



## ONGOING JOBLESSNESS IN NEW MEXICO

### Unemployment rate for Hispanics far exceeds the state's white rate

BY MARY GABLE

Five years after the beginning of the Great Recession, high unemployment rates are still taking a toll on families. In New Mexico, where the overall unemployment rate was less than the national rate in the fourth quarter of 2012 (6.3 percent compared with a national average of 7.8 percent), Hispanic families continue to bear the brunt of that economic pain.

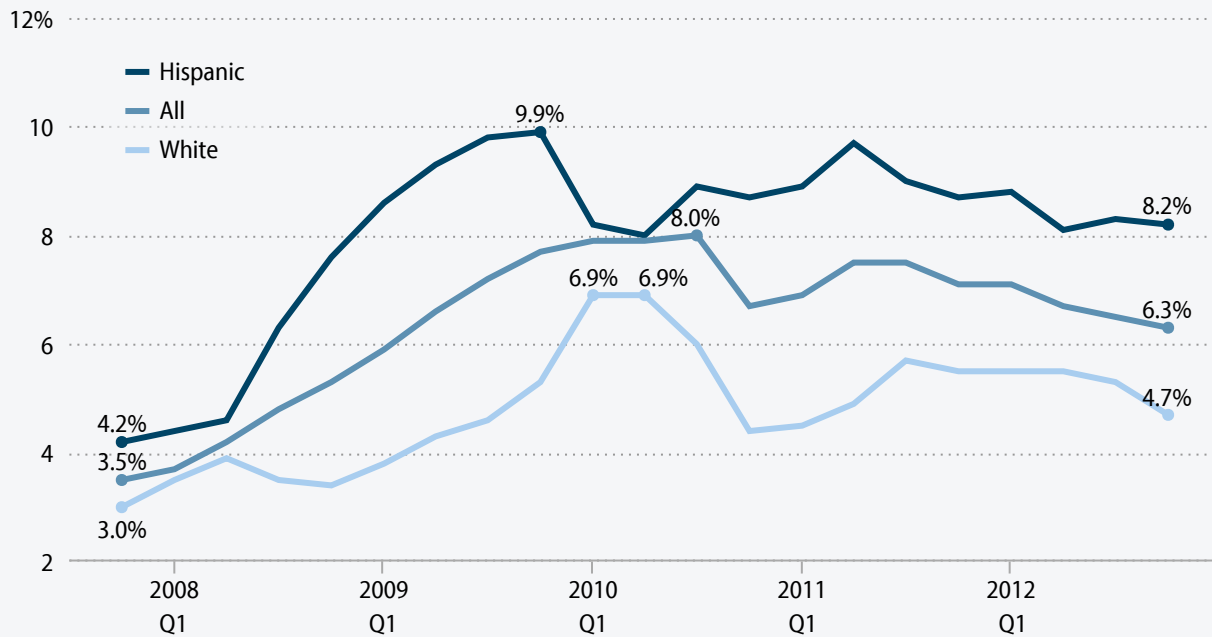
This research brief supplements a recent report by the Economic Policy Institute's Algernon Austin, *Unemployment Rates Are Projected to Remain High for Non-Hispanic Whites, Latinos, and African Americans throughout 2013*, which documents national trends in unemployment (Austin 2013). Drawing on federal Current Population Survey (CPS) data, this paper focuses on unemployment in New Mexico. It highlights the racial disparities that have prevailed throughout the recession (defined here as including the official recession from December 2007

through June 2009, and the weak and ongoing recovery through the fourth quarter of 2012):

- The unemployment rate of Hispanics in New Mexico is 8.2 percent, more than one and a half times that of non-Hispanic whites (4.7 percent), and has been near or more than double the white rate for many quarters over the last four years (seven out of 21 quarters).
- Of the 23 states with large enough Hispanic populations to track with quarterly CPS unemployment data, New Mexico has the ninth-lowest Hispanic unemployment rate.
- Despite relatively low white and Hispanic unemployment rates in New Mexico, the current policy trajectory coupled with the state's slow job growth makes a full recovery unlikely.

FIGURE A **INTERACTIVE**

## Unemployment rate in New Mexico, all and by race and ethnicity, 2007Q4–2012Q4



**Note:** Data are quarterly, beginning with 2007 Q4 and ending with 2012 Q4. Races and ethnicities are presented in mutually exclusive categories, i.e., white refers to non-Hispanic whites and Hispanic refers to Hispanics of any race.

