Quarterly Economic Summary

Otero County

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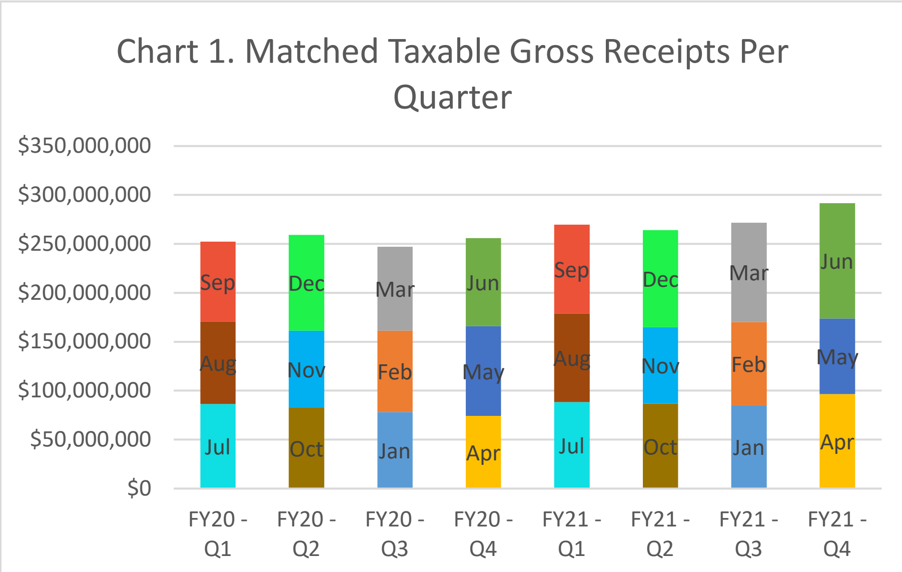
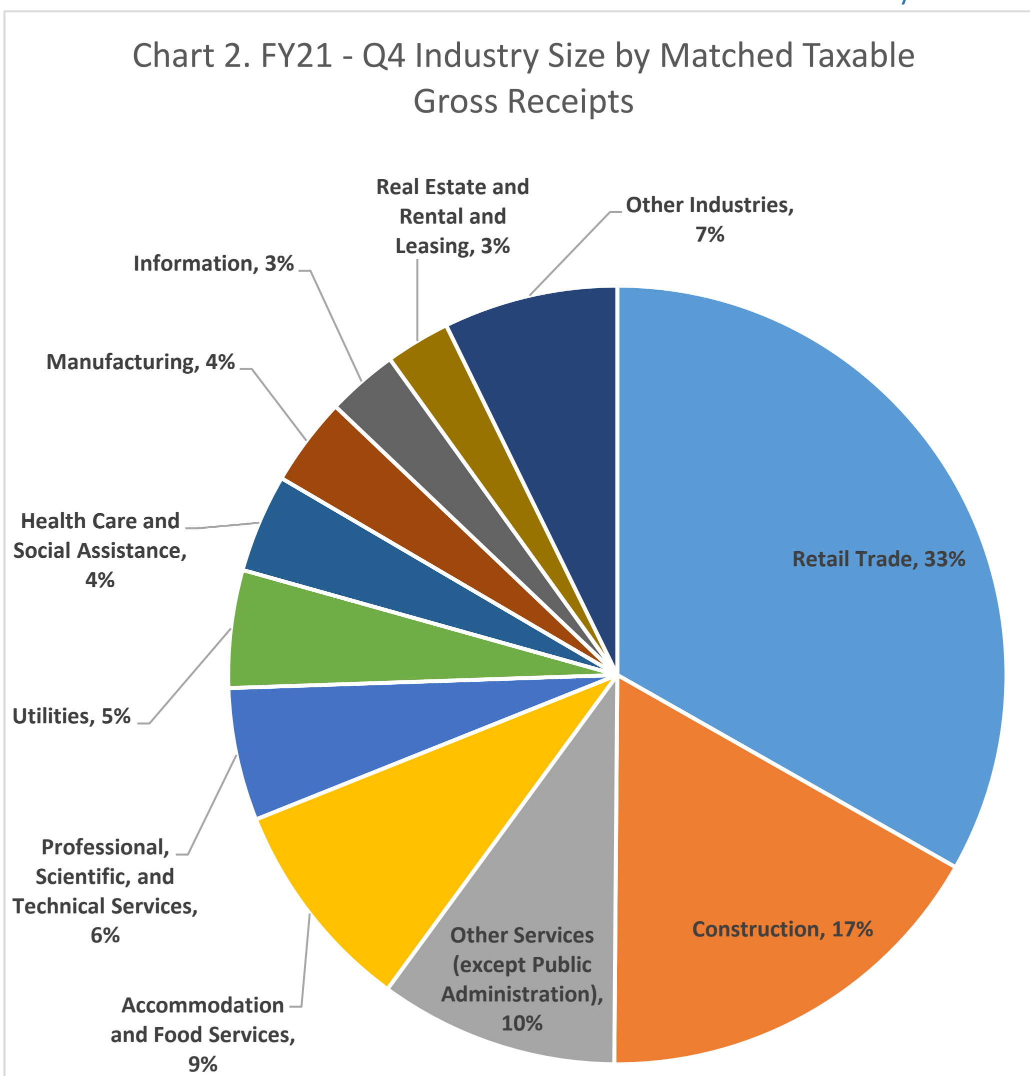
Prepared by: Joel Salas, Economist; Ryan Eustice, Economist



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.

