

Quarterly Economic Summary

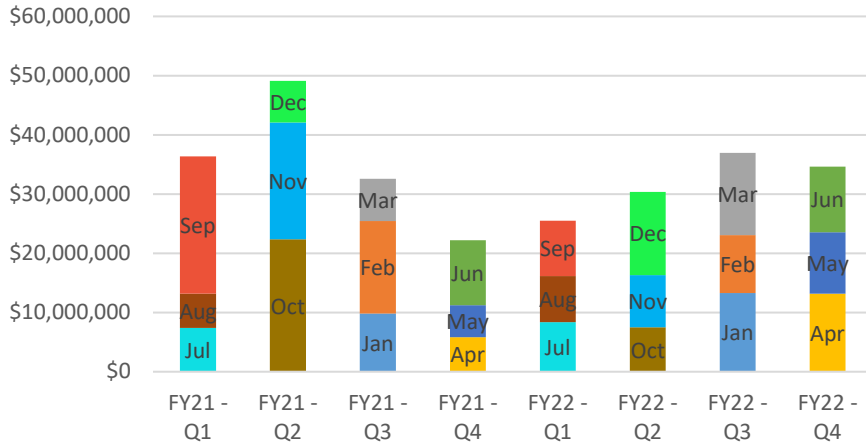
Hidalgo County



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Chart 1. Matched Taxable Gross Receipts Per Quarter

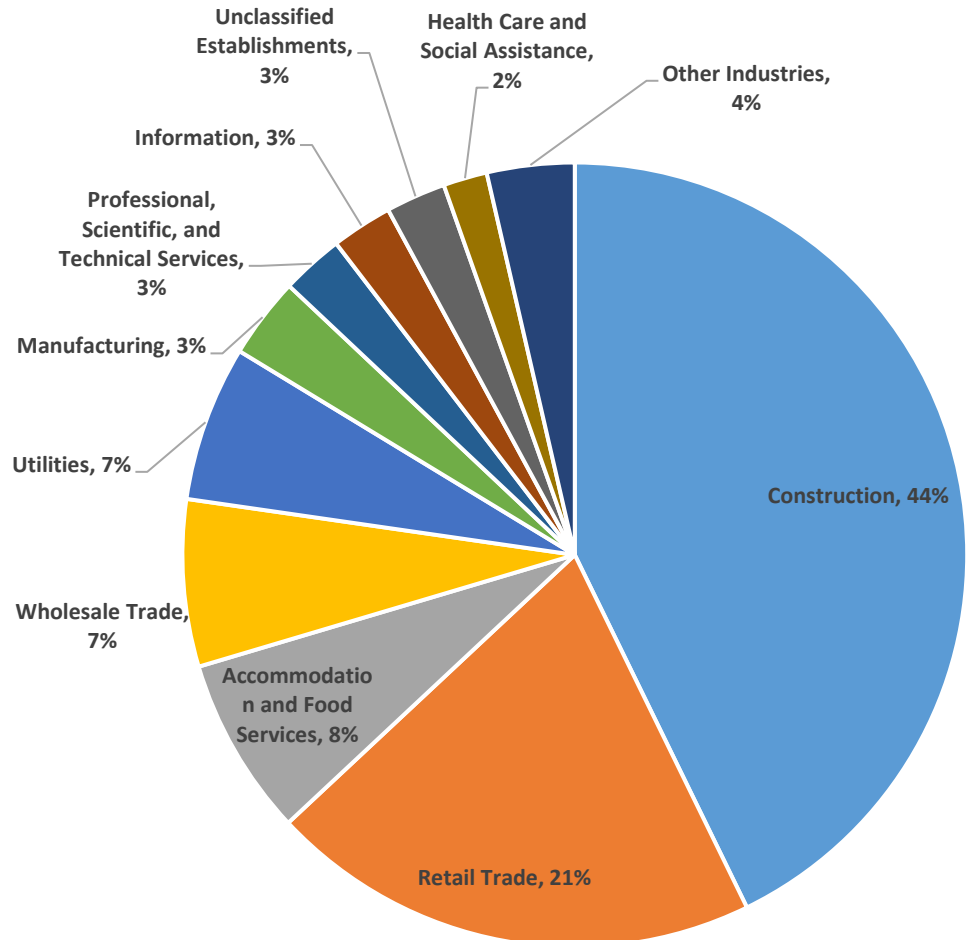


Gross receipts growth across the state significantly outpaced inflation over the last year, and 31 of 33 counties saw growth during that time. The state improved from an already strong third quarter for economic growth in the fourth quarter of FY22 of 20% for all industries compared with the same quarter a year ago and an increase of 29% compared with the same quarter before the COVID-19 pandemic hit. Rising inflation and interest rates pose risks, but the outlook is for continued strong growth in New Mexico.

Hidalgo County's matched taxable gross receipts (MTGR) declined in Q4 FY22 as compared to Q3 FY22, seen in Chart 1. From Q3 FY22 to Q4 FY22 MTGR declined by \$2.3M or just over 6%. Despite this decline the amount reported during Q4 FY22 (\$34.6M) is nearly \$9M higher than the sixteen-quarter average. During this time MTGR saw an upward trend. Table 1, on the next page, shows an increase of \$12.4M from Q4 in FY21 to FY22 of the same period.

