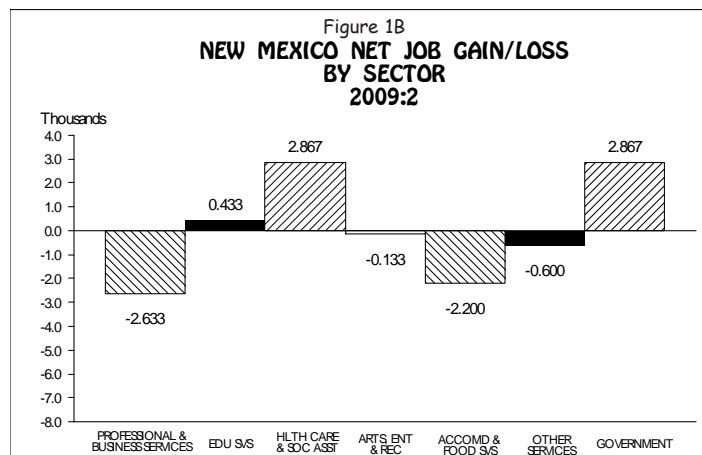
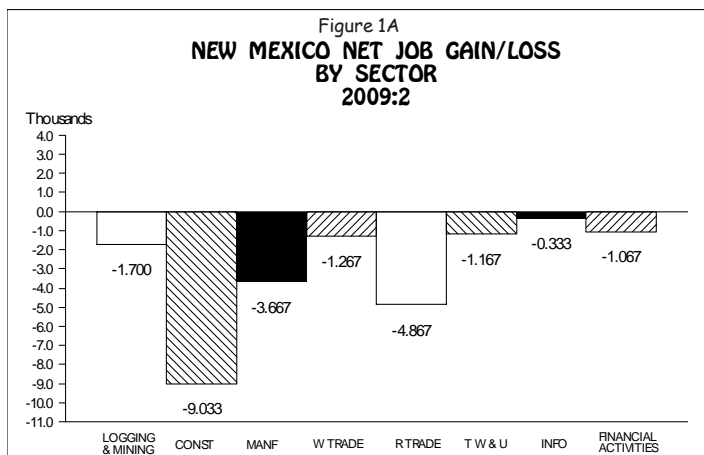


### The New Mexico Economy: Recent Developments and Outlook



#### Review

The recession in the New Mexico economy not only continued through the second quarter of 2009, it deepened. Nonfarm employment posted a 2.6% decline, on the heels of a 1.6% drop in the previous quarter, and a 0.6% decrease in the fourth quarter of 2008. New Mexico personal income growth slid to 2.8% during the first quarter of 2009, following a 4.6% gain in the fourth quarter of 2008. The second quarter unemployment rate, seasonally adjusted, jumped to 6.4% from 5.5% in the preceding quarter, but it still seems pretty low, given the employment and income growth rates.

The 2.6% employment drop during the second quarter equated to a net loss of 22,500 jobs, compared to a year earlier. Only two sectors showed significant (net) job gains, and only one other showed any gain at all

The two sectors exhibiting substantial gains were usual standby health care & social assistance, and government, each of which added 2,867 jobs. Percentage-wise, the increases were 2.8% and 1.4%, respectively. The federal sector added 1,600 jobs (5.2%), largely due to the 2010 Census. Local government employment also added 1,600 jobs (1.5%). Much of that gain came in Indian enterprise (casinos, resorts, hotels, etc.). The Indian enterprise boom is likely over for now, though, a victim of the sinking economy. The only other sector showing a net employment increase during the second quarter was educational services (433 jobs, 3.2%). See Figures 1A and 1B above and Figures 2A and 2B on page 8.

The sector posting the largest net job loss was again the construction sector, which shed 9,033 jobs, a 15.4% drop. Permits for new housing construction continued to plunge. The total number of permitted units was down 36.3% during the second quarter, the 13<sup>th</sup> consecutive quarter of double-digit (year-over-year) declines. Single-family permits dropped 26.5%, while multi-family permitted units plunged 83.2%. The total dollar value of all construction contracts awarded during the second quarter of 2009 posted an 8.3% decline. Residential contracts were off 39.2% and non-residential building contracts dropped 38.6%. In counterpoint, contracts for non-building construction jumped 43.3%. A large chunk of the non-building gain was for roads and highways.

Retail trade was the next hardest hit, with numerous bankruptcies, closings, and downsizings. Retail trade employment dropped by 4,867 in the second quarter (-5.1%), compared to the second quarter of 2008.

The manufacturing sector continued to suffer, shedding another 3,667 jobs (-10.4%). Many of the losses came at Intel and Eclipse Aviation, but many other firms experienced contractions or closures, including Emcore and Aero Mechanical Industries.

The accommodation & food services sector surrendered 2,200 jobs, a 2.8% decline. Restaurants have been particularly vulnerable in this economy, as consumers watch and wait for better times.

The logging & mining sector saw its string of 23 consecutive quarterly employment increases come to an end during the first quarter of the year. The second quarter brought a further decline of 1,700 jobs (-8.1%). Six hundred miners were laid off at the Freeport-McMoRan copper mining complex in Grant County, and another 230 layoffs came at the Chevron Mining (formerly MolyCorp) molybdenum mine in Taos County. The potash industry was also subject to some setbacks. Intrepid Potash, operator of two mines and one granular compaction plant in Eddy County, recently shut down each of the three facilities for two weeks, and reduced operations by one crew shift immediately thereafter. Mosaic Potash, also operating in Eddy County, furloughed 210 workers for two weeks in February, citing low demand.

Several other sectors endured job losses of more than 1,000. These included wholesale trade (-1,267 jobs, -5.3%), transportation/warehousing/utilities (-1,167 jobs, -4.7%), and financial activities (-1,067 jobs, -3.1%). Each of the remaining sectors, information, arts/entertainment/recreation, and other services, lost between 100 and 600 jobs.

On the other hand, the state has benefited recently from strong growth in military employment. The gain is mostly due to the repopulation of Cannon Air Force Base in Curry County and a new engineering battalion at White Sands Missile Range.

