

Quarterly Economic Summary

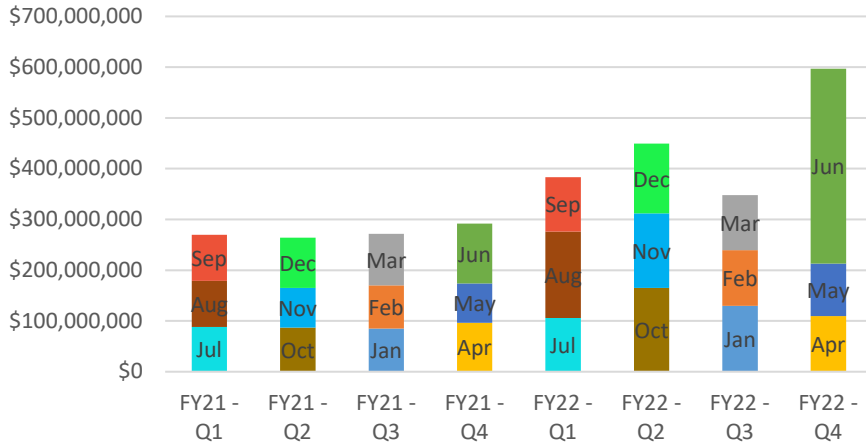
Otero County



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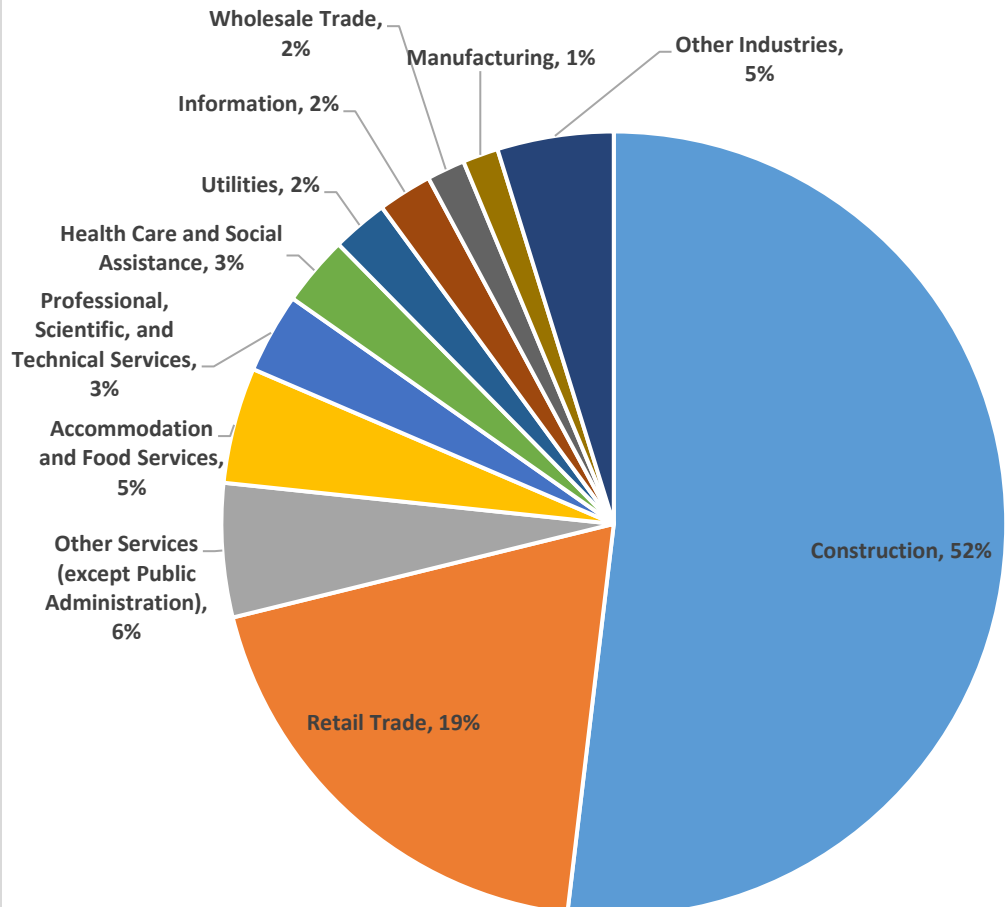
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Otero County's matched taxable gross receipts (MTGR) spiked in Q4 FY22 as compared to Q3 FY22, shown in Chart 1. From Q3 FY22 to Q4 FY22, MTGR increased by \$250M or nearly 72%. This increase was driven solely by the construction industry. Chart 2 shows that the construction industry accounted for 52% of the county's MTGR while in Q3 FY22 the industry produced 16% of the MTGR. Table 1, on the next page, shows an increase of \$305M from

Chart 2. FY22 - Q4 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.

