

Quarterly Economic Summary

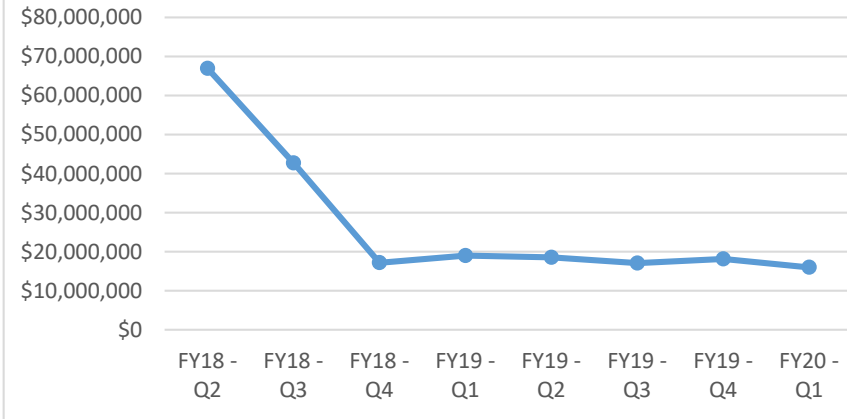
Hidalgo County

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

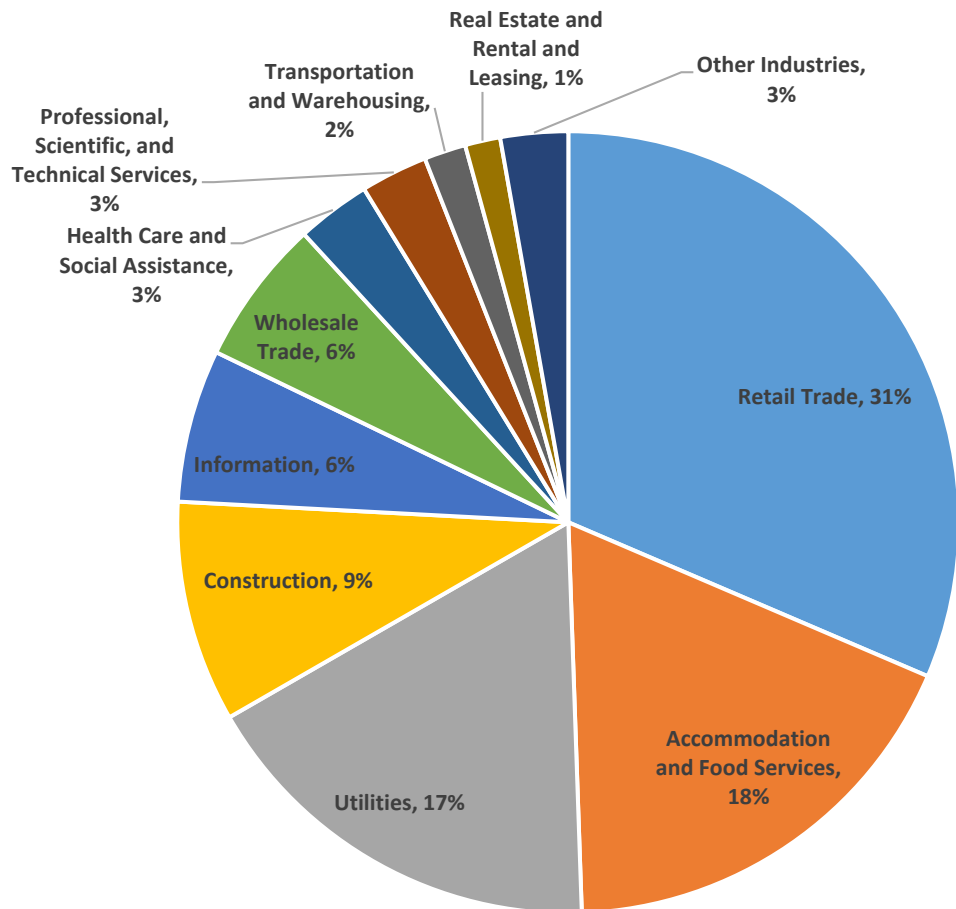
Chart 1. Matched Taxable Gross Receipts Per Quarter



Hidalgo County's matched taxable gross receipts (MTGR) have remained relatively stable, with a slight downward trend since Q4 FY18, as seen in Chart 1. MTGR saw a significant increase from Q1 to Q3 of FY18, that can be partially seen in Chart 1. This increase is likely to be related to a large construction project that has since been completed. Table 1, on page 2, shows industries, with -100% growth or no MTGR in the first quarter of FY19 or 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 or lower MTGR being reported for the period. In this case, the missing MTGR is expected to be included in the next period.

