

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 visit us on the web at www.scan.org.



Retail Data for Decision Makers Montezuma County Colorado

If we look at retail 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). A closer look at the sectors that are not meeting their sales potential could provide opportunities for new businesses, or expansion of existing businesses. Past reports have examined retail sales in 2003 and 2005.

Total Retail Sales

The retail sector is an important source of jobs in the local economy, accounting for 13% of all 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, 2011 and 2012. During this time period total retail sales in Montezuma County grew by about 20% (1.8% annually). Population grew by about 7% during this time period. From 2011 to 2012 total retail sales grew by 8%.

Calendar Year	*Montezuma County Total Retail Sales All Industries	Population Estimate	Montezuma Per Capita Sales	*State Per Capita Sales	Pull Factor
2000	\$ 509,727,190	23,852	\$ 21,370	\$ 28,184	0.76
2005	\$ 790,479,180	24,603	\$ 32,129	\$ 30,692	1.05
2010	\$ 590,382,350	25,532	\$ 23,123	\$ 29,593	0.78
2011	\$ 609,903,000	25,413	\$ 24,000	\$ 30,091	0.80
2012	\$ 658,845,520	NA	NA	NA	NA

*adjusted for inflation to 2011 constant dollars http://www.bls.gov/data/inflation_calculator.htm

Unadjusted actual sales for 2000 = \$390,217,000; 2005 = \$686,322,000; 2010 = \$572,317,000; 2012 = \$672,480,000

When we compare Montezuma County sales to the rest of the state, we see that county sales per capita are lower. One way to quantify this comparison is by using a “pull factor”. 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. **A pull factor for 2012 is not yet determined as population estimates are not available at time of reporting.**

***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.***

Town Retail Sales 2011

We can also look at how retail sales are distributed among the towns in Montezuma County. From this table we see that Cortez pulls in the majority (71%) of sales and has most of the retail firms (41%).

Town	Population Estimate 2011	Retail Sales All Industries	Estimated # of Firms	Average Sales per Firm	% of Sales	% of Firms
Cortez	8,429	\$ 435,087,000	856	\$ 508,279	71%	41%
Dolores	927	\$ 16,343,000	339	\$ 48,209	3%	16%
Mancos	1,326	\$ 23,605,000	329	\$ 71,748	4%	16%
Unincorporated	14,731	\$ 134,868,000	574	\$ 234,962	22%	27%
Total	25,413	\$ 609,903,000	2,098	\$ 290,707	100%	100%

Because of its location within the Four Corners area Cortez has developed as a tourist crossroads and regional trade center for surrounding communities and unincorporated areas, including nearby Indian reservation lands (Ute Mountain Utes and the Navajo Nation) and communities in southeast Utah. Cortez also serves as the county seat. The Town of Dolores is located near McPhee reservoir, which was built in the 1980's, allowing increased agricultural production and enhanced recreational opportunities for locals and tourists. The Town of Mancos, located near Mesa Verde National Park, retains a heritage based on ranching and the manufacture of timber products as well as nearby recreational opportunities.

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. We selected 10 towns from Western Colorado for comparison to calculate a median pull factor for each size class, as shown on page 5. Although 2011 sales figures for all of these towns were not available when this analysis was made, we believe that the 2010 figures provide an good estimate for median pull factors for each size class. The sales in this diagram reflect **total retail sales, all industries**, which includes 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.

Actual Sales \$435,087,000	Actual Sales 16,343,000	Actual Sales \$23,605,000
Expected Sales \$289,044,770	Expected Sales 20,189,936	Expected Sales \$31,645,218
Cortez 51% above expected	Dolores -19% below expected	Mancos -25% below expected

Cortez is probably capturing many of the Dolores sales, and Mancos sales may be migrating to La Plata County since many residents work and shop in Durango.

Montezuma County Potential Sales by Merchandise Category 2011

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 retail giants such as Walmart.

