

Quarterly Economic Summary

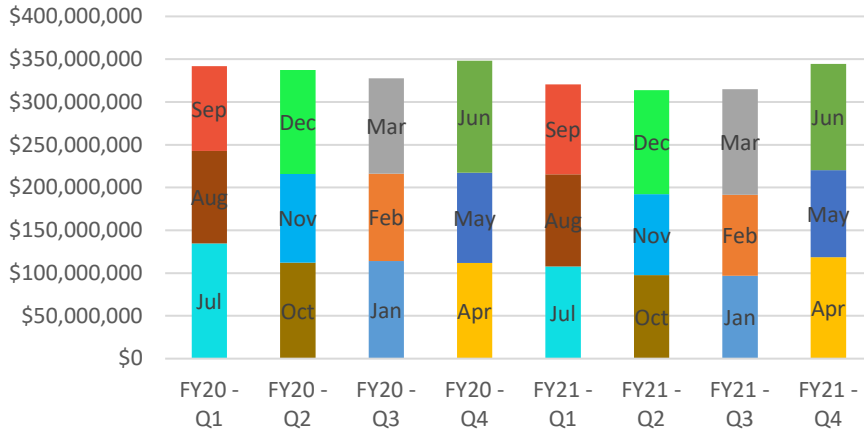
Chaves County

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

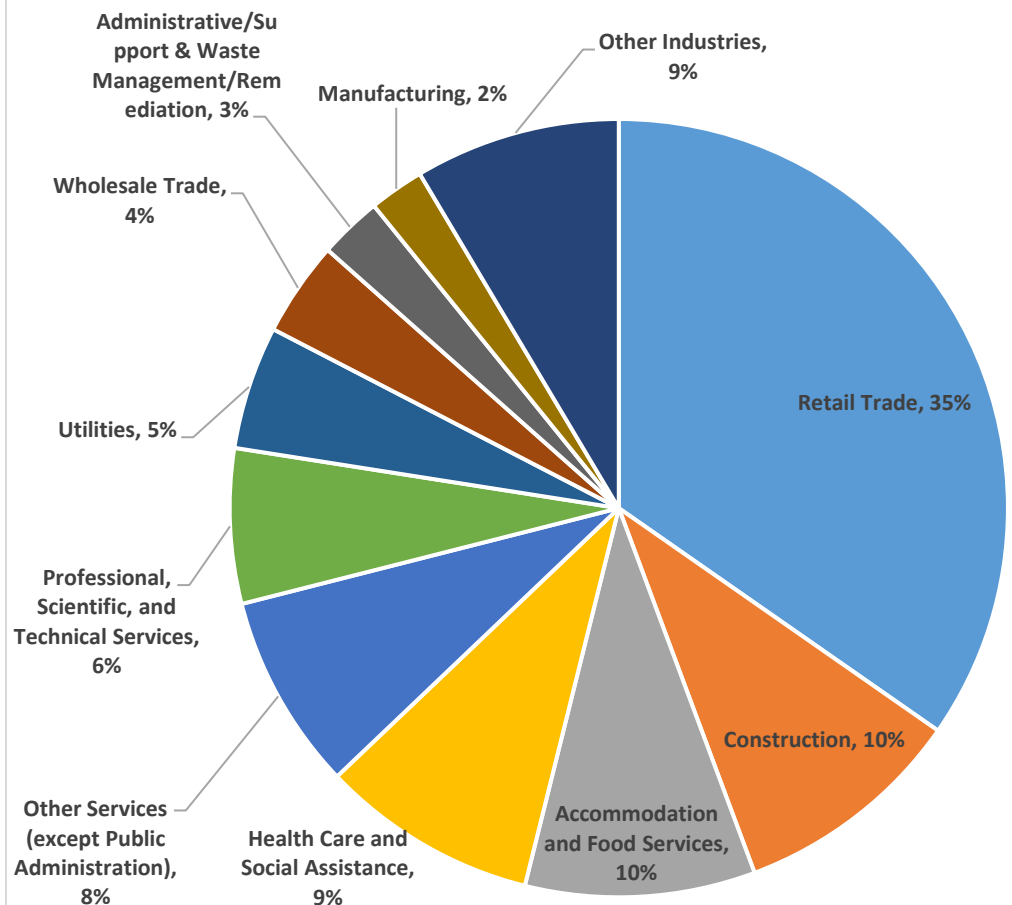
Chart 1. Matched Taxable Gross Receipts Per Quarter



Quarter four of FY21 provides the first full fiscal year of economic effects related to the COVID-19 pandemic. Economic shocks continue globally and throughout the state 18 months after the initial business closures and ensuing impacts. Federal policies, including additional direct payments and tax credits, coupled with pent up demand, led to an increase in consumer spending on taxable goods and services during this quarter, which is likely to continue. Additional pandemic-related shocks could be looming, making state-level efforts to restore the economy critical.

