

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 online at [www.scan.org](http://www.scan.org).



## Retail Data for Decision Makers - Archuleta County, Colorado

This report uses retail sales data to provide insights for decision making regarding business expansion, relocation, marketing, and community development. When we compare Archuleta County sales to the rest of the state, we see that state sales per capita are higher. Pagosa Springs, the only town in the county, captures most (78%) of the sales from the surrounding unincorporated areas. In 2015, as in preceding years, actual sales in Pagosa Springs far exceeded expected sales (542%). This is because the town serves a much larger population in the unincorporated areas, as well as seasonal visitors and 2nd homeowners, who are not included in population figures. The town probably also serves the larger area including portions of the San Luis Valley, northwestern New Mexico and the nearby Jicarilla Apache Reservation. Countywide, 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.

### Total Retail Sales

Retail trade is an important sector in the local economy, accounting for about 12% of jobs and 12% 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, clothing, 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. **Together, these sectors comprise Total Retail Sales—All Industries.**

The following table shows the total retail sales for 2000, 2005, 2010, 2015. During this time period total retail sales in Archuleta County have grown by about 23%, though sales decreased in 2010 as the recession hit the area. Population also grew by 23% during this 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 may be due to rounding.

When we compare Archuleta County sales to the rest of the state, we see that state sales per capita are higher. One way to quantify this comparison is by using a “pull factor”. A pull factor, also known 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, while pull factors less than 1 show sector weakness.*

| Calendar Year | *Total Retail Sales All Industries | Population Estimate | Archuleta Per Capita Sales | State Per Capita Sales | Pull Factor |
|---------------|------------------------------------|---------------------|----------------------------|------------------------|-------------|
| 2000          | \$ 247,412,000                     | 10,043              | \$ 24,635                  | \$ 32,043              | 0.77        |
| 2005          | \$ 264,254,000                     | 11,402              | \$ 23,176                  | \$ 31,991              | 0.72        |
| 2010          | \$ 253,492,000                     | 12,060              | \$ 21,019                  | \$ 30,921              | 0.68        |
| 2015          | \$ 304,777,000                     | 12,384              | \$ 24,611                  | \$ 33,509              | 0.73        |

\* adjusted for inflation to 2015 constant dollars [http://www.bls.gov/data/inflation\\_calculator.htm](http://www.bls.gov/data/inflation_calculator.htm)

Unadjusted actual sales 2000=\$179,752,117; 2005=\$217,743,181; 2010=\$233,213,453

### Distribution of Total Retail Sales 2015

| Town           | Population 2015 | Retail Sales All Industries | Percent Sales |
|----------------|-----------------|-----------------------------|---------------|
| Pagosa Springs | 1,804           | \$ 238,849,454              | 78%           |
| Unincorporated | 10,580          | \$ 65,927,492               | 22%           |
| Total          | 12,384          | \$ 304,776,946              | 100%          |

We can also look at how retail sales are distributed within Archuleta County. From this table we see that Pagosa Springs, the only town in the county, brings in the lion's share (78%) of sales, with 22% of sales made in unincorporated areas of the county.

### Actual versus Expected Sales

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| <p><b>2015 Actual Sales</b><br/>\$238,851,000</p>    |
| <p><b>Expected Sales</b><br/>\$37,177,000</p>        |
| <p><b>Pagosa Springs</b><br/>542% above expected</p> |

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 sales in this diagram reflect **total retail sales, all industries**, which include retail trade and retail services.

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

In 2015, as in preceding years, actual sales in Pagosa Springs far exceeded expected sales. This is because the town serves a much larger population in the unincorporated areas, as well as seasonal visitors and 2nd homeowners, who are not included in population figures. The town probably also serves the larger region, including portions of the San Luis Valley, northwestern New Mexico and the nearby Jicarilla Apache Reservation. Pagosa Spring's actual sales are 524% higher than what might be expected for a comparably sized town. The median pull factor for medium sized towns in this analysis (population 1,000 to 5,000) is 0.82, the pull factor for Pagosa Springs is 3.95.

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 national retailers such as Family Dollar Stores or Walmart. These stores sell many of the goods that are not meeting their potential at other outlets, such as electronics/appliances, and groceries.

