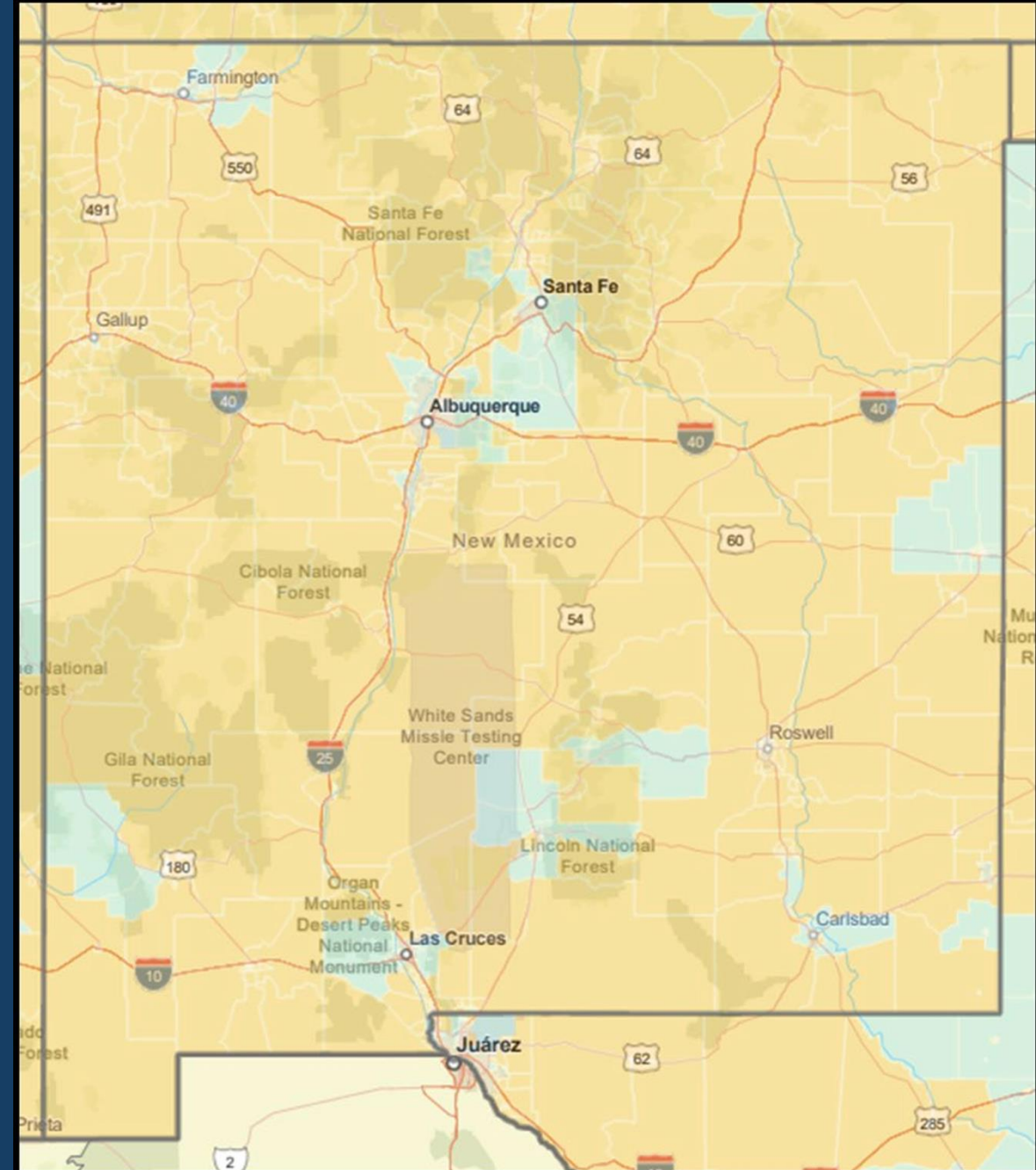


SOCIOECONOMIC SURVEY

AUGUST 28, 2025

PHASE 1: BASELINE POLICY RESOURCE AND DATA REVIEW COMPREHENSIVE ENERGY TRANSITION STRATEGY

JEANETTE PABLO



Yellow - Disadvantaged Communities
Blue - Not Disadvantaged Communities

Summary & Key Takeaways

U.S. News and World Report State Ranking

New Mexico Rankings

OVERALL RANKINGS	CATEGORY	RANK
 #49 out of 50 in 2024	Crime & Corrections	#49
 #47 Overall Rank	Economy	#43
	Education	#50
	Fiscal Stability	#26
	Health Care	#38
	Infrastructure	#42
	Natural Environment	#30
	Opportunity	#37

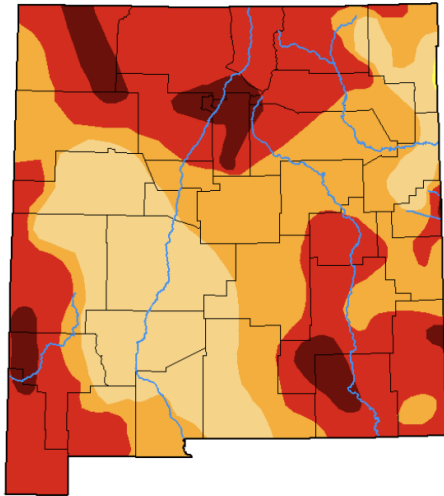
Socioeconomic Data Summary

- New Mexico is ranked 47th overall among U.S. states in its overall quality of life
- 25% of New Mexicans live at or below the federal poverty level
- With 836,000 New Mexicans enrolled—nearly 40% of our population—we lead the nation in per capita Medicaid coverage.
- 18 out of 33 counties are above 20% New Mexicans living in poverty
- 50th in education for the ninth year in a row
- New Mexico has the lowest literacy rate in the U.S.
- New Mexico and Oklahoma have the lowest percentage of students at the advanced reading level - 4%
- Eight in ten residents are unable to purchase a fiber internet plan
- New Mexico ranks 37th among states in annual rankings of internet coverage, speed and availability
- New Mexico is 44th in infrastructure, 45th in business environment, and 46th in economic opportunity
- Albuquerque (largest city) has the most crime in New Mexico and the second highest violent crime rate in the state
- 26 percent of New Mexico's residents speak Spanish at home
- 35% of New Mexicans speak a language other than English.
- 9 percent speak English “less than very well” in New Mexico
- New Mexico has a health care provider shortage negatively impacting preventative care and access to treatment
- Diseases of despair are highest among Native Americans and New Mexico ranks highest for alcohol related deaths in the U.S.
- New Mexico's minority-majority population has suffered root shock, historical trauma and the effects of colonization leading to systemic racism and social injustices

