

# Quarterly Economic Summary

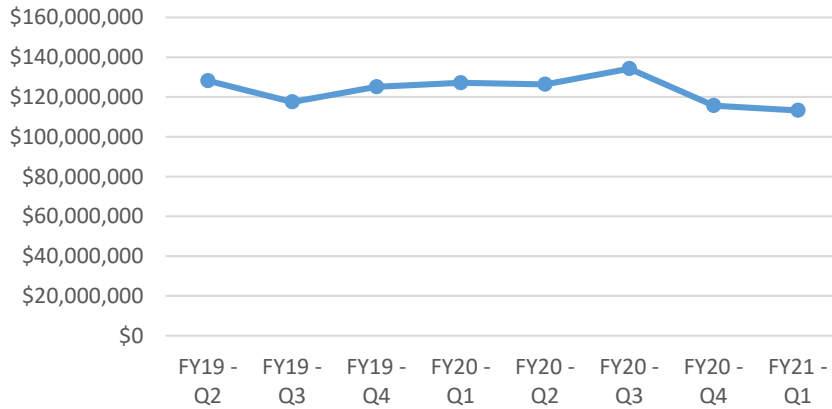
## Grant County



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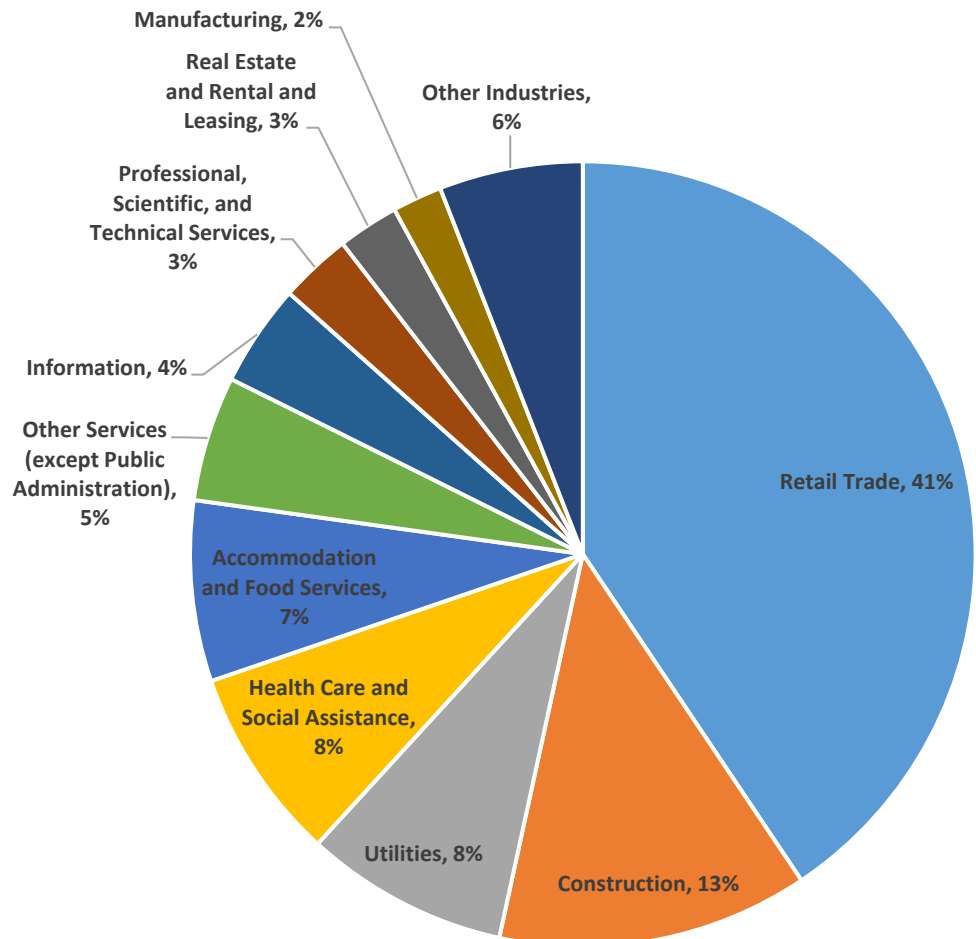
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Grant County has seen its matched taxable gross receipts (MTGR) trend downward slightly over the last eight quarters, as seen in Chart 1. From Q4 FY20 to Q1 FY21, Grant County's MTGR decreased by \$2.4M or nearly 2%. The amount collected during Q1 FY21 (\$113M) is at a similar level that was last seen in FY18. Retail trade, as seen in Chart 2, continues to be the largest contributor to MTGR. In Q4 FY20 retail trade accounted for roughly

