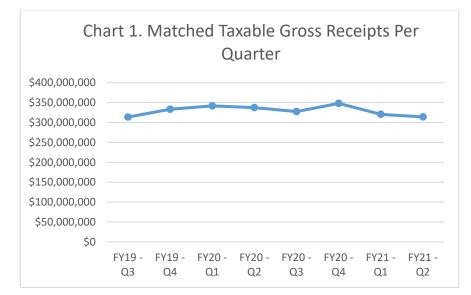
## Quarterly Economic Summary

## **Chaves County**

Released: March 2021



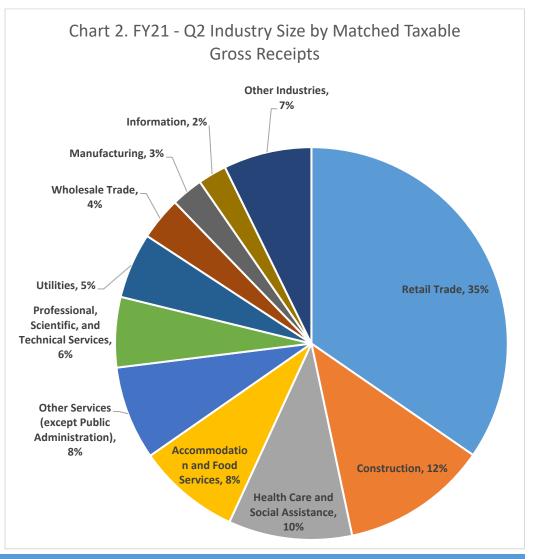
Prepared by: Joel Salas, Economist, and Ryan Eustice, Economist



New Mexico suffered challenging quarter in Q2 FY20 compared to the previous year. The effects of the pandemic weighed heavily on business and consumer activity, and 18 of the 33 counties saw declines in year-over-year gross receipts tax revenue. Of the 15 with positive growth, several experienced increases due to large construction projects. A new Public Health Order, which took effect on November 16, required many businesses to curb retail activities again to address the surge in COVID-19 cases.

Chaves County's matched taxable gross receipts (MTGR) declined by \$6.4M or 2% from Q1 FY21 to Q2 FY21, as seen in Chart 1. Table 1, on the next page, shows a decrease of \$23.4M from Q2 in FY20 to FY21 of the same period. Table 1 also shows fourteen industries that experienced year-over-year (YOY) loss. The largest YOY loss occurred in the information industry, which declined by \$6.5M or 47%.

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.



## Quarterly Economic Summary Chaves County

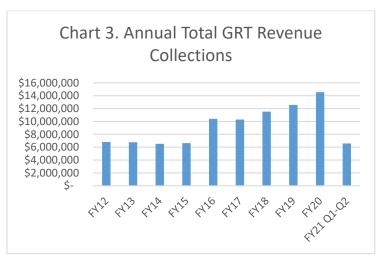


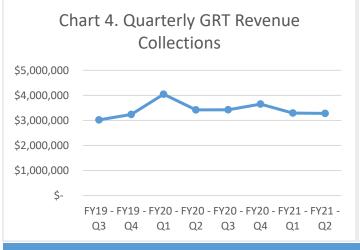
Table 1. Matched Taxable Gross Receipts by Industry										
Industries		FY20 - Q2		FY21 - Q2		Growth	Year over y	ear Change		
Accommodation and Food Services	\$	28,866,037	\$	26,528,720	\$	(2,337,317)		-8%		
Administrative/Support & Waste Management/Remediation	\$	6,098,574	\$	7,180,510	\$	1,081,936		18%		
Agriculture, Forestry, Fishing, and Hunting	\$	722,416	\$	830,474	\$	108,058		15%		
Arts, Entertainment, and Recreation	\$	1,613,859	\$	1,105,480	\$	(508,380)		-32%		
Construction	\$	41,365,261	\$	37,783,053	\$	(3,582,208)		-9%		
Educational Services	\$	339,884	\$	391,535	\$	51,651		15%		
Finance and Insurance	\$	2,210,847	\$	2,090,872	\$	(119,975)		-5%		
Health Care and Social Assistance	\$	28,871,266	\$	31,912,645	\$	3,041,380		11%		
Information	\$	13,899,844	\$	7,387,091	\$	(6,512,753)		-47%		
Management of Companies and Enterprises	\$	128,778	\$	125,921	\$	(2,857)		-2%		
Manufacturing	\$	5,259,451	\$	8,204,085	\$	2,944,635		56%		
Mining, Quarrying, and Oil and Gas Extraction	\$	4,092,854	\$	1,342,860	\$	(2,749,994)		-67%		
Other Services (except Public Administration)	\$	29,521,095	\$	24,167,441	\$	(5,353,654)		-18%		
Professional, Scientific, and Technical Services	\$	20,527,279	\$	18,133,264	\$	(2,394,015)		-12%		
Public Administration	\$	240,598	\$	126,644	\$	(113,954)		-47%		
Real Estate and Rental and Leasing	\$	6,827,671	\$	6,430,145	\$	(397,525)		-6%		
Retail Trade	\$	114,236,018	\$	108,409,354	\$	(5,826,664)		-5%		
Transportation and Warehousing	\$	4,719,115	\$	2,232,319	\$	(2,486,796)		-53%		
Unclassified Establishments	\$	1,271,459	\$	1,001,710	\$	(269,749)		-21%		
Utilities	\$	15,835,977	\$	16,912,922	\$	1,076,945		7%		
Wholesale Trade	\$	9,642,546	\$	11,089,265	\$	1,446,718		15%		
All Industries	\$	337,341,864	\$	313,995,954	\$	(23,345,911)		-7%		