**Source:** Author's analysis of Bureau of Labor Statistics Local Area Unemployment Statistics and basic monthly Current Population Survey microdata

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## The jobs context in New Mexico

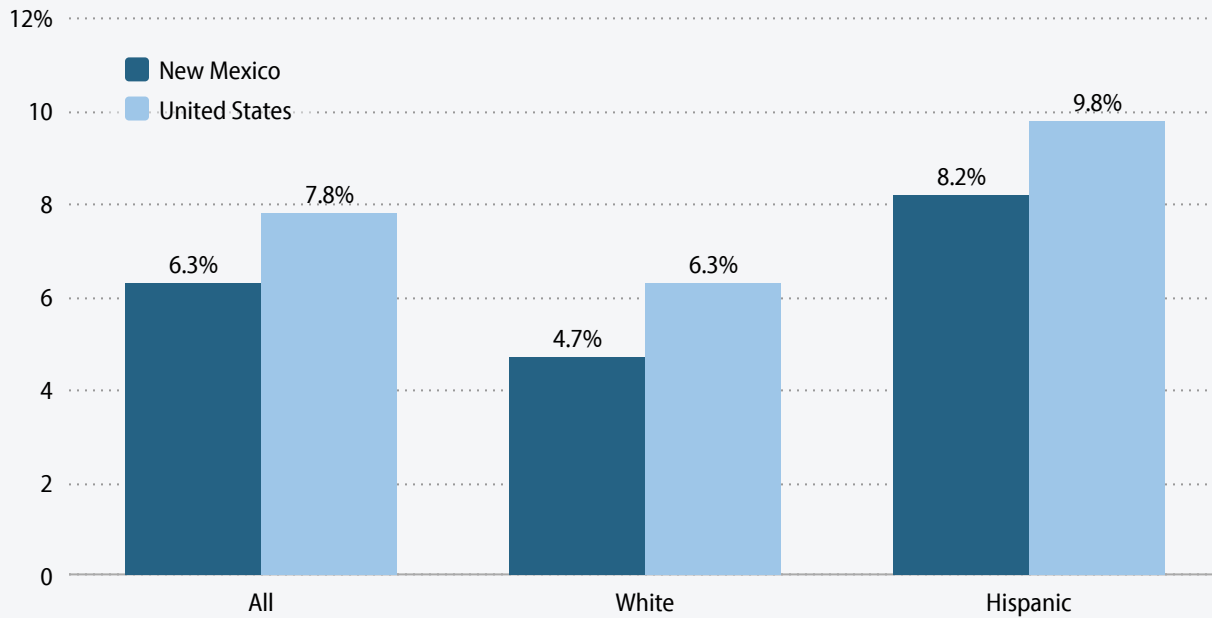
New Mexico's relatively upbeat unemployment picture (with low white unemployment rates and a Hispanic unemployment rate lower in the state than the nation overall) masks a disturbing economic trend for all workers statewide. New Mexico's job growth over the last three years has been too sluggish to make up for the jobs lost during a relatively short period in the recession. According to the New Mexico Department of Workforce Solutions (2013), Bureau of Labor Statistics data released in January 2013 show that over-the-year job growth (comparing January 2013 with January 2012) of 0.4 percent (3,500 jobs) placed New Mexico fourth from the bottom among all states. To return to prerecession unemployment rates, New Mexico would have to create 2,500 new jobs each month over the next three years (author's analysis of Current Employment Statistics and Local Area Unem-

ployment Statistics).<sup>1</sup> Moreover, New Mexico's labor force participation rate (59.7 percent in 2012) (author's analysis of Local Area Unemployment Statistics) and employment-to-population ratio (55.4 percent in 2012), have consistently and significantly lagged national rates (63.7 percent and 58.6 percent, respectively, in 2012) signaling a deeper malaise in the economy not necessarily reflected in the official measures of unemployment (Bureau of Labor Statistics, 2013).<sup>2</sup>

**A note about EPI's interactive figures:** All of the figures in this paper are available in an interactive format on [epi.org](http://epi.org). With an interactive figure, users can obtain specific data points by hovering a cursor over a line or bar, view the entire figure as a data table, and copy figure data into Excel.

