



New Mexico and Las Cruces Economic Outlook
9th Border Economic Forum
El Paso Texas
January 15, 2014

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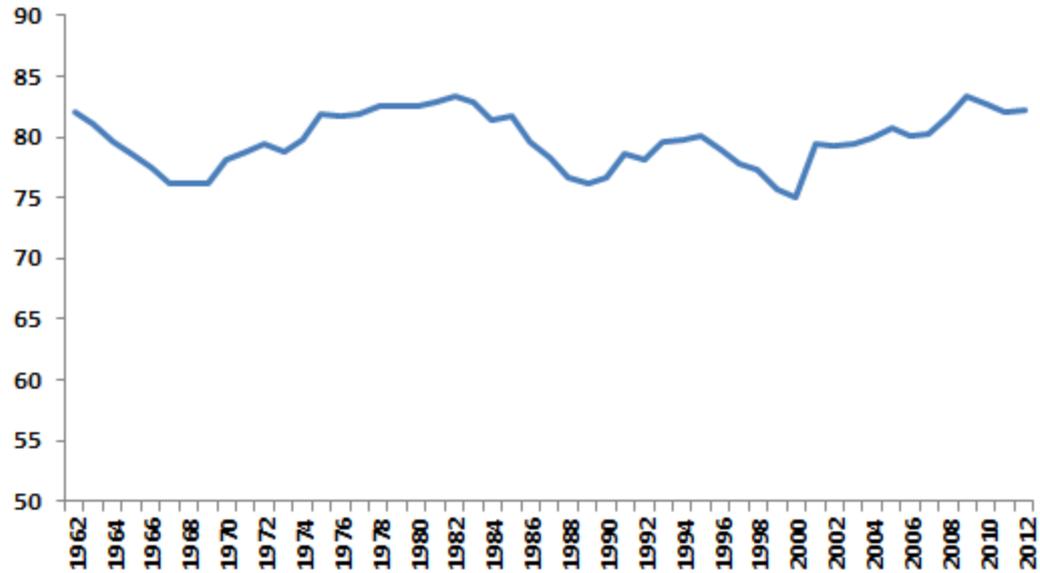
December 27, 2013

WSJ.com - Breaking Bad: New Mexico Looks to Diversify Employer Mix



New Mexico and the Nation

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

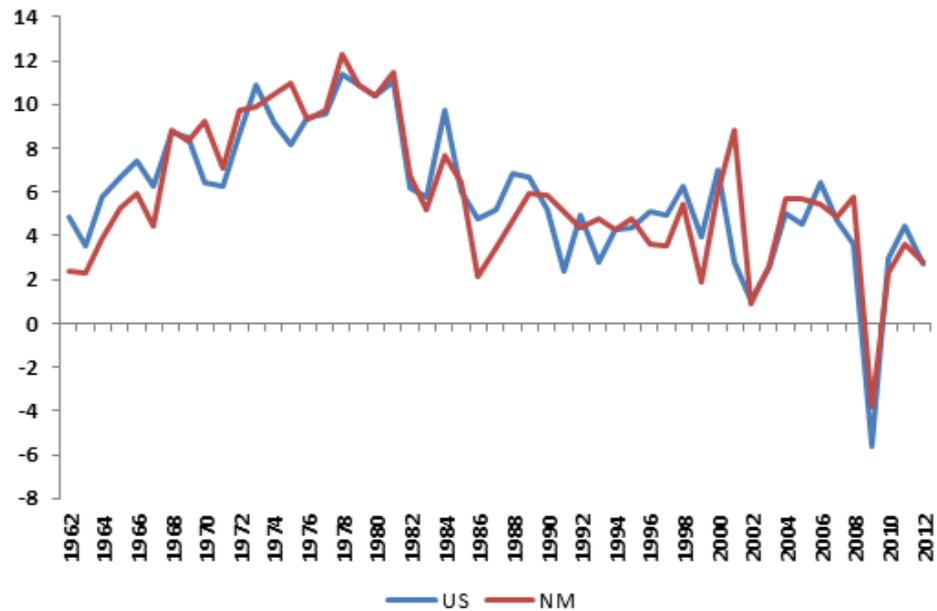


Source: Bureau of Economic Analysis, www.bea.gov and author calculations.



