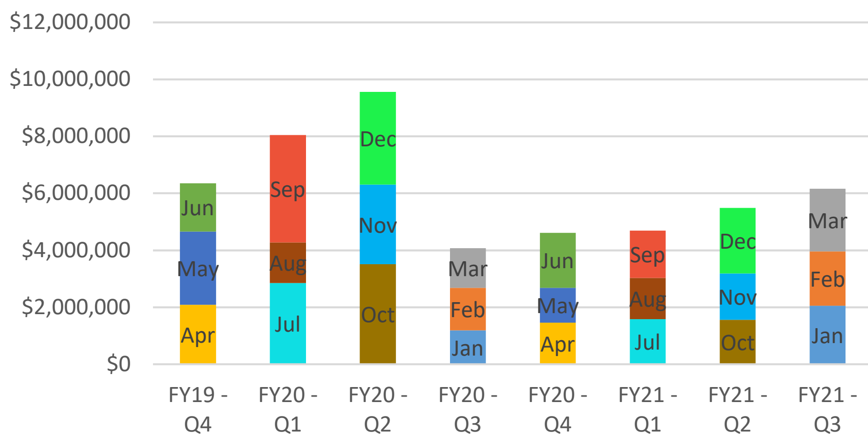
Quarterly Economic Summary

De Baca County

Released: May 2021 **Prepared by:** Joel Salas, Economist; Ryan Eustice, Economist

Chart 1. Matched Taxable Gross Receipts Per Quarter

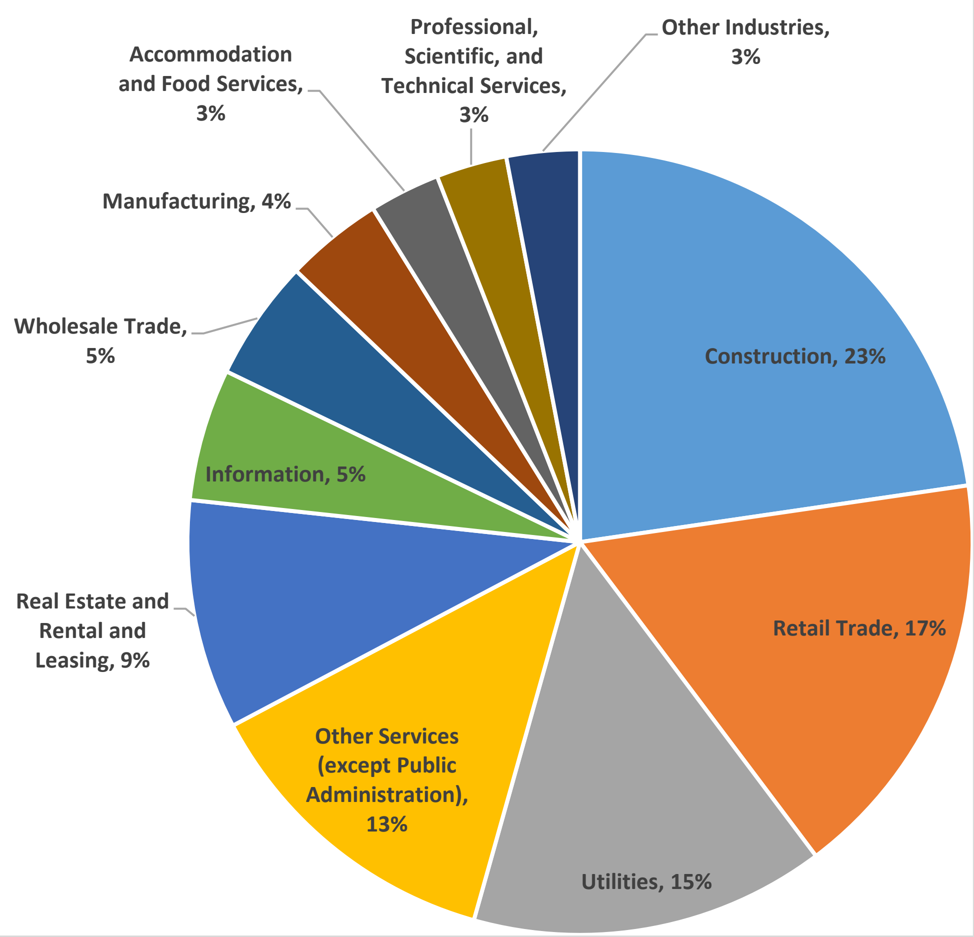


During Q3 FY21, the state started rolling out vaccinations to a significant portion of the adult population. The economic effects of the pandemic waned as restrictions and limits on business capacity were lifted following improving health metrics. These shifts in policy, along with pent up demand, likely led to an increase in consumer spending on taxable goods and services. Though the uncertainty and impacts caused by the pandemic can still be seen, the economic stability of the state and many of its counties continues to improve.

