

THE *New Mexico* ECONOMIC DATABOOK

*A summary of regional economic indicators
for the state of New Mexico*



APRIL 23, 2018

FEDERAL RESERVE BANK *of* KANSAS CITY

SUMMARY OF CURRENT NEW MEXICO ECONOMIC CONDITIONS

In New Mexico, the unemployment rate was 5.6 percent in March, and total payroll employment expanded 1.2 percent compared to the previous year. Employment growth was mixed across industries, with the strongest gains in the construction and transportation, warehousing, and utilities sectors. New Mexico nominal personal income grew 3.0 percent in the fourth quarter of 2017 compared to the previous year, with workplace earnings up 4.3 percent. Home prices increased 5.1 percent in the fourth quarter of 2017 compared to a year ago, while single-family and multifamily permits recorded a 38.0 and -17.5 percent change, respectively, year-to-date through February 2018. In January 2018, crude oil production was up 29.8 percent over last year, and rig counts were well above year-ago levels. New Mexico exports were flat in 2017 compared to 2016.

This databook provides current economic indicators to help monitor trends and allow comparison of past information. These indicators include: employment; employment by industry; county and state unemployment; personal income; home prices; housing indicators; manufacturing activity; oil, gas and coal production; and exports. These indicators can be found on the following pages.



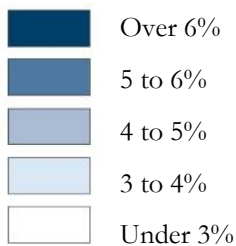
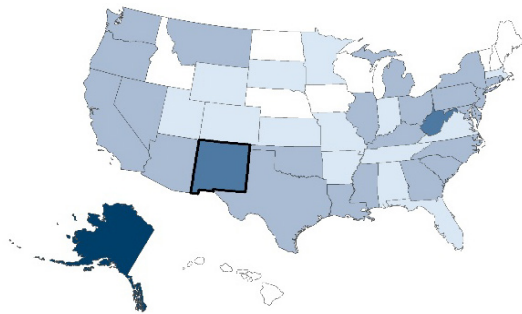
Alison Felix is Vice President and Denver Branch Executive. In this role, Felix is the Federal Reserve Bank of Kansas City's regional economist and lead officer in Colorado, Wyoming and northern New Mexico. She is responsible for briefing the Kansas City Fed's President on the economy in these states and the Tenth District.

Unemployment Rates

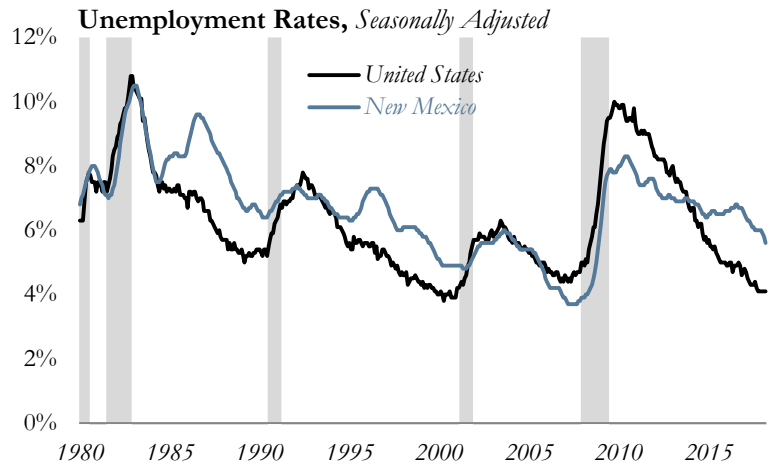
Seasonally Adjusted

March 2018 Unemployment Rates

Seasonally Adjusted



| March 2018 | | |
|------------------------------|---------------|------------|
| | United States | New Mexico |
| Unemployment Rate | 4.1% | 5.6% |
| Unemployment Rate, Last Year | 4.5% | 6.3% |



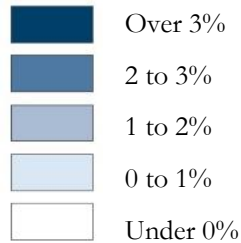
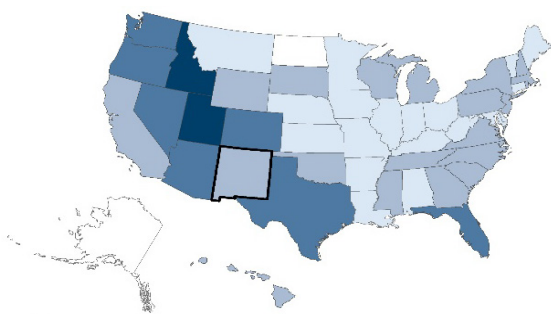
Note: Gray bars indicate recession.

Payroll Employment

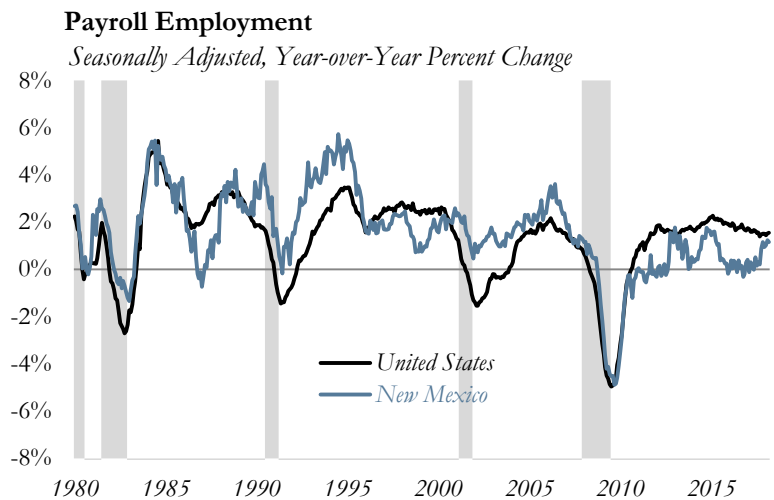
Seasonally Adjusted

March 2018 Payroll Employment

Seasonally Adjusted, Year-over-Year Percent Change



| March 2018 | | |
|-----------------------|---------------|------------|
| | United States | New Mexico |
| Jobs (Thousands) | 148,230.0 | 839.4 |
| Change from Last Year | 1.5% | 1.2% |

