ALICE IN NEW MEXICO:

» A STUDY OF FINANCIAL HARDSHIP

ALICE: Asset **L**imited, **I**ncome **C**onstrained, **E**mployed

2025 Report | UnitedForALICE.org

UNITED FOR ALICE

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of New Mexico

ABOUT UNITED FOR ALICE AND OUR PARTNERS

ALICE in New Mexico: A Study of Financial Hardship is brought to you by the United Ways of New Mexico in partnership with United For ALICE, a driver of innovative research and action to promote financial stability for **ALICE®** (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed) households. With a commitment to economic justice, United For ALICE and United Ways across New Mexico share this work with foundations, government, corporations, and other nonprofits to inform policy and promote positive change for ALICE households.

The grassroots ALICE movement, developed by United Way of Northern New Jersey, has spread to 37 states and the District of Columbia. Learn more about the ALICE movement here.

To create the ALICE Reports, our team of researchers works with Research Advisory Committees composed of experts from our partner states. This work is guided by our rigorous methodology, which is updated biennially with experts from across our Research Advisory Committees.

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United For ALICE partners with the United Ways of New Mexico to bring this research to New Mexico, and this work is sponsored by The Credit Union Foundation of New Mexico, along with Albuquerque Community Foundation, Anchorum Health Foundation, Comcast, Con Alma Health Foundation, JF Maddox Foundation, Permian Strategic Partnership, Sunward Federal Credit Union, and Wells Fargo.

To learn more about how you can get involved in advocating and creating change for ALICE in New Mexico, contact: **Jeanette Brahl**, Statewide Coordinator, ALICE at United Way of North Central New Mexico, at Jeanette.Brahl@uwncnm.org.

New Mexico ALICE Research Advisory Committee

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LETTER TO THE COMMUNITY

Dear Fellow New Mexicans,

New Mexico is known for its stunning landscapes, rich cultural heritage, delicious green and red chiles, and world-class art, alongside cutting-edge scientific research, but above all, for the warmth and spirit of its people. We care about our neighbors.

For many New Mexico households, providing food and housing, affording adequate healthcare, and saving anything for the future remains out of reach. These households are **ALICE**, an acronym for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed. ALICE households earn above the Federal Poverty Level, yet not enough to afford basic necessities. ALICE households often live paycheck to paycheck and have to make impossible choices, such as buying food or a needed prescription, paying the rent or their taxes. Often, they are one emergency away from slipping further into financial instability.

We all know ALICE – they are our child care providers, local grocery store cashiers, food service workers, janitors, personal care aides, and more, sometimes working full-time or at multiple jobs just to exist. Because ALICE households often do not qualify for aid or social programs, they remain hidden. The obstacles to financial stability that ALICE households face are not tenable, and we must do more to understand and respond to them.

There is hope, as New Mexico has joined the United for ALICE movement. By raising awareness of the challenges for ALICE households, we have a better chance of succeeding at the collective work of helping build financial stability for ALICE.

United Ways have always worked with their communities to provide for the needs of New Mexicans. These efforts are now more important than ever, as demonstrated by this inaugural New Mexico ALICE Report. The data shines a light on the 46% of households in the state that work hard but struggle to achieve financial stability.

"Scientia potentia est": Knowledge is power and can expand our ability to reach those in our communities who need our support. Comprehending the challenges ALICE faces is an important step in coming together around actionable solutions.

This Report is made possible by the generosity of our title sponsor, The Credit Union Foundation of New Mexico, other dedicated sponsors, the United Ways of New Mexico, and the many volunteers, donors, nonprofit partners, and leaders who contribute to United Way's community-focused efforts. With continued support, we are positioned to translate this data into meaningful ways to improve lives and strengthen the economic well-being of New Mexico.

UNITED, we can do more for ALICE.

Sincerely,

Rodney Prunty
President & CEO
United Way of North Central New Mexico

ALICE ONLINE

Visit UnitedForALICE.org to explore the interactive data and resources that accompany this Report. Click the icons below to get started.

National Overview National data and state comparison	**ALICE Demographics** State, county, and regional demographic data	**ALICE Household Budgets** State, county, and regional budgets
NEW **Mapping Tool** Explore data for all available geographies (state, county, municipality, ZIP code)	**NEW** **Income Status Tool** Input income, household type, and location to see household ALICE status	**County Reports** All available county data in a shareable format
Legislative District Tool See data by state upper and lower chambers and congressional district	**Economic Viability Dashboard** Key data on work, housing, and community resources	**ALICE Essentials Index** Data on change over time in the cost of household basics
Data Sheet State ALICE data over time and by location	**Wage Tool** Identify counties where select hourly wages can support basic costs	**ALICE in Focus** A closer look at hardship for children, people with disabilities, and veterans
Methodology Sources and calculations used in the ALICE research	**Research Advisory Committees** Learn about the members and roles of these critical groups	**National ALICE Team** Meet members of the United For ALICE staff
NEW **ALICE Voices** Hear directly from ALICE or share your own ALICE story	**NEW** **ALICE in Action** Programs, practices, and policy changes implemented by the ALICE network	**ALICE Videos** Videos that highlight ALICE stories, research, and partner impact
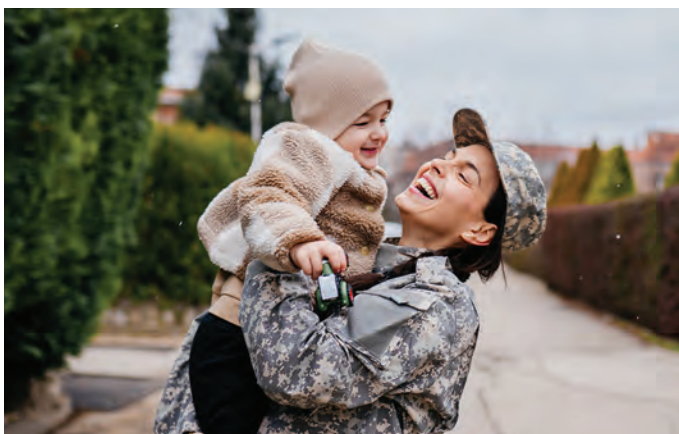
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ALICE RESEARCH & METHODOLOGY

This ALICE Report for New Mexico provides the most comprehensive look at the population called **ALICE – households that have income above the [Federal Poverty Level](#) (FPL) but struggle to afford household basics**. This Report includes a detailed point-in-time snapshot of economic conditions across the state in 2023, as well as key data and trends from the Great Recession through the COVID-19 pandemic and beyond.

Two pillars of the ALICE measures are household costs and income. The ALICE Household Survival Budget calculates the cost of household essentials for each county in New Mexico and relies on a wide range of public data sources for the budget items of housing, child care, food, transportation, health care, and technology, plus taxes and cost overruns estimated at 10% of the budget (see details on page 2). Household Survival Budgets are calculated at the county level, as counties are the smallest jurisdiction for which there is reliable data across the country.

Household costs are compared to income to determine if households are **below the ALICE Threshold.** This category includes both households in **poverty,** with income below the FPL, and those that are **ALICE,** with income above the FPL but below the cost of basics.

Income data is based on estimates from the [U.S. Census Bureau's American Community Survey](#) (ACS) – both [household tabulated data](#) and individual data from the [Public Use Microdata Sample](#) (PUMS) records. In addition, this Report includes our analysis of two surveys that capture the experiences of a nationally representative sample of households:

- [Federal Reserve Board's Survey of Household Economic and Decisionmaking (SHED)](#), October 2023

- [U.S. Census Bureau's COVID-19 Household Pulse Survey (Household Pulse Survey)](#), part of the Census Experimental Series, which captures short-turnaround results and therefore should be interpreted with some caution. Time periods include August 19–August 31, 2020 and January to October 2024.

Learn more about our methodology at [UnitedForALICE.org/Methodology](#).

Data Notes: The income data used in this Report relies on ACS estimates. The ACS is based on a representative sample of housing units and people; therefore, these estimates have a [degree of uncertainty](#). Some data points are geographic averages; others are one- or five-year averages depending on population size (see the [Data Sheet](#) for details). Percentages are rounded to whole numbers, sometimes resulting in percentages totaling 99% or 101%. ALICE analysis includes households regardless of work status, as employment is fluid and most households have members who are working, have worked, are out on disability, or are looking for work. ALICE analysis does not include people who are unhoused or living in group quarters.

Data Limitations: United For ALICE research relies on data from the U.S. Census Bureau. [Certain populations are at greater risk of being undercounted](#) in the Census. Hard-to-count populations include (but are not limited to) people with disabilities, people experiencing homelessness, non-English speakers, and people in lower-income communities. Also included in this category are populations that have been historically undercounted in the Census, including Black and Hispanic populations and American Indian/Alaska Native populations living on reservations. Categories are overlapping, and some populations fall into one or more of the segments above, increasing the risk of not being sufficiently captured in the Census.

ALICE Household Survival Budget

Description and Sources

Housing	110% of Fair Market Rent ([FMR](#)). Unit size and type correspond to the household (i.e., an efficiency apartment for one person, a one-bedroom rental for two people), including utilities, adjusted in metro areas using Small Area FMR ***Source:*** *U.S. Department of Housing and Urban Development*
Child Care	Cost for registered Family Child Care Homes for infants (0–2 years), preschool-age children (3–4 years), and school-age children (5–12 years). This budget assumes families pay all costs of child care out of pocket. In New Mexico, child care costs may be covered in part or fully by child care subsidies, universal free preschool or Head Start. ***Source:*** *New Mexico Early Childhood Education and Care Department (ECECD)*
Food	USDA Thrifty Food Plan by age, with county variation from Feeding America ***Sources:*** *Feeding America; U.S. Department of Agriculture (USDA)*
Transportation	Operating costs for a car (average daily miles by age, cost per mile, license, fees, and insurance), or public transportation where viable ***Sources:*** *AAA, Federal Highway Administration, National Association of Insurance Commissioners (NAIC) (car); Consumer Expenditure Survey (CEX) (public transportation)*
Health Care	Health insurance premiums based on employer-sponsored insurance plans plus out-of-pocket costs for households with $40,000–$69,999 annual income by age, weighted with the poor-health multiplier. For the ALICE 65+ Survival Budget, cost of Medicare Parts A and B, out-of-pocket costs, plus average out-of-pocket spending for the top five chronic diseases as reported by CMS. ***Sources:*** *Centers for Medicare & Medicaid Services (CMS); CEX (health); Medical Expenditure Panel Survey (MEPS)*
Technology	Basic broadband internet at home and a smartphone plan with unlimited data for each adult in a household ***Source:*** *Consumer Reports; USTelecom*
Miscellaneous	Cost overruns estimated at 10% of the budget, excluding taxes, to cover one-time unanticipated costs within the other categories
Taxes	Taxes are based on the household income needed to cover the Household Survival Budget. They include federal payroll taxes (Social Security and Medicare) and federal and state income taxes, as well as the federal Child Tax Credit and the Child and Dependent Care Tax Credit. Tax calculations are prepared by the Federal Reserve Bank of Atlanta (FRBA) using their [Policy Rules Database](#). ***Sources:*** *Internal Revenue Service; Tax Foundation*

Note: New Mexico's expansive public safety net helps individuals and families who qualify to afford certain budget items in the Household Survival Budget, i.e., child care subsidies and/or Medicaid. The [American Community Survey](#) asks respondents to report various types of public assistance (i.e., disability benefits, SNAP, Supplemental Security Income, Social Security, etc). This assistance is included in a household's total income when comparing the cost of the Survival Budget with household income to determine if a household is Poverty-Level, ALICE, or Above the ALICE Threshold.

*For more details, see the 2025 [ALICE Research Methodology Overview](#)*

ALICE IN NEW MEXICO: EXECUTIVE SUMMARY

The number of households in financial hardship in New Mexico is undercounted by official measures. According to the Federal Poverty Level (FPL), 17% of households in New Mexico (141,634) were in poverty in 2023. Yet United For ALICE data shows that another 29% (243,853 households) were **ALICE** (**A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed). ALICE households have income above the FPL, but not enough to afford the basics in the communities where they live.

The reality is that out of the 842,325 households in New Mexico, 385,487 – 46% – had income below the ALICE Threshold of Financial Survival in 2023. These included both households in poverty and ALICE households.

The crux of the problem is a mismatch between earnings and the cost of basics. The **ALICE Household Survival Budget** for a New Mexico family of four in 2023 was $90,588, well above the FPL of $30,000 and full-time earnings for most low-wage jobs in the state. For example, cashiers (one of the most common occupations in New Mexico) earned a median hourly wage of $13.68 – not enough to cover the ALICE Household Survival

Total Households in New Mexico=842,325

- Above ALICE Threshold 54%
- Poverty 17%
- ALICE 29%
- 385,487 Below ALICE Threshold 46%
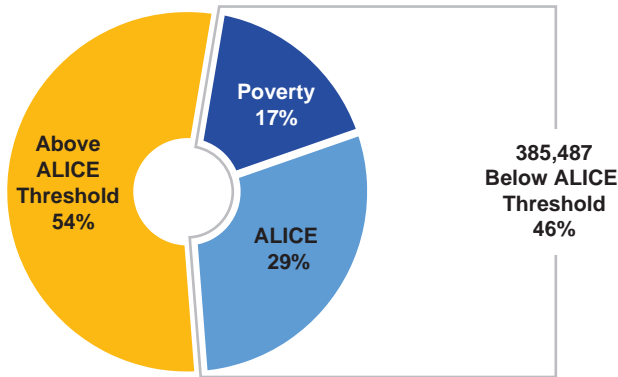
Budget for one worker employed full time ($13.96 per hour), much less for a family with children, even with two adults working (combined wage of $45.29 per hour).

ALICE Household Survival Budget, New Mexico, 2023			
	Single Adult (Age 18–64)	Single Adult (Age 65+)	2 Adults, 1 Infant, 1 Preschooler
Monthly Costs			
Housing	$733	$733	$992
Child Care	—	—	$2,159
Food	$470	$432	$1,275
Transportation	$400	$336	$948
Health Care	$180	$514	$696
Technology	$86	$86	$116
Miscellaneous	$187	$210	$619
Taxes	$271	$331	$744
Monthly Total	$2,327	$2,642	$7,549
ANNUAL TOTAL	$27,924	$31,704	$90,588
Full-Time Hourly Wage	*$13.96*	*$15.85*	*$45.29*

Note: Tax Credits include the Child Tax Credit (CTC) and the Child and Dependent Care Tax Credit (CDCTC). Full-time hourly wage represents the wage needed at 40 hours per week to support the annual total, with credits. For a family of four, this represents the combined wage needed for two workers. The Household Survival Budget is a bare-minimum budget. Many households incur higher costs, especially for housing.

Sources: AAA, 2023; American Community Survey, 2023; Bureau of Labor Statistics, 2023–Consumer Expenditure Surveys; Bureau of Labor Statistics, 2023–Occupational Employment Statistics; Centers for Medicare & Medicaid Services, 2023–Medicare - Chronic Conditions; Centers for Medicare & Medicaid Services, 2020–Medicare Current Beneficiary Survey; Centers for Medicare & Medicaid Services, 2023; Consumer Reports, 2022; Federal Reserve Bank of Atlanta–Policy Rules Database, 2023; Federal Highway Administration, 2022; Feeding America, 2023; Internal Revenue Service, 2023; National Association of Insurance Commissioners, 2024; New Mexico Early Childhood Education and Care Department (ECECD), 2023; Tax Foundation, 2023; U.S. Department of Agriculture, 2023–Official USDA Food Plans; U.S. Department of Housing and Urban Development, 2023–Fair Market Rents and Small Area FMR; USTelecom, 2022.

To see the Household Survival Budget for all counties in New Mexico, go to UnitedForALICE.org/Household-Budgets/New Mexico

Key Findings

- **The cost of basic needs in New Mexico:** In 2023, the average cost of household basics (housing, child care, food, transportation, health care, and technology) plus taxes in New Mexico was $27,924 for a single adult (compared to the FPL at $14,580) and $90,588 for a family of four with two adults, an infant, and a preschooler (compared to the FPL at $30,000). The cost of living varied widely across New Mexico: For example, the Household Survival Budget for a family of four was lowest at $86,208 per year in Union County and highest at $99,156 per year in Santa Fe County.

