

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 San Juan County Colorado

This report uses retail sales data to provide insights for decision making regarding business expansion, relocation, marketing, government finance, and community development. County-wide many of the retail sectors are strong (exceeding their sales potential), particularly those sectors that benefit from tourism. At the present time San Juan County has become almost entirely dependent upon tourism, primarily during the summer months when the train is running. Visitors by train are supplemented by people who come to Silverton via Highway 550, which is part of the "San Juan Skyway," one of the premier scenic by-ways in the United States. Second homes are also a growing part of the local economy. About 83% of private properties in the county are owned by non-locals, although 60% of these are in patented mining claims.

Total Retail Sales

Using "pull factors" we see that retail sales in San Juan County were above average from 1999 to 2005. A pull factor shows the relative strength of the retail sales sector in the county, as compared to the state. Pull factors are good measures of sales activities because they reflect changes in population, inflation, and the state economy.

Calendar Year	*San Juan County Total Retail Sales	Estimated # of Retail Firms	*Sales per Firm	*San Juan Per Capita Sales	*State Per Capita Sales	Pull Factor
1999	\$ 12,342,604	111	\$ 111,195	\$ 22,159	\$ 19,228	1.15
2000	\$ 14,030,074	108	\$ 129,908	\$ 25,144	\$ 21,576	1.17
2001	\$ 14,024,583	107	\$ 131,071	\$ 25,044	\$ 21,646	1.16
2002	\$ 14,197,095	119	\$ 119,303	\$ 25,217	\$ 22,765	1.11
2003	\$ 14,419,000	123	\$ 117,228	\$ 25,296	\$ 23,000	1.10
2004	\$ 16,007,992	122	\$ 131,213	\$ 27,792	\$ 24,588	1.13
2005	\$ 16,803,618	129	\$ 130,261	\$ 28,972	\$ 26,614	1.09

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

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

*adjusted to 2003 constant dollars

Unadjusted actual sales for 2004 = \$15,992,000; 2005 = \$16,458,000

Potential Sales

Using "potential sales" we see that San Juan County has had a healthy surplus of retail sales since 1999, though the percentages declined in 2002 and 2003, probably as a result of devastating wildfires in the region in 2002. 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.

Calendar Year	*Potential Sales	*San Juan County Total Retail Sales	Surplus or Leakage	Surplus or Leakage as % of Potential
1999	\$ 8,420,361	\$ 12,342,604	\$ 3,922,243	46.6%
2000	\$ 8,814,141	\$ 14,030,074	\$ 5,215,933	59.2%
2001	\$ 9,088,276	\$ 14,024,583	\$ 4,936,307	54.3%
2002	\$ 10,482,690	\$ 14,197,095	\$ 3,714,405	35.4%
2003	\$ 10,722,653	\$ 14,419,000	\$ 3,696,347	34.5%
2004	\$ 10,248,667	\$ 16,007,992	\$ 5,759,325	56.2%
2005	\$ 11,170,402	\$ 16,803,618	\$ 5,633,216	50.4%

*adjusted to 2003 constant dollars

Unadjusted actual sales for 2004 = \$15,992,000; 2005 = \$16,458,000

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.

Potential sales are the product of the county population (580), state per capita sales (\$26,614), and the index of income (0.72). The index of income is county per capita income (\$26,133) 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.

San Juan County potential sales by merchandise category 2003

County-wide many of the retail sectors are strong, particularly those that benefit from tourism. 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. Unfortunately, many of the sectors are confidential.

San Juan 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	8	\$ 4,250	\$ 34,000	\$ 137,390	\$ (103,390)	-75%	0.5%
Sport/Hobby Shops	3	\$ 55,000	\$ 165,000	\$ 211,306	\$ (46,306)	-22%	3%
General Merchandise	4		\$ 1,021,000	\$ 866,520	\$ 154,480	18%	16%
Clothing	5	\$ 172,400	\$ 862,000	\$ 228,427	\$ 633,573	277%	13%
Misc Retail Stores	11	\$ 180,636	\$ 1,987,000	\$ 210,888	\$ 1,776,112	842%	31%
*Confidential Sectors	7	\$ 348,286	\$ 2,438,000	NA	NA	NA	37%
Total	38	\$ 171,237	\$ 6,507,000				100%

*Includes all confidential sectors for which specific data is not available

Retail sales can be broken down into 2 main categories; retail trade and retail services. Retail trade is composed of merchandise sectors such as food stores, hobby shops, etc. Retail services are businesses that provide a service, and also sell products in the course of that service. One example might be a movie theater, categorized as an arts/entertainment service, that provides entertainment and also sells drinks and popcorn. The proceeds of the snack bar are reported as retail sales revenue (of course it is way more complicated than this). Non-store outlets include catalog and internet sales, businesses that come to you, as well as traveling sales, i.e. festivals and art shows.

San Juan 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
Professional/Technical	3	\$ 21,333	\$ 64,000	\$ 486,922	\$ (422,922)	-87%	1%
Construction	3	\$ 23,333	\$ 70,000	\$ 236,362	\$ (166,362)	-70%	1%
Wholesale	4	\$ 77,500	\$ 310,000	\$ 982,195	\$ (672,195)	-68%	3%
Real Estate/Rentals	6	\$ 26,333	\$ 158,000	\$ 267,682	\$ (109,682)	-41%	2%
Information	27	\$ 24,222	\$ 654,000	\$ 499,450	\$ 154,550	31%	7%
Other Services	5	\$ 122,400	\$ 612,000	\$ 278,122	\$ 333,878	120%	6%
Lodging	7	\$ 147,286	\$ 1,031,000	\$ 200,866	\$ 830,134	413%	10%
Eating/Drinking Services	15	\$ 217,733	\$ 3,266,000	\$ 596,333	\$ 2,669,667	448%	33%
*Confidential Sectors	21	\$ 180,286	\$ 3,786,000	NA	NA	NA	38%
Total	91	\$ 109,352	\$ 9,951,000				100%

*Includes all confidential sectors for which specific data is not available

Town Retail Trade

We can also look at how retail trade is distributed in San Juan County. Silverton is the only town in the county, but the unincorporated area includes Cascade Village, a resort development. Many of the workers at Cascade village commute from La Plata County.

Town	Population Estimate 2005	Total Retail Sales	Estimated # of Retail Firms	Average Sales per Firm	Per Capita Sales	% of Sales	% of Firms
Silverton	548	\$14,154,000	91	\$ 155,538	\$ 25,828	86%	71%
Unincorporated	32	\$ 2,304,000	38	\$ 60,632	\$ 72,000	14%	29%
Total	580	\$16,458,000	129	\$ 127,581	\$ 28,376	100%	100%

Actual versus Expected Sales Expected sales are an estimate of the sales level a town would achieve if it were performing on par with Colorado towns of a similar size. This provides a means of comparing what is expected for a town of a certain size to what is actually happening. *Expected sales is the product of town population, state per capita sales, the index of income, and the typical pull factor.* We selected 10 towns from Western Colorado for comparison to calculate a “typical” pull factor, as shown on page 4.

	Actual Sales \$16,458,000	
	Expected Sales \$8,926,175	
Silverton 84% above expected		

Silverton’s actual sales were far greater than would be expected. This is probably due to the large numbers of tourists who make purchases 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.

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

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Comparable Towns - Western Colorado

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

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

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