

Quarterly Economic Summary

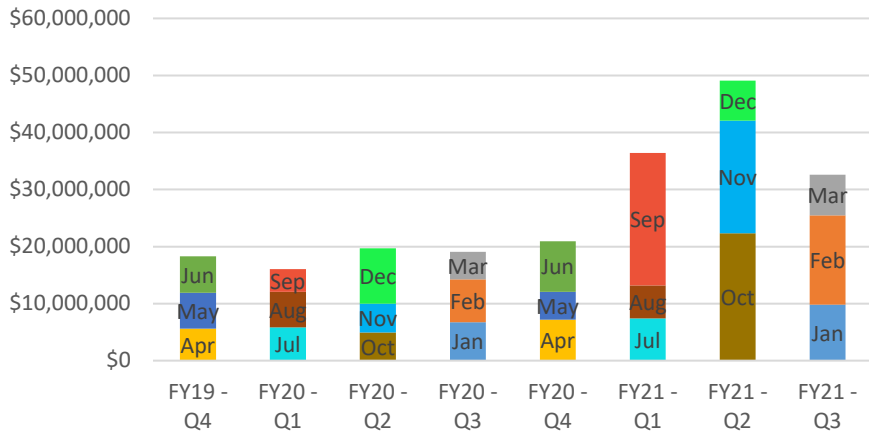
Hidalgo County



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

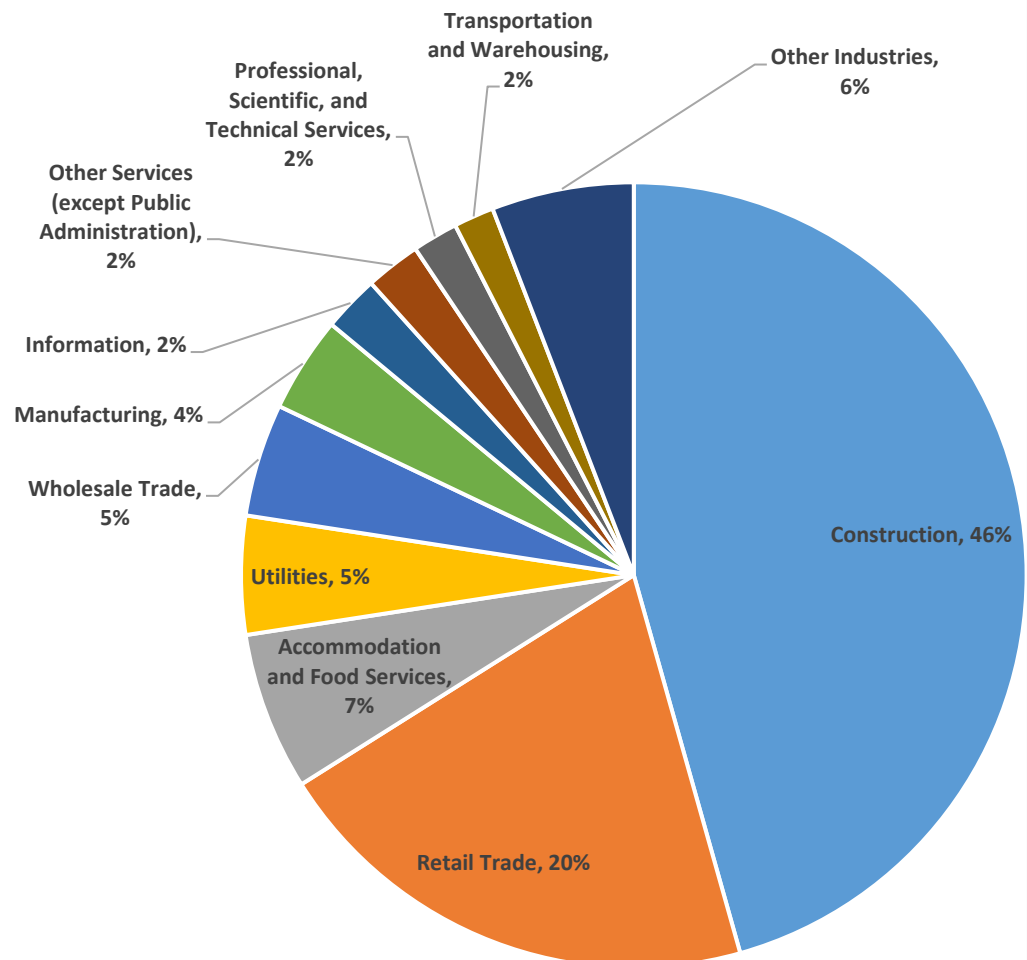
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Hidalgo County's matched taxable gross receipts (MTGR) declined by 34% from Q2 FY21 to Q3 FY21, as seen in Chart 1. Despite this decline, Q3 FY21 reported \$32.6M in MTGR, which is still \$6.1M greater than the eight-quarter average of reported MTGR (\$26.5M). The construction industry continues to make up the largest share of MTGR for Hidalgo County, shown in Chart 2. This has been true for the previous two quarters.

