

Quarterly Economic Summary

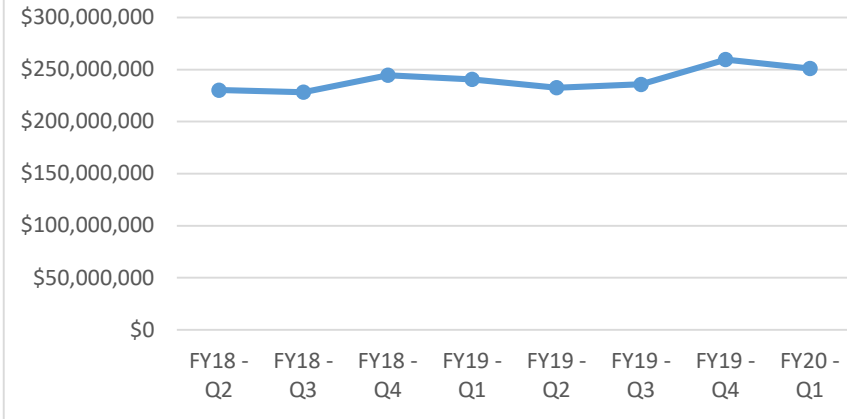
Curry County

Quarterly Report: FY20 Q3



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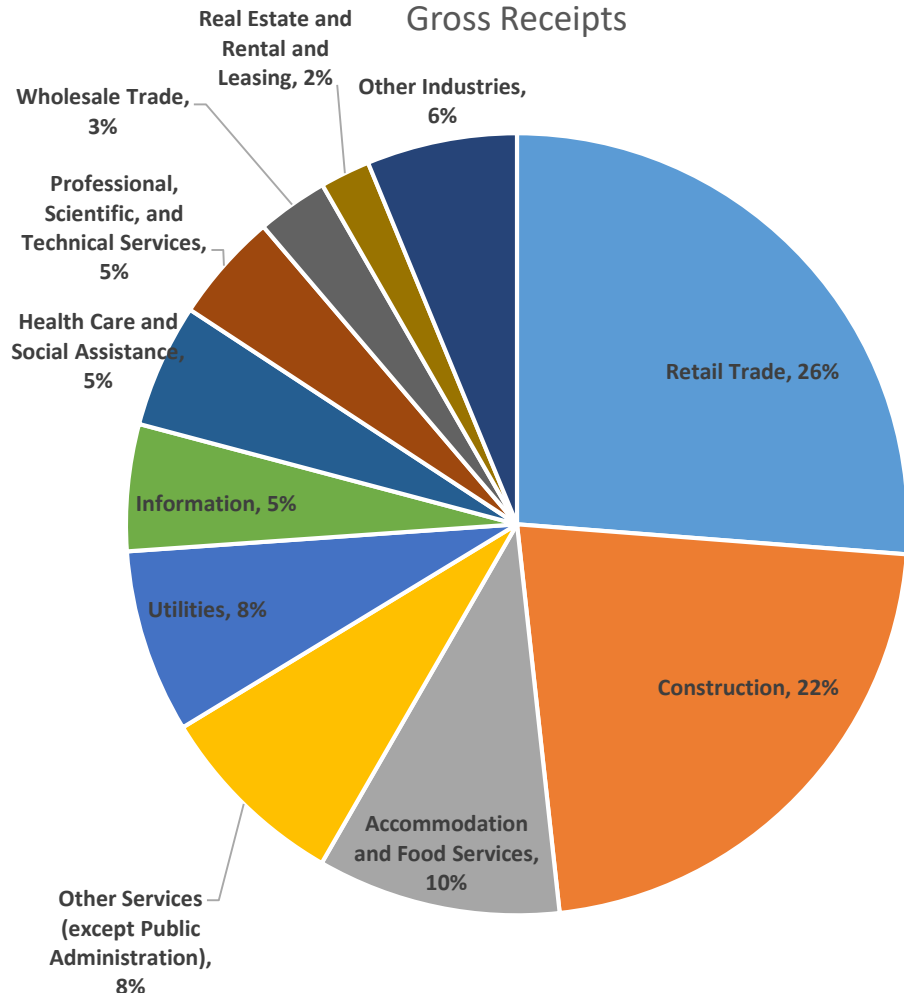
Chart 1. Matched Taxable Gross Receipts Per Quarter



Curry County's matched taxable gross receipts (MTGR) have been trending upwards over the last eight quarters, as seen in Chart 1. The fourth quarters of FY19 and FY20 had larger increases from their preceding months, with the latter increasing to levels that have not been seen since FY17. Q1 FY20 saw a 4% increase compared to the same period of FY19. Q1 FY20 saw the largest increase in its Construction sector when compared to Q1 FY19, with an \$8.3M increase from \$47M to \$55.3M respectively.

In Table 2, on page 2, the Public Administration and Mining industries show a "N/A" year over year change. This is due to no data being available for FY19. This lack of data is likely due to the timing of taxpayer reporting, resulting in no data for the quarter.

