

# Labor Force Jobs Income

## LABOR FORCE AND EMPLOYMENT

Garfield County has seen strong job growth and historically low unemployment rates over the past decade. However, with gas drilling reductions, in combination with reduced tourism and second home development, the county’s employment outlook began to change drastically in 2008. There was a significant reduction in both jobs and the available labor force (approximately 14 percent over a two-year period) and the unemployment rate spiked, reaching a peak of 11.7 percent in March 2010. Since then, there has been a steady drop in unemployment, and as of 2017, Garfield County’s unemployment rate was 3.1 percent, which is significantly below the national rate at 4.6 percent. Today, there is an estimated civilian labor force of 32,291 people in the county. (Source: naco.org).

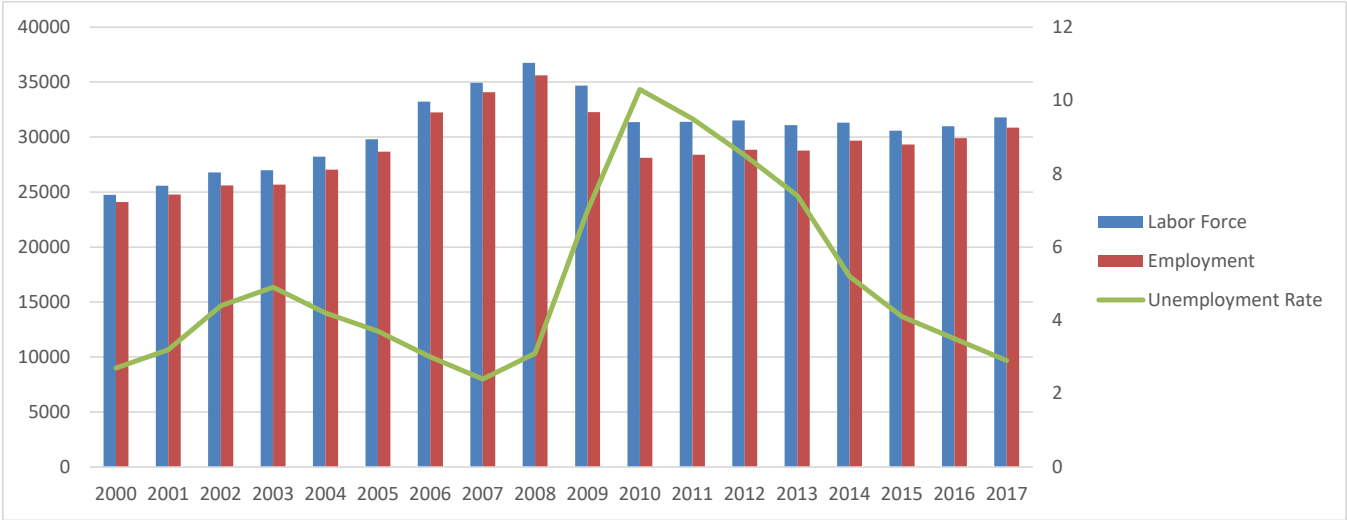


Figure 22: Labor, Employment and Unemployment Rate  
Source: Colorado Department of Labor and Employment (CDLE)

## WAGES AND INCOME

At the end of 2015, the estimated average annual wage in Garfield County was \$50,556, up from \$44,408 in 2014, and remains consistent at 86 percent of the Colorado average, according to the Colorado Department of Labor and Employment ([www.colmigateway.com](http://www.colmigateway.com)).

Steady growth in per-capita personal incomes took place until 2008, peaking at \$41,890. In 2009, per-capita personal income for the county declined by 11.5 percent, followed by another drop of three percent in 2010. Moderate but steady growth as returned to per-capita income since 2011.

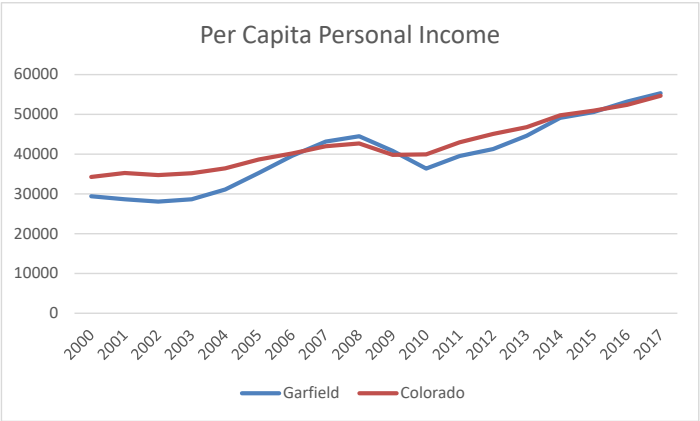


Figure 23: Garfield County Per Capita Personal Income  
Source: U.S. Bureau of Economic Analysis

