Quarterly Economic Summary

Sierra County

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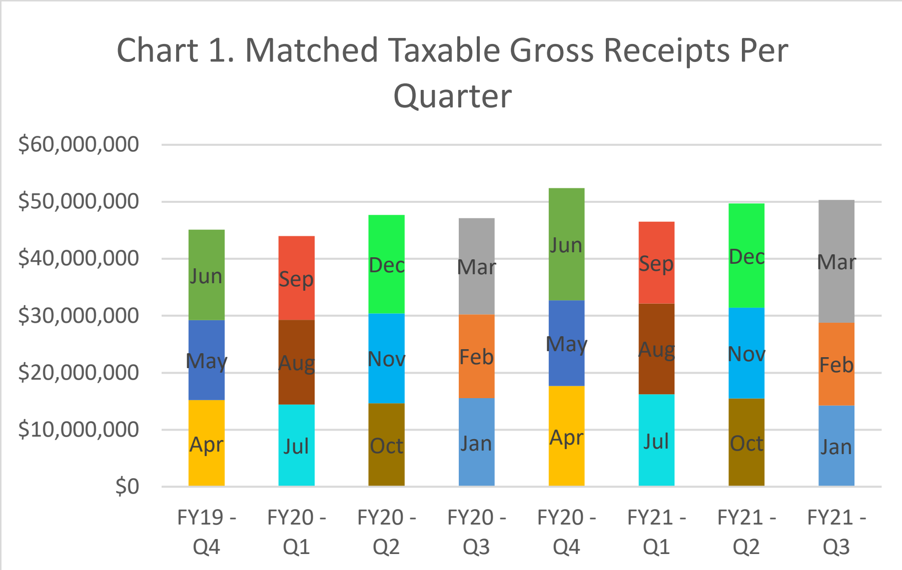
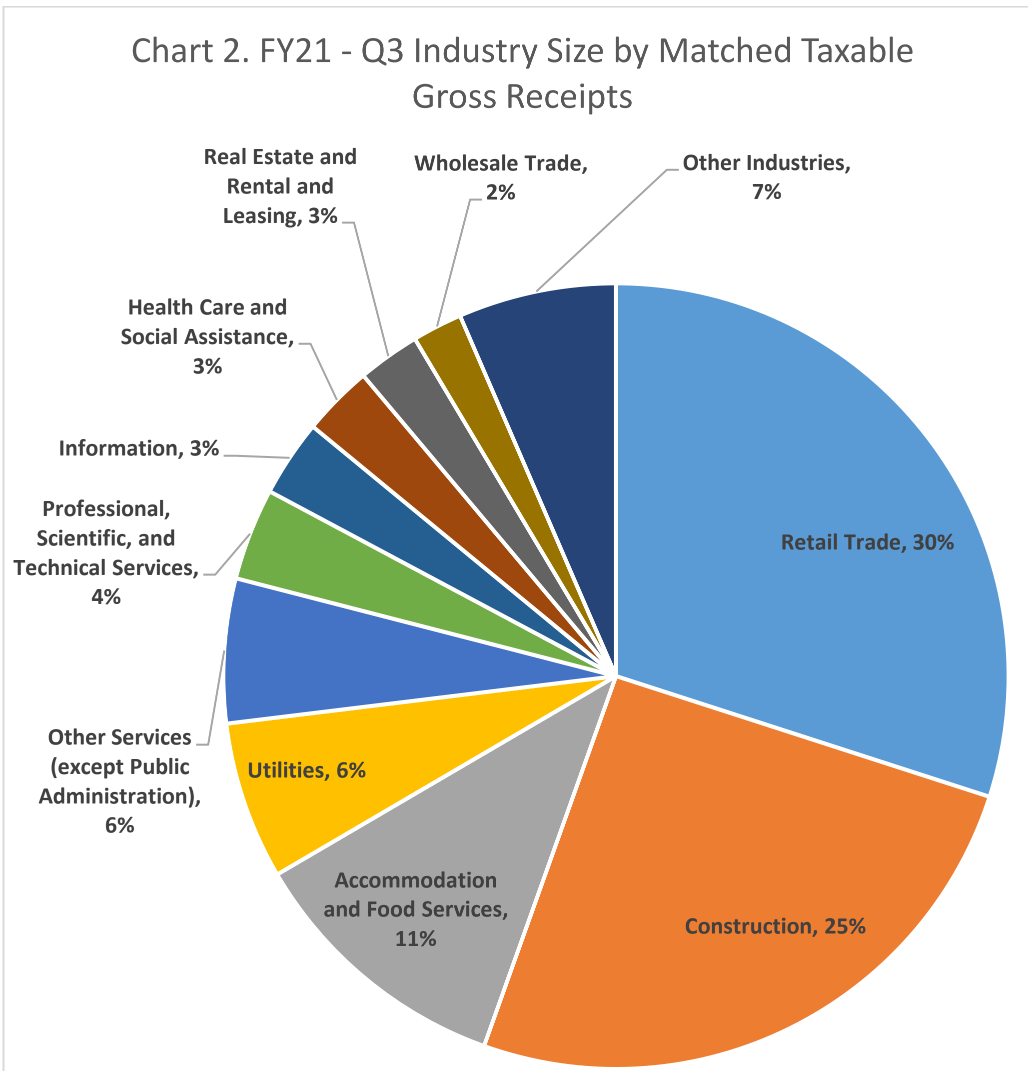