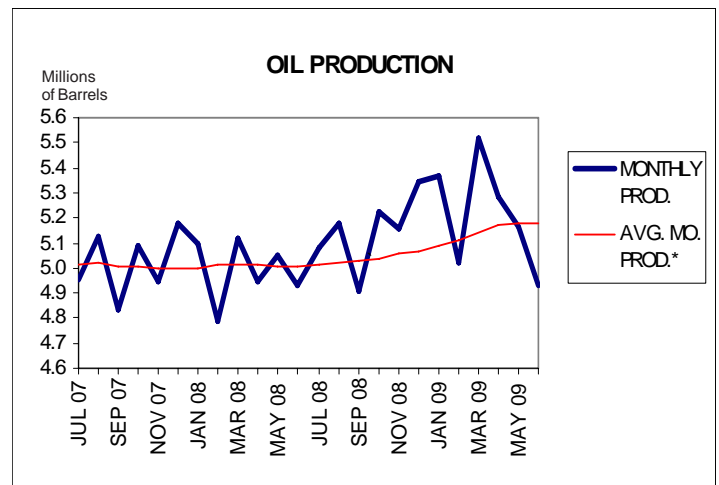
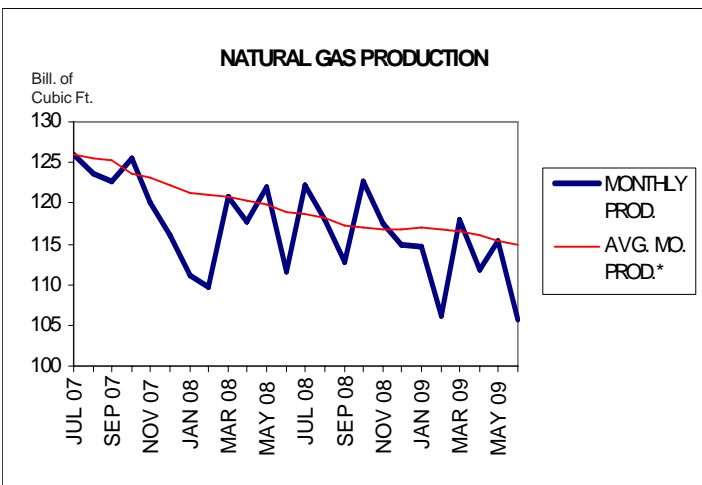
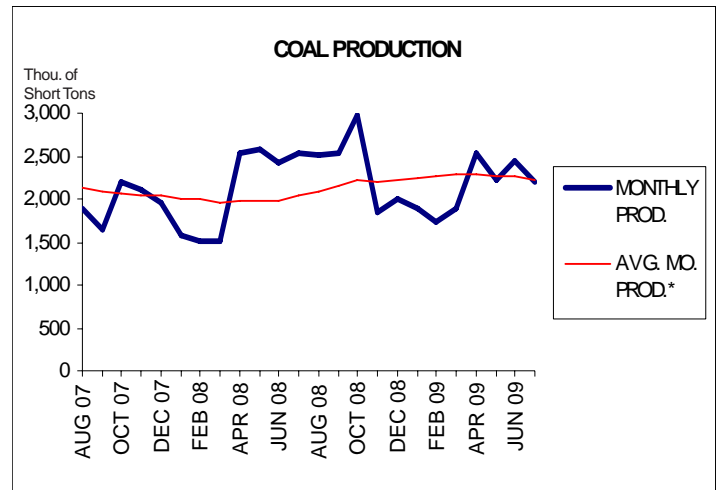
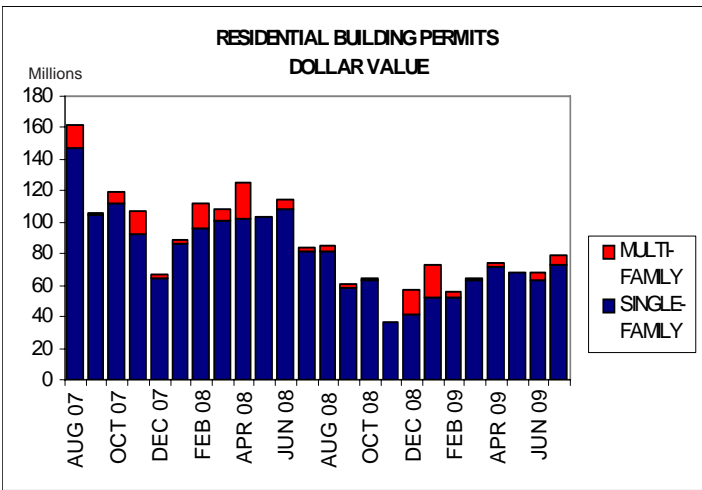
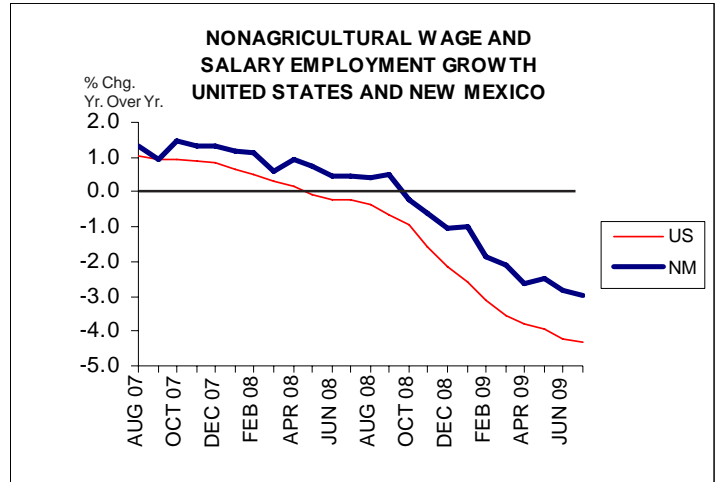
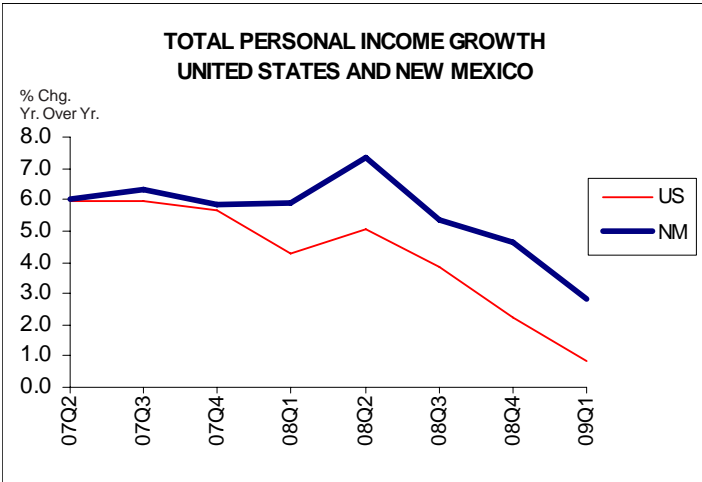
(continued on page 7)

