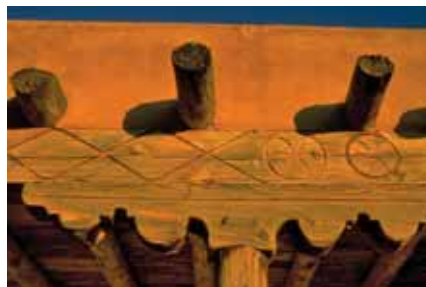


New Mexico Business & Operations



## Make it New Mexico.

*What makes a company choose a new home? Most reasons are simple, pragmatic. An abundance of available land at reasonable prices. Affordable, sustainable energy. Attractive tax structure. Generous incentives and training programs. Highly efficient transportation corridors. Cooperative pro-business government. But without a highly motivated, trainable workforce, business stands still. New Mexico boasts a highly motivated and growing workforce that's second to none.*





Having access to an excellent workforce that is highly trainable is key to any business. Fortunately, New Mexico is an enviable “in-migration” environment to which people are moving to the state in record numbers. Why? The answers are quite simple. Much of today’s workforce chooses quality of life above all other factors when considering a place to call home. This is a trend that has been prevalent for nearly twenty years and promises to continue. While traditional commercial centers of the country are losing population, the southwest is flourishing. Things couldn’t look better for our state’s economic future, as well as for the new businesses that will soon call the Land of Enchantment home. The in-migration trend in New Mexico is also supported by outside economic experts. Richard Florida, in his best selling book, *The Rise of The Creative Class*, ranked two New Mexico cities, Albuquerque and Santa Fe, No. 1 (in their respective classes) for their ability to attract the best and brightest talent, ultimately attracting the best employers as well. *Forbes* named Albuquerque No. 1 as the best city for business and career, and in the small city category, ranked Las Cruces No. 2. Santa Fe also ranked in the top 30 for small cities. *Kiplinger’s* gave Albuquerque accolades as their No. 3 pick for top cities, citing, “This laid-back city offers resort-town ambience, a boomtown economy and cow-town prices.” Although New Mexico boasts a climate second to none (340+ days of sunshine), we are proud to say our economic climate is even brighter. We welcome the opportunity to help your company grow and prosper here.

**ALBUQUERQUE IS RANKED 8TH IN LOCATIONS FOR COST-EFFECTIVE AND SECURE DATA CENTERS**

**BY SITE SELECTION CONSULTING FIRM THE BOYD COMPANY.**





All the advantages you need to prosper in an increasingly competitive global economy exist here: reduced taxes, low land and energy costs, attractive incentives, job training assistance programs, and a motivated, bilingual and growing workforce, led by easy to work with, pro-business state and municipal governments. When you consider these growing factors, you'll find The Land of Enchantment is ready to welcome you and your back office operations.

New Mexico enjoys a strong and growing back office sector comprised primarily of call centers, shared services centers, and data centers. Today, 26 customer service centers are found in New Mexico, with some of the largest U.S. consumer companies represented.

- BANK OF AMERICA**
- BLUE CROSS BLUE SHIELD**
- CITIBANK**
- JC PENNEY**
- SOUTHWEST AIRLINES**
- SPRINT PCS**
- GAP, INC.**
- U.S. FOREST SERVICE**
- T-MOBILE**
- VERIZON WIRELESS**
- VICTORIA'S SECRET**



**NEW MEXICO IS A LEADER IN THE U.S. BACK OFFICE INDUSTRY. BOASTING A LARGE BILINGUAL WORKFORCE, COMPETITIVE WAGES, AND STRONG INCENTIVES FOR EMPLOYERS, NEW MEXICO IS THE LOCATION OF CHOICE FOR BACK OFFICE OPERATIONS.**

According to the New Mexico Call Center Alliance, 13,500 people are employed by the call center industry in New Mexico. Estimates show that about 1,500 jobs have been added to the state's call center industry in the past 12 months; a 12% annual growth rate. Back office centers in the state provide a number of functions for large corporations: customer service, technical support, order taking, claims processing, bilingual customer support, accounts payable, and mail processing.

