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APRIL 2018

VOLUME I



LAS CRUCES ECONOMIC OUTLOOK

ECONOMIC DEVELOPMENT DEPARTMENT

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ECONOMIST

EXECUTIVE SUMMARY

The first quarter 2018 economic outlook of the City of Las Cruces shows mild economic improvements. The seasonally-adjusted preliminary unemployment rate figures for the City of Las Cruces on February 2018 was 4.9%, which is below the State of New Mexico with a rate of 5.8%, but above the Nation at 4.1%. There were 53 new business and 268 businesses renewed permits in February 2018, which are both below their averages for that month from previous years. The number of Supplemental Nutrition Assistance Program (SNAP) cases by Doña Ana administrative offices was 27, 257 in February 2018, which is 126 less cases than January 2018.

Median listing home prices as reported by Trulia.com and Realtor.com in the City of Las Cruces were \$188,928 and \$186,550 respectively for February 2018. This represents a change from January 2018 of \$1,851 for Trulia.com and -\$950 for Realtor.com, which are mixed signals in the housing market. The number of utility patents assigned by inventors from City of Las Cruces in February 2018 was 4.

The top 5 industries by 6-digit NAICS code with the largest employment in the City during 4th quarter of 2017 were: Elementary and Secondary Schools (NAICS 611110), Limited-Service Restaurants (NAICS 722513) Full-Service Restaurants (NAICS 722511), General Medical and Surgical Hospitals (NAICS 622110), and Home Health Care Services (NAICS 621610).

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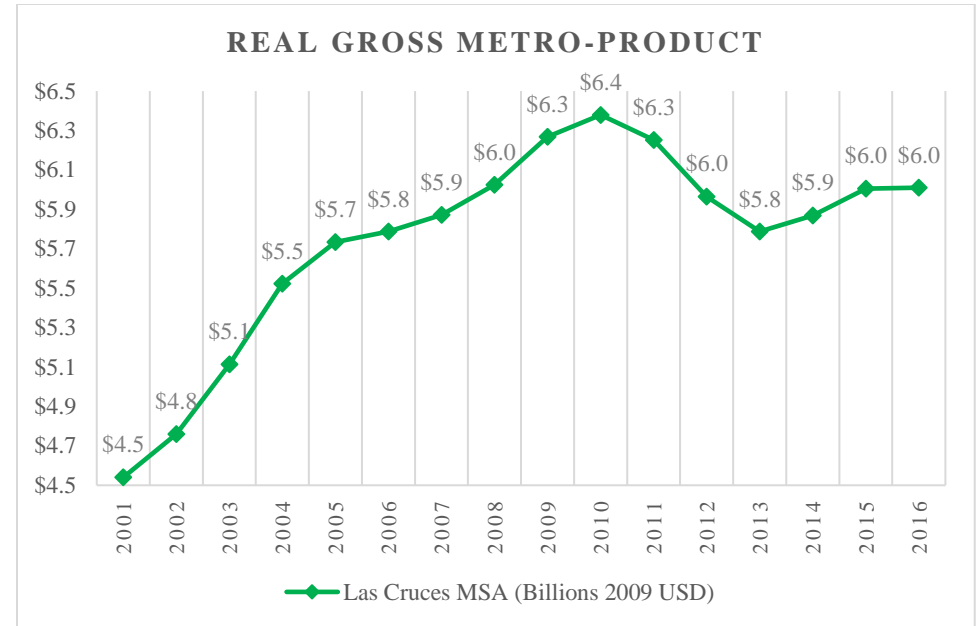
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GROSS METROPOLITAN PRODUCT

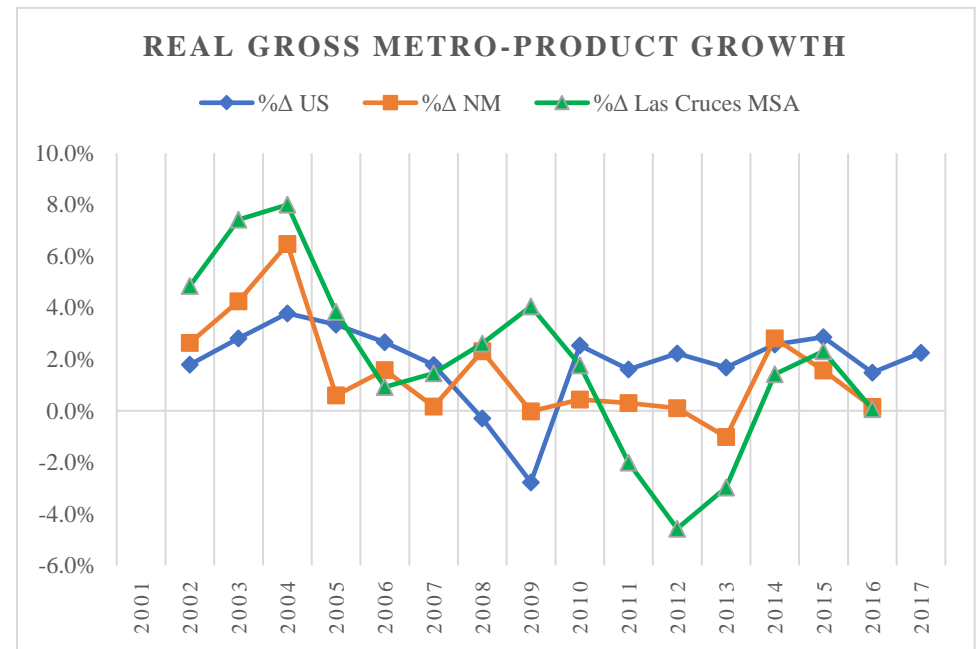
HIGHLIGHTS:

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 0.07 percent from 2015 to 2016. The GMP figure grew from \$6,005 million in 2015 to \$6,009 million in 2016 in chained 2009 dollars.

The metropolitan area is growing at a smaller rate than the state or the nation. In comparison, the nation grew by 1.49 percent from 2015 to 2016, 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

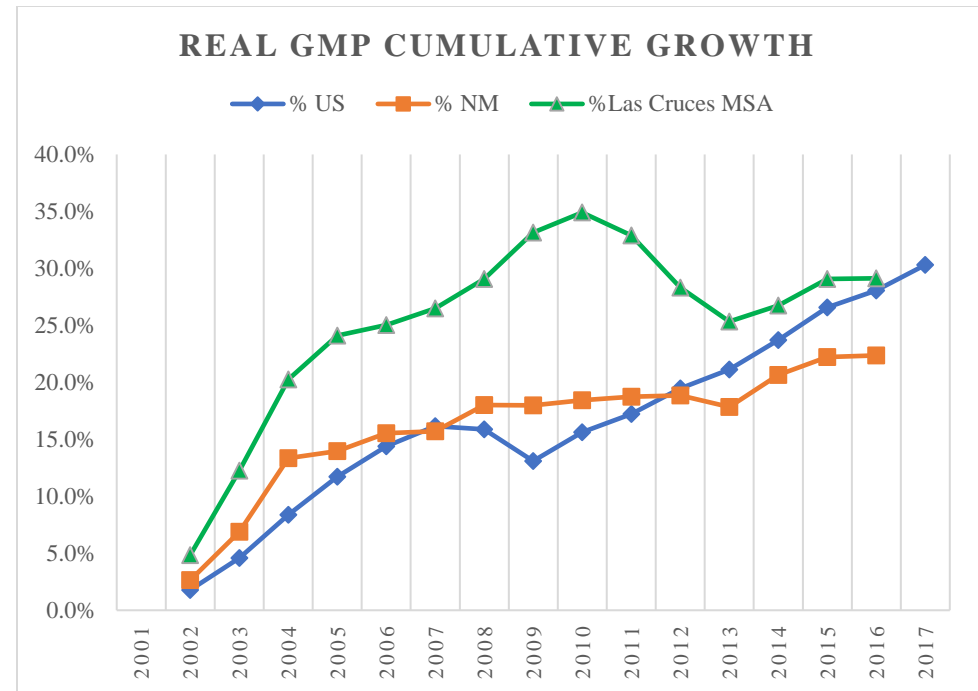
2017 GMP data expected release date: September 2018

GROSS METROPOLITAN PRODUCT

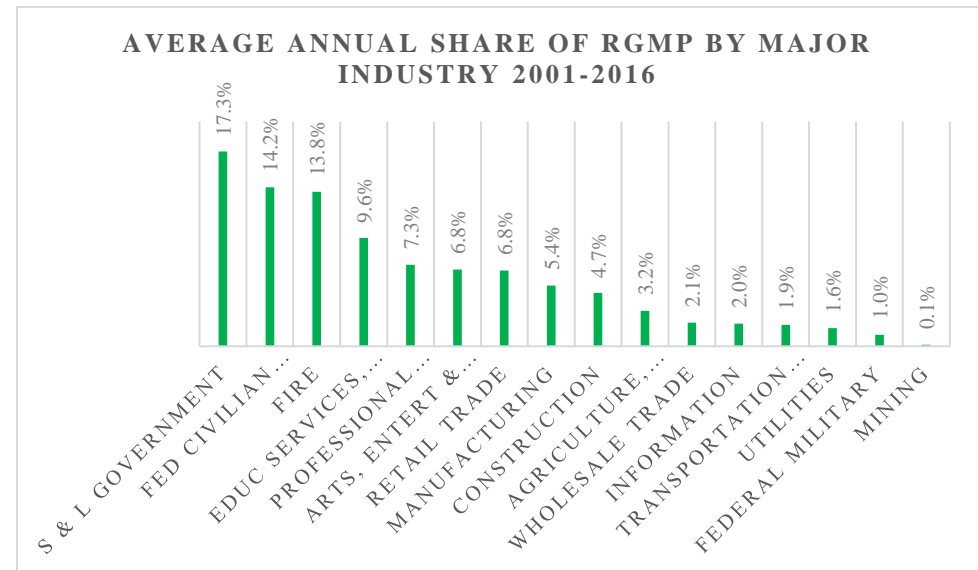
HIGHLIGHTS:

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 with 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

UNEMPLOYMENT & LABOR FORCE

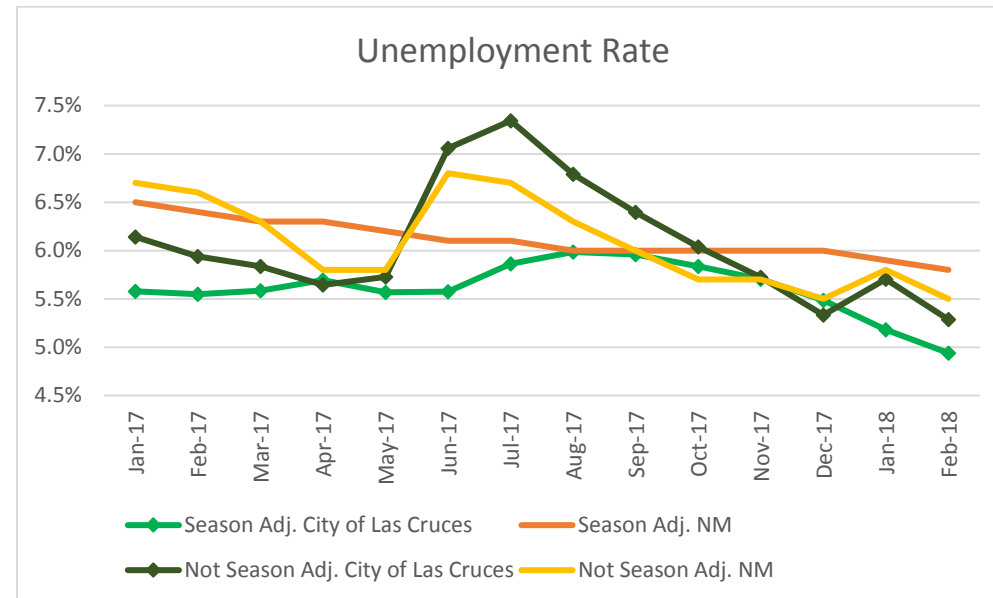
HIGHLIGHTS:

The seasonally-adjusted preliminary unemployment rate for the City of Las Cruces on February 2018 was 4.9%, which is slightly below the State of New Mexico with a rate of 5.8% and above the Nation at 4.1%. This implies that although the City is performing slightly better than the State, it still has not fully caught up to the national employment trends. The highest unemployment rate experienced in the City during the past 12 months was on August 2017, where the seasonally adjusted unemployment rate reached 5.9%. The seasonally adjusted unemployment rates were calculated using monthly seasonal indices.

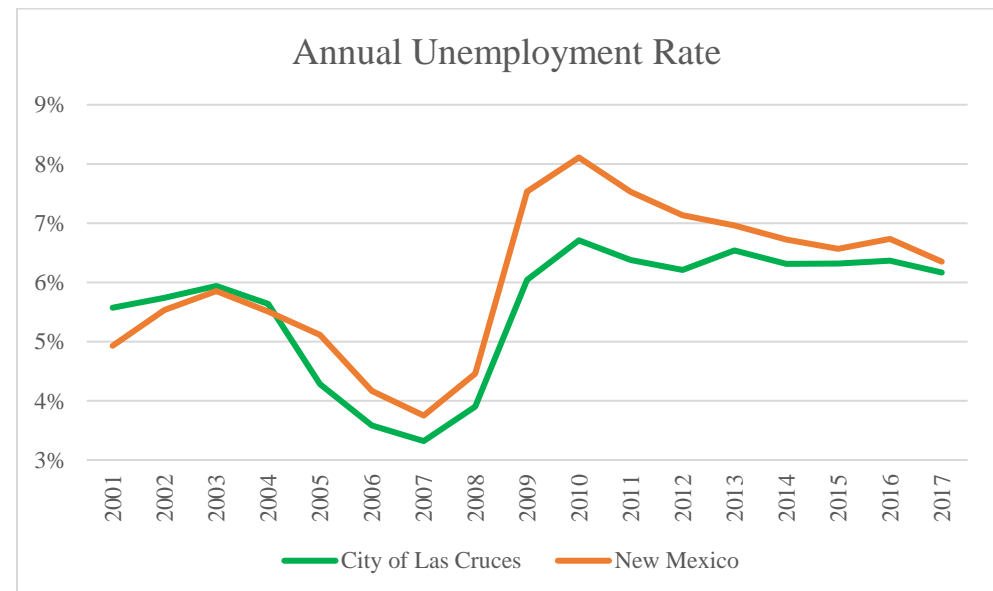
The figures for the not seasonally adjusted unemployment rates are expected to be higher at certain parts of the year. The reason is because there are monthly seasonal fluctuations that affect employment trends in certain months more than others. For instance, students tend to join the labor force during 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, it is still behind the unemployment rate levels it had prior to the great recession.

