

Otero Mesa and the Role of a Potential National Monument

by Ben Alexander

December 20, 2010

Debate over a possible new National Monument covering the Otero Mesa has erupted again. Given the importance of this issue, now is the time to discuss the economics of how a Monument could impact southern New Mexico and whether it would be beneficial to residents.

Let's start with the area's economy. The region's economy has strong ties to the military, though since the mid-1980s these jobs have been declining. In contrast, services and professional sectors, and retirement and investment income have grown independent of this decline and provided a complimentary economic alternative to military bases.

By 2008, services and professional employment constituted more than 50 percent of all jobs in southern New Mexico, and non-labor income was more than one-third of total personal income. These sectors are associated with above average economic performance in rural, public land counties across the West.

There also are a few warning signs on the horizon. In some areas such as Otero County the population is growing entirely because of high birth rates, while more adults are leaving the county each year than migrate into the area.

Also, the self-employed ranks have grown much faster than wage and salary jobs—a possible indication that people are working for themselves because it is their only alternative.

With this context in mind, the question is whether Monument designation—acting to increase protections on public land—would benefit southern New Mexico economically.

The short answer is that repeated academic studies have shown that investments in public lands conservation and restoration provide an immediate return through new employment and revenue.

Tourism and recreation play a substantial role in rural communities. The Economic Research Service of the U.S. Department of Agriculture recently found that “recreation and tourism development contributes to rural well-being, increasing local employment, wage levels, and income, reducing poverty, and improving education and health.” Job earnings in rural recreation counties, for example, are \$2,000 more per worker than in other rural counties.

In today's economy, the value of natural amenities and recreation opportunities extends far beyond tourism.

Experts increasingly recognize that protected public lands provide not only immediate job and financial benefits through tourism and recreation but also help promote long-term economic growth because of their ability to attract and retain people, entrepreneurs, and the growing number of retirees who locate for quality of life reasons.

Furthermore, published research has shown that, nationwide, protected natural amenities—such as pristine scenery and wildlife—help sustain property values and attract new investment.

So what would a Monument mean for southern New Mexico?

The Mesa is one of the most highly regarded natural assets not yet protected in New Mexico and home to more than 1,000 native plant and animal species. Already significant tourism jobs and expenditures along with related tax revenue could be expected to grow further with a new Monument.

By taking an active role in a new Monument, the region could cultivate a growing services and retirement economy as part of a long-term economic diversification and resiliency strategy.

Just as importantly, the Mesa lies above the region's largest untapped water source, the Salt Basin Aquifer. This water will become even more valuable over time and should be guarded for responsible future use.

It's worth considering whether there could be opportunity costs from creating a Monument. Such a designation would not harm agricultural uses or military employment.

Looking at mineral wealth, the Bureau of Land Management's analysis showed little reason to believe that the local economy would benefit from projected fossil fuel extraction on Otero Mesa—and that the limited revenue from mineral extraction might not even cover the share of infrastructure and service costs.

Overall, there is a strong case to be made that protecting Otero Mesa's unique desert grasslands will provide a number of economic benefits to nearby communities.

Ben Alexander is Associate Director of Headwaters Economics, www.headwaterseconomics.org, an independent, nonprofit research group whose mission is to improve community development and land management decisions in the West.