Economic Trends in the Santa Fe National Forest Six-County Region

Key Topic
- The region is wildly variable. Within a contiguous geography surrounding the Santa Fe National Forest there is a tremendous amount of unevenness. This makes generalizations difficult and means that management decisions should account for the distribution of differences within the region. (See "Maps Illustrating Regional Variability" at http://www.headwaterseconomics.org/santafe.php.)

Demographics
- There is significant ethnic and racial diversity. Native American populations are predominately in Rio Arriba (14% in 2000) and Sandoval counties (16%). Hispanic/Latino populations are largely in Mora (82%), San Miguel (78%), Rio Arriba (73%) and to a lesser degree in Santa Fe (49%). Los Alamos is far less diverse (12% Hispanic/Latino) and 1% Native American.
- From April 2000 to July 2006, Rio Arriba and San Miguel lost population, Mora was flat, but large gains in Santa Fe and Sandoval caused the region to gain 35,915 people.
- 12,393 of that was due to natural increases (births - deaths), 6,530 was from international migration, and 17,929 was from internal migration from other US counties.
- Net migration was substantially negative (more people leaving then coming) in Rio Arriba (-2,912) and San Miguel (-1,702) Counties.
- Huge net in-migration flowed to Sandoval (19,472) and Santa Fe (8,608) Counties.
- Population growth is from a combination of in-migration and natural gains. Migration is especially strong in Los Alamos, Sandoval and Santa Fe.
- Young adults leaving the counties is an important issue, most significantly in Los Alamos and Mora Counties.
- The region is a mix of urban areas and dispersed rural communities.
- Sandoval County contributes roughly 1/3 of the population in the region, but much of its population is in the southern portion of the county.

Education and Earnings
- Education rates are highly variable. Los Alamos has extremely high education rates (61% of adults 25 and over have a college degree). Santa Fe is also very high (37%). Rio Arriba (15.4%) and Mora (15.5%) are the least educated in the region, but are in line with the National median.
- Earnings and per-capita incomes are increasing, though wildly variable across the geography.
- Los Alamos is experiencing the highest income. In 2004, Per Capita income was $51,027 and average earnings per job were $69,850. Second is Santa Fe (per capita income was $34,448, average earnings per job were $37,808). Sandoval had earnings in line with Santa Fe ($37,783), but much lower per capita income ($25,468).
- Incomes were more variable at the county subdivision level. In 1999, Per Capita Income ranged from a low of $8,373 in Rio Arriba County, New Mexico, Western Rio Arriba CCD to $36,215 in Los Alamos County, New Mexico, White Rock CCD.

- The counties with the lowest incomes were Mora (PCI was $17,142 and average earnings per job were $15,345) and Rio Arriba (PCI was $21,698 and average earnings per job were $23,423).
- From 1990 to 2004, per capita income grew the fastest in the poorest counties (3.2% per year adjusted for inflation in Rio Arriba, 2.4% in San Miguel, and 2.1% in Mora).
- Growth in average earnings per job tells a different story. The fastest growing earnings were in Sandoval (2.7% per year), Los Alamos (2.0%) and Santa Fe (1.7%).
- Major employment sectors that boost earnings in region include Intel Corporation (Sandoval), Los Alamos National Laboratory (Los Alamos), and the capital of New Mexico (Santa Fe).
- Although the Los Alamos National Laboratory contributes a lot of government jobs, government employment is substantial throughout the region, the vast majority of which is from state and local government.
- In Rio Arriba, per capita income may have been boosted partially by a declining share of the population that is under 20 years old (From 1990 to 2000, the share of the population under 20 fell from 35.5% to 31.4%.)

Non-labor Income
- Part of the reason for different trends in incomes and earnings may be due to the increasing importance of non-labor income (from dividends, interest, rent and transfer payments) in Mora and San Miguel counties. Non-labor income as a share of total increased from 32% in 1970 to 42% in 2004 in San Miguel County. Similarly, it increased from 41% to 51% in Mora County. Non-labor income as a share of total has grown across the region, but accounts for smaller share in the other counties.

