EXECUTIVE SUMMARY

CITY OF LAS CRUCES ECONOMIC OUTLOOK

UNEMPLOYMENT RATE FOR THE CITY OF LAS CRUCES

February 2022: 3.8%
February 2021: 6.4%

The City of Las Cruces unemployment rate decreased 2.6 percentage points on a year-over-year basis.

TOTAL EMPLOYMENT FOR THE CITY OF LAS CRUCES:

February 2022: 46,138
February 2021: 44,405

On a year-over-year basis employment in the City of Las Cruces experienced a 3.9% increase.

LEISURE AND HOSPITALITY SECTOR

March 2022: 8,700
March 2021: 6,500

The leisure and hospitality sector added approximately 2,200 jobs year-over-year.

NEW BUSINESS APPLICATIONS

March 2022: 66
March 2021: 42

There were 24 more business registrations in March 2022 as compared to previous year.

MEDIAN LISTING HOME PRICE

March 2022: $278,757
March 2021: $239,000

On a year-over-year basis the median listing price increased 16.6%
## Year-over-Year Growth

<table>
<thead>
<tr>
<th>Region</th>
<th>Indicator</th>
<th>Month</th>
<th>2010</th>
<th>2018</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2022 vs '18</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Las Cruces</td>
<td>Employment</td>
<td>Feb.</td>
<td>44,646</td>
<td>44,405</td>
<td>46,138</td>
<td>3.3%</td>
<td>3.9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Las Cruces</td>
<td>Labor force</td>
<td>Feb.</td>
<td>46,957</td>
<td>47,466</td>
<td>47,972</td>
<td>2.2%</td>
<td>1.1%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Las Cruces MSA</td>
<td>Total non-farm employment</td>
<td>Mar.</td>
<td>72,900</td>
<td>70,500</td>
<td>75,000</td>
<td>2.9%</td>
<td>6.4%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Las Cruces MSA</td>
<td>Leisure &amp; hospitality</td>
<td>Mar.</td>
<td>8,300</td>
<td>6,500</td>
<td>8,700</td>
<td>4.8%</td>
<td>33.8%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Las Cruces</td>
<td>New business registrations</td>
<td>Mar.</td>
<td>42</td>
<td>66</td>
<td></td>
<td>57%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Las Cruces</td>
<td>New residential construction permits</td>
<td>Q1</td>
<td>241</td>
<td>246</td>
<td></td>
<td>2.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Las Cruces</td>
<td>Population</td>
<td></td>
<td>97,618</td>
<td>111,385</td>
<td></td>
<td>14%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Las Cruces</td>
<td>Median listing price</td>
<td>Mar.</td>
<td>239K</td>
<td>279K</td>
<td></td>
<td>16.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Las Cruces</td>
<td>Median listing days</td>
<td>Feb.</td>
<td>59</td>
<td>83</td>
<td></td>
<td>41%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doña Ana County</td>
<td>SNAP</td>
<td>Dec.</td>
<td>30,402</td>
<td>34,694</td>
<td></td>
<td>14%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>CPI (all items)</td>
<td>Mar.</td>
<td>265.03</td>
<td>287.70</td>
<td></td>
<td>8.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Year-over-Year Decline

<table>
<thead>
<tr>
<th>Region</th>
<th>Indicator</th>
<th>Month</th>
<th>2010</th>
<th>2018</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2022 vs ‘18</th>
<th>YoY change</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Las Cruces</td>
<td>Unemployment rate</td>
<td>Feb.</td>
<td>4.9%</td>
<td>5.1%</td>
<td>6.4%</td>
<td>3.8%</td>
<td></td>
<td>1.1pp</td>
<td>2.6pp</td>
</tr>
</tbody>
</table>
EMPLOYMENT: LABOR FORCE & MORE

Solid Growth

Preliminary results from February 2022 indicate that the City of Las Cruces continues to experience robust job growth.

