

Quarterly Economic Summary

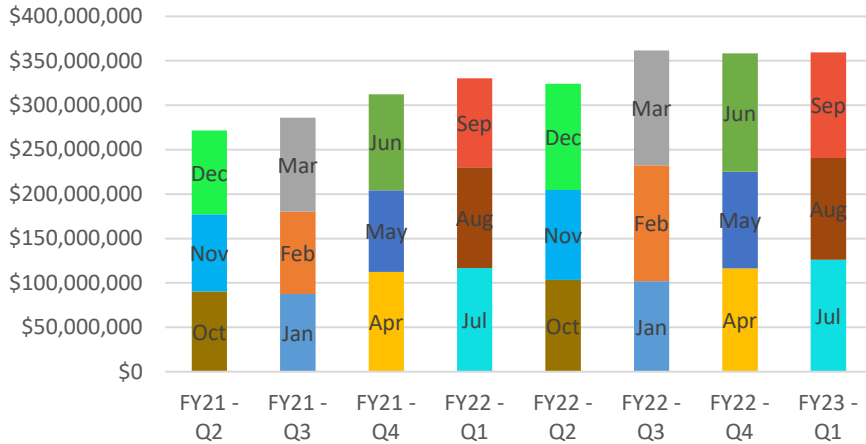
McKinley County



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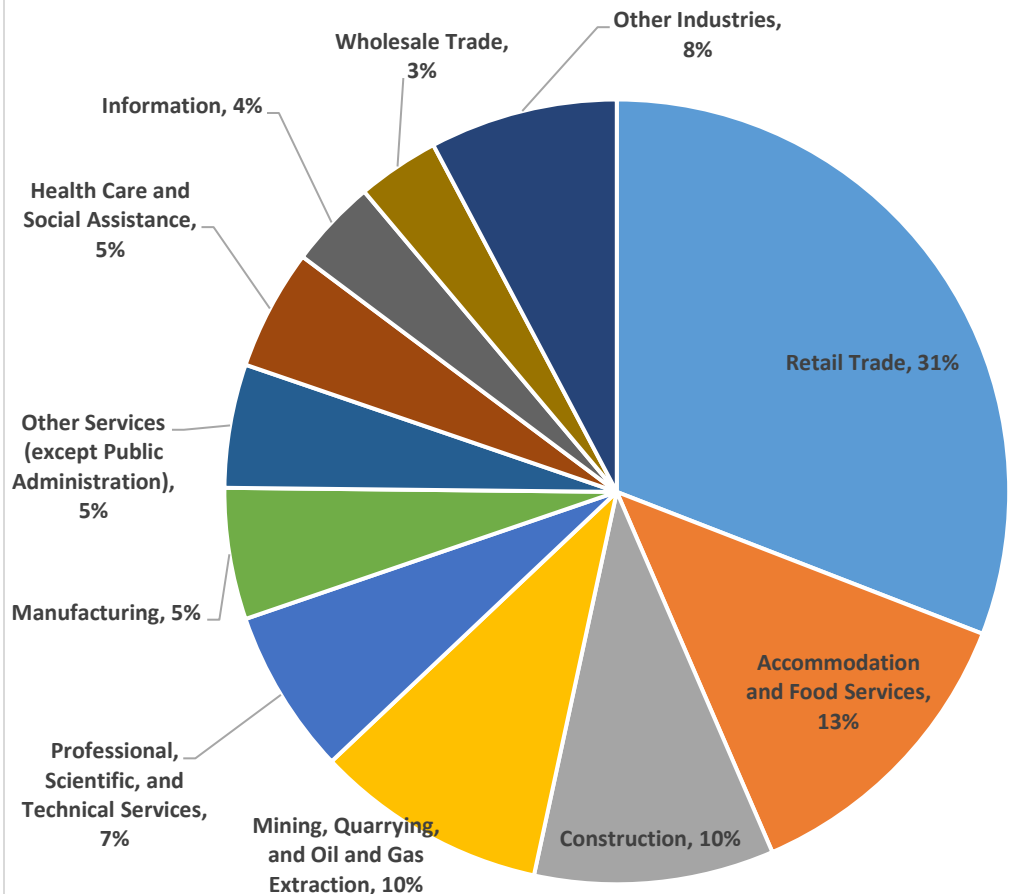
Chart 1. Matched Taxable Gross Receipts Per Quarter



