Growth Lab

New Mexico's Economy Over Time and Space

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EXECUTIVE SUMMARY

This report examines New Mexico's economy over more than a century to inform statewide and regional economic development efforts. By mapping both long-term trajectories and recent changes, the analysis is designed to support effective strategies for state and local leaders as they seek to address persistent challenges, respond to new risks, and leverage unique opportunities across the state's diverse economies.

Long-Term Perspective (1900 – 2020)

The first section of this report provides an overview of New Mexico's longer-term growth path to understand how the past influences the present and future of the state economy. New Mexico's population never accelerated like some of its neighbors and peers. Slowdowns and uneven growth meant that New Mexico never attracted people in the way that Arizona, Colorado, or Utah did. Recent population growth has been the slowest in the last 120 years for New Mexico, indicating important economic problems that have made people "vote with their feet" to leave the state. Population growth and migration patterns are always co-evolving with what is happening in the state economy. Early in the 20th century, New Mexico's economy was centered on agriculture, and over the next century, New Mexico saw a uniquely precipitous drop in employment in this sector. New Mexico missed early waves of manufacturing-led industrialization that benefited other states. This likely indicates a limit on how much manufacturing growth is possible moving forward, as the state has fewer latent capabilities and assets than other states that historically had larger manufacturing sectors. Mining, including the extraction of oil and gas, grew to be a critical part of the New Mexican economy and government revenues, but never accounted for more than 10% of jobs. Government activity also grew to be a uniquely large part of the state economy in New Mexico because of both state and federal funding.

Beneath the long-term statewide trends, New Mexico's economy is striking for the variation of economic performance and drivers across the state. From a long-term perspective, many rural areas are still responding to major economic shocks to their sources of tradable income that often happened many decades ago. In an ideal world, major urban hubs would absorb the outmigration from regions that are losing population. However, as rural communities navigate these challenges, urban areas have not been in a strong enough position to absorb displaced populations from other parts of the state or in-migration from other states. As the state economy has evolved from industries that are rooted in place (such as agriculture and mining) to industries that thrive in more urban settings (such as professional services), the weaknesses of urban economies in New Mexico in comparison to other states stand out.

Medium and Short-Term Perspective (1997 - 2024)

Several of the challenges of New Mexico over the long-term have continued to play out over the last 25 years. New Mexico's per capita growth has been relatively low, and its income level has fallen further behind other states, especially within the region. The period of 2005-17 was exceptionally weak, marked by several years of per capita contraction that cannot be explained by national patterns. Arguably, the most important problem over 2005-17 was that state and local government activity followed a procyclical pattern that made the downturn worse when fiscal policy could have been designed to partially offset the pain of the downturn. The decline in the state

government activity appears to be driven by a significant drop in tax collection that was only partially cushioned by increased federal spending at the time. While New Mexico is now enjoying a period of more robust growth, an economic upswing since 2018 has yet to offset the effects of a prolonged stagnation. Past dynamics suggest that today's "boom" in growth will likely be followed by a period of "bust". Whether the current higher growth trajectory should be expected to continue hinges on the sustainability of current growth drivers and the potential for others to emerge.

Again, beneath these state patterns, there is significant variation in economic performance across New Mexico's regions. A few urban counties, most of all Bernalillo County, drive the state's overall economic activity, and their growth has lagged national trends. Counties across the state have growth patterns that are largely uncorrelated with each other. One can see the effects of state-level downturns across many counties, but state growth does not translate equally in all counties. In fact, some counties have grown in a negatively correlated way with statewide growth over the last 25 years. Depending on their local economic drivers, some counties are currently growing rapidly — for example, Lea and Eddy counties, which benefit directly from current oil and gas expansion in the Permian Basin. Several rural counties have seen growth, driven by different sectors in recent years, even as they face long-term pressures. Meanwhile, several urban economies are struggling to absorb population and labor. A deep dive into Albuquerque's growth finds that an undersupply of housing is the most binding constraint today.

Implications for Economic Strategy and Policy

New Mexico is building on several strengths in its economic development strategy. Recent successes, including major business investments in Albuquerque and Las Cruces and the expansion of universal childcare and tuition-free college, mark important steps forward. The state has channeled a great part of its oil and gas windfalls into permanent funds, ensuring increased reserves for use in education, early childhood, and future flexibility. Annual distributions from these reserves now account for major shares of education spending, and they are projected to become an even larger part of the state budget. New Mexico has also had some success in targeting sectors for investment attraction and in a public push in site development and site readiness for investment.

The state also faces new and recurring stressors, and this report has several implications for strategy moving forward. As federal funds recede, the state's reserves are increasingly needed to offset cuts in healthcare, higher education, and other urgent areas, narrowing available fiscal space for new priorities. New Mexico has improved its ability to save revenues generated during the current resource boom, but it will also have to navigate spending tradeoffs. We suggest more deployment of the state's fiscal resources to expand regional capacity to attract investment and actions to better address housing supply constraints in urban areas — both of which are small budget items in relation to existing priorities but with large potential gains. While New Mexico is moving in the right direction by targeting sectors and identifying key sites for development, the diversity of regional challenges and opportunities calls for greater regional tailoring. County-by-county analyses of diversification opportunities, using economic complexity methods, are available in this online repository. As for addressing labor supply constraints, investments in childcare and higher education effectively target long-term pressures on talent retention and attraction. However, the principal obstacle remains housing. There are state and local actions that can be taken to allow housing supply to better meet growing demand.

INTRODUCTION

This report examines New Mexico's economy across time and space. It seeks to inform economic development efforts in New Mexico, at both the state and regional levels. Effective economic development strategies and policies should be grounded in a clear understanding of what the state economy is, how the economy became what it is today, and what the most important problems or challenges are facing the state and regional economies now and into the future. These are big questions on which many volumes of text could be written. This report aims to inform this understanding at a practical level, which means that there are areas where the analysis could be deepened. Even in the choice of where this analysis begins (the year 1900), we are overlooking thousands of years of history beforehand. When identifying key challenges, different stakeholders will have different priorities. This report is not intended to provide a single view but merely to organize information that can be used locally as state and regional economic development professionals engage with communities, businesses, and all cross-sections of New Mexicans.

This research aims to inform New Mexico's next update to its strategic economic development plan as well as other development strategies of state and local entities. In 2021, the New Mexico Legislature enacted Senate Bill 112 (SB112) to guide the state's long-term economic growth. SB112 established the Sustainable Economy Task Force under the Economic Development Department (EDD) and charged it with developing a strategic plan to reduce the state's reliance on natural resource extraction. Central to the plan is the delineation of policies that will create new jobs and broaden the state's tax base, with the overarching vision of building a more diversified, resilient, and inclusive economy (New Mexico Economic Development Department, 2021). Since then, New Mexico has updated and adapted the plan annually. Beyond its direct application at the state level, we hope this research also informs regional strategies and local economic development efforts. Based on the research summarized here, there are a variety of positive entry points to tackle shared challenges across the state as well as distinct challenges and opportunities of different regions of the state. In addition to the applied focus of this work, we hope the research community will engage further with the information presented here by diving deeper into the provided data, extending the diagnosis of regional challenges, and ultimately working together to determine the most effective solutions.

As foolish as it may be, the report covers 125 years of growth history across all regions of the state and tries to look to the future. The first section provides a historical perspective that traces how New Mexico arrived at the economy it has today, focusing on the period since 1900 and often using census data that is available in ten-year increments. This analysis provides some insights into the long-term pressures, challenges, and risks that the state has inherited from the past. The next section focuses on roughly the last generation (1997-2024), where several important short- and medium-term economic dynamics have played out clearly. Throughout these two sections, the report explores differences in economic outcomes and drivers across regions (usually counties due to data availability). One clear reality is that the state is not a single economy, but a network of diverse local and regional economies. These economies have their own distinct growth drivers and challenges. While these regional economies are interconnected, they do not rise and fall in unison, and they experience opportunities and shocks differently. The final section translates the key takeaways from the previous sections into implications for economic strategy and policy to sustain higher levels of quality of life for all New Mexicans.

LONG-TERM PERSPECTIVE (1900 – 2020)

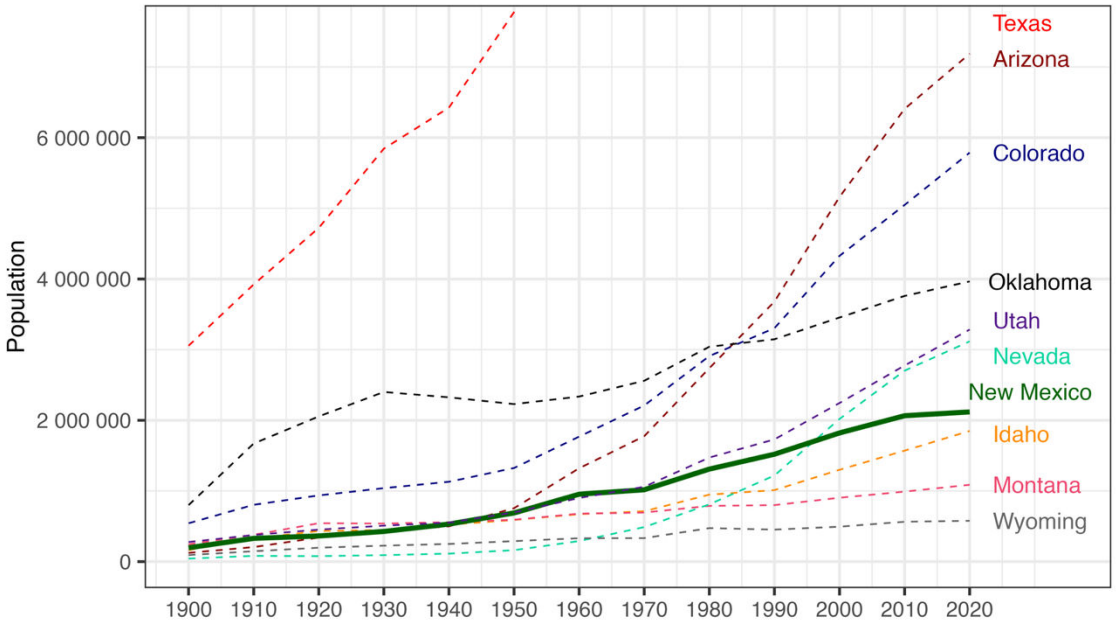
Understanding New Mexico's present economy requires an exploration of the state's long-term evolution. Within the history of any economy, there are path dependencies and recurring patterns that are important to understand. However, the future is not simply a consequence of the past. By understanding the long-term causes, policymakers are in a better position to develop policies and strategies that are more likely to work. The overarching goal of this section is to clearly trace New Mexico's long-term demographic and economic trajectories, both statewide and across regions, and to benchmark these against peer states. This approach is intended to reveal the foundational sources of New Mexico's present-day challenges and to identify emerging risks that could affect its future growth prospects.

Overview of 120 Years of Population Growth

Demographic and economic trajectories over time are fundamentally intertwined. We will start to understand this co-evolution by looking at population growth. Economic opportunity attracts population groups to a place, and the loss of economic opportunity tends to cause outmigration. Viewing population growth as a consequence of economic conditions reflects the reality that "*people vote with their feet*". Where individuals choose to live also sends strong signals about the presence, or absence, of economic opportunity, public services, and quality of life (Sasser, 2009). This creates a degree of path dependence. Meanwhile, the knowledge base that a place develops and the size of its agglomeration influence what new economic activities emerge over time. A larger and denser population fosters a critical mass of knowhow, skills, and networks, which are vital for enabling economic activity. Different industries rely on a specific combination of capabilities, such as infrastructure, institutions, supply chains, and, crucially, tacit knowledge, the productive knowhow related to expertise and abilities (Hausmann & Hidalgo, 2011). Some places can supply few capabilities, limiting the number of industries in which they can participate and excel, whereas other places can supply many capabilities and thus participate in many economic activities.

New Mexico's long-term population growth is shown in comparison to regional peers in Figure 1. The analysis begins in 1900, a census marked by methodological improvements (IPUMS, 1995; Pew Research Center, 2015; U.S. Census Bureau, 2025). New Mexico had been inhabited for thousands of years before the first U.S. Census in 1790 (Roberts & Roberts, 2004), and earlier population counts exist before 1900. Nonetheless, that census represents the starting point because it provides reliable and comparable data across regions. By leveraging the population counts, this section aims to establish key trends and inflection points that will guide the following analysis of migration patterns and economic composition. By 1900, New Mexico had been a U.S. territory for 50 years. As with its neighbors, Oklahoma and Arizona, it would still have to wait some years for statehood. Meanwhile, Utah had recently become a state, and Texas had entered statehood long before in 1845, before even the annexation of New Mexico into the United States. Other peer states in the Southwest and Mountain West with similar population levels had already entered statehood. Nevada was the earliest among them (1864), while Montana, Idaho, and Wyoming all gained statehood around the same time (1889-1890).

Figure 1: New Mexico's Population and Peer States (1900 – 2020)

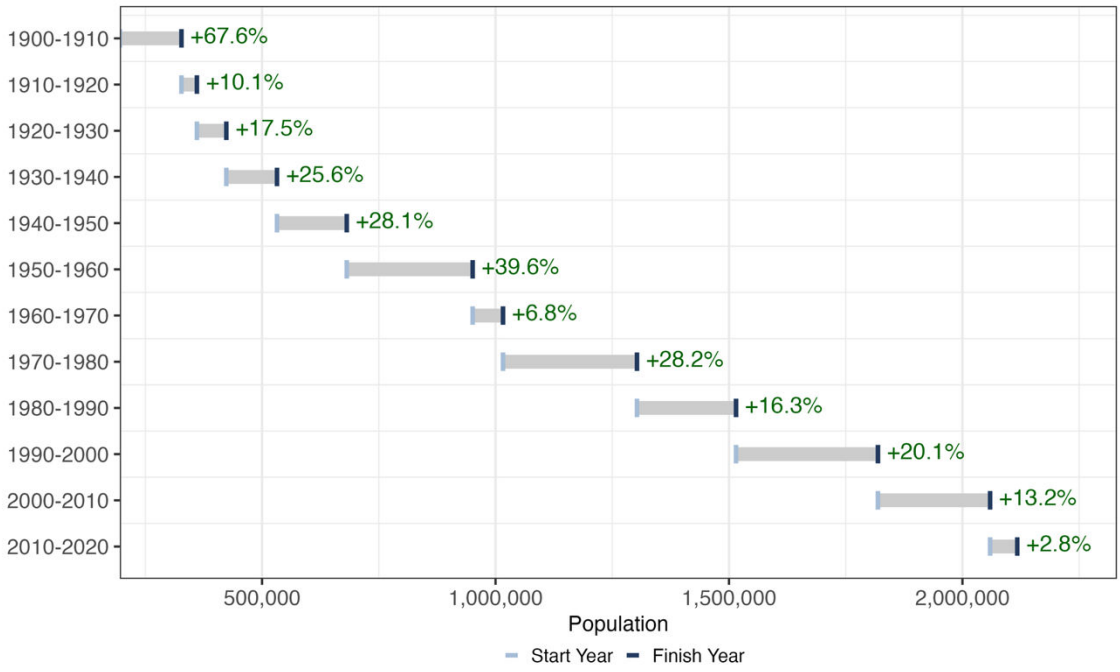


Source: U.S. Census Bureau via FRED
Note: Texas reached a population of approximately 29 million in 2020 (not shown for scale).

New Mexico's population never accelerated like some of its neighbors and peers, leaving it at the lower end of the population spectrum over time. New Mexico started the 20th century with a population of approximately 196,000 residents, below that of Texas, Oklahoma, and Colorado, but at a similar level to other states. Its trajectory stands in contrast to sustained accelerations that took place first in Colorado and Arizona, next in Utah and Nevada, and most recently in Idaho. New Mexico's population trajectory parallels that of Oklahoma since around 1950, while Oklahoma had a very different pattern prior to and following the Dust Bowl of the 1930s. As a result of these different trajectories, other states with similar or smaller populations at the beginning of the 20th century, such as Utah and Nevada, and most strikingly Arizona, far outgrew New Mexico over the long term. Among these regional peers, New Mexico has grown more consistently than only Montana and Wyoming.

Slowdowns and uneven growth kept New Mexico from ever seeing a sustained acceleration. Figure 2 provides another view of New Mexico's population growth each decade. It shows the starting population and ending population for each decade, along with the population growth rate over the whole of the decade. New Mexico surpassed a 50% growth rate only between 1900 and 1910. New Mexico's trajectory also stalled (in contrast to several other states) over 1960-70, ending what had begun to look like an acceleration in the decades prior. At a high level, the state's trajectory can be divided into two phases. The first, from 1900 through 1960, featured a major surge in the 1900s, immediately followed by a slowdown and then gradual acceleration through the 1950s. However, after the slowdown in the 1960s, the state entered a new phase marked by fluctuations instead of consistent recovery. This is once again in contrast to several other Western states. The most recent decade of 2010-20 has been the slowest over the whole period. This history suggests that there were important economic shocks or other causes at play in the 1960s and in the 2010s.

Figure 2: Population Change in New Mexico by Decade



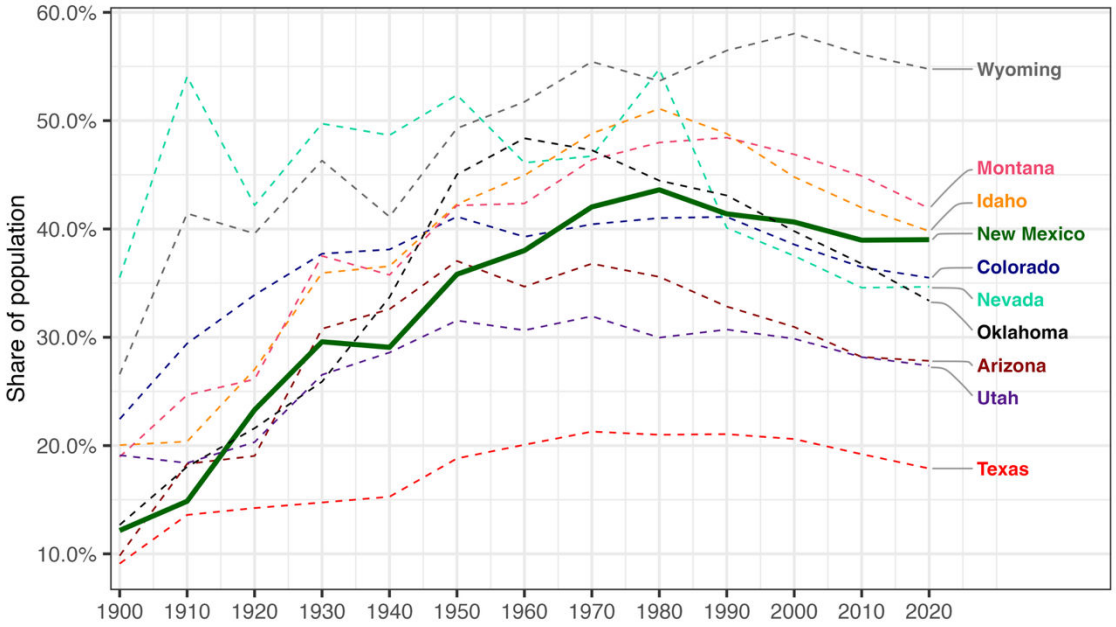
Source: U.S. Census Bureau via FRED

New Mexicans and Newcomers

At the core of the population differences are individual choices about where to live. Such decisions reflect the opportunities that people perceive and the quality of life they expect. These perceptions shift over time, and a place's attractiveness can differ for those born within it and those arriving from elsewhere. To better understand the forces behind New Mexico's population growth, this subsection examines migration patterns. By analyzing the state's ability to retain its own population and its success in attracting newcomers, the goal is to shed light on the underlying factors that shape New Mexico's attractiveness as a destination.

New Mexico experienced a long-term pattern of increasing outmigration with a modest reversal since 1980. Figure 3 shows the share of people born in each state who are residing outside of the state at the time of each census. This is a strong indication of the ability of the state to retain its population, especially its younger generations. These patterns reflect statewide factors but also national migration trends. New Mexico is relatively high on this measure (close to 40% over the last two decades). This is far lower than Wyoming (which is a national outlier) and currently lower than Montana and Idaho (but this will not remain true if trajectories continue). New Mexico is noteworthy in the region for the long-term increase in this measure from 1900 to 1980. Since 1980, there has been a clear regional (or national) declining trend. New Mexico has seen among the lowest rates of improvement in this ability to retain individuals born in the state, alongside Wyoming. This has clearly proven to be a long-term challenge. There are several known causes of increasing rates of outmigration from New Mexico in the first half of the 20th century, which may still have some loose relevance today.

Figure 3: Share of Population Born in the State Living Elsewhere (1900 – 2020)



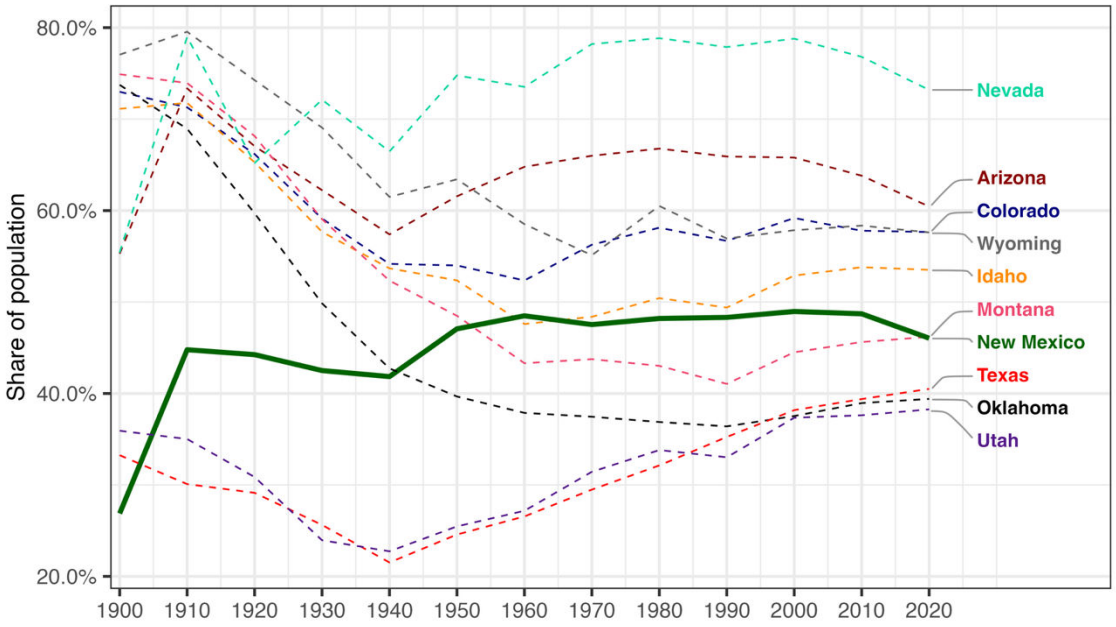
Source: U.S. Census Bureau via IPUMS USA

Railroads fueled a rapid early surge in outmigration, while federal investments in Western states and economic shifts likely sustained later outmigration. Between 1900 and 1930, New Mexico's outmigration rate more than doubled, driven largely by the arrival of extensive rail connectivity. Railroad mileage in the state tripled between 1900 and 1912 (Roberts & Roberts, 2004), ending New Mexico's isolation. The arrival of the railroad opened the territory to more people but also facilitated New Mexicans to look for opportunities elsewhere. After 1930, outmigration continued to rise, but at a slower pace until 1980. The "New Deal" funds for infrastructure and later federal investments in defense and research transformed the state and western peers. Many New Mexicans were drawn to defense-related jobs outside the state (Sanchez, Spude, & Gomez, 2013). Simultaneously, as explained in the following subsection, manufacturing did not scale up as in other states and remained small by Western standards. As this sector sustained the development of the middle class (ABC News, 2025), New Mexicans sought opportunities elsewhere.

As for new residents, New Mexico has been less successful than many other states. Figure 4 shows the share of each state's population that was born outside of the state over the decades. On this measure, many states, including New Mexico until 2020, have been largely consistent for more than half a century. New Mexico is in the lower range on this indicator, which signals a limited ability to attract new residents over the long-term. Montana and Idaho have seen more recent increases, while New Mexico's rate decreased in 2020. Some other states have seen a long-term rise in this measure, such as Utah and Texas, for which the measure is expected to be lower given the much larger population base. Taken together with the previous figure, Texas is an example of a state that retains most of its population and is seeing growing immigration from other states. Wyoming is an example of a state with very high outmigration but also relatively high immigration from other states. Nevada is an example of a state that is growing because its immigration far

exceeds its outmigration. New Mexico has fairly high outmigration and fairly low immigration, which is why population growth has been limited.

Figure 4: Share of Residents in the State Born Elsewhere (1900 – 2020)



Source: U.S. Census Bureau via IPUMS USA

The history of newcomers to New Mexico can be traced to clear causes. Water and connectivity infrastructure drove the early surge in newcomers. Between 1900 and 1910, New Mexico registered its largest single-decade increase. Around the same time of railroad expansion, the Reclamation Act provided federal funds for the construction of major dams and irrigation systems. Those investments boosted agricultural potential, especially in eastern and southern New Mexico, which prompted the last major U.S. land rush (Sanchez, Spude, & Gomez, 2013). However, these gains quickly faded as agriculture began a prolonged decline, exacerbated by the Dust Bowl and the Great Depression. From the 1940s, federal investment sparked a second wave of in-migration. A second rise occurred between 1940 and 1960, after which the share plateaued near 48%. Wartime mobilization revitalized mining and lumber, while new air bases and major research investments transformed the state's economy (Sanchez, Spude, & Gomez, 2013). Los Alamos became the heart of the atomic program, and Cold War priorities kept New Mexico's military bases and sustained federal employment (Roberts & Roberts, 2004). Federal investments reshaped New Mexico's economic and social fabric, which attracted new residents. The second wave stopped right at the point when the state started an erratic population growth.

