



New Mexico Economic Development Department

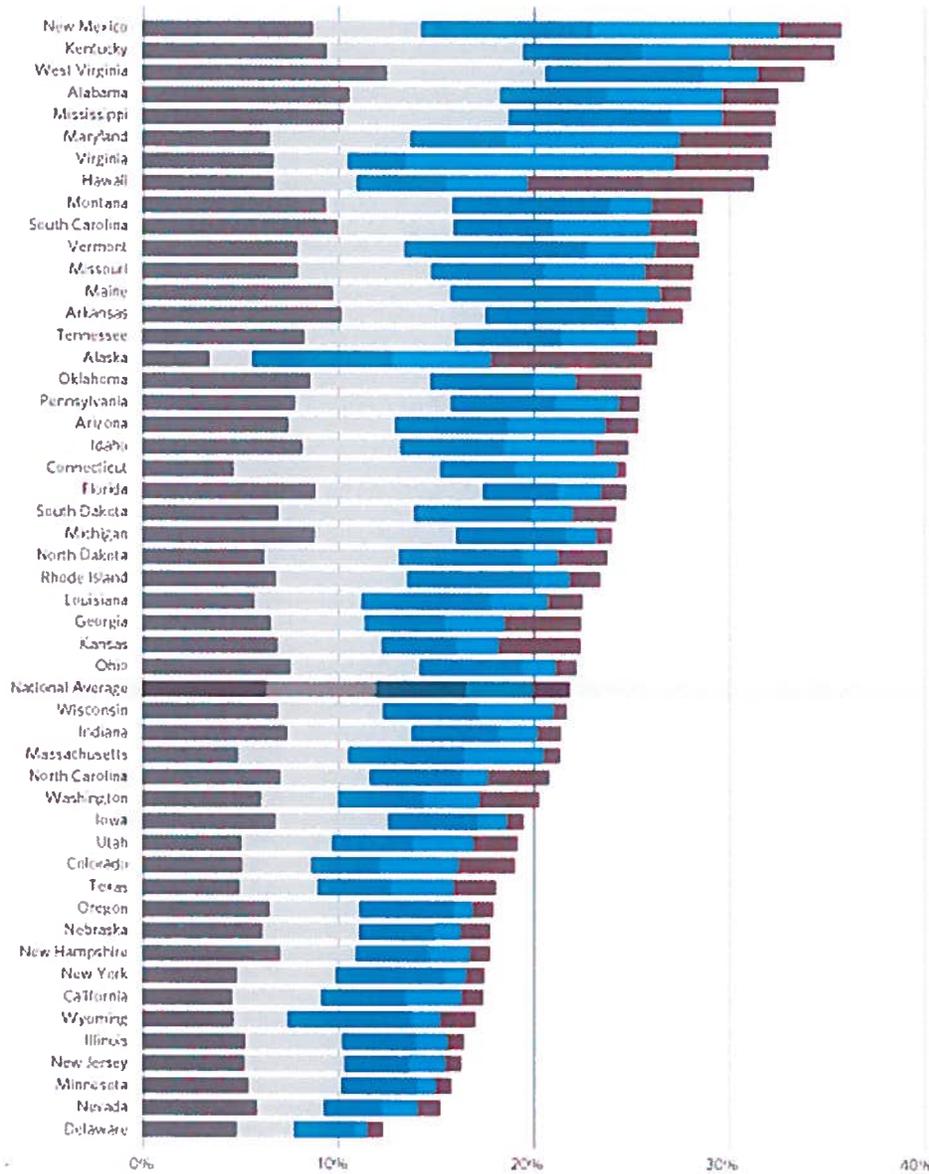
Legislative Finance Committee
November 20, 2013

Economic Overview

- Over-the-year job growth as of August 2013 from August 2012 was .9% representing a net 6,900 new jobs
 - Private sector employment growth was 10,000
 - Offset by a loss of 3,100 jobs in the government sector

Federal Spending in the States

Types of federal spending across states relative to state gross domestic product, 2010



- Direct Payments for Retirement and Disability Benefits
- Medicare and Other Direct Payments to Individuals
- Grants
- Procurement
- Salaries and Wages

Source: Pew analysis of Bureau of Economic Analysis and U.S. Census Bureau's Consolidated Federal Funds Report, FY 2010

Notes: Total federal spending in the District of Columbia was equivalent to 59.2 percent of the District's GDP, composed of: direct payments (2.7%), Medicare and other payments (3.8%), grants (10.5%), procurement (20.4%), and salaries and wages (21.8%). Figures do not measure the federal government's contribution to state GDP, but rather the dollar value of federal spending relative to the size of each state's GDP.