- **Inflation and household essentials:** The cost of basics is increasing faster than wages in New Mexico. The ALICE Essentials Index for New Mexico, which tracks change over time in the cost of household basics, rose on average 3.2% annually between 2007 and 2023. For context, the median wage for one of the most common occupations in New Mexico, a retail salesperson, increased only 2.9% annually from 2007 to 2023.

- **ALICE demographics:** There are households below the ALICE Threshold across all demographic groups in New Mexico. However, certain groups were more likely to experience hardship due to systemic racism, ageism, gender discrimination, and geographic barriers that limit many families' access to resources and opportunities for financial stability. For example, in 2023:

  » **By age,** the youngest (under age 25) and oldest (age 65+) households had the highest percentages below the ALICE Threshold, at 69% and 50%, respectively.

  » **By race/ethnicity,** 61% of American Indian/Alaska Native households, 50% of Hispanic households, and 47% of Households of Two or More Races were below the ALICE Threshold in New Mexico due to longstanding systemic barriers, compared to 38% of White households and 36% of Asian households.

  » **By household type,** single-female-headed families with children were more likely to be below the ALICE Threshold (79%) than single-male-headed (63%) or married-parent households (27%). Among single or cohabiting households without children, 42% were below the Threshold.

  » **By location,** households in predominantly rural counties were more likely to be below the ALICE Threshold (52%) than those in predominantly urban counties (43%).

- **Trends in New Mexico:** Between 2010 and 2023, the total number of households in New Mexico increased by 10%, the number of households in poverty increased by 4%, and the number of ALICE households increased by 25%. Behind these overall trends, there were important changes in the total number of households with children (down 14%) and 65+ households (up 57%).

- **Work and wages:** Sixteen of the 20 most common occupations in New Mexico paid less than $20 per hour in 2023. And of the workers in these top occupations, 41% were below the ALICE Threshold. Occupations with the largest share of ALICE workers included cooks, cashiers, personal care aides, janitors, and waiters and waitresses.

- **Savings and assets:** Lack of savings makes it difficult for ALICE households to weather economic disruptions, let alone plan for goals like homeownership or retirement. In 2023, only 33% of households below the ALICE Threshold in the Mountain Census Division (which includes New Mexico) had emergency savings or rainy day funds, compared to 69% of households above the Threshold.

- **Public assistance:** Programs like the Supplemental Nutrition Assistance Program (SNAP), the Earned Income Tax Credit (EITC), Child Care Assistance, Medicaid and CHIP, Supplemental Security Income (SSI), and other community supports provide a critical safety net for households below the ALICE Threshold. Yet public assistance does not reach all households in need, even among those who meet the eligibility criteria. For example, only 54% of all New Mexico households in poverty and 29% of all ALICE households participated in SNAP in 2023.

- **Ongoing hardship for ALICE families:** The latest data from the 2024 Household Pulse Survey shows that half (51%) of households below the ALICE Threshold in New Mexico reported that it was somewhat or very difficult to pay for usual items such as food, rent or mortgage, car payments, and medical expenses. These families are especially vulnerable to natural disasters, such as severe weather, flooding, drought, and wildfires.

- **Stable households, stronger communities:** In New Mexico in 2023, bringing all households to the ALICE Threshold would have cost $9.2 billion; the benefits include new spending that spurs economic growth as well as new resources and capacity for long-term community investment and engagement.

The data included in this Report spans the period from 2010 to 2023 (latest data available) and therefore does not reflect policy or funding changes that have occurred since. However, the ALICE research provides an important baseline and context to inform current conversations and decision making.

WHAT DOES IT COST TO LIVE IN NEW MEXICO?

Traditional economic measures underestimate both the actual cost of basic needs and the number of households that can afford them, concealing important aspects of the local and national economy. Two ALICE tools provide a more accurate estimate of the cost of living and a clearer way to track how many households are struggling in New Mexico.

The ALICE Household Budgets capture the cost of the basics that households need to live and work in the current economy in each county, and the ALICE Essentials Index provides a measure to track changes in the costs of these basics. This section explores these tools and highlights the challenges ALICE families face in meeting basic needs.

The Cost of Basics

United For ALICE provides two basic budgets: The ALICE Household Survival Budget and the ALICE Household Stability Budget. Both budgets are available for all New Mexico counties and can be calculated for various household compositions.

The **ALICE Household Survival Budget** is an estimate of the minimal total cost of household essentials – housing, child care, food, transportation, health care, and technology – plus taxes and a miscellaneous contingency fund equal to 10% of the budget. It does not include savings, auto repairs, cable service, travel, laundry costs, or simple comforts such as holiday gifts or dinner at a restaurant. It's just the essentials.

This budget varies by location due to differences in local costs. In 2023, household basics were least expensive for a family of four in Union County ($86,208) and for a single adult in Luna County ($25,032 per year). Essentials were most expensive for both a family of four and a single adult in Santa Fe County (at $99,156 per year and $33,876 per year, respectively).

By comparison, instead of estimating minimal costs, the **ALICE Household Stability Budget** estimates the costs of a realistic, sustainable budget over time. The cost in each category is higher, reflecting modest improvement in quality and availability, and the budget includes a savings category equal to 10% of the budget total.

THE FEDERAL POVERTY LEVEL (FPL)

The FPL was formulated in the 1960s based on the cost of a minimum food diet and multiplied by three because it was assumed at the time to be one-third of a family budget. By statute, the measure is increased each year based on the Consumer Price Index (CPI). However, with broad shifts in society and work requirements, family expenses have changed. Food costs rarely account for one-third of a budget and percentages vary widely by income level, geography, and ages of household members. As a result, the FPL has become detached from current family economics and is no longer an accurate measure of financial hardship. **The Household Survival Budget corrects these issues and reveals the extent of the FPL's inadequacies.**

Yet despite its shortcomings, the FPL continues to be the standard for determining the number and proportion of people living in poverty in the U.S. **With the FPL as the primary way for policymakers and local stakeholders to gauge the extent of financial hardship in their communities, a huge portion of struggling U.S. households go unrecognized.**

The actual cost of household basics in every county in New Mexico is above the FPL and 50% of Area Median Income (AMI) for both single adult and family of four households (Figure 1). In 2023, the FPL was $14,580 and 50% of AMI was $24,450 for a single adult, compared to an average of $27,924 for the annual ALICE Household Survival Budget across New Mexico. The difference was even larger for families: The FPL for a four-person family was $30,000 and 50% AMI was $36,350 in 2023, while the Household Survival Budget for a family with two adults, an infant, and a four-year-old in New Mexico was $90,588. And both measures were substantially lower than the average Household Stability Budget for New Mexico, which reached $49,572 for a single adult and $135,828 for a family of four.

ALICE BUDGETS FOR ALL COUNTIES AND HOUSEHOLD COMPOSITIONS

Itemized ALICE Household Survival and Stability Budgets for all New Mexico counties (and groups of counties) and for numerous household compositions are available at UnitedForALICE.org/Household-Budgets/New Mexico.

Figure 1. The Cost of Basic Needs Is Well Above the Federal Poverty Level
ALICE Household Budgets and FPL, New Mexico, 2023

	Federal Poverty Level Census poverty thresholds by number of people in a household but not by age or geography	50% Area Median Income: The midpoint of income distribution within a geographic area (half of households earn more, half earn less).	ALICE Household Survival Budget The cost of the essentials needed to live and work in the current economy, by household type and location	ALICE Household Stability Budget The cost of supporting and sustaining an economically viable household over time, including a contingency for savings
Single Adult				
Monthly Total	$1,215	$2,121	$2,327	$4,131
Annual Total	$14,580	$25,450	$27,924	$49,572
Family of Four				
Monthly Total	$2,500	$3,000	$7,549	$11,319
Annual Total	$30,000	$36,350	$90,588	$135,828

Note: Family of four includes two adults and two children in child care (one infant, one four-year-old).

Sources: ALICE Household Survival Budget, 2023; Assistant Secretary for Planning and Evaluation (ASPE), HHS poverty guidelines for 2023, U.S. Department of Health and Human Services, 2023; U.S. Department of Housing and Urban Development, Area Median Income (New Mexico Income Limits), 2023

Not Enough Income to Cover Basic Costs

When wages cannot cover basic household costs, families struggle to make ends meet. ALICE workers perform jobs that keep New Mexico's economy running smoothly, such as cashiers, nursing assistants, office clerks, servers, laborers, and security guards. Yet despite wage increases during the pandemic and into 2023, many ALICE workers still could not cover the increased cost of household basics, and their families continued to struggle to make ends meet.

Figure 2 compares the Household Survival Budget costs for a family of four with two adults, an infant, and a preschooler to the full-time wages of two common New Mexico occupations, a personal care aide (earning $12.83 per hour) and a stock worker/order filler (earning $16.73 per hour). In 2023, this household's annual income fell short of basic costs by $29,118, or 47% of their income. (For more data on how costs are increasing, see the ALICE Essentials Index.)

Figure 2 also shows that **government measures underestimate the cost of basics and the number of households facing financial hardship:**

- **The Federal Poverty Level** (FPL): The FPL relies on an outdated methodology for household costs; it does not account for cost-of-living differences within and across the continental U.S.; and it is adjusted by the Consumer Price Index, which underestimates inflation in essential costs. **In 2023, Household Survival Budget costs in every New Mexico county were well above the FPL of $30,000 for a family of four.**

- **The Supplemental Poverty Measure** (SPM): First published by the U.S. Census Bureau in 2011, the SPM is based on the costs of food, clothing, shelter, and utilities. In 2023, the SPM threshold for a renter household with two adults and two children in New Mexico was $31,820, slightly higher than the FPL.

- **Area Median Income** (AMI): The AMI is the midpoint of income distribution within a geographic area (half of households earn more, half earn less). Percentages of AMI are used for federal housing assistance; very low-income households earn less than 50% of AMI, the typical threshold for Section 8 eligibility. AMI is based on income, not costs, so it does not capture whether households can afford basic expenses. In New Mexico in 2023, for a four-person household, 50% of AMI was $36,350 – slightly more than the SPM and FPL, but still well below the Household Survival Budget.

Figure 2. Basic Costs Exceed Wages of Common Jobs and Official Measures of Hardship
Annual Budget, Wages, and Official Measures of Financial Hardship, Family of Four, New Mexico, 2023
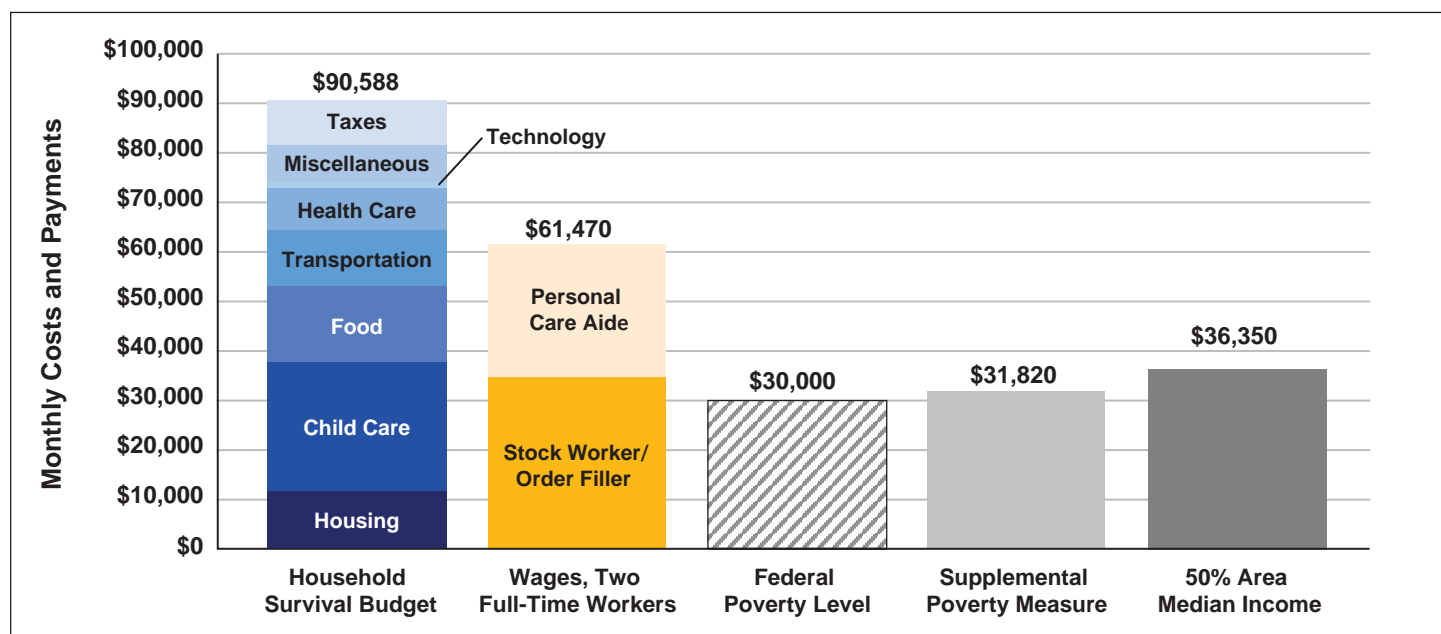
Note: Personal care aides monitor the condition of people with disabilities or chronic illnesses and help them with daily living activities. Stock workers/order fillers receive, store, and issue merchandise, materials, equipment, and other items from stockrooms, warehouses, or storage yards, and may operate power equipment to fill orders.

Sources: ALICE Household Survival Budget, 2023; Bureau of Labor Statistics–Occupational Employment Statistics, 2023; U.S. Census Bureau, Supplemental Poverty Measure, 2023; U.S. Department of Housing and Urban Development, Area Median Income (New Mexico Income Limits), 2023.

See page 2 for Household Survival Budget sources and visit UnitedForALICE.org/Household-Budgets/New-Mexico to see the Household Survival Budget for all counties and for numerous household compositions.

Increasing Costs: The ALICE Essentials Index

When prices increase faster than wages, people's purchasing power decreases, and the economy struggles. Inflation is especially challenging for families on a tight budget or a fixed income, like ALICE households.

The increase in the cost of basics is what affects ALICE households the most. Yet that increase is often concealed in the standard measure of inflation, the Bureau of Labor Statistics' **Consumer Price Index** (CPI), which tracks the change in the retail price of a broad basket of goods and services purchased by consumers in 75 urban areas. The CPI is composed of more than 200 categories, including food and beverages, housing, apparel, transportation, medical care, recreation, education, and communication services.

By contrast, the **ALICE Essentials Index** focuses specifically on the budgetary realities that ALICE families face. The Index tracks the change in cost of only six basic goods and services essential to living and working in the current economy: housing, child care, food, transportation, health care, and basic smartphone and home broadband internet plans. And it shows that the rise in the cost of household basics far outpaces increases in the cost of the CPI's larger basket of goods and services.

ALICE households have long been disproportionately impacted by inflation. During the economic recovery in the wake of the pandemic, inflation surged, and many consumers had to cut or tighten spending to stay within their budgets. But ALICE households had already been struggling with higher rates of inflation in essential household goods for years. And since they only purchased necessities, they had little to no leeway to cut spending.

In New Mexico and across the country, the ALICE Essentials Index has increased faster than the CPI for more than a decade (Figure 3). From 2007 to 2023, the average annual rate of increase for the ALICE Essentials Index was 3.2% in New Mexico, on par with the national average of 3.1%. In comparison, the CPI (which does not report by state), increased by 2.7% in the West and 2.5% nationally during the same period.