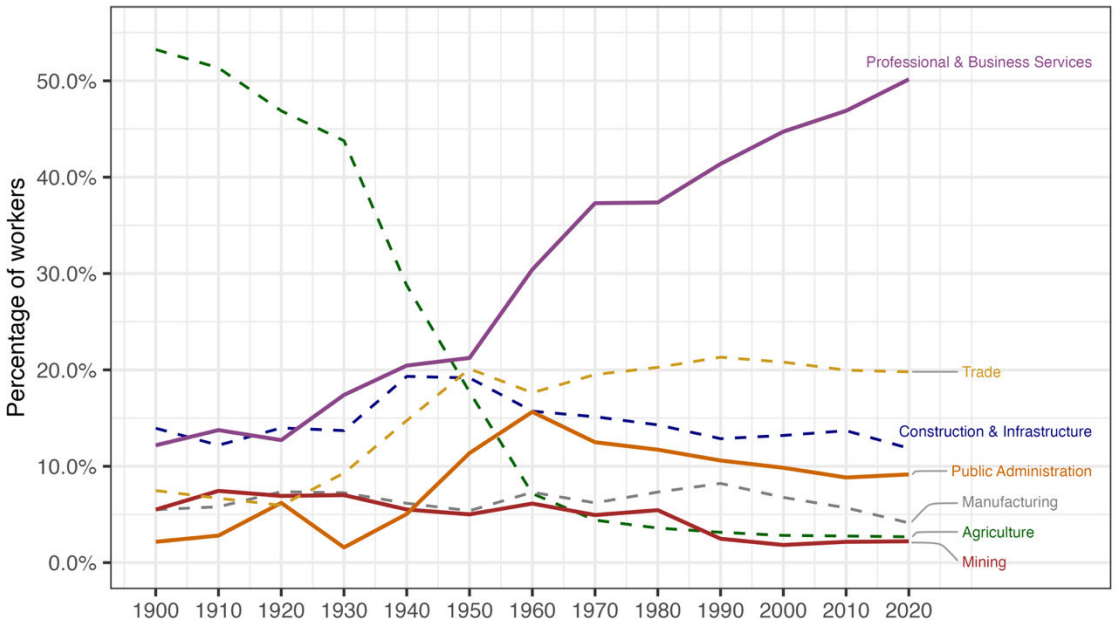
Co-Evolution of Population and New Mexico's Economy

Population growth and migration patterns are always co-evolving with what is happening in the state economy. This subsection unpacks the historical and emerging engines that fueled the economy and provided jobs — once again putting New Mexico in context by comparing with the patterns seen in other states. Western cities originated from proximity to mines, the establishment of agricultural communities, or trading posts (Growth Lab, 2023). While agriculture and mining

utilized natural resources to provide raw materials, it was manufacturing that transformed these inputs into finished products. The manufacturing sector played a pivotal role in U.S. development (Lawrence & Edwards, 2013) as the nation transitioned from an agricultural to an industrial economy throughout the 20th century. Manufacturing employment peaked in 1979 (Pierce, Schott, & Fort, 2020), and since the mid-1950s, the sector has gradually ceded its share to a service-driven economy (Lawrence & Edwards, 2013). The rise of the service sector was not triggered by any single breakthrough; rather, it resulted from the convergence of multiple trends following World War II (Hoyt, 2023). Today, four out of five American private-sector workers are employed in the service sector (Barnes, Bauer, & Edelberg, 2022). We will explore how New Mexico's economic evolution compares to these wider national patterns.

The long-term evolution of job sources in New Mexico is shown in Figure 5. In the early 20th century, New Mexico's economy was rooted in agricultural activities. At its peak job share, agriculture claimed more than half of jobs. Mining, by comparison, never accounted for more than 10% of jobs, though this will not be the case for output or fiscal revenues. The arrival of railroads and expanding irrigation systems broadened the agricultural frontier and enabled other industries to take root. Starting in the 1920s, service-related sectors steadily increased their presence. Notably, professional and business services eventually grew to occupy the leading position once held by agriculture. Its job share has continuously risen over the decades. Public administration's job share peaked in the 1960s before seeing a gradual decline in terms of the share of jobs. Federal and state dollars were instrumental in expanding government services and supporting the growth of emerging sectors. Manufacturing, like mining, always occupied a modest and fluctuating share of employment, never exceeding 10%. Manufacturing saw only a small rise in its job share up to 1990, followed by a similar-sized decline.

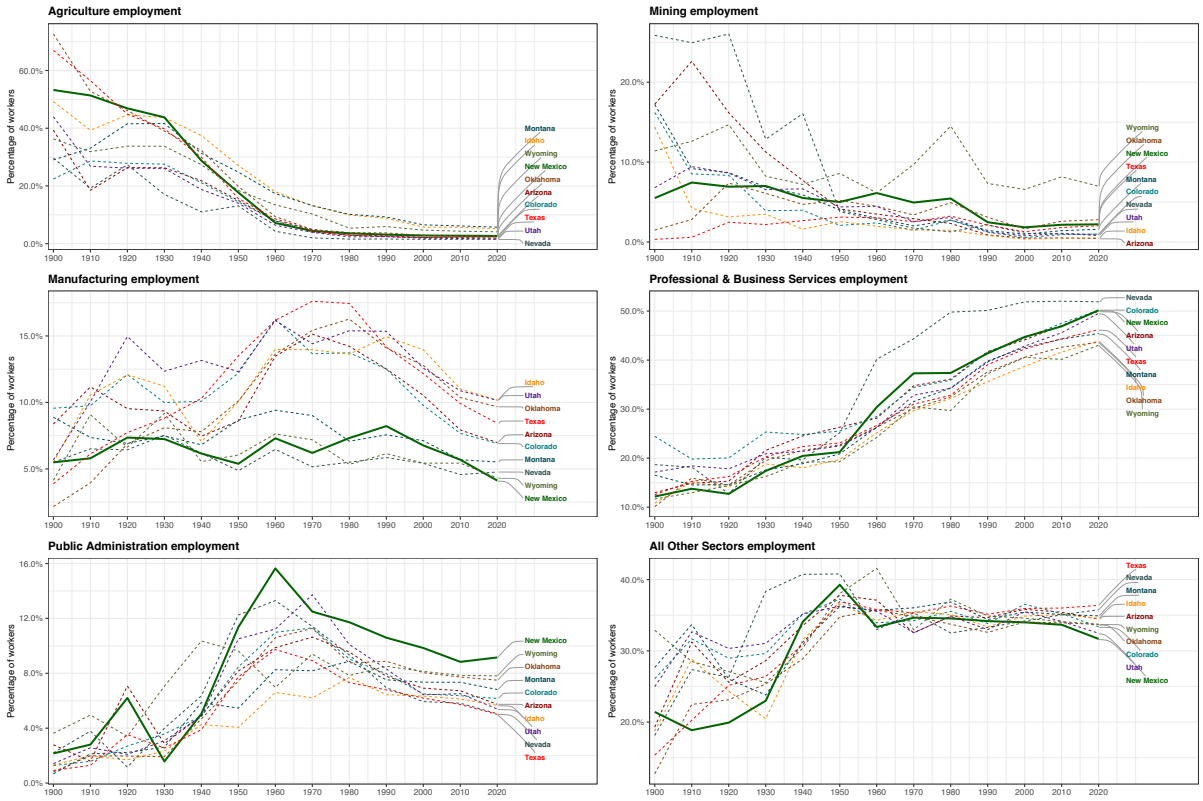
Figure 5: Sector Employment Shares in New Mexico Over Time (1900 – 2020)



Source: U.S. Census Bureau via IPUMS USA

When compared with the peer states, there are several notable long-term economic trends. Figure 6 shows job shares by sector over time for New Mexico and the regional comparator states. It is useful to look at each sector individually, which we do in the following pages. Taken together, the trends imply something important: some economic drivers that were rooted in more rural places (agriculture and mining) have declined over the long term, while another that tends to be more urban-centric (professional and business services) has gained prominence. The lack of emergence of widespread manufacturing jobs in the mid-20th century is closely aligned with the lack of population acceleration and consistent with the state having cities and rural areas, but few suburban areas. New Mexico also stands out for the outsized role that public administration employment plays statewide.

Figure 6: Sector Employment Shares in New Mexico and Peer States (1900 – 2020)



Source: U.S. Census Bureau via IPUMS USA

New Mexico's shift away from agriculture as a driver of employment was particularly sharp. In the early 1900s, agriculture anchored household livelihoods across much of the region, accounting for at least 30% of jobs. Across states, there was a long-term reduction in the job share in agriculture as the sector demanded fewer jobs while other economic sectors emerged. New machinery and rising productivity meant fewer farms and fewer agricultural jobs (Ralph, 1957). New Mexico's share remained high (close to 50%) until 1930 and then dropped more precipitously than any other state to the single digits by 1960. This transition was completed many decades ago but remains noteworthy in New Mexico's economic history.

New Mexico's mining sector has declined in job share, but it remains among those with the largest mining workforces today. In the early 1900s, mining represented a modest share of employment, hovering around 6%, in comparison to several other western states. Accordingly, New Mexico has seen a smaller decline in job shares. Despite a notable drop in the 1980s, New Mexico has remained one of the leaders in mining employment. In New Mexico, coal and metal mining, especially silver and copper, dominated the early years. Silver is now a by-product of copper mining, and coal declined after 1940 (Department of Workforce Solutions, 2013). Oil and gas began to rise in the 1920s with the start of commercial production. Pipelines built in the mid-century enabled New Mexico to supply distant markets (American Oil & Gas Historical Society, 2025; Dalisay, 2025). By 2000, oil and gas accounted for nearly three-quarters of mining employment. Despite their modest and volatile employment share and regional concentration in the northwest and southeast, oil and gas have fueled New Mexico's economy for decades with funds for schools, roads, and public services (New Mexico Legislative Finance Committee, 2025).

New Mexico never experienced manufacturing growth like several peer states. Along with all peer states, New Mexico started the 20th century with a relatively small manufacturing base. Only Colorado approached 10% employment in this sector in 1900. Several states (Idaho, Utah, Oklahoma, Texas, Colorado) experienced a multi-decade growth in this indicator, with peak employment shares in the 1970s. This growth co-evolved with population growth in all these states, a process that did not happen in New Mexico. While the nation reached its manufacturing peak in 1979 (Pierce, Schott, & Fort, 2020), New Mexico reached its peak later and at a lower employment level. Even during periods when the sector gained some momentum in New Mexico, there was persistent skepticism about its long-term prospects. For example, the uptick in the 1950s, after three decades of decline, was driven in part by government subsidies and federal investment, raising questions about the sustainability of these gains (Edgel, 1957). Later, relocation trends in the late 20th century brought renewed, if short-lived, momentum, highlighted by the arrival of computer industry leaders like Intel and Hewlett-Packard in Rio Rancho (Sanchez, Spude, & Gomez, 2013).[1]

U.S. jobs have become increasingly service-oriented over time, and this is especially true for New Mexico. All the peer states have seen a steady growth in professional and business services (a category including financial activities, business and repair services, personal services, leisure and hospitality, and professional services) for a century. New Mexico had among the lowest job shares in this category in the early 1900s, and it has among the highest shares today. This is in part due to an absence of manufacturing jobs. As other states were diversifying into manufacturing in the 1950s and 1960s, New Mexico was developing a stronger reliance on service jobs. Over the long-term, the type of jobs has changed significantly. At first, personal services like dressmaking and shoe repair dominated. By 1920, health, education, and legal professions began to take over, and since the 1970s, these professional services have made up more than half of the sector's jobs. While leisure and hospitality are often highlighted in New Mexico, the sector contributed only modestly, peaking at 15% in the early decades and settling around 8% after 1960. Business and repair services have consistently held a slightly larger share than financial activities over time.

[1] Intel began developing chip plants in Rio Rancho in 1980. The California-based company was seeking a more business-friendly environment with lower costs and fewer regulations. Attracted by high-wage jobs and the chance to diversify the state's resource-based economy, state and local officials offered a generous incentives package, including tax breaks and streamlined regulations. However, as Intel planned to expand in 1993, it faced pushback from environmental and community groups, especially over air quality and the large amount of water required for production. The Albuquerque metropolitan area was increasing its water use, and a 1993 U.S. Geological Survey found the underground aquifer could become inadequate within decades (Groves, 1994).

More than any other sector, New Mexico stands out for its high share of jobs in public administration. This distinction began in the 1930s, when massive New Deal investments delivered roads, civic buildings, and park improvements all over the country (Sanchez, Spude, & Gomez, 2013). The federal footprint grew even larger during World War II, notably with Los Alamos as the hub of the Manhattan Project (Roberts & Roberts, 2004). By 1960, New Mexico had the highest share of public sector jobs among its peers. This trend continued as postwar investments shifted focus to research and development (Sanchez, Spude, & Gomez, 2013). Government's share peaked across most states between 1960 and 1980 before entering a gradual decline. Efforts to close inefficient military installations (Twight, 1989) did lead to declines in the job share, but government jobs remain an outsized force in New Mexico. Over time, state and local government jobs filled the space left as federal employment adjusted downward. In the most recent decade, the public administration job share in New Mexico increased slightly.

New Mexico's Network of Local Economies

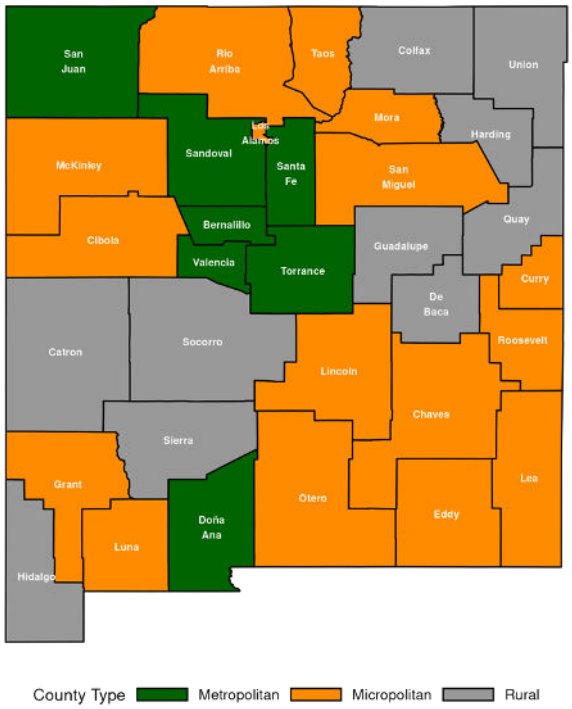
In this subsection, we explore how these long-term dynamics (population, migration, and economic composition) vary across New Mexico's diverse geography and communities. Just as the U.S. is not a single, homogeneous economy but a collection of interconnected regional economies (Barnes & Ledebur, 1998), New Mexico's economy varies widely across its counties and cities. Local economies within the state are deeply intertwined, forming a network where changes in one area often have consequences for others (Barnes & Ledebur, 1998), but at the same time, trajectories of different regions vary substantially. As we will see in the next section, recent growth performance in terms of output is also highly uncorrelated between regions. In this subsection, we will rely on county-level data to get full coverage of the state. As shown in Figure 7, New Mexico has 33 counties, with ten that fall outside of any metropolitan or micropolitan statistical areas.

Based on the state-level patterns, we look at regional dynamics over three distinct periods to better understand how these patterns played out regionally. This analysis is divided into three periods: 1900–1930, 1930–1980, and 1980–2020. The first period saw the end of New Mexico's early isolation with enhanced rail connectivity, driving an early surge of newcomers and an increase in out-migration among New Mexicans. The second period, beginning in 1930, was defined by the sharp decline in agriculture and a deepening federal presence. Outmigration continued to increase over this period. By the start of the third period in 1980, both in- and out-migration had mostly stabilized, and the pace of government job growth slowed relative to the private sector. Within the private sector, mining's share of jobs declined, followed by manufacturing's share, while professional and business services saw steady growth as a share of jobs in the state.

The first period (1900-1930) was marked by population growth across most existing counties, with a loose inverse relationship between initial size and growth. Figure 8 shows the overall growth patterns by plotting the growth rate of population in each county (compound growth rate by decade) and the initial population. Counties are colored by whether they are currently within a metropolitan or micropolitan statistical area or can be considered rural. Note that not all current counties had population data at this time. By 1900, Bernalillo and San Miguel, home to the railroad towns of Albuquerque and Las Vegas, had emerged as the state's largest counties. Bernalillo grew at a significantly faster rate than San Miguel, which grew only marginally. Among the largest population centers, Albuquerque became established as the main commercial center of the state;

Santa Fe, the historic capital, also benefited from its rail connections (Johnson, 2025), while Rio Arriba grew despite lacking a major urban center (Sanchez, Spude, & Gomez, 2013).

Figure 7: Map of Counties and Statistical Areas in New Mexico



Source: U.S. Census Bureau

Note: Counties are categorized as metropolitan, micropolitan, or rural. Metropolitan areas contain at least one urban core of at least 50,000 inhabitants, while micropolitan areas have an urban core of 10,000 to 49,999 residents.

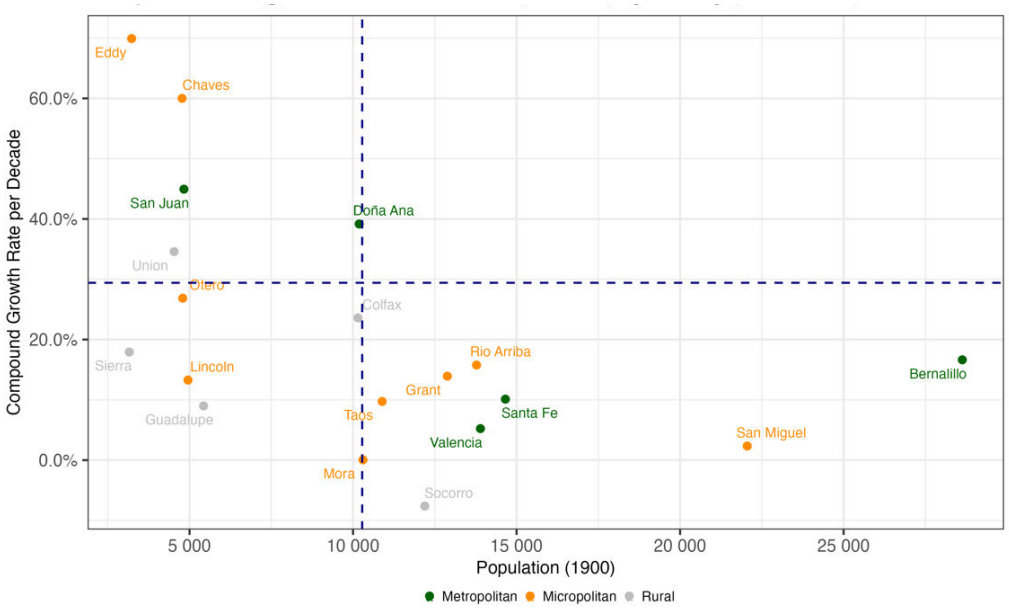
Note 2: Bernalillo, Sandoval, Torrance, and Valencia counties are part of the same metropolitan area. San Miguel and Mora counties are considered one micropolitan area.

Several smaller counties gained population more rapidly during this period. The most dramatic population increases occurred in the east, driven by new rail lines and agricultural opportunities promoted under the Homestead Act and irrigation projects. Chaves — nicknamed the "homesteader's paradise" — as well as Eddy and Union counties attracted waves of settlers. Eddy County also benefited from oil discoveries. In the south, Doña Ana flourished due to fertile farmland and rail access, even as nearby El Paso initially outpaced it in growth (Sanchez, Spude, & Gomez, 2013). Meanwhile, San Juan County in the northwest expanded on coal and later natural gas development (Dalisay, 2025). Not all small counties grew, however. Socorro County saw a population decline, as its mining sector waned and new county formations reduced its territory (National Association of Counties, 2025). Mora County closed the three-decade period with nearly the same population as when it started.

The next period (1930-1980) was marked by high growth of today's metropolitan areas alongside low growth and population decline in many smaller, more rural counties. In other words, a large amount of divergence took place across regions as the economic structure of the state changed. As can be seen in Figure 9, this period had the reverse association between initial size and growth as the initial period. Larger population bases, especially Bernalillo County, built on their agglomerations to become today's metropolitan areas. Meanwhile, many rural areas

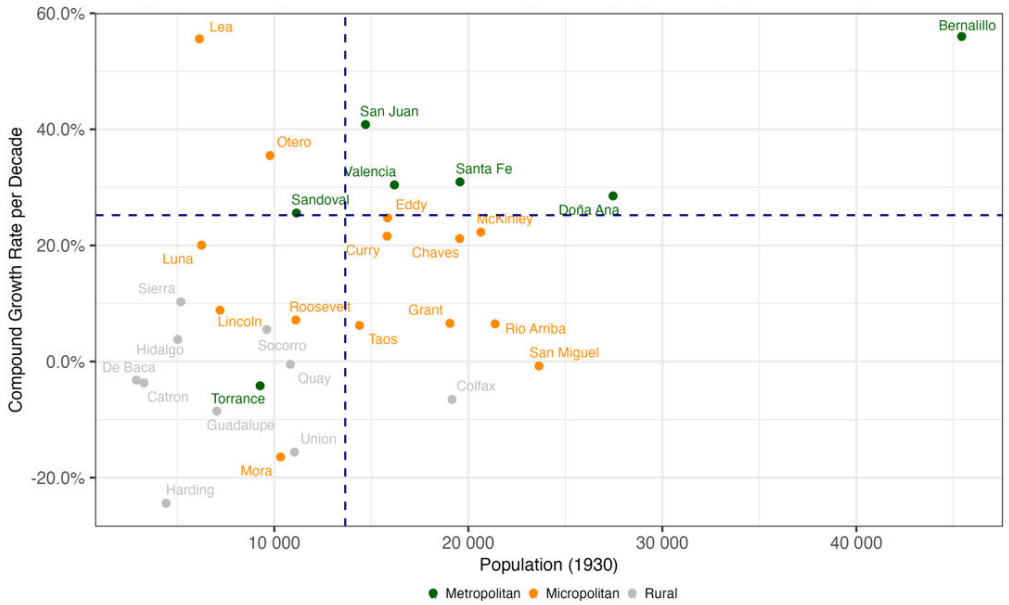
appear to have lost their economic drivers over this time. Counties that sit in today's micropolitan areas tended to grow over this period, but at lower rates. Lea and Otero Counties, in the southeast of the state, grew more rapidly at this time, following the initial growth of neighboring counties of Eddy and Chaves in the previous period.

Figure 8: Decadal Population Growth vs. Initial Population by County (1900 – 1930)



Source: U.S. Census Bureau via New Mexico's Economic Development Department
Note: The vertical dashed line is the average county population; the horizontal line shows statewide growth.
Note 2: Only existing counties by 1900 were included.

Figure 9: Decadal Population Growth vs. Initial Population by County (1930 – 1980)



Source: U.S. Census Bureau via New Mexico's Economic Development Department
Note: The vertical dashed line is the average county population; the horizontal line shows statewide growth.
Note 2: Only existing counties by 1930 were included.

Counties with higher population growth were fueled, at least in part, by federal investment and the rise of the oil and gas industry. Bernalillo County, which saw rapid growth in Albuquerque alongside high federal construction and spending, outpaced the growth of the rest of the state, solidifying its status as a main urban hub[2] (Sanchez, Spude, & Gomez, 2013). Neighboring Valencia and Sandoval counties also expanded, likely benefiting from their proximity to Albuquerque. Military bases and federal projects sparked local booms elsewhere: Doña Ana County's growth accelerated in part due to Las Cruces' closeness to Otero County's military site, while Curry and Chaves counties were shaped by airfield development in Clovis and Roswell. Santa Fe thrived as the state capital with an expanding state government (Sanchez, Spude, & Gomez, 2013). In the southeast, Lea and Eddy counties were transformed by both military installations and oil and gas infrastructure (American Oil & Gas Historical Society, 2025). Pipelines and airfields turned these once-rural ranching counties into energy boomtowns, a transition mirrored in San Juan County despite the absence of an army base (Dalisay, 2025; Shaver, n.d).

These growing counties stood in stark contrast with the struggles of counties that lost their economic drivers. The Dust Bowl and the Great Depression deeply affected counties in the eastern plains, such as Harding, De Baca, Guadalupe, and Quay, as well as long-established farming communities such as Mora. Many never fully recovered from these shocks (Sanchez, Spude, & Gomez, 2013).[3] Population loss was not limited to rural areas, as once-prominent counties like San Miguel and Colfax also shrank. San Miguel faded as highways and automobiles eclipsed the railroads that once made Las Vegas (New Mexico) a key hub, while shifting railroad and energy markets affected Colfax's coal towns like Raton and Dawson (now considered a ghost town) (Sanchez, Spude, & Gomez, 2013). While some residents likely relocated to nearby urban hubs, historic outmigration patterns suggest many sought opportunities beyond New Mexico. This is an important recurring pattern in the long-term history — urban capacity has been unable to absorb very much of the displaced population of other struggling regions.

