

Quarterly Economic Summary

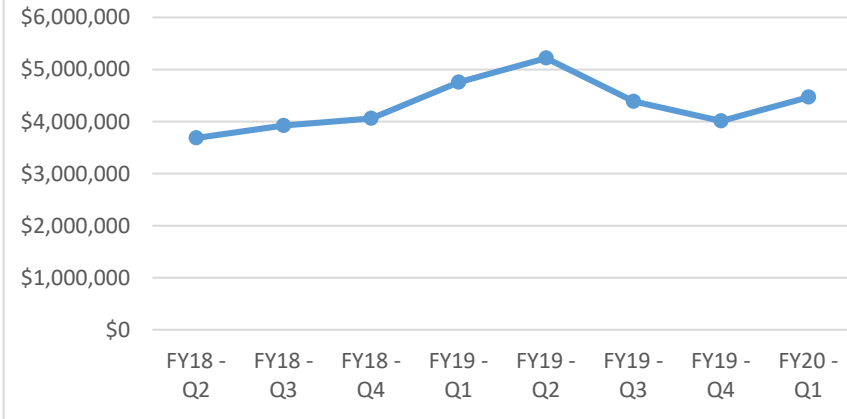
Harding County

Released: November 2019



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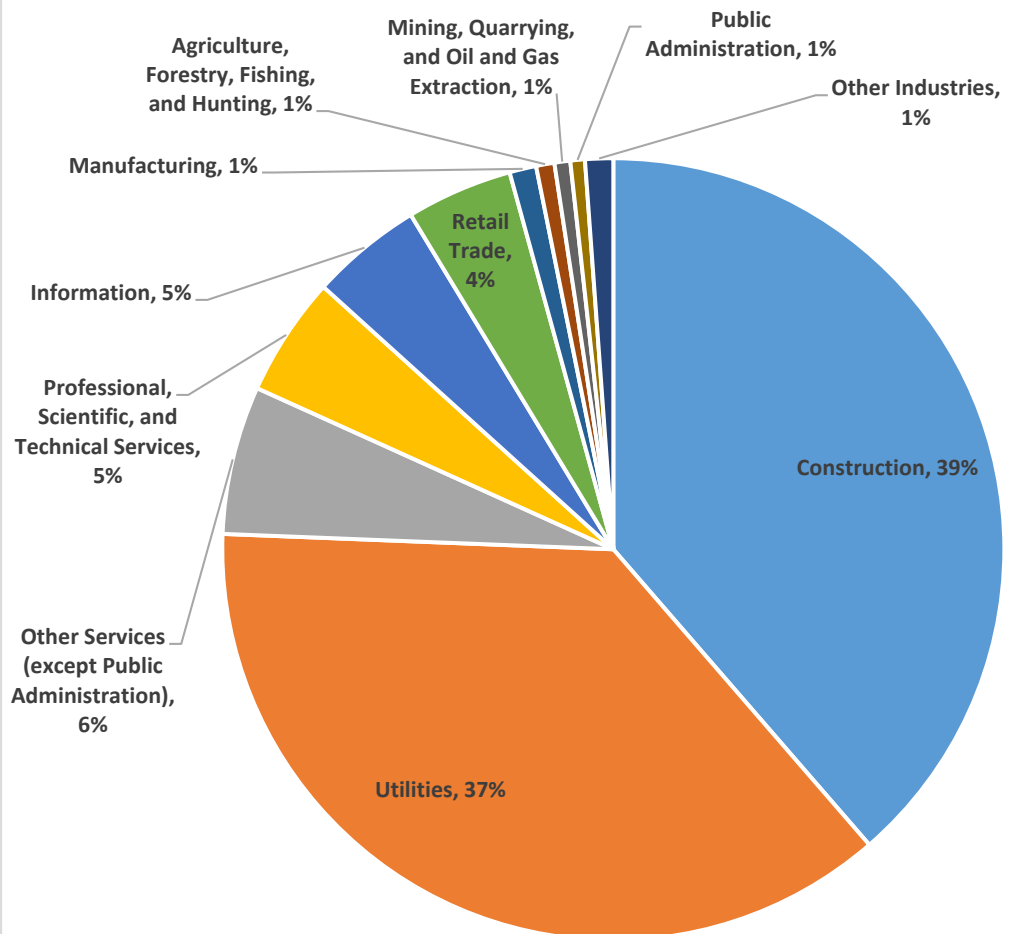
Chart 1. Matched Taxable Gross Receipts Per Quarter



Harding County's matched taxable gross receipts (MTGR) have been trending upwards over the last eight quarters. MTGR in the first quarter of FY20 saw the first year over year decline coming in 6% lower than MTGR in Q1 FY19. Table 1, on page 2, shows various industries with -100% growth or no MTGR in the first quarter of FY19 or FY20. This may be due to the county's smaller size and thus fewer companies within each industry. The few companies working in these industries may be late in filing, resulting in no MTGR being reported for the

period. In this case, the missing MTGR is expected to be included in the next period.

