Quarterly Economic Summary

Guadalupe County

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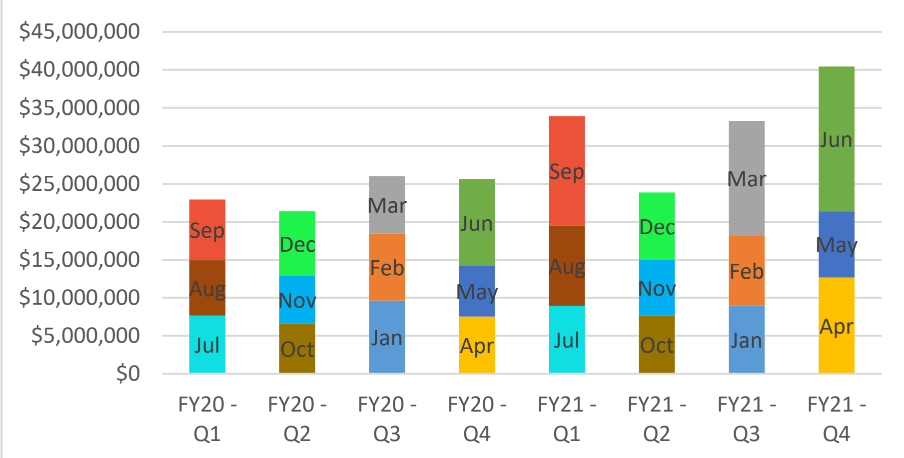

Chart 1. Matched Taxable Gross Receipts Per Quarter

Quarter four of FY21 provides the first full fiscal year of economic effects related to the COVID-19 pandemic. Economic shocks continue globally and throughout the state 18 months after the initial business closures and ensuing impacts. Federal policies, including additional direct payments and tax credits, coupled with pent up demand, led to an increase in consumer spending on taxable goods and services during this quarter, which is likely to continue. Additional pandemic-related shocks could be looming, making state-level efforts to restore the economy critical.

Guadalupe County's matched taxable gross receipts (MTGR) increased substantially in Q4 FY21, shown in Chart 1. The amount of reported MTGR for Q4 FY21, $40M, was 21% or $7M higher than Q3 FY21. The month of June for Q4 FY21 was the largest amount of monthly MTGR reported over the previous 24 months, totaling $19M. To put that monthly amount in context, the entire MTGR reported for all of Q4 FY20 was $6M more than the month of June.

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.

