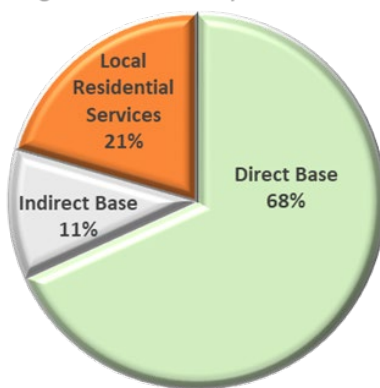


Economic Base Analysis provides insights into the economic activities that bring outside dollars into a community. Industries that sell goods or services outside the local area are considered the base of the economy; these “**Direct Basic Industries**” are responsible for growth or decline of the local economy.

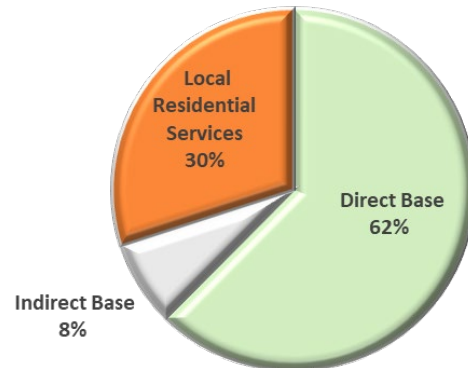
Each county in the region has varying numbers of jobs in base industries. In Region 9, counties rely heavily on household spending to provide jobs. Archuleta, La Plata and San Juan County economies are supported by jobs in tourism, agriculture related services and forestry remain a significant source of employment for Dolores County. Sixty-two percent of our region’s jobs are direct base (34,765). This is a -6% decrease from 2020.

Region 9 - Percentage of Jobs in Base Industries 2021						2021	2020
	Archuleta	Dolores	La Plata	Montezuma	San Juan	Region 9	Region 9
Agribusiness	10%	38%	8%	14%	0%	10%	10%
Mining	1%	2%	2%	2%	0%	2%	2%
Manufacturing	2%	3%	1%	3%	1%	2%	2%
Government	2%	7%	11%	6%	2%	9%	8%
Regional Service	12%	20%	19%	20%	11%	18%	19%
Tourism	38%	11%	29%	18%	51%	28%	24%
Households	35%	19%	29%	37%	35%	32%	35%
Total # jobs	4,356	691	20,904	8,386	427	34,765	36,361

Region 9 - Base Analysis 2020



Region 9 - Base Analysis 2021



Base industries also generate additional secondary jobs in the economy that are classified as either “Indirect Base” or “Local Resident Services.” **Indirect Base** employment results from base industry firms purchases of goods or services necessary for the operations of their business.

The earnings, rents, interest and profits generated by the base industries are spent locally to purchase food, clothes, services (health care), and to pay taxes. The jobs that this spending creates are classified as “**Local Resident Services**”. Examples of Local Resident Services jobs include most retailers, lawyers, public school teachers, and local police officers. Of the total number of jobs in the region in 2021, 30% are in **Local Residential Services** (16,696 jobs). Local Residential Services jobs increased by 9% from 2020. Of the total number of jobs in the region in 2021, 8% are in Indirect Base industries (4,224 jobs). This is a -3% decrease from 2020.

Ideally, you do not want to see declines in the base industries. The declines from 2020 to 2021 may have resulted from job losses during the pandemic. The increase in local resident services is probably the result of spending made possible by stimulus funds directly to consumers.

The negative (-43) jobs in Local Resident Services are jobs that San Juan "lost" due to commuters making their purchases elsewhere – i.e., jobs supported in Durango or Montrose when residents from San Juan go there to purchase items they

2021	Direct Base	Indirect Base	*LRS	Total # Jobs**
Archuleta	4,356	533	2,142	7,031
Dolores	692	78	191	961
La Plata	20,903	2,707	10,754	34,364
Montezuma	8,386	800	3,652	12,838
San Juan	427	106	(43)	490
Region 9	34,764	4,224	16,696	55,684

* Local Resident Services

couldn't get locally. Some people would think of this as leakage, but in this case, it is more the fact that the small population base cannot support as many industries as needed by the locals and those "missing" goods or services are purchased from a neighboring county or state. Some examples of this might be medical services or a car dealership.

Base Industry Components – Region 9 has drilled down into some of the base industry categories to separate out their most important components, based on which employment sectors are interacting to produce goods and services. These components include agribusiness, manufacturing, government, mining, household spending, regional services and tourism.

For example, to provide a more accurate picture of the agricultural sector we can link agricultural production to other segments of the economy that directly and indirectly support agriculture.

Agribusiness encompasses the traditional farm production of commodities such as wheat, hay, and livestock with linkages to the agricultural inputs necessary for their growth. Agricultural inputs include such items as chemicals, seed, fertilizer, feed, fuel, and machinery. Agribusiness also includes the processing and marketing necessary to bring the final goods to the consumer (trade).

2021	# of Jobs in Agribusiness				Total # Jobs Agribusiness
	Production	Trade	Inputs	Processing	
Archuleta	258	30	94	28	410
Dolores	209	33	22	-	264
La Plata	790	194	276	375	1,635
Montezuma	703	102	256	104	1,165
San Juan	-	-	-	-	-
Region 9	1,960	359	648	507	3,474

The number of jobs in Agribusiness increased from 3,400 jobs in 2020 to 3,474 in 2021. This was most evident in the Processing category, with an increase of 171 jobs regionwide.