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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	\$ 28,519,949	\$ 2,611,491	10%	36%
Administrative/Support & Waste Management/Remediation	\$ 7,918,272	\$ 3,172,611	67%	60%
Agriculture, Forestry, Fishing, and Hunting	\$ (473,536)	\$ (2,721,877)	-121%	-141%
Arts, Entertainment, and Recreation	\$ 711,994	\$ (237,782)	-25%	-4%
Construction	\$ 309,784,057	\$ 260,539,143	529%	718%
Educational Services	\$ 3,215,825	\$ 399,641	14%	103%
Finance and Insurance	\$ 1,044,676	\$ 26,677	3%	1%
Health Care and Social Assistance	\$ 17,212,644	\$ 5,309,322	45%	16%
Information	\$ 13,336,952	\$ 4,730,731	55%	-20%
Management of Companies and Enterprises	\$ 140,561	\$ 140,561	N/A	N/A
Manufacturing	\$ 8,766,743	\$ (1,951,810)	-18%	69%
Mining, Quarrying, and Oil and Gas Extraction	\$ 452,819	\$ 452,819	N/A	1466%
Other Services (except Public Administration)	\$ 32,882,338	\$ 3,937,930	14%	10%
Professional, Scientific, and Technical Services	\$ 19,639,165	\$ 3,571,782	22%	67%
Public Administration	\$ -	\$ (618,654)	-100%	-100%
Real Estate and Rental and Leasing	\$ 8,167,692	\$ 335,229	4%	33%
Retail Trade	\$ 115,064,401	\$ 18,262,814	19%	52%
Transportation and Warehousing	\$ 748,167	\$ (33,965)	-4%	-29%
Unclassified Establishments	\$ 6,199,436	\$ 5,596,996	929%	244%
Utilities	\$ 13,804,235	\$ (428,433)	-3%	28%
Wholesale Trade	\$ 9,377,309	\$ 2,047,567	28%	57%
All Industries	\$ 597,172,216	\$ 305,406,600	105%	140%

Q4 in FY21 to FY22 of the same period. Table 1 also shows that all but 8 industries reported a year-over-year (YOY) increase. The largest increase came from the construction industry which posted a YOY increase of \$260M or 529%. Otero County experienced a YOY increase of \$305M, the construction industry accounted for 85% of the county's YOY growth. The agriculture, forestry, fishing and hunting 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 increased by \$2.7M, or 66%, from Q3 FY22 to Q4 FY22, as seen in Chart 4.

