

# EXECUTIVE SUMMARY

CITY OF LAS CRUCES ECONOMIC OUTLOOK 2ND QUARTER 2019



City of Las Cruces had mixed economic signals in the 2nd quarter of 2019.



## NOT SEASONALLY ADJUSTED UNEMPLOYMENT RATE IN MAY 2019 COMPARISON

City of Las Cruces	New Mexico
4.5%	4.5%

United States  
3.4%

City of Las Cruces was the same in unemployment in comparison to New Mexico and higher than the United States (+1.1%).

## TOTAL NONFARM PAYROLL EMPLOYMENT FOR LAS CRUCES METROPOLITAN STATISTICAL AREA

June 2019  
73,800  
payroll jobs



June 2018  
73,200  
payroll jobs

A difference of **600** more payroll jobs in the metropolitan area in the year-to-year change.



## SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP) CASES BY DOÑA ANA ADMINISTRATIVE OFFICES

May 2019	May 2018
26,989 cases	27,213 cases

A year-to-year decrease of **224** less cases.



## NEW BUSINESS REGISTRATION

June 2019	June 2018
72	32

In the first 6 months of 2019 new business registrations was 266, or 65 less new business registrations than 2018.



## BUSINESS REGISTRATION RENEWALS

June 2019	June 2018
199	236

In the first 6 months of 2019 business registration renewals was 1,208, or 219 less business registrations renewals than 2018.

Note: This does not imply that they are no longer in operation.

## MEDIAN LISTING HOME PRICES FOR THE CITY OF LAS CRUCES



May 2019 for Zillow.com was	\$207,875
May 2019 for Realtor.com was	\$204,150
May 2019 for Trulia.com was	\$186,745

The year-to-year average depreciation in median listing housing prices for the three websites was

**\$6,573**

QUARTER II OF 2019

JULY 2019

VOLUME II



# LAS CRUCES ECONOMIC OUTLOOK

ECONOMIC DEVELOPMENT DEPARTMENT

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ECONOMIST

## IN THIS ISSUE

- Data on Retail Trade Gross Receipts in the City of Las Cruces was added in this issue.
- Data on Commercial Non-Residential Construction permits was added in this issue.
- Data on Cost of Living Index in the City of Las Cruces was added in this issue.
- Data on Downtown (Main Street) Las Cruces foot traffic data remains constant from the previous issue given that a new foot traffic count tool will be adopted by the City of Las Cruces Economic Development Department.
- Las Cruces International Airport data remains constant, from the previous issue given that the Las Cruces International Airport is partnering with the New Mexico Department of Transportation and other airports in the state of New Mexico to develop a new tool to measure aircraft operations.

## EXECUTIVE SUMMARY

The 2<sup>nd</sup> quarter 2019 economic outlook of the City of Las Cruces indicates mixed economic signals. Unemployment rate for the City of Las Cruces is equal to the State of New Mexico, but higher than the Nation. The May 2019 preliminary figures of the not-seasonally adjusted unemployment rate for the City of Las Cruces is 4.5%, the same as the State. In comparison, the Nation has 3.4% for the same measurement. The number of payroll jobs in Las Cruces metropolitan area has increased from a year ago. The preliminary numbers on total non-farm payroll employment in Las Cruces metropolitan area for June 2019 indicate a total of 73,800 payroll jobs. In comparison to the June 2018 figures on the same statistic at 73,200 payroll jobs it represents an increase of roughly 600 jobs. The number of Supplemental Nutrition Assistance Program (SNAP) cases by Doña Ana administrative offices was 26,989 on May 2019, which represents a decrease of 224 cases from May 2018 at 27,213.

More new businesses registrations and less business permit renewals. On June 2019, there were 72 new business registrations, which is higher than the number of business registrations for June 2018 at 32. The total number of new business registrations for the first 6 months of 2019 is 266, which is lower than the first 6 months of 2018 at 330. Business registration renewals for June 2019 were 199, which is lower than the June 2018 figures at 236.

Median listing home prices are leveling since August 2018. The median listing home prices are listed according to three websites at: \$207,875, \$186,745 and \$204,150 for Zillow.com, Trulia.com, and Realtor.com respectively in May 2019. This represents an increase in the average year-to-year change in listing prices from its May 2018 prices of \$6,573 for the three websites.

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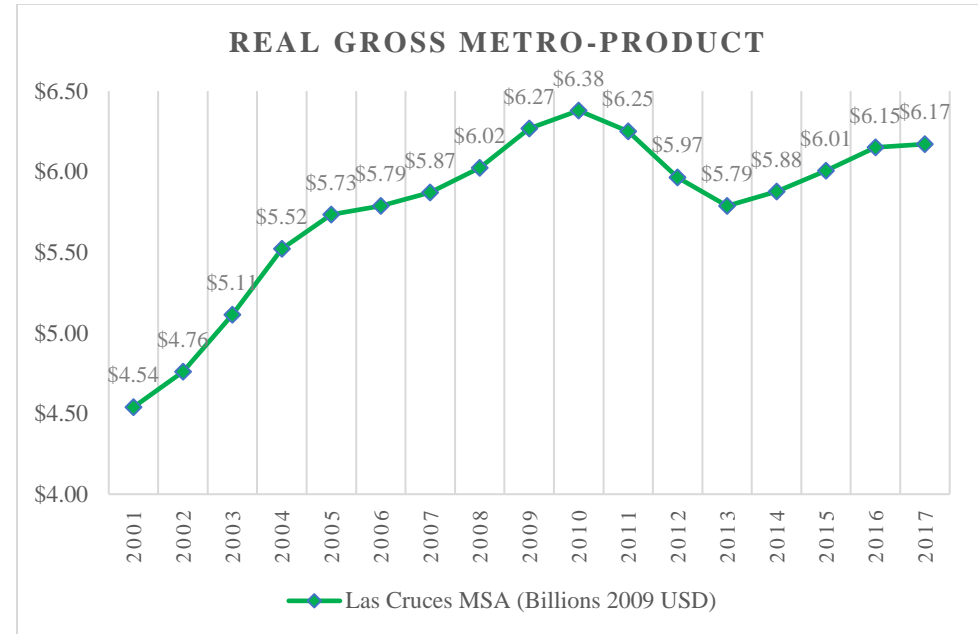
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# GROSS METROPOLITAN PRODUCT

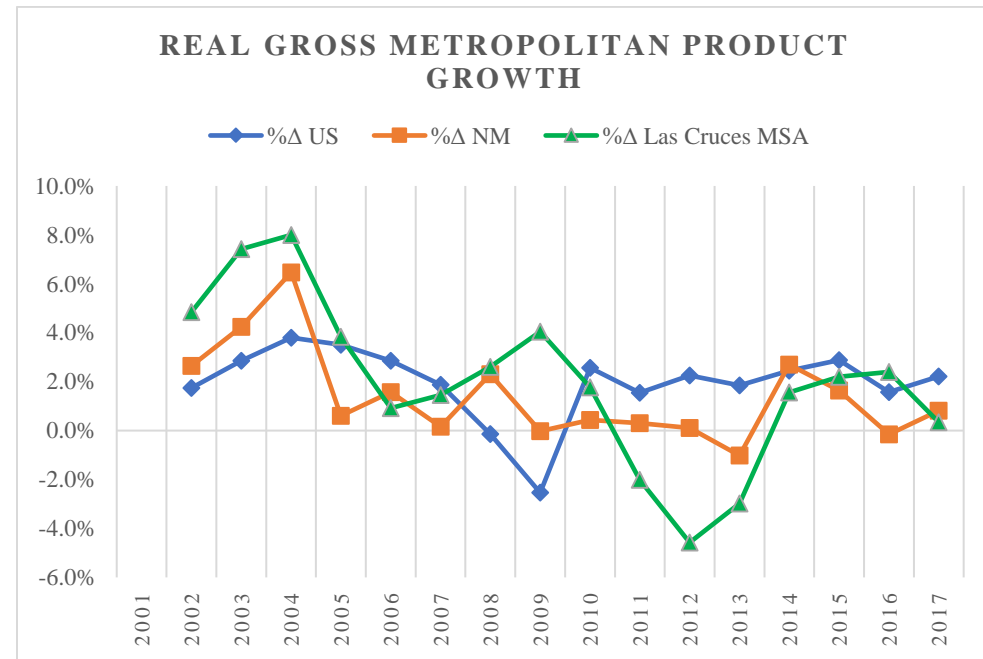
## HIGHLIGHTS:

The BEA reports that Gross Metropolitan Product (GMP), which is the value of all goods and services produced within Las Cruces metropolitan area grew by only 0.34% from 2016 to 2017. The GMP figure grew from \$6,150 million in 2016 to \$6,170 million in 2017 in chained 2009 dollars.

The metropolitan area is growing at a smaller rate than the state or the nation. Las Cruces, MSA grew from 2016 to 2017 by 0.34%, in comparison, the nation grew by 2.22% from 2016 to 2017, whereas the state of New Mexico grew by 0.15 percent for the same period.



Source: U.S. Bureau of Economic Analysis



Source: U.S. Bureau of Economic Analysis

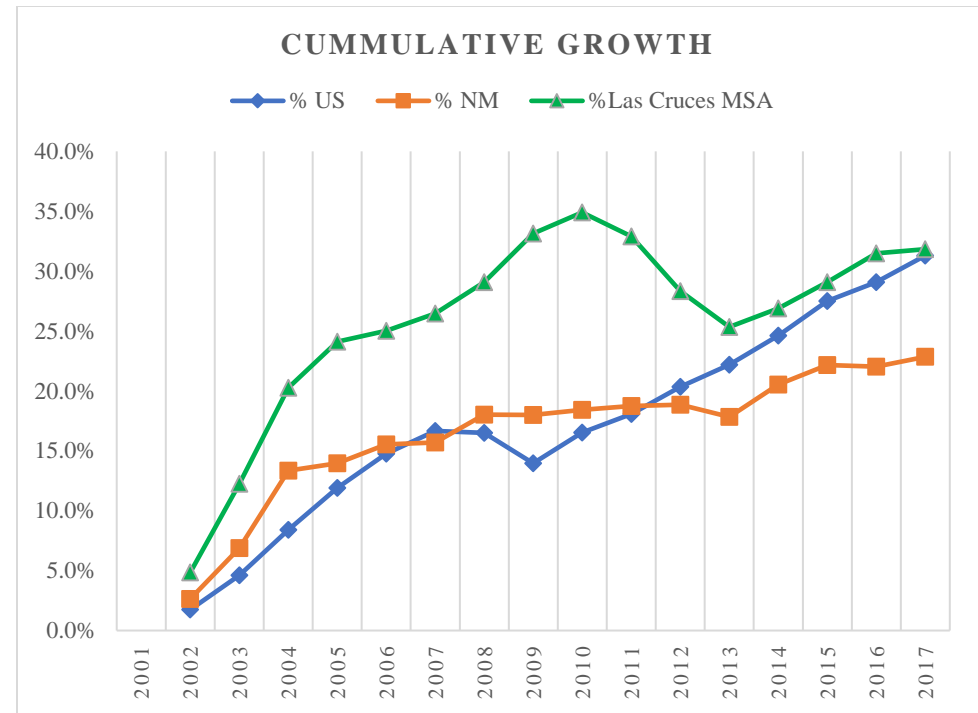
2018 GMP data expected release date: September 2019

# GROSS METROPOLITAN PRODUCT

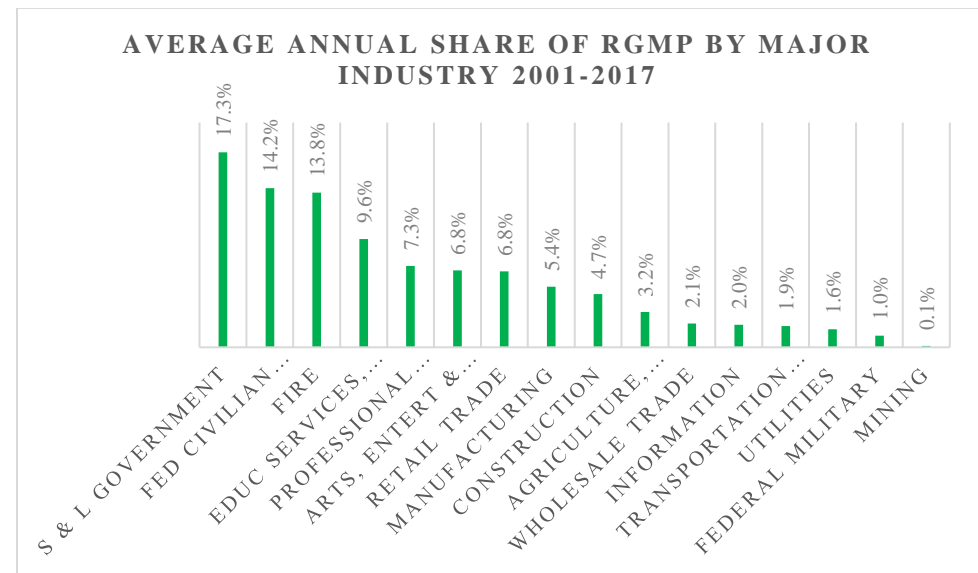
## HIGHLIGHTS:

Nevertheless, compared to the nation and the state of New Mexico, Las Cruces MSA has experienced strong economic output growth over the past years. This is evidenced by the real cumulative growth, which has been higher than the nation and the state at least since 2001.

In terms of industry's value of goods and services produced within the region, the main driver of the GMP has been state and local government with 17.3% of the average annual share of GMP since 2001. The next industry is federal civilian government, whose production accounts for roughly 14.2% of the average annual share of RGMP since 2001. As it can be observed, the metro-area is highly dependent on the public sector for its output.



Source: U.S. Bureau of Economic Analysis



Source: U.S. Bureau of Economic Analysis

2018 GMP data expected release date: September 2019

## UNEMPLOYMENT & LABOR FORCE

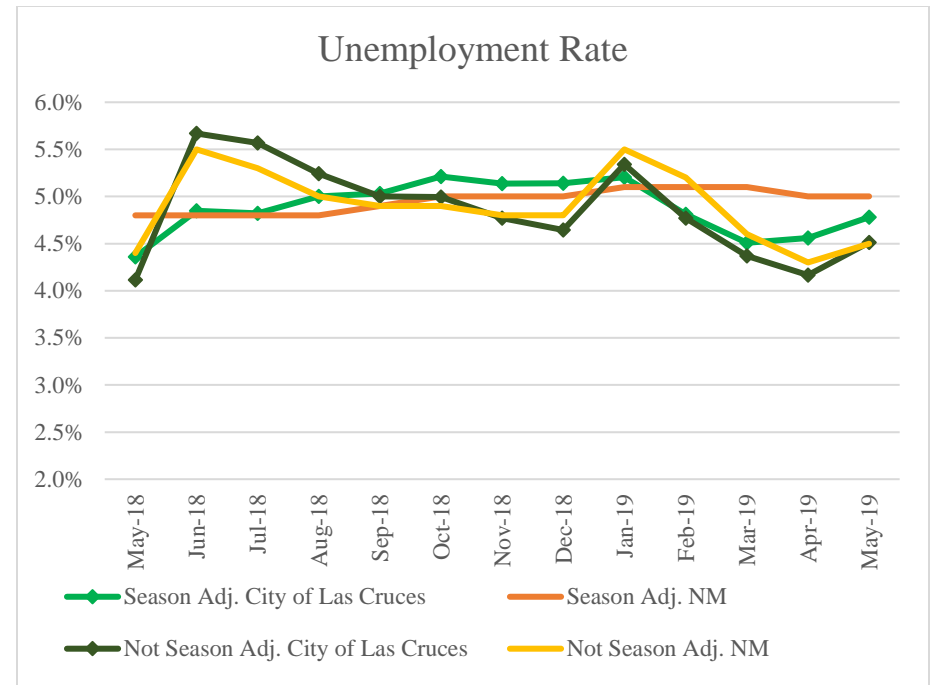
### HIGHLIGHTS:

The unemployment rate data for the City of Las Cruces is collected from the Local Area Unemployment program of the BLS for cities and towns above 25,000 population. The not-seasonally-adjusted preliminary unemployment rate for the City of Las Cruces on May 2019 was 4.5%, which is at the same level of the State of New Mexico with a rate of 4.5%. This implies that the City is performing similarly to the State, in terms of unemployment rates. The highest unemployment rate experienced in the City during the past 12 months was on January 2019, where the seasonally adjusted unemployment rate reached 5.2%. The seasonally adjusted unemployment rates were calculated using monthly seasonal indices.

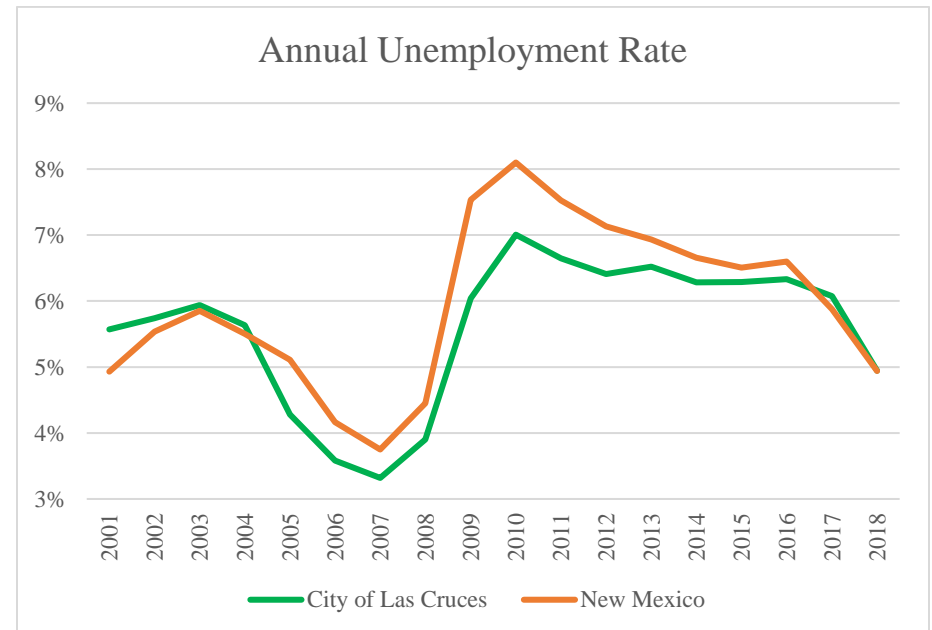
The not seasonally adjusted unemployment rates are expected to be higher at certain parts of the year. The reason is because there are monthly seasonal fluctuations that affect employment trends in certain months more than others. For instance, students tend to join the labor force during the summer, which increases the unemployment rate.

The annual change in the unemployment rate indicates that although the City was not as affected as the State by the great recession, in 2018 the unemployment rate of the City of Las Cruces equaled the State of New Mexico at 4.9%.

