



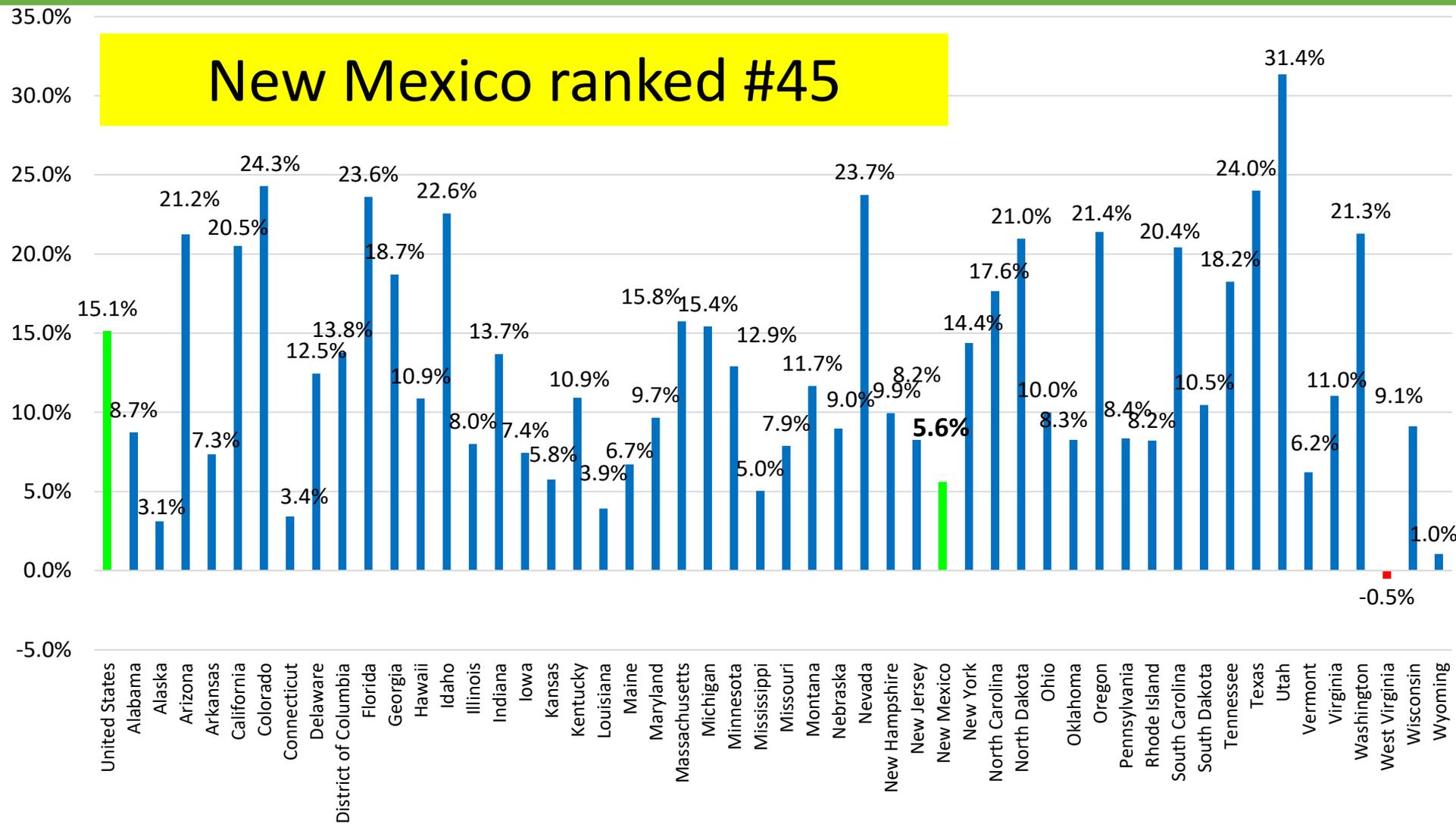
A Competitive Analysis to Promote Future Growth

- Data to Understand Current Competitiveness
- Survey 692 Businesses/Leaders
- 6 Focus Groups of Stakeholders
- Best Practice Research
- Trends Analysis
- Workforce Analysis
- Strategic Action Agenda

