

New Mexico Economic Conditions



FEDERAL RESERVE BANK *of* KANSAS CITY
DENVER BRANCH

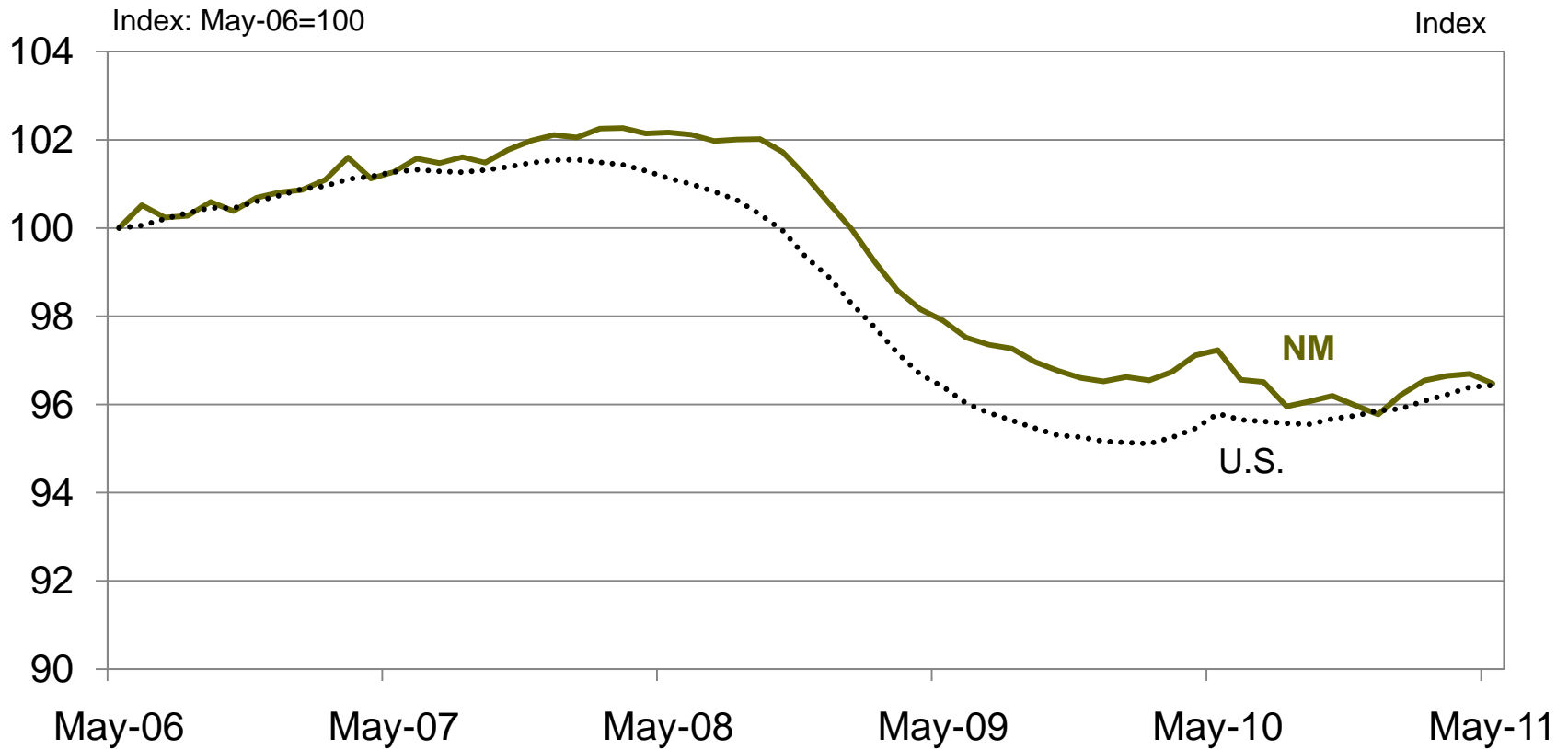
Mark C. Snead

**Vice President and Branch Executive
Federal Reserve Bank of Kansas City
Denver Branch**

NM now back on U.S. economic cycle

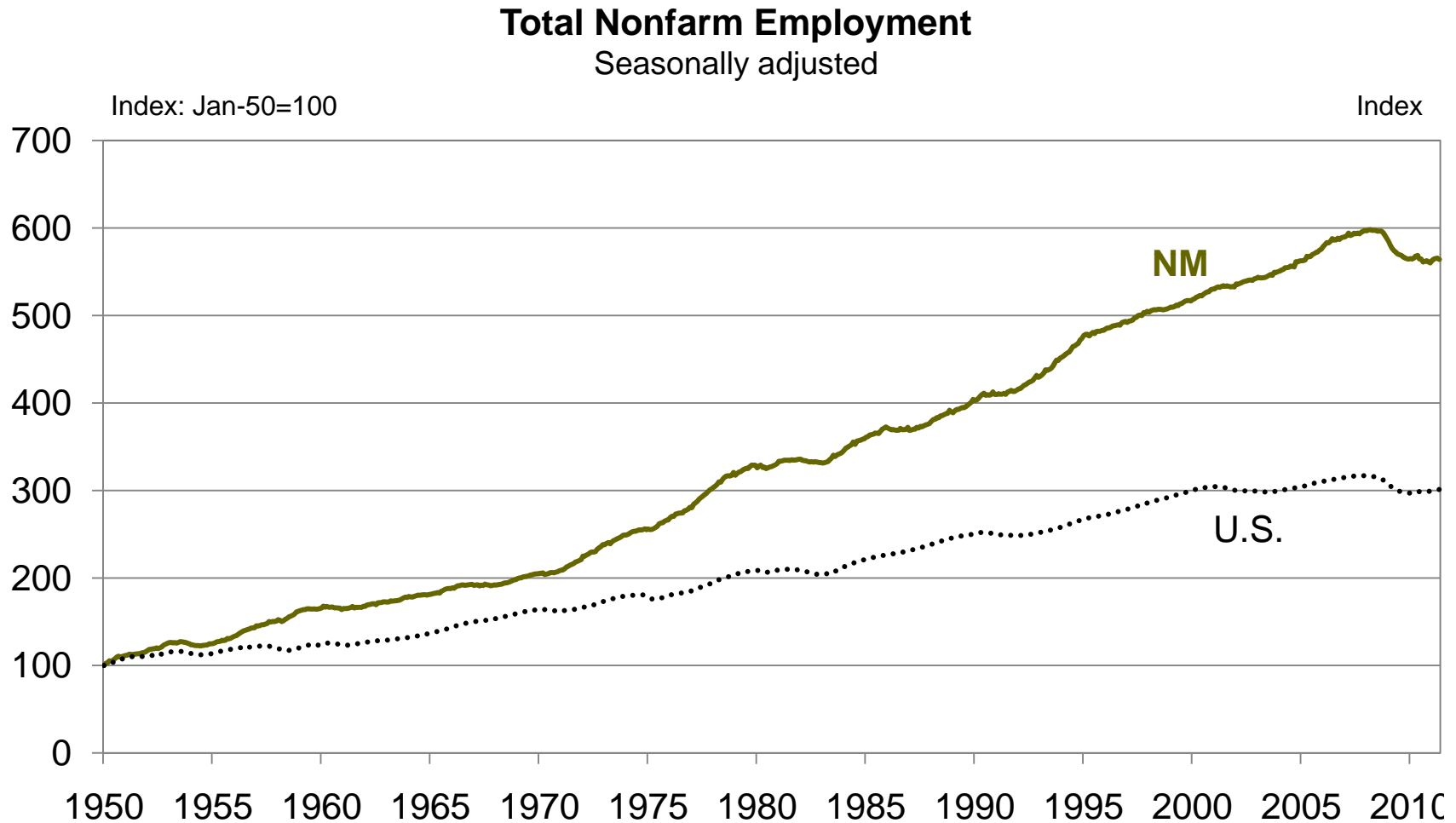
NM recovery began 2-4 quarters after U.S.

