

Quarterly Economic Summary

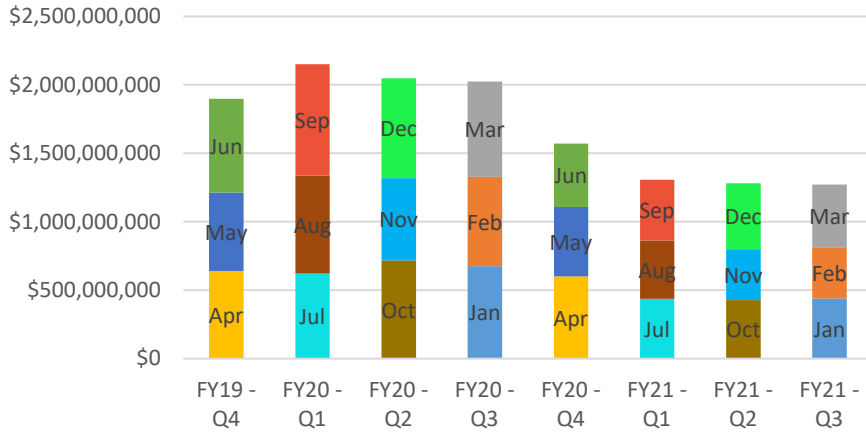
Eddy County



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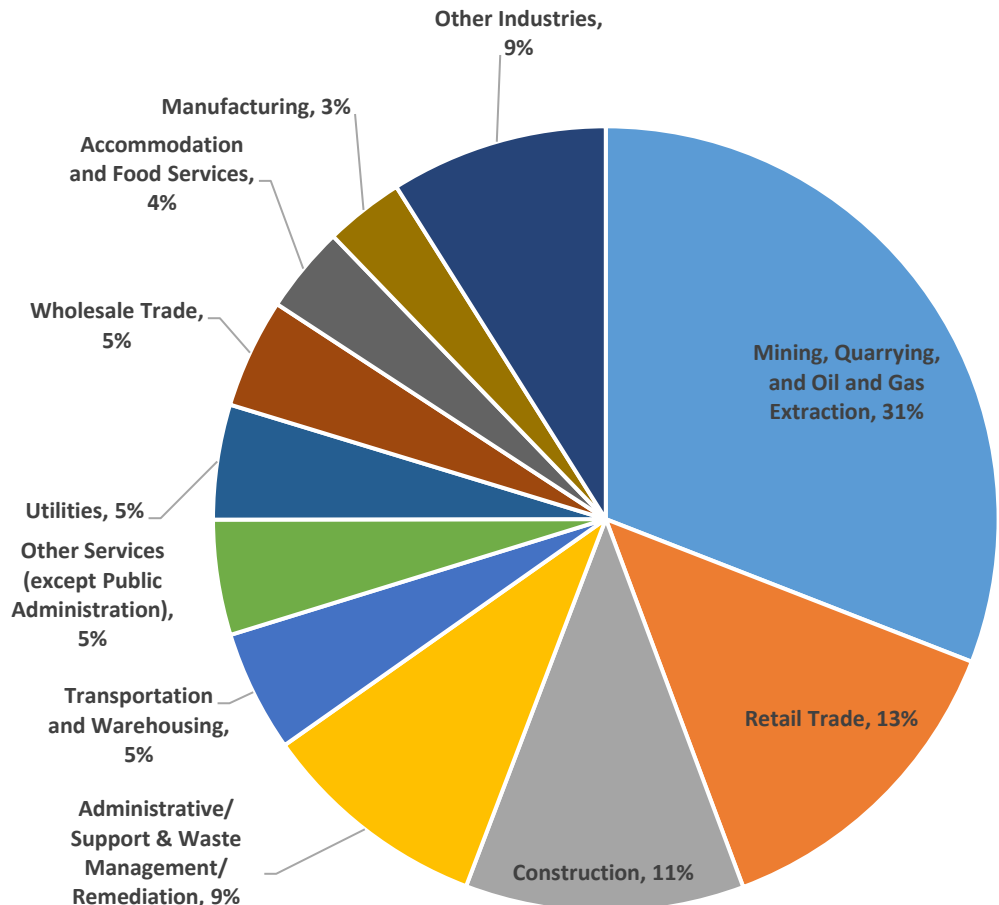
Chart 1. Matched Taxable Gross Receipts Per Quarter



During Q3 FY21, the state started rolling out vaccinations to a significant portion of the adult population. The economic effects of the pandemic waned as restrictions and limits on business capacity were lifted following improving health metrics. These shifts in policy, along with pent up demand, likely led to an increase in consumer spending on taxable goods and services. Though the uncertainty and impacts caused by the pandemic can still be seen, the economic stability of the state and many of its counties continues to improve.

Since the beginning of the pandemic (Q3 FY20), Eddy County's matched taxable gross receipts (MTGR) have trended downward, shown in Chart 1. This decline is tied directly to the mining, quarrying, and oil and gas extraction industry. Over the last eight quarters, the mining, quarrying and oil and gas extraction industry has averaged \$515.7M in reported MTGR, which accounts for 30% of the county's total MTGR during that time period.

