Presentation to The Town of Taos & Taos County

2013 Taos Economic Development Action Plan
What We Will Cover Today

• 3 Points About Our Economy
  – Where have we been?
  – Where are we now?
  – Where are we going?
Where Have We Been?

- Economic Development not recognized as a need
  - “Tourism will keep us alive”
- By 2006 our economy was in a STEEP DECLINE
  - How did this happen?
Where Have We Been?

- Town hires LeapPartners
  - Community participation in the planning process.
    - **February 2013** two public kick-off
    - **May 2013** Public Roundtable Discussion with 13 representatives of government, business and community.
    - **June-August 2013** Creation of Work Groups
      - Creative Industries
      - Business retention, expansion, and incubation (BRE&I)
      - Tourism and Retail
      - Technology
    - LeapPartners gathered and analyzed economic data to support or dismiss goals of work groups.

- LP writes CED Action Plan and submits to the Town on September 27th, 2013.
Where Are We Now?

• Observations of the economy
  – What do we all see? Is it right?
• The hard numbers that back it up
  – Economic Report Card
  – What do these numbers mean?
• What is the Taos Economy really?
What Do These Numbers Mean?

• We are losing working age population and gaining retirees
  – Retirees are no longer wealthy
• Business activity – goods and services- is dropping significantly
• Employment is dropping as working age people leave and unemployment is high for those who stay
• Income is flat – for employees – or falling – for proprietors/owners
• 51% of our income is from inactive sources – 20% interest, rents & dividends – 31% from government assistance – unemployment, disability, etc.
What is Economic Development?

• Focus on:
  – Nurturing new and existing businesses that sell goods and services outside of our community and bring money in
    • No different than your family
  – It's all about jobs
    • Keeping them
    • Creating them
The Real Taos Economy

What we think we are & What we really are
Arts, Entertainment & Recreation

• Is a minor part of the economy
  – Industry growth is flat (0%)
  – 2.7% of Taos’ income
  – This does not account for the strong cultural affinity Taos has for this sector or its importance to community identity.

Agriculture, Forestry, Fishing and Hunting

• Is a minor part of the economy
  – Includes not only agricultural production but also guide services, adventure companies such as rafting
  – Industry growth is flat (0%)
  – 1.9% of Taos’ community income
  – This does not account for the strong cultural affinity Taos has for this sector.
Accommodations & Food Services

- A core business
  - Relies primarily on tourism (volatile)
  - 40% of Taos’ community income
  - Primarily low wage and low skilled jobs
  - Exhibits an anemic 1.14% growth in revenues.

Wholesale

- Almost entirely attributable to the activities of Chevron Mine
  - Raw product sold to a seller or manufacturer
  - 16.2% of Taos’ community income
  - High wage and skilled jobs
  - Entirely dependent on market forces.
Manufacturing

• Little manufacturing occurs in Taos (primarily personal care products and food)
  – 9% of Taos’ community income
  – Some small manufacturers went out of business and relocated.
  – Despite these setbacks, the industry has remained stable
  – Personal care product sector is showing signs of rapid growth.

Information (Technology)

• Robust growth industry
  – 15.9% of Taos’ community income
  – At 16.48% annual revenue increases new businesses are likely to form creating new employment
  – high wage and high skill industry
Professional, Scientific and Technical Services (Technology)

• Growing sector of the economy
  – Includes R & D, architecture, engineering, accounting and legal services
  – 13.7% of Taos’ community income
  – high wage and highly skilled jobs
Where Are We Going?

• Two Choices:
  – Do nothing
  – Do something
Where to focus our efforts?

• Shore up and stabilize certain sectors
  – Tourism (accommodations, food services, tourism retail)
  – Art, entertainment & Recreation
  – Agriculture, forestry, fishing and hunting

• Put substantial investment of time, effort and money into:
  – Information (Technology)
  – Professional, scientific and technical services
  – Manufacturing (primarily personal care products)
Where Are We Going?

- Who is going to do the work necessary to capitalize on our growing portions of the economy?
  - No existing capacity among existing organizations
  - Need regional approach
Principal Recommendation

- Create a Regional Economic Development Organization
  - To be successful it must be:
    - A public/private partnership of oversight and funding
    - Focus only on community income producing industries & jobs
    - Annually evaluate, revise and/or create goals
    - Work with the New Mexico Partnership to attract businesses
What Can I Do?

- Town and County work together to fund, through USDA Rural Development, the creation of a Regional Economic Development Organization
- Support the establishment of a Regional Economic Development Organization
- **LEADERSHIP**
  - Talk to local, state and national political leaders about economic development and encourage them to support and fund the effort
What Can I Do?

• Advocacy
  – Networking
  – Phone calls
  – Talking about economic development
• Engage the communities in the Enchanted Circle to create a partnership
• Work regionally to build the Regional Economic Development Organization that will:
  – Focus on community income and jobs
  – Be self sustaining
  – Grow our community without the loss of identity