

New Mexico

154,588 Small Businesses

33,571 Small Businesses with Employees

121,017 Small Businesses without Employees (Nonemployers)

327,506 Workers Employed by Small Businesses

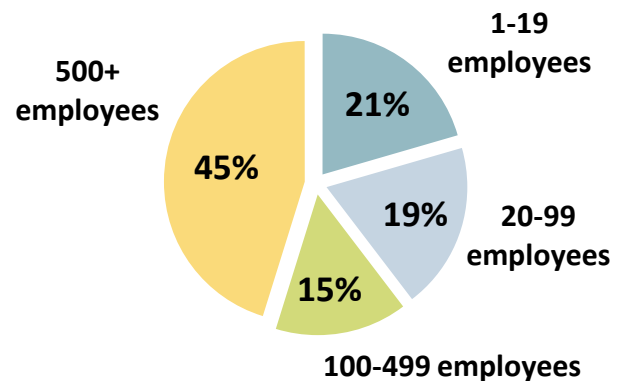
State Economy Overall

- New Mexico's economy grew at a slower rate than the United States in 2012. New Mexico's real gross state product increased by **0.2 percent** compared to **2.5 percent** for U.S. gross domestic product. (Source: BEA)
- The employment situation in New Mexico remained unchanged. The unemployment rate in New Mexico remained at **6.4 percent** in December 2012 and December 2013. This is below the national average of **6.7 percent**. (Source: BLS)

Employment

- New Mexico's small businesses employed over half or **327,506** of the state's private workforce in 2011.
- Almost all firms with employees are small. They make up **95.6 percent** of all employers in the state. **Table 3** offers further industry detail on small firms.
- Firms with fewer than 100 employees have the largest share of small business employment. **Figure 1** offers further detail.
- The three industries with the most small business employment were: health care & social assistance, accommodation & food services, and construction (**Table 4**).
- In New Mexico, small businesses created **1,797** net new jobs in 2011. The biggest gain was in the smallest firm size category of 1-4 employees. (Source: BDS)
- The number of people who were primarily self-employed increased in 2012. For demographic detail on the state's self-employment, see **Figure 2**.
- The state's private-sector employment increased in 2013 by **1.0 percent**, which was below the national average growth rate of **2.1 percent**. (Source: BEA, BLS)

Figure 1: New Mexico Employment by Size of Firm, 2011



Source: SUSB

The *Small Business State and Territory Profiles* report on the economic status of small business from 2010 to 2013. They include information on the number of firms, employment, demographics and other topics using the most recently available government data. They are a reference tool for researchers, policymakers, and small entities who are interested in how small firms are performing regionally or nationally. *Note that this report defines small businesses as firms with fewer than 500 employees.*

Income and Finance

- Most small businesses are sole proprietors. Annual income from sole proprietorships increased **6.3 percent** in the 3rd quarter of 2013 and totaled **\$4.9 billion**. (Source: BEA)
- The Federal Deposit Insurance Corporation tracks banks and bank branches and publishes annual data for each state. For more detailed information see www2.fdic.gov/sod/sodSummary.asp?barItem=3.
- In 2012, **27,601** loans under \$100,000 (and valued at **\$343.9 million**) were issued by Community Reinvestment Act lending institutions in New Mexico. (Source: FFIEC)

Business Owner Demographics

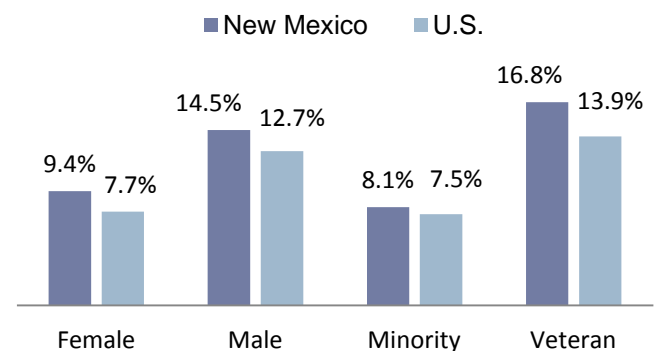
- In 2011, there were an estimated **49,000** woman-owned businesses and **49,000** minority-owned businesses. For additional business demographic information, see **Table 1** and **Figure 2**.

Table 1. Demographics of All New Mexico Businesses, 2011

| | Number of All Businesses ^e | Share of All Businesses (%) [*] |
|-------------------------------|---------------------------------------|--|
| Male Owned | 67,000 | 42.8 |
| Woman Owned | 49,000 | 31.7 |
| Equally Male and Female Owned | 34,000 | 21.9 |
| Minority Owned | 49,000 | 31.1 |
| Veteran Owned | 15,000 | 9.7 |

e = Advocacy estimate. *2007 SBO. Note: This estimate is based on the share of business owners in the 2007 SBO. This share is multiplied by the total number of businesses in 2011 (employer + nonemployer firms). These shares will not be updated to 2012 until fall 2015. Thus, the 2011 estimates assume the 2011 shares are the same as 2007. For more information, visit www.sba.gov/sites/default/files/files/nm10.pdf.

Figure 2: New Mexico Self-Employment Demographics, 2012



Source: CPS

Note: Share of self-employed workers within a demographic group.

Business Turnover

- **Table 2** gives New Mexico's establishment survival rates over an eight-year period, 2002-2010.
- In the 2nd quarter of 2013, **2,037** establishments opened and **2,608** closed in the state of New Mexico. (Source: BED)
- Business bankruptcies declined in net from 2010 to 2013, signaling a stronger state economy. (Source: U.S. Courts)

Table 2. Survival Rates of Establishments in New Mexico

| | Establishments Opened* | Share Surviving Until 2012 (%) |
|------|------------------------|--------------------------------|
| 2002 | 3,804 | 30 |
| 2007 | 4,529 | 43.4 |
| 2010 | 3,382 | 65.8 |

Source: BLS, BED. *Data year ending in March.

