

# Truth or Consequences MainStreet: Community Economic Assessment



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May, 2015



Bureau of Business  
& Economic Research

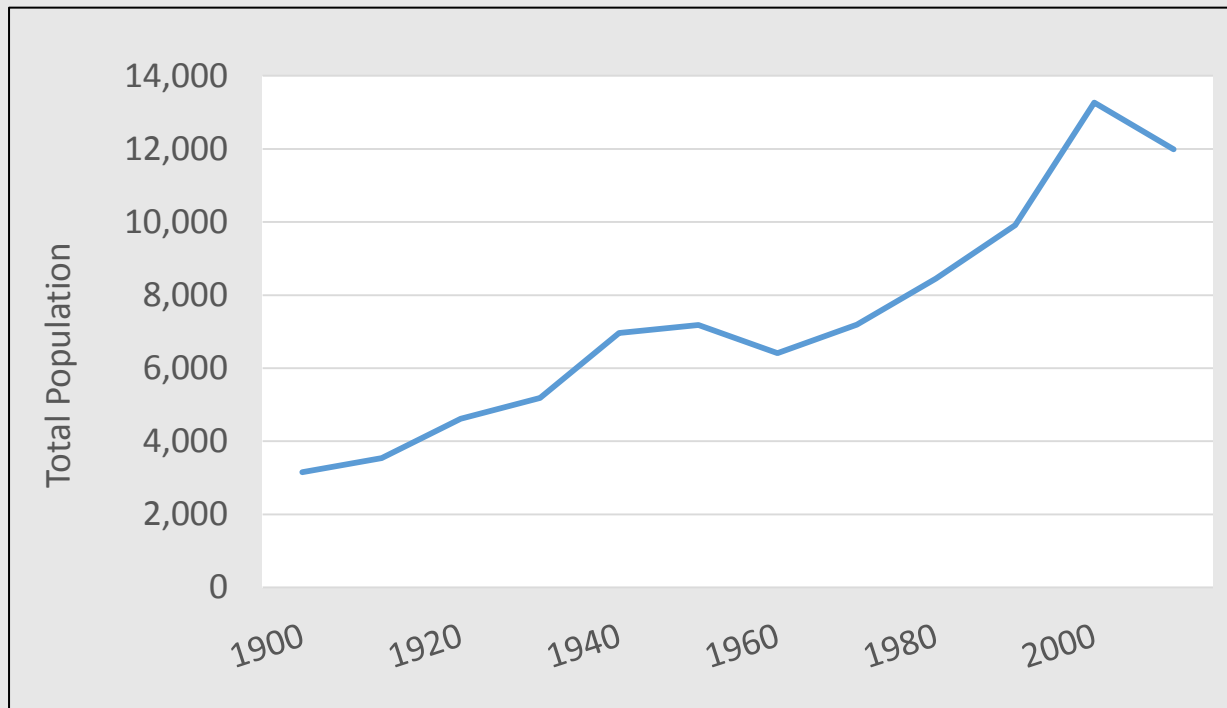
# Themes

- T or C faces demographic challenges – aging population, out-migration of labor force.
- Impact of Great Recession on T or C labor force was severe.
- Opportunities: growth of Las Cruces MSA, transportation sector, T or C's brand for hospitality



