

Quarterly Economic Summary

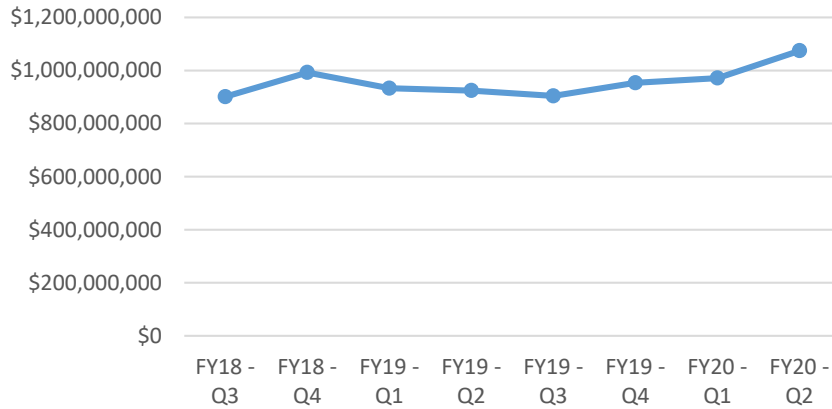
Doña Ana County

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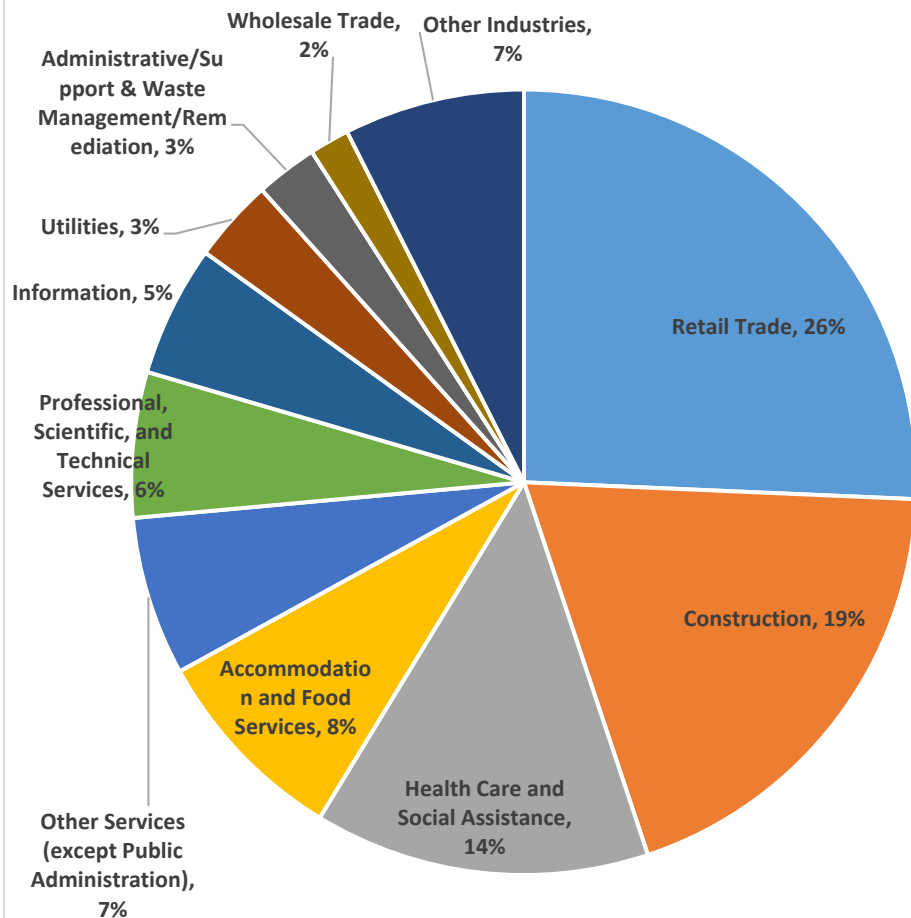
Chart 1. Matched Taxable Gross Receipts Per Quarter



Dona Ana County has seen nearly stable growth in its matched taxable gross receipts (MTGR) over the last three quarters, as seen in Chart 1. Dona Ana County's MTGR has increased by \$173M since Q3 FY18. Q2 FY20 marks the first time that Dona Ana County has had over \$1B in quarterly MTGR. Table 1, on the next page, shows an increase of \$150M from Q2 in FY19 to FY20 of the same period. Table 1 also shows major growth over this time frame in the Construction industry (\$83M).