March 2018 data expected release date: May 2, 2018



Source: U.S. Bureau of Labor Statistics



Source: U.S. Bureau of Labor Statistics

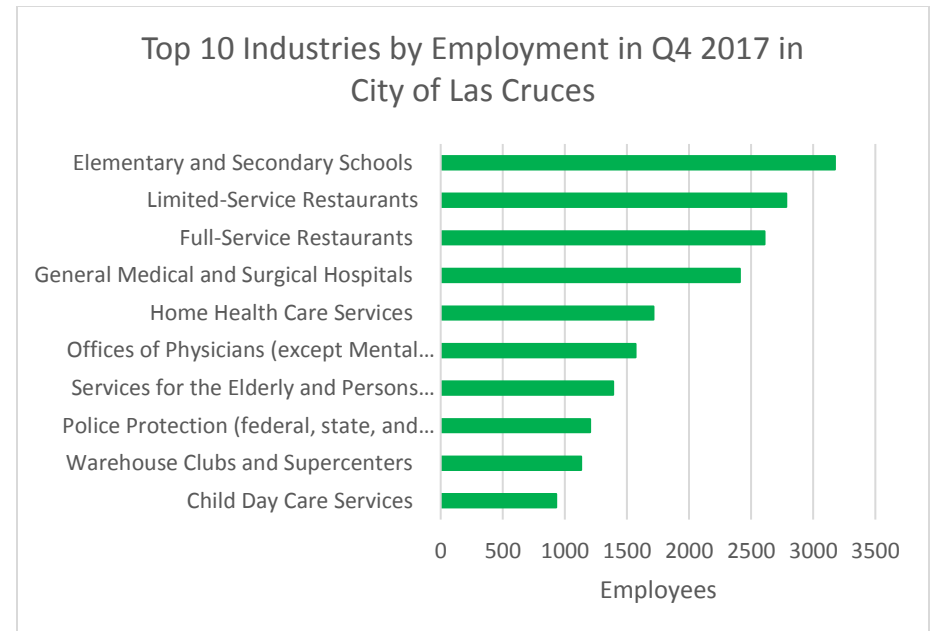
UNEMPLOYMENT & LABOR FORCE

HIGHLIGHTS:

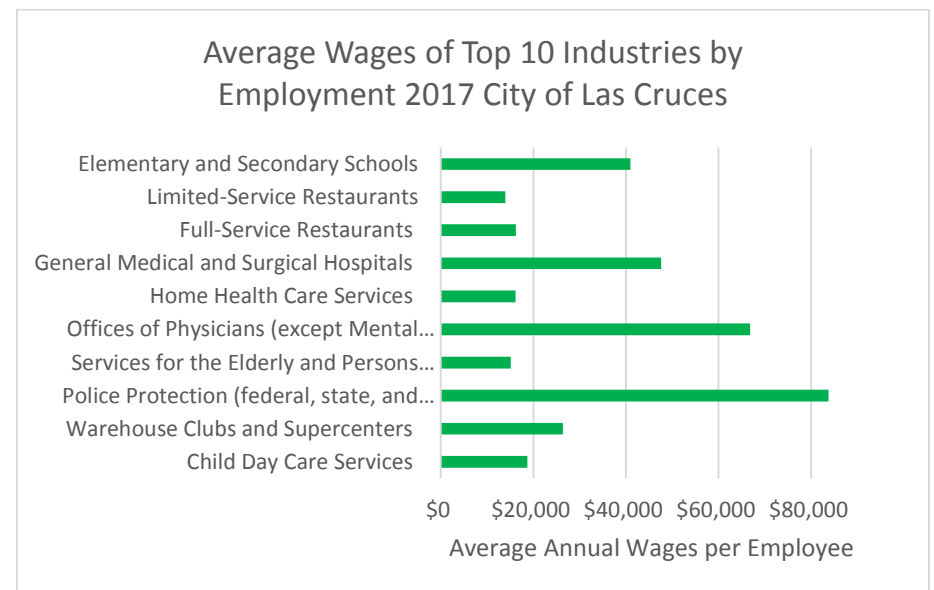
The top 10 industries with the largest number of employees in the City of Las Cruces by 6-digit NAICS codes for the 4th quarter of 2017 are indicated in the first graph. Some of the industries with the largest number of employees in the City are Elementary and Secondary Schools, Limited-Service Restaurants, Full-Service Restaurants, General Medical and Surgical Hospitals, and Home Health Care Services, which collectively employed 12,688 in Q4 of 2017.

The second graph indicates the average annual wage paid in 2017 to employees in the top 10 industries. The average annual wage paid to Elementary and Secondary Schools industry was \$40,956 in 2017. Limited and Full-Service Restaurants paid \$13,944 and \$16,249 per employee respectively in 2017. 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).

Q1 2018 data expected release date: June 2018



Source: Jobs EQ



Source: Jobs EQ

UNEMPLOYMENT & LABOR FORCE

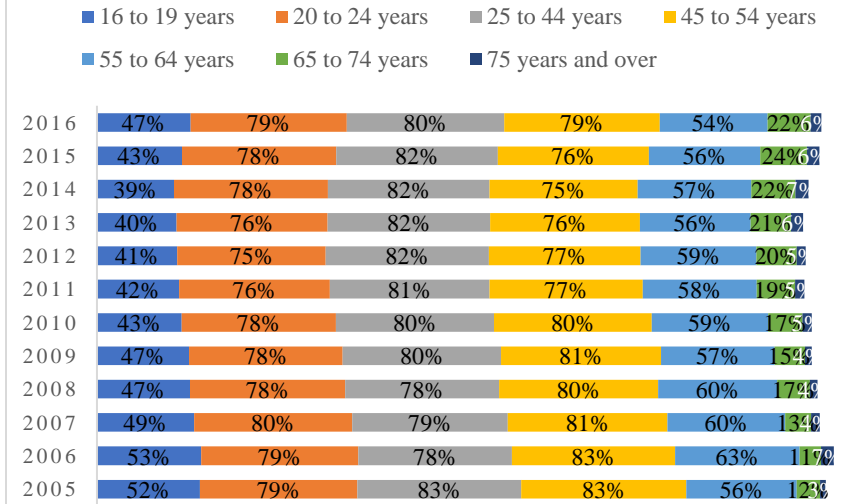
HIGHLIGHTS:

The 2016 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 25 to 44 years with 80%. This statistic is closely followed by the age cohort 20 to 24 years and 45 to 54 years, with 79% each.

In terms of 2016 unemployment rates for the city, the age cohort with the largest unemployment rate is individuals in the age of 16 to 19 years with almost 28% unemployment rates. The cohort with the smallest unemployment rate (below the age of 65) is the 45 to 54 years cohort with 5% unemployment rate.

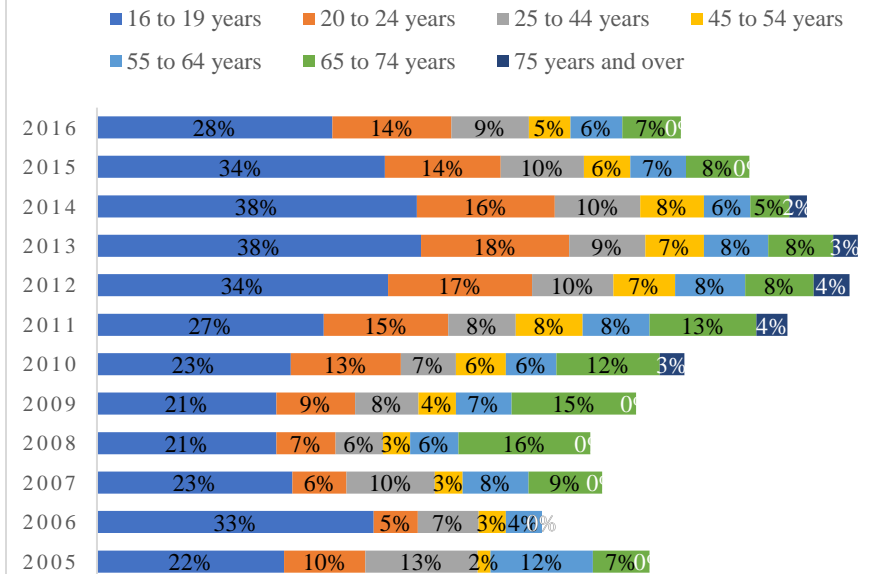
2017 ACS data expected release date: January 2019

CLC LABOR FORCE PARTICIPATION



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

UNEMPLOYMENT RATE



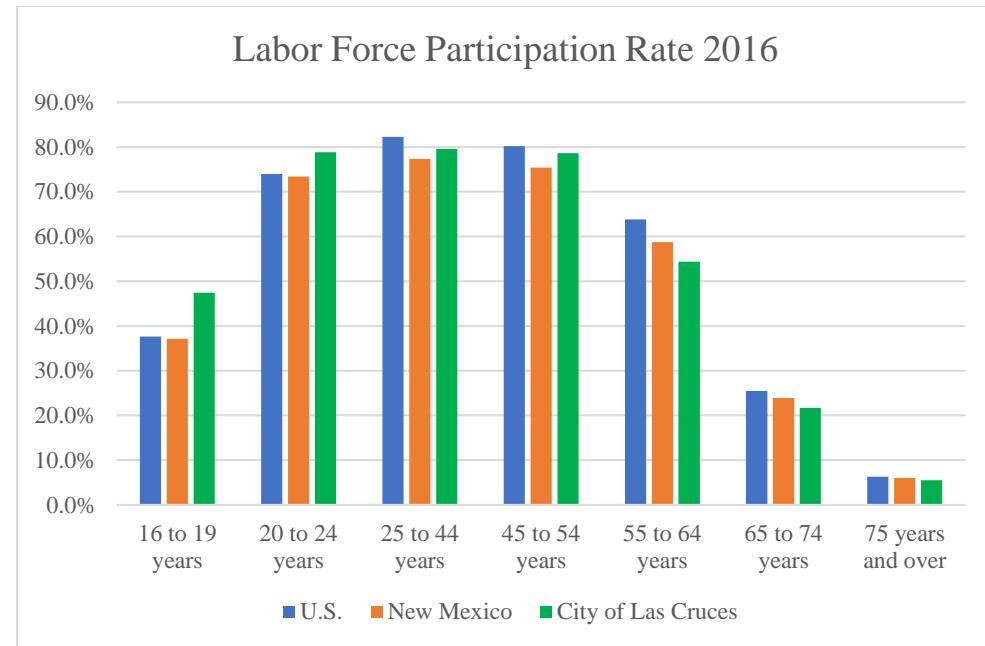
Source: U.S. Census Bureau ACS 5 Year Estimates

UNEMPLOYMENT & LABOR FORCE

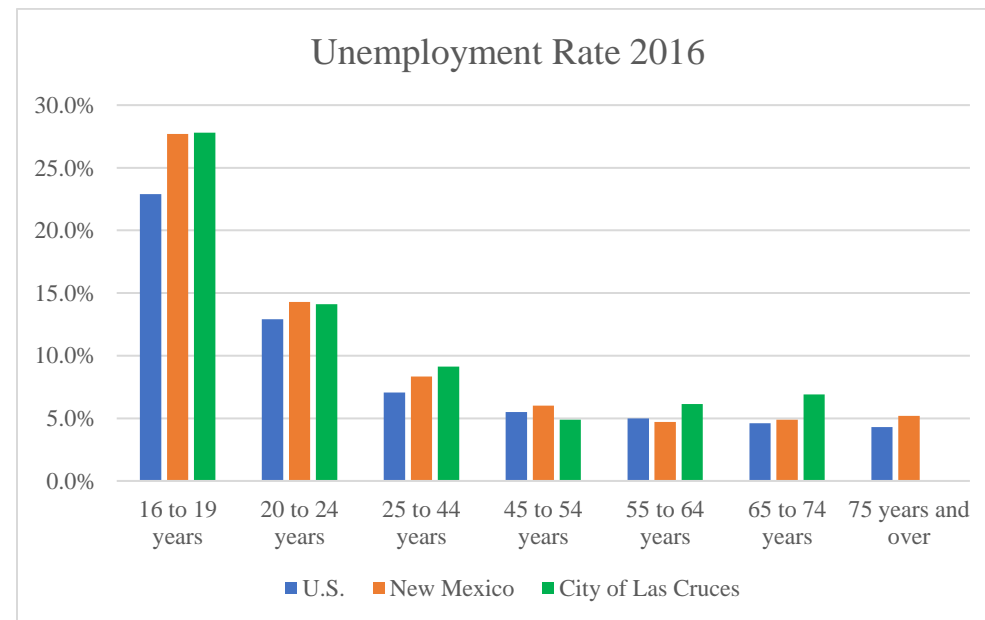
HIGHLIGHTS:

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 47%, whereas in the Nation it's close to 38 percent. However, the unemployment rate for the same cohort is much larger for the City of Las Cruces, than for the Nation.

In almost all 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 4.9% compared to 5.5% of the Nation.



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

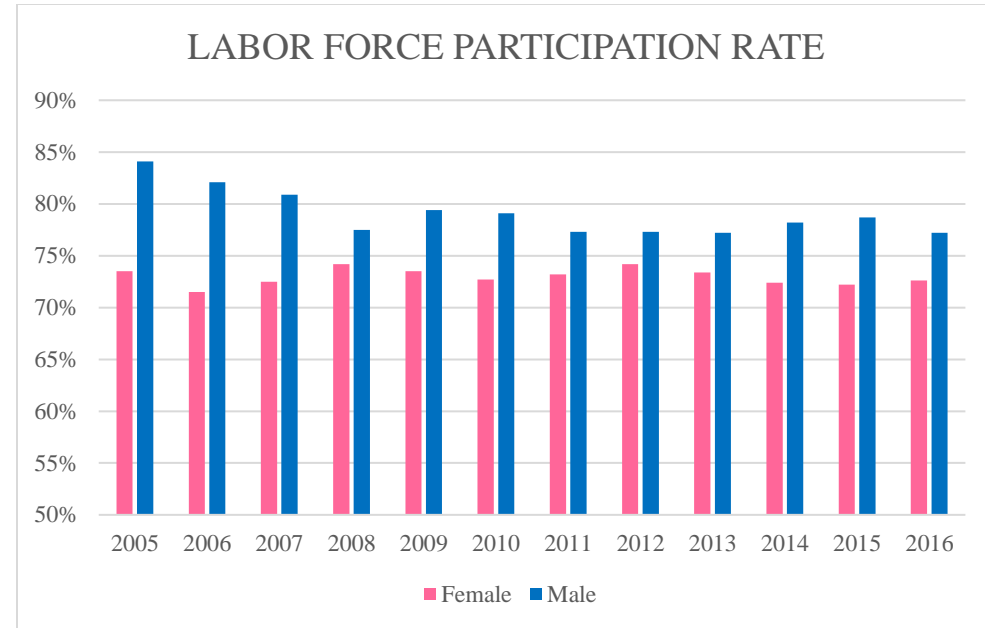


Source: U.S. Census Bureau ACS 5 Year Estimates

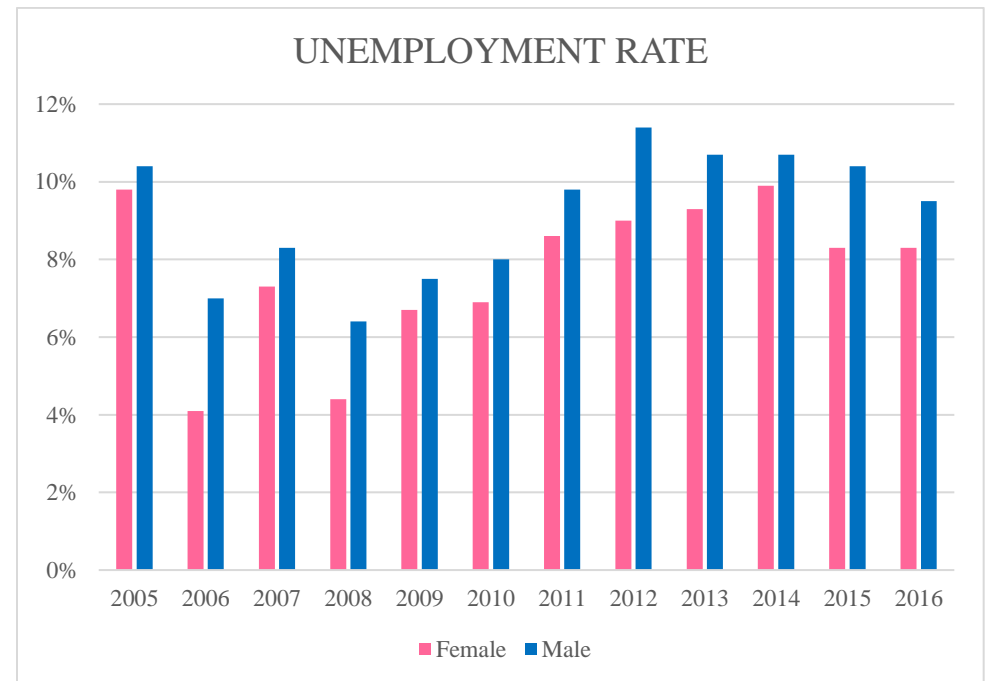
UNEMPLOYMENT & LABOR FORCE

HIGHLIGHTS:

The labor force participation rate by sex in the City of Las Cruces has remained relatively constant since 2005, since 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.



