

# The Las Cruces Economic Outlook

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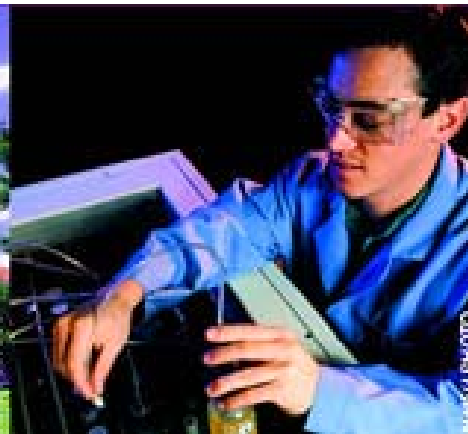
College of Business

New Mexico State University

# Outline

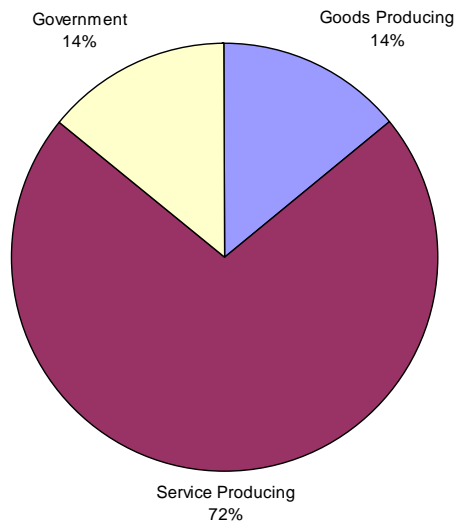
- Characteristics of the Las Cruces Economy
  - Unique Features
- Recent Developments
  - Rapid Growth
  - Strong Labor Markets
  - Lagging Wage Growth
- Outlook
  - Continued Strong Growth

# Characteristics of the Las Cruces Economy

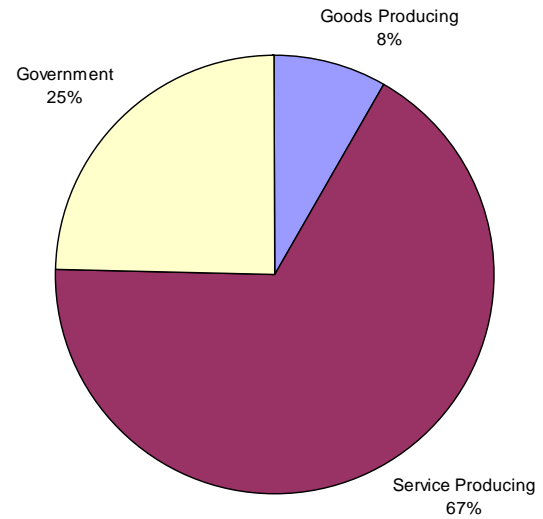


# Job Mix

## U.S. Employment Share



## Las Cruces Employment Share



# Job Mix

- Relatively large government sector
- Relatively small goods producing sector
  - Manufacturing is 4.9 percent of employment vs. 10.5 percent nationally
- This means that Las Cruces economy is relatively stable
  - That is, the Las Cruces business cycle is mild

# Major Employers\*

- El Paso
  - 10,440 commuters as of 2000 census
  - This represents 13.8 percent of all commuters
- White Sands Missile Range
  - 5,600 employees
- New Mexico State University
  - 4,100 employees and 16,000 students
- Retirement Community

\*Source: Bill Gilmer, “The Economy of Southwest New Mexico”

