

Denver South Economic Development Partnership Industry Cluster Profile FINANCIAL SERVICES

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." Denver is home to a branch of the Federal Reserve Bank and one of only six U.S. Mints.

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.

The Denver South region² is home to a high concentration of insurance and financial services companies. In fact, 31 percent of all financial services employment in the nine-county region is located in the Denver South region. The region's diverse financial services industry base of 2,020 companies and approximately 26,290 employees encompasses savings institutions, major investment and insurance companies, commercial banks, and financial leasing firms. The region's central location and reputation as a global commercial gateway gives financial services companies a competitive edge. Further, the Denver South region's highly educated workforce, high concentration of corporate talent, and outstanding quality of life has resulted in the recruitment and retention of several Fortune 500 companies. Notable company announcements included:

- Florida-based healthcare technology and services company Connexions – a subsidiary of UnitedHealth Group's Optum – opened a call center in June 2012 in Centennial and is hiring 550 new workers to staff the facility. The company's new \$4 million, 45,000-square-foot center will provide healthcare providers, health insurers, and accountable care organizations the tools to navigate and to enroll prospective customers in health plans. Hiring for customer-service agents, management positions, insurance agents, and analysts will be complete by August 2012.
- Massachusetts-based National Bank Holdings Corp. – which recently acquired Greeley-based Bank of Choice and is in the process of purchasing Community Banks of Colorado's 16 branch locations – expanded their Greenwood Village office and is moving their top executives from Boston. The financial services company cited the state's educated workforce, strong agriculture and energy industries, and diverse economy as reasons for its location decision.
- 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 regional divisions nationwide, includes Colorado, Arkansas, Iowa, Kansas, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Wisconsin, and Wyoming.

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

² The Denver South region consists of zip codes 80111, 80112, 80124, 80126, 80129, 80130, 80134, and 80237.

- 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.
- 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 the Denver Tech Center 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.

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.

	Denver South	Nine-County Region	U.S.
Direct Employment, 2011	10,000	38,460	2,118,120
Number of Direct Companies, 2011	720	4,190	269,280
One-Year Direct Employment Growth, 2010-2011	3.7%	-0.4%	0.3%
Five-Year Direct Employment Growth, 2006-2011	-36.5%	-18.7%	-14.2%
Avg. Annual Direct Employment Growth, 2006-2011	-8.7%	-4.1%	-3.0%
Direct Employment Concentration	4.8%	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 10,000 workers in the Denver South region in 2011.
- Banking and finance companies employed 4.8 percent of the Denver South region's total employment base, compared with 2.2 percent and 1.5 percent employment concentrations in the nine-county region and nationwide, respectively.
- Employment in the banking and finance subcluster declined in 2007 through 2010 as a result of the financial recession, but hiring began to rebound in 2011 with the subcluster posting a 3.7 percent increase in jobs.
- Nearly half of the Denver South region's banking and finance subcluster employees worked in commercial banking, mortgage banking and loan correspondence, and loan brokerage companies. The majority of the Denver South region's banking and finance subcluster employees worked in Arapahoe County (63 percent) and Douglas County (31 percent).

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 nine-county 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

- Approximately 720 banking and finance companies operated in the Denver South region in 2011.
- More than 71 percent of the Denver South region's banking and finance companies employed fewer than 10 people, while 1.3 percent employed 250 or more.
- Roughly 58 percent of the Denver South region's banking and finance companies provided mortgage banking, loan correspondence, and loan brokerage services.

Major Banking and Finance Companies

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| • Aurora Bank FSB
www.aurorabankfsb.com | • Key Bank
www.key.com |
| • Bellco Credit Union
www.bellco.org | • Nordstrom National Credit Bank
http://shop.nordstrom.com |
| • Citywide Banks
www.citywidebanks.com | • Pulte Mortgage
www.pultemortgage.com |
| • CoBank
www.cobank.com | • Specialized Loan Servicing LLC
www.sls.net |
| • Colorado State Bank and Trust
www.csbt.com | • U.S. Bank
www.usbank.com |
| • FirstBank Holding Company
www.efirstbank.com | • Vectra Bank Colorado
www.vectrabank.com |
| • First Data Corporation
www.firstdata.com | • VISA Debit Processing Services
www.visadps.com |

Major Banking and Finance Companies Cont'd

- Guaranty Bank and Trust
www.guarantybankco.com
- Wells Fargo Bank Colorado
www.wellsfargo.com
- JP Morgan Chase & Co.
www.chase.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.

