

# COCHISE COUNTY'S ECONOMIC DIVERSIFICATION HINGES ON HIGH QUALITY OF LIFE

## THE SAN PEDRO RIPARIAN NATIONAL CONSERVATION AREA

**Designated:** 1988  
**Location:** Southeastern Arizona, east of Sierra Vista, stretching nearly from the Mexican border about 40 miles north to Benson/Saint David  
**Size:** 58,000 acres  
**County:** Cochise County (Rural without air service, 1.42 percent of county land base)



The San Pedro Riparian National Conservation Area (SPRNCA) protects a 40-mile stretch of one of America's most endangered rivers, and the last free-flowing river in Arizona. The river begins near Cananea in Sonora, Mexico and flows northward through Arizona to the Gila River. The San Pedro provides important and increasingly rare riparian habitat for over 350 species of birds, over 80 species of mammals, and more than 40 species of amphibians and reptiles. It is a crucial habitat and migratory route for birds in particular; about half of the number of known bird species in North America frequents this region. The SPRNCA also protects rich Native American, Spanish Colonial, and 19<sup>th</sup>-Century historical sites.



Sierra Vista (population 37,775) is the largest community within Cochise County. Since it lies just east of the SPRNCA, most visitors obtain services and lodging here. Sierra Vista is adjacent to Fort Huachuca, a major U.S. Army installation. The agricultural community of Palominas lies on the southern end of the SPRNCA, while Benson and St. David are at the northern end. Other significant population centers include Willcox, in the northern part of the county, and Douglas, which lies in the southeastern portion of the county along the Mexican border.

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### *Before and After Designation*

Changes in four key socioeconomic indicators in Cochise County are summarized in Table 1 and Figure 1. Total personal income, population, and total employment increased steadily both before and after designation. Per capita income grew more slowly over both time periods examined, but has picked up pace following a decline in the early 1990s.

TABLE 1 Socioeconomic indicators in Cochise County, Arizona

	1980	1988 (year designated)	2002	% Change 1980 - 2002	% Change 1988 - 2002
Personal income (millions)	1,639	1,920	2,705	65	41
Population	86,172	96,316	120,330	40	25
Per capita personal income	19,021	19,932	22,479	18	13
Total employment	34,166	39,535	51,749	51	31

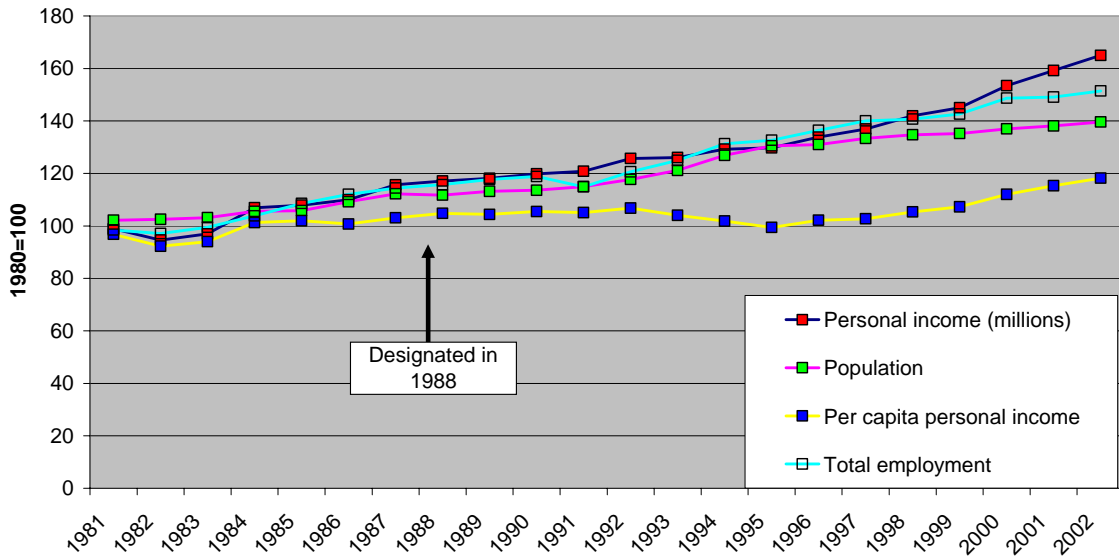


FIGURE 1. Growth of key economic indicators in Cochise County, Arizona

### Economic Change in Cochise County

The SPRNCA was designated by Congress for special protection in 1988, which provides the opportunity to examine economic change over a longer time frame than is possible for many National Landscape Conservation System units. While the data below indicate that no significant changes to the county’s economy occurred upon designation of the SPRNCA, this protected area may have played a role in Cochise County’s continuing economic diversification and growth.

