

My Turn

The Taos economy: An interconnected web

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I admire the work that Bill Stevens has done on a voluntary basis for years. His numbers are exceptional and he can read them better than most of the analysts I have worked with over my 15-year career in economic development and planning. They have been and continue to be invaluable to me.

Bill is right about the true basis of our economy and our economic boom as it is told just by the numbers. But what is not stated in the excellent article by J.R. Logan or in Bill's numbers is the connection between in-migration and tourism.

Many people vacation in places that they would like to eventually retire to, usually for quality of life reasons. They honestly believe that life in the place "they have visited for years" will be better than where they are now.

But during those years of visitation they don't move to those greener pastures. Why? The reason for the delay is simple — they cannot make a living here, or so they believe. And in many cases they are correct.

The other side of migration (out-migration) that is not being told is the number of working age people who move to Taos in the hopes of living and working in our amazing community who find that the idea of being in Taos is much better than the reality, at least economically. We lose many people within two years of relocating and the stories of failed migration abound.

During the delay in moving to Taos many choose to build a second home here; it lets them stay here without a hotel room and they have a home to retire to on the magic day that they have the cash and investments in hand to live without working for their income.

This phenomenon is shown in the numbers for real estate sales, construction and the number of homes that are owned by persons out of state. Our lodging numbers are also skewed because these homes are often placed in rental pools; a form of lodging that does not pay lodgers tax and is not counted. What are the real lodging numbers if you add in the rooms that operate under the radar?

So why do we say we are a tourist-based economy? Tourism is our biggest contributor to the economic base; it attracts both new dollars and new people to the community. It's great that we have grown to become a substantial economy, but how much of that is directly from the "basic economic sector"?

Wealth is built on basic businesses that provide a good or service that is consumed by money outside of the local system. In simple terms you send a product out and bring new money in and the local economy, number of dollars in town, increases.

In Taos we have a small and relatively unknown group of non-tourism based basic economic businesses — Vapor Beauty, Desert Blends, Siriusware and Cooking Studio Taos are a few notable examples. But that sector is very small in the overall economic picture.

Tourism brings in the most people and money from the outside. Tourism is the reason we have had such a meteoric rise in in-migrants and why we have had such growth in other economic sectors.

But people are fickle and tastes change. Tourism is seasonally and weather dependent in Taos and is subject to the availability of disposable (extra) income and consumer choice.

It's a volatile sector and not a stable basis for any economy.

Today we have a huge windfall — \$64 million in fiber optic infrastructure that the members of Kit Carson Electric Cooperative will own for \$19 million plus interest — roughly a 66 percent discount to put it into retail terms.

But in order to move away from attracting only retirees we can't just build the network and think that our problem is solved. We have to have what working adults, particularly young entrepreneurs, want. If Taos is to survive it must move away from attracting just retirees. Tourism is and will be critical to attracting anyone to Taos. What is critical to both tourism and attracting new basic businesses is quality of life.

We will soon have the tools to diversify our economy but we have to make it happen. I was once told by a wise mentor "never waste a good crisis." We have a crisis and a huge opportunity if we avail ourselves of it by making wise investments that improve the quality of life in the Enchanted Circle.

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