

Colorado PERA's Economic & Fiscal Impacts



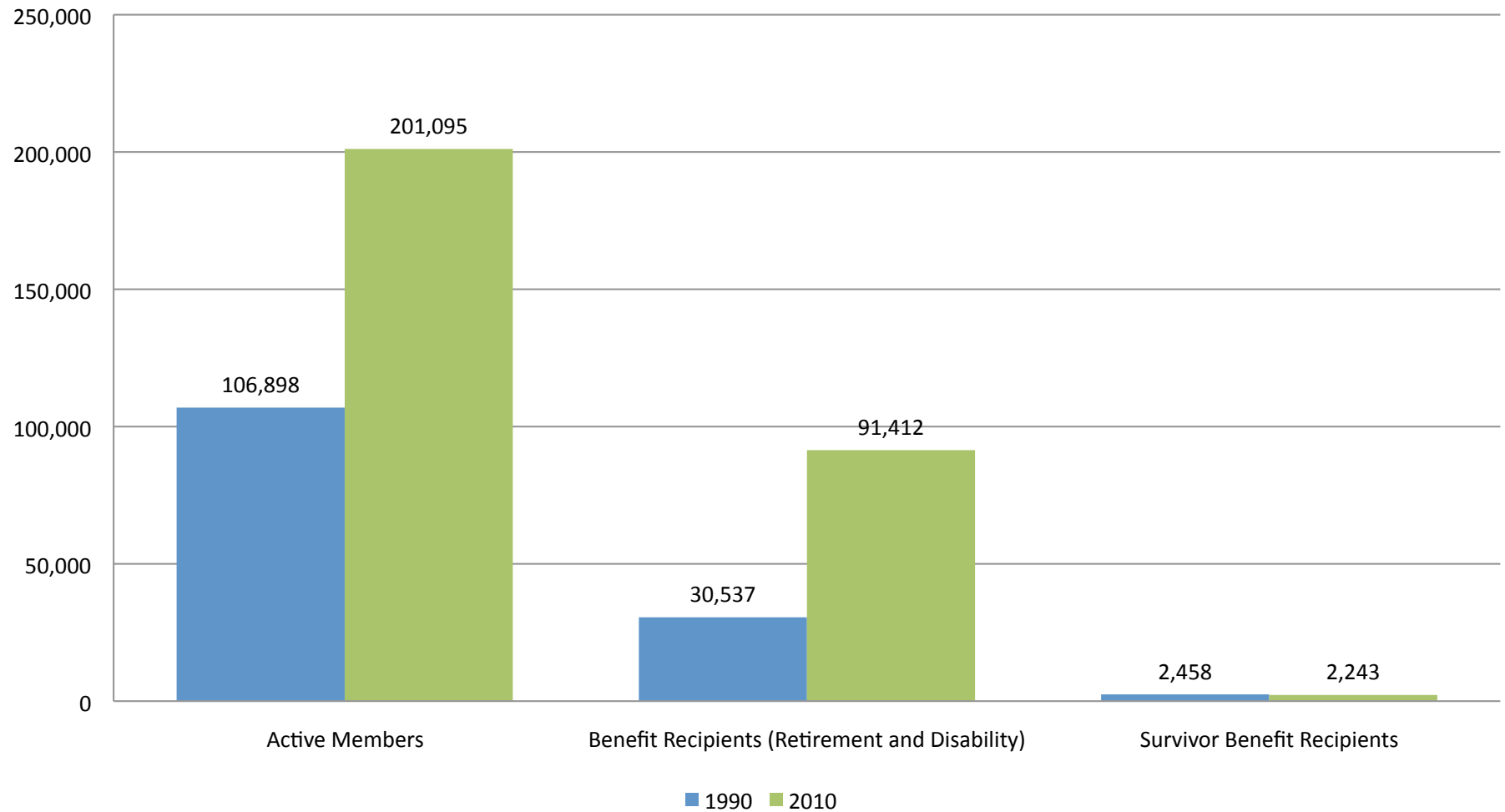
A PRESENTATION FOR THE



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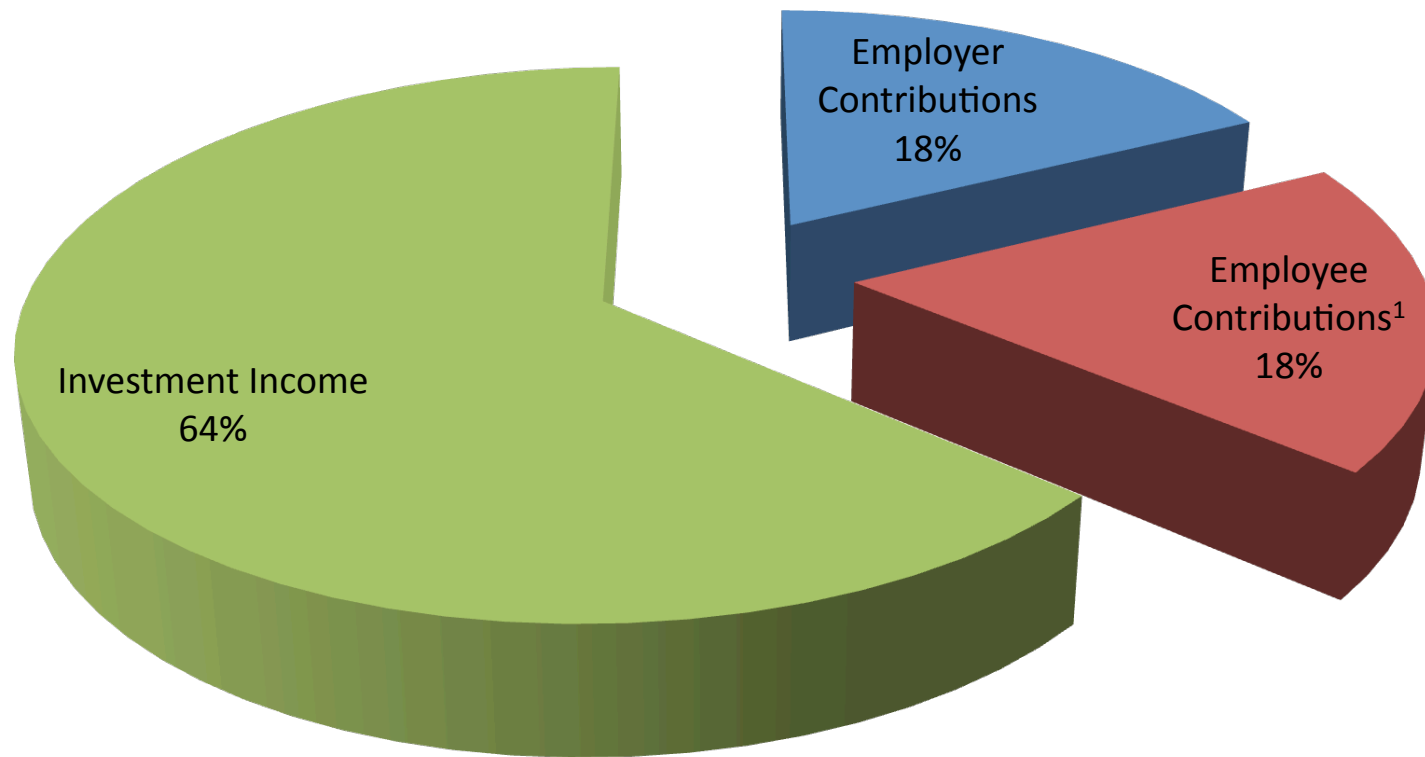
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Figure 1
Number of PERA Active Members and Benefit Recipients
1990 and 2010