The Retail Trade industry and the Health Care and Social Assistance industry continue to be leaders for Dona Ana County MTGR, combining for nearly \$35M worth of growth over the one year period.

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.

Quarterly Economic Summary

Doña Ana County



Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY19 - Q2	FY20 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 82,224,897	\$ 89,212,848	\$ 6,987,951	8%
Administrative/Support & Waste Management/Remediation	\$ 34,079,584	\$ 27,388,038	\$ (6,691,546)	-20%
Agriculture, Forestry, Fishing, and Hunting	\$ 1,497,779	\$ 2,536,119	\$ 1,038,340	69%
Arts, Entertainment, and Recreation	\$ 6,008,275	\$ 5,410,794	\$ (597,481)	-10%
Construction	\$ 123,366,180	\$ 206,367,962	\$ 83,001,782	67%
Educational Services	\$ 13,279,210	\$ 12,168,700	\$ (1,110,510)	-8%
Finance and Insurance	\$ 7,282,579	\$ 8,259,664	\$ 977,084	13%
Health Care and Social Assistance	\$ 129,885,280	\$ 148,457,636	\$ 18,572,356	14%
Information	\$ 56,097,891	\$ 58,066,804	\$ 1,968,913	4%
Management of Companies and Enterprises	\$ 1,031,085	\$ 1,206,964	\$ 175,879	17%
Manufacturing	\$ 13,947,941	\$ 17,603,124	\$ 3,655,183	26%
Mining, Quarrying, and Oil and Gas Extraction	\$ 1,877,325	\$ 660,227	\$ (1,217,099)	-65%
Other Services (except Public Administration)	\$ 63,439,821	\$ 70,292,090	\$ 6,852,269	11%
Professional, Scientific, and Technical Services	\$ 54,480,104	\$ 64,330,770	\$ 9,850,666	18%
Public Administration	\$ 1,268,279	\$ 1,673,451	\$ 405,172	32%
Real Estate and Rental and Leasing	\$ 13,288,170	\$ 17,420,827	\$ 4,132,657	31%
Retail Trade	\$ 259,368,811	\$ 276,033,827	\$ 16,665,016	6%
Transportation and Warehousing	\$ 7,595,104	\$ 7,569,807	\$ (25,297)	0%
Unclassified Establishments	\$ 4,293,750	\$ 5,425,080	\$ 1,131,330	26%
Utilities	\$ 35,669,482	\$ 36,833,932	\$ 1,164,450	3%
Wholesale Trade	\$ 14,458,027	\$ 17,689,412	\$ 3,231,385	22%
All Industries	\$ 924,439,574	\$ 1,074,608,075	\$ 150,168,501	16%

Gross Receipts Tax (GRT) revenue collections has continued to rise in Q2 FY20, as seen in Chart 4. From Q1 to Q2, Dona Ana County increased its GRT revenue collections by roughly \$1M. Over the eight quarter period, as seen in Chart 4, and dating back to Q1 FY17, Dona Ana County has had an upward trend in the quarterly 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

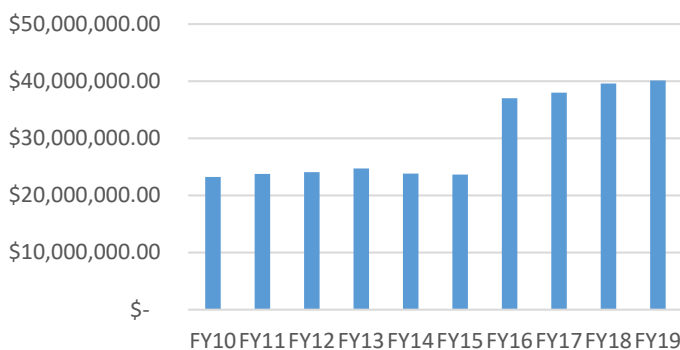
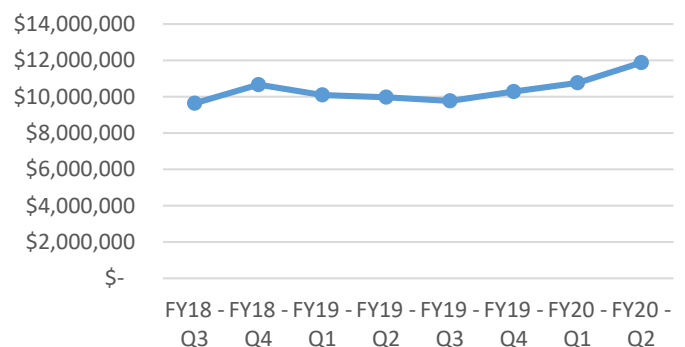