NM and the Nation

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

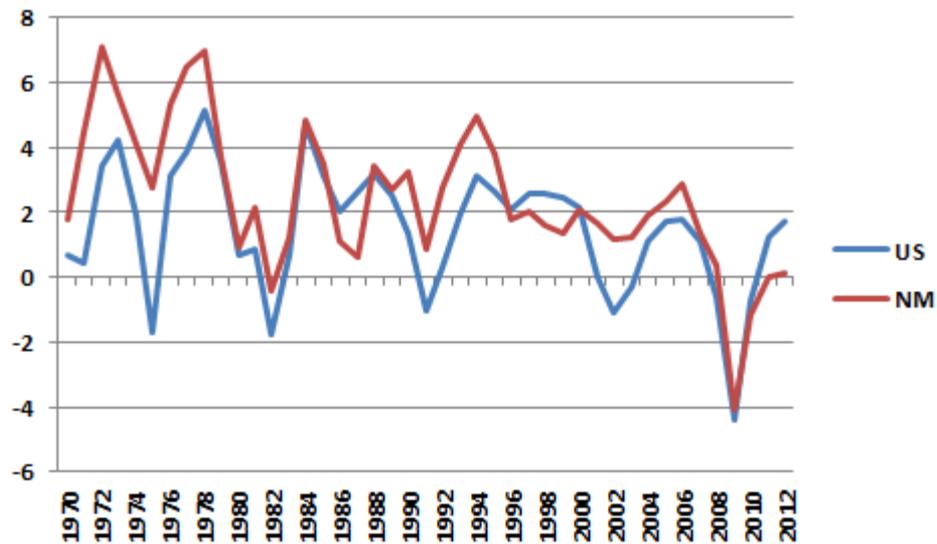


Source: Bureau of Economic Analysis



NM and the Nation

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

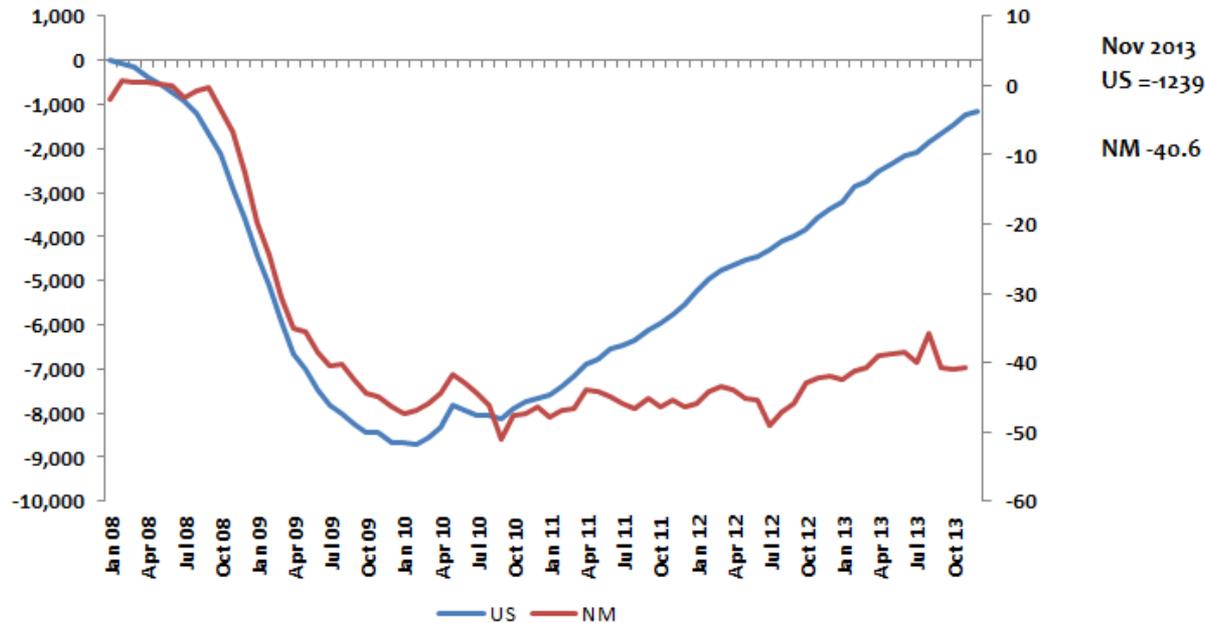


Source: Bureau of Labor Statistics, www.bls.gov



Where are we?

Cumulative change in non-farm payroll employment: NM and US
(1,000s of jobs)

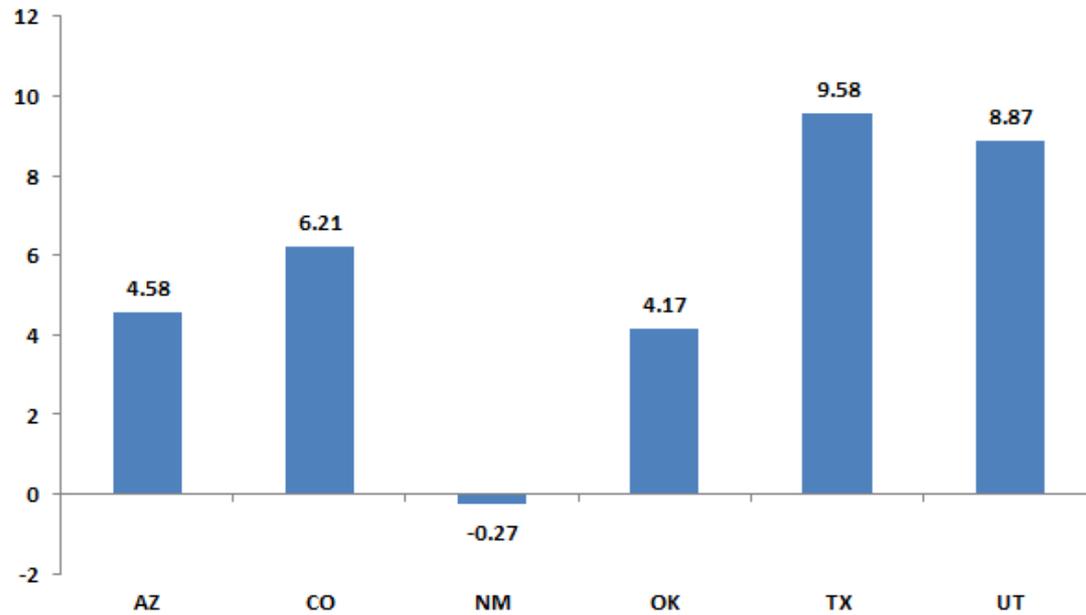


Source: Bureau of Labor Statistics and Author Computations



Breaking Bad?

