

Quarterly Economic Summary

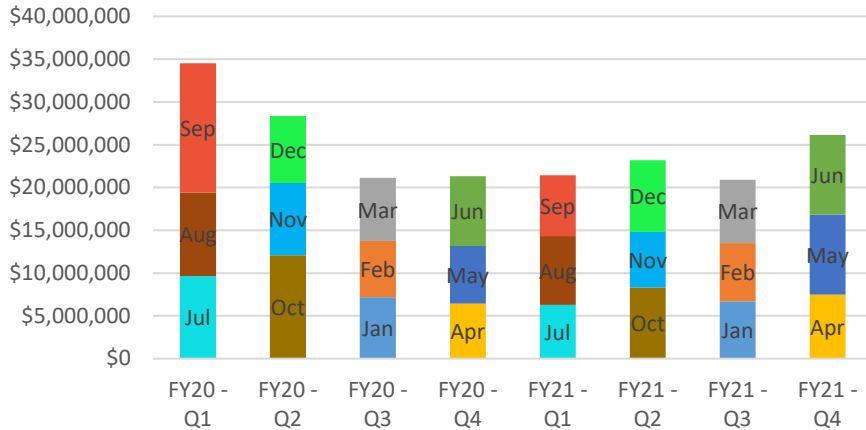
Union County

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Chart 1. Matched Taxable Gross Receipts Per Quarter

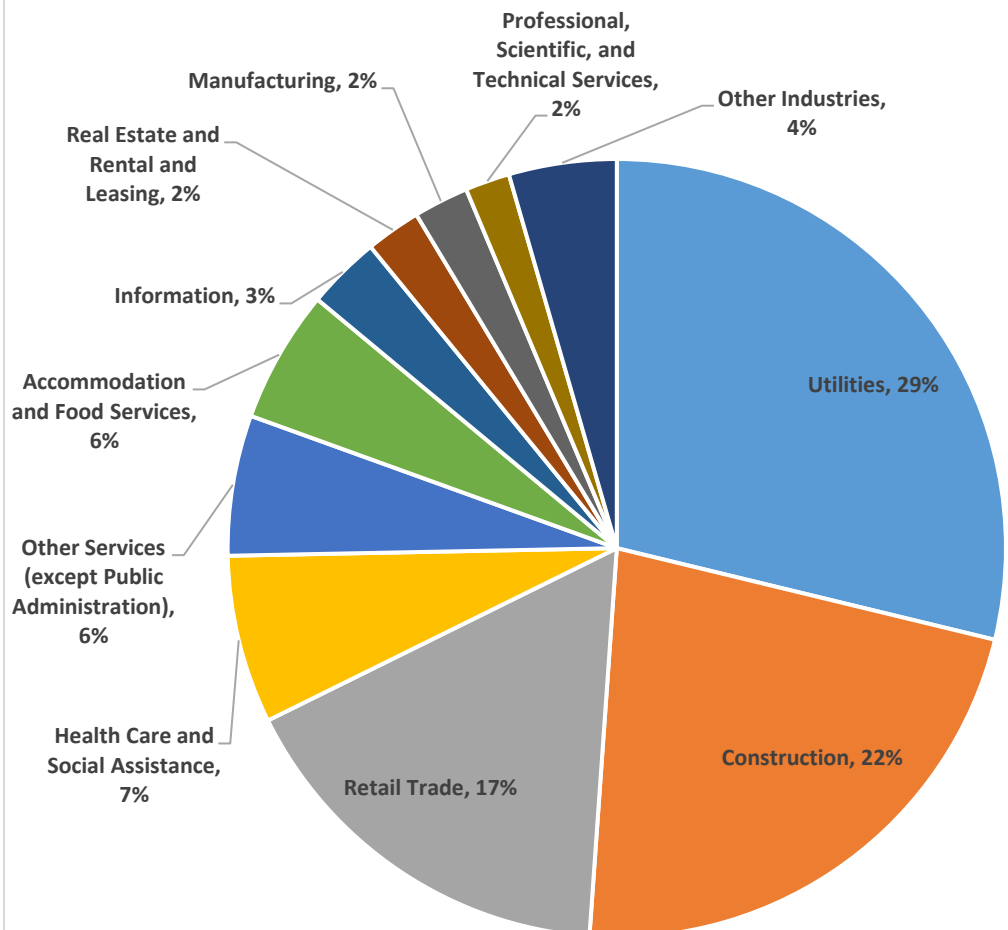


Quarter four of FY21 provides the first full fiscal year of economic effects related to the COVID-19 pandemic. Economic shocks continue globally and throughout the state 18 months after the initial business closures and ensuing impacts. Federal policies, including additional direct payments and tax credits, 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.

