



The New Mexico Economy  
Conference on the Role of the Southern New Mexico Economy  
sponsored by  
The El Paso Branch of the Dallas Federal Reserve Bank  
Las Cruces, NM  
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## Outline

- A comment or two on the national economy
- The New Mexico economy
  - Slow recovery
  - Where are we headed
- Some bright spots in southern NM
- Some not so bright spots in Southern NM



# “A pure act of idiocy”

Warren Buffet, CNBC interview 10/16/2013

Debt Ceiling?  
Government shutdown?  
Fiscal crisis?  
Self-inflicted wounds?

Is this the way to run a railroad?



Photo by Jim Peach

Economic crisis?  
Global implications?  
National security implications?  
What's next?



The F-35 Joint Program Office has made this material available for your personal download and use. [www.jsf.mil](http://www.jsf.mil)

# Let's Make a Deal

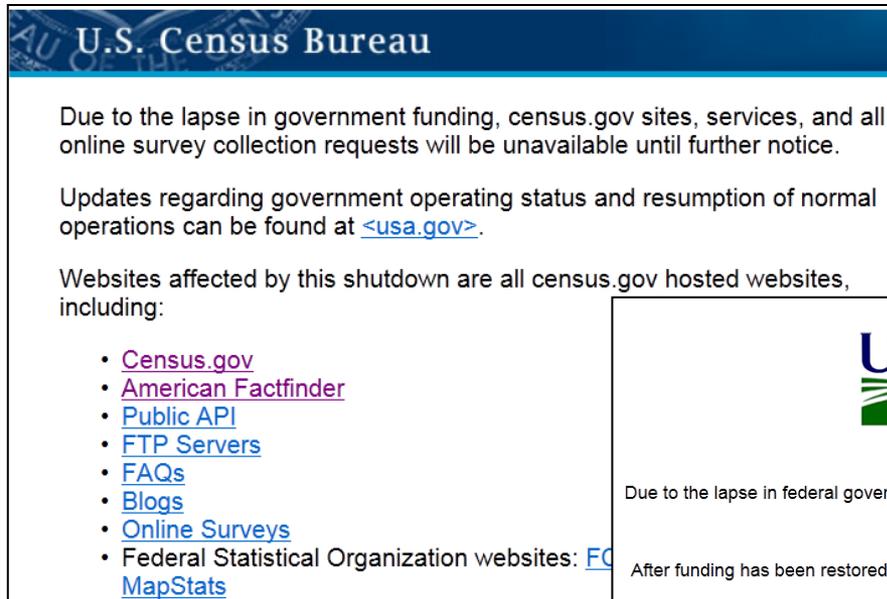


We have an excess supply of these in DC



# Government Shutdown October 1, 2013

This slide from Suzan Reagan, UNM BBER



U.S. Census Bureau

Due to the lapse in government funding, census.gov sites, services, and all online survey collection requests will be unavailable until further notice.

Updates regarding government operating status and resumption of normal operations can be found at [usa.gov](http://usa.gov).

Websites affected by this shutdown are all census.gov hosted websites, including:

- [Census.gov](http://Census.gov)
- [American Factfinder](http://American Factfinder)
- [Public API](http://Public API)
- [FTP Servers](http://FTP Servers)
- [FAQs](http://FAQs)
- [Blogs](http://Blogs)
- [Online Surveys](http://Online Surveys)
- Federal Statistical Organization websites: [EC](http://EC)  
[MapStats](http://MapStats)



Due to the lapse in federal government funding, this website is not available.

After funding has been restored, please allow some time for this website to become available again.



OPM.GOV

ABOUT POLICY INSURANCE RETIREMENT INVESTMENT

OPM.gov Main > Policy > Snow & Dismissal Procedures > Current Status

IN THIS SECTION

Assessment & Selection

## Snow & Dismissal Procedures

CURRENT STATUS

**Federal Government**  
Applies to: All Federal Government

STATUS: DUE TO A LAPSE IN APPROPRIATIONS, FEDERAL GOVERNMENT OPERATIONS VARY BY AGENCY.

Employees should refer to their home agency for guidance on reporting for duty.



UNITED STATES DEPARTMENT OF LABOR

BUREAU OF LABOR STATISTICS

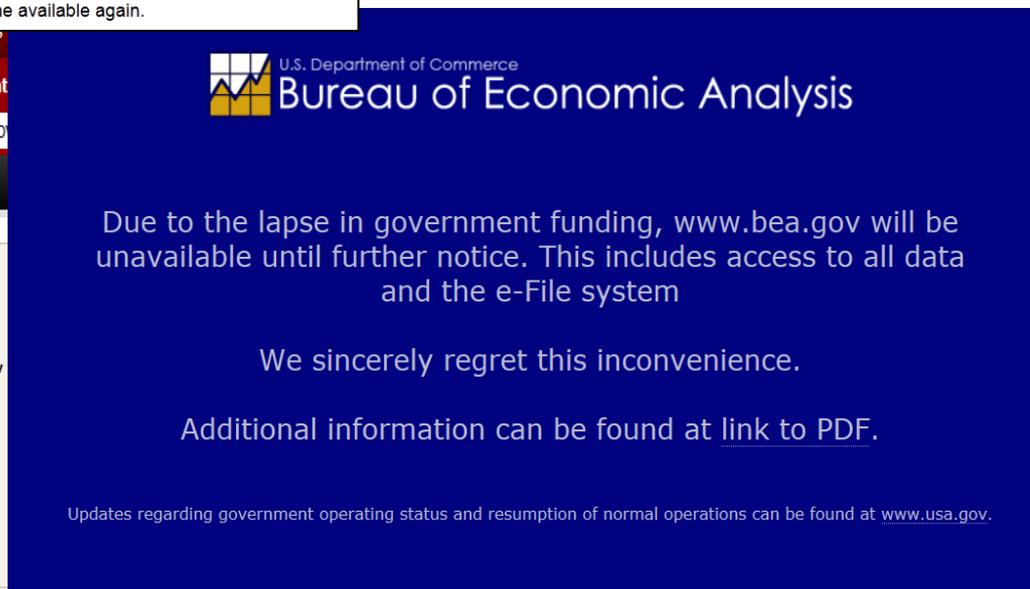
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**Special Notice:**  
This website is currently not being updated due to the suspension of Federal government services. The last update to the site was Monday, September 30. During the shutdown period BLS will not collect data, issue reports, or respond to public inquiries. Updates to the site will start again when the Federal government resumes operations. Revised schedules will be issued as they become available.

