

Quarterly Economic Summary

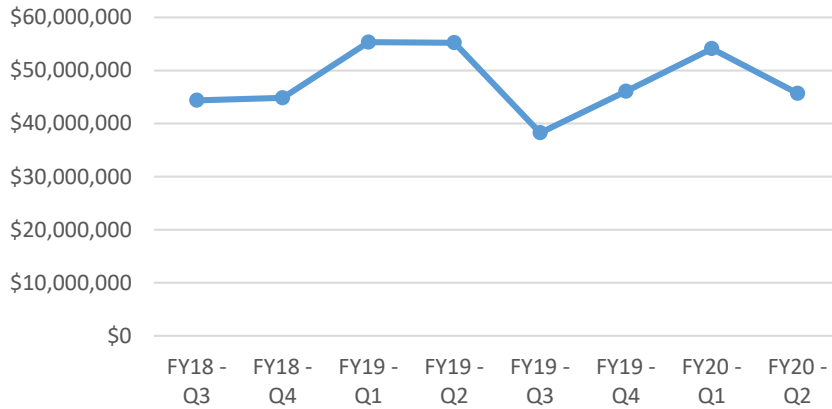
Socorro County



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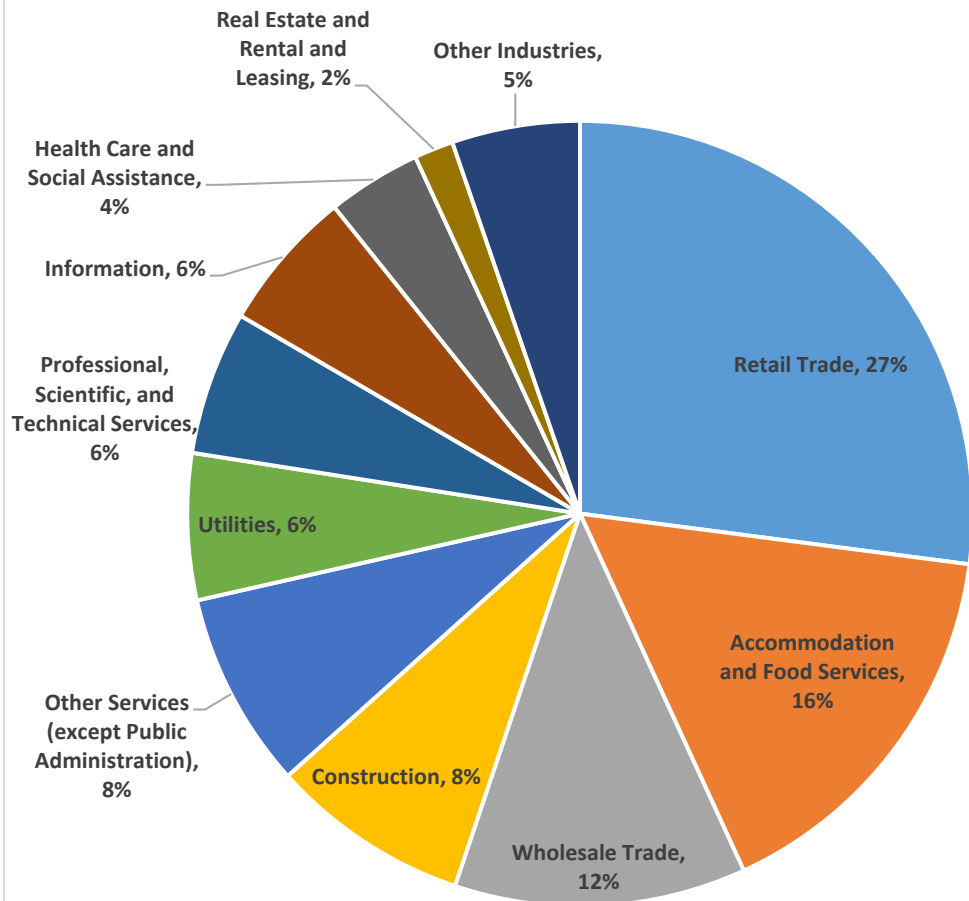
Chart 1. Matched Taxable Gross Receipts Per Quarter