	Denver South	Nine-County Region	U.S.
Direct Employment, 2011	7,450	22,520	1,096,940
Number of Direct Companies, 2011	780	5,440	260,820
One-Year Direct Employment Growth, 2010-2011	4.3%	1.1%	2.5%
Five-Year Direct Employment Growth, 2006-2011	-3.3%	-1.4%	-3.3%
Avg. Annual Direct Employment Growth, 2006-2011	-0.7%	-0.3%	-0.7%
Direct Employment Concentration	3.6%	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 approximately 7,450 workers in the Denver South region in 2011.
- Investment companies employed 3.6 percent of the Denver South region's total employment base, compared with 1.3 percent and 0.8 percent employment concentrations in the nine-county region and nationwide, respectively.
- Nearly 86 percent of investments employees worked in Arapahoe (67 percent) and Douglas (19 percent) Counties. Roughly 69 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 nine-county 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

- Approximately 780 investment companies operated in the Denver South region in 2011.
- Nearly 87 percent of the region's investment companies employed fewer than 10 people, while one percent employed 250 or more.
- Roughly 66 percent of companies in the investments subcluster provided investment advice, security brokering and dealing, and other investment services.

Major Investment Companies

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| • AIMCO
www.aimco.com | • Merrill Lynch
www.ml.com |
| • Archstone
www.archstoneapartments.com | • Morgan Stanley
www.morganstanley.com |
| • Charles Schwab & Co.
www.schwab.com | • Oppenheimer Funds
www.oppenheimerfunds.com |
| • Curian Capital
www.curian.com | • Standard & Poor's Corporation
www.mcgraw-hill.com |
| • Edward Jones
www.edwardjones.com | • Transamerica Capital, Inc.
www.transamericaadvisor.com |

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

	Denver South	Nine-County Region	U.S.
Direct Employment, 2011	8,850	25,100	1,765,490
Number of Direct Companies, 2011	520	3,690	284,970
One-Year Direct Employment Growth, 2010-2011	10.9%	-0.8%	-0.9%
Five-Year Direct Employment Growth, 2006-2011	-3.0%	-12.3%	-8.8%
Avg. Annual Direct Employment Growth, 2006-2011	-0.6%	-2.6%	-1.8%
Direct Employment Concentration	4.2%	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 approximately 8,850 workers in the Denver South region in 2011.
- Insurance companies employed 4.2 percent of the Denver South region's total employment base, compared with 1.4 percent and 1.2 percent employment concentrations in the nine-county region and nationwide, respectively.
- Insurance employment in the Denver South region was primarily concentrated in insurance agents and brokers (43 percent) and health and medical insurance carriers (34 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 nine-county 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

- Approximately 520 insurance companies operated in the Denver South region in 2011.
- Roughly 75 percent of the region's insurance companies employed fewer than 10 people, while 1.3 percent employed 250 or more.
- The majority of companies in the insurance subcluster were insurance agencies and brokerages.

Major Insurance Companies

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| • Allied Insurance
www.alliedinsurance.com | • Great-West Life & Annuity Insurance Co.
www.greatwest.com |
| • Allstate Insurance
www.allstate.com | • Jackson National Life Insurance Co.
www.jackson.com |
| • American Family Insurance
www.amfam.com | • Land Title Guarantee Company
www.ltgc.com |

Major Insurance Companies Cont'd

- CNA Surety Corp.
www.cnasurety.com
- Fidelity National Title Company
www.fntcolorado.com
- Lockton Companies
www.lockton.com
- United Healthcare
www.uhc.com

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July 2012