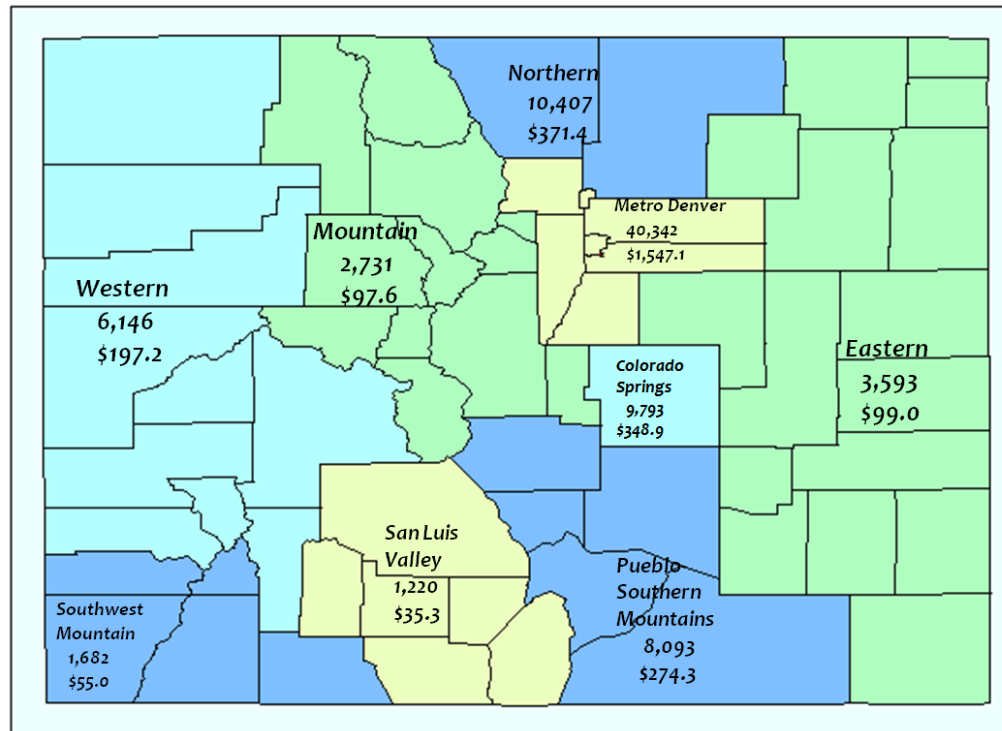
Source: Colorado PERA Comprehensive Annual Financial Reports

Figure 2
Additions to the PERA Trust Funds
1986 to 2010



¹ Includes Service Credit Purchase

Figure 3
Number of PERA Recipients and Annual PERA Payments by Region
July 2011
(PERA payments shown in \$millions)



Colorado Springs	Eastern	Metro Denver	Mountain	Northern	Pueblo-Southern	San Luis Valley	Southwest Mountain	Western
El Paso	Baca	Adams	Chaffee	Larimer	Custer	Alamosa	Archuleta	Delta
	Bent	Arapahoe	Clear Creek	Weld	Fremont	Conejos	Dolores	Garfield
	Cheyenne	Boulder	Eagle		Huerfano	Costilla	La Plata	Gunnison
	Crowley	Broomfield	Gilpin		Las Animas	Mineral	Montezuma	Hinsdale
	Elbert	Denver	Grand		Pueblo	Rio Grande	San Juan	Mesa
	Kiowa	Douglas	Jackson			Saguache		Moffat
	Kit Carson	Jefferson	Lake					Montrose
	Lincoln		Park					Ouray
	Logan		Pitkin					Rio Blanco
	Morgan		Routt					San Miguel
	Otero		Summit					
	Phillips		Teller					
	Prowers							
	Sedgwick							
	Washington							
	Yuma							

PERA Benefit Payments

- Total benefit payments are concentrated in the Metro Denver region (see Figure 4)
- Per capita measure demonstrates payments are important to all regions (Figure 5)
- PERA payments are especially important in rural regions such as Pueblo-Southern Mountains region where these payments amount to over \$1,100 per month per person (i.e., when measured by all persons in the region, not only PERA recipients)

Figure 4
PERA Benefit Payments by Region
July 2011
(in millions)

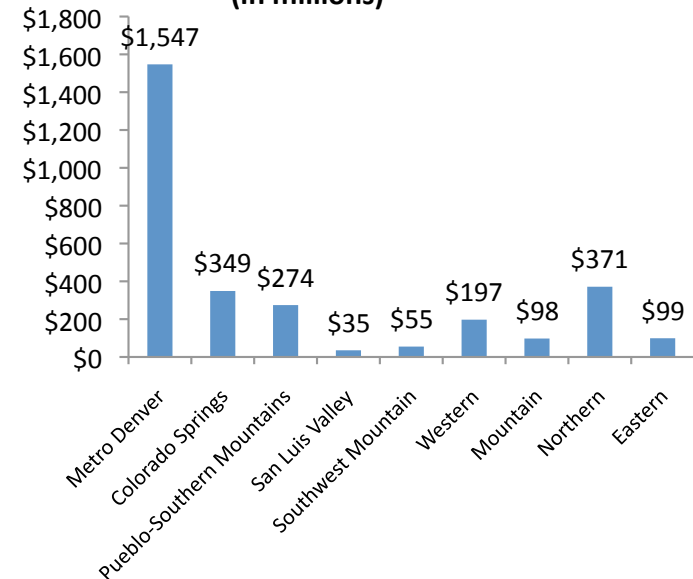


Figure 5
Per Capita PERA Benefit Payments

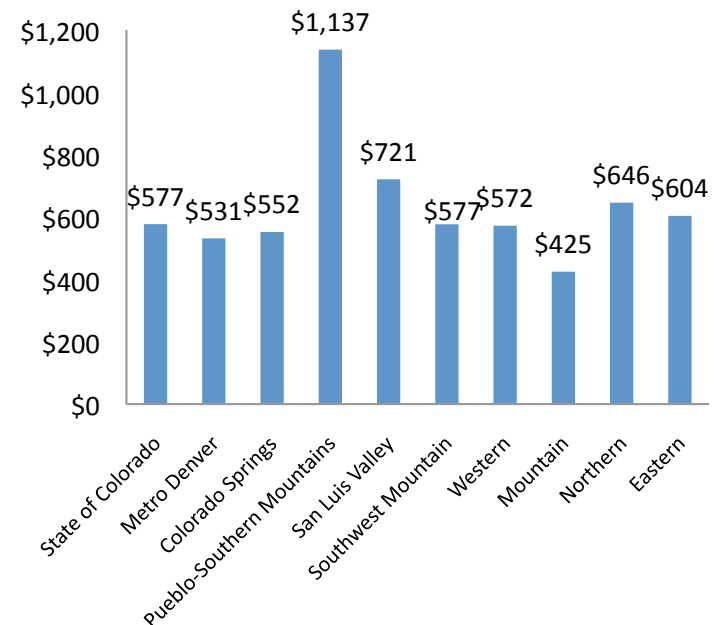


Table B

PERA Recipient Payments as Percentage of Payroll (dollars in millions)