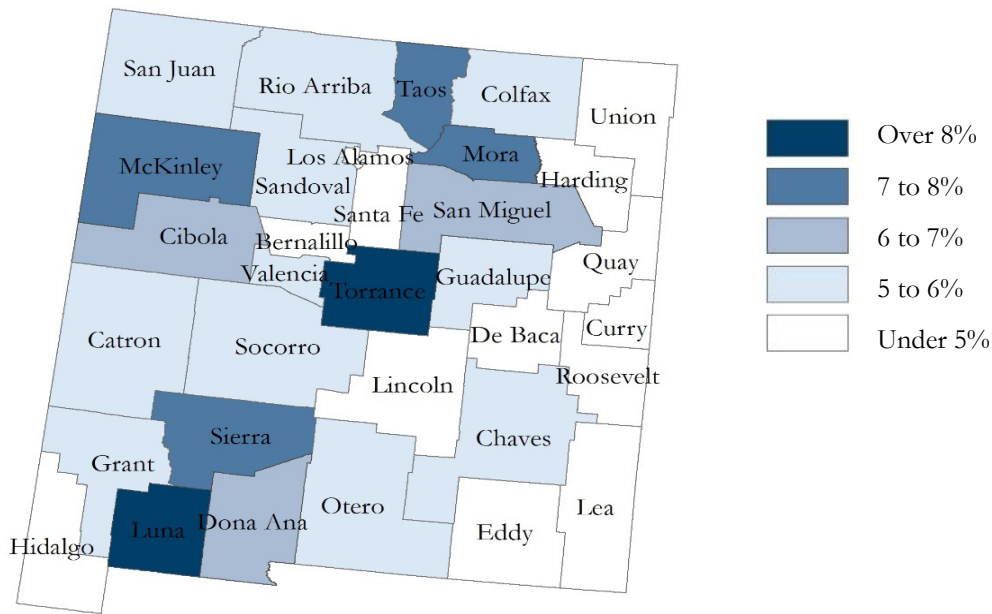


Note: Gray bars indicate recession.

Source: Bureau of Labor Statistics/Haver Analytics

February 2018 Unemployment Rates & Civilian Labor Force

Seasonally Adjusted

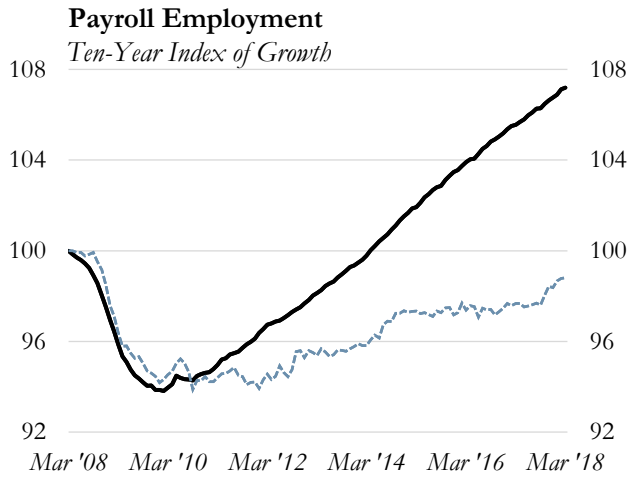


| | <i>Percent Unemployed</i> | <i>Labor Force (Thousands)</i> | | | <i>Percent Unemployed</i> | <i>Labor Force (Thousands)</i> | |
|----------------------|---------------------------|--------------------------------|------|--------|---------------------------|--------------------------------|-------|
| United States | 4.1% | 161,921.0 | 17 | Chaves | 5.2 | 27.2 | |
| New Mexico | 5.8 | 935.0 | 18 | Otero | 5.2 | 24.8 | |
| 1 | Luna | 13.8 | 10.3 | 19 | Grant | 5.2 | 12.0 |
| 2 | Torrance | 8.9 | 5.6 | 20 | Colfax | 5.1 | 5.6 |
| 3 | Sierra | 7.8 | 4.1 | 21 | Harding | 5.0 | 0.3 |
| 4 | McKinley | 7.6 | 24.3 | 22 | Lea | 5.0 | 28.2 |
| 5 | Taos | 7.3 | 15.1 | 23 | Bernalillo | 4.8 | 331.4 |
| 6 | Mora | 7.1 | 2.2 | 24 | Lincoln | 4.7 | 8.6 |
| 7 | Cibola | 6.8 | 9.1 | 25 | Roosevelt | 4.7 | 7.9 |
| 8 | San Miguel | 6.6 | 10.8 | 26 | Hidalgo | 4.7 | 2.2 |
| 9 | Dona Ana | 6.4 | 93.9 | 27 | De Baca | 4.6 | 0.8 |
| 10 | Catron | 5.9 | 1.2 | 28 | Quay | 4.5 | 3.2 |
| 11 | Valencia | 5.8 | 30.3 | 29 | Santa Fe | 4.4 | 73.5 |
| 12 | San Juan | 5.8 | 53.2 | 30 | Curry | 4.0 | 22.1 |
| 13 | Socorro | 5.8 | 6.5 | 31 | Eddy | 3.8 | 29.8 |
| 14 | Rio Arriba | 5.6 | 16.8 | 32 | Los Alamos | 3.3 | 9.3 |
| 15 | Sandoval | 5.4 | 64.8 | 33 | Union | 2.7 | 1.8 |
| 16 | Guadalupe | 5.3 | 1.6 | | | | |

