

# Retire New Mexico



**John Garcia- Executive Vice President Home Builders Association**  
**Jay Lillywhite-Associate Dean of the College of ACES, NMSU**

# NEW MEXICO ADVANTAGES

COST OF LIVING

WEATHER

NATURAL ATTRACTIONS

PROPERTY TAXES

ARTS/ CULTURE

EVENTS/ ACTIVITIES



**New Mexico is NOT known as a  
place to retire**

A landscape photograph of a sunset over a mountain range. The sky transitions from a deep blue at the top to a bright orange near the horizon. The mountains in the foreground are silhouetted against the bright light of the setting sun. The text 'New Mexico is NOT known as a place to retire' is overlaid in white, bold, sans-serif font in the upper half of the image.

# Timeline for Retire NM



2006

2016

2017

2018

2019



Community discussion of need for a retiree attraction program

- Presented at LJC as similar to econ base jobs
- Unanimous support from LJC

- SJM 026 (Tallman)
- Work on preliminary fiscal impact assessment
- Unanimous support from ERDC

- SB21 (Padilla), HB 244 (Gentry)
- Amendment in HB 2
- \$150k to EDD
- EDD contracts to NMSU CES
- Research work begins



# Research Work in Process

## 1. ECONOMIC and FISCAL IMPACT

Preliminary report, on the state-level fiscal impact of attracting the category of *active & affluent* retirees to New Mexico and Analysis of the economic and fiscal factors that attract *active & affluent* retirees to local communities.



# Research Work in Process

## 2. BEST PRACTICES

Derived “best practices” that will be used to develop a strategy to create Certified Retirement Communities in New Mexico.



# Research Work in Process

## 3. MARKETING

**Marketing plan that identifies the geographies best suited to market to affluent retirees & address any potential for leveraging existing state marketing efforts. Develop and test marketing collateral**



# NMSU Report: Potential Fiscal Impacts New Mexico Retiree Attraction Campaign

How many retirees would have to New Mexico to offset a \$1million dollar investment by the State?

## Assumptions (*active & affluent*)

- Target -- Retirees age 55 to 70
- Household (HH) earnings ~\$70k annually
- 2 people per HH, married, filing jointly
- Purchase a home for \$200,000



# Estimated Annual Tax Retiree Household

| Source                          | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---------------------------------|--------|--------|--------|--------|--------|
| Income Tax                      | 2,134  | 2,177  | 2,220  | 2,356  | 2,403  |
| Property Tax                    | 1,525  | 1,559  | 1,594  | 1,630  | 1,667  |
| Gross Receipts Tax              | 2,977  | 3,042  | 3,109  | 3,178  | 3,248  |
| <u>Excise &amp; Other Taxes</u> |        |        |        |        |        |
| Alcohol excise                  | 59     | 60     | 61     | 63     | 64     |
| Tobacco excise                  | 371    | 379    | 387    | 396    | 404    |
| Gasoline excise                 | 243    | 249    | 254    | 260    | 265    |
| Insurance premium tax           | 156    | 160    | 163    | 167    | 171    |
| <b>Total taxes / HH</b>         | 7,465  | 7,626  | 7,790  | 8,049  | 8,222  |



# Recover Investment per Household

| Investment   | <u>Years of residing in New Mexico</u>             |        |      |      |      |
|--------------|--|--------|------|------|------|
|              | 5  | → 10   | 15   | 20   | 25   |
|              | ----- Number of Attracted Retiree Households ----- |        |      |      |      |
| \$ 1,000,000 | ← 27.8   | → 14.1 | 9.6  | 7.3  | 6.2  |
| \$ 3,000,000 | 83.5   | 42.4   | 28.7 | 21.9 | 18.5 |
| \$ 5,000,000 | 139.2  | 70.6   | 47.9 | 36.5 | 30.9 |



# What's Next?

- Full-scale marketing deployment
- State agency staffing and communications
- NMSU Retiree Research Institute
- \$1,000,000 funding FY 2018/2019

