



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 Dolores County Colorado

This report uses retail sales data to provide insights for decision making regarding business expansion, relocation, marketing, government finance, and community development. Dolores County has a relatively small population, dispersed within two topographically distinct zones. Dove Creek, the county seat, is in an agricultural area located on the west side of the county. The Town of Rico is located in the mountainous eastern portion of the county. Access to scenic public lands in the county provide recreational opportunities, however, the tourist base is served primarily by businesses outside of the county. Although many retail sectors are not disclosed, those that are shown are performing substantially below their potential.

Total Retail Sales

Using "pull factors" we see that Dolores County retail trade has been weak compared to the state average since 1999, though the last 3 years have seen increases. 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.

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

Calendar Year	*Dolores County Total Retail Sales	Estimated Number of Retail Firms	Sales per Firm	Dolores Per Capita Sales	*State Per Capita Sales	Pull Factor
1999	\$ 12,837,664	108	\$ 118,867	\$ 7,089	\$ 19,228	0.37
2000	\$ 15,227,752	100	\$ 152,278	\$ 8,258	\$ 21,576	0.38
2001	\$ 16,781,481	109	\$ 153,959	\$ 9,101	\$ 21,646	0.42
2002	\$ 17,248,160	124	\$ 139,098	\$ 9,170	\$ 22,765	0.40
2003	\$ 19,696,000	123	\$ 160,130	\$ 10,658	\$ 23,000	0.46
2004	\$ 22,012,991	118	\$ 186,551	\$ 11,990	\$ 24,588	0.49
2005	\$ 30,309,406	120	\$ 252,578	\$ 16,419	\$ 26,614	0.62

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 = \$21,991,000; 2005 = \$29,686,000

Potential Sales

Using "potential sales" we see that many sales in Dolores County are being made outside of the area. Dolores County has seen a leakage of potential sales since 1999, but the percentage is decreasing. 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	*Dolores County Total Retail Sales	Surplus or Leakage	Surplus or Leakage as % of Potential
1999	\$ 24,716,617	\$ 12,837,664	\$ (11,878,953)	-48.1%
2000	\$ 24,059,501	\$ 15,227,752	\$ (8,831,749)	-36.7%
2001	\$ 26,650,151	\$ 16,781,481	\$ (9,868,670)	-37.0%
2002	\$ 27,697,641	\$ 17,248,160	\$ (10,449,481)	-37.7%
2003	\$ 27,492,802	\$ 19,696,000	\$ (7,796,802)	-28.4%
2004	\$ 31,172,564	\$ 22,012,991	\$ (9,159,573)	-29.4%
2005	\$ 33,925,593	\$ 30,309,406	\$ (3,616,187)	-10.7%

*adjusted to 2003 constant dollars

Unadjusted Actual Sales for 2004 = \$21,991; 2005 = \$29,686,000

Potential sales are the product of the county population (1,846), state per capita sales (\$26,614), and the index of income (0.69). Index of income is county per capita income (\$24,937) 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.

Dolores County potential sales by merchandise category 2003

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.

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).

Dolores 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
Non-Store Outlets	19	\$ 47,526	\$ 903,000	\$ 316,553	\$ 586,447	185%	4%
*Confidential Sectors	15	\$ 1,286,667	\$ 19,300,000	NA	NA	NA	96%
Total	34	\$ 594,206	\$ 20,203,000				100%

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

Within the **retail trade** sector most of the sectors are not disclosed. Non-store outlets do show a 185% surplus. Non-store outlets include catalog and internet sales, businesses that come to you, as well as traveling sales, i.e. festivals and art shows. Within the **retail service** sectors, shown in the table below, we see that most sectors, with the exception of utilities and lodging, are not meeting their sales potential. From this analysis we see that purchases of most goods and services are made outside of the county.

Dolores 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
Finance/Insurance	6	\$ 6,167	\$ 37,000	\$ 369,385	\$ (332,385)	-90%	0.4%
Eating/Drinking Services	3	\$ 83,667	\$ 251,000	\$ 1,554,174	\$ (1,303,174)	-84%	3%
Information	48	\$ 15,146	\$ 727,000	\$ 1,387,849	\$ (660,849)	-48%	8%
Other Services	4	\$ 96,750	\$ 387,000	\$ 717,942	\$ (330,942)	-46%	4%
Manufacturing	7	\$ 86,571	\$ 606,000	\$ 1,690,943	\$ (1,084,943)	-64%	6%
Utilities	3	\$ 216,667	\$ 650,000	\$ 630,244	\$ 19,756	3%	7%
Lodging	4	\$ 276,250	\$ 1,105,000	\$ 531,993	\$ 573,007	108%	12%
*Confidential Sectors	11	\$ 520,000	\$ 5,720,000	NA	NA	NA	60%
Total	86	\$ 110,267	\$ 9,483,000				100%

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

Town Retail Trade 2003

We can also look at how retail trade is distributed among the towns in Dolores County. From the table below we see that Dove Creek pulls in the majority (82%) of sales and has most of the retail firms (57%).

Town	Population Estimate 2005	Total Retail Sales	Estimated # of Retail Firms	Average Sales per Firm	Per Capita Sales	% of Sales	% of Firms
Dove Creek	684	\$ 24,504,000	69	355,130	35,825	82.5%	57.5%
Rico	238	\$ 2,837,000	31	91,516	11,920	9.6%	25.8%
Unincorporated	924	\$ 2,345,000	20	117,250	2,538	7.9%	16.7%
Total	1,846	\$ 29,686,000	120	247,383	16,081	100.0%	100.0%

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 four.

<table border="1"> <tr> <td>Actual Sales \$24,504,000</td> </tr> <tr> <td>Expected Sales \$9,965,091</td> </tr> </table>	Actual Sales \$24,504,000	Expected Sales \$9,965,091	<table border="1"> <tr> <td>Actual Sales \$2,837,000</td> </tr> <tr> <td>Expected Sales \$3,467,385</td> </tr> </table>	Actual Sales \$2,837,000	Expected Sales \$3,467,385
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Dove Creek serves as a retail center for the western portion of the county, and probably serves rural populations in parts of Utah as well.

Telluride, in San Miguel County, probably captures most of the Rico sales since many Rico residents work and shop there.

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.

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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	Ourray	866	\$ 25,834,000	\$ 29,831	\$ 26,067	1.14
Ourray	Ourray	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