

New Mexico Economic Update

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The views expressed are my own and do not necessarily reflect official positions of the Federal Reserve System

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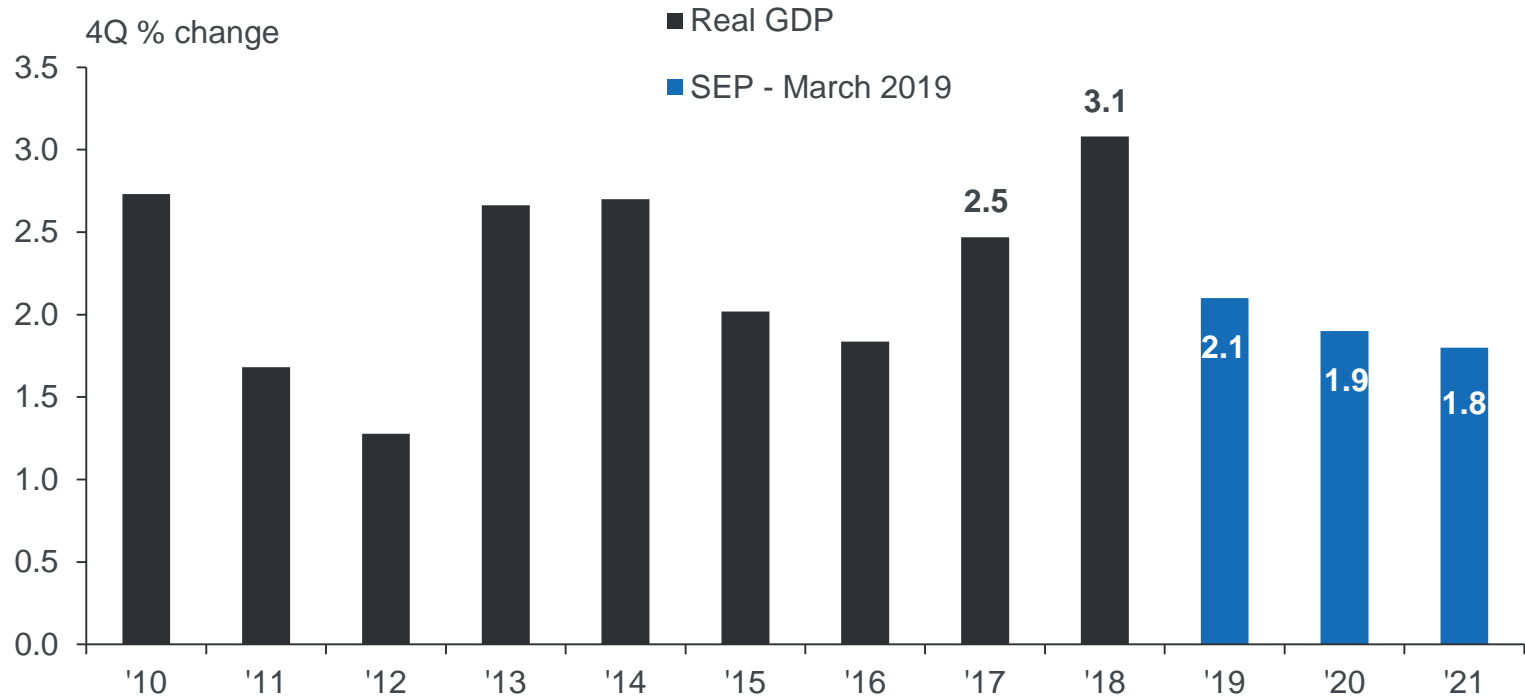
Federal Reserve
Bank of Dallas

Overview

- U.S. Economy
- New Mexico
 - Labor Market
 - Energy
 - Trade
- What is ahead for New Mexico?

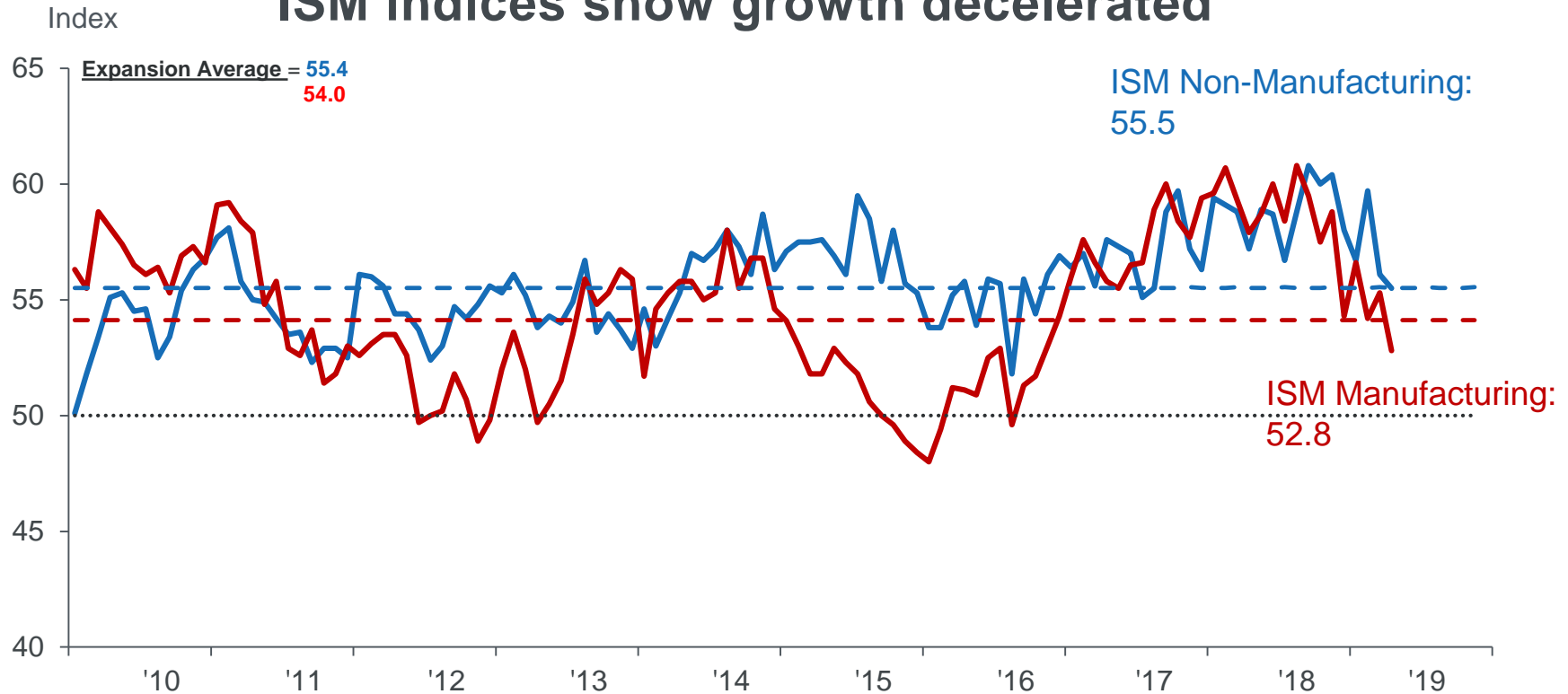
U.S. Economy

U.S. economic activity is expected to slow in 2019



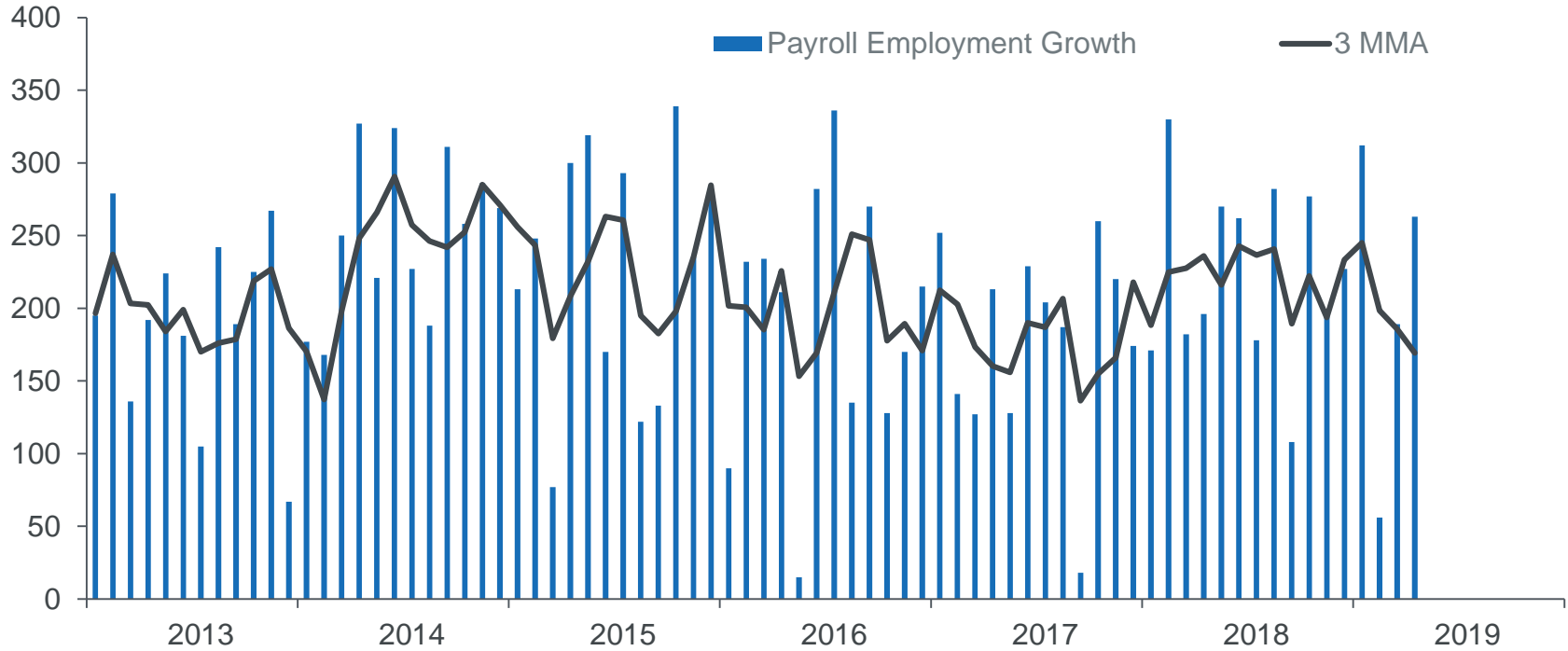
SOURCE: Bureau of Economic Analysis; Federal Reserve Summary of Economic Projections