Percent change in non-farm payroll employment June 1009 to November 2013
Selected States

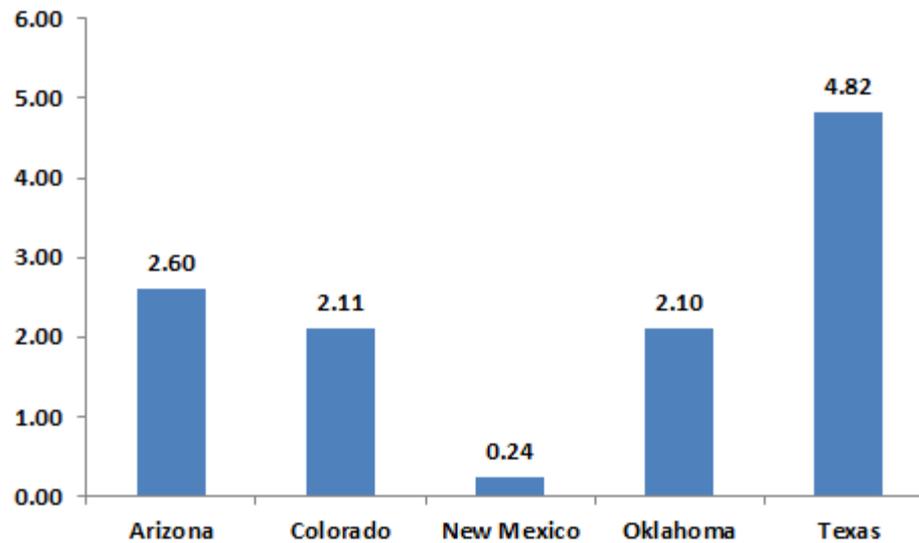


Source: Bureau of Labor Statistics and Author Computations



Where are we?

Percent Change in Real GDP 2011-2012: Selected States

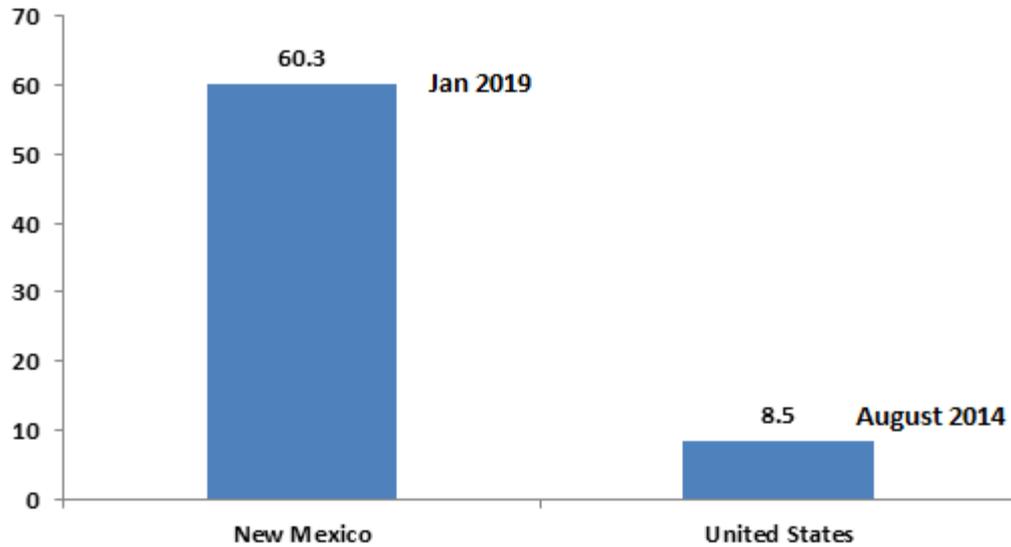


Source: Bureau of Economic Analysis



Where are we?

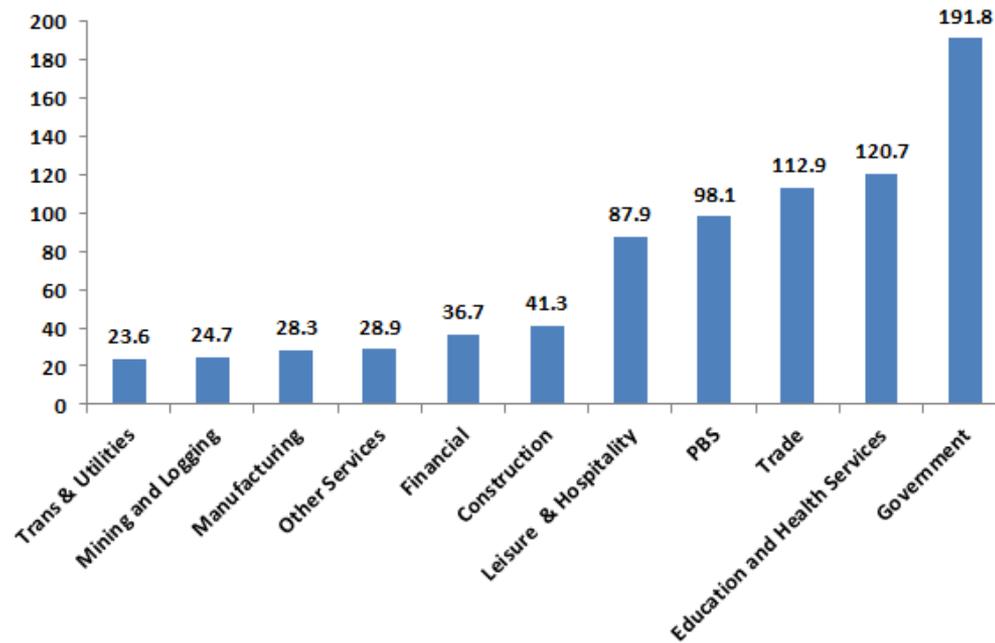
Months to regain Dec 2007 jobs total
Assuming 1 percent annual growth



