
K. ECONOMY

1. Concepts and Terminology

The previous sections on population, income, labor force, and employment serve as indicators or reflections of economic conditions, but do not describe the underlying economic structure which is producing them. Our purpose in this section is to concentrate on the business and industry sectors which are the driving forces behind the Valley's economy, and the basic economic activities which are making them happen.

We would also make a distinction between economic and retail development. Economic development seeks to create wealth by attracting basic (or primary) income and jobs. This creates outside dollars that are redistributed within the community in the form of wages. Not only does economic development create wealth, it also expands the tax base, and economic development is long-term in focus.

A brief review of terms used is as follows:

- **Economic base** --- The aggregate of industry segments (or portions of them) which bring in outside dollars by exporting products or services (e.g., ag products, manufactured goods), or draw new money into the economy (e.g., tourism, regional trade, retirement income).
- **Direct basic activities** --- Industries which are the original source of new dollars, and the direct income and employment reported in these industries.
- **Indirect basic activities** --- Additional jobs and income generated by local purchases of business supplies and services which support the direct basic activities.
- **Residential services** --- Additional jobs and income generated when local residents spend their earnings (or transfer payments) at the local store or medical facility (or by paying taxes to support schools, police).
- **All income/All employment** --- The sum of direct basic, indirect basic, and residential services income or employment.

Decisions regarding what constitutes "basic" depend on the geographic perspective. A supermarket in Alamosa, for example, may have a significant draw of basic income to Alamosa County from sales to residents of other counties in the Valley; but the only activities which would count as basic when going beyond the region borders would be those having enough draw to attract regular customers from other regions or states.

2. Economic Base Analysis --- Region (Table K-1)

Table K-1 shows the Valley's 2005 total basic income at \$379,233,000. According to the model, over one-third of the regional economy is getting its basic income input from unearned sources. This is in spite of the \$143,637,000 contribution provided by Agriculture (37.9%), which ranks as the Valley economy's # 1 driver. The Household sector

as a whole, however, provides a near tie at \$137,233,000 (36.2%). The economy activity created by Retirees (\$81,405,000/21.4%) makes up the largest portion under Households. With all its potential, the influence of Tourism (\$43,508,000/11.5%) is tied in third place with Public Assistance (\$43,502,000/11.5%).

Activity in the Regional Center sector is created by spending from residents in other counties, and benefits Alamosa County the most because of Alamosa County's concentration of retail and service establishments. Since it reflects inter-county trading only, and does not attract spending from outside the Valley, the total of basic income for Regional Center at the San Luis Valley level is zero. Commuting activity also cancels out among the counties and drops to zero at the regional level.

Basic income makes it possible for additional economic activity to be created by the spending of savings and earnings derived from the basic income sources, which is included under Local Resident Services. At the regional level, Local Resident Services was estimated at \$486,069,000, larger than base income itself which was the driving force. When added to base income, the total for the region is \$865,302,000, but still not large enough to equal the Total Personal Income number of \$1.1 billion, which is the most comprehensive measure we have of the regional economy.

3. Economic Base Analysis --- Counties (Table K-1)

Base analyses for individual counties in Table K-1 also show a strong reliance on unearned income sources, but some are different. The summaries that follow list the base industry groups in rank order of income importance to the county:

- **Alamosa** --- A tie in first place with Regional Center (21.9%) and Indirect (suppliers), followed by Retirees (15.9%); Agriculture (13.6%); Government (10.9%); Tourism (10.0%); and Public Assistance (9.3%).
- **Conejos** --- Retirees (21.9%); Commuters (16.7%); Public Assistance (15.1%); Agriculture (12.1%); and Tourism (7.0%).
- **Costilla** --- Retirees (25.8%); Agriculture (21.1%); Commuters (15.6%); and Public Assistance (14.1%).
- **Mineral** --- Tourism (60.5%); Retirees (28.6%); and Commuters (24.9%).

- **Rio Grande** --- Agriculture (50.2%); Retirees (14.7%); Indirect (8.2%); Tourism (7.7%); Public Assistance (6.3%); and Government (5.1%).
- **Saguache** --- Agriculture (38.1%); Retirees (15.2%); Commuters (10.5%); Public Assistance (8.1%); Tourism (7.0%); Indirect (6.9%); and Government (5.7%).

