

Base Analysis – Base analysis distinguishes which industries are responsible for overall growth and change. Base industries produce exports or derive their sales or income *directly* from outside sources, or *indirectly* by providing supplies to export industries. These activities **bring in outside dollars** to circulate within the local economy

For example, to provide a more accurate picture of the agricultural sector we can link agricultural production to other segments of the economy that directly and indirectly support agriculture. This cluster of industries is known as *agribusiness*, and includes services such as processing food products, trucking, storage, sales of farm equipment and supplies; as well as impacts on credit institutions and commodity brokers.

Tourism is another good example because it generates jobs in a range of industries including accommodations, food services, admissions, transportation and shopping. The importance of tourism in the regional economy is covered in more depth later in this report.

Regional services include hospitals, airports or regional construction industries that build highways or other infrastructure.

Region 9 2013 Base Industries	# of Jobs	% of Jobs	Income (\$000)	% of Inc.
Agribusiness	3,131	8%	54,785	4%
Mining	1,121	3%	182,579	13%
Manufacturing	574	2%	18,777	1%
Government	3,044	8%	160,640	11%
Regional Services	6,033	16%	268,821	19%
Tourism	8,767	23%	234,032	16%
Households	9,673	26%	271,748	19%
Indirect Unassigned	5,507	15%	243,607	17%
Total	37,850	100%	1,434,989	100%

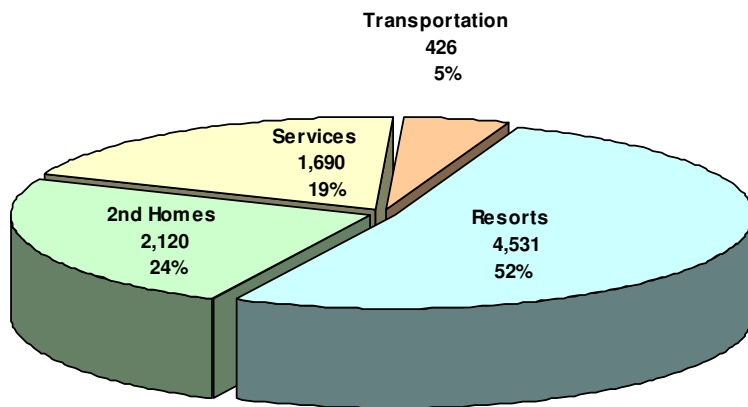
Another base industry is created by *households* that spend money earned elsewhere. For example, a retiree whose income comes from outside of the county is supporting many traditional local resident services jobs. Some jobs cannot be directly assigned to these categories, but do support the base industries, these are designated as *indirect unassigned jobs*.

Each county in the region has varying numbers of jobs in base industries. The Archuleta, La Plata and San Juan County economies are based primarily on tourism. Agriculture related services and forestry remain significant sources of employment for certain parts of the region, especially Dolores and Montezuma Counties, yet provide relatively little employment income. Please note that there are some limitations with using BEA data to establish agricultural income.

Region 9 - Percentage of Jobs in Base Industries						
2013	Archuleta	Dolores	La Plata	Montezuma	San Juan	Region 9
Agribusiness	9%	25%	7%	10%	0%	8%
Mining	1%	0%	4%	3%	0%	3%
Manufacturing	1%	1%	1%	3%	2%	2%
Government	3%	5%	10%	6%	3%	8%
Regional Services	9%	17%	16%	19%	7%	16%
Tourism	29%	5%	26%	14%	47%	23%
Households	32%	39%	19%	37%	35%	26%
Indirect Unassigned	15%	9%	17%	9%	6%	15%
Total # jobs	4,562	847	22,844	9,275	322	37,850

Tourism is one of Colorado's most important industries. It is considered a “base” industry, as it brings in money from outside of the area to circulate within the local economy, stimulating local spending in other industries. The nature of the tourism industry allows businesses to operate in remote areas that often lack a diversified economy. Jobs in the industry decrease unemployment and provide money for capital investment and local and state tax revenues.

There are many types of businesses that support the tourist industry, including Resorts (lodging), 2nd Homes (construction and real estate sectors), Services (restaurants, wholesale and retail trade, entertainment venues), and Transportation (airlines, car rentals, guide services, etc).

