State of the Economy: US, New Mexico

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New Mexico Population
Many NM counties lost population between 2000 and 2010. Fastest growth was in the Albuquerque MSA (Sandoval and Bernalillo Counties) and in the Las Cruces MSA (Dona Ana County).
## Total Population by Race and Hispanic or Latino Origin: 2000 and 2010

<table>
<thead>
<tr>
<th>Race and Hispanic or Latino Origin</th>
<th>Number</th>
<th>Percent of Total</th>
<th>Number</th>
<th>Percent of Total</th>
<th>Number</th>
<th>Percent change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>2,059,179</td>
<td>100.0</td>
<td>1,819,046</td>
<td>100.0</td>
<td>240,133</td>
<td>13.2</td>
</tr>
<tr>
<td>One race</td>
<td>1,982,169</td>
<td>96.3</td>
<td>1,752,719</td>
<td>96.4</td>
<td>229,450</td>
<td>13.1</td>
</tr>
<tr>
<td>White alone</td>
<td>1,407,876</td>
<td>68.4</td>
<td>1,214,253</td>
<td>66.8</td>
<td>193,623</td>
<td>15.9</td>
</tr>
<tr>
<td>Black or African American alone</td>
<td>42,550</td>
<td>2.1</td>
<td>34,343</td>
<td>1.9</td>
<td>8,207</td>
<td>23.9</td>
</tr>
<tr>
<td>American Indian and Alaska Native alone</td>
<td>193,222</td>
<td>9.4</td>
<td>173,483</td>
<td>9.5</td>
<td>19,739</td>
<td>11.4</td>
</tr>
<tr>
<td>Asian alone</td>
<td>28,208</td>
<td>1.4</td>
<td>19,255</td>
<td>1.1</td>
<td>8,953</td>
<td>46.5</td>
</tr>
<tr>
<td>Native Hawaiian and Other Pacific Islander alone</td>
<td>1,810</td>
<td>0.1</td>
<td>1,503</td>
<td>0.1</td>
<td>307</td>
<td>20.4</td>
</tr>
<tr>
<td>Some Other Race alone</td>
<td>308,503</td>
<td>15.0</td>
<td>309,882</td>
<td>17.0</td>
<td>-1,379</td>
<td>-0.4</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>77,010</td>
<td>3.7</td>
<td>66,327</td>
<td>3.6</td>
<td>10,683</td>
<td>16.1</td>
</tr>
<tr>
<td>Hispanic or Latino (of any race)</td>
<td>953,403</td>
<td>46.3</td>
<td>765,386</td>
<td>42.1</td>
<td>188,017</td>
<td>24.6</td>
</tr>
<tr>
<td>Not Hispanic or Latino</td>
<td>1,105,776</td>
<td>53.7</td>
<td>1,053,660</td>
<td>57.9</td>
<td>52,116</td>
<td>4.9</td>
</tr>
<tr>
<td>White alone</td>
<td>833,810</td>
<td>40.5</td>
<td>813,495</td>
<td>44.7</td>
<td>20,315</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Note: Data are for April 1 of each Census year.

* Census 2000 counts are as published in Census 2000 reports and thus do not include any changes published subsequently due to boundary changes or to the Count Question Resolution program.

* Percent change cannot be calculated because of division by zero.

Source: U.S. Census Bureau, 2000 and 2010 Census Redistricting Data (Public Law 94-171).

Table prepared by: Bureau of Business and Economic Research, University of New Mexico.
National Economy
Annual Growth in US Real GDP
Chained 2000 Dollars

Global Insight, Jan 2012

UNM Bureau of Business and Economic Research
Employment grew by 120,000 in November and the unemployment rate fell slightly to 8.6%. Monthly employment growth since July has averaged 132,000.
The New Mexico Economy
The Great Recession
New Mexico Nonfarm Employment
In 1000s, Monthly, Seasonally Adjusted


UNM Bureau of Business and Economic Research
New Mexico and US Nonfarm Employment
Monthly, Seasonally Adjusted, Indexed to Peak
NM Unemployment Insurance Claims

Initial Claims, Week Ending...

Continued Claims, Week Ending...

Source of data: US Dept of Labor

UNM Bureau of Business and Economic Research
The Great Recession in New Mexico has been distinguished by its depth, by its length, by the numbers of people impacted, and by its breadth:

Geographic...
Geographic spreading of the recession in New Mexico...
And of the recovery. Private employment growth, 11Q2

Total Covered Wage and Salary Employment by County Year-Over-Year Percent Change 2010:Q2 to 2011:Q2

Total Private Covered Wage and Salary Employment by County Year-Over-Year Percent Change 2010:Q2 to 2011:Q2

The New Mexico year-over-year percent change was -0.3%.

Note: The 2011 quarters are subject to further revision.
Source: New Mexico Dept. of Workforce Solutions and U.S. Dept. of Labor.
Map prepared by: Bureau of Business & Economic Research, University of New Mexico, January 2012.

