FINANCIAL SERVICES

More than 180 fintech companies call Metro Denver home – leading growth in this cluster.

Metro **Denver** EDC

Often called a "center of influence," the Metro Denver EDC was the nation's first regional economic development organization. From Castle Rock to Fort Collins and Golden to Greeley, we represent the nine counties and 66 communities that contribute to our resilient economy and incredible culture. All told, the EDC's service territory makes up two-thirds of the Colorado GDP and approximately three-quarters of the state's population.

Thanks to the leadership and generosity of 250 of Colorado's most influential companies, the EDC works to monitor and advance the Metro Denver economy through corporate attraction and retention; workforce development; domestic and global marketing; investments in infrastructure; and public policy that fosters a pro-business climate.

The data we produce is foundational to the work we do. Publications like our annual Industry Cluster Studies offer the companies we court (as well as the regional partners we support) a deeper understanding of what's happening across Metro Denver, and for certain industries, the state more broadly. We track this data closely – leveraging the intel and insights to not only drive corporate recruitment and investment, but foster competition, build a culture of impact and innovation, strengthen the business community and work to ensure that life and work in Metro Denver are thriving.

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FINANCIAL SERVICES

INDUSTRY
snapshot
(U.S. DATA IN PARENTHESES)

Companies	Average Wage	*Emp. Ranking
27,720	$118,350	16 *Employment Concentration Ranking

Direct Employment:	Direct Employment Concentration (2020):	5-Year Employment Growth (2015-2020):	1-Year Employment Growth (2020):
105,980	4.8% (4.2%)	10.1% (5.5%)	1.1% (0.5%)

Industry Overview

The Metro Denver region is a major financial center between Chicago and the West Coast with strong concentration across several subclusters – Banking & Finance, Investments and Insurance along with fast-paced growth in fintech. The region's strong talent pipeline, business-friendly environment, and proximity to Denver International Airport attracts leading national and international financial services companies. Forbes' 2020 Global 2000 list included 11 companies headquartered in the region. Four of the 25 largest private employers in Metro Denver are financial services firms representing 10% of total employment on the list. Fintech in Metro Denver has been a rapidly growing market segment, with record funding levels and rising valuations.

Cluster Definition

The Metro Denver and Northern Colorado region is comprised of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, Larimer and Weld counties. In this report, the Financial Services Cluster consists of 44, six-digit North American Industry Classification System (NAICS) codes in three subclusters, each of which specializes in distinct aspects of financial services. The Banking & 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 financial advising, securities and commodities trade, real estate investment trusts (REITS), portfolio management and financial planning. The Insurance Subcluster consists of insurance carriers and brokerages. These definitions allow for a comparative analysis of the Metro Denver and Northern Colorado region's cluster relative to other metropolitan regions across the nation.

Cluster Job Growth

- The Financial Services Cluster expanded for six-consecutive years in 2020, rising 1.1% over-the-year.

- The cluster employed 4.8% of the region's total employment base with more than 105,980 workers in nearly 27,720 companies.

- Over the past five years, the cluster posted 10.1% growth in the region, compared with the U.S. growth rate of 5.5%.

- 80.8% of the region's cluster companies have 10 or fewer employees.

- Nearly 82% of the state's total employment in the cluster was located in the Metro Denver region.

- Banking & Finance represented the largest share of employment in the cluster (38%), followed by Insurance (32%) and Investments (30%).

- Over the past five years, Investments employment in the region grew 19.7%, Insurance employment rose 9.7% and Banking & Finance employment rose 4%.

Continued...

Cluster Job Growth

Banking & Finance

- Depositary banking represents the largest share of total employment in the cluster or nearly 21%. This share of jobs though has declined 1.6 percentage points since 2015.

Investments

- Investments posted the fastest rate of company growth among the three subclusters in 2020, rising 8.2%.

- Annual wages in the Investments Subcluster were among the highest of the region's clusters and subclusters, averaging $183,390.

- The share of investors and investment advisory services increased nearly 3 percentage points over the last five years. The number of companies in this area of the cluster has nearly tripled since 2015.

Insurance

- The Insurance Subcluster posted the fastest employment growth rate among the three subclusters, rising 3.2% over-the-year.

