

Quarterly Economic Summary

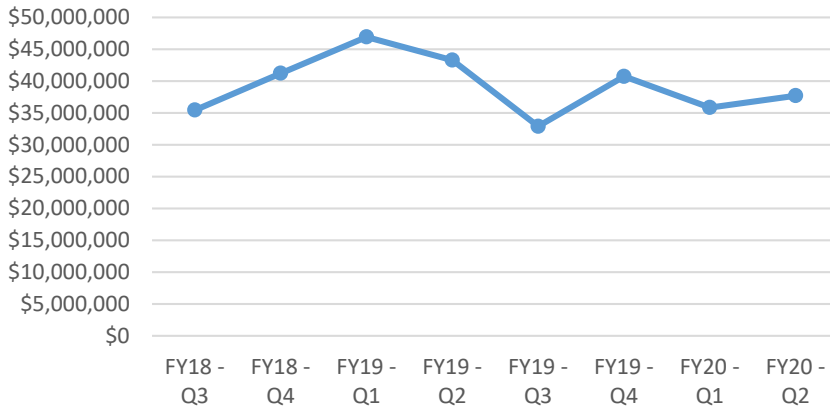
Quay County



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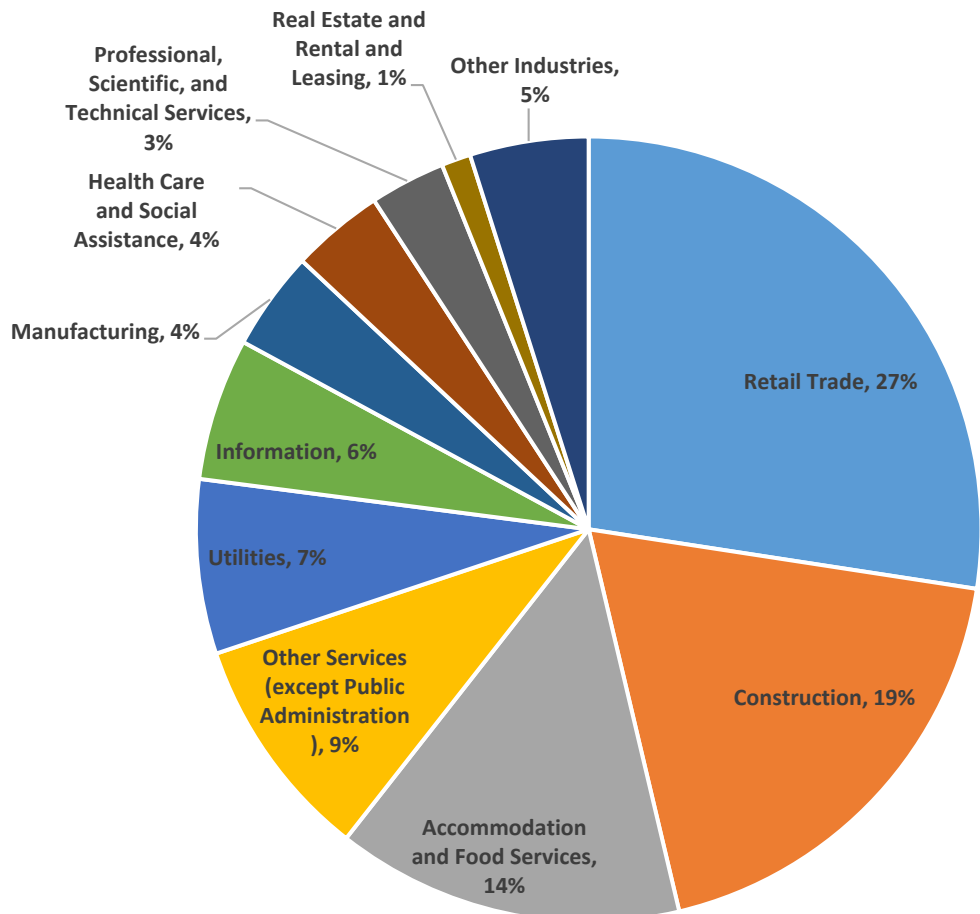
Chart 1. Matched Taxable Gross Receipts Per Quarter