# Population

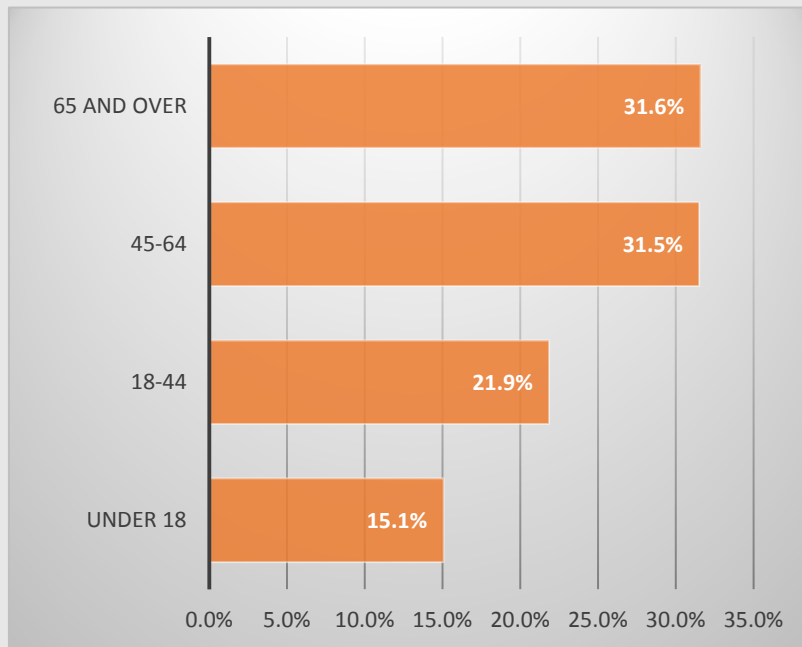
- Total Population of Truth or Consequences as of 2010 was 6,475— down from 7,289 in 2000.
- T or C's average annual growth rate is -1.2%.



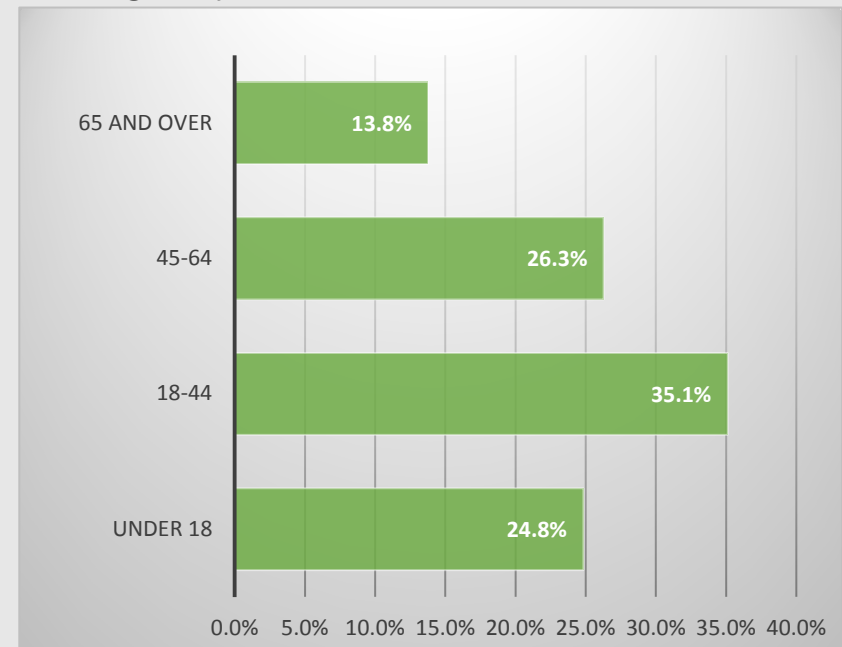
# Age distribution – T or C and New Mexico

The median age in Truth or Consequences is 52 – compared to 37 statewide.

Age by bracket, T or C



Age by bracket, New Mexico



# Race and Ethnicity

	T or C	Sierra Co.	N.M.
<b>Race</b>			
White	86%	86%	68%
Black	1%	0%	2%
American Indian and Alaska Native	2%	2%	9%
Asian	1%	0%	1%
Some Other Race	8%	9%	15%
Two or More Races	4%	3%	4%
<b>Ethnicity</b>			
Hispanic or Latino (of any race)	28%	28%	46%
Mexican	61%	64%	63%
Other Hispanic or Latino	39%	36%	37%
Not Hispanic or Latino (of any race)	72%	72%	54%
White Alone, Not Hispanic	68%	68%	40%



# Education – Population over 25

	<b>T or C</b>	<b>Sierra Co.</b>	<b>NM</b>
<b>No HighSchool Diploma or Equivelancy</b>	<b>15%</b>	<b>16%</b>	<b>16%</b>
<b>Highschool Diploma or Equivalency</b>	<b>41%</b>	<b>35%</b>	<b>26%</b>
<b>Some College or Associate's Degree</b>	<b>25%</b>	<b>28%</b>	<b>31%</b>
<b>Bachelor's Degree or Higher</b>	<b>19%</b>	<b>21%</b>	<b>26%</b>



# Housing

- High vacancy rate – 37% in Truth or Consequences, vs. 16% statewide. Of vacant units:
  - 49% seasonal, recreational, or occasional use.
  - Roughly  $\frac{1}{4}$  for rent; 12% for sale; 13% ‘other vacancy’.
- Homeownership rate: 67%; compared to 69% statewide.
- 62% built before 1980; compared to 49% statewide.
- 36% of all housing units are mobile homes.
- Estimated median home value in T or C \$85,000, compared to \$160,000 statewide.



