REGION 9

ECONOMIC DEVELOPMENT DISTRICT
OF SOUTHWEST COLORADO
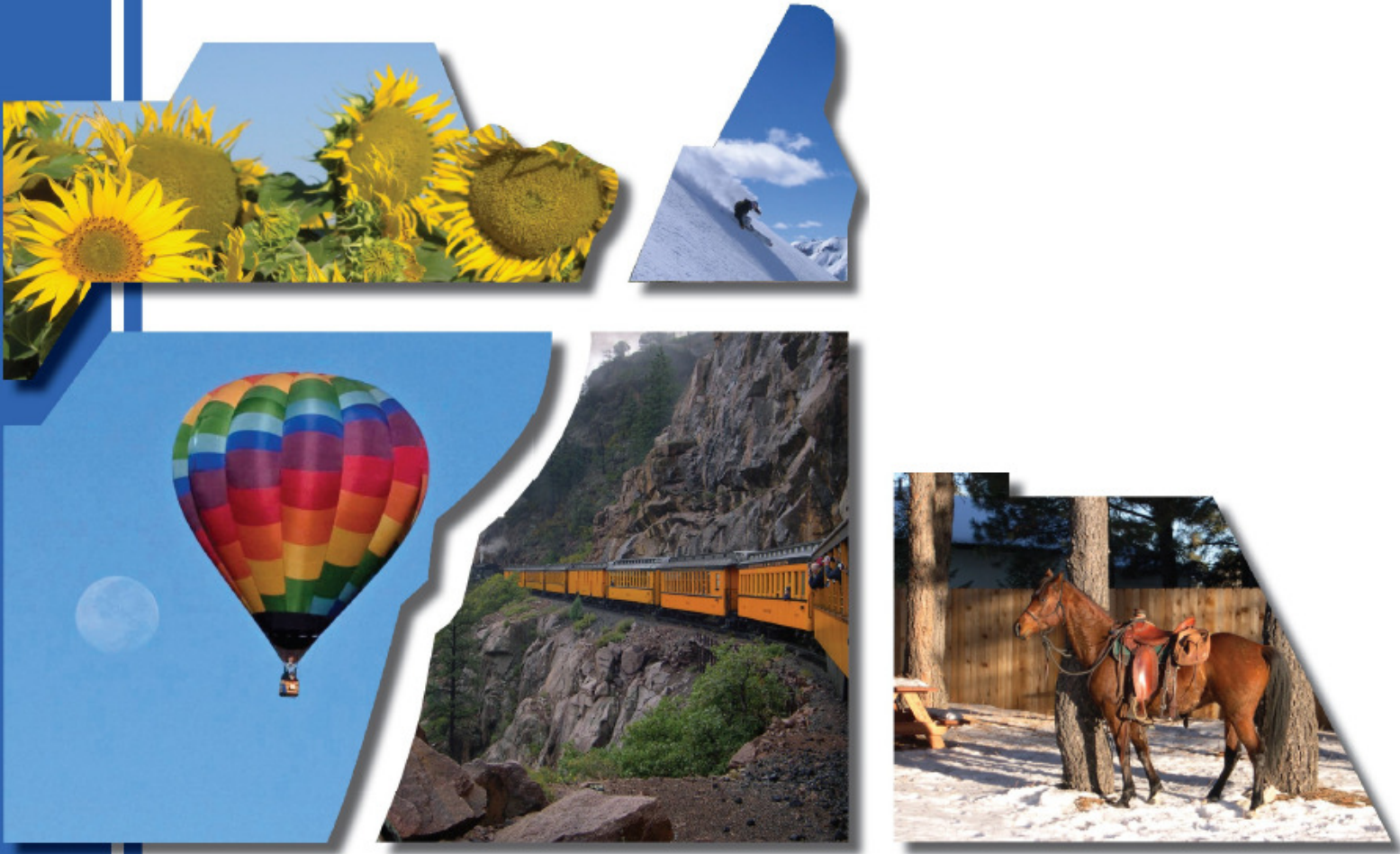
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REPORT
2012

The Region 9 Report is a publication
of the Region 9 Economic Development
District of Southwest Colorado, Inc.,
a non-profit community economic
development corporation serving
Archuleta, Dolores, La Plata,
Montezuma, and San Juan Counties,
as well as the Southern Ute and
Ute Mountain Ute Indian Tribes.

Region 9 Report – 2012 Update

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INTRODUCTION

The Region 9 Economic Development District of Southwest Colorado, Inc. provides economic and community development services to southwest Colorado. Region 9 encompasses 6,584 square miles, 6.3% of the total land area in the State of Colorado (104,247 sq. miles). Of the total, 45% are public lands, 38% are private lands and 17% are tribal lands. Geographically the area is located in a transitional zone between the southwestern edge of the Rocky Mountains and the eastern edge of the Colorado Plateau.

The purpose of this 2012 *Report* is to provide a snaphot of updated demographic and economic information for the region as a whole, and for each of the individual counties. The full report will be updated in 2013 and available via hard copy and the Region 9 website.

Notes on Sources - The Demography Section - Colorado Division of Local Government (CDLG) provided employment and income estimates using 2010 data from the Colorado Department of Labor (ES202) and information from the Bureau of Economic Analysis (BEA). That data was provided in the framework of the North American Industry Classification System (NAICS). Unfortunately, the release of economic information is always about two years behind the current year, so 2010 is the benchmark year for this report. A **Glossary** is included to provide a better understanding of key terms and concepts used in this report.

Another valuable resource, which provides economic information about the region, is the *Four Corners Economic Quarterly.*

This online publication, produced by Fort Lewis College, is available at http://www.fortlewis.edu/ober/.

REGION 9 OVERVIEW

Community Vision – We strive to encourage economic development that preserves our small-town and traditional heritage, takes care of our natural resources, and provides opportunities for our children to stay in Southwest Colorado.

The regional economy encompasses a five county area including Archuleta, Dolores, La Plata, Montezuma and San Juan Counties, as well as the Southern Ute and Ute Mountain Ute Indian Tribes. The Tribes are major economic forces with their diversified tribal enterprises, and provide employment for tribal members as well as others within the regional community. People in the area often commute long distances to take advantage of better employment opportunities; better shopping, or lower real estate prices. Expanding regional transit is being explored to help alleviate impacts to roadways given the high number of commuters. A transit study is available at http://www.scan.org/transportation_planning.html.

Sustainable economic development is a high priority for the region. The businesses we attract to our community and the ways in which people participate in our economy have financial, societal, and environmental benefits and costs associated with them. These costs and benefits must be carefully weighed for all economic development activities.

In 2011, Colorado Governor John Hickenlooper implemented a Bottom Up initiative to build the State's economy and foster a more competitive Colorado that will drive job growth. He requested each county in the State choose their top six priorities, which were rolled into regional plans, and then into the State Blueprint. The top five regional priorities include: the expansion of broadband /fiber optics infrastructure; the improvement of community amenities necessary to attract, retain and grow business; diversifying the economy; and improving access to markets. More information is available at www.advancecolorado.com.

