

The Region 9 Economic Development District of Southwest Colorado provides economic and community development services to a five county area, which includes Archuleta, Dolores, La Plata, Montezuma, and San Juan Counties; as well as the Southern Ute and Ute Mountain Ute Indian Tribes. For more information about this report, or other programs, contact Region 9 at (970) 247-9621, or online at www.scan.org.



Retail Data for Decision Makers—La Plata 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, such as gas stations; and sectors that support the current building boom, such as building and garden supply centers. Actual sales exceed expected sales in Durango, Bayfield and Ignacio based on a comparison to other towns in western Colorado. Bayfield in particular has seen strong retail growth since our last report (2013). If we look at trends over time we see that a number of sectors (furniture, electronics/appliances and clothing) are consistently not meeting their potential. A closer look at these sectors could provide new opportunities for businesses.

Total Retail Sales

Retail trade is an important sector in the local economy, accounting for about 11% of jobs and 7% 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 La Plata County have grown by about 73%. Population grew by about 23% during this same time period. When we compare La Plata County sales to the rest of the state, we see that La Plata sales per capita are higher than the state. This could be because the residents here spend more than other Coloradoans, or, more likely, it is the result of non—residents, i.e. tourists, coming to La Plata to buy items, thereby producing a surplus of sales. One way to quantify this comparison is by using a “pull factor”. A pull factor, commonly referred to as a location quotient, shows the relative strength of the retail sales sector in the county, as compared to the state. Pull factors are good measures of sales activities because they reflect changes in population, inflation, and the state economy.

The pull factor is derived by dividing the county’s sales per capita by the state’s sales per capita. Pull factors greater than 1 represent retail sector strength, pull factors less than 1 show sector weakness.

Calendar Year	*Total Retail Sales All Industries	Population Estimate	La Plata Per Capita Sales	State Per Capita Sales	Pull Factor
2000	\$ 1,341,714,271	44,578	\$ 30,098	\$ 32,043	0.94
2005	\$ 1,603,624,799	47,713	\$ 33,610	\$ 31,991	1.05
2010	\$ 2,074,956,897	51,441	\$ 40,337	\$ 30,921	1.30
2015	\$ 2,325,537,000	54,907	\$ 42,354	\$ 33,509	1.26

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

Unadjusted actual sales 2000=\$974,794,941;2005=\$1,321,379,213;2010=\$1,908,966,628;2015=\$2,325,537,000

Town Retail Sales 2015

Town	Population 2015	Retail Sales All Industries	Percent Sales
Bayfield	2,573	\$ 300,544,111	13%
Durango	18,228	\$ 1,589,684,450	68%
Ignacio	730	\$ 30,861,587	1%
Unincorporated Area	33,376	\$ 404,446,395	17%
Total	54,907	\$ 2,325,536,543	100%

We can also look at how retail trade is distributed among the towns in La Plata County. From this table we see that Durango brings in the lion's share (68%) of sales in 2015.

Bayfield has seen strong retail growth since our last report. In 2013 Durango's share was 77%, while Bayfield's share was only 3% and Ignacio's share was 1%.

Actual versus Expected Sales

Actual Sales \$1,589,684,450	Actual Sales \$300,544,111	Actual Sales \$30,861,587
Expected Sales \$933,799,397	Expected Sales \$69,285,700	Expected Sales \$23,972,473
Durango 70% above expected	Bayfield 334% above expected	Ignacio 29% above expected

The sales in this diagram reflect **total retail sales, all industries**, which include retail trade and retail services. Expected sales are an estimate of the sales level a town would achieve if it were performing on par with Colorado towns of a similar size. This provides a means of comparing what is expected for a town of a certain size to what is actually happening. We selected 10 towns from western Colorado for comparison to calculate a median pull factor for each size class, as shown on page 5.

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

Index of income (.98) is county per capita income (\$47,784) divided by state per capita income (\$48,869).

Because of its location within the larger region, Durango developed as a tourist crossroads and regional trade center, as well as being the county seat. Durango is probably capturing some of the Bayfield and Ignacio sales since many residents of those communities commute to work in Durango. Durango's actual sales are 70% above what might be expected for comparably sized towns in western Colorado. The median pull factor for the large towns in this analysis (population 5,001 to 20,000) is 1.56, the pull factor for Durango is 2.60.