Figure 3. Basic Costs Increase Faster Than the Consumer Price Index
New Mexico ALICE Essentials Index, National ALICE Essentials Index, and National CPI, 2007–2023
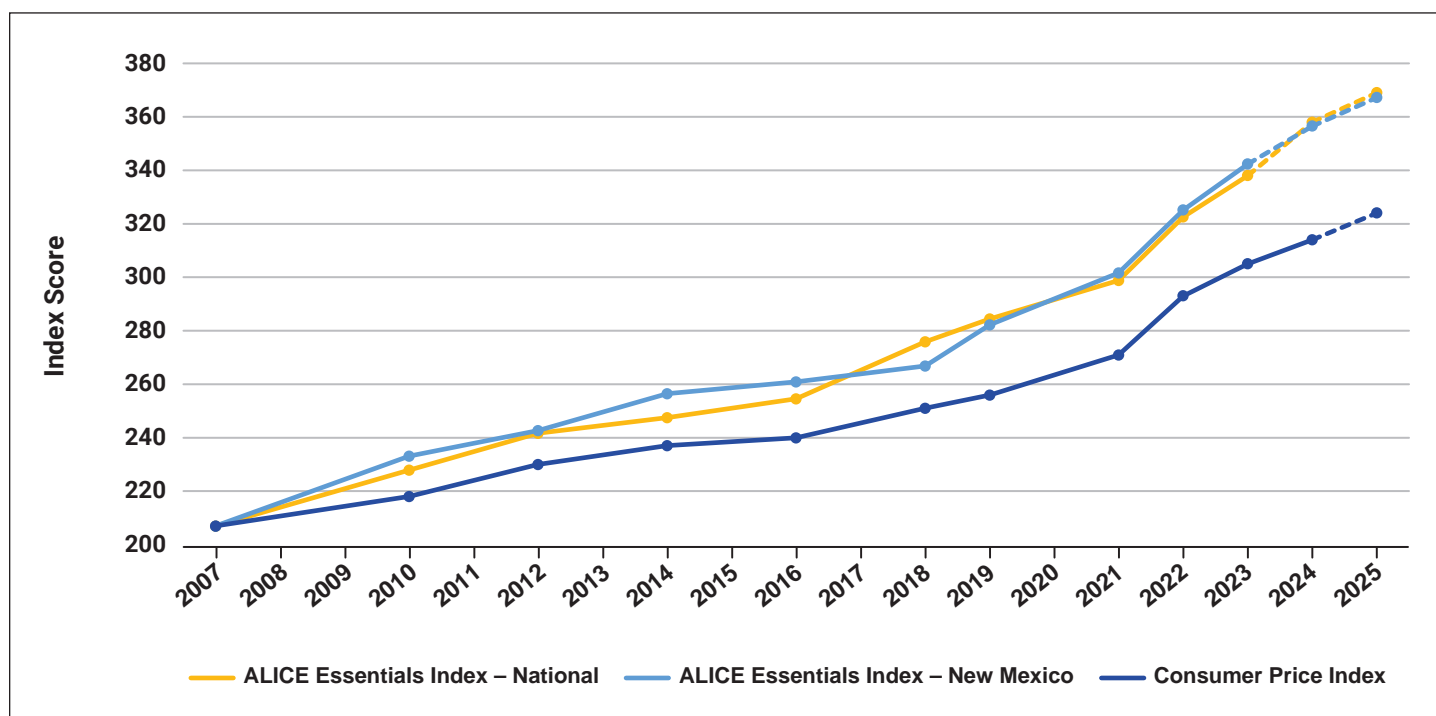
Note: In this figure, the ALICE Essentials Index was adjusted to the CPI base value of 207 in 2007. Inflation comparison is 2007–2023; rates for 2024 and 2025 are projections.

Sources: ALICE Essentials Index, 2007–2023; Bureau of Labor Statistics–Consumer Price Index, 2007–2024. For more information, visit UnitedForALICE.org/Essentials-Index.

Over the same period (2007–2023), the New Mexico ALICE Essentials Index has tracked closely with the National ALICE Essentials Index, with some variation between 2012 through 2019. This trend is expected to continue this trajectory through 2025.

The increase in the cost of basics makes it difficult for ALICE workers to keep up. Across the country, wages increased from 2018 to 2023, growing fastest in 2022. In New Mexico in 2023 average hourly earnings dropped mid-year, then rebounded by the end of 2023. While wage increases help households cover costs, they have generally not been enough to make up for years of falling behind. For example, in 2010, retail sales workers – selling goods ranging from clothes to appliances to cars – earned a median wage of $9.70 per hour ($20,170

annually for full-time work) in New Mexico. This worker's household fell $9,212 short of the annual Household Survival Budget for a family with one adult and one school-age child ($29,382). By 2023, the median wage for this occupation increased by 49%, to $14.47 per hour ($30,090 annually, full-time). Yet the annual Household Survival Budget for one adult and one school-age child also grew, by 50% (to $44,124), leaving these essential workers $14,034 short of covering basic costs – in absolute terms, even further behind than they were in 2010.

WHO IS ALICE? DEMOGRAPHICS

Economic changes as well as disasters, including the pandemic, have created ongoing challenges for low-income households and have impacted vulnerable households in New Mexico – those below the ALICE Threshold – the most. Disparities and vulnerabilities have long existed in New Mexico, with substantial differences in rates of hardship by age, race/ethnicity, household type, and location.

Financial Hardship by Age, Race/Ethnicity, and Household Type

In New Mexico in 2023, rates of financial hardship differed substantially between groups, a result of multiple factors including systemic racism, ageism, gender discrimination, and geographic barriers that limited many families' access to resources and opportunities for financial stability.

- **Age:** The youngest and oldest households had the highest rates of financial hardship in 2023: 69% of households headed by someone under age 25 and 50% of households headed by someone age 65 and over lived below the ALICE Threshold in New Mexico. By comparison, rates were lower for those in their prime working years, with 43% of households headed by people age 25–44 and 41% of households headed by those age 45–64 living below the Threshold.

- **Race/ethnicity:** Rates of financial hardship differed substantially by race/ethnicity in New Mexico. In 2023, the largest number of households below the ALICE Threshold were Hispanic (176,375), making up 50% of all Hispanic households. White households were the next largest group below the Threshold (143,181), yet they made up 38% of all White households. There were also 80,764 households headed by someone of Two or More Races below the Threshold, making up 47% of all households headed by someone of Two or More Races, and 37,012 American Indian/Native American households below the Threshold, representing 61% of all American Indian/Native American households. Other, smaller groups also had high rates of hardship: 54% of Native Hawaiian/Pacific Islander households and 52% of Black households were below the Threshold. Asian households had the lowest rate (36%).

- **Household type:** In 2023, 42% of single or cohabiting households without children headed by someone under age 65 – the most common household type in the state – were below the ALICE Threshold.

    There were also substantial disparities in financial hardship among families with children: 79% of single-female-headed families and 63% of single-male-headed families were below the Threshold in 2023, compared to 27% of married-parent families.

    Overall, nearly half (47%) of households with children in New Mexico were below the ALICE Threshold in 2023. This included 25% of households with children living below the FPL – among the highest rates of child poverty in the U.S. – and 22% of households with children that were ALICE.

    New Mexico has responded to the issue of child poverty with an expansive social safety net that includes enacting and increasing the Child Tax Credit, expanding SNAP benefits, broad access to Medicaid and CHIP, and providing robust child care assistance. That response is reflected in the Supplemental Poverty Measure (SPM), which estimates that the state's child poverty rate has fallen below the national SPM rate.

Figure 4 paints a clear picture of the number and share of households living in hardship for different demographic groups compared to the New Mexico state average. For all households in New Mexico, 17% were in poverty and 29% were ALICE in 2023.

Figure 4. Financial Hardship Varies Substantially by Demographic Group

Key Demographic Groups, New Mexico, 2023

	Total	Below ALICE Threshold	Poverty / ALICE / Above ALICE Threshold
ALL HOUSEHOLDS	842,325	385,487	17% / 29% / 54%
AGE			
Under 25 Years	36,992	25,531	39% / 30% / 31%
25 to 44 Years	255,169	109,955	17% / 26% / 57%
45 to 64 Years	281,961	115,828	15% / 26% / 59%
65 Years and Over	268,203	134,173	15% / 35% / 50%
RACE/ETHNICITY			
American Indian/Alaska Native	60,478	37,012	18% / 43% / 39%
Asian	12,078	4,302	9% / 27% / 64%
Black	17,435	9,128	16% / 37% / 48%
Hispanic	351,386	176,375	13% / 37% / 50%
Native Hawaiian/Pacific Islander	683	368	25% / 28% / 46%
Two or More Races	171,762	80,764	12% / 35% / 53%
White	372,775	143,181	8% / 30% / 62%
HOUSEHOLD TYPE			
Married With Children	111,217	29,847	11% / 15% / 73%
Single-Female-Headed With Children	55,404	43,584	49% / 29% / 21%
Single-Male-Headed With Children	27,627	17,277	29% / 34% / 37%
Single or Cohabiting, Under 65, no Children	379,874	160,606	14% / 29% / 58%
RURAL/URBAN			
Rural	245,432	127,146	21% / 31% / 48%
Urban	596,893	258,341	15% / 28% / 57%

Note: The groups shown in this figure are based on the head of household and overlap across categories. Within the race/ethnicity category, all racial categories except Two or More Races are for one race alone. Race and ethnicity are overlapping categories; in this Report, the American Indian/Alaska Native, Asian, Black, Native Hawaiian (includes other Pacific Islanders), and Two or More Races groups may include Hispanic households. The White group includes only White, non-Hispanic households. The Hispanic group may include households of any race. Because household poverty data is not available for the American Community Survey's race/ethnicity categories, annual income below $15,000 is used as a proxy. Counties are defined as rural or urban based on the USDA's designation of metropolitan or non-metropolitan at the census tract level. Counties with 50% or more of the population in metropolitan tracts are designated as urban; those with 50% or more of the population in non-metropolitan tracts are designated as rural.

Sources: ALICE Threshold, 2023; U.S. Census Bureau, American Community Survey, 2023.

Financial Hardship by Location

Financial hardship in New Mexico varies by location – from region to region, county to county, and even within counties from one ZIP code to the next, depending on opportunities for employment, labor force participation, and the cost of living (Figure 5). New Mexico is comprised of 33 counties, with 50% of the population living in three counties – Bernalillo County, Doña Ana County, and Santa Fe County. In 2023, the percentage of households below the ALICE Threshold ranged from 14% in Los Alamos County to 68% in McKinley County. But even greater variation was found within counties. For example, in the county with the highest number of total households in the state, Bernalillo County, the share of households below the ALICE Threshold ranged from 14% in ZIP code 87122 to 67% in ZIP code 87102, both located in the city of Albuquerque. For more county detail, visit the County Reports on our website: UnitedForALICE.org/County-Reports/New Mexico.

In addition, there is a geographic divide in New Mexico between urban and rural areas that reflects a longer trend of a declining population and slower economic growth in rural areas. There were 596,893 households in New Mexico in predominantly urban counties in 2023, and 43% of these households were below the ALICE Threshold. For the 245,432 New Mexico households living in predominantly rural counties, the rate of financial hardship was even higher, at 52% (Figure 4).

Figure 5. ALICE Lives in Every County of the State
Financial Hardship by County, New Mexico, 2023
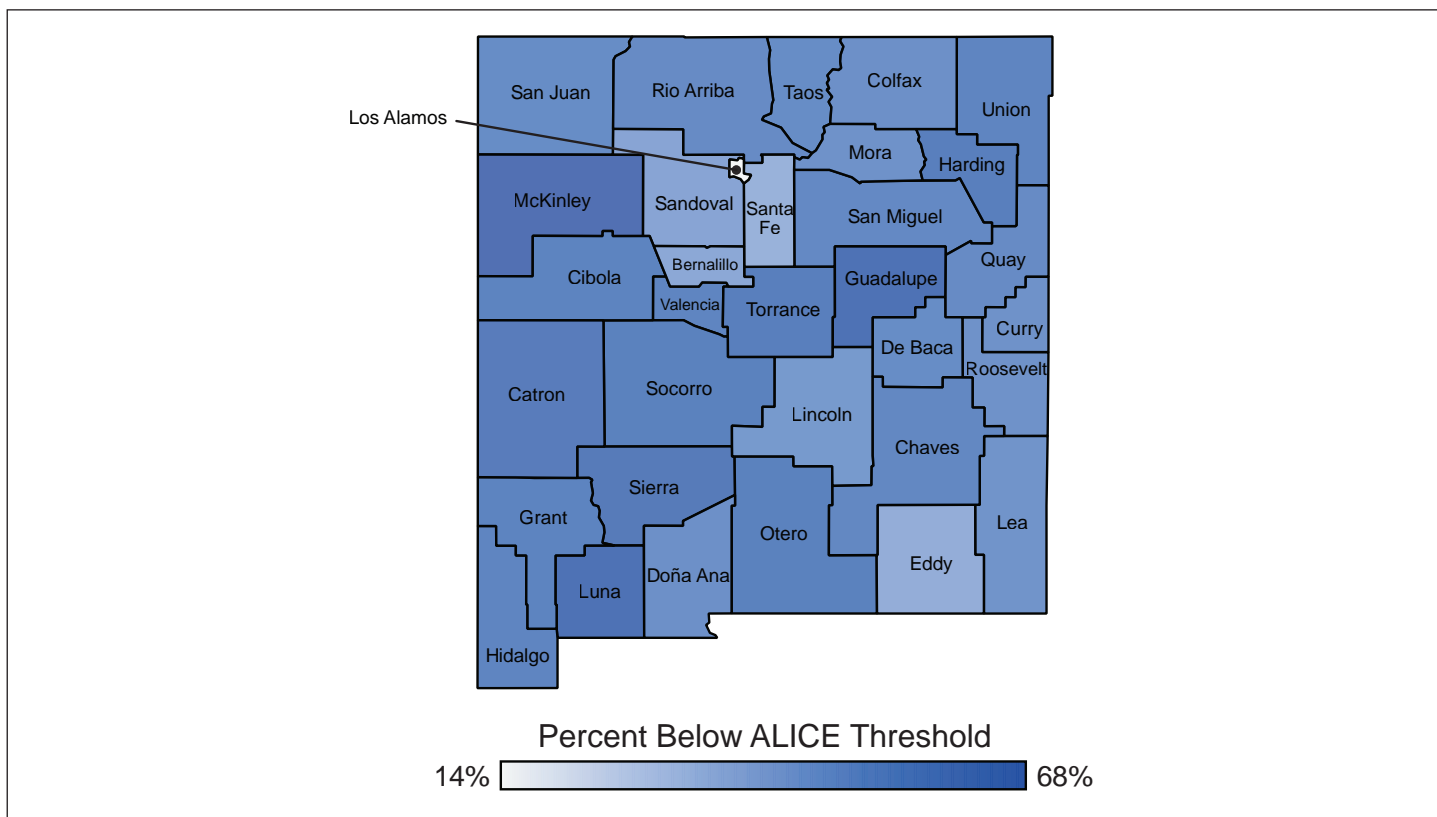
Note: For more details, see the County Comparison: Income Status table at the end of this Report. To see interactive ALICE maps, go to UnitedForALICE.org/Mapping-Tool

Sources: ALICE Threshold, 2023; American Community Survey, 2023

New Mexico also has 22 state and federally recognized Native American reservations and pueblos. While many Native Americans in the state live on reservations, the territories report a range of races/ethnicities. Rates of hardship ranged from 69% in the Navajo Nation Reservation and Off-Reservation Trust Land (the largest Native American reservation in the U.S.) to 42% in the Pueblo of Pojoaque and Off-Reservation Trust Land in 2023 (Figure 6).

Figure 6. Rates of Hardship on Most Tribal Lands are Disproportionately High

Financial Hardship by Native American Reservations, Off-Reservation Trust Lands, and Tribal Subdivisions, New Mexico, 2023

New Mexico Tribal Lands	Total Households	% Poverty	% ALICE	% Below ALICE Threshold
Acoma Pueblo	767	22%	37%	59%
Isleta Pueblo	1,510	15%	33%	48%
Jemez Pueblo	557	18%	37%	56%
Jicarilla Apache Nation	1,126	16%	45%	61%
Laguna Pueblo	1,010	39%	20%	60%
Mescalero	915	35%	30%	65%
Nambe Pueblo	904	27%	29%	56%
Navajo Nation*	50,333	39%	31%	69%
Ohkay Owingeh	2,086	21%	31%	52%
Picuris Pueblo	733	20%	40%	60%
Pueblo de Cochiti	645	13%	44%	57%
Pueblo of Pojoaque	1,564	11%	30%	42%
San Felipe Pueblo	956	21%	33%	53%
San Ildefonso Pueblo	833	18%	29%	47%
Sandia Pueblo	1,897	28%	34%	62%
Santa Ana Pueblo	223	10%	34%	44%
Santa Clara Pueblo	4,542	22%	31%	53%
Santo Domingo Pueblo	636	21%	30%	51%
Taos Pueblo	1,974	20%	34%	53%
Tesuque Pueblo	359	18%	31%	50%
Zia Pueblo	186	16%	44%	59%
Zuni	1,843	36%	28%	64%

*Note: Navajo Nation spans parts of Arizona, New Mexico, and Utah.