When measured against total payroll, benefit payments amount to 3.3% at the state level, and for rural areas, such as the Pueblo-Southern Mountains and San Luis Valley Regions, amount to 14.3 and 12.1% of local payroll respectively

State/Region	July 2011 Benefit Payments Annualized	Annual Payroll (adjusted to 2011\$)	PERA Payments as Percentage of Payroll
State of Colorado	\$3,025.9	\$91,485.0	3.3%
Metro Denver	1,547.1	59,980.8	2.6%
Colorado Springs	348.9	8,846.7	3.9%
Pueblo-Southern Mountains	274.3	1,913.6	14.3%
San Luis Valley	35.3	292.7	12.1%
Southwest Mountain	55.0	983.6	5.6%
Western	197.2	4,044.6	4.9%
Mountain	97.6	3,575.2	2.7%
Northern	371.4	6,673.1	5.6%
Eastern	99.0	1,040.1	9.5%

Figure 6

PERA Benefit Payments Relative to Payroll by County

•PERA Benefits represent a larger share of the local economy in less populated regions including the San Luis Valley, Pueblo-Southern Mountains, and Eastern Regions,

•In more affluent or urban areas, this percentage is less than ten percent (10%); however for a substantial number of rural counties, PERA benefits are in the range of 10 to 25 percent, with some notable exceptions including the counties of Costilla (56.7 percent), Conejos (43.8 percent), Custer (31.3 percent) and Fremont (27.6 percent)

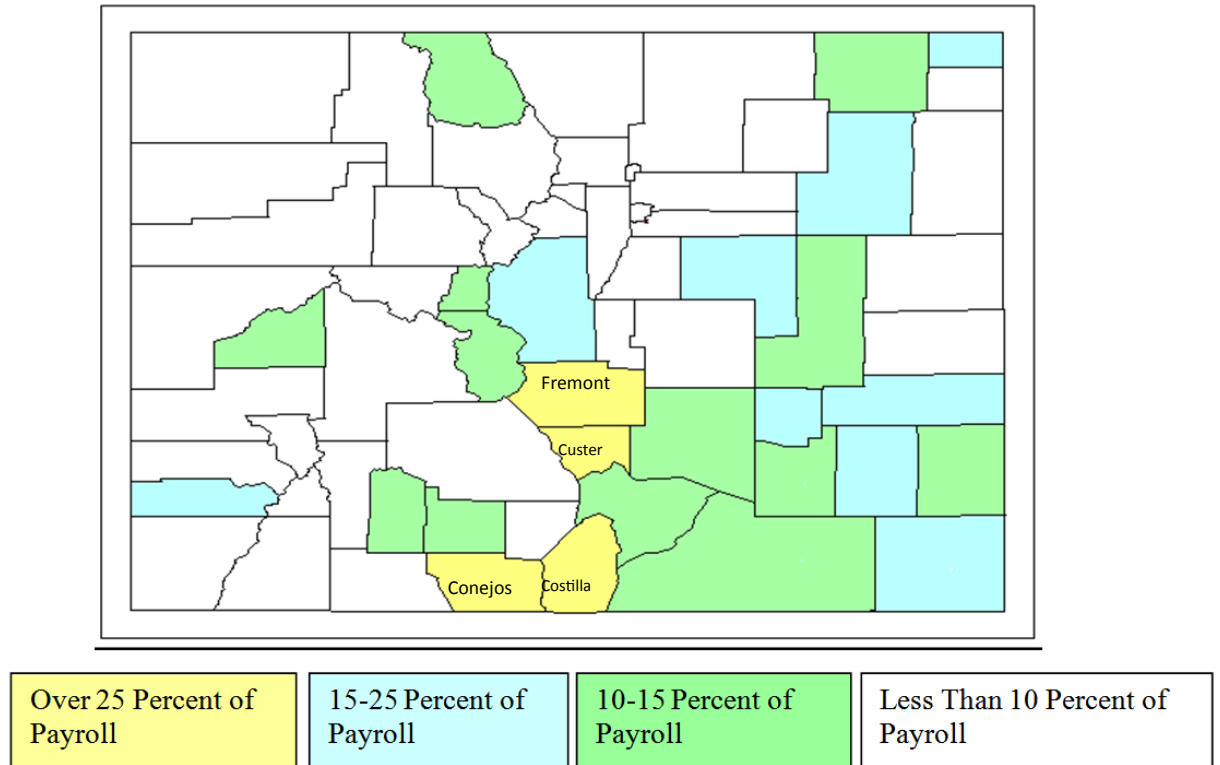
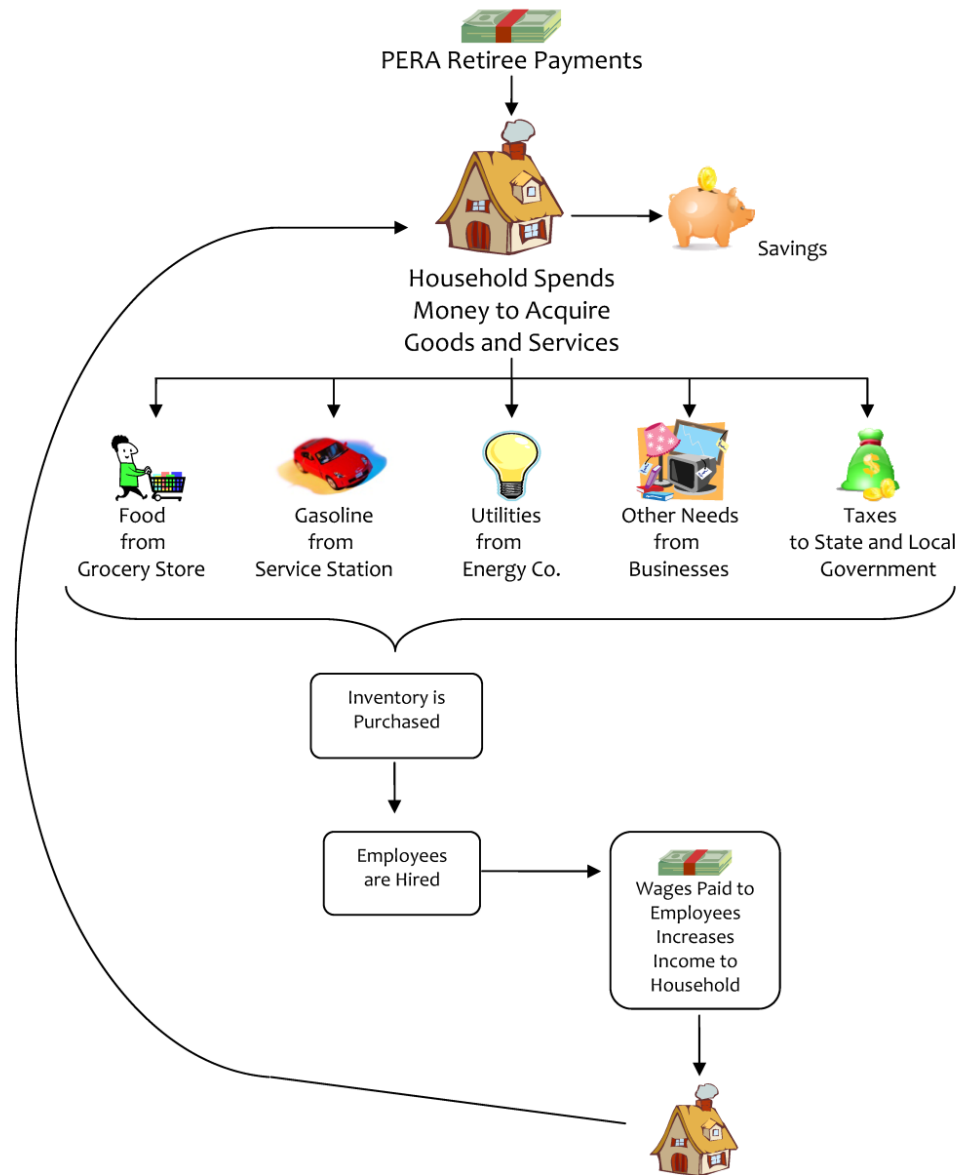
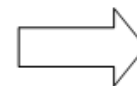


