

The Region 9 Economic Development District of Southwest Colorado provides economic and community development services to a five county area, which includes Archuleta, Dolores, La Plata, Montezuma, and San Juan Counties. For more information about this report, or other programs, contact Region 9 at (970) 247-9621. Or visit us on the web at www.scan.org.



Retail Data for Decision Makers La Plata County Colorado

This report uses retail sales data to provide insights for decision making regarding business expansion, relocation, marketing, government finance, and community development. County-wide many of the retail sectors are strong (exceeding their sales potential), particularly those sectors that benefit from tourism, and that feed the current building boom. Because of its location within the larger region, Durango has developed as a tourist crossroads and regional trade center, as well as being the county seat. Bayfield has served as a supply town and social center for area farmers and ranchers, and more recently as a bedroom community for Durango. At present Ignacio remains a tri-ethnic community, composed of Southern Utes, Hispanics and Anglos. Today the town serves as a supply center for the surrounding reservation and ranches, and is a crossroads for the gas and oil industry.

Total Retail Sales

Using "pull factors" we see that retail sales in La Plata County were on par with the state in 2003, and increased in 2004 and 2005. A pull factor shows the relative strength of the retail sales sector in the county, as compared to the state. Pull factors are good measures of sales activities because they reflect changes in population, inflation, and the state economy.

Calendar Year	*La Plata County Total Retail Sales	Estimated Number of Retail Firms	*Sales per Firm	*La Plata Per Capita Sales	*State Per Capita Sales	Pull Factor
1999	\$ 788,390,632	1,427	\$ 552,481	\$ 18,439	\$ 19,228	0.96
2000	\$ 899,227,522	1,441	\$ 624,030	\$ 20,464	\$ 21,576	0.95
2001	\$ 941,141,385	1,534	\$ 613,521	\$ 20,633	\$ 21,646	0.95
2002	\$ 1,025,562,341	1,614	\$ 635,417	\$ 22,159	\$ 22,765	0.97
2003	\$ 1,072,036,000	1,679	\$ 638,497	\$ 22,912	\$ 23,000	1.00
2004	\$ 1,258,115,859	1,698	\$ 740,940	\$ 26,670	\$ 24,588	1.08
2005	\$ 1,349,128,980	1,705	\$ 791,278	\$ 28,096	\$ 26,614	1.06

The pull factor is derived by dividing the county's per capita sales by the state's per capita sales.

Pull factors greater than 1 represent retail sector strength, while pull factors less than 1 show sector weakness.

*adjusted to 2003 constant dollars

Unadjusted actual sales for 2004 = \$1,256,589,000; 2005 = \$1,321,380,000

Potential Sales

Using "potential sales" we see that La Plata County has had a surplus of retail sales since 1999. The decline in 2002 is probably a result of the devastating fires in the county during

that year. Potential sales are an estimate of the amount of money that could be spent on retail goods and services by residents of the county, based on the county's income and population.

A "surplus" indicates that residents from outside of the county are coming in to shop, while a "leakage" indicates that sales are leaving the county.

Calendar Year	*Potential Sales	*La Plata County Total Retail Sales	Surplus or Leakage	Surplus or Leakage as % of Potential
1999	\$ 683,553,580	\$ 788,390,632	\$ 104,837,052	15.3%
2000	\$ 778,695,497	\$ 899,227,522	\$ 120,532,025	15.5%
2001	\$ 823,609,107	\$ 941,141,385	\$ 117,532,278	14.3%
2002	\$ 909,990,944	\$ 1,025,562,341	\$ 115,571,397	12.7%
2003	\$ 929,503,568	\$ 1,072,036,000	\$ 142,532,432	15.3%
2004	\$ 1,024,148,204	\$ 1,258,115,859	\$ 233,967,655	22.8%
2005	\$ 1,128,439,614	\$ 1,349,128,980	\$ 220,689,366	19.6%

*adjusted to 2003 constant dollars

Unadjusted actual sales for 2004 = \$1,256,589,000; 2005 = \$1,321,380,000

Potential sales are the product of the county population, state per capita sales, and the index of income. Index of income is county per capita income (\$31,887) divided by state per capita income (\$36,113). Please note that the 2004 per capita income figures are used for 04 and 05, as 2005 is not yet available.