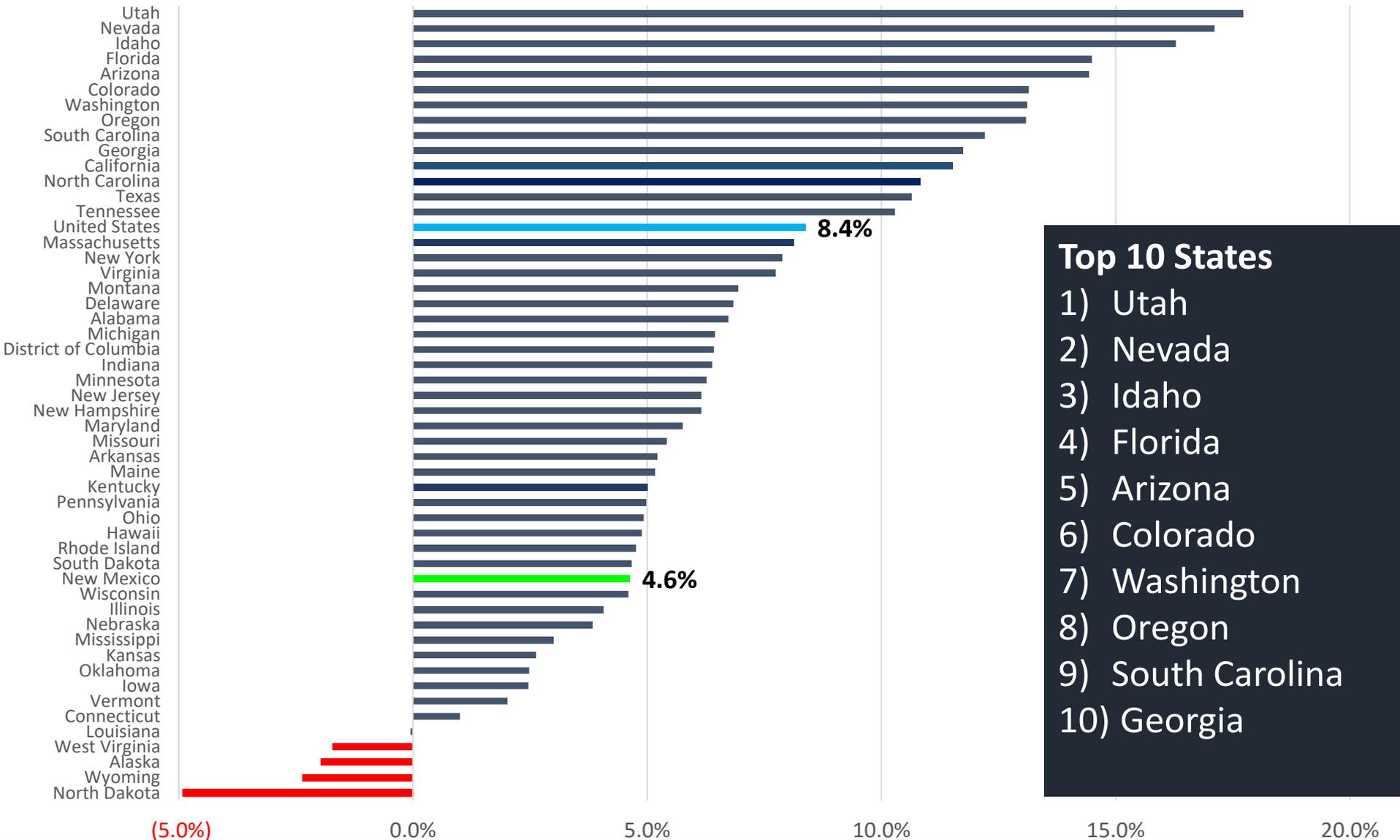


Change in Average Annual Jobs 2009-2019

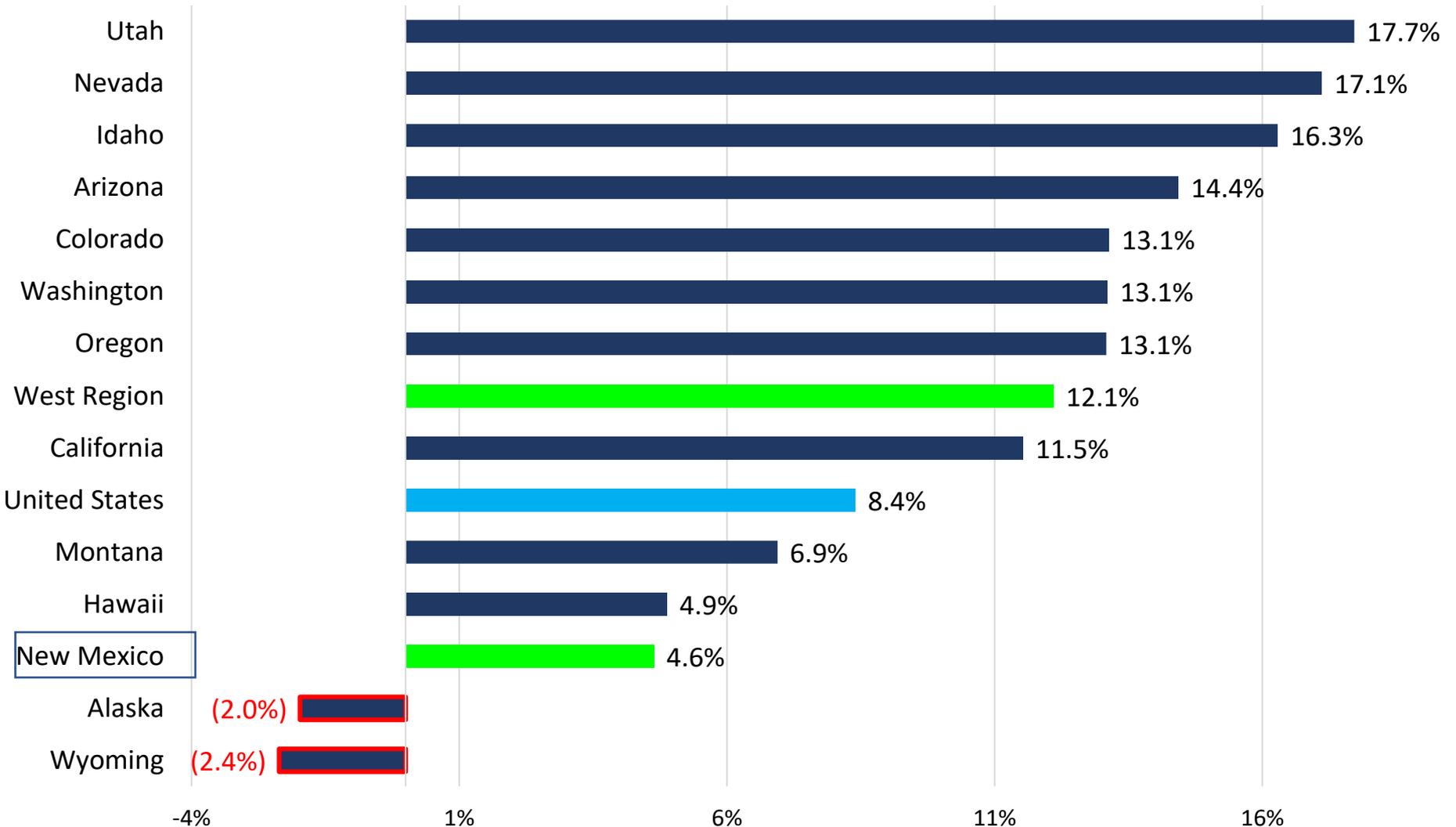
New Mexico ranked #45



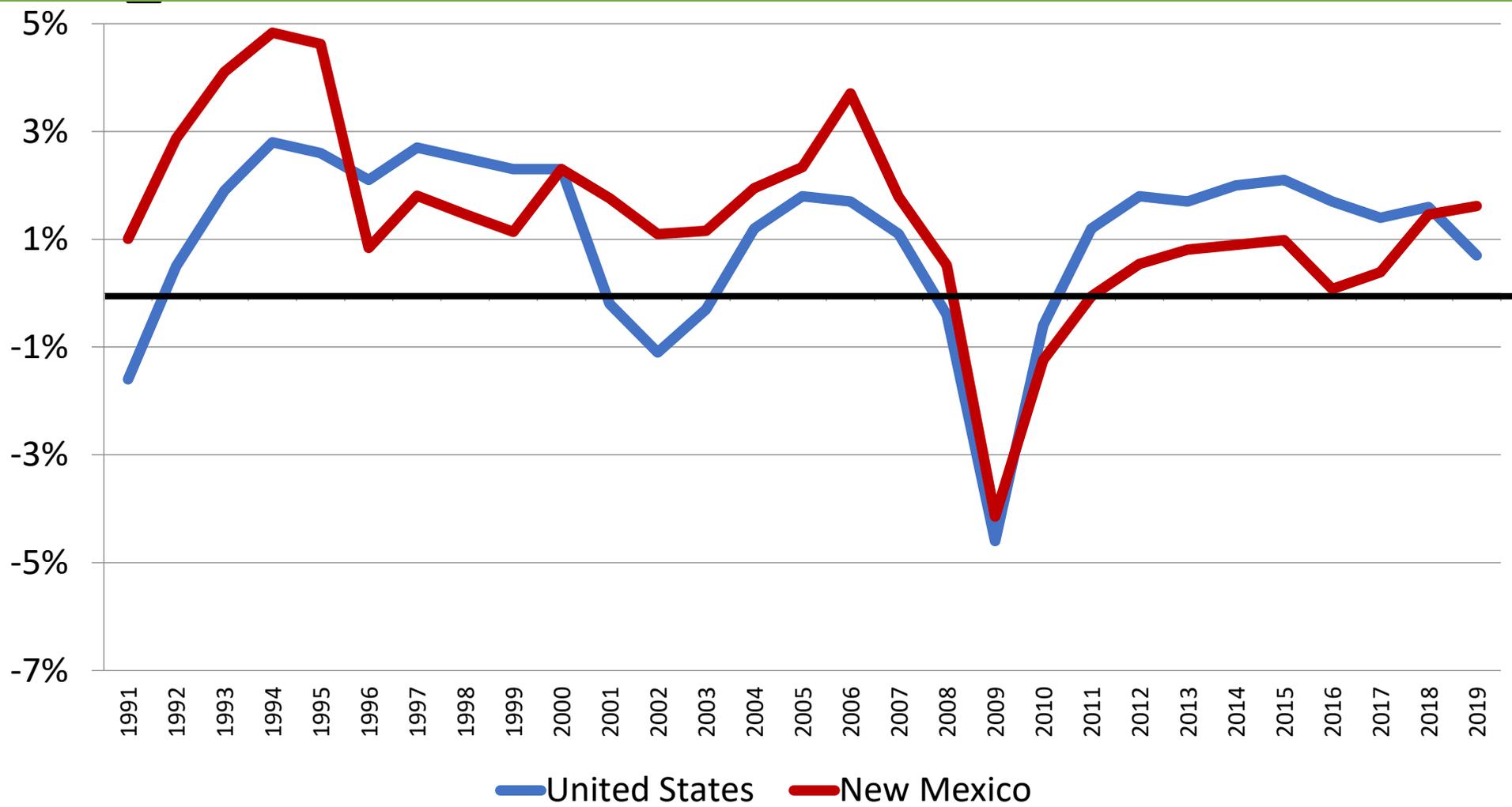
Percentage Change in Jobs 2014 –2019 By State



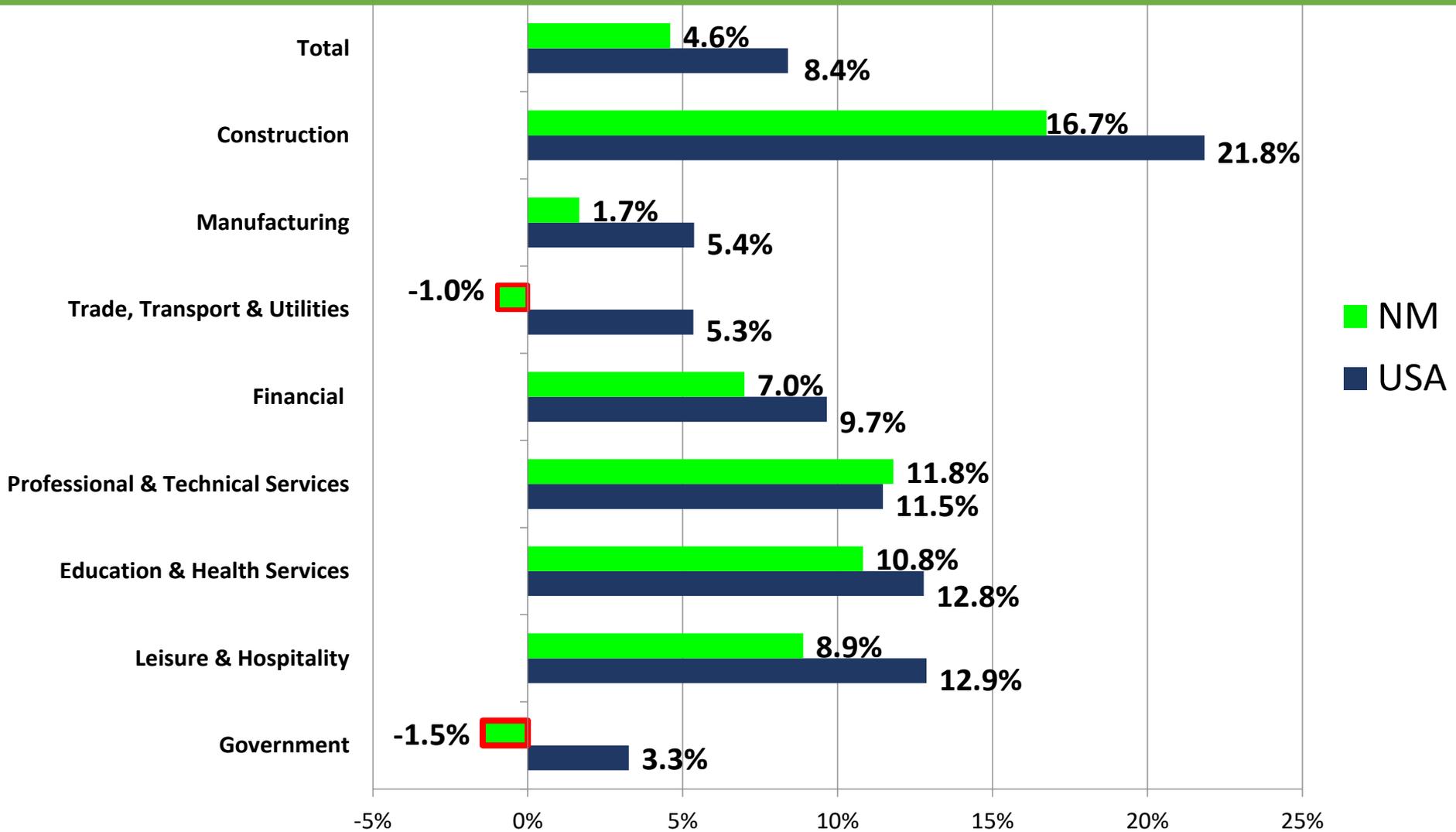
Percentage Change in Jobs 2014 – 2019 for the West Region