NM Employment by Sector

New Mexico Employment by Sector (November 2013)

(1,000s of jobs)



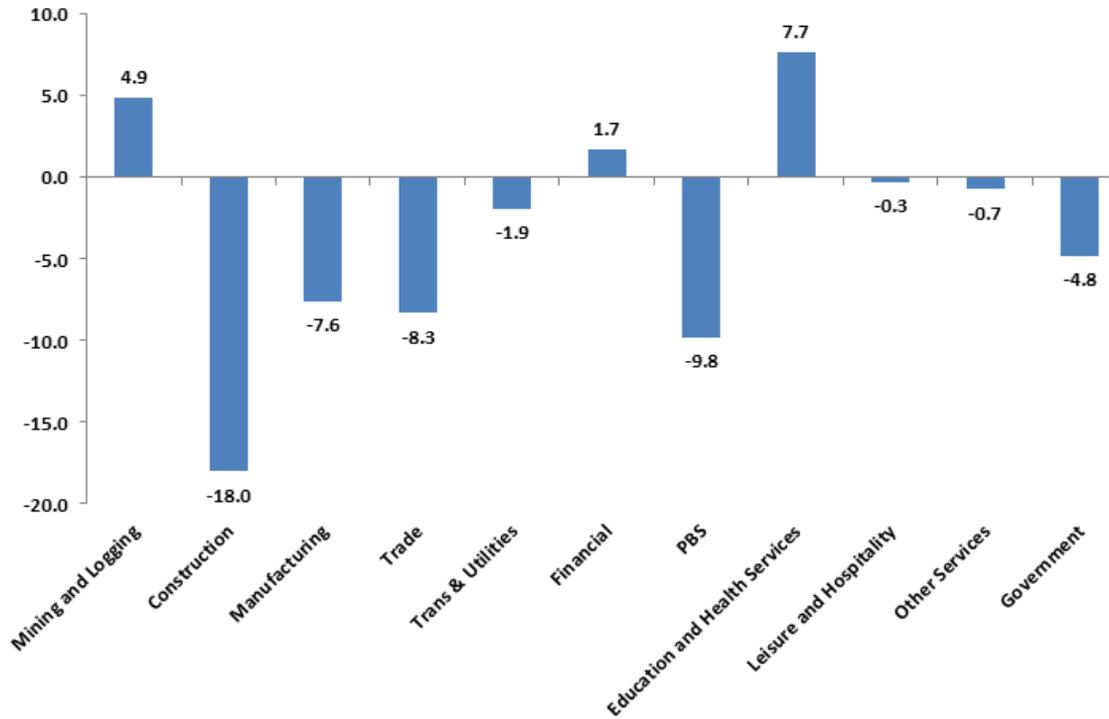
Source: Bureau of Labor Statistics and Author Computations



Employment Change

Change in non-farm employment in New Mexico: Dec 2007 to November 2013

1,000s of jobs

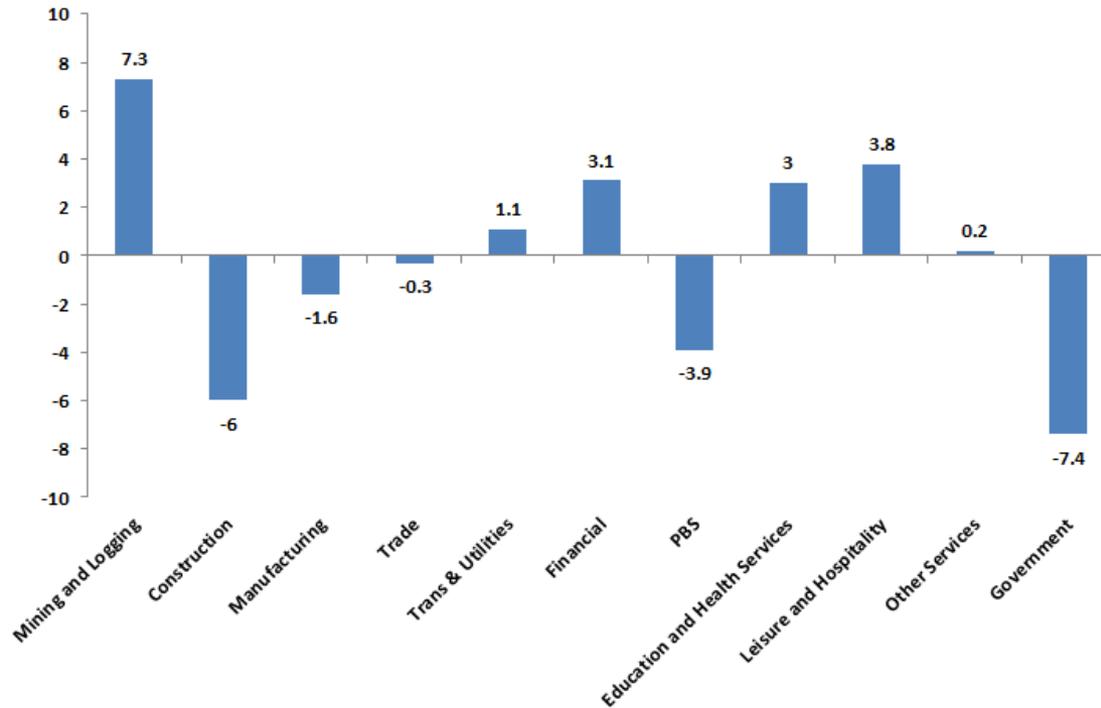


Source: Bureau of Labor Statistics and Author Computations



Employment Change

Change in non-farm employment in New Mexico: June 2009 to November 2013
1,000s of jobs