The service centers found in New Mexico vary by industry and in technical requirements. All customer service centers provide support on products and services. Some, such as T-Mobile and Verizon Wireless, specialize in technical support for consumer technologies such as cell phones. The financial services industry is growing in New Mexico as companies realize the high productivity, low operating cost, and quality of life offered. Employees fluent in both English and Spanish enable an efficient process that reaches a wide span of customers. Bilingual service is available at most centers in New Mexico, a unique trait for the industry.

**New Mexico offers the resources necessary for successful back office operations**

- A qualified, available workforce
- Bilingual workforce
- Competitive wages
- Low risk of natural disasters
- Strong and growing fiber network
- Low cost of doing business
- Mountain time zone
- Generous state and local incentives

**Qualified, available workforce**

New Mexico supplies a highly technical, well educated, and enthusiastic workforce. Employers applaud the customer service skills of the people that they hire. The can-do enthusiasm of the local workforce makes many companies' New Mexico operations some of the most productive of all of their corporate call centers.

Additionally, spouses and partners of military personnel stationed at Kirtland Airforce Base, Cannon Air Force Base, and Holloman Air Force Base provide a skilled, dependable workforce. Many are bilingual, fluent in languages such as German, Spanish and Italian.

Industry experts maintain that communities can support 3-5% of their workers at service centers before wage pressures become problematic. With just 1.6% of workers in New Mexico employed at call centers, the labor force has plenty of room to accommodate more employers.

**Bilingual workforce**

By the state constitution, New Mexico is officially a bilingual state, and 23% of adults speak Spanish. Forty-four percent of the population is Hispanic, and the state is home to a large Native American population as well.

**Competitive wages**

New Mexico has some of the most competitive wages in the U.S. for back office workers. Most back office positions are 15-20% below national averages and significantly below salary averages in the northeast and California (see chart on p6).

**Low risk of natural disasters**

New Mexico offers employers one of the lowest risk locations in the U.S. – free from many of the natural disasters that plague coastal and northern states. Hurricanes, tornados, earthquakes, blizzards, heat waves, hail, and ice storms present little or no threat in New Mexico. Downtime due to environmental forces are diminished by locating in New Mexico; it is one of the top 5 lowest risk states in the U.S.

**Strong and growing fiber network**

The Lambda Rail Project enables high speed connectivity and enormous capacity over the fiber network. Additional suppliers provide extensive capabilities and are expanding the capacity of high speed fiber.

**Mountain time zone**

New Mexico's location in the Mountain Time Zone allows flexibility to serve customers nationwide.



## **Contents** *New Mexico Business & Operations*

|    |                                 |
|----|---------------------------------|
| 1  | Make it New Mexico              |
| 2  | New Mexico's Back Office Sector |
| 4  | New Mexico Resources            |
| 8  | Back Office Companies           |
| 12 | New Mexico Tax Rates            |

### **About Us**

The New Mexico Partnership is your one stop shop for locating your business to New Mexico. We simplify the process by providing information on incentives, workforce training programs, industrial sites, and buildings. Please contact us to receive our confidential assistance in your decision process.

**505 247 8500 or 888 715 5293**

[nmpartnership.com](http://nmpartnership.com)

[info@nmpartnership.com](mailto:info@nmpartnership.com)

### **New Mexico**

Top 10 America's Brainiest Community (BizJournals.com)

3rd Best State for Cost of Labor (Business Facilities)

5th Best State for Manufacturing Growth (Business Facilities)

6th Lowest Corporate Tax Burden in the U.S.

No. 1 Best Place for Business – Albuquerque (Forbes 2006)

No. 2 Best Small Place for Business – Las Cruces (Forbes 2006)

### Low cost of doing business

The state's electricity and natural gas rates are below the average of the U.S. and its neighboring competitor states. Electricity rates in New Mexico are substantially lower than both the national and regional averages. Natural gas prices are also significantly lower. As national concerns over rising energy prices grow, a predictable, competitive supply of electricity and natural gas will become increasingly important. Alternative energy is also being cultivated in New Mexico; solar, wind, and biomass energy have become increasingly used to power the state.

### Low tax burden

The state's tax climate has improved immensely in recent years, as continued tax cuts and growing state revenues from natural resources have driven the overall tax burden in New Mexico to its lowest in 20 years. Today, New Mexico has the sixth-lowest tax burden in the U.S. — and this ranking has been improving. In just five years, efforts by the State to reduce the tax burden have improved the state's ranking from #18 in 2001 to #6 in 2006. Underscoring this trend, Forbes ranked New Mexico's largest city, Albuquerque, as the #1 Best Place for Business in 2006, citing the area's low cost of doing business.