June 2019 data expected release date: August 2019



Source: U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics



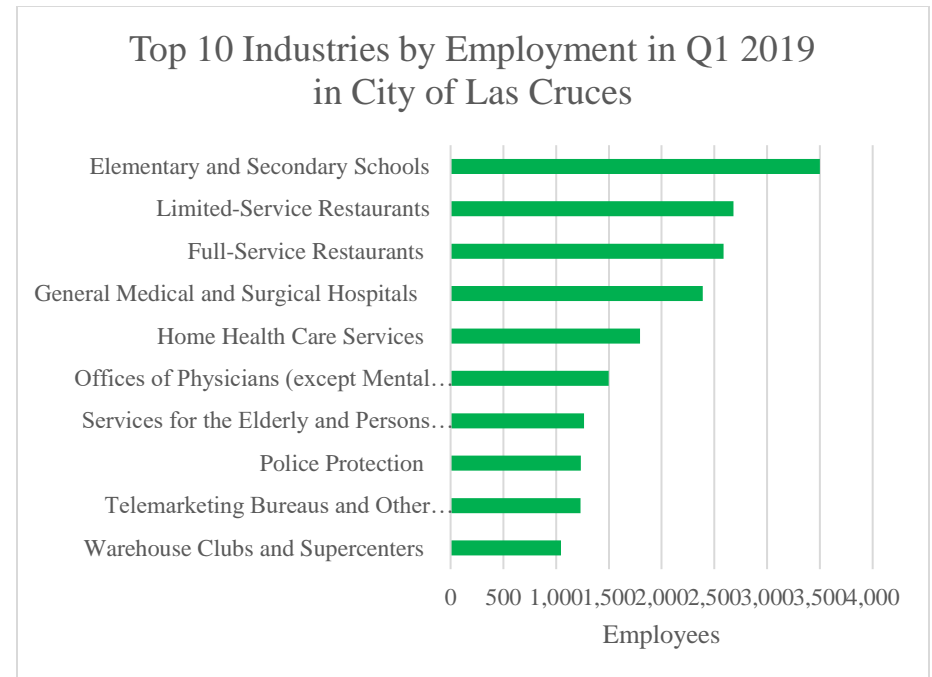
# UNEMPLOYMENT & LABOR FORCE

## HIGHLIGHTS:

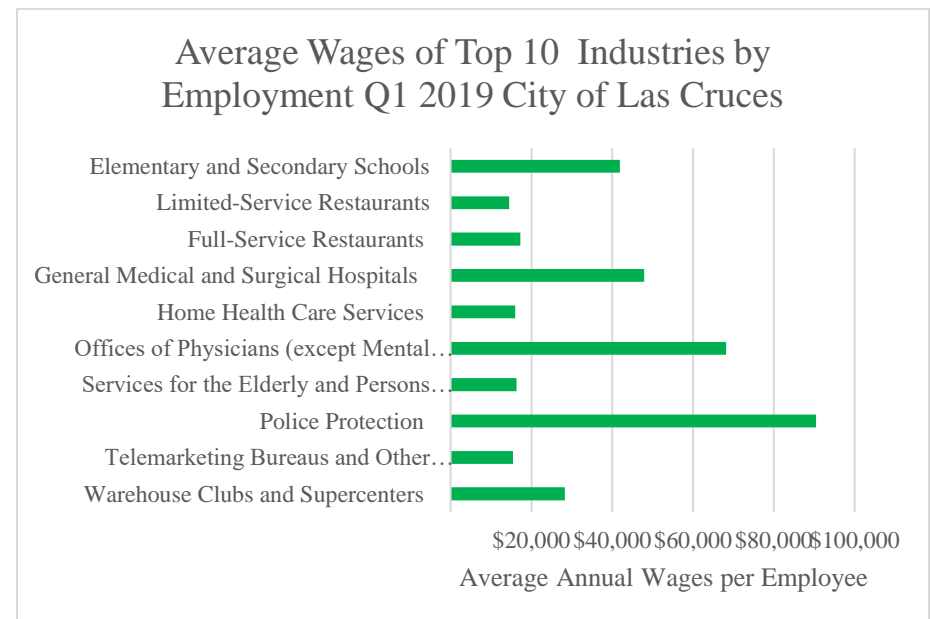
The top 10 industries with the largest number of employees in the City of Las Cruces by 6-digit NAICS codes for the 1<sup>st</sup> quarter of 2019 are indicated in the first graph. Some of the industries with the largest number of employees in the City are Elementary and Secondary Schools, Limited-Service Restaurants, Full-Service Restaurants, General Medical and Surgical Hospitals, and Home Health Care Services, which collectively employed 12,954 in Q1 of 2019.

The second graph indicates the average annual wage paid in the 1<sup>st</sup> quarter of 2019 to employees in the top 10 industries. The average annual wage paid to Elementary and Secondary Schools industry was \$41,925. For Limited-Service Restaurants was \$14,523. Full-Service Restaurants paid \$17,283 per employee. It is important to notice that out of the 10 industries with the largest number of employees, only 4 industries pay annual wages above \$40,000. These industries are: Elementary and Secondary Schools, General Medical and Surgical Hospitals, Offices of Physicians (except Mental Health Specialists), and Police Protection (Federal, State, and Local).

Q2 2019 data expected release date: September 2019



Source: Jobs EQ



Source: Jobs EQ

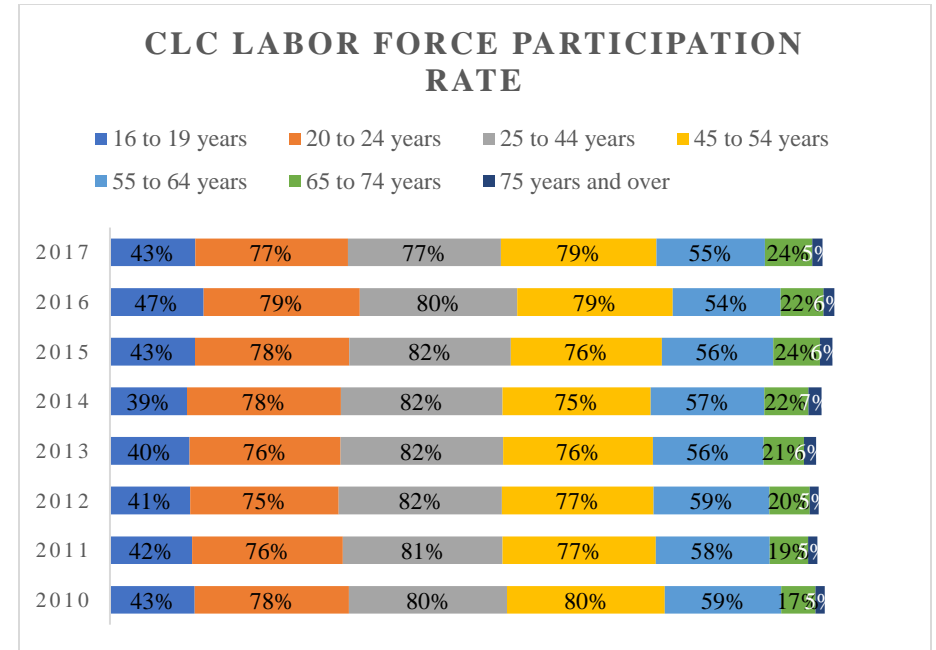
# UNEMPLOYMENT & LABOR FORCE

## HIGHLIGHTS:

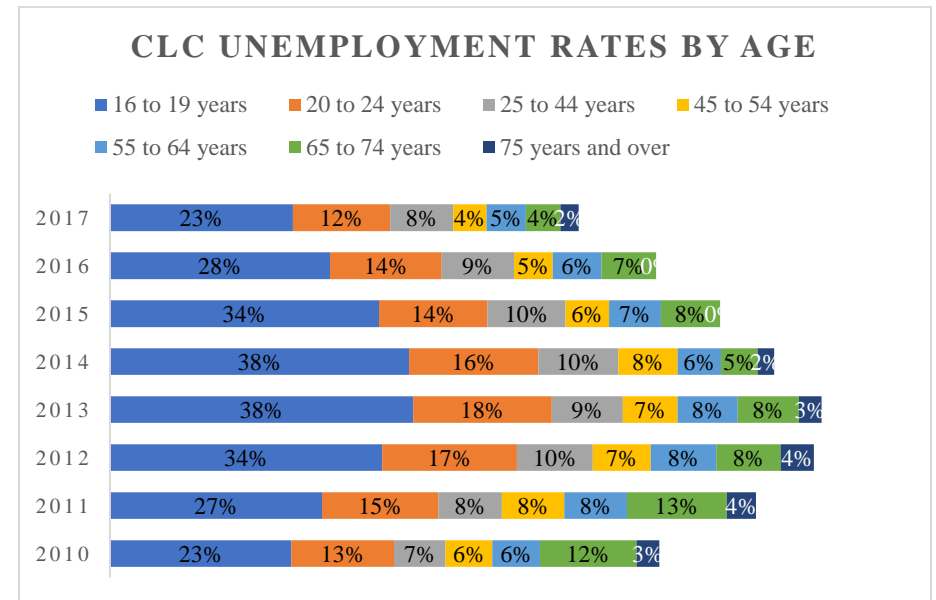
The 2017 labor force participation rate by age in the City of Las Cruces indicates that the age cohort with the largest participation in the labor force is the group ages 45 to 54 years with 79%. This statistic is closely followed by the age cohort 20 to 24 years and 25 to 44 years, with 77% each.

In 2017 unemployment rates for the city dropped on each age cohort (except 75 years and over) compared to 2016. The cohort with the largest unemployment rate is individuals in the age of 16 to 19 years with almost 23% unemployment rates. The cohort with the smallest unemployment rate (below the age of 65) is the 45 to 54 years cohort with 4% unemployment rate.

2018 ACS data expected release date: January 2020



Source: U.S. Census Bureau ACS 5 Year Estimates



Source: U.S. Census Bureau ACS 5 Year Estimates

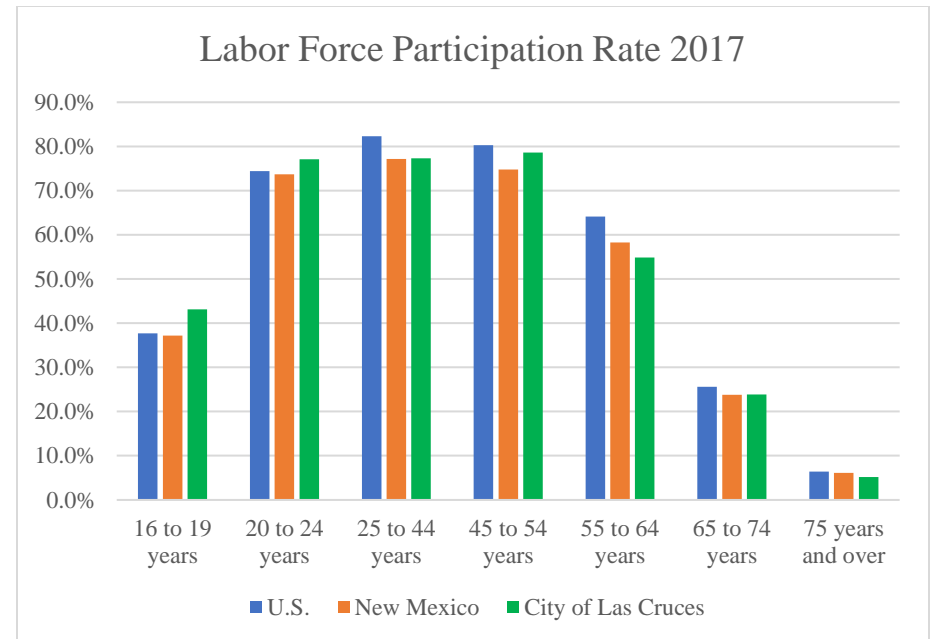
# UNEMPLOYMENT & LABOR FORCE

## HIGHLIGHTS:

In comparison to the Nation and State, the labor force participation rate of individuals ages 16 to 24 is higher in the City of Las Cruces. In the 16 to 19 years age cohort, the labor force participation in Las Cruces is almost 43%, whereas in the Nation it's close to 38%. This implies that Las Cruces has a larger number of teenagers that participate in the labor force than the State or the Nation. This is also true on the age cohort of 20 to 24 years. However, the unemployment rate for the same cohorts is larger for the City of Las Cruces, than for the Nation.

In most age cohort instances, the unemployment rate for the City exceeded the unemployment rate of the Nation. It is only in the age cohort of 45 to 54 years, where the City has an unemployment rate of 4.2% compared to 4.8% of the Nation. This implies that the average Crucean ages 45 to 54 is more likely to be employed, than the average American in the same age.

2018 ACS data expected release date: January 2020



Source: U.S. Census Bureau ACS 5 Year Estimates



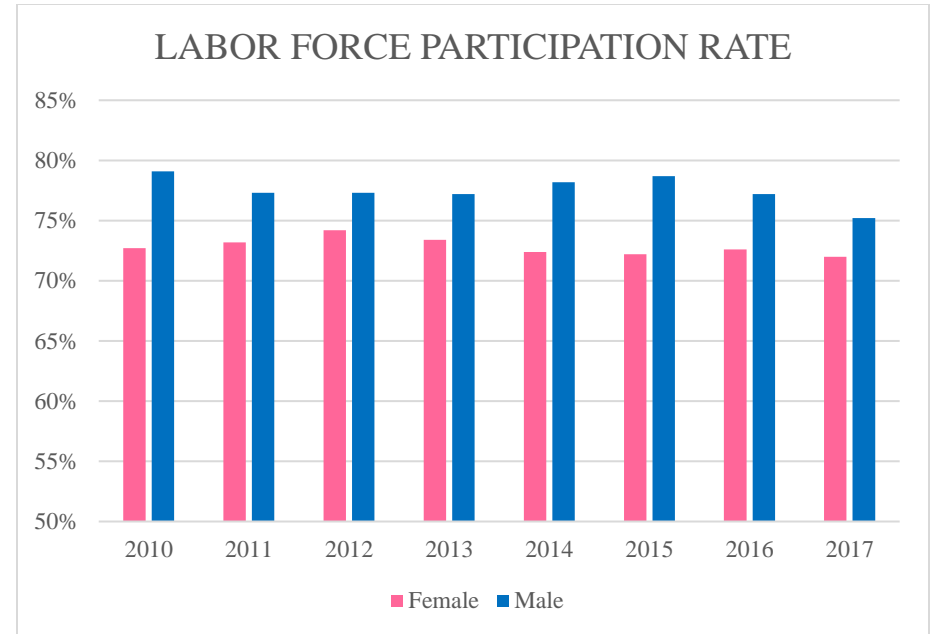
Source: U.S. Census Bureau ACS 5 Year Estimates

# UNEMPLOYMENT & LABOR FORCE

## HIGHLIGHTS:

The labor force participation rate by sex in the City of Las Cruces has remained relatively constant since 2010 oscillating about 5 percentage points since 2010 for both females or males. The male labor force participation has always been larger than female labor force participation rate. In terms of unemployment, females have historically met lower unemployment rates than males.

2018 ACS data expected release date: January 2020



Source: U.S. Census Bureau ACS 5 Year Estimates



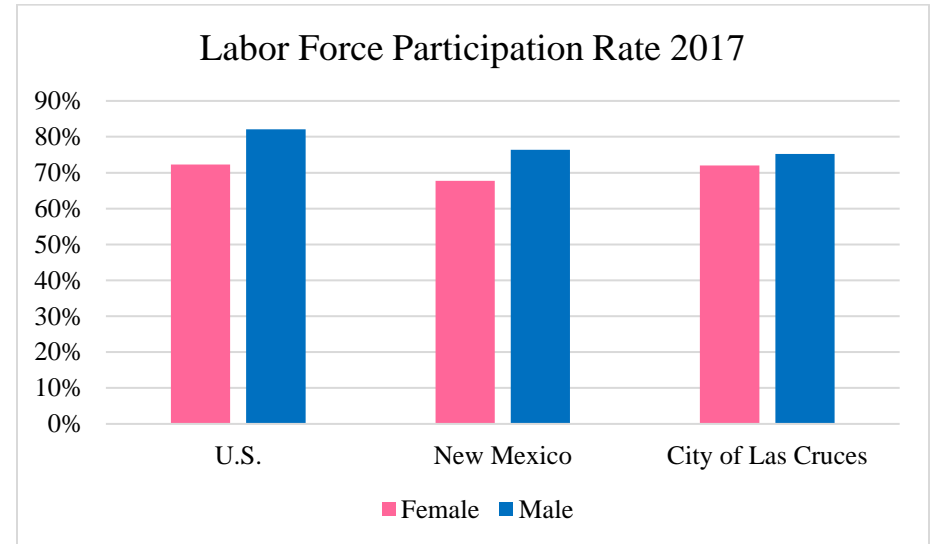
Source: U.S. Census Bureau ACS 5 Year Estimates

# UNEMPLOYMENT & LABOR FORCE

## HIGHLIGHTS:

In comparison to the State of New Mexico and to the United States, the City of Las Cruces is not much different in terms of labor force participation rates (LFPR). In 2017, the female LFPR was 72%, which is slightly below the Nation at 72.3%, and 4.3 percentage points above the State which has 67.7%.

However, in terms of the 2017 unemployment rate, females in the City of Las Cruces experienced close to 6.8% unemployment rates. This figure is larger than the State of New Mexico and the Nation with 6.7% and 6% respectively.



Source: U.S. Census Bureau ACS 5 Year Estimates



Source: U.S. Census Bureau ACS 5 Year Estimates

2018 ACS data expected release date: January 2020

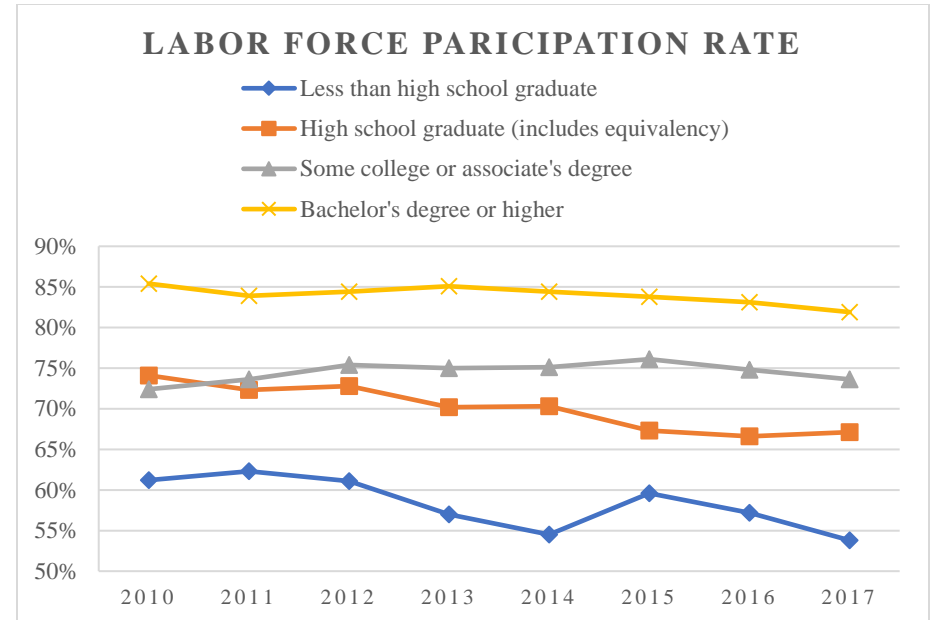
# UNEMPLOYMENT & LABOR FORCE

## HIGHLIGHTS:

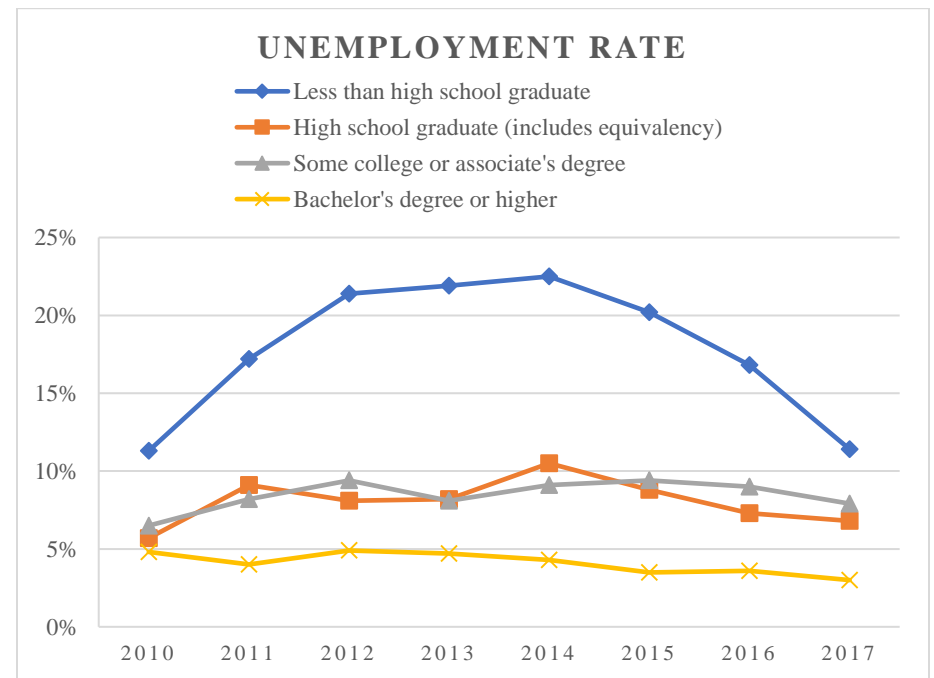
The historical labor force participation rate by educational level in the City indicates that individuals with bachelor's degrees or higher tend to participate much more in the labor force than individuals who are high school graduates (or equivalent) only.

The unemployment rate figures by educational attainment in the City indicate that individuals with less than high school degrees do not only participate less in the labor force, but also face higher unemployment rates with higher volatilities. Individuals in the City with bachelor's degree or higher tend to have historical below 5% unemployment rates with higher stability.