# Income

	T or C	Sierra Co.	N.M.
Median Per Capita Income	\$15,417	\$17,752	\$23,763
Median Household Income	\$24,353	\$27,430	\$44,927
< \$15,000	33%	27%	16%
\$15,000-\$34,999	37%	36%	24%
\$35,000-\$49,999	11%	15%	14%
\$50,000-\$99,999	15%	18%	28%
\$100,000 or More	3%	5%	17%



# Earnings

	T or C	Sierra Co.	N.M.
Earnings	42%	43%	76%
Social Security Income	64%	63%	30%
Supplemental Security Income	7%	7%	6%
SNAP Benefits/Food Stamps	19%	15%	14%
Cash Public Assistance	6%	4%	3%
Retirement Income	27%	29%	19%

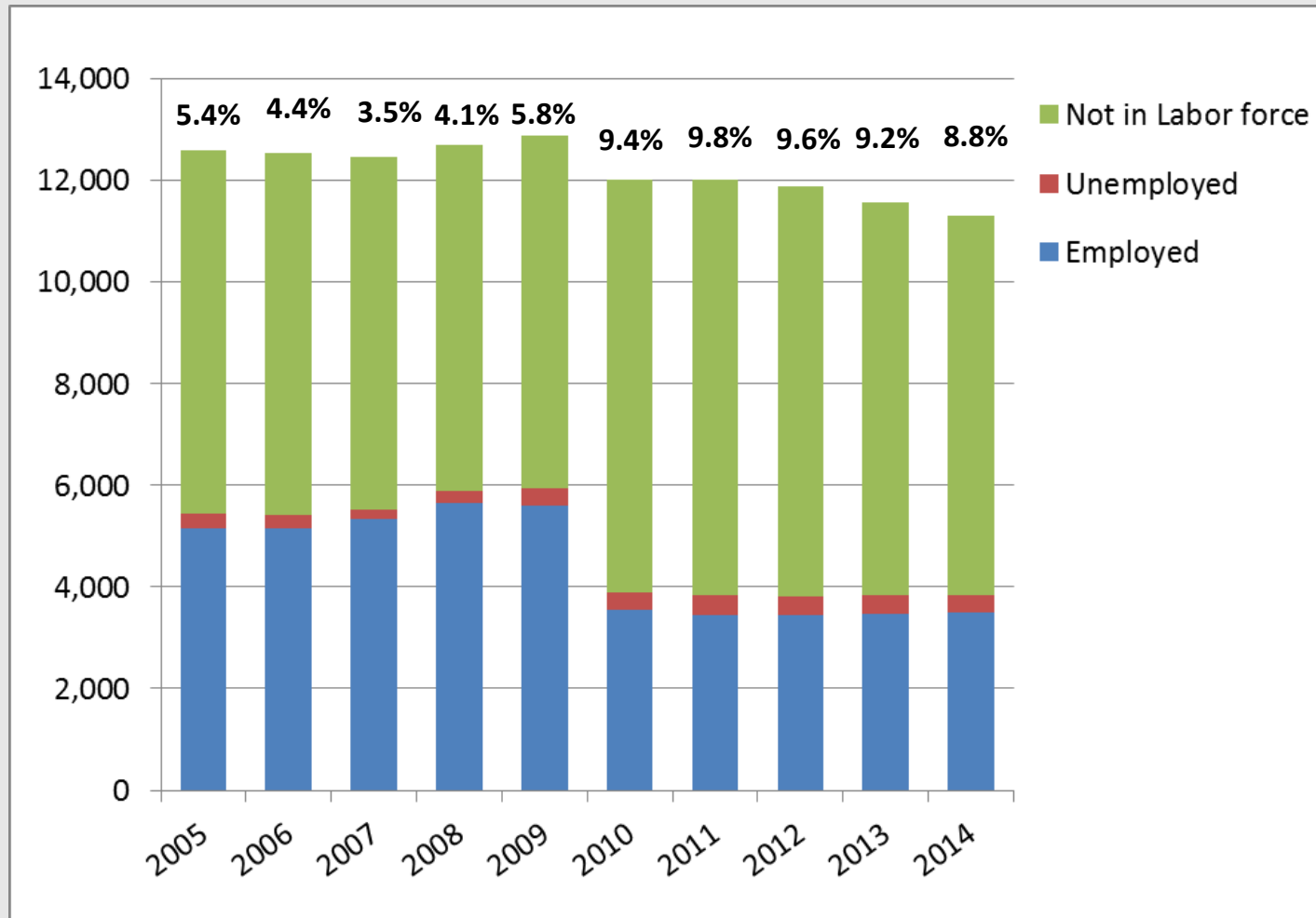


# Poverty

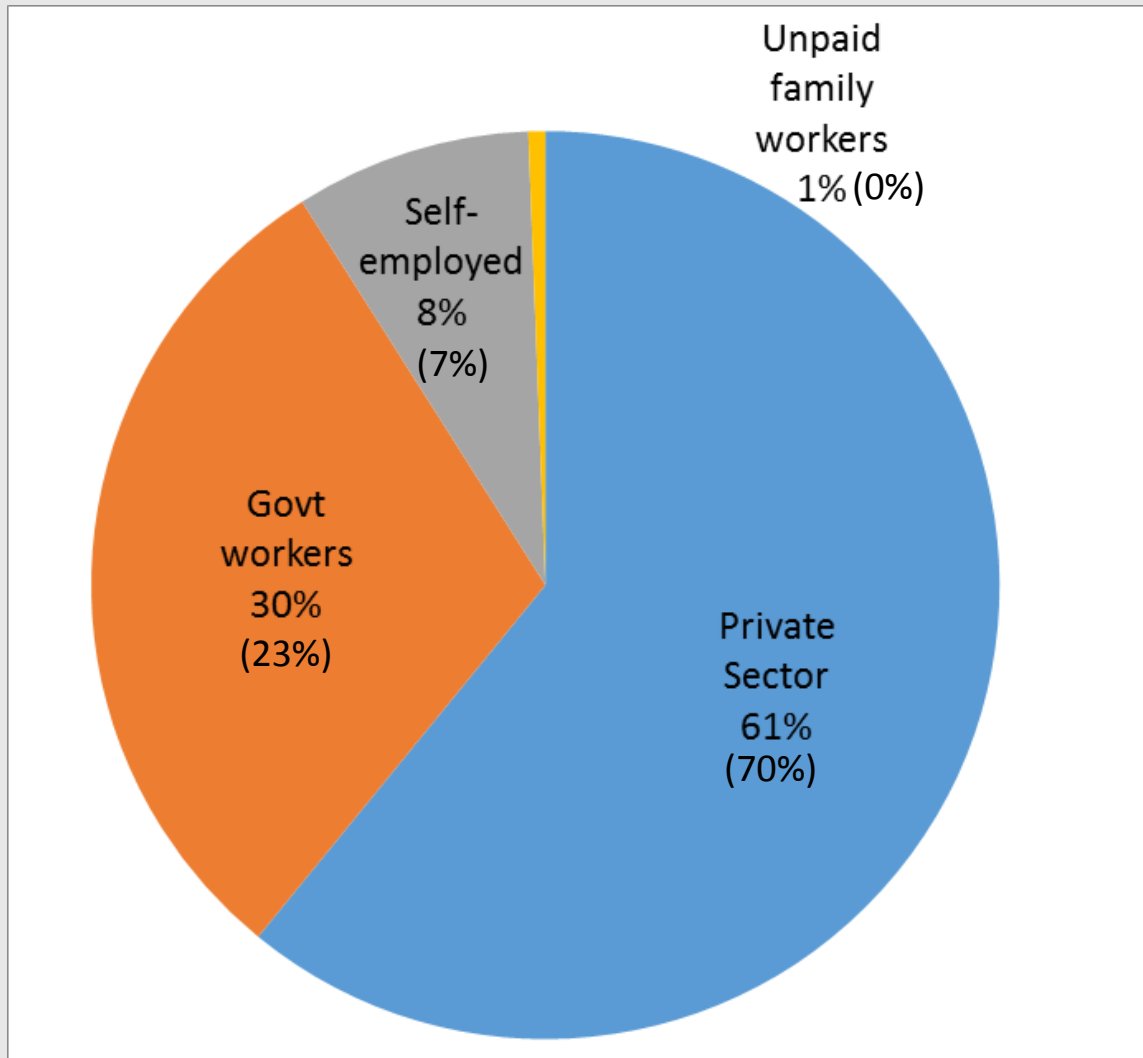
<b>Poverty</b>	T or C	Sierra Co.	N.M.
Population living at or below 100%	30%	23%	20%
<b>Poverty by Age Group</b>			
Under 18	46%	40%	20%
18-64	34%	26%	19%
65 and over	13%	10%	12%
<b>Poverty by Educational Attainment, population 25 years and over</b>			
Less than highschool graduate	40%	34%	33%
High school graduate or equivalent	31%	21%	18%
Some college or associate's degree	20%	15%	14%
Bachelor's degree or higher	20%	12%	6%