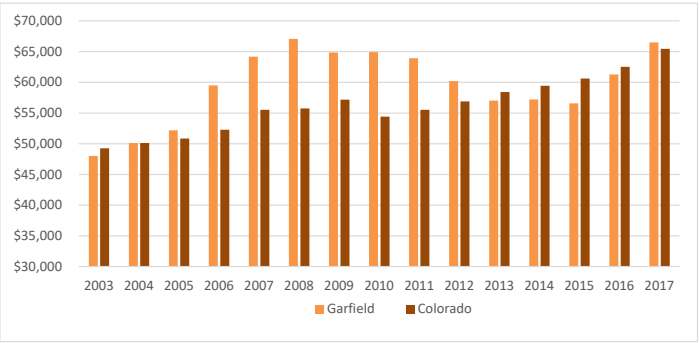


Figure 24: Median Household Income Colorado and Garfield County  
Source: American Community Survey, U.S. Census Bureau

Between 2000-2010, median household income grew significantly. In 2000, county median household income was slightly below the statewide average. By 2010, every community in Garfield County, with the exception of Parachute and Glenwood Springs, reported median household income in excess of the statewide average. In 2010, the median household income of Garfield County was \$64,902 (U.S. Census Bureau), which is higher than the state median of \$54,411 and the national median of \$50,046. Subsequently, the median household income of Garfield County dropped to \$57,022 in 2013, but increased to \$66,503 in 2017.

## JOBS AND MAJOR EMPLOYERS

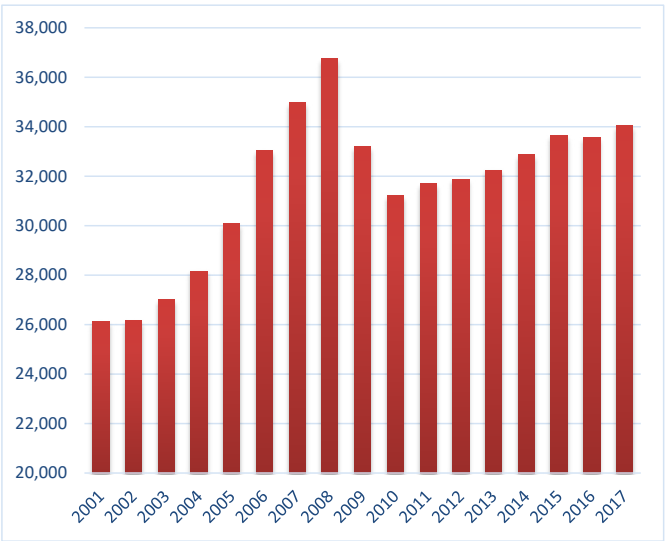


Figure 25: Total Jobs in Garfield County from 2001-2017  
Source: Colorado Department of Local Affairs

Between 2003 and 2008, Garfield County experienced strong employment growth, increasing by 10,500 jobs, or about five percent per year. Since the recession ended in 2011, the county has been steadily adding jobs by approximately 1.1 percent per year through 2016.

During this same period, there was a significant shift in employment patterns. The largest increase in employment share by category occurred in the mining and natural resources industry, which includes oil and gas production activities. It should also be noted that

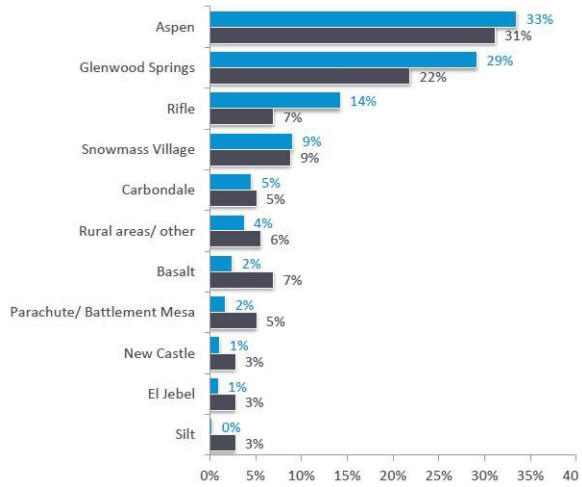


Figure 26: Where the regions workforce works  
Black: 2004, Blue: 2014  
Source: 2015 RFTA Travel Patterns Study

many natural resource extraction-related jobs occur in other employment categories, such as construction and transportation. The downturn in resort-related real estate construction, beginning in about 2009, had a major impact on Garfield County, which was home to a large share of contractors, fabricators and suppliers that support the second-home industry in both Eagle and Pitkin counties. Since 2010, Garfield County has again seen a rise in the construction industry. At the end of 2016, the construction industry and retail trade were the second- and third-leading employers respectively.

