

University of New Mexico
Bureau of Business and Economic Research



New Mexico Economic Predicament: Relevant Statistics on Jobs Lost Since Recession

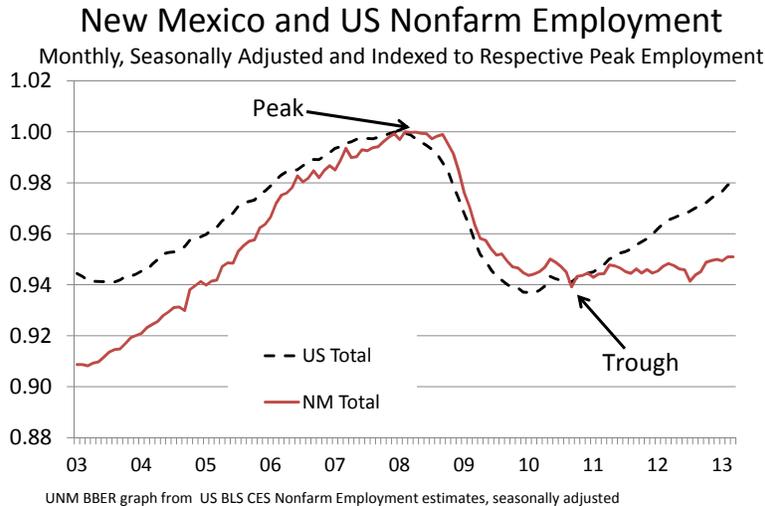
New Mexico Legislative Jobs Council

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New Mexico has been seriously lagged the rest of the states in this recovery.



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Peak to trough nonfarm wage & salary job losses in NM totalled 52,000. NM has gained back 13,000 of jobs lost.

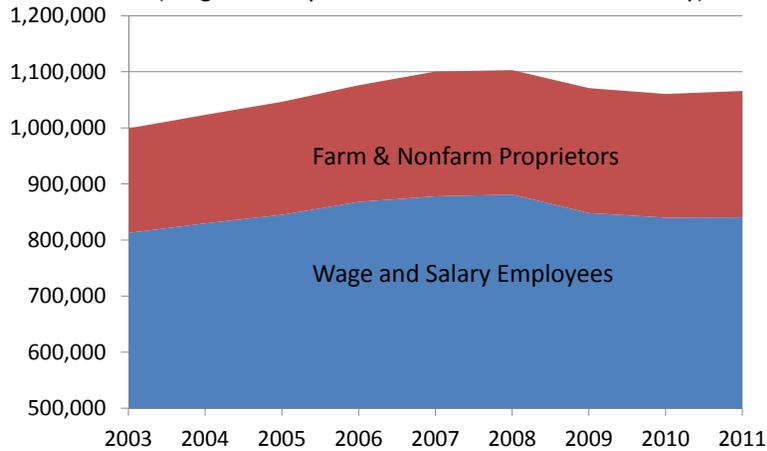
New Mexico Total Nonfarm Wage and Salary Employment
Seasonally Adjusted, in 1,000's



But this is only part of the story...

Total NM employment exceeded 1.1 million in 2008 but was down to 1.065 million in 2011, reflecting a net loss of roughly 37k jobs. W&S jobs were down 40.7k; proprietors were up 3.4K.

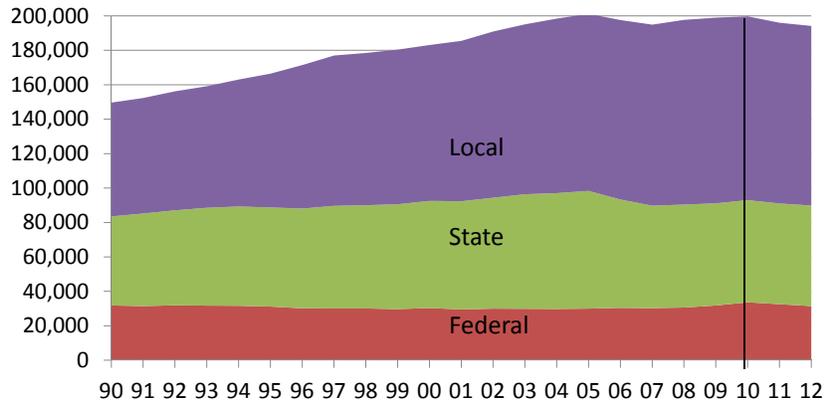
New Mexico Employment: Total Wage & Salary and Self-Employment
(Wage & salary includes farm workers and military)



Source of Data: US Bureau of Economic Analysis

While the NM private sector has grown slowly since 2008, government, which accounted for 24% of nonfarm employment in 2010 versus 17% in US, has been holding NM back. 3,400 jobs lost.