2018 ACS data expected release date: January 2020



Source: U.S. Census Bureau ACS 5 Year Estimates



Source: U.S. Census Bureau ACS 5 Year Estimates

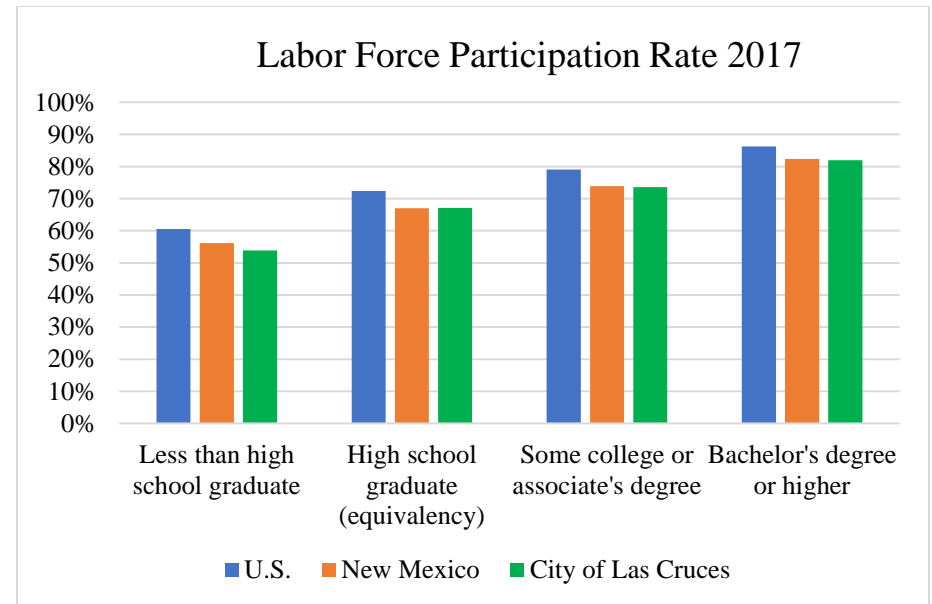
# UNEMPLOYMENT & LABOR FORCE

## HIGHLIGHTS:

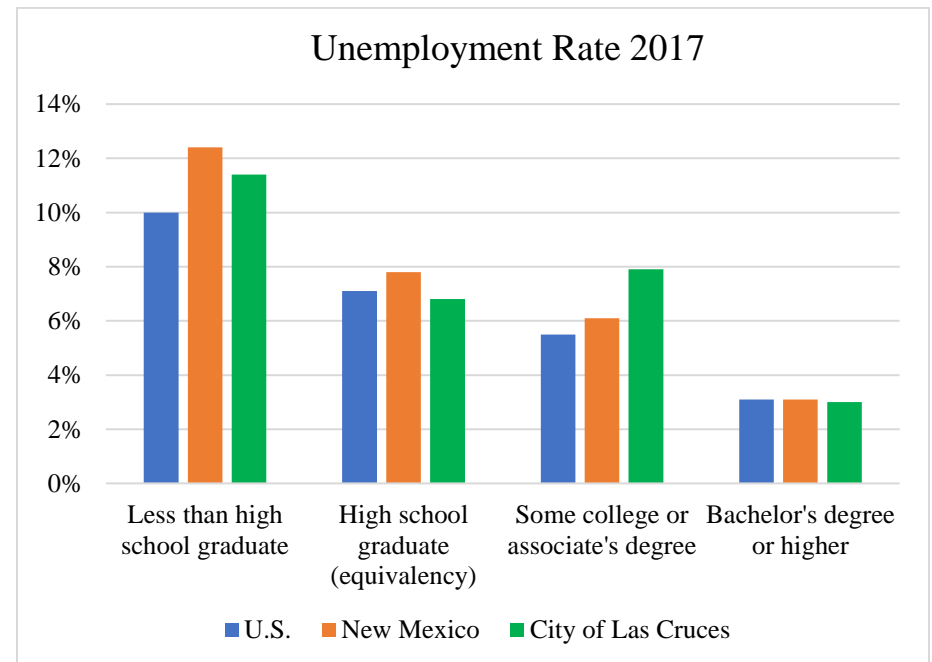
In comparison to the State of New Mexico and to the United States, the City of Las Cruces faces lower labor force participation rates (LFPR) for individuals with less than high school and individuals with high school equivalency. The LFPR in the City is slightly higher compared to the State for individuals with high school graduates and equivalency. In 2017, the LFPR of individuals with bachelor's degree or higher in the City was 81.9%, which is slightly below the Nation at 86.2%, and above the State at 82.3%.

In terms of the 2017 unemployment rate, individuals in the City of Las Cruces with less than high school face a much larger unemployment rate than the Nation, but smaller than the State. In 2017, individuals with less than a high school degree in the City faced 11.4% unemployment rates, which is higher than the Nation at 10%, but lower than the State of New Mexico at 12.4%. For individuals with a Bachelor's degree in the City of Las Cruces the unemployment rate in 2017 was 3%, which is slightly lower than the State and Nation both at 3.1%.

2018 ACS data expected release date: January 2020



Source: U.S. Census Bureau ACS 5 Year Estimates



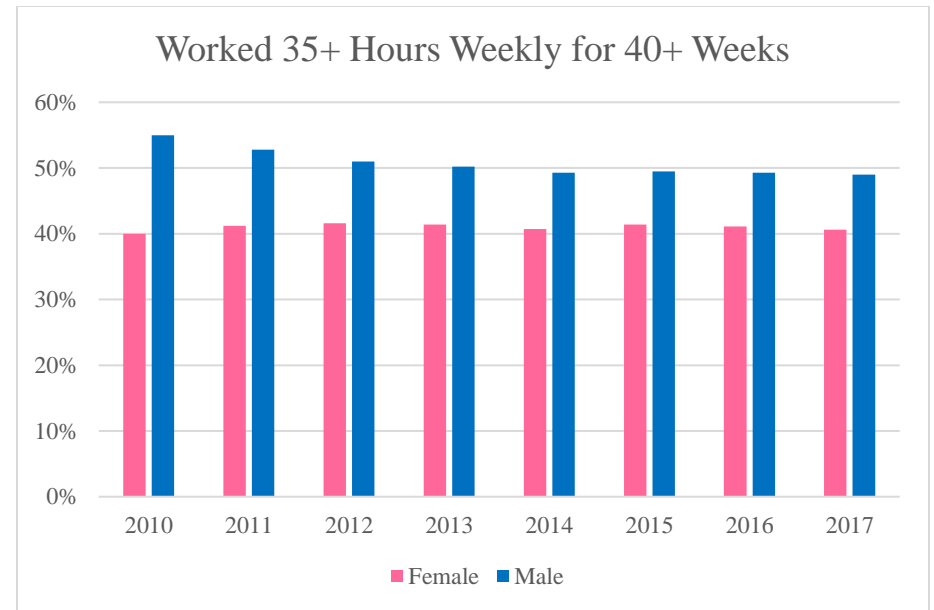
Source: U.S. Census Bureau ACS 5 Year Estimates

# UNEMPLOYMENT & LABOR FORCE

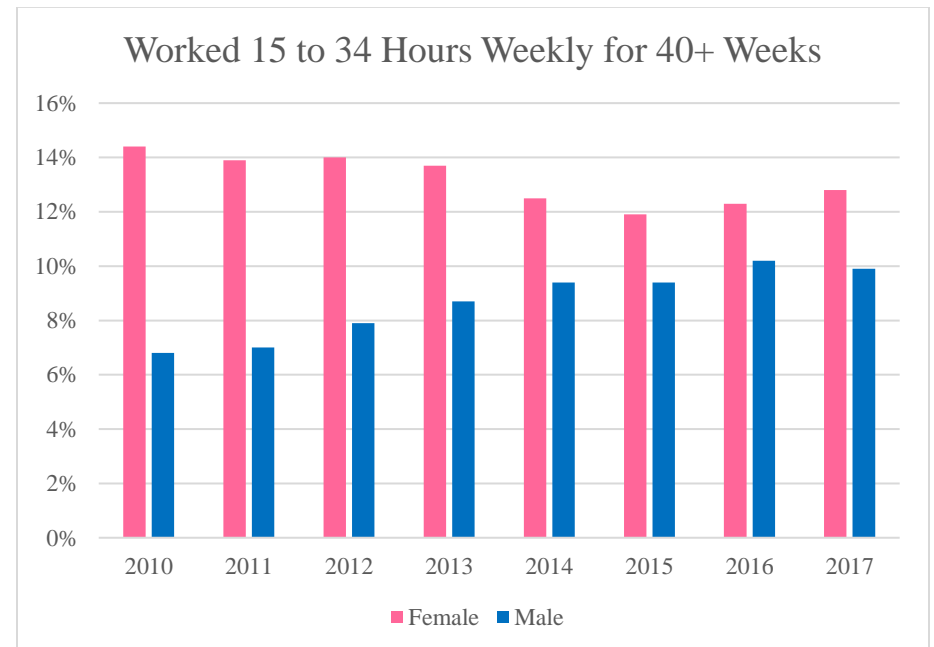
## HIGHLIGHTS:

Hours worked is a measurement for exploring underutilized workforce. A full-time employee is expected to typically work 35 or more hours per week for more than 40 weeks of the year. The Census Bureau reports that the percentage of females above the age of 16 and below age 64 have increased the number of hours they work over time. In its counterpart males have been decreasing the number of hours they work considered to be full-time from 2010 to 2017. This can be observed in the graphic below indicating hours worked of what would be considered part-time employment. In here, the share of females working part-time has been decreasing since 2010 until 2015, with slight increases in 2016 and 2017, whereas the share of males working part-time has been increasing since 2010.

2018 ACS data expected release date: January 2020



Source: U.S. Census Bureau ACS 5 Year Estimates



Source: U.S. Census Bureau ACS 5 Year Estimates

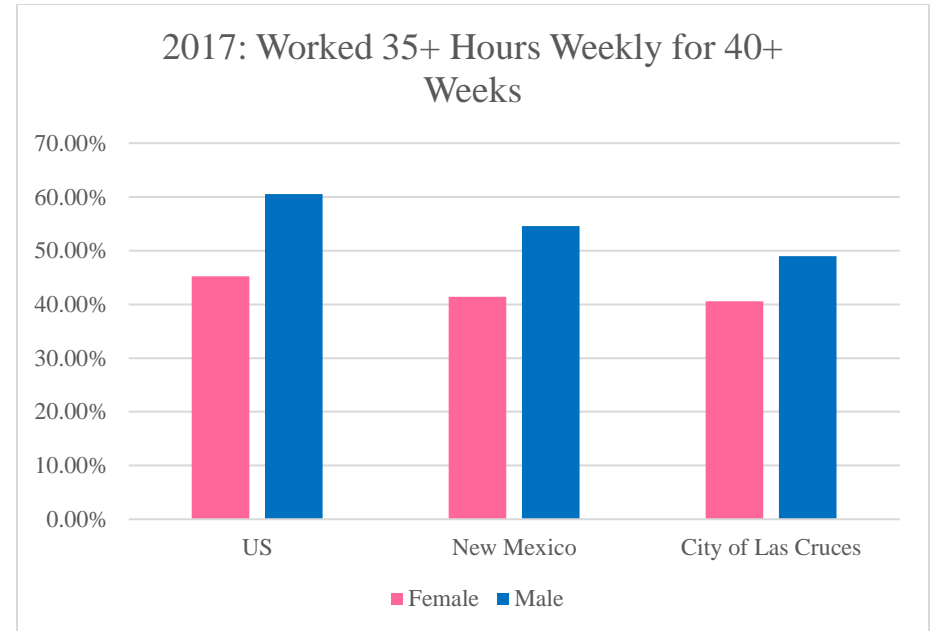


# UNEMPLOYMENT & LABOR FORCE

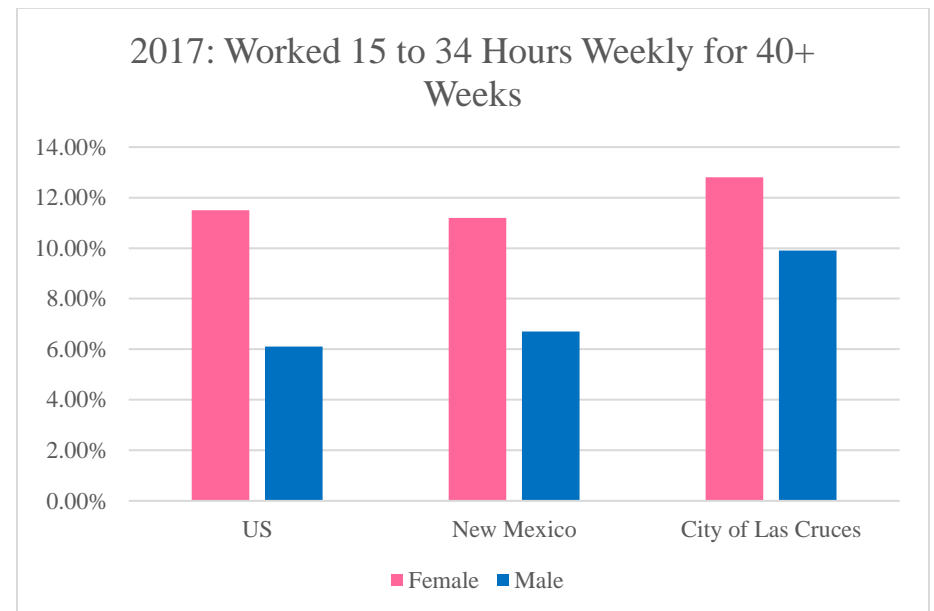
## HIGHLIGHTS:

In comparison to the State of New Mexico and to the United States, the City of Las Cruces faces a lower percentage of males working full-time. However, when comparing females, the proportion in the City is almost equal to the State. Although, it is still below the Nation. This implies that females in the City of Las Cruces have a higher tendency to work full time, than females in the State, but below females in the Nation. However, this is not the case for males, which have a lower tendency for working full-time than males in the State and the Nation.

2018 ACS data expected release date: January 2020



Source: U.S. Census Bureau ACS 5 Year Estimates



Source: U.S. Census Bureau ACS 5 Year Estimates

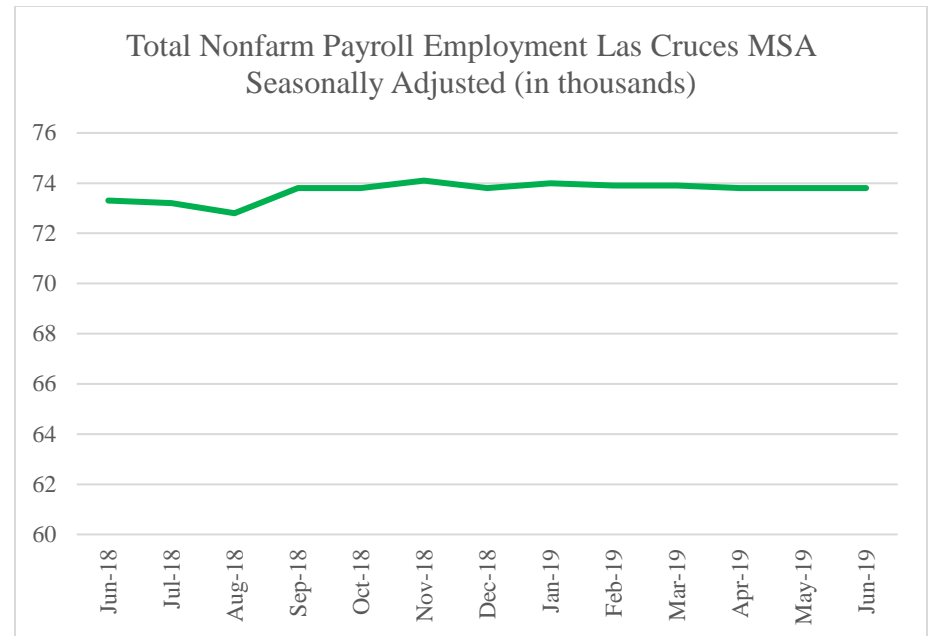
# UNEMPLOYMENT & LABOR FORCE

## HIGHLIGHTS:

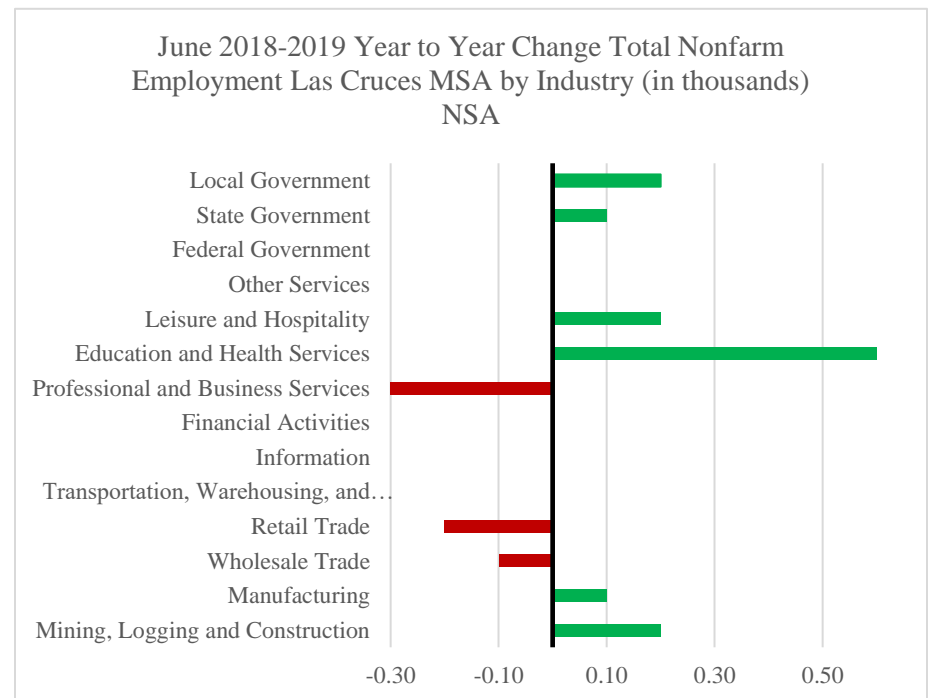
The Bureau of Labor Statistics reports on a monthly basis the Total Nonfarm Payroll Employment (TNPE) for Las Cruces MSA. The latest preliminary figure of the seasonally adjusted TNPE indicates that the metropolitan area of Las Cruces has 73,800 payroll jobs in June 2019. The first graph indicates a stable tendency in the TNFPE seasonally adjusted since September 2018 with relative increases in November 2018. The lowest figure being August 2018, where TNPE reported was at 72,800 jobs. Since then, there has been a stable tendency to the current TNPE is at 73,800.

The second graph illustrates TNPE from an industry perspective, the year-to-year change in TNPE from June 2018 to June 2019 education and health services has represented the largest increase in jobs for the Las Cruces MSA adding close to 600 jobs in this period. The largest decrease during this period has been professional and business services with a decrease of close to 300 jobs in this period. If the industry has no changes, then no line is observed in the industry.

July 2019 data expected release date: September 2019



Source: U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics

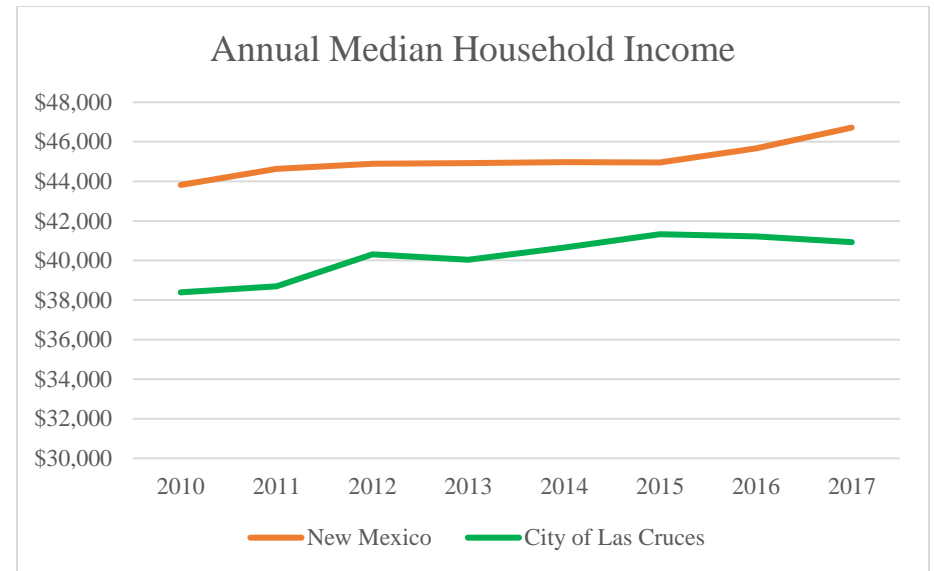
# INCOME

## HIGHLIGHTS:

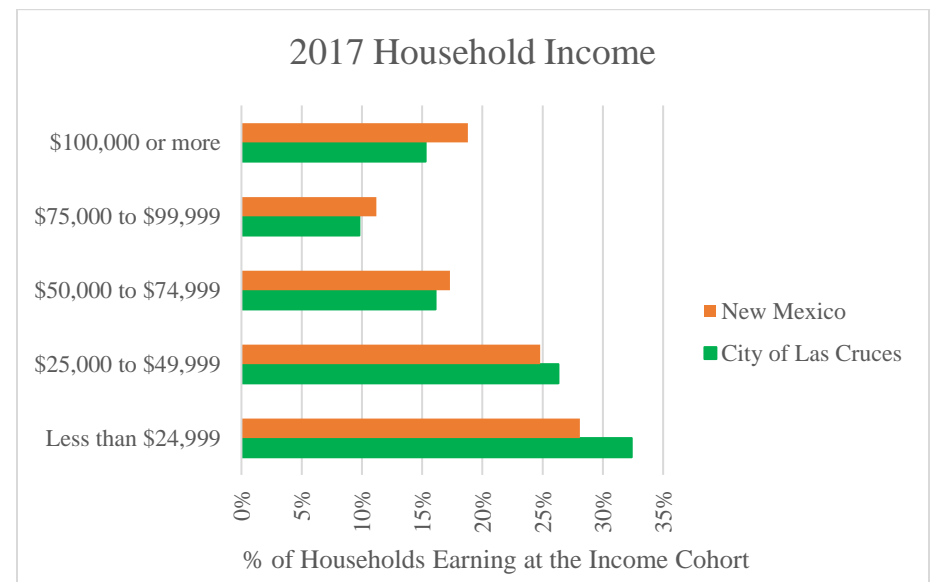
The U.S. Census Bureau reports median household income for the City of Las Cruces in 2017 at \$40,924. In comparison, the state of New Mexico has a household income of \$46,718 for 2017. A difference of \$5,794 between the State and the City’s median household income.

