

Quarterly Economic Summary

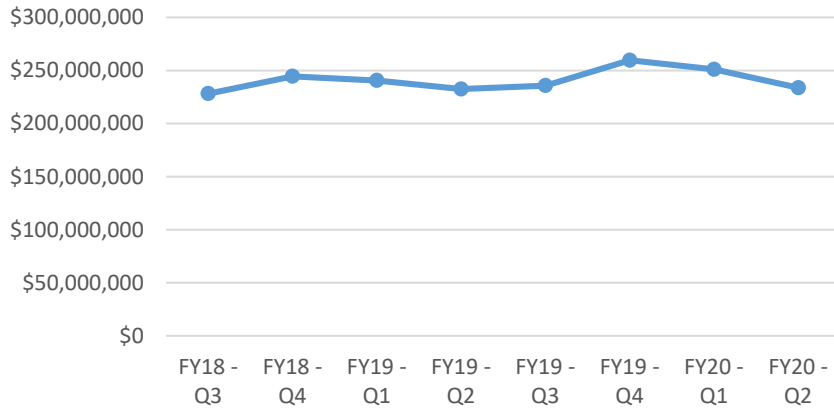
Curry County



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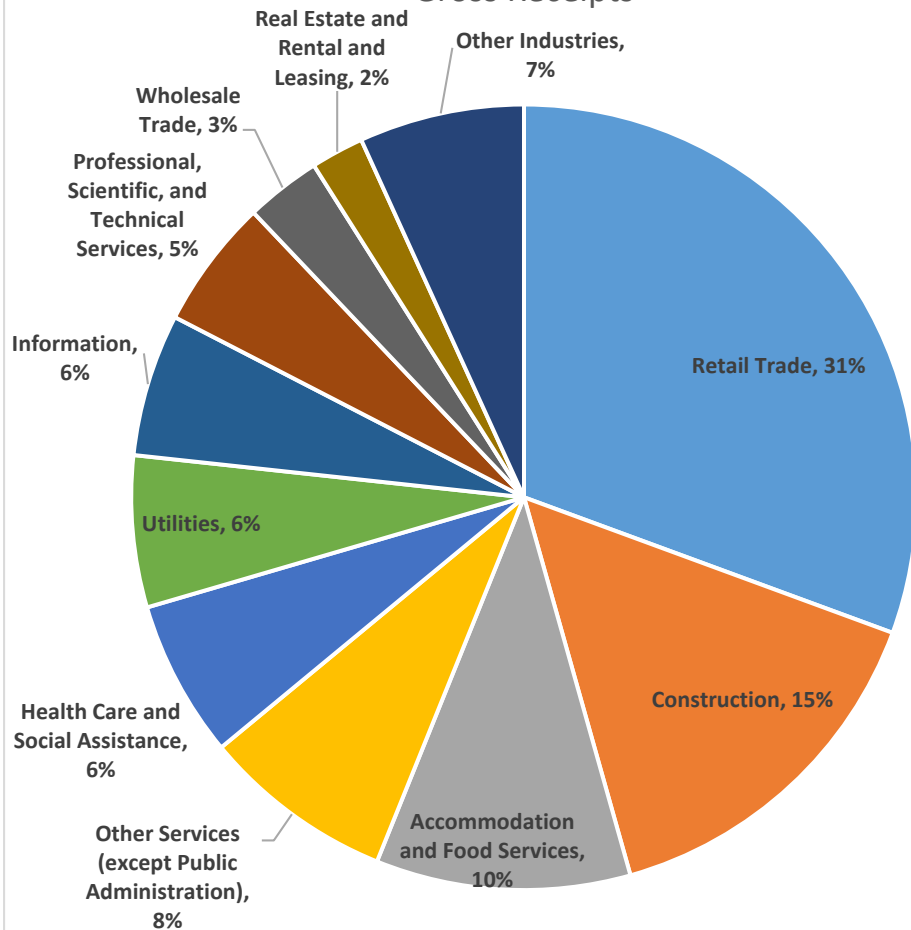
Chart 1. Matched Taxable Gross Receipts Per Quarter



Curry County has seen its matched taxable gross receipts (MTGR) remain relatively stable over the last eight quarters, as seen in Chart 1. This stability has stayed consistent going back to Q4 FY15, with the trend line remaining consistently flat. Table 1, on the next page, shows an increase of \$1M from Q2 in FY19 to FY20 of the same period. This minor fluctuation occurred, even though, there were losses in the Construction industry (-\$6.6M) and the Other Services industry (-\$2.6M).

The largest growth occurred from the Health Care and Social Assistance industry (\$2.5) and the Information industry (\$2.5).