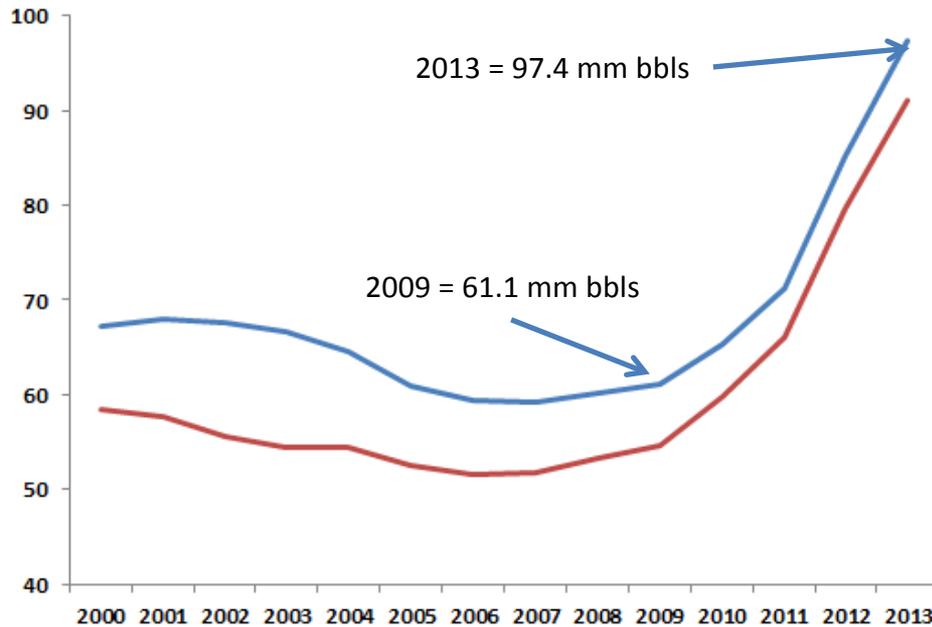
Source: Bureau of Labor Statistics and Author Computations





A Leading sector

New Mexico Crude Oil Production: 2000 to 2013
(millions of barrels per year)



Source: Energy Information Administration.
2013 estimated by the author based on production through October 2013

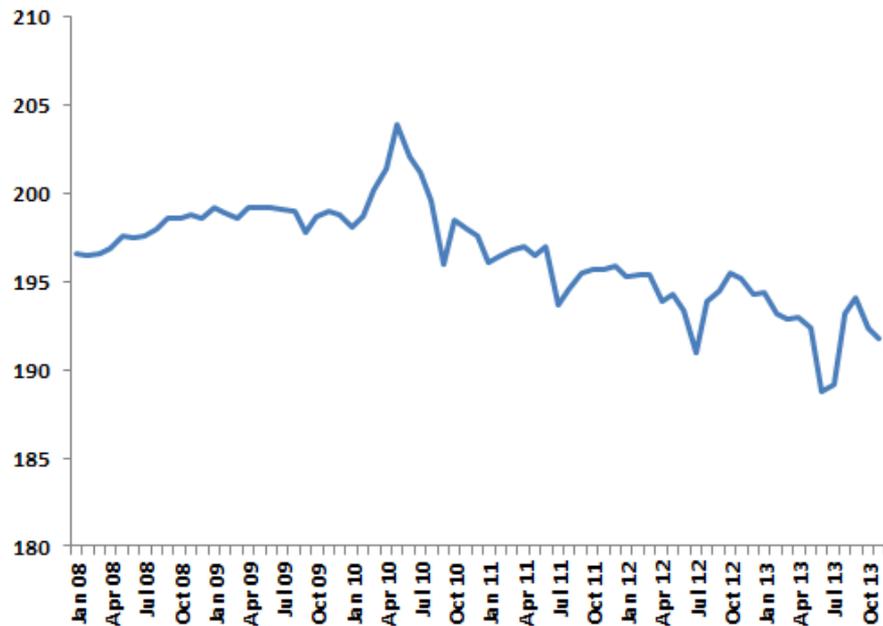


A Lagging sector

New Mexico Government Employment (Federal, State, and Local)

January 2008 to November 2013

(1,000s of jobs)