Many residents of Cochise County would probably cite Fort Huachuca as the major economic driver in the area, and as Figures 2 and 3 indicate, Government employment and income are indeed important. However, the county’s economy has diversified significantly due to growth in Services and Professional employment and income and greater Non-Labor income (e.g., “mailbox income” from investments, retirement, and government transfers). Diversification may be an important factor in future economic health, since diversification will buffer the county against fluctuations in military employment and income.

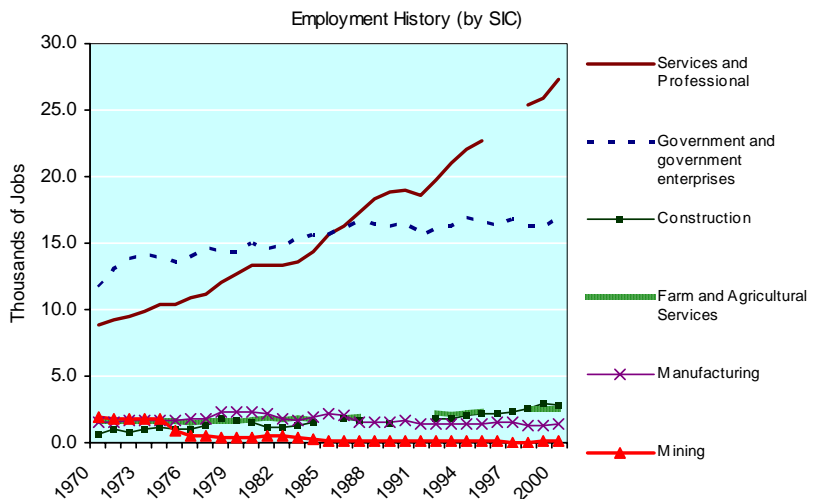
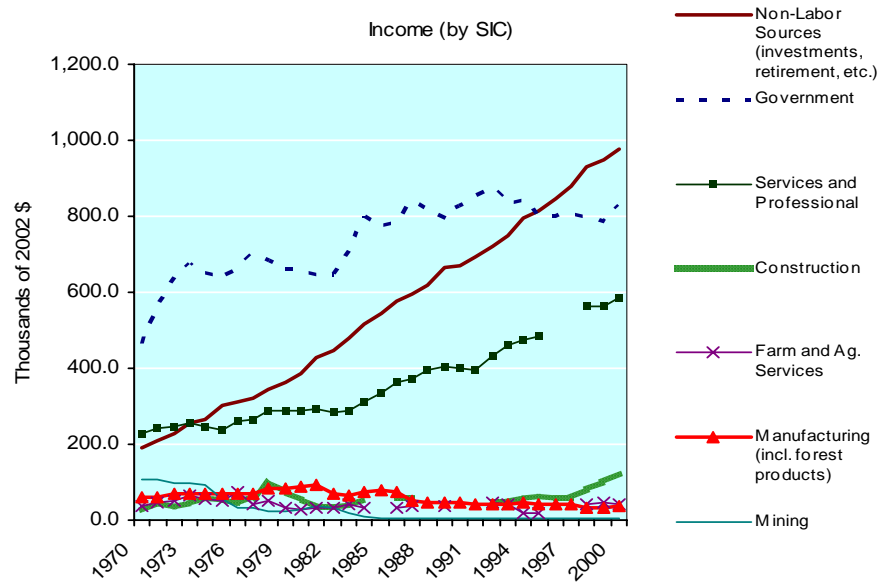


FIGURE 2. Employment by sector in Cochise County, Arizona

Source: Bureau of Economic Analysis, 2000.

FIGURE 3. Income in Cochise County, Arizona

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, 2004.



