

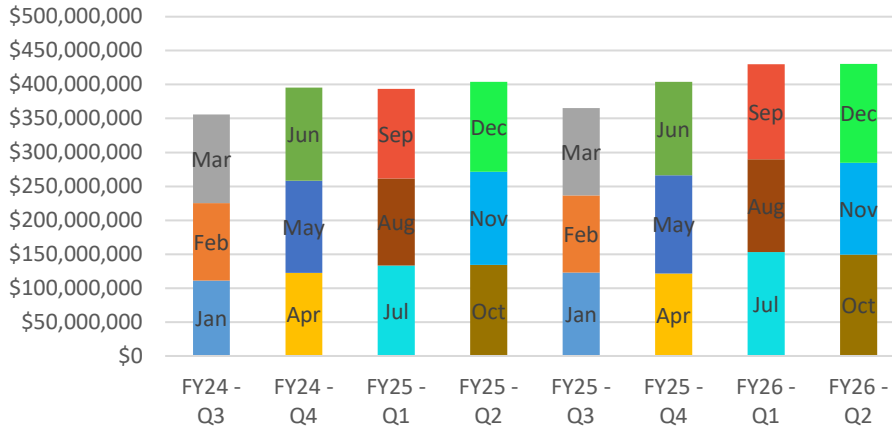
Quarterly Economic Summary

McKinley County

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Chart 1. Matched Taxable Gross Receipts Per Quarter

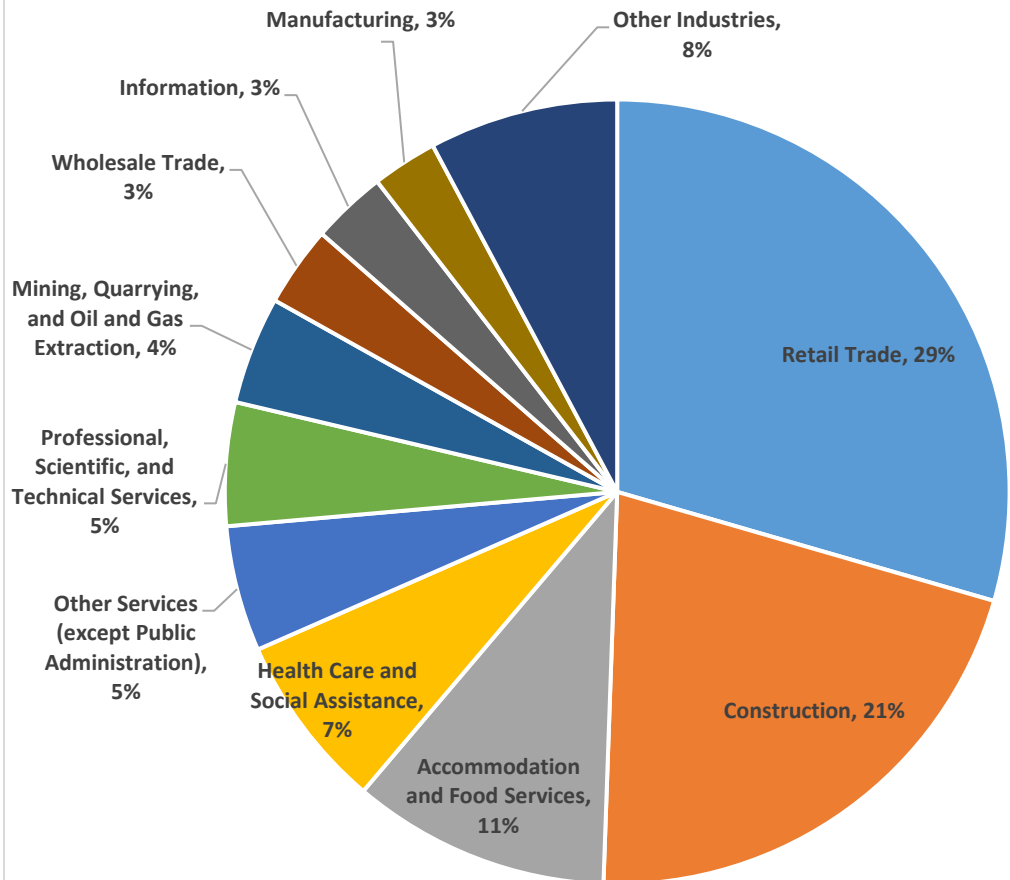


Source: NM TRD - Monthly Local Government Distribution Reports (RP-500)