## NEW ENERGY IN THE WILD WEST



An emerging trend over the last 10 years has been the concentration of jobs in three primary employment centers within the region. About 75 percent of the region’s 2014 workforce indicated they work in Aspen, Glenwood Springs, or Rifle, an increase from 60 percent in 2004. An additional 14 percent indicated they work

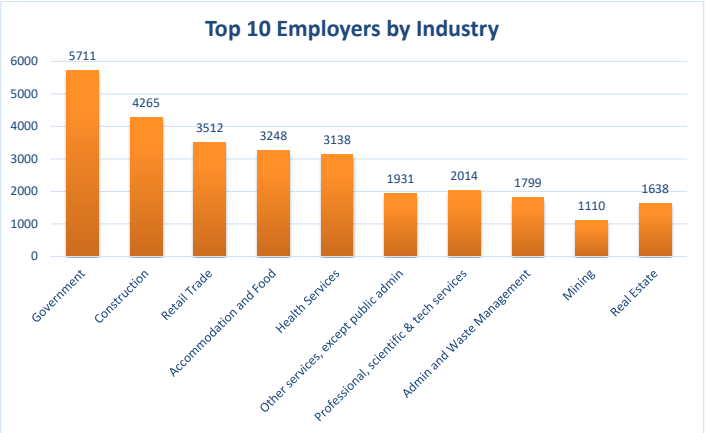


Figure 27: Top 10 Employers by Industry Type (NAICS) 2017  
Source: Colorado Department of Local Affairs

in Carbondale or Snowmass Village. While Aspen has been a significant employment center within the region for a number of years, Glenwood Springs and Rifle are also emerging as major regional nodes, a trend that is expected to continue (RFTA Regional Travel Patterns Study 2014).

Employer	Rank	Type of Business	Number of Employees	Percentage of Total
Valley View Hospital	1	Healthcare	859	2.94%
Grand River Health	2	Healthcare	520	1.78%
Grand River Hospital District	3	Healthcare	440	1.51%
Colorado West Regional Mental Health Outpatient	4	Healthcare	350	1.20%
Colorado Mountain College	5	Colleges	300	1.03%
Valley View Hospital Professional Billing Services	6	Healthcare	300	1.03%
Walmart Supercenter	7	Retail	261	0.89%
Schmueser & Assoc Inc.	8	Construction	242	0.83%
Garfield County School District RE-16	9	Schools	198	0.68%
Sunlight Mountain Resort	10	Hotels	165	0.57%
Total employed by principal employers			3,635	12.46%
Employed by other employers			30,863	87.54%
Total employed in Garfield County			34,498	100%

Figure 28: Principal Employers In Garfield County, 2017  
Source: Garfield County Finance Department

As of December 2018, there are five active natural gas drilling rigs in Garfield County. The number in Garfield County has continued to decrease over the past several years, and is now among the fewest number of drill rigs in over 20 years.

In addition to the local economy, the natural resources industry also has a significant impact on Garfield County taxes and revenues. In 2014, 72.9 percent of total property tax assessed values were accounted for by the oil and gas industry. In 2017, this had dropped to 50 percent.

Top tax payers in oil and gas industry	2015
WPX ENERGY ROCKY MOUNTAIN, LLC	646,838,480
ENCANA OIL & GAS (USA) INC.	573,779,170
VANGUARD OPERATING LLC	164,624,980
URSA RESOURCES GROUP II LLC	109,423,850
OXY USA WTP LP	91,971,000
CAERUS PICEANCE LLC	67,142,180
ENTERPRISE GAS PROCESSING LLC	59,799,260
BARGATH, INC.	43,267,680
CHEVRON NORTH AMERICA EXPLORATION & PRODUCTION CO	36,655,150
HUNTER RIDGE ENERGY SERVICES, LLC	30,229,010
PUBLIC SERVICE COMPANY OF COLORADO	29,757,300

# OIL AND NATURAL GAS INDUSTRY

Natural resource development, specifically natural gas, has had the most dramatic economic influence on Garfield County over the last decade. Garfield County is the leading producer of natural gas in the state, with over 11,000 producing wells. As of 2008, nearly one-third of all mining industry employment for the state of Colorado was located in Garfield, and the neighboring Mesa and Rio Blanco counties. Between 2004 and 2005, Garfield County experienced a rapid increase in its share of statewide mining employees, which then leveled off and modestly declined between 2006 and 2009. The industry slowed dramatically in 2009 as gas prices fell and operators began pulling drilling rigs to pursue emerging gas prospects elsewhere in the U.S.