The New Mexico year-over-year percent change was 0.7%.

Note: The 2011 quarters are subject to further revision.
Source: New Mexico Dept. of Workforce Solutions and U.S. Dept. of Labor.
Map prepared by: Bureau of Business & Economic Research, University of New Mexico, January 2012.

UNM Bureau of Business and Economic Research
Employment Growth in NM MSAs

Albuquerque MSA

- Private positive since 10Q1

Las Cruces MSA

- ABQ private growth for the decade wiped out

Santa Fe MSA

- Private slightly positive 10Q4

Farmington MSA

- Private positive since 10Q4

Source of Data: Quarterly Census of Employment and Wages

UNM Bureau of Business and Economic Research
Across the sectors...
Growth in NM Wage & Salary Employment 2000-08

Note: Figures for State & Professional & Business Services adjusted to reflect current ownership of Los Alamos National Laboratory.

Source: NM Dept of Workforce Solutions, Bureau of Economic Analysis (military)
Change in New Mexico Employment
From Quarterly Census of Employment and Wages

**2008 - 09**

- Health Care & Socl Assist
- Federal Govt
- Local Govt
- Utilities
- State Govt
- Construction
- Arts, Entertain, Rec
- Educational Services
- Finance & Insur
- Mgt Comps, Enterprises
- Ag, For, Fish, Hunt
- Professional & Technical
- Real Estate, Rent, Leas
- Information
- Oth Services, Unclass.
- Whsl Trade
- Trans & Whsg
- Accomodation & Food
- Mining
- Retail Trade
- Admin & Waste Services
- Manufacturing
- Construction

Total change     = - 34,227 jobs
Private change  = - 35,974

**2009 - 10**

- Health Care & Socl Assist
- Federal Govt
- Mining
- Educational Services
- Whsl Trade
- Ag, For, Fish, Hunt
- Mgt Comps, Enterprises
- Arts, Entertain, Rec
- Utilities
- Real Estate, Rent, Leas
- Admin & Waste Services
- Accomodation & Food
- Information
- Trans & Whsg
- Oth Services, Unclass.
- Finance & Insur
- State Govt
- Manufacturing
- Local Govt
- Retail Trade
- Professional & Technical
- Construction

Total change     = - 9,880 jobs
Private change  = - 9,214

Source: UNM BBER compiled from US Bureau of Labor Statistics
Change in New Mexico Employment, 10Q2 to 11Q2
From Quarterly Census of Employment and Wages

Total change = - 2,090 jobs  Private change = + 4,347

Source: UNM BBER compiled from US Bureau of Labor Statistics
The Economic Forecast for New Mexico
Growth in Nonfarm Employment: New Mexico and US

UNM FOR-UNM, Nov 11

UNM Bureau of Business and Economic Research
Developments Holding NM Back

- Construction
- Availability of financing
- Exports
- Government
Construction – Prolonged boom, collapse, recovery?

New Mexico Construction Employment

UNM FOR-UNM, Nov 11

UNM Bureau of Business and Economic Research
# Sales of Existing Homes, Greater Albuquerque Association of Realtors, 2011 Q3

Class R1 (Existing Single-Family Detached) & Class R2 (Existing Condo/Townhome Attached)

<table>
<thead>
<tr>
<th></th>
<th>Class R1</th>
<th>Class R2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Average Sale Price</td>
<td>$202,171</td>
<td>$223,156</td>
</tr>
<tr>
<td>Median Sale Price</td>
<td>$172,000</td>
<td>$183,000</td>
</tr>
<tr>
<td>Total Sold &amp; Closed</td>
<td>1,832</td>
<td>1,591</td>
</tr>
<tr>
<td>Total Dollar Volume*</td>
<td>$370.4</td>
<td>$355.0</td>
</tr>
<tr>
<td>New Listings</td>
<td>3,605</td>
<td>4,283</td>
</tr>
<tr>
<td>Days on Market</td>
<td>80</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>2011</td>
<td>2010</td>
</tr>
<tr>
<td>Average Sale Price</td>
<td>$135,561</td>
<td>$142,191</td>
</tr>
<tr>
<td>Median Sale Price</td>
<td>$135,000</td>
<td>$135,000</td>
</tr>
<tr>
<td>Total Sold &amp; Closed</td>
<td>154</td>
<td>146</td>
</tr>
<tr>
<td>Total Dollar Volume*</td>
<td>$20.9</td>
<td>$20.8</td>
</tr>
<tr>
<td>New Listings</td>
<td>389</td>
<td>476</td>
</tr>
<tr>
<td>Days on Market</td>
<td>94</td>
<td>89</td>
</tr>
</tbody>
</table>
Four-Quarter % Change in FHFA MSA-Level Housing Price Indexes (All Transaction Index, 2011 Q2)

Source: Federal Housing Finance Agency
While rest of the country enjoys an export boom...