ISM indices show growth decelerated



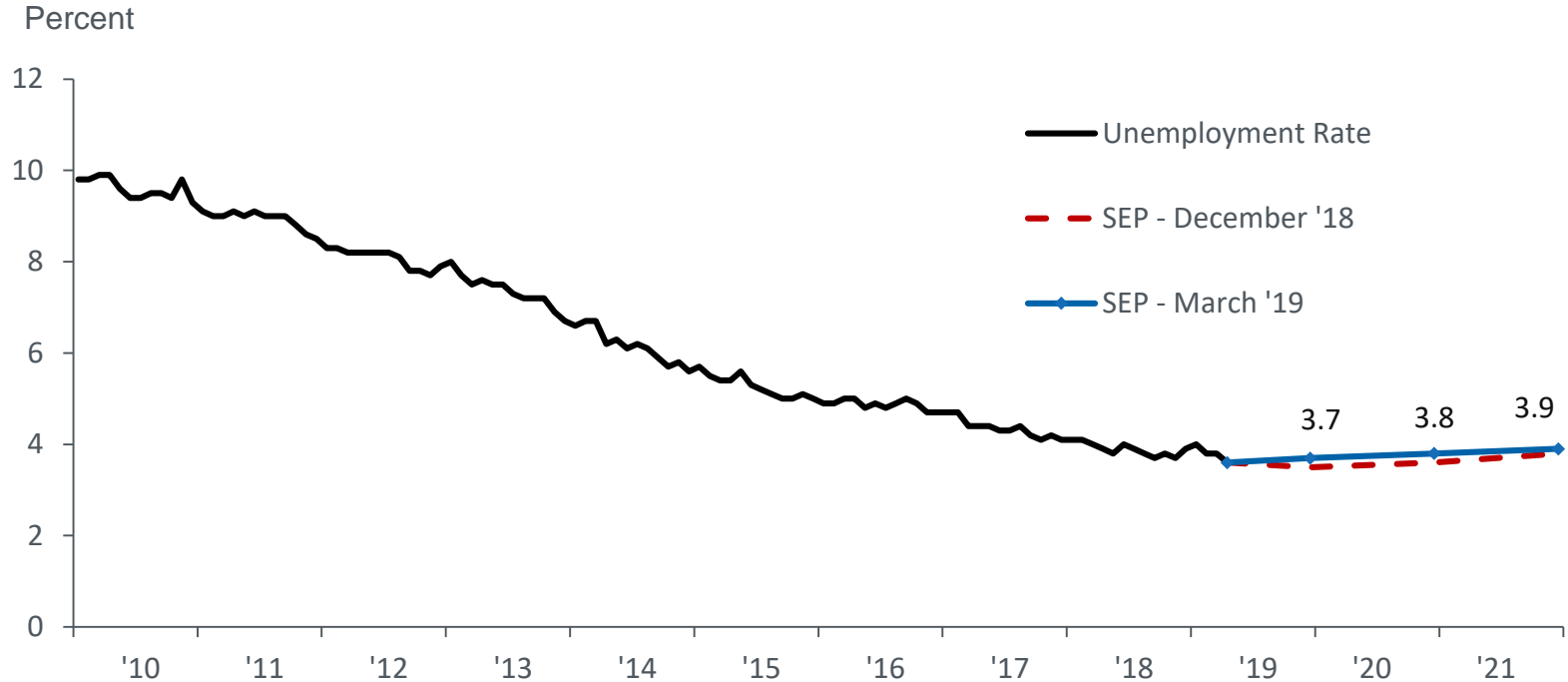
NOTE: Data are through April 2019
SOURCE: Institute of Supply Management