Total Nonfarm Employment
Seasonally adjusted



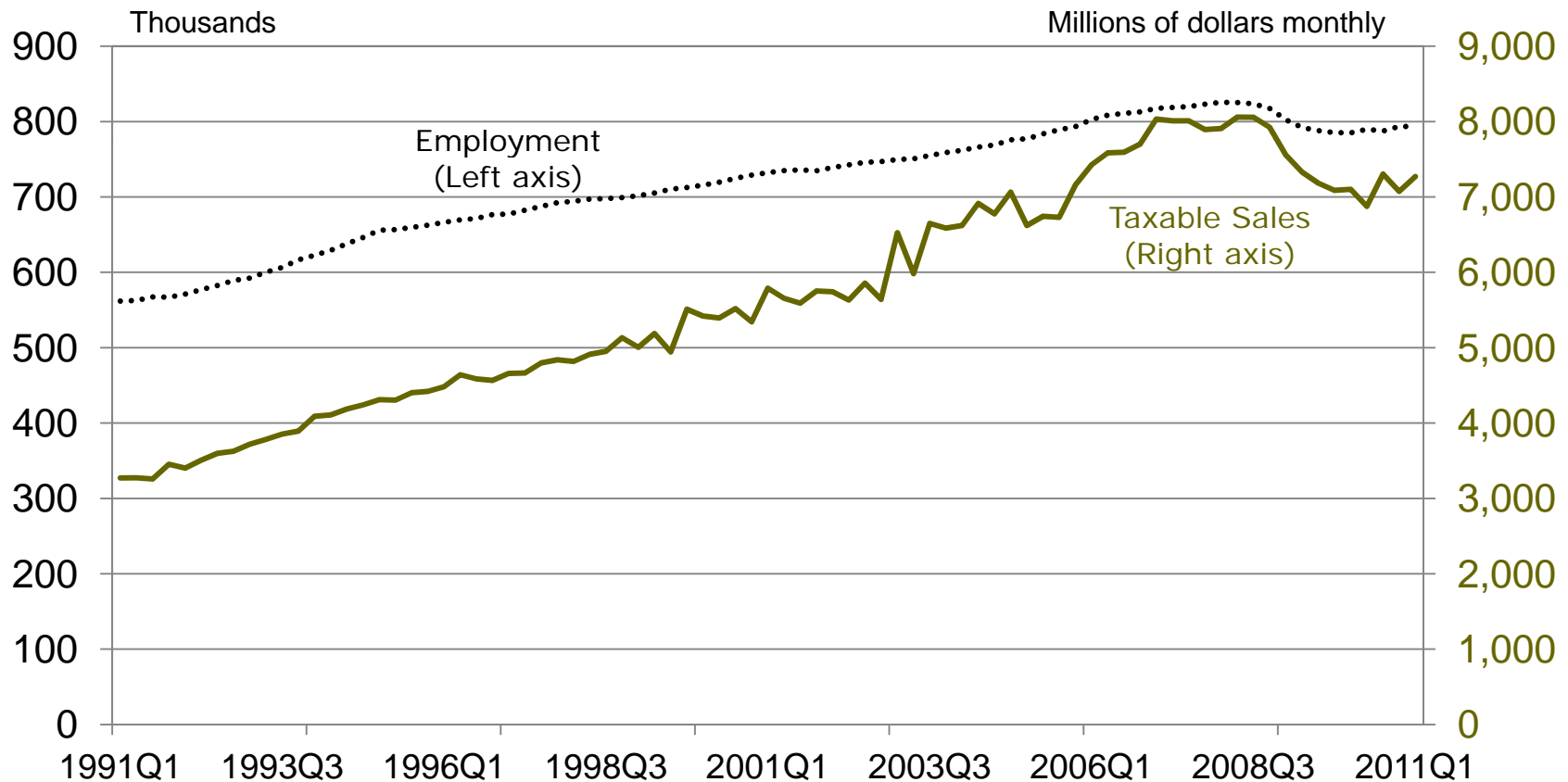
NM job gains have far outpaced U.S. over time

First meaningful recession in NM in post-war period



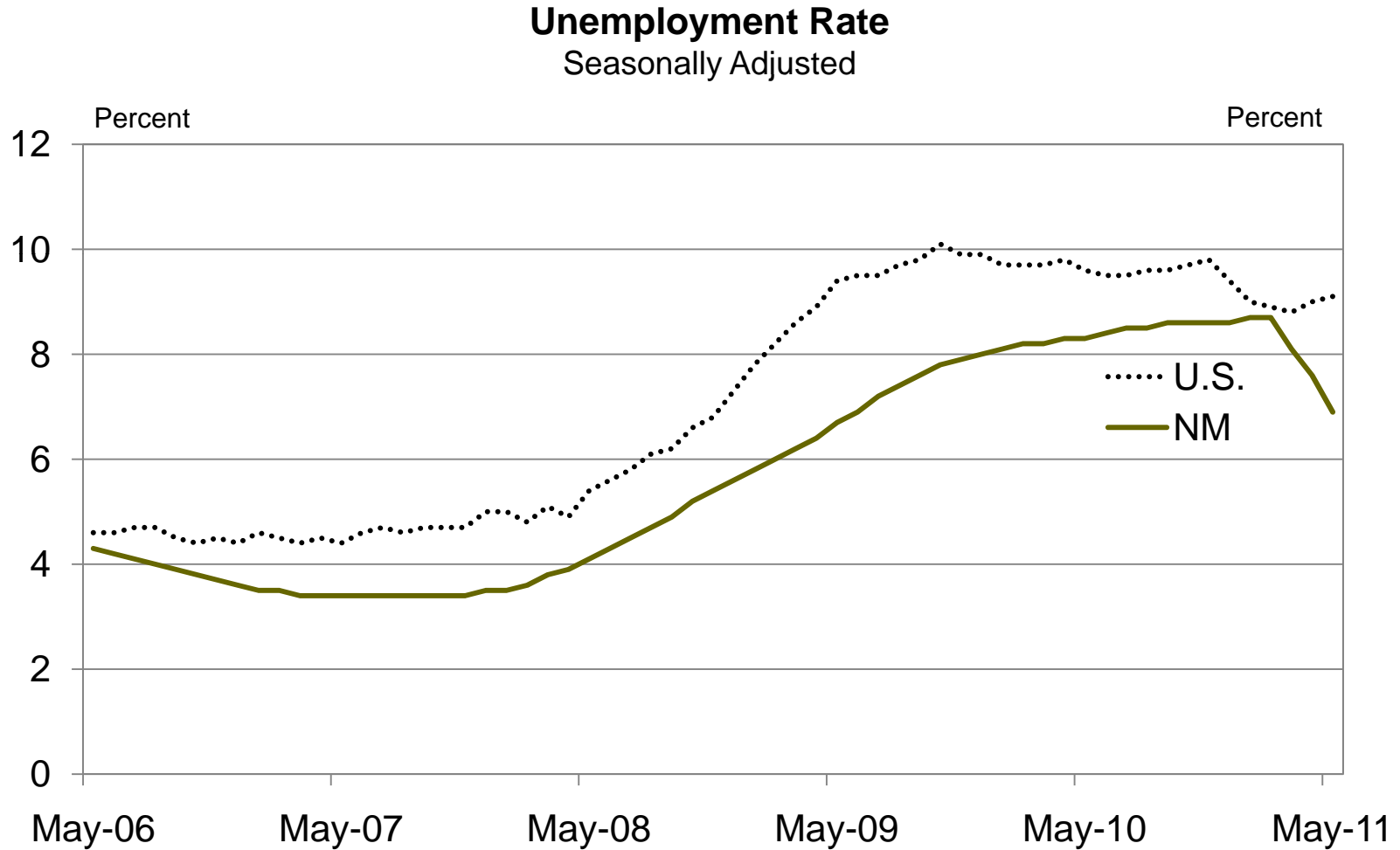
Retail sales confirm the recent bottom in hiring

Total Nonfarm Employment and Taxable Retail Sales
Seasonally Adjusted



Unemployment rate collapsed in past 3 months

reported as drop in number of persons unemployed (bad data?)