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



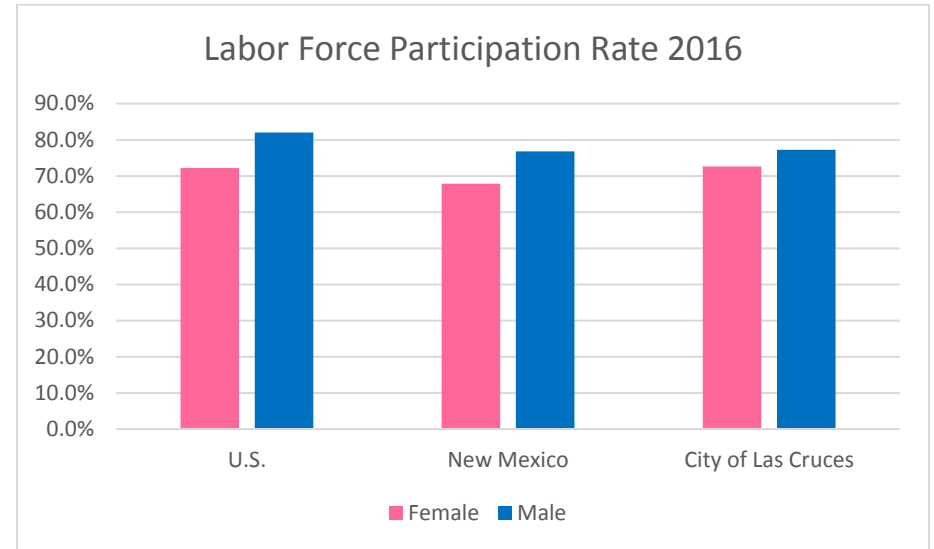
Source: U.S. Census Bureau ACS 5 Year Estimates

UNEMPLOYMENT & LABOR FORCE

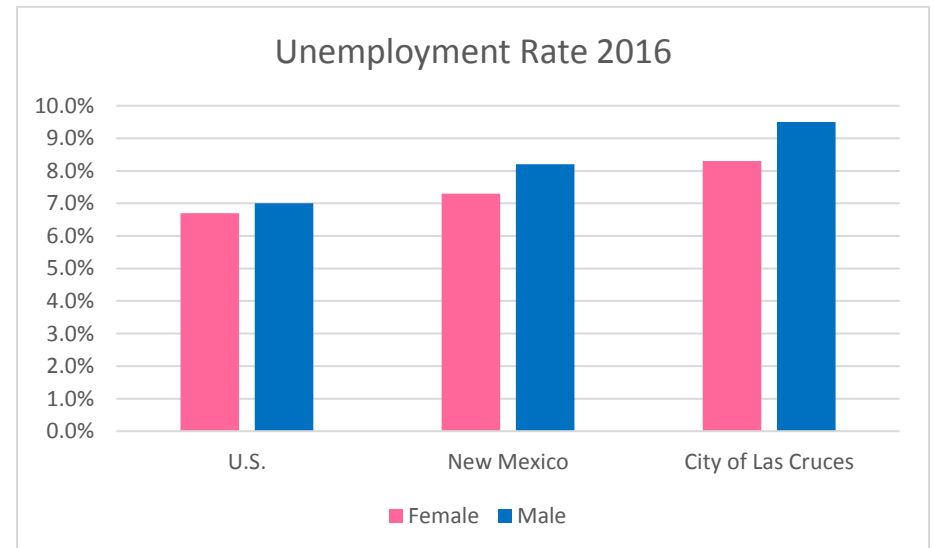
HIGHLIGHTS:

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 2016, the female LFPR was 72.6%, which is slightly above the Nation at 72.2 percent, and 4.8 percentage points above the State which has 67.8%.

However, in terms of the 2016 unemployment rate, females in the City of Las Cruces experienced close to 8.3% unemployment rates. This figure is larger than the State of New Mexico and the Nation with 7.3% and 6.7% respectively.



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



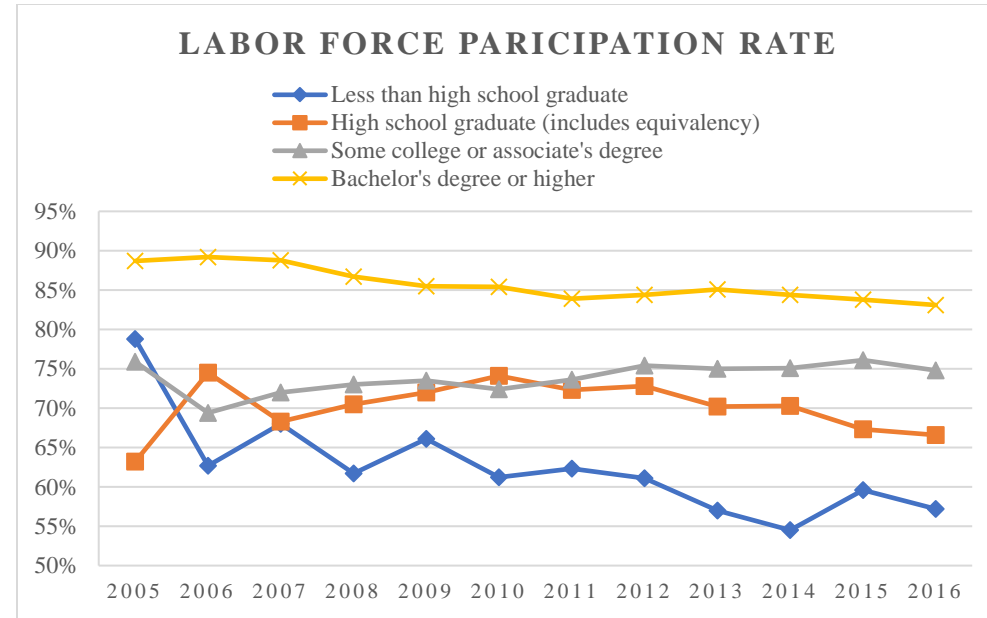
Source: U.S. Census Bureau ACS 5 Year Estimates

UNEMPLOYMENT & LABOR FORCE

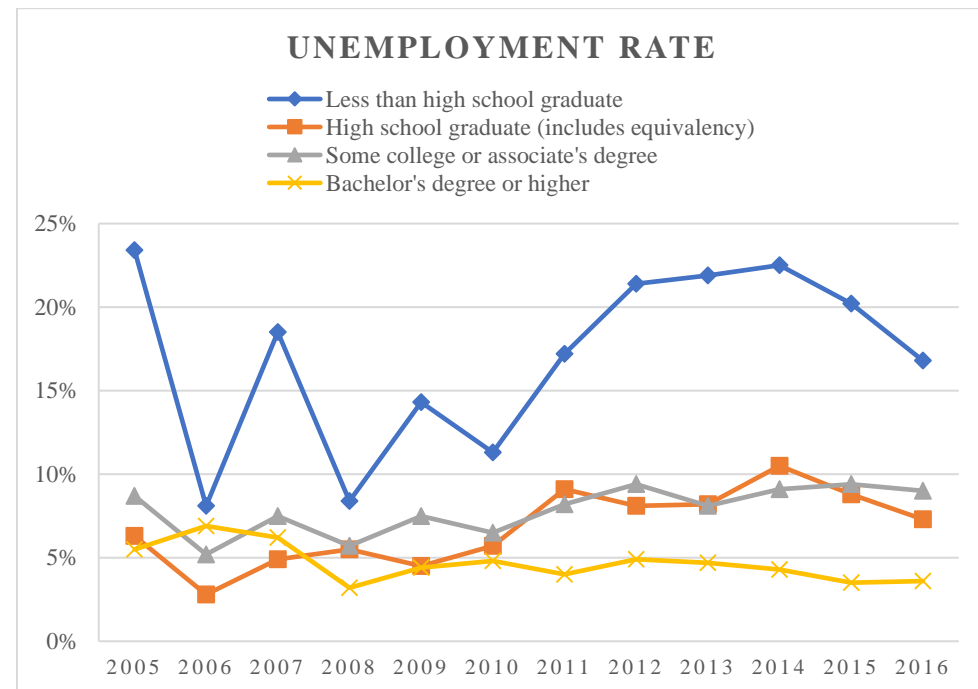
HIGHLIGHTS:

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 percent unemployment rates with higher stability.



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



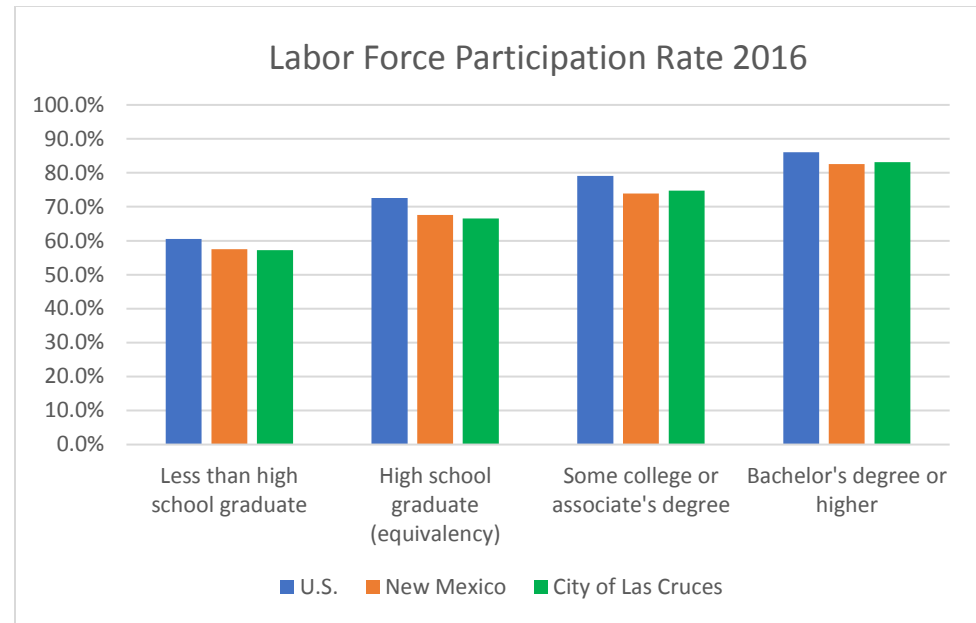
Source: U.S. Census Bureau ACS 5 Year Estimates

UNEMPLOYMENT & LABOR FORCE

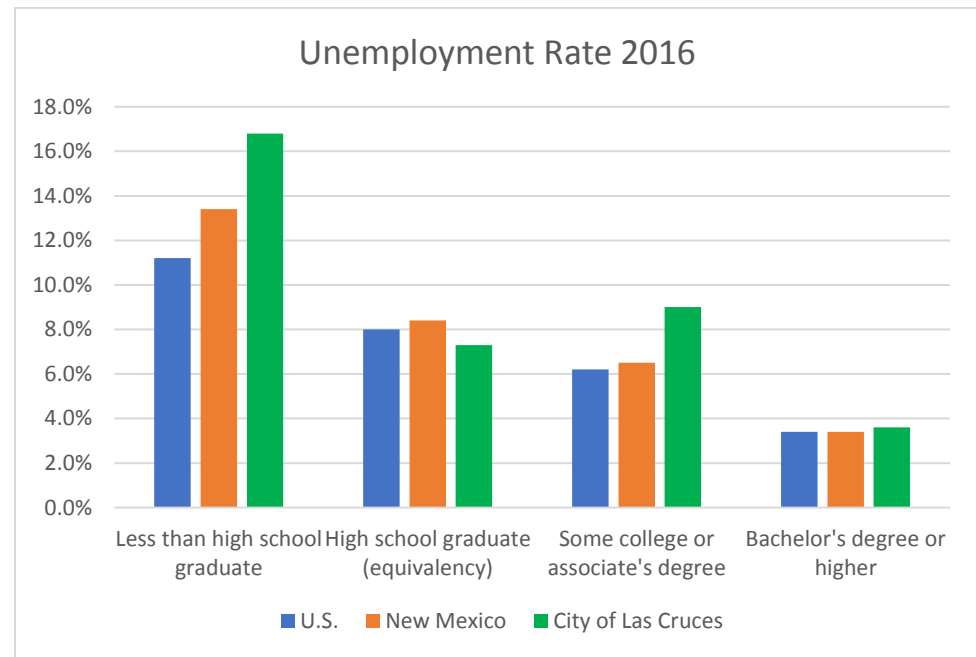
HIGHLIGHTS:

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 higher compared to the State for individuals with some college (associate's degree) and bachelor's degree or higher. In 2016, the LFPR of individuals with bachelor's degree or higher in the City was 83.1%, which is slightly below the Nation at 86.1%, and above the State at 82.6%.

In terms of the 2016 unemployment rate, individuals in the City of Las Cruces with less than high school face a much larger unemployment rate than the State or the Nation. In 2016, individuals with less than a high school degree in the City faced 16.8% unemployment rates, which is substantially higher than the State of New Mexico at 13.4% and the Nation with 11.2%.



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

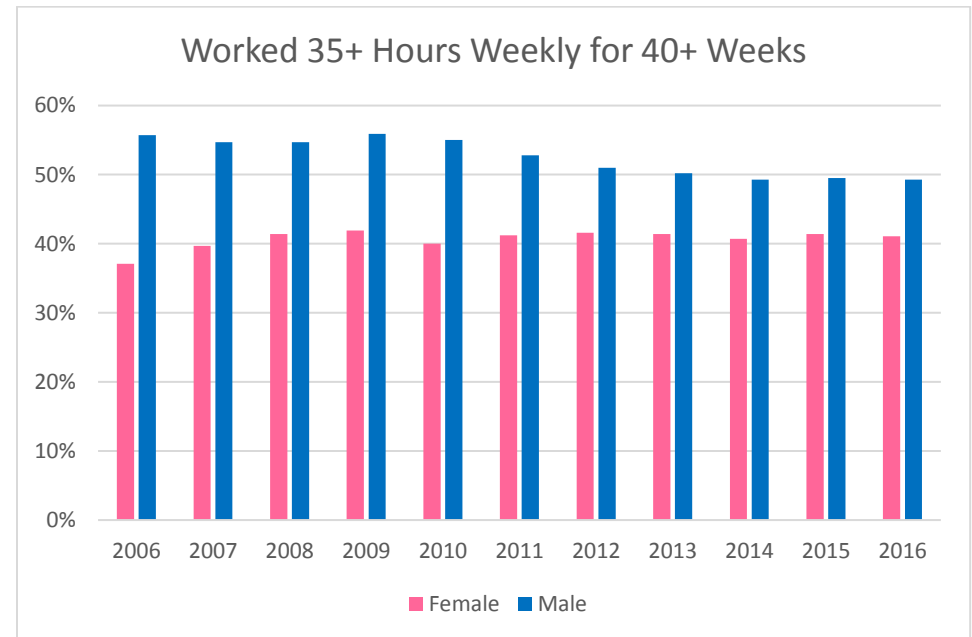


Source: U.S. Census Bureau ACS 5 Year Estimates

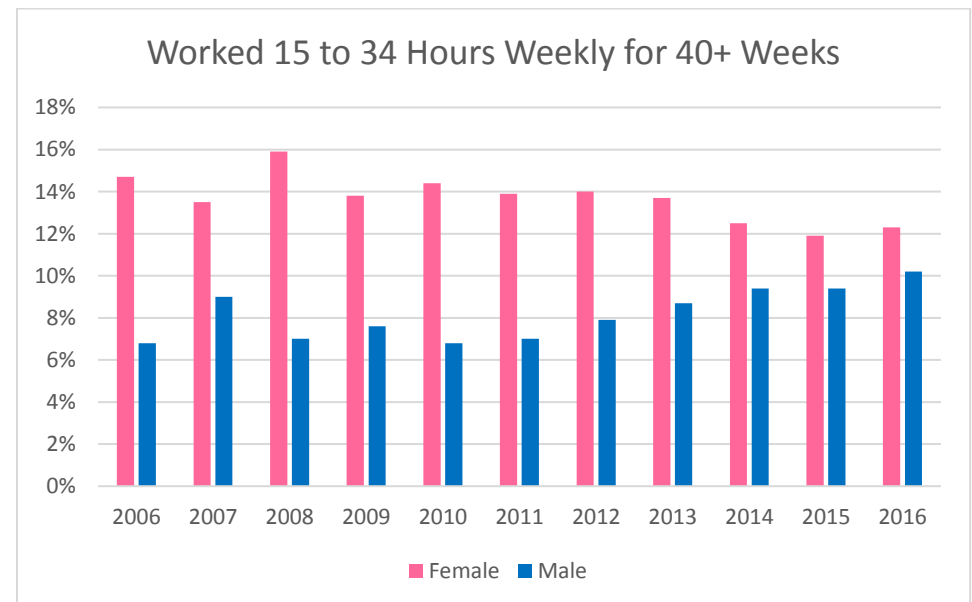
UNEMPLOYMENT & LABOR FORCE

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 2006 to 2016. 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 2006, whereas the share of males working part-time has been increasing since 2010.



