This paper summarizes Colorado’s economy and the role of federal protected lands. It analyzes how the state has performed, what is driving economic growth, and how protected lands such as national parks and monuments play a positive role in attracting people, investment, and businesses to Colorado’s communities.

**Colorado’s economy is growing and outperforming the broader U.S. economy.**

![Graph showing growth measures from 1970 to 2010 for Colorado](image)

From 2000 to 2010, Colorado’s population grew by 17% and employment 8%. Over the same time period, real personal income grew by 15%, driven both by labor earnings and investment and retirement income.

![Bar chart comparing Colorado vs U.S. percent change from 2000 to 2010](image)

From 2000 to 2010, Colorado’s rate of population, employment, and real personal income growth each outpaced the nation.

Colorado’s prosperity depends on protecting the natural environment that is part of our special quality of life. Protected public lands play an important role by providing recreational opportunities, wildlife habitat, and amenities that attract and keep creative people in Colorado.

Dr. Daphne Greenwood
Department of Economics
University of Colorado, Colorado Springs
High wage services industries led Colorado’s job growth, diversifying the state’s economy.

From 2000 to 2010, Colorado’s economy created 228,893 new jobs, with the great majority of this growth coming from service-related industries. The fastest growing sectors included government, health care, finance, and professional services such as engineers and architects.

The state’s diverse industry mix means that assets—such as quality education and unique federal public lands—that attract people and business across a range of services sectors are critical to Colorado’s economic future.
Colorado is attracting people and investment, while creating businesses faster than the U.S.

Research shows that people are drawn to areas for their quality of life and natural amenities, bringing investment income and business connections to the larger world.

In 2010, Colorado was a top-ranked entrepreneurship state, creating 450 new businesses per month for every 100,000 adults, outpacing the U.S. as a whole which created 340 new businesses per month for every 100,000 adults.

From 1970 to 2010, investment income—dividends, interest, and rent—increased from $7.6 to $39.6 billion, in real terms, a 417% gain. In 2010, investment income was 18% of total personal income in the state. Combined with transfer payments, mostly age-related, non-labor income made up 31% of total personal income in 2010.
Economists believe protected federal lands are an important driver of economic growth.

Across Colorado and the West, protected federal lands such as national parks, monuments, and wilderness areas are associated with higher rates of job growth.

From 1970 to 2010, western non-metropolitan counties with more than 30 percent federal protected land increased jobs by 345%. By comparison, non-metro counties with no protected federal lands increased employment by 83%.

The high quality natural environment in Colorado is what draws talented people here, and keeps them here.

Dr. John Loomis
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Reference
The West is defined as the 11 public lands continental western states: Arizona, California, Colorado, Idaho, Colorado, Nevada, Colorado, Oregon, Utah, Washington, and Wyoming.

“Protected” federal lands include areas such as National Parks, Wilderness, National Monuments, National Conservation Areas, National Recreation Areas, National Wild and Scenic Rivers, and National Wildlife Refuges. For more details, see: http://headwaterseconomics.org/tools/eps-hdt/tech-info.

More than 100 economists recently urged the President to protect federal lands as an important economic asset. See: http://headwaterseconomics.org/land/reports/economists-president-public-lands.


Non-Metropolitan counties are counties without an urbanized area of 50,000 or more population, or a high degree of social and economic integration with a Metropolitan Statistical Area as measured by commuting ties.


For More Information
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Headwaters Economics is an independent research group whose mission is to improve community development and land management decisions in the West.