4. Major Employers (Table K-2)

As a supplement to statistical tables on the economy, we are also providing a list of major establishments by county, location, industry sector, and 2006 annual average employment in 6 bracketed size ranges. As stated in the footnotes, we initially selected 20 or more employees as the starting criteria for defining a “major” employer.

The largest employers of 100 or more average employment are as follows. The listing within the size group was not intended to imply a rank order:

- 400 and over --- SLV Regional Hospital, Adams State College
- 300-399 --- Wal Mart, Alamosa Schools
- 200-299 --- Rakhra Mushroom Farm, Alamosa County, Smokin Spuds, Monte Vista Schools
- 100-199 --- Trinidad State Junior College, Valley Wide Health Services, SLV Comprehensive Mental Health Center, City of Alamosa, SLV Board of Cooperative Services, North Conejos SD, Conejos County Hospital, Conejos County, Costilla County, Wolf Creek Ski Corp, Del Norte Schools, Rio Grande County, Growers Company, Center Consolidated SD, Saguache County

5. Construction Activity (Table K-3)

Table K-3 provides information on building permits used by the SDO as part of the background data for estimating population. The year 2000 may have contained incomplete data. A review of the data show a peak in building permits in 2001, a sharp drop in 2004, and further decline in 2006 after a brief bump in 2005. According to information used in the table, Conejos County building activity between the years of 2001-2003 had the best showing.

When viewing the 6-year total of permits from 2001-2006, Conejos had 31.1%, and Rio Grande and Saguache were tied with 25.6% each.

6. Multipliers (Table K-4, K-5)

The multipliers in Table K-4 are used to approximate a project’s total economic impact, including direct spending and employment of the project itself, and the “secondary” or “induced” effects created by the direct activities. An example of how they are applied is in Table K-5.

The notion that a dollar turns over 7 times and this is the multiplier is a frequent misconception which leads to exaggerated claims of economic impact. It is not the number of times a dollar turns over that counts, it is only the fraction of the dollar that still remains in the area after each spending turn that creates the multiplier effect.

A hypothetical example would be a gas station, which spends \$.85 of every dollar it receives to purchase gasoline from a pipeline company in Colorado Springs. If all of the remaining \$.15 was spent inside the community, the multiplier would not be greater than 1.150. The actual input/output process used by the RIMS model to determine multipliers is much more involved than this example, but uses a similar logic.

How large or small a multiplier is for a given industry depends on the extent to which the supplies and services for that industry are produced within the area of measurement. Multipliers for the same industry in the Valley would normally be lower than Colorado Springs or Denver, where there is a greater likelihood that supplies used by the industry are manufactured in the same city or county. Multipliers for the same industry at the statewide level would be even higher.

A quick glance at the multipliers in the table gives an indication of a particular industry's potential income and employment impact on the area. In the earnings column for example, multipliers in the manufacturing group range from 1.477 for printing and publishing, to 5.054 for meatpacking. In services, the range is 1.367 for home healthcare services to 2.064 for racing.

Many more factors would normally be taken into account when considering a new business prospect, but reference to the multipliers is a basic starting place. Some of most notable limitations to the RIMS model is its age (based on 1992 input/output analysis), and the fact that it covers 8 more counties in addition to the Valley.

A new Input/Output study was recently completed, which includes five of the San Luis Valley counties with others in Southeast Colorado and uses a different set of multipliers. We opted to use the existing set based on Southwest Colorado until the new series can be fully analyzed.

Table K-1

San Luis Valley 2005 Base Industry Income by County and Region

(In \$ Thousands)

