

## 2 – Regional Overview

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#### (1) Public Comment Received (July 15<sup>th</sup> to August 15<sup>th</sup>)

***Authors Comment – This public comment (#6) was received after Sections 1 and 2 were repaginated, thus some portions reflect comments on the Introduction to CEDS (Section 1) , and others to the Regional Overview (Section 2). We have included the comments in both sections, with current page numbers. We appreciate the well thought out comments and hope that readers of this CEDS document will consider their content as they review this plan.***

(6) “As a professional risk manager and community member, I am responding to point out that there are a number of statements in this draft that do not hold up to scrutiny and in some cases are patently misleading or not addressed in the plan goals. In order to publish a reliable and valid report, the authors should consider the following

With reference. Page 10 (**Section 2, p.4**) – SWOT analysis: Weaknesses – these are accurate, though the focus in inadequate infrastructure does not properly address the lack of support for seniors in a community where that population makes up a significant proportion of the area population. Threats – this is one of the most telling items in the plan – it indicates that “Regulatory Barriers” are viewed as a “Threat.” Regulation is NOT a threat – the actual threat is the failure of industry and businesses in those sectors to self-govern and conduct themselves in an ethical and same manner. That is why regulation is imposed on those industries.

Regional Overview Page 11 - 2 – (**Section2, p.5**) STRATEGIC DIRECTION – Regional Priorities and Projects Regional stakeholders have expressed a preference to use the terms Priorities (rather than goals) and Projects (rather than objectives).” This is not recognized as an effective way to guide planning – by either funders or local stakeholders. This quoted statement means you go can sidestep the real needs of the region by setting priorities and then not have to meet any “stated goals;” and that you can fund projects, whether they meet strategic objectives or not. So of course, regional stakeholders that have power favor this approach. I’m a regional stakeholder and I think this is a

damaging statement about our governing stakeholders who openly choose not to be responsible or accountable to taxpayers (not all companies or stakeholders are taxpayers).

The bottom line with the earlier description sections of the plan that talk about our region is that this report is a pretty story being told rather than actual fact about the real circumstances on the ground in our region. I have supported businesses in our region for 15 years and speak from experience.

***Authors Comment – the ideas expressed in Section 1; p.3-4 reflects a future vision rather than a current reality. These principles were submitted by focus groups during the 2011 CEDS Update, and we believe they continue to reflect a regional philosophy based on stakeholder input.***

Page 5 (**Section 1, p. 3**) – “A sustainable community meets the basic needs of all people. These include air, water, food, shelter, health, safety, autonomy, connectedness, meaning and purpose.” While this statement is correct – these are the hallmarks of a sustainable community – Region 9 falls short on many of these basic needs, including the basics of food, shelter, health, safety, autonomy, and connectedness. Workers in our region do not have affordable housing and often have to choose between shelter and safety (e.g., living in a boarding house with individuals who are dangerous to their health and safety – this is not conjecture, but known fact). Domestic violence is rife in our region (read the police reports). Autonomy is challenged in our region by the “old boy network” that runs the state, region, and the county.

Page 5 (**Section 1, p. 3**) – “Damage from invasive weeds has been reduced and our native species are thriving. As extractive industries develop and decline, disturbed lands are successfully reclaimed and utilized.” This is simply unfounded. Invasive weeds are a significant and mounting problem in SW Colorado, and in Archuleta County. This problem has been radically mismanaged for the past decade and we are seeing the dramatic impact from those practices on the ground now. Page 5 – “Our agricultural industry is thriving as a result of increased local markets and innovative programs that ensure agricultural viability without regulations that diminish land value.” Developments are being allowed in flood plains and are taking place without proper regard to water needs. Development is displacing agricultural land.

Page 6 (**Section 1, p. 3**) – “Diversity in our community is valued and celebrated. People from different age groups, cultures, backgrounds, and interest frequently come together to participate in local activities, events, and projects. The local economy provides opportunities for all people, young and old, to grow their families, advance their careers and be productive members of the community. Our communities provide opportunities such as lifelong learning programs, quality recreational facilities, available childcare, and equal access to affordable health care and housing.” In fact, older adults are not valued overall in our region (especially Archuleta County). affordable housing is NOT available throughout our region and is a significant barrier for hiring and stable employment, negatively impacting both employers and employees. This shortage also forces choices for health decisions and ability to afford health care that are detrimental to those in all age groups who fall into lower income brackets (not just poverty level, but below middle-class income).

Page 7 (**Section 2, p. 1**) – “We strive to encourage economic development that preserves our small-town and traditional heritage, takes care of our natural resources, and provides opportunities for our children to stay in southwest Colorado.” Region 9 CEDS Mission Statement. Neither of these mission elements are being met - small town has welcomed Walmart (just for instance) - and we've seen the downfall of local businesses across the region. Opportunities to stay are hampered by high housing costs and employment obstacles, many related to inadequate affordable housing (both long term rental and purchase).

Page 8 (**Section 2, p. 2**) – discussion about internet: Repeatedly, area corporations have accepted federal and state funds to expand broadband into rural communities and then have instead used those funds to expand their suburban markets. The internet, and for that matter basic phone services, throughout Southwest Colorado remains intermittent and poor at best. These services are not even remotely adequate to encourage business or to sustain existing business in our communities.

Page 9 (**Section 2, p. 3**) – with reference to “business retention/expansion” – “If every business were able to support one additional employee, communities would see tremendous benefits. A related set of strategies focuses on improving the competitiveness of local firms.” This is a laughable statement in a market where existing businesses cannot find reliable or even appropriately trainable employees, even with good wages and benefits. See also note about page 8 on Broadband services.

Page 9 (**Section 2, p. 3**) – “Our region is serious about helping business recovery, and we need to back our intentions with real money utilizing all programs in the Federal business support toolkit such as...” Since the pandemic and the changes that has exerted on our regional economy, these sources have tightened considerably. For example, USDA Region 9 rules have been stringently tightened around low interest loans for infrastructure development.

## KEY HIGHLIGHTS AND ECONOMIC PRIORITIES

***“We strive to encourage economic development that preserves our small-town and traditional heritage, takes care of our natural resources, and provides opportunities for our children to stay in southwest Colorado.”*** Region 9 CEDS Mission Statement

The southwest corner of Colorado includes a five-county area known as Region 9. The region includes Archuleta, Dolores, La Plata, Montezuma, and San Juan Counties, as well as the Southern Ute and Ute Mountain Ute Indian Tribes, and encompasses 6,584 square miles, or 6.3% of the total land area in Colorado.

Environmental considerations play a key role in the area’s economic development activities. The residents of Region 9 value the high quality of life, including clean air and water, scenic views and easy access to public lands. A healthy environment also enhances the region’s economic development efforts by providing an attractive place to live and work, and a draw to tourists and outdoor enthusiasts. Land ownership strongly influences the local economy. Publicly managed lands make up 45% of the District; 38% is in private ownership and 17% are tribal lands. The public lands include the San Juan National Forest, an area of over 1.8 million acres including the 499,771-acre Weminuche Wilderness-the largest designated wilderness area in Colorado.