Sources: ALICE Threshold, 2023; American Community Survey, 2023; U.S. Census Bureau, TIGERweb, 2023

Demographic Trends

Population change: Attracting and retaining people to live, work, and thrive in New Mexico is important for economic growth. Overall, the state population has been declining since 2020, when the number of deaths began to outpace the number of births. Contributing factors include the aging population, fewer women of child-rearing age, and families having fewer children. Domestic migration has been negative since 2012, as more residents have left the state than moved in. International migration has helped to stabilize the population but will not be enough to offset the decline in the coming years. The population is projected to grow slowly over the next decade, mainly in metropolitan counties; thereafter, it is expected to begin a slow and steady decline with the biggest losses in small rural counties.

Household income status: Rates of financial hardship in New Mexico have shifted over time (Figure 7). During the last major economic disruption – the Great Recession – the percentage of New Mexico households below the ALICE Threshold increased from 36% in 2007 to 43% in 2010, and it never returned to pre-Recession levels in the decade that followed. The rate of financial hardship reached a high of 48% in 2014, and has remained consistently high since then, fluctuating between 46% and 47%.

Despite some variation from 2010 to 2023, the trend has been clear: **The number of ALICE households in New Mexico has continued to increase, while the number of households in poverty has remained relatively flat.** From 2010 to 2023, the total number of households in the state increased by 10%, households in poverty increased by 4%, and the number of ALICE households increased by 25%.

Narrowing the focus to recent years (2019 to 2023), there was minimal variation in the rate of financial hardship in New Mexico (with 46% of households below the ALICE Threshold in 2019 and 2023).

Figure 7. ALICE Households Continue to Grow, While Households in Poverty Remain Largely Flat

Number of Households by Income, New Mexico, 2010–2023

| Percent Below ALICE Threshold | 43% | 45% | 48% | 47% | 47% | 46% | 47% | 47% | 46% |
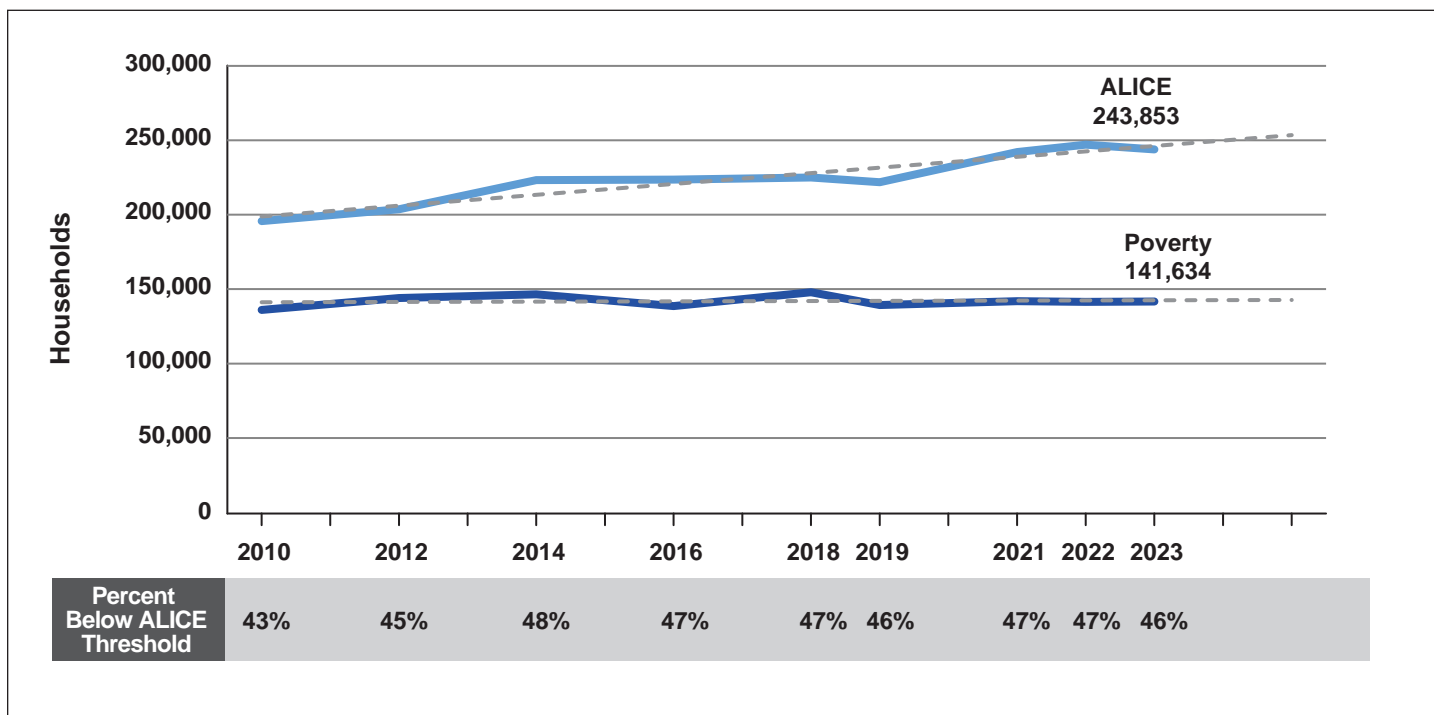
Note: The gray dashed trend lines in this figure highlight the general direction of the point-in-time data for the years shown. These lines indicate whether the numbers of ALICE and poverty-level households have been generally increasing, decreasing, or remaining flat. The ALICE trend line is statistically significant at p<0.05; however, the Poverty trend line is not statistically significant, and caution should be used when making predictions.

Sources: ALICE Threshold, 2010–2023; U.S. Census Bureau, American Community Survey, 2010–2023

Families with children: The total number of New Mexico households with children under age 18 declined from 2010 to 2023, falling 14%, considerably more than the national decline of 3%. This trend was driven by married-parent households, which fell in number from 139,985 in 2010 to 111,217 in 2023 (down 21%), and single-female-headed households, which fell from 61,471 in 2010 to 55,404 in 2023 (down 10%). In contrast, the number of single-male-headed households increased from 24,344 in 2010 to 27,627 in 2023 (up 13%).

Older Americans: With the aging of the Baby Boomer generation, households headed by people age 65 and over were the fastest-growing age group in New Mexico (up 57% between 2010 and 2023). They were also the age group with the most substantial increase in the number of households below the ALICE Threshold (up 64% from 2010 to 2023).

A key contributing factor to these high levels of hardship is the level of Social Security benefits. While Social Security helps reduce the poverty rate for households headed by older adults (15% in New Mexico in 2023), benefits have not been enough to cover the costs in the ALICE 65+ Survival Budget and bring older adults to financial stability. As a result, for more than a decade, a substantial number of New Mexico's 65+ households were ALICE (35% in 2023). In 2023, monthly costs for the ALICE 65+ Survival budget for one adult were $2,642. Those costs left a single adult 65+ household with the average Social Security payment of $1,827 short of meeting their basic needs by $815 (Figure 8).

And with increasing costs and insufficient retirement savings, many older adults have needed to continue working. In 2023, nearly 132,100 people age 65 and over living below the ALICE Threshold in New Mexico did not have retirement savings beyond Social Security, and nearly 15,400 were working, according to ALICE analysis of Public Use Microdata Sample (PUMS) records.

Figure 8. Older Americans Struggle to Afford Basics on Social Security

Monthly ALICE 65+ Survival Budget Total, Average Monthly Social Security Payments, and the Federal Poverty Level, New Mexico, 2023
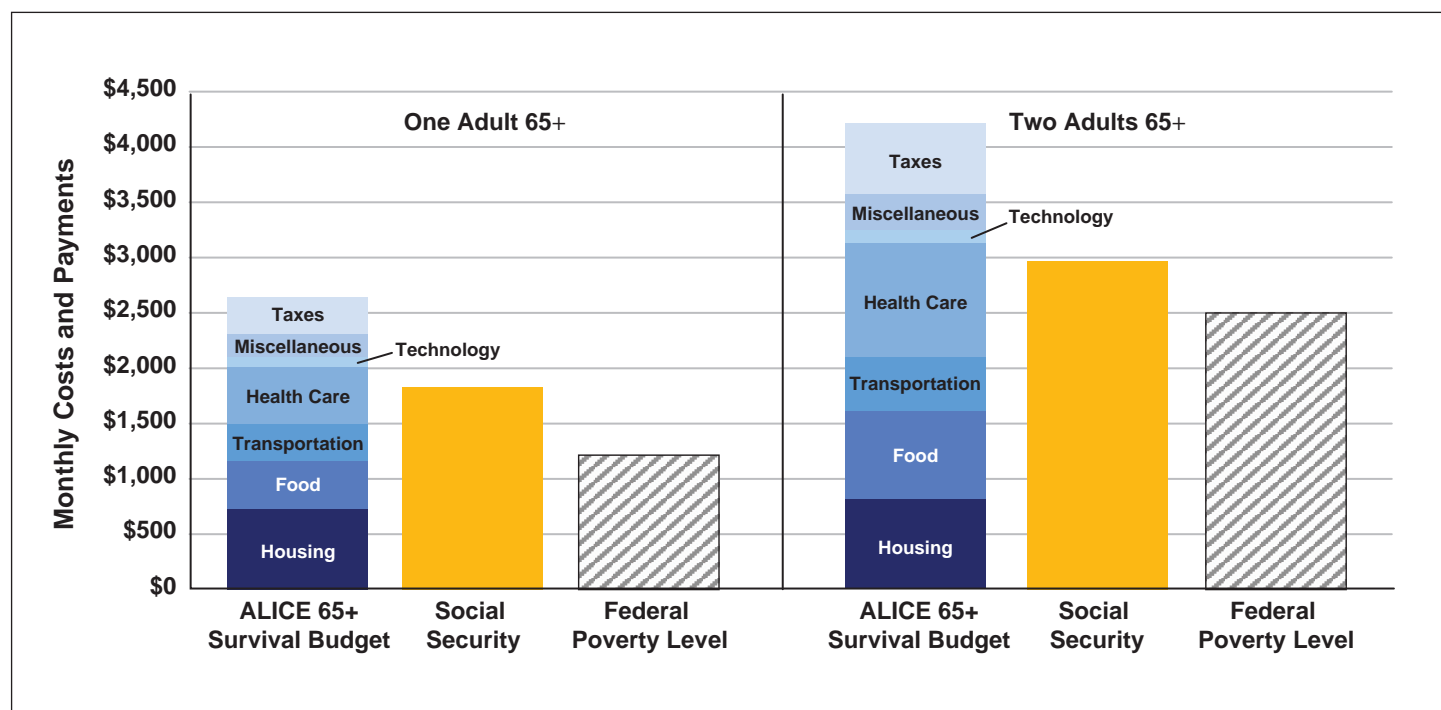
Note: See page 3 for a breakdown of monthly ALICE 65+ Survival Budget costs.

Sources: ALICE 65+ Survival Budget, 2023 (see the ALICE Methodology for details); Social Security Administration, 2023; U.S. Department of Health and Human Services, 2023

Race/ethnicity: Research on inequality continues to show significant disparities in hardship by race/ethnicity over time, both in New Mexico and across the U.S. Due to a change in the way the Census asked about race and Hispanic origin in 2020, the Census urges caution when comparing race data between years before and after 2020. State trends show that the New Mexico population has become more diverse in recent years. From 2017 to 2022, the number of New Mexicans identifying as Hispanic or American Indian/Alaska Native increased, while the number of people identifying as White decreased. Half of all New Mexicans identified as Hispanic/Latino in 2022, compared to only 19% in the U.S.

Migration: Population change can occur as a result of several types of migration – internally, both within the state and between counties; domestically, between states and regions; and internationally. From July 2022 to July 2023 the U.S. population increased 0.5%, with the highest increase in South Carolina (up 1.7%), and the largest decrease in New York (down 0.5%). New Mexico's net migration remained relatively flat (0.12%), with a total increase of only 895 people, a result of international migration alone. It will be important to track how new federal barriers to international migration will impact New Mexico and states across the country.

Within New Mexico: From 2010 to 2023, predominantly urban counties had a larger percentage increase in the total number of households than rural counties, yet the increase in the number of households living below the ALICE Threshold was similar in urban and rural counties (16% and 17%, respectively):

- **Predominantly urban counties:** Overall, the total number of households increased by 11%, and the number of households below the ALICE Threshold increased by 16%.

  » The largest urban counties in New Mexico – Bernalillo, Doña Ana, and Santa Fe – all saw an increase in the number of households below the ALICE Threshold. However, the percentage of households below the Threshold dropped in Doña Ana County (from 53% in 2010 to 50% in 2023) and in Santa Fe County (from 39% in 2010 to 36% in 2023), while the rate of hardship in Bernalillo County increased (from 37% in 2010 to 40% in 2023).

- **Predominantly rural counties:** Overall, the total number of households increased by 6%, and the number of households below the ALICE Threshold in these counties increased by 17%.

  » Many rural counties with smaller populations had a decrease in total households, yet the percentage of households below the ALICE Threshold increased. For example, the total number of households in Catron, Harding, and Union counties fell by more than 10%, while the percentage of households below the ALICE Threshold increased by more than 9% in each county (Catron County increased from 44% to 60%, Harding County from 50% to 59%, and Union County from 43% to 55%).

Foreign-born residents accounted for 10% of the population in New Mexico in 2023, the same as in 2010, with the largest number of immigrants being from Mexico, the Philippines, and China. The counties with the largest numbers of immigrants included Bernalillo County and Doña Ana County.

WHERE DOES ALICE FIT IN THE LABOR LANDSCAPE?

Workers below the ALICE Threshold increasingly bear the brunt of economic change and uncertainty as the workforce is required to incorporate new technology and automation and as employers increase reliance on non-standard work arrangements – like hourly paid work, part-time employment, and gig work. These arrangements make it easier to reduce work hours or cut employment altogether when the economy ebbs (which happened to a large degree during the COVID-19 pandemic) and expand them when demand increases (which happens seasonally for a range of industries such as hospitality, recreation, and retail sales).

This section provides additional context about key industries and employment opportunities in New Mexico; who is participating in the labor force; the impact of full-time versus part-time employment; unemployment and underemployment; and wage growth and disparities in New Mexico.

Natural resources are one of New Mexico's major assets. Along with leading other states as a producer of crude oil and natural gas, it outranks other states in solar and wind power production, with greater potential for sustainable energy production and clean energy jobs. New Mexico's long history in ranching and farming has helped boost growth in the agriculture industry. Additionally, the state's rich cultural history and natural landscape make it a sought-after tourist destination, and in combination with tax incentives, attract film and media producers. Other assets New Mexico possesses include a hub for aerospace and defense contractors, research institutions, and federal facilities and resources that have led to a highly educated science and engineering workforce.

