Quarterly Economic Summary

Harding County

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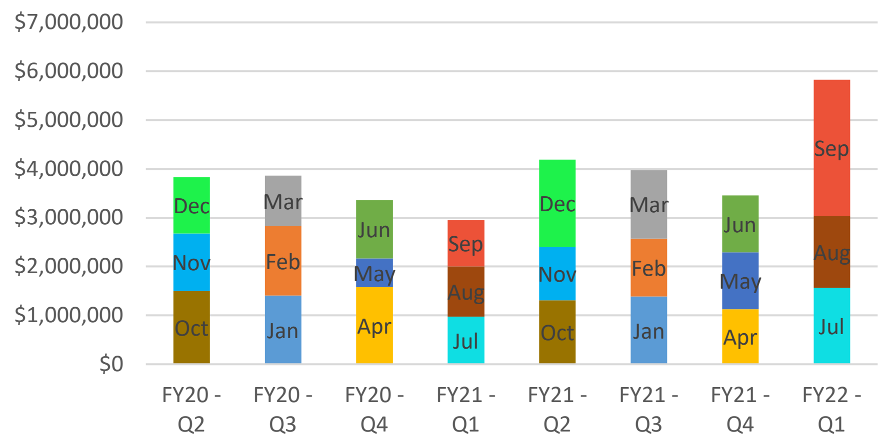
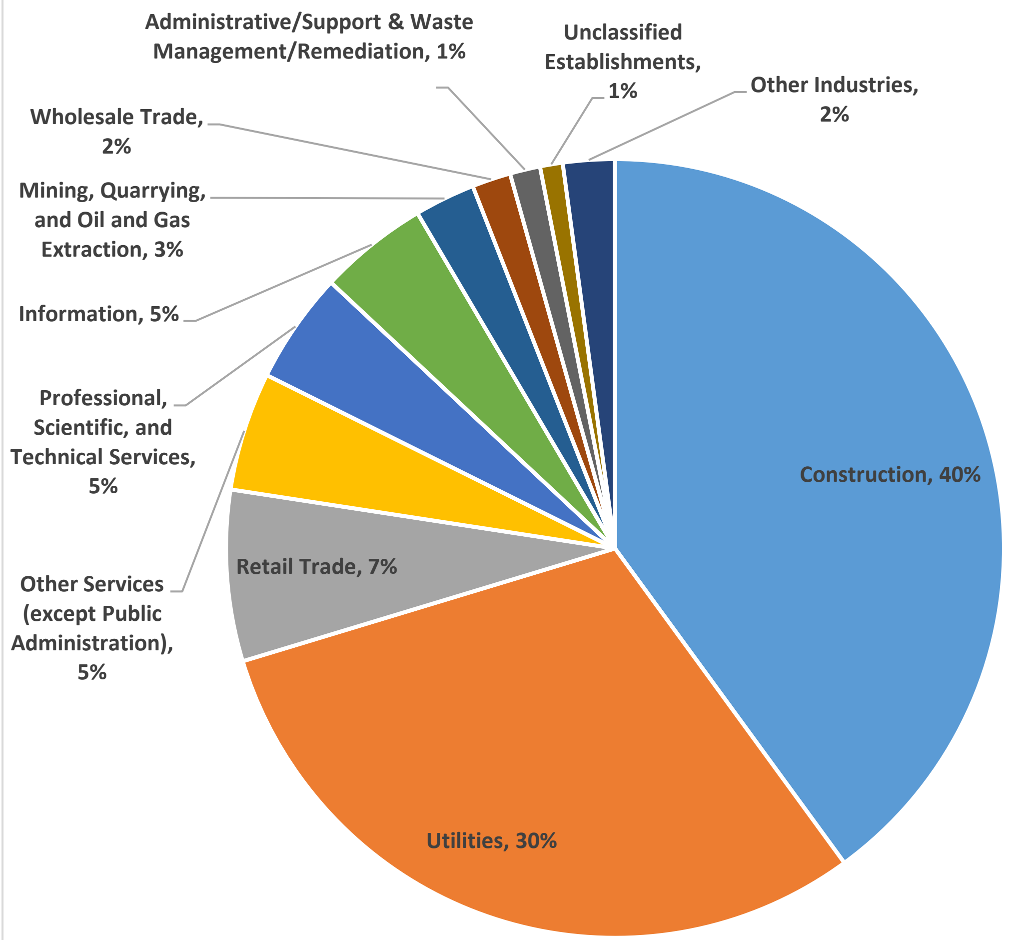
Chart 1. Matched Taxable Gross Receipts Per Quarter