La Plata County potential sales by merchandise category 2005

If we look at the retail sectors in greater detail we can see that some groups have a surplus (drawing in shoppers for these items from outside of the area), while others show leakage (purchases of these goods are being made outside of the county). The sectors with negative numbers are not meeting their sales potential, and a closer look at them could provide opportunities for new businesses, or expansion of existing businesses.

La Plata County Retail Trade Sectors 2005	Estimated # of Firms	Average Sales per Firm	Actual Sales	Potential Sales	Surplus or Leakage	Surplus or Leakage as a % of Potential	Percent of Actual Sales
Electronics/Appliances	17	705,882	\$ 12,000,000	\$ 17,171,895	\$ (5,171,895)	-30%	2%
Health Care Products	9	\$ 1,331,778	\$ 11,986,000	\$ 15,645,504	\$ (3,659,504)	-23%	2%
Furniture, etc.	37	\$ 445,676	\$ 16,490,000	\$ 21,327,070	\$ (4,837,070)	-23%	2%
Clothing	58	\$ 355,397	\$ 20,613,000	\$ 23,192,658	\$ (2,579,658)	-11%	3%
Motor Vehicles/Parts	40	\$ 3,475,125	\$ 139,005,000	\$ 122,238,454	\$ 16,766,546	14%	20%
Food/Bev Stores	54	\$ 1,954,407	\$ 105,538,000	\$ 93,830,627	\$ 11,707,373	12%	15%
Misc Retail Stores	78	\$ 425,436	\$ 33,184,000	\$ 21,411,869	\$ 11,772,131	55%	5%
General Merchandisers	24	\$ 5,483,083	\$ 131,594,000	\$ 87,979,463	\$ 43,614,537	50%	19%
Sport/Hobby Shops	58	\$ 653,345	\$ 37,894,000	\$ 21,454,269	\$ 16,439,731	77%	5%
Bldg Materials/Gard	34	\$ 2,435,118	\$ 82,794,000	\$ 50,074,094	\$ 32,719,906	65%	12%
Gas Stations	19	\$ 4,348,947	\$ 82,630,000	\$ 39,092,561	\$ 43,537,439	111%	12%
Non-store outlets	102	\$ 245,078	\$ 24,998,000	\$ 13,949,515	\$ 11,048,485	79%	4%
Total	530	\$ 1,318,351	\$ 698,726,000	\$ 527,367,981	\$ 171,358,019	32%	100%

Retail sales can be broken down into 2 main categories; retail trade and retail services. Retail trade is composed of merchandise sectors such as food stores, hobby shops, etc. Retail services are businesses that provide a service, and also sell products in the course of that service. One example might be a movie theater, categorized as an arts/entertainment service, that provides entertainment and also sells drinks and popcorn. The proceeds of the snack bar are reported as retail sales revenue (of course it is way more complicated than this). Non-store outlets include catalog and internet sales, businesses that come to you, as well as traveling sales, i.e. festivals and art shows. General merchandisers include retail giants such as Walmart. These stores sell many of the goods (such as electronics/appliances) that are not meeting their potential at other outlets.

