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SOMEONE FORGOT TO GIVE OUR 40 UNDER FORTY ALUMS FROM THE PAST 15 YEARS THE MEMO THAT ALL THE TALENTED YOUNG PEOPLE WERE LEAVING NEW MEXICO.



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MYTHBUSTERS: BRAIN DRAIN EDITION

NEW MEXICO'S BRAIN DRAIN ISN'T VERY EVIDENT
AMONG OUR 40 UNDER FORTY ALUMNS
FOR THE PAST 15 YEARS

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In May, we asked our readers to help us find all of our previous 40 Under Forty honorees.

Turns out, we didn't have to look far.

Roughly 90 percent of our honorees stayed right here in New Mexico. It's a figure that might surprise those who've heard about and studied New Mexico's "brain drain," in which talented young professionals leave – a phenomenon with big consequences for the state's economy.

Since 2001, Business First has put out a (nearly) annual list of the top 40 young business leaders in the area who we think are making a big impact. This year was the 15th installation of our 40 Under Forty awards, and, in honor of the anniversary, we decided to track down all of our previous honorees – nearly 600 of them. The vast majority of those we've honored over the years still live and work in the state.

"I'm not surprised," said Joe Peracchio, a 2006 40 Under Forty honoree, when he heard how many alumni stayed. "As cheesy as it sounds, this really is the Land of Enchantment."

And that's coming from one of the 10 percent who left. Peracchio moved to Los Angeles to further his TV writing and producing career, but says he often misses Albuquerque. His love of the area is echoed by many of our 40 Under Forty alumni.

"New Mexico is my home," said Erin Muffoletto Baca, president of Muffoletto Government Relations and a 2011 honoree who still lives in the state. "Nowhere else is like New Mexico – the sunsets, the mountains, the weather, the millions of stars in the sky and the authenticity of the people. New Mexico is unlike anywhere else, and whenever I travel, I always love to return home."

We were surprised by the results, but New Mexico State University researcher Jim Peach says we shouldn't have been. Peach, an economics professor at NMSU, says his research shows that, overall, New Mexico has been bringing in more educated people than it's losing.

"From 2006 to 2012, there's no question that we had no brain drain," he said. "In fact, we had a brain gain."

To find these numbers, Peach used census information to track how

many people with at least a bachelor's degree came to New Mexico and how many left the state.

The only problem? The numbers don't seem to hold up long term. Peach says in 2013 and 2014, the trend reversed. New Mexico is losing more educated people than it's bringing in.

"[The loss of educated workers] is consistent with general population outmigration during those two years," he said.

University of New Mexico researcher Jeffrey Mitchell said UNM's Bureau of Business and Economic Research looked at the data and found that, from 2009 to 2013, New Mexico had a net loss of people with bachelor's degrees. Mitchell says 2.5 percent of people with a bachelor's degree left the state, although he cautions that the margins of error in the data are quite large.

"We thought this was a very high number," he said of the 2.5 percent loss.

It's important to note that our 40 Under Forty honorees are not necessarily a representative sample of New Mexico's residents. In fact, young people who are working hard enough to improve the state to receive this award are probably less likely to leave than other, equally educated New Mexicans who are less tied to the community. We should also point out that losing even 10 percent of our talented workforce, without some outsiders coming into the state as a counterbalance, would be incredibly bad news.

"It's a positive indicator," said Terri Cole, president and CEO of the Greater Albuquerque Chamber of Commerce, when we told her about our findings. "When we retain our state's most talented professionals, it's an incredible boon to the economy. But we are not yet at a point where we can deem the 'brain drain' issue resolved or imply that it doesn't exist."

Retaining our young people has been a big focus for politicians and business leaders lately, and rightfully so. Millennials, typically defined as 18-to-34-year-olds, spend \$600 billion annually, according to research done by Standard & Poor's. **Z**

IN THEIR OWN WORDS: WHY THEY STAYED



"The simple answer – deep roots. Four generations of my family have practiced commercial real estate in Albuquerque. It's a big enough market to have a lot of business, and a small enough market that your efforts can make a difference. And we travel a lot – it's a central location to launch to the rest of the world."

TODD CLARKE

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