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

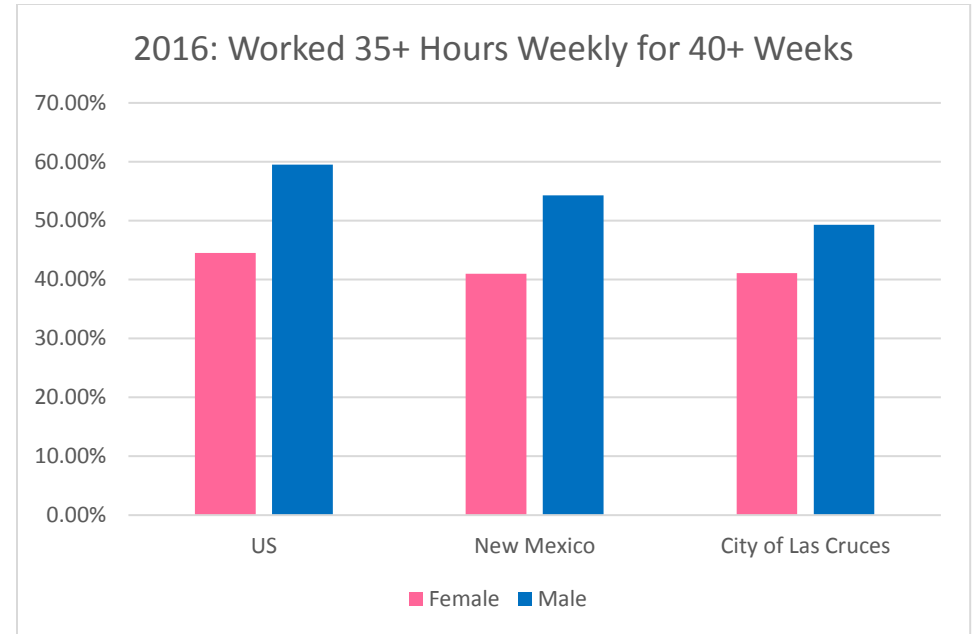


Source: U.S. Census Bureau ACS 5 Year Estimates

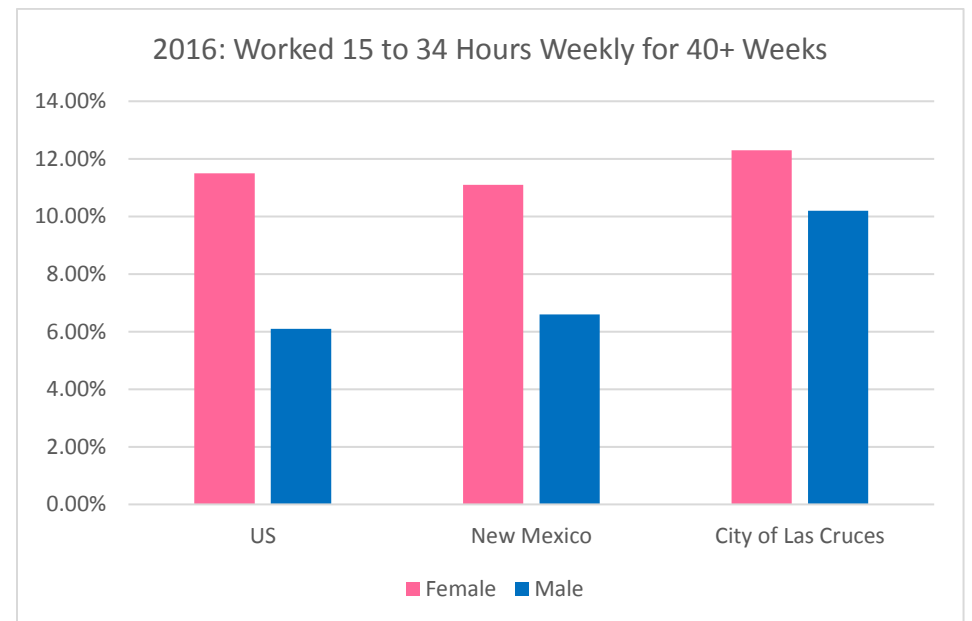
UNEMPLOYMENT & LABOR FORCE

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.



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



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

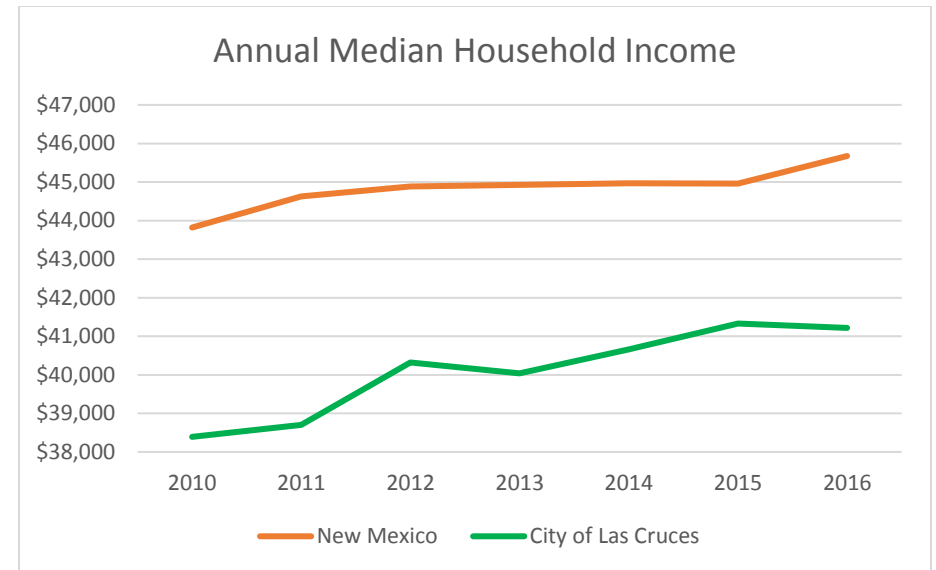
INCOME

HIGHLIGHTS:

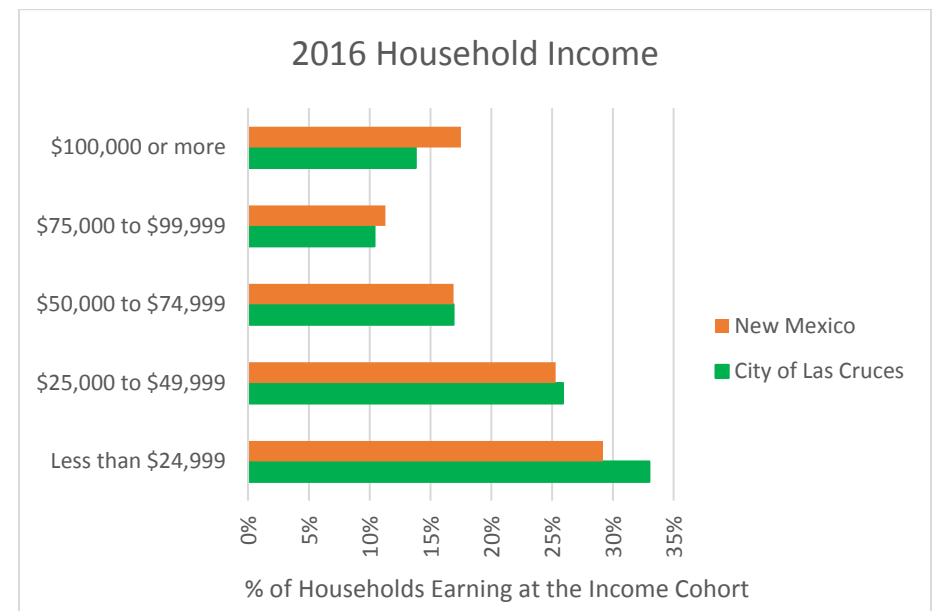
The U.S. Census Bureau reports median household income for the City of Las Cruces in 2016 at \$41,215. In comparison, the state of New Mexico has a household income of \$45,674 for 2016. A difference of \$4,459 between the State and the City's median household income.

However, even though the City has a smaller median household income than the State, the trend has been positive overall. In 2010 the median household income in the City was \$38,391, which means that median household income has increased \$2,824 in 6 years.

The second graph illustrates the composition of 2016 household income. It indicates that for the City of Las Cruces, about 33% 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 29% 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



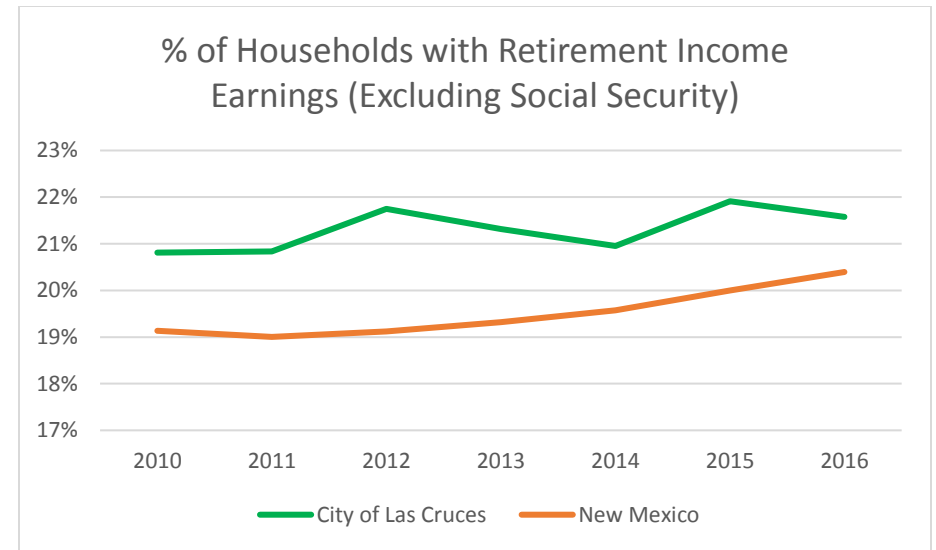
Source: U.S. Census Bureau ACS 5 Year Estimates

INCOME

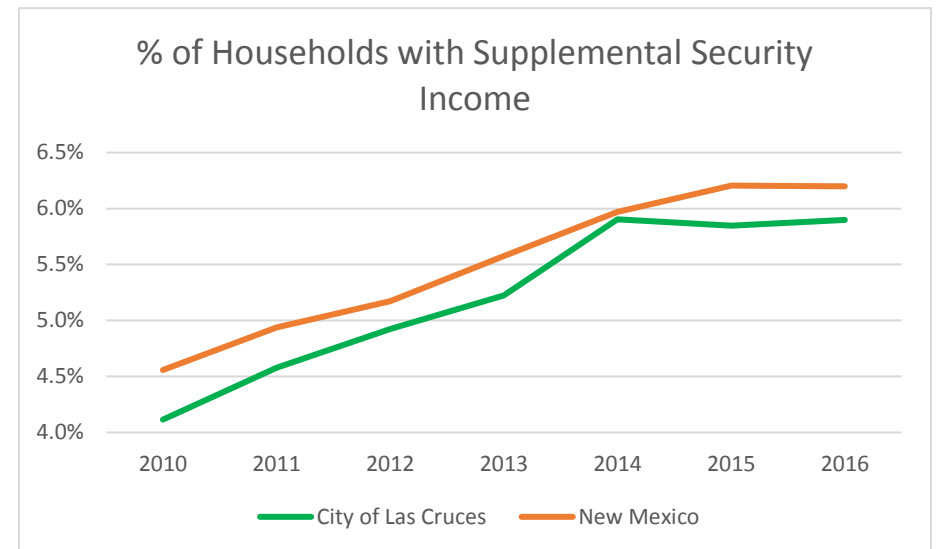
HIGHLIGHTS:

In terms of retirement income, the City has a larger proportion of households on retirement income than the State. In 2016 about 21.5% 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 is smaller for the City of Las Cruces, than for the State. In 2016 the SSI for the City was 5.8% of households, whereas for the State the SSI was 6.1% of households.



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



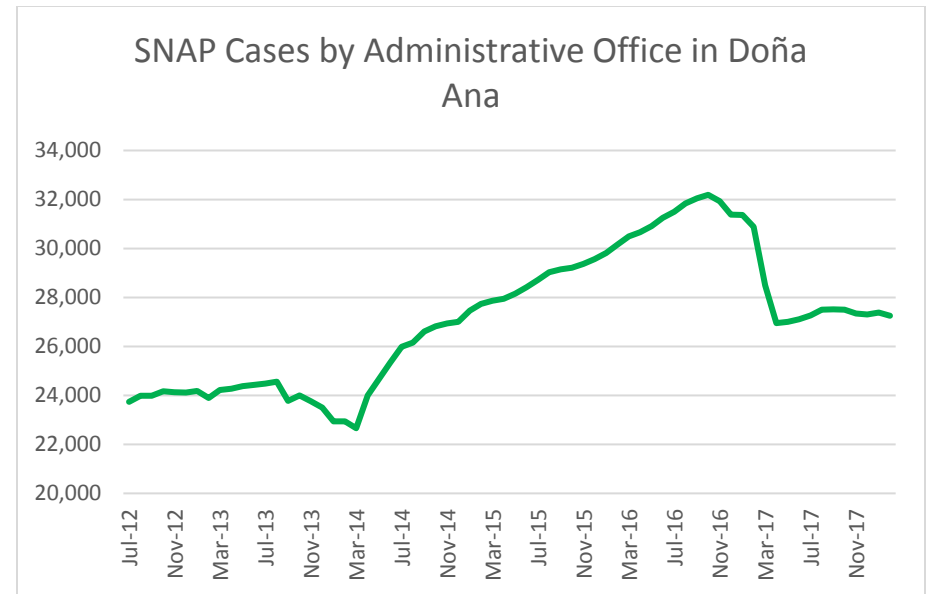
Source: U.S. Census Bureau ACS 5 Year Estimates

INCOME

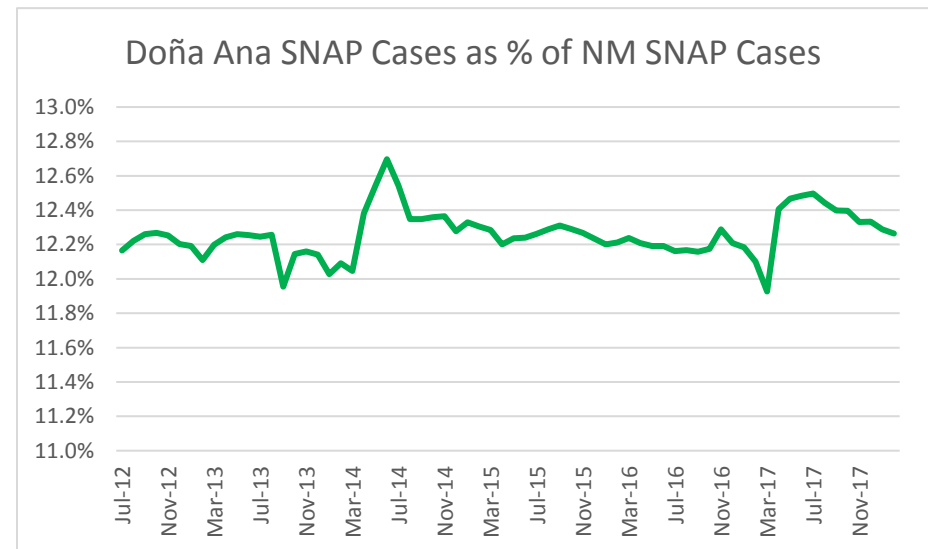
HIGHLIGHTS:

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 February 2018 the number of SNAP program cases in Doña Ana County was 27,257, which represents a decrease from January 2018 at 27,383.