In the first quarter of FY23, 25 of 33 counties saw significant year-over-year economic growth. Statewide economic activity showed broad growth across most industry sectors, with oil and gas and construction leading the growth in gross receipts over the prior year. Concerns like interest rates and inflation have continued, leaving consumer confidence declining on the national level. Despite these concerns, New Mexico has had continued growth, with record-breaking gross receipts.

Over the last eight quarters, matched taxable gross receipts (MTGR), has averaged \$325M which is \$33.9M less than the amount reported during Q1 FY23 (\$359M). From Q4 FY22 to Q1 FY23, MTGR increased by nearly 0.3% or just over \$1M. Despite this slight increase, MTGR for McKinley County, has an upward trend. As seen in Chart 2, the accommodation and food services and retail trade industries have accounted for 43.5% of McKinley County's total MTGR.

Chart 2. FY23 - Q1 Industry Size by Matched Taxable Gross Receipts



Matched Taxable Gross Receipts (MTGR) are the best tax data available to show underlying economic activity. The data collection process matches a tax payment with reported receipts for each taxpayer by industry.

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Table 1. FY23 - Q1 Matched Taxable Gross Receipts by Industry

Industries	FY23 - Q1	YOY Growth	YOY % Change	%Change from FY20- Q1 (Pre-COVID)
Accommodation and Food Services	\$ 44,772,198	\$ 2,535,175	6%	16%
Administrative/Support & Waste Management/Remediation	\$ 5,823,915	\$ 1,050,037	22%	169%
Agriculture, Forestry, Fishing, and Hunting	\$ 1,092,733	\$ 927,566	562%	5479%
Arts, Entertainment, and Recreation	\$ 129,250	\$ (156,492)	-55%	-18%
Construction	\$ 35,032,900	\$ (10,976,724)	-24%	-3%
Educational Services	\$ 1,470,340	\$ 641,692	77%	216%
Finance and Insurance	\$ 1,077,412	\$ (359,762)	-25%	-1%
Health Care and Social Assistance	\$ 17,639,305	\$ 1,056,591	6%	56%
Information	\$ 12,928,936	\$ 946,102	8%	-18%
Management of Companies and Enterprises	\$ 1,014	\$ (2,222)	-69%	N/A
Manufacturing	\$ 19,208,207	\$ 7,539,052	65%	29%
Mining, Quarrying, and Oil and Gas Extraction	\$ 33,918,264	\$ 5,758,391	20%	2%
Other Services (except Public Administration)	\$ 18,045,654	\$ 1,196,010	7%	2%
Professional, Scientific, and Technical Services	\$ 24,127,975	\$ 15,950,509	195%	53%
Public Administration	\$ -	\$ -	N/A	N/A
Real Estate and Rental and Leasing	\$ 7,219,695	\$ 790,085	12%	-10%
Retail Trade	\$ 109,576,844	\$ (2,001,700)	-2%	33%
Transportation and Warehousing	\$ 346,817	\$ (105,889)	-23%	-82%
Unclassified Establishments	\$ 3,379,591	\$ 1,134,926	51%	442%
Utilities	\$ 6,931,397	\$ 2,267,237	49%	65%
Wholesale Trade	\$ 12,007,228	\$ 1,590,819	15%	2%
All Industries	\$ 359,453,627	\$ 29,224,631	9%	19%

Table 1 shows that, when comparing year-over-year (YOY) MTGR, McKinley County reported an increase of \$29M or 9%. The largest contribution came from the professional, scientific, and technical services industry. This industry accounted for over 54% of the total YOY increase that McKinley County reported. The construction industry reported a YOY decline of \$10.9M or 24%. The amount of quarterly gross receipts taxes (GRT) collected during Q1 FY23 (\$6.3M) was 39% more than the amount collected during Q4 FY22 (\$4.5M), as seen in Chart 4. Over the last eight quarters, GRT collections have trended upward.