Source: Bureau of Labor Statistics/Haver Analytics

Payroll Employment

Seasonally Adjusted

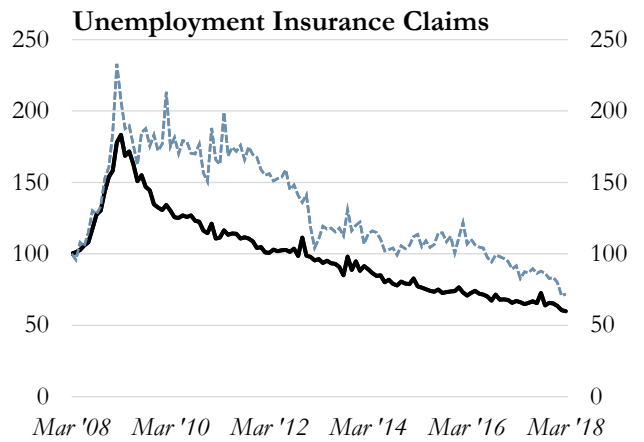
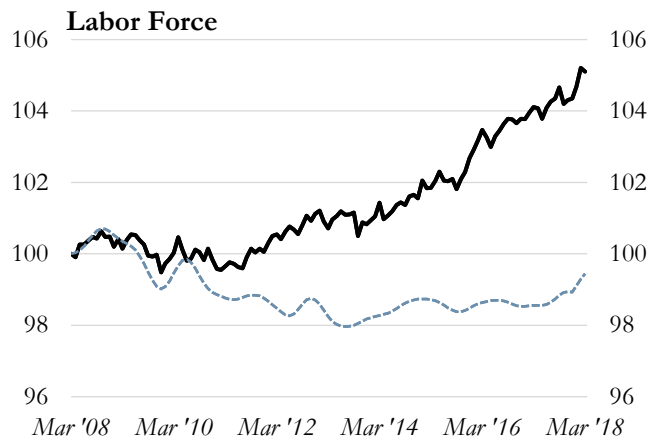
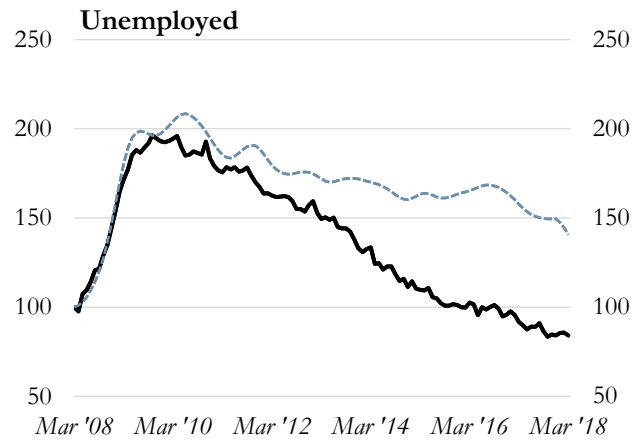
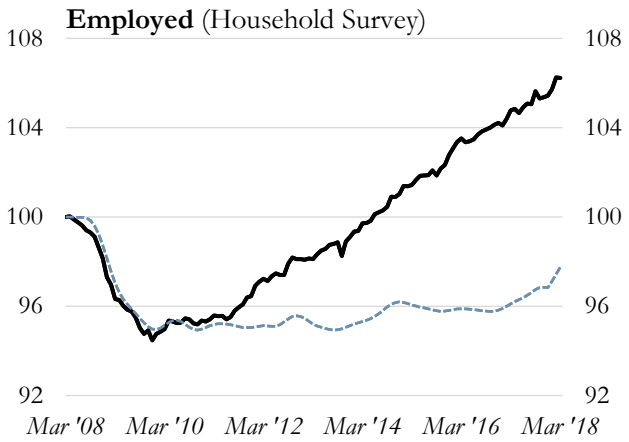


— United States
 - - - - New Mexico

| March 2018 | | |
|--------------------------------------|---------------|------------|
| | United States | New Mexico |
| Jobs (Thousands) | 148,230.0 | 839.4 |
| Change from Last Year (Thousands) | 2,261.0 | 9.6 |
| Share of U.S. Employment | | 0.6% |