### Eleventh Annual New Mexico Data Users Conference

November 5, 2009

For an agenda and registration form go to  
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## CURRENT NEW MEXICO AND U.S. ECONOMIC INDICATORS



\* 12 month average. For example, the point for July 2009 represents an average of data from August 2008 through July 2009.

## U.S. ECONOMIC INDICATORS

	Current		% Chg. Year Ago	Previous Mo./Qtr. Data
	Mo./Qtr.	Data		
<b>Consumer Price Index (1982-84=100)</b>				
<b>All Urban Consumers</b>				
All items	Jul 09	215.4	-2.1	215.7
Food and Beverages	Jul 09	217.6	1.1	218.0
Housing	Jul 09	218.1	-0.7	218.1
Apparel	Jul 09	115.6	1.1	118.8
Transportation	Jul 09	182.8	-14.1	183.7
Medical Care	Jul 09	375.7	3.2	375.1
Other Goods and Services	Jul 09	372.9	7.5	370.6
<b>Urban Wage Earners and Clerical Workers</b>				
All Items	Jul 09	210.5	-2.7	211.0
Gross domestic product <sup>1</sup> (\$Bil. constant)	2Q 09	\$12,892.5	-3.9	\$12,925.4
Prime interest rate <sup>2</sup> (% per annum)	Jul 09	3.25	-	3.25
Mortgage interest rate <sup>3</sup> (% per annum)	Jul 09	5.40	-	5.17
3 month treasury bill <sup>4</sup> (% per annum)	Jul 09	0.19	-	0.17
Industrial production <sup>5</sup> (2002=100)	Jul 09	96.0	-13.0	95.5
Manufacturers new orders <sup>5</sup> (\$Bil.)	Jul 09	\$355.5	-23.2	\$350.9

**Note:** Selected data items subject to revision. **1** 2005 dollars at seasonally adjusted annual rates. **2** Closing rate for month. **3** Effective rate (in the primary market) on conventional mortgages reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years. **4** High bill rate at auction, issue date within period, bank-discount basis. Data are stop yields from uniform-price auctions. **5** Monthly data seasonally adjusted. **Source:** U.S. Bureau of Labor Statistics, consumer price index data; U.S. Council of Economic Advisors, *Economic Indicators*, all other data.

## NEW MEXICO AND U.S. ECONOMIC COMPARISONS

	New Mexico				United States		
	Current Mo./Qtr.	Current Mo./Qtr. Data	% Chg. Year Ago	Previous Mo./Qtr. Data	Current Mo./Qtr. Data	% Chg. Year Ago	Previous Mo./Qtr. Data
Employment (000)	Jul 09	893.8	-3.3	892.7	141,055	-4.0	140,826
Unemployment rate (%)	Jul 09	7.5	-	7.3	9.7	-	9.7
Nonagricultural employment (000)	Jul 09	816.3	-3.0	825.8	131,127	-4.3	132,625
Personal income <sup>1</sup> (\$Mil.)	1Q 09	\$64,366	2.8	\$64,336	\$12,037,360	0.8	\$12,100,935
Housing units permitted							
Single	Jul 09	435	3.3	352	46,112	-17.2	46,231
Multi	Jul 09	70	218.2	30	8,575	-71.6	13,258

p Preliminary.

<sup>1</sup> Quarterly data seasonally adjusted at annual rates.

Note: Selected data items subject to revision.

Sources: New Mexico Dept. of Workforce Solutions and U.S. Bureau of Labor Statistics, employment and unemployment data;

U.S. Dept. of Commerce, Bureau of Economic Analysis, income data; U.S. Dept. of Commerce, Bureau of the Census and

individual permit-issuing agencies, construction data.

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To comply with the American Disability Act this publication can be provided in an alternate format.

