

Report: Rural areas need jobs

■ *Bi-annual report shows NM growth in the low-wage sector.*

By Walter Rubel
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SANTA FE — New Mexico's economy is improving, but too many of the new jobs are in the low-wage sector, and too few are in the rural areas of the state, according to a report released Friday.

The State of Working New Mexico 2006 report is part of a national report released every other year by the Economic Policy Institute, a Washington, D.C.-based think tank that focuses on low- and middle-income workers.

The report lists the two biggest obstacles to future prosperity in New Mexico as lagging economic development in the rural areas and underinvestment in early-childhood education.

"The indicators that economists look at, such as job growth and personal-income growth and unemployment, are doing very well, but it hasn't turned into progress in areas such as poverty or wealth in any substantive way yet," said Gerry Bradley, an economist for Voices for Children.

"We don't have job growth in rural counties the way we need it to be," Bradley said.

The report showed some of the state's lowest employment rates, defined as the percentage of the population age 16 and over that is employed, were along the U.S.-Mexico border. Luna County's 38.9 percent was the lowest in the region.

"The border economy has its own dynamics in that, even when there's a lot of job growth, there's a lot of people coming into those areas. So, the unemployment rate seems to stay high because of the influx of people," Bradley said.

On the Net

► The entire State of Working New Mexico 2006 report is available at www.NewMexicovoices.org.

ONLINE EXTRA

www.lcsun-news.com

► For a fact sheet including a breakdown of income, work hours and poverty, go to www.lcsun-news.com and click on this story.



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The employment rate in Doña Ana County (52.8 percent) was close to that of Bernalillo County (60.3 percent). But the poverty rate (25.4 percent) was twice as high. A similar situation exists in San Juan County (poverty rate of 21.5 percent, employment rate of 54.8 percent).

New Mexico improved from 47th in the nation to 46th in per-capita personal income, but the per-hour wage gap between those at the bottom end of the wage scale and those at the top has widened.

However, raising the minimum wage just in New Mexico would ultimately harm local businesses, said Steve Vierck, executive director of the Mesilla Valley Economic Development Alliance.

Since businesses in this area have to compete with those in the El Paso region, it would amount to an unlevel playing field for local businesses, he said.

A better option would be to have that mandate come from Washington, D.C., and cover the entire

A call for reforms

New Mexico Voices for Children has called for the following reforms to assist those living in poverty:

- ▶ Increase funding for the individual development account program passed by the Legislature this year.
- ▶ Lower the income tax threshold so families earning 200 percent of the federal poverty level or less are

exempt from paying taxes.

- ▶ Enact a state earned-income tax credit at 10 percent of the federal credit.
- ▶ Raise the minimum wage to \$7.50 an hour statewide.
- ▶ Eliminate assets tests for Temporary Assistance for Needy Families.

nation, he said.

"There are some good things in motion already," Vierck said. "Two years ago the governor proposed and the Legislature passed a phase-down in personal income taxes. I think that's the healthiest thing that could happen."

By allowing wage-earners to retain a greater portion of their paycheck, it would stimulate the economy and spur job growth, Vierck said.

Luna County's median income of \$28,200 was the lowest in the state.

An analysis by the state Department of Labor shows that the most job growth in the next six years is likely to come in areas such as food preparation, office support and sales — all considered to be low-wage jobs.

For the second year in a row, Voices for Children and others

will be advocating for an increase in the minimum wage to \$7.50 an hour when the Legislature meets in January. A bill to increase the minimum wage died this year when the House and Senate could not agree on a compromise.

"We're going to go in there again in a 60-day session trying to increase the minimum wage. And we don't want to deal with the issue, whether it's the chile industry or the agricultural industry or all these other companies, the restaurant association, coming back saying it's too expensive to raise the minimum wage," said Christine Trujillo, head of the New Mexico AFL-CIO. "The bottom line is people cannot exist in this state without paying a minimum wage of \$7.50."

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