Chart 2. FY21 - Q3 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 - Q3	FY21 - Q3	Growth	Year over year Change
Accommodation and Food Services	\$ 2,359,873	\$ 2,118,460	\$ (241,413)	-10%
Administrative/Support & Waste Management/Remediation	\$ 640,607	\$ 427,555	\$ (213,053)	-33%
Agriculture, Forestry, Fishing, and Hunting	\$ 2,784	\$ 5,568	\$ 2,784	100%
Arts, Entertainment, and Recreation	\$ 1,183	\$ -	\$ (1,183)	-100%
Construction	\$ 3,732,425	\$ 14,870,112	\$ 11,137,687	298%
Educational Services	\$ 335	\$ 1,198	\$ 863	257%
Finance and Insurance	\$ 58,795	\$ 76,086	\$ 17,291	29%
Health Care and Social Assistance	\$ 393,255	\$ 451,557	\$ 58,303	15%
Information	\$ 1,342,850	\$ 755,598	\$ (587,251)	-44%
Manufacturing	\$ 1,191,454	\$ 1,284,419	\$ 92,965	8%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ -	\$ -	N/A
Other Services (except Public Administration)	\$ 770,548	\$ 741,819	\$ (28,728)	-4%
Professional, Scientific, and Technical Services	\$ 361,197	\$ 610,525	\$ 249,329	69%
Public Administration	\$ 62,570	\$ 192,025	\$ 129,456	207%
Real Estate and Rental and Leasing	\$ 185,155	\$ 251,236	\$ 66,081	36%
Retail Trade	\$ 4,492,745	\$ 6,657,419	\$ 2,164,674	48%
Transportation and Warehousing	\$ 269,951	\$ 540,782	\$ 270,831	100%
Unclassified Establishments	\$ 402,697	\$ 502,487	\$ 99,790	25%
Utilities	\$ 1,476,185	\$ 1,588,872	\$ 112,687	8%
Wholesale Trade	\$ 1,194,414	\$ 1,512,623	\$ 318,209	27%
All Industries	\$ 19,079,774	\$ 32,598,895	\$ 13,519,120	71%

Table 1 shows five industries that reported a year-over-year (YOY) loss. The largest decline came from the information industry, which posted a YOY decline of \$587K or 44%. Over the last eight quarters the information industry has trended downward, and the amount reported during Q3 FY21 (\$756K) is 25% less than the eight-quarter average. Despite the losses in the information industry, the retail trade industry has begun to bounce back. The amount of MTGR reported in Q3 FY21 (\$6.6M) is the largest over the past eight quarters, surpassing the eight-quarter average by over \$1.4M.

