Measuring Industry Employment Concentration

Most of New Mexico’s counties have many of the same large employing industries such as Health Care, Retail Trade, Education Services, and Public Administration. Each region, however, has its own unique character when it comes to industry. Mining and oil and gas extraction, along with agriculture, are major industries in the eastern part of the state. The north is home to diverse arts and culture industries, with larger arts communities in Santa Fe and Taos, and Native American culture spread throughout the region. The large natural gas reserves in the San Juan basin are also unique to the northern region. The southwestern region boasts farming and ranching, along with mining and educational services. Finally, New Mexico’s urban center brings a large diversity of industry, with Health Care and Professional Services serving as major employing industries.

Industry diversity can be very important to communities, particularly those where major industries are seasonal or cyclical (agriculture, tourism, and mining/oil and gas extraction). A diverse industrial make-up can help sustain additional employment opportunities in off seasons and cycles and creates a greater variety of employment opportunities across the board. Industry diversity can also create better opportunities for businesses through an improved supply chain, as business inputs are available locally, transportation costs are reduced, and relationships help improve local demand for products and services. Rural areas tend to struggle more with producing a diverse business environment. While industry diversity is by no means the only factor involved with creating a strong local economy, it does help, particularly in rural communities.

So, how do we measure industry diversity in New Mexico? One step, which is analyzed and presented in this article, is to identify those industries with the largest employment, and calculate how much of total employment is concentrated in those industries. For the purposes of this article, the top 10 employing industries in each county are evaluated, and employment is measured in comparison with total employment across all industries. This article also looks at how employment concentration has changed since 2005, and how concentration may evolve over the next several years. All data is from the Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW).

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1 ER&A measured employment at the 3-digit North American Industry Classification System (NAICS) code level. The top 10 industries based on employment were identified for each year separately, and the top 10 industries based on total wages were also identified separately for each year.
OVERALL DIVERSITY IN NEW MEXICO

A Growing Concentration in Employment & Wages

Chart 1 shows how employment concentration in New Mexico’s top 10 industries has changed over time. Beginning in 2005, approximately 50 percent of employment was concentrated in the top 10 industries in the state. By 2011, about 53 percent of employment was concentrated in the top 10 industries. This change is gradual and, as the chart illustrates, an upward trend is evident. Wage concentration (in the top 10 industries with the highest wages) has also trended upwards, growing from 50 to 53 percent, at nearly the same rate as employment. New Mexico industry diversity is slightly less than that of the United States. In 2005, approximately 46 percent of employment was concentrated in the top 10 3-digit NAICS industries. By 2010, employment concentration nationwide had increased to 49 percent. The concentration of wages in the top 10 industries with the greatest wages also increased nationally during the 5-year period (from 45 percent to 47 percent). New Mexico has followed the national trend, with employment concentration slowly and steadily increasing in recent years. This means that the industrial base has slowly become less diverse. The rate at which employment concentration grew over the period (how quickly diversity has declined) was nearly identical for the U.S. and New Mexico.

The recent national recession also had an impact on employment and wage concentration. Prior to the recession, increases in employment and wage concentration grew at nearly identical rates. Beginning in 2008, the concentration of wages in the top 10 industries increased more quickly than employment. After the recession officially ended (July 2009), wage concentration actually declined to be below employment concentration. While it is impossible to determine all factors that caused the recessionary increases in both employment and wage concentration, it is possible that these increases reflect the larger job losses that were experienced by workers with less experience and earning lower-wages. Less experienced and lower wage earners were disproportionately impacted by recessionary layoffs. For example, the Construction industry lost more jobs than any other industry in New Mexico during the recession and many of those jobs were lower paying. Retail trade, with lower average wages, also lost a significant number of jobs. As employment and total wages declined in those industries with more lower-wage workers, wages became more concentrated in other industries.

The upward trend in employment concentration that began prior to the recession indicates that the recession is not the only factor that has contributed to a decrease in industry diversity. New Mexico’s industry composition is another factor that can impact employment diversity.

Note: This article was inspired by and created based on “More Eggs in Fewer Baskets” by Kyle Uphoff, Regional Analysis and Outreach Manager with the Minnesota Department of Employment and Economic Development (DEED). NMDWS employed the methodology used to evaluate industry diversity for New Mexico. The original Minnesota article was published in the September 2010 Minnesota Economic TRENDS publication of DEED and is available at www.positivelyminnesota.com.