The natural gas boom, which spurred Garfield County’s economy in the 2000s, was driven in part by a rapid escalation in gas prices. Since 2012, gas prices have been declining, which has had a direct impact on the total natural gas and oil production in the county. Garfield County, however, continues to dominate regional gas production. In 2016, Garfield County produced 1.6 million barrels of oil and 496 billion cubic feet of natural gas. Garfield County’s energy production represents a significant share of the statewide totals. Prices however, continue to be low, with an average for the year of 2017 at \$2.99 per million Btu.

Natural Gas Liquids (NGLs), which are often a byproduct of gas well production, are used to produce lower grade liquid fuels and NGL values typically follow crude oil prices. As the price of natural gas has declined, the value of NGL products have become a more important element of the overall economics of well drilling and production. The price of NGLs mirrors the price of crude oil which, although experiences price fluctuations, currently remains at high levels, and boosting the value of gas production within Garfield County.

Prospects for future growth in northwest Colorado gas drilling have been bolstered by the completion of the \$6.7 billion Rockies Express pipeline, which has alleviated some well-to-market shipping constraints that had previously restricted local natural gas distributions. Although the growth in production has been notable, the decline in drilling activity has become even more pronounced with declining drill rig numbers. More than twenty one percent (21.7%) of Colorado’s drilling permits were for projects located in Garfield County and 87 percent of Colorado’s 53,732 wells are located in six counties as of October 2018 (Source: COGCC).

