

Quarterly Economic Summary

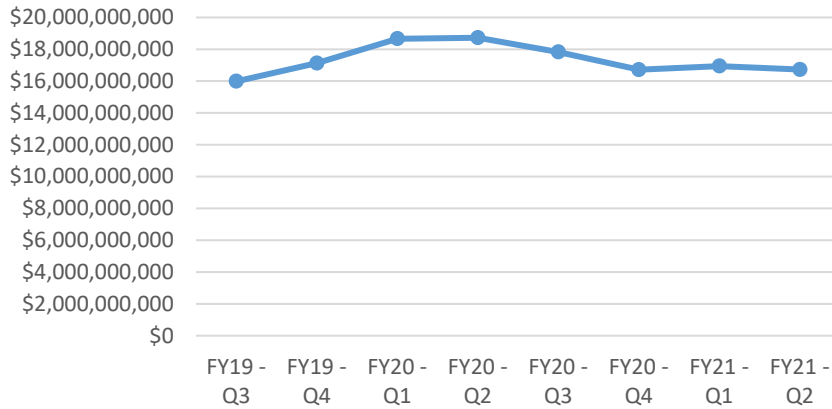
New Mexico

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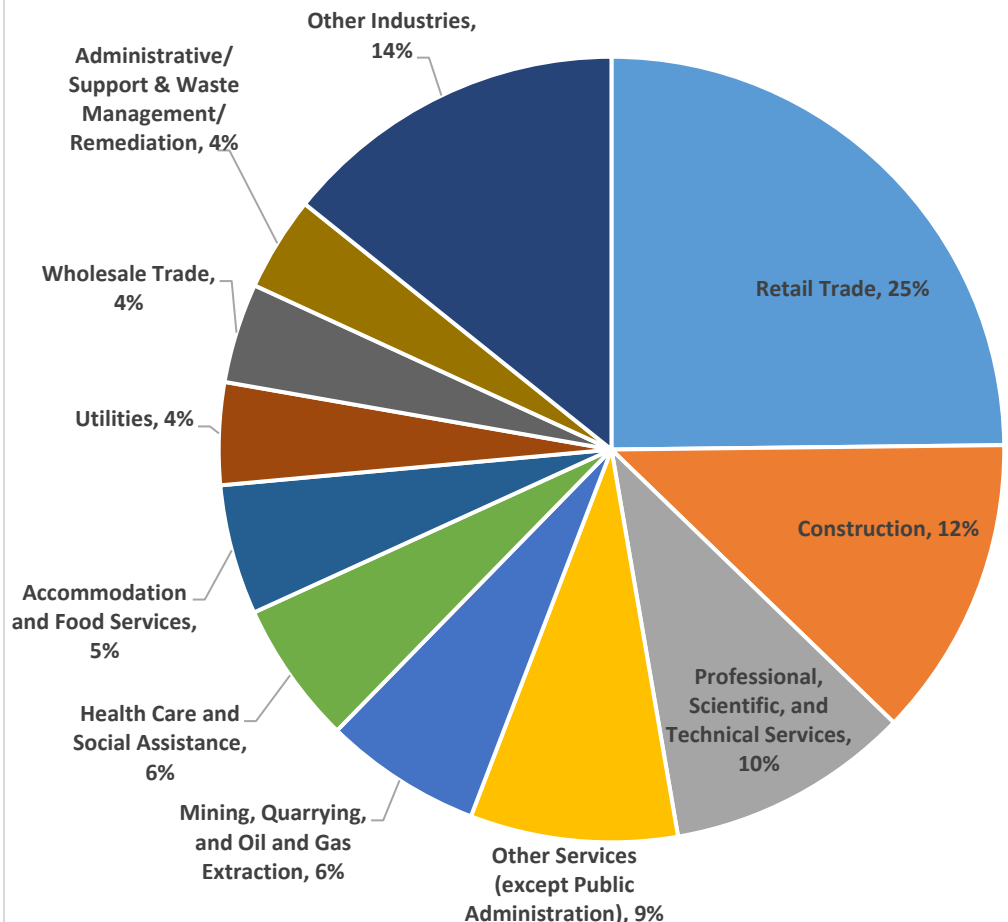
Chart 1. Matched Taxable Gross Receipts Per Quarter