FIGURE B **INTERACTIVE**

## Unemployment rate, New Mexico compared with U.S., by race and ethnicity, 4th quarter 2012



**Note:** Races and ethnicities are presented in mutually exclusive categories, i.e., white refers to non-Hispanic whites and Hispanic refers to Hispanics of any race.

**Source:** Author's analysis of Bureau of Labor Statistics Local Area Unemployment Statistics and basic monthly Current Population Survey microdata

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### White unemployment in New Mexico

Though they escaped the prolonged, deep unemployment plaguing white workers in other states and Hispanic workers in New Mexico, the state's non-Hispanic white workers endured three quarters of unemployment rates at or above 6.0 percent (from the first through third quarters of 2010), as seen in **Figure A**. New Mexico's white unemployment rate has declined slowly—with some bumps—since peaking at 6.9 percent in each of the first two quarters of 2010. In the fourth quarter of 2012, New Mexico's white unemployment rate of 4.7 percent placed it among the states with relatively low white unemployment rates—the rate was 1.6 percentage points lower than the national white unemployment rate of 6.3 percent that quarter.

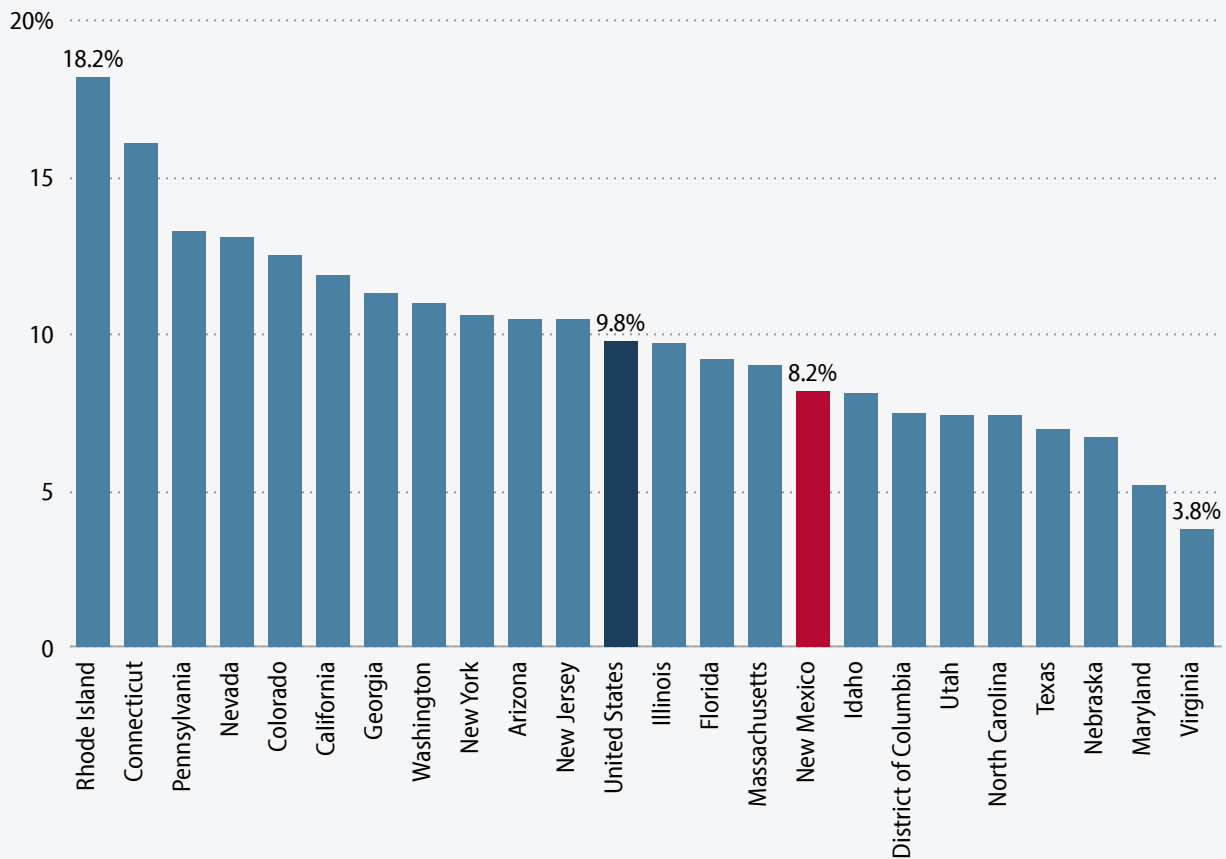
### Hispanic unemployment in New Mexico

Hispanic unemployment rates shot up in mid-2008 and were hovering near 10 percent in late 2009, peaking at 9.9 percent in the fourth quarter of 2009. Immediately following that peak, New Mexico's Hispanic workers experienced a sharp decline in unemployment rates, but a recovery has remained elusive. In the fourth quarter of 2012, the Hispanic unemployment rate in New Mexico was 8.2 percent, which is much higher (by 3.5 percentage points) than the state's white unemployment rate of 4.7 percent (as seen in **Figure B**) and lower than the national unemployment rate for Hispanic workers.

As shown in **Figure A**, the gap between Hispanic and white unemployment rates in New Mexico has been wide for much of the last five years, with Hispanic unemploy-

FIGURE C **INTERACTIVE**

## Hispanic unemployment rate in New Mexico compared with 22 other states and U.S., 4th quarter 2012



**Note:** Hispanic refers to Hispanics of any race. This figure includes the 23 states (a total which includes the District of Columbia) with Hispanic populations large enough to measure the unemployment rate with Current Population Survey microdata.

**Source:** Author's analysis of Bureau of Labor Statistics Local Area Unemployment Statistics and basic monthly Current Population Survey microdata

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ment rates close to or more than twice the white rate in seven of the last 21 quarters. The greatest disparity occurred near the peak of unemployment for Hispanics in the third quarter of 2009, when their 9.8 percent unemployment rate was more than double the 4.6 percent white unemployment rate.

