

Quarterly Economic Summary

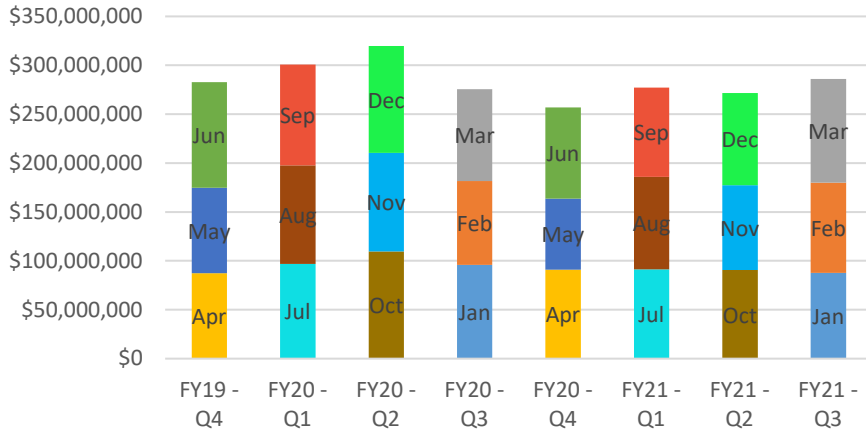
McKinley County



Released: May 2021

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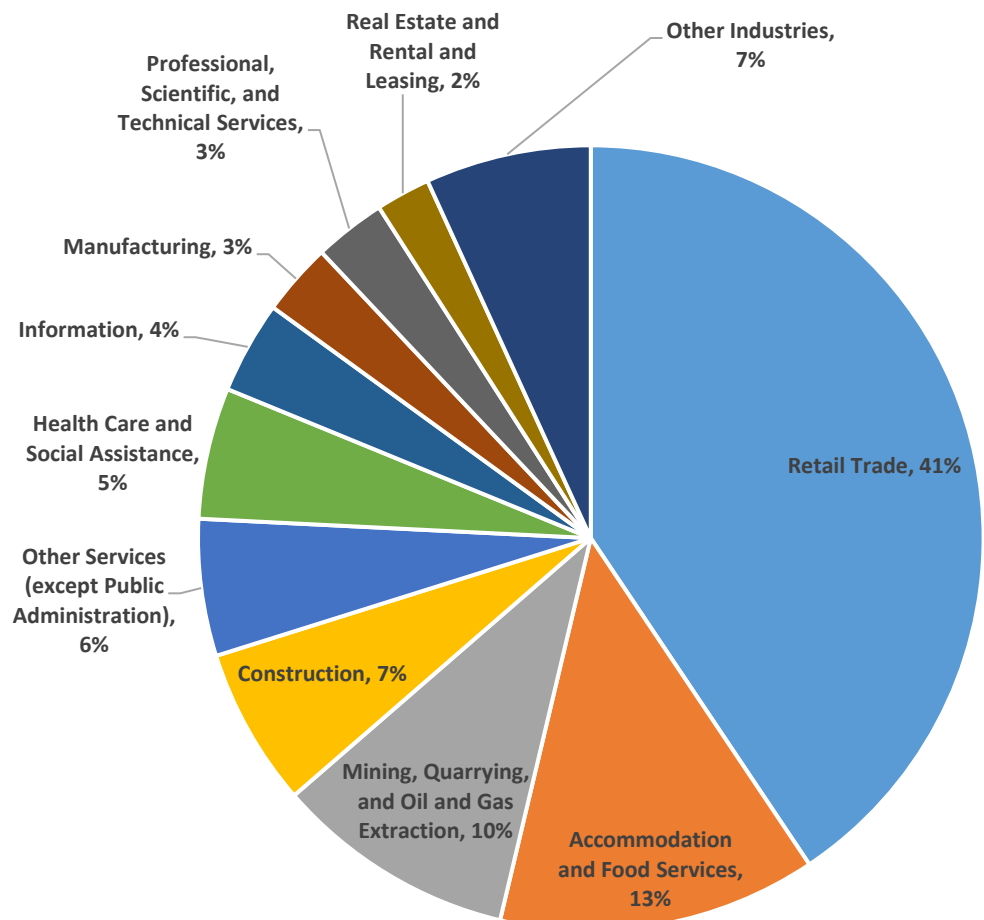
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

McKinley County's matched taxable gross receipts (MTGR) increased by 5%, or \$15M, from Q2 FY21 to Q3 FY21, as seen in Chart 1. The increase in reported MTGR, from Q2 FY21 to Q3 FY21, was exclusively due to the retail trade industry. From quarter to quarter the retail industry reported a \$22.5M increase in MTGR. During the month of March in Q3 FY21 the amount of reported MTGR (\$106M) was nearly \$12M more than the previous 24-

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.

