THE CHANGING FACE OF NM’S WORKFORCE

Snapshot of New Mexico’s Population

In 2011, New Mexico had a population of approximately 2,083,725. Two-thirds of the population was located in the four metropolitan statistical areas (MSAs)—Albuquerque (Bernalillo, Sandoval, Torrance, and Valencia counties), Las Cruces (Doña Ana County), Farmington (San Juan County), and Santa Fe (Santa Fe County)—and over 40 percent was in the Albuquerque MSA alone. New Mexico is the least populated and has the lowest population density (17.2 persons per square mile) of the southwestern states. In addition, while population growth has been faster than the nation’s as a whole, it lags that of most southwestern states; between 1991 and 2011, New Mexico’s population grew by about 34 percent, trailing growth of all other southwestern states besides Oklahoma. While growth was positive in all counties between 1990 and 2000, almost half of the counties experienced some population loss between 2000 and 2011.

This article uses data from the U.S. Census Bureau Center for Economic Studies’ Longitudinal Employer-Household Dynamics (LEHD) program to look at labor force participation and characteristics of New Mexico’s senior population and workforce. For the purposes of this article, the senior population and workforce refer to persons 65 years and older. The LEHD program provides a wide array of data on the workforce. For more information on the LEHD program, including methodology and approach, visit www.lehd.ces.census.gov.

1 Southwestern states include Arizona, Colorado, New Mexico, Oklahoma, Texas, and Utah. See the New Mexico 2013 State of the Workforce Report for more details on New Mexico’s population, found at www.dws.state.nm.us.
Facing an Aging Population

A Nationwide Trend

New Mexico’s median age was 36.6 years in 2011, which is similar to that of most other southwestern states, yet younger than the national median age of 37.3. New Mexico’s population, however, has been aging overall in recent decades. This follows a nationwide trend that is driven by the aging of the baby boomers, as well as a general increase in average lifespan. Exhibit 1 illustrates the aging of New Mexico’s population between 1990 and 2011. The groups including ages 25 to 39, when combined, represented the largest working-age group in 1990, while in 2010, the largest working-age group included ages 45 to 59.

“New Mexico’s senior population has grown more quickly than that of the U.S., further illustrating the aging of the overall population in recent decades.”

Exhibit 2 shows New Mexico’s concentration of seniors between 1990 and 2011 as a percentage of total population. In 1990, 11.1 percent of the population was 65 years or older. This increased to 14.0 percent in 2011. The senior population of the U.S. rose more slowly, from 12.5 to 13.3 percent of total population over the same time period. Beginning in 2004, New Mexico’s senior population comprised a larger portion of total population than that of the U.S.

It is helpful to evaluate senior populations by rural and non-rural areas when looking at the senior populations in the regions and counties. The counties with the largest concentration of seniors include Sierra, Harding, Catron, and De Baca. About 23 to 32 percent of the population is 65 or older. All four of these counties are amongst the top 10 least populated counties in the state. The remaining most rural counties (in the top 10 least populated) fall within the top 16 counties with the largest concentration of seniors.

McKinley, Lea, and San Juan counties have the lowest concentrations of seniors, ranging from 10 to 11 percent of total population. The Southwestern Region has the largest concentration of seniors, with 16.9 percent of its population over the age of 65, most likely driven by the retiree populations in Silver City and Truth or Consequences. The Central Region, at 12.9 percent, has the lowest concentration of seniors.

Many of the rural counties have lost population in recent years; all but two of the 10 most rural lost population between 200 and 2010. counties lost some population between 2000 and 2010. Not only are these counties aging, but their population is shrinking. These trends, combined, will have major implications for the economies and labor forces of these communities. The impacts of these trends can become more severe if rural communities struggle with retaining their younger population, as is often the case.

“Rural counties often have higher concentrations of seniors. Key exceptions include Lincoln, Grant, and Quay counties.”

Source: U.S. Census Bureau.
Senior Labor Force and Participation on the Rise

Second Careers & Delays in Retirement

New Mexico’s senior population is on the rise and comprising a larger and larger percentage of total population. At the same time, the participation of seniors in the workforce has increased at an even faster rate.

Exhibit 4 illustrates that the concentration of seniors in the workforce has increased at a much faster rate, growing from 2.1 to 4.6 percent in the last 15 years. Population of seniors grew from 11.6 to 14.0 percent during that same period.