However, even though the City has a smaller median household income than the State, the trend has been positive overall since 2010, but decreasing since 2015. In 2015 the median household income in the City was \$41,330 which means that median household income has decreased \$406 in 2 years, but it has increased \$2,533 since 2010.

The second graph illustrates the composition of 2017 household income. It indicates that for the City of Las Cruces, about 32% of households earn less than \$24,999 annually. This represents 1 out of every 3 households in the City earn below \$24,999. In comparison to the State, with 28% of households earning below \$24,999, the City has a larger proportion of households earning less annual income.



Source: U.S. Census Bureau ACS 5 Year Estimates



Source: U.S. Census Bureau ACS 5 Year Estimates

2018 ACS data expected release date: January 2020

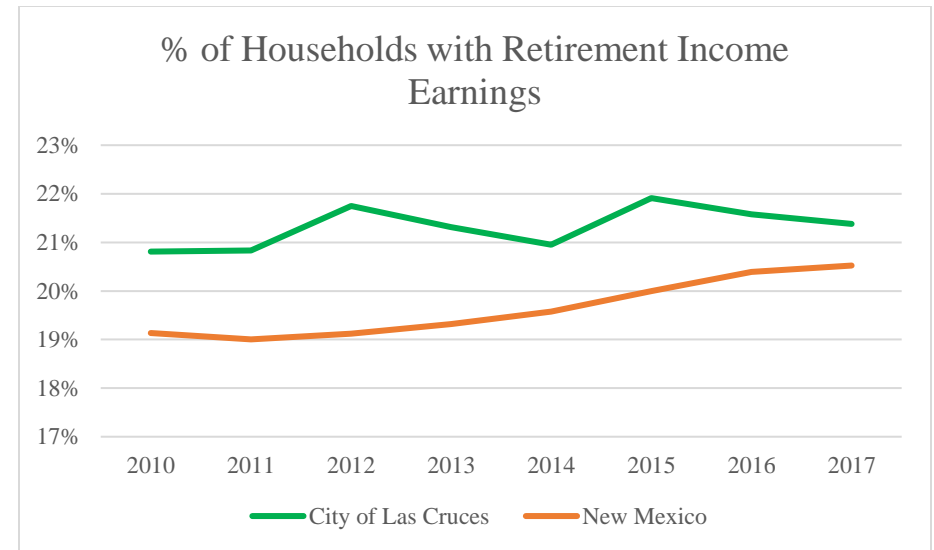
## INCOME

### HIGHLIGHTS:

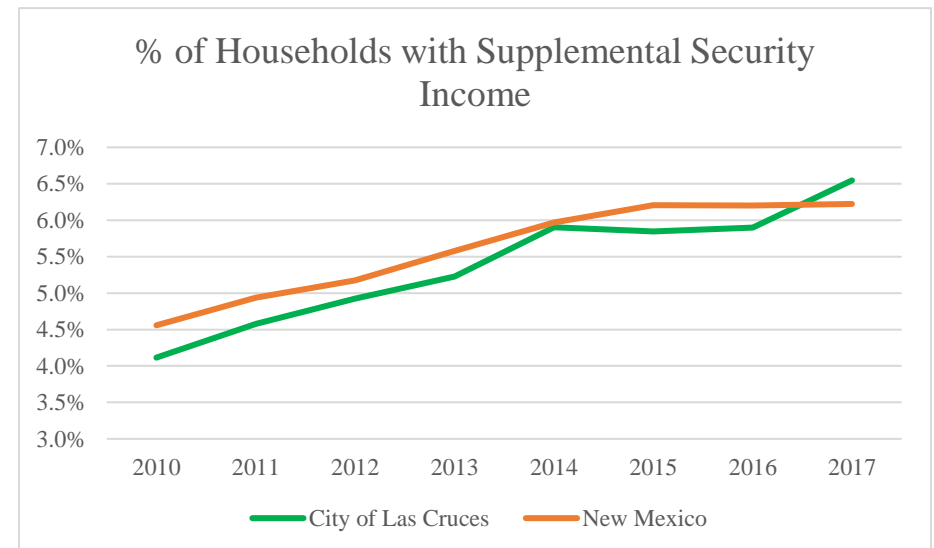
In terms of retirement income, the City has a larger proportion of households on retirement income than the State. In 2017 about 21% of households in the City of Las Cruces were receiving some form of retirement income (excluding social security). At least since 2010 there is a larger proportion of households in the City of Las Cruces that receives retirement income, than the State. Albeit, the trends on City and State households with retirement income have been increasing both since 2010. This is a phenomenon expected to continue as more baby-boomers continue to retire.

The second graph illustrates the percentage of households with Supplemental Security Income (SSI) for the City of Las Cruces and the State of New Mexico. The SSI is an assistance program that provides cash support and health care coverage (i.e., Medicaid) to people with low-income and limited assets who are either aged 65 or older, blind, or disabled (children included). The proportion of households with SSI for the City of Las Cruces exceeded that of the State in 2017. The SSI for the City was 7% of households, whereas for the State the SSI was 6% of households in 2017. The graph also indicates an upward tendency in Supplemental Security Income (SSI) since 2010 for the City of Las Cruces.

2018 ACS data expected release date: January 2020



Source: U.S. Census Bureau ACS 5 Year Estimates



Source: U.S. Census Bureau ACS 5 Year Estimates

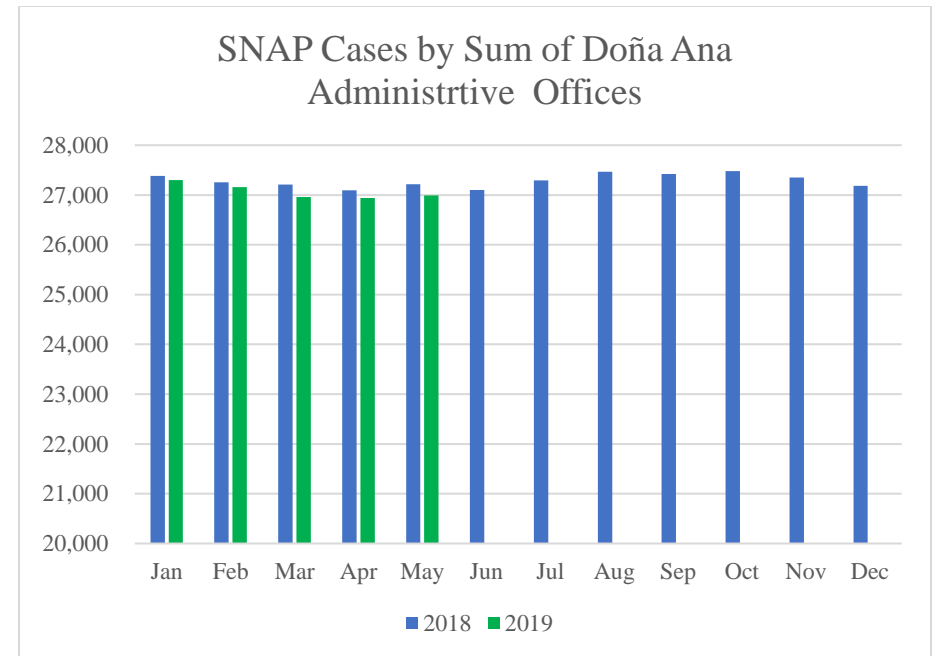
## INCOME

### HIGHLIGHTS:

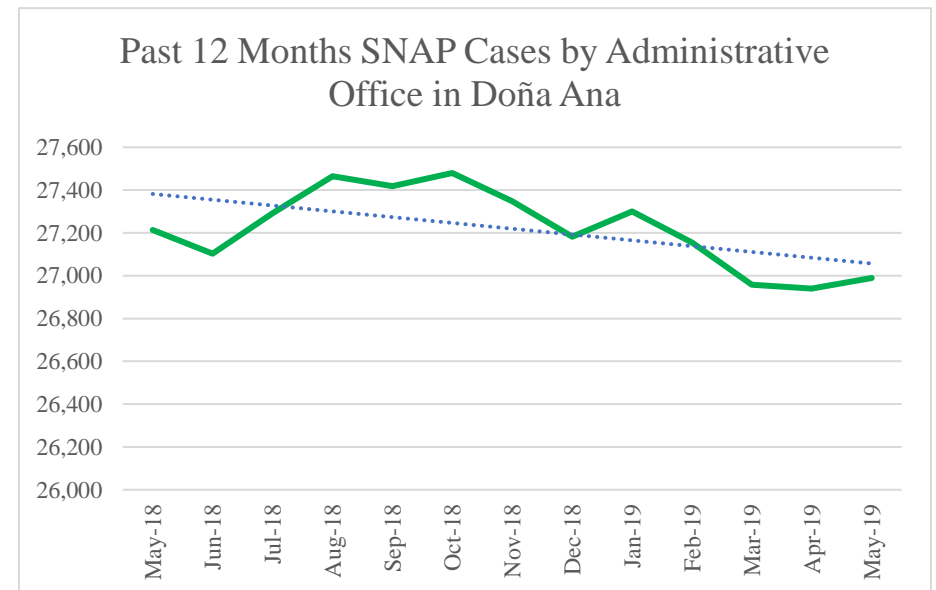
The New Mexico Human Services Department publishes a monthly statistical report with figures of Supplemental Nutrition Assistance Program (SNAP) cases by administrative office. In this report, there are 3 offices reported for the Doña Ana County (East, South, and West offices). The reports indicate that for May 2019 the number of SNAP program cases in Doña Ana County was 26,989, which represents a decrease of 224 cases from May 2018 at 27,213.

The number of SNAP cases in Doña Ana in the past 12 months reached its minimum of 26,904 in April 2019 and its maximum of 27,480 in October 2018. At least in the past 12 months there is a slight downward tendency in cases of SNAP recipients.

June 2019 data expected release date: August 2019



Source: New Mexico Human Services Department



Source: New Mexico Human Services Department

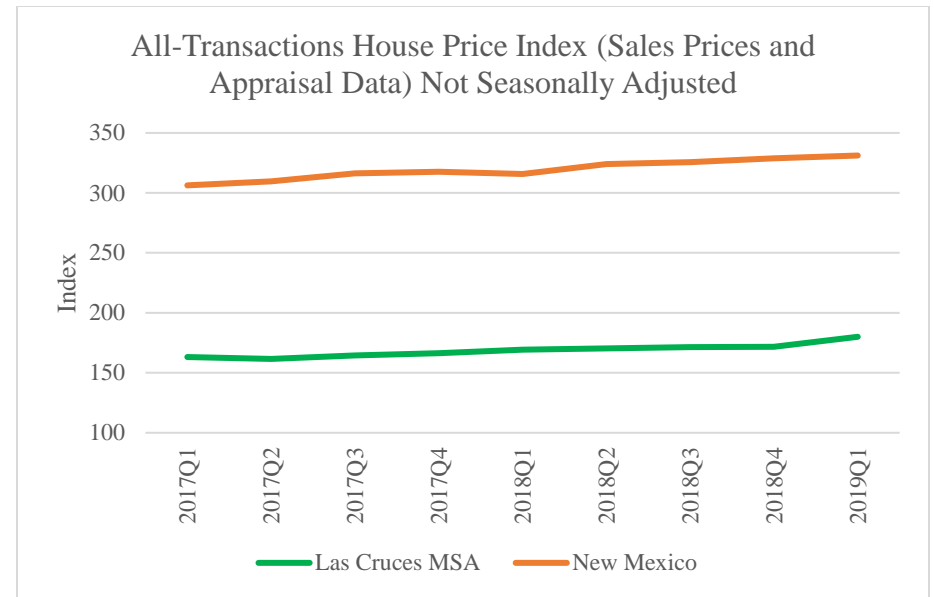
# HOUSING

## HIGHLIGHTS:

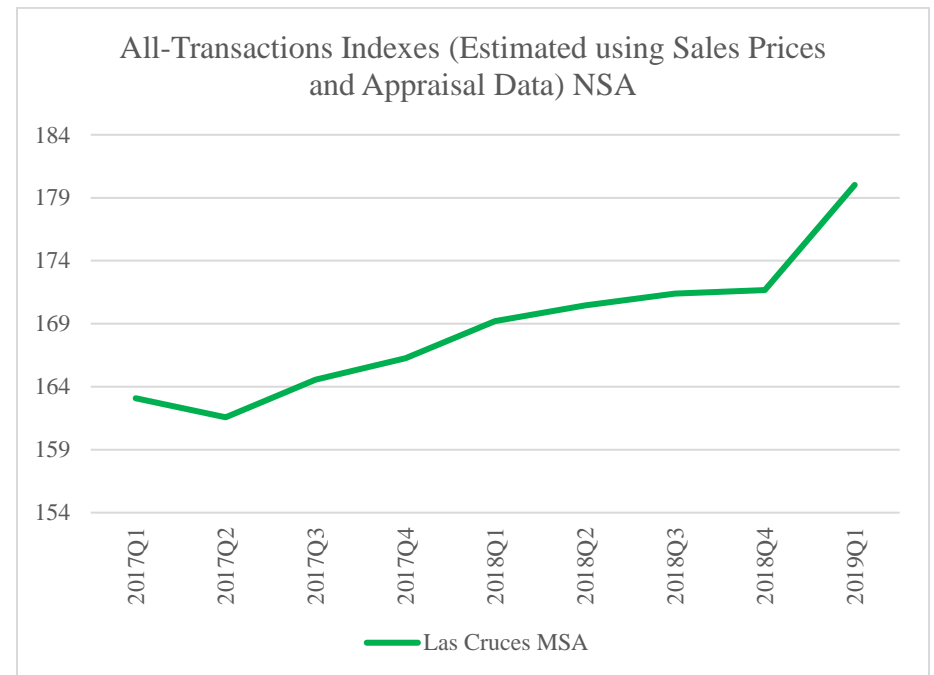
The Federal Housing Financing Agency (FHFA) report the All-Transactions House Price Indexes (HPI), which is an index on the purchase-only data by adding prices from appraisal and sales of homes in a geographic area. The statistic indicates that the Las Cruces MSA faces a lower index, than compared to the state of New Mexico.

The tendency of all transactions HPI in Las Cruces MSA indicates an increase in the last year. In the 1<sup>st</sup> quarter of 2019 the index is at 180.02, which is the highest it has been since 2010. If we compare the 1<sup>st</sup> quarter of 2019 with the 1<sup>st</sup> quarter of 2018, there has been an appreciation of 6.3% based on this index.

2019 Q2 All-Transactions Index data expected release date:  
August 28, 2019



Source: U.S. Federal Housing Finance Agency



Source: U.S. Federal Housing Finance Agency

# HOUSING

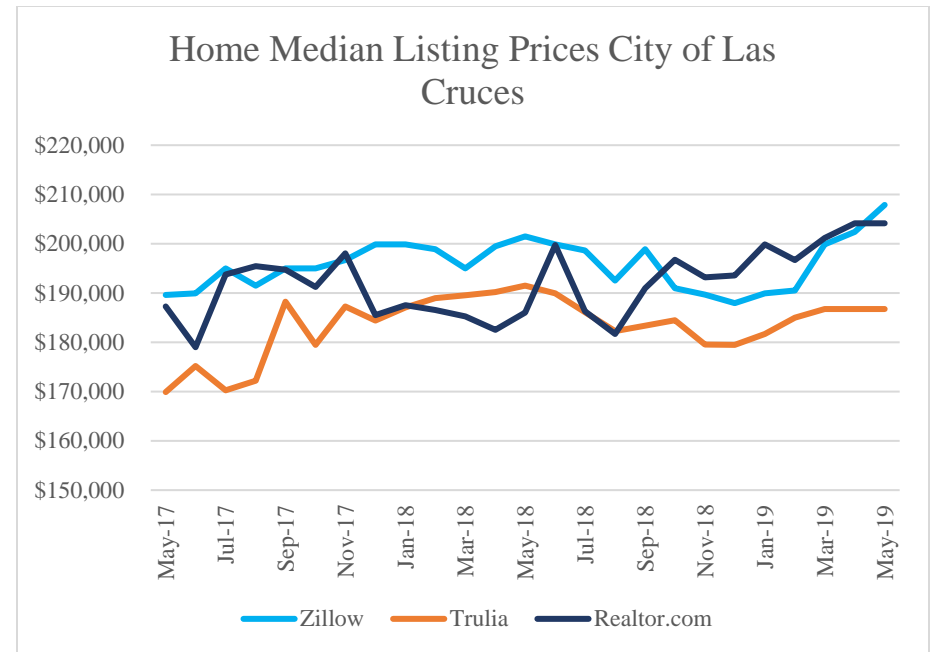
## HIGHLIGHTS:

Monthly median listing prices for homes in the City of Las Cruces are collected from 3 agencies: Zillow.com, Trulia.com, and Realtor.com.

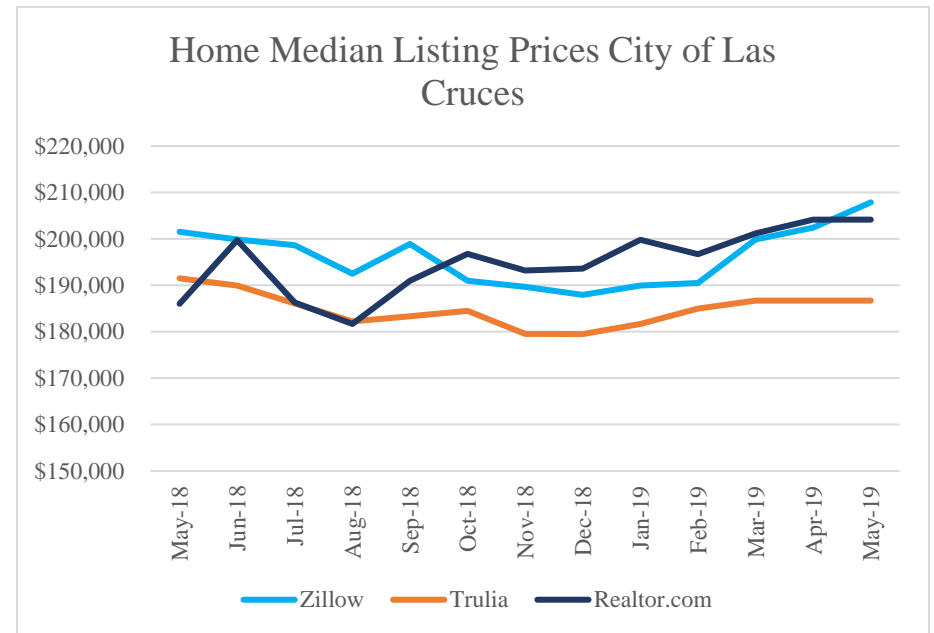
The median listing home prices are listed according to three websites: \$207,875, \$186,745, and \$204,150 for Zillow.com, Trulia.com, and Realtor.com respectively in May 2019.

It is important to point out that even though there is an upward trend in home prices, there are fluctuations in median listing prices of homes in the City of Las Cruces. A year-to-year comparison of the three websites from May 2018 to May 2019 indicates that for Zillow.com and Realtor.com there was a year-to-year appreciation of \$6,375 and \$18,100 respectively, while for Trulia.com, there was a year-to-year depreciation of \$4,755 in home median listing prices. On average the 3 websites indicated an appreciation of \$12,650 in year-to-year change from May 2018 to May 2019 in Median Listing Prices in the City of Las Cruces.

