NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

Pathways to Prosperity:
The New Mexico Prosperity Dashboard

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Where New Mexico Can Invest for Greatest Impact

Education drives economic opportunity.

New Mexico's current fiscal strength creates a rare opportunity to address longstanding gaps in educational attainment and workforce skills. Strategic investments made today can increase future earnings, expand economic opportunity, and strengthen the state's workforce for decades to come.

The LFC dashboard explores how investments in education, upskilling, and workforce development now can turn short-term wealth into long-term prosperity — and what it would actually take to meet three national benchmarks in these areas.

1 Educational Attainment
Education sets the stage for future wealth

2 Earned Income
How does New Mexico create more high-wage jobs?

3 Employment
How does the economy change when more New Mexicans work?

What Would It Take to Meet Three National Benchmarks?

BENCHMARK 01 · EDUCATION

High School Graduation

New Mexico **80.6%**

National **86.6%**

+1,580

more graduates a year

Why it matters: in New Mexico, high school graduates typically earn about 22% more than those without a diploma.

BENCHMARK 02 · EARNINGS

Weekly Earnings

New Mexico **$1,133**

National **$1,459**

+$326

more each week (~$17,000 a year)

Why it matters: when earned income rises, reliance on government transfers decreases and the tax base increases.

BENCHMARK 03 · WORK

Labor Force Participation

New Mexico **79.5%**

National **84.3%**

+38,471

more prime-age workers (25–54)

Why it matters: people disengaged from the labor force are far more likely to rely on government transfers, which already account for 25.3% of NM personal income.

Education Sets the Stage for Future Wealth

SECTION 1 · EDUCATIONAL ATTAINMENT

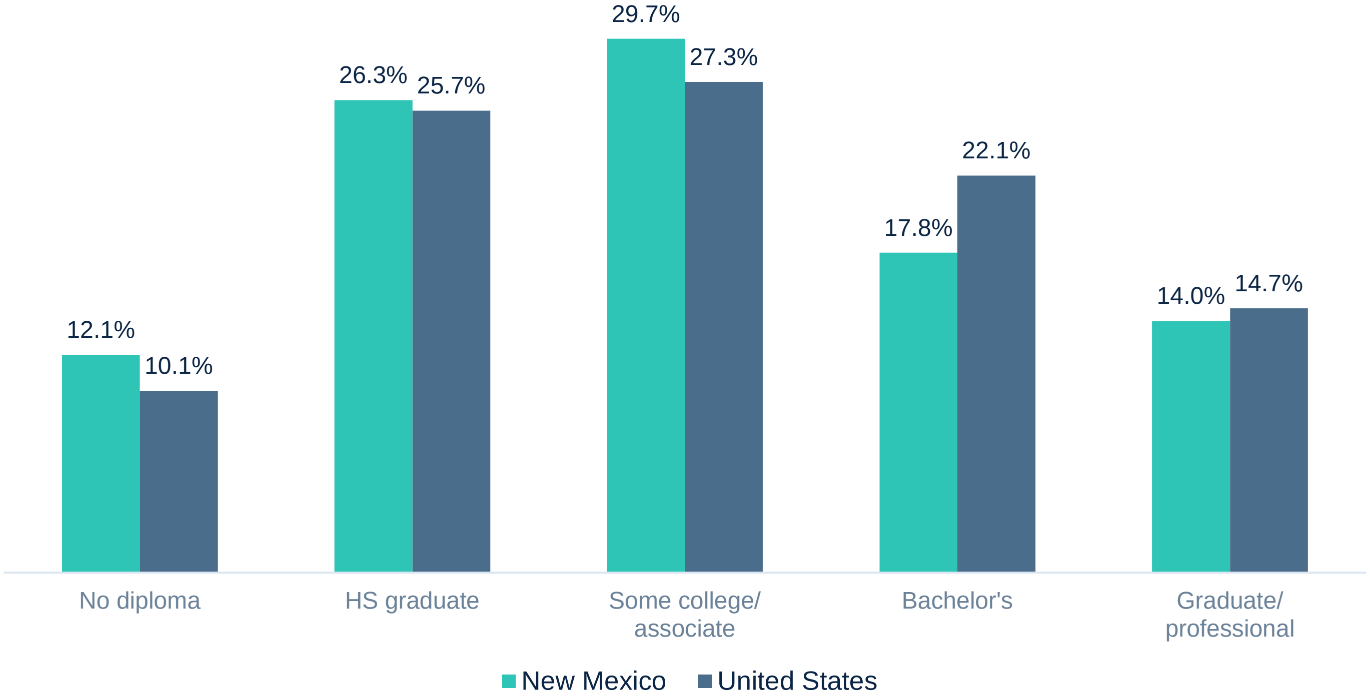
+1,580

more New Mexico graduates in each senior class cohort would need to finish to reach the national average high-school graduation rate.

Educational attainment is a strong predictor of wages and life outcomes; a more educated population will give New Mexico the skilled workers it needs to attract high-wage industries.