During Q3 FY21, the state started rolling out vaccinations to a significant portion of the adult population. The economic effects of the pandemic waned as restrictions and limits on business capacity were lifted following improving health metrics. These shifts in policy, along with pent up demand, likely led to an increase in consumer spending on taxable goods and services. Though the uncertainty and impacts caused by the pandemic can still be seen, the economic stability of the state and many of its counties continues to improve.

Sierra County's matched taxable gross receipts (MTGR) has remained relatively consistent over the last eight quarters, as seen in Chart 1. From Q2 FY21 to Q3 FY21, MTGR increased by $637K, nearly 1%. When comparing MTGR, Q3 of FY21 is most comparable to Q3 FY10, when Sierra County reported $600K less in MTGR. Since FY04 quarterly MTGR has been trending upward and since Q2 FY17 MTGR has flattened and



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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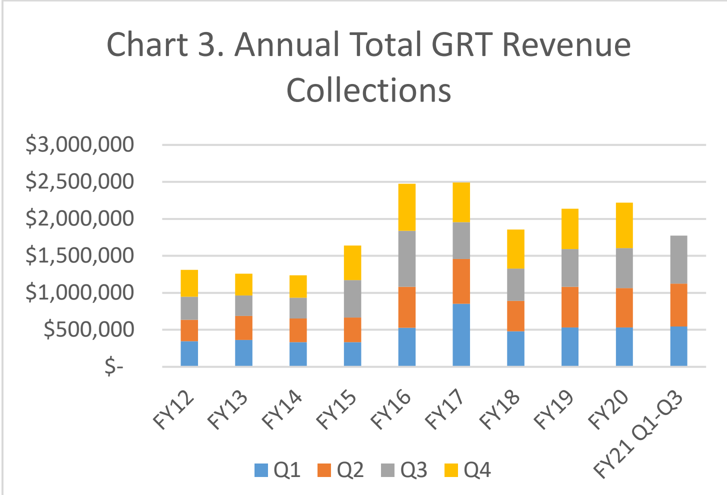
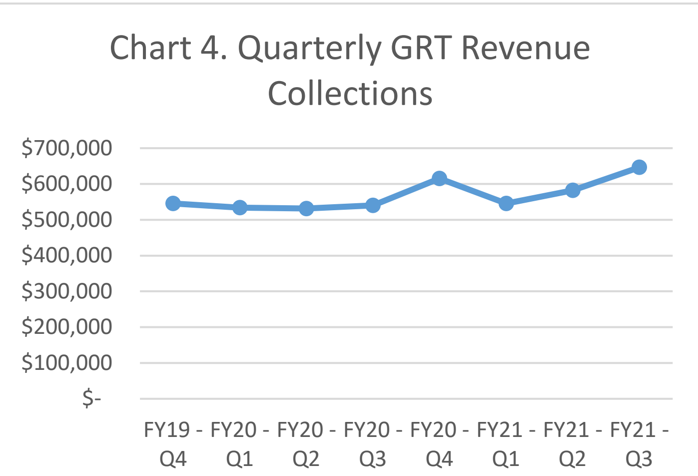
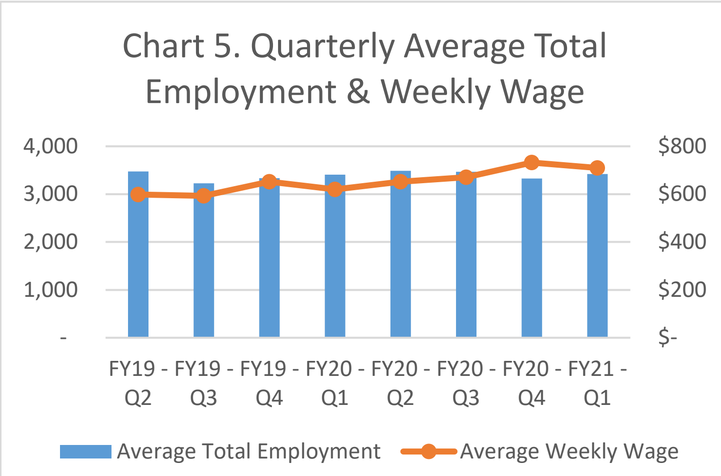
Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY20 - Q3	FY21 - Q3	Growth	Year over year Change
Accommodation and Food Services	$ 4,814,373	$ 5,442,705	$ 628,332	13%
Administrative/Support & Waste Management/Remediation	$ 380,476	$ 568,342	$ 187,866	49%
Agriculture, Forestry, Fishing, and Hunting	$ 450,398	$ 760,342	$ 309,944	69%
Arts, Entertainment, and Recreation	$ 158,416	$ 339,278	$ 180,862	114%
Construction	$ 14,371,970	$ 12,476,289	$ (1,895,682)	-13%
Educational Services	$ 105,323	$ 157,091	$ 51,768	49%
