

Quarterly Economic Summary

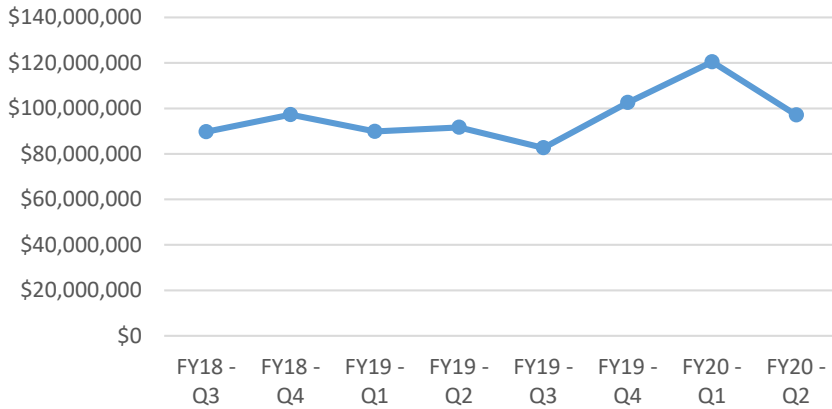
San Miguel County



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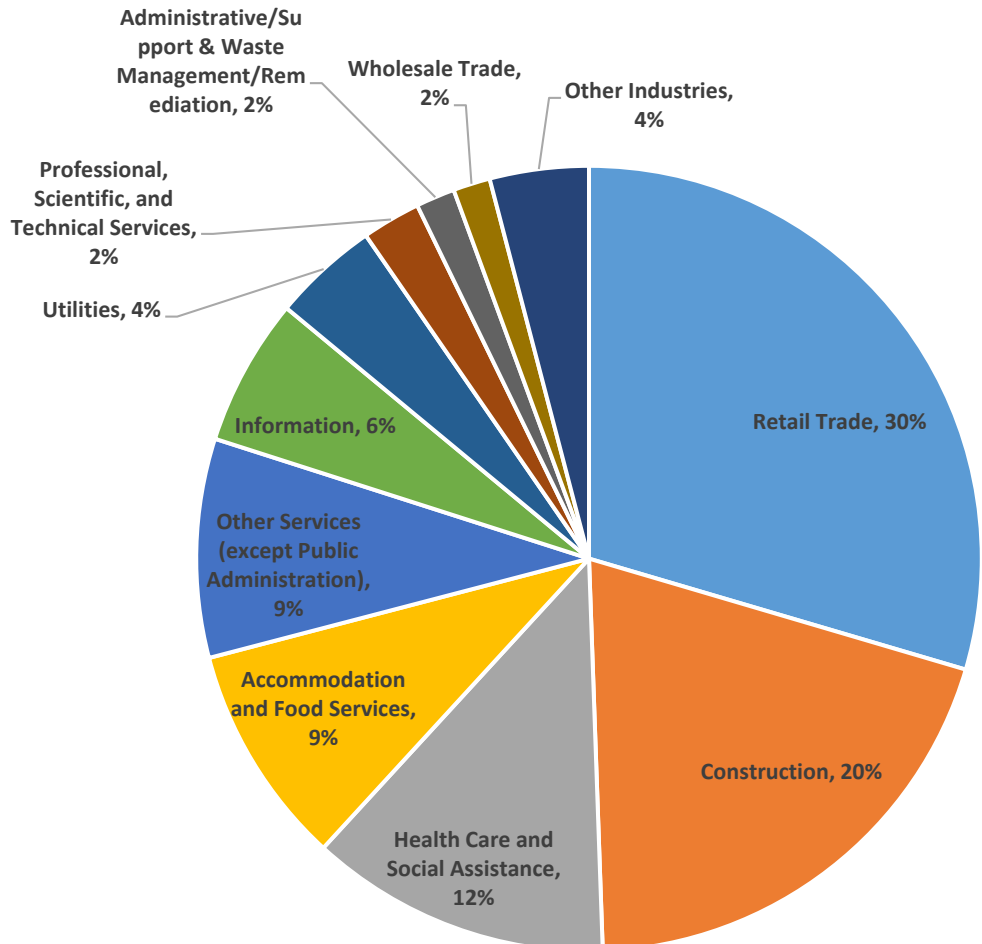
Chart 1. Matched Taxable Gross Receipts Per Quarter