Population Trends – The population within the five counties of Region 9 grew at a rate of about 36% from 1990 to 2000, and about 15% between 2000 and 2010. Much of this growth can be attributed to what is being termed "amenity migration".

Some people move here for economic reasons, such as the availability of jobs. Others cite quality of life issues, such as clean air and water, and outdoor recreation opportunities. Many of these newcomers are retirees or 2nd home-owners that bring along their pensions and other retirement benefits. This "new" money impacts the local economy positively as it is spent on new homes and goods and services.

A look at the annual average population change for each county gives an idea of growth trends in Region 9 from 1980 to 2010. The 1980 – 1990 declines seen in Dolores and San Juan Counties are due to declines of mining in those areas, resulting in job and population losses.

Average Annual % Change			
	1980-1990	1990-2000	2000-2010
Archuleta	4.6%	8.5%	2.2%
Dolores	-0.9%	2.3%	1.3%
La Plata	1.9%	3.6%	1.7%
Montezuma	1.4%	2.7%	0.8%
San Juan	-1.1%	-2.5%	2.5%
Region 9	1.8%	3.7%	1.5%

Source: Colorado State Demography Office 3-2011

From 2000 to 2010 the growth rate slowed down in most counties, except San Juan County, which welcomed slow growth rather than the declines seen in the prior decades.

Region 9 Population			
	2010	2011	% Change
Archuleta	12,060	12,038	-0.2%
Dolores	2,060	2,042	-0.9%
La Plata	51,441	51,944	1.0%
Montezuma	25,532	25,413	-0.5%
San Juan	709	691	-2.5%
Region 9	**91,802**	**92,128**	**0.4%**
Colorado	4,339,019	5,118,526	18.0%

Source: Colorado State Demography Office 10-2012

Population declines in most counties in 2011 were probably a result of the economic recession as people followed jobs. It is likely that many of the people migrated to La Plata County, which added about the same number of people that other counties lost.

Regional Population Forecast					
	2015	2020	2025	2030	2035
Region 9	102,709	117,327	131,961	145,874	159,043
Avg. Ann. % Change		2.7%	2.4%	2.0%	1.7%
Colorado	5,438,077	5,915,922	6,413,554	6,888,181	7,329,018
Avg. Ann. % Change		1.7%	1.6%	1.4%	1.2%

Source: Colorado State Demography Office 10-2012

Region 9 is forecast to grow at a higher percentage rate than the state as a whole in the coming years.

Employment and Income – When unemployment rates are compared, we see that only La Plata County was below state and national levels in 2011.

As of June 2012 unemployment rates for the region were encouraging compared to Colorado's overall rate of 8.4%. Archuleta and Dolores Counties each saw a drop in unemployment from June 2011 to June 2012, 0.6% and 3.6% respectively. La Plata, Montezuma and San Juan Counties saw small increases of less than 1% each during the same time period.

Unemployment Rates 2011	
Archuleta	9.2%
Dolores	11.4%
La Plata	6.8%
Montezuma	8.5%
San Juan	10.3%
Colorado	8.3%
National	8.9%

Source: Colorado Dept. of Labor

In 2010 the service sector provided the highest percentage of jobs and job income in the region. These services jobs include highly paid professionals as well as lower paying unskilled labor. Government is also important in the regional economy, providing 19% of jobs and 23% of job income.

Region 9 2010 Total Employment	# of Jobs	% of Jobs	Income ($000)	% of Inc.
Agriculture	1,799	4%	16,174	1%
Mining & Utilities	1,284	3%	135,289	8%
Construction	4,633	9%	171,928	10%
Manufacturing	1,137	2%	32,945	2%
T & W	1,296	3%	61,462	4%
Trade	6,529	13%	191,240	11%
Information	706	1%	26,552	2%
F,I & RE	3,280	7%	117,682	7%
Services	19,196	39%	579,131	33%
Government	9,316	19%	407,881	23%
Total	49,176	100%	1,740,284	100%

Source:Colorado State Demography Office 8-12
T & W - Transportation & Warehousing
F,I & RE - Finance, Insurance & Real Estate

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. These are the industries that benefit communities the most. See the **Glossary** for a more complete explanation of base analysis.

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.

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

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; however, since their income is from outside the local economy, the local resident service jobs are also considered basic to the economy.

Region 9 2010 Base Industries	# of Jobs	% of Jobs
Agribusiness	2,570	7%
Mining	1,222	3%
Manufacturing	561	2%
Government	2,838	8%
Regional Services	5,683	16%
Tourism	8,515	24%
Households	9,415	26%
Indirect Unassigned	5,264	15%
Total	36,068	100%

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					
2010	Archuleta	Dolores	La Plata	Montezuma	San Juan
Agribusiness	6%	26%	6%	9%	1%
Mining	1%	1%	5%	2%	1%
Manufacturing	1%	2%	1%	3%	1%
Government	3%	5%	10%	6%	3%
Regional Services	8%	9%	16%	20%	6%
Tourism	30%	6%	26%	14%	51%
Households	35%	39%	19%	37%	32%
Indirect Unassigned	16%	12%	17%	9%	6%
Total # jobs	4,416	721	21,629	8,981	321

Total Personal Income (TPI) – TPI is the sum of all income paid to residents of Region 9 from various sources. Components include employment income, transfer payments, dividends, interest and rent, and residency adjustments. The Colorado Demographer's Office provided estimates for TPI in 2010.

As this table illustrates, the five counties in southwest Colorado vary in their composition. Most income is job based (employment), though significant amounts of income enter our economy from other sources, such as transfer payments and dividends, interest and rents. Payments to retirees (60+) accounted for almost 17% of the estimated TPI in the region in 2010. That was $466,088,000!

2010 Total Personal Income						
	Employment Income	Residency Adjustment	Div., Int & Rent	Transfer Payments	Total ($000)	60+ Share
Archuleta	48%	3%	35%	13%	$ 315,005	23%
Dolores	50%	16%	20%	15%	$ 51,288	16%
La Plata	68%	-1%	25%	7%	$1,744,742	15%
Montezuma	53%	12%	22%	12%	$ 677,490	17%
San Juan	52%	12%	26%	10%	$ 18,402	17%
Region 9	62%	3%	26%	9%	$2,806,927	17%

Source: Colorado Demography Section Estimate

Per Capita Income (PCI) – All income in a region is added together (TPI), and then divided by the number of residents. PCI in most of our counties, with the exception of La Plata, are still not on a par with state and national incomes.

Per Capita Income Comparison		
	PCI 2011	% of USA
USA	$ 41,560	100%
Colorado	$ 44,053	106%
Archuleta	$ 31,536	76%
Dolores	$ 29,250	70%
La Plata	$ 43,453	105%
Montezuma	$ 34,015	82%
San Juan	$ 29,854	72%

Source: Bureau of Economic Analysis

ARCHULETA COUNTY

From 1990 to 2000, the population of Archuleta County grew by 8.5% annually, and was ranked 5th of 63 Colorado counties (14th nationwide) for rate of growth. Since 2000, the estimated rate of growth has slowed down to about 2.2% annually, with most of the growth in the unincorporated areas of the county. The majority of the county's population is concentrated within the Town of Pagosa Springs and its surrounding subdivisions. These population figures do not reflect the large number of seasonal visitors, many of whom own 2nd homes in the area.

