

Quarterly Economic Summary

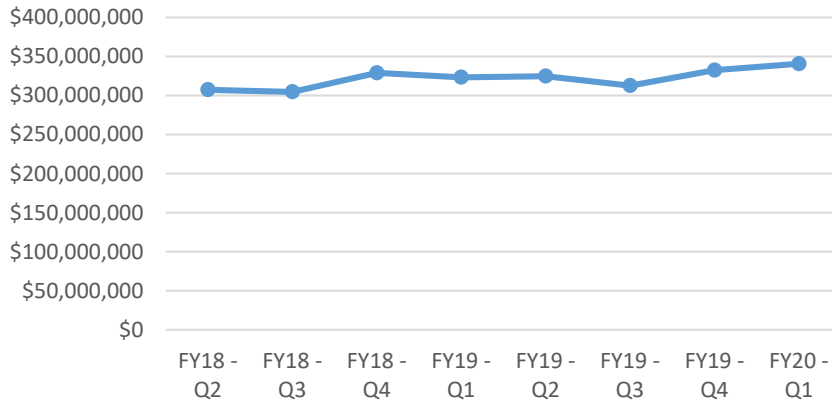
Chaves County



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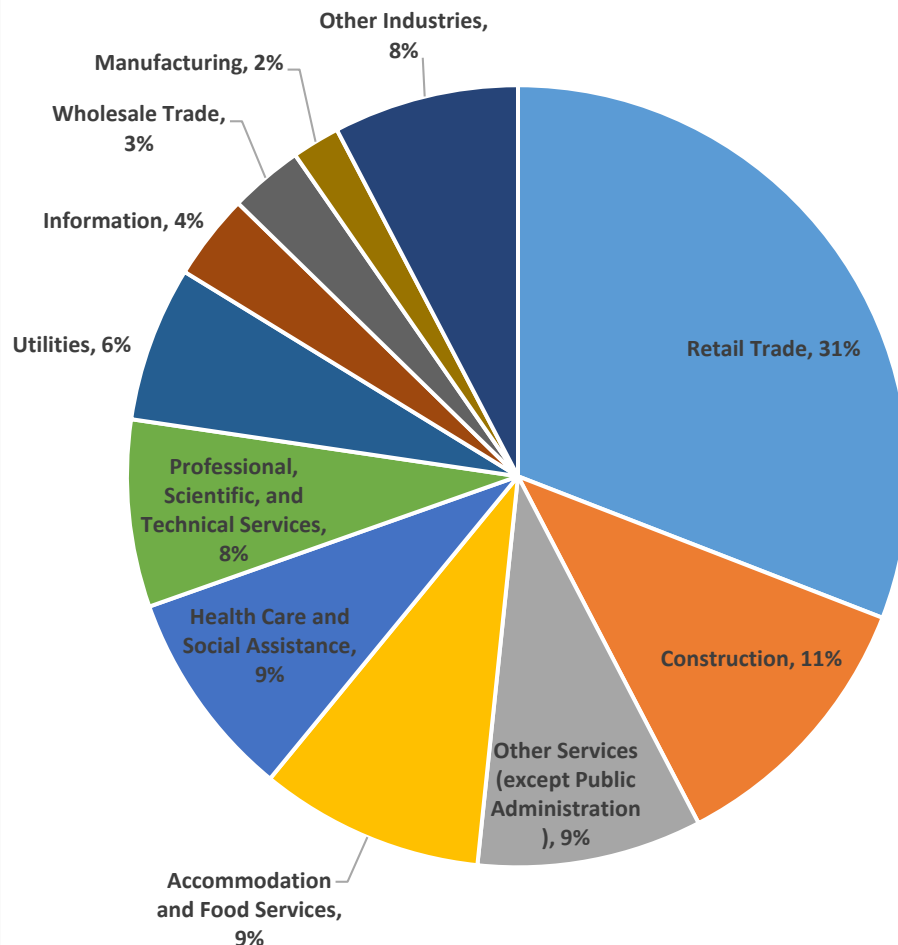
Chart 1. Matched Taxable Gross Receipts Per Quarter



Chaves County has experienced steady growth, accounting for seasonal fluctuations, in its matched taxable gross receipts (MTGR) over the last eight quarters, as seen in Chart 1. Table 1, on the next page, shows an increase of \$17.2M or 5% in Q1 FY20 compared to Q1 FY19. Notably, the Professional, Scientific, and Technical services industry saw the largest increase in Q1 FY20 compared to the previous year with a 58% increase equal to \$9.7M for the quarter. Manufacturing was down in Q1 over the previous year.

Manufacturing had a reported total of \$6.8M in MTGR for the period Q1 FY20. This was a 40% decline compared to the same period of the previous year. Q1 2019, however, appears to be an inflated period for manufacturing with Q1 FY20 returning to form.