The region is home to Mesa Verde National Park, as well as four national monuments. Public lands and open space are considered vital economic assets across the region, providing direct employment that supports agricultural/natural resource development enterprises, recreation, and tourism.

Currently the region is experiencing extreme drought of epic proportions, second only to a lengthy dry spell in the 1500s. Add complications with climate change, which is expected to move storms farther north and raise temperatures in the Southwest, and concerns about water availability and intensified wildfire seasons.

Another area of concern for Southwest Colorado, like many rural areas of the country, has been the growing and on-going substance use trends. The region has no local inpatient substance use facility, transitional residential treatment, or stepdown programs to address or manage recovery from opioid and substance use disorder. The impact of substance abuse is felt in our jails, court systems, workforce and families and has been exacerbated as a result of the pandemic. This poses a very real economic development challenge impacting existing workforce shortages.

The regional population totaled 99,197 in 2019, averaging 0.9% annual growth since 2010. The area is rural, so communities depend on one another to provide goods and services within the larger regional economy. La Plata County (specifically Durango) is the regional work center, with more workers commuting into the county than out. Locals often commute long distances to a neighboring state to take advantage of job opportunities, better shopping, or lower real estate prices. The resulting inter-connected economy extends to the entire "Four Corners" area, including southwest Colorado, northwest New Mexico, northeast Arizona, and southeast Utah.

Job growth in the region was steady at about 2 – 4% per year until the recession of 2007–2009. Employment reached a low of 50,280 jobs in 2010, the depth of the recession in the local area. It took 10 years for the region to reach prerecession job levels. In 2019 there were an estimated 57,375 jobs, including those held by commuters. Top employment sectors vary by county: in Archuleta it is retail trade; in Dolores it is agriculture; in La Plata and Montezuma Counties local governments provide the greatest employment share and in San Juan it is accommodation and food services. The fastest-growing industries through 2022 are projected to be other Services (except Public Administration), Manufacturing, Educational Services, and Management of Companies and Enterprises according to EMSI, an economic modeling firm. Obviously the COVID-19 pandemic may change these projections.

### Equation for Economic Recovery

Like much of the state, southwestern Colorado has seen enormous growth and change in recent years, providing a catalyst for new opportunities. Region 9 works within this framework to encourage flexible and resilient economic development strategies. A long-standing regional goal has been to minimize the relative impact of any sudden change in fortunes, hence employment, of any (large) firm or industry. Events such as a housing bubble or a recession, changes to water quality and availability, or catastrophic events such as wildfires or a global pandemic, can move the region into unfamiliar and potentially costly scenarios. As such, strategies meant to encourage economic development in this rural region must be flexible and resilient to respond to the unexpected and be open to emerging opportunities. History suggests that economic shocks are unavoidable. In Region 9 the decline of mining /energy industries, manmade disasters like the Gold King Mine Spill, weather events like floods, drought, avalanches, and the ongoing wildfires have threatened economic stability.

The COVID-19 pandemic-related economic shock is new for all of us, but its impacts have similarities to past economic crises. Locally, economic developers have embraced the principals of *Coping with Adversity: Regional Economic Resilience and Public Policy* (Wolman et al. 2017), which assesses over 1,500 disasters between 1978 and 2014 and how impacted communities responded. This includes events such as the downturn of the steel industry, the Great Recession, the 1980s savings and loan crisis, and numerous weather disasters.

The good news is there is no “secret sauce” for economic recovery. The strategies proposed by Wolman and his colleagues are based on core economic development practices. When studying those 1,500 disasters, researchers looked at how each community recovered and what common components were present in the communities that were the most successful. **The formula for economic recovery and resilience success is this equation: Recovery equals talent plus infrastructure, plus entrepreneurship, plus business retention/expansion (Recovery = T + I + E +BRE).**

**Talent development** was important before COVID-19 and will continue to be so. Recovery occurs when talented people build/rebuild great companies that generate new jobs and new wealth for a community. This means that continued and expanded investments in workforce and education programs are essential. Yes, there will be new ways of working such as more remote workers, and according to the Colorado Demography Office, recruiting remote workers is now a top focus for rural counties throughout the country. Region 9 has the natural and built amenities to attract talent.

Prior to COVID-19, most of our discussions on talent development related to training and education. That emphasis will remain relevant, but we are also going to have to think more broadly about how to provide a stronger social safety net for workers, especially those engaged in the gig economy or the independent workforce. Communities and regions might consider their own social safety net programs (e.g., such as housing or health care support or subsidies) as one means to attract or retain talent. Investments in community amenities (as noted above) will also be a core part of these talent-focused strategies.

In terms of **infrastructure**, the COVID-19 crisis has made it clear that broadband is the missing amenity and closing this gap needs to be top priority for any underserved location. The pandemic has forced many people working in various industries to work from home via the internet. It also has drastically changed school operations throughout our region and Colorado, with many students attending school partially or fully online.

In October 2020, The U.S. Department of Agriculture announced it is awarding \$6.3 million to expand broadband internet access in Dolores, San Miguel, and Montezuma counties. The funding will be provided to Emery, a Utah-based telecommunications company, for use in expanding internet access in southwest Colorado. The grant is a part of the USDA’s ReConnect Program, which aims to expand broadband infrastructure and internet access throughout rural America. According to the agency, the grant will be used to expand high-speed broadband to more than 1,600 people living in the three counties. In addition to connecting residents and households to broadband, the USDA said the broadband infrastructure expansion will connect 91 farms, 52 businesses, three fire stations and two post offices throughout the area. Moving forward, our region works to treat broadband as truly essential infrastructure.

**Entrepreneurship** is also key in the recovery equation. Can someone who wants to live in our community find a job, and if not, create their own? Many communities have co-working spaces, accelerators, incubators, and the business support tools to grow their entrepreneurial landscape. In today's changing world, jobs are following people rather than people following jobs so easing the transition to open and grow a business is critical. Post COVID-19, this means assisting with ownership transitions. Many business owners, primarily baby boomers, are thinking now would be a good time to retire. Instead of closing these businesses, we need to help new entrepreneurs take over. New owners tend to be more innovative, see new opportunities and have new ideas and energy.

We are already seeing a continued return to localism and an emphasis on supporting local business. As more people work from home or pursue independent work, the hunger for connections will also grow. We expect investment in "third places" where home-based workers can convene, connect, and collaborate. These new third places, which might be coworking sites or other convening spaces, will serve as a lifeline for local workers and help to build stronger business networks as well.

Finally, there is **business retention/expansion**. In recovery we need to invest in strengthening local companies already in business. Small businesses are more likely than large businesses to fail after a major disaster. Existing businesses are already invested and committed to a community, and it is cheaper to retain companies than to recruit new ones. If every business were able to support one additional employee, communities would see tremendous benefits. A related set of strategies focuses on improving the competitiveness of local firms. Major global firms were already rethinking the globalization of supply chains before COVID-19, and efforts to restore and secure supply chains is something for even rural areas to explore where local companies already fit or could fit in new supply chain structures.