San Miguel County saw a decrease in matched taxable gross receipts (MTGR) from Q1 FY20 to Q2, as seen in Chart 1. Q2 has returned to a level commonly seen by the county after what was an uncommonly high quarter in Q1. Q2 FY20 saw year over year growth of 6% as seen in Table 1, on page 2. Table 1 also shows an industry with -100% growth or no MTGR in the second quarter of FY20. This may be due the timing of filing by the companies in the industry and may show up in the next quarter. Retail surpassed Construction in Q2 of FY20 to

become the largest industry by MTGR.

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	\$ 8,343,590	\$ 8,839,680	\$ 496,090	6%
Administrative/Support & Waste Management/Remediation	\$ 2,016,743	\$ 1,558,626	\$ (458,117)	-23%
Agriculture, Forestry, Fishing, and Hunting	\$ 281,581	\$ -	\$ (281,581)	-100%
Arts, Entertainment, and Recreation	\$ 53,085	\$ 60,153	\$ 7,068	13%
Construction	\$ 16,445,684	\$ 19,295,976	\$ 2,850,292	17%
Educational Services	\$ 85,006	\$ 3,536	\$ (81,470)	-96%
Finance and Insurance	\$ 247,302	\$ 248,459	\$ 1,158	0%
Health Care and Social Assistance	\$ 9,997,883	\$ 12,017,025	\$ 2,019,142	20%
Information	\$ 4,769,882	\$ 5,896,077	\$ 1,126,195	24%
Manufacturing	\$ 1,774,938	\$ 913,817	\$ (861,121)	-49%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ -	\$ -	N/A
Other Services (except Public Administration)	\$ 10,643,180	\$ 8,739,642	\$ (1,903,538)	-18%
Professional, Scientific, and Technical Services	\$ 2,059,255	\$ 2,343,797	\$ 284,542	14%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 1,528,753	\$ 1,153,903	\$ (374,850)	-25%
Retail Trade	\$ 26,991,359	\$ 28,689,588	\$ 1,698,229	6%
Transportation and Warehousing	\$ 596,009	\$ 1,198,425	\$ 602,415	101%
Unclassified Establishments	\$ 275,536	\$ 374,016	\$ 98,480	36%
Utilities	\$ 4,379,727	\$ 4,242,296	\$ (137,431)	-3%
Wholesale Trade	\$ 1,180,422	\$ 1,480,950	\$ 300,528	25%
All Industries	\$ 91,669,935	\$ 97,055,966	\$ 5,386,031	6%

Gross Receipts Tax (GRT) revenue collections decreased in Q2 FY20 after two consecutive quarters of relatively high growth. Q2 had a year over year growth of 11% from Q2 FY19. 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

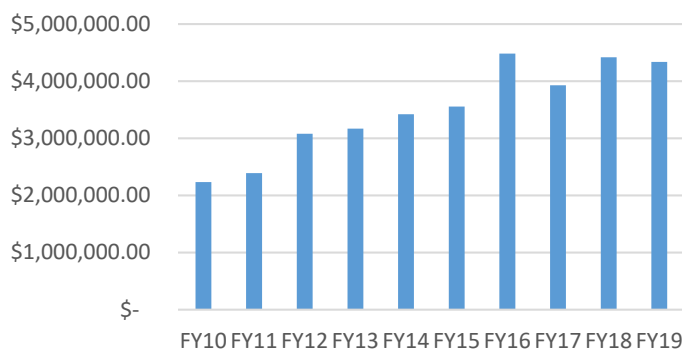
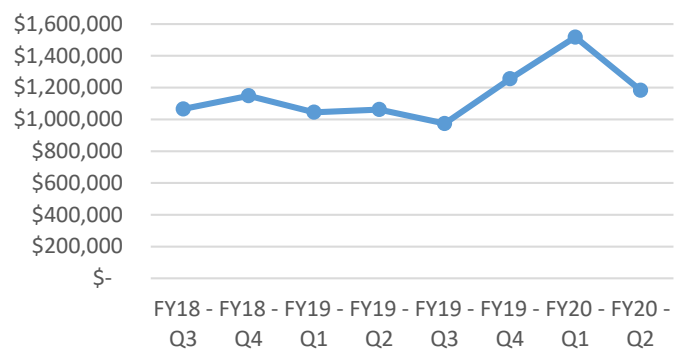