Chart 2. FY20 - Q1 Industry Size by Matched Taxable Gross Receipts



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 - Q1	FY20 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 2,219,805	\$ 2,879,551	\$ 659,746	30%
Administrative/Support & Waste Management/Remediation	\$ 574,816	\$ 93,262	\$ (481,554)	-84%
Agriculture, Forestry, Fishing, and Hunting	\$ -	\$ -	\$ -	N/A
Arts, Entertainment, and Recreation	\$ -	\$ -	\$ -	N/A
Construction	\$ 3,806,970	\$ 1,463,522	\$ (2,343,447)	-62%
Educational Services	\$ 60,995	\$ 493	\$ (60,502)	-99%
Finance and Insurance	\$ 122,011	\$ 102,387	\$ (19,624)	-16%
Health Care and Social Assistance	\$ 878,437	\$ 489,635	\$ (388,802)	-44%
Information	\$ 999,916	\$ 1,010,114	\$ 10,198	1%
Manufacturing	\$ 416,395	\$ 97,020	\$ (319,375)	-77%
Mining, Quarrying, and Oil and Gas Extraction	\$ 140,834	\$ -	\$ (140,834)	-100%
Other Services (except Public Administration)	\$ 611,712	\$ 73,419	\$ (538,293)	-88%
Professional, Scientific, and Technical Services	\$ 221,666	\$ 443,243	\$ 221,577	100%
Public Administration	\$ 38,914	\$ 53,369	\$ 14,455	37%
Real Estate and Rental and Leasing	\$ 256,347	\$ 233,050	\$ (23,297)	-9%
Retail Trade	\$ 4,755,535	\$ 5,026,859	\$ 271,323	6%
Transportation and Warehousing	\$ 222,206	\$ 276,123	\$ 53,916	24%
Unclassified Establishments	\$ 92,656	\$ 26,762	\$ (65,895)	-71%
Utilities	\$ 2,735,491	\$ 2,756,414	\$ 20,923	1%
Wholesale Trade	\$ 852,594	\$ 963,323	\$ 110,729	13%
All Industries	\$ 19,007,301	\$ 15,988,546	\$ (3,018,756)	-16%

Annual gross receipt tax (GRT) revenue collections rose significantly in FY18, as seen in Chart 3, and is likely due to the previously mentioned construction project. FY 19 has returned to a level expected to be seen in the County, with collections increasing since FY15. Table 2, on page 3, shows multiple industries having no contribution to GDP in 2018. This is due to the number of companies within the industries being so low that the Bureau of Economic Analysis has withheld the information for the industry to avoid disclosure of confidential information. Table 2 does not necessarily reflect the proportion each industry contributes to overall GDP.

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.

Chart 3. Annual Total GRT Revenue Collections

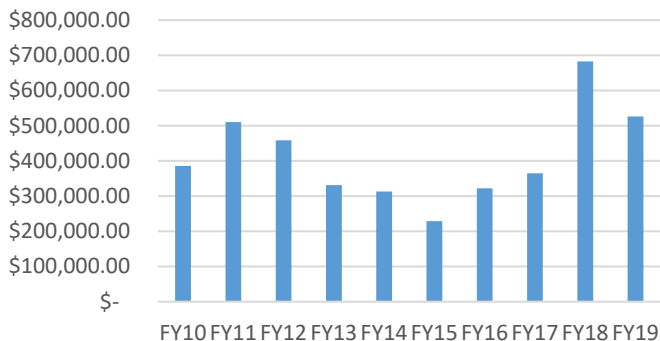
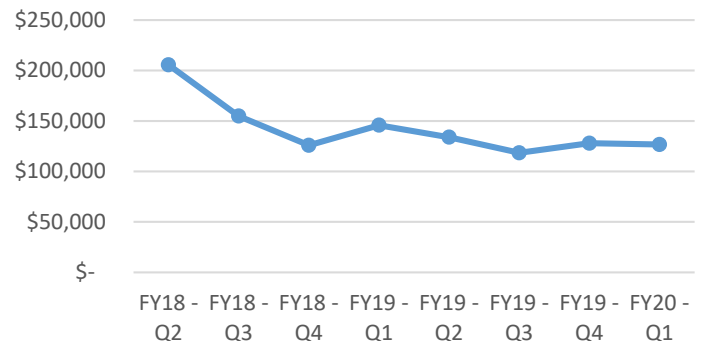


