

# Quarterly Economic Summary

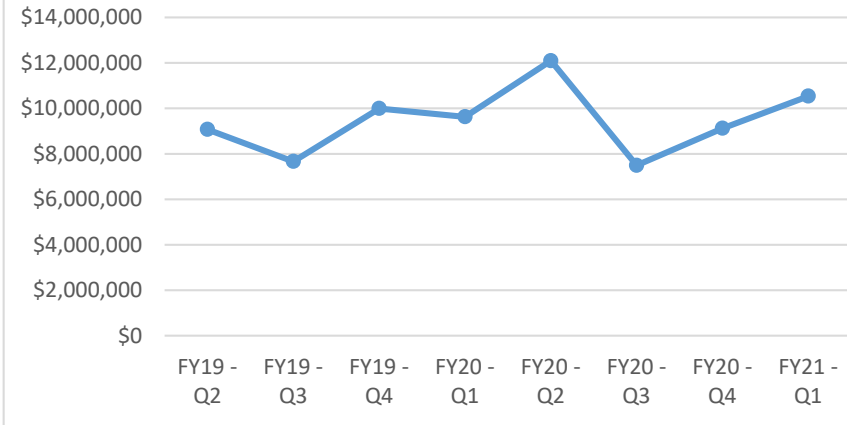
## Catron County



Released: December 2020

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

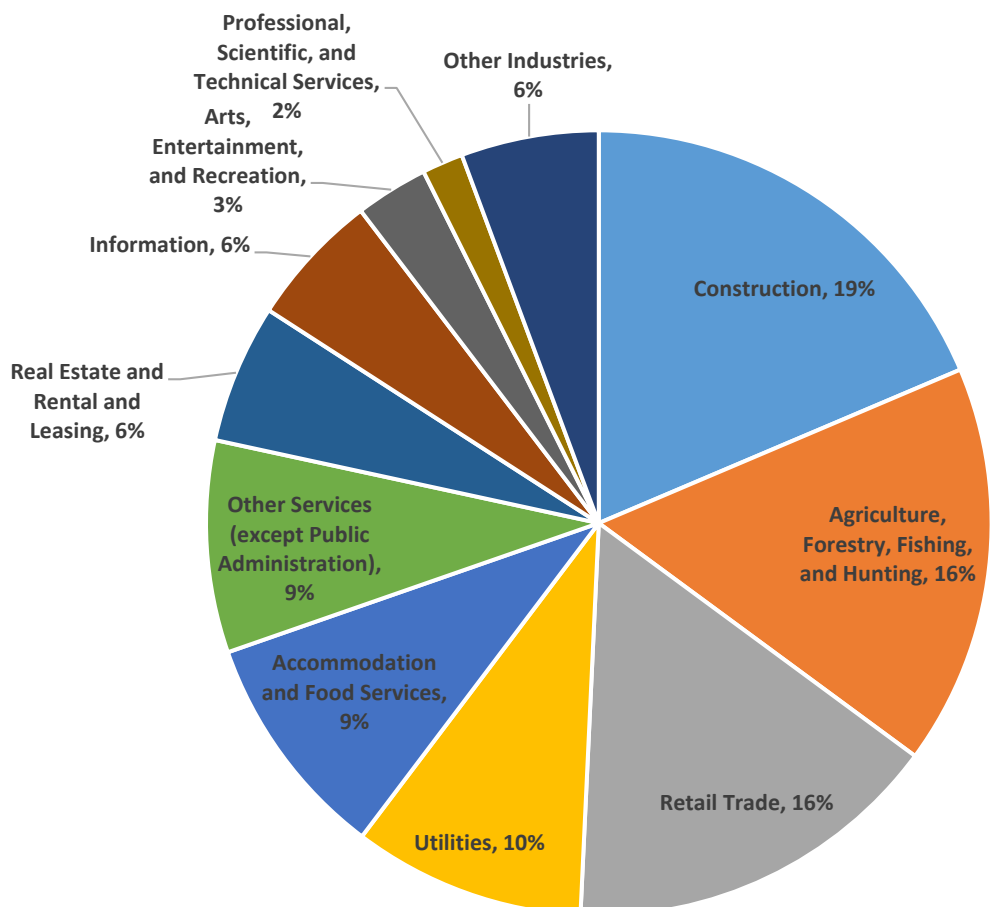
Chart 1. Matched Taxable Gross Receipts Per Quarter



The three months making up FY21 Q1 were the worst three months of the state's economic impact from COVID-19, comparing gross receipts data with the same period a year ago, despite 14 counties experiencing a year-over-year increase. The impacts were significantly worse due to lapsing federal support and no new federal aid package. Importantly, the federal bonus for unemployment benefits of an additional \$600/week expired, reducing consumer spending power.

