



LFC Presentation

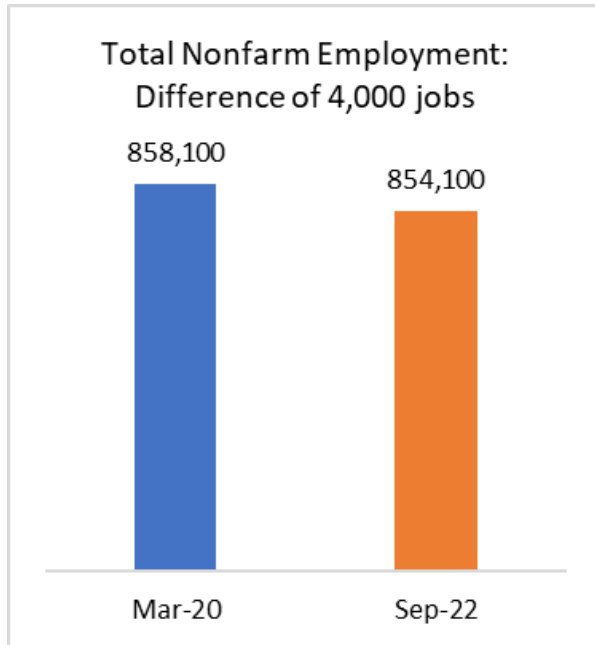
November 16, 2022

Sarita Nair

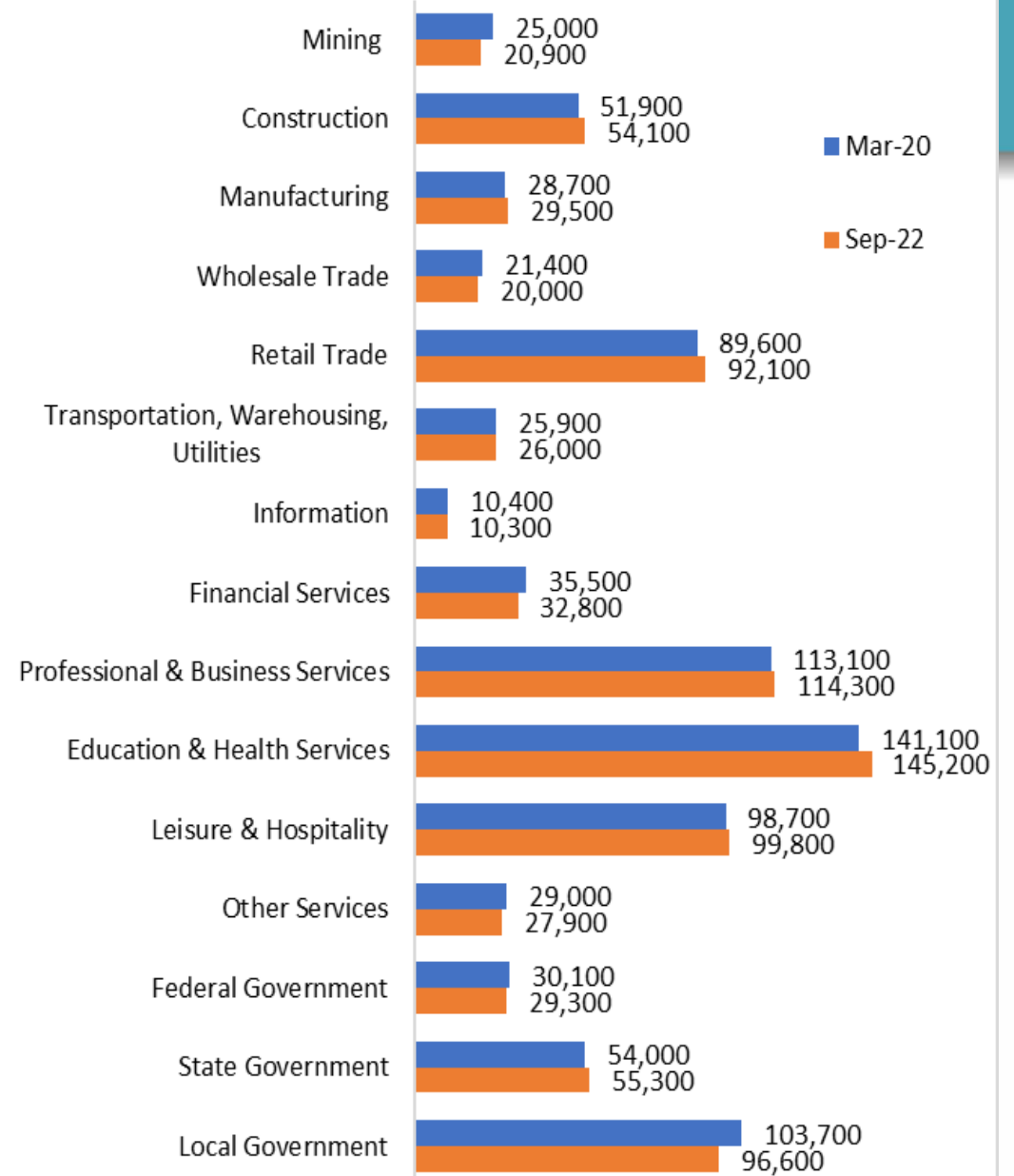
Acting Cabinet Secretary
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Good News