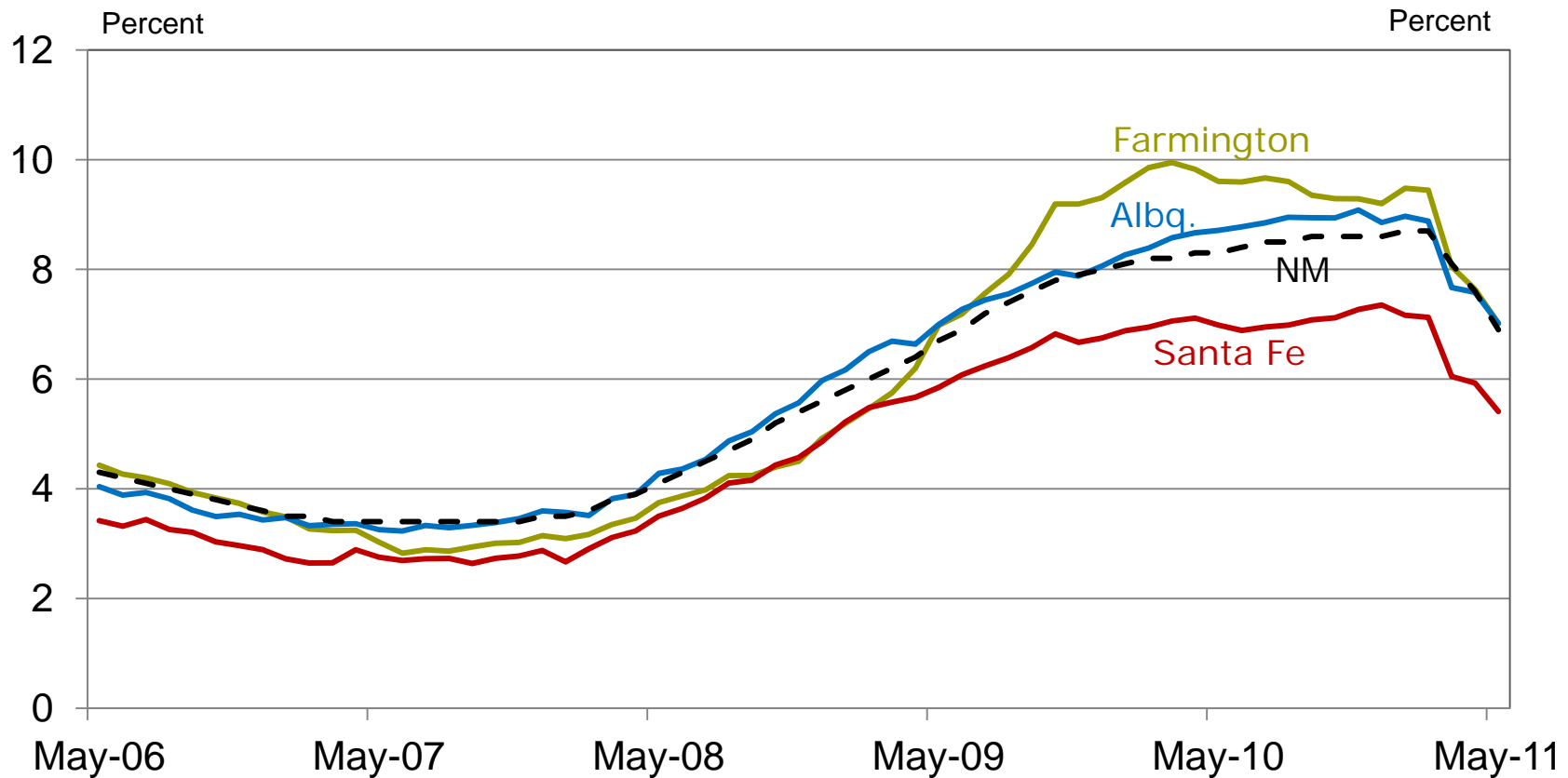


Similar pattern in jobless rate for metros

Santa Fe remains the lowest among the metros

Unemployment Rate by NM Metropolitan Area

Seasonally Adjusted

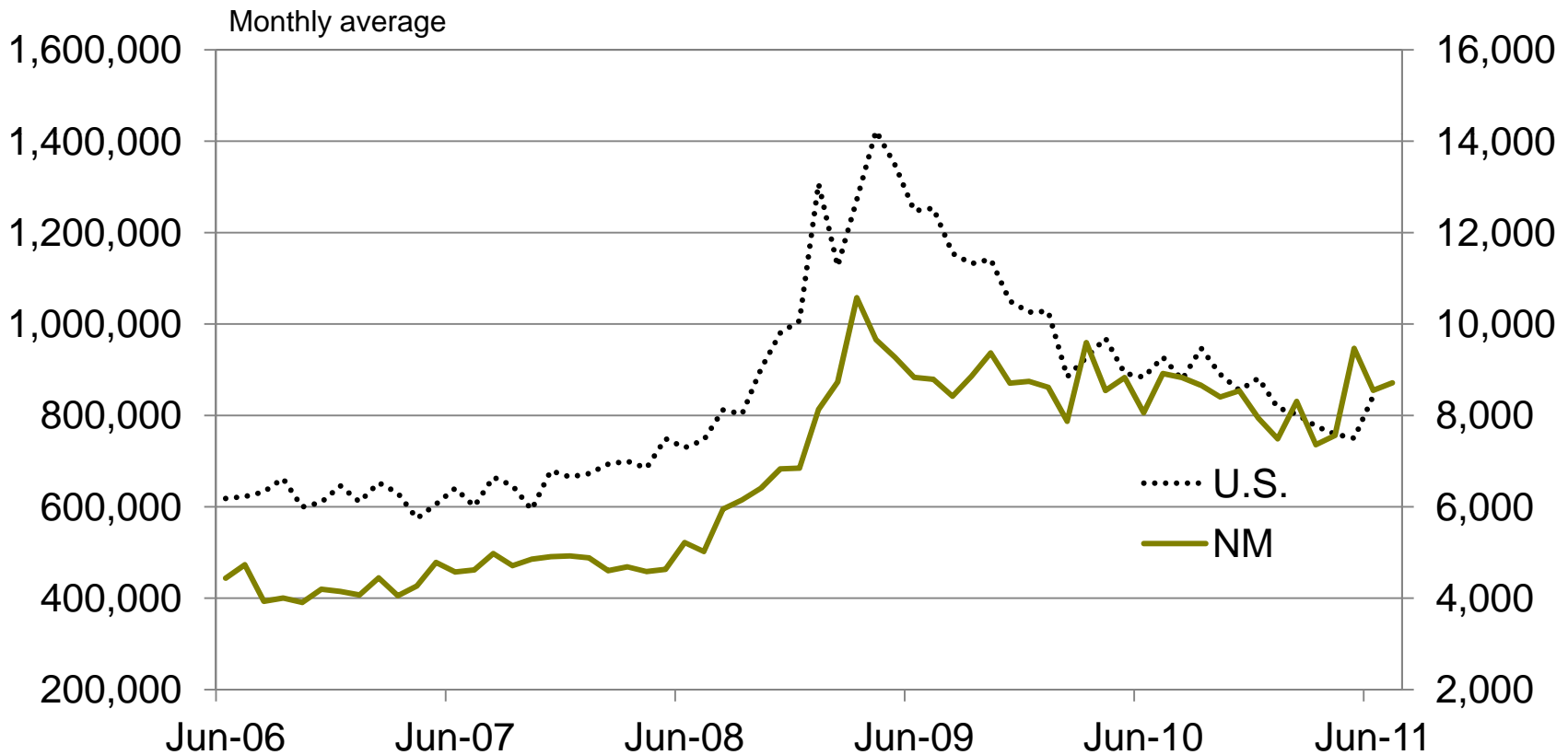


...but sluggishness in jobless claims is troubling

does not confirm the recent drop in the jobless rate

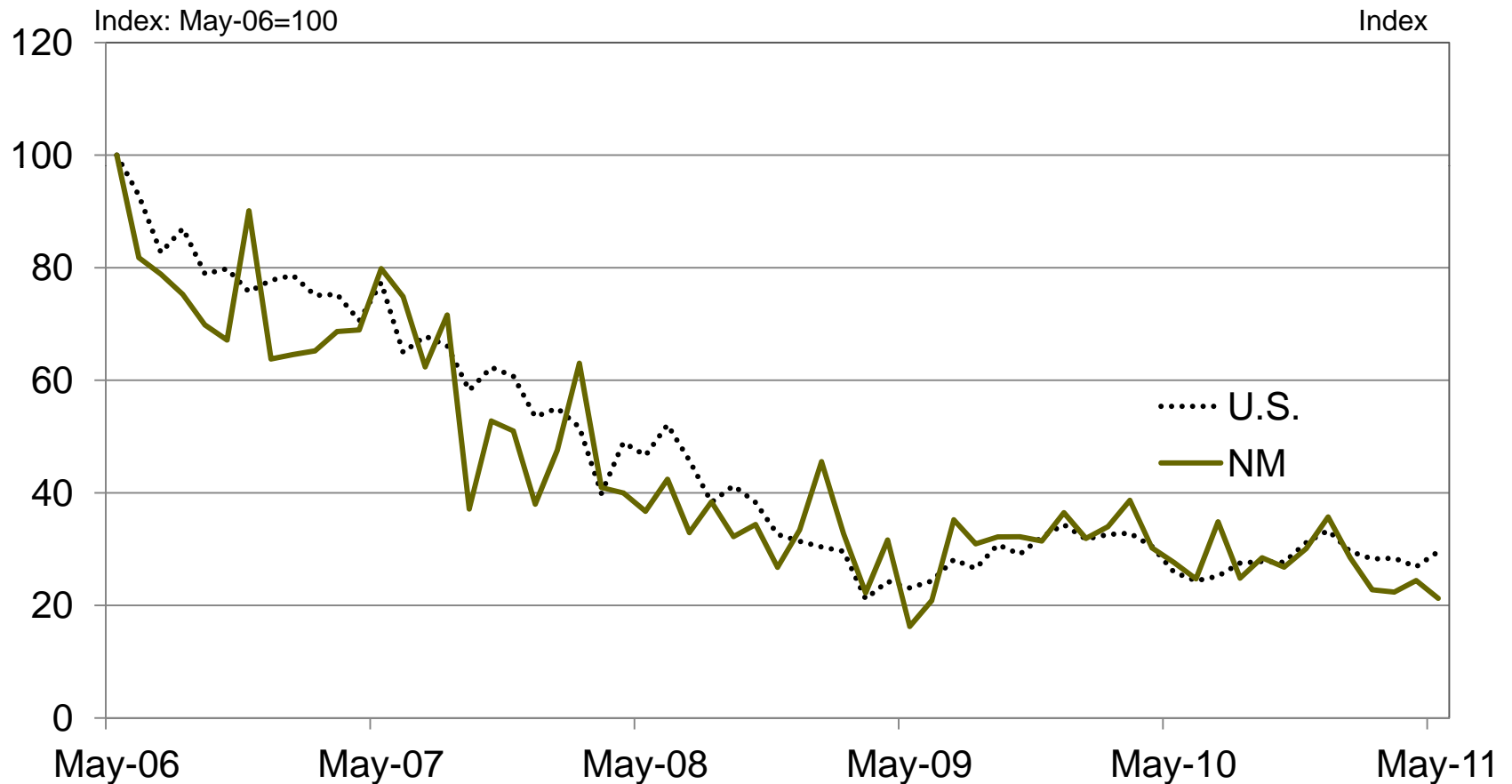
Initial Unemployment Claims

