

# Quarterly Economic Summary

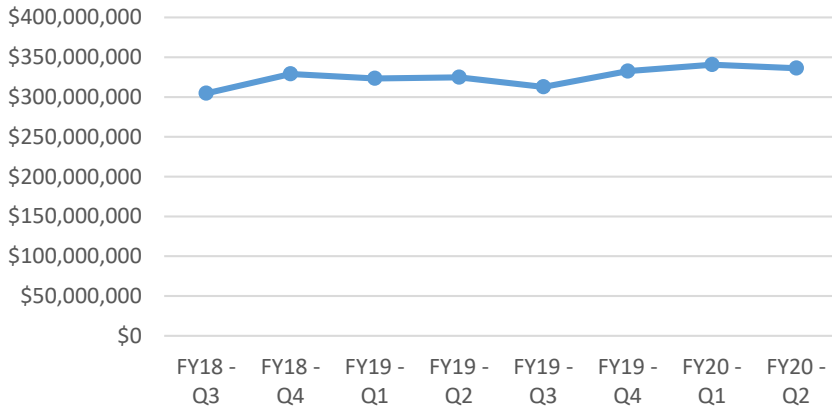
## Chaves County



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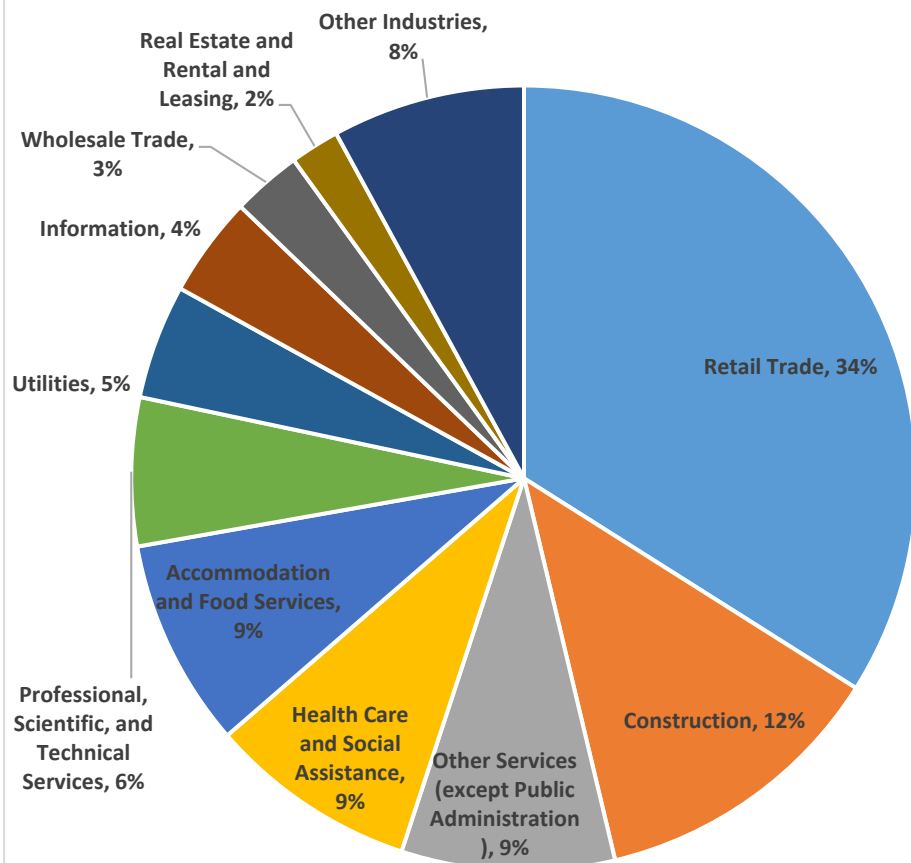
Chart 1. Matched Taxable Gross Receipts Per Quarter



Chaves County’s matched taxable gross receipts (MTGR) has stayed relatively flat over the last eight quarters, as seen in Chart 1. Chaves County’s MTGR has stayed between \$300M and \$350M. Table 1, on the next page, shows an increase in total MTGR of \$11.5M from Q2 in FY19 to FY20 of the same period. Table 1 also shows that the Professional, Scientific, and Technical Services industry (increasing by \$5.1M) carried the losses that were sustained by the Mining, Quarrying, and Oil and Gas Extraction industry (-\$3.6M).

The Real Estate and Rental and Leasing industry (increasing by \$2.4M) and the Construction industry (increasing by \$1.7M) have continued to trend upwards.