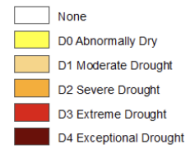
Large-Scale Climate Change and Hydrological Impacts in New Mexico

U.S. Drought Monitor New Mexico

October 6, 2020
(Released Thursday, Oct. 8, 2020)
Valid 8 a.m. EDT



Intensity:



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

Author:

Brian Fuchs
National Drought Mitigation Center



droughtmonitor.unl.edu

- Over the next half century, profound changes in New Mexico's climate will affect water resources across the state.
- All evidence suggests that surface temperature will continue to rise throughout New Mexico over the next 50 years.
- Most projections of statewide annual mean temperature are from 3°F to 7°F warmer than the late 20th century, and some high-end models predict even more warming.
- The magnitude of change depends on future human-caused emissions of greenhouse gases; the warming associated with even modest projections would generate unprecedented high temperatures and significantly stress our water resources.
- Increasing temperature is the most pronounced and predictable component of climate change in the Southwest.

Oil and Gas Revenues Game Changer

Quality of Life, and Lower Drug Use and Criminal Activity

Over the last decade the share of New Mexicans experiencing poverty declined more than in almost any other state in the U.S.

- New Mexico has capitalized on its booming oil and gas industry to undertake investment policies in education, childcare, health care, infrastructure and public improvements.
- That coincides with a period in which state lawmakers significantly altered tax rates to reduce the burden on low-income residents. They enacted and expanded tax credits and rebates that annually return hundreds of millions of dollars to working families. And they instituted other benefits including a constitutional right to early childhood education.

These changes have vaulted the state's tax structure from one of the most regressive in the country, where lower-income people paid a bigger share of their incomes in taxes than the wealthiest, to among the most progressive, where the poorest residents now pay a lower share of their income in taxes than any other group.

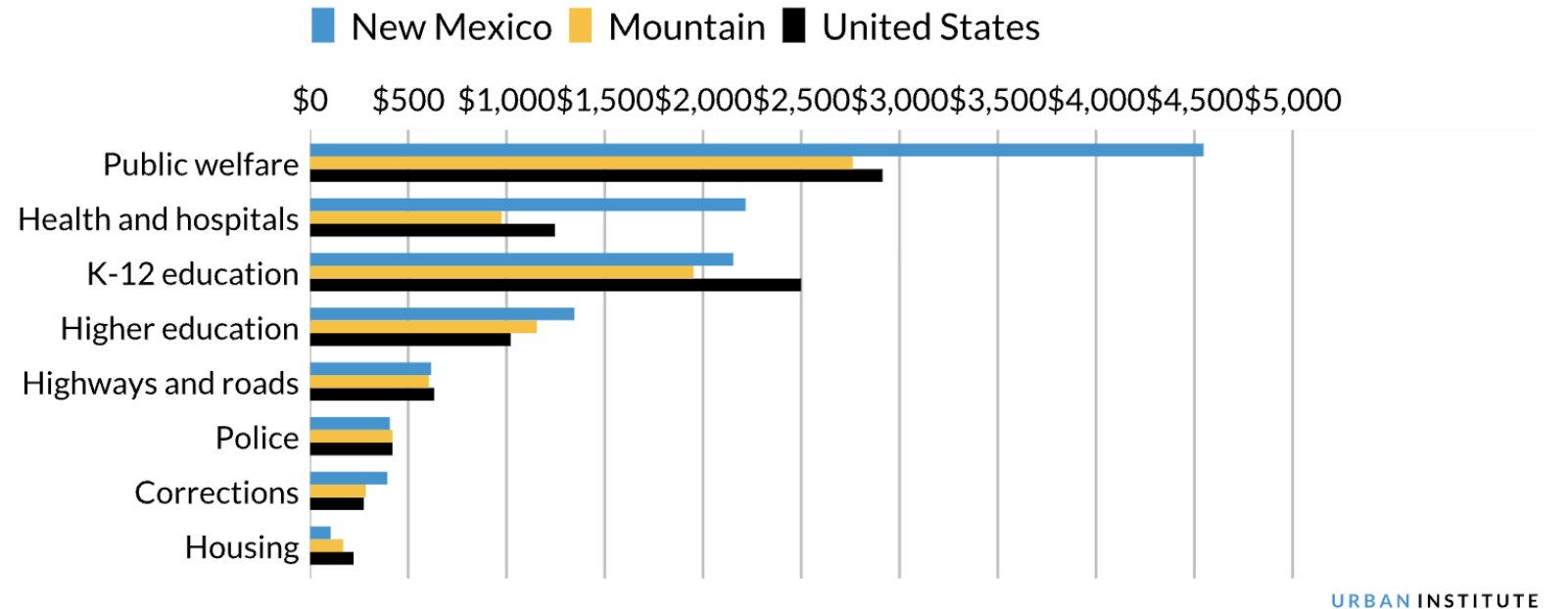
State Budget Economic Dependencies

Percentage of State Budget

Federal Funds	30.7%	(FY 2023)
Oil & Gas	40.0%	(current)

New Mexico's State and Local Per Capita Expenditures, Fiscal Year 2022

Compared with national and regional averages



Source: US Census, Fiscal Year 2022.

Note: Medicaid spending is allocated to both public welfare and health and hospitals, with the majority of dollars allocated to the former. "Housing" includes both housing and community development expenditures. Census's definition of the Mountain region includes Arizona, Colorado, Idaho, Minnesota, New Mexico, Nevada, Utah, and Wyoming.

Oil & Gas Revenues (breakdown)

- Severances and other direct revenue, 17.0%
- Gross receipts and income tax collections, 23.0%

State Budget Economic Dependencies

August 6, 2025

NM higher ed faces more than \$100 million in federal funding cuts

Secretary Rodriguez: Schools' capital outlay requests outstrip funds

BY: **AUSTIN FISHER** - AUGUST 6, 2025 11:40 AM



Excerpts from New York Times article (above), August 6, 2025.

Health care. Food. Outdoor recreation. Wildfire protection. The arts. President Trump's new domestic policy law will have wide-ranging effects in New Mexico, which depends heavily on federal funding.

