

# Quarterly Economic Summary

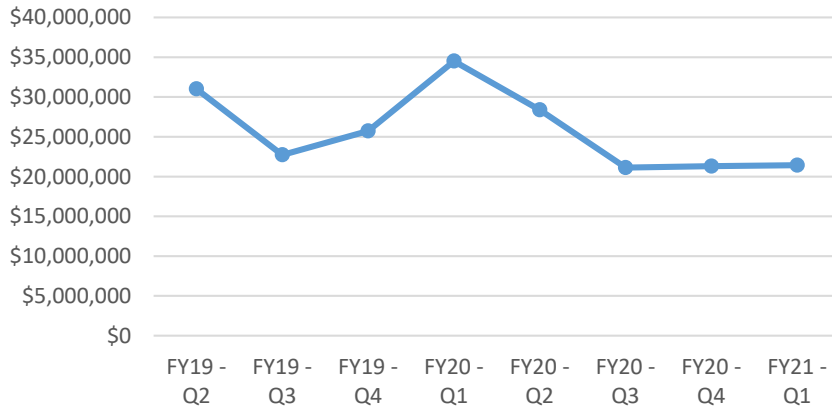
## Union County



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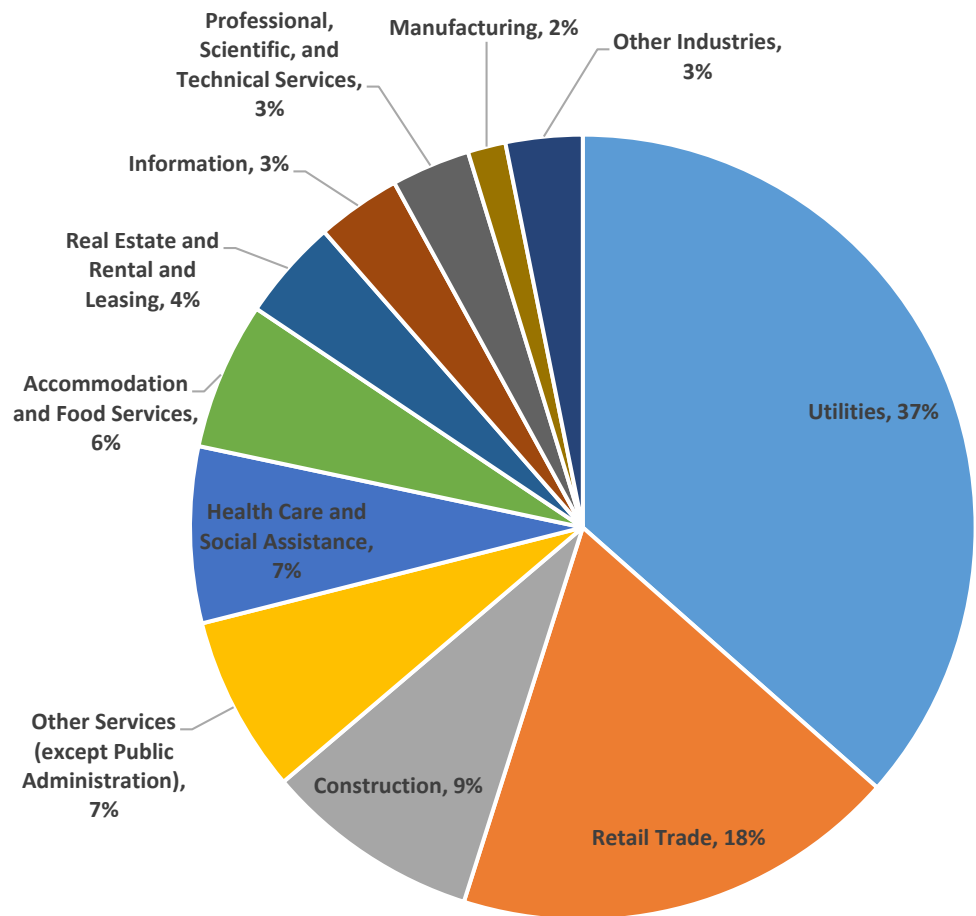
Chart 1. Matched Taxable Gross Receipts Per Quarter



The three months making up FY21 Q1 were the worst three months of the state's economic impact from COVID-19, comparing gross receipts data with the same period a year ago, despite 14 counties experiencing a year-over-year increase. The impacts were significantly worse due to lapsing federal support and no new federal aid package. Importantly, the federal bonus for unemployment benefits of an additional \$600/week expired, reducing consumer spending power.

Since Q3 FY20 Union County has seen its matched taxable gross receipts (MTGR) remain flat, as seen in Chart 1. From Q4 FY20 to Q1 FY21 MTGR for Union County increased by less than 1%, or \$118K. Over the last three quarters the amount collected in MTGR has averaged \$21.3M. The last time MTGR were close to this level was in the fourth quarter of FY12. Table 1, on the next page, shows a loss of \$13M from Q1 FY20 to Q1 FY21.

