

# Quarterly Economic Summary

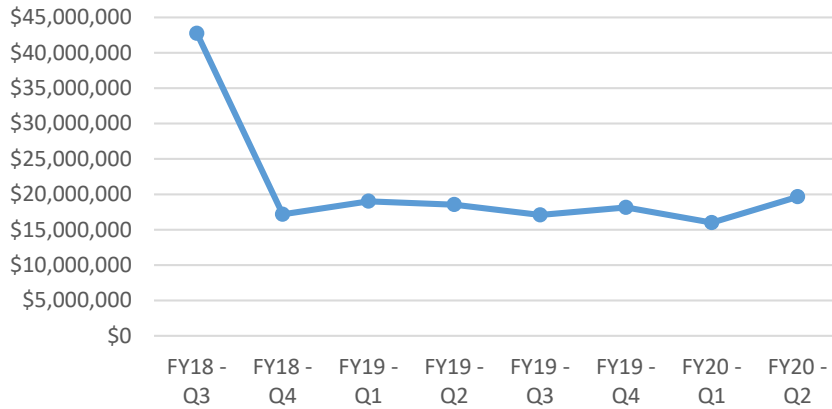
## Hidalgo County

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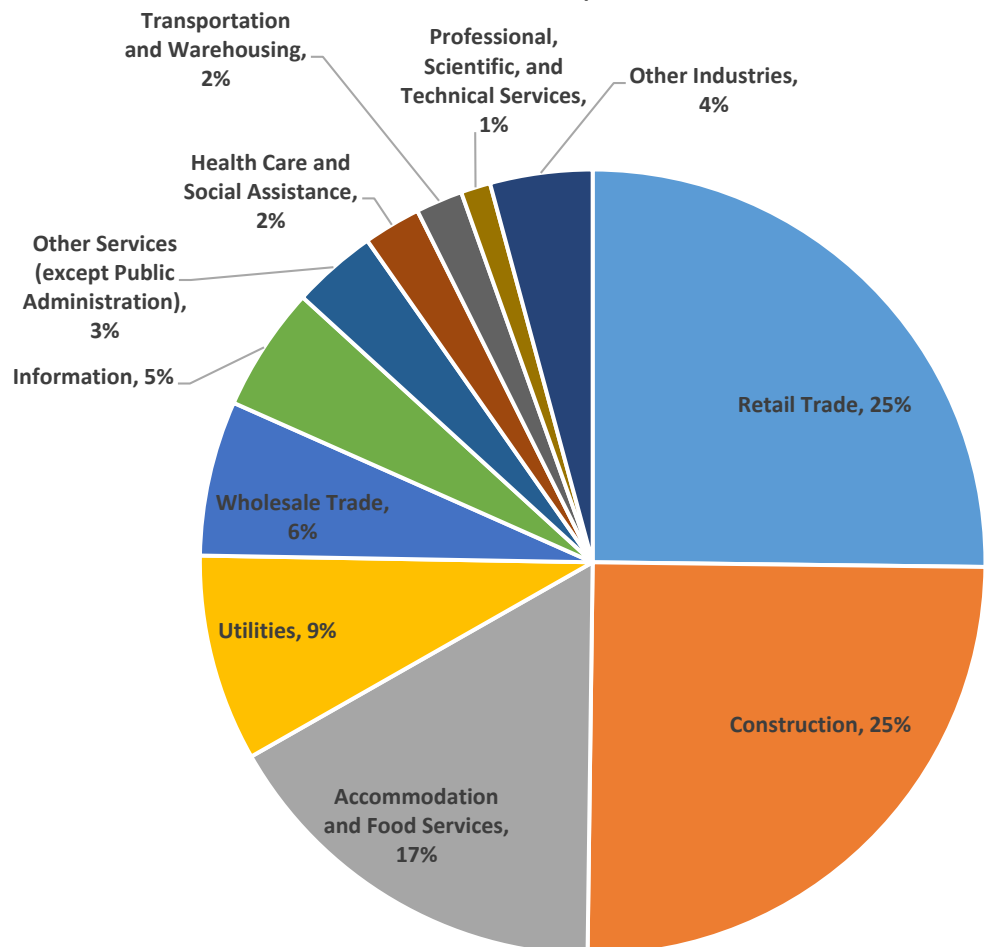
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Chart 1. Matched Taxable Gross Receipts Per Quarter



