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New Mexico Notes

The New Mexico economy is continuing to be on the downside in several counties such as San Juan and Lea, both of which depend on the oil and gas industries which have all but come to a halt, and not looking like there will be a rebound any time soon. The outlook is very bleak; San Juan County is dealing with an unemployment rate of over 15% and Lea County is dealing with an unemployment rate of about 14%. This puts a tremendous burden on the cities and counties to meet their budgets to cover government obligation to the citizens for services such as police and fire. All across the state, cities are looking at budget shortfalls. Santa Fe, for example, has a \$15 million shortfall. Santa Fe has not raised taxes yet, but has cut all non-union salaries and has put into place mandatory days off without pay.

It seems that when it rains, it pours—recent news came that the German Fighter Squadron that is based in Clovis and Alamogordo will be moving back to Germany, and that means relocating 2000 personnel out of New Mexico.

The city of Rio Rancho has dodged a bullet with Intel announcing it is cutting 200 jobs by the end of the year. Intel employs 1900 people in Rio Rancho today; 15 years ago Intel employed over 5000, so as you can see, the chip factory will probably not be around 10 years from now.

However, not all the news is bleak. The Albuquerque area picked up 5,900 jobs last month compared to March 2015—the largest year-over-year job growth the metro has seen since May 2007. Even better, the lion's share of that growth, about 4,800 jobs, was in the private sector, reported the State Department of Workforce Solutions.

Because such a large portion of the state's employment is in the government sector, growth in private sector jobs is always viewed as a big plus. Government jobs also increased, but at a lower rate than private jobs.

In a second bit of good economic news, the metro-area's unemployment rate, pegged at 5.6% for March, was an improvement from March 2015's 6.3%. Statewide unemployment stood at 6.2% in March. The national unemployment rate was 5.5%.

There are other positive indicators in the Albuquerque area:

- March housing sales were up 8.3% compared to March 2015. Residential real-estate watchers say 2016 is shaping up to be a very decent year for Albuquerque housing sales.

- The group selected by UNM to build a sports entertainment district adjacent to University stadium announced this week that it will double the size of the project from 25,000 square feet to double that and UNM is moving forward with building a new \$600 million hospital.
- Finally, Sandia Peak Tramway, which turns 50 this year, is upgrading its tram cars and replacing the restaurant at the Sandia Crest. This is the second longest aerial tramway in the world and has taken more than 11 million passengers to the top of Sandia Peak.

The 2016 election is now in full gear with the Democrats losing the majority in the House after 60 years. They are out in mass trying to retake the House, and the Republicans wanting to keep the majority are also out working hard. With both parties trying to raise as much money as they can, we are getting swamped with requests for donations. The Republicans think they have a chance to take control of the Senate, but to do that they would have to pick up five seats; and while not impossible, it will be at best very difficult.

Upcoming Events

The NMPMA Convention and Trade show will be held August 22-24 at Sandia Resort and Casino in Albuquerque, NM.