New Mexico’s Recovery
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This article is part two of a two-part series that focuses on New Mexico's recovery from the 2007 to 2009 recession. Part one can be found in the October Labor Market Review, Volume 42, No. 9, published December 2, 2013, and provided an overview of total nonfarm payroll employment statewide and in the MSAs, while part two focuses on the recovery of jobs in significant industries at the statewide level.

New Mexico's total nonfarm payroll employment for August 2013, the most recent month for which data was available at the time of this analysis, reported approximately 5 percent fewer jobs than the state had in December 2007, when the recession began. However, recessionary impacts were experienced to different degrees depending on the industry, and not all industries were negatively affected by the recession. The nearby graph shows key industries in New Mexico, indexed to their December 2007 employment level.

Education and health services has been the strongest industry to weather the recession, and it has helped to lessen the overall negative effects the recession had on the labor market. It was the one exception of all industries, as no jobs were lost and it continued to grow both during the recession and throughout the recovery period. The most recent data shows that, since the onset of the recession in December 2007, education and health services employment has grown by over 10 percent. The natural resources and mining industry has been another bright spot in New Mexico's labor market. Although it suffered losses during the recession, it has recovered rapidly, and, by the end of 2010, its employment was larger than it was at the beginning of the recession. In August 2013, its employment level was more than 23 percent larger than its December 2007 level.

Alternatively, construction and manufacturing were the two hardest hit industries in New Mexico. Construction has lost more than 18,000 jobs since the onset of the recession, or over 30 percent of its workforce, while employment in manufacturing declined by 20 percent, representing approximately 7,000 jobs. There has been a slowing in the loss of jobs in both industries, and construction actually saw over-the-year growth of 1,000 jobs, on average, between January and August of 2013. While this growth is a positive sign, it is still fairly small in comparison to the losses the industry has suffered. The manufacturing industry has continued to see job losses, at a rate of 700 jobs, on average, over the year between January and August of 2013.

Trade, transportation, and utilities is a supersector that consists of three sectors—retail trade, wholesale trade, and transportation, warehousing, and utilities. Employment declined sharply at the beginning of the recession, but by the end, the employment level had generally stabilized. Retail trade employment had relatively large losses during the recession, but it, too, has mostly plateaued throughout the recovery period. Transportation, warehousing, and utilities has added back some of the jobs that were lost during the recession. Wholesale trade, however, was the worst hit sector out of the three and lost over 13 percent of its workforce since December 2007, with few positive signs of growth.

The government job count has remained, more or less, at its December 2007 employment level. State government saw some decline in employment in the years following the recession, but it has recently reported positive growth; local government employment increased between 2007 and 2009, but it has recently seen a decline in employment. Federal government continued to grow during and after the recession. However, there have been reports of negative over-the-year growth since 2011, and in May 2013, employment dropped to below its December 2007 level.

Leisure and hospitality has recovered all the jobs lost during the recession, and it has recently grown to a level higher than that of December 2007. Establishments involved in leisure and hospitality typically rely on consumers' disposable income and tend to struggle more during tough economic times; therefore, the industry can be used to gauge consumer confidence and spending. Similarly, the finance industry reached its pre-recession employment level in June of this year. These are both positive signs for the health of the labor market and for economic conditions as a whole.