June 2019 figures will be released in August 2019



Source: Zillow.com, Trulia.com, Realtor.com



Source: Zillow.com, Trulia.com, Realtor.com

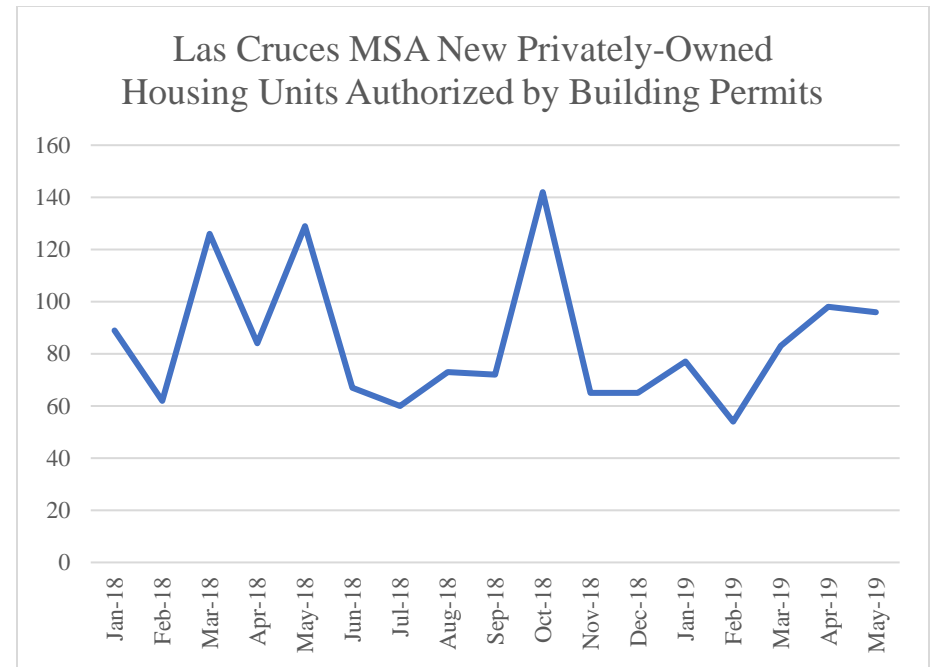
# HOUSING

## HIGHLIGHTS:

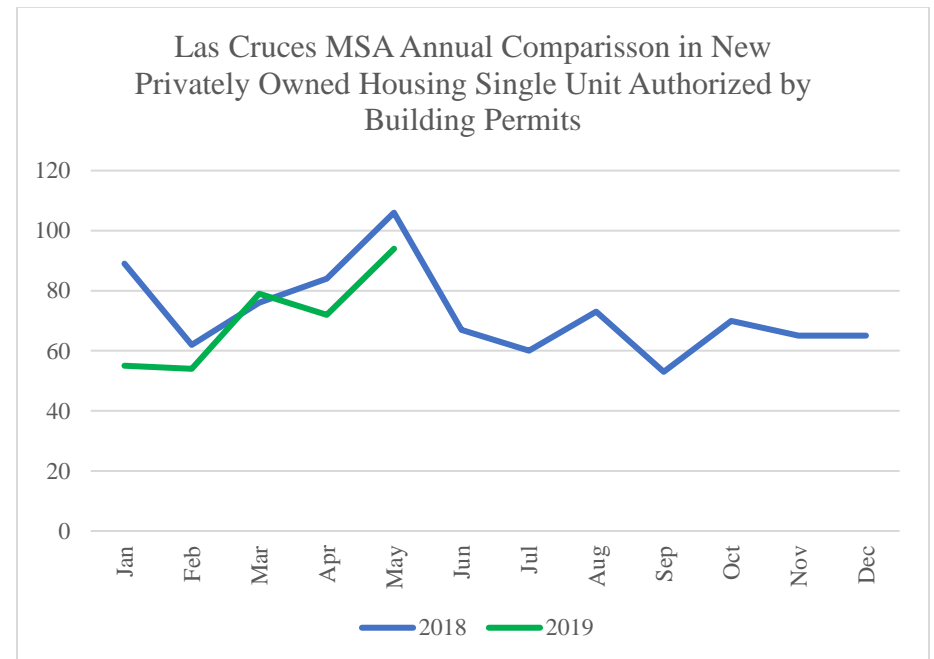
The Census Bureau indicates that the new privately-owned housing units authorized by building permits in the metropolitan area of Las Cruces. So far in the first 5 months of 2019 there have been 408 housing units added in Las Cruces metropolitan area, this includes multi-family and single-family housing.

Compared with 2018, the number of single housing units building permits have been performing slightly below in 2019. This is an indication of the housing market leveling off. The Census indicates that for Las Cruces MSA there were 354 single housing units building permits in the first 5 months of 2019, whereas for the first 5 months of 2018 there were 417 new single-housing units built. It means that the first 5 months of 2019 have added 63 less single-family housing units, than 2018 in the metropolitan area, which is the all Doña Ana County.

June 2019 figures will be released in July 24, 2019



Source: U.S. Census Bureau



Source: U.S. Census Bureau



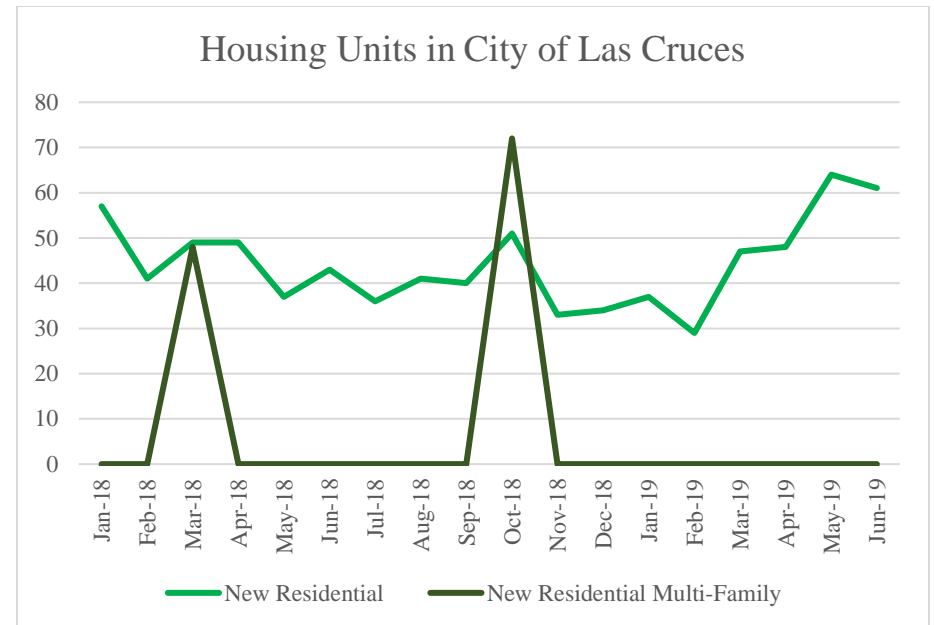
# HOUSING

## HIGHLIGHTS:

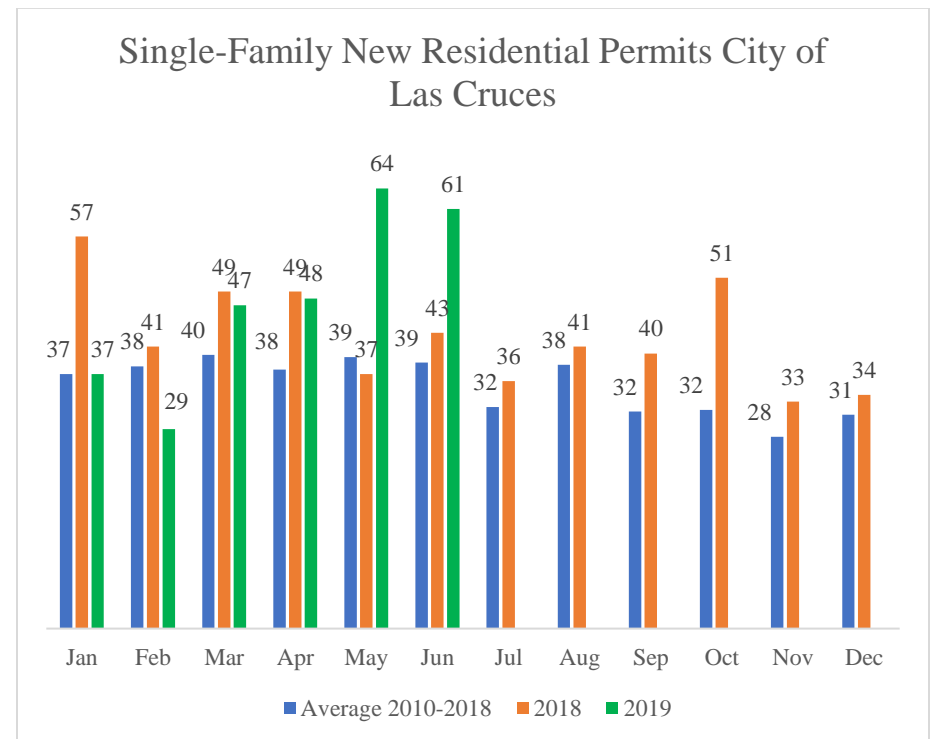
The Community Development Department of the City of Las Cruces reports permits issued on the number of new residential and new residential multi-family units by month for the City. The first graph illustrates that the number of units from new residential and multi-family has increased in the City.

This information differs from what the US Census Bureau reports for the new privately-owned housing units in the Las Cruces MSA. The City has increased its stock of single-family residential units in the first 6 months of 2019 compared to the first 6 months of 2018. This is not what was indicated for the Las Cruces MSA, which experienced a decrease in housing units. Single family unit residential building permits up to June 2019 have been in aggregate 286, which is 10 more units than 2018.

The housing units had a large increase due to the construction of new residential multi-family units. The second graph illustrates that the number of new residential housing units increasing in the months of May and June 2019.



Source: City of Las Cruces, Community Development Department



July 2019 data expected release date: late August 2019

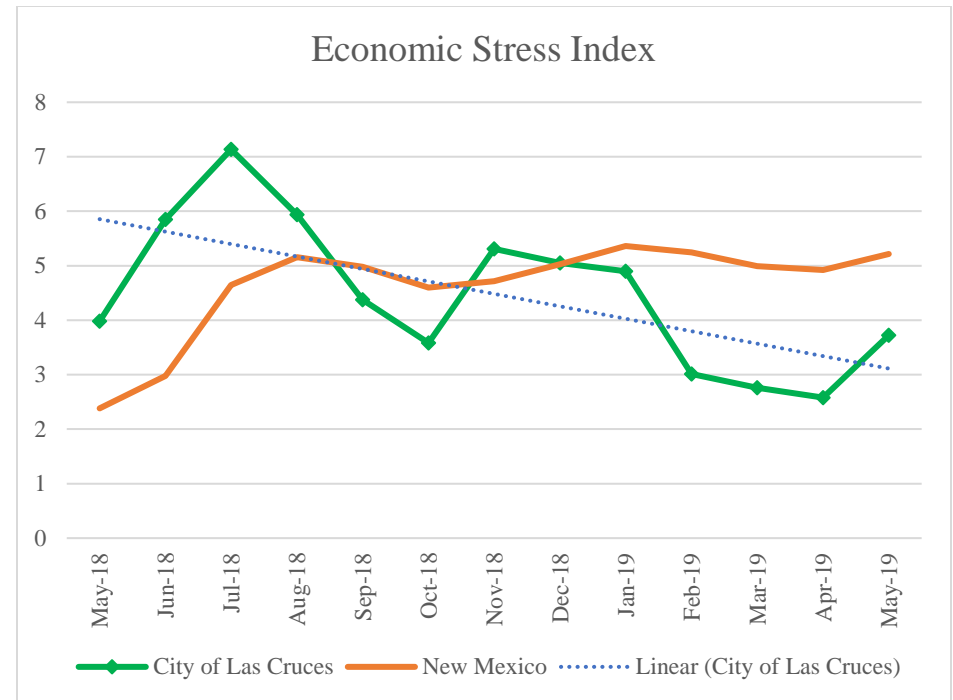
## ECONOMIC STRESS INDEX

### HIGHLIGHTS:

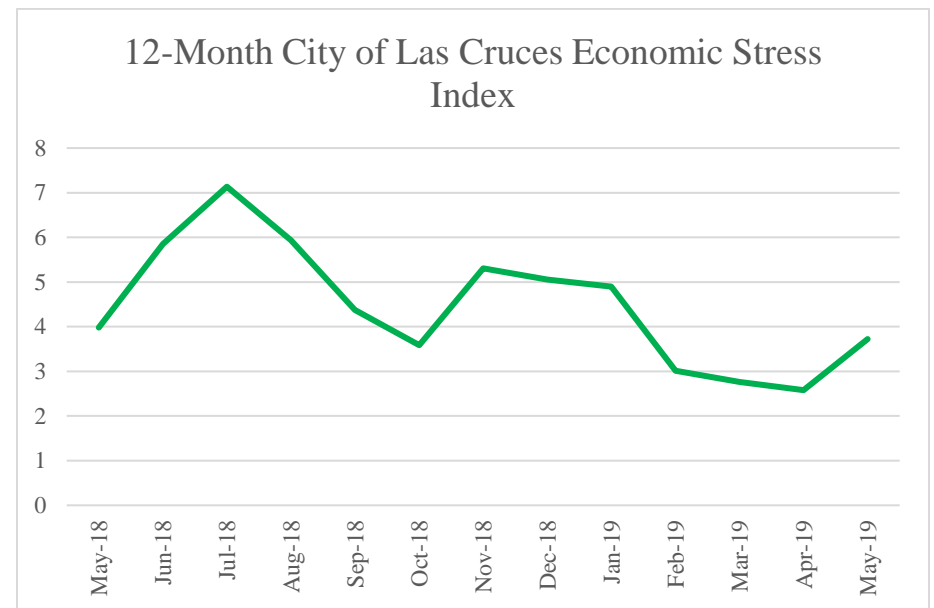
The Economic Stress Index (ESI) is an augmented version of the Misery Index created by Arthur Okun in the 1970s. It was designed to measure the misery of people by combining the unemployment rate and the inflation rate. In general, a higher value reflects a more miserable society. The ESI includes housing prices, to accurately reflect the “misery” of people. Housing prices adds value because today’s Americans hold more wealth in homes than previous generations.

The ESI for City of Las Cruces and the State is calculated by adding 3-month moving average not seasonally-adjusted monthly unemployment rates, plus the 3-month moving average inflation rates from the monthly CPI of West urban consumers not seasonally adjusted, minus the 3-month moving average of the growth in monthly median listing prices for homes in the City of Las Cruces and New Mexico collected from the mean of Zillow.com, Trulia.com, and Realtor.com.

The ESI decreased during the past 3 months, with its highest point since 12-months ago on July 2018. On April of 2019, the City had the lowest ESI of the past 12 months. In general, the linear trend is flat, which implies a constant in the economic stress of the citizens of Las Cruces. The current statistic indicates that compared to the State, the City is facing lower economic stress. This can be attributed due to the slight decreased unemployment rate for this quarter.



Source: City of Las Cruces, Economic Development Department



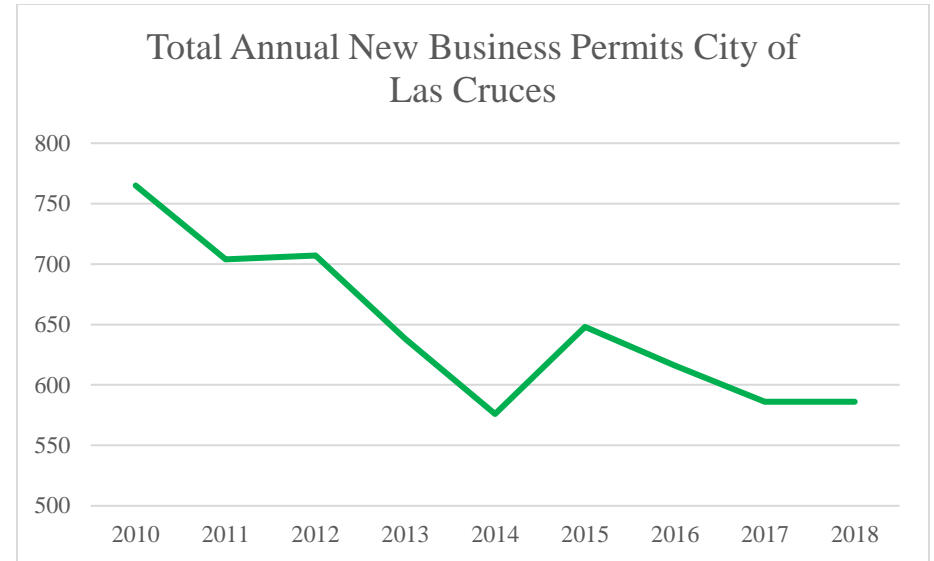
Source: City of Las Cruces, Economic Development Department

# BUSINESSES

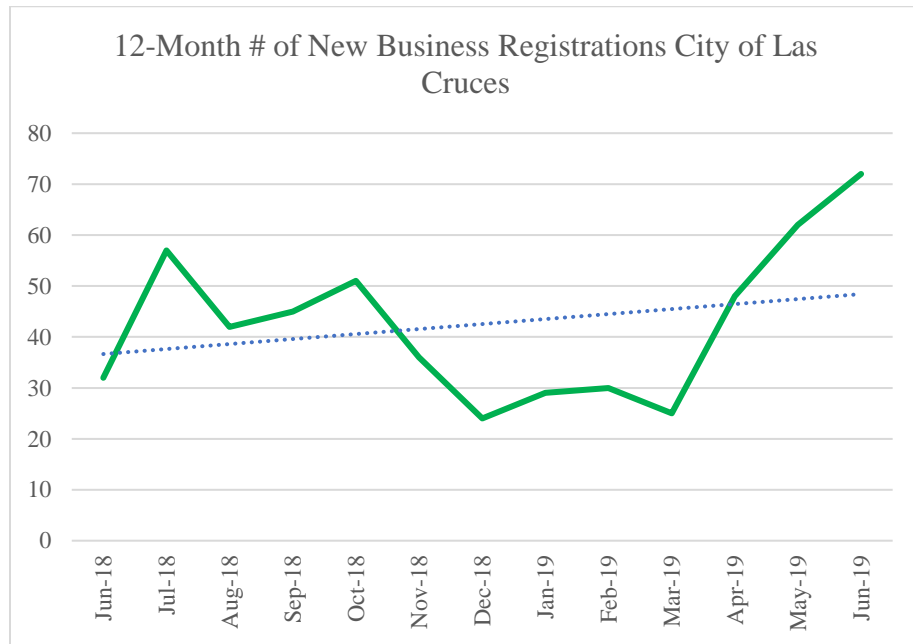
## HIGHLIGHTS:

New business registrations data is from Community Development Department at the City of Las Cruces. The 12-month trend indicates an upward tendency in new business registrations. On June 2019, there were 72 new business registrations, which is above the average for June at 53.

During the first 6 months of 2019 there have been 2 instances where the current new business registrations have over-performed to the 8-year monthly averages from 2010 to 2018. It occurred in May and June of 2019. However, in the first 6 months of 2018 there were a total of 331 new business registrations, compared to 266 in 2019.