Chart 3. Annual Total GRT Revenue Collections

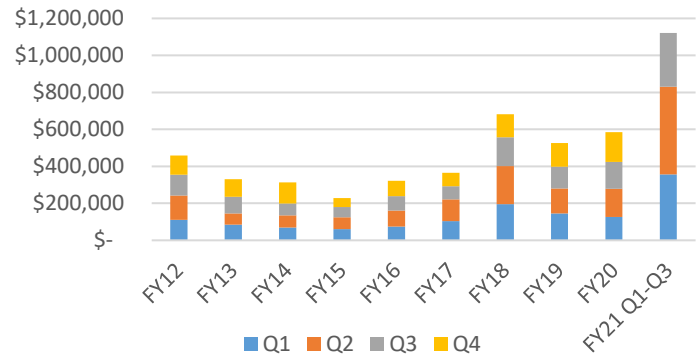


Chart 4. Quarterly GRT Revenue Collections

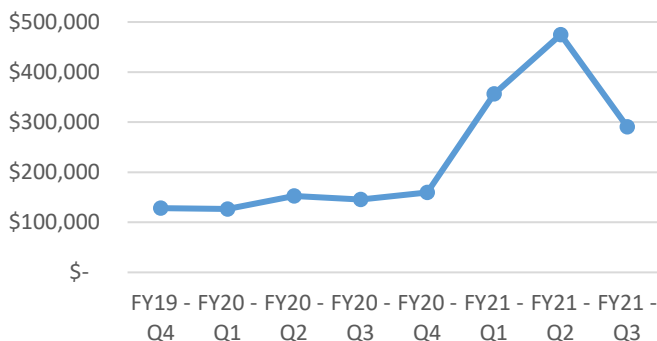
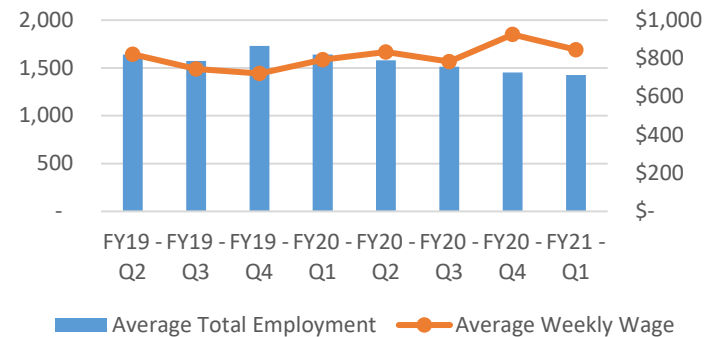


Chart 5. Quarterly Average Total Employment & Weekly Wage

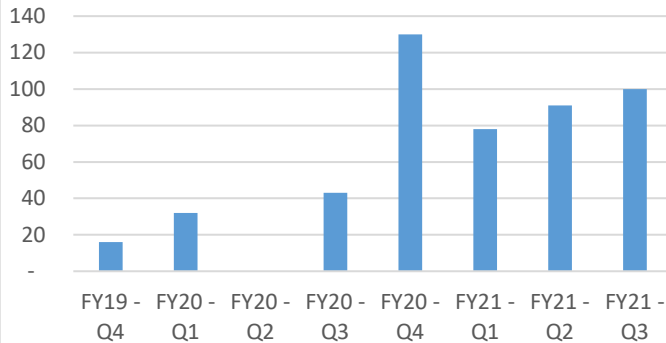


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Chart 6. Quarterly Initial Unemployment Claims



*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	YOY Change in		YOY change in		Number of Establishments	YOY Change in Establishments
	Average Employment	Average Employment	Average Weekly Wage	Average Weekly Wage		
Accommodation and Food Services	178	-19.1%	\$ 302	11.4%	15	-6.3%
Administrative/Support & Waste Management/Remediation	*	*	*	*	5	-16.7%
Agriculture, Forestry, Fishing, and Hunting	64	-68.5%	\$ 569	63.5%	11	0.0%
Arts, Entertainment, and Recreation	*	*	*	*	2	0.0%
Construction	70	7.7%	\$ 833	-0.8%	15	-6.3%
Educational Services	*	*	*	*	4	0.0%
Finance and Insurance	*	*	*	*	2	0.0%
Health Care and Social Assistance	178	-17.6%	\$ 661	31.2%	27	17.4%
Information	12	0.0%	\$ 616	14.3%	5	0.0%
Manufacturing	*	*	*	*	1	0.0%
Mining, Quarrying, and Oil and Gas Extraction	*	*	*	*	2	0.0%
Other Services (except Public Administration)	6	20.0%	\$ 516	26.5%	5	-16.7%
Professional, Scientific, and Technical Services	19	-17.4%	\$ 783	13.2%	5	-16.7%
Public Administration	414	7.0%	\$ 1,381	-14.8%	23	-4.2%
Real Estate and Rental and Leasing	*	*	*	*	1	0.0%
Retail Trade	242	4.3%	\$ 484	-6.6%	21	0.0%
Transportation and Warehousing	53	0.0%	\$ 1,196	-9.6%	9	-30.8%
Unclassified	*	*	*	*	1	100.0%
Utilities	13	30.0%	\$ 1,692	11.9%	5	0.0%
Wholesale Trade	*	100.0%	*	100.0%	2	-33.3%
All Industries	1,428	-12.9%	\$ 843	6.2%	161	-3.6%

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