Seasonally Adjusted, monthly avg. of weekly claims



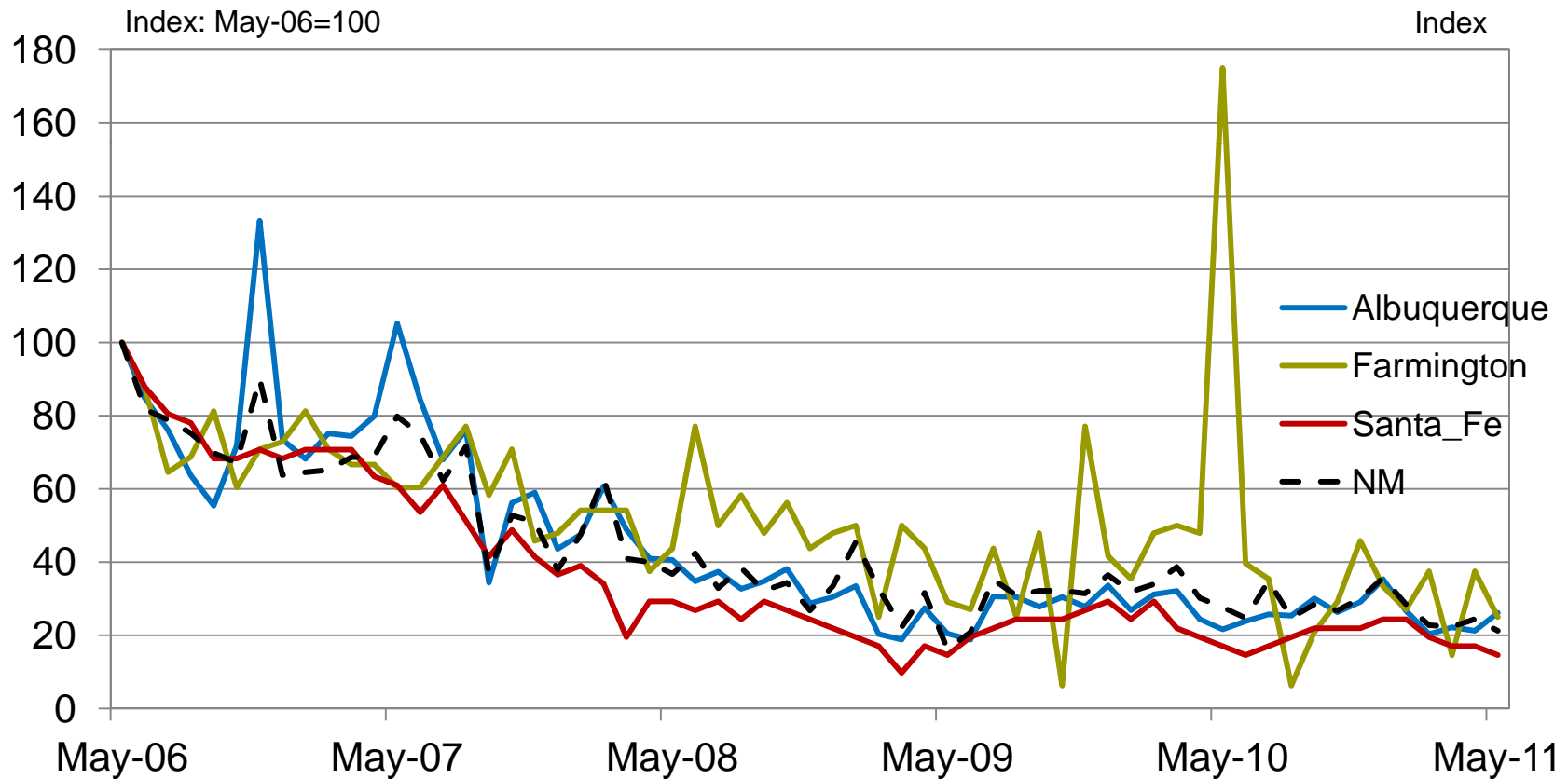
NM residential building permits down 80%... matching the U.S. decline

Residential Building Permits
Seasonally Adjusted, Single- and Multi-Family



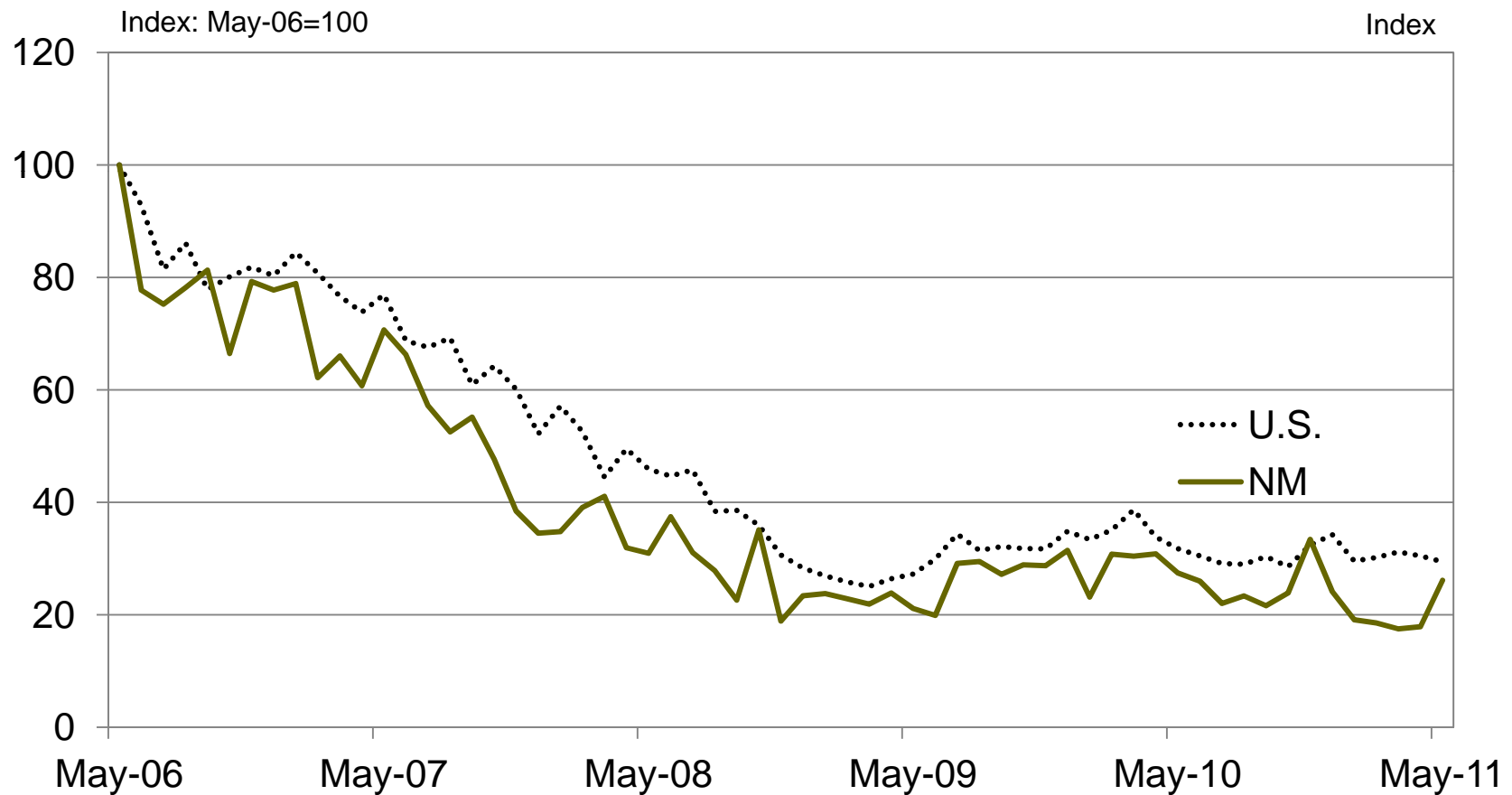
...metro home permits following state trend

Residential Building Permits by NM Metropolitan Area
Seasonally Adjusted, Single- and Multi-Family