# Recent Developments

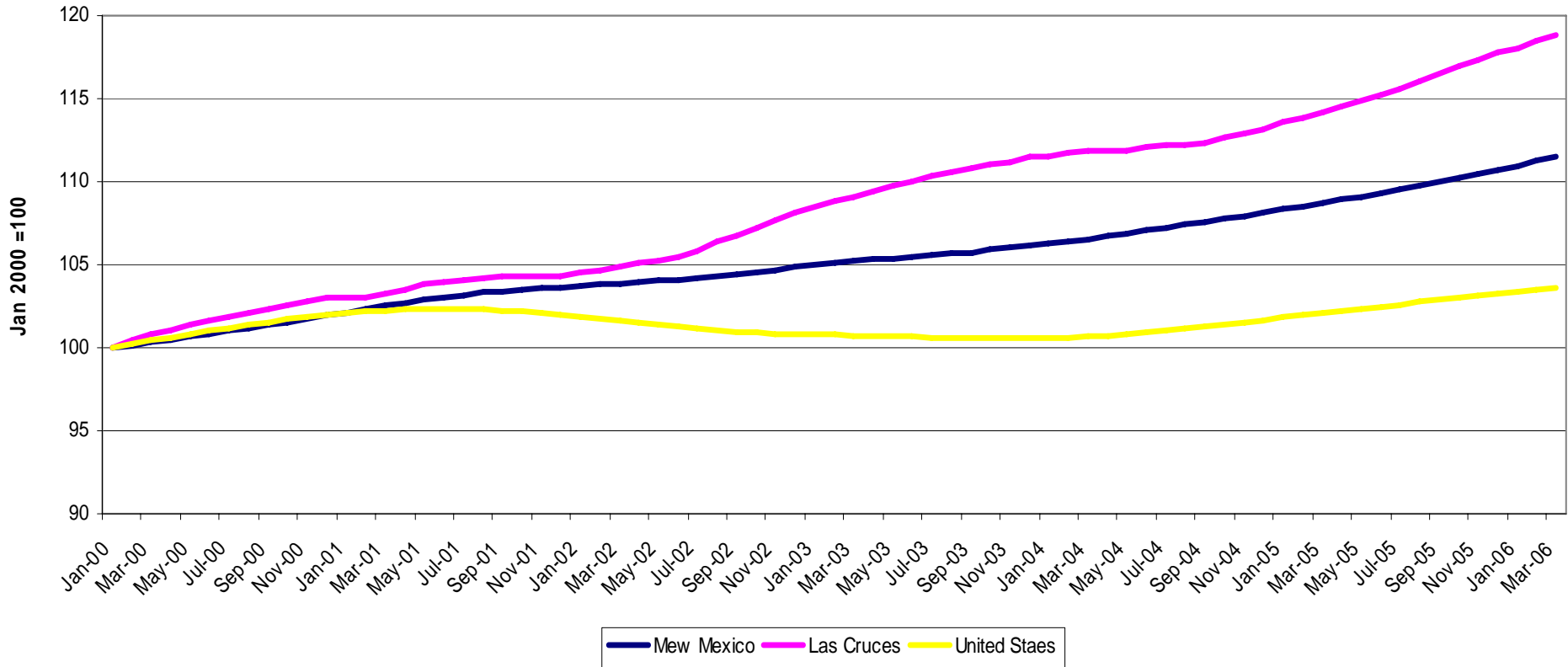


# The Las Cruces Economy is Sizzling

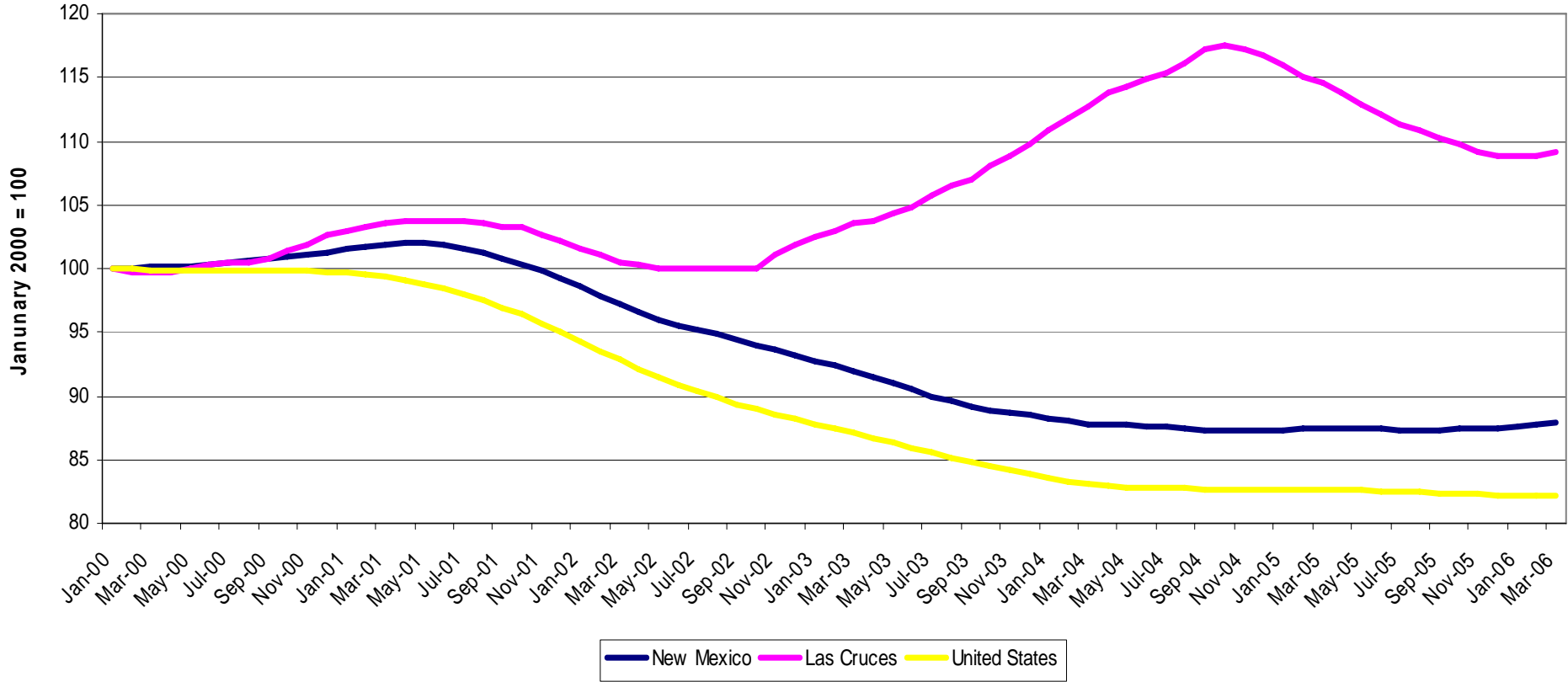
## Employment

	<u>Mar-06</u>	<u>Mar-05</u>	<u>Change</u>
Total	67,300	64,500	4.3%
Goods Producing	7,800	7,200	8.3%
Service Producing	59,500	57,300	3.8%
Unemployment Rate	4.6%	6.5%	-1.9%

