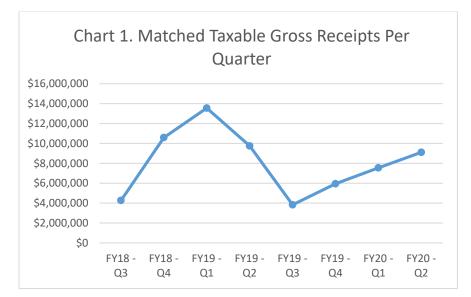
## Quarterly Economic Summary

De Baca County

Released: February 2020



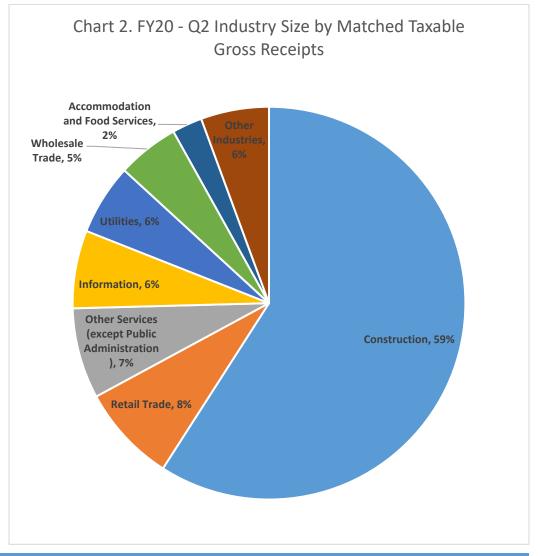
Prepared by: Joel Salas, Economist, and Ryan Eustice, Economist



De Baca County has rebounded from its eight quarter low in its matched taxable gross receipts (MTGR), as seen in Chart 1. Since Q3 FY19, De Baca County's MTGR has increased by 137%. Table 1, on the next page, shows a decrease of \$646K from Q2 in FY19 to FY20 of the same period. Table 1 also shows four industries with -100% growth or no MTGR in the first quarter of FY20. This may be due to the county's smaller size and thus fewer companies within each industry.

The few companies working in these industries may be late in filing, resulting in no MTGR being reported for the period. In this case, the missing MTGR is expected to be included in the next period.

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.



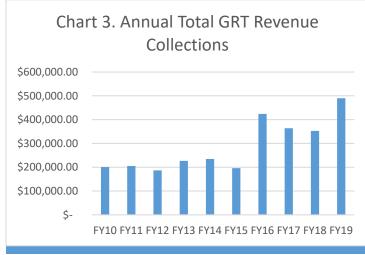
## Quarterly Economic Summary De Baca County

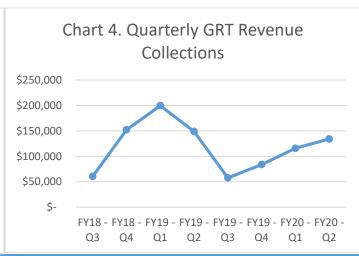


Table 1. Matched Taxable Gross Receipts by Industry									
Industries	ı	FY19 - Q2		FY20 - Q2		Growth	Year over y	ear Change	
Accommodation and Food Services	\$	246,189	\$	225,597	\$	(20,593)		-8%	
Administrative/Support & Waste Management/Remediation	\$	8,823	\$	26,828	\$	18,005		204%	
Agriculture, Forestry, Fishing, and Hunting	\$	27,165	\$	101,452	\$	74,287		273%	
Arts, Entertainment, and Recreation	\$	-	\$	-	\$	-	N/A		
Construction	\$	5,892,358	\$	5,377,457	\$	(514,901)		-9%	
Educational Services	\$	19,324	\$	9,388	\$	(9,936)		-51%	
Finance and Insurance	\$	-	\$	-	\$	-	N/A		
Health Care and Social Assistance	\$	114,615	\$	-	\$	(114,615)		-100%	
Information	\$	630,872	\$	583,475	\$	(47,397)		-8%	
Manufacturing	\$	233,132	\$	160,956	\$	(72,176)		-31%	
Mining, Quarrying, and Oil and Gas Extraction	\$	-	\$	-	\$	-	N/A		
Other Services (except Public Administration)	\$	649,703	\$	679,674	\$	29,972		5%	
Professional, Scientific, and Technical Services	\$	136,624	\$	76,349	\$	(60,276)		-44%	
Public Administration	\$	-	\$	-	\$	-	N/A		
Real Estate and Rental and Leasing	\$	293,897	\$	94,749	\$	(199,149)		-68%	
Retail Trade	\$	892,170	\$	731,069	\$	(161,101)		-18%	
Transportation and Warehousing	\$	94,899	\$	32,342	\$	(62,557)		-66%	
Unclassified Establishments	\$	7,068	\$	8,524	\$	1,456		21%	
Utilities	\$	355,589	\$	530,537	\$	174,948		49%	
Wholesale Trade	\$	145,740	\$	463,554	\$	317,814		218%	
All Industries	\$	9,748,168	\$	9,101,951	\$	(646,218)		- <b>7</b> %	

