

Quarterly Economic Summary

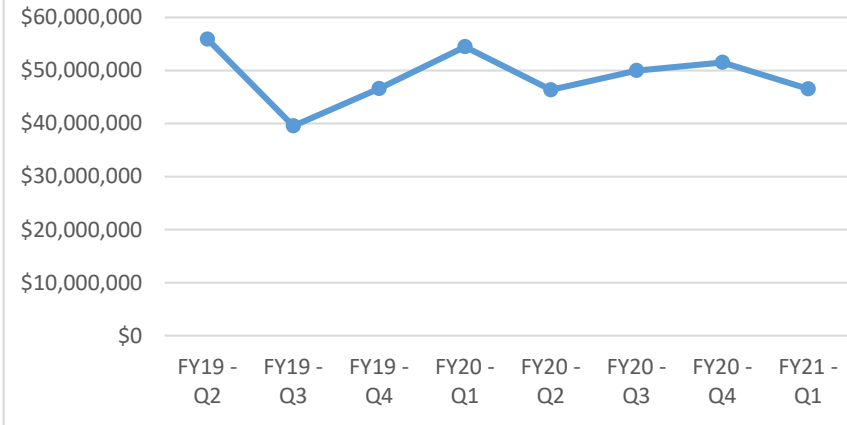
Socorro County



Released: December 2020

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

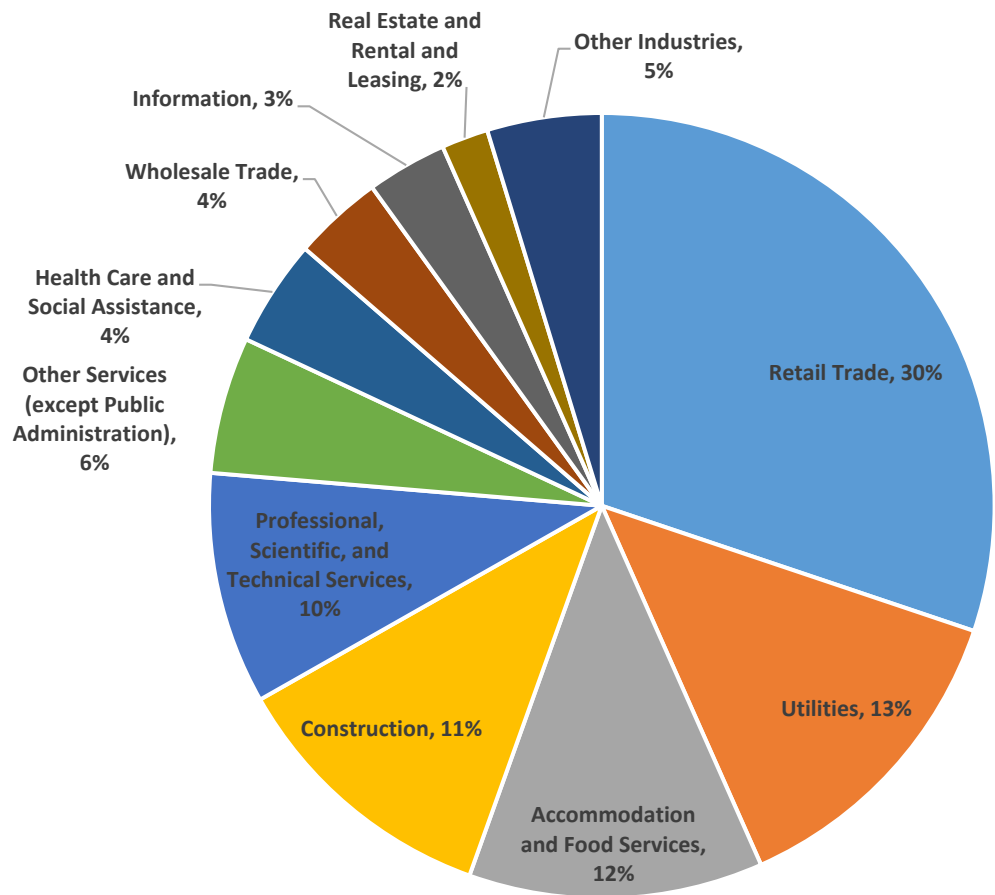
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Socorro County saw its matched taxable gross receipts (MTGR) decrease by \$5M, or 10%, from Q4 FY20 to Q1 FY21, as seen in Chart 1. Chart 2 shows that the retail trade industry accounted for 30% of the total MTGR collected by Socorro County during Q1 FY21. Table 1, on the next page, shows a decrease of \$8M from Q1 FY20 to the same time period in FY21 for total MGTR. Table 1 also shows three industries with -100% growth or no MTGR in the first quarter