Chaves County's matched taxable gross receipts (MTGR) increased in Q4 FY21 as compared to Q3 (Chart 1). From Q3 to Q4 FY21 MTGR increased by \$29.5M, or 9%. When comparing MTGR, Q4 of FY21 is most comparable to Q4 FY20, when Chaves County reported an additional \$3.6M in MTGR. Table 1, on the next page, shows a decrease of \$3.6M from Q4 in FY20 to FY21 of the same period. Table 1 also

Chart 2. FY21 - Q4 Industry Size by Matched Taxable Gross Receipts



Matched Taxable Gross Receipts (MTGR) are the best tax data available to show underlying economic activity. The data collection process matches a tax payment with reported receipts for each taxpayer by industry.

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Table 1. FY21 - Q4 Matched Taxable Gross Receipts by Industry

Industries	FY21 - Q4	YOY Growth	YOY % Change	2-Year % Change
Accommodation and Food Services	\$ 32,843,546	\$ 7,826,722	31%	5%
Administrative/Support & Waste Management/Remediation	\$ 8,996,868	\$ 3,952,422	78%	57%
Agriculture, Forestry, Fishing, and Hunting	\$ 654,191	\$ (204,763)	-24%	-30%
Arts, Entertainment, and Recreation	\$ 1,655,227	\$ 1,079,976	188%	18%
Construction	\$ 33,124,396	\$ (35,147,401)	-51%	-20%
Educational Services	\$ 432,842	\$ 118,535	38%	0%
Finance and Insurance	\$ 2,091,909	\$ 3,420	0%	4%
Health Care and Social Assistance	\$ 30,952,614	\$ 2,717,086	10%	7%
Information	\$ 7,814,497	\$ (6,419,694)	-45%	-38%
Management of Companies and Enterprises	\$ 191,780	\$ 103,012	116%	-23%
Manufacturing	\$ 7,856,141	\$ 2,836,478	57%	-8%
Mining, Quarrying, and Oil and Gas Extraction	\$ 4,315,368	\$ 2,337,031	118%	-21%
Other Services (except Public Administration)	\$ 28,020,017	\$ 684,651	3%	-9%
Professional, Scientific, and Technical Services	\$ 22,121,543	\$ (1,529,161)	-6%	28%
Public Administration	\$ -	\$ (175,198)	-100%	-100%
Real Estate and Rental and Leasing	\$ 7,574,528	\$ 2,150,974	40%	34%
Retail Trade	\$ 119,217,415	\$ 11,327,624	10%	10%
Transportation and Warehousing	\$ 2,348,406	\$ (583,739)	-20%	-37%
Unclassified Establishments	\$ 2,296,144	\$ 1,710,920	292%	116%
Utilities	\$ 17,620,963	\$ 1,142,124	7%	6%
Wholesale Trade	\$ 13,556,527	\$ 2,597,566	24%	39%
All Industries	\$ 344,447,577	\$ (3,611,301)	-1%	3%

shows six industries that reported a year-over-year (YoY) loss. The largest decline came from the construction industry, which posted a YoY decline of \$35M, or 51%. Gross receipts tax (GRT) revenue collections have trended downward over the previous eight quarters. Despite this downward trend, revenue collections increased by \$294K, or 9%, from Q3 to Q4 FY21 (Chart 4).

Chart 5 shows that both average weekly wages and employment increased during Q2 of FY21. Average weekly wages grew by \$95.

Chart 3. Annual Total GRT Revenue Collections

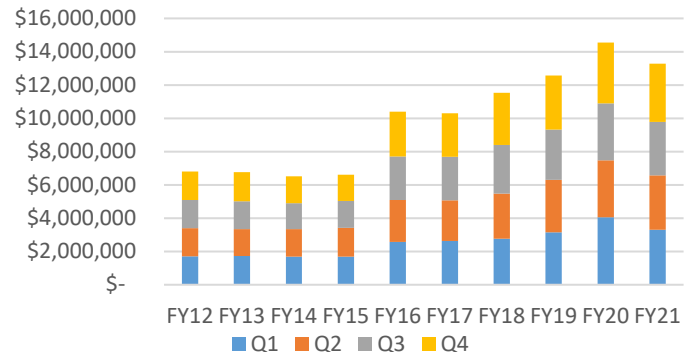


Chart 4. Quarterly GRT Revenue Collections

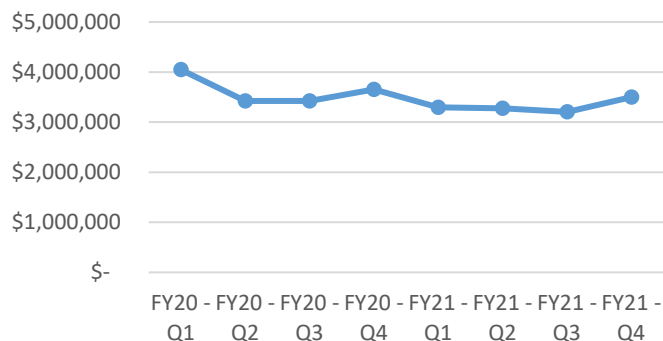
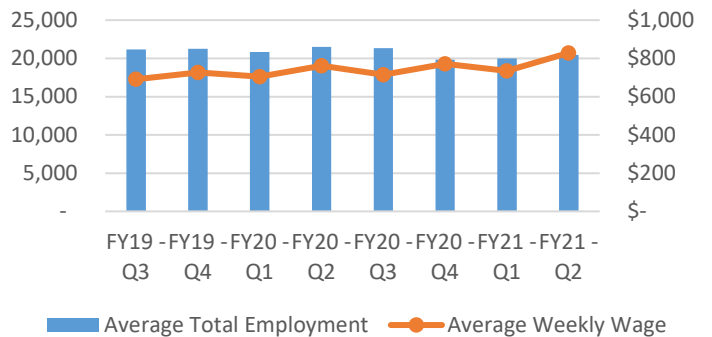