New Mexico Trails Where Earnings Climb

KPI 1.1 · EDUCATIONAL ATTAINMENT AMONG ADULTS 25+ (2024)



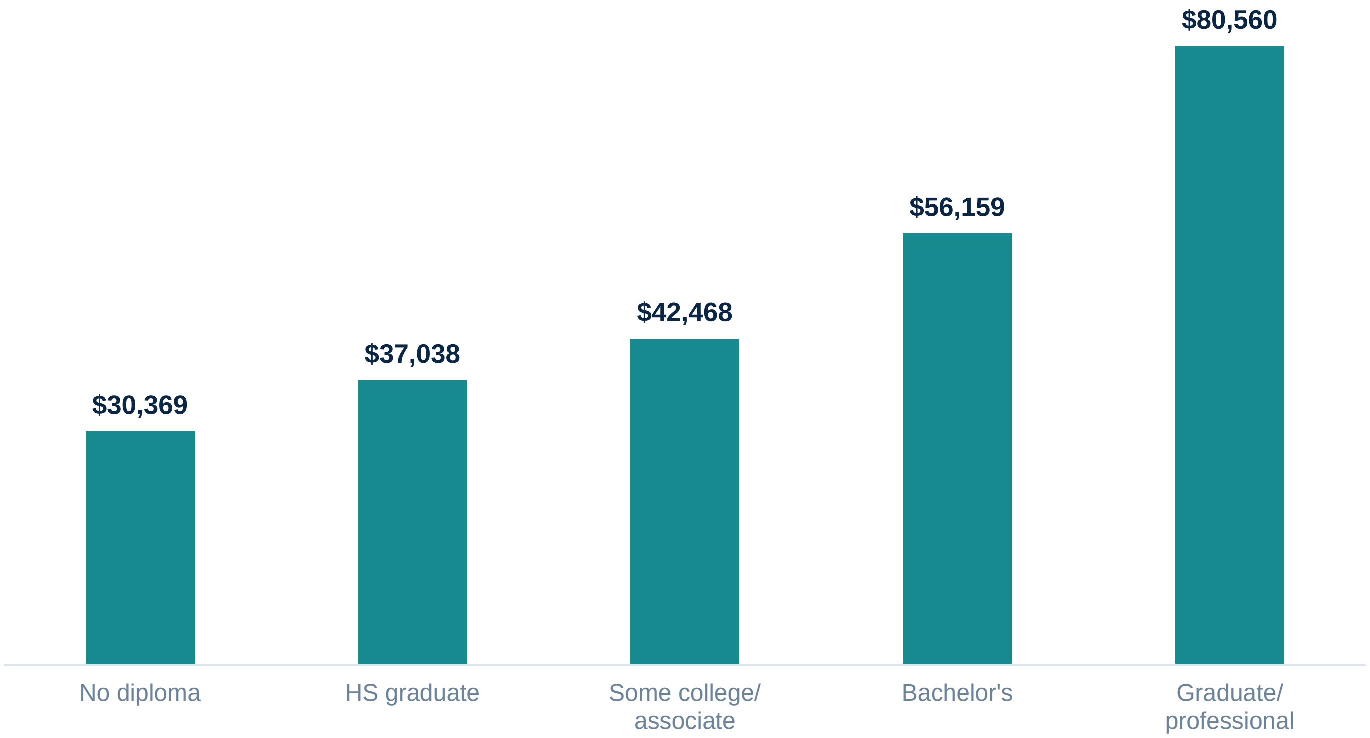
Share of adults 25+ at each education level, NM vs U.S.

New Mexico has a larger share of adults with no high school diploma (12.1% vs 10.1%) and a 4.3-point deficit at the bachelor's level (17.8% vs 22.1%).

Source: ACS 1-year 2024, Table B15003 · provisional

The Earnings Ladder: Your Starting Point Matters

KPI 1.2 · MEDIAN ANNUAL EARNINGS BY HIGHEST CREDENTIAL, NEW MEXICO (2024)



Every educational rung pays more than the one below it. Credentials are the single biggest lever for earnings.