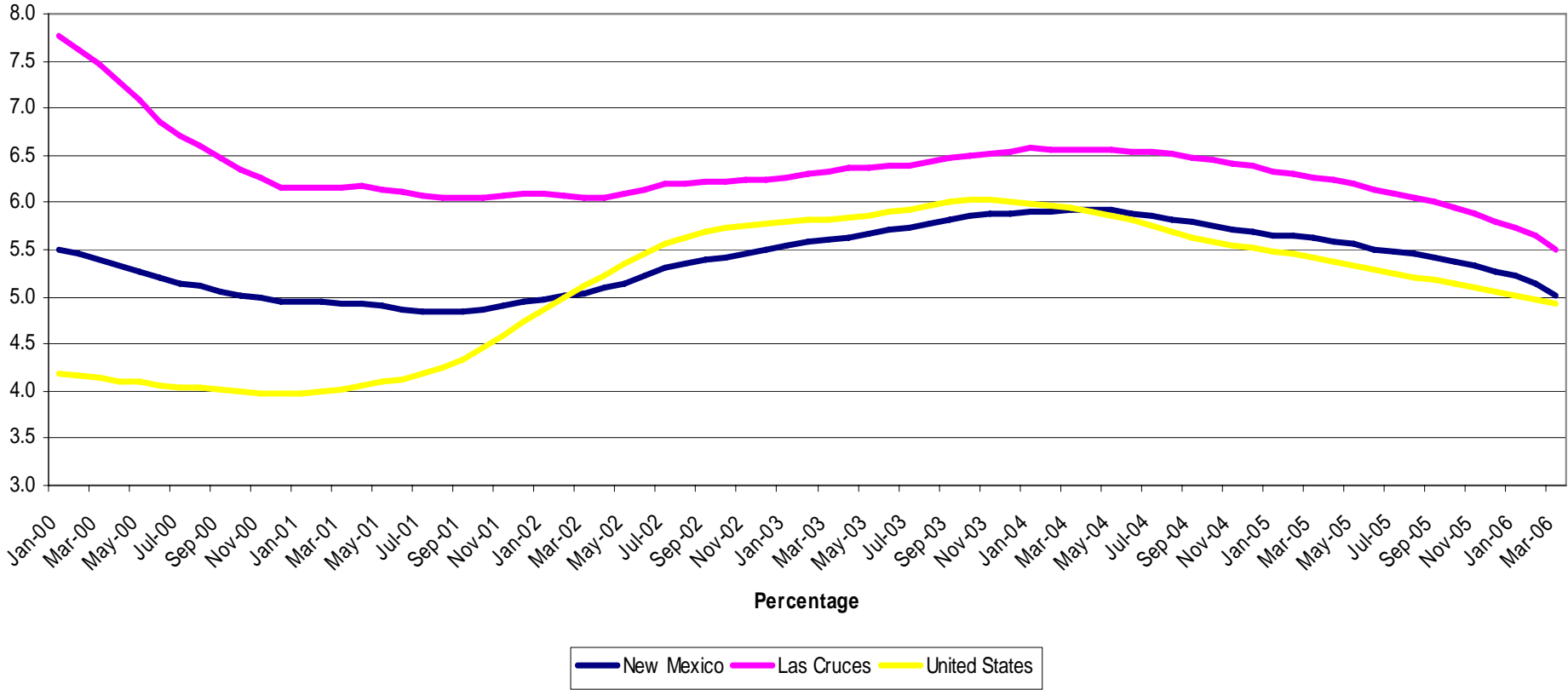
# Total Employment



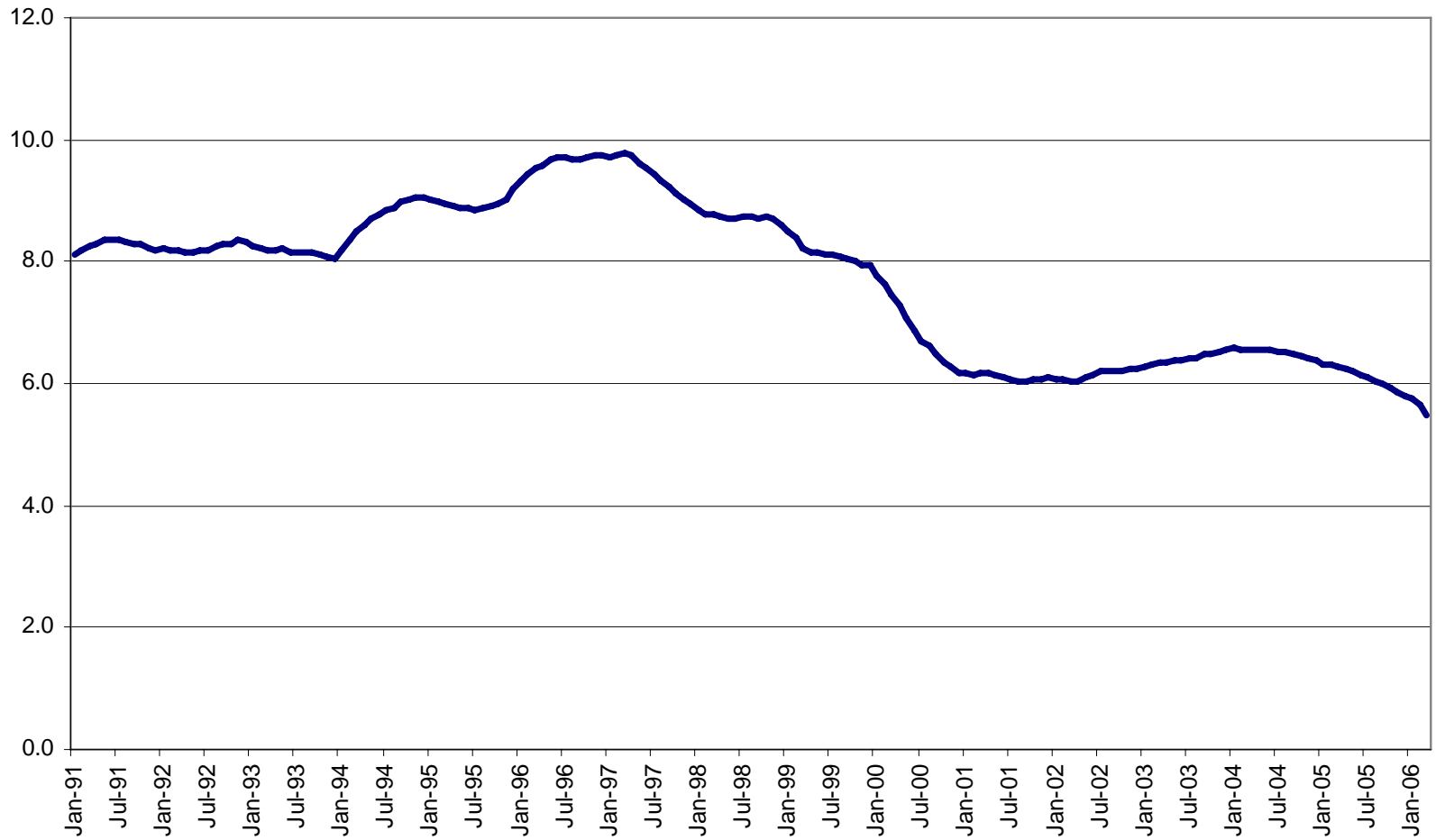
# Manufacturing Employment



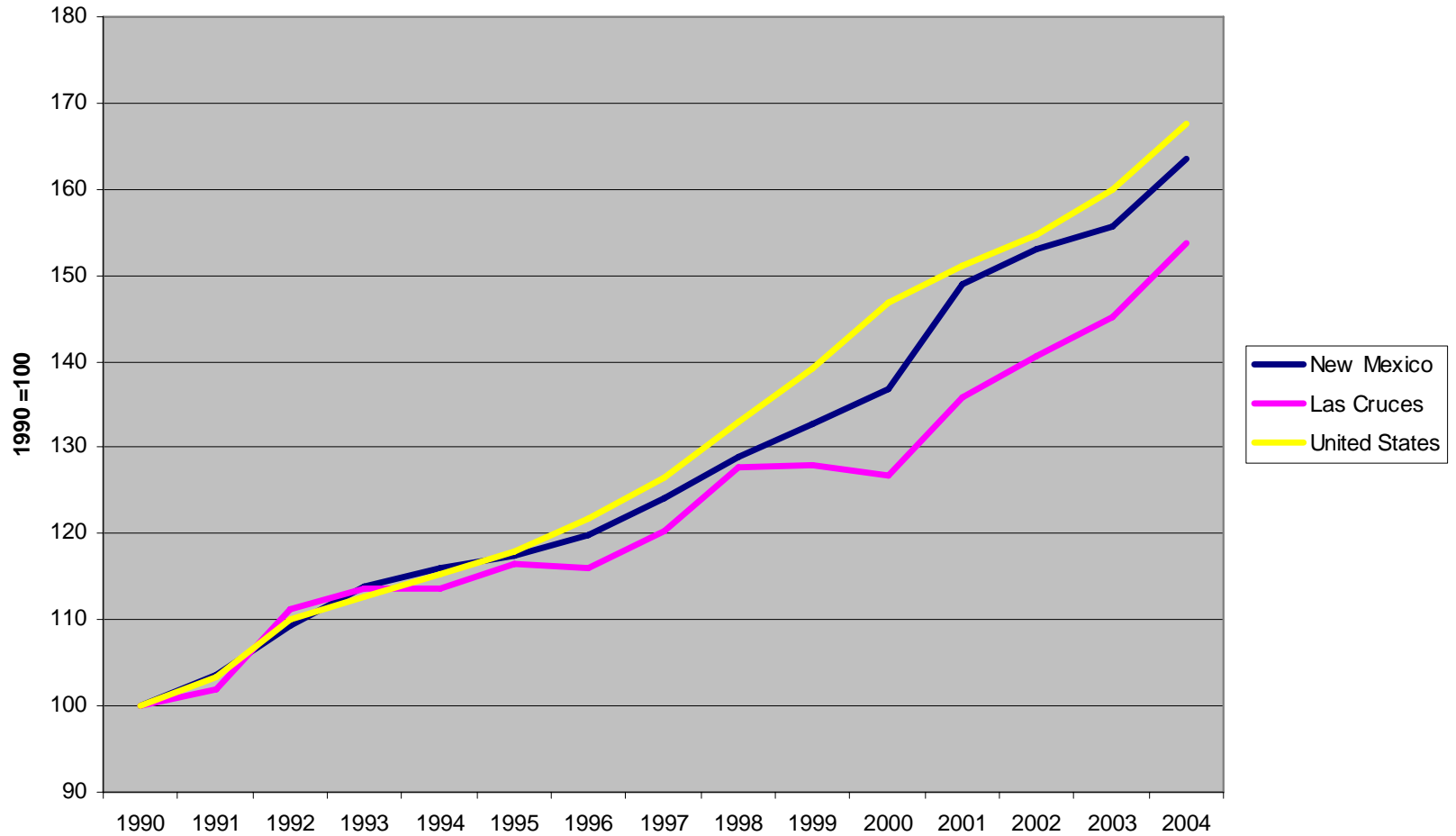
# Unemployment



# Las Cruces Unemployment



# Earnings per Job



# Recognition

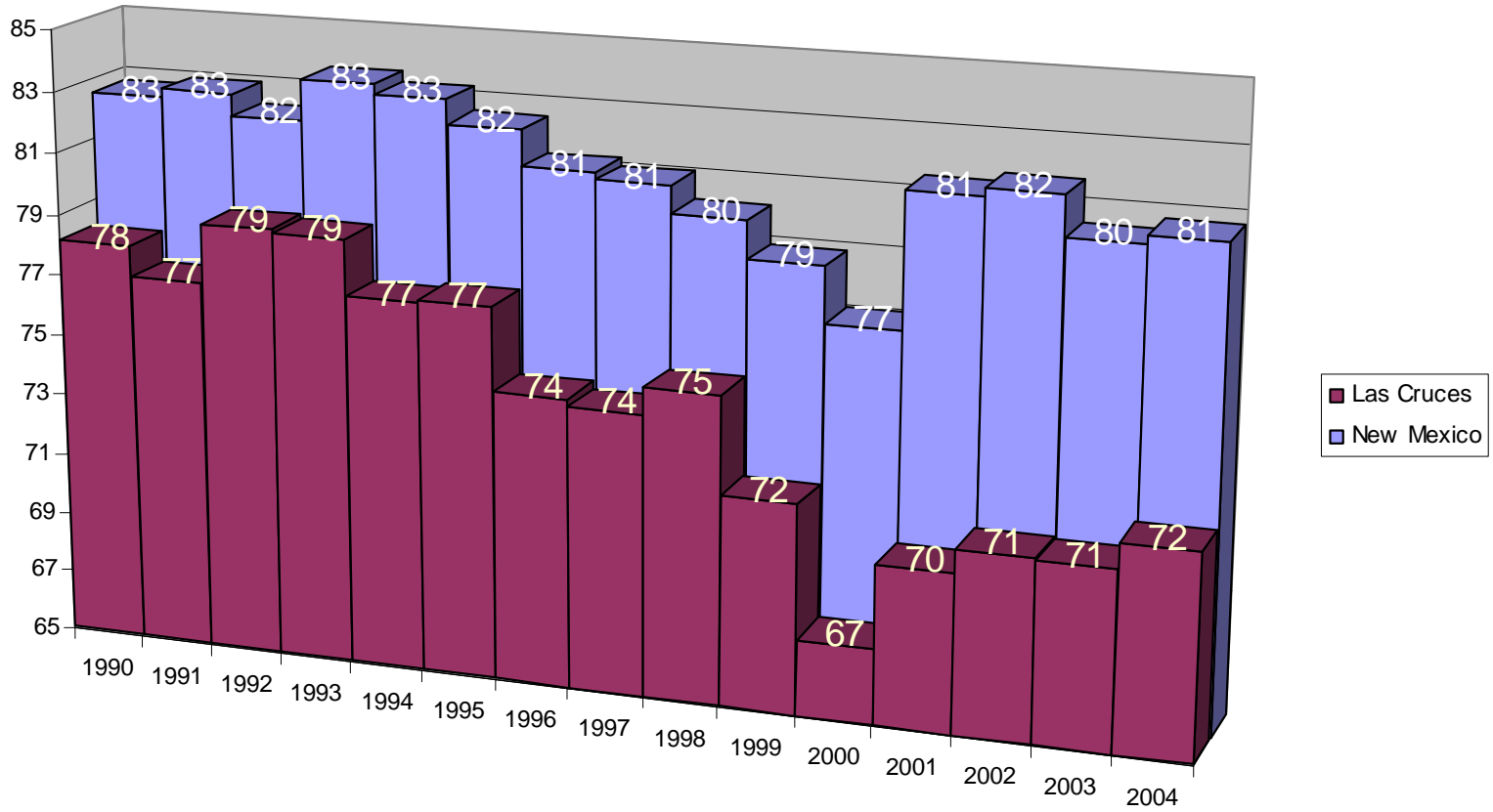
- Forbes
  - Ranked 2<sup>nd</sup> best small city in which to do business
- Hispanic Magazine
  - Ranked 5<sup>th</sup> best city for Hispanics
- CNN/Money Magazine
  - List of Best University Towns for Retirement
- Etcetera

# Yet Wages Continue to Lag

- Las Cruces ranks 9<sup>th</sup> from bottom
- Earnings per job is only 72 percent of the national average

# Relative Income

## U.S. = 100



# Achieving Higher Wages

- Time to change focus from creating jobs to creating high quality jobs
- Need to create local jobs for NMSU grads
- Need to focus on high tech jobs
- The Spaceport meets these requirements
  - But the prospects for the Spaceport is speculative

# Outlook



# Likely to be Continued Growth

- 11,000 troops locating to Fort Bliss will provide stimulus to Dona Ana County
- The Verde Group continues to develop Santa Teresa Industrial Park
  - The opening of the Electrolux Maquila should encourage continued growth

# Space Industry

- Cement is being pored at the new Space Port
  - The expected total cost of the Space Port is \$225 million of which \$100 million will come from the state
  - NMSU was established a aeronautical engineering degree
  - Expected to create about 3000 jobs
- Businesses
  - Asari X Price
  - Virgin Galactic
  - Rocket Racing League
- Benefits are more long term



# Thank You!

## Questions?