Please visit [www.opm.gov](http://www.opm.gov) for the most recent information on Federal government suspensions, shutdowns, and closings.



U.S. Department of Commerce

Bureau of Economic Analysis

Due to the lapse in government funding, [www.bea.gov](http://www.bea.gov) will be unavailable until further notice. This includes access to all data and the e-File system

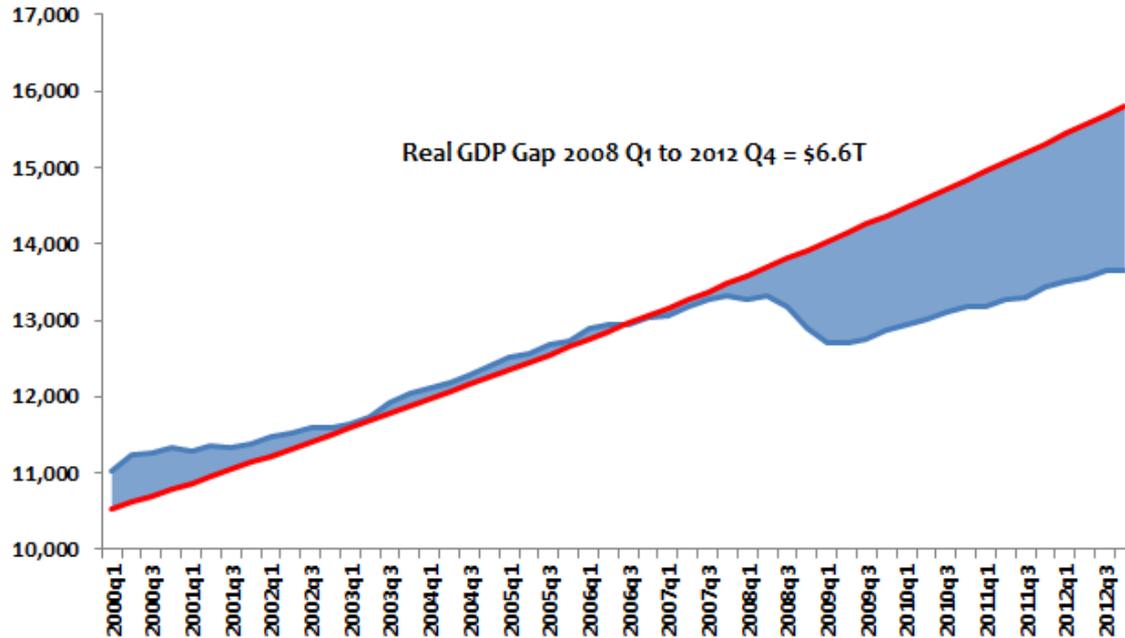
We sincerely regret this inconvenience.

Additional information can be found at [link to PDF](#).

Updates regarding government operating status and resumption of normal operations can be found at [www.usa.gov](http://www.usa.gov).

# Where are we?

Real GDP and Real GDP Gap  
(Billions of 2005 Dollars)

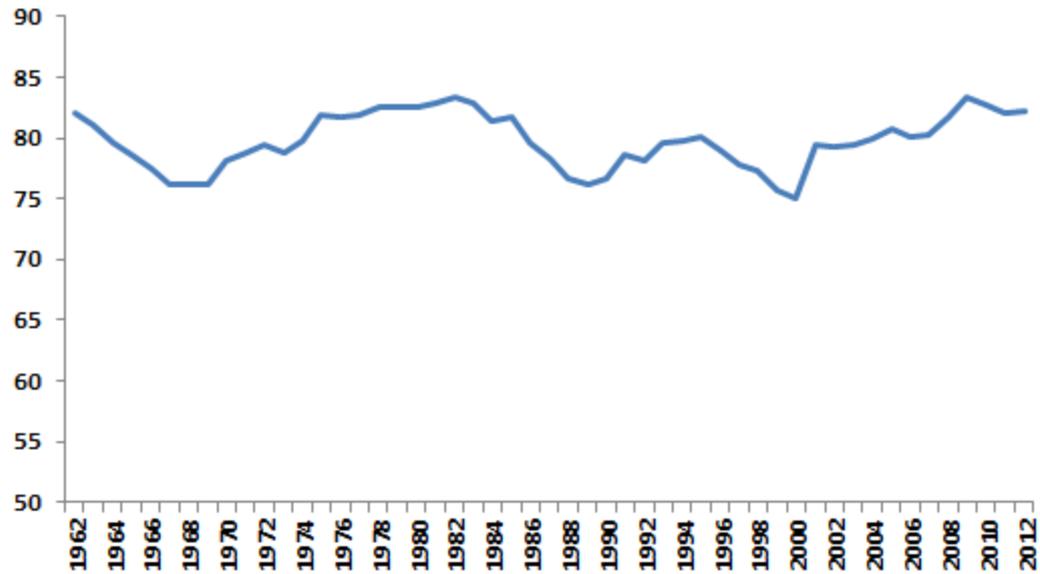


Source: Bureau of Economic Analysis and Author Computations.