Major Industry Investments, Expansions & Milestones

- **Vectra Bank** broke ground on a new 9-story headquarters in the Denver Tech Center. The 127,000-square-foot building is slated for completion in 2022 for about 200 of Vectra's 500 employees in Colorado.

- Real estate investment trust **Healthpeak Properties Inc.** relocated its headquarters from Irvine, Calif. to Denver. The company owns 20 properties in Metro Denver and plans to create nearly 170 jobs in the area.

- **Fidelity Investments** continued to hire in 2020 with plans to create 300 new jobs in new client-facing roles and more than 200 financial consultants, licensed financial professionals and customer service representatives across Metro Denver. After the new hiring is complete, Fidelity will have about 1,300 employees in the state.

- **AmeriSave Mortgage Corp.** listed between about 300 roles in Denver as a part of a companywide expansion. The company plans to include remote employees in a variety of positions including loan officers, mortgage underwriters and customer care positions.

- **JPMorgan Chase** announced plans to add 13 new retail banking branches in Metro Denver and throughout Colorado. In 2020, the company added branches in Aurora, Arvada Broomfield, Denver and Littleton, and plans to add additional branches in 2021.

- Denver-based **Sunflower Bank** purchased Scottsdale-based **CIT Bank NA's** trust and wealth advisory business. This acquisition adds more than $800 million of assets under administration to Sunflower Bank.

- **U.S. Bank** opened its first new Denver-area branch in six years in Broomfield. The branch offers a digital discovery center that includes tablets and other electronic devices to accomplish banking tasks. The company plans to open additional branches in Aurora and Denver.

- Denver-based **First Western Financial** acquired all of the Colorado locations and assets for Arkansas-based Simmons Bank. The purchase included $119.8 million in loans and $67.4 million in deposits.

- Greenwood Village headquartered **Empower Retirement** closed two major acquisitions in 2020 to grow their retirement service business to the second largest in the U.S.

- Oklahoma-based **First Fidelity Bank** opened its first Colorado branch in Greenwood Village. The company has more than $1.7 billion in assets.

- California-based **Silicon Valley Bank** moved its Colorado loan production office from Broomfield to downtown Denver. The company services the technology and venture capital industries.

According to Pitchbook, fintech-related deals in Metro Denver grew from 3 deals in 2010 totaling $15.2 million to 22 deals in 2020 totaling $45.7 million.
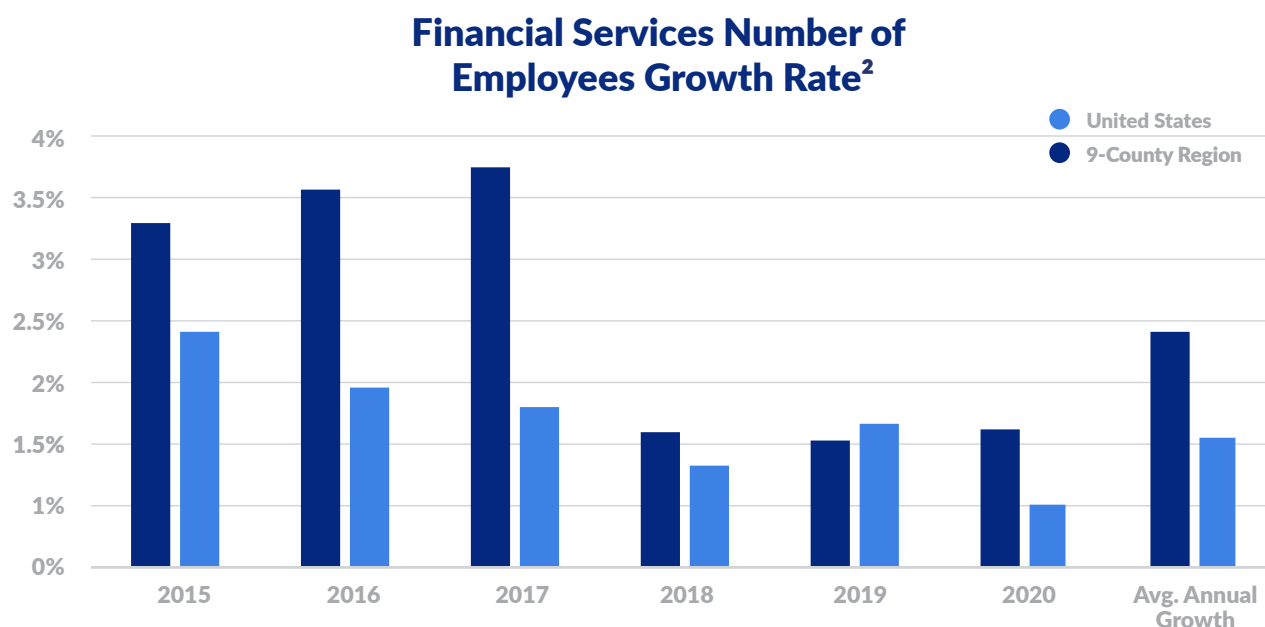
Fintech

