

Quarterly Economic Summary

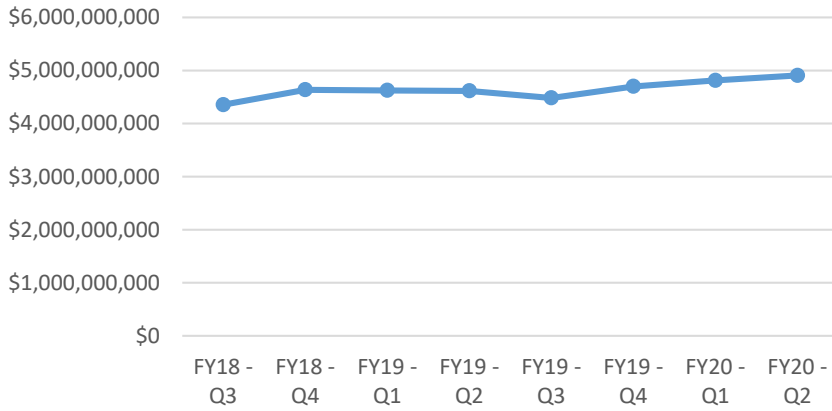
Bernalillo County



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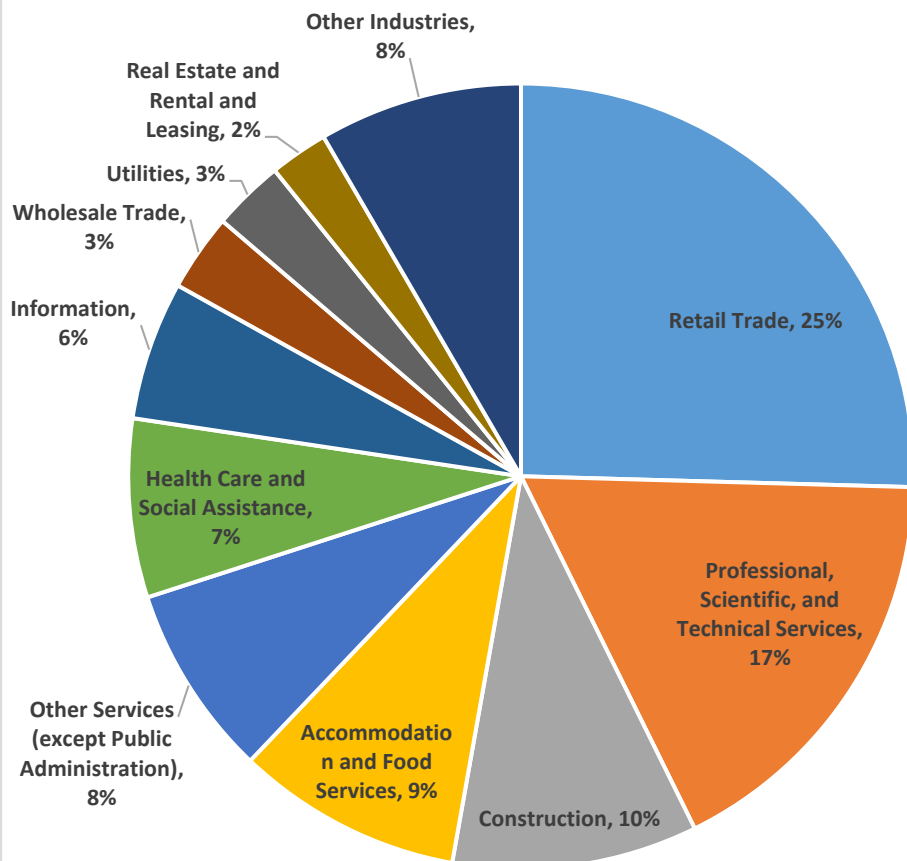
Chart 1. Matched Taxable Gross Receipts Per Quarter



Bernalillo County saw a slight increase in matched taxable gross receipts (MTGR) from Q1 to Q2 of FY20, as seen in Chart 1. Bernalillo County's MTGR increased by nearly 2% from Q1 to Q2. Table 1, on the next page, shows an increase of \$290M from Q2 in FY19 to FY20 of the same period. Table 1 also shows all industries but two increased, with Manufacturing seeing a 1% decline and Utilities seeing a 2% decline.

The largest industry growth, as seen on Table 1 on the next page, came from Information (\$40.56M) and Retail Trade (\$75.57M). These two industries accounted for nearly 40% of the growth in MTGR over the time period.

