

# Quarterly Economic Summary

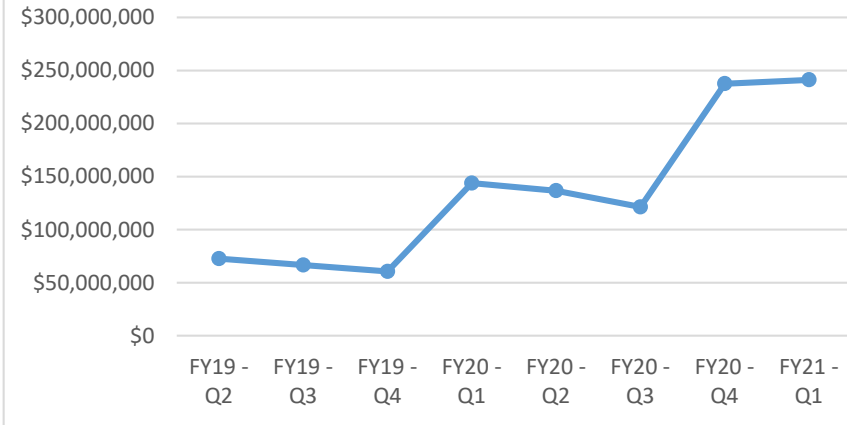
## Roosevelt County



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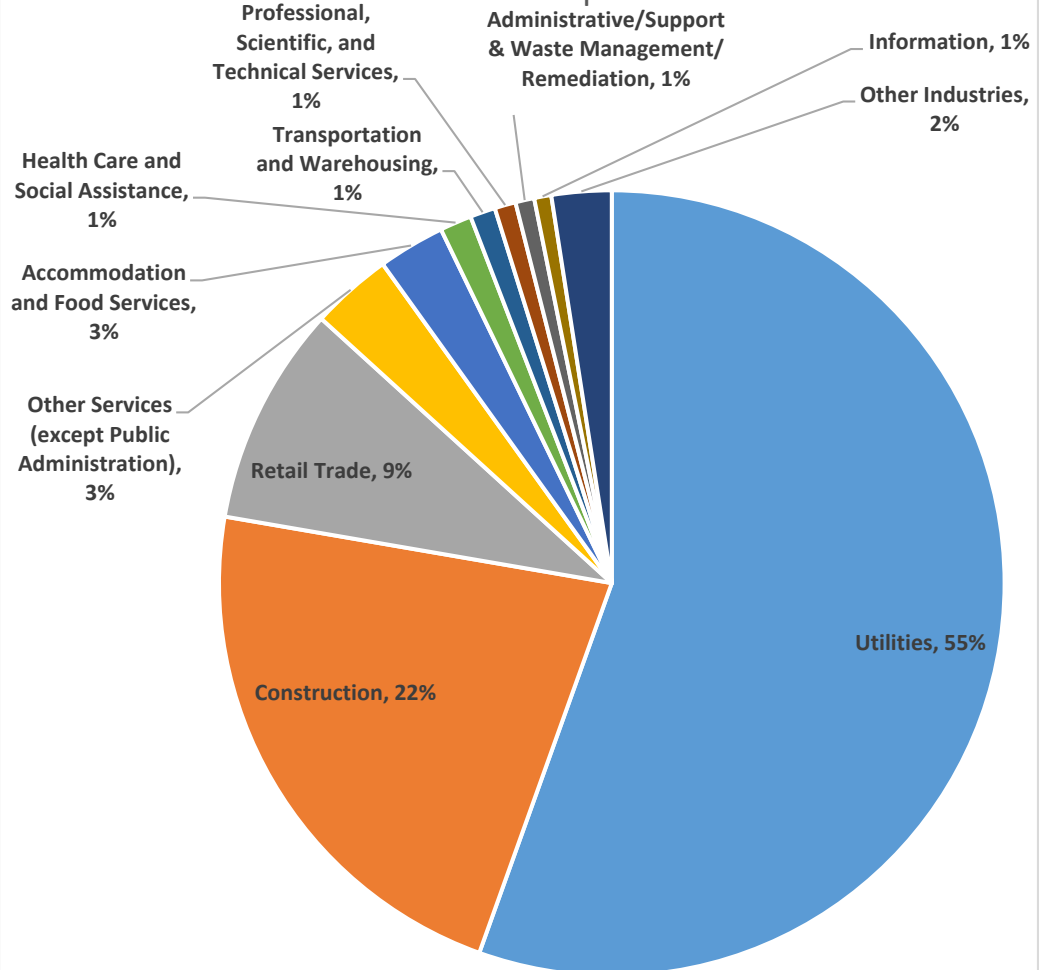
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Roosevelt County has seen significant growth in its matched taxable gross receipts (MTGR) over the last eight quarters, shown in Chart 1. During this eight quarter stretch, Roosevelt County's MTGR has been bolstered by the utilities and construction industries. The amount reported in Q1 FY21 (\$241M) by Roosevelt County is the largest quarterly collection over the last twenty-one quarters. From Q4 FY20 to Q1 FY21 MTGR for Roosevelt County