Figure 7

The Multiplier Effect of Household Expenditures



Classic Example



Farmer Sells Wheat to
Mill for \$0.50 using
Supplies Costing \$0.25

Mill Makes Flour and
Sells to Bakery for \$1.00

Bakery Makes Bread and
Sells to Customer for \$1.75

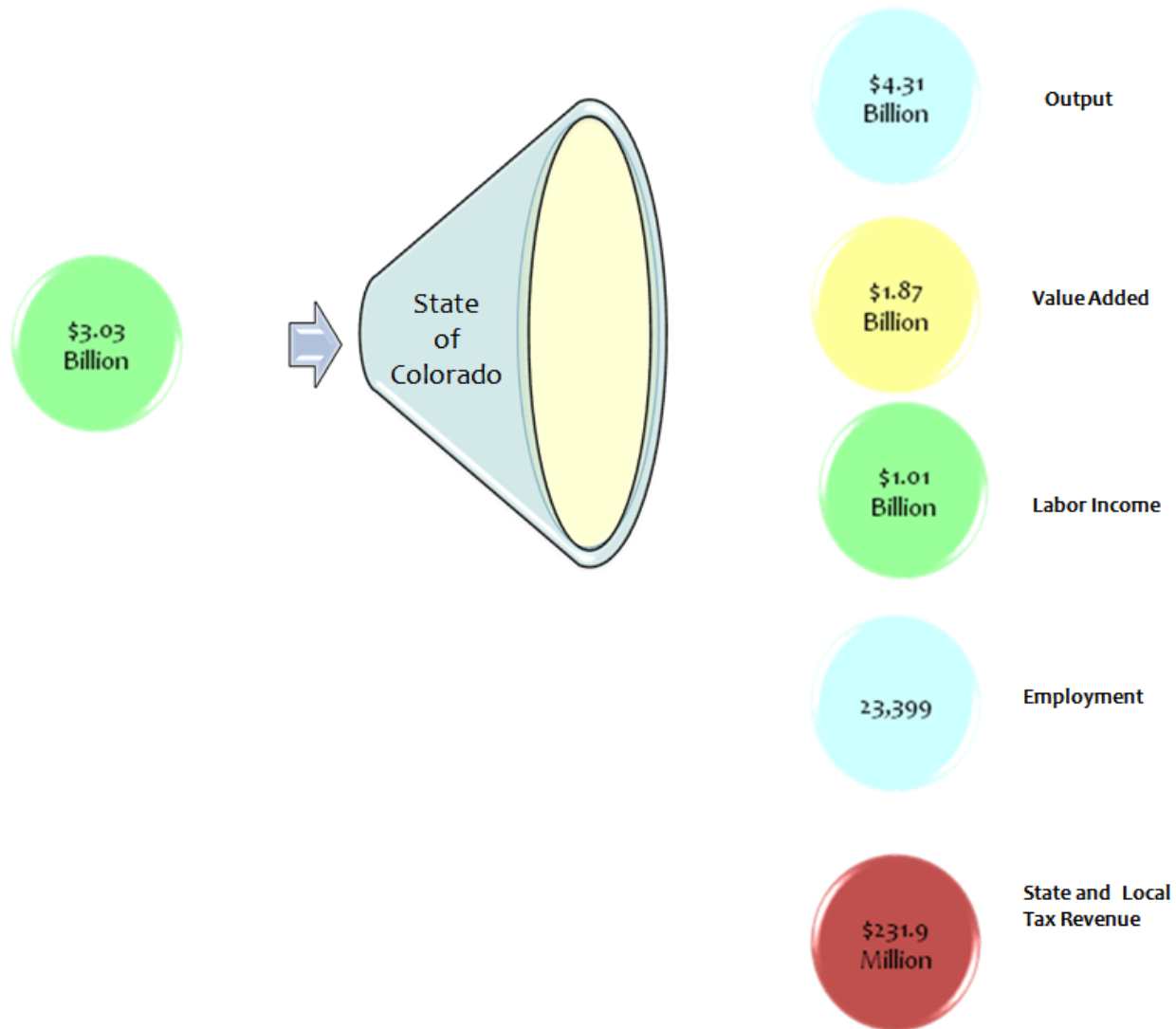
OUTPUT

\$0.50
+ \$1.00
+ \$1.75
\$3.25

VALUE-ADDED

$(\$0.50 - \$0.25)$	=	\$0.25
+ $(\$1.00 - \$0.50)$	=	.50
+ <u>$(\\$1.75 - \\$1.00)$</u>	=	<u>.75</u>
\$1.50		\$1.50

Figure 8
Economic Impact for the State of Colorado



Value-Added for State and Regions

Total impacts are greater in the more populated regions, but the per capita impacts are more comparable among regions with exception of the Pueblo-Southern Mountains region where the per capita impact is substantially greater.