	Census 2000	Census 2010	% Change 2000-2010
Archuleta	9,898	12,084	22.1%
Pagosa Springs	1,591	1,727	8.5%
Unincorporated	8,307	10,357	24.7%

Source: Colorado State Demography Office 3-2011

In 2011 the population is estimated to be 12,038, a -0.2% decrease from 2010. The population is expected to grow at a moderate rate through 2035, presenting ongoing challenges for the provision of adequate facilities and infrastructure.

Population Forecasts					
Archuleta	2015	2020	2025	2030	2035
Population	13,730	16,850	20,298	23,937	27,516
Avg. Ann. % Change	2.3%	4.2%	3.8%	3.4%	2.8%

Source: Colorado State Demography Office 10-2012

Economic Trends – Archuleta County developed as a result of a unique combination of natural resources and natural attributes (i.e. geothermal hot springs located in Pagosa Springs). Initially these resources were "traditional west" commodities such as timber, cattle and minerals.

In 1970, manufacturing (primarily wood products) provided 30% of the county's total work income and generated $7.4 million in earnings. Over the next 20 years manufacturing wages decreased. The decline of the timber industry in the late 1970's played a large role in this decrease.

The 1980's were a time of relative stability in terms of population and economy, reflecting the "flat" state and national economies. Since that time, Archuleta County has been in transition from a traditional rural community to a more urban environment in which tourism is the number one industry.

Primarily, people moving in for quality of life issues or "amenity migration" drove population growth in the 1990s, and 2nd home ownership became an economic driver.

Employment and Income – Archuleta County generally follows statewide and national trends with regard to unemployment rates. In 2011, county rates (9.2%) are higher than the state (8.3%) and nation (8.9%) due to the national economic recession which hit the area hard in 2009 and continues in what has been termed a "jobless recovery". The estimated labor force was 7,616 in 2011.

The U.S. Census Bureau estimates that in 2010 there were 1,198 wage and salary workers commuting out of the county for work, primarily to La Plata County (11.%) and San Juan County, New Mexico (3%). In contrast, 649 people were commuting in for work, primarily from La Plata County (5.4%) and Rio Grande County on the east side of Wolf Creek Pass (2.3%).

The following table includes wage earners as well as proprietors (owners). About 64% of total employment is by wage earners, while 36% is through proprietors.

Archuleta County 2010 Total Employment	# of Jobs	% of Jobs	Income ($000)	% of Inc.	Avg. ann. wage
Agriculture	205	4%	$ (1,415)	-1%	*
Mining & Utilities	91	2%	6,871	5%	$ 75,228
Construction	771	14%	$ 15,054	10%	$ 19,523
Manufacturing	96	2%	$ 1,383	1%	$ 14,435
T & W	40	1%	$ 1,352	1%	$ 33,800
Wholesale & Retail Trade	783	14%	$ 23,622	16%	$ 30,169
Information	64	1%	$ 1,762	1%	$ 27,531
F,I&RE	578	10%	$ 19,894	13%	$ 34,419
Services	2,195	39%	$ 50,626	33%	$ 23,064
Government	749	13%	$ 32,969	22%	$ 44,017
Total	5,572	100%	$ 152,118	100%	

Source:Colorado State Demography Office 8-12
*Agricultural income reflects net losses from livestock and crop production
F,I & RE - Finance, Insurance & Real Estate

The service sector employs about 39% of workers in the county, and represents 33% of the earnings. The service sector is composed of many types of jobs, and very different wage scales. These include highly paid professionals, as well as entry level wage earners. Many of the service jobs (estimated 146) in Archuleta County support tourism, in accommodation (lodging) and food services.

Archuleta County 2010 Service Sectors	# of Jobs	% of Jobs	Income ($000)	% of Inc.
Professional,Scientific,Technical	586	27%	$15,051	30%
Education,Health,Social Assistance	303	14%	$ 7,344	15%
Arts,Entertainment,Recreation	117	5%	$ 1,158	2%
Accomodation,Food Service	635	29%	$12,252	24%
Other Services	555	25%	$14,821	29%
Total	2,196	100%	$50,626	100%

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. In Archuleta the largest base employment industries are tourism and households that spend money earned elsewhere, i.e. 2nd home owners and retirees.

Archuleta 2010 Base Industries	# of Jobs	% of Jobs	Income ($000)	% of Inc.
Agribusiness	269	6%	$ (90)	
Mining	41	1%	$ 3,688	4%
Manufacturing	37	1%	$ 489	0%
Government	136	3%	$ 7,008	7%
Regional Services	368	8%	$ 10,296	10%
Tourism	1,317	30%	$ 30,300	30%
Households	1,548	35%	$ 46,968	47%
Indirect Unassigned	700	16%	$ 1,939	2%
Total	4,416	100%	$100,688	100%

Top employers include the school district and county government as well as private companies.

Top Employers	
Archuleta County 2012	# of Jobs
Archuleta County School Dist. 50 JT	214
Archuleta County	155
Upper San Juan Hospital District	140
City Market	105
Fairfied	80
Pagosa Resort and Spa	90
Parelli Natural Horsemanship Inc.	71
Pine Ridge Extented Care Center	53
Mastercorp	50
U.S. Forest Service	36

Total Personal Income (TPI) – TPI is the sum of all income paid to residents of Archuleta County from various sources. Components include employment income, transfer payments, dividends, interest and rent, and residency adjustments. Retirees brought in $73.5 million (23%) of TPI through transfer payments and dividends, interest and rent.

Archuleta 2010 Total Personal Income ($000)		% of Total
Employment Earnings	$ 152,119	48%
Residency Adjustment	$ 9,677	3%
Dividends, Interest & Rent	$ 111,485	35%
Transfer Payments	$ 41,724	13%
Estimated TPI	$ 315,005	100%

Source: Colorado State Demographer

Per Capita Income (PCI) **–** The latest figure from the Bureau of Economic Analysis is from 2009, when PCI was estimated at $29,344.

Per Capita Income 2011		
	PCI 2011	% of USA
USA	$ 41,560	100%
Colorado	$ 44,053	106%
Archuleta	$ 31,536	76%

Source: Bureau of Economic Analysis

Livable Wages – In 2010 a minimum of $10.56/hr provided a livable wage in Pagosa Springs, if you were a single person renting a one-bedroom apartment.

Education – There have been significant changes in the way Colorado schools are rated. Unified Improvement Plans (UIP) now rate Districts, and individual schools, on four performance indicators: academic achievement; academic growth; gaps in growth by any historically disadvantaged subgroups; and success preparing students for the workforce.

According to the 2012 one-year performance reports Archuleta County 50 JT is accredited and meets the academic achievement and the postsecondary and workforce readiness indicators, and is approaching the academic growth and gaps indicators. View full reports on Archuleta County 50 JT and its schools at http://www.schoolview.org/performance.asp.

Housing – According to the State Demographers office, in 2011 there were 8,810 total housing units. Of these, 60% were occupied and 40% were vacant.