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. County-wide these sectors include furniture, electronics and appliances, clothing, sports and hobby shop, and miscellaneous retail. It is very likely that the general merchandisers are making sales in a number of the categories that exhibit leakage. This is not readily apparent from this data, as the actual sales from the general merchandisers is not disclosed. Also, these types of stores, which have many different departments, report one sales figure for the store rather than by department. Food services (bars and restaurants) are not meeting their potential county-wide, but exceed expected sales in Cortez.

***Index of income (.77) is county per capita income (\$34,015) divided by state per capita income (\$44,053).
Potential sales are the product of the county population, state per capita sales, and the index of income.***

Montezuma County Retail Trade Sectors 2011	Estimated # of Firms	Average Sales per Firm	Actual Sales	Potential Sales	Surplus or Leakage	Surplus or Leakage as a % of Potential	% of Actual Retail Trade Sales
Motor Vehicles/Parts	26	\$ 2,239,462	\$ 58,226,000	\$ 49,803,017	\$ 8,422,983	17%	16%
Furniture, etc.	24	\$ 76,042	\$ 1,825,000	\$ 7,818,436	\$ (5,993,436)	-77%	1%
Electronics/Appliances	11	\$ 117,636	\$ 1,294,000	\$ 8,919,868	\$ (7,625,868)	-85%	0.4%
Bldg Materials/Garden	31	\$ 613,419	\$ 19,016,000	\$ 17,254,605	\$ 1,761,395	10%	5%
Food/Beverage Stores	41	\$ 1,705,317	\$ 69,918,000	\$ 54,413,149	\$ 15,504,851	28%	19%
Health Care Products	ND	ND	ND	\$ 10,226,116	ND	ND	ND
Gas Stations	10	\$ 2,946,200	\$ 29,462,000	\$ 21,998,058	\$ 7,463,942	34%	8%
Clothing	35	\$ 70,629	\$ 2,472,000	\$ 12,690,842	\$ (10,218,842)	-81%	1%
Sport/Hobby Shops	40	\$ 140,000	\$ 5,600,000	\$ 10,019,185	\$ (4,419,185)	-44%	2%
General Merchandisers	ND	ND	ND	\$ 44,804,005	ND	ND	ND
Misc Retail Stores	159	\$ 55,937	\$ 8,894,000	\$ 11,654,157	\$ (2,760,157)	-24%	2%
Non-Store Outlets	ND	ND	ND	\$ 5,742,445	ND	ND	ND
*Confidential Sectors	232	ND	\$ 165,885,000	ND	ND	ND	46%
Total Retail Trade	609	\$ 595,389	\$ 362,592,000	\$ 255,343,882	\$ 107,248,118	42%	100%
Food Services	80	\$ 377,013	\$ 30,161,000	\$ 33,702,277	\$ (3,541,277)	-11%	
Lodging	51	\$ 327,039	\$ 16,679,000	\$ 11,480,360	\$ 5,198,640	45%	

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

Montezuma County Retail Trade	Percent Above Or Below Potential Sales		
	2003	2005	2011
Motor Vehicles/Parts	14%	24%	17%
Furniture, etc.	-6%	-78%	-77%
Electronics/Appliances	-93%	-96%	-85%
Bldg Materials/Gard	25%	43%	10%
Food/Bev Stores	34%	39%	28%
Gas Stations	143%	37%	34%
General Merchandise	ND	ND	ND
Clothing	-69%	-68%	-81%
Health Care Products	ND	ND	ND
Sport/Hobby Shops	-55%	-45%	-44%
Misc Retail Stores	-58%	-64%	-24%
Non-store outlets	385%	379%	ND
Food Services	1%	-18%	-11%
Lodging	22%	2%	45%

If we look at trends over time we see that a number of sectors (furniture, electronics, clothing, sport/hobby shops and miscellaneous retail stores) are consistently not meeting their potential, as indicated by negative numbers. However, it is very likely that the general merchandisers are making sales in those categories.

