

**ECONOMIC BASE ANALYSIS – UPDATE 2023**

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 critically important, as these “**Direct Basic Industries**” account for growth or decline of the local economy.

Each county in the region has varying numbers of jobs in base industries. In Southwest Colorado counties rely heavily on household spending to provide jobs. La Plata and San Juan County economies are supported by jobs in tourism, and agriculture related services remain a significant source of employment for Dolores County. Sixty-six percent of our region’s jobs are direct base (38,207).

Region 9 - Percentage of Jobs in Base Industries 2023						2023	2022
	Archuleta	Dolores	La Plata	Montezuma	San Juan	Region 9	Region 9
Agribusiness	9%	33%	8%	12%	1%	10%	10%
Mining	0%	1%	2%	2%	0%	2%	2%
Manufacturing	1%	2%	1%	3%	1%	2%	2%
Government	3%	5%	12%	5%	3%	8%	8%
Regional Services	14%	11%	21%	22%	13%	20%	20%
Tourism	33%	8%	30%	16%	54%	26%	26%
Households	39%	41%	26%	41%	27%	32%	32%
Total # jobs	5,403	935	21,887	9,567	415	38,207	37,796

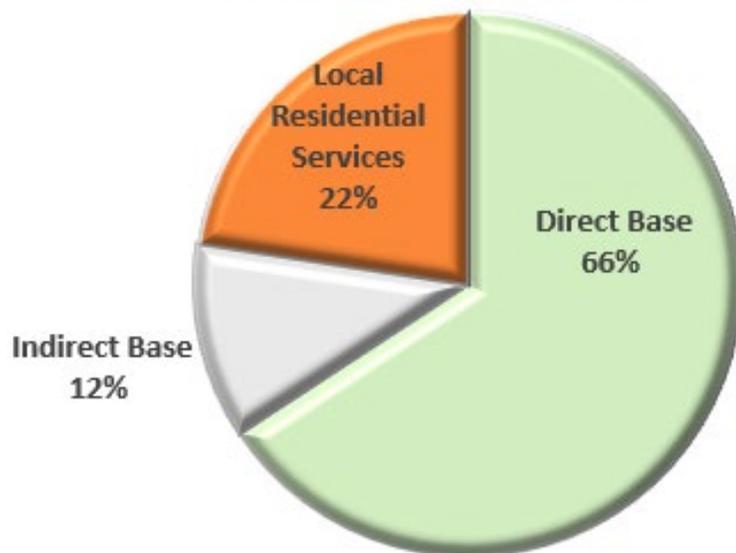
Base industries also generate additional secondary jobs in the economy that are classified as either “Indirect Base” or “Local Resident Services.”

**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.

Region 9 - Base Analysis 2023



Of the total number of jobs in the region in 2023, 22% are in **Local Residential Services** (13,141 jobs), and 12% are in **Indirect Base** industries (6,794 jobs).

2023	Direct Base	Indirect Base	*LRS	Total # Jobs**
Archuleta	5,403	926	1,144	7,473
Dolores	935	74	29	1,038
La Plata	21,887	4,863	9,233	35,983
Montezuma	9,567	899	2,634	13,100
San Juan	415	32	101	548
Region 9	38,207	6,794	13,141	58,142

\* Local Resident Services

\*\*Differing number of jobs from Total Employment due to rounding

These percentages are drawn from proportions determined by the Colorado State Demography Office. They vary by county and by region and are supported by an examination of the businesses within each area.

**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).

# of Jobs in Agribusiness							
County	Production	Trade	Inputs	Processing	2023	2022	% Change
Archuleta	317	38	111	12	478	512	-7%
Dolores	242	44	23	-	309	348	-11%
La Plata	867	238	293	378	1,776	1,831	-3%
Montezuma	717	93	237	110	1,157	1,168	-1%
San Juan	-	-	4	-	4	4	0%
Region 9	2,143	413	668	500	3,724	3,864	-4%

The number of jobs in Agribusiness decreased 4% from 3,864 in 2022 to 3,724 in 2023.

Total # Jobs Manufacturing			
County	2023	2022	% Change
Archuleta	75	75	0%
Dolores	16	16	1%
La Plata	325	298	9%
Montezuma	245	281	-13%
San Juan	5	3	67%
Region 9	666	674	-1%

**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 decreased 1% from 674 jobs in 2022 to 666 in 2023.

**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, Federal lands 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.

