

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; as well as the Southern Ute and Ute Mountain Ute Indian Tribes. For more information about this report, or other programs, contact Region 9 at (970) 247-9621, or online at www.scan.org.



Retail Data for Decision Makers - Montezuma County, Colorado

This report uses retail sales data to provide insights for decision making regarding business expansion, relocation, marketing, and community development. By looking at retail trade sectors in 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). County-wide, some sectors show weakness although Cortez retail trade sectors are very strong, particularly motor vehicles and parts, building materials and garden supplies, food/beverage stores, health care products, and non-store outlets (catalog and internet sales). Some of the sectors strengths probably reflect Cortez’s benefit from tourism, such as food services and lodging sales. A closer look at the sectors that are not meeting their sales potential could provide opportunities for new businesses, or expansion of existing businesses.

Total Retail Sales

The retail sector is an important source of jobs in the local economy, accounting for 12% of all jobs and 10% of job income. 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 and clothing. **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. **Together, these sectors comprise Total Retail Sales—All Industries.**

The following table shows the total retail sales for 2000, 2005, 2010 and 2015. During this time period total retail sales in Montezuma County grew by about 76%, though sales decreased in 2010 attributed to the recession. Population grew by about 10% during this same time period. Please note that the sales amounts may not be consistent with those presented in earlier reports. The Department of Revenue (DOR) makes adjustments to data from prior years, and some differences are due to rounding.

Calendar Year	*Total Retail Sales All Industries	Population Estimate	Montezuma Per Capita Sales	State Per Capita Sales	Pull Factor
2000	\$ 391,235,000	23,852	\$ 22,577	\$ 32,043	0.70
2005	\$ 597,495,000	24,603	\$ 29,473	\$ 31,991	0.92
2010	\$ 568,738,000	25,532	\$ 24,212	\$ 30,921	0.78
2015	\$ 689,772,000	26,139	\$ 26,389	\$ 33,509	0.79

* adjusted for inflation to 2015 constant dollars http://www.bls.gov/data/inflation_calculator.htm

Unadjusted actual sales 2000=\$391,235,163; 2005=\$597,494,645; 2010=\$568,737,580;2015=\$689,772,420

When we compare Montezuma County sales to the rest of the state, we see that county sales per capita are lower. One way to quantify this comparison is by using a “pull factor”. A pull factor, commonly referred to as a location quotient, 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.

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

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

Distribution of Total Retail Sales 2015

We can also look at how retail sales are distributed among the communities in Montezuma County. From this table we see that Cortez brings in the majority (76%) of sales.

Town	Population 2015	Retail Sales All Industries	Percent Sales
Cortez	8,727	\$ 522,856,433	76%
Dolores	962	\$ 17,468,487	3%
Mancos	1,407	\$ 23,148,392	3%
Unincorporated Area	15,043	\$ 126,299,108	18%
Total	26,139	\$ 689,772,420	100%

Because of its location within the Four Corners area Cortez has developed as a tourist crossroads and regional trade center for surrounding communities and unincorporated areas, including nearby Indian reservation lands (Ute Mountain Utes and the Navajo Nation) and communities in southeast Utah. Cortez also serves as the county seat.

Actual versus Expected Sales

Actual Sales \$522,856,433	Actual Sales 17,468,487	Actual Sales \$23,148,392
Expected Sales \$333,024,611	Expected Sales 23,532,162	Expected Sales \$28,222,450
Cortez 57% above expected	Dolores -26% below expected	Mancos -18% below expected

The sales in this diagram reflect **total retail sales, all industries**, which includes retail trade and retail services. 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. We selected 10 towns from Western Colorado for comparison to calculate a median pull factor for each size class, as shown on page 5. The median pull factor for the large towns in this analysis (population 5,001 to 20,000) is 1.56, the pull factor for Cortez is 1.79. Cortez is probably capturing many of the Dolores sales,

Expected sales is the product of town population, state per capita sales, the index of income, and the median pull factor.

The *Index of income* (.73) is county per capita income (\$35,870) divided by state per capita income (\$48,869).

If we look at trends over time (2003,2005,2011, 2015) we see that a number of sectors (especially electronics/appliances and clothing) are consistently not meeting their potential in the county, as indicated by negative numbers. However, it is very likely that the general merchandisers are making sales in those many of those categories.

