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Grants Mainstreet Project Leakage Study

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GRANTS MAINSTREET PROJECT LEAKAGE STUDY

Submitted to the
Grants Mainstreet Project.

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November 2004

UNIVERSITY OF NEW MEXICO
BUREAU OF BUSINESS AND
ECONOMIC RESEARCH



GRANTS MAINSTREET PROJECT LEAKAGE STUDY

By Dr. Jeffrey Mitchell

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EXECUTIVE SUMMARY

The economy of Grants is stable but constrained by low wages. The average annual unemployment rate in Grants in 2003 was 5.8%, somewhat below State and national rates, which were high in that year. The increasing diversity of the economy suggests that the unemployment rate will continue to be relatively stable and low compared with earlier periods. However, most jobs in Grants pay poorly.

According to the 2000 Census, the household median income in Grants is \$30,652, 11% below the State level. Furthermore, 19.4% of households in Grants live in poverty, far more than the 14.5% of State households and 9.2% of households nationwide.

The retail and service sectors constitute an important part of Grants' economy, contributing nearly three-quarters of the City's taxable gross receipts. In 1999, the retail sector collected \$65 million in taxable gross receipts, including about \$20.5 million from customers from outside the City. The service sector collected \$30 million in taxable gross receipts, with a net leakage of \$5.5 million. The 1999 performance was a significant improvement compared to 1989. In 1989, Grant's retail sector showed a net gain of \$9.7 million and the service sector lost \$7.1, both adjusted for inflation to be comparable with the 1999 figures. The improvement during this 10-year period owes largely to the success of general merchandise retailers (especially Wal-Mart), restaurants and drinking places, and miscellaneous (mainly technical) services to attract new consumers to Grants and encourage residents of Grants to spend a larger proportion of their money within the Town. Because of data limitations, it is not possible to give an exact account of the inflow of dollars for the period since 1999. However, based on available data, it appears that the retail sector has continued to strengthen its position, while the service sector remains in a marginally negative position.

The geography of retail and services in Grants has been undergoing significant changes for some time. Since at least the mid-1990s, business activity near Exit 85 has grown rapidly while downtown areas of Santa Fe Avenue, 1st Street and Roosevelt Avenue have been stagnant or declining. Without a doubt, the principal factor behind the growth of the area near Exit 85 has been the new Wal-Mart outlet, which attracts I-40 travelers, County residents and residents of Grants to its own doors and those of nearby businesses. This area now dominates general merchandise retailing as well as hotel & motel trade, and it is gaining a larger share

of the restaurant business. Furthermore, there are indications that the Exit 85 area may attract other businesses, possibly including businesses now located downtown. However, notwithstanding the growth of the Exit 85 area, it should be noted that the opening of the Wal-Mart store in 1999 does by itself not explain the loss of downtown business. Data reported in this study clearly indicates that downtown businesses, especially along Santa Fe Avenue, were declining well before the opening of the Wal-Mart. The decline of downtown business activity must be understood in its own regard.

As part of this study, BBER conducted 111 surveys investigating the shopping patterns of Grants-area residents. These surveys document the changing geographical patterns of Grants' retail and service markets, and consider the factors that shoppers identify as affecting their shopping behaviors. The surveys reveal several important insights.

- Without exception and with only minor differences in demographics patterns, everyone who participated in the survey does business in downtown Grants. However, downtown business tends to be focused on activities that are otherwise not readily available to local residents, including professional, personal and repair services, and restaurants and drinking places.
- While everyone surveyed acknowledges that they shop at least occasionally at Wal-Mart and that they tend to shop for a wide range of items when they visit Wal-Mart, most of the shopping at Wal-Mart by area residents is done a minority of budget-conscious shoppers. The surveys indicate that many area shoppers make purposeful efforts to do business in other local stores where selection, quality and customer service are seen to be superior.
- Albuquerque continues to receive a substantial volume of business from Grants-area residents, particularly those shopping for higher value items where selection, rather than price, is seen to be the most important consideration. Moreover, the surveys indicate that shopping in Albuquerque has been largely unaffected by the opening of the local Wal-Mart; indeed, nearly twice as many people claim to have increased the frequency of out-of-town shopping trips over the past five years as the number who claim to have shifted from out-of-town shopping in favor of the local Wal-Mart.

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Improvements in employment and gross receipts collections in Grants during recent years are mainly the result of initiatives that originated outside of Grants, and increasingly the new employers are located outside the central area of Grants. Wal-Mart, the prisons, Sky Casino and expansion by the Lee Ranch coalmine are the most important examples. To sustain the recent growth and to gain greater control over the community's prospects over the long-term, Grants should consider leveraging its new assets to support locally initiated development that is located in the Town's central area. Local, or "homegrown" businesses are more likely to employ local workers, make longer-term investments, reinvest profits locally, act from a sense of ownership and community involvement, and more likely to remain in area as the business expands than are business that attracted to a community with financial incentives. Local development is often supported by a vibrant downtown. A strong downtown contributes to a community's sense of identity and community ownership; it offers quality of life benefits that help to retain a community's younger population and attract new community members; it provides efficiencies that are essential to creative and productive economic activities, particularly among service industries; and it enables the development of more specialized retail outlets, helping the community to retain a greater share of its retail and service dollars.

Interviews conducted with a number of local business owners, public officials and community leaders have brought to light a number of strategies to foster local development initiatives and support the creation of a more vibrant downtown area. Specific strategies, all involving public-private partnership, including the following:

- Downtown businesses must attract a greater share of the County shoppers and Interstate travelers that have brought prosperity to the Exit 85 area. If these businesses fail in this regard, there will be added pressure for existing businesses to relocate out of downtown, creating a trend that would be difficult to reverse. This initiative would require that the community advertise downtown attractions and businesses to people whose only experience of Grants is Exit 85. This effort could include a billboard along Santa Fe Avenue near the area's motels and restaurants east of the bridge; brochures distributed at service stations and motels near Exit 85; and radio advertisements that reach travelers on the Interstate.
- Public and private interests should work together to create downtown events and attraction that appeal to residents of Grants and Cibola County, and

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those spending the night in motels near Exit 85. These events could capitalize on downtown public spaces that are attractive, rarely used and relatively close to a large number of businesses, including the public park, the Riverwalk and railroad facilities. These events could be used to build community, strengthening bonds between residents and businesses in Grants and Cibola County; to encourage the development of an active, shared and equitable marketing strategy among the downtown businesses.

- Public agencies should be encouraged to establish purchasing policies that are more favorable to local businesses. This is very significant because a large percentage of the area's revenues originate in the public sector, including federal and State land management agencies, schools, BIA, prisons, and City and County government.
- An initiatives should be taken to target hunters who visit Cibola County – work with private outfitters to provide supplies; establish events and facilities in downtown Grants that are attractive to hunters; advertise in appropriate outlets.
- Support given to local businesses, particularly during period of business formation, should be strengthened. Make more accessible publicly subsidized loan programs; strengthen the connections between these and technical assistance (e.g. accounting, market analysis, or business plan development) that is often needed by startup businesses; and provide information and seminars to established downtown businesses that must develop business strategies to remain competitive against Wal-Mart and other large low cost retailers.

The interviews and surveys conducted for this project suggest a sense of hopefulness in Grants. The community has seen hard times and can now imagine a better future. The growth of employment opportunities and public revenues help to explain the community's change of perspective. What remains to be done is to draw upon the current opportunities to create a dynamic of growth from within the community that is sustainable, that contributes to a sense of ownership and community identity, that is attractive to young adults, and that offers confidence in local investment. Investment in Grants' mainstreet and downtown area is essential to this strategy.

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Rich Williams, Director of the New Mexico Mainstreet Program, and Beth Davis, Director of Research at the New Mexico Economic Development Department, deserve thanks for their guidance and the funding that made this project possible. Their commitment to community economic development in New Mexico, and recognition of the value of the people and resources that are found in the State's small communities is an inspiration.

Thanks also to Sophie Hammett and Rod Pimentel, graduate assistants at BBER, who carefully and patiently conducted the majority of surveys that inform this report. As always, my thanks to Dr. Lee A. Reynis, BBER's Director, for her confidence and unfailing support of my unpredictable ways.

Finally, I would like to offer my appreciation to the entire community of Grants, including Town officials, business and community leaders and the many others who gave their time to this work. It has truly been a pleasure to discover this community in the course of this work.

Jeffrey Mitchell

INTRODUCTION

This study was commissioned by the New Mexico Economic Development Department (NMEDD), on behalf of the Grants Mainstreet Project (GMP). This study has two main objectives. The first is to evaluate the strengths and weaknesses of the retail and services sectors in Grants, and the second is to consider ways to improve conditions faced by businesses in the community's downtown.

The economy of Grants (or any other community) can be understood in terms of its exchange of goods and services with other areas. To the extent that businesses based in Grants sell goods and services to consumers from other areas, money flows into the economy and creates growth. Conversely, to the extent that consumers in Grants buy goods and services from elsewhere, money is lost to the community and the economy contracts. Economic development policy seeks to increase the former and limit the latter. Successful policy creates jobs, increases the local payroll, generates new demand for local goods and services, and increases the flow of gross receipts tax revenues to the Town government.