Quarterly Economic Summary

McKinley County



Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY20 - Q3	FY21 - Q3	Growth	Year over year Change
Accommodation and Food Services	\$ 29,811,753	\$ 36,929,794	\$ 7,118,042	24%
Administrative/Support & Waste Management/Remediation	\$ 2,275,049	\$ 3,086,871	\$ 811,821	36%
Agriculture, Forestry, Fishing, and Hunting	\$ 5,991	\$ 76,651	\$ 70,661	1179%
Arts, Entertainment, and Recreation	\$ 192,942	\$ 244,204	\$ 51,261	27%
Construction	\$ 24,065,176	\$ 18,391,975	\$ (5,673,201)	-24%
Educational Services	\$ 1,025,289	\$ 596,364	\$ (428,925)	-42%
Finance and Insurance	\$ 1,183,748	\$ 1,622,246	\$ 438,499	37%
Health Care and Social Assistance	\$ 13,261,780	\$ 15,233,492	\$ 1,971,711	15%
Information	\$ 16,163,133	\$ 10,707,599	\$ (5,455,534)	-34%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 9,271,173	\$ 8,402,643	\$ (868,530)	-9%
Mining, Quarrying, and Oil and Gas Extraction	\$ 32,028,972	\$ 27,936,626	\$ (4,092,347)	-13%
Other Services (except Public Administration)	\$ 18,760,506	\$ 15,878,136	\$ (2,882,370)	-15%
Professional, Scientific, and Technical Services	\$ 13,865,314	\$ 8,327,813	\$ (5,537,501)	-40%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 5,651,506	\$ 6,324,065	\$ 672,559	12%
Retail Trade	\$ 79,808,762	\$ 114,413,964	\$ 34,605,202	43%
Transportation and Warehousing	\$ 1,523,730	\$ 1,580,317	\$ 56,587	4%
Unclassified Establishments	\$ 6,219,278	\$ 1,478,967	\$ (4,740,310)	-76%
Utilities	\$ 5,241,607	\$ 5,860,869	\$ 619,262	12%
Wholesale Trade	\$ 10,425,158	\$ 4,679,341	\$ (5,745,817)	-55%
All Industries	\$ 275,715,680	\$ 286,064,353	\$ 10,348,673	4%

month average of reported MTGR in McKinley County. Table 1 shows the year-over-year (YOY) increase of \$10M from Q3 FY20 to the same period in FY21. The YOY increase was driven by the accommodation and food services (\$7M) and the retail trade industries (\$34.6M).

As seen in Chart 5, average weekly wages decreased while quarterly employment increased during Q1 of FY21. This decrease in average weekly wages is likely due to the increase of lower wage workers reentering the workforce.