Union County's matched taxable gross receipts (MTGR) increased by 25%, or \$5.3M, from Q3 to Q4 of FY21, shown in Chart 1. The utilities industry remains the largest measured by MTGR, and the construction sector moved above retail trade in Q4 FY21. Table 1, on the next page, shows a year-over-year (YoY) increase of 23%, or \$4.9M, in total MTGR for Q4 FY21. The largest increases for the quarter came from the construction and utilities industries,

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.

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



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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	\$ 1,440,313	\$ 320,214	29%	4%
Administrative/Support & Waste Management/Remediation	\$ 313,785	\$ 54,286	21%	-87%
Agriculture, Forestry, Fishing, and Hunting	\$ 215,120	\$ 123,714	135%	126%
Arts, Entertainment, and Recreation	\$ 126,465	\$ 70,617	126%	87%
Construction	\$ 5,832,856	\$ 1,805,269	45%	85%
Educational Services	\$ 703	\$ 225	47%	-38%
Finance and Insurance	\$ 80,083	\$ (46,868)	-37%	-56%
Health Care and Social Assistance	\$ 1,825,648	\$ 557,747	44%	11%
Information	\$ 799,430	\$ (456,237)	-36%	-36%
Management of Companies and Enterprises	\$ -	\$ -	N/A	N/A
Manufacturing	\$ 597,496	\$ 508,316	570%	685%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ -	N/A	N/A
Other Services (except Public Administration)	\$ 1,522,709	\$ 264,772	21%	20%
Professional, Scientific, and Technical Services	\$ 483,147	\$ 80,974	20%	-4%
Public Administration	\$ -	\$ -	N/A	N/A
Real Estate and Rental and Leasing	\$ 598,293	\$ 39,872	7%	-34%
Retail Trade	\$ 4,328,948	\$ 292,149	7%	23%
Transportation and Warehousing	\$ 127,818	\$ (44,678)	-26%	-10%
Unclassified Establishments	\$ 204,147	\$ 194,920	2112%	1155%
Utilities	\$ 7,516,904	\$ 1,025,090	16%	-12%
Wholesale Trade	\$ 100,202	\$ 48,701	95%	-79%
All Industries	\$ 26,160,651	\$ 4,855,417	23%	2%

reporting a YoY increase of \$1.8M and \$1M, respectively. Q4 FY21 saw a 2% increase in total MTGR when compared to pre-pandemic Q4 FY19.

Annual gross receipts tax (GRT) revenue collections decreased by \$193K, or 18%, from FY20 to FY21, shown in Chart 3. GRT revenue collections increased by 24% (\$238K) from Q3 to Q4 of FY21.

Total employment in Q3 FY21 experienced a YoY decrease of 5.5% while average weekly wages and the number of establishments saw a YoY increase of 8.7% and 2.8%, respectively (Table 2 on page 3).