Chart 3. Annual Total GRT Revenue Collections

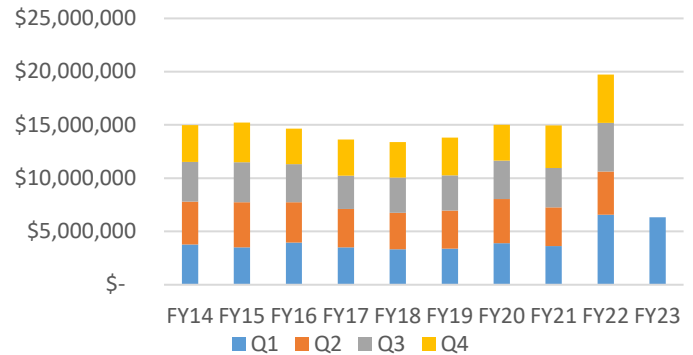


Chart 4. Quarterly GRT Revenue Collections

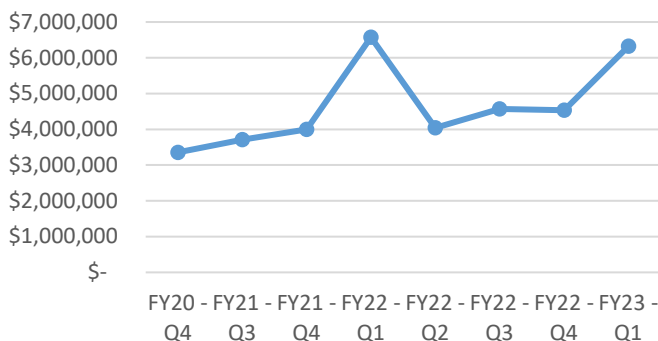
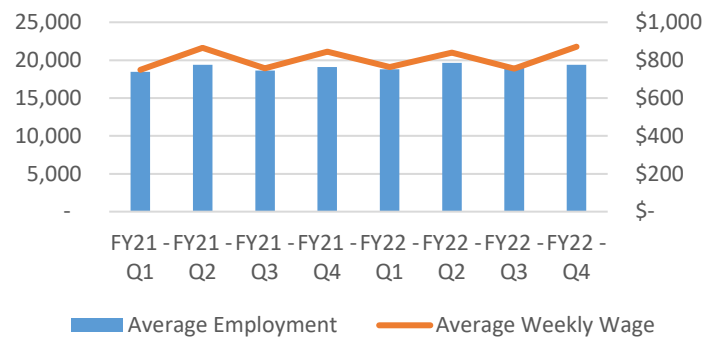


Chart 5. Total Employment & Weekly Wage

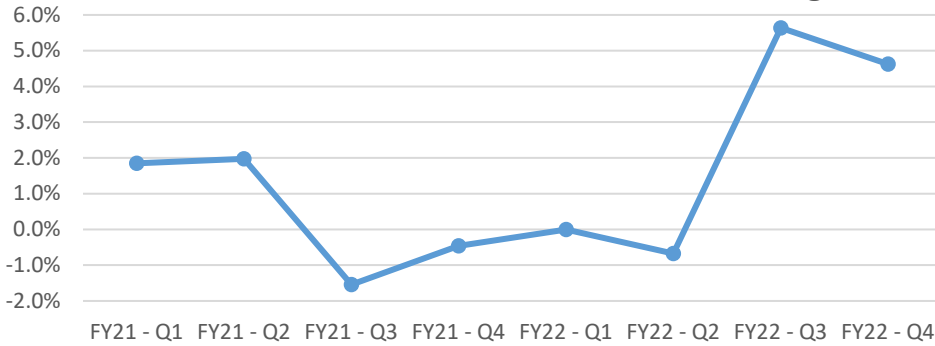


SOURCES: NEW MEXICO TAXATION AND REVENUE DEPT, NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS, U.S. BUREAU OF LABOR STATISTICS, U.S. BUREAU OF ECONOMIC ANALYSIS AND EDD CALCULATIONS

