

Quarterly Economic Summary

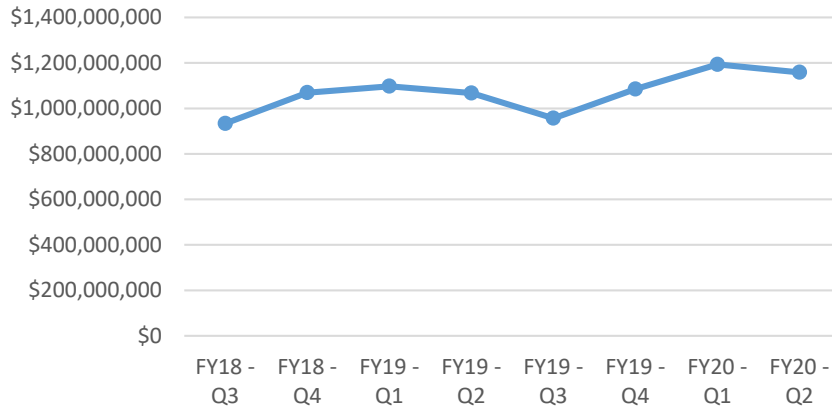
Santa Fe County

Released: February 2020



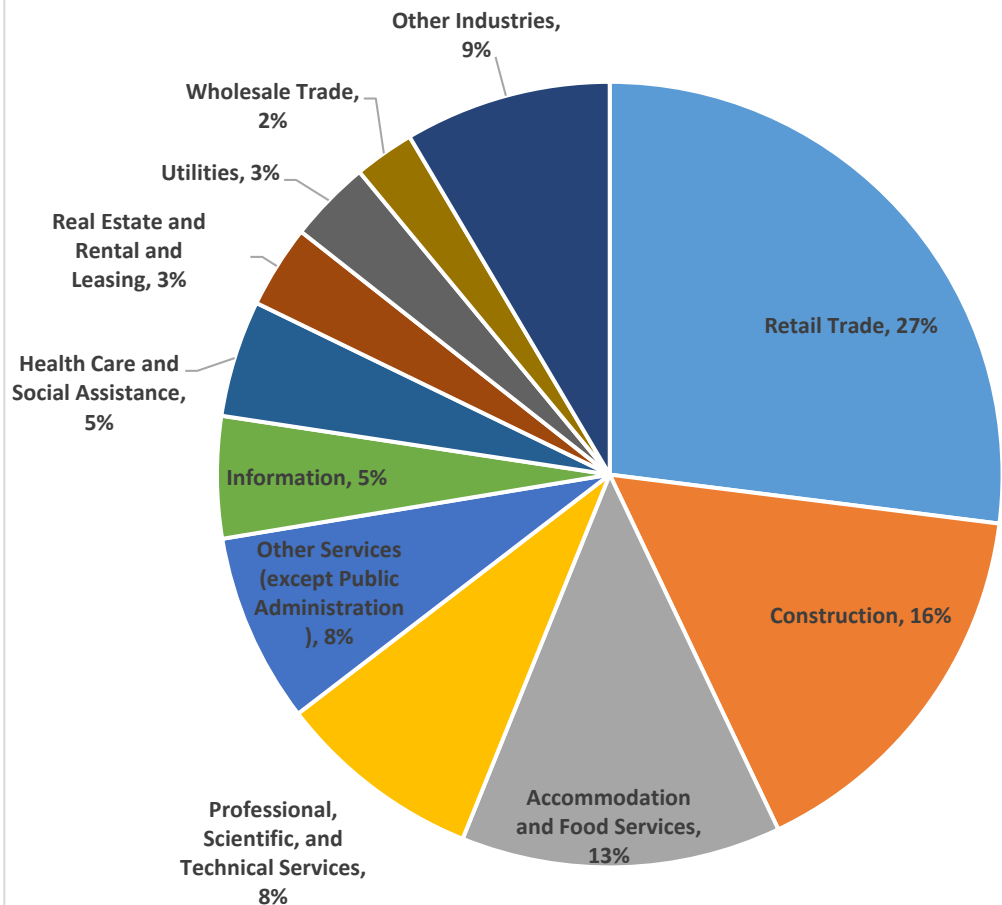
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Chart 1. Matched Taxable Gross Receipts Per Quarter



Santa Fe's matched taxable gross receipts (MTGR) continue to trend upwards. The county experiences a seasonality in its MTGR where it sees a high during the first quarter and a low during the third quarter, seen in Chart 1. Q2 FY20 saw a 9% year over year (YOY) Increase, as seen in Table 1 on page 2. The Mining/Oil and Gas industry has the largest YOY percent growth of 902% in Q2 FY20. The industry, however remains small with only \$198K reported in Q2 FY20. Retail and Construction remain the largest industries in terms of 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.