2 At the time of this publication, 2011 national data at the non-suppressed level and detail needed were not available.
If employment in certain industries grows more quickly than others, it can shift employment more or less into the top industries in the state. New Mexico's top employing industries did not change significantly between 2005 and 2010 (only one industry moved into the top 10). However, employment growth in certain industries, particularly Health Care, may have shifted more of the overall employment concentration into the top 10 industries from other industries that saw recessionary employment declines. See the last section of this article for more information on the several factors that impact industry diversity.
ECONOMIC RECOVERY

In New Mexico’s Regions & Counties

Map 1 shows the percentage of total employment in the top 10 industries for each county in New Mexico. Employment concentration ranges from 50.7 percent in Santa Fe County to 92.6 percent in Harding County. Before delving too deeply into employment concentrations, it is important to note that employment concentration will, typically and by nature, be greater in counties with very small populations. Many parts of New Mexico are very rural. Nearly 80 percent of New Mexico’s population lives in 10 of the 33 counties. Thirteen of the 33 counties hold less than 1 percent of the state’s population. The lowest populated counties, such as Harding, De Baca, Catron, Guadalupe, Mora, and Hidalgo, have greater employment concentration just by the nature of their population. Two exceptions to this general trend are Union County and Quay County. Union County, with a population of around 4,400 (as of 2011) had an employment concentration of about 58 percent, was ranked 8th in the state for industry diversity, and had diversity similar to some of the more populated counties, including Bernalillo. Quay County, with a population of around 9,000, was also more industrially diverse and was ranked 12th in 2011 for employment concentration.

The number of industries a county has (which is often related to total population) also may play a role in employment concentration, although there is less correlation between...
fewer industries and high employment concentration than population size and employment concentration. Seven counties have less than half of the number of industries of Bernalillo and Santa Fe (with the greatest number of industries at 94), and 14 counties have less than three quarters of the number of industries (including those with less than half). Several counties with greater employment concentration are both rural and have fewer industries. There are some exceptions to this rule, however, which is discussed through the remainder of this article.

So which counties are New Mexico’s most diverse when it comes to industry employment? Santa Fe County has the least employment concentration and is the most diverse in the state, based on the methodology used. Santa Fe has strong public and private sectors, with tourism serving as a major economic driver, comprising many varying support industries. Eddy and San Juan counties follow Santa Fe with the least employment concentration. This is when the methodology used really comes into play and examples can be helpful. Many people would protest that Eddy and San Juan counties are more diverse—after all, natural resource mining is a major industry in both counties (particularly Eddy). But, it is important to keep in mind that the measurement of diversity in this analysis is based on employment concentration in the top 10 industries, no matter what those industries are. Eddy and San Juan still have