Enhancing the local talent base will help here, but firms will also benefit from strategies that help them capture new markets, develop new products and services, and learn new skills. We have lots of excellent programs in our toolkit already. These include Federal programs like the Manufacturing Extension Partnership, which provides consulting support to small manufacturers, the Small Business Development Center network, and various export promotion programs that help firms identify and capture new global markets. At the local level, various Business Retention and Expansion (BRE) programs help provide opportunities to check in and invest in strengthening local companies.

Our region is serious about helping business recovery, and we need to back our intentions with real money utilizing all programs in the Federal business support toolkit such as the Manufacturing Extension Partnership (MEP), Small Business Administration (SBA), Economic Development Administration (EDA), and the U.S. Department of Agriculture (USDA). In addition, state and local government efforts will need additional support that can be quickly deployed through existing program infrastructure, such as the Community Development Block Grant (CDBG). All of these programs have a proven track record and can provide an essential lifeline to struggling businesses. The communities in Region 9 aim to be more than just survivors, we will be leaders in recovery and beyond.

## STRATEGIC PLANNING

### SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis

The starting point for a credible economic development strategic plan is an assessment of the strengths and weaknesses of the Region. By working with the CEDS Strategy Committee, area governments, county-level economic development groups and other stakeholders, the following was identified:

#### Strengths

- Entrepreneurial spirit
- Support for entrepreneurs
- Diversity and beauty of landscape
- Scenic beauty (agricultural and public lands)
- Local cultural, historical assets
- Small-town living and lifestyle
- Recreational opportunities
- Fort Lewis College & other institutions of higher learning
- Climate
- Retirees that bring assets such as pensions

#### Weaknesses

- Few opportunities for jobs, higher wages
- Economies that are highly dependent on one or two sectors or seasons
- Loss of open space and a decline in the agriculture sector (related issues)
- Lack of telecommunications infrastructure in the outlying areas
- Lack of available technically trained workforce
- Housing, healthcare and childcare costs challenge business retention and relocation
- Growing and on-going substance use trends
- Inadequate public infrastructure in some areas
- Lack of resources to deal with the most challenging issues (e.g., housing, and other infrastructure needs)

#### Opportunities

- Tourist destination with major attractions
- Availability of air service
- Value-added marketing, strategies for enhancing agriculture
- Development of business incubators
- Healthy Lifestyles of residents
- Amenity migration ~ people want to live and work here
- Growing number of home-based businesses
- Widely diverse, well-educated population
- Networking among companies for mutual support and benefit.

#### Threats

- Natural disasters (wildfires, drought etc.)
- Growth could ruin or compromise the qualities that make the region where people want to live
- Transportation & public infrastructure's capacity unable to meet demands of growth
- Natural resource management
- Funding cuts at State and Federal agencies
- Regulatory barriers

## **STRATEGIC DIRECTION – Regional Priorities and Projects**

Recognizing that the COVID pandemic will impact the economy for years to come, this CEDS focuses on aligning regional strategies with state strategies for addressing equitable and resilient economic growth. Our region’s vast geography and diverse economies impact the region’s assets and limitations. The pandemic accelerated certain trends that further exposed our strengths, weaknesses, opportunities, and threats. Each county revised their SWOT from the previous CEDS (2016) to reflect desires and priorities in the current environment and for the future. Each county prepared a Strategic Direction and Community Development Action Plan (CDAP) outlining the economic and community development projects and action items dedicated to meeting their specific needs. The CDAP projects were aligned with the Colorado Rural Economic Blueprint and the Colorado Resiliency Framework.

Regional stakeholders agreed to use the terms Priorities, Projects, Outcomes, and Impacts to express the goals, objectives, actions, and anticipated deliverables of addressing economic recovery, resilience, and development because they are more closely aligned with terms used in the state frameworks.

The Colorado [State Rural Economic Blueprint](#) priorities are listed below. They represent the general intentions and broad outcomes of state, regional and community aspirations for economic prosperity. More than 200 projects have been identified region-wide and aligned with these priorities when appropriate. For specific projects please refer to the CDAPs in the county sections of this document.

- Leverage the Unique Assets of Rural Colorado
- Save Coloradoans Money on Healthcare
- Fulfill Every Child’s Potential
- Support Local Community Success in Energy Transmission
- Make Critical Investment in Community Infrastructure
- Invest in Roads and Bridges
- Build on Successful Economic Development Programs
- Community Identified Priorities – this was added for projects aligned more closely with local planning strategies

The CDAP projects were also linked to six resiliency strategies identified in the [Colorado Resiliency Framework](#), which addresses potential and interrelated economic, social and environmental risks and vulnerabilities. Abbreviations are listed next to the strategies in the CDAPs along with a number representing the supporting strategy. Please refer to the Colorado Resiliency Framework document for details.

1. Future Ready Economy & Workforce (EW)
2. Climate & Natural Hazard Resiliency (CN)
3. Building & Infrastructure Sustainability (BI)
4. Agriculture & Food Security (AF)
5. Housing Attainability (HA)
6. Community Capacity (CC)
7. Internal to Community (IC) - this was added for projects aligned more closely with local resiliency strategies



## EVALUATION AND MEASUREMENT

The evaluation framework serves as a mechanism to gauge progress on the successful implementation of the overall CEDS while providing information for the annual CEDS Progress Report, as required by the EDA. These regular updates keep the strategic direction and action plan outlined in the CEDS current and the plan as a whole relevant. The evaluation framework is an important element of the ongoing planning process and should answer the questions “How are we doing?” and “What can we do better?”

There are many different types of projects and actions listed in the strategic plans developed by each county, each requiring either a qualitative or quantitative evaluation strategy. Thus, several evaluation strategies are used including: 1) documenting the progress or completion of individual CDAP projects; 2) ranking counties against all other U.S. counties based on a human capital and creation index; and 3) ranking county’s economic performance indicators such as prosperity, annual wages, labor mobilization, employment, unemployment, and poverty rates against all other U.S. counties.

To track progress in intervening years other evaluation tools will include:

### ***Annual Comprehensive Economic Development Strategy (CEDS) & EDA Progress Report***

The purpose of this report is to evaluate the organization’s implementation of the CEDS and its impact on the regional economy. The District will address progress within each of the Colorado Rural Economic Blueprint Priorities and the State Resiliency Framework strategies.

### ***The Region 9 Report***

Region 9 publishes the *Region 9 Report*, which tracks such data as population growth or decline, employment and income, labor force statistics, retail sales, total personal income, and per capita income for each county in the region. This information provides a regional snapshot of each county’s progress. This report is updated every other year with the last update in 2020. This report is available at [https://www.region9edd.org/uploads/Final\\_Report\\_Economic\\_Snapshot\\_2020.pdf](https://www.region9edd.org/uploads/Final_Report_Economic_Snapshot_2020.pdf)

### ***Economic Data Dashboard***

The Region 9 website hosts a dashboard that provides updated information on regional logistics & accessibility, industry advantages, a regional explorer, the current business climate, workforce data, and a demographic map. This user- friendly format is available at <https://www.region9edd.org/dashboards>.