Finance and Insurance	$ 129,872	$ 127,213	$ (2,659)	-2%
Health Care and Social Assistance	$ 1,572,685	$ 1,425,439	$ (147,245)	-9%
Information	$ 2,561,030	$ 1,547,611	$ (1,013,419)	-40%
Management of Companies and Enterprises	$ -	$ -	$ -	N/A
Manufacturing	$ 677,960	$ 770,588	$ 92,627	14%
Mining, Quarrying, and Oil and Gas Extraction	$ 17,633	$ 14,639	$ (2,994)	-17%
Other Services (except Public Administration)	$ 2,736,164	$ 2,909,057	$ 172,893	6%
Professional, Scientific, and Technical Services	$ 1,323,336	$ 1,853,935	$ 530,599	40%
Public Administration	$ -	$ 69,404	$ 69,404	N/A
Real Estate and Rental and Leasing	$ 935,059	$ 1,257,865	$ 322,805	35%
Retail Trade	$ 12,137,666	$ 14,672,821	$ 2,535,155	21%
Transportation and Warehousing	$ 39,699	$ 197,938	$ 158,239	399%
Unclassified Establishments	$ 257,144	$ 178,524	$ (78,620)	-31%
Utilities	$ 2,897,747	$ 3,178,994	$ 281,246	10%
Wholesale Trade	$ 825,783	$ 1,007,699	$ 181,916	22%
All Industries	**$ 47,151,216**	**$ 50,330,044**	**$ 3,178,829**	**7%**

become more consistent with less peaks and valleys in the reported quarterly data. Table 1 shows 13 industries that reported a year-over-year (YOY) increase. The largest increase came from the retail trade industry, which posted a YOY increase of $2.5M or 21%. The construction industry reported a YOY decline of $1.9M, or 13%, when comparing the two periods. The amount of reported MTGR by the construction industry ($12.5M) is on par with the eight-quarter average of MTGR. The month of March in Q3 FY21 was the largest amount reported since July of Q1 FY17, when the industry reported $10.6M, well above the 24-month average of $3.4M.