In the second quarter of FY26, 26 out of 33 counties reported positive year-over-year (YOY) economic growth compared to Q2 FY25, with a statewide 5.9% increase in matched taxable gross receipts (MTGR). Statewide growth was observed across most industry sectors, with the construction industry leading the way. In Q1 FY26, employment, wages, and the number of establishments have also increased YOY at the state level.

McKinley County's MTGR slightly increased by \$369K, or 0.1%, from Q1 FY26 to Q2 FY26, as seen in Chart 1. The amount reported during Q2 FY26 (\$430.5M) was also \$33.1M larger than the eight-quarter average (\$397.3M). As seen in Chart 2, the largest industry as a percentage of MTGR was the retail trade industry, which accounted for 29% of the total MTGR during Q2 FY26. In the previous quarter, the retail trade industry accounted for 27%.

Chart 2. FY26 - Q2 Industry Size by Matched Taxable Gross Receipts



Source: NM TRD - Monthly Local Government Distribution Reports (RP-500)

Matched Taxable Gross Receipts (MTGR) provide the most accurate tax data for assessing underlying economic activity. The data collection process involves matching tax payments with reported receipts for each taxpayer by industry.

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Table 1. Matched Taxable Gross Receipts by Industry

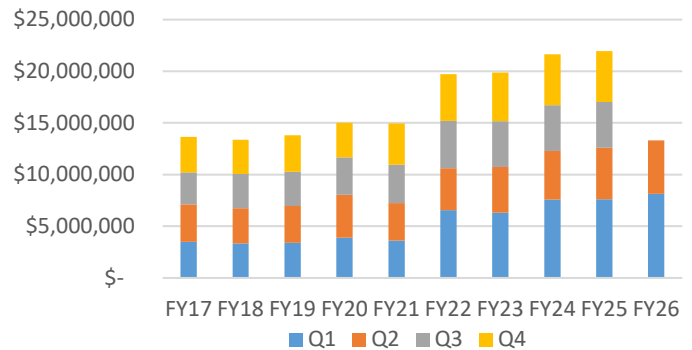
Industries	FY25 - Q2	FY26 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 41,214,247	\$ 45,791,530	\$ 4,577,284	11%
Administrative/Support & Waste Management/Remediation	\$ 5,849,919	\$ 4,967,617	\$ (882,302)	-15%
Agriculture, Forestry, Fishing, and Hunting	\$ 449,635	\$ 91,174	\$ (358,461)	-80%
Arts, Entertainment, and Recreation	\$ 269,166	\$ 360,471	\$ 91,306	34%
Construction	\$ 54,267,699	\$ 90,692,580	\$ 36,424,881	67%
Educational Services	\$ 1,139,649	\$ 944,279	\$ (195,370)	-17%
Finance and Insurance	\$ 1,530,270	\$ 1,280,870	\$ (249,400)	-16%
Health Care and Social Assistance	\$ 21,889,842	\$ 31,075,513	\$ 9,185,671	42%
Information	\$ 13,459,556	\$ 13,316,399	\$ (143,157)	-1%
Management of Companies and Enterprises	\$ 7,253	\$ 18,036	\$ 10,783	149%
Manufacturing	\$ 10,414,930	\$ 11,566,908	\$ 1,151,979	11%
Mining, Quarrying, and Oil and Gas Extraction	\$ 37,430,783	\$ 19,095,670	\$ (18,335,113)	-49%
Other Services (except Public Administration)	\$ 29,716,054	\$ 22,298,596	\$ (7,417,457)	-25%
Professional, Scientific, and Technical Services	\$ 16,524,943	\$ 21,854,673	\$ 5,329,730	32%
Public Administration	\$ 1,913,269	\$ 5,276,959	\$ 3,363,690	176%
Real Estate and Rental and Leasing	\$ 8,180,262	\$ 6,788,686	\$ (1,391,576)	-17%
Retail Trade	\$ 125,108,054	\$ 126,875,676	\$ 1,767,622	1%
Transportation and Warehousing	\$ 1,103,647	\$ 2,054,822	\$ 951,175	86%
Unclassified Establishments	\$ 5,981,415	\$ 5,705,086	\$ (276,330)	-5%
Utilities	\$ 5,415,898	\$ 6,024,684	\$ 608,786	11%
Wholesale Trade	\$ 18,356,857	\$ 14,251,269	\$ (4,105,588)	-22%
All Industries	\$ 403,781,485	\$ 430,482,380	\$ 26,700,895	7%

