

# IJC Session 2 Backgrounder

## July 19<sup>th</sup>, 2013

### Albuquerque, NM

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#### Predicament – “*The Number*”

For each deliberative session a backgrounder is produced that outlines the framework and the goals for the coming session. This is an early draft for session 2 which will be focused on answering the question:

***How many economic base jobs will New Mexico have to create in order to reach full employment and general prosperity (E > P) by 2023?***

#### **The Number - Economic Development Predicament**

An economic development strategic planning process cannot begin in earnest until there is consensus on *the minimum number of economic base jobs* that will be needed to reach full employment over the time frame being used. It is called “The Number” because it is the sum of:

- 1.) The economic base jobs needed to make up for jobs lost in the recession or jobs needed to get to full employment,
- 2.) The economic base jobs needed to support future population growth - expected or desired and
- 3.) The economic base jobs needed to replace those expected to be lost through attrition.

The objective of this session is to achieve consensus among Council Members on a series of calculation questions that lead to “**The Number**” of economic jobs. Follows are 10 instructions on how to fill out the Predicament Matrix found on page 4. We have provided an example from Sandoval County to help guide your process.

1. **Population delta**  
How many more (or less) people will live in the state by 2023?
2. **Workforce delta or total jobs needed for full employment.**  
How many people will be in the workforce by 2023? This requires a judgment call on what % of the population will be working age, willing and able to work.

3. **Full employment delta**  
How many jobs are needed to get to full employment? This requires a qualitative judgment about the portion of the working age population employable by 2023.
4. **Total Jobs Delta**  
How many total jobs will be needed to achieve full employment by 2023? (sum of lines 2 and 3)
5. **Economic base jobs calculation**  
How many economic base jobs are required to achieve the total jobs needed full employment by 2023? This will require consensus on definition and methodology.
6. **Economic base job attrition**  
How many economic base jobs should we expected to be lost during the decade? (20-50 %)
7. **The Number – The total economic base jobs needed**  
How many total economic base jobs need to be created by 2023 to support a (1) growth in population and any changes in workforce participation, (2) get to full employment, and (3) replace future economic base job losses. (sum of lines 5 and 6)
8. **The Annual Number – The number of economic base jobs needed every year**  
How many economic base jobs need to be created each year to be at full employment by 2023? (divide line 7 by 10)
9. **The “But For” Number**  
How many new economic base jobs must be created each year by formal economic development programs under this plan? Assumes some % of the state’s new economic base jobs will be created independently of formal economic development program efforts. The “But For” Number is the number of economic base jobs that would not be created “But For” the strategic investment of the state in formal economic development programming. How many economic base jobs will state and local job creation efforts have to target and account for in order to make **The “But For” Number**?

Follows is a blank worksheet of the matrix (Please fill in with your own arbitration):

	2013	2023	Calculus Used	Decade Deltas (Descriptions)
<b>Population</b>	2,085,538		Growth Rate: ___/year	_____ (Change in New population)
<b>Workforce</b>	935,890		Participation Rate (2013): 44.9%	_____ (Change in Jobs for population growth)
<b>Unemployed</b>	64,591		Unemployment Rate: 6.9%>4%	_____ (Jobs to get from 6.9% to to 4%)
<b>Employed</b>	871,229		Employment Rate: 93.1%>96%	_____ (Total jobs needed at 4%)
<b>E-base Jobs</b>	304,930		<b>Economic Base Ratio (2013): 35%</b>	_____ (E-base needed for full employment)
<b>E-base Attrition</b>			<b>Economic Base Attrition: x5</b>	_____ (To replace E-base jobs lost)
<b>Total E-base Needs</b>				_____ (Total E-base jobs needed)
<b>Annual E-base</b>				_____ (Average needed per Year)
<b>Program Reliant</b>			<b>"But for" Factor</b>	How many are procured by programs vs automatically?

During Session 2, the Legislative Jobs Council will deliberate over these numbers and come to a consensus on what numbers should be decided.