# NM and the Nation

**New Mexico per capita income as percent of US per capita income: 1962 to 2012**

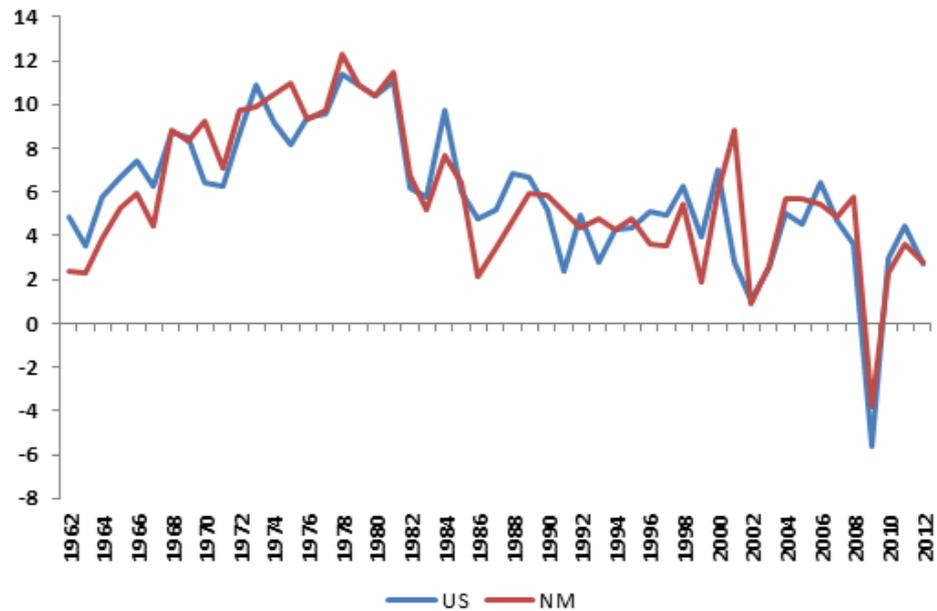


Source: Bureau of Economic Analysis, [www.bea.gov](http://www.bea.gov) and author calculations.



# NM and the Nation

Percent Change in Per Capita Income: New Mexico and the United States  
1962 to 2012

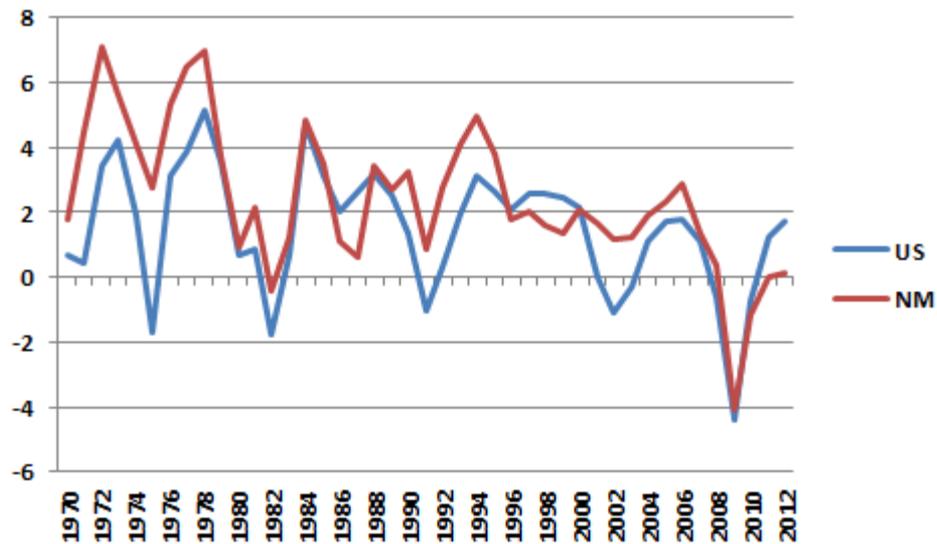


Source: Bureau of Economic Analysis



## NM and the Nation (2)

Percent change in Non-farm Payroll Employment: 1970 to 2012  
(1,000s of Jobs)

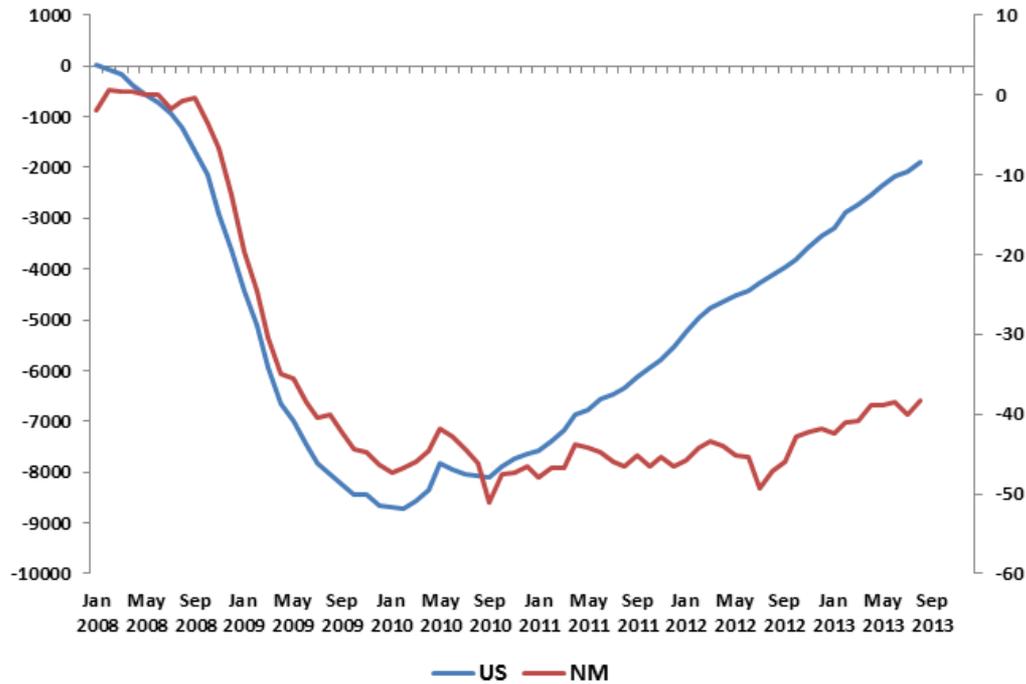


Source: Bureau of Labor Statistics, [www.bls.gov](http://www.bls.gov)



# Where are we?

**Change in Non-farm Employment in the US and NM: Dec 2007 to Aug 2013**  
(1,000s of jobs)



Source: U.S. Bureau of Labor Statistics.