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Government employment in western states

- NV: 10.83%
- AZ: 13.23%
- CO: 13.9%
- UT: 14.15%
- OK: 16.74%
- NM: 19.75%

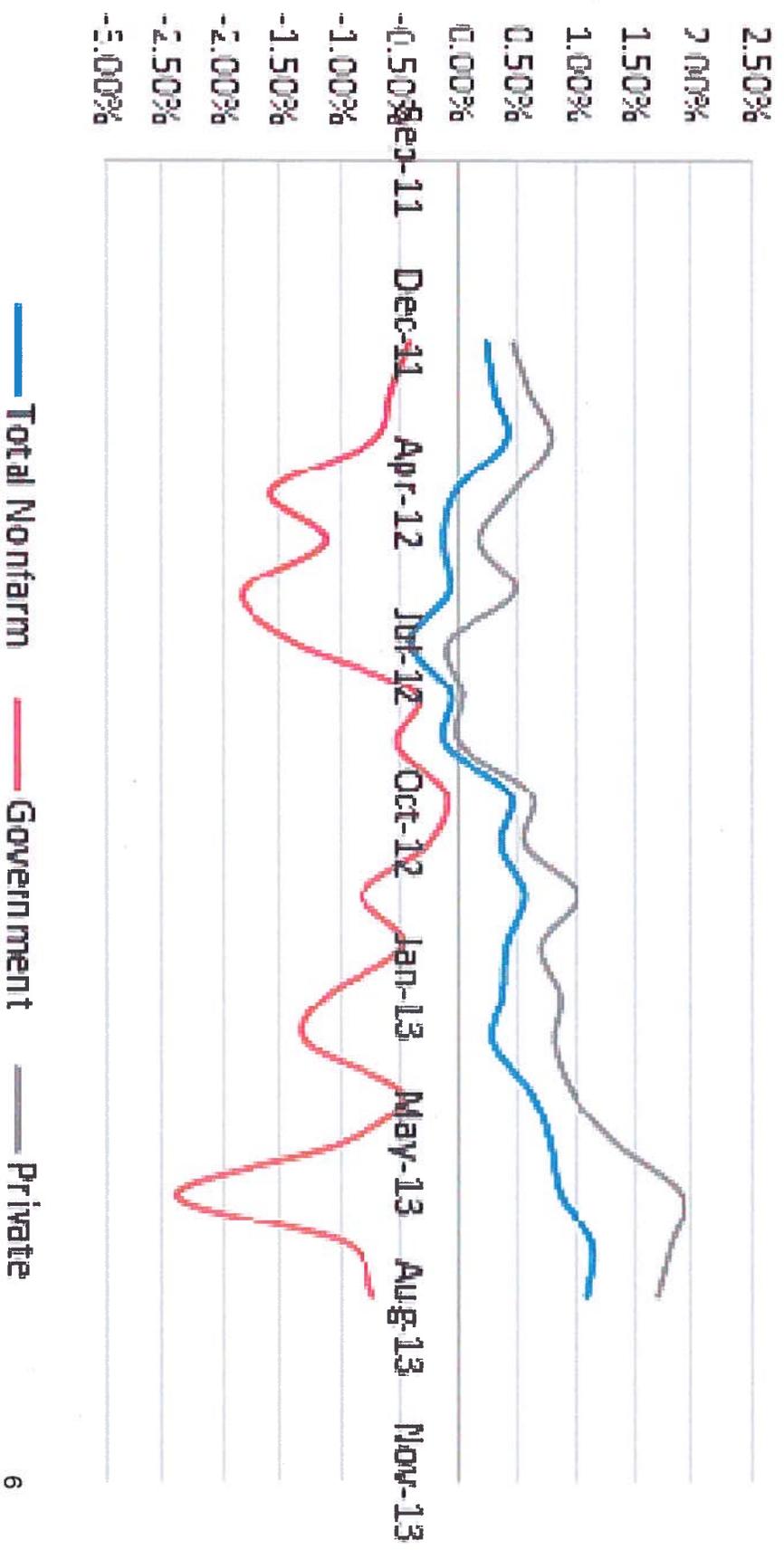
■ Source: U.S. Bureau of Employment Statistics

