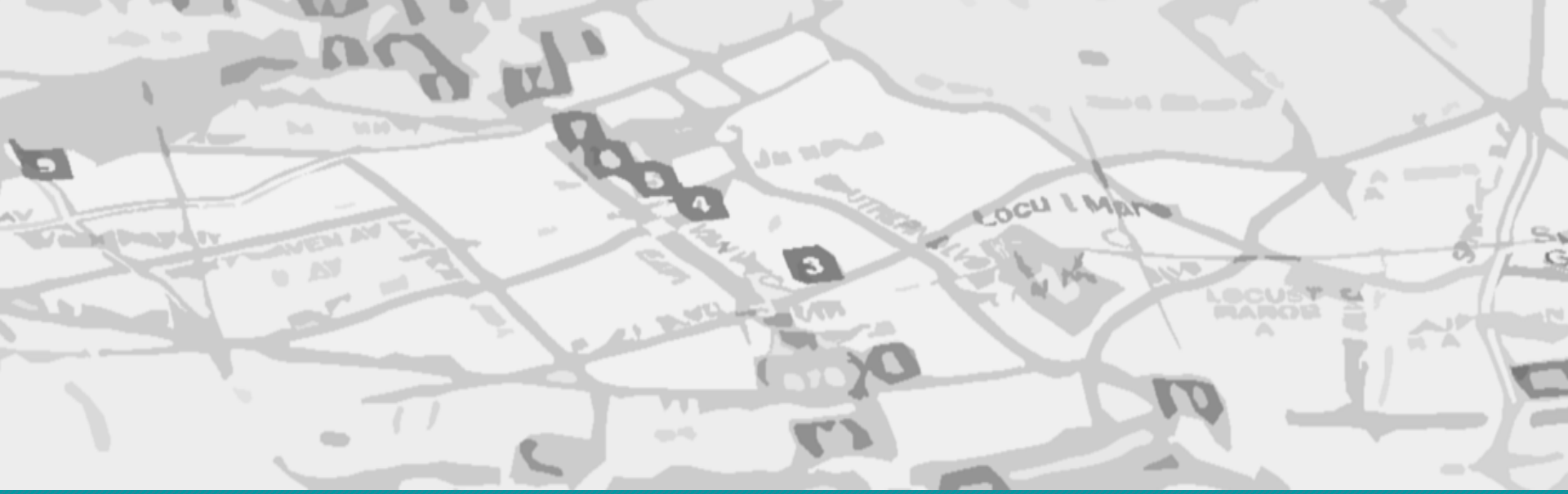

Regional Data Snapshot

Industry Cluster Analysis
SET Session 1

Southeastern NM, New Mexico

PURDUE UNIVERSITY

Center for Regional Development
Advancing Collaboration : Energizing Regions

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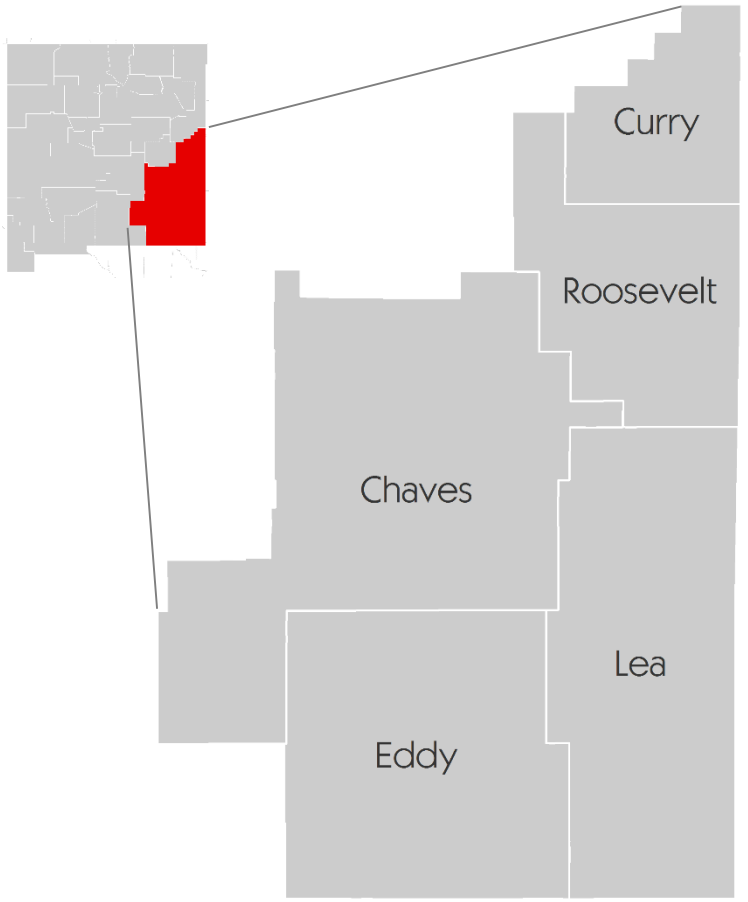
01 overview

Southeastern NM, NM

Southeastern New Mexico, NM

The Southeastern New Mexico Region is comprised of 5 New Mexico counties. State Highway 285 connects the region to I-40, further connecting to Albuquerque to the northwest, and I-20 to the south. U.S. Highway 70 and 60 connect the region to Amarillo, Texas. Major railroads include BNSF and SW, and TNMR, a regional railroad. Major regional airports include Roswell and Lea County regional airports.