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	\$ -	\$ 13,806	\$ 13,806	N/A
Administrative/Support & Waste Management/Remediation	\$ 23,003	\$ 24,530	\$ 1,527	7%
Agriculture, Forestry, Fishing, and Hunting	\$ 71,263	\$ 33,773	\$ (37,490)	-53%
Arts, Entertainment, and Recreation	\$ -	\$ -	\$ -	N/A
Construction	\$ 1,982,795	\$ 1,726,565	\$ (256,229)	-13%
Educational Services	\$ -	\$ -	\$ -	N/A
Finance and Insurance	\$ -	\$ 9	\$ 9	N/A
Health Care and Social Assistance	\$ 1,870	\$ -	\$ (1,870)	-100%
Information	\$ 209,727	\$ 206,632	\$ (3,095)	-1%
Manufacturing	\$ -	\$ 49,442	\$ 49,442	N/A
Mining, Quarrying, and Oil and Gas Extraction	\$ 138,367	\$ 29,152	\$ (109,214)	-79%
Other Services (except Public Administration)	\$ 261,676	\$ 274,001	\$ 12,325	5%
Professional, Scientific, and Technical Services	\$ 127,091	\$ 221,161	\$ 94,070	74%
Public Administration	\$ -	\$ 26,850	\$ 26,850	N/A
Real Estate and Rental and Leasing	\$ 32,131	\$ -	\$ (32,131)	-100%
Retail Trade	\$ 164,730	\$ 196,338	\$ 31,608	19%
Transportation and Warehousing	\$ -	\$ -	\$ -	N/A
Unclassified Establishments	\$ -	\$ 148	\$ 148	N/A
Utilities	\$ 1,704,562	\$ 1,652,888	\$ (51,674)	-3%
Wholesale Trade	\$ 37,757	\$ 13,277	\$ (24,480)	-65%
All Industries	\$ 4,754,970	\$ 4,468,571	\$ (286,399)	-6%

Gross Receipt Tax (GRT) revenue collections have fluctuated over the past eight quarters, as seen in Chart 4, but are trending upwards. GRT revenue collections in Q1 FY20 were \$9.5K, or 18% less than the same period of FY19. Table 2, on page 3, shows multiple industries having no contribution to GDP in 2018. This is due to the number of companies within the industries being so low that the Bureau of Economic Analysis has withheld the information for the industry to avoid disclosure of confidential information. Table 2 does not necessarily reflect the proportion each industry contributes to overall GDP.

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

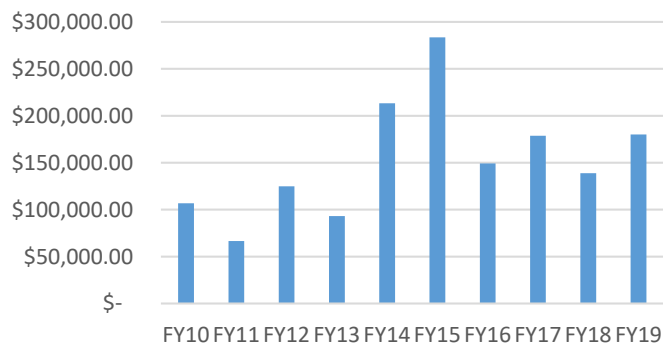
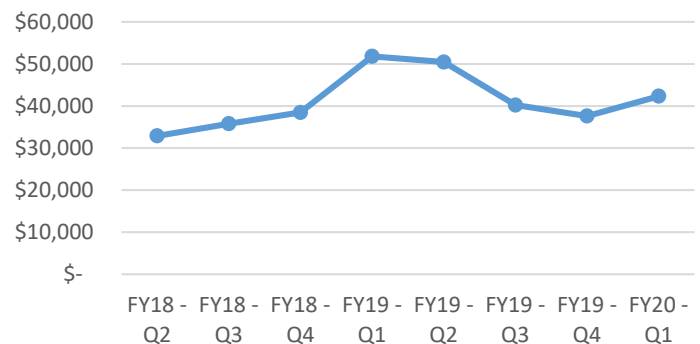


