A Work Area Profile of the City of Rio Rancho—Industry Sector, Earnings, and Worker Age Characteristics
Jonathan Blaich, Economist

Background
An analysis of job flows in the City of Rio Rancho was presented in the July 2015 New Mexico Labor Market Review, which showed that the city’s population grew significantly from 2000 to 2014 and that a majority of residents were employed outside of the city in 2012. This article is a work area profile analysis using the U.S. Census Bureau’s Longitudinal Employer-Household Dynamics’ (LEHD) Origin-Destination Employment Statistics (LODES) data. New 2013 LODES data were released with the OnTheMap data tool version 6.4.1 in August of 2015. For more information on the LODES data, go to http://lehd.ces.census.gov/. To use the OnTheMap tool, go to http://onthemap.ces.census.gov/.

In 2013, there were 30,539 outflow workers who lived in the city but were employed outside of the city, which was slightly lower than 30,689 observed in 2012. A total of 22,945 workers were employed in Rio Rancho in 2013; 14,014 were inflow workers who lived outside of the city, and 8,931 were interior workers who lived in the city. The data presented in this article are for all jobs located in Rio Rancho, including those filled by interior workers who live and work in the city, and inflow workers who live outside the city. Analysis of the data reveals dynamic trends in employment by industry sector and earnings and evidence that the Rio Rancho economy is growing and becoming more diversified. Three-year data averages were calculated to provide a comparison of three economic periods: the pre-recession period from 2005 to 2007; the recession period, which encompasses the two years of the Great Recession, 2008 and 2009, and 2010, the year following the official end of the recession that was mired by a lagging jobs recovery; and the post-recession period from 2011 to 2013.

The Largest Industry Sectors by Employment in Rio Rancho
OnTheMap provides detailed employment data for specific geographical areas segmented into 20 industry sectors defined by the North American Industry Classification System (NAICS). Charts 1 and 2 show employment averages and percentages of total employment during each three-year period from 2005 to 2013 in the seven largest industry sectors in Rio Rancho.

Total jobs in all industry sectors in Rio Rancho dropped by 13 percent, from an average of 21,393 in the pre-recession period (2005–2007) to 18,551 in the recession period (2008–2010). Total jobs then rebounded 24
percent to 23,090 in the post-recession period (2011–2013), which was 8 percent higher than in the pre-recession period. Manufacturing jobs accounted for the largest percentage of employment in Rio Rancho when compared to other industry sectors during the pre-recession period from 2005 to 2007. There were an average of 7,417 manufacturing jobs, which accounted for over a third (34.7 percent) of total employment. In the Great Recession period from 2008 to 2010, the average number of jobs in manufacturing dropped 70 percent, the most of any other industry sector and much more than the rate for all industry sectors, which declined by 13 percent. The average number employed in manufacturing declined to 2,245, and the share of total employment dropped to 12.1 percent. After the recession, employment more than doubled, growing by 114 percent from the recession period (2008–2010) to an average of 4,806 jobs in the post-recession period (2011–2013). Rio Rancho did not recover all of the manufacturing industry sector jobs lost in the recession period; there were 35 percent fewer jobs in manufacturing in the post-recession period (2011–2013) than in the pre-recession period (2005–2008). In the post-recession period, employment in the manufacturing industry sector accounted for 20.8 percent of total employment, the largest share of jobs compared to all other industry sectors. Although the manufacturing industry sector in Albuquerque employed more people from 2011 to 2013, the share was much lower. An average of 12,091 workers were employed in the manufacturing industry in Albuquerque from 2011 to 2013, which accounted for 4.2 percent of all employment. Santa Fe had an average of 911 employees in the manufacturing industry,
Rio Rancho industry sectors with significant job growth from the pre-recession period (2005–2007) to the post-recession period (2011–2013) were: health care and social assistance, which grew from an average of 720 (3.4 percent) to 1,663 (7.2 percent), an increase of 131 percent; educational services, which grew 36 percent from 2,252 (10.5 percent) to 3,068 (13.3 percent); and administrative and support, waste management and remediation, which roughly doubled, growing from 1,745 (8.2 percent) to 3,503 (15.2 percent). The information industry sector, while not one of the seven largest industry sectors, also had significant growth; employment in the industry increased by 139 percent, from an average of 357 to 854.

Even though public administration was not one of Rio Rancho’s seven largest industry sectors, it grew by 142 percent, from 276 in the period from 2005 to 2007 to 669 in the period from 2011 to 2013. As a share of total employment, the public administration industry sector is smaller in Rio Rancho when compared to nearby cities. From 2011 to 2013, it only made up 2.9 percent of the city’s employment, compared to 5.5 percent of Albuquerque’s and 16.5 percent of Santa Fe’s employment.