The number of SNAP cases in Doña Ana as a percentage of the New Mexico SNAP cases has remained fairly stable at 12% (+/- 1%) since July 2012, where the number oscillates to a maximum of 12.7% in June 2014 to a minimum of 11.9% in March 2017.



Source: New Mexico Human Services Department



Source: New Mexico Human Services Department

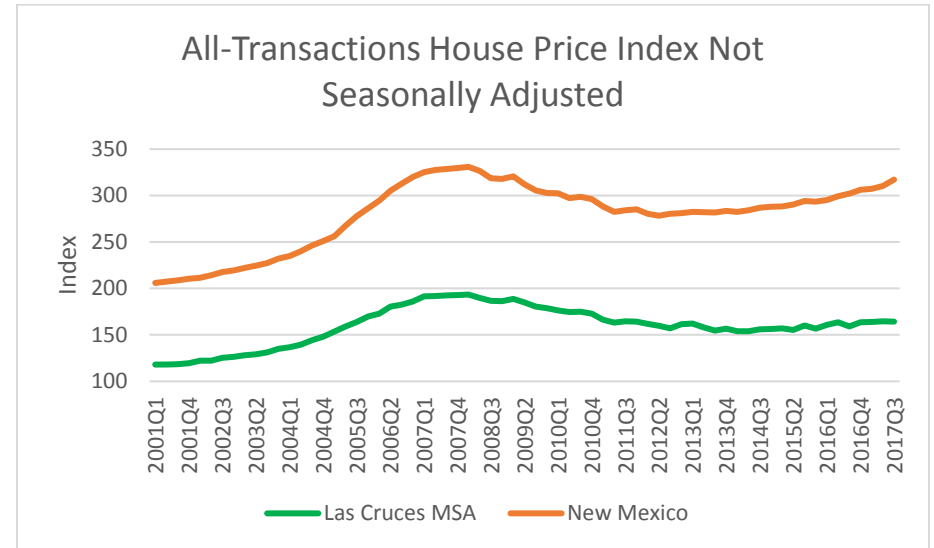
March 2018 data expected release date: late April 2018

HOUSING

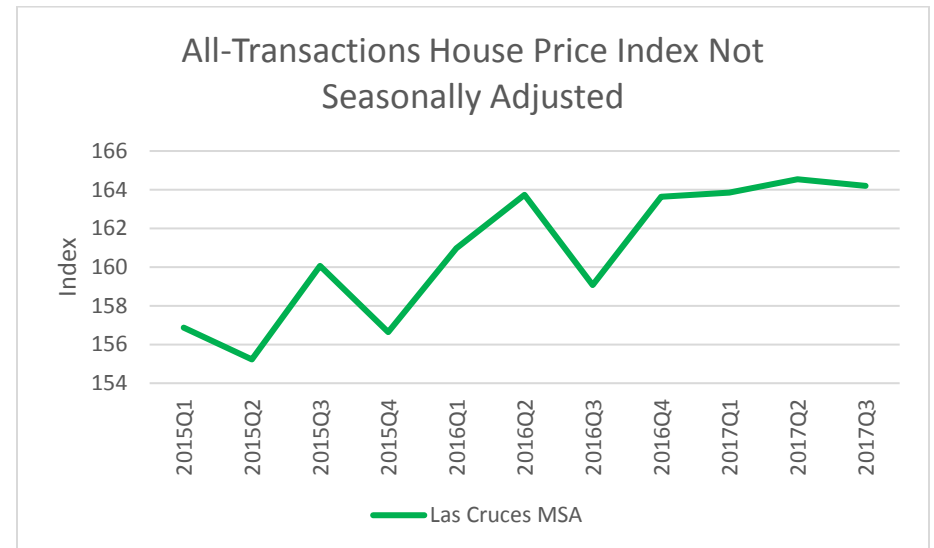
HIGHLIGHTS:

The Federal Housing Financing Agency (FHFA) report the All-Transactions House Price Indexes, 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. It shows that the index has been recovering after the Great Recession of 2008.

However, if it is observed in shorter time frame, there are obvious oscillations in the index. Two sharp increases can be detected since 2015. The first increase occurs in the first and second quarter of 2016, where the index reached 163.7. The second increase occurred in the first and second quarter of 2017, where the index reached 164.5.



Source: U.S. Federal Housing Finance Agency



Source: U.S. Federal Housing Finance Agency

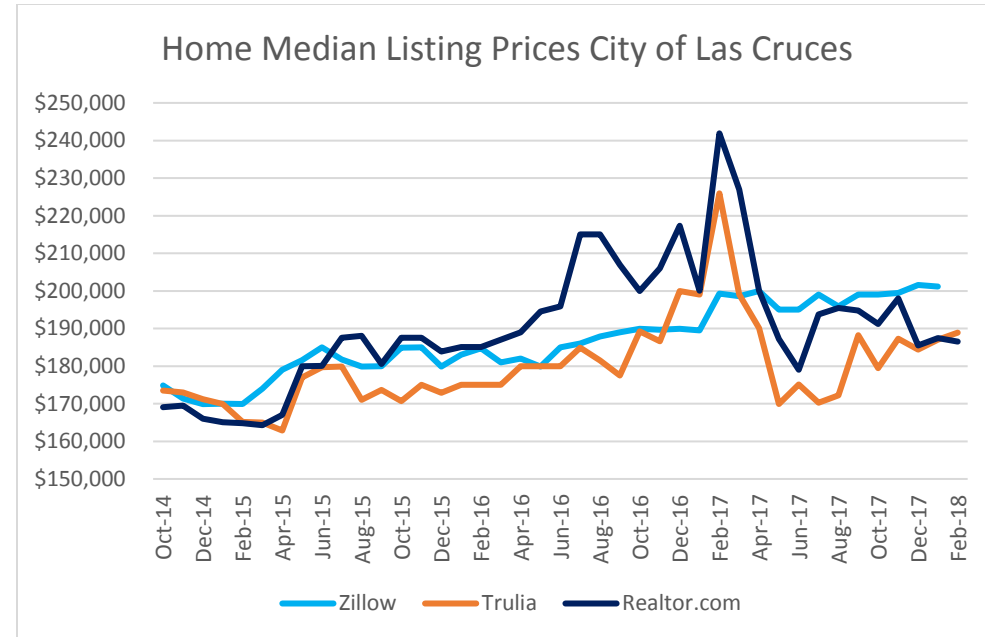
2017 Q4 All-Transactions Index data expected release date:
May 24 2018

HOUSING

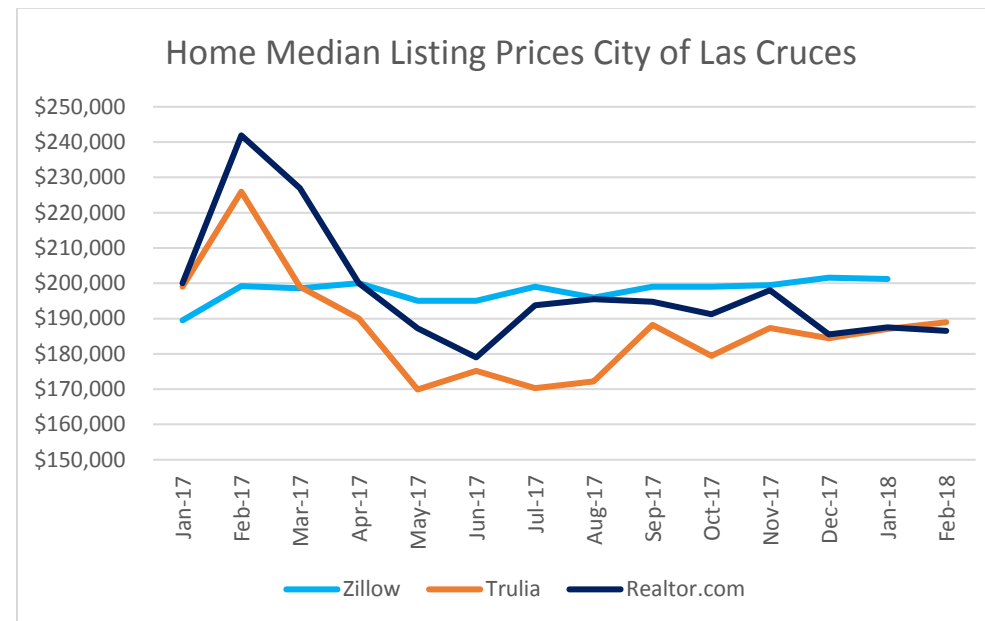
HIGHLIGHTS:

Monthly median listing prices for homes in the City of Las Cruces are collected from 3 agencies: Zillow.com, Trulia.com, and Realtor.com. Median listing home prices increased substantially in early 2017, as it was reported also in the All-Transactions Home Price Index. Since then, home prices decreased until June 2017. However, since June 2017 until February 2018 median listing home prices have increased on average 3.6 percent (3% Zillow, 4% Trulia, 4% Realtor.com), and they have been increasing since then. It is important to point out that even though there is an upward trend in home prices, there are steep fluctuations in median listing prices of homes in the City of Las Cruces, which implies volatility in the housing market of the City. Both Trulia.com and Realtor.com report their last figure to be February 2018, whereas for Zillow it is January 2018.

March 2018 figures (Trulia and Realtor.com) and February 2018 figures (Zillow) will be released in April 2018



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



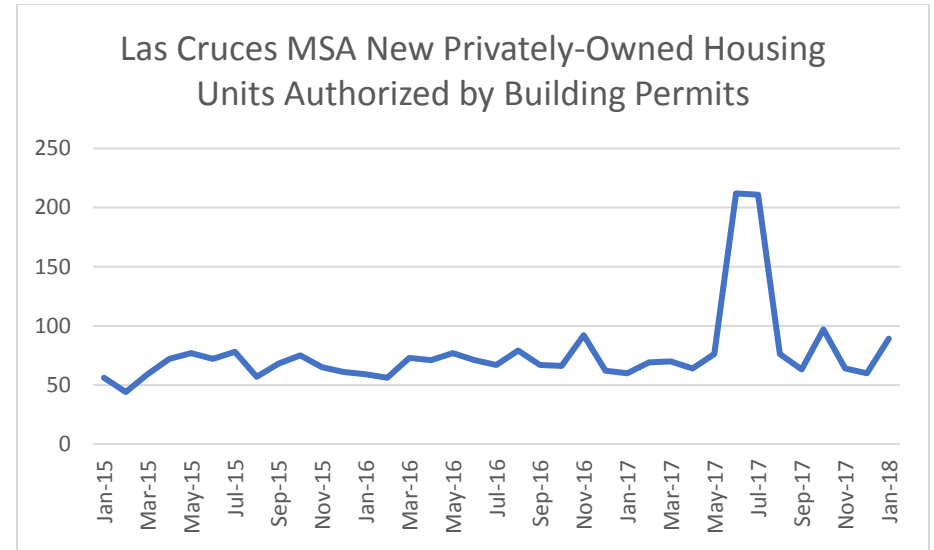
Source: Zillow.com, Trulia.com, Realtor.com

HOUSING

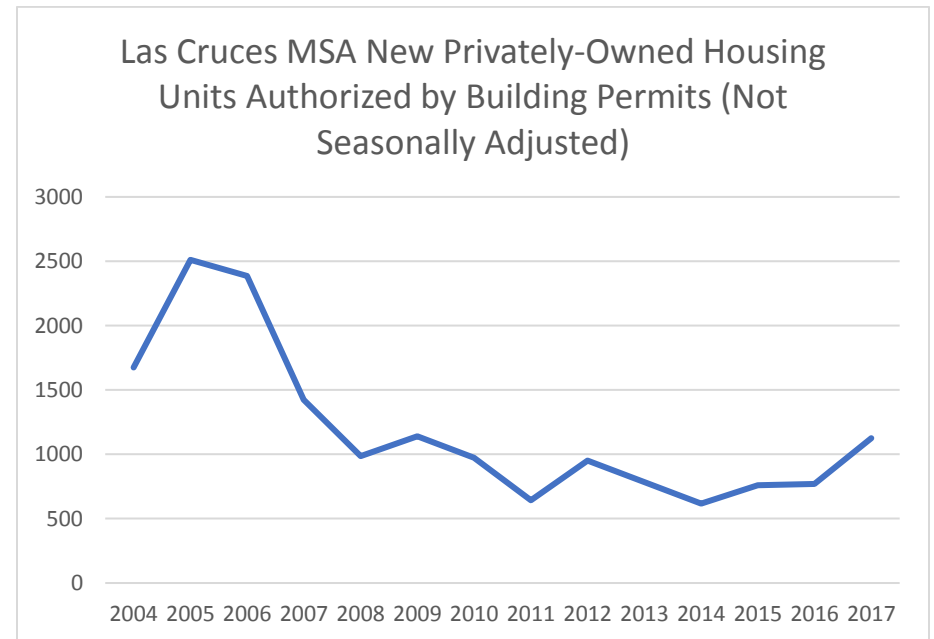
HIGHLIGHTS:

The Census Bureau indicates that the new privately-owned housing units authorized by building permits in the Metropolitan Area of Las Cruces increased substantially from May to July 2017. The increase was from 76 permits on May to 212 and 211 on June and July respectively. The increase in housing units mirrors the fall of housing prices of the previous pages from May to July.

Since 2004, the number of housing building permits decreased substantially during the Great Recession and it lasted to a low on 2014 of only 617 permits issued on that year. This statistic has been increasing since then with 1,126 permits issued in 2017. This is an indication of the recovery in this market.