Chart 2. FY21 - 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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**Table 1. Matched Taxable Gross Receipts by Industry**

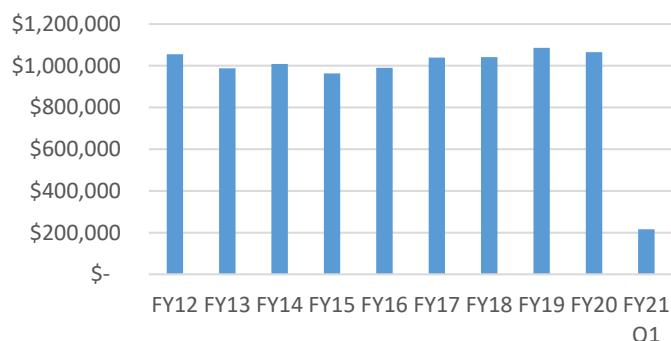
Industries	FY20 - Q1	FY21 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 1,597,393	\$ 1,301,463	\$ (295,930)	-19%
Administrative/Support & Waste Management/Remediation	\$ 2,661,146	\$ 189,400	\$ (2,471,746)	-93%
Agriculture, Forestry, Fishing, and Hunting	\$ 342,496	\$ 109,280	\$ (233,215)	-68%
Arts, Entertainment, and Recreation	\$ 59,302	\$ 88,143	\$ 28,841	49%
Construction	\$ 4,550,272	\$ 1,905,215	\$ (2,645,057)	-58%
Educational Services	\$ 1,072	\$ 547	\$ (525)	-49%
Finance and Insurance	\$ 221,533	\$ 128,539	\$ (92,994)	-42%
Health Care and Social Assistance	\$ 1,560,821	\$ 1,553,644	\$ (7,176)	0%
Information	\$ 1,209,254	\$ 744,511	\$ (464,743)	-38%
Manufacturing	\$ 4,702,565	\$ 334,260	\$ (4,368,305)	-93%
Mining, Quarrying, and Oil and Gas Extraction	\$ 33	\$ -	\$ (33)	-100%
Other Services (except Public Administration)	\$ 1,424,352	\$ 1,560,297	\$ 135,944	10%
Professional, Scientific, and Technical Services	\$ 432,256	\$ 694,557	\$ 262,301	61%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 1,492,760	\$ 891,672	\$ (601,088)	-40%
Retail Trade	\$ 3,975,455	\$ 3,937,052	\$ (38,403)	-1%
Transportation and Warehousing	\$ 117,697	\$ 68,491	\$ (49,205)	-42%
Unclassified Establishments	\$ 17,133	\$ 13,692	\$ (3,441)	-20%
Utilities	\$ 10,001,614	\$ 7,823,525	\$ (2,178,090)	-22%
Wholesale Trade	\$ 104,256	\$ 79,279	\$ (24,977)	-24%
<b>All Industries</b>	<b>\$ 34,508,236</b>	<b>\$ 21,423,879</b>	<b>\$ (13,084,357)</b>	<b>-38%</b>

All but three industries experienced year over year losses, with the manufacturing sector experiencing the largest decrease (\$4.4M). The largest year over year increase occurred in the professional, scientific, and technical services industry, which saw MTGR increase by \$262K, or 61%.

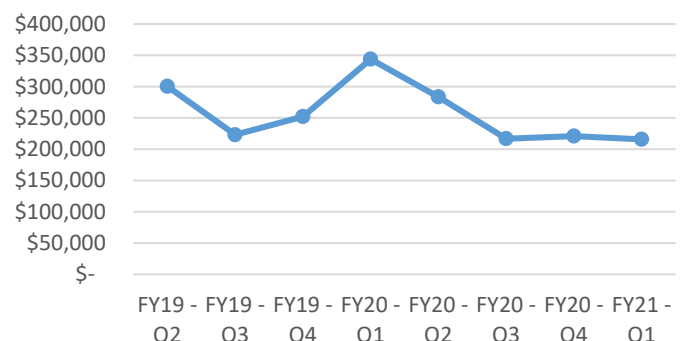
Gross receipts tax (GRT) revenue collections, just like MTGR collections, have remained fairly consistent, as seen in Chart 4. From Q4 FY20 to Q1 FY21, quarterly collections decreased by \$5K, or 2%.

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 the 2020 Special Session, that legislation was amended, increasing a temporary distribution to municipalities and counties. Now municipalities will receive a distribution that is a portion of \$2.5 million while counties will receive a distribution that is a portion of \$1.5 million. The amounts distributed will be proportional to the size of that community's population versus that of the entire group. These amounts are subject to change if the federal government provides municipalities and counties future grants to offset revenue declines attributable to COVID-19.