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**

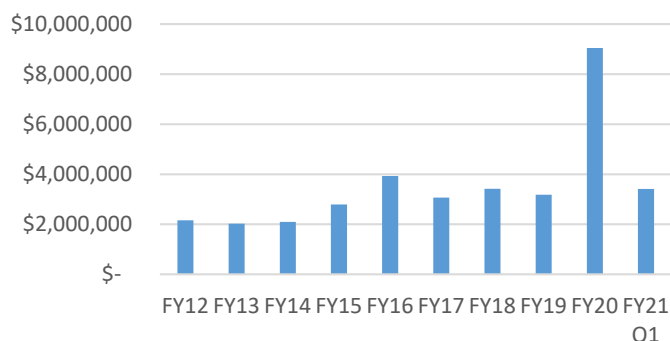
Industries	FY20 - Q1	FY21 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 6,561,418	\$ 6,629,861	\$ 68,443	1%
Administrative/Support & Waste Management/Remediation	\$ 530,773	\$ 1,866,632	\$ 1,335,859	252%
Agriculture, Forestry, Fishing, and Hunting	\$ 3,374,085	\$ 441,125	\$ (2,932,960)	-87%
Arts, Entertainment, and Recreation	\$ 12,452	\$ 96,817	\$ 84,365	677%
Construction	\$ 7,269,171	\$ 53,593,135	\$ 46,323,963	637%
Educational Services	\$ 43,321	\$ 102,090	\$ 58,769	136%
Finance and Insurance	\$ 575,239	\$ 724,836	\$ 149,597	26%
Health Care and Social Assistance	\$ 2,743,923	\$ 3,148,393	\$ 404,470	15%
Information	\$ 2,930,898	\$ 1,694,843	\$ (1,236,055)	-42%
Manufacturing	\$ 4,122,631	\$ 1,197,812	\$ (2,924,819)	-71%
Mining, Quarrying, and Oil and Gas Extraction	\$ 2,900,754	\$ 280,732	\$ (2,620,022)	-90%
Other Services (except Public Administration)	\$ 5,590,817	\$ 8,041,079	\$ 2,450,262	44%
Professional, Scientific, and Technical Services	\$ 1,841,907	\$ 2,097,413	\$ 255,506	14%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 1,065,658	\$ 1,436,284	\$ 370,626	35%
Retail Trade	\$ 20,429,186	\$ 21,793,291	\$ 1,364,105	7%
Transportation and Warehousing	\$ 2,045,152	\$ 2,508,543	\$ 463,391	23%
Unclassified Establishments	\$ 300,598	\$ 454,998	\$ 154,400	51%
Utilities	\$ 80,610,478	\$ 133,724,798	\$ 53,114,320	66%
Wholesale Trade	\$ 805,873	\$ 1,210,358	\$ 404,485	50%
<b>All Industries</b>	<b>\$ 143,804,072</b>	<b>\$ 241,156,596</b>	<b>\$ 97,352,523</b>	<b>68%</b>

increased by \$3.7M, or 2%. Table 1 shows a year over year increase for MTGR of \$97M when comparing Q1 FY20 to Q1 FY21. The construction and utilities industries accounted for 102% of the year over year growth in Roosevelt County, offsetting the losses seen in other industries. If not for the construction and utilities sectors, the year over year change for Roosevelt County would have been a loss of \$2M.