Labor Force Dynamics

Ten-Year Index of Growth, Seasonally Adjusted

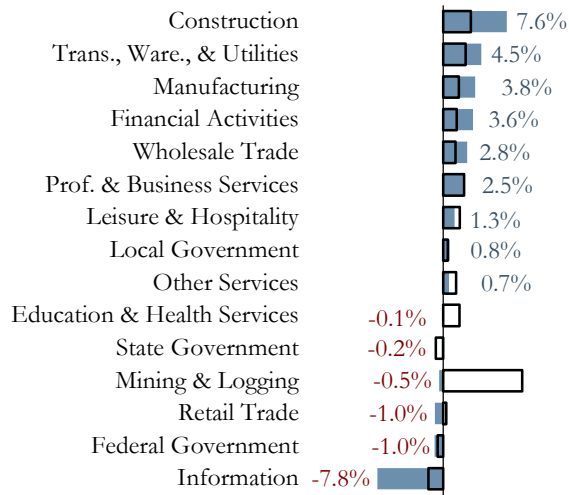


Source: Bureau of Labor Statistics & Department of Labor/Haver Analytics

Payroll Employment by Industry

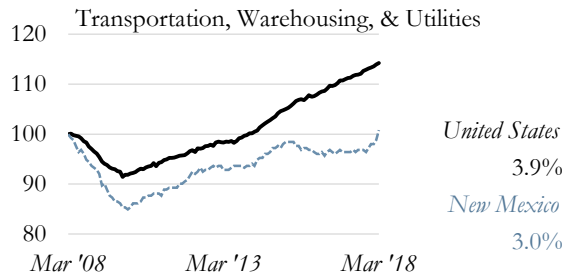
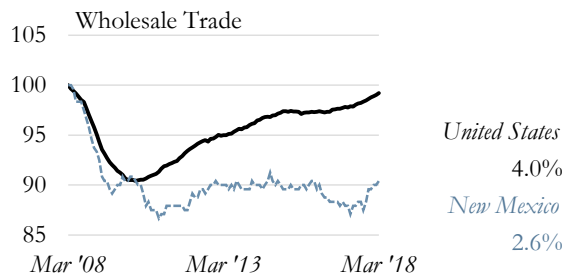
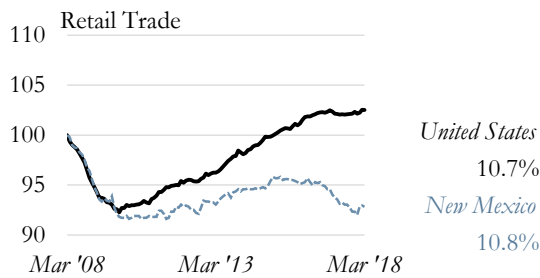
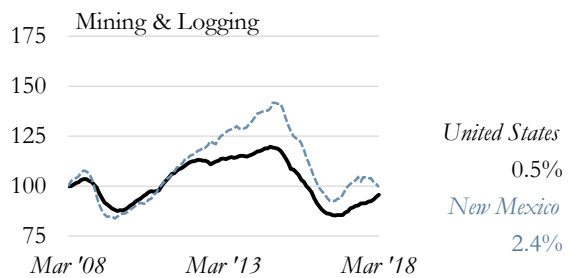
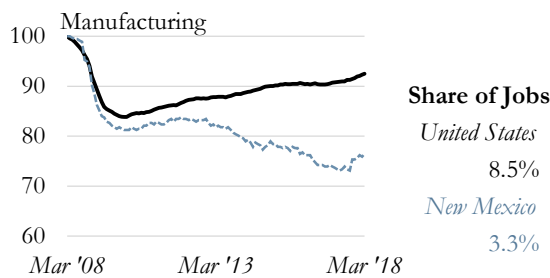
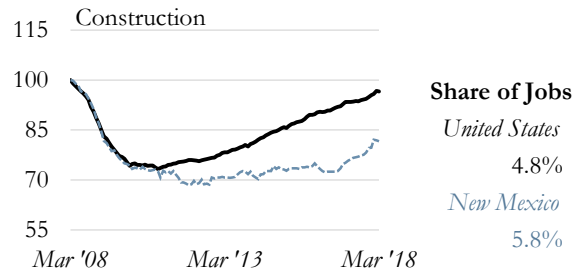
Seasonally Adjusted

March 2018 *Percent Change Year-over-Year*



— United States
 - - - New Mexico

Ten-Year Index of Growth

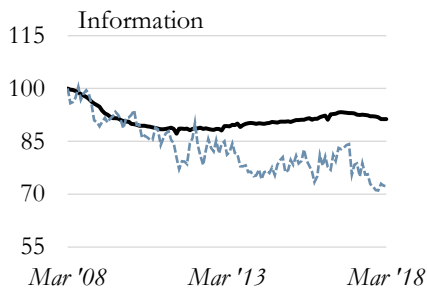


Source: Bureau of Labor Statistics/Haver Analytics

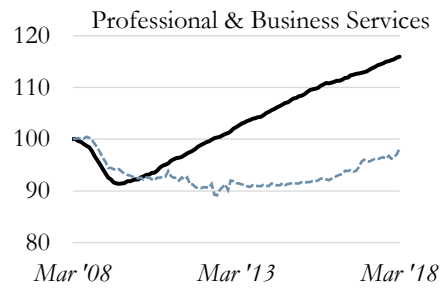
Payroll Employment by Industry

Ten-Year Index of Growth, Seasonally Adjusted

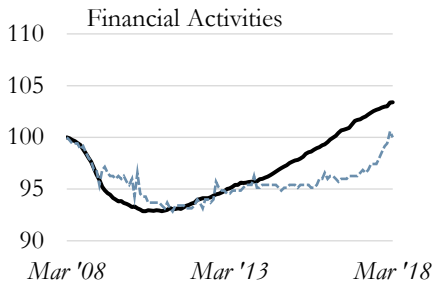
— United States
 - - - New Mexico



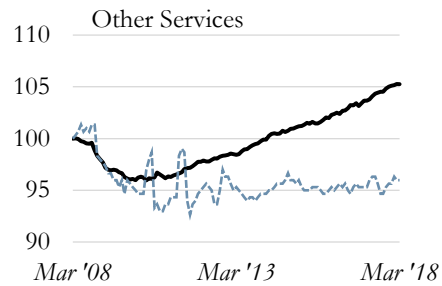
Share of Jobs
 United States 1.9%
 New Mexico 1.4%



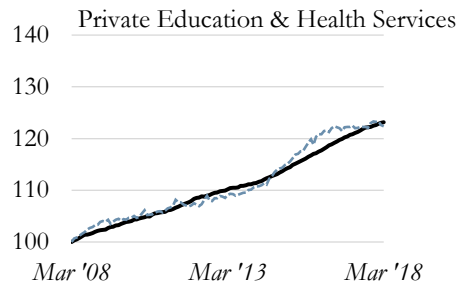
Share of Jobs
 United States 14.0%
 New Mexico 12.7%



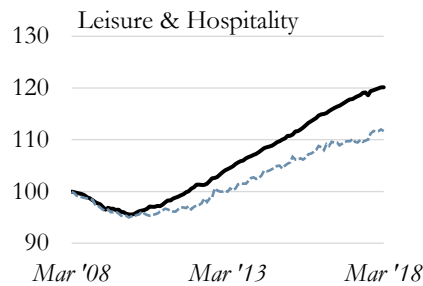
Share of Jobs
 United States 5.8%
 New Mexico 4.2%



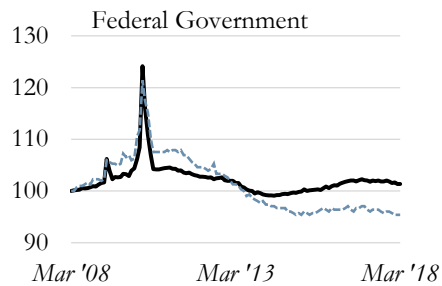
Share of Jobs
 United States 3.9%
 New Mexico 3.4%