The third period (1980-2020) continued the trend of high divergence between counties, but urban areas also saw their decade-on-decade growth slow significantly (Figure 10). Core urban centers like Bernalillo (where growth averaged 13% per decade)[4], Santa Fe, and Doña Ana saw their growth slow. As urban hubs slowed down, growth partially shifted to some counties surrounding them. The recovery in San Miguel, while modest compared to some peers, is notable given its history of population loss. Torrance and Sandoval have leveraged both their proximity to the City of Albuquerque and the emergence of new employment anchors. Torrance, once strictly a farming and ranching community (Mid-Region Council of Governments, 2003), lies within Albuquerque's commuter belt and benefited from both the growth of wind farms (Unruh-Enos, 2024) and steady jobs at the Torrance County Detention Facility. Meanwhile, Sandoval County,

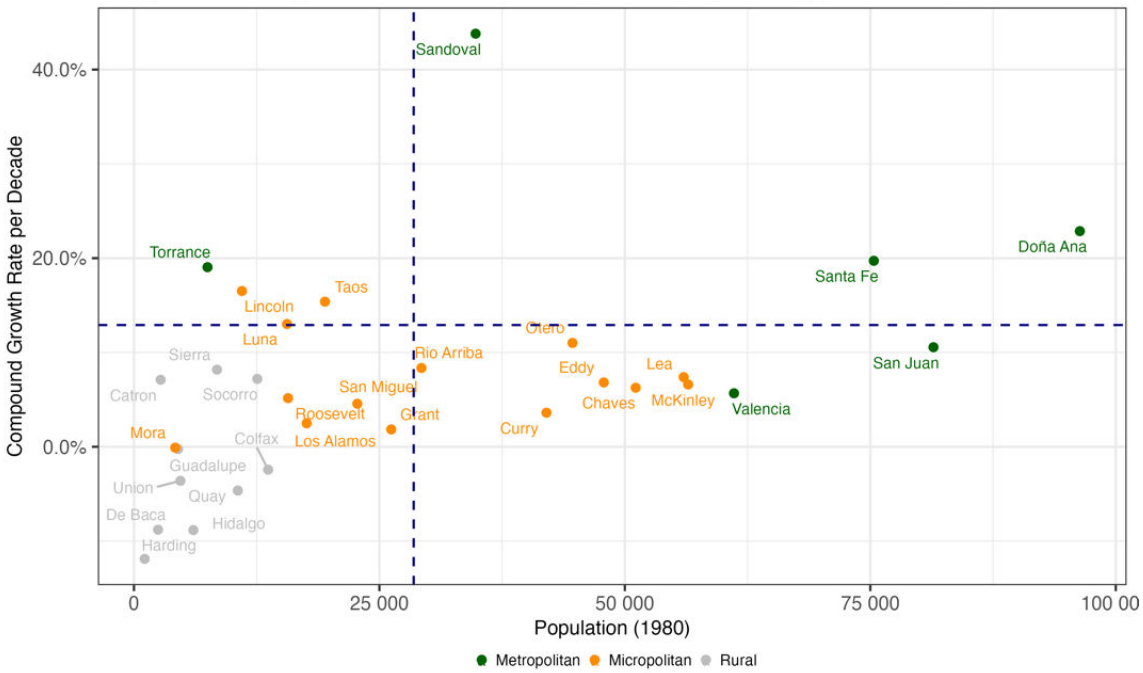
[2] In 1930, Bernalillo County was the smallest among the largest counties in the five neighboring states, with a population of about 45,000; Maricopa County (Arizona) was the second smallest, at around 150,000. However, during this period, Bernalillo was the fastest growing, increasing by 56% each decade, just behind Maricopa's 58%. Harris County (Texas) was the next closest, with 46% growth.

[3] Among neighboring states, the number of rural counties varies widely: from just 3 in Arizona to 121 in Texas; New Mexico has 11. Utah, with 13 rural counties, is the most similar state in this regard. While New Mexico's rural counties generally declined, averaging -4.3% growth, Utah's saw the opposite trend, averaging 7.3% growth. Sierra County stood out in New Mexico with a 10.3% increase, yet at least five rural counties in Utah matched or exceeded this rate. In states with many rural counties (Colorado, Oklahoma, and Texas), overall rural growth rates were also negative.

[4] Bernalillo still outpaced Denver and Oklahoma's counties but fell short of Salt Lake, Harris, and especially Maricopa, which more than doubled Bernalillo's growth rate.

anchored by Rio Rancho, saw explosive growth beginning in the late 1980s when Intel and other companies rapidly expanded (Site Selection, 2000). During this period, rural contraction has deepened in many places that are more disconnected from urban economies, including Hidalgo, De Baca, and Quay counties. Yet there are also signs of resilience in other counties. Catron reversed its decline, and others, such as Harding and Colfax, slowed their population losses.[5]

Figure 10: Decadal Population Growth vs. Initial Population by County (1980 – 2020)



Source: U.S. Census Bureau via New Mexico's Economic Development Department
Note: The vertical dashed line is the average county population; the horizontal line shows statewide growth.
Note 2: Only existing counties by 1980 were included.
Note 3: Bernalillo is not included for visualization purposes.

The population loss in rural areas and the uncertain capacity of urban centers to absorb displaced residents highlight ongoing challenges for balanced statewide development. New Mexico may be best understood as a network of interconnected local economies rather than as a single entity. Shocks and long-term changes in economic drivers are felt differently across this network, though some changes in one area can ripple throughout the state. When major drivers of a local economy fade, residents facing limited opportunities are naturally compelled to seek alternatives elsewhere. In an ideal world, major urban hubs would absorb this population and provide new opportunities. However, historic state outmigration patterns and recent slowdowns in urban growth suggest that these centers have not been able to fully accommodate displaced residents and mitigate the negative effects experienced in struggling communities.

[5] Overall, New Mexico's average growth rate improved slightly to -1.8%. Meanwhile, other states also performed better: Oklahoma and Texas saw slower declines, Colorado shifted to positive growth, and Utah further improved its already impressive growth. Arizona's three rural counties experienced a notable slowdown.

Implications of the Long-Term Trajectory

The past does not dictate the future, but it is valuable to understand for economic strategy. This chapter aimed to identify the long-term forces that continue to shape economic outcomes across New Mexico by tracing high-level dynamics across time and space. These long-term dynamics in population change, migration, and economic transformation — which have differentially impacted different regions of the state — imply certain challenges and risks for the future:

- **The most recent decade of low population growth (the lowest in 120 years) is a serious cause for concern.** Since individuals and families "vote with their feet," this indicates that (as of 2020) New Mexico is losing out to other states. The next section of this report will investigate the causes behind this recent economic weakness.

- **Growth through manufacturing has limited potential as a statewide strategy, though some regions could leverage the latent opportunities in this sector.** New Mexico missed earlier waves of manufacturing-led industrialization, which created a path dependence that remains in place today. Given changes in technology and the global economy, new manufacturing opportunities may be viable strategies for accelerating growth in some regions of the state. At the same time, New Mexico does not have a long-term history of strength in manufacturing and thus lacks many of the assets and labor force knowledge that many other U.S. states offer to support widespread manufacturing.

- **Rural areas are still responding to existential economic shocks to their sources of tradable income that sometimes happened many decades ago.** Numerous population centers across the state emerged because of a local resource, for example, in agriculture or mining, or as a transit point that has since been displaced. Paths to growth in such regions depend on new sources of tradable income. This has happened in a few such areas, but more focused and place-specific strategies appear to be needed for others.

- **Urban areas are not in a strong enough position to absorb displaced populations from other parts of the state or in-migration from other states.** New Mexico's few larger agglomerations have grown continuously, but their pace of growth lags behind cities outside the state. Understanding how these urban economies can build upon their strengths, especially in the service economy, is important. This is largely a question of relaxing the constraints that prevent businesses from entering and growing. There are indications (discussed later in this report) that constraints in the housing supply are a key reason why major cities, especially Albuquerque, are not growing faster.

MEDIUM AND SHORT-TERM PERSPECTIVE (1997 – 2024)

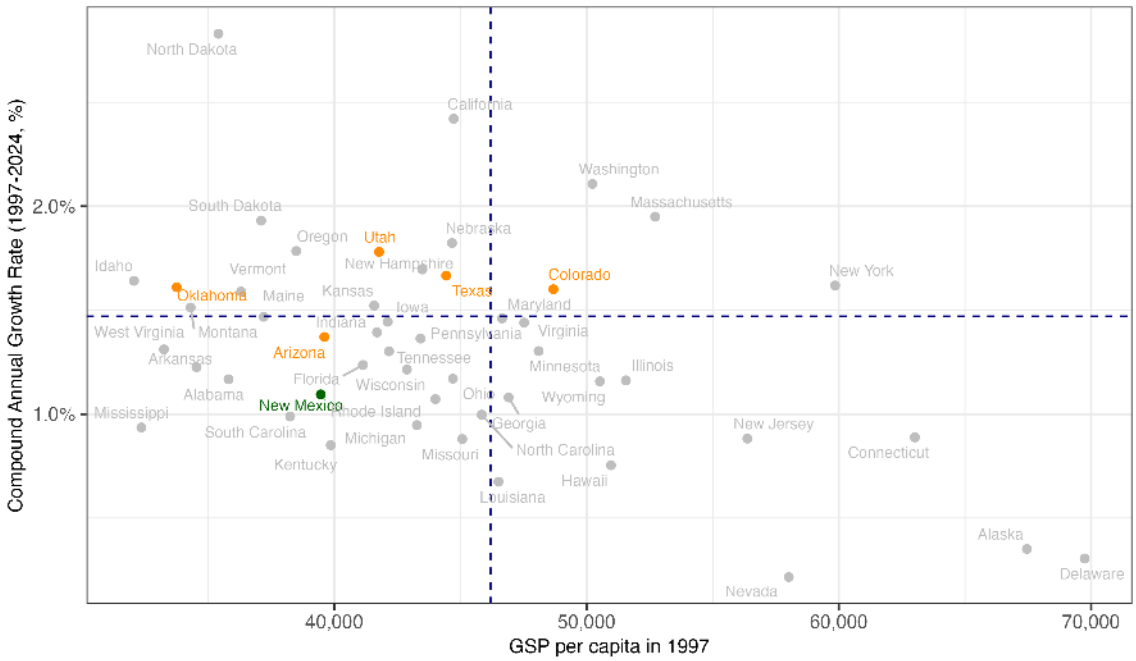
This section focuses on economic performance over the last three decades and examines the risks emerging from the long-term trajectory in more detail. While the long-term perspective relied on population growth to assess the economic performance of New Mexico in relation to its peers, this section leverages output measures that are available more recently and with more frequency. Gross State Product (GSP) is reported by the Bureau of Economic Analysis (BEA) going back to 1997, and Gross County Product (GCP) is available going back to 2001. These metrics capture the output generated within a place's borders. In many cases, we divide by population within boundaries to get measures of per capita income, which provide a good comparison point for overall standards of living between places. Because people are mobile, increases and decreases in per capita income on short timeframes do not always indicate economic improvement or deterioration. For example, a growing economy might have stagnant output per capita as people migrate inward. Thus, interpreting changes over time is done with care and cross-checked with other indicators, including population change and employment data, whenever possible. We further use industry-level output data to unpack the dynamics of various economic drivers, and we use establishment-level data to understand spatial dynamics.

Overview of Economic Performance Over the Last Generation

Over the last roughly three decades, New Mexico's per capita growth has been comparatively low. Thus, its income level versus other states has fallen further behind. Figure 11 utilizes a similar construction to earlier figures in this paper, but this time plots the change in GSP per capita for each state against the initial level for all states. The graph covers the years 1997-2024 due to data availability. New Mexico's GSP per capita growth over this period was well below the average across states, and its initial level of GSP per capita was also low. This is problematic as it means New Mexico continued to lose ground over this period versus many other states. States with lower levels of GSP per capita require a higher growth to catch up to the national norm. By comparison, Utah, Texas, and Colorado all started wealthier (in per capita terms) and grew much faster and above the national average. Oklahoma started poorer but achieved stronger growth, and Arizona started at roughly the same GSP per capita but also grew at a more rapid rate. Overall, regardless of their initial condition, 34 states outperformed New Mexico. Among the lower-income states that had GSP per capita below $40,000 as of 1997, only Kentucky, South Carolina, and Mississippi grew more slowly than New Mexico.

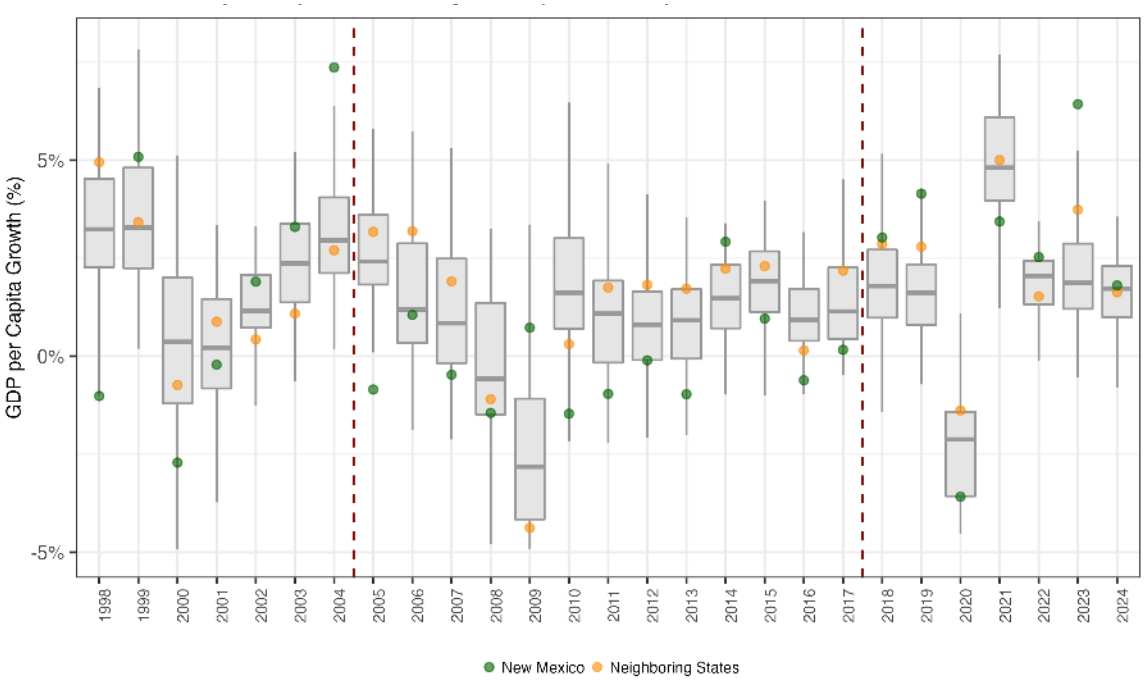
Understanding when exactly growth weakened is a necessary step to then understand why it underperformed. Given this low growth and overall inability to gain economic ground, it is important to identify exactly when during this period the economy underperformed. Figure 12 shows the range of annual growth rates across all states for each year. Each box represents the middle half of state growth rates, with the 25th percentile state at the bottom and the 75th percentile state at the top of the box. The line inside the box represents the median state's growth. The outside whiskers capture the full range of typical values on the high end and low end each year, and any dot beyond them indicates a state with unusually high or low growth in that year. New Mexico is shown in each year with a green dot, and the average of neighboring states is shown as an orange dot. Red dashed lines have been added to the graph to capture a period of special interest that emerges from the analysis.

Figure 11: Gross State Product (GSP) Per Capita Growth (1997-2024)



Source: Bureau of Economic Analysis (BEA) and U.S. Census Bureau via FRED
Note: The vertical dashed line is the average GSP per capita in 1997; the horizontal line shows average growth. Note 2: The outlier District of Columbia is not included in the graph.

Figure 12: Annual GSP Per Capita Growth Across States (1998 – 2024)



Source: Bureau of Economic Analysis (BEA) and U.S. Census Bureau via FRED

As can be seen in the figure, New Mexico's growth is volatile and consistently underperformed during the period of 2005-17. When viewed in this way, we can observe a few noteworthy patterns in New Mexico's growth path. First, over the full period, New Mexico is often outside of the normal performance of states, seeing either high growth or low growth, but seldom following in the middle range. Second, there is a stretch of time between 2005 and 2017 in which New Mexico almost always falls in the lowest range of growth performance. This was a very weak period of growth. In the years just prior (2002-2004), New Mexico was increasingly overperforming, but then growth collapsed. This collapse was several years before other states saw lower growth at the time of a national housing market collapse and the global financial crisis beginning in 2008. Even as most other states recovered in growth in a few years, New Mexico remained very low for several additional years. For many years during this period, New Mexico saw a contraction in GSP per capita. Third, after 2018, this pattern changed as New Mexico has tended to be on the high or very high end of growth — except for 2020-21 during the peak of COVID-19. The four consistent years of growth after 2020 represent the longest stretch over the whole period back to 1998.

New Mexico's growth volatility is noteworthy but not exceptional. Over the years covered in Figure 12, New Mexico had 12 years of contraction and 15 years of expansion. This is not totally abnormal, as other states have shown significantly more volatility between annual growth rates than the country overall. The volatility of growth can be measured as the standard deviation of annual growth rates. By this measure, New Mexico was the 16th most volatile state economy over this period (see Annex 1 for a ranking of states). North Dakota, which grew the most over the entire period, also had the highest volatility by a significant margin. Arizona and Florida, two states that started at a similar GSP per capita and which grew faster, each had higher volatility than New Mexico (ranked 10th and 13th, respectively). The problem for New Mexico seems less to be about the volatility and instead that it has had so many highly negative growth years.

The causes behind depressed growth over 2005-17 are important to understand for interpreting the more recent period of higher growth, among other reasons. This exceptionally weak period was marked by several years of per capita contraction that cannot be explained by national patterns. Notably, this period of depressed growth is consistent with the earlier finding that New Mexico experienced its weakest population growth on record from 2010 to 2020. In other words, individuals and families appear to be making a rational choice over this period to migrate into other states growing at a much more rapid pace than into New Mexico. Even for a state that has not seen high population growth over the long term, these years represent an exceptionally weak stretch. The economic upswing that has followed since 2018 has yet to offset the effects of a prolonged period of stagnation. Since then, New Mexico has regularly outpaced national growth rates. Whether this higher growth trajectory should be expected to continue hinges on how sustainable current growth drivers are and if the cause of the slowdown is something that may re-emerge. Thus, it is important to understand what drove the deceleration in growth and the subsequent acceleration. It will also be important to understand both the weak period and the strong period across space. The next two subsections delve into these topics.

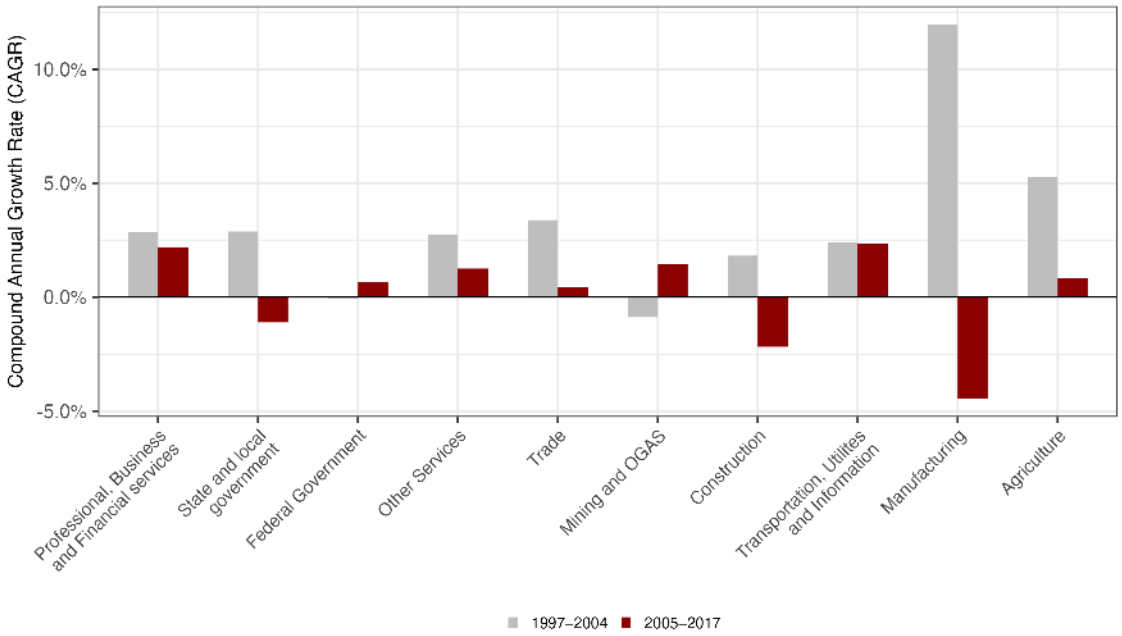
The Underlying Engines of Growth and Change

It is useful to identify which sectors of the economy drove the downturn in New Mexico's economic trajectory over 2005-17. Figure 13 shows annualized growth rates in this period and the preceding period by sector. The sectors are ordered (from left to right) based on their share of GSP in 1997. Slowdowns were widespread except in federal government activity, and mining, oil

and gas, which saw a return to growth during this period. In the case of manufacturing, construction, and state and local government, the trajectory shifts from annual growth to annual contraction. State and local government was the largest sector that contracted with 16% of the GSP in 2004. Its decline was not compensated for very much by annual growth in federal economic activity in the state. The most dramatic decline was experienced by manufacturing, but its direct share of state output was around 7% in 2004. As can be seen in the figure, the largest segment of the economy — professional, business and financial services — slowed only slightly. Overall, this means that the state experienced a shock to some of its tradable drivers (manufacturing, agriculture) but not to others (many services and mining). This may have been enough for a weak period, but what really caused growth to struggle is that this shock co-occurred with a contraction in state and local government, a major part of the New Mexican economy. [6]

Apart from the loss in agriculture, these sectoral weaknesses cannot be explained by national trends. Figure 14 shows just the weak period of performance but allows for comparison of New Mexico's sectoral growth patterns versus the United States overall. This comparison reveals that New Mexico's contractions in state and local government and in manufacturing were unusual and not simply the result of national trends. By contrast, the agricultural sector was merely following the national trajectory. Across every sector, including mining and oil and gas, New Mexico's performance was weaker than the U.S. overall, often by a large margin. However, the gap was very small for professional, business and financial services.

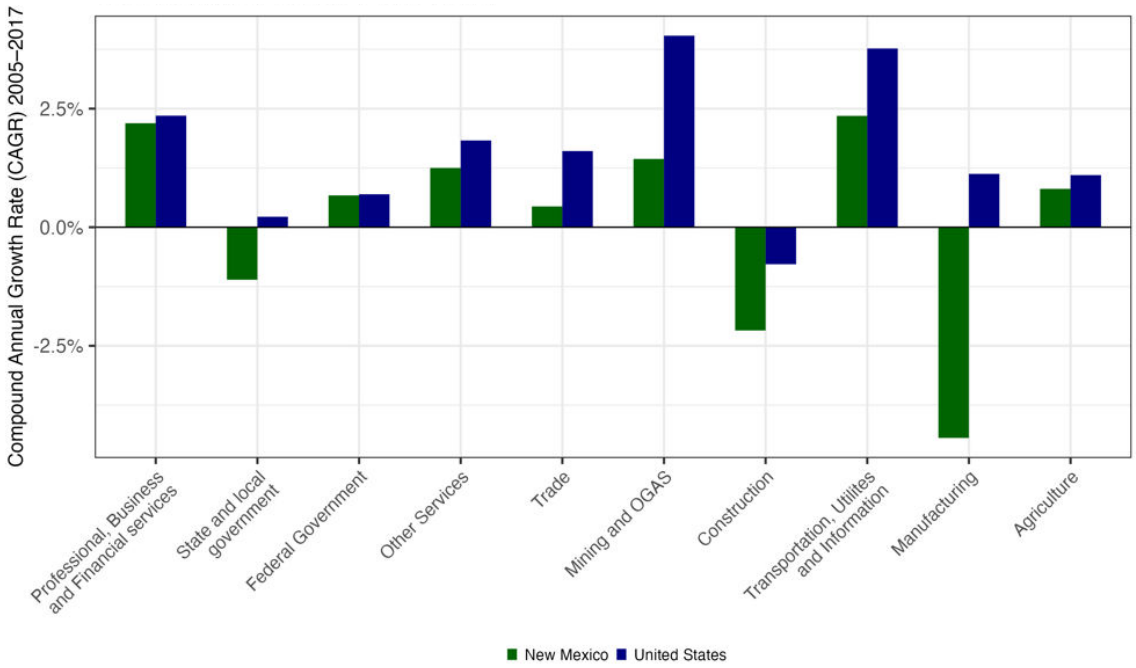
Figure 13: GSP Growth by Sector and Period in New Mexico



Source: Bureau of Economic Analysis (BEA)
Note: The economic sectors are ordered from largest to smallest based on their GSP share in 1997.

[6] An alternative way to understand each sector's influence is to look at their "growth contributions", which reflect both average size (share of GSP) and growth rate. Over this period, New Mexico's economy grew, on average, 0.64% per year. Even though manufacturing was smaller, its sharp annual decline cut 0.25 percentage points from the state's growth rate. State and local government subtracted 0.16 points, and construction contributed a 0.11-point reduction. Meanwhile, professional, business and financial services added 0.54 points.