Chart 4. Quarterly GRT Revenue Collections



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

Quarterly Economic Summary

Doña Ana County



Chart 5. Quarterly Average Total Employment & Weekly Wage

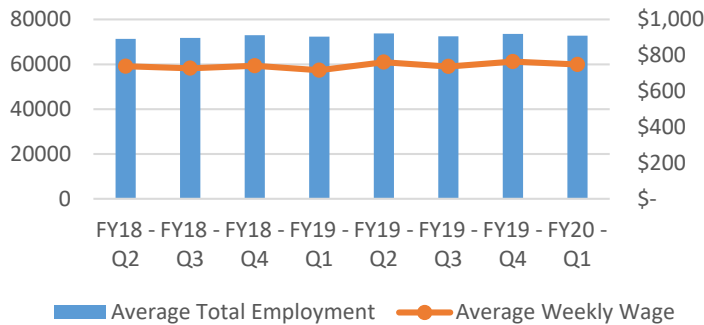


Chart 6. Quarterly Initial Unemployment Claims

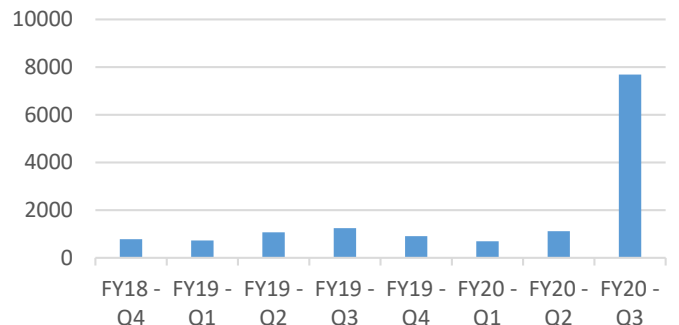
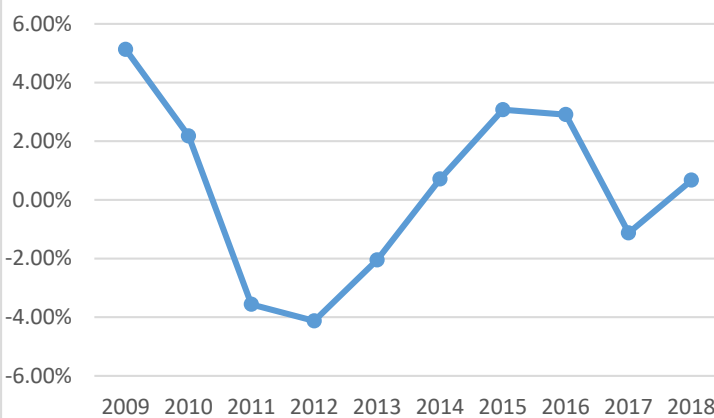


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Doña Ana, NM	New Mexico	Difference Between County and State
Accommodation and food services	4.37%	2.94%	1.43%
Administrative and support and waste management and remediation services	3.52%	2.51%	1.01%
Arts, entertainment, and recreation	1.70%	0.68%	1.02%
Educational services	0.53%	0.51%	0.02%
Finance and insurance	2.19%	2.75%	-0.56%
Health care and social assistance	11.08%	7.39%	3.69%
Management of companies and enterprises	0.10%	0.61%	-0.51%
Professional, scientific, and technical services	5.01%	7.21%	-2.20%
Real estate and rental and leasing	13.76%	12.17%	1.60%
Agriculture, forestry, fishing and hunting	0.00%	1.78%	-1.78%
Construction	3.66%	3.12%	0.55%
Information	5.49%	3.21%	2.28%
Manufacturing	3.53%	4.31%	-0.78%
Mining, quarrying, and oil and gas extraction	0.13%	14.79%	-14.66%
Other services (except government and government enterprises)	2.01%	1.96%	0.04%
Retail trade	5.97%	5.87%	0.09%
Transportation and warehousing	2.42%	2.58%	-0.16%
Utilities	0.00%	1.57%	-1.57%
Wholesale trade	0.00%	3.13%	-3.13%
Government and government enterprises	27.75%	21.50%	6.25%

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