### ***Colorado Business Economic Outlook***

This annual publication by the Leeds School of Business (University of Colorado Boulder) serves as a forecasting tool for decision makers. It provides an international, national, statewide, and regional context in which to analyze changes that have occurred in all economic sectors and looks at the opportunities and challenges that shape population, employment, and the overall economy. Region 9 contributes to this publication each year to furnish details regarding southwest Colorado. <https://cber.co/>.

### ***The Southwest Economic Outlook Annual Forum***

Region 9 presents regional economic data at this annual forum hosted by Fort Lewis College. <https://www.fortlewis.edu/academics/schools-departments/school-of-business-administration/community-engagement/southwest-economic-outlook>.

***Regional Transportation Plans***

The Colorado Department of Transportation (CDOT) has updated the Region's 2045 Transportation Plan. The Southwest Colorado Council of Governments (SWCCOG) administers the Southwest Regional Transportation Planning Commission and participates on the Regional Transit Coordinating Council. Both entities have approved plans and identified priority transportation projects including intersections, transit, and design work. The completion of the listed priorities will be used to track regional progress in transportation. More information about regional transportation is available at [https://www.codot.gov/programs/your-transportation-priorities/assets/regional-transportation-plans/sw-rtp\\_public-review-draft\\_050120.pdf](https://www.codot.gov/programs/your-transportation-priorities/assets/regional-transportation-plans/sw-rtp_public-review-draft_050120.pdf).

***Enterprise Zone Annual Report***

Region 9 administers the Southwest Enterprise Zone program. Accordingly, targets are established by county for the number of jobs created in various sectors, as well as the tax credits and dollars invested through the EZ program. Region 9 will continue to set and measure these targets with communities. The information provides a very concrete tool for measuring success of goals related to job creation and business expansion. This report is done annually and is filed with the state Office of Economic Development and International Trade. More information regarding this program is available at <https://www.region9edd.org/enterprise-zone>.

## SUMMARY BACKGROUND

### Demographics

**Population** – A look at the annual average population change for each county gives an idea of growth trends in the region from 1970 to 2019. The population within the five counties of Region 9 grew at a rate of about 1.4% annually from 2000 to 2010, and 0.9% between 2010 and 2019, with most of the growth consistently seen in Archuleta County. Much of this growth can be attributed to what is being termed "amenity migration". Some people move here for economic reasons, such as the availability of jobs. Others cite quality of life issues, such as clean air and water, and outdoor recreation opportunities. Many of these newcomers are retirees or 2<sup>nd</sup> homeowners that bring along their pensions and other retirement benefits. This "new" money impacts the local economy positively as it is spent on new homes and goods and services.

Average Annual % Change					
	1970-1980	1980-1990	1990-2000	2000-2010	2010-2019
Archuleta	3.0%	3.8%	6.4%	2.0%	1.7%
Dolores	0.1%	-1.0%	2.1%	1.1%	-0.12%
La Plata	3.5%	1.7%	3.1%	1.6%	1.0%
Montezuma	2.5%	1.2%	2.5%	0.7%	0.3%
San Juan	0.0%	-1.1%	-2.8%	2.3%	0.3%
<b>Region 9</b>	2.9%	1.6%	3.2%	1.4%	0.9%

Source: Colorado State Demography Office

	2010	2019	Ann. Avg % Change 2010-19
Archuleta	12,060	14,002	1.7%
Dolores	2,060	2,037	-0.12%
La Plata	51,441	56,272	1.0%
Montezuma	25,532	26,160	0.3%
San Juan	709	726	0.3%
<b>Region 9</b>	<b>91,802</b>	<b>99,197</b>	<b>0.9%</b>
<b>Colorado</b>	<b>5,050,332</b>	<b>5,763,976</b>	<b>1.5%</b>

Source: Colorado State Demography Office

Population declines throughout the region were common during the national recession as people followed jobs. Most of the communities in the region have seen slow growth since 2010. Declining population in Dolores County may be a result of a loss of jobs in the mining industry. Region 9 is forecast to grow at a higher percentage rate (1.3% to 1.6%) than the state (1.1% to 1.4%) through 2035.

	Archuleta	Dolores	La Plata	Montezuma	San Juan
Median Age	51	51.8	39.9	44.4	52.1
Working from Home	10%	14%	8%	7%	5%
Median Household Income	\$ 50,753	\$ 41,714	\$ 64,372	\$ 46,797	\$ 46,563
Median Home Price	\$ 333,000	\$ 135,000	\$ 385,000	\$ 234,000	\$ 272,000
Homeownership	75%	81%	71%	71%	67%
Non-white Population	16%	3%	12%	19%	1%
Poverty Rate	11%	14%	9%	16%	5%
Bachelors Degree or Higher	39%	21%	44%	29%	35%

Other pertinent demographics of La Plata County are provided by the American Community Survey (ACs 2018).

Median home price is from Local MLS (through November 2020).

