

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 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 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 distributed 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 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 that 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 2010 total base industry income at \$525,176,000. According to the Colorado State Demography Office, nearly a quarter of the regional economy gets its basic income input from unearned sources. This is in spite of the \$162,569,000 contribution provided by Agriculture (31percent) which ranks as the Valley economy's number one economic driver.

The Household sector follows as the second most important source of base income providing

\$125,142,000, about 24 percent. The economy activity created by Retirees (\$75,979,000/14.5 percent) makes up the largest portion under Households.

With all its potential, Tourism (\$40,770,000/7.8 percent) comes in at fourth place behind Government (\$78,509,000/14.9 percent) and Regional Center (105,078,000/20 percent).

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 \$152,095,000. When added to base income, the total for the region is \$737,900,000, 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 agriculture and unearned income sources. The summaries that follow list the base industry groups in rank order of income importance to the county:

- **Alamosa** - Regional Center (34.1 percent); Government (27.5 percent); Agriculture (16.7 percent); Retirees (11.9 percent); and Tourism (11.9 percent).
- **Conejos** – Agriculture (25.8 percent); Commuters (19.3 percent); Retirees (17.9 percent); Regional Center (9 percent); and Tourism (6.8 percent).
- **Costilla** - Agriculture (35.5 percent); Retirees (19.9 percent); Commuters (16.2 percent); and Public Assistance (9.5 percent).
- **Mineral** - Tourism (68.9 percent); Retirees (21.7 percent); and Dividends (5.8 percent).
- **Rio Grande** - Agriculture (47.9 percent); Retirees (15.5 percent); Regional Center (12.1 percent); Government (8.7 percent); Public Assistance (5.2 percent); and Tourism (4.9 percent).
- **Saguache** - Agriculture (46 percent); Regional Center (15.6 percent); Retirees (12.8 percent); Government and Commuters (6.3 percent); and Public Assistance (4.7 percent).

4. Major Employers (Table K-2)

To supplement statistical tables on the economy, we provide a list of major establishments by county, location, industry sector, and 2012 annual average employment in five bracketed size ranges. As stated in the footnotes, we 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:

- 250-499 – Alamosa County, Alamosa School District, SLV Health, Walmart Supercenter.
- 100-249 – Adams State University, City Market, Colorado Department of Transportation, San Luis Valley BOCES, Town and Country Car and Truck Center, Conejos County, North Conejos School District, Conejos County Hospital, Costilla County, Monte Vista Co-op,

Mount King Potatoes, Rio Grande Hospital, Center School.

5. Construction Activity (Table K-3)

Table K-3 provides information on building permits from the Census. A review of the data shows a peak in building permits in 2006 for the region with a sharp drop in 2008, and a decline in 2011. For the period 2006 to 2011, residential building permits dropped over 58 percent with the largest decline in Rio Grande County, 84.9 percent.

When viewing the six-year total of permits from 2006-2011, Saguache County had 25.8 percent of the permits issued in the Valley; Rio Grande County had 21.8 percent; and Alamosa had 20.6 percent

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 seven times and is an accurate multiplier to determine economic impact 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 remaining 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 supplier. 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 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 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 eight more counties in addition to the Valley.

A newer input/output study based on a 1997 input/output and 1992 data is available, however it places five of the six counties of the San Luis Valley with other counties in Southeast Colorado and uses a different set of multipliers. We have chosen to use the multipliers based on the Southwest Colorado Agriculture and Recreation Region because it includes all of the six counties in the region and more closely resembles the makeup of the region's economy.

Table K-1

San Luis Valley 2010 Base Industry Income by County and Region

(In \$ Thousands)

Base Industry	Alamosa		Conejos		Costilla		Mineral	
	Amount	% Basic	Amount	% Basic	Amount	% Basic	Amount	% Basic
Agriculture	\$33,418	16.7	\$14,687	25.8	\$10,741	35.5	-\$268	-2.2
Production	25,235	12.6	11,107	19.5	7,974	26.3	-304	-2.5
Processing	4,611	2.3	2,386	4.2	2,103	6.9	0	0.0
Inputs	3,572	1.8	1,194	2.1	664	2.2	36	0.3
Mining	1,329	0.7	1,677	2.9	372	1.2	11	0.1
Manufacturing	2,814	1.4	283	0.5	627	2.1	32	0.3
Regional Center	68,261	34.1	5,132	9.0	1,777	5.9	368	3.0
Tourism	16,853	8.4	3,854	6.8	929	3.1	8,349	68.9
Government	55,004	27.5	3,679	6.5	1,192	3.9	531	4.4
Households	22,279	11.1	27,586	48.5	14,637	48.3	3,101	25.6
Retirees	23,776	11.9	10,172	17.9	6,040	19.9	2,628	21.7
Commuters	-14,913	-7.5	10,965	19.3	4,906	16.2	-664	-5.5
Public Assistance	8,547	4.3	5,050	8.9	2,865	9.5	428	3.5
Dividends, interest/rents	4,869	2.4	1,399	2.5	826	2.7	709	5.8
Total Direct Base Income	\$199,958	100.0	\$56,897	100.0	\$30,276	100.0	\$12,124	100.0
Indirect (suppliers)	34,199		6,575		1,585		504	
Local Resident Services ⁴⁾	\$110,009		\$3,769		-\$1,496		\$1,150	
Total All Industries	\$344,165		\$67,241		\$30,365		\$13,778	
Total Personal Income ⁵⁾	\$435,210		\$158,564		\$78,746		\$25,111	