Figure 14: GSP Growth by Sector (2005-2017)



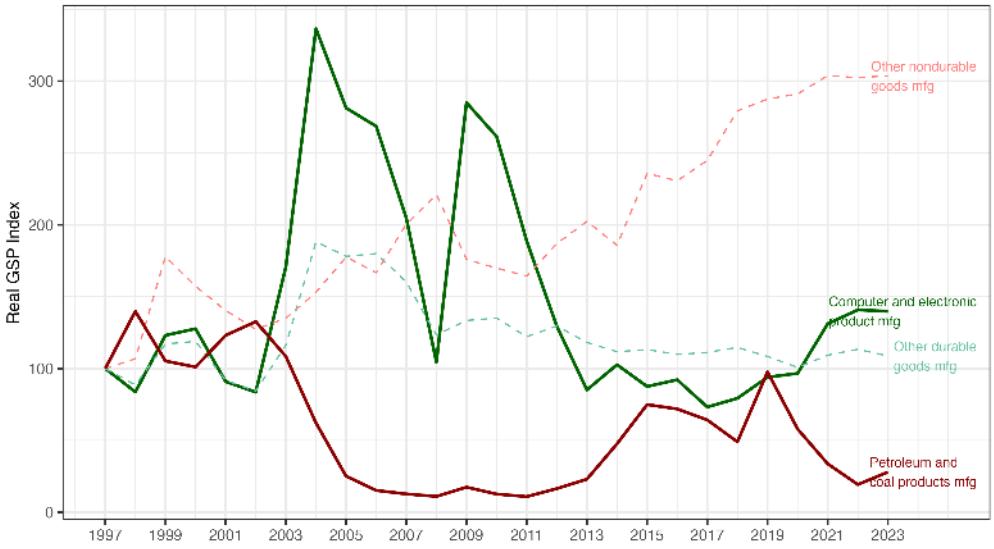
Source: Bureau of Economic Analysis (BEA)
Note: The economic sectors are ordered based on their GSP share in 1997 in New Mexico.

The large change in New Mexico's manufacturing trajectory may have jump-started the economic decline. Even after manufacturing, as a share of jobs in New Mexico, peaked around 1990 (see Figure 6), New Mexico still had manufacturing expansions occurring in the 1990s and early 2000s. One notable example was Intel's expansion in Rio Rancho (in Sandoval County, just outside the City of Albuquerque, in Bernalillo County). The Gross County Product (GCP) of Sandoval County grew rapidly by more than 150% over just four years from 2001 to 2004, but as the expansion ended, this source of growth ended as well. Sandoval County's output stagnated and then fell over the next decade and a half. As the state's premier manufacturer (New Mexico Partnership, 2025) and a leading exporter outside of oil and gas, Intel's Rio Rancho plant saw production plummet after its 2004 peak, dropping below 1997 levels by 2017. At its peak, computer and electronic products accounted for more than half the output in manufacturing. In 2017, it only represented around 20%. Other durable goods manufacturers experienced similar setbacks with the closure of facilities like Eclipse Aviation and the Albuquerque General Electric jet engine plant (Bradley, 2010). Nonetheless, their share stayed around 25%. Among non-durable goods, petroleum and coal products also suffered, with output by 2005 falling to a quarter of its previous level and remaining reduced for years before a modest recovery by 2017. The lone bright spot was in other non-durable goods manufacturing, particularly food and beverage products (Figure 15). Companies like Leprino Foods in Roswell and Southwest Cheese in Clovis went against the overall trend, now ranking among the state's top manufacturers (Industry Select, 2025). These products took over much of the market share left behind by computers, electronics, and petroleum and coal, rising from 12% of manufacturing output in 2004 to 35% by 2017.

Construction's reversal was also noteworthy, first emerging in the non-residential sector and then following the national trend in residential construction. New Mexico's non-residential construction began to fall in the early 2000s alongside the end of manufacturing

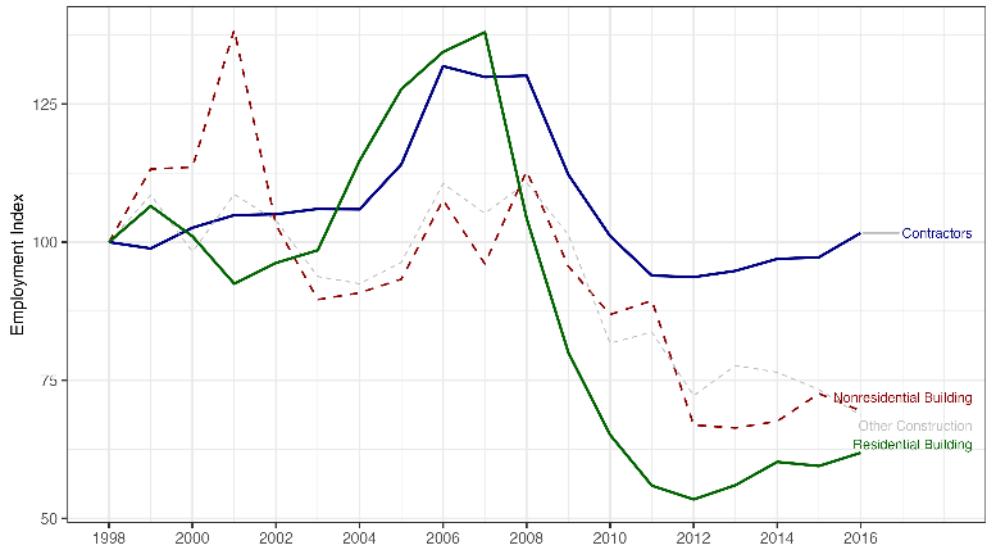
expansions (Figure 16). This was made worse after 2008, when national housing construction collapsed following the mortgage market crisis. Employment across nearly all construction industries fell well below 1998 levels, with residential building experiencing the steepest drop from its all-time high. By 2016, most construction industries were reduced to a fraction of their previous size, nearing historic lows, with only contractors managing to remain slightly above 1998 numbers. This erosion of construction capabilities potentially carried lasting consequences. Not only did it hinder the state's ability to advance capital outlay projects and infrastructure improvements, but it also limited urban development efforts, restricting the potential for cities to grow, accommodate newcomers, and foster new economic activity.

Figure 15: Manufacturing Output by Product Group (1997 - 2023)



Source: Bureau of Economic Analysis (BEA)

Figure 16: Construction Employment by Industry (1998 - 2016)

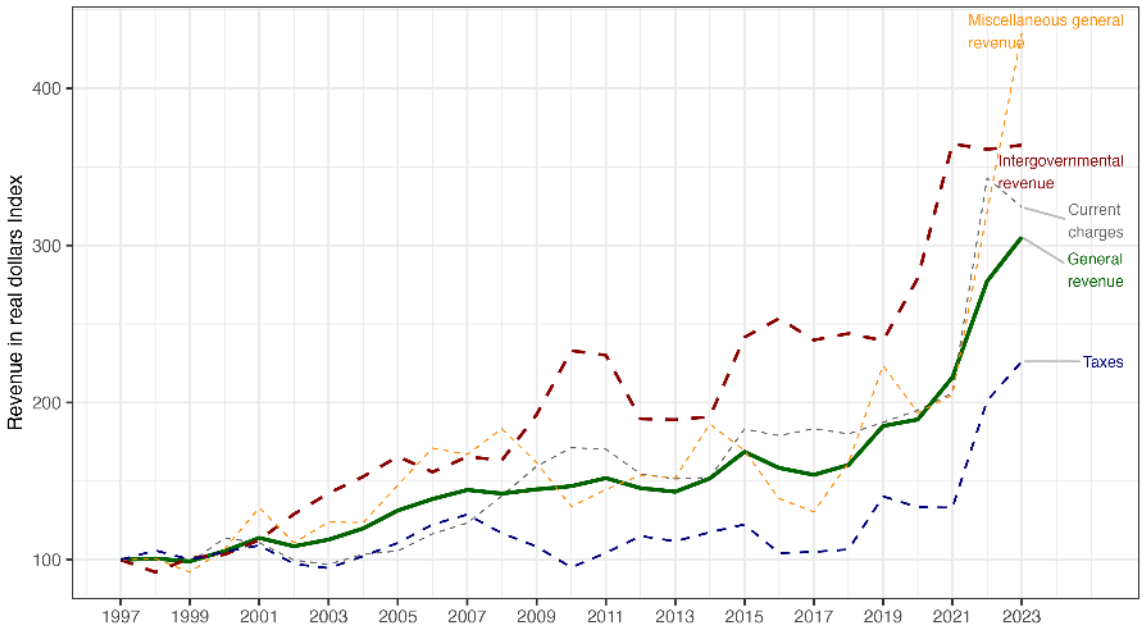


Source: Eckert et al. (2020). "County Business Patterns Database"

Arguably, the most important problem over 2005-17 is that state and local government activity followed a procyclical rather than countercyclical pattern. As overall manufacturing layoffs intensified, ending one of the sector's few periods of substantial growth, other sectors driven by private businesses could not make up for the loss in tradable income (i.e. exports generated by the state). While business services managed to weather the turbulence relatively well, and New Mexico saw modest growth in mining and federal activity, these could not compensate for all the declining productive sectors. As private activity declined, so too did public sector economic activity in the form of state and local government spending. Rather than playing an offsetting role, this exacerbated economic stress and outmigration. The role of public administration in the state economy has historically been deep in New Mexico (see Figure 6). By 2004, at the start of the downturn, no other state had a larger share of its GSP tied to state government. Not only did New Mexico have the largest state government sector, but it also experienced the second sharpest decline over the subsequent period, surpassed only by Michigan.

This decline in state government appears to be driven by a significant drop in tax collection that was only partially cushioned by increased federal support. Following years of steady growth, New Mexico's general revenue growth flattened after 2007 (Figure 17), as the Great Recession slashed both sales and income tax collections, and the collapse in oil and gas prices reduced severance tax revenue. In response, the federal government stepped in with the American Recovery and Reinvestment Act (ARRA), channeling funds to New Mexico and other states (Reynis & Bhandari, 2010). This growth in intergovernmental revenues, mostly from the federal government (PEW, 2024), helped stabilize overall revenue. Between 2005 and 2017, the predominance of New Mexico's general revenue shifted. While the share from taxes fell from 40% to 33%, intergovernmental revenue jumped from 36% to 44%.

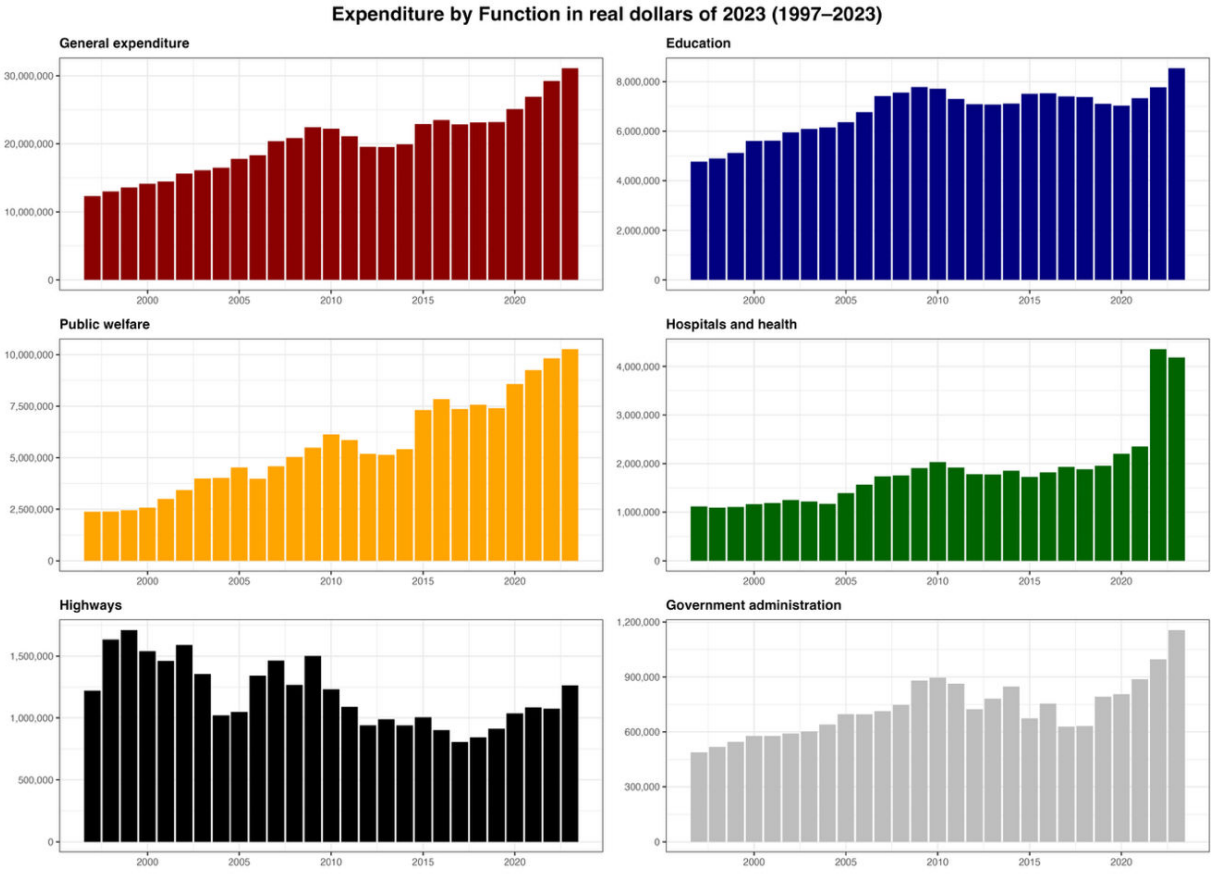
Figure 17: New Mexico's State Government General Revenue by Source (1997 - 2023)



Source: Annual Survey of State Government Finances (ASFIN)
Note: "Current Charges" covers the delivery of public services.

Changes in revenue sources have shaped both the level and composition of state and local spending. Figure 18 tracks state expenditures overall and within five available categories of spending (education, public welfare, hospitals and health, highways, and government administration). Public welfare and education are the two largest categories of expenditures. New Mexico's general expenditures rose steadily until 2009, before flattening in response to the post-recession stagnation in revenue. This period prompted spending adjustments that lasted until 2014, when renewed oil and gas revenues started driving revenue growth once again. Just before the COVID-19 pandemic, both revenues and expenditures accelerated, resulting in significant spikes. With limited exceptions (notably, highways), most major spending categories showed upward trends before the spending adjustment. During the adjustment phase, all categories saw some decline, which contributed to the growth slowdown. The dip in public welfare was shorter but still lasted several years as growth was lagging. Today, most categories are at all-time spending peaks: public welfare continues its marked expansion; hospitals and health have experienced recent growth, and education has stabilized at a higher level than before the adjustment period. As a result, the expenditure shares for education and highways have declined, while public welfare and health have claimed a greater portion of the budget.

Figure 18: New Mexico's State Government Expenditure by Category (1997 - 2023)



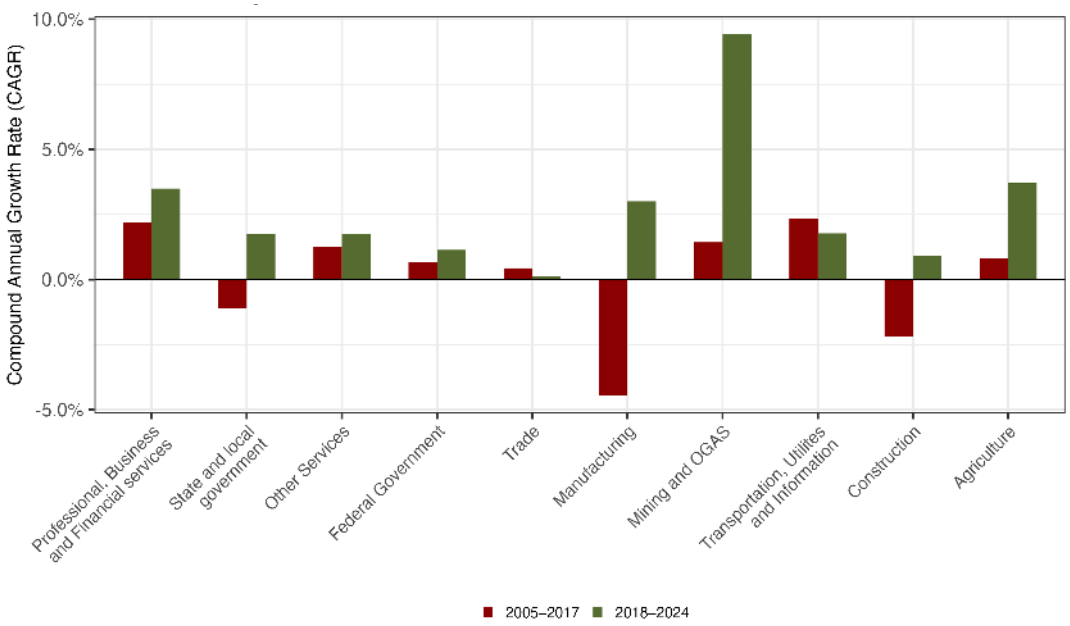
Source: Annual Survey of State Government Finances (ASFIN)
Note: The values are in real 2023 dollars.

New Mexico emerged from its lengthy stagnation propelled by oil and gas extraction, which allowed for a boom in revenues and public sector spending. Figures 19 and 20 parallel

earlier figures, but this time compare the downturn with the recent years of stronger growth after 2018. The most remarkable driver has been a boom in oil and gas extraction. The recent growth is centered in the Permian Basin, which has enjoyed extraction growth far above the national trend. This surge revitalized state government finances, allowing state and local government spending to reclaim its historic role as economic anchor, supplemented by federal support. Renewed economic growth above national trends has extended to manufacturing, construction, and agriculture, while professional, business and financial services have continued to see stable growth in line with national trends.[7]

Complementing this mining-led private sector growth is procyclical public spending once again, but this time in the direction of growth rather than contraction. New Mexico has seen growth in state and federal government activity above national trends. The state's general revenue took off after 2017 alongside federal transfers. The renewed growth was driven by a rebound in oil and gas extraction, including on federal lands. The impact of this boom first appeared in "miscellaneous general revenue," the category that includes rent and royalties from natural resources extraction (U.S. Census Bureau, 2006), and was soon mirrored in rising taxes. Despite this surge in private sector activity, the federal government's presence never truly diminished. While its share of general revenue declined to 34% due to the increase in rents and royalties, federal support remained a core component, especially as additional relief flowed through the Coronavirus Relief Fund (CARES Act) and the American Rescue Plan Act (ARPA) during the pandemic.

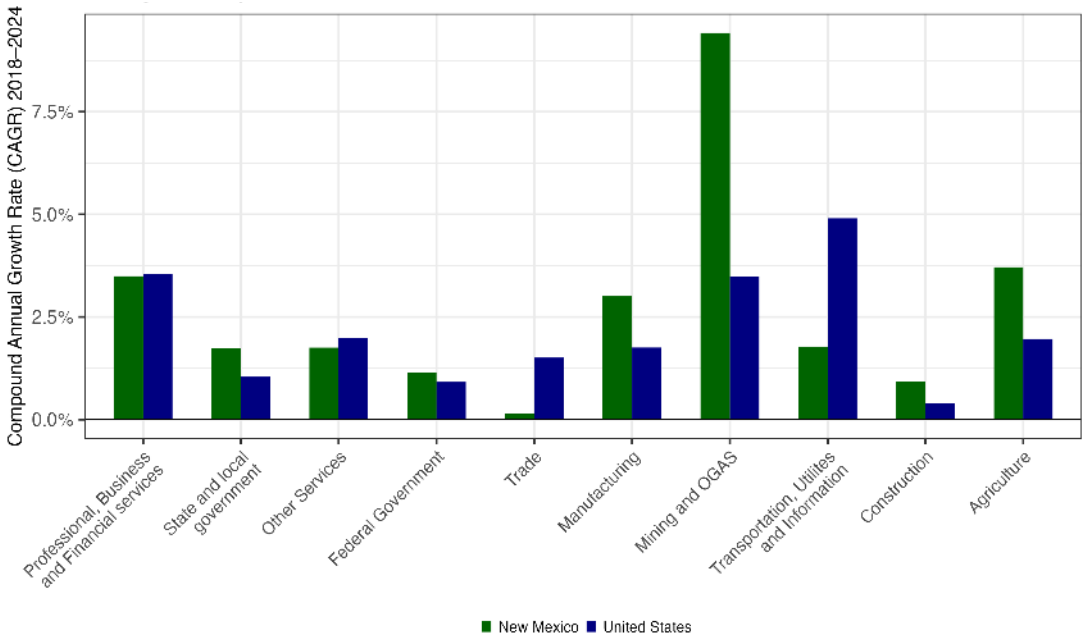
Figure 19: GSP Growth by Sector and Period in New Mexico



Source: Bureau of Economic Analysis (BEA)
Note: The economic sectors are ordered based on their GSP share in 2004.

[7] In contrast to the previous period, New Mexico's average annual growth rate rose to 2.76%. Mining and oil and gas experienced the most dramatic increase in growth, directly contributing 0.81 percentage points to overall growth. State and local government added a further 0.21 points. The largest contribution, however, came from professional, business, and financial services, at 0.97 points.

Figure 20: GSP Growth by Sector (2018-2024)



Source: Bureau of Economic Analysis (BEA)
Note: The economic sectors are ordered based on their GSP share in 1997 in New Mexico.

Alongside the surge in mining activity and the recovery of the state government, it is worth highlighting the steady growth contribution of the professional, business, and financial services sector. During the earlier period, its gains offset other sectors' losses. During both periods, it was the largest sector of the economy and grew at close to the U.S. average. Within this broad sector, real estate and miscellaneous professional, scientific, and technical services represent about 65% of the output, with the latter growing especially quickly since 2017. Other smaller subsectors, such as computer system design and related services, and rental and leasing services (each contributing around 3%), have also enjoyed high growth rates.[8] Looking more closely at specific industries, "research and development in the physical, engineering, and life sciences" has been the largest source of new jobs, adding about 1,200 positions annually. "Computer systems design services" have also made notable gains, contributing around 167 new jobs per year. Regarding real estate and rental, growth has been led by "construction, mining, and forestry machinery and equipment rental and leasing" and "residential property managers," which have added 157 and 80 jobs each year, respectively.

Manufacturing recovery has also stood out, primarily driven by growth in computer and electronic products alongside other nondurable goods. In 2017, these two categories together made up roughly 60% of total manufacturing output. Since then, nondurable goods have continued to expand, though at a slower rate than electronics. As output from other manufacturing subsectors has fallen, these two now represent just over 70% of the total. Examining available employment data across 112 manufacturing industries, only 43 have added jobs since 2017. Notably,

[8] Other subsector included in the broad category are finance and insurance, legal services, management of companies and enterprises, administrative and support services, and waste management and remediation services.

"semiconductor and related device manufacturing" represents almost a third of all manufacturing jobs created, averaging about 306 new positions annually. Other significant contributors include "meat processed from carcasses" and "cheese manufacturing," which added 92 and 53 jobs per year, respectively.

Despite New Mexico's recent acceleration, the underlying drivers of its earlier slowdown suggest there is reason for concern. Although it is clearly a good outcome for New Mexico that growth has recovered after 2017, there are clear signals that this boom will ultimately be temporary. Oil and gas output has been the main positive shock to the economy, and the related large boost to state revenues has translated into procyclical state and local spending dynamics. At the time that this mining boom slows or stops, regardless of the reasons, the state is at risk of once again experiencing the downside of procyclical spending and being unable to boost or complement the private drivers. Beyond the public sector activity, there have also been other important drivers of growth within manufacturing and agriculture in recent years, but these drivers likely have limitations in scale according to long-term dynamics. The opportunities are also limited in space across New Mexico's counties. These sources of tradable income can be very consequential for some regional economies, but the benefits do not extend to all parts of the state. Meanwhile, the modern service economy continues to grow more steadily, which provides significant tradable income for more urbanized parts of the state. The next subsection will evaluate economic performance and drivers across regions in detail.

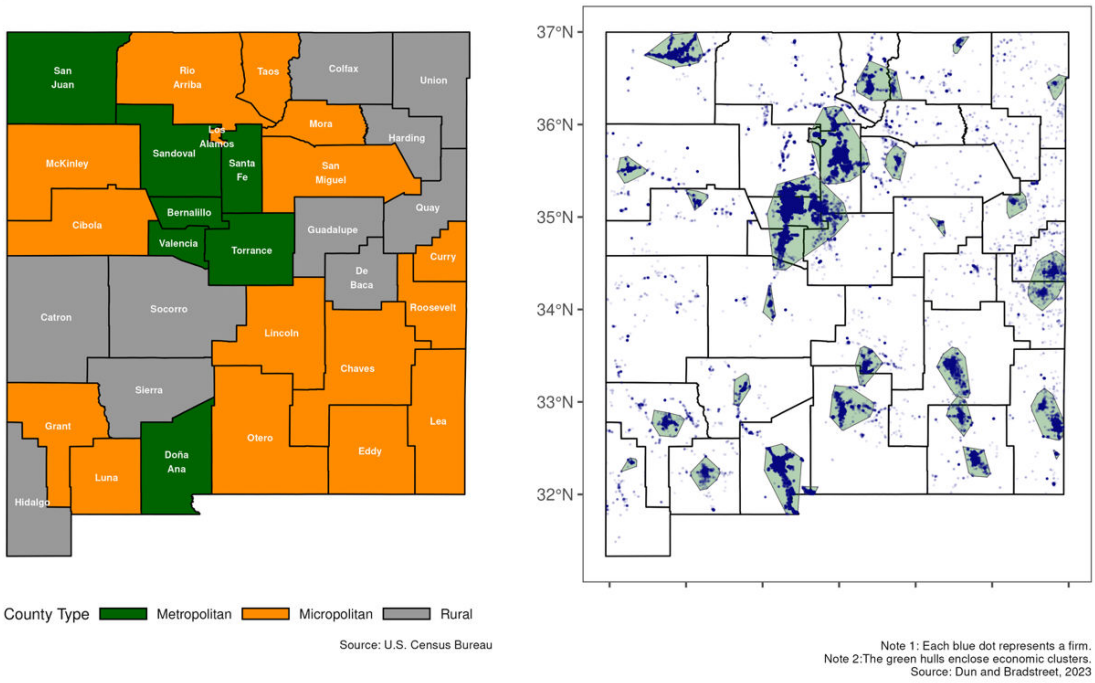
The medium- and short-term drivers suggest that policy strategies for how to spend and save the temporary boom in revenues are critically important, and the state needs to target a variety of industries across different parts of the state. During the last downturn, the state government lacked the capacity to stabilize economic growth and relied on a widening federal footprint to cushion the impact. Currently, New Mexico's high economic reliance on public administration jobs and high presence of federal activities (including research labs and military bases) represents a risk given the rapid and often unpredictable federal cutbacks under the second Trump administration. This federal contraction means that any sudden shocks to mining in the state could have more rapid negative impacts on the rest of the economy than in the past. Although manufacturing growth has been positive, state and federal attention to spurring more manufacturing investment should not be treated as the only strategy for transforming the state economy. Addressing constraints that may hold back even stronger growth across services industries — ranging from professional services to tourism and outdoor recreation — is likely more consequential for future growth across the state. As will be seen in the next subsection, growth drivers vary significantly across counties and regions, which necessitates regionally targeted growth and diversification strategies.