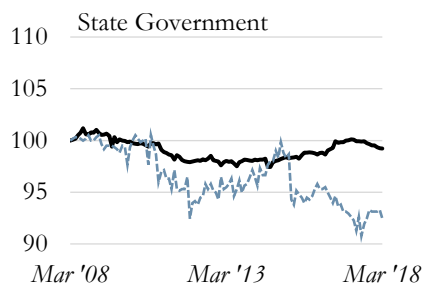
Share of Jobs
 United States 15.8%
 New Mexico 16.6%



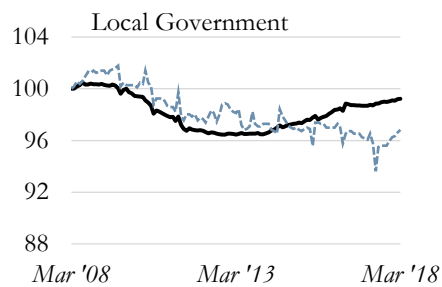
Share of Jobs
 United States 11.0%
 New Mexico 11.7%



Share of Jobs
 United States 1.9%
 New Mexico 3.5%



Share of Jobs
 United States 3.4%
 New Mexico 6.6%

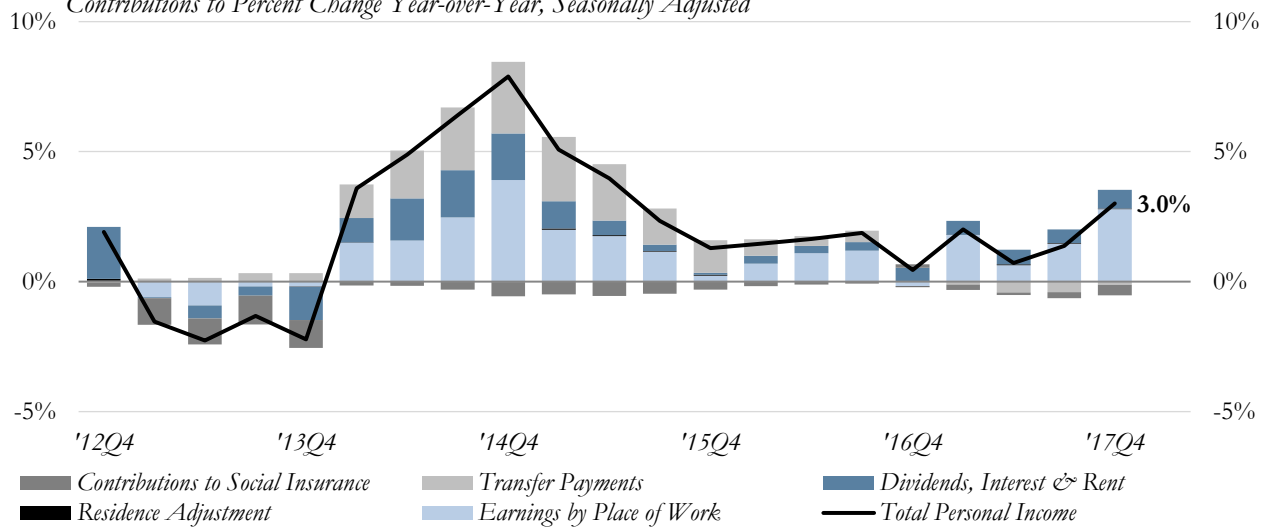


Share of Jobs
 United States 9.7%
 New Mexico 12.3%

Source: Bureau of Labor Statistics/Haver Analytics

New Mexico Nominal Personal Income Growth

Contributions to Percent Change Year-over-Year, Seasonally Adjusted

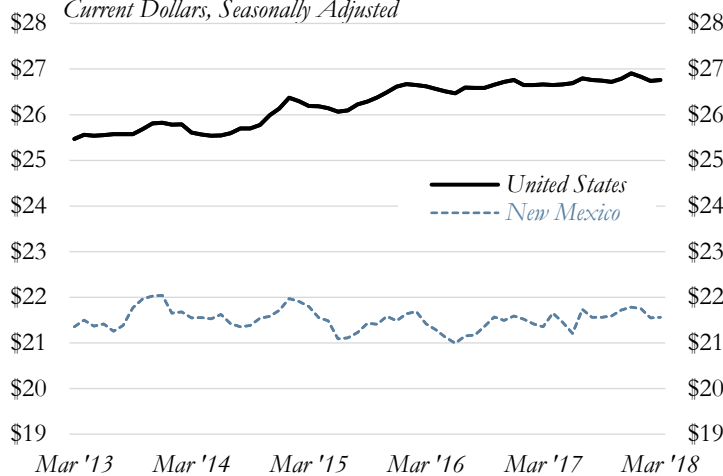


| 2017Q4 | Percent Change Year-over-Year | | Share of Personal Income | |
|------------------------------|-------------------------------|-------------|--------------------------|------------|
| | United States | New Mexico | United States | New Mexico |
| Total Personal Income | 3.9% | 3.0% | | |
| Earnings by Place of Work | 4.4% | 4.3% | 71.2% | 65.8% |
| Social Insurance* | -5.8% | -5.0% | -7.9% | -8.2% |
| Residence Adjustment | | 47.2% | | 0.1% |
| Dividends, Interest & Rent | 4.1% | 3.8% | 19.4% | 19.1% |
| Transfer Payments | 2.8% | -0.5% | 17.3% | 23.3% |

*Subtracted from personal income.

