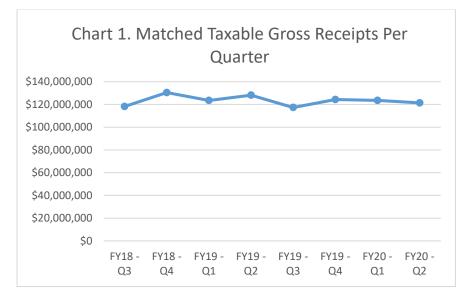
Quarterly Economic Summary Grant County

Released: February 2020



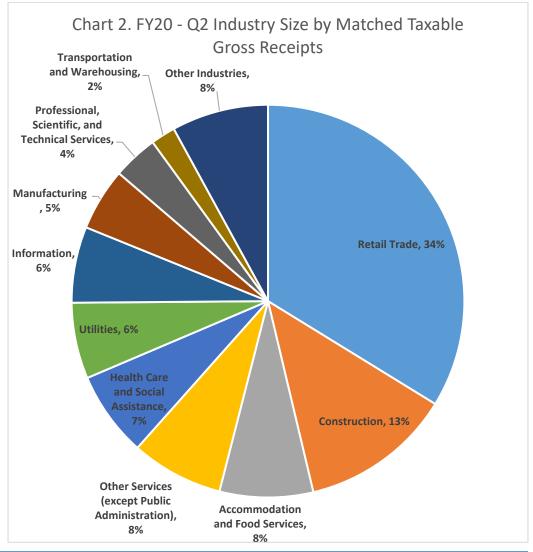
Prepared by: Joel Salas, Economist, and Ryan Eustice, Economist



Grant County has had its matched taxable gross receipts (MTGR) remain nearly stable over the last eight quarters, as seen in Chart 1. This stability dates back to Q1 FY16, where the MTGR has fluctuated between \$110M and \$130M. The minor fluctuations, that cause the one-time spike in MTGR can be accredited to the Construction industry and the subsequent projects and workers. Table 1, on the next page, shows two industries, with -100% growth or no MTGR in the second 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.



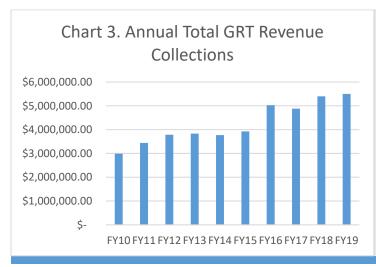
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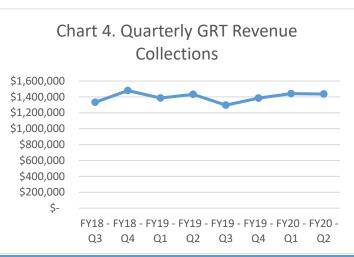


Table 1. Matched Taxable Gross Receipts by Industry										
Industries		FY19 - Q2		FY20 - Q2		Growth	Year over y	ear Change		
Accommodation and Food Services	\$	8,648,291	\$	9,340,288	\$	691,997		8%		
Administrative/Support & Waste Management/Remediation	\$	2,025,593	\$	2,376,742	\$	351,149		17%		
Agriculture, Forestry, Fishing, and Hunting	\$	615,491	\$	819,415	\$	203,924		33%		
Arts, Entertainment, and Recreation	\$	171,198	\$	273,400	\$	102,202		60%		
Construction	\$	16,307,535	\$	15,185,965	\$	(1,121,569)		-7%		
Educational Services	\$	241,144	\$	197,887	\$	(43,258)		-18%		
Finance and Insurance	\$	679,622	\$	725,334	\$	45,713		7%		
Health Care and Social Assistance	\$	7,526,525	\$	8,528,534	\$	1,002,009		13%		
Information	\$	7,541,245	\$	7,599,519	\$	58,274		1%		
Management of Companies and Enterprises	\$	-	\$	-	\$	-	N/A			
Manufacturing	\$	12,169,279	\$	6,252,119	\$	(5,917,160)		-49%		
Mining, Quarrying, and Oil and Gas Extraction	\$	2,071,644	\$	1,571,187	\$	(500,457)		-24%		
Other Services (except Public Administration)	\$	8,372,687	\$	9,220,152	\$	847,465		10%		
Professional, Scientific, and Technical Services	\$	4,065,312	\$	4,521,403	\$	456,091		11%		
Public Administration	\$	-	\$	-	\$	-	N/A			
Real Estate and Rental and Leasing	\$	2,176,205	\$	1,721,985	\$	(454,220)		-21%		
Retail Trade	\$	39,107,423	\$	40,999,225	\$	1,891,802		5%		
Transportation and Warehousing	\$	2,571,539	\$	2,462,493	\$	(109,046)		-4%		
Unclassified Establishments	\$	225,961	\$	485,055	\$	259,093		115%		
Utilities	\$	12,454,157	\$	7,608,211	\$	(4,845,947)		-39%		
Wholesale Trade	\$	1,189,175	\$	1,495,887	\$	306,712		26%		
All Industries	\$	128,160,028	\$	121,384,802	\$	(6,775,226)		-5%		

Gross Receipts Tax (GRT) revenue collections has continued to remain stable in Q2 FY20, as seen in Chart 4. Very similar to the MTGR, the Quarterly GRT revenue has a flat trend line.

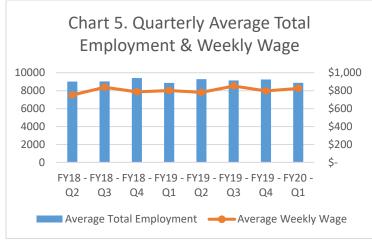
HB6, passed in 2019, made widespread tax changes within New Mexico. One notable change is the conversion to destination-based sourcing that will begin after a two year delay. During this delay, local governments will receive a distribution that is a portion of \$2M each month. The portion distributed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



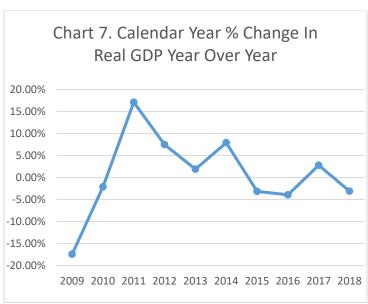


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A significant <u>unexplained</u> increase in **Initial Unemployment Claims** can be an early indicator of an incoming economic downturn. Explained increases commonly include seasonal job fluctuations, government shutdowns resulting in mass employee 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.

Industries	Grant, 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	0.75%	2.51%	-1.769
Arts, entertainment, and recreation	0.00%	0.68%	-0.689
Educational services	0.21%	0.51%	-0.309
Finance and insurance	1.14%	2.75%	-1.619
Health care and social assistance	4.24%	7.39%	-3.159
Management of companies and enterprises	1.44%	0.61%	0.839
Professional, scientific, and technical services	0.98%	7.21%	-6.239
Real estate and rental and leasing	12.97%	12.17%	0.819
Agriculture, forestry, fishing and hunting	0.18%	1.78%	-1.609
Construction	1.81%	3.12%	-1.319
Information	1.63%	3.21%	-1.589
Manufacturing	0.47%	4.31%	-3.849
Mining, quarrying, and oil and gas extraction	44.83%	14.79%	30.049
Other services (except government and government enterprises)	1.40%	1.96%	-0.569
Retail trade	4.61%	5.87%	-1.269
Transportation and warehousing	0.49%	2.58%	-2.109
Utilities	0.48%	1.57%	-1.099
Wholesale trade	0.83%	3.13%	-2.309
Government and government enterprises	19.01%	21.50%	-2.49