Since the pandemic began (Q3 FY20) matched taxable gross receipts (MTGR) have continued to trend upward, as seen in Chart 1. From Q2 FY21 to Q3 FY21, MTGR for De Baca County increased by 12%. Despite this increase and upward trend, quarterly MTGR has yet to hit its pre-pandemic high in Q2 FY20. The decline in MTGR is tied directly to the construction industry, which has trended downward since FY19. During FY19 the

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.

Chart 2. FY21 - Q3 Industry Size by Matched Taxable Gross Receipts



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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Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY20 - Q3	FY21 - Q3	Growth	Year over year Change
Accommodation and Food Services	$ 147,386	$ 164,833	$ 17,447	12%
Administrative/Support & Waste Management/Remediation	$ 56,471	$ 26,446	$ (30,025)	-53%
Agriculture, Forestry, Fishing, and Hunting	$ 54,166	$ 69,299	$ 15,133	28%
Arts, Entertainment, and Recreation	$ -	$ 4,599	$ 4,599	N/A
Construction	$ 421,315	$ 1,282,729	$ 861,414	204%
Educational Services	$ 1,247	$ 8,892	$ 7,644	613%
Finance and Insurance	$ -	$ -	$ -	N/A
Health Care and Social Assistance	$ -	$ 14,779	$ 14,779	N/A
Information	$ 538,919	$ 307,705	$ (231,214)	-43%
Manufacturing	$ 198,990	$ 227,126	$ 28,135	14%
Mining, Quarrying, and Oil and Gas Extraction	$ -	$ -	$ -	N/A
Other Services (except Public Administration)	$ 514,589	$ 729,622	$ 215,033	42%
Professional, Scientific, and Technical Services	$ 70,800	$ 164,820	$ 94,020	133%
Public Administration	$ -	$ -	$ -	N/A
Real Estate and Rental and Leasing	$ 60,812	$ 534,250	$ 473,438	779%
Retail Trade	$ 713,434	$ 963,769	$ 250,335	35%
Transportation and Warehousing	$ 31,319	$ 39,178	$ 7,859	25%
Unclassified Establishments	$ 989	$ 7,214	$ 6,225	629%
Utilities	$ 534,341	$ 826,693	$ 292,352	55%
Wholesale Trade	$ 349,336	$ 281,560	$ (67,776)	-19%
All Industries	**$ 4,077,551**	**$ 6,159,087**	**$ 2,081,536**	**51%**

construction industry reported $17M in total MTGR, $10.4M in FY20, and during three quarters of FY21 the total amount of MTGR in the construction industry was $2.1M. Even though the construction industry is trending downward over time, De Baca County has seen a year-over-year (YOY) increase in the industry. From Q3 FY20 to Q3 FY21, the industry reported an increase of 204% in reported MTGR, shown in Table 1.

Gross receipts tax (GRT) revenue collections increased by $7K, or 17%, from Q2 FY21 to Q3 FY21, as seen in Chart 4.