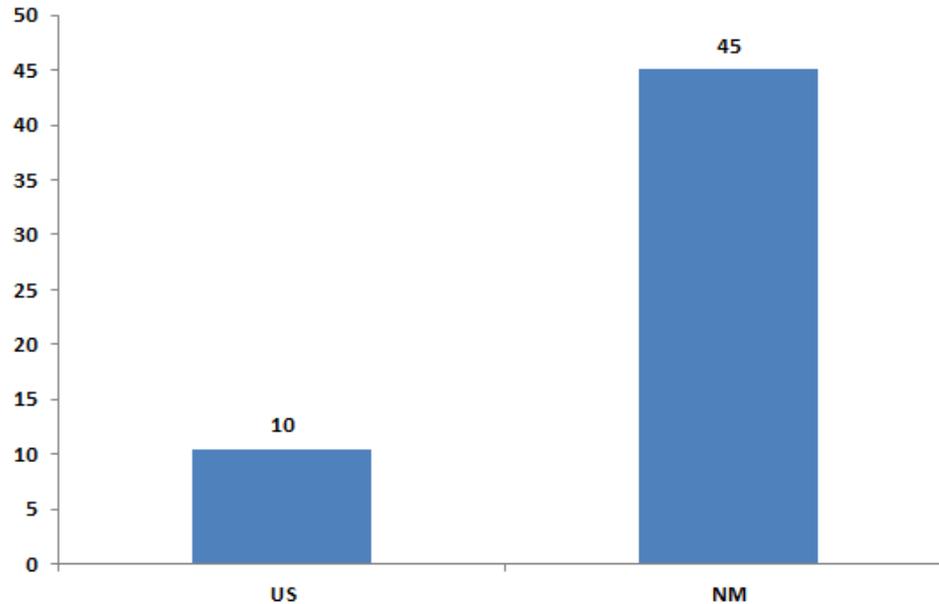


# Where are we?

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**Months to regain December 2007 employment  
(based on August 2012 to August 2013 average employment change)**

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Source: U.S. Bureau of Labor Statistics.

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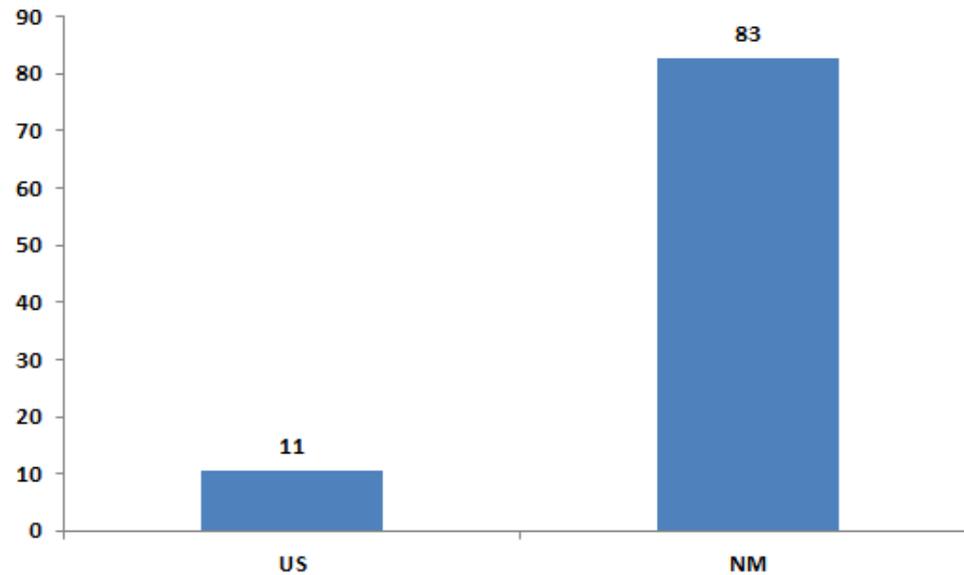


# Where are we?

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**Months to regain December 2007 employment  
(based on monthly average employment change in 2013)**

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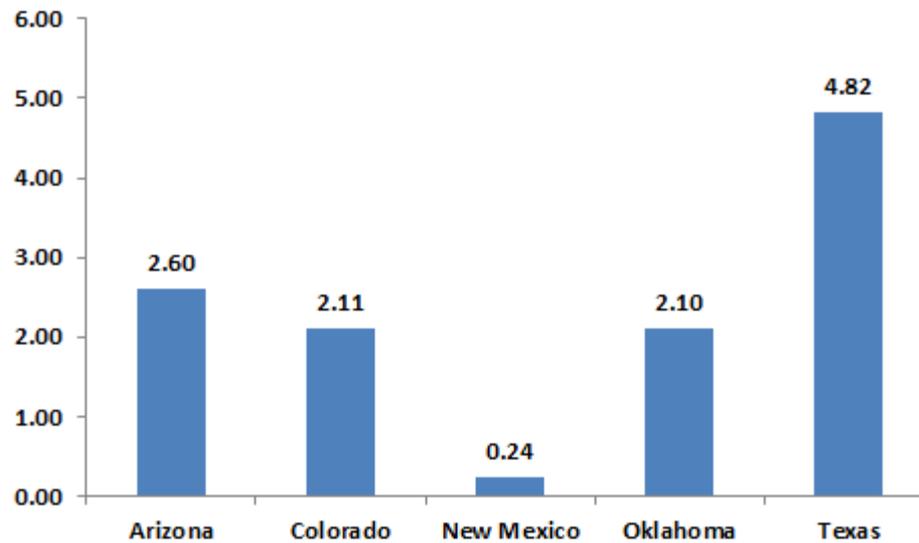
Source: U.S. Bureau of Labor Statistics.

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# Where are we?

