

Quarterly Economic Summary

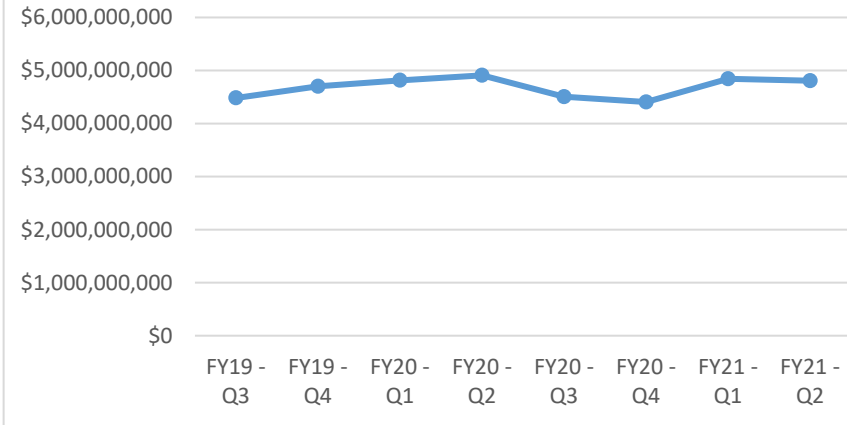
Bernalillo County



Released: March 2021

Prepared by: Joel Salas, Economist, and Ryan Eustice, Economist

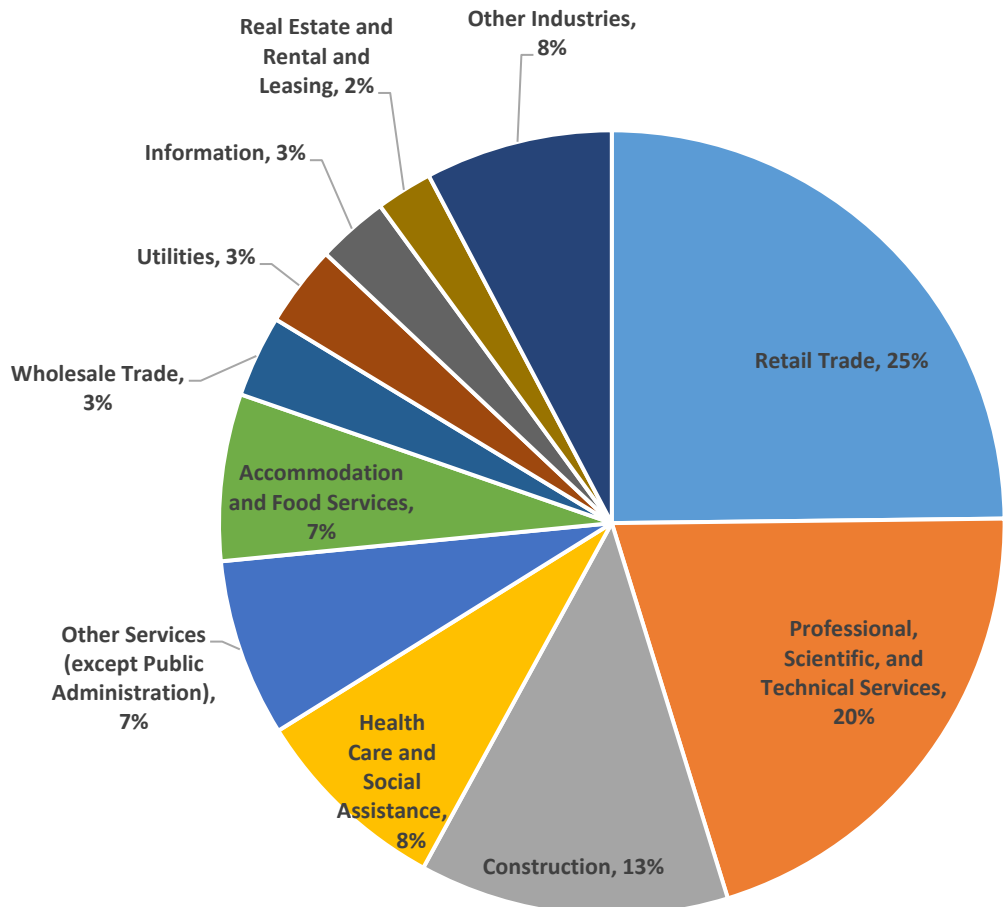
Chart 1. Matched Taxable Gross Receipts Per Quarter



New Mexico suffered another challenging quarter in Q2 FY20 compared to the previous year. The effects of the pandemic weighed heavily on business and consumer activity, and 18 of the 33 counties saw declines in year-over-year gross receipts tax revenue. Of the 15 with positive growth, several only experienced increases due to large construction projects. A new Public Health Order, which took effect on November 16, required many businesses to curb retail activities again to address the surge in COVID-19 cases.