Enterprise Zones – All of Archuleta County is a designated Enterprise Zone, with the exception of the Southern Ute Reservation lands, which have been excluded following the wishes of the Southern Ute Tribal government. Archuleta County is currently listed as an Enhanced Enterprise Zone based on employment and income criteria.

More detailed information regarding Archuleta County can be accessed at www.scan.org under publications.

DOLORES COUNTY

Population – From 1990 to 2000, the population of Dolores County grew by 2.3% annually. Since 2000, the estimated rate of growth has slowed down to about 1% annually, with most of the growth in the Rico area. Unincorporated areas, particularly around Cahone, and Dove Creek continue to see some growth as well.

	Census 2000	Census 2010	% Change 2000-2010
Dolores	1,844	2,064	11.9%
Dove Creek	698	735	5.3%
Rico	205	265	29.3%
Unincorporated	941	1,064	13.1%

Source: Colorado State Demography Office 3-2011

In 2011 the population is estimated to be 2,042, a -0.9% decrease from 2010. The population is dispersed within two topographically distinct areas. Dove Creek, the county seat, is primarily within an agricultural area located on the west-side of the county. From 2000 to 2010 Dove Creek averaged 0.53% annual growth. Rico, located on the east-side of the county, averaged 2.9% annual growth from 2000 to 2010. Rico continues to grow based largely on people who commute to Telluride, which has undergone rapid expansion as a resort area. County-wide, slow to moderate growth is forecast for the next several decades.

Population Forecasts					
Dolores	2015	2020	2025	2030	2035
Population	2,174	2,361	2,585	2,808	3,054
Avg. Ann. % Change		1.7%	1.8%	1.7%	1.7%

Source: Colorado State Demography Office 10-2012

Economic Trends – The Dolores County economy is dominated by agriculture, and was built upon the production of dry land crops. Production crops still focus on wheat, pinto beans, alfalfa and the relative newcomers sunflowers and safflowers. The latter two crops were a direct result of the Oil Crush Plant built in Dove Creek in 2008, but the plant is no longer operating. Growers have found that sunflowers and safflowers have a significant place in the ecology of dry-land crop rotation.

Historically, the mountainous (eastern) part of Dolores County (the Rico area) supplied a number of small saw mills and was the site of gold, silver, copper, lead, zinc and molybdenum mining in the Rico area. Access to scenic public lands in the county provide recreational opportunities, however, the tourist base is served primarily by businesses outside of the county.

Employment and Income – Dolores County generally follows statewide and national trends with regard to unemployment rates. In 2011, county rates (11.4%) were higher than the state (8.3%) and nation (8.9%) due to the national economic recession which hit the area hard in 2009 and continues in what has been termed a "jobless recovery". The estimated labor force was 1,003 in 2011.

The U.S. Census Bureau estimates that in 2010 there were 374 wage and salary workers commuting out of the county for work, primarily to Montezuma County (18%) and San Juan County, UT (6%). In contrast 88 people were commuting in for work, primarily from Montezuma County (8%) and San Miguel County (8%).

The following table includes wage earners as well as proprietors (owners). About 29% of total employment is by wage earners, while 71% is through proprietors.

Dolores County 2010 Total Employment	# of Jobs	% of Jobs	Income ($000)	% of Inc.	Avg ann. wage
Agriculture	141	19%	$ 2,248	9%	*
Mining & Utilities	12	2%	$ 5,993	23%	$ 499,417
Construction	51	7%	$ 890	3%	$ 17,451
Manufacturing	28	4%	$ 906	4%	$ 32,357
T & W	20	3%	$ 865	3%	$ 43,250
Wholesale & Retail Trade	114	15%	$ 2,190	8%	$ 19,210
Information	2	0%	$ 937	4%	$ 468,500
F,I&RE	26	3%	$ 2,037	8%	$ 78,424
Services	141	19%	$ 3,457	13%	$ 24,517
Government	208	28%	$ 6,281	24%	$ 30,197
Total	743	100%	$ 25,804	100%	

Source:Colorado State Demography Office 8-12

*Agricultural income reflects net losses from livestock and crop production
F,I & RE - Finance, Insurance & Real Estate

Historically the agricultural sector provided the greatest number of jobs in Dolores County, though job income was frequently offset by net losses from livestock and crop production. In 2009 local government became the largest employment sector with 182 jobs, a trend that continued into 2010.

The service sector employs about 19% of workers in the county, and represents 13% of the earnings. The service sector is composed of many types of jobs, and very different wage scales. These include highly paid professionals, as well as entry level wage earners.

Dolores County 2010 Service Sectors	# of Jobs	% of Jobs	Income ($000)	% of Inc.
Professional,Scientific,Technical	38	27%	$1,181	34%
Education,Health,Social Assistance	13	9%	$ 469	14%
Arts,Entertainment,Recreation	3	2%	$ (4)	0%
Accomodation,Food Service	34	24%	$ 764	22%
Other Services	53	38%	$1,046	30%
Total	141	100%	$3,456	100%

Source:Colorado Demography Section 7-12

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. In Dolores the largest base employment industries are agriculture and households that spend money earned elsewhere.

Dolores 2010 Base Industries	# of Jobs	% of Jobs	Income ($000)	% of Inc.
Agribusiness	186	26%	$ 3,882	16%
Mining	7	1%	$ 5,883	24%
Manufacturing	11	2%	$ 341	1%
Government	39	5%	$ 1,339	5%
Regional Services	68	9%	$ 1,847	7%
Tourism	44	6%	$ 2,068	8%
Households	278	39%	$ 8,010	32%
Indirect Unassigned	88	12%	$ 1,633	7%
Total	721	100%	$25,003	100%

Top employers include the county and the school district as well as private companies.

Top Employers	
Dolores County 2012	**# of Jobs**
Dolores County	75
Dolores School Dist. RE2J	61
Dunton Hot Springs Inc.	20
Dolores County Health Assoc.	19
Dove Creek Suprette Inc.	16
Dove Creek Implement Inc.	15

Total Personal Income (TPI) – TPI is the sum of all income paid to residents of Dolores County from various sources. Components include employment income, transfer payments, dividends, interest and rent, and residency adjustments.

Retirees brought in more than $8.1 million (16%) of TPI through transfer payments and dividends, interest and rent.

Dolores 2010 Total Personal Income ($000)		% of Total
Employment Earnings	$ 25,804	50%
Residency Adjustment	$ 7,951	16%
Dividends, Interest & Rent	$ 10,094	20%
Transfer Payments	$ 7,439	15%
Estimated TPI	$ 51,288	100%

Source: Bureau of Economic Analysis
http://www.bea.gov/regional/reis/.

Per Capita Income (PCI) – The latest official figure from the Bureau of Economic Analysis is from 2011, when PCI was estimated at $29,250.

Per Capita Income 2011		
	PCI 2011	**% of USA**
USA	$ 41,560	100%
Colorado	$ 44,053	106%
Dolores	$ 29,250	70%

Source: Bureau of Economic Analysis

Livable Wages – In 2010 a minimum of $11.99/hr provided a livable wage in Dove Creek, and $12.25/hr in Rico, if you were a single person renting a one-bedroom apartment.

