

Quarterly Economic Summary

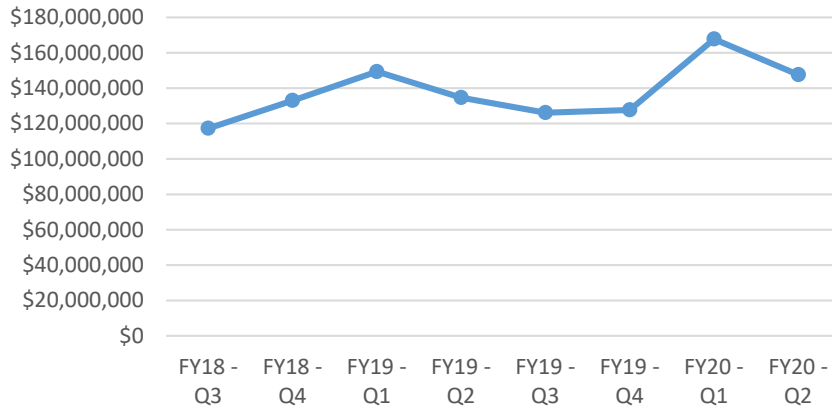
Lincoln County

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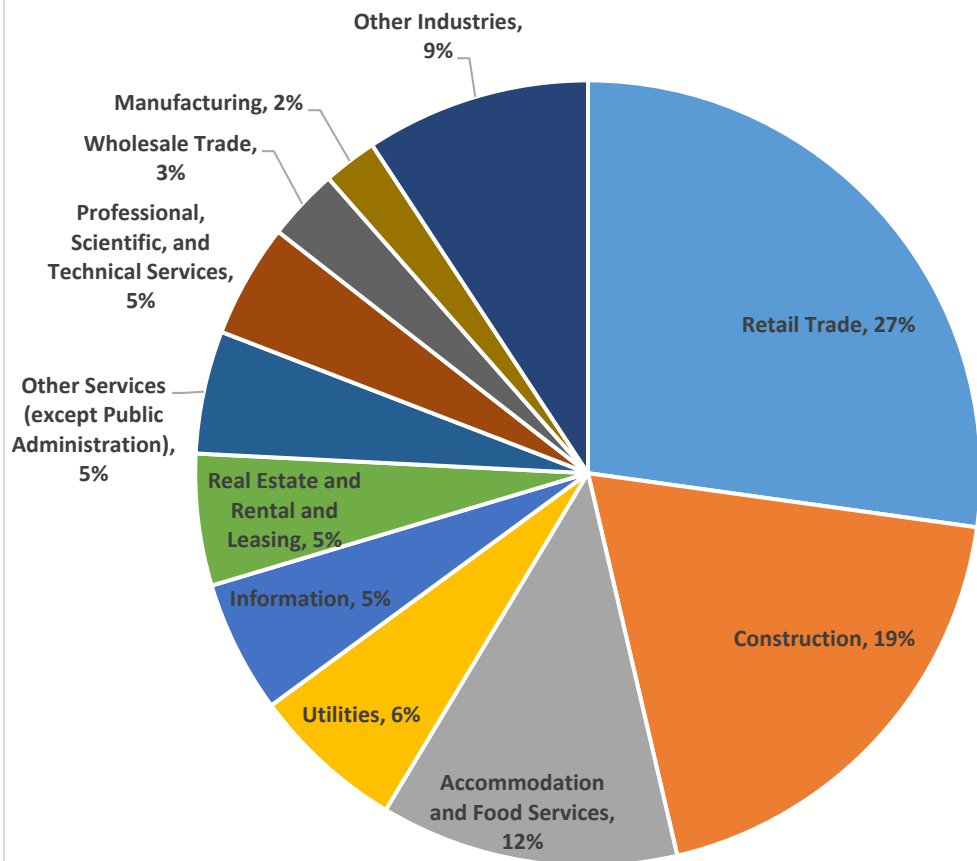
Chart 1. Matched Taxable Gross Receipts Per Quarter



Lincoln County saw a decrease in its matched taxable gross receipts (MTGR) in Q2 FY20, as seen in Chart 1. Lincoln County's MTGR hits a seasonal peak in the first quarter of the fiscal year, making this most recent decrease not out of the ordinary. Q2 FY20 did see a year over year (YOY) increase over FY19, as seen in Table 1 on page 2. The Construction, Retail Trade and Professional/ Scientific/ Technical Services industries saw the largest YOY increases with \$3.9M, \$2.3M and \$2.1M, respectively. Notably, the Professional, Scientific, and Technical

Services industry has been increasing quarter over quarter since Q3 FY19.

