



FINANCIAL SERVICES

Metro Denver and Northern Colorado Industry Cluster Profile

The nine-county Metro Denver and Northern Colorado region¹ is the major financial center between Los Angeles and Chicago, with downtown Denver's financial district along 17th Street known as the "Wall Street of the West." The financial services cluster includes companies involved in a wide range of activities and is divided into three subclusters: (1) banking and finance, (2) investments, and (3) insurance. The banking and finance subcluster is comprised of transaction-oriented companies including commercial banks and credit unions, lenders, credit agencies, and mortgage bankers. The investments subcluster includes companies involved in securities and commodities trade, real estate investment trusts (REITS), and portfolio management. The insurance subcluster is comprised of insurance carriers and brokerages.

A variety of trade associations and service firms support the region's diverse financial services industry base of about 13,320 companies and more than 86,070 employees. The Colorado Bankers Association is a key industry partner (www.coloradobankers.org) representing all Colorado banks and provides government relations, community relations, educational and training services, and bank insurance. The Colorado Association of Mortgage Brokers (www.camb.org) is another nonprofit trade group representing Colorado's financing professionals specializing in origination of residential and commercial mortgages and offers professional development opportunities and member certification support.

Denver is home to a branch of the Federal Reserve Bank and one of only six U.S. Mints. The Denver Mint manufactures all denominations of circulating coins, coin dies, the Denver "D" portion of the annual uncirculated coin sets, and commemorative coins authorized by the U.S. Congress. The Denver Mint stores gold and silver bullion and produced more than 3.2 billion coins in 2010.

A central location and position as a global commercial gateway gives financial services companies in the region a competitive edge. Notable company announcements in 2011 included:

- Chase Bank plans to add 100 personal bankers, mortgage loan officers, business bankers, and customer service representatives in Denver.
- Online payment processor eWise received \$14 million in venture capital funding that will enable the company to accelerate its plans to transform the payments landscape and hire additional company-wide positions. The company moved its headquarters from Sydney, Australia, to Denver in 2011 and cited the region's highly educated workforce, overall quality of life, and concentration of recognized headquarters for major technical operations of payment industry companies as key factors in its location decision.
- Englewood-based Western Union acquired the business payments division of London's Travelex Holdings Ltd. With the \$976 million acquisition of Travelex Global Payments, Western Union will gain access to the multinational business-to-business payments market with the potential to expand to 200 countries. The company also launched a new division to develop new services for customers. Western Union Ventures will oversee mobile money transfers, business-to-business payments, and new products and services.
- Chicago-based business insurance provider CNA Financial Corp. celebrated the grand opening of its 50,000-square-foot Western Service Center in Lone Tree. The company plans to add 150 positions in billing and collections, claims support, and other divisions by the end of 2012. CNA chose a Metro Denver location because the region offers affordable housing, a skilled workforce, and excellent higher education resources.

¹ The nine-county Metro Denver and Northern Colorado region consists of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, Larimer, and Weld Counties.

- Kaiser Permanente Colorado plans to expand insurance coverage to Northern Colorado residents in 2012. Pending regulatory approval, Kaiser will offer coverage to Loveland, Fort Collins, and Greeley employers in 2012 and expand to families and individuals in 2013.
- New York-based Merrill Lynch Wealth Management, a unit of Bank of America, relocated its regional headquarters to the Denver Tech Center. The Heartland Market, one of 11 nationwide, includes Colorado, Arkansas, Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Wisconsin, and Wyoming.
- PricewaterhouseCoopers relocated its 17th Street Denver office to a new, customized workspace in LoDo and added 65 staff members.
- New York Life hired 40 new agents in Colorado and could hire an additional 35 agents to meet increased customer demand. The company has more than 230 agents and employees managing nearly \$8 billion in life insurance and investment assets in the state.
- San Francisco-based Bank of the West plans to double the size of its small business banking team. As a result of increased demand for small business loans, the company could hire 50 small business bankers in Denver as well as Oregon, Utah, and several other states.
- Las Vegas-based Meadows Bank opened a Small Business Administration (SBA) loan production office in Denver. The full-service community bank specializes in SBA and U.S. Department of Agriculture Rural Development lending.
- Greenwood Village-based Great West Life & Annuity Insurance Co. and Junior Achievement (JA) opened the JA Finance Park in downtown Denver. The 5,500-square-foot interactive park includes a college and career corner, a gathering park, and two dozen kiosks and storefronts to teach Metro Denver students practical financial, investment, and budgeting skills. The program fulfills state-mandated financial literacy requirements.

The nine-county region's growing population and expanding business base give rise to a corresponding demand for a full range of financial services, technology, and products. Between 2000 and 2010, the region added more than 503,680 residents—totaling 2.8 million in 2010—and was the eighth-fastest growing region among the largest metropolitan statistical areas over the same period. Also, the region continues to make investments that attract top corporations. Nine companies headquartered in the region were included on the 2011 Fortune 500 list with revenues totaling more than \$79 billion. The region's venture capital and investment firms are highly active and support entrepreneurial and high-growth companies. According to PricewaterhouseCoopers' *MoneyTree Report*, Colorado companies in the financial services industry attracted seven deals totaling \$75.3 million in venture capital over the past five years. Across all industries, firms invested nearly \$3 billion in more than 450 deals over the past five years.

A number of associations and organizations support entrepreneurship and venture capital financing in Colorado. The Colorado Venture Capital Association (www.coloradovca.org) promotes venture capital funding and venture capital-funded companies in Colorado and holds an annual "Venture Capital in the Rockies" conference to showcase emerging companies and further venture funding in the state (www.vcintherockies.com). The Rockies Venture Club (www.rockiesventureclub.org) is a nonprofit organization that encourages entrepreneurship in the region by connecting entrepreneurs, service professionals, investors, and venture capitalists and offers workshops, training, and capital conferences for its members. The Rocky Mountain MicroFinance Institute (RMMFI) is a nonprofit organization serving the needs of community entrepreneurs to foster growth within Denver communities. RMMFI combines affordable and accessible business development services and flexible microloans in an effort to support entrepreneurs in creating economic self-sufficiency through business ownership (www.rmmfi.org). Metropolitan State College of Denver's Center for Innovation offers management training, programs, and financing to help students and community members realize the career options in self-employment, entrepreneurship, and small business ownership. The Center, supported by its first seed gift of \$100,000 from financial services firm BNY Mellon, launched a first-of-its-kind franchise ownership program in 2011 that distributes seed capital to participants and two months of franchise-management training for an initial investment of \$5,000 to \$10,000.