- Chaves
- Curry
- Eddy
- Lea
- Roosevelt



02 industry and occupation

Establishments

Employment by industry

Components of changes in Jobs

Changes in Jobs (2009-2015)		
Gained by	New Startups	+29,251
	Spinoffs	+6,965
	Expansion	+24,386
	In-migration	+1,251
Lost by	Closings	-38,693
	Contractions	-14,863
	Out-migration	-431
Net change		+7,866

How to Interpret the Accompanying Table

New Startups: A completely new business from births/openings without any affiliation to an existing business.

Spinoffs: New businesses that were spun-off from existing businesses.

Expansions: Existing businesses that have expanded in jobs.

In-migration: Businesses that have moved-in from outside of the county.

Closings: Closure of existing businesses.

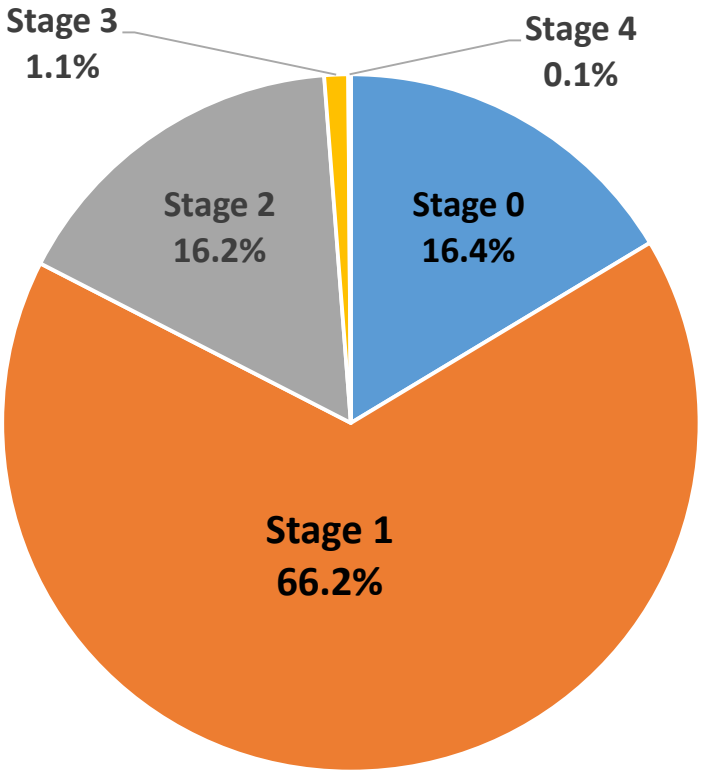
Contractions: Existing businesses that have shed/reduced jobs.

Out-migration: Businesses that have moved-out from the county.

Note: YourEconomy has changed its data source from NETS to InfoUSA on August, 2016. Based on the data available, we can only estimate churn based on jobs and not establishments.

Source: YourEconomy.org

Company stages



Establishment Distribution by Stages
New Mexico, 2015

An establishment is a physical business location. Branches, standalones and headquarters are all considered types of establishments.

Definition of Company Stages

0 Self-employed

1 2-9 employees

2 10-99 employees

3 100-499 employees

4 500+ employees

Note: Based on Edward Lowe's research, http://thegrowthsociety.com/links/SecondStage.pdf
Source: Pyramid graphics is courtesy of Nancy Duarte, http://www.duarte.com/diagrammer/

Source: YourEconomy.org

Establishments

Number of Establishments by Company Stages

	2009		2015	
Stage	**Establishments**	**Proportion**	**Establishments**	**Proportion**
Stage 0	1,686	16%	1,551	13%
Stage 1	6,600	62%	7,577	66%
Stage 2	2,160	20%	2,248	20%
Stage 3	110	1%	112	1%
Stage 4	11	0.1%	13	0.1%
Total	**10,567**	**100%**	**11,501**	**100%**

Questions:

- What stage businesses have shaped the region's economic growth in the last 6 years?
- Which ones are growing or declining the most?
- Which stage of establishments are likely to shape the region's future economic growth?

Source: Youreconomy.org database

Jobs and Sales

Number of Jobs by Company Stages

Year	2009	2015	% Change
Stage 0	1,686	1,779	5.5%
Stage 1	25,412	30,229	19.0%
Stage 2	55,320	55,789	0.8%
Stage 3	18,568	18,449	-0.6%
Stage 4	6,605	9,211	39.5%
Total	**107,591**	**115,457**	**7.3%**

Sales ($Billion, 2015) by Company Stages

Year	2009	2015	% Change
Stage 0	0.37	0.9	135.1%
Stage 1	6.62	8.5	28.0%
Stage 2	12.26	13.1	7.1%
Stage 3	4.32	4.4	0.8%
Stage 4	1.94	2.8	43.0%
Total	**25.52**	**29.62**	**16.1%**

Questions

What establishments are the most numerous based on company stages?

What stages have experienced the largest growth? The greatest decline?

What company stage employs the largest number of people?

What stage captures the most sales?
Which ones have experienced the greatest percentage loss over the 2009-2015 period?

Source: Youreconomy.org database

Top ten industry sector employment growth

NAICS	Description	2009 Jobs	2015 Jobs	Change	Change (%)	State Change (%)
21	Mining, Quarrying, and Oil and Gas Extraction	14,193	23,704	9,511	67%	56%
61	Educational Services	664	1,034	370	56%	9%
48	Transportation and Warehousing	4,625	5,942	1,317	28%	11%
22	Utilities	717	841	124	17%	-5%
72	Accommodation and Food Services	9,333	10,578	1,245	13%	11%
42	Wholesale Trade	2,945	3,273	328	11%	-3%
31	Manufacturing	4,078	4,450	372	9%	-4%
44	Retail Trade	13,349	14,388	1,039	8%	1%
53	Real Estate and Rental and Leasing	3,639	3,896	257	7%	-4%
90	Government	21,759	22,811	1,052	5%	-3%

Questions:

- What regional industry sectors have seen the greatest growth?
- Did they grow at the same rate as the state?
- What factors are causing the growth?