## Snapshot of the Regional Economy

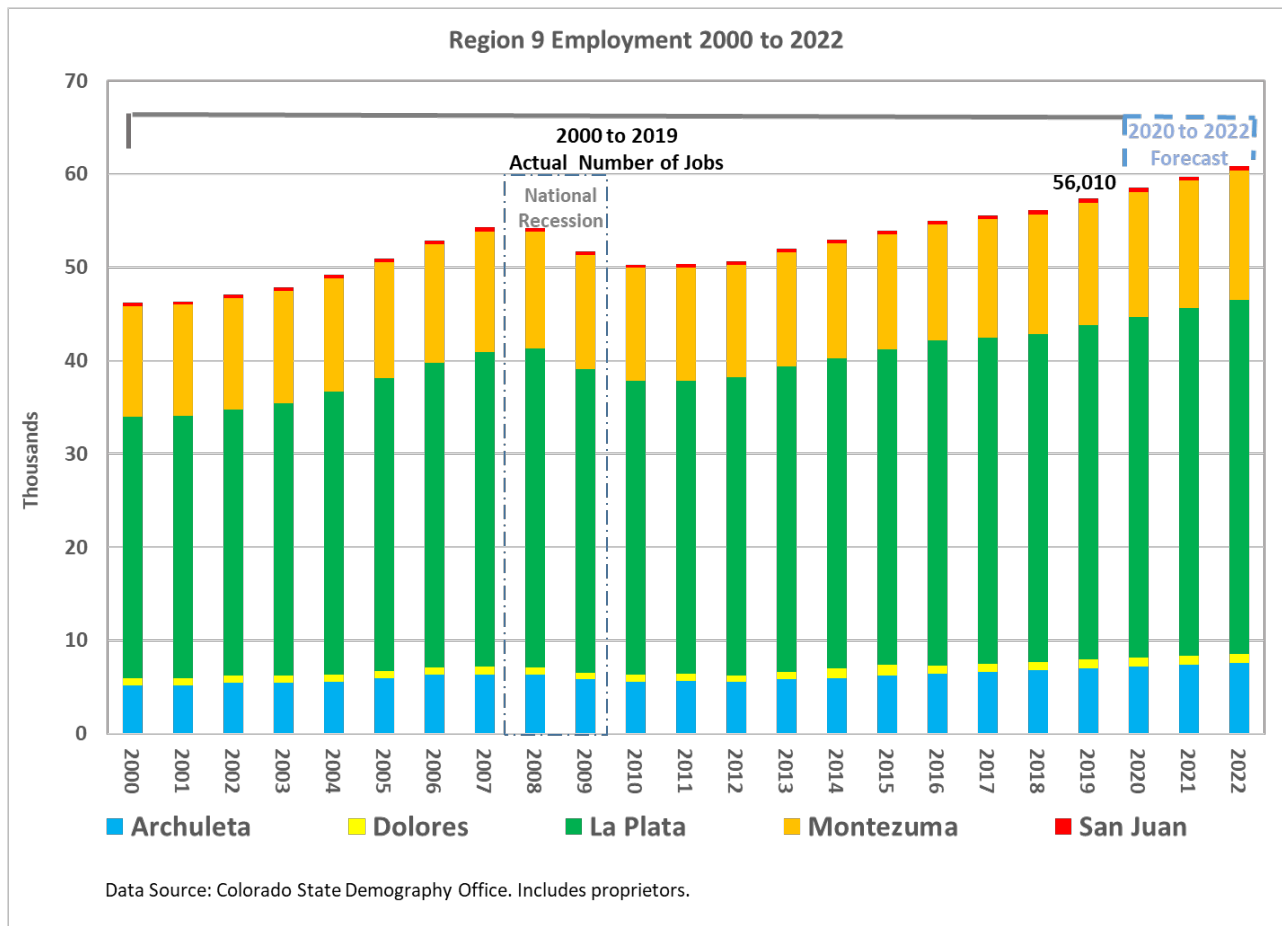
### Unemployment Rates

Unemployment Rates 2019				
Location	Labor Force	Employed	Unemployed	Unemployment Rate
USA				3.9%
Colorado				2.8%
Archuleta	6,937	6,717	220	3.2%
Dolores	1,164	1,129	35	3.0%
La Plata	32,305	31,495	810	2.5%
Montezuma	13,038	12,486	552	4.2%
San Juan	570	553	17	3.0%

In 2019, unemployment rates in Archuleta, Dolores, Montezuma, and San Juan Counties were higher than the state (2.8%).

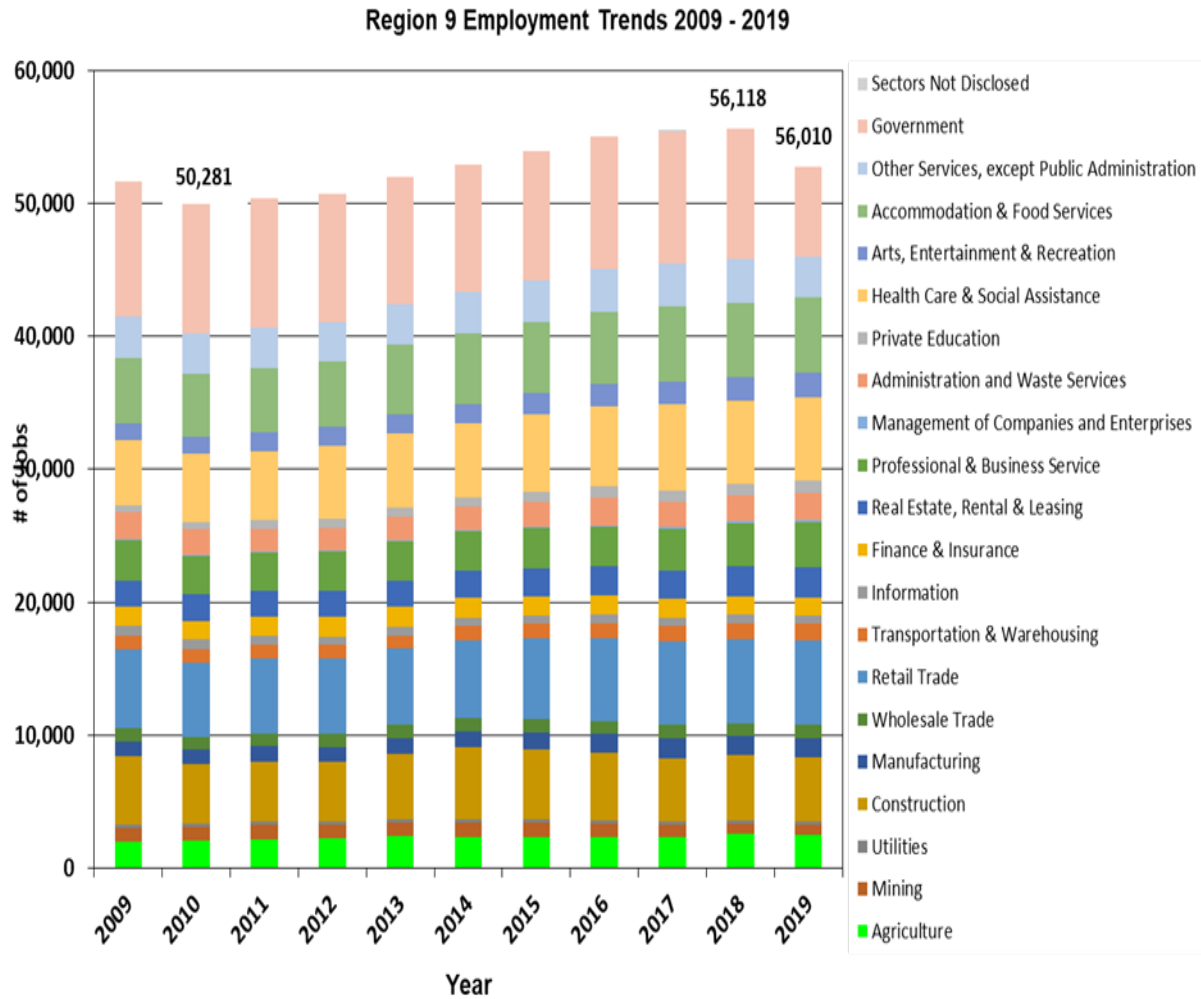
Source: Colorado Labor Market CDLE-LMI

Job growth in the region was steady at about two to four percent per year until the national recession of 2007-2009. SW Colorado’s recession lagged the nation and Employment reached a regional low of 50,281 jobs in 2010. It took the region 10 years to recover from the recession.



