

Summary Economic Analysis

February 13, 2018

Jefferson County, Colorado

A component of the Denver-Aurora-Lakewood, CO Metropolitan Area

The following is a brief summary of the condition of the Jefferson County, Colorado economy. The summary is not intended to represent a comprehensive analysis of the area, but to only provide a general review of key components.

POLICOM analyzes a local economy from the perspective of how the economy influences the “economic quality of life” of the people who live and work in the area.

The major components of the economy are presented visually in this review. After reviewing the charts and graphs, you may draw your own conclusions regarding the condition of the economy.

For questions regarding this summary, please contact POLICOM Corporation.

Sincerely,



William H. Fruth
President

Comparative Rankings

Annually POLICOM Corporation ranks all Metropolitan and Micropolitan areas for “economic strength” which is the long-term tendency for an area to consistently grow in size and quality.¹

Jefferson County, Colorado is a component county of the Denver-Aurora-Lakewood, CO Metropolitan Area. The following chart shows the rankings for the Denver-Aurora-Lakewood, CO Metropolitan Area for the last ten years.

Economic Strength Rankings Denver, CO (MSA) 383 Metropolitan Areas	
2018	10
2017	6
2016	7
2015	20
2014	23
2013	24
2012	24
2011	9
2010	3
2009	7

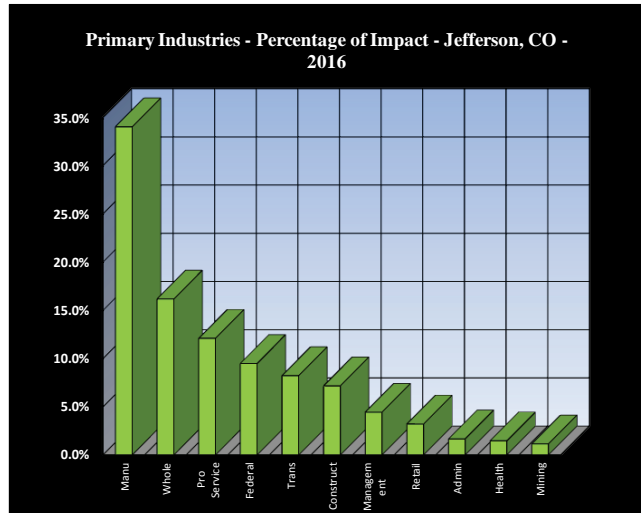
The average annual percentage increase was calculated for three time periods, the “Last 5 Years” (2011-2016), the “Last 10 Years” (2007 to 2016), and the “Previous Ten Years” (1997 to 2006). The actual data for 2016 and 2006 is also determined and ranked. The following chart shows how Jefferson County, Colorado ranked for each issue among the 383 Metropolitan Areas as if it is a metropolitan area.

Jefferson, CO Growth Ranking 383 Metropolitan Areas	Last 5 Years 2011-2016	Last 10 Years 2007-2016	Previous 10 Years 1997-2006	
Population	87	150	285	
Employment	96	59	196	
Earnings	61	76	255	
Annual Wages	53	164	310	
Number of NF Proprietors	380	287	377	
Per Capita Personal Income	16	149	154	
Per Capita Government Transfers	97	1	32	
Actual Amount 383 Metropolitan Areas	2016	Rank	2006	Rank
Population	571,837	96	521,662	98
Annual Wages	54,308	102	44,465	113
Per Capita Personal Income	56,363	26	43,010	33
Per Capita Government Transfers	7,267	323	3,661	369
Per Capita Medicare	1,776	252	1,069	285
Per Capita Retire Trans	6,816	291	3,354	358
Per Capita Welfare - Actual	362	379	243	379
Per Capita Medicaid	1,412	220	176	382

¹ For the methodology and the rankings for all areas, go to: www.policom.com

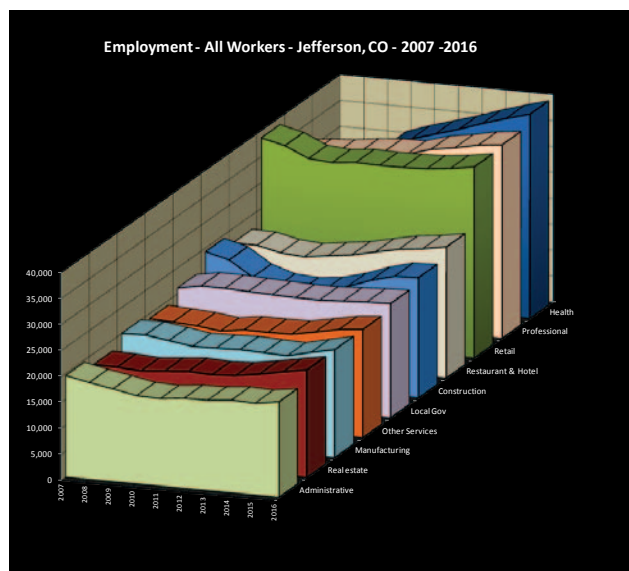
Primary Industries

Local economies grow and expand, contract and decline in direct proportion to the amount of money being imported to the area. Money is imported to an area typically by way of the “primary” industries, those which sell their goods or services outside of the area. Additionally, government entitlements which are in excess of taxes extracted are net contributors of money to an area. Typically strong economies have multiple primary industries. The following graph is an estimate of the sources of money entering the Jefferson County, Colorado.