**NEW MEXICO ECONOMIC INDICATORS**

	Current Mo./Qtr.	Current Data	%Chg. From a Year Ago	12-Mo./4-Qtr. Averages	
				Current	% Chg. From Previous <sup>1</sup>
<b>1. GENERAL</b>					
Civilian labor force <sup>2</sup> (000s)	Jul 09	965.7	-0.5	958.4	0.4
Employment (000s)	Jul 09	893.8	-3.3	905.8	-1.4
Unemployment (000s)	Jul 09	72.0	55.8	52.6	47.7
Unemployment rate (%)	Jul 09	7.5	-	5.5	-
Weekly new unemployment insurance claims	Jul 09	1,835	36.5	1,915	65.2
Nonagricultural wage & salary employment <sup>r,3</sup> (000s)	Jul 09	816.3	-3.0	835.7	-1.4
All industries average weekly wages (\$) <sup>p,4</sup>	1Q 09	\$723	0.7	\$731	3.2
Personal income <sup>5</sup> (\$ mil.)	1Q 09	\$64,366	2.8	\$64,261	5.0
<b>2. AGRICULTURE</b>					
Receipts for all agricultural commodities (\$ mil.)	Jun 09	\$213.5	-22.3	\$233.0	-10.6
Livestock (\$ mil.)	Jun 09	\$144.8	-26.9	\$175.7	-11.6
Crops (\$ mil.)	Jun 09	\$68.7	-10.5	\$57.3	-7.1
Milk production (mil. lbs.)	Jul 09	658	-2.8	662	3.1
Milk cows (000s head)	Jul 09	321	-5.6	332	-1.2
Milk per cow (lbs. per head)	Jul 09	2,050	3.0	1,993	4.5
<b>3. MINING &amp; LOGGING</b>					
Total employment <sup>r,3</sup> (000s)	Jul 09	19.4	-10.2	20.3	0.3
Mining average weekly wages (\$) <sup>p,5</sup>	1Q 09	\$1,287	-2.4	\$1,300	5.1
Coal production (000 short tons)	Jul 09	2,204	-12.8	2,156	5.7
Oil sales (\$ mil.)	Jun 09	\$325.3	-49.5	\$335.4	-28.5
Oil volume of production (mil. bbls.)	Jun 09	4.9	0.0	5.2	3.6
Gas sales (\$ mil.)	Jun 09	\$403.5	-69.1	\$646.5	-35.3
Gas volume of production (bil. cf.)	Jun 09	105.6	-5.4	115.0	-3.3
<b>4. CONSTRUCTION</b>					
Total employment <sup>r,3</sup> (000s)	Jul 09	50.2	-13.1	52.6	-10.7
Average weekly wages (\$) <sup>p,4</sup>	1Q 09	\$750	0.9	\$782	7.4
Residential units permitted	Jul 09	505	14.0	394	-34.7
Residential building permit value (\$ mil.)	Jul 09	\$78.8	-6.1	\$65.5	-39.4
Nonresidential const. contract value (\$ mil.)	Jul 09	\$148.4	30.6	\$112.0	-3.6
Nonbuilding const. contract value (\$ mil.)	Jul 09	\$72.4	41.3	\$134.1	116.2
<b>5. MANUFACTURING</b>					
Total employment <sup>r,3</sup> (000s)	Jul 09	31.5	-11.3	33.4	-7.0
Average weekly wages (\$) <sup>p,4</sup>	1Q 09	\$967	2.3	\$919	-0.8
<b>6. WHOLESALE TRADE</b>					
Total employment <sup>3</sup> (000s)	Jul 09	22.9	-5.0	23.2	-3.2
Average weekly wages (\$) <sup>p,4</sup>	1Q 09	\$905	-0.5	\$913	1.7
<b>7. RETAIL TRADE</b>					
Total employment <sup>r,3</sup> (000s)	Jul 09	90.3	-6.5	94.0	-3.0
Average weekly wages (\$) <sup>p,4</sup>	1Q 09	\$467	-0.8	\$476	0.4
Taxable gross receipts (\$ mil.) <sup>f,*</sup>	2Q09	\$3,703.6	-10.8	\$3,733.8	-3.9
<b>8. TRANSPORTATION, WAREHOUSING &amp; UTILITIES</b>					
Total employment <sup>r,3</sup> (000s)	Jul 09	22.8	-3.8	24.0	-4.3
Transp. & warehousing average weekly wages (\$) <sup>p,4</sup>	1Q 09	\$715	-1.8	\$767	2.4
Utilities average weekly wages (\$) <sup>p,4</sup>	1Q 09	\$1,487	1.0	\$1,357	5.4
<b>9. INFORMATION</b>					
Total employment <sup>r,3</sup> (000s)	Jul 09	15.4	-1.3	15.9	-2.2
Average weekly wages (\$) <sup>p,4</sup>	1Q 09	\$836	5.2	\$807	7.4

\* Data from quarterly gross receipts reports may differ from monthly averages. **na** Not available. **p** Preliminary. **r** Revised. **1** For example, in the report that contains July 2009 figures this would be the percent change from the average of Aug. 2007-July 2008 to the average of Aug. 2008-July 2009. For quarterly data, the average column represents the average of four quarters. **2** Number of employed and unemployed persons by place of residence. **3** Number of jobs by place of work. **4** Wages represent gross pay, including commissions, bonuses and over time. **5** Quarterly data seasonally adjusted at annual rates. **6** Does not include insurance and real estate agents working on commission. **7** Includes Albuquerque, Rio Rancho, Bernalillo/Algodones, Placitas, Corrales, the East Mountains and Valencia County. **8** Includes Santa Fe City and Santa Fe County only. **9** Based on information from Santa Fe Assoc. of REALTORS® MLS for the period Apr. 2009 to Jun. 2009. This representation is based in whole or in part on data supplied by SFAR MLS who does not guarantee nor is in any way responsible for its accuracy. Data maintained by SFAR MLS may not reflect all real estate activity in the market. **10** Commercial passenger traffic includes enplanements and deplanements. **11** Includes recurring and non-recurring revenues.