The Leeds School of Business at the University of Colorado Boulder received a \$2.5 million gift from alumnus Richard “Dick” M. Burrige Sr. to establish the first-ever finance chair within the school. The gift will help educate future finance leaders and expand and support the school’s finance faculty. In 1997, Burrige helped launch the Leeds School of Business Center for Securities Analysis and Valuation that has fostered research and dialogue on issues impacting money managers, their clients, and the U.S. securities markets.

Financial Services Economic Profile

Banking and Finance

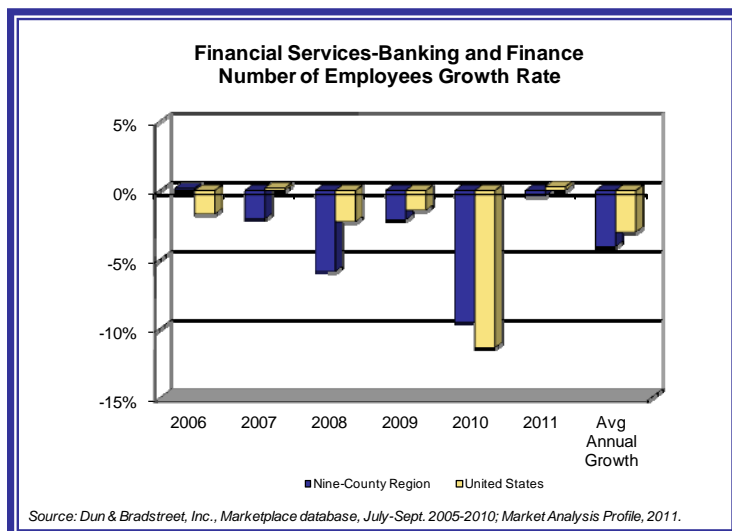
The banking and finance subcluster consists of 16, six-digit North American Industry Classification System (NAICS) codes including both depository and non-depository institutions such as commercial banks, credit card companies, and mortgage brokers.

The nine-county region ranked fourth out of the 50 largest metro areas in banking and finance employment concentration in 2011. With direct employment in banking and finance of about 38,460 workers, the region ranked 10th in absolute employment. About 78 percent of Colorado’s banking and finance industry employees worked in the region.

	<u>Nine-County Region</u>	<u>U.S.</u>
Direct Employment, 2011	38,460	2,118,120
Number of Direct Companies, 2011	4,190	269,280
One-Year Direct Employment Growth, 2010-2011	-0.4%	0.3%
Five-Year Direct Employment Growth, 2006-2011	-18.7%	-14.2%
Avg. Annual Direct Employment Growth, 2006-2011	-4.1%	-3.0%
Direct Employment Concentration	2.2%	1.5%

Sources: Dun & Bradstreet, Inc. Marketplace database, July-Sept. 2006-2010; Market Analysis Profile, 2011; Development Research Partners.

Banking and Finance Employment



- The banking and finance subcluster directly employed about 38,460 people in the nine-county region in 2011.
- Banking and finance companies employed 2.2 percent of the region’s total employment base, compared with a 1.5 percent national employment concentration.
- Significant volatility, global turmoil, and job losses continue to weigh on the banking and finance subcluster. Employment in the region declined 18.7 percent between 2006 and 2011, compared with a 14.2 percent decline nationwide.

- More than 57 percent of the region’s banking and finance subcluster employees worked in commercial banking, mortgage banking and loan correspondence, and loan brokerage companies. Nearly 82 percent of banking and finance employees worked in the City and County of Denver (33 percent) and in Arapahoe (33 percent) and Jefferson (16 percent) Counties.

Banking and Finance Wages

The 2010 average annual salary for a banking and finance worker in the nine-county region was \$61,430, compared with the national average of \$62,390. Total payroll for the banking and finance subcluster in the region reached nearly \$2.4 billion in 2010.

Denver-Aurora-Broomfield MSA Occupational Salaries, 2010 Annual Average

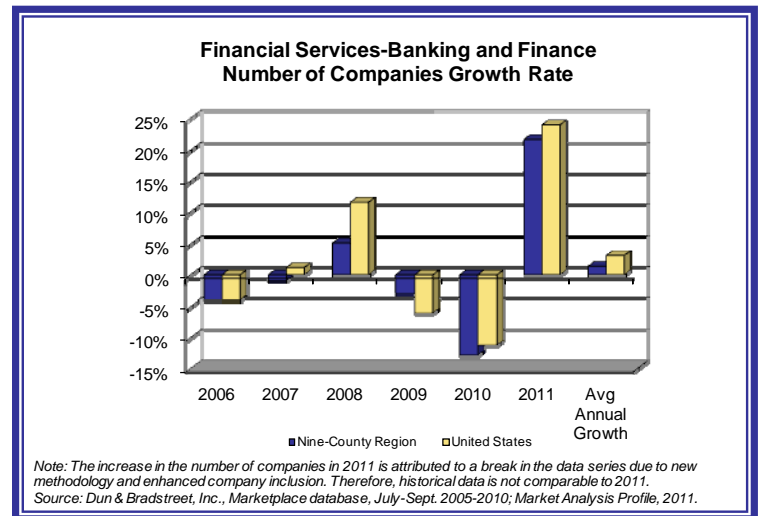
Financial Managers	\$125,970
Loan Officers	\$69,630
Tellers	\$26,920

Note: Mean annual salary data is for the 10-county Denver-Aurora-Broomfield Metropolitan Statistical Area (MSA) consisting of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park Counties.