### Real estate and cost of living

New Mexico is the fifth largest state in land area: 121,589 square miles. You would expect land to be plentiful, and it is. It is also quite reasonably priced. New Mexicans enjoy some of the lowest property tax rates in the nation. Property is assessed at 33 percent of the market value. Additionally, the state has a lower cost of living than the national average.

### Education

The University of New Mexico, New Mexico State University, Eastern New Mexico University, New Mexico Tech, and Central New Mexico Community College are the primary educational institutions in the state. 14,408 degrees were awarded in the 2004-2005 academic year: 5,703 Associate's degrees, most of which were in liberal arts and nursing; 5,625 Bachelor's degrees were completed, primarily in the disciplines of business, social sciences, and math, science and engineering; 3,080 Master's degrees were earned, the majority of which were in education, math, science and engineering, business, and health-related professions. (Source: New Mexico Business Weekly, December 2006) The New Mexico Scholarship Lottery allows students who graduate with a 2.5 GPA or better from New Mexico high schools to attend a state university or college free of tuition.

2006 REPORT BY WADLEY-DONOVAN PROFILED THE POSITIVE TRAITS OF ALBUQUERQUE'S WORKFORCE

FAVORABLE QUALITY VS. COST RATIO FOR WORKERS

LARGE, HIDDEN POTENTIAL WORKFORCE

GOOD COMMUNITY IMAGE AND HIGH QUALITY OF LIFE

GOOD ABILITY TO RECRUIT WORKERS NATIONALLY

STRONG DESIRE FOR CONTINUING EDUCATION BY WORKERS

MINIMAL SUBSTANCE ABUSE ISSUES REPORTED

LOW UNION MEMBERSHIP

SOURCE: WADLEY-DONOVAN GROWTHTECH, LLC



*“ We were looking to expand our mission critical operations in a non-disaster prone western U.S. location that could also meet our bilingual needs; the State of New Mexico met the criteria required for this business strategy.”*

MICHAEL TROTTER, VICE PRESIDENT OF STRATEGIC DEVELOPMENT & PERFORMANCE, IEI FINANCIAL SERVICES

*“ New Mexico’s pro-business climate and quality of workforce have positioned us to succeed and grow in our industry.”* MIKE PIANNA, VP MARKETING, PRECHECK

**COMPETITIVE NEW MEXICO WAGES**

| OCCUPATION                                       | \$ ANNUAL SALARY | % ABOVE / BELOW U.S. AVG |
|--|------------------|--------------------------|
| GENERAL AND OPERATIONS MANAGERS                  | \$ 80,790        | -15                      |
| TRAVEL AGENTS                                    | 26,400           | -14                      |
| SALES REPRESENTATIVES, TECHNICAL                 | 60,310           | -13                      |
| TELEMARKETERS                                    | 22,950           | -2                       |
| BILL AND ACCOUNT COLLECTORS                      | 24,910           | -17                      |
| BILLING AND POSTING CLERKS AND MACHINE OPERATORS | 24,890           | -14                      |
| BOOKKEEPING, ACCOUNTING, AND AUDITING CLERKS     | 26,730           | -13                      |
| PAYROLL AND TIMEKEEPING CLERKS                   | 27,300           | -15                      |
| PROCUREMENT CLERKS                               | 32,560           | 0                        |
| BROKERAGE CLERKS                                 | 30,810           | -19                      |
| CUSTOMER SERVICE REPRESENTATIVES                 | 24,430           | -18                      |
| NEW ACCOUNTS CLERKS                              | 23,080           | -19                      |
| ORDER CLERKS                                     | 25,400           | -7                       |
| RECEPTIONISTS AND INFORMATION CLERKS             | 20,440           | -12                      |

SOURCE: ANGELOUECONOMICS BASED ON BUREAU OF LABOR STATISTICS DATA



*“ We found that Albuquerque and New Mexico rated best among the various factors we studied, including quality of labor, operating costs, electric reliability, transportation, and leadership support. ”* ROBERT TRUSSELL, CEO, TEMPUR-PEDIC

*“ We have found our workforce in New Mexico to have enthusiasm and pride about the work they do and are very eager to learn about new technologies. ”*