The state is among the biggest per capita recipients of federal money, taking in \$3 for every dollar it sends in taxes. About 39 percent of its residents are on Medicaid — one of the highest rates in the country — and 23 percent receive food assistance. [Nearly a third of the state](#), 24.7 million acres, is public land.

"You couldn't design a budget-reconciliation package that would be worse for the state of New Mexico," Senator Martin Heinrich [said at a health care forum](#).

The [state estimates that it will lose](#) \$2.8 billion annually in Medicaid funding, and as much as \$352 million from the Supplemental Nutrition Assistance Program, or SNAP, which helps low-income families buy groceries. Six to eight rural hospitals could close within the next 24 months.

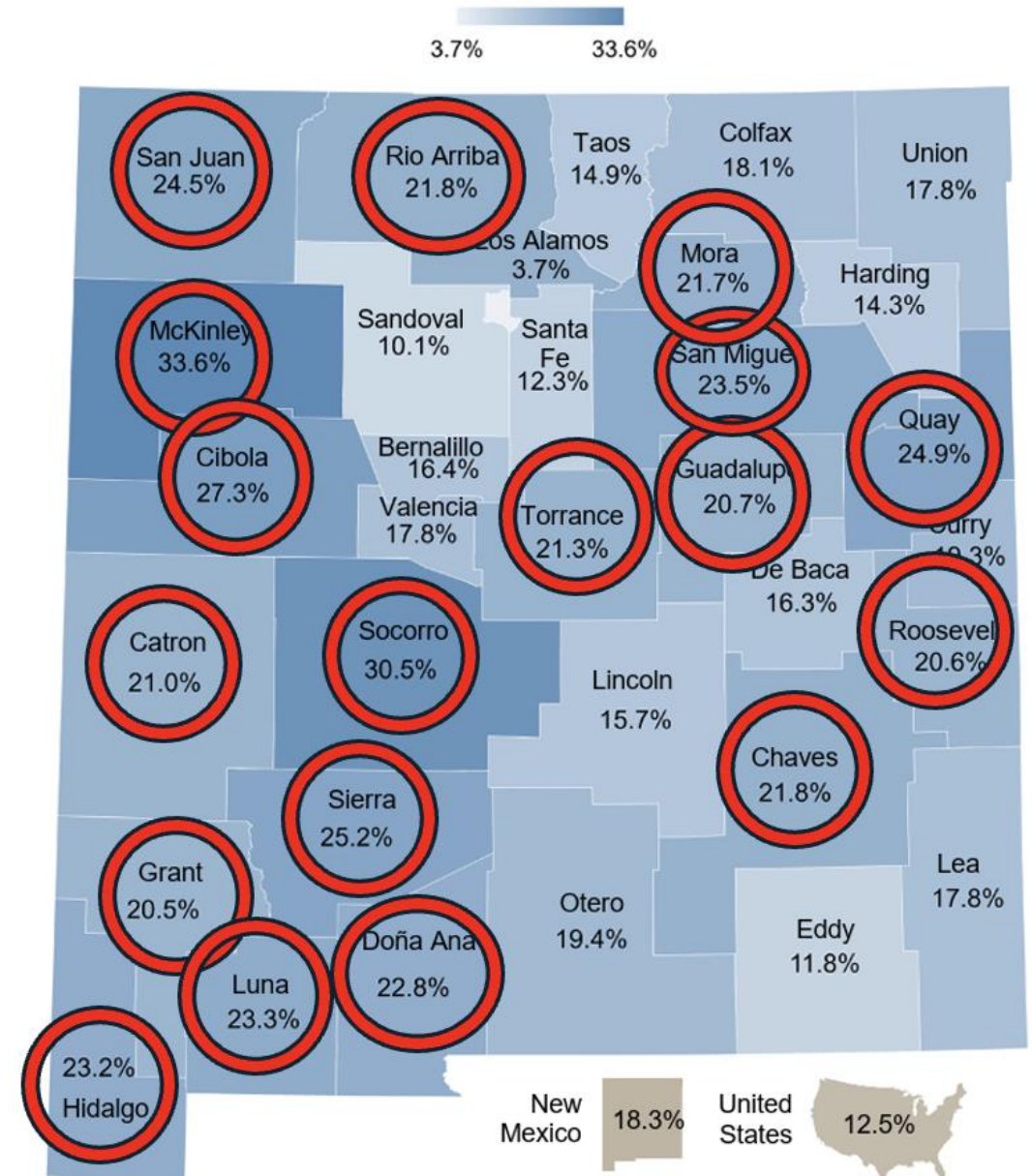
And out of roughly 22,000 jobs in state government, more than 2,000 are wholly funded by the federal government, while an additional 3,800 are partially funded, Wayne Propst, secretary of the Department of Finance and Administration, told [the funding subcommittee](#).

Socioeconomic Data

Poverty

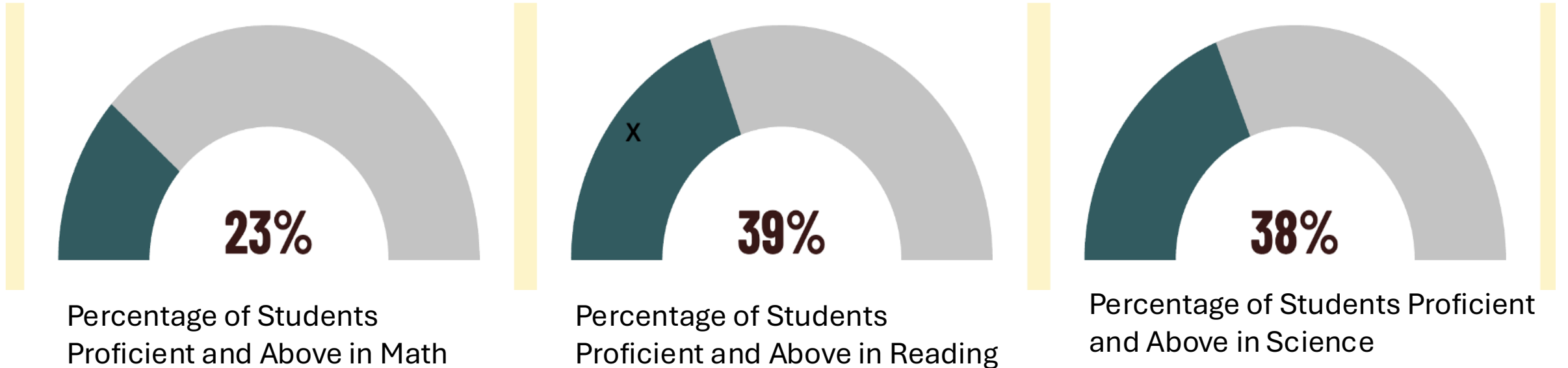
As of 2022, there were 378,651 persons living below the federal poverty level in New Mexico.