Growth and Change Dynamics Across Regions

New Mexico's economic geography is defined by distinct regional and local clusters of economic activity with generally weak links between one another. The leading cluster is centered on the Albuquerque metro area and the state capital, Santa Fe, which together account for roughly half of the state's economic activity. According to BEA estimates of county economic output, Bernalillo County (containing the City of Albuquerque) represents 38% of state output, while Santa Fe County represents 7%. Of course, Albuquerque's economic footprint spreads beyond the borders of Bernalillo County and into the counties bordering the city (Sandoval, Valencia, Torrance, and Santa Fe counties). Figure 21 provides a useful view of New Mexico's

economic geography by mapping business locations across the state. This map is generated using a large sample of business locations (blue dots) based on a business database (Dun & Bradstreet), and regional clusters are added to the map (as green) based on a clustering algorithm using natural patterns in the latitude-longitude data. In the figure, the two regional economies of Albuquerque and Santa Fe appear as two distinct clusters that almost meet rather than as a fully integrated regional agglomeration. The Santa Fe regional cluster also includes Los Alamos and spreads into Rio Arriba County, and just slightly into San Miguel County.

Figure 21: New Mexico Firms' Location

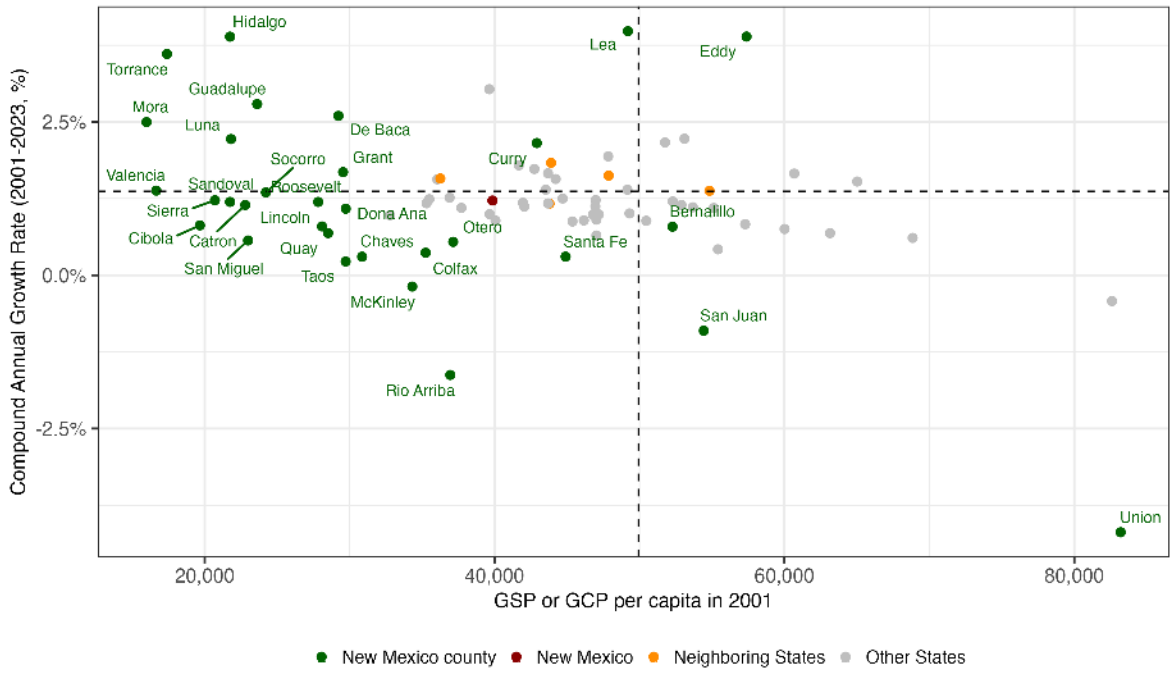


Source: U.S. Census Bureau and Dun & Bradstreet

New Mexico is clearly an economy made up of distinct regional and local economies. Surrounding the economic core of Albuquerque and Santa Fe are smaller, more loosely connected clusters to the north (around Taos), east (San Miguel), and south (Socorro), though these areas do not form a continuous agglomeration. Other significant urban centers are anchored to the cities of Las Cruces (Doña Ana County) and Farmington (San Juan County. Doña Ana County represents close to 8% of state output but is also part of a larger regional economy with El Paso, Texas, and Juárez within the state of Chihuahua in Mexico. San Juan County represents approximately 5% of GSP and has linkages into the regional economy in southwest Colorado. The economies of Lea and Eddy counties, in the southeast of New Mexico, are tied to the Permian Basin, which extends into west Texas. Each of these counties has accounted for 7-8% of the state economy in recent years. As can be seen in Figure 21, Lea County, in the far southeast corner, has a central hub of businesses around Lovington and Hobbs, while Eddy County, to its west, has two hubs (Carlsbad and Artesia) that are not fully connected. The more northern cluster of Artesia is more connected to Roswell (Chaves County) than to Carlsbad. These patterns of loosely connected regional hubs repeat across the state.

There has been a high variation in economic growth across these regional economies of the state. Figure 22 uses the same construction as previous graphs to compare growth rates and initial levels of output per capita for the period of 2001-23. This figure shows all counties in New Mexico (green dots) as well as New Mexico at the state level (red dot), neighboring states (orange), and all other states (gray). As discussed earlier, New Mexico has seen slower growth than all neighboring states. This graph captures how wide the variation in performance across counties has been. Bernalillo and Santa Fe counties anchor the state's activity, but their growth has lagged national trends. In contrast, star performers like Lea and Eddy counties in the southeast have grown more rapidly, largely on the strength of oil and gas extraction. Smaller counties, including Hidalgo in the southwest corner, Guadalupe in the Eastern plains, and Torrance (which includes parts of the Albuquerque agglomeration and has also hosted new wind generation), also stood out for their stronger growth over this period. There are also struggling cases across the state, such as San Juan County, one of the state's largest urban areas, which has seen declines in oil and gas extraction and experienced a shock as coal power generation in the county was decommissioned starting in 2017. Among both lower-income and higher-income counties, there is a wide range of growth performance over this period. Rio Arriba and Union counties have faced longer-term drivers of economic decline. Notably, those individuals who lived in Union County in 2001 enjoyed a high level of GCP per capita but have seen this income level decline substantially over the last two decades.

Figure 22: GSP & GCP Per Capita Growth vs. Initial Level (2001-2023)



Source: Bureau of Economic Analysis (BEA) and U.S. Census Bureau via FRED
Note: The vertical dashed line is the avg. GSP per capita in 2001; the horizontal line shows the avg. growth rate.

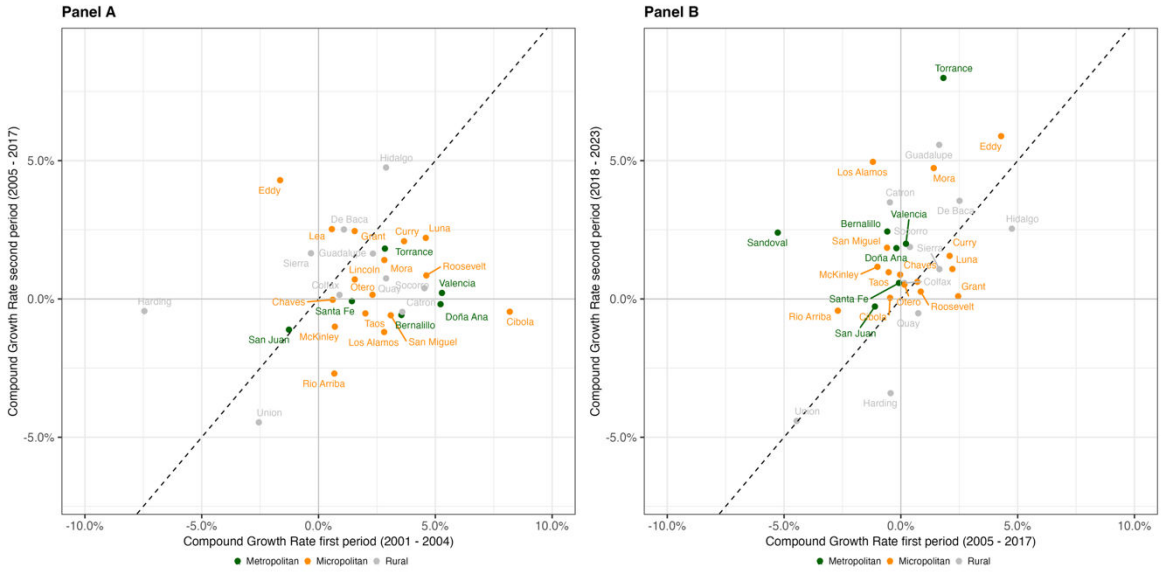
Growth at the county level is largely uncorrelated with growth at the state level — and counties tend to be uncorrelated with one another. Annex 2 provides two tables that capture this reality. The first table shows the correlation of annual growth rates over the period 2001-23 between all counties. The top row of the table shows the correlation for each county with statewide

growth. If growth rates were perfectly correlated, the value would be 1.0 (as they are on the diagonal of the matrix), and if they were completely uncorrelated, the value would be 0. Bernalillo County is most correlated with statewide growth (0.81) — not surprisingly, as it is the main driver of growth. Eddy County, by contrast, has a correlation of just 0.22. Several counties (Curry, Otero, Chaves, Grant, Luna, Roosevelt, Lincoln, Sierra, Catron Debaca) have growth patterns that are essentially uncorrelated with the state-level. In other words, state-level growth does not translate into growth in these counties. Union and Hidalgo counties actually have a negative correlation with statewide growth. The second table in Annex 2 provides a way of seeing the growth trajectory of each county over time, by indexing county output to a value of 1.0 in 2001 and showing the change in GCP each year. Bernalillo, Doña Ana, and Santa Fe, for example, grew more steadily than others, while Lea grew more rapidly. Eddy County hit a downturn in 2004 but then rebounded with rapid growth. San Juan County stagnated and saw its GCP decline starting in 2016. Union County has been declining since 2003, while Rio Arriba faced some type of negative economic shock around 2010. Other counties have enjoyed positive economic shocks, such as Sandoval in 2003-04 (the expansion of Intel) or Hidalgo around 2005.

These differential growth patterns mean that state economic strategy must be informed by a wide range of local realities. Counties have their own distinct trajectories and thus different growth drivers from one another. Many of these drivers are not clear or easy to understand based on national data and could be understood further. In both Hidalgo and Guadalupe counties, federal and state government activity accounts for approximately 30% to 40% of their economies. Yet, despite this shared reliance on the public sector, their experiences during the long stagnation were markedly different: Hidalgo saw one of the state's largest expansions, while Guadalupe suffered a sharper-than-average contraction. Curry County distinguished itself differently. Unlike many other regions, Curry experienced a notable manufacturing expansion during the stagnation years, contrasting with the broader trend. Southwest Cheese, one of the largest cheese and whey protein manufacturing plants in the world, began construction in 2004 and started operations in 2006 (The Eastern New Mexico News, 2006). This example shows that for smaller counties, one or two growth drivers — especially of exports from the county — can generate a period of stronger growth for the county. The reverse is also true, however, as a shock to a key source of tradable income can lead to a sustained decline.

Despite the high variability, there are also ways that the growth trajectories of counties are connected beyond the geographic clusters. Figure 23 captures this reality by showing growth rates of GCP per capita over various periods. Panel A shows annualized growth for each county over 2001-04 on the horizontal axis and over 2005-17 on the vertical axis. Panel B shows growth rates over 2005-17 and over 2018-23. Each panel shows a 45-degree line to make it easy to compare the two periods. The movements in the distribution of the counties on these two panels reflect that there are broader statewide trends at play, even as the individual counties follow different paths. Except for a few exceptions, counties grew more slowly (or contracted) in 2004-17 versus the previous period (i.e. they are below the 45-degree line in Panel A). Then, most counties again grew faster in the subsequent period 2018-23 (i.e. above the 45-degree line in Panel B). The slowdown affected the economic engines and was also geographically widespread, with very different counties like Doña Ana in the south and Rio Arriba in the north seeing declines in GCP per capita. Notably, during this period, all four of the state's largest metropolitan areas experienced contractions in income per capita. Metropolitan areas struggled to generate new economic activity across the state and to accommodate displaced residents from more severely affected regions, as well as newcomers. When growth resumed after 2018, there was also a broad-based geographic acceleration.

Figure 23: GCP Per Capita Growth by Period



Source: Bureau of Economic Analysis (BEA) and U.S. Census Bureau via FRED
Note: Sandoval is not included in Panel A, and Lea is in Panel B due to visualization purposes

The next subsections highlight key observations across urban and rural areas of the state. This analysis shows that the State of New Mexico needs to conduct economic analysis at the regional level to account for different drivers and different ways in which the regional economies react to shocks (positive and negative) that affect the state. When looking at urban economies, there are once again major differences between them. We highlight two very different cases of Farmington and Albuquerque regions. However, there is also a common struggle for several urban areas to absorb more population growth, which limits their ability to absorb labor and talent from the rest of the country, including from other parts of the state that are suffering from high outmigration. Likewise, there is high variation across rural economies, which we unpack further to inform state-level economic strategy and priorities.

Perspective on Urban Areas

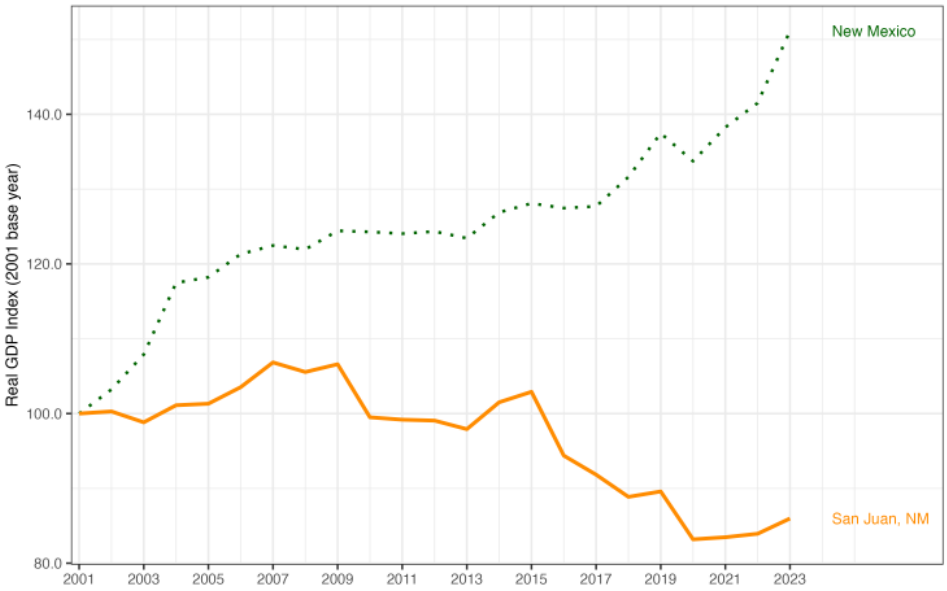
New Mexico's urban areas are especially important for statewide growth and well-being. Cities are increasingly the engines of growth across the United States and globally. As discussed earlier in this report, the changing sectoral drivers over the long-term have made the growth of urban agglomerations in New Mexico of special importance. Urban agglomerations can support higher economic diversity, which means more diverse job opportunities and more ability for urban economies to be resilient to negative shocks to one sector. The State of New Mexico depends on its urban agglomerations, yet these are growing more slowly than comparator cities in the wider region. The Growth Lab is currently developing a new applied academic framework to conduct in-depth growth diagnostics at the city-level. This framework builds on an interpretation of cities as labor markets that are small open economies. These labor markets can be more constrained in their ability to foster enough economic activity to demand labor in the city (labor demand constrained) or more constrained in attracting and retaining workers to support growing industries (labor supply constrained). Early adaptations of this approach have been applied to better understand constraints

to growth for the City of Farmington (and wider San Juan County) and the City of Albuquerque (Bernalillo County). These initial diagnostics are summarized next.

Farmington (San Juan County)

San Juan County stands out as a clear example of an area struggling to sustain business activity. In 2001, San Juan accounted for around 8% of the state's economy. But after years of decline, its share has fallen to just under 5%. The county's economy has contracted to well below its 2001 levels, experiencing sharp and regular downturns in GCP even during periods of statewide growth, especially since 2017. Even as New Mexico, as a state economy, has entered a new period of expansion, San Juan's economy continued to shrink (Figure 24). Since 2020, San Juan has regained growth but at a slower rate than the state overall.

Figure 24: San Juan County GCP Trajectory vs. State (2001-2023)

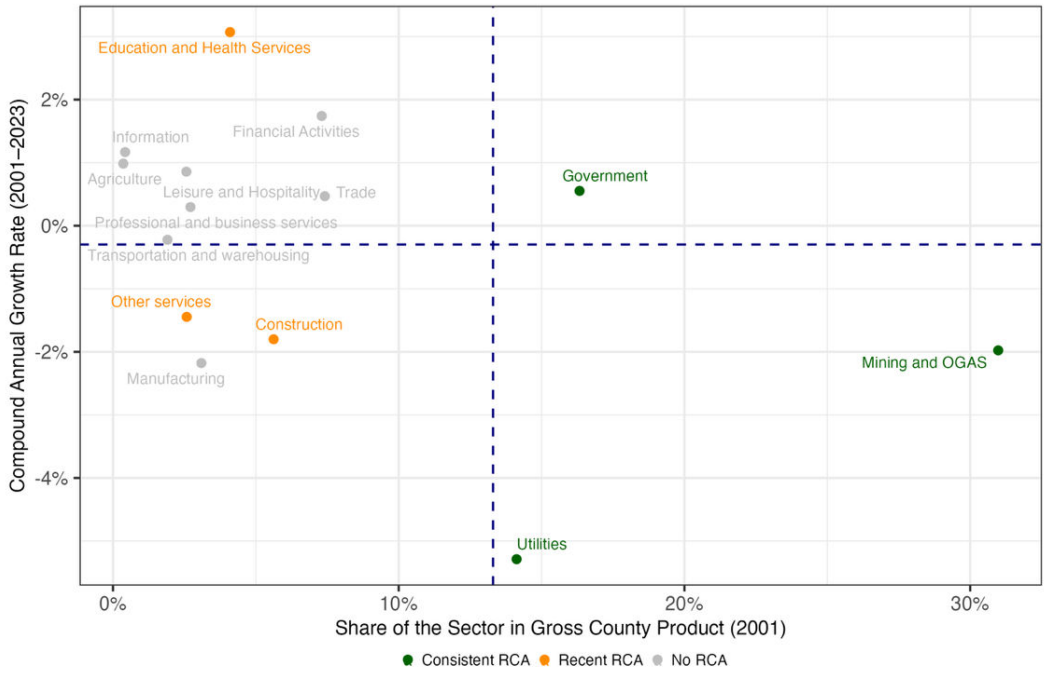


Source: Bureau of Economic Analysis (BEA)

At the center of San Juan County's economic decline is the collapse of its two main economic engines — mining, oil and gas, and utilities — but the county has a wider base of economic capabilities to draw upon moving forward. In 2001, these sectors made up nearly half of the county's economy, with mining, oil and gas accounting for 31% of GCP and utilities accounting for 14%. The downturn was driven not just by falling prices, but also by shifting industry fundamentals, as major oil companies abandoned aging infrastructure in the San Juan Basin in favor of more lucrative shale plays elsewhere (Raimi, 2015; New Mexico Political Report, 2022). Utilities were hit hard as well by policy changes. The closure of the San Juan Generating Station, a coal-fired power plant, was announced in 2017 and fully closed by 2024 (Curley, 2024), removing the major demand source for local coal mining (Coal Age, 2022). However, as can be seen in Figure 24, as well as previous figures, San Juan County did not experience a boost to growth in the early 2000s that some other parts of the state enjoyed. Figure 25 shows a breakdown of the growth performance of each sector in San Juan County to better understand sectoral performance beyond the main historic engines. In this figure, the green "consistent Revealed Comparative Advantage (RCA)"

sectors have had an outsized role in this county versus other counties nationally. Government has played a slightly countercyclical role in the case of San Juan County over this period. The orange "recent RCA" sectors did not play an outsized role in 2001 but do as of 2023. Among these, education and health services have been a positive engine of growth. Based on the figure, San Juan County also has experienced growth across financial services, trade, leisure and hospitality, and agriculture, which have helped to offset some of the blow to its historic growth drivers. Meanwhile, professional and business services (which is the biggest growth driver statewide) have been stagnant in San Juan County, while manufacturing has seen a significant decline — likely connected to declining demand from the mining, oil and gas sector.

Figure 25: Sector Evolution in San Juan County (2001-2023)

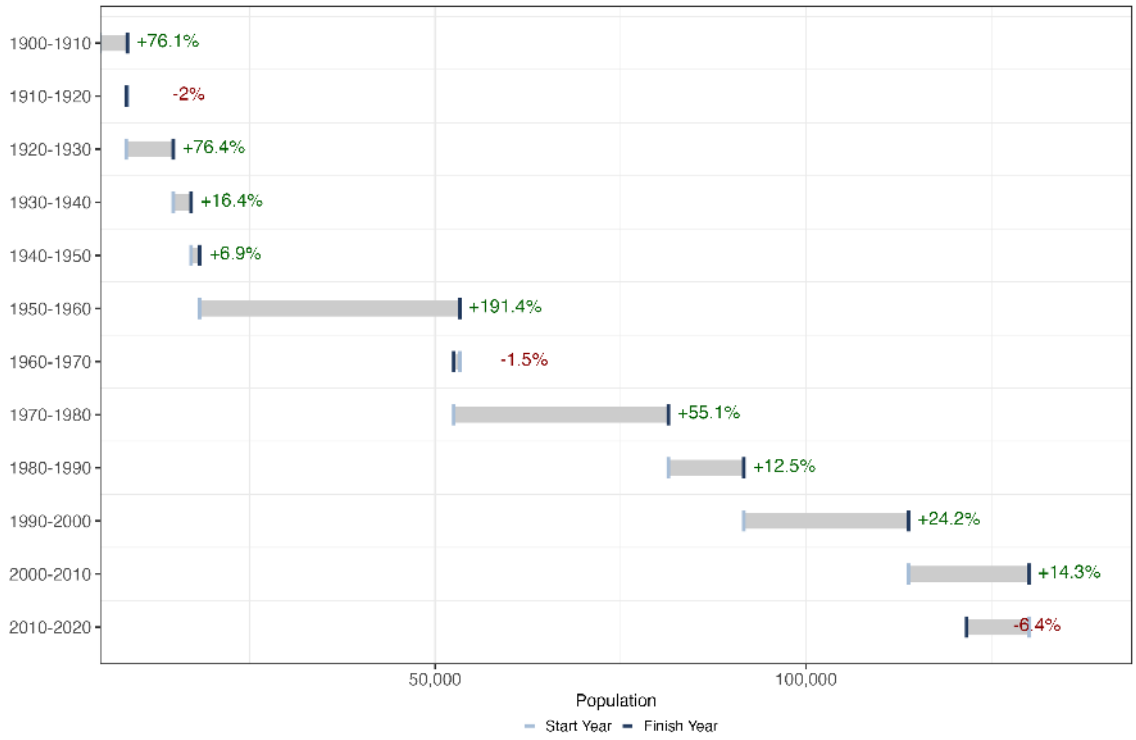


Source: Bureau of Economic Analysis (BEA)
Note: This Revealed Comparative Advantage (RCA) or Location Quotient (LQ) is comparing the county's share of output in the industry vs. the U.S. overall share in the industry to identify the distinctive sectors for the county
Note 2: The dashed lines are San Juan County's averages.

San Juan County exemplifies an urban and regional economy that is constrained by its low labor demand as opposed to low labor supply. Due to the negative shock to key sources of tradable income for the region, it has seen a decline in output and high outmigration. According to the 2020 census, the county's population declined by 6.4% over the previous decade, a sharper drop than the county's only other periods of population loss in the 1910s and 1960s, neither of which surpassed 2%. Nevertheless, the size of its three main cities, the Tri-City region, has maintained a similar population base, and Farmington, the biggest, has even experienced modest growth. Loss of exports from the county has meant a loss of jobs, but only a small difference in unemployment rates (close to 5% throughout 2025 versus a state average closer to 4%, according to the Federal Reserve Bank of St. Louis) as individuals "vote with their feet" to move elsewhere. Therefore, San Juan needs new drivers of growth and to build on the smaller growth drivers and capabilities that the county already has.

