

# The 10 TRAITS of GLOBALLY FLUENT METRO AREAS

GLOBAL CITIES INITIATIVE  
A JOINT PROJECT OF BROOKINGS AND JPMORGAN CHASE

## DENVER

GDP (country rank), 2012 <sup>1</sup>	Share National GDP, 2012 <sup>2</sup>	GDP/Capita 2012 <sup>3</sup>	Population '000, 2012 (country rank) <sup>4</sup>	Share National Pop., 2012 <sup>5</sup>	GaWC Global City Ranking, 2010 <sup>6</sup>	# Global 2000 HQs, 2012 <sup>7</sup>	GDP/c Growth 1993-2012 <sup>8</sup>
\$150,463,361,790 (18)	0.96%	\$56,848	2,646,782 (21)	0.84%	91	14	1.50%

### 1) Benchmarks — what is the city's recent ranking performance in terms of global firms, connectivity, diversity, range of cultural assets, immigrants, visitors?

The Denver metropolitan area, with a population of 2.5 million, is the 21<sup>st</sup> largest metropolitan statistical area (MSA) in the country.<sup>9</sup> It has the 18<sup>th</sup> largest Gross Metropolitan Product in the United States and ranks 25<sup>th</sup> in total exports according to Brookings' Export Nation report.<sup>10</sup>

The metro is classified as a "beta" global city according to GaWC, putting it 91<sup>st</sup> in the world.<sup>11</sup> Denver ranks fifth in the FDI Cities of the Future rankings of business friendliness.<sup>12</sup> The Brookings Global MetroMonitor ranked Denver's 2011 economic performance 102<sup>nd</sup> among metros worldwide.<sup>13</sup>

### 2) Narrative - the city's journey into and through globalization. What kind of economic and development trajectory has it taken? What has changed over time?

Denver began as a frontier post in the gold and silver rush of the late 19th century. Having proven a quick bust, the fledgling town developed as a supplier for the more lucrative mining operations further into the mountains. After connecting to the transcontinental railroad, Denver's growth quickly increased and it became a home for gold barons and a way station for miners. The wealth pouring into the small town and the need to connect to further flung cities led to strong investment in infrastructure, both in transportation and telecommunications.<sup>14</sup>

The metro area began to develop a manufacturing sector following World War II and still houses the headquarters of the Gates Corporation, a large automobile supply manufacturer. The construction of the new Denver International Airport in the 1990s put Denver on the map as a major national and international hub for air travel, making locating economic activity in the region much more attractive. Over the last two decades, Denver has emerged as an important services economy as well, specializing in financial and business services, computer and software design, and data processing.<sup>15</sup>

The Denver region has also benefited from the federal government's extensive presence in Northern Colorado. From World War II-related manufacturing to aerospace, space, and defense investments today, the federal government remains a major contributor to stability in the region's economy, directly employing 30,000 workers while indirectly supporting many more.<sup>16</sup>

### **3) Elements of international and global orientation - In what ways is the city globally connected and relevant? What sort of trade patterns does it exhibit?**

As the nation's 21<sup>st</sup> largest metro, with the 18<sup>th</sup> largest gross metropolitan product, Denver is slightly below expectations on export intensity. The region ranks 25<sup>th</sup> in total exports, with a total of \$10.2 billion in 2010. At only 7.2 percent of GMP, export intensity is well below that of highly competitive and international metros, due in part to Denver's inland location. The export industry supports 72,800 jobs in the region.<sup>17</sup>

However, despite their low export volume, Denver is successfully developing an industry specialty that will allow it to compete in the global economy. The region hosts a diverse mix of advanced technology economic activity including broadcasting, telecoms, and software and IT. The Denver metro area's information technology-software industry employs over 43,000 workers while the broadcasting and telecommunications cluster employs nearly 40,000 people.<sup>18</sup>

This hi-tech mix creates spillovers that complement Colorado's broader space and aerospace economy, the second largest in the country and home to four military commands, eight major space contractors, and more than 400 aerospace companies and suppliers.<sup>19</sup> The region is second among the 50 largest metro areas for total private aerospace workers with 19,600 people employed in the sector.<sup>20</sup> Of that growing cluster, Denver has developed a particular niche in the satellite-based services segment, housing firms such as DISH Network and sister company EchoStar Corporation.<sup>21</sup>

Denver and the surrounding Northern Colorado region concentrate dozens of federal research institutions, research universities, and private research and development laboratories. These assets have attracted and developed a highly educated workforce needed to fuel the region's innovation economy: 38 percent of residents have completed a bachelor's degree or higher, compared to a national average of only 29 percent.<sup>22</sup> The U.S. Patent and Trademark Office's recent decision to open a satellite office in Denver reflects the region's important role in the national innovation ecosystem.<sup>23</sup>