Chart 4. Quarterly GRT Revenue Collections



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Chart 5. Quarterly Average Total Employment & Weekly Wage

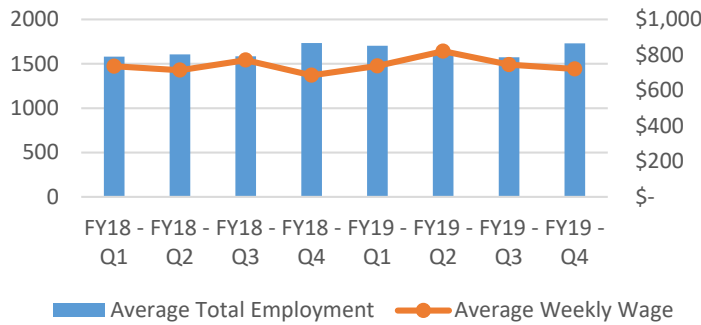


Chart 6. Quarterly Initial Unemployment Claims

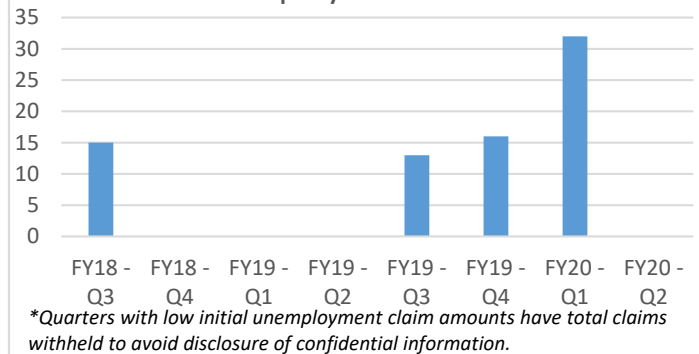
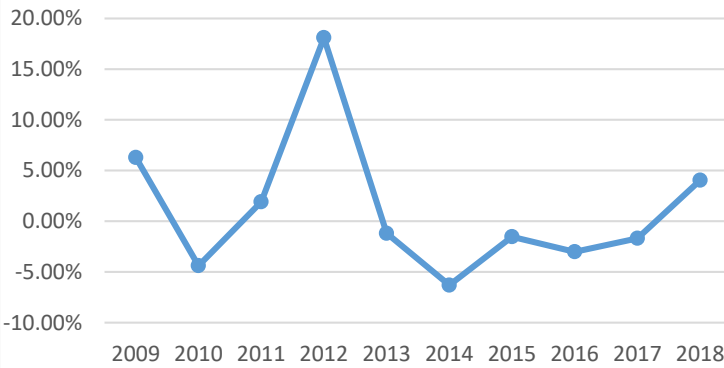


Chart 7. Calendar Year % Change In Real GDP Year Over Year



A SIGNIFICANT UNEXPLAINED 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.

Table 2. Calendar Year 2018 Real County GDP vs Real State GDP

Industries	Hidalgo, NM	New Mexico	Difference Between County and State
Accommodation and food services	0.00%	2.94%	-2.94%
Administrative and support and waste management and remediation services	0.00%	2.51%	-2.51%
Arts, entertainment, and recreation	0.00%	0.68%	-0.68%
Educational services	0.00%	0.51%	-0.51%
Finance and insurance	0.00%	2.75%	-2.75%
Health care and social assistance	0.00%	7.39%	-7.39%
Management of companies and enterprises	1.12%	0.61%	0.52%
Professional, scientific, and technical services	0.00%	7.21%	-7.21%
Real estate and rental and leasing	0.00%	12.17%	-12.17%
Agriculture, forestry, fishing and hunting	9.16%	1.78%	7.38%
Construction	0.00%	3.12%	-3.12%
Information	0.60%	3.21%	-2.60%
Manufacturing	0.00%	4.31%	-4.31%
Mining, quarrying, and oil and gas extraction	0.00%	14.79%	-14.79%
Other services (except government and government enterprises)	0.00%	1.96%	-1.96%
Retail trade	9.11%	5.87%	3.24%
Transportation and warehousing	2.51%	2.58%	-0.08%
Utilities	1.73%	1.57%	0.15%
Wholesale trade	0.00%	3.13%	-3.13%
Government and government enterprises	45.54%	21.50%	24.04%