While both labor force participation and employment [1] exhibited a sharp drop in the early days of the pandemic closures, both have been recording gains since their lowest levels in the second quarter of 2020. On a year-over-year basis (YoY), employment was up 3.9% while labor force was up 1% as of February 2022 (Figure 1).

Consistent with these results, the unemployment rate (Figure 2) exhibited its lowest level since 2008 in February 2022. With a preliminary unemployment rate of 3.8% for February 2022—a decrease of 2.6 percentage points (pp hereafter) from the previous year and 1.1pp as compared to February 2018—employment continues to improve. An unemployment rate of 4% qualifies as full employment.

*Data not seasonally adjusted (NSA).
*February 2022 preliminary data (P).

Figure 1. City of Las Cruces Labor Force & Employment. NSA.
Figure 2. City of Las Cruces Unemployment Rate. NSA.
1. **EMPLOYMENT: TOTAL NON-FARM EMPLOYMENT**

**Leisure and Hospitality—Recovering**

According to March 2022 BLS preliminary data, total non-farm employment added 2,100 jobs, increasing the non-farm payrolls to 75,000 from 72,900 in March 2018 (seasonally adjusted Figure 3). Moreover, the leisure and hospitality sector for Las Cruces MSA continued to recover at a faster pace than other sectors, as compared to March 2021.

Although most of the sectors experienced growth in March 2022 as compared to March 2021 (Figure 4). Leisure and hospitality experienced the biggest gains, with a 33.8% YoY increase—which is about 2,200 additional jobs (NSA). Nonetheless, while things are improving for some sectors, others remain below their pre-pandemic size (Figure 5).

Sectors such as manufacturing, leisure, and wholesale trade are back at, or above levels seen in March 2018 (Figure 6). On the other hand, the information and financial activities segments are respectively 28.6% and 11.5% its pre-pandemic (March 2018) levels (Figure 7).

*Data by industry is not seasonally adjusted.*

*(P)= Preliminary data

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*Figure 3. Las Cruces MSA, Total Non-Farm Employment. All employees, SA.*
Figure 4. Las Cruces MSA, Total Non-Farm Employment by Sector. Change in all employees by sector in March 2022 as compared to March 2021. NSA.

Figure 5. Las Cruces MSA, Total Non-Farm Employment by Sector. Change in all employees by sector in March 2022 as compared to pre-pandemic levels in March 2018. NSA.
Figure 6. Las Cruces MSA, Total Non-Farm Employment Sectors at or above Pre-pandemic Levels.

All employment in leisure and hospitality; manufacturing; trade, transportation, and utilities; and wholesale trade. NSA.
Figure 7. Las Cruces MSA, Total Non-Farm Employment Trailing Sectors. *All employment professional services; state government; financial activities; and information. NSA.*
More New Business Registrations

*March 2022 had twenty-four more new business registrations as compared to March 2021.*

A total of 68 new businesses were registered in March 2022. From those registrations 66 were classified as business registration, 1 liquor, and 1 non-profit. 37 were home occupation and 29 commercial business. From the home occupation business category, the top two business types were service and retail. On the other hand, the top two business types for the commercial business sector were retail and beauty. The total number of employees for March 2022 for new business registrations were 169 (128 in the commercial business sector and 41 for the home occupation category). Figure 8 shows the number of new business registrations and renewals for March 2022 and 2021.

![City of Las Cruces New Business Registrations and Renewals](image)

*Figure 8. City of Las Cruces, New Business Registrations.*

Table 1. Top Three New Business Registration Types per Year and their Total Number of Registrations in parenthesis.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022 (as of March)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>Retail (55)</td>
<td>Other (55)</td>
<td>Retail (62)</td>
<td>Retail (23)</td>
</tr>
<tr>
<td>Service</td>
<td>Professional Service (54)</td>
<td>Retail (44)</td>
<td>Other (61)</td>
<td>Service (22)</td>
</tr>
<tr>
<td>Other</td>
<td>Other (46)</td>
<td>Professional Service (42)</td>
<td>Service (43)</td>
<td>Food service (15)</td>
</tr>
</tbody>
</table>

Table 2. Total New Business Registrations.