Despite experiencing the steepest population loss in its history, San Juan County, led by the urban agglomeration of Farmington, has critical capabilities that can support future economic activity. Economic development leaders and agencies are working towards "a win" by leveraging the county's assets. The County government, the City of Farmington, and Four Corners Economic Development have aligned their efforts, collaborating on targeted projects to spark new growth. Their actions include the development of strategic sites like the San Juan Industrial Park and Four Corners Regional Airport Industrial Park, as well as initiatives to tap into outdoor recreation, such as creating a new Animas River surf wave. Ongoing amenities upgrades, including the downtown renovation, further aim to enhance the area's appeal and economic prospects.[9] Indications are that the region is having increasing success in outdoor recreation and tourism, thanks in large part to active and coordinated initiatives across local and regional governments and economic development organizations. In the absence of these efforts, the negative shock in the region could have been significantly worse. The region is also looking to repurpose its significant manufacturing capabilities to new sources of product demand. These retained capabilities and local knowhow offer a foundation for combining existing strengths and efforts to push forward new economic activity. Strategic site development aims to provide the infrastructure and site readiness that new investors need. Analysis by the Growth Lab shows that resulting opportunities could be widespread and extend well beyond narrowly targeted existing state priority sectors.

Figure 26: Population Change in San Juan County by Decade (1900 - 2020)



Source: U.S. Census Bureau via New Mexico Economic Development Department

[9] This information was gathered through conversations with stakeholders during field visits.

Albuquerque (Bernalillo County)

Bernalillo County, with Albuquerque at its economic core, followed the pace of other large metropolitan areas in nearby states until the most recent decade. As shown in Figure 27, Albuquerque took off in population growth in the 1940s and clearly distinguished itself from other urban areas in New Mexico as the largest hub. Despite this initial acceleration, it did not completely catch up with other metropolitan areas such as Oklahoma City, El Paso, or Denver, because each of these was also on a growth path. Albuquerque's population trajectory is also gradual in comparison to that of Phoenix, where population growth started slightly later but was much more rapid. Nonetheless, in general, Albuquerque kept the pace with many peer cities across the Mountain West for roughly a half-century. However, the recent decade marks a clear break from this pattern. The past decade has seen Albuquerque's population growth slow to its lowest rate since 1900, at just 3.4% over the decade, a stark contrast to the historical norm of much higher growth rates, often exceeding 20%. This change in population growth is closely related to a new migration trend (Figure 28). Whereas Bernalillo County previously enjoyed positive net migration from neighboring counties, other parts of New Mexico, and the rest of the country up to 2011, net migration had turned negative from all these sources by 2020.

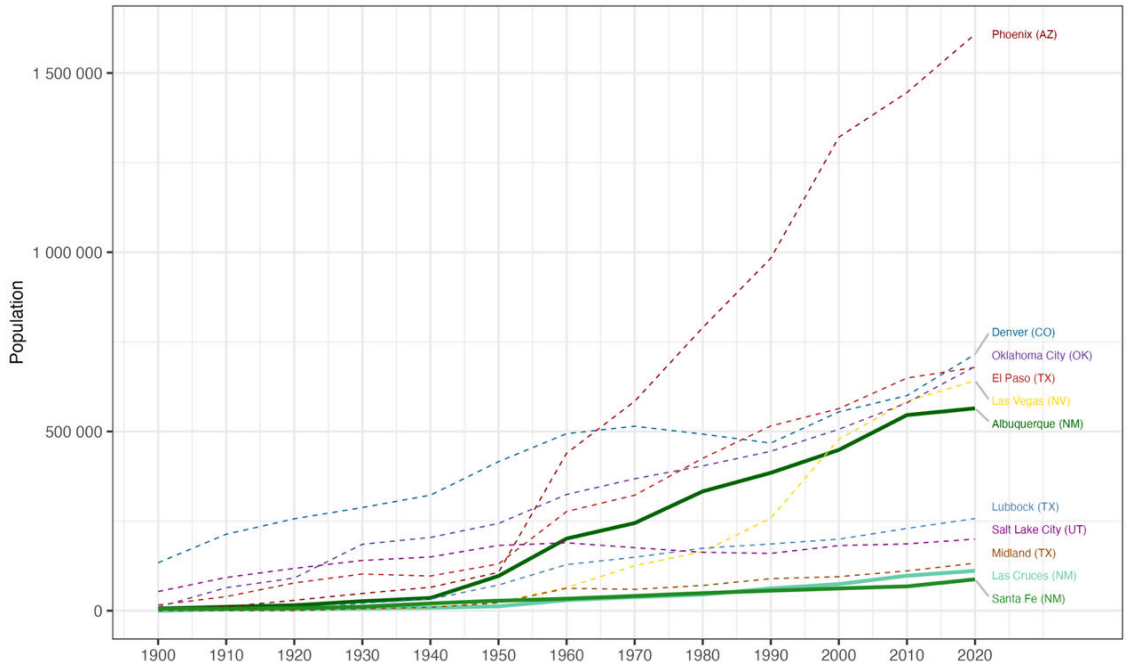
Weak population growth coincided with a period of lagging economic performance, but Bernalillo County has been growing in terms of output for more than a decade. As illustrated in Figure 29, income growth in Bernalillo County has trailed other major metro areas in New Mexico, neighboring states, and cities in western Texas over the last few decades. In this graph, Bernalillo County's growth surpassed only Santa Fe, whose output experienced the longest period of decline among peers. Its growth path has fallen far behind that of Salt Lake County and Maricopa County (where Phoenix is located). After an initial brief period of strong growth, Bernalillo County entered a prolonged flat phase from 2004 to 2013. However, since that time, GCP has been growing (apart from a one-year decline with COVID-19). This growth has not been as rapid as several of the peer cities outside the state, but the economy has now been expanding for more than a decade. This expansion was evident even as population growth was very low between 2010-20.

The county economy has several drivers in the productive economy, which are driving growth even as government output has been limited and construction activity has contracted over time. Using the same format as earlier charts, Figure 30 graphs the initial size of each sector in Bernalillo County's economy and the growth rate of each sector over the period 2001-23. Notably, Bernalillo County remains highly dependent on government output, driven by institutions like Kirtland Air Force Base and Sandia National Laboratories. Much of this activity receives federal funding, which represents a significant risk in the current economy.[10] Over recent decades, government-related economic output grew slowly, but several sectors of the productive economy grew much faster. Professional and business services (in which the county has a higher share than the national average) grew at close to 3% per year in output, and financial services (in which the county has a lower share than the national average) grew at above 2% per year. Bernalillo County also gained a revealed comparative advantage in education and health services, which grew at 3% in the county, and in leisure and hospitality, which had lower growth. Information, as well as

[10] Given the longstanding presence of Sandia National Laboratories and the overall growth of research-related jobs in New Mexico, the City of Albuquerque could greatly benefit from future research focusing on scientific publications and patents. Analysis of patterns in publications and patents could help identify emerging fields and technologies in the state and explore pathways to translate them into industrial activity.

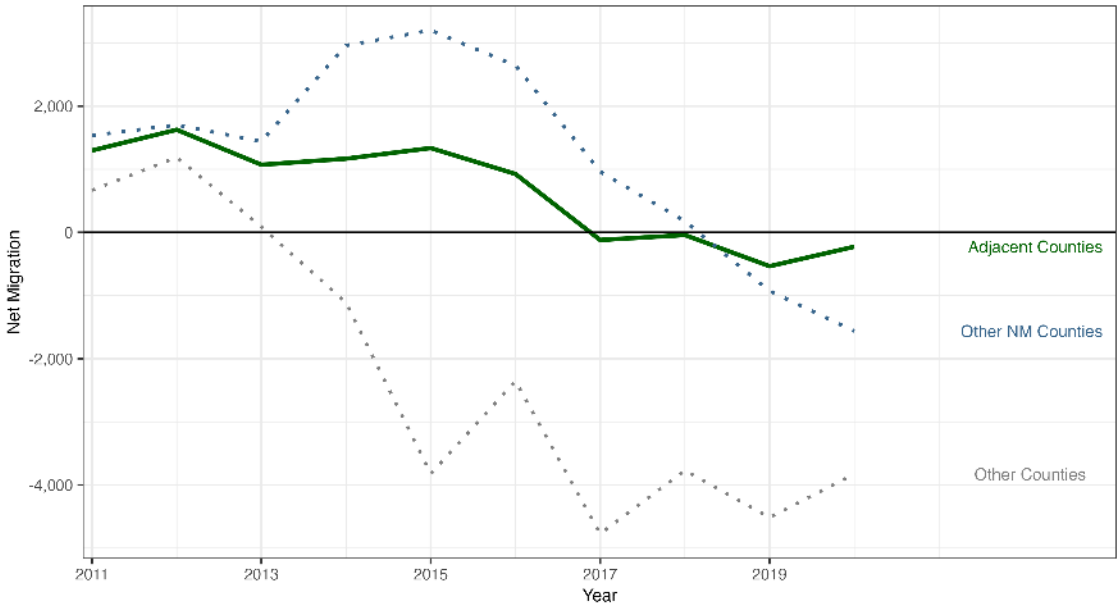
mining and oil and gas, grew at high rates in the county but are a smaller part of the local economy. Contractions in trade and construction activity, however, slowed overall growth.

Figure 27: Population of New Mexico's Main Cities and Western Peers (1900 - 2020)



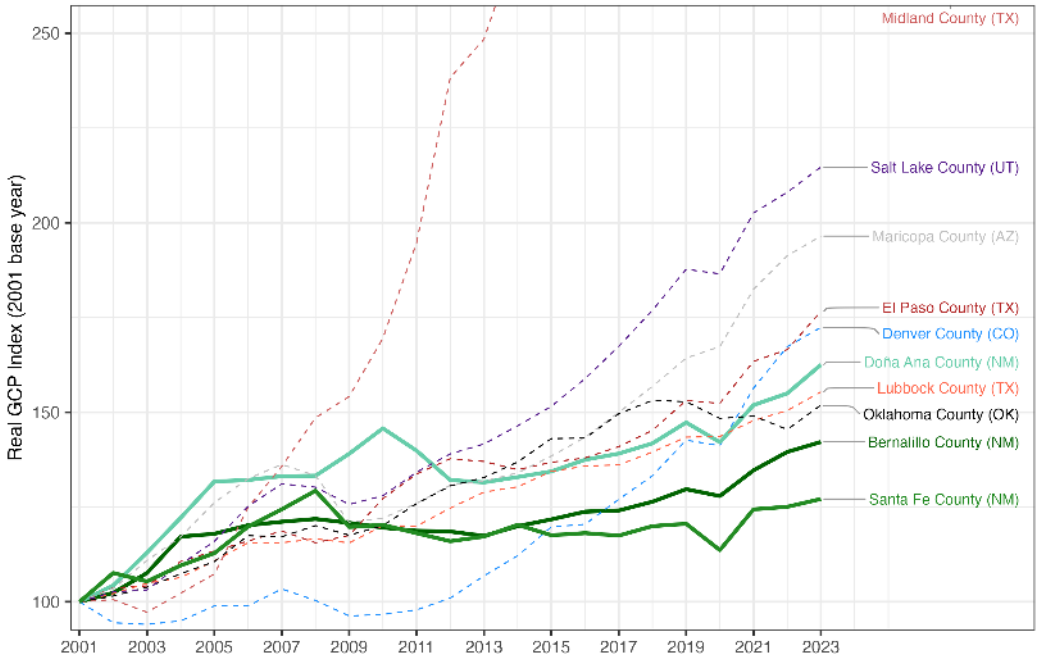
Source: U.S. Census Bureau and Erik Steiner, "United States Historical City Populations, 1790-2010"

Figure 28: Net Migration into Bernalillo County by Region (2011-2020)



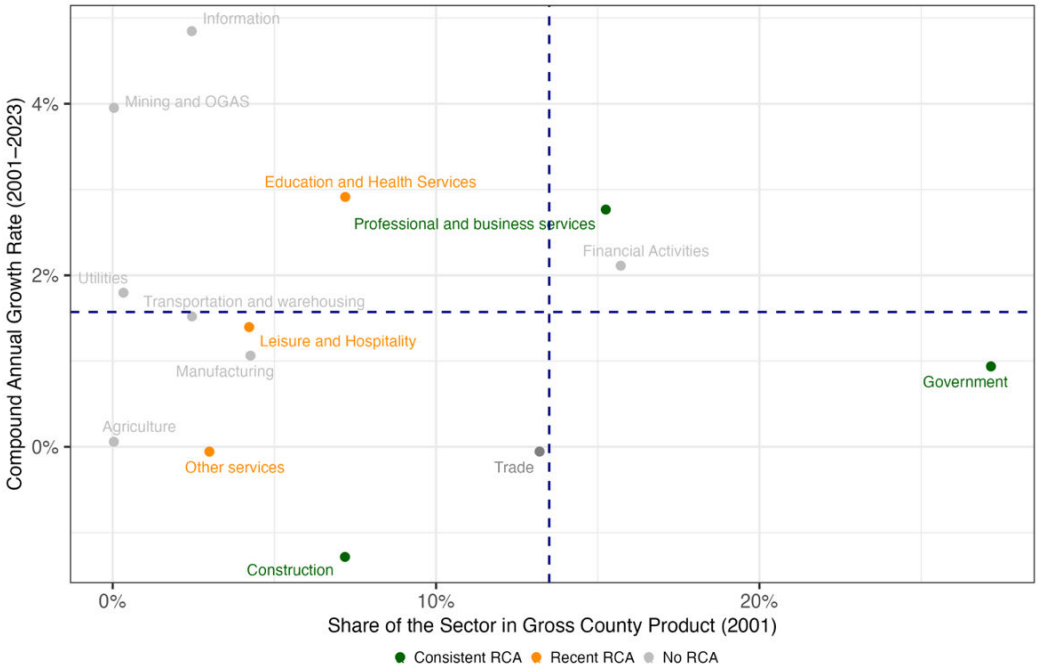
Source: County-to-county migration - American Community Survey

Figure 29: Bernalillo County GCP Trajectory vs Peers (2001-2023)



Source: Bureau of Economic Analysis (BEA). Note: Midland County Real GCP index was 556 in 2023.

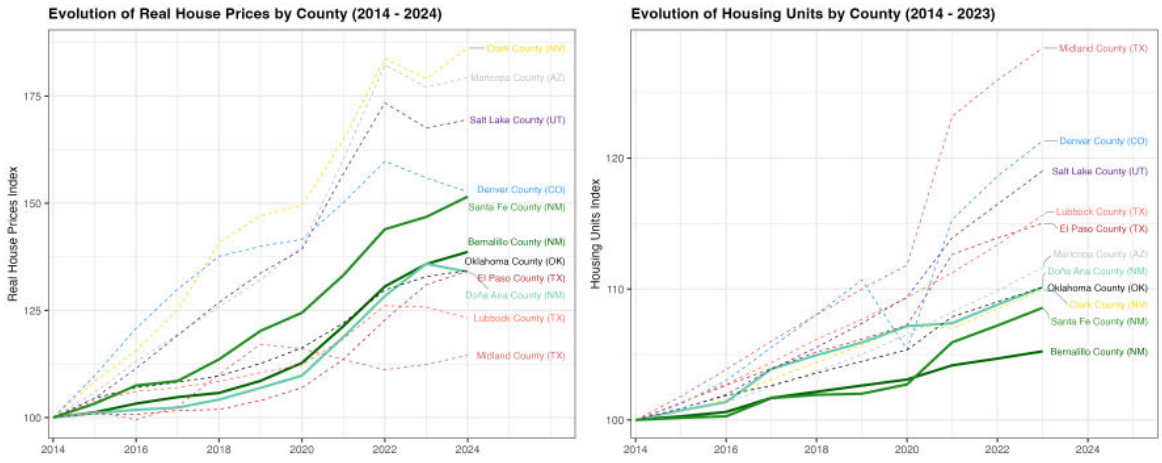
Figure 30: Sector Evolution in Bernalillo County (2001-2023)



Source: Bureau of Economic Analysis (BEA)
Note: The color scale is the same as Figure 25, and dashed lines are Bernalillo County's averages.

As the county returns to a more robust growth trajectory, rising housing prices are limiting the city and county's ability to attract and retain talent, and ultimately, to fully capitalize on existing productive capabilities. Unlike the case of San Juan County, Bernalillo County's economy has been growing faster than its population trajectory would suggest. This is indicative that the county is likely more constrained by its ability to supply labor than it is by its economic engines. This is consistent with signals in the county's housing market (Figure 31), where construction of new units has not kept pace with the growing demand for accommodation. Since 2014, Bernalillo County has experienced a sharper increase in housing prices (left panel) than counties like Midland, Lubbock, and El Paso (in Texas), Doña Ana in New Mexico, and Oklahoma County (home to Oklahoma City). Despite prices increasing as a signal of market demand, housing units have grown very slowly in comparison to the other metropolitan areas (right panel.) Unlike many of these peers, Bernalillo County's housing market is overheating despite very modest population growth. In other words, the housing price increase appears to be directly driven by the very low pace of new unit construction. No other county in the figure has added fewer units during the last decade. Outside of Bernalillo County, this pattern also extends to other urban areas in New Mexico. Santa Fe County has seen even higher housing price increases and has the second-lowest pace of housing supply expansion, though there is a jump in housing units since 2020. In contrast, counties such as Maricopa County and Salt Lake County, while also grappling with rising prices, have added far more units, even if still running behind demand. Meanwhile, Denver and Midland offer more of a balance where substantial new construction has limited housing price growth, alongside population increases approaching 20% between 2010 and 2020.

Figure 31: Relative Change in Housing Prices and Supply by County (2014-2023)



Source: U.S Census Bureau for Housing units and FHFA for prices. BEA for CPI and adjusting to real prices.

Another indication of a tight housing market is the declining vacancy rate. According to the American Community Survey, vacancy rates in Bernalillo County began dropping after 2017, a year that also marked the beginning of renewed growth for the state. In Santa Fe County, vacancy rates began to fall more noticeably after 2019. Within the City of Albuquerque, the vacancy rate fell from 9.2% in 2017 to 5.7% in 2023. Less than half of these vacant units are available for sale or rent, and for just over a third, the reasons for vacancy are unclear. As shown in the map in Annex 3, vacancy rates vary widely across neighborhoods. Some areas, both in the east and west, have a 0% vacancy rate, while others, particularly in the southern part of the city, have rates approaching 30%.

Some of Albuquerque's most significant hurdles to housing supply expansion are stringent government regulations and financing conditions. An investigation of constraints to housing expansion with the City of Albuquerque has provided strong evidence that zoning and regulatory hurdles are holding back housing supply from better meeting demand.[11] The Zoning Restrictiveness Index (ZRI) summarizes key zoning code barriers and limitations imposed by municipalities on housing development (Mleczko & Desmond, 2023). Out of nearly 3,000 locations assessed, Albuquerque is among the 10% most restrictive for new development. While city departments continue to make progress in streamlining regulations and permitting processes, several thorny requirements, such as open space mandates and minimum lot sizes, still limit what developers can build. Although such policies do not explicitly limit the construction of housing units, they raise construction costs or require more land, which reduces the available resources for expanding supply (Pew, 2025). On the financing side, mid-size, small, and affordable housing developers depend heavily on state funding assistance, while large developers pursue only high-margin projects. With scarce public resources, a challenge remains how to leverage these funds to crowd-in more private investment and address additional hidden costs that can make new projects financially infeasible. The good news for Albuquerque and Bernalillo County is that more rapid growth is possible alongside lower rates of homelessness and risks to public safety if unnecessary regulatory burdens to housing development can be addressed.

Perspective on the Rural Areas

Rural places, by definition, are places that have not seen sustained population growth over a long period of time. The subsection focuses on ten rural counties whose core communities have fewer than 10,000 residents.[12] Figure 32 shows the long-term path of population for these ten counties since 1900. Many rural counties reached their population peaks long ago. Harding and Quay counties had already peaked in population by 1900. Union, Colfax, and Guadalupe counties peaked in population in 1920 or prior. Catron County appeared to peak in 1940 but experienced more recent growth in the 1990s, followed by stagnation. There are a few exceptions, like Sierra and Socorro counties, which saw their highest numbers in 2000 (around 13,000 and 18,000, respectively). Since then, nearly all have experienced stagnation or population decline. From 2010 to 2020, not a single rural county registered population growth. The economies of these regions are easy to overlook from the state perspective. Each of these counties individually accounts for less than 1% of the state's overall GSP. However, that is not how rural residents view the importance of their local economies. To them, the challenges are more existential. Many individuals and families desire to keep their communities alive but are facing economic challenges that erode local job availability and the local tax base. Both the loss of jobs and tax base could lead more communities to become ghost towns over time.

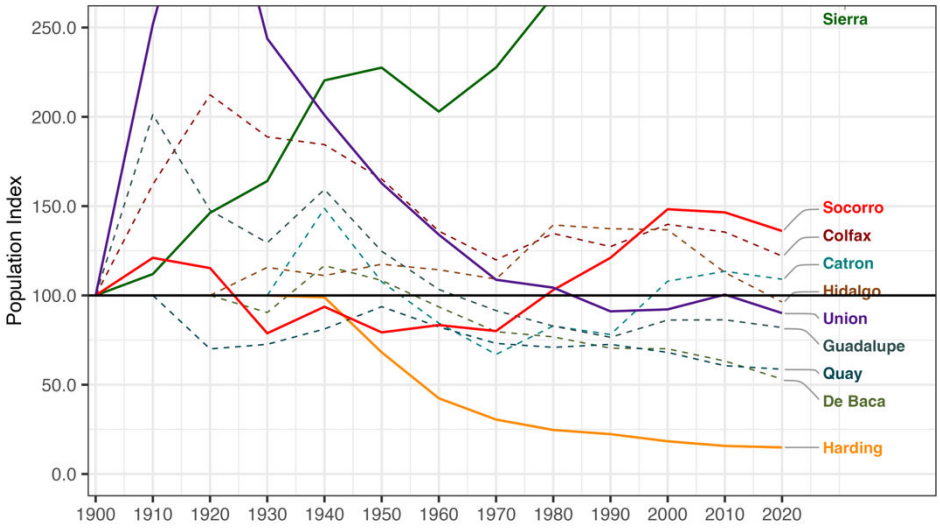
Despite a general trend of population decline, several rural counties have been growing their output within the last 25 years. The exact periods of growth differ, indicating different

[11] An ongoing diagnostic effort facilitated by the City of Albuquerque has been supported by Growth Lab analysis.

[12] Rural counties in this report are identified based on U.S. Census Bureau definitions, which consider both the size of local population centers and their integration with larger urban areas. Counties without a significant urban core, defined as an area with at least 10,000 residents, or that are not closely linked to such areas through commuting patterns, are classified as rural. Some counties, like Socorro, Sierra, and Colfax, have total populations over 10,000 but remain classified as rural because they lack a single concentrated urban center of that size. Others, such as Mora, are grouped with nearby larger counties in "micropolitan" areas due to their ties to a neighboring urban core.

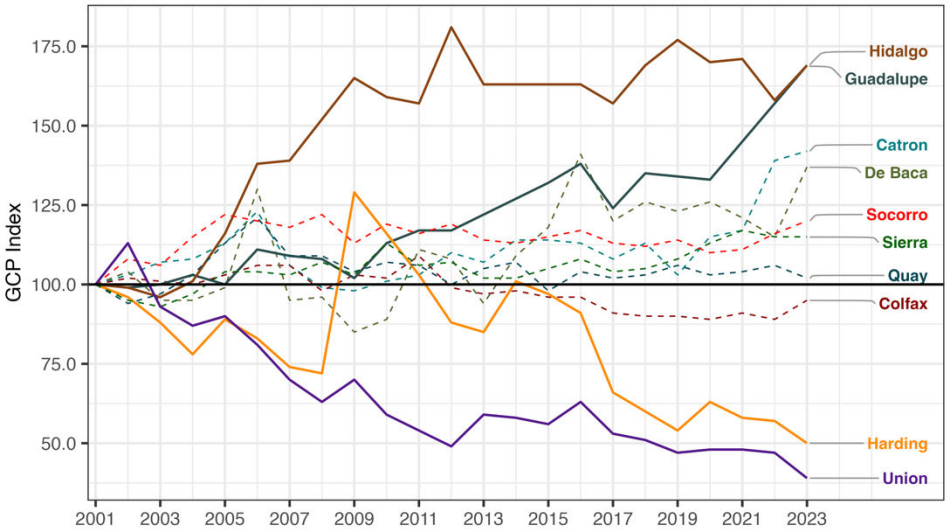
drivers. Figure 33 shows the path of GCP for each of these counties since 2001 by indexing to the 2001 value. Hidalgo, Guadalupe, Catron, De Baca, Socorro, and Sierra counties all have significantly higher GCP than at the start of the 2000s. The path that each took differs, though, so this does not indicate a generalized pattern of rural resurgence. Socorro County experienced a positive shock before 2005 and then stagnated; Hidalgo grew until 2009 and then stagnated. Guadalupe, Catron, De Baca, and Sierra counties all have seen more recent upswings that may be poised to continue. It is beyond the scope of this section to identify the causes of growth in each of these cases. One useful step would be to identify the sectoral drivers, just as was done in the urban cases.

Figure 32: Population Over Time, Rural Counties (1900 - 2020)



Source: U.S. Census Bureau via New Mexico's Economic Development Department
Note: Sierra's population index in 2020 was 367. In 2000, the county reached its peak at 420 and has been declining since. Union reached a peak of 368 in 1920.