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.

Chart 2. FY22 - Q4 Industry Size by Matched Taxable Gross Receipts



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Hidalgo County



Table 1. FY22 - Q4 Matched Taxable Gross Receipts by Industry

| Industries | FY22 - Q4 | YOY Growth | YOY % Change | %Change from FY19-Q4 (Pre-COVID) |
|---|----------------------|----------------------|--------------|----------------------------------|
| Accommodation and Food Services | \$ 2,606,902 | \$ 325,223 | 14% | -2% |
| Administrative/Support & Waste Management/Remediation | \$ 379,384 | \$ 217,486 | 134% | 70% |
| Agriculture, Forestry, Fishing, and Hunting | \$ - | \$ - | N/A | N/A |
| Arts, Entertainment, and Recreation | \$ 2,241 | \$ 2,241 | N/A | N/A |
| Construction | \$ 15,132,083 | \$ 12,350,907 | 444% | 507% |
| Educational Services | \$ 8,207 | \$ (19,577) | -70% | N/A |
| Finance and Insurance | \$ 78,698 | \$ 8,074 | 11% | 58% |
| Health Care and Social Assistance | \$ 640,466 | \$ 187,701 | 41% | -39% |
| Information | \$ 889,901 | \$ 172,405 | 24% | -34% |
| Management of Companies and Enterprises | \$ - | \$ - | N/A | N/A |
| Manufacturing | \$ 1,178,398 | \$ (414,011) | -26% | 2844% |
| Mining, Quarrying, and Oil and Gas Extraction | \$ 2,794 | \$ 2,794 | N/A | -74% |
| Other Services (except Public Administration) | \$ (879,310) | \$ (1,560,530) | -229% | -218% |
| Professional, Scientific, and Technical Services | \$ 910,011 | \$ 59,128 | 7% | 119% |
| Public Administration | \$ 56,284 | \$ (29,402) | -34% | -45% |
| Real Estate and Rental and Leasing | \$ 391,309 | \$ (974,468) | -71% | 105% |
| Retail Trade | \$ 7,168,598 | \$ 771,202 | 12% | 29% |
| Transportation and Warehousing | \$ 357,586 | \$ (11,860) | -3% | 22% |
| Unclassified Establishments | \$ 874,722 | \$ 605,542 | 225% | 973% |
| Utilities | \$ 2,267,572 | \$ 98,901 | 5% | 19% |
| Wholesale Trade | \$ 2,433,818 | \$ 620,503 | 34% | 148% |
| All Industries | \$ 34,629,951 | \$ 12,423,058 | 56% | 89% |

Table 1 shows all but 10 industries reported a year-over-year (YOY) increase. The largest increase came from the construction industry, which posted a YOY increase of \$12.3M or 444%. The other services (except public administration) industry is artificially low in Q4, showing a negative which is likely a result of a tax filing correction. Gross receipts tax (GRT) revenue collections decreased by \$15K, or 6%, from Q3 FY22 to Q4 FY22, shown in Chart 4. Annual GRT revenue collections also declined. Chart 3 shows that collections fell by roughly 10%, or \$125K, from FY21 to FY22. Despite this decline the amount collected during FY22 (\$1.2M) is twice as much as the average GRT since FY13 (\$600K).

