

Quarterly Economic Summary

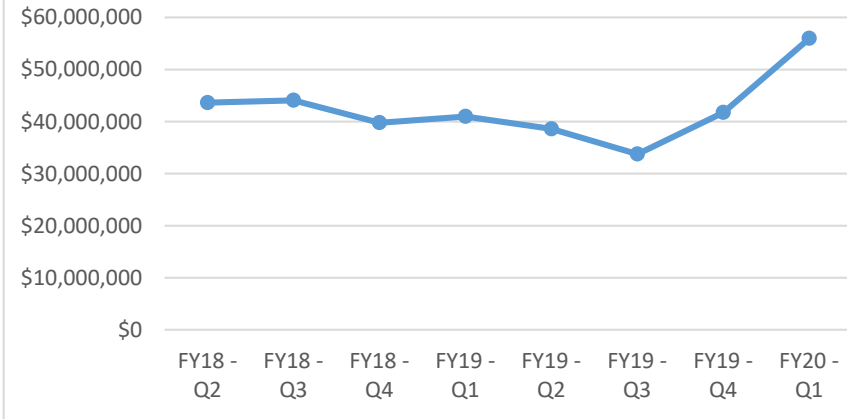
Torrance County

Released: November 2019



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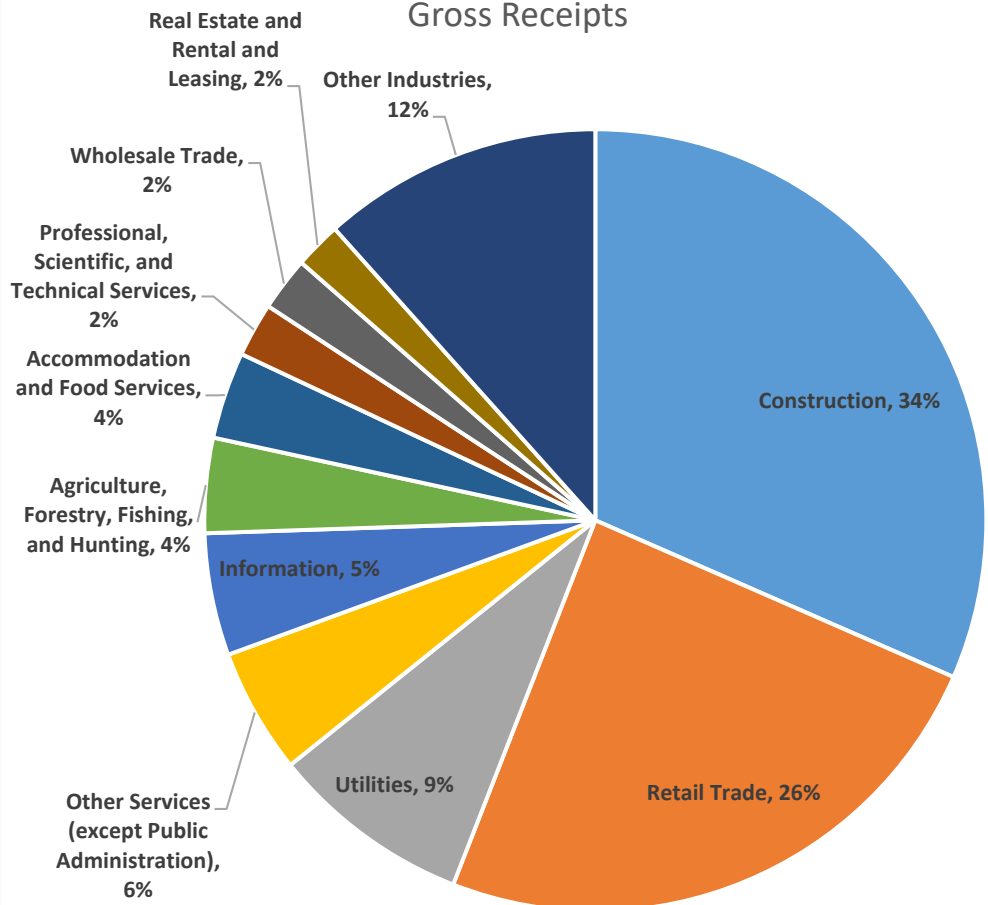
Chart 1. Matched Taxable Gross Receipts Per Quarter



Torrance County has seen a large amount of growth in its matched taxable gross receipts (MTGR) over the last eight quarters, as seen in Chart 1. Torrance County's MTGR has increased roughly 28% from Q2 FY18 to Q1 FY20. The Construction industry has been the catalyst of growth for Torrance County, as represented in Chart 2, below, as well as Table 1, on the next page. Construction growth has increased by \$15M from Q1 FY19 to Q1 FY20.

