

Quarterly Economic Summary

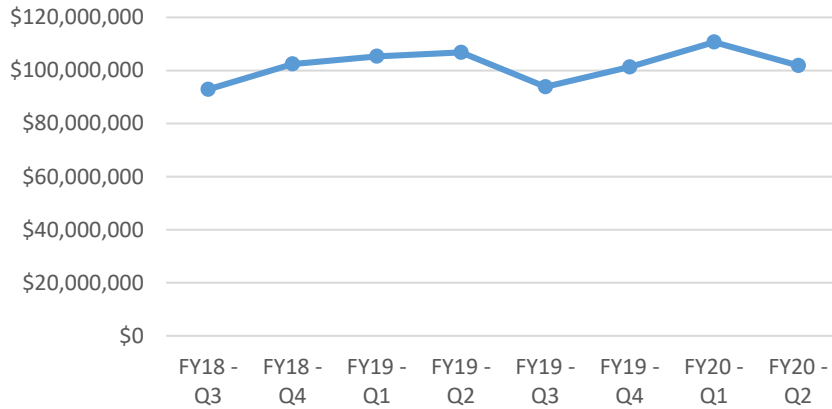
Rio Arriba County

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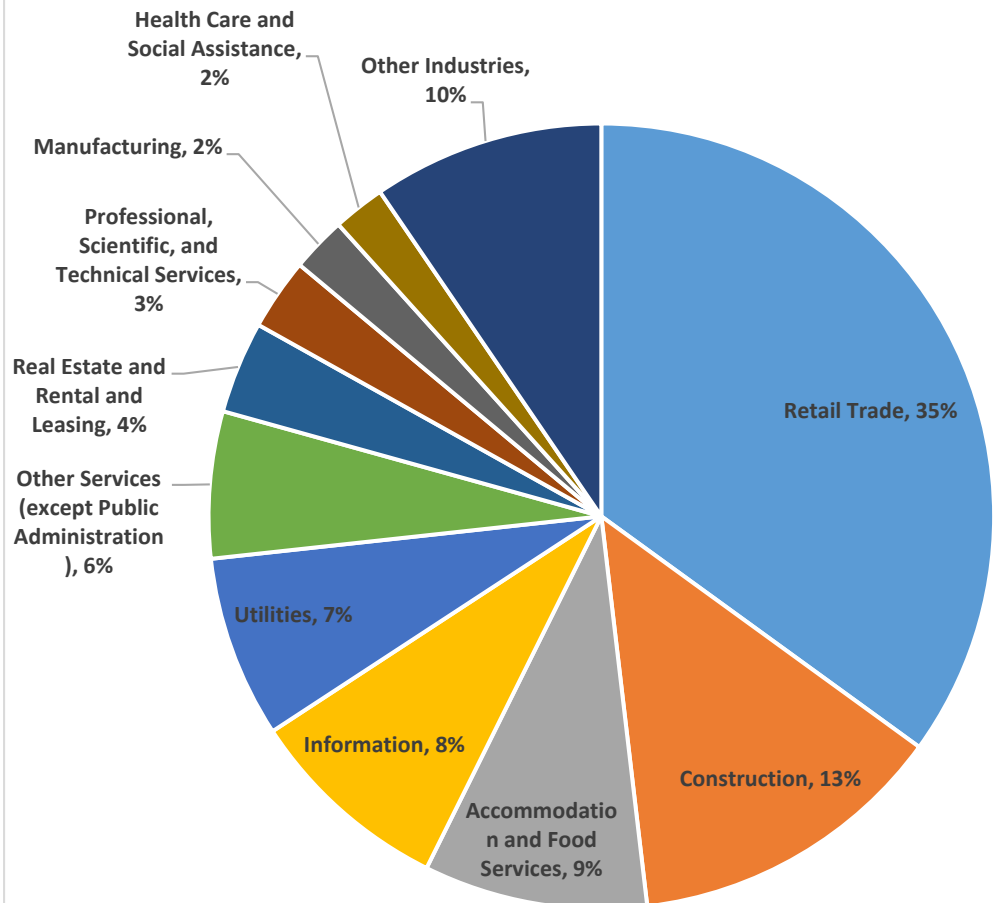
Chart 1. Matched Taxable Gross Receipts Per Quarter



Rio Arriba County saw a decrease in matched taxable gross receipts (MTGR) from Q1 to Q2 in FY20, as seen in Chart 1. The County's MTGR tends to hit a seasonal low in the third quarter of the fiscal year. Table 1, on page 2, shows a year over year (YOY) decrease of 5% in Q2 FY20 over FY19. Table 1 also shows the Mining/Oil and Gas industry with a substantial YOY decrease of \$3.6M. this industry saw an unusually high MTGR in Q2 FY19, the amount in Q2 FY20 is at a level more regularly seen by the industry in the county. The Construction industry

saw a \$2.5M YOY increase in FY20, though, down from the previous quarter, Q1 FY20. The Retail Trade industry remains the largest industry by MTGR, followed by Construction then Accommodation and Food Services.