New Mexico Annual % Jobs Change 1990-2019

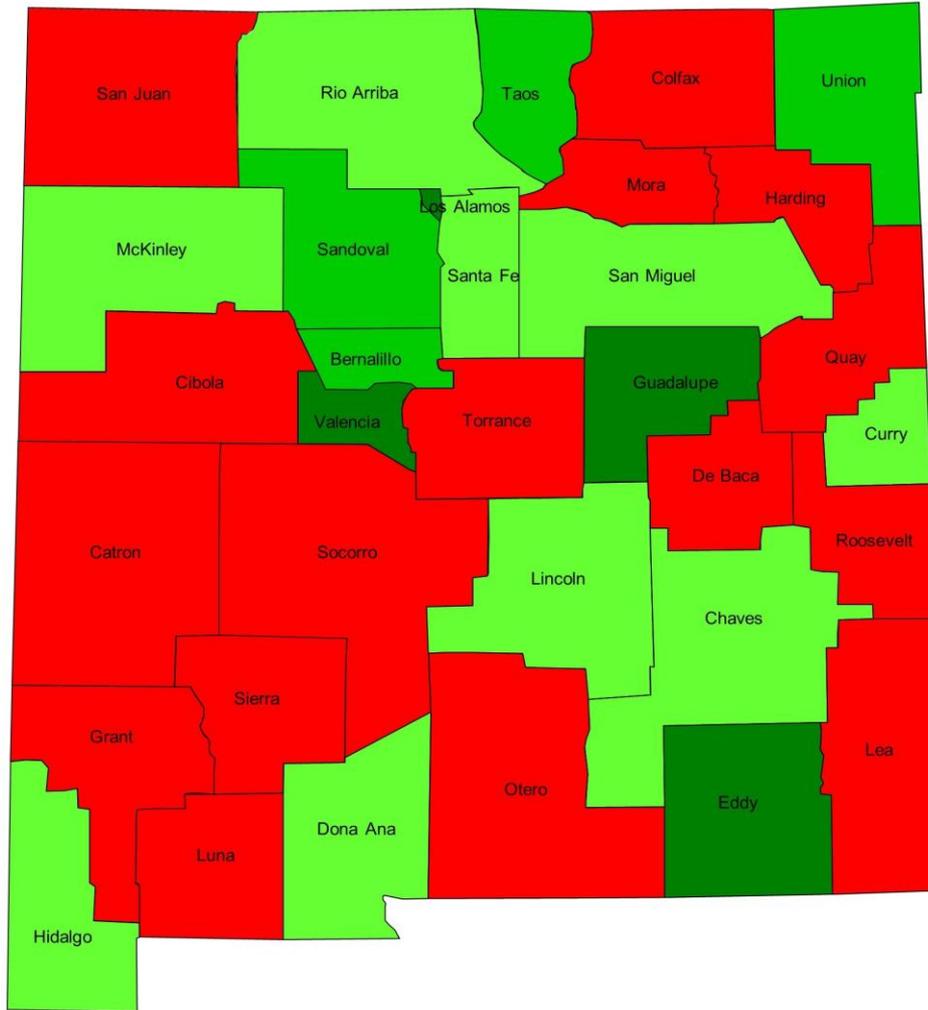


5 Year Employment Gains By Sector for the United States and New Mexico 2014-2019

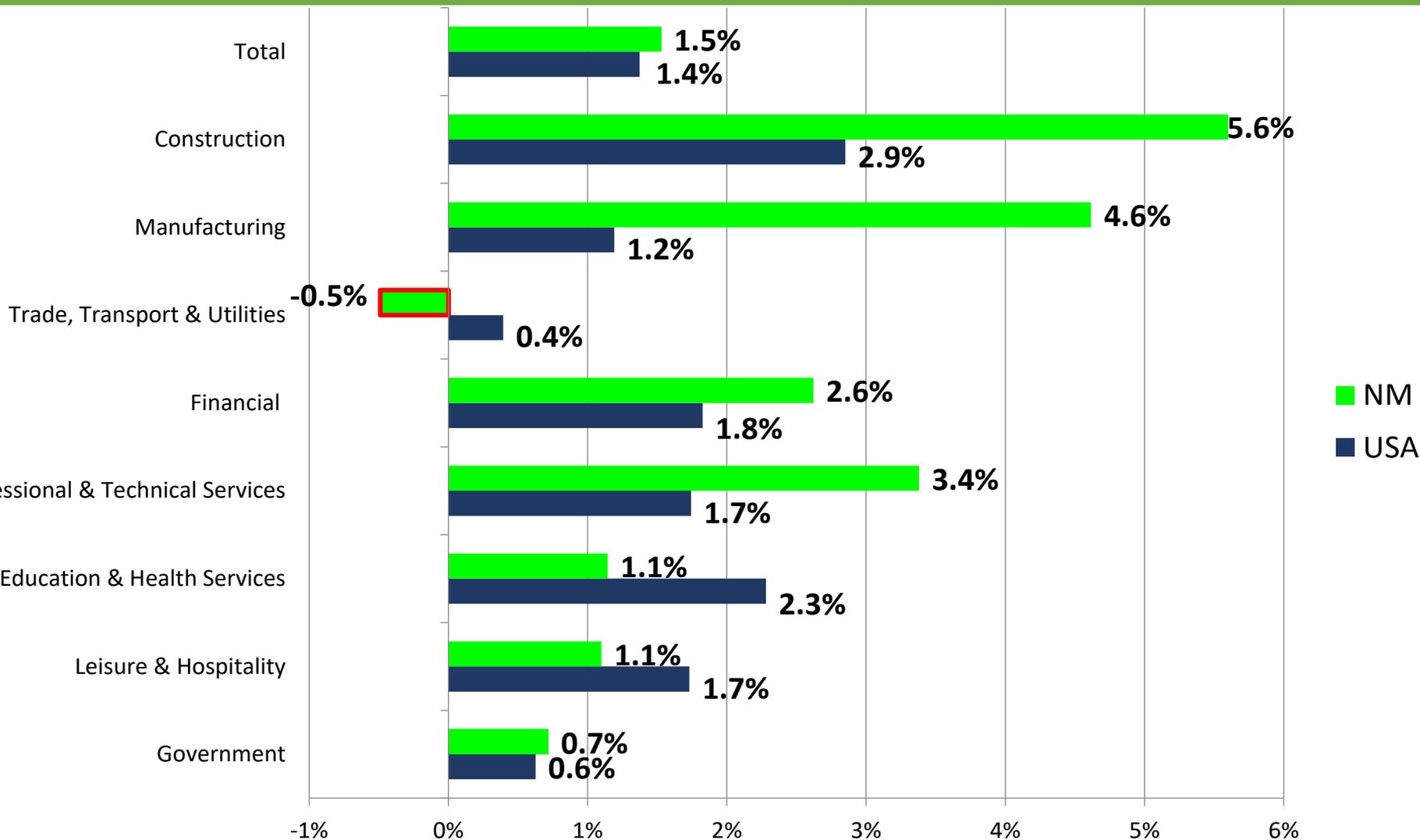


5 Year Job Growth 2014-2019

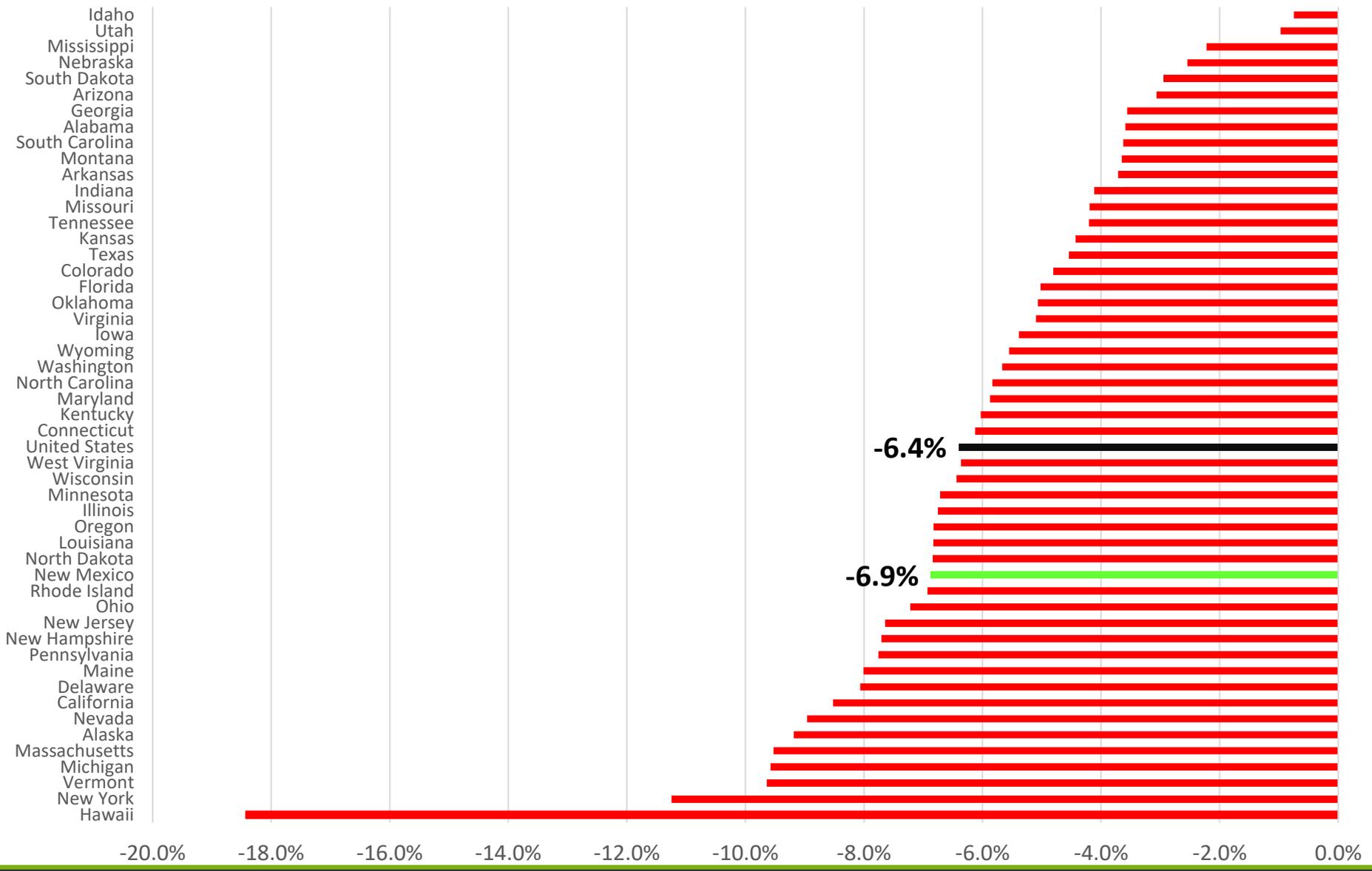
NM Average 4.6% US Average 8.4%



One Year Non-farm Employment Gains By Sector for the United States and New Mexico 2018-2019