Education – There have been significant changes in the way Colorado schools are rated. Unified Improvement Plans (UIP) now rate Districts, and individual schools, on four performance indicators: academic achievement; academic growth; gaps in growth by any historically disadvantaged subgroups; and success preparing students for the workforce.

According to the 2012 one-year performance reports (the first year the UIP format was required); Dolores County RE No. 2 is Accredited with Improvement Plan. The district exceeds the rating for postsecondary and workforce readiness and is approaching meeting the academic growth gaps indicator. It does not meet the academic growth and academic achievement indicators. (View full district report at http://www.schoolview.org/performance.asp.)

Housing – According to the State Demographers office, in 2011 there were 1,482 total housing units. Of these 61% were occupied and 39% were vacant.

Enterprise Zones – All of Dolores County is a designated Enterprise Zone, and is currently listed as an Enhanced Enterprise Zone based on employment and income criteria.

More detailed information regarding Dolores County can be accessed at www.scan.org under publications.

LA PLATA COUNTY

Population – Between 2000 and 2010, La Plata County grew from 43,941 to 51,335 people (17%) with most of the growth occurring in Bayfield and Durango. Ignacio saw slower growth, as did unincorporated areas of the county. These population figures, however, do not reflect the large number of seasonal visitors, many of whom own 2nd homes in the county.

	Census 2000	Census 2010	% Change 2000-2010
La Plata	43,941	51,334	16.8%
Bayfield	1,549	2,333	50.6%
Durango	13,922	16,887	21.3%
Ignacio	669	697	4.2%
Unincorporated	27,801	31,417	13.0%

Source: Colorado State Demography Office 3-2011

In 2011 the population is estimated to be 51,944, a 1% increase from 2010. The population is expected to grow at a moderate rate through 2035

Population Forecasts					
La Plata	2015	2020	2025	2030	2035
Population	58,445	66,752	74,436	81,308	87,643
Avg. Ann. % Change		2.7%	2.2%	1.8%	1.5%

Source: Colorado State Demography Office 10-2012

Economic Trends – Historically, La Plata County developed as a result of "traditional west" commodities such as minerals, cattle and timber. Since the 1970's La Plata County has been in transition from a traditional rural county to a more urban environment in which tourism is the number one industry. People moving in for quality of life issues or "amenity migration" drove population growth in the 1990's, a trend still seen today.

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.

Ignacio is a crossroads for the oil and gas industry, and serves as a supply center for the surrounding Indian reservation.

The Southern Ute Indian Tribal headquarters is located just north of Ignacio and provides administration and services to tribal members

Employment and Income – La Plata County generally follows statewide and national trends with regard to unemployment rates. In 2011, county rates (6.8%) are lower than the state (8.3%) and nation (8.9%). The estimated labor force was 33,269 in 2011.

The U.S. Census Bureau estimates that in 2010 there were 4,572 wage and salary workers commuting out of the county for work, primarily to San Juan County, New Mexico (4%), and to Mesa (3%) and Montezuma (3%) counties. In contrast, 5,342 people were commuting in for work, primarily from San Juan County, New Mexico (4%), Montezuma County (4%) and Archuleta County (2.%).

The following table includes wage earners as well as proprietors (owners). About 80% of total employment is by wage earners, while 20% is through proprietors.

La Plata County 2010 Total Employment	# of Jobs	% of Jobs	Income ($000)	% of Inc.	Avg ann. wage
Agriculture	767	3%	$ 6,186	1%	*
Mining & Utilities	933	3%	$ 103,417	9%	$110,844
Construction	2,888	9%	$ 123,843	10%	$ 42,882
Manufacturing	614	2%	$ 19,394	2%	$ 30,490
T & W	892	3%	$ 48,268	4%	$ 54,112
Wholesale & Retail Trade	4,002	13%	$ 121,785	10%	$ 30,431
Information	527	2%	$ 21,836	2%	$ 41,435
F,I&RE	2,051	7%	$ 79,981	7%	$ 38,996
Services	12,575	41%	$ 420,554	35%	$ 33,444
Government	5,200	17%	$ 247,125	21%	$ 47,524
Total	30,449	100%	$ 1,192,389	100%	

Source:Colorado State Demography Office 8-12
*Agricultural income reflects net losses from livestock and crop production
F,I & RE - Finance, Insurance & Real Estate

The service sector employs about 41% of workers in the county, and represents 35% of the earnings. The service sector is composed of many types of jobs, and very different wage scales. Many of the service jobs in La Plata County are technical, educational or in health services.

La Plata County 2010 Service Sectors	# of Jobs	% of Jobs	Income ($000)	% of Inc.
Professional, Scientific, Technical	3,161	25%	$ 130,855	31%
Education, Health, Social Assistance	3,668	29%	$ 160,317	38%
Arts, Entertainment, Recreation	1,043	8%	$ 18,748	4%
Accomodation, Food Service	3,054	24%	$ 58,286	14%
Other Services	1,649	13%	$ 52,348	12%
Total	12,575	100%	$ 420,554	100%

Source:Colorado Demography Section 7-12

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. In La Plata the largest base employment industry is tourism.

La Plata 2010 Base Industries	# of Jobs	% of Jobs	Income ($000)	% of Inc.
Agribusiness	1,267	6%	$ 25,793	3%
Mining	1,030	5%	$114,723	13%
Manufacturing	226	1%	$ 6,245	1%
Government	2,138	10%	$107,147	12%
Regional Services	3,426	16%	$153,871	18%
Tourism	5,712	26%	$145,943	17%
Households	4,145	19%	$153,638	18%
Indirect Unassigned	3,685	17%	$155,229	18%
Total	21,629	100%	$862,589	100%

Top employers include the Southern Ute Indian Tribe and the regional hospital, as well as schools, local governments and private companies.

Top Employers La Plata County 2012	# of Jobs
Southern Ute Indian Tribe - Admin.	*970
Mercy Hospital	900
Fort Lewis College	709
Durango School District 9R	573
City of Durango	475
Southern Ute Indian Tribe - Casino,Museum	*430
Mercury Payment Systems	417
La Plata County	400
DSC Purgatory LLC	400
Wal Mart Stores Inc.	354

*Estimated

Total Personal Income (TPI) – TPI is the sum of all income paid to residents of La Plata County from various sources. Components include employment income, transfer payments, dividends, interest and rent, and residency adjustments. Retirees brought in $269 million (15%) of TPI through transfer payments and dividends, interest and rent.

La Plata 2010 Total Personal Income ($000)		% of Total
Employment Earnings	$ 1,192,389	68%
Residency Adjustment	$ (10,440)	-1%
Dividends, Interest & Rent	$ 440,585	9%
Transfer Payments	$ 122,208	5%
Estimated TPI	$ 1,744,742	81%

Source: Bureau of Economic Analysis
http://www.bea.gov/regional/reis/.

A negative residency adjustment means that more people are commuting into the county for employment than are commuting out.

Per Capita Income (PCI) – The latest official figure from the Bureau of Economic Analysis is from 2011, when PCI was estimated at $43,453.

