

Quarterly Economic Summary

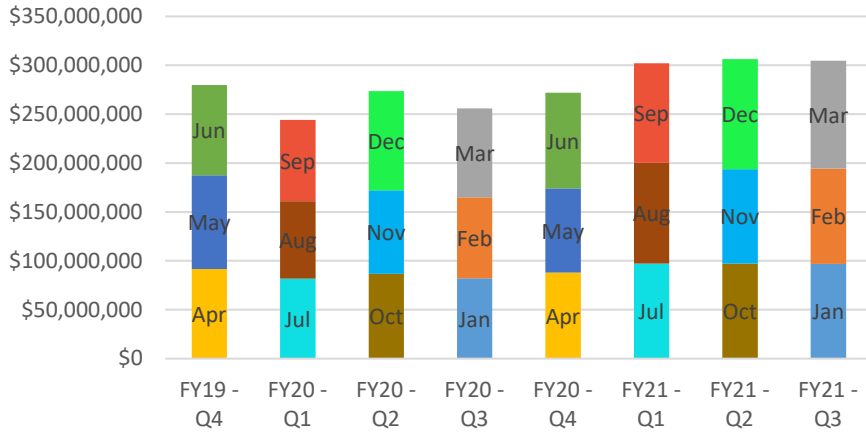
Valencia County



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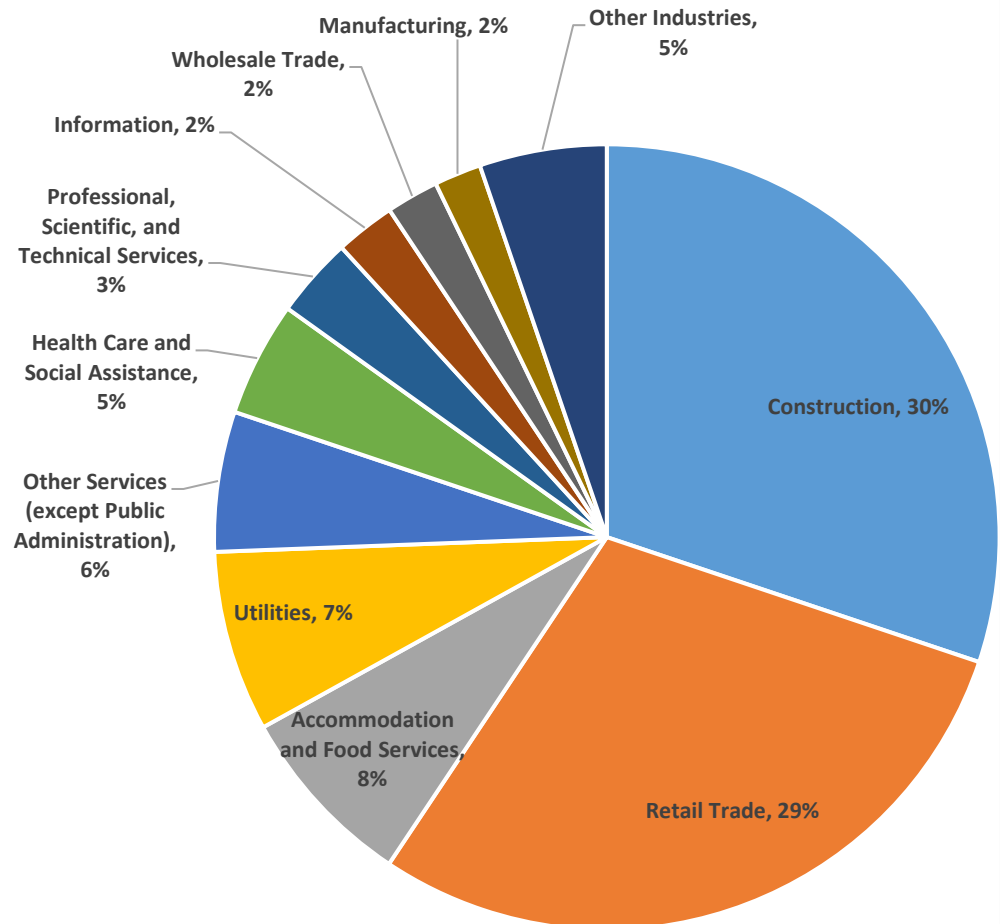
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

FY21 continues to be a remarkable year for Valencia County in terms of matched taxable gross receipts (MTGR). Dating back to FY04, the three quarters in FY21 have reported the largest amount of quarterly MTGR. Valencia County's MTGR remained relatively flat in Q3 FY21 as compared to Q2 FY21, as seen in Chart 1. From Q2 FY21 to Q3 FY21, MTGR declined by \$1.6M or less than 1%.