This study provides detailed analysis of exchanges between Grants and other areas according to specific subsectors, such as food stores, furniture stores, gasoline stations, hotels, restaurants, health care and so on. The results of this research will help policymakers, business owners and residents identify areas where investment may be beneficial, either by increasing the inflow of money with the promotion of exports or by reducing the leakage of funds by providing needed goods and services locally.

Beyond the analysis of the retail and service sectors in Grants is a still more detailed investigation of the geography of Grants economy, with specific concern for the vitality of businesses located in the downtown area. The reason for this investigation is that planners and researchers, nationally and at the New Mexico Economic Development Department, have learned that the stability and growth of a local economy depends, in part and over the long term, on the vibrancy of the community's downtown or Mainstreet area. Downtown areas provide opportunities for businesses to operate more efficiently, and offer cultural amenities and situations for social interaction that are otherwise difficult to establish. These factors are critical to efforts to retain a youthful population and to attract new residents and new investments.

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This report has four sections and two appendices. The first section is a general survey of Grants' economy. The second section is a detailed analysis of the Town's retail and service sectors, and the third section is an investigation of changes in the geography of retail and service businesses in Grants, with specific concern for conditions faced by businesses located downtown. The final section outlines policy measures that may serve to strengthen Grants' retail and service economies and enhance the development of the Town's center. Appendices include a discussion of methodology, and tables and documents relevant to this study.

GRANTS' ECONOMY

The economy of Grants is stable but constrained by low wages. The average annual unemployment rate in Grants in 2003 was 5.8%, slightly lower than the State and national rates. Moreover, the increasing diversity of the town's economy resulting from the growth of the prison industry, Wal-Mart, Sky Casino, as well as a resumption of activities at Lee Ranch Coal Mine suggests that the unemployment rate will continue to be relatively stable and low in Grants.

In 2000, 26.1% of Grants employment was in service-related occupations, compared to 17% for the State of New Mexico and 14.9% for the U.S. as a whole. During the same year, fully 31.1% of Grants workers were employed by government, compared to 22.7% in New Mexico and 14.7% in the U.S. Conversely, just 61.3% of workers were employed by private businesses, well below the State level of 68.5% and the national level of 78.5%. The high rates of government lend stability to Grants' employment picture, but it also contributes to a low average earnings.

In general, jobs in Grants pay poorly and poverty is common. According the 2000 Census, the household median income in Grants was \$30,652, 11% below the State level and 27% below the national average. Furthermore, in Grants 19.4% of households live in poverty, well above the 14.5% rate for the State and more than twice the 9.2% national rate.

In 1999, gross taxable receipts of retail businesses in Grants were slightly over \$65 million, about 144% of the \$45 million that would be expected to be spent by residents of Grants based on statewide expenditure patterns. The remaining \$20 million were expenditures by persons living outside Grants, representing a net gain to the Grants' economy¹.

¹ See Methodology and Data in Appendix A for explanation of Pull Factors and methods for calculation of infusions and leakages.

NET GAIN/LOSS OF GRANTS' RETAIL AND SERVICE SECTORS

Table 1 provides a detailed account of net gain or loss of receipts for the retail and service industries, by subsector, for the year 1999, and changes in net contributions for the 10-year period 1989-99.

General merchandise stores, including Wal-Mart, drew \$11.4 million into Grants, 57% of the total net surplus generated by the retail sector. Restaurants and drinking establishments and food stores together contributed an additional \$8.9 million, representing most of the balance. Only furniture stores ran a significant deficit among retail subsectors.

During the period 1989-1999, the net contribution of retail to the local economy more than doubled in real terms (adjusted for inflation). Growth of the general merchandise subsector, particularly Wal-Mart², was more than equal to the entire gain in retail sales, even offsetting losses in subsectors such as food stores liquor dispensers and furniture outlets. However, the figures included in this table over represent the actual contribution of general merchandising to retail growth in Grants. Insofar as Wal-Mart includes food and furniture sales, the decline in these categories and the growth of general merchandising more accurately reflects a shift in business from specialty food and furniture stores to Wal-Mart. If food and furniture sales remained unchanged over the 10-year period, the actual growth of general merchandising was \$15 million.

Receipts in the service sector in 1999 were nearly \$30 million, about 85% of the \$35.5 million that might be expected to be spent by Grants residents based on statewide expenditure patterns. Thus, services represent a leakage of about \$5.5 million in the Town's income. More than half of the loss was in the subsectors of business services and Healthcare³. Only the travel-related subsectors, including accommodations and amusements, contributed positively to Grants' economy.

² Wal-Mart opened for business in Grants in 1999 and by accounts has demonstrated continued growth in sales since that time.

³ Healthcare services are not taxed equally under New Mexico's gross receipts taxation system. Note, for example, differences between for-profit and non-for-profit healthcare providers. For this reason, gross receipts data is not an accurate representation of the actual level of services provided by this sector.

TABLE 1
PULL FACTORS AND NET GAIN/LOSS FOR SELECT RETAIL & SERVICE
SECTORS IN GRANTS

	1999	1989-1999
	Pull Factor	Net Gain/ Loss
		CHANGE
		(\$)
TOTAL RETAIL TRADE	144%	10,279,386
General Merchandise Stores	149%	19,593,524
Retail Food Stores	153%	(3,679,532)
Motor Vehicle Dealers*	239%	742,210
Gasoline Service Stations*	278%	494,382
Misc Vehicle and Auto Accessories	167%	498,868
Apparel and Accessory Stores	93%	506,096
Furniture and Home Furnishings	5%	(695,850)
Eating and Drinking Establishments	197%	1,739,307
Liquor Dispensars	109%	(2,799,710)
TOTAL SERVICES	85%	1,647,124
Hotels & Motels	179%	(1,279,111)
Personal Services	83%	(471,512)
Misc Business Services	73%	(1,822,093)
Auto Rental and Repair	84%	118,622
Misc Repair Services	60%	209,102
Amusements	241%	(411,794)
Health Care	77%	(571,890)
Misc Services	112%	3,986,377

Source: NM Taxation & Revenue Department; US Census Bureau. Calculations by BBER.

Columns do not sum to Totals because not all sectors are included.

* Motor vehicles and gasoline are not taxed under New Mexico's gross receipts tax system. These categories include only other goods and services provided by Motor vehicle dealerships and gasoline stations.

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The performance of the service sector was a significant improvement compared to 1989. In that year, more than \$7.2 million leaked from the Grant' economy because of expenditures on out-of-town services by local residents. Nearly the entire gain was due to improvements among miscellaneous services⁴. This category went from a deficit of more than \$2.8 million to nearly \$1.2 million in surplus over the 10-year period. The gain in miscellaneous services offset a relative decline in activity among accommodations, business and personal⁵ services, and Healthcare.

The performance of Grants' economy in attracting and retaining revenues since 1999 cannot be directly compared to that of the 1989-1999 period because data on personal income for Grants is not available⁶. However, examining receipts in relation to population (the location coefficient⁷) can provide useful insights when income data is unavailable. During the period 2000-2002, the performance of the retail sector in attracting revenues improved, as the ratio of receipts of Grants' business to the community's population increased from 124% to 166% of the statewide ratio. The improvement among retailers was greatest in the large General Merchandise Stores subsector (again, Wal-Mart) and the smaller Auto accessories category (with the opening of AutoZone and Checkers in 2002).

Performance of service businesses slipped slightly, with the share of local expenditures at Grants-based service business declining 74% to 72%. Personal Services and Hotels & Motels improved modestly, while Business services declined rather substantially from 73% to 43%.

GEOGRAPHY OF RETAIL AND SERVICE BUSINESSES IN GRANTS

The New Mexico Department of Labor 'Covered Employment' dataset provides monthly employment and quarterly wage data for individual business establishments during the period 1995-2003 (3rd quarter). This data makes possible

⁴ The category of miscellaneous services appears to serve as an residual category for the New Mexico Department of Taxation and Revenue, and is not consistent in its composition over time. This category is useful in describing an upward trend among services, but nothing specific can be deduced from the growth in this category.

⁵ Personal services include laundry and cleaning services, beauty and barbershops, photographic services, tax preparations among others.

⁶ As discussed in Appendix A, the above analysis of pull factors is based on the ratio of receipts for a given business to local income. Data on incomes is available from available only from the Decennial Census (1990 Census provides data for 1989; 2000 Census for 1999; etc.). Without information on income for the period since 1999, it is not possible to compute the inflow or outflow of revenues.

⁷ The location coefficient is also described in Appendix A.