Base Industry	Alamosa County		Conejos County		Costilla County		Mineral County	
	Amount	Pct % Basic	Amount	Pct % Basic	Amount	Pct % Basic	Amount	Pct % Basic
Agriculture	\$20,608	13.6 %	\$7,359	12.1 %	\$6,042	21.1 %	\$17	0.2 %
Production	12,714	8.4	4,641	7.6	3,292	11.5	17	0.2
Processing	3,029	2.0	912	1.5	1,762	6.2	-	-
Inputs	4,866	3.2	1,806	3.0	988	3.5	-	-
Mining	1,655	1.1	2,321	3.8	467	1.6	73	0.8
Manufacturing	1,304	0.9	426	0.7	773	2.7	35	0.4
Regional Center	33,115	21.9	2,481	4.1	627	2.2	181	2.0
Tourism	15,138	10.0	4,286	7.0	932	3.3	5,627	60.5
Government	16,402	10.9	3,563	5.8	1,324	4.6	447	4.8
Indirect (suppliers)	33,150	21.9	6,431	10.6	1,710	6.0	261	2.8
Households	29,711	19.7	34,080	55.9	16,735	58.5	2,654	28.6
Retirees	23,948	15.9	13,373	21.9	7,370	25.8	2,315	24.9
Commuters	-12,146	-8.0	10,199	16.7	4,471	15.6	-735	-7.9
Public Assistance	14,093	9.3	9,206	15.1	4,040	14.1	537	5.8
Dividends, interest/rents	3,816	2.5 %	1,301	2.1	854	3.0	537	5.8
Total Base Income	\$151,083	100.0 %	\$60,497	100.0 %	\$28,609	100.0 %	\$9,295	100.0 %
Local Resident Services ⁴⁾	\$233,853		\$50,329		\$22,993		\$11,929	
Total All Industries	\$384,936		\$111,276		\$51,602		\$21,224	
Total Personal Income ⁵⁾	\$398,902		\$165,090		\$77,751		\$24,258	

Base Industry	Rio Grande County		Saguache County		San Luis Valley	
	Amount	Pct % Basic	Amount	Pct % Basic	Amount	Pct % Basic
Agriculture	\$88,340	50.2 %	\$21,271	38.1 %	\$143,637	37.9 %
Production	20,765	11.8	10,500	18.8	51,929	13.7
Processing	13,469	7.7	2,200	3.9	21,372	5.6
Inputs	54,106	30.8	8,572	15.3	70,336	18.6
Mining	1,224	0.7	129	0.2	5,869	1.5
Manufacturing	2,220	1.3	1,563	2.8	6,321	1.7
Regional Center	6,997	4.0	1,731	3.1	0 ¹⁾	
Tourism	13,594	7.7	3,931	7.0	43,508	11.5
Government	8,950	5.1	3,167	5.7	33,853	8.9
Indirect (suppliers)	14,449	8.2	3,841	6.9	8,617 ⁴⁾	2.3
Households	40,131	22.8	20,238	36.2	137,428	36.2
Retirees	25,904	14.7	8,495	15.2	81,405	21.4
Commuters	-1,525	-0.9	5,856	10.5	0 ³⁾	
Public Assistance	11,105	6.3	4,521	8.1	43,502	11.5
Dividends, interest/rents	4,647	2.6 %	1,366	2.4	12,521	3.3
Total Base Income	\$175,904	100.0 %	\$55,872	100.0 %	\$379,233	100.0
Local Resident Services ⁴⁾	\$126,670		\$40,295		\$486,069	
Total All Industries	\$302,575		\$96,166		\$865,302	
Total Personal Income ⁵⁾	\$348,666		\$129,890		\$1,144,557	

Source: Colorado Demography Office, 2005 Base Industry Analysis, 11/15/06.

Base Industry Description: Base industry activities are the main drivers of the economy of a county or region, and are differentiated from other economic sectors by their ability to generate a flow of new income and spending on which the others depend.

Approximation of regionwide base industry income: Region totals were based on our assumptions in consultation with CEO researchers.

Footnotes: 1) Market range for Regional Center establishments (such as Wal-Mart, supermarkets, hospitals) was considered insufficient to generate base income from outside the region. 2) The regional total for Indirect was approximated as a percentage of the sum of county indirect to the sum of all other basic industry sectors. 3) Inter-county commuting, resulting in base losses to some counties and increases to others, cancel out at the regional level. 4) Local Resident Services refer to the additional economic activity created by the spending of earnings and income from basic industries. 5) Total Personal Income is the most comprehensive measure of an area's income from all sources, and also includes savings.