## NEW ENERGY IN THE WILD WEST

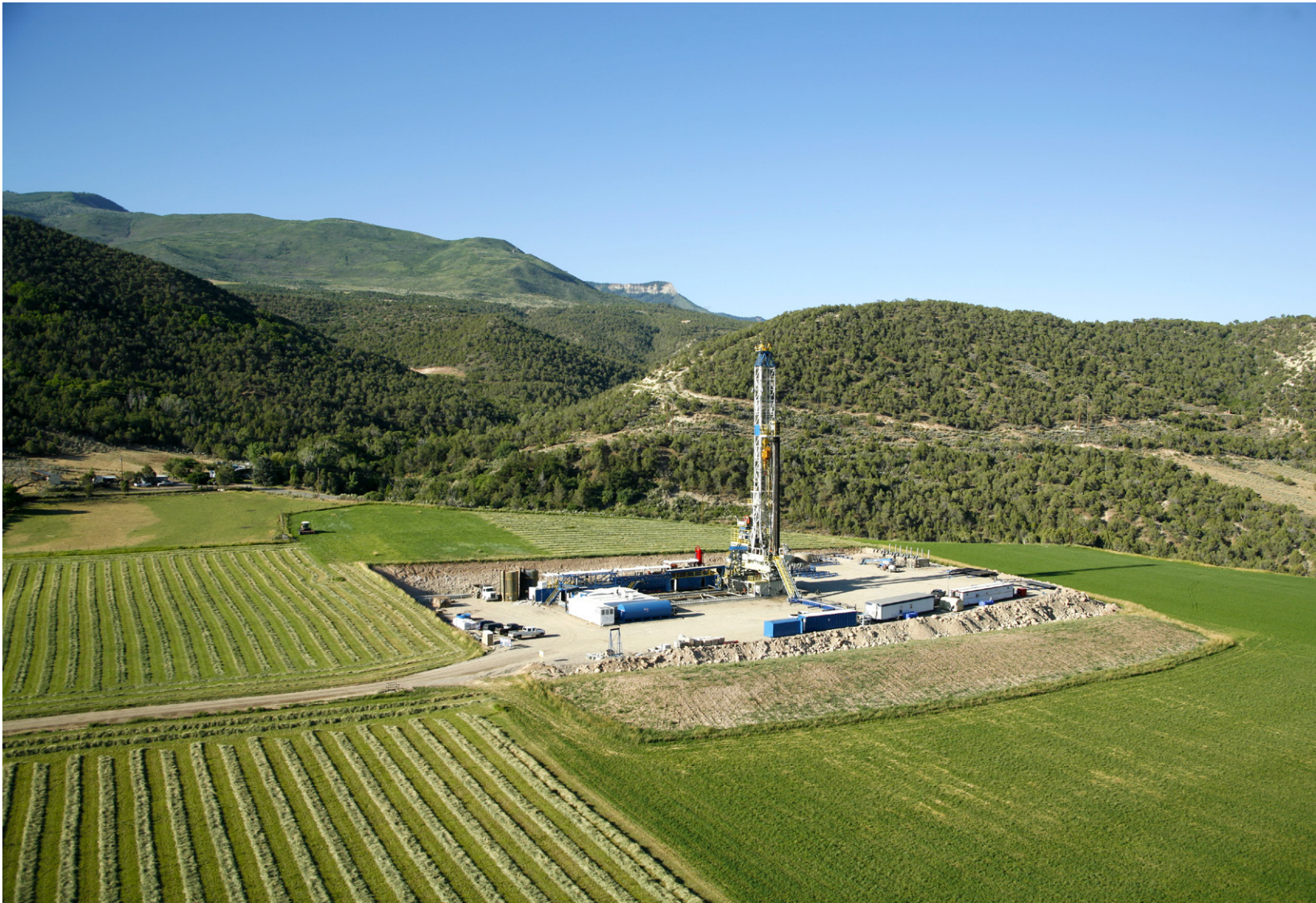






Figure 31: Annual Natural Gas Production: Total Production in Billion Cubic Feet (BCF)  
Source: Colorado Oil and Gas Conservation Commission

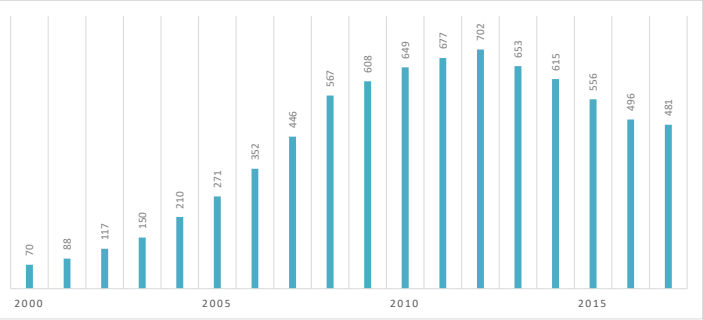


Figure 32: Annual Oil Production: Total Production in Thousand Barrels (MBL)  
Source: Colorado Oil and Gas Conservation Commission

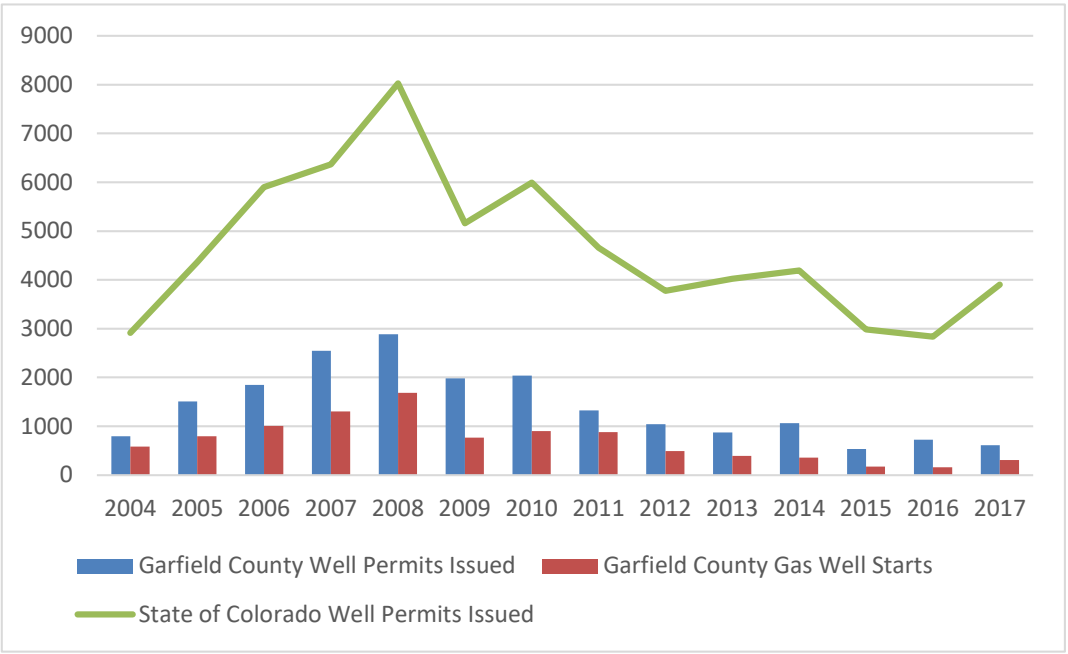
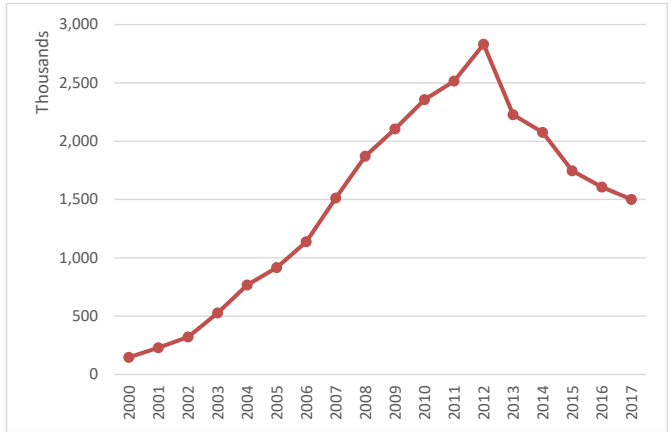