April payroll gains exceed expectations



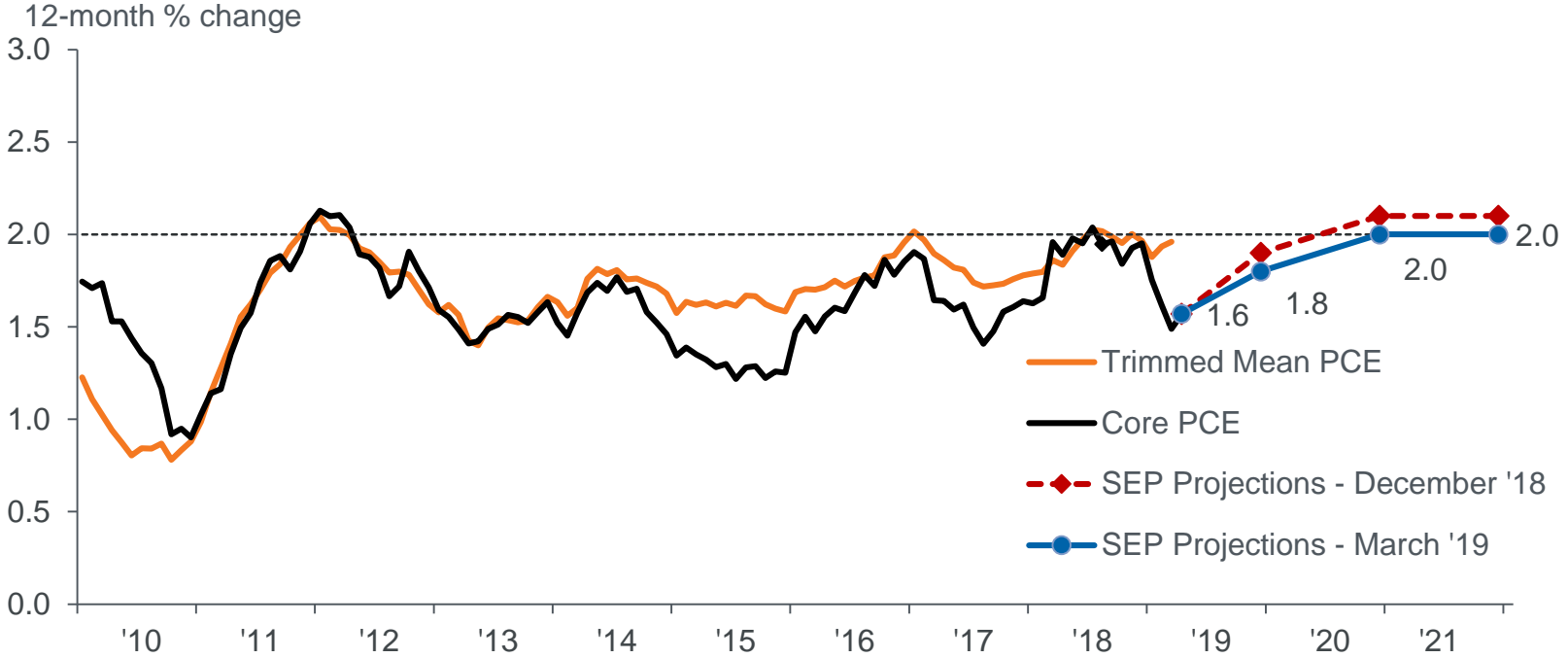
SOURCE: Bureau of Labor Statistics

Unemployment expected to remain stable in 2019



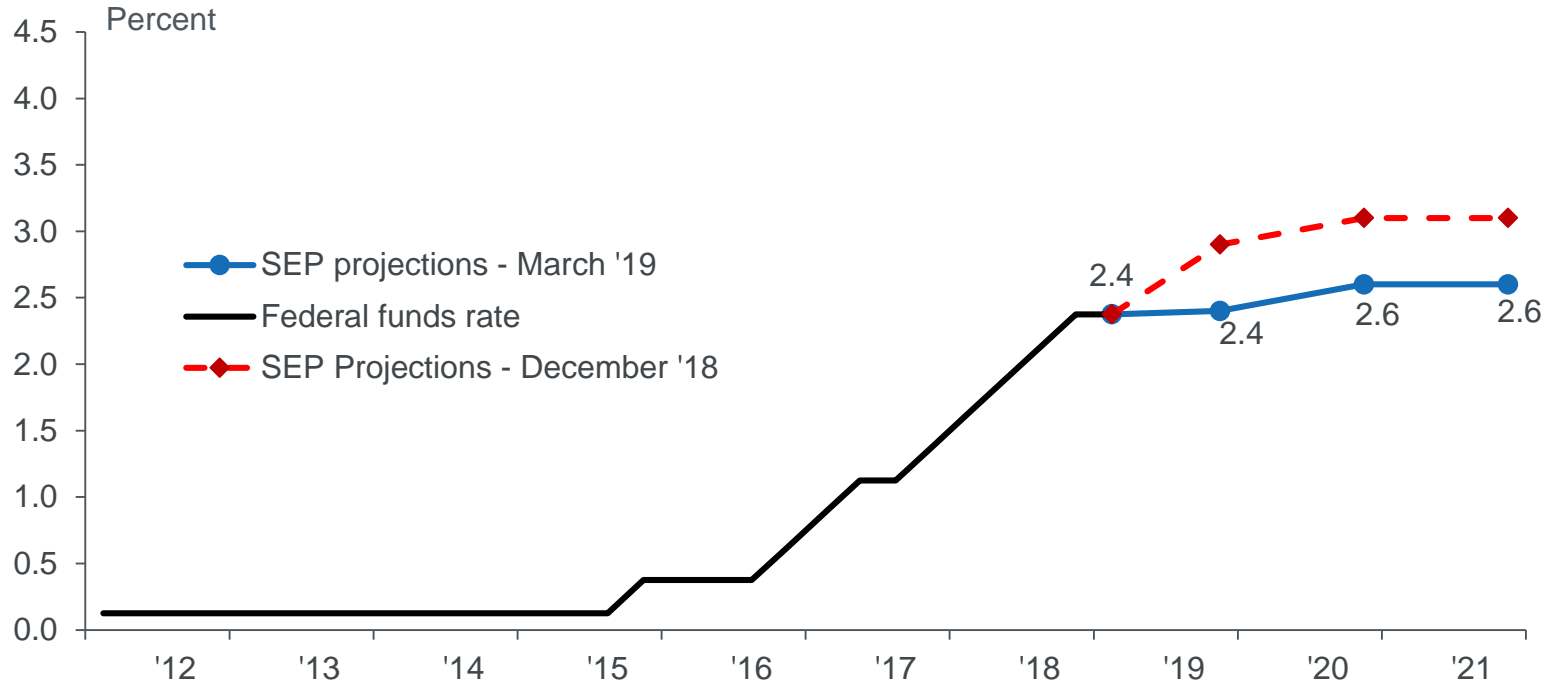
SOURCE: Bureau of Labor Statistics; Federal Reserve Board of Governors

Core inflation below the Fed's target



SOURCE: FRB Dallas; Federal Reserve Board of Governors; Bureau of Economic Analysis

Policy path edges down as output is revised down

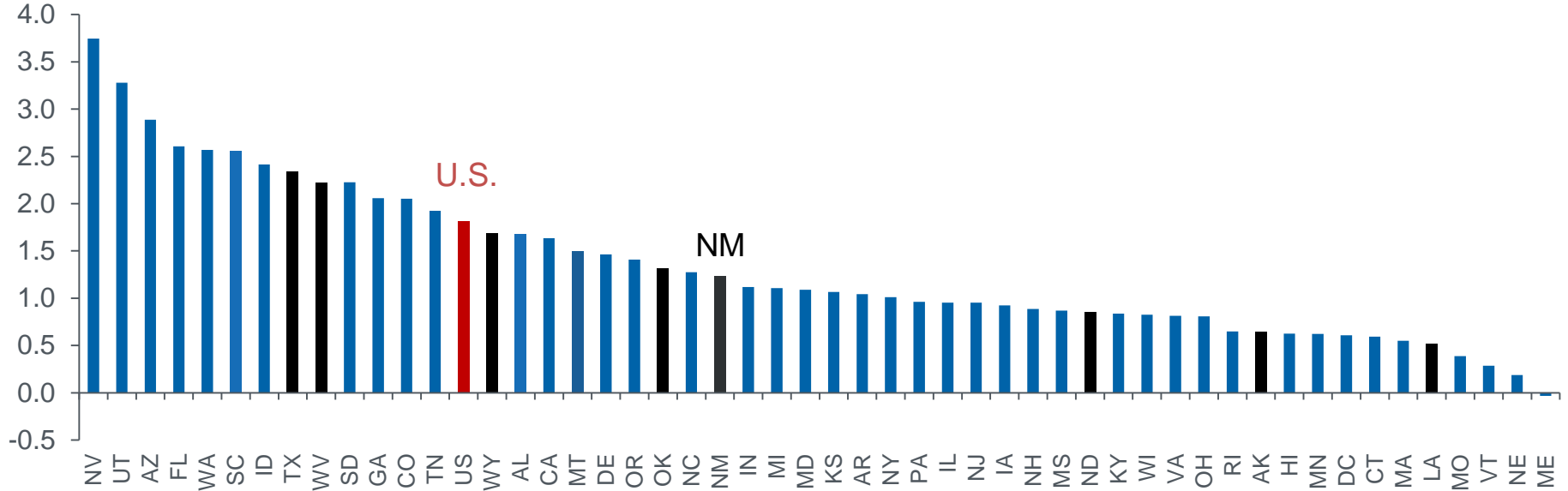


SOURCE: Federal Reserve Board of Governors

New Mexico Labor Market

New Mexico's growth picked up in 2018

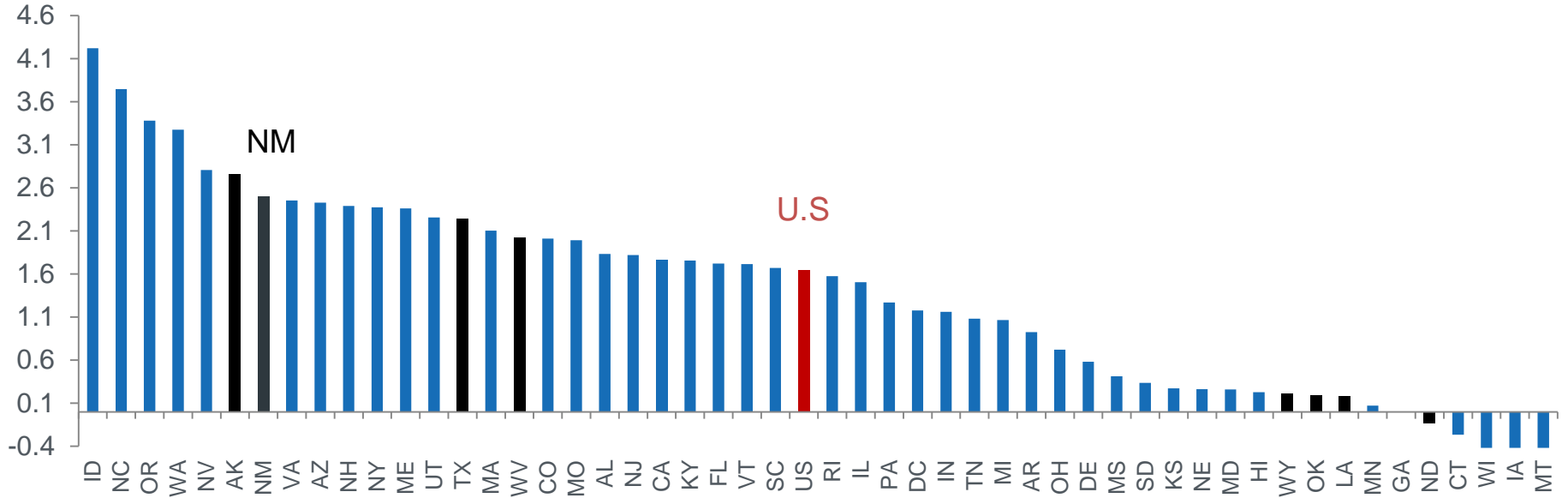
Percent change,
Dec. 2017 – Dec. 2018



NOTE: Black bars represent major energy-producing states.
SOURCE: Bureau of Labor Statistics