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	\$ 7,537,171	\$ 5,592,859	\$ (1,944,311)	-26%
Administrative/Support & Waste Management/Remediation	\$ 555,874	\$ 616,230	\$ 60,356	11%
Agriculture, Forestry, Fishing, and Hunting	\$ 251,322	\$ 97,300	\$ (154,022)	-61%
Arts, Entertainment, and Recreation	\$ 16,016	\$ -	\$ (16,016)	-100%
Construction	\$ 13,364,014	\$ 5,224,013	\$ (8,140,001)	-61%
Educational Services	\$ 84,200	\$ 100,223	\$ 16,023	19%
Finance and Insurance	\$ 164,634	\$ 150,486	\$ (14,148)	-9%
Health Care and Social Assistance	\$ 2,179,838	\$ 2,029,572	\$ (150,266)	-7%
Information	\$ 2,749,235	\$ 1,526,429	\$ (1,222,805)	-44%
Management of Companies and Enterprises	\$ 971	\$ -	\$ (971)	-100%
Manufacturing	\$ 1,098,237	\$ 787,069	\$ (311,168)	-28%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ -	\$ -	N/A
Other Services (except Public Administration)	\$ 3,503,731	\$ 2,598,445	\$ (905,286)	-26%
Professional, Scientific, and Technical Services	\$ 2,151,906	\$ 4,408,314	\$ 2,256,408	105%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 668,307	\$ 889,933	\$ 221,626	33%
Retail Trade	\$ 11,891,214	\$ 13,923,950	\$ 2,032,737	17%
Transportation and Warehousing	\$ 244,166	\$ 168,653	\$ (75,513)	-31%
Unclassified Establishments	\$ 311,953	\$ 255,085	\$ (56,868)	-18%
Utilities	\$ 5,848,182	\$ 6,088,810	\$ 240,628	4%
Wholesale Trade	\$ 1,497,904	\$ 1,702,929	\$ 205,025	14%
All Industries	\$ 54,475,104	\$ 46,531,859	\$ (7,943,244)	-15%

of FY21. This may be due to the county's smaller size and fewer companies within each industry. The few companies working in these industries may be late in filing, resulting in no MTGR being reported for the period. In this case, the missing MTGR is expected to be included in the next period.

Gross receipts tax (GRT) revenue collections rose in Q1 FY21, shown in Chart 4. From Q4 FY20 to Q1 FY21 quarterly collections increased by \$29K, or 6%.