Chart 2. FY20 - Q2 Industry Size by Matched Taxable Gross Receipts



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

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Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY19 - Q2	FY20 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 23,316,703	\$ 24,482,543	\$ 1,165,840	5%
Administrative/Support & Waste Management/Remediation	\$ 2,701,150	\$ 3,674,258	\$ 973,108	36%
Agriculture, Forestry, Fishing, and Hunting	\$ 602,667	\$ 650,337	\$ 47,670	8%
Arts, Entertainment, and Recreation	\$ 729,609	\$ 766,237	\$ 36,628	5%
Construction	\$ 41,680,006	\$ 35,103,701	\$ (6,576,305)	-16%
Educational Services	\$ 1,576,675	\$ 980,442	\$ (596,233)	-38%
Finance and Insurance	\$ 1,289,256	\$ 1,527,768	\$ 238,512	18%
Health Care and Social Assistance	\$ 12,536,678	\$ 15,112,113	\$ 2,575,435	21%
Information	\$ 11,105,969	\$ 13,702,876	\$ 2,596,907	23%
Manufacturing	\$ 4,314,068	\$ 4,873,621	\$ 559,553	13%
Mining, Quarrying, and Oil and Gas Extraction	\$ 59,124	\$ 12,618	\$ (46,506)	-79%
Other Services (except Public Administration)	\$ 21,061,197	\$ 18,466,793	\$ (2,594,404)	-12%
Professional, Scientific, and Technical Services	\$ 10,218,754	\$ 12,448,522	\$ 2,229,768	22%
Public Administration	\$ -	\$ 16,403	\$ 16,403	N/A
Real Estate and Rental and Leasing	\$ 5,555,186	\$ 5,099,943	\$ (455,243)	-8%
Retail Trade	\$ 70,823,200	\$ 71,528,761	\$ 705,561	1%
Transportation and Warehousing	\$ 2,229,509	\$ 2,530,061	\$ 300,552	13%
Unclassified Establishments	\$ 541,510	\$ 859,301	\$ 317,791	59%
Utilities	\$ 13,749,331	\$ 14,583,839	\$ 834,508	6%
Wholesale Trade	\$ 8,430,898	\$ 7,267,709	\$ (1,163,189)	-14%
All Industries	\$ 232,521,490	\$ 233,687,845	\$ 1,166,355	1%

Gross Receipts Tax (GRT) revenue collections dropped significantly in Q2 FY20, as seen in Chart 4. Despite the decline of 23%, the eight quarter trend is upward. The 23% decline is almost exclusively due to the County Share GRT(Food) collections.

HB6, passed in 2019, made widespread tax changes within New Mexico. One notable change is the conversion to destination-based sourcing that will begin after a two year delay. During this delay, local governments will receive a distribution that is a portion of \$2M each month. The portion distributed will be based on what the population of each county is to the total population of all counties, as per the most recent decennial census.

Chart 3. Annual Total GRT Revenue Collections

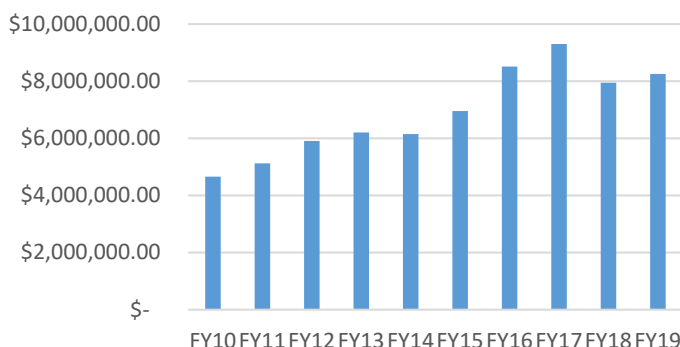
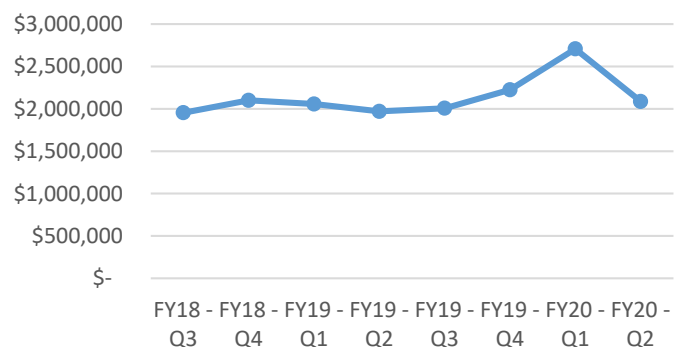