Chart 2. FY20 - Q1 Industry Size by Matched Taxable Gross Receipts



MATCHED TAXABLE GROSS RECEIPTS (MTGR) IS THE BEST TAX DATA AVAILABLE TO SHOW UNDERLYING ECONOMIC ACTIVITY. IT MATCHES A TAX PAYMENT WITH REPORTED RECEIPTS FOR EACH TAXPAYER, BY INDUSTRY.

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Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY19 - Q1	FY20 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 27,497,329	\$ 25,263,826	\$ (2,233,504)	-8%
Administrative/Support & Waste Management/Remediation	\$ 2,720,644	\$ 3,876,837	\$ 1,156,193	42%
Agriculture, Forestry, Fishing, and Hunting	\$ 614,492	\$ 590,447	\$ (24,045)	-4%
Arts, Entertainment, and Recreation	\$ 1,344,709	\$ 781,461	\$ (563,248)	-42%
Construction	\$ 46,974,368	\$ 55,308,987	\$ 8,334,619	18%
Educational Services	\$ 1,105,076	\$ 1,261,109	\$ 156,032	14%
Finance and Insurance	\$ 1,068,142	\$ 1,160,784	\$ 92,642	9%
Health Care and Social Assistance	\$ 12,878,219	\$ 12,835,813	\$ (42,407)	0%
Information	\$ 10,242,274	\$ 13,140,816	\$ 2,898,542	28%
Manufacturing	\$ 4,702,366	\$ 4,349,573	\$ (352,793)	-8%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ 464,091	\$ 464,091	N/A
Other Services (except Public Administration)	\$ 22,706,490	\$ 20,047,448	\$ (2,659,042)	-12%
Professional, Scientific, and Technical Services	\$ 10,091,676	\$ 11,357,981	\$ 1,266,305	13%
Public Administration	\$ -	\$ 12,275	\$ 12,275	N/A
Real Estate and Rental and Leasing	\$ 4,753,541	\$ 5,191,678	\$ 438,137	9%
Retail Trade	\$ 63,088,542	\$ 65,833,487	\$ 2,744,945	4%
Transportation and Warehousing	\$ 1,858,296	\$ 2,299,270	\$ 440,974	24%
Unclassified Establishments	\$ 668,195	\$ 819,469	\$ 151,274	23%
Utilities	\$ 18,810,608	\$ 19,044,394	\$ 233,786	1%
Wholesale Trade	\$ 9,435,480	\$ 7,387,830	\$ (2,047,650)	-22%
All Industries	\$ 240,560,448	\$ 251,027,575	\$ 10,467,127	4%

Gross Receipt Tax (GRT) revenue collections began increasing in Q2 FY19. GRT revenue collections hit their highest point (\$2.7M) in Q1 FY20 across the last eight quarters, as seen in Chart 4. Table 2, on page 3 shows that approximately 43% of the County's GDP came from Government and Government Enterprises, which is 21% higher than New Mexico (22%). This difference is primarily due to Cannon Air Force Base.

HB6, PASSED IN 2019, MADE WIDESPREAD TAX CHANGES WITHIN NEW MEXICO. ONE NOTABLE CHANGE IS THE CONVERSION TO DESTINATION-BASED SOURCING THAT WILL BEGIN AFTER A TWO YEAR DELAY. DURING THIS DELAY LOCAL GOVERNMENTS WILL RECEIVE A DISTRIBUTION THAT IS A PORTION OF \$2M EACH MONTH. THE PORTION DISTRIBUTED WILL BE BASED ON WHAT THE POPULATION OF EACH COUNTY IS TO THE TOTAL POPULATION OF ALL COUNTIES, AS PER THE MOST RECENT DECENNIAL CENSUS.

Chart 3. Annual Total GRT Revenue Collections

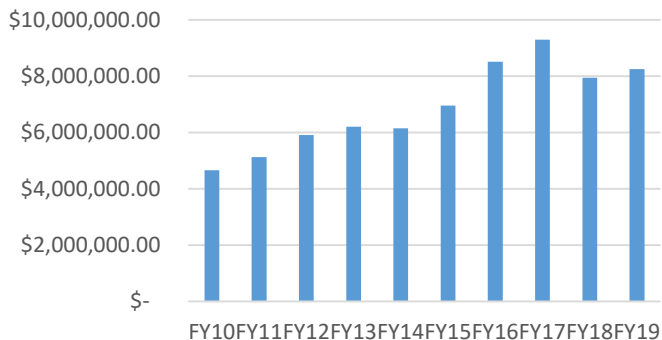
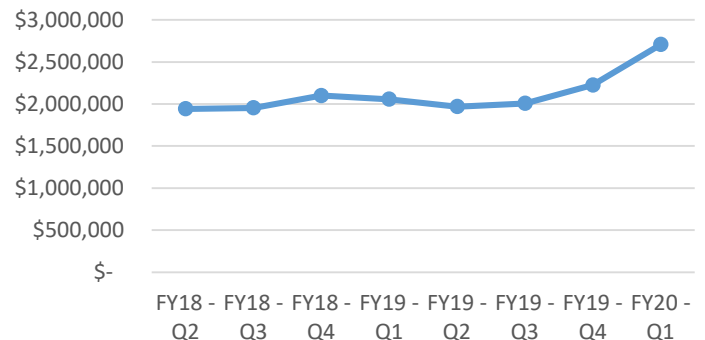