<table>
<thead>
<tr>
<th>County</th>
<th>Total Covered Employment</th>
<th>Total Employment</th>
<th>% of Total Employment</th>
<th>Top 10 Employment</th>
<th>% of Top 10 Employment</th>
<th>Number of Industries</th>
<th>Concentration Rank</th>
<th>Population Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Fe**</td>
<td>60,477</td>
<td>36,666</td>
<td>50.7%</td>
<td>94</td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eddy</td>
<td>24,767</td>
<td>12,559</td>
<td>50.7%</td>
<td>83</td>
<td>2</td>
<td>11</td>
<td></td>
<td></td>
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<tr>
<td>New Mexico</td>
<td>781,233</td>
<td>414,316</td>
<td>53.0%</td>
<td>99</td>
<td>--</td>
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<td>San Juan**</td>
<td>48,272</td>
<td>25,941</td>
<td>53.7%</td>
<td>85</td>
<td>3</td>
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<tr>
<td>Lincoln</td>
<td>6,514</td>
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<td>Chaves**</td>
<td>21,307</td>
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<td>56.0%</td>
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<tr>
<td>Curry</td>
<td>16,748</td>
<td>9,431</td>
<td>56.3%</td>
<td>79</td>
<td>6</td>
<td>12</td>
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<td></td>
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<tr>
<td>Bernalillo**</td>
<td>310,346</td>
<td>176,540</td>
<td>55.9%</td>
<td>94</td>
<td>7</td>
<td>1</td>
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<tr>
<td>Sierra</td>
<td>3,183</td>
<td>1,827</td>
<td>57.4%</td>
<td>63</td>
<td>8</td>
<td>25</td>
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<tr>
<td>Union</td>
<td>1,284</td>
<td>738</td>
<td>57.5%</td>
<td>54</td>
<td>9</td>
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<tr>
<td>Lea**</td>
<td>28,548</td>
<td>16,819</td>
<td>58.9%</td>
<td>83</td>
<td>10</td>
<td>10</td>
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<tr>
<td>Taos</td>
<td>10,295</td>
<td>6,672</td>
<td>59.0%</td>
<td>81</td>
<td>11</td>
<td>14</td>
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<tr>
<td>Quay</td>
<td>2,619</td>
<td>1,554</td>
<td>59.3%</td>
<td>59</td>
<td>12</td>
<td>26</td>
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<tr>
<td>Otero**</td>
<td>16,962</td>
<td>10,100</td>
<td>59.5%</td>
<td>78</td>
<td>13</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doña Ana**</td>
<td>69,100</td>
<td>41,221</td>
<td>59.7%</td>
<td>88</td>
<td>14</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Colfax</td>
<td>5,065</td>
<td>3,166</td>
<td>62.5%</td>
<td>73</td>
<td>15</td>
<td>24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Luna</td>
<td>7,669</td>
<td>4,828</td>
<td>63.0%</td>
<td>68</td>
<td>16</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sandoval**</td>
<td>29,239</td>
<td>18,796</td>
<td>64.3%</td>
<td>86</td>
<td>17</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Torrance</td>
<td>3,075</td>
<td>1,988</td>
<td>64.7%</td>
<td>60</td>
<td>18</td>
<td>23</td>
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<tr>
<td>Cibola</td>
<td>7,724</td>
<td>5,009</td>
<td>64.8%</td>
<td>67</td>
<td>19</td>
<td>17</td>
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</tr>
<tr>
<td>McKinley**</td>
<td>20,944</td>
<td>13,696</td>
<td>65.4%</td>
<td>78</td>
<td>20</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valencia**</td>
<td>14,443</td>
<td>9,557</td>
<td>66.2%</td>
<td>81</td>
<td>21</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant</td>
<td>9,359</td>
<td>6,317</td>
<td>67.2%</td>
<td>73</td>
<td>22</td>
<td>15</td>
<td></td>
<td></td>
</tr>
<tr>
<td>De Baca</td>
<td>480</td>
<td>331</td>
<td>69.0%</td>
<td>41</td>
<td>23</td>
<td>32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roosevelt</td>
<td>6,265</td>
<td>4,329</td>
<td>69.1%</td>
<td>71</td>
<td>24</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rio Arriba</td>
<td>9,482</td>
<td>6,603</td>
<td>69.6%</td>
<td>75</td>
<td>25</td>
<td>13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hidalgo</td>
<td>1,673</td>
<td>1,206</td>
<td>72.1%</td>
<td>47</td>
<td>26</td>
<td>27</td>
<td></td>
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</tr>
<tr>
<td>Socorro</td>
<td>5,355</td>
<td>3,864</td>
<td>72.2%</td>
<td>65</td>
<td>27</td>
<td>22</td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Miguel</td>
<td>7,999</td>
<td>5,860</td>
<td>73.3%</td>
<td>72</td>
<td>28</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catron</td>
<td>598</td>
<td>441</td>
<td>73.7%</td>
<td>43</td>
<td>29</td>
<td>31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mora</td>
<td>711</td>
<td>531</td>
<td>74.7%</td>
<td>43</td>
<td>30</td>
<td>28</td>
<td></td>
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<tr>
<td>Guadalupe</td>
<td>1,280</td>
<td>997</td>
<td>77.9%</td>
<td>45</td>
<td>31</td>
<td>29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Los Alamos</td>
<td>16,665</td>
<td>14,870</td>
<td>89.1%</td>
<td>63</td>
<td>32</td>
<td>21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harding</td>
<td>175</td>
<td>162</td>
<td>92.6%</td>
<td>18</td>
<td>33</td>
<td>33</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Denotes a top 10 populated county.

Note that the analysis is based on 2011 employment estimates. While some 2012 data is available, changes in employment concentration between 2011 and the time of this publication are likely very small. Findings from 2011 are, therefore, treated as current.
Guadalupe, De Baca, and Harding all have very high employment concentration (less industry diversity). Roosevelt is the only more populated county in the south-central/southeastern part of the state that is much less industrially diverse. In the southwestern region, Doña Ana and Sierra both have less employment concentration and are the region’s most diverse counties. Socorro, Grant, and Luna all have employment concentration between 60 and 75 percent. Hidalgo and Catron, with the greatest concentration, are both the least industrially diverse and the least populated counties in the region.

Employment concentration in the northern region varies significantly. Santa Fe and San Juan counties have the lowest concentrations and are the most industrially diverse, followed by Taos County. Mora, Los Alamos, and San Miguel have the highest concentrations of employment (with Mora having a small population) and are the least diverse. While Los Alamos County does not have the smallest population, the presence of Los Alamos National Laboratory drives the employment concentration in the county. Over 65 percent of Los Alamos County employment was in Professional, Scientific, and Technical Services in 2011.

Finally, the central region, with over 40 percent of total state population, is fairly diverse in employment, led by Bernalillo County (ranked 7th in the state for diversity) and with the least industry diversity in Valencia County (ranked 21st). Interestingly, there are counties that are both rural and diverse, and counties that are less rural and less diverse. There are also counties that have fewer industries, but continue to be more diverse. Both Sierra and Union counties were ranked in the top 10 for industry diversity in 2011, but were ranked in the bottom 10 for population and number of industries. At the same time, Rio Arriba, San Miguel, and Roosevelt were ranked in the bottom 10 for employment concentration, but were in the top 20 most populated counties, as well as the top 20 counties with the largest number of industries. While it appears that population and number of industries do play some role in employment concentration, there are some counties in which these indicators do not necessarily determine industry diversity.

