

Low wages hurting state

□ N.M. job growth centered in cities; rural areas struggle.

By Sue Major Holmes
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ALBUQUERQUE — Jobs are increasing in the state, but New Mexico Voices for Children says too many of those jobs don't pay very well, and most of the jobs are going to the Albuquerque metro area rather than rural regions that need them.

The state's strong economy "hasn't turned into progress in areas such as poverty or income or wealth in any substantive way yet," said Gerry Bradley, a former state economist who now works for Voices for Children, which promotes the well-being of families and communities.

"A lot of the job growth takes place in the Albuquerque metro area. ... We don't have the job growth out in the rural counties where we need it to be," Bradley said.

New Mexico is gaining jobs, but "the dilemma is they are still low-wage jobs," said Christine Trujillo, president of the New Mexico AFL-CIO.

"Working families struggle with the high cost of gas, the cost of maintaining a family," she said. "...New Mexico has made significant strides in improving job growth and job income, but the reality is it isn't enough."

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Voices for Children released a report, "The State of Working New Mexico 2006," which outlined wages, employment, income, jobs and poverty in the state.

The organization proposes that New Mexico approve a \$7.50 minimum wage; enact a state earned income tax credit equal to 10 percent of the federal credit; eliminate assets tests for the state's welfare program, Temporary Assistance for Needy Families; increase worker's compensation coverage and improve family leave.

"We're looking at a situation where there's a lot of strength in the economy overall, a lot of opportunity for New Mexico to do a better job for our working families," Bradley said.

Adjusting for inflation, the value of the minimum wage is at its lowest level since 1955, Voices for Children said.

Its report notes that 35 percent of the predicted new jobs in New Mexico will be in low-wage occupations, and that a larger proportion of New Mexicans earn the federal \$5.15 minimum wage than residents of any other state in the nation.

And low-wage jobs tend not to offer retirement or other benefits, said Sharon Kayne, communications director of Voices for Children.

On average, the report said, New

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Mexicans work more hours than other working families across the nation, but they are still falling behind.

Voices for Children says the core urban counties — Bernalillo, Sandoval, Santa Fe and Los Alamos — are New Mexico's economic engine, and that the Farmington and Las Cruces areas also do better than the surrounding rural areas.

Bradley said rural areas have had some success with call centers, although he said such centers "tend to be footloose." Tourism is a mainstay in some rural counties, although "it's good to have tourism jobs for lack of anything else, is how I'd put it," he said.

He suggested the state subsidize jobs in rural areas by doubling its Job Training Incentive Program,

which reimburses qualified firms for part of the training costs of new jobs.

Bradley also said that "for the jobs that are there, the earned income tax credit is a way to increase earnings."

Raising the minimum wage to \$7.50 would directly affect 71,000 workers and indirectly benefit 75,000 more, the report said. Those numbers represent 18 percent of the state's salary and wage workers.

The state also has an opportunity to use its budget surplus from high oil and gas revenue and from gains in employment and income to improve education and produce a well-educated workforce ready to take on better jobs in the long term, the organization said.

"We have a very strong economy, a lot of growth in state revenue. It is the time and it's a very easy time to increase the minimum wage and implement a state income tax credit," Bradley said.

At a glance

A look at New Mexico economic rankings for 2005, unless otherwise noted:

- **Employment rate:** 39th in the nation. Unemployment rate for families earning more than 200 percent of the federal poverty level is 3 percent; for families below that, it's 10 percent.
- **Poverty:** fourth highest rate in the nation, with 16.5 percent of New Mexicans living below the poverty line and 38.2 percent living at or below 200 percent of the federal poverty level (2004 figure).
- **Per capita income:** 20 percent lower than that of the U.S. — \$27,644 in New Mexico and \$34,586 in the U.S. as a whole.
- **Per capita earnings:** lower than U.S. average — \$17,677 in New Mexico, \$22,978 in the U.S.
- **Assistance:** money from Medicaid, Medicare, food stamps and family and general assistance are lower in New Mexico (\$4,761) than in the U.S. as a whole (\$4,863).
- **Wages:** increased for most income groups between 1979 and 2005, but the bottom 10 percent of workers lost

44 cents per hour and the gap between the lowest and highest earnings widened. Lower-wage industries represent a higher percentage of New Mexico's total employment.

- **Purchasing power of minimum wage:** deteriorated by 20 percent since September 1997. The federal minimum wage of \$5.15 is equivalent to \$3.95 in 2006.
- **Savings:** only 48.5 percent of New Mexico households have savings accounts, ranking the state 43rd in the nation.
- **Asset poverty (number of families that owe more than they own):** 44th in the nation.
- **Labor force participation (percentage of those age 16 or older working or looking for work):** 64.8 percent, higher than Arizona but lower than Texas, Colorado, Utah or the U.S. as a whole.
- **Education:** more than 17 percent of New Mexicans over age 25 don't have a high school education, compared to less than 15 percent nationally.

Source: The Associated Press