Quarterly Economic Summary

Guadalupe County

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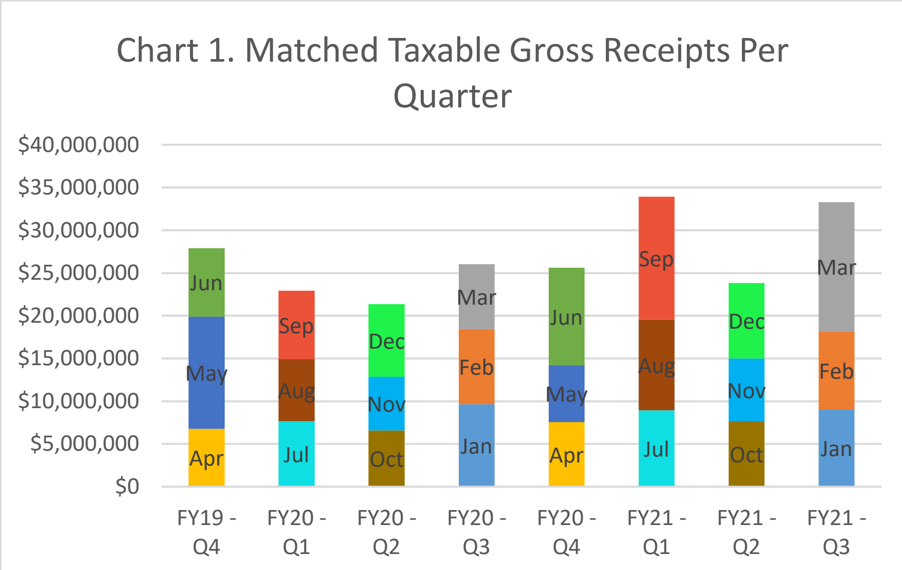
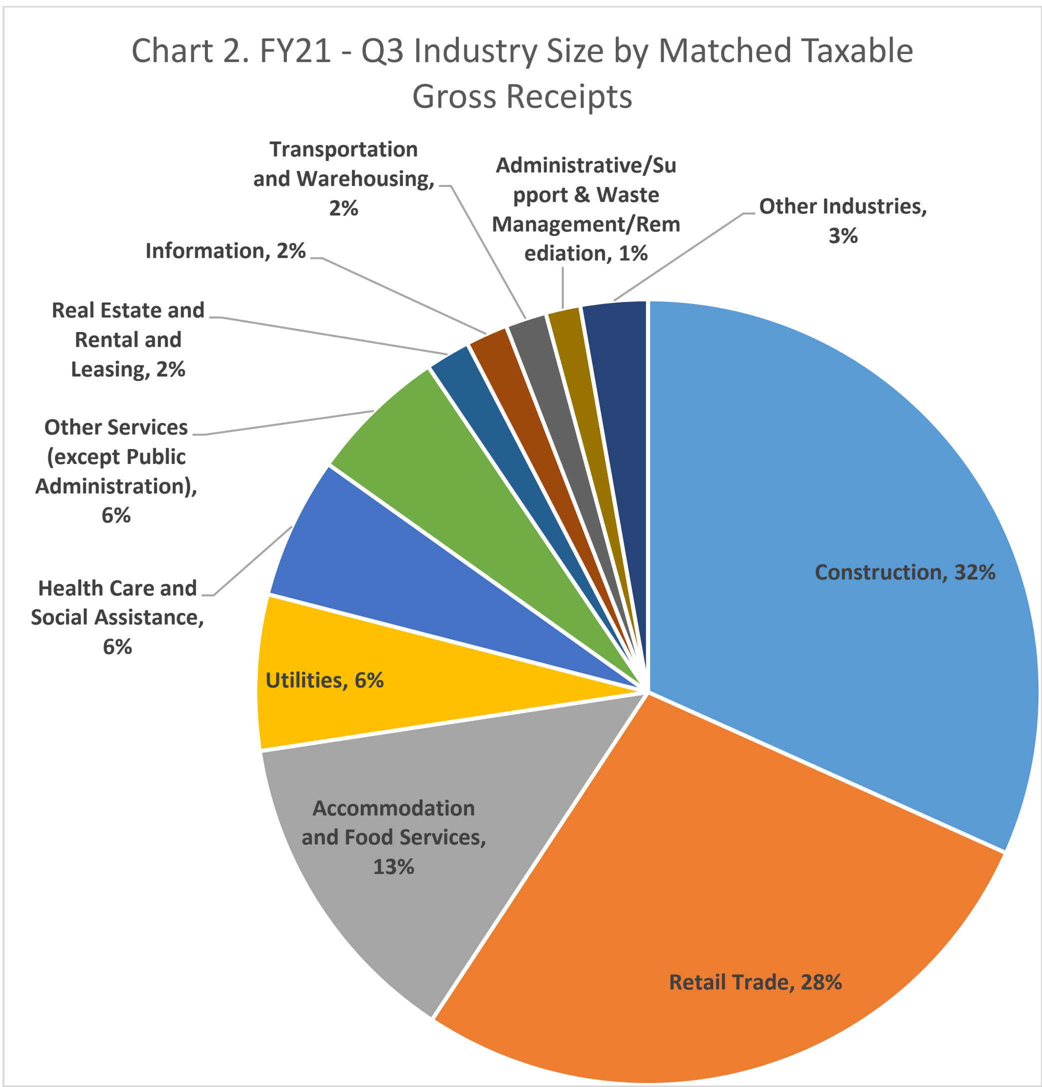