Figure 33: Gross County Product (GCP) Over Time, Rural Counties (2001 – 2023)



Source: Bureau of Economic Analysis (BEA)

Other counties have seen outright declines or no growth over these last few decades. Harding and Union counties show continued severe declines. Harding's population, according to the 2020 Census, was below 700 people, at below 20% of its level in 1900. It is likely to continue to see outmigration and the loss of remaining communities. Union, by contrast, still has upwards of 4,000 residents and has seen its population stabilize since the 1990s. This indicates that Union County likely has sources of income, likely including public institutions, that allow it to continue to support a higher population. But the county has not discovered any new growth drivers. Quay and Colfax counties, which are in the northeast corner of New Mexico alongside Harding and Union, have also remained stagnant in their output. These two counties have 2-3 times the population of Union County and have also struggled to develop new drivers.

When combining economic and population trends, New Mexico's most rural counties fall into a few notable groups. The first, including Quay, Colfax, Harding, and Union, all in the northeast corner of the state, exemplifies long-term decline and stagnation. These counties are losing both people and economic activity. This entire region of the state is thus one in special need of new economic strategies. The second group includes Sierra, Socorro, and Catron, which together make up a section of the state between Albuquerque and Las Cruces and the Arizona border without any large population centers. These counties are maintaining enough economic activity to support some growth and perhaps reverse population loss over time. A third region, including Guadalupe and De Baca counties, to the southeast of Albuquerque, is experiencing noteworthy economic growth. Given that these counties have experienced continued population decline up to 2020, they may be struggling to support growth from new sectors with sufficient labor. Finally, Hidalgo County, in the southwest corner of the state, is a unique case, both geographically and in its recent growth trajectory. It had a driver of growth in the early 2000s that appears to have run out.

These different growth patterns across the least populated counties indicate that enhancing rural economic growth in New Mexico requires tailored regional strategies. A commonality across these counties is that the challenges stretch back many decades, but recent growth performance shows that there is no single story across New Mexico's rural counties. The patterns of growth over the last few decades do indicate that trends tend to be regional in many cases, and not county specific. There is substantial room for further economic analysis to understand the county and region-specific growth drivers, and such analysis is important so that state and regional strategies can be developed to help build on success and relax constraints that businesses and industries face. It is important to emphasize that the behavior of these rural economies does not necessarily follow county boundaries or other administrative divisions. Therefore, analysis should be guided by clusters of activity that emerge naturally.

Implications of Medium and Short-Term Dynamics

State and regional economic performance over the last 25 years shows that long-term challenges continue to persist in the modern New Mexican economy. This section has examined the last two decades of New Mexico's growth, which included a prolonged period of underperformance overall and high variation across regions. Although the state has enjoyed a higher growth path since around 2018, there are reasons for concern about statewide growth into the future. Unpacking economic growth across regions also clearly shows that regions have very

different growth drivers and region-specific vulnerabilities and constraints. This recent economic performance has the following implications:

- **Despite a recent acceleration, New Mexico has continued to lose ground to other states and remains subject to boom-and-bust cycles.** New Mexico hasn't been able to catch up to the nation's leading and neighboring states in income levels. The state remains among the lowest in per capita income after a prolonged stagnation. While New Mexico is now enjoying a period of robust, above-average growth, this momentum has yet to offset the ground lost in the previous years. The state economy remains deeply reliant on mining, and oil and gas activity for boosting private output and government spending. When these sectors have downturns, it trickles through the rest of the state economy. Procyclical fiscal spending has exacerbated downturns in the past, and the expansion of spending today could come with similar risks.

- **Beneath the statewide trends, there is significant variation in economic performance across New Mexico's regions, each following its own trajectory and facing unique challenges**. New Mexico can be better understood as a network of local economies rather than a single entity. Some areas, such as Lea and Eddy counties, have experienced exceptional growth, while others, like San Juan County, have seen profound economic declines. While there are geographic affinities, such as the interconnected counties in the Albuquerque metropolitan area, and certain shocks can generate ripple effects statewide — for example, strong activity in the Permian Basin feeding state revenues — overall, growth trajectories across the state are largely uncorrelated. The distinctiveness of these local challenges and opportunities calls for tailored regional strategies and empowering regional stakeholders to advance them on the ground.

- **Urban economies continue to underperform relative to the wider region, limiting the absorption of population and the set of economic opportunities. The ability to expand housing supply appears to be a critical constraint in several cities, including Albuquerque.** Robust economic activity in the metropolitan hubs is critical not only for those areas but for their positive spillover effects throughout the other local economies. Their modest economic performance and low population growth are therefore concerning for the state economy. In several urban areas — particularly Albuquerque and Santa Fe, and to a lesser extent, Las Cruces — housing supply is failing to grow with housing demand. Without greater capacity to accommodate new talent, cities cannot fulfill their potential as economic engines for the state. At the same time, this constraint limits the ability of people to move from rural areas to urban areas in pursuit of opportunity.

- **Recently, several rural communities have experienced economic growth, even as they continue to grapple with challenges deeply rooted in the past.** Several rural counties, often in connected geographic areas, have experienced growth through new economic drivers. These sources of growth are relevant to understand to ensure sustainability and enable more successes in these communities. Long-standing population decline continues in other urban areas, which are experiencing a painful process of hollowing out. The diagnostic tools and frameworks used for urban analysis are also applicable to rural economies to identify specific barriers and opportunities. Targeted support, rooted in a clear understanding of what is holding individual local economies back, would enable the state to more effectively deploy its economic development toolbox across the diverse economic realities of the state.

IMPLICATIONS FOR ECONOMIC STRATEGY AND POLICY

New Mexico's economy is gaining momentum, and state leaders are keenly focused on sustaining that progress. To complement these efforts, this research introduces several implications for strengthening growth strategies across the state. In just the last weeks of September 2025, Albuquerque and Las Cruces secured two major projects: Pacific Fusion's $1 billion research and manufacturing facility and Project Jupiter data center, one of the largest private investments in state history. At the same time, New Mexico is aggressively pursuing several initiatives that could attract workers and firms to the state. Building on efforts over the previous years, New Mexico is now the first state to offer universal publicly funded childcare to its residents. This initiative complements previous expansions in public spending, such as college tuition-free through the Opportunity Scholarship Act. These are encouraging developments as New Mexico is still emerging from a long stretch of stagnation. Based on historical and recent trends, this report identifies several other areas where policies and strategies could be better aligned with constraints to growth and emerging opportunities. Three areas stand out as especially important for positioning the state for stronger, more inclusive, and less volatile economic growth. The first involves utilizing fiscal policy to offset volatility. The second focuses on better empowering regional growth opportunities. The third is about actualizing state and local authority to relax constraints on housing expansion in labor markets that are growing under potential.

Navigating an Oil Boom Alongside Federal Uncertainty

New Mexico has adopted a prudent approach to managing its recent windfall of oil and gas revenues. During the last period of stagnation discussed in this report (roughly 2005-17), the state government lacked the fiscal resources and mechanisms to pursue countercyclical policies, relying partially on federal transfers to soften the downturn. This is no longer the case when it comes to resources, as annual oil and gas revenues have soared from $2.65 billion in fiscal year (FY) 2018 to nearly $10.5 billion in FY2024. Much of this money is being saved for the future rather than being spent through the general fund of the budget. Building on existing saving mechanisms in New Mexican statutes, the state first amended in 2017 a fiscal rule so that oil and gas revenues exceeding a five-year average are automatically diverted to long-term investment funds. The legislature later expanded its efforts in 2019 and 2023 by assigning windfall revenues to the early childhood fund and capping the amount going to the general fund, respectively (New Mexico Legislative Finance Committee, 2024).[13] As a result, the percentage of oil and gas revenues going into the general fund has decreased from 50% in FY2018 to about 36% in FY2024. Yet, given the overall surge, the actual dollar amount going to the general fund has more than doubled: from $1.36 billion to $3.74 billion (Faubion, 2024; Consensus Revenue Estimating Group, 2025). Therefore, New Mexico is in an advantageous position today where it has substantial resources to spend in the short-term while still saving most of the money for the future. The State Investment Council (SIC) is responsible for managing these resources to meet both annual obligations and long-term priorities while also investing to grow these reserves further.[14] In addition to supporting annual

[13] Senate Bill 26 that established a cap was signed in March 2023 but began its implementation in FY2025.

[14] Total assets rose from $58 billion at the start of 2025 to $66 billion by October (Rio Grande Foundation, 2025), made up of legacy funds like the Land Grant and Severance Tax Permanent Funds, as well as newer ones such as the Tax Stabilization Reserve and Early Childhood Trust Fund. Annual distributions from these funds are especially critical for K-12 education and early childhood programs, covering 27% and 58% of their respective budgets this year. As oil and gas revenues gradually decline, these funds are projected to supply up to a third of the general fund by 2050, compared to just 12% today.

spending, the reserves have seeded targeted initiatives in workforce development, higher education, and capital projects (New Mexico State Investment Council, 2024). The SIC is also empowered to invest in private equity and frontier technologies to promote diversification and future fund growth, and is currently refining its investment strategy to deliver greater long-term returns (New Mexico Legislative Finance Committee, 2025; New Mexico State Investment Council, 2025).

At the time of writing, federal cuts are diminishing New Mexico's capacity to tap into previous fiscal resources in other strategic areas. Deep federal funding cuts are currently forcing the state to redirect some of these resources toward urgent needs. Healthcare, in particular, with $2.8 billion in lost annual Medicaid funding (Health Auhtority, 2025), and higher education, which faces over $100 million in federal shortfalls (Fisher, 2025). In October 2025, the Governor advanced legislation to offset federal cuts with $162 million in state spending for rural health care, food assistance, public broadcasting, and more, alongside $17 million specifically to backfill lost federal credits (Lee, 2025). While the state's $66 billion in reserves provides a cushion, $10 billion is already earmarked for universal childcare and $1 billion for college tuition-free, representing long-term commitments that narrow fiscal space for additional priorities.[15] Based on the findings of this report, as the SIC keeps refining its investment strategy and the next budget is debated, it will be important to weigh support for initiatives that empower local, tailored economic strategies, as well as strategic investments to address constraints like the urgent need for expanded urban housing. The following subsections further explore these areas in detail.

Balancing Highly Variable Regional Opportunities

New Mexico is working to complement its traditional economic anchors — public sector activity and oil and gas — by targeting sectors and emerging technologies with strategic government support. With increased fiscal capacity, the state has defined nine strategic target sectors, including "Film and Television", "Intelligent Manufacturing", and "Sustainable and Green Energy", to guide its business attraction and retention strategy. A broad set of economic incentives is available to support any targeted sector, with tailored tools such as the Film Tax Credit, Investment Tax Credit for Manufacturers, and Advanced Energy Deduction and Tax Credit offering specific advantages (Gray, 2024). New Mexico is also making a strategic bet to advance innovation, including through a $25 million investment in a new quantum venture studio in downtown Albuquerque and providing grant awards to foster the growth of local quantum technology firms (New Mexico Economic Development Department, 2025).

The state's focus on targeted sectors aligns well with the productive capabilities of certain regions, but the narrow focus overlooks growth opportunities in other regions. At least 70% of current jobs in the target industries are in Bernalillo County (Gray, 2024). This focus has had some successes, including Pacific Fusion's decision to locate in Albuquerque. The city leveraged its advanced energy expertise, alongside its own and state-supported incentives, to attract the company.[16] Albuquerque is also well-positioned for breakthroughs in quantum technology, with deep research roots at the University of New Mexico and national labs in Sandia and Los Alamos (Quantum New Mexico, 2022). Likewise, Project Jupiter is leveraging local logistical strengths near Las Cruces. The project will bring advanced, water-efficient data center infrastructure to a site just

[15] Numbers published in Senator Michael Padilla's LinkedIn after attending an October session of the Legislative Finance Committee.
[16] Information gathered from an interview with City of Albuquerque's staff.

north of the Santa Teresa Port of Entry and will develop its own independent microgrid (Mendoza-Moyers, 2025). However, what works for New Mexico's largest urban cores does not always translate to other regions. Beyond the target industries, each region in New Mexico also possesses a set of latent opportunities shaped by its distinct set of productive capabilities. While the prospects for manufacturing may be limited statewide, there remain meaningful regional niche opportunities: for example, prefabricated metal building and component manufacturing may be a promising fit for San Juan County, while farm machinery and equipment manufacturing appears to be a promising fit for Doña Ana County. At the same time, regional economies should not overlook opportunities in sectors with growth potential, especially any tradable industries that bring tradable income into rural economies.

While targeting sectors sets New Mexico in the right direction, this approach could be strengthened by tailoring priorities to each region's unique capabilities and needs. Research by the Growth Lab in collaboration with the Economic Development Department (EDD) has identified initial opportunities, often beyond manufacturing, for counties across the state.[17] Quantitative research is only an input, however. Local governments, economic development organizations, business communities, and/or anchor organizations must draw from the quantitative results in practice. Local stakeholders can use quantitative inputs to target their investment promotion activities, and they can also use such inputs to help respond to investors who approach the community with an interest in investing. Some counties in New Mexico benefit from robust economic development ecosystems, where city halls, county governments, economic development organizations (EDOs), Councils of Government (COGs), and other stakeholders work together to tackle local issues. Regardless of the context, the community, business, and rural development regional representatives, known as "regional reps", are an invaluable resource. They serve as crucial liaisons between the community and the state. In many areas, especially in rural communities, they bridge resource gaps by identifying key problems and connecting communities with the state's economic development tools. In others, they play a vital role in fostering partnerships and unlocking results.

One relatively low-cost and high-value use of state resources would be to expand the network of regional reps. New Mexico is divided into six community, business, and rural development regions, typically with only two regional reps assigned to each. These individuals are responsible for vast geographic areas and a wide range of topics. For instance, in Region 5 alone, a single representative might address rural issues in Catron County while simultaneously engaging in a major initiative like Project Jupiter. With such broad responsibilities, their ability to devote attention to any one community is limited, which can hinder the development of trust and long-term relationships. Empowering local economic development depends not only on having the right tools but also on knowing how to deploy them effectively. While New Mexico's incentives, rural funds, and support programs are robust, regional reps face overwhelming portfolios and could, at times, benefit from specialized guidance from a group of dedicated experts within the EDD.

Developing and capitalizing on site readiness activities remains a key state priority, and ensuring a reliable power supply is one of the most significant challenges. New Mexico's latest statewide economic development strategy included an increased focus on mapping and preparing strategic economic development sites across the state. Recent efforts include a statewide study of 28 public sites (Global Location Strategies, 2024), an $8 million allocation for FY2026 to

[17] Analyses of diversification opportunities using economic complexity methods are available in this online repository.

assess privately owned properties, and low-interest loans to rural electric cooperatives for infrastructure (New Mexico Economic Development Department, 2025). As part of the site readiness focus, there have been efforts to increase coordination between state and local utilities and electricity utilities. This has become increasingly important as the state's grid is under growing pressure. Electricity load increased by 20% from 2018 to 2023, and a 42% increase is projected by 2040. Although commercial and industrial users in New Mexico benefit from relatively low rates, both current and prospective users must contend with an aging, slowly expanding grid. Transmission projects can take 5 to 10 years, with average wait times for transmission interconnection currently at 5 years (ECAM, 2025). There is no one-size-fits-all solution to overcoming this challenge across New Mexico's service areas under its three main investor-owned utilities, over 15 rural electric cooperatives, and several municipally owned utilities. Robust interconnections, electricity storage, and demand-smoothing measures are generally best for capitalizing on new intermittent renewable power. Meanwhile, microgrids are a potentially viable solution for projects and areas that cannot rely on power from the wider system in the near-term. In many areas, the targeting of industries must be sensitive to peak electricity demand, given current power limitations.

While site-readiness initiatives expand opportunities, many areas still lack the financial and technical resources to develop and capitalize on these sites fully. In places like Albuquerque's privately owned Mesa del Sol, real estate development models can align incentives for both public and private actors, making it easier to attract investment and expertise. However, for publicly owned sites, legal constraints such as the anti-donation clause make effective public-private partnerships more challenging. As the SIC explores new strategies for investment, channeling some of this capital toward this type of real estate project could help bridge the gap in resources and provide a higher return on the investment.

Addressing Supply Side Constraints in Leading Labor Markets

This report finds that leading urban centers are less in need of business attraction and more held back by supply-side constraints, particularly housing. Albuquerque is one case of a more generalized pattern where New Mexican cities are choking off their growth due to constraints in housing expansion. As new businesses and industries arrive and as individuals are attracted to the benefits of the state — from its weather to its free community college and childcare[18] — the momentum is slowed by high housing costs and limited availability. A deeper look at Albuquerque's housing market reveals that construction has consistently lagged demand, driving prices higher and resulting in one of the slowest construction paces among regional peers. This challenge is also observed in Santa Fe and, to a lesser extent, in Las Cruces, though the latter has shown some success with recent affordable housing projects.[19] While broader forces such as rising construction costs are at play nationally, New Mexico faces its own set of specific issues. Across cities, there is room to reform restrictive zoning, streamline permitting, work more closely with communities, and

[18] Expanded public investments in education are already showing benefits: since the launch of the Opportunity Scholarship in 2022, college enrollment has grown by an average of 2-4%, suggesting that more high school seniors are choosing to stay in New Mexico (Muniz, 2025). Similarly, the state has prioritized early childhood support, establishing a $10 billion trust fund in 2020. Now, as universal access rolls out, spending is set to approach $600 million in the program's first full year (Velazquez, 2025). However, a significant gap remains, with a statewide shortfall of over 15,000 childcare spots (Openfields, 2025). Anecdotally, expanded services are beginning to make a difference, with some families now reconsidering moves to other states like California (Velazquez, 2025).

[19] Information gathered from an interview with City of Las Cruces' staff.

ensure that shovel-ready residential sites, much like the approach to industrial development, are available. For instance, recent research found that zoning reforms, such as the ones seen in Houston or Minneapolis, have improved affordability (Pew, 2025). Ultimately, New Mexico urgently needs more affordable units, but, more broadly, it needs all types of housing if it hopes to absorb talent and unlock the full economic potential of its cities. The ability to keep up with housing demand may be the defining difference between Albuquerque and peer metros that have managed to sustain stronger, more inclusive growth.

Although zoning and housing-related regulations tend to be the responsibility of local governments, several other Western states are taking state-level action to accelerate change at the local level. Other western states are implementing a wide range of initiatives to allow more homes — from accessory dwelling units (ADU) to allowing multifamily homes on commercially zoned property — and speeding up housing construction by streamlining the permitting process (Pew, 2025). Among these efforts, the "Montana Miracle" stands out. Since 2023, following a set of proposals from a bipartisan housing taskforce initiated by the Governor (Tedino, 2023), Montana has passed state legislation to reduce unnecessary burdens to housing construction in zoning, planning, parking, building codes, and more (Tenenbaum, 2025). By enforcing changes at the state level, Montana has been able to overcome many of the local "not in my backyard" ("NIMBY") forces that have dominated in other states. In this way, state actions can empower positive changes in local housing markets to respond to market demand. Housing has had significant policy attention in New Mexico as well, but actions have been very limited. The 2025 legislative session saw more housing-related bills than any other previous session, though only one was signed into law. Governor Lujan Grisham's main initiative, the creation of an executive Office of Housing, failed to pass for a second year in a row (Julig & Dodd, 2025).[20]

Several of New Mexico's local governments are currently taking actions to address their housing constraints, but bolder actions appear necessary. The state's main cities — Albuquerque, Santa Fe, and Las Cruces — are each mobilizing efforts to relax regulatory barriers and partnering with organizations to expand housing options. In their different local environments, both Albuquerque and Santa Fe are pursuing updates to their zoning codes. Additionally, Santa Fe is allocating more resources to its Affordable Housing Trust Fund and exploring development opportunities on publicly owned land in Midtown. Las Cruces, benefiting from greater regulatory flexibility, is advancing a portfolio of projects by partnering with organizations through its Housing and Neighborhood Revitalization Department. Recent milestones include the inauguration of Pedrena Senior Apartments and ongoing progress at Peachtree Canyon Apartments and Arcadia 4.[21] While these local initiatives are in the right direction to address the housing constraint, the cities may need significantly more ambition and targeting specific types of regulations that are preventing developers from building the types of housing that potential residents are demanding at costs that "pencil out" for builders. These specific regulations will vary by city and potentially by neighborhood but may include such constraints as restrictive floor area ratios, setback requirements, building height restrictions, parking requirements, building materials, or limitations on various types of housing units.

[20] The attempt has not been successful because there were concerns that such office would duplicate the work of New Mexico Mortgage Finance Authority (Housing New Mexico), the quasi-governmental entity that provides financing for affordable housing solutions (Lohmann, 2024). When Housing New Mexico and the Governor's team reached a consensus, they ran out of time to pass the reform.

[21] Information gathered from interviews with the cities' staff.

Positioning New Mexico for the Future

Acting on these implications would position New Mexico for a stronger economic future. In this future, periods of prosperity would no longer be fleeting or tied only to oil and gas. Instead, the state will be able to absorb shocks better and return more quickly to growth when external factors force a contraction in oil and gas. The state will have also built a stronger foundation where opportunity and progress are visible not only in Albuquerque, Santa Fe, or Las Cruces, but also in smaller cities, towns, and rural communities across New Mexico. Major business investments and "big wins" will still make headlines in its urban centers, but smaller communities, too, will receive new projects and celebrate local successes, steadily building more capabilities and confidence for long-term prosperity. Growth would be more broad-based and resilient, powered not by a single industry or cluster, but by a collection of industries, each making unique contributions in different regions. Larger urban centers will have relaxed barriers to housing and continue to enhance public amenities, making them magnets for talent and centers of a high quality of life. Rural and small-town communities will be connected to new sources of tradable income and opportunity, with local successes recognized and valued as vital parts of the state's economy. As opportunity spreads, young people and families will find more reasons to stay and build their futures in New Mexico rather than leaving the state, taking advantage of the investments in community colleges and childcare that the state has made. There are sure to be numerous challenges in acting on these implications, particularly discovering new sources of tradable income in some rural areas, but New Mexico has an opportunity today to build on a position of strength for the benefit of all New Mexicans, both present and future.