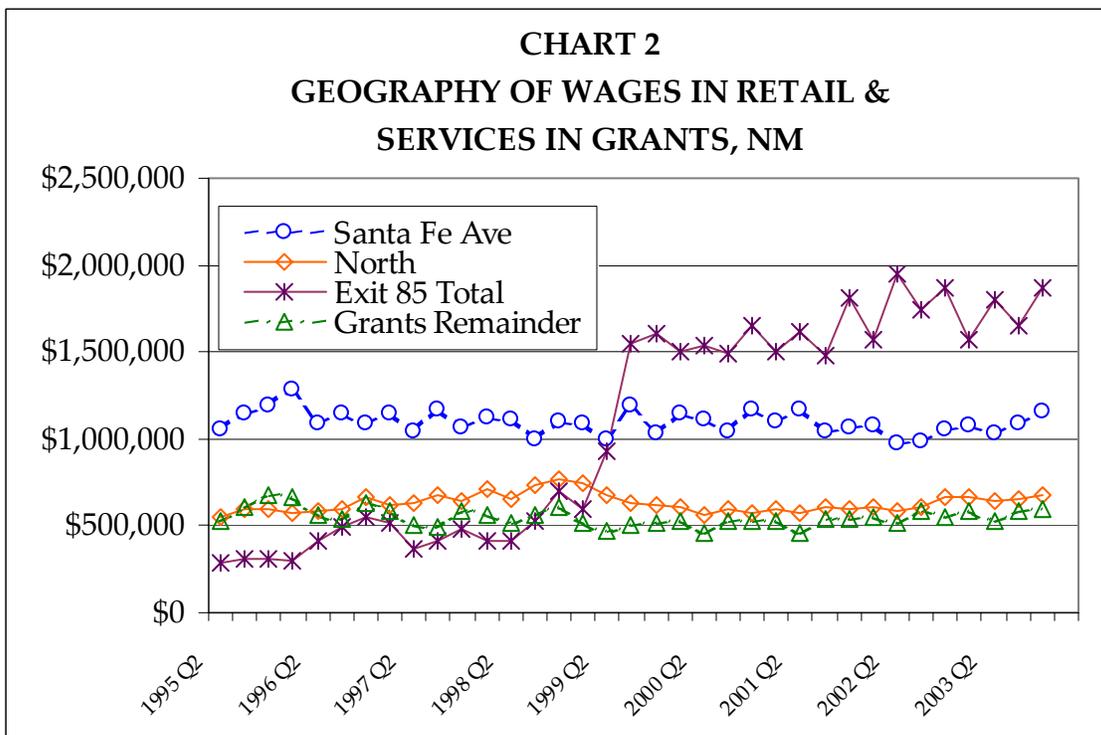
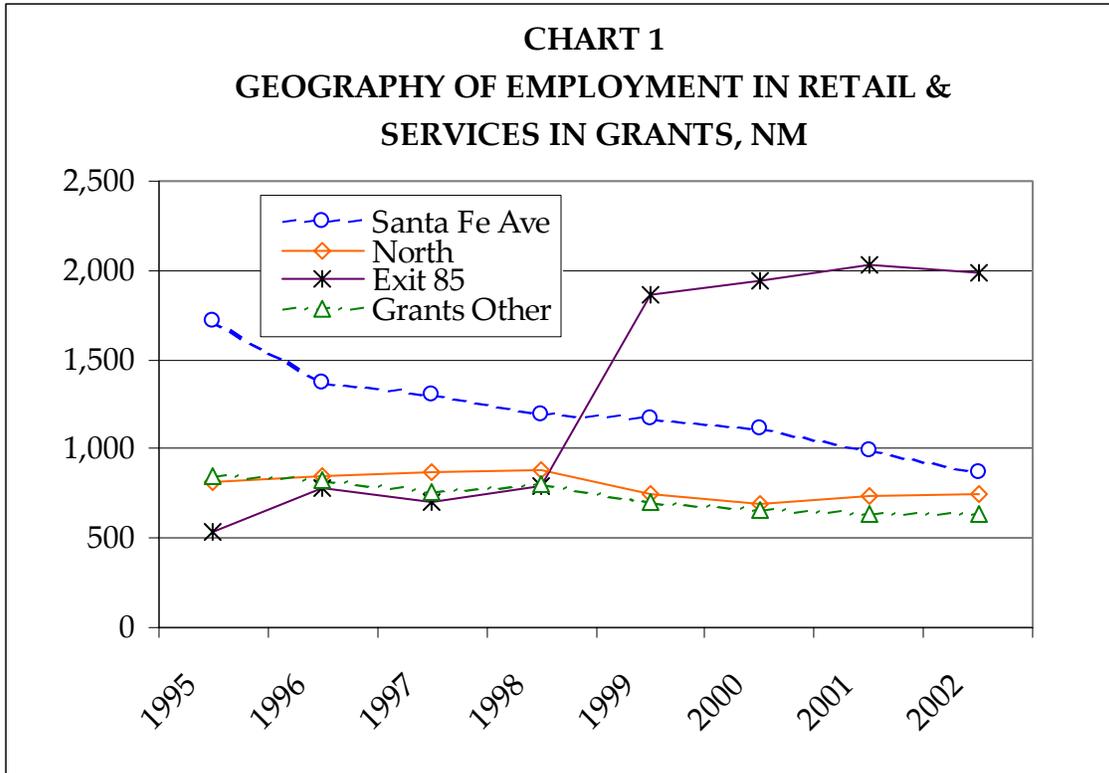
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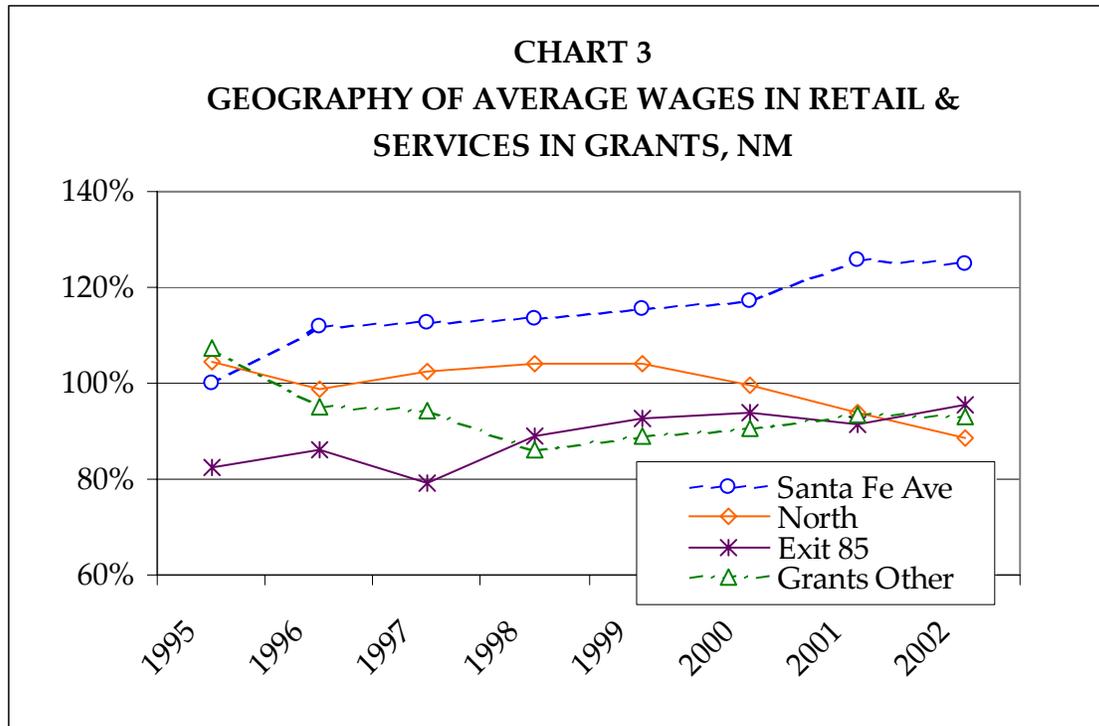
an analysis of changes in retail and services on a fine geographical scale, comparing the performance of businesses located in different areas in the Town of Grants. For this analysis, the Town of Grants is divided into four geographical districts – Santa Fe Avenue, west from the bridge just east of Hanosh Motors; Exit 85, including all businesses east of the bridge to the Interstate overpass; North side, including First street and Roosevelt Avenue; and the remaining areas in Grants. Employment and wages are used as general indicators of the level of business activity because data on receipts is not available for individual establishments. The data are summarized in Charts 1 and 2. Chart 3 shows indices of average wages in the retail and service industries for the four geographical areas; the index value of 100% is the overall average for retail and service business in Grants.

The raw data pictured in Charts 1, 2 and 3 are shown in Appendix B, in Tables B.1, B.2 and B.3. In addition, charts on specific subsectors, including general merchandise stores, gasoline stations, hotels & motels, and restaurants & drinking places, are available in Appendix B. Four distinct patterns from an analysis of this data. First, retail and services businesses on Santa Fe Avenue west of the bridge have been in slow decline since at least 1995, well before the opening of the Wal-Mart near Exit 85. This is evident in the aggregate pattern shown in Charts 1 and 2, but is especially pronounced in the decline in employment and total wages at gasoline stations, restaurants & drinking places, and hotels & motels along Santa Fe Avenue east of the bridge.

Second, the area near Exit 85 has been growing rapidly. Given its proximity to the Interstate, it is not surprising that the area now dominates the hotel & motel trade, and is gaining a larger share of restaurant business. The Wal-Mart located near Exit 85 is the only significant General Merchandise retail business in Grants, and by itself, it is sufficient to explain the sharp rise employment and wages near Exit 85 in 1999. The presence of Wal-Mart further contributes to the growth of the area insofar as the outlet's customers may also do business at neighboring establishments. Wal-Mart encourages travelers to exit the Interstate, is a destination for shoppers from other parts of the County, and draws shoppers from the Town of Grants to the east end of Santa Fe Avenue. These shoppers buy gasoline, eat in nearby restaurants and may spend the night at a nearby motel. It is of note that interviews and other research suggest that the cost and limited availability of land near Wal-Mart may be the principal factor constraining further growth of the Exit 85 area.