- New Mexico's average population living in poverty 18.3%
- U.S. population living in poverty 12.5%
- 18 out of 33 counties are above 20% New Mexicans living in poverty.



Education

**For the Ninth Year in a Row, New Mexico Has Ranked 50th
Out of the 50 U.S. States in Education.**



Grades 3, 8, and 11 | 2023-2024

Literacy & Language

Overall Literacy Performance Score

New Mexico	201	Lowest Score
United States	214.16	Average Score

Reading Level Distribution (2024)

Percentage of Students	Below Basic Reading Level	Basic Reding Level	Proficient Reading Level	Advanced Reading Level
New Mexico	53%	27%	16%	4%

Language

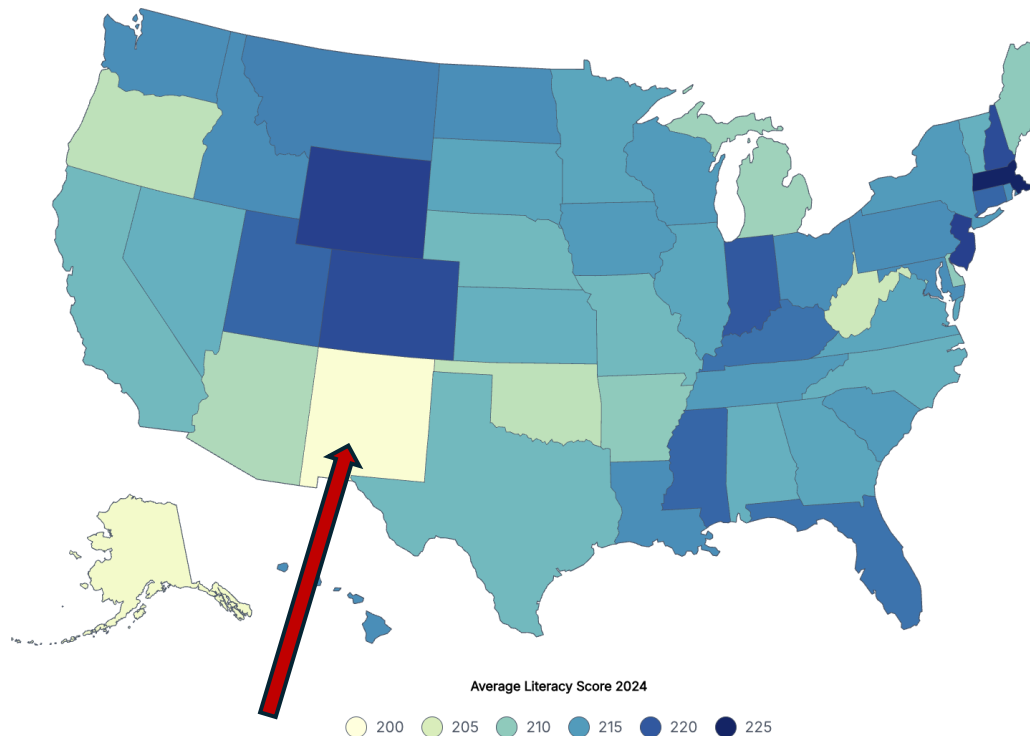
9 percent speak English “less than very well”

35% of New Mexicans speak a language other than English

~26 percent of New Mexico’s residents speak Spanish at home

U.S. Literacy Rates by State 2025

New Mexico has the lowest literacy rate in the U.S. in 2025



Health

Health Challenges Specific to New Mexico

- 25% of New Mexicans live at or below the federal poverty level.
- New Mexico has a health care provider shortage which negatively impacts preventative care and access to treatment.
- Obesity and diabetes among New Mexico youth are disproportionately higher in Native and Hispanic populations.
- Diseases of despair are highest among Native Americans, with NM ranking highest for alcohol related deaths in the nation.
- LGBT youth are more likely to suffer depression and anxiety and to have attempted suicide.
- Teen pregnancy rates among Hispanic and Latino females are higher than any other racial or ethnic group.
- Infant mortality and poor maternal health outcomes are highest among Black and African American women.
- New Mexico's minority-majority population has suffered root shock, historical trauma and the effects of colonization leading to systemic racism and social injustices.

Internet & Broadband Access

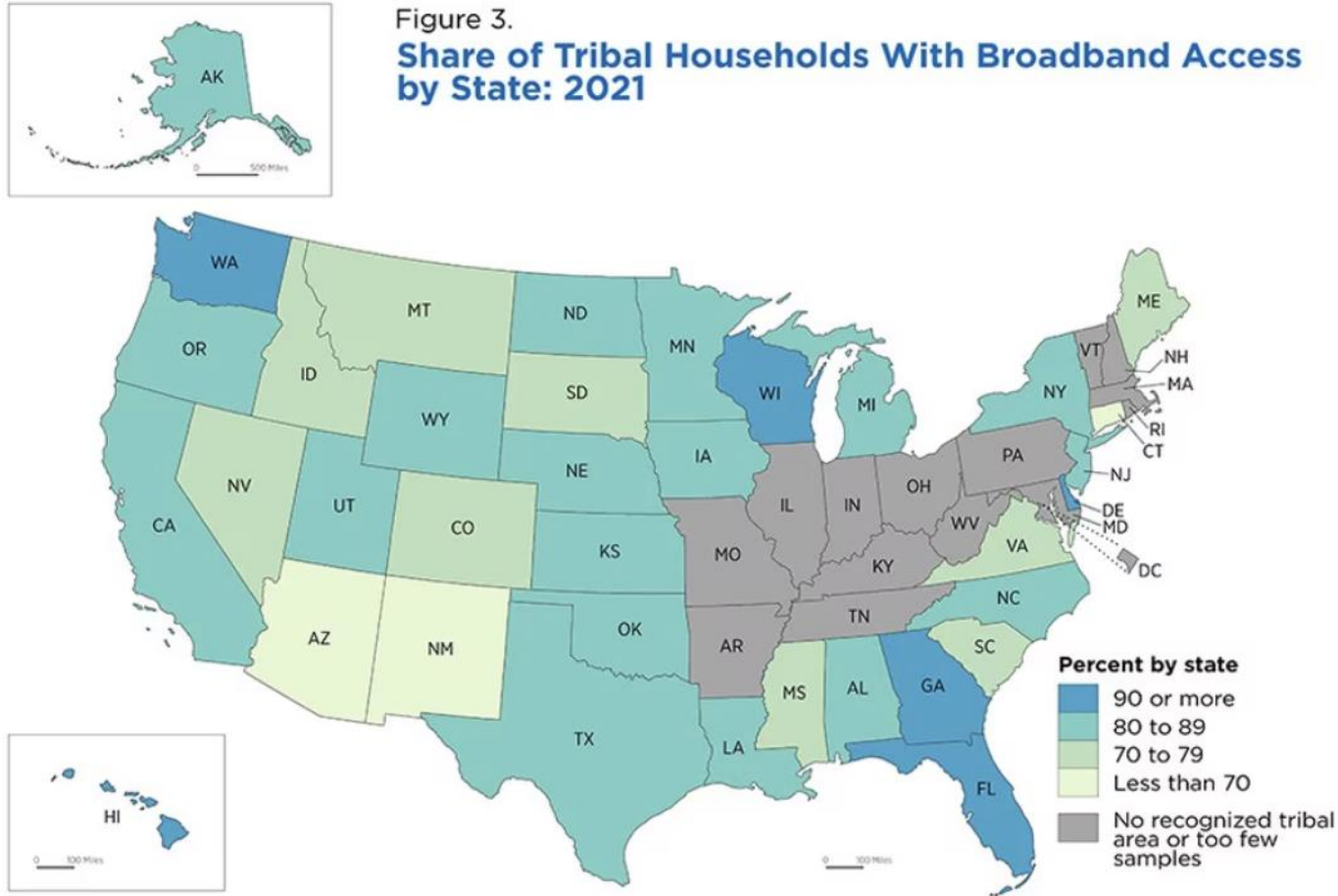
Without reliable, affordable Internet, frontier communities have limited economic opportunities and lack access to education, healthcare, and many other services.