Since the mid-1980s, the Services and Professional sector, rather than Government, has been the major employment sector. Government employment has been relatively flat since around 1988, as have other employment sectors such as Agriculture, Construction, and Manufacturing.

Personal income earned from Government employment has also leveled off since the mid-1980s, and has fluctuated since then. Around 1995, steady growth in Non-Labor income made this the most important source of personal income, accounting for about 40 cents of every dollar of personal income. Income from the Services and Professional sector has also increased, although not as rapidly as Non-Labor income.

A further indication that Cochise County's economy has diversified beyond reliance on military employment can be found by looking more closely at which types of government employment are most prevalent. As Figure 4 shows, state and local government employment now exceeds both military and federal/civilian employment, and has been growing more steadily.

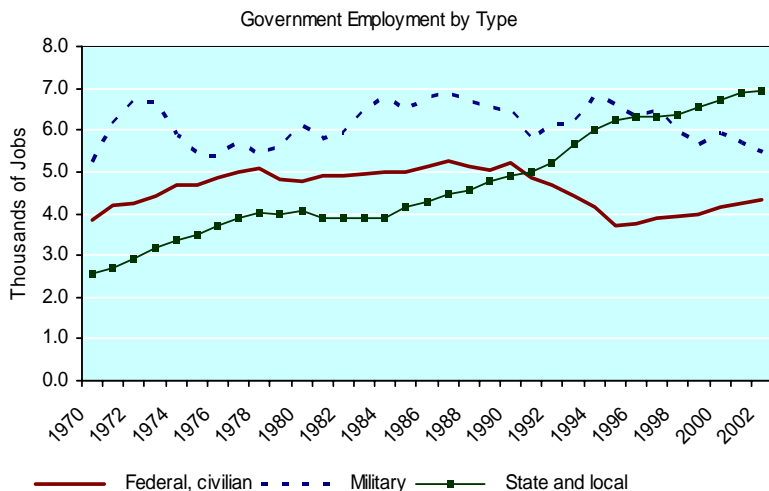


FIGURE 4. Government employment by type in Cochise County, Arizona

Source: Bureau of Economic Analysis, Regional Economic Information System, 2002 Table CA25 and CA25N.

*What factors have allowed Cochise County to diversify and prosper?*

Cochise County's economy is doing better than the U.S. median by several economic indicators. Compared to the median U.S. county, Cochise County has:

- faster population growth,
- higher employment growth,
- faster personal income growth,
- higher average earnings per job,
- a more diverse economy, and
- a more educated population.

The original *Prosperity* reports found that several of these factors, such as having an educated work force and a more diverse economy, are positively correlated with growth in personal income. The county has several other positively correlated attributes as well, such as employment in producer services (e.g., engineering, business, and design), protected and other types of public lands, mountains, and employment in the arts, entertainment, and food sectors.

While the designation of SPRNCA in 1988 did not have immediate appreciable effects on employment or income trends in Cochise County, its existence contributes to the types of economic growth that are likely to be keys to the area's future prosperity.

Clues to SPRNCA's influence on the local economy can be found by looking more closely at *who* is living in the county and *what attracts them and makes them stay*. Table 2 uses Census data to illustrate key demographic trends that occurred in Cochise County between 1990 and 2000.

TABLE 2 Population by age in Cochise County, Arizona

	Total	Under 20 years		40 - 54 (Baby Boom in 2000)		65 years and over		Median Age
	Number	Number	Share	Number	Share	Number	Share	
<b>Total Population</b>								
<b>2000</b>	117,755	34,666	29%	23,813	20%	17,365	15%	36.9
<b>1990</b>	97,624	30,509	31%	16,366	17%	12,456	13%	32.6
<b>10 Yr. Change</b>	20,131	4,157	-2%	7,447	3%	4,909	2%	4.3
<b>10 Yr. % Change</b>	21%	14%		46%		39%		13%
U. S. Census 2000 Table SF1 - P12 & 1990 SF1 Table P05 & P12								

The table shows that the fastest-growing age group is Baby Boomers, whose share of total population increased by 3 percent, or 7,447 individuals, between 1990 and 2000. Those 65 and older showed the second-largest increase, adding 4,909 individuals.