## Employment Trends

An employment “sector” combines jobs into categories that are alike, and allows us to measure the relative strength of that industry in the local economy. Using trend analysis we can see how those industries have grown or declined within a specific timeframe.



## 2019 Employment

Government jobs are important in the regional economy and include federal jobs through the U.S. Forest Service and National Parks. These estimates include proprietors as well as wage and salary workers.

Region 9 2019 Total Employment	# of Jobs	% of Jobs	*Average Ann. Wage	# Jobs % Change 2014-2019
Agriculture	2,507	4%	\$ 35,816	7%
Mining	732	1%	\$ 77,214	-32%
Utilities	254	0.5%	\$ 82,128	-3%
Construction	4,886	9%	\$ 44,700	-9%
Manufacturing	1,423	3%	\$ 41,603	15%
Wholesale Trade	996	2%	\$ 55,043	-1%
Retail Trade	6,372	11%	\$ 26,322	9%
Transportation & Warehousing	1,266	2%	\$ 52,428	22%
Information	559	1%	\$ 65,553	-17%
Finance Activities	1,365	2%	\$ 63,352	-5%
Real Estate	2,287	4%	\$ 34,566	12%
Professional & Business Services	3,345	6%	\$ 54,777	13%
Management of Companies and Enterprises	200	0.4%	\$ 92,944	77%
Administration and Waste Management	2,065	4%	\$ 33,689	15%
Private Education	911	2%	\$ 30,593	34%
Health Services	6,276	11%	\$ 35,580	13%
Arts, Entertainment, and Recreation	1,810	3%	\$ 40,377	24%
Accommodation and Food	5,658	10%	\$ 24,785	6%
Other Services, except Public Administration	3,029	5%	\$ 24,498	-2%
Government	10,064	18%	\$ 42,155	5%
Sectors Not Disclosed (ND)	5	0.0%		
<b>Total</b>	<b>56,010</b>	<b>100%</b>	<b>\$ 36,925</b>	<b>6%</b>

2019 Employment Share by Wage - 56,010 Jobs

Avg. Annual Wage	Low Wage	Mid Wage	High Wage	Livable Wage
\$36,925	< \$29,540	\$29,541 - \$44,310	> \$44,311	\$61,828
	27%	49%	24%	

Low Wage < 80% of AAW; Mid Wage > 80% and < 120% of AAW; High Wage > 120% of AAW

**Wages by Job Sector** – Since all working-age families meet their income needs with employment, a crucial question is whether the jobs available provide sufficient wages. The highlighted cells in this table indicate that the average annual wage for that industry provides a livable wage for a family of four in that county.

Region 9 - Average Annual Wage by Sector

2019	Archuleta	Dolores	La Plata	Montezuma	San Juan	Region 9	Colorado
Agriculture	\$38,358	ND	\$ 34,173	\$34,917	ND	\$35,816	\$ 40,404
Mining	\$38,983	\$62,296	\$ 135,050	\$72,528	ND	\$77,214	\$ 124,748
Utilities	\$86,247	ND	\$ 90,840	\$69,297	ND	\$82,128	\$ 95,680
Construction	\$39,448	\$50,440	\$ 53,939	\$38,434	\$41,240	\$44,700	\$ 64,636
Manufacturing	\$30,909	\$56,680	\$ 44,105	\$34,716	ND	\$41,603	\$ 73,944
Wholesale Trade	\$50,330	ND	\$ 57,579	\$57,221	ND	\$55,043	\$ 90,376
Retail Trade	\$27,946	\$20,852	\$ 31,569	\$30,659	\$20,586	\$26,322	\$ 33,800
Transportation & Warehousing	\$35,725	\$37,492	\$ 62,526	\$73,969	ND	\$52,428	\$ 59,956
Information	\$46,110	\$53,703	\$ 112,678	\$49,720	ND	\$65,553	\$ 106,808
Finance Activities	\$51,442	ND	\$ 90,980	\$47,635	ND	\$63,352	\$ 101,868
Real Estate	\$42,583	\$19,990	\$ 45,633	\$39,759	\$24,863	\$34,566	\$ 61,152
Professional & Business Services	\$74,139	\$51,814	\$ 69,285	\$ 51,466	\$ 27,179	\$54,777	\$ 103,168
Management of Companies and Enterprises	\$88,350	ND	\$ 100,474	\$ 90,009	ND	\$92,944	\$ 148,616
Administration and Waste Management	\$26,563	\$45,344	\$ 33,943	\$ 28,904	ND	\$33,689	\$ 45,864
Private Education	\$14,094	ND	\$ 44,158	\$ 33,526	ND	\$30,593	\$ 49,140
Health Services	\$32,296	\$21,856	\$ 51,249	\$ 36,920	ND	\$35,580	\$ 55,068
Arts, Entertainment, and Recreation	\$20,356	ND	\$ 22,482	\$ 88,480	\$ 30,188	\$40,377	\$ 36,816
Accommodation and Food	\$21,855	\$38,740	\$ 21,462	\$ 18,575	\$ 23,292	\$24,785	\$ 24,856
Other Services, except Public Administration	\$30,474	\$16,115	\$ 32,332	\$ 24,989	\$ 18,578	\$24,498	\$ 42,380
Government	\$50,584	\$ 33,124	\$ 52,675	\$ 39,387	\$ 35,006	\$ 42,155	\$ 58,968
Average Annual Wage	\$ 36,660	\$ 35,308	\$ 47,944	\$ 37,223	\$ 27,508	\$ 36,929	\$ 61,828
Livable Wage*	\$ 54,496	\$51,022	\$ 55,598	\$ 52,187	\$ 56,701		\$ 59,300

Jobs in the Mining & Utilities sectors provide a good income in each county where they exist, though they accounted for only 2% of jobs in the region. Construction jobs in Montezuma County (9% of county jobs), and Finance and Insurance sectors in Archuleta (2% of all county jobs) and La Plata Counties (3% of all county jobs) also provide sufficient wages. Please note that QCEW wages do not include earnings by proprietors (owners).

## Livable Wages

A healthy community has a diverse and sustainable economy that pays livable wages and offers meaningful work. But what level of income is necessary to support a given size and type of household? A livable wage addresses the essential financial needs for basic living tools such as shelter, healthcare, childcare, and nutrition. When one earns less than a livable wage, he or she is forced to make undesirable choices such as working two or more jobs, working longer hours, making longer commutes, or sharing a residence.

According to a report prepared by the Massachusetts Institute of Technology (MIT), in Colorado the amount needed to be economically self-sufficient varies by geographic location. We found that in Region 9, Dolores County is the least expensive (\$51,022 annually), and La Plata County is the most expensive place to live (\$55,598 annually) for family of four (one working adult and two children – one preschooler and one school aged child).