Source: U.S. Census Bureau



Source: U.S. Census Bureau

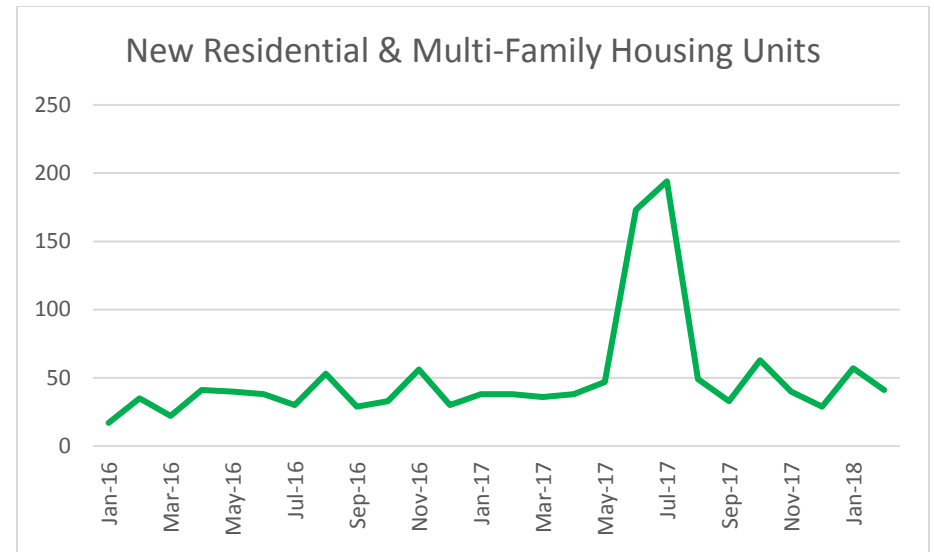
HOUSING

HIGHLIGHTS:

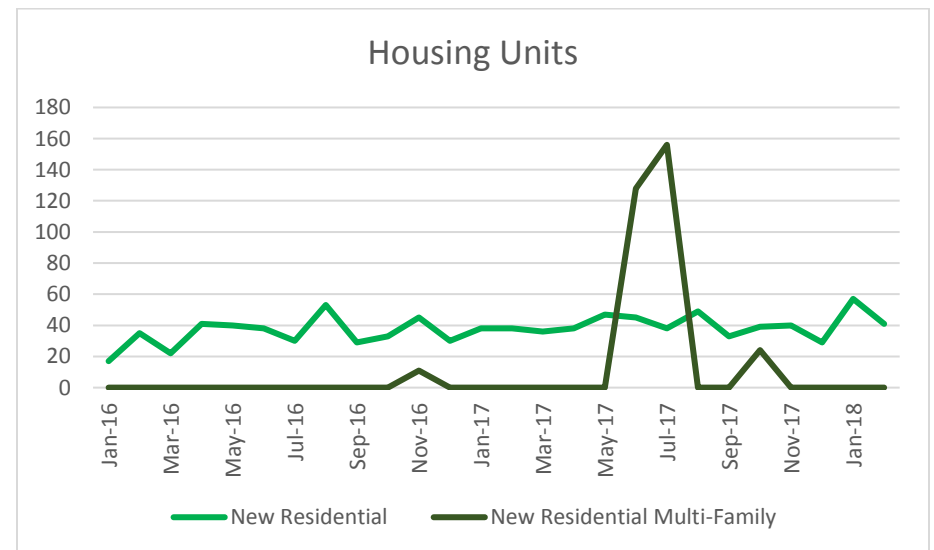
The Community Development Department of the City of Las Cruces reports permits issued on the number of new residential and new residential multi-family units by month for the City. The first graph illustrates that the number of units from new residential and multi-family has increased in the City.

This information resembles what the US Census Bureau reports for the new privately-owned housing units in the Las Cruces MSA. This confirms, that there was an increase in the supply of housing units for both the City and the MSA of Las Cruces.

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, remained relatively stable through 2016 and 2017.



Source: City of Las Cruces, Community Development Department



Source: City of Las Cruces, Community Development Department

March 2018 data expected release date: late April 2018

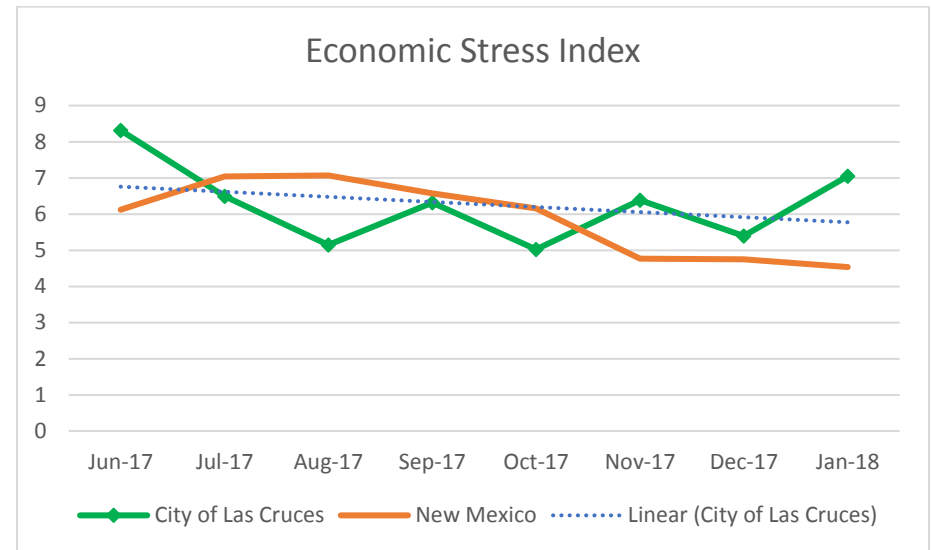
ECONOMIC STRESS INDEX

HIGHLIGHTS:

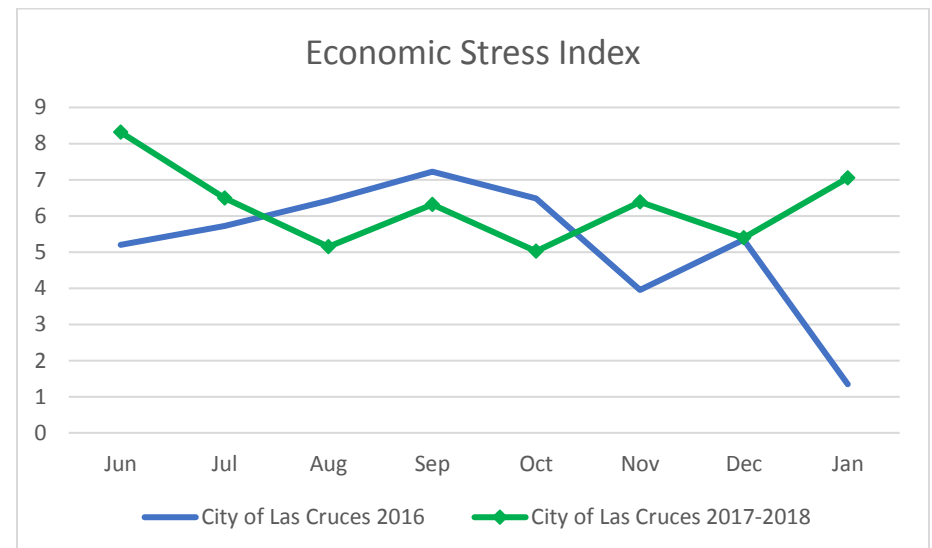
The Economic Stress Index (ESI) is an augmented version of the Misery Index created by Arthur Okun in the 1970s. It was designed to measure the misery of people by combining the unemployment rate and the inflation rate. In general, a higher value reflects a more miserable society. The ESI includes housing 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 indicates that during the last 6 months, the City has scored a lower index from July to October 2017, but a higher index from November 2017 to January 2018, when compared to the State. In general, the linear trend is slightly downwards, which implies a decline in the economic stress of the citizens of Las Cruces. The current statistic indicates that compared to the State, the City is facing higher economic stress. This statement is also true when comparing the January 2016 index to January 2017 of the City.



Source: City of Las Cruces, Economic Development Department



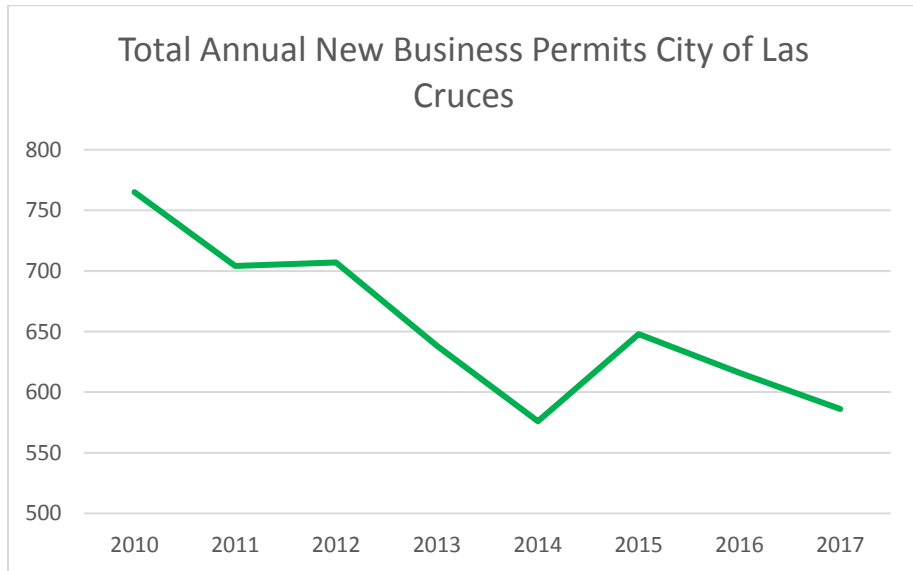
Source: City of Las Cruces, Economic Development Department

BUSINESSES

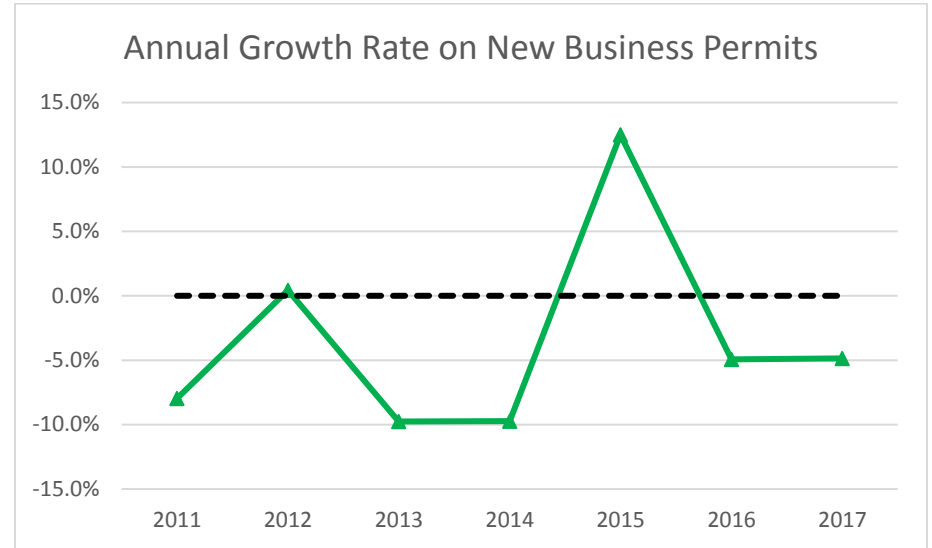
HIGHLIGHTS:

Information on new business permits is available via the Community Development Department at the City of Las Cruces. The annual growth rate of new business permits indicates that from 2016 to 2017 the number fell by 4.9% from 616 in 2016 to 586 in 2017. Since 2010 the tendency for new business permits is negative.

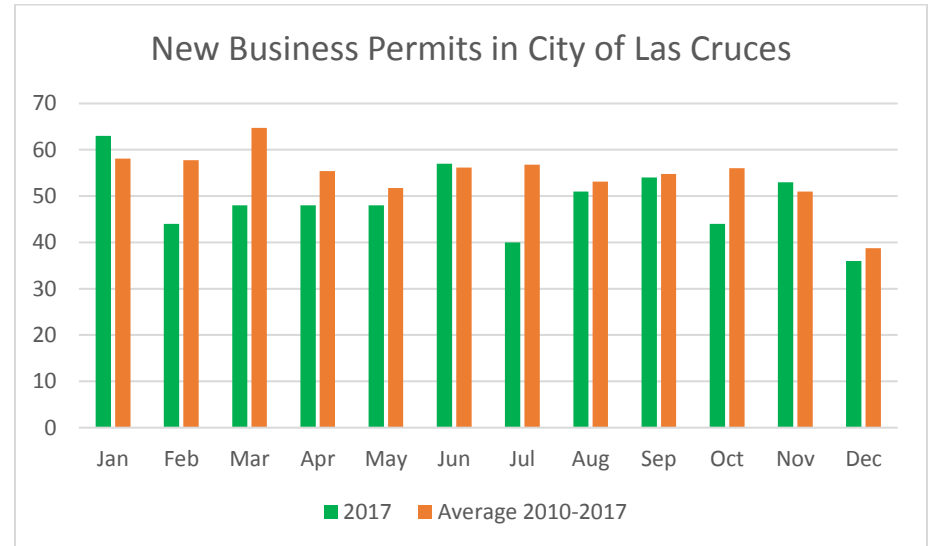
During the year of 2017 there were 9 months that under-performed to the 7-year monthly averages from 2010 to 2017. On 2017 the months of February, March, April, May, July, August, September, October and December all indicated smaller number of new business registrations than their averages for from 2010 to 2017. It was only during the months of January, June, and November of 2017 when the averages were exceeded.



Source: City of Las Cruces, Community Development Department



Source: City of Las Cruces, Community Development Department



Source: City of Las Cruces, Community Development Department

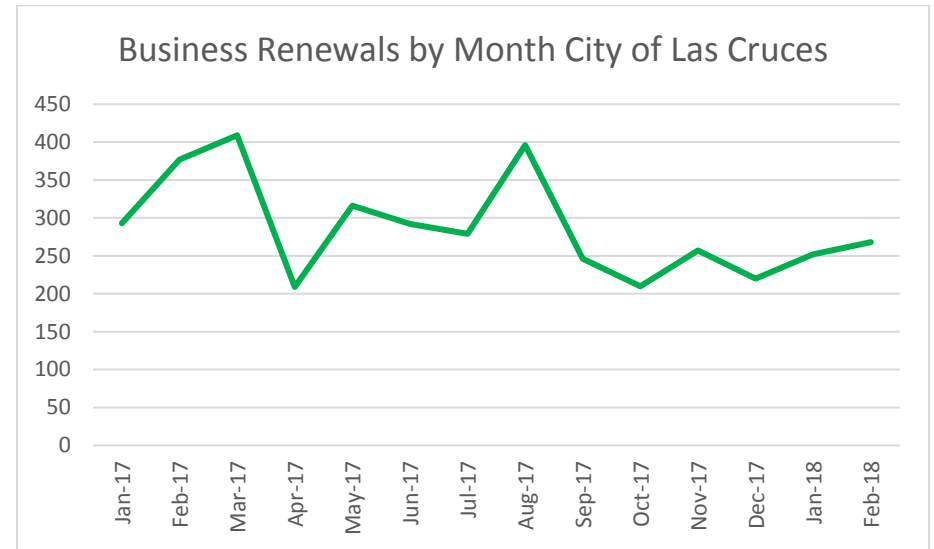
March 2018 data expected release date: late April 2018

BUSINESSES

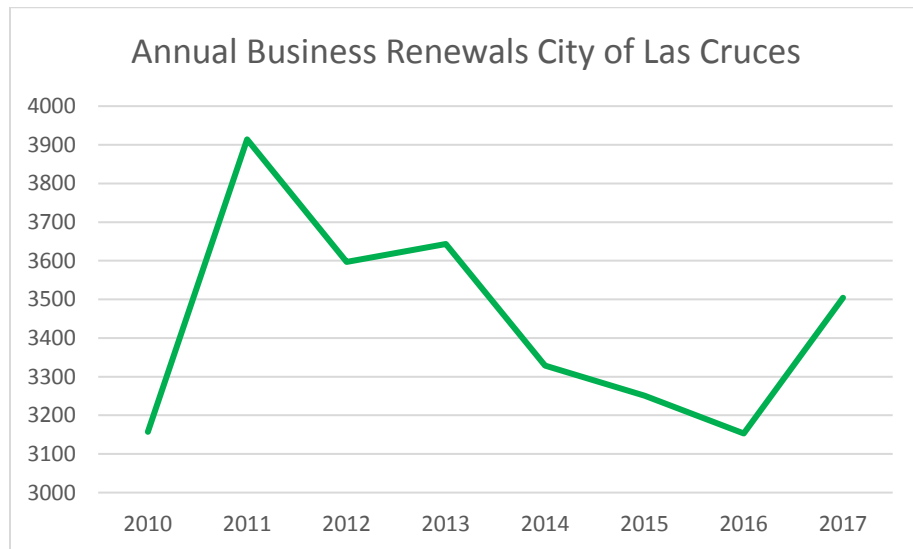
HIGHLIGHTS:

Information on business permit renewals is also available via the Community Development Department at the City of Las Cruces. In 2017 3,504 business renewed their permits with the City. This is higher than the 2016 figure at 3,153 businesses permit renewals. The second graph illustrates the past-12 months behavior in business permit renewals. It indicates March 2017 and August 2017 were the periods with the most amount of permit renewals of the past year.

