

SANTA FE ECONOMY

Job outlook bleak

Economist says recovery in Santa Fe will be a 'long, drawn-out process

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By Bob Quick
The New Mexican

Economist Larry Waldman is a little surprised when he hears there are lots of shoppers downtown and on Canyon Road in Santa Fe.

"We do have anecdotal evidence that Santa Fe is doing OK," said Waldman, who's with the New Mexico Bureau of Business and Economic Research at The University of New Mexico in Albuquerque.

"But the recession isn't over in New Mexico," he added. "Those shoppers must be from out of state."

Waldman's gloomy picture of Santa Fe's job market comes from the numbers he deals with as an economist. They indicate that Santa Fe is not going to recover lost jobs any time soon — and that it might take years before the economy returns to normality.

Another economist, Mark Boyd, who is with the New Mex-

ico Department of Workforce Solutions, agrees.

"Santa Fe seems to have done worse than other metropolitan areas" in New Mexico, he said.

"Last summer was the worst — you lost 4,500 jobs in that time. Now we're seeing that Santa Fe is in for a very long, drawn-out recession."

Las Cruces, in contrast, "is adding jobs again, Boyd said. "What drives them is their university and their population growth. Santa Fe's population is not growing the way Las Cruces' is."

Santa Fe's job picture "doesn't look good," Waldman said. "I can tell you second-quarter (2010) job growth was minus 1 percent. It's been sinking since the third quarter of 2008. We're looking for good news, and we're not seeing much."

Among the industry sectors, construction was the weakest, a situation that will not change soon. Wholesale trade was

also weak — the sector was off about 9 percent. (Wholesale-trade employee numbers in Santa Fe could be hurt by the recent closing of Cash and Carry Food.)

On the upside, "retail is holding up OK," Waldman said. "It was positive 1.6 percent in the second quarter of 2010. That's pretty good, but you've been losing jobs there."

The number of retail jobs topped out at 9,200 in 2008. Following that peak, the sector lost 700 jobs as the recession took hold.

Waldman also said there was weakness in the financial sector as well as in business services. Health care hiring was up 1 percent in the second quarter of 2010. Slightly better than that was leisure and hospitality, where hiring was up 1.5 percent.

As for 2011 Waldman said Santa Fe's employment forecast

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Hachmann completes the sale of the Karapaev painting to the Lannings and provides them the provenance for it.





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Meg Hachmann of Pushkin Gallery points out details in the painting *Golden River Bank* by artist Yuri Karapaev to Margaret and Judge Lanning of Oklahoma. While there seems to be an increase in the number shoppers from out of town this year compared to last year, economists say the local job market is bad and will not improve soon. PHOTOS BY JANE PHILLIPS/THE NEW MEXICAN



Bleak: Government job sector looking bad

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is bleak — a decline of -0.3 percent.

“There will be an average growth of less than 1 percent for the next four years,” he said. “The Santa Fe unemployment rate will not get any lower than about 7 percent, and it looks like it’s going to stay there.”

At the state level, “New Mexico’s total employment growth “is not doing well and is falling further and further behind the country,” Waldman said. “By June of this year we were 49th. Only Nevada was worse.”

Waldman’s extended prognosis for Santa Fe: “You’re flat. You’re not going anywhere.”

Recovery will be a “long, drawn out process,” Boyd said. “We won’t be having a quick rebound.”

Boyd sees the government job sector, which includes federal, state and local workers and employs about 28 percent of the Santa Fe workforce, as being very weak and “going down.”

That’s because taxation revenue is “drying up very quickly, leaving us with the realities of either raising taxes or laying people off.”

Overall, “I see a very lean period ahead of us for state and local government, espe-

cially,” Boyd said. “I’m a bit more optimistic about the private sector. It’s took a hit earlier and now seems to be rebounding from losses.”

A recent report from the New Mexico Fiscal Policy Project shows that New Mexico has a long way to go to recover from the recession.

The project is run by New Mexico Voice for Children, a progressive advocacy group based in Albuquerque.

“New Mexico’s unemployment rate, which was 8.2 percent in June, will likely be as high as 6.3 percent as late as 2015,” said Gerry Bradley, research director of New Mexico Voices for Children, in a statement. “Only two other states ... had an employment picture worse than New Mexico in June, the most recent month for which employment numbers are available.”

“In comparison to three earlier recessions, the current recession is the most severe in modern times,” the report said.

One Albuquerque economic forecasting service, FOR-UNM, estimates non-farm employment in New Mexico will not reach 2008 levels again until late in 2013.

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