Region 9 - 2019	<sup>1</sup> Avg Annual Wage	<sup>2</sup> Livable Wages		
		Adult	Adult + Preschooler	2 Adults (1 working)+ Preschooler + School-age
Archuleta County	\$ 36,660	\$ 25,875	\$ 54,184	\$ 54,496
Dolores County	\$ 35,308	\$ 23,733	\$ 50,710	\$ 51,022
La Plata County	\$ 47,944	\$ 26,957	\$ 55,266	\$ 55,598
Montezuma County	\$ 37,223	\$ 24,045	\$ 51,854	\$ 52,187
San Juan County	\$ 27,508	\$ 27,331	\$ 56,368	\$ 56,701
Colorado	\$ 61,828	\$ 58,989	\$ 59,301	\$ 59,300

<sup>1</sup>LMI - 2019 Quarterly Census of Employment and Wages (QCEW) - all industries

<sup>2</sup> MIT Liveable Wage Calculator <https://livingwage.mit.edu>

Colorado Minimum Wage \$11.10			2 Adults (1 working)+
Region 9 - 2019 Livable Hourly Wage by Area	Adult	Adult + Preschooler	Preschooler + School-age
Archuleta County	\$ 12.44	\$ 26.05	\$ 26.20
Dolores County	\$ 11.41	\$ 24.38	\$ 24.53
La Plata County	\$ 12.96	\$ 26.57	\$ 26.73
Montezuma County	\$ 11.56	\$ 24.93	\$ 25.09
San Juan County	\$ 13.14	\$ 27.10	\$ 27.26
Colorado	\$ 13.43	\$ 28.36	\$ 28.51

hourly wage x 2080 for annual wage



Using housing costs specific to each community we found that many families across the region are unable to afford a median priced home in their community.

**Regional Median Housing Prices 2020**

Jurisdiction	<sup>1</sup> Purchase Price 30 year fixed loan 10% Down 3% Interest Rate	Qualifying Annual Income 30% DTI	<sup>3</sup> % of Families with less than Qualifying Income	Number Sold Listings
Archuleta County - Pagosa Springs all	\$ 410,000	\$ 75,994	69%	431
Dolores County - all	\$ 179,500	\$ 37,206	32%	20
Dove Creek	\$ 116,750	\$ 26,646	19%	6
Rico	NA			
La Plata County - all	\$ 492,253	\$ 89,835	47%	939
Bayfield	\$ 330,000	\$ 62,532	29%	73
Durango	\$ 569,500	\$ 102,834	62%	194
Ignacio	\$ 247,000	\$ 48,565	38%	10
Montezuma County - all	\$ 259,000	\$ 50,584	43%	397
Cortez	\$ 220,000	\$ 44,021	42%	234
Dolores	\$ 319,000	\$ 60,681	54%	89
Mancos	\$ 352,700	\$ 66,351	59%	63
San Juan County - Silverton all	\$ 300,000	\$ 57,483	49%	31

<sup>1</sup> Purchase Price based on median home prices (Single Family) through November 2020 - MLS.

<sup>2</sup> Qualifying Annual Income courtesy of The Homes Fund Serving SW Colorado (30% Debt to Income Ratio)

<sup>3</sup> Based on estimates of Family Household Income from the 2019 American Community Survey (Census Table DP03)

When we compare these housing costs to the salaries of essential workers such as teachers, we see that the income needed to purchase a home is out of reach. The provision of affordable/attainable housing is a critical issue in every community across the region.

<sup>1</sup> Avg Teacher Salary 2019 - 2020	<sup>2</sup> Median Home Price	<sup>3</sup> Annual Income Needed
ARCHULETA COUNTY 50 JT	\$ 48,942	\$ 410,000
DOLORES COUNTY RE NO.2	\$ 39,577	\$ 179,500
DURANGO 9-R	\$ 48,428	\$ 569,500
BAYFIELD 10 JT-R	\$ 48,229	\$ 330,000
IGNACIO 11 JT	\$ 40,081	\$ 247,000
MONTEZUMA-CORTEZ RE-1	\$ 39,448	\$ 220,000
DOLORES RE-4A	\$ 41,335	\$ 319,000
MANCOS RE-6	\$ 43,473	\$ 352,700
SILVERTON 1	\$ 38,105	\$ 300,000
SAN JUAN BOCES	\$ 59,703	
REGION 9	\$ 44,732	
STATE	\$ 57,746	

<sup>1</sup> <https://www.cde.state.co.us/cdereval/staffcurrent>

<sup>2</sup> Purchase Price based on median home prices through November 2020 (MLS).

<sup>3</sup> Courtesy of the Homes Fund serving SW Colorado

## Economic Base Analysis

**Economic Base Analysis** is a tool to describe economic activity by the source of revenue, whether the money generated by sales comes from outside the local economy, or from within the local economy. This type of analysis is designed to define those economic activities that drive or sustain the local economy. Base Analysis distinguishes which industries and factors are responsible for overall growth and change. There are two types of regional industries:

**Base industries** produce exports or derive their sales or income *directly* from outside sources, or *indirectly* by providing supplies to export industries. These activities **bring in outside dollars** to circulate within the local economy. These industries include agriculture, mining, manufacturing, national and regional services, state and federal government jobs, and tourism. Another base industry is created by households that spend money earned elsewhere. For example, a retiree whose income comes from outside of the county is supporting many traditional local resident services jobs; however, since their income is basic (from outside the local economy), the local resident service jobs are also considered basic.

Region 9 Base Industries 2019	# of Jobs	% of Jobs
Agribusiness	3,469	9%
Mining	865	2%
Manufacturing	612	2%
Government	3,115	8%
Regional Services	7,209	19%
Tourism	9,746	26%
Households	12,285	33%
Total	37,301	100%

In Region 9 the largest base employment industries are households (33%) that spend money earned elsewhere (i.e., retirees) and tourism (26%).

Region 9 - Percentage of Jobs in Base Industries 2019						
	Archuleta	Dolores	La Plata	Montezuma	San Juan	Region 9
Agribusiness	9%	30%	7%	12%	0%	9%
Mining	1%	2%	3%	2%	0%	2%
Manufacturing	1%	3%	1%	3%	1%	2%
Government	3%	5%	11%	5%	3%	8%
Regional Services	16%	11%	20%	21%	11%	19%
Tourism	31%	7%	30%	16%	59%	26%
Households	39%	42%	28%	40%	23%	33%
Total # jobs	4,930	905	21,767	9,343	356	37,301

Each county in the region has varying numbers of jobs in base industries. The Archuleta, La Plata and San Juan County economies are based primarily on tourism. Agriculture related services and forestry remain significant sources of employment for certain parts of the region, especially Dolores County, yet provide little employment income.

Data on employment and earnings in agriculture is unusually difficult to obtain for several reasons. First, agricultural producers (farmers) are not required to report their employees under the Employment Security program. While some do, the reporting that does occur covers only a small fraction of the actual employment. Second, the industry includes large numbers of proprietor-operators (farmers) and their families, and there are no good estimates on the numbers of these that represent full-time workers. Finally, farm income fluctuates widely with market prices and changes in inventories. Thus, the income data are not necessarily an accurate measure of activity as they are in other industries.

