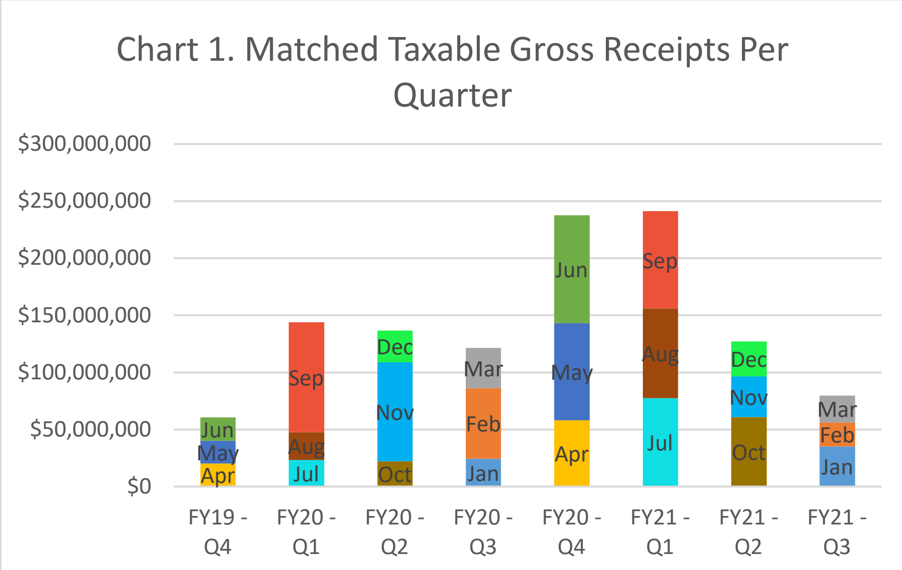
Quarterly Economic Summary
Roosevelt County

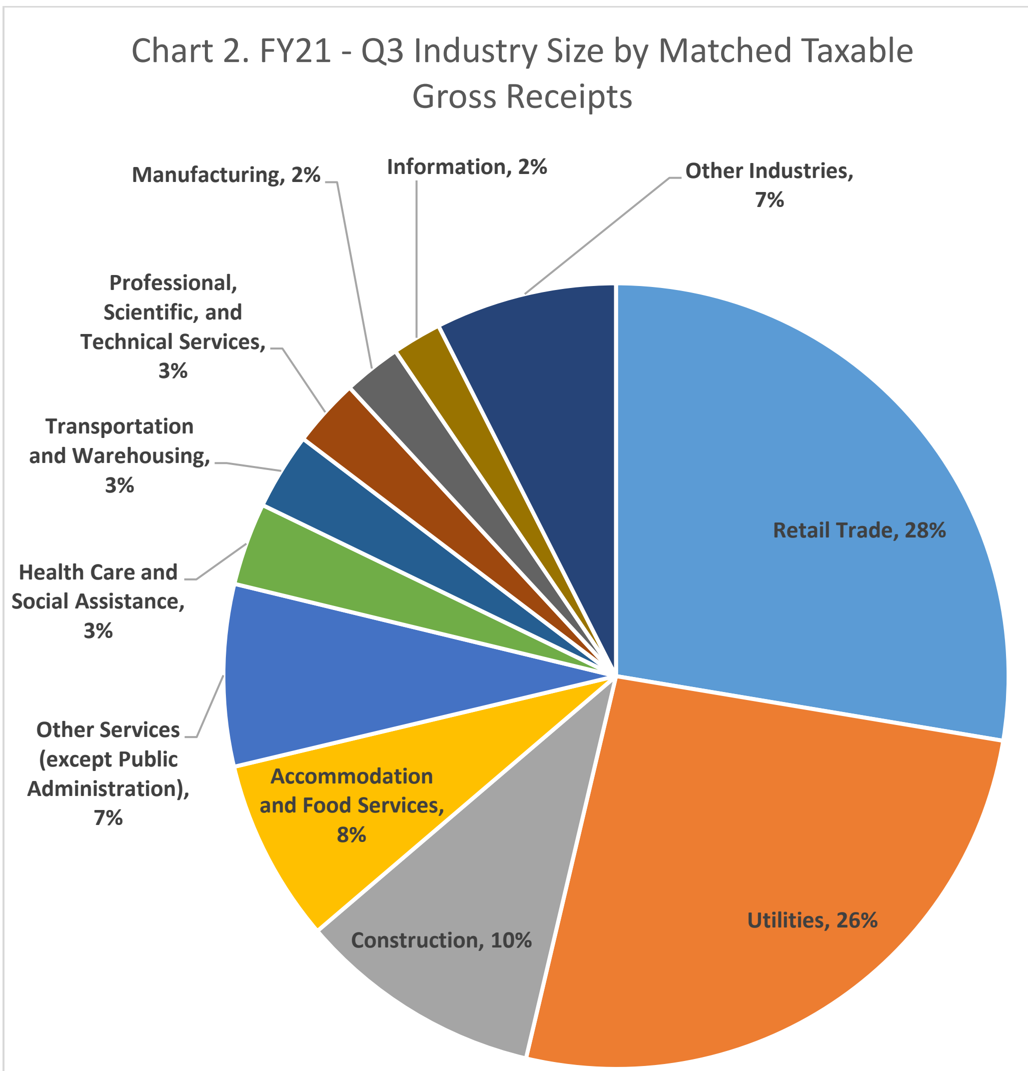
Released: May 2021 **Prepared by:** Joel Salas, Economist; Ryan Eustice, Economist



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.