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	\$ 17,925,770	\$ 18,098,299	\$ 172,530	1%
Administrative/Support & Waste Management/Remediation	\$ 1,419,129	\$ 2,081,793	\$ 662,664	47%
Agriculture, Forestry, Fishing, and Hunting	\$ 1,199,704	\$ 1,547,325	\$ 347,620	29%
Arts, Entertainment, and Recreation	\$ 1,644,039	\$ 1,685,087	\$ 41,047	2%
Construction	\$ 24,334,854	\$ 28,258,993	\$ 3,924,139	16%
Educational Services	\$ 44,081	\$ 68,259	\$ 24,178	55%
Finance and Insurance	\$ 1,465,623	\$ 1,836,580	\$ 370,958	25%
Health Care and Social Assistance	\$ 2,732,258	\$ 2,818,303	\$ 86,045	3%
Information	\$ 8,026,413	\$ 8,042,071	\$ 15,658	0%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 2,828,000	\$ 3,288,171	\$ 460,171	16%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ -	\$ -	N/A
Other Services (except Public Administration)	\$ 7,468,213	\$ 7,463,031	\$ (5,182)	0%
Professional, Scientific, and Technical Services	\$ 4,767,995	\$ 6,912,022	\$ 2,144,027	45%
Public Administration	\$ 81,712	\$ 70,926	\$ (10,786)	-13%
Real Estate and Rental and Leasing	\$ 7,693,899	\$ 7,999,307	\$ 305,408	4%
Retail Trade	\$ 37,865,840	\$ 40,149,241	\$ 2,283,400	6%
Transportation and Warehousing	\$ 1,194,214	\$ 1,542,893	\$ 348,679	29%
Unclassified Establishments	\$ 1,597,920	\$ 2,016,573	\$ 418,654	26%
Utilities	\$ 8,667,390	\$ 9,329,695	\$ 662,305	8%
Wholesale Trade	\$ 3,701,034	\$ 4,388,581	\$ 687,547	19%
All Industries	\$ 134,658,088	\$ 147,597,150	\$ 12,939,062	10%

Gross Receipts Tax (GRT) revenue collections decreased in Q1 FY20, as seen in Chart 4. This decrease is expected due to the county's seasonality. Q2 FY20 saw a YOY increase of 18% or \$64K. Table 2 on page 3 shows multiple industries having no contribution to GDP in 2018. This is due to the number of companies within the industries being so low that the Bureau of Economic Analysis has withheld the information for the industry to avoid disclosure of confidential information. Table 2 does not necessarily reflect the proportion each industry contributes to overall GDP.

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

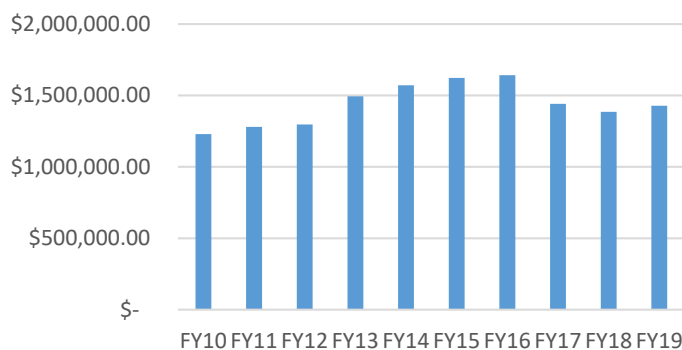
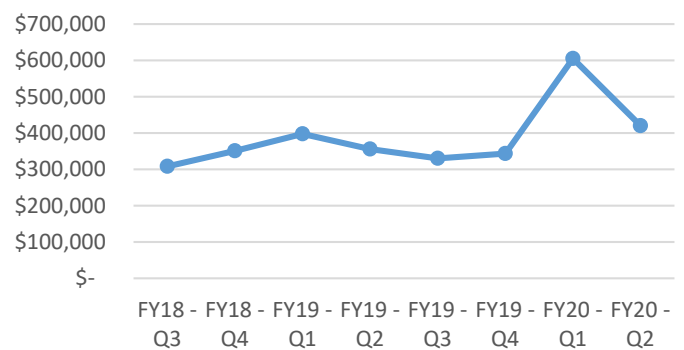