TIFFANY VAUGHN, DIRECTOR, WIRELESS DATA TECH SUPPORT, VERIZON WIRELESS

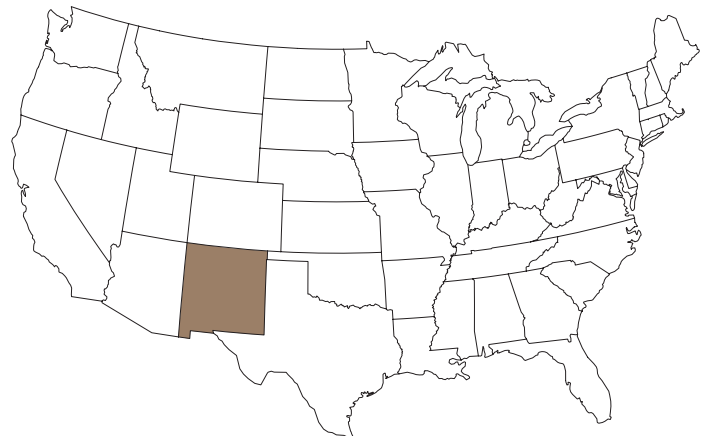
### Incentives

In addition to having one of the lowest costs of doing business in the U.S. and having the sixth-lowest tax burden among all 50 states, New Mexico offers numerous incentives that benefit back office employers:

- **The Job Training Incentive Program** is one of the most aggressive training incentive packages in the country. The program reimburses 100% of custom classroom training expenses at a public educational institution and structured on-the-job training. In addition, the program reimburses 50-75% of employee wages and required travel expenses during training for up to 6 months. JTIP is one of the most flexible and aggressive job training programs in the U.S.
- **Industrial Revenue Bonds** can be issued by New Mexico communities to exempt companies from property taxes on land, buildings, and equipment. Companies creating new business facilities can receive a property tax exemption for up to 20 years. Several call centers have benefited from the use of industrial revenue bonds to build and outfit their facilities.

- **The High Wage Job Tax Credit** is available to employers who export 50% of their products out-of-state and create high wage jobs (\$28,000 or more in rural areas, \$40,000 in urban areas). Employers receive a credit amount equal to 10 percent of the wages and benefits paid for each new job created and can apply them to tax liability over a 4 year period. For any credit left unused, the State of New Mexico will reimburse the employer in the form of a cash payment.

- **The Rural Jobs Tax Credit** is available to companies who operate outside of the metropolitan areas. Employers are typically eligible for \$1000 per employee per year for up to 4 consecutive years.



**PROFITABLE AND SUCCESSFUL COMPANIES HAVE OPENED BACK OFFICE OPERATIONS IN NEW MEXICO.**

**VERIZON WIRELESS** announced their plans to add 300 technical support workers to their existing 500-employee facility in Albuquerque. Plans call for continued growth, with employment reaching as high as 1,400 workers. State and local incentives assisted the decision: Verizon will receive \$22 million in industrial revenue bonds for construction and setup of a building conversion, and the city will invest \$700,000 in infrastructure improvements for the site. Verizon identified many reasons for selecting Albuquerque: the city's attractive real estate market, talented labor pool, and high quality of life.

**PRECHECK** selected New Mexico to establish a data and administrative center to support their growing business in providing background verification and credentialing services for the healthcare industry. New Mexico competed with five other states before being selected. New Mexico's low-risk environment was critical to PreCheck, who needed to guarantee service levels from its primary gulf coast location in Houston. PreCheck received generous workforce training grants and infrastructure funding at a new office park in Alamogordo, New Mexico. PreCheck plans to hire 200 workers within 5 five years.

**CLIENTLOGIC**, an outsource call center company, employs about 1,100 workers in two facilities in Albuquerque and Las Cruces. The firm's 50 worldwide centers provide customer care and support, customer acquisition and retention, and other telemarketing services to an impressive set of clients: Sony, DirecTV, ABN AMRO, TiVo, and British Telecom. The Albuquerque center is the company's second largest and provides technical support, inbound sales calls, and basic customer service for its five major clients.