Source: EMSI Class of Worker 2016.4 (QCEW, non-QCEW, self-employed and extended proprietors)

Seven industry sector employment decline

NAICS	Description	2009 Jobs	2015 Jobs	Change	Change (%)	State Change (%)
51	Information	1,184	1,037	-147	-12%	-9%
54	Professional, Scientific, and Technical Services	3,991	3,722	-269	-7%	-4%
56	Administrative and Support and Waste Management and Remediation Services	5,576	5,201	-375	-7%	-3%
52	Finance and Insurance	3,469	3,244	-225	-6%	-3%
71	Arts, Entertainment, and Recreation	1,360	1,273	-87	-6%	5%
62	Health Care and Social Assistance	13,803	13,013	-790	-6%	11%
23	Construction	8,476	8,471	-5	0%	-10%

Questions:

- How does the industry sector make-up of the region compare to the rest of the state?
- Which industry sectors are growing and declining the most in employment?

Source: EMSI Class of Worker 2016.4 (QCEW, non-QCEW, self-employed and extended proprietors)

03 Industry cluster analysis

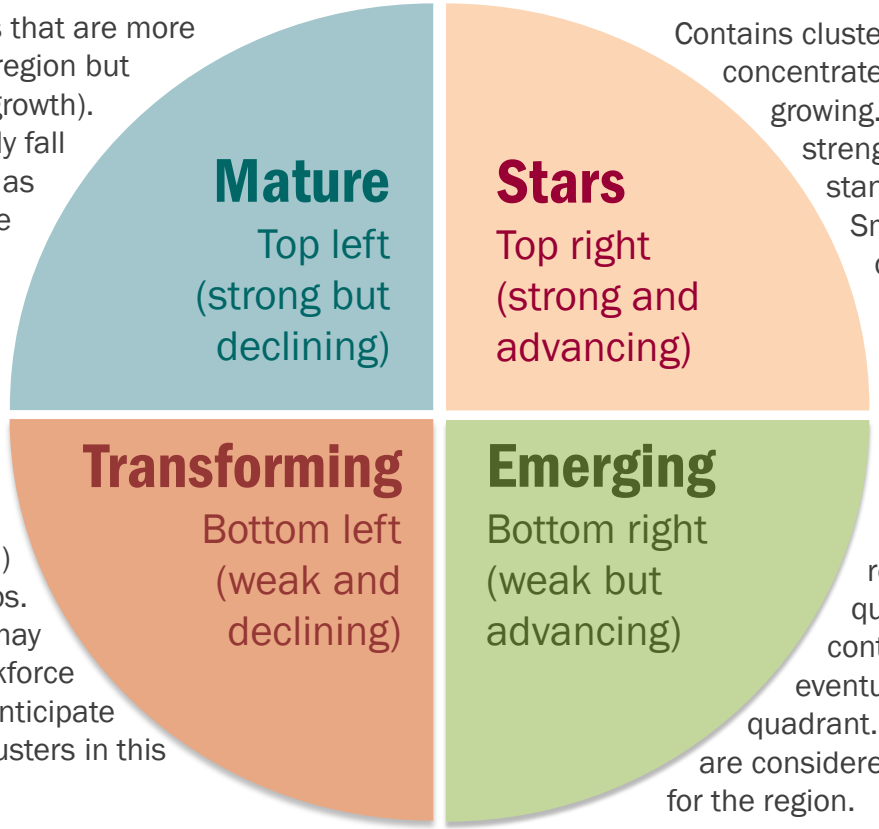
Southeastern NM, NM

List of Clusters

- Advanced Materials
- Agribusiness, Food Processing & Technology
- Apparel & Textiles
- Arts, Entertainment, Recreation & Visitor Industries
- Biomedical/Biotechnical (Life Sciences)
- Business & Financial Services
- Chemicals
- Computer & Electronic Product Manufacturing
- Defense & Security
- Education & Knowledge Creation
- Electrical Equip, Appliance & Component Manufacturing
- Fabricated Metal Product Manufacturing
- Energy (Fossil & Renewable)
- Forest & Wood Products
- Glass & Ceramics
- Information Technology & Telecommunications
- Machinery Manufacturing
- Mining
- Primary Metal Manufacturing
- Printing & Publishing
- Transportation & Logistics
- Transportation Equipment Manufacturing

How to interpret cluster data results

The graph's four quadrants tell a different story for each cluster.



Contains clusters that are more concentrated in the region but are declining (negative growth). These clusters typically fall into the lower quadrant as job losses cause a decline in concentration.

