

Quarterly Economic Summary

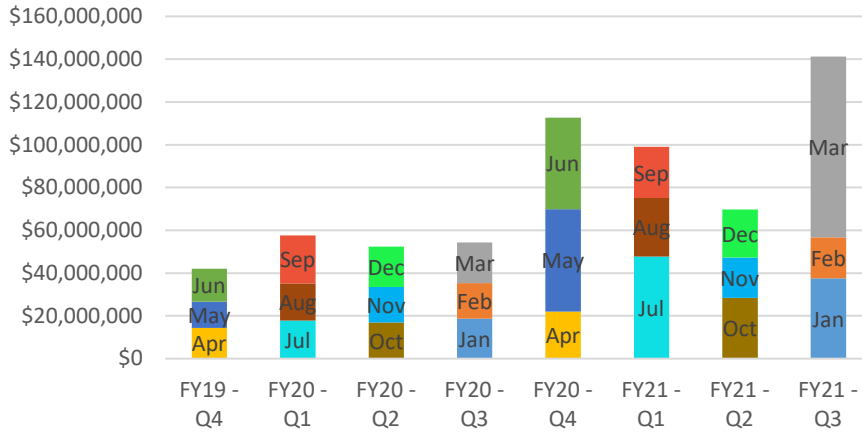
Torrance County

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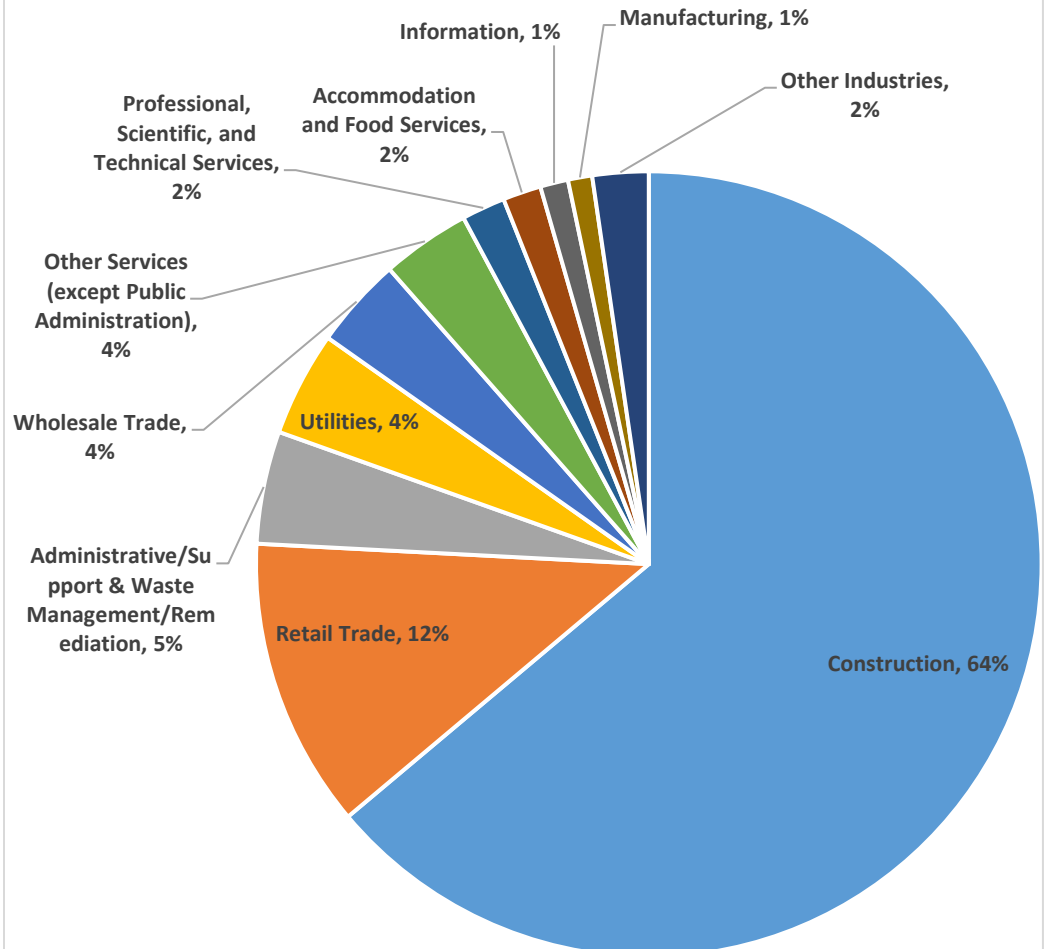
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Torrance County's matched taxable gross receipts (MTGR) increased by \$71M, or 102%, in Q3 FY21 as compared to Q2 FY21, shown in Chart 1. The amount of MTGR reported for Torrance County (\$141M) is the largest amount of MTGR dating back to FY04. It is nearly \$29M greater than the second highest quarter (\$113M), which was Q4 FY20. The construction industry was the sole reason for this record-breaking amount of MTGR.

