

Quarterly Economic Summary

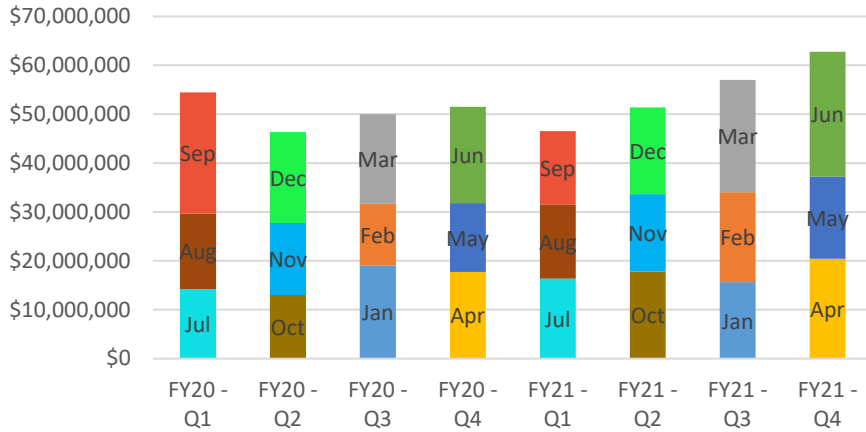
Socorro County



Released: August 2021

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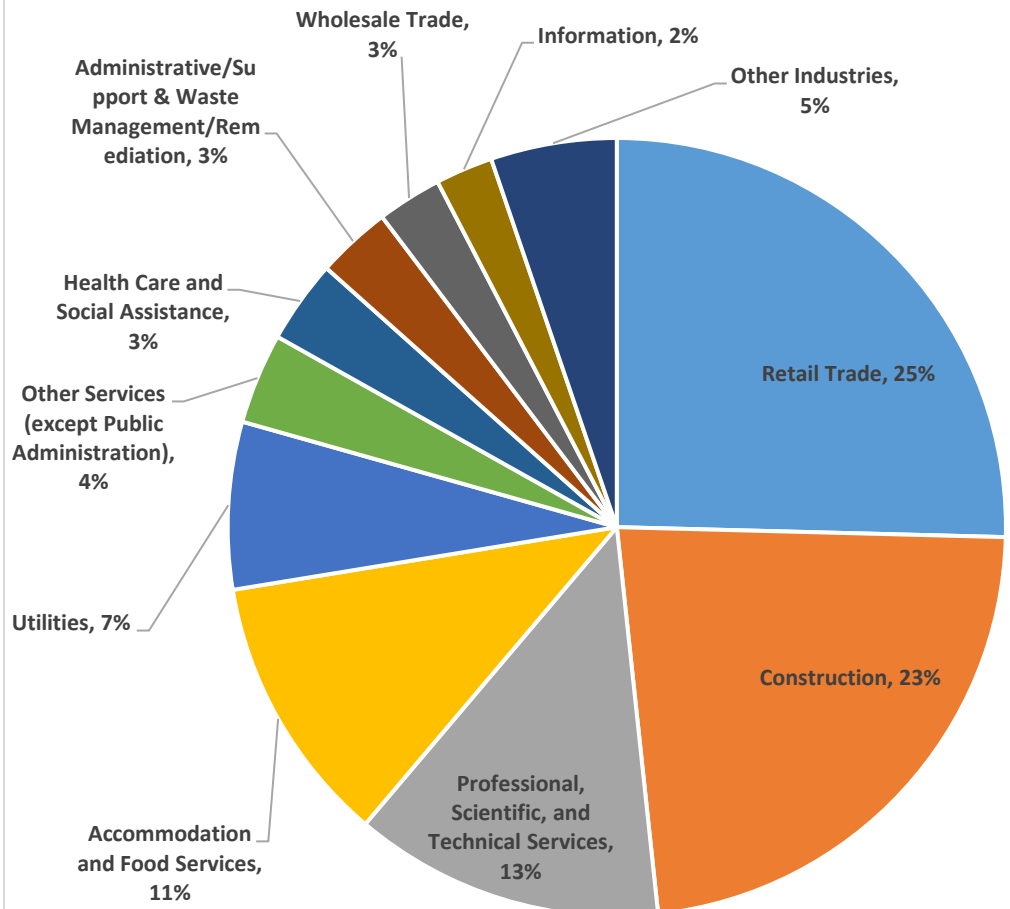
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Socorro County's matched taxable gross receipts (MTGR) increased by 10% in Q4 FY21 as compared to Q3 FY21, shown in Chart 1. Q4 FY21 was the second largest amount of MTGR reported (\$62.7M) for a single quarter, trailing only Q2 FY15 (\$63.8M). The month of June during Q4 FY21 was the driver for the quarter, reporting \$25.5M in MTGR, and making it the second largest monthly MTGR, behind only October 2014 (\$25.7M).

