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## JOB GROWTH IN ALBUQUERQUE

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Jobs Have Increased Twice as Fast in New Mexico as in the Nation

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Employment in New Mexico grew 2 percent between the fourth quarters of 2003 and 2004, more than twice as fast as the national rate, University of New Mexico economists reported.

The university's Bureau of Business and Economic Research, in its semi-annual Economy Watch report for the Albuquerque Journal, said state unemployment declined to 5.6 percent in the fourth quarter from 5.8 percent in the first quarter of 2004.

New Mexico's total civilian nonagricultural employment reached 801,400 jobs by the fourth quarter, up from 785,300 jobs in the fourth quarter of 2003.

Employment in the Albuquerque area— defined as Bernalillo, Sandoval, Valencia and Torrance counties— reached 375,700 jobs, up 2.6 percent from the fourth quarter of 2003. Area unemployment was 5.1 percent.

Bureau of Business and Economic Research director Lee Reynis said "phenomenally strong" growth in construction jobs, local government hiring, and health and social-services sector growth accounted for much of the state's employment growth.

### Sector-wide growth

Construction jobs are being created rapidly in nonresidential building, particularly in publicly funded jobs, Reynis said.

Higher oil and natural gas prices have increased severance tax collections, allowing the state to take on more debt to fund more projects, she said.

Among the larger capital investments are a \$1.5 billion state commitment to highway and transportation projects, Albuquerque-area infrastructure

construction required by the San Juan-Chama Diversion Project, and a number of federal projects at military bases and national laboratories.

Residential construction remained strong, too, as shown in the value of residential building permits. The state changed the way it reports the value of permits, so comparisons between the fourth quarters of 2003 and 2004 are misleading, Reynis said.

The value of permits rose in 2004, during which time reporting was done consistently; it rose from \$407 million in the first quarter of 2004 to \$503 million in the fourth quarter.

#### Health and social sectors

The health care and social assistance sectors added 3,000 jobs statewide in 2004, compared with a 3,300-job increase in construction employment. Reynis cautioned that eroding federal support for Medicaid could slow hiring in New Mexico's health care industry.

Local government continued to drive employment growth, mostly through American Indian casino hiring, Reynis said. Government statewide added 3,300 jobs in 2004.

While mining, which includes oil and gas employment, is a fairly small sector, job growth was substantial, thanks to rising petroleum and copper prices, Reynis said. A copper mine near Silver City alone added 350 jobs, she said.

Manufacturing, which accounts for 4 percent of employment in New Mexico and 8 percent in the Albuquerque area, continued to lose jobs in 2004, but it was not the serious drag on employment it has been in years past, Reynis said. The sector's employment declined by 0.6 percent.

#### Manufacturing

"Prospects for manufacturing are very good," Reynis said. Consumer and, more importantly, business demand for goods is increasing, and a weak U.S. dollar is making American manufactured goods cheaper. Computer buying by businesses, for example, is up, which should improve sales of New Mexico-made electronics components.

Reynis said she is especially encouraged by New Mexico's emerging aviation

industry and by announced plans to manufacture buses in Roswell and mattresses in Albuquerque. However, she said, there is small-scale expansion showing up throughout the sector.

She cautioned that high-tech industries, once considered to be recession-proof, have proven to be as cyclical as more conventional industries and that an economic slow-down could hurt New Mexico's high-tech manufacturers.

Retail employment growth, which Reynis called an indicator of the overall strength of the economy, remained healthy. Statewide retail employment grew between 1.5 percent and 2 percent, and Albuquerque retail growth was more than 2 percent.

The value of goods sold in the retail sector, as shown by reported taxable gross receipts from retail trade, rose 5.4 percent between the fourth quarters of 2003 and 2004, reaching \$3 billion.

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