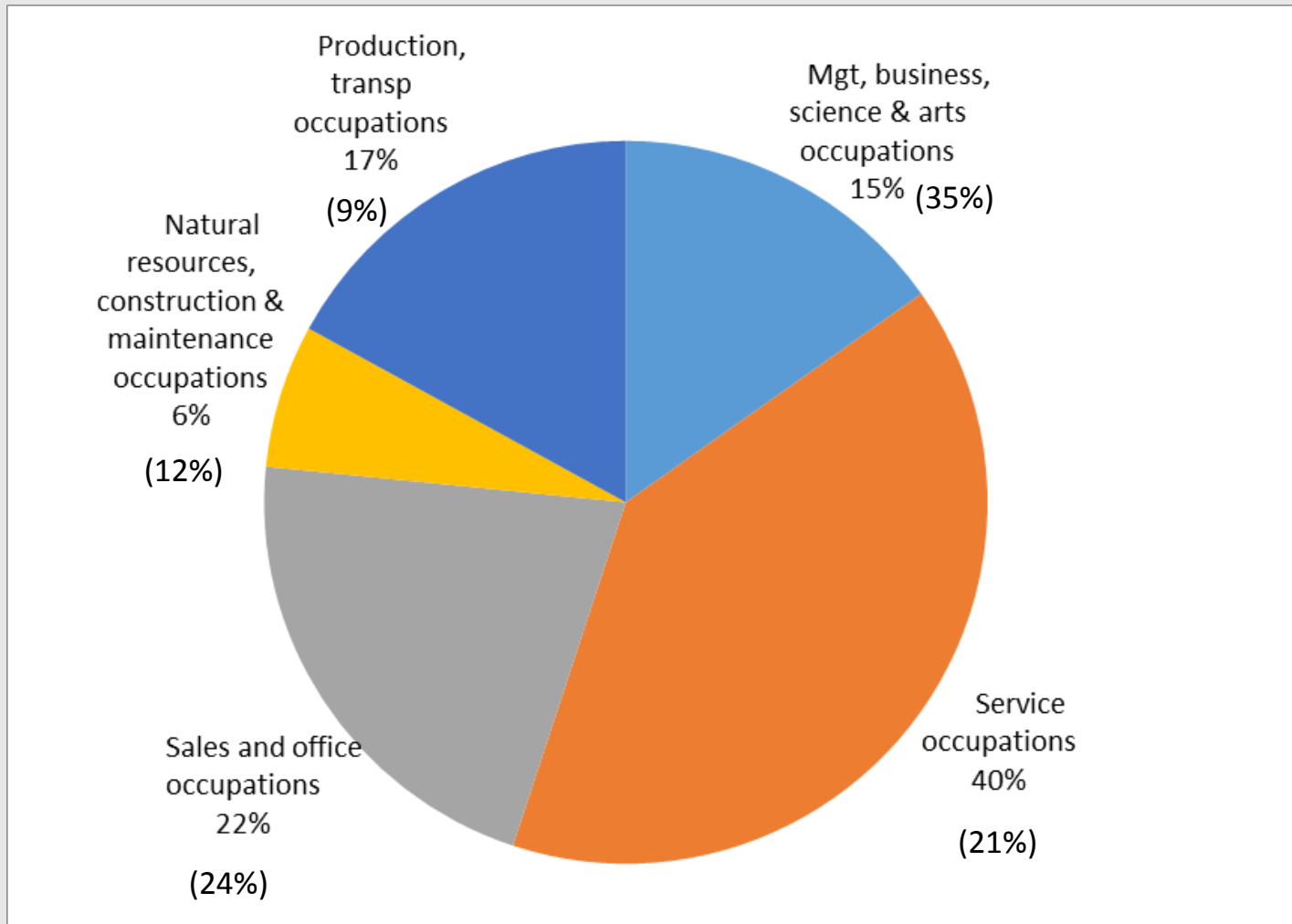
# Sierra County Labor Force Statistics (2005-2014)