Source: U.S. Bureau of Labor Statistics, Metropolitan Area Occupational Employment and Wage Estimates, May 2010, www.bls.gov.

Banking and Finance Companies

- About 4,190 banking and finance companies operated in the nine-county region in 2011.
- Nearly 70 percent of the region's banking and finance companies employed fewer than 10 people, while 0.4 percent employed 250 or more.
- Approximately 64 percent of the region's banking and finance companies provided commercial banking, mortgage banking, loan correspondance, and loan brokerage services.
- Sixty-two percent of the region's banking and finance subcluster companies were located in Arapahoe (22 percent) and Jefferson (18 percent) Counties and in the City and County of Denver (21 percent).



Major Banking and Finance Companies

- Aurora Bank FSB
www.aurorabankfsb.com
- Bank of the West
www.bankofthewest.com
- BBVA Compass Bank
www.bbvacompass.com
- Bellco Credit Union
www.bellco.org
- Citywide Banks
www.citywidebanks.com
- CoBank
www.cobank.com
- Colorado Business Bank
www.cobizbank.com
- Colorado Housing and Finance Authority
www.chfainfo.com
- Colorado State Bank and Trust
www.csbt.com
- FirstBank Holding Company
www.efirstbank.com
- KeyBank
www.key.com
- Meadows Bank
www.meadowsbank.com
- MoneyGram International, Inc.
www.moneygram.com
- Nelnet
www.nelnet.com
- Pulte Mortgage
www.pultemortgage.com
- Specialized Loan Servicing LLC
www.sls.net
- U.S. Bank
www.usbank.com
- Vectra Bank Colorado
www.vectrabank.com
- VISA Debit Processing Services
www.visadps.com
- Wall Street on Demand
www.wallst.com

Major Banking and Finance Companies Cont'd

- First Data Corporation
www.firstdata.com
 - Guaranty Bank and Trust
www.guarantybankco.com
 - JP Morgan Chase & Co.
www.chase.com
- Wells Fargo Bank Colorado
www.wellsfargo.com
 - Western Union
www.westernunion.com

Investments

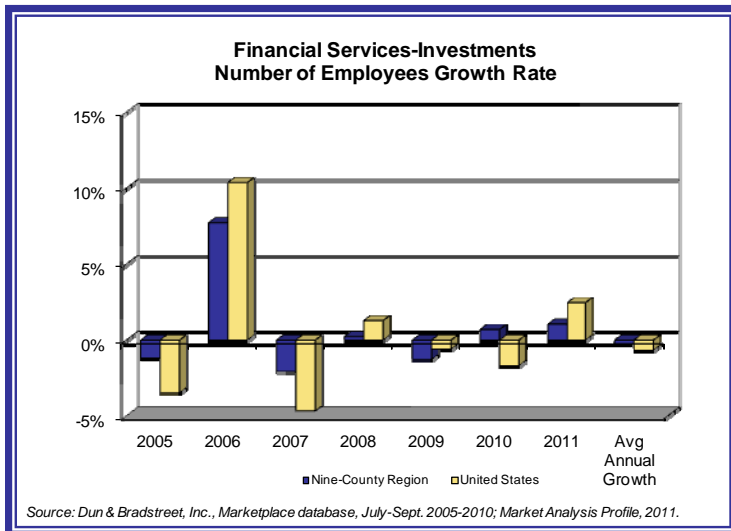
The investments subcluster consists of 15, six-digit North American Industry Classification System (NAICS) codes including companies involved in securities, brokerage, real estate investment trusts, and holding companies.

The nine-county region ranked eighth out of the 50 largest metro areas in investments employment concentration in 2011. With direct employment of 22,520 investment workers, the region ranked 12th in absolute employment. About 78 percent of Colorado's investments subcluster employees worked in the region.

	Nine-County Region	U.S.
Direct Employment, 2011	22,520	1,096,940
Number of Direct Companies, 2011	5,440	260,820
One-Year Direct Employment Growth, 2010-2011	1.1%	2.5%
Five-Year Direct Employment Growth, 2006-2011	-1.4%	-3.3%
Avg. Annual Direct Employment Growth, 2006-2011	-0.3%	-0.7%
Direct Employment Concentration	1.3%	0.8%

Sources: Dun & Bradstreet, Inc. Marketplace database, July-Sept. 2006-2010; Market Analysis Profile, 2011; Development Research Partners.

Investments Employment



- The investments subcluster directly employed about 22,520 people in the nine-county region in 2011.
- Investment companies employed 1.3 percent of the region's total employment base, compared with a 0.8 percent national employment concentration.
- Employment in the region's investments subcluster decreased 1.4 percent between 2006 and 2011, compared with a 3.3 percent decline nationwide.
- Fifty-nine percent of investments employees worked in the City and County of Denver (34 percent) and in Arapahoe County (25 percent). More than 56 percent of investments employees worked in security brokering and dealing, and investment advice.

Investments Wages

The 2010 average annual salary for an investments worker in the nine-county region was \$174,770, compared with the national average of \$183,540. The region's investment subcluster payroll reached nearly \$3.9 billion in 2010.