Fintech in Metro Denver has been a rapidly growing market segment, with record funding levels and rising valuations. According to Pitchbook, fintech-related deals in Metro Denver grew from three deals in 2010 totaling $15.2 million to 22 deals in 2020 totaling $45.7 million. The region is home to nearly 180 fintech companies with several fintech firms growing and expanding their presence in the region:

- California-based **Robinhood Markets Inc.** raised $280 million in funding that will be used to scale its stock-picking platform, build new products, and accelerate build-out of its operations. The company expects to add 100 more employees in its Denver office.

- **Pie Insurance** raised $127 million in financing for expansion efforts. The company plans to add 10-15 people at its Denver office.

- Global fintech firm **Computershare** expanded its presence to a 282,800-square-foot office in the Denver Tech Center. The company plans to expand its footprint in its new location.

- New York City-based **Betterment LLC** opened a new office in downtown Denver. The fintech firm will hire 12 employees.

Economic Profile

Financial Services Employment & Company Profile, 2020[1]		
	9-County Region	**U.S.A.**
Direct employment, 2020	105,980	6,868,520
Number of direct companies, 2020	27,720	857,450
One-year direct employment growth, 2019-2020	1.1%	0.5%
Five-year direct employment growth, 2015-2020	10.1%	5.5%
Avg. annual direct employment growth, 2015-2020	1.9%	1.1%
Direct employment concentration	4.8%	4.2%
% of companies with <10 employees	80.8%	82.7%

Financial Services Number of Employees Growth Rate[2]
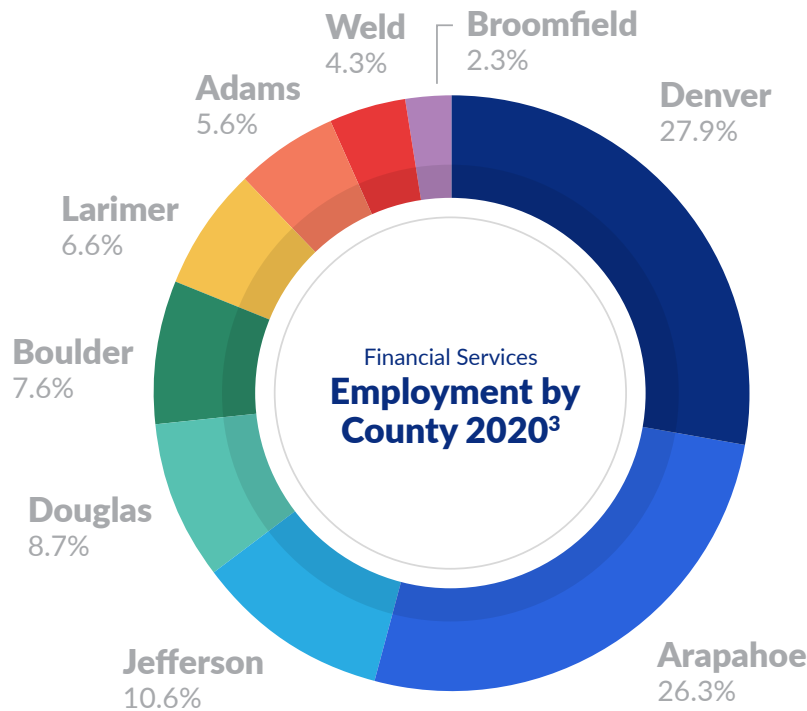

Legend: ● United States ● 9-County Region

[1] Dun & Bradstreet, Inc., Hoover's Online Database; Market Analysis Profile, 2015-2020; Development Research Partners.