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.

Quarterly Economic Summary

Torrance County



Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY20 - Q3	FY21 - Q3	Growth	Year over year Change
Accommodation and Food Services	\$ 1,612,479	\$ 2,187,667	\$ 575,189	36%
Administrative/Support & Waste Management/Remediation	\$ 5,426,989	\$ 6,436,234	\$ 1,009,245	19%
Agriculture, Forestry, Fishing, and Hunting	\$ 411,626	\$ 111,287	\$ (300,339)	-73%
Arts, Entertainment, and Recreation	\$ 8,532	\$ 2,820	\$ (5,712)	-67%
Construction	\$ 12,437,188	\$ 88,729,562	\$ 76,292,375	613%
Educational Services	\$ 224,847	\$ 266,171	\$ 41,324	18%
Finance and Insurance	\$ 58,805	\$ 97,135	\$ 38,330	65%
Health Care and Social Assistance	\$ 452,908	\$ 596,550	\$ 143,643	32%
Information	\$ 3,042,187	\$ 1,597,118	\$ (1,445,069)	-48%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 1,193,776	\$ 1,382,124	\$ 188,348	16%
Mining, Quarrying, and Oil and Gas Extraction	\$ 20,587	\$ 98,909	\$ 78,322	380%
Other Services (except Public Administration)	\$ 3,082,953	\$ 5,082,010	\$ 1,999,056	65%
Professional, Scientific, and Technical Services	\$ 1,887,261	\$ 2,490,628	\$ 603,367	32%
Public Administration	\$ -	\$ -	\$ -	N/A
Real Estate and Rental and Leasing	\$ 633,074	\$ 1,363,832	\$ 730,758	115%
Retail Trade	\$ 14,337,321	\$ 16,594,048	\$ 2,256,726	16%
Transportation and Warehousing	\$ 432,459	\$ 538,270	\$ 105,811	24%
Unclassified Establishments	\$ 262,237	\$ 129,818	\$ (132,419)	-50%
Utilities	\$ 4,236,438	\$ 5,990,349	\$ 1,753,911	41%
Wholesale Trade	\$ 2,349,246	\$ 5,200,116	\$ 2,850,870	121%
All Industries	\$ 54,344,585	\$ 141,192,573	\$ 86,847,989	160%

More specifically, the construction industry from Q2 FY21 to Q3 FY21 reported an increase of over 300%. The month of March in Q3 FY21 was the largest amount of MTGR reported by the industry (\$67M). Table 1 shows that Torrance County reported an \$87M, or 160%, year-over-year (YOY) increase in MTGR when comparing Q3 FY20 to Q3 FY21. The largest decline came from the information industry which reported a \$1.4M decrease in quarterly MTGR. Chart 5 shows that average weekly wages and quarterly employment decreased during Q1 of FY21. The decrease in average weekly wages is likely due to the loss of higher wage workers.