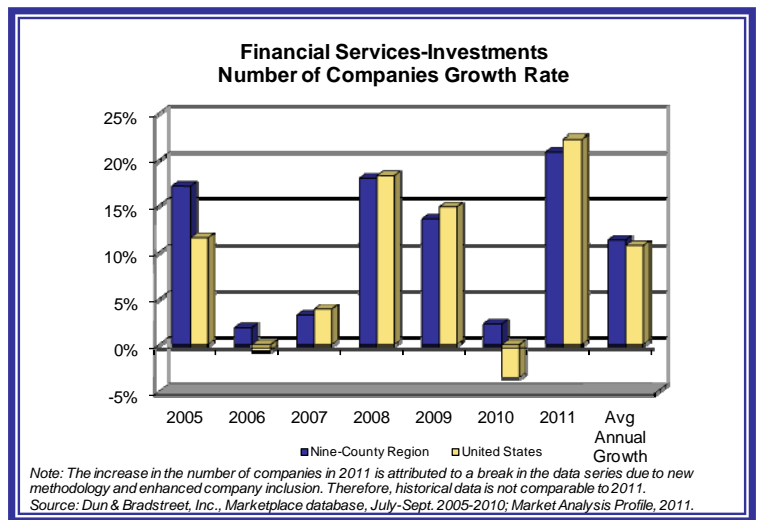
Denver-Aurora-Broomfield MSA Occupational Salaries, 2010 Annual Average

Financial Analysts	\$85,110
Financial Specialists	\$71,070
Securities, Commodities, and Financial Services Sales Agents	\$66,210

Note: Mean annual salary data is for the 10-county Denver-Aurora-Broomfield Metropolitan Statistical Area (MSA) consisting of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park Counties.
Source: U.S. Bureau of Labor Statistics, Metropolitan Area Occupational Employment and Wage Estimates, May 2010, www.bls.gov.

Investment Companies

- About 5,440 investment companies operated in the nine-county region in 2011.
- Approximately 90 percent of the region's investment companies employed fewer than 10 people, while 0.2 percent employed 250 or more.
- Nearly 65 percent of companies in the investments subcluster provided security brokering and dealing, investment advice, and other investment services.
- More than half of the investment companies in the region were located in Jefferson (18 percent) and Arapahoe (15 percent) Counties and in the City and County of Denver (18 percent).



Major Investment Companies

- Atlantic Trust
www.atlantictrust.com
- Charles Schwab & Co.
www.schwab.com
- Curian Capital
www.curian.com
- Edward Jones
www.edwardjones.com
- Janus Capital Group
www.janus.com
- Johnson Capital
www.johnsoncapital.com
- Lipper Analytical Services
www.lipperweb.com
- Marsico Capital Management LLC
www.marsicocapital.com
- Merrill Lynch
www.ml.com
- Morgan Stanley
www.morganstanley.com
- Oppenheimer Funds
www.oppenheimerfunds.com
- RBC Wealth Management
www.rbcwm-usa.com
- Scottrade
www.scottrade.com
- TIAA-CREF
www.tiaa-cref.org

Insurance

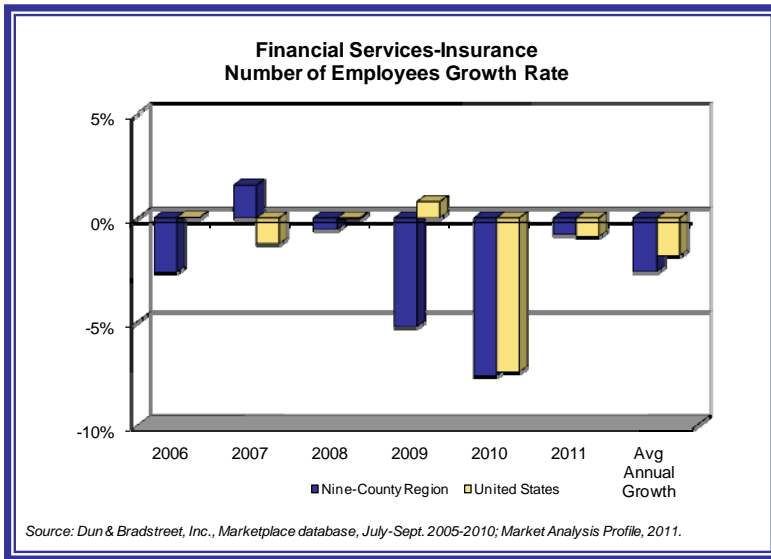
The insurance subcluster consists of 13, six-digit North American Industry Classification System (NAICS) codes including companies involved in all types of insurance ranging from life, accident, health, casualty, title, and surety insurance to pension, health, and welfare funds businesses.

The nine-county region ranked 26th out of the 50 largest metro areas in insurance employment concentration in 2011. With direct employment in the insurance subcluster of about 25,100 workers, the region ranked 17th in absolute employment. Approximately 75 percent of Colorado's insurance subcluster employment was located in the region.

	<u>Nine-County Region</u>	<u>U.S.</u>
Direct Employment, 2011	25,100	1,765,490
Number of Direct Companies, 2011	3,690	284,970
One-Year Direct Employment Growth, 2010-2011	-0.8%	-0.9%
Five-Year Direct Employment Growth, 2006-2011	-12.3%	-8.8%
Avg. Annual Direct Employment Growth, 2006-2011	-2.6%	-1.8%
Direct Employment Concentration	1.4%	1.2%

Sources: Dun & Bradstreet, Inc. Marketplace database, July-Sept. 2006-2010; Market Analysis Profile, 2011; Development Research Partners.

Insurance Employment



- The insurance subcluster directly employed about 25,100 people in the nine-county region in 2011.
- Insurance companies employed 1.4 percent of the region's total employment base, compared with a 1.2 percent employment concentration nationwide.
- Insurance employment in the region was primarily concentrated in insurance agents and brokers (61 percent) and health and medical insurance carriers (15 percent).
- Nearly 64 percent of insurance employees worked in Arapahoe County (33 percent) and in the City and County of Denver (31 percent).

Insurance Wages

Total nine-county payroll in the insurance subcluster reached nearly \$1.6 billion in 2011. The 2010 average annual salary for insurance employees in the region was \$62,840, compared with the national average of \$72,120.