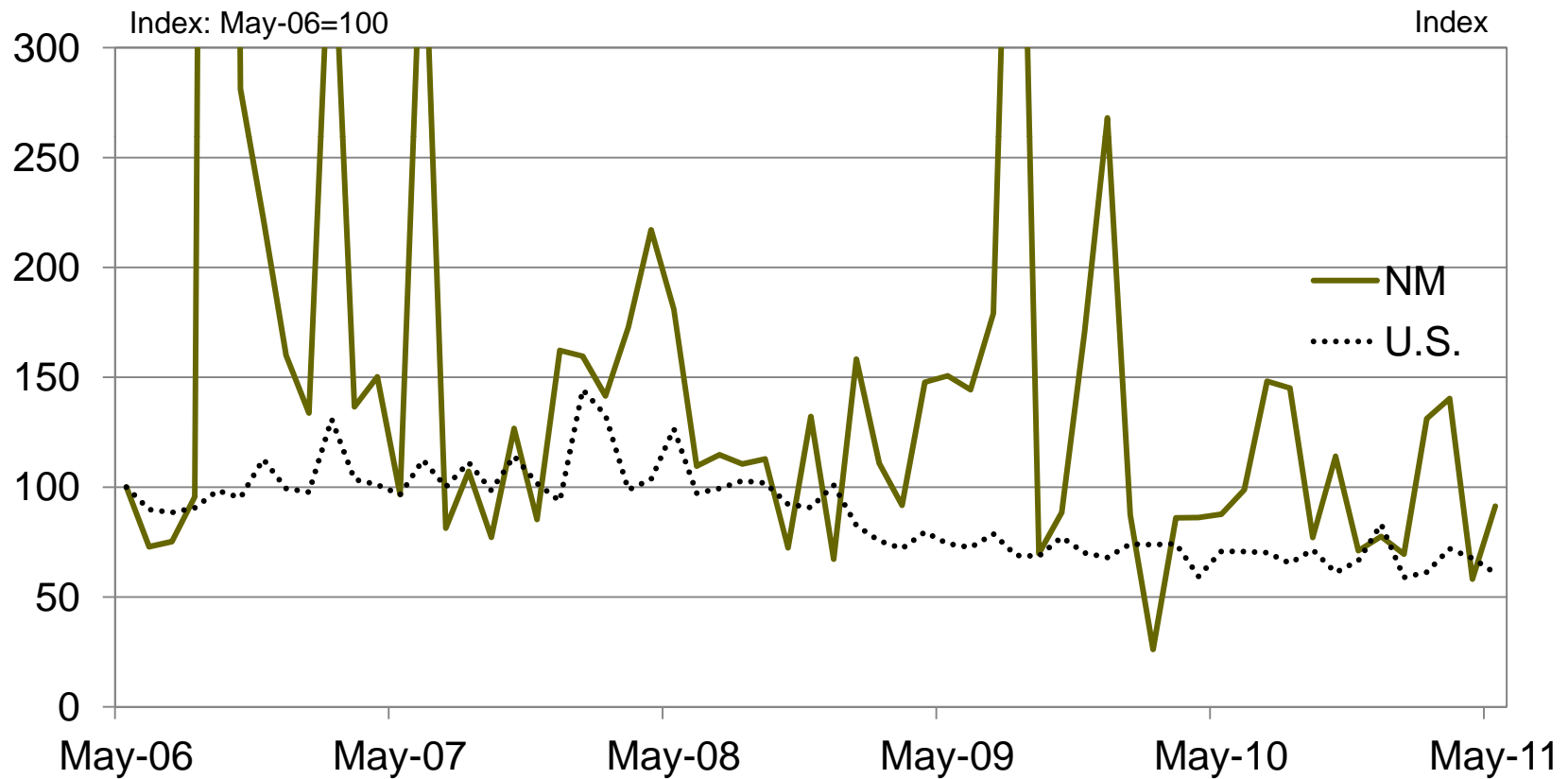
...residential construction values off 80% too

Value of Residential Construction Contracts
Seasonally Adjusted



Nonresidential construction is well off peaks from 2006-07 building surge

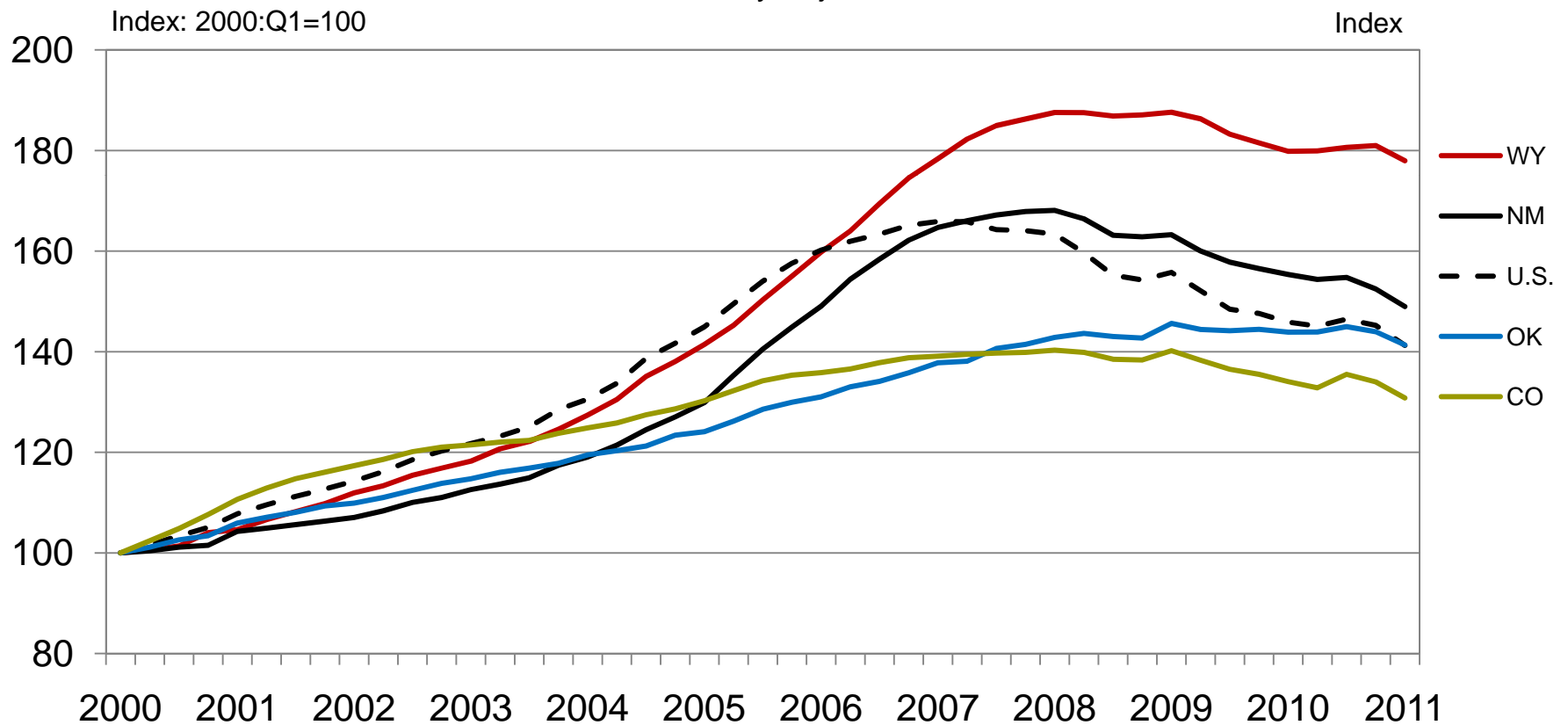
Value of Nonresidential Construction Contracts
Seasonally Adjusted