Table K-2

Major Employers, 2006- 2007

Alamosa County								
Establishment	Location	Industry Sector	Number of Employees					
			20 - 49	50 - 99	100 - 199	200 - 299	300 - 399	400+
White Mountain Farms/Ranch	MO	Crop production	X					
Segundo Diaz	AL	" "	X					
Rakra Mushroom Farm	AL	Crops Grown Undercover				X		
Damas Sanchez	AL	Crop Harvesting	X					
Rock Products	AL	Crushed Stone	X					
Excel Energy	AL	Electric Power Distribution	X					
Colorado Department of Transportation	AL	Highway Maintenance	X					
Asphalt Construction	AL	Asphalt Paving	X					
Alpine Electric	AL	Electrical Contractors	X					
Valley Electric	AL	" "	X					
Vendola Plumbing & Heating	AL	Plumbing Contractor	X					
Alcon Construction	AL	Commercial Construction	X					
Rustic Log Furniture	AL	Furniture Mfg.	X					
US Tractor & Harvest	AL	Farm Implements	X					
Pacific Holdings	AL	Wholesale Trade	X					
Town & Country Car & Truck Center	AL	Auto Dealer		X				
Haynie's	AL	Auto Parts	X					
Big R Stores	AL	Farm and Ranch Retail	X					
Safeway Stores	AL	Grocery Store		X				
City Market	AL	" "		X				
Walgreen's	AL	Pharmacy	X					
JC Penny's	AL	General Merchandise	X					
Wal Mart	AL	" "					X	
Bill Clark Truck Line	AL	Truck Transportation	X					
US Postal Services	AL	Postal Service		X				
United Postal Services	AL	" "	X					
Alamosa Newspaper	AL	Newspaper Publisher	X					
Murphy Theatre	AL	Movie Theatre	X					
San Luis Valley Federal Bank	AL	Financial Institution	X					
First Southwest Bank	AL	" "	X					
Alamosa National Bank	AL	" "	X					
San Luis Valley HMO	AL	Health Insurance	X					
Dell's Insurance	AL	Insurance Carrier	X					
Landmark Management Group	AL	Real Estate	X					
Wall, Smith, Bateman & Associates	AL	Accountants	X					
Davis Engineering	AL	Engineering Services	X					
Valley Health Services	AL	Organizational Management		X				
Blue Peaks Developmental Services	AL	" "	X					
Alamosa School District	AL	K-12 Education					X	
Sangre de Cristo School District	MO	K-12 Education		X				
Trinidad State Junior College	AL	Junior College			X			
Adams State College	AL	4-Year College						X
Valley Wide Health Services	AL	Medical Clinic			X			

Table K-2 (Continued)

Establishment	Location	Industry Sector	Number of Employees					
			20 - 49	50 - 99	100 - 199	200 - 299	300 - 399	400+
SLV Comprehensive Mental Health	AL	Outpatient Mental Health			X			
Life Center at Home	AL	Home Health Care	X					
SLV Regional Medical Care	AL	Hospital						X
San Luis Care Center	AL	Nursing Home		X				
Evergreen Nursing Home	AL	" "		X				
The Bridge	AL	Assisted Living		X				
SLV Nutritional Program for Elderly	AL	Services for Elderly	X					
Blue Peaks Developmental Services	AL	Services for Disabled		X				
Red Willow	AL	Services for Elderly & Transit	X					
La Puente Home	AL	Home Shelter	X					
Alamosa Head Start	AL	Child Care	X					
Great Sand Dunes Lodge and Oasis	AL	National Park Management	X					
Valley Health and Fitness	AL	Fitness Center	X					
Boys and Girls Club	AL	Youth Center	X					
Inn of the Rio Grande	AL	Lodging		X				
Grizzly Inn	AL	" "	X					
Holiday Inn Express	AL	" "	X					
Comfort Inn	AL	" "	X					
Calvillo's	AL	Restaurant	X					
SLV Brewery Company	AL	Brew Pub	X					
Oscar's	AL	Restaurant	X					
Hunan's	AL	" "	X					
McDonald's	AL	" "		X				
Domino's Pizza	AL	" "						
Sonic Drive- Inn	AL	" "	X					
Wendy's	AL	" "	X					
Kentucky Fried Chicken	AL	" "	X					
Arby's	AL	" "	X					
Armark	AL	Food Services	X					
Alamosa County	AL	County Government				X		
City of Alamosa	AL	City Government			X			
Colorado State Patrol	AL	Law Enforcement	X					
Colorado	AL	Court System	X					
SLV Board of Coop. Services	AL	Educational Support Services			X			
Colorado Div. of Natural Resources	AL	Wildlife Management	X					
Department of Interior	AL		X					