Returning to the discussion of overall employment concentration—note that a large number of New Mexico’s counties have about 55 to 60 percent of employment concentrated in the top 10 industries. Much of the southern part of the state falls within this category, from populated Doña Ana to more rural Sierra County. In fact, the southeastern region of the state is more consistently diverse in industry than the other regions. The more rural counties, including
Changes in Diversity - A Look Back to 2005

How has industry diversity changed in New Mexico’s counties over the past several years? Map 2 shows percentage point changes in employment concentration between 2005 and 2011 for New Mexico’s counties. Six of New Mexico’s 33 counties saw an increase in industry diversity between 2005 and 2011. Seven of New Mexico’s counties experienced little to no change, while 20 counties experienced some decrease in industry diversity. Torrance County is the only county that saw employment concentration decrease by more than 3 percentage points, making it the county with the greatest increase in industry diversity. Industry diversity increased the most in the northwestern counties, including San Miguel and Harding, which both had a less diverse industrial base as of 2011. It is important to note, however, that the small population and employment in these counties would likely contribute to what would be larger percentage point changes in employment concentration, as small shifts are large in proportion to total employment.

Counties that saw very little change in diversity were spread across the state, from Hidalgo to Taos to Roosevelt, and included counties with varying degrees of industry diversity in 2011. Interestingly, Eddy County, which was in the top three industrially diverse counties in 2011, saw a decrease in industrial diversity of 3 to 5 percent over the period. Catron and Los Alamos, both small population counties with less industry diversity, saw an increase in employment concentration over the period.
COUNTY FOCUS - Santa Fe County

Santa Fe County boasts the most diverse industrial base in New Mexico (based on the methodology used for this analysis). What are the largest employing industries? How is employment distributed throughout the county? The top 10 employing industries are shown in Chart 2. Many of Santa Fe’s major industries are similar to those of the state. A few industries stand out, however. Food Services and Drinking Places, with 18 percent of total employment in the top 10 industries and 9 percent of total employment across all industries, support Santa Fe’s large tourist industry, as does Accommodation (at 8 percent of employment in the top 10 industries and across all industries). Government services in the Justice, Public Order & Safety Activities and in Executive, Legislative & Other General Government Support industries comprise a larger percentage of employment than at the statewide level.

You may be asking yourself, “Doesn’t Santa Fe have a lot of government employment? Why isn’t that shown in the chart?” Santa Fe does have large public sector employment. The “public sector” is not considered an industry in this analysis. Some of the employment illustrated in Chart 2 is in the private sector and some is in the public sector. Even industries such as “Executive, Legislative & Other General Government Support” have both sectors of employment. What Chart 2 shows is the large employing industries in Santa Fe, regardless of the public/private status of employment.

In Santa Fe, only 3 industries employ more than 5 percent of total employment (when measuring all industries, not just the top 10), including Food, Educational, and Ambulatory Health Care services. Sixty-six industries employ less than 1 percent of total employment in the county. A better indicator of diversity than the number of industries is the share of total employment within the top employing industries. The largest share of employment that any industry holds is 9 percent in Food Services & Drinking Places. A little less than one quarter of all employment is in the top 3 employing industries.

You can compare the employment distribution in Santa Fe to Rio Arriba, which is ranked 25th in the state for industry diversity, and is within the top 15 in population.
Santa Fe and Rio Arriba have about the same percentage of industries with greater than 1 percent of total employment. But, approximately 60 percent of employment is within 3 of the top 10 employing industries in Rio Arriba, as opposed to about 23 percent in Santa Fe.¹ You can also compare Santa Fe to the state. Thirty-one percent of total employment is in the top 5 industries in Santa Fe, as compared to 36 percent in the state as a whole.

¹ The end of this article discusses factors that impact industry diversity and what industry diversity means to labor market stability. The county focus on Rio Arriba sheds more light on employment concentration within that county.
Eddy County had the 2nd most diverse industrial base in New Mexico in 2011. As mentioned earlier in the article, many people may not typically think of Eddy as being industrially diverse, particularly with the large mining industry in the county. But, remember that this methodology looks at employment concentration across all industries. Eddy still only has 51 percent of its total employment in the top 10 industries. While mining comprises nearly 40 percent of the employment in those top 10 industries, employment in the county is still spread more evenly across all industries. And while mining and its sub-industries comprise 20 percent of total employment in the county, that is still a much smaller percentage of total employment than that experienced by major employing industries in many other New Mexico counties. Even when the top 10 industries is expanded to the top 12 (as if you combined all mining sub-industries into one), Eddy would still fall within the top 10 most diverse industries.