The use of broad “urban” and “rural” categories may mask some differences because of the substantial variations in population size and density. For example, a rural area may refer to a county with a city of 10,000 or more, or to a frontier area which has an extremely low population density, usually fewer than 6 people per square mile.

- New Mexico currently ranks 37th among states in *BroadbandNow*’s annual rankings of internet coverage, speed and availability.
 - One in ten New Mexico residents are not able to purchase an internet plan of at least 25Mbps download and 3Mbps upload.
 - Eight in ten residents are unable to purchase a fiber internet plan.
 - The Navajo Reservation and Off-Reservation Trust Land — which spans parts of Arizona, New Mexico, and Utah and has one of the largest tribal American Indian and Alaska Native populations (161,386 residents) in the United States — had a broadband subscription rate of only 33%.

Broadband Access: Share of Tribal Households

Figure 3.
**Share of Tribal Households With Broadband Access
by State: 2021**



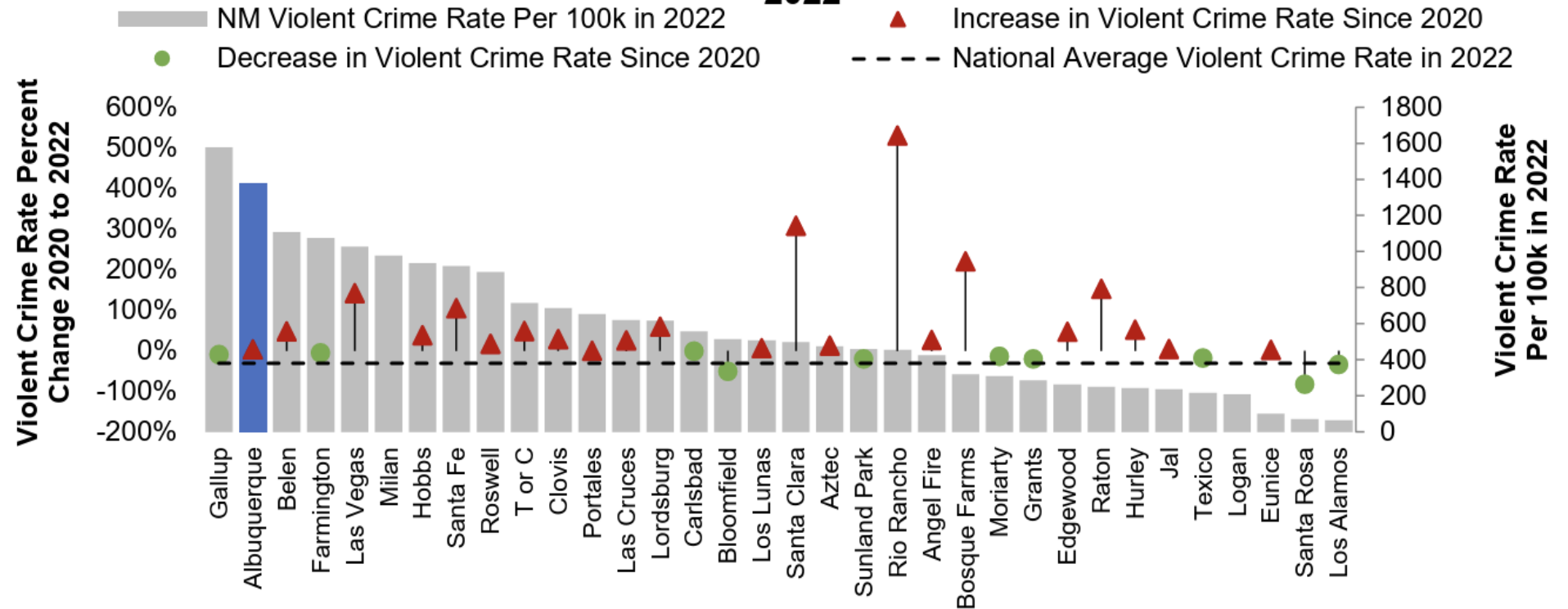
Location	Broadband
Navajo Reservation and Off-Reservation Trust	33%
New Mexico	88%
Arizona	80%
Utah	91%

Crime

Albuquerque has the most crime in New Mexico and the second highest violent crime rate in the state.

