

Quarterly Economic Summary

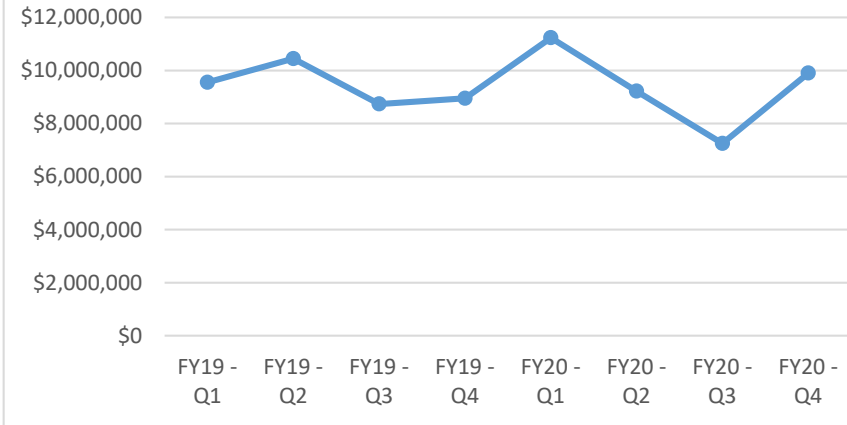
Mora County

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Prepared by: Joel Salas, Economist, and Ryan Eustice, Economist

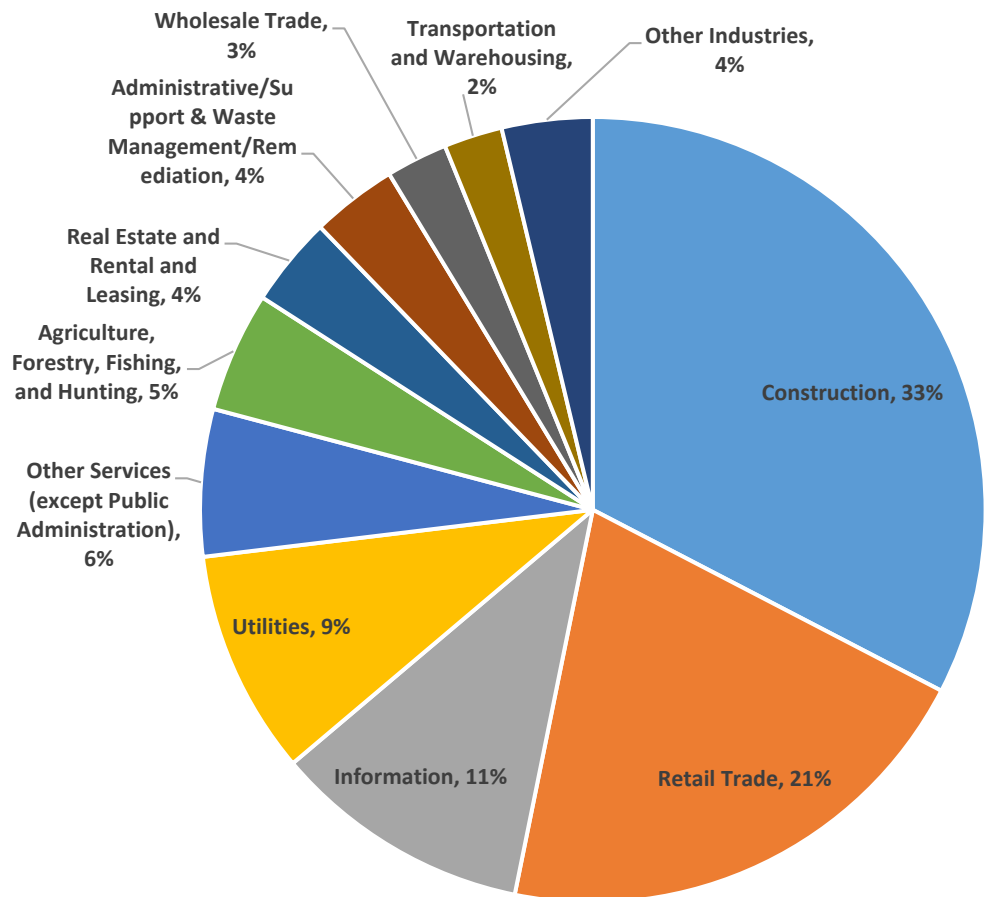
Chart 1. Matched Taxable Gross Receipts Per Quarter



The fourth quarter of FY20 is the first full quarter of economic impacts from the COVID-19 pandemic. Business closures and reduced consumer spending locally began to take effect at the end of March. Since then, the state instituted reopening phases designed to slow the spread of the virus while providing a systematic approach to reopening the economy. However, the continuation of the COVID-19 health crisis and the subsequent closures of many businesses statewide caused downward trends in matched taxable gross receipts across the state.

