

Quarterly Economic Summary

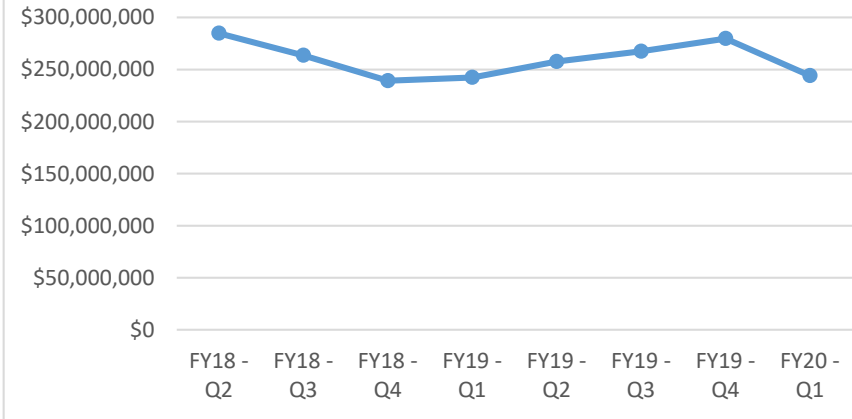
Valencia County



Released: November 2019

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

