NEW MEXICO’S ECONOMY AND THE ROLE OF FEDERAL PROTECTED LANDS

This paper summarizes New Mexico’s economy and the role of federal protected lands. It analyzes how the state has performed, what is driving economic growth, and how protected lands such as national parks and monuments play a positive role in attracting people and investment, while growing businesses and jobs in New Mexico.

New Mexico’s economy is growing and outperforming the broader U.S. economy.

From 2000 to 2010, New Mexico’s population grew by 13%, employment 10%, and real per capita income 16%. Over the same time period, real personal income grew by 31%, driven by high quality jobs and a rapid growth of investment and retirement income.

New Mexico’s prosperity depends on being able to attract people with the talents and creativity required to remain competitive in the 21st century. Such people are drawn by natural beauty and amenities, making New Mexico’s environmental quality a key asset for continued growth.

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High wage services industries led New Mexico’s job growth, diversifying the state’s economy.

From 2000 to 2010, New Mexico’s economy created 99,799 new jobs, with 99% of this growth coming from service-related industries. The fastest growing sectors included health care, professional services, government, and real estate.

The state’s diverse industry mix means that assets—such as quality education and unique federal public lands—that attract people and business across a range of services sectors are critical to New Mexico's economic future.
New Mexico is attracting people and investment, while creating jobs faster than the U.S.

Research shows that people are drawn to areas for their quality of life and natural amenities, bringing investment income and business connections to the larger world.

From 2000-2010, New Mexico created 58,382 net new wage and salary jobs, an increase of 8%. In the U.S. over the same time period, the number of wage and salary jobs shrank by 1%.

From 1970 to 2010, investment income—dividends, interest, and rent—increased from $2.3 to $10.9 billion, in real terms, a 372% gain. In 2010, investment income was 15% of total personal income in the state. Combined with transfer payments, which are mostly age-related, non-labor income made up 38% of total personal income in 2010.
Economists believe protected federal lands are an important driver of economic growth.

Across New Mexico and the West, protected federal lands such as national parks, monuments, and wilderness areas are associated with higher rates of job growth.

![Percent Change in Employment, Western Non-Metro Counties 1970-2010](chart.png)

From 1970 to 2010, western non-metropolitan counties with more than 30 percent federal protected land increased jobs by 345%. By comparison, non-metro counties with no protected federal lands increased employment by 83%.

![New Mexico Federal Lands](map.png)

The critical natural capital inherent in protecting public lands generates a wide variety of benefits essential to economic development and sustainable communities across New Mexico.

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Reference

The West is defined as the 11 public lands continental western states: Arizona, California, Colorado, Idaho, New Mexico, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. “Protected” federal lands include areas such as National Parks, Wilderness, National Monuments, National Conservation Areas, National Recreation Areas, National Wild and Scenic Rivers, and National Wildlife Refuges. For more details, see: http://headwaterseconomics.org/tools/eps-hdt/tech-info.

More than 100 economists recently urged the President to protect federal lands as an important economic asset. See: http://headwaterseconomics.org/land/reports/economists-president-public-lands.


Non-Metropolitan counties are counties without an urbanized area of 50,000 or more population, or a high degree of social and economic integration with a Metropolitan Statistical Area as measured by commuting ties.


For More Information

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Headwaters Economics is an independent research group whose mission is to improve community development and land management decisions in the West.