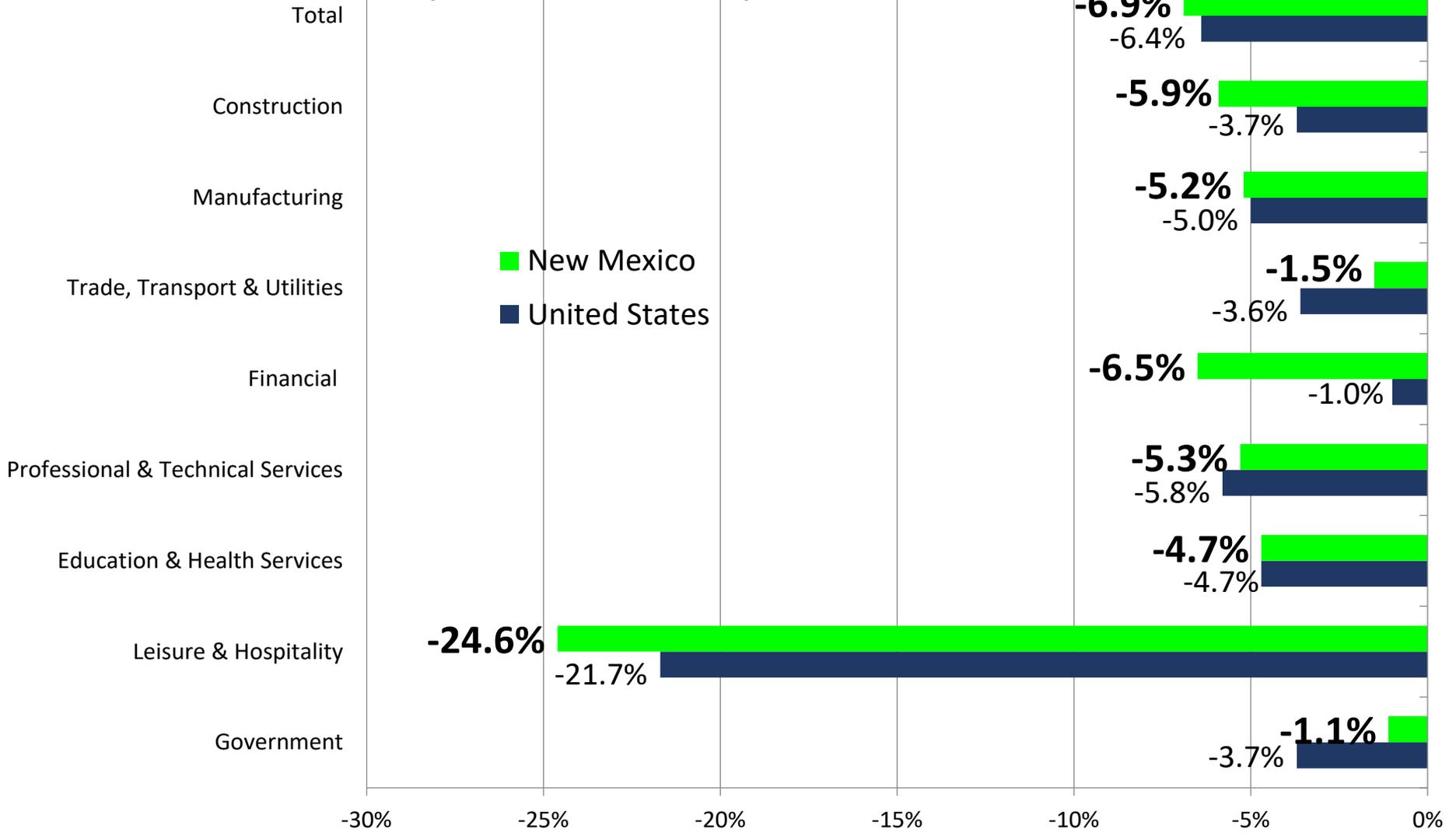


Percentage Change in Non-farm Jobs Sept 2019 – Sept 2020

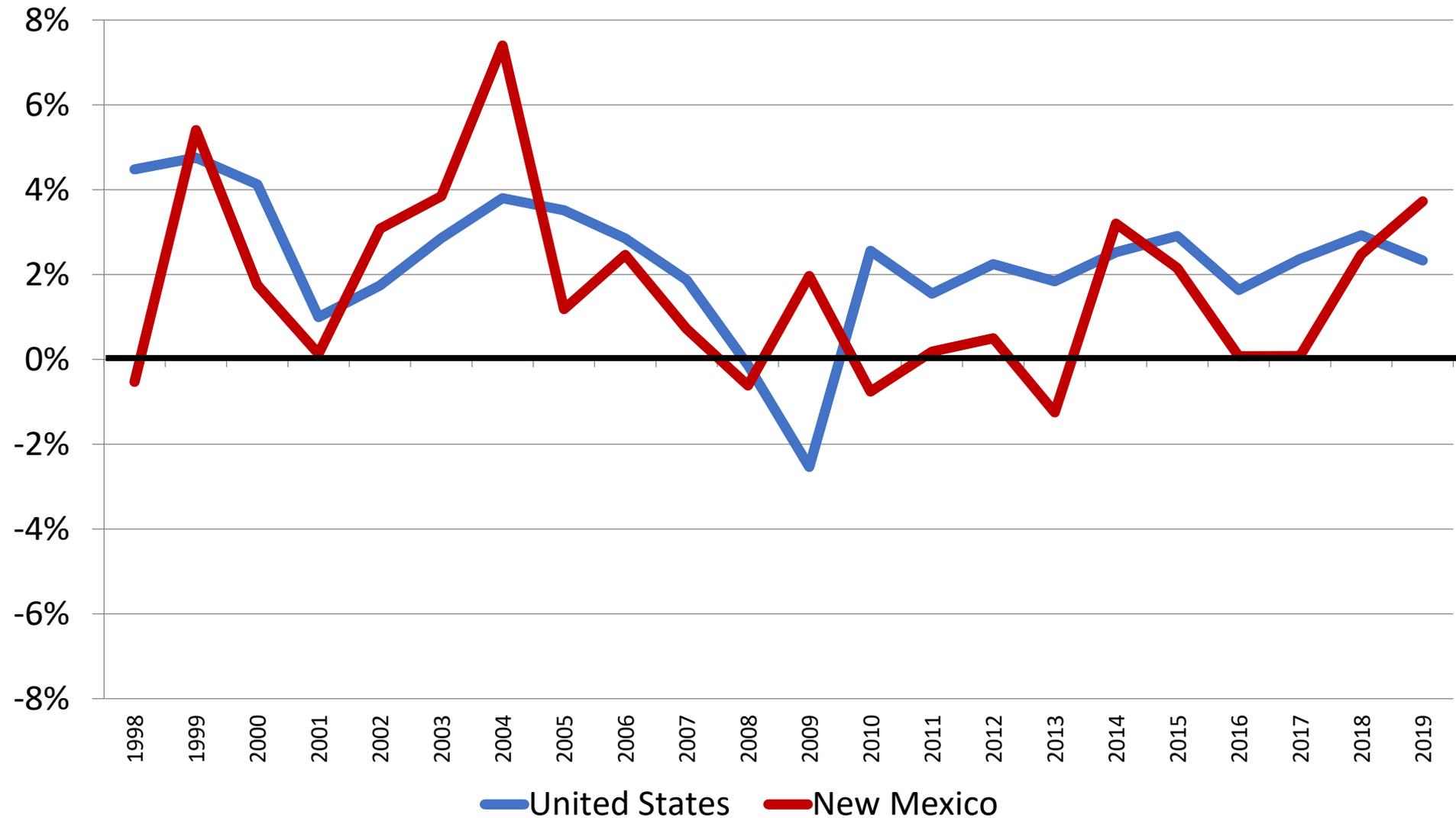


Employment Gains/Losses By Sector for the US and NM

September 2019 - September 2020



Percentage Annual GDP Change 1997-2019



New Mexico Ranked Compared to All States

	<u>Job Growth</u>	<u>Wage Growth</u>	<u>GDP Growth</u>
1 Year 2018 – 2019	13	4	4
5 Year 2014 – 2019	37	41	26
10 Year 2009 - 2019	45	45	40

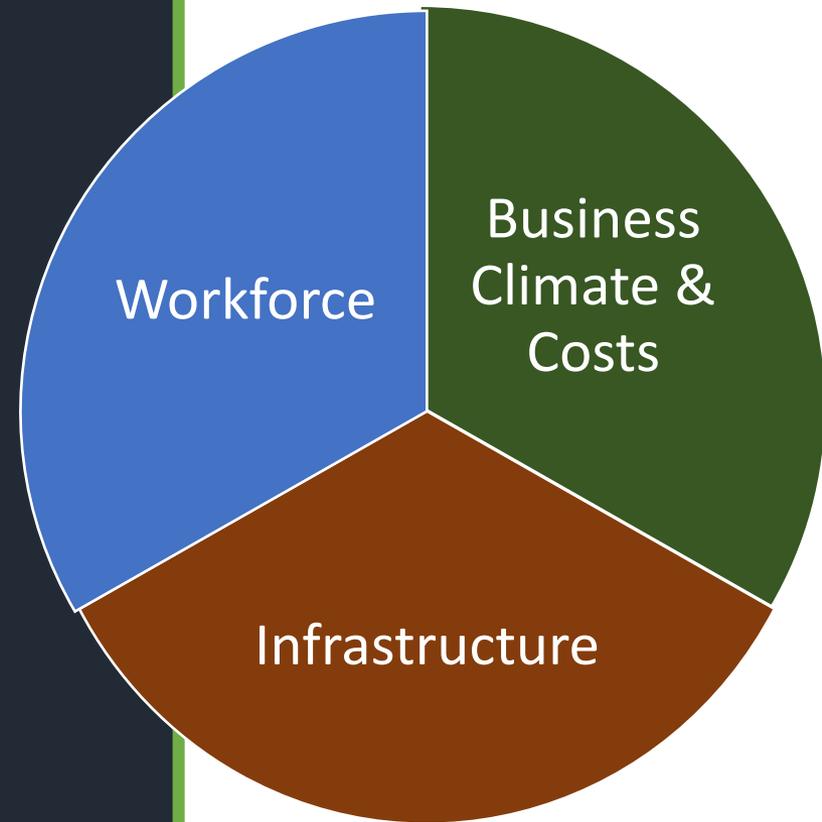
DC is included so that all rankings are of 51 “states”