Chart 2. FY20 - Q1 Industry Size by Matched Taxable Gross Receipts



MATCHED TAXABLE GROSS RECEIPTS (MTGR) IS THE BEST TAX DATA AVAILABLE TO SHOW UNDERLYING ECONOMIC ACTIVITY. IT 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	FY19 - Q1	FY20 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 28,738,516	\$ 31,582,436	\$ 2,843,920	10%
Administrative/Support & Waste Management/Remediation	\$ 5,210,998	\$ 5,507,588	\$ 296,590	6%
Agriculture, Forestry, Fishing, and Hunting	\$ 611,111	\$ 849,666	\$ 238,554	39%
Arts, Entertainment, and Recreation	\$ 1,254,263	\$ 1,081,495	\$ (172,768)	-14%
Construction	\$ 36,078,764	\$ 39,051,044	\$ 2,972,280	8%
Educational Services	\$ 236,776	\$ 318,717	\$ 81,940	35%
Finance and Insurance	\$ 1,857,038	\$ 1,815,899	\$ (41,139)	-2%
Health Care and Social Assistance	\$ 28,580,207	\$ 29,505,415	\$ 925,208	3%
Information	\$ 12,549,923	\$ 12,083,337	\$ (466,586)	-4%
Management of Companies and Enterprises	\$ 76,069	\$ 118,309	\$ 42,241	56%
Manufacturing	\$ 11,319,641	\$ 6,760,814	\$ (4,558,828)	-40%
Mining, Quarrying, and Oil and Gas Extraction	\$ 7,113,821	\$ 6,161,288	\$ (952,533)	-13%
Other Services (except Public Administration)	\$ 31,427,968	\$ 31,665,029	\$ 237,061	1%
Professional, Scientific, and Technical Services	\$ 16,660,656	\$ 26,360,258	\$ 9,699,603	58%
Public Administration	\$ 174,525	\$ 54,215	\$ (120,309)	-69%
Real Estate and Rental and Leasing	\$ 4,280,049	\$ 6,067,877	\$ 1,787,828	42%
Retail Trade	\$ 102,901,619	\$ 105,218,944	\$ 2,317,325	2%
Transportation and Warehousing	\$ 3,088,440	\$ 3,392,665	\$ 304,225	10%
Unclassified Establishments	\$ 895,422	\$ 793,805	\$ (101,616)	-11%
Utilities	\$ 21,707,610	\$ 21,874,293	\$ 166,683	1%
Wholesale Trade	\$ 8,619,337	\$ 10,371,959	\$ 1,752,622	20%
All Industries	\$ 323,382,752	\$ 340,635,052	\$ 17,252,300	5%

Gross Receipt Tax (GRT) revenue collections have begun to increase from the third quarter of FY19 through Q1 FY20, as seen in Chart 4. This increase is in large part due to an increase in the county share GRT(food) collection, which saw a \$446K increase from the same period of the previous year. The increase is likely due to the timing of taxpayer reporting.

HB6, PASSED IN 2019, MADE WIDESPREAD TAX CHANGES WITHIN NEW MEXICO. ONE NOTABLE CHANGE IS THE CONVERSION TO DESTINATION-BASED SOURCING THAT WILL BEGIN AFTER A TWO YEAR DELAY. DURING THIS DELAY LOCAL GOVERNMENTS WILL RECEIVE A DISTRIBUTION THAT IS A PORTION OF \$2M EACH MONTH. THE PORTION DISTRIBUTED WILL BE BASED ON WHAT THE POPULATION OF EACH COUNTY IS TO THE TOTAL POPULATION OF ALL COUNTIES, AS PER THE MOST RECENT DECENNIAL CENSUS.

Chart 3. Annual Total GRT Revenue Collections

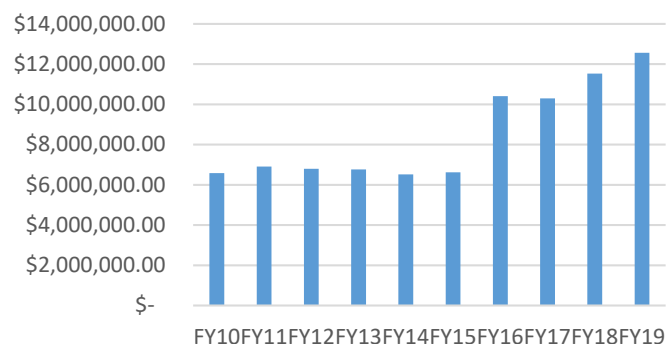
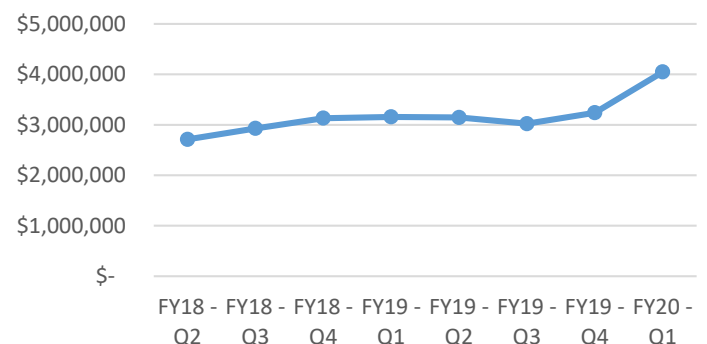