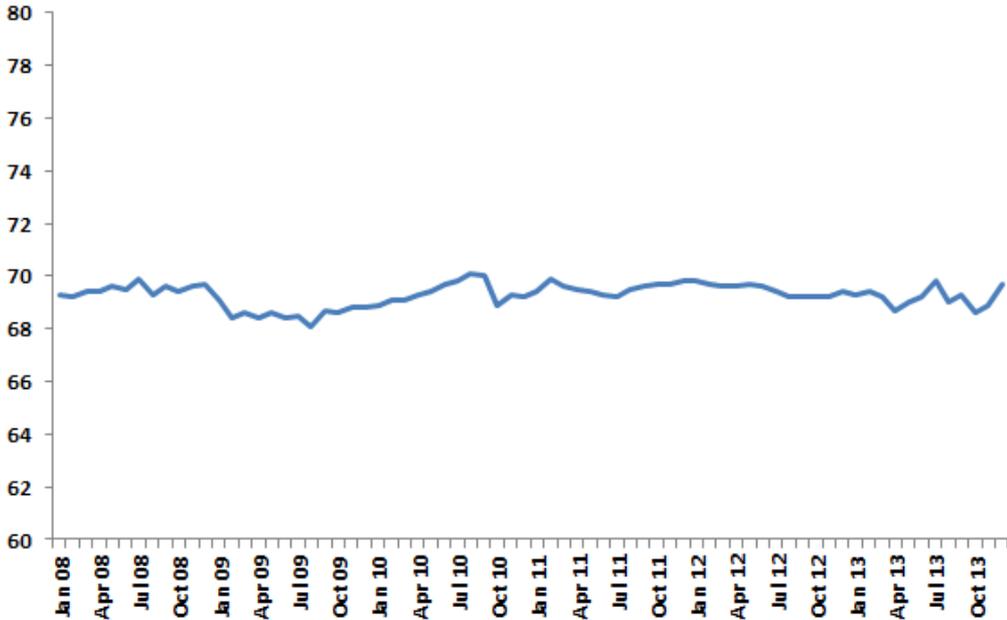


Source: Bureau of Labor Statistics



Las Cruces

Non-farm payroll employment in Las Cruces: January 08 to November 2013
(1,000s of jobs, seasonally adjusted)

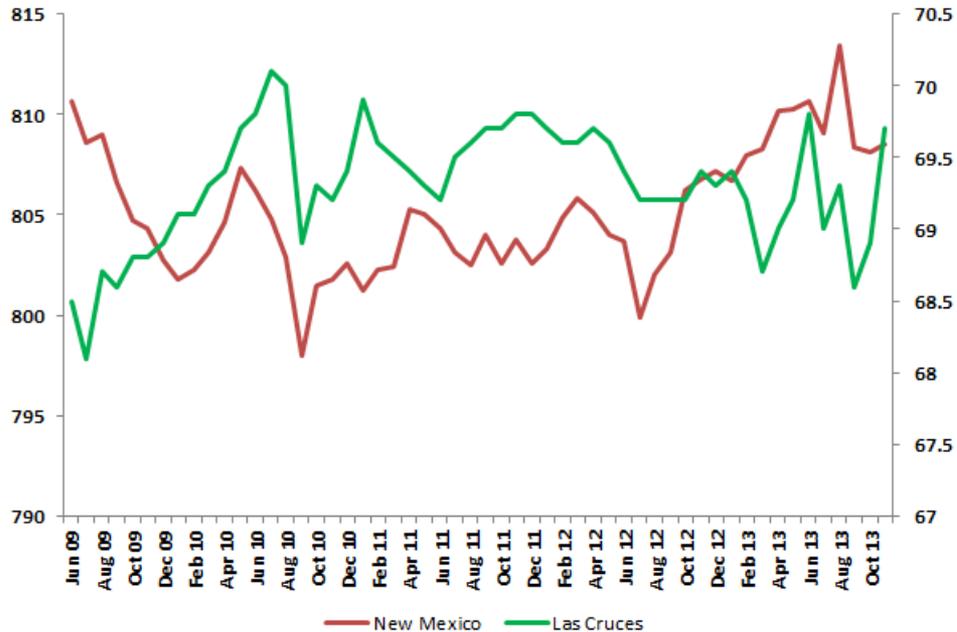


Source: Bureau of Labor Statistics



Red or Green?

Non-farm payroll employment in Las Cruces and New Mexico: June 09 to November 2013
(1,000s of jobs, seasonally adjusted)

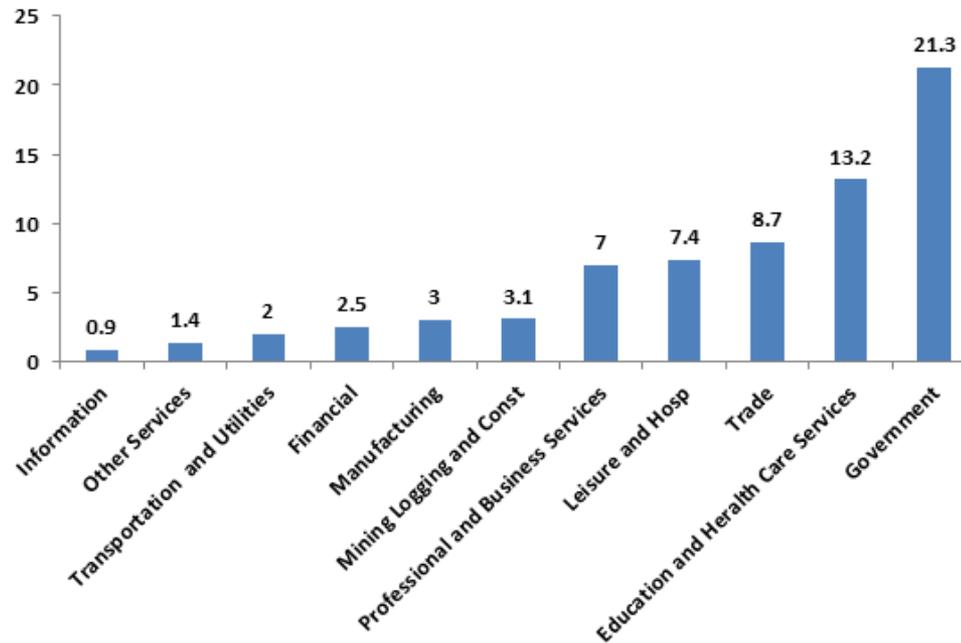


Source: Bureau of Labor Statistics and Author Computations



Las Cruces Employment by Sector (November 2013)