In 2019, New Mexico outpacing U.S. and other energy states

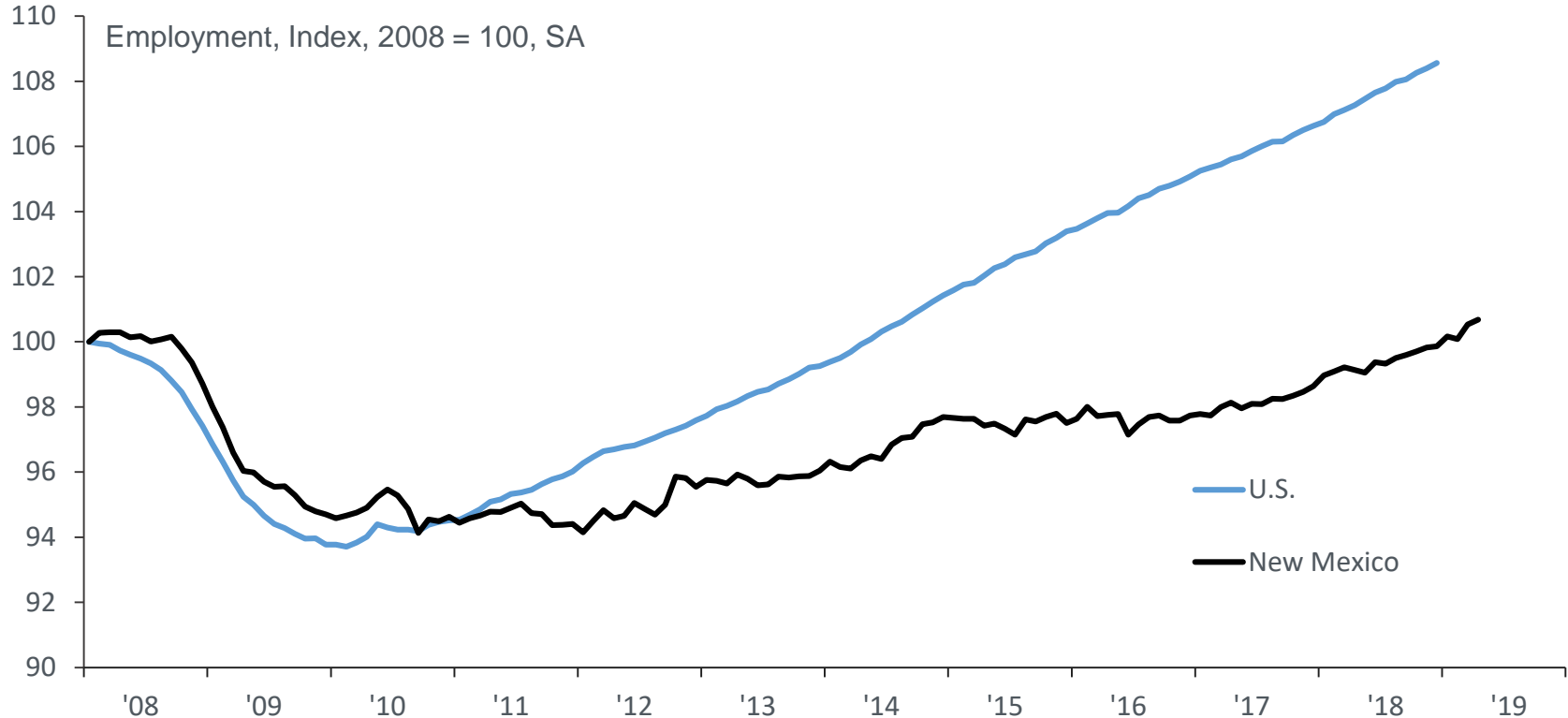
YTD SAAR,
Dec. 2018 - Apr. 2019



NOTE: Black bars represent major energy-producing states. 2019 data YTD December 2018 through April 2019.