## NEW MEXICO ECONOMIC INDICATORS (continued)

	Current Mo./Qtr.	Current Data	%Chg. From a Year Ago	12-Mo./4-Qtr. Averages	
				Current	% Chg. From Previous <sup>1</sup>
<b>10. FINANCIAL ACTIVITIES</b>					
Total employment <sup>r,3</sup> (000s)	Jul 09	33.5	-4.3	34.1	-2.5
Finance & insurance average weekly wages (\$) <sup>p,4,6</sup>	1Q 09	\$926	-3.1	\$908	-1.5
Real estate & rental & leasing avg. wkly. wages (\$) <sup>p,4,6</sup>	1Q 09	\$589	-0.5	\$609	-0.2
Albuquerque Area <sup>7</sup> Median Sales Price:					
Existing Single-Family Detached (\$000s)	2Q 09	\$183.0	-8.0	-	-
Existing Condo/Townhome Attached (\$000s)	2Q 09	\$151.0	-3.8	-	-
Santa Fe City/County <sup>8</sup> Median Sales Price <sup>9</sup> :					
Existing Single-Family Detached (\$000s)	2Q 09	\$402.1	-2.5	-	-
Existing Condo/Townhome Attached (\$000s)	2Q 09	\$250.0	-6.1	-	-
<b>11. PROFESSIONAL &amp; BUSINESS SERVICES</b>					
Total employment <sup>r,3</sup> (000s)	Jul 09	104.6	-4.3	106.6	-1.5
Professional & technical serv. avg. wkly. wages (\$) <sup>p,4</sup>	1Q 09	\$1,186	-3.6	\$1,250	0.5
Mgt. of cos. & enterprises avg. weekly wages (\$) <sup>p,4</sup>	1Q 09	\$1,204	15.5	\$1,078	6.8
Admin. & waste & remed. serv. avg. wkly. wages (\$) <sup>p,4</sup>	1Q 09	\$598	4.5	\$589	4.7
<b>12. EDUCATIONAL &amp; HEALTH SERVICES</b>					
Total employment <sup>r,3</sup> (000s)	Jul 09	115.0	3.1	117.2	3.4
Educational services employment <sup>r,3</sup> (000s)	Jul 09	10.7	8.1	13.8	3.2
Health care & social assist. employment <sup>r,3</sup> (000s)	Jul 09	104.3	2.7	103.4	3.4
Educational services average weekly wages (\$) <sup>p,4</sup>	1Q 09	\$578	0.7	\$601	4.4
Health care & social assist. avg. weekly wages (\$) <sup>p,4</sup>	1Q 09	\$695	1.5	\$704	3.4
<b>13. LEISURE AND HOSPITALITY</b>					
Total employment <sup>r,3</sup> (000s)	Jul 09	86.6	-2.9	85.4	-2.4
Arts, entertainment & recreation emp. <sup>r,3</sup> (000s)	Jul 09	9.6	-1.0	8.5	-0.7
Accommodation & food services emp. <sup>r,3</sup> (000s)	Jul 09	77.0	-3.1	76.9	-2.6
Arts, entertainment & recreation avg. wkly. wages (\$) <sup>p,4</sup>	1Q 09	\$368	6.1	\$386	5.8
Accommodation & food serv. avg. weekly wages (\$) <sup>p,4</sup>	1Q 09	\$276	2.2	\$280	4.5
Eating & drinking place taxable gross receipts (\$ mil.)	2Q09	\$644.1	-3.7	\$631.6	-0.1
Visits to state parks (000s)	Jul 09	891.1	14.7	386.0	4.2
Visits to national parks/monuments (000s)	Jul 09	226.1	6.2	134.6	-0.4
Passenger traffic at Albuquerque airport <sup>10</sup> (000s)	Jul 09	553.0	-12.1	493.1	-12.7
Lodgers tax receipts (\$000s)	2Q 09	\$8,697.1	-16.2	\$8,931.8	-7.6
Lodging occupancy rates (%)	Jul 09	65.3	-	57.6	-
<b>14. OTHER SERVICES</b>					
Total employment <sup>r,3</sup> (000s)	Jul 09	32.4	0.3	29.9	0.4
Average weekly wages (\$) <sup>p,4</sup>	1Q 09	\$509	1.6	\$518	3.5
<b>15. GOVERNMENT</b>					
Total employment <sup>r,3,9</sup> (000s)	Jul 09	191.7	1.3	199.0	1.3
Federal employment <sup>r,3</sup> (000s)	Jul 09	31.9	4.2	31.3	3.0
State employment <sup>r,3</sup> (000s)	Jul 09	54.9	-0.7	59.5	-0.3
State education employment <sup>r,3</sup> (000s)	Jul 09	23.9	6.7	27.5	2.1
Local employment <sup>r,3</sup> (000s)	Jul 09	104.9	1.5	108.2	1.7
Local education employment <sup>r,3</sup> (000s)	Jul 09	51.7	0.2	57.5	0.4
Federal gov. average weekly wages (\$) <sup>p,4</sup>	1Q 09	\$1,202	1.7	\$1,233	2.4
State gov. average weekly wages (\$) <sup>p,4</sup>	1Q 09	\$905	2.6	\$875	4.7
Local gov. average weekly wages (\$) <sup>p,4</sup>	1Q 09	\$641	1.3	\$664	4.1
Total general fund revenues <sup>11</sup> (\$ mil.)	May 09	\$413.4	-34.2	\$460.3	-9.9
Recurring (\$ mil.)	May 09	\$412.4	-34.2	\$444.4	-11.7
Nonrecurring (\$ mil.)	May 09	\$1.0	-50.6	\$15.9	109.4

**Note:** Selected data items subject to revision. Wage data through 2007 have been revised. **Sources:** NM Dept. of Workforce Solutions, Economic Research and Analysis, Sections 1, 3 through 15; U.S. Bureau of Labor Statistics, Sections 1, 3 through 15; U.S. Dept. of Commerce, Bureau of Economic Analysis, Section 1; U.S. Dept. of Agriculture, Section 2; NM Taxation and Revenue Dept., Sections 3, 7, 13; U.S. Dept. of Energy, Energy Information Admin., Section 3; U.S. Dept. of Commerce, Bureau of the Census and individual building permit-issuing agencies, Section 4; McGraw Hill Construction, *Dodge Local Construction Potentials*, Section 4; Greater Albuquerque Association of REALTORS®, Section 10; Santa Fe Association of REALTORS®, Section 10; NM Energy Minerals and Natural Resources Dept., Park and Recreation Div., Section 13; U.S. National Park Service, Section 13; City of Albuquerque, Albuquerque International Sunport, Section 13; NM Dept. of Finance and Admin., Local Government Div., Section 13; *Rocky Mountain Lodging Report*, Section 13; NM Dept. of Finance and Admin., Section 15.