Figure 33: Annual Drilling Permits  
Source: Colorado Oil and Gas Conservation Commission

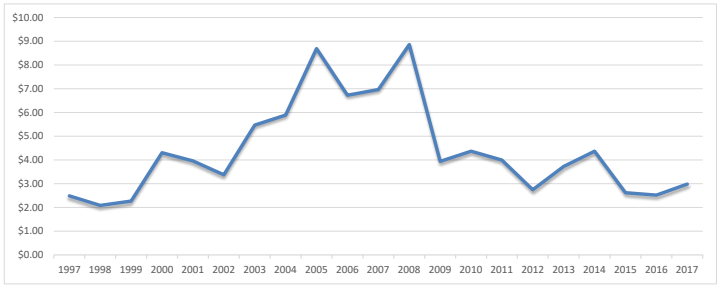


Figure 29: Annual Average Henry Hub Natural Gas Spot Price: Dollars per Million Btu  
Source: U.S. Energy Information Administration

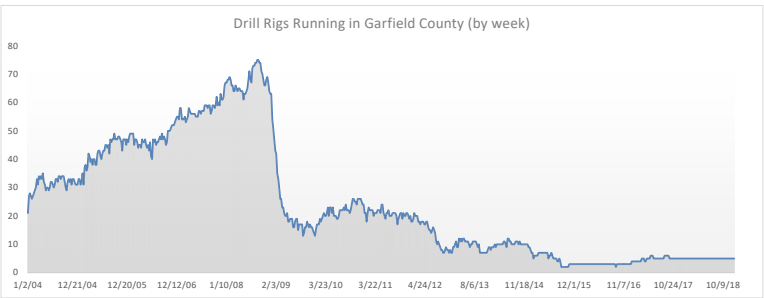


Figure 30: Drill Rig Count by Week  
Source: Colorado Oil and Gas Conservation Commission (COGCC)

