



New Mexico Labor Market August 2025 and August 2026

A year of job growth and rising unemployment

New Mexico added payroll jobs in the year to August 2026, yet more residents were unemployed and fewer were employed in the household survey. Its unemployment rate rose from 4.1% to 4.7%, while the national rate fell from 4.3% to 4.1%. The state now sits 0.6 percentage points above the country, having been 0.2 points below it a year earlier. The contrast warrants attention, particularly in Albuquerque, though the two employment surveys measure different things and cannot be reconciled by subtraction.

The year in figures

Measure	Aug 2025	Aug 2026	Change
Seasonally adjusted unemployment	4.1%	4.7%	+0.6 pp
US unemployment	4.3%	4.1%	-0.2 pp
Employed residents, household survey*	943,469	924,066	-19,403
Unemployed residents, household survey*	40,240	45,722	+5,482
Labor force, household survey*	983,709	969,788	-13,921
Nonfarm payroll jobs, current vintage*	894,000	905,300	+11,300
Annual payroll job growth	1.4%	1.3%	-0.1 pp

*The August 2025 household counts and implied payroll baseline use the revised figures in the August 2026 report. "pp" means percentage points. The 2025 report originally listed 949,835 employed, 40,857 unemployed and 902,600 payroll jobs; its old payroll level should not be compared directly with the newer vintage. Sources: New Mexico Department of Workforce Solutions, Labor Market Review, August 2025, pp. 1-4; August 2026, pp. 1-4.

Growth has shifted away from Albuquerque

The establishment survey recorded 905,300 statewide payroll jobs in August 2026, up 11,300 or 1.3% over the year. Construction added 2,900 jobs; retail 2,500; health care and social assistance 2,500; and local government 4,700. Federal government lost 2,000 jobs and professional and business services lost 2,300. The government gain is concentrated locally, including 3,200 more local education jobs. These are changes within overlapping categories, so they must not be added together.

Albuquerque moved in the opposite direction from the state: its metro area lost 2,300 payroll jobs, or 0.5%, including 3,600 in professional and business services. Las Cruces gained 1,300 jobs (1.6%); Farmington gained 100 (0.2%); Santa Fe lost 400 (0.6%). These metro changes come from the 2026 report's year over year series, which uses a consistent revision vintage.

A regional and national comparison

New Mexico's 1.3% payroll growth beat the US rate of 0.3% and the rates in Arizona (0.5%), Colorado (0.1%), Oklahoma (0.7%) and Texas (1.0%). Utah grew 1.2%; Nevada matched New Mexico at 1.3%. A year earlier New Mexico's reported 1.4% growth also exceeded the US figure of 0.8%, though this comparison describes each report's then current annual estimate, rather than a fixed historical series.

On unemployment, New Mexico's 4.7% in August 2026 exceeded Colorado's 4.0%, Oklahoma's 4.3% and Texas's 4.4%; Arizona registered 4.9%, Utah 3.5% and the US 4.1%. New Mexico was tied for the ninth highest state unemployment rate, against a tie for 18th a year earlier. The combination of above average payroll growth and worsening household employment suggests a more uneven market than the job headline alone conveys; the reports do not establish its cause.

The pressure is visible across New Mexico

All four metro unemployment rates rose on a like for like basis in the 2026 report: Albuquerque to 4.8% (+0.7 points), Farmington to 5.3% (+0.9), Las Cruces to 5.3% (+0.7) and Santa Fe to 4.2% (+0.5). These are unadjusted rates and should not be compared directly with the seasonally adjusted state or national figures. Luna County remained the outlier at 11.4%, up from a revised 10.0%; Los Alamos was lowest at 2.2%.

For employers and property investors, the relevant signal is local demand: statewide hiring growth did not translate into a stronger Albuquerque labor market. The next releases will show whether the divergence between payroll jobs and household employment persists. Both series are estimates subject to revision; the August 2026 report is the consistent source for its comparisons with August 2025.

Sources: New Mexico Department of Workforce Solutions, New Mexico Labor Market Review, August 2025, pp. 1-5; August 2026, pp. 1-6. Unemployment rates are seasonally adjusted unless stated otherwise; payroll jobs and metro unemployment rates are not seasonally adjusted.

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