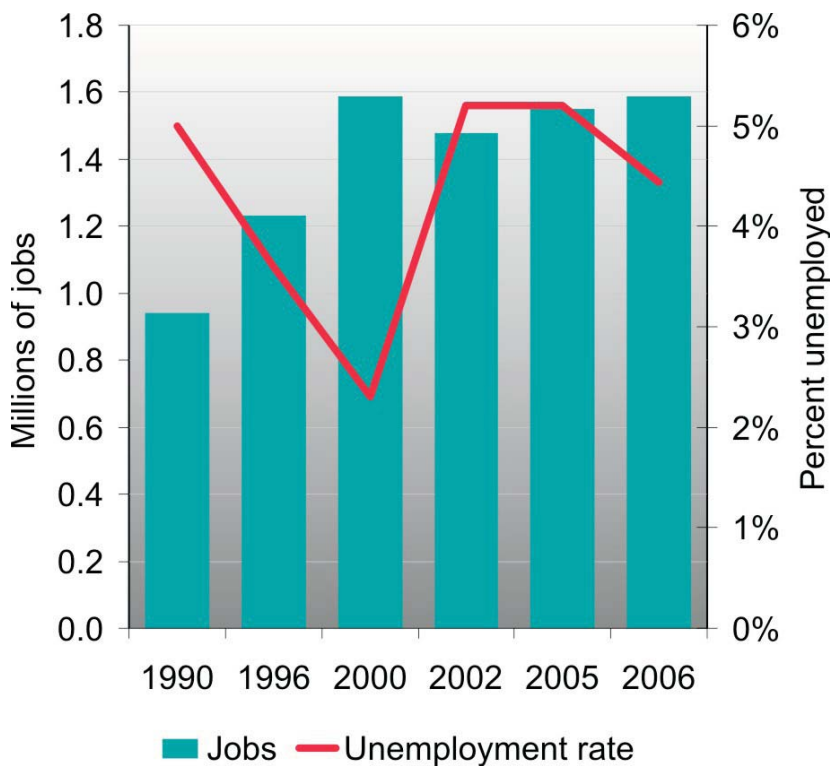
Economic Activity

Goal: Maintain and improve quality of life in the Denver region. Build on our region's stature as the economic and cultural center of the Rocky Mountain region and position our region as one of the nation's most attractive and desirable metropolitan areas.

Measures: Employment growth, unemployment rate, industry mix, wage/salary levels and new business starts.

Conclusions: In the 1990s, our region was a national leader in employment and income growth due to strong telecommunications and technology industries. The recession in the early 2000s, however, eliminated many of the jobs that kept our economy strong. Employment growth in the professional services sector in recent years allowed our region to recover many of the jobs lost and employment numbers are now similar to what they were in 2000.