Base Industry	Rio Grande County		Saguache County		San Luis Valley	
	Amount	% Basic	Amount	% Basic	Amount	% Basic
Agriculture	\$78,104	47.9	\$28,887	46.0	\$162,569	31.0
Production	14,897	9.1	12,845	20.5	71,755	13.7
Processing	10,773	6.6	2,381	3.8	19,241	3.7
Inputs	52,434	32.1	13,661	21.8	71,561	13.6
Mining	168	0.1	65	0.1	3,622	0.7
Manufacturing	2,092	1.3	639	1.0	6,486	1.2
Regional Center	19,780	12.1	9,761	15.6	105078	20.0
Tourism	7,922	4.9	2,852	4.5	40,770	7.8
Government	14,152	8.7	3,951	6.3	78,509	14.9
Households	40,944	25.1	16,595	26.4	125,142	23.8
Retirees	25,304	15.5	8,059	12.8	75,979	14.5
Commuters	2,117	1.3	3,955	6.3	6,367	1.2
Public Assistance	8,457	5.2	2,934	4.7	28,281	5.4
Dividends, interest/rents	5,067	3.1	1,647	2.6	14,516	2.8
Total Direct Base Income	\$163,172	100.0	\$62,749	100.0	\$525,176	100.0
Indirect (suppliers)	13,006		4,759		60,629	
Local Resident Services ⁴⁾	\$27,209		\$11,453		\$152,095	
Total All Industries	\$203,387		\$78,961		\$737,900	
Total Personal Income ⁵⁾	\$346,954		\$134,890		\$1,179,475	

Source: Colorado Department of Local Affairs, Division of Local Government, State Demography Office.

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. Base Industry Analysis measures money that comes in to an area from the outside of that area. This outside money is the basic, or direct, effect. The indirect effect is support of the businesses that bring in outside money.

San Luis Valley data: Region totals were based on assumptions by SDO 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.

https://dola.colorado.gov/demog_webapps/eba_parameters.jsf

Table K-2

Major Employers, 2012

<u>Company</u>	<u>City</u>	<u>Business Description</u>	<u># Employees</u>
Alamosa County			
Alamosa State Bank	Alamosa	Bank	20-49
Alcon Construction Inc	Alamosa	General Contractor	
Alpine Electric	Alamosa	Electrical Contractor	
Alta Fuels	Alamosa	Oils-Petroleum-Manufacturers	
ARAMARK	Alamosa	Caterers	
Arby's	Alamosa	Limited-service Restaurant	
At Home Health Care	Alamosa	Home Health Services	
Big R of Alamosa	Alamosa	Farm Supplies (Whls)	
Bistro Rialto	Alamosa	Restaurant	
Blue Peaks Development Svc Inc	Alamosa	Disability Services	
Bridge At Alamosa	Alamosa	Residential Care Home	
Burger King	Alamosa	Limited-service Restaurant	
CDI Headstart	Alamosa	Child Day-Care	
Child Development Svc	Alamosa	Schools-Nursery & Kindergarten Academic	
Coca-Cola Bottling Co	Alamosa	Bottlers	
Comfort Inn	Alamosa	Hotels & Motels	
Dells Insurance	Alamosa	Insurance	
Domino's Pizza	Alamosa	Pizza	
Expo Llc	Alamosa	Potatoes-Wholesale	
First Southwest Bank	Alamosa	Bank	
Great Sand Dunes National Park	Mosca	National Park	
Hampton Inn	Alamosa	Hotel & Motels	
J C Penney Co	Alamosa	Department Store	
KFC	Alamosa	Limited-service Restaurant	
Loaf & Jug	Alamosa	Truckstops & Restaurant	
Long John Silver's	Alamosa	Limited-service Restaurant	
Pizza Hut	Alamosa	Pizza	
RMS Utilities Inc	Alamosa	Plumbing Drain & Sewer	
San Luis Valley Federal Bank	Alamosa	Bank	
San Luis Valley HMO	Alamosa	Insurance	
Sonic Drive-In	Alamosa	Limited-service Restaurant	
Southwest Ready Mix Inc	Alamosa	Concrete Ready-Mix	
State Patrol	Alamosa	State Govt - Police	
Taco Bell	Alamosa	Limited-service Restaurant	
Terminix	Alamosa	Pest Control	
US FAA	Alamosa	Fed Govt - Transportation	
US Reclamation Bureau	Alamosa	Fed Govt - Conservation	
Valley Electric Inc	Alamosa	Electrical Contractor	
Valley Health & Fitness LLC	Alamosa	Health Clubs Studios & Gyms	
Valley Pride Car Wash	Alamosa	Car Washing & Polishing	
Vendola Mechanical Contractors	Alamosa	Plumbing Contractors	
Walgreens	Alamosa	Pharmacy	
Wall Smith Bateman & Assoc Inc	Alamosa	Certified Public Accountants	
Water Resources Div	Alamosa	State Govt - Environmental	
Wendy's	Alamosa	Limited-service Restaurant	
Youthtrack	Alamosa	Human Services Org	
Asphalt Gravel Products Inc	Alamosa	Asphalt & Asphalt Products	50-99
Chili's Grill & Bar	Alamosa	Full Service Restaurant	

