

# Quarterly Economic Summary

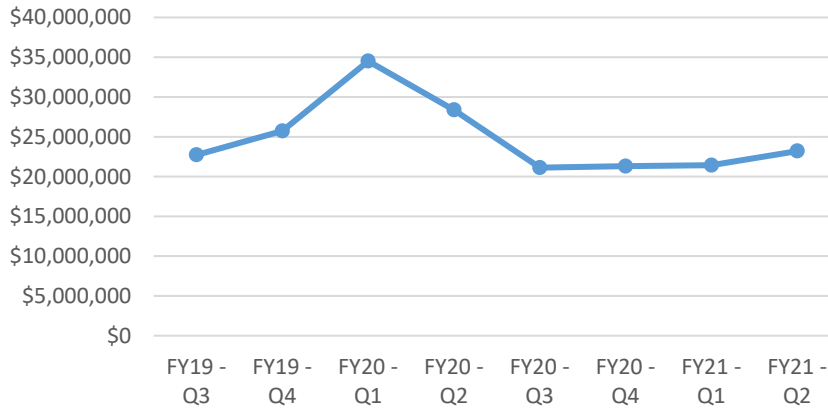
## Union County

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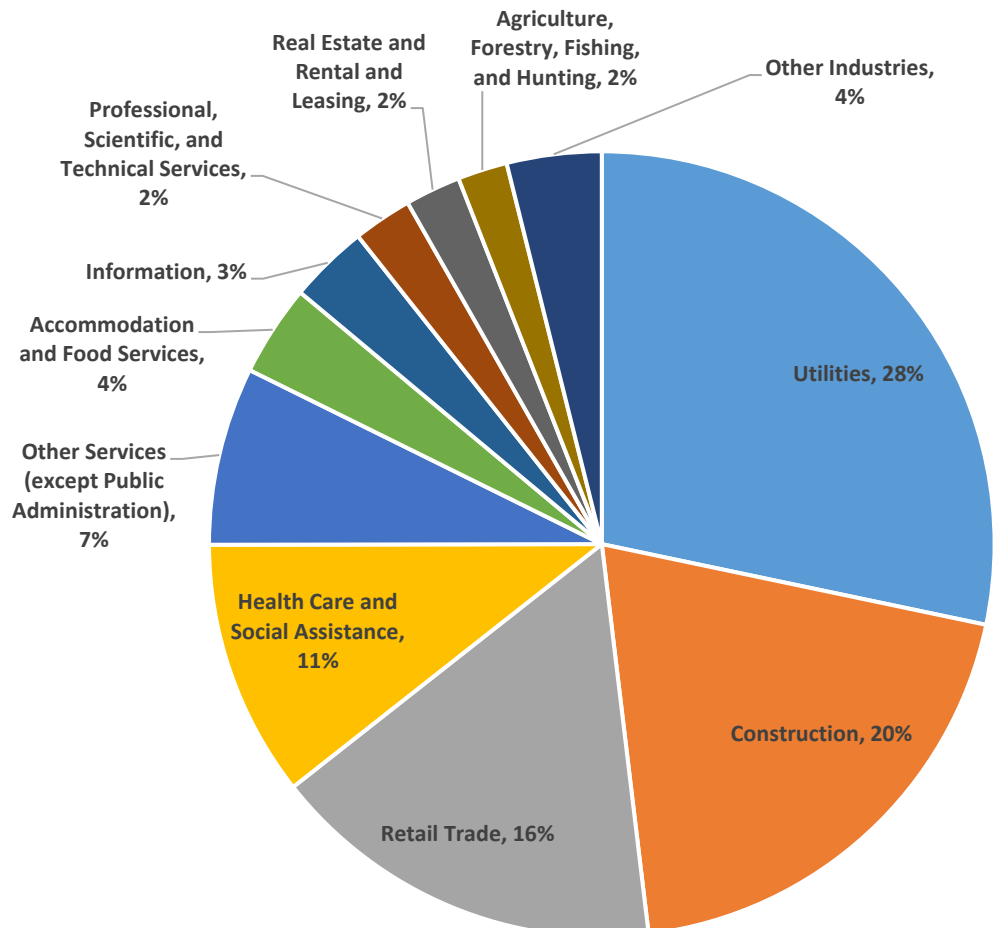
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Over the last three quarters Union County has seen its matched taxable gross receipts (MTGR) remain relatively flat, shown in Chart 1. From Q1 to Q2 FY21, MTGR in Union County increased by \$1.7M, or 8%. Chart 2 shows two dominant industry sectors, construction and utilities, which make up nearly 50% of the total reported MTGR for Q2 FY21. Table 1, on the next page, shows a decrease of \$5M from Q2 in FY20 to FY21 of the same period.