The manufacturing industry sector made up a smaller share of the Rio Rancho economy after the Great Recession than it did before, and many other industry sectors made up a larger share. Industry sector shares in Rio Rancho show more similarities with the United States than with New Mexico. Diversification by industry sector can be quantified using the Hachman Index, which was calculated to compare the share of employment in each industry sector in the subject area, Rio Rancho, with the shares in two larger reference areas, New Mexico and the United States. Hachman Index values are between 0 and 1, where 1 indicates identical industry employment shares for the subject and reference areas and 0 signifies completely dissimilar shares. A notable increase was observed in the Hachman Index from 0.58 in the pre-recession period (2005–2007) to 0.69 in the post-recession period (2011–2013), with the United States as a reference area. Industry sector shares in the city were not as closely aligned with New Mexico as a reference area, but an increase was observed in the Hachman Index from 0.35 in the pre-recession period (2005–2007) to 0.48 in the post-recession period (2011–2013). The increases observed in the Hachman Indices for the two reference areas show that Rio Rancho’s employment by industry was more diversified after the Great Recession than before.

OnTheMap provides a web-based interface that allows users to visualize employment geographically. The tool has a thermal overlay feature, which displays job density with a graduated color scale and a point overlay feature, which displays proportionally-sized dots representing employment at individual locations. Users with Geographical Information System (GIS) mapping software can download OnTheMap data in point shapefile format, which contains the geographic location of each establishment and detailed employment estimates. The shapefile table contains employment estimates for each location segmented by earnings range, industry sector, worker age range, race, ethnicity, educational attainment, and sex. Map 1 is a geographical representation of 2013 OnTheMap employment data segmented by industry sector. Rio Rancho’s seven largest industry sectors in 2013 are color coded, and employment is displayed with proportional dot symbols. The sum total of employment in all 20 NAICS industry sectors for each establishment is displayed with a hollow ring. Dot symbols are semi-transparent so that overlapping dots can be viewed. Employment data are shown for Rio Rancho and surrounding areas to provide perspective, scale, and a geographic comparison of industry sector employment. The map focuses on the area of the city with the majority of establishments and employment but does not show the entire land area of the city.

Jobs by Earnings

The Great Recession had a major impact on the earnings of Rio Rancho workers; data averages and percentages for each three-year period are shown in Charts 3 and 4. In the period prior to the recession, from 2005 to 2007, Rio Rancho had an average of
9,156 high-wage jobs paying more than $3,333 per month, which accounted for 42.8 percent of all jobs. The city suffered a decline in the average number and percentage of high-wage jobs, falling by 32 percent to an average of 6,187 jobs (33.4 percent of the total), in the three-year period encompassing the recession and lagging jobs recovery from 2008 to 2010. The recession’s impact on high-wage jobs proved to be temporary, and a significant increase of 59 percent in high-wage jobs occurred in the three-year period from 2011 to 2013. In the post-recession period, Rio Rancho recovered all high-wage jobs lost in the recession and experienced a net 7 percent gain in high-wage jobs from the pre-recession period, reaching 9,814 (42.5 percent of the total). The average number of middle-wage jobs paying $1,251 to $3,333 per month increased slightly during the recession and afterward. Middle-wage jobs averaged 6,845 (32.0 percent) from 2005 to 2007, rose to 7,167 (38.6 percent) from 2008 to 2010, and continued to climb to 7,875 (34.1 percent) from 2011 to 2013, an increase of 15 percent from the pre-recession period. The average number of low-wage jobs paying $1,250 per month or less remained relatively flat, falling slightly in the recession period and rising slightly in the post-recession period. Low-wage jobs averaged 5,392 (25.2 percent) from 2005 to 2007, 5,197 (28.0 percent) from 2008 to 2010, and 5,401 (23.4 percent) from 2011 to 2013.

Jobs by Worker Age

The average number of jobs in each age category for each three-year period are shown in Chart 5, and the percentages are shown in Chart 6. The Rio Rancho workforce showed signs of aging as the number of workers age 55 or older increased 63 percent from the pre-recession period to the post-recession period. Though this group is small in numbers, their proportion of all workers increased as well. Employment in the oldest age group rose to an average of 4,037, or 17.5 percent of all workers, during the period 2011 through 2013. Older workers averaged much less in the preceding time periods—2,473 (11.6 percent) from 2005 to 2007 and 2,822 (15.2 percent) from 2008 to 2010. In recent years, a smaller number and proportion of Rio Rancho workers were age 29 or younger. On average, there were 5,231 (22.7 percent) young workers from 2011 to 2013, down 8 percent from 5,700 (26.6 percent) during the period 2005 to 2007. The average number of younger workers dipped slightly during the recession period (2008–2010) to 5,185 (28.0 percent). Although middle-age workers age 30 to 54 made up the largest number and proportion of workers during all three-year periods, their share fell. There were an average of 13,822 middle-age workers, making up 59.9 percent of the Rio Rancho workforce, from 2011 to 2013. There were an average of 13,219 middle-age workers, making up 61.8 percent of the Rio Rancho workforce, from 2005 to 2007. The average number of middle-age workers declined by 20 percent in the recession period (2008–2010) to 10,543 (56.8 percent of the total). The middle-age workforce bounced back by 31 percent to an average of 13,822 during the post-recession period (2011–2013), which was 5 percent higher than in the pre-recession period, making up 59.9 percent of the Rio Rancho workforce.