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Third, businesses along 1st Street and Roosevelt has been more stable than those along the western length of Santa Fe Avenue, particularly in terms of employment as shown in Chart 1. One possible explanation for this is that businesses providing personal services to the nearby residents of Grants are concentrated in this area. In general, these businesses face less competition from the large retailer at the east end of Santa Fe Avenue. A second and related explanation is that there is a diverse grouping of businesses located along 1st Street and Roosevelt, making the area more stable in periods of recession and overall business slowdown. Notwithstanding these general observations, it is clear that the area north of Santa Fe Avenue was most directly impacted by the opening of Wal-Mart, particularly with the closing of Alco on 1st Street.

Fourth, as shown in Chart 3, average wages of businesses along Santa Fe Avenue are significantly higher and have been rising more rapidly than in all other areas of the Town, particularly those north of Santa Fe Avenue and in the remaining areas of Grants. There are two very distinct possible explanations for this. One is that businesses along Santa Fe Avenue west of the bridge, though declining in number and size, are engaged in higher value operations and the higher wages paid by area businesses reflect this pattern. A second possible explanation works in the opposite direction – businesses along Santa Fe Avenue more rigid in wage schedules and consequent higher prices result in declining employment. Without more detail

information on individual businesses, including prices and profitability, it is not possible to evaluate these competing explanations.

SURVEY RESULTS

BBER conducted a survey of 111 shoppers in Grants during a two-week period during early August 2004. The survey asked where people obtained for various goods and services; what factors determined their shopping patterns; what new businesses that they would like to see in Grants; and demographic information. The survey and a summary of the responses are included in Appendices C and D. The data collected from the surveys help to explain the changing geography of retail and services in Grants and are suggestive of strategies that may be useful in strengthening the downtown business environment. The findings are discussed with reference to three principal shopping destinations – downtown, which includes Santa Fe Avenue and north as defined in previous section; Wal-Mart near Exit 85; and out-of-town shopping, with a focus on Albuquerque. Tables 2 and 3 summarize the results.

Downtown – Every person surveyed does business of some kind downtown, regardless of demographic characteristics such as income, education, sex, and place of residence. 37% of all goods and services covered in the survey were obtained downtown, more than any other area. Personal and professional services, repair services and restaurants are the most common reasons for people to do business downtown. Fully 84% of professional services and 67 of personal services are obtained downtown. Further, some people will do other business downtown (e.g. shopping for clothes, sporting goods, furniture) even when it may be cheaper and more convenient to do the same business elsewhere. This customer loyalty is significant.

TABLE 2
SURVEY RESULTS: Where do you obtain goods and services?

	Down- town	Wal- Mart	Cibola County	ABQ	Mail/ Internet	Other
Perishables	70 34%	94 45%	25 12%	2 1%	0	16 8%
Dry Goods	56 27%	102 49%	28 13%	6 3%	0	16 8%
Clothes	22 10%	72 33%	0	106 48%	2 1%	18 8%
CDs	14 7%	74 34%	0	65 30%	24 11%	38 18%
Restaurants	126 59%	2 1%	4 2%	54 25%	4 2%	24 11%
Sporting Goods	20 10%	42 20%	0	99 48%	2 1%	42 20%
Furniture	36 17%	11 5%	0	132 63%	0	30 14%
Repair Services	122 57%	3 1%	4 2%	52 24%	0	34 16%
Personal Services	144 67%	8 4%	6 3%	25 12%	0	32 15%
Professional services	184 84%	3 1%	1	17 8%	0	14 6%
TOTAL	794 37%	411 19%	68 3%	558 26%	32 2%	264 12%

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Wal-Mart – Again, virtually everyone (107 of 111 persons surveyed) does at least some shopping at Wal-Mart and in total 19% of all goods and services queried in the survey were obtained at Wal-Mart. However, despite the broad appeal of Wal-Mart, there are significant differences between those who shop frequently and those who shop infrequently at the Wal-Mart. Those who shop frequently tend to be from low-income households, and the principal factors that shape their shopping decisions are price and selection, in that order. Frequent Wal-Mart shoppers are more likely to buy groceries and clothing items, whereas those who shop less frequently at Wal-Mart are more likely to do primary grocery and clothes shopping elsewhere. However, all Wal-Mart customers share the tendency to shop for a wide range of

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goods when they do visit the store. In other words, whenever someone visits Wal-Mart s/he tends to shop for a wide range of goods, but those who are most budget-conscious make more frequent trips.

Another significant finding from the survey concerns changes in shopping behavior since the 1999 establishment of Wal-Mart. According to the survey, of those who acknowledge that their shopping patterns have changed over the past 5 years (69% of the total), 56% say that they have shifted their shopping from local stores to Wal-Mart while only 10% say that they shop less out-of-town in favor of Grants' Wal-Mart. Essentially, this suggests that Wal-Mart is getting more business from persons who used to shop elsewhere in Grants than people who shopped in Albuquerque⁸.

Albuquerque: More than 26% of all goods and services included in survey were obtained out-of-town, and the majority of those are obtained in Albuquerque. This share is second to downtown and about 25% more than at Wal-Mart (558 versus 411). In general, people tend to shop for big ticket items in Albuquerque, including clothes, furniture and household goods. 61 % of people who shop out-of-town say they do so because of selection is better or the product is not available in Grants; only 20% of the people identified price as the determining factor. As noted, the surveys suggest that out-of-town shopping has been largely unaffected by the opening of the Wal-Mart in Grants; indeed, almost twice as many people say that they have changed from shopping locally to out-of-town (18%) as those who say that they have changed from out-of-town shopping to the Grants' Wal-Mart (10%). The concerns discussed above apply in this case as well.

New Business Opportunities: BBER's surveys (and interviews) asked for suggestions for new businesses to be located in Grants. The most common suggestion among the surveys was a Home Depot/Lowe's hardware and home improvement store. In all likelihood, the consumer base of Grants is insufficient to support such a store, which carries an enormous inventory. The second most common suggestion was for a 'good quality', 'family-oriented' and/or 'American' restaurant, such as Applebees, Chili's or something similar. Other popular suggestions included a large drug store such as Walgreens, a furniture store, a men's clothing store, a multi-screen movie theatre, a business service and shipping center such as Mailboxes Etc, and a hunting supply store.

⁸ This survey result seems to contradict analysis of the DOL covered employment data, as discussed in the preceding section. Charts 1 and 2 show no obvious decline in employment and wage payments among businesses located along Santa Fe Avenue and the northern area following the 1999 opening of Wal-Mart. The DOL data suggest that the 1999 boom near Exit 85 was captured from shoppers would previously did business outside of Grants, presumably in Albuquerque and Gallup.

TABLE 3
SURVEY RESULTS cont.

What factors determine where you shop?

Price	72	34%
Proximity	15	7%
Convenience	32	15%
Quality	30	14%
Selection	42	20%
Customer Service	15	7%
Other	4	2%

Why do you choose to shop out of town?

Item NA in Grants	58	27%
Better Selection	73	34%
Lower Price	44	20%
Reason to visit	31	14%
Other	8	1%
Shop only in Grants	2	4%

How have your shopping patterns changed during the past 5 years?

Local to Wal-Mart	83	56%
Wal-Mart to Local	14	9%
Local to Out-of-town	26	18%
Out-of-town to Local	6	4%
Out-of-town to Wal-Mart	15	10%
Online	4	3%
No change	68	31%

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2004

INTERVIEWS WITH BUSINESS AND COMMUNITY LEADERS

Interviews were conducted with 18 business owners and community leaders during the final two weeks of August 2004. These interviews were designed to clarify questions raised by secondary and survey data, better understand the challenges faced by businesses located downtown, and to identify strategies that may be available to the Grants Mainstreet Program in supporting their efforts. The most important insights generated by these interviews can be summarized in the following categories: what is working for downtown businesses; the challenges that downtown businesses face; the impact of Wal-Mart; and opportunities for strengthening the downtown business environment.

What Is Working Downtown

- Without exception, every person interviewed stated that the local economy was on the mend following the difficult times that began with the closure of the uranium mines during the early-1980s. There was no consistent or persuasive reason for the recovery, except perhaps political factors and luck. Policy and local initiative could be explained by the employment and tax benefits associated with the new prisons, the Wal-Mart, or the reopening of the coalmine. Nevertheless, there was a clear sense of hope that interviewees claim did not exist 10 years ago.
- Customer service is generally identified as the single most important factor in the success of a downtown business. For some, customer service meant knowing the customers and interacting with them in a friendly and personal manner; for others, it was a matter of differentiating a business from Wal-Mart; for still others, it meant identifying a niche and maintaining an inventory that was both mindful of what the competition had to offer and what the customers needed.
- Nearly everyone said that the downtown area was cleaner, more inviting and better maintained; nearly everyone acknowledged the role of the Grants Mainstreet Program in this regard.
- Most stated that the success of downtown businesses is supported by events that draw people to Grants and downtown. Mainstreet's Fire & Ice Rally and the Riverwalk are thought to be significant steps in the right direction, but more such features and events are needed.