Table K-2 continued on next page

Table K-2 continued

Evergreen Nursing Home	Alamosa	Nursing & Convalescent	
Inn of the Rio Grande	Alamosa	Hotels & Motels	
12th Judicial District	Alamosa	State Govt - Judicial System	
Life Care	Alamosa	Nursing & Personal Care NEC	
Mc Donald's	Alamosa	Limited-service Restaurant	
Rustic Log Furniture Inc	Alamosa	Furniture Manufacturing/Retail	
Safeway	Alamosa	Grocers - Retail	
San Luis Care Center	Alamosa	Nursing & Convalescent	
San Luis Valley Mental Health Ctr	Alamosa	Mental Health Services	
Sangre De Cristo High School	Mosca	Schools	
Trinidad State Jr College	Alamosa	Junior College	
US Post Office	Alamosa	US Postal Service	
Adams State University	Alamosa	University	100-249
City Market	Alamosa	Grocers - Retail	
Colorado Dept of Trans	Alamosa	State Govt - Transportation	
San Luis Valley BOCES	Alamosa	Education	
Town & Country Car & Truck Ctr	Alamosa	Auto Dealer	
Alamosa County	Alamosa	County Govt	250-499
Alamosa School District	Alamosa	Schools	
Rakhra Mushroom Farm Corp*	Alamosa	Fresh Fruits & Vegetables	
SLV Health	Alamosa	Hospitals & Physicians	
Walmart Supercenter	Alamosa	Department Store	
<u>Conejos County</u>			
Harborlite Corp	Antonito	Minerals/Earth	20-49
Hometown Food Market	Antonito	Grocers - Retail	
Jack's Market	La Jara	Grocers - Retail	
La Jara Trading Post	La Jara	Hardware - Retail	
Rainbow Trout Ranch	Antonito	Guest Ranch	
RMSEER	Conejos	Head Start	
South Conejos School District	Antonito	Schools	
Sanford School District	Sanford	Schools	50-99
Conejos County	Conejos	County Govt	100-249
North Conejos School District	La Jara	Schools	
Conejos County Hospital	La Jara	Hospitals & Physicians	
<u>Costilla County</u>			
Centennial School	San Luis	Schools	20-49
San Luis Hills Farms	Blanca	Farm	
Silver Sage Steakhouse	Fort Garland	Restaurant	
Three S Ranch	Blanca	Farm	
Blanfort Inc	Blanca	Potato Products	50-99
Sierra Grande School District	Blanca	Schools	
Costilla County	San Luis	County Govt	100-249
<u>Mineral County</u>			
4UR Ranch	Creede	Guest Ranch	20-49
Creede School	Creede	Schools	
Mineral County	Creede	County Govt	