Although **Gallup** has just over 21,000 residents, its reported crime rate was 53.05 crimes per 1,000 people. There is a high level of violent crime, with the rate being 13.60 per 1,000 people, just behind the state's highest. **Gallup has been dealing with poverty and substance abuse problems for some time, both of which usually raise its crime rates.**

Chart 5. At Least 20 Communities Saw Violent Crime Increase from 2020 to 2022



Note. Crime data for 2022 was not reported by Alamogordo, Bernalillo, Carrizozo, Cuba, Deming, Espanola, Estancia, Lovington, Ruidoso, Ruidoso Downs, Socorro, Taos, Tularosa
Source: FBI

Energy (Select Data)

GHG Inventory - Preliminary

Priority Climate Action Plan, March 1, 2024

Sector/Source	2005 ⁶	2018 ⁶	2021 (percent of total)
Electricity Generation	16.3	12.1	17.7 (20.0%)
Transportation	16.5	15.8	15.3 (17.3%)
Residential Buildings	2.4	2.2	2.2 (2.5%)
Commercial Buildings	1.7	1.7	1.6 (1.8%)
Industry (Non-Oil and Gas)	2.8	2.1	2.1 (2.4%)
Industrial Products and Product Use (IPPU)	1.7	2.7	1.5 (1.7%)
Agriculture	7.3	7.7	10.3 (11.6%)
Coal Mining	1.6	0.9	0.9 (1.0%)
Waste and Material Management	1.6	1.8	1.1 (1.2%)
Oil and Gas Industry	37.9	33.0 ⁷	
<i>Subtotal Emissions (Sources)</i>	89.8	80.2	85.6 (96.6%)
Land-Use, Land-Use Change, and Forestry (LULUCF) Sector Net Total	4.8	6.1	2.9 (3.3%)
<i>Net Emissions (Sources and Sinks)</i>	94.6	86.2	88.6 (100%)

New Mexico is a U.S. Leader in Oil and Gas Production

New Mexico has become a U.S. leader in energy production over the past five years.

- Oil and gas proceeds fund an increasing share of state government, most notably involving education programs.
- State oil production surpassed 2 million barrels per day (mb/d) in 2024, more than doubling 2019 output.
- The nation's leading oil and gas resource, the Permian Basin, extends westward from Texas—No. 1 in oil production—to New Mexico, which is ranked No. 2.
- Production growth in New Mexico—on both percentage and volume bases—has greatly exceeded its bigger neighbor.
- Exploration largely in Eddy and Lea counties on federal lands in the southeast corner of New Mexico has propelled the expansion, bolstering state coffers in the process.

Advantages Compared to Neighbors

- The activity contrasts with many other states, including North Dakota, Oklahoma and California, where production has been generally stagnant or declined since 2019.
- Industry participants say the region has a larger number of drilling locations relative to other basins and a multi-stacked play, which allows the simultaneous targeting of several oil-bearing zones.
- It also benefits from a generally favorable regulatory environment, proximity to the refining and chemical complex on the Gulf Coast and access to pipelines for transport.

Federal Lands Dominate

- New Mexico oil production comes from lands where private, state, federal or Native American tribes control the mineral rights.
- Roughly two-thirds of crude oil production in the Permian portion of New Mexico is on federal lands (Chart 2).
- Overall, federal lands account for about one-third of the state's land mass.

Oil and Gas Revenues Game Changer for Quality of Life, and Lower Drug Use and Criminal Activity

Lawmakers created the *Higher Education Trust Fund* in 2024, seeding it with almost \$1 billion for tuition-free college for New Mexico residents. The fund tapped monies from oil and gas tax proceeds.

Oil and Gas Benefits: Education, Early Childcare, Health and Human Services

- The general fund defrays public education costs, including for K-12 education and the community college and higher education systems. It also supports health and human services, primarily for medical assistance for low-income individuals, but also for early childhood education and care, which was added in 2020.
- The value of the three other funds notably increased by \$25 billion from June 30, 2019, to June 30, 2024, including investment returns. The Early Childhood Trust Fund was established in February 2020 to tap energy revenue as a stable funding source, with the hope of eventually guaranteeing free, high-quality and universal early childhood care and education.
- The current annual budget for the [Early Childhood Education and Care Department](#) anticipates several new initiatives to enhance early child care, such as promoting professional development and mentoring of teachers, expanding early pre-K programs and pre-K access to 1,300 additional children and renovating early childhood facilities on Native American lands.

Positive Outcomes Anticipated: Quality of Life, and Lower Drug Use and Criminal Activity

- Although the true impact of these initiatives won't be known immediately, previous [research](#) evaluating early childhood investment programs suggest they [cost effectively](#) lead to positive outcomes in the future quality of life as well as improved personal behaviors, such as lower drug use and criminal activity.

Early Childhood Trust Fund

State Sen. John Arthur Smith, co-sponsor of the legislation establishing the program, said at the bill's signing that "*the riches [they're] seeing from the oil boom in the Permian have provided ... a remarkable opportunity.*"

The trust fund supplements federal funds for projects managed by the *Early Childhood Education and Care Department*.

They include child care subsidies for about half the state's children whose families earn up to 400 percent of the poverty level, as well as free meals in low-income areas when most schools are closed.

Electricity Affordability & Outages

Cost – March 2025 Cents Per Kilowatt Hour

New Mexico	14.87 cents
Lowest State – North Dakota	11.08 cents
Highest State - Hawaii	41.11 cents
Second Highest – Connecticut	32.55 cents

Outages Per Year (2023)

Mid Atlantic	0.736
East North Central	0.804
West North Central	0.811
Mountain	0.863
New England	0.944
New Mexico	0.997
U.S. Total	0.999
Pacific Contiguous	1.027
South Atlantic	1.082
West South Central	1.257
East South Central	1.510
Pacific Noncontiguous	1.595

