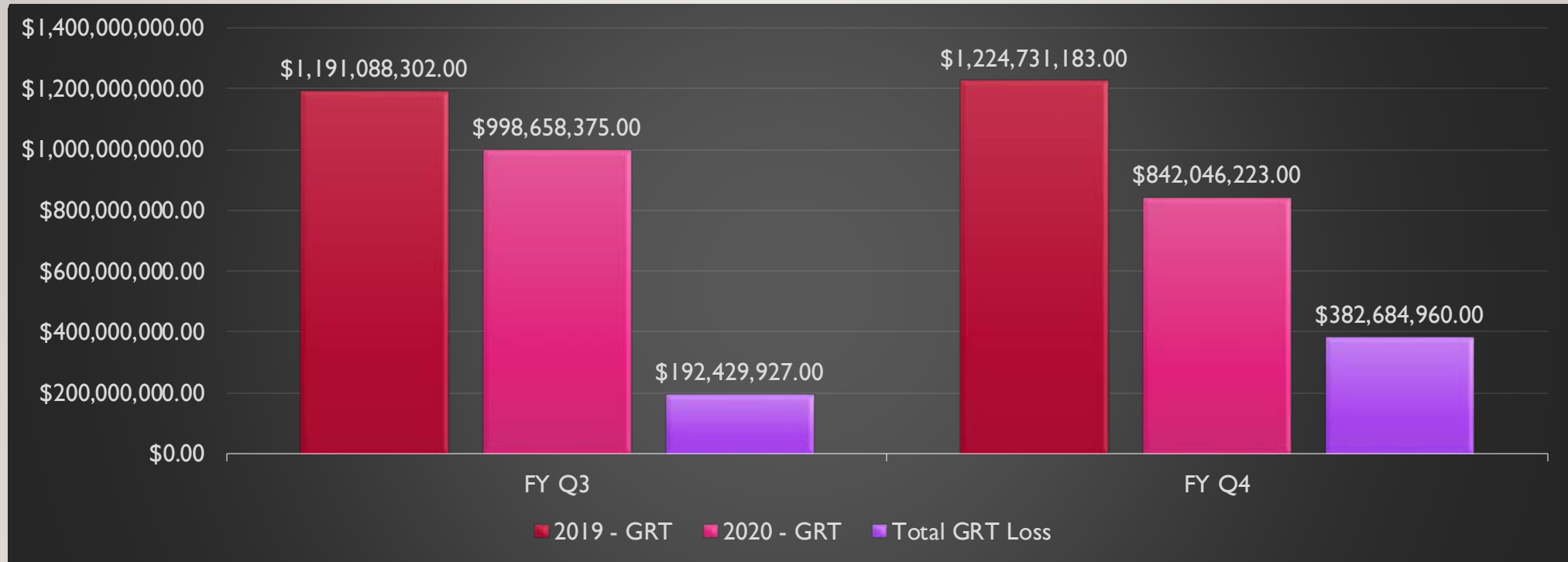


THE ECONOMIC CROSSROADS

THE FINANCIAL PATH TO RECOVERY

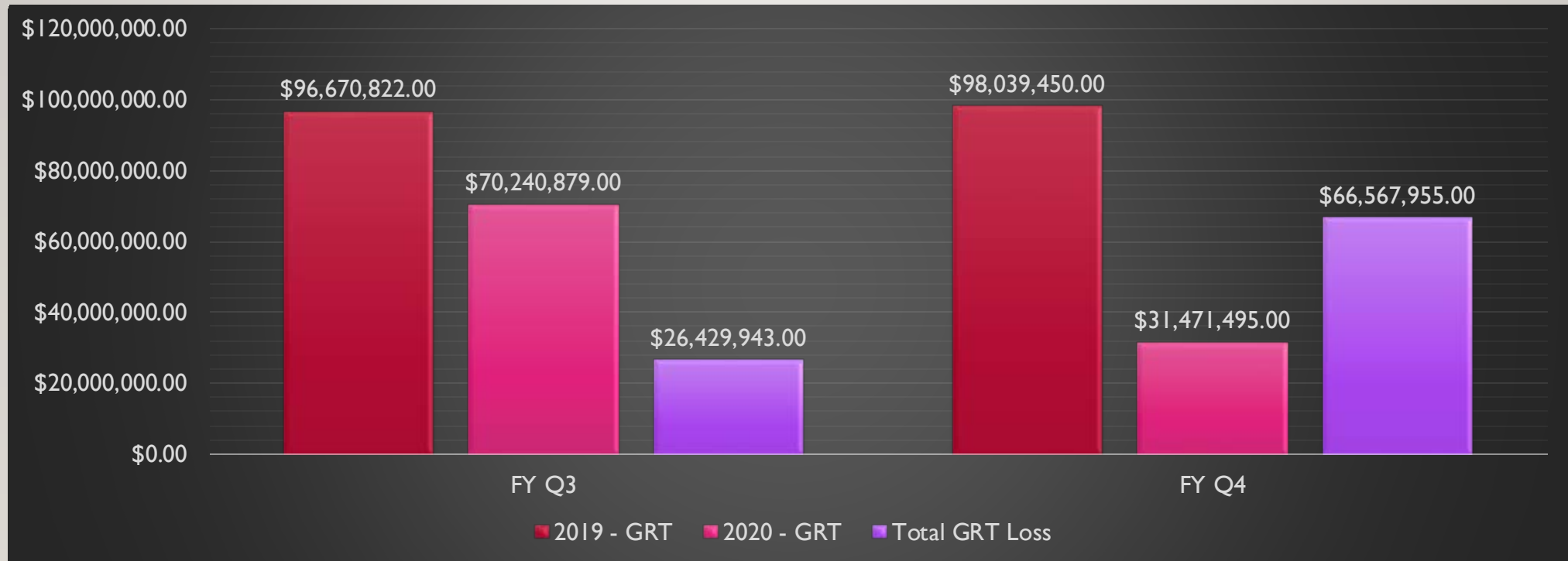


