

Economic Benefits of Conservation

The Connection Between Local Land Conservation and Economic Vitality

I'm a retired engineer. I retired 18 years ago, as early as I could, because of my love for Taos. I want to share some economic aspects of Taos with you (see Appendix E).

When I first arrived here I looked at economic studies of the town and found a lot of misinformation. I was told, "Tourism is thriving in this town." To understand if that was true, I developed a model of the economy of Taos using economic indicators. The first indicator is gross receipts, the second is personal income, and the third is sources of personal income.

First, I looked at gross receipts, which you hear the most about in discussions of economics in Taos, because gross receipts are real. They're collected as part of each transaction. There's no manipulation. It's raw data--the best data available. However, it misses some important factors. The trail of gross receipts in Taos County is not consistent with the statement "Where our tourism goes, our economy goes." There are other major categories in our economy--such as agriculture, mining, construction, manufacturing, transportation, utilities, wholesale trade, finance and real estate. In 2001 we had a half-

billion-dollar economy in Taos County. While a percent of gross receipts is dominated by retail trade, services are also important.

Compared to the rest of the state, construction is very significant in Taos County. Why? Because an increase in population has led to new-house construction. We had significant growth in the 1990s, which has reached a plateau. When I came here in the late 1980s, Taos had double-digit unemployment. It really was compelling to me to understand this and see if I could help. We're below 10 percent now. That's still not good--we can do better.

If you look at personal income (the income people have available to spend) in Taos County, you see our growth rate is faster than that of our state or the nation. Personal income is earnings from all sources--wages and salaries, proprietary income, retirement and that sort of thing.

When I looked at sources of personal income, I found something different going on in Taos County. Over 40 percent of personal income is non-employment income--such as dividends, interest, rent and transfer payments for social service programs. Since retirement income is not just a line item, we could

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recalculate that 40 percent to over 50 percent of income coming from non-wage sources. These significant sources of personal income are not included in figuring gross receipts. Taos differed from the U.S. and New Mexico in having more sources of personal income. This allows us to invest in programs such as land trusts and our wonderful land-use organizations, which I think is the salvation of keeping our values intact and healthy over the next couple of decades.

Until lately, you weren't able to track population changes in Taos County. In recent years, looking at income tax forms from the federal government, you can map in-migration and out-migration in Taos County. Look at 1996: Over 1,400 people came to Taos County from somewhere else. You figure families, maybe two or two and a half people per family, and that accounts for a lot of the real estate development.

I was worried that our in-migration may have leveled off or stopped. If we are concerned with the economic health of our community, we'd better pay attention to this. In 2000, the Taos County total in-migration was 1,447. In looking at 2001 and 2003, it's pretty level--1,200 and 1,400. But the big thing is, what does this mean in terms of the economy of Taos? In the last five years, the aggregate adjusted income of the county has grown due to in-

migration. So there is some opportunity for growth and funds that these people are bringing with them.

In this work, I encountered the work of Dr. Tom Power at the University of Montana. I became an advocate of his point of view and corresponded with him. The amazing chore that he's taken on is to demystify the whole area of service jobs in inland Western economies. Taos doesn't look different from any other state--starting in Montana, where I just visited, on down. The problems are almost the same in every Western state. It has to do with what Power talked about in his book, *Lost Landscapes and Failed Economies: The Search for a Value of Place*. Why are people coming to the inland West? What is it they're looking for? What do they bring with them? Power estimates the impact on the local economies of this in-migration. A retiree moves here, he has non-employment income that's pretty considerable. Say a third of that is going to stay here and have an impact. Power estimated that one in six people who move in are in the retirement group--that is, older 60s. As a result, the community increases its self-sufficiency and is strengthened. He also talks about an enhanced labor supply, with one out of six in-migrants going into the labor force. Finally, he discusses in-migrants building houses and the impact on the environment and culture. There are people

coming in and there is no available real estate for a lot of them. They have means, they're not going to live too long, so they spend their money building houses. This has a big impact on cultural preservation and land use.

In summary, population demographics have shifted from out-migration to in-migration. You look at the 1970s, and Taos County had a net out-migration of about 700 people. You look at the next decade, and we had a net in-migration of about 13,000 people. These changes contributed to the growth of employment in certain industries, like the service industries. Health services are the dominant employer in Taos County. Why health services, if this were a small community completely dependent on tourism? These changes result, in my opinion, from a remarkable degree of diversification. Economically speaking, this is a pretty darned healthy economy. On the other hand, there are pockets of poverty. That's the main reason I'm doing this, to try to make opportunities for more jobs, so more people who choose to be here can have a higher, more consistent quality of life. I'm very optimistic that what we have going here potentially, without much new emphasis, can lead to the preservation of what we hold important.