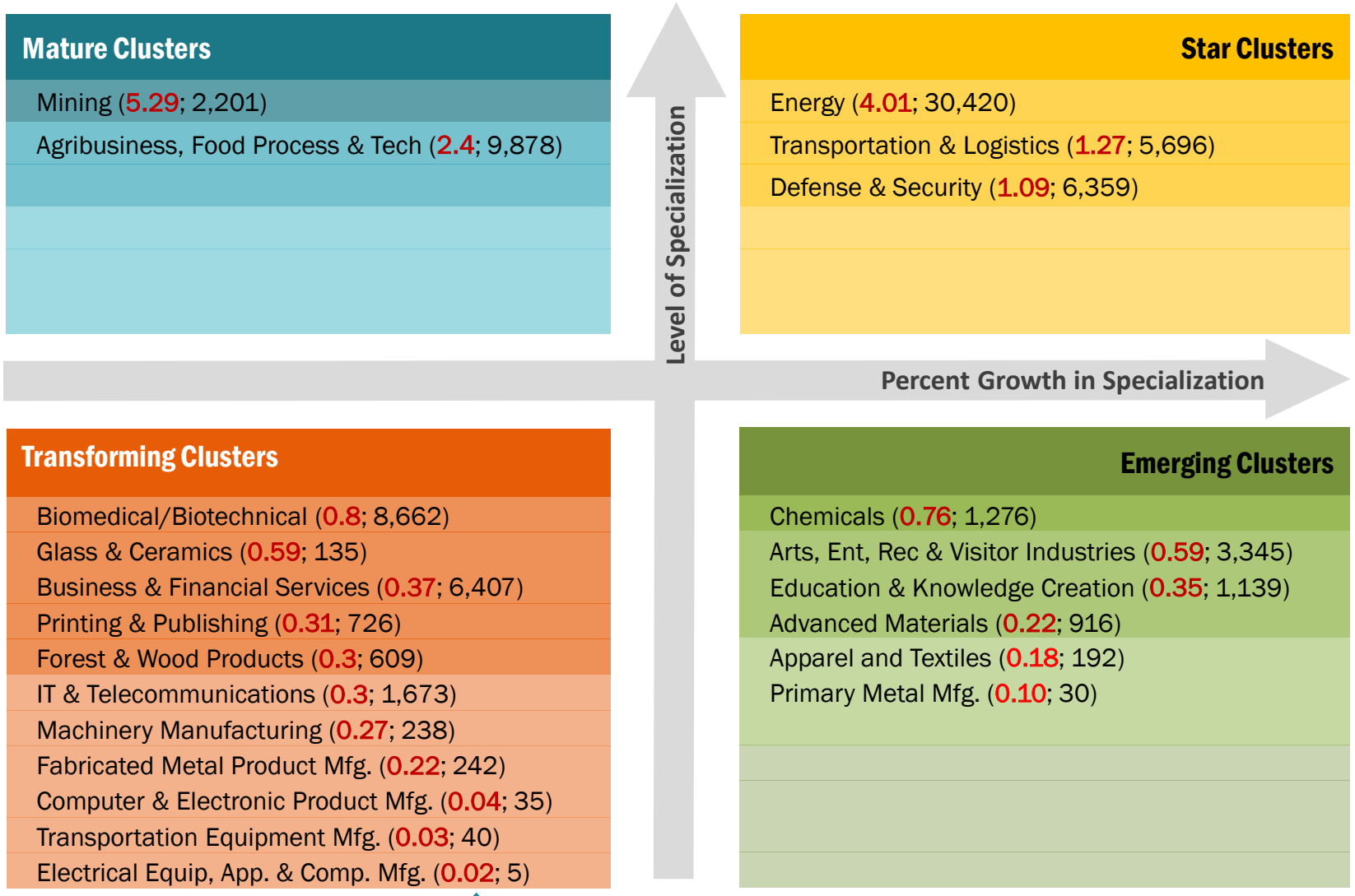
Contains clusters that are more concentrated in the region and are growing. These clusters are strengths that help a region stand out from the competition. Small, high-growth clusters can be expected to become more dominant over time.

Contains clusters that are under-represented in the region (low concentration) and are also losing jobs. Clusters in this region may indicate a gap in the workforce pipeline if local industries anticipate a future need. In general, clusters in this quadrant show a lack of competitiveness.

Contains clusters that are under-represented in the region but are growing, often quickly. If growth trends continue, these clusters will eventually move into the top right quadrant. Clusters in this quadrant are considered emerging strengths for the region.