Source: NM TRD - Monthly Local Government Distribution Reports (RP-500) and EDNM Calculations

Table 1 shows that, when comparing YOY MTGR changes, McKinley County experienced growth of 7%, or \$26.7M. Despite the \$18.3M decline in the mining, quarrying, and oil and gas extraction industry, the construction industry showed an increase of \$36.4M, leading to the net overall increase.

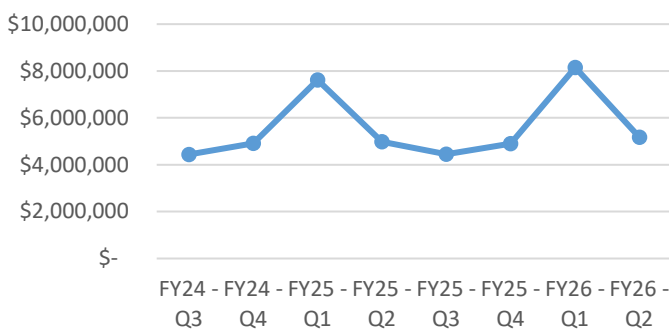
Quarterly gross receipts tax (GRT) collections during Q2 FY26 (\$5.2M) were 36.5% less than the amount collected during Q1 FY26 (\$8.1M), as seen in Chart 4. Chart 6 on the next page shows that the YOY change in establishments turned positive, increasing by 0.2% in Q1 FY26 compared to Q1 FY25.

Chart 3. Annual Total GRT Revenue Collections



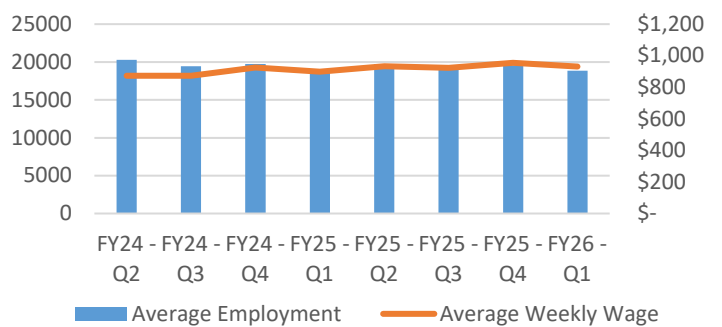
Source: NM TRD - Monthly Local Government Distribution Reports (RP-500)

Chart 4. Quarterly GRT Revenue Collections



Source: NM TRD - Monthly Local Government Distribution Reports (RP-500)

Chart 5. Total Employment & Weekly Wage

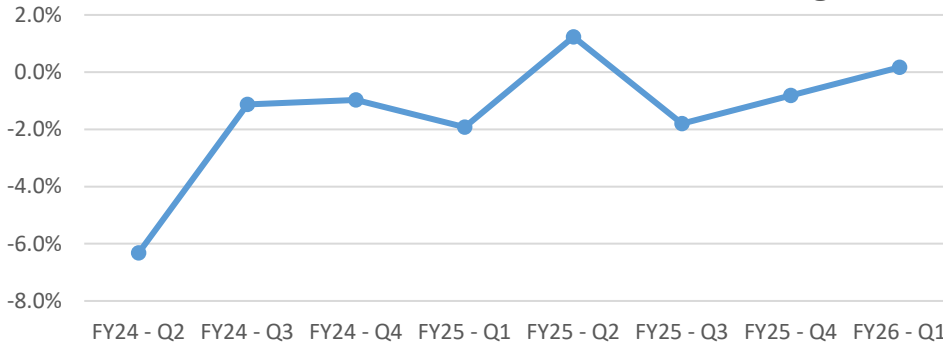


Source: NM DWS - Quarterly Census of Employment and Wage

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Chart 6. Establishment Year Over Year % Change