Real Average Hourly Wage

Current Dollars, Seasonally Adjusted

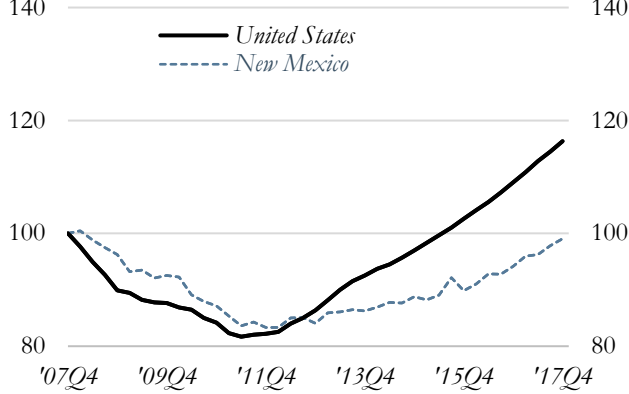


| March 2018 | | |
|-------------------------|---------------|------------|
| Average | United States | New Mexico |
| Hourly Wage | \$26.76 | \$21.56 |
| <i>Real Change from</i> | | |
| Last Month | 0.1% | 0.1% |
| Last Year | 0.4% | 1.0% |

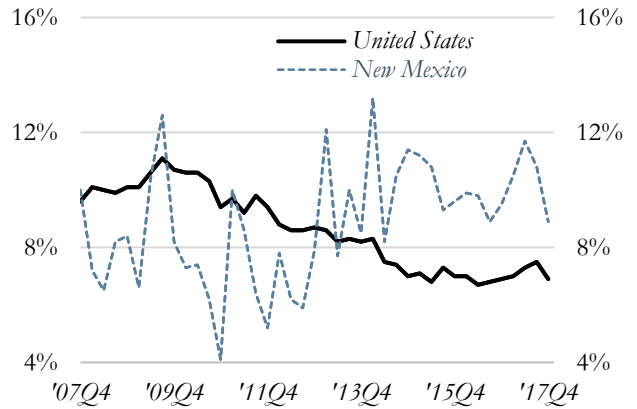
Source: Bureau of Economic Analysis & Bureau of Labor Statistics/Haver Analytics

FHFA Purchase-Only Home Price Index

Ten-Year Index of Growth, Seasonally Adjusted

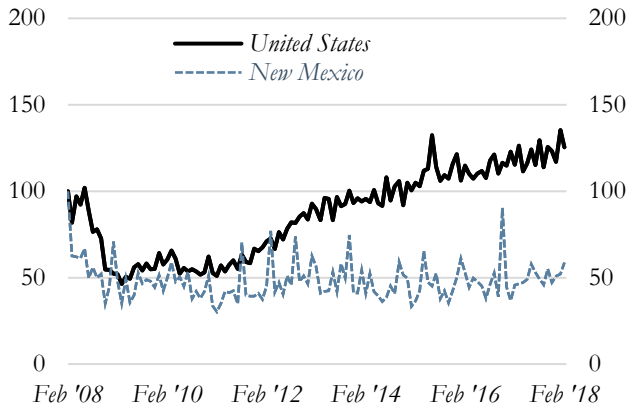


Rental Vacancy Rates



Housing Permits

Ten-Year Index of Growth, Seasonally Adjusted

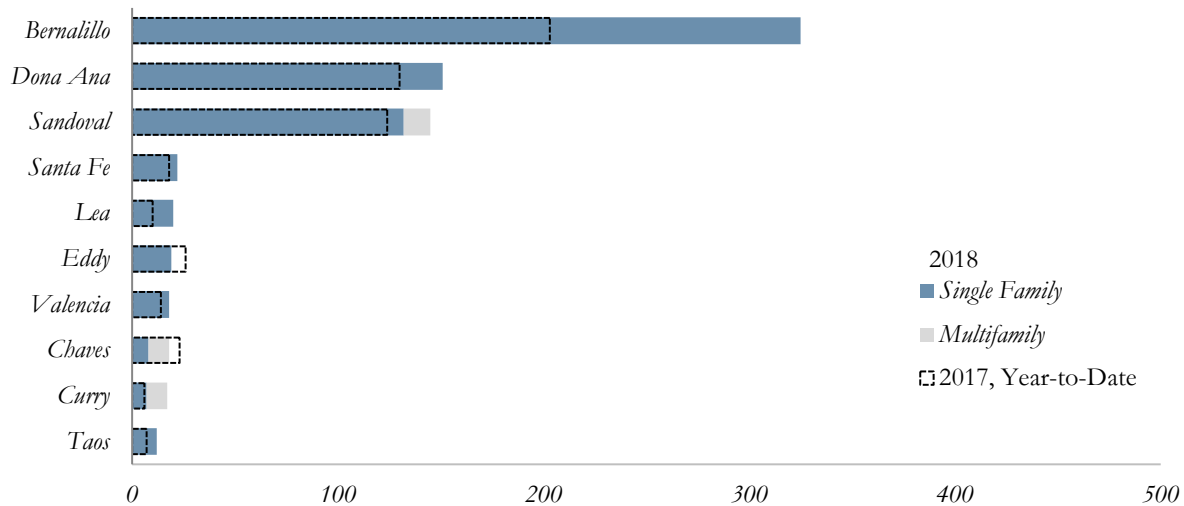


| Summary Statistics | | |
|-------------------------|---------------|------------|
| | United States | New Mexico |
| Prices (2017Q4)* | 6.7% | 5.1% |
| Vacancy Rates (2017Q4) | 6.9% | 8.9% |
| Permits (Year-to-Date)* | | |
| Single Family | 11.2% | 38.0% |
| Multifamily | 5.9% | -17.5% |

*Percent change year-over-year.