Baby Boomers and those over 65 are behind much of the steady increase in Non-Labor income over the past 30 years (see Figure 2) and are thus a valuable addition to the local economy. It should be noted that there is more overlap between Baby Boomers and retirees in this context than in others, since many

retire or leave the military in their 40s and 50s, rather than after turning 65. These individuals may not only contribute their non-labor income to the local economy but also may decide to start second careers and their own businesses in the area, further diversifying the economy and creating jobs.

The military and other factors draw new residents to Cochise County from across the nation. Only 33 percent of residents in 2000 were born in the county, and 46 percent lived in the same house as they did in 1995. The county's residents tend to be better educated than the U.S. median, with 18.8 percent having a college degree, compared to 14.4 percent for the nation as a whole.

While the military may be responsible for bringing nearly a third of the population (6.1 percent are active duty and 21.9 percent are veterans) to the area, why do these residents stay? And what draws non-military Baby Boomers and retirees to this area, rather than another?

Part of the answer may lie in the area's high quality of life. Quality of life factors are likely to be more important to those who are not tied to specific jobs or resources, such as military and other retirees and downshifting Baby Boomers. Protected public lands offer quality-of-life benefits for local residents as well as tourists, and play a role in making the area an attractive place to live and do business.

The county's natural amenities and outdoor recreational opportunities are a recognized economic attribute and figure prominently in its efforts to market itself. SPRNCA is featured on the county tourism website as part of the area's "Legendary Outdoors" campaign. It is one of several natural attractions that appeal particularly to birders, including the Nature Conservancy's Ramsey Canyon Preserve and Muleshoe Ranch, the annual sandhill crane migration through the Willcox Playa, Kartchner Caverns, the National Park Service's Coronado and Chiricahua national monuments, and the Dragoon, Whetstone, and Huachuca mountains. In addition, several related attractions have also developed, including The Arizona Folklore Preserve (location of an annual Cowboy Poetry gathering), and a slew of locally owned bed and breakfast inns.

The natural environment, particularly the climate and the number of outdoor recreational and volunteer opportunities available in the area, were important factors in Retired Army Lieutenant Colonel David Ballenger's decision to remain in Cochise County after retirement:

*The Sierra Vista and surrounding area has attracted, over the years and mainly due to Ft. Huachuca, a large community of well-educated and world-traveled military retirees and other professionals who love the natural attractions and beauty of Southeastern Arizona. This active retired population has been augmented by reverse immigration from congested Southern California and the Phoenix area, Northern state "snowbirds" who came initially to avoid harsh winters and decided to relocate permanently, and lovers of nature, like birders who came here to observe our famous migratory neo-tropical birds. These folks are naturally active in body, spirit, and mind, and seek to voluntarily work with the natural wonders of the area and work for the preservation of our ecology and environment. At Ramsey Canyon Preserve, we stress to our visitors that we are only a part of the great natural geographical and biologically diverse crossroads of Southeastern Arizona, and that the San Pedro River, as a major western bird flyway from Central America into the Western United States, is at the very center of this wonderful area. Everything comes together right here, and we are working to keep our wonders alive and well for the world to enjoy.*



Research has documented the combined economic value of two of the county's protected areas, SPRNCA and the Ramsey Canyon Preserve. A recent study found that visitors in 2001 spent \$10.6 to \$19.1 million, increased total economic output in the area by between \$17.0 and \$28.3 million on an annual basis, and generated 350-590 jobs.

The study also noted some characteristics of the visitors attracted to SPRNCA and the Ramsey Canyon Preserve: the mean age of visitors surveyed was 55 years, nearly half had completed a graduate degree, and the mean annual household income was \$94,000. Forty-four percent were employed full-time, while 41 percent were retired. These are precisely the type of people who are being attracted to the county as permanent residents, which hints at the value of SPRNCA and other protected areas in drawing in newcomers and retaining current residents.



### *Conclusion*

Despite being a relatively small protected area and not leading to any immediately visible economic change, the San Pedro Riparian National Conservation Area plays a role in making Cochise County an attractive place to live for military and other retirees by adding to the quality of life and available volunteer and recreational opportunities. In doing so, it is also helping to spur business and other economic activity that diversifies the economy away from heavy dependence on the military.