Gross Receipts Tax (GRT) revenue collections rose in Q2 FY20, as seen in Chart 4. The increase from Q1 to Q2 represents a jump of nearly 16%. The GRT collections looks very similar to the MTGR by industry. The overall trend of the GRT revenue, for the last eight quarters, is slightly downward. Going back fourteen quarters, De Baca's GRT revenue collections has an upward trend.

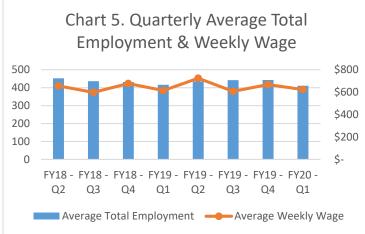
HB6, passed in 2019, made widespread tax changes within New Mexico. One notable change is the conversion to destination-based sourcing that will begin after a two year delay. During this delay, local governments will receive a distribution that is a portion of \$2M each month. The portion distributed 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.

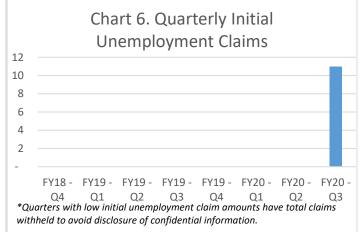


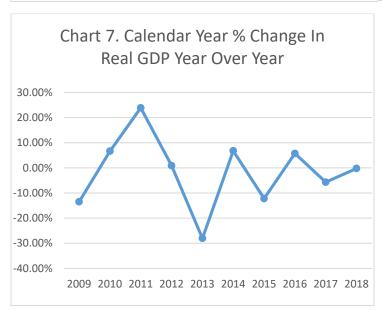


## Quarterly Economic Summary De Baca County









A significant <u>unexplained</u> 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	De Baca, NM	New Mexico	Difference Between County and State				
Accommodation and food services	0.00%	2.94%	-2.949				
Administrative and support and waste management and remediation services	1.46%	2.51%	-1.05%				
Arts, entertainment, and recreation	0.00%	0.68%	-0.68%				
Educational services	0.52%	0.51%	0.019				
Finance and insurance	0.00%	2.75%	-2.75%				
Health care and social assistance	0.00%	7.39%	-7.39%				
Management of companies and enterprises	4.30%	0.61%	3.70%				
Professional, scientific, and technical services	0.00%	7.21%	-7.219				
Real estate and rental and leasing	0.00%	12.17%	-12.179				
Agriculture, forestry, fishing and hunting	4.82%	1.78%	3.03%				
Construction	0.00%	3.12%	-3.129				
Information	0.00%	3.21%	-3.219				
Manufacturing	0.00%	4.31%	-4.319				
Mining, quarrying, and oil and gas extraction	0.00%	14.79%	-14.79%				
Other services (except government and government enterprises)	0.00%	1.96%	-1.969				
Retail trade	9.60%	5.87%	3.73%				
Transportation and warehousing	0.00%	2.58%	-2.58%				
Utilities	2.19%	1.57%	0.629				
Wholesale trade	0.00%	3.13%	-3.13%				
Government and government enterprises	21.35%	21.50%	-0.15%				