

Quarterly Economic Summary

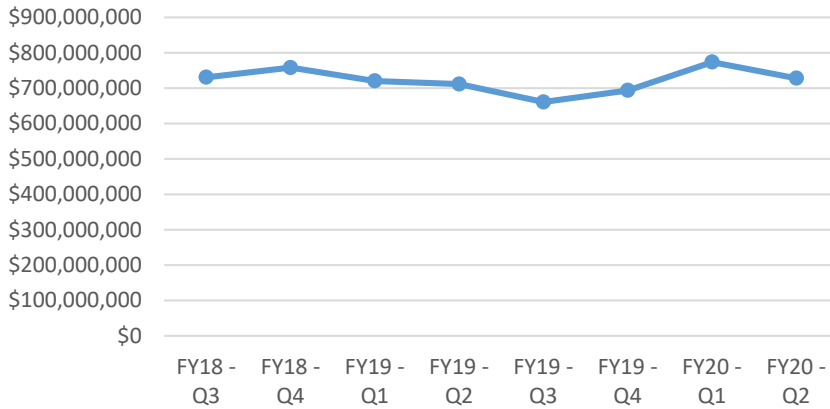
San Juan County

Released: February 2020



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

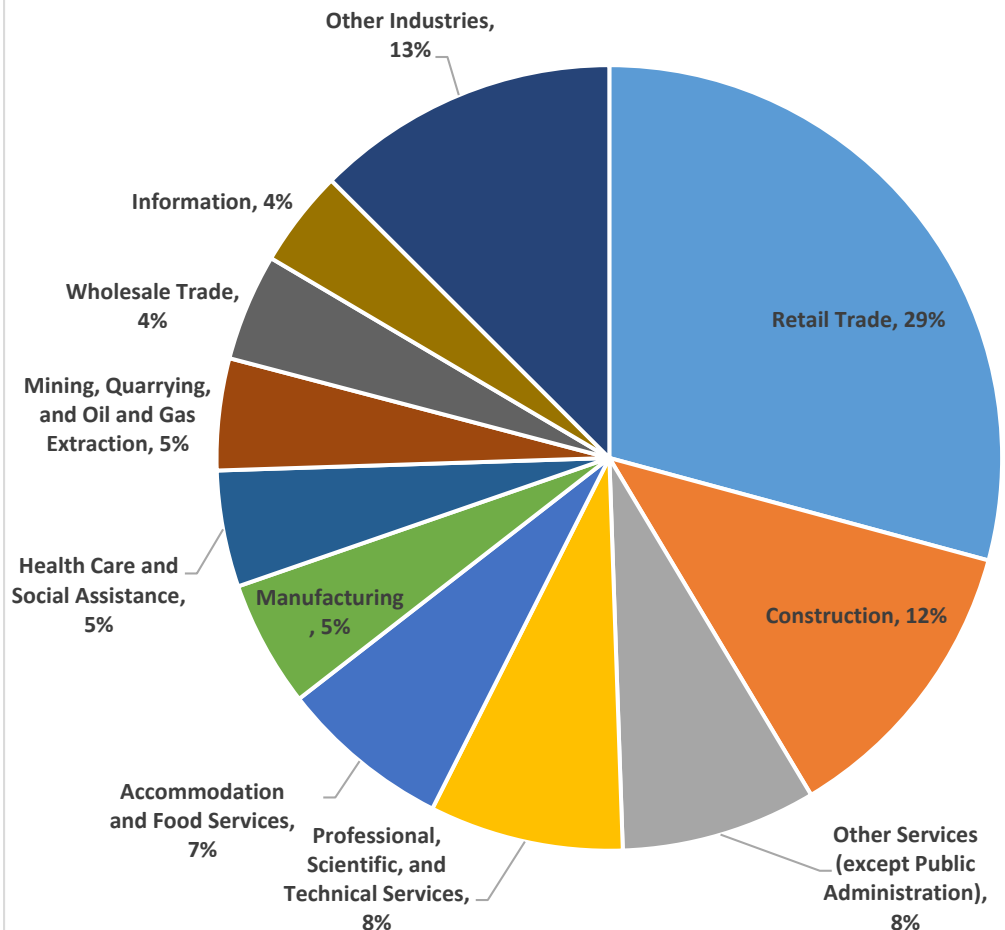
Chart 1. Matched Taxable Gross Receipts Per Quarter



San Juan County's matched taxable gross receipts (MTGR) saw a decrease of approximately \$45M from Q1 to Q2 of FY20, as seen in Chart 1. Q2 did, however, see a 2% or \$16.5M year over year (YOY) increase from FY19 to FY20. Public Administration saw a substantial YOY increase of 141% for Q2, seen in Table 1 on page 2. This industry had a reported MTGR in Q1 FY20 of \$0 and the substantial increase in Q2 FY20 may be due to the timing of filing where Q1 is showing up in Q2.