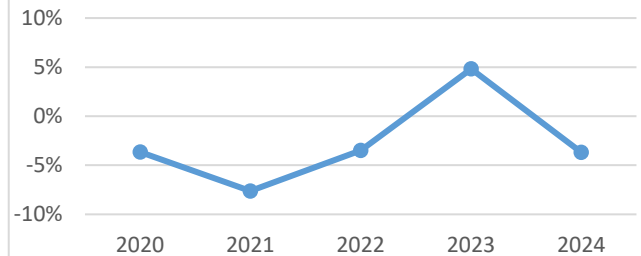


Source: NM DWS - Quarterly Census of Employment and Wages and EDNM Calculations

An **establishment**, as defined by the Quarterly Census of Employment and Wages (QCEW) and referenced in Chart 6, is an economic unit, such as a farm, factory, or store, located at a single physical address and engaged in one type of economic activity.

Gross Domestic Product (GDP) measures the value of all goods and services produced within a specific area. Changes in GDP from one period to another are important indicators of how the economy is performing. Chart 7 illustrates the YOY percentage change in real GDP for calendar years. Table 2 below details the percentage contribution of each industry to the total GDP for a specific county and how each industry's GDP changed compared to the previous calendar year.

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



Source: U.S. BEA - Real GDP by Industry in Chained 2017 Dollars

Table 2. Historical Glance: 2024 Gross Domestic Product by Industry

Industry	2024	Industry % of Total	2023-2024 Growth	YOY % Change
Accommodation and Food Services	\$ 106,421,000	4.77%	\$ (3,645,000)	-3%
Administrative/Support & Waste Management/Remediation	\$ 25,317,000	1.14%	\$ (7,476,000)	-23%
Agriculture, Forestry, Fishing, and Hunting	\$ 7,442,000	0.33%	\$ 2,699,000	57%
Arts, Entertainment, and Recreation	\$ 2,776,000	0.12%	\$ (269,000)	-9%
Construction	\$ 49,770,000	2.23%	\$ 1,315,000	3%
Educational Services	\$ 9,756,000	0.44%	\$ 680,000	7%
Finance and Insurance	\$ 38,174,000	1.71%	\$ 897,000	2%
Health Care and Social Assistance	\$ 161,203,000	7.23%	\$ 3,630,000	2%
Information	\$ 29,168,000	1.31%	\$ 3,832,000	15%
Management of Companies and Enterprises	\$ 2,109,000	0.09%	\$ 502,000	31%
Manufacturing	\$ 85,518,000	3.84%	\$ (346,000)	0%
Mining, Quarrying, and Oil and Gas Extraction	\$ 94,915,000	4.26%	\$ (95,389,000)	-50%
Other Services (except Public Administration)	\$ 49,561,000	2.22%	\$ (1,904,000)	-4%
Professional, Scientific, and Technical Services	\$ 22,142,000	0.99%	\$ 571,000	3%
Public Administration	\$ 937,926,000	42.06%	\$ (21,270,000)	-2%
Real Estate and Rental and Leasing	\$ 172,426,000	7.73%	\$ (778,000)	0%
Retail Trade	\$ 200,267,000	8.98%	\$ 22,487,000	13%
Transportation and Warehousing	\$ 133,230,000	5.97%	\$ 1,231,000	1%
Utilities	\$ 40,822,000	1.83%	\$ 28,726,000	237%
Wholesale Trade	\$ 37,178,000	1.67%	\$ (1,193,000)	-3%
All Industries	\$ 2,229,863,000		\$ (85,453,000)	-4%

*Not shown to avoid disclosure of confidential information

-This historical look at GDP data represents the most recent county GDP data available

Source: U.S. BEA - Real GDP by Industry in Chained 2017 Dollars

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Population

70,431

Source: U.S. Census Bureau - American Community Survey (ACS) 2024, 5-year estimates