According to the New Mexico 2023 State of the Workforce, between 2020 and 2030, employment in New Mexico is projected to grow by 11.6% (compared to 7.7% from 2010 to 2020). Nearly 60% of the employment growth is expected to occur in three major industries: Accommodation and food service, health care and social assistance, and arts, entertainment, and recreation. In part, increased growth in these sectors is a response to jobs lost during the pandemic. Other industries expected to experience job growth are information, mining (including oil and gas), and professional, scientific and technical services. In contrast, federal and state government, utilities, and wholesale trade employment is expected to decline. Building a skilled workforce to meet current and future needs is critical for economic growth and sustainability now and in the future.
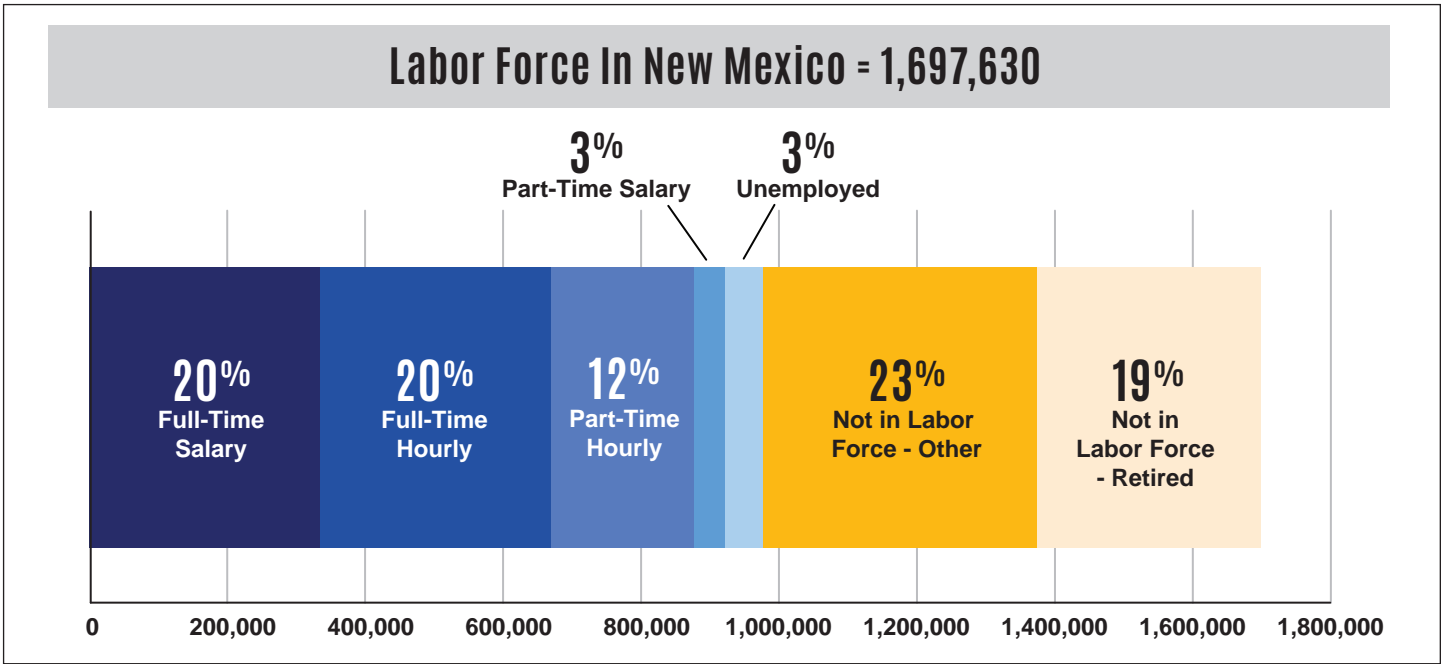
In the Labor Force

Figure 9 is an overview of the labor status of New Mexico's population age 16 and over in 2023. Of these 1.7 million people, 58% were in the labor force (blue bars, including full-time, part-time, and unemployed) and 42% were out of the labor force (gold bars).

The labor force participation rate in New Mexico continues to trail the national rate (63% in 2023). Factors that have contributed to the lower labor force participation rate in New Mexico include lower educational attainment rates, lack of reliable broadband, shortage of child care providers, barriers to accessing health care and mental health services, and the outmigration of highly skilled workers over the last decade.

Figure 9. Less Than One-Fourth of People Work Salaried, Full-Time Jobs

Labor Status, Population Age 16+, New Mexico, 2023

Labor Force In New Mexico = 1,697,630

3% Part-Time Salary

3% Unemployed

| 20% Full-Time Salary | 20% Full-Time Hourly | 12% Part-Time Hourly | 23% Not in Labor Force - Other | 19% Not in Labor Force - Retired |

0   200,000   400,000   600,000   800,000   1,000,000   1,200,000   1,400,000   1,600,000   1,800,000

Note: Data for full- and part-time jobs is only available at the national level; these national rates (approximately 50% of full-time workers and 82% of part-time workers paid hourly) have been applied to the total state workforce to calculate the breakdown shown in this figure. Full-time represents a minimum of 35 hours per week at one or more jobs for 48 weeks per year.

Sources: Federal Reserve Bank of St. Louis, 2023; U.S. Census Bureau, American Community Survey, 2023

Full- and part-time work: In 2023, only 20% of people age 16+ in New Mexico had the security of a salaried full-time job; 35% were paid hourly and/or worked part time (Figure 9). When considering only those who were in the labor force (working or looking for work), the rate was even higher: More than half (60%) of people were paid hourly and/or worked part time. Workers who are paid by the hour are more likely to have fluctuations in income due to schedule changes and variable hours, and they are less likely to receive benefits, such as health insurance, paid time off, family leave, or retirement plans.

Unemployment: In 2023, 3% of New Mexicans age 16 and over were unemployed – not currently working but looking for work in the prior four weeks (lightest blue bar in Figure 9). This rate climbed even higher, to 4% by the end of 2023, and unemployment rates varied widely by county, from 1.8% in Los Alamos County to 12.4% in Luna County. The unemployment rate for workers below the ALICE Threshold was notably higher than the overall state rate. To see more data on workers below the Threshold in your community, visit UnitedForALICE.org/ALICE-EVD.

Historically, unemployment rates have also been substantially higher for Black and Hispanic workers than for White workers. As recently as the fourth quarter of 2023, the unemployment rate among people age 16+ in New Mexico was higher for Black workers (5.3%) and Hispanic workers (4.1%) than for White workers (2.7%). Unemployment rates are also considerably higher for people with disabilities nationally and in New Mexico.

Underemployment: Many workers are unable to work full time due to family responsibilities, being in school or training, or dealing with illness, disability, or child care issues. Others work part time because their hours have been reduced; still others want to work more but struggle to find and secure full-time employment. In 2023 in New Mexico, the BLS underemployment rate that captured these workers was 7.2%, more than twice the traditional unemployment rate (3%). Compared to neighboring states, New Mexico's underemployment rates in 2023 were higher than Utah (5.4%), Colorado (6.5%), and Oklahoma (6.6%), and on par with Arizona (7.3%) and Texas (7.4%).

Underemployment was particularly notable among parents: In New Mexico, 32% of children lived in families that lacked secure full-time employment in 2023. When parents lack secure employment or have to piece together part-time work or temporary jobs, families are more vulnerable to slipping into poverty.

Out of the Labor Force

Another 42% of New Mexicans age 16 and over were out of the labor force in 2023 (gold bars in Figure 9). This included people who were retired (19%) and those who were out of the labor force for other reasons, such as disability, health issues, caregiving responsibilities, or student status (23%).

For more data on the labor landscape and occupations in your state, visit UnitedForALICE.org/Labor-Force/New Mexico.

Wages for the Most Common Occupations

Over the last few years, low-wage workers saw the biggest increase in wages in more than a decade. This was in part due to a tighter labor market where employers had to offer more competitive wages to attract and retain workers. Minimum wage increases in some states also contributed to this effect. In New Mexico, the minimum wage increased from $11.50 per hour on January 1, 2022 to $12.00 per hour effective January 1, 2023, while the federal minimum wage remained at $7.25 per hour. Santa Fe County, the City of Santa Fe, and the City of Las Cruces had higher minimum wages in 2023, $14.03 for both Santa Fe County and City and $12.36 for the City of Las Cruces. Minimum wage increases continue to be higher in these areas in 2025, rising to $15.00 an hour in Santa Fe County and City and $12.65 in Las Cruces, while the state minimum wage remains at $12.00 per hour.

Yet wage increases have not been enough to make up for years of falling behind. As documented in the ALICE Essentials Index, wages have not kept pace with the cost of essential goods for more than a decade, stretching ALICE workers' household income even further. In 2023, of the 20 most common occupations in New Mexico as reported by the Bureau of Labor Statistics (BLS), 16 paid less than $20 per hour. The wage necessary to cover the ALICE Household Survival Budget for a single adult in New Mexico was $13.96 per hour working full time, or for a family with two adults and two children, a combined wage of $45.29 per hour.

Of the workers in the 20 most common occupations in New Mexico, 41% were below the ALICE Threshold in 2023. Occupations with the largest share of ALICE workers included cooks, cashiers, personal care aides, janitors, and waiters and waitresses (Figure 10).

Figure 10. A Large Share of Workers in the 20 Most Common Occupations are Below the ALICE Threshold

Labor Characteristics, Most Common Occupations, New Mexico, 2023

Most Common Occupations	Total Employment (BLS)	Percent of Workers Below ALICE Threshold (ACS PUMS)	Median Hourly Wage (BLS)
Personal Care Aides	36,560	61%	$12.83
Fast Food and Counter Workers	25,320	46%	$13.34
Secretaries and Administrative Assistants, except Legal, Medical, and Executive	24,360	21%	$19.35
Retail Salespersons	23,140	38%	$14.47
Customer Service Representatives	20,330	50%	$17.64
Cashiers	19,720	65%	$13.68
Janitors and Building Cleaners	19,090	56%	$14.23
Drivers/Sales Workers	18,120	32%	$18.26
Registered Nurses	18,030	12%	$40.37
General and Operations Managers	17,200	13%	$47.59
Cooks	16,890	66%	$14.52
Stock Workers and Order Fillers	15,790	38%	$16.73
Office Clerks, General	15,260	46%	$16.83
Waiters and Waitresses	12,760	53%	$14.59
Elementary and Middle School Teachers	12,280	19%	$32.66
Healthcare Support Workers	11,100	10%	$17.90
Construction Laborers	10,930	40%	$17.91
Laborers and Material Movers, Hand	10,110	43%	$16.76
Maintenance and Repair Workers, General	9,280	33%	$18.47
Bookkeeping, Accounting, and Auditing Clerks	9,010	22%	$20.52

Note: BLS = Bureau of Labor Statistics; ACS PUMS = American Community Survey Public Use Microdata Sample. This figure includes all workers with income from these occupations (full-time, part-time, and freelance). ALICE Threshold status is determined by comparing workers' total household income to the ALICE Household Survival Budget for their household composition and location.

Sources: ALICE Threshold, 2023; Bureau of Labor Statistics–Occupational Employment Statistics, 2023; U.S. Census Bureau, American Community Survey, Public Use Microdata Sample, 2023.

Where ALICE Works Matters

Occupations and employers are key determinants of worker opportunity. Some jobs have greater earning potential and pathways for advancement. And even within the same occupation, there can be differences by employer in terms of wage levels, job security, predictability of schedules, opportunities for advancement, and benefits. Different ways that ALICE works include gig work, multiple jobs, and small businesses:

- **Gig and contract work:** According to McKinsey's 2022 American Opportunity Survey, more than one-third (36%) of U.S. workers identify as a gig, contract, freelance, or

temporary worker. While there are benefits to these work arrangements, such as flexibility, work-life balance, and the ability to work remotely, these workers are more likely to receive lower wages and have fluctuations in their schedules and income. They are also less likely to receive benefits such as health insurance, paid time off, family leave, or retirement benefits (especially if they work fewer than 30 hours per week at a single job). Nationally, companies spent an average of 31% of compensation on benefits in 2022 for civilian workers; not providing these benefits represents significant savings to the employer.

- **Multiple jobs:** Many low-income workers rely on multiple jobs to make ends meet. Traditional measures of employment have focused on the number of jobs held by a worker; for example, the BLS estimates that only 5% of workers held two or more jobs in 2023. However, in the current economy, a worker may have many sources of income that are not necessarily considered a "job" by agencies like the BLS. In a 2022 Lending Tree survey, 44% of adults reported having a side hustle, with 71% of these

workers saying that without this extra income, they weren't certain they would still be able to pay all their bills.

- **Small business employers:** According to the U.S. Small Business Administration, slightly more than half (53%) of the private-sector workforce in New Mexico worked in a small business – defined by the BLS as a firm with fewer than 500 workers. The 166,301 small businesses in New Mexico, which represent 99% of all businesses in the state, are an important engine for job creation, income, and wealth. However, small businesses are more vulnerable to changes in demand, price of materials, and transportation costs, as well as to cyberattacks and natural disasters. And because they have fewer resources, they are more likely to pay lower wages overall and offer fewer benefits, meaning that they are more likely to employ ALICE workers.

Small businesses took a hit during the pandemic, yet New Mexico's small business growth has outpaced both the national and peer states' averages. While most business activity continues to be centered in Albuquerque and Santa Fe, the southeastern region experienced faster growth between 2020 and 2023.

CHILD CARE WORKERS IN A CHALLENGING SECTOR

Child care is a critical sector within the U.S. economy, as it nurtures and supports healthy child development and enables parents to work. Yet child care costs can consume a sizable portion of a family's income, especially for those in low-wage jobs. In response, New Mexico has made a significant investment in transforming the child care system. Reform started in 2019 with the establishment of the Early Childhood Trust Fund and continued in 2021 and 2022 with key changes including expanding eligibility for subsidies, eliminating copays, and increasing provider reimbursement based on a true cost estimation model. Policies and practices were also put in place to improve child care providers' capacity and quality, and the compensation of their workers.

- Child care workers are the workforce behind the workforce, yet many struggle to make ends meet for their own families: With a median hourly wage of $14.08 in New Mexico in 2023, 60% of child care workers were below the ALICE Threshold. Low wages are a contributing factor to high turnover and worker shortages.

- Lack of child care slots, particularly infant-toddler slots, and long waiting lists remain an obstacle for parents. In 2024, there was a statewide shortfall of nearly 14,000 child care slots.

- New Mexico's Pre-K program for three and four-year-olds can also help lower child care costs. During the 2023-2024 school year, 16,095 children were enrolled, up 2,868 from the year before.

While progress is being made overall, it will take some time to realize the full benefits of the significant investment being made to improve the state of child care in New Mexico.

Wage Disparities in the Workforce

Disparities in wages exist by sex, race/ethnicity, educational attainment, disability status, sexual orientation, gender identity, and immigration status. While wage gaps have narrowed in some places, they persist across New Mexico:

- **Sex:** Among all full-time, year-round New Mexico workers, women earned 84 cents for every dollar paid to men, on par

with the national earnings (83 cents for every dollar paid to men) in 2023. For Indigenous and Latina women in New Mexico, the disparities were even wider at 54 cents and 60 cents, respectively, for every dollar paid to men.

- **Race/ethnicity:** Nationally, the wage gap between Black and White workers shrank in both 2022 and 2023. Yet

income disparities remained. As recently as the [fourth quarter of 2023](#), among full-time workers, median weekly earnings were $884 for Hispanic, $967 for Black, $1,157 for White, and $1,528 for Asian workers.

- **Educational Attainment:** The [gap in educational attainment in New Mexico contributes to wage disparities](#). Lower high school graduation rates and college retention and completion rates have led to fewer people with a college degree in New Mexico. In 2022, 28% of New Mexicans had a college degree, 5% below the national average. That same year, in New Mexico, annual earnings on average were considerably higher for college graduates ($55,000) compared to high school graduates ($26,000) – both nearly $6,000 less than the national averages.

- **Disability:** Compared to the national average, [New Mexico has a higher percentage of people living with a disability](#) (17.8% vs. 13.5%). Workers with disabilities earn less overall than those without disabilities (although among people working similar jobs and schedules, the gap is smaller), and people with disabilities are less likely to earn a full-time wage. Additional disparities were revealed in our *[ALICE in Focus: People with Disabilities](#)* research: Whether working full or part time, people with disabilities were more likely to be below the ALICE Threshold than people without disabilities. In 2023, 28% of full-time workers with disabilities in New Mexico were below the ALICE Threshold, compared to 24% of full-time workers without disabilities. For people with disabilities who worked part time, the rate of financial hardship was 56%, compared to 46% for part-time workers without disabilities.

- **Sexual orientation and gender identity:** Nationwide, lesbian, gay, bisexual, transgender, and queer (LGBTQ+) workers earned 87 cents [for every dollar the average](#)

[full-time worker earned](#) in 2022. In addition, more than one-third of LGBTQ+ workers say they have [experienced discrimination in the workplace](#). New Mexico is recognized for its [strong anti-discrimination laws and policies](#) that prohibit discrimination based on sexual orientation or gender. These protections are designed to support equal opportunity for employment and equitable pay structures and provide a means for individuals experiencing discrimination to challenge unfair practices.