Percent Change in Real GDP 2011-2012: Selected States

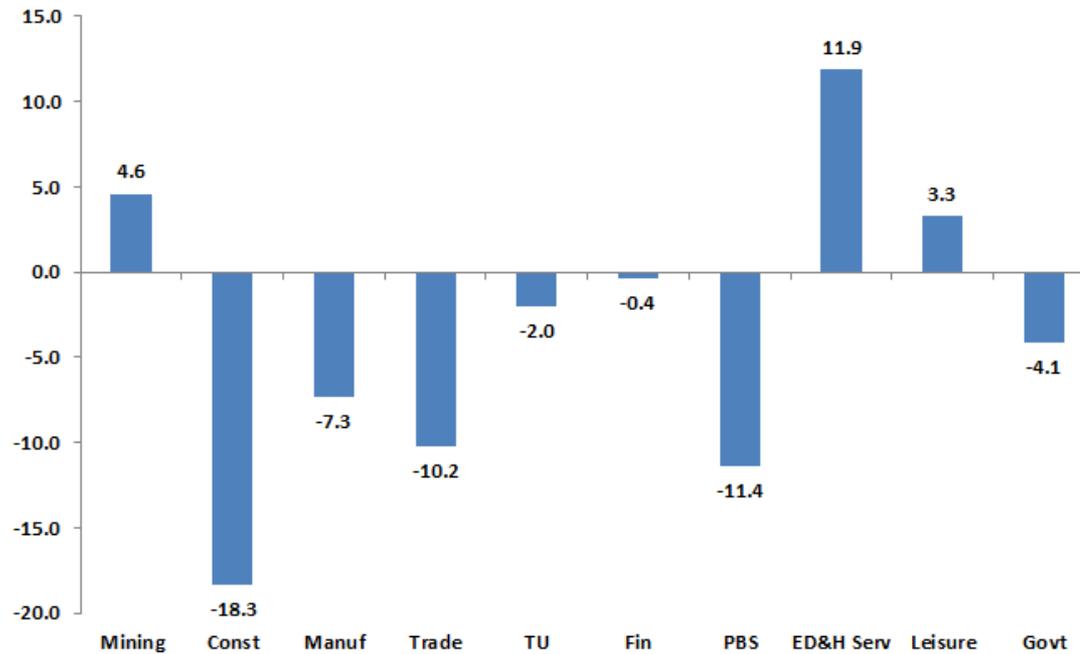


Source: Bureau of Economic Analysis



# NM Employment by Sector

Change in Employment by Sector in New Mexico: Dec 2007 to August 2013  
1,000s of Jobs

