

**A Publication of the
Fort Lewis College
School of Business Administration**

LA PLATA COUNTY'S QUARTER 3, 2006 ECONOMY

National, State, and Local Unemployment Comparisons

When comparing La Plata County with the national and Colorado economies with respect to unemployment and personal income, the local economy fares very well. La Plata County's unemployment rate continues to remain below both the national and the state's rates (see Table 1).

TABLE 1 – Comparison of Unemployment Rates – National, State, Local

Area	2005 Annual Average	November 2006 Unemployment Rate (Preliminary)
United States	5.1%	4.5%
Colorado	5.0%	4.1%
La Plata County	3.9%	2.9%

Sources: U.S. Department of Labor, Bureau of Labor Statistics and Colorado Department of Labor and Employment, Labor Market Information

ECONOMIC INDICATORS FOR LA PLATA COUNTY

Tourism

Quarter to Quarter – With the local tourist season continuing into quarter three, all four sectors of the tourist industry increased on a quarter to quarter basis. Ridership on the Durango & Silverton Narrow Gauge Railroad increased by 99%, visitors to Mesa Verde increased by 54%, enplanements at the Durango-La Plata County Airport increased by 32.8% and lodger's tax revenue (adjusted for inflation) increased by 135%.

Year to Year - On a year-to-year basis, ridership on the Railroad decreased by 0.8%, visits to Mesa Verde National Park increased by 14.8% over the third quarter of 2005, enplanements increased 6.7%, and lodger's tax revenue (adjusted for inflation) increased on an annual basis by 2.4%.

Retailing

Quarter to Quarter - Retail sales, after adjustment for inflation, increased from the second quarter of 2006 to the third quarter of 2006 by 10.8%.

Year to Year – Comparing the third quarter of 2005 to the third quarter of 2006, retail sales, after adjustment for inflation, increased by 5.4%.

Employment

Quarter to Quarter - Employment in La Plata County is estimated by the Colorado Department of Labor and Employment. These estimates are subject to significant revisions. According to state estimates, employment in La Plata County in the third quarter of 2006 increased by 4.8% from the second quarter of 2006.

Year to Year – Employment increased by 1.2% from year to year.

Agriculture

Quarter to Quarter - Calf prices, after adjustment for inflation, increased 2.4% from the second quarter of 2006 to the third quarter of 2006, while alfalfa hay prices decreased 1.3% during the same time frame.

Year to Year – On an annual basis, calf prices (adjusted for inflation) decreased 1.1%, while alfalfa hay prices decreased 0.3%.

Industrial Activity

Quarter to Quarter - Industrial kilowatt-hours used in La Plata County decreased by 4% from the second quarter of 2006 to the third quarter of 2006.

Year to Year – On an annual basis, industrial kilowatt-hours used decreased by 5.5%. Most industrial usage of electricity in La Plata County is to compress natural gas for transmission through gas pipelines.

Population

Quarter to Quarter - The number of new residential electric meters in La Plata County increased by 0.9% from the second quarter of 2006 to the third quarter of 2006.

Year to Year – On an annual basis the number of new residential electric meters increased by 2.6%. The annual increase in the number of residential electric meters suggests that the population of La Plata County is continuing to grow. The population of La Plata County was estimated to be 46,229 in 2003 (the most recent number available from the Census Bureau).

Finance

Quarter to Quarter – We are now obtaining deposit information data from the Federal Deposit Insurance Corporation. Deposit information is not available on a quarter to quarter basis, but on a bi-annual basis.

Year to Year – On an annual basis, bank deposits increased by 11.6% from the first half of 2005 to the first half of 2006 (adjusted for inflation). Bank deposits are an important indicator of the economic health of the community as well as an indicator of the ability of local banks to make loans to consumers and business borrowers.

Fort Lewis College

Quarter to Quarter - Enrollment at Fort Lewis College decreased from the second quarter of 2006 to the third quarter of 2006 (from the end of the winter term and first summer sessions to the summer last summer session and the beginning of the fall term) by 14.1%.

Year to Year - Enrollment on an annual basis decreased by 1.6%. The college stabilizes the local economy on a seasonal basis because most spending by students occurs during the September through April time frame while tourism activity peaks during the summer months.

Construction

Quarter to Quarter – Construction activity in La Plata County decreased by 14.9% from the second quarter of 2006 to the third quarter of 2006.

Year to Year – On a yearly basis, construction activity decreased by 3.6% (comparing quarter three of 2005 to quarter three of 2006).

Energy Prices

Quarter to Quarter - The federal government's energy price index (adjusted for inflation) increased by 2.9% from quarter to quarter.

Year to Year – On an annual basis the energy price index decreased by 9.9%. Energy prices can be highly volatile from one quarter to the next. However, there has been an overall increase in energy prices since the beginning of 2002. Energy prices are very important to La Plata County because the county is a major producer of natural gas. Rents and royalties, as well as property tax revenues associated with natural gas production, are significant sources of income to La Plata County.

Real Estate

Quarter to Quarter – According to data obtained from the Durango Area Association of Realtors, the median price of country homes sold in La Plata County, after adjustment for inflation, remained relatively constant from the second quarter of 2006 to the third quarter of 2006.

Year to Year - The annual increase in the median price of country homes sold (adjusted for inflation – in 1990 dollars) in La Plata County was 1.6%, to a non-adjusted price of \$341,500.

TOURISM INDICATORS

Third Quarter, 2006

<u>Indicator</u>	<u>Number</u>	<u>Percent Change From Previous Year's Third Quarter</u>
Mesa Verde National Park	298,479	+14.8 percent
Durango & Silverton Narrow Gauge Railroad	92,339	-0.8 percent
Durango-La Plata County Airport	32,621	+6.7 percent
Lodger's Tax Revenue Dollar Amount In 1990 Dollars	\$245,021.00	+2.4 percent