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.

Quarterly Economic Summary

Socorro County



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

Industries	FY21 - Q4	YOY Growth	YOY % Change	2-Year % Change
Accommodation and Food Services	\$ 6,984,094	\$ 2,456,413	54%	-6%
Administrative/Support & Waste Management/Remediation	\$ 1,925,498	\$ 1,689,663	716%	129%
Agriculture, Forestry, Fishing, and Hunting	\$ 292,310	\$ 124,269	74%	-19%
Arts, Entertainment, and Recreation	\$ 10,888	\$ 1,741	19%	-49%
Construction	\$ 14,227,392	\$ 4,748,467	50%	64%
Educational Services	\$ 59,916	\$ 18,468	45%	36%
Finance and Insurance	\$ 191,399	\$ 40,586	27%	17%
Health Care and Social Assistance	\$ 2,147,719	\$ (164,558)	-7%	9%
Information	\$ 1,482,612	\$ (1,620,294)	-52%	-44%
Management of Companies and Enterprises	\$ -	\$ -	N/A	N/A
Manufacturing	\$ 1,389,007	\$ 378,584	37%	57%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ -	N/A	N/A
Other Services (except Public Administration)	\$ 2,341,919	\$ (1,643,603)	-41%	-35%
Professional, Scientific, and Technical Services	\$ 8,003,640	\$ 3,998,757	100%	279%
Public Administration	\$ -	\$ (26,266)	-100%	N/A
Real Estate and Rental and Leasing	\$ 1,069,195	\$ 340,541	47%	39%
Retail Trade	\$ 15,789,921	\$ 675,248	4%	32%
Transportation and Warehousing	\$ 93,025	\$ 17,952	24%	-43%
Unclassified Establishments	\$ 145,869	\$ 28,914	25%	-20%
Utilities	\$ 4,317,204	\$ 544,690	14%	68%
Wholesale Trade	\$ 1,670,615	\$ (492,094)	-23%	-3%
All Industries	\$ 62,742,357	\$ 11,222,129	22%	35%

When comparing Q4 FY20 to Q4 FY21, MTGR increased by \$11M, or 22%, shown in Table 1. The largest contributor to this year-over-year (YoY) increase came from the construction industry, which reported a gain of \$4.7M. The other services and information industries saw the largest YoY decreases in MTGR with both declining by approximately \$1.6M. Annual gross receipts tax (GRT) revenue collections increased by \$514K, or 29%, from FY20 to FY21, shown in Chart 3. Quarterly GRT revenue collections have continued to increase quarter-over-quarter since Q2 FY20 and totaled \$660K in Q4 FY21.