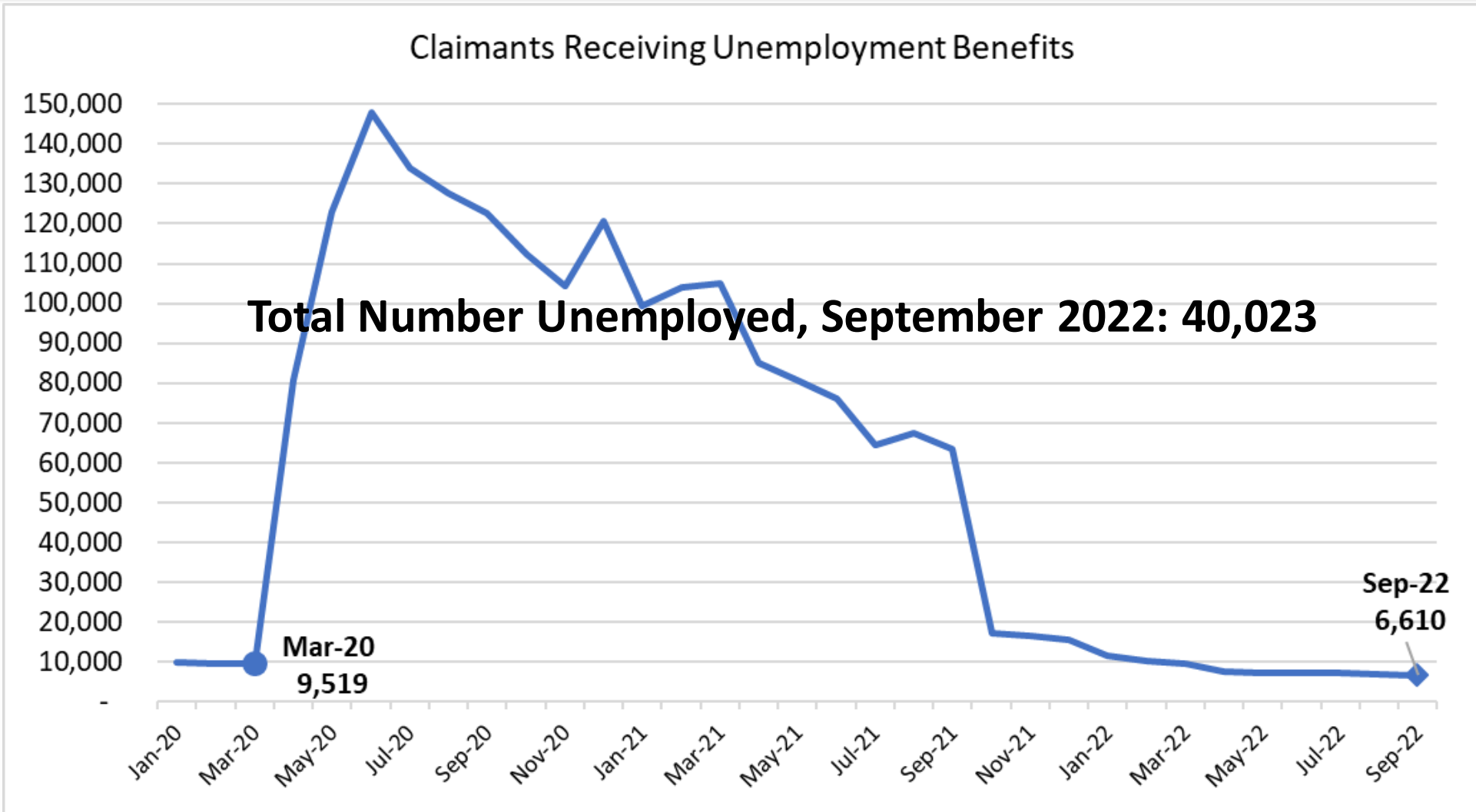
We Have Nearly Recovered from Pandemic Employment Losses



$$\text{Unemployment Rate} = \frac{\text{Unemployed}}{\text{Employed} + \text{Unemployed}}$$