La Plata County Retail Service Sectors 2005	Estimated # of Firms	Average Sales per Firm	Actual Sales	Potential Sales	Surplus or Leakage	Surplus or Leakage as a % of Potential	Percent of Actual Sales
Health/Social Assistance	17	633,118	\$ 10,763,000	\$ 30,146,216	\$ (19,383,216)	-64%	2%
Professional/Technical	87	287,161	\$ 24,983,000	\$ 49,438,098	\$ (24,455,098)	-49%	4%
Manufacturing	104	393,846	\$ 40,960,000	\$ 76,149,935	\$ (35,189,935)	-46%	7%
Finance/Insurance	49	163,224	\$ 7,998,000	\$ 12,295,925	\$ (4,297,925)	-35%	1%
Arts/Entertainment	22	291,909	\$ 6,422,000	\$ 6,911,158	\$ (489,158)	-7%	1%
Information	225	237,653	\$ 53,472,000	\$ 50,710,090	\$ 2,761,910	5%	9%
Other Services	114	272,351	\$ 31,048,000	\$ 28,238,228	\$ 2,809,772	10%	5%
Agricultural	6	290,000	\$ 1,740,000	\$ 1,568,790	\$ 171,210	11%	0.3%
Admin/Support/Waste	37	388,973	\$ 14,392,000	\$ 12,592,723	\$ 1,799,277	14%	2%
Eating/Drinking Services	140	546,750	\$ 76,545,000	\$ 60,546,830	\$ 15,998,170	26%	12%
Education	8	486,750	\$ 3,894,000	\$ 2,967,982	\$ 926,018	31%	0.6%
Wholesale	111	1,211,703	\$ 134,499,000	\$ 99,724,191	\$ 34,774,809	35%	22%
Real Estate/Rentals	110	450,318	\$ 49,535,000	\$ 27,178,234	\$ 22,356,766	82%	8%
Lodging	52	751,635	\$ 39,085,000	\$ 20,394,276	\$ 18,690,724	92%	6%
Mining	9	2,738,889	\$ 24,650,000	\$ 12,592,723	\$ 12,057,277	96%	4%
Construction	70	725,343	\$ 50,774,000	\$ 23,998,254	\$ 26,775,746	112%	8%
Transp/Warehousing	14	1,543,857	\$ 21,614,000	\$ 7,080,757	\$ 14,533,243	205%	3%
Utilities	NA	NA	NA	NA	NA	NA	NA
Government	NA	NA	NA	NA	NA	NA	NA
*Confidential Sectors	NA	NA	\$ 30,280,000	NA	NA	NA	5%
Total	1,175	529,918	\$ 622,654,000				100%

NA = Not available (confidential); *Includes all confidential sectors for which specific data is not available

Town Retail Trade

We can also look at how retail trade is distributed among the towns in La Plata County. From the table below we see that Durango pulls in the lion's share (74%) of sales and has most of the retail firms (64%).

Town	Population Estimate 2005	Total Retail Sales	Estimated # of Retail Firms	Average Sales per Firm	Per Capita Sales	% of Sales	% of Firms
Durango	15,878	\$ 982,239,000	1,095	\$ 897,022	\$ 61,862	74%	64%
Bayfield	1,728	\$ 52,152,000	184	\$ 283,435	\$ 30,181	4%	11%
Ignacio	752	\$ 16,784,000	109	\$ 153,982	\$ 22,319	1%	6%
Unincorporated	29,661	\$ 270,205,000	317	\$ 852,382	\$ 9,110	20%	19%
Total	48,019	\$ 1,321,380,000	1,705	\$ 775,003	\$ 27,518	100%	100%

Actual versus Expected Sales

Expected sales are an estimate of the sales level a town would achieve if it were performing on par with Colorado towns of a similar size. This provides a means of comparing what is expected for a town of a certain size to what is actually happening. *Expected sales is the product of town population, state per capita sales, the index of income, and the typical pull factor.* We selected 10 towns from Western Colorado for comparison to calculate a "typical" pull factor, as shown on page 5.

Actual Sales \$982,239,000	Actual Sales \$52,152,000	Actual Sales \$16,784,000
Expected Sales \$517,199,226	Expected Sales \$59,457,784	Expected Sales \$13,972,579
Durango 90% above expected	Bayfield -12% below expected	Ignacio 20% above expected

Durango may be capturing some of the Bayfield sales since many Bayfield residents work and shop in Durango. Ignacio captures many of the sales from the surrounding Southern Ute Reservation, which is an unincorporated area.