[2] Dun & Bradstreet, Inc., Hoover's Online Database; Market Analysis Profile, 2015-2020.

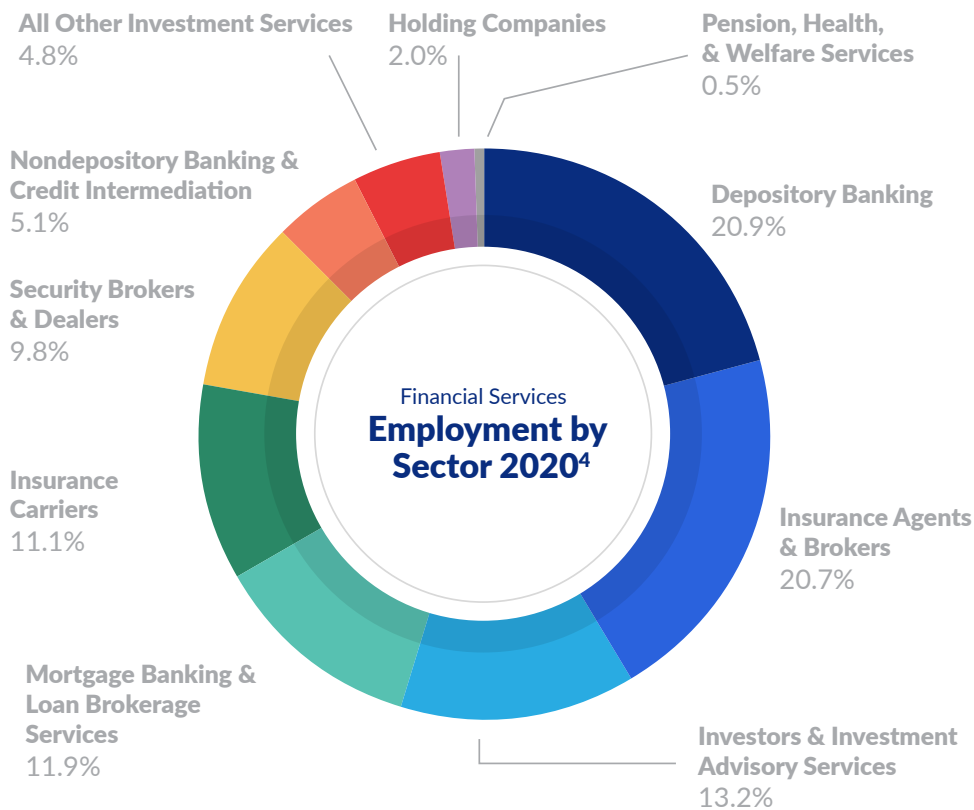[3] Market Analysis Profile, 2020; Development Research Partners.

Financial Services
Employment by County 2020[3]

- Broomfield 2.3%
- Weld 4.3%
- Adams 5.6%
- Larimer 6.6%
- Boulder 7.6%
- Douglas 8.7%
- Jefferson 10.6%
- Denver 27.9%
- Arapahoe 26.3%

Financial Services
Employment by Sector 2020[4]

- All Other Investment Services 4.8%
- Holding Companies 2.0%
- Pension, Health, & Welfare Services 0.5%
- Nondepository Banking & Credit Intermediation 5.1%
- Security Brokers & Dealers 9.8%
- Insurance Carriers 11.1%
- Mortgage Banking & Loan Brokerage Services 11.9%
- Depository Banking 20.9%
- Insurance Agents & Brokers 20.7%
- Investors & Investment Advisory Services 13.2%

9-County
RANKINGS[5]

16th
Financial Services direct employment concentration rank

13th
Financial Services direct employment rank

[4] Market Analysis Profile, 2020; Development Research Partners.

[5] Direct employment rank based on the number of employees in the industry cluster in a state. Employment concentration rank based on the direct cluster employment in a state expressed as a percent of total employment in all industries in the same state. Rankings are for the 50 states. No multiplier effects are included. 1st = highest for both rankings.