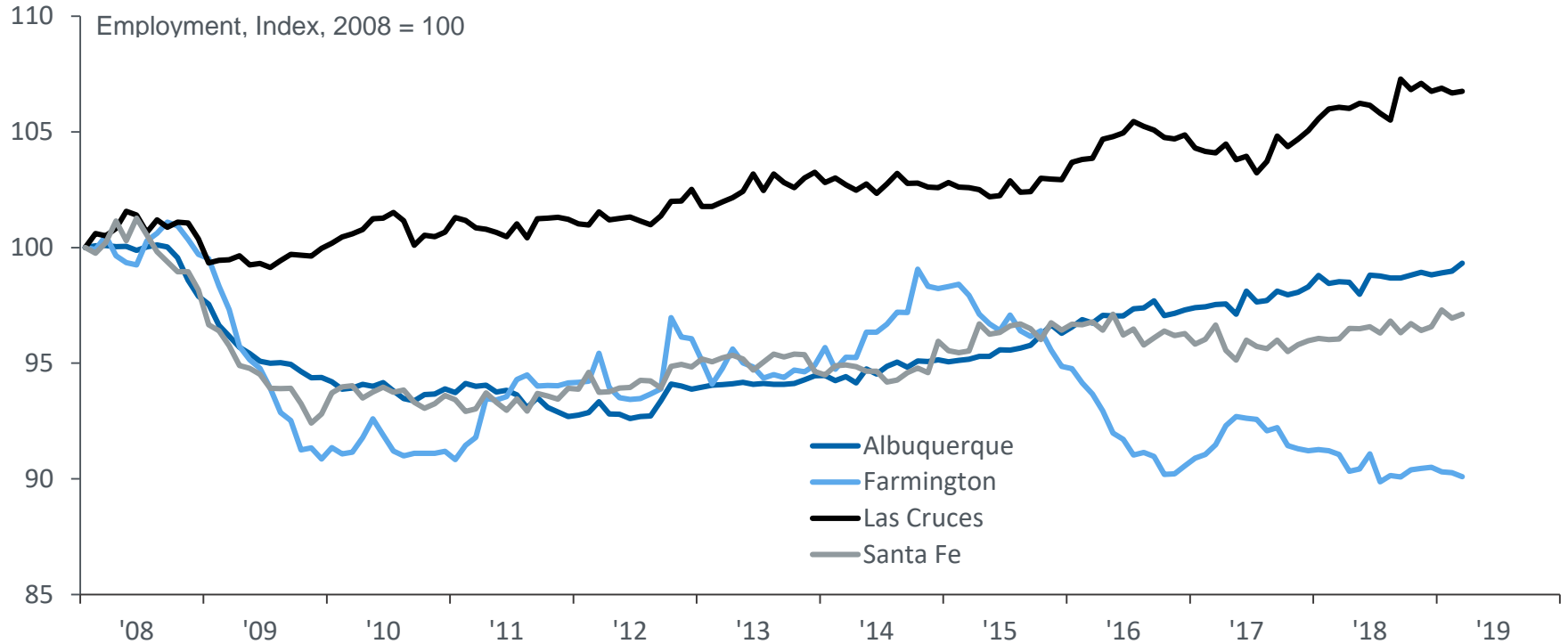
SOURCE: Bureau of Labor Statistics

New Mexico reaches pre-recession employment levels in 2019



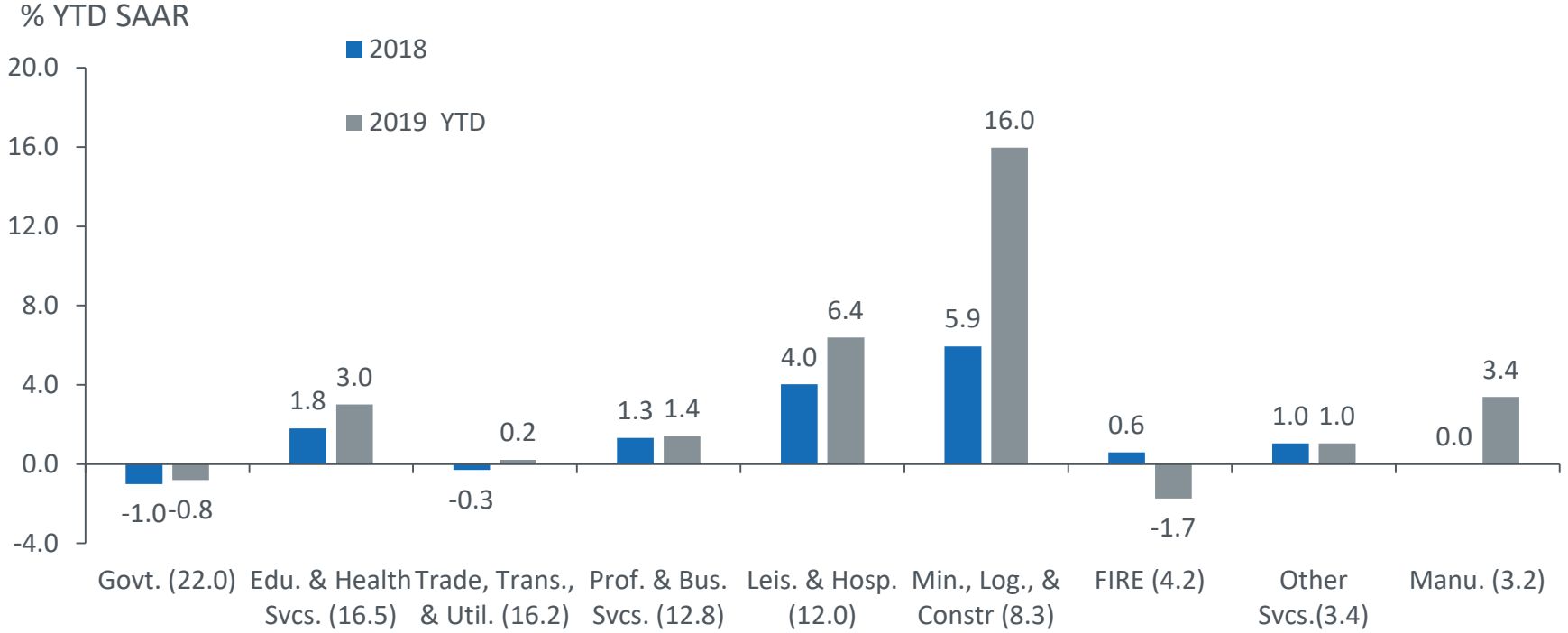
SOURCE: Bureau of Labor Statistics

Employment trends vary within metros



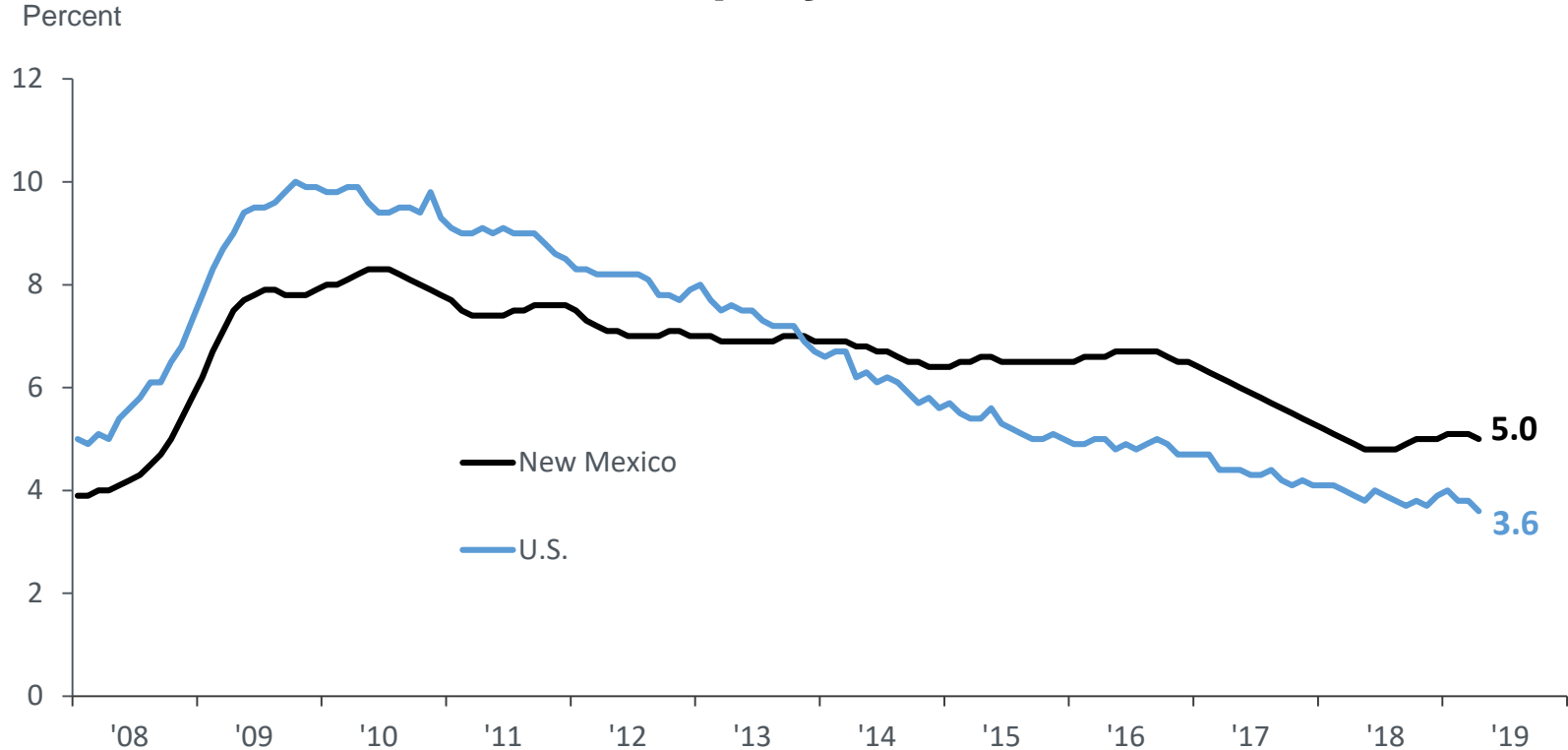
SOURCE: Bureau of Labor Statistics

Mining & Construction, and Leisure & Hospitality drive employment growth



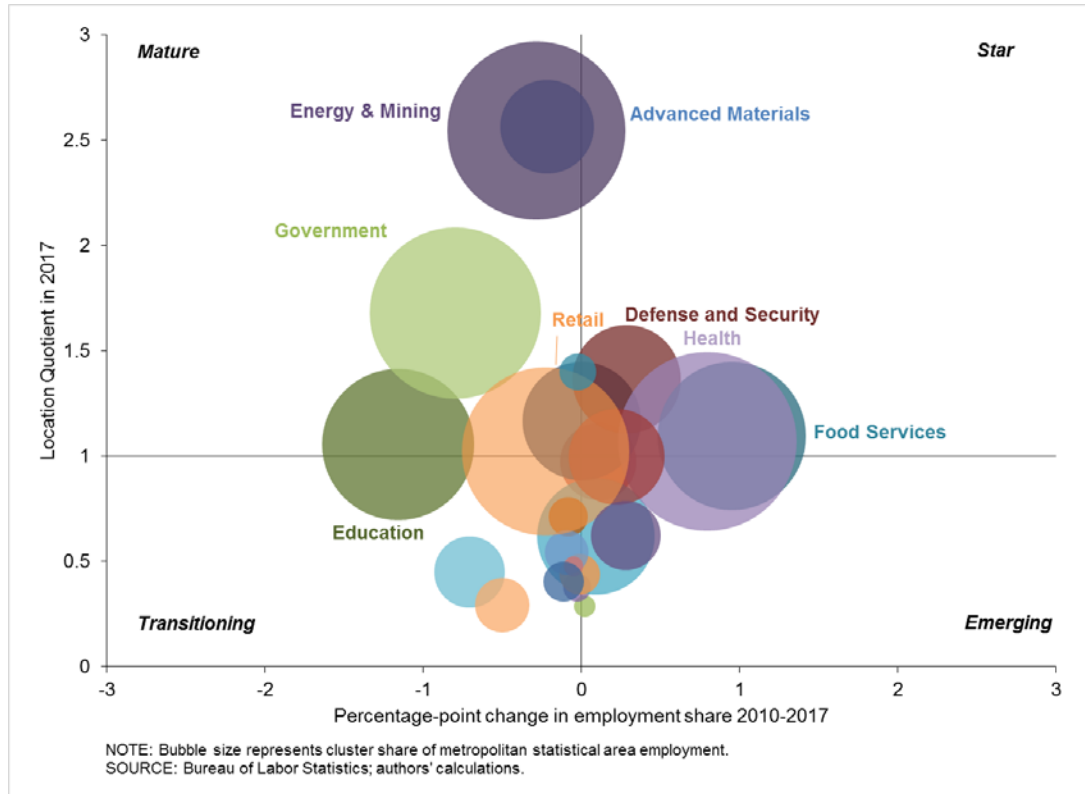
NOTE: 2019 data YTD December 2018 through April 2019
 SOURCE: Bureau of Labor Statistics

New Mexico unemployment rate above U.S.