City of Cortez Potential Sales by Merchandise Category 2011

From this analysis we see that many Cortez retail trade sectors are very strong, particularly building materials and gardening supplies, as well as groceries. Some of the sectors strengths probably reflect Cortez's benefit from tourism, such as gas stations, food services and lodging sales. Cortez also provides goods and services to the nearby Ute Mountain Ute Reservation, the Navajo Nation, and communities in southeastern Utah.

*Potential sales are the product of Cortez's population,
state per capita sales for each trade sector and the index of income (.77).*

Cortez Retail Trade Sectors 2011	Estimated Number of Firms	Average Sales per Firm	Actual Retail Trade Sales	Potential Sales	Surplus or Leakage	Surplus or Leakage as a % of Potential	Percent of Actual Sales
Motor Vehicles/Parts	18	\$ 318,278	\$ 5,729,000	\$ 16,518,696	(10,789,696)	-65%	2%
Furniture, etc.	12	\$ 121,083	\$ 1,453,000	\$ 2,593,224	(1,140,224)	-44%	1%
Electronics/Appliances	5	\$ 218,200	\$ 1,091,000	\$ 2,958,547	(1,867,547)	-63%	0%
Bldg Materials/Garden	13	\$ 1,115,846	\$ 14,506,000	\$ 5,723,018	8,782,982	153%	6%
Food/Beverage Stores	18	\$ 3,315,611	\$ 59,681,000	\$ 18,047,788	41,633,212	231%	23%
Health Care Products	ND	ND	ND	\$ 3,391,805	ND	ND	ND
Gas Stations	ND	ND	ND	\$ 7,296,330	ND	ND	ND
Clothing	14	\$ 46,643	\$ 653,000	\$ 4,209,307	(3,556,307)	-84%	0%
Sport/Hobby Shops	16	\$ 123,813	\$ 1,981,000	\$ 3,323,170	(1,342,170)	-40%	1%
General Merchandisers	ND	ND	ND	\$ 14,860,621	ND	ND	ND
Misc Retail Stores	64	\$ 85,500	\$ 5,472,000	\$ 3,865,458	1,606,542	42%	2%
Non-Store Outlets	51	\$ 147,922	\$ 7,544,000	\$ 1,904,658	5,639,342	296%	3%
*Confidential Sectors	29	\$ 5,529,103	\$ 160,344,000	ND	ND	ND	62%
Total Retail Trade	240	\$ 1,076,892	\$ 258,454,000	\$ 84,692,621	173,761,379	205%	100%
Food Services	51	\$ 451,667	\$ 23,035,000	\$ 11,178,393	11,856,607	106%	
Lodging	19	\$ 446,316	\$ 8,480,000	\$ 3,807,813	4,672,187	123%	

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

Specific details regarding retail trade in Dolores and Mancos are not available due to confidentiality rules. 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.

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.

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. 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. The way that the number of firms are estimated has been revised since our original reports in 2004 and 2006, and thus are not directly comparable over time. The data for 2011 are counts of site locations (sometimes called "branches") rather than accounts or "parents." So if an owner (one account or parent) has five McDonald's restaurants (site locations or branches) in one city, it is counted as five, not one.

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Comparable Towns - Western Colorado

