

SANTA FE EMPLOYMENT



File photo by Kitty Clark Fritz/For the New Mexican

The information sector, which includes motion pictures and television, bucked the trend by creating 400 new jobs since November 2005.

Job forecast: cloudy

Growth continues to be slower than in other parts of New Mexico

By Bob Quick
The New Mexican

Don't expect Santa Fe's economy to create a lot of jobs any time soon.

That's the conclusion of several economists, one of whom said Santa Fe might be fortunate to have escaped "the explosive growth" seen elsewhere in New Mexico and around the country.

Santa Fe's job growth continues to be slower than that of the rest of New Mexico, with the work force expected to expand at a rate of 1.5 percent "for the foreseeable future," said Larry Waldman, an economic forecaster with The University of New Mexico's Bureau of Business and Economic Research.

"That's not very good," he said. "Santa Fe doesn't have much going on up there."

One positive thing about the Santa Fe economy, Waldman said, is that the unemployment rate has "fallen significantly," to 3.3 percent. That means one of two things: that almost everybody who wants a job has found one or that job seekers have given up and moved elsewhere.

On the up side, Santa Fe's information sector, which includes the motion picture, television and video industries, added 400 jobs since November 2005. "That's a huge increase for this small industry," said Mark Boyd, an economist with the state Department of Labor.

Boyd was referring to changes in Santa Fe's work force between November 2005 and November 2006.

Construction has been going strong in Santa Fe for the last five quarters, Waldman added, while retail trade also indicated job growth.

The education and health-care sector was up, while the transportation industry has been stable, with 700 jobs for the



File photo by Karl Stolleis/The New Mexican

Construction has been going strong in Santa Fe for the last five quarters.

last five years, Waldman said.

The financial activities industry has added 100 jobs, an increase he attributed mainly to Thornburg Companies, which includes Thornburg Mortgage and Thornburg Investment Management.

Wholesale trade had no gain in jobs, while professional business services,

previously a strong sector, lost jobs recently.

"Manufacturing is not doing anything in Santa Fe," Waldman said, with the manufacturing sector to lose even more jobs when Thermo Electron stops manufacturing in Santa Fe in February or March.

Some Santa Fe business people have attributed Santa Fe's slow job growth to the city's minimum wage, which now stands at \$9.50 for companies with 25 or more workers. The wage could rise to \$10.50 next year if the City Council

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File photo by Luis Sánchez Saturno/The New Mexican

The educational services sector of the Santa Fe economy, which includes health care, grew by 200 jobs from November 2005 to November 2006.

Jobs: Is slow growth a possible advantage?

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cil approves.

One proponent of the higher wage is Gerry Bradley, an economist with New Mexico Voices for Children, a nonprofit group that promotes the well being of children, youth and families.

Rather than causing slower job growth, the higher minimum wage represents "an effort to catch up with Santa Fe's high cost of living," Bradley said. "The living wage movement emerged to try and close that gap" between wages and expenses.

At one point last year, following implementation of the minimum wage, Bradley said Santa Fe's job growth might be stronger than initially indicated by employers' surveys. As it turned out, additional data about job growth following implementation of the minimum wage was inconclusive.

What is clear is that Santa Fe's job growth is hampered less by the minimum wage than

Santa Fe Job Market			
Industry Sector	Jobs Nov. 2006	Jobs Nov. 2005	Change
Construction	4,900	4,600	300
Manufacturing	1,100	1,200	-100
Wholesale Trade	1,100	1,100	0
Retail Trade	8,800	8,600	200
Transportation	700	700	0
Information	1,400	1,000	400
Financial Activities	3,000	2,900	100
Professional Services	5,300	5,400	-100
Educational Services	9,200	9,000	200
Leisure and Hospitality	8,700	8,800	-100
Other Services	3,000	2,900	100
Government	16,400	16,500	-100

Source: New Mexico Labor Market Review

it is by the high cost of living in the city and the fact that city, state and local government absorbs a large part of the work force, Bradley said.

Santa Fe "is also relatively isolated and extremely popular with the upward stratum of society," he said. Those factors also make it difficult for the average wage earner.

"Population growth drives job growth," Boyd said, "and by all accounts, there are a lot of people moving to Albuquerque and to other parts of the state. Santa Fe seems to like being the size it is."

Boyd pointed out that there's growth in only six of Santa Fe's 12 industrial sectors.

There are also "a lot of

restrictions" on business, making it difficult for companies to move to or expand in Santa Fe, he said. "There are a lot of regulatory hurdles that have to be crossed."

Two examples of companies facing obstacles are Thornburg, which has run into neighborhood opposition in its effort to build a new office campus on the city's northwest side, and Wal-Mart, which wants to put a new store on Cerrillos Road but so far has been blocked in court by local merchants.

As for the future, "we're not seeing any new trends" for Santa Fe, Boyd said. "It's a fairly unexciting forecast, but not a bad one. Slow growth can be a good thing."

Santa Fe, he added, "seems to like being the size it is now. And rather than sharing in the higher than normal growth of other cities in New Mexico, "Santa Fe is more like the rest of the country, which is experiencing slow and steady growth right now."