Hidalgo County has had its matched taxable gross receipts (MTGR) level off to more historic norms since Q3 FY18, as seen in Chart 1. The leveling off of the MTGR is likely due to the completion of a major construction project. Table 1, on the next page, shows an increase of \$1.1M from Q2 in FY19 to FY20 of the same 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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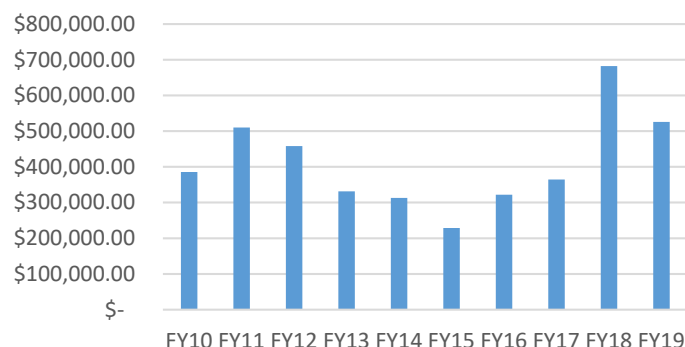
**Table 1. Matched Taxable Gross Receipts by Industry**

Industries	FY19 - Q2	FY20 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 2,338,784	\$ 3,253,762	\$ 914,978	39%
Administrative/Support & Waste Management/Remediation	\$ 344,112	\$ 233,256	\$ (110,856)	-32%
Agriculture, Forestry, Fishing, and Hunting	\$ -	\$ 27,217	\$ 27,217	N/A
Arts, Entertainment, and Recreation	\$ 1,400	\$ -	\$ (1,400)	-100%
Construction	\$ 4,123,708	\$ 4,915,982	\$ 792,275	19%
Educational Services	\$ 15,900	\$ 851	\$ (15,049)	-95%
Finance and Insurance	\$ 16,414	\$ 52,196	\$ 35,782	218%
Health Care and Social Assistance	\$ 881,655	\$ 464,746	\$ (416,909)	-47%
Information	\$ 1,043,842	\$ 1,008,399	\$ (35,443)	-3%
Manufacturing	\$ 668,072	\$ 72,646	\$ (595,426)	-89%
Mining, Quarrying, and Oil and Gas Extraction	\$ 4,478	\$ 125,091	\$ 120,614	2694%
Other Services (except Public Administration)	\$ 634,454	\$ 685,744	\$ 51,290	8%
Professional, Scientific, and Technical Services	\$ 248,563	\$ 239,985	\$ (8,578)	-3%
Public Administration	\$ 56,605	\$ 75,522	\$ 18,917	33%
Real Estate and Rental and Leasing	\$ 243,154	\$ 172,856	\$ (70,298)	-29%
Retail Trade	\$ 4,902,866	\$ 4,949,592	\$ 46,725	1%
Transportation and Warehousing	\$ 268,319	\$ 378,911	\$ 110,592	41%
Unclassified Establishments	\$ 104,263	\$ 67,910	\$ (36,353)	-35%
Utilities	\$ 1,624,196	\$ 1,671,507	\$ 47,311	3%
Wholesale Trade	\$ 1,020,807	\$ 1,253,278	\$ 232,471	23%
<b>All Industries</b>	<b>\$ 18,541,592</b>	<b>\$ 19,649,452</b>	<b>\$ 1,107,860</b>	<b>6%</b>

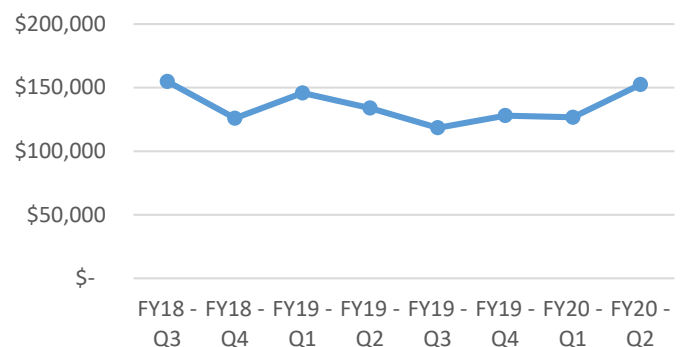
Gross Receipts Tax (GRT) revenue collections have increased in Q2 FY20, as seen in Chart 4. This increase represents nearly \$26K from Q1 to Q2 FY20. The 20% increase came almost entirely from the County Share GRT. The eight quarter trend for the quarterly GRT collections is downward.