Chart 2. FY20 - Q2 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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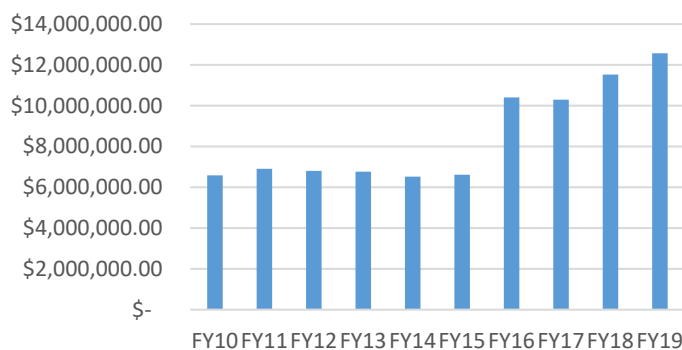
**Table 1. Matched Taxable Gross Receipts by Industry**

Industries	FY19 - Q2	FY20 - Q2	Growth	Year over year Change
Accommodation and Food Services	\$ 27,932,683	\$ 28,866,037	\$ 933,354	3%
Administrative/Support & Waste Management/Remediation	\$ 5,496,343	\$ 6,098,574	\$ 602,232	11%
Agriculture, Forestry, Fishing, and Hunting	\$ 844,117	\$ 722,416	\$ (121,700)	-14%
Arts, Entertainment, and Recreation	\$ 908,972	\$ 1,613,859	\$ 704,887	78%
Construction	\$ 39,624,478	\$ 41,365,261	\$ 1,740,782	4%
Educational Services	\$ 320,691	\$ 339,884	\$ 19,193	6%
Finance and Insurance	\$ 2,050,784	\$ 2,210,847	\$ 160,062	8%
Health Care and Social Assistance	\$ 29,797,214	\$ 28,871,266	\$ (925,949)	-3%
Information	\$ 12,395,164	\$ 13,899,844	\$ 1,504,680	12%
Management of Companies and Enterprises	\$ 74,681	\$ 128,778	\$ 54,097	72%
Manufacturing	\$ 3,935,945	\$ 5,259,451	\$ 1,323,506	34%
Mining, Quarrying, and Oil and Gas Extraction	\$ 7,723,973	\$ 4,092,854	\$ (3,631,118)	-47%
Other Services (except Public Administration)	\$ 29,075,693	\$ 29,521,095	\$ 445,402	2%
Professional, Scientific, and Technical Services	\$ 15,411,593	\$ 20,527,279	\$ 5,115,686	33%
Public Administration	\$ 202,422	\$ 240,598	\$ 38,176	19%
Real Estate and Rental and Leasing	\$ 4,449,136	\$ 6,827,671	\$ 2,378,534	53%
Retail Trade	\$ 114,310,403	\$ 114,236,018	\$ (74,384)	0%
Transportation and Warehousing	\$ 3,502,884	\$ 4,719,115	\$ 1,216,231	35%
Unclassified Establishments	\$ 943,977	\$ 1,271,459	\$ 327,482	35%
Utilities	\$ 16,995,711	\$ 15,835,977	\$ (1,159,734)	-7%
Wholesale Trade	\$ 8,756,584	\$ 9,642,546	\$ 885,963	10%
<b>All Industries</b>	<b>\$ 324,753,450</b>	<b>\$ 336,290,829</b>	<b>\$ 11,537,379</b>	<b>4%</b>

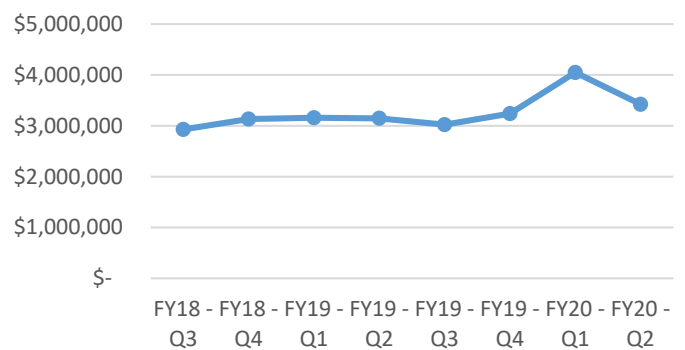
Gross Receipts Tax (GRT) revenue collections slumped significantly in Q2 FY20, as seen in Chart 4. This 15% decrease is almost exclusively due to the decrease in the county share GRT(food) collection, which saw an 80% decrease from Q1 FY20.

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 this delay, local governments will receive a distribution that is a portion of \$2M each month. The portion distributed will be based on what the population of each county is to the total population of all counties, as per the most recent decennial census.