Affordability

Average Energy Burden (% income) for Census Tracts in New Mexico

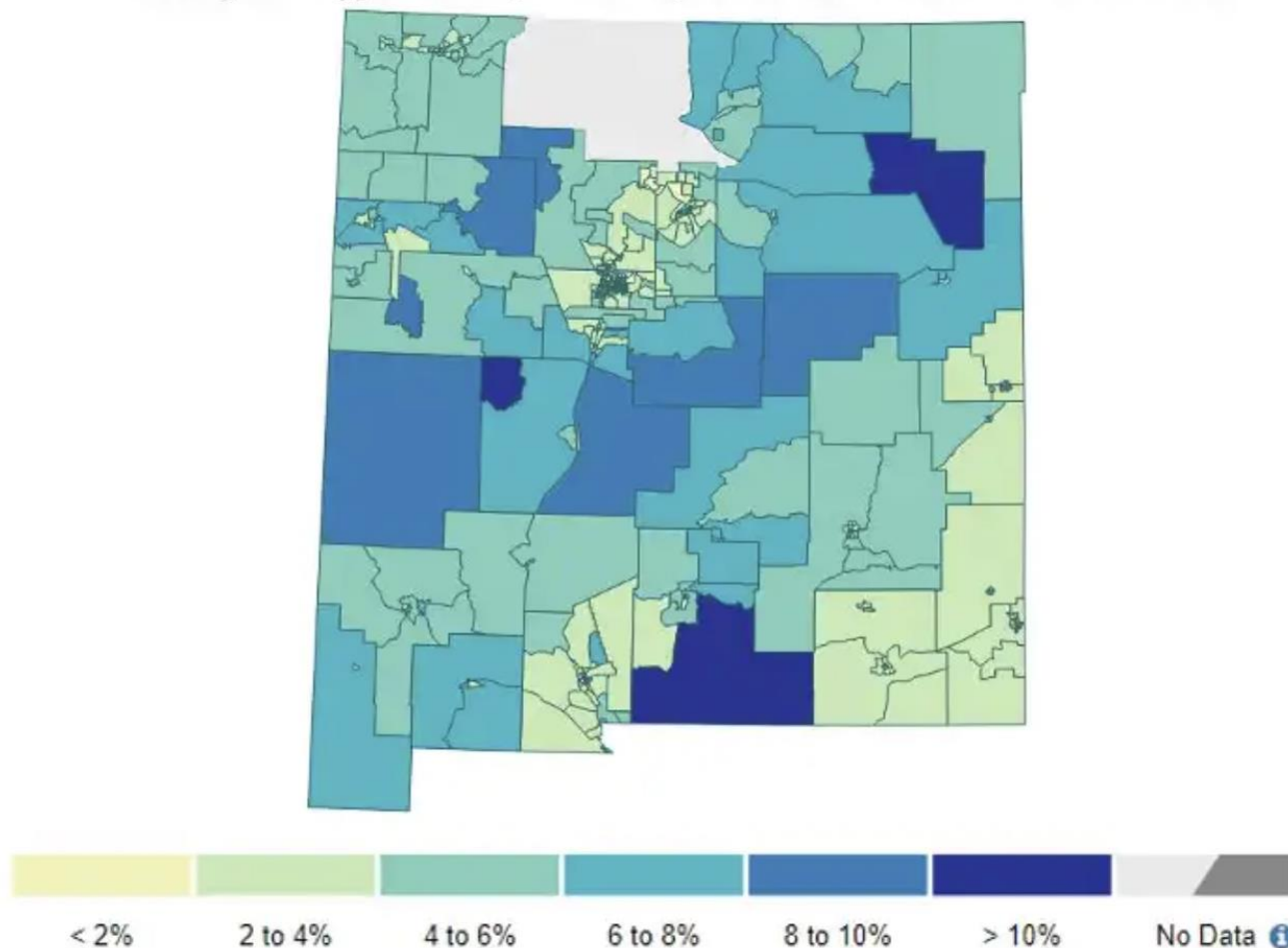


Figure 7. Energy burden as a percentage of income by census tract (LEAD Tool 2021). Grey indicates lack of data available for Rio Arriba County.

Future Challenges re Resource Adequacy

- Data centers could overwhelm the grids if they chose to.” Utility Dive, June 5, 2025
- US gas-fired turbine wait times as much as seven years; costs up sharply. S&P Global, May 20, 2025

- *Data centers are an accelerant to almost every sort of resource adequacy issue that we have, and if you combine that pace with the sort of growing schedule to build and complexity in building fossil generation, or thermal generation, dispatchable ... we don't have time to waste.* Adam Keech, PJM Vice President Of Market Design And Economics, June 5, 2025
- *We are now looking at the latter half of this decade showing 3% annual average load growth. ... We haven't seen that kind of load growth since the 1980s.* John Wilson, Vice President. Grid Strategies. Dec. 6, 2024
- *As of February, original equipment manufacturers, or OEMs, "are quoting upwards of five to seven years if you are trying to order [a gas-fired turbine] right now.* Bobby Noble, Senior Program Manager, Gas Turbine Research and Development, EPRI, May 20, 2025