Town	County	Population	Total Retail Sales	Town Per Capita Sales	State Per Capita Sales	Pull Factor
Small Towns (Population 0-999)						
Creede	Mineral	289	\$ 10,117,000	\$ 35,007	\$ 28,872	1.21
Naturita	Montrose	544	\$ 11,798,000	\$ 21,688	\$ 28,872	0.75
Lake City	Hinsdale	410	\$ 10,409,000	\$ 25,388	\$ 28,872	0.88
Ridgway	Ouray	927	\$ 29,163,000	\$ 31,460	\$ 28,872	1.09
South Fork	Rio Grande	386	\$ 25,307,000	\$ 65,562	\$ 28,872	2.27
Red Cliff	Eagle	268	\$ 2,236,000	\$ 8,343	\$ 28,872	0.29
Crawford	Delta	430	\$ 3,453,000	\$ 8,030	\$ 28,872	0.28
Norwood	San Miguel	517	\$ 14,934,000	\$ 28,886	\$ 28,872	1.00
Poncha Springs	Chafee	736	\$ 23,728,000	\$ 32,239	\$ 28,872	1.12
Saguache	Saguache	485	\$ 6,733,000	\$ 13,882	\$ 28,872	0.48
Median Pull Factor for Comparable Small Towns						0.94
Dolores	Montezuma	936	\$ 16,662,000	\$ 17,801	\$ 28,872	0.62
Dove Creek	Dolores	734	\$ 16,875,000	\$ 22,990	\$ 28,872	0.80
Ignacio	La Plata	699	\$ 21,738,000	\$ 31,099	\$ 28,872	1.08
Rico	Dolores	265	\$ 1,859,000	\$ 7,015	\$ 28,872	0.24
Silverton	San Juan	647	\$ 21,077,000	\$ 32,577	\$ 28,872	1.13
Medium Towns (Population 1,000-5,000)						
Minturn	Eagle	1,029	\$ 32,059,000	\$ 31,155	\$ 28,872	1.08
Cedaredge	Delta	2,248	\$ 27,245,000	\$ 12,120	\$ 28,872	0.42
Olathe	Montrose	1,842	\$ 30,403,000	\$ 16,505	\$ 28,872	0.57
Paonia	Delta	1,450	\$ 111,555,000	\$ 76,934	\$ 28,872	2.66
Crested Butte	Gunnison	1,485	\$ 80,915,000	\$ 54,488	\$ 28,872	1.89
Ouray	Ouray	1,003	\$ 28,182,000	\$ 28,098	\$ 28,872	0.97
Mountain Village	San Miguel	1,317	\$ 69,921,000	\$ 53,091	\$ 28,872	1.84
Telluride	San Miguel	2,327	\$ 117,515,000	\$ 50,501	\$ 28,872	1.75
Palisade	Mesa	2,682	\$ 34,636,000	\$ 12,914	\$ 28,872	0.45
Orchard City	Delta	3,114	\$ 11,358,000	\$ 3,647	\$ 28,872	0.13
Median Pull Factor for Comparable Medium Towns						1.03
Bayfield	La Plata	2,333	\$ 61,539,000	\$ 26,378	\$ 28,872	0.91
Mancos	Montezuma	1,336	\$ 23,624,000	\$ 17,683	\$ 28,872	0.61
Pagosa Springs	Archuleta	1,724	\$ 221,178,000	\$ 128,294	\$ 28,872	4.44
Large Towns (Population 5,001- 20,000)						
Montrose	Montrose	19,106	\$ 749,151,000	\$ 39,210	\$ 28,872	1.36
Alamosa	Alamosa	8,811	\$ 407,301,000	\$ 46,226	\$ 28,872	1.60
Delta	Delta	8,896	\$ 318,772,000	\$ 35,833	\$ 28,872	1.24
Fruita	Mesa	12,620	\$ 197,217,000	\$ 15,627	\$ 28,872	0.54
Gunnison	Gunnison	5,849	\$ 203,580,000	\$ 34,806	\$ 28,872	1.21
Carbondale	Garfield	6,394	\$ 186,729,000	\$ 29,204	\$ 28,872	1.01
Avon	Eagle	6,434	\$ 325,194,000	\$ 50,543	\$ 28,872	1.75
Rifle	Garfield	9,131	\$ 422,590,000	\$ 46,281	\$ 28,872	1.60
Steamboat Springs	Routt	12,037	\$ 641,622,000	\$ 53,304	\$ 28,872	1.85
Glenwood Springs	Garfield	9,566	\$ 928,283,000	\$ 97,040	\$ 28,872	3.36
Median Pull Factor for Comparable Large Towns						1.48
Cortez	Montezuma	8,483	\$ 508,176,000	\$ 59,905	\$ 28,872	2.07
Durango	La Plata	16,903	\$ 1,742,053,000	\$ 103,062	\$ 28,872	3.57
Colorado	All	5,050,870	\$ 145,826,393,000	\$ 28,872	\$ 28,872	1.00