

Industry Overview

Colorado's central location and reputation as a global commercial gateway gives investment services companies a competitive edge. The state's highly educated workforce, low cost of doing business, culture of innovation, and outstanding quality of life are key ingredients to supporting this growing and thriving industry.

Investment services is experiencing unprecedented growth. In the past five years, investment services employment in Colorado has grown 21.5 percent, compared with 8.6 percent nationally. With 33,460 employees in more than 10,130 investment services companies, the state ranked 13th out of the 50 states in investment services employment concentration in 2017.

Additionally, employment in the state's investment services industry grew for the eighth-consecutive year in 2017, adding nearly 7,000 workers since 2009. In 2017, the 33,460 direct investment services workers earning \$5.2 billion supported an additional 44,340 indirect workers earning \$2.4 billion in all industries throughout the state. In total, investment services in Colorado supports 77,800 workers earning \$7.7 billion annually. Further, wages in the investment services industry are about three-times higher than the statewide average.

Colorado is home to a significant concentration of investment services companies ranging from small investment firms to multinational companies such as Charles Schwab, TIAA, T. Rowe Price, Fidelity Investments, and others. In fact, Metro Denver is Charles Schwab's largest employment hub outside its San Francisco corporate headquarters. TIAA, Fidelity Investments, and T. Rowe Price have invested in renovations of their Colorado offices to support workforce expansions planned for the coming years, and Empower Retirement and Transamerica have expanded their Colorado footprint in recent years. Home-grown Janus Henderson Investors and OppenheimerFunds have a long-established presence in Colorado. Additionally, these firms are developing mutually beneficial partnerships with local colleges and universities to develop the workforce pipeline and to inform students of the career opportunities within the industry in Colorado. Initiatives such as [WorkAtYourPeak](#) will help position the state as a leading hub for jobs in investment services.

Investment services represents just one component of Colorado's financial services industry cluster. The state's Front Range is the major financial center between Los Angeles and Chicago. The region is one of the few areas outside of the northeast with a substantial financial services industry in 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 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.



INVESTMENT SERVICES: Colorado Industry Cluster Profile

Investment Services Economic Profile

The investment services 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.

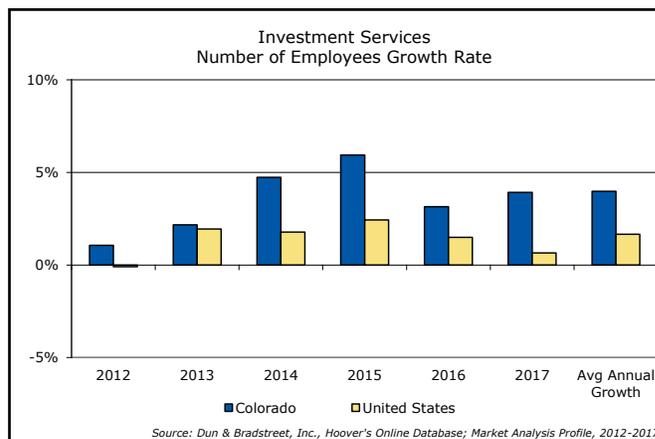
Colorado Rankings¹

Investment services direct employment concentration rank	13th
Investment services direct employment rank	15th

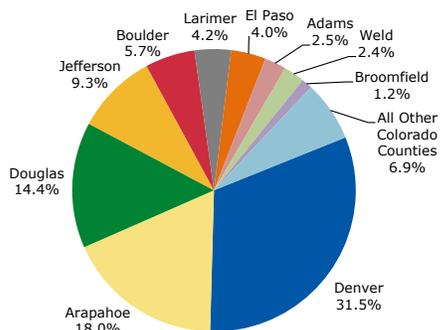
Investment Services Employment and Company Profile, 2017

	Colorado	United States
Direct employment, 2017	33,460	1,414,080
Number of direct companies, 2017	10,130	359,510
One-year direct employment growth, 2016-2017	3.9%	0.7%
Five-year direct employment growth, 2012-2017	21.5%	8.6%
Avg. annual direct employment growth, 2012-2017	4.0%	1.7%
Direct employment concentration	1.0%	0.8%