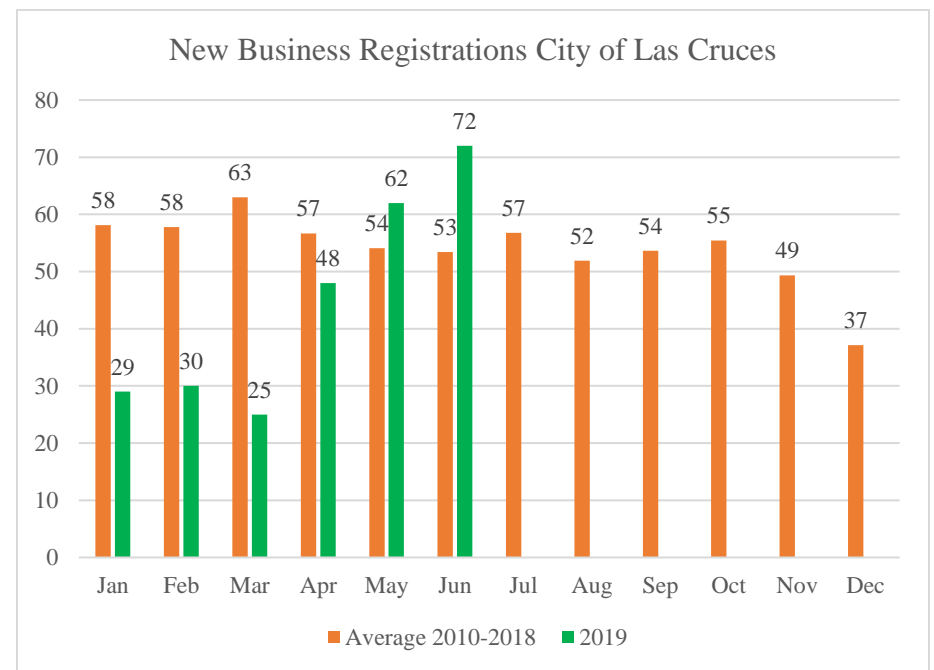


Source: City of Las Cruces, Community Development Department



Source: City of Las Cruces, Community Development Department

July 2019 data expected release date: late August 2019



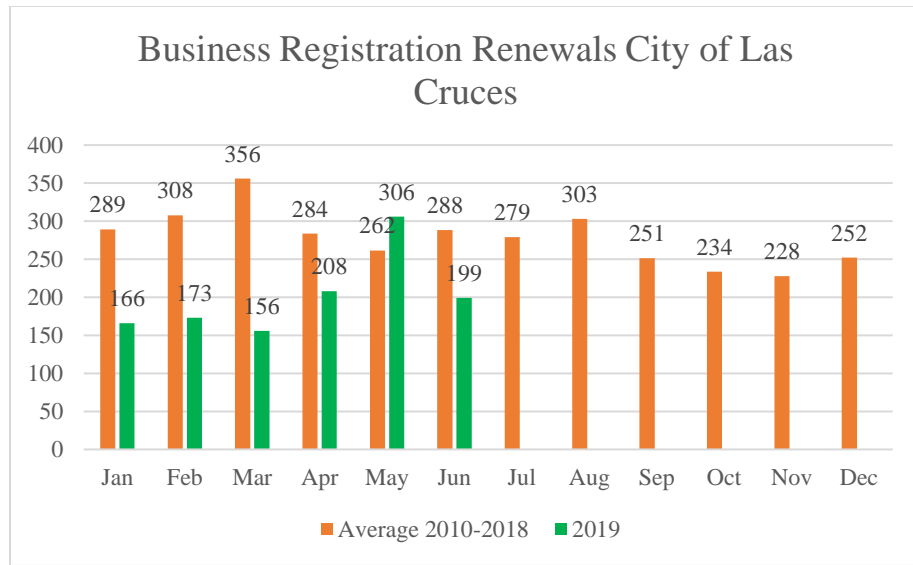
Source: City of Las Cruces, Community Development Department

# BUSINESSES

## HIGHLIGHTS:

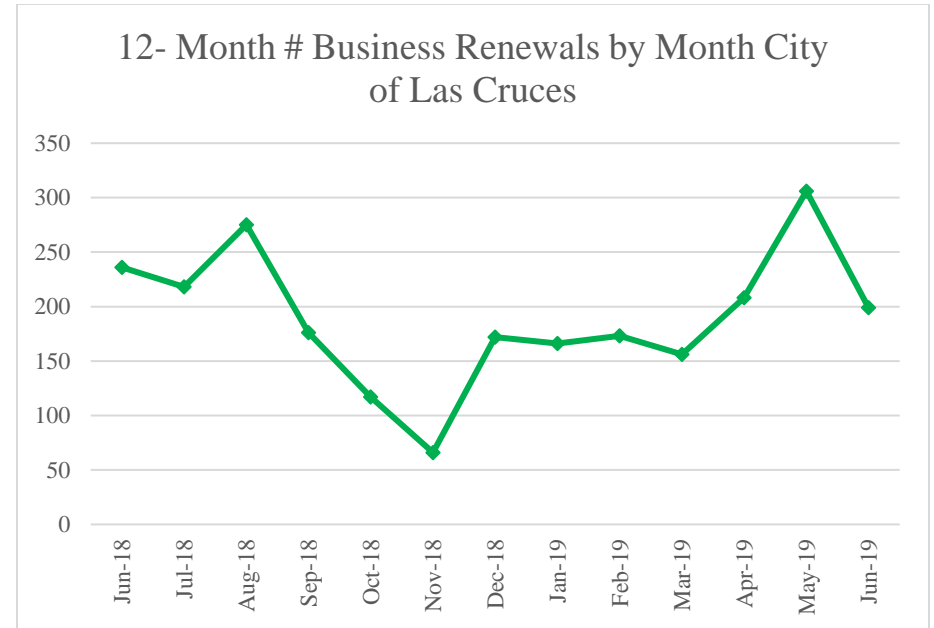
Business registration renewals are available via the Community Development Department at the City of Las Cruces. In June 2019, 199 business renewed their registrations with the City, out of these 47 were home based and 152 commercials. This is smaller than the 2018 figures for the same month by 37. The first six months of 2019 have been below their 8-year monthly averages from 2010 to 2018 in all instances except May 2019.

The number of new business registrations and business renewals per 1,000 residents in the City has been decreasing from its highest point in 2011, where it stood at 46 businesses permits (new and renewals) to 40 per thousand residents in 2017.

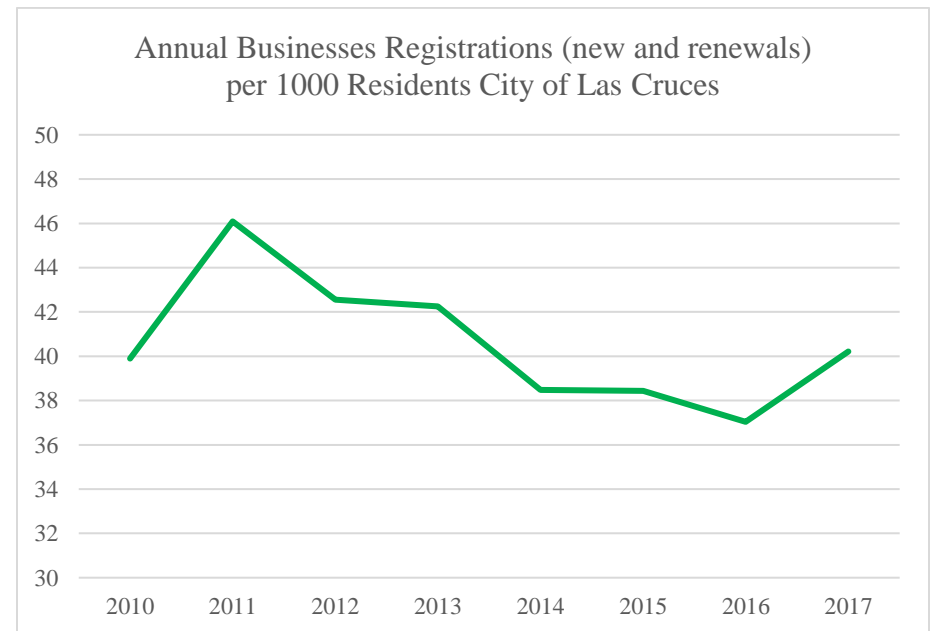


Source: City of Las Cruces, Community Development Department

July 2019 data expected release date: late August 2019



Source: City of Las Cruces, Community Development Department



Source: U.S. Census Bureau and City of Las Cruces

## BUSINESSES

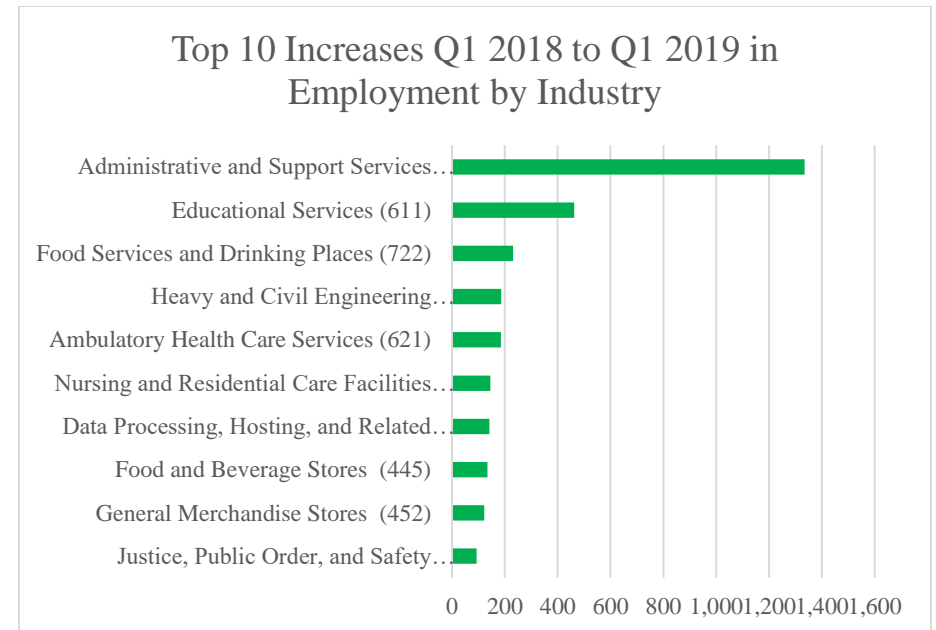
### HIGHLIGHTS:

The top 10 industries with the largest increases/ decreases in employment from the 1<sup>st</sup> quarter of 2018 to the 1<sup>st</sup> quarter of 2019 by 3-digit NAICS code industries in the City of Las Cruces is collected from Chmura's Jobs EQ.

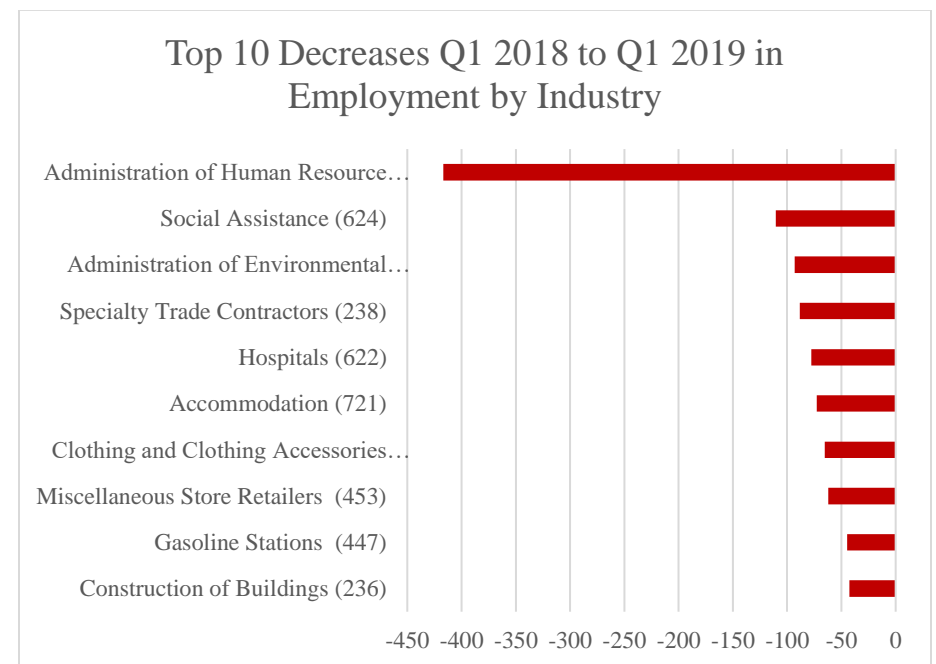
The first graph indicates which industries located in the City of Las Cruces are increasing the most in employment from year-to-year change from Q1 2018 to Q1 2019. The industry that increased the most in this quarter was Administrative and Support Services (NAICS 561) with a year-to-year increase of 1,335 employed in this industry. The next follower was Educational Services (NAICS 611), which added 463 employed in this industry.

The second graph indicates which industries located in the City are decreasing the most in terms of employment from year-to-year change from Q1 2018 to Q1 2019. The industry that decreased the most was Administration of Human Resource Programs (NAICS 923), which lost 417 people employed in this period. Another industry with high year-to-year loss of employment is Social Assistance (NAICS 624) which lost about 110 individuals employed in this industry.

Q2 2019 data release expected date: September 2019



Source: City of Las Cruces and Jobs EQ



Source: City of Las Cruces and Jobs EQ

## BUSINESSES

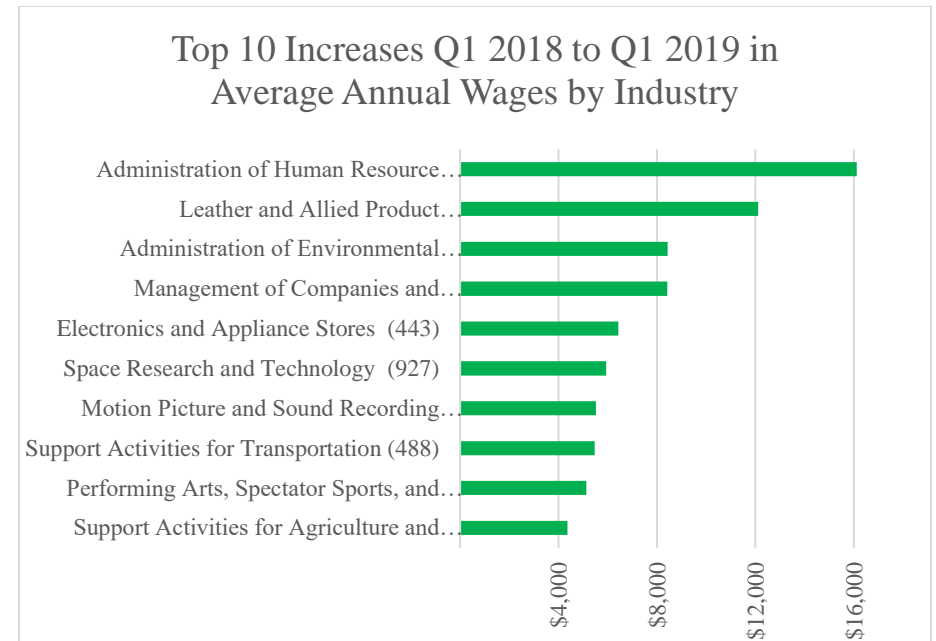
### HIGHLIGHTS:

The top 10 industries with the largest increases/ decreases in average annual wages from the 1<sup>st</sup> quarter of 2018 to the 1<sup>st</sup> quarter of 2019 by 3-digit NAICS code industries in the City of Las Cruces is collected from Chmura's Jobs EQ.

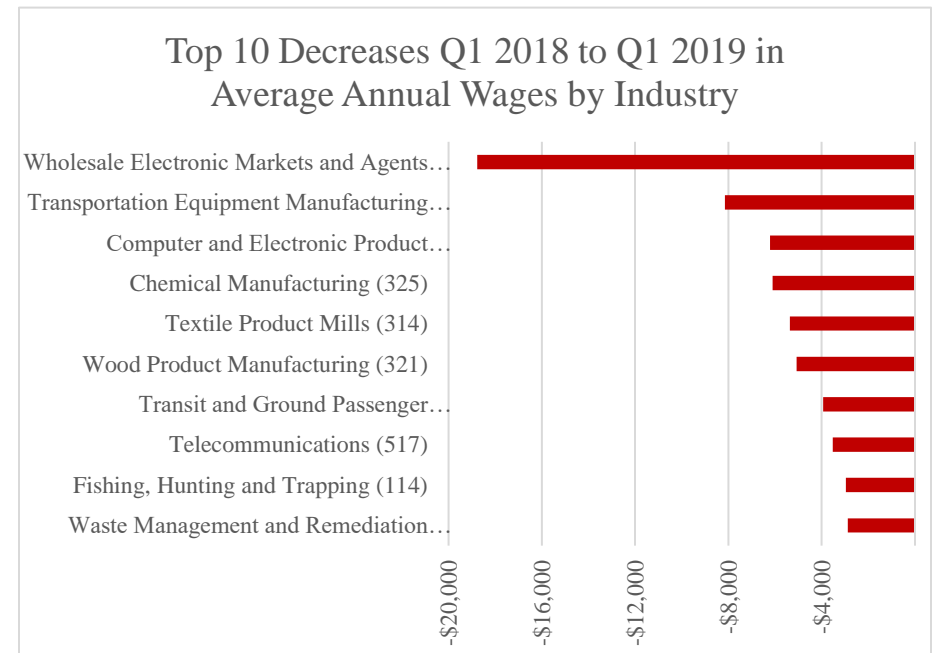
The first graph indicates which industries located in the City of Las Cruces are increasing the most in terms of annual average wages per worker. The industry that increased the most in annual average wages per worker was Administration of Human Resource Programs (NAICS 923) with an average annual increase of \$16,119 in wages per worker. Another industry that increased as well was Leather and Allied Product Manufacturing (NAICS 316), which increased \$12,108.

The second graph indicates which industries located in the City are decreasing the most in wages on an annual basis per worker. The industry that decreased the most was Wholesale Electronic Markets and Agents and Brokers (NAICS 425), which on average lost an annual average wage per worker of \$18,777. Another industry that decreased is Transportation Equipment Manufacturing (NAICS 336) which lost an annual average wage of \$8,145.

Q2 2019 data release expected date: September 2019



Source: City of Las Cruces and Jobs EQ



Source: City of Las Cruces and Jobs EQ

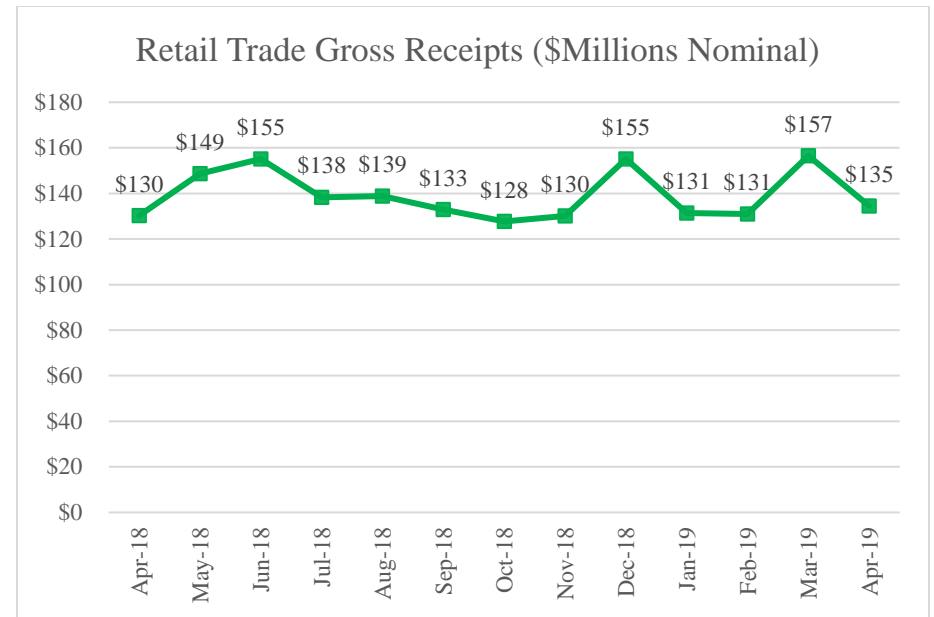
# RETAIL TRADE GROSS RECEIPTS

## HIGHLIGHTS:

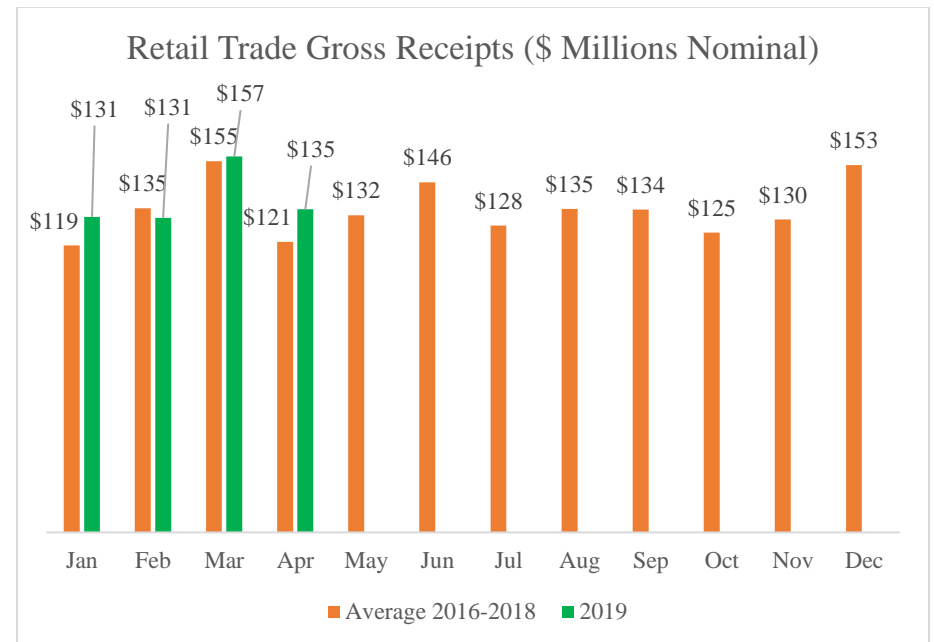
The Taxation and Revenue Department of New Mexico reports gross receipts by NAICS code by month for the City of Las Cruces, which is the value of retail trade (NAICS 44-45) sales of all goods and services produced within the City of Las Cruces plus revenue from other sources, as it can be the case with interest earned from investments, rents, and other revenue that does not come from sales in the retail trade industry.

Retail trade gross receipts are a measure of the consumption performance of the City. Gross receipts are collected from Retail trade business establishment filings, which can file monthly, quarterly, or annually. The nominal not seasonally adjusted gross receipts from retail trade figure for April 2019 is \$134,503,081 which compared to April 2018 gross receipts of \$130,208,162 represent a year-to-year increase of 3%.

During the first 4 months of 2019 there have been 3 instances where the current gross receipts from retail trade have over-performed to the 3-year monthly averages from 2016 to 2018. This implies that during the first 4 months of 2019 there has been a slight improvement in retail trade compared to normal what the average monthly figure was for the past 3 years.



