

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 (where an expanded version of this report is also available).



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, 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 and the large number of seasonal residents, many of which own 2nd homes in the area. The natural environment, and the amenities it provides, has become the larger region's chief economic asset.

Total Retail Sales Using “pull factors” we see that retail sales in Archuleta County have been diminishing, compared to the state average, since 1999. A pull factor shows the relative strength of the retail sales sector in the county. Pull factors are good measures of sales activities because they reflect changes in population, inflation, and the state economy.

Calendar Year	*Archuleta County Total Retail Sales	Estimated Number of Retail Firms	Sales per Firm	Archuleta Per Capita Sales	State Per Capita Sales	Pull Factor
1999	\$ 140,607,744	412	\$ 341,281	\$ 14,693	\$ 19,228	0.76
2000	\$ 164,647,072	433	\$ 380,247	\$ 16,634	\$ 21,576	0.77
2001	\$ 170,572,635	471	\$ 362,150	\$ 16,171	\$ 21,646	0.75
2002	\$ 176,396,062	506	\$ 348,609	\$ 16,165	\$ 22,765	0.71
2003	\$ 172,966,000	526	\$ 328,833	\$ 15,449	\$ 23,000	0.67

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

*adjusted to 2003 constant dollars

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

Potential Sales Archuleta County has had a surplus of potential sales since 1999, but the percentage is going down. 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	*Archuleta County Actual Sales	Surplus or Leakage	Surplus or Leakage as % of Potential
1999	\$ 111,366,755	\$ 140,607,744	\$ 29,240,989	26.3%
2000	\$ 122,590,499	\$ 164,647,072	\$ 42,056,573	34.3%
2001	\$ 133,152,198	\$ 170,572,635	\$ 37,420,437	28.1%
2002	\$ 146,358,836	\$ 176,396,062	\$ 30,037,226	20.5%
2003	\$ 151,719,415	\$ 172,966,000	\$ 21,246,585	14.0%

*adjusted to 2003 constant dollars

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

Archuleta 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.

Archuleta County Retail Trade Sectors 2003	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
Motor Vehicles/Parts	7	\$ 433,429	\$ 3,034,000	\$ 19,672,661	\$ (16,638,661)	-85%	3%
Clothing	9	\$ 207,778	\$ 1,870,000	\$ 3,498,820	\$ (1,628,820)	-47%	2%
General Mchdse	NA		\$ 7,665,000	\$ 12,299,702	\$ (4,634,702)	-38%	8%
Furniture, etc.	12	\$ 196,667	\$ 2,360,000	\$ 3,057,428	\$ (697,428)	-23%	2%
Health Care Products	NA		\$ 2,062,000	\$ 2,060,960	\$ 1,040	0%	2%
Sport/Hobby Shops	17	\$ 216,235	\$ 3,676,000	\$ 3,233,653	\$ 442,347	14%	4%
Misc Retail Stores	32	\$ 123,563	\$ 3,954,000	\$ 3,383,604	\$ 570,396	17%	4%
Non-store Outlets	32	\$ 87,156	\$ 2,789,000	\$ 1,738,376	\$ 1,050,624	60%	3%
Food/Bev Stores	17	\$ 1,783,647	\$ 30,322,000	\$ 13,835,374	\$ 16,486,626	119%	31%
Bldg Materials/Gard	12	\$ 1,767,417	\$ 21,209,000	\$ 6,209,668	\$ 14,999,332	242%	22%
Confidential Sectors	33	\$ 560,152	\$ 18,485,000	NA	NA	NA	19%
Total	171	\$ 569,743	\$ 97,426,000				100%

NA=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. General merchandisers include retail giants such as Walmart. These stores sell many of the goods (such as electronics/appliances) that are not meeting their potential at other outlets.

Archuleta County Retail Service Sectors 2003	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
Health/Social Assistance	4	\$ 237,750	\$ 951,000	\$ 4,102,632	\$ (3,151,632)	-77%	1%
Admin/Support/Waste	7	\$ 70,857	\$ 496,000	\$ 1,655,355	\$ (1,159,355)	-70%	0.7%
Finance/Insurance	18	\$ 32,722	\$ 589,000	\$ 1,533,519	\$ (944,519)	-62%	0.8%
Agricultural	3	\$ 26,667	\$ 80,000	\$ 205,342	\$ (125,342)	-61%	0.1%
Manufacturing	30	\$ 124,233	\$ 3,727,000	\$ 9,285,948	\$ (5,558,948)	-60%	5%
Information	55	\$ 85,255	\$ 4,689,000	\$ 7,621,487	\$ (2,932,487)	-38%	6%
Wholesale	30	\$ 237,000	\$ 7,110,000	\$ 11,373,742	\$ (4,263,742)	-37%	9%
Arts/Entertainment	4	\$ 186,000	\$ 744,000	\$ 1,016,200	\$ (272,200)	-27%	1.0%
Professional/Technical	37	\$ 228,351	\$ 8,449,000	\$ 8,020,624	\$ 428,376	5%	11%
Real Est/Rentals	35	\$ 155,171	\$ 5,431,000	\$ 3,936,786	\$ 1,494,214	38%	7%
Government	5	\$ 98,000	\$ 490,000	\$ 310,035	\$ 179,965	58%	0.6%
Eating/Drinking Services	43	\$ 319,884	\$ 13,755,000	\$ 8,534,870	\$ 5,220,130	61%	18%
Other Services	36	\$ 241,389	\$ 8,690,000	\$ 3,942,636	\$ 4,747,364	120%	12%
Mining	3	\$ 724,333	\$ 2,173,000	\$ 951,171	\$ 1,221,829	128%	3%
Lodging	24	\$ 306,000	\$ 7,344,000	\$ 2,921,483	\$ 4,422,517	151%	10%
Construction	21	\$ 515,333	\$ 10,822,000	\$ 3,461,035	\$ 7,360,965	213%	14%
Total	355	\$ 212,789	\$ 75,540,000	\$ 68,872,865	\$ 6,667,135		100%