Rank	State	August, 2012	August, 2013	Change	% Change
1	North Dakota	430.9	444.47	13.8	3.20%
2	Utah	1,250.50	1,283.70	33.2	2.70%
3	Idaho	629.7	645.4	15.7	2.50%
4	Texas	10,896.20	11,154.70	258.5	2.40%
5	Minnesota	2,744.00	2,807.30	63.3	2.30%
5	Colorado	2,326.30	2,378.90	52.6	2.30%
7	Washington	2,881.90	2,493.20	61.3	2.10%
7	Georgia	3,962.80	4,045.10	82.3	2.10%
9	New Jersey	3,890.40	3,967.70	77.3	2.00%
9	Arizona	2,445.30	2,493.40	48.1	2.00%
11	Nevada	1,142.00	1,163.20	21.2	1.90%
12	New Mexico				1.80%
12	South Dakota	421.10	428.8	7.7	1.80%
12	Louisiana	1,914.30	1,947.90	33.6	1.80%
14	South Carolina	1,859.80	1,892.20	32.4	1.70%
14	Delaware	421.30	428.6	7.3	1.70%
14	Massachusetts	3,280.30	3,337.10	56.8	1.70%
14	Wisconsin	2,804.80	2,853.00	48.2	1.70%
14	Florida	7,375.90	7,502.10	126.2	1.70%
14	North Carolina	3,990.80	4,058.70	67.9	1.70%
14	Maryland	2,577.50	2,620.50	43	1.70%
14	Mississippi	1,101.70	1,119.90	18.20	1.70%
	United States	133,753.00	135,961.00	2,208.00	1.70%
22	Michigan	4,020.70	4,086.20	65.5	1.60%
22	Oregon	1,639.00	1,665.30	26.3	1.60%
22	Indiana	2,917.00	2,962.80	45.8	1.60%
25	Montana	450.20	457.1	6.9	1.50%
25	Vermont	298.50	302.9	4.4	1.50%
27	California	14,387.90	14,591.20	203.3	1.40%
27	New York	8,784.90	8,905.30	120.4	1.40%
27	Tennessee	2,716.70	2,753.50	36.8	1.40%
30	Wyoming	296.6	300.2	3.6	1.20%
31	Kansas	1,346.50	1,361.90	15.4	1.10%
31	Missouri	2,660.80	2,689.70	28.9	1.10%
31	Nebraska	962.10	972.3	10.2	1.10%
34	Kentucky	1,829.90	1,849.00	19.1	1.00%
34	Iowa	1,503.10	1,518.20	15.1	1.00%
36	Maine	611.00	616.8	5.8	0.90%
36	New Hampshire	637.40	643.1	5.7	0.90%
36	Illinois	5,765.60	5,817.00	51.4	0.90%
36	Arkansas	1,167.80	1,178.10	10.3	0.90%
36	New Mexico	801	807.9	6.9	0.90%

41 Virginia	3,731.90	3,762.50	30.6	0.80%
41 Connecticut	1,630.10	1,642.70	12.6	0.80%
43 Pennsylvania	5,697.50	5,739.50	42	0.70%
43 Ohio	5,182.50	5,219.80	37.3	0.70%
43 West Virginia	765.00	770.4	5.4	0.70%
46 Rhode Island	467.30	470.2	2.9	0.60%
47 Hawaii	603.40	606.7	3.3	0.50%
47 Oklahoma	1,603.10	1,611.60	8.5	0.50%
47 Alabama	1,882.60	1,892.30	9.7	0.50%
50 District of Columbia	727.10	728.7	1.6	0.20%
51 Alaska	357.10	355.2	-1.9	-0.50%