Local economic development efforts work to achieve diversity among key local base industries. The successful result of this objective is to minimize the relative impact of any sudden change in fortunes, and hence employment, of anyone (large) firm or industry. Region 9 hopes that this information will provide a starting point for public discussions to review the data and plan for the future – for each county and the region – of the potential strengths, weaknesses, opportunities, and threats accompanying each economic driver.

### Per Capita Income

Per Capita Income Comparison		
	2019	% of USA
USA	\$ 56,490	100%
Colorado	\$ 61,157	108%
Archuleta	\$ 43,088	76%
Dolores	\$ 38,005	67%
La Plata	\$ 58,216	103%
Montezuma	\$ 43,542	77%
San Juan	\$ 47,933	85%

All income in a region is added together (total personal income), and then divided by the number of residents. PCI in most of our counties, with the exception of La Plata, are still not on a par with state and national incomes.

Source: Bureau of Economic Analysis

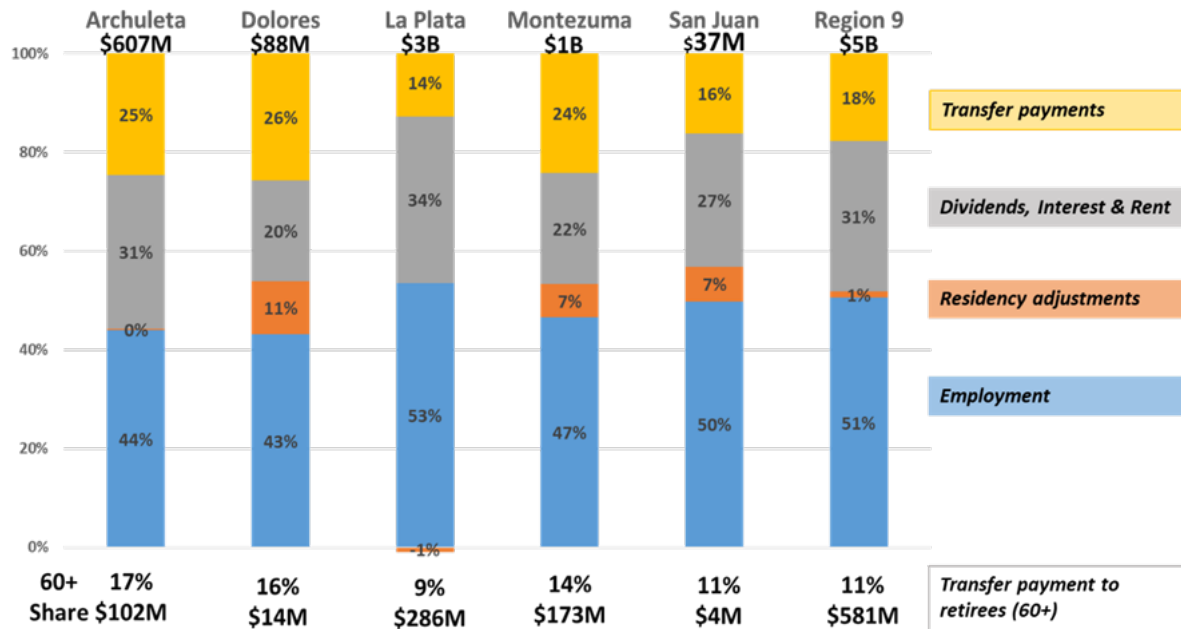
### Total Personal Income

Region 9 2019 Total Personal Income (\$000)		% of Total
Employment Earnings	\$ 2,624,609	51%
Residency Adjustment	\$ 65,544	1%
Dividends, Interest & Rent	\$ 1,588,221	31%
Transfer Payments	\$ 917,646	18%
<b>Estimated TPI</b>	<b>\$ 5,196,020</b>	<b>100%</b>

In 2019, Region 9 had a total personal income (TPI) of \$5,196,020,000. Estimated payments to retirees accounted for about 11% of the estimated TPI in the region in 2019. That was \$581,054,000.

Source: Bureau of Economic Analysis

The five counties in southwest Colorado vary in their composition. Most income is job based (employment), though significant amounts of income enter our economy from other sources, such as transfer payments and dividends, interest, and rents.

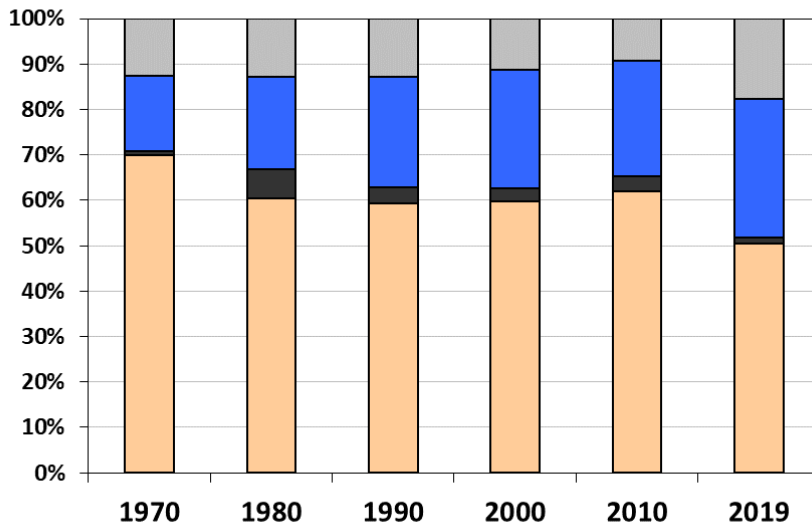


## Total Personal Income Trends 1970-2019

(TPI) is another important tool to understand our local economy. Total personal income is divided into four main components.

- Transfer payments consist primarily of retirement and disability benefit payments, medical payments (i.e., Medicare and Medicaid), income maintenance benefits, unemployment insurance, veteran’s benefits, and payments to nonprofit institutions.
  
- Dividend income is income that is paid in cash or other assets to stockholders by corporations in the U.S. or abroad. Interest income consists of monies received from money market mutual funds and interest from other sources. Rental income consists of income from the rental of real property, the net income of owner - occupants of non-farm dwellings, and the royalties received from patents, copyrights, and from the rights to natural resources.
  
- Residency adjustments are made when a person receives income for work performed and paid for from outside their place of residency, (i.e., commuters). Negative numbers mean that more people were coming into the county for work than were commuting out.
  
- Earned income is derived by place of work, including farm and non-farm earnings (minus social security contributions).

**Region 9 - Total Personal Income Trends 1970 - 2019**



This chart allows us to see how the components of Total Personal Income have changed over the long term. We see a trend of decreasing employment income, and increasing income from dividends, interest, and rent. Transfer payments are also growing, as more baby boomers retire and start receiving retirement benefits. Residency adjustments illustrate how the economy of each county is tied to others as people commute to where the jobs are but take their paychecks home.