Conejos County

Perlite, Inc./ Dicaperl	AN	Nonmetallic Minerals	X					
Silver Fox /Conejos Jewelry	MA	Jewelry Mfg.	X					
La Jara Trading Post	LJ	Lumber and Hardware	X					
Jack's Market	LJ	Grocery Store	X					
Hometown Food Market	AN	" "	X					
North Conejos School District	LJ	Public School			X			
Sanford School District	SA	" "		X				
South Conejos School District	AN	" "		X				
Conejos County Hospital	LJ	Hospital			X			
Rocky Mountain SER	CO	Child Care	X					
Conejos County	CO	Country Government			X			
Rio Grande National Forest	LJ	National Forest Management	X					

Table K-2 (Continued)

Costilla County

Establishment	Location	Industry Sector	Number of Employees					
			20 - 49	50 - 99	100 - 199	200 - 299	300 - 399	400+
Three S Ranch	BL	Crop Production	X					
San Luis Hills Farm	FG	Crop Production	X					
Blanfort, Inc.	BL	Potato Wholesale		X				
Centennial School District	SL	Public School		X				
Sierra Grande School District	BL	" "		X				
Costilla County	SL	County Government			X			

Mineral County

Creede Consolidated School District	CR	Public Schools	X					
Creede Repertory Theatre	CR	Performing Arts	X					
Wolf Creek Ski Comp.	PS	Ski Area			X			
4 UR Ranch	CR	Dude Ranch	X					
Mineral County	CR	County Government	X					

Rio Grande County

Smoking Spuds	MV	Crop Production				X		
Grower Shipper Potato	MV	" "		X				
Worley and McCullough	MV	" "		X				
Spud Seller	MV	" "		X				
Harvest Standard	MV	" "	X					
Aspen Produce	CE	" "	X					
Metz Potato Company	MV	" "	X					
Monte Vista Potato Growers	MV	" "	X					
Del Norte Potato Growers	DN	" "	X					
Farming Technology	MV	" "	X					
SLV Rural Electric	MV	Electric Power Distribution		X				
SLV Earth Movers	MV	Construction	X					
SLV Quality Concrete	MV	Concrete Contractor	X					
Idaho Pacific	CE	Potato Processing		X				
Kzee Manufacturing	CE	Transportation equipment	X					
Farm Fresh Direct	MV	Potato Wholesale Distribution	X					
Monte Vista Co-op	MV	Farmer Cooperative		X				
Lanoga Corp.	SF	Building Supply	X					
Jack's Market	DN	Grocery Store	X					
Jack's Market	MV	" "	X					
Rainbow Lodge & Grocery	SF	" "	X					
Safeway Stores	MV	" "	X					
Alco	MV	General Merchandise	X					
Hi-land Potato Company	MV	Potato Warehouse	X					
Rio Grande Savings and Loan	MV	Bank	X					
Monte Vista Public Schools	MV	Public School				X		
Del Norte Consolidated School District	DN	" "			X			
Sargent School District	MV	" "		X				
Monte Vista Ambulance	MV	Ambulance Service		X				
Rio Grande Hospital	DN	Hospital		X				
Juniper Meadows	MV	Nursing Home		X				

Table K-2 (Continued)

Establishment	Location	Industry Sector	Number of Employees					
			20 - 49	50 - 99	100 - 199	200 - 299	300 - 399	400+
Sate Veterans Home	MV	" "		X				
Colorado Dept. Social Services	DN	Social Services		X				
Casa Luminary	DN	Nursing Home		X				
The Legacy	MV	" "		X				
Monte Vista Community Center	MV	Community Center	X					
Rio Grande Club	SF	Private Golf Course	X					
Movie Manor	MV	Lodging	X					
Fun Valley	SF	Private Campground	X					
WKRP	MV	Radio Station	X					
Sonic Drive- In	MV	Restaurant	X					
Mountain View Restaurant	MV	" "	X					
Brimhall Industrial Machine	MV	Industrial Machinery Region	X					
Rio Grande County	DN	County Government			X			
City of Monte Vista	MV	City Government	X					
Rio Grande NF/BLM	MV	Public Land Management		X				
Colorado Div. of Wildlife	MV	Wildlife Management	X					
Colorado Dept. of Agriculture	MV	Ag Inspection Services	X					

