

Taos economy levels off, shows signs of life

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Gross receipts numbers show that the Taos County economy held steady in 2012, with major industries like real estate and recreation seeing notable increases over recent years.

The data are part of the 2012 Taos Economic Report, which shows Taos County gross receipts, employment numbers and real estate sales. According to the report, the overall 2012 economy was 8 percent below the 2008 high, and only 0.5 percent above the post-recession low in 2011.

Of all categories shown on the report, the real estate market is perhaps the brightest ray of light. The number of residential sales in 2012 was well above pre-recession numbers, and the dollar volume was 23 percent above last year's low.

"I think people finally started to get comfortable with the idea that the market wasn't going to get much worse," said John Cancro with Taos Properties.

Following the economic downturn, local real estate experts think buyers were waiting in the wings until prices hit bottom. Last year, the market appeared to level off, and a lot of properties started moving.

Cancro said that he's "cautiously optimistic" that the economy will continue to grow, and that home prices will follow. He said both buyers and sellers should realize that the sky-high prices at the peak of the housing bubble were an illusion; today's market is much closer to reality. "The correction is real," Cancro said.

In addition to a rebounding real estate market, gross receipts numbers suggest that Kit Carson Electric Cooperative's \$64 million broadband project (part of the federal stimulus package) is having an impact on the economy. Numbers in relevant industries — electrical contractors and heavy construction — are up more than \$5 million for 2012, but it's still impossible to know exactly how much of that boost is directly tied to the project.

Meanwhile, the construction industry continues to struggle, with reported gross receipts slipping another 12 percent from 2012.

Construction accounted for more than 12 percent of the total economy last year. At its peak in 2006, construction made up almost 20 percent of the county's economy. Since then, the construction workforce has declined by more than 50 percent.

Perhaps one of the most telling trends in the economic report is related to the civilian labor force, which tracks the number of employed and unemployed people in the county.

There were 84 fewer people classified as unemployed last year, bringing the county's unemployment rate down to 8.8 percent. However, that drop was partially attributable to the fact that there were 562 fewer employed people in 2012. Losses in both categories brought the total labor force to 16,587 people — the lowest level since 2000.

Dean Archuleta at the Taos Workforce Connection said many of the job seekers who've been coming into his office have simply run out of options.

"We're seeing a lot of people who come in to file for unemployment, but they're not able to find work," Archuleta said. Including two extensions, unemployment benefits are good for a year before they expire.

Archuleta noted that the upcoming tourist season would likely bring seasonal hotel and restaurant jobs, but competition for permanent employment is very high.

Brad Malone, president of the Taos County Chamber of Commerce board, said the gross receipts and employment numbers show him that things have yet to really turn around. "It's indicative that we continue to struggle through a long economic downturn in Taos," Malone said.

Malone said he thinks years in a depressed economy have left many business owner with a sense of "malaise." To change that attitude, he'd like to see the community rally around a common project. His suggestion: Encourage public and private groups to work together to find ways to use the forthcoming broadband network to improve education and business in Taos County.

"We've been given a gift that has the potential of saving us from the economic turmoil that is compounding at this point," Malone said.