Socorro County saw a decrease in its most recent quarter in Matched Taxable Gross Receipts (MTGR) after two consecutive quarters of growth, as seen in Chart 1. Q2 FY20 had a total MTGR of \$45.7M which falls just below the county's average. Q2 FY20 saw a year over year decline in MTGR of 17%. Notably, Construction fell by 75% from \$15.1M in Q2 FY19 to \$3.7M in Q2 FY20. Table 1, on the next page, shows one industry, with -100% growth or no MTGR in the second quarter of FY20. This is likely due to the small amount of

companies within the industry filing late. Q2 FY20 saw the Retail Trade industry become the largest industry by MTGR, accounting for 27% of all MTGR, after Construction fell from 25% in Q1 to 8% in Q2.

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	\$ 6,936,581	\$ 7,352,854	\$ 416,273	6%
Administrative/Support & Waste Management/Remediation	\$ 875,272	\$ 592,666	\$ (282,606)	-32%
Agriculture, Forestry, Fishing, and Hunting	\$ 198,344	\$ 353,095	\$ 154,751	78%
Arts, Entertainment, and Recreation	\$ 12,368	\$ 15,144	\$ 2,777	22%
Construction	\$ 15,130,011	\$ 3,746,441	\$ (11,383,570)	-75%
Educational Services	\$ 42,056	\$ 80,602	\$ 38,546	92%
Finance and Insurance	\$ 224,984	\$ 212,486	\$ (12,498)	-6%
Health Care and Social Assistance	\$ 1,663,928	\$ 1,768,102	\$ 104,173	6%
Information	\$ 2,914,112	\$ 2,670,927	\$ (243,185)	-8%
Management of Companies and Enterprises	\$ 971	\$ -	\$ (971)	-100%
Manufacturing	\$ 700,080	\$ 700,995	\$ 915	0%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ -	\$ -	N/A
Other Services (except Public Administration)	\$ 3,713,838	\$ 3,698,531	\$ (15,307)	0%
Professional, Scientific, and Technical Services	\$ 1,618,084	\$ 2,706,782	\$ 1,088,699	67%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 1,068,253	\$ 737,136	\$ (331,117)	-31%
Retail Trade	\$ 13,306,447	\$ 12,365,082	\$ (941,364)	-7%
Transportation and Warehousing	\$ 132,882	\$ 135,787	\$ 2,905	2%
Unclassified Establishments	\$ 315,232	\$ 317,050	\$ 1,818	1%
Utilities	\$ 3,897,589	\$ 2,754,031	\$ (1,143,558)	-29%
Wholesale Trade	\$ 2,477,258	\$ 5,485,618	\$ 3,008,360	121%
All Industries	\$ 55,228,288	\$ 45,693,328	\$ (9,534,959)	-17%

Gross Receipts Tax (GRT) revenue collections decreased in Q2 FY20 when compared to the previous quarter, as seen in Chart 4. The county saw a year over year decrease in Q2 FY20 of 17% or \$80K. 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

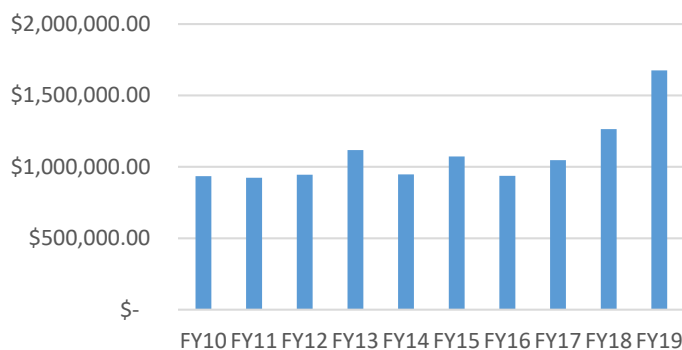
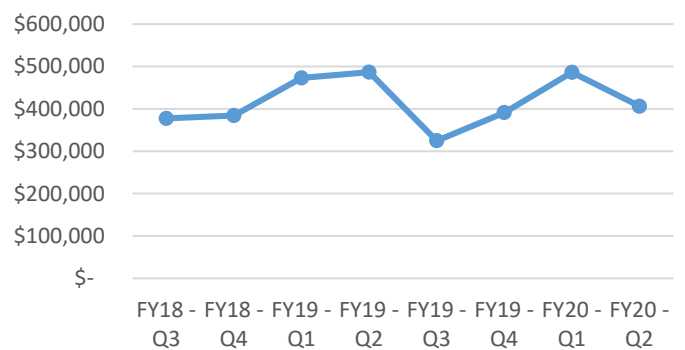