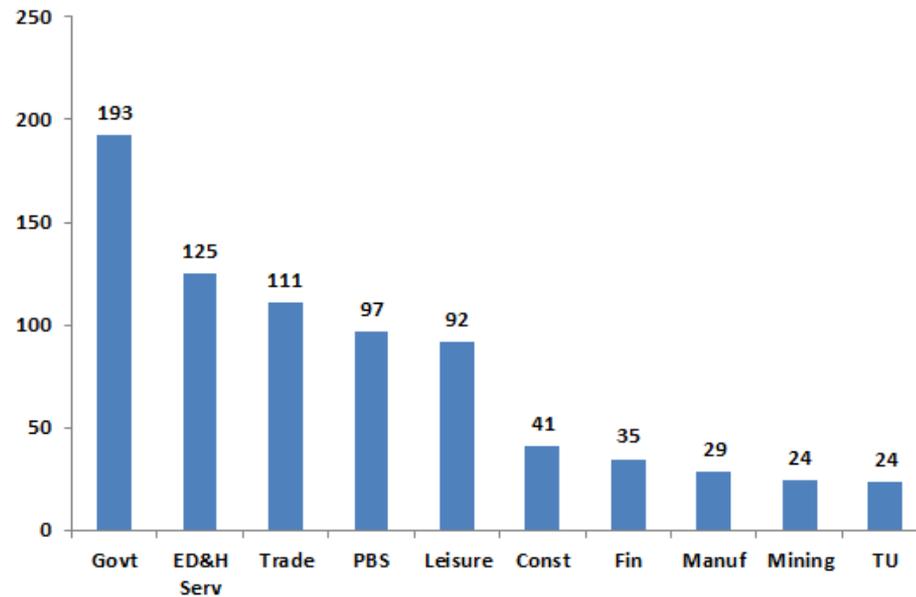


Source: Bureau of Labor Statistics



# NM Employment by Sector

**New Mexico Employment by Major Sector: August 2013**  
**(1,000s of Jobs)**



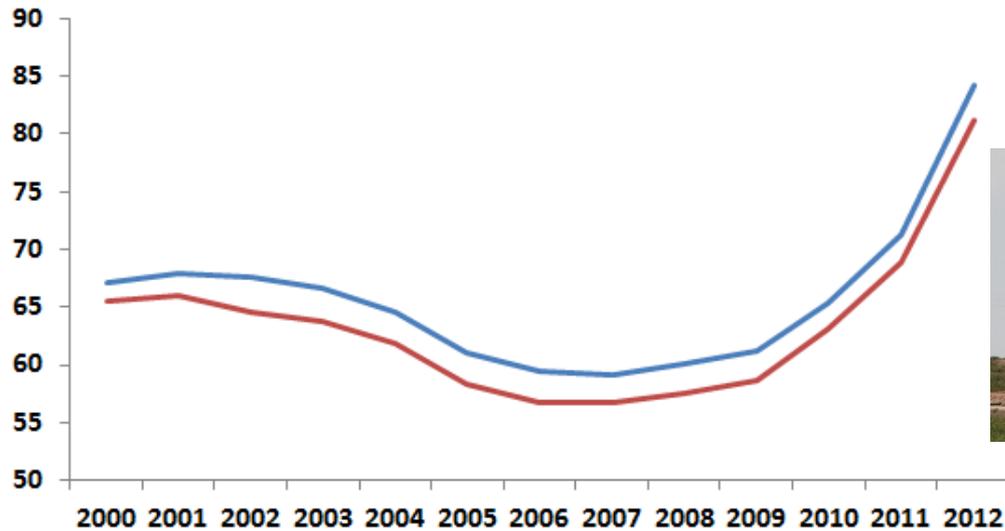
Source: Bureau of Labor Statistics





## A Leading sector

**Crude Oil Production in New Mexico and the Southeast Region  
(Millions of Barrels)**

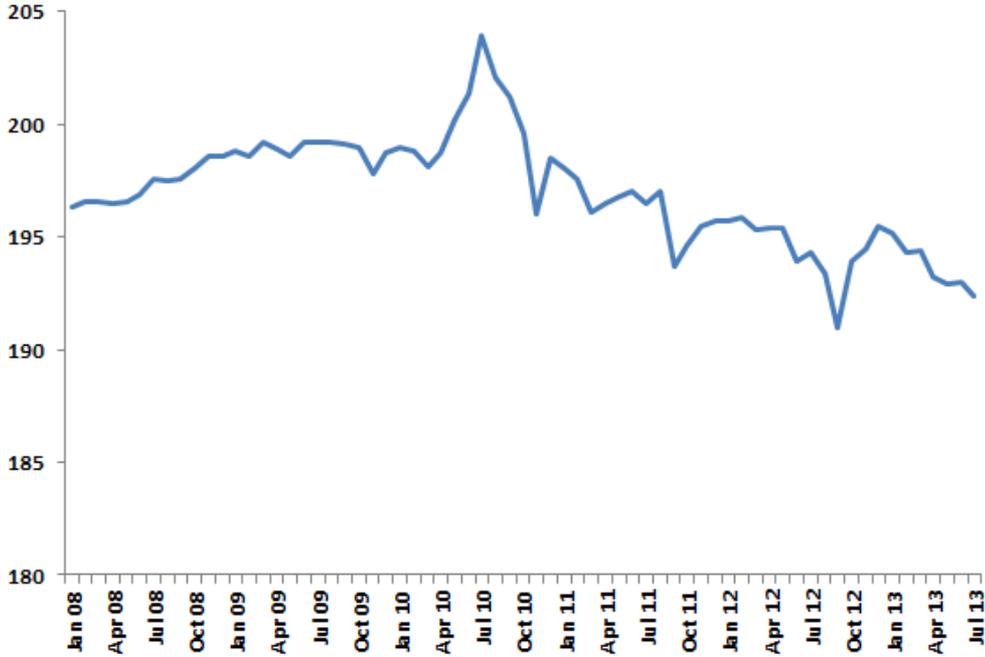


Source: Energy Information Administration, Crude Oil and Other Liquids, <http://www.eia.gov>, May 24, 2013 and New Mexico Energy and Minerals Department



# A Lagging sector

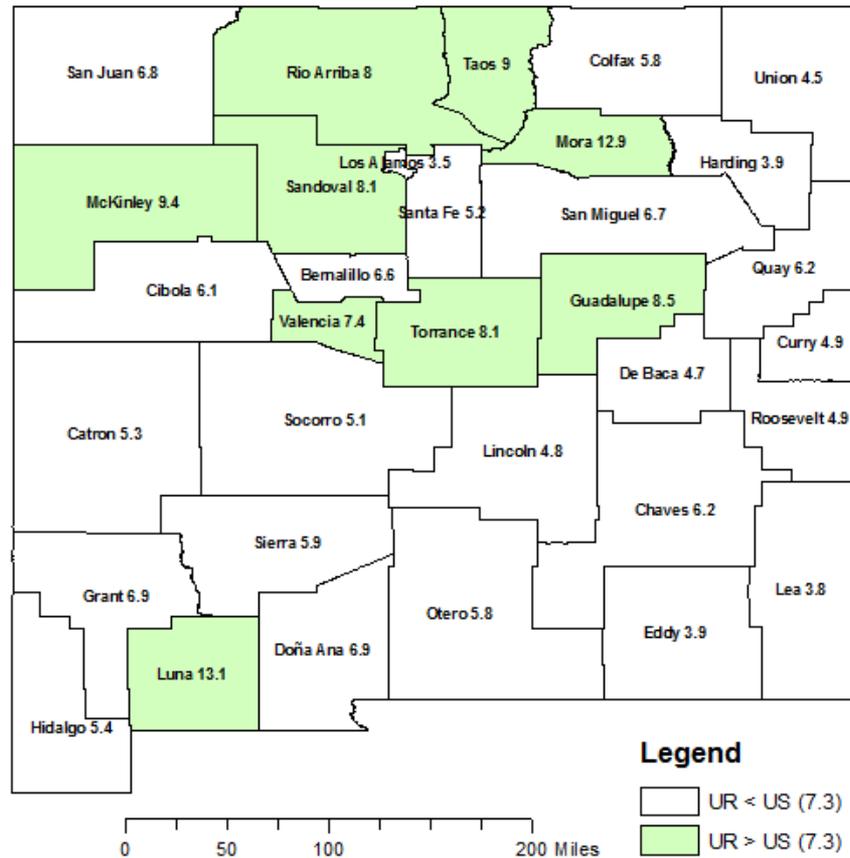
New Mexico Government Employment (Federal, State, and Local): 2008 to 2013  
(1,000s of Jobs)



Source: Bureau of Labor Statistics.

