

Quarterly Economic Summary

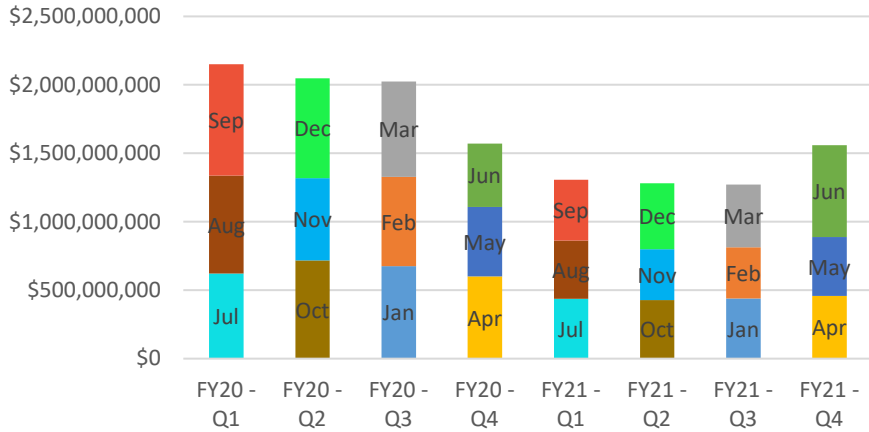
Eddy County



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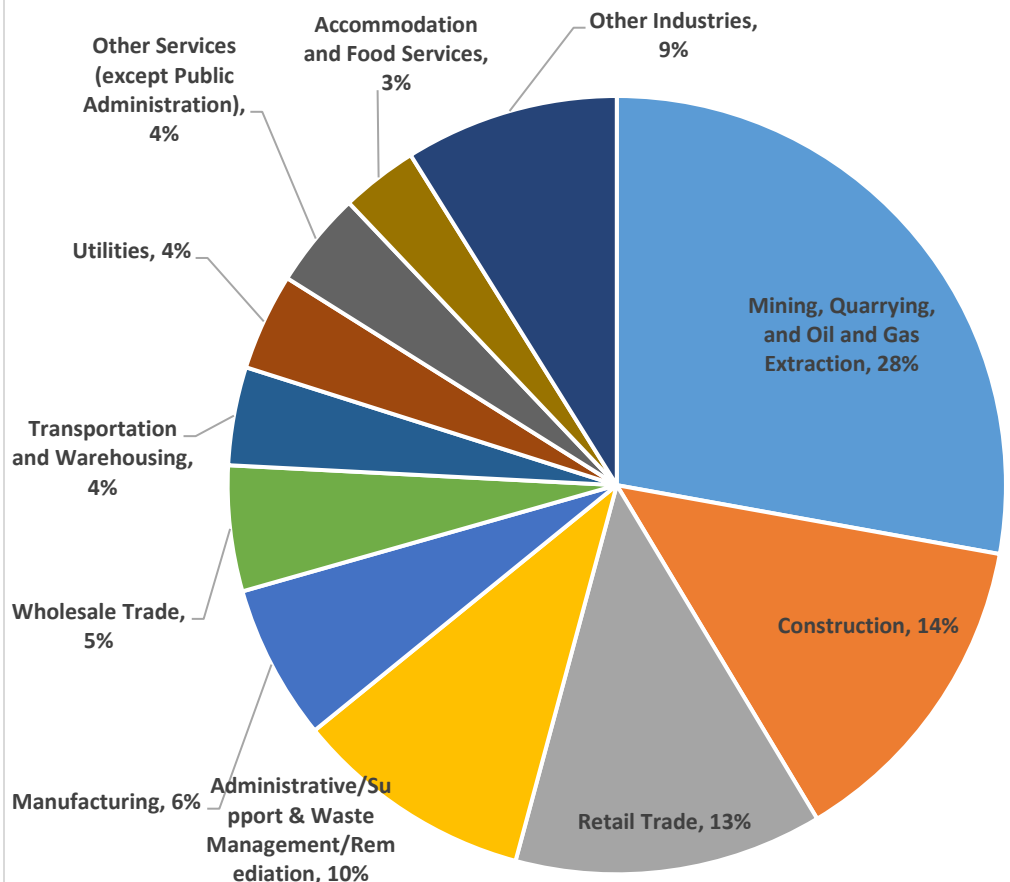
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Eddy County's matched taxable gross receipts (MTGR) reached nearly \$1.6B during Q4 FY21. From Q3 to Q4 FY21, MTGR increased by \$288M or 23%. Despite this increase, over the last eight quarters, MTGR has trended downward (Chart 1). Notwithstanding the downward trend, Eddy County still reported the second highest MTGR for all 33 counties, trailing only Bernalillo County. The mining, quarrying, and oil

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.

