

Quarterly Economic Summary

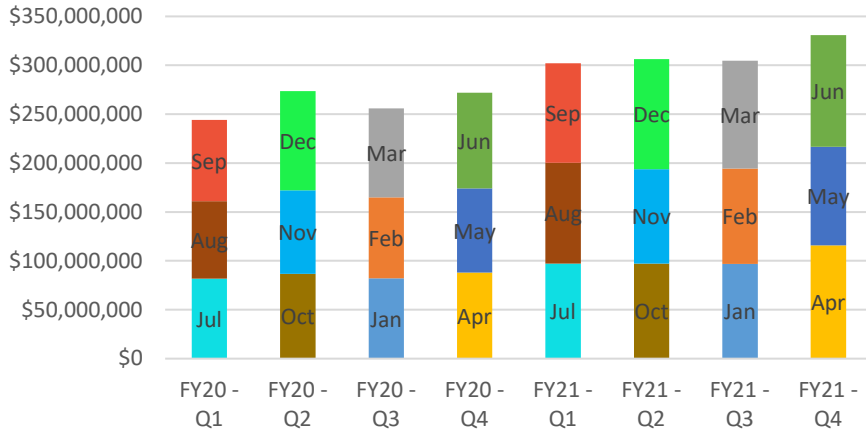
Valencia County



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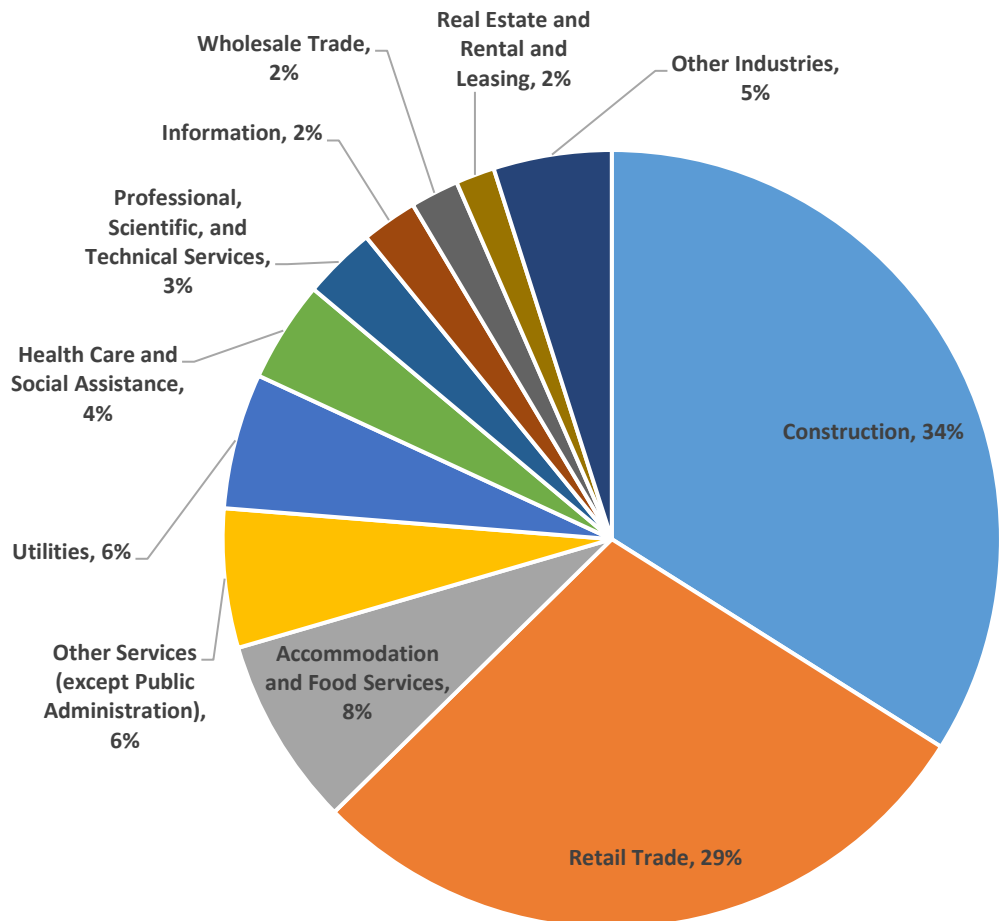
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Valencia County's matched taxable gross receipts (MTGR) increased by 8.6% in Q4 FY21 as compared to Q3 FY21, shown in Chart 1. From Q3 FY21 to Q4 FY21 MTGR increased by \$26M. Q4 FY21 saw the highest level of MTGR in the County for a single quarter (\$331M), and June was the highest MTGR in the County for a single month (\$114M). The construction and retail trade industries continue to report the highest MTGR (Chart 2).