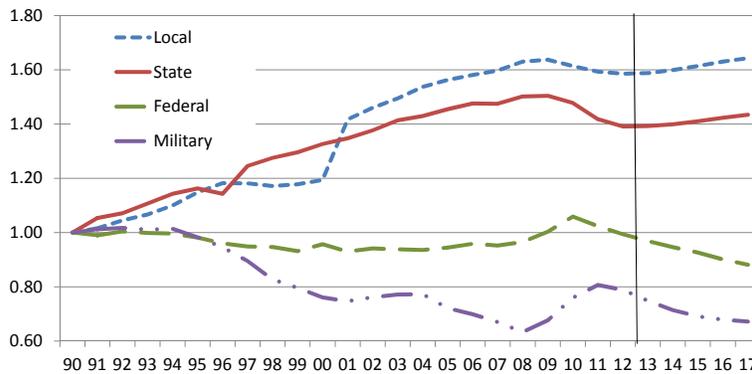
New Mexico Government Wage and Salary Employment



Source: NM Department of Workforce Solutions, CES Wage & Salary Employment

Govt was an engine as well as providing insulation from downturns. No longer.

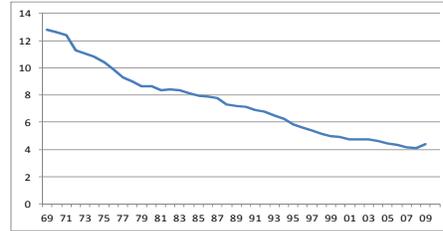
Government Employment in New Mexico
All levels indexed to 1990



UNM BBER FOR-UNM, April 2013

Dependence on the Federal Government

Federal civilian and military employment was 4.8% of total NM total employment in 2010. The comparable figure for the US was 3.0%.



Source of data: US Bureau of Economic Analysis

Federal expenditures in NM in 2010 were \$28 billion, or \$13,578 per capita. NM ranked 6th among the states in the per capita flow of federal dollars. Procurement was huge -- 27% vs 16% in US --, and 64% of that is with the DOE, primarily for LANL & Sandia NL.

BBER estimates sequestration would result in a perhaps permanent loss of employment of roughly 20,000.

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Limitations of employer data for counting employed and for estimating jobs needed...

1. Individual workers may work for more than one employer.
2. Individual workers may combine wage and salary work with self employment.
3. Worker will be counted as employed even if works only 1 hour during pay period that includes 12th of the month.
4. Some people employed or self-employed in the state may not actually live in New Mexico, and some NM residents may work outside the state.

Data Based on Household Information

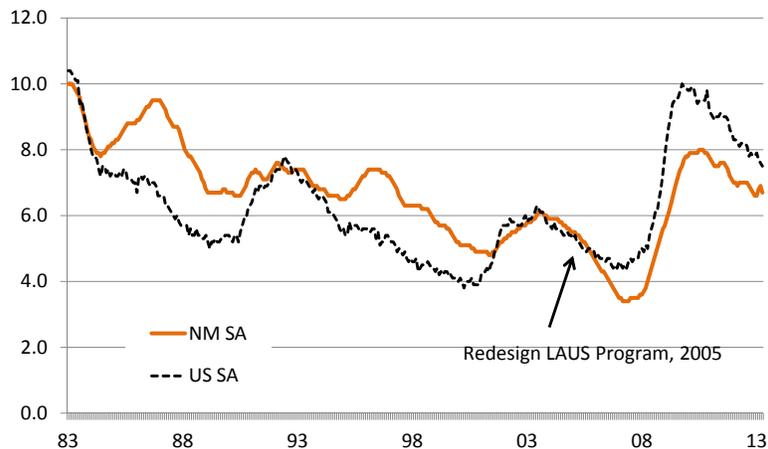
Data on New Mexico Population and Civilian Labor Force In 1,000's

	2006	2007	2008	2009	2010	2011	2012	Change 2008 - 12
Population Inter-censal Estimates	1,962	1,990	2,011	2,037	2,065	2,079	2,086	75
Population BLS 16 over: civilian, non-institutionalized	1,472	1,494	1,507	1,522	1,535	1,583	1,594	87
<i>as % of population</i>	75.0%	75.1%	75.0%	74.7%	74.3%	76.2%	76.4%	
BLS Civilian Labor Force (CPS)	929	946	962	938	921	927	952	(10)
<i>as % of population</i>	47.3%	47.5%	47.8%	46.1%	44.6%	44.6%	45.6%	
Employed	889	911	919	866	843	858	884	(35)
Unemployed	40	35	43	72	78	69	68	25
Unemployment Rate	4.4%	3.7%	4.4%	7.6%	8.5%	7.4%	7.1%	2.7%

Source: US Census Bureau, US Bureau of Labor Statistics. Census estimates are for July 1 and reflect revisions based on decennial census. BLS are 12 month averages based on Current Population Survey (CPS).