“The concentration of seniors in the workforce has grown more quickly than senior population in the last 15 years. Nearly 4.6 percent of the workforce was 65 or older in 2011. Participation of seniors in the civilian labor force has also been growing.”

SENIOR WORKFORCE IN NEW MEXICO’S COUNTIES, CITIES, AND TOWNS

As shown in Exhibit 5, the Eastern and Northern regions have the largest concentration of senior workers, each with 5.3 percent of the workforce 65 and older. Interestingly, the Southwestern Region, which has the largest senior population, has a smaller concentration of senior workers.

This may reflect a younger workforce, but also likely reflects the movement of retirees into this region, particularly into Silver City and Truth or Consequences.

“Counties with higher concentrations of older workers tend to be more rural, reflecting the aging and, oftentimes, shrinking population of these counties.”
Some of the most rural counties not only have a larger senior population but also a larger concentration of seniors in the workforce. This is driven by the aging population and by population trends in rural counties; almost all of the most rural counties saw their populations decline between 2000 and 2011.

Exhibit 6 provides information on senior workers in New Mexico’s micropolitan and metropolitan areas (micro/metropolitan areas). The concentration of senior workers in these areas of the state often reflects the overall concentration in population within the county where these communities are located. For example, approximately 7.7 percent of Ruidoso’s total workforce is senior workers, a percentage that is the same for Lincoln County as a whole. Española and Santa Fe, with the second and third largest concentrations of senior workers, follow the same pattern.

“Concentration of seniors in the workforce in New Mexico’s micro/metropolitan communities often reflects the concentration of the workforce within the county overall. Ruidoso, Española, and Santa Fe have the highest concentrations of senior workers. New Mexico’s rural areas continue to see greater workforce concentrations than non-rural communities.”

**SENIORS PARTICIPATING IN THE LABOR FORCE**

To measure senior participation in the labor force, the New Mexico Department of Workforce Solutions (NMDWS), Economic Research and Analysis Bureau calculated those 65 years and older as a percentage of the civilian population. Exhibit 7 shows that senior participation in the labor force grew from 13.6 to 16.8 percent between 2005 and 2011. This is an annual growth rate of 4.0 percent, as compared to annual growth of 2.0 percent for the senior population, for the same period.
Additional data on senior participation in the labor force would likely show this trend existing prior to 2005. As shown in Exhibit 8, the Eastern and Northern regions have the highest participation.

“The percentage of seniors participating in the labor force has been on the rise. This is an indication that more seniors are delaying retirement or returning to the labor force, possibly in a second career.”

Senior participation in the labor force. The Southwestern Region has the lowest participation. This again reflects the large retiree population in this region. With the highest concentration of senior population, fewer seniors are choosing to work.

A few counties stand out amongst the rest when analyzing senior labor force participation. Lincoln, with a large senior and retiree population, has greater labor force participation; Grant and Sierra counties, also known for their retiree communities, have lower senior participation in the labor force. Santa Fe’s seniors appear to either delay retirement or return to work afterwards, with over 21 percent of its seniors in the labor force. Lea County also has more seniors working, with nearly 20 percent in the civilian labor force. Catron, Hidalgo, De Baca, Guadalupe, and Socorro counties all have older workforces (larger senior concentrations), but lower participation in the labor force. Rural Union and Harding counties both have higher labor force participation, although the percentages may be high because of the small populations. Catron, De Baca, and Guadalupe, which are also amongst New Mexico’s most rural counties, have lower labor force participation of seniors.

2 This measure is slightly different than the traditional labor force participation rate, as this calculates participation in the civilian population, and the traditional labor force participation calculates participation in the civilian noninstitutionalized population. For this analysis, it is important to note that the traditional labor force participation rate would take into account those seniors in nursing homes, which are considered institutions.
Where Seniors are Working

Industries with More Older Workers and the Best Opportunities for Senior Job Seekers

Seniors work in every industry in New Mexico. But in which industries do senior workers comprise a larger percentage of the total workforce? Which industries employ the most seniors? These are important questions to ask because the answers can guide policy makers, educators, and businesses in planning and preparing for the replacement needs of those industries in the next 10 to 20 years. Is the existing and future workforce supply sufficient to provide replacements for a large number of senior workers in a particular industry? If not, industries may be facing skills gaps and labor shortages in coming years.