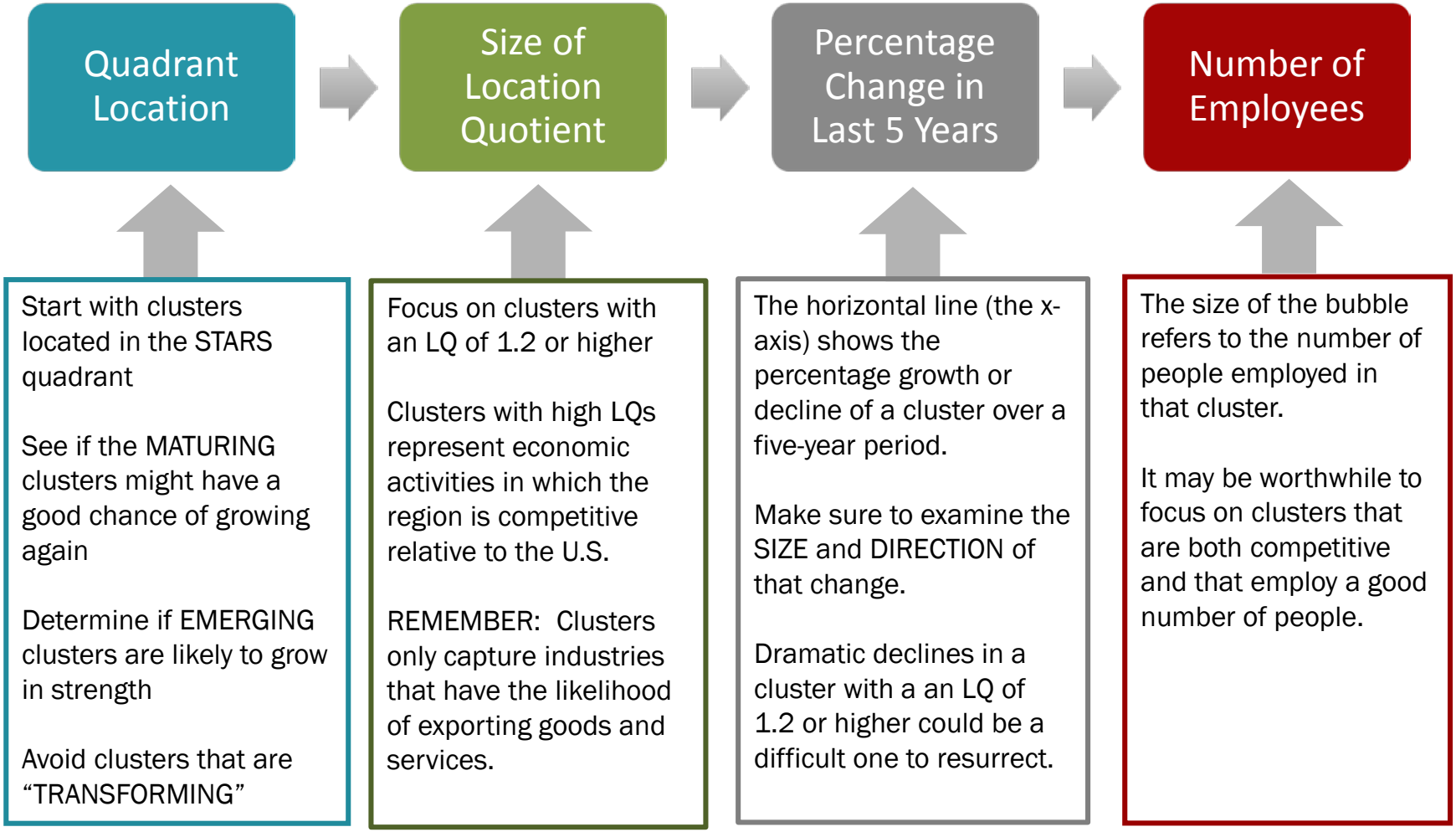
Modified from: http://www.charlestonregionaldata.com/bubble-chart-explanation/

