

Summary

In the Fiscal Years 2013 to 2015 the Albuquerque MSA economy has added about 10,000 jobs, beginning the recovery from the “Great Recession”. In general the Albuquerque economy has lagged the recovery that has occurred particularly in the western United States as well as the nation. Employment dropped 28,000 jobs; a decline from peak to trough of 7.5%. While the economy is now adding jobs, it remains about 18,000 jobs below the peak employment levels of 2008. These job losses have had other impacts on the economy. Related to these job losses, the population has barely grown as net migration has been negative over the last four years. Additionally, the existing population has experienced an increase in household size meaning more people are living in fewer homes. These factors have led to decreases in the demand for housing and the City of Albuquerque has experienced a substantial decline in the demand for new housing that has only slightly recovered and then remained relatively flat for several years.

The recent growth in the economy is encouraging. Growth in employment has approached 2% and there are signs that this is spreading to other parts of the economy. While single family housing is yet to recover commercial construction as measured by value of permits is showing increases. Multi-Family housing showed a decline in FY/15, but FY/13 and FY/14 showed strong increases. It is expected that given high occupancy rates in apartments in Albuquerque and a general national trend toward living in multi-family units, permits for multi-family should start to increase. GRT in nominal terms nearly reached the peak of FY/07 in FY/15, but in real terms (adjusted by the CPI) revenues remain well below the peak and are several years away from reaching the previous peak.

Employment

Employment is a primary indicator of how the economy is performing. At a metro level where income and GDP measures are delayed and often inaccurate, it is the best and most current way to measure economic performance. The Albuquerque MSA is showing some growth in employment, but the growth rate remains below historical levels. Albuquerque has not recovered fully from the recession. There were approximately 25,000 jobs lost during the recession and the economy has since created about 10,000. The MSA economy remains about 15,000 jobs short of the peak of near 400,000 in 2007. The Bureau of Business and Economic Research in its July 2015 forecast estimates that the Albuquerque economy will not reach its former peak until 2018.