Banking & Finance

12th
direct employment rank

11th
direct employment concentration rank

Investments

10th
direct employment rank

8th
direct employment concentration rank

Insurance

12th
direct employment rank

24th
direct employment concentration rank

Industry Subclusters

The Financial Services Cluster is divided into three subclusters: (1) Banking & Finance; (2) Insurance; and (3) Investments.

- **Banking & Finance** is comprised of transaction-oriented companies including commercial banks and credit unions, lenders, credit agencies and mortgage bankers. The Banking & Finance Subcluster consists of 16, six-digit North American Industry Classification System (NAICS) codes.

- **Investments** includes companies involved in financial advising, securities and commodities trade, real estate investment trusts (REITS), portfolio management and financial planning. The Investments Subcluster consists of 15, six-digit NAICS codes.

- **Insurance** includes companies that provide all types of insurance ranging from life, accident, health, casualty, title, and surety insurance to pension, health and welfare funds businesses. The Insurance Subcluster consists of 13 six-digit NAICS codes.

[6] Direct employment rank based on the number of employees in the industry cluster in a state. Employment concentration rank based on the direct cluster employment in a state expressed as a percent of total employment in all industries in the same state. Rankings are for the 50 states. No multiplier effects are included. 1st = highest for both rankings.

[7] Dun & Bradstreet, Inc., Hoover's Online Database; Market Analysis Profile, 2015-2020; Development Research Partners.

Financial Services Subcluster Employment & Company Profile, 2020[7]

	Banking & Finance		Investments		Insurance	
	9-County Region	U.S.A.	9-County Region	U.S.A.	9-County Region	U.S.A.
Direct employment, 2020	40,160	2,668,760	31,630	1,450,930	34,190	2,748,830
Number of direct companies, 2020	3,990	207,050	18,650	395,280	5,070	255,120
One-year direct employment growth, 2019-2020	-1.8%	0.5%	2.8%	-0.2%	3.2%	0.9%
Five-year direct employment growth, 2015-2020	4.0%	3.9%	19.7%	4.8%	9.7%	7.6%
Avg. annual direct employment growth, 2015-2020	0.8%	0.8%	3.7%	0.9%	1.9%	1.5%
Direct employment concentration	1.8%	1.6%	1.4%	0.9%	1.5%	1.7%
% of companies with <10 employees	79.9%	72.6%	77.4%	82.9%	93.9%	90.5%

Industry Infrastructure Support

Workforce Profile

The region's robust higher education system helps prepare the future financial services workforce. In 2020, several business programs were highly ranked:

- The University of Colorado Boulder's Leeds School of Business ranked among the top 15% of MBA programs in the U.S., according to *U.S. News & World Report's* "2021 Best Business Schools."

- Employment in the Insurance Subcluster grew for the ninth-consecutive year in 2020, adding over 5,800 workers since 2011.

- CU Denver has a 100% placement rate in risk management and insurance.

- MBA programs at the University of Denver and Colorado Technical University were named among *CEO Magazine*'s Tier 1 "2020 Global MBA Rankings."

Age Distribution

- The age distribution of workers in the region's Financial Services Cluster is concentrated between the ages of 25 and 54 years old (72.1%), compared with the age distribution of all industries across the nine-county region (65.5%).

- Workers between the ages of 35 and 44 years old made up the largest share in the Financial Services Cluster.