- **Immigration status:** Despite significant contributions to growing the economy, in a [2023 nationally representative survey](#), immigrants in the U.S. reported experiencing discrimination, hostility, and difficulty making ends meet; and being overqualified for their jobs, uninsured, and uncertain about shifting immigration laws. [Workers born outside of the U.S.](#) made up 18.6% of the U.S. civilian labor force in 2023, and their [median usual weekly earnings](#) (for full-time wage and salary workers) were 87% of the earnings of their U.S.-born counterparts ($987 vs. $1,140). In [New Mexico](#) in 2022, 11% of workers and 16% of Main Street business owners were immigrants. Combined immigrant workers and owners generated $12 billion in products and services.

- **Wage disparities are even more substantial for workers with multiple marginalized identities.** For example, in New Mexico, when [factoring in gender](#), Asian women were paid 65 cents for every dollar paid to White, non-Hispanic men in 2022; Black women were paid 59 cents; and Latinas were paid 46 cents. [These differences persist](#) even when controlling for education and work experience.

THE ALICE ECONOMIC VIABILITY DASHBOARD

United For ALICE's [Economic Viability Dashboard](#) provides key data on the local economic conditions that matter most to ALICE households: work, housing, and community resources. The Dashboard's mapping, profile, and comparison features can help communities and policymakers identify the gaps that ALICE workers and families face in reaching financial stability. Then, the Action Planner puts that data to use by quantifying gaps and pairing them with promising practices, so that public and corporate policymakers can remove barriers and make structural changes needed to ensure that ALICE households' basic needs are met.

DOES ALICE HAVE SAVINGS AND ASSETS?

One of the key contributing factors to ALICE families' precarious financial situation is the lack of savings and assets, such as rainy day funds, retirement assets, and homeownership. In addition, student loans often increase these families' debt burden.

Savings and assets provide a cushion for workers when there is an emergency – anything from a car repair to a medical crisis – as well as allowing families to save for the future – higher education, homeownership, or retirement. But for ALICE families, saving is difficult, and an emergency can mean having to deplete whatever savings they have. This often leads to difficult trade-offs such as having to forgo some basic needs to pay for others or relying on credit cards and accumulating debt.

And due to persistent gaps in access to assets, financial tools, and credit constraints, lower-income households – Black and Hispanic borrowers in particular – are more likely to be targeted by predatory lenders with excessive fees or interest rates on borrowing. Additionally, low asset limits for assistance programs penalize recipients for accumulating savings. For example, exceeding the asset limits for Supplemental Security Income (SSI) can cause not only the loss of SSI cash benefits, but may also jeopardize access to Medicaid or housing assistance. As a result, ALICE families often do not have the means to build assets, let alone catch up to families who already have assets (especially those who have been building them for generations).

Rainy Day Funds

One of the best-known questions in the Federal Reserve Board's Survey of Household Economics and Decisionmaking (SHED) asks whether respondents had set aside emergency savings or rainy day funds that would cover their expenses for three months in case of sickness, job loss, economic downturn, or other emergencies. Overall, 52% of SHED respondents in the Mountain Census Division (which includes New Mexico) had savings that could cover three months of expenses in the event of an emergency in 2023. However, this average conceals significant differences between respondents by income status. Respondents below the ALICE Threshold were far less likely than those above the Threshold to have savings that could cover three months of expenses in the event of an emergency (33% vs. 69%).

The amount of savings in the rainy day fund also provides insights. For more than half (55%) of SHED respondents below the ALICE Threshold, the largest emergency expense they could cover was less than $500; by comparison, more than two-thirds of respondents above the Threshold (69%) could cover more than $2,000 (Figure 11).

How many respondents had savings to cover three months of expenses?

Below ALICE Threshold: 33%

All Respondents: 52%

Above ALICE Threshold: 69%

Figure 11. Households Below the ALICE Threshold Struggle to Cover Emergency Expenses

Largest Emergency Expense by ALICE Threshold Status, Mountain Census Division, 2023
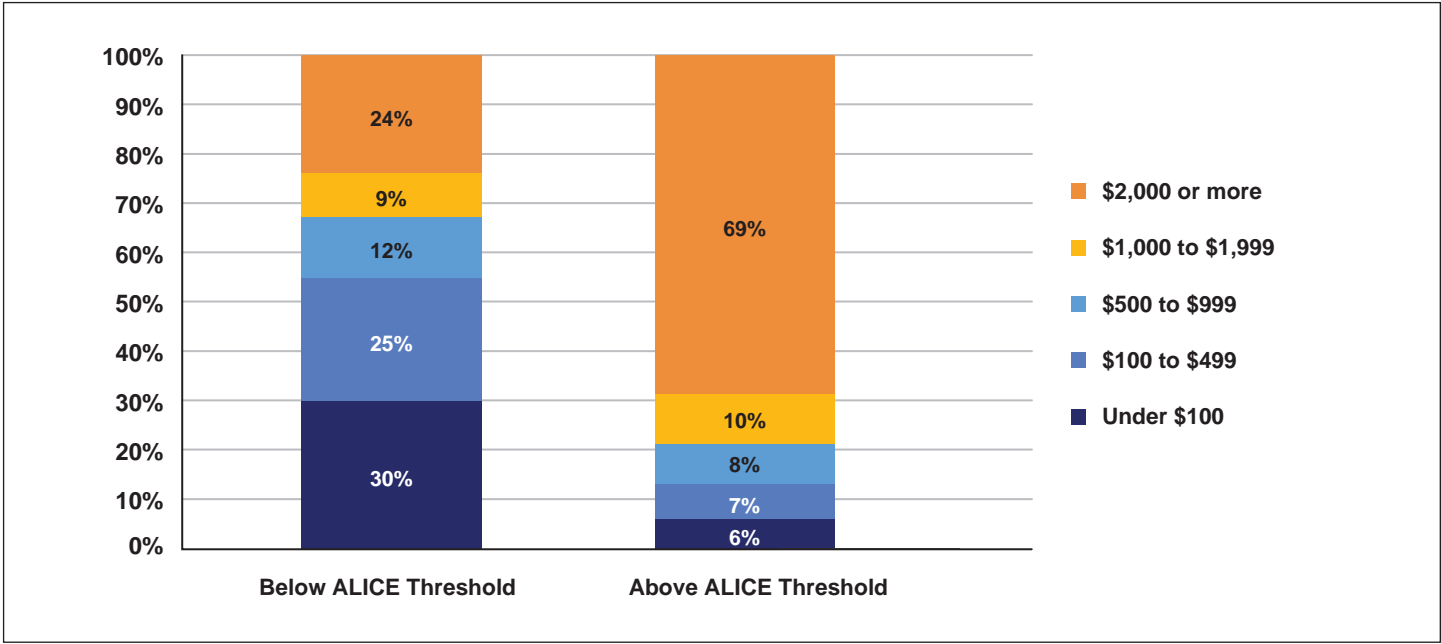
Question: Based on your current financial situation, what is the largest emergency expense that you could handle right now using only your savings?

Sources: ALICE Threshold, 2023; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), 2023

There were also notable differences by income and race/ethnicity in rainy day funds. In 2023, White respondents below the ALICE Threshold in the Mountain Census Division had higher rates of emergency savings (35%) than Hispanic and Black respondents below the Threshold (30% and 22%, respectively). Rates were higher overall for respondents above the Threshold, yet gaps remained (72% for White, 55% for Hispanic, and 50% for Black respondents).
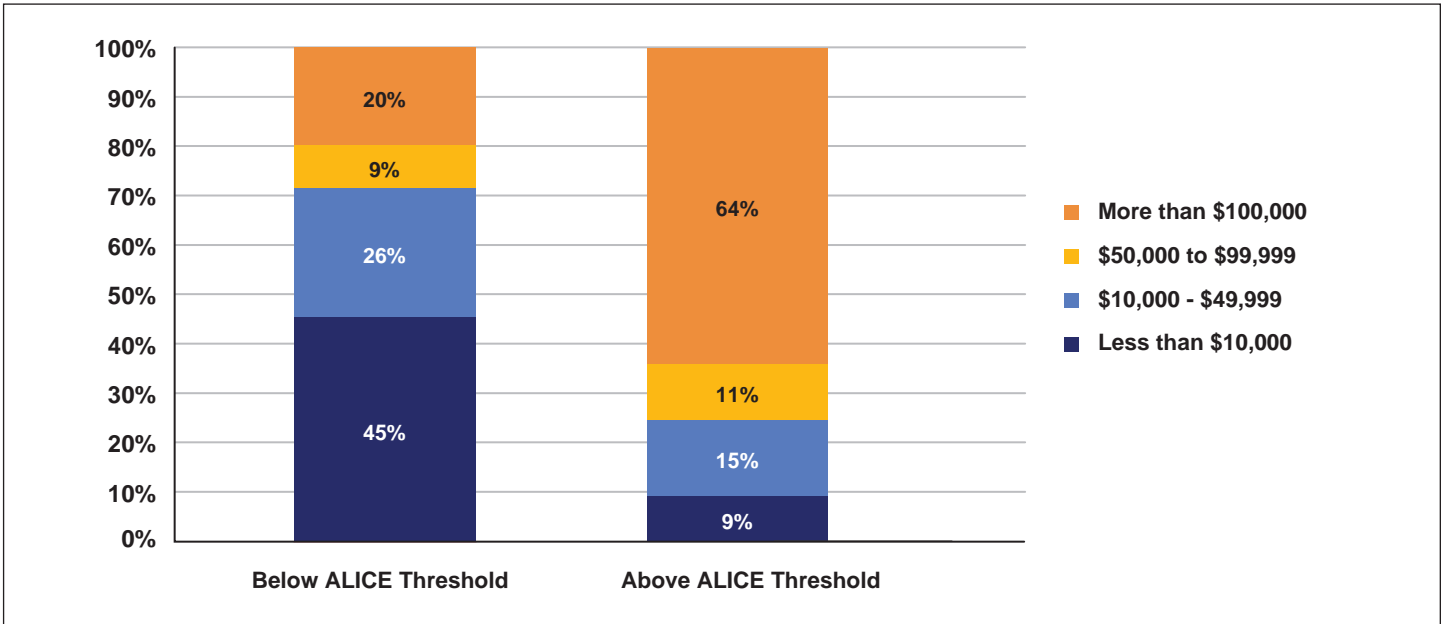
Retirement Assets

Retirement assets include 401(k)s, IRAs, pensions, or business or real estate holdings that provide income in retirement. Overall, 66% of respondents to the SHED in the Mountain Census Division reported having these assets in October 2023.

Yet these averages, again, conceal the disparity in retirement assets between respondents above and below the ALICE Threshold. Respondents below the Threshold in the Mountain Census Division were less likely than those above the Threshold to have retirement assets (42% vs. 88%). Additionally, non-retirees below the Threshold were less likely to say that their retirement savings plan was on track (21% vs. 59% above the Threshold).

Among respondents with retirement savings in the Mountain Census Division, the amounts varied greatly by ALICE status. The majority of respondents below the ALICE Threshold (72%) reported having less than $50,000 in retirement savings in 2022 (latest SHED data available), while the majority above the Threshold (64%) reported having more than $100,000 (Figure 12).

Figure 12. Households Below the ALICE Threshold Have Fewer Retirement Savings

Amount of Retirement Savings by the ALICE Threshold, Mountain Census Division, 2022

Legend:
- ■ More than $100,000
- ■ $50,000 to $99,999
- ■ $10,000 - $49,999
- ■ Less than $10,000

Below ALICE Threshold: 20%, 9%, 26%, 45%
Above ALICE Threshold: 64%, 11%, 15%, 9%

Question: Approximately how much money do you currently have saved for retirement?

Sources: ALICE Threshold, 2023; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), 2022 (latest data for this question)

How many respondents had retirement assets?

Below ALICE Threshold: **42%**

All Respondents: **66%**

Above ALICE Threshold: **88%**

Homeownership

Homeownership is one of the primary means for families to build wealth in the U.S. Owning a home offers stability that provides a foundation for better school and work performance, as well as improved access to health care and healthy food. New Mexico's homeownership rate was 4.4% higher than the national rate in 2023 (at 70.3% vs. 65.9%). Yet high home prices and the associated costs, such as insurance and property taxes, place homeownership out of reach for many.

Slightly more than half (57%) of households below the ALICE Threshold in New Mexico owned their own home in 2023, while more than two-thirds (79%) of those above the Threshold were homeowners. For homeowners below the Threshold, 43% were housing cost burdened (paying 30% or more of their income on homeowner costs, including mortgage payments, utilities, and homeowner's insurance) (Figure 13).

Renters

In 2023, a sizable portion of households below the ALICE Threshold in New Mexico were renters (43%). Even for renters, housing is often one of the most expensive items in their budget. And most renters b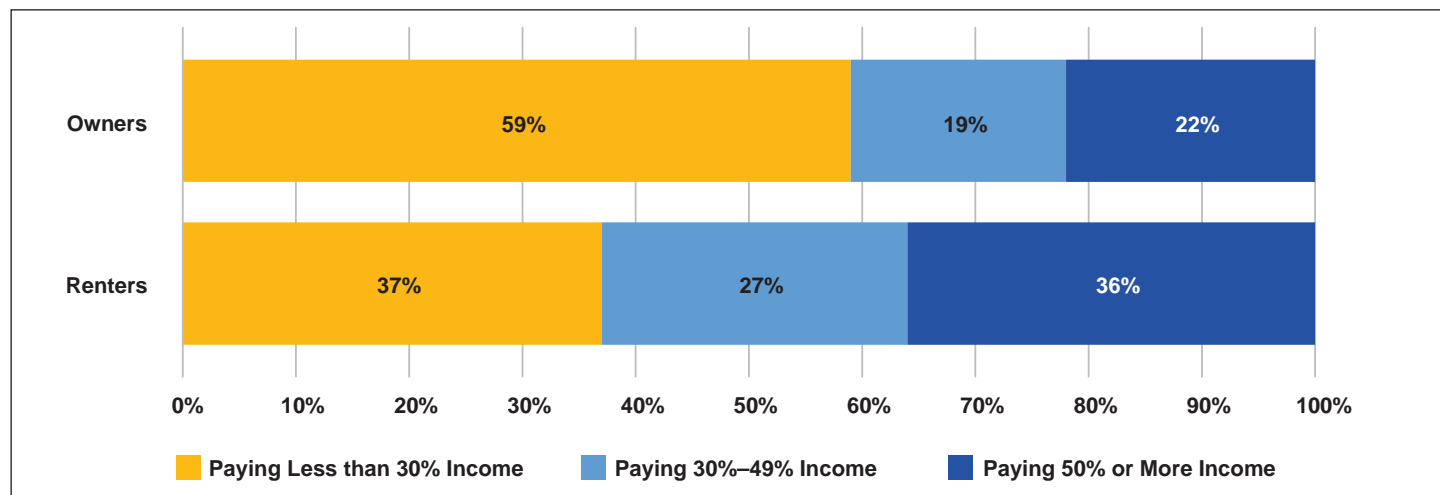elow the ALICE Threshold struggle to pay the rent: In 2023, 27% of renter households below the Threshold in New Mexico paid 30% to 49% of their income on housing. An additional 37% paid half of their income or more. **Combined, 64% of all renter households below the Threshold in New Mexico were rent burdened** (paying 30% or more of their income on rent and utilities).

With the high cost of rent, many renters below the ALICE Threshold in New Mexico actually paid more in renter costs than the median cost of homeownership in 2023. But renters often cannot transition to homeownership due to barriers such as not having enough savings for a down payment or having a poor credit history, either of which can make it hard to qualify for a low-rate mortgage.

Barriers to homeownership are often even more pronounced for certain groups: In New Mexico in 2023, 74.4% of White residents owned and occupied their home, compared to 67.4% of Hispanic residents, 58.8% of American Indian/Alaska Native residents, and 46.7% of Black residents – the result of centuries of race-based discrimination in housing and lending. To see data for your community, explore the ALICE Economic Viability Dashboard.

Figure 13. Most Households Below the ALICE Threshold are Housing Cost Burdened

Renters and Owners Below the ALICE Threshold by Percentage of Income Spent on Housing, New Mexico, 2023

Owners: 59% Paying Less than 30% Income, 19% Paying 30%–49% Income, 22% Paying 50% or More Income

Renters: 37% Paying Less than 30% Income, 27% Paying 30%–49% Income, 36% Paying 50% or More Income

Legend: Paying Less than 30% Income | Paying 30%–49% Income | Paying 50% or More Income

*Sources: ALICE Threshold, 2023; American Community Survey, 2023*

Student Loans

Student loans are a significant expense for New Mexicans. The [average federal student loan in New Mexico](#) in 2024 was $34,136 (up $643 from September 2023).