Figure 9
Total Value-Added for State and Regions
(dollars in millions)

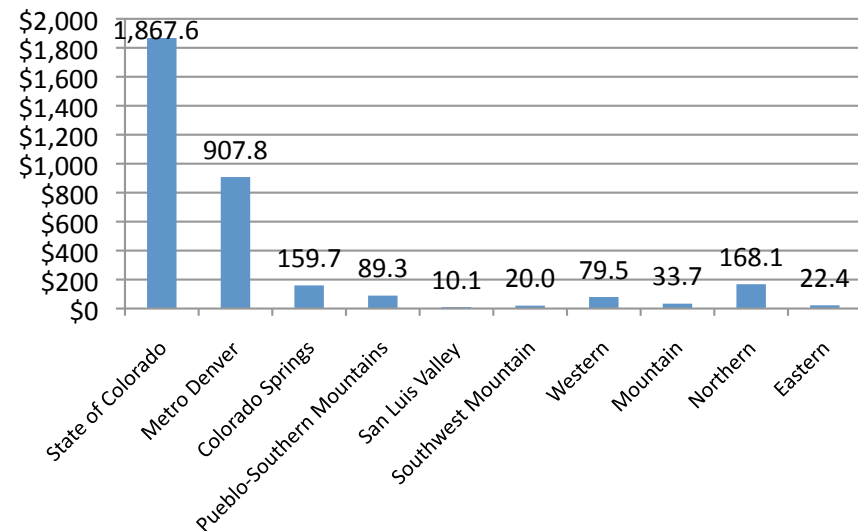


Figure 10
Per Capita Value-Added for State and Regions

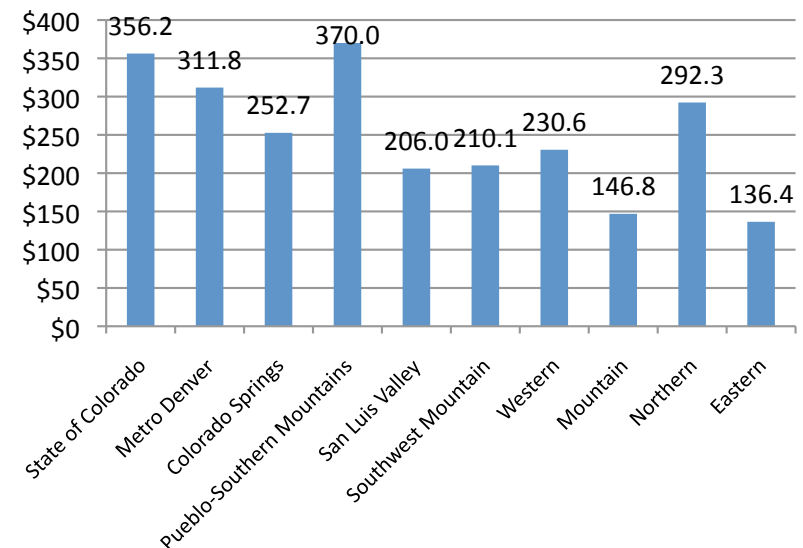


Figure 11
Total Labor Income for State and Regions
(dollars in millions)

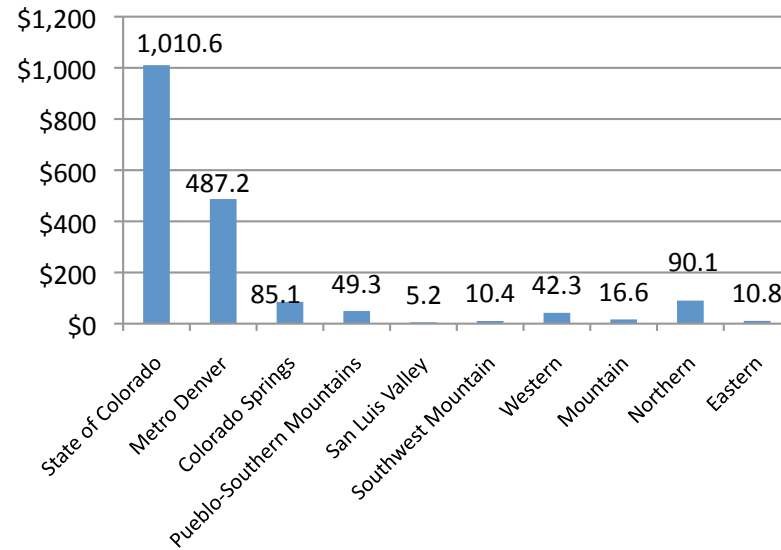


Figure 12
Per Capita Labor Income for State and Regions

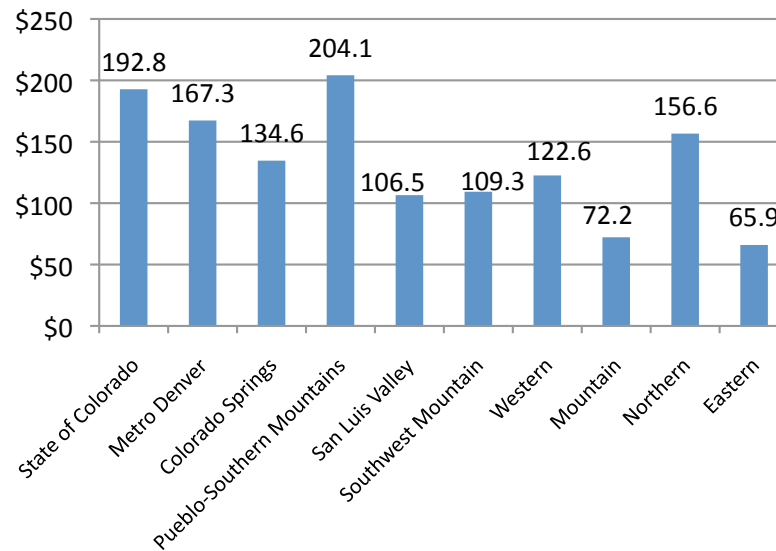


Table C
Total Economic Benefit to the State and Regions of PERA Benefit Payments
(dollars in millions)

State/Region	July 2011 Benefit Payments Annualized	Output	Value-Added	Labor Income	Employment
State of Colorado	\$3,025.9	\$4,314.5	\$1,867.6	\$1,010.6	23,399
Metro Denver	1,547.1	2,145.2	907.8	487.2	10,719
Colorado Springs	348.9	435.8	159.7	85.1	2,204
Pueblo-Southern Mountains	274.3	308.7	89.3	49.3	1,454
San Luis Valley	35.3	39.0	10.1	5.2	173
Southwest Mountain	55.0	64.0	20.0	10.4	283
Western	197.2	234.2	79.5	42.3	1,148
Mountain	97.6	111.0	33.7	16.6	401
Northern	371.4	463.6	168.1	90.1	2,573
Eastern	99.0	106.0	22.4	10.8	367