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 what 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**



# Quarterly Economic Summary Hidalgo County



Chart 5. Quarterly Average Total Employment & Weekly Wage

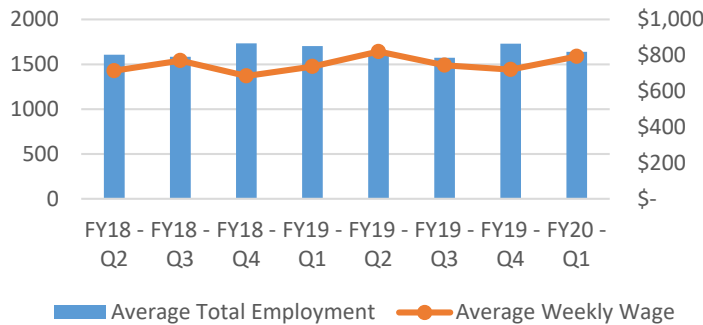


Chart 6. Quarterly Initial Unemployment Claims

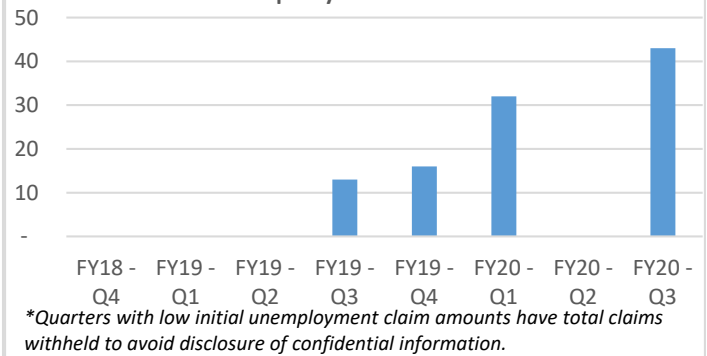
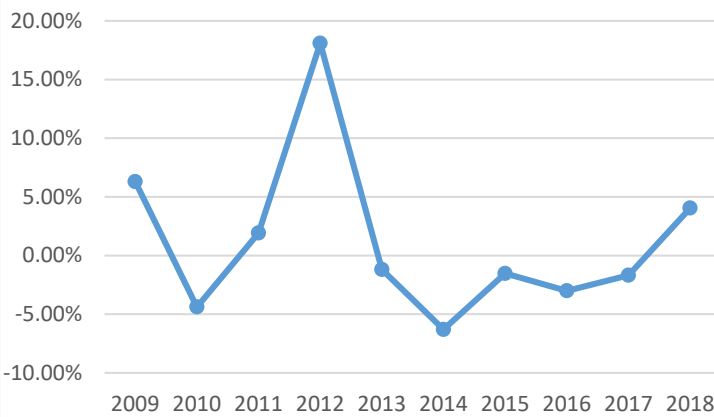


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Hidalgo, NM	New Mexico	Difference Between County and State
Accommodation and food services	0.00%	2.94%	-2.94%
Administrative and support and waste management and remediation services	0.00%	2.51%	-2.51%
Arts, entertainment, and recreation	0.00%	0.68%	-0.68%
Educational services	0.00%	0.51%	-0.51%
Finance and insurance	0.00%	2.75%	-2.75%
Health care and social assistance	0.00%	7.39%	-7.39%
Management of companies and enterprises	1.12%	0.61%	0.52%
Professional, scientific, and technical services	0.00%	7.21%	-7.21%
Real estate and rental and leasing	0.00%	12.17%	-12.17%
Agriculture, forestry, fishing and hunting	9.16%	1.78%	7.38%
Construction	0.00%	3.12%	-3.12%
Information	0.60%	3.21%	-2.60%
Manufacturing	0.00%	4.31%	-4.31%
Mining, quarrying, and oil and gas extraction	0.00%	14.79%	-14.79%
Other services (except government and government enterprises)	0.00%	1.96%	-1.96%
Retail trade	9.11%	5.87%	3.24%
Transportation and warehousing	2.51%	2.58%	-0.08%
Utilities	1.73%	1.57%	0.15%
Wholesale trade	0.00%	3.13%	-3.13%
Government and government enterprises	45.54%	21.50%	24.04%

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