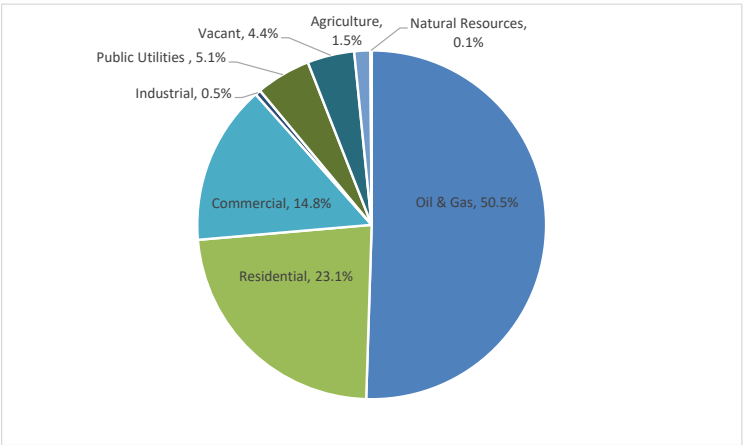


Figure 34: Assessed Value Distribution 2017  
Source: Garfield County Assessor

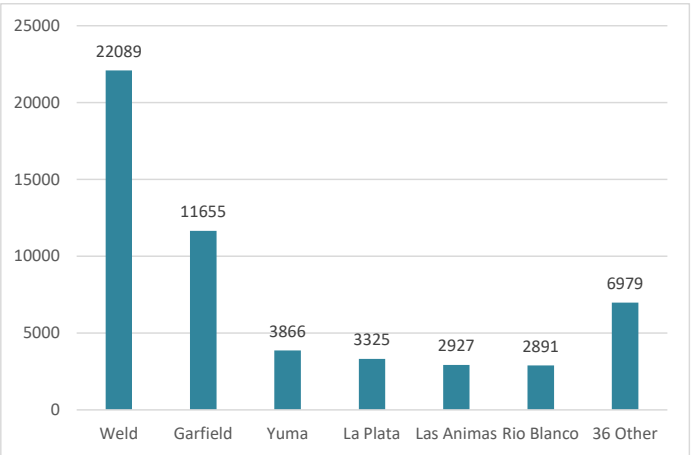


Figure 35: Number of Active Wells by County: 2018  
Source: Colorado Oil and Gas Conservation Commission (COGCC)



# ENERGY EFFICIENCY AND RENEWABLE ENERGY INDUSTRY



## NEW ENERGY IN THE WILD WEST

Through the Garfield Clean Energy partnership, 10 local governments in Garfield County work together to achieve targets for energy efficiency, renewable energy and petroleum independence. Garfield Clean Energy provides programs and services to help households, businesses, and local governments become more energy efficient and reduce energy costs.

From 2010 to 2015, Garfield Clean Energy has helped nearly 700 businesses, households, and government buildings make energy upgrades that are saving more than \$603,000 per year. These projects boosted the local economy with investments of \$7.3 million in materials purchased from retailers and work by 169 contractors.

Garfield Clean Energy works for petroleum independence through the Western Slope Compressed Natural Gas (CNG) Network. The project is building market demand for locally produced natural gas as a transportation fuel.

In 2016, the public CNG fueling station in Parachute was joined by stations in Rifle and Glenwood Springs. The Roaring Fork Transportation Authority (RFTA) uses 24 CNG transit buses to serve routes from Rifle to Aspen.

Garfield County is also a great place for solar energy, with more than 300 days of sunshine per year. It has the first two community solar gardens built on the Western Slope, and all 10 government members of Garfield Clean Energy have solar arrays that offset electric usage. These arrays range from Holy Cross Energy’s (a public utility company) new 1.9 megawatt solar farm near Carbondale, to Parachute’s 3.6 kilowatt solar flowers at the I-70 Rest Area. The city of Rifle leads the way with 3 megawatts of solar capacity, making the city net-zero for electricity use and the nation’s leader in solar power per capita.

Publicly Owned Solar Power Generation	Total Power
Town of Parachute	22.9 kW
City of Rifle	2,775 kW
Town of Silt	261 kW
Town of New Castle	70.5 kW
City of Glenwood Springs	20.5 kW
Town of Carbondale	165 kW
Garfield County	101.2 kW
Colorado Mountain College	102 kW
Roaring Fork Transportation Authority	618 kW
Garfield County Public Library District	132.6 kW
Battlement Mesa Metro District	435 kW
Roaring Fork School District	379 kW

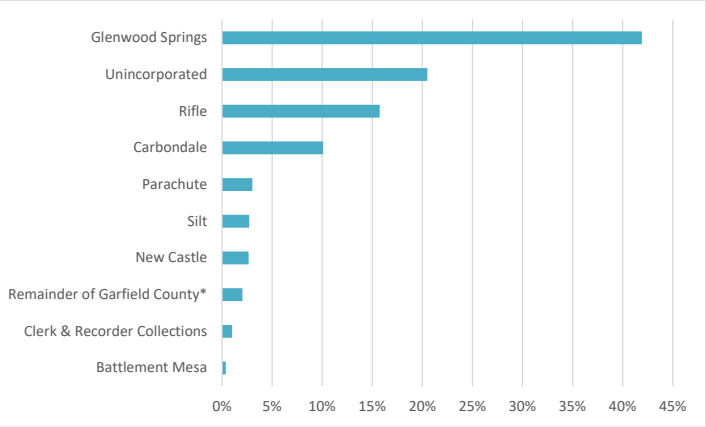
# RETAIL AND TOURISM INDUSTRY

In addition to the natural resources industry, retail and tourism are an important part of the Garfield County economy. The previously noted “boom” period (2002 to 2008) is evident in retail sales trends (indicated by sales tax collection), as is the sharp economic decline beginning in 2008. Though some retail recovery was seen in 2011 and 2012, another substantial decrease was seen in 2013. A modest improvement was seen in both 2014 and 2015, followed by a slight decline in 2016. This decline is presumed to be correlated to the reduction of oil and gas operations within the county, as areas west of Glenwood Springs were the only ones to individually experience a decline in sales tax revenues.