Roosevelt County's matched taxable gross receipts (MTGR) declined by $47M, or 37%, in Q3 FY21 as compared to Q2 FY21, as seen in Chart 1. The amount of quarterly MTGR reported in Q3 FY21 ($79.8M) is the second lowest amount of quarterly MTGR in the previous eight quarters, ahead of only Q4 FY19 ($60.5M). When comparing MTGR, Q3 of FY21 is most comparable to Q1 FY15, when Roosevelt County reported $654K higher in MTGR.

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.



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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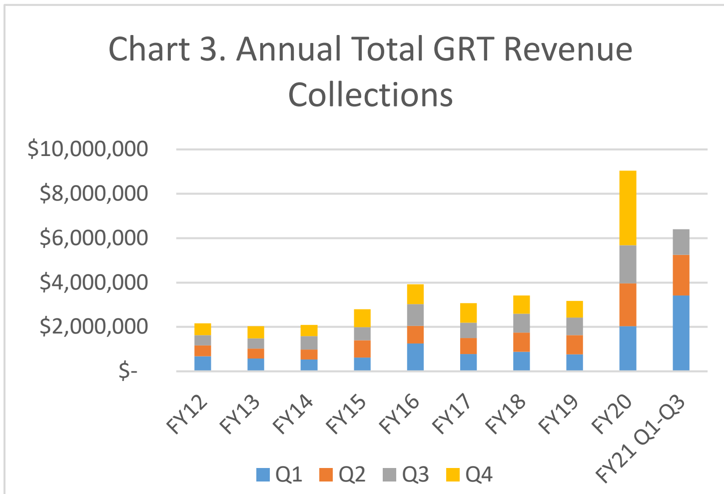
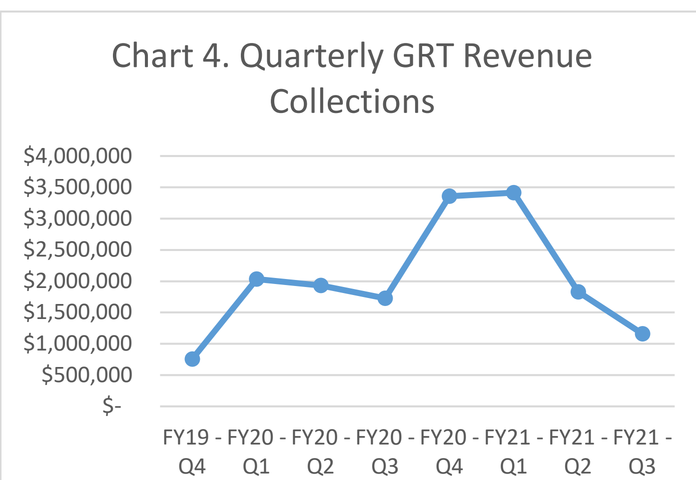
Table 1. Matched Taxable Gross Receipts by Industry

Industries		FY20 - Q3		FY21 - Q3		Growth	Year over year Change
Accommodation and Food Services	$	5,672,862	$	6,000,201	$	327,340	6%
Administrative/Support & Waste Management/Remediation	$	622,551	$	1,485,541	$	862,990	139%
Agriculture, Forestry, Fishing, and Hunting	$	649,086	$	352,212	$	(296,874)	-46%
Arts, Entertainment, and Recreation	$	-	$	-	$	-	N/A
Construction	$	59,798,383	$	8,023,868	$	(51,774,514)	-87%
Educational Services	$	95,352	$	125,265	$	29,913	31%
Finance and Insurance	$	527,774	$	673,430	$	145,656	28%
Health Care and Social Assistance	$	2,457,057	$	2,704,771	$	247,714	10%
Information	$	3,096,911	$	1,613,618	$	(1,483,293)	-48%
Manufacturing	$	1,338,090	$	1,892,097	$	554,007	41%
Mining, Quarrying, and Oil and Gas Extraction	$	646,126	$	676,569	$	30,443	5%
Other Services (except Public Administration)	$	12,033,863	$	5,959,492	$	(6,074,371)	-50%
Professional, Scientific, and Technical Services	$	3,093,637	$	2,233,510	$	(860,127)	-28%
Public Administration	$	-	$	-	$	-	N/A
Real Estate and Rental and Leasing	$	891,917	$	1,078,672	$	186,755	21%
Retail Trade	$	20,262,071	$	22,005,749	$	1,743,678	9%
Transportation and Warehousing	$	2,083,219	$	2,511,217	$	427,998	21%
Unclassified Establishments	$	636,022	$	553,401	$	(82,622)	-13%
Utilities	$	6,380,152	$	20,744,516	$	14,364,364	225%
Wholesale Trade	$	824,879	$	1,002,142	$	177,263	21%
All Industries	**$**	**121,343,441**	**$**	**79,760,143**	**$**	**(41,583,298)**	**-34%**