Per Capita Income 2011		
	PCI 2011	% of USA
USA	$ 41,560	100%
Colorado	$ 44,053	106%
La Plata	$ 43,453	105%

Source: Bureau of Economic Analysis

Livable Wages – In 2010 a minimum of $10.65/hr provided a livable wage in Bayfield, $11.57/hr in Durango, and $11.87/hr in Ignacio, if you were a single person renting a one-bedroom apartment.

Education – There have been significant changes in the way Colorado schools are rated. Unified Improvement Plans (UIP) now rate Districts, and individual schools, on four performance indicators: academic achievement; academic growth; gaps in growth by any historically disadvantaged subgroups; and success preparing students for the workforce.

According to the 2012 one-year performance reports (first time the UIP format was required), Bayfield 10 JT-R is accredited, Durango 9R is accredited with improvement plan, and Ignacio 11 JT is accredited with priority improvement plan. (View full reports on all three districts at http://www.schoolview.org/performance.asp.)

Housing – According to the State Demographers office, in 2011 there were 26,130 total housing units. Of these, 82% were occupied and 18% were vacant.

Enterprise Zones – Agricultural parcels, as well as some census tracts, within the county have been designated as Enterprise Zones. The Southern Ute Reservation lands have been excluded following the wishes of the Southern Ute Tribal government.

More detailed information regarding La Plata County can be accessed at www.scan.org under publications.

MONTEZUMA COUNTY

Population – Between 2000 and 2010, Montezuma County grew from 23,830 to 25,535 people (7.2%) with most of the growth occurring in Mancos.

	Census 2000	Census 2010	% Change 2000-2010
Montezuma	23,830	25,535	7.2%
Cortez	7,977	8,482	6.3%
Dolores	857	936	9.2%
Mancos	1,119	1,336	19.4%
Unincorporated	13,877	14,781	6.5%

Source: Colorado State Demography Office 3-2011

Unincorporated areas of the county include the Ute Mountain Ute Indian Tribe, headquartered in Towaoc, which is located 12 miles southwest of Cortez. More information about the Ute Mountain Ute Tribe is provided on page 16 of this report. Just across the borders of Utah, New Mexico and Arizona is the Navajo Nation. These two tribes have significant cultural and economic impacts on Montezuma County.

In 2011 the population is estimated to be 25,413, a -0.5% decrease from 2010. The population is expected to grow at a moderate rate through 2035.

Population Forecasts					
Montezuma	**2015**	**2020**	**2025**	**2030**	**2035**
Population	27,643	30,624	33,880	37,053	40,051
Avg. Ann. % Change		2.1%	2.0%	1.8%	1.6%

Source: Colorado State Demography Office 10-2012

Economic Trends – Historically, Montezuma County developed as a result of providing mining towns in the San Juan Mountains with supplies. The extensive timber resources in the Dolores area were harvested to supply mine timbers and building lumber.

The Town of Mancos built up around cattle raised to feed the mining communities. The lower elevations of the Montezuma Valley supplied agricultural products, with the City of Cortez developing as a center due to the creation of the Montezuma Valley Irrigation Company.

By the turn of the 20th century the mining boom had played out and the remaining settlers turned to subsistence agriculture and the export of agricultural and timber products. In the 1980's, the construction of McPhee Reservoir (the Dolores Project) and its extensive irrigation systems allowed increased agricultural production and enhanced recreational opportunities for locals and tourists.

Employment and Income – Montezuma County generally follows statewide and national trends with regard to unemployment rates. In 2011, county rates (8.5%) are higher than the state (8.3%) and lower than the nation (8.9%). The estimated labor force was 13,748 in 2011.

The U.S. Census Bureau estimates that in 2010 there were 3,148 wage and salary workers commuting out of the county for work, with the greatest number of workers going to La Plata County (8%) and San Juan County, New Mexico (5%). There were 2,441 people commuting in to the county for work – primarily from San Juan County, New Mexico (6%) and La Plata County (6%).

The following table includes wage earners as well as proprietors (owners). About 78% of total employment is by wage earners, while 22% is through proprietors.

Montezuma County 2010 Total Employment	# of Jobs	% of Jobs	Income ($000)	% of Inc.	Avg ann. wage
Agriculture	686	6%	$ 9,155	3%	*
Mining & Utilities	245	2%	$ 18,453	5%	$ 75,318
Construction	894	7%	$ 31,432	9%	$ 35,159
Manufacturing	391	3%	$ 11,137	3%	$ 28,483
T & W	343	3%	$ 10,939	3%	$ 31,892
Wholesale & Retail Trade	1,583	13%	$ 42,701	12%	$ 26,975
Information	111	1%	$ 1,894	1%	$ 17,063
F,I&RE	615	5%	$ 15,548	4%	$ 25,281
Services	4,076	34%	$ 100,488	28%	$ 24,654
Government	3,083	26%	$ 118,606	33%	$ 38,471
Total	12,027	100%	$ 360,353	100%	

Source:Colorado State Demography Office 8-12
*Agricultural income reflects net losses from livestock and crop production
F,I & RE - Finance, Insurance & Real Estate

The service sector employs about 34% of workers in the county, and represents 28% of the earnings. The service sector is composed of many types of jobs, and very different wage scales. These include highly paid professionals, as well as entry level wage earners. Many of the service jobs in Montezuma County support education, health and social assistance.

Montezuma County 2010 Service Sectors	# of Jobs	% of Jobs	Income ($000)
Professional,Scientific,Technical	851	21%	$ 22,144
Education,Health,Social Assistance	1,461	36%	$ 43,866
Arts,Entertainment,Recreation	155	4%	$ 943
Accomodation,Food Service	910	22%	$ 14,616
Other Services	698	17%	$ 18,918
Total	4,075	100%	$ 100,487

Source:Colorado Demography Section 7-12

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. In Montezuma the largest base employment industry are households that spend money earned elsewhere.

Montezuma 2010 Base Industries	# of Jobs	% of Jobs	Income ($000)	% of Inc.
Agribusiness	846	9%	$ 15,386	6%
Mining	142	2%	$ 10,741	4%
Manufacturing	283	3%	$ 7,648	3%
Government	516	6%	$ 31,499	12%
Regional Services	1,803	20%	$ 55,893	21%
Tourism	1,277	14%	$ 25,083	9%
Households	3,342	37%	$ 97,377	36%
Indirect Unassigned	772	9%	$ 25,531	9%
Total	8,981	100%	$269,158	100%

Top employers include the school district, the Ute Mountain Ute Indian Tribe, as well as local governments and private companies.

Top Employers Montezuma County 2012	# of Jobs
Ute Mountain Indian Tribe - Admin.	*445
Ute Mountain Indian Tribe - Casino & other Enterprises	*474
Montezuma Cortez School Dist. RE1	425
Southwest Health Systems Inc.	383
Wal Mart Stores Inc.	325
Dept. of the Interior (Mesa Verde,Indian Affairs,BLM,etc.)	*248
City of Cortez	205
Montezuma County	210
Pasco SW, Inc	180
Western Excelsior	120

* Estimated

Total Personal Income (TPI) – TPI is the sum of all income paid to residents of Montezuma County from various sources. Components include employment income, transfer payments, dividends, interest and rent, and residency adjustments. Retirees brought in $112 million (17%) of TPI through transfer payments and dividends, interest and rent.