While the Construction industry has accounted for the majority of gains in MTGR in Torrance County, these gains have offset losses seen in sectors like the Utilities and Wholesale Trade industries.

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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Torrance County



Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY19 - Q1	FY20 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 1,665,058	\$ 2,149,662	\$ 484,605	29%
Administrative/Support & Waste Management/Remediation	\$ 295,557	\$ 355,540	\$ 59,984	20%
Agriculture, Forestry, Fishing, and Hunting	\$ 2,310,319	\$ 2,346,921	\$ 36,603	2%
Arts, Entertainment, and Recreation	\$ 76,375	\$ 220,674	\$ 144,299	189%
Construction	\$ 3,368,470	\$ 18,877,474	\$ 15,509,003	460%
Educational Services	\$ 113,963	\$ 125,659	\$ 11,696	10%
Finance and Insurance	\$ 58,148	\$ 65,596	\$ 7,448	13%
Health Care and Social Assistance	\$ 438,545	\$ 458,026	\$ 19,481	4%
Information	\$ 2,866,805	\$ 3,023,956	\$ 157,152	5%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 1,060,807	\$ 1,063,927	\$ 3,120	0%
Mining, Quarrying, and Oil and Gas Extraction	\$ 183	\$ 86,945	\$ 86,763	47536%
Other Services (except Public Administration)	\$ 3,750,894	\$ 3,095,697	\$ (655,197)	-17%
Professional, Scientific, and Technical Services	\$ 1,013,316	\$ 1,337,029	\$ 323,713	32%
Public Administration	\$ -	\$ 120,695	\$ 120,695	N/A
Real Estate and Rental and Leasing	\$ 659,849	\$ 1,156,909	\$ 497,061	75%
Retail Trade	\$ 13,762,500	\$ 14,566,733	\$ 804,233	6%
Transportation and Warehousing	\$ 685,577	\$ 341,592	\$ (343,985)	-50%
Unclassified Establishments	\$ 73,943	\$ 277,215	\$ 203,272	275%
Utilities	\$ 6,199,693	\$ 4,972,898	\$ (1,226,794)	-20%
Wholesale Trade	\$ 2,573,980	\$ 1,333,740	\$ (1,240,240)	-48%
All Industries	\$ 40,973,979	\$ 55,976,890	\$ 15,002,911	37%

Gross Receipts Tax (GRT) revenue collections rose significantly in Q1 FY20, as seen in Chart 4. This increase represents a jump of quarterly GRT of nearly \$210K for that time period.

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

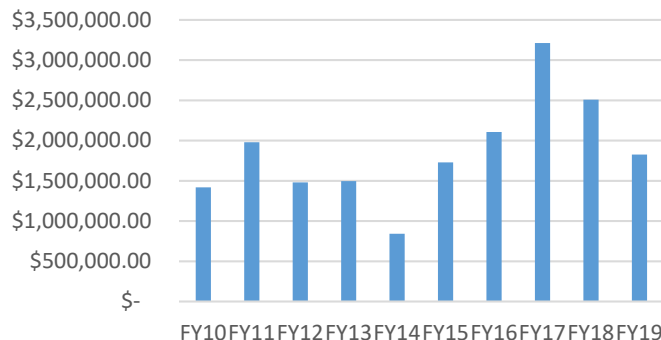
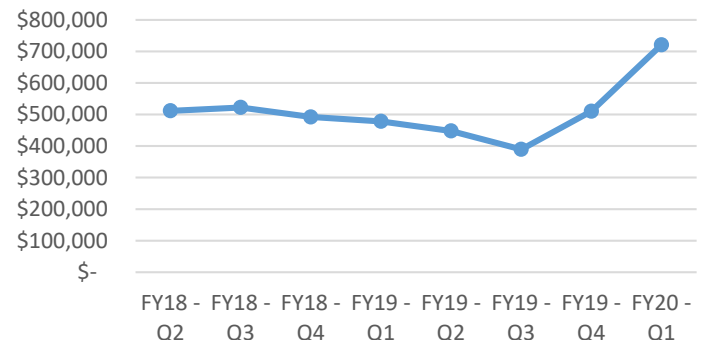