It is also noteworthy to document the location of sales. As to be expected, Glenwood Springs and Rifle account for 67 percent of the sales tax income. While the remaining communities and unincorporated areas make up the remaining 33 percent.

Annual sales revenues in Glenwood Springs show positive trends reflecting an increase in retail sales in

the city. Sales tax revenues rose by 15 percent between 2012 and 2016. Countywide, accommodation and food services make up nearly 20 percent of the sales tax collection (up 4 percent since 2015), while retail trade makes up 28 percent of sales tax collection. Wholesale trade collects 5.2 percent of the sales tax, and the new marijuana industry (including liquor) has created a significant increase of revenue from tax collection at 5.7 percent.



\*Telecommunication/utility companies with no physical location in Garfield County  
Figure 36: Sales tax income (2017)  
Source: Garfield County Treasurer





# CONSTRUCTION INDUSTRY

One of the best indicators of construction activity is the number of building permits, and the value thereof, issued by the Garfield County Community Development Department. These have declined significantly since 2007, but have been slowly increasing since 2013, as a reflection of the local economic conditions. Many of these permits were for small home improvement projects. The number of commercial permits has also slowed in recent years, presumably due to the decline in the oil and gas industry.

In 2013, valuations showed the first increase since peaking in 2007. Valuations declined slightly again from 2014, due to contraction in valuation for commercial permits. Valuations are spread relatively equally

between commercial and residential construction, and a small portion to other types.

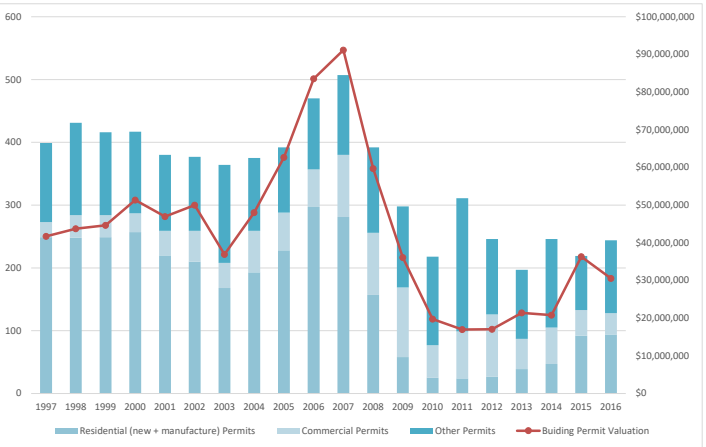


Figure 38: Building Permit Valuations 1997-2017  
Source: Garfield County Community Development Department



# NOTABLE NEW EMPLOYER

The Center of Excellence for Advanced Technology Aerial Firefighting was created in Senate Bill 14-164. During the legislative session, proponents of the center explained that there is currently no mechanism for determining the efficacy of aerial firefighting, and the need exists for an innovative, science and data focused research entity. For this reason, the center was held up as an integral part of ensuring the successful implementation of Colorado’s own aerial firefighting fleet.

“In short, the Center of Excellence will research, test, and evaluate existing and new technologies that support sustainable, effective, and efficient aerial firefighting techniques,” said Colorado Division of Fire Prevention and Control Director Paul Cooke.

Garfield County, specifically the Rifle Garfield County Regional Airport, was selected in April 2015 as the site for the Center of Excellence, as recommended by the Division of Fire Prevention and Control (DFPC). As home to the Upper Colorado River Interagency Fire Management Facility, and with its proximity to the Colorado Army National Guard High Altitude Aviation training site, the center will be well-positioned for success in Rifle, and will benefit all of Colorado. The Rifle/Garfield County location offers DFPC the ability to pair its currently existing resources (fire management officer and engine crew) with the Center of Excellence staff. As noted by Governor John Hickenlooper, the decision to locate the center in Rifle will “serve as the best way forward to meet our shared goal of protecting lives, property and our natural environment from devastating wildfires.”

“the Center of Excellence will research, test, and evaluate existing and new technologies that support sustainable, effective, and efficient aerial firefighting techniques.”

— CDFPC Director, Paul Cooke