**T-MOBILE** provides inbound customer support at its two Albuquerque call centers. With 1,700 workers, T-Mobile's Albuquerque call center presence is one of the company's largest. T-Mobile provides an 8-week training course to its new hires and cites the technical expertise and productivity of the local workforce as reasons for its expansion in New Mexico. T-Mobile pays its workers well — up to \$16/hour depending on experience and skills.

**BLUE CROSS BLUE SHIELD** employs 800 workers at its claims and customer service facility in Albuquerque. Blue Cross Blue Shield initially relocated 100 jobs from Illinois to New Mexico in 2004 and has since added 700 new workers. The operation handles service plans for New Mexico, Texas, and Illinois.

**INTERSECTIONS**, a credit monitoring and consumer fraud protection company, employs 175 workers at its Rio Rancho call center. The facility provides support to customers on questions regarding identity theft, fraud protection, and credit monitoring and repair. The company cited state training grants as instrumental to their selection of New Mexico for the new center.

**PR NEWSWIRE** announced the relocation of an operations and customer service center in Albuquerque, with plans to employ 125 workers by mid-2007. PR Newswire will consolidate its West Coast and Central region editorial bureaus at the facility and provide customer support. The company cited several factors in its decision: low cost of living, affordable real estate, strong pool of qualified employees, and the successes of other call centers in the area.

**PRIME THERAPEUTICS**, a pharmacy benefits solutions company with 9 million customers, announced in 2006 that it will open a prescription mail service in Albuquerque that will initially employ 60 workers in a 70,000 square foot facility. Prime Therapeutics evaluated 10 cities across the U.S. before choosing Albuquerque, citing the city's pro-business government, low cost of doing business, and incentives as being important to their decision. In addition to receiving industrial revenue bonds for use with its initial investment, Prime Therapeutics expects to benefit from job training funds from the state.

**THE DEPARTMENT OF HOMELAND SECURITY** recently contracted with Lockheed Martin to open a call center in New Mexico to field questions about immigration. Lockheed Martin employs 350 workers who answer a 1-800 hotline operated by the U.S. Citizenship and Immigration Services. About 100 workers are available to speak Spanish with callers.

IEI FINANCIAL SERVICES chose Las Vegas, New Mexico for its new bilingual customer support center. The center will employ 150 individuals within 3 years. IEI provides customer relationship outsourcing for the utility industry, supporting many of the nation's large utility companies.

SENTO CORP., a publicly traded company (SNTG) based in Utah, recently chose Albuquerque among 33 competitor cities to open a large bilingual call center. The company currently employs 200 workers.

THE U.S. FOREST SERVICE selected New Mexico to consolidate its back office operations from 152 locations to Albuquerque. The Forest Service employs 400 people in finance, IT, human resources, and administration divisions at its new administrative center, and another 800 people elsewhere in Albuquerque.

CONVERGYS bought the former AOL call center in Albuquerque in 2007. Convergys quickly set up an inbound call center that employs 250 workers and will eventually employ 500 workers. The company received incentives through the industrial revenue bond program.

GAP INC. employs 415 workers at its shared services center, which includes financial operations and human resource support. Gap first located in Albuquerque in 2001 and has been delighted with the ability to recruit well qualified employees.



*“State and local governments teamed up to provide us with a progressive incentive package to get us up and running quickly.”* MIKE PIANNA, VP MARKETING, PRECHECK

*“Albuquerque is a high-growth, up-and-coming town with an excellent quality of life, making it easy to recruit technical talent from across the U.S.”*

TIFFANY VAUGHN, DIRECTOR, WIRELESS DATA TECH SUPPORT, VERIZON WIRELESS

NEW MEXICO'S BACK OFFICE SECTOR IS THRIVING. WITH OVER 25 COMPANIES AND A LARGE BASE OF WORKERS, NEW MEXICO IS WELL POSITIONED TO WELCOME BACK OFFICE CENTERS TO THE STATE.

Coupled with high productivity rates and low salary levels, New Mexico has one of the most competitive back office workforces in the United States. State and local incentives enhance New Mexico's competitive position, and aggressive workforce training incentives help new companies find, train, and retain a productive workforce. The quality of life, low cost of doing business, and strong business environment are among the many advantages that New Mexico offers.