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

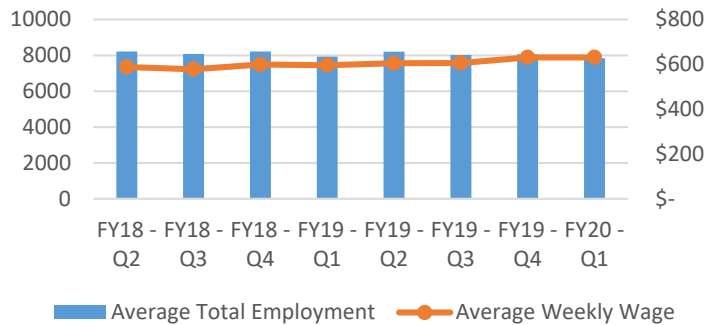


Chart 6. Quarterly Initial Unemployment Claims

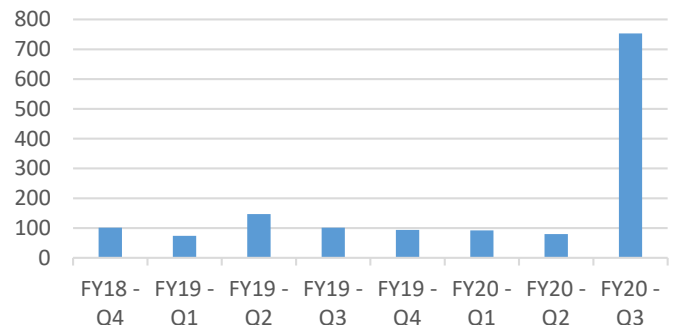
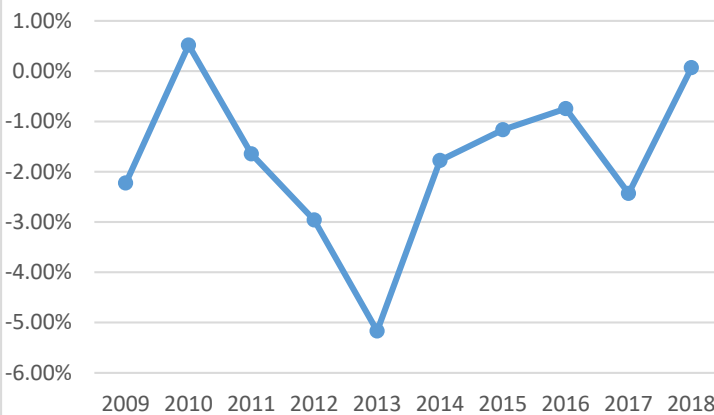


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	San Miguel, NM	New Mexico	Difference Between County and State
Accommodation and food services	0.00%	2.94%	-2.94%
Administrative and support and waste management and remediation services	0.27%	2.51%	-2.24%
Arts, entertainment, and recreation	0.00%	0.68%	-0.68%
Educational services	0.00%	0.51%	-0.51%
Finance and insurance	2.49%	2.75%	-0.26%
Health care and social assistance	0.00%	7.39%	-7.39%
Management of companies and enterprises	0.43%	0.61%	-0.18%
Professional, scientific, and technical services	1.57%	7.21%	-5.64%
Real estate and rental and leasing	24.77%	12.17%	12.60%
Agriculture, forestry, fishing and hunting	0.13%	1.78%	-1.65%
Construction	2.17%	3.12%	-0.94%
Information	0.95%	3.21%	-2.26%
Manufacturing	0.75%	4.31%	-3.56%
Mining, quarrying, and oil and gas extraction	0.19%	14.79%	-14.60%
Other services (except government and government enterprises)	2.04%	1.96%	0.08%
Retail trade	6.64%	5.87%	0.77%
Transportation and warehousing	1.33%	2.58%	-1.26%
Utilities	0.30%	1.57%	-1.27%
Wholesale trade	0.46%	3.13%	-2.66%
Government and government enterprises	37.93%	21.50%	16.43%

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