The industries with the largest concentration of senior workers—referred to here as “older” industries, or those industries where the overall age of the workforce is likely higher due to the larger percentage of senior workers—include agriculture, real estate, other services, and transportation and warehousing (see Exhibit 9). Employment in the agriculture industry is projected to decline over the period, driven by improvements to technology that will increase productivity with fewer workers.

“The agriculture, real estate, and other services industries are the “oldest” industries in New Mexico. The nature of the work of many jobs in these industries, including self-employment and control over work schedule, often persuade seniors to continue working or attract seniors seeking a second career.”
Real estate is also an “older” industry, with 7.9 percent of its workforce 65 years and older. Senior workers are likely attracted to the industry because of its opportunities for self-employment and flexible schedules and, therefore, serves as a desirable second career. Arts, entertainment, and recreation is another industry where the nature of much of the work encourages seniors to continue working or begin working in a second career. Senior employment in other services is often driven by the “private households” sub-industry. Workers in this sub-industry often include private cooks, cleaning staff, and child caretakers.

**INDUSTRIES WITH A HIGH PERCENTAGE OF SENIOR WORKERS ARE NOT ALWAYS THE INDUSTRIES EMPLOYING THE MOST SENIORS**

While some industries have a large concentration of senior workers, those industries are not always the industries where the most senior workers are employed. For example, the majority of all senior workers may work in the health care industry, but the percentage of that industry’s employment that represents senior workers may be low due to the overall size of the industry and diversity of workers. On the other hand, agriculture is the industry with the highest concentration of senior workers in the state. The number of senior workers may be smaller than other industries, but the portion of total employment that represents senior workers is higher. Industries employing the largest number of senior workers are referred to here as the “top employing industries.”

Exhibit 10 shows that in 2012, the industry employing the most seniors (the top employing industry) was health care and social assistance, with 17.6 percent of all senior workers. Health care was followed by educational services and retail trade, employing 12.8 and 12.7 percent, respectively. Oftentimes senior workers in health care work as home health aides, taking care of other seniors, or as nurses or nursing attendants, aides, and orderlies.

“Over 17 percent of New Mexico’s senior workers are employed in the health care industry. These seniors work in a variety of jobs including nurses and health aides, both in and outside of the home.”
Within educational services, senior workers are often teachers, continuing to work past 65. These industries provide the most employment opportunities for seniors. Seniors in health care and professional, scientific, and technical services earn more on average than seniors in other industries.

OLDER AND TOP EMPLOYING INDUSTRIES BY REGION—MANY SIMILARITIES

New Mexico's four regions differ in senior workforce participation, oldest industries, and top employing industries. Differences are not as significant as one would think, however. Exhibit 11 shows the top five oldest industries for each region. The industries vary by percentage of the workforce that represents senior workers, but the top employing industries are nearly the same. Agriculture, real estate, and other services are amongst the top five oldest industries in every region. In the Southwest and the East, transportation and warehousing has one of the largest concentrations of senior workers. In the Central and Northern regions, educational services has an older workforce. Mining, information, and professional, scientific, and technical services are within the top five oldest industries in varying regions.
The top industries employing the most seniors are very similar among New Mexico’s four regions. Agriculture in the Southwest, and mining in the East, stand out as industries where large senior employment is unique to the region.

The top five employing industries in each region also reflect the top employing industries in the state overall. Health care, educational services, and retail trade are all top employing industries in all four regions (see Exhibit 12). Professional, scientific, and technical services, along with accommodation and food services, also employ a large percentage of seniors, with both industries falling within the top five employing industries in three of the four regions. Agriculture, which is a larger industry in the Southwestern Region, employs 7 percent of the Southwest’s senior workforce. Mining, a major industry in the East, employs 6 percent of the region’s senior workforce. The larger presence of these industries overall in these regions likely drives the employment of seniors to some degree.
Senior Workers Were Hit Particularly Hard by Recessionary Job Losses

*Job Losses Grew While Hires Declined*

Every age group, every industry, and every occupation was impacted in some way by the 2007 recession. Previous analysis completed by NMDWS found that younger workers, between 16 and 24, and older workers, 55 and older, were two age groups that were hit particularly hard by recessionary job losses. Based on employment data from the U.S. Census, senior workers experienced some of the largest job losses in relation to total senior employment.