Beyond the benefits of its clusters and specialties, the Denver metro area has also capitalized on its status as the largest city in the Mountain West region. As the largest metropolitan area within almost 600 miles, Denver is a natural center for business and professional services for companies throughout the region. This industry not only provides the plurality of employment to the region (239,000 jobs) but also is the largest driver of job growth, with payrolls in the sector growing at 3.8 percent annually.<sup>24</sup>

The completion of the Denver International Airport (DIA) in 1995 gave the metro area the capacity to remain a leader in transportation; DIA is currently the fifth busiest in the country, 10<sup>th</sup> worldwide.<sup>25</sup> It is a critical international gateway airport: 1.9 million international passengers pass through the airport annually.<sup>26</sup> Recent investments, including a new 1600 foot runway now allow DIA to host direct flights to Asia, via Narita, Japan.<sup>27</sup>

### **4) To what extent is the city's international dimension inherited or intentional?**

After going through the boom and bust cycle as a commodities town early in its history, Denver has been very intentional in building upon its strengths to create a sustainable and competitive economy. Its economic development arm, the Metro Denver Economic Development Corporation, commissioned a study to identify regional industry strengths. Metro stakeholders have all sought to capitalize.

This is a major reason why the aerospace cluster has grown and become an regional institution. With the state-supported construction of a spaceport and cooperation between private enterprise, civic leadership, and academic institutions to build upon this specialty, Denver has become the second leading metro area for aerospace engineering, manufacturing, and research. Without the ability to rely on a massive population size or historical status as a global city, Denver has successfully carved a niche in the global economy by developing a highly innovative cluster that is internationally relevant.

---

<sup>1</sup> Brookings analysis of Moody's Analytics and Oxford Economics data.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> "The World According to GaWC; Classification of Cities 2010," September, 14, 2011.

<sup>7</sup> The data were produced by G. Csomós and constitute Data Set 26 of the Globalization and World Cities (GaWC) Research Network (<http://www.lboro.ac.uk/gawc/>) publication of inter-city data.

<sup>8</sup> Brookings analysis of Moody's Analytics and Oxford Economics data.

<sup>9</sup> U.S. Census Bureau, Metropolitan and Micropolitan Statistical Areas Population Estimates, available at [www.census.gov/popest/data/metro/totals/2011/](http://www.census.gov/popest/data/metro/totals/2011/).

<sup>10</sup> Emilia Istrate and Nicholas Marchio, "Export Nation 2012: How U.S. Metropolitan Areas are Driving National Growth" (Washington: Brookings Institution, 2012).

<sup>11</sup> "The World According to GaWC; Classification of Cities 2010," September, 14, 2011.

<sup>12</sup> Jacqueline Walls, "American Cities of the Future 2011/12," online at [www.greenvillesc.gov/PublicInfo\\_Events/NewsArticles/AmericanCitiesoftheFuture.pdf](http://www.greenvillesc.gov/PublicInfo_Events/NewsArticles/AmericanCitiesoftheFuture.pdf) (April/May 2011) [accessed December 2012].

<sup>13</sup> Emilia Istrate and Carey Anne Nadeau, "Global MetroMonitor 2012: Slowdown, Recovery, and Independence" (Washington: Brookings Institution, 2012).

<sup>14</sup> Mindy Sink, *Moon Denver, Second Edition* (Berkeley: Avalon Travel Publishing, 2013).

<sup>15</sup> Patty Silverstein and Lisa Strunk, "Metro Denver and Northern Colorado Key Industry Clusters," (Denver, Metro Denver Economic Development Corporation, 2012).

<sup>16</sup> "Employment by Industry," Metro Denver, available at [www.metrodenver.org/workforce-profiles/workforce-stats](http://www.metrodenver.org/workforce-profiles/workforce-stats).

<sup>17</sup> Emilia Istrate and Nicholas Marchio, "Export Nation 2012: How U.S. Metropolitan Areas are Driving National Growth"

<sup>18</sup> Silverstein and Strunk, "Metro Denver."

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Mark Muro and others, "LAUNCH!: Taking Colorado's Space Economy to the Next Level," (Washington: Brookings Institution, 2013).

<sup>22</sup> U.S. Census Bureau, American Community Survey 5 year average, available at [factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_11\\_5YR\\_S1501&prodType=table](http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_11_5YR_S1501&prodType=table).

<sup>23</sup> Mark Muro and others, "LAUNCH!."

<sup>24</sup> "Employment by Industry," Metro Denver, available at [www.metrodenver.org/workforce-profiles/workforce-stats](http://www.metrodenver.org/workforce-profiles/workforce-stats)

<sup>25</sup> Silverstein and Strunk, "Metro Denver."

<sup>26</sup> Adie Toomer, Robert Puentes, and Zachary Neal, "Global Gateways: International Aviation in Metropolitan America" (Washington: Brookings Institution, 2012).

<sup>27</sup> Silverstein and Strunk, "Metro Denver."

## Acknowledgements

The authors would like to thank this case's external reviewers: Brian Lewandowski, research associate, Business Research Division, University of Colorado Leeds School of Business; and Tim Martinez, senior economic development specialist, city and county of Denver.