Challenges Faced by Downtown Businesses

- Many argued that the lack of foot traffic limited the prospects of downtown businesses. This is part of the history of Grants and with a four mile downtown for a city of less than 10,000, it is built into the landscape. In light of these facts, few felt that there was any realistic prospect of creating significant of foot traffic downtown. As one interviewee put it: “To succeed downtown, a business must be its own destination.”
- Several business and community leaders suggested that the development of new businesses in Grants is hampered by limited cash reserves of startups and insufficient inventories, inadequate understanding of business accounting, and failure to understand the market (for example, starting businesses that compete directly with other successful businesses; specializing in markets that require a larger customer than can be found in Grants).
- Perhaps most significant argument concerns tapping into the Interstate market. With a traffic of nearly 20,000 per day, I-40 holds great promise for Grants. The east end of Santa Fe Avenue, near Exit 85, has prospered because of its success in attracting customers (aided by the presence of Wal-Mart). However, downtown has thus far failed to access into this potentially huge market. The central challenge facing downtown business development was succinctly summarized by one interviewee: “How do we get the people who get off at Exit 85 over the bridge, into downtown?”

Impact of Wal-Mart

- Most felt that the impact of Wal-Mart on local business was overstated; at worst, Wal-Mart captured the potential growth but did not necessarily set the business back⁹. Indeed, in the final analysis, most argued that the impact of Wal-Mart on local business environment was more positive than negative because it brought more people to Grants.
- Most felt that businesses led by capable managers can survive the price competition of the giant retailer by providing superior customer and employing creative merchandising. In some instances, businesses are advised to diversify the products and services that they provide, creating a more stable base to survive ups and downs and to generate the cash flow that is

⁹ Sales numbers of this business showed steady growth during the years before the 1999 opening of Wal-Mart, but a flattening of sales after Wal-Mart’s opening.

necessary during early period of business development. In other instances, especially for better-established businesses, a retailer is advised to specialize in certain goods or services, sidestepping competition with Wal-Mart, which tends to offer a wide range of goods with relatively limited selection.

- Many argued that the businesses that have failed since the establishment of the Wal-Mart were marginal businesses from the outset, often run by owners either unwilling to take the necessary risks or without the necessary skills.

Market Opportunities for New Downtown Businesses

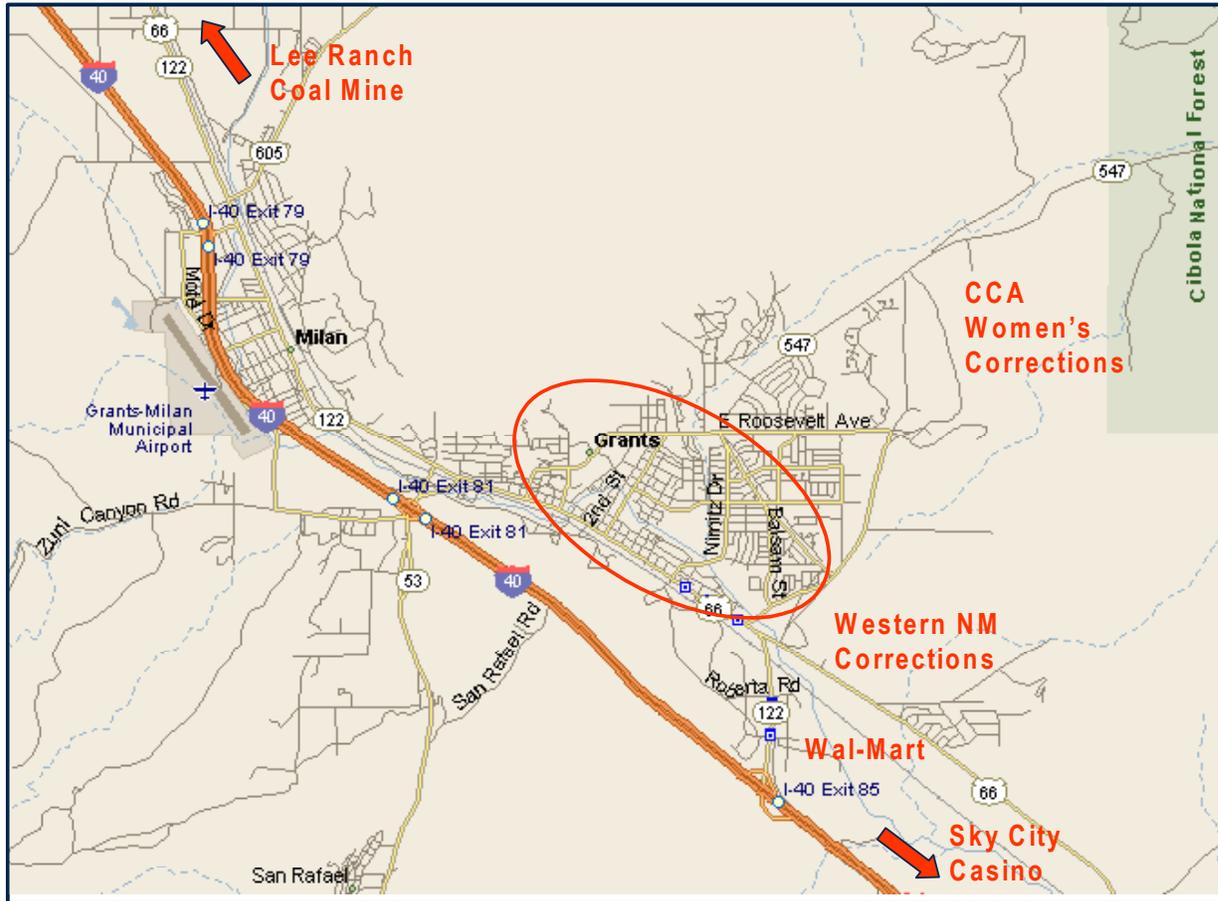
- A strong argument was made that Grants has great potential to expand its business with the hunting community. By all accounts, the area is considered among the leading hunting sites in the U.S. Local private outfitters typically charge thousands of dollars for each licensed hunter and yet most the purchases by outfitters are made out-of-town. Discussions with officials from the Bureau of Land Management, the National Park Service and State Park Services indicate that nearly 40,000 person-days are spent by persons from out of town in recreation on public lands surrounding Grants (mainly Taylor Mountain and Zuni Mountains), and thousands more on nearby private land. At a minimum, 12-15,000 person-nights are spent in motels and hotels by these persons. The vast majority – three-quarters of these person-days and nights – are hunters who visit over a period of six months each year. This is a largely untapped market of visitors who are known to spend freely and locally for supplies.
- The hunting market should be approach from all angles. A downtown shop where hunters can acquire high-quality supply is needed; private outfitters should be encouraged to work with local suppliers; downtown events should be created to appeal to hunters during season; hotels and restaurants should coordinate efforts to appeal to hunters; and marketing campaign aimed at the hunting community should link community and businesses of Grants to already recognized nearby hunting opportunities.

RATIONALE AND STRATEGIES FOR DEVELOPMENT OF GRANTS' MAINSTREET

The retail and services, on balance, contribute positively to health of Grants' economy. On a net basis, they bring more dollars into the economy than leak out through expenditures by town residents in other areas. This suggests that retail and service businesses create more jobs, pay more wages and pay more gross receipts taxes than are lost by Grants in competition with other areas. The success of Wal-Mart in attracting shoppers from the County and the Interstate and, to a lesser degree, encouraging Grants residents to spend their money in-town, accounts for much of the surplus.

However, this good news should not obscure other aspects of the story. Chart 4 is a map of Grants, with the largest new employers highlighted. As this map shows, economic growth in Grants over the past decade has been almost entirely in areas peripheral to the downtown area. Today, the largest employers in the Grants area, all established in the 10 to 15 years, are located outside the town's center. These include the prisons, Sky City Casino, Lee Ranch Coal Mine, and Wal-Mart. Moreover, with the opening of Wal-Mart and new restaurants and hotels at the eastern end of Santa Fe Avenue, the majority of retail and service business occurs outside the Town's center.

Over the past decade or more, planners have begun identified signs of a shift in thinking about community-based economic development. Increasingly, communities are moving away from a model that depends on attracting large employers with tax and other incentives (the so-called "Chasing Smokestacks model") in favor of a model that encourages the growth of smaller, locally owned businesses (so-called "Homegrown Development"). The argument is that large employers that are the target of the first strategy tend to remain only as long as the incentives are in place; are reluctant to make investments in a community that require years to bear fruit; too often hire skilled, better paid employees from outside the area; and send profits to shareholders that do not live in the community. By contrast, "homegrown businesses" are more likely to employ local workers and resources, make longer-term investments, reinvest profits locally, act from a sense of ownership and community involvement, and remain in town as the business expands.