Top 10 New Mexico Counties for Permit Activity

Year-to-Date through February

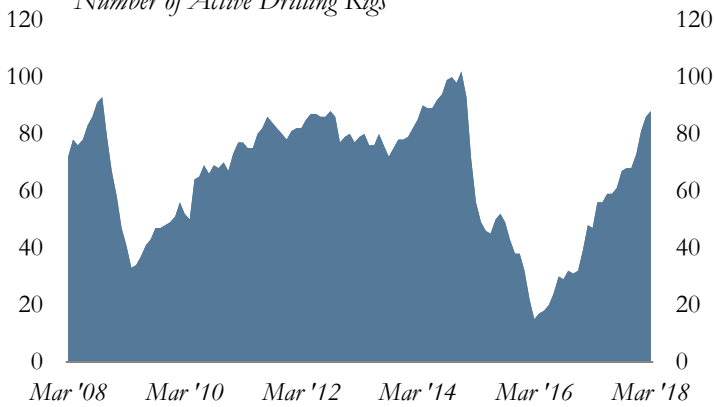


Source: Federal Housing Finance Agency (FHFA) & Census Bureau/Haver Analytics

New Mexico Energy Activity

Oil & Gas Rig Counts

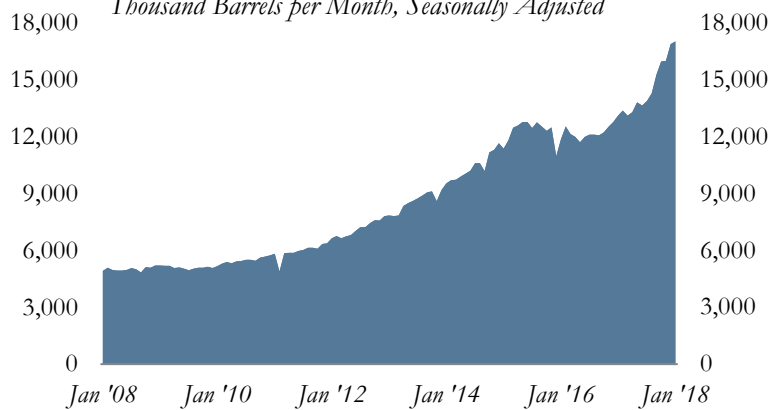
Number of Active Drilling Rigs



| March 2018 | | |
|------------------------|----------------------|-------------------|
| | <i>United States</i> | <i>New Mexico</i> |
| Rig Count | 989 | 88 |
| <i>Change from</i> | | |
| Last Month | 20 | 2 |
| Last Year | 200 | 41 |
| Share of U.S. Activity | | 8.9% |

Crude Oil Production

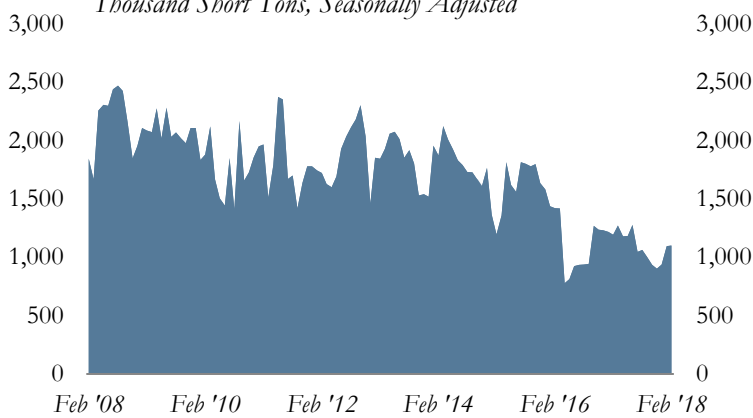
Thousand Barrels per Month, Seasonally Adjusted



| January 2018 | | |
|------------------------|----------------------|-------------------|
| | <i>United States</i> | <i>New Mexico</i> |
| Production | 303,478 | 17,026 |
| <i>Change from</i> | | |
| Last Month | 0.5% | 0.8% |
| Last Year | 12.9% | 29.8% |
| Share of U.S. Activity | | 5.6% |

Coal Production

Thousand Short Tons, Seasonally Adjusted

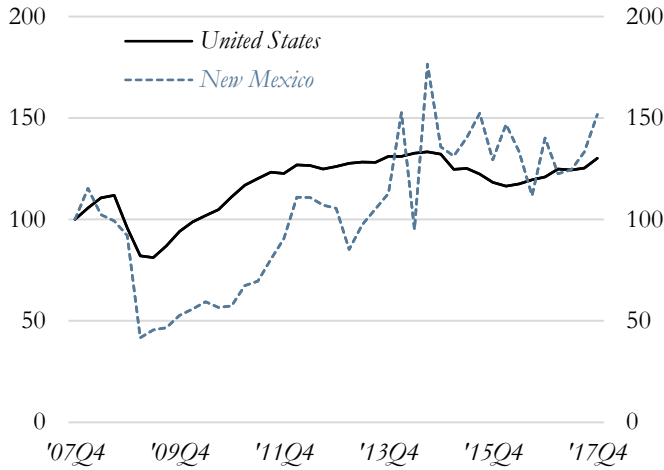


| February 2018 | | |
|------------------------|----------------------|-------------------|
| | <i>United States</i> | <i>New Mexico</i> |
| Production | 64,082 | 1,101 |
| <i>Change from</i> | | |
| Last Month | 2.3% | 0.6% |
| Last Year | -5.0% | -7.7% |
| Share of U.S. Activity | | 1.7% |

Source: Baker Hughes & Department of Energy, Energy Information Administration/Haver Analytics