The top 10 employing industries are shown in Chart 3. Eddy County is unique from many counties in the state in that it is natural resource rich. Oil extraction is a major industry in the county, as is potash mining. Employment in oil and gas extraction, mining activities outside of oil and gas, and support for mining activities comprised nearly 40 percent of employment in the top 10 industries and 20 percent of total employment across all industries in 2011. Educational services are also a major employing industry. Health Care industries fall within the top 10 industries in the county, but do not employ as large of a percentage as in other counties in the state.

In Eddy County, 5 industries employ more than 5 percent of total employment (when
measuring all industries, not just the top 10), and 3 of those industries fall within a larger mining industry group. Fifty-five of the county’s 83 industries employ less than 1 percent of total employment in the county. The largest share of total employment that any industry holds in Eddy is 9 percent in Support Activities for Mining. About 34 percent of all employment is in the top 5 employing industries. This is a larger percentage than Santa Fe (31 percent in the top 5), but less than the state (36 percent).

Comparing Eddy County industry diversity with neighboring counties, it is evident that Eddy has a lead in industry diversity, with approximately 51 percent of employment in the top 10 industries.

About 60 percent of total employment was in the top 10 industries in Otero County, while about 56 and 59 percent of total employment was in the top 10 industries in Chaves and Lea counties, respectively.
COUNTY FOCUS - San Juan County

The top 10 industries in San Juan County employ about 54 percent of the total workforce, positioning San Juan as the 3rd most industrially diverse county in New Mexico. San Juan County is similar to Eddy in that it is rich in natural resources. San Juan’s main natural resources, however, are natural gas and coal, as opposed to oil and potash. San Juan also has about twice the population as Eddy and is ranked 5th in the state. The top 10 employing industries are shown in Chart 4. Even with extensive mining operations, the largest employing industry in San Juan is Educational Services, followed by Food Service & Drinking Places. Employment in Educational Services comprises nearly 20 percent of employment in the top 10 industries and about 9 percent of total employment across all industries. Support Activities for Mining employ about 12 percent of employment in the top 10 industries and about 7 percent of the total workforce in the county. All mining sub-industries (Support Activities, Oil & Gas Extraction, and Mining, except Oil & Gas) comprise about 13 percent of San Juan’s workforce.

There are 5 industries in San Juan County that employ more than 5 percent of total employment (when measuring all industries, not just the top 10). Fifty-nine of the county’s 85 industries employ less than 1 percent of total employment in the county. The largest share of employment that any industry holds in San Juan is 9 percent in Educational Services. About 34 percent of all employment is in the top 5 employing industries. This is a larger percentage than Santa Fe, about the same as Eddy, and is slightly less than the state.

San Juan County is more industrially diverse than neighboring counties. The top 10 industries in McKinley County employed about 65 percent of the total workforce. Sandoval’s top 10 industries employed 64 percent, and Rio Arriba’s top 10 industries employed about 70 percent of total employment.
COUNTY FOCUS - Sierra County

The top 10 industries in Sierra County employ about 57 percent of the total workforce. Even though Sierra is ranked 8th in the state for employment concentration, it is an interesting county to focus on because it is a less populated county that is also more industrially diverse (Sierra is ranked 25th in the state in population and 8th in employment concentration). The top 10 employing industries are shown in Chart 5. Nursing and Residential Care Facilities employ the largest percentage of the total workforce. This is likely due to the large retiree population in the county. Food Services & Drinking Places and Educational Services are the second and third largest employing industries.

There are 5 industries in Sierra County that employ more than 5 percent of total employment (when measuring all industries, not just the top 10). Thirty-seven of the county’s 63 industries employ less than 1 percent of total employment in the county. The largest share of employment that any industry holds in Sierra is in Nursing and Residential Care Facilities (greater than 5 percent of the total workforce). About 40 percent of all employment is in the top 5 employing industries. This is a larger percentage than Santa Fe, Eddy, and San Juan, but is less than the state.

Sierra County has more industry diversity than almost all its neighboring counties. Luna, Grant, Catron, Socorro, Lincoln, Otero, and Doña Ana counties border Sierra. Socorro’s industrial base is slightly more diverse than that of Sierra (using this study’s methodology of employment concentration). The remaining neighboring counties have employment concentrations of 60 to 74 percent. Catron is the only neighboring county with a smaller population than Sierra, and is the least industrially diverse among the 8 counties.