Economic Overview

Year over year growth - monthly basis

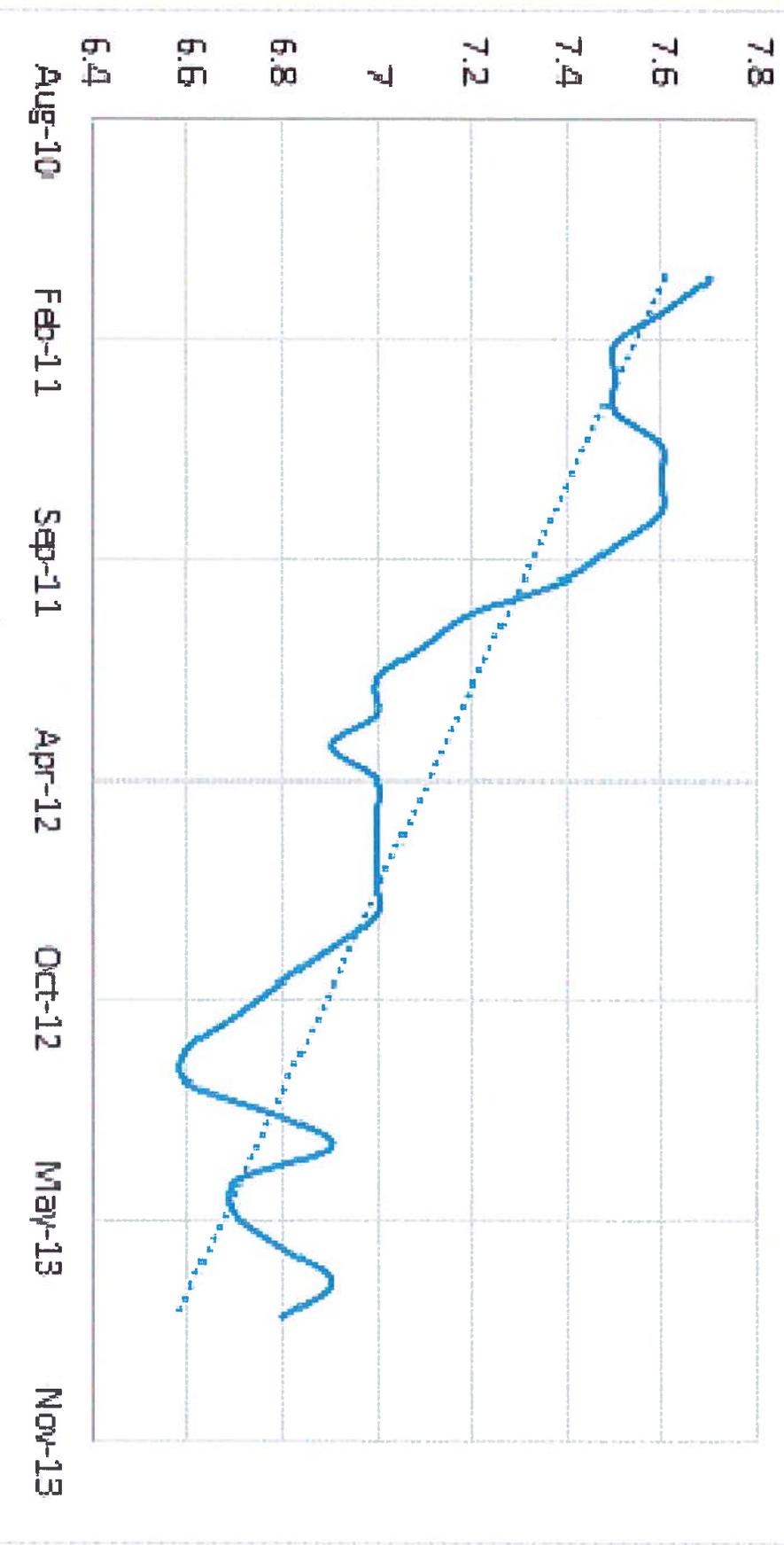


Economic Overview

- **Strongest growth sectors**
 - Financial Activities: 5.8%
 - Leisure & Hospitality: 4.9%
 - Education & Health: 3.0%
 - Construction: 2.9%
 - Mining & Logging: 1.2%

Economic Overview

NM Monthly Unemployment Rate (%)



Economic Overview

NM Annual Building Permits Issued



Economic Overview

- Albuquerque metro area's economy is predicted to grow by 2.7% in 2014
 - Ahead of national growth rate
- Gross metro product predicted to grow to \$41.5 billion in 2014 from \$39.6 billion
- 4-year growth rate ranked 62 of 363 metro areas studied

Source: IHS Global Insight for U.S. Conference of Mayors

Achievements

- In FY13, EDD programs created 3,093 jobs, exceeding its target of 2,500
 - Created 1,440 rural jobs, exceeding its target of 1,100