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

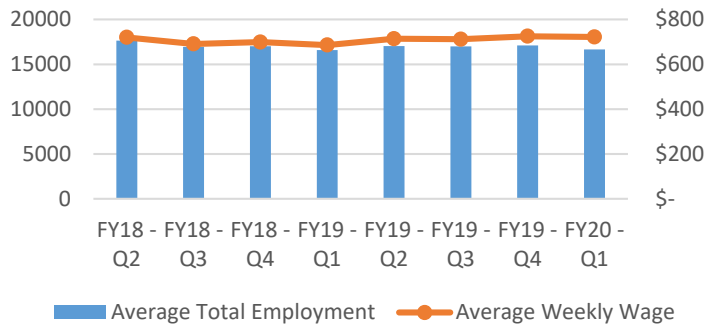


Chart 6. Quarterly Initial Unemployment Claims

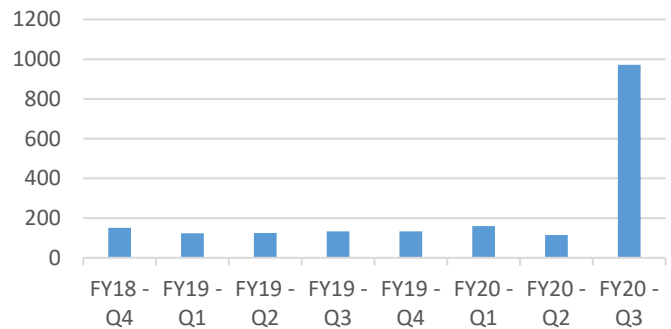
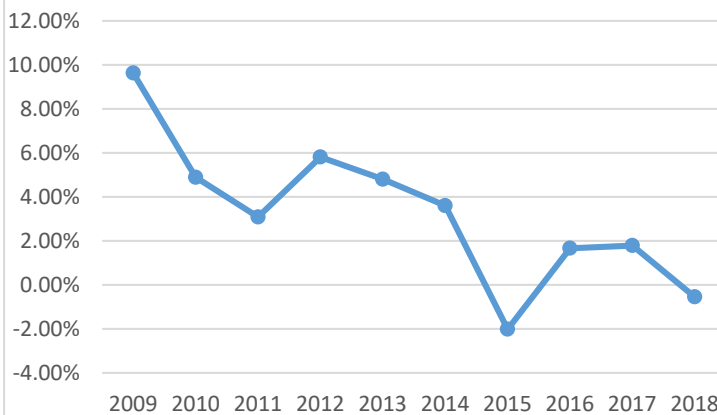


Chart 7. Calendar Year % Change In Real GDP Year Over Year



A significant unexplained increase in **Initial Unemployment Claims** can be an early indicator of an incoming economic downturn. Explained increases commonly include seasonal job fluctuations, government shutdowns resulting in mass employee furloughs and the closing of a major regional facility. The major uptick in the initial unemployment claims is directly tied to the COVID-19 outbreak and the subsequent closure of “non-essential” businesses. These businesses tend to be a major component of the workforce. As the stay at home order stays in effect, it is likely that the initial unemployment claims will continue to increase as the economy shifts to handle the unprecedented changes.

Table 2. Calendar Year 2018 Real County GDP vs Real State GDP

Industries	Curry, NM	New Mexico	Difference Between County and State
Accommodation and food services	1.57%	2.94%	-1.37%
Administrative and support and waste management and remediation services	1.08%	2.51%	-1.44%
Arts, entertainment, and recreation	0.10%	0.68%	-0.58%
Educational services	0.05%	0.51%	-0.46%
Finance and insurance	1.07%	2.75%	-1.68%
Health care and social assistance	4.89%	7.39%	-2.50%
Management of companies and enterprises	0.94%	0.61%	0.33%
Professional, scientific, and technical services	1.20%	7.21%	-6.01%
Real estate and rental and leasing	9.02%	12.17%	-3.15%
Agriculture, forestry, fishing and hunting	20.64%	1.78%	18.86%
Construction	1.45%	3.12%	-1.66%
Information	1.44%	3.21%	-1.77%
Manufacturing	1.69%	4.31%	-2.62%
Mining, quarrying, and oil and gas extraction	0.05%	14.79%	-14.74%
Other services (except government and government enterprises)	1.37%	1.96%	-0.59%
Retail trade	4.02%	5.87%	-1.86%
Transportation and warehousing	4.56%	2.58%	1.98%
Utilities	1.84%	1.57%	0.26%
Wholesale trade	1.86%	3.13%	-1.27%
Government and government enterprises	42.57%	21.50%	21.07%

SOURCES: NEW MEXICO TAXATION AND REVENUE DEPT, NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS, U.S. BUREAU OF LABOR AND STATISTICS, U.S. BUREAU OF ECONOMIC ANALYSIS AND EDD CALCULATIONS