**ECONOMIC INDICATORS FOR CITIES AND METRO AREAS****Taxable Gross Receipts\*<sup>1,2</sup> from Retail Trade, Selected Cities (\$000)**

City	Current	% Chg.	Previous	City	Current	% Chg.	Previous
	3 Month	Average	3 Month		3 Month	Average	3 Month
	Average <sup>3</sup>	Year	Average <sup>3</sup>		Average <sup>3</sup>	Year	Average <sup>3</sup>
	May-Jul <sup>4</sup>	Ago <sup>5</sup>	Feb-Apr <sup>4</sup>		May-Jul <sup>4</sup>	Ago <sup>5</sup>	Feb-Apr <sup>4</sup>
Alamogordo	\$23,357	-5.2	\$22,689	Las Cruces	\$80,242	-2.5	\$84,736
Albuquerque	409,162	-9.5	388,484	Las Vegas	10,224	-0.1	9,476
Artesia	12,459	-11.9	12,619	Los Alamos	6,882	12.1	6,487
Carlsbad	22,523	2.9	21,371	Portales	6,898	-22.3	7,677
Clovis	27,186	0.2	27,074	Rio Rancho	30,485	2.5	27,703
Deming	8,575	-9.8	8,759	Roswell	37,433	9.4	37,245
Espanola	15,849	-7.7	13,625	Ruidoso	7,870	-4.1	6,001
Farmington	68,939	-12.8	69,908	Santa Fe	99,027	-8.2	87,818
Gallup	30,834	-0.4	30,878	Silver City	13,315	-3.9	12,533
Hobbs	31,711	-13.4	32,726	Taos	15,315	-5.0	14,702
				State total	1,240,206	-7.0	1,197,763

\* The NM Taxation and Revenue Dept. has identified overestimation in some sectors that will be corrected with future revisions.

**1** Taxable gross receipts are total retail sales less all applicable exemptions and deductions. Deductions are designed to make the gross receipts tax reach only receipts from sales to final users. **2** Food and various medical deductions were implemented in 2005.

The above data are the sum of taxable gross receipts (as currently defined) plus food and medical deductions. This maintains comparability with the pre-2005 database. **3** Averages are used to smooth out fluctuations in the data which are not caused by changes in economic conditions. **4** Receipts based on month of activity. **5** March 2008 data were partially estimated to compensate for large, one-time adjustments to food and medical deductions **Source:** NM Taxation and Revenue Dept.

**Estimated Civilian Labor Force and Employment**

	New Mexico		Albuquerque MSA <sup>1</sup>		Farmington MSA <sup>2</sup>		Las Cruces MSA <sup>3</sup>		Santa Fe MSA <sup>4</sup>	
	% Chg.		% Chg.		% Chg.		% Chg.		% Chg.	
	July 2009	Year Ago	July 2009	Year Ago	July 2009	Year Ago	July 2009	Year Ago	July 2009	Year Ago
<b>Total Civilian Labor Force<sup>5</sup></b>	965,747	-0.5	411,056	-1.3	58,364	0.3	88,269	-0.9	80,100	-2.9
Employment	893,775	-3.3	379,248	-4.3	53,599	-3.4	81,759	-3.2	75,073	-5.3
Unemployment	71,972	55.8	31,808	58.7	4,765	75.2	6,510	42.2	5,027	55.8
Unemployment rate (%)	7.5	-	7.7	-	8.2	-	7.4	-	6.3	-
<b>Total Nonagricultural Wage &amp; Salary Employment<sup>5</sup></b>	816,300	-3.0	380,200	-3.4	50,800	-2.3	64,800	-2.8	63,700	-4.6
Private Sector	624,600	-4.2	300,100	-4.8	40,200	-3.1	45,900	-3.6	46,800	-6.4
<i>Goods Producing</i>	101,100	-12.0	43,600	-15.0	11,900	-5.6	6,500	-12.2	4,500	-21.1
<i>Services Providing</i>	523,500	-2.6	256,500	-2.8	28,300	-2.1	39,400	-2.0	42,300	-4.5
Mining & Logging & Const.	69,600	-12.3	24,600	-14.6	*	-	3,600	-16.3	3,700	-22.9
Mining & Logging	19,400	-10.2	#	-	*	-	#	-	#	-
Construction	50,200	-13.1	#	-	*	-	#	-	#	-
Manufacturing	31,500	-11.3	19,000	-15.6	*	-	2,900	-6.5	800	-11.1
Wholesale Trade	22,900	-5.0	12,600	-5.3	*	-	1,300	-13.3	1,200	-7.7
Retail Trade	90,300	-6.5	40,700	-8.3	*	-	6,900	-4.2	8,800	-5.4
Transp., Warehousing & Utilities	22,800	-3.8	10,000	-3.8	*	-	1,600	0.0	700	0.0
Information	15,400	-1.3	9,100	-3.2	*	-	900	-10.0	1,100	-45.0
Financial Activities	33,500	-4.3	18,300	-3.2	*	-	2,500	-3.8	2,700	-3.6
Professional & Business Services	104,600	-4.3	62,300	-3.7	*	-	6,200	-4.6	5,100	-7.3
Educational & Health Services	115,000	3.1	53,700	7.0	*	-	11,400	3.6	9,700	3.2
Leisure & Hospitality	86,600	-2.9	37,500	-5.5	*	-	6,900	-2.8	9,500	-2.1
Other Services	32,400	0.3	12,300	-3.9	*	-	1,700	0.0	3,500	-2.8
Government	191,700	1.3	80,100	2.3	10,600	1.0	18,900	-1.0	16,900	0.6
Federal	31,900	4.2	15,600	5.4	1,400	0.0	3,900	0.0	1,100	10.0
State	54,900	-0.7	23,700	0.4	500	0.0	7,300	0.0	8,500	1.2
Local	104,900	1.5	40,800	2.3	8,700	1.2	7,700	-2.5	7,300	-1.4

# Data are suppressed. Included in "Natural Resources, Mining & Construction" super sector \* Data are suppressed. Included in total. p Preliminary. r Revised. **1** Bernalillo, Sandoval, Torrance and Valencia counties. **2** San Juan County. **3** Dona Ana County. **4** Santa Fe County. **5** Civilian labor force data are by place of residence and include self-employed persons and agricultural workers. Nonagricultural wage and salary employment data are by place of work.