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Chart 6. Establishment Year Over Year % Change



An **establishment**, as used in the QCEW and subsequently Chart 6 and Table 2, is an economic unit, such as a farm, factory, or store, which produces goods or provides services at a single physical worksite and engaged, predominantly, in one type of economic activity.

Gross Domestic Product (GDP) is the value of all goods and services produced in an area. The percentage that GDP grew (or shrank) from one period to another is an important indicator as to how the economy is performing. Table 2, below, shows the percentage of GDP each industry accounts for in the total GDP, in a specific county and the state. The chart also compares the county to the entire state of New Mexico, by showing the impact of specific industry sectors on the county's GDP compared to that of the whole state.

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

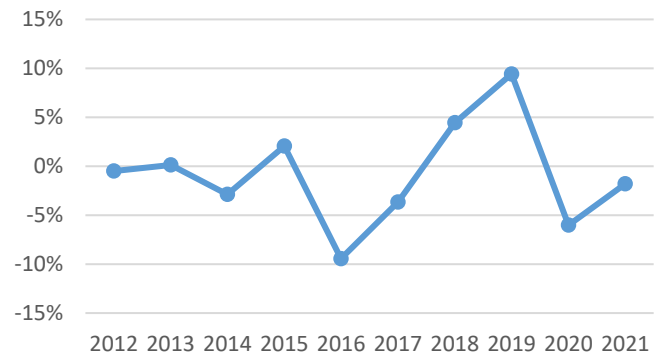


Table 2. Historical Glance: 2021 Gross Domestic Product by Industry

Industry	2021	Industry % of Total	2020-2021 Growth	YOY % Change
Accommodation and Food Services	\$ 93,918,000	4.15%	\$ 19,876,000	27%
Administrative/Support & Waste Management/Remediation	\$ 22,152,000	0.98%	\$ 2,205,000	11%
Agriculture, Forestry, Fishing, and Hunting	\$ 8,870,000	0.39%	*	*
Arts, Entertainment, and Recreation	\$ 1,207,000	0.05%	*	*
Construction	\$ 23,523,000	1.04%	\$ (2,592,000)	-10%
Educational Services	\$ 6,912,000	0.31%	\$ (10,000)	0%
Finance and Insurance	\$ 28,240,000	1.25%	\$ 2,474,000	10%
Health Care and Social Assistance	\$ 146,201,000	6.47%	\$ (2,285,000)	-2%
Information	\$ 22,413,000	0.99%	\$ 1,486,000	7%
Management of Companies and Enterprises	\$ 6,936,000	0.31%	\$ 698,000	11%
Manufacturing	\$ 263,881,000	11.67%	\$ (38,652,000)	-13%
Mining, Quarrying, and Oil and Gas Extraction	\$ 149,229,000	6.60%	\$ (72,612,000)	-33%
Other Services (except Public Administration)	\$ 40,273,000	1.78%	\$ 1,014,000	3%
Professional, Scientific, and Technical Services	\$ 16,915,000	0.75%	\$ 1,511,000	10%
Public Administration	\$ 871,307,000	38.54%	\$ 25,127,000	3%
Real Estate and Rental and Leasing	\$ 156,846,000	6.94%	\$ 3,699,000	2%
Retail Trade	\$ 153,909,000	6.81%	\$ 1,907,000	1%
Transportation and Warehousing	\$ 161,367,000	7.14%	\$ 13,762,000	9%
Utilities	\$ 8,533,000	0.38%	*	*
Wholesale Trade	\$ 41,658,000	1.84%	\$ (9,720,000)	-19%
All Industries	\$ 2,260,573,000		\$ (41,648,000)	-2%