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

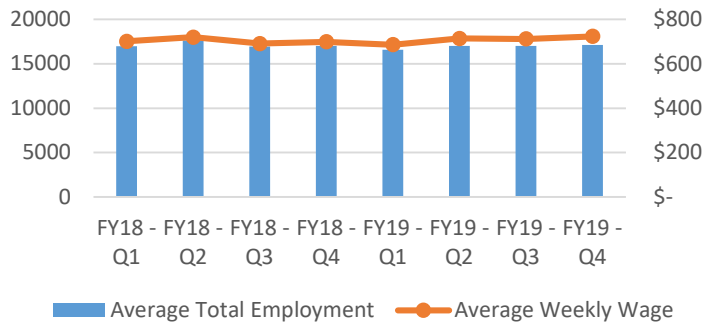


Chart 6. Quarterly Initial Unemployment Claims

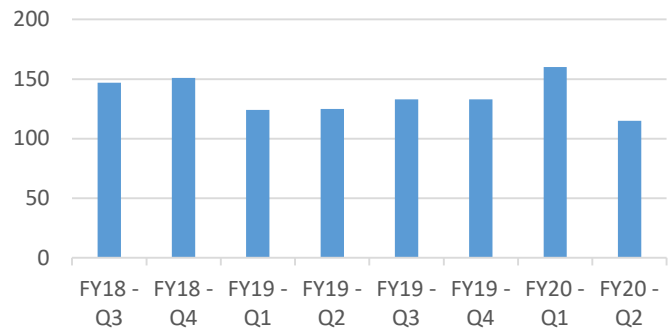
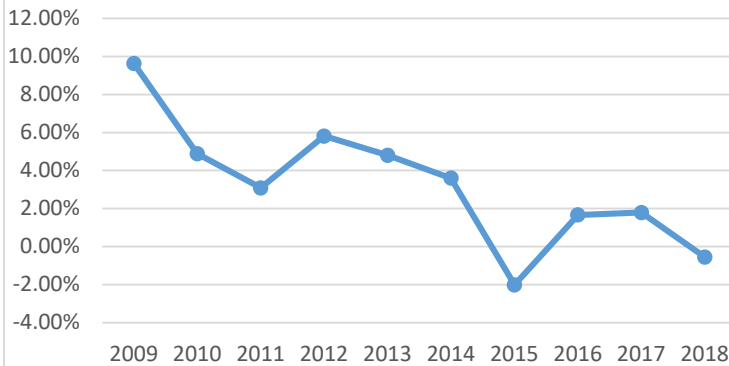


Chart 7. Calendar Year % Change In Real GDP Year Over Year



A SIGNIFICANT UNEXPLAINED INCREASE IN INITIAL UNEMPLOYMENT CLAIMS CAN BE AN EARLY INDICATOR OF AN INCOMING ECONOMIC DOWNTURN. EXPLAINED INCREASES COMMONLY INCLUDE SEASONAL JOB FLUCTUATIONS, GOVERNMENT SHUTDOWNS RESULTING IN MASS EMPLOYEE FURLOUGHS AND THE CLOSING OF A MAJOR REGIONAL FACILITY.

Table 2. Calendar Year 2018 Real County GDP vs Real State GDP

Industries	Curry, NM	New Mexico	Difference Between County and State
Accommodation and food services	1.57%	2.94%	-1.37%
Administrative and support and waste management and remediation services	1.08%	2.51%	-1.44%
Arts, entertainment, and recreation	0.10%	0.68%	-0.58%
Educational services	0.05%	0.51%	-0.46%
Finance and insurance	1.07%	2.75%	-1.68%
Health care and social assistance	4.89%	7.39%	-2.50%
Management of companies and enterprises	0.94%	0.61%	0.33%
Professional, scientific, and technical services	1.20%	7.21%	-6.01%
Real estate and rental and leasing	9.02%	12.17%	-3.15%
Agriculture, forestry, fishing and hunting	20.64%	1.78%	18.86%
Construction	1.45%	3.12%	-1.66%
Information	1.44%	3.21%	-1.77%
Manufacturing	1.69%	4.31%	-2.62%
Mining, quarrying, and oil and gas extraction	0.05%	14.79%	-14.74%
Other services (except government and government enterprises)	1.37%	1.96%	-0.59%
Retail trade	4.02%	5.87%	-1.86%
Transportation and warehousing	4.56%	2.58%	1.98%
Utilities	1.84%	1.57%	0.26%
Wholesale trade	1.86%	3.13%	-1.27%
Government and government enterprises	42.57%	21.50%	21.07%