BLS Labor Force and Unemployment Estimates

NM and US Unemployment Rates(%) SA

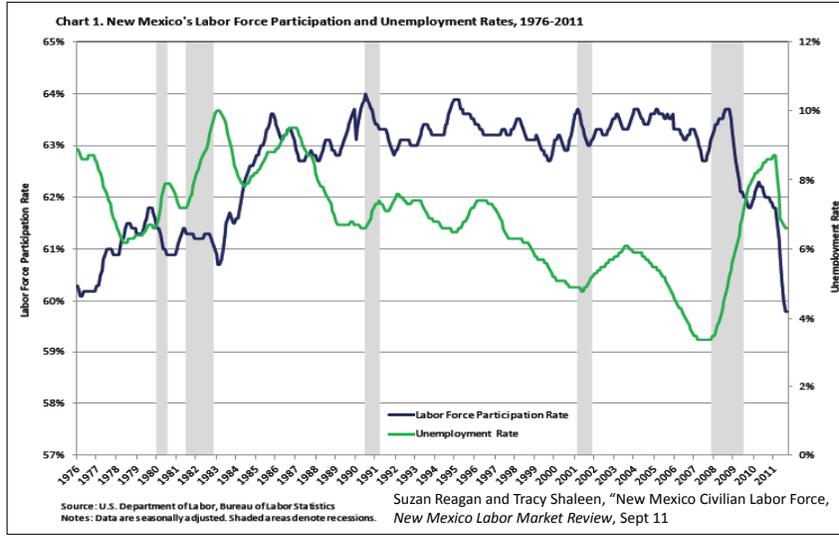


UNM BBER graph from US BLS data on monthly unemployment rates, seasonally adjusted

Official Unemployment rate in NM seems now to be under-estimated. Nevertheless household survey information from the Current Population Survey yields interesting insights.

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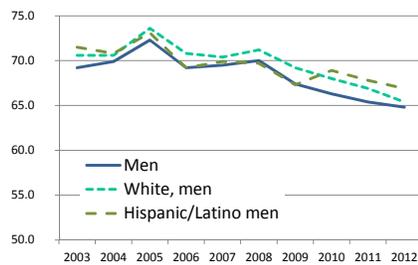
NM Unemployment & Labor Force Participation 1976 -2011: The Shrinking Work Force



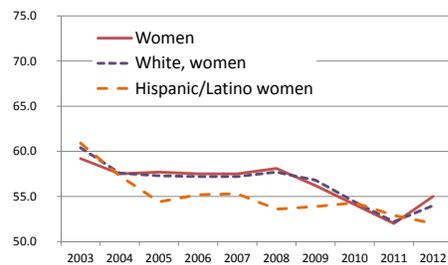
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% of NM Population Employed – Household Survey

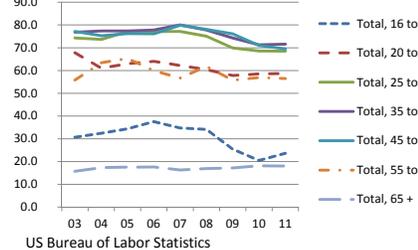
New Mexico Men



New Mexico Women

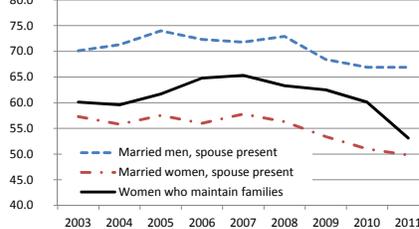


New Mexicans by Age



US Bureau of Labor Statistics

New Mexicans by Marital Status



UNM Bureau of Business and Economic Research

BLS Alternative Measures of Unemployment for States

The six state measures are based on the same definitions as those published for the U.S.:

- U-1, persons unemployed 15 weeks or longer, as a percent of the civilian labor force;
- U-2, job losers and persons who completed temporary jobs, as a percent of the civilian labor force;
- U-3, total unemployed, as a percent of the civilian labor force (this is the definition used for the official unemployment rate);
- U-4, total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged worker
- U-5, total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers; and
- U-6, total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.

