

New Mexico Retirement

"It's amazing to think, that if we could attract 1000 affluent retired couples a year to our rural towns and communities in New Mexico, that would be the equivalent of creating 2000 to 3000 manufacturing jobs in our communities of most need. The demand is 77 million strong; let's devise a strategy to capture a piece of that business for our state and its rural communities."
Dale R. Dekker, AIA, AICP

NEW MEXICO Retirement

POTENTIAL

New Mexico is a beautiful place with an abundant list of quality attributes; great weather; wide open spaces; diverse cultures and wonderful people. As the fifth largest geographical state in the country, we still enjoy the rural aspect of timeless beauty yet we have prospering urban areas that have incredible potential for growth and relevance. Connected by the Rio Grande, our cultures have evolved in the perfect mix of people and place. Looking ahead, our future prosperity depends on decisions we make today about leveraging our great strengths toward a future that is both planned and prosperous.

It is estimated that over 77 million baby-boomers are approaching retirement. Several states are recognizing the incredible potential and are now actively working towards attracting them to their state because of the economic, social and demographic benefits. As the recent economic downturn thaws, states recognize that 70% of our nation's wealth is represented in the demographics of 50 and older "active adults." For example Mississippi has experienced an economic boom of \$194 million to their coffers by convincing 500 people to migrate to their state, according to Mississippi State University. Although they don't usually make the list of top places to retire, Mississippi has used this focused, deliberate approach to attracting 50 and older adults to move there. They now have 19 communities that are "certified retirement communities" and are considered a national model for the movement.

NEW MEXICO ADVANTAGES

Can we compete for this economic opportunity here in New Mexico? It's easy to compare our strengths in New Mexico against Mississippi and other states that have actively pursued the active adult movement. We do not have the Mississippi humidity or the Arizona heat. We may not have the attractions that are in Florida, but we do have a great overall quality of life right here in the desert southwest. Out of the 77 million baby boomers looking towards their future, there are thousands, if not more, looking for an adventure and active change of pace found right here in the beautiful Southwest.



Retire in New Mexico

Studies from the New Mexico Department of Tourism in regards to the successful “New Mexico True” campaign showed that many people perceived New Mexico as stereotypically “hot, dry and lots of desert”; understanding those perceptions are important. But when they were enticed to come here by the marketing efforts of the state, they realized “it’s much prettier” than they thought. They are impressed with our diverse geography, high mountains, low deserts, and green Chile. They are in love with our diverse cultures and intrigued by the warmth and friendliness of our people. Until they were enticed to come here, their impressions were neutral. After they visited, they were impressed.

ISSUES

Although active adults face a complex decision in their retirement location, we do know that a place which offers a welcoming environment with a variety of options is important. A study conducted by the MetLife Mature Market Institute (2009) concluded that the top reasons age qualified active adult households 55+ chose to move are family/personal reasons, financial/employment related, change in marital status, they want a better quality house and less expensive housing. Retiree’s decision on location is influenced by their options, and New Mexico has a strong proposition compared to other states. Family proximity is important, and New Mexico offers a location that is close enough for many in the region and yet still feels like home. Communities that can be easily reached by flying and driving are premier targets. This plan coordinates perfectly with New Mexico’s efforts in attracting tourists from out of state markets, especially piggybacking the successful “New Mexico True” campaign.

BENEFITS

The economic benefit for New Mexico in attracting active adults will improve overall job growth by adding service sector jobs to support the increased demand for services. Improving our population is imperative. Communities that are losing people also lose economic prosperity. Smaller rural communities in New Mexico that have flourished in the past through agriculture, mining and trade are now suffering due to a decline in community population which lead to reduced commerce. Attracting active adults improves economic conditions, especially in these rural communities.

New Mexico has not made any deliberate attempts to attract this community; however both rural and urban parts of our state could realize resurgence with a focused effort. It is not easy to put any of the baby-boomers in a homogeneous general category. Realizing the economic potential of attracting the market as a whole, or any submarkets specifically, could be an economic boom for our state.

Retire in New Mexico

Active adults are typically willing to spend more money because they have more money. Their migration to the state would bring prosperity to local markets that would bring the community to life. They buy houses and travel within the region. The economic engine is primed in local communities when people move here. California is experiencing an outward migration due to pending natural disasters and a water crisis. Other regional states and major markets connected by direct flights are prime potential markets. According to an article in the Dallas Morning News (June 11, 2005) Gene Warren's consulting firm argues that attracting active adults is a "sure fire plan for pumping-up small town economies-seniors are now regarded as economic drivers." His study concludes that older adults generally put more into the community than they take out. "Resourceful retirees have higher incomes and spend more than younger residents." Warren called active adults the "new clean-growth industry in America."

MAKING THE CASE

Definition: The Retirement Theater is focused on recruiting economic-base retirees who have a combination of net worth and retirement income in excess of 200% of the federal poverty guidelines. Because their investment and retirement income are from outside the state, they will have the same impact on the local and state economy as the creation of a new economic base job.

Synonyms: Economic Base Retiree (EBR), Early Retiree, Active Retiree, Active Adult, Empty Nester, 55+, Gradual Retiree, Intermittent Retiree, Footloose Boomers.

Attributes: The Retirement Theatre closely overlaps with the Soloworker Theater. Jobs gained through other economic development efforts will provide employment opportunities for those EBRs wishing to continue working.

