

County and Regional Economic Profile

Demographics/Population

Region 9 Trends

- 1990 to 2000 population rose 37%
- 2000 to 2010 population rose 15%

Region/La Plata County Average Annual Rate of Population Growth

	1970-80	1980-90	1990-2000	2000-2010
Region 9	3.3%	1.8%	3.7%	1.5%
La Plata County	4.2%	1.9%	3.6%	1.7%

Between 2000 and 2010, La Plata County grew from 43,941 to 51,335 people (17%) with most of the growth occurring in Bayfield and Durango. People moving in for quality of life issues or "amenity migration" drove population growth in the 1990's, a trend still seen today. Many of these newcomers are retirees or 2nd home-owners that bring along their pensions and other retirement

Population Forecasts

La Plata	2015	2020	2025	2030	2035
Population	55,920	63,480	71,627	78,487	85,261
Avg. Ann. % Change		2.6%	2.3%	1.9%	1.7%

Sector Breakdown

Which sectors are up and which down?

La Plata County	# of Jobs		% change
	2001	2009	01 - 09
Agriculture	652	738	13%
Mining & Utilities	440	924	110%
Construction	2,732	3,227	18%
Manufacturing	925	621	-33%
Transportation & Warehousing	735	812	11%
Trade	4,478	4,236	-5%
Information	604	514	-15%
Finance, Insurance & Real Estate	1,691	2,178	29%
Services	11,521	13,136	14%
Government	4,758	6,060	27%
Total Employment	28,535	32,446	14%

Employment/Jobs

Region 9 - Percentage of Jobs in Base Industries						
2013	Archuleta	Dolores	La Plata	Montezuma	San Juan	Region 9
Agribusiness	9%	25%	7%	10%	0%	8%
Mining	1%	0%	4%	3%	0%	3%
Manufacturing	1%	1%	1%	3%	2%	2%
Government	3%	5%	10%	6%	3%	8%
Regional Services	9%	17%	16%	19%	7%	16%
Tourism	29%	5%	26%	14%	47%	23%
Households	32%	39%	19%	37%	35%	26%
Indirect Unassigned	15%	9%	17%	9%	6%	15%
Total # jobs	4,562	847	22,844	9,275	322	37,850

In 2013, La Plata County unemployment rates (5.5%) were lower than the state (7.8%) and nation (7.4%). The estimated civilian labor force was 30,148 in 2013.

La Plata County 2013 Total Employment	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	Avg ann. wage
Agriculture	957	3%	\$ 5,515	0.3%	*
Mining & Utilities	871	3%	\$ 186,485	11%	\$ 214,104
Construction	3,407	10%	\$ 205,692	12%	\$ 60,373
Manufacturing	721	2%	\$ 30,563	2%	\$ 42,390
Transportation & Warehousing	695	2%	\$ 60,900	4%	\$ 87,626
Wholesale & Retail Trade	4,115	13%	\$ 156,668	9%	\$ 38,072
Information	489	1%	\$ 25,191	1%	\$ 51,515
Finance, Insurance & Real Estate	2,416	7%	\$ 152,591	9%	\$ 63,159
Services	13,400	41%	\$ 565,888	33%	\$ 42,230
Government	5,722	17%	\$ 340,842	20%	\$ 59,567
Total	32,793	100%	\$ 1,730,335	100%	

*Agricultural income reflects net losses from livestock and crop production

La Plata County 2013 Service Sectors	# of Jobs	% of Jobs	Income (\$000)	% of Inc.	Avg. annual wage
Professional, Scientific, Technical	3,278	24%	\$ 176,221	31%	\$ 53,759
Education, Health, Social Assistance	3,943	29%	\$ 219,270	39%	\$ 55,610
Arts, Entertainment, Recreation	1,167	9%	\$ 28,014	5%	\$ 24,005
Accommodation, Food Service	3,321	25%	\$ 80,917	14%	\$ 24,365
Other Services	1,693	13%	\$ 61,466	11%	\$ 30,812
Total	13,402	100%	\$ 565,888	100%	\$ 42,224

La Plata County Employers that hire the most people:

La Plata County 2014	# of Jobs
Mercy Regional Medical Center	1,200
Southern Ute Indian Tribe - Administration	845
Durango School District 9R	632
Mercury Payment Systems	630
Fort Lewis College	570
Durango Mountain Resort	479
Southern Ute Indian Tribe - Casino, Museum	400
La Plata County	401
Crossfire	322
BP America	221

Income/Earnings

There is a trend for less of the earnings in the region coming from employment and more coming from investments and retirement accounts. Retirees brought in \$390.5 million (15%) of TPI through transfer payments and dividends, interest and rent.

2013 Total Personal Income						
	Employment Income	Residency Adjustment	Div., Int & Rent	Transfer Payments	Total (\$000)	60+ Share
Archuleta	51%	3%	33%	13%	\$ 409,220	22%
Dolores	44%	19%	25%	15%	\$ 59,420	19%
La Plata	68%	0%	6%	6%	\$ 2,534,129	15%
Montezuma	52%	11%	24%	12%	\$ 893,922	17%
San Juan	46%	11%	33%	10%	\$ 23,460	20%
Region 9	62%	3%	26%	8%	\$ 3,920,151	17%

Average per capita income is \$46,663, which slightly above the average for the U.S. and below average for the state of Colorado

Poverty

- Poverty line for annual income - \$11,670 individual, \$23,850 family
- For the nation this is 15% of the population, 22% of children, 50% of public school children
- In La Plata county 11.4% of the population (5,000 people) are below the poverty line

Minimum wage in CO - \$8.00/hr (2014), \$16,000/year, \$13,450 after taxes, \$1121/month

Local Livable Wage - \$12.40/hr., \$24,800/year, \$18,472 after taxes, \$1,540 a month

Impact from Oil and Gas Development in the County

Income

A Fort Lewis College study in 2003-04 estimated that the natural gas industry in La Plata County represents 22% of total personal income.

