

# Duncan Economic Opportunity Study

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## OVERVIEW OF THE PROJECT

In November 2020, Local First Arizona, as the state's rural development council, interviewed residents of Duncan about their spending habits. Those that were interviewed were selected to represent business owners, elected officials, working professionals, volunteers and/or parents within the community.

The overall goal of the project was to gain an understanding of spending patterns in the area that result in either dollars recirculating in the local economy or leaking out of the local economy. 'Recirculating' and 'leaking' are meant to help describe the movement of capital in the Duncan community.

- Dollars recirculating will bolster the economy and provide increased tax dollars and opportunities for more local people to prosper.
- Dollars leaking from the economy will benefit those who live outside of the local economy or perhaps outside of our state, or even our country.

Many studies have shown that spending with locally owned businesses keeps 3 to 4 times more money recirculating locally, which can have a significant impact on overall quality of life. Even shifting just 10% of residents' overall spending from national to local enterprises can create new dollars circulating locally and new job opportunities.

It's generally understood that no economy can be 100% local, and that a community's commitment varies on their inclination to spend their money locally. Our goal with this study was to quantify the money being spent locally versus the money being spent elsewhere. In this report, Local First will make recommendations to the Town of Duncan which may reduce some of the leakage that is occurring in order to bolster the local economy and improve overall quality of life.

Through this study we will uncover some of the challenges that prevent people from supporting local businesses or the local economy, and will make some recommendations to start the conversation about what can be done to overcome those challenges.



**...spending with locally owned businesses keeps 3 to 4 times more money recirculating locally, which can have a significant impact on overall quality of life.**



# Interpreting the data

## COMMENTS

We need a pharmacy in town. I would go to the doctor in town but it doesn't make sense since I still have to leave town for any prescriptions.

I would buy more food in town if I could find the majority of the items I need in one place.

There are lots of opportunities for new unique business ventures in Duncan.

Everyone interviewed loves the peaceful, small-town, and friendly feel of the community. They appreciate their neighbors and the "everyone helps everyone" mentality of the town. This is a place where residents feel safe. Many have generational roots in the region while others stumbled upon the town and never looked back. Regardless of how residents happened upon this quaint town near the border of Arizona and New Mexico, they all agree that it is home.

The majority of respondents said they would spend more dollars locally if they had the opportunity to do so, and prefer to keep their dollars local when possible. Currently, most of the people we interviewed are convinced they cannot find many items locally and when they can, they feel strongly that they are going to pay a higher price. **It is imperative for businesses to provide more ample and affordable opportunities for people to spend locally.**

Prior to COVID-19, businesses in Duncan were experiencing steady growth, both from local sales and from tourism-related sales. Multiple new businesses recently opened including a Mexican restaurant, an automotive repair shop, and a bakery. Many existing businesses have expanded their offerings (e.g. offering take out, adding new items etc.). The community has expressed excitement and support for the local businesses.

Duncan is a great location for someone looking for a unique business opportunity. Most of the storefronts in the downtown district require renovation, creating an opportunity to truly create your own space. There are also limited options for many essential items within Duncan, so there is a fairly open market for almost any type of new business that could potentially thrive in this community.

Duncan is a desirable place for people to settle down. Houses are in high demand and when a house becomes available, it is rarely on the market for a long period of time. Duncan is also attractive to a variety of tourists, with short-term accommodations filling up quickly from Arizonans exploring the state to people from all around the world who visit throughout the year. The area is a growing destination for bird-watching with multiple "hot spots" in or near Duncan, including a trail along the Gila River. Duncan is also a stop on Adventure Cycling's Southern Tier Bicycle Route; hundreds of long-distance cyclists venture this route and stay in Duncan en route from San Diego to Florida.

The most common destination where people leave to shop is Safford with the majority of people interviewed stating that they complete at least 75% of their shopping in Safford and up to 70% of their purchases out of town or online.

Duncan High School offers a variety of work-study programs that provide students with hands-on opportunities and teach soft skills and trade skills, helping to bolster the workforce in the community. Without access to affordable housing in Duncan, many young professionals are forced to leave the community, even if they find employment locally.