Twenty-nine of 33 counties saw significant economic growth year over year in the first quarter of FY22. The four counties experiencing gross receipts declines had major construction projects wrap up, skewing those results. COVID-19 continues to pose supply chain threats, and high levels of transmission and new variants create additional risks to New Mexicans and the economy, but this economic upswing and recent forecasts continue to show a strong rebound across most sectors, exceeding pre-pandemic numbers from two years ago.

Harding County's matched taxable gross receipts (MTGR) increased in Q1 FY22 compared to Q4 FY21, shown in Chart 1. From Q4 FY21 to Q1 FY22, MTGR increased by $2.7M or 69%. When comparing MTGR, Q1 of FY22 is most comparable to Q1 FY19, when Harding County reported $93K higher in MTGR. Table 1, on the next page, shows an increase of $2.8M from Q1 in FY21 to FY22 of the same period. Table 1 also

Chart 2. FY22 - Q1 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.

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. FY22 - Q1 Matched Taxable Gross Receipts by Industry

Industries	FY22 - Q1	YOY Growth	YOY % Change	2-Year % Change
Accommodation and Food Services	$ 27,966	$ 25,887	1245%	103%
Administrative/Support & Waste Management/Remediation	$ 67,058	$ 54,707	443%	173%
Agriculture, Forestry, Fishing, and Hunting	$ 11,204	$ 346	3%	-67%
Arts, Entertainment, and Recreation	$ -	$ -	N/A	N/A
Construction	$ 2,127,649	$ 1,933,214	994%	23%
Educational Services	$ 5,258	$ 5,258	N/A	N/A
Finance and Insurance	$ 2,151	$ 2,151	N/A	24859%
Health Care and Social Assistance	$ 11,372	$ 11,372	N/A	N/A
Information	$ 242,206	$ 118,548	96%	17%
Management of Companies and Enterprises	$ -	$ -	N/A	N/A
Manufacturing	$ 21,573	$ (5,143)	-19%	-56%
Mining, Quarrying, and Oil and Gas Extraction	$ 134,124	$ 134,124	N/A	360%
Other Services (except Public Administration)	$ 261,928	$ 1,494	1%	-4%
Professional, Scientific, and Technical Services	$ 246,377	$ (9,115)	-4%	11%
Public Administration	$ -	$ -	N/A	-100%
Real Estate and Rental and Leasing	$ 31,701	$ 26,930	564%	N/A
Retail Trade	$ 378,079	$ 251,909	200%	93%
Transportation and Warehousing	$ 3,240	$ (13,019)	-80%	N/A
Unclassified Establishments	$ 50,082	$ 48,933	4257%	33771%
Utilities	$ 1,616,463	$ 16,847	1%	-2%
Wholesale Trade	$ 85,744	$ 79,759	1333%	546%
All Industries	**$ 5,827,249**	**$ 2,874,007**	**97%**	**23%**

shows 11 industries that reported a year over year (YOY) increase. The largest increase came from the construction industry, which posted a YOY increase of $1.9M or 994%.

Gross receipts tax (GRT) revenue collections increased by $40.8K, or 129%, from Q4 FY21 to Q1 FY22, shown in Chart 4. The amount collected during Q1 FY22 ($72K) was greater than the sum of Q3 and Q4 of FY21 ($67.9K)

In Chart 5, average weekly wages increased by $88/ week.