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

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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	\$ 49,795,662	\$ 13,106,954	36%	-19%
Administrative/Support & Waste Management/Remediation	\$ 155,171,087	\$ 56,044,789	57%	58%
Agriculture, Forestry, Fishing, and Hunting	\$ 3,406,304	\$ 1,174,908	53%	111%
Arts, Entertainment, and Recreation	\$ 497,265	\$ 345,749	228%	13%
Construction	\$ 211,280,590	\$ (101,854,148)	-33%	-34%
Educational Services	\$ 1,465,853	\$ 1,057,484	259%	310%
Finance and Insurance	\$ 3,387,131	\$ 95,104	3%	-12%
Health Care and Social Assistance	\$ 15,146,088	\$ 1,775,933	13%	-25%
Information	\$ 14,828,270	\$ (11,114,035)	-43%	-30%
Management of Companies and Enterprises	\$ -	\$ -	N/A	N/A
Manufacturing	\$ 100,578,228	\$ 46,493,832	86%	27%
Mining, Quarrying, and Oil and Gas Extraction	\$ 433,804,373	\$ (39,823,804)	-8%	-21%
Other Services (except Public Administration)	\$ 62,231,809	\$ (6,721,602)	-10%	-24%
Professional, Scientific, and Technical Services	\$ 47,769,995	\$ (30,474,502)	-39%	-28%
Public Administration	\$ 4,245	\$ 2,837	202%	N/A
Real Estate and Rental and Leasing	\$ 45,212,454	\$ (15,086,596)	-25%	-30%
Retail Trade	\$ 199,457,558	\$ 16,707,512	9%	-19%
Transportation and Warehousing	\$ 63,620,902	\$ 10,391,844	20%	-16%
Unclassified Establishments	\$ 6,770,846	\$ 3,099,472	84%	-27%
Utilities	\$ 62,751,974	\$ 11,508,765	22%	-21%
Wholesale Trade	\$ 81,311,661	\$ 30,031,962	59%	-30%
All Industries	\$ 1,558,651,047	\$ (13,084,240)	-1%	-18%

and gas extraction industry continues to be the economic driver for Eddy County, highlighted in Chart 2, with the industry accounting for 28% of total MTGR.

Year-over-year (YoY), Eddy County's MTGR decreased by \$13M or 1%, shown in Table 1. The largest contributor to this loss was the construction industry, which reported a YoY reduction of nearly \$102M or 33%.

Gross receipts tax (GRT) revenue collections increased by \$2M, or 24%, from Q3 to Q4 FY21 (Chart 4).

Average weekly wages increased by \$136, this is the highest level over the last eight quarters (Chart 5).