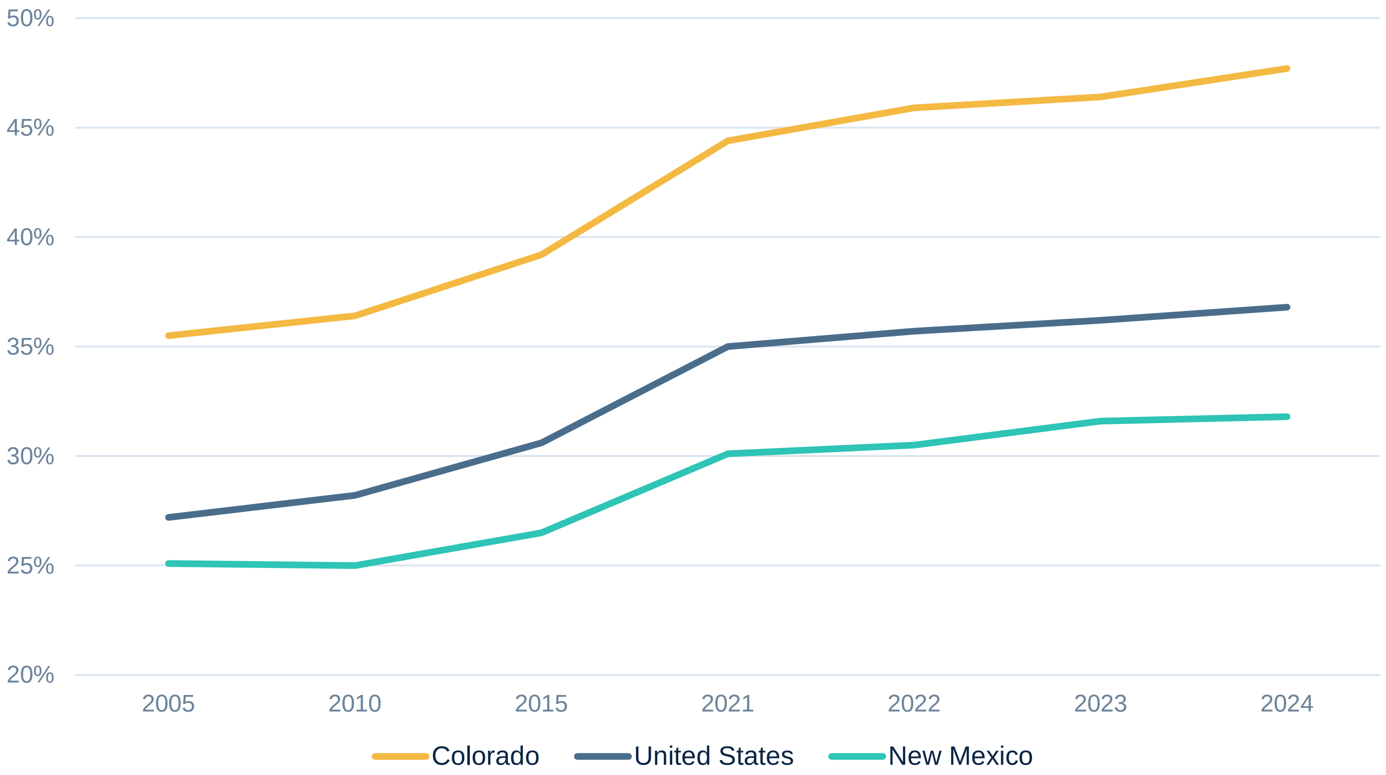
HS diploma: ~22% more than no diploma

Bachelor's: ~85% more than no diploma

Source: ACS 1-year 2024, Table S1501 / B20004 · provisional

Growing — but Not Catching Up

KPI 1.3 · BACHELOR'S DEGREE OR HIGHER, ADULTS 25+ (2005–2024)



New Mexico has gained ground in absolute terms, but slower than the nation — and far slower than fast-growing neighbors.

The NM-to-U.S. gap widened from ~2 points in 2005 to ~5 points in 2024; Colorado pulled away by more than 12 points over the same span.

Source: ACS 1-year, Table B15003 (B15002 pre-2012); no 2020 1-year release · provisional

How Does New Mexico Create More High-Wage Jobs?