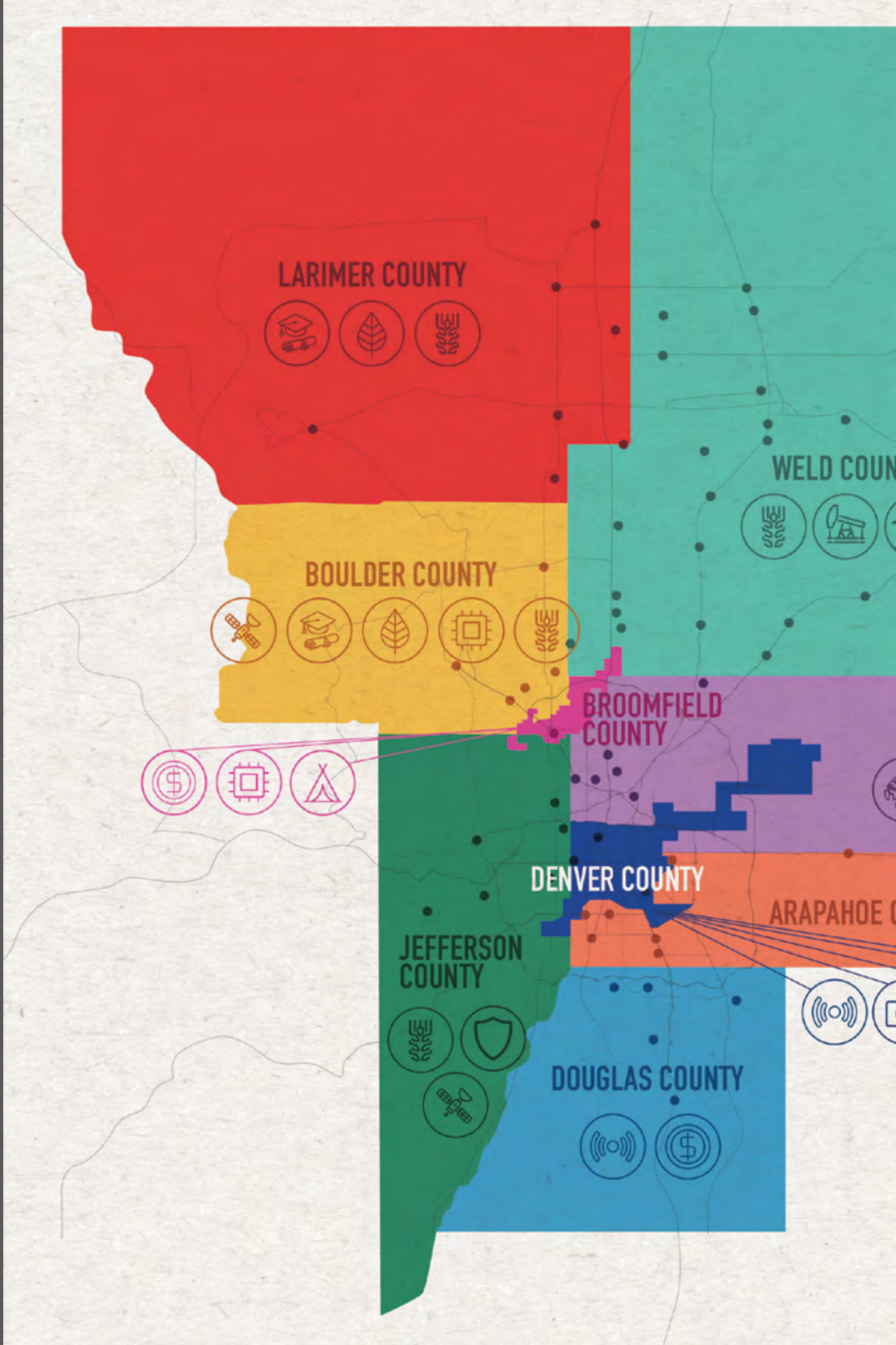### Metro Denver & Northern Colorado's Distribution of Employment by Age[8]
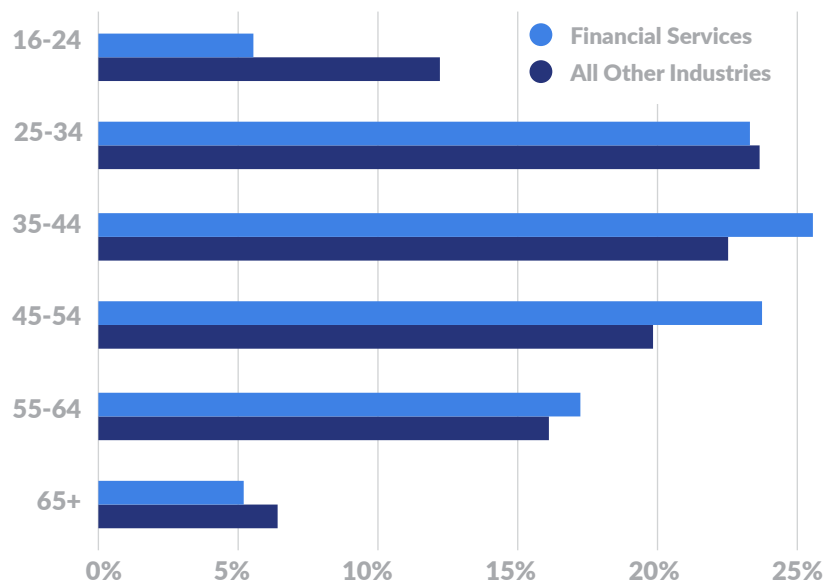
Wages