Good News: Unemployment Claims are Down



Total number unemployed includes population receiving unemployment insurance benefits. Total # unemployed are seasonally adjusted. Source: LAUS. Claimants receiving unemployment insurance benefits comes from the ETA 203 reports. May 2020 - February 2022 represent data from the MTX report and represents counts of claimants receiving Unemployment Benefits the week of the 19th of the month.

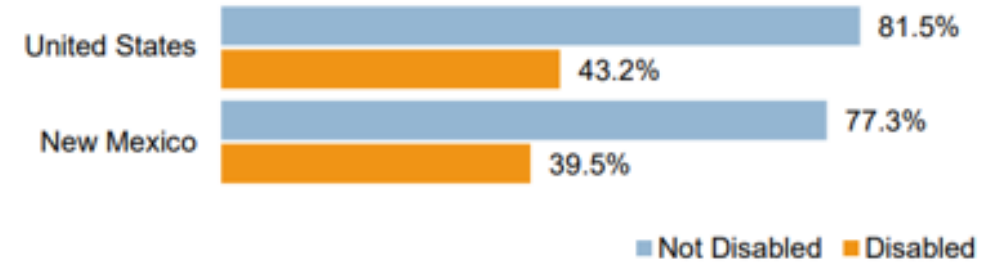
Not Good News: Labor Force Participation is Low