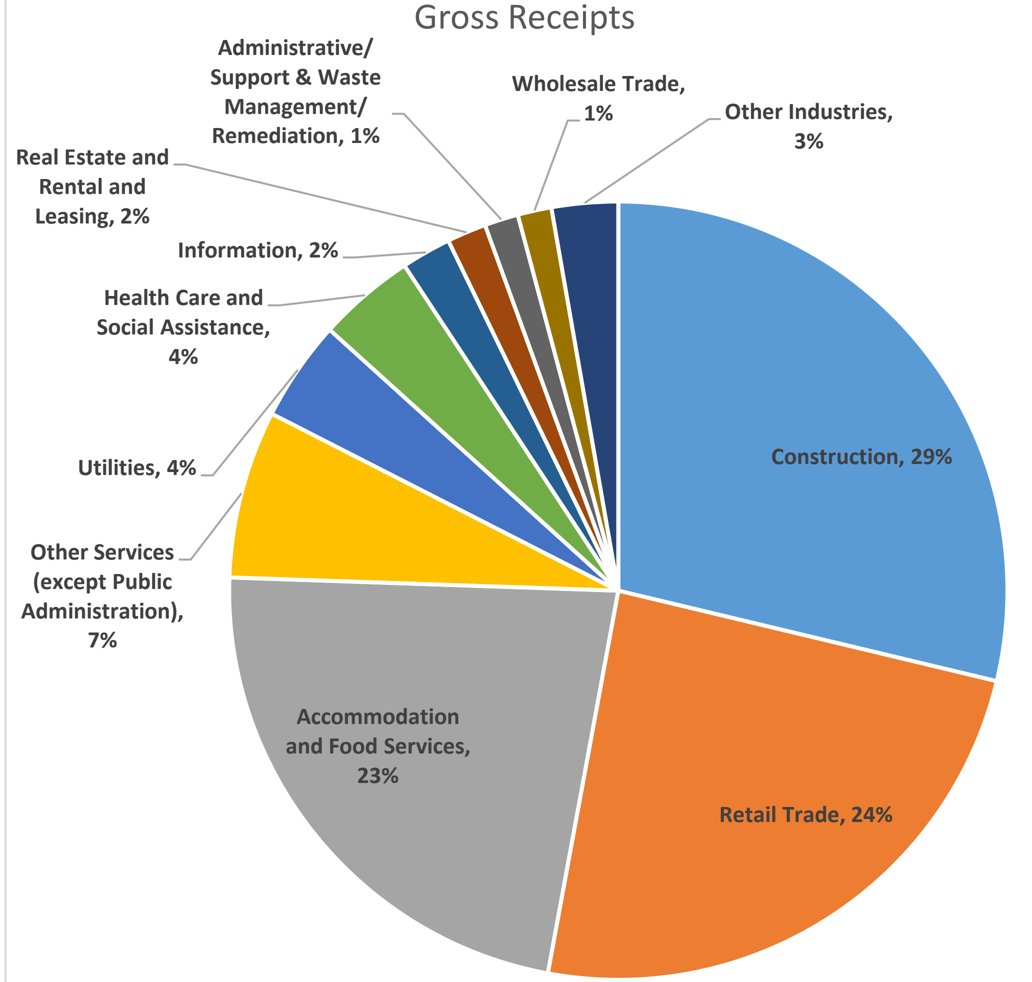

Chart 2. FY21 - Q4 Industry Size by Matched Taxable Gross Receipts

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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Table 1. FY21 - Q4 Matched Taxable Gross Receipts by Industry

Industries	FY21 - Q4	YOY Growth	YOY % Change	2-Year % Change
Accommodation and Food Services	$ 7,688,780	$ 3,522,564	85%	34%
Administrative/Support & Waste Management/Remediation	$ 477,154	$ 151,822	47%	-93%
Agriculture, Forestry, Fishing, and Hunting	$ 19,263	$ 4,543	31%	601%
Arts, Entertainment, and Recreation	$ -	$ (2,500)	-100%	N/A
Construction	$ 9,758,653	$ 3,457,693	55%	304%
Educational Services	$ 3,735	$ 2,745	277%	N/A
Finance and Insurance	$ 22,161	$ 1,953	10%	-14%
Health Care and Social Assistance	$ 1,372,275	$ 164,589	14%	6%
Information	$ 701,944	$ (506,674)	-42%	-38%
Manufacturing	$ 300,413	$ 65,091	28%	91%
Mining, Quarrying, and Oil and Gas Extraction	$ -	$ -	N/A	N/A
Other Services (except Public Administration)	$ 2,366,755	$ 754,697	47%	51%
Professional, Scientific, and Technical Services	$ 447,858	$ 208,307	87%	47%
Public Administration	$ -	$ -	N/A	-100%
Real Estate and Rental and Leasing	$ 553,547	$ 80,975	17%	28%
Retail Trade	$ 8,205,501	$ 1,699,614	26%	22%
Transportation and Warehousing	$ 73,650	$ (1,526,108)	-95%	919%
Unclassified Establishments	$ 68,145	$ 14,038	26%	-57%
Utilities	$ 1,421,351	$ (20,409)	-1%	11%
Wholesale Trade	$ 477,024	$ 354,880	291%	185%
All Industries	**$ 40,441,349**	**$ 14,828,495**	**58%**	**45%**

Table 1 shows that total MTGR in Guadalupe County increased by $14.8M, or 58%, year-over-year (YoY) when comparing Q4 FY20 to the same period in FY21. The largest contributors to this increase were the accommodation and food services and the construction industries, which reported YoY increases of $3.5M and $3.4M, respectively.

During Q2 FY21, average weekly wages increased by $42/week while quarterly employment increased by 401 workers (Chart 5). The average weekly wage during Q2 FY21, $674, is the largest reported weekly wage over the last eight quarters.