Bayfield serves as a supply town and social center for area farmers and ranchers, and as a bedroom community for Durango. However, it also serves a larger area including Forest Lakes, Gem Village and Vallecito Lake communities, as well as rural residents in western Archuleta County. Its retail offerings have grown, and now include a Family Dollar Store (opened in 2014). Bayfield's actual sales are 334% 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 Bayfield is 3.49.

The Town of Ignacio captures many of its sales from the enterprises of the Southern Ute Indian Tribe, including the Sky Ute Casino Resort which draws in visitors from outside of the local area. It also serves as a supply center for the unincorporated areas of southeast La Plata County. Ignacio's actual sales are 29% above what might be expected for a comparably sized town. The median pull factor for small towns in this analysis (population 1 to 999) is 1.0, the pull factor for Ignacio is 1.26.

La Plata County Potential Sales by Merchandise Category 2015

The remainder of this report focuses primarily on retail trade sectors rather than retail services, but includes food services (restaurants and bars) and lodging as a matter of interest. This table includes sales made in Bayfield, Durango and Ignacio, as well as unincorporated areas of the county. If we look at the trade sectors in detail, we can see that some groups have a surplus (drawing in shoppers for these items from outside of the area), while others show leakage (purchases of these goods are being made outside of the county). Non-store outlets include catalog and internet sales, businesses that come to you, as well as traveling sales, i.e. festivals and art shows. General merchandisers include retail giants such as Walmart. Home Depot is included in the building materials/garden sector.

Potential sales are the product of the county population, state per capita sales by industry, and the index of income.

La Plata County Retail Trade Sectors 2015	Actual Sales	Potential Sales	Surplus or Leakage	Surplus or Leakage as a % of Potential	% of Actual Retail Trade
Motor Vehicles/Parts	\$ 177,136,000	\$ 187,025,092	\$ (9,889,092)	-5.3%	19%
Furniture, etc.	\$ 17,340,000	\$ 28,206,000	\$ (10,866,000)	-39%	2%
Electronics/Appliances	\$ 14,399,000	\$ 23,139,455	\$ (8,740,455)	-38%	2%
Bldg Materials/Garden	\$ 110,029,000	\$ 62,120,433	\$ 47,908,567	77%	12%
Food/Beverage Stores	\$ 169,731,000	\$ 163,714,987	\$ 6,016,013	4%	19%
Health Care Products	\$ 59,864,000	\$ 42,476,059	\$ 17,387,941	41%	7%
Gas Stations	\$ 96,092,000	\$ 45,277,104	\$ 50,814,896	112%	10%
Clothing	\$ 31,622,000	\$ 37,548,184	\$ (5,926,184)	-16%	3%
Sport/Hobby Shops	\$ 38,222,000	\$ 29,638,556	\$ 8,583,444	29%	4%
General Merchandisers	\$ 125,791,000	\$ 120,972,969	\$ 4,818,031	4%	14%
Misc Retail Stores	\$ 51,614,000	\$ 50,939,289	\$ 674,711	1%	6%
Non-Store Outlets	\$ 24,774,000	\$ 15,977,904	\$ 8,796,096	55%	3%
Total Retail Trade	\$ 916,614,000	\$ 807,036,033	\$ 109,577,967	14%	100%
Food Services	\$ 101,553,000	\$ 114,485,514	\$ (12,932,514)	-11%	
Lodging	\$ 66,014,000	\$ 39,823,259	\$ 26,190,741	66%	

La Plata County	Percent Above Or Below Potential Sales \$			
	2003	2005	2010	2015
Retail Trade				
Motor Vehicles/Parts	1%	14%	21%	-5.3%
Furniture, etc.	-20%	-23%	-11%	-39%
Electronics/Appliances	-57%	-30%	-61%	-38%
Bldg Materials/Garden	99%	65%	94%	77%
Food/Beverage Stores	13%	12%	-22%	4%
Health Care Products	-25%	-23%	-52%	41%
Gas Stations	100%	111%	54%	112%
Clothing	-20%	-11%	-37%	-16%
Sport/Hobby Shops	88%	77%	59%	29%
General Merchandise	46%	50%	ND	4%
Misc Retail Stores	18%	55%	17%	1%
Non-store outlets	104%	79%	ND	55%
Food Services	24%	26%	-13%	-11%
Lodging	127%	92%	87%	66%

If we look at trends over time we see that a number of sectors (furniture, electronics/appliances and clothing) are consistently not meeting their sales potential, as indicated by negative numbers.