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	\$ 26,006,025	\$ 4,834,327	23%	22%
Administrative/Support & Waste Management/Remediation	\$ 4,345,093	\$ 1,443,858	50%	-14%
Agriculture, Forestry, Fishing, and Hunting	\$ 799,533	\$ 81,487	11%	123%
Arts, Entertainment, and Recreation	\$ 706,785	\$ 227,717	48%	-22%
Construction	\$ 112,293,393	\$ 51,177,676	84%	12%
Educational Services	\$ 314,643	\$ 9,718	3%	35%
Finance and Insurance	\$ 1,005,804	\$ 205,596	26%	12%
Health Care and Social Assistance	\$ 13,906,241	\$ 2,795,318	25%	8%
Information	\$ 7,671,392	\$ (9,302,272)	-55%	-53%
Management of Companies and Enterprises	\$ -	\$ -	N/A	N/A
Manufacturing	\$ 5,311,976	\$ (179,928)	-3%	24%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ (96,768)	-100%	-100%
Other Services (except Public Administration)	\$ 19,098,059	\$ 3,843,516	25%	35%
Professional, Scientific, and Technical Services	\$ 10,031,156	\$ 1,412,056	16%	69%
Public Administration	\$ 2,107	\$ 2,107	N/A	N/A
Real Estate and Rental and Leasing	\$ 5,351,644	\$ 1,003,545	23%	17%
Retail Trade	\$ 94,845,360	\$ 3,543,433	4%	34%
Transportation and Warehousing	\$ 2,633,216	\$ (4,107,833)	-61%	-1%
Unclassified Establishments	\$ 1,121,806	\$ 164,244	17%	28%
Utilities	\$ 18,615,006	\$ 1,090,959	6%	46%
Wholesale Trade	\$ 6,667,343	\$ 629,232	10%	32%
All Industries	\$ 330,813,157	\$ 58,793,839	22%	18%

The county saw a 22% year-over-year (YoY) increase in Q4 FY21, shown in Table 1. This growth can be primarily attributed to the construction industry, which saw a YoY increase of \$51M in Q4 FY21. The information industry experienced the largest YoY decrease in Q4 FY21.

The County's annual total GRT revenue collections increased to its highest amount ever, at \$17.6M. This translates to an increase of 18% when compared to FY20. The County's quarterly GRT revenue collections saw an increase of \$600K, or 14%, from Q3 FY21 to Q4 FY21.