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ANNEXES

Annex 1: GSP per Capita Growth Rate Volatility (1998 – 2024) Ranking

	State	Volatility (SD)
1	North Dakota	5.49
2	Delaware	3.90
3	Nevada	3.90
4	Wyoming	3.86
5	Louisiana	3.68
6	Alaska	3.55
7	Hawaii	3.40
8	Michigan	3.23
9	Arizona	3.18
10	Indiana	3.02
11	Idaho	2.96
12	District of Columbia	2.93
13	Florida	2.77
14	Washington	2.76
15	Iowa	2.75
16	New Mexico	2.70
17	Georgia	2.68
18	Connecticut	2.63
19	South Dakota	2.61
20	California	2.58
21	Tennessee	2.50
22	New Jersey	2.46
23	Utah	2.42
24	Oklahoma	2.40
25	Colorado	2.39
26	Arkansas	2.39
27	Vermont	2.37
28	New York	2.35
29	Kentucky	2.33
30	Rhode Island	2.31
31	Illinois	2.30
32	Minnesota	2.29
33	Texas	2.27
34	Oregon	2.24
35	Alabama	2.21
36	Ohio	2.18
37	New Hampshire	2.12
38	Montana	2.07
39	North Carolina	2.05
40	Maryland	2.03
41	Pennsylvania	2.02
42	Massachusetts	1.99
43	South Carolina	1.96
44	Wisconsin	1.96
45	Nebraska	1.94
46	Kansas	1.89
47	United States	1.86
48	Virginia	1.83
49	Mississippi	1.81
50	Missouri	1.68
51	West Virginia	1.67
52	Maine	1.64

Source: Bureau of Economic Analysis (BEA)

Annex 2.1: Pairwise Correlation of Growth Rates for New Mexico's Counties

	Statewide	Bernalillo	Doña Ana	Lea	Eddy	Santa Fe	San Juan	Sandoval	Curry	Los Alamos	Otero	McKinley	Chaves	Valencia	Grant	Taos	Rio Arriba	Luna	San Miguel	Roosevelt	Lincoln	Cibola	Torrance	Socorro	Colfax	Sierra	Quay	Hidalgo	Guadalupe	Union	Mora	Catron	De Baca	Harding
Statewide	1.00	0.81	0.66	0.49	0.22	0.43	0.57	0.58	0.11	0.22	0.08	0.26	0.14	0.33	0.02	0.45	0.41	0.14	0.71	0.04	0.10	0.40	0.19	0.43	0.30	-0.01	0.15	0.21	0.24	-0.27	0.22	0.00	0.09	-0.13
Bernalillo	0.81	1.00	0.63	0.02	-0.31	0.48	0.36	0.61	0.10	0.24	0.08	-0.05	0.20	0.35	0.22	0.49	0.19	0.06	0.46	0.22	-0.06	0.39	0.34	0.45	0.03	0.08	0.30	0.01	0.24	-0.17	-0.08	0.10	0.00	-0.25
Doña Ana	0.66	0.63	1.00	-0.07	-0.23	0.33	0.15	0.59	0.17	0.40	0.28	-0.13	0.09	0.44	-0.11	0.28	0.29	0.31	0.41	0.09	-0.30	0.10	0.14	0.41	0.33	0.28	0.38	0.03	0.06	-0.05	0.24	-0.11	-0.15	0.08
Lea	0.49	0.02	-0.07	1.00	0.70	0.18	0.55	-0.10	-0.21	-0.21	-0.25	0.54	0.06	0.10	0.05	0.23	0.27	0.12	0.53	-0.25	0.36	0.20	-0.03	0.00	0.28	-0.17	-0.12	0.50	0.21	-0.37	0.18	-0.01	0.25	-0.17
Eddy	0.22	-0.31	-0.23	0.70	1.00	-0.13	0.37	-0.17	-0.15	-0.10	-0.21	0.59	-0.16	-0.27	-0.32	-0.09	0.38	-0.04	0.32	-0.32	0.39	0.02	-0.16	-0.11	0.20	-0.24	-0.50	0.23	-0.01	-0.10	0.30	-0.23	0.13	0.08
Santa Fe	0.43	0.48	0.33	0.18	-0.13	1.00	0.32	-0.23	-0.33	0.02	0.14	-0.02	0.44	0.56	0.45	0.72	0.12	0.41	0.63	0.54	0.01	0.05	0.03	0.52	0.01	0.07	0.22	0.17	0.37	-0.03	0.06	-0.10	0.13	-0.44
San Juan	0.57	0.36	0.15	0.55	0.37	0.32	1.00	0.16	-0.05	-0.36	-0.38	0.36	-0.04	0.02	0.21	0.35	0.51	-0.07	0.52	-0.26	0.13	0.19	0.03	0.07	0.22	-0.29	-0.20	0.31	-0.02	-0.16	0.20	-0.12	-0.05	0.09
Sandoval	0.58	0.61	0.59	-0.10	-0.17	-0.23	0.16	1.00	0.57	0.12	0.16	-0.08	-0.28	-0.02	-0.28	-0.06	0.24	-0.22	0.11	-0.29	-0.16	0.34	0.05	-0.04	0.21	-0.06	0.19	-0.01	-0.10	-0.06	0.15	0.05	-0.18	0.33
Curry	0.11	0.10	0.17	-0.21	-0.15	-0.33	-0.05	0.57	1.00	0.02	0.24	-0.25	-0.14	-0.30	-0.05	-0.09	-0.12	-0.29	-0.11	0.02	-0.20	0.01	-0.33	0.03	-0.03	-0.01	0.26	0.10	-0.29	-0.01	0.02	0.14	-0.08	0.32
Los Alamos	0.22	0.24	0.40	-0.21	-0.10	0.02	-0.36	0.12	0.02	1.00	0.33	-0.27	0.03	0.41	-0.23	0.22	0.12	0.09	0.20	0.22	-0.02	0.02	0.33	0.39	0.21	0.11	0.00	-0.27	0.07	-0.04	0.02	0.24	0.12	-0.09
Otero	0.08	0.08	0.28	-0.25	-0.21	0.14	-0.38	0.16	0.24	0.33	1.00	-0.07	0.31	0.11	-0.10	-0.05	-0.19	0.36	0.20	0.45	0.13	0.06	0.10	0.39	0.25	0.27	0.14	-0.12	0.39	-0.05	0.28	0.24	0.21	-0.02
McKinley	0.26	-0.05	-0.13	0.54	0.59	-0.02	0.36	-0.08	-0.25	-0.27	-0.07	1.00	0.11	-0.26	0.04	-0.01	0.01	0.04	0.22	-0.10	0.36	0.19	-0.04	0.03	0.03	-0.10	-0.13	0.24	0.09	-0.33	0.31	-0.30	0.10	-0.17
Chaves	0.14	0.20	0.09	0.06	-0.16	0.44	-0.04	-0.28	-0.14	0.03	0.31	0.11	1.00	0.28	0.35	0.15	-0.47	0.43	0.22	0.81	0.28	0.10	0.10	0.64	-0.17	0.53	0.22	-0.03	0.42	-0.40	0.05	-0.03	0.18	-0.54
Valencia	0.33	0.35	0.44	0.10	-0.27	0.56	0.02	-0.02	-0.30	0.41	0.11	-0.26	0.28	1.00	0.00	0.51	0.27	0.31	0.45	0.32	0.00	0.17	0.05	0.27	0.32	-0.08	0.22	-0.10	0.14	-0.08	0.05	0.06	0.19	-0.25
Grant	0.02	0.22	-0.11	0.05	-0.32	0.45	0.21	-0.28	-0.05	-0.23	-0.10	0.04	0.35	0.00	1.00	0.46	-0.50	0.03	0.05	0.34	-0.26	0.04	0.25	0.23	-0.17	0.00	0.38	0.06	0.25	-0.19	-0.29	0.05	0.12	-0.55
Taos	0.45	0.49	0.28	0.23	-0.09	0.72	0.35	-0.06	-0.09	0.22	-0.05	-0.01	0.15	0.51	0.46	1.00	0.23	0.04	0.73	0.27	-0.05	0.09	0.15	0.23	0.03	-0.22	0.23	0.19	0.16	-0.19	0.07	0.03	0.07	-0.31
Rio Arriba	0.41	0.19	0.29	0.27	0.38	0.12	0.51	0.24	-0.12	0.12	-0.19	0.01	-0.47	0.27	-0.50	0.23	1.00	-0.13	0.49	-0.49	0.03	-0.05	-0.11	-0.15	0.51	-0.37	-0.28	0.17	-0.19	0.31	0.24	-0.05	0.01	0.51
Luna	0.14	0.06	0.31	0.12	-0.04	0.41	-0.07	-0.22	-0.29	0.09	0.36	0.04	0.43	0.31	0.03	0.04	-0.13	1.00	0.25	0.34	0.37	0.41	0.15	0.60	0.05	0.40	0.20	0.15	0.32	-0.05	-0.04	0.16	0.17	-0.34
San Miguel	0.71	0.46	0.41	0.53	0.32	0.63	0.52	0.11	-0.11	0.20	0.20	0.22	0.22	0.45	0.05	0.73	0.49	0.25	1.00	0.13	0.29	0.22	0.16	0.32	0.36	-0.09	-0.03	0.36	0.35	-0.32	0.38	0.01	0.23	-0.12
Roosevelt	0.04	0.22	0.09	-0.25	-0.32	0.54	-0.26	-0.29	0.02	0.22	0.45	-0.10	0.81	0.32	0.34	0.27	-0.49	0.34	0.13	1.00	0.14	-0.01	-0.05	0.66	-0.36	0.35	0.21	-0.22	0.27	-0.20	-0.10	-0.04	0.09	-0.61
Lincoln	0.10	-0.06	-0.30	0.36	0.39	0.01	0.13	-0.16	-0.20	-0.02	0.13	0.36	0.28	0.00	-0.26	-0.05	0.03	0.37	0.29	0.14	1.00	0.54	-0.02	0.27	-0.18	-0.01	-0.55	0.20	0.01	-0.35	0.05	0.05	0.03	-0.25
Cibola	0.40	0.39	0.10	0.20	0.02	0.05	0.19	0.34	0.01	0.02	0.06	0.19	0.10	0.17	0.04	0.09	-0.05	0.41	0.22	-0.01	0.54	1.00	0.23	0.27	0.02	-0.19	-0.01	-0.02	0.12	-0.19	-0.08	0.21	0.10	-0.29
Torrance	0.19	0.34	0.14	-0.03	-0.16	0.03	0.03	0.05	-0.33	0.33	0.10	-0.04	0.10	0.05	0.25	0.15	-0.11	0.15	0.16	-0.05	-0.02	0.23	1.00	0.15	0.05	0.21	0.00	-0.21	0.51	-0.32	-0.06	0.50	0.18	-0.22
Socorro	0.43	0.45	0.41	0.00	-0.11	0.52	0.07	-0.04	0.03	0.39	0.39	0.03	0.64	0.27	0.23	0.23	-0.15	0.60	0.32	0.66	0.27	0.27	0.15	1.00	-0.09	0.49	0.18	0.16	0.25	-0.12	0.02	0.17	0.22	-0.39
Colfax	0.30	0.03	0.33	0.28	0.20	0.01	0.22	0.21	-0.03	0.21	0.25	0.03	-0.17	0.32	-0.17	0.03	0.51	0.05	0.36	-0.36	-0.18	0.02	0.05	-0.09	1.00	-0.18	0.12	0.06	0.24	0.15	0.32	0.08	0.42	0.37
Sierra	-0.01	0.08	0.28	-0.17	-0.24	0.07	-0.29	-0.06	-0.01	0.11	0.27	-0.10	0.53	-0.08	0.00	-0.22	-0.37	0.40	-0.09	0.35	-0.01	-0.19	0.21	0.49	-0.18	1.00	0.26	0.27	0.19	-0.23	0.12	0.04	0.08	-0.06
Quay	0.15	0.30	0.38	-0.12	-0.50	0.22	-0.20	0.19	0.26	0.00	0.14	-0.13	0.22	0.22	0.38	0.23	-0.28	0.20	-0.03	0.21	-0.55	-0.01	0.00	0.18	0.12	0.26	1.00	0.11	0.30	0.13	-0.08	0.24	0.28	-0.07
Hidalgo	0.21	0.01	0.03	0.50	0.23	0.17	0.31	-0.01	0.10	-0.27	-0.12	0.24	-0.03	-0.10	0.06	0.19	0.17	0.15	0.36	-0.22	0.20	-0.02	-0.21	0.16	0.06	0.27	0.11	1.00	-0.04	-0.21	0.21	-0.01	0.31	0.14
Guadalupe	0.24	0.24	0.06	0.21	-0.01	0.37	-0.02	-0.10	-0.29	0.07	0.39	0.09	0.42	0.14	0.25	0.16	-0.19	0.32	0.35	0.27	0.01	0.12	0.51	0.25	0.24	0.19	0.30	-0.04	1.00	-0.10	0.19	0.42	0.54	-0.26
Union	-0.27	-0.17	-0.05	-0.37	-0.10	-0.03	-0.16	-0.06	-0.01	-0.04	-0.05	-0.33	-0.40	-0.08	-0.19	-0.19	0.31	-0.05	-0.32	-0.20	-0.35	-0.19	-0.32	-0.12	0.15	-0.23	0.13	-0.21	-0.10	1.00	-0.05	0.09	-0.05	0.47
Mora	0.22	-0.08	0.24	0.18	0.30	0.06	0.20	0.15	0.02	0.02	0.28	0.31	0.05	0.05	-0.29	0.07	0.24	-0.04	0.38	-0.10	0.05	-0.08	-0.06	0.02	0.32	0.12	-0.08	0.21	0.19	-0.05	1.00	-0.10	0.08	0.51
Catron	0.00	0.10	-0.11	-0.01	-0.23	-0.10	-0.12	0.05	0.14	0.24	0.24	-0.30	-0.03	0.06	0.05	0.03	-0.05	0.16	0.01	-0.04	0.05	0.21	0.50	0.17	0.08	0.04	0.24	-0.01	0.42	0.09	-0.10	1.00	0.43	0.13
De Baca	0.09	0.00	-0.15	0.25	0.13	0.13	-0.05	-0.18	-0.08	0.12	0.21	0.10	0.18	0.19	0.12	0.07	0.01	0.17	0.23	0.09	0.03	0.10	0.18	0.22	0.42	0.08	0.28	0.31	0.54	-0.05	0.08	0.43	1.00	-0.08
Harding	-0.13	-0.25	0.08	-0.17	0.08	-0.44	0.09	0.33	0.32	-0.09	-0.02	-0.17	-0.54	-0.25	-0.55	-0.31	0.51	-0.34	-0.12	-0.61	-0.25	-0.29	-0.22	-0.39	0.37	-0.06	-0.07	0.14	-0.26	0.47	0.51	0.13	-0.08	1.00

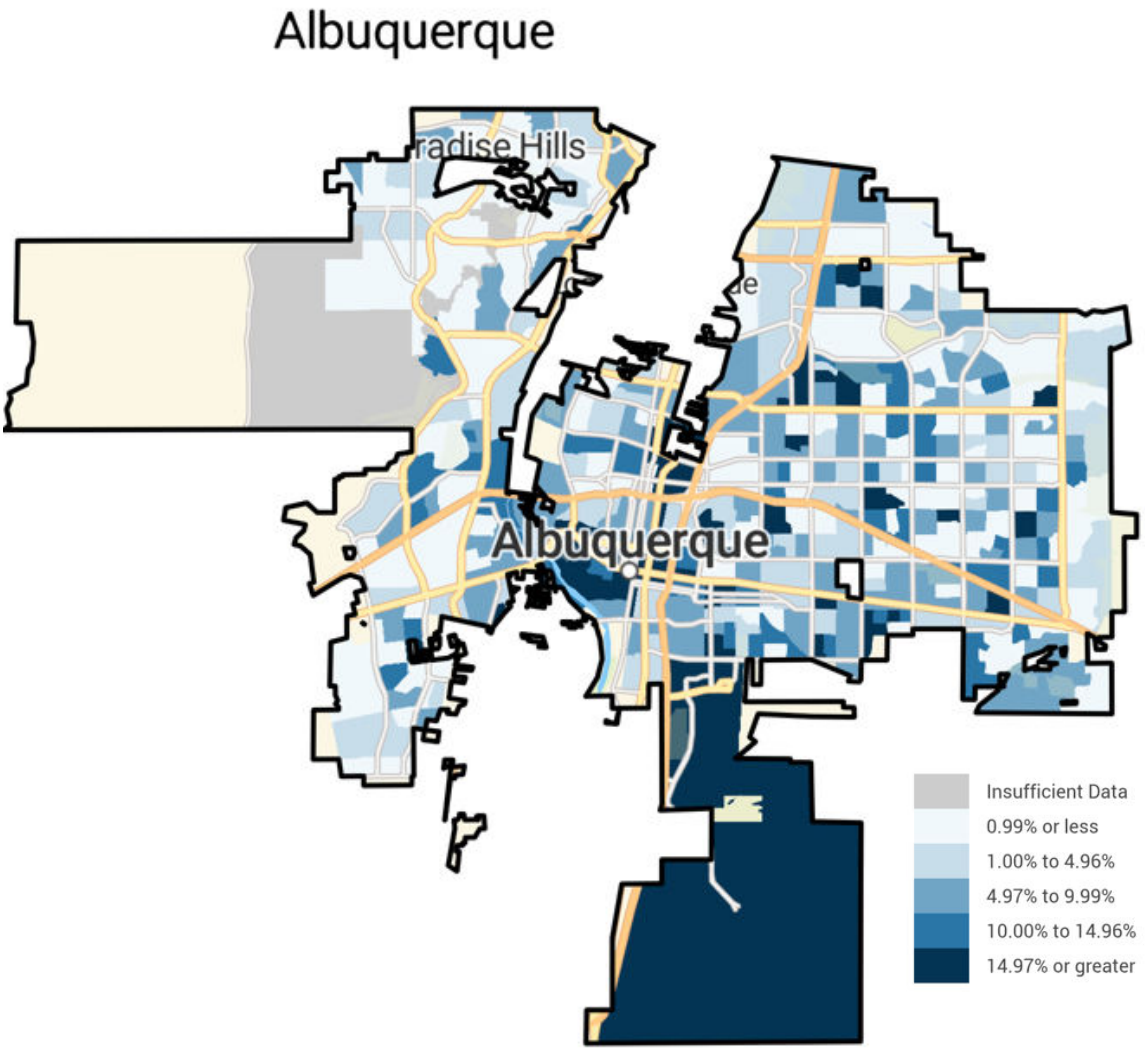
Source: Bureau of Economic Analysis (BEA)

Annex 2.2: GCP Trajectory of New Mexico's Counties Relative to 2001

																											Contributions to Growth	
County	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Share, 2023	Share, 2001	Change	2001-23	2017-23
Bernalillo	1.00	1.02	1.08	1.17	1.18	1.20	1.21	1.22	1.21	1.20	1.19	1.19	1.17	1.20	1.22	1.24	1.24	1.26	1.30	1.28	1.35	1.40	1.42	38.2%	39.1%	-0.9%	0.62%	0.99%
Doña Ana	1.00	1.04	1.13	1.22	1.32	1.32	1.33	1.33	1.39	1.46	1.40	1.32	1.32	1.33	1.34	1.37	1.39	1.42	1.47	1.42	1.52	1.55	1.63	7.8%	7.0%	0.8%	0.16%	0.26%
Lea	1.00	1.03	0.98	1.03	1.09	1.34	1.47	1.44	1.49	1.43	1.55	1.73	1.78	1.92	1.94	1.67	1.77	2.16	2.50	2.35	2.30	2.35	3.16	7.8%	3.6%	4.2%	0.29%	0.46%
Eddy	1.00	1.11	1.03	0.95	0.90	0.93	1.00	1.00	1.15	1.19	1.27	1.46	1.54	1.71	1.88	1.80	1.85	2.09	2.52	2.38	2.24	2.18	2.77	7.4%	3.9%	3.5%	0.26%	0.41%
Santa Fe	1.00	1.08	1.05	1.10	1.13	1.20	1.24	1.29	1.20	1.20	1.18	1.16	1.17	1.20	1.18	1.18	1.17	1.20	1.21	1.14	1.24	1.25	1.27	6.9%	7.9%	-1.0%	0.08%	0.13%
San Juan	1.00	1.00	0.99	1.01	1.01	1.04	1.07	1.06	1.07	1.00	0.99	0.99	0.98	1.02	1.03	0.94	0.92	0.89	0.90	0.83	0.83	0.84	0.86	4.9%	8.3%	-3.4%	-0.04%	-0.07%
Sandoval	1.00	0.97	1.49	2.48	2.23	2.24	1.98	1.61	2.46	2.41	2.12	1.90	1.74	1.72	1.70	1.72	1.73	1.72	1.89	1.83	1.93	2.07	2.17	4.0%	2.7%	1.3%	0.12%	0.19%
Curry	1.00	1.01	1.05	1.13	1.16	1.19	1.17	1.19	1.30	1.37	1.41	1.49	1.50	1.53	1.49	1.54	1.63	1.59	1.62	1.63	1.62	1.69	1.69	3.0%	2.5%	0.4%	0.07%	0.11%
Los Alamos	1.00	1.09	1.15	1.14	1.16	1.05	0.99	1.01	1.00	1.04	1.04	1.00	0.91	0.89	0.87	0.97	0.99	1.01	1.02	1.06	1.12	1.22	1.37	2.8%	3.0%	-0.2%	0.04%	0.07%
Otero	1.00	1.05	1.06	1.09	1.09	1.12	1.11	1.11	1.13	1.23	1.26	1.25	1.23	1.20	1.19	1.20	1.18	1.19	1.20	1.22	1.26	1.28	1.27	2.6%	3.0%	-0.4%	0.03%	0.05%
McKinley	1.00	0.99	1.00	0.98	0.94	0.96	0.96	1.00	0.98	0.97	1.01	1.01	1.02	0.99	1.01	0.92	0.87	0.90	1.01	0.95	0.89	0.87	0.89	2.1%	3.4%	-1.3%	-0.01%	-0.02%
Chaves	1.00	0.99	0.96	1.02	1.05	1.05	1.10	1.14	1.01	1.11	1.13	1.12	1.09	1.12	1.11	1.12	1.09	1.11	1.13	1.10	1.09	1.12	1.12	1.9%	2.5%	-0.6%	0.01%	0.02%
Valencia	1.00	1.08	1.13	1.18	1.25	1.29	1.35	1.38	1.32	1.33	1.34	1.23	1.21	1.27	1.24	1.29	1.36	1.44	1.39	1.41	1.47	1.50	1.59	1.6%	1.5%	0.1%	0.03%	0.05%
Grant	1.00	0.92	0.92	0.99	1.08	1.14	1.12	1.20	0.98	0.97	1.12	1.22	1.34	1.35	1.31	1.25	1.29	1.23	1.21	1.10	1.26	1.32	1.29	1.1%	1.2%	-0.1%	0.01%	0.02%
Taos	1.00	1.05	1.09	1.10	1.13	1.16	1.18	1.22	1.16	1.11	1.14	1.15	1.11	1.17	1.06	1.06	1.08	1.12	1.13	1.03	1.14	1.18	1.20	1.0%	1.2%	-0.2%	0.01%	0.01%
Rio Arriba	1.00	1.10	1.06	1.01	1.01	1.01	1.02	0.93	1.04	0.88	0.83	0.75	0.69	0.73	0.73	0.71	0.68	0.69	0.70	0.67	0.68	0.66	0.68	0.9%	2.0%	-1.1%	-0.02%	-0.04%
Luna	1.00	1.11	1.17	1.18	1.32	1.42	1.46	1.42	1.30	1.45	1.38	1.43	1.48	1.47	1.52	1.54	1.48	1.52	1.56	1.58	1.59	1.59	1.67	0.8%	0.7%	0.1%	0.02%	0.03%
San Miguel	1.00	1.05	1.06	1.08	1.07	1.11	1.14	1.12	1.11	1.11	1.11	1.11	1.03	1.06	1.01	0.98	0.95	0.98	1.00	0.92	0.97	0.96	1.02	0.6%	0.9%	-0.3%	0.00%	0.00%
Roosevelt	1.00	1.11	1.04	1.16	1.15	1.14	1.19	1.36	1.04	1.26	1.27	1.24	1.20	1.22	1.15	1.26	1.32	1.31	1.32	1.27	1.30	1.41	1.34	0.6%	0.7%	-0.1%	0.01%	0.01%
Lincoln	1.00	1.08	1.09	1.10	1.07	1.09	1.18	1.19	1.15	1.17	1.18	1.28	1.21	1.20	1.22	1.19	1.15	1.20	1.21	1.26	1.18	1.18	1.23	0.6%	0.7%	-0.1%	0.01%	0.01%
Cibola	1.00	1.07	1.20	1.30	1.28	1.30	1.31	1.25	1.18	1.17	1.19	1.26	1.28	1.30	1.30	1.27	1.21	1.22	1.20	1.22	1.16	1.14	1.21	0.6%	0.7%	-0.1%	0.01%	0.01%
Torrance	1.00	0.98	1.11	1.12	1.14	1.14	1.09	1.06	0.99	1.04	1.10	1.15	1.13	1.21	1.36	1.32	1.28	1.36	1.37	1.47	1.72	1.90	2.05	0.5%	0.4%	0.2%	0.02%	0.02%
Socorro	1.00	1.08	1.06	1.15	1.22	1.20	1.18	1.22	1.13	1.19	1.16	1.19	1.14	1.13	1.15	1.17	1.13	1.12	1.14	1.10	1.11	1.16	1.20	0.5%	0.6%	-0.1%	0.00%	0.01%
Colfax	1.00	1.02	1.01	1.00	1.03	1.06	1.06	0.98	1.03	1.02	1.09	0.99	0.97	0.98	0.96	0.96	0.91	0.90	0.90	0.89	0.91	0.89	0.95	0.4%	0.7%	-0.2%	0.00%	0.00%
Sierra	1.00	0.95	0.93	0.97	1.04	1.04	1.03	1.07	1.03	1.13	1.06	1.07	1.02	1.02	1.05	1.08	1.04	1.05	1.08	1.13	1.17	1.15	1.15	0.3%	0.4%	-0.1%	0.00%	0.00%
Quay	1.00	0.94	0.97	1.03	1.13	1.21	1.09	1.09	1.04	1.07	1.06	1.00	1.05	1.07	0.98	1.04	1.02	1.03	1.06	1.03	1.04	1.06	1.02	0.3%	0.4%	-0.1%	0.00%	0.00%
Hidalgo	1.00	0.99	0.96	1.01	1.16	1.38	1.39	1.52	1.65	1.59	1.57	1.81	1.63	1.63	1.63	1.63	1.57	1.69	1.77	1.70	1.71	1.58	1.69	0.2%	0.2%	0.0%	0.00%	0.01%
Guadalupe	1.00	0.99	1.00	1.03	1.00	1.11	1.09	1.08	1.02	1.13	1.17	1.17	1.22	1.27	1.32	1.38	1.24	1.35	1.34	1.33	1.45	1.57	1.69	0.2%	0.1%	0.0%	0.00%	0.01%
Union	1.00	1.13	0.93	0.87	0.90	0.81	0.70	0.63	0.70	0.59	0.54	0.49	0.59	0.58	0.56	0.63	0.53	0.51	0.47	0.48	0.48	0.47	0.39	0.1%	0.4%	-0.3%	-0.01%	-0.02%
Mora	1.00	1.06	1.07	1.07	1.05	1.04	1.07	1.37	1.81	2.19	2.21	1.89	1.84	2.13	1.94	1.60	1.14	1.30	1.28	1.22	1.27	1.16	1.37	0.1%	0.1%	0.0%	0.00%	0.00%
Catron	1.00	1.03	1.07	1.08	1.13	1.23	1.06	0.99	0.98	1.01	1.03	1.10	1.07	1.14	1.14	1.13	1.08	1.13	1.03	1.15	1.17	1.39	1.42	0.1%	0.1%	0.0%	0.00%	0.00%
De Baca	1.00	1.04	0.95	0.95	0.99	1.30	0.95	0.96	0.85	0.89	1.11	1.08	0.94	1.09	1.18	1.41	1.20	1.26	1.23	1.26	1.21	1.15	1.37	0.1%	0.1%	0.0%	0.00%	0.00%
Harding	1.00	0.96	0.88	0.78	0.89	0.83	0.74	0.72	1.29	1.16	1.03	0.88	0.85	1.01	0.97	0.91	0.66	0.60	0.54	0.63	0.58	0.57	0.50	0.0%	0.1%	-0.1%	0.00%	0.00%
Statewide	1.00	1.03	1.07	1.15	1.16	1.19	1.20	1.20	1.22	1.22	1.21	1.21	1.20	1.23	1.24	1.24	1.24	1.28	1.33	1.30	1.34	1.37	1.46	100.0%	100.0%	0.0%	**1.72%**	**2.73%**

Source: Bureau of Economic Analysis (BEA)

Annex 3: Estimated Housing Vacancy Rate in Albuquerque by Block Group (2023)



Source: American Community Survey (ACS) via PolicyMap