These percentages are drawn from our past reports, and are based on sales amounts provided by the Department of Revenue.

Confidentiality (ND=non-disclosure) occurs when there are less than 3 companies reporting and/or one company controls 80% of the retail sales in that jurisdiction.

Montezuma County	Retail Sales \$			
	Percent Above Or Below Potential Sales			
	2003	2005	2011	2015
Retail Trade				
Motor Vehicles/Parts	14%	24%	17%	-0.1%
Furniture, etc.	-6%	-78%	-77%	ND
Electronics/Appliances	-93%	-96%	-85%	-81%
Bldg Materials/Garden	25%	43%	10%	6%
Food/Beverage Stores	34%	39%	28%	33%
Health Care Products	ND	ND	ND	-11%
Gas Stations	143%	37%	34%	77%
Clothing	-69%	-68%	-81%	-76%
Sport/Hobby Shops	-55%	-45%	-44%	-31%
General Merchandise	ND	ND	ND	ND
Misc Retail Stores	-58%	-64%	-24%	-26%
Non-store outlets	385%	379%	ND	55%
Food Services	1%	-18%	-11%	-9%
Lodging	22%	2%	45%	63%

Montezuma County Potential Sales by Merchandise Category 2015

The remainder of this report focuses primarily on retail trade sectors rather than retail services, but includes food and beverage services (restaurants and bars) and lodging as a matter of interest. If we look at the trade sectors in 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). 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 and Dollar Stores.

This table includes the Cortez, Dolores and Mancos, as well as unincorporated areas 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. County-wide these sectors include motor vehicles and parts, electronics and appliances, health care products, clothing, sports and hobby shop, and miscellaneous retail. It is very likely that the general merchandisers, such as Walmart and others, are making sales in a number of the categories that exhibit leakage or are not disclosed. This is not readily apparent from this data, as the actual sales from the general merchandisers is not disclosed, though amounts could be imputed by looking at the *Confidential sector in the table below. Also, these types of stores, which have many different departments, report one sales figure for the store rather than by department. Food services (bars and restaurants) are not meeting their potential county-wide, but exceed expected sales in Cortez.

***Potential sales** are the product of the county population (26,139), state per capita sales (\$33,509, and the index of income (0.73).*

Montezuma County Retail Trade Sectors 2015	Actual Sales	Potential Sales	Surplus or Leakage	Surplus or Leakage as a % of Potential	% of Actual Retail Trade Sales
Motor Vehicles/Parts	\$ 66,282,000	\$ 66,322,046	\$ (40,046)	-0.1%	19%
Furniture, etc.	ND	\$ 10,002,292	ND	ND	ND
Electronics/Appliances	\$ 1,538,000	\$ 8,205,616	\$ (6,667,616)	-81%	0%
Bldg Materials/Garden	\$ 23,301,000	\$ 22,028,885	\$ 1,272,115	6%	7%
Food/Beverage Stores	\$ 76,964,000	\$ 58,055,915	\$ 18,908,085	33%	22%
Health Care Products	\$ 13,464,000	\$ 15,062,680	\$ (1,598,680)	-11%	4%
Gas Stations	\$ 28,341,000	\$ 16,055,975	\$ 12,285,025	77%	8%
Clothing	\$ 3,229,000	\$ 13,315,178	\$ (10,086,178)	-76%	1%
Sport/Hobby Shops	\$ 7,238,000	\$ 10,510,299	\$ (3,272,299)	-31%	2%
General Merchandisers	ND	\$ 42,898,922	ND	ND	ND
Misc Retail Stores	\$ 13,441,000	\$ 18,063,875	\$ (4,622,875)	-26%	4%
Non-Store Outlets	\$ 8,792,000	\$ 5,666,017	\$ 3,125,983	55%	3%
*Confidential Sectors	\$ 106,100,000	ND	ND	ND	30%
Total Retail Trade	\$ 348,690,000	\$ 139,303,280	\$ 20,865,720	15%	100%
Food Services	\$ 37,127,000	\$ 40,598,368	\$ (3,471,368)	-9%	
Lodging	\$ 23,040,000	\$ 14,121,955	\$ 8,918,045	63%	

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

City of Cortez Potential Sales by Merchandise Category 2015

From this analysis we see that many Cortez retail trade sectors are very strong, particularly food and beverage stores and non-store outlets (catalog and internet sales). Some of the sectors strengths probably reflect Cortez's benefit from tourism, such as food services and lodging sales. Cortez also provides goods and services to the nearby Ute Mountain Ute Reservation, the Navajo Nation, and communities in southeastern Utah. Details regarding specific retail trade sectors in Dolores and Mancos are not available as so many of the retail trade sectors are not disclosed.

