Economists have long warned that any major shock to recovery would likely impact the U.S. economy. A looming shock that very few saw coming could turn out to be the unrest in the Middle East region.

Each day, economic reports are mixed with good news and bad news. Consumer spending, which seems to have slowed some in the early part of 2011 to pay for higher food and energy costs, will be a barometer of confidence during the expansion. At the same time, the personal savings rate continues to rise, signaling a more cautious time for households. Businesses are cutting fewer workers from payrolls, a definite plus, but significant hiring is still lagging during the recovery. The housing market, the original trigger to the current economic climate, is not seen as being a contributor to job growth in construction for the foreseeable future.

New Mexico is still considered one of a handful of states whose economy are bordering on contraction and expansion. The first two months of the year have brought us announced closures of a long-term call center, a clothing retailer, and an electronics store. Reports of seasonal hiring for the summer months are starting to pick up, which may help offset some the closures. Our state's revenue collection does benefit from higher energy prices through severance taxes, royalties, and taxes collected at the pump. On the other hand, if energy prices get too high, consumers will be forced once again to forgo other goods and services to pay higher energy bills. We learned in 2008 that the consumers' appetite for $4.00 gas was very low.

While we strive for energy independence, the fact is we are a consuming nation and must keep a close eye on the flow of oil. A short-term disruption is not expected to have a significant impact in the U.S. However, a severe and sustained reduction in supplies leading to the price spikes we saw in 2008 just might be the trigger to rock consumer confidence during a tenuous recovery. As Wall Street says, “markets hate uncertainty,” so the transformation of governments in the Middle East is going to be a very interesting case study on how the global economy reacts to change.

---

**E3 Green Jobs Forum**

*Tuesday, March 22, at the New Mexico Farm and Ranch Museum*

10:30 a.m. to 4:30 p.m.

- Results of the recent state-wide green jobs survey will be released
- Educators will discuss training and educational opportunities
- Employers will identify current and future green jobs workforce
- Future efforts at growing the green industry in NM will be discussed

For more information or to register for this free event, call 575.646.5265 or email vigilind@nmsu.edu