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

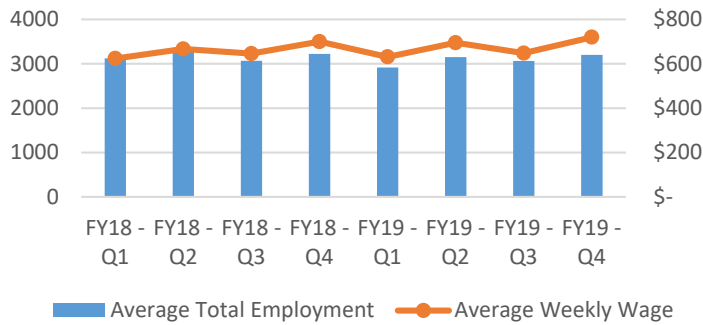


Chart 6. Quarterly Initial Unemployment Claims

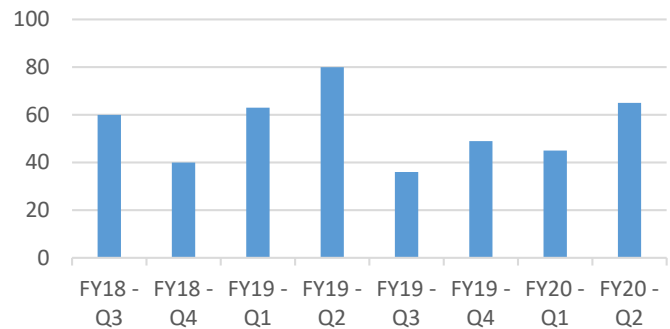
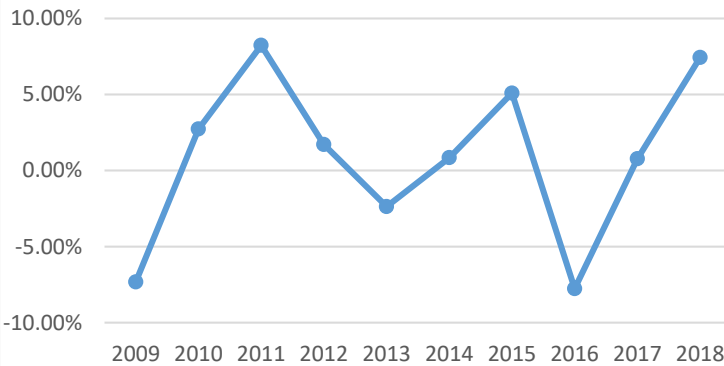


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Torrance, NM	New Mexico	Difference Between County and State
Accommodation and food services	1.91%	2.94%	-1.03%
Administrative and support and waste management and remediation services	2.95%	2.51%	0.44%
Arts, entertainment, and recreation	0.27%	0.68%	-0.41%
Educational services	0.00%	0.51%	-0.51%
Finance and insurance	1.12%	2.75%	-1.63%
Health care and social assistance	0.00%	7.39%	-7.39%
Management of companies and enterprises	0.67%	0.61%	0.07%
Professional, scientific, and technical services	1.59%	7.21%	-5.62%
Real estate and rental and leasing	17.90%	12.17%	5.74%
Agriculture, forestry, fishing and hunting	0.49%	1.78%	-1.29%
Construction	2.39%	3.12%	-0.73%
Information	1.08%	3.21%	-2.13%
Manufacturing	3.04%	4.31%	-1.27%
Mining, quarrying, and oil and gas extraction	2.57%	14.79%	-12.22%
Other services (except government and government enterprises)	2.11%	1.96%	0.15%
Retail trade	8.73%	5.87%	2.86%
Transportation and warehousing	2.71%	2.58%	0.13%
Utilities	14.70%	1.57%	13.12%
Wholesale trade	8.09%	3.13%	4.96%
Government and government enterprises	19.60%	21.50%	-1.90%