Chart 3. Annual Total GRT Revenue Collections

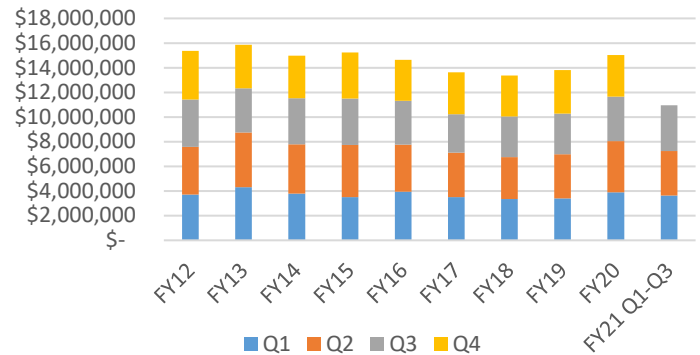


Chart 4. Quarterly GRT Revenue Collections

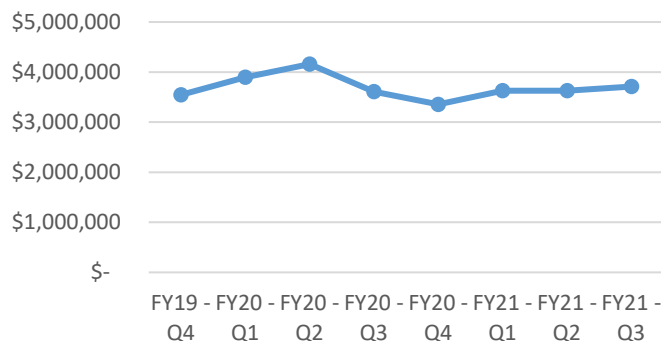
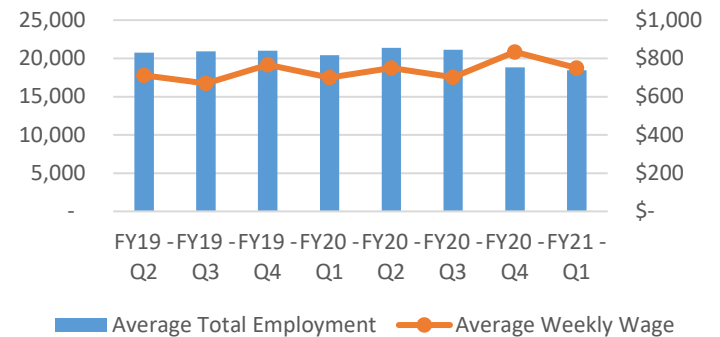


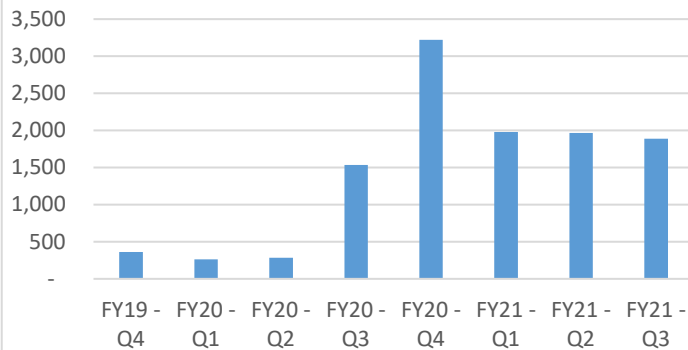
Chart 5. Quarterly Average Total Employment & Weekly Wage



Quarterly Economic Summary McKinley County



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	2,369	-20.2%	\$ 311	6.5%	140	-2.1%
Administrative/Support & Waste Management/Remediation	414	-32.6%	\$ 509	10.7%	50	4.2%
Agriculture, Forestry, Fishing, and Hunting	7	*	\$ 350	*	4	0.0%
Arts, Entertainment, and Recreation	226	-49.1%	\$ 803	20.9%	13	-7.1%
Construction	735	0.5%	\$ 745	4.8%	73	1.4%
Educational Services	2,107	-2.9%	\$ 769	-3.9%	21	-4.5%
Finance and Insurance	345	-16.3%	\$ 698	6.1%	64	6.7%
Health Care and Social Assistance	5,136	-3.3%	\$ 925	17.5%	351	1.7%
Information	119	-19.6%	\$ 719	21.0%	20	5.3%
Management of Companies and Enterprises	18	-33.3%	\$ 1,098	57.8%	8	60.0%
Manufacturing	667	-9.1%	\$ 1,260	-0.9%	29	3.6%
Mining, Quarrying, and Oil and Gas Extraction	*	*	*	*	4	-20.0%
Other Services (except Public Administration)	433	-2.0%	\$ 573	1.1%	77	1.3%
Professional, Scientific, and Technical Services	168	-6.7%	\$ 938	-16.0%	53	0.0%
Public Administration	1,750	-9.0%	\$ 923	-5.2%	77	2.7%
Real Estate and Rental and Leasing	156	-18.8%	\$ 719	14.3%	41	-2.4%
Retail Trade	2,777	-5.5%	\$ 537	4.9%	187	0.5%
Transportation and Warehousing	454	0.7%	\$ 792	-11.4%	50	8.7%
Utilities	121	-37.9%	\$ 1,793	15.5%	11	0.0%
Wholesale Trade	460	-9.8%	\$ 864	8.5%	39	-7.1%
All Industries	18,469	-9.7%	\$ 750	7.1%	1,312	1.2%

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