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

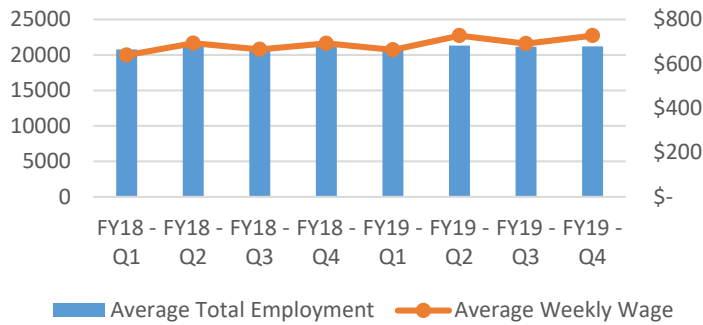


Chart 6. Quarterly Initial Unemployment Claims

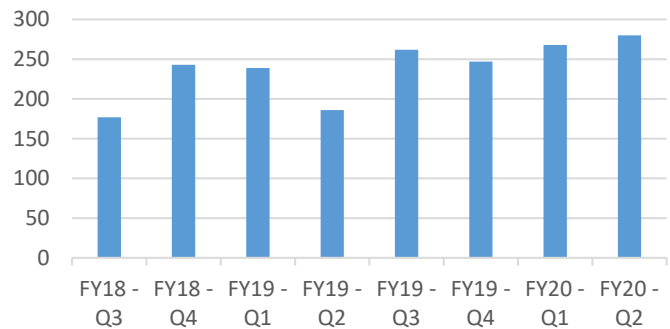
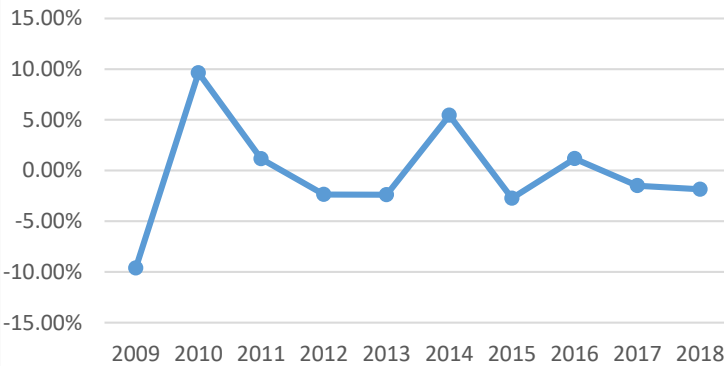


Chart 7. Calendar Year % Change In Real GDP Year Over Year



A SIGNIFICANT UNEXPLAINED INCREASE IN INITIAL UNEMPLOYMENT CLAIMS CAN BE AN EARLY INDICATOR OF AN INCOMING ECONOMIC DOWNTURN. EXPLAINED INCREASES COMMONLY INCLUDE SEASONAL JOB FLUCTUATIONS, GOVERNMENT SHUTDOWNS RESULTING IN MASS EMPLOYEE FURLOUGHS AND THE CLOSING OF A MAJOR REGIONAL FACILITY.

Table 2. Calendar Year 2018 Real County GDP vs Real State GDP

Industries	Chaves, NM	New Mexico	Difference Between County and State
Accommodation and food services	3.67%	2.94%	0.73%
Administrative and support and waste management and remediation services	1.46%	2.51%	-1.05%
Arts, entertainment, and recreation	0.31%	0.68%	-0.37%
Educational services	0.08%	0.51%	-0.43%
Finance and insurance	2.40%	2.75%	-0.35%
Health care and social assistance	9.47%	7.39%	2.07%
Management of companies and enterprises	0.24%	0.61%	-0.37%
Professional, scientific, and technical services	3.04%	7.21%	-4.17%
Real estate and rental and leasing	15.70%	12.17%	3.54%
Agriculture, forestry, fishing and hunting	10.25%	1.78%	8.46%
Construction	2.32%	3.12%	-0.80%
Information	1.87%	3.21%	-1.34%
Manufacturing	4.64%	4.31%	0.33%
Mining, quarrying, and oil and gas extraction	5.22%	14.79%	-9.57%
Other services (except government and government enterprises)	2.13%	1.96%	0.17%
Retail trade	9.23%	5.87%	3.36%
Transportation and warehousing	3.73%	2.58%	1.14%
Utilities	0.95%	1.57%	-0.62%
Wholesale trade	4.76%	3.13%	1.63%
Government and government enterprises	16.64%	21.50%	-4.86%