Chart 3. Annual Total GRT Revenue Collections

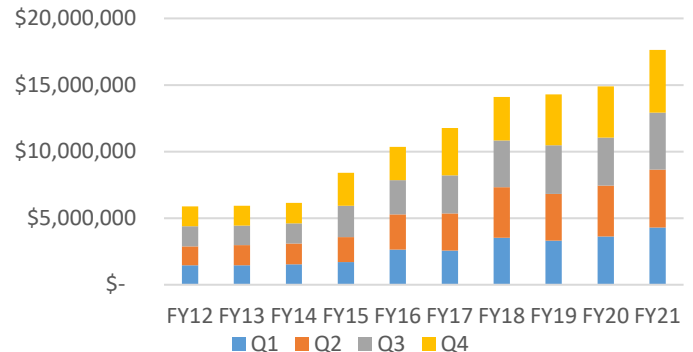


Chart 4. Quarterly GRT Revenue Collections

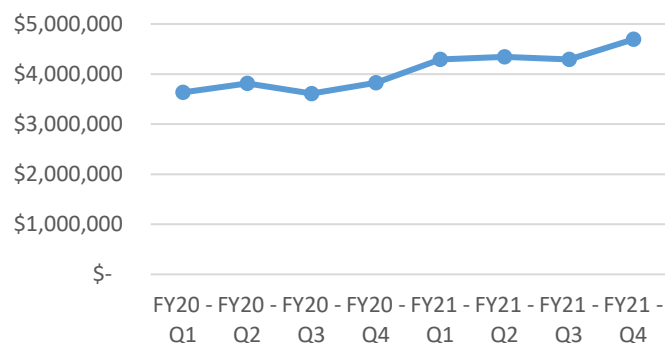
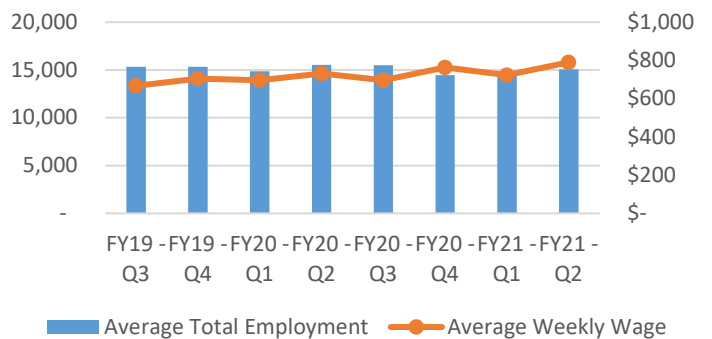


Chart 5. Quarterly Average Total Employment & Weekly Wage

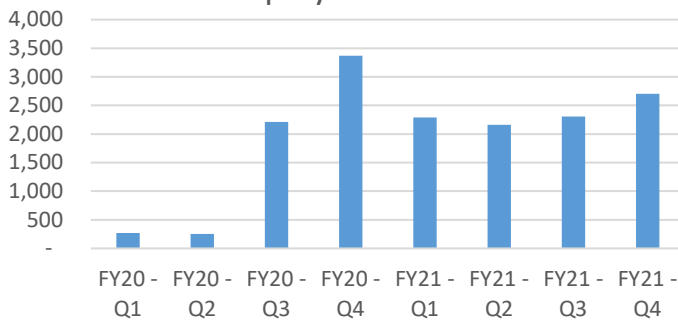


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Chart 6. Quarterly Initial Unemployment Claims



*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	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	1,380	-13.9%	\$ 328	11.2%	98	2.1%
Administrative/Support & Waste Management/Remediation	262	-9.7%	\$ 622	3.3%	57	14.0%
Agriculture, Forestry, Fishing, and Hunting	188	8.0%	\$ 582	1.2%	23	0.0%
Arts, Entertainment, and Recreation	95	*	\$ 438	*	17	0.0%
Construction	1,942	9.8%	\$ 1,072	1.1%	193	6.6%
Educational Services	1,888	-12.4%	\$ 717	8.1%	34	6.3%
Finance and Insurance	236	-7.1%	\$ 820	3.8%	62	-3.1%
Health Care and Social Assistance	2,650	9.1%	\$ 519	-3.7%	390	7.1%
Information	153	-3.8%	\$ 2,998	24.0%	14	0.0%
Management of Companies and Enterprises	64	10.3%	\$ 1,045	-2.1%	10	42.9%
Manufacturing	784	-4.6%	\$ 928	-0.9%	49	14.0%
Mining, Quarrying, and Oil and Gas Extraction	20	*	\$ 975	*	5	66.7%
Other Services (except Public Administration)	227	-19.2%	\$ 615	19.4%	76	11.8%
Professional, Scientific, and Technical Services	312	2.0%	\$ 900	9.0%	91	16.7%
Public Administration	989	-1.4%	\$ 1,080	-2.6%	79	1.3%
Real Estate and Rental and Leasing	107	-21.3%	\$ 435	-19.1%	46	2.2%
Retail Trade	2,661	5.8%	\$ 555	8.0%	151	0.0%
Transportation and Warehousing	1,157	3.0%	\$ 765	6.4%	56	9.8%
Utilities	138	0.7%	\$ 987	-7.2%	14	0.0%
Wholesale Trade	101	-34.8%	\$ 794	1.9%	27	-15.6%
All Industries	15,354	-1.0%	\$ 727	4.5%	1,492	5.7%

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