In the third quarter of 2011, New Mexico’s private sector had a seasonally adjusted net gain of 3,152 jobs. The increase resulted from 40,942 gross job gains combined with 37,790 gross job losses. This was larger than the previous quarter’s net gain of 1,056 jobs. The private sector posted a third quarter 2010 net loss of 498 jobs; therefore, the third quarter 2011 net gain of 3,152 jobs represented an over-the-year increase of 3,650 jobs.

On average, expanding establishments added 3.5 jobs per establishment in the third quarter of 2011, while contracting establishments lost an average of 3.4 jobs. Establishments that opened during the third quarter started with an average of 3.8 employees, while closing establishments finished with an average of 3.1 employees per establishment.

Establishment births and deaths are different from establishment openings and closings. Openings include both new startups (births) and reopening firms of existing seasonal businesses. Similarly, closings include both seasonal businesses that shut down temporarily, as well as establishments that go out of business permanently (deaths).

BED data show that job gains and losses from births and deaths have been trending slightly downward for the last decade, while the numbers of establishment births and deaths remained comparatively stable (see chart below). The data show that on average, new businesses have been starting out with fewer employees. In the third quarter of 2001, there were 4.2 jobs created for each establishment birth, while in the third quarter of 2011, the average was 4.1. Establishments going out of business have been substantially smaller than in the past, decreasing by an average of 1.5 jobs lost for each establishment death.

1 Data on the quarterly gross job gains and losses come from the Business Employment Dynamics program at the U.S. Bureau of Labor Statistics. A more detailed Business Employment Dynamics report will be presented in our new quarterly publication scheduled to debut in August.
2 The employment data series for opening, expanding, closing, and contracting establishments are independently adjusted using X-12 ARIMA software and the net changes are calculated based on the difference between gross job gains and gross job losses. Similarly, the establishment counts data series for opening, expanding, closing, and contracting establishments are independently adjusted and the net changes are calculated based on the difference between the number of opening and closing establishments.