Table K-2 continued on next page

Table K-2 continued

Creede Repertory Theatre Theatre - Live 50-99

Rio Grande County

ALCO Discount Store	Monte Vista	Variety Store	20-49
Brimhall Industrial Machine	Monte Vista	Machine Shop	
DQ Grill & Chill	Monte Vista	Limited-service Restaurant	
Grower-Shipper Potato Co	Monte Vista	Potato Products	
Hi-Land Potato Inc	Monte Vista	Potatoes Wholesale	
Jack's Market	Monte Vista	Grocers - Retail	
Jack's Market	Del Norte	Grocers - Retail	
Mcnitt Produce	Monte Vista	Potatos Wholesale	
Monte Vista Headstart	Monte Vista	Head Start	
Monte Vista Potato Growers	Monte Vista	Potatoes Wholesale	
Mountain View Restaurant	Monte Vista	Full-service Restaurant	
Pizza Hut	Monte Vista	Pizza	
Rainbow Grocery	South Fork	Grocers - Retail	
Rio Grande Club	South Fork	Golf Course	
Rio Grande Savings & Loan Assn	Monte Vista	Savings & Loan Assn	
Rios Inc	Monte Vista	Full-service Restaurant	
Safeway	Monte Vista	Grocers - Retail	
SLV Quality Concrete	Monte Vista	Concrete Contractor	
Smokin Spuds Inc	Monte Vista	Potatoes Wholesale	
Sonic Drive-In	Monte Vista	Limited-service Restaurant	
Sunflower Bank	Monte Vista	Bank	
US Agricultural Dept	Monte Vista	Federal Govt - Agriculture	

Colorado State Veterans Ctr	Monte Vista	Nursing/Residential Care	50-99
Del Norte Schools	Del Norte	Schools	
Colo. Dept of Ag. Fruit & Veg. Inspt	Monte Vista	State Govt. - Agriculture	
Juniper Village At Monte Vista	Monte Vista	Nursing & Convalescent Home	
San Luis Valley Rural Electric	Monte Vista	Electric Cooperative	
Sargent School	Monte Vista	Schools	
Spud Seller	Monte Vista	Potatoes Wholesale	
Rio Grande National Forest	Monte Vista	Federal Govt - US Forest Svc	
Worley & Mc Cullough Inc	Monte Vista	Potatoes Wholesale	

Monte Vista Co-Op	Monte Vista	Farm Cooperative	100-249
Mountain King Potatoes	Monte Vista	Potato Products	
Rio Grande Hospital	Del Norte	Hospitals & Physicians	

Saguache County

Aspen Produce LLC	Center	Potatoes Wholesale	20-49
Canon Potato Co	Center	Potatoes Wholesale	
Ellithorpe & Son Potatoes	Center	Potato Products	
Headstart Project	Center	Head Start	
Moffat School	Moffat	Schools	
Mountain Valley Lumber Co	Saguache	Lumber Mill	
Mountain Valley Produce	Center	Fruits & Vegetables	
Mountain Valley School	Saguache	Schools	
Power Zone Equipment Inc	Center	Oil Field Equipment	
CSU San Luis Valley Research Ctr	Center	Agricultural Research	
Sargents Tomichi Creek Trading	Sargents	Truck Stops & Plazas	
Southern Colorado Farms	Center	Farm	
Summit Farms	Center	Potato Products	

Table K-2 continued on next page

Table K-2 continued

Ottertail	Center	Dried/Dehydrated Vegetables	50-99
Mountain King Spud Growers	Center	Potatoes Wholesale	
Nature Fresh LLC	Center	Agricultural Products	
Skyline Potato	Center	Potato Products	
Center School	Center	Schools	100-249

* Rahrka Mushrooms Farm closed early 2013 but may reopen within the year.

Source: Colorado Labor Market Information Gateway, Colorado Department of Labor and Employment.

<https://www.colmiguateway.com/vosnet/Default.aspx>

Table K-3
Residential Building Permits, 2006-2011

County	Years						Total for years 2006- 2011	Percent Chg. 2006- 2011
	2006	2007	2008	2009	2010	2011		
Alamosa	32	54	36	30	37	35	224	9.4
Conejos	37	30	15	17	17	13	129	-64.9
Costilla	24	18	13	34	24	22	135	-8.3
Mineral	25	21	14	7	5	9	81	-64.0
Rio Grande	93	51	44	14	21	14	237	-84.9
Saguache	74	65	44	38	35	25	281	-66.2
San Luis Valley	285	239	166	140	139	118	1,087	-58.6

Source: U.S. Census Bureau, *Building Permit Estimates - U.S., State, and Metropolitan Areas*.

<http://censtats.census.gov/bldg/bldgprmt.shtml>

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

Table K-4 continued on next page

Table K-4 continued

Industry	Earnings	Employment	Sales
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
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 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.

$$10 \times 4.455 = 44.55$$

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.