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.

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

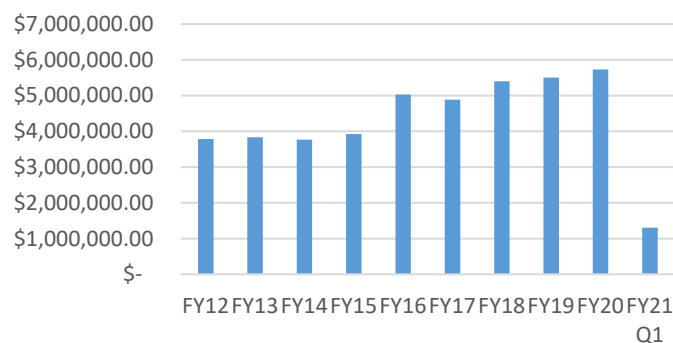
Industries	FY20 - Q1	FY21 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 9,848,258	\$ 8,395,584	\$ (1,452,674)	-15%
Administrative/Support & Waste Management/Remediation	\$ 3,089,086	\$ 1,181,039	\$ (1,908,047)	-62%
Agriculture, Forestry, Fishing, and Hunting	\$ 802,516	\$ 1,245,912	\$ 443,396	55%
Arts, Entertainment, and Recreation	\$ 141,522	\$ 145,648	\$ 4,126	3%
Construction	\$ 19,749,374	\$ 14,456,150	\$ (5,293,224)	-27%
Educational Services	\$ 256,410	\$ 118,122	\$ (138,288)	-54%
Finance and Insurance	\$ 669,461	\$ 904,354	\$ 234,893	35%
Health Care and Social Assistance	\$ 8,283,860	\$ 8,987,539	\$ 703,679	8%
Information	\$ 7,284,800	\$ 4,756,849	\$ (2,527,950)	-35%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 5,002,603	\$ 2,310,047	\$ (2,692,556)	-54%
Mining, Quarrying, and Oil and Gas Extraction	\$ 1,763,043	\$ 77,646	\$ (1,685,397)	-96%
Other Services (except Public Administration)	\$ 10,526,926	\$ 5,808,460	\$ (4,718,466)	-45%
Professional, Scientific, and Technical Services	\$ 3,689,160	\$ 3,335,073	\$ (354,087)	-10%
Public Administration	\$ -	\$ 30	\$ 30	N/A
Real Estate and Rental and Leasing	\$ 2,300,331	\$ 2,840,179	\$ 539,847	23%
Retail Trade	\$ 38,057,439	\$ 45,815,344	\$ 7,757,905	20%
Transportation and Warehousing	\$ 2,858,196	\$ 1,577,322	\$ (1,280,873)	-45%
Unclassified Establishments	\$ 129,248	\$ 187,900	\$ 58,652	45%
Utilities	\$ 7,752,731	\$ 9,459,297	\$ 1,706,566	22%
Wholesale Trade	\$ 1,375,056	\$ 1,236,441	\$ (138,616)	-10%
<b>All Industries</b>	<b>\$ 127,126,333</b>	<b>\$ 113,262,730</b>	<b>\$ (13,863,604)</b>	<b>-11%</b>

40% of all MTGR. Table 1 illustrates the year over year change in MTGR for Grant County, comparing Q1 FY20 to the same time period in FY21, where the county experienced an 11% decline. The largest contributor to the loss was the construction industry, which saw a loss of \$5.2M, or 27%.

