

## **Down New Mexico's (brain) drain**

*Lack of opportunity leads to exodus of best and brightest in younger generation*

**By Amy Linn, Searchlight New Mexico**

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Leaving New Mexico wasn't a maybe - it was a have-to for Jesse Wood, a Farmington kid who graduated from the University of New Mexico in 2014. Like thousands of other grads, he was smart, talented and committed to his career path.

It led him straight out of the state.

By his junior year in UNM's film and digital media department, he was making eye-popping videos about his passion in life: cars. By senior year, he was traveling the country making Hollywood-quality promo videos on the Formula Drift circuit, capturing gonzo drivers and fast cars skidding sideways.

He kept his eye out for the right job in New Mexico, but there wasn't one. "I freelanced for a while," Wood, now 26, says by phone from Ventura, California north of Los Angeles. "But the film world was in L.A., and so were the automotive companies. L.A. was the epicenter."

In 2016, the epicenter became home. He landed a dream job as creative director at Los Angeles-based Donut Media, creator of comedy-injected digital content for car lovers, including a new video daily. Its YouTube channel has nearly a million subscribers.

### **Heading for the hills**

Between 2011 and 2016, in the years leading up to Wood's departure, an unprecedented exodus of New Mexicans left the state in search of new jobs and homes. Economists estimate that 42,000 more people exited the state than entered it.

The majority were college-educated, including 17,000 people with a bachelor's degree. It was an alarming brain-drain, and one of the highest rates of "out-migration" anywhere in the country, according to labor and census statistics.

"The data clearly indicate that out-migration is occurring at a disproportionate rate in better-educated younger adults and people with bachelor's degrees," says Jeff Mitchell, director of UNM's Bureau of Business and Economic Research.

No state can afford to lose high-quality, educated workers, the key ingredient for a thriving economy. Impoverished New Mexico can afford to lose them least of all. But state officials say there is no telling when the outflow will end.

"We've already seen five or six years of this story," says Mitchell, who identifies it as one of the clearest signs that New Mexico has entered perilous and uncharted territory.

"The single biggest problem is that people think they're going to find a quick solution," he continues. "But successes won't play out in the two to four years of an election cycle. In fact, the economy might get worse before it gets better."

“To take action anyway? That’s leadership. But who is the politician who says, ‘I’m going to take a stand and do what’s necessary even if it doesn’t benefit me politically?’” The new post-recession world demands a STEM skilled workforce for jobs in science, technology, engineering and mathematics. At minny’s inum, workers need one or two years of education after high school, preferably from a technical or trade school that teaches mechanical, electrical, or computer engineering skills (in high demand today). Other jobs require an associate’s, bachelor’s or advanced degree.

“You can’t be successful without a high-quality workforce - you just can’t,” says Scott Barnette, senior manager of development and operations at Continental Tire, who scours the globe to choose the right site for the company’s new projects. He recently chose Clinton, Mississippi, for a \$ 1.4 billion tire plant slated to create 2,500 jobs.

In New Mexico, meanwhile, the dial is moving backward. For the first time in state history, the older generation is better educated than the younger generation, the New Mexico Higher Education Department reported in 2013.

When a state starts losing its qualified workforce, economies contract, unemployment rises and more people join the out-migration. It is a vicious circle.

Wood recalls getting a sense of the downward spiral when he was a teenager in Farmington. He and his classmates at Piedra Vista High School were well aware of New Mexico’s low ranking for child well-being: For decades, New Mexico has had one of the nation’s highest rates of childhood poverty, high school dropouts, substance abuse and teen suicide.

On June 27, the state dropped to 50th - dead last in the Annie E. Casey Foundation child well-being rankings, where it had clutched a 49th-place rung since 2014. “Younger people feel that futility,” Wood offers as a reason that people leave.

Mitchell offers another. “In prior years, there was more of a sense that you could stay here and make something of yourself.” Today more than ever, New Mexico needs to nurture home-grown entrepreneurs, he says.

“They have a sense of the place,” says Mitchell. “Let them be a big fish in a small pond.”

### **Where the jobs are — and aren’t**

Doug Rasmussen, a site selection specialist at the St. Louis office of international corporate advising firm Duff & Phelps, has seen a lot of economic boom and bust during his 17-year career.

He’s seen jobs vanish and return. He’s directed clients in moves all around America. He’s also an optimist.

“No place is blue skies and roses always blooming. And no place is all negative,” Rasmussen says.

Site selection is a no-stone-unturned process that begins with a demographic study and expands to modeling, analytics and examining hundreds of data points.

Rasmussen travels to cities, looks at schools, and examines local and state government. He analyzes taxes, legal codes, environment regulations, utility costs, bond ratings, infrastructure, mass transit, airport schedules, real estate and labor costs, cell towers and broadband, building sites and economic incentives.

“In the end, the executives are going to be living in these places,” Rasmussen says. “Can I see myself living here? My employees living here? Can I see my kids going to these schools?’ That’s what they’ll be asking themselves.”