*Not shown to avoid disclosure of confidential information

-This historical look at GDP data represents the most recent county GDP data available

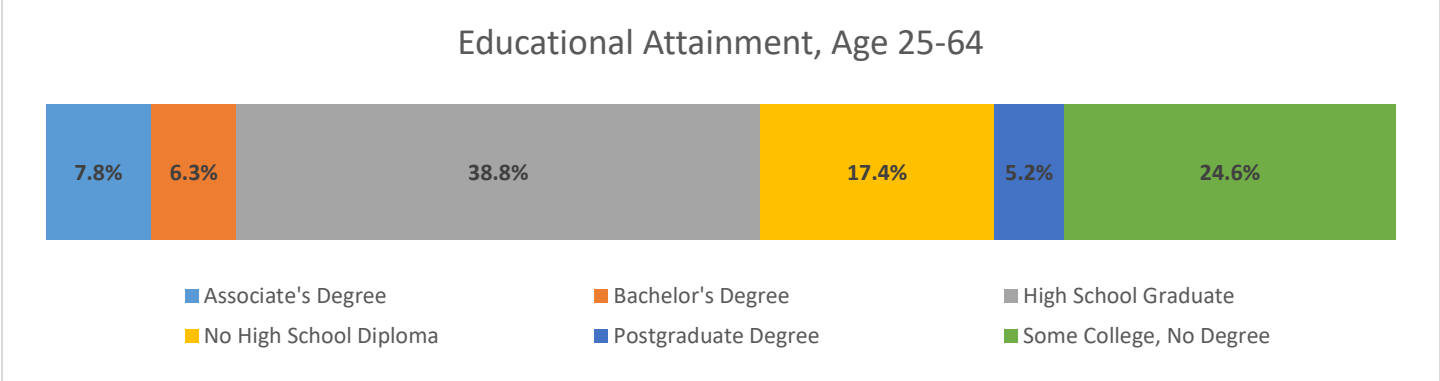
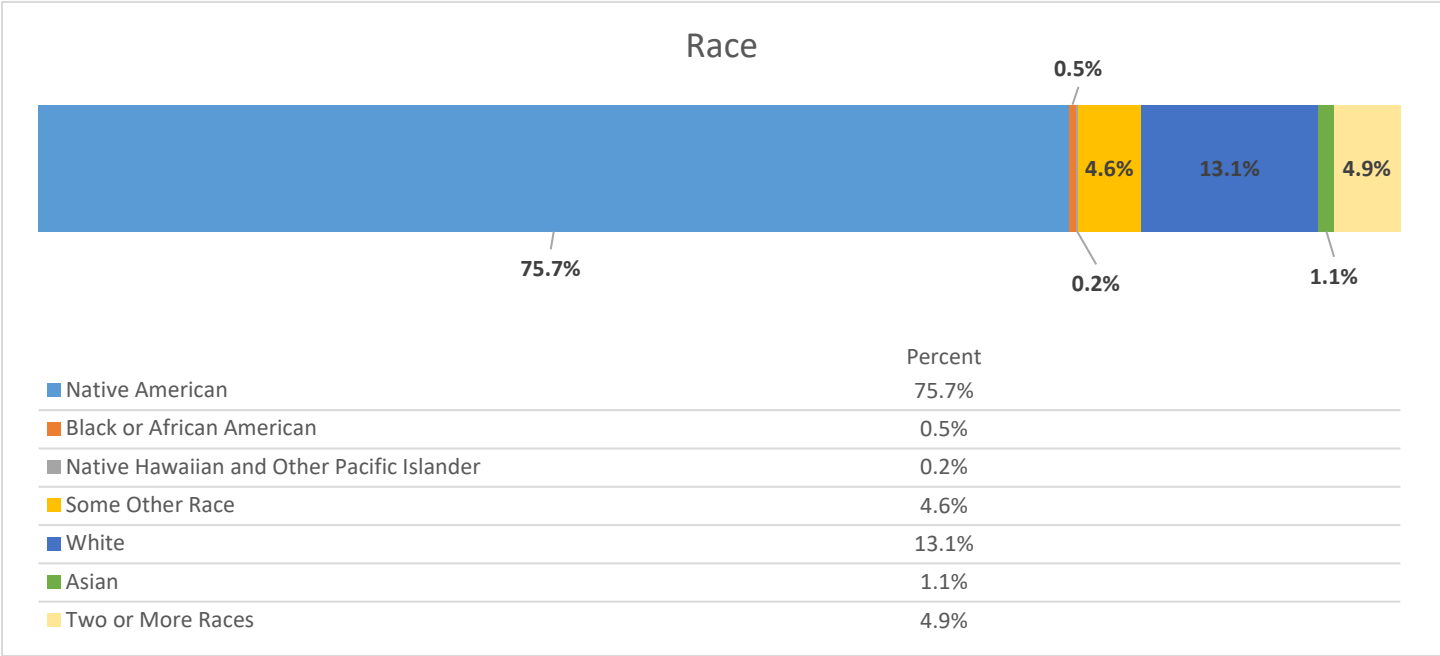