Quay County's matched taxable gross receipts (MTGR) saw a relatively slight increase from Q1 to Q2 of FY20, increasing by 5% or \$1.9M. MTGR saw a 13% year over year decrease in the second quarter of FY20, as seen in Table 1 on page 2. The largest decreases come from the Construction, Manufacturing and Other services (except Public Administration) industries. All three of these industries were experiencing elevated levels of MTGR during the second quarter of FY19. The levels of MTGR seen in Q2 FY20 are at a level seen

more regularly by the county. Retail remains the largest industry by MTGR. Construction, however, increased from 8% of total MTGR in Q1 FY20 to 19% in Q2 FY20. This moves Construction from 5th largest industry by MTGR to 2nd.

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	\$ 5,378,033	\$ 5,390,003	\$ 11,971	0%
Administrative/Support & Waste Management/Remediation	\$ 222,739	\$ 369,145	\$ 146,405	66%
Agriculture, Forestry, Fishing, and Hunting	\$ 201,944	\$ 239,345	\$ 37,401	19%
Arts, Entertainment, and Recreation	\$ 11,779	\$ 35,567	\$ 23,788	202%
Construction	\$ 10,116,931	\$ 7,114,018	\$ (3,002,914)	-30%
Educational Services	\$ 203	\$ 6,457	\$ 6,254	3075%
Finance and Insurance	\$ 152,025	\$ 147,629	\$ (4,396)	-3%
Health Care and Social Assistance	\$ 1,161,457	\$ 1,439,324	\$ 277,868	24%
Information	\$ 2,145,467	\$ 2,207,490	\$ 62,023	3%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 2,892,113	\$ 1,536,271	\$ (1,355,842)	-47%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ 82,416	\$ 82,416	N/A
Other Services (except Public Administration)	\$ 5,491,480	\$ 3,500,455	\$ (1,991,024)	-36%
Professional, Scientific, and Technical Services	\$ 817,351	\$ 1,173,625	\$ 356,274	44%
Public Administration	\$ 1,400	\$ 10,237	\$ 8,837	631%
Real Estate and Rental and Leasing	\$ 441,695	\$ 454,157	\$ 12,462	3%
Retail Trade	\$ 10,802,112	\$ 10,340,531	\$ (461,582)	-4%
Transportation and Warehousing	\$ 271,488	\$ 415,665	\$ 144,177	53%
Unclassified Establishments	\$ 96,421	\$ 181,416	\$ 84,996	88%
Utilities	\$ 2,626,493	\$ 2,706,453	\$ 79,959	3%
Wholesale Trade	\$ 458,024	\$ 353,530	\$ (104,494)	-23%
All Industries	\$ 43,289,155	\$ 37,703,734	\$ (5,585,421)	-13%

Gross Receipt Tax (GRT) revenue collections saw a slight increase of \$25K from Q1 to Q2 in FY20. The second quarter of FY20 did see an 11% (\$72K) decrease in GRT revenue collections when comparing to Q2 FY19. Table 2, on page 3, shows multiple industries having no contribution to GDP in 2018. This is due to the number of companies within the industries being so low that the Bureau of Economic Analysis has withheld the information for the industry to avoid disclosure of confidential information. Table 2 does not necessarily reflect the proportion each industry contributes to overall GDP.



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

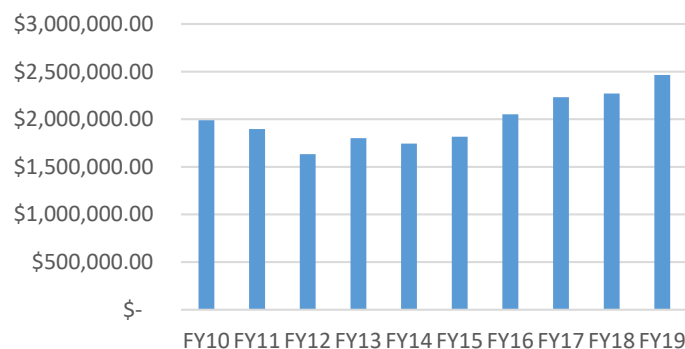
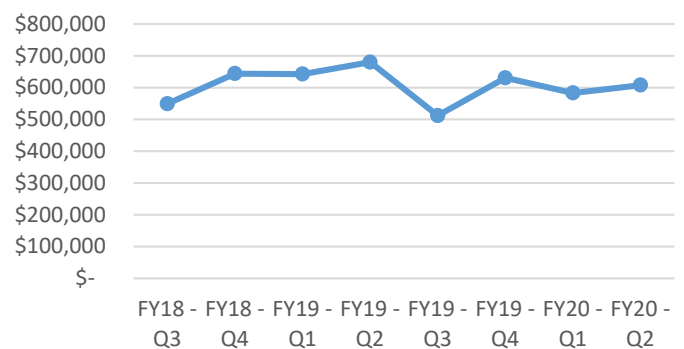