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	\$ 8,598,022	\$ 9,379,154	\$ 781,132	9%
Administrative/Support & Waste Management/Remediation	\$ 1,688,418	\$ 1,927,904	\$ 239,486	14%
Agriculture, Forestry, Fishing, and Hunting	\$ 1,855,801	\$ 2,044,391	\$ 188,591	10%
Arts, Entertainment, and Recreation	\$ 1,649,717	\$ 691,141	\$ (958,576)	-58%
Construction	\$ 10,865,137	\$ 13,388,102	\$ 2,522,965	23%
Educational Services	\$ 198,399	\$ 303,030	\$ 104,630	53%
Finance and Insurance	\$ 243,228	\$ 286,760	\$ 43,532	18%
Health Care and Social Assistance	\$ 4,060,626	\$ 2,186,027	\$ (1,874,599)	-46%
Information	\$ 8,659,030	\$ 8,602,593	\$ (56,437)	-1%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 2,382,664	\$ 2,311,316	\$ (71,349)	-3%
Mining, Quarrying, and Oil and Gas Extraction	\$ 5,213,694	\$ 1,600,652	\$ (3,613,041)	-69%
Other Services (except Public Administration)	\$ 7,597,631	\$ 6,153,281	\$ (1,444,349)	-19%
Professional, Scientific, and Technical Services	\$ 2,982,235	\$ 3,009,461	\$ 27,226	1%
Public Administration	\$ (0)	\$ -	\$ 0	-100%
Real Estate and Rental and Leasing	\$ 4,739,321	\$ 3,862,212	\$ (877,109)	-19%
Retail Trade	\$ 35,537,814	\$ 35,649,486	\$ 111,672	0%
Transportation and Warehousing	\$ 964,370	\$ 1,077,693	\$ 113,322	12%
Unclassified Establishments	\$ 496,808	\$ 419,415	\$ (77,393)	-16%
Utilities	\$ 7,572,953	\$ 7,630,648	\$ 57,695	1%
Wholesale Trade	\$ 1,513,685	\$ 1,356,392	\$ (157,293)	-10%
All Industries	\$ 106,819,553	\$ 101,879,658	\$ (4,939,896)	-5%

Gross Receipts Tax (GRT) revenue collections saw a 10% decrease from Q1 FY20 to Q2, a difference of \$162K. Q2 FY20 was, however, marginally higher than Q2 of FY19 with an increase of 1% or \$8K. 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

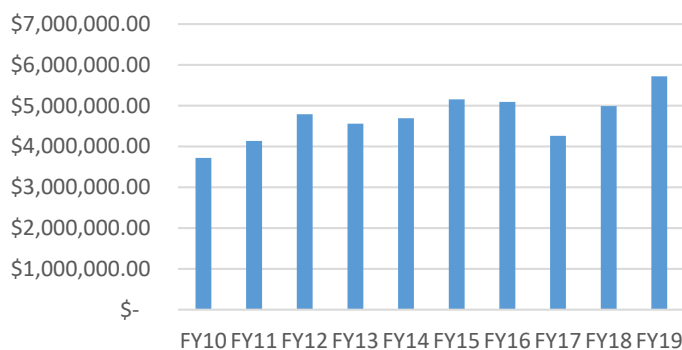
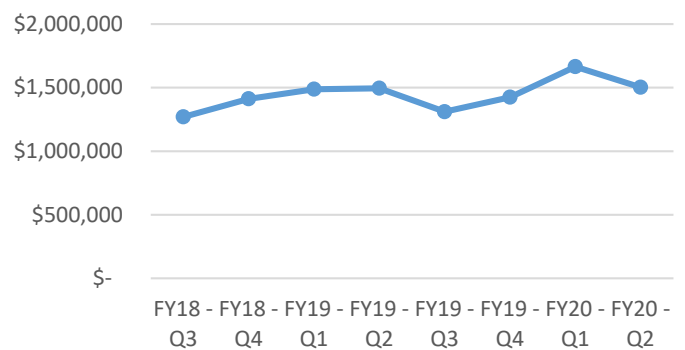