Saguache County

Summit Farms	CE	Crop Farming	X					
M & M Grain and Produce	CE	" "	X					
Southern Colorado Farms	CE	" "	X					
SAM Investments	CE	" "	X					
Skyline Potato Company	CE	Crop Farming & Harvesting		X				
Pepper Potato Farm	CE	" "	X					
Apex Produce	CE	" "	X					
Growers Company	CE	Farm Labor Contractor			X			
Mountain Valley Lumber	SG	Sawmill	X					
Mountain Valley Produce	CE	Potato Wholesale		X				
Center Consolidated School District	CE	Public School			X			
Moffat Consolidated School District	MF	" "		X				
Mountain Valley School District	SG	" "	X					
Center Head Start	CE	Child Care	X					
Saguache County	SG	County Government			X			
Rio Grande National Forest	SG		X					

Source: Quarterly Census of Employment and Wages (QCEW), Colorado Department of Labor and Employment, 2006 Annual Average Employment from 2006 firm listings.

Location Key: AL= Alamosa AN= Antonito BL= Blanca CE= Center CO= Conejos CR= Creede
 DN= Del Norte FG= Fort Garland LJ=La Jara MA=Manassa MF=Moffat MO=Mosca MV=
 Monte Vista PS= Pagosa Springs SA=Sanford SF= South Fork SG= Saguache SL= San Luis

Table K-3

Building Permits, 2000-2006

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	Total for yrs. <u>2001- 2006</u>	<u>Per. %</u>
Alamosa	46	65	51	58	57	45	32	249	10.9
Conejos	0	193	154	212	38	47	37	711	31.1
Costilla	0	0	0	0	0	26	24	50	2.2
Mineral	0	14	15	16	17	19	25	106	4.6
Rio Grande	0	123	81	88	101	100	93	586	25.6
Saguache	<u>0</u>	<u>134</u>	<u>106</u>	<u>77</u>	<u>86</u>	<u>106</u>	<u>74</u>	<u>583</u>	<u>25.6</u>
San Luis Valley	46	529	447	451	299	343	285	2,285	100.0

Source: State Demography Office, November 2007.

Table K-4

RIMS Multipliers - Southwest Agriculture & Recreation Region, 1997

Industry	Earnings	Employment	Sales
Agriculture and Forestry			
Dairy farm products	2.570	2.059	2.333
Poultry and eggs	2.264	1.846	1.832
Meat animals	2.890	2.567	2.595
Misc livestock	2.003	1.654	1.912
Food grains	1.899	1.529	1.694
Feed grains	2.112	1.679	1.770
Grass seeds	1.610	1.324	1.408
Vegetables	1.924	1.600	1.794
Misc crops	2.692	2.211	2.029
Oil bearing crops	1.960	1.664	1.808
Greenhouse and nursery products	1.487	1.314	1.524
Forestry products	4.593	3.087	2.034
Ag services	1.484	1.301	1.982
Landscape and horticultural services	1.495	1.400	1.909
Mining			
Nonferrous metal ores	2.240	3.416	1.972
Oil and natural gas	1.998	2.647	1.798
Crushed and broken stone	1.535	1.668	1.559
Sand and gravel	1.487	1.688	1.604
Nonmetallic mineral services	1.552	2.015	1.584
Construction	1.674	1.845	1.698
Manufacturing			
Meat packing plants	5.054	7.316	3.276
Canned vegetables	2.291	2.191	1.513
Dehydrated vegetables	2.116	2.036	1.553
Flour and grain mill	4.882	9.401	2.151
Prepared feeds	3.531	4.709	1.718
Bread and related products	1.595	1.858	1.629
Malt beverages	1.888	3.095	1.250
Bottled and canned soft drinks	2.082	2.573	1.399
Manufactured ice	1.560	1.612	1.546
Textile mill products	1.487	1.449	1.377
Apparel	1.680	1.488	1.527
Logging	2.823	3.342	1.979
Sawmills and planing mills	2.509	2.730	2.346
Special products mills	1.960	2.061	2.105
Millwork	1.873	2.051	1.960
Structural wood members	1.914	2.070	2.022
Wood products, NEC	1.641	1.541	1.779
Printing and publishing	1.477	1.657	1.540
Industrial chemicals	1.780	3.209	1.538
Fertilizers	1.932	1.845	1.568
Drugs	1.651	2.384	1.430
Pottery products	1.503	1.299	1.690
Concrete block and brick	1.732	1.875	1.721
Concrete products	1.589	1.748	1.625
Ready-mix concrete	1.952	2.263	1.725
Minerals, ground or treated	1.938	2.355	1.674
Nonmetallic mineral products	1.579	1.739	1.560
Fabricated metals	1.549	1.868	1.405
Electric and electronic components	1.487	1.899	1.474
Transportation equipment	1.549	2.729	1.425
Instruments	2.652	4.455	1.254
Jewelry, precious metal	1.690	1.426	1.506

