

Urgent Action Needed Now to Fix State's Fiscal, Economic Woes

By Senator Pete Campos

The fiscal and economic news in New Mexico hasn't been especially bright lately. We have 50,000 fewer people working today than we did in early 2008; most native-born New Mexicans leave the state never to return; and state government hasn't balanced its checkbook for six years.

The situation at the federal level is equally concerning. The nation is more than \$16 trillion in debt, a staggering sum that is choking the national economy. While the president and congress narrowly avoided the "fiscal cliff", we must ensure that our federal government never gets that close to the edge again.

We are faced with difficult challenges, and our willingness to accept responsibility and our determination to find solutions will reveal our character, talents and courage. I'm confident that we can and will overcome these challenges, but we must all prepare ourselves to be tested.

Taken alone, any one of these facts – lost jobs, the "brain drain", an unreconciled state account – would be cause for action. Taken together, they are an extremely urgent call for action.

As we learned from the Great Recession, the best indicator of a state's economic health is the *actual number of people working*, not the percentage of the work force that's unemployed. The unemployment rate is directly affected by the growing number of people who have either given up looking for work or moved to another state to find a job. If enough people quit looking for work or move, the unemployment rate may improve even though fewer people are actually working.

That's why the dramatic decline in the number of jobs in New Mexico since the spring of 2008 is so concerning. We lost 50,000 jobs, nearly six percent, in this last recession. The impact is deep and broad. Fewer people working means more strain within our families, more demand for social services and government assistance, and more discontent. Fewer people working means there are fewer people making both big and small purchases — including by people who have jobs but are afraid of losing them — and that means businesses' profits are lower, which leads to fewer "help wanted" signs in storefronts. Fewer people working, less consumer spending and lower business profits all mean less tax revenue to state and local governments, just as the need for social services and assistance is increasing.

It's a vicious cycle. And, unfortunately, New Mexico's recovery is painfully slow. It took us just two years to shed about 45,000 jobs and, we lost another 5,000 in the last two-and-a-half years.

New Mexico's troubled job market is one reason why so many of our best and brightest native-born New Mexicans are leaving the state. A study by the University of New Mexico found that 60 percent of native New Mexicans — in many cases our best and brightest — leave the state and only two percent return, despite the fact that more people with advanced college degrees move to New Mexico than leave. Stopping the exodus of one of New Mexico's best resources, its people, would go a long way toward improving our economy and quality of life.

I'm optimistic that we'll find workable and acceptable solutions, and I'm buoyed by the progress we've already made on difficult issues. The ability of policymakers to compromise will determine how well we overcome the challenges we face. The compromise legislation that will allow Spaceport America in Sierra County to thrive shows that we have that ability.

There's additional proof in the productive discussions we're having on legislation to allow New Mexicans to board airplanes without passports and to ensure that people who aren't here legally will drive responsibly.

We'll soon see a jobs and tourism package introduced as we work to support our existing small businesses and attract new companies, promote our natural attractions and revitalize all parts of our state.

New Mexico is up to this difficult task. It's time to get to work.

- 2 -