New Mexico Alternative Employment Measures, 2003-12

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
U-1	2.1	1.8	1.8	1.1	1.0	1.0	3.3	4.9	4.3	3.9
U-2	3.1	2.4	2.3	1.8	1.7	1.6	5.0	5.1	3.6	3.4
U-3	6.4	5.6	5.3	4.4	3.7	4.4	7.6	8.5	7.4	7.1
U-4	6.7	5.9	5.6	4.5	3.8	4.7	8.0	9.2	7.9	7.5
U-5	7.4	6.6	6.3	5.1	4.5	5.3	8.7	10.5	9.6	8.8
U-6	10.9	9.3	8.9	7.5	7.3	8.9	14.0	15.6	14.7	14.1

Source: US Bureau of Labor Statistics, calculations based on Current Population Survey

New Mexico Unemployment by BLS Alternative Measures

Calculated NM Unemployment and Labor Force when include...

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
U-4 Estimates										
Discouraged Workers	3,322	2,921	3,212	1,890	985	2,323	3,304	7,414	4,596	3,676
Total Unemployment	60,730	53,937	53,403	42,766	35,987	44,651	74,592	85,699	73,194	71,268
Total Labor Force	900,322	913,921	950,212	930,890	946,985	964,323	941,304	928,414	931,596	955,676
U-5 Estimates										
Marginally Attached	10,127	9,771	10,311	7,776	7,927	8,433	10,521	20,899	22,115	17,298
Total Unemployment	67,127	60,771	60,311	47,776	42,927	51,433	82,521	98,899	91,115	85,298
Total Labor Force	907,127	920,771	957,311	936,776	953,927	970,433	948,521	941,899	949,115	969,298
U-6 Estimates										
Involuntary Part-Time	31,749	24,861	24,890	22,483	26,710	34,936	50,272	48,037	48,405	51,373
Total Unemployment	98,877	85,632	85,201	70,258	69,637	86,369	132,793	146,936	139,520	136,671
Total Labor Force	907,127	920,771	957,311	936,776	953,927	970,433	948,521	941,899	949,115	969,298

UNM BBER calculations based on data available from US BLS

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The six state measures are based on the same definitions as those published for the U.S.:

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Calculated NM Unemployment for Alternative Measures

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2012 - 08
U-1	18,837	16,398	17,046	10,219	9,460	9,620	30,954	45,129	39,861	37,128	27,508
U-2	27,807	21,864	21,781	16,722	16,082	15,392	46,900	46,971	33,372	32,368	16,976
U-3	57,408	51,016	50,191	40,876	35,002	42,328	71,288	78,285	68,598	67,592	25,264
U-4	60,730	53,937	53,403	42,766	35,987	44,651	74,592	85,699	73,194	71,268	26,616
U-5	67,127	60,771	60,311	47,776	42,927	51,433	82,521	98,899	91,115	85,298	33,865
U-6	98,877	85,632	85,201	70,258	69,637	86,369	132,793	146,936	139,520	136,671	50,303

Note: Calculations below the line all require revisions to labor force estimates to reflect additional people who should now be counted.

Developing a Target for E-base Job Needs

	2013	2023	Calculus Used	Decade Deltas
Population	2,091,000	2,434,000	Implied growth 16.4% ^a	Net additional Population
Workforce	962,000	1,156,150	Forecast labor force 2013 plus 17,000, the estimated marginally attached ^b . Forecast assumes 47.5% participation rate. ^c	
% of Pop	46.0%	47.5%		
Unemployed Rate	8.3%	4.0%	Projected US for 2013; 2023 assumes 4%	Job growth sufficient to get to 4% unemployment
Employed growth rate		25.8%	Employment rate 96% in 2023	Job growth sufficient to get to 4% unemployment
E-base jobs	308,700	388,466	Per ML, economic base = 35%	Ebase needed over 20 year:
E-base Attrition		58,270	Per ML, attrition = 15%	
Total E-base needs		138,036		Total E-base needed
Annual E-base		13,804		Average needed per year
Program reliant		48,896	Assumes 1% job growth w/o 35%	

a. UNM GPS Pop Projections
 b. US additional unemployment & workforce
 c. 47.5% was roughly participation rate when unemployment was 4%.