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.

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**Table 1. Matched Taxable Gross Receipts by Industry**

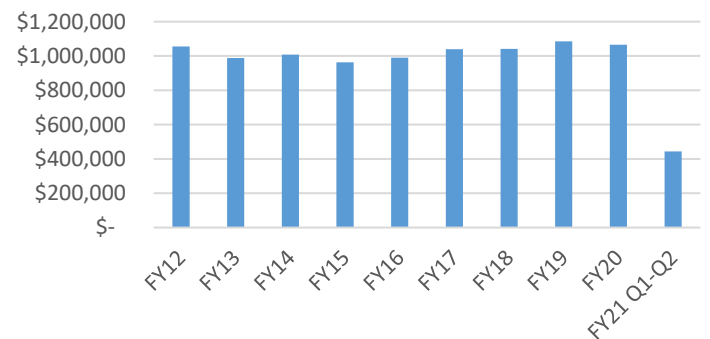
Industries	FY20 - Q2	FY21 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 1,838,612	\$ 870,911	\$ (967,701)	-53%
Administrative/Support & Waste Management/Remediation	\$ 1,949,192	\$ 174,314	\$ (1,774,878)	-91%
Agriculture, Forestry, Fishing, and Hunting	\$ 299,903	\$ 473,081	\$ 173,178	58%
Arts, Entertainment, and Recreation	\$ 90,936	\$ 186,228	\$ 95,292	105%
Construction	\$ 5,680,213	\$ 4,577,918	\$ (1,102,295)	-19%
Educational Services	\$ 3,017	\$ 300	\$ (2,716)	-90%
Finance and Insurance	\$ 162,331	\$ 213,383	\$ 51,052	31%
Health Care and Social Assistance	\$ 1,576,547	\$ 2,447,442	\$ 870,895	55%
Information	\$ 1,244,431	\$ 755,821	\$ (488,610)	-39%
Manufacturing	\$ 1,199,765	\$ 43,357	\$ (1,156,408)	-96%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ -	\$ -	N/A
Other Services (except Public Administration)	\$ 1,584,057	\$ 1,694,997	\$ 110,940	7%
Professional, Scientific, and Technical Services	\$ 315,579	\$ 561,573	\$ 245,994	78%
Public Administration	\$ -	\$ 31,312	\$ 31,312	N/A
Real Estate and Rental and Leasing	\$ 334,911	\$ 528,612	\$ 193,702	58%
Retail Trade	\$ 3,650,664	\$ 3,766,935	\$ 116,271	3%
Transportation and Warehousing	\$ 127,103	\$ 131,335	\$ 4,232	3%
Unclassified Establishments	\$ 44,701	\$ 20,065	\$ (24,637)	-55%
Utilities	\$ 5,553,830	\$ 6,541,954	\$ 988,124	18%
Wholesale Trade	\$ 87,033	\$ 100,811	\$ 13,778	16%
<b>All Industries</b>	<b>\$ 28,370,551</b>	<b>\$ 23,200,764</b>	<b>\$ (5,169,787)</b>	<b>-18%</b>

The largest contributor to this loss was the administrative/support & waste management/remediation industry, which reported a decline of \$1.7M, or 91%, when comparing the two time periods.

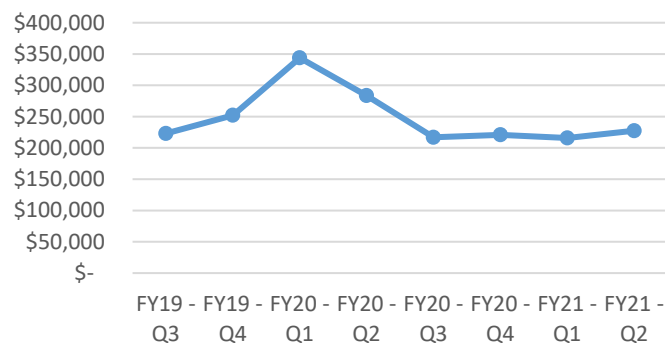
Gross receipts tax (GRT) revenue collections rose in Q2 FY21, shown in Chart 4. From Q1 to Q2 FY21, GRT collections increased by 5% or \$12K.