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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	\$ 144,222,902	\$ 152,576,628	\$ 8,353,726	6%
Administrative/Support & Waste Management/Remediation	\$ 17,316,963	\$ 24,560,142	\$ 7,243,179	42%
Agriculture, Forestry, Fishing, and Hunting	\$ 1,676,808	\$ 1,506,014	\$ (170,793)	-10%
Arts, Entertainment, and Recreation	\$ 18,141,136	\$ 20,435,020	\$ 2,293,884	13%
Construction	\$ 172,386,978	\$ 184,738,532	\$ 12,351,555	7%
Educational Services	\$ 3,870,472	\$ 3,818,193	\$ (52,278)	-1%
Finance and Insurance	\$ 13,168,582	\$ 14,450,340	\$ 1,281,758	10%
Health Care and Social Assistance	\$ 54,723,714	\$ 55,619,292	\$ 895,578	2%
Information	\$ 52,368,415	\$ 58,044,483	\$ 5,676,069	11%
Management of Companies and Enterprises	\$ 749,733	\$ 786,681	\$ 36,948	5%
Manufacturing	\$ 18,618,129	\$ 21,432,970	\$ 2,814,841	15%
Mining, Quarrying, and Oil and Gas Extraction	\$ 19,781	\$ 198,257	\$ 178,475	902%
Other Services (except Public Administration)	\$ 90,870,397	\$ 90,364,245	\$ (506,152)	-1%
Professional, Scientific, and Technical Services	\$ 85,050,932	\$ 98,200,646	\$ 13,149,714	15%
Public Administration	\$ 553,829	\$ 645,920	\$ 92,091	17%
Real Estate and Rental and Leasing	\$ 36,565,473	\$ 39,589,789	\$ 3,024,316	8%
Retail Trade	\$ 288,758,571	\$ 312,681,609	\$ 23,923,038	8%
Transportation and Warehousing	\$ 3,348,147	\$ 3,817,589	\$ 469,441	14%
Unclassified Establishments	\$ 6,308,831	\$ 7,158,503	\$ 849,672	13%
Utilities	\$ 38,436,114	\$ 39,254,719	\$ 818,605	2%
Wholesale Trade	\$ 20,414,688	\$ 28,772,194	\$ 8,357,507	41%
All Industries	\$ 1,067,570,594	\$ 1,158,651,767	\$ 91,081,173	9%

Gross Receipts Tax (GRT) revenue collections generally follow a seasonal trend similar to the seasonality described for MTGR, on page 1, and can be seen in Chart 4. GRT revenue collections are trending upwards. Q2 FY20 saw a YOY increase of 11% or \$1.7M. 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

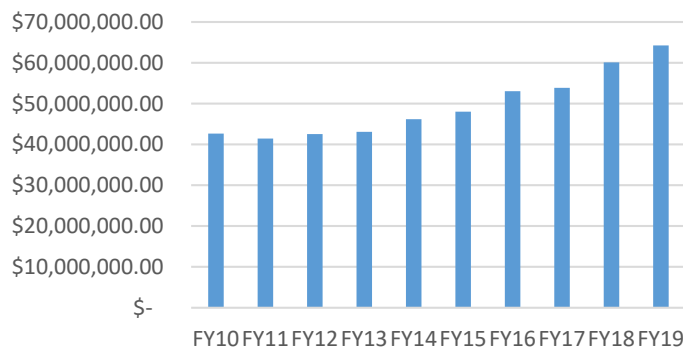
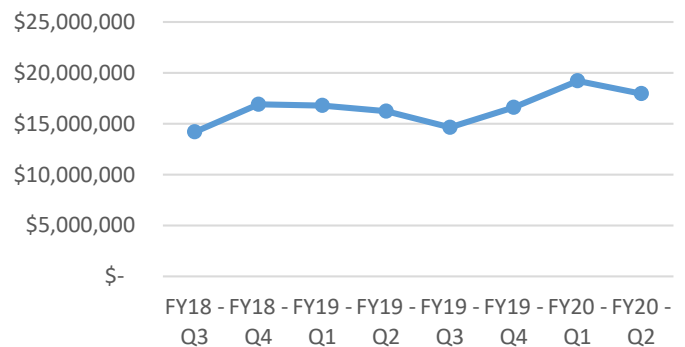