Global Exports

Ten-Year Index of Growth, Seasonally Adjusted

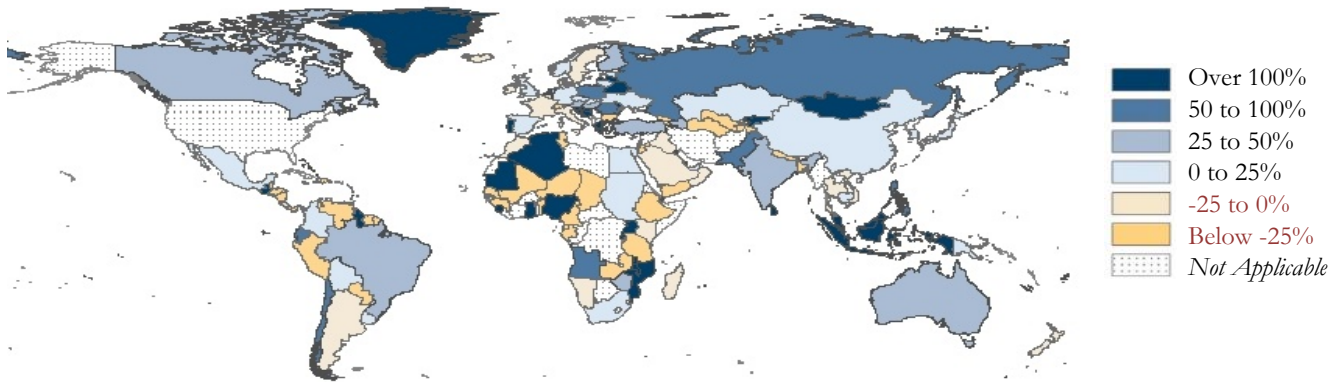


| 2017Q4 | | |
|--------------------------|---------------|------------|
| | United States | New Mexico |
| Exports (Millions) | \$398,780.4 | \$1,034.9 |
| <i>Change from</i> | | |
| Last Quarter | 3.8% | 13.8% |
| Last Year (year-to-date) | 6.4% | 0.0% |
| Share of U.S. Activity | | 0.3% |

| 2016 | | |
|-----------------------------|---------------|------------|
| | United States | New Mexico |
| Exports as a Percent of GDP | 7.8% | 3.9% |

New Mexico Exports Year-to-Date through 2017Q4

Percent Change Year-over-Year



| Top Markets | Share |
|----------------|-------|
| 1 Mexico | 43.8% |
| 2 China* | 28.5 |
| 3 Saudi Arabia | 4.1 |
| 4 Canada | 3.4 |
| 5 Singapore | 2.2 |
| 6 Germany | 1.7 |
| 7 South Korea | 1.7 |
| 8 Japan | 1.3 |
| 9 Australia | 1.3 |
| 10 Turkey | 1.2 |

| Top Exports | Share |
|----------------------------------|-------|
| 1 Computers & Electronics | 51.5% |
| 2 Fabricated Metal Products | 9.3 |
| 3 Misc. Manufactures | 6.5 |
| 4 Transportation Equip. | 5.8 |
| 5 Electronic Equip. & Appliances | 5.0 |
| 6 Food | 4.1 |
| 7 Machinery (Except Electrical) | 3.0 |
| 8 Chemicals & Rare Earth Metals | 2.9 |
| 9 Plastics & Rubber Products | 2.5 |
| 10 Primary Metals | 2.1 |

*Includes Hong Kong, Taiwan, and Macao.

Source: Census Bureau, WISERTrade & Bureau of Economic Analysis/Haver Analytics

Pages 2 and 3: County unemployment rates typically lag state data releases by one month. Gray bars show recessionary periods as designated by the National Bureau of Economic Research. The "official" and most commonly reported unemployment rate is calculated as the number of unemployed workers divided by the total civilian labor force. These data are reported from the Bureau of Labor Statistics Current Population Survey, or commonly called the "Household" survey.

Page 2 and 4: Nonfarm employment data from the Bureau of Labor Statistics Current Employment Survey are commonly called "Payroll" employment data. Estimates from this survey are revised throughout the year and a major revision or "benchmark" of the data occurs in March of each year. "Payroll" and "Household" surveys are released monthly, providing the most current estimates of employment published by the Bureau of Labor Statistics. Because methodologies differ between surveys, employment estimates also differ. For more information, visit:

http://www.bls.gov/web/empstl/ces_eps_trends.pdf

Initial claims show monthly applications for initial claims for state unemployment insurance benefits.

Pages 5 and 6: Payroll employment by industry is shown for each of the major two-digit North American Industrial Classification System industries.

Page 7: Personal income provides a measure of all income received by residents of a given geographic area. Data shown are in nominal terms (not adjusted for inflation). Transfer payments include social benefits such as unemployment insurance, Social Security, and Medicaid. Contributions to social insurance are subtracted from personal income. These contributions include taxes paid by businesses and employees that support social insurance programs such as unemployment insurance, Social Security and Medicaid. The residence adjustment adds income received outside of a recipient's state of residence and makes a corresponding subtraction from the area where this income was earned or received. Real average hourly wages are calculated as total earnings divided by total employment for a given geographic area. Data are adjusted for inflation using the consumer price index for all urban areas (CPI-U) and are indexed to the most current month of data.

Page 8: Home price indices estimate regional growth in home values based on repeat sales data for detached single family residential properties. Monthly single and multifamily housing permits data are not revised, and therefore, may not sum to published year-end totals.

Page 9: The active rig count is the number of rigs actively exploring for or developing oil or natural gas. Rig counts provide an indicator of new drilling activity and potential for expanded crude oil or natural gas production. Coal production is shown as production during a given month.

Page 10: Exports measure the total physical movement of a given product from the United States to a foreign country.

Data Revisions

Most data are revised periodically to correct for errors and incorporate additional information as it becomes available. Data shown in this report are subject to change.

Seasonal Adjustments

Most data are seasonally adjusted to remove variance caused by seasonal fluctuations in economic activity. Data in this report show the seasonal adjustments of data publishers where available. In other cases, Census X-12 adjustments were applied.

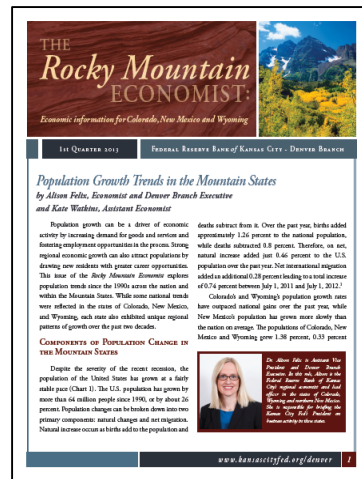
Regional Economic Analysis

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