## OVERALL DEMOGRAPHICS & PURCHASING POWER

There are approximately 403 households in Duncan and the average household income is \$67,100 according to online sources. Therefore, the total earning in the region is approximately \$27MM. For the purpose of this report, Local First will take the following national rural averages to determine fixed spending:



**84% avg fixed monthly costs**    **16% disposable income monthly**

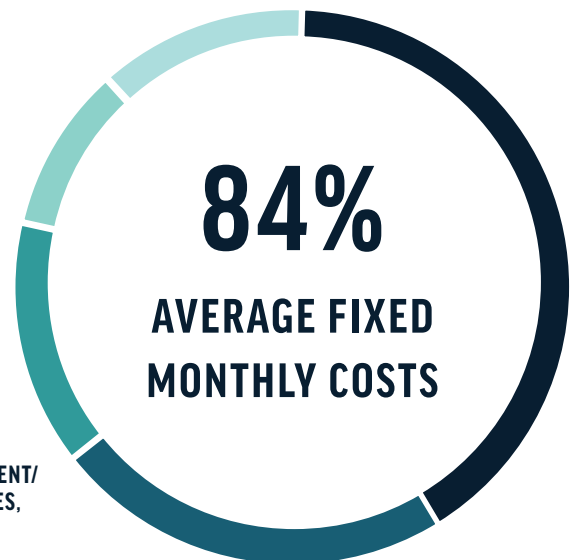
## COMMENTS

If there was a new business that were to come in to help the economy in Duncan, it would need to be something that could pull from the neighboring communities to be able to grow.

I used to buy everything local but when the road was fixed between Duncan and Safford, it became more convenient to save money by purchasing in Safford.



Every 10% shifted annually toward local spending is another \$430,000 spent locally, which can create new jobs and opportunities locally.



- HOUSING (INC. RENT/MORTGAGE, TAXES, UTILITIES, ETC)
- TRANSPORTATION (GAS, AUTO MAINTENANCE & INSURANCE)
- INSURANCES (HOME, LIFE, LIABILITY, ETC)
- HEALTHCARE TAXES

16% REMAINING INCOME REPRESENTS \$4.3MM IN PURCHASING POWER ANNUALLY, OF WHICH APPROX. 70%

**(\$3MM)** **OUT OF TOWN.**

IS CURRENTLY SPENT

# Recommendations

Multiple businesses stated that things were picking up, especially once people figured out that they were there. The Town of Duncan needs to better celebrate and emphasize their business community. They need to invest in communication strategies to better serve their business community. The Duncan Business Owners Association was recently formed; it is a collaborative effort amongst business owners aimed at strengthening and supporting local businesses to overcome common challenges as a collective. There is opportunity for the town to support this organization and collaborate.

Grocery items are one of the largest categories of items not being purchased locally. If a local shop could carry a wider variety of fruits, vegetables, meat, dairy products, and non-perishable items more people are likely to shop locally knowing that they can get all of their items in one place. Businesses in the community need to better understand the consumer and cater to those needs. For example, adjusting shop hours to meet weekend demands or carry stock supplies of commonly requested items.

Residential and Commercial Development need to be an absolute top priority - town leadership should be focused on increasing available real estate to attract new people. We heard over and over that there are not enough people for businesses to start up or grow, and that there is no available real estate for potential new residents. This is not specific to Duncan, but the solution can be a local one. Focusing on Housing and Commercial Development within Duncan town limits will have the effect of supporting the business community while keeping more jobs and dollars in the local economy.

People didn't know my business was here (in Duncan), but when they found out they were happy utilize my services and support local business versus going to Safford.

## COMMENTS

There are not enough people here to attract a bigger business and there is no available housing.

There is not a lot of property in Duncan so there are not enough people to support the business.

Oftentimes, businesses don't have the capacity in the store to offer anything more.

# Statistics

## COMMENTS

I would like to see a grocery store with more options but I keep being told that it's not possible, that it will be too expensive and that people will still go to Safford anyway.

Duncan needs more housing. When a house comes on the market, it sells quickly.

It is too expensive to shop local. I have tried but it isn't economical.



TRY TO DO MAJORITY OF SHOPPING IN TOWN



LEAVE TOWN FOR LARGER PURCHASES  
Furniture/Electronics/Appliances

## BUSINESSES PEOPLE WOULD LIKE TO SEE COME TO DUNCAN



1<sup>st</sup>

Grocery store with more variety & affordability



2<sup>nd</sup>

Bank



3<sup>rd</sup>

Pharmacy

100%

BUSINESS OWNERS THAT WERE INTERVIEWED STATED THAT THEY WERE EXPERIENCING GROWTH (PRIOR TO COVID)

## What makes Duncan special to you?

Small environment away from city life and traffic.

How the town works together in times of need.

People taking care of people.

Everybody helping out everybody.

Has a hometown feel and loyal core.

Duncan is home.

Safe.

Good for kids, it's a smaller community.