NM housing price cycle has tracked U.S. closely

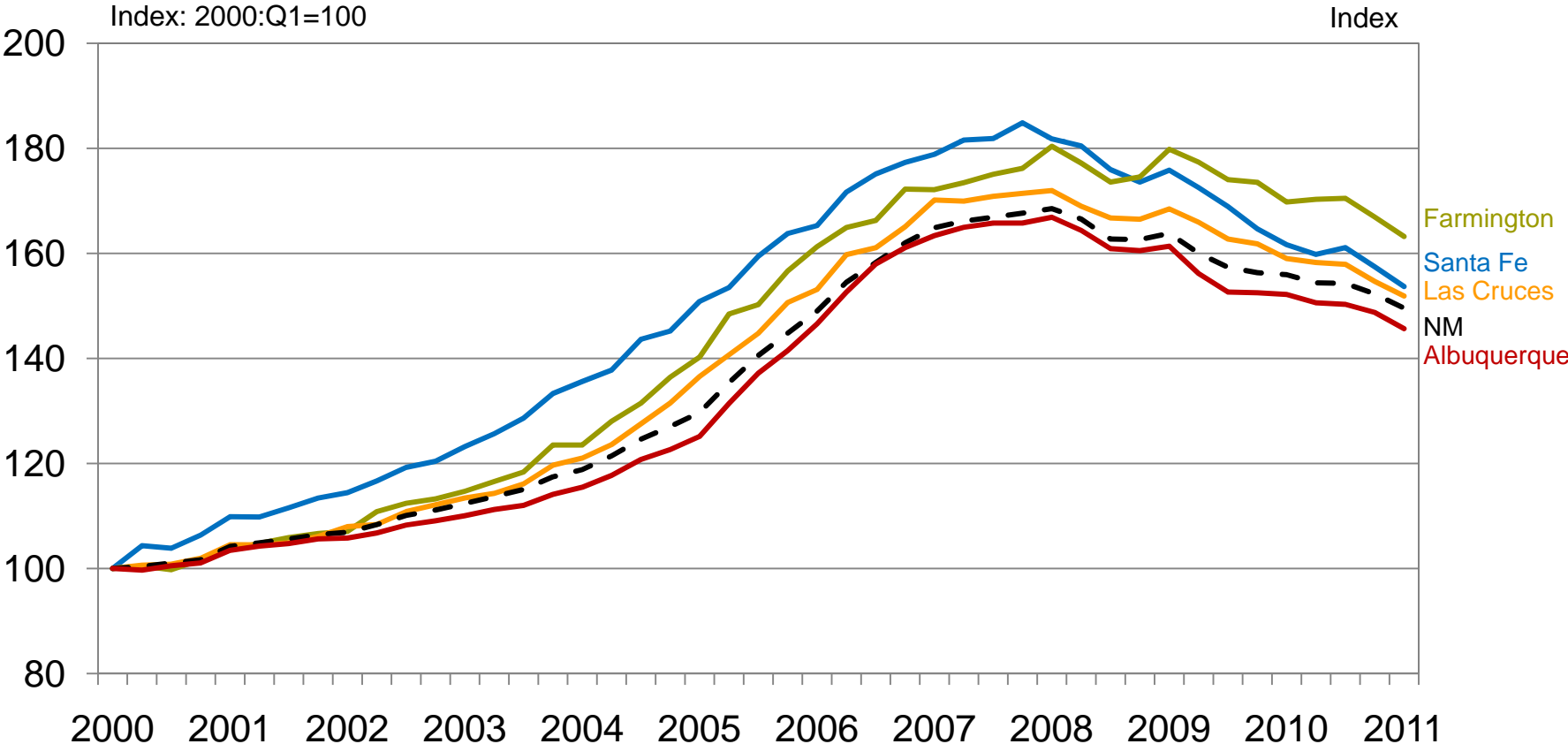
...both up and down

FHFA Housing Index by State
Seasonally Adjusted



Little variation in housing prices across NM

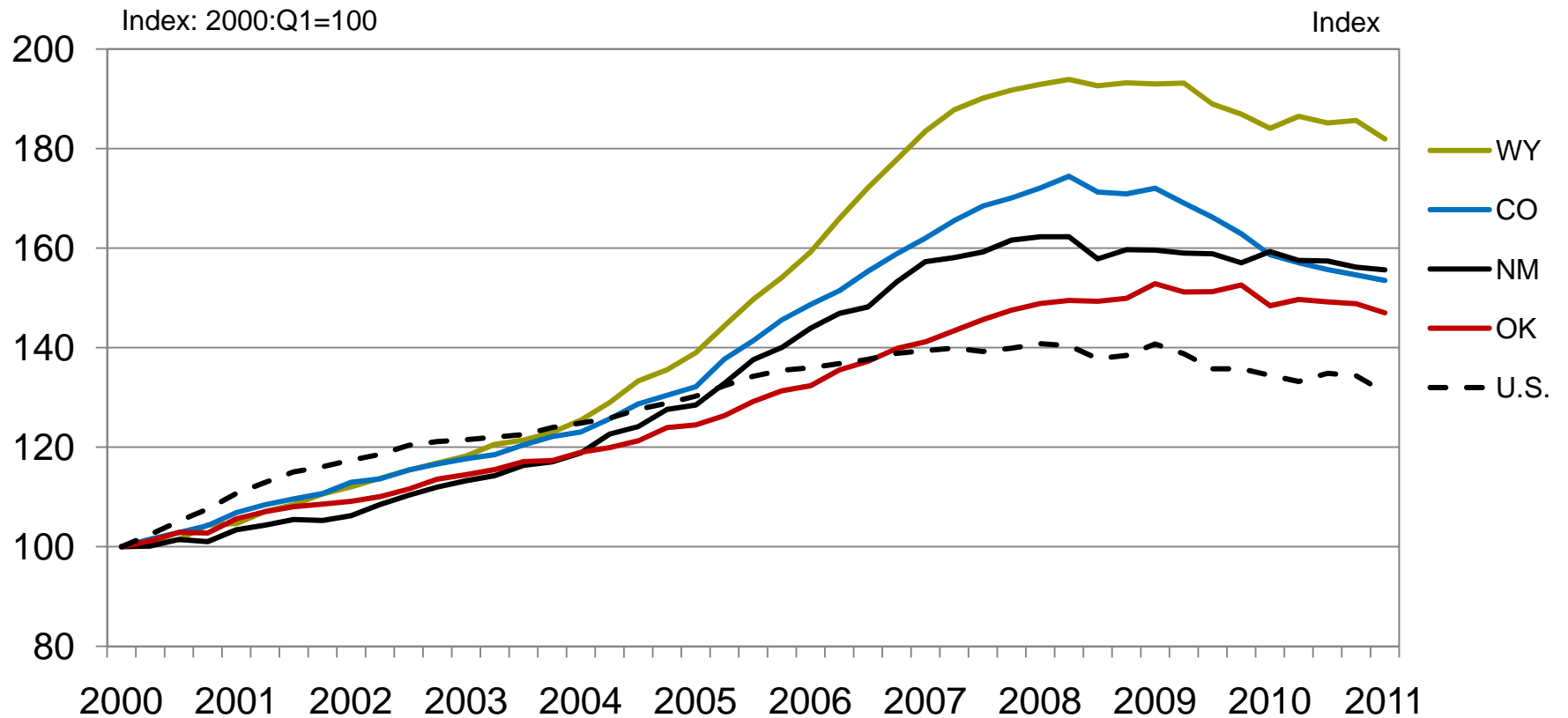
FHFA Housing Price Index by NM Metropolitan Area
Seasonally Adjusted



Source: FHFA

Home prices more stable in non-metro areas of NM

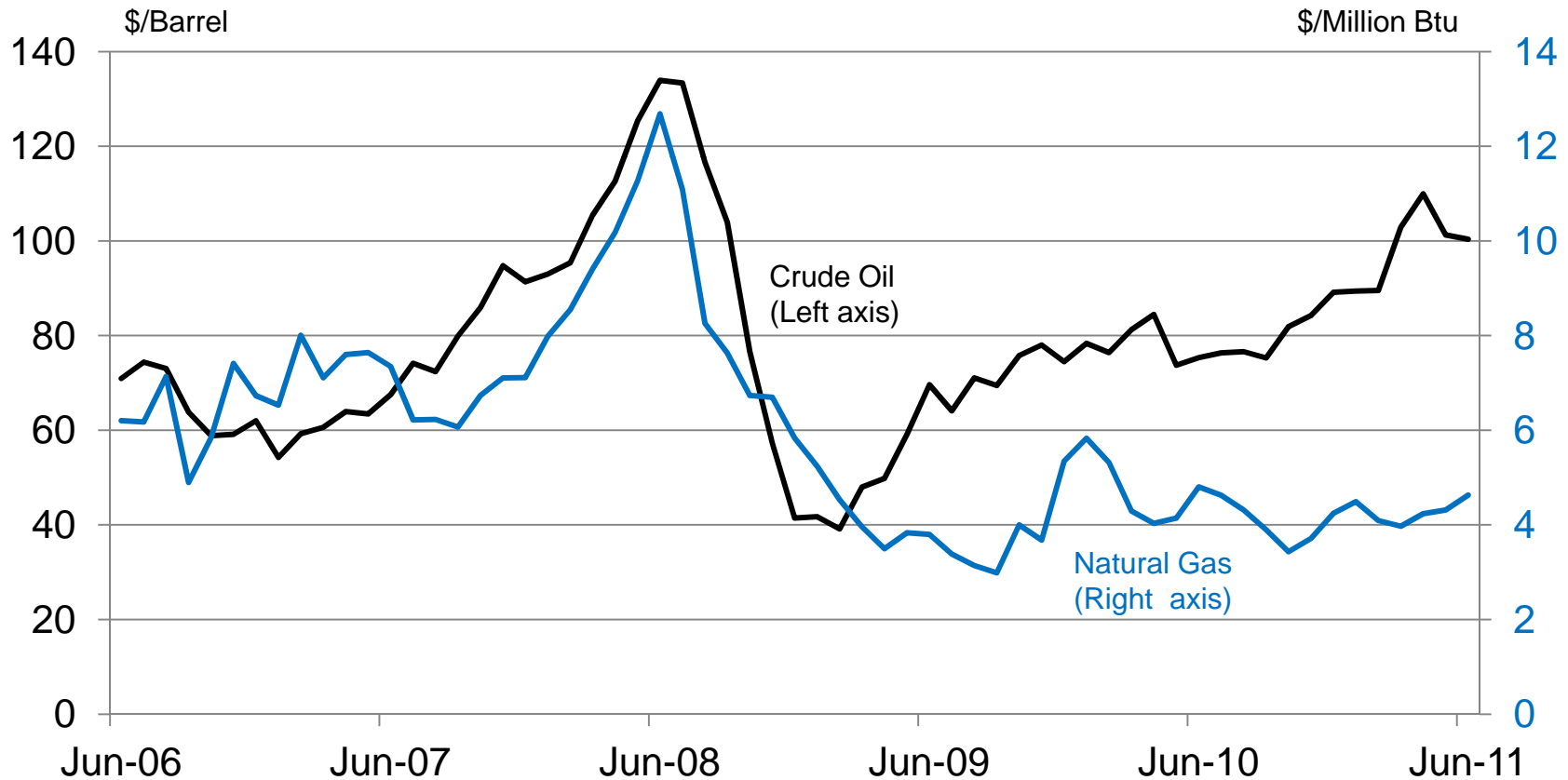
FHFA Housing Price Index by Nonmetropolitan Area
Seasonally Adjusted