CHART 4: MAP OF GRANTS WITH NEW EMPLOYERS

As the “homegrown” model of community development has taken hold, communities also have gained a renewed appreciation for the importance of a vibrant downtown. A strong downtown provides a “sense of place” that is important to a community’s identity and pride, and it helps to create a sense of community ownership. A vibrant downtown also offers “quality of life” benefits that are important in retaining a community’s younger population and attracting new community members. Furthermore, a well integrated downtown provides efficiencies that are essential to creative and highly productive economic activities such as business and financial services, advertising and media, technology development and application. Similarly, a strong downtown allows for the development of more specialized retail outlets, thus enabling a community to retain a greater share of its retail and service dollars. This is especially important in smaller communities, where expensive-to-develop commercial malls and ‘big-box’ strips are not economical.

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The challenge of revitalizing the downtown area is beyond the capacity of individual businesses. Success depends on public-private partnerships. Individual businesses must assume responsibility to make their space attractive, to identify an appropriate market niche, to manage finances effectively, and join to put forth a coherent and pervasive vision of prosperous environment. But there is also a role for the public sector in performing functions that no individual business would find profitable. Improving the public space, creating events and attractions that draw people to area, advertising to make visitors aware of the public and commercial opportunities that can found downtown, providing support for entrepreneurs looking to establish new businesses, coordinating efforts among individual business to create synergies or economies of scale that can enhance the efficiency of all businesses are among the roles that the public must assume. This need not require the creation of a new public bureaucracy; these functions can be assumed by non-profit groups with funding provided by the public sector.

The difficulty that many communities face in implementing community economic development and downtown initiatives is that high unemployment and budgetary pressures require 'quick fixes' that large employer recruitment strategies can offer. In other words, communities are often forced to resolve short-term problems at the expense of longer-term strategy. It is significant that at present Grants does not face this dilemma. Low unemployment and a growing stream of gross receipts revenues afford the Town a unique opportunity to invest in strategies that could bring about long-term development.

Specific initiatives that may be effective in creating a more vibrant and better-integrated downtown in Grants, all involving public-private partnership, including the following:

- Advertise the attractions and businesses of downtown Grants to people whose only experience of Grants is Exit 85. This effort could include a billboard along Santa Fe Avenue east of the bridge and near the area's motels and restaurants and brochures distributed at service stations and motels near Exit 85. Radio advertisements that reach travelers on the Interstate, particularly in the early evening, may also help.
- Create downtown events and features that are attractive to Grants residents, residents of Cibola County who visit the town infrequently or only to shop that the eastern end of Santa Fe Avenue, and those spending the night off the highway in motels near Exit 85. These events could capitalize on the availability of attractive and too rarely used downtown public space that is

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relatively close to a large number of businesses. These events could be used to build community, strengthening bonds between residents and businesses in Grants and Cibola County. Such events would also encourage the development of a shared and equitable marketing strategy among the businesses that find head-to-head competition with Wal-Mart difficult. Downtown businesses should take an active role in planning these events to ensure that the events meet the needs and conditions of local businesses, and to encourage these businesses to remain open during the events. Grants Mainstreet Project, or some other public group, should consider a role as a catalyst for such efforts.

- Encourage public agencies to make purchases and acquisitions from local businesses in Grants. Interviews indicated that in many cases public agencies either do not solicit bids or solicit bids in a manner that is unfavorable to local businesses; that public agencies often reject competitive bids from local businesses in favor of better established out-of-town vendors, particularly from Albuquerque; and/or use local businesses to gather information and maintain equipment without offering adequate compensation. This is very significant because a large percentage of the area's revenues originate in the public sector, including land management agencies (BLM, NPS), schools, BIA, and Town and County government.
- Create initiatives to target hunters who visit Cibola County – work with private outfitters to provide supplies; establish events and facilities in downtown Grants that are attractive to hunters; advertise in appropriate outlets. This is discussed in detail in the previous section.
- Improve the support given to local businesses, particularly during period of business formation. For instance, while publicly subsidized loans already exist (e.g. Northwest New Mexico Community Development Corporation), few entrepreneurs are aware of these programs. Likewise, while technical assistance that is often required by young businesses, such as accounting, market analysis, or business plan development, is available in Grants (e.g. Small Business Development Center at NMSU, Grants), interviews conducted for this study indicate that very few persons interested in starting businesses are aware of such services. This, in turn, impedes access to financial support. In addition to services to support start-up businesses, downtown businesses also require support in developing strategies to remain competitive in an environment where Wal-Mart and other large retailers are able to offer low

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prices. “Surviving Wal-Mart” seminars are available in many communities and should be made available to downtown businesses in Grants.

The interviews conducted for this study reveal a clear sense of hopefulness in Grants. The community has seen hard times and can now imagine a better future. The growth of employment opportunities and public revenues created by new prisons, the casino, the coalmine and Wal-Mart are an important part of this new sense of hope. What remains to be done is to leverage these new assets to create a dynamic of growth from within that is sustainable, that contributes to a sense of ownership and community identity, that is attractive to young adults, and that offers confidence in local investment. Investment in Grants’ mainstreet and downtown area is essential to this strategy.

APPENDIX A: METHODOLOGY AND DATA

Pull Factors

The first objective of this study is to evaluate the capacity of retail and service business to draw money into the Grants economy on a net basis. The principal analytical tool used for this analysis is a *pull factor*.

A pull factor is an index of the proportion of local incomes that are spent in a given sector of a local economy (e.g. retail) in relation to a similar proportion for the State economy. If the index value is greater than 100, then it is determined that the additional spending is by persons or businesses that earn incomes outside of Grants; this is an *infusion* of money. Conversely, if the index value is less than 100, then it is determined that the deficit of spending is the result of Grants residents spending money businesses located outside of Grants; this is a *leakage* of funds. A pull factor of exactly 100 indicates that money neither enters nor leaks from the local economy through that sector.

For example, if the typical New Mexican household spends \$10 of every \$100 of income in food stores, but in Grants \$15 is spent in food stores for every \$100 of income, then we conclude that stores in Grants are attracting business of customers from outside the City. In this example, the pull factor is 150% ($\$15/\10). By contrast, if State residents spend \$10 of every \$100 of income on clothing, but clothing stores in Grants receive only \$5 of every \$100 of local income, then we conclude that the remaining \$5 is spent on clothing in stores outside of Grants. The pull factor in this case is 50% ($\$5/\10).

Detailed data collected for gross receipts taxes by the New Mexico Department of Taxation and Revenue¹⁰, combined with income data from the decennial U.S. Census¹¹ (1990 and 2000), allows BBER to analyze pull factors for very specific sectors of a local economy, for example food stores, clothing stores, restaurants or hotels. By examining data for all subsectors for which information is available, we are able to identify economic sectors that attract outside business on a net basis to Grants, and sectors in which Grants is losing business (or leaking revenues) to other areas.

¹⁰ New Mexico Department of Taxation and Revenue provides data on total taxable gross receipts for municipalities and unincorporated areas. The data is available for industrial subsectors according to SIC definitions. The data is known as the "RP-80" dataset.

¹¹ Data on incomes for the State of New Mexico and the Town of Grants is from Table P83 of the Census 2000 and Census 1990 Summary File 3 Sample Data.

Geography of Retail and Services

In addition to an analysis of the net flow of money between Grants and other areas, this study also concerns changes in the geography of business within Grants. Specifically, we are interested in analyzing business in Grants downtown area in comparison to the area near Exit 85 or other areas in the town. For this analysis, BBER uses confidential information provided by New Mexico's Department of Labor, which offers information on monthly employment and quarterly wages for individual business identified by their physical address¹². Although this data does not provide information on receipts, employment and wage data provides a reasonable indicator of the level of business activity.

To analyze geographical patterns, BBER aggregated wages and employment for businesses that are located in four areas in the Town Grants. This aggregation is done in for various subsectors of retail and services. For this analysis, the Town of Grants is divided into four geographical districts – Santa Fe Avenue, west from the bridge just east of Hanosh Motors; Exit 85, including all businesses east of the bridge to the Interstate overpass; North side, including First street and Roosevelt Avenue; and the remaining areas in Grants.

Survey Data

A third source of information used in this study is a survey of 111 shoppers in Grants. The survey was conducted during a two-week period in early-August, 2004 at the Conoco Station at 800 East Santa Fe Avenue. This location was selected because it offered a high likelihood that respondents were local residents. The response rate to the survey was excellent – respondents were cooperative and notably only seven of 111 persons surveyed refused to answer sensitive questions concerning income. In addition, 18 surveys were conducted at El Cafecito Restaurant, also on East Santa Fe Avenue. These surveys were not included in this study because of concerns that the surveys would introduce bias because restaurants were included in the study. The survey instrument is reprinted in its entirety in Appendix C of this report.

¹² This data is based on the required quarterly reports by employers of workers covered under state law for unemployment insurance. The database, maintained by the New Mexico Department of Labor, is the ES-202 Employer Records.

Interviews

Finally, this study includes the findings of 18 in-depth interviews conducted in person by author with community leaders and business owners and managers from Grants. The interviews took place during the final two weeks of August 2004. The purpose of these interviews was to understand the historical context of business development in Grants, to identify strategies that have been effective or ineffective in developing business in Grants, and to create a menu of policy and program initiatives that may contribute to Grants Mainstreet Project's mission of improving the prospects of businesses along Santa Fe Avenue.