Chart 5
Share of Employment in the Top 10 Industries
Sierra County

5 Due to data suppression, the amount of employment cannot be disclosed.
Distribution of Employment
Number of Industries by Percentage of Total Employment & Share of Employment, 2011

<table>
<thead>
<tr>
<th>% of All Industries/Emp.</th>
<th>Employment in Top 10 Industries</th>
<th>Greater than 5%</th>
<th>3% to 5%</th>
<th>1% to 3%</th>
<th>Less than 1%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sierra</td>
<td>57.1%</td>
<td>11.1%</td>
<td>27.0%</td>
<td>24.0%</td>
<td>12.1%</td>
</tr>
<tr>
<td>New Mexico</td>
<td>53.0%</td>
<td>36.3%</td>
<td>26.4%</td>
<td>26.1%</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

Share of Total Employment (by Category)
COUNTY FOCUS - Union County

Union County, like Sierra, has a more diverse industrial base while being a fairly rural county within the state. Union is actually more rural than Sierra, with the county ranked 30th in the state for population. And, like Sierra, the top 10 industries in Union County employ about 57 percent of the total workforce. The top 10 employing industries are shown in Chart 6. Educational Services employs the largest percentage of Union’s workforce, followed by hospitals. Combined, the two industries comprise more than 15 percent of the total workforce and more than 20 percent of the workforce in the top 10 industries. The other industries in Union County are not often in the top 10 employing industries in other New Mexico counties, such as Credit Intermediation and Related Services, and Animal Production and Aquaculture.

There are 6 industries in Union County that employ more than 5 percent of total employment (when measuring all industries, not just the top 10). Twenty-seven of the county’s 54 industries employ less than 1 percent of total employment in the county. The largest share of employment that any industry holds in Union is in Educational Services (greater than 10 percent of total employment). About 42 percent of all employment is in the top 5 employing industries. This is a larger percentage than Santa Fe, Eddy, and San Juan, less than Sierra, and about the same as the state.

Union County has more industry diversity than its neighboring counties. About 63 percent of total employment is in the top 10 industries in Colfax, while about 93 percent and about 59 percent of total employment is in the top 10 industries in Harding and Quay, respectively. Harding is the most rural county of the four, but all have a very small population.

Due to data suppression, the amount of employment cannot be disclosed.
COUNTY FOCUS - Rio Arriba County

Rio Arriba County is ranked 13th in the state for population and 25th in industry diversity (based on the methodology applied in this analysis). Approximately 70 percent of the total workforce is working in the top 10 industries in the county. The top 10 employing industries are shown in Chart 7. Nearly 30 percent of those employed in the top 10 industries work in the public sector in Executive, Legislative, and Other General Government Support. This is followed by Educational Services, at 22 percent. These two industries comprise half of Rio Arriba’s total workforce in the top 10 industries and about 35 percent of total employment among all industries. Health Care industries (Ambulatory Health Care Services, Hospitals, and Nursing and Residential Care Facilities – not including Social Assistance) comprise about 18 percent of employment in the top 10 industries. There are 5 industries in Rio Arriba County that employ more than 5 percent of total employment (when measuring all industries, not just the top 10). Fifty-three of the county’s 75 industries employ less than 1 percent of total employment in the county. The largest share of employment that any industry holds in Rio Arriba is 20 percent in Executive, Legislative, and Other Government Support. About 53 percent of all employment is in the top 5 employing industries. This percentage is equal to the percentage of total employment that is in the top 10 industries in the state as a whole.

Rio Arriba County has less industry diversity than most of its neighboring counties. San Juan, Sandoval, Los Alamos, Santa Fe, Mora, and Taos counties border Rio Arriba. Mora and Los Alamos both have less industry diversity, while the remaining counties are more industrially diverse.

The end of this article discusses factors that impact industry diversity as well as why industry diversity is important. While industry diversity is good for varying reasons, the level of risk that is created from high employment concentrations also varies by industry. While Rio Arriba does have less industry diversity, employment in government and education industries is less likely to be as significantly impacted by external factors as other industries.
COUNTY FOCUS - San Miguel County

San Miguel County is ranked 16th in the state for population and 28th in industry diversity (based on the methodology applied in this analysis). Approximately 73 percent of the total workforce is working in the top 10 industries in the county. The top 10 employing industries are shown in Chart 8. The largest percentage of the workforce is employed in Educational Services (public schools, Highlands University, Luna Community College, and other institutions). This is followed by Hospitals (Las Vegas Medical Center, Alta Vista Regional Hospital, Northeastern Regional Hospital, and others). The two industries comprise around half of San Miguel’s total workforce in the top 10 industries, and over one-third of total employment among all industries. Health Care industries (Ambulatory Health Care Services, Hospitals, and Nursing and Residential Care Facilities – not including Social Assistance) comprise between 20 and 25 percent of total employment in San Miguel.

There are 5 industries in San Miguel County that employ more than 5 percent of total employment (when measuring all industries, not just the top 10). Fifty-four of the county’s 72 industries employ less than 1 percent of total employment in the county. Educational Services employs almost one-quarter of total employment in the county. Nearly 60 percent of all employment is in the top 5 employing industries. This percentage is greater than the percentage of total employment that is in the top 10 industries in the state as a whole.