Labor Force Participation Rates by Race & Ethnicity, 2020

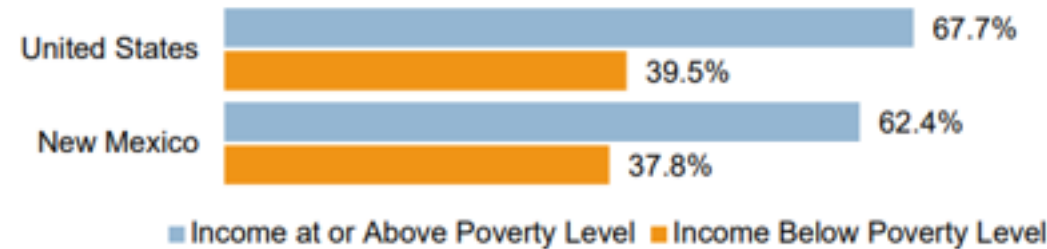
New Mexico Average Rate | 57.9%



Labor Force Participation Rates of the Population Living with a Disability, 2020



Labor Force Participation Rates of the Population Living in Poverty, 2020

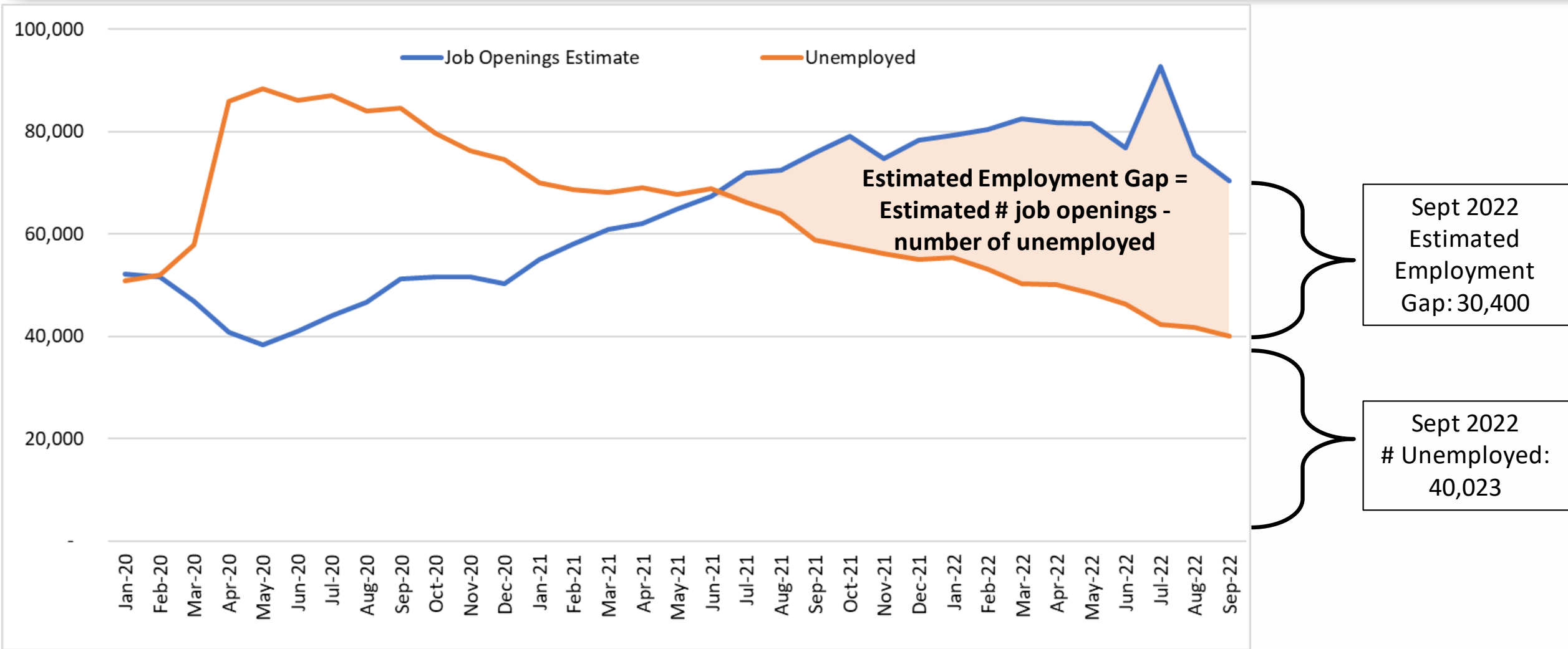


Out-of-School Youth Ages 16–19 Who Were Unemployed or not in the Labor Force



Labor Force Participation Rate = $\frac{\text{Employed} + \text{Unemployed}}{\text{Civilian noninstitutional population}}$

Our Challenge: Estimated Employment Gap



Sources: Estimated employment gap uses U.S. BLS Job Opening & Labor Turnover (JOLTS) seasonally adjusted job openings data and advertised job openings from WCOS. Unemployed data are seasonally adjusted and comes from the LAUS program. Sept 2022 data are preliminary.

Not Everything that is “Good” Fills the Employment Gap

| For the Population Currently Living and Staying in New Mexico | Impact on | | Fills Employment Gap? |
|--|--------------------------------|-------------------|-----------------------|
| | Labor Force Participation Rate | Unemployment Rate | |
| Stops working (illness, retirement, taking care of children full time) | ▼ | ▲ | No |
| Starts working (recovery from illness, exiting retirement, completion of higher ed, finding childcare) | ▲ | ▼ | Yes |
| Looking for work (recovery from illness, exiting retirement, completion of higher ed, finding childcare) | ▲ | ▲ | Yes |
| Stops working in a job and is actively looking for another one | No change | ▲ | No |
| Leaves one job for another | No change | No change | No |
| Goes to college full-time without working (short-term) But long-term better for fit between job openings and skill sets | ▼ | ▲ | No |