New Mexico's total matched taxable gross receipts (MTGR) in Q2 FY21 have remained relatively flat compared to the previous two quarters. MTGR saw a 1% (\$215M) decrease from Q1 FY21 to Q2 FY21, as seen in Chart 1. Q2 FY21 saw a year-over-year (YOY) decrease of 11% (\$2B), shown in Table 1 on page 2. The arts, ent./rec. industry saw the largest YOY percent decline, 57%, followed by the oil and gas industry, which declined 40%. The oil and gas industry had the largest overall decline in the state, with MTGR dropping nearly \$725M

in Q2 FY21 compared to Q2 FY20. Oil and gas MTGR in Q2 FY21 is at a level comparable to MTGR seen in early FY18. New Mexico gross domestic product (GDP), shown on page 3, rebounded slightly from Q4 FY20 to Q1 FY21, increasing by 5%, or approximately \$5B, now at \$96B. State GDP was last near this level in Q2-Q3 of FY19. State GDP in Q1 FY21 saw a \$2.1B (2%) YOY decrease.

Chart 2. FY21 - Q2 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. Matched Taxable Gross Receipts by Industry

Industries	FY20 - Q2	FY21 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 1,178,867,839	\$ 894,948,475	\$ (283,919,364)	-24%
Administrative/Support & Waste Management/Remediation	\$ 582,329,948	\$ 650,219,829	\$ 67,889,881	12%
Agriculture, Forestry, Fishing, and Hunting	\$ 38,657,711	\$ 35,248,856	\$ (3,408,856)	-9%
Arts, Entertainment, and Recreation	\$ 97,903,542	\$ 42,483,354	\$ (55,420,187)	-57%
Construction	\$ 2,336,531,864	\$ 2,075,129,975	\$ (261,401,888)	-11%
Educational Services	\$ 81,704,786	\$ 77,500,331	\$ (4,204,455)	-5%
Finance and Insurance	\$ 101,586,192	\$ 108,988,705	\$ 7,402,512	7%
Health Care and Social Assistance	\$ 890,669,243	\$ 983,323,212	\$ 92,653,969	10%
Information	\$ 790,620,276	\$ 499,104,614	\$ (291,515,662)	-37%
Management of Companies and Enterprises	\$ 10,841,491	\$ 8,111,341	\$ (2,730,150)	-25%
Manufacturing	\$ 535,485,428	\$ 481,211,405	\$ (54,274,022)	-10%
Mining, Quarrying, and Oil and Gas Extraction	\$ 1,809,677,340	\$ 1,084,877,524	\$ (724,799,816)	-40%
Other Services (except Public Administration)	\$ 1,760,364,702	\$ 1,427,463,409	\$ (332,901,293)	-19%
Professional, Scientific, and Technical Services	\$ 1,721,830,348	\$ 1,680,702,985	\$ (41,127,363)	-2%
Public Administration	\$ 206,709,223	\$ 207,098,130	\$ 388,907	0%
Real Estate and Rental and Leasing	\$ 493,869,081	\$ 471,351,406	\$ (22,517,675)	-5%
Retail Trade	\$ 3,947,175,157	\$ 4,149,639,591	\$ 202,464,433	5%
Transportation and Warehousing	\$ 266,617,807	\$ 170,438,124	\$ (96,179,683)	-36%
Unclassified Establishments	\$ 218,786,012	\$ 289,093,938	\$ 70,307,926	32%
Utilities	\$ 732,873,832	\$ 703,693,882	\$ (29,179,950)	-4%
Wholesale Trade	\$ 921,678,076	\$ 686,053,336	\$ (235,624,739)	-26%
All Industries	\$18,724,779,899	\$16,726,682,424	\$ (1,998,097,475)	-11%

A significant unexplained increase in initial unemployment claims can be an early indicator of an economic downturn. Examples include seasonal job fluctuations, federal government shutdowns resulting in employee furloughs, or the closing of a major regional facility. The current unprecedented uptick in initial unemployment claims is tied directly to the COVID-19 pandemic and subsequent furloughs and layoffs by affected businesses. As we continue into 2021, it is likely the number of initial unemployment claims will vary based on the effects of the pandemic, and it is impossible to predict how quickly employment numbers will return to pre-COVID-19 levels.