Manufacturing is the production of finished goods that may also be used for manufacturing other, more complex products. Or they may be sold to wholesalers, who in turn sell them to retailers, who then sell them to end users – the "consumers".

The number of jobs in Manufacturing increased from 602 jobs in 2020 to 637 in 2021.

	Total # Jobs
2021	Manufacturing Industry
Archuleta	71
Dolores	18
La Plata	279
Montezuma	266
San Juan	3
Region 9	637

Government jobs in base industries includes all Federal and State governmental activities because it is assumed that the dollars for these programs either came from outside the county or are controlled by sources located outside the county.

This includes all Federal employees including military and defense-related civilian workers, all Federal government program staff and administrators, and some postal service employees. It also includes most State funded employees because the location of these employees is generally outside of local control and in response to regional needs. Finally, this basic industry group includes those local government employees who are funded by Federal or State grants-in-aid or subsidies.

	Total # Jobs
2021	Government*
Archuleta	102
Dolores	47
La Plata	2,347
Montezuma	484
San Juan	9
Region 9	2,989

*Federal and State Governments

The number of jobs in Government decreased from 3,064 jobs in 2020 to 2,989 in 2021. This was most evident in Archuleta County with a decrease of 45 jobs.

Mining includes all mine operation and support activities. Mine operations include establishments operating mines, quarries, or oil and gas wells. Mining support activities include businesses that perform exploration and/or other mining activities. For example, the oil and gas industry employs heavy construction and excavation firms to clear sites, trucking and pipeline companies to transport products, chemists, electricians, welders and a complex supply chain to support that industry.

	Total # Jobs
2021	Mining Industry
Archuleta	31
Dolores	12
La Plata	494
Montezuma	167
San Juan	-
Region 9	704

The number of jobs in Mining decreased from 803 jobs in 2020 to 704 in 2021. This was most evident in La Plata County with a decrease of 99 jobs.

Declines in base industries such as Government and Mining are especially impactful since these jobs are generally some of the best paid in the regional economy.

One very important base industry in our region (32% of jobs) is created by **households** that spend money earned elsewhere (commuters), or at a different point in time (retirees).

	# Jobs from Household Spending				Total # Jobs
2021	Commuters	Retirees	Public Assistance	*DIR	Households
Archuleta	57	875	268	345	1,545
Dolores	21	62	28	22	133
La Plata	51	3,746	658	1,665	6,120
Montezuma	794	1,342	496	508	3,140
San Juan	24	50	61	17	152
Region 9	947	6,075	1,511	2,557	11,090

*DIR = Dividends, Interest and Rent

Household income includes money that comes from outside of the local economy, including transfer payments to retirees (such as Medicare), the unemployed and disabled; interest, dividends and rent. Household spending supports jobs in the local economy, such as the local barber, a nurse, or a clerk in the supermarket where a retiree or commuter shops.

The number of jobs in Household Spending decreased from 11,615 jobs in 2020 to 11,090 in 2021.

Regional services encompass a variety of economic sectors, including Business, Communications, Construction, Education, Finance, Insurance and Real Estate, as well as Trade. Some examples of these services include hospitals, airports, telecommunications systems and colleges.

	# Jobs in Regional Services						Total
2021	Business	Communications	Construction	Education	*FI&RE	Trade	# Jobs
Archuleta	33	2	86	619	14	21	775
Dolores	2	2	23	76	-	2	105
La Plata	1,206	109	294	2,298	127	400	4,434
Montezuma	326	9	458	1,176	18	75	2,062
San Juan	10	-	6	29	-	-	45
Region 9	1,577	122	867	4,198	159	498	7,421

The number of jobs in Regional Services increased from 7,065 jobs in 2020 to 7,421 in 2021. This was most evident in La Plata County with an increase of 268 jobs.

There are many types of businesses that support the **tourist** industry, including Resorts (lodging), 2nd Homes (construction and real estate sectors), Services (restaurants, wholesale and retail trade, entertainment venues), and Transportation (airlines, car rentals, guide services, etc.).

2021	# Jobs in Tourism Industry				Total # Jobs Tourism Industry
	Resorts	2nd Homes	Services	Transportation	
Archuleta	729	664	244	30	1,667
Dolores	67	10	1	2	80
La Plata	3,220	1,388	1,356	190	6,154
Montezuma	801	203	337	153	1,494
San Juan	144	28	42	4	218
Region 9	4,961	2,293	1,980	379	9,613

Employment generated by occupants of second homes is dispersed over a large number of industries. For example, second home visitors eat in restaurants like traditional visitors. However, because second-home owners have relatively high disposable incomes, they tend to generate greater employment in sporting goods, clothing shops and numerous services than do traditional tourists. Real estate sales and property management jobs are also generated by second home activity. Second homes also have a direct effect on the use of utilities including gas, electric and communication services.

The number of jobs in Tourism increased from 8,725 jobs in 2020 to 9,613 in 2021. This was most evident in the Resorts category, with an increase of 634 jobs regionwide.

For more in-depth information regarding the regional economy please visit Region 9 at <https://www.region9edd.org>.