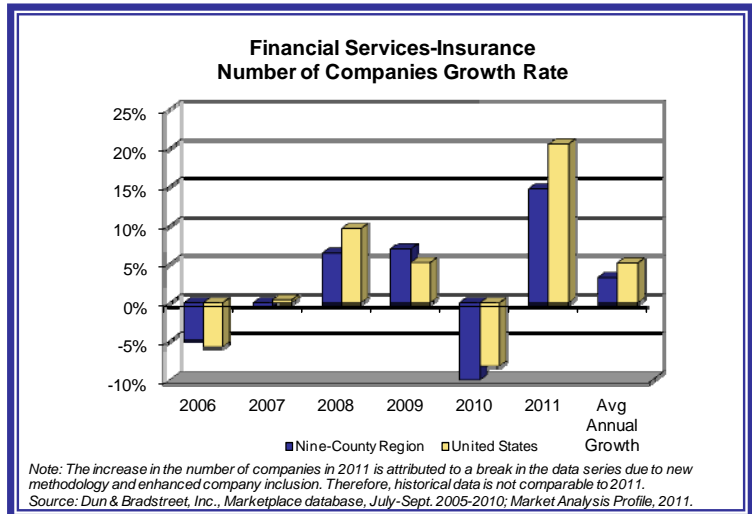
Denver-Aurora-Broomfield MSA Occupational Salaries, 2010 Annual Average

Insurance Sales Agent	\$69,950
Insurance Underwriters	\$65,790
Insurance Claims and Policy Processing Clerks	\$39,330

Note: Mean annual salary data is for the 10-county Denver-Aurora-Broomfield Metropolitan Statistical Area (MSA) consisting of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park Counties.
Source: U.S. Bureau of Labor Statistics, Metropolitan Area Occupational Employment and Wage Estimates, May 2010, www.bls.gov.

Insurance Companies

- About 3,690 insurance companies operated in the nine-county region in 2011.
- Nearly 88 percent of the region's insurance companies employed fewer than 10 people, while 0.3 percent employed 250 or more.
- Approximately 86 percent of companies in the insurance subcluster were insurance agencies and brokerages.
- About 57 percent of the insurance subcluster companies were located in Jefferson (21 percent) and Arapahoe (21 percent) Counties and in the City and County of Denver (15 percent).



Major Insurance Companies

- 2-10 Home Buyers Warranty Corp.
www.2-10.com
- Allied Insurance
www.alliedinsurance.com
- Allstate Insurance
www.allstate.com
- American Family Insurance
www.amfam.com
- Anthem Blue Cross and Blue Shield
www.anthem.com
- CNA Surety Corp.
www.cnasurety.com
- Farmers Insurance
www.farmers.com
- Great-West Life & Annuity Insurance Co.
www.greatwest.com
- IMA Financial Group
www.imacorp.com
- Jackson National Life Insurance Co.
www.jackson.com
- Kaiser Permanente
www.kaiserpermanente.org
- Land Title Guarantee Company
www.ltgc.com
- Lockton Companies
www.lockton.com
- New York Life
www.newyorklife.com
- Pinnacol Assurance
www.pinnacol.com
- Security Life of Denver Insurance Company
www.ing-usa.com
- State Farm Insurance
www.statefarm.com
- United Healthcare
www.uhc.com
- Van Gilder Insurance Corporation
www.vgic.com

Key Reasons for Financial Services Companies to Locate in the Nine-County Region

The region is a top location for financial services companies offering:

1. Access to a large, highly qualified workforce

- Of Colorado's adult population, about 36 percent has completed a bachelor's or higher-level degree. That makes Colorado the second-most highly educated state in the nation behind Massachusetts. (U.S. Census Bureau, 2010 American Community Survey)
- Metro Denver has a higher-than-average concentration of employment in business and financial operations occupations, which range from financial managers and specialists to financial clerks. About 6.2 percent of Metro Denver's labor force is employed in business and financial operations occupations, compared with the U.S. average of 4.6 percent. (U.S. Census Bureau, 2006-2010 American Community Survey 5-Year Estimates)

- Metro Denver ranked as the 11th-best metro area for business in 2011. The report ranked the nation's largest metropolitan areas based on concentration of company headquarters, job growth and unemployment, tourism business, and personal income growth. Denver received honorable mention for its high concentration of companies. (MarketWatch.com, 2011)
- Denver ranked as the second-best U.S. city for jobs in the finance sector. The ranking reflects the volume of job openings in financial services staffing company Accounting Principle's branches around the country. Denver's thriving energy sector and improving manufacturing outlook contributed to its high rank. (Accounting Principles, 2011)
- About 2.6 percent of the 64,200 certified financial planner certificates in the U.S. are held in Colorado even though Colorado's population represents just 1.6 percent of the national total. (Certified Financial Planner Board of Standards, Inc., 2011; U.S. Census Bureau, 2011)
- *Financial Times* ranked the University of Denver Daniels College of Business among the world's top 100 executive MBA programs. Criteria for the ranking included diversity, faculty, quality, and students' post-graduate salaries. (*Financial Times*, 2011)
- Three Colorado universities ranked among the top 100 nationwide in *Bloomberg Businessweek's* annual ranking of the "Best Undergraduate Business Schools." The University of Denver Daniels College of Business ranked 64th overall, the College of Business at Colorado State University in Fort Collins ranked 89th, and the University of Colorado Boulder Leeds School of Business ranked 97th. The ranking evaluated a variety of metrics for academic quality, student satisfaction, and post graduation experience. (*Bloomberg Businessweek*, 2011)
- *Forbes* ranked Metro Denver seventh among "America's Best Cities for Young Professionals." Rankings of the nation's 100 largest metropolitan areas were based on seven factors ranging from unemployment rate and average salary for college graduates to affordability and public company presence. Denver received particular accolades for its highly educated population, healthy job growth rate, and large concentration of small businesses. (*Forbes*, 2011)
- Denver ranked fourth among the nation's "Top 10 Best Cities for Recent College Graduates," according to a 2011 ranking by Apartments.com and CareerRookie.com. The ranking considered each city's average apartment rent, availability of early-career jobs, and concentration of youth in their early- to mid-twenties. (Apartments.com, 2011; CareerRookie.com, 2011)
- *Forbes* ranked Metro Denver eighth on its list of "America's Biggest Brain Magnets" in 2011. The ranking selected metro areas with at least one million residents and used Census data to measure each area's increase in college-educated population between 2007 and 2009. (*Forbes*, 2011)