ACCOMMODATION & FOOD SERVICES LOSSES



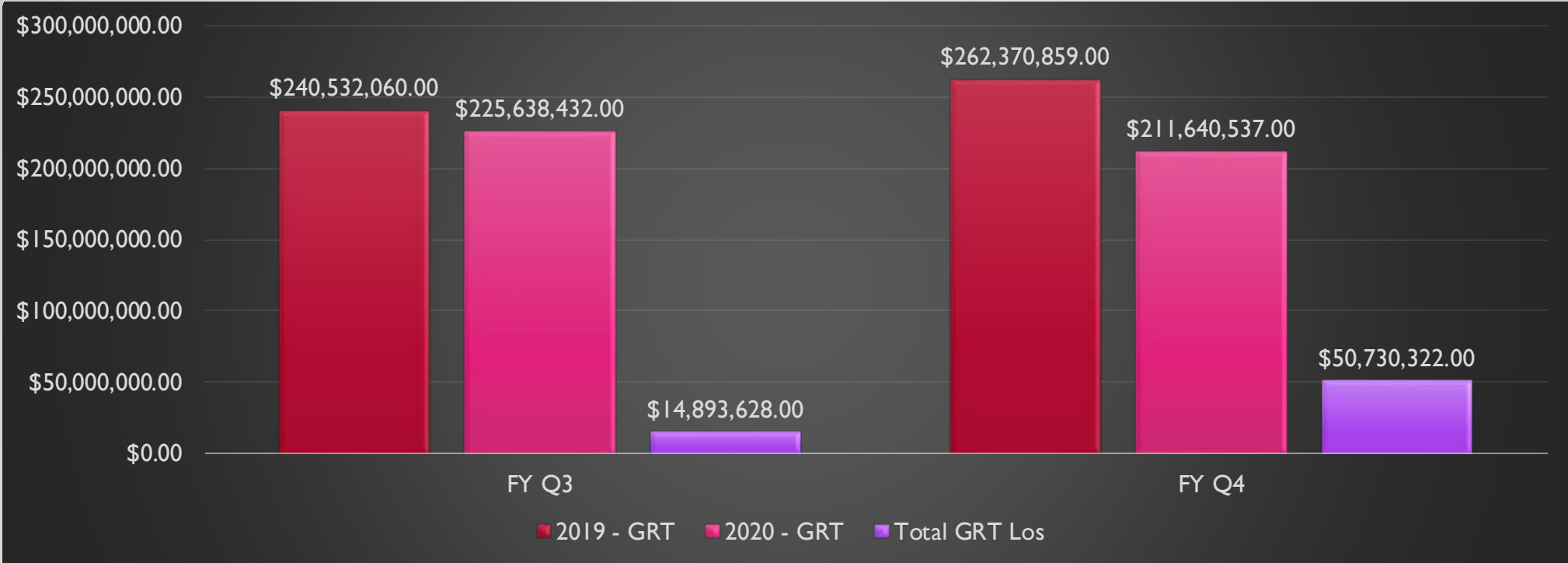
Economic Development Department Economic Summary May 2020 & August 2020