Achievements

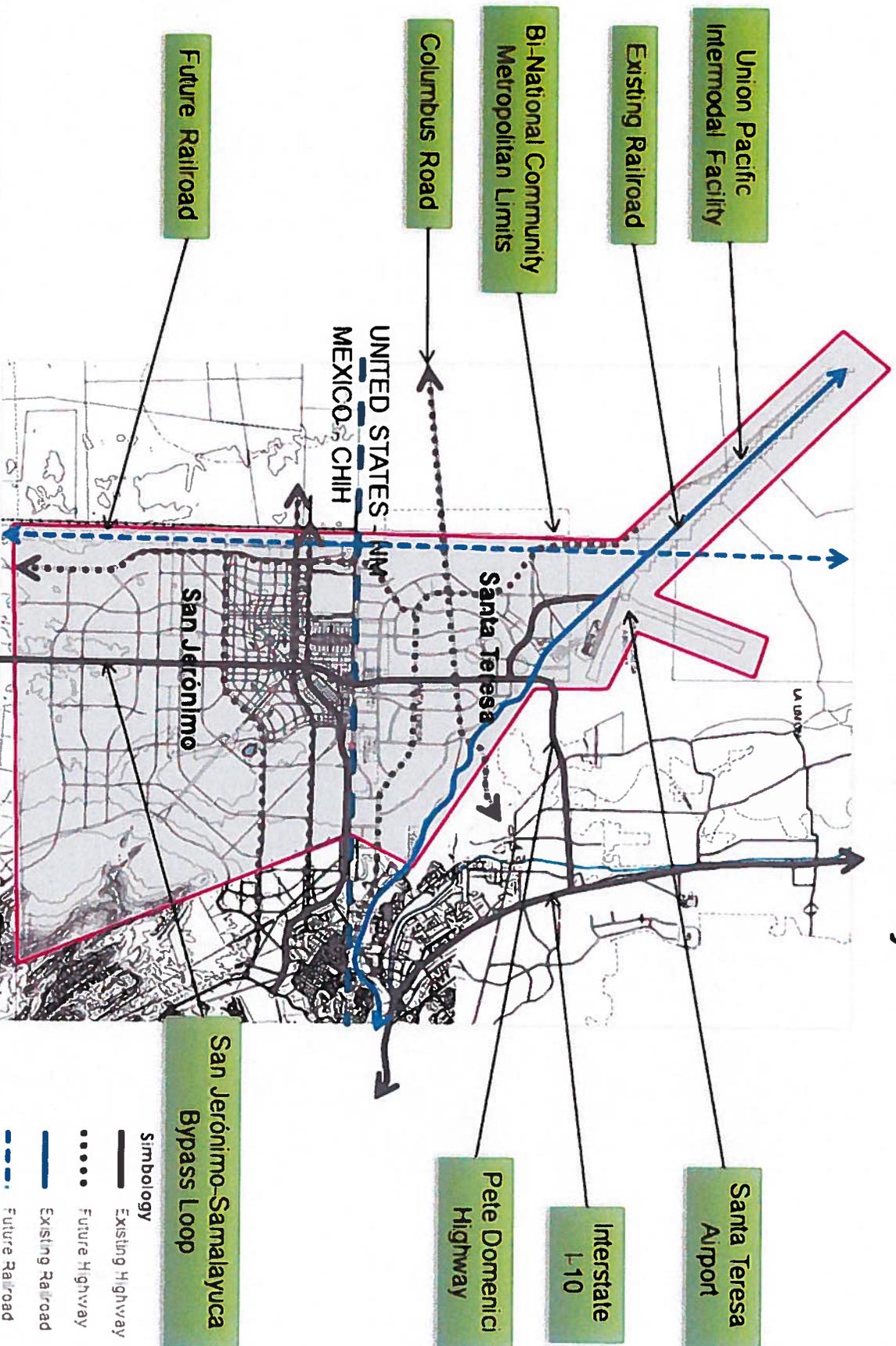
- Companies moved to or expanded in the Borderplex
 - Bizlink
 - Ferza
 - JH Rose
 - L & M Radiators
 - TE Connectivity
 - Southwest Steel Coil
 - Mallory Metal Products
 - Morrison Express
 - Ironhorse
 - Southwest Steel Coil
 - W Silver Recycling
 - Twin Cities

Achievements

■ Other major company announcements

- Solaro Energy
- Sitel
- Alliance Data
- Stolar Research
- Heritage Home Healthcare
- Western Baking Company
- Martinez and Sons Processing
- Fatman's Beef Jerky
- Lowe's
- L&M Radiators
- FRST
- Canon
- Prime Therapeutics
- AgPower
- Leprino Foods
- Stewart Industries
- Dean Baldwin

Bi-National Community



Achievements

- NM moved from 38th to 1st in export growth
- Record growth in exports from the state: \$3.2 billion in 2012
- 31 international trade transactions completed for New Mexico companies by Office of International Trade
- The Business Roundtable projects that this international trade supports 218,000 jobs in New Mexico
 - According to U.S. Department of Commerce estimates, international trade has supported 18,000 jobs since 2011.