Despite this large decline in quarterly MTGR, the amount reported during Q3 FY21 is still the eleventh highest dating back to FY04. Table 1 shows that the largest contributor to the $41.5M year-over-year (YOY) decline from Q3 FY20 to Q3 FY21 came from the construction industry. When comparing the two periods, the construction industry reported nearly $52M less in quarterly MTGR. This decline is likely attributable to a project being completed in the month of October for Q2 FY21. Gross receipts tax (GRT) revenue collections decreased by $669K, or 37%, from Q2 FY21 to Q3 FY21, shown in Chart 4.





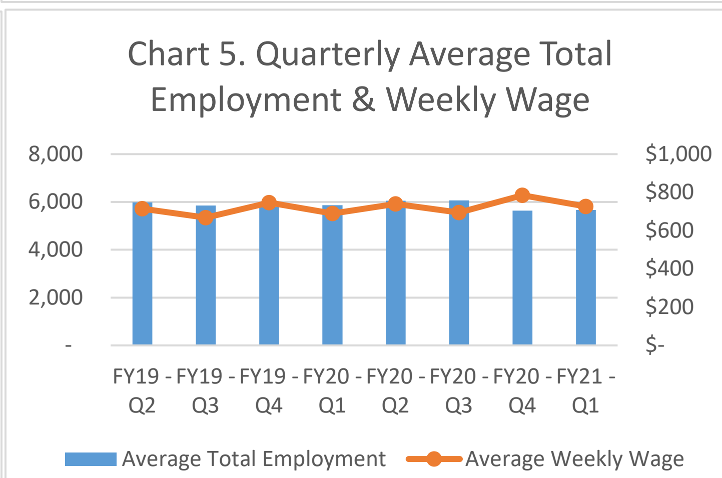


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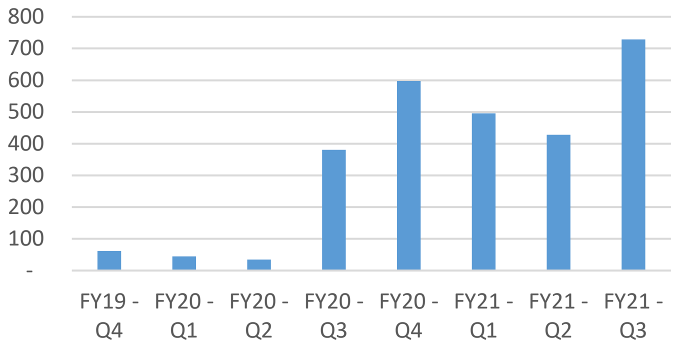
Chart 6. Quarterly Initial Unemployment Claims



**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	529	-18.6%	$ 292	11.9%	29	0.0%
Administrative/Support & Waste Management/Remediation	26	18.2%	$ 524	6.5%	9	-10.0%
Agriculture, Forestry, Fishing, and Hunting	966	1.2%	$ 745	9.6%	43	10.3%
Arts, Entertainment, and Recreation	*	*	*	*	6	20.0%
Construction	253	5.0%	$ 629	-0.3%	46	2.2%
Educational Services	*	*	*	*	8	14.3%
Finance and Insurance	106	-0.9%	$ 904	17.1%	20	-13.0%
Health Care and Social Assistance	773	-3.9%	$ 747	-2.6%	68	-4.2%
Information	47	*	$ 1,024	*	5	25.0%
Management of Companies and Enterprises	*	*	*	*	-	-100.0%
Manufacturing	407	-1.7%	$ 854	2.9%	17	6.3%
Mining, Quarrying, and Oil and Gas Extraction	10	0.0%	$ 1,000	-6.9%	4	0.0%
Other Services (except Public Administration)	86	3.6%	$ 600	9.5%	25	0.0%
Professional, Scientific, and Technical Services	51	-12.1%	$ 694	14.3%	19	-13.6%
Public Administration	217	7.4%	$ 833	-2.8%	26	0.0%
Real Estate and Rental and Leasing	34	-34.6%	$ 505	13.7%	19	0.0%
Retail Trade	612	-2.7%	$ 518	5.5%	45	0.0%
Transportation and Warehousing	400	1.3%	$ 918	1.0%	42	-4.5%
Utilities	109	49.3%	$ 1,146	10.3%	10	25.0%
Wholesale Trade	67	-4.3%	$ 831	16.2%	11	-8.3%
All Industries	**5,669**	**-3.1%**	**$ 726**	**5.1%**	**452**	**-0.7%**

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

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