Economic Sectors: Retirees could potentially participate in any industry or sector. Aside from the wealth they bring, retirees are expected to be active professionally as a form of Solowork. There are 2 primary categories of Retirees:

- Active Adults (55-70 years old)
- Senior Adults (70+ years old)

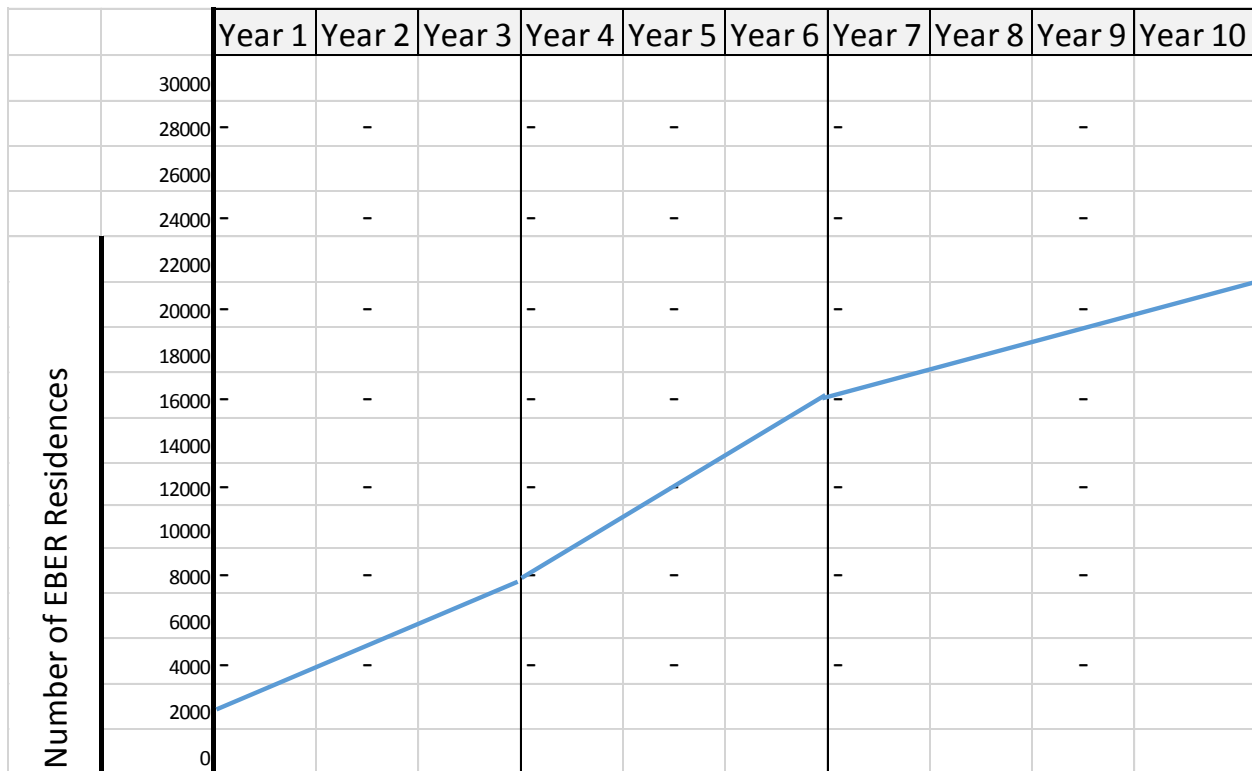
Jobs: The advance team proposed an initial goal of increasing EBR migration in the Mid Region from an estimated 1,900 per year to 4,000 per year. If the Mid Region is half the state market, the state-wide, ten-year economic base equivalent, retiree estimate would be 21,000. The program would have to add about 2,100 new EBRs annually to meet the ten-year goal.

Retire in New Mexico

Gaps: No statewide program for recruiting EBRs, perceived shortage of qualified retirement destinations in the state, no state incentives for this group.

Leadership: There is no real organized program statewide and very little leadership outside of the Jobs Council and a few private sector partners for this theater. A program approach must be developed and requests made to the public and private sector for necessary support. For this theater to become a significant economic base development strategy, programs and procuring agents around the state must cooperate and business climate issues will need to be addressed and a coalition of private sector representatives must be created in support of the Retirement theater.

10 YEAR GOAL



New Mexico Jobs Council



Retirement Theater- Action items:

1. Marketing the New Mexico True “Retirees”

Develop a complimentary or companion marketing campaign along with the New Mexico True campaign. In addition, establish a website exclusively for the New Mexico True “Retirees” allowing certified retirement communities access and private portals for each community. Lastly, we must develop a working model for using public money leveraging private money in an effort to maximize the return on investment for monies spent on advertising to retirees.

2. Establish Certified Retirement Communities criteria

To qualify as a Certified Retirement City, each town must pass an intensive three-month screening process conducted by RETIRE NM, the state's official retiree attraction program. We evaluate each city on criteria including affordable cost of living, low taxes, low crime rate, quality medical care, recreation, educational and cultural opportunities, and most importantly, a warm, inviting community spirit.

3. Evaluate Tax Exemption for Retirees

Currently New Mexico is one of only 8 States that currently tax pensions. The New Mexico Jobs Council “Retirement Theater Program” suggests that we ask the New Mexico Legislature to require an economic study by the New Mexico Taxation and Revenue Department and the New Mexico Economic Development Department via a Legislative Memorial, to look at the costs and benefits of having an exemption for retirees and their pensions.

NEW MEXICO *Retirement*

CONCLUSION

New Mexico is a great place to live, work and play. With a focused and deliberate approach to attracting active adults to our state, we can benefit by increasing our population and adding millions of dollars of discretionary spending to parts of our state that need it most. This would be a boom for small town rural New Mexico as well as the more developed urban sectors. In addition, many homes will be built and our tax base will improve as well. Attracting active adults to our state will improve our overall economy.

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