Catron County has seen stable growth in its matched taxable gross receipts (MTGR) over the last two quarters, as seen in Chart 1. From Q4 FY20 to Q1 FY21, Catron County's MTGR increased by \$1.4M or 15%. Since Q3 FY20, the county's eight quarter low, MTGR has increased by 41%. Q1 FY21 is the second highest MTGR total over the last twelve quarters. Table 1, on the next page, shows a year over year increase of \$905K, comparing Q1 FY20 to FY21

Chart 2. FY21 - Q1 Industry Size by Matched Taxable Gross Receipts



**Matched Taxable Gross Receipts (MTGR)** is the best tax data available to show underlying economic activity. It matches a tax payment with reported receipts for each taxpayer, by industry.

# Quarterly Economic Summary

## Catron County



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

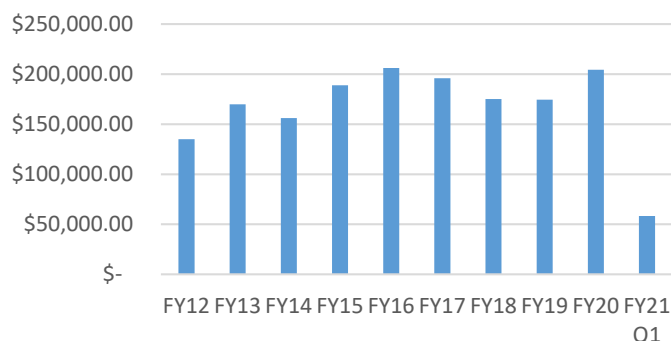
Industries	FY20 - Q1	FY21 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 1,016,585	\$ 951,292	\$ (65,293)	-6%
Administrative/Support & Waste Management/Remediation	\$ 118,464	\$ 33,781	\$ (84,683)	-71%
Agriculture, Forestry, Fishing, and Hunting	\$ 1,175,092	\$ 1,675,158	\$ 500,066	43%
Arts, Entertainment, and Recreation	\$ 329,338	\$ 304,844	\$ (24,495)	-7%
Construction	\$ 743,195	\$ 1,890,170	\$ 1,146,975	154%
Educational Services	\$ 22,476	\$ 22,560	\$ 84	0%
Finance and Insurance	\$ -	\$ 5,845	\$ 5,845	N/A
Health Care and Social Assistance	\$ 231,670	\$ 100,394	\$ (131,277)	-57%
Information	\$ 718,088	\$ 560,574	\$ (157,514)	-22%
Manufacturing	\$ 101,502	\$ 115,655	\$ 14,153	14%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ -	\$ -	N/A
Other Services (except Public Administration)	\$ 805,814	\$ 886,452	\$ 80,638	10%
Professional, Scientific, and Technical Services	\$ 290,136	\$ 171,688	\$ (118,448)	-41%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 401,294	\$ 581,253	\$ 179,959	45%
Retail Trade	\$ 1,423,613	\$ 1,588,867	\$ 165,254	12%
Transportation and Warehousing	\$ 100,967	\$ 71,700	\$ (29,267)	-29%
Unclassified Establishments	\$ 210,657	\$ 101,945	\$ (108,712)	-52%
Utilities	\$ 926,563	\$ 970,767	\$ 44,204	5%
Wholesale Trade	\$ 99,856	\$ 124,157	\$ 24,302	24%
<b>All Industries</b>	<b>\$ 9,629,245</b>	<b>\$ 10,534,920</b>	<b>\$ 905,675</b>	<b>9%</b>

of the same period. Table 1 also shows two industries with no MTGR. This may be due to the county's smaller size and thus fewer companies within each industry. With fewer companies, MTGR data may be withheld to prevent disclosure of confidential information.

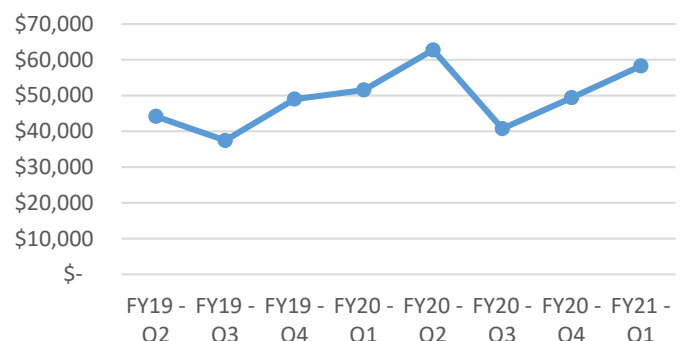
Gross receipts tax (GRT) revenue collections, as seen in Chart 4, continued to increase in Q1 FY21. This increase of nearly \$9K, from Q4 FY20 to Q1 FY21, represents a growth of 18%. This increase is primarily due to the amended HB6 distributions.