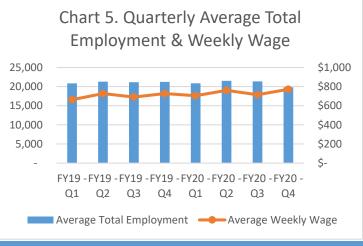
Despite the large YOY decrease for Chaves County, -7%, revenue from the manufacturing sector increased by nearly \$3M or 56%.

Gross receipts tax (GRT) revenue collections declined slightly in Q2 FY21, as seen in Chart 4. From Q1 to Q2 FY21, GRT fell by \$15K or less than 1%.

Chart 5 shows that average weekly wages increased while quarterly employment decreased during Q4 of FY20. This increase in average weekly wages is likely due to the loss of lower wage workers.

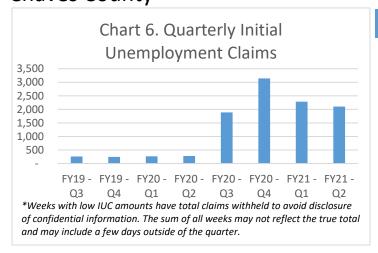






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Gross Domestic Product (GDP) is the value of all goods and services produced in an area. The percentage that GDP grew (or shrank) from one period to another is an important indicator as to how the economy is performing. Table 2, below, shows the percentage of GDP each industry accounts for in the total GDP, in a specific county and the state. The chart also compares the county to the entire state of New Mexico, by showing the impact of specific industry sectors on the county's GDP compared to that of the whole state.

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.



Table 2. Calendar Year 2019 Real County GDP and Real State GDP % of Total GDP									
Industries	Chaves County	New Mexico	County Difference from State						
Accommodation and Food Services	3.54%	2.92%	0.62%						
Administrative/Support & Waste Management/Remediation	1.51%	2.55%	-1.04%						
Agriculture, Forestry, Fishing, and Hunting	16.14%	2.25%	13.89%						
Arts, Entertainment, and Recreation	0.31%	0.69%	-0.38%						
Construction	2.25%	3.12%	-0.87%						
Educational Services	0.08%	0.51%	-0.43%						
Finance and Insurance	2.25%	2.62%	-0.37%						
Health Care and Social Assistance	8.76%	7.15%	1.61%						
Information	1.74%	2.82%	-1.08%						
Management of Companies and Enterprises	0.30%	0.64%	-0.34%						
Manufacturing	4.63%	4.79%	-0.16%						
Mining, Quarrying, and Oil and Gas Extraction	5.41%	17.38%	-11.97%						
Other Services (except Public Administration)	2.15%	1.94%	0.21%						
Professional, Scientific, and Technical Services	2.87%	7.33%	-4.46%						
Public Administration	16.16%	20.81%	-4.65%						
Real Estate and Rental and Leasing	15.22%	11.65%	3.57%						
Retail Trade	8.85%	5.57%	3.28%						
Transportation and Warehousing	3.61%	2.40%	1.21%						
Utilities	0.84%	1.47%	-0.63%						
Wholesale Trade	4.07%	3.06%	1.01%						
*Not shown to avoid disclosure of confidential information									