Data-Driven Economic Strategies

Catalyst Campus Economic Impact - Updated Results for 2025

State of Colorado and El Paso County (EPC)

Background

Catalyst Campus for Technology and Innovation in Colorado Springs serves as a central hub for national security, space, and advanced technology activity. With approximately **28 tenants representing approximately 460 employees**, the campus hosts a concentrated mix of professional, scientific, and technical organizations, reinforcing Colorado Springs' role as a national center for space, defense, cybersecurity, and other professional services. The mix of tenants fosters collaboration across private industry, government, and emerging innovators.

An economic impact analysis offers a quantitative methodology that measures the direct (partner activity on Campus), indirect (business-to-business supply-chain purchases), and induced (household spending support by labor income) effects. All of these impacts have associated federal, state and county tax revenues, which are also part of this study. Two geographic scenarios were modeled. **The first one includes the economic impact components for El Paso County, and the second analysis includes the same components for the state of Colorado.**

Two previous economic impact studies were conducted by Data-Driven Economic Strategies – one with 2019 (pre-pandemic) campus tenant information, and one two years later with 2021 data. **This analysis represents an update with 2025 tenant information.** Measuring the economic impact of this space/defense/cyber ecosystem is always informative. However, the **context of significantly higher office vacancy rates puts new light on the challenges of both in-person collaboration with its associated benefits as well as the challenges for commercial real estate landlords and investors who (nation-wide) are facing the highest U.S. office vacancy rates on record (~20%).**

Despite the challenging environment, the updated economic impact results show that Catalyst Campus partners generate a sizable economic footprint in both the El Paso County and the broader Colorado economy. While most of the economic benefits are centralized to El Paso County due to the partners' overall presence in the region, additional impacts to the state represent the "spillover" benefits to the state above and beyond the impacts within El Paso County. The tables and narrative below summarize the results of this updated analysis.

Methodological Note

This analysis used IMPLAN to translate partner activity into estimates of employment, the corresponding labor income, gross revenue generated by associated companies ("output"), and value added (e.g., the net contribution to regional gross domestic product). Tax results are also included as net revenue benefits to local, state and federal government entities.

Summary of Total Economic Impacts – El Paso County, Colorado

Table 1 below shows that as a result of Catalyst Campus partner activity, **2,168 new jobs are generated within El Paso County** with an associated **$191 million in labor income.** For context, the region's annual average number of new jobs from 2019 to 2024 (pulling out the pandemic year was) 8,200. Total gross revenue ("output") from the 28 tenant companies was $370 million in 2025 with **a net contribution to regional gross domestic product (GDP) of $240 million**. By way of reference, the total inflation-adjusted regional GDP in 2023 (most recent data available) was $42.6 billion meaning Catalyst Campus accounted for roughly 0.6% of the region's GDP.

Table 1. El Paso County Economic Impacts for Catalyst Campus, 2025

Impact	Employment	Labor Income	Value Added	Output
1 - Direct	1,271	$140,672,410	$147,765,496	$215,346,692
2 - Indirect	317	$19,348,559	$27,665,131	$50,631,200
3 - Induced	580	$31,024,832	$64,734,203	$104,181,266
TOTAL	**2,168**	**$191,045,801**	**$240,164,830**	**$370,159,158**

These totals reflect the direct (partner activity), indirect (business-to-business), and induced (employee's consumer spending) impacts. The associated tax impacts for the county are shown in Table 2 below.

Table 2. El Paso County Taxation Impacts for Catalyst Campus, 2025

Impact	Sub County General	Sub County Special Districts	County	State	Federal	Total
1 - Direct	$ 495,350	$ 749,904	$ 200,499	$ 3,006,662	$ 28,548,311	$ 33,000,727
2 - Indirect	$ 192,649	$ 282,829	$ 77,262	$ 697,127	$ 4,197,068	$ 5,446,935
3 - Induced	$ 1,422,101	$ 2,060,310	$ 568,111	$ 3,043,722	$ 7,667,752	$ 14,761,996
TOTAL	**$ 2,110,100**	**$ 3,093,043**	**$ 845,872**	**$ 6,747,512**	**$ 40,413,131**	**$ 53,209,658**

These taxation results show sizable tax revenues in 2025 for the county (over $6 million combined for subcounty and county), for the state ($6.7 million) and the U.S. ($40.4 million). **Total taxation revenues for all regions in 2025 came to $53.2 million.**

Summary of Total Economic Impacts Including State of Colorado Impacts

Table 3 below summarizes the economic impacts attributable to Catalyst Campus partners across the State of Colorado including the (El Paso) County impacts. This table shows that as a result of Catalyst Campus partner activity, **2,284 new jobs are generated across the state** with an associated **$228 million in labor income in the state.** The associated total gross revenue ("output") is $433 million with **a net contribution to regional gross domestic product (GDP) of $287 million.** By way of reference, the total inflation-adjusted regional GDP for the state in 2024 (most recent data available) was $449 billion meaning Catalyst Campus contributed .06% of the state's GDP.