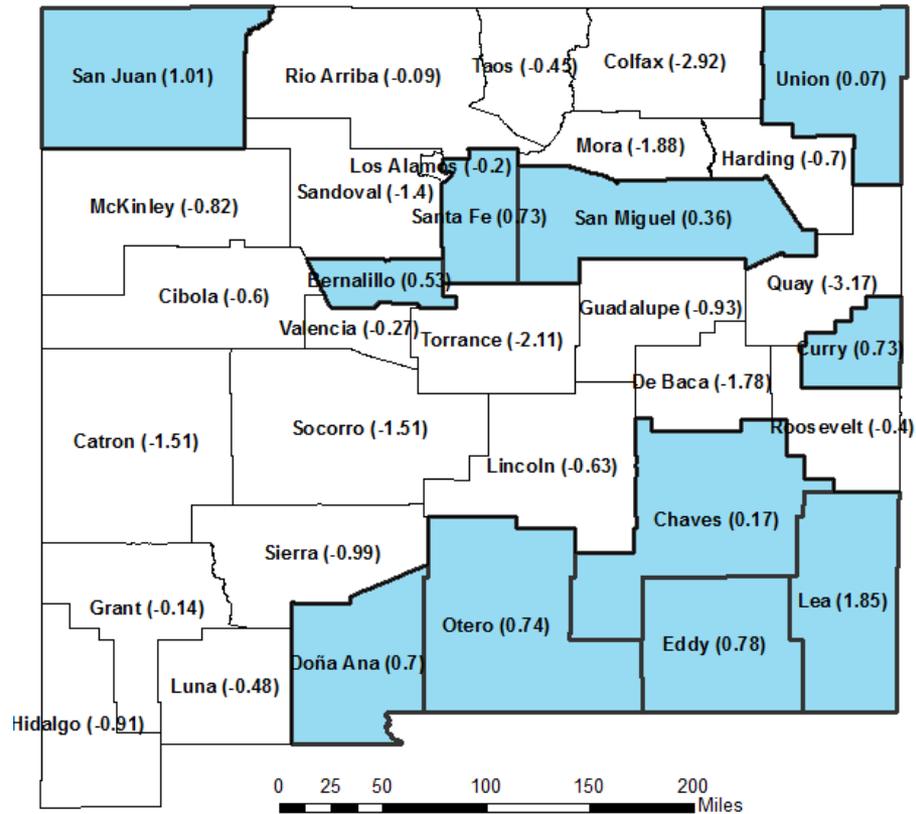


# NM County Unemployment Rates August 2013

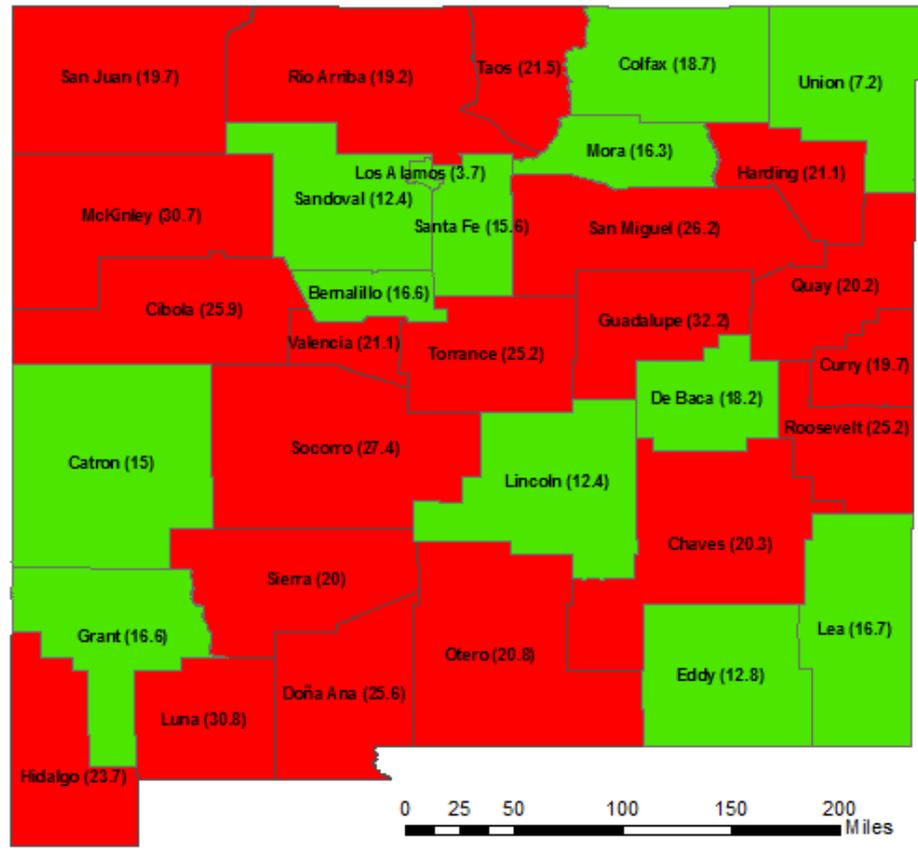


Source: NM Department of Workforce Solutions,  
Map by Arrowhead Center.

## Population Change 2011 to 2012



# Poverty Rate (Percent) NM Counties 2007-11

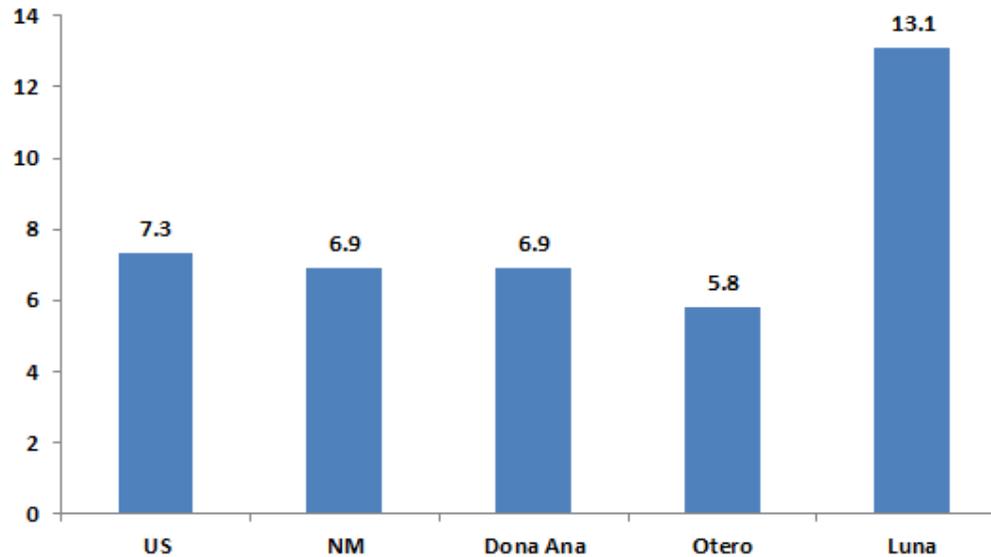


Source: American Community Survey 2007-11 Five Year Estimates  
Red shaded Counties Poverty Rate GT State Average 19.0%