Chart 2. FY20 - Q2 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	FY19 - Q2	FY20 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 424,600,571	\$ 456,265,400	\$ 31,664,829	7%
Administrative/Support & Waste Management/Remediation	\$ 88,975,512	\$ 99,209,636	\$ 10,234,124	12%
Agriculture, Forestry, Fishing, and Hunting	\$ 6,489,337	\$ 8,192,731	\$ 1,703,394	26%
Arts, Entertainment, and Recreation	\$ 37,049,573	\$ 47,094,514	\$ 10,044,941	27%
Construction	\$ 469,983,744	\$ 495,346,103	\$ 25,362,359	5%
Educational Services	\$ 21,742,435	\$ 36,319,456	\$ 14,577,021	67%
Finance and Insurance	\$ 43,750,484	\$ 45,785,398	\$ 2,034,914	5%
Health Care and Social Assistance	\$ 355,687,124	\$ 360,794,075	\$ 5,106,951	1%
Information	\$ 239,515,323	\$ 280,081,170	\$ 40,565,847	17%
Management of Companies and Enterprises	\$ 3,764,648	\$ 5,568,670	\$ 1,804,022	48%
Manufacturing	\$ 97,063,893	\$ 96,292,770	\$ (771,123)	-1%
Mining, Quarrying, and Oil and Gas Extraction	\$ 1,296,566	\$ 1,939,886	\$ 643,320	50%
Other Services (except Public Administration)	\$ 367,411,236	\$ 387,600,954	\$ 20,189,719	5%
Professional, Scientific, and Technical Services	\$ 819,839,639	\$ 846,813,436	\$ 26,973,797	3%
Public Administration	\$ 979,192	\$ 4,883,853	\$ 3,904,661	399%
Real Estate and Rental and Leasing	\$ 110,752,162	\$ 117,992,215	\$ 7,240,054	7%
Retail Trade	\$ 1,172,191,948	\$ 1,247,770,659	\$ 75,578,711	6%
Transportation and Warehousing	\$ 32,265,856	\$ 33,468,091	\$ 1,202,235	4%
Unclassified Establishments	\$ 23,502,915	\$ 34,378,595	\$ 10,875,680	46%
Utilities	\$ 147,221,182	\$ 144,636,801	\$ (2,584,381)	-2%
Wholesale Trade	\$ 152,207,416	\$ 156,118,557	\$ 3,911,141	3%
All Industries	\$ 4,616,290,754	\$ 4,906,552,971	\$ 290,262,217	6%

Gross Receipts Tax (GRT) revenue collections slightly decreased in Q2 FY20, as seen in Chart 4. This decrease of nearly \$800K is almost exclusively due to the county share GRT(food) collection, which saw a \$994K decrease from the same period of the previous year. Comparing Q2 FY20 to the same period in FY19, Bernalillo County saw an increase of 8%.

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 this delay, local governments will receive a distribution that is a portion of \$2M each month. The portion distributed will be based on the population of each county is to the total population of all counties, as per the most recent decennial census.

Chart 3. Annual Total GRT Revenue Collections

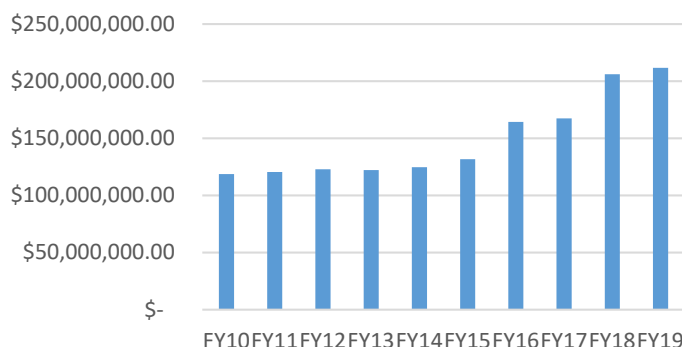
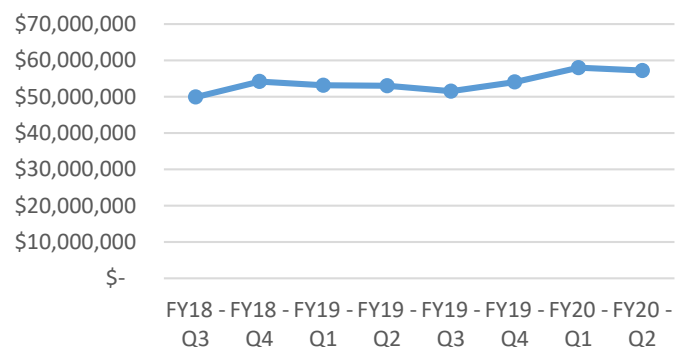