Energy continues to provide a boost despite weak natural gas prices

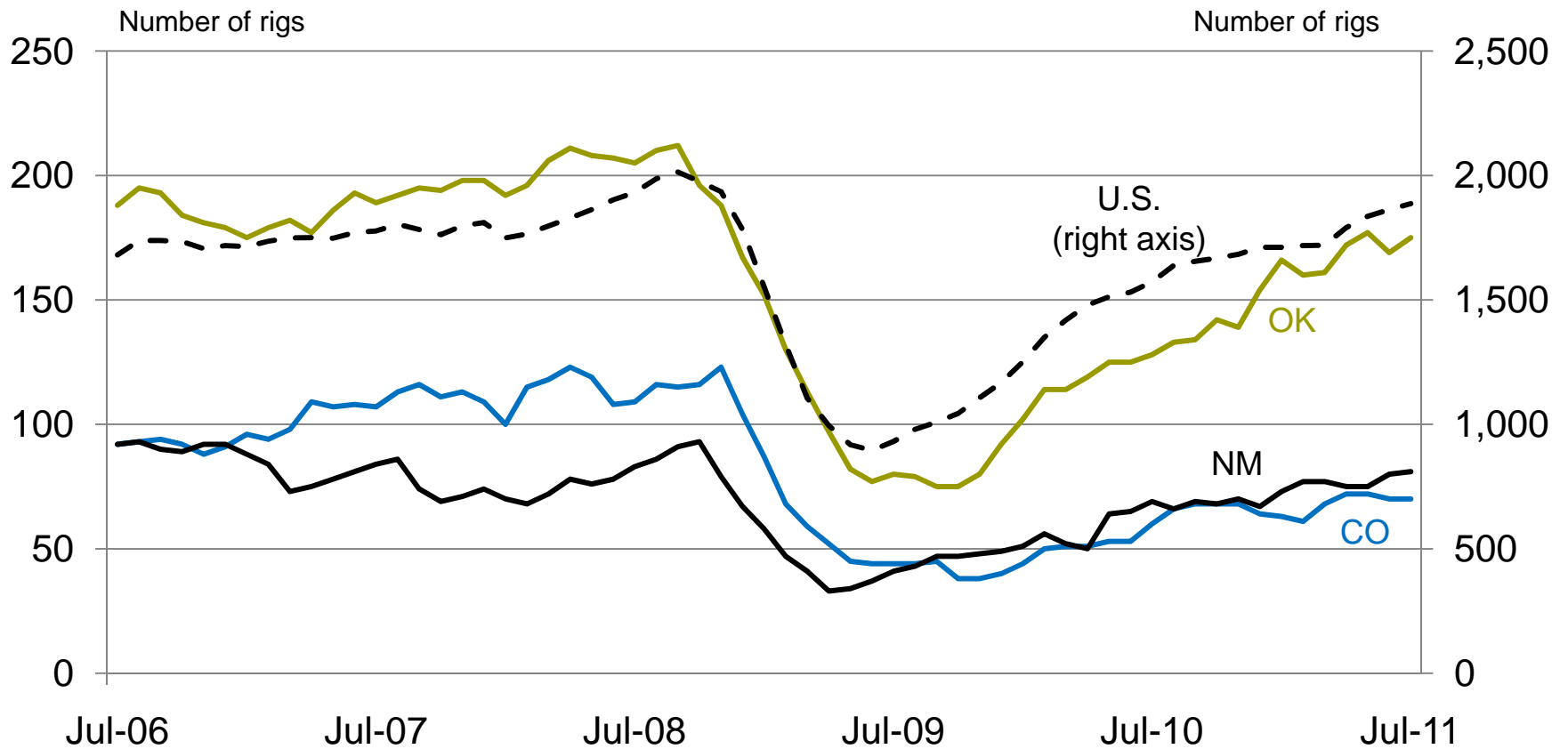
Crude Oil and Natural Gas Prices

West Texas Intermediate Crude, Henry Hub Natural Gas Spot Price



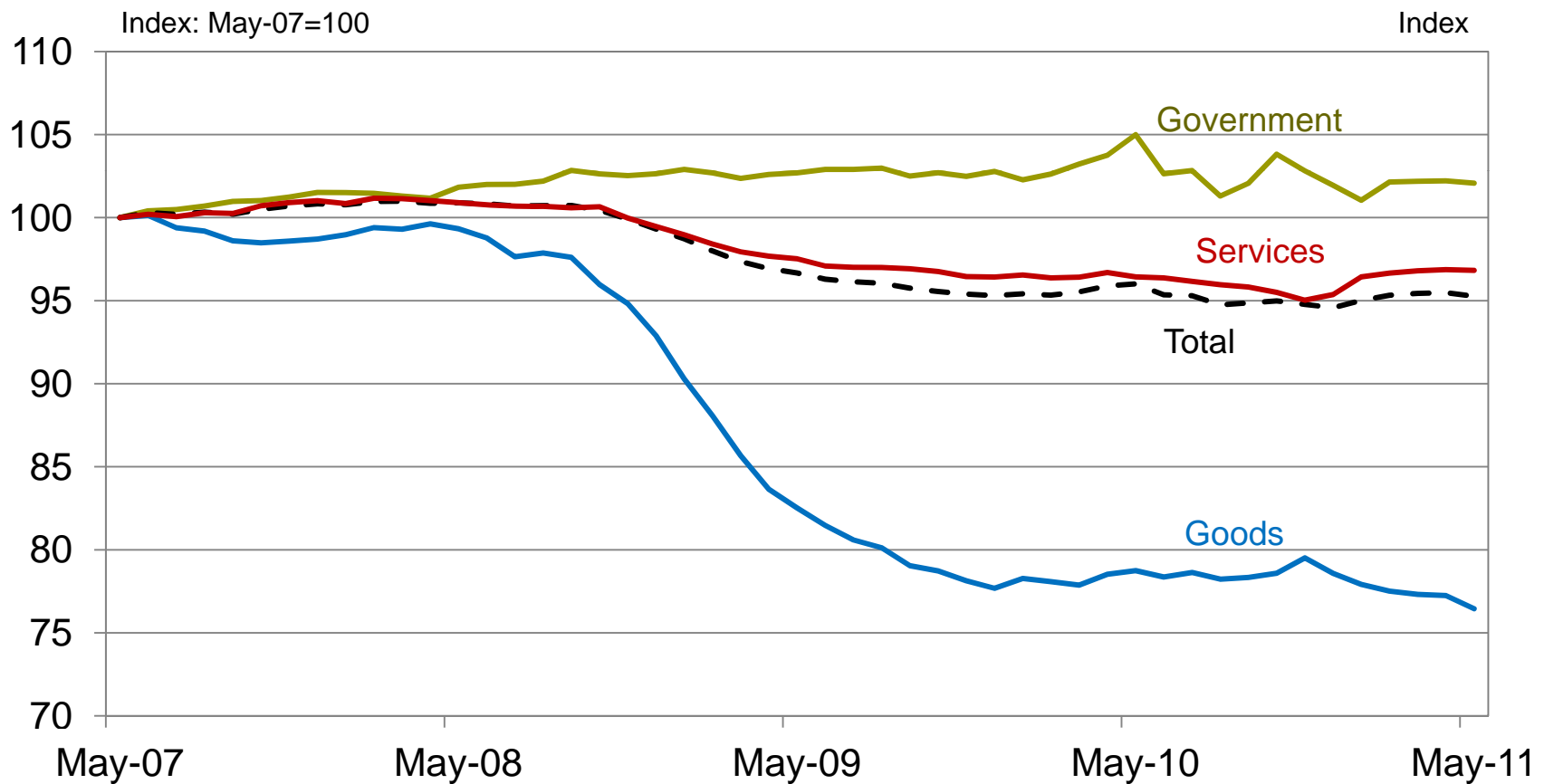
Drilling expansion resumes targeted at crude oil

Count of Active Drilling Rigs



Goods sectors remain a key to the recovery

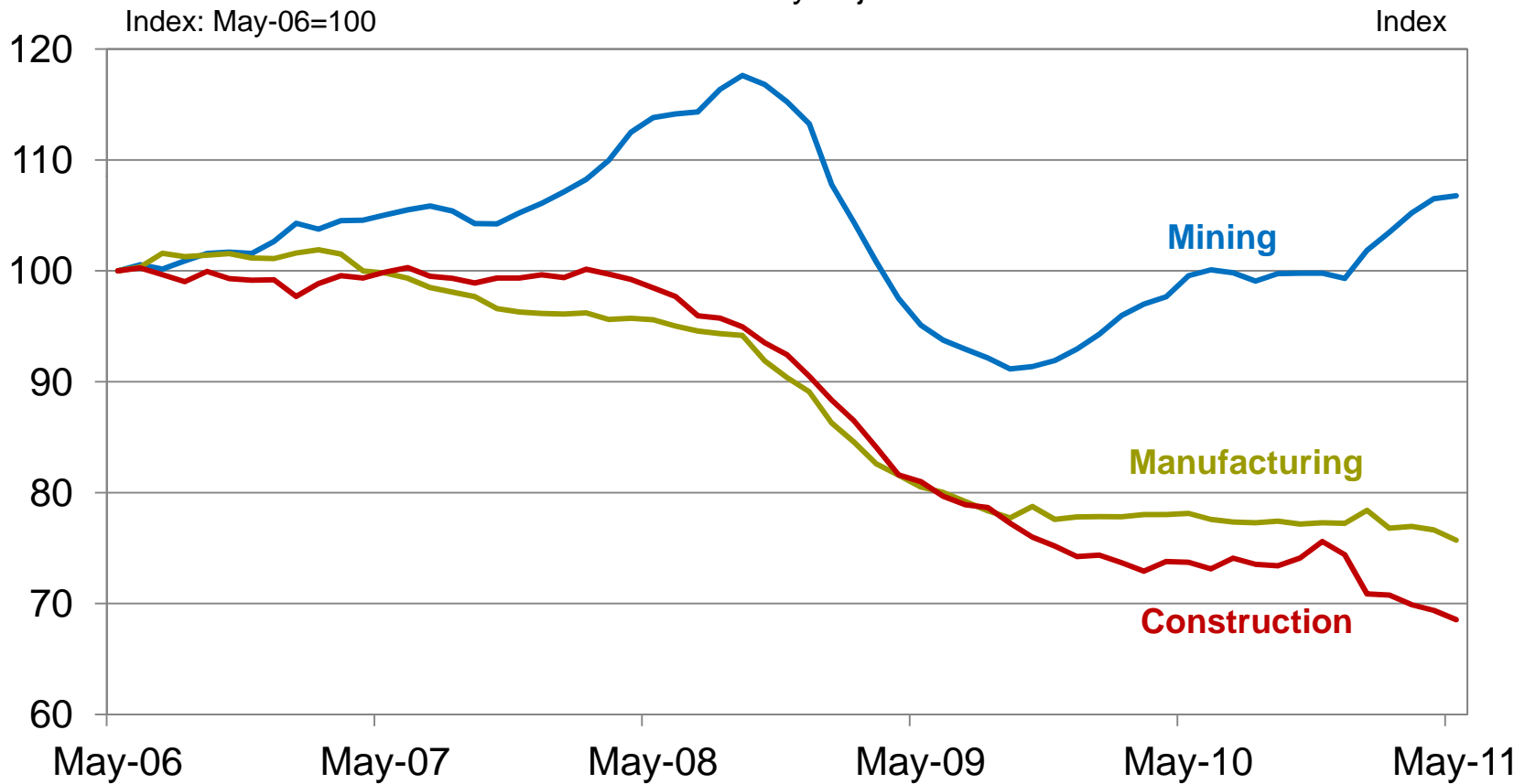
Nonfarm Employment by Supersector
Seasonally Adjusted