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

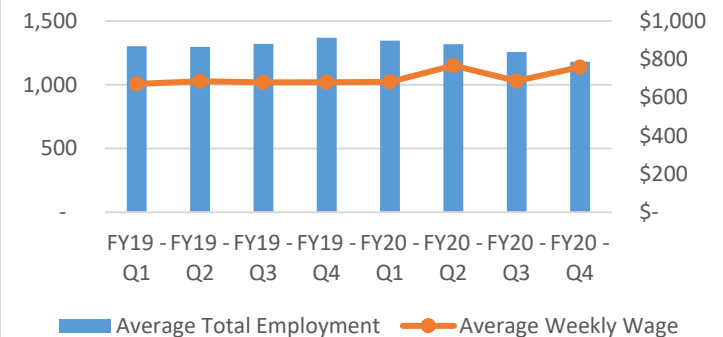
**Chart 3. Annual Total GRT Revenue Collections**



**Chart 4. Quarterly GRT Revenue Collections**



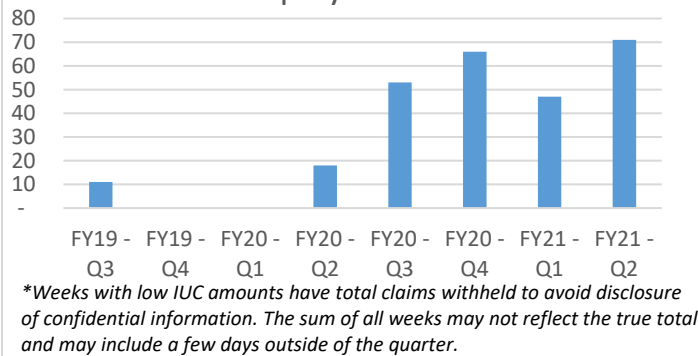
**Chart 5. Quarterly Average Total Employment & Weekly Wage**



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Chart 6. Quarterly Initial Unemployment Claims



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

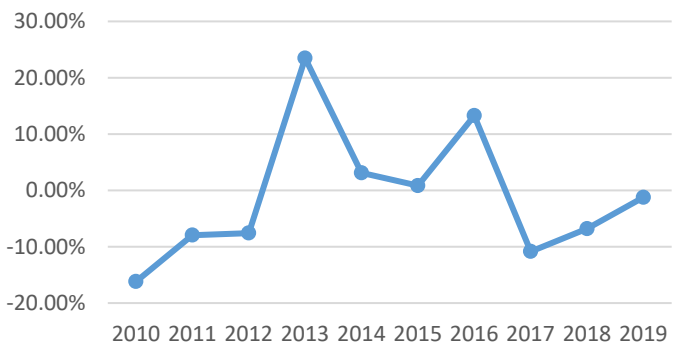


Table 2. Calendar Year 2019 Real County GDP and Real State GDP % of Total GDP

Industries	Union County	New Mexico	Difference Between County and State
Accommodation and Food Services	1.60%	2.92%	-1.33%
Administrative/Support & Waste Management/Remediation	*	2.55%	N/A
Agriculture, Forestry, Fishing, and Hunting	14.58%	2.25%	12.33%
Arts, Entertainment, and Recreation	0.33%	0.69%	-0.36%
Construction	*	3.12%	N/A
Educational Services	*	0.51%	N/A
Finance and Insurance	1.93%	2.62%	-0.69%
Health Care and Social Assistance	*	7.15%	N/A
Information	*	2.82%	N/A
Management of Companies and Enterprises	*	0.64%	N/A
Manufacturing	*	4.79%	N/A
Mining, Quarrying, and Oil and Gas Extraction	33.51%	17.38%	16.12%
Other Services (except Public Administration)	*	1.94%	N/A
Professional, Scientific, and Technical Services	*	7.33%	N/A
Public Administration	10.02%	20.81%	-10.79%
Real Estate and Rental and Leasing	10.59%	11.65%	-1.05%
Retail Trade	3.84%	5.57%	-1.73%
Transportation and Warehousing	*	2.40%	N/A
Utilities	0.65%	1.47%	-0.82%
Wholesale Trade	0.98%	3.06%	-2.08%

*\*Not shown to avoid disclosure of confidential information*