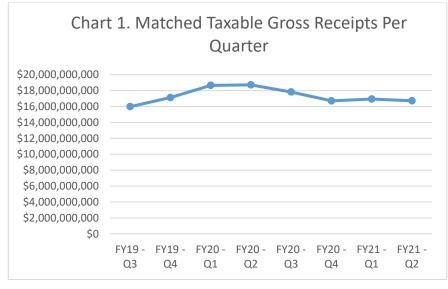
Quarterly Economic Summary New Mexico



Released: March 2021

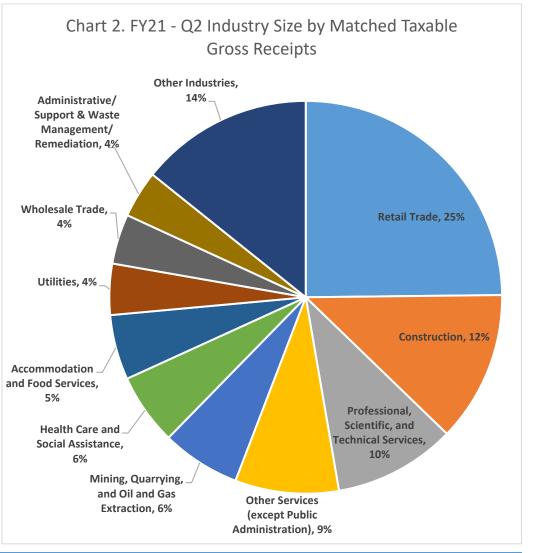
Prepared by: Joel Salas, Economist, and Ryan Eustice, Economist



New Mexico's total matched taxable gross receipts (MTGR) in Q2 FY21 have remained relatively flat compared to the previous two quarters. MTGR saw a 1% (\$215M) decrease from Q1 FY21 to Q2 FY21, as seen in Chart 1. Q2 FY21 saw a year-over-year (YOY) decrease of 11% (\$2B), shown in Table 1 on page 2. The arts, ent./rec. industry saw the largest YOY percent decline, 57%, followed by the oil and gas industry, which declined 40%. The oil and gas industry had the largest overall decline in the state, with MTGR dropping nearly \$725M

in Q2 FY21 compared to Q2 FY20. Oil and gas MTGR in Q2 FY21 is at a level comparable to MTGR seen in early FY18. New Mexico gross domestic product (GDP), shown on page 3, rebounded slightly from Q4 FY20 to Q1 FY21, increasing by 5%, or approximately \$5B, now at \$96B. State GDP was last near this level in Q2-Q3 of FY19. State GDP in Q1 FY21 saw a \$2.1B (2%) YOY decrease.

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.

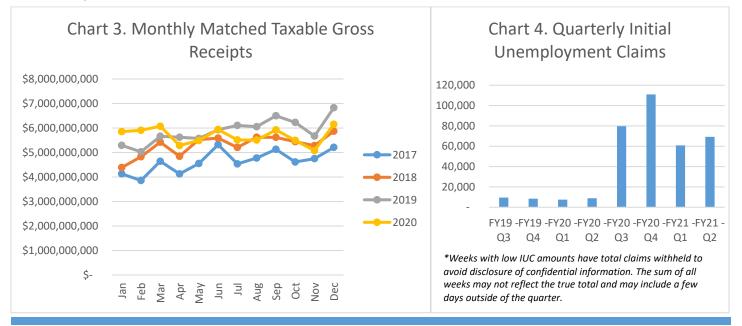


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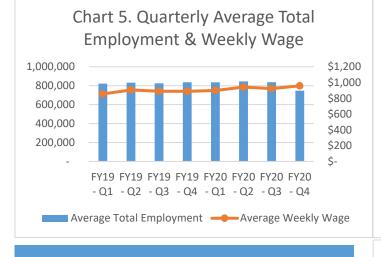
Table 1. Matched Taxable Gross Receipts by Industry											
Industries	FY20 - Q2	FY21 - Q2	Growth	Year over y	ear Change						
Accommodation and Food Services	\$ 1,178,867,839	\$ 894,948,475	\$ (283,91	9,364)	-24%						
Administrative/Support & Waste Management/Remediation	\$ 582,329,948	\$ 650,219,829	\$ 67,88	9,881	12%						
Agriculture, Forestry, Fishing, and Hunting	\$ 38,657,711	\$ 35,248,856	\$ (3,40	8,856)	-9%						
Arts, Entertainment, and Recreation	\$ 97,903,542	\$ 42,483,354	\$ (55,42	0,187)	-57%						
Construction	\$ 2,336,531,864	\$ 2,075,129,975	\$ (261,40	1,888)	-11%						
Educational Services	\$ 81,704,786	\$ 77,500,331	\$ (4,20	4,455)	-5%						
Finance and Insurance	\$ 101,586,192	\$ 108,988,705	\$ 7,40	2,512	7%						
Health Care and Social Assistance	\$ 890,669,243	\$ 983,323,212	\$ 92,65	3,969	10%						
Information	\$ 790,620,276	\$ 499,104,614	\$ (291,51	5,662)	-37%						
Management of Companies and Enterprises	\$ 10,841,491	\$ 8,111,341	\$ (2,73	0,150)	-25%						
Manufacturing	\$ 535,485,428	\$ 481,211,405	\$ (54,27	4,022)	-10%						
Mining, Quarrying, and Oil and Gas Extraction	\$ 1,809,677,340	\$ 1,084,877,524	\$ (724,79	9,816)	-40%						
Other Services (except Public Administration)	\$ 1,760,364,702	\$ 1,427,463,409	\$ (332,90	1,293)	-19%						
Professional, Scientific, and Technical Services	\$ 1,721,830,348	\$ 1,680,702,985	\$ (41,12	7,363)	-2%						
Public Administration	\$ 206,709,223	\$ 207,098,130	\$ 38	8,907	0%						
Real Estate and Rental and Leasing	\$ 493,869,081	\$ 471,351,406	\$ (22,51	7,675)	-5%						
Retail Trade	\$ 3,947,175,157	\$ 4,149,639,591	\$ 202,46	4,433	5%						
Transportation and Warehousing	\$ 266,617,807	\$ 170,438,124	\$ (96,17	9,683)	-36%						
Unclassified Establishments	\$ 218,786,012	\$ 289,093,938	\$ 70,30	7,926	32%						
Utilities	\$ 732,873,832	\$ 703,693,882	\$ (29,17	9,950)	-4%						
Wholesale Trade	\$ 921,678,076	\$ 686,053,336	\$ (235,62	4,739)	-26%						
All Industries	\$18,724,779,899	\$16,726,682,424	\$ (1,998,09	7,475)	-11%						