Albuquerque, New Mexico was named as one of the top 10 places in the United States for information assurance by The Boyd Company. As reported on InformationWeek.com in October 2006, "the ranking is based on factors such as land and power costs, telecom infrastructure, and a local workforce with data security skills, including people trained at universities recognized as National Centers of Academic Excellence in Information Assurance Education, which are certified by the National Security Agency. Other considerations include airline service from national carriers, insulation from natural disasters, and quality of life."





## Largest New Mexico Back Office Employers

| COMPANY                            | PRODUCT DESCRIPTION                       | EMPLOYEES |
|------------------------------------|---|-----------|
| T-MOBILE                           | CUSTOMER SERVICE CENTER                   | 1,700     |
| CITICARDS                          | ACCOUNT COLLECTION                        | 1,170     |
| CLIENTLOGIC                        | TECHNICAL SUPPORT CENTER                  | 1,100     |
| BLUE CROSS BLUE SHIELD             | INSURANCE CLAIMS PROCESSOR                | 810       |
| EXPRESS SCRIPTS                    | PRESCRIPTION MAIL ORDER                   | 750       |
| BANK OF AMERICA                    | CUSTOMER SERVICE CENTER                   | 730       |
| SPRINT PCS                         | CUSTOMER SERVICE CENTER                   | 650       |
| SOCIAL SECURITY ADMINISTRATION     | CUSTOMER SERVICE CENTER                   | 630       |
| ETELECARE GLOBAL SOLUTIONS         | CUSTOMER SERVICE CENTER                   | 590       |
| VICTORIA'S SECRET                  | CATALOG SALES AND CUSTOMER SERVICE        | 550       |
| GAP, INC.                          | SHARED SERVICES CENTER                    | 415       |
| SOUTHWEST AIRLINES                 | RESERVATION CALL CENTER                   | 400       |
| HOMELAND SECURITY/ LOCKHEED MARTIN | FEDERAL BILINGUAL IMMIGRATION CALL CENTER | 350       |
| JC PENNEY                          | IN BOUND CATALOG ORDERS/CUSTOMER SERVICE  | 350       |
| SENTO                              | 100% BILINGUAL CUSTOMER SUPPORT CENTER    | 300       |
| VERIZON WIRELESS                   | TECHNICAL SUPPORT & SERVICE               | 300       |
| CONVERGYS                          | INBOUND CALL CENTER                       | 250       |
| LIFEMASTER HEALTHCARE              | HEALTH SERVICES CALL CENTER               | 200       |
| INTERSECTIONS                      | CREDIT MANAGEMENT SUPPORT CENTER          | 175       |
| PR NEWswire                        | OPERATIONS CENTER                         | 125       |

SOURCE: NEW MEXICO CALL CENTER ALLIANCE; ALBUQUERQUE JOURNAL; NEW MEXICO BUSINESS WEEKLY; LOCAL ECONOMIC DEVELOPMENT AGENCIES



INDUSTRY EXPERTS MAINTAIN THAT COMMUNITIES CAN SUPPORT 3-5% OF THEIR WORKERS AT SERVICE CENTERS BEFORE WAGE PRESSURES BECOME PROBLEMATIC. WITH JUST 1.6% OF WORKERS IN NEW MEXICO EMPLOYED AT CUSTOMER CARE CENTERS, THE LABOR FORCE HAS PLENTY OF ROOM TO ACCOMMODATE MORE EMPLOYERS.

**Tax Rates**

*Corporate Income Tax:*

Up to \$500,000 in taxable income: 4.8%  
\$500,000 – \$1million: \$24,000 + 6.4% over \$500,000  
\$1million plus: \$56,000 + 7.6% over \$1million

*Franchise Fee:*

\$50

*Property Tax:*

Vary throughout the state, but average about .8% of assessed value.

*Personal Income Tax:*

Rates have been phased down over recent years. The 2007 maximum tax rate is 5.3%. In 2008 it will be 4.9%.

*Gross Receipts and Compensating Taxes:*

Gross Receipts (similar to a sales tax) rates: 5.125% to 7.8125% depending on location.

Compensating Tax (similar to a use tax): 5%.







[nmpartnership.com](http://nmpartnership.com)



**NM**partnership

New Mexico Economic Development Partnership  
851 University Boulevard SE  
Suite 200  
Albuquerque, New Mexico 87106 **USA**  
505 247 8500 or 888 715 5293

[info@nmpartnership.com](mailto:info@nmpartnership.com)