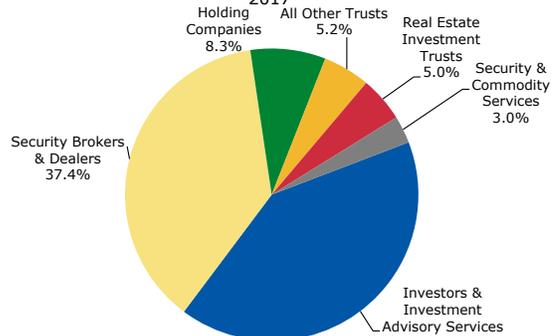
Sources: Dun & Bradstreet, Inc., Hoover's Online Database; Market Analysis Profile, 2012-2017; Development Research Partners.



Colorado Investment Services Employment by County, 2017



Colorado Investment Services Employment by Category, 2017



Major Investment Services Companies (top 10 based on employment size)

- ALPS
www.alpsinc.com
- Charles Schwab & Co.
www.schwab.com
- Empower Retirement
www.empower-retirement.com
- Fidelity Investments
www.fidelity.com
- Janus Henderson Investors
www.janushenderson.com
- OppenheimerFunds
www.oppenheimerfunds.com
- Standard & Poor's
www.standardandpoors.com
- T. Rowe Price
www.troweprice.com
- TIAA
www.tiaa.org
- Transamerica Capital
www.transamerica.com

¹ 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 largest states. No multiplier effects are included. 1st = highest for both rankings.

2017 Industry Highlights

Key Company Announcements

- **Transamerica Corp.** added 200 employees in 2017 to its downtown Denver office. With the new employees in marketing, distribution, customer care, and operations, the company's workforce increased to 700 employees in Denver.
- **T. Rowe Price** expanded its team of regional investment consultants, which now has 21 wholesalers supported by its Colorado Springs and Baltimore offices. The company is the nation's fourth-largest mutual fund company by assets.
- Denver-based **Johnson Financial Group (JFG)** launched a new wealth management division in Denver. JFG Wealth Management LLC will provide investment and advisory services to high net-worth families.

Merger and Acquisition Activity

- Denver-based **Janus Capital Group Inc.** merged with London-based **Henderson Group PLC** to create a new company called Janus Henderson Group plc. Headquartered in London, the combined company will employ 2,300 people in 23 locations worldwide. It will continue to maintain its largest employee base in Denver with about 1,000 employees. Janus Henderson Investors has about \$320 billion of assets under management and a market capitalization of about \$6 billion.
- Greenwood Village-based **National Bank Holdings (NBH) Corp.** purchased **Peoples Inc.**, which has six bank branches in Colorado. The \$143 million deal will expand NBH's Colorado presence and will provide a strong market position.
- Greenwood Village-based **Empower Retirement** celebrated its third anniversary in October 2017 with an endorsement from 325 advisors conducted by PLANADVISER as the top defined contribution plan provider. Empower Retirement administers \$500 billion in assets for more than 8.2 million participants.
- Denver-based **Jones Barclay Boston** merged with Boston, Mass.-based **The Colony Group**. The Denver location will be Colony's first in the west and its seventh office nationwide.
- Denver-based **Andrews Securities LLC** was acquired by Denver-based **LoHi Merchant Bank**. LoHi Securities will offer tailored compliance services for independent investment bankers, banking teams, and alternative investment funds.
- Investment consulting firm **Strategies Capital Management** acquired California-based **Advisory Consulting Group**. The combined firm will be headquartered in Denver and will advise \$2.6 billion in assets.

Academic and Education Announcements

Colorado Mesa University (CMU)

- CMU offers a Bachelor of Business Administration degree with a concentration in Finance, designed to prepare students for a variety of careers ranging from investments services and portfolio management to financial analyst and financial planning. CMU joins 10 other universities in the Daniels Fund Ethics Initiative to strengthen principle-based ethics education and foster a higher standard of ethics at CMU and throughout Western Colorado.

Colorado State University (CSU)

- CSU-Pueblo's Hasan School of Business launched a new online Master of Business Administration (MBA) degree. Courses are offered in a seven-week format that can be taken two at a time to complete all courses in one year.
- CSU degree programs in finance are certified by the CFA and CFP boards and are aligned with their certifications. They also provide training applicable to the Series 6 and Series 7 Financial Industry Regulatory Authority (FINRA) registrations. CSU's graduate curriculum (Master in Finance) is accredited by the AACSB and recognized as an "Academic Partner" with the Global Association of Risk Professionals.