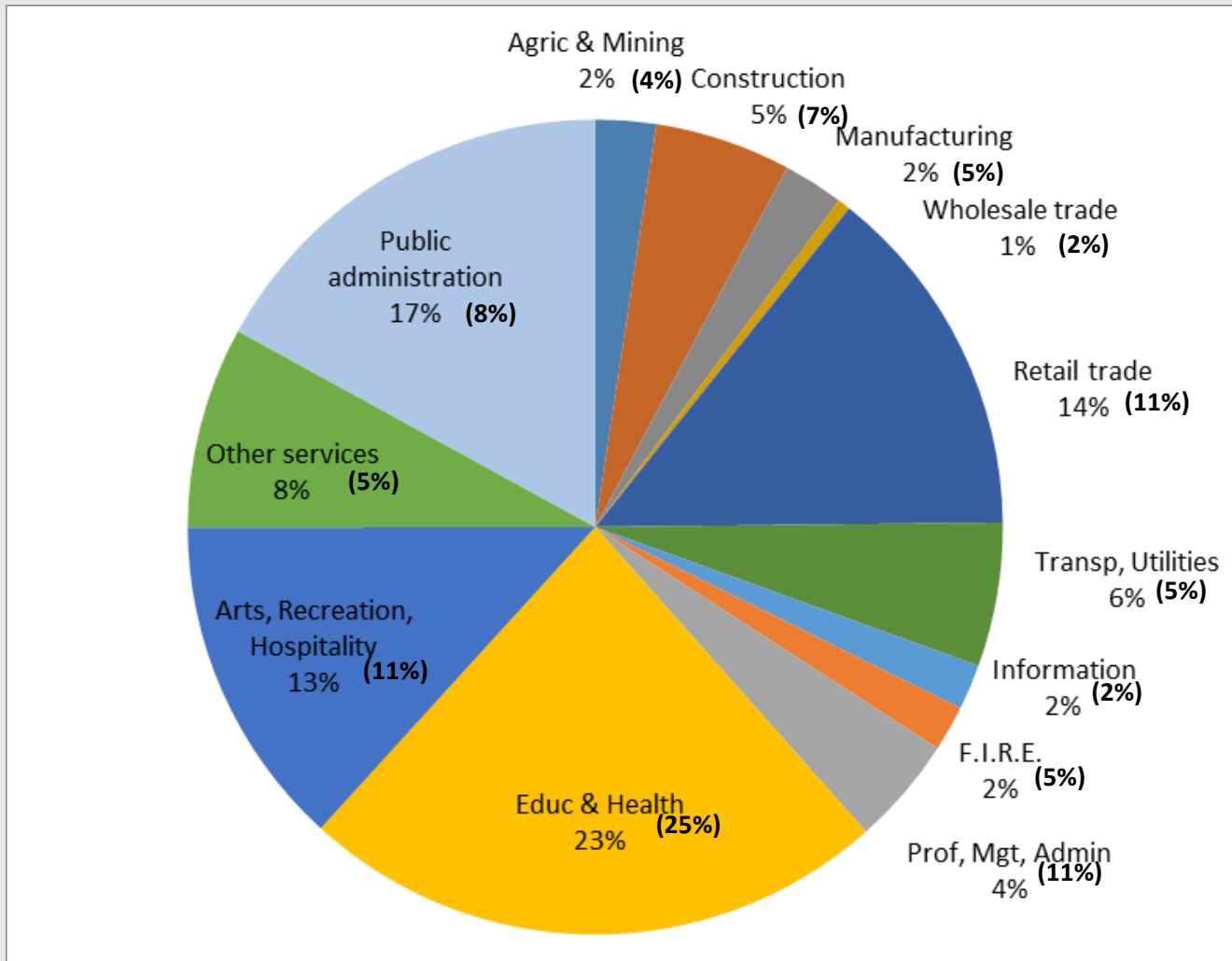
# Sierra County(NM) Employment by Employer Type