US Poverty rate = 14.3 percent  
NM Poverty Rate = 19.0 percent

# Where are we in Southern NM?

**August 2013 Unemployment Rates (Percent)**  
**Not Seasonally Adjusted**

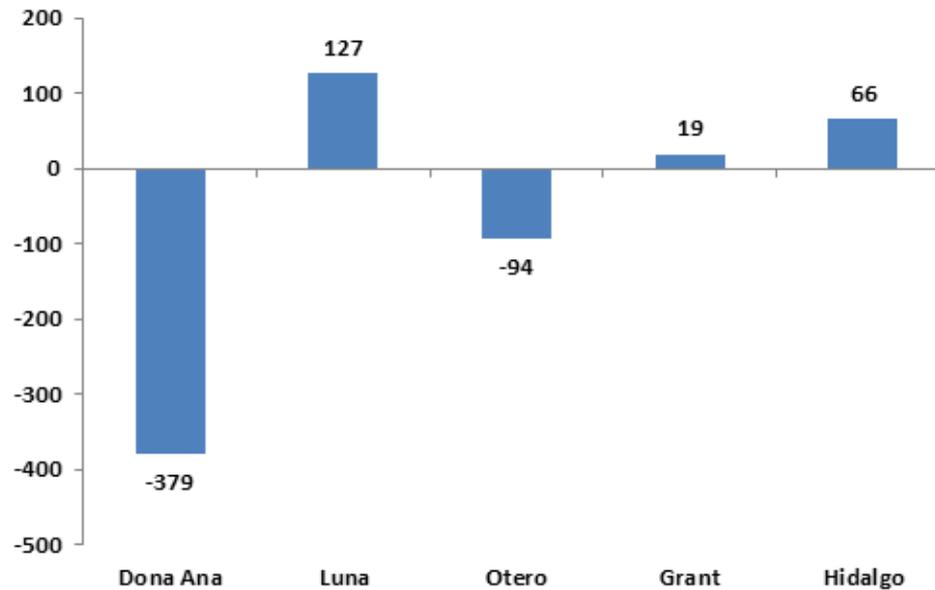


Source: New Mexico Department of Workforce Solutions, LMI



# Change in Employment –Southern NM

**Change in Employment Selected Counties**  
**August 2012 to August 2013**  
**(Household Survey NSA)**

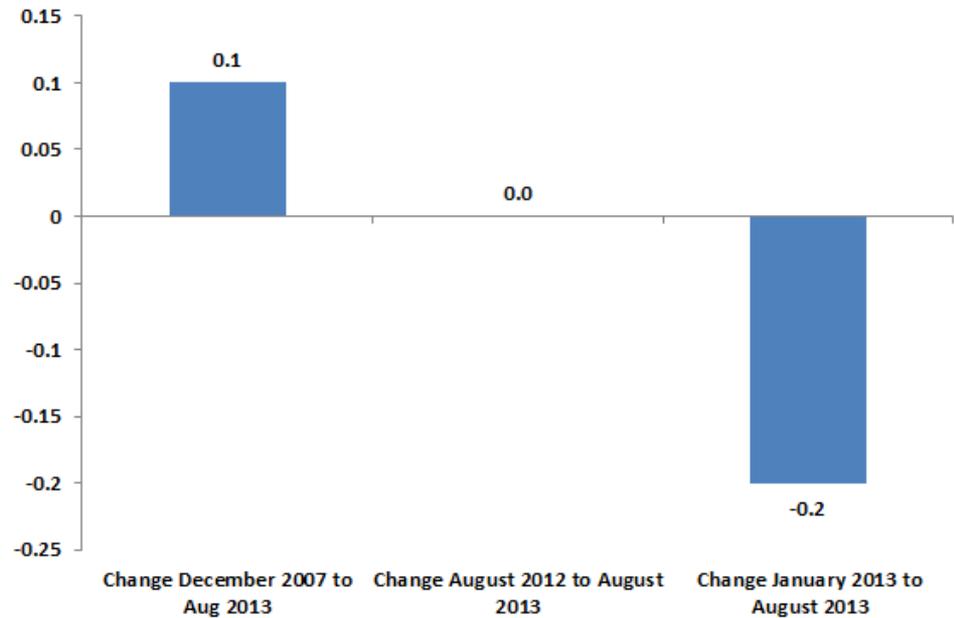


Source New Mexico Department of Workforce Solutions.



# Dona Ana County Employment

Change in Employment in Dona Ana County  
(1,000s of jobs)



Source: Bureau of Labor Statistics, author computations

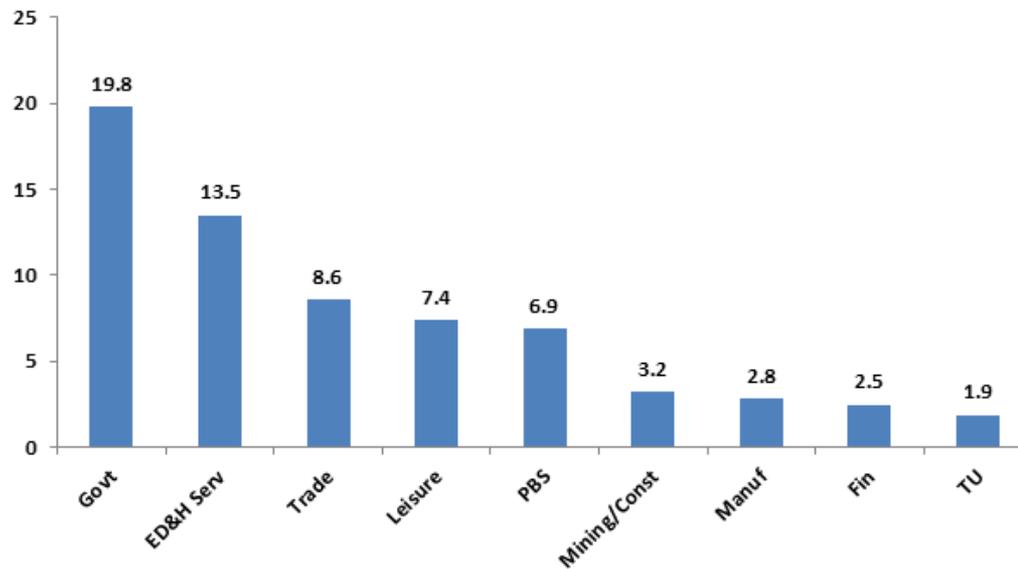


# Dona Ana County Employment by Sector

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**Dona Ana County Employment: August 2013**  
**1,000s of Jobs**

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Source: NM Department of Workforce Solutions

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## Southern New Mexico Recent Activity

- **Santa Teresa inter-modal facility (Union Pacific)**
  - \$400 million investment about half completed
  - W Silver recycling and Twin Cities warehousing 70 jobs announced in July
  - 56 room hotel (Oak Tree Inn) and Penny's all night diner under construction
  - Total employment 2,000 as of July
- **SunZia transmission line \$1.2 billion??**
  - two single-circuit 500 kV AC lines.
  - The controversy?
- **Luna County**
  - Macho Springs (First Solar) 5mw plant (18k homes)
  - 800 construction jobs?
- **Border Zone expansion by Department of Homeland Security**
  - From 25 miles to 55 miles No I-94 required
  - \$51 million in increased sales and 340 jobs



## Southern New Mexico Recent Activity Continued)

- Spaceport (Upham)
  - \$200 million investment
  - SpaceX –three year lease (Grasshopper Rocket testing)
  - Branson (Virgin Galactic) ?
- Solaro (--manufacturer of residential and commercial solar products)
  - headquarters in Socorro 100 jobs?
- WSMR solar project (Solar City)
  - 13.2 mw 100 jobs power to 4.7k homes
- Pegasus – CITE ???
- The Sequester, the current crisis
  - WSMR, NMSU, ?

Centennial Solar Facility  
Las Cruces, New Mexico



Who won?



Thank you!  
Questions?

