

Taos County Chamber of Commerce
Analysis of Economic Trends and Tourism Promotion Efforts
October 16, 2013

Summary of the Taos Economic Report

The Taos County Chamber of Commerce compiles extensive data each quarter regarding the state of the regional economy. Utilizing Gross Receipts Reported as the broadest measure of economic activity available, the Taos Economic Report provides detailed information and comparisons unlike any similarly situated community in the United States.

The Chamber is pleased to report that after seven years of virtually uninterrupted economic decline, the regional economy has posted its first 12-month sustained period of growth beginning with the 3rd Quarter of 2012 and through the 2nd Quarter of 2013. Although specific areas of concern for the local economy remain, the ability of our business sector to grow for four straight quarters should be heralded as a turning point after the Great Recession.

Total economic activity is set to grow to almost \$850 million in 2013 with a modest but sustainable 3.25% growth rate. Although our economy is smaller now than it was in 2008, the new output of our business sector holds promise for improvement. Members of the Taos County Chamber of Commerce remain the largest job creators and the driving force behind economic growth in our region. New activity being generated by the construction of the new Fiber Optic Network through Kit Carson Telecom is set to generate hundreds of jobs and tens of millions of dollars in growth during 2013.

Another bright spot in the economic turnaround underway in Taos County is the real estate industry where median home sales prices increased by 12.7 percent in the 3rd quarter of 2013 and the dollar value of all home sales has almost returned to pre-recession levels.

Areas of concern for the regional economy remain virtually identical over the course of the last several years: steep declines in construction activity continuing in double digits (27.6% in the 2nd Quarter of 2013 alone), one of the highest unemployment rates in New Mexico at 9.4% and a 5.5% decline in the number of active businesses generating gross receipts.

Tourism Sector Promotion and Economic Activity

Growth in the Tourism Sector of the Taos Economy was strong in the first half of 2013. Using an aggregate of gross receipts figures from areas such as accommodations, restaurants and drinking places, total tourism activity rose by 6.5% in the 2nd Quarter of 2013 alone. Restaurants and bars led this increase with substantial increases in gross receipts reported.

Another measure of tourism sector activity is the revenues generated by the Town of Taos from its 5% Lodger's Tax. Following a modest decline in these revenues in January 2013, each successive month of this year has produced increased revenue. Figures from June, July and August of 2013 have surpassed those of any year since the beginning of the Great Recession. Projecting these figures out for the balance of 2013, the Town is set to realize a double-digit increase in Lodger's Tax Revenues with final numbers approaching \$930,000. The balance of the Town's Fiscal Year looks equally bright since anecdotal evidence from lodgers indicates that both September and October have remained strong in the accommodations industry.

Other measures of Tourism Promotion efforts by the Town include the extensive use of public relations tools by its contractor Griffin & Associates. Double-digit increases in lodger's tax revenues at the Town have been accompanied by similar increases in hits to Taos.org (the consolidated visitor's portal on the Internet), social media activity such as Facebook and Twitter and visits to the Taos Visitor's Center.

Perhaps the most impressive measures of the Town's Return on Investment from the Griffin & Associates contract is the August dollar value and readership measures of mentions of Taos resulting directly from news and press releases generated under that contract. During August alone over 1,000 mentions of Taos generated about 718 million impressions valued in excess of \$177 million had they been purchased outright. Even removing the online mentions of Taos generated by Griffin's work, the value of print and broadcast mentions approached \$500,000 in August alone.

County Lodgers Tax Revenues used for the purpose of tourism promotion are distributed to various non-profit community organizations, thus are measured differently than those of the Town and cannot be reasonably compared. Because Taos County does not report or use its Lodger's Tax Revenues in the same manner as the Town of Taos, measurement of that governmental entity's efforts can only be tracked through comparisons of Gross Receipts from Accommodations figures reported to the State of New Mexico. Countywide figures indicate a 5.3% decline in accommodations revenues in the 2nd quarter of 2013 and an overall flat growth rate for the first half of the year, meaning that lodgers outside the Town limits are experiencing a continuing decline in business during 2013.