Source: New Mexico Taxation and Revenue Department RP-80



Source: New Mexico Taxation and Revenue Department RP-80

May 2019 data release expected date: August 2019

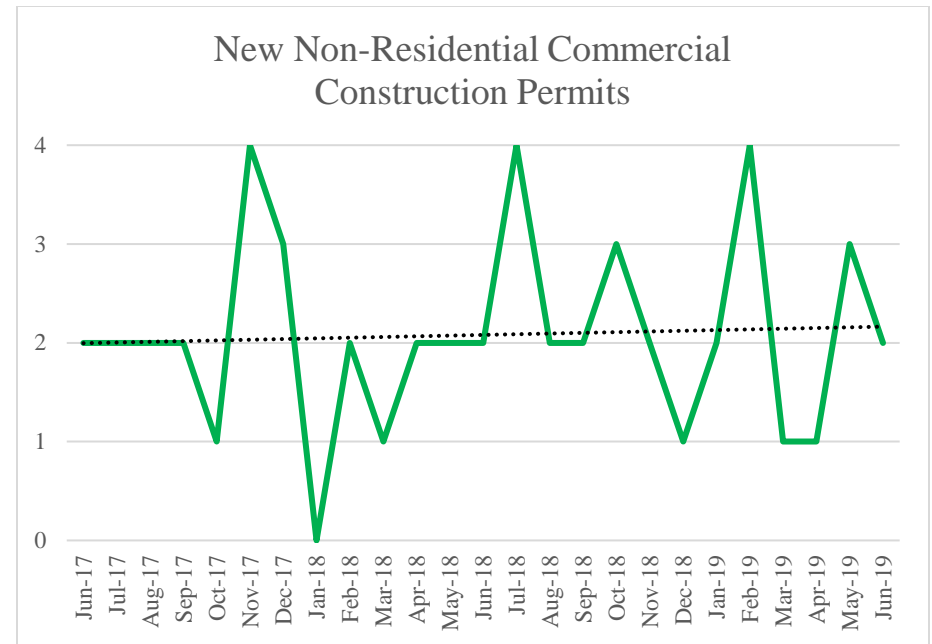
## COMMERCIAL REAL ESTATE

### HIGHLIGHTS:

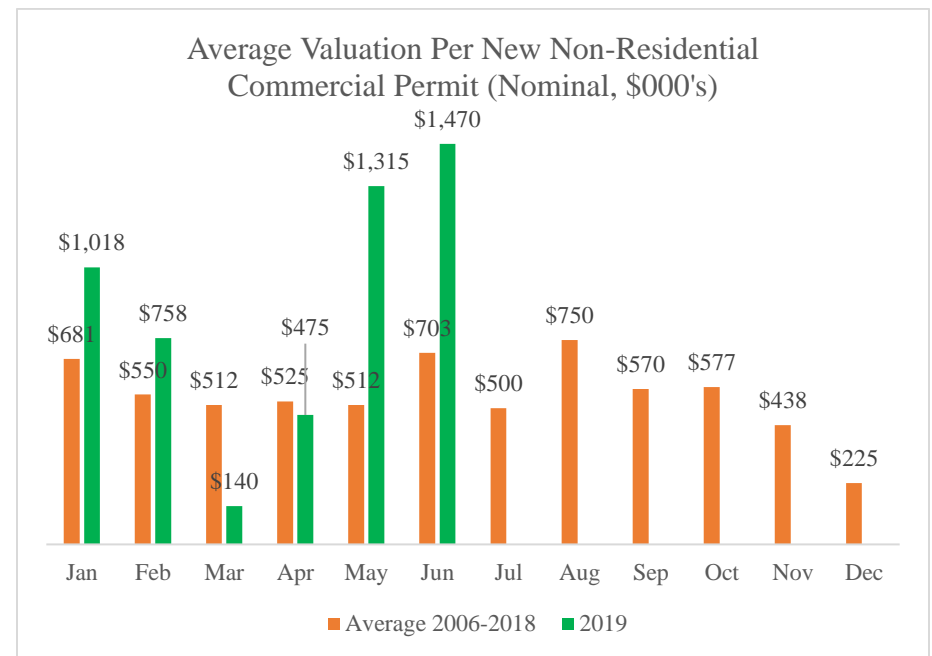
The Community Development Department of the City of Las Cruces reports the number of new non-residential commercial construction permits by month for the City. The first graph illustrates that the number of permits of new non-residential commercial construction has slightly increased in the City since June 2017. The first 6 months of 2019 have added 13 new non-residential commercial constructions, which is 4 more permits compared to the first 6 months of 2018.

In terms of valuation, the average valuation per new non-residential commercial permit in June 2019 was \$1.47 million, exceeding the 2006-2018 average June valuation by more than \$700 thousand. This indicates that June 2019 is an outlier on the sample since it has exceeded substantially the values for new non-residential commercial construction as it is evident in the second graph.

The total valuation of new non-residential commercial construction for the first 6 months of 2019 is \$12,566,268, which is higher than the first 6 months of 2018 at \$7,888,408.



Source: City of Las Cruces, Community Development Department



Source: City of Las Cruces, Community Development Department

July 2019 data expected release date: late August 2019

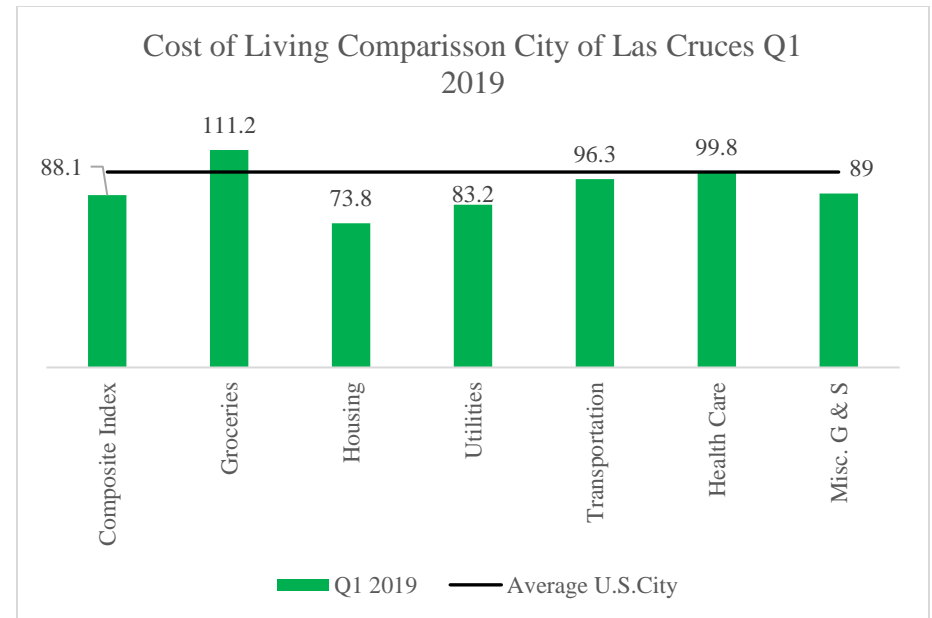


## COST OF LIVING

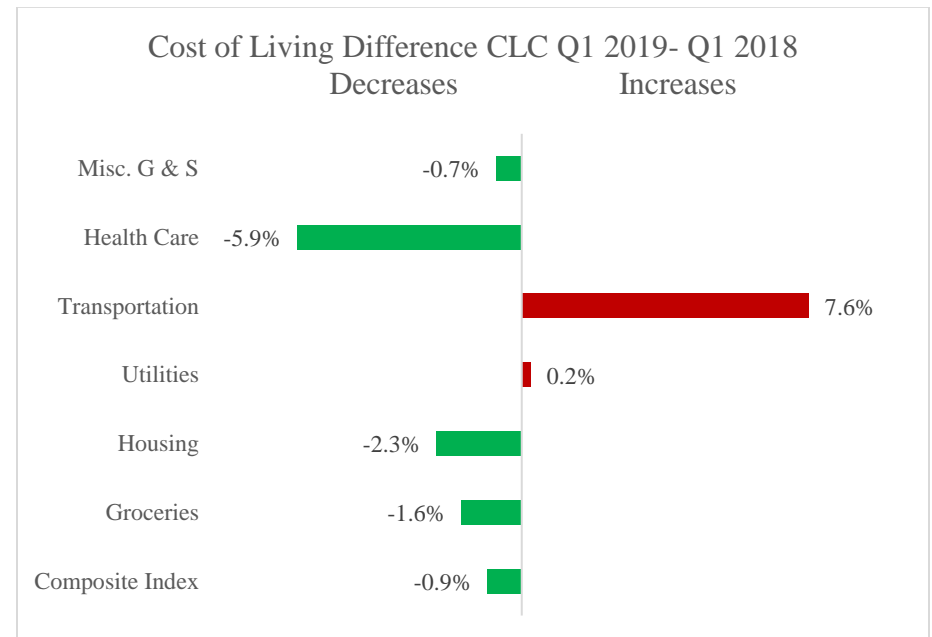
### HIGHLIGHTS:

The Council for Community and Economic Research (C2ER) reports the *Cost of Living Index* (COLI), which uses nationwide data from close to 260 metropolitan and non-metropolitan areas. The report analyzes price index averages for all the participant regions to measure 6 broad categories associated to daily expenditures of consumers. These categories are then normalized to 100, which implies the national average. The first graph compares the cost of living in Las Cruces to the average U.S. city for Q1 2019. The graph indicates that on average Las Cruces is about 11% more affordable than the average U.S. city. In Q1 2019, Las Cruces is more affordable in 5 out of the 6 categories: housing, utilities, transportation, health care, and miscellaneous goods and services, while groceries are more expensive than the average U.S. city.

The 1<sup>st</sup> quarter year-to-year percentage change from 2018 to 2019 indicated a reduction in cost of living in the City of Las Cruces for at least 4 out of the 6 categories: groceries, housing, health care, and miscellaneous goods and services, while there was an increase in transportation and utilities.



Source: Council for Community and Economic Research (C2ER)



Source: Council for Community and Economic Research (C2ER)

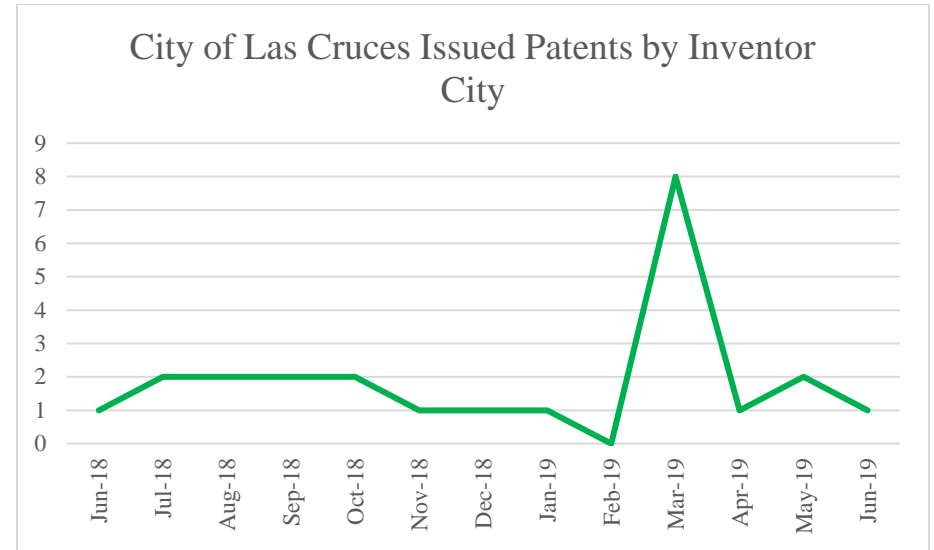
Q2 2019 data release expected date: October 2019

## PATENTS/INNOVATION

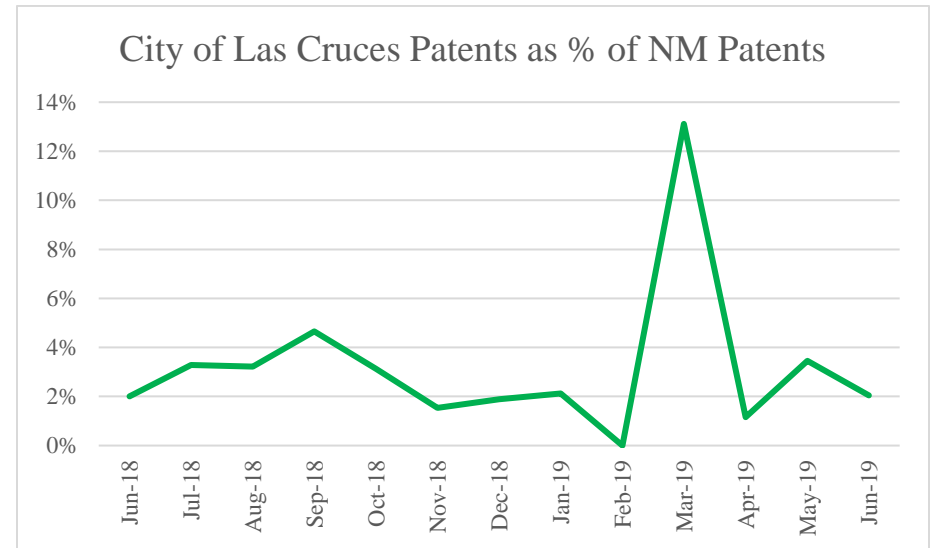
### HIGHLIGHTS:

Utility patents granted by inventor city is a measurement of intellectual property (IP), which can potentially help in generating economic development. Patents are also a result of Research and Development (R&D) intensive industries/universities, where they are necessary for competition.

The City has many of its patents assigned to the Arrowhead Center in NMSU. As it can be observed from the graphics, the City of Las Cruces has produced about 2.16 patents per month on average since January 2019 with sharp increases on March 2019, where the City of Las Cruces accounted for roughly 13% of the patents produced in the state of New Mexico for that month.



Source: United States Patent and Trademark Office



Source: United States Patent and Trademark Office

July 2019 figures will be released in August 2019.

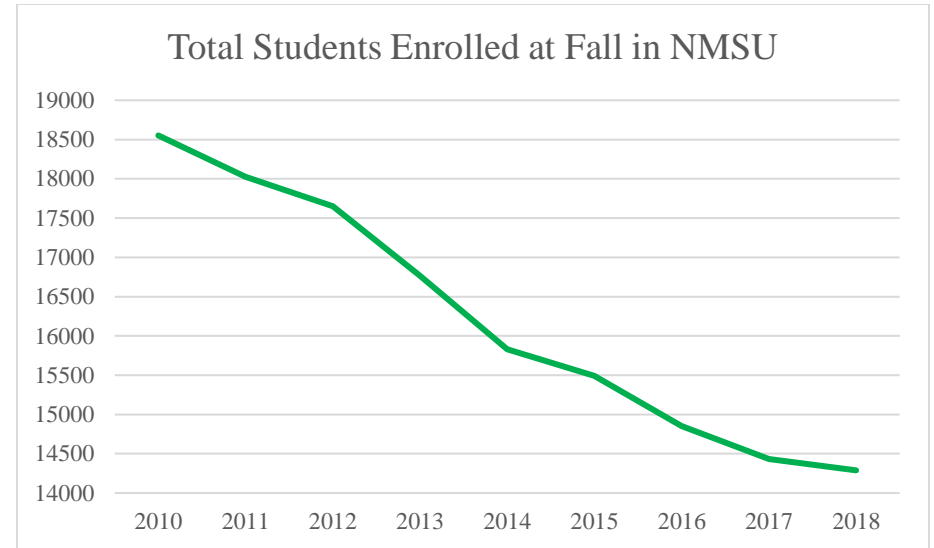
# DEGREES AWARDED/INNOVATION

## HIGHLIGHTS:

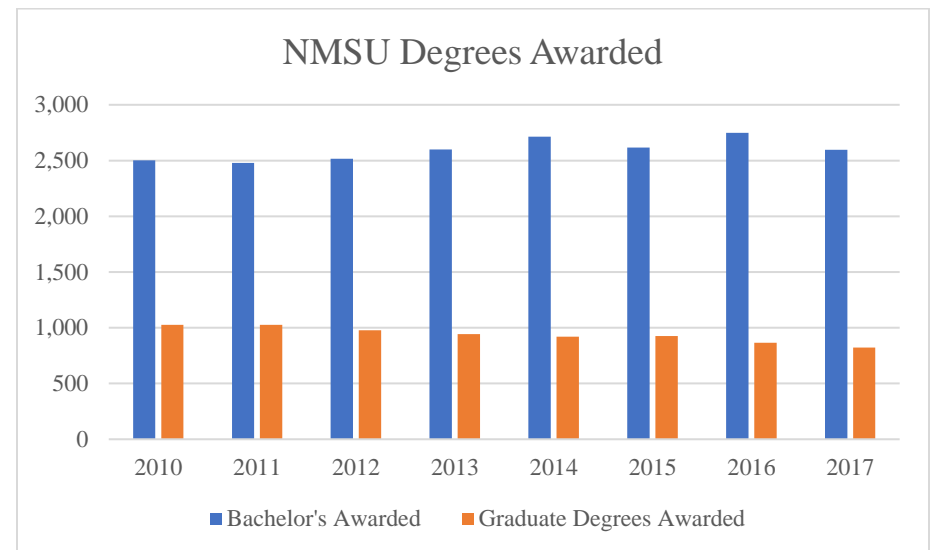
New Mexico State University (NMSU) has experienced a decline in total students enrolled on Fall at least since 2010. The Office of Institutional Analysis (OIA) indicates that on Fall 201 there were 14,289 students enrolled in the main campus, which compared to Fall 2010 at 18,552 represents a decrease of 23%.

The number of bachelor's degrees awarded on 2017 is 2,596 and it has slightly increased since 2010 with 2,502 Bachelor's degrees awarded. This implies that although NMSU has seen a decrease in enrollment, it has improved in its graduation rates.

NMSU Degrees Awarded 2018 data expected release date on Summer 2019.



Source: NMSU Office of Institutional Analysis



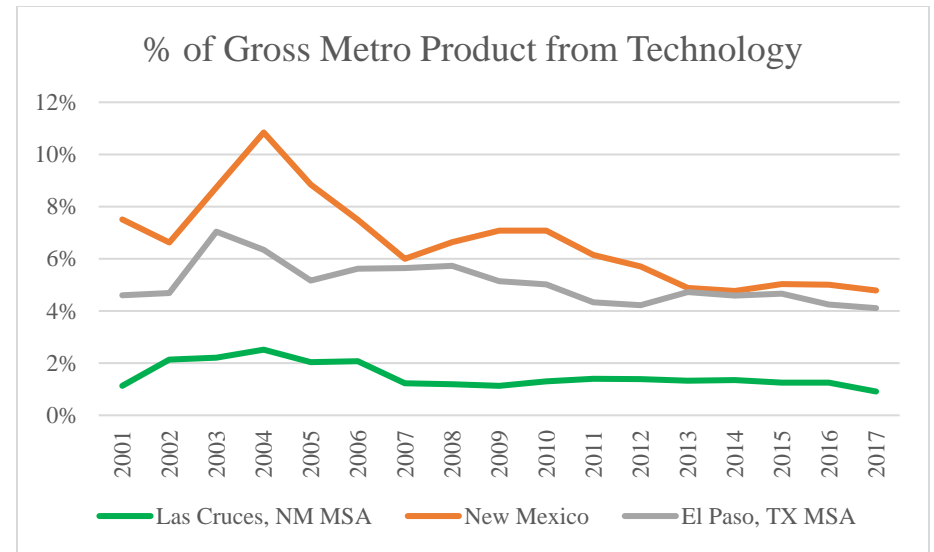
Source: Jobs EQ

# TECHNOLOGY/INNOVATION

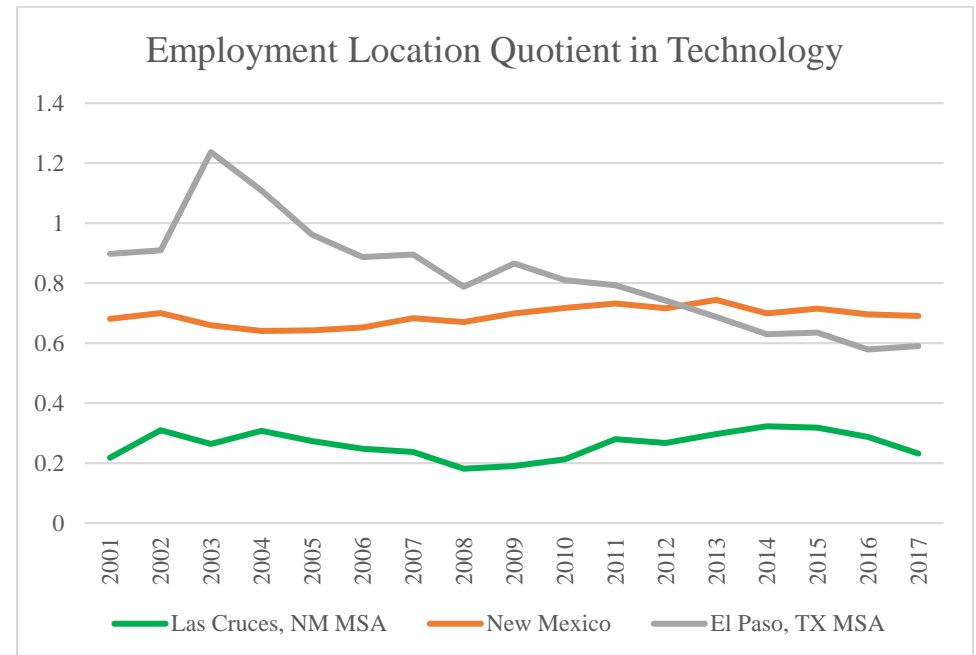
## HIGHLIGHTS:

Technology is calculated in this report as the sum of 32 industries using NAICS codes 33 and 51 associated to manufacturing and information super-sectors. The 32 industries used for this calculation are listed on the Appendix of this report. The annual technology production as a percentage of 2017 Gross Metropolitan Product for Las Cruces MSA is 0.9% of the total GMP. In comparison El Paso, MSA has 4.1% of its GMP from technology, whereas New Mexico has about 4.8% of its gross product coming from industries in technology.