Jobs and Unemployment Rate



MEASURING PROGRESS

REGIONAL PERFORMANCE MEASURES AND INDICATORS

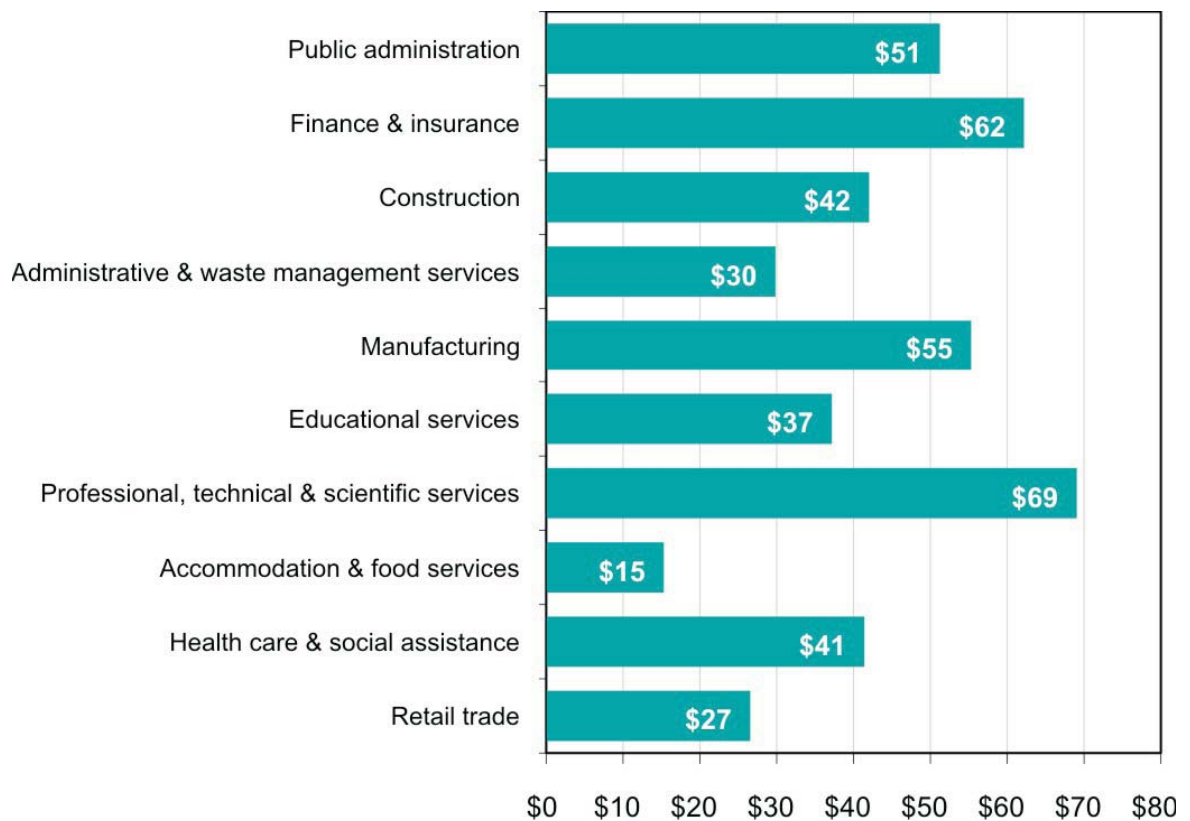
DRCOG expects continued employment gains over the next few years, particularly within the service sectors. The Bureau of Economic Analysis recently credited the “increasing role of the Denver, Colorado, metropolitan area as a regional trade and service center” as the motivator for growth in service industries.

Additionally, DRCOG expects the engineering sectors to continue adding jobs, as many local businesses reap the benefits of federal defense, space exploration, and homeland security contracts.

Economies with a diversity of industries are more likely to survive economic recession, and our region’s economy has diversified over time. In 2002, the 10 largest employment categories accounted for 83 percent of our region’s wage and salary jobs. By 2005, the 10 largest categories accounted for only 75 percent of jobs.

Many of the industries that produce jobs within our region pay high average wages. For example, firms within the professional, scientific, technical, finance and insurance industries pay average salaries that exceed \$60,000. These industries attract a variety of skilled workers who demand high wages and help expand our local economy.

Average Annual Wages in 2005 - Top Ten Industries (Thousands of Dollars)



In the early 1990s, our region experienced a large jump in the number of new businesses. After 2000, the rate of start-ups began to fall. However, approximately 8,000 new businesses started up between 2002 and 2005, indicating confidence in our region’s economy.

Action Steps: To promote economic health, our region can take the following actions:

- Support economic development programs targeting industries that will provide jobs with the appropriate wage and skill levels for the resident labor force.
- Provide the infrastructure needed to attract industry clusters that will further diversify the economy, such as biotech and software development.
- Encourage new business starts by streamlining the permit and licensing process for small business.
- Provide programs that support existing businesses.
- Retain individuals who are educated in Colorado's school system and encourage them to obtain higher levels of education.