Mora, Harding, Quay, Guadalupe, Torrance, and Santa Fe counties border San Miguel. While Santa Fe and Quay both have much greater industry diversity than San Miguel, Mora, Harding, and Guadalupe are all less industrially diverse (although all three counties have some of the smallest population bases in the state). As with Rio Arriba County, a high employment concentration in a few industries is not always a major indicator of potential economic risk. In the case of San Miguel, Educational Services and Hospital employment is often less significantly impacted by external factors as other industries, although policy changes do impact employment in both industries.

Chart 8 Share of Employment in the Top 10 Industries San Miguel
Projected Employment Concentration

NMDWS employment projections indicate that the state's overall industry diversity will continue to slowly decrease into the future. As of 2011, the top 10 employing industries in the state employed 53 percent of total employment. It is projected that employment concentration will increase to about 57 percent by 2020. How will New Mexico's industry composition change? While projection methodology makes it impossible to compare current and projected employment exactly, the two measurements can be compared generally. It appears that employment in the Local Government and Social Assistance industries will move those two industries into the top 10 for the state by 2020. While Educational Services will generate the largest number of new jobs by 2020, employment in General Merchandise Stores, Ambulatory Care Services, Social Assistance, and Food Services will grow more quickly.

Major Considerations—What Creates More or Less Industry Diversity?

The analysis presented in this article is very high-level and limitations do exist in employing a more simplistic methodology. It is important that when using a high-level methodology, one doesn't make final conclusions from the analysis, but rather uses the information as a starting point for evaluating industry diversity. There are some key points to take away from this broad analysis and the biggest point is that several factors impact industry diversity within a county, making it difficult to draw conclusions on the best ways to improve industry diversity. For example, while population and number of industries can contribute to industrial diversity within a county, it is not always the main factor. There are some rural counties and/or counties with fewer industries that experience greater industry diversity. The opposite is also true. Additionally, the methodology does not always account for the synergy and relationships between sub-industries. This may lead to a county appearing more diverse than it actually is and masking the greater presence a super industry may have in a county (for example, Eddy).

Many factors create shifts in industry employment, and in result, industry diversity within a county. Any time employment is lost in one industry, that employment is either gained in another industry (through a shift in the workforce), or the loss of employment reduces total employment, and in result, increases the share of total employment of other industries that did not lose jobs. Factors that can impact employment demand (either positively or negatively) include:
• Changing commodity prices for natural resources (for example, an increase in the price of oil or reduction in the price of natural gas or copper),

• Reduced demand for labor from technological advances (for example, farming equipment for harvesting),

• Policy changes that drive an increased demand within an industry (for example, the Affordable Care Act that increases the demand for health care),

• Outsourcing of jobs (for example, jobs that move to other counties, states, or even other countries), or

• Economic development incentives that increase business activity in certain industries (for example, film and research and development incentives).

Industrial diversity is a particular challenge for rural counties. When it comes to New Mexico’s many rural counties, small changes in employment can make big waves. Many New Mexico counties have industries with very little employment. Some of those industries contain only one or two businesses in total. An industry can be completely eliminated in a county if those few businesses close. As those industries are eliminated, the share of total employment of other industries increases, even if just slightly, due to a shift or reduction in the workforce. This can make it difficult for rural counties to maintain a greater level of industry diversity.

It may also seem that less industry diversity can set a county up for failure should that industry ever crash. This was the case for many states when manufacturing began to decline nationwide. This is also sometimes the case with the natural resource mining and extraction industries when commodity prices change. High employment concentration in natural resource industries will likely be riskier to a community’s economy because changing natural resource prices can bring more volatility to the industry and employment. But, as described in “More Eggs in Fewer Baskets,” while industry diversity is rarely a bad thing, low industry diversity (high employment concentration) is not always a severe diagnosis for a community’s economy. The stability of a county’s industrial base very much depends on which industries have the largest employment. Employment concentration in certain industries, such as health care, is likely to be much less risky, as external factors are less likely to significantly impact employment. It is much less likely that several hospitals would close in a community. In addition, employment growth must be considered. The Health Care and Education industries have seen steady and strong growth in New Mexico for many years and have also been more resilient through recessions, including the recent recession in 2007. Of course, if you look at industry booms and busts over a very long period of time, you will see shifts in all industries. But, it is likely that employment concentration in some industries will be much less risky than concentration in others. There are no easy answers when it comes to industry diversity within any of New Mexico’s counties. A focus on what each county does best and a general measurement of the volatility of certain major industries can help assess the individual need for increased industry diversity. In increasing industry diversity, it is important not to ignore industries that are more susceptible to external forces. Understanding the industrial base in general, competitive advantage, and synergetic relationships that exist and can be developed across multiple industries, regardless of size or how much their employment may change, will go a long way in looking at how to develop industry diversity within each of New Mexico’s counties.
The latest business news (as of August 2012) gathered from published articles, government documents, private- and public-sector news releases, and reports from local New Mexico Workforce Connection Centers. In most cases, no attempt is made to verify accuracy of information.