Chart 2. FY21 - Q3 Industry Size by Matched Taxable Gross Receipts



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.

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Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY20 - Q3	FY21 - Q3	Growth	Year over year Change
Accommodation and Food Services	\$ 50,211,176	\$ 45,419,002	\$ (4,792,174)	-10%
Administrative/Support & Waste Management/Remediation	\$ 138,615,307	\$ 120,082,777	\$ (18,532,530)	-13%
Agriculture, Forestry, Fishing, and Hunting	\$ 2,258,738	\$ 2,561,621	\$ 302,883	13%
Arts, Entertainment, and Recreation	\$ 75,244	\$ 533,804	\$ 458,560	609%
Construction	\$ 381,340,331	\$ 145,841,346	\$ (235,498,985)	-62%
Educational Services	\$ 556,755	\$ 1,203,168	\$ 646,413	116%
Finance and Insurance	\$ 3,553,993	\$ 3,433,519	\$ (120,474)	-3%
Health Care and Social Assistance	\$ 15,050,104	\$ 13,666,863	\$ (1,383,241)	-9%
Information	\$ 25,223,635	\$ 14,046,235	\$ (11,177,401)	-44%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 60,609,551	\$ 41,382,760	\$ (19,226,792)	-32%
Mining, Quarrying, and Oil and Gas Extraction	\$ 658,889,585	\$ 392,846,662	\$ (266,042,923)	-40%
Other Services (except Public Administration)	\$ 81,353,657	\$ 60,258,646	\$ (21,095,012)	-26%
Professional, Scientific, and Technical Services	\$ 90,497,699	\$ 33,189,000	\$ (57,308,699)	-63%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 80,756,626	\$ 41,069,252	\$ (39,687,375)	-49%
Retail Trade	\$ 196,833,047	\$ 170,212,351	\$ (26,620,697)	-14%
Transportation and Warehousing	\$ 61,360,191	\$ 63,534,034	\$ 2,173,843	4%
Unclassified Establishments	\$ 7,264,161	\$ 4,031,287	\$ (3,232,875)	-45%
Utilities	\$ 64,491,866	\$ 60,075,730	\$ (4,416,137)	-7%
Wholesale Trade	\$ 105,622,362	\$ 57,331,194	\$ (48,291,168)	-46%
All Industries	\$ 2,024,956,452	\$ 1,270,794,065	\$ (754,162,387)	-37%

Table 1 shows that Eddy County experienced a year-over-year (YOY) decline of \$754M in MTGR when comparing Q3 FY20 to Q3 FY21. The mining, quarrying, and oil and gas extraction industry accounted for 31% of the YOY decline, highlighting the impact of this industry on Eddy County.

Chart 5 shows that average weekly wages have continued to decline from an eight-quarter high in Q2 FY20, while quarterly employment also decreased. This is an indication that higher paying jobs are being lost.

Chart 3. Annual Total GRT Revenue Collections

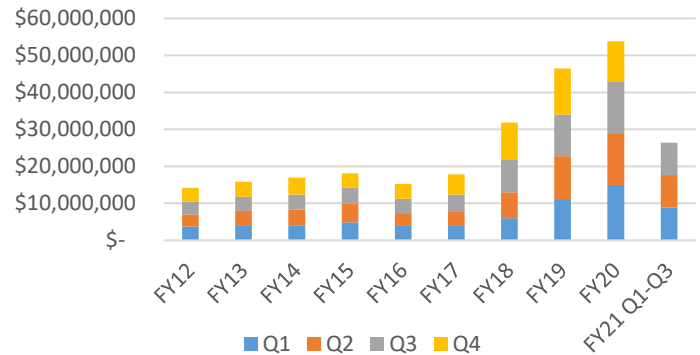


Chart 4. Quarterly GRT Revenue Collections

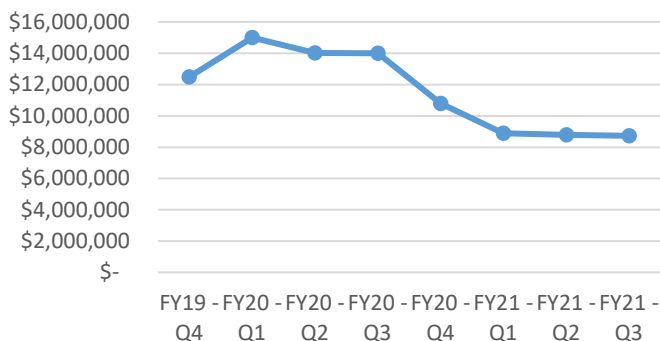
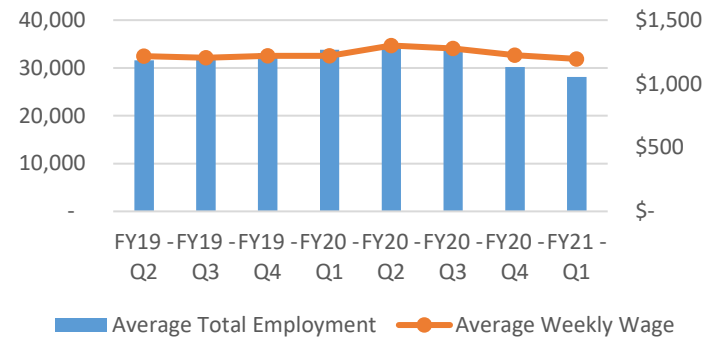