SECTION 2 · EARNED INCOME

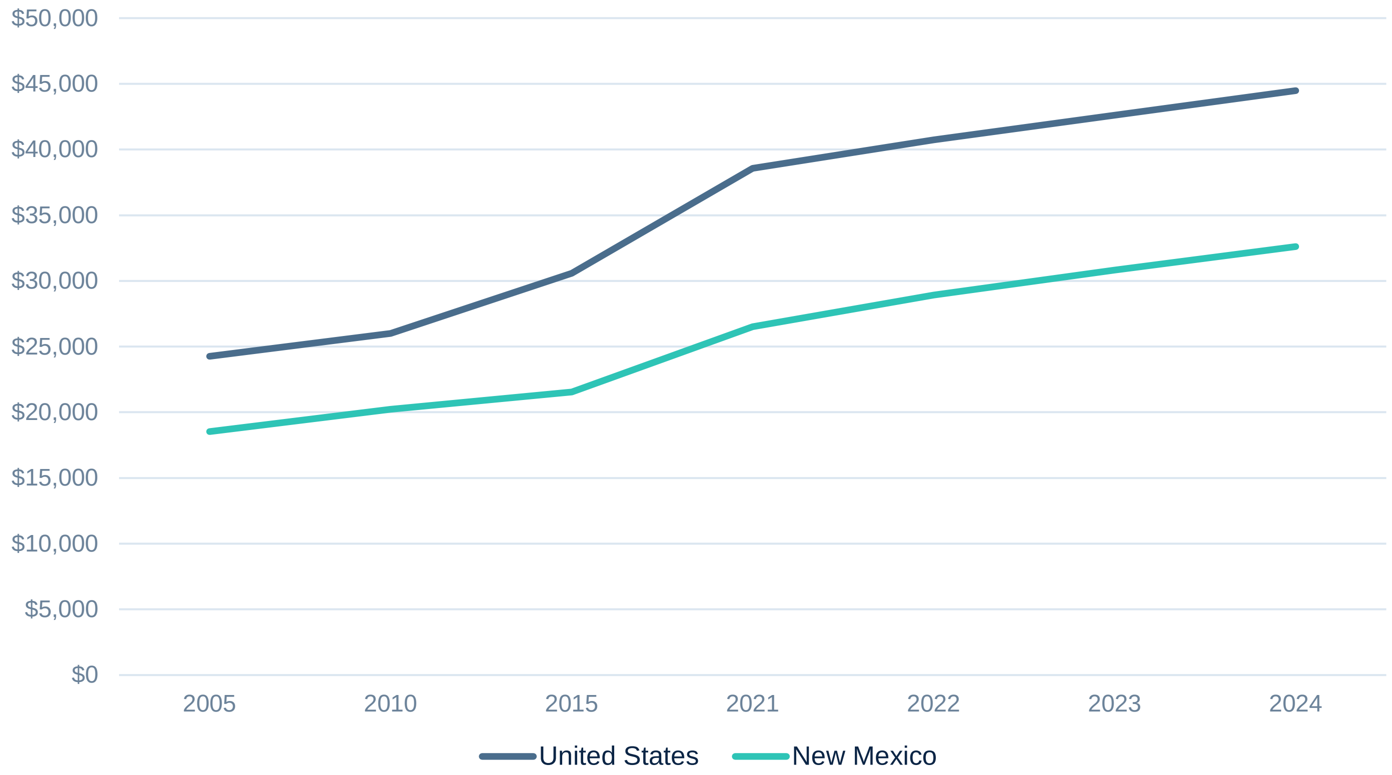
+$326

more each week — what the average New Mexico private-sector worker would need to reach the national average wage (about $17,000 a year).

New Mexico has had some of the lowest wages in the nation for two decades. Four KPIs trace how much New Mexicans earn from work, how the state compares with its peers, and how the mix of industries holds wages down.

Earnings Are Growing but Not Converging

KPI 2.1 · EARNED INCOME (NET EARNINGS) PER CAPITA, NM VS U.S. (2005–2024)



Income from work per person — wages, salaries, and proprietors' income — has risen in nominal terms since 2005.

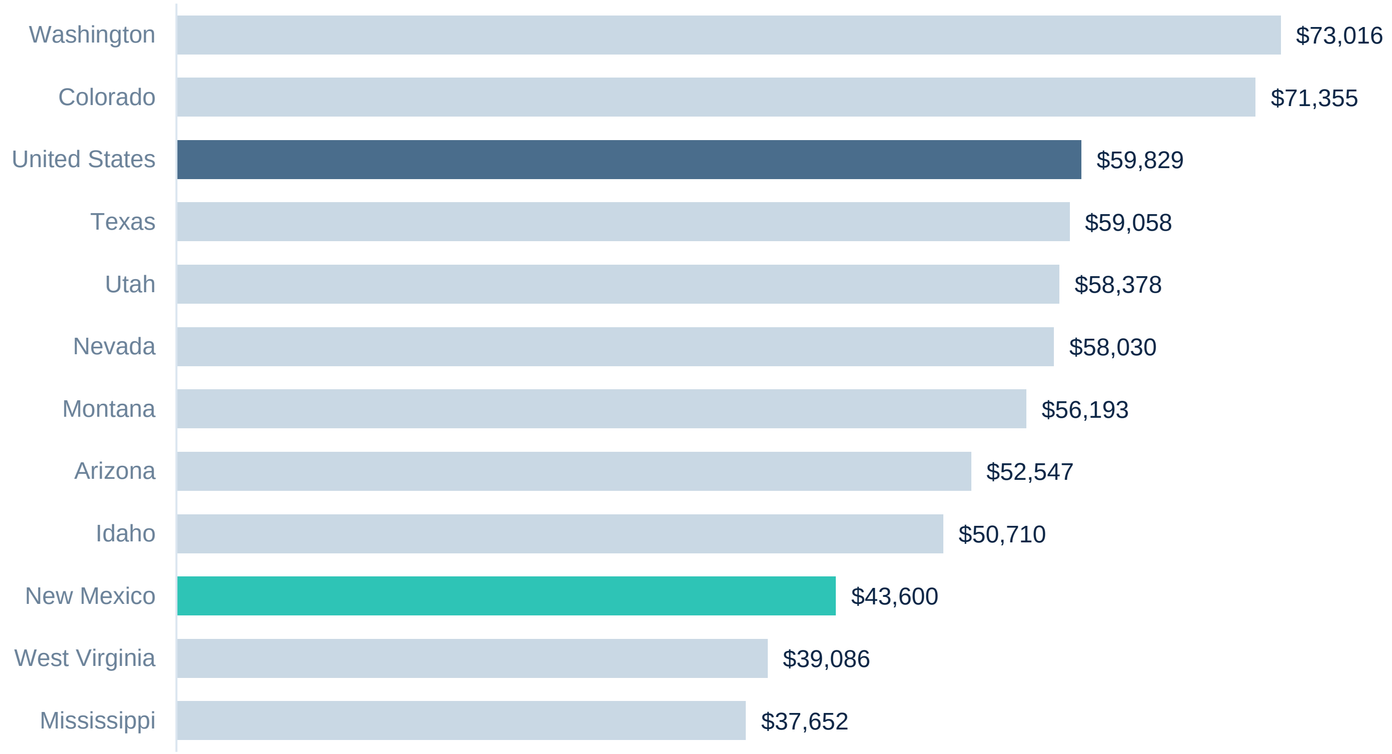
But New Mexico has held at roughly 73 cents on the national dollar, and its national rank (near #47) has not moved.