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



**Chart 4. Quarterly GRT Revenue Collections**



# Quarterly Economic Summary Chaves County



Chart 5. Quarterly Average Total Employment & Weekly Wage

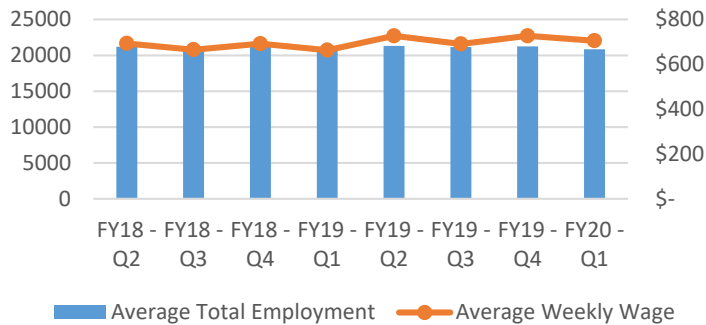


Chart 6. Quarterly Initial Unemployment Claims

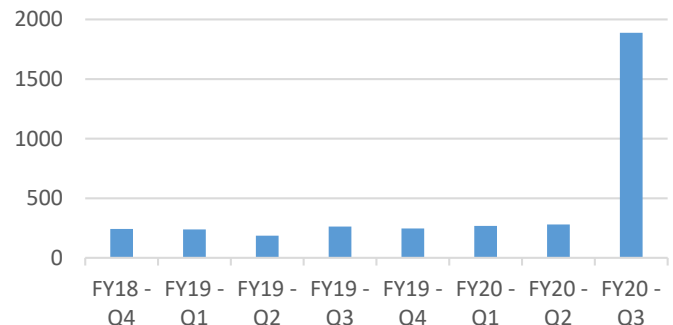
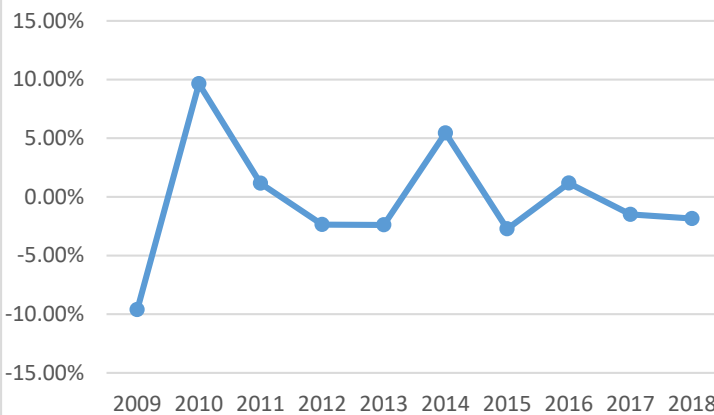


Chart 7. Calendar Year % Change In Real GDP Year Over Year



A significant unexplained increase in **Initial Unemployment Claims** can be an early indicator of an incoming economic downturn. Explained increases commonly include seasonal job fluctuations, government shutdowns resulting in mass employee furloughs and the closing of a major regional facility. The major uptick in the initial unemployment claims is directly tied to the COVID-19 outbreak and the subsequent closure of “non-essential” businesses. These businesses tend to be a major component of the workforce. As the stay at home order stays in effect, it is likely that the initial unemployment claims will continue to increase as the economy shifts to handle the unprecedented changes.

Table 2. Calendar Year 2018 Real County GDP vs Real State GDP

Industries	Chaves, NM	New Mexico	Difference Between County and State
Accommodation and food services	3.67%	2.94%	0.73%
Administrative and support and waste management and remediation services	1.46%	2.51%	-1.05%
Arts, entertainment, and recreation	0.31%	0.68%	-0.37%
Educational services	0.08%	0.51%	-0.43%
Finance and insurance	2.40%	2.75%	-0.35%
Health care and social assistance	9.47%	7.39%	2.07%
Management of companies and enterprises	0.24%	0.61%	-0.37%
Professional, scientific, and technical services	3.04%	7.21%	-4.17%
Real estate and rental and leasing	15.70%	12.17%	3.54%
Agriculture, forestry, fishing and hunting	10.25%	1.78%	8.46%
Construction	2.32%	3.12%	-0.80%
Information	1.87%	3.21%	-1.34%
Manufacturing	4.64%	4.31%	0.33%
Mining, quarrying, and oil and gas extraction	5.22%	14.79%	-9.57%
Other services (except government and government enterprises)	2.13%	1.96%	0.17%
Retail trade	9.23%	5.87%	3.36%
Transportation and warehousing	3.73%	2.58%	1.14%
Utilities	0.95%	1.57%	-0.62%
Wholesale trade	4.76%	3.13%	1.63%
Government and government enterprises	16.64%	21.50%	-4.86%

SOURCES: NEW MEXICO TAXATION AND REVENUE DEPT, NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS, U.S. BUREAU OF LABOR AND STATISTICS, U.S. BUREAU OF ECONOMIC ANALYSIS AND EDD CALCULATIONS