International Trade

- A total of **1,301** companies exported goods from the state in 2012. Of these, **1,062** or **81.6 percent** were small firms; they generated a fifth (**19.6 percent**) of the state's total known export value. (Source: ITA)

Table 3: Number of New Mexico Small Firms by Industry, 2011
(ranked by number of small employer firms)

| Industry | Employer Firms With 1-499 Employees | Employer Firms With 1-19 Employees | Nonemployer Firms | Total Small Firms |
|---|--|---------------------------------------|----------------------|----------------------|
| Construction | 4,409 | 3,991 | 11,338 | 15,747 |
| Professional, scientific, & tech. svcs. | 4,170 | 3,865 | 16,438 | 20,608 |
| Retail trade | 3,958 | 3,491 | 11,173 | 15,131 |
| Health care & social assistance | 3,849 | 3,278 | 12,279 | 16,128 |
| Other services (except public admin.) | 3,762 | 3,486 | 16,435 | 20,197 |
| Accommodation & food services | 2,885 | 2,147 | 2,037 | 4,922 |
| Real estate & rental & leasing | 1,729 | 1,632 | 11,765 | 13,494 |
| Admin., supp., waste mgt., remed. svcs. | 1,527 | 1,349 | 8,678 | 10,205 |
| Wholesale trade | 1,374 | 1,081 | 3,544 | 4,918 |
| Finance & insurance | 1,360 | 1,224 | 3,350 | 4,710 |
| Manufacturing | 1,273 | 1,078 | 3,201 | 4,474 |
| Transportation & warehousing | 1,010 | 874 | 3,981 | 4,991 |
| Arts, entertainment, & recreation | 614 | 526 | 8,198 | 8,812 |
| Mining | 558 | 425 | 1,309 | 1,867 |
| Educational services | 552 | 446 | 3,995 | 4,547 |
| Information | 393 | 331 | 1,567 | 1,960 |
| Utilities | 136 | 119 | 105 | 241 |
| Forestry, etc. & agriculture support | 95 | 93 | 1,624 | 1,719 |
| Management of comp. & enterprises | 95 | 19 | 0 | 95 |
| Unclassified | 57 | 57 | 0 | 57 |
| Total | 33,571 | 29,476 | 121,017 | 154,588 |

Table 4: Employment in New Mexico by Industry and Firm Size, 2011
(ranked by small firm employment)

| Industry | Employment | | Small Firm Share of Industry Employment (%) |
|---|----------------|----------------|--|
| | Small Firms | Total Firms | |
| Health care & social assistance | 56,438 | 110,555 | 51 |
| Accommodation & food services | 51,912 | 80,154 | 65 |
| Construction | 37,165 | 39,441 | 94 |
| Retail trade | 34,705 | 94,946 | 37 |
| Other services (except public admin.) | 24,582 | 26,592 | 92 |
| Professional, scientific, & tech. svcs. | 24,571 | 47,649 | 52 |
| Manufacturing | 15,109 | 27,434 | 55 |
| Admin., supp., waste mgt., remed. svcs. | 14,486 | 37,712 | 38 |
| Wholesale trade | 11,851 | 20,125 | 59 |
| Finance & insurance | 11,473 | 22,169 | 52 |
| Mining | 8,213 | 16,643 | 49 |
| Transportation & warehousing | 8,092 | 16,205 | 50 |
| Educational services | 7,972 | 9,549 | 83 |
| Arts, entertainment, & recreation | 7,110 | 13,832 | 51 |
| Real estate & rental & leasing | 6,834 | 9,679 | 71 |
| Information | 3,790 | 12,613 | 30 |
| Management of comp. & enterprises | 1,522 | 6,598 | 23 |
| Utilities | 1,238 | 5,180 | 24 |
| Forestry, etc. & agriculture support | 381 | 430 | 89 |
| Unclassified | 62 | 62 | 100 |
| Total | 327,506 | 597,568 | 55 |

Source, Tables 3 and 4: SUSB

See www.sba.gov/advocacy/847/841921 for more detailed data.

Note: Small firms are defined as nonfarm firms having fewer than 500 employees.

Abbreviations and Resources

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|--------------------|---|
| BEA | Bureau of Economic Analysis, U.S. Department of Commerce, www.bea.gov . |
| BED | Business Employment Dynamics, U.S. Department of Labor, Bureau of Labor Statistics, www.bls.gov/bdm . |
| BDS | Business Dynamics Statistics, U.S. Census Bureau, www.census.gov/ces/dataproducts/bds . |
| BLS | Bureau of Labor Statistics, U.S. Department of Labor, www.bls.gov . |
| CPS | Current Population Survey, U.S. Census Bureau, and U.S. Department of Labor, Bureau of Labor Statistics, www.census.gov/cps . |
| FDIC | Federal Deposit Insurance Corporation, www.fdic.gov . |
| FFIEC | Federal Financial Institutions Examination Council, www.ffiec.gov . |
| ITA | International Trade Administration, U.S. Department of Commerce, www.trade.gov . |
| SBO | Survey of Business Owners, U.S. Census Bureau, www.census.gov/econ/sbo . |
| SUSB | Statistics of U.S. Businesses, U.S. Census Bureau, www.census.gov/econ/susb . |
| U.S. Courts | Administrative Office of the U.S. Courts, www.uscourts.gov . |