Retail Trade and Construction remain the largest industries by MTGR.

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.

Quarterly Economic Summary

San Juan County



Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY19 - Q2	FY20 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 50,770,587	\$ 51,343,528	\$ 572,940	1%
Administrative/Support & Waste Management/Remediation	\$ 11,498,783	\$ 10,355,381	\$ (1,143,401)	-10%
Agriculture, Forestry, Fishing, and Hunting	\$ 863,338	\$ 808,523	\$ (54,815)	-6%
Arts, Entertainment, and Recreation	\$ 1,944,206	\$ 3,174,099	\$ 1,229,893	63%
Construction	\$ 75,424,195	\$ 88,882,014	\$ 13,457,819	18%
Educational Services	\$ 825,715	\$ 1,098,758	\$ 273,042	33%
Finance and Insurance	\$ 3,018,723	\$ 2,072,547	\$ (946,176)	-31%
Health Care and Social Assistance	\$ 30,746,489	\$ 34,878,064	\$ 4,131,575	13%
Information	\$ 27,818,471	\$ 29,091,695	\$ 1,273,224	5%
Management of Companies and Enterprises	\$ -	\$ 110,607	\$ 110,607	N/A
Manufacturing	\$ 31,052,101	\$ 37,913,794	\$ 6,861,693	22%
Mining, Quarrying, and Oil and Gas Extraction	\$ 49,263,949	\$ 33,467,869	\$ (15,796,080)	-32%
Other Services (except Public Administration)	\$ 69,445,755	\$ 58,544,321	\$ (10,901,434)	-16%
Professional, Scientific, and Technical Services	\$ 49,414,468	\$ 58,137,590	\$ 8,723,122	18%
Public Administration	\$ 6,017,198	\$ 14,531,480	\$ 8,514,282	141%
Real Estate and Rental and Leasing	\$ 16,107,498	\$ 15,910,472	\$ (197,026)	-1%
Retail Trade	\$ 208,665,596	\$ 212,589,986	\$ 3,924,390	2%
Transportation and Warehousing	\$ 9,931,763	\$ 15,033,169	\$ 5,101,406	51%
Unclassified Establishments	\$ 1,608,715	\$ 2,496,015	\$ 887,300	55%
Utilities	\$ 30,308,614	\$ 25,620,509	\$ (4,688,106)	-15%
Wholesale Trade	\$ 36,904,663	\$ 32,051,398	\$ (4,853,266)	-13%
All Industries	\$ 711,630,828	\$ 728,111,818	\$ 16,480,990	2%

Gross Receipts Tax (GRT) revenue collections saw a decrease of 7% from Q1 FY20 to Q2 FY20, decreasing from \$19.2M to \$18M respectively. This decrease comes after two consecutive quarters of growth. Q2 had a 6% or \$460K YOY increase. 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

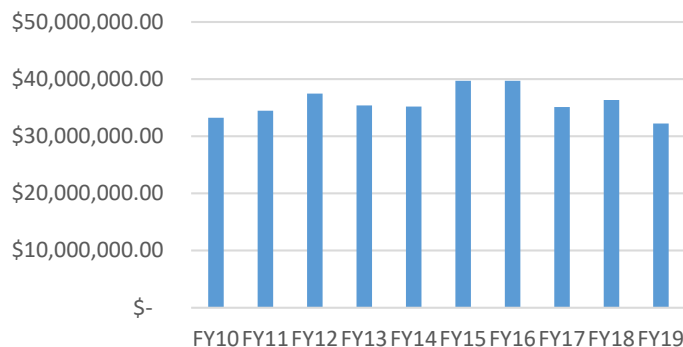
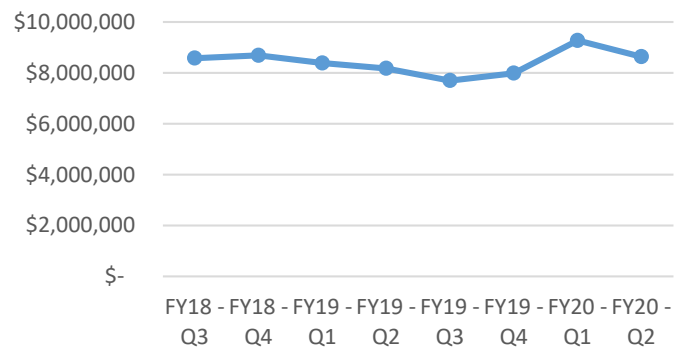