# T or C (NM) Employment by Occupation



# T or C (NM) Employment by Industrial Sector

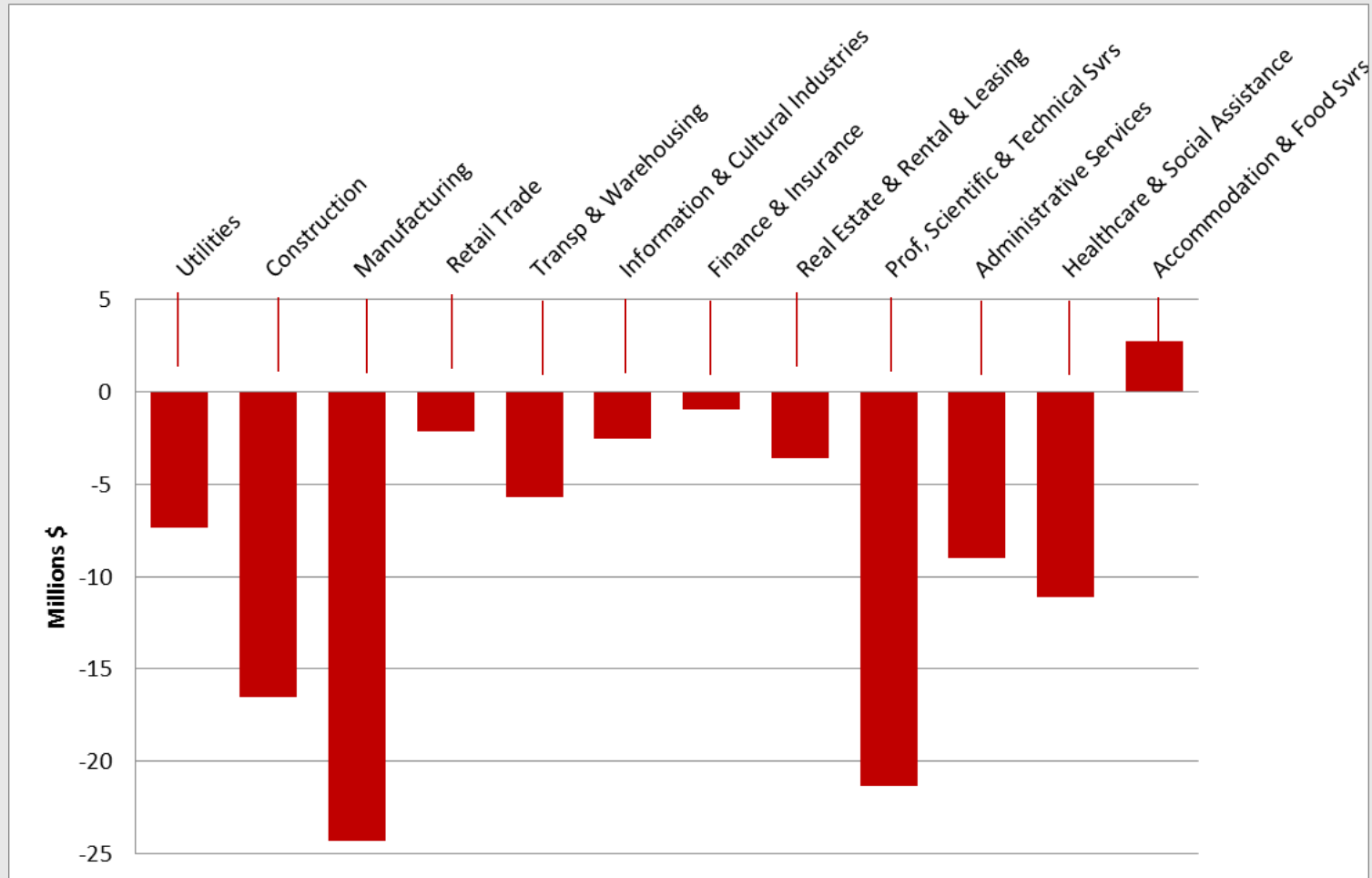


# T or C: Taxable Gross Receipts & Pull Factors

	<b>Taxable Gross Receipts</b>	<b>Pull Factor (NM)</b>
<b>Utilities</b>	\$1,749,591	19%
<b>Construction</b>	\$9,914,763	38%
<b>Manufacturing</b>	\$1,689,754	6%
<b>Retail Trade</b>	\$73,136,706	97%
<b>Transp &amp; Warehousing</b>	\$2,273,457	28%
<b>Information &amp; Cultural Industries</b>	\$5,793,293	70%
<b>Finance &amp; Insurance</b>	\$671,419	42%
<b>Real Estate &amp; Rental &amp; Leasing</b>	\$2,140,113	37%
<b>Prof, Scientific &amp; Technical Svcs</b>	\$3,290,186	13%
<b>Administrative Services</b>	\$1,170,031	11%
<b>Healthcare &amp; Social Assistance</b>	\$4,307,846	28%
<b>Accommodation &amp; Food Svcs</b>	\$14,594,799	123%



# Receipt Gains/Losses by Sector





# MainStreet Demographics

Total Population	231
Households	153
Average Household Size	1.53
Age	
Under 18	10%
18-44	23%
45-64	45%
65 and Over	23%
Median Age	49

Race	
White	87%
Black	1%
American Indian	0%
Asian	1%
Some Other Race	6%
Two or More Races	4%
Ethnicity	
Hispanic or Latino	26%
Not Hispanic or Latino	74%



# MainStreet Economy

	2007	2008	2009	2010	2011	2012
<b>Total Establishments</b>	96	97	100	80	70	68
<b>Total Employment</b>	525	526	514	465	363	361
<b>Percent Change, Employ</b>	N/A	0.19%	-2.28%	-9.53%	-21.94%	-0.55%
<b>Total Sales (in thousands)</b>	\$37,664	\$38,259	\$38,427	\$36,168	\$18,214	\$18,113
<b>Percent Change, Sales</b>	N/A	1.58%	0.44%	-5.88%	-49.64%	-0.55%



# Challenges and Opportunities



# Challenges

- Impact of the Great Recession on Truth or Consequences was severe – not only loss of jobs but loss of labor (including both persons staying in T or C and those leaving).
- This has exacerbated underlying demographic challenges – older population dependent on SS & retirement have remained, but working age population is shrinking.
- This has political dimensions.



# Truth or Consequences is not alone

- These patterns are common in rural areas throughout New Mexico and the US (and the world).
- Employment growth since the recession has been strongest in larger cities, weakest in rural areas.
- Movement in population.



# But T or C has opportunities

1. Growth of Las Cruces MSA – forecast for employment growth (2015-2020) is 1.9%/yr compared to 1.3%/yr for New Mexico.
  - Risks to this forecast are upside: discussion of new rail line from Mexico to Santa Teresa.
2. Strong outlook for transportation sector, and advantages to T or C location.  
(Transportation sector expected to have strongest employment growth of any sector)



# T or C has opportunities

3. Truth or Consequences' 'brand' has value.
  - Cultural amenities are more & more important – importance of 'place' in attracting people and investment.
  - Uniqueness is of particular value.
  - Affordability is also important.



# An economic or political issue?

- The economic issues are very challenging but not very complicated.
- But the social/political issue is perhaps more challenging:
  - half of the community will see little value in economic growth – employment is secondary to affordability.
  - For the other half (and for future generations) – sustainability requires employment.



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