Chart 4. Quarterly GRT Revenue Collections



SOURCES: NM TAX AND REVENUE DEPT, NM DEPT OF WORKFORCE SOLUTIONS, BUREAU OF LABOR AND STATISTICS, BUREAU OF ECONOMIC ANALYSIS AND EDD CALCULATIONS

Quarterly Economic Summary

Harding County



Chart 5. Quarterly Average Total Employment & Weekly Wage

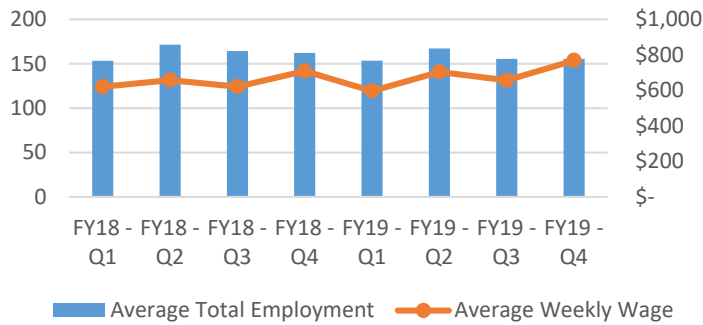


Chart 6. Quarterly Initial Unemployment Claims

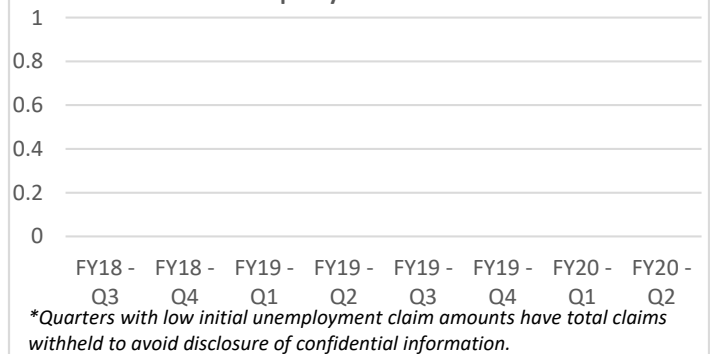
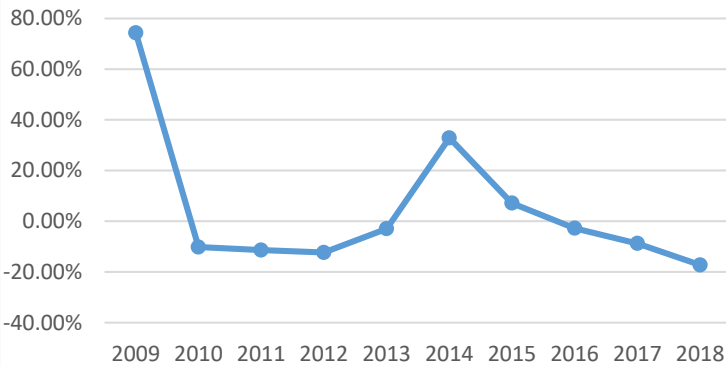


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Harding, NM	New Mexico	Difference Between County and State
Accommodation and food services	0.00%	2.94%	-2.94%
Administrative and support and waste management and remediation services	0.02%	2.51%	-2.49%
Arts, entertainment, and recreation	0.00%	0.68%	-0.68%
Educational services	0.01%	0.51%	-0.50%
Finance and insurance	0.07%	2.75%	-2.68%
Health care and social assistance	0.00%	7.39%	-7.39%
Management of companies and enterprises	1.96%	0.61%	1.36%
Professional, scientific, and technical services	0.00%	7.21%	-7.21%
Real estate and rental and leasing	4.95%	12.17%	-7.21%
Agriculture, forestry, fishing and hunting	2.37%	1.78%	0.59%
Construction	0.00%	3.12%	-3.12%
Information	0.00%	3.21%	-3.21%
Manufacturing	0.00%	4.31%	-4.31%
Mining, quarrying, and oil and gas extraction	82.40%	14.79%	67.61%
Other services (except government and government enterprises)	0.00%	1.96%	-1.96%
Retail trade	0.00%	5.87%	-5.87%
Transportation and warehousing	0.00%	2.58%	-2.58%
Utilities	0.00%	1.57%	-1.57%
Wholesale trade	0.00%	3.13%	-3.13%
Government and government enterprises	5.95%	21.50%	-15.55%