Chart 4. Quarterly GRT Revenue Collections



Quarterly Economic Summary

San Juan County



Chart 5. Quarterly Average Total Employment & Weekly Wage

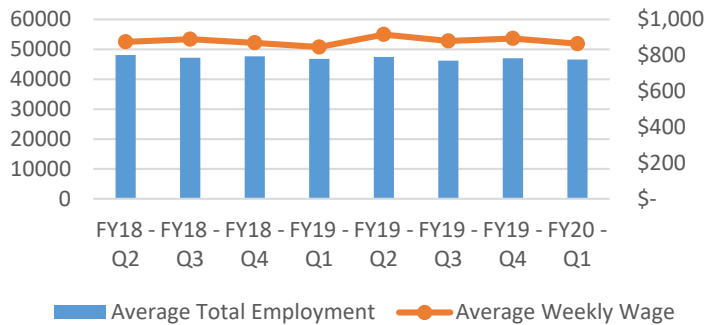


Chart 6. Quarterly Initial Unemployment Claims

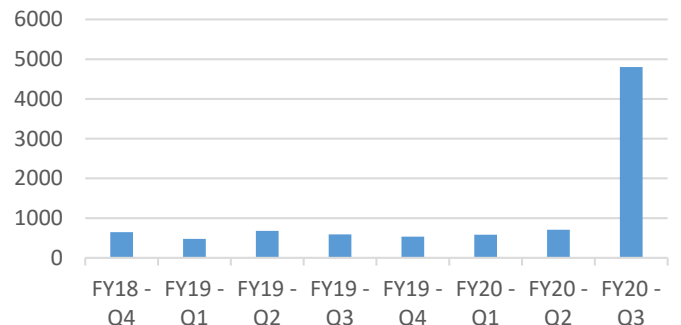
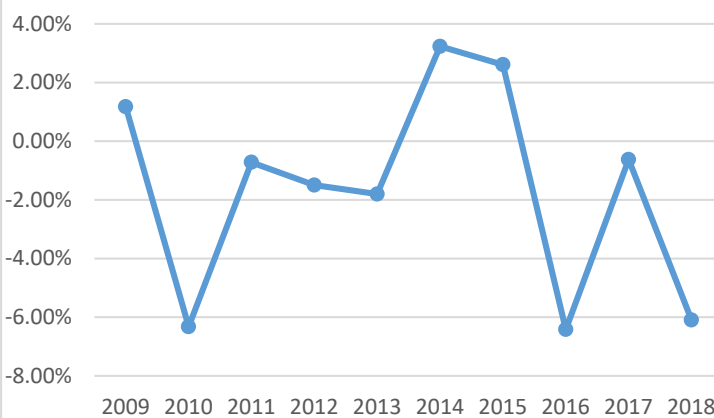


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	San Juan, 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	0.00%	2.51%	-2.51%
Arts, entertainment, and recreation	0.00%	0.68%	-0.68%
Educational services	0.28%	0.51%	-0.23%
Finance and insurance	0.00%	2.75%	-2.75%
Health care and social assistance	7.14%	7.39%	-0.25%
Management of companies and enterprises	0.34%	0.61%	-0.26%
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	0.08%	1.78%	-1.70%
Construction	3.75%	3.12%	0.64%
Information	0.00%	3.21%	-3.21%
Manufacturing	1.98%	4.31%	-2.33%
Mining, quarrying, and oil and gas extraction	28.15%	14.79%	13.36%
Other services (except government and government enterprises)	1.74%	1.96%	-0.22%
Retail trade	6.84%	5.87%	0.97%
Transportation and warehousing	1.89%	2.58%	-0.70%
Utilities	8.67%	1.57%	7.09%
Wholesale trade	4.16%	3.13%	1.03%
Government and government enterprises	16.08%	21.50%	-5.42%

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