Achievements

- In FY13, 49 companies participated in JTIP, exceeding the target of 25—53% increase over FY12
 - The average hourly wage of jobs funded through JTIP was \$18.46, exceeding the target of \$16—14% increase in the average wage over FY12
 - 16 rural companies participated, exceeding the target of 8—77% increase over FY12
 - JTIP policy changed to reimburse up to \$5,000 in wages of interns

Achievements

- **MainStreet**
 - In FY13, 102 new businesses were created in MainStreet districts with \$22.7M in private-sector investment
 - Zuni Pueblo is the first Native American MainStreet community in the nation

Achievements

- MainStreet Historic Theater Initiative
 - Silver City: \$137,500 for renovations to Silco Theater
 - Clayton: \$630,000 for renovations to the Luna Theater
 - Two more to come

Achievements

- **Main Street Frontier Communities Selected**
 - Carrizozo: Image & Branding and Business Development
 - Columbus/Luna County: Restoration of historic village plaza
 - Hurley: Streetscape for main commercial district
 - Madrid: Business & Entrepreneur Development
 - Moriarty: Streetscape section of historic Route 66 interface with I-40
 - Wagon Mound: Facade squad in commercial district

Five-Year Economic Development Plan

- Innovation creates diversification
 - Five-Year Plan is function of Economic Development Commission, which held several public hearings
- Less reliance on single sector
 - Reduce reliance on federal spending
- Create a knowledge economy
 - Create career opportunities to retain our graduates
- Focus on growing businesses within the state
- Small businesses are the job creators in New Mexico and nationally
- No community is too small for entrepreneurship
 - Unlike recruiting, which requires a substantial workforce

Five-Year Economic Development Plan

- Innovation → Enterprise → Economic Development
- Create jobs with research and technologies born here
- Support the commercialization of R&D with infrastructure, mentoring, consistent policies and proof-of-concept grant competitions
- Center of Excellence in Water Research
- Recognize, support and incentivize “gazelles”
- Update New Mexico’s Technology Plan

Five-Year Economic Development Plan

- Rural Renaissance: Prosperous Rural Communities
- EDD Established Rural Council in October 2012
 - Council provided priorities for this section of the plan
- Commercial District Revitalization
 - MainStreet, Arts & Cultural Districts, Frontier Communities, Historic Movie Houses digital conversion
- Rural Business Incubation Services
- Statewide Commercial Kitchen Program
- Preserve and Encourage Extractive Industries
- Strategic Use of Capital Outlay Funds
- Prioritize Fiber Development Statewide
- Rural Infrastructure & Business Development Committee
 - Partnering with COGs and funding agencies, this provides communities with an opportunity to fund a project without going to each funding agency individually

Five-Year Economic Development Plan

- Other Priorities
 - New Mexico Partnership
 - Communities count on leads generated by Partnership sales and marketing
 - Kiplinger recently ranked NM as having 9th most friendly tax climate; new tax policy generating interest
 - Borderplex and Logistics Industry Development
 - New Mexico is located between the nation's fastest growing markets
 - Excellent transportation infrastructure and investments by UP & BNSF
 - Film and Emerging Media
 - Workforce Development
 - JTIP
 - Employability Partnership
 - Business Resource Center (www.nmbusinessresourcecenter.com)
 - Build out website to one-stop-shop for businesses
 - Dedicated FTE to mentor businesses requesting assistance (more than a referral or hand-off)

FY 15 Budget Request

- Request \$9,231.3 for 52 FTE
- \$2,608.6 (26%) increase to the base budget
 - \$349.0 to fully fund all 52 FTE
 - \$1,500.0 for JTIP
 - Will move JTIP from non-recurring special appropriation to recurring item in EDD budget, \$1.5M/year over 3 years
 - \$500.0 for MainStreet to stabilize programs initiated with the FY 14 special appropriation
 - \$100.0 for International Trade to support the Mexico and Brazil trade offices