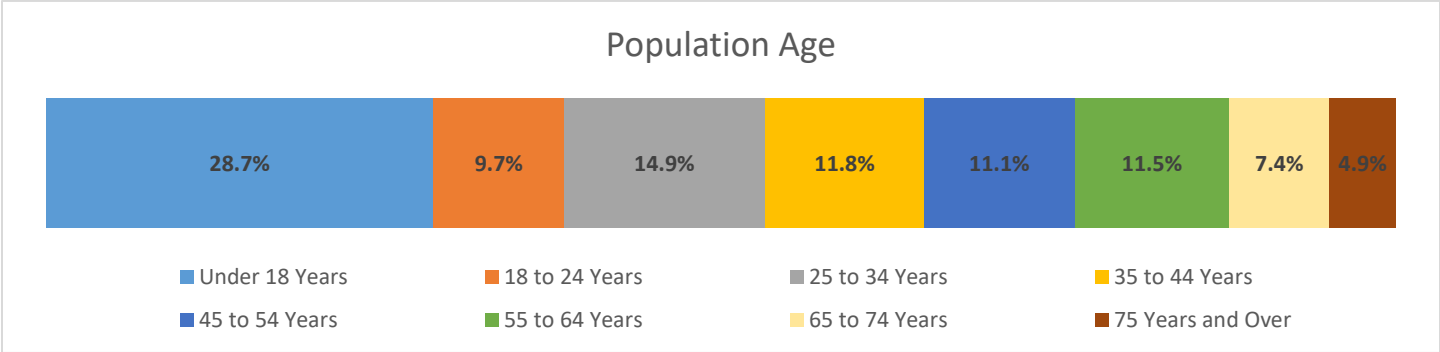
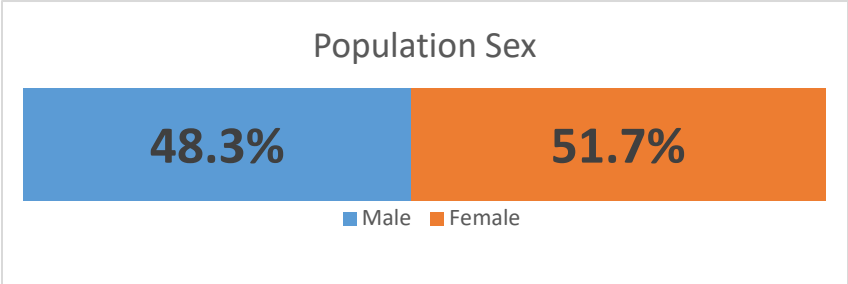
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Population

71,956



Page 4 Source: JobsEQ - American Community Survey 2016-2020, unless noted otherwise