Current Competitiveness



Top Site Selection Issues 2020

1. Highway Accessibility
2. Availability of Skilled Labor
3. Labor Costs
4. Quality of Life
5. Occupancy or Construction Costs
6. Corporate Tax Rate
7. Energy Availability and Costs
8. Tax Exemptions
9. Environmental Regulations
10. Proximity to Major Markets
11. Right-to-Work State
12. Available Buildings
13. Fast-Track Permitting
14. State and Local Incentives
15. Shipping Costs



3rd Party Rankings

- Tax Foundation Overall Rank #22
- Forbes Best States for Business-2019 #48
- Site Selection Business Climate #22
- CNBC Best States-2019 #41
- US News Best States- 2019 #46
- Chief Executive 2020 #39

DCI Winning Strategies 2020-Most Influential Rankings
(Forbes, Site Selection, Tax Foundation)

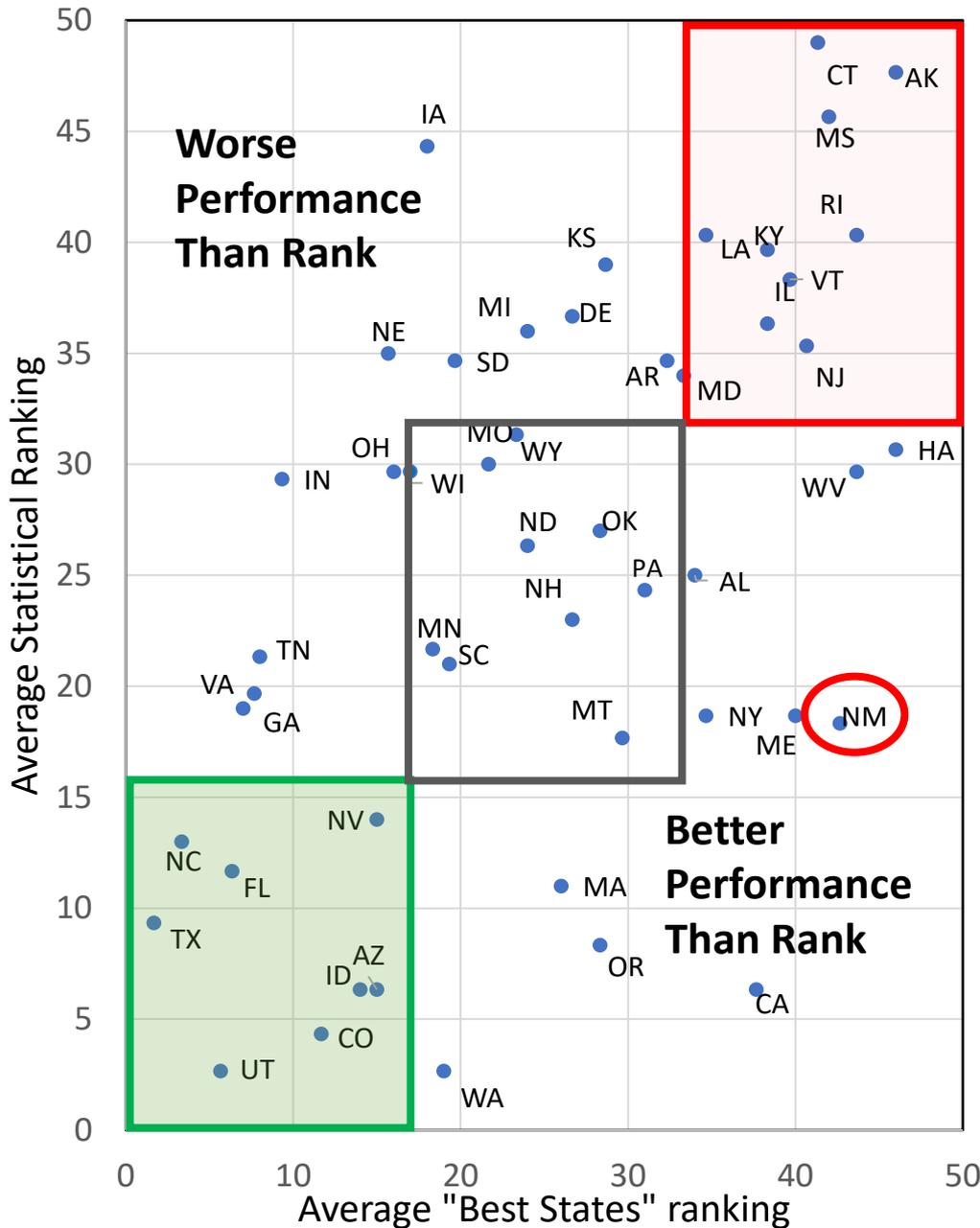
New Mexico Rankings- Good Examples

- Percentage Growth in Freight Shipments # 3
- Total R & D as Percent of GSP # 1
- Natural Gas Cost of Industrial Users # 4

New Mexico Rankings- Bad Examples

- Labor Force Participation Rate #47
- Manufacturing Share of GSP #48
- Total Tech Industry Employment Growth #38

Rankings and Performance



States By Average Ranks by Forbes, CNBC, and Chief Executive Executive

Forbes released 12/19/19; CNBC released 7/10/19; Chief Executive released 6/2/20

Plotted Against

Actual Performance for Job Growth, Wage Growth and Growth in GDP

3 years 2016-2019 Jobs & Wages: BLS QCEW annual; 3 years 2016-2019 GDP: BEA

Each year Economic Leadership conducts a multifactor analysis of **Manufacturing** competitiveness for a client. Over 50 factors were identified by manufacturing industry executives. The 2019 rankings show New Mexico in 28th place. The state scored Top 5 for infrastructure and the lowest score was for overall workforce, 50th.

2020 OVERALL STATE RANKINGS

	BUSINESS CLIMATE	WORKFORCE	INFRA-STRUCTURE	INNOVATION	ECONOMIC STRENGTH	TOTAL RANKINGS	
1	Utah	4	5	9T	12T	4	34
2	Texas	29	14	2	11	5	61
3	Florida	12T	16	12	7	18	65
4	North Carolina	2	21	24	5	16T	68
5	Idaho	6	26	20	12T	20	84
6	Arizona	9	34T	27	6	9	85
7	Washington	33	2	30	2	22T	89
8	Indiana	8	19	29	24	11T	91
9	Georgia	32	28	5	14	14	93
10	South Dakota	1	8	4	44T	38T	95
11	Virginia	6	15	6	30	40	97
12	North Dakota	3	9T	1	42	43T	98
13	Oregon	26	44	16	4	10	100
14	Kansas	27T	25	9T	32	8	101
15	South Carolina	18	39	9T	35	1	102
16T	Maryland	39	17T	13T	10	24	103
16T	Michigan	14	47	31T	9	2	103
18	New Hampshire	31	7	42	18T	6T	104
19	Tennessee	10	42T	15	27	15	109
20	Colorado	20	4	37	15T	34	110
21	Kentucky	24	24	8	43	13	112
22	Wisconsin	34	11	31T	26	11T	113
23	Minnesota	43T	17T	13T	20	25T	118
24	Massachusetts	38	6	44T	3	30	121
25	Montana	15		25T	39	43T	123
26T	California	49	33	38T	1	3	124
26T	Pennsylvania	47	27	7	21	22T	124
28	New Mexico	19	50	3	22	36	130
29	Alabama	30	41	19	36	6T	132
30	Iowa	42	12	21T	28	31	134
31	Ohio	22	30T	40	25	19	135
32	Nebraska	23	9T	17T	38	49	136
33T	Missouri	11	34T	43	17	35	140
33T	Nevada	17	36	31T	31	25T	140
35	New Jersey	50	22T	28	15T	28	143
36	Oklahoma	16	29T	17T	41	42	145
37	Illinois	48	38	21T	18T	21	146
38	Vermont	37	13	23	34	41	148
39	Wyoming	5	3	50	50	46	154
40	Delaware	36	22T	35	29	37	159
41	Connecticut	41	20	34	23	47	165
42	Maine	35	31	38T	33	29	166
43	New York	43T	40	46	8	33	170
44	Mississippi	12T	49	47	47	16T	171
45	Arkansas	21	46	48T	44T	32	191
46	Hawaii	27T	32	36	48	50	193
47	West Virginia	25	42T	41	49	38T	195
48	Alaska	40	48	25T	37	48	198
49	Rhode Island	45	37	44T	40	43T	209
50	Louisiana	46	45	48T	46	27	212