**Note:** Data have been revised by NMDWS and are subject to future revisions. **Source:** New Mexico Dept. of Workforce Solutions, Economic Research and Analysis.

**ECONOMIC INDICATORS FOR CITIES AND METRO AREAS (continued)****New Mexico Construction<sup>1, p</sup> Selected Cities**

	Number of Building Units or Permits <sup>2</sup>					Value of Building Permits (\$000)				
	July 2009	July 2008	Cumulative Total		% Chg.	July 2009	July 2008	Cumulative Total		% Chg.
			July 2009	July 2008				July 2009	July 2008	
<b>New Residential<sup>3</sup></b>										
Alamogordo <sup>4</sup>	N	10	N	56	-	N	2,687	N	13,664	-
Albuquerque	97	77	503	852	-41.0	12,573	13,651	67,615	122,393	-44.8
Single Family	57	67	282	516	-45.3	8,558	12,864	47,020	95,962	-51.0
Multi Family	40	10	221	336	-34.2	4,015	787	20,595	26,431	-22.1
Carlsbad	5	3	24	30	-20.0	754	393	2,908	5,297	-45.1
Clovis	24	12	125	203	-38.4	5,296	2,224	27,458	27,112	1.3
Farmington	15	15	101	113	-10.6	2,493	1,922	15,167	17,322	-12.4
Hobbs	6	10	13	171	-92.4	738	1,604	2,296	20,344	-88.7
Las Cruces	76	36	630	441	42.9	9,480	4,722	76,059	58,532	29.9
Los Alamos	0	1	1	4	-75.0	0	639	250	2,142	-88.3
Rio Rancho	44	45	497	563	-11.7	7,661	8,232	76,778	106,623	-28.0
Roswell	4	14	44	87	-49.4	994	2,018	6,883	15,774	-56.4
Ruidoso	7	15	38	66	-42.4	1,431	2,791	8,424	15,975	-47.3
Santa Fe	12	35	110	208	-47.1	2,139	6,416	20,138	39,168	-48.6
<b>New Nonresidential</b>										
Alamogordo <sup>4</sup>	N	1	N	9	-	N	35	N	3,248	-
Albuquerque	5	8	48	76	-36.8	3,019	21,971	52,372	216,332	-75.8
Carlsbad	2	5	5	15	-66.7	4,697	384	6,037	1,472	310.0
Clovis	0	3	5	15	-66.7	0	94	2,317	5,869	-60.5
Farmington <sup>r</sup>	1	2	10	15	-33.3	445	986	14,443	23,968	-39.7
Hobbs	2	0	9	15	-40.0	229	0	10,390	12,134	-14.4
Las Cruces	2	4	18	32	-43.8	330	6,950	15,563	39,950	-61.0
Los Alamos	0	0	2	0	-	0	0	6,938	0	-
Rio Rancho	0	4	9	24	-62.5	0	5,496	38,205	20,967	82.2
Roswell	12	10	51	41	24.4	13	8,538	5,207	13,824	-62.3
Ruidoso	0	0	4	6	-33.3	0	0	337	2,522	-86.6
Santa Fe	0	2	13	11	18.2	0	722	15,319	1,996	667.6

**N** Not available. **p** Preliminary. **r** Revised. **1** Data refer only to permits authorized for private construction projects. Public buildings are excluded. **2** Residential data show the number of permitted units while nonresidential data show the number of permits. **3** Residential data include both single- and multi-family units. In the case of Albuquerque, single- and multi-family units are also shown separately.

**4** Alamogordo permits are currently being issued by the NM Construction Industries Division. Data will be available intermittently.

**Sources:** U.S. Dept. of Commerce, Bureau of the Census and local permit-issuing agencies.

**New Mexico Economy...** (cont. from pg. 1)**Forecast**

This forecast of the New Mexico economy is based upon the BASELINE0809 national economic forecast of IHS Global Insight. The outlook for the New Mexico economy is not very good at all. The recession which began at the end of 2008 will become a little deeper in the third quarter of 2009 before easing off slightly in the fourth quarter and hanging on through the first quarter of 2010. For the year, employment growth will decline 2.4%, followed by an increase of only 0.7% in 2010. Further growth in the neighborhood of 1.5% annually will be in evidence each year through 2014.

New Mexico personal income growth will be subdued in 2009 and 2010, reaching only 2.4% and 3.0% in those two years, respectively. Growth will then increase gradually, reaching 5.0% by 2014. The rate of unemployment is expected to reach 6.8% in 2009 and 7.5% in 2010 before gradually sliding to 6.2% by 2014.

The New Mexico economy will be in recession every quarter during 2009, posting a 2.4% employment decline for the year. This includes a 3.1% decrease in the third quarter. Should this actually come to pass, it would be the largest decline since the fourth quarter of 1943.

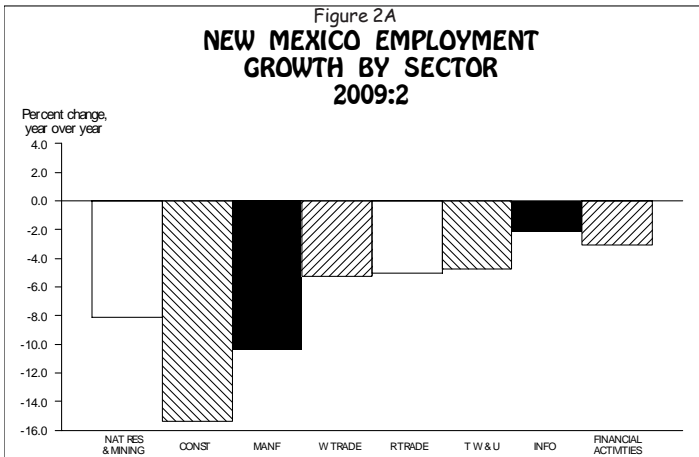
Only three sectors are expected to enjoy employment gains in 2009, the same three which have provided all of the growth in the first

half of the year: health care & social assistance, educational services, and government. The situation will improve somewhat in 2010, as a few more sectors begin to add jobs, but the general weakness will remain for the first half of the year. The second half of 2010 will usher in a recovery, with second half employment growth of 1.6%, compared to first-half growth of -0.1%.