Chart 3. Monthly Matched Taxable Gross Receipts

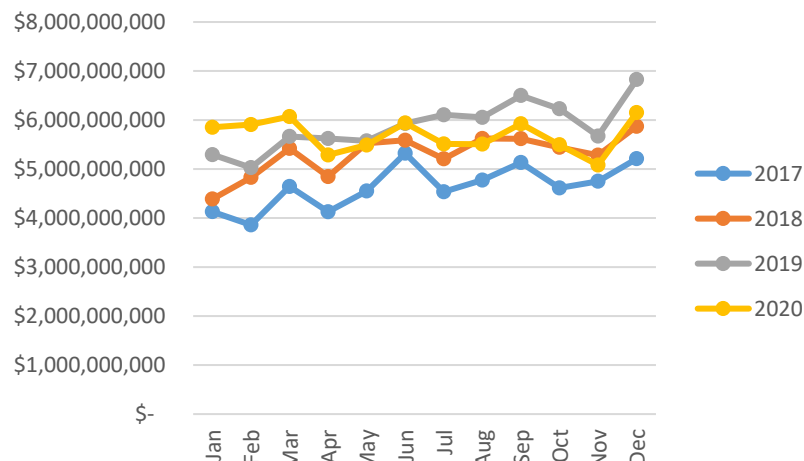
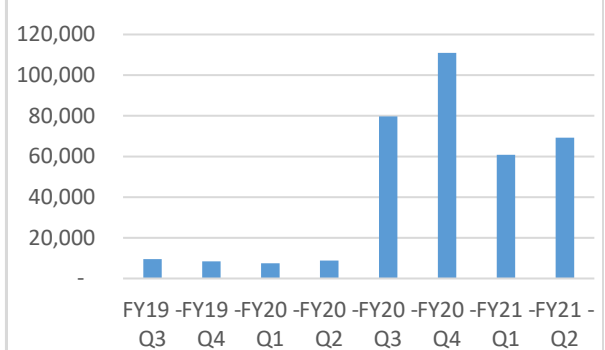


Chart 4. Quarterly Initial Unemployment Claims



*Weeks with low IUC amounts have total claims withheld to avoid disclosure of confidential information. The sum of all weeks may not reflect the true total and may include a few days outside of the quarter.

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Chart 5. Quarterly Average Total Employment & Weekly Wage

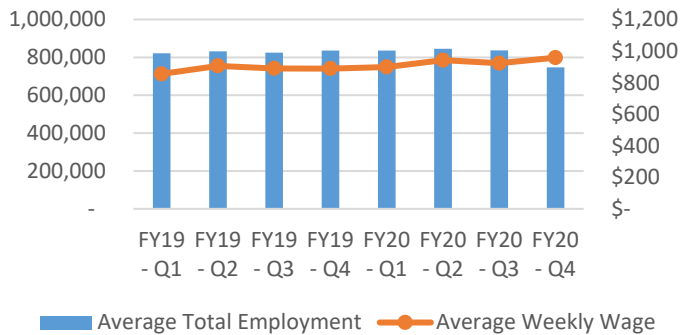
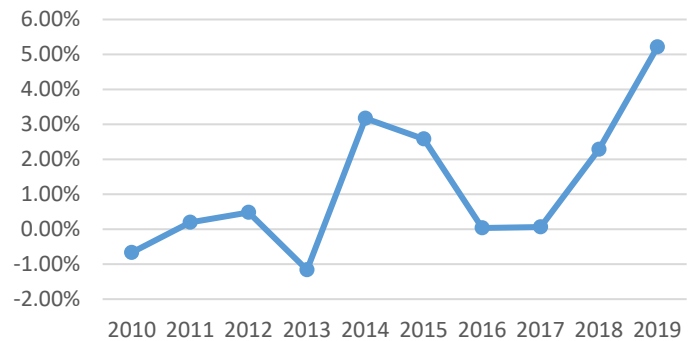


Chart 7. Calendar Year % Change in Real GDP Year Over Year



The value of all goods and services produced in New Mexico is the **Gross Domestic Product (GDP)**. The percentage that GDP grew (or shrank) from one period to another is an important way to gauge how the economy is performing.