Construction remains a significant drag

oil and gas a significant boost

Goods-Producing Nonfarm Employment
Seasonally Adjusted

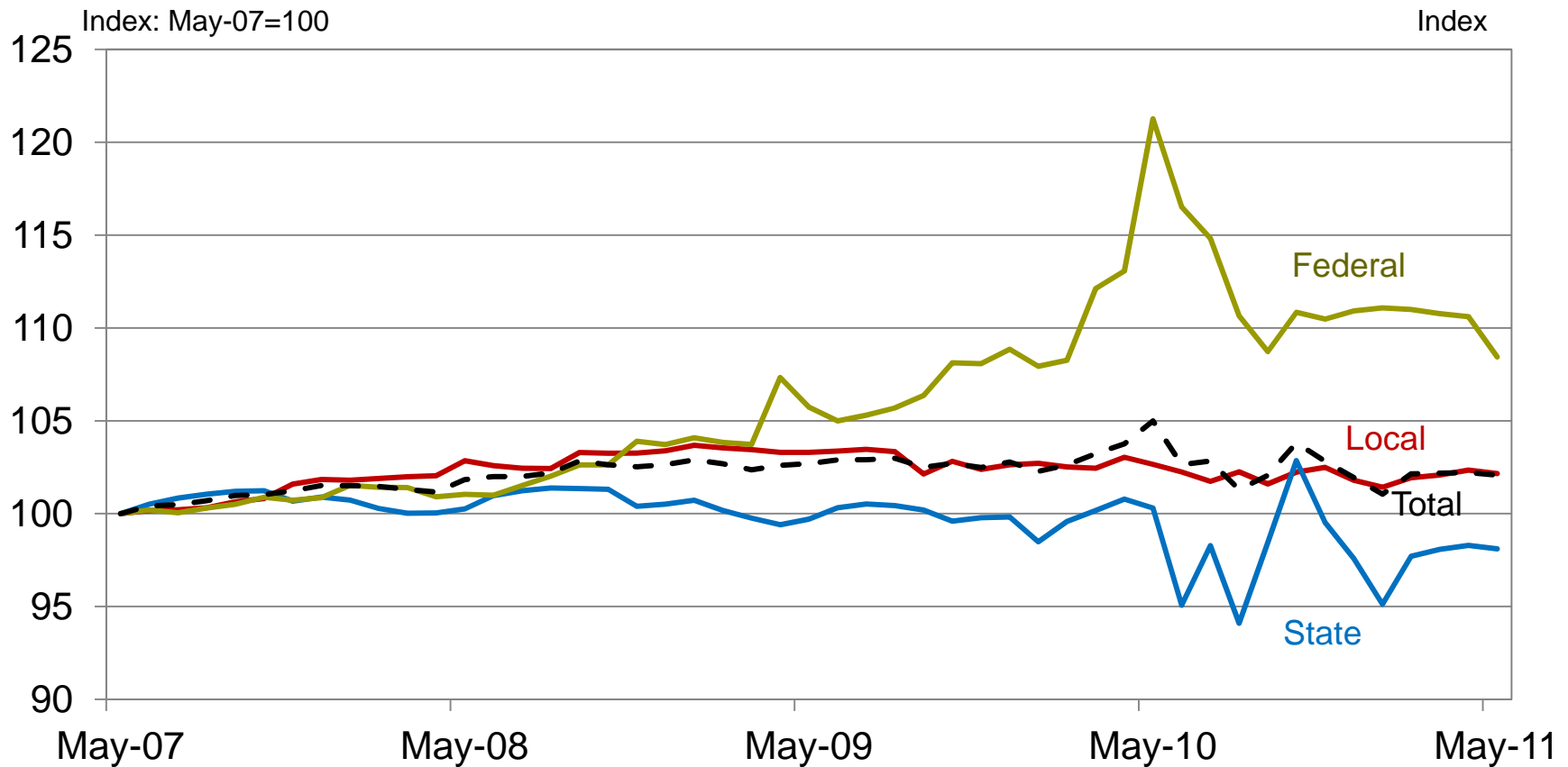


Government is acting as a constraint on growth

largely state and local, not federal

Government Employment by Type of Govt.

Seasonally Adjusted

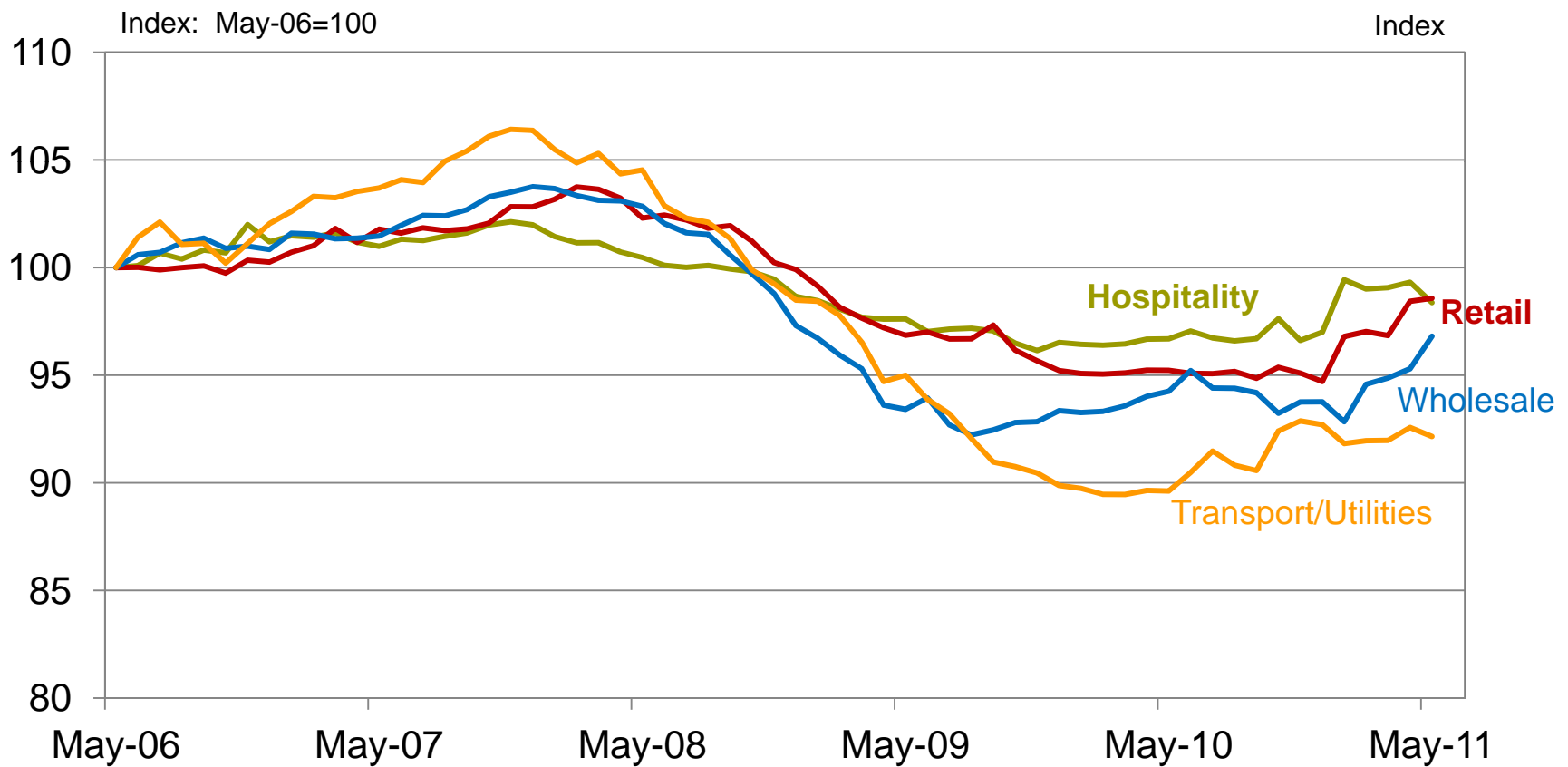


Key cyclical sectors have turned

but recent weakness in hospitality

Service Sector Nonfarm Employment

Seasonally Adjusted



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