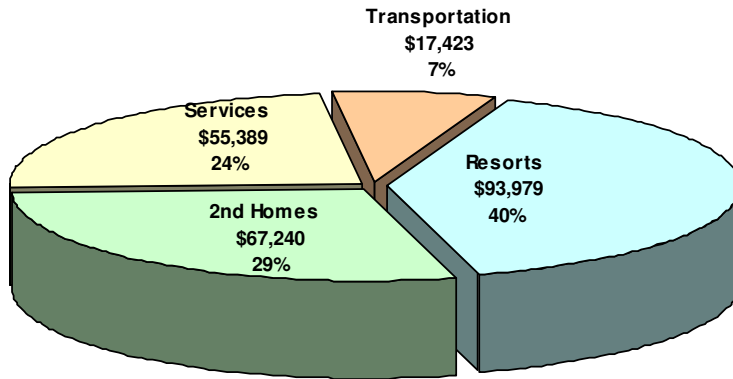


In the five county area of southwest Colorado there were an estimated 8,767 jobs attributed to tourism in 2013. Most of these jobs (62%) are in resorts/lodging, although 2nd homes are also important (24%).

Employment generated by occupants of second homes is dispersed over a large number of industries. For example, second home visitors eat in restaurants like traditional visitors. However, because second-home owners have relatively high disposable incomes, they may generate greater employment in sporting goods, clothing shops and numerous services than do traditional tourists. Real estate sales and property management jobs are also generated by second home activity. Second homes also have a direct effect on the use of utilities including gas, electric and communication services.

The importance of tourism varies by county, providing an estimated 42% of all jobs in San Juan County to 6% of jobs in Dolores County. Region-wide, 17% of all jobs support the tourist industry.

2013	# Jobs in Tourism Industry				Total # Jobs	Total # Jobs	% of Total # Jobs
	Resorts	2nd Homes	Services	Transportation	Tourism Industry	All Industries	in Tourism
Archuleta	616	535	152	37	1,339	5,833	23%
Dolores	33	10	1	2	46	817	6%
La Plata	3,077	1,352	1,229	259	5,918	32,793	18%
Montezuma	708	199	289	118	1,314	12,282	11%
San Juan	97	24	20	9	150	355	42%
Region 9	4,531	2,120	1,690	426	8,767	52,080	17%



The income that jobs in tourism generate is also very important in the region, amounting to an estimated \$2.4 million in 2013. This is about 10% of all job income region-wide.

Again, this varies by county, from 32% in San Juan County to 6% in Dolores and Montezuma Counties.

2013	Job Income by Sector in Tourism Industry (\$000)				Total Job Income (\$000)	Total Job Income (\$000)	% of Total Job Income
	Resorts	2nd Homes	Services	Transportation	Tourism Industry	All Industries	in Tourism
Archuleta	\$ 13,564	\$ 15,651	\$ 4,184	\$ 1,753	\$ 35,152	\$ 207,459	17%
Dolores	\$ 1,324	\$ 63	\$ 81	\$ 45	\$ 1,513	\$ 25,958	6%
La Plata	\$ 65,483	\$ 46,421	\$ 43,689	\$ 9,959	\$ 165,552	\$ 1,730,335	10%
Montezuma	\$ 11,349	\$ 4,666	\$ 6,839	\$ 5,486	\$ 28,339	\$ 469,194	6%
San Juan	\$ 2,260	\$ 439	\$ 597	\$ 181	\$ 3,476	\$ 10,899	32%
Region 9	\$ 93,979	\$ 67,240	\$ 55,389	\$ 17,423	\$ 234,031	\$ 2,443,845	10%

Using a series of multipliers developed through economic modeling we can also estimate how many supporting jobs are generated by direct jobs in tourism, and how much additional job income is added to the local economy by these supporting jobs. These supporting jobs and wages are known as “indirect” impacts.

Region 9		Multiplier	Indirect/Supporting	Total
Direct Jobs	8,767	1.4	3,507	12,274
Direct Income	\$ 234,031,000	1.6	\$ 140,418,600	\$ 374,449,600

Clearly, tourism is an important source of jobs and job income in the regional economy, supporting an estimated 12,274 jobs and contributing \$374 million in job income. There are also other intangible benefits. For example, the industry is “clean”, in that it does not use up natural resources nor create polluting by-products. It is also sustainable because the focus is on preserving the resources and attractions that people come to see.