Employment

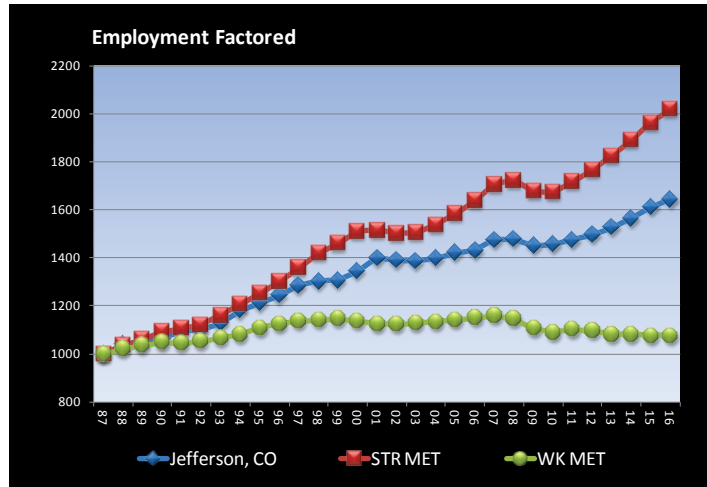
The following shows the total employment for the ten largest industrial sectors from 2007 through 2016.²



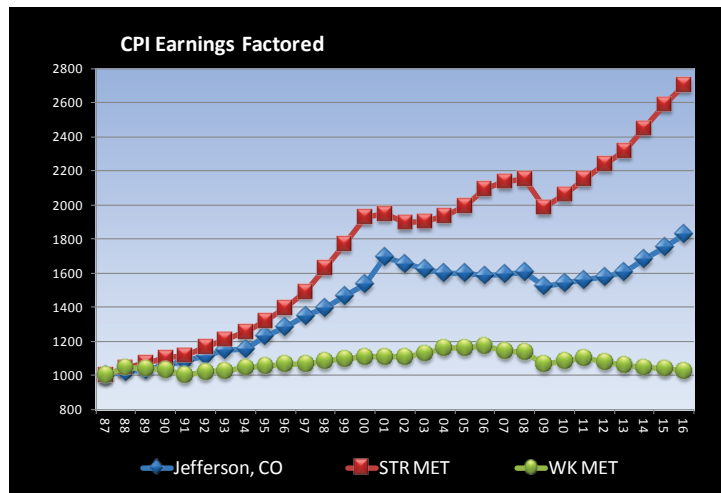
² All employment and earnings data: Regional Economic Information System, Bureau of Economic Analysis. 2016 is the most recent year available.

Growth in Size and Quality

There are several means to measure the growth in the size of a local economy. One of these is employment. The average annual increase in Total Employment was calculated and “factored” and is compared to the annual growth rates of the ten strongest and ten weakest Metropolitan Areas.³

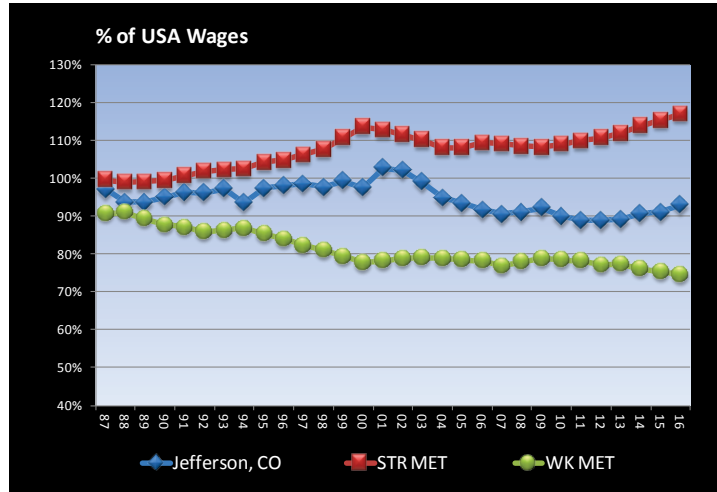


Another indicator of the growth in the size of an economy is Total Worker Earnings which include all the wages and salaries paid to workers and the profits of proprietors. The following graph adjusts Total Workers Earnings to the value of the 2016 dollar and the annual percentage increase is calculated and factored.



³ For a list of the ten strongest and weakest areas, go to www.policom.com.

The amount of money earned each year determines the “economic quality of life” for individuals and households. There are several means to measure the growth in the quality of a local economy. One of these is to compare the average annual earnings (wages) of an area to the average for the nation. Since the cost of living varies greatly among communities throughout the United States, it is not necessary for an area to be at or above the national average. If the line goes up, it is good, if the line goes down, not so much.



Another indicator of the condition of a local economy is the percentage Government Transfers (entitlements) are of Total Personal Income. Government Transfers include Social Security, Medicare, Medicaid, and various social welfare programs. It is a characteristic of strong economies to have little dependence on Government Transfers while weak economies have become dependent upon them. The graph compares the percentage Government Transfers are of the Total Personal Income for Jefferson County, Colorado compared to the average of the ten strongest and ten weakest Metropolitan Areas.