Mora County saw a \$2.6M or 36% increase in its matched taxable gross receipts (MTGR) from Q3 FY20 to Q4 FY20, as seen in Chart 1. Table 1, on the next page, shows an increase of roughly \$950K from Q4 in FY19 to FY20 of the same period. Table 1 also shows three industries, with no MTGR. This may be due to the county's smaller size and thus fewer companies within each industry. The construction industry continues to be a driver of

Chart 2. FY20 - Q4 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

Industry	FY19 - Q4	FY20 - Q4	Growth	Year over year Change
Accommodation and Food Services	\$ 28,131	\$ 120,324	\$ 92,194	328%
Administrative/Support & Waste Management/Remediation	\$ 415,104	\$ 349,869	\$ (65,235)	-16%
Agriculture, Forestry, Fishing, and Hunting	\$ 314,797	\$ 490,416	\$ 175,619	56%
Arts, Entertainment, and Recreation	\$ 24,943	\$ -	\$ (24,943)	-100%
Construction	\$ 2,838,363	\$ 3,229,825	\$ 391,462	14%
Educational Services	\$ 11	\$ 32,690	\$ 32,678	287410%
Finance and Insurance	\$ -	\$ -	\$ -	N/A
Health Care and Social Assistance	\$ 228,122	\$ 114,650	\$ (113,472)	-50%
Information	\$ 979,243	\$ 1,053,947	\$ 74,704	8%
Manufacturing	\$ 26,701	\$ 12,701	\$ (14,000)	-52%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ -	\$ -	N/A
Other Services (except Public Administration)	\$ 564,111	\$ 599,083	\$ 34,972	6%
Professional, Scientific, and Technical Services	\$ 113,379	\$ 72,793	\$ (40,585)	-36%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 221,720	\$ 366,478	\$ 144,757	65%
Retail Trade	\$ 1,841,980	\$ 2,036,010	\$ 194,030	11%
Transportation and Warehousing	\$ 217,790	\$ 238,415	\$ 20,625	9%
Unclassified Establishments	\$ 23,373	\$ 16,641	\$ (6,731)	-29%
Utilities	\$ 825,522	\$ 916,136	\$ 90,614	11%
Wholesale Trade	\$ 287,564	\$ 250,591	\$ (36,973)	-13%
All Industries	\$ 8,950,855	\$ 9,900,570	\$ 949,715	11%

growth for the county. The education services industry shows a massive year over year percent change. This industry, dating back to Q1 FY18, has seen long stretches of low to near \$0 MTGR followed by relatively large spikes in subsequent quarters.

Annual GRT collections have remained fairly consistent for the last four fiscal years, as seen in Chart 3. From FY19 to FY20, annual collections rose \$43K or 7%. Quarterly GRT collections, from Q3 FY20 to Q4 FY20 increased by \$42K or 35%, as seen in Chart 4.

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 the 2020 Special Session, that legislation was amended, increasing a temporary distribution to municipalities and counties. Now municipalities will receive a distribution that is a portion of \$2.5 million while counties will receive a distribution that is a portion of \$1.5 million. The amounts distributed will be proportional to the size of the community's population versus that of the entire group. These amounts are subject to change if the federal government provides municipalities and counties future grants to offset revenue declines attributable to COVID-19.

Chart 3. Annual Total GRT Revenue Collections

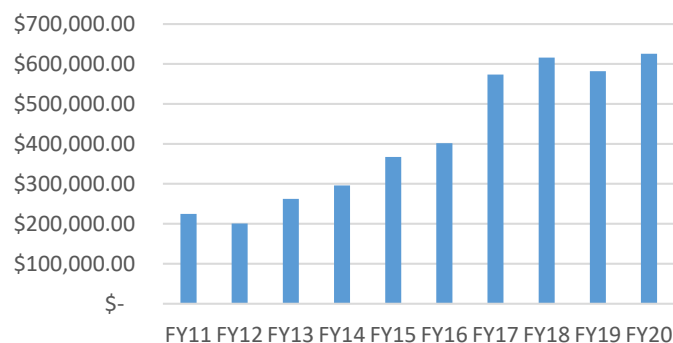
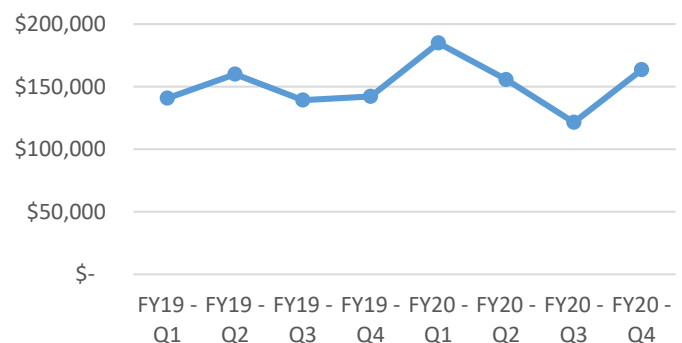