There is limited data on debt by household income, but the SHED survey recently added a question that provides some insight into ALICE households' student debt burden. In 2023, 15% of respondents below the ALICE Threshold nationally (due to sample size, state-level data is not available) reported having student debt, slightly higher than those above the Threshold (12%). Most respondents below the Threshold (61%) owed less than $20,000, while the majority of those above the Threshold (62%) owed more (Figure 14).

Yet debt was more likely to be a burden for borrowers below the Threshold: For almost two-thirds (62%) of respondents below the ALICE Threshold in the U.S., their debt totaled more than 50% of their income in 2023 (compared to 47% of all respondents and 31% for those above the Threshold).

It is therefore not surprising that 23% of respondents below the ALICE Threshold reported that they were behind on payments or in collections for one or more student loans, compared to 9% of those above the Threshold.

Figure 14. Households Below the ALICE Threshold Have Lower Amounts of Student Loan Debt
Amount Owed on Student Debt, United States, 2023
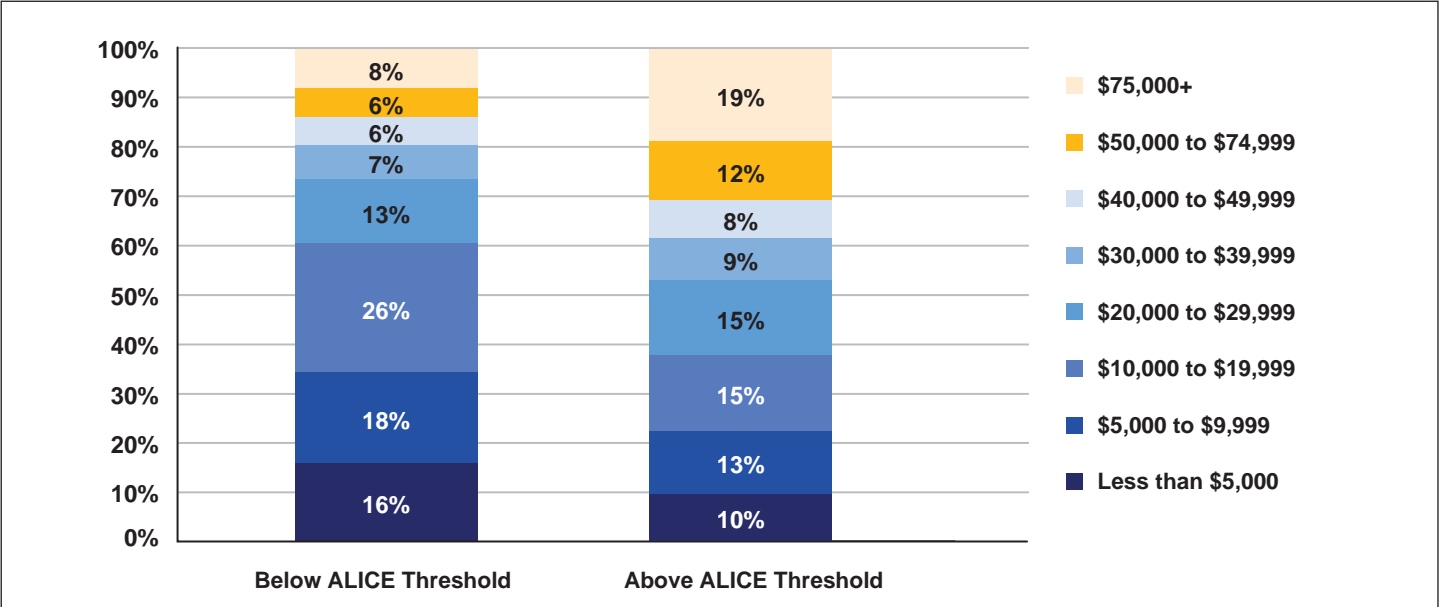
Question: How much do you currently owe on student loans for your own education?

Sources: ALICE Threshold, 2023; Federal Reserve Board, Survey of Household Economics and Decisionmaking (SHED), 2023

Nationally, how many respondents had student debt totaling more than 50% of their annual income?

Below ALICE Threshold: **62%**

All Respondents: **47%**

Above ALICE Threshold: **31%**

DOES PUBLIC ASSISTANCE FILL THE GAPS?

Without public assistance, ALICE households would face even greater hardship and many more would be in poverty, especially during economic downturns. Programs like the Supplemental Nutrition Assistance Program (SNAP), the Earned Income Tax Credit (EITC), Child Care Assistance, Medicaid and CHIP, Supplemental Security Income (SSI), Temporary Assistance to Needy Families (TANF), and, increasingly, food banks and other community supports provide a critical safety net for the well-being of households below the ALICE Threshold.

Yet traditional public assistance does not reach all people in all households that are struggling financially. Due to income and asset limits, most ALICE households do not meet the eligibility criteria for public assistance programs. Other barriers that prevent participation even for eligible households include a lack of awareness of programs, language barriers, stigma, and the administrative burden of accessing benefits. In addition, income and asset limits for public assistance can create benefits cliffs that limit economic mobility.

Food assistance: In part due to the income eligibility level in New Mexico (165% of the FPL in 2023), public food assistance was not accessible to all households that were struggling financially: Only 54% of all New Mexico households in poverty and 29% of all ALICE households participated in SNAP in 2023. Among all eligible people, estimated SNAP participation rates were higher. Of note, the income eligibility for SNAP increased to 200% of the FPL starting on October 1, 2024.

Cash assistance: The percentage of New Mexico households below the ALICE Threshold receiving direct cash assistance from programs like TANF or General Assistance in 2023 was far smaller than the share receiving SNAP (7% of households in poverty and 4% of ALICE households).

Child care assistance: In New Mexico, child care assistance helps eligible families who are working, attending school, or looking for work to afford child care. As of May 2022, families earning at or below 400% of the FPL ($124,800 for a family of four in 2023) are eligible for child care assistance. To further reduce out-of-pocket costs, copays and taxes have also been eliminated for all eligible participants, making child care free for most families. The expanded eligibility is helping to increase the reach of the subsidy program. According to the second annual New Mexico Family Engagement and Satisfaction Survey, child care assistance usage increased by 8% from 2022 to 2023. However, despite improvement, lack of awareness still remains the most commonly cited reason that families did not access child care assistance. (See "Child Care Workers in a Challenging Sector" on page 20 for more information.)

Participation in SSI: This assistance program serves people with disabilities and those age 65 and older with limited financial resources. To be eligible, applicants have to fall within a matrix of family income and asset limits and criteria. For example, they cannot have assets greater than $2,000 for an individual and $3,000 for a married couple – a level that has not been updated in nearly 40 years. This often creates a substantial barrier to work, saving, and wealth-building for people with disabilities and their families. In New Mexico, only 10% of people below the ALICE Threshold and 19% of people with a disability living below the Threshold participated in SSI in 2023.

Health insurance: Medicaid and CHIP are critical sources of health insurance in New Mexico. The state's Medicaid and CHIP eligibility is 138% of the FPL for nonelderly adults, and 305% for children. In 2023, 34.6% of the population had private insurance through an employer, 34.3% were covered by Medicaid, 16.3% by Medicare, 4.2% through individual plans, and 1.7% through military plans. The health insurance marketplace in New Mexico served nearly 42,000 people, with 81% receiving tax credits to reduce their premiums. Despite these efforts, 9% of people were uninsured in 2023.

For households below the ALICE Threshold in New Mexico, 60% participated in CHIP or Medicaid in 2023, higher than the national rate of 50% for all households below the Threshold.

PUBLIC ASSISTANCE AND INFLATION

The ALICE Essentials Index shows that the cost of household basics increases faster than the cost of the larger basket of goods measured by the Consumer Price Index (CPI). Yet the CPI is used to adjust the amount of the benefit in public assistance programs each year, so that benefit does not increase enough to cover the higher costs of basics. Over time, participants who receive the benefit are not able to buy the same amount of goods they did the previous year. CPI is also used to annually adjust the FPL guidelines that are used for program thresholds, thus reducing access year by year as well.

Together, these two impacts erode the reach and effectiveness of public assistance and other social programs that were originally determined by policymakers. The result is tangible hardship for recipients: For example, only one in four households eligible for federal housing assistance actually receive it. This is especially true for those programs most relevant to ALICE households, including Social Security and Supplemental Security Income (SSI) benefits, retirement benefits for veterans and civil servants, the Supplemental Nutrition Assistance Program (SNAP), school lunch programs, Medicaid, and tax credits.

ONGOING CHALLENGES AND GREATER RISK FOR ALICE

With little access to resources and credit and little to no savings or assets, households below the ALICE Threshold are more likely to face ongoing hardships – from food insufficiency to a broken-down car. These ongoing challenges, in turn, make households below the Threshold especially vulnerable to the effects of broader crises, from natural disasters to pandemics. The most recent survey data shows that these struggles continue.

Ongoing Challenges

Food insufficiency/insecurity: Food insecurity, including food insufficiency, continues to challenge New Mexico households. In the 2024 Household Pulse Survey, respondents below the ALICE Threshold in New Mexico were more than five times as likely to report that their household sometimes or often did not have enough food in the prior seven days than respondents above the Threshold (20% vs. 3%). Rates of food insufficiency have improved slightly since the height of the pandemic (August 2020), when 27% of respondents below the Threshold experienced food insufficiency compared to 5% of respondents above. It is also important to note that while many respondents below the Threshold reported having enough food in 2024, they were more likely to say it was not always the kinds of food that

they wanted to eat (40% of respondents below vs. 23% above the Threshold).

Some demographic groups experienced higher than average food insufficiency (Figure 15). For example, in 2024, 30% of respondents with disabilities below the ALICE Threshold, and 29% of LGBT respondents below the Threshold reported not having enough food, compared to 20% of all New Mexico residents below the Threshold.

For households with children in New Mexico, the rate of food insufficiency for those below the Threshold in 2024 was almost three times higher than for those above (33% vs. 12%, respectively).

As a result, families have had to rely on food banks or food pantries. For example, according to the 2023 American Heart Association: National Latino Family Survey, 17% of Latino families in New Mexico relied on these services to provide food for their families.

Native American communities disproportionately experience food insecurity. Many factors contribute to the higher levels of food insecurity in Native American communities, including limited access to grocery stores, higher food prices on tribal lands, and lack of adequate infrastructure i.e., passable roads and broadband access.

Figure 15. Some Demographic Groups Experience Greater Food Insufficiency

Food Insufficiency by ALICE Status and Demographic Group, New Mexico, 2023

Food Insufficiency, New Mexico, 2024		
Respondents	**Below the ALICE Threshold**	**Above the ALICE Threshold**
All	20%	3%
Black	19%	N/A
Hispanic	20%	5%
Female	21%	3%
With a Disability	30%	9%
LGBT	29%	5%

Question: In the last seven days, which of these statements best describes the food eaten in your household? Selected: Sometimes or often not enough

Note: Black respondents are non-Hispanic; the Hispanic group includes respondents of Hispanic, Latino, or Spanish origin of any race; the "With a Disability" group includes respondents who have one or more vision, hearing, cognitive, mobility, or self-care difficulties; the "LGBT" group includes respondents who identify as gay or lesbian, bisexual, and/or transgender.

Sources: ALICE Threshold, 2023; U.S. Census Bureau, Household Pulse Survey, 2024

Ongoing housing crisis: The 2024 Household Pulse Survey shows that rent continues to be a challenge: 14% of New Mexico renters below the ALICE Threshold and 4% of renters above the Threshold were not caught up on their rent payments. When households can't pay their rent, the risk of eviction

and homelessness increases. In March 2023, one year after the eviction moratorium ended, eviction filings surpassed the pre-pandemic two-year average. There were 3,842 New Mexicans experiencing homelessness on any given night in 2023, a 55% increase from 2017 to 2023.

Struggling to pay bills: Even with strong macroeconomic indicators, ALICE families are struggling to make ends meet: 51% of respondents below the ALICE Threshold in New Mexico reported that it was somewhat or very difficult to pay for usual items such as food, rent or mortgage, car payments, and medical expenses according to the 2024 Household Pulse Survey.

Facing lack of savings and medical debt: According to the SHED (2023), 20% of respondents below the ALICE Threshold in the Mountain Census Division (which includes New Mexico) reported that they incurred an unexpected major medical expense that they had to pay for out-of-pocket because it was not entirely paid for by insurance. Medical debt generally reflects poorer health and lower rates of health care coverage, and can lead to lower credit scores and additional financial hardship.

Physical health: According to the SHED (2023), in the Mountain Census Division, 40% of respondents below the ALICE Threshold reported that during the previous year, they went without health care (prescription medicine, seeing a doctor, mental health care, or dental care) because they couldn't afford it, compared to 17% of respondents above the Threshold. Focusing specifically on children, according to the 2023 New Mexico Health Services Department Survey, 25% of parents reported that they delayed or avoided medical care they felt their child needed during the past year due to the cost, with even higher rates among Black families (51%), uninsured children (44%), families with income between $40,000 and $69,000 per year (37%), and families living in rural counties (30%).

Mental health: The negative impact of financial stress on mental health has been well established, so it is not surprising that people below the ALICE Threshold in the Mountain Census Division were more likely to report mental health challenges than those above the Threshold. According to the Household Pulse Survey, in 2024, 12% of respondents below the Threshold and 6% above the Threshold reported feeling nervous, anxious, or on edge nearly every day over the last two weeks.

Some demographic groups experienced higher than average rates of feeling nervous, anxious, or on edge (Figure 16). For example, in 2024, 28% of respondents with disabilities below the Threshold and 23% of LGBT respondents below the Threshold reported feeling nervous, anxious, or on edge nearly every day over the prior two weeks. According to a 2022 report by the Kaiser Family Foundation, 31.4% of adults with anxiety and/or depression had an unmet need for therapy or counseling in the past four weeks in New Mexico, compared to 28.2% at the national level. Barriers to access to care in New Mexico include lack of insurance or coverage for mental health services; shortage of mental health professionals; poor reimbursement rates that discourage acceptance of Medicaid; and limited coordination and continuity of care.

The lack of mental health resources became more apparent during the pandemic, and efforts are increasing to meet the need, especially with the launch of the Nationwide Suicide and Crisis Lifeline (988). Since its launch in July 2022 through the end of May 2023, the crisis line in New Mexico has responded to nearly 22,000 calls, texts, or chats.

Figure 16. Some Demographic Groups Experience Greater Mental Health Impacts

Rates of Feeling Nervous, Anxious, or On Edge by ALICE Status and Demographic Group, Mountain Census Division, 2024

Feeling Nervous, Anxious, or On Edge, Above and Below the ALICE Threshold, Mountain Census Division, 2024		
Respondents	**Below the ALICE Threshold**	**Above the ALICE Threshold**
All	12%	6%
Black	10%	5%
Hispanic	11%	8%
Female	12%	7%
With a Disability	28%	21%
LGBT	23%	15%

Question: Over the last two weeks, how often have you been bothered by feeling nervous, anxious, or on edge? Selected: Nearly every day

Note: Black respondents are non-Hispanic; the Hispanic group includes respondents of Hispanic, Latino, or Spanish origin of any race; the "With a Disability" group includes respondents who have one or more vision, hearing, cognitive, mobility, or self-care difficulties; the "LGBT" group includes respondents who identify as gay or lesbian, bisexual, and/or transgender.

Sources: ALICE Threshold, 2023; U.S. Census Bureau, Household Pulse Survey, 2024

Natural Disasters

New Mexico is prone to severe weather, including thunderstorms, high winds, damaging hail, heavy rains and flash flooding. Rising temperatures and reduced precipitation has also led to an increase in devastating droughts and wildfires. For example, in 2022, wildfires burned more than 800,000 acres in the state, destroying homes, ranches, livestock, and livelihoods and contaminating drinking water. The financial impact of severe weather events and their aftermath totaled between $2.0 to $5.0 billion from 2022 to 2024. This figure does not include the most recent flash flooding in Ruidoso, where residents are still struggling to recover from last year's devastating wildfires.