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

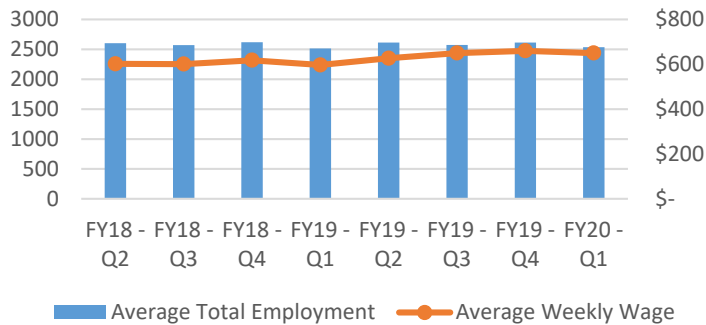


Chart 6. Quarterly Initial Unemployment Claims

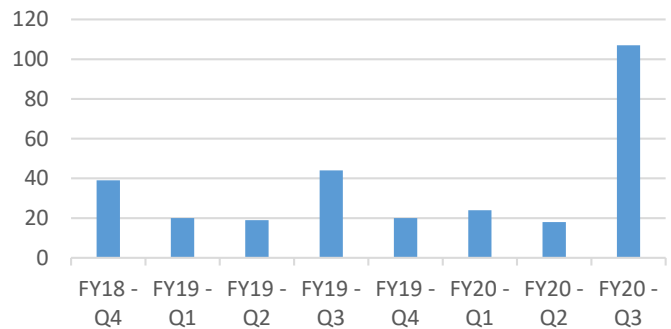
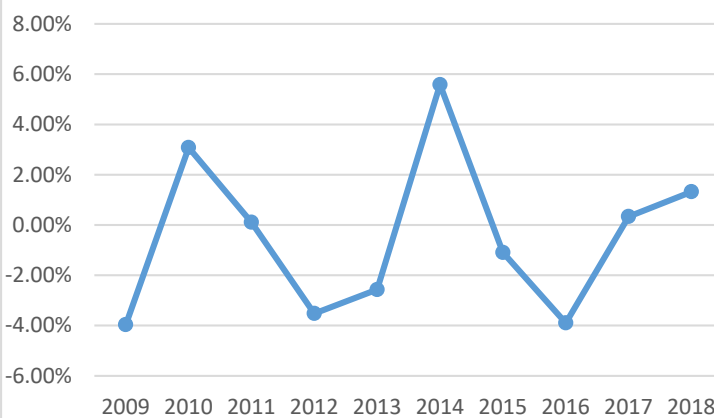


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Quay, 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	0.04%	0.51%	-0.47%
Finance and insurance	2.87%	2.75%	0.13%
Health care and social assistance	8.39%	7.39%	0.99%
Management of companies and enterprises	0.00%	0.61%	-0.61%
Professional, scientific, and technical services	1.34%	7.21%	-5.87%
Real estate and rental and leasing	21.11%	12.17%	8.95%
Agriculture, forestry, fishing and hunting	0.00%	1.78%	-1.78%
Construction	1.93%	3.12%	-1.18%
Information	1.64%	3.21%	-1.56%
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)	5.32%	1.96%	3.36%
Retail trade	12.24%	5.87%	6.37%
Transportation and warehousing	3.24%	2.58%	0.65%
Utilities	12.78%	1.57%	11.21%
Wholesale trade	0.65%	3.13%	-2.47%
Government and government enterprises	19.58%	21.50%	-1.92%