HB6, passed in 2019, made widespread tax changes within New Mexico. One notable change is the conversion to destination-based sourcing that will begin after a two-year delay. During the 2020 Special Session, that legislation was amended, increasing a temporary distribution to municipalities and counties. Now municipalities will receive a distribution that is a portion of \$2.5 million while counties will receive a distribution that is a portion of \$1.5 million. The amounts distributed will be proportional to the size of that community's population versus that of the entire group. These amounts are subject to change if the federal government provides municipalities and counties future grants to offset revenue declines attributable to COVID-19.

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



**Chart 4. Quarterly GRT Revenue Collections**



# Quarterly Economic Summary Catron County



Chart 5. Quarterly Average Total Employment & Weekly Wage

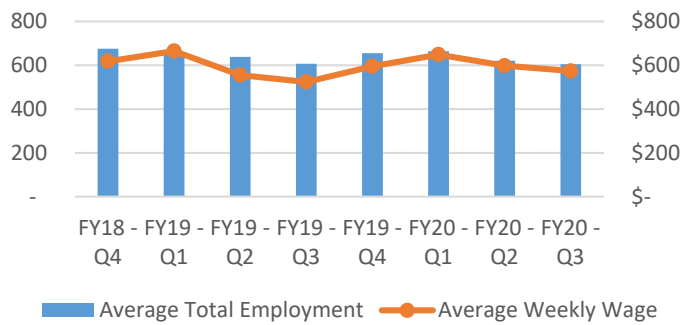


Chart 6. Quarterly Initial Unemployment Claims

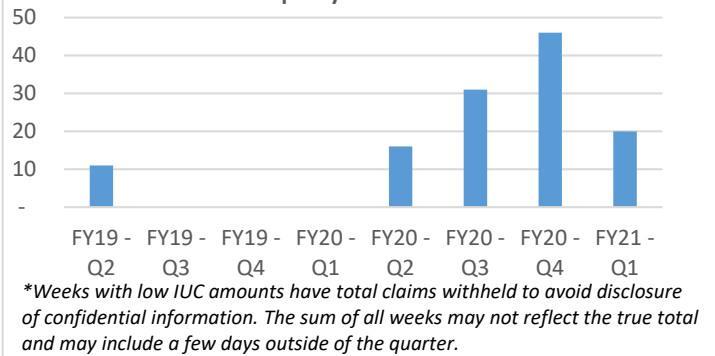
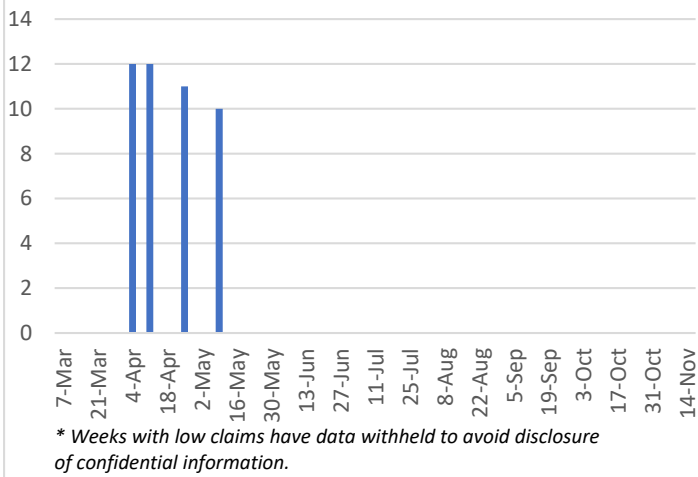


Chart 7 Initial UI Claims - Weekly



A significant unexplained increase in initial unemployment claims can be an early indicator of an economic downturn. Explained increases commonly include seasonal job fluctuations, federal government shutdowns resulting in employee furloughs, or the closing of a major regional facility. This 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 early and mid-2021, it is likely the number of initial unemployment claims will vary based on the effects of the pandemic but gradually wane; however, it is impossible to predict how quickly the employment numbers will return to pre-COVID-19 levels.

**Chart 7** – Includes weekly initial claims for regular unemployment insurance (UI) but excludes pandemic unemployment assistance (PUA) and pandemic emergency unemployment assistance (PEUA) claims. Weeks shown as zero were redacted for confidentiality.

**Chart 8** – Includes claimants receiving payment and pending certifications for standard UI, PUA, PEUA, extended benefits, and trade readjustment allowances. As of 11/2/2020, claimants who were initially considered eligible but have either never filed a certification or have not certified within 14 days have been removed from data, resulting in lower numbers.

Chart 8. Ongoing UI Claimants - Weekly