Chart 7. Gross Domestic Product Per Quarter

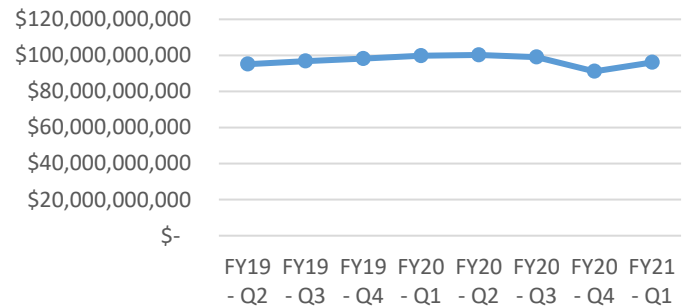


Table 2. Gross Domestic Product by Industry

Industry	FY20 - Q1	FY21 - Q1	Growth	Year Over Year Change
Private Industries	\$ 77,967,100,000	\$ 75,245,700,000	\$ (2,721,400,000)	-3%
Accommodation and Food Services	\$ 2,864,700,000	\$ 2,470,100,000	\$ (394,600,000)	-14%
Administrative/Support & Waste Management/Remediation	\$ 2,539,300,000	\$ 2,499,900,000	\$ (39,400,000)	-2%
Agriculture, Forestry, Fishing, and Hunting	\$ 2,265,500,000	\$ 2,080,200,000	\$ (185,300,000)	-8%
Arts, Entertainment, and Recreation	\$ 672,000,000	\$ 419,500,000	\$ (252,500,000)	-38%
Construction	\$ 3,045,800,000	\$ 2,992,900,000	\$ (52,900,000)	-2%
Educational Services	\$ 502,200,000	\$ 472,900,000	\$ (29,300,000)	-6%
Finance and Insurance	\$ 2,582,400,000	\$ 2,650,700,000	\$ 68,300,000	3%
Health Care and Social Assistance	\$ 7,044,700,000	\$ 6,838,300,000	\$ (206,400,000)	-3%
Information	\$ 2,683,200,000	\$ 2,655,600,000	\$ (27,600,000)	-1%
Management of Companies and Enterprises	\$ 615,800,000	\$ 676,700,000	\$ 60,900,000	10%
Manufacturing	\$ 4,662,300,000	\$ 4,700,600,000	\$ 38,300,000	1%
Manufacturing (Durable Goods)	\$ 1,970,800,000	\$ 1,998,100,000	\$ 27,300,000	1%
Manufacturing (Nondurable Goods)	\$ 2,719,000,000	\$ 2,724,000,000	\$ 5,000,000	0%
Mining, Quarrying, and Oil and Gas Extraction	\$ 17,124,300,000	\$ 13,894,600,000	\$ (3,229,700,000)	-19%
Other Services (except Public Administration)	\$ 1,899,200,000	\$ 1,689,200,000	\$ (210,000,000)	-11%
Professional, Scientific, and Technical Services	\$ 7,188,400,000	\$ 7,247,800,000	\$ 59,400,000	1%
Public Administration	\$ 20,431,200,000	\$ 20,879,300,000	\$ 448,100,000	2%
Real Estate and Rental and Leasing	\$ 11,474,500,000	\$ 11,533,000,000	\$ 58,500,000	1%
Retail Trade	\$ 5,471,000,000	\$ 5,555,200,000	\$ 84,200,000	2%
Transportation and Warehousing	\$ 2,342,800,000	\$ 1,986,800,000	\$ (356,000,000)	-15%
Utilities	\$ 1,459,800,000	\$ 1,574,700,000	\$ 114,900,000	8%
Wholesale Trade	\$ 2,998,200,000	\$ 2,954,100,000	\$ (44,100,000)	-1%
All Industries	\$ 98,204,100,000	\$ 96,089,700,000	\$ (2,114,400,000)	-2%

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