Bernalillo County's matched taxable gross receipts (MTGR) remained relatively flat in Q2 FY21 as compared to Q1 FY21, as seen in Chart 1. From Q1 FY21 to Q2 FY21, MTGR declined by \$35.7M or nearly 1%. When comparing MTGR, Q2 of FY21 is most comparable to Q1 FY20, when Bernalillo County reported \$7.8M higher in MTGR. Table 1, on the next page, shows a decrease of \$101.5M from Q2 in FY20 to FY21 of the same period. Table 1 also

Chart 2. FY21 - Q2 Industry Size by Matched Taxable Gross Receipts



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

Quarterly Economic Summary

Bernalillo County



Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY20 - Q2	FY21 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 456,265,400	\$ 329,295,064	\$ (126,970,336)	-28%
Administrative/Support & Waste Management/Remediation	\$ 99,209,636	\$ 101,918,687	\$ 2,709,051	3%
Agriculture, Forestry, Fishing, and Hunting	\$ 8,192,731	\$ 5,953,539	\$ (2,239,192)	-27%
Arts, Entertainment, and Recreation	\$ 47,094,514	\$ 18,997,719	\$ (28,096,795)	-60%
Construction	\$ 495,346,103	\$ 610,857,814	\$ 115,511,711	23%
Educational Services	\$ 36,319,456	\$ 39,845,158	\$ 3,525,702	10%
Finance and Insurance	\$ 45,785,398	\$ 48,640,350	\$ 2,854,952	6%
Health Care and Social Assistance	\$ 360,794,075	\$ 391,902,520	\$ 31,108,444	9%
Information	\$ 280,081,170	\$ 141,035,104	\$ (139,046,066)	-50%
Management of Companies and Enterprises	\$ 5,568,670	\$ 4,388,366	\$ (1,180,303)	-21%
Manufacturing	\$ 96,292,770	\$ 91,354,222	\$ (4,938,549)	-5%
Mining, Quarrying, and Oil and Gas Extraction	\$ 1,939,886	\$ 2,391,187	\$ 451,301	23%
Other Services (except Public Administration)	\$ 387,600,954	\$ 350,590,722	\$ (37,010,233)	-10%
Professional, Scientific, and Technical Services	\$ 846,813,436	\$ 978,832,484	\$ 132,019,048	16%
Public Administration	\$ 4,883,853	\$ 1,580,076	\$ (3,303,777)	-68%
Real Estate and Rental and Leasing	\$ 117,992,215	\$ 111,456,018	\$ (6,536,197)	-6%
Retail Trade	\$ 1,247,770,659	\$ 1,190,114,312	\$ (57,656,346)	-5%
Transportation and Warehousing	\$ 33,468,091	\$ 27,696,353	\$ (5,771,738)	-17%
Unclassified Establishments	\$ 34,378,595	\$ 28,864,664	\$ (5,513,931)	-16%
Utilities	\$ 144,636,801	\$ 160,216,550	\$ 15,579,749	11%
Wholesale Trade	\$ 156,118,557	\$ 161,266,534	\$ 5,147,977	3%
All Industries	\$ 4,908,456,335	\$ 4,806,933,136	\$ (101,523,200)	-2%

shows 12 industries that reported a year over year (YOY) loss. The largest decline came from the information industry, which posted a YOY decline of \$139M or 50%.

Gross receipts tax (GRT) revenue collections decreased by \$842K or 1.5% from Q1 FY21 to Q2 FY21 (Chart 4).

Chart 5 shows that average weekly wages increased while quarterly employment decreased in Q4 of FY20. This increase in average weekly wages is likely due to the loss of lower wage workers.

Chart 3. Annual Total GRT Revenue Collections

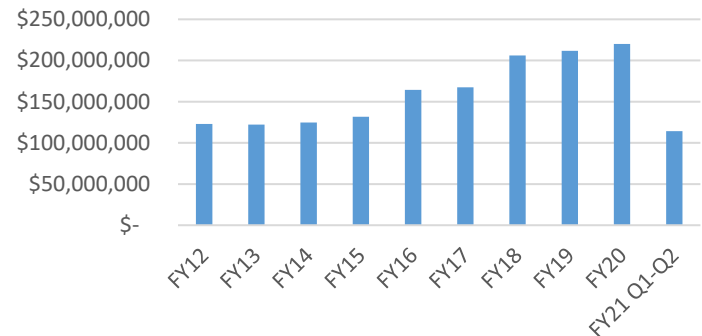


Chart 4. Quarterly GRT Revenue Collections

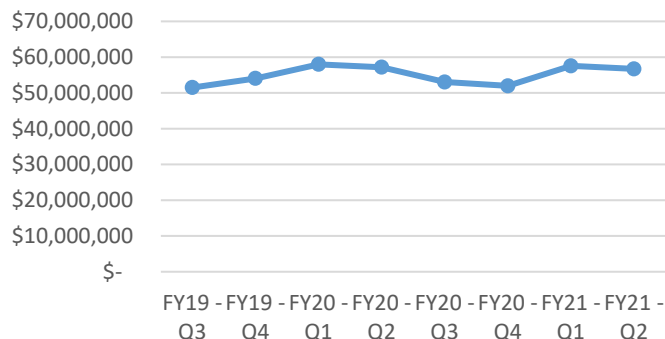
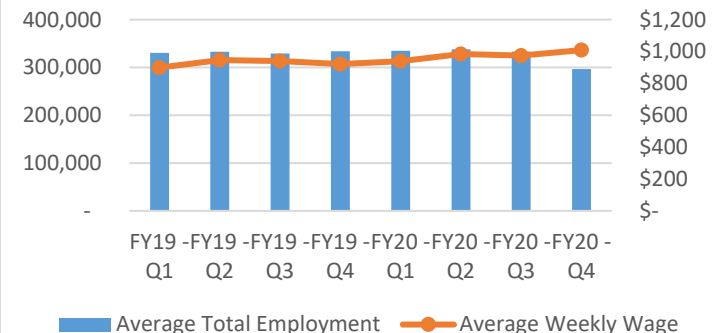