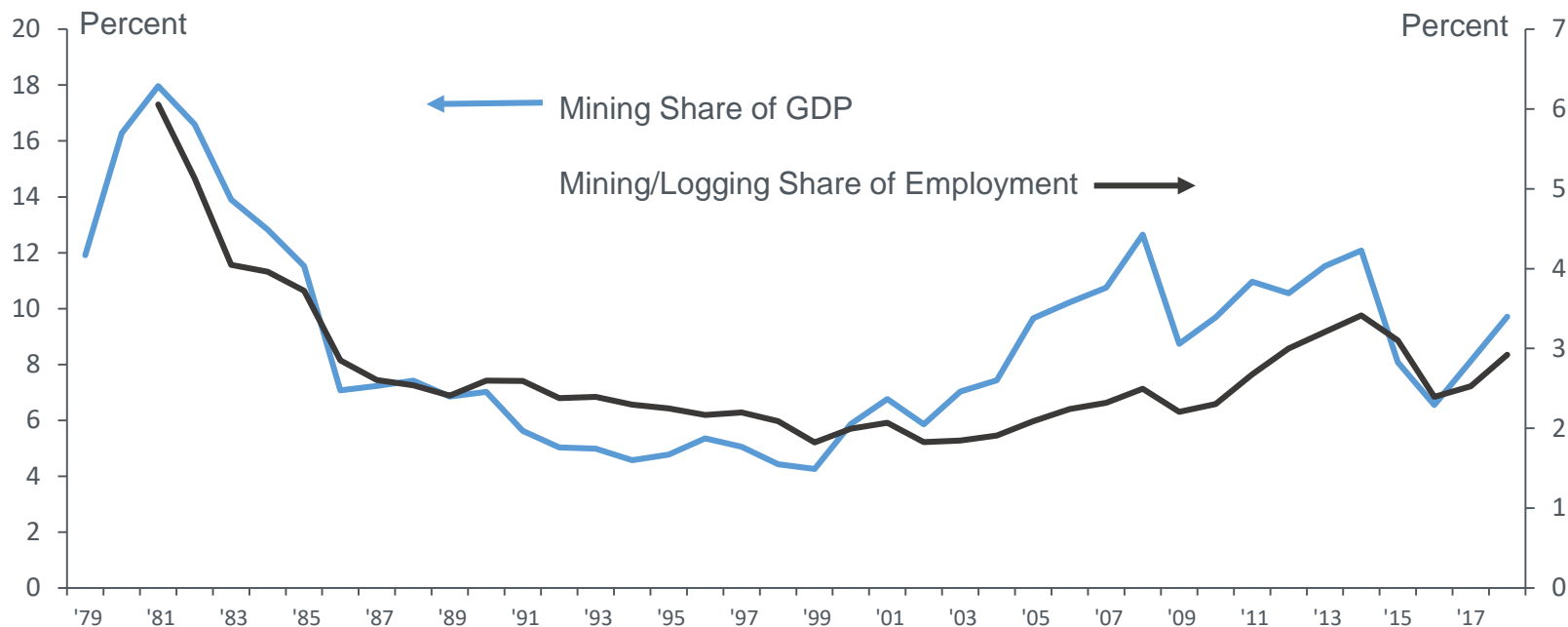
SOURCE: Bureau of Labor Statistics

Government, tourism, energy, and health dominate New Mexico's economy



Energy in New Mexico

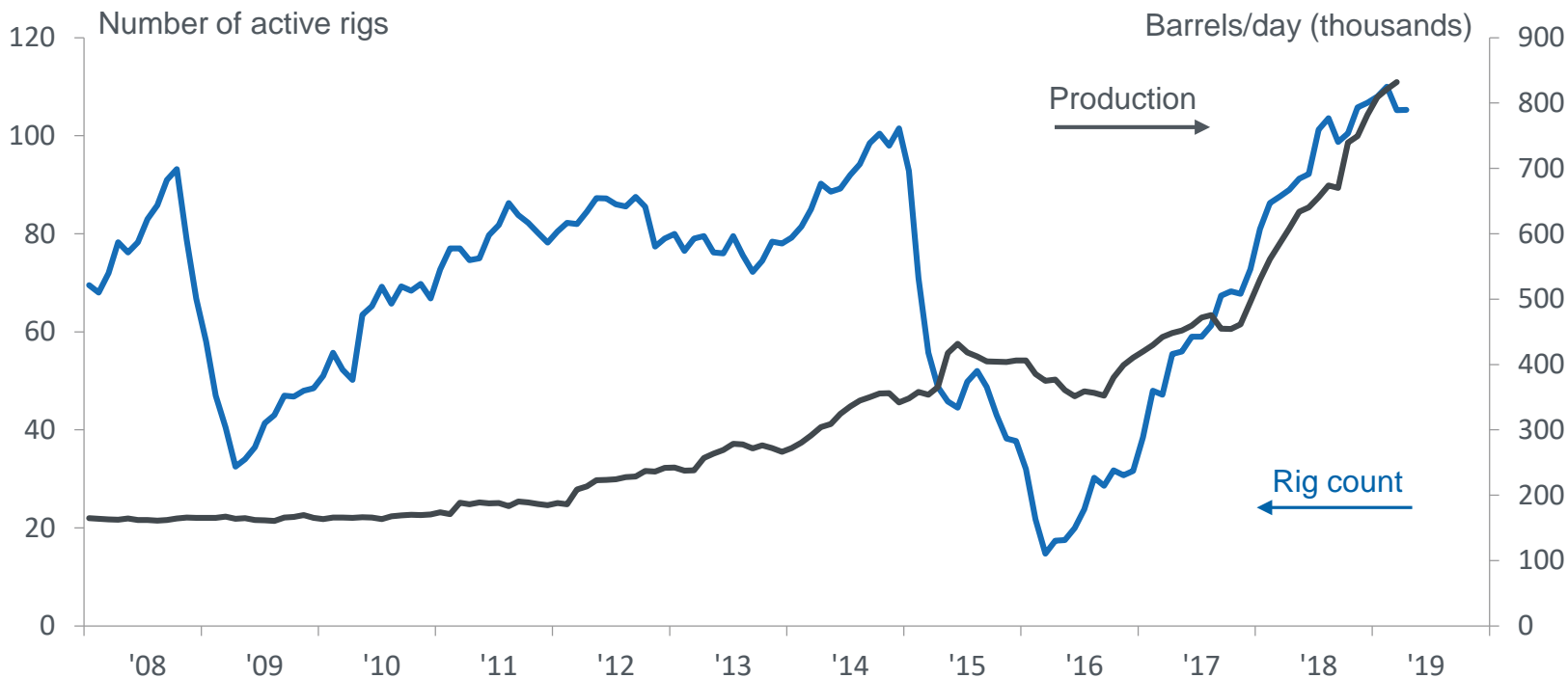
New Mexico's economy continues to depend on energy



NOTE: Values prior to 1997 extrapolated from SIC coded data. Employment data only available to 1981.

SOURCES: Bureau of Economic Analysis, Bureau of Labor Statistics

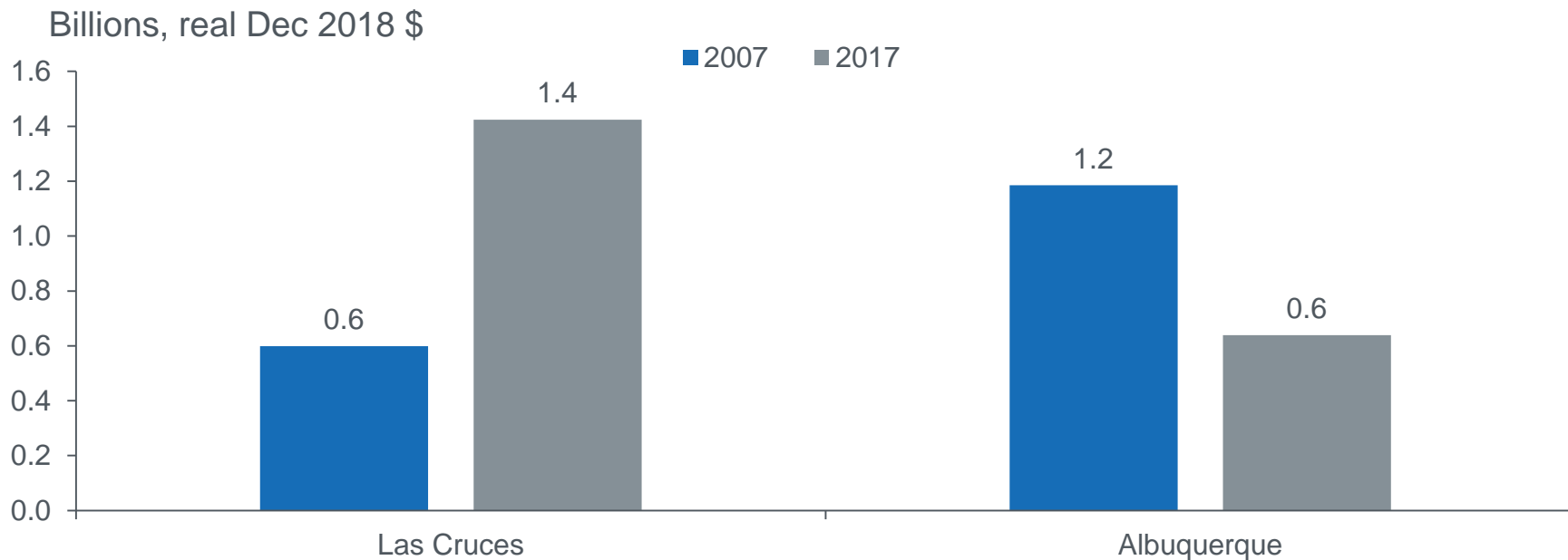
New Mexico oil production hits new high in April 2019



SOURCES: Baker Hughes; U.S. Department of Energy.