Chart 3. Annual Total GRT Revenue Collections

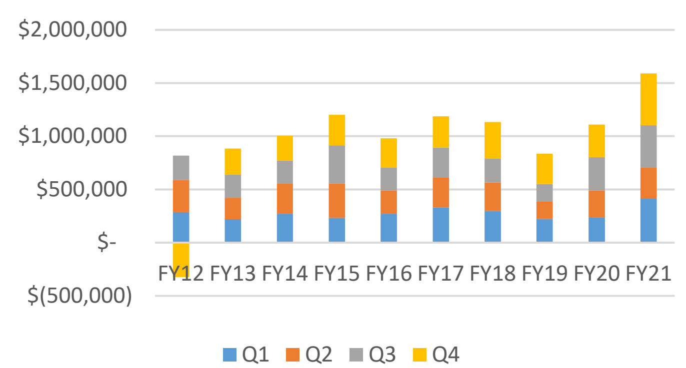


Chart 4. Quarterly GRT Revenue Collections

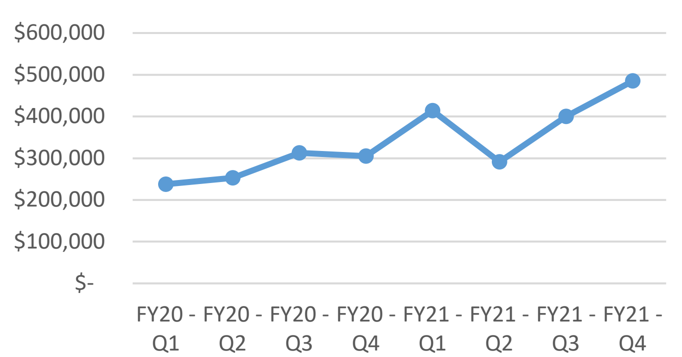
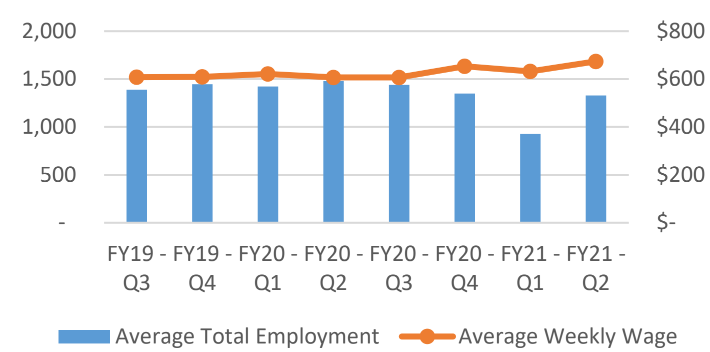


Chart 5. Quarterly Average Total Employment & Weekly Wage



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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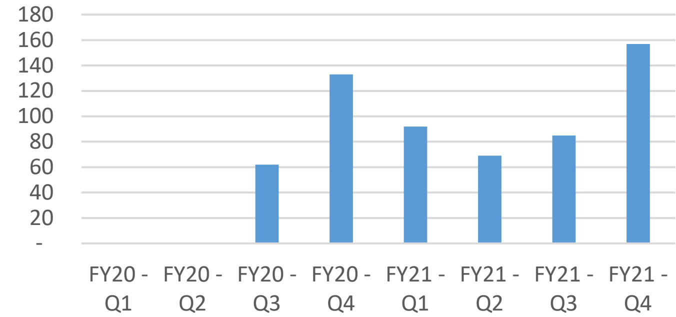
Chart 6. Quarterly Initial Unemployment Claims



**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. Claimants must reapply once a year. Claims that were filed last year, when the pandemic first started, have expired and claimants need to reapply if they are still unemployed.*

A significant increase in initial unemployment claims can be an early indicator of an economic downturn, and a reduction 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. 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 (CES)* program often reported in news articles. However, as shown below, QCEW data has a significant lag time before it is reported and does not reflect the same quarter 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-Q3 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	221	-31.2%	$ 371	22.8%	26	4.0%
Administrative/Support & Waste Management/Remediation	*	*	*	*	2	0.0%
Agriculture, Forestry, Fishing, and Hunting	9	-75.7%	$ 565	-27.2%	7	0.0%
Arts, Entertainment, and Recreation	10	-23.1%	$ 619	42.3%	3	0.0%
Construction	83	7.8%	$ 763	-2.9%	15	25.0%
Educational Services	176	-3.3%	$ 726	11.2%	4	0.0%
Finance and Insurance	10	-16.7%	$ 666	10.4%	5	25.0%
Health Care and Social Assistance	139	-14.7%	$ 652	-15.0%	41	5.1%
Information	*	*	*	*	3	0.0%
Manufacturing	*	*	*	*	1	0.0%
Mining, Quarrying, and Oil and Gas Extraction	*	*	*	*	1	#DIV/0!
Other Services (except Public Administration)	14	-48.1%	$ 1,106	5.2%	6	0.0%
Professional, Scientific, and Technical Services	*	*	*	*	3	50.0%
Public Administration	109	-2.7%	$ 772	6.3%	22	0.0%
Real Estate and Rental and Leasing	*	*	*	*	3	0.0%
Retail Trade	258	-9.5%	$ 562	14.7%	18	-5.3%
Transportation and Warehousing	52	15.6%	$ 594	-1.7%	11	0.0%
Utilities	*	*	*	*	5	0.0%
Wholesale Trade	*	*	*	*	2	0.0%
All Industries	**1,258**	**-12.8%**	**$ 642**	**5.4%**	**178**	**4.7%**

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