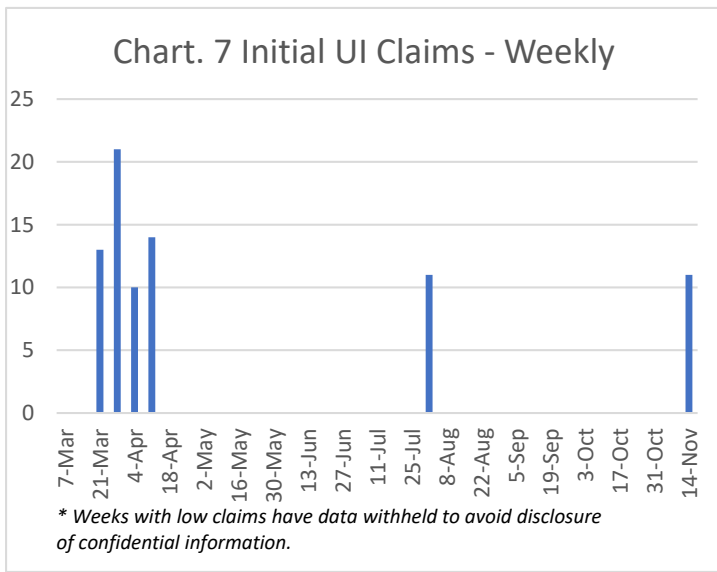
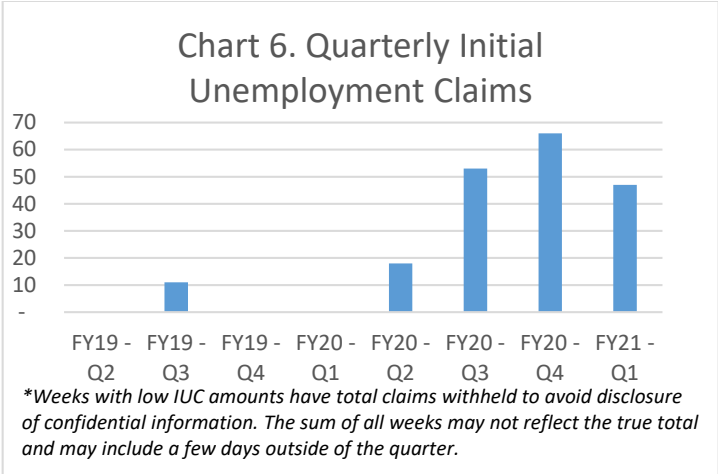
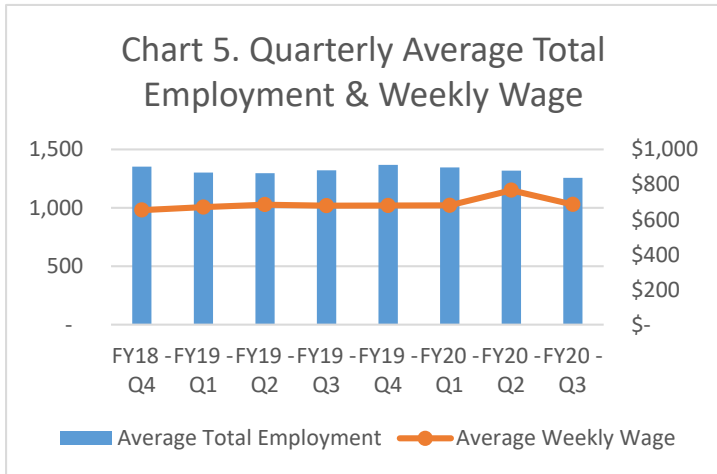
**Chart 3. Annual Total GRT Revenue Collections**



**Chart 4. Quarterly GRT Revenue Collections**



# Quarterly Economic Summary Union County



A significant unexplained increase in initial unemployment claims can be an early indicator of an economic downturn. Explained increases commonly include seasonal job fluctuations, federal government shutdowns resulting in employee furloughs, or the closing of a major regional facility. This 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 early and mid-2021, it is likely the number of initial unemployment claims will vary based on the effects of the pandemic but gradually wane; however, it is impossible to predict how quickly the employment numbers will return to pre-COVID-19 levels.

**Chart 7** – Includes weekly initial claims for regular unemployment insurance (UI) but excludes pandemic unemployment assistance (PUA) and pandemic emergency unemployment assistance (PEUA) claims. Weeks shown as zero were redacted for confidentiality.

**Chart 8** – Includes claimants receiving payment and pending certifications for standard UI, PUA, PEUA, extended benefits, and trade readjustment allowances. As of 11/2/2020, claimants who were initially considered eligible but have either never filed a certification or have not certified within 14 days have been removed from data, resulting in lower numbers.