Metropolitan State University of Denver (MSU Denver)

- MSU Denver offers a Personal Financial Planning Certificate Program and is one of the most comprehensive training programs in the nation. MSU Denver has performed in-house training for American Express Financial Advisors, TIAA, Charles Schwab, Bank of America Merrill Lynch, Wells Fargo, and Invesco Funds.

INVESTMENT SERVICES: Colorado Industry Cluster Profile

University of Colorado Boulder (CU Boulder)

- CU Boulder's Leeds School of Business launched a new initiative aimed at increasing the number of women in business programs by 2020. The End the Gap by 2020 aims to create gender parity in all CU business programs over the next three years.
- CU Boulder plans to expand and renovate its Koelbel Building, home of the Leeds School of Business. The \$22 million project will add 30,000 square feet to the north side of the building and will renovate 10,000 square feet of existing space, including the William M. White Business Library. The project will be completed in 2020.
- The Master's in Finance program at CU Boulder's Leeds School of Business includes two tracks: investment management and corporate finance/consulting. Both tracks provide the skills to pursue a career in investment management, management consulting, investment banking, private equity, and venture capital, and also prepare students for the CFA exams. Leeds is home to the Burrigge Center of Finance, whose programs include providing students with visits to major financial centers. Conferences and guest speakers provide exposure to the practitioner world and potential employers. The Burrigge Center also sponsors the CFA, the Bloomberg Certification, the Bloomberg Aptitude Test, and is expanding into the CFP.

University of Colorado Colorado Springs (UCCS)

- UCCS unveiled its first Mini-MBA program. The executive education track will enhance career prospects for employees working at the managerial level and below.
- UCCS includes Certified Financial Planner (CFP) and Chartered Financial Analyst (CFA) standards in course curriculum for finance majors, as well as ethics courses focusing on financial professionals. Additionally, the introduction to finance course for business majors helps students explore different careers with industry professionals.

University of Colorado Denver (CU Denver)

- CU Denver's Master of Science in Finance and Risk Management curriculum closely follows the CFA Program Candidates Body of Knowledge (CBOK), and includes relevant financial market and investment management analysis coursework to prepare students for success in today's challenging investment environment. The school also offers coursework to introduce investment services careers to business and non-business students, in collaboration with the Colorado Investment Services Coalition (CISC). Finally, the CU Denver Business School has full-time, tenure-track faculty with a CFA charter and offers CFA scholarships to students.

University of Denver

- DU launched a new online MBA program in January 2018. The 21-month MBA@Denver will mirror its part-time Professional MBA (PMBA) program where students focus on core business challenges designed to help them develop the leadership skills needed for career acceleration.
- The Daniels Master of Science in Applied Quantitative Finance program at DU is a CFA Institute recognized program. This status is granted to institutions whose degree program incorporates at least 70 percent of the CBOK, which prepares them for the CFA exams. The High Performance Leadership Program (HPL) at Daniels works with businesses such as Charles Schwab to hone employees' leadership skills and to help companies retain top talent in a competitive market.