2. An overall better quality of life

- Louisville topped *Money Magazine's* 2011 list of the "Best Places to Live," which highlights small cities and towns that offer excellent housing and education, job opportunities, and abundant activities. Castle Rock (19th), Superior (20th), and Parker (29th) were also named to the list. (*Money Magazine*, 2011)
- *The Daily Beast* ranked Denver first among the nation's 30 fittest cities. The ranking reflects each city's percentage of physically active residents, the percentage of residents in good or excellent health, the percentage of residents characterized as obese, each city's placement on the Gallup-Healthways "Well-Being Index," and healthy behavior. (*The Daily Beast*, 2011)
- Denver ranked among five U.S. "Cities on the Edge" of greatness and received accolades for its educated population and support for extreme sports, according to Sperling's Best Places on behalf of Edge® Shave Gel. Criteria included commitment to green living and the vibrancy of each city's arts, culture, and sports scenes. (Sperling's Best Places, 2011)
- Boulder outranked all other metro areas in the 2010 Gallup-Healthways "Well-Being Index." Boulder ranked first among 188 metros tracked for the index, which reflects how well metro

areas support physical and mental health, healthy behaviors, and other factors central to well-being. The survey-based index has a statewide component that ranked Colorado fifth for its residents' overall well-being. (Gallup-Healthways, 2011)

- Colorado's adults have the lowest prevalence of obesity in the nation (19.8 percent) and it is the only state with an obesity rate below 20 percent. (Trust for America's Health, 2011; Robert Wood Johnson Foundation, 2011)
- Boulder ranked third on RelocateAmerica's 2011 list of the "Top 100 Places to Live." Criteria for the ranking included quality of life, community leadership, and measures related to education and employment. (RelocateAmerica, 2011)
- Colorado has the third-highest percentage of state land area devoted to the National Forest System, according to the U.S. Forest Service. With more than 40 state parks, 56 national parks and wilderness areas, and the greatest number of 14,000-foot peaks in the nation, Colorado's quality outdoor recreation serves as a cornerstone of the state's economy. (U.S. Forest Service, 2011; Colorado State Parks, 2011; Wilderness.net, 2011)
- The cost of living in Metro Denver is only five percent above the national average and is well below that of many other major cities. (The Council for Community and Economic Research, ACCRA Cost of Living Index, Q3 2011)
- Metro Denver's third quarter 2011 median home price of \$235,600 was significantly less than comparable communities on the east and west coasts, but is higher than the national median price of \$169,500. Metro Denver ranked 21st among 152 metro areas for median single-family home price in the third quarter of 2011. (National Association of Realtors, Q3 2011)
- Metro Denver voters approved the funding of FasTracks in November 2004. FasTracks is a \$7.8 billion comprehensive plan for the design and construction of high-quality, multimodal transit service and facilities. FasTracks will vastly improve mobility throughout the region.
- With sunshine on nearly 70 percent of the days each year, Metro Denver ranked third-sunniest among 20 major U.S. cities. (U. S. National Oceanic and Atmospheric Administration, National Climatic Data Center, 2011)

3. Low to moderate costs of doing business

- Colorado has one of the nation's most small business friendly environments. The state ranked among the top 10 in the Small Business & Entrepreneurship Council's 2011 "Small Business Survival Index," which considers property rights, healthcare and energy costs, individual and corporate tax rates, and government spending. The state ranked most favorably for taxes on capital gains and corporate income. (Small Business & Entrepreneurship Council, 2011)
- Metro Denver ranked ninth on *Forbes'* 2011 list of the "Best Places for Business and Careers." Criteria for the ranking included costs of doing business, educational attainment, and projected economic growth. Four other Colorado metropolitan areas ranked among the top 50. The Fort Collins metro area ranked fifth overall, Colorado Springs ranked 30th, Greeley ranked 42nd, and Boulder ranked 44th. (*Forbes*, 2011)
- Metro Denver office rental rates averaged \$23.99 per square foot in the fourth quarter of 2011, making the region's office market highly competitive with other major markets in the U.S. (CoStar Realty Information, The CoStar Office Report, Q4 2011)
- The \$13 registration fee for brokers and dealer representatives in Colorado is one of the lowest in the nation. (State of Colorado, Division of Securities)

4. A pro-business environment and competitive tax structure

- Colorado offers a simple corporate income tax structure based on single-factor apportionment, which allows companies to pay taxes based solely on their sales in the state. Along with few regulatory burdens, Colorado's corporate income tax rate of 4.63 percent is one of the lowest and most competitive tax structures in the nation. (State of Colorado; The Tax Foundation)
- Colorado's general Insurance Premium Tax is lower than taxes in 16 other states. The state's Insurance Premium Tax is generally two percent, but businesses with a home or

regional office in Colorado are only taxed one percent. (National Association of Insurance Commissioners, 2009)

- Colorado ranked sixth in the 2011 *ALEC-Laffer State Economic Competitiveness Index*, which evaluates the link between states' policies and economic performance. Low taxes on income, property and business, restrictive government spending, and the absence of an estate tax boosted Colorado's ranking. (American Legislative Exchange Council, 2011)
- Colorado ranked fifth among the nation's top states for business, according to an annual ranking by *CNBC*. The ranking evaluated each state's composite scores on 43 metrics in 10 broad categories, and Colorado earned top 10 rankings in the categories that measure business friendliness (sixth), quality of life (seventh), and workforce (seventh). (*CNBC*, 2011)
- Colorado companies received nearly \$3 million of venture capital funding in 2011 for the financial services industry. (PricewaterhouseCoopers, *MoneyTree Report*, 2011)
- Colorado ranked second in entrepreneurship and innovation and seventh in workforce development and training, according to the U.S. Chamber of Commerce and the National Chamber Foundation's *Enterprising States* report. The state also received notable recognition in the infrastructure and tax and regulation categories. States with top rankings support job growth and emphasize business-friendly policy, training, infrastructure, and entrepreneurship. (National Chamber Foundation, 2011)
- The Colorado Innovation Network (COIN)—a privately funded alliance designed to foster new technology development across the state's existing and emerging industries—launched in 2011. COIN is part of Gov. John Hickenlooper's economic development plan, Blueprint Colorado, and will eventually operate from a business incubator in the Denver Tech Center.