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022 (as of March)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>562</td>
<td>452</td>
<td>544</td>
<td>153</td>
</tr>
</tbody>
</table>
DEMOGRAPHICS: POPULATION

A Stable Demographic

The City of Las Cruces population grew 14% in a period of 10 years (2010-2020) according to Decennial Census data [4] (Figure 9).

The estimated population pyramid* [5] for the City of Las Cruces (Figure 10, Figure 11), exhibits nearly the same number of people in each age group, a wider base, and a smaller top [6]. This pattern is indicative of slow growth/stable population [6]. This shape has been consistent over the last 4 years.

An interesting feature is the large 20 to 24 age cohort, which represents about 12% of the total population. This leading edge is indicative of students coming to the City of Las Cruces to attend college.

*Note: Estimates have a margin of error (MOE).

City of Las Cruces Population

Source: Decennial Census

Figure 9. City of Las Cruces Population in 2010 and 2020.
Figure 10. City of Las Cruces Population Pyramid Estimates. 2017-2018.

Figure 11. City of Las Cruces Population Pyramid Estimates. 2019-2020.
**Education Counts**

According to the American Community Survey’s educational attainment and median earnings data estimates [7], median earnings increase as education rises.

Education makes a difference; 2020 data on estimated median earnings and education revealed that the potential for higher earnings increases with educational attainment (Figure 12). The estimated earnings for a person (25 years and over) with a bachelor’s degree are approximately $38,102 with a margin of error (MOE) of ±5,038, while those for a high school graduate are about $21,857 (±2,857).

Moreover, there appears to be a gender pay gap. In 2020, the estimated earnings for females (Figure 13) with a bachelor’s degree were about $31,667 (±2,984). On the other hand, the estimated earnings for a male (Figure 14) with a bachelor’s degree were about $50,406 (±17,754).

*Note: Estimates have a margin of error (MOE).*

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**Figure 12. City of Las Cruces, Median Earnings in the Past 12 Months Estimates.** Population 25 years and over with earnings, in 2019 inflation-adjusted dollars. Estimates have a margin of error (MOE)
Figure 13. City of Las Cruces, Female Median Earnings in the Past 12 Months Estimates. Population 25 years and over with earnings, in 2019 inflation-adjusted dollars. Estimates have a margin of error (MOE).

Figure 14. City of Las Cruces, Male Median Earnings in the Past 12 Months Estimates. Population 25 years and over with earnings, in 2019 inflation-adjusted dollars. Estimates have a margin of error (MOE).
3 | QUALITY OF LIFE: COST OF LIVING IN THE U.S.A.

CPI Continues to Increase

At 8.6%, in its latest reading (March 2022) Consumer Price Index (CPI) continue to head higher.

The 8.6% surge in prices (all items for the U.S. average city) in March 2022 (Figure 15), from a previous year, marked a new high since the pandemic. In fact, the highest in forty years (Figure 16).

Moreover, the rising cost of essentials such as energy and food—two categories that can be volatile—can have a strong effect on consumers standard of living. According to March data, gasoline prices (Figure 17) rose about 48% from previous year and increased about 10pp on a month-over-month basis. On the other hand, at home food (Figure 18) costs climbed 10% (YoY).

*Data seasonally adjusted.

Figure 15. U.S.A. Average City All Urban Consumer Price Index YoY Growth Rate. (SA).

Figure 16. U.S.A. Average City All Urban Consumer Price Index YoY Growth Rate since 1970. (SA).
Figure 17. U.S.A. Average City All Urban All Gasoline Types Consumer Price Index. (SA).