top 15

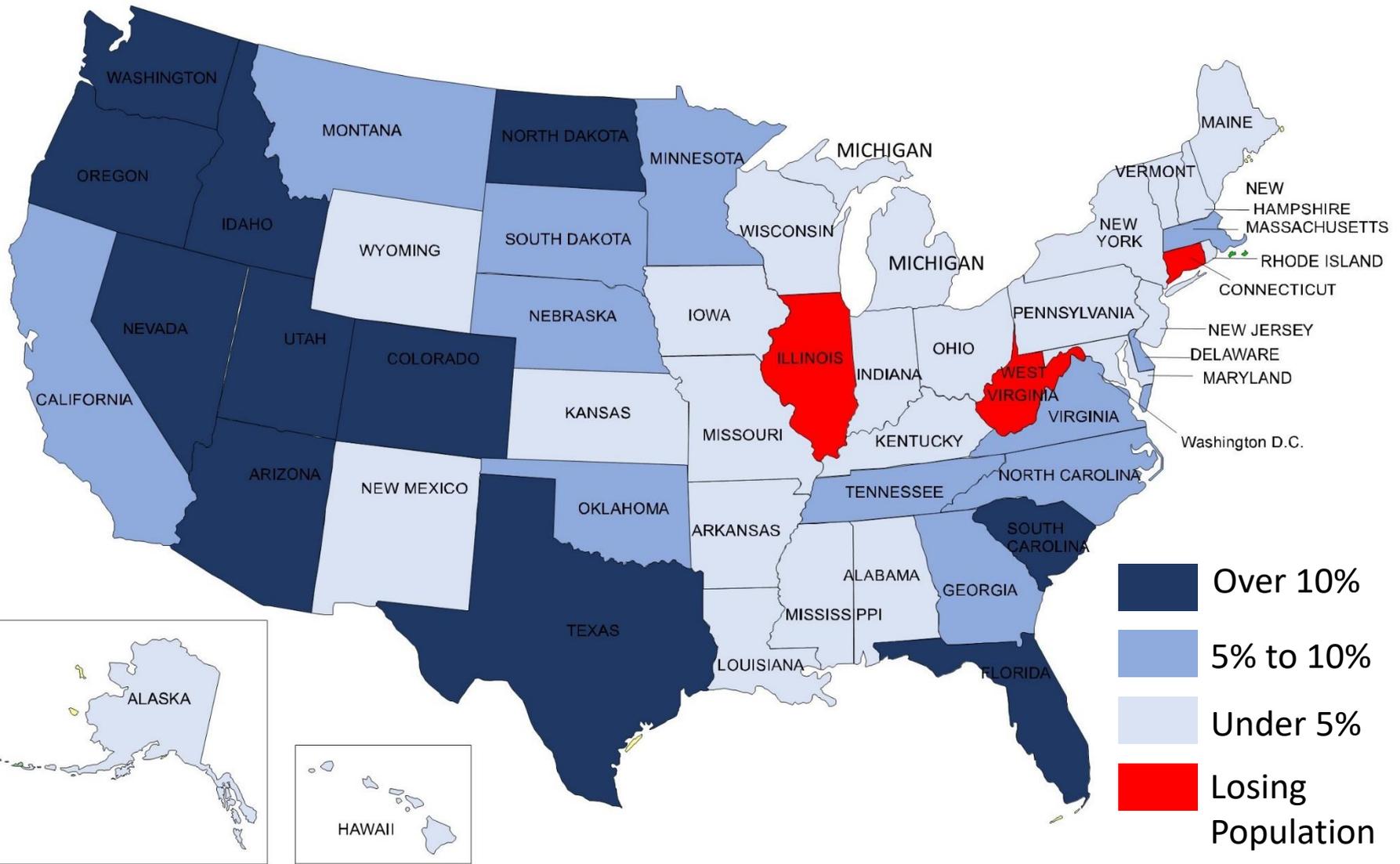
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Workforce Index Metrics

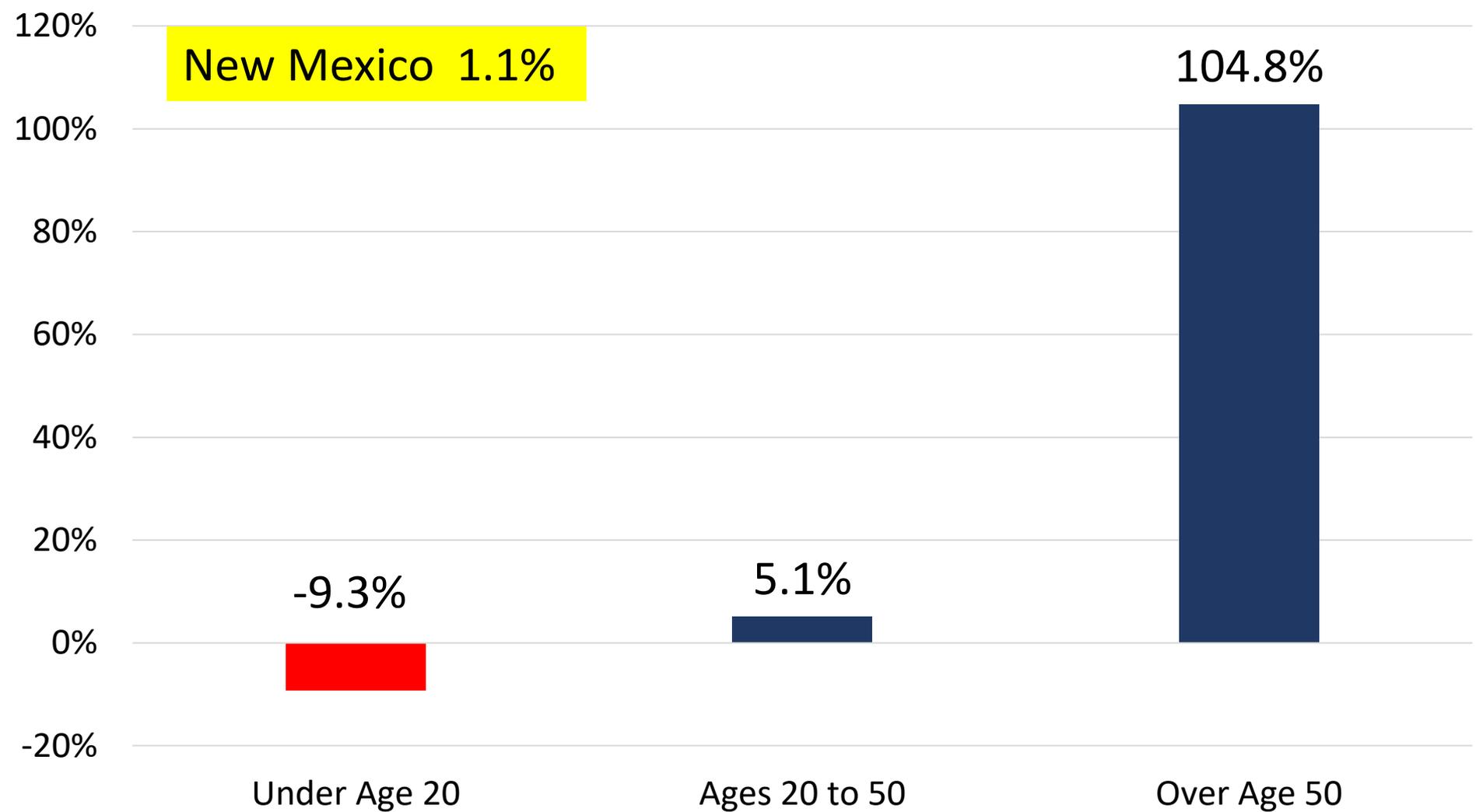
- High School Graduation Rate for all students
- Labor Force Participation Rate
- Age 25-44 Population Growth
- Manufacturing Output Per Manufacturing Employee
- Change in Manufacturing Output Per Manufacturing Employee
- Persons age 18 to 24 not attending school, not working, and no degree beyond high school
- Completed Tech & STEM Education Programs Per 1,000 Enrolled Students
- Percent Change in Tech & STEM Education Program Completions
- Total number of sub-baccalaureate occupational credentials in manufacturing
- Sub-baccalaureate occupational credentials in manufacturing as % of total credentials

- Average 8th Grade Reading Score
- Average 8th Grade Math Score
- Veteran Unemployment Rate
- Veteran % share of total population
- Percentage of Population with Adult Obesity