Chart 3. Annual Total GRT Revenue Collections

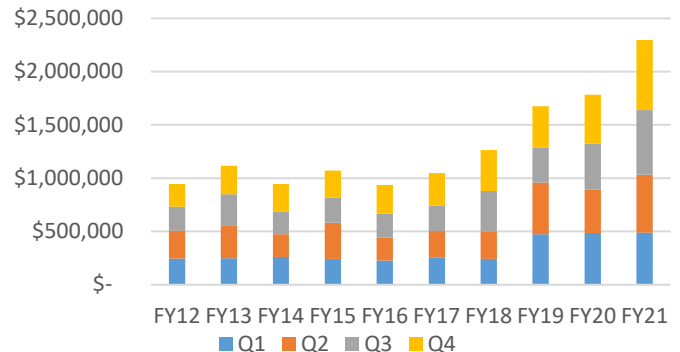


Chart 4. Quarterly GRT Revenue Collections

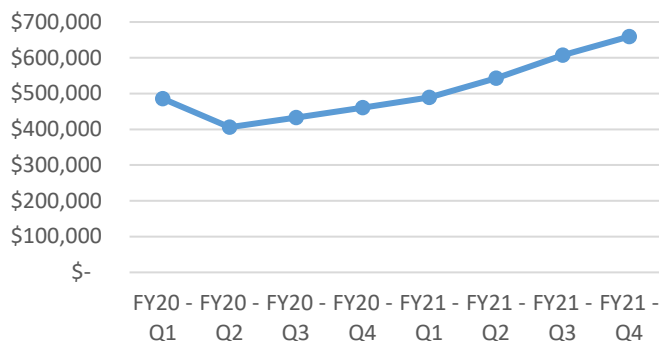
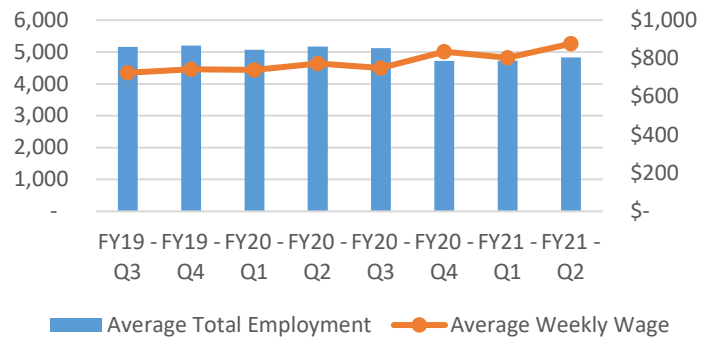


Chart 5. Quarterly Average Total Employment & Weekly Wage

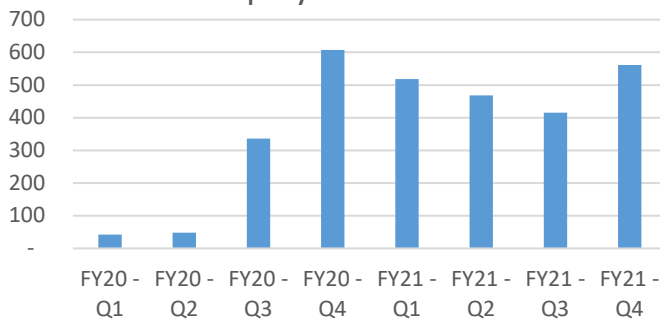


Quarterly Economic Summary

Socorro County



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	Average Employment	YOY Change in Average Employment	Average Weekly Wage	YOY change in Average Weekly Wage	Number of Establishments	YOY Change in Establishments
Accommodation and Food Services	427	-29.8%	\$ 340	14.5%	38	-9.5%
Administrative/Support & Waste Management/Remediation	43	-31.7%	\$ 927	-10.0%	13	8.3%
Agriculture, Forestry, Fishing, and Hunting	238	-14.4%	\$ 681	1.5%	16	0.0%
Arts, Entertainment, and Recreation	5	*	\$ 769	*	3	50.0%
Construction	89	-7.3%	\$ 746	4.2%	25	0.0%
Educational Services	*	*	*	*	13	0.0%
Finance and Insurance	74	-5.1%	\$ 648	2.4%	16	6.7%
Health Care and Social Assistance	990	-0.2%	\$ 686	-4.1%	113	8.7%
Information	23	21.1%	\$ 1,198	6.2%	8	14.3%
Management of Companies and Enterprises	*	*	*	*	3	0.0%
Manufacturing	71	-7.8%	\$ 790	44.2%	10	11.1%
Mining, Quarrying, and Oil and Gas Extraction	*	*	*	*	2	0.0%
Other Services (except Public Administration)	37	8.8%	\$ 467	-7.0%	16	0.0%
Professional, Scientific, and Technical Services	321	7.7%	\$ 1,260	0.0%	26	0.0%
Public Administration	383	7.0%	\$ 983	-5.0%	38	5.6%
Real Estate and Rental and Leasing	12	9.1%	\$ 614	10.4%	7	0.0%
Retail Trade	422	4.2%	\$ 548	17.6%	31	-8.8%
Transportation and Warehousing	130	-13.3%	\$ 847	10.9%	20	0.0%
Utilities	67	-1.5%	\$ 894	-1.0%	6	0.0%
Wholesale Trade	*	*	*	*	1	0.0%
All Industries	4,713	-8.2%	\$ 795	6.1%	405	2.3%

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