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

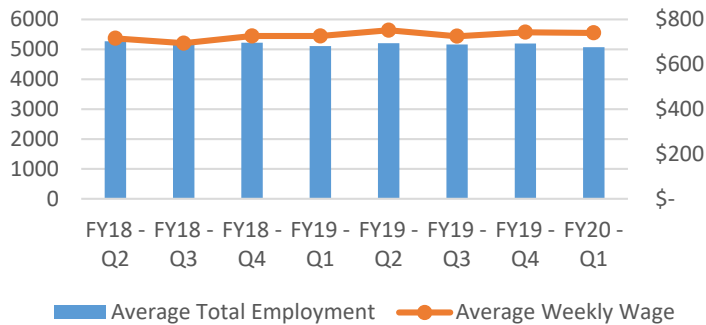


Chart 6. Quarterly Initial Unemployment Claims

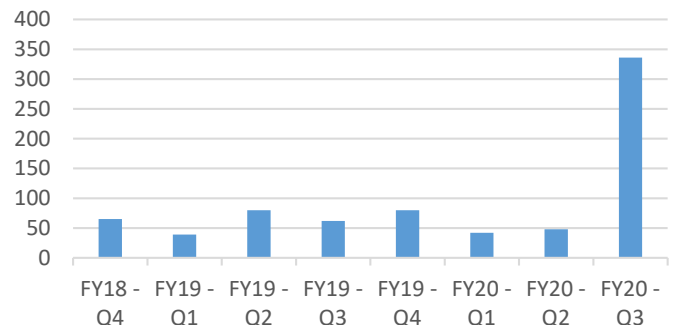
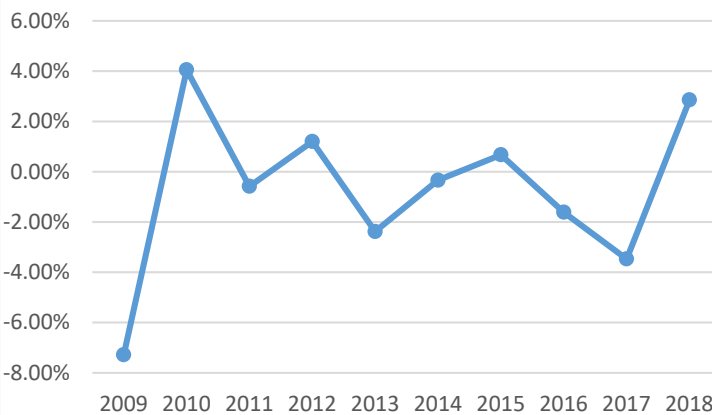


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Socorro, NM	New Mexico	Difference Between County and State
Accommodation and food services	3.85%	2.94%	0.92%
Administrative and support and waste management and remediation services	0.00%	2.51%	-2.51%
Arts, entertainment, and recreation	0.01%	0.68%	-0.67%
Educational services	0.00%	0.51%	-0.51%
Finance and insurance	1.19%	2.75%	-1.56%
Health care and social assistance	0.00%	7.39%	-7.39%
Management of companies and enterprises	0.00%	0.61%	-0.61%
Professional, scientific, and technical services	7.03%	7.21%	-0.18%
Real estate and rental and leasing	15.91%	12.17%	3.75%
Agriculture, forestry, fishing and hunting	11.48%	1.78%	9.70%
Construction	0.47%	3.12%	-2.64%
Information	0.51%	3.21%	-2.70%
Manufacturing	2.22%	4.31%	-2.09%
Mining, quarrying, and oil and gas extraction	1.51%	14.79%	-13.28%
Other services (except government and government enterprises)	1.64%	1.96%	-0.32%
Retail trade	4.50%	5.87%	-1.37%
Transportation and warehousing	1.65%	2.58%	-0.94%
Utilities	0.00%	1.57%	-1.57%
Wholesale trade	0.00%	3.13%	-3.13%
Government and government enterprises	37.70%	21.50%	16.20%