During Q4 FY21 Otero County's matched taxable gross receipts (MTGR) reported the largest amount ($291.8M) dating back to Q1 FY17. From Q3 FY21 to Q4 FY21, MTGR increased by nearly $20M, or 7%, in the County. The month of June, during Q4 FY21, was the largest reported monthly MTGR ($118M) over the previous 24 months. The retail trade industry continues to make up over 33% of the counties total MTGR. This has been the case for all FY21 (Chart 2).



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.

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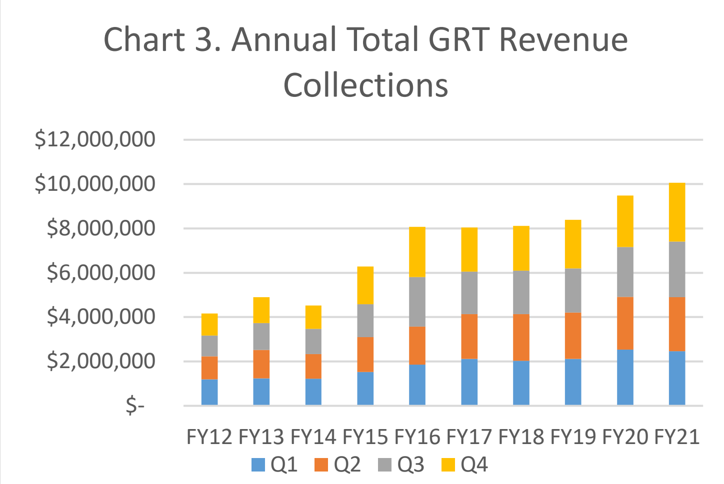
Table 1. FY21 - Q4 Matched Taxable Gross Receipts by Industry

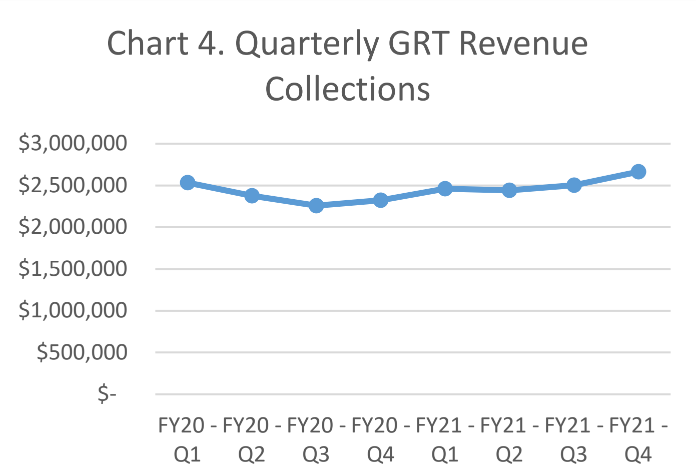
Industries	FY21 - Q4	YOY Growth	YOY % Change	2-Year % Change
Accommodation and Food Services	$ 25,908,458	$ 7,113,350	38%	23%
Administrative/Support & Waste Management/Remediation	$ 4,745,661	$ 403,935	9%	-4%
Agriculture, Forestry, Fishing, and Hunting	$ 2,248,341	$ 713,673	47%	96%
Arts, Entertainment, and Recreation	$ 949,776	$ 724,983	323%	28%
Construction	$ 49,244,914	$ 8,679,505	21%	30%
Educational Services	$ 2,816,184	$ 486,408	21%	78%
Finance and Insurance	$ 1,018,000	$ 149,227	17%	-1%
Health Care and Social Assistance	$ 11,903,322	$ (420,252)	-3%	-20%
Information	$ 8,606,220	$ (7,771,900)	-47%	-49%
Management of Companies and Enterprises	$ -	$ -	N/A	N/A
Manufacturing	$ 10,718,553	$ 6,338,169	145%	106%
Mining, Quarrying, and Oil and Gas Extraction	$ -	$ (109,232)	-100%	-100%
Other Services (except Public Administration)	$ 28,944,408	$ 3,776,117	15%	-3%
Professional, Scientific, and Technical Services	$ 16,067,384	$ 6,048,048	60%	37%
Public Administration	$ 618,654	$ 472,234	323%	78%
Real Estate and Rental and Leasing	$ 7,832,463	$ 2,328,963	42%	27%
Retail Trade	$ 96,801,587	$ 4,744,421	5%	28%
Transportation and Warehousing	$ 782,132	$ 66,627	9%	-26%
Unclassified Establishments	$ 602,440	$ (744,107)	-55%	-67%
Utilities	$ 14,232,668	$ 1,732,828	14%	32%
Wholesale Trade	$ 7,329,742	$ 1,208,207	20%	23%
All Industries	**$ 291,765,616**	**$ 35,778,915**	**14%**	**17%**