Table K-4 (Continued)

Industry	Earnings	Employment	Sales
Jeweler's materials and lapidary work	1.693	1.291	1.515
Silverware and plated ware	1.554	1.316	1.545
Costume jewelry	1.583	1.326	1.551
Games and toys	1.752	1.710	1.523
Sporting and athletic goods	1.775	1.622	1.599
Fasteners, buttons, needles, pins	1.494	1.325	1.551
Transportation, Communication, & Utilities			
Railroads and related services	1.515	2.072	1.644
Transit	1.448	1.389	1.601
Trucking	1.702	1.894	1.745
Warehousing and storage	1.696	1.658	1.725
Freight forwarders	1.646	1.615	1.746
Communications	1.814	3.927	1.572
Electric, gas, and sanitary services	2.462	4.709	1.764
Trade			
Wholesale trade	1.517	1.894	1.576
Retail trade	1.500	1.382	1.684
Finance, Insurance, and Real Estate			
Finance	1.745	1.888	1.595
Insurance	1.636	1.918	1.793
Real estate	2.784	1.824	1.334
Services			
Hotels	1.551	1.416	1.700
Other lodging places	1.860	1.555	1.739
Personal services	1.566	1.373	1.740
Business services	1.485	1.603	1.725
Eating and drinking establishments	1.564	1.306	1.668
Motion picture production	1.635	1.700	1.797
Theatrical producers	1.655	1.645	1.798
Bowling centers	1.476	1.197	1.780
Racing	2.064	1.873	1.959
Other amusement and recreation	1.527	1.370	1.667
Doctors and dentists	1.432	1.995	1.895
Hospitals	1.490	1.695	1.719
Nursing and personal care facilities	1.409	1.378	1.822
Home healthcare services	1.367	1.339	1.752
Other medical and health services	1.432	1.589	1.666
Elementary and secondary schools	1.586	1.340	2.045
Colleges and universities	1.665	1.461	1.930
Vocational schools	1.619	1.299	1.596
Religious organizations	1.404	1.366	1.919
Child day care services	1.498	1.260	1.726
Residential care	1.526	1.477	1.882
Government			
U.S. Postal Service	1.331	1.625	1.754
Federal	1.342	1.279	1.347
State and local	2.110	2.736	1.945

Source: Demography Section, Division of Local Government, Colorado Department of Local Affairs, January 1999. Southwest Agricultural and Recreation Region includes the six San Luis Valley counties plus Archuleta, Dolores, Hinsdale, La Plata, Montezuma, Ouray, San Juan, and San Miguel. These are the RIMS (Regional Input-Output Modeling System) multipliers prepared by the U.S. Bureau of Economic Analysis using the inter industry relationships contained in the most recent (1992) input-output study. The additional impacts of private sector activities on state and local government revenues and services as as estimated by CDLG are included.

Table K-5

RIMS Multipliers – How to Apply

Example Industry: Instruments manufacturing

Base Data (Direct impacts – annual)

- * Payroll - \$312,000
- * Employment – 10
- * Annual sales - \$2.0 million

Industry Multipliers

- * Employment – 4.455
- * Earnings – 2.652
- * Sales – 1.254

Estimate of Direct & Indirect Impacts (annual)

*** Estimating the Total Impact (Direct & Indirect)**

$$\$312,000 \times 2.652 = \$827,424$$

Employee payroll spending will generate an additional \$515,424 of earnings in other sectors of the county/regional economy.

*** Employment impact –**

$$10 \times 4.455 = 44.55$$

10 jobs at the firm generates an additional 34.55 jobs in the county/region.

*** Sales impact –**

$$\$2.0 \text{ million} \times 1.254 = \$2.508 \text{ million}$$

Sales produced by the firm generate an additional \$508,000 in sales in other sectors of the county/regional economy.

Source: Procedure advised by Demography Section, March 2002. This method produces a very rough approximation of the impacts, subject to further data inputs, adjustments, and refinements.