Construction will enjoy employment growth in excess of 2.0% in the second half of 2010, and will average annual growth of almost 3.0% thereafter. The housing sector is expected to turn around in the second quarter or 2010, will enjoy double-digit increases in 2010 and 2011 before tailing off in the out years. In addition, more Stimulus funds will find their way into construction projects.

The government sector was a source of strength in 2008, posting an employment gain of 1.4%. Most of the gain came at the local level, primarily tied to expansion at Native American casinos and resort activities. That trend has run its course, though, and local government growth will fall from 2.0% in 2008 to 1.1% in 2009, and stay close to 1.0% annually through 2014. Overall, government sector employment will increase only 0.7% in 2009, and average less than 1.0% through 2014. Contributing to slow government sector growth are hiring freezes in effect in state government, in the City of Albuquerque, at the University of New Mexico, and no doubt elsewhere as well. In addition, a reduction of about 5% in the state budget for Fiscal Year 2010 will also serve to limit growth. Federal government

(continued on page 8)



### New Mexico Economy... (cont. from pg. 7)

will enjoy large boosts in 2009 (1.7%) and 2010 (3.8%), followed by a decline in 2011 (down 1.9%), as workers for the 2010 Census are hired in 2009 and 2010, and let go at the end of 2010. In counterpoint, Kirtland AFB will be adding 157 jobs in 2010 and another 150 jobs in 2011 at the Battleship Environment Division. Still more federal employees (140) will be hired by the U. S. Forest Service next year.

The health care sector is the only one in which growth will continue to be vigorous throughout the forecast period, reaching 3.9% in 2010 and averaging almost 3.0% annually thereafter. The University of New Mexico, in partnership with Plano Medical Partners of Texas, plans to break ground later this year for a major teaching hospital in Rio Rancho, employing as many as 1,000. Presbyterian Health Systems, which had also planned a large west side hospital and then backed off, is changing direction again, and is planning to build the hospital after all. This sector will also receive a boost from Stimulus funds, including Medicaid coverage to those who might otherwise lose coverage.

Employment in the professional & business services sector faces a drop of 2.2% in 2009. This sector contains temp employees, which are usually the first to go when hard times arrive. However, this sector will be receiving a substantial boost with the opening of a technical support call center by Hewlett-Packard in Rio Rancho later this year. The company promises hundreds of jobs immediately and as many as 1,350 within a couple of years or sooner. In addition, Fidelity Investments will be hiring hundreds of employees this year at its Mesa Del Sol human resources outsourcing center. Professional & business services employment growth is expected to increase by two-plus percent annually through 2014.

The manufacturing sector will have a tough time of it for the next couple of years, with employment declines of 10.1% in 2009 and 4.8% in 2010. In addition to layoffs at Intel and the closing of Eclipse Aviation, Solo Cup has closed, and General Electric will close its Albuquerque jet engine components plant during the third quarter of 2010, with the loss of 400 jobs. There's some good news too, but

not enough to stem the negative tide until 2011. Schott Solar is continuing to hire, on it's way to 1,500 employees, and Signet Solar plans to open a solar panel factory in Belen, with 200 employees by next year, and 600 eventually. Solar Array Ventures, a Texas startup, plans to build a solar panel plant on Albuquerque's west side and be in operation by the close of 2010, with 225 employees initially and up to 1,000 eventually. Still another solar firm, Berken Solar, of Roswell, plans to begin producing solar panels later this year. General Mills is in expansion mode, and will be adding 60 employees at the end of this year. Manufacturing employment is expected to increase 2.4% in 2011, 4.0% in 2012, 3.3% in 2013, and 1.6% in 2014.

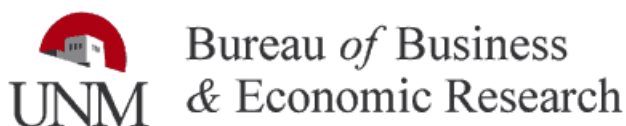
The logging & mining sector has enjoyed fabulous employment growth over the last five or six years, particularly in oil and gas extraction, but the glory days are now over. The stratospheric oil prices of 2007 and 2008 are gone, and the huge numbers of jobs they brought to New Mexico have slowed to a trickle. For the first time since the first quarter of 2003, mining employment showed a decline in the first quarter of 2009, followed by an 8.1% drop in the second quarter. Close to 1,000 jobs were lost in copper, molybdenum, and potash during the first quarter. The mining sector now faces employment decreases of 7.1% in 2009 and 1.6% in 2010 before returning to (relatively moderate) growth status in 2011.

The information sector will exhibit an employment drop of 4.7% this year, even as Verizon Wireless continues to hire. Employment growth will decrease to -6.2% in 2010 before posting an employment gain of 4.0% in 2011. Employment growth will be fairly minimal thereafter.

Additional sources of strength beginning in 2011 include wholesale trade, transportation/warehousing/utilities, and educational services. The remaining sectors won't have much to offer during the forecast period.

The state will receive a boost in military employment during the forecast period, with strong growth in 2009 and 2010, before leveling off. Most of the gain is due to the re-population of Cannon AFB, but Kirtland AFB in Albuquerque will also be receiving additional personnel.

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**New Mexico Business (NMB)—Current Economic Report** is published by the Bureau of Business and Economic Research at the University of New Mexico. The rate for a one-year subscription (11 issues) is \$25.00. Single copies are \$3.00 each, except for the March/April issue, which is \$6.00. **NMB** is available in digital format only. Subscribers are notified via listserv when new issues are available. This report is intended only for the use of subscribers. **NMB** may only be shared within the office of each subscriber. Distribution beyond the office of the subscriber or electronic posting are prohibited.

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