Population Change 2010 - 2019

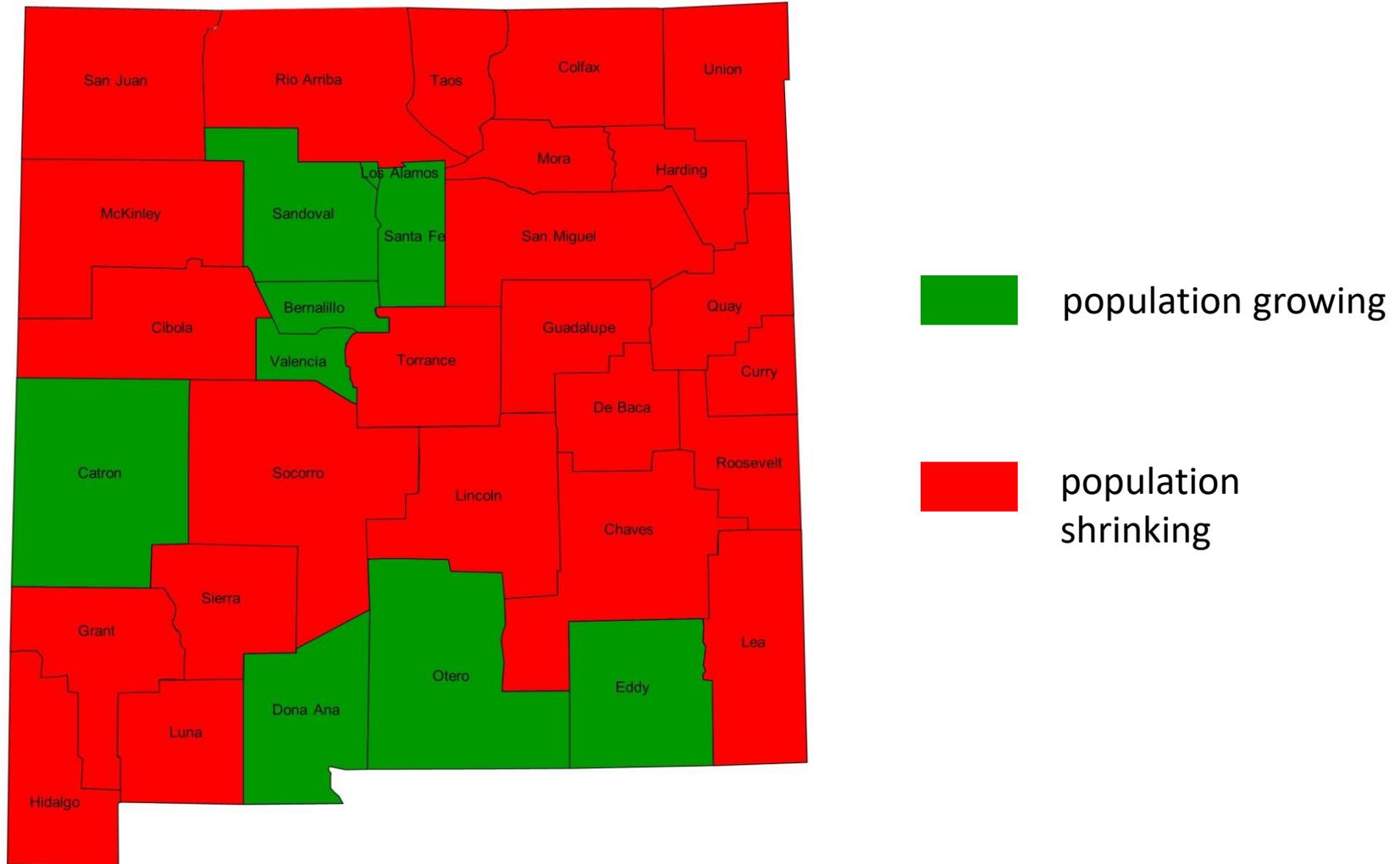


New Mexico Projected Population Growth 2020 - 2030

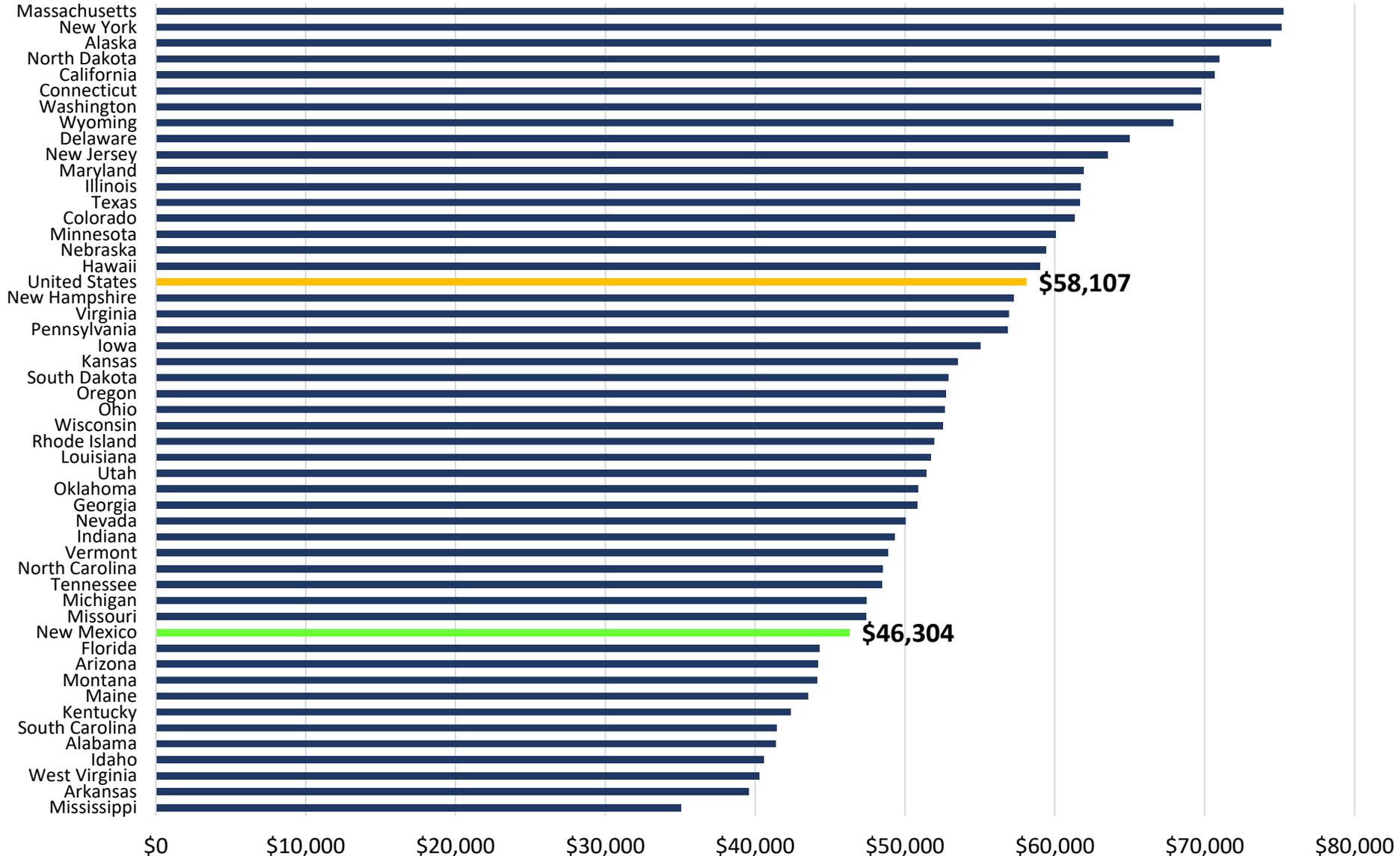


5 Year Population Growth 2014-2019

New Mexico Average 0.5%



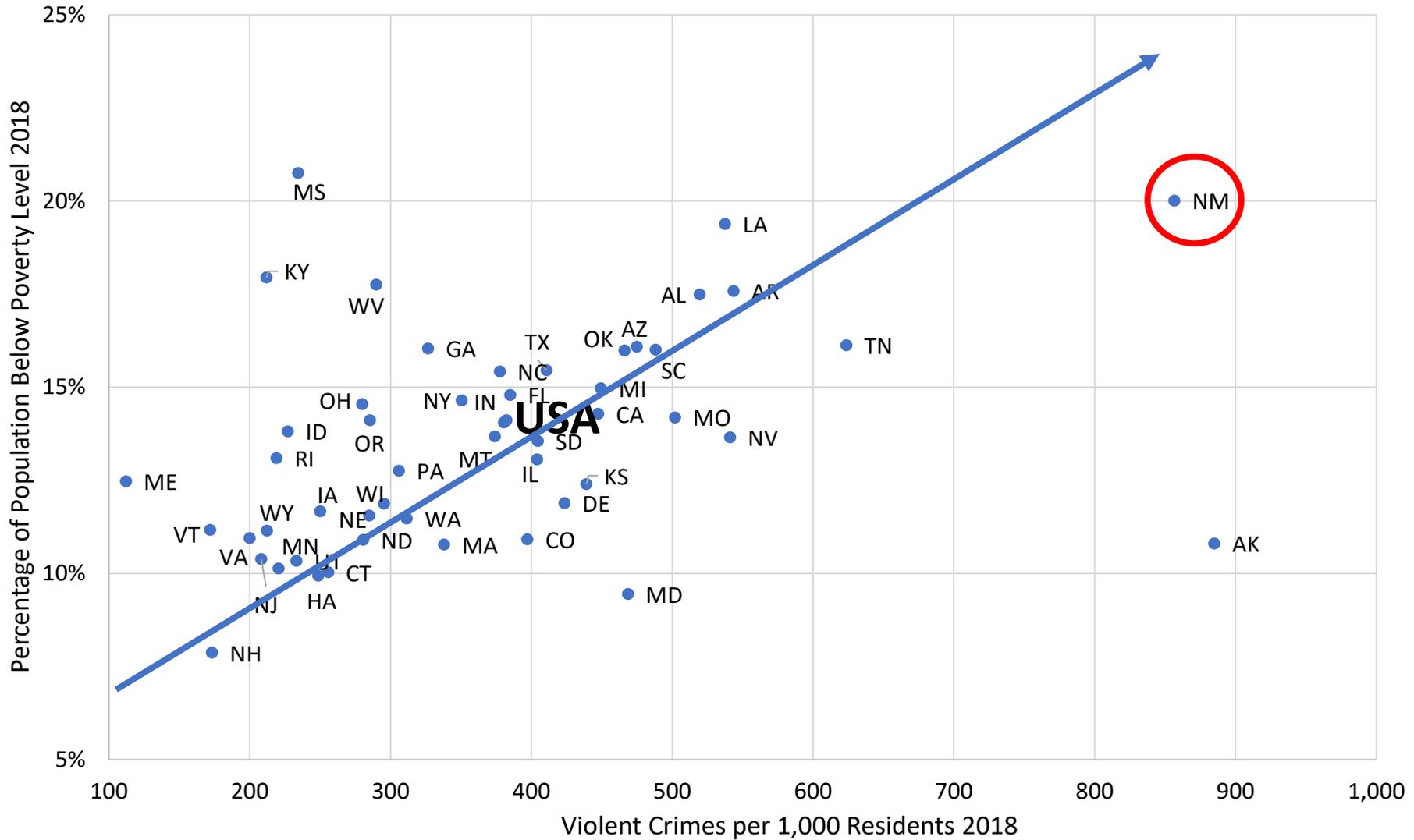
GDP per Capita 2019



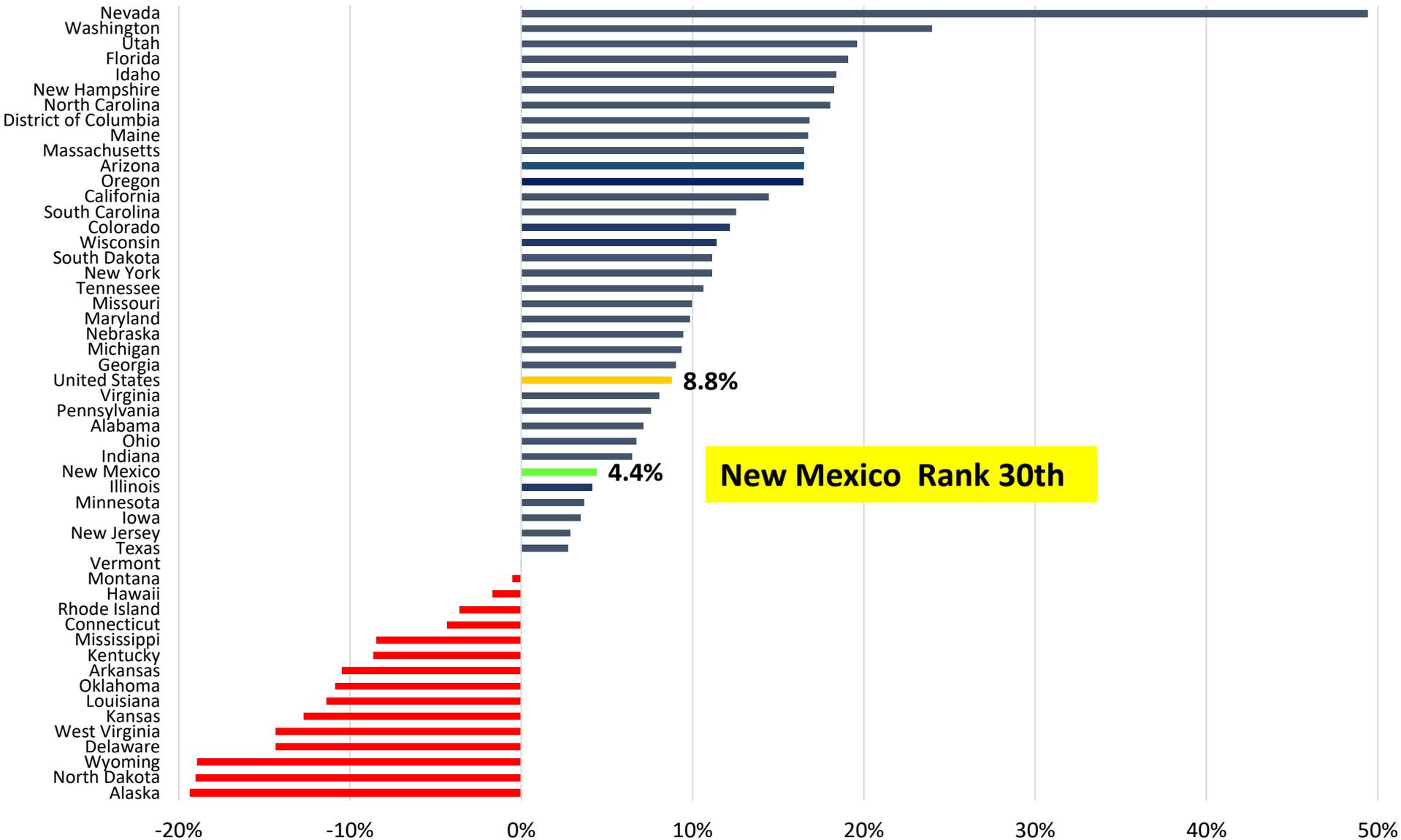
Per Capita GDP vs Per Capita Personal Income



Crime Rate vs Per Poverty Rate



Percentage Change in Tech Sector Jobs 2014 – 2019

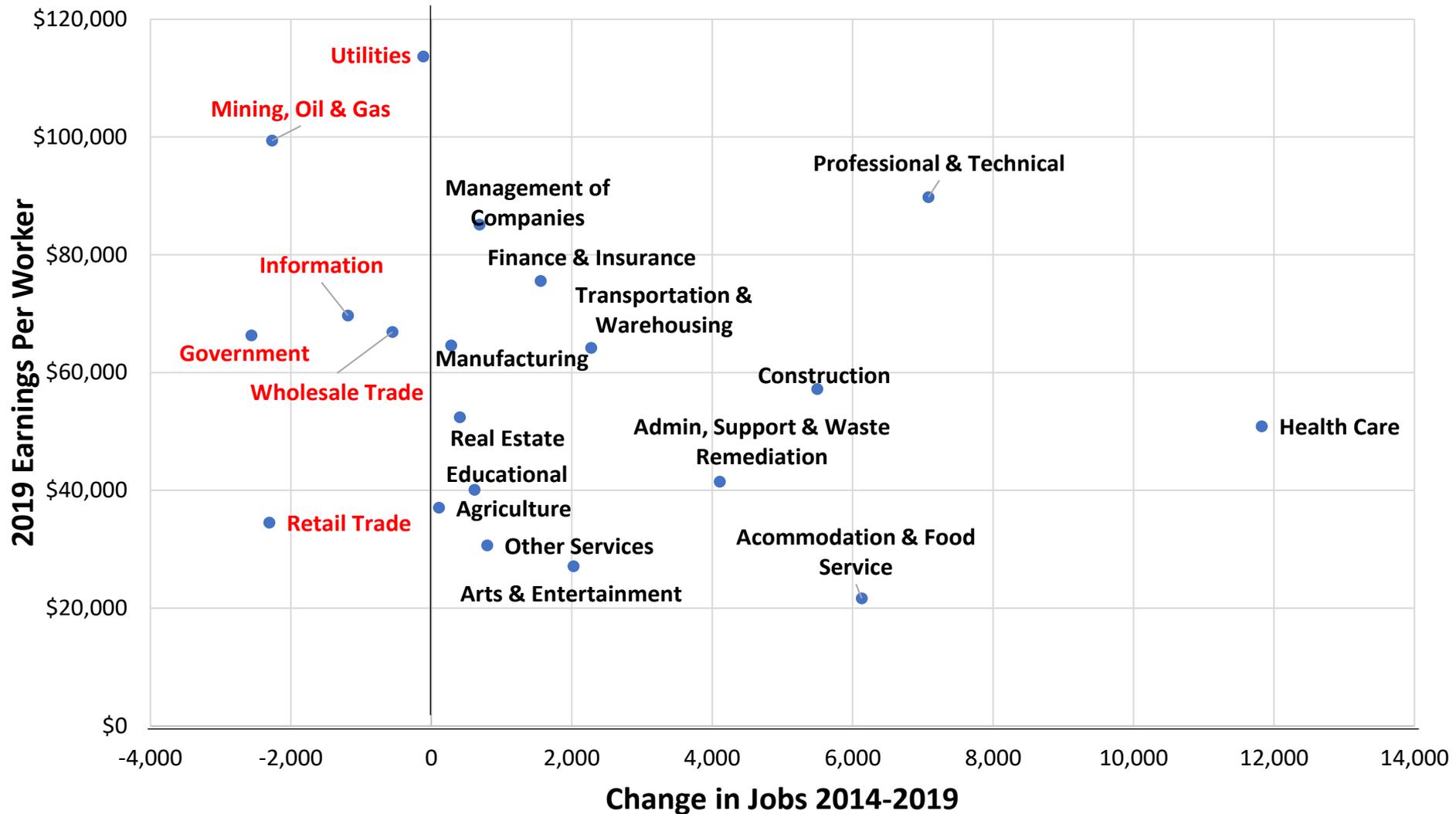


New Mexico Rank 30th

NM Advanced Industry Job Growth 2009 - 2019

Advanced Industry	2009 Jobs	2019 Jobs	2009 - 2019 Change	2009 - 2019 % Change
Scientific Research and Development Services	22,237	26,184	3,947	17.7%
Architectural, Engineering, and Related Services	9,941	8,672	(1,269)	(12.8%)
Computer Systems Design and Related Services	3,939	6,050	2,111	53.6%
Management, Scientific, and Technical Consulting Services	5,356	4,513	(843)	(15.7%)
Oil and Gas Extraction	4,181	4,333	152	3.6%
Wired and Wireless Telecommunications Carriers	6,846	4,149	(2,697)	(39.4%)
Semiconductor and Other Electronic Component Manufacturing	4,771	3,213	(1,558)	(32.7%)
Electric Power Generation, Transmission and Distribution	3,121	2,736	(385)	(12.3%)
Medical and Diagnostic Laboratories	2,309	2,503	194	8.4%
Metal Ore Mining	1,173	1,533	360	30.7%
Navigational, Measuring, Electromedical, and Control Instruments Manufacturing	2,313	1,298	(1,015)	(43.9%)
Other Miscellaneous Manufacturing	1,412	1,244	(168)	(11.9%)
Pharmaceutical and Medicine Manufacturing	581	795	214	36.8%
Agriculture, Construction, and Mining Machinery Manufacturing	333	787	454	136.3%
Aerospace Product and Parts Manufacturing	1,259	702	(557)	(44.2%)
Medical Equipment and Supplies Manufacturing	541	508	(33)	(6.1%)
Data Processing, Hosting, and Related Services	361	495	134	37.1%
Other Nonmetallic Mineral Product Manufacturing	375	412	37	9.9%
Other Electrical Equipment and Component Manufacturing	136	332	196	144.1%
Other Telecommunications	388	322	(66)	(17.0%)

New Mexico Worker Earnings vs Change in Jobs





How Satisfied Are You With?



Most Satisfied