## Archuleta County Potential Sales by Merchandise Category 2015

This table includes the Town of Pagosa Springs 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. These sectors include motor vehicles and parts, furniture, electronics and appliances, clothing, and sports and hobby shops. It is probable that many of these items are being purchased in La Plata County, specifically in Durango, which serves as a regional trade center. In the last report in this series (May 2013) general merchandisers were not meeting their sales potential in the county (4% of sales). Since that time a Walmart Supercenter has opened (April 2015) and now general merchandisers garner a 19% share of actual sales.

**Potential sales** are the product of the county population, state per capita sales, and the index of income.  
**Index of income** (0.75) is county per capita income (\$36,679) divided by state per capita income (\$48,869).

| Archuleta 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                       | \$ 6,622,000          | \$ 32,282,584         | \$ (25,660,584)      | -79%                                   | 4%                             |
| Furniture, etc.                            | \$ 1,533,000          | \$ 4,868,665          | \$ (3,335,665)       | -69%                                   | 1%                             |
| Electronics/Appliances                     | \$ 652,000            | \$ 3,994,124          | \$ (3,342,124)       | -84%                                   | 0%                             |
| Bldg Materials/Garden                      | \$ 10,823,000         | \$ 10,722,669         | \$ 100,331           | 1%                                     | 7%                             |
| Food/Beverage Stores                       | \$ 58,172,000         | \$ 28,259,004         | \$ 29,912,996        | 106%                                   | 36%                            |
| Health Care Products                       | \$ 8,229,000          | \$ 7,331,834          | \$ 897,166           | 12%                                    | 5%                             |
| Gas Stations                               | \$ 17,539,000         | \$ 7,815,325          | \$ 9,723,675         | 124%                                   | 11%                            |
| Clothing                                   | \$ 4,221,000          | \$ 6,481,229          | \$ (2,260,229)       | -35%                                   | 3%                             |
| Sport/Hobby Shops                          | \$ 2,451,000          | \$ 5,115,940          | \$ (2,664,940)       | -52%                                   | 2%                             |
| General Merchandisers                      | \$ 30,144,000         | \$ 20,881,263         | \$ 9,262,737         | 44%                                    | 19%                            |
| Misc Retail Stores                         | \$ 11,840,000         | \$ 8,792,681          | \$ 3,047,319         | 35%                                    | 7%                             |
| Non-Store Outlets                          | \$ 7,943,000          | \$ 2,757,962          | \$ 5,185,038         | 188%                                   | 5%                             |
| <b>Total Retail Trade</b>                  | <b>\$ 160,169,000</b> | <b>\$ 139,303,280</b> | <b>\$ 20,865,720</b> | <b>15%</b>                             | <b>100%</b>                    |
| Food Services                              | \$ 23,119,000         | \$ 19,761,457         | \$ 3,357,543         | 17%                                    |                                |
| Lodging                                    | \$ 20,166,000         | \$ 6,873,932          | \$ 13,292,068        | 193%                                   |                                |

If we look at trends over time (2003,2005,2011 and 2015) we see that a number of sectors (including motor vehicles and parts, furniture, electronics and appliances, and clothing, are consistently not meeting their potential, as indicated by negative numbers. However sales of these items, with the exception of motor vehicles, are probably being made in the Walmart Supercenter and other general merchandisers.

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.

| Archuleta County       | Percent Above Or Below Potential Sales |      |      |      |
|------------------------|--|------|------|------|
|                        | 2003                                   | 2005 | 2011 | 2015 |
| Retail Trade           |  |      |      |      |
| Motor Vehicles/Parts   | -85%                                   | -78% | -82% | -79% |
| Furniture, etc.        | -23%                                   | -8%  | -69% | -69% |
| Electronics/Appliances | ND                                     | -45% | -79% | -84% |
| Bldg Materials/Gard    | 242%                                   | 260% | 39%  | 1%   |
| Food/Beverage Stores   | 119%                                   | ND   | 144% | 106% |
| Health Care Products   | 0%                                     | -24% | -29% | 12%  |
| Gas Stations           | ND                                     | ND   | 16%  | 124% |
| Clothing               | -47%                                   | -35% | -46% | -35% |
| Sport/Hobby Shops      | 14%                                    | -26% | -47% | -52% |
| General Merchandise    | -38%                                   | -50% | -74% | 44%  |
| Misc Retail Stores     | 17%                                    | 47%  | 38%  | 35%  |
| Non-store outlets      | 60%                                    | 100% | 269% | 188% |
| Food Services          | 61%                                    | 55%  | 16%  | 17%  |
| Lodging                | 151%                                   | 186% | 214% | 193% |