The persons selected for the interviews were selected to represent a diverse cross section of Grants' community and business leadership. Particular attention was given to the inclusion of business owners from different retail and service subsectors, and from different geographical areas within Grants. Consideration was also given to the experiences of the interviewees, favoring those who have been active in community organizations over a long period. This helped to ensure that the study reflect historical perspective and practicalities of public policy. To give balance and a sense of the challenges faced by newer businesses, a number of younger business leaders were also included.

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APPENDIX B – TABLES AND CHARTS

TABLE B.1
GEOGRAPHY OF WAGES IN RETAIL & SERVICES IN GRANTS, NM

	WAGES (\$)					SHARE OF TOTAL (%)			
	Santa Fe Ave	North	Exit 85 Total	Grants Other	GRANTS Total	Santa Fe Ave	North	Exit 85	Grants Other
1995	4,683,939	2,306,956	1,200,926	2,479,239	10,671,060	44%	22%	11%	23%
1996	4,474,643	2,455,524	1,965,449	2,307,707	11,203,323	40%	22%	18%	21%
1997	4,397,893	2,655,373	1,672,005	2,138,372	10,863,643	40%	24%	15%	20%
1998	4,302,282	2,909,733	2,231,559	2,189,964	11,633,538	37%	25%	19%	19%
1999	4,364,242	2,526,963	5,578,744	2,021,021	14,490,970	30%	17%	38%	14%
2000	4,420,906	2,331,635	6,180,720	2,032,462	14,965,723	30%	16%	41%	14%
2001	4,350,378	2,390,413	6,476,360	2,084,222	15,301,373	28%	16%	42%	14%
2002	4,091,153	2,510,176	7,148,117	2,239,971	15,989,417	26%	16%	45%	14%

SOURCE: NMDOL, Covered Employment Database (202). Calculations by BBER.
UNM Bureau of Business and Economic Research

TABLE B.2
GEOGRAPHY OF EMPLOYMENT IN RETAIL & SERVICES IN GRANTS, NM

	EMPLOYMENT (#)					SHARE OF TOTAL (%)			
	Santa Fe Ave	North	Exit 85	Grants Other	GRANTS Total	Santa Fe Ave	North	Exit 85	Grants Other
1995	1,724	810	536	849	3,920	44%	21%	14%	22%
1996	1,372	852	781	831	3,836	36%	22%	20%	22%
1997	1,306	869	708	759	3,641	36%	24%	19%	21%
1998	1,191	879	789	801	3,659	33%	24%	22%	22%
1999	1,174	753	1,869	706	4,503	26%	17%	42%	16%
2000	1,114	691	1,945	662	4,413	25%	16%	44%	15%
2001	996	732	2,034	640	4,402	23%	17%	46%	15%
2002	871	752	1,989	640	4,252	20%	18%	47%	15%

SOURCE: NMDOL, Covered Employment Database (202). Calculations by BBER.
UNM Bureau of Business and Economic Research

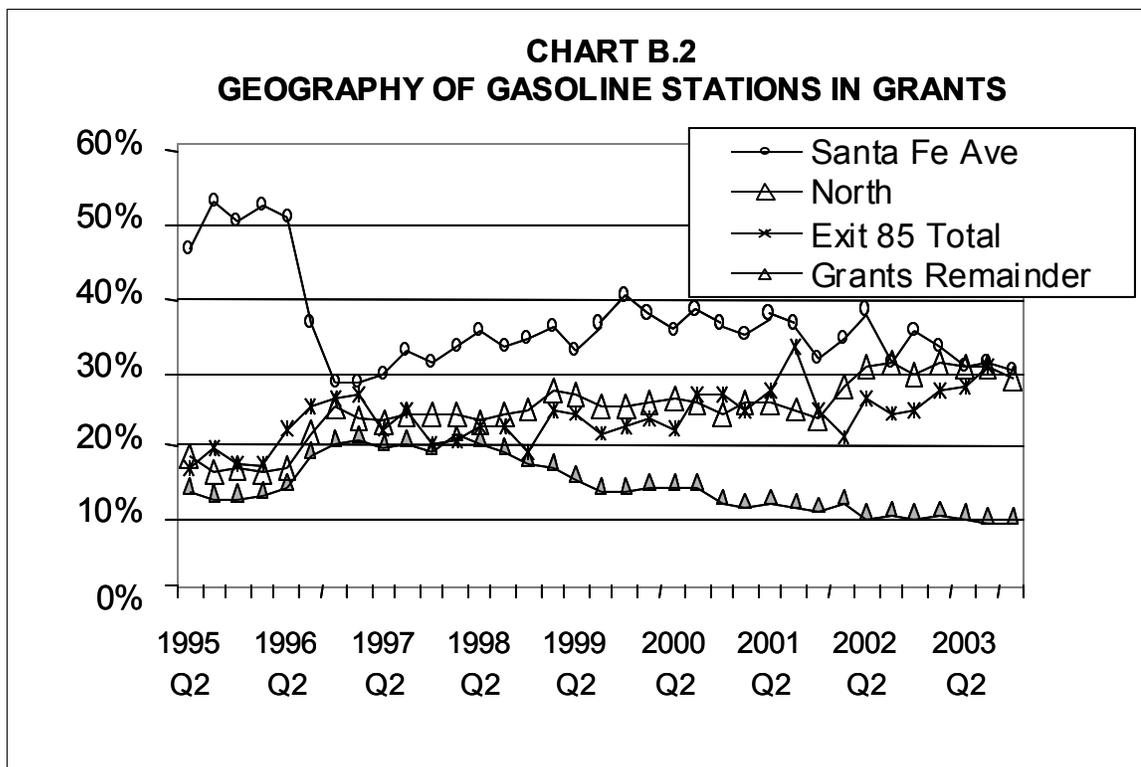
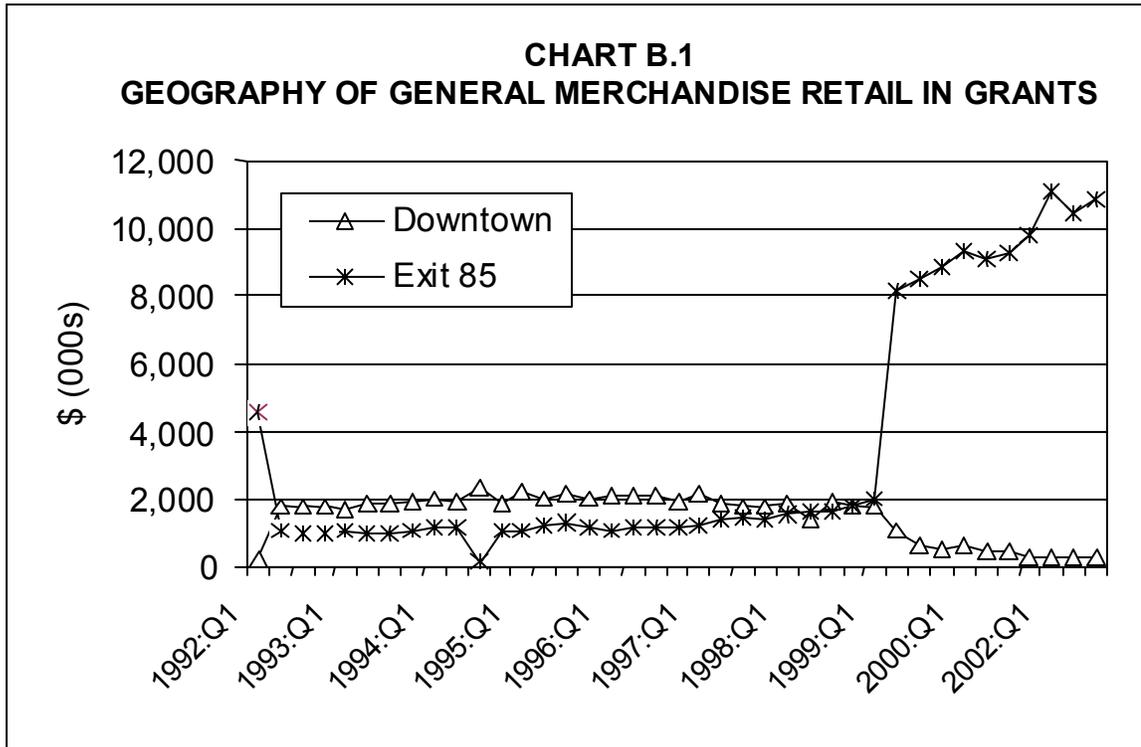
GRANTS MAINSTREET PROJECT LEAKAGE STUDY