Chart 4. Quarterly GRT Revenue Collections



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

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Chart 5. Quarterly Average Total Employment & Weekly Wage

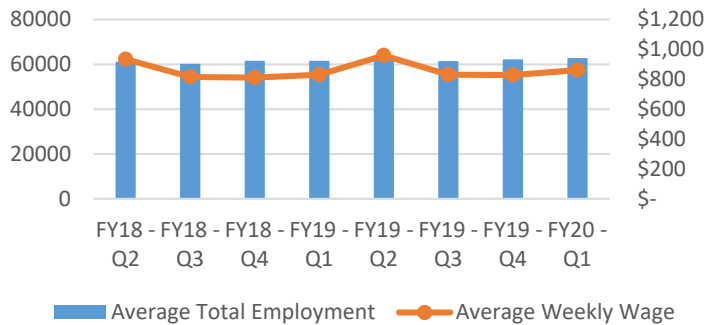


Chart 6. Quarterly Initial Unemployment Claims

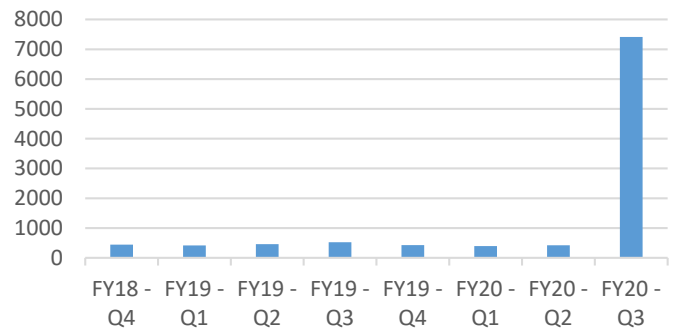
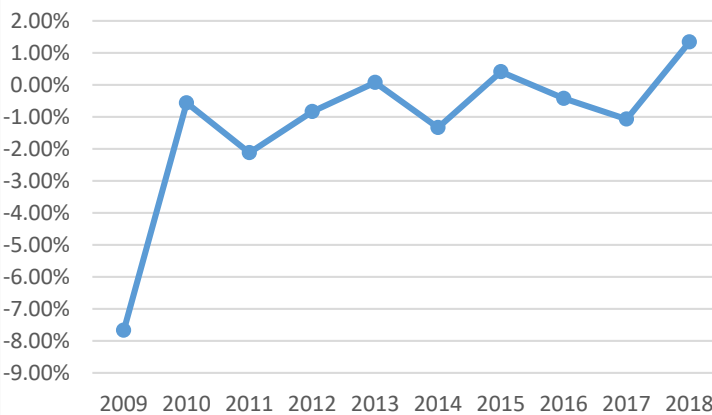


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Santa Fe, NM	New Mexico	Difference Between County and State
Accommodation and food services	6.15%	2.94%	3.22%
Administrative and support and waste management and remediation services	2.21%	2.51%	-0.30%
Arts, entertainment, and recreation	2.58%	0.68%	1.90%
Educational services	1.43%	0.51%	0.92%
Finance and insurance	4.36%	2.75%	1.61%
Health care and social assistance	10.84%	7.39%	3.44%
Management of companies and enterprises	0.51%	0.61%	-0.09%
Professional, scientific, and technical services	7.63%	7.21%	0.42%
Real estate and rental and leasing	14.86%	12.17%	2.69%
Agriculture, forestry, fishing and hunting	0.07%	1.78%	-1.71%
Construction	0.00%	3.12%	-3.12%
Information	4.43%	3.21%	1.22%
Manufacturing	0.00%	4.31%	-4.31%
Mining, quarrying, and oil and gas extraction	0.30%	14.79%	-14.49%
Other services (except government and government enterprises)	4.00%	1.96%	2.04%
Retail trade	10.35%	5.87%	4.48%
Transportation and warehousing	0.00%	2.58%	-2.58%
Utilities	0.20%	1.57%	-1.37%
Wholesale trade	2.53%	3.13%	-0.60%
Government and government enterprises	22.93%	21.50%	1.43%

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