City of Durango potential sales by merchandise category 2003

From this analysis we see that most Durango retail sectors are very strong. This suggests that Durango serves as a regional trade center. Some of the sectors strengths probably reflect Durango's benefit from tourism. Other sectors such as building materials probably gain their strength from the current building boom. This boom is providing housing for local residents as well as a growing number of second home owners from outside of the state/county. About 29% of private properties in the county are owned by non-locals according to a recent study. The strength of the sport and hobby shops could be attributed to a relatively young population (median age 29) with active lifestyles and disposable income.

Potential sales are the product of Durango's population (15,878), state per capita sales (\$26,067), and the index of income (0.88).

Durango Retail Trade Sectors 2005	Estimated Number of Firms	Average Sales per Firm	Actual Sales	Potential Sales	Surplus or Leakage	Surplus or Leakage as a % of Potential	Percent of Actual Sales
Furniture, etc.	26	\$ 522,308	\$ 13,580,000	\$ 7,052,026	\$ 6,527,974	93%	2%
Health Care Products	8	\$ 1,247,875	\$ 9,983,000	\$ 5,173,355	\$ 4,809,645	93%	2%
Clothing	50	\$ 410,080	\$ 20,504,000	\$ 7,668,903	\$ 12,835,097	167%	3%
Food/Bev Stores	29	\$ 3,232,655	\$ 93,747,000	\$ 31,026,108	\$ 62,720,892	202%	16%
Motor Vehicles/Parts	24	\$ 5,161,042	\$ 123,865,000	\$ 40,419,462	\$ 83,445,538	206%	21%
Non-store outlets	36	\$ 528,556	\$ 19,028,000	\$ 4,612,557	\$ 14,415,443	313%	3%
Misc Retail Stores	28	\$ 518,431	\$ 30,069,000	\$ 7,080,065	\$ 22,988,935	325%	5%
Bldg Materials/Gard	53	\$ 3,070,130	\$ 70,613,000	\$ 16,557,539	\$ 54,055,461	326%	12%
Gas Stations	13	\$ 4,775,385	\$ 62,080,000	\$ 12,926,377	\$ 49,153,623	380%	10%
Sport/Hobby Shops	48	\$ 743,708	\$ 35,698,000	\$ 7,094,085	\$ 28,603,915	403%	6%
Electronics/Appliances	NA	NA	NA	NA	NA	NA	NA
General Merchandisers	NA	NA	NA	NA	NA	NA	NA
*Confidential Sectors	21	\$ 5,646,429	\$ 118,575,000	NA	NA	NA	20%
Total	336	\$ 1,778,994	\$ 597,742,000				100%

NA = Not available (confidential); *Includes all confidential sectors for which specific data is not available

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Within the retail services we see several very strong sectors, especially those that benefit from tourism and a strong real estate market, i.e. real estate/rentals, eating and drinking establishments, and lodging.