During Q3 FY21, the state started rolling out vaccinations to a significant portion of the adult population. The economic effects of the pandemic waned as restrictions and limits on business capacity were lifted following improving health metrics. These shifts in policy, along with pent up demand, likely 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.

Guadalupe County's matched taxable gross receipts (MTGR) increased by 40% from Q2 FY21 to Q3 FY21, shown in Chart 1. The eight-quarter average of reported MTGR has been $26.9M, well below the Q3 FY21 mark of $33.3M. The month of March in Q3 FY21 was the largest contributor to the quarterly MTGR, reporting the highest monthly total over the previous 24 months ($15.2M). As seen in Chart 2, the construction

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.



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

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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	$ 3,562,855	$ 4,421,686	$ 858,831	24%
Administrative/Support & Waste Management/Remediation	$ 341,472	$ 474,430	$ 132,959	39%
Agriculture, Forestry, Fishing, and Hunting	$ 6,663	$ 47,749	$ 41,086	617%
Arts, Entertainment, and Recreation	$ -	$ 16,956	$ 16,956	N/A
Construction	$ 7,503,080	$ 10,527,686	$ 3,024,606	40%
Educational Services	$ 13,505	$ 2,327	$ (11,178)	-83%
Finance and Insurance	$ 30,753	$ 14,047	$ (16,706)	-54%
Health Care and Social Assistance	$ 2,345,861	$ 1,938,348	$ (407,514)	-17%
Information	$ 1,137,657	$ 573,581	$ (564,075)	-50%
Manufacturing	$ 325,770	$ 231,234	$ (94,537)	-29%
Mining, Quarrying, and Oil and Gas Extraction	$ -	$ -	$ -	N/A
Other Services (except Public Administration)	$ 1,526,949	$ 1,889,430	$ 362,481	24%
Professional, Scientific, and Technical Services	$ 306,108	$ 300,101	$ (6,007)	-2%
Public Administration	$ -	$ -	$ -	N/A
Real Estate and Rental and Leasing	$ 538,270	$ 611,349	$ 73,079	14%
Retail Trade	$ 6,359,924	$ 9,146,212	$ 2,786,288	44%
Transportation and Warehousing	$ 33,330	$ 560,234	$ 526,904	1581%
Unclassified Establishments	$ 455,463	$ 92,305	$ (363,158)	-80%
Utilities	$ 1,362,659	$ 2,127,896	$ 765,236	56%
Wholesale Trade	$ 116,726	$ 213,633	$ 96,907	83%
All Industries	**$ 26,021,717**	**$ 33,300,554**	**$ 7,278,837**	**28%**

industry continues to be the largest contributor of reported MTGR to Guadalupe County. This is a noted increase from the previous quarter, when the construction industry accounted for only 13% of the total reported MTGR. Table 1 highlights the construction industry's increase, reporting a year-over-year (YOY) increase of $3M when comparing Q3 FY20 to the same period in FY21. Chart 3 shows that the amount of GRT revenue collections through the first three quarters of FY21 is almost equal to the entire year of FY20. If the 39-quarter average of ($255K) holds constant, the amount collected for FY21 is likely to be the largest amount of GRT collected by the county dating back to FY12.