ND=Not Disclosed (confidential)

## Town of Pagosa Springs Potential Sales by Merchandise Category 2015

From this analysis we see that most Pagosa Springs retail trade sectors are very strong. Many of the sectors strengths reflect Pagosa Spring's benefit from tourism, such as gas stations, food services and lodging sales. Non-store outlets (catalog and internet sales) are also doing exceedingly well, providing goods or services way beyond what might be expected from local demand. The actual sales from furniture and electronic/appliances is not disclosed, though amounts could be imputed by looking at the \*Confidential sector in the table below.

**Potential sales** are the product of Pagosa Spring's population (1,804), state per capita sales for each trade sector, and the index of income (0.75).

| Pagosa Springs 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                     | \$ 5,424,000          | \$ 4,702,663         | \$ 721,337            | 15%                                    | 4%                      |
| Furniture, etc.                          | ND                    | \$ 709,227           | ND                    | ND                                     | ND                      |
| Electronics/Appliances                   | ND                    | \$ 581,831           | ND                    | ND                                     | ND                      |
| Bldg Materials/Garden                    | \$ 5,357,000          | \$ 1,561,991         | \$ 3,795,009          | 243%                                   | 4%                      |
| Food/Beverage Stores                     | \$ 56,373,000         | \$ 4,116,541         | \$ 52,256,459         | 1,269%                                 | 42%                     |
| Health Care Products                     | \$ 1,957,000          | \$ 1,068,042         | \$ 888,958            | 83%                                    | 1%                      |
| Gas Stations                             | \$ 15,001,000         | \$ 1,138,473         | \$ 13,862,527         | 1,218%                                 | 11%                     |
| Clothing                                 | \$ 2,787,000          | \$ 944,132           | \$ 1,842,868          | 195%                                   | 2%                      |
| Sport/Hobby Shops                        | \$ 1,829,000          | \$ 745,248           | \$ 1,083,752          | 145%                                   | 1%                      |
| General Merchandisers                    | \$ 28,298,000         | \$ 3,041,812         | \$ 25,256,188         | 830%                                   | 21%                     |
| Misc Retail Stores                       | \$ 9,767,000          | \$ 1,280,846         | \$ 8,486,154          | 663%                                   | 7%                      |
| Non-Store Outlets                        | \$ 5,325,000          | \$ 401,757           | \$ 4,923,243          | 1,225%                                 | 4%                      |
| *Confidential Sectors                    | \$ 1,571,000          | ND                   | ND                    | ND                                     | 1%                      |
| <b>Total Retail Trade</b>                | <b>\$ 133,689,000</b> | <b>\$ 20,292,564</b> | <b>\$ 113,116,494</b> | <b>557%</b>                            | <b>100%</b>             |
| Food Services                            | \$ 18,766,000         | \$ 2,878,688         | \$ 15,887,312         | 552%                                   |                         |
| Lodging                                  | \$ 15,329,000         | \$ 1,001,338         | \$ 14,327,662         | 1,431%                                 |                         |

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.

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## Comparable Towns - Western Colorado 2015

| Town  | County     | Population | Total Retail Sales | Town Per Capita Sales | State Per Capita Sales | Pull Factor |
|---|------------|------------|--------------------|-----------------------|------------------------|-------------|
| <b>Small Towns (Population 0-999)</b>                 |            |            |                    |                       |                        |             |
| 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        |
| <b>Median Pull Factor for Comparable Small Towns</b>  |            |            |                    |                       |                        | <b>1.00</b> |
| 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        |
| <b>Medium Towns (Population 1,000-5,000)</b>          |            |            |                    |                       |                        |             |
| 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        |
| <b>Median Pull Factor for Comparable Medium Towns</b> |            |            |                    |                       |                        | <b>0.82</b> |
| 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        |
| <b>Large Towns (Population 5,001- 20,000)</b>         |            |            |                    |                       |                        |             |
| 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        |
| <b>Median Pull Factor for Comparable Large Towns</b>  |            |            |                    |                       |                        | <b>1.56</b> |
| 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              | <b>1.00</b> |