5. A central location and easy global access

- Denver International Airport (DIA) was the fifth-busiest airport in the nation and 10th-busiest worldwide in terms of passenger traffic in 2010. The airport is home to 14 commercial airlines—the largest of which are United Airlines, Southwest, and Frontier Airlines—that offer scheduled nonstop service to more than 160 domestic and international destinations. (U.S. Bureau of Transportation Statistics, 2011; Airports Council International, 2011; and Denver International Airport, 2011)
- Metro Denver's unique geographic location in the Mountain time zone makes it the largest region in the U.S. to offer one-bounce satellite uplinks. This capability provides companies with real-time connections to six of seven continents in one business day. (Metro Denver Economic Development Corporation)
- The *U.S. News and World Report* ranked Denver the best city for public transportation in 2011. Criteria for the ranking included public transportation investment, safety, and ridership. Denver's light rail and bus rapid transit lines, convenient airport shuttle service, and ongoing \$7.8 billion FasTracks expansion contributed to this top position. (*U.S. News & World Report*, 2011)
- The nine-county region's central U.S. location allows convenient access as air travelers can easily reach two-thirds of the nation within two hours. Further, the region is within four hours flying time of every North American city with a population of one million or more. (Metro Denver Economic Development Corporation)
- About 82 percent of all commercial flights arrived on time at DIA in the first 10 months of 2011, giving it the seventh-best on-time arrival average among the nation's major airports. That arrival record was higher than the national average of 78.6 percent. (U.S. Bureau of Transportation Statistics, 2011)
- The risk of natural disasters (hurricanes, tornados, and earthquakes) in Metro Denver is minimal compared to locations on the east, west, and southern coasts. (National Oceanic and Atmospheric Administration, 2011; University of Miami, 2011; U.S. Geological Survey, 2011)

Financial Services Industry Cluster Definition

NAICS Code	NAICS Description	SIC Code	SIC Description
Banking and Finance			
521110	Monetary authorities	6011	Federal reserve banks
522110	Commercial banking	6021	National commercial banks
522110	Commercial banking	6022	State commercial banks
522110	Commercial banking	6029	Commercial banks, NEC
522110	Commercial banking	6081	Foreign bank & branches & agencies
522120	Savings institutions	6035	Federal savings institutions
522120	Savings institutions	6036	Savings institutions, except federal
522130	Credit unions	6061	Federal credit unions
522130	Credit unions	6062	State credit unions
522190	Other depository credit intermediation	6022	State commercial banks
522210	Credit card issuing	6021	National commercial banks
522210	Credit card issuing	6022	State commercial banks
522210	Credit card issuing	6141	Personal credit institutions
522210	Credit card issuing	6153	Short-term business credit institutions, except agricultural
522220	Sales financing	6141	Personal credit institutions
522220	Sales financing	6153	Short-term business credit institutions, except agricultural
522220	Sales financing	6159	Misc. business credit institutions
522291	Consumer lending	6141	Personal credit institutions
522292	Real estate credit	6111	Federal & federally sponsored credit agencies
522292	Real estate credit	6159	Misc. business credit institutions
522292	Real estate credit	6162	Mortgage bankers & loan correspondents
522293	International trade financing	6081	Foreign bank & branches & agencies
522293	International trade financing	6082	Foreign trade & international banks
522293	International trade financing	6111	Federal & federally sponsored credit agencies
522293	International trade financing	6159	Misc. business credit institutions
522294	Secondary market financing	6111	Federal & federally sponsored credit agencies
522294	Secondary market financing	6159	Misc. business credit institutions
522298	All other nondepository credit intermediation	6019	Central reserve depository, NEC
522298	All other nondepository credit intermediation	6081	Foreign bank & branches & agencies
522298	All other nondepository credit intermediation	6082	Foreign trade & international banks
522298	All other nondepository credit intermediation	6111	Federal & federally sponsored credit agencies
522298	All other nondepository credit intermediation	6141	Personal credit institutions
522298	All other nondepository credit intermediation	6159	Misc. business credit institutions
522310	Mortgage & nonmortgage loan brokers	6163	Loan brokers
522320	Financial transactions processing, reserve, & clearinghouse activities	6099	Functions related to deposit banking
522320	Financial transactions processing, reserve, & clearinghouse activities	6153	Short-term business credit institutions, except agricultural
522320	Financial transactions processing, reserve, & clearinghouse activities	7389-09	Financial services
522390	Other activities related to credit intermediation	6099	Functions related to deposit banking
522390	Other activities related to credit intermediation	6162	Mortgage bankers & loan correspondents
561450	Credit bureaus	7323	Credit reporting services
Insurance			
524113	Direct life insurance carriers	6311	Life insurance
524113	Direct life insurance carriers	6321	Accident & health insurance
524114	Direct health & medical insurance carriers	6321	Accident & health insurance
524114	Direct health & medical insurance carriers	6324	Hospital & medical service plans