Environmental disasters can also lead to contamination of air, soil, and groundwater with highly toxic compounds such as PFAS. In New Mexico, flooding and stormwater runoff has contributed to the spread of PFAs, yet the biggest contributors are related to industrial processes and practices and the use of firefighting foams. PFAs have been linked to serious health problems, including cancer, hormone disruption, reproductive problems, immune suppression, and decreased vaccine response. As recently as November 2024, 8,865 sites across 50 states and the District of Columbia have soil or water contaminated with PFAS (up from 2,858 reported in 2022). In New Mexico, it is estimated that 19,000 different forms of PFAS are being circulated in consumer goods (i.e., food packaging, cookware, carpet, furniture, etc.). Additionally, wildlife and plants around Lake Holloman have one of the highest PFAS levels in the world. Legislators passed two bills in 2025 seeking to restrict the use of PFAS to protect New Mexico communities, particularly those near the Cannon and Holloman Air Force bases.

In New Mexico, as a result of historic and ongoing issues including the legacy of segregation on exposure to air pollution and oil- and gas-related contaminants, Black, Hispanic, and Native American and lower-income communities are more likely to be located near contaminated waste sites, hazardous chemical facilities, polluting industrial facilities, and oil and gas extractions. As a result, they face greater exposure to toxic pollution and incur greater health risks than residents of wealthier and predominantly White communities. One of the most egregious examples is the nuclear testing that took place at the Trinity test site in New Mexico in the mid-1940s. Native Americans and Hispanic people who lived near or downwind of the site received no warning or information about the testing and the associated dangers of the radioactive debris to people, the water, crops, livestock, and surrounding land. For decades that followed, people who were exposed to the area developed cancers, heart disease, and other health issues. In addition,

uranium mining continued until 1990, and workers and their families continued to be exposed to radon.

Financially insecure households disproportionately bear the impact of crises and disasters:

- Households below the ALICE Threshold are more likely to live in housing units and communities that are at increased risk for flooding, fire, and other hazards, primarily because those areas are more affordable, and they have fewer resources to prepare for, withstand, or recover from these disasters. Nationally, according to the Household Pulse Survey (2024), one month after a natural disaster, among respondents who were displaced, those below the Threshold were almost three times as likely as those above the Threshold to experience a shortage of food (52% vs. 18%) and drinkable water (36% vs. 15%).

- If a disaster closes businesses or prevents workers from getting there, those who are paid hourly don't get paid. Yet they still have to pay bills like rent and food, and there may also be new, disaster-related expenses, like fixing damage to their home or car or replacing spoiled food.

- ALICE workers are essential for crisis recovery and rebuilding from natural disasters. For example, many ALICE workers performed essential jobs during the pandemic – caring for COVID-19 patients or working in food service, grocery stores, and warehouse and fulfillment centers – despite unsafe working conditions. Similarly, in the aftermath of hurricanes and wildfires, ALICE workers are essential for debris removal, housing repairs, and rebuilding basic infrastructure. Yet these jobs are nearly impossible to do if workers and their families are in crisis themselves.

MAPPING ALICE WITH COMMUNITY RESOURCES AND INDICATORS OF WELL-BEING

Mapping where ALICE lives along with the location of community resources – such as health care facilities or public libraries – can help identify gaps by town, ZIP code, county, or state. View ALICE data by geography along with the locations of key resources at UnitedForALICE.org/Maps/New Mexico.

ALICE data can also be mapped alongside other datasets. Visit UnitedForALICE.org/Indicators/New Mexico to see relationships between financial hardship and other key indicators of well-being, such as internet access.

STABLE HOUSEHOLDS, STRONGER COMMUNITIES

The New Mexico economy relies on ALICE workers to run smoothly, and our communities depend on ALICE family members, neighbors, and volunteers. Yet the 385,487 households below the ALICE Threshold across New Mexico did not earn enough to cover basic costs in 2023.

But what if all households had enough income to cover their basic needs? With more income, consumer spending would increase and contributions to the tax base would grow. This investment would spur economic activity, with benefits for the economy and wider community. The amount to bring all New Mexico households to the ALICE Threshold would have been $9.2 billion in 2023.

This analysis can help spur discussion of how to fill the gap, which policies or programs are effective, and how to navigate the difficult trade-offs of resources involved. This would require effort and investment from multiple sectors, including government, nonprofit, business, and philanthropy.

A boost to economic growth: The underlying principle is that increasing income for households below the ALICE Threshold spurs economic growth because these households are more likely to spend than to save additional income, so this income would largely go back into the economy as households spend to cover costs and pay additional taxes.

Increased spending in the local economy has a multiplier effect. This analysis uses the 2023 economic multipliers from Mark Zandi, Chief Economist at Moody's Analytics (the Congressional Budget Office provides similar estimates), for additional household income spending on food (1.57), utilities (1.27), and other necessities (1.42). For instance, every dollar spent on food spurs an additional 57 cents in business growth in the retail, agriculture, trucking, and rail freight industries.

There are also economic multipliers for the additional taxes that households below the ALICE Threshold would pay. Zandi estimates economic multipliers for tax revenue spent on aid to state and local governments (1.27) and transportation infrastructure (1.23), meaning that every dollar households below the Threshold pay in additional taxes would fuel even more economic growth.

An increase in quality of life: Beyond these economic contributions, there are cascading benefits of meeting basic needs (see Figure 17 on next page). **If all households are on a more solid financial footing, communities can look beyond crisis spending and poverty alleviation toward broader community well-being.** For example, funding that went toward emergency housing or food assistance could be redirected to create more affordable housing and locally grown food systems for the long term. Funding could also be used to enhance opportunities for civic engagement, arts, and recreation. Together, these investments can improve physical and mental health and overall quality of life – not just for ALICE families, but for entire communities, New Mexico, and the nation as a whole.
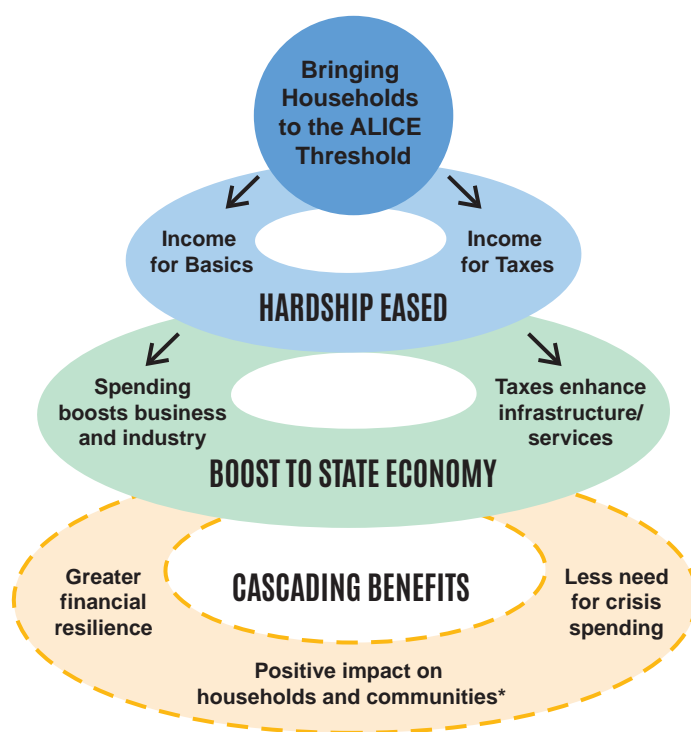
See Figure 17 for additional details/sources related to the benefits of meeting basic needs.

Figure 17. Cascading Benefits of Meeting Basic Needs

If households have sufficient income for...	Benefits for ALICE Households	Benefits for the Wider Community
Safe, Affordable Housing	Improved physical and mental health through safer environments and reduced stress; improved educational performance and outcomes for children; greater stability for household members; a means to build wealth and racial equity for homeowners	Expanded and updated housing stock, reduced systemic housing inequities; lower health care costs; reduced homelessness; increased opportunities for jobs and more money spent in local communities
Quality Child Care and Education	Increased labor force participation, lifetime earnings and retirement security for women; health benefits for children, school readiness, improved educational attainment and graduation rates; improved performance in higher education; higher lifetime earnings	Reduced racial/ethnic inequalities in learning and development; positive health, education, and economic outcomes for children and families; stronger community economies; more homebuyers and higher property values through availability of quality child care
Adequate Food	Decreased food insecurity; improved health (especially for children and adults age 65 and over); decreased likelihood of developmental delays and behavioral problems in school	Lower health care costs; improved school and workplace productivity; less spending on emergency food services; greater equity by gender, race/ethnicity, and immigration status
Reliable Transportation	Decreased transportation insecurity; improved access to work/job opportunities, school and child care, health care and social services, food/retail markets, and support systems (friends, family, faith communities)	Improved air quality and reduced gasoline consumption/carbon emissions; increased economic opportunity through returns on investment; a more diverse labor market; decreased income disparities; more integrated neighborhoods
Quality Health Care	Better mental and physical health (including increased life expectancy); improved access to preventive care; fewer missed days of work and school; decreased need for emergency services; lower share of income spent on health	Decreased health care spending and strain on emergency services; reduced racial/ethnic disparities in insurance coverage and access to care; fewer communicable diseases; improved workplace productivity; decreased wealth-health gap; better outcomes during health crises
Reliable Technology	Improved access to job opportunities; expanded access to health information and telemedicine services; increased job and academic performance	Closing the "digital divide" in access to technology by income; increased economic development; increased connectivity and social inclusion that helps reduce social, economic, and political disparities
Savings	Ability to withstand emergencies without impacting long-term financial stability; greater asset accumulation over time (e.g., interest on savings; ability to invest in education, property, or finance a secure retirement)	Less spending on public services to cover basic needs like health care, food, and housing — especially for unexpected or emergency expenses

We All Have a Role to Play

In New Mexico and across the U.S., intervention is needed across the board – in business, government, nonprofit, and educational institutions – to set the groundwork for a more sustainable future for ALICE. The ALICE research and data can be used to generate solutions to these problems, helping ALICE households and creating prosperity across communities.

Capturing the true extent of financial hardship in New Mexico is the critical first step. **To learn more, visit the interactive ALICE in New Mexico webpages**:

- County Reports
- Household budgets
- Maps with data for local geographies
- Demographics
- Labor force data
- ALICE data alongside additional Indicators of Well-Being
- See examples of policies, practices, and programs United For ALICE partners have implemented using ALICE data

Our vision is a country where ALICE families not only have sufficient income to afford the basics but can also save and invest in their future. This is a vision not only for ALICE, but for the nation as a whole. The information presented in this Report can help stakeholders remove the barriers to financial stability and facilitate economic prosperity for all. We all have a role to play.

Community members:

- Raise awareness of ALICE through ALICE news and videos, or share your experiences.
- Connect with your local United Way for advocacy, support, and volunteer opportunities
- Connect with members of the state Research Advisory Committees that support this work.

Policymakers and nonprofits:

- Explore ALICE by district using the Legislative District Tool.
- Map ALICE by location to pinpoint need and identify gaps in community resources.
- Use interactive tools from the Federal Reserve Bank of Atlanta (which use ALICE budgets), including the Policy Rules Database and the Career Ladder Identifier and Financial Forecaster.

Employers:

- Implement strategies that support the well-being and retention of ALICE workers while also boosting engagement, productivity, and the bottom line
- Advocate for actions in your communities that support your employees – from affordable housing to quality child care.

All:

- Advocate for the continuation of current government datasets (e.g., American Community Survey, Fair Market Rents). Consistent data over time is crucial for informed decision-making, effective policy implementation, and accountability – enabling governments to address social, economic, and environmental challenges more effectively.

COUNTY COMPARISON: INCOME STATUS, 2023

New Mexico Counties, 2023		
County	Households	% ALICE + Poverty
Bernalillo	285,796	40%
Catron	1,645	60%
Chaves	23,605	54%
Cibola	8,353	56%
Colfax	5,413	50%
Curry	18,471	49%
De Baca	727	51%
Doña Ana	87,688	50%
Eddy	23,245	38%
Grant	11,069	56%
Guadalupe	1,451	67%
Harding	282	59%
Hidalgo	1,501	55%
Lea	24,568	48%
Lincoln	9,376	46%
Los Alamos	8,211	14%
Luna	9,082	67%

New Mexico Counties, 2023		
County	Households	% ALICE + Poverty
McKinley	21,312	68%
Mora	1,991	49%
Otero	25,289	57%
Quay	4,102	52%
Rio Arriba	14,980	52%
Roosevelt	7,211	49%
San Juan	42,670	51%
San Miguel	11,924	53%
Sandoval	58,731	41%
Santa Fe	71,322	36%
Sierra	5,419	61%
Socorro	5,222	57%
Taos	14,459	51%
Torrance	5,774	59%
Union	1,504	55%
Valencia	29,932	55%

NATIONAL COMPARISON: INCOME STATUS, 2023

STATE	RANK	TOTAL	HOUSEHOLD INCOME STATUS		
	(1 = lowest % Below ALICE Threshold)	Number of Households	Households in Poverty	ALICE Households	% Households Below ALICE Threshold
U.S.		130,465,667	16,521,320	38,314,067	42%
Alabama	47	2,024,236	324,705	604,048	46%
Alaska	3	270,644	25,892	64,758	33%
Arizona	39	2,902,613	364,922	918,202	44%
Arkansas	40	1,212,992	192,032	345,062	44%
California	46	13,693,616	1,642,955	4,639,401	46%
Colorado	12	2,402,297	230,499	652,002	37%
Connecticut	27	1,442,969	160,037	420,483	40%
Delaware	25	412,048	43,295	122,269	40%
District of Columbia	2	334,673	44,824	67,156	33%
Florida	48	8,944,469	1,129,685	3,033,439	47%
Georgia	42	4,087,735	561,879	1,282,611	45%
Hawaii	43	493,920	51,115	173,064	45%
Idaho	30	721,351	75,682	221,268	41%
Illinois	13	5,068,029	620,588	1,261,149	37%
Indiana	17	2,730,489	337,484	713,547	38%
Iowa	11	1,320,745	151,884	330,895	37%
Kansas	16	1,174,788	137,344	311,258	38%
Kentucky	38	1,808,144	299,959	498,488	44%
Louisiana	51	1,819,905	351,248	554,557	50%
Maine	28	605,199	67,219	177,879	40%
Maryland	21	2,376,785	236,153	698,562	39%
Massachusetts	35	2,799,709	317,591	876,753	43%
Michigan	29	4,076,984	555,965	1,117,590	41%
Minnesota	6	2,322,755	219,267	584,716	35%
Mississippi	50	1,147,097	221,155	345,210	49%
Missouri	23	2,524,385	320,027	688,622	40%
Montana	14	467,558	57,552	119,941	38%
Nebraska	7	803,424	92,426	188,071	35%
Nevada	36	1,222,034	147,005	385,854	44%
New Hampshire	9	564,142	45,593	151,926	35%
New Jersey	20	3,538,131	359,444	1,018,576	39%
New Mexico	**45**	**842,325**	**141,634**	**243,853**	**46%**
New York	49	7,787,200	1,120,465	2,590,349	48%
North Carolina	32	4,352,607	557,477	1,265,052	42%
North Dakota	1	330,139	36,905	72,665	33%
Ohio	18	4,894,153	661,888	1,223,429	39%
Oklahoma	41	1,572,192	244,654	456,798	45%
Oregon	33	1,738,333	208,441	528,716	42%
Pennsylvania	24	5,308,845	660,390	1,465,590	40%
Rhode Island	22	440,675	51,069	122,439	39%
South Carolina	34	2,156,513	306,059	608,829	42%
South Dakota	10	367,063	41,592	91,103	36%
Tennessee	37	2,852,754	396,857	849,126	44%
Texas	31	11,178,972	1,480,119	3,199,414	42%
Utah	4	1,153,293	107,824	279,066	34%
Vermont	26	272,239	28,609	80,780	40%
Virginia	19	3,368,535	351,398	956,236	39%
Washington	15	3,094,073	320,701	854,530	38%
West Virginia	44	726,214	122,054	209,725	46%
Wisconsin	8	2,474,496	270,316	593,843	35%
Wyoming	5	241,180	27,442	55,167	34%