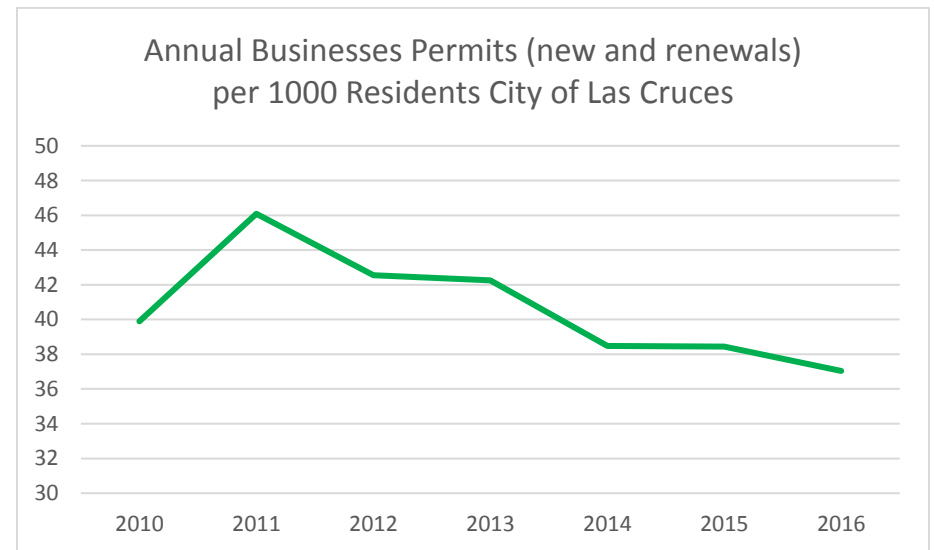
The number of businesses per 1,000 residents in the City has been decreasing from its highest point in 2011, where it stood at 46 businesses permits (new and renewals) to 37 per thousand residents in 2016.



Source: City of Las Cruces, Community Development Department



Source: City of Las Cruces, Community Development Department



Source: City of Las Cruces, Community Development Department

BUSINESSES

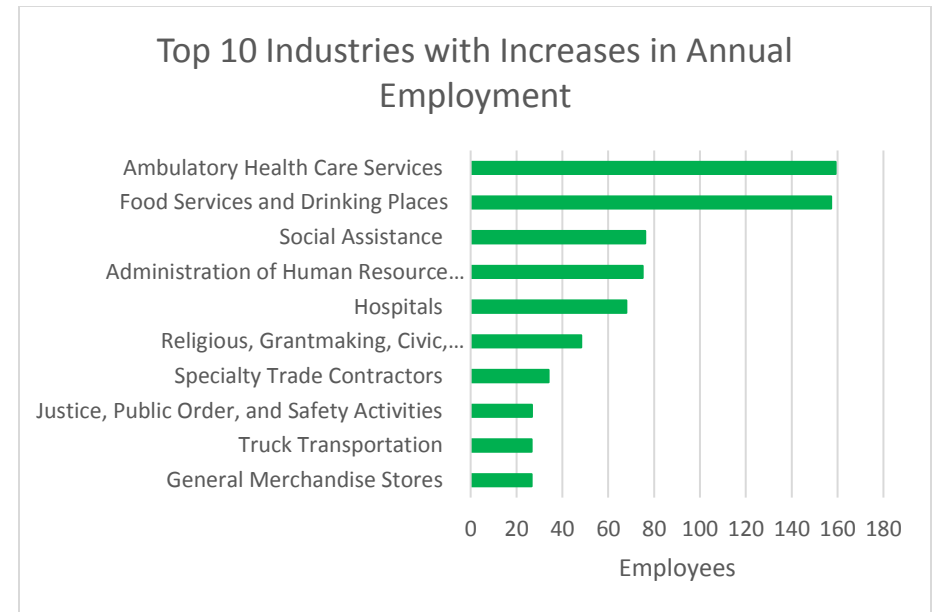
HIGHLIGHTS:

The top 10 annual employment increases and decreases by 3-digit NAICS code industries in the City of Las Cruces is collected from Chmura's Jobs EQ. The information indicates the average annual increase/decrease in employment in these industries from 2010 to 2017.

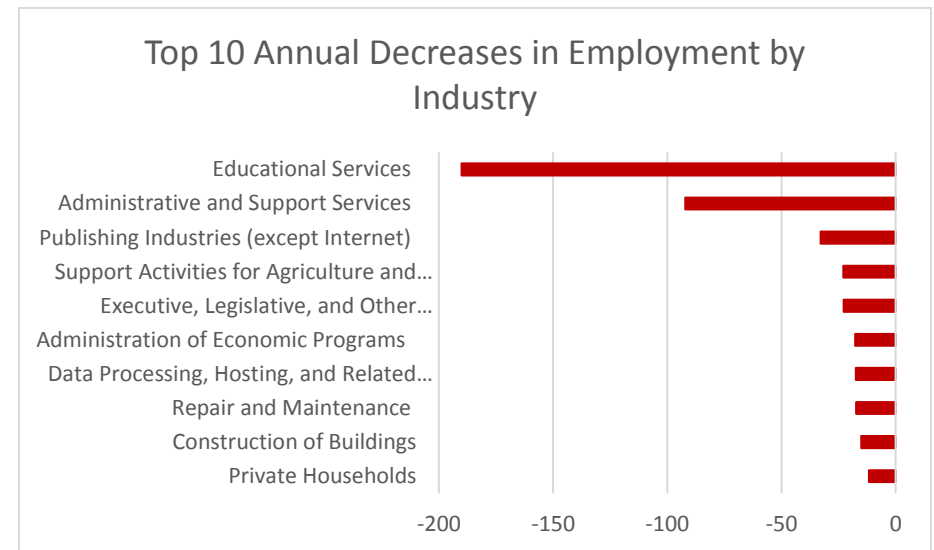
The first graph is an indicator of what industries located within the City of Las Cruces are increasing the most in terms of employment on an annual basis. The industry that increased the most in annual employment from 2010 to 2017 was Ambulatory Health Care Services (NAICS 621) with an average annual increase of 159 jobs. A close follower was Food Services and Drinking Places (NAICS 722), which added an average annual increase in employment of 157.

The second graph is an indicator of what industries located within the City are decreasing the most in terms of employment on an annual basis. The industry that lost the most in annual employment from 2010 to 2017 was Educational Services (NAICS 611), which on average lost an annual 190 jobs per year. Inside this industry we find elementary and secondary schools, junior colleges, universities, professional schools, technical and trade schools, etc. Another industry with high loss of employment is Administrative and Support Services (NAICS 561) which lost an average of 92 jobs annually from 2010 to 2017.

Q1 2018 data release expected date: May 2018



Source: City of Las Cruces and Jobs EQ



Source: City of Las Cruces and Jobs EQ

BUSINESSES

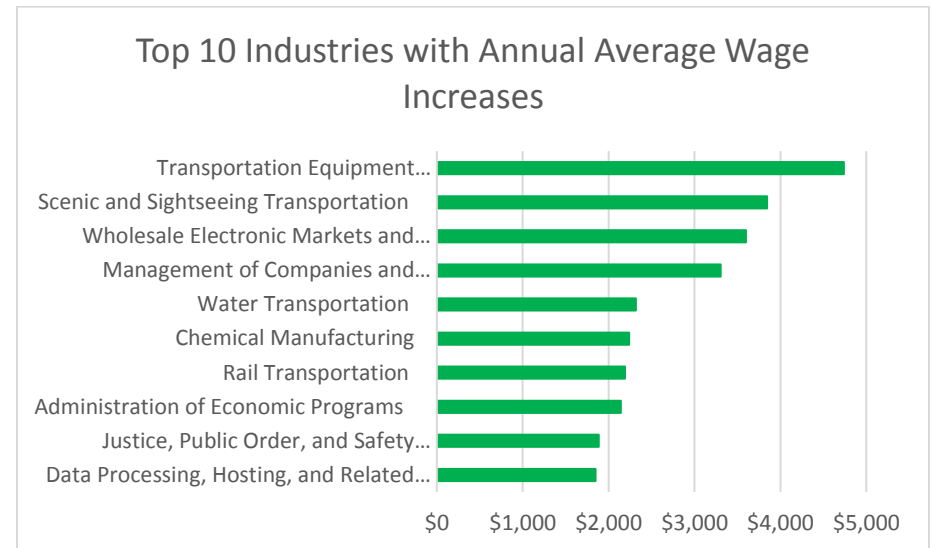
HIGHLIGHTS:

The top 10 annual average wage increases and decreases per worker by 3-digit NAICS code industries in the City of Las Cruces is collected from Chmura's Jobs EQ. It indicates the average annual increase/decrease in wages in these industries from 2010 to 2017.

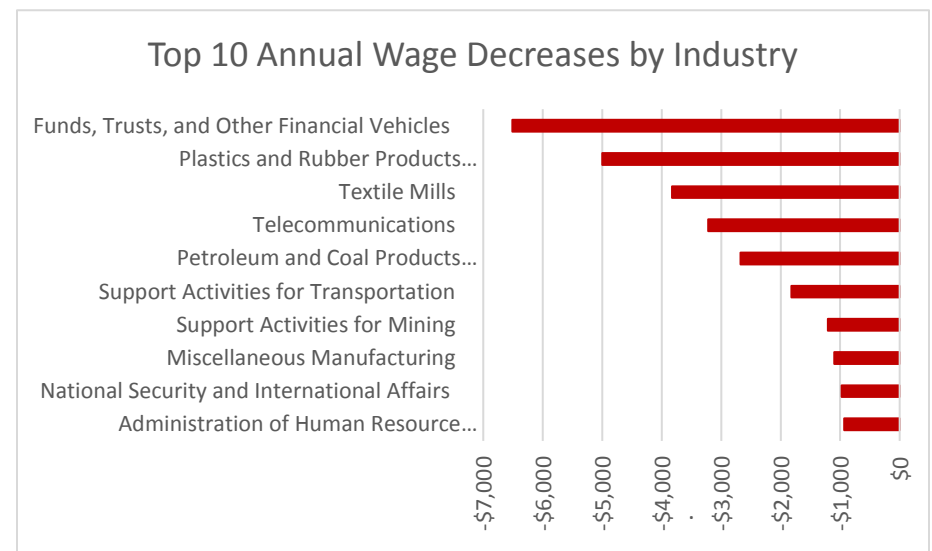
The first graph is an indicator of what industries located within the City of Las Cruces are increasing the most in terms of average wages per worker on an annual basis. The industry that increased the most in annual average wages per worker from 2010 to 2017 was Transportation Equipment Manufacturing (NAICS 336) with an average annual increase of \$4,739 in wages per worker. A close follower was Scenic and Sightseeing Transportation (NAICS 487), which added an average annual increase in wages per worker of \$3,843.

The second graph is an indicator of what industries located within the City are decreasing the most in terms of wages on an annual basis per worker. The industry that lost the most in annual wages per worker from 2010 to 2017 was Funds, Trusts, and Other Financial Vehicles (NAICS 525), which on average lost an annual average wage per worker of \$6,512. Another industry with high loss of average annual wages per worker is Plastics and Rubber Products Manufacturing (NAICS 326) which lost an annual average wage of \$4,999 from 2010 to 2017.

Q1 2018 data release expected date: May 2018



Source: City of Las Cruces and Jobs EQ



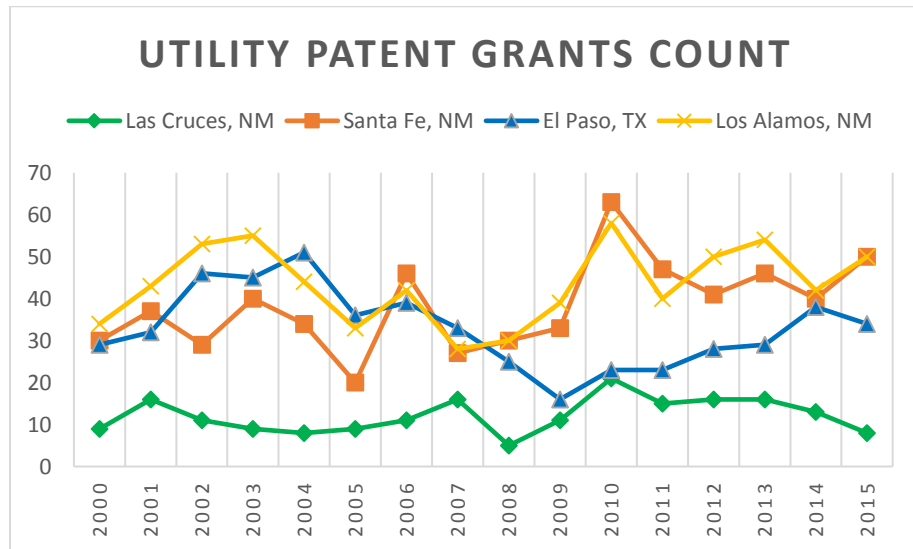
Source: City of Las Cruces and Jobs EQ

PATENTS/INNOVATION

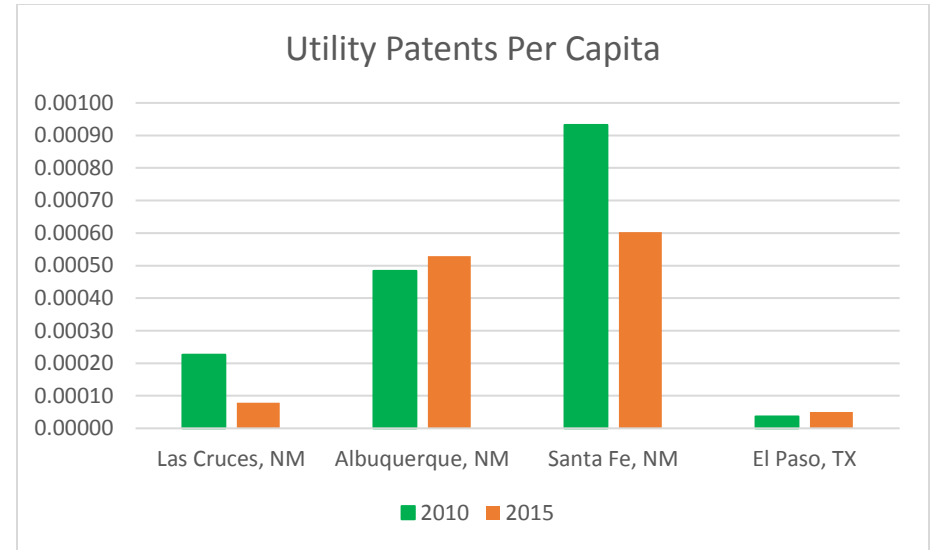
HIGHLIGHTS:

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.