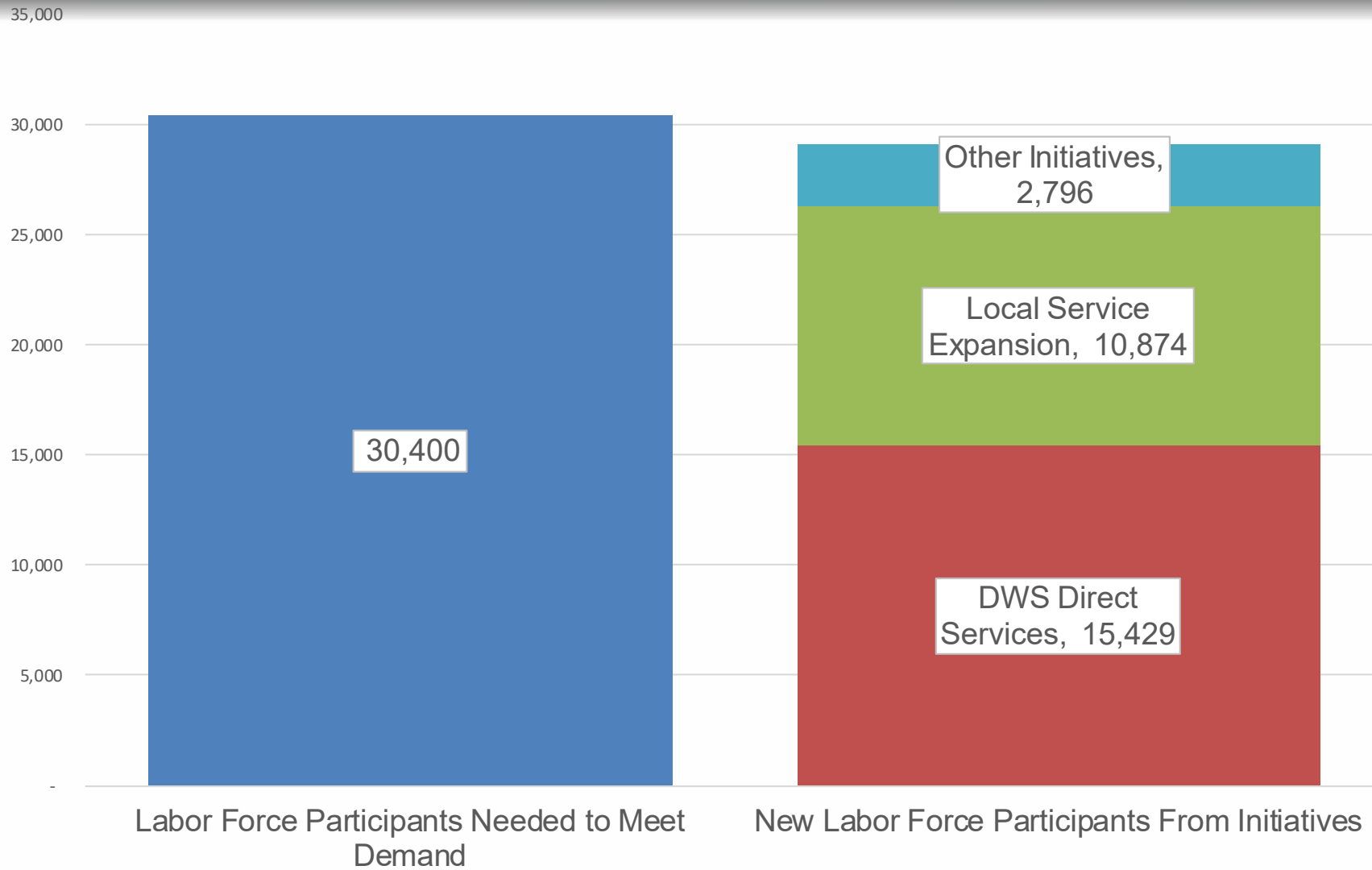
The Impact of Population Loss

| Components of Population Change for New Mexico, 2010 - 2021 | | | | | | | |
|---|------|------------------|---------|---------|---------------|---------------|----------|
| Total Change 2010 - 2021 | | Natural Increase | | | Net Migration | | |
| # | % | Total | Births | Deaths | Total | International | Domestic |
| 45,358 | 2.8% | 75,443 | 280,984 | 205,541 | (30,085) | 33,904 | (63,989) |

