Behind the Headline Unemployment Numbers
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The New Mexico Department of Workforce Solutions (NMDWS), in cooperation with the U.S. Bureau of Labor Statistics (BLS), publishes monthly labor force estimates that serve as key indicators of current local economic conditions. To supplement these monthly data, the BLS in its Geographic Profile of Employment and Unemployment (GP), at http://www.bls.gov/gps/home.htm, provides annual average statewide (and some substate, though none for New Mexico) employment and unemployment estimates by selected demographic and economic characteristics, derived directly from the Current Population Survey (CPS). The GP website currently features a variety of employment status estimates for 1999–2013 in both PDF and Excel versions and additional data for 1997–2013 in PDF only, with retrieval tools available to access data series for 1981–1998. Because GP annual averages are produced directly from CPS data, the estimates for unemployment rate and unemployment level presented in this article may not match those produced by the Local Area Unemployment Statistics (LAUS) program, which incorporates inputs from multiple sources, including the CPS, to generate model-based estimates. Information on the uses and limitations of subnational data from the CPS is available at http://www.bls.gov/gps/notescps.htm.

Chart 1 shows that New Mexico's 2013 unemployment rate for both men and women was generally lower at progressively higher age ranges, with the overall rate for men, at 7.6 percent, exceeding that for women, at 6.7 percent, producing a total annual average rate of 7.2 percent. The unemployment rate was higher among men than women for all but two groups: those aged 35 to 44 and those aged 65 and over. Joblessness for those aged 16 to 19, a group typically overrepresented in the unemployed population at all phases of the business cycle, was 15.2 percent in New Mexico (ranking ninth lowest nationally), with men at 19.1 percent and women at 11.3 percent. The overall unemployment rate for the 16 to 19 age group was down from 18.9 percent in 2012, increasing slightly for men, from 18.8 percent, and decreasing sharply for women, from 19.1 percent. The group's labor force participation rate and employment-population ratio increased for women and fell for men between 2012 and 2013.

While unemployment rates were highest for the two youngest age groups, Chart 2 shows that the 25 to 34 age group for men and the 35 to 44 age group for women accounted for the largest shares of total unemployment. The 16.7 percent portion representing New Mexico men aged 25 to 34 tied with North Dakota and Alaska for third highest in the nation, behind only West Virginia, at 20.8 percent, and Louisiana, at 17.0 percent. Similarly, the unemployment share for New Mexico women aged 35 to 44, at 12.1 percent, was the second highest among all states and the District of Columbia, behind only South Dakota, at 12.5 percent.

Long-term unemployment has been a significant and widely discussed concern in the wake of the Great Recession, with national estimates for median duration increasing from 8.3 weeks in 2006 to 21.4 weeks in 2010 and mean duration rising from 16.8 weeks in 2007 to 39.4 weeks in 2012. For 2013, the U.S. mean stood at 36.5 weeks and the median at 17.0 weeks. The downturn's impact was so pronounced, in fact, that the BLS and the Census Bureau, which conducts the CPS, modified processing for January 2011 estimation to accept reported unemployment durations of up to five years, beginning a four-month phaseout of the previous two-year upper bound. This change produced a series break for mean duration but did not affect median duration or related unemployment distributions. BLS research comparing mean duration using the previous and new upper bounds may be accessed at http://www.bls.gov/cps/duration.htm.

New Mexico unemployment durations were likewise impacted sharply by the recession, with Chart 3 showing the statewide median rising from 5.9 weeks in 2008 to 19.7 weeks in 2011 and the mean increasing from 12.7 weeks in 2006 to 35.9 weeks in 2011. Both the mean and median edged lower between 2011 and 2012 before increasing again in 2013, highlighting the persistence of the long-term unemployment problem. New Mexico's 2013 median...
tied with Nevada, at 19.4 weeks, for eleventh highest among all states and the District of Columbia, while its mean, at 38.9 weeks, ranked thirteenth highest. East Coast states accounted for the seven highest rankings for both mean and median duration: Florida, 48.0 and 22.5 weeks; District of Columbia, 46.3 and 24.6 weeks; New Jersey, 43.7 and 24.4 weeks; Rhode Island, 42.3 and 21.5 weeks; Connecticut, 42.3 and 20.6 weeks; New York, 41.9 and 22.1 weeks; and North Carolina, 41.8 and 20.8 weeks. North Dakota, at 17.6 and 7.9 weeks, and South Dakota, at 19.3 and 8.6 weeks, posted the lowest duration levels.