**Figure C** depicts the Hispanic unemployment rate in New Mexico compared with the Hispanic unemployment rate in each of the other 22 states for which the Hispanic population is large enough to measure the unemployment rate with CPS data. It shows that New Mexico has the

ninth-lowest Hispanic unemployment rate among these states.

## Conclusion

New Mexico's recovery from the depths of the Great Recession has been slow. Despite reductions in overall unemployment, roughly one in 12 Hispanic workers in the state continues to be unemployed. Others have stopped looking for work and have fallen out of the labor force altogether, adding to the human cost of an economic collapse and slow economic recovery that has taken

a much greater toll on Hispanics than whites. The devastating impact on New Mexico workers of all races demands strong federal job-creation efforts, as highlighted in *From Free-fall to Stagnation: Five Years after the Start of the Great Recession, Extraordinary Policy Measures Are Still Needed, But Are Not Forthcoming*, by EPI's Josh Bivens, Andrew Fieldhouse, and Heidi Shierholz (February 2013).

## Methodology note

Races and ethnicities are presented in mutually exclusive categories, i.e., white refers to non-Hispanic whites and Hispanic refers to Hispanics of any race. The Bureau of Labor Statistics publishes national annual white, black, and Hispanic unemployment rates; however, its estimates are not based upon mutually exclusive categories and thus will differ slightly from the figures published in this paper.

## About the author

**Mary Gable** joined the Economic Policy Institute in 2006. She coordinates activities of state and local organizations through the Economic Analysis and Research Network (EARN) and analyzes public policies affecting low-income people. She previously directed programs serving people in poverty nationwide and conducted an independent evaluation of New Jersey's welfare program. Her areas of interest include poverty, social services and welfare policy, child care, and low-wage work. She has a B.A. in political science from the University of Illinois at Urbana-Champaign, and an M.P.A. in social services and welfare policy and in gender and public policy from Columbia University.

## Acknowledgements

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## Endnotes

1. This calculation uses both CES (Current Employment Statistics) and LAUS (Local Area Unemployment Statistics) data from the Bureau of Labor Statistics, which provide an estimate similar to EPI's national-level estimate of the jobs shortfall—combining CES and CPS (Current Population Survey) data. This estimate is based on the dates of the national recession, not individual state recessions, which vary state to state.
2. The labor force participation rate is the share of working-age people who are either employed or unemployed (i.e., jobless but actively seeking work). The employment-to-population ratio is the share of the civilian noninstitutional population 16 years of age and older that is employed.

## References

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