Table D
Total Economic Benefit of PERA Benefit Payments to 15 Selected Counties
(dollars in millions with the exception of per capita measures)

County	Region	July 2011 Benefit Payments Annualized	Output	Value- Added	Labor Income	Employment	Per Capita Value-Added	Per Capita Labor Income
PUEBLO	Pueblo-Southern Mountains	\$191.6	\$220.8	\$69.3	\$39.8	1,147.6	\$423.8	\$243.6
CHAFFEE	Mountain	20.5	22.6	6.2	3.0	97.8	345.6	167.6
JEFFERSON	Metro Denver	440.2	535.0	186.6	99.5	2,513.6	336.5	179.4
LARIMER	Northern	228.7	282.3	102.8	55.0	1,598.6	335.1	179.4
MESA	Western	99.7	126.6	48.9	27.4	725.0	318.0	178.0
ALAMOSA	San Luis Valley	14.7	16.8	5.2	2.9	87.4	316.7	176.1
BOULDER	Metro Denver	199.0	251.0	95.8	51.4	1,263.3	311.1	166.9
FREMONT	Pueblo-Southern Mountains	57.8	61.8	14.2	7.0	244.4	286.1	142.2
LA PLATA	Southwest Mountain	35.5	42.3	14.4	7.6	205.2	269.4	142.7
EL PASO	Colorado Springs	348.9	435.8	159.7	85.1	2,204.3	252.7	134.6
OTERO	Eastern	15.1	16.5	4.1	2.2	72.2	216.2	115.7
MONTROSE	Western	26.0	29.5	9.1	4.8	141.6	205.7	109.0
WELD	Northern	142.7	168.4	54.9	30.0	886.5	204.6	111.9
LAS ANIMAS	Pueblo-Southern Mountains	14.1	15.1	3.4	1.7	59.4	200.9	102.2
LOGAN	Eastern	17.0	18.2	4.4	2.3	78.6	198.9	107.2

Table E

Fiscal Impact to the State and Regions (dollars in millions)

•Fiscal impact recognizes the expenditures made by state and local governments to hire additional workers, make purchases in the local community for equipment needs, etc.

•The fiscal impact measure includes the income taxes paid on the first round of spending plus other taxes and feeds paid on subsequent rounds of spending which generates revenues for state and local government budgets

State/Region	State/Local Tax
State of Colorado	\$231.9
Metro Denver	112.4
Colorado Springs	21.1
Pueblo-Southern Mountains	12.0
San Luis Valley	1.4
Southwest Mountain	2.6
Western	10.1
Mountain	4.7
Northern	22.6
Eastern	3.4

Industry Sectors of the Colorado Economy

Table F
Industry Sectors of the Colorado Economy
(dollars in billions)

Sector	2010 Gross Domestic Product
Government	\$ 33.48
Real estate and rental and leasing	32.33
Professional and technical services	24.41
Information	23.28
Manufacturing	17.96
Finance and insurance	17.64
Health care and social assistance	16.37
Retail trade	14.07
Wholesale trade	12.81
Mining	11.59
Construction	9.60
Accommodation and food services	7.81
Administrative and waste services	7.79
Transportation and warehousing, excluding Postal Service	6.48
Other services, except government	6.31
Management of companies and enterprises	4.85
Utilities	3.50
Arts, entertainment, and recreation	2.99
Agriculture, forestry, fishing, and hunting	2.43
Educational services	1.95
Total	\$257.64

Figure 13
Components of the Colorado Economy

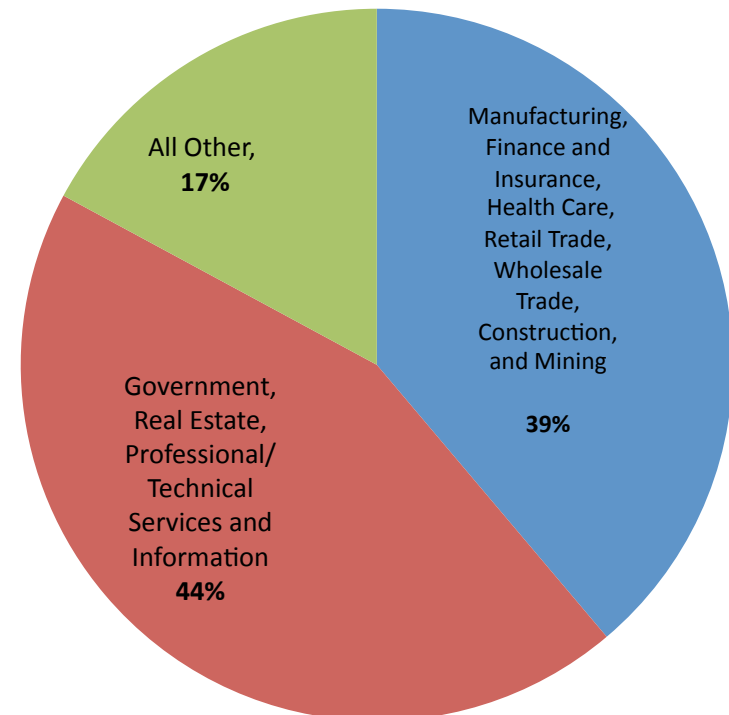
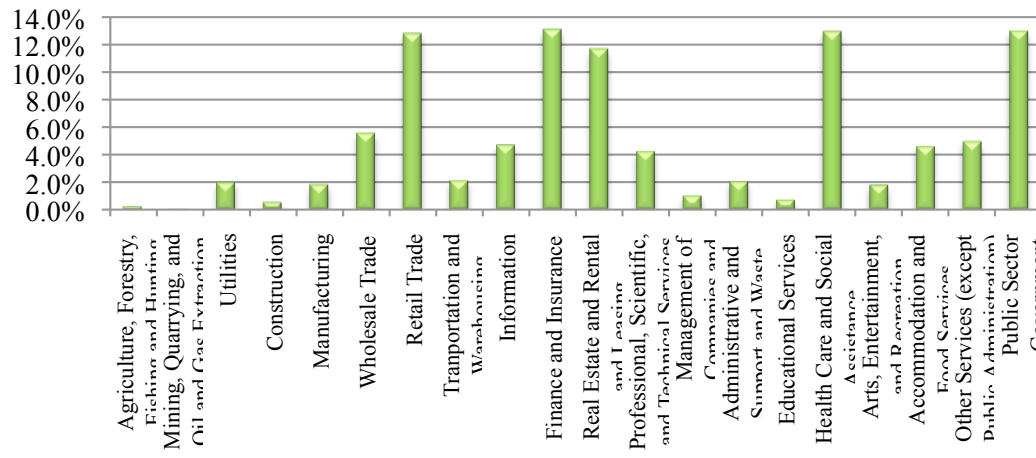


