The recession has taken a toll on the New Mexico workforce. The graph below shows the impact of the recession on layoff activity in the state. New Mexico layoff events were up 68.5 percent last year and 32.7 percent the previous year. A mass layoff event is defined by BLS as an employer laying off more than 50 people for more than 30 days. Initial claims follow the same pattern, rising 54.8 percent last year and 35.4 percent in 2008 (see the graph below). Next, we will see what industries these layoff events were in and what the most cited reasons for the layoffs were.

Thirty-nine layoff events were in the goods-producing industries, nine in government, and the remainder in private service-providing industries. Layoffs in private service-providing industries were primarily in Retail Trade (9), Transportation and Warehousing (13), Information (11), Professional and Technical Services (6), Administrative and Waste Services (14), Health Care and Social Assistance (6), and Accommodation and Food Services (7). Some were the usual seasonal layoffs, while others were attributable to the weak economy.

The BLS groups the reasons for the layoffs into Business Demand, Disaster/Safety, Financial, Organizational, Production, Seasonal, and Other/Miscellaneous. Business Demand includes contract cancellations, contract completions, domestic competition, excess inventory or saturated market, import competition, and slack work or insufficient demand. Business Demand was the number one cited reason for New Mexico layoffs.

In 2009, 25 layoff events were attributable to contract completion (12 events) and slack work or insufficient demand (13 events), reflecting the weak economy. Seasonal was the next most cited reason. Finance was third most cited, which also reflects the weak economy. This includes three in bankruptcy and six in cost control or cost cutting. The remaining reasons were cited but could not be disclosed.