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

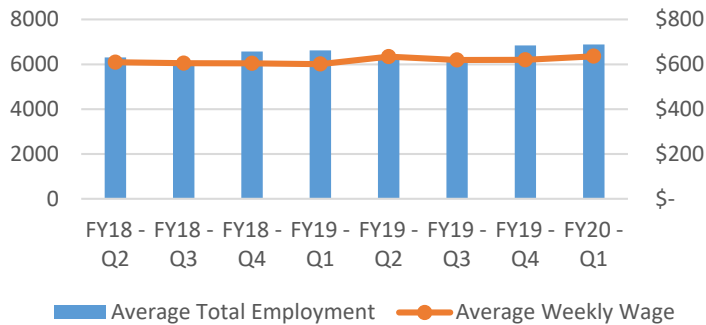


Chart 6. Quarterly Initial Unemployment Claims

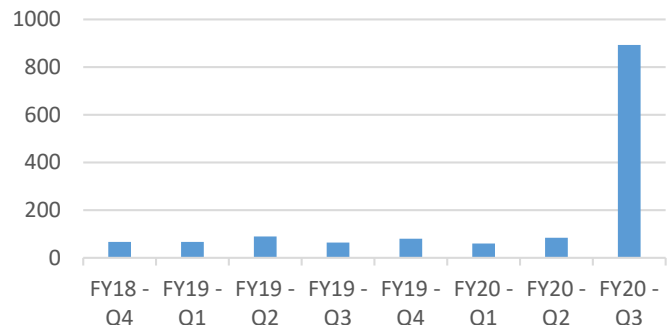
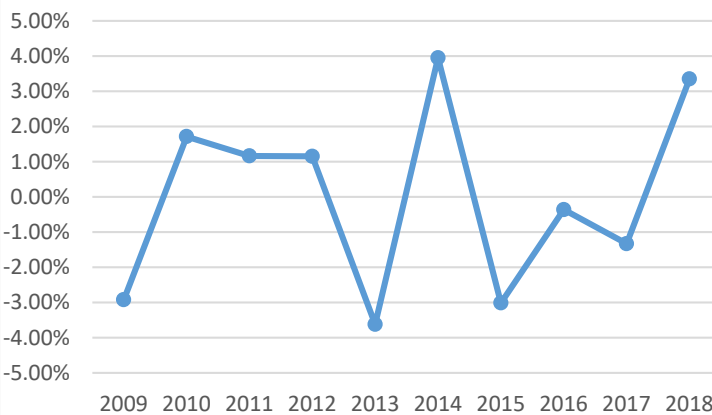


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Lincoln, NM	New Mexico	Difference Between County and State
Accommodation and food services	6.32%	2.94%	3.39%
Administrative and support and waste management and remediation services	2.12%	2.51%	-0.39%
Arts, entertainment, and recreation	5.23%	0.68%	4.56%
Educational services	0.13%	0.51%	-0.38%
Finance and insurance	2.45%	2.75%	-0.30%
Health care and social assistance	7.39%	7.39%	-0.01%
Management of companies and enterprises	0.00%	0.61%	-0.61%
Professional, scientific, and technical services	0.00%	7.21%	-7.21%
Real estate and rental and leasing	29.09%	12.17%	16.93%
Agriculture, forestry, fishing and hunting	0.84%	1.78%	-0.94%
Construction	3.81%	3.12%	0.70%
Information	1.54%	3.21%	-1.67%
Manufacturing	5.47%	4.31%	1.16%
Mining, quarrying, and oil and gas extraction	0.02%	14.79%	-14.77%
Other services (except government and government enterprises)	3.07%	1.96%	1.11%
Retail trade	10.45%	5.87%	4.58%
Transportation and warehousing	0.53%	2.58%	-2.05%
Utilities	0.99%	1.57%	-0.59%
Wholesale trade	1.23%	3.13%	-1.89%
Government and government enterprises	16.11%	21.50%	-5.39%

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