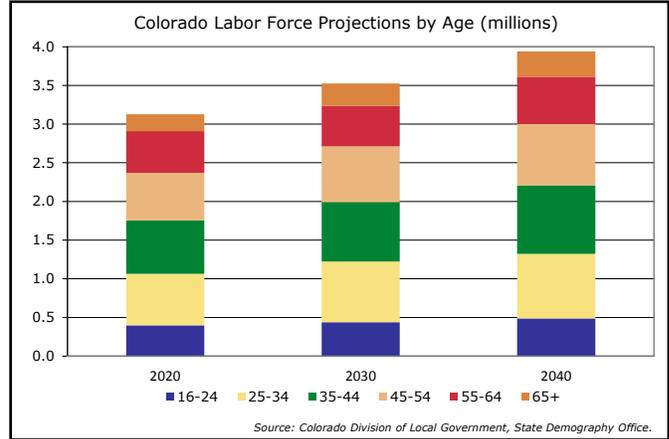
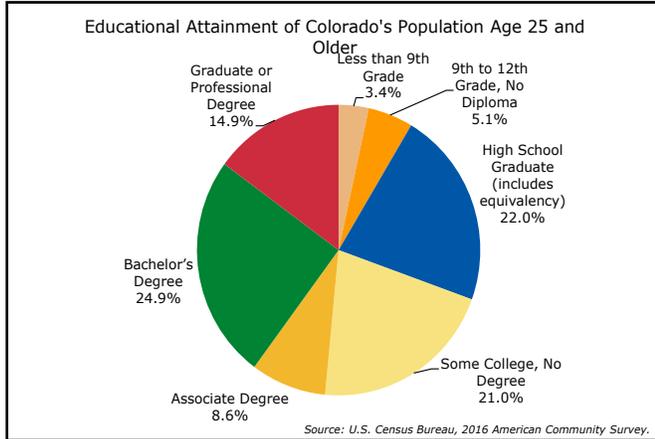
Other Educational Programs

- The Jackson Charitable Foundation partnered with Junior Achievement USA to pilot a new financial literacy video program for elementary school students at Aspen Crossing Elementary in Aurora and Emerald Elementary in Broomfield. Cha-Ching Money Smart Kids will launch statewide by 2018.
- The Colorado Business School Career Fair is a collaborative effort between the business schools at DU, University of Colorado, and CSU. CISC has served as the top-level sponsor for the Career Fair, which is the premier fall recruiting event in the Rocky Mountain region. Attending organizations have the opportunity to recruit top business talent from Colorado and Wyoming, which includes over 1,500 students and alumni from over 10 colleges and universities.

INVESTMENT SERVICES: Colorado Industry Cluster Profile

Colorado Workforce

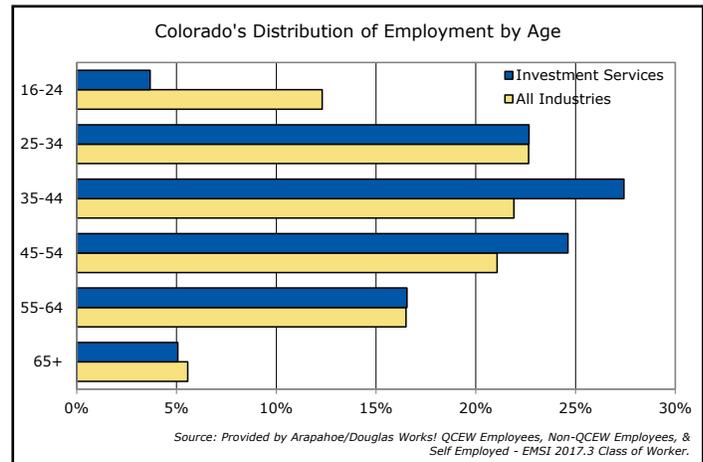
- Nearly half of the state's 5.6 million residents are under the age of 35.
- Of Colorado's adult population, 39.9 percent are college graduates and 91.4 percent have graduated from high school.
- The state's population is expected to grow 31.6 percent from 2020 to 2040, driving a 26 percent increase in the state's labor force over the same period.



Investment Services Workforce Profile

Investment services has a larger share of employees that are between the ages of 35 and 54 years old (52 percent), compared with the age distribution of all industries across the state (43 percent).

The Investment Services Occupation & Salary Profile below includes the 10 largest investment services occupations in the state. For these 10 largest occupations, the chart details the total number of workers employed in that occupation across all industries, the number of available applicants that would like to be working in that occupation, the number of recent graduates that are qualified for that occupation, and the median and sample percentile annual salaries.



Wages

- Wages in the investment services subcluster are among the highest across all industry clusters.
- 2016 average annual salary was \$156,370, compared with the national average of \$211,750.²
- Total payroll exceeded \$5 billion in 2017.

² The average annual salary in the investment services subcluster is significantly higher due to the large number of small, boutique investment services firms across the region who earn more from assets under management. Additionally, the average annual wage includes bonuses, stock options, severance pay, profit distributions, cash value of meals and lodging, and tips and other gratuities, which contribute to higher-than-average salaries in the investment services subcluster.

