

Santa Fe National Forest
Social and Economic Situation Workshop

March 26, 2007
Santa Fe, New Mexico

Ben Alexander/Jeff van den Noort
Headwaters Economics

www.HeadwatersEconomics.org



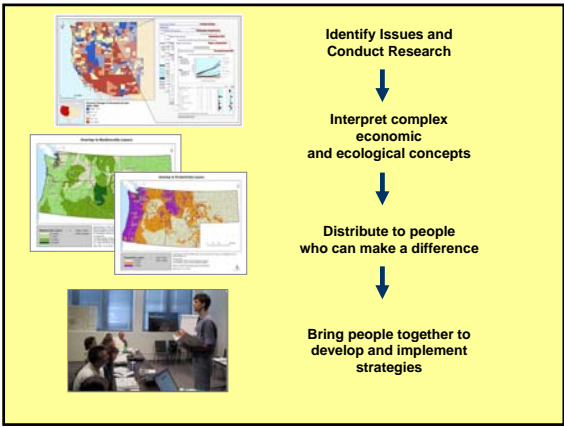
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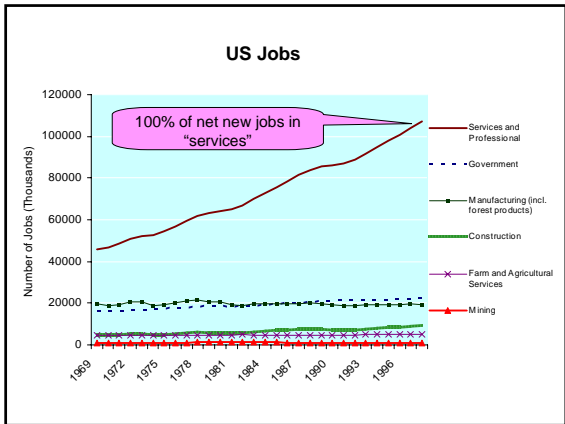