Chart 3. Annual Total GRT Revenue Collections

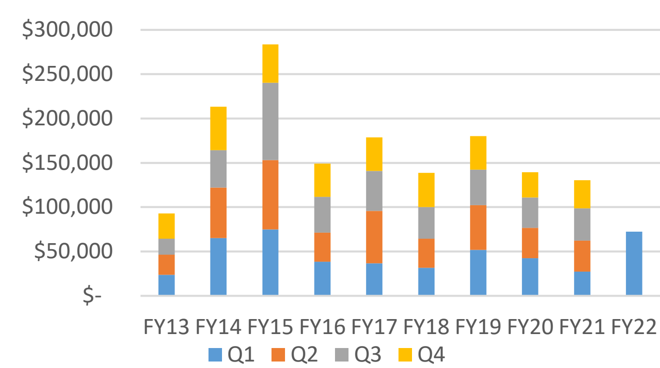


Chart 4. Quarterly GRT Revenue Collections

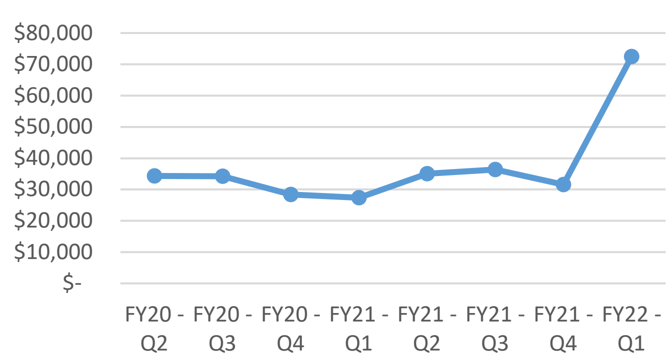
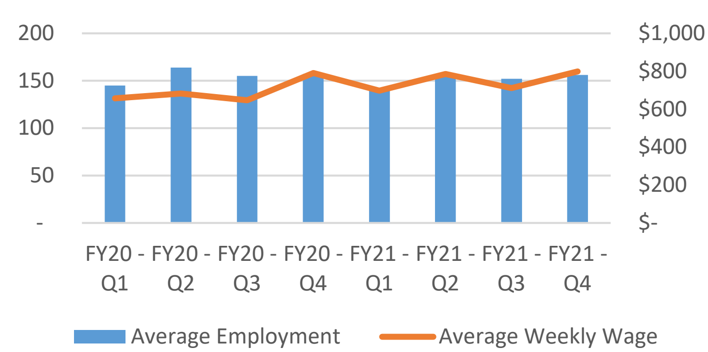


Chart 5. Total Employment & Weekly Wage



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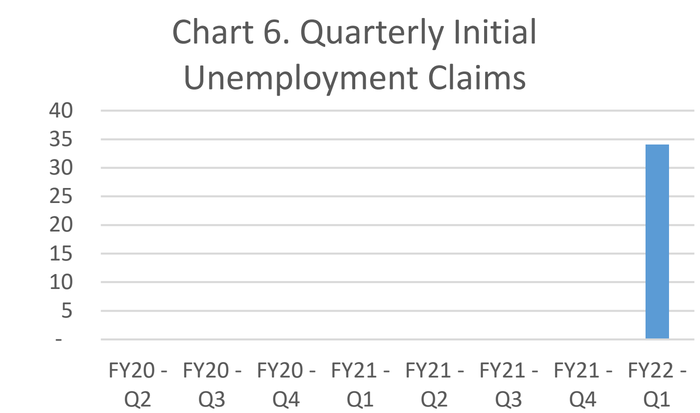

**Weeks with low IUC amounts have total claims withheld to avoid disclosure of confidential information. The sum of all weeks may not reflect the true total and may include a few days outside of the quarter. Claimants must reapply once a year. Claims that were filed last year, when the pandemic first started, have expired and claimants need to reapply if they are still unemployed.*

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 - Q4 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	*	*	*	*	2	0.0%
Agriculture, Forestry, Fishing, and Hunting	22	-12.0%	$ 532	-1.1%	8	0.0%
Arts, Entertainment, and Recreation	*	*	*	*	2	0.0%
Construction	*	*	*	*	3	0.0%
Educational Services	49	11.4%	$ 964	-8.7%	3	0.0%
Health Care and Social Assistance	6	*	$ 610	*	4	33.3%
Manufacturing	*	*	*	*	1	0.0%
Professional, Scientific, and Technical Services	*	*	*	*	-	-100.0%
Public Administration	34	0.0%	$ 751	6.2%	8	14.3%
Retail Trade	*	-100.0%	*	-100.0%	2	-33.3%
Transportation and Warehousing	7	-12.5%	$ 585	5.2%	4	0.0%
Wholesale Trade	*	*	*	*	1	0.0%
All Industries	**156**	**-0.6%**	**$ 799**	**1.0%**	**38**	**0.0%**

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