Chart 3. Annual Total GRT Revenue Collections

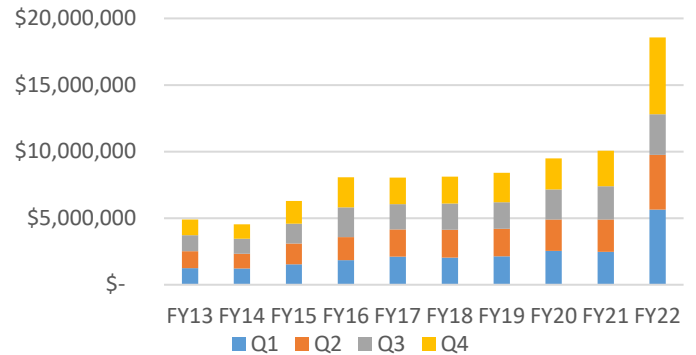


Chart 4. Quarterly GRT Revenue Collections

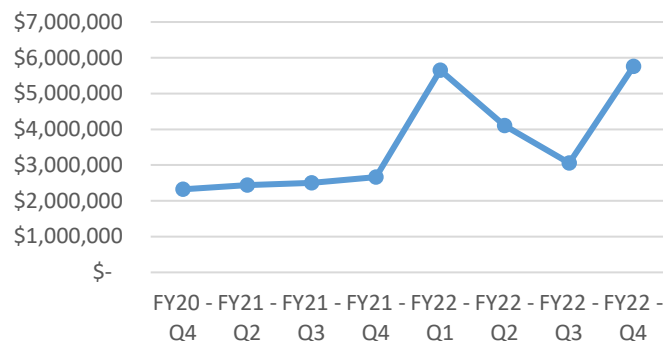
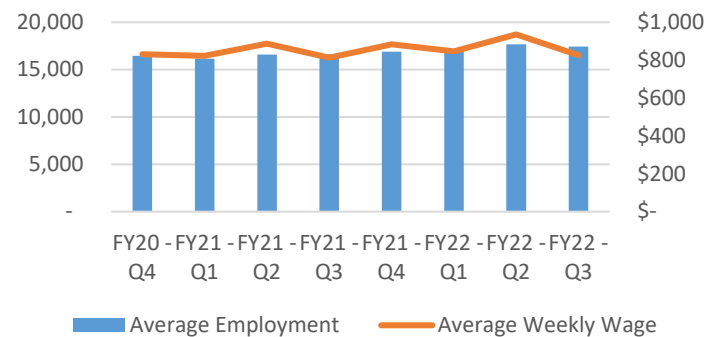


Chart 5. Total Employment & Weekly Wage

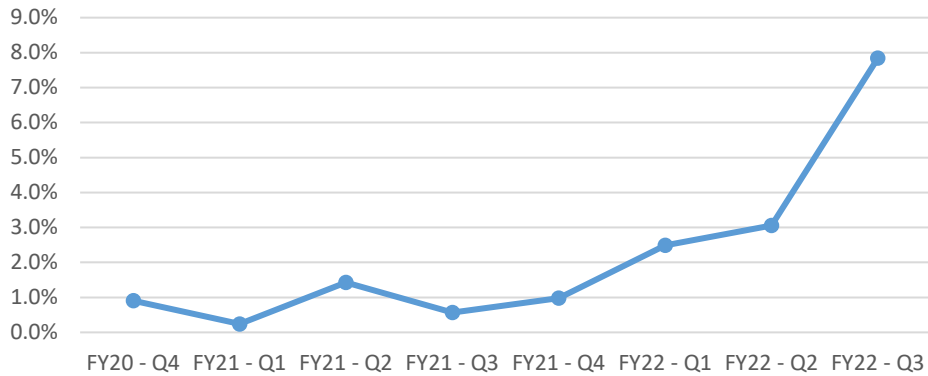


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Chart 6. Establishment Year-Over-Year % Change



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	2,371	18.8%	\$ 477	8.2%	112	5.7%
Administrative/Support & Waste Management/Remediation	1,375	-3.3%	\$ 902	4.9%	83	18.6%
Agriculture, Forestry, Fishing, and Hunting	117	-7.1%	\$ 649	16.1%	17	21.4%
Arts, Entertainment, and Recreation	235	25.7%	\$ 526	-8.8%	28	0.0%
Construction	1,032	-0.5%	\$ 856	7.9%	141	3.7%
Educational Services	1,836	3.6%	\$ 1,018	3.1%	26	13.0%
Finance and Insurance	355	0.9%	\$ 805	-0.1%	58	11.5%
Health Care and Social Assistance	3,109	-0.2%	\$ 853	-2.8%	233	6.4%
Information	214	5.9%	\$ 992	1.3%	47	51.6%
Management of Companies and Enterprises	31	29.2%	\$ 1,003	-3.0%	10	0.0%
Manufacturing	84	5.0%	\$ 516	-3.9%	22	0.0%
Mining, Quarrying, and Oil and Gas Extraction	72	-13.3%	\$ 818	22.8%	6	0.0%
Other Services (except Public Administration)	358	13.7%	\$ 679	3.7%	81	12.5%
Professional, Scientific, and Technical Services	710	24.6%	\$ 1,105	-7.4%	115	17.3%
Public Administration	2,291	2.6%	\$ 1,139	2.7%	54	1.9%
Real Estate and Rental and Leasing	179	14.7%	\$ 662	19.9%	58	9.4%
Retail Trade	2,426	5.3%	\$ 566	7.2%	156	-1.3%
Transportation and Warehousing	409	0.7%	\$ 1,037	3.8%	48	4.3%
Utilities	159	-1.9%	\$ 1,046	-2.2%	19	-5.0%
Wholesale Trade	87	4.8%	\$ 1,158	20.5%	20	0.0%
All Industries	17,450	4.9%	\$ 827	1.7%	1,334	7.8%

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