Montezuma 2010 Total Personal Income ($000)		% of Total
Employment Earnings	$ 360,353	53%
Residency Adjustment	$ 81,463	12%
Dividends, Interest & Rent	$ 151,219	22%
Transfer Payments	$ 84,455	12%
Estimated TPI	$ 677,490	100%

Source: Bureau of Economic Analysis
http://www.bea.gov/regional/reis/.

Per Capita Income (PCI) – The latest official figure from the Bureau of Economic Analysis is from 2011, when PCI was estimated at $34,015.

Per Capita Income 2011		
	PCI 2011	% of USA
USA	$ 41,560	100%
Colorado	$ 44,053	106%
Montezuma	$ 34,015	82%

Source: Bureau of Economic Analysis

Livable Wages – In 2010 a minimum of $10.42/hr provided a livable wage in Cortez, $10.92/hr in Dolores, and $10.71/hr in Mancos, if you were a single person renting a one-bedroom apartment.

Education – There have been significant changes in the way Colorado schools are rated. Unified Improvement Plans (UIP) now rate Districts, and individual schools, on four performance indicators: academic achievement; academic growth; gaps in growth by any historically disadvantaged subgroups; and success preparing students for the workforce.

According to the 2012 one-year performance reports (first time the UIP format was required), Montezuma-Cortez RE-1 is accredited with priority improvement plan, and Mancos RE-6 and Dolores RE-4a are accredited. (View full reports on all districts at http://www.schoolview.org/performance.asp.)

Housing – According to the State Demographers office in 2011 there were 12,148 total housing units. Of these, 86% were occupied and 1% were vacant.

Enterprise Zones – All of Montezuma County has been designated as an Enterprise Zone with the exception of the Ute Mountain Sacred Area, following the wishes of the Ute Mountain Ute Tribal government.

More detailed information regarding Montezuma County can be accessed at www.scan.org under publications.

SAN JUAN COUNTY

Population – In 2000 the county's resident population was 558, though it has grown by 25% over the last decade. There has also been an influx of seasonal/summer residents, many of whom have purchased 2nd homes in the area in order to enjoy the rural amenities of life in the high country. This phenomenon, known as "amenity migration", has produced wide ranging economic impacts on the community. Seasonal residents are not included in population figures.

	Census 2000	Census 2010	% Change 2000-2010
San Juan	558	699	25.3%
Silverton	531	637	20.0%
Unincorporated	27	62	129.6%

Source: Colorado State Demography Office 3-2011

In 2011 the population is estimated to be 691, this is a -2.5% decrease from 2010. The population is expected to grow slowly through 2035.

Population Forecasts					
San Juan	2015	2020	2025	2030	2035
Population	716	740	762	767	780
Avg. Ann. % Change		0.7%	0.6%	0.1%	0.3%

Source: Colorado State Demography Office 10-2012

Economic Trends – The discovery of gold in the county by Charles Baker in 1860 was followed by a late breaking gold rush in the 1870's. After the signing of the Brunot Treaty with the Ute Indians in 1874, the Town of Silverton was established and it remains the only community in San Juan County.

The Denver and Rio Grand Railroad reached Silverton from Durango in 1882. With the dedication of the "Million Dollar Highway" in July of 1924 the transportation of gold, silver, lead, copper and zinc moved from the narrow gauge train to Highway 550 which connects Silverton to Montrose and to Durango.

Beginning in the late 1950's the rail line began instead to carry tourists up from Durango to enjoy the spectacular scenery. At the present time San Juan County has become almost entirely dependent upon tourism, primarily during the summer months when the Durango & Silverton Narrow Gauge Railroad is running. However, winter tourism is growing since the opening of the Silverton Mountain Ski Area, which is also the largest employer in the county.

Employment and Income – In 2011, county unemployment rates (10.3%) are higher than the state (8.3%) and nation (8.9%). The estimated labor force was 329 in 2011

The U.S. Census Bureau estimates that in 2010 there were 111 wage and salary workers commuting out of the county for work – with the greatest number of workers going to La Plata County (11%). There were also 47 people commuting in to the county for work, primarily from La Plata County (14%).

The following table includes wage earners as well as proprietors (owners). About 75% of total employment is by wage earners, while 25% is through proprietors.

San Juan County 2010 Total Employment	# of Jobs	% of Jobs	Income ($000)	% of Inc.	Avg ann. wage
Agriculture	0	0%	$ -	0%	
Mining & Utilities	3	1%	$ 555	6%	$185,000
Construction	29	8%	$ 709	7%	$ 24,448
Manufacturing	8	2%	$ 125	1%	$ 15,625
T & W	1	0%	$ 38	0%	$ 38,000
Wholesale & Retail Trade	47	12%	$ 942	10%	$ 20,043
Information	2	1%	$ 123	1%	$ 61,500
F,I&RE	10	3%	$ 222	2%	$ 22,200
Services	209	54%	$ 4,006	42%	$ 19,167
Government	76	20%	$ 2,900	30%	$ 38,158
Total	385	100%	$ 9,620	100%	

Source:Colorado State Demography Office 8-12
F,I & RE - Finance, Insurance & Real Estate

The service sector employs about 54% of workers in the county, and represents 42% of the earnings. The service sector is composed of many types of jobs, and very different wage scales. Many of the service jobs in San Juan County support tourism, in accommodation (lodging) and food services.

San Juan County 2010 Service Sectors	# of Jobs	% of Jobs	Income ($000)	% of Inc.
Professional,Scientific,Technical	16	8%	$ 385	10%
Education,Health,Social Assistance	26	12%	$ 695	17%
Arts,Entertainment,Recreation	36	17%	$ 829	21%
Accomodation,Food Service	110	53%	$ 1,807	45%
Other Services	21	10%	$ 289	7%
Total	209	100%	$ 4,005	100%

Source:Colorado Demography Section 7-12

Base Analysis – Base analysis distinguishes which industries are basic in the economy, and 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. In San Juan the largest base employment industries are tourism, and households that spend money earned elsewhere.

San Juan 2010 Base Industries	# of Jobs	% of Jobs	Income ($000)	% of Inc.
Agribusiness	2	1%	$ 5	0%
Mining	2	1%	$ 506	6%
Manufacturing	4	1%	$ 112	1%
Government	9	3%	$ 395	5%
Regional Services	18	6%	$ 474	6%
Tourism	165	51%	$ 3,377	42%
Households	102	32%	$ 2,648	33%
Indirect Unassigned	19	6%	$ 490	6%
Total	321	100%	$ 8,007	100%

Top employers include private companies and the school district, as well as local governments.

Top Employers	
San Juan County 2010	**# of Jobs***
Core Mountain Enterprises LLC	40
San Juan County	26
Handlebars	24
Silverton School Dist. 1	24
Town of Silverton	15
Bent Elbow	12
Natalias of Silverton Inc.	10

Total Personal Income (TPI) – TPI is the sum of all income paid to residents of San Juan County from various sources. Components include employment income, transfer payments, dividends, interest and rent, and residency adjustments.

