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AEROSPACE EMPLOYMENT

Giant leap for state's stature in space jobs

Colorado passes Texas for industry's No. 2 spot

By Kelly Yamanouchi
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Colorado's growing aerospace industry is now the nation's second largest, according to a new report from the Metro Denver Economic Development Corp.

Colorado's total private aerospace employment grew 12.9 percent from 2006 to 2007, bringing the total to roughly 26,650 employees, according to the report, issued Wednesday.

That makes Colorado's aerospace industry the second largest nationwide when ranked by total private employment.

Colorado trails California but moved ahead of Texas to become second largest. The Metro Denver EDC has been saying for months that Colorado was likely to reach the No. 2 spot.

"It was our own space race," said Tom Clark,

executive vice president of the Metro Denver EDC. "I don't think we'll ever be bigger than the mothership, California, but we're very, very proud."

Clark said aerospace companies look to Colorado for expansion because of its large aerospace industry with well-trained employees and cheaper costs than California.

When ranked by the concentration of private aerospace employment, Colorado is first in the United States, according to the report.

Colorado is "a very business-friendly state" with a tradition of bipartisan support, said Joe Lehman, Lockheed Martin Space Systems' director of government affairs.

"Its officials are people with backgrounds that give them an understanding of business concerns."

Colorado also has well-respected universities and colleges that produce quality workers, and the state has a "true confluence" of civil-space and military-space employment, he said.

"We have become the center of government space activity in many ways," Lehman said.

Human-spaceflight role

New projects and operations have been fueling the growth of the aerospace industry in Colorado.

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The United Launch Alliance, a joint venture between Lockheed Martin and Boeing rocket operations, started operations in December 2006, and now has about 1,600 employees here, according to the report.

Jefferson County-based Lockheed Martin Space Systems' work on an \$8.2 billion NASA contract for the Orion crew exploration vehicle that it won last year has also given the industry a huge boost, with nearly 500 employees here.

Colorado has always been strong in military space and space science, "but human spaceflight was long the province of Texas and Florida," Lehman said. With the Orion contract, "now Colorado is a major player in human spaceflight."

Lehman said incentives such as the approximately \$3 million for Lockheed Martin's Orion program make Colorado an attractive place for the aerospace industry, but he suggested that "if Colorado's prosperity increases," companies may also be interested in expansion of incentives such as the research and development tax credit.

Competition is tough

Deals for large companies including Lockheed Martin are driving much of the growth in aerospace, but smaller companies are also benefitting as subcontractors and some small aerospace businesses are developing their own niche markets.

Direct and indirect employment in

Colorado's aerospace industry totals 171,200 workers, according to the Metro Denver EDC report, which was researched by Patty Silverstein of Development Research Partners.

"We saw growth in just about all of the states," Silverstein said.

"If we want to remain in the No. 2 position, it does mean that we need to remain very diligent in our economic development efforts related to aerospace."

Lt. Gov. Barbara O'Brien said the Colorado Space Coalition, which she co-chairs, is focusing on ensuring a business-friendly climate for aerospace and math and science education.

"It's really been a multi-pronged, sustained effort for a number of years, and it's really been paying off," O'Brien said.

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Private aerospace employment in Colorado

2007 direct employment: 26,650

Direct employment growth, 2006-07: 12.9 percent

Five-year direct employment growth, 2002-07: 27.4 percent

Avg. annual direct employment growth: 2002-

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07: 5 percent	Aerospace engineers - \$87,960
Private aerospace employment in the United States	Aerospace engineering and operations technicians - \$59,810
2002 direct employment: 375,036	Aircraft structure, surfaces, rigging and systems assemblers - \$46,180
Direct employment growth, 2006-07: 0.8 percent	Average salary for an aerospace worker in Colorado in 2006: \$98,800
Five-year direct employment growth, 2002-07: 2.7 percent	
Avg. annual direct employment growth, 2002-07: 0.5 percent	
Major areas:	
33 percent of aerospace companies in Colorado are involved in manufacturing search and navigation equipment	
27 percent are involved in optical instruments and lenses	
Where Colorado's aerospace employees work	
Jefferson County - 32 percent	
Arapahoe County - 24 percent	
El Paso County - 23 percent	
Boulder County - 15 percent	
Colorado occupational salaries, 2006	

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