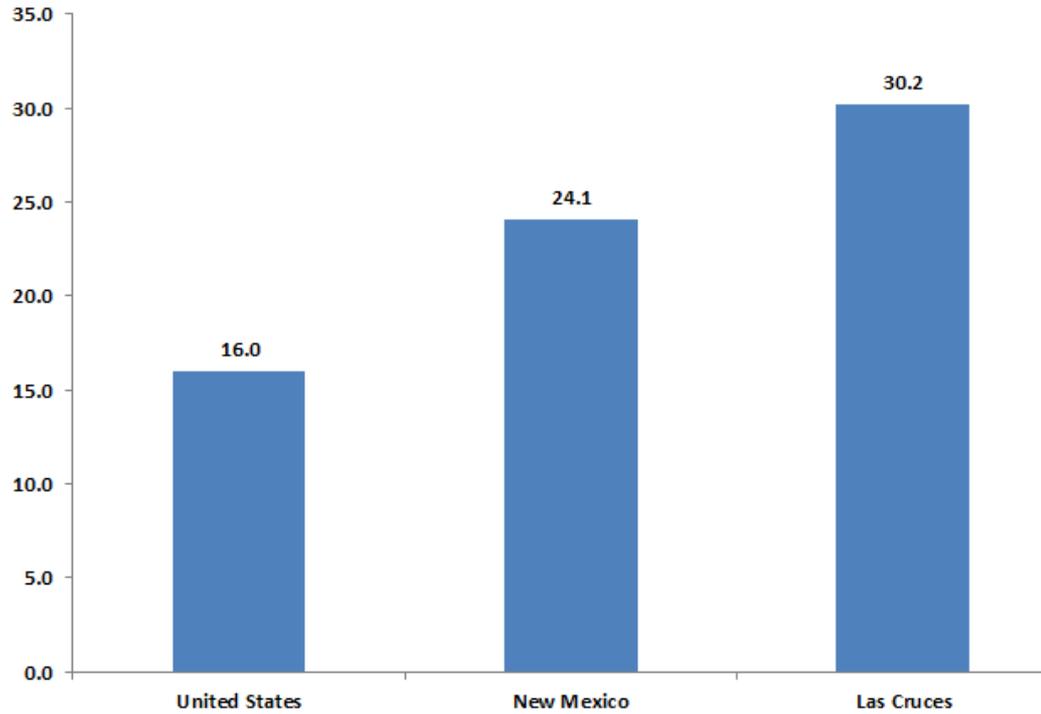
(1,000s of jobs)



Source: Bureau of Labor Statistics and Author Computations



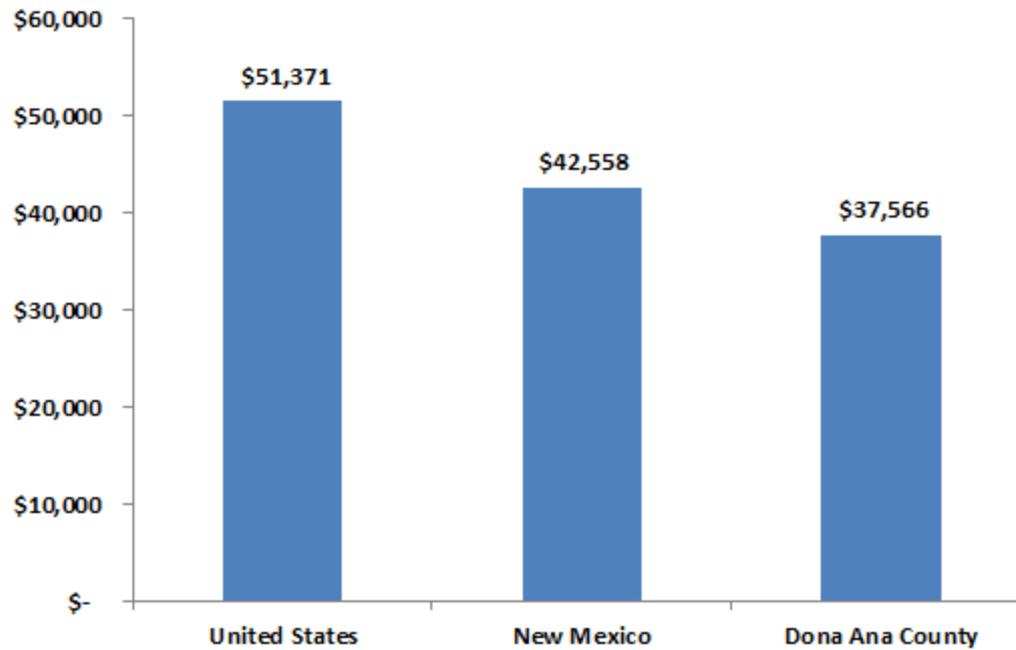
Public sector employment as percent of total (November 2013)



Source: Bureau of Labor Statistics and author calculations.



