



# Economic Development Report

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## THE ECONOMIC BASE OF MONTEZUMA COUNTY, COLORADO: EXECUTIVE SUMMARY

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- *Natural resource based industries have traditionally driven Montezuma's economy*
- *Agriculture & tourism are strong direct and indirect economic drivers in Montezuma County*
- *Seasonal employment, low wages, transportation & communications infrastructure, & education pose opportunities & challenges for local economic development*

### Introduction

This report is intended to outline the economic conditions in Montezuma County, Colorado in a manner that will be useful for economic development planning. Data from a variety of governmental and nongovernmental records, gathered primarily via the Internet, were used to create this report. The report is meant to be broad in scope and focuses on a wide array of topics in Montezuma County that include land use, population, employment, personal income, and highlight two industries that represent Montezuma County's economic traditions and future; agriculture and tourism. The report aims not only to present data, but also to show how the economic sectors of Montezuma County

are interconnected. Figures, charts, and time series data are provided in a visual and accessible manner.

### Summary

The economy of Montezuma County developed on mining, timber and the commerce that came with it. When these industries declined Montezuma County became increasingly dependent on agriculture, and in more recent years tourism. The McPhee Reservoir has played a large part in this, making irrigation possible as well as providing recreation opportunities for visitors.

Employment has grown at a slightly slower rate than the population, but has kept up with the growth of the labor force. Unemployment was high in the early 1990s but has been in the decline and converging with the unemployment rate of the state. Montezuma County does have the concern of cyclical unemployment throughout the year. Much of this is because of the county's dependence on the tourism industry, which is essentially outdoor recreation and park based summer tourism.

The tourism industry has a strong foothold in Montezuma because of Mesa Verde National Park, Canyon

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of the Ancients and Hovenweep National Monuments. Tourism is the source of more than one-quarter of direct base employment in Montezuma County. The service and trade sectors are bolstered by the tourism appeal of the county, and are the leading sources of employment. These sectors are among the lowest paying sectors, however, and there is concern over the quality of jobs tourism brings to Montezuma County.

Agriculture continues to be an important sector in the Montezuma County economy. Production is the highest in the region, and 70% of the land in the county is in agriculture. Against regional trends, farmland is increasing in Montezuma County, as are the number of farms. However, low intensity land use implied by county traditions in production agriculture are perhaps more important to the future of the county than the value of production and jobs in agriculture might imply. Not only does low intensity development maintain an option for higher intensity development in the future, it acts to attract tourism and second home development by indirectly creating or maintaining wildlife habitat, community separators, rural lifestyle, and open vistas.

Despite consistent agriculture and growing tourism, Montezuma County remains an isolated region that lacks infrastructure. The economy stands to be strengthened through creating year round jobs to curb seasonal

unemployment, as well as diversifying into sectors with higher wage employment. Increased infrastructure in transportation, education and communication could decrease the isolation effect on Montezuma County and present new economic opportunities.

The data presented in this report can help residents and decision makers in Montezuma County better understand the economy of the region and the economic direction in which the county is headed. However, policy will not fall directly out of the facts presented in this report. The data must be combined with local knowledge to make effective policy decisions and reach county objectives to help lead to the long-term economic and social development of Montezuma County.

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