Financial Services Industry Definition Cont'd

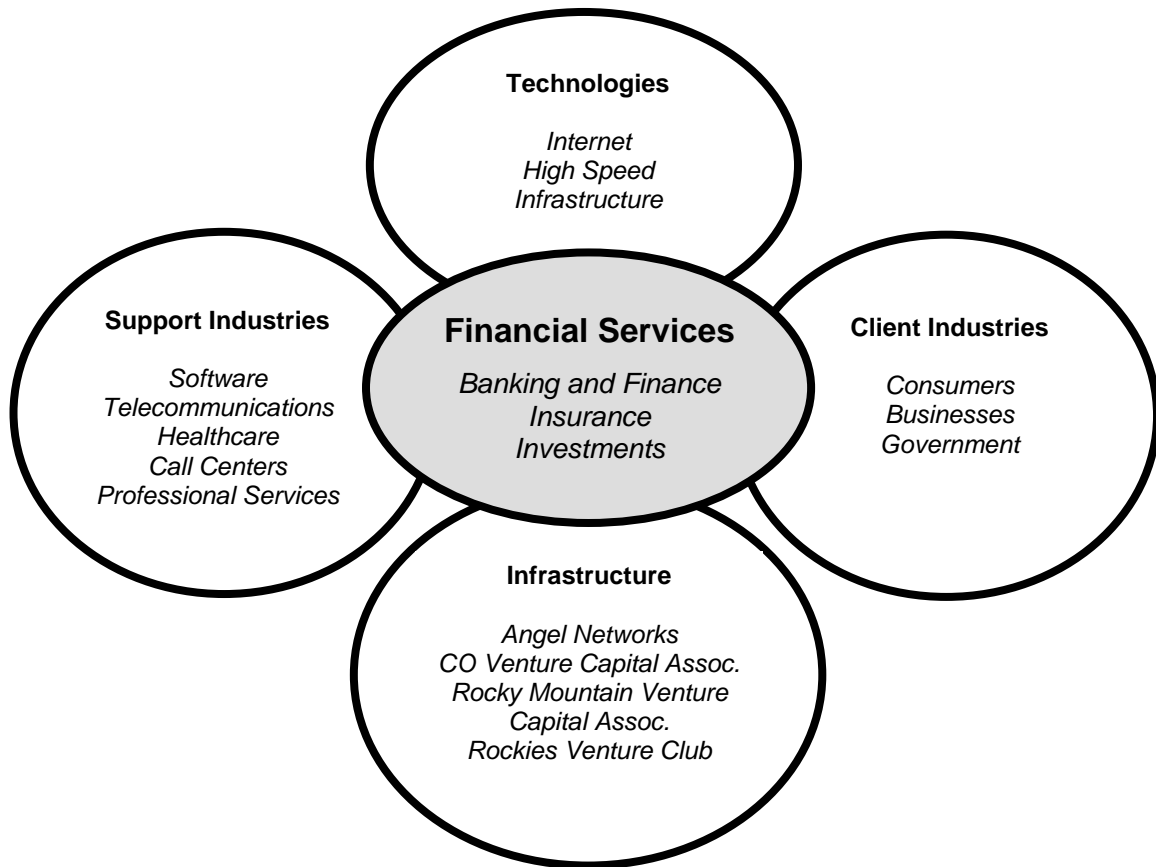
NAICS Code	NAICS Description	SIC Code	SIC Description
524126	Direct property & casualty insurance carriers	6331	Fire, marine, & casualty insurance
524126	Direct property & casualty insurance carriers	6351	Surety insurance
524127	Direct title insurance carriers	6361	Title insurance
524128	Other direct insurance carriers	6331	Fire, marine, & casualty insurance
524128	Other direct insurance carriers	6399	Insurance carriers, NEC
524130	Reinsurance carriers	6311	Life insurance
524130	Reinsurance carriers	6321	Accident & health insurance
524130	Reinsurance carriers	6324	Hospital & medical service plans
524130	Reinsurance carriers	6331	Fire, marine, & casualty insurance
524130	Reinsurance carriers	6351	Surety insurance
524130	Reinsurance carriers	6361	Title insurance
524210	Insurance agencies & brokerages	6411	Insurance agents, brokers, & service
524291	Claims adjusting	6411	Insurance agents, brokers, & service
524292	Third party administration of insurance & pension funds	6371	Pension, health, & welfare funds
524292	Third party administration of insurance & pension funds	6411	Insurance agents, brokers, & service
524298	All other insurance related activities	6411	Insurance agents, brokers, & service
525110	Pension funds	6371	Pension, health, & welfare funds
525120	Health & welfare funds	6371	Pension, health, & welfare funds
525190	Other insurance funds	6321	Accident & health insurance
525190	Other insurance funds	6324	Hospital & medical service plans
525190	Other insurance funds	6331	Fire, marine, & casualty insurance

Investments

523110	Investment banking & securities dealing	6211	Security brokers & dealers
523120	Securities brokerage	6211	Security brokers & dealers
523130	Commodity contracts dealing	6221	Commodity contracts brokers, dealers
523130	Commodity contracts dealing	6231	Security & commodity exchanges
523130	Commodity contracts dealing	6799	Investors, NEC
523140	Commodity contracts brokerage	6221	Commodity contracts brokers, dealers
523210	Securities & commodity exchanges	6231	Security & commodity exchanges
523910	Misc. intermediation	6211	Security brokers & dealers
523910	Misc. intermediation	6792	Oil royalty traders
523910	Misc. intermediation	6799	Investors, NEC
523920	Portfolio management	6282	Investment advice
523920	Portfolio management	6733	Trusts, NEC
523920	Portfolio management	6799	Investors, NEC
523930	Investment advice	6282	Investment advice
523991	Trust, fiduciary & custody activities	6091	Nondeposit trust facilities
523991	Trust, fiduciary & custody activities	6289	Security & commodity service
523991	Trust, fiduciary & custody activities	6733	Trusts, NEC
523999	Misc. financial investment activities	6211	Security brokers & dealers
523999	Misc. financial investment activities	6289	Security & commodity service
525910	Open-end investment funds	6722	Management investment, open-end
525920	Trusts, estates & agency accounts	6733	Trusts, NEC
525990	Other financial vehicles	6726	Investment offices, NEC
525990	Other financial vehicles	6798	Real estate investment trusts
551111	Offices of bank holding companies	6712	Bank holding companies
551112	Offices of other holding companies	6719	Holding companies, NEC

Note: NEC indicates "not elsewhere classified."

Financial Services Industry Cluster Relationships



For additional information, contact us:



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