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

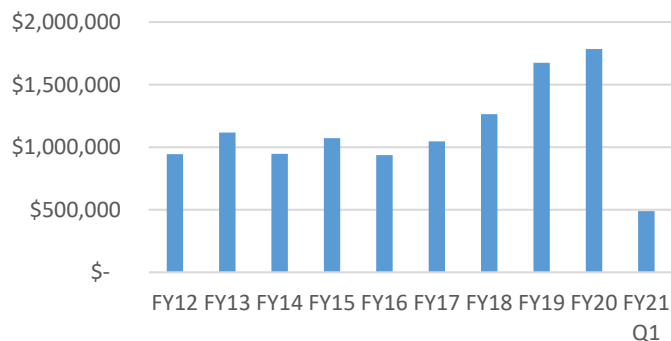
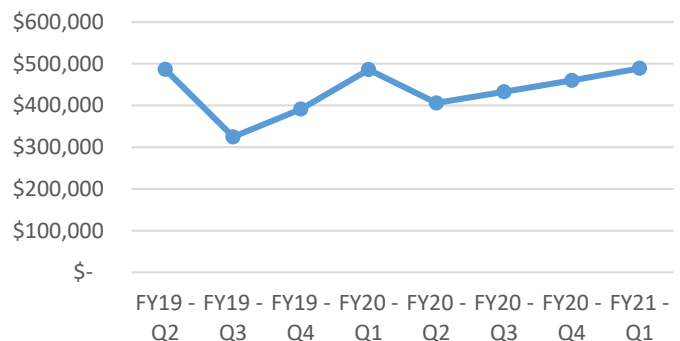


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

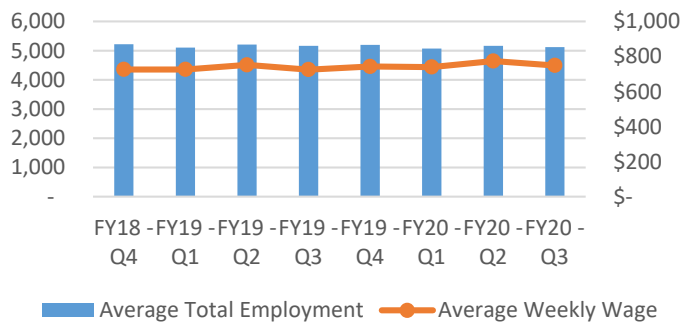


Chart 6. Quarterly Initial Unemployment Claims

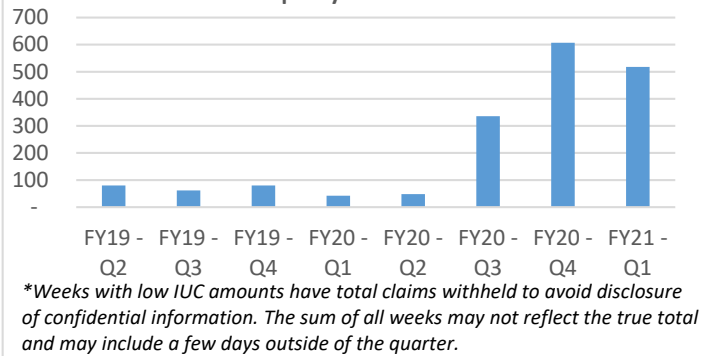
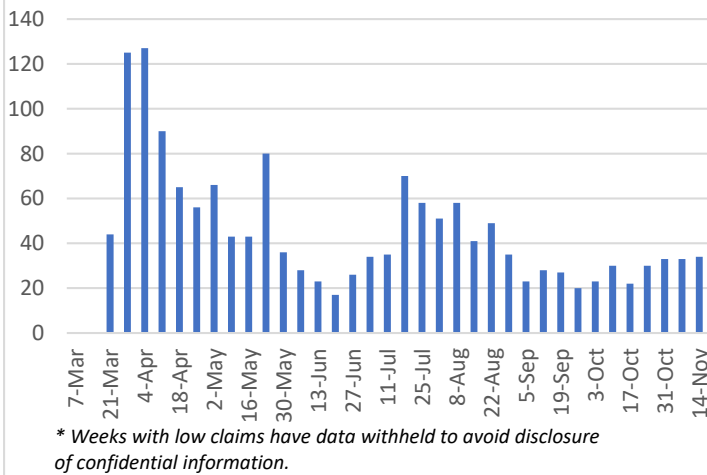


Chart. 7 Initial UI Claims - Weekly



Analysis of Initial 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