Chart 4. Quarterly GRT Revenue Collections



Quarterly Economic Summary

Rio Arriba County



Chart 5. Quarterly Average Total Employment & Weekly Wage

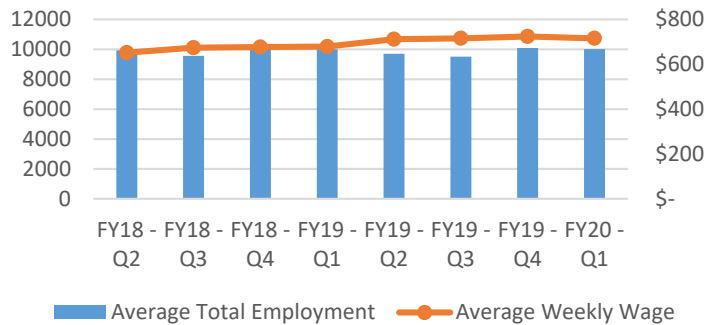


Chart 6. Quarterly Initial Unemployment Claims

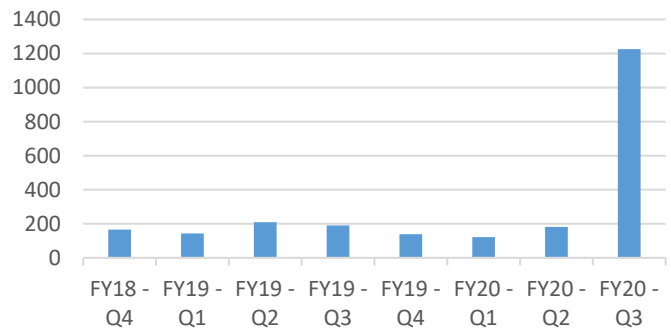
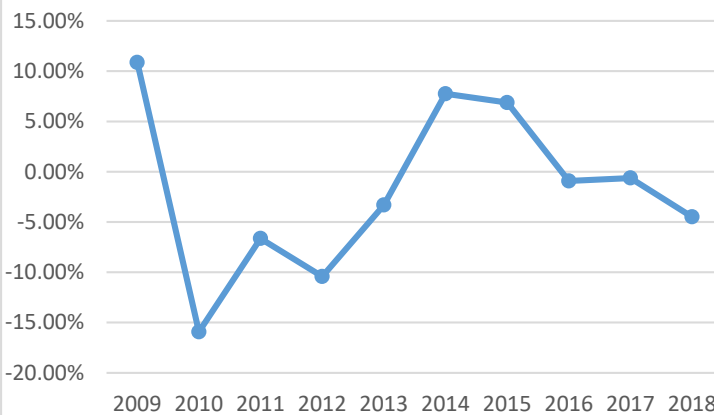


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Rio Arriba, NM	New Mexico	Difference Between County and State
Accommodation and food services	1.99%	2.94%	-0.94%
Administrative and support and waste management and remediation services	1.91%	2.51%	-0.60%
Arts, entertainment, and recreation	0.47%	0.68%	-0.21%
Educational services	0.28%	0.51%	-0.23%
Finance and insurance	0.79%	2.75%	-1.96%
Health care and social assistance	6.77%	7.39%	-0.63%
Management of companies and enterprises	0.00%	0.61%	-0.61%
Professional, scientific, and technical services	0.00%	7.21%	-7.21%
Real estate and rental and leasing	12.22%	12.17%	0.05%
Agriculture, forestry, fishing and hunting	0.22%	1.78%	-1.56%
Construction	1.21%	3.12%	-1.91%
Information	0.73%	3.21%	-2.47%
Manufacturing	0.45%	4.31%	-3.87%
Mining, quarrying, and oil and gas extraction	40.57%	14.79%	25.78%
Other services (except government and government enterprises)	1.46%	1.96%	-0.50%
Retail trade	3.70%	5.87%	-2.17%
Transportation and warehousing	0.64%	2.58%	-1.95%
Utilities	0.66%	1.57%	-0.91%
Wholesale trade	0.55%	3.13%	-2.58%
Government and government enterprises	20.57%	21.50%	-0.93%