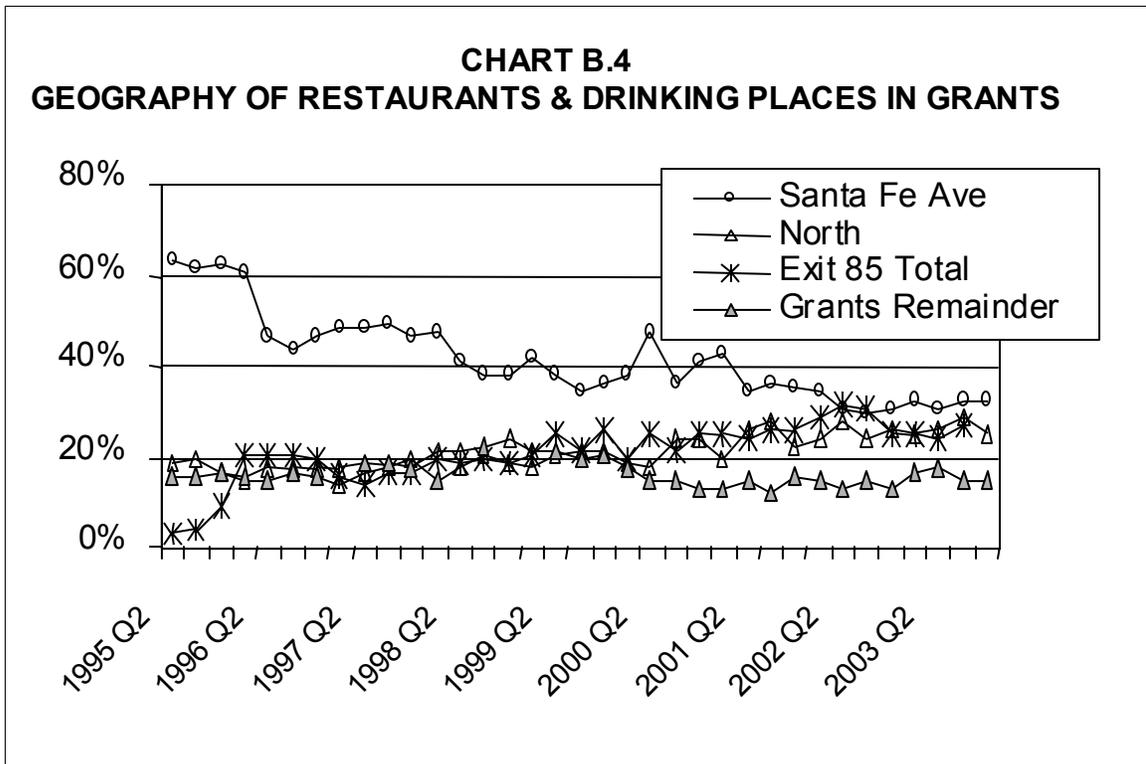
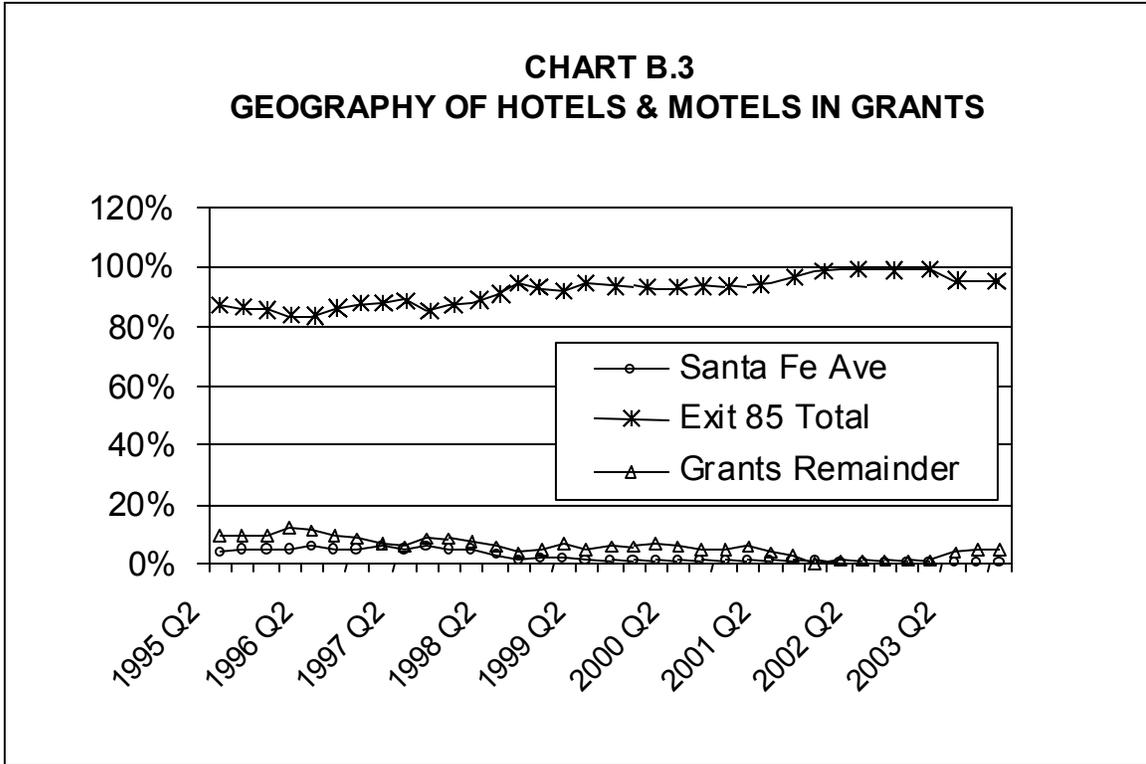
TABLE B.3

GEOGRAPHY OF AVERAGE WAGES IN RETAIL & SERVICES IN GRANTS, NM

	EMPLOYMENT (#)					AVERAGE = 100			
	Santa Fe Ave	North	Exit 85	Grants Other	GRANTS Total	Santa Fe Ave	North	Exit 85	Grants Other
1995	2,717	2,847	2,239	2,919	2,722	99.8	104.6	82.3	107.2
1996	3,262	2,883	2,517	2,776	2,921	111.7	98.7	86.2	95.0
1997	3,367	3,057	2,363	2,819	2,983	112.8	102.5	79.2	94.5
1998	3,612	3,312	2,830	2,734	3,179	113.6	104.2	89.0	86.0
1999	3,716	3,354	2,984	2,864	3,218	115.5	104.2	92.7	89.0
2000	3,970	3,373	3,177	3,069	3,392	117.0	99.4	93.7	90.5
2001	4,368	3,266	3,185	3,255	3,476	125.7	93.9	91.6	93.6
2002	4,697	3,338	3,594	3,500	3,761	124.9	88.8	95.6	93.1

SOURCE: NMDOL, Covered Employment Database (202). Calculations by BBER.
UNM Bureau of Business and Economic Research





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APPENDIX C: SURVEY INSTRUMENT

For each of the following goods and services, where do you generally go? <i>Probe for categorical response.</i>	Some place on Santa Fe Ave.	Grants, not Santa Fe Ave	Walmart in Grants	Milan	Other Places in Cibola County	ABQ	Mail Order (Int'net, Catalog)	Other	RESPONSE
Milk, Bread, or other staples (fruits and vegetables)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Canned & Other Dry goods	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Clothing & Shoes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
CDs & DVDs (new)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Restaurants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
House-wares (towels, dishes, linens)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Furniture & Appliances	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Vehicles (service, repair)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Personal Care Services (Barber, Beauty Salon, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Professional Services (Banking, Insurance, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

What are the 2 most important factors effecting your decision regarding where to shop and access services?

- Price
- Proximity
- Convenience
- Quality
- Selection
- Customer Service
- Other _____

What are 2 reasons why you shop or get services outside of the Grants/Milan area (or Internet)?

- Product not available in Grants
- Selection is better elsewhere
- Product too expensive in Grants
- Reason to visit family/friends outside Grants
- I don't shop outside of the Grants/ Milan area.
- Other _____

How have you changed the places that you shop or get services over the past 5 yrs.

- From local independent stores to Wal-Mart (Grants)
- From Wal-Mart to local independent
- From local stores to out-of-town stores
- From out-of-town to local stores (except Wal-Mart)
- From out-of-town to Wal-Mart (Grants)
- More Internet
- No change

What products or services would you like to see on Santa Fe Ave. that are not presently there or would like to see more of? _____

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DEMOGRAPHICS

Where do you live? Grants Milan Other Cibola County Elsewhere _____

How many people live in your household? _____

What is the highest level of formal education that you have completed?

- | | | |
|--|---|---|
| <input type="checkbox"/> No High School degree | <input type="checkbox"/> High School / E.D. | <input type="checkbox"/> Technical or Vocational Degree |
| <input type="checkbox"/> Some College | <input type="checkbox"/> Associates Degree | <input type="checkbox"/> B.A. / B.S. |
| <input type="checkbox"/> Some Graduate School | <input type="checkbox"/> Graduate Degree | |

What is your age? Under 18 18-24 25-34
 35-44 45-54 55-64 65 or over

Which one of the following best describes your household's monthly income? (show)

- | | | |
|--|--|--|
| <input type="checkbox"/> Less than \$500 | <input type="checkbox"/> \$500-999 | <input type="checkbox"/> \$1,000-2,000 |
| <input type="checkbox"/> \$2,001-\$3,000 | <input type="checkbox"/> \$3,001-\$4,000 | <input type="checkbox"/> More than \$4,000 |

Sex Male Female

Interviewer SH BU JM Other

Location _____