Table 3. State of Colorado Economic Impacts for Catalyst Campus (including EPC impacts), 2025

Impact	Employment	Labor Income	Value Added	Output
1 - Direct	1,186	$150,468,683	$152,019,337	$215,484,956
2 - Indirect	354	$28,456,081	$40,841,798	$68,432,851
3 - Induced	744	$49,306,621	$93,768,003	$149,747,327
TOTAL	**2,284**	**$228,231,385**	**$286,629,137**	**$433,665,135**

These totals reflect the direct (partner activity), indirect (business-to-business), and induced (employee's consumer spending) impacts. The associated tax impacts for the county are shown in Table 4 below.

Table 4. State of Colorado (including EPC) Taxation Impacts for Catalyst Campus, 2025

Impact	Sub County General	Sub County Special Districts	County	State	Federal	Total
1 - Direct	$447,830	$754,159	$233,942	$3,878,349	$31,494,336	$36,808,616
2 - Indirect	$247,058	$399,592	$124,166	$1,105,972	$6,401,154	$8,277,943
3 - Induced	$1,737,652	$2,765,738	$860,012	$3,839,678	$12,066,286	$21,269,365
TOTAL	**$2,432,540**	**$3,919,490**	**$1,218,120**	**$8,823,999**	**$49,961,776**	**$66,355,924**

These taxation results show sizable tax revenues in 2025 for the associated counties ($7.6 million combined for subcounty and county), for the state ($8.8 million) and the U.S. ($50 million). **Total taxation revenues for all regions in 2025 came to $66.3 million.**

While this table reflects impacts at the statewide level, the estimated effects are only modestly larger than those observed for El Paso County. This is because the majority of economic activity associated with Catalyst Campus is geographically concentrated within El Paso County, where tenants, workers, and supply-chain relationships are primarily located. Incremental statewide impacts therefore largely reflect spillover effects to other parts of Colorado—such as out-of-region vendors, commuting, or secondary business linkages—on top of the impacts already captured within El Paso County.

This analysis represents an update to the 2021 economic impact study of Catalyst Campus. While the **earlier analysis reflected slightly higher overall employment levels and a larger contribution to regional GDP, the current findings should be interpreted in the context of broader structural shifts in the office and professional services markets since the pandemic**. It's important to note that the absence of Parson's Corporation represents the biggest loss in terms of both employment and revenue at the Campus.

The pandemic and work-from-home has hit the office sector very hard with the highest vacancy rates seen on record. **Moody's documents a vacancy rate of 20.7% as of the second quarter of 2025 and labels it "unprecedented."** CoStar states at 21% vacancy rate (up sharply from 13% in 2019). As such, Catalyst Campus has bucked the trend of vacancy rates that are that high. Catalyst Campus leadership is committed to the DoD and space ecosystem they have created, and this impact analysis shows they still have a significant employment and economic footprint. Having this ecosystem is especially important right now with the relocation of Space Command to Huntsville, Alabama. The Colorado Springs MSA needs to retain and attract DoD-related companies to: a) support the five existing military installations, and b) nurture new opportunities in national defense.

Conclusion and Future Considerations

In thinking about the CCTI retreat and perusing some literature about space/defense/engineering/cyber ecosystems, I believe these economic impact results highlight a couple of important considerations for the Campus.

1. The **Campus has two major headwinds that should be proactively addressed**. One relates to the aforementioned challenges to the commercial office real estate market. All analyses I have read say that **vacancy rates will stay high for the foreseeable future – except for Class A space and/or other space that can differentiate itself to have a comparative advantage over other local commercial space.** Catalyst Campus does have a differentiating advantage as a space/defense/engineering/cyber hub. The key is to actively market this advantage through a better website with top-notch SEO (search engine optimization). **The website should market not office space, per se, but outcomes for tenants (e.g., more contract winds with grant writing support, weekly or monthly on-campus sessions presenting new RFPs and other opportunities, etc..).**

   The other major headwind relates to the relocation of Space Command to Huntsville, Alabama. Jeff Crank originally estimated 1,700 lost jobs in the region but now states approximately **1,000 jobs lost**. It's important to emphasize that these are direct jobs only. The indirect (business-to-business) and induced (revenue from all related employees – everything from the B-to-B employees to retail workers who would have served the ~1,000 lost employees) impacts imply a **harder employment and revenue hit to the region**. This is true even if it takes years for the full impact to occur. **All this means that Catalyst Campus will have to be particularly aggressive in obtaining new tenants and retaining existing ones.**

2. That proactive approach includes **reaching out to other Catalyst-Campus-like entities around the country and marketing itself as a possible alternative location or additional location.** This includes potential clients/tenants in Huntsville. Selling the outcomes that Catalyst can provide **requires investment in state-of-the-art services that these kinds of tenants need**. For example, good grant/proposal writers are incredibly hard to find and a shortcoming of most small businesses in this line of work. Hiring a stellar Campus grant writer or technical supporter for (tenant's) grant writing could go a long way in recruiting new tenants.

   The proactive approach might also include an investment in targeted marketing to relevant companies across the U.S. that could be a good fit for the Catalyst Campus ecosystem.

Campus leadership and the CCTI board are aware of these challenges and work hard to mitigate them while producing more opportunity for both tenants and the Campus. Some of the considerations provided herein have been discussed or even tried before. These are simply some thoughts to consider in the pursuit of both Campus sustainability and value-add to the space/defense/engineering/cyber ecosystems. As the CCTI board retreat revealed, the Campus and CCTI can benefit from being more proactive and targeted especially in this (industry) competitive and (commercial real estate) challenging environment.