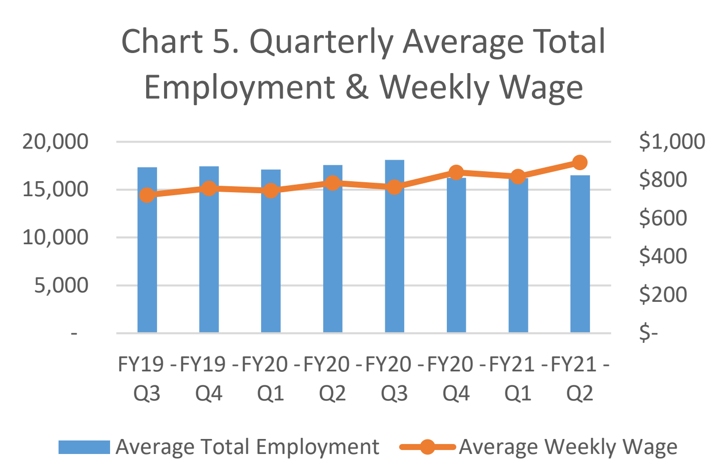
Table 1 shows an increase of $35.7M when comparing Q4 FY20 to FY21 of the same period. The largest contributor to the reported year-over-year (YoY) increase came from the construction industry. The industry reported a YoY increase of nearly $8.7M or 21%.

Gross receipts tax (GRT) revenue collections increased by $160K, or 6%, from Q3 FY21 to Q4 FY21, shown in Chart 4.

Average weekly wages increased to an eight-quarter high, reporting at $892/week (Chart 5).







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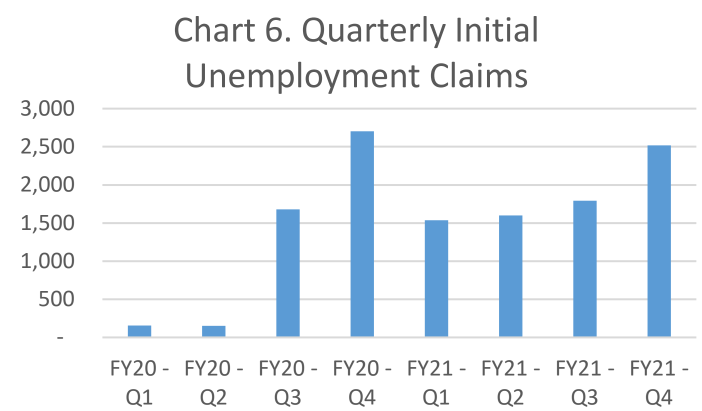

**Weeks with low IUC amounts have total claims withheld to avoid disclosure of confidential information. The sum of all weeks may not reflect the true total and may include a few days outside of the quarter. Claimants must reapply once a year. Claims that were filed last year, when the pandemic first 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	2,022	-30.3%	$ 437	3.1%	107	-0.9%
Administrative/Support & Waste	1,424	-8.7%	$ 859	2.0%	78	11.4%
Agriculture, Forestry, Fishing, and Hunting	126	-0.8%	$ 559	9.8%	14	7.7%
Arts, Entertainment, and Recreation	189	-37.2%	$ 577	24.6%	28	-6.7%
Construction	1,034	0.5%	$ 798	3.1%	140	0.7%
Educational Services	1,766	-7.4%	$ 984	5.4%	23	9.5%
Finance and Insurance	352	-7.9%	$ 806	2.0%	53	12.8%
Health Care and Social Assistance	3,126	-1.0%	$ 876	7.4%	232	5.9%
Information	203	-14.3%	$ 961	15.8%	31	19.2%
Management of Companies and Enterprises	24	9.1%	$ 1,078	-10.4%	11	83.3%
Manufacturing	79	-22.5%	$ 545	18.0%	24	4.3%
Mining, Quarrying, and Oil and Gas Extraction	83	7.8%	$ 666	-3.2%	6	0.0%
Other Services (except Public Administration)	312	-14.0%	$ 659	-0.5%	77	2.7%
Professional, Scientific, and Technical Services	570	-8.5%	$ 1,198	9.7%	101	7.4%
Public Administration	2,232	-4.6%	$ 1,109	3.9%	53	1.9%
Real Estate and Rental and Leasing	156	9.9%	$ 551	3.6%	54	8.0%
Retail Trade	2,297	1.2%	$ 528	6.7%	160	-1.8%
Transportation and Warehousing	406	10.6%	$ 998	-4.4%	47	6.8%
Utilities	161	0.6%	$ 1,074	-1.3%	19	5.6%
Wholesale Trade	87	-19.4%	$ 1,194	11.2%	24	-7.7%
All Industries	**16,650**	**-8.4%**	**$ 813**	**7.0%**	**1,282**	**4.2%**

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

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