Economic Base Assessment of  
Grant County, New Mexico

Executive Summary

This report depicts socioeconomic characteristics and trends in Grant County, New Mexico. The analysis begins by providing background information about the county, followed by a more detailed description of various socioeconomic trends, including an analysis of population, employment, industrial make-up, income, and quality of life. Finally, using the IMPLAN input-output model, this report concludes with an economic base analysis that further details economic conditions within the county.

The input-output analysis of Grant County revealed the county’s continued dependence on natural resources, particularly copper. A problem for counties that are highly dependent upon natural resources, especially the mining of raw materials, is that there are few opportunities for linkages to develop with other industries in the region; as a primary industry, few inputs are necessary for the extraction of such resources.

The recent trend within Grant County has been one of decline in copper and copper-related industries. While there has been growth in service sector activity in the county, many of the service jobs are low paying, as is reflected in the recent precipitous decline in the county’s per-capita income relative to the national average. For the economy of the county to strengthen and remain strong in the future, it will likely have to develop and seize a new comparative advantage.

The feasibility of attracting new timber harvesting or forestry-related manufacturing industries to the region is not high, especially in light of recent environmental concerns in the Gila National Forest. On the other hand, considering the natural scenery and opportunities for recreational activities in the area, there are prospects for the county to capitalize on its natural amenities to draw residents and tourists to the region. This suggestion is supported by trends indicating that Grant County is at least in part a tourist destination and is increasingly becoming a destination for retirees. Much of the interest for tourists as well as retirees is undoubtedly related to the natural scenery, and hence, at least in part, the forests of the region. Thus, the sustainability of the forests seems critical to the county’s future economic vitality. Many of these
forests are currently considered unhealthy and vulnerable to extreme fires. Sustaining and regenerating the forests in Grant County should be an important community concern.

Areas of growth as indicated in the economic base analysis are in the FIRE (Finance, Insurance, and Real Estate), services, trade, and manufacturing sectors. All of these sectors have excess demand in comparison to both local and domestic supply and each sector is currently a source of leakage from the local economy. This is particularly the case for the service and manufacturing sectors. Thus, there appear to be a number of viable alternatives for diversification of the Grant County economy. Though tourism and the in-migration of retirees appear to have helped the economy somewhat over the past few years, there is little indication that these activities currently are occurring to the degree necessary to form the future of Grant County’s economic base.

In conclusion, this analysis suggests that Grant County faces future economic challenges. However, characteristics such as the high quality of life in the county, the relatively high rates of educational attainment amongst its citizens, and even the rich ethnic diversity of the county could provide a basis for re-invention. If the county cannot retain and expand its current export base—and indeed it looks likely that it will be unable to—it should attempt to diversify its economy. Diversification is a key to promoting the health of almost any rural economy. Most importantly, however, Grant County should seize what seems to be the region’s greatest comparative advantage: a natural resource base and quality of life that can attract residents, visitors, and perhaps even industries from outside the region.