Chart 3. Annual Total GRT Revenue Collections

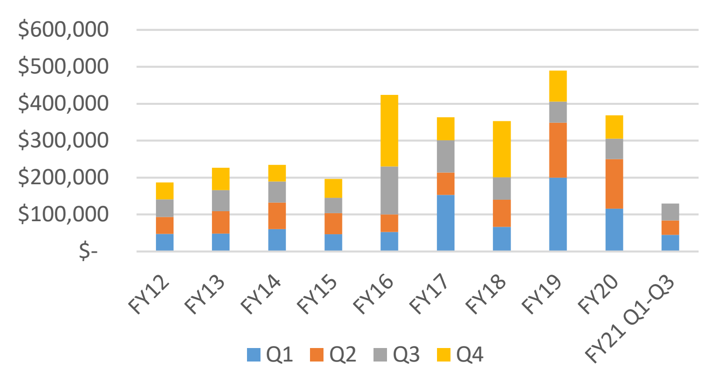

Chart 4. Quarterly GRT Revenue Collections

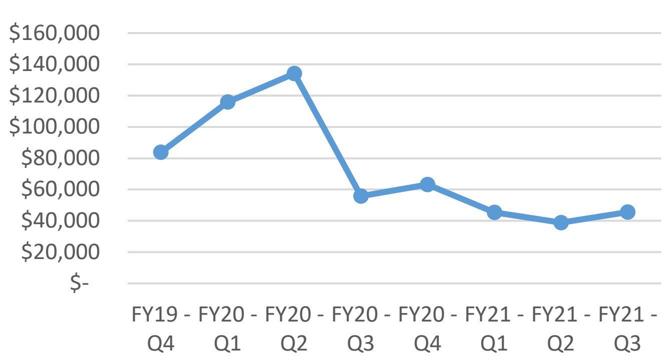

Chart 5. Quarterly Average Total Employment & Weekly Wage

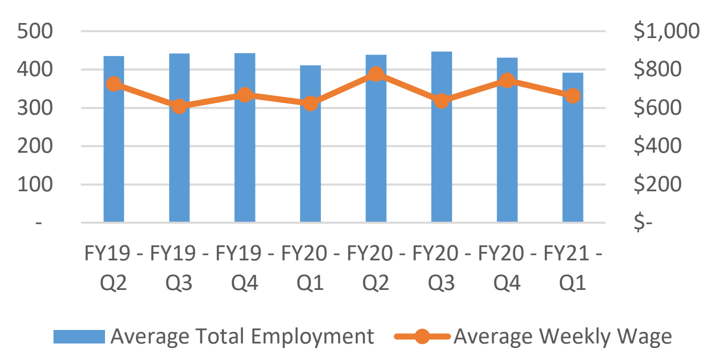

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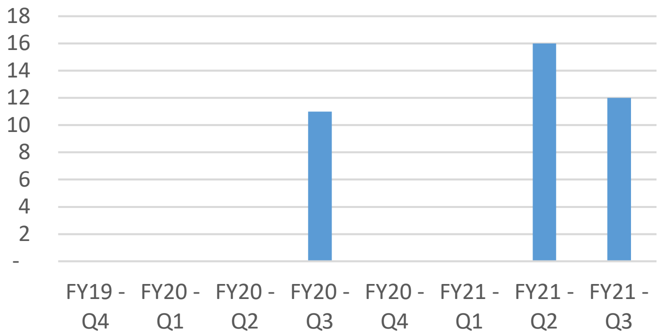
Chart 6. Quarterly Initial Unemployment Claims



**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. Claimants must reapply once a year. Claimants who applied at the beginning of the pandemic may be reapplying, possibly causing an increase in IUC.*

A significant increase in initial unemployment claims can be an early indicator of an economic downturn, and a drop can be an early sign of an upturn. However, these numbers are also impacted by seasonal job fluctuations, federal government shutdowns resulting in temporary employee furloughs, or the closing of a major regional facility. The current unprecedented uptick in initial unemployment claims is clearly tied directly to the COVID-19 pandemic. As vaccination levels and other health indicators continue to improve and result in lessened health concerns and fewer business restrictions, these claims should decline, but it is impossible to predict how quickly employment numbers will return to pre-COVID-19 levels.

The **Quarterly Census of Employment and Wages (QCEW)** program publishes a quarterly count of establishments, employment and wages reported by employers, covering more than 95 percent of U.S. jobs. The QCEW data are used as the benchmark source for employment, and this data is far more reliable than the monthly employment survey data in the Current Employment Statistics program often reported in news articles. However, as shown below, this quarterly data has a significant lag time for reporting and does not reflect the same quarter as used in the other charts and tables above. This quarterly QCEW data combined with the other employment data above provide the best overall picture of employment levels using the most reliable data.

Table 2. FY21-Q1 Employment Data and Establishments by Industry

Industry	Average Employment	YOY Change in Average Employment	Average Weekly Wage	YOY change in Average Weekly Wage	Number of Establishments	YOY Change in Establishments
Accommodation and Food Services	10	-23.1%	$ 217	-17.2%	3	0.0%
Administrative/Support & Waste Management/Remediation	*	*	*	*	2	0.0%
Agriculture, Forestry, Fishing, and Hunting	38	-7.3%	$ 736	6.2%	7	16.7%
Arts, Entertainment, and Recreation	8	*	$ 814	*	3	-25.0%
Construction	38	-5.0%	$ 559	-1.2%	9	-18.2%
Educational Services	*	*	*	*	2	0.0%
Finance and Insurance	*	*	*	*	2	0.0%
Health Care and Social Assistance	52	-10.3%	$ 785	17.3%	8	0.0%
Information	*	*	*	*	3	0.0%
Manufacturing	*	*	*	*	2	0.0%
Other Services (except Public Administration)	*	*	*	*	2	0.0%
Professional, Scientific, and Technical Services	*	*	*	*	-	-100.0%
Public Administration	55	10.0%	$ 539	-3.8%	11	-8.3%
Real Estate and Rental and Leasing	*	*	*	*	1	0.0%
Retail Trade	58	-9.4%	$ 575	7.9%	9	0.0%
Transportation and Warehousing	*	*	*	*	6	20.0%
Utilities	*	*	*	*	3	0.0%
Wholesale Trade	15	-34.8%	$ 713	3.6%	3	0.0%
All Industries	**392**	**-6.2%**	**$ 661**	**7.8%**	**76**	**-3.8%**

**Some data may be withheld to avoid disclosure of confidential information.*