Town Retail Trade

We can also look at how retail trade is distributed within the county. Pagosa Springs is the only town, but it serves a relatively large population living in unincorporated areas. From the table below we see that Pagosa Springs pulls in the lion's share (80%) of sales and has most of the retail firms (60%).

Town	Population Estimate 2003	Total Retail Sales	Estimated # of Retail Firms	Average Sales per Firm	Per Capita Sales	% of Sales	% of Firms
Pagosa Springs	1,621	\$ 137,891,000	317	\$ 434,987	\$ 85,065	79.7%	60.3%
Unincorporated	9,291	\$ 35,075,000	209	\$ 167,823	\$ 3,775	20.3%	39.7%
Total	10,912	\$ 172,966,000	526	\$ 328,833	\$ 15,851	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 Pagosa Springs to calculate a "typical" pull factor.

<p>Actual Sales \$137,891,000</p> <p>Expected Sales \$25,956,462</p> <p>Pagosa 431% above expected</p>
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Actual sales in Pagosa Springs far exceeded expected sales (431%). This is probably because the town serves a much larger population in the unincorporated areas as well as seasonal visitors.

Town of Pagosa Springs potential sales by merchandise category 2003

From this analysis we see that most of Pagosa's retail trade sectors are very strong, although many of the sectors are not disclosed. This suggests that Pagosa Springs serves as a trade center for surrounding areas, which probably include nearby portions of New Mexico. The strongest sector (building materials and garden shops) probably reflects the large number of second / seasonal homes which have been built in Archuleta County by residents from outside of the area. *Potential sales are the product of Durango's population, state per capita sales, and the index of income.*

Pagosa Springs Retail Trade Sectors 2003	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
Motor Vehicles/Parts	6	\$ 502,667	\$ 3,016,000	\$ 2,852,236	\$ 163,764	6%	3%
Clothing	8	\$ 233,125	\$ 1,865,000	\$ 507,276	\$ 1,357,724	268%	2%
General Mchdse	8	\$ 878,250	\$ 7,026,000	\$ 1,780,798	\$ 5,245,202	295%	8%
Sport/Hobby Shops	15	\$ 220,667	\$ 3,310,000	\$ 468,830	\$ 2,841,170	606%	4%
Misc Retail Stores	30	\$ 127,867	\$ 3,836,000	\$ 490,571	\$ 3,345,429	682%	4%
Bldg Materials/Gard	9	\$ 2,128,333	\$ 19,155,000	\$ 900,307	\$ 18,254,693	2028%	21%
Confidential Sectors	54	\$ 1,002,870	\$ 54,155,000	NA	NA	NA	59%
Total	130	\$ 710,485	\$ 92,363,000				100%

NA=Not available

Within the retail services we see several very strong sectors, especially those that benefit from tourism.

Archuleta County Retail Service Sectors 2003	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	10	\$ 34,500	\$ 345,000	\$ 222,337	\$ 122,663	55%	1%
Health/Social Assistance	4	\$ 236,250	\$ 945,000	\$ 594,819	\$ 350,181	59%	2%
Information	13	\$ 146,615	\$ 1,906,000	\$ 1,104,999	\$ 801,001	72%	4%
Admin/Support/Waste	6	\$ 73,500	\$ 441,000	\$ 240,001	\$ 200,999	84%	1%
Manufacturing	12	\$ 208,583	\$ 2,503,000	\$ 1,346,321	\$ 1,156,679	86%	5%
Wholesale	16	\$ 226,938	\$ 3,631,000	\$ 1,649,019	\$ 1,981,981	120%	8%
Professional/Technical	23	\$ 297,652	\$ 6,846,000	\$ 1,162,868	\$ 5,683,132	489%	15%
Real Est/Rentals	20	\$ 202,450	\$ 4,049,000	\$ 570,774	\$ 3,478,226	609%	9%
Eating/Drinking Services	32	\$ 344,125	\$ 11,012,000	\$ 1,237,426	\$ 9,774,574	790%	24%
Government	5	\$ 83,000	\$ 415,000	\$ 45,907	\$ 369,093	804%	1%
Lodging	18	\$ 306,833	\$ 5,523,000	\$ 423,570	\$ 5,099,430	1204%	12%
Other Services	28	\$ 282,571	\$ 7,912,000	\$ 571,622	\$ 7,340,378	1284%	17%
Total	187	\$ 243,465	\$ 45,528,000	\$ 9,169,663	\$ 36,358,337	397%	100%

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 Tax 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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