Chart 3. Annual Total GRT Revenue Collections

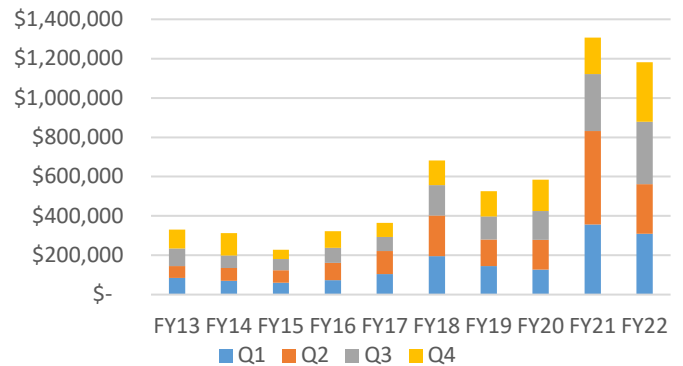


Chart 4. Quarterly GRT Revenue Collections

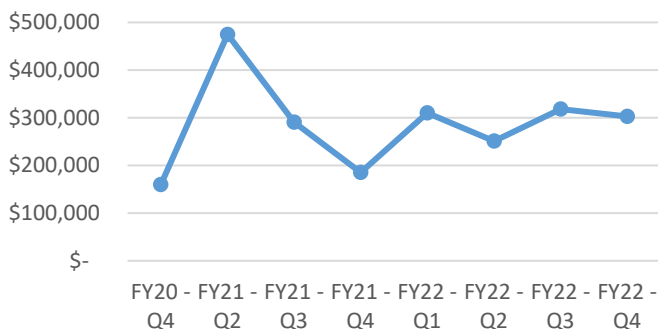
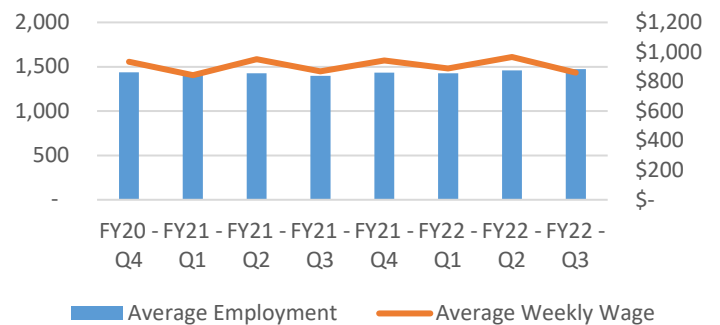


Chart 5. Total Employment & Weekly Wage

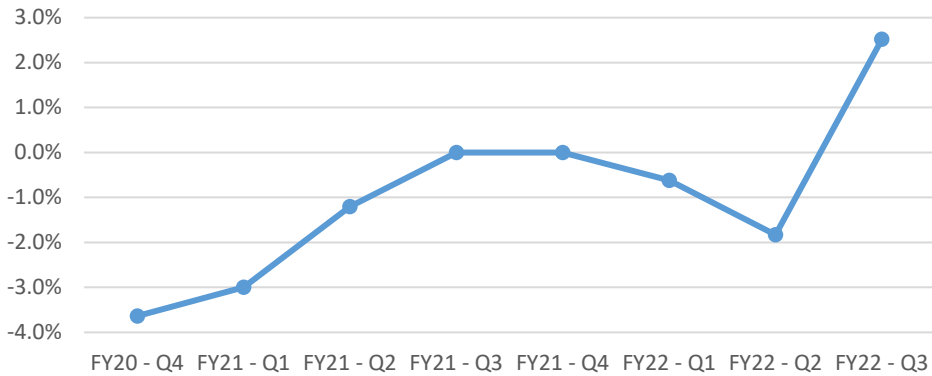


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Hidalgo County



Chart 6. Establishment Year-Over-Year % Change



An **establishment**, as used in the QCEW and subsequently Chart 6 and Table 2, is an economic unit, such as a farm, factory, or store, which produces goods or provides services at a single physical worksite and engaged, predominantly, in one type of economic activity.

The **Quarterly Census of Employment and Wages**, or the **QCEW**, used in Charts 5-6 and Table 2, produces comprehensive data on the number of establishments, monthly employment and quarterly wages for workers covered by state unemployment insurance (UI) laws and federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. These data are aggregated to many different levels, starting at the 6-digit NAICS industry level, to higher industry levels (NAICS industry groups, sectors, and supersectors), and to higher geographic levels (MSA, state and national).

Data are based on information reported by New Mexico employers, covering 97% of nonfarm wage and salary workers. Data are published every quarter. Considered the gold standard for its reliability of industry data, the QCEW data are the most complete universe of monthly employment and quarterly wage information by detailed industry.

Table 2. FY22 - Q3 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 | 203 | 21.6% | \$ 332 | 9.2% | 16 | 6.7% |
| Administrative/Support & Waste Management/Remediation | * | * | * | * | 5 | 0.0% |
| Agriculture, Forestry, Fishing, and Hunting | 62 | 8.8% | \$ 467 | -0.6% | 12 | 9.1% |
| Arts, Entertainment, and Recreation | * | * | * | * | 2 | 0.0% |
| Construction | 77 | 18.5% | \$ 705 | -15.0% | 13 | 0.0% |
| Educational Services | * | * | * | * | 4 | 0.0% |
| Finance and Insurance | * | * | * | * | 2 | 0.0% |
| Health Care and Social Assistance | 169 | -0.6% | \$ 839 | 15.7% | 27 | 3.8% |
| Information | 13 | 0.0% | \$ 493 | -5.0% | 4 | 0.0% |
| Manufacturing | * | * | * | * | 2 | 0.0% |
| Mining, Quarrying, and Oil and Gas Extraction | * | * | * | * | 2 | 0.0% |
| Other Services (except Public Administration) | 5 | 0.0% | \$ 540 | 7.4% | 6 | 20.0% |
| Professional, Scientific, and Technical Services | 24 | 26.3% | \$ 805 | -11.4% | 7 | 0.0% |
| Public Administration | 387 | -4.2% | \$ 1,466 | 3.2% | 24 | 0.0% |
| Real Estate and Rental and Leasing | * | * | * | * | 1 | 0.0% |
| Retail Trade | 236 | 3.5% | \$ 561 | 2.9% | 19 | 0.0% |
| Transportation and Warehousing | 61 | 22.0% | \$ 1,130 | 0.7% | 9 | -10.0% |
| Utilities | 12 | * | \$ 1,021 | * | 5 | 0.0% |
| Wholesale Trade | 14 | * | \$ 319 | * | 3 | 50.0% |
| All Industries | 1,473 | 5.4% | \$ 861 | -0.9% | 163 | 2.5% |

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