Industry cluster analysis

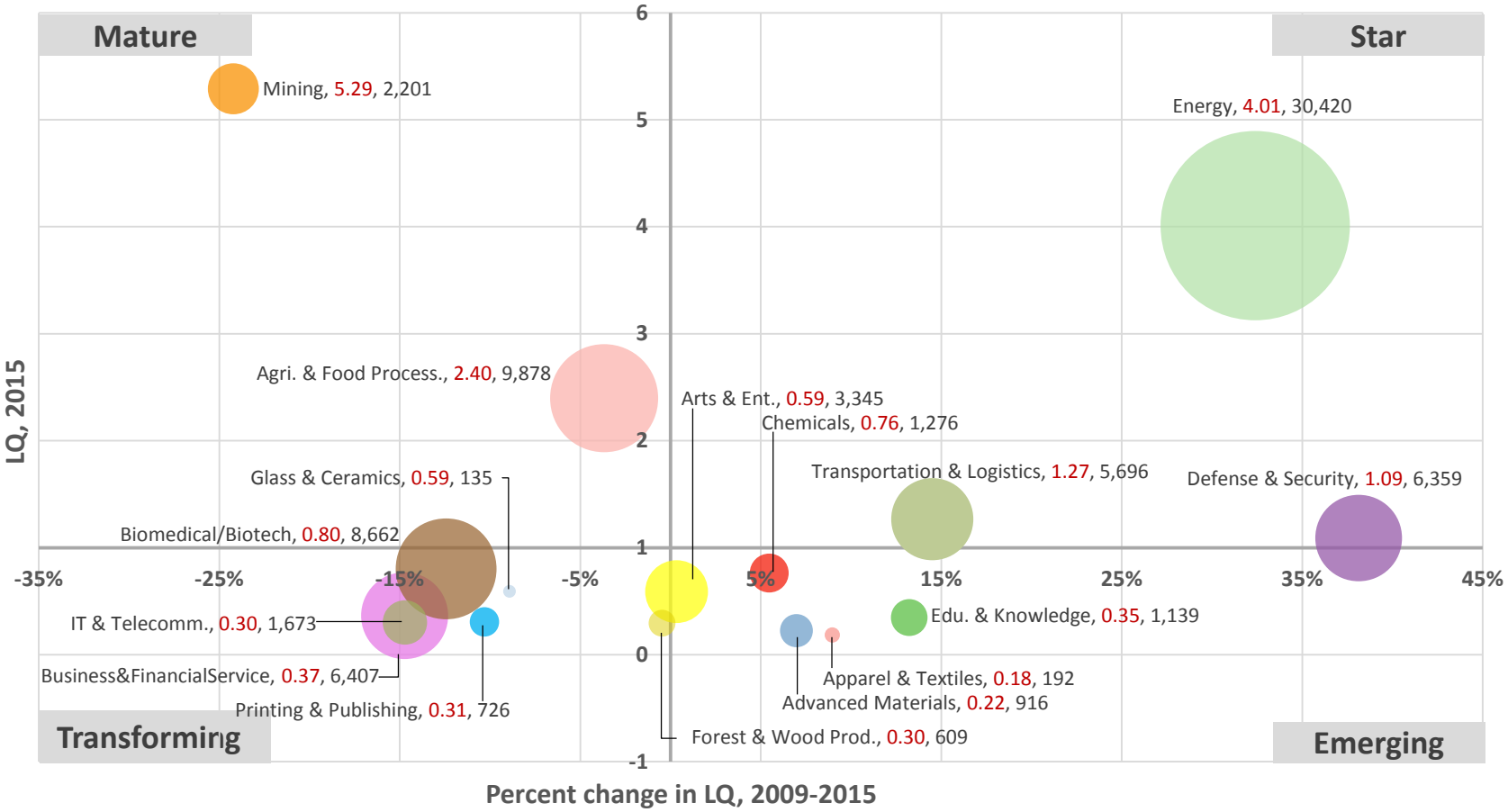


NOTE: The first number after each cluster represents the number of total jobs (full and part time jobs by place of work) in that cluster in the region in 2015. The clusters are sorted in decreasing order by location quotient as shown in the bubble chart.

Bubble Chart: What to Look at First



Industry cluster bubble chart

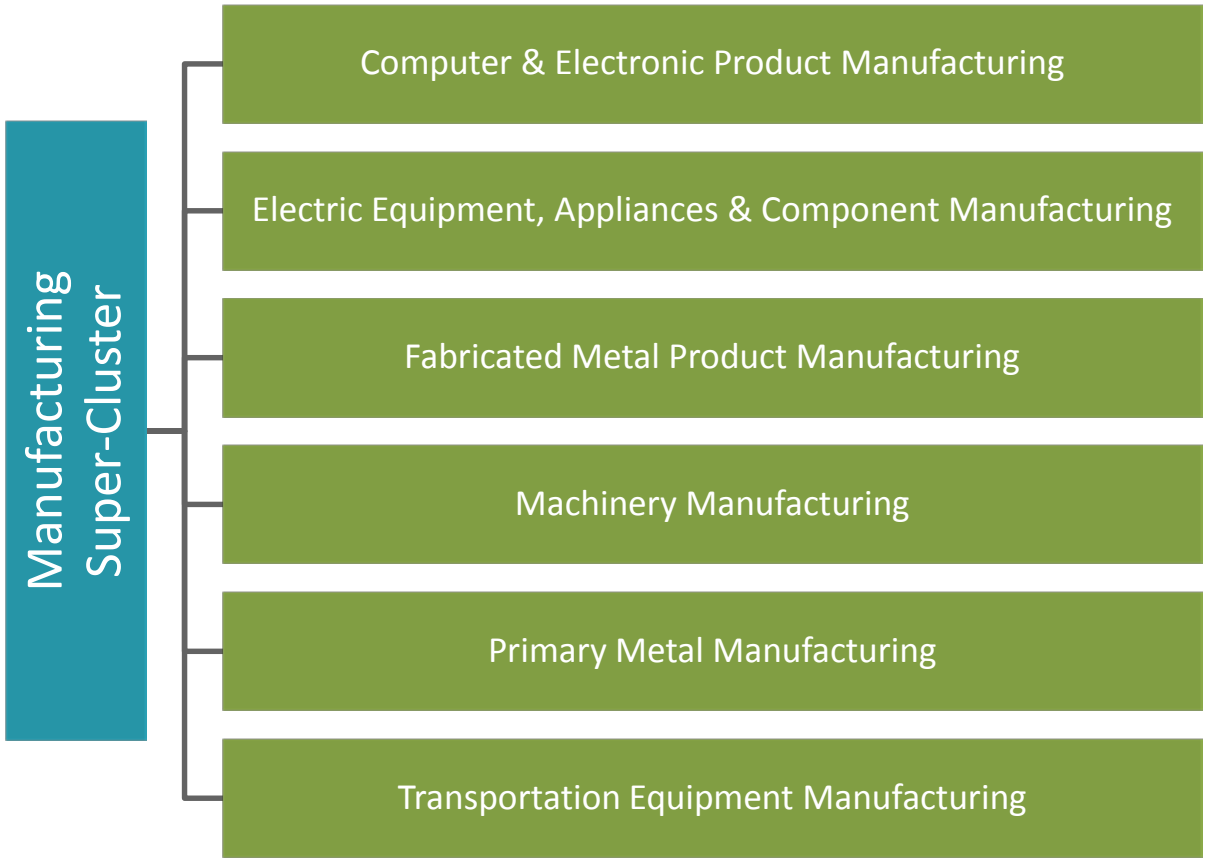


Note: Label includes cluster name, LQ in 2015, and Employment in 2015.