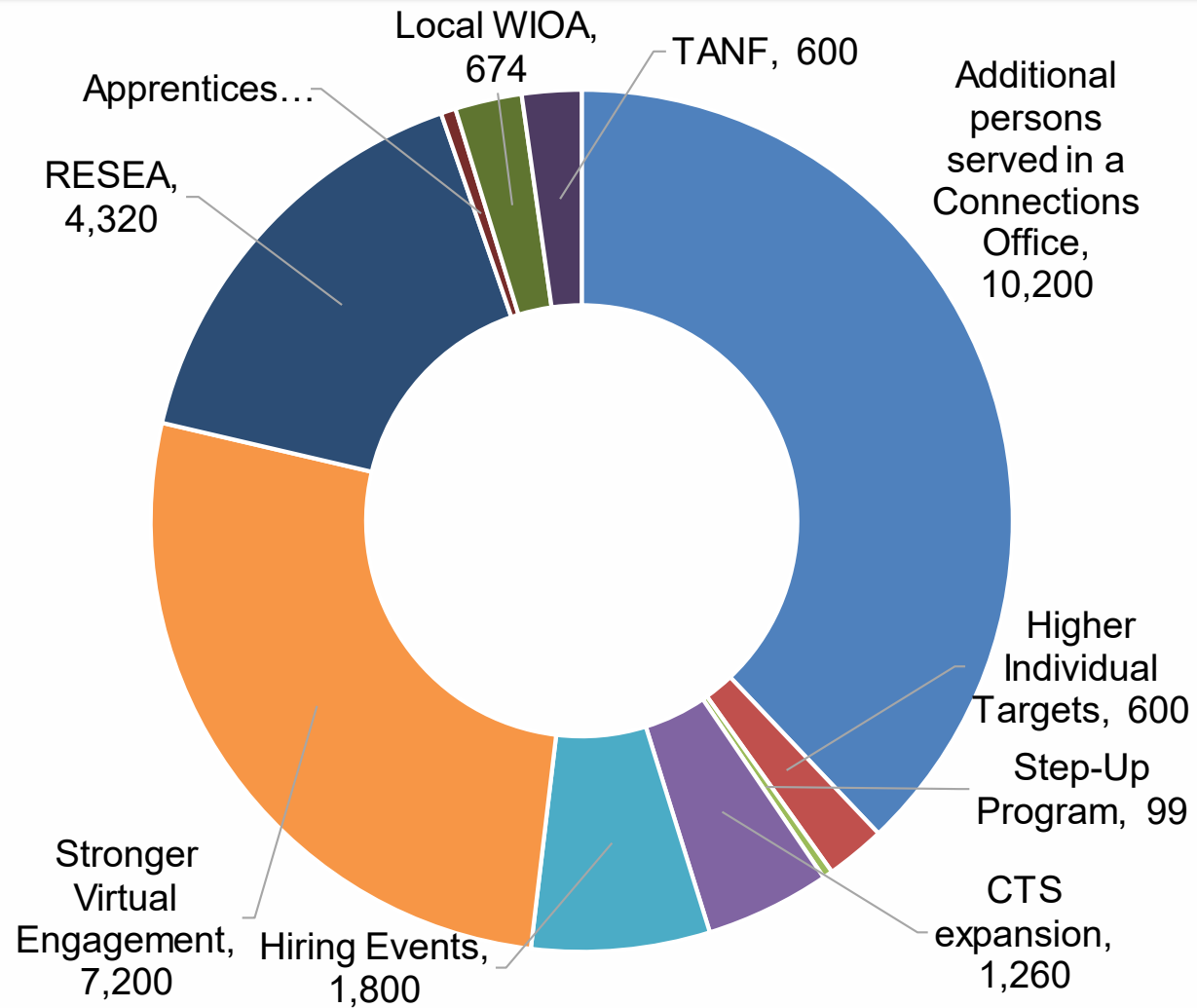
Source: U.S. Census Annual Population Estimates & Estimated Components of Resident Population Change

| For the Population Moving Into and Out of New Mexico | LFPR | Unemployment | Fill Gap? |
|--|------|--------------|-----------|
| Stops working in NM, moves to another state to work | ▼ | ▲ | No |
| Was actively looking for work in New Mexico, then moves to another state to work | ▼ | ▼ | No |
| Stops working in another state, moves to NM to start a job | ▲ | ▼ | Yes |
| Stops working in another state, moves to NM and is actively looking for work | ▲ | ▲ | Yes |
| Stops working in another state, moves to NM to retire | ▼ | No change | No |
| Was working in another state, moves to NM to remote work for same company | ▲ | ▼ | No |

Strategies for Filling the Gap



Increasing Participation in Existing Programs



2023 Requests

\$2.4 million for funding administrative positions from the General Fund

- Will bring indirect overhead (AS&T) from 39% (not approved) to 27.83%
- More funds for programs

\$238,550 for Labor Relations Division Staffing

- Increased applications related to film industry
- Department evaluating earned revenue options

\$2.2 million for Initiatives to Develop the State Government Workforce

- \$2,126,400 for state agency apprenticeships
- \$125,400 for rapid hire events and supports

2022 Special Appropriations

\$5 million for pre-apprenticeship and apprenticeship

- (1) Be Pro Be Proud - Introduce youths to technical careers through virtual reality experiences
- (2) Pre-Apprenticeship - Stipends and pathways for youth interested in technical and trades careers

\$5 million for case management

- (1) Upgrades to case management technology for referrals and unified entry
- (2) Youth case management – Embedded career specialists