73¢ per national dollar · rank ~#47

Source: BEA SAINC30 line 120 (per-capita net earnings), dollars of the day · needs_review (measure pending)

Near the Bottom of the Peer Set on Market Income

KPI 2.2 · PERSONAL INCOME MINUS TRANSFERS PER CAPITA, NM VS PEERS (2024)



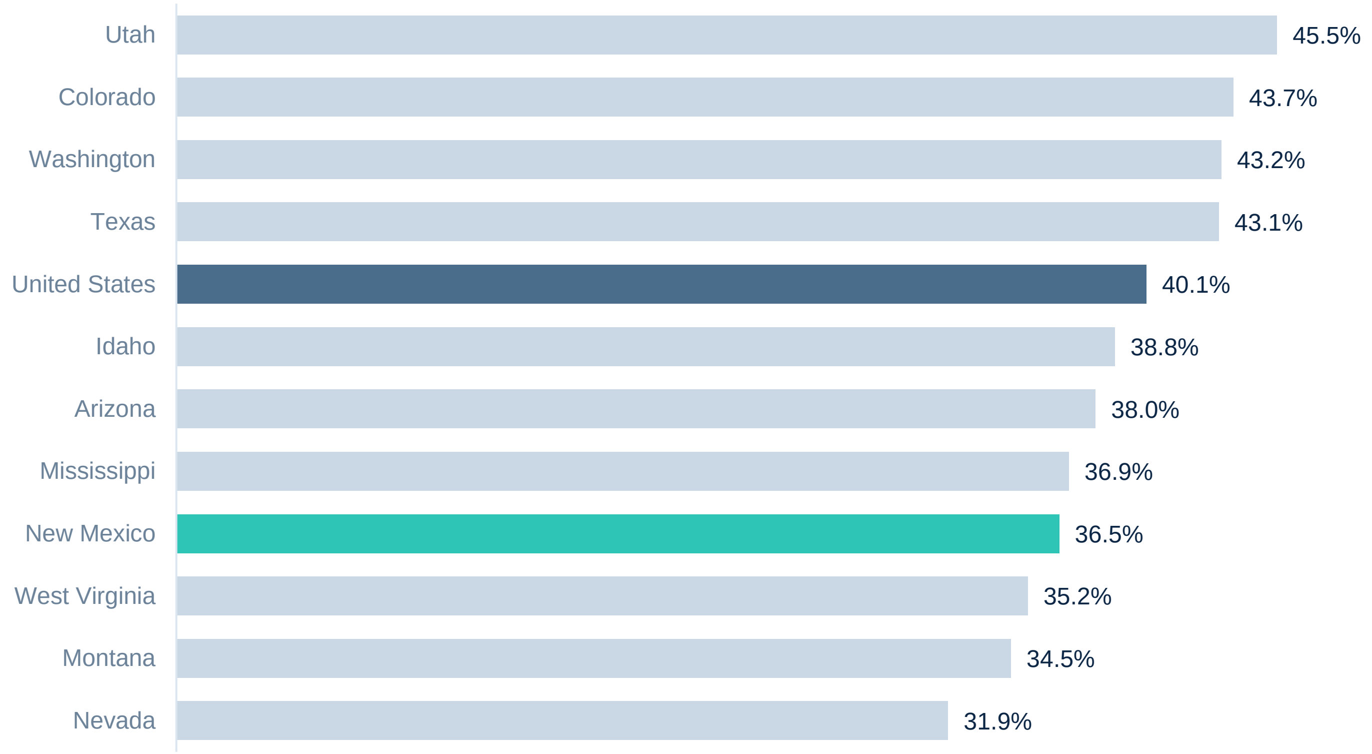
“Market income” — everything the economy delivers to residents from labor and capital, with government transfers removed.

New Mexico sits near the bottom of its peer set at $43,600, ahead of only West Virginia and Mississippi, and far behind Washington and Colorado (both above $71,000).

Source: BEA SAINC30, line 110 − line 130 · final (values verified)

Industry Mix Limits Wage Growth

KPI 2.3 · SHARE OF PRIVATE JOBS IN HIGH-WAGE SECTORS, NM VS PEERS (2024)



The share of private jobs in sectors whose average weekly wage exceeds the U.S. private-sector average.