Figure 18. Average City All Urban Food at Home Consumer Types Price Index. (SA).
QUALITY OF LIFE: COST OF LIVING IN LAS CRUCES

An Affordable City

According to data from Cost-of-Living Index by the Council for Community and Economic Research [12], the cost of living in Las Cruces is lower than the nation’s cost of living.

The cost-of-living in the City of Las Cruces remains lower as compared to the nation (Figure 19), by approximately 13pp, as published in the Cost-of-Living composite index [12]** for quarter 3, 2021. Moreover, while each of the individual categories (Figure 20) are lower than the nation’s, the City of Las Cruces housing (-24pp), utilities (-18pp), and misc. good and services (11pp) indexes are 10pp or lower than the nation. While categories as healthcare, groceries, and transportation are between 1 to 3pp lower than the nation [12].

*An index category of 100 means the category is the same as the nation.
**The composite index is a weighted average from different categories.

Figure 19. City of Las Cruces City Cost-of-Living Index. Quarter 3, 2021.

Figure 20. City of Las Cruces City Cost-of-Living Index Components. Quarter 3, 2021.
QUALITY OF LIFE: SNAP & POVERTY LEVELS

SNAP Cases Increased

The number of SNAP cases in DAC, increased. An increase in the number of SNAP cases is an indicator of a decrease in income level.

The number of supplemental nutrition assistance programs cases (SNAP) for the Doña Ana County (DAC) administrative offices [13] for December 2021 increased by 318 cases from previous month, to reach a total of 34,694 cases. In a year-over-year basis, DAC SNAP cases grew 14% in December 2021.

On the other hand, in 2020, it was estimated that 23.6% (±2%) of the households in the City of Las Cruces were below the poverty level (Figure 21). Moreover, the 2020 estimate for SNAP cases for Las Cruces was around 8,883 (±871)—about 21.4% (±2%) from total households. From which 53.9% (±5.6%) were below poverty level and 46.1% at or above poverty level (Figure 22) [14].

* Note: Estimates have a margin of error (MOE).

Figure 21. City of Las Cruces Poverty Status in the Last 12 Months Estimates, 2020.
Figure 22. City of Las Cruces Households receiving Food Stamps and Poverty Status in the Last 12 Months, 2020.
QUALITY OF LIFE: HOUSING MARKET

Housing, Listing Days, Price, and More

The median listing price for the city of Las Cruces NM, continues to trend up (March 2022).

In March 2022, the median listing price (Figure 23) reached $278.8K from $270K in February 2022 [15]. On a year-over-year basis the median listing price increased 16.6%. Additionally, mortgage rates also increased [16]. According to Freddie Mac data, the average monthly rate for a 30-year fixed home loan in the U.S.A was 4.17%* (March 2022), approximately 1pp higher than March 2021 (3.08%*) [16]. All things being equal this could translate in an increase in the monthly payment for a home [17].

The median number of days (Figure 24) on the market for a home in Las Cruces was 83 days in February 2022 [15]. While no change was observed since last month [15], the median number of listing days remains higher than the first two quarters in 2021. On regards to the number of new residential construction permits [18] (Figure 25), there was a 2% increase in Q1 2022 as compared to previous year (Q1 2021).

*Mortgage points (2021: 0.8pts | 2020: 0.7pts)

![Figure 23. City of Las Cruces Median Listing Home Price.](image-url)
Figure 24. City of Las Cruces Median Listing Days.

Figure 25. City of Las Cruces New Residential Construction Permits by Quarter
REFERENCES:

- **Employment:**
  - [3] City of Las Cruces, Community Developments Reports.

- **Demographics:**
  - [6] Boucher, L. “What are the different types of population pyramids” www.populationeducation.org

- **Quality of Life:**
  - [9] Belfius, L. “Here’s why it’s time to focus on the inflation economist ignore”. Barron’s, March 2022.
  - [16] Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States, 30-Year Fixed-Rate Mortgages Since 1971 - Freddie Mac.
  - [18] City of Las Cruces, Community Developments Reports.