SUMMARY OF CURRENT NEW MEXICO ECONOMIC CONDITIONS

In New Mexico, the unemployment rate was 4.6 percent in August, and total payroll employment expanded 2.0 percent compared to the previous year. Employment growth was broad-based across industries, with the strongest gains in the transportation, warehousing, and utilities and construction sectors. New Mexico nominal personal income grew 2.0 percent in the first quarter of 2018 compared to the previous year, with workplace earnings up 2.4 percent. Home prices increased 4.9 percent in the second quarter of 2018 compared to a year ago, while single-family and multifamily permits recorded a 21.3 and -44.2 percent change, respectively, year-to-date through July 2018. In June 2018, crude oil production was up 47.9 percent over last year, and rig counts were well above year-ago levels. New Mexico exports were 14.2 percent higher in the second quarter of 2018 compared to the same period in 2017.

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.
August 2018 Unemployment Rates
Seasonally Adjusted

<table>
<thead>
<tr>
<th>United States</th>
<th>New Mexico</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment Rate</td>
<td>3.9%</td>
</tr>
<tr>
<td>Unemployment Rate, Last Year</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

Note: Gray bars indicate recession.

August 2018 Payroll Employment
Seasonally Adjusted, Year-over-Year Percent Change

<table>
<thead>
<tr>
<th>United States</th>
<th>New Mexico</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs (Thousands)</td>
<td>149,279.0</td>
</tr>
<tr>
<td>Change from Last Year</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Note: Gray bars indicate recession.

Source: Bureau of Labor Statistics/Haver Analytics

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July 2018 Unemployment Rates & Civilian Labor Force

Seasonally Adjusted

<table>
<thead>
<tr>
<th>County</th>
<th>Percent Unemployed</th>
<th>Labor Force (Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>3.9%</td>
<td>162,245.0</td>
</tr>
<tr>
<td>New Mexico</td>
<td>4.7%</td>
<td>939.9</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics/Haver Analytics

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Payroll Employment
Seasonally Adjusted

Payroll Employment
Ten-Year Index of Growth

United States
New Mexico

August 2018

<table>
<thead>
<tr>
<th></th>
<th>United States</th>
<th>New Mexico</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jobs (Thousands)</td>
<td>149,279.0</td>
<td>846.3</td>
</tr>
<tr>
<td>Change from Last Year (Thousands)</td>
<td>2,330.0</td>
<td>16.3</td>
</tr>
<tr>
<td>Share of U.S. Employment</td>
<td>0.6%</td>
<td></td>
</tr>
</tbody>
</table>

Labor Force Dynamics
Ten-Year Index of Growth, Seasonally Adjusted

Employed (Household Survey)

Unemployed

Labor Force

Unemployment Insurance Claims

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

www.KansasCityFed.org
Payroll Employment by Industry
Seasonally Adjusted

August 2018 Percent Change Year-over-Year

- **Trans., Ware., & Utilities**
  - United States: 7.4%
  - New Mexico: 6.6%

- **Construction**
  - United States: 5.0%
  - New Mexico: 4.9%

- **Financial Activities**
  - United States: 4.3%
  - New Mexico: 3.8%

- **Leisure & Hospitality**
  - United States: 2.8%
  - New Mexico: 2.9%

- **Prof. & Business Services**
  - United States: 2.8%
  - New Mexico: 2.5%

- **Manufacturing**
  - United States: 0.6%
  - New Mexico: 0.4%

- **Mining & Logging**
  - United States: 0.0%
  - New Mexico: 0.0%

- **Wholesale Trade**
  - United States: -0.1%
  - New Mexico: -0.8%

- **Retail Trade**
  - United States: -1.7%
  - New Mexico: -7.1%

- **Local Government**
  - United States: -0.1%
  - New Mexico: 4.9%

- **Other Services**
  - United States: 4.9%
  - New Mexico: 5.8%

- **State Government**
  - United States: 4.3%
  - New Mexico: 3.8%

- **Education & Health Services**
  - United States: 2.9%
  - New Mexico: 2.8%

- **Retail Trade**
  - United States: 2.8%
  - New Mexico: 2.5%

- **Federal Government**
  - United States: 0.6%
  - New Mexico: 0.4%

- **Information**
  - United States: 0.0%
  - New Mexico: 0.0%

- **Transportation, Warehousing, & Utilities**
  - United States: 4.0%
  - New Mexico: 3.1%