Figure 14
Value-Added by Industry Sector
State of Colorado



Value-Added by Industry Sector
Pueblo-Southern Mountains

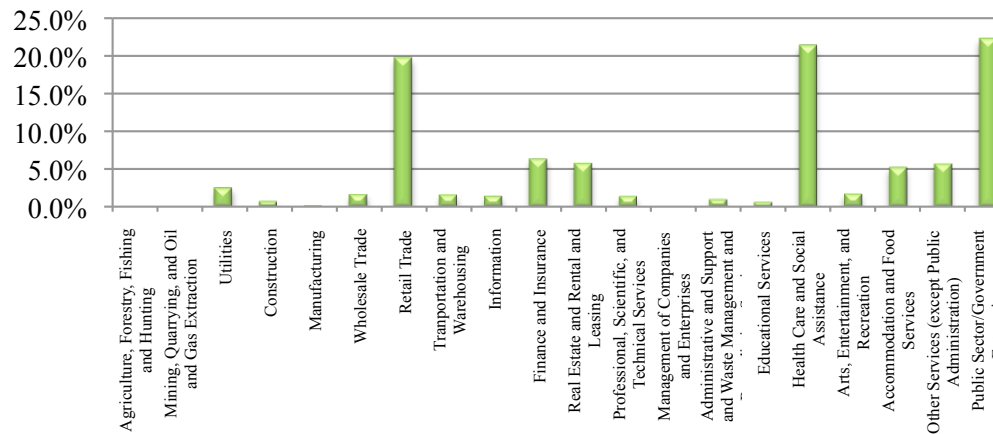
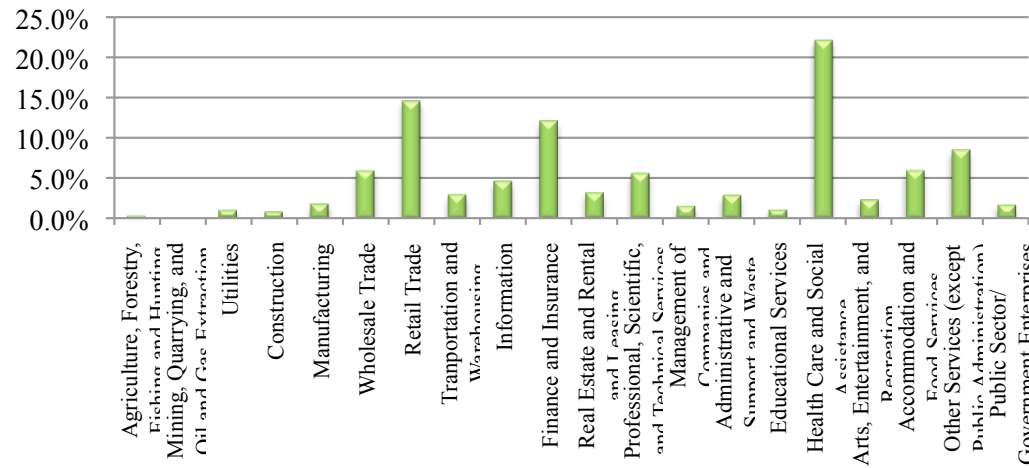


Figure 15
Labor Income by Industry Sector
State of Colorado



Labor Income by Industry Sector
Pueblo Southern Mountains

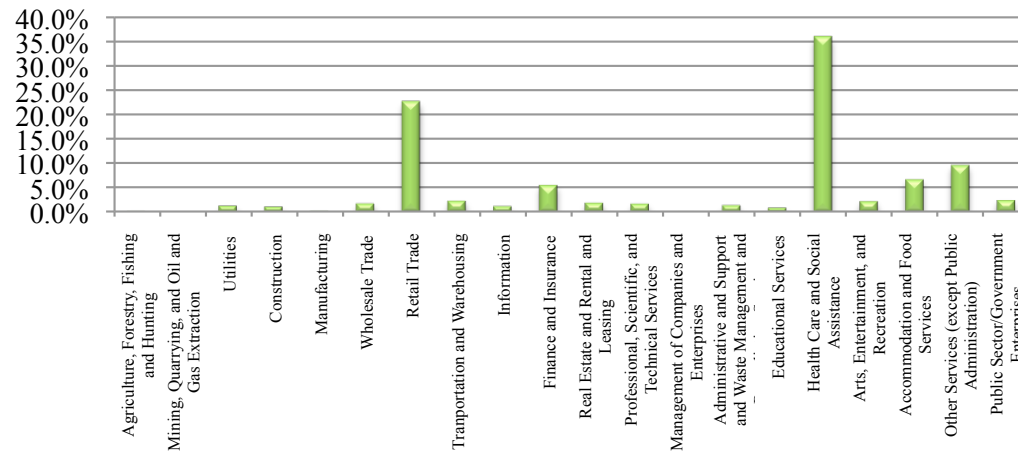
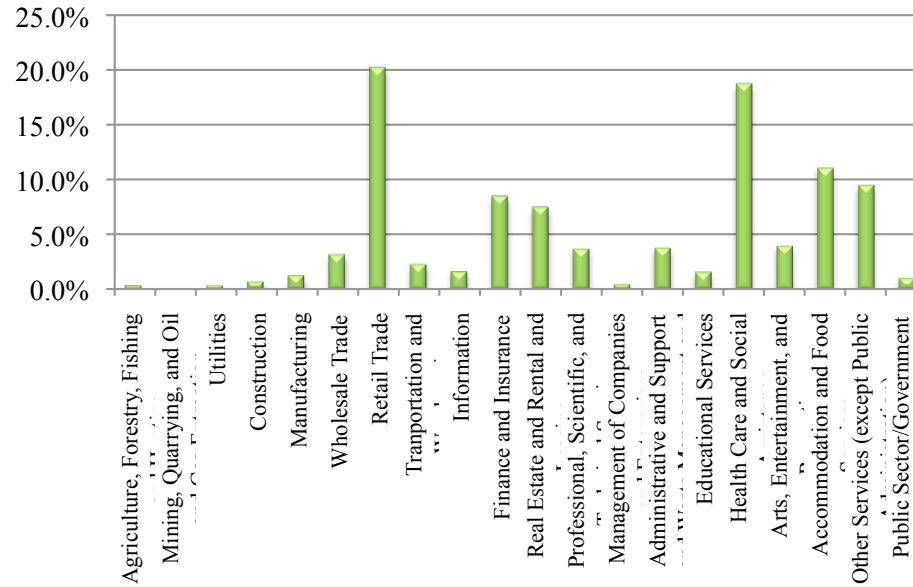
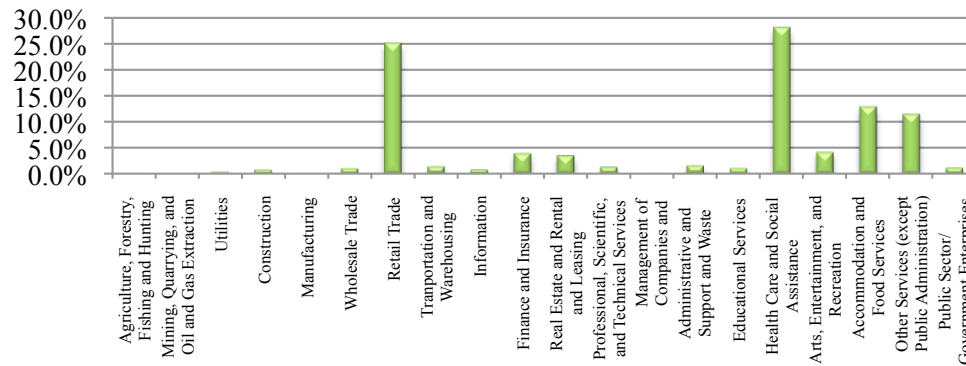