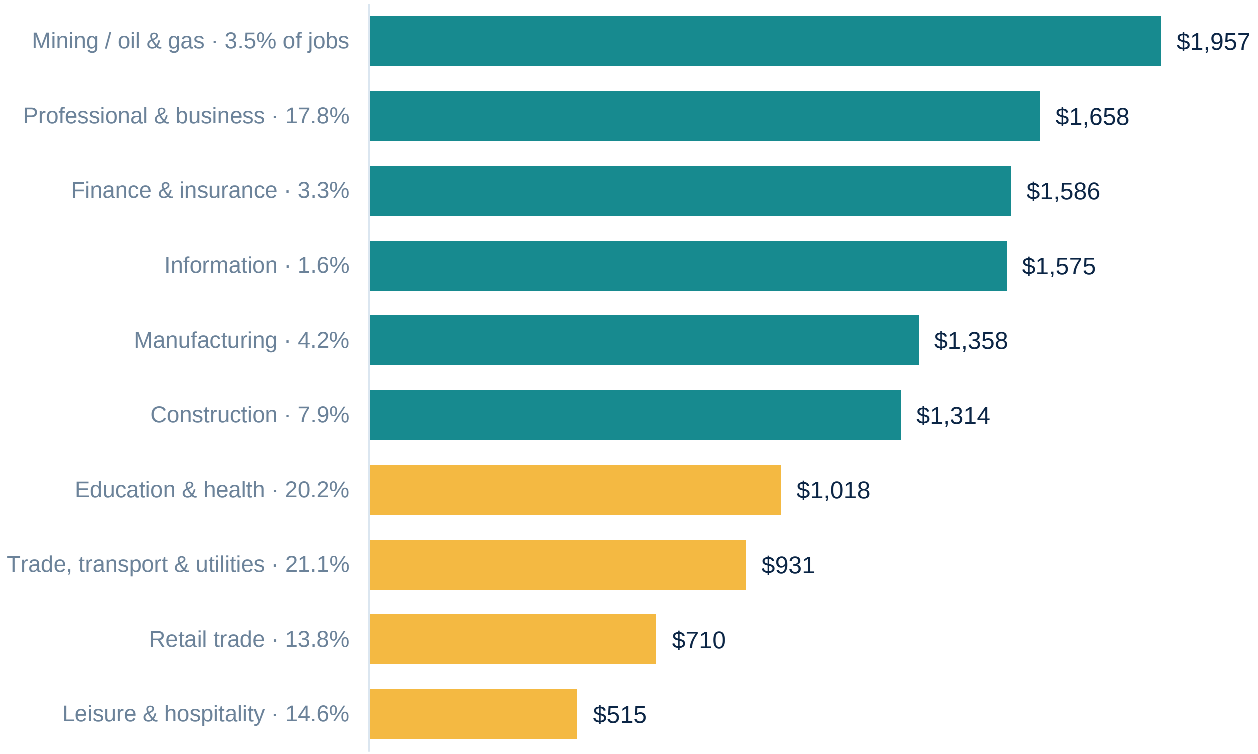
Only 36.5% of New Mexico's private jobs are in above-average-wage sectors, versus 40.1% nationally and 43–46% in Utah, Colorado, Washington and Texas.

The composition of the economy — not just pay within jobs — holds wages down.

Source: BLS QCEW 2024, high-wage sectors vs U.S. private average weekly wage · provisional

The Biggest Employers Pay the Least

KPI 2.4 · AVERAGE WEEKLY WAGE BY SECTOR, NEW MEXICO (2024)



New Mexico's highest-paying sectors are relatively small, while its largest employers (gold) cluster at the bottom of the wage scale.

Leisure & hospitality pays $515 a week and employs nearly 1 in 7 workers.

NM total private: $1,133/wk vs U.S. $1,459

Source: BLS QCEW 2024, sector average weekly wage & employment share · provisional

How Does the Economy Change When More New Mexicans Work?