ARTS, ENTERTAINMENT & RECREATION LOSSES



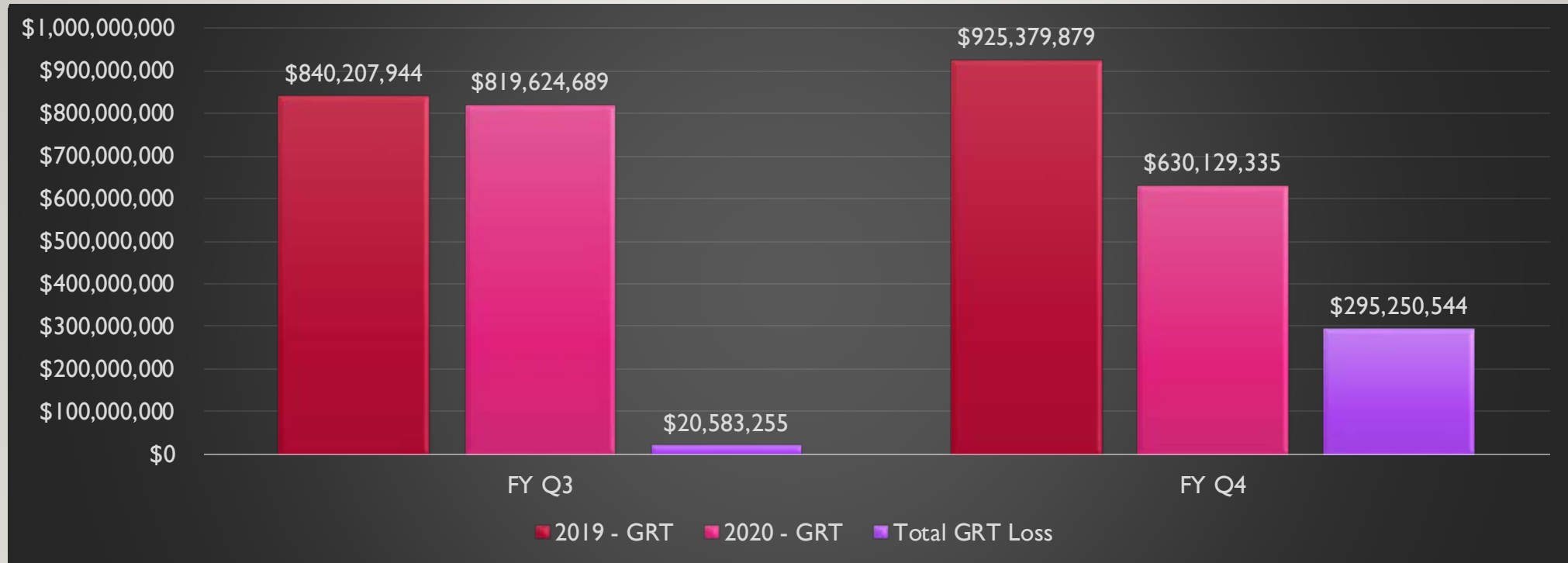
Economic Development Department Economic Summary May 2020 & August 2020

TRANSPORTATION & WAREHOUSING LOSSES



Economic Development Department Economic Summary May 2020 & August 2020

WHOLESALE TRADE LOSS



Economic Development Department Economic Summary May 2020 & August 2020

4 MAJOR INDUSTRIES REVENUE LOSSES Q3 & Q4



TOTAL LOSS OF REVENUE

\$1,049,570,534



ANTICIPATED LOSSES

More than \$2 Billion in 2020

PARTIAL PROJECTED COST TO STATE

Visitor Spend

(lost revenue)

- Losing an average of **\$403 Million** in visitor spending per month
- A loss of over **\$2 Billion** so far (March – July)
- Over **\$82 Million** in lost state GRT (March – July)
- Over **\$22 Million** in lost local GRT so far (March – July)

Unemployment Insurance

(new state expenses)

- As of August, there are **23,644 unemployed workers** from the accommodations and food service sector
- Costing a cumulative total of **\$271 Million** (March – July)

**Total 2020 *Projected*
Cost to State**

\$4.3 Billion

in visitor spending, taxes and unemployment
benefits

THE DOMINO EFFECT



- Indirect Industries
 - NM Dairies, Farms & Ranches
 - Security Companies
 - Janitorial Service Providers
 - Laundry/Linen Services
 - Pest Control
 - Event Staging Companies
- Commercial Real Estate
 - Months of no rent payments
 - Businesses closing permanently
- Banks, especially NM Banks
 - Lack of rent payments; Mortgages & Loans not paid
 - No ability to give loans
 - Community Banks do not have the reserves the National Banks do