Trade in New Mexico

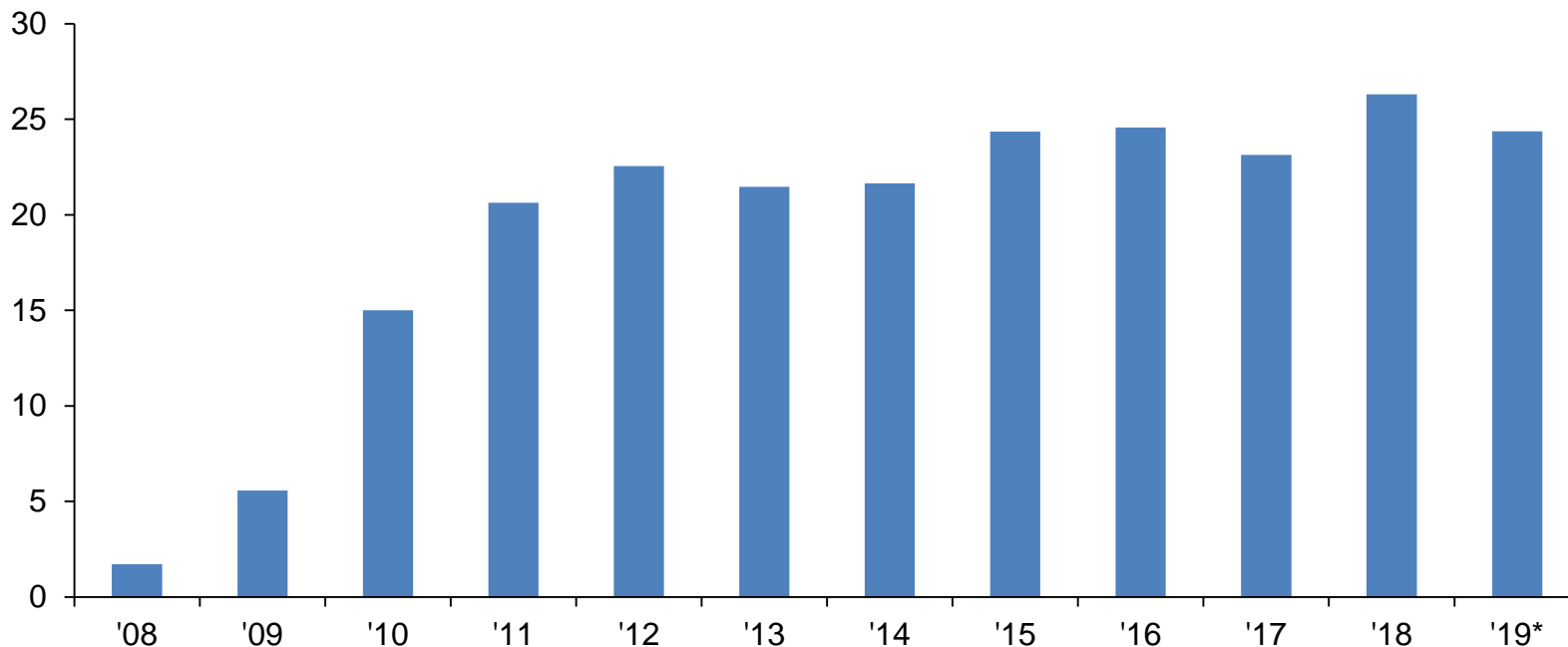
New Mexico's exports move south



SOURCE: International Trade Administration

Trade through Santa Teresa Port up since 2009

Total Trade, March 2019 \$



*2019 reflects annualized March data

NOTE: 2019 data YTD December 2018 through March 2019

SOURCE: Foreign Trade Division/Census Bureau/Haver Analytics

What is ahead?

Summary and conclusions

New Mexico's growth accelerated in 2019

- Pick up in energy is boosting New Mexico's economy
- New Mexico's export hub has moved to the south of the state
- Trade and cross-border manufacturing in Santa Teresa continue to grow
- Uncertainty around energy and trade may pose challenges

Dallas Fed Publications

Public Resources from the Dallas Fed:

- [Regional Economic Updates](#)
- [Energy Survey](#)
- [National Economic Updates](#)
- [International Economic Updates](#)
- [Southwest Economy](#)
- [Additional Research Publications and Data](#)

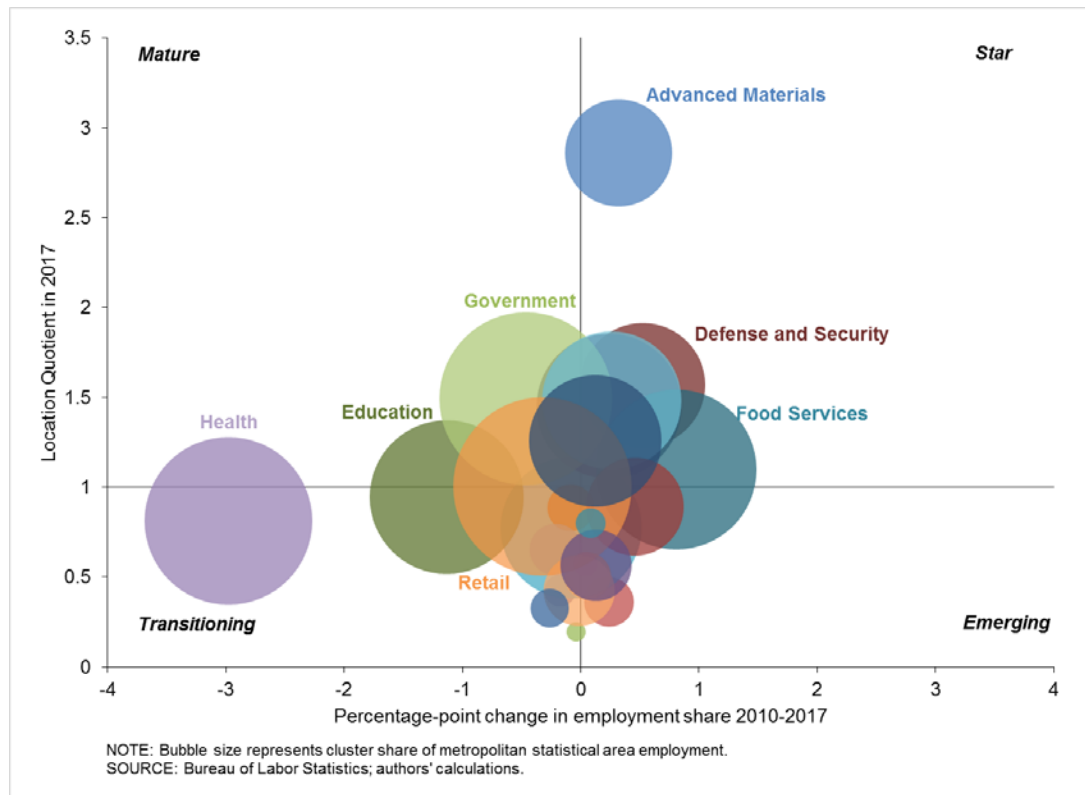


New Mexico Economic Update

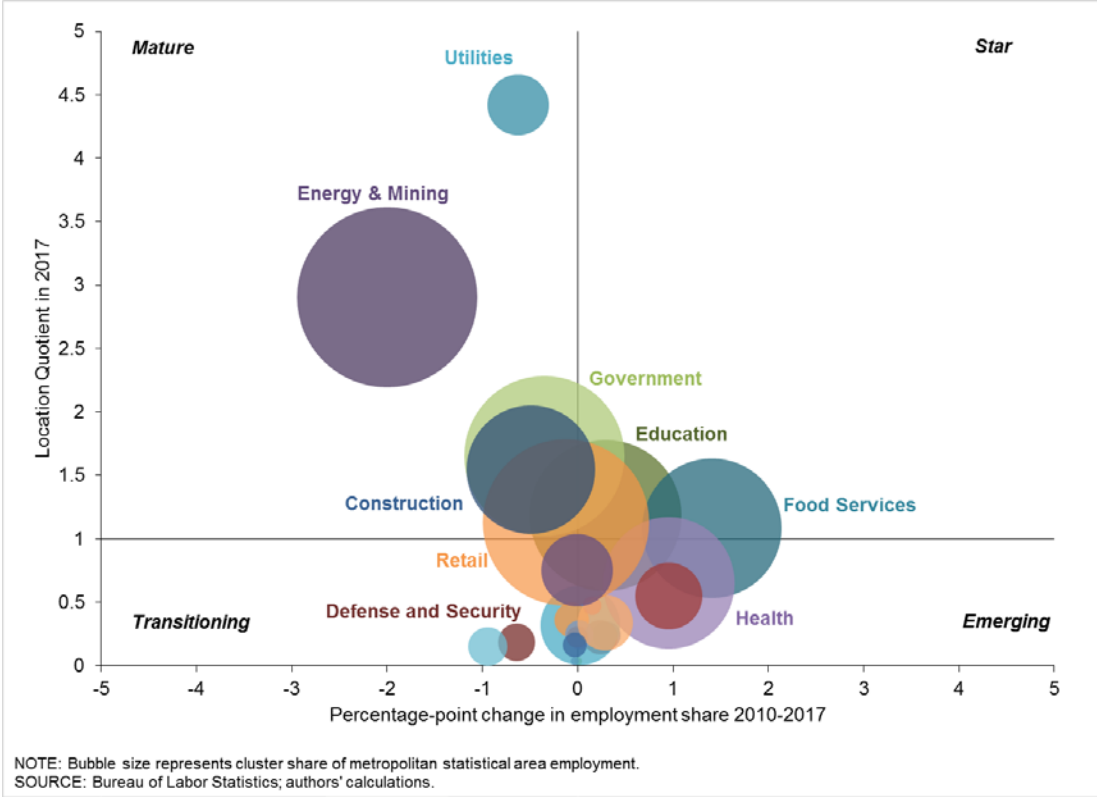
**For more information visit
www.dallasfed.org**