- The 2019 average annual salary for workers in the Financial Services Cluster was $118,350 in the nine-county region, compared with the national average of $136,040.
- The average starting salary for workers in the Financial Services Cluster was $47,980 in the region, compared with $39,070 across all industries.
- Total payroll exceeded $12.4 billion in 2019.

Metro Denver & Northern Colorado
Financial Services Occupation & Salary Profile, 2020[9]

10 Largest Financial Services Occupations in Metro Denver & Northern Colorado	Total Working Across All Industries (2020)	Number of Available Applicants (2020)	Number of Graduates (2019)	Median Salary	10th Percentile Salary	25th Percentile Salary	75th Percentile Salary	90th Percentile Salary
1. Insurance sales agents	12,665	917	0	$54,730	$26,753	$36,793	$80,283	$121,697
2. Securities, commodities, & financial services sales agents	10,345	749	0	$54,089	$27,285	$37,396	$83,471	$127,247
3. Customer service representatives	36,553	2,646	0	$37,342	$25,232	$29,976	$47,988	$60,833
4. Personal financial advisors	5,103	369	472	$93,699	$43,554	$62,595	$151,159	$235,478
5. Tellers	4,512	327	0	$32,674	$25,875	$28,800	$37,883	$43,974
6. Loan officers	4,264	309	472	$60,143	$31,408	$43,152	$84,068	$110,284
7. Claims adjusters, examiners, & investigators	4,417	320	0	$71,197	$43,546	$55,650	$88,391	$109,647
8. Financial & investment analysts, financial risk specialists, & financial specialists, all other	7,429	538	486	$83,180	$50,232	$62,910	$115,906	$160,983
9. Software developers & software quality assurance analysts & testers	39,511	2,860	1,671	$108,957	$66,127	$84,400	$135,987	$163,147
10. Project management specialists & business operations specialists, all other	42,873	3,103	50	$80,642	$45,847	$58,960	$108,751	$142,539

Notes: The number of available applicants is a point-in-time measurement of the number of people who have registered in Colorado's workforce development system's statewide database, Connecting Colorado, as being able and available to work in a particular occupation. Results should be interpreted with caution since registration in Connecting Colorado is self-reported. In addition, the skills rubric may assign up to four occupation codes for each registrant. Therefore, the number of available applicants could be inflated.

Metro Denver Industry Map

LARIMER COUNTY

BOULDER COUNTY

WELD COUN

BROOMFIELD
COUNTY

DENVER COUNTY

ARAPAHOE C

JEFFERSON
COUNTY

DOUGLAS COUNTY

Notable Rankings

#1
Colorado made an impressive showing in the 2020 *U.S. News & World Report*'s "Best Places to Live" list with Front Range cities ranking #1, #2, #4 and #5.

#1
Colorado was recently named the top state for Women-Led Startups by small business reviewer, Merchant Maverick.

#1
USA Today recently named DEN the Best Large Airport in the U.S.

#2
U.S. News & World Report ranked Colorado as the second-best state economy in the country, after four years maintaining the top spot.

#2
Colorado is the second-best state in the U.S. to retire in, according to a study by WalletHub.

#2
Milken Institute named Colorado #2 for "Best State for Technology and Science," with a strong entrepreneurial infrastructure and STEM workforce.

#3
Colorado saw the third largest increase of millennials in the past five years, according to Haven Life.

#3
Denver ranked third for STEM job growth, according to the 2020 STEMdex.

#4
A new study by Spanning says Colorado has the fourth-most tech jobs per capita – citing 123,040 tech workers at a median annual wage of $94,880.

#4
Denver took in the #4 spot for U.S. cities that people moved to in 2020, according to Updater.com.

#6
LinkedIn gave Denver the 6th place ranking for cities with the most opportunity for job seekers.

#6
Denver ranked sixth among the "Best U.S. Cities for Remote Workers" in 2020, according to BusinessInsider.com.

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