Durango Retail Service Sectors 2005	Estimated Number of Firms	Average Sales per Firm	Actual Sales	Potential Sales	Surplus or Leakage	Surplus or Leakage as a % of Potential	Percent of Actual Sales
Manufacturing	55	\$ 475,364	\$ 26,145,000	\$ 25,179,797	\$ 965,203	4%	7%
Health/Social Assistance	16	\$ 660,625	\$ 10,570,000	\$ 9,968,171	\$ 601,829	6%	3%
Professional/Technical	55	\$ 341,673	\$ 18,792,000	\$ 16,347,240	\$ 2,444,760	15%	5%
Information	81	\$ 336,284	\$ 27,239,000	\$ 16,767,838	\$ 10,471,162	62%	7%
Construction	32	\$ 879,750	\$ 28,152,000	\$ 17,258,536	\$ 10,893,464	63%	7%
Arts/Entertainment	18	\$ 218,222	\$ 3,928,000	\$ 2,285,249	\$ 1,642,751	72%	1%
Other Services	76	\$ 279,013	\$ 21,205,000	\$ 9,337,274	\$ 11,867,726	127%	6%
Mining	5	\$ 2,038,800	\$ 10,194,000	\$ 4,163,920	\$ 6,030,080	145%	3%
Wholesale	55	\$ 1,542,036	\$ 84,812,000	\$ 32,974,879	\$ 51,837,121	157%	22%
Admin/Support/Waste	20	\$ 549,450	\$ 10,989,000	\$ 4,163,920	\$ 6,825,080	164%	3%
Eating/Drinking Services	109	\$ 606,367	\$ 66,094,000	\$ 19,952,930	\$ 46,141,070	231%	17%
Real Estate/Rentals	58	\$ 543,052	\$ 31,497,000	\$ 8,986,776	\$ 22,510,224	250%	8%
Education	6	\$ 592,500	\$ 3,555,000	\$ 981,395	\$ 2,573,605	262%	0.9%
Lodging	28	\$ 1,082,250	\$ 30,303,000	\$ 6,743,587	\$ 23,559,413	349%	8%
Agricultural	NA	NA	NA	NA	NA	NA	NA
Finance/Insurance	NA	NA	NA	NA	NA	NA	NA
*Confidential Sectors	145	\$ 76,014	\$ 11,022,000	NA	NA	NA	3%
Total	759	\$ 506,584	\$ 384,497,000				100%

NA = Not available (confidential); *Includes all confidential sectors for which specific data is not available

Data Sources - This report is patterned after a series of studies done by the Office of Social and Economic Trend Analysis at Iowa State University (available on the web at www.seta.iastate.edu). We have used their definitions of terms, calculations, and methods of analysis. We thank them for their assistance in the preparation of this report.

Retail sales data was provided by the Colorado Department of Revenue – Office of Research and Analysis. We appreciate their assistance in breaking out the numbers for our region, a very time consuming task. This was complicated by the fact that in Colorado businesses can file reports monthly, quarterly or annually. Thus, the numbers of filings within a calendar year are divided by 10.5 to approximate the number of firms. Confidentiality is also a concern, particularly in small areas where individual businesses (and their revenues) might be easily identified. Confidentiality (non-disclosure) occurs when there are less than 3 companies reporting and/or one company controls 70% of the retail sales in that jurisdiction. Sectors are presented using the North American Industry Classification System (NAICS).

The Colorado Demography Section provided population estimates as well as adjustment factors to convert current dollars into constant dollars. Current dollar sales are sales as reported by the state, no adjustment has been made for price inflation. Constant dollar sales reflect changes in price inflation by adjusting current dollar sales with the Consumer Price Index (Denver-Boulder CPI). This is a more realistic method of evaluating sales over time as it converts all sales to a base year, in this case 2003.

Information regarding 2nd homes is drawn from a Region 9 Study, *The Social and Economic Effects of Second Homes in Southwest Colorado* - Draft July 3, 2006 (available at www.scan.org).

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Comparable Towns - Western Colorado

Town	County	05 Population	05 Total Retail Sales	Town Per Capita Sales	State Per Capita Sales	Pull Factor
Small Towns (Population 0-999)						
Creede	Mineral	417	\$ 8,588,000	\$ 20,595	\$ 26,067	0.79
Naturita	Montrose	657	\$ 10,728,000	\$ 16,329	\$ 26,067	0.63
Lake City	Hinsdale	390	\$ 9,672,000	\$ 24,800	\$ 26,067	0.95
Ridgway	Ouray	866	\$ 25,834,000	\$ 29,831	\$ 26,067	1.14
Ouray	Ouray	858	\$ 26,099,000	\$ 30,418	\$ 26,067	1.17
Red Cliff	Eagle	312	\$ 1,349,000	\$ 4,324	\$ 26,067	0.17
Crawford	Delta	376	\$ 2,083,000	\$ 5,540	\$ 26,067	0.21
Norwood	San Miguel	490	\$ 11,756,000	\$ 23,992	\$ 26,067	0.92
Poncha Springs	Chafee	563	\$ 26,672,000	\$ 47,375	\$ 26,067	1.82
Saguache	Saguache	564	\$ 4,196,000	\$ 7,440	\$ 26,067	0.29
Average (Typical) Pull Factor for Comparable Small Towns						0.81
Dolores	Montezuma	901	\$ 14,607,000	\$ 16,212	\$ 26,067	0.62
Dove Creek	Dolores	684	\$ 24,504,000	\$ 35,825	\$ 26,067	1.37
Ignacio	La Plata	752	\$ 16,784,000	\$ 22,319	\$ 26,067	0.86
Rico	Dolores	238	\$ 2,837,000	\$ 11,920	\$ 26,067	0.46
Silverton	San Juan	548	\$ 16,458,000	\$ 30,033	\$ 26,067	1.15