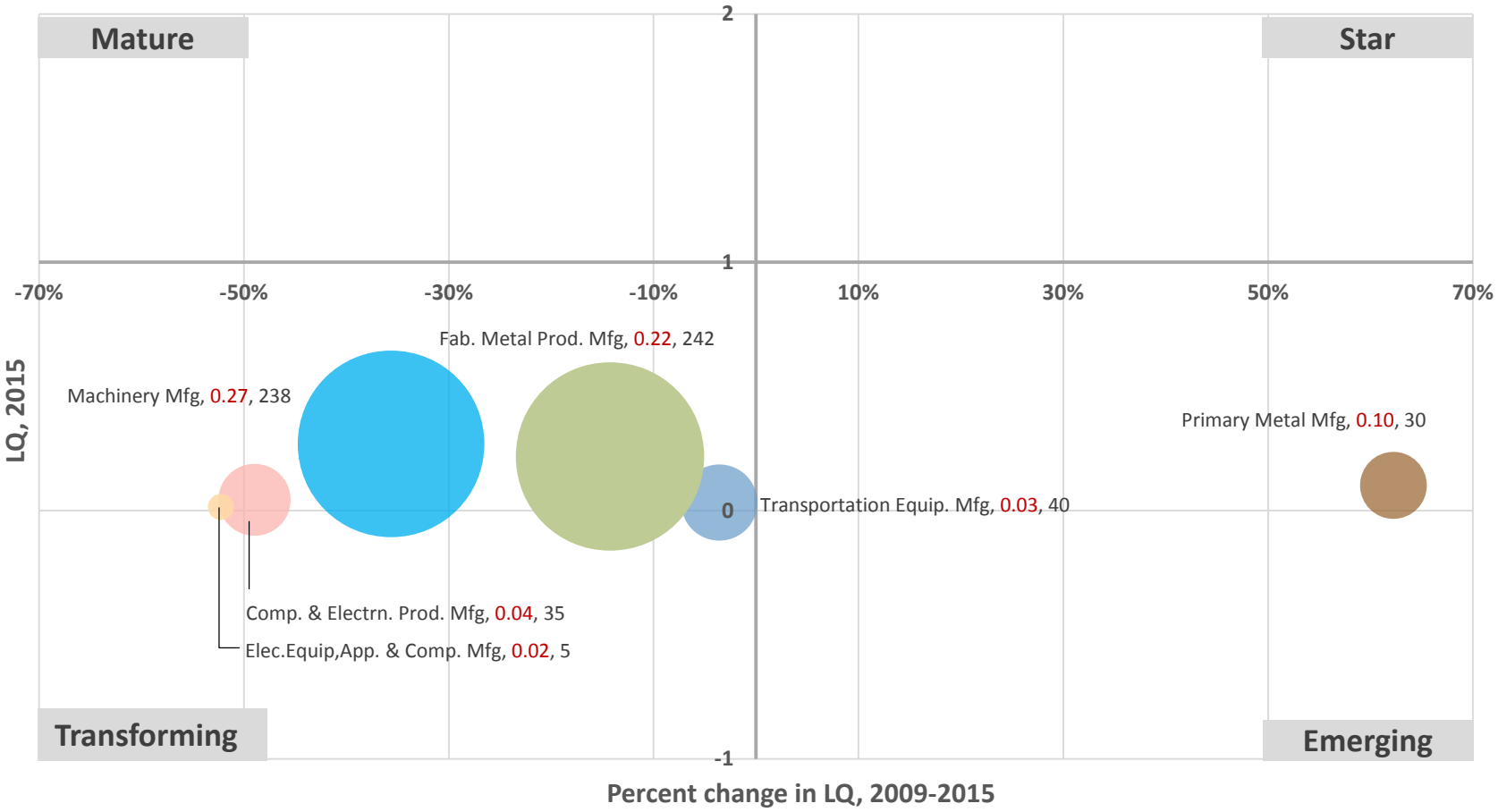
Source: EMSI Class of Worker 2016.4 (QCEW, non-QCEW, self-employed and extended proprietors)

The Manufacturing Super-Cluster

Please note that this is not a cluster that a SET region should select. Rather, focus on the manufacturing sub-clusters that are important to that super-cluster.



Manufacturing sub-cluster bubble chart



Note: Label includes cluster name, LQ in 2015, and Employment in 2015; Very few regional jobs in Electrical Equipment, Appliance & Component Mfg. Cluster.

Source: EMSI Class of Worker 2016.4 (QCEW, non-QCEW, self-employed and extended proprietors)

For your region

Mature Industries

Two industry clusters in the Southeastern NM region is in the Matured stage: Mining and Agribusiness, Food Process & Technology. The mature industry is relatively concentrated, but its growth is trending downward. It is worth noting, however, that the Region may find it worthwhile to invest in efforts to shore up the concentration of these industries.

Star Industries

Star industry clusters are highly concentrated, exporting and still experiencing growth in the region. Three Star industry clusters in the Southeastern NM region are Energy; Transportation & Logistics; and Defense & Security. These clusters indicate that they have a little more jobs concentration in the region compared to the U.S.

Transforming Industries

Transforming clusters capture the mix of industries that are experiencing relative decline and limited export capability. In the Region, Biomedical/Biotech; Glass & Ceramics; Business & Financial Services; Printing & Publishing; Forest & Wood Products; IT & Telecom; Machinery Mfg.; Fabricated Metal Prod Mfg.; Computer & Elec Prod Mfg.; Transportation Equip Mfg.; and Elec Equip, App & Comp Mfg. Eleven industry clusters are all Transforming clusters. Any amount of growth in these industries would require relatively large investments.

Emerging Industries

Industry clusters that may be poised for future growth are classified as “Emerging.” There are six Emerging clusters in total in the Southeastern NM region: Chemicals; Arts, Ent, Rec & Visitor Industries; Education & Knowledge Creation; Advanced Materials; Apparel & Textiles; and Primary Metal Mfg.