THE CROSSROADS

STAY THE COURSE

THINK OUTSIDE THE BOX

-
- Rely on Federal Government
 - One size fits all does not work
 - The focus isn't small, locally owned businesses
 - Look Outside NM for Jobs
 - Historically our state and local officials focus on enticing national companies rather than focusing in state on our own entrepreneurs
 - Recruiting large out of state business is great if the foundation of small, locally owned business is solid
 - Projected jobs vs. Realized jobs
 - Do Nothing
 - Free market thinking is irrelevant in current climate; the government can not control the environment
 - Prioritize initiatives not related to Economic Recovery; if we can not save the economy nothing else matters
 - Develop Initiatives
 - Grant Programs
 - Give Business Owners a Seat at the Table
 - Goodwill Gestures
 - Focus on Retention
 - Fund Initiatives for Future Business
 - Marketing Campaigns
- 

DEVELOP INITIATIVES

- Create a Fund to Partner Sectors together
- Potential Pilot Program with Tourism Department..including the “current” and “next” normal
 - Tourism Exchange
 - Allow access to museums, retail, food, etc through this, give businesses with a small digital footprint a much larger platform
 - Connecting different industries together to create tourism packages...it would serve to show the attractiveness of NM as well as bridging the gap between customers & the small, rural suppliers.



GRANT PROGRAMS

Loans are not the answer... Businesses are accumulating too much debt to survive.

Recovery time for businesses will be anywhere from 3-6 years IF we get back to sometime of normalcy; paying back loans on top of already decreased margins will bankrupt our neighbors

- RESTART
 - Many businesses are still closed
 - Accruing a mountain of debt
 - Rent, Vendors, Fees
 - New/Restoring debt
 - Insurance, Inventory, Staff recruitment & training
- PPE/CONSTRUCTION
 - Current “normal” is not sustainable, businesses are buying PPE’s as well as construction to operate under CSP’s
- TECHNOLOGICAL
 - Businesses are having to evolve to survive; many without or a minimal digital footprint will only survive if given the opportunity to expand and conform to the new normal

GIVE BUSINESS OWNERS SEAT AT TABLE

- Government Should Create the Environment for Small Businesses to create jobs
 - The state has an opportunity to create an environment that actually works with business
- Blanket Solution will not work
 - We have a large state with many different industries struggling
- Collaboration between Legislatures & Business Owners
 - Develop comprehensive plan for recovery

GOODWILL GESTURES

Small ways that the Legislature can show business owners who have been hit the hardest, this will not make a huge impact financially BUT it will give our business community a sense of appreciation from the state

- Legislature Can Pay or Wave
 - Restaurant Fees
 - Liquor License Fees
 - Licensure Fees
 - Other State Fees

FOCUS ON RETENTION

PROJECTED VS ACTUAL JOBS

Recruiting new businesses to New Mexico is alluring, especially given our current economic crisis.

WE MUST FOCUS ON ACTUAL OVER PROJECTED

We have the opportunity to get 30,000 New Mexicans back to work in the businesses already here;
OUR New Mexican owned businesses

Projected Jobs are a great look at the future, it absolutely has a time and place during the rebuilding
process

We need jobs now. We have those jobs.

Job Retention is the fastest way to recovery



FUND INITIATIVES AND MARKETING CAMPAIGNS FOR FUTURE BUSINESS

SHORT TERM - STATEWIDE

- Promote “Staycations”
 - Stay at New Mexican owned Hotels
 - Visit NM Museums
 - Explore New Mexico
 - Ski New Mexico
- Support New Mexico
 - Eat at New Mexican Restaurants
 - Drink New Mexican Beer, Wine & Spirits
 - Shop New Mexico
 - Pamper Yourself NM style
 - New Mexican Owned Spas
 - Locally Owned Salon Services

LONG TERM - NATIONWIDE

- Promote New Mexico as the Go To Destination for Events
 - Gorgeous Weather
 - Beautiful Accommodations
 - Amazing Food
 - Stunning Scenery
 - Best Chile in the World
- Campaign to Attract
 - Conferences & Conventions
 - Concerts
 - Festivals
 - Sporting Events

NEW MEXICO 2030

WHERE WILL WE BE IN 10 YEARS?

WE ARE AT A CROSSROADS; YOU HAVE A UNIQUE OPPORTUNITY TO MAKE THE
BIGGEST IMPACT EVER ON THE ECONOMY.