Medium Towns (Population 1,000-5,000)						
Minturn	Eagle	1,138	\$ 31,551,000	\$ 27,725	\$ 26,067	1.06
Cedaredge	Delta	2,124	\$ 26,642,000	\$ 12,543	\$ 26,067	0.48
Olathe	Montrose	1,693	\$ 27,601,000	\$ 16,303	\$ 26,067	0.63
Paonia	Delta	1,546	\$ 118,063,000	\$ 76,367	\$ 26,067	2.93
Crested Butte	Gunnison	1,572	\$ 73,862,000	\$ 46,986	\$ 26,067	1.80
Vail	Eagle	4,785	\$ 488,497,000	\$ 102,089	\$ 26,067	3.92
Mountain Village	San Miguel	1,161	\$ 51,228,000	\$ 44,124	\$ 26,067	1.69
Telluride	San Miguel	2,339	\$ 121,125,000	\$ 51,785	\$ 26,067	1.99
Palisade	Mesa	2,842	\$ 27,188,000	\$ 9,567	\$ 26,067	0.37
Orchard City	Delta	2,947	\$ 11,712,000	\$ 3,974	\$ 26,067	0.15
Average (Typical) Pull Factor for Comparable Medium Towns						1.50
Bayfield	La Plata	1,728	\$ 52,152,000	\$ 30,181	\$ 26,067	1.16
Mancos	Montezuma	1,222	\$ 25,418,000	\$ 20,800	\$ 26,067	0.80
Pagosa Springs	Archuleta	1,640	\$ 111,444,000	\$ 67,954	\$ 26,067	2.61

Large Towns (Population 5,001- 20,000)						
Montrose	Montrose	16,070	\$ 739,819,000	\$ 46,037	\$ 26,067	1.77
Alamosa	Alamosa	8,488	\$ 319,678,000	\$ 37,662	\$ 26,067	1.44
Delta	Delta	7,711	\$ 259,707,000	\$ 33,680	\$ 26,067	1.29
Fruita	Mesa	9,393	\$ 119,491,000	\$ 12,721	\$ 26,067	0.49
Gunnison	Gunnison	5,303	\$ 217,314,000	\$ 40,979	\$ 26,067	1.57
Carbondale	Garfield	5,881	\$ 174,578,000	\$ 29,685	\$ 26,067	1.14
Avon	Eagle	6,753	\$ 325,348,000	\$ 48,178	\$ 26,067	1.85
Rifle	Garfield	8,118	\$ 306,575,000	\$ 37,765	\$ 26,067	1.45
Steamboat Springs	Routt	10,846	\$ 297,060,000	\$ 27,389	\$ 26,067	1.05
Glenwood Springs	Garfield	8,603	\$ 489,096,000	\$ 56,852	\$ 26,067	2.18
Average (Typical) Pull Factor for Comparable Large Towns						1.42
Cortez	Montezuma	8,550	\$ 565,515,000	\$ 66,142	\$ 26,067	2.54
Durango	La Plata	15,878	\$ 982,239,000	\$ 61,862	\$ 26,067	2.37