

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.



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, and community development. When we compare San Juan County retail sales to the rest of the state, we see that county sales per capita are higher. Silverton, the only town in the county, captures most (82%) of the sales from the surrounding unincorporated areas. In 2015, as in preceding years, actual sales in Silverton exceeded expected sales (44%). This is because the town serves seasonal visitors and 2nd homeowners, who are not included in population figures. Some sectors with negative numbers are not meeting their sales potential. These sectors include building materials/garden, food/beverage stores, and health care products. 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. Non-store outlets (catalog and internet sales) have been stymied by limited telecommunications connectivity, though broadband services are expected to become available to residents and businesses in 2016.

Total Retail Sales

Retail trade is an important sector in the local economy, accounting for about 11% of jobs and 9% 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 San Juan County have grown by about 51%. Population grew by 26% 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 San Juan County sales to the rest of the state, we see that state sales per capita are lower. 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, while pull factors less than 1 show sector weakness.

Calendar Year	*Total Retail Sales All Industries	Population Estimate	San Juan Per Capita Sales	State Per Capita Sales	Pull Factor
2000	\$ 22,239,000	561	\$ 39,642	\$ 32,043	1.24
2005	\$ 19,972,000	645	\$ 30,964	\$ 31,991	0.97
2010	\$ 22,276,000	709	\$ 31,419	\$ 30,921	1.02
2015	\$ 24,430,000	705	\$ 34,652	\$ 33,509	1.03

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

Unadjusted actual sales 2000=\$16,157,327;2005=\$16,456,915;2010=\$22,493,779

Distribution of Total Retail Sales 2015

Town	Population 2015	Retail Sales All Industries	Percent Sales
Silverton	642	\$ 20,143,459	82%
Unincorporated	63	\$ 4,286,394	18%
Total	705	\$ 24,429,853	100%

We can also look at how retail sales are distributed within San Juan County. From this table we see that Silverton, the only town in the county, brings in the lion's share (82%) of sales, with 18% of sales made in unincorporated areas of the county. The most populous unincorporated area with retail and services is located at Cascade Village near Purgatory Ski Area (in La Plata County).

Actual versus Expected Sales

<p>2015 Actual Sales \$20,142,000</p>
<p>Expected Sales \$13,983,306</p>
<p>Silverton 44% above expected</p>

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. The median pull factor for small towns in this analysis (population 1 to 999) is 1.0, the pull factor for Silverton is 0.94.

Expected sales is the product of town population (642), state per capita sales (\$33,509), the index of income (.65), and the median pull factor (1.00).

Index of income is county per capita income (\$31,900) divided by state per capita income (\$48,869).

From this analysis we see that total retail sales in Silverton are actually higher than might be expected from local demand in a sparsely populated mountain town. This is no doubt due to the number of tourists and summer residents. Seasonal visitors are not included in population counts.

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, though these are not present in San Juan County due to the small population size.

San Juan County Potential Sales by Merchandise Category 2015

The table below includes the Town of Silverton as well as unincorporated areas such as Cascade Village. 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 building materials/garden, food/beverage stores, health care products, and sports/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. Non-store outlets (catalog and internet sales) have been stymied by limited telecommunications connectivity. The school and county are connected as of this report, but only 4% of households have advanced telecommunications capability. That is expected to change this year (2016) as broadband services are offered to residents and businesses.