Total # Jobs in Government			
County	2023	2022	% Change
Archuleta	145	135	8%
Dolores	44	44	0%
La Plata	2,531	2,516	1%
Montezuma	496	487	2%
San Juan	11	10	10%
Region 9	3,227	3,192	1%

The number of jobs in Government increased 1% from 3,192 jobs in 2022 to 3,227 in 2023. This was most evident in Archuleta County with an 8% increase in jobs.

Total # Jobs in Mining Industry			
County	2023	2022	% Change
Archuleta	22	21	5%
Dolores	7	8	-12%
La Plata	535	511	5%
Montezuma	158	176	-10%
San Juan	0	-	0%
Region 9	723	716	1%

**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.

The number of jobs in Mining increased 1% from 716 in 2022 to 723 in 2023, though there were some job losses in Dolores and Montezuma Counties.

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							
County	Commuters	Retirees	Public Assistance	*DIR	2023	2022	% Change
Archuleta	8	1,284	519	296	2,107	2,079	1%
Dolores	91	166	94	28	379	376	1%
La Plata	(121)	3,640	1,143	1,096	5,758	5,658	2%
Montezuma	416	2,005	1,062	407	3,890	3,830	2%
San Juan	14	59	26	15	114	105	9%
<b>Region 9</b>	<b>408</b>	<b>7,154</b>	<b>2,844</b>	<b>1,842</b>	<b>12,248</b>	<b>12,048</b>	<b>2%</b>

\*DIR = Dividends, Interest and Rent

The earnings and employment associated with expenditures made by households who earned their income outside of their county of residence, but who made local resident service purchases with those outside dollars within their county of residence are counted as **Commuter** base jobs. Commuting Jobs can be negative if a region has a large number of in-commuters, such as La Plata County, which provides jobs to residents living in other counties.

**Retiree** income includes transfer payments from the federal government to individuals over age 60 and dividends, interest, and rental income also earned by individuals over age 60. These consist primarily of retirement and disability insurance benefit payments, pensions, and Veterans payments. Also included are Medicare and Military medical benefits that are paid for by the Federal government on behalf of retirees.

Household income includes money that comes from outside of the local economy, including transfer payments to retirees (such as Medicare), the unemployed and disabled. Transfer Payments, aka Public Assistance, includes payments from the Federal Government to those under age 60. Examples include: Medicaid, Earned Income Tax Credit (EITC), Supplemental Nutrition Assistance Program (SNAP), and Unemployment insurance compensation.

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 increased 2% from 12,048 jobs in 2022 to 12,248 jobs in 2023. This was especially evident in San Juan County.

**Regional services** encompass a variety of economic sectors, serving customers in multiple counties. These include Business, Communications, Construction, Education, Finance, Insurance and Real Estate, as well as Trade sectors. Some examples of these services include hospitals, airports, telecommunications systems and colleges.

# Jobs in Regional Services									
County	Business	Communications	Construction	Education	*FI&RE	Trade	2023	2022	% Change
Archuleta	36	2	94	606	15	23	776	754	3%
Dolores	1	1	26	67	-	4	99	96	3%
La Plata	1,299	111	300	2,237	120	426	4,493	4,441	1%
Montezuma	337	6	478	1,156	18	78	2,073	2,031	2%
San Juan	12	-	7	36	-	-	55	50	10%
<b>Region 9</b>	<b>1,685</b>	<b>120</b>	<b>905</b>	<b>4,102</b>	<b>153</b>	<b>531</b>	<b>7,496</b>	<b>7,372</b>	<b>2%</b>

\*F,I & RE = Finance, Insurance and Real Estate

The number of jobs in Regional Services increased 2% from 7,372 jobs in 2022 to 7,496 in 2023. San Juan County saw a 10% increase in jobs in this industry during that time period.

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

# Jobs in Tourism Industry							
County	Resorts	2nd Homes	Services	Transportation	2023	2022	% Change
Archuleta	797	723	247	33	1,800	1,723	4%
Dolores	66	10	0	2	78	81	-4%
La Plata	3,523	1,393	1,353	200	6,469	6,322	2%
Montezuma	796	224	370	154	1,544	1,582	-2%
San Juan	155	32	34	4	225	224	0.4%
<b>Region 9</b>	<b>5,337</b>	<b>2,382</b>	<b>2,004</b>	<b>393</b>	<b>10,116</b>	<b>9,932</b>	<b>2%</b>

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 2% from 9,932 in 2022 to 10,116 in 2023.

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