New Mexico Exports to Other Countries
Quarterly, in Dollars

While rest of the country enjoys an export boom...

UNM Bureau of Business and Economic Research

Source: WISER
Government no longer positioned to help buoy up the economy...

Government Employment in New Mexico
All Levels Indexed to 1990

UNM Bureau of Business and Economic Research
Insulated from some effects, not others...

## Composition of NM Payroll Employment, 2009

<table>
<thead>
<tr>
<th>Sector</th>
<th>New Mexico</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Nonfarm Establishments</td>
<td>75.5%</td>
<td>82.8%</td>
</tr>
<tr>
<td>Natural Resources &amp; Mining</td>
<td>2.2%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Construction</td>
<td>5.9%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3.7%</td>
<td>9.1%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>2.7%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>11.3%</td>
<td>11.1%</td>
</tr>
<tr>
<td>Transp, Whsg &amp; Utilities</td>
<td>2.8%</td>
<td>3.7%</td>
</tr>
<tr>
<td>Information</td>
<td>1.8%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>4.1%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>12.6%</td>
<td>12.7%</td>
</tr>
<tr>
<td>Education &amp; Health Services</td>
<td>14.6%</td>
<td>14.7%</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>10.4%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Other Services</td>
<td>3.5%</td>
<td>4.1%</td>
</tr>
<tr>
<td>Government</td>
<td>24.5%</td>
<td>17.2%</td>
</tr>
<tr>
<td>Federal</td>
<td>3.9%</td>
<td>2.2%</td>
</tr>
<tr>
<td>State</td>
<td>7.3%</td>
<td>4.0%</td>
</tr>
<tr>
<td>Local</td>
<td>13.3%</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

**Total Nonfarm Payrolls**

|                  | 100% | 100% |


Total Nonfarm Payrolls

UNM Bureau of Business and Economic Research
Areas of Strength
With new technologies and continued high prices for oil and other commodities...

NM Employment in Mining & Extractive Industries
New Mexico Oil and Gas Production
Quarterly, % Changes Year Over Year

Source: NM ONGARD database

UNM Bureau of Business and Economic Research
Manufacturing, an important sector with a shrinking workforce...

And an industry subject to considerable volatility
Tourists are returning, helping to boost hospitality industry employment and earnings as well as retail trade...

Healthcare services remain strong... although who will pay in the future very much in doubt.

Union Pacific is making Santa Teresa its transshipment hub for rail cargo to and from California ports. The FoxConn plant is another game changer.

Manufacturing coming back. Temperpeidic, General Mills... Lasers and directed energy plus other high tech...

Electricity transmission. Solar and wind energy making strides...
Fiscal Situation, State and Federal
State Situation

• Total FY11 preliminary recurring revenue is $5,402 million.

• FY12 recurring revenues have been revised upward to $5,533 million.

• FY13 recurring revenues now estimated to be $5,688 million.

• “New Money” in FY13, which is defined as FY 13 projected revenue less FY12 recurring appropriations, is projected to be $254 million, or 4.7% of FY12 appropriations. After setting aside $50 million to reverse the retirement swap, FY13 new money is estimated at $204 million.
Impacts of the Economic Downturn
Monthly Stats from the NM Human Services Dept.
Cutbacks in State & Local Spending
Federal Civilian and Military Employment as a Percent of Total NM Employment

Source of data: US Bureau of Economic Analysis

UNM Bureau of Business and Economic Research
Impacts of Sequestration on the New Mexico Economy

BBER analysis using IMPLAN:

• Maximum job loss compared to forecasted growth is 20,700 jobs in 2014, but employment less by roughly 20,000 in each succeeding year.

• Job growth in 2014 is 1.6% less than would otherwise be, although subsequent years will have slightly higher growth than baseline.

• Because of the importance of procurement for the National Laboratories, professional and business services take the biggest hit, losing over 5,000 job, while healthcare and social assistance sustains losses of over 4,000.
New Mexico is slowly pulling out of deepest and longest recession since the 1930’s. Health services and education continue to expand and there are other growth areas as noted above. However...

- Sectors which have traditionally cushioned the impacts of national recessions on NM – federal, state and local government, professional and technical business services – are less able to play a stabilizing role this time around.

- The construction industry, which, in the aftermath of previous recessions bounced back, remains depressed. The is an oversupply of housing and with foreclosures adding to the stock. Governments have no money. Businesses await the recovery of demand.

- Unlike other parts of the country, NM does not appear to be benefitting from an export boom.

- The healthcare services sector which has led NM growth for over a decade is heavily dependent on state and federal funding – Medicaid, Medicare, Veterans Administration, TRICARE, Indian Health Service – which is threatened by the fiscal crisis facing governments at all levels and the perceived need to tackle immediately the problem of the federal deficit.