Chart 5. Quarterly Average Total Employment & Weekly Wage

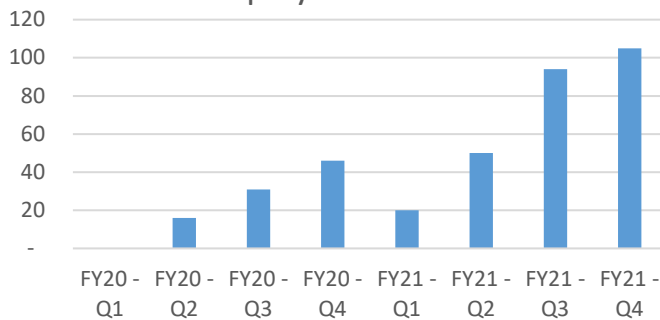


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Chart 6. Quarterly Initial Unemployment Claims



*Weeks with low IUC amounts have total claims withheld to avoid disclosure of confidential information. The sum of all weeks may not reflect the true total and may include a few days outside of the quarter. Claimants must reapply once a year. Claims that were filed last year, when the pandemic first started, have expired and claimants need to reapply if they are still unemployed.

A significant increase in initial unemployment claims can be an early indicator of an economic downturn, and a reduction can be an early sign of an upturn. However, these numbers are also impacted by seasonal job fluctuations, federal government shutdowns resulting in temporary employee furloughs, or the closing of a major regional facility. The current unprecedented uptick in initial unemployment claims is clearly tied directly to the COVID-19 pandemic. As vaccination levels and other health indicators continue to improve and result in lessened health concerns and fewer business restrictions, these claims should decline, but it is impossible to predict how quickly employment numbers will return to pre-COVID-19 levels.

The *Quarterly Census of Employment and Wages (QCEW)* program publishes a quarterly count of establishments, employment and wages reported by employers, covering more than 95 percent of U.S. jobs. QCEW data are used as the benchmark source for employment, and this data is far more reliable than the monthly employment survey data in the *Current Employment Statistics (CES)* program often reported in news articles. However, as shown below, QCEW data has a significant lag time before it is reported and does not reflect the same quarter used in the other charts and tables above. This quarterly QCEW data combined with the other employment data, above, provide the best overall picture of employment levels using the most reliable data.

Table 2. FY21-Q3 Employment Data and Establishments by Industry

Industry	YOY Change in		YOY change in		Number of Establishments	YOY Change in Establishments
	Average Employment	Average Employment	Average Weekly Wage	Average Weekly Wage		
Accommodation and Food Services	2,376	-18.4%	\$ 351	9.3%	136	4.6%
Administrative/Support & Waste	666	-6.6%	\$ 559	5.1%	79	9.7%
Agriculture, Forestry, Fishing, and Hunting	1,223	-5.7%	\$ 729	0.8%	85	0.0%
Arts, Entertainment, and Recreation	161	-40.1%	\$ 562	46.0%	26	4.0%
Construction	890	-7.6%	\$ 819	0.5%	144	2.9%
Educational Services	2,121	-9.7%	\$ 886	12.3%	46	4.5%
Finance and Insurance	485	-5.3%	\$ 1,102	7.9%	93	4.5%
Health Care and Social Assistance	3,667	-5.0%	\$ 749	3.9%	449	4.2%
Information	165	-19.9%	\$ 858	15.6%	18	0.0%
Management of Companies and Enterprises	60	-6.3%	\$ 1,703	30.6%	11	10.0%
Manufacturing	911	0.2%	\$ 921	0.8%	40	-4.8%
Mining, Quarrying, and Oil and Gas Extraction	312	-19.4%	\$ 1,238	-6.1%	47	0.0%
Other Services (except Public Administration)	420	-23.8%	\$ 600	12.4%	111	2.8%
Professional, Scientific, and Technical Services	564	-9.5%	\$ 970	-1.8%	126	5.9%
Public Administration	1,110	1.7%	\$ 1,137	5.9%	83	0.0%
Real Estate and Rental and Leasing	177	-6.8%	\$ 652	2.4%	67	1.5%
Retail Trade	2,940	5.1%	\$ 592	2.8%	209	2.5%
Transportation and Warehousing	874	-0.2%	\$ 829	-9.9%	76	2.7%
Utilities	140	-0.7%	\$ 1,451	4.6%	13	0.0%
Wholesale Trade	790	-4.4%	\$ 798	1.9%	72	0.0%
All Industries	20,053	-6.9%	\$ 749	5.2%	1,931	3.2%

*Some data may be withheld to avoid disclosure of confidential information.