New Mexico's education system might well prompt them to answer "no."

Only 71 percent of high school students graduated on time, the nation's second-worst rate. The rate of bachelor's degrees for 25- to 34-year-olds - 22 percent - is also the second-lowest, according to the U.S. Census. In No. 1 Massachusetts, the rate is 51 percent.

Youth unemployment is another serious problem. As of April, more than 20 percent of teens age 16 to 19 were jobless, labor statistics show.

"Every year we watch the young talent pack up and move away to places with jobs and better-paying jobs," says Katherine Freeman, president and CEO of United Way of Santa Fe County.

She routinely observes professionals hesitate before moving here. "They look long and hard at education and state policies," she says. They see troubled middle schools and high schools, but can't afford private school tuition. "Coming here is a sacrifice."

Today, according to the BBER, job hunters increasingly opt for states like Texas (fastest population growth in the Southwest); or Nevada (home of the newly opened Tesla battery Gigafactory in Sparks, a project for which New Mexico was in the running but lost in 2014). The Gigafactory is expected to create 6,500 jobs.

Over the past seven years, population rates in Colorado, Texas and Utah grew anywhere from 9 to 11 percent; in New Mexico, they grew 1 percent.

New Mexico has the fourth-highest unemployment rate in the country, while its neighbors and the rest of the nation are in a boom. In May, the state had 5.1 percent unemployment, a large improvement over the 6.5 percent unemployment it's struggled with since 2014. In Taos County, the unemployment rate in May was 6.2 percent, higher than the state.

The state's unemployment rate was no match for the 3 percent unemployment in Utah or the 4 percent in Texas, where the business climate is so alluring that two cities Dallas and Austin - are in the running to become Amazon's second headquarters. Amazon HQ2, considered one of the most extraordinary developments in the world, is expected to create 50,000 high-paying jobs and \$5 billion in capital investment; the average annual salary will be \$100,000, the company says.

How did Amazon narrow down its list of 238 applicant cities to a final 20? "Educational attainment" was a key driver.

The company said in its request for proposal that it "preferred" a location with a highly educated labor pool and enough people with STEM training to fill the thousands of jobs. Other requirements included top-tier universities and community colleges; high enrollment, grades and retention rates in higher education; top-quality K-12 schools; and plentiful K-12 STEM programs, the RFP says.

### **Supporting our people**

Amazon's HQ2 is such a fantastical project that only the rarest of regions could hope to win it. But New Mexico can be a hard sell for more modest projects as well.

Among the red flags: the state's population growth from 2010 to 2016 was the weakest in the Southwest, according to government data.

And site-selection consultants worldwide scour every metric about education, from early childhood programs to the availability of adult education. States that support adulted are likely to have more available workers and healthier families, research shows.

A quick Google search will show consultants that the New Mexico Higher Education Department served 12,755 people in 2017, the lowest number in decades. The New Mexico Department of Game and Fish served more people than that-12,780-in its fishing skills classes around the state.

Consultants can quickly download a 2016 economic report for the state legislature entitled, pointedly, “New Mexico Job Horizon: No Country for Young Men (or Women).”

Waiting for jobs that do not yet exist may have a poetic ring to it, but Jesse Wood has plans for his life. He spends his days shooting viral videos like “Two Grannies, One Lamborghini” (6.6 million views and counting).

“I love it here,” Wood says, adding, “I love New Mexico, too. But for the better or the worse, the big pond is L.A.”

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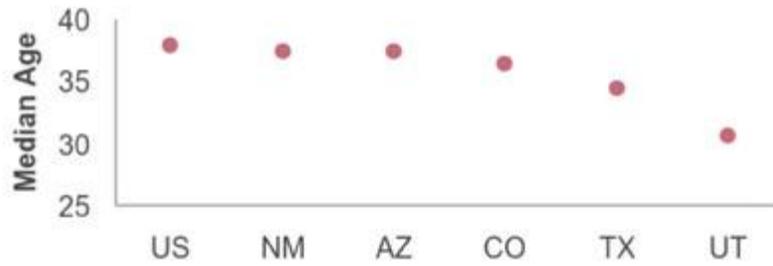
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Filmmaker Jesse Wood on a photo shoot at a racetrack, where his specialty is capturing high-speed cars. He’s among the young people who earned college degrees in New Mexico and then left to find better jobs elsewhere.

Photo provided by Jesse Wood

## New Mexico's workforce is older ...



## ... and more are leaving the state

BETWEEN 2005 AND 2010,  
NEW MEXICO GAINED

**39,500**

RESIDENTS

BETWEEN 2010 AND 2015,  
NEW MEXICO LOST

**42,000**

RESIDENTS

DATA SOURCES: U.S. CENSUS BUREAU, UNM BUREAU OF BUSINESS & ECONOMIC RESEARCH, N.M. DEPARTMENT OF WORKFORCE SOLUTIONS.  
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