Back-Up Slides

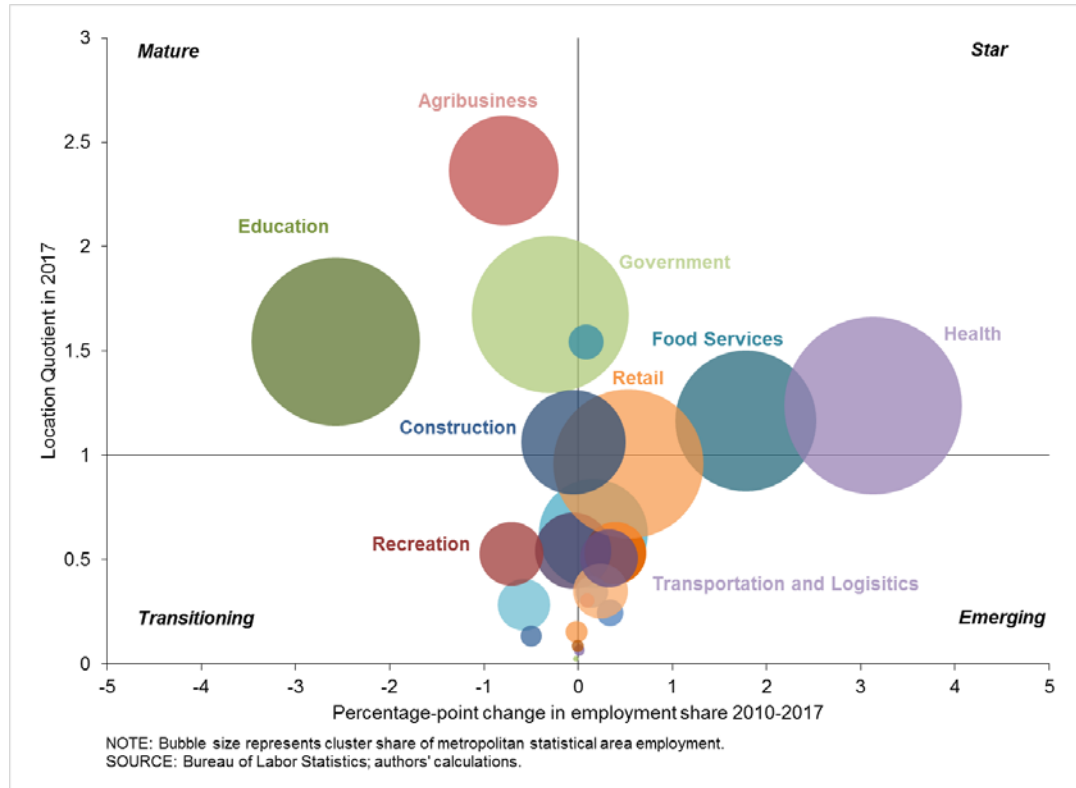
In addition to government, health, retail are important to Albuquerque



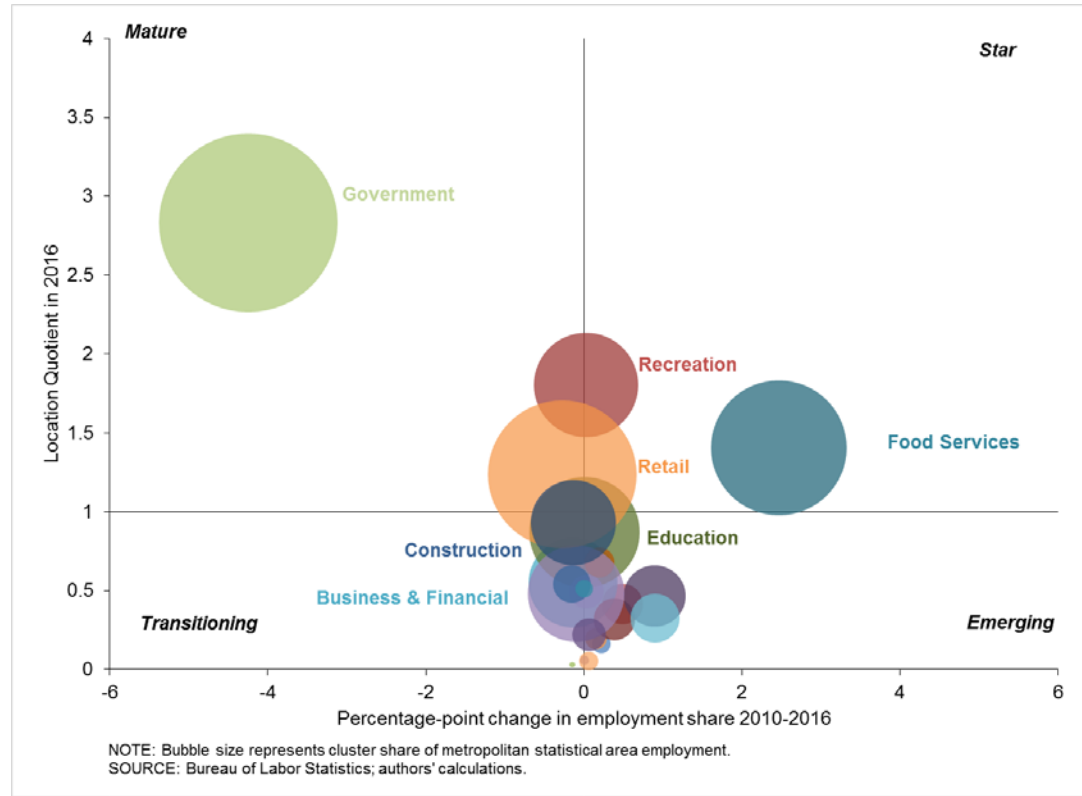
Government, energy and tourism drive Farmington



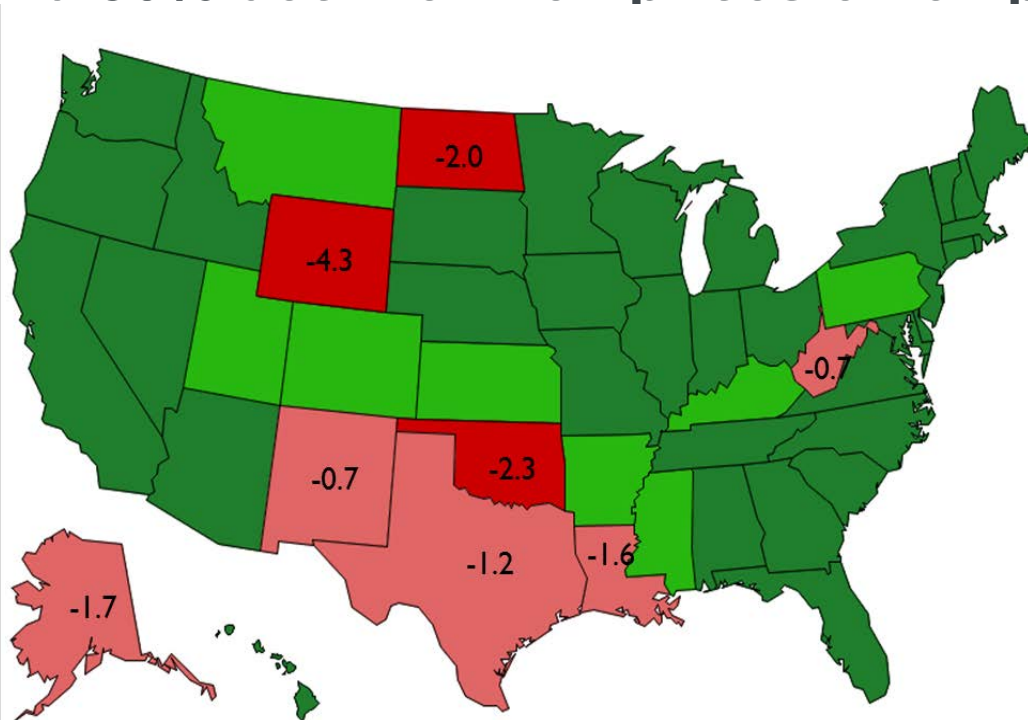
Healthcare is the fastest growing cluster in Las Cruces



Government and tourism drive Santa Fe



Low oil prices benefit most states (Effect of a 50% decline in oil prices on employment)



SOURCES: Brown, Stephen P.A., and Yucel, Mine. "The Shale Gas and Tight Oil Boom: U.S. States' Economic Gains and Vulnerabilities," Council of Foreign Relations. October 2013