Median Household Income (2012)

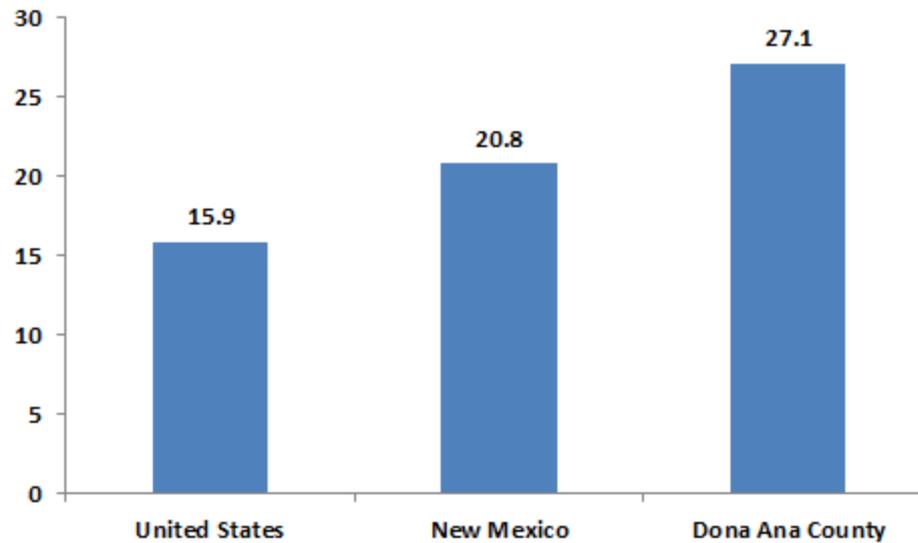


Source: American Community Survey (2012, 1 year estimates)



Poverty

Percent of persons below poverty level

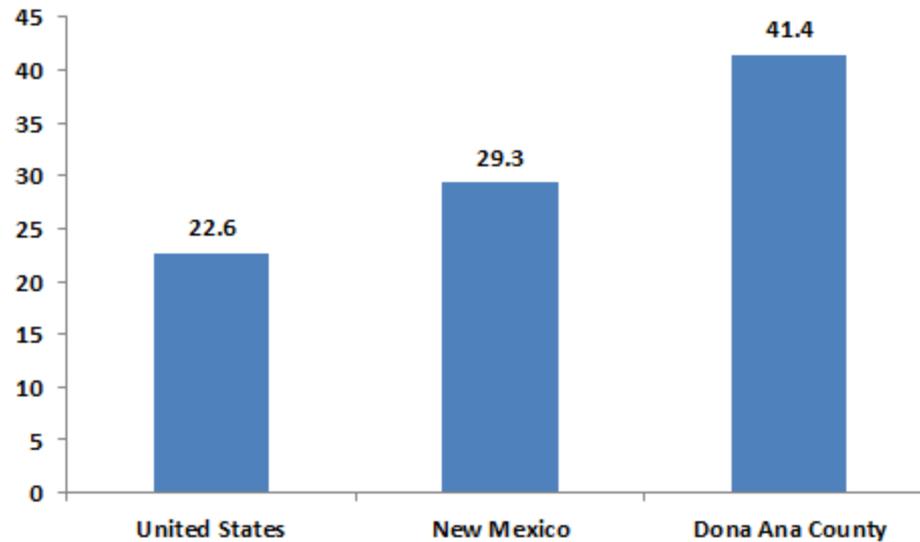


Source: American Community Survey (2012, 1 year estimates)



Youth Poverty

Percent of persons under age 18 below poverty level (2012)

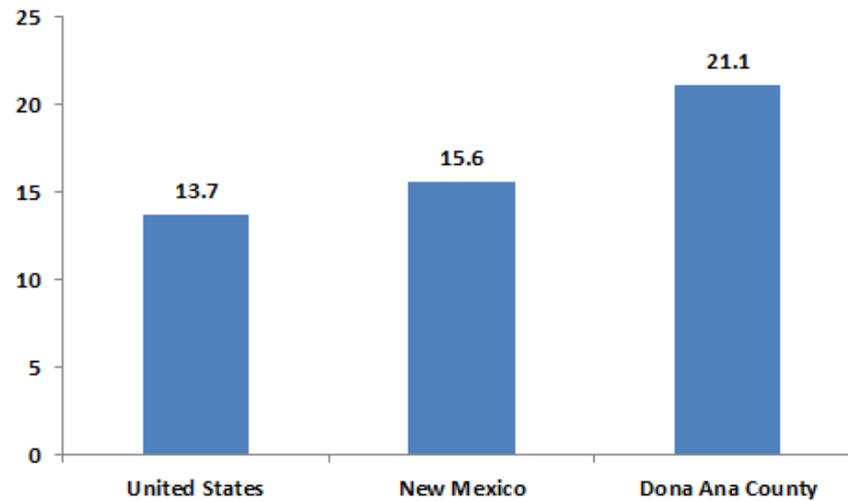


Source: American Community Survey (2012, 1 year estimates)



Educational Attainment

Percent of persons 25 years old and older without a high school diploma 2012



Source: American Community Survey (2012, 1 year estimates)



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 panels)
 - headquarters in Socorro 100 jobs?
- WSMR solar project (Solar City)
 - 13.2 mw 100 jobs power to 4.7k homes
- Pegasus – CITE ???

Centennial Solar Facility
Las Cruces, New Mexico





Reasons for Optimism

- Faster national growth
 - Probably no repeat of the debt ceiling crisis
 - The energy boom
 - Strong auto sales / housing market recovery
- New Mexico
 - FY15 state budget increase (3% Governor 4.3% LFC)
 - Energy boom continues ?
 - San Juan oil production?
- Las Cruces
 - Small expansion in government employment
 - Commercial and residential real estate expansion?



A fearless forecast

- New Mexico in 2014
 - Employment growth = 1.0 to 2.0 %
 - Strongest sectors
 - education and health care services
 - Oil and gas extraction and support activities
 - Leisure and Hospitality
 - Oil production exceeds 100 mmbbls
- Las Cruces
 - Employment growth 2.0% +
 - Strong sectors education, retail, and real estate



Cubs Win!!!

Who won?



Thank you!
Questions?