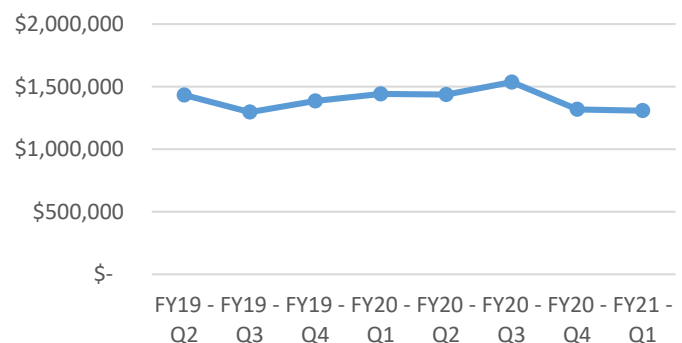
Gross receipts tax (GRT) revenue collections declined slightly in Q1 FY21, as seen in Chart 4. From Q4 FY20 to Q1 FY21, quarterly collections decreased by 1% or roughly \$10K. The year over year change from Q1 FY20 to Q1 FY21 was a decline of \$133K, or 9%.

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 Grant County



Chart 5. Quarterly Average Total Employment & Weekly Wage

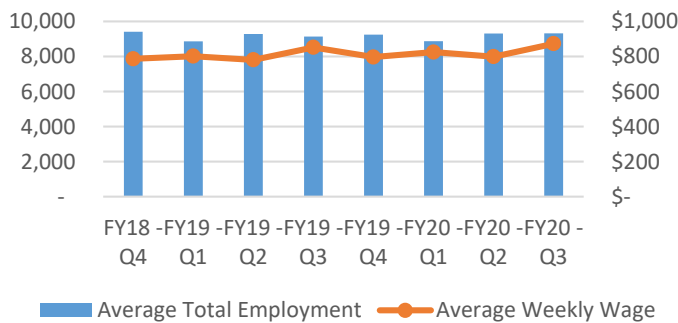


Chart 6. Quarterly Initial Unemployment Claims

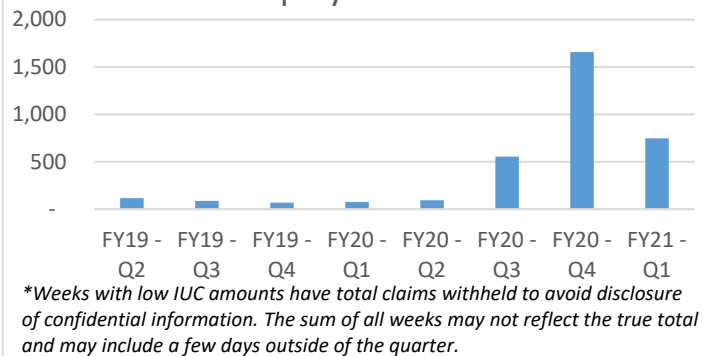
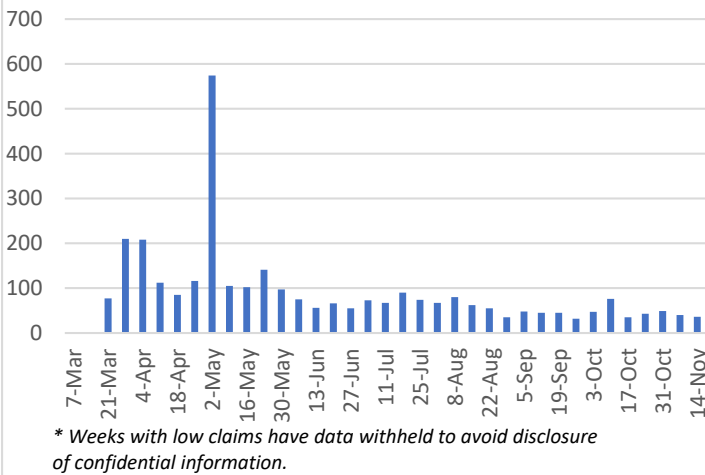


Chart. 7 Initial UI Claims - Weekly



## Unemployment Claims

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