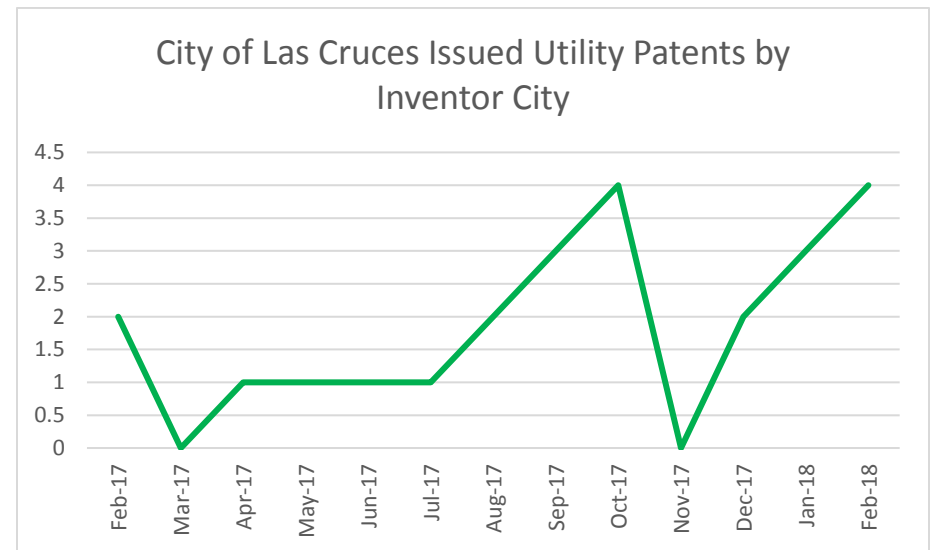
The City has many of its patents assigned to the Arrowhead Center in NMSU. As it can be observed from the graphics, the City of Las Cruces has produced less annual utility patents in total than places like El Paso, TX and Santa Fe, NM. However, once it is adjusted for population, we can see that in terms of utility patents per capita, the City of Las Cruces produces more patents per person than El Paso, but still behind Albuquerque or Santa Fe, NM.



Source: United States Patent and Trademark Office



Source: United States Patent and Trademark Office



Source: United States Patent and Trademark Office

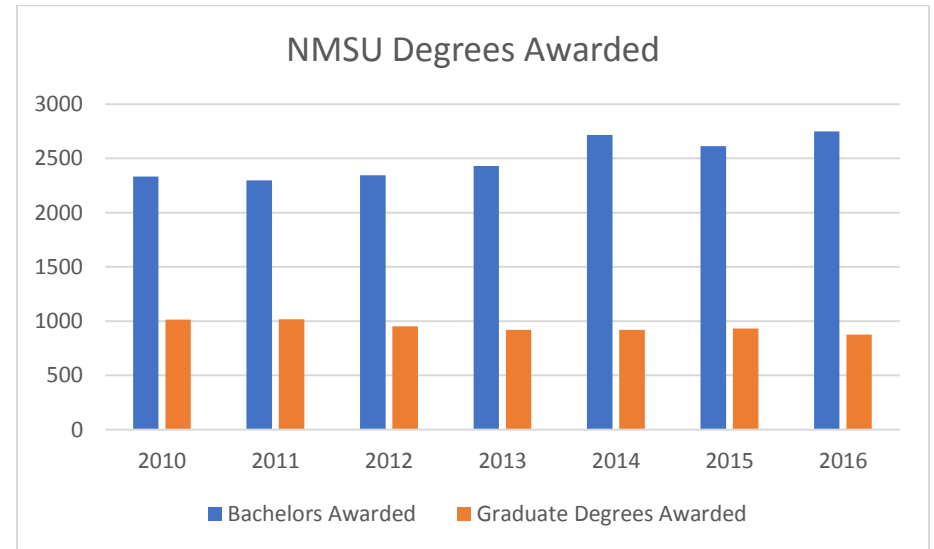
March 2018 figures will be released in April 1st, 2018

DEGREES AWARDED/INNOVATION

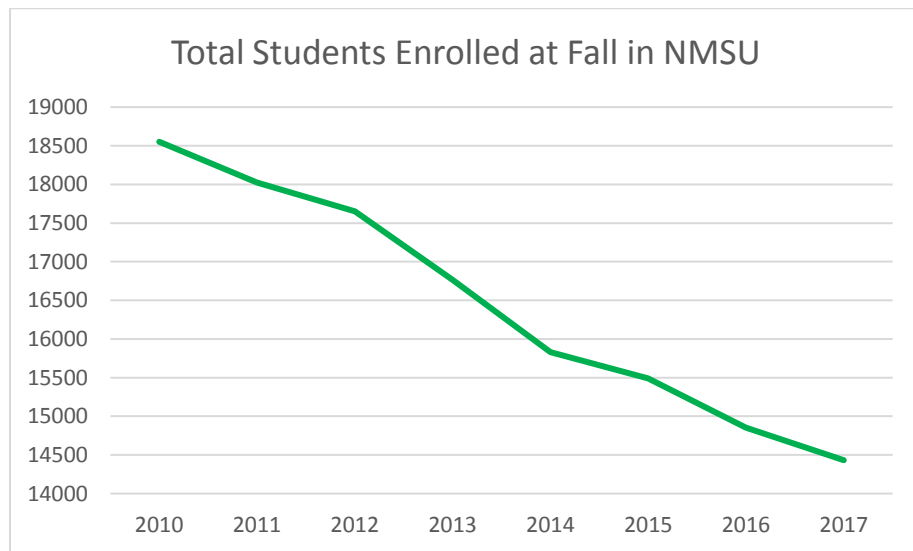
HIGHLIGHTS:

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 2017 there were 14,432 students enrolled in the main campus, which compared to Fall 2010 at 18,552 represents a decrease of 22%. However, the number of Bachelor's degrees awarded has slightly increased since 2010. This implies that although NMSU has seen a decrease in enrollment, it has improved in its graduation rates.

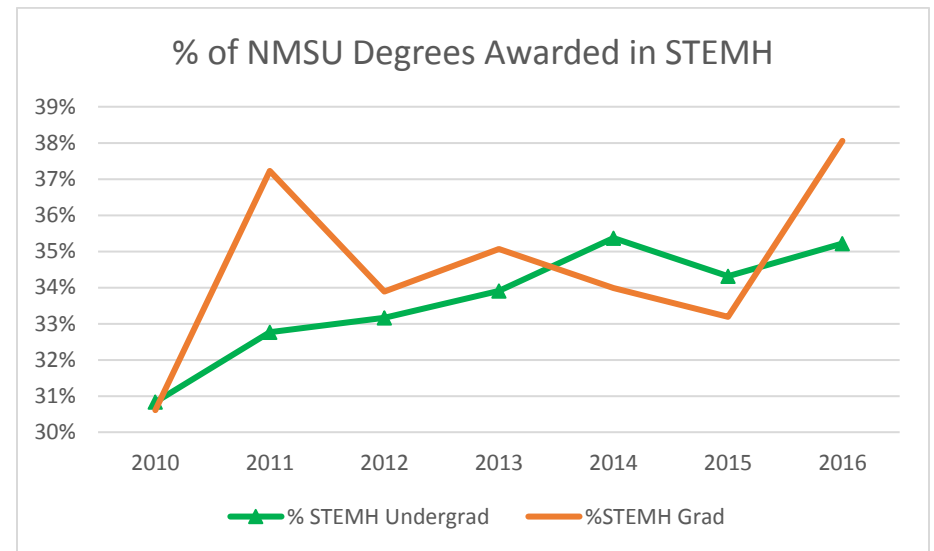
The Science, Technology, Engineering, Mathematics, and Health (STEMH) disciplines are considered the gateway to America's economic competitiveness (U.S. Department of Education, 2014). In 2016 about 38% of the bachelor's degrees awarded in NMSU went to STEMH disciplines.



Source: NMSU Office of Institutional Analysis



Source: NMSU Office of Institutional Analysis



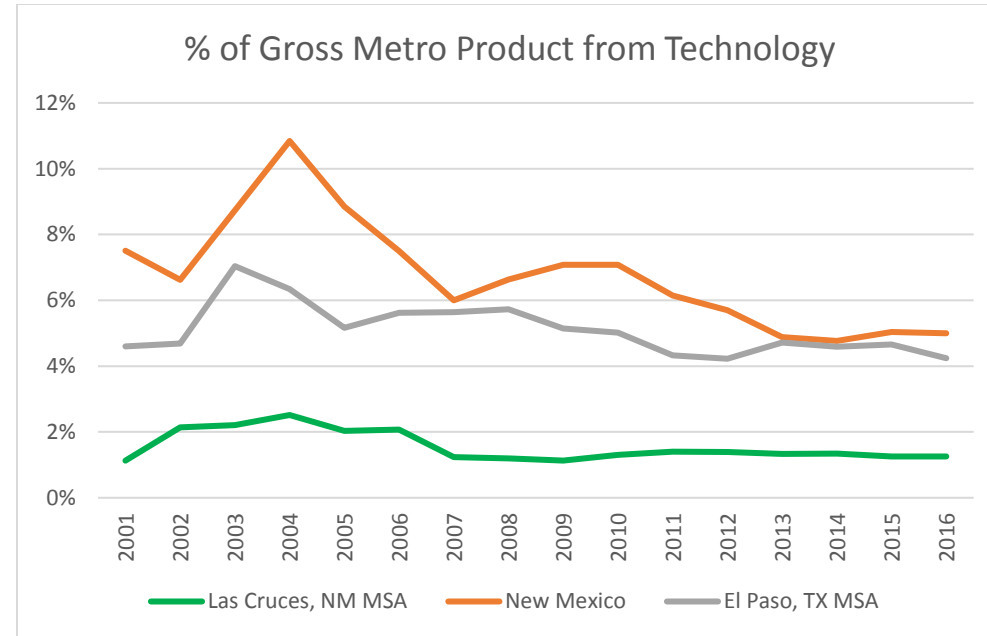
Source: NMSU Office of Institutional Analysis

TECHNOLOGY/INNOVATION

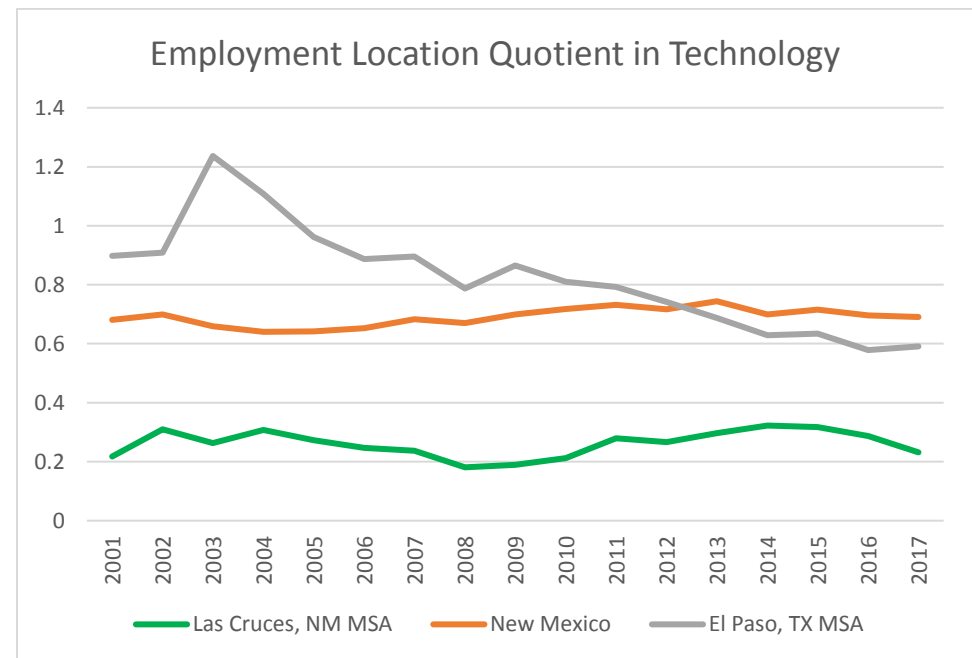
HIGHLIGHTS:

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 2016 Gross Metropolitan Product for Las Cruces MSA is close to 1% of the total GMP. In comparison El Paso, MSA has 4.2% of its GMP from technology, whereas New Mexico has about 5% 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

TOURISM*

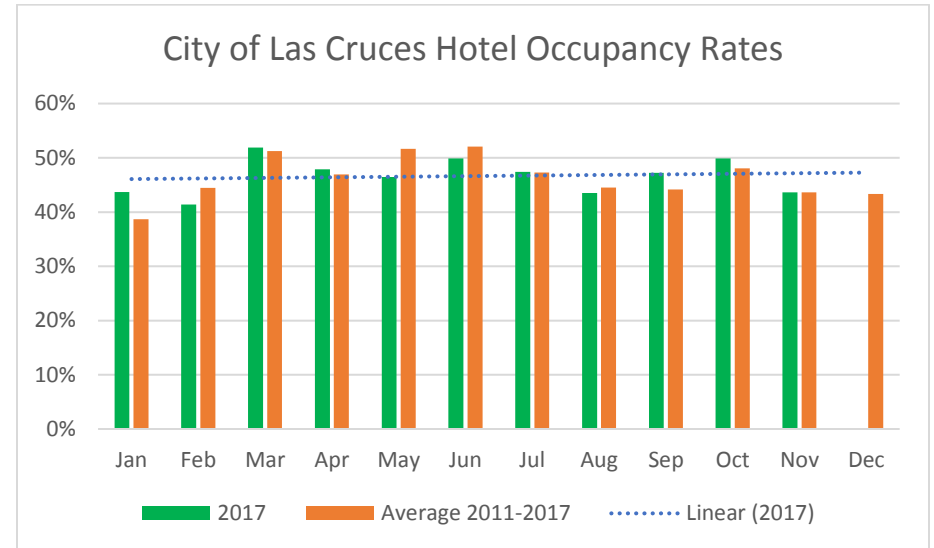
HIGHLIGHTS:

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. For the City of Las Cruces this figure is reported by *Visit Las Cruces*, which indicate that the average HOR for 2017 (excluding December) is 46.6%. If compared with the averages of each month from 2011 to 2017, we can infer that during January, April, September, and October of 2017 the HOR surpassed the average HOR from 2011-2017. However, for the months of February, May, June, and August of 2017 the HOR were smaller than their 2011-2017 average counterparts. The 2017 HOR for the months of March, July, and November closely behaved like the 2011-2017 averages for those months.

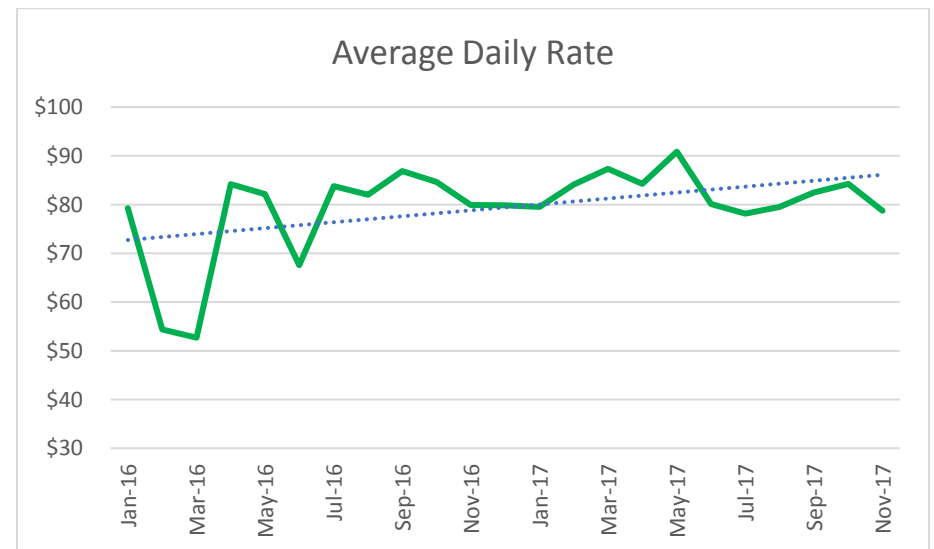
The Average Daily Rate (ADR) is a measure of the room income per month divided by the room nights (rented) per month. The annual average for 2017 of the ADR is \$82.67 (excluding December). The general tendency is positive as it can be observed on the linear trend of the second graph. This implies that at least since January 2016 the average daily rate per room has been increasing.

*This data is preliminary and subject to change

December 2017 data to be released on late April 2018.



Source: City of Las Cruces, Economic Development Department



Source: City of Las Cruces, Economic Development Department

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GLOSSARY

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

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).

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.

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.

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.

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.

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.

$ESI = \text{Unemployment Rate} + \text{Inflation Rate} - \text{Growth in Housing Values}$

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

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

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

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

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.					