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

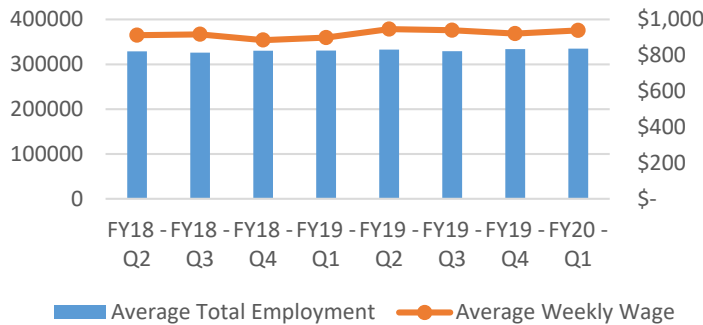


Chart 6. Quarterly Initial Unemployment Claims

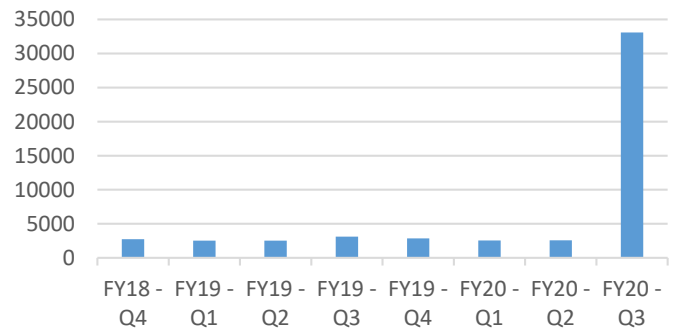
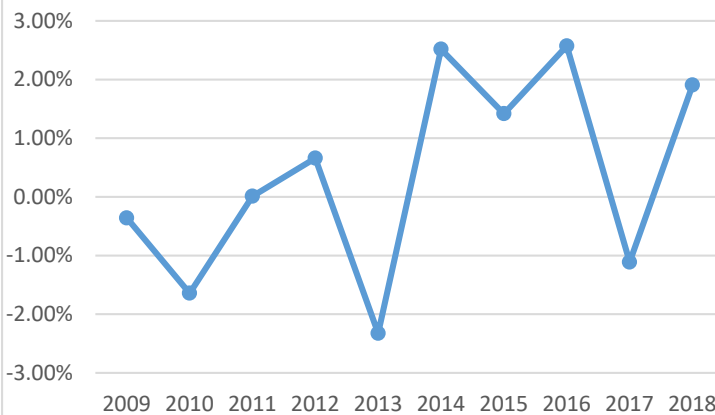


Chart 7. Calendar Year % Change In Real GDP Year Over Year



A significant unexplained increase in **Initial Unemployment Claims** can be an early indicator of an incoming economic downturn. Explained increases commonly include seasonal job fluctuations, government shutdowns resulting in mass employee furloughs and the closing of a major regional facility. The major uptick in the initial unemployment claims is directly tied to the COVID-19 outbreak and the subsequent closure of “non-essential” businesses. These businesses tend to be a major component of the workforce. As the stay at home order stays in effect, it is likely that the initial unemployment claims will continue to increase as the economy shifts to handle the unprecedented changes.

Table 2. Calendar Year 2018 Real County GDP vs Real State GDP

Industries	Bernalillo, NM	New Mexico	Difference Between County and State
Accommodation and food services	3.14%	2.94%	0.20%
Administrative and support and waste management and remediation services	3.00%	2.51%	0.49%
Arts, entertainment, and recreation	0.57%	0.68%	-0.10%
Educational services	0.73%	0.51%	0.22%
Finance and insurance	4.89%	2.75%	2.14%
Health care and social assistance	9.32%	7.39%	1.92%
Management of companies and enterprises	1.06%	0.61%	0.46%
Professional, scientific, and technical services	10.84%	7.21%	3.62%
Real estate and rental and leasing	13.13%	12.17%	0.96%
Agriculture, forestry, fishing and hunting	0.03%	1.78%	-1.75%
Construction	3.52%	3.12%	0.40%
Information	5.36%	3.21%	2.15%
Manufacturing	4.48%	4.31%	0.16%
Mining, quarrying, and oil and gas extraction	0.05%	14.79%	-14.74%
Other services (except government and government enterprises)	2.15%	1.96%	0.19%
Retail trade	6.41%	5.87%	0.54%
Transportation and warehousing	2.20%	2.58%	-0.38%
Utilities	0.36%	1.57%	-1.21%
Wholesale trade	4.84%	3.13%	1.71%
Government and government enterprises	23.97%	21.50%	2.47%

SOURCES: NEW MEXICO TAXATION AND REVENUE DEPT, NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS, U.S. BUREAU OF LABOR AND STATISTICS, U.S. BUREAU OF ECONOMIC ANALYSIS AND EDD CALCULATIONS