Chart 5. Quarterly Average Total Employment & Weekly Wage

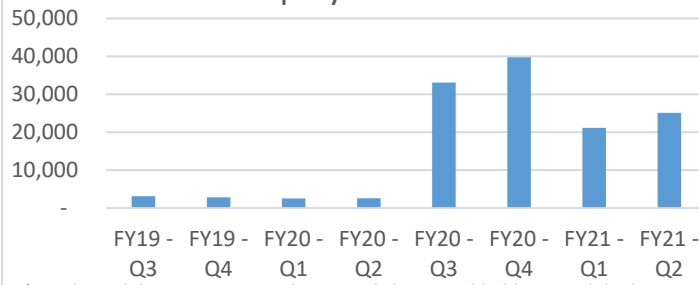


Quarterly Economic Summary

Bernalillo County



Chart 6. Quarterly Initial Unemployment Claims



*Weeks with low IUC amounts have total claims withheld to avoid disclosure of confidential information. The sum of all weeks may not reflect the true total and may include a few days outside of the quarter.

A significant unexplained increase in initial unemployment claims can be an early indicator of an economic downturn. Examples include seasonal job fluctuations, federal government shutdowns resulting in employee furloughs, or the closing of a major regional facility. The current unprecedented uptick in initial unemployment claims is tied directly to the COVID-19 pandemic and subsequent furloughs and layoffs by affected businesses. As we continue into 2021, it is likely the number of initial unemployment claims will vary based on the effects of the pandemic, and it is impossible to predict how quickly employment numbers will return to pre-COVID-19 levels.

Gross Domestic Product (GDP) is the value of all goods and services produced in an area. The percentage that GDP grew (or shrank) from one period to another is an important indicator as to how the economy is performing. Table 2, below, shows the percentage of GDP each industry accounts for in the total GDP, in a specific county and the state. The chart also compares the county to the entire state of New Mexico, by showing the impact of specific industry sectors on the county's GDP compared to that of the whole state.

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

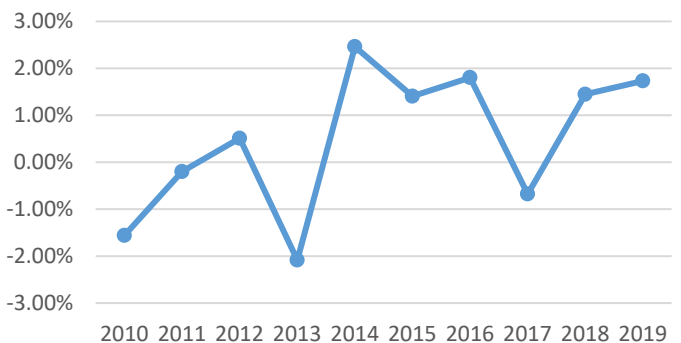


Table 2. Calendar Year 2019 Real County GDP and Real State GDP % of Total GDP

Industries	Bernalillo County	New Mexico	County Difference from State
Accommodation and Food Services	3.11%	2.92%	0.18%
Administrative/Support & Waste Management/Remediation	3.30%	2.55%	0.75%
Agriculture, Forestry, Fishing, and Hunting	0.03%	2.25%	-2.22%
Arts, Entertainment, and Recreation	0.71%	0.69%	0.02%
Construction	3.58%	3.12%	0.46%
Educational Services	0.74%	0.51%	0.22%
Finance and Insurance	4.77%	2.62%	2.15%
Health Care and Social Assistance	9.43%	7.15%	2.28%
Information	5.13%	2.82%	2.31%
Management of Companies and Enterprises	1.20%	0.64%	0.55%
Manufacturing	3.69%	4.79%	-1.10%
Mining, Quarrying, and Oil and Gas Extraction	0.06%	17.38%	-17.33%
Other Services (except Public Administration)	2.21%	1.94%	0.26%
Professional, Scientific, and Technical Services	11.74%	7.33%	4.41%
Public Administration	24.24%	20.81%	3.43%
Real Estate and Rental and Leasing	12.85%	11.65%	1.20%
Retail Trade	6.40%	5.57%	0.83%
Transportation and Warehousing	1.98%	2.40%	-0.42%
Utilities	0.36%	1.47%	-1.11%
Wholesale Trade	4.53%	3.06%	1.47%

*Not shown to avoid disclosure of confidential information