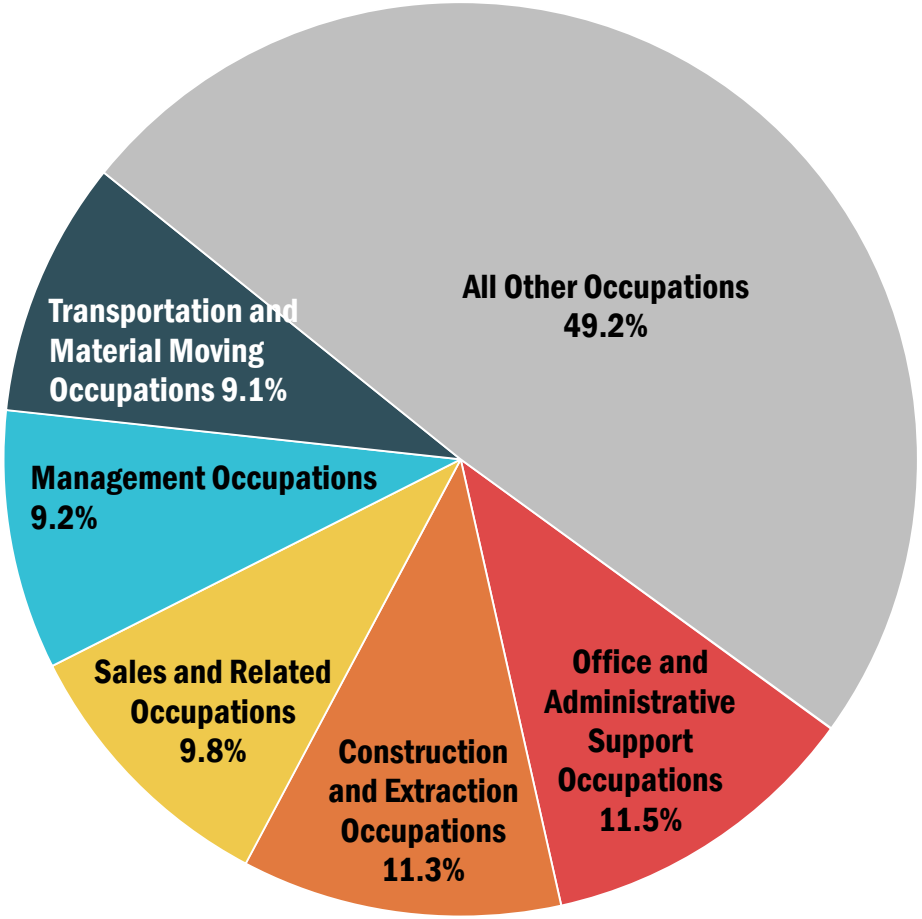
Source: EMSI Class of Worker 2016.4 (QCEW, non-QCEW, self-employed and extended proprietors)

04 occupations

Top occupations

STEM occupations

Top five occupations in 2015

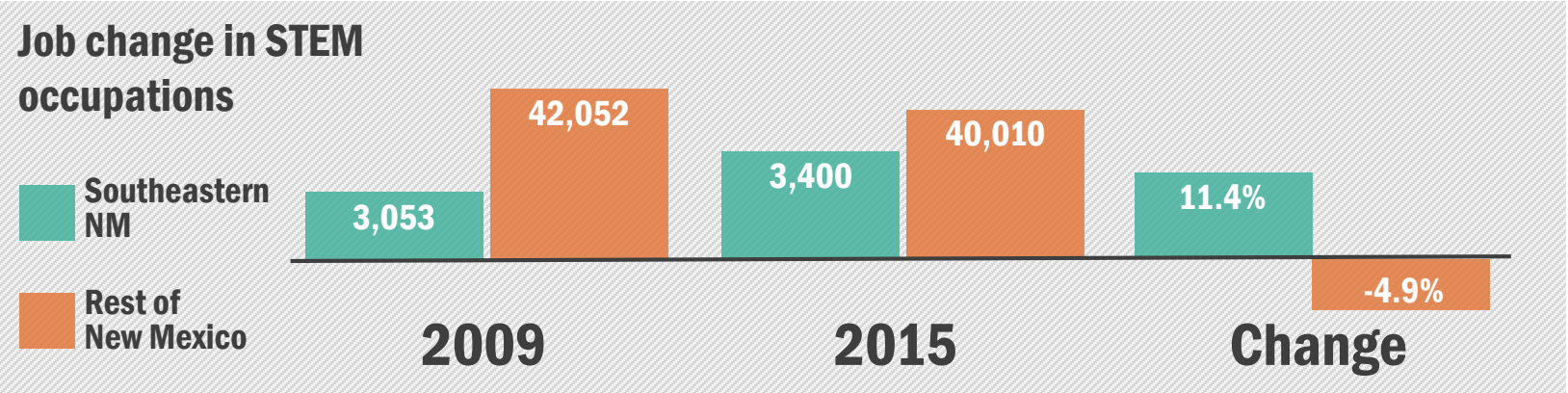


Questions:

- What are the education and skill requirements for these occupations?
- Do the emerging and star clusters align with the top occupations?
- What type salaries do these occupations typically provide?

Source: EMSI Class of Worker 2016.4 (QCEW, non-QCEW, self-employed and extended proprietors)

Science, Technology, Engineering & Math



Questions:

- How do STEM jobs compare to the state?
- What has been the trend of STEM jobs over time?
- How important are STEM jobs to the region's Star and Emerging clusters?

*Note: STEM and STEM-related occupation definitions from BLS (2010)

Source: EMSI Class of Worker 2016.4 (QCEW, non-QCEW, self-employed and extended proprietors)

Report Contributors

This report was prepared by the Purdue Center for Regional Development, in partnership with the Southern Rural Development Center and USDA Rural Development, in support of the Stronger Economies Together program.

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This report was supported, in part, by grant from the USDA Rural Development through the auspices of the Southern Rural Development Center. It was produced in support of the Stronger Economies Together (SET) program.

PURDUE UNIVERSITY

Center for Regional Development
Advancing Collaboration : Energizing Regions

The Purdue Center for Regional Development (PCRD) seeks to pioneer new ideas and strategies that contribute to regional collaboration, innovation and prosperity.

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June 2017