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

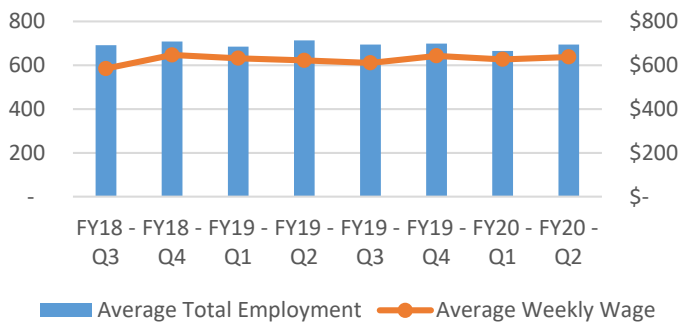
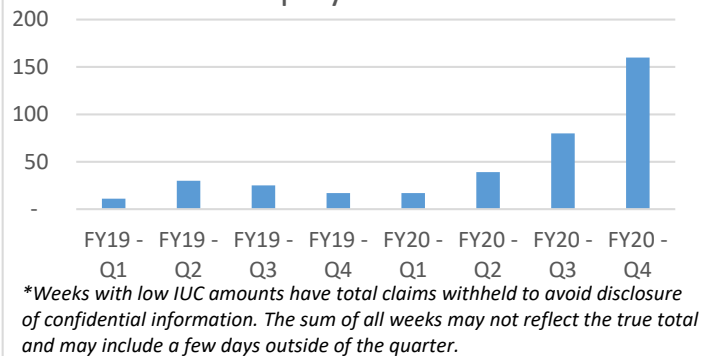


Chart 6. Quarterly Initial Unemployment Claims



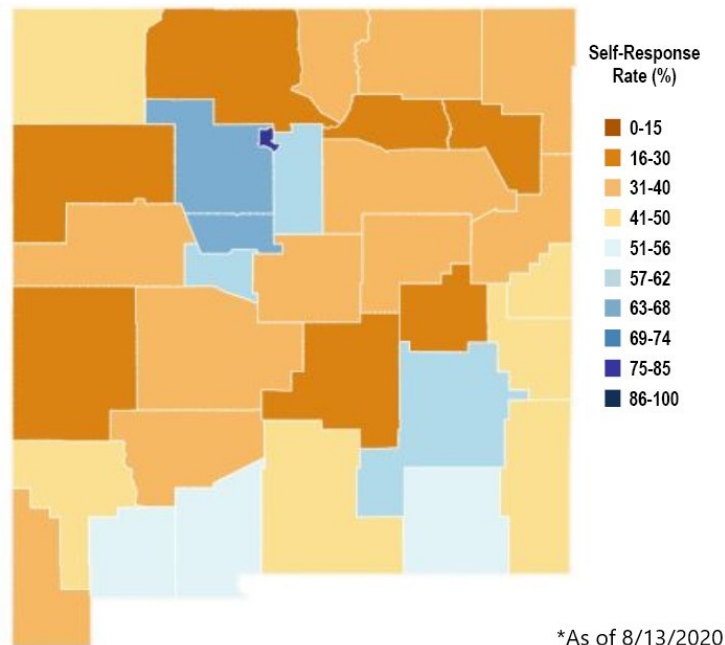
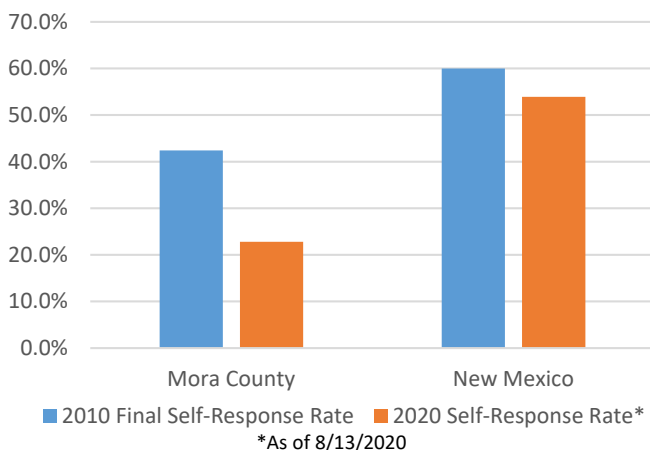
New Mexico receives over \$6 billion each year through federal programs which benefit the entire community: health care, nutrition, highways, education, housing, jobs and more that allocate funds on per capita basis. Each New Mexican not counted equates to a loss of approximately \$3,745 in funding per year. If New Mexico undercounts residents by only 1%, the state would lose \$780 million in revenue over the next 10 years.

A significant unexplained increase in initial unemployment claims can be an early indicator of an economic downturn. Explained increases commonly include seasonal job fluctuations, federal government shutdowns resulting in employee furloughs, or the closing of a major regional facility. This unprecedented uptick in initial unemployment claims is obviously tied directly to the COVID-19 pandemic and subsequent furloughs and layoffs by affected businesses. As the phased reopening continues, it is likely the number of initial unemployment claims will flatten out and then decrease, but it is impossible to predict how quickly the employment numbers will return to pre-COVID levels.

Cost of 1% Census Undercount Over 10 Years in Mora County

\$1,352,557

Census Self-Response Rates



SOURCES: NEW MEXICO TAXATION AND REVENUE DEPT, NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS, U.S. BUREAU OF LABOR STATISTICS, U.S. BUREAU OF ECONOMIC ANALYSIS AND EDD CALCULATIONS