

Motivated Employees Contribute to a Strong Economy

By Senator Pete Campos

The act of simply cutting state spending, without considering any revenue enhancements, can hurt New Mexico's long-term economic performance in several ways. Important public services will be curtailed, making New Mexico a less attractive place to visit, live and start or expand a business; state contracts and spending with local businesses will decrease, hurting those businesses' bottom lines and forcing them to lay off employees or severely cut their hours; and all employees will have less money to spend in our local communities.

State policy that ignores the positive economic impact of public sector spending, a major component of which is salaries paid to public employees, is just as shortsighted as a policy that is completely dependent on it. So, too, is a state policy that fails to recognize that private sector employees deserve a raise.

Employees who are motivated and engaged are far more efficient, missing fewer days on the job and saving their employers — whether private investors or public taxpayers — thousands of dollars in productivity. Keeping employee morale high is one of the best things employers can do to instill loyalty and productivity in the workplace.

We do that by hiring the right people in the first place, properly training them and ensuring that they understand their roles and the value they bring to the organization — whether public or private — and, ultimately, compensating them what they are worth. These steps are all key to ensuring that New Mexico has a productive workforce and regains its status as an attractive place to live and work.

Specifically, we must raise the minimum wage for all employees and resist efforts to cut public employees' take-home pay. Not only does that send the right message — that we believe the work employees do is important — but it also puts more money into workers' pockets, which means more money spent in our communities, further boosting our economy.

The state's minimum wage has increased gradually, from \$4.25 in 2003 to the current \$7.50. This is a fair starting wage for a person who meets the minimum qualifications required for an entry-level job, but it is time for a small increase in that wage to \$8.75.

Policymakers in New Mexico's most populous cities and counties have already recognized this and enacted minimum wages ranging from \$7.80 to \$10.91.

It is unfair, inhumane and bad economic policy to expect workers to do more work for the same wage they have received for years while their rent, grocery bills and utility costs climb.

A modest minimum wage helps move workers away from Medicaid and other assistance programs and toward self-sufficiency, without burdening New Mexico's businesses. Fixing the minimum wage in law, without allowing it to increase automatically with inflation, helps to provide a degree of certainty for New Mexico's businesses.

New Mexico has many wonderful attributes, which is why we have all chosen to make it our home. But our vision and plan for improving New Mexico must go beyond our state's natural beauty, tourism opportunities and cuisine. As a state, we have struggled over the last 10 years as young people leave New Mexico for surrounding states and better-paying jobs. Setting high standards for employees and ensuring that they are compensated accordingly, ensuring that employees are trained, motivated and providing quality services every day — whether at a local motor vehicle division office, child support office or neighborhood store — will go a long way toward revitalizing our state's economy.

There is no single solution to turning New Mexico's economy around. But raising workers' pay is a very good step in the right direction.