However, it is very likely that the general merchandisers such as Walmart are making sales in those categories. This is not readily apparent in the data as these types of stores, which have many different departments, report one sales figure for the store rather than by department.

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

City of Durango Potential Sales by Merchandise Category 2011

From this analysis we see that most Durango retail trade sectors are very strong. This suggests that Durango serves as a regional trade center. Some of the sectors strengths probably reflect Durango's benefit from tourism, such as gas stations, food services and lodging sales. The strength of the sport and hobby shops could be attributed to a relatively young population (median age 30.8) with active lifestyles and disposable income. The actual sales from the general merchandisers is not disclosed, though amounts could be imputed by looking at the *Confidential sector in the table below. Confidentiality (non-disclosure) occurs when there are less than 3 companies reporting and/or one company controls 80% of the retail sales in that jurisdiction. **Specific details regarding retail trade sectors in Bayfield and Ignacio are not available due to confidentiality rules.**

Potential sales are the product of Durango's population (18,228), state per capita sales for each trade sector and the index of income (.98).

Durango Retail Trade Sectors 2015	Actual Sales	Potential Sales	Surplus or Leakage	Surplus or Leakage as a % of Potential	Percent of Actual Retail Sales
Motor Vehicles/Parts	\$ 166,118,000	\$ 62,088,502	\$ 104,029,498	168%	22%
Furniture, etc.	\$ 16,497,000	\$ 9,363,814	\$ 7,133,186	76%	2%
Electronics/Appliances	\$ 13,182,000	\$ 7,681,826	\$ 5,500,174	72%	2%
Bldg Materials/Garden	\$ 76,322,000	\$ 20,622,712	\$ 55,699,288	270%	10%
Food/Beverage Stores	\$ 145,721,000	\$ 54,350,024	\$ 91,370,976	168%	19%
Health Care Products	\$ 47,860,000	\$ 14,101,182	\$ 33,758,818	239%	6%
Gas Stations	\$ 70,720,000	\$ 15,031,072	\$ 55,688,928	370%	9%
Clothing	\$ 28,151,000	\$ 12,465,229	\$ 15,685,771	126%	4%
Sport/Hobby Shops	\$ 32,588,000	\$ 9,839,394	\$ 22,748,606	231%	4%
General Merchandisers	ND	\$ 40,160,549	ND	ND	ND
Misc Retail Stores	\$ 41,297,000	\$ 16,910,801	\$ 24,386,199	144%	5%
Non-Store Outlets	ND	\$ 5,304,337	ND	ND	ND
*Confidential Sectors	\$ 121,261,000	ND	ND	ND	16%
Total Retail Trade	\$ 759,717,000	\$ 267,919,442	\$ 491,797,558	184%	100%
Food Services	\$ 84,922,000	\$ 38,006,847	\$ 46,915,153	123%	
Lodging	\$ 56,799,000	\$ 13,220,507	\$ 43,578,493	330%	

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

Data Sources - This report is patterned after a series of studies that were done by the Office of Social and Economic Trend Analysis at Iowa State University. We have used their definitions of terms, calculations, and methods of analysis. They no longer produce that particular report because of the way that the Iowa Department of Revenue disseminates information about retail sales, they now have a different reporting format (<http://www.icip.iastate.edu>). For this report we used retail sales data from sales tax filings, which was provided by the Colorado Department of Revenue – Office of Research and Analysis at their website <https://www.colorado.gov/pacific/revenue/retail-sales-report>. We appreciate their assistance.

FOR MORE INFORMATION CONTACT:

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

Comparable Towns - Western Colorado 2015

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