Chart 5. Quarterly Average Total Employment & Weekly Wage

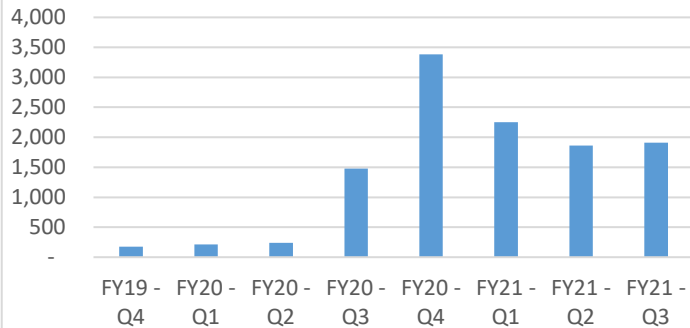


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Chart 6. Quarterly Initial Unemployment Claims



*Weeks with low IUC amounts have total claims withheld to avoid disclosure of confidential information. The sum of all weeks may not reflect the true total and may include a few days outside of the quarter. Claimants must reapply once a year. Claimants who applied at the beginning of the pandemic may be reapplying, possibly causing an increase in IUC.

A significant increase in initial unemployment claims can be an early indicator of an economic downturn, and a drop can be an early sign of an upturn. However, these numbers are also impacted by seasonal job fluctuations, federal government shutdowns resulting in temporary employee furloughs, or the closing of a major regional facility. The current unprecedented uptick in initial unemployment claims is clearly tied directly to the COVID-19 pandemic. As vaccination levels and other health indicators continue to improve and result in lessened health concerns and fewer business restrictions, these claims should decline, but it is impossible to predict how quickly employment numbers will return to pre-COVID-19 levels.

The **Quarterly Census of Employment and Wages (QCEW)** program publishes a quarterly count of establishments, employment and wages reported by employers, covering more than 95 percent of U.S. jobs. The QCEW data are used as the benchmark source for employment, and this data is far more reliable than the monthly employment survey data in the Current Employment Statistics program often reported in news articles. However, as shown below, this quarterly data has a significant lag time for reporting and does not reflect the same quarter as used in the other charts and tables above. This quarterly QCEW data combined with the other employment data above provide the best overall picture of employment levels using the most reliable data.

Table 2. FY21-Q1 Employment Data and Establishments by Industry

Industry	Average Employment	YOY Change in		Average Weekly Wage	YOY change in		Number of Establishments	YOY Change in Establishments
		Average Employment	Average Weekly Wage		Average Weekly Wage	YOY Change in Establishments		
Accommodation and Food Services	2,153	-15.3%	\$ 396	1.3%	151	5.6%		
Administrative/Support & Waste Management/Remediation	1,434	-2.8%	\$ 1,483	6.9%	89	3.5%		
Agriculture, Forestry, Fishing, and Hunting	344	-2.3%	\$ 845	7.8%	42	-8.7%		
Arts, Entertainment, and Recreation	186	-17.3%	\$ 796	6.4%	19	0.0%		
Construction	3,021	-29.7%	\$ 1,253	0.0%	208	0.5%		
Educational Services	1,561	-8.6%	\$ 872	4.9%	38	0.0%		
Finance and Insurance	528	-4.0%	\$ 1,004	9.2%	70	2.9%		
Health Care and Social Assistance	2,535	-6.2%	\$ 982	2.0%	155	1.3%		
Information	194	-17.8%	\$ 997	14.3%	24	9.1%		
Management of Companies and Enterprises	128	-1.5%	\$ 1,626	20.5%	13	8.3%		
Manufacturing	969	-9.4%	\$ 1,577	14.3%	43	-4.4%		
Mining, Quarrying, and Oil and Gas Extraction	5,894	-31.7%	\$ 1,741	0.1%	294	0.7%		
Other Services (except Public Administration)	678	-20.2%	\$ 949	4.7%	143	1.4%		
Professional, Scientific, and Technical Services	1,155	-8.7%	\$ 1,419	5.6%	133	4.7%		
Public Administration	1,303	5.0%	\$ 1,562	-4.5%	66	0.0%		
Real Estate and Rental and Leasing	537	-10.9%	\$ 1,097	-6.6%	93	2.2%		
Retail Trade	3,359	0.4%	\$ 645	0.8%	176	1.7%		
Transportation and Warehousing	1,275	-18.8%	\$ 1,265	-12.3%	127	5.0%		
Utilities	409	13.3%	\$ 1,461	-1.1%	28	0.0%		
Wholesale Trade	528	-25.6%	\$ 1,156	-7.9%	89	-3.3%		
All Industries	28,193	-16.8%	\$ 1,194	-2.1%	2,001	1.6%		

*Some data may be withheld to avoid disclosure of confidential information.