The average employment location quotient (LQ U.S. Based) in technology for Las Cruces MSA is 0.23 in 2017. The same statistic for the State is at 0.69 and 0.59 for El Paso MSA. An LQ below 1 implies that we are employing fewer people than the national average in technology industries.



Source: City of Las Cruces and Jobs EQ



Source: City of Las Cruces and Jobs EQ

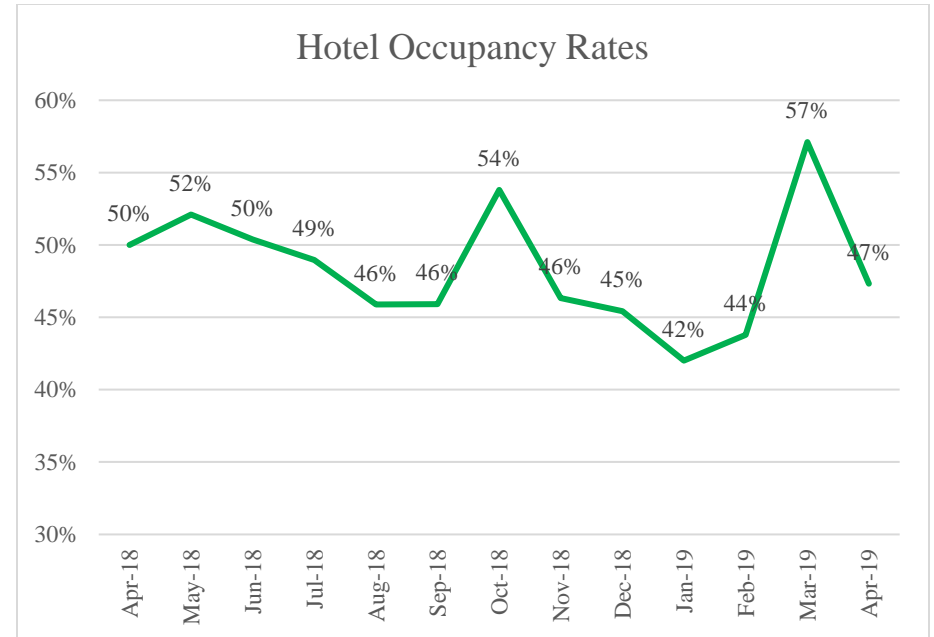
GMP 2018 figures will be released in September 2019

# TOURISM\*

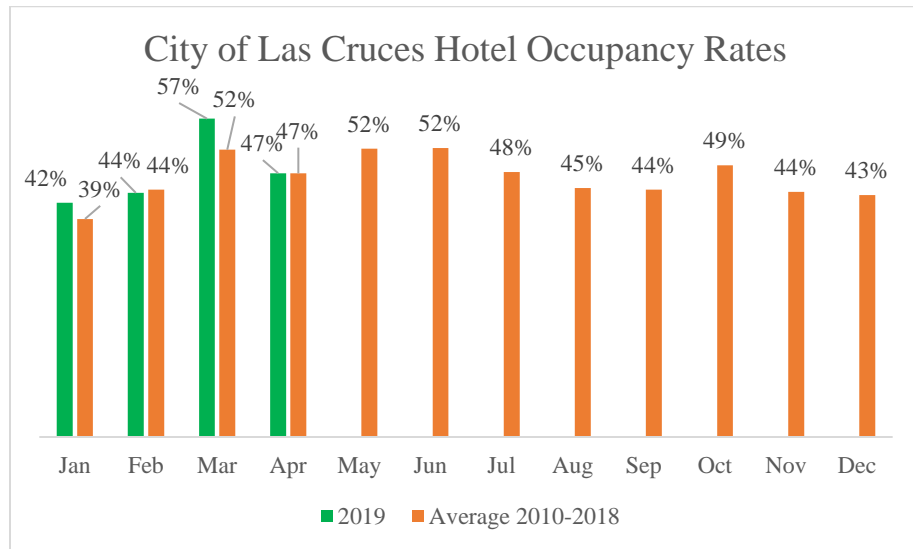
## HIGHLIGHTS:

The Hotel Occupancy Rates (HOR) is a measure of the room nights (rented) per month divided by the number available of hotel rooms per month (based on 3,000). For the City of Las Cruces this figure is reported by *Visit Las Cruces*, which indicate that the average HOR for the last year. The figure on April 2019 indicates that the HOR was 47.3%. This represents year-to-year decrease to April 2018 of 2.6%.

The Average Daily Rate (ADR) measures room income per month divided by the room nights (rented) per month. The monthly average for April 2019 is \$83, which is \$2 less compared with April 2018.

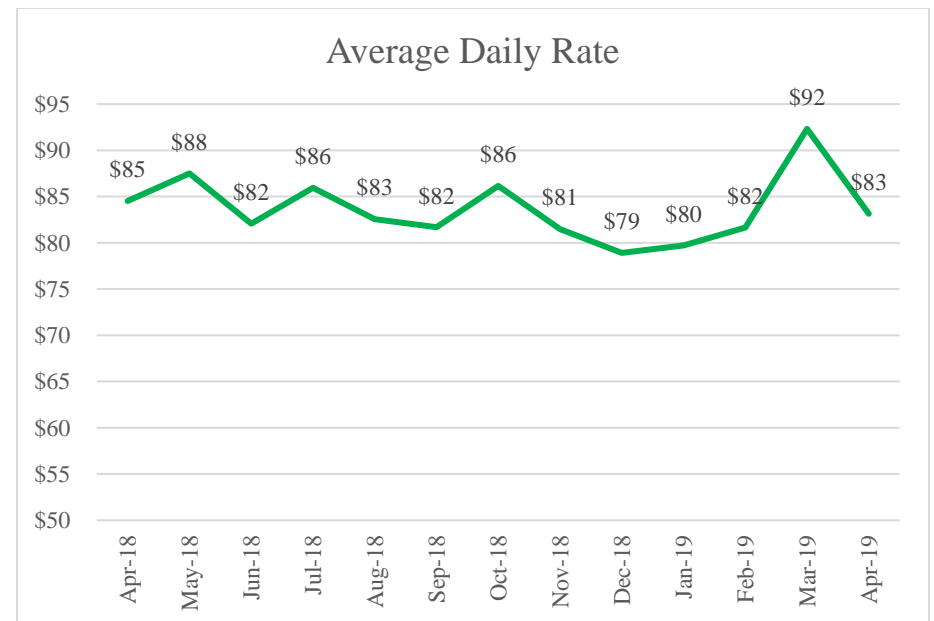


Source: City of Las Cruces, Economic Development Department



Source: City of Las Cruces, Economic Development Department

\*This data is preliminary and subject to change  
 May 2019 data to be released on August 2019.



Source: City of Las Cruces, Economic Development Department

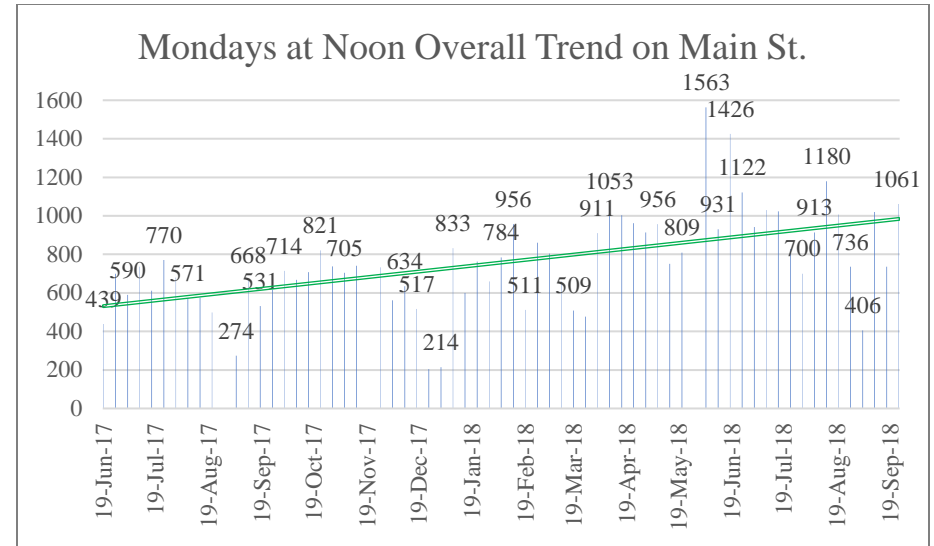
# DOWNTOWN LAS CRUCES

## HIGHLIGHTS:

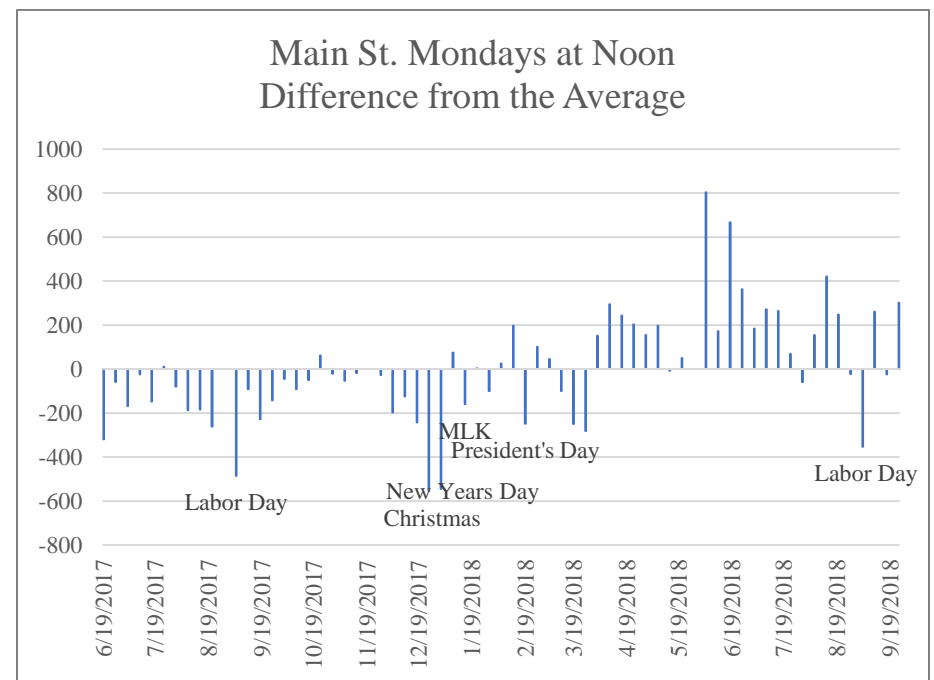
The Economic Development Department of the City of Las Cruces measures the trends of foot traffic on Main St. to accomplish a Department's strategic result of increases in annual foot traffic in downtown.

The information on the trend in Main St. as measured by Soofa benches from all 7 benches indicate that for every Monday at noon from June 19, 2017 to September 19, 2018 the general the foot traffic has an upward tendency.

The second graph indicates the difference from average on foot traffic at Main St. This number helps observe that during long weekends Downtown is still not observed as a destination, however those numbers are improving into the future. The figures illustrate the increases in foot traffic overtime.



Source: Economic Development Department utilizing Soofa Data.

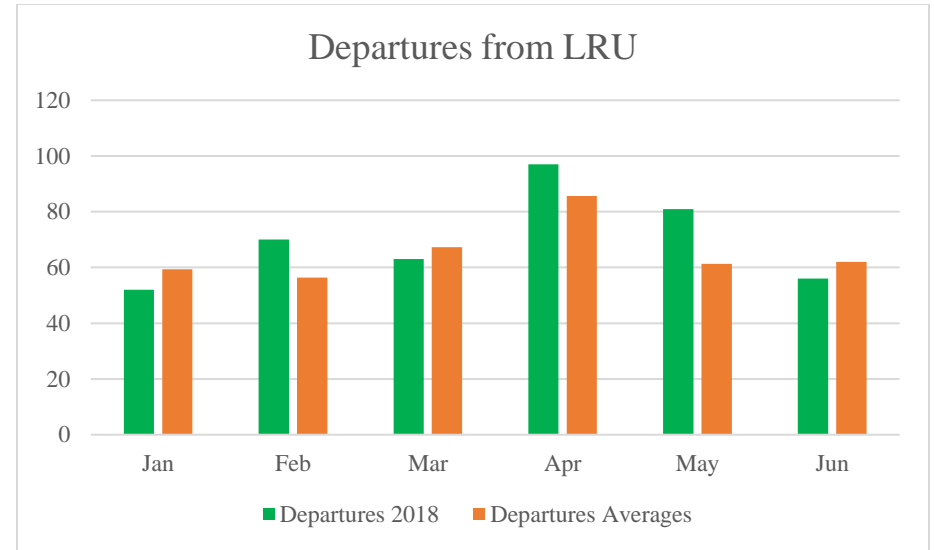


Source: Economic Development Department utilizing Soofa Data.

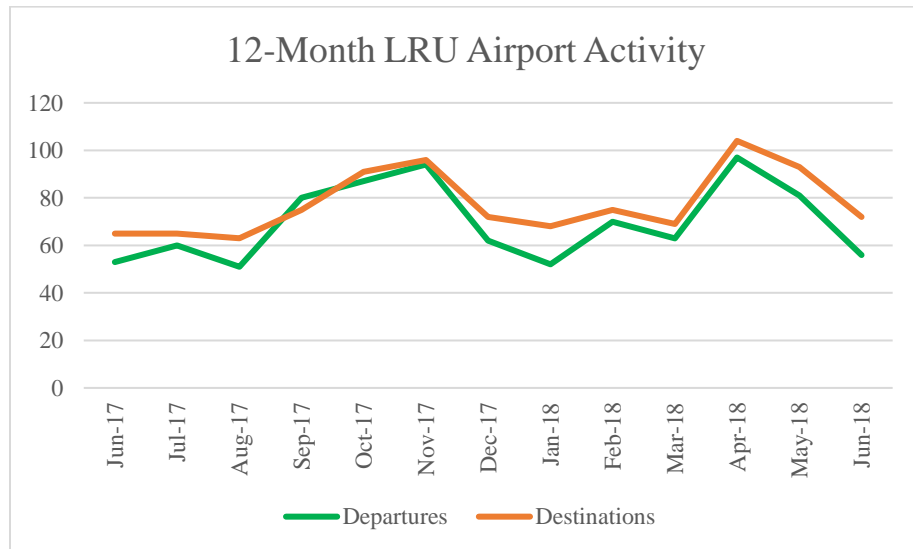
# LAS CRUCES INTL. AIRPORT

## HIGHLIGHTS:

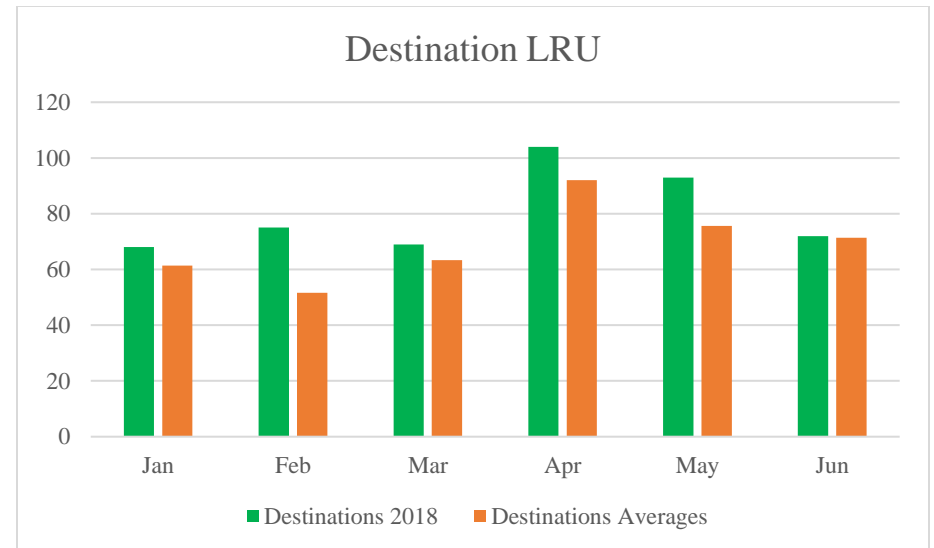
The information in the Las Cruces International Airport (LRU) indicates that from June 2017 to June 2018 there has been a total of 906 departures and 1008 destinations to LRU. On the same period, the average monthly departures are 71, whereas the destinations are 77. During the first 6 months of 2018, on average there have been more destinations to LRU than in previous years (2016, 2017, and 2018) in all months. The departures, however, have been smaller than their 2016-2018 averages on January, March, and June.



Source: City of Las Cruces, Economic Development Department



Source: City of Las Cruces, Economic Development Department



Source: City of Las Cruces, Economic Development Department

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## GLOSSARY

**Average Daily Rate:** is a measure of the room income per month divided by the room nights (rented) per month.

**BEA:** U.S. Bureau of Economic Analysis

**BLS:** U.S. Bureau of Labor Statistics

**Economic Stress Index (ESI):** In general, a higher value reflects a more miserable society. The ESI includes housing prices, to accurately reflect the “misery” of people.

ESI= Unemployment Rate+ Inflation Rate- Growth in Housing Values

**Hotel Occupancy Rates:** is a measure of the room nights (rented) per month divided by the number available of hotel rooms per month.

**Labor Force:** Sum of individuals employed and unemployed.

**Labor Force Participation Rate:** Number of individuals in the Labor Force divided by the overall population ages 16 and over.

**Not Seasonally-Adjusted Unemployment Rate:** Number of individuals who are unemployed (actively seeking employment, ages 16 and over, non-institutionalized) divided by the labor force (sum of individuals employed and unemployed).

**Real Gross Metropolitan Product:** value of goods and services produced within the metropolitan area adjusted to eliminate the effects of inflation.

**Retirement Income:** Includes: (1) retirement pensions and survivor benefits from a former employer, labor union, or Federal, State, county, or other government agency; (2) disability income from sources such as worker’s compensation; companies or unions; Federal, State, or local government; and the U.S. military; (3) periodic receipts from annuities and insurance; and (4) regular income from IRA and KEOGH plans.

**Seasonally-Adjusted Unemployment Rate:** Number of individuals who are unemployed (actively seeking employment, ages 16 and over, non-institutionalized) divided by the labor force (sum of individuals employed and unemployed) adjusted to remove predictable seasonal/monthly pattern influences.

**Supplemental Security Income:** Monthly payment benefits to people with limited income and resources who are disabled, blind, or age 65 or older. Blind or disabled children may also get SSI.

**STEMH:** Degrees in Science, Technology, Engineering, Mathematics, and Health Care.

**Utility Patents by Inventor City:** Permanent patents provided to an inventor resident of a given city.

## APPENDIX

Industries Considered for Technology Measurement					
NAICS	Industries	NAICS	Industries	NAICS	Industries
334111	Electronic Computer Manufacturing	334511	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing	517312	Wireless Telecommunications Carriers (except Satellite)
334510	Electromedical and Electrotherapeutic Apparatus Manufacturing	334412	Bare Printed Circuit Board Manufacturing	511210	Software Publishers
335912	Primary Battery Manufacturing	334413	Semiconductor and Related Device Manufacturing	5121	Motion Picture and Video Industries
33993	Doll, Toy, and Game Manufacturing	334416	Capacitor, Resistor, Coil, Transformer, and Other Inductor Manufacturing	519130	Internet Publishing and Broadcasting and Web Search Portals
3343	Audio and Video Equipment Manufacturing	334417	Electronic Connector Manufacturing	51741	Satellite Telecommunications
336390	Other Motor Vehicle Parts Manufacturing	334418	Printed Circuit Assembly (Electronic Assembly) Manufacturing	5122	Sound Recording Industries
334519	Other Measuring and Controlling Device Manufacturing	334419	Other Electronic Component Manufacturing	5151	Radio and Television Broadcasting
334112	Computer Storage Device Manufacturing	335911	Storage Battery Manufacturing	532282	Video Tape and Disc Rental
33632	Motor Vehicle Electrical and Electronic Equipment Manufacturing	333316	Photographic and Photocopying Equipment Manufacturing	515210	Cable and Other Subscription Programming
33422	Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing	334613	Blank Magnetic and Optical Recording Media Manufacturing	518210	Data Processing, Hosting, and Related Services
33421	Telephone Apparatus Manufacturing	5173	Wired and Wireless Telecommunications Carriers		
Industries Considered for Technology Measurement were selected based on a technology report by Price Waterhouse Coopers (2016) where technology is defined by these industries.					