INVESTMENT SERVICES: Colorado Industry Cluster Profile

Colorado Investment Services Occupation & Salary Profile, 2017

10 Largest Investment Services Occupations in Colorado	Total Working Across All Industries (2017)	Number of Available Applicants (2017)	Number of Graduates (2016)	Median Salary	10th Percentile Salary	25th Percentile Salary	75th Percentile Salary	90th Percentile Salary
1. Securities, commodities, & financial services sales agents	11,664	287	0	\$55,099	\$32,240	\$38,771	\$92,643	\$163,301
2. Personal financial advisors	5,167	127	445	\$81,973	\$48,381	\$63,835	\$114,982	\$172,453
3. Accountants & auditors	38,920	957	1,485	\$66,998	\$42,630	\$52,694	\$89,535	\$117,912
4. Financial analysts	4,058	100	461	\$84,427	\$47,694	\$60,403	\$127,795	\$185,224
5. Secretaries & administrative assistants, except legal, medical, & executive	59,368	1,459	100	\$36,039	\$22,260	\$28,683	\$45,059	\$53,952
6. Office clerks, general	1,316	32	388	\$49,982	\$38,189	\$43,389	\$62,005	\$78,520
7. Customer service representatives	55,044	1,353	0	\$35,824	\$21,080	\$27,323	\$47,210	\$60,879
8. Brokerage clerks	46,425	1,141	0	\$33,426	\$21,861	\$26,645	\$41,808	\$51,813
9. Executive secretaries & executive administrative assistants	11,283	277	231	\$51,938	\$37,170	\$43,930	\$62,254	\$75,379
10. Business operations specialists, all other	42,109	1,035	21	\$73,904	\$41,931	\$54,939	\$97,753	\$125,027

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. Source: Provided by Arapahoe/Douglas Works!; QCEW Employees, Non-QCEW Employees, & Self Employed - EMSI 2017.3 Class of Worker.

Education & Training

Colorado's higher education system provides an excellent support system for businesses in the state. There are 28 public higher education institutions in Colorado, consisting of 13 four-year and 15 two-year public institutions offering comprehensive curricula. There are more than 100 private and religious accredited institutions and more than 350 private occupational and technical schools offering courses in dozens of program areas throughout the state. The state higher education system served about 255,510 students in FY 2015-16, while 86,070 students received a degree, diploma, certificate, or other formal award over the same period of time. Although not exhaustive, a list of the major, accredited educational institutions with the greatest number of graduates for each of the 10 largest investment services occupations in Colorado are included below. A directory of all higher education institutions with corresponding websites may be accessed via <http://highered.colorado.gov>.

- Colorado State University www.colostate.edu
- Red Rocks Community College www.rrcc.edu
- University of Colorado Denver www.ucdenver.edu
- Colorado State University Global Campus www.colostate.edu
- Regis University www.regis.edu
- University of Denver www.du.edu
- Front Range Community College www.frontrange.edu
- University of Colorado Boulder www.cu.edu
- Metropolitan State University of Denver www.msudenver.edu
- University of Colorado Colorado Springs www.uccs.edu

Investment Services Rankings and Concentration Measures

Colorado is a top location for investment services companies:

- About 5.5 percent of Colorado's labor force was employed in business and financial operations occupations, a higher-than-average concentration compared with the U.S. average of 4.9 percent. (U.S. Census Bureau, 2016 American Community Survey 1-Year Estimate)
- Nearly 3 percent of U.S. certified financial planner certificates are held in Colorado even though Colorado's population represents just 1.7 percent of the national population total. (Certified Financial Planner Board of Standards, Inc., 2017; U.S. Census Bureau, 2017)
- Colorado's initial registration fees for broker-dealers (\$77) and sales representatives (\$18) are among the lowest in the nation. (State of Colorado, Division of Securities)
- Boulder-based Colorado Financial Management is one of the nation's top 50 fastest-growing registered investment advisor firms with assets totaling nearly \$1.3 billion in 2017. (*Financial Advisor Magazine*, 2017)
- Metro Denver was named among the top 25 metro areas with the most finance jobs, representing 15 percent of all job openings. (*Business Insider*, 2017)
- Denver ranked among the top 15 best affordable cities for finance jobs. (*CNBC*, 2017)

For additional information, contact us:



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