SOURCES: NEW MEXICO TAXATION AND REVENUE DEPT, NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS, U.S. BUREAU OF LABOR STATISTICS, U.S. BUREAU OF ECONOMIC ANALYSIS AND EDD CALCULATIONS

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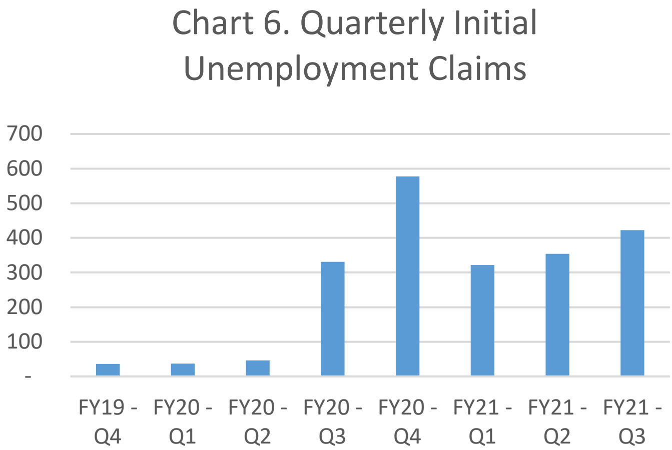

**Weeks with low IUC amounts have total claims withheld to avoid disclosure of confidential information. The sum of all weeks may not reflect the true total and may include a few days outside of the quarter. Claimants must reapply once a year. Claimants who applied at the beginning of the pandemic may be reapplying, possibly causing an increase in IUC.*

A significant increase in initial unemployment claims can be an early indicator of an economic downturn, and a drop can be an early sign of an upturn. However, these numbers are also impacted by seasonal job fluctuations, federal government shutdowns resulting in temporary employee furloughs, or the closing of a major regional facility. The current unprecedented uptick in initial unemployment claims is clearly tied directly to the COVID-19 pandemic. As vaccination levels and other health indicators continue to improve and result in lessened health concerns and fewer business restrictions, these claims should decline, but it is impossible to predict how quickly employment numbers will return to pre-COVID-19 levels.

The **Quarterly Census of Employment and Wages (QCEW)** program publishes a quarterly count of establishments, employment and wages reported by employers, covering more than 95 percent of U.S. jobs. The QCEW data are used as the benchmark source for employment, and this data is far more reliable than the monthly employment survey data in the Current Employment Statistics program often reported in news articles. However, as shown below, this quarterly data has a significant lag time for reporting and does not reflect the same quarter as used in the other charts and tables above. This quarterly QCEW data combined with the other employment data above provide the best overall picture of employment levels using the most reliable data.

Table 2. FY21-Q1 Employment Data and Establishments by Industry

Industry	Average Employment	YOY Change in Average Employment	Average Weekly Wage	YOY change in Average Weekly Wage	Number of Establishments	YOY Change in Establishments
Accommodation and Food Services	344	-23.0%	$ 320	15.5%	41	-2.4%
Administrative/Support & Waste Management/Remediation	100	7.5%	$ 824	23.2%	14	0.0%
Agriculture, Forestry, Fishing, and Hunting	275	-21.0%	$ 631	16.6%	19	-9.5%
Arts, Entertainment, and Recreation	90	-4.3%	$ 511	5.8%	10	0.0%
Construction	261	17.0%	$ 518	-34.8%	33	6.5%
Educational Services	*	100.0%	*	100.0%	2	-33.3%
Finance and Insurance	53	-10.2%	$ 686	21.0%	13	0.0%
Health Care and Social Assistance	858	-0.9%	$ 743	7.5%	72	2.9%
Information	13	-13.3%	$ 515	7.3%	5	0.0%
Management of Companies and Enterprises	*	*	*	*	1	#DIV/0!
Manufacturing	94	30.6%	$ 700	4.5%	5	0.0%
Mining, Quarrying, and Oil and Gas Extraction	*	*	*	*	1	0.0%
Other Services (except Public Administration)	37	-51.9%	$ 454	41.9%	19	5.6%
Professional, Scientific, and Technical Services	107	127.7%	$ 1,228	46.0%	19	11.8%
Public Administration	342	3.3%	$ 925	-6.3%	34	-8.1%
Real Estate and Rental and Leasing	16	*	$ 392	*	7	-12.5%
Retail Trade	458	11.4%	$ 443	0.0%	34	-5.6%
Transportation and Warehousing	153	363.6%	$ 1,564	111.6%	17	13.3%
Utilities	44	-6.4%	$ 1,081	4.6%	6	0.0%
Wholesale Trade	11	-31.3%	$ 652	6.2%	6	0.0%
All Industries	**3,428**	**0.9%**	**$ 705**	**13.9%**	**358**	**0.0%**

**Some data may be withheld to avoid disclosure of confidential information.*