Quick Facts:
The Economic Benefits of Southern New Mexico’s Natural Assets
Fall 2010

LOCAL IMPACTS:
1. Tourism is New Mexico’s second largest industry, bringing more than $5.7 billion to New Mexico annually. Outdoor recreation alone generated $2.75 billion in retail sales in 2006, more than wholesale trade or finance and insurance that same year. 

2. New Mexico’s fish, wildlife, and habitats annually contribute $3.8 billion to the state’s economy through hunting, fishing, and outdoor recreation. These activities sustain 47,000 jobs (more than farming and forestry combined) and generate more than $184 million in yearly sales tax revenue.

3. Bird watching alone is significant for New Mexico, and the state ranks fifth nationally with 46 percent of its birders coming from outside its borders. The Bosque del Apache National Wildlife Refuge, for example, brings in $13.7 million annually from non-residents to the three counties of Socorro, Bernalillo, and Sierra; along with $4.3 million in regional tax revenue.

4. This also is true of other forms of outdoor recreation. In 2006 more than 84,000 non-resident fishermen spent 467,000 days fishing in New Mexico and contributed $99 million to the state economy; and 32,000 non-resident hunters spent 167,000 days hunting in state, contributing $63 million to the economy.

5. The lodgers tax brings important revenue to local communities. For example, Silver City, collected $265,000 in 2008; Las Cruces $1.8 million; Alamogordo $410,000; and Belen $78,000.

NATIONAL TRENDS:
6. The U.S. Fish and Wildlife Service notes that “expenditures for wildlife watching are equivalent to the revenue generated from all spectator sports, amusement parks and arcades, non-hotel casinos, bowling centers and skiing facilities combined.”

7. The U.S. Department of Interior estimates that for restoration projects “every $1 million invested creates an average of 30 jobs. Investments in recreation also have big pay-offs; every $1 million invested creates about 22 jobs. These are largely private sector jobs.”

8. Tourism and recreation play a substantial role in rural communities. The Economic Research Service of the U.S. Department of Agriculture 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 for those in other rural counties.

IMPORTANCE OF NATURAL ASSETS:
9. In today’s economy, the bulk of the economic value of natural amenities and recreation opportunities lies in their ability to attract and retain people, businesses, and retirees who locate in areas with a high quality of life, such as natural amenities. The same qualities that attract businesses also draw retirees and people with investment income.

10. Surveys consistently have identified natural amenities and recreation opportunities as key factors determining where entrepreneurs and retirees chose to locate.

11. Research published in the American Journal of Agricultural Economics has shown that, nationwide, protected natural amenities—such as pristine scenery and wildlife—help sustain property values and attract new investment.

For the full report, references, and other information, see: www.headwaterseconomics.org/NMnaturalassets.
1 New Mexico Department of Tourism. For a detailed list of references consulted in writing this report, please see: www.headwaterseconomics.org/NMnaturalassets/references.
6 New Mexico Department of Tourism (2010, February). “New Mexico Tourism Department Quarterly Report.” Santa Fe, New Mexico.
7 State of New Mexico web page, see: http://www.newmexico.org/department/research/documents/NewMexicoLodgeersTaxFY00-FY08.pdf.