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

Valencia County



Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY20 - Q3	FY21 - Q3	Growth	Year over year Change
Accommodation and Food Services	\$ 19,423,217	\$ 23,138,769	\$ 3,715,552	19%
Administrative/Support & Waste Management/Remediation	\$ 2,962,026	\$ 3,882,250	\$ 920,225	31%
Agriculture, Forestry, Fishing, and Hunting	\$ 377,699	\$ 878,260	\$ 500,561	133%
Arts, Entertainment, and Recreation	\$ 536,240	\$ 593,533	\$ 57,293	11%
Construction	\$ 70,911,420	\$ 91,826,094	\$ 20,914,674	29%
Educational Services	\$ 290,552	\$ 290,944	\$ 392	0%
Finance and Insurance	\$ 753,784	\$ 1,021,160	\$ 267,377	35%
Health Care and Social Assistance	\$ 14,632,034	\$ 14,396,807	\$ (235,227)	-2%
Information	\$ 16,573,449	\$ 7,519,139	\$ (9,054,310)	-55%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 3,989,035	\$ 5,893,757	\$ 1,904,721	48%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ 19,207	\$ 19,207	N/A
Other Services (except Public Administration)	\$ 14,507,387	\$ 17,558,949	\$ 3,051,562	21%
Professional, Scientific, and Technical Services	\$ 7,797,810	\$ 10,065,918	\$ 2,268,108	29%
Public Administration	\$ -	\$ 17,650	\$ 17,650	N/A
Real Estate and Rental and Leasing	\$ 4,333,371	\$ 4,928,570	\$ 595,199	14%
Retail Trade	\$ 66,672,087	\$ 88,933,046	\$ 22,260,959	33%
Transportation and Warehousing	\$ 2,522,213	\$ 2,832,056	\$ 309,843	12%
Unclassified Establishments	\$ 1,846,864	\$ 1,488,231	\$ (358,633)	-19%
Utilities	\$ 21,767,701	\$ 22,670,656	\$ 902,955	4%
Wholesale Trade	\$ 6,061,611	\$ 6,574,231	\$ 512,620	8%
All Industries	\$ 256,073,277	\$ 304,583,487	\$ 48,510,210	19%

For the previous three quarters, the construction industry has accounted for the largest percentage share of quarterly MTGR, with all three quarters averaging over 30% of the county's total MTGR.

Table 1 shows a year-over-year (YOY) increase in MTGR of \$48.5M or 19%. The largest contributor to this increase, when comparing Q3 FY20 to Q3 FY21, came from the retail trade industry. The amount reported during Q3 FY21 (\$88.9M) was the second highest since Q4 FY20, when the industry reported \$91.3M.