SECTION 3 · EMPLOYMENT

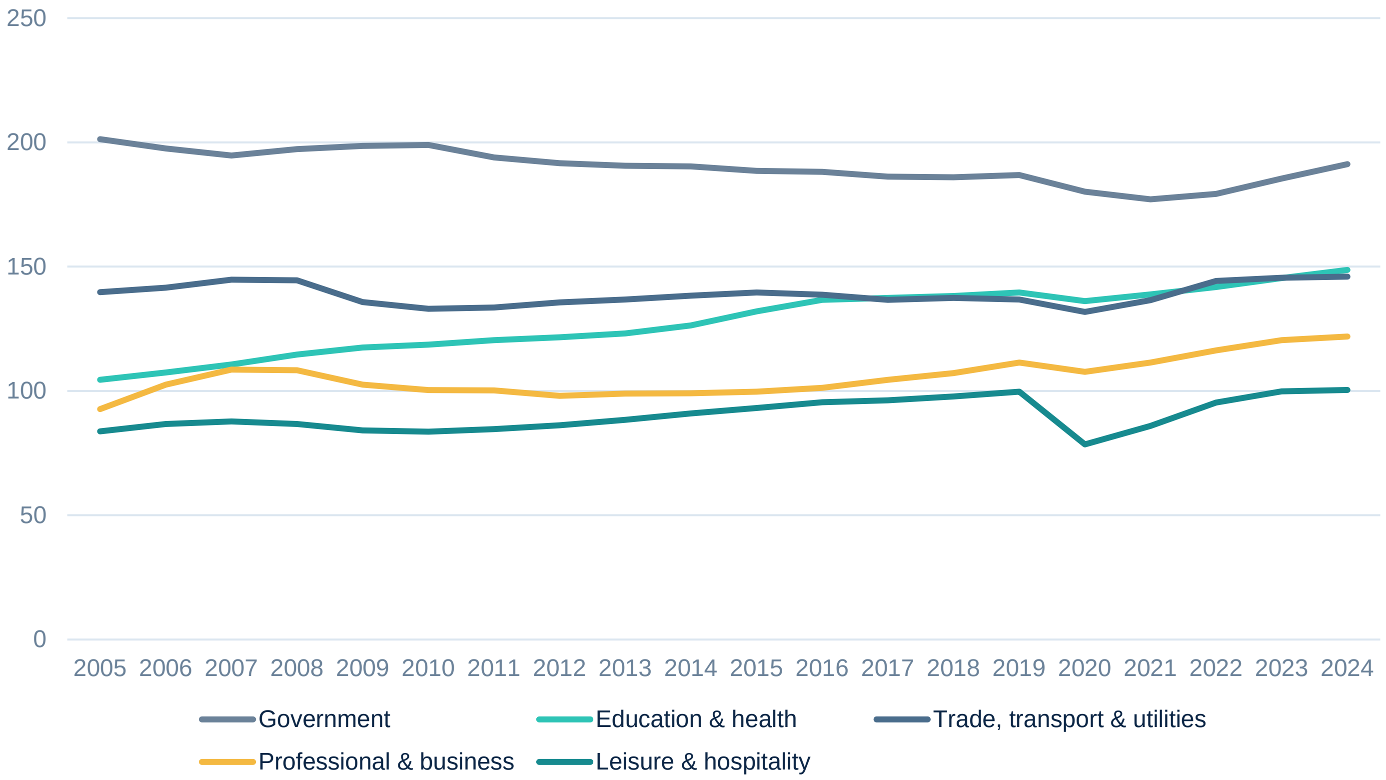
+38,471

more prime working-age New Mexicans (25–54) would need to join the labor force for the state to match the national participation rate.

Three KPIs connect job growth, participation, and the safety net — how the job base has shifted, who is in the labor force, and what happens to reliance on transfers when fewer people work.

Growing, and Shifting Toward Services

KPI 3.1 · NEW MEXICO EMPLOYMENT BY SECTOR, THOUSANDS OF JOBS (2005–2024)



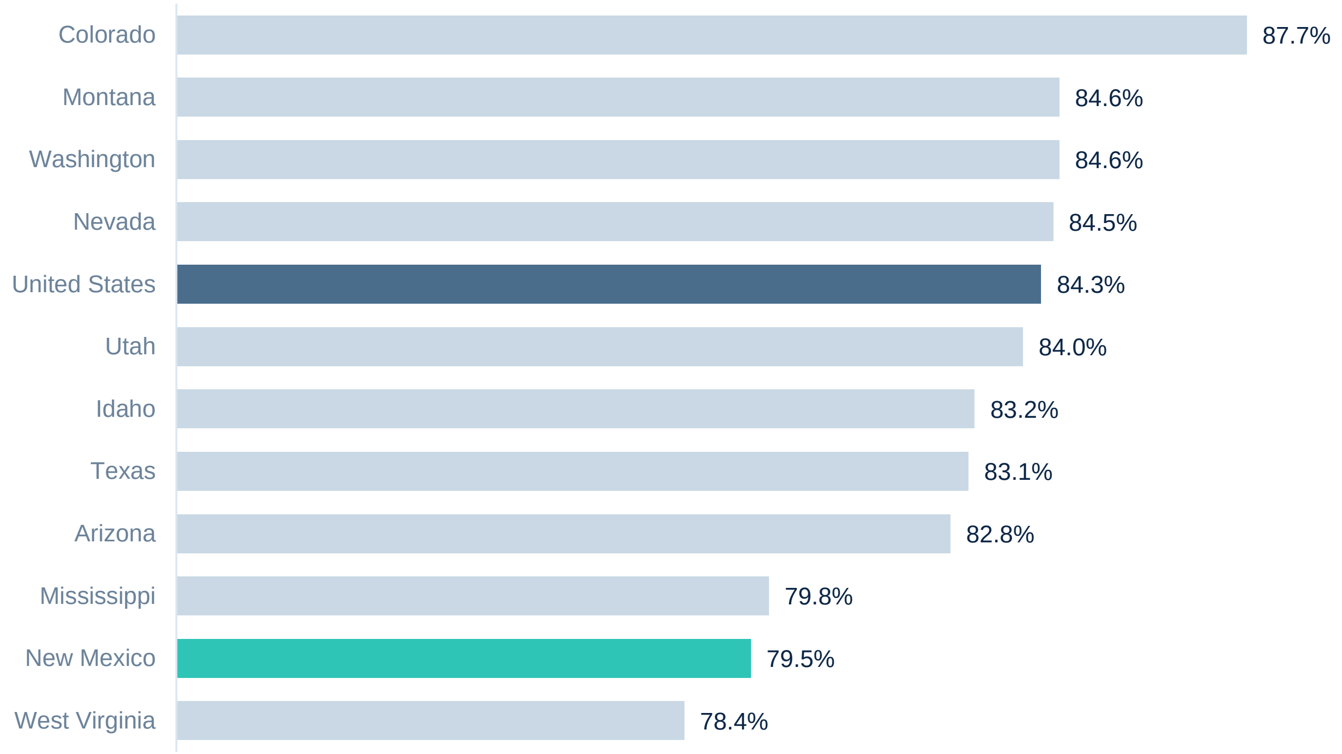
New Mexico's private job base grew about 15% since 2005, with almost all of the gain in education & health (+42%) and professional & business services (+31%).

Government employment shrank.

Source: BLS CES / state employment series, 2005–2024 · provisional

A 30-Year Structural Gap in Participation

KPI 3.2 · PRIME-AGE (25–54) LABOR FORCE PARTICIPATION, NM VS PEERS (2024)



The share of adults 25–54 who are working or actively looking for work.