Potential sales are the product of Cortez's population (8,727), state per capita sales for each trade sector and the index of income (.73).

Cortez Retail Trade Sectors 2015	Actual Sales	Potential Sales	Surplus or Leakage	Surplus or Leakage as a % of Potential	Percent of Actual Sales
Motor Vehicles/Parts	\$ 65,499,000	\$ 22,142,871	\$ 43,356,129	196%	22%
Furniture, etc.	ND	\$ 3,339,455	ND	ND	ND
Electronics/Appliances	\$ 1,311,000	\$ 2,739,600	ND	ND	0%
Bldg Materials/Garden	\$ 16,729,000	\$ 7,354,760	\$ 9,374,240	127%	6%
Food/Beverage Stores	\$ 66,063,000	\$ 19,383,066	\$ 46,679,934	241%	22%
Health Care Products	\$ 12,444,000	\$ 5,028,961	\$ 7,415,039	147%	4%
Gas Stations	ND	\$ 5,360,591	ND	ND	ND
Clothing	\$ 835,000	\$ 4,445,524	\$ (3,610,524)	-81%	0%
Sport/Hobby Shops	\$ 3,322,000	\$ 3,509,062	\$ (187,062)	-5%	1%
General Merchandisers	ND	\$ 14,322,617	ND	ND	ND
Misc Retail Stores	\$ 8,989,000	\$ 6,030,967	\$ 2,958,033	49%	3%
Non-Store Outlets	\$ 7,004,000	\$ 1,891,707	\$ 5,112,293	270%	2%
*Confidential Sectors	\$ 114,457,000	ND	ND	ND	39%
Total Retail Trade	\$ 296,653,000	\$ 95,549,181	\$ 201,103,819	210%	100%
Food Services	\$ 27,893,000	\$ 13,554,534	\$ 14,338,466	106%	
Lodging	\$ 10,425,000	\$ 4,714,882	\$ 5,710,118	121%	

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

Data Sources - This report is patterned after a series of studies that were done by the Office of Social and Economic Trend Analysis at Iowa State University. We have used their definitions of terms, calculations, and methods of analysis. They no longer produce that particular report because of the way that the Iowa Department of Revenue disseminates information about retail sales, they now have a different reporting format (<http://www.icip.iastate.edu>).

For this report we used retail sales data from sales tax filings, which was provided by the Colorado Department of Revenue – Office of Research and Analysis at their website <https://www.colorado.gov/pacific/revenue/retail-sales-report>. We appreciate their assistance.

FOR MORE INFORMATION CONTACT:

Information Services, Inc.
Donna Graves
 P.O. Box 2085
 Durango, CO 81302
 Phone: 970-385-4897
 E-mail: dkgis@frontier.net