Chart 3. Annual Total GRT Revenue Collections

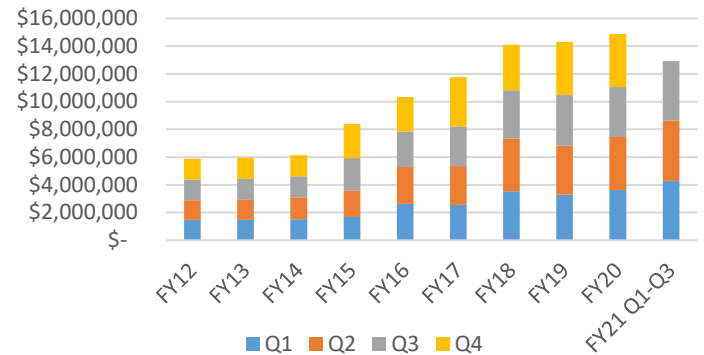


Chart 4. Quarterly GRT Revenue Collections

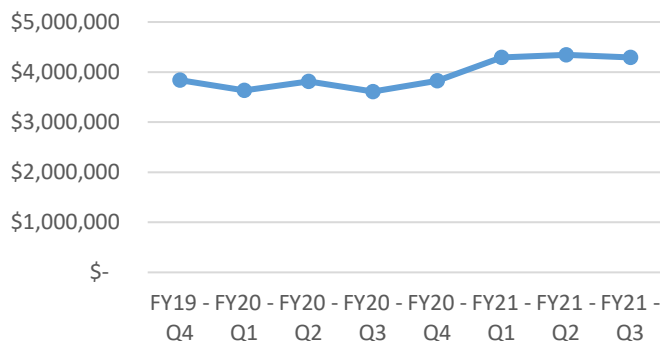
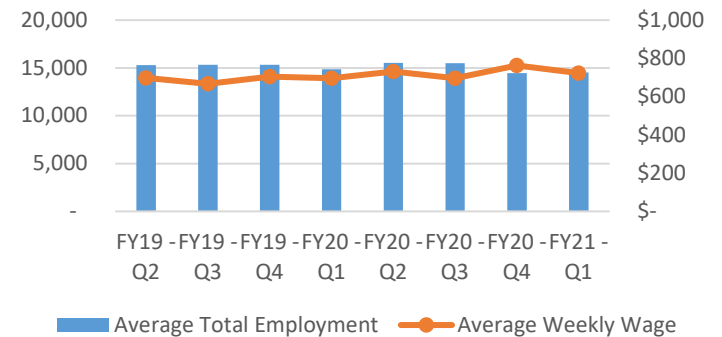


Chart 5. Quarterly Average Total Employment & Weekly Wage

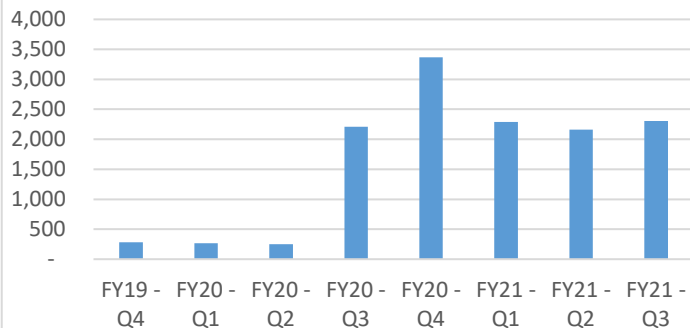


Quarterly Economic Summary

Valencia 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	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	1,510	-7.6%	\$ 297	-1.0%	95	-3.1%
Administrative/Support & Waste Management/Remediation	295	-2.0%	\$ 662	7.8%	58	16.0%
Agriculture, Forestry, Fishing, and Hunting	181	0.0%	\$ 616	6.2%	22	4.8%
Arts, Entertainment, and Recreation	*	*	*	*	16	-11.1%
Construction	1,682	-5.8%	\$ 1,086	-1.8%	185	4.5%
Educational Services	1,455	-12.2%	\$ 650	-0.6%	32	0.0%
Finance and Insurance	243	-7.3%	\$ 801	13.0%	63	-1.6%
Health Care and Social Assistance	2,371	1.3%	\$ 556	2.4%	377	4.7%
Information	147	-3.3%	\$ 3,122	53.0%	14	7.7%
Management of Companies and Enterprises	61	1.7%	\$ 1,081	-29.2%	7	-22.2%
Manufacturing	753	-10.3%	\$ 1,010	13.0%	43	7.5%
Mining, Quarrying, and Oil and Gas Extraction	23	*	\$ 966	*	5	0.0%
Other Services (except Public Administration)	236	-16.6%	\$ 605	7.3%	73	4.3%
Professional, Scientific, and Technical Services	295	8.9%	\$ 902	1.7%	84	10.5%
Public Administration	1,004	0.0%	\$ 1,083	-0.2%	78	-2.5%
Real Estate and Rental and Leasing	129	-11.0%	\$ 528	-5.2%	46	-6.1%
Retail Trade	2,634	6.4%	\$ 539	4.7%	152	3.4%
Transportation and Warehousing	1,165	8.4%	\$ 752	3.9%	51	-7.3%
Utilities	136	-1.4%	\$ 951	1.6%	14	0.0%
Wholesale Trade	144	11.6%	\$ 803	0.5%	31	-3.1%
All Industries	14,560	-2.1%	\$ 721	3.4%	1,446	2.6%

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