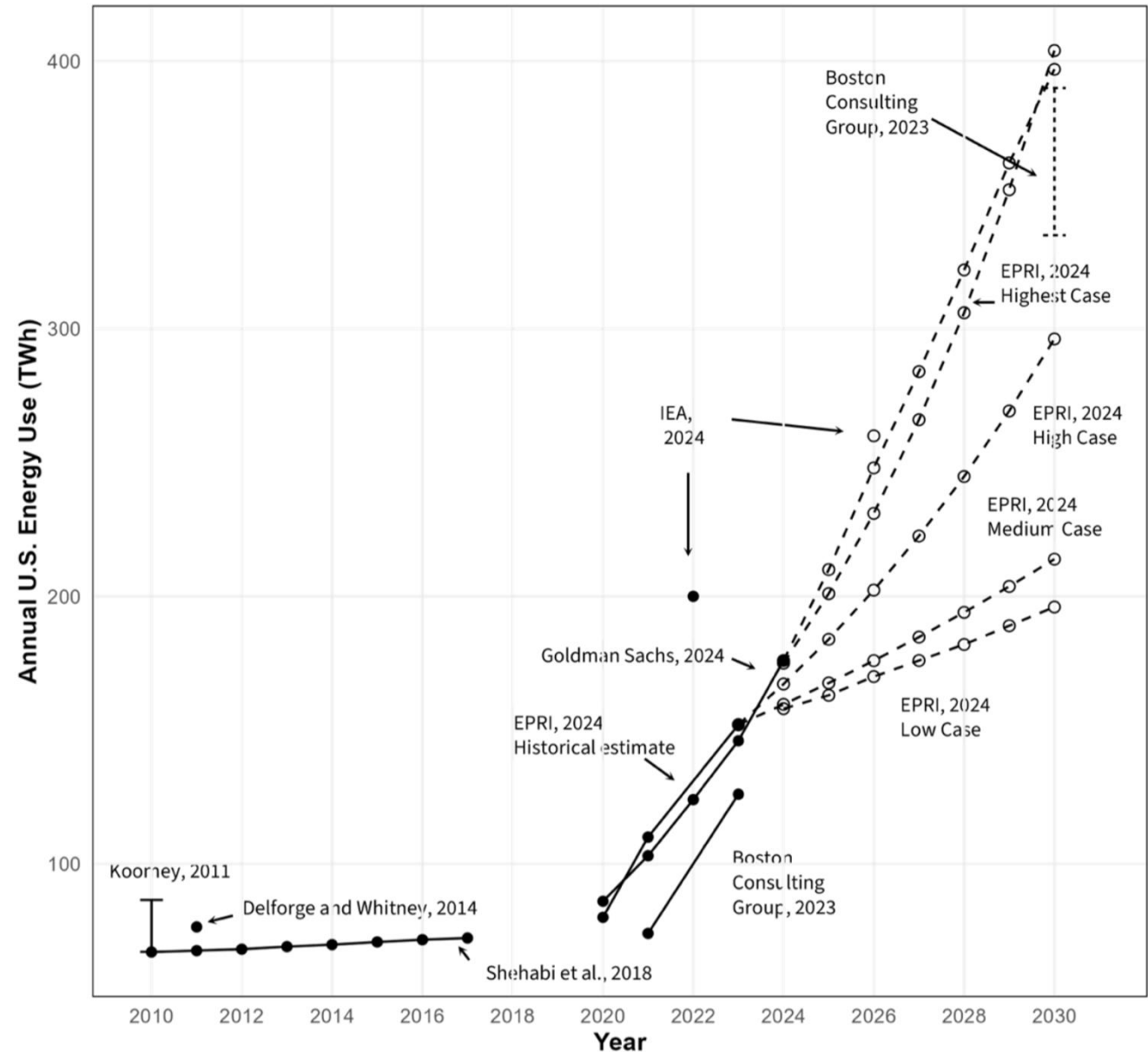
Future Challenges re Resource Adequacy

Data Centers Energy Use Historical Estimates

2024 United States Data Center Energy Usage Report, December 2024

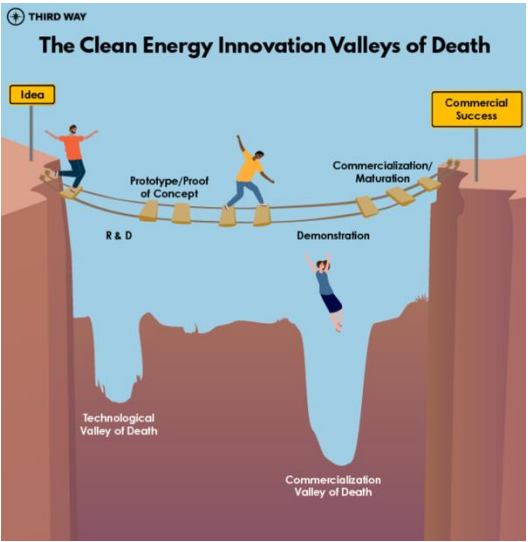
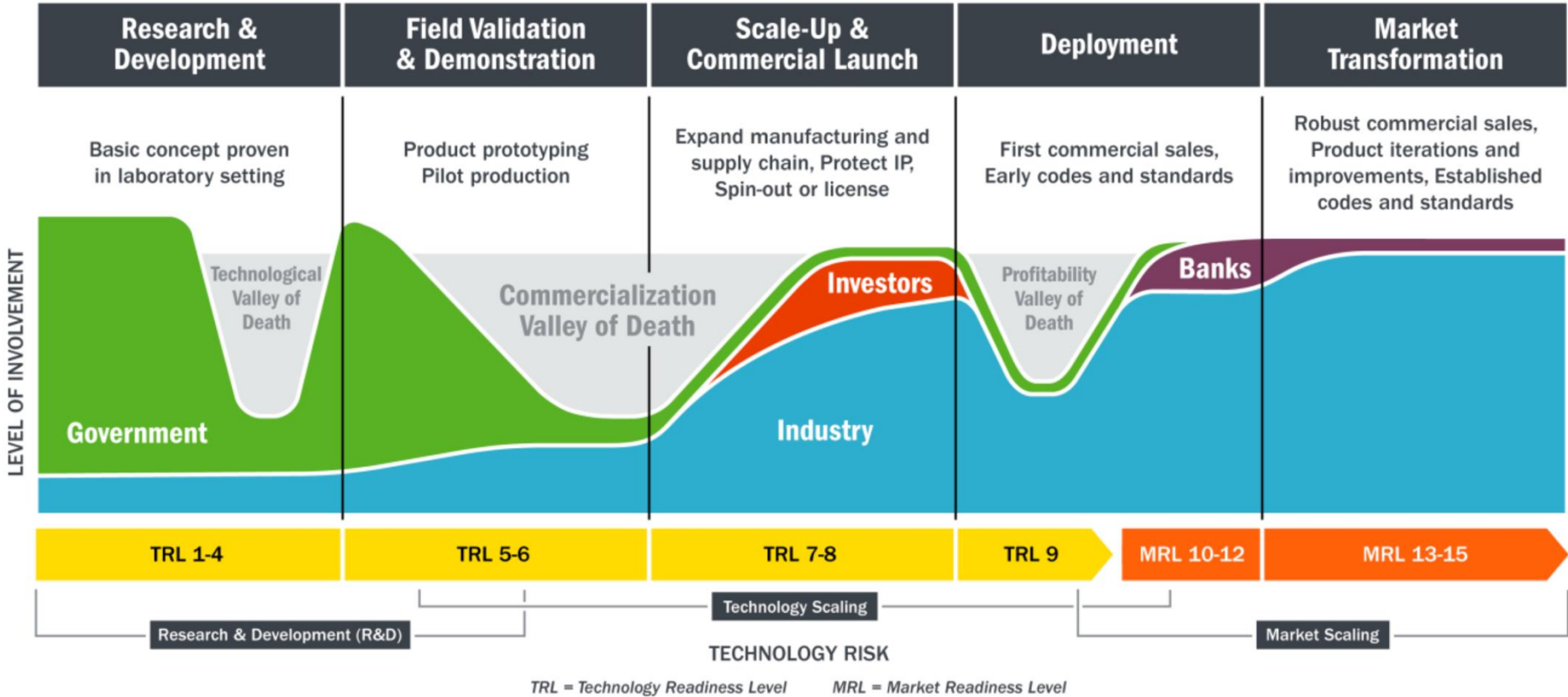
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Historical estimates are
shown with solid lines,
and projections are shown
with dashed lines.



Challenges for Advanced Clean Electricity Technologies Before 2035?

From conception to widespread commercialization takes between two and four decades.
The median time taken from invention to widespread commercialization was 32 years.
Can we fill the void in the next 5-10 years?



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