Comparable Towns - Western Colorado 2015

Town	County	Population	Total Retail Sales	Town Per Capita Sales	State Per Capita Sales	Pull Factor
Small Towns (Population 0-999)						
Creede	Mineral	295	\$ 17,508,436	\$ 59,351	\$ 33,509	1.77
Naturita	Montrose	530	\$ 16,502,627	\$ 31,137	\$ 33,509	0.93
Lake City	Hinsdale	369	\$ 13,310,113	\$ 36,071	\$ 33,509	1.08
Ridgway	Ouray	972	\$ 44,678,878	\$ 45,966	\$ 33,509	1.37
South Fork	Rio Grande	365	\$ 29,551,997	\$ 80,964	\$ 33,509	2.42
Red Cliff	Eagle	279	\$ 5,358,571	\$ 19,206	\$ 33,509	0.57
Crawford	Delta	409	\$ 3,982,750	\$ 9,738	\$ 33,509	0.29
Norwood	San Miguel	554	\$ 16,640,020	\$ 30,036	\$ 33,509	0.90
Poncha Springs	Chafee	774	\$ 30,636,828	\$ 39,582	\$ 33,509	1.18
Saguache	Saguache	480	\$ 7,883,506	\$ 16,424	\$ 33,509	0.49
Median Pull Factor for Comparable Small Towns						1.00
Dolores	Montezuma	962	\$ 17,468,487	\$ 18,159	\$ 33,509	0.54
Dove Creek	Dolores	695	\$ 18,664,536	\$ 26,855	\$ 33,509	0.80
Ignacio	La Plata	730	\$ 30,861,587	\$ 42,276	\$ 33,509	1.26
Rico	Dolores	253	\$ 1,949,370	\$ 7,705	\$ 33,509	0.23
Silverton	San Juan	642	\$ 20,143,459	\$ 31,376	\$ 33,509	0.94
Medium Towns (Population 1,000-5,000)						
Minturn	Eagle	1,052	\$ 36,799,317	\$ 34,980	\$ 33,509	1.04
Cedaredge	Delta	2,162	\$ 30,175,586	\$ 13,957	\$ 33,509	0.42
Olathe	Montrose	1,796	\$ 35,708,231	\$ 19,882	\$ 33,509	0.59
Paonia	Delta	1,650	\$ 20,719,509	\$ 12,557	\$ 33,509	0.37
Crested Butte	Gunnison	1,580	\$ 187,340,521	\$ 118,570	\$ 33,509	3.54
Ouray	Ouray	993	\$ 38,398,468	\$ 38,669	\$ 33,509	1.15
Mountain Village	San Miguel	1,379	\$ 86,421,159	\$ 62,669	\$ 33,509	1.87
Telluride	San Miguel	2,480	\$ 186,801,923	\$ 75,323	\$ 33,509	2.25
Palisade	Mesa	2,692	\$ 46,061,805	\$ 17,111	\$ 33,509	0.51
Orchard City	Delta	2,997	\$ 11,269,608	\$ 3,760	\$ 33,509	0.11
Median Pull Factor for Comparable Medium Towns						0.82
Bayfield	La Plata	2,573	\$ 300,544,111	\$ 116,807	\$ 33,509	3.49
Mancos	Montezuma	1,407	\$ 23,148,392	\$ 16,452	\$ 33,509	0.49
Pagosa Springs	Archuleta	1,804	\$ 238,849,454	\$ 132,400	\$ 33,509	3.95
Large Towns (Population 5,001- 20,000)						
Montrose	Montrose	19,008	\$ 853,152,049	\$ 44,884	\$ 33,509	1.34
Alamosa	Alamosa	9,285	\$ 546,545,317	\$ 58,863	\$ 33,509	1.76
Delta	Delta	8,769	\$ 333,667,775	\$ 38,051	\$ 33,509	1.14
Fruita	Mesa	12,674	\$ 186,008,389	\$ 14,676	\$ 33,509	0.44
Gunnison	Gunnison	6,184	\$ 325,811,002	\$ 52,686	\$ 33,509	1.57
Carbondale	Garfield	6,646	\$ 199,658,709	\$ 30,042	\$ 33,509	0.90
Avon	Eagle	6,536	\$ 485,868,012	\$ 74,337	\$ 33,509	2.22
Rifle	Garfield	9,359	\$ 483,007,810	\$ 51,609	\$ 33,509	1.54
Steamboat Springs	Routt	12,399	\$ 782,300,783	\$ 63,094	\$ 33,509	1.88
Glenwood Springs	Garfield	9,909	\$ 1,308,196,774	\$ 132,021	\$ 33,509	3.94
Median Pull Factor for Comparable Large Towns						1.56
Cortez	Montezuma	8,727	\$ 522,856,433	\$ 59,913	\$ 33,509	1.79
Durango	La Plata	18,228	\$ 1,589,684,450	\$ 87,211	\$ 33,509	2.60
Colorado	All	5,456,584	\$ 182,845,245,000	\$ 33,509	\$ 33,509	1.00