Exhibit 15 shows the average annual percentage change in job hires and losses between 2007 and 2012 (first quarter to first quarter). While job losses actually declined by 1.6 percent for all workers over the 5-year period (mostly coming from recovery in the past couple of years), job losses increased by 6.9 percent annually for workers 65 and older. Even though the average annual decline in hires for senior workers was less than for all workers combined, the significant growth in job losses is difficult to dismiss. Additionally, the large difference in hires and losses for those 65 and older is significant compared to all workers.

Older workers, those 55 to 64 years old, appear to have been less impacted by recessionary job losses than senior workers. Job losses for older workers increased at a smaller rate than that for senior workers. Older workers also experienced greater growth in hires over the period. Such large job losses are particularly difficult

“Senior workers saw job losses increase by an average of 6.9 percent each year between 2007 and 2012, compared to an average annual decline in losses for all workers combined.”
the traditional retirement age for financial reasons. Losses of this size can seriously threaten the financial stability of many of New Mexico's seniors. In addition, seniors often are not as flexible as younger workers in the type of work they do (for example, many seniors face physical limitations that disqualify them for certain jobs) or in relocating for work. This can make it particularly difficult for seniors to find work after a job loss.

Job losses and hires over the last five years have varied significantly from region to region. Senior workers still felt some of the greatest impacts of any age group during the recession and recovery, regardless of the region. Exhibit 16 shows job losses and hires for all workers and senior workers for each of the four regions in New Mexico. The Northern Region saw the greatest average annual growth in job losses over the 5-year period, and the largest decline in job hires. Job losses in the North increased by an average of 12.7 percent annually.

This growth is more than twice the average annual growth experienced in the Southwest, the region with the next highest growth in job losses. During the same period, hires declined by an average of 2.7 percent each year. The Central Region also experienced an increase in job losses while job hires declined. Losses in the central counties, however, were still less severe than those in the North. The Southwestern Region, which experienced the second largest increase in losses, also saw the largest growth in job hires for all workers and senior workers alone. Losses for seniors grew by 6.2 percent annually, while hires grew by 11.0 percent.

There is Movement in the Senior Workforce

The employment needs of seniors vary from other working age groups. As discussed in this article, seniors often prefer and/or require flexible hours. Some workers need jobs that accommodate some physical limitations. Many seniors are also choosing to work after the traditional retirement age. These and other factors contribute to what is discussed as “movement” in the labor force. For this analysis,
movement is measured as “the number of quarters that an individual did not receive any earnings within the year prior to a hire.” This is not to be mistaken as unemployment. Movement measures not only those who have been unemployed but those who were not participating in the labor force and chose to look for work.

Exhibit 17 provides the duration of non-employment for senior workers in New Mexico’s regions. As of the first quarter of 2012, recently hired senior workers had an average of 2.4 quarters (just over seven months) of non-employment prior to their new employment, compared to 2.0 quarters (six months) for all workers and 1.9 quarters (around five and one half months) for workers 55 to 64. Seniors in the Southwest saw the highest average number of quarters of non-employment. Newly hired senior workers were either unemployed or not in the labor force for an average of 2.6 quarters (7.8 months) prior to gaining employment.

**Average Monthly Earning of Senior Workers**

*White Collar and Mining Jobs Top the List*

Wages for senior workers vary greatly depending on the industry and occupation of the worker. Exhibit 18 provides average monthly earnings of

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3 U.S. Census Bureau LEHD.
seniors workers by industry. Average wages may be lower for senior workers, but this is due mostly to the larger number of senior workers that work part-time. In 2011, senior worker average monthly earnings were largest in the finance and insurance industry, followed by professional, scientific, and technical services, and management of companies. These industries are also amongst the highest paying for all workers combined. Note that the retail trade and accommodation and food services industries, in which over 20 percent of senior workers are employed statewide, are amongst some of the lowest paying industries. The real estate and other services industries, which are some of the older industries in the state, also pay lower wages. Positively, the health care and professional, scientific, and technical services industries, which employ about one-quarter of all New Mexico’s senior workers, pay above the all-industry average monthly wage.

### Average Monthly Earnings of Senior Workers

*Industry, 4th Quarter, 2011*

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<td>Accommodation &amp; Food Services</td>
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Source: U.S. Census Bureau, LEHD program.

Note: Represents most recent earnings data available at the time of publication. Data for the utilities industry is suppressed and not reported here.