Chart 3. Annual Total GRT Revenue Collections

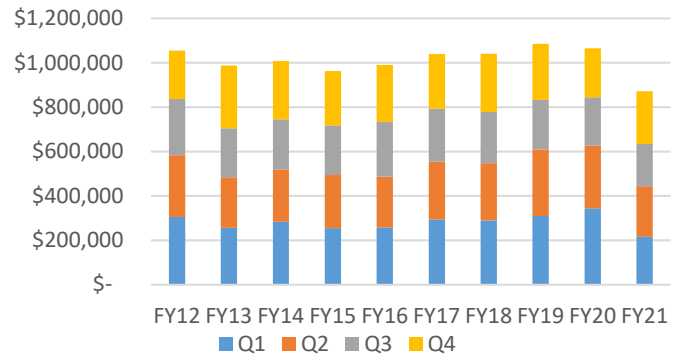


Chart 4. Quarterly GRT Revenue Collections

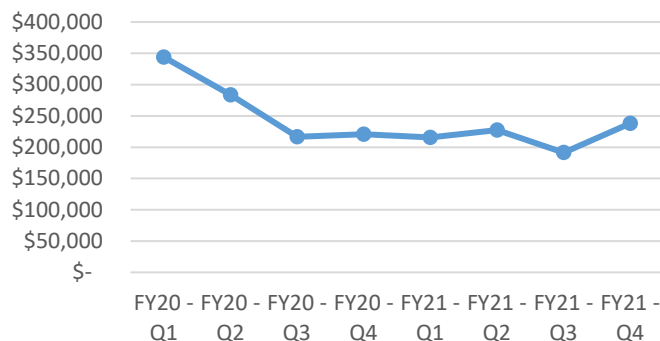
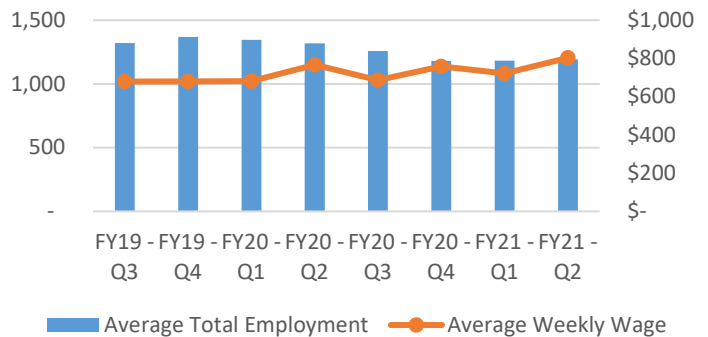


Chart 5. Quarterly Average Total Employment & Weekly Wage

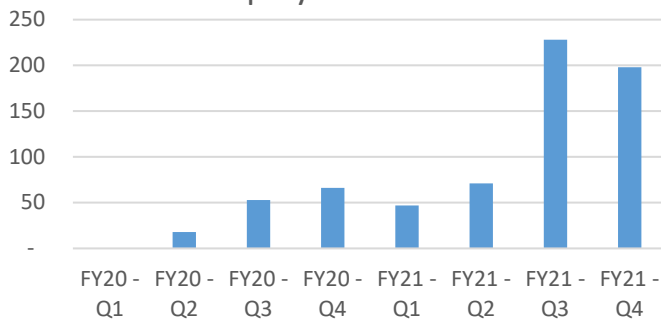


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Chart 6. Quarterly Initial Unemployment Claims



*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	80	-39.8%	\$ 299	19.1%	15	0.0%
Administrative/Support & Waste Management/Remediation	*	*	*	*	8	14.3%
Agriculture, Forestry, Fishing, and Hunting	91	7.1%	\$ 824	11.8%	21	10.5%
Arts, Entertainment, and Recreation	14	-12.5%	\$ 753	34.2%	7	0.0%
Construction	62	3.3%	\$ 827	16.2%	16	0.0%
Educational Services	120	-9.1%	\$ 764	1.5%	3	0.0%
Finance and Insurance	48	-9.4%	\$ 852	-21.3%	6	20.0%
Health Care and Social Assistance	193	1.0%	\$ 764	-0.4%	17	21.4%
Information	39	8.3%	\$ 748	1.4%	4	0.0%
Management of Companies and Enterprises	*	*	*	*	1	100.0%
Manufacturing	*	*	*	*	2	100.0%
Mining, Quarrying, and Oil and Gas Extraction	*	*	*	*	3	0.0%
Other Services (except Public Administration)	12	-33.3%	\$ 550	22.5%	10	-9.1%
Professional, Scientific, and Technical Services	15	-42.3%	\$ 1,374	141.5%	10	-9.1%
Public Administration	193	-0.5%	\$ 973	9.8%	20	-9.1%
Real Estate and Rental and Leasing	7	0.0%	\$ 891	-4.8%	4	0.0%
Retail Trade	165	8.6%	\$ 496	3.5%	17	-5.6%
Transportation and Warehousing	*	100.0%	*	100.0%	10	0.0%
Utilities	27	-6.9%	\$ 1,160	10.8%	5	0.0%
Wholesale Trade	49	2.1%	\$ 523	4.8%	5	25.0%
All Industries	1,188	-5.5%	\$ 734	8.7%	184	2.8%

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