A significant unexplained increase in initial unemployment claims can be an early indicator of an economic downturn. Examples include seasonal job fluctuations, federal government shutdowns resulting in employee furloughs, or the closing of a major regional facility. The current unprecedented uptick in initial unemployment claims is tied directly to the COVID-19 pandemic and subsequent furloughs and layoffs by affected businesses. As we continue into 2021, it is likely the number of initial unemployment claims will vary based on the effects of the pandemic, and it is impossible to predict how quickly employment numbers will return to pre-COVID-19 levels.



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

Quarterly Economic Summary New Mexico



The value of all goods and services produced in New Mexico is the **Gross Domestic Product (GDP).** The percentage that GDP grew (or shrank) from one period to another is an important way to gauge how the economy is performing.





Chart 7. Gross Domestic Product Per Quarter

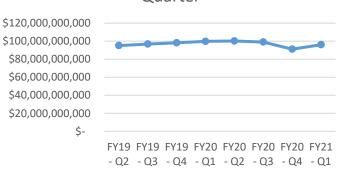


Table 2. Gross Domestic Product by Industry											
Industry		FY20 - Q1		FY21 - Q1		Growth	Year Over Year Change				
Private Industries	\$	77,967,100,000	\$	75,245,700,000	\$	(2,721,400,000)		-3%			
Accommodation and Food Services	\$	2,864,700,000	\$	2,470,100,000	\$	(394,600,000)		-14%			
Administrative/Support & Waste Management/Remediation	\$	2,539,300,000	\$	2,499,900,000	\$	(39,400,000)		-2%			
Agriculture, Forestry, Fishing, and Hunting	\$	2,265,500,000	\$	2,080,200,000	\$	(185,300,000)		-8%			
Arts, Entertainment, and Recreation	\$	672,000,000	\$	419,500,000	\$	(252,500,000)		-38%			
Construction	\$	3,045,800,000	\$	2,992,900,000	\$	(52,900,000)		-2%			
Educational Services	\$	502,200,000	\$	472,900,000	\$	(29,300,000)		-6%			
Finance and Insurance	\$	2,582,400,000	\$	2,650,700,000	\$	68,300,000		3%			
Health Care and Social Assistance	\$	7,044,700,000	\$	6,838,300,000	\$	(206,400,000)		-3%			
Information	\$	2,683,200,000	\$	2,655,600,000	\$	(27,600,000)		-1%			
Management of Companies and Enterprises	\$	615,800,000	\$	676,700,000	\$	60,900,000		10%			
Manufacturing	\$	4,662,300,000	\$	4,700,600,000	\$	38,300,000		1%			
Manufacturing (Durrable Goods)	\$	1,970,800,000	\$	1,998,100,000	\$	27,300,000		1%			
Manufacturing (Nondurrable Goods)	\$	2,719,000,000	\$	2,724,000,000	\$	5,000,000		0%			
Mining, Quarrying, and Oil and Gas Extraction	\$	17,124,300,000	\$	13,894,600,000	\$	(3,229,700,000)		-19%			
Other Services (except Public Administration)	\$	1,899,200,000	\$	1,689,200,000	\$	(210,000,000)		-11%			
Professional, Scientific, and Technical Services	\$	7,188,400,000	\$	7,247,800,000	\$	59,400,000		1%			
Public Administration	\$	20,431,200,000	\$	20,879,300,000	\$	448,100,000		2%			
Real Estate and Rental and Leasing	\$	11,474,500,000	\$	11,533,000,000	\$	58,500,000		1%			
Retail Trade	\$	5,471,000,000	\$	5,555,200,000	\$	84,200,000		2%			
Transportation and Warehousing	\$	2,342,800,000	\$	1,986,800,000	\$	(356,000,000)		-15%			
Utilities	\$	1,459,800,000	\$	1,574,700,000	\$	114,900,000		8%			
Wholesale Trade	\$	2,998,200,000	\$	2,954,100,000	\$	(44,100,000)		-1%			
All Industries	\$	98,204,100,000	\$	96,089,700,000	\$	(2,114,400,000)		-2%			

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