Chart 3. Annual Total GRT Revenue Collections

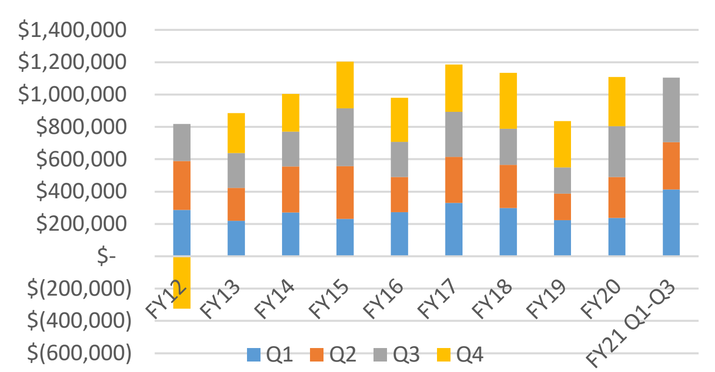

Chart 4. Quarterly GRT Revenue Collections

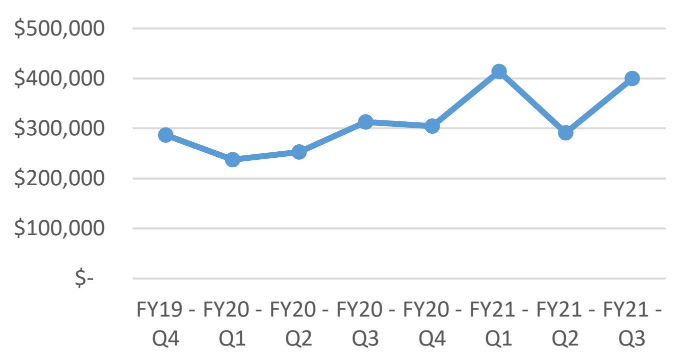

Chart 5. Quarterly Average Total Employment & Weekly Wage

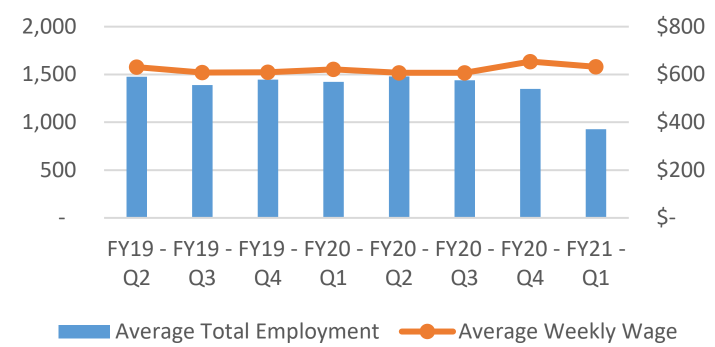

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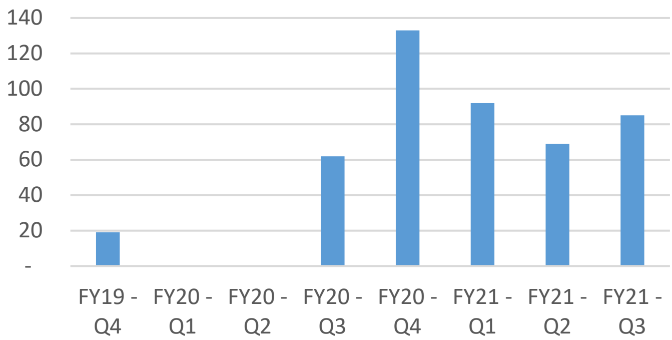
Chart 6. Quarterly Initial Unemployment Claims



**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 Employment	Average Weekly Wage	YOY change in Average Weekly Wage	Number of Establishments	YOY Change in Establishments
Accommodation and Food Services	273	-16.8%	$ 330	10.7%	25	8.7%
Administrative/Support & Waste Management/Remediation	*	*	*	*	2	0.0%
Agriculture, Forestry, Fishing, and Hunting	15	-37.5%	$ 696	0.9%	7	0.0%
Arts, Entertainment, and Recreation	9	-75.0%	$ 702	62.9%	3	0.0%
Construction	83	23.9%	$ 879	18.9%	12	9.1%
Educational Services	134	-1.5%	$ 606	2.7%	4	0.0%
Finance and Insurance	11	-15.4%	$ 653	-28.5%	4	-20.0%
Health Care and Social Assistance	154	-14.0%	$ 838	-11.2%	41	5.1%
Information	*	*	*	*	3	0.0%
Manufacturing	*	*	*	*	1	0.0%
Other Services (except Public Administration)	28	16.7%	$ 965	-19.3%	6	0.0%
Professional, Scientific, and Technical Services	*	*	*	*	3	50.0%
Public Administration	106	-10.2%	$ 813	7.7%	22	-4.3%
Real Estate and Rental and Leasing	*	*	*	*	3	-25.0%
Retail Trade	276	-4.2%	$ 516	4.2%	19	-5.0%
Transportation and Warehousing	52	33.3%	$ 582	-0.7%	11	10.0%
Utilities	*	*	*	*	5	0.0%
Wholesale Trade	*	*	*	*	2	0.0%
All Industries	**1,316**	**-7.5%**	**$ 642**	**3.7%**	**173**	**1.8%**

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

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