Chart 3. Annual Total GRT Revenue Collections

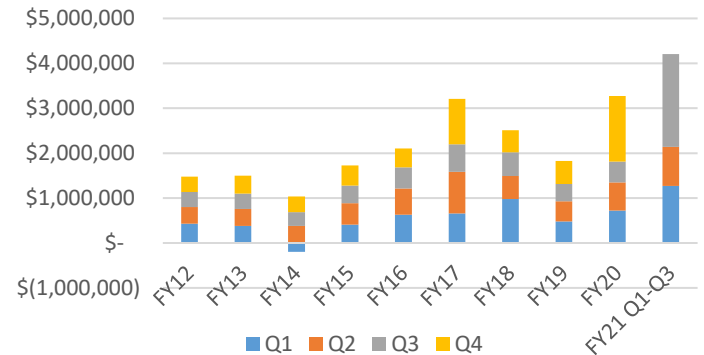


Chart 4. Quarterly GRT Revenue Collections

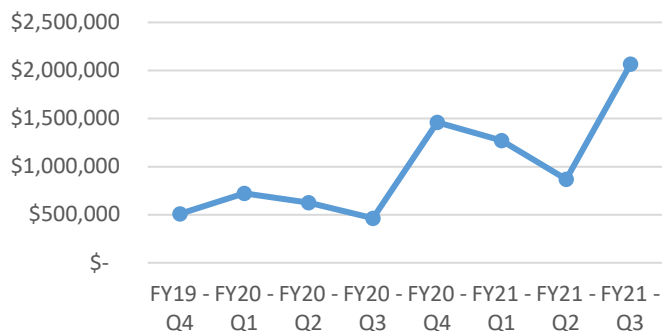
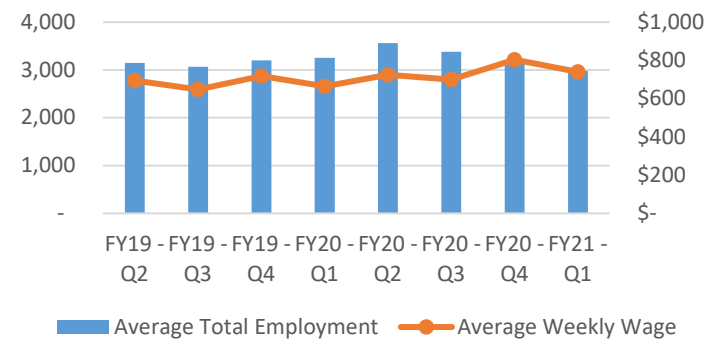


Chart 5. Quarterly Average Total Employment & Weekly Wage

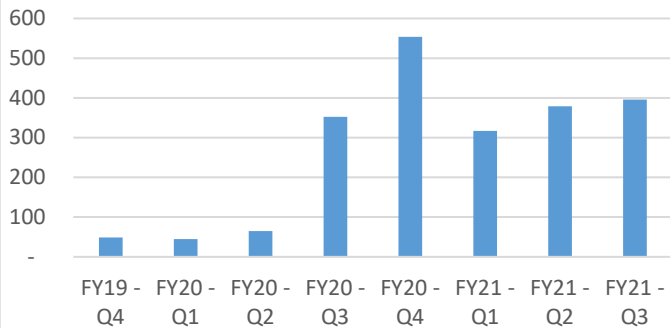


Quarterly Economic Summary

Torrance County



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	YOY Change in		YOY change in		Number of Establishments	YOY Change in Establishments
	Average Employment	Average Employment	Average Weekly Wage	Average Weekly Wage		
Accommodation and Food Services	179	-8.2%	\$ 299	16.8%	20	-9.1%
Administrative/Support & Waste Management/Remediation	209	*	\$ 851	*	8	-11.1%
Agriculture, Forestry, Fishing, and Hunting	99	-50.3%	\$ 497	27.8%	18	5.9%
Arts, Entertainment, and Recreation	49	-35.5%	\$ 599	14.8%	7	16.7%
Construction	206	-2.4%	\$ 908	26.1%	46	0.0%
Educational Services	*	*	*	*	11	10.0%
Finance and Insurance	30	-11.8%	\$ 1,190	37.4%	10	11.1%
Health Care and Social Assistance	486	4.7%	\$ 812	7.5%	61	15.1%
Information	31	0.0%	\$ 568	3.6%	8	14.3%
Manufacturing	104	6.1%	\$ 844	23.4%	15	7.1%
Mining, Quarrying, and Oil and Gas Extraction	*	*	*	*	2	-33.3%
Other Services (except Public Administration)	37	-15.9%	\$ 973	18.1%	16	6.7%
Professional, Scientific, and Technical Services	19	-62.7%	\$ 1,069	47.0%	10	-16.7%
Public Administration	237	6.8%	\$ 811	4.2%	28	-3.4%
Real Estate and Rental and Leasing	*	*	*	*	1	-66.7%
Retail Trade	536	-4.1%	\$ 635	10.8%	44	0.0%
Transportation and Warehousing	71	0.0%	\$ 717	-5.0%	23	-4.2%
Utilities	*	*	*	*	9	0.0%
Wholesale Trade	108	-29.4%	\$ 791	-29.6%	12	20.0%
All Industries	2,992	-8.2%	\$ 733	10.2%	349	2.0%

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