Source: Bureau of Labor Statistics/Haver Analytics

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Payroll Employment by Industry

Ten-Year Index of Growth, Seasonally Adjusted

Source: Bureau of Labor Statistics/Haver Analytics

www.KansasCityFed.org
New Mexico Nominal Personal Income Growth
Contributions to Percent Change Year-over-Year, Seasonally Adjusted

% Change Year-over-Year

<table>
<thead>
<tr>
<th>2018Q1</th>
<th>Total Personal Income</th>
<th>United States</th>
<th>New Mexico</th>
<th>Share of Personal Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Earnings by Place of Work</td>
<td>4.6%</td>
<td>2.4%</td>
<td>70.8%</td>
</tr>
<tr>
<td></td>
<td>Social Insurance*</td>
<td>-4.9%</td>
<td>-3.6%</td>
<td>-7.8%</td>
</tr>
<tr>
<td></td>
<td>Residence Adjustment</td>
<td>53.0%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td></td>
<td>Dividends, Interest &amp; Rent</td>
<td>4.3%</td>
<td>3.5%</td>
<td>20.0%</td>
</tr>
<tr>
<td></td>
<td>Transfer Payments</td>
<td>3.5%</td>
<td>0.0%</td>
<td>16.9%</td>
</tr>
</tbody>
</table>

*Subtracted from personal income.

Real Average Hourly Wage
Current Dollars, Seasonally Adjusted

August 2018
Average Hourly Wage
United States $27.14
New Mexico $21.97

Real Change from
Last Month 0.3% 0.6%
Last Year 0.2% 0.7%

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

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**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**

<table>
<thead>
<tr>
<th>statistic</th>
<th>United States</th>
<th>New Mexico</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prices (2018Q2)*</td>
<td>6.5%</td>
<td>4.9%</td>
</tr>
<tr>
<td>Vacancy Rates (2018Q2)</td>
<td>6.8%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Permits (Year-to-Date)*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single Family</td>
<td>7.0%</td>
<td>21.3%</td>
</tr>
<tr>
<td>Multifamily</td>
<td>6.7%</td>
<td>-44.2%</td>
</tr>
</tbody>
</table>

*Percent change year-over-year.

**Top 10 New Mexico Counties for Permit Activity**
*Year-to-Date through July*

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

www.KansasCityFed.org
New Mexico Energy Activity

**Oil & Gas Rig Counts**

*Number of Active Drilling Rigs*

- August 2018
  - United States: 1,050
  - New Mexico: 104
  - Change from Last Month: 0
  - Change from Last Year: 103
  - Share of U.S. Activity: 9.9%

**Crude Oil Production**

*Thousand Barrels per Month, Seasonally Adjusted*

- August 2018
  - United States: 329,547
  - New Mexico: 20,198
  - Change from Last Month: 3.4%
  - Change from Last Year: 17.7%
  - Share of U.S. Activity: 6.1%

**Coal Production**

*Thousand Short Tons, Seasonally Adjusted*

- August 2018
  - United States: 62,504
  - New Mexico: 909
  - Change from Last Month: -1.4%
  - Change from Last Year: -1.7%
  - Share of U.S. Activity: 1.5%

Source: Baker Hughes & Department of Energy, Energy Information Administration/Haver Analytics
Global Exports
Ten-Year Index of Growth, Seasonally Adjusted

United States
New Mexico

Exports (Millions)
$423,414.9
$889.1

Change from
Last Quarter
2.7%
-14.0%

Last Year (year-to-date)
9.5%
14.2%

Share of U.S. Activity
0.2%

Top Markets
Share
1 Mexico 42.4%
2 China* 34.5
3 Canada 2.8
4 South Korea 2.5
5 Germany 1.9
6 Singapore 1.6
7 Japan 1.2
8 Australia 1.1
9 Belgium 0.9
10 Turkey 0.9

*Includes Hong Kong, Taiwan, and Macao.

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

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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/empsit/ces_cps_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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For regional economic analysis on the state of New Mexico, read the latest issues of The Rocky Mountain Economist: http://www.kansascityfed.org/publications/research/

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