New Mexico's 2013 unemployment duration distribution varied widely by category, as shown in Chart 4. Duration levels were higher for women than for men in both mean weeks, 42.3 to 36.4, and median weeks, 22.2 to 16.4, marking a stark departure from recent trends. Women posted a higher rate than men for either measure on just two occasions between 2003, when GP publications first began including mean and median unemployment duration, and 2012.

Chart 4 data for race groups represent respondents who reported in only one of the specific groups listed, while those reporting in another race group or in two or more groups were included only in the estimate totals. Unemployment duration was higher for Whites (mean 42.3 weeks, median 20.2 weeks) than for the other two race categories, Black or African American (mean 28.7, median 9.7) and Asian (mean 4.0, median 3.5), which are much smaller components of the labor force, representing, respectively, about 3 percent and less than 0.05 percent of the statewide 2013 unemployment total. American Indian labor force estimates are not available in the GP data.

While Hispanic or Latino ethnicity includes persons identifying as any race, more than three quarters of New Mexico's Hispanic or Latino population identified as “White alone,” according to recent Census Bureau estimates. Unemployment duration among Hispanic or Latino residents (the White alone category and all others) was higher than the statewide averages for 2013, with respective means of 42.6 weeks and 38.9 weeks and medians of 24.5 weeks and 19.4 weeks. Similar differences existed for both 2011 and 2012, following three years, 2008–2010, in which Hispanic or Latino and total New Mexico unemployment duration, both mean and median, were nearly identical. In the years immediately preceding the recession, 2004-2007, Hispanic or Latino unemployment duration was generally slightly lower than the statewide average.

The GP also provides annual average estimates based on four CPS categories of unemployment (determined by status at the time the person became unemployed): (1) job losers, those who involuntary lost their last job or completed a temporary job; (2) job leavers, those who quit or otherwise voluntarily ended their employment; (3) reentrants, those who previously worked but were out of the labor force prior to beginning their current job search; and (4) new entrants, those who never worked previously and were entering the labor force for the first time.

Chart 5 shows that while job losers typically represent the largest share of New Mexico's unemployment total, followed by reentrants, job leavers, and new entrants, business cycle fluctuations can dramatically change the relationships. As recessionary effects took hold beginning in 2008, sharply increasing unemployment, the job losers' share of the total swelled to 65.3 percent in 2009 from just 34.9 percent a year earlier. That number quickly diminished to 59.5 percent for 2010 and 47.8 percent for 2011 before edging only slightly lower through 2013, where it remained above pre-recession
levels. Although unemployment fell only slightly among reentrants between 2008 and 2009, its proportion of the total dipped sharply as unemployment among job losers more than tripled. The combined unemployment share for job leavers and new entrants equaled about a quarter of the total in 2007 and 2008, before falling to just 9.8 percent for 2009, then gradually increasing to 24.2 percent for 2013.

As presented in Chart 6, New Mexico’s unemployment distribution for 2013 comprised 47.0 percent job losers, 13.6 percent job leavers, 28.8 percent reentrants, and 10.6 percent new entrants. Among men, job losers, at 50.0 percent, and reentrants, at 31.6 percent, combined for nearly 82 percent of the unemployment total, with job leavers, at 13.2 percent, and new entrants, at 5.3 percent, accounting for the remainder. The distribution for women was more balanced: job losers, 42.9 percent; reentrants, 25.0 percent; new entrants, 17.9 percent; and job leavers, 14.3 percent. The share of job losers among the Hispanic or Latino population, at 47.1 percent, was nearly identical to that for the statewide total, at 47.0 percent. Proportions varied more widely for the other categories, with the Hispanic or Latino unemployment share higher than the statewide total among job leavers (+4.0 percentage points) and new entrants (+1.2 percentage points) but lower among reentrants (-5.3 percentage points). Data by race group are limited at this level of detail because of small sample sizes. Total U.S. 2013 unemployment shares were higher than corresponding New Mexico estimates for job losers, at 53.0 percent (+6.0 percentage points) and new entrants, at 10.9 percent (+0.3 percentage point) but lower for job leavers, at 8.1 percent (-5.5 percentage points) and reentrants, at 28.0 percent (-0.8 percentage point).