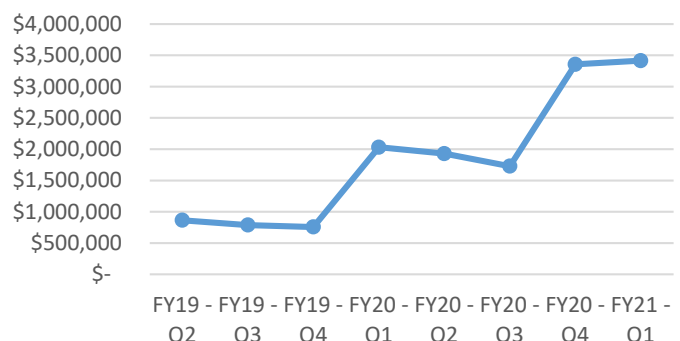
Gross receipts tax (GRT) revenue collections increased slightly in Q1 FY21, as seen in Chart 4. From Q4 FY20 to Q1 FY21 quarterly collections increased by \$59K, or 2%.

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**



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Chart 5. Quarterly Average Total Employment & Weekly Wage

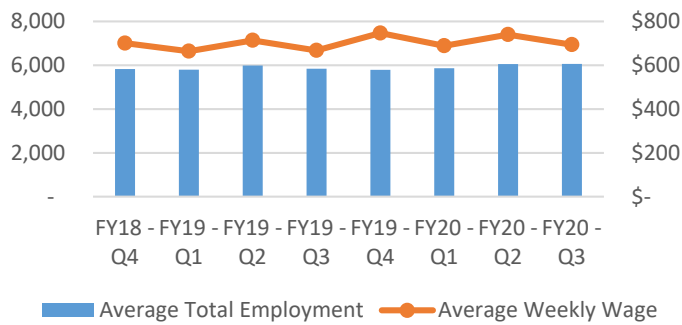


Chart 6. Quarterly Initial Unemployment Claims

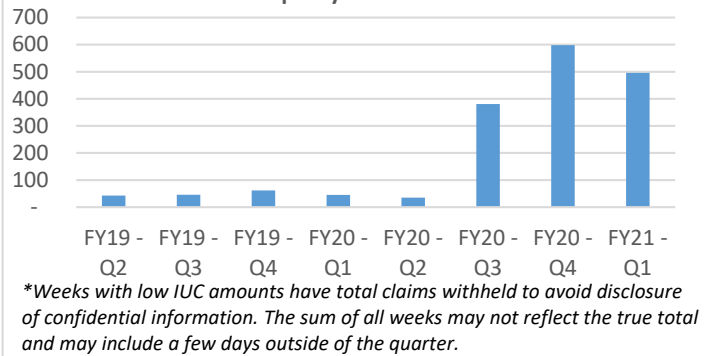
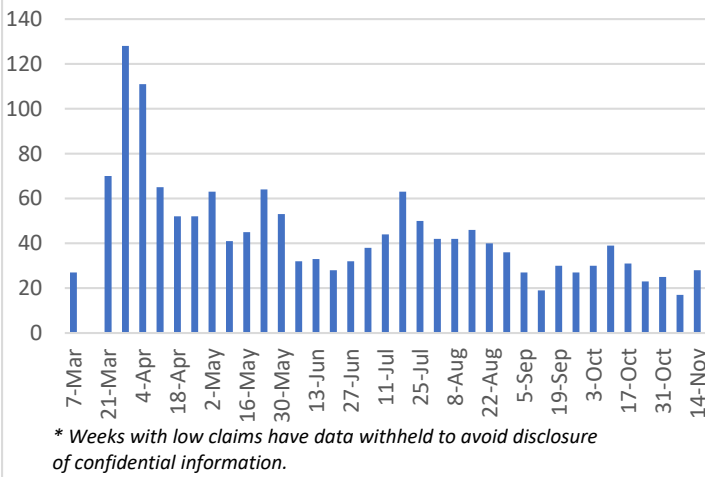


Chart. 7 Initial UI Claims - Weekly



## Analysis

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