San Juan 2010 Total Personal Income ($000)		% of Total
Employment Earnings	$ 9,620	52%
Residency Adjustment	$ 2,196	12%
Dividends, Interest & Rent	$ 4,729	26%
Transfer Payments	$ 1,857	10%
Estimated TPI	$ 18,402	100%

Source: Bureau of Economic Analysis
http://www.bea.gov/regional/reis/.

Retirees brought in $3 million (17%) of TPI through transfer payments and dividends, interest and rent.

Per Capita Income (PCI) **–** The latest official figure from the Bureau of Economic Analysis is from 2011, when PCI was estimated at $29,854.

Per Capita Income 2011		
	PCI 2011	**% of USA**
USA	$ 41,560	100%
Colorado	$ 44,053	106%
San Juan	$ 29,854	72%

Source: Bureau of Economic Analysis

Livable Wages – In 2010 a minimum of $12.20/hr provided a livable wage in Silverton if you were a single person renting a one-bedroom apartment.

Education – There have been significant changes in the way Colorado schools are rated. Unified Improvement Plans (UIP) now rate Districts, and individual schools, on four performance indicators: academic achievement; academic growth; gaps in growth by any historically disadvantaged subgroups; and success preparing students for the workforce. According to the 2010 one-year performance reports Silverton is accredited. View full district report at http://www.schoolview.org/performance.asp.

Silverton has recently rehabilitated its school facilities. The Rehabilitation Project for Silverton School is a comprehensive project, using design and construction to promote energy efficiency, green building, and healthy facilities that reduce operations and maintenance efforts, relieve operational costs, and extend the service life of the District's capital assets.

Housing – According to the State Demographers office in 2011 there were 758 total housing units. Of these, 45% were occupied and 55% were vacant.

Enterprise Zones – All of San Juan County has been designated as an Enterprise Zone, as well as an Enhanced Enterprise Zone.

More detailed information regarding San Juan County can be accessed at www.scan.org, under publications.

GLOSSARY OF KEY TERMS

Economic Base Analysis is a tool to describe economic activity by the source of revenue, whether the money generated by sales comes from outside the local economy, or from within the local economy. This type of analysis is designed to define those economic activities that drive or sustain the local economy. Base Analysis distinguishes which industries and factors are responsible for overall growth and change. There are two types of regional industries:

<u>Base industries</u> 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. These industries include agriculture, mining, manufacturing, national and regional services, state and federal government jobs, and tourism. 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; however, since their income is basic (from outside the local economy), the local resident service jobs are also considered basic.

<u>Local resident services</u> provide services to residents and also ***re-circulate dollars*** within the local economy. Resident services include industries that take care of the local community, such as health services, education, and employment at the local grocery store. Residential industries are *industries* because they create jobs . . . which, in turn, create demands for worker housing and services.

Outside money enters the local economy through a variety of sources, circulates through the local area, and then leaves the local economy when we purchase goods or services from outside the area, or pay federal and state taxes.

A common confusion with this type of analysis is that it focuses on the source of revenue as opposed to specific industries. Tourism is considered a direct base economic activity because the visitors are bringing their money from the outside economy and spending it in the local economy.
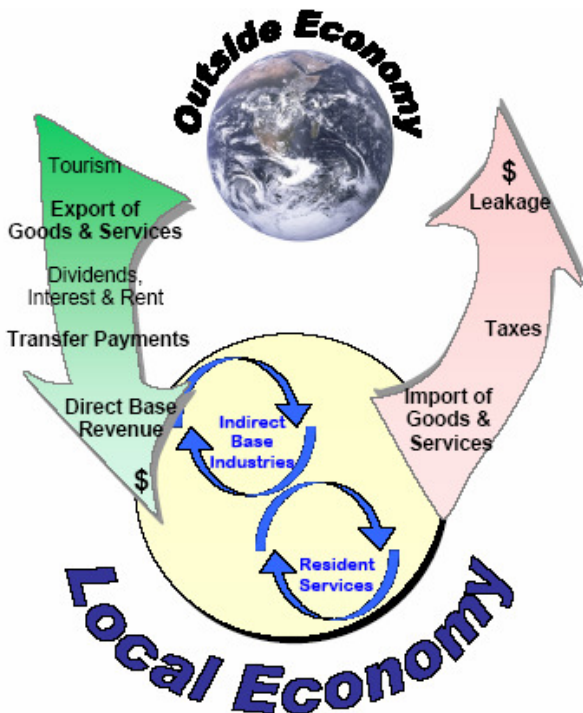
Looking at restaurants for example, when the person buying a meal is from outside the area (a tourist), it is a ***direct base economic activity*** and when the person is a resident using money earned in the local economy, it is a ***local resident service activity.*** So restaurants are both direct based and a local resident service.

The office of the Colorado State Demographer performs various statistical estimates, including actual surveys of businesses (calling the restaurant and asking them for estimates of how much of their sales are to residents versus tourists) to provide a percentage in various sectors of how much of their activity is direct or local resident based.

Amenity Migration is another source of direct base revenue in terms of money coming from the outside economy to buy real estate and construct homes in the local economy. The term comes from the fact that people migrate to southwest Colorado because of the amenities, i.e. quality of life and environment. Some of these people are second home owners and some are telecommuters, meaning that they work for companies or clients using phone, internet, faxes, etc.

Population - Census data is collected every 10 years (i.e. 1980, 1990) so is considered actual counts of people within a region or county. The years in between are estimates made by the State Demographer. Projections are made using an assumed growth rate to predict future growth.

Total Personal Income is another important tool to understand our local economy. Total personal income (TPI) is divided into four main components. These numbers come from the Bureau of Economic Analysis (BEA).

1. *Employment earnings* are derived from wage and salary employment as well as from business proprietor's income.

2. *Dividends, Interest & Rent* - Dividend income is cash and other assets paid to stockholders who are residents of the area. Interest income consists of monies received by local residents from money market mutual funds and other sources. Rental income consists of the rental of real property, royalties received from patents, copyrights, and from the rights to natural resources paid to local residents.

3. *Transfer payments* consist primarily of retirement and disability benefit payments, medical payments (i.e. Medicare and Medicaid), income maintenance benefits, unemployment insurance, veteran's benefits and payments to local residents.

4. *Residency adjustments* are made when a person is paid for work performed from outside their place of residency, i.e. commuters. Negative numbers indicate that more people are commuting into the county for employment than are commuting out for employment.

When we divide Total Personal Income (TPI) by the number of people in each county we get an estimate of **Per Capita Income** (PCI). This allows us to compare the per capita income between counties in our region, the state and the nation.

Total Employment - Includes estimated employment from wages, salaries and proprietors income.

Employment by Sector - Employment (jobs) generates most of the earnings in our region, so it is important to look at the types and numbers of jobs in each of our counties. An employment "sector" groups jobs into industries that are alike. This information allows us to see how many people are employed in each sector, comparing the "strength" of that industry in each of our counties.

Employment Income by Sector - When we look at employment income by sector we can see which of the sectors pay the most, and which pay the least.

Unemployment - Labor force statistics allow us to see how many people are in the workforce, and how many are unemployed. We can use this information to compare unemployment rates at county, state, and national levels.

Enterprise Zones – Learn more about tax credits in Enterprise Zones at www.advancecolorado.com/ez.