The quality of life in your community

Availability of affordable and reliable energy

Availability and quality of water and sewer infrastructure

Least Satisfied

Availability of workers with appropriate skills

Business taxes

Quality and cost of health care and insurance

State government regulations impacting your business

Workforce

Biggest Issues



Potential employees are lacking the soft skills, or personal skills, necessary to be successful, such as work ethic, honesty and personal responsibility.

Potential employees don't possess the work skills we are looking for such as teamwork, communication, and problem solving.

The overall pool of potential employees in New Mexico is too small.



What Can the State Do to Grow the Economy?



Review regulations to make them more business friendly

Improve the state's financial sustainability

Provide high-quality education for the workforce

Promote public-private partnerships to improve infrastructure

What We Heard in Focus Groups

- Focus on the most important competitiveness issues: workforce, infrastructure and business climate
- Take better advantage of innovation assets: reduce brain drain, promote commercialization, entrepreneurship and emerging technology clusters such as space and alternative energy

What We Heard in Focus Groups

- Diversify economy through border trade, outdoor tourism, reshoring, new manufacturing
- Increase the voice of business
- State of Manana, the Quickening, the New Mexico Mindset
- Take advantage of the post-pandemic next new normal and beware of energy reductions, Federal spending cuts, etc.



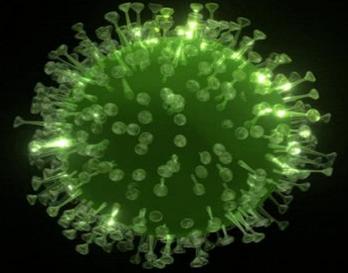
BE PRO BE PROUD



**North Carolina's Rail
Industrial Access Program**



Post-Pandemic



NEXT
NEW

N O R M A L

Remote
Reshoring
Relocations
Robots
Reimagining

- Attraction (incentives)
- Work Experience
- CTE Expansion
- Tax Climate for Vets

- Regulatory
- Some Tax Recommendations

Workforce

Business
Climate

Strategic Action Agenda

Infrastructure

Innovation &
Entrepreneurship

- Rail incentives
- Buildings and Sites

- Focus on Tech Jobs
- Commercialization

ANY
QUESTIONS?