Limitations of the Data - Non-Cash Economy
- The share of the population who is working age (20 – 64) ranged from 55% in Mora County to 63% in Santa Fe County. From 1990 to 2000, the share that was working age increased in Rio Arriba and San Miguel counties, mostly due to a decline in the number of children as a share of total.
- The non-cash economy is significant, especially in rural areas (in Mora County, for example, 47% of adults do not work, which is substantially higher than Los Alamos (25%) Santa Fe (27%), Sandoval (31%)).
- Only a small portion of this can be attributed to having more retirees. The share of the population 65 and over in 2000 was relatively constant. Mora County was a little higher at 15%, but the remaining 5 counties were all 11-12%.
- At the county subdivision level, the share of people who are retirement age was much more varied, from 5% of total to 30%. The three subdivisons with the lowest shares were Rio Arriba County, New Mexico, Jicarilla CCD (5% of total), Santa Fe County, New Mexico, Santa Fe South CCD (7%), and Sandoval County, New Mexico, Santo Domingo CCD (8%). On the high side are San Miguel County, New Mexico, Trementina CCD (30% of total, and San Miguel County, New Mexico, Conchas Dam CCD (22%).
- As earnings per job includes part time workers, some of the variation is partially explained by the share of adults (16+) that works year round, full-time. It ranged from a high of 50% in Los Alamos, to 22% in Mora County.
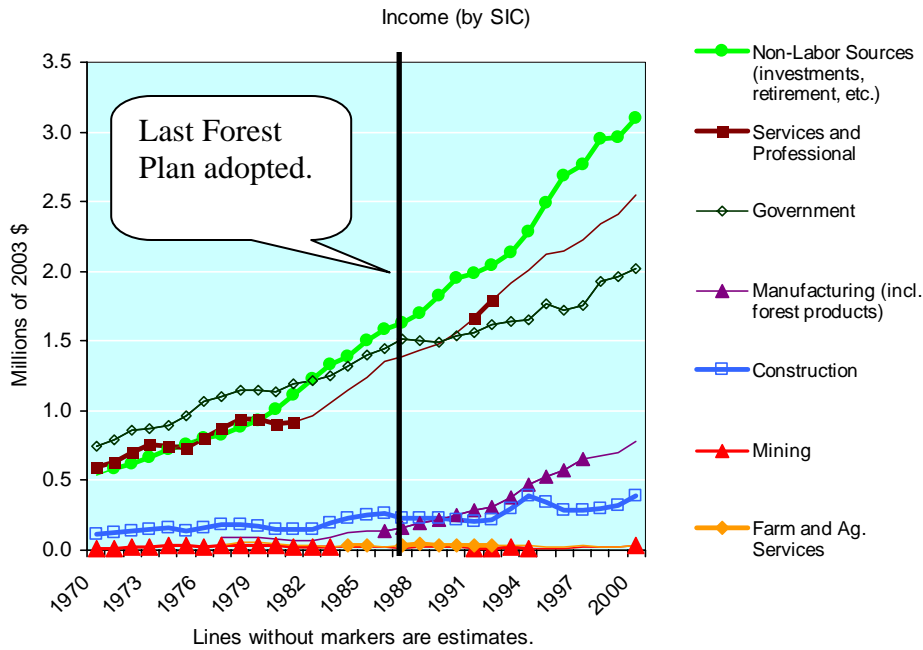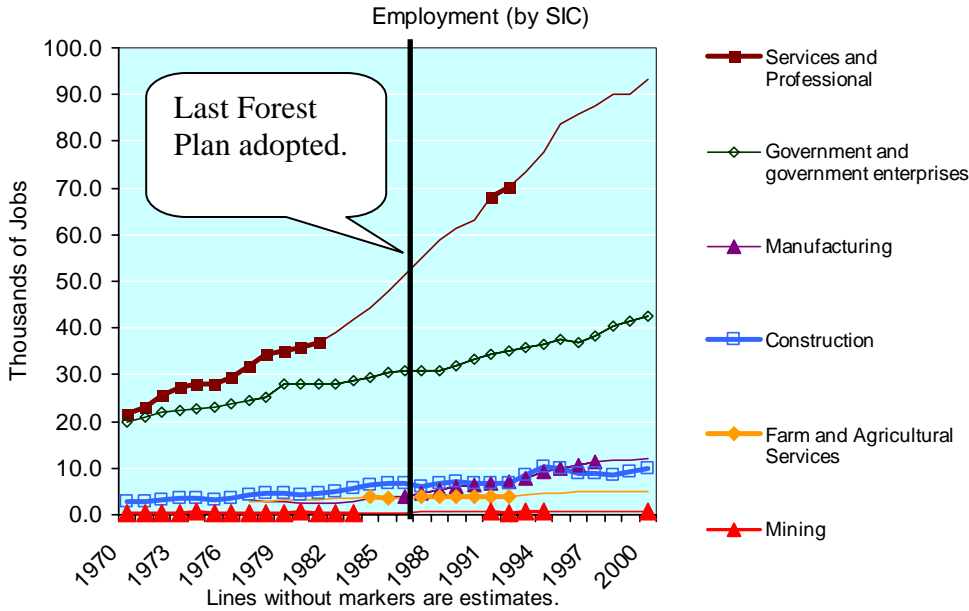
Commuting
- The region is tied together with significant commuting.