Figure 16
Employment by Industry Sector
 State of Colorado



Employment by Industry Sector
 Pueblo Southern Mountains



**Appendix A – PERA Benefit Payments as Percentage of Payroll by County
(sorted by percentage of payroll)**

County	Region	Benefit Payments Annualized (in thousands)	Annual Payroll (adjusted to 2011\$) (in thousands)	PERA Payments as Percentage of Payroll
Costilla	San Luis Valley	\$2,513.2	\$4,430	56.7%
Conejos	San Luis Valley	6,641.1	15,155	43.8%
Custer	Pueblo-Southern	4,871.7	15,584	31.3%
Fremont	Pueblo-Southern	57,781.6	209,637	27.6%
Park	Mountain	7,563.4	33,698	22.4%
Washington	Eastern	2,949.0	14,676	20.1%
Dolores	Southwest Mountain	1,045.4	5,296	19.7%
Sedgwick	Eastern	1,836.1	9,537	19.3%
Elbert	Eastern	12,008.4	64,385	18.7%
Kiowa	Eastern	1,099.9	6,326	17.4%
Bent	Eastern	2,724.2	16,145	16.9%
Baca	Eastern	2,259.0	14,157	16.0%
Crowley	Eastern	2,314.6	14,938	15.5%
Las Animas	Pueblo-Southern	14,101.0	95,135	14.8%
Huerfano	Pueblo-Southern	6,023.6	41,209	14.6%
Chaffee	Mountain	20,468.9	141,946	14.4%
Mineral	San Luis Valley	757.4	5,350	14.2%
Pueblo	Pueblo-Southern	191,564.6	1,551,998	12.3%
Otero	Eastern	15,064.6	122,087	12.3%
Lake	Mountain	3,477.3	31,066	11.2%
Delta	Western	21,960.9	197,052	11.1%
Lincoln	Eastern	4,032.3	36,719	11.0%
Logan	Eastern	16,954.7	155,895	10.9%
Prowers	Eastern	8,455.8	78,623	10.8%
Rio Grande	San Luis Valley	8,640.2	81,547	10.6%
Jackson	Mountain	974.0	9,719	10.0%
Saguache	San Luis Valley	2,091.1	21,689	9.6%
Teller	Mountain	14,371.2	151,382	9.5%
Clear Creek	Mountain	7,572.0	81,953	9.2%
Alamosa	San Luis Valley	14,662.6	164,094	8.9%
Ouray	Western	2,846.2	34,073	8.4%
Hinsdale	Western	399.4	5,178	7.7%
Phillips	Eastern	2,367.8	30,857	7.7%
Kit Carson	Eastern	4,246.1	57,076	7.4%
Montezuma	Southwest Mountain	14,093.3	201,074	7.0%
Montrose	Western	26,048.3	375,701	6.9%
Archuleta	Southwest Mountain	4,144.2	69,628	6.0%
Larimer	Northern	228,708.7	4,024,021	5.7%
Morgan	Eastern	16,323.3	290,013	5.6%
Rio Blanco	Western	5,222.6	95,025	5.5%
Weld	Northern	142,710.2	2,649,079	5.4%
Yuma	Eastern	5,219.4	98,043	5.3%
Gunnison	Western	10,627.2	200,552	5.3%
Mesa	Western	99,676.4	1,912,124	5.2%
Grand	Mountain	8,974.7	172,714	5.2%
Jefferson	Metro Denver	440,203.7	8,485,475	5.2%
La Plata	Southwest Mountain	35,457.0	701,319	5.1%
San Juan	Southwest Mountain	258.3	6,245	4.1%
El Paso	Colorado Springs	348,884.4	8,846,700	3.9%
Moffat	Western	6,720.2	171,021	3.9%
Cheyenne	Eastern	1,162.7	30,634	3.8%
Douglas	Metro Denver	118,146.4	4,012,757	2.9%
Boulder	Metro Denver	198,994.5	6,782,039	2.9%
Adams	Metro Denver	153,471.0	5,579,737	2.8%
Garfield	Western	21,798.5	918,105	2.4%
Arapahoe	Metro Denver	298,556.8	12,630,295	2.4%
Broomfield	Metro Denver	32,964.5	1,830,056	1.8%
Gilpin	Mountain	2,897.5	161,220	1.8%
Summit	Mountain	8,479.9	535,321	1.6%
Routt	Mountain	10,146.1	670,328	1.5%
Denver	Metro Denver	304,804.4	20,660,435	1.5%
San Miguel	Western	1,917.7	135,801	1.4%
Eagle	Mountain	9,104.5	1,044,518	0.9%
Pitkin	Mountain	3,522.7	541,306	0.7%

Appendix B –Economic Benefits by Industry Sector – State of Colorado
(dollars in millions)

Sector	Output	Value-Added	Labor Income	Employment
Finance and Insurance	\$443.6	\$243.7	\$122.9	1,988.2
Health Care and Social Assistance	408.8	240.9	223.4	4,373.2
Not Assigned to a Sector	374.5	241.5	17.6	249.7
Real Estate and Rental and Leasing	299.6	217.6	32.9	1,755.9
Retail Trade	275.7	238.2	147.5	4,717.8
Other Services (except Public Administration)	168.8	92.7	86.6	2,220.5
Accommodation and Food Services	162.4	86.0	60.5	2,582.5
Information	156.5	88.0	47.4	385.8
Wholesale Trade	147.0	104.0	60.4	749.0
Manufacturing	139.7	34.8	18.8	305.5
Professional, Scientific, and Technical Services	115.0	79.3	57.1	867.8
Transportation and Warehousing	76.8	40.0	30.7	539.0
Administrative and Support and Waste management and Remediation Services	64.2	38.8	29.7	888.1
Utilities	61.5	37.5	10.8	91.5
Arts, Entertainment, and Recreation	58.6	34.1	23.9	929.0
Management of Companies and Enterprises	29.6	19.6	16.1	112.6
Educational Services	23.4	14.1	11.4	376.2
Construction	20.8	10.7	8.8	171.5
Agriculture, Forestry, Fishing and Hunting	13.9	4.7	3.5	87.5
Mining, Quarrying, and Oil and Gas Extraction	2.6	1.4	0.7	7.9