Business Expansion

Business Opening

Business Contraction

Business Closing

Statewide

Santa Fe Gold began commercial production in early April at its Summit silver-gold mine in Grant County and Lordsburg processing mill in Hidalgo County. Combined employment has grown to 65 since processing operations began in 2010.

Jim Wilson will produce and direct the independent feature film “50 to 1,” scheduled to shoot in and around Santa Fe and Albuquerque in late August and early September, employing at least 100 New Mexico crew members, 10 principal actors, and more than 400 extras.

Universal Pictures’ “2 Guns” was scheduled to shoot in and around Santa Fe and Albuquerque in late August and early September, employing at least 100 New Mexico crew members, 10 principal actors, and more than 400 extras.

Lovelace Health System is laying off about 80 of its nearly 4,000 employees. The company owns five hospitals in Albuquerque and one in Roswell, the 250,000-member Lovelace Health Plan, and 11 pharmacies in Albuquerque, Rio Rancho, and Santa Fe.

Quest Diagnostics planned to lay off (over a six-month period) about 125 of the 450 employees who joined the company when it bought S.E.D. Medical Laboratories from Lovelace Health Systems.

Central Region

BERNALILLO COUNTY

Admiral Beverage is building a $15 million distribution plant in Albuquerque’s South Valley that is expected to create 55 construction jobs and 20 new permanent positions.

APS has cut nearly 1,000 positions since 2008 but is now looking to hire hundreds of new teachers with certifications in math, special education, bilingual education, and English as a Second Language.

Array Technologies, a manufacturer of solar trackers, has doubled its workforce since early 2011 and plans to add another 40 employees this year. The company sells products worldwide to utility, corporate, small business, and residential customers.

The Downs at Albuquerque is building a 65,000-square-foot casino scheduled to open next year at the Expo New Mexico fairgrounds. The project is expected to create 500 construction jobs.

The Bernalillo County Commission passed an initial vote supporting economic incentives intended to help Lowe’s expand its presence in Albuquerque and create 300 new jobs. A final vote is slated for September.

Spherion Staffing and Bernalillo County intended to hire more than 300 part- and full-time temporary workers for various July primary election duties.
**REGIONAL BUSINESS NEWS**

- T-Mobile scheduled a job fair for July 31 at its call center on Jefferson near I-25 in Albuquerque to begin staffing up to 90 new full-time customer service positions.

- Avionics supplier Bendix/King announced plans to move its headquarters from Olathe, Kansas to Albuquerque. The company expects to hire 100 people this year and another 40 next year for the Albuquerque operation.

- Buffalo Wild Wings plans to open a new Albuquerque restaurant, its third in the city, next to Dion's on Gibson Boulevard near the Albuquerque International Sunport. The typical franchise location employs 40 to 60.

- Chick-fil-A opened its third Albuquerque stand-alone location on July 14, employing 96. The chain also operates a Las Cruces site in the Mesilla Valley Mall and has licensed locations at UNM and NMSU.

- After opening its first New Mexico location in Uptown last December, Chipotle Mexican Grill expects to add two more Albuquerque restaurants in late 2012 or early 2013 as it moves toward its goal of at least five metro-area sites. Units average around 25 employees each.

- Dick's Sporting Goods opened its first New Mexico store March 21 in a 50,000-square-foot location on Albuquerque's West Side, employing about 50. The national chain bills itself as the largest U.S.-based, full-line sporting goods retailer.

- Bernalillo County commissioners approved $16 million in IRBs to help finance Friedman Recycling's planned facility in the North Valley, which is expected to create 135 construction jobs and 35 permanent positions.

- The Medical Resort at Fiesta Park opened August 23 in Albuquerque, creating about 100 jobs. The 66,000-square-foot facility offers patient rehabilitation services in a resort-like setting.

- Presbyterian will construct a new $30 million, 180,000-square-foot headquarters building in Albuquerque to open by May 2014. The project will create 200 to 250 construction jobs, with work slated to begin in late 2012 or early 2013.

- Site work began in April for Target’s planned $20 million, 165,000-square-foot “elevated” store south of ABQ Uptown that is scheduled to open in March 2013, creating 200 jobs.

- UNM plans to build a $146 million, 185,000-square-foot adult-care hospital at the west end of the Health Sciences Center. Forecast employment was not immediately available for construction or operation of the facility, which is expected to open in July 2014.

- A new Walmart Neighborhood Market is set to open this fall in the former Wild Oats location at Juan Tabo and Menaul NE in Albuquerque, employing about 90 full- and part-time workers.