



PRESS RELEASE

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"State of Working New Mexico" report: Big profits don't trickle down to average worker Majority of profits likely going out of state

ALBUQUERQUE—Corporate profits in New Mexico comprise a larger share of the state's economy than they do in most other states – and wages comprise a lower share. While the reasons behind this are unclear, the result isn't: Lower wages can allow for higher profits that go to what are mostly out-of-state shareholders.

That's according to the "State of Working New Mexico: 2007" report, released today by the nonprofit child advocacy group New Mexico Voices for Children. The annual report is released in conjunction with the nationwide Economic Analysis and Research Network (EARN).

"What this means is that we need a redistribution of income in New Mexico," said NM Voices' Research Director and report author Gerry Bradley. "More of these profits should be shifted into salaries so fewer working New Mexicans live in poverty."

In New Mexico, 50 percent of the gross domestic product (GDP) goes to compensate employees. The national average is 57 percent. If New Mexico's distribution of income followed the national average, employee compensation would be about \$4.3 billion or 12 percent higher.

The study also pointed to the lack of job opportunities, particularly in the rural parts of our state, New Mexico's prevalence of low-paying jobs, and the unemployment rate among adults without a high school diploma. These indicators are sure to worsen as the country slides into the impending recession.

The report is attached as a pdf and is available online at <http://www.nmvoices.org/fiscalpolicyproject.htm>

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