Chart 3. Annual Total GRT Revenue Collections

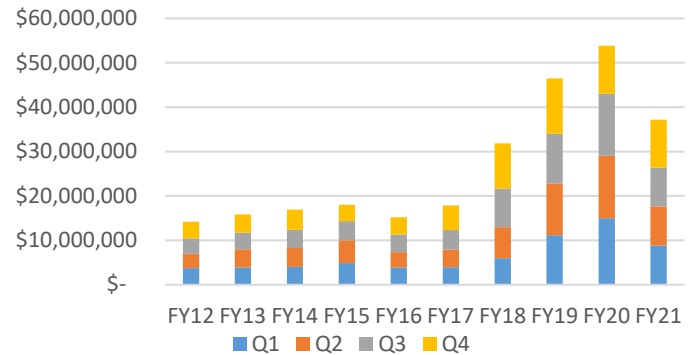


Chart 4. Quarterly GRT Revenue Collections

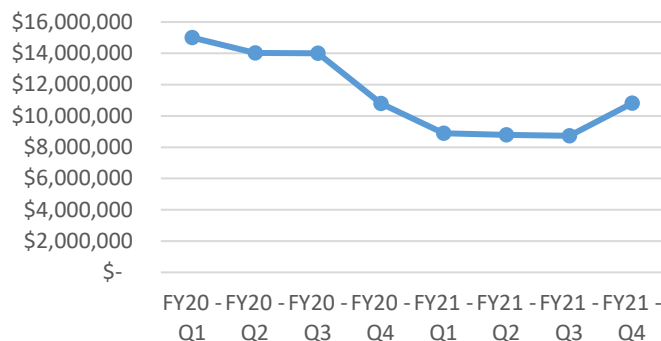
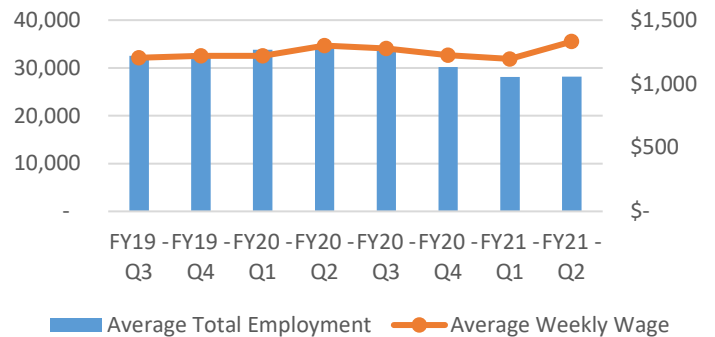


Chart 5. Quarterly Average Total Employment & Weekly Wage

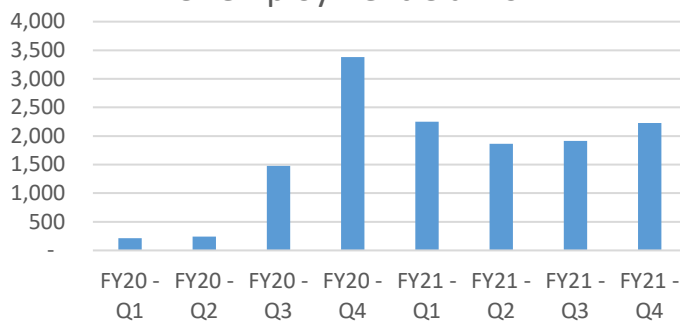


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Chart 6. Quarterly Initial Unemployment Claims



*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	1,961	-21.1%	\$ 383	-5.7%	155	6.9%
Administrative/Support & Waste	1,519	0.8%	\$ 1,686	13.6%	90	5.9%
Agriculture, Forestry, Fishing, and Hunting	359	2.6%	\$ 795	-0.6%	41	-6.8%
Arts, Entertainment, and Recreation	171	-19.7%	\$ 720	1.3%	20	5.3%
Construction	2,506	-42.2%	\$ 1,110	-14.4%	209	1.5%
Educational Services	1,874	-13.1%	\$ 993	14.8%	38	2.7%
Finance and Insurance	484	-12.0%	\$ 1,044	-3.9%	74	4.2%
Health Care and Social Assistance	2,424	-9.3%	\$ 940	-3.9%	157	1.3%
Information	187	-17.3%	\$ 974	11.8%	23	0.0%
Management of Companies and Enterprises	124	-10.1%	\$ 1,566	-3.7%	13	0.0%
Manufacturing	1,026	2.8%	\$ 1,581	4.5%	43	-2.3%
Mining, Quarrying, and Oil and Gas Extraction	5,973	-27.0%	\$ 1,977	4.0%	291	2.1%
Other Services (except Public Administration)	652	-22.7%	\$ 964	2.9%	145	-1.4%
Professional, Scientific, and Technical Services	1,186	-10.2%	\$ 1,383	-5.7%	141	6.0%
Public Administration	1,251	0.5%	\$ 1,476	-5.0%	65	-4.4%
Real Estate and Rental and Leasing	491	-18.2%	\$ 1,091	-2.8%	97	4.3%
Retail Trade	3,252	-5.1%	\$ 622	-1.7%	175	-1.1%
Transportation and Warehousing	1,392	-20.7%	\$ 1,281	-10.9%	129	7.5%
Utilities	469	26.1%	\$ 1,569	2.4%	29	0.0%
Wholesale Trade	542	-23.0%	\$ 1,314	-9.0%	89	-3.3%
All Industries	27,842	-18.3%	\$ 1,252	-1.8%	2,024	1.9%

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