



PRESS RELEASE

August 30, 2010

FOR IMMEDIATE RELEASE

CONTACT: Gerry Bradley, Research Director, New Mexico Voices for Children
505-244-9505 ext. 23 (p), 505-264-0074 (c), gbradley@nmvoices.org

OR: Eric Griego, Executive Director, New Mexico Voices for Children
505-244-9505 ext. 14 (p); 505-259-3424 (c); egriego@nmvoices.org

Report: Unemployment May Be High Until 2015 NM ranked 49th in the nation in job losses in June

ALBUQUERQUE—New Mexico’s unemployment rate, which was at 8.2 percent in June, will likely be as high as 6.3 percent as late as 2015. Only two other states (out of the 50 states and the District of Columbia) had an employment picture worse than New Mexico’s in June, the most recent month for which employment numbers are available. A new report by the New Mexico Fiscal Policy Project shows that since employment is a leading indicator of a state’s economic health, New Mexico has a ways to go before its recovery from the recession is complete.

“It used to be that New Mexico was not as deeply affected as the rest of the nation during a recession, but that’s not the case this time,” said Gerry Bradley, Research Director of New Mexico Voices for Children, which runs the Fiscal Policy Project. “The run-up to this recession—the housing boom and high energy prices—had a significant impact on the state’s economy. Employment was up, revenue was up, and so was spending. But we ended up paying for the good times when those two economic drivers crashed.”

The report looks at current and forecast state revenue and spending levels as well as employment and personal income levels. Personal income has actually experienced moderate growth since the onset of the recession, because federal spending—in the form of Social Security, Medicaid, unemployment insurance, and other payments—went up. Federal stimulus also allowed the state to plug some holes in K-12 education and public health care budgets.

“In short, federal spending kept the state from a complete nose-dive,” said Bradley. “But much of that assistance is going away. New Mexico’s economy will not recover until the national economy is on the mend,” he added.

The report is available online at: <http://www.nmvoices.org/fiscalpolicyproject.htm>

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The Fiscal Policy Project is a program of New Mexico Voices for Children and is made possible by grants from the Annie E. Casey Foundation, McCune Charitable Foundation, and W.K. Kellogg Foundation.

2340 Alamo SE, Suite 120, Albuquerque, NM 87106-3523; 505-244-9505 (p); www.nmvoices.org