The natural gas industry in 2003 resulted in 205 direct jobs and 623 additional jobs in related industries. A 2012 study bumped up the total of direct jobs to 1,350.

In 2003/04, the natural gas industry paid an average of \$84,000 per year while that average annual wage for the total population was \$28,000. By 2009, this average wage was up to \$112,000. The 2012 total for the industry was \$116.7 million in wages,

Taxes and Grants

In 2007, the oil and gas industry contributed 66% of total tax revenues for La Plata County. This dropped to 54.6% in 2010 and 49% in 2012. This still accounted for \$12.6 million in tax revenues, including more than \$3.5 million for public safety.

Local purchases by the industry, its workers and royalty recipients generate \$6.2 million in sales tax revenue per year

Without the tax revenues generated by industry, property taxes for residents and businesses would have to rise between 300 and 800 percent

The county's school districts, such as Bayfield and Durango, relied on oil and natural gas to generate 48 percent and 32 percent, respectively, of property tax proceeds.

From 1990 to 2009, the state gave La Plata County \$56 million in energy impact grants

The Decline

Nationally, current prices are at a 10-year low because of a surplus of gas on the market caused by advances in fracking technology. Gas prices fell from \$5.72 per million cubic foot at the beginning of 2010 to \$1.90 per mcf this month. Part of the taxes paid by the industry come from the value of the gas on the market. So, county tax revenue has dropped with the price of gas.

Since 2005, production of conventional and coal-bed methane countywide has fallen about 10 percent. The number of permits has declined from 328 in 2007 to 99 in 2011. Many companies are moving operations to North Dakota where gas is more accessible.

Long-term there is enough gas in the ground for at least 20-30 years more of drilling. How long the natural gas lasts depends on further advances in drilling technology. But if profits are greater drilling in other parts of the county, our gas could stay in the ground.

Quality of Life Factors

Environment - Coal-fired power plants in New Mexico cause ozone, particulate matter, and especially mercury pollution in La Plata County. Mesa Verde has recorded some of the highest mercury levels in the nation and there are fish advisories on five lakes and reservoirs in the region.

Health Care

- In 2007, 25% of people in the county did not have health insurance.
- The costs to deliver health care to our region is higher than in urban areas
- The local population is aging, putting strains on the health care system
- The high cost of living discourages more health care providers from moving here
- The number of providers accepting Medicare and Medicaid are limited

Housing

- In 2013 there were 26,455 total housing units in the county with 17% vacant but much of this is from vacant second homes.
- 21% foreclosure rate in La Plata County in the last quarter of 2010, mostly second homes
- In 2010, the median home price in the county was \$300,000 and \$325,000 in Durango
- The median income in the county corresponds to a purchase price of \$220,000
- A study estimated 26% of homes purchased in the county were from non-local buyers

Transportation

- Cost of housing has caused more people to live beyond the reach of public transit
- A 2008 transit study showed that 96% of the transit need in the region was unmet
- There are currently no freight distribution centers in the region, creating a reliance on high-cost trucking to get materials in and out of the county.

Recreation - A study estimates that Lake Nighthorse will draw 163,000 visitors a year who will spend an additional \$8 million per year in the county.

Agriculture

- Strong demand for local food is frustrated by lack of supply
- High cost of land, harsh growing conditions, and lack of new farmers keep supply low
- Lack of storage and distribution facilities makes connecting with customers difficult
- Lack of commercial kitchen space frustrates home-based food businesses
- Agriculture is shifting from basic grains to niche fruit and vegetable production

Education

- 94% of people over 25 living in La Plata County have a high school diploma
- 41% of people over 25 have a college degree

SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis

Strengths

- La Plata County's quality of life (e.g. abundance of recreation, scenic beauty, educational system, Fort Lewis College, Southwest Colorado Community College, small-town living)
- Relatively low property taxes
- Scenic and vast public lands and resources
- Lifestyle - climate/weather, natural resources, sense of community, healthy and active lifestyle, livable communities, high degree of civic engagement
- Highly educated workforce
- Regional center - health facilities, strong base of goods/services, banking, arts/entertainment
- Tourism assets
- Infrastructure- airport, water, transportation hub

Weaknesses

- Reliance on oil and gas revenues
- Low paying jobs
- High housing costs
- Government inefficiencies- too many special districts and poor county planning processes
- Lack of telecommunications and broadband infrastructure in the outlying areas
- Identification of and cost of land for commercial, and business recruitment and/or expansion
- Improvement of workforce to meet business and community needs
- Proximity to markets and transportation of goods and services
- Economic leakage

Opportunities

- Airport: 90% of market share, ease of access and affordability of access to other markets
- Project to extend broadband throughout County
- Development of telecommuter businesses
- Educational System- MA/MBA programs, continuing education
- Continuous stream of college graduates who would like to stay in the area
- Abundant water supply for additional growth
- Health care - Mercy/Axis, abundance of alternative medicine, regional medical industries, etc.
- Southern Ute Indian Tribe/Growth Fund
- Vital downtown in Durango

Threats

- Decline of oil and gas development
- Funding cuts in higher education, transportation, public health and human service programs
- Aging population
- Drought and wildfires
- Potential for urban sprawl to impact the natural environment and tourism
- Real estate market- second homes, continued high prices, etc
- Potential for lack of collaboration locally
- High energy costs making it more difficult to get products to market
- Ability to retain local businesses