- Major employment hubs in Los Alamos, Santa Fe, Sandoval and Bernalillo Counties are driving large commuter flows. For example, there are a lot of commuters who work in Los Alamos and live in Santa Fe, Rio Arriba, and to a lesser degree Sandoval, Bernalillo and Taos.
- Net commuting in Santa Fe is more complicated. Many commute out to Los Alamos and Bernalillo, and many commute in from Sandoval, Rio Arriba and San Miguel. Not surprisingly, there are a huge number of commuters going both ways between Bernalillo and Sandoval, but twice as many commute out to Bernalillo as go the other way.
- One could argue that these commute flows suggest that Bernalillo should be included in the study region, but that would dwarf the rest of the region.

Forest Related Employment
- Subsistence activities in the forest continue to be important, and are not reflected in the economic data. There is a need to investigate forest data on permits to supplement this research.
- Forest related economic activities have shifted towards travel and tourism related sectors. Employment in travel and tourism related sectors dwarfs logging and wood products, and mining combined.
- According to county business patterns in 2004, employment (excluding proprietors) in logging and wood products accounted for 0.1% of total jobs in the 6 county region. Similarly, mining accounted for 0.2% of the jobs.
- According to REIS, which includes proprietors, mining contributed 0.5% of jobs in 2000.
- The same source documents that farm and agricultural services employment accounted for 3% of the jobs in the region in 2000, but only 0.3% of total personal income.
- Agricultural business income (including farm and ranch) in the region turned negative sometime in the mid-nineties and has been negative ever since 1997 (to 2004 when the data source ends). The long-term decline since the early eighties seems to be related to declines in livestock.
- Of the resource industries (logging & wood, mining and agriculture) only agriculture employs a substantial number of people (roughly 3%), but low earnings and negative business income diminishes its impact on the total economy. Mining, logging and wood products have higher wages, but only account for 0.3% of employment (excluding proprietors) in 2004.
- According to the Bureau of Labor Statistics (2005), the highest paying sector is manufacturing, accounting for 9.5% of total employment in the six county region and paying $59,058 per year. The Intel plant in Sandoval County is a major contributor to this sector. The largest employment sector is trade, transportation, and utilities. It accounts for 20.7% of total employment and pays $27,066 per year.
- As tourist related sectors also serve the local population, tourist related employment is harder to measure precisely. By multiplying the number of jobs in each sector by a factor that approximates the portion of each sector that is tourist related (based on national estimates), tourist related sectors employ approximately 7,000 people in the region. This accounts for roughly 8% of the total number jobs in the six counties. (The data source was 2004 County Business Patterns which excludes proprietors.)
- Using this method, most of the tourist related jobs were in travel accommodation (2,972 jobs), food services and drinking places (1,882 jobs), gambling (818 jobs), and retail trade (508 jobs).
- The vast majority of the tourist related jobs were in Santa Fe and Sandoval counties, but as a share of total, San Miguel and Rio Arriba also are experiencing similar dependence on tourist related jobs. Gambling industries are a significant employer in Rio Arriba and Sandoval counties.

At-a-Glance Graphs Summarizing Major Economic Trends in Region

Employment (by SIC)

Thousandths of Jobs (Y-axis: 0.0 to 100.0)

Last Forest Plan adopted.

X-axis: 1970, 1973, 1976, 1979, 1982, 1985, 1988, 1991, 1994, 1997, 2000

Lines without markers are estimates.

Legend:
- Services and Professional
- Government and government enterprises
- Manufacturing
- Construction
- Farm and Agricultural Services
- Mining

Income (by SIC)

Millions of 2003 $ (Y-axis: 0.0 to 3.5)

Last Forest Plan adopted.

X-axis: 1970, 1973, 1976, 1979, 1982, 1985, 1988, 1991, 1994, 1997, 2000

Lines without markers are estimates.

Legend:
- Non-Labor Sources (investments, retirement, etc.)
- Services and Professional
- Government
- Manufacturing (incl. forest products)
- Construction
- Mining
- Farm and Ag. Services

Data sources include the following: US Census 2000 and 1990, Bureau of Labor Statistics (2005), Bureau of Economic Analysis, Regional Economic Information System (REIS) 2004, and Headwaters Economics data estimates when data were not disclosed.