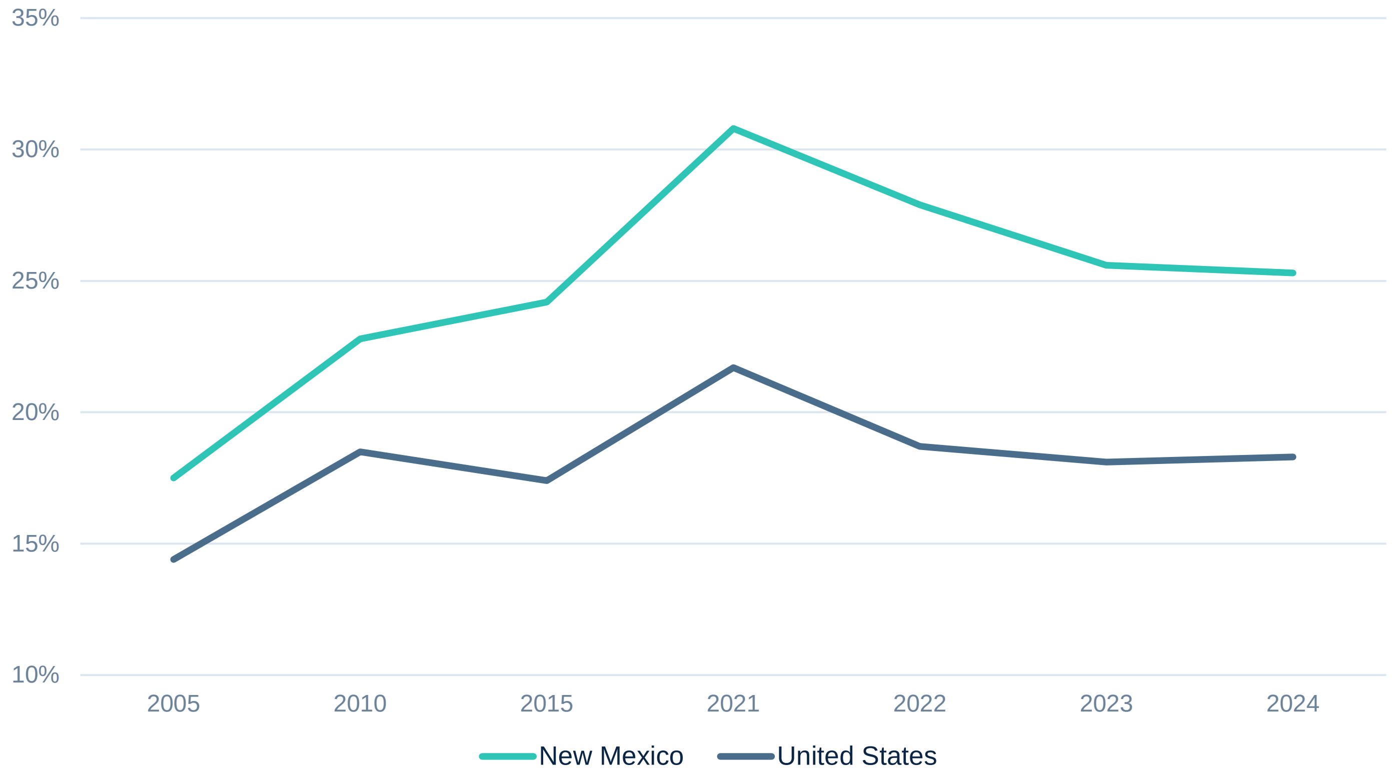
At 79.5%, New Mexico's prime-age participation trails the U.S. by 4.8 points and sits second-lowest among its peers, ahead of only West Virginia.

Matching the nation would mean about 38,471 more people in the labor force.

Source: ACS 1-year 2024, prime-age (25–54) LFPR + population · provisional

Reliance on Transfers Rises When Fewer People Work

KPI 3.3 · TRANSFER PAYMENTS AS A SHARE OF PERSONAL INCOME, NM VS U.S.



Government transfer receipts (Social Security, Medicaid/Medicare, SNAP, etc.) as a percent of total personal income.

Transfers made up 25.3% of New Mexico personal income in 2024 — up from 17.5% in 2005, and well above the national 18.3%.

Covid spike: 30.8% of personal income (2021)

Source: BEA SAINC30, line 130 ÷ line 110 · final (values verified)

Investment Strategies Matter

STRATEGY	HIGH-RETURN VERSION *Maximize impact and long-term gains*	LOW-RETURN VERSION *Limited impact and weaker results*
Grow population	Attract or retain specific workers with high earnings and high attachment to NM.	Pay for undifferentiated population growth.
Raise participation	Remove a binding barrier for people near employment.	Offer generic work programs without solving the real barrier.
Expand labor demand	Build public goods and only subsidize truly additional high-wage jobs.	Buy jobs that would have happened anyway.
Improve job quality	Raise annual earnings where state funding or monopsony gives leverage.	Raise nominal wages while reducing hours, jobs, or service access.
Raise productivity / skills	Train for real jobs with wage premiums and employer commitments.	Produce credentials without placement or wage gains.
Improve local capture	Convert existing activity into resident payroll and local business income.	Mandate local use without building local capacity.

Key Takeaway: High-return strategies target real constraints, leverage resources where they create the most impact, and build lasting economic strength. Low-return strategies spend more for less.

Explore the Dashboard

New Mexico Prosperity Dashboard — Pathways to Prosperity

Scan to explore the live dashboard