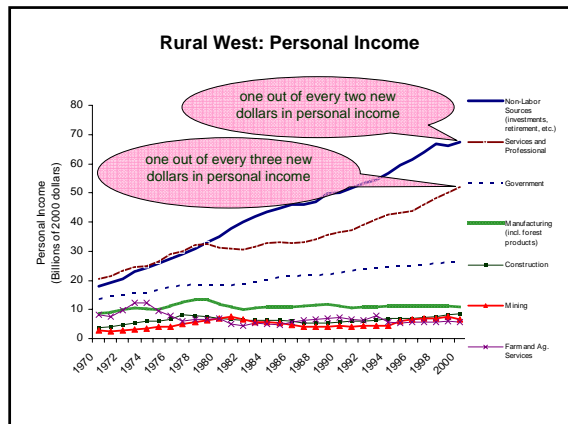
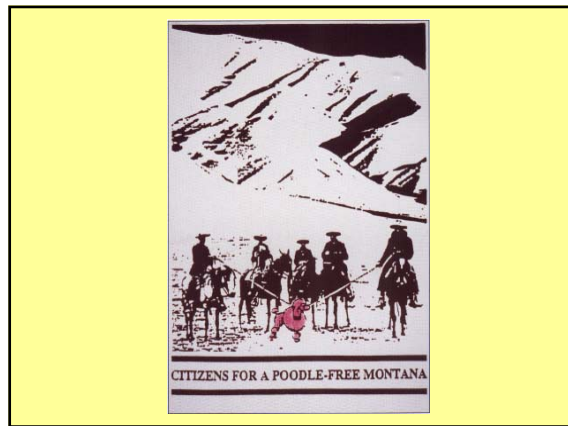
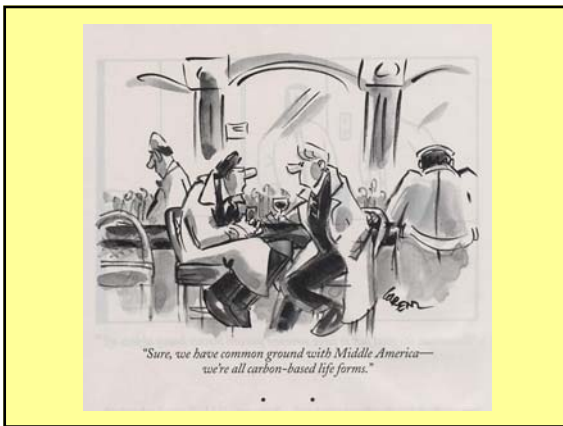
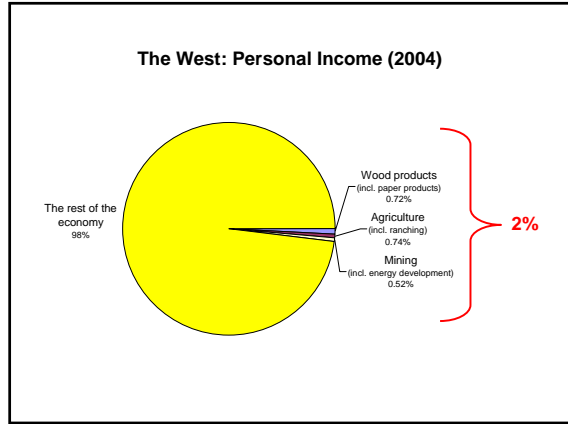
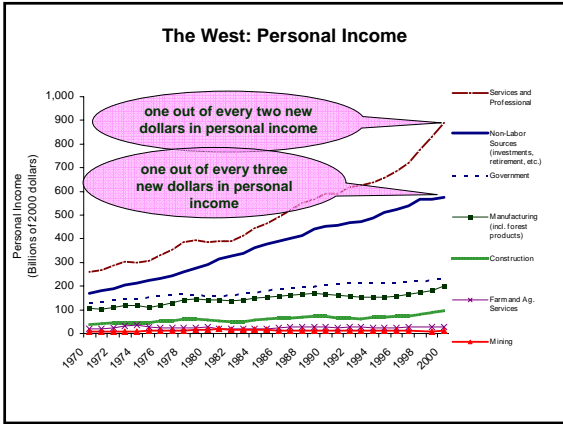
The economy

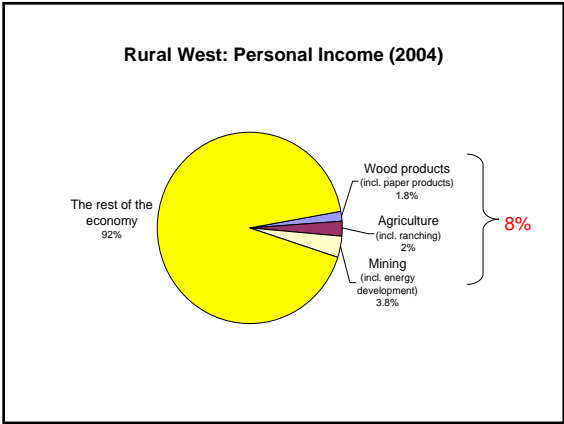
- Recent changes
- Drivers of change
- Winners and losers
- Adaptation to change

- **How has the regional economy changed?**

Goods Production
 Services
 Non-Labor income







■ **What are the drivers of change?**

- Changing nature of goods production
- International Competition
- Aging population
- Emphasis on services / information

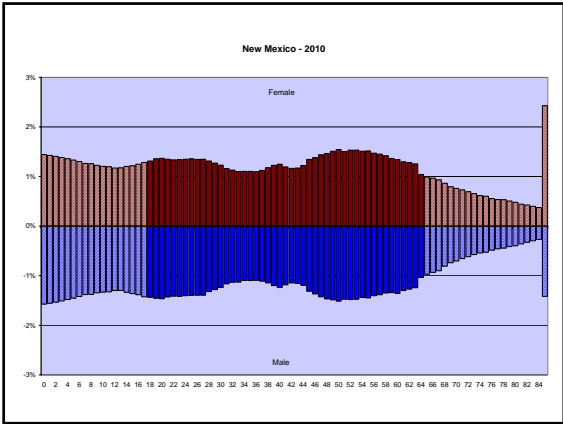
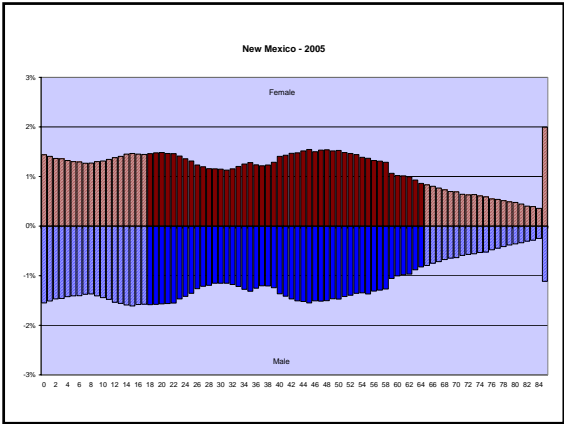
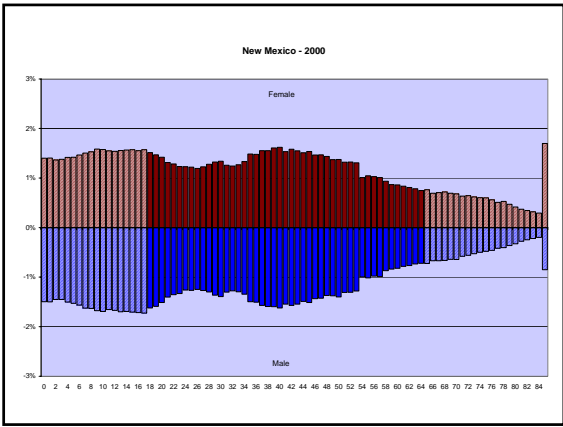
Percent of Population 65 and Over

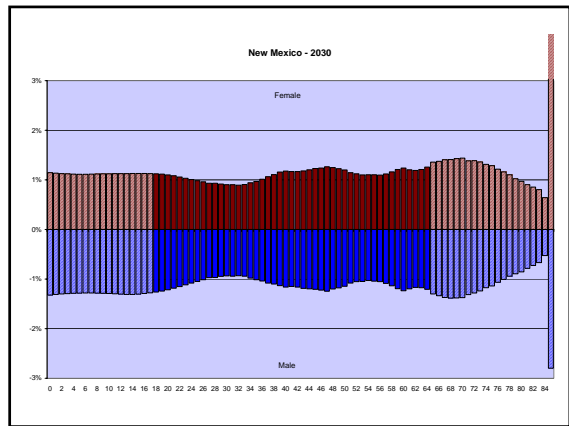
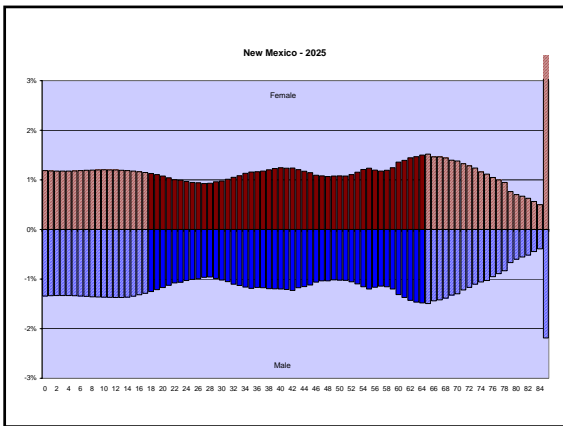
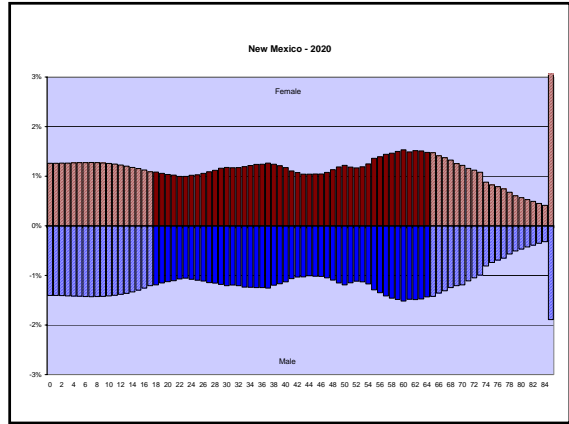
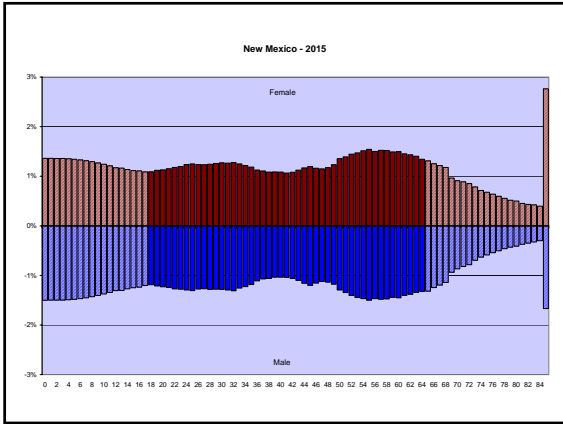
1900	4%
1950	8.1%
2000	13%
2050 (projected)	21.8%

By 1983 more Americans over 65 than the number of teenagers (no longer a nation of youths)


What's next? One third of Americans were born between 1946 and 1964 – the **BABY BOOMERS**

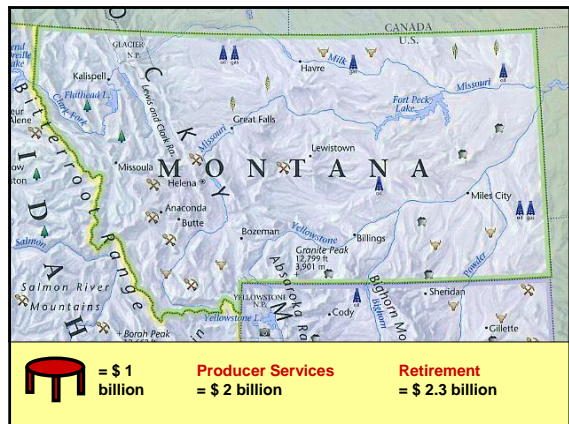
Source: Ken Dychtwald "Age Wave"





The West -- Personal Income, 2000

Agriculture		\$14 billion	
Mining, Oil, & Gas		\$10 billion	
Lumber, wood, paper (est.)		\$14 billion	+
Examples of "services"		\$ 38 billion	
Consumer Services		\$86 billion	
Health Services		\$94 billion	
Producer Services		\$362 billion	



What are “producer services?”

Relatively high-wage “knowledge-based industries” ...

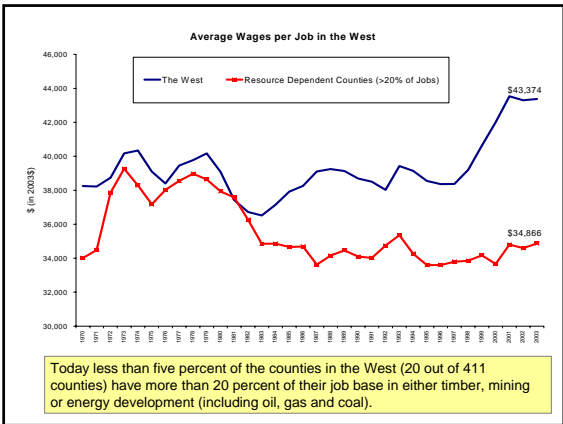
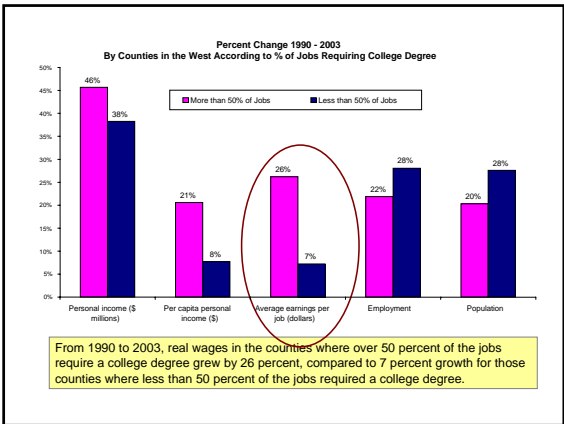
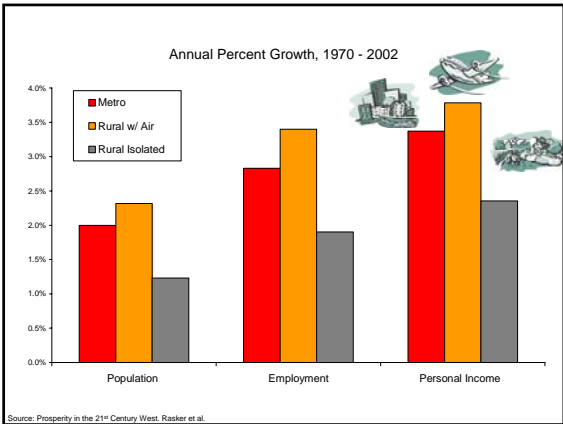
Finance, insurance, real estate, business services, engineering, management services, etc.

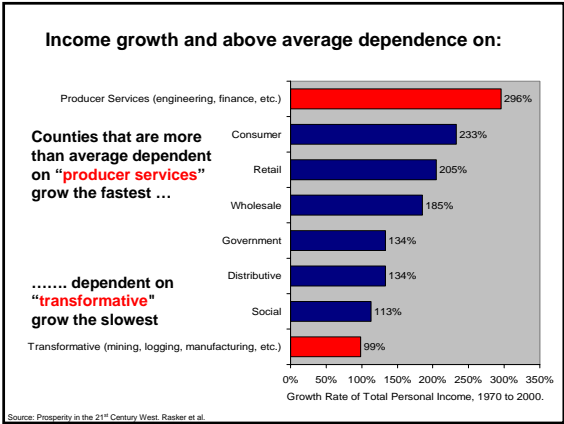
Wages and Employment in the West, 2003 (Private Sector Only)			
	Employment	% of Total	Average Annual Wages
Total, all industries	22,942,965	100%	38,612
Goods-Producing	4,920,886	21%	43,552
Natural Resources and Mining	682,714	3%	26,002
Construction	1,625,303	7%	39,507
Manufacturing	2,602,869	11%	50,749
Service-Providing	18,022,080	79%	37,262
Trade, Transportation, and Utilities	5,128,818	22%	34,291
Information	812,313	4%	70,052
Financial Activities	1,638,252	7%	54,999
Professional and Business Services	3,613,832	16%	45,948
Education and Health Services	2,822,678	12%	36,455
Leisure and Hospitality	2,891,992	13%	18,487
Other Services	1,058,758	5%	22,894
Unclassified	55,439	0.2%	36,398

Who wins and who loses?

Connected to markets
Educated

Isolated
Resource dependent

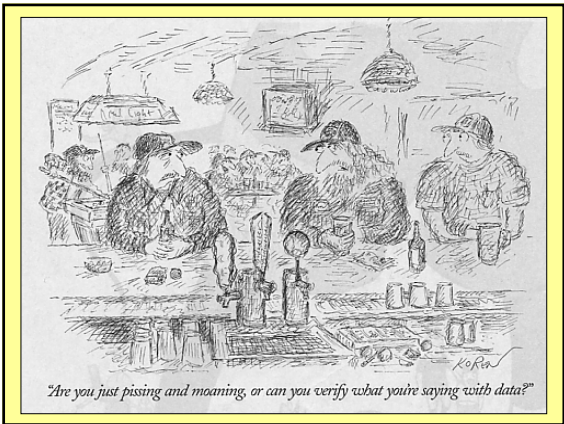




■ Adaptation to change?

How has the West's competitive advantage evolved?

And how as the role of public lands changed?



Economic Profile System (EPS)

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