San Juan 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	ND	\$ 1,592,753	ND	ND	ND
Furniture, etc.	ND	\$ 240,209	ND	ND	ND
Electronics/Appliances	ND	\$ 197,062	ND	ND	ND
Bldg Materials/Garden	\$ 4,000	\$ 529,033	\$ (525,033)	-99%	0.05%
Food/Beverage Stores	\$ 1,152,000	\$ 1,394,239	\$ (242,239)	-17%	14%
Health Care Products	\$ 332,000	\$ 361,737	\$ (29,737)	-8%	4%
Gas Stations	ND	\$ 385,591	ND	ND	ND
Clothing	\$ 1,465,000	\$ 319,770	\$ 1,145,230	358%	17%
Sport/Hobby Shops	\$ 221,000	\$ 252,410	\$ (31,410)	-12%	3%
General Merchandisers	ND	\$ 1,030,237	ND	ND	ND
Misc Retail Stores	\$ 1,941,000	\$ 433,812	\$ 1,507,188	347%	23%
Non-Store Outlets	\$ 50,000	\$ 136,072	\$ (86,072)	-63%	1%
*Confidential Sectors	\$ 3,286,000	ND	ND	ND	39%
Total Retail Trade	\$ 8,451,000	\$ 6,872,925	\$ 1,578,075	23%	100%
Food Services	\$ 4,289,000	\$ 974,988	\$ 3,314,012	340%	
Lodging	\$ 3,917,000	\$ 339,145	\$ 3,577,855	1,055%	

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

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.

If we look at trends over time (2003,2005,2011 and 2015) we see that Internet sales (non-store outlets) have not met their potential. This is no doubt due to the lack of broadband capacity in the county. These sales will probably rise when broadband becomes available to residents and businesses, expected in 2016.

San Juan County	Retail \$			
	Percent Above Or Below Potential Sales			
Retail Trade	2003	2005	2011	2015
Motor Vehicles/Parts	ND	ND	ND	ND
Furniture, etc.	ND	ND	-71%	ND
Electronics/Appliances	ND	ND	ND	ND
Bldg Materials/Garden	ND	ND	ND	-99%
Food/Beverage Stores	13%	ND	ND	-17%
Health Care Products	ND	ND	99%	-8%
Gas Stations	ND	ND	ND	ND
Clothing	195%	277%	18%	358%
Sport/Hobby Shops	23%	-22%	19%	-12%
General Merchandise	ND	18%	ND	ND
Misc Retail Stores	586%	842%	531%	347%
Non-store outlets	-95%	-75%	-53%	-63%
Food Services	384%	448%	352%	340%
Lodging	308%	413%	1131%	1055%

ND=Not Disclosed (confidential)

Town of Silverton Potential Sales by Merchandise Category 2015

From this analysis we see that some of Silverton's retail trade sectors are very strong. Many of the sectors strengths reflect the town's benefit from tourism, such as food services and lodging sales. Clothing and miscellaneous retail stores are also exceeding their potential. Food/beverage stores and internet sales are not meeting their potential.

Potential sales is the product of Silverton's population, state per capita sales by industry, and the index of income.

Silverton 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	ND	\$ 1,450,422	ND	ND	ND
Furniture, etc.	ND	\$ 218,744	ND	ND	ND
Electronics/Appliances	ND	\$ 179,452	ND	ND	ND
Bldg Materials/Garden	ND	\$ 481,758	ND	ND	ND
Food/Beverage Stores	\$ 1,152,000	\$ 1,269,647	\$ (117,647)	-9%	14%
Health Care Products	\$ 331,000	\$ 329,412	\$ 1,588	0%	4%
Gas Stations	ND	\$ 351,134	ND	ND	ND
Clothing	\$ 1,467,000	\$ 291,195	\$ 1,175,805	404%	18%
Sport/Hobby Shops	ND	\$ 229,854	ND	ND	ND
General Merchandisers	ND	\$ 938,173	ND	ND	ND
Misc Retail Stores	\$ 1,591,000	\$ 395,046	\$ 1,195,954	303%	20%
Non-Store Outlets	\$ 37,000	\$ 123,912	\$ (86,912)	-70%	0.5%
*Confidential Sectors	\$ 3,402,000	ND	ND	ND	43%
Total Retail Trade	\$ 7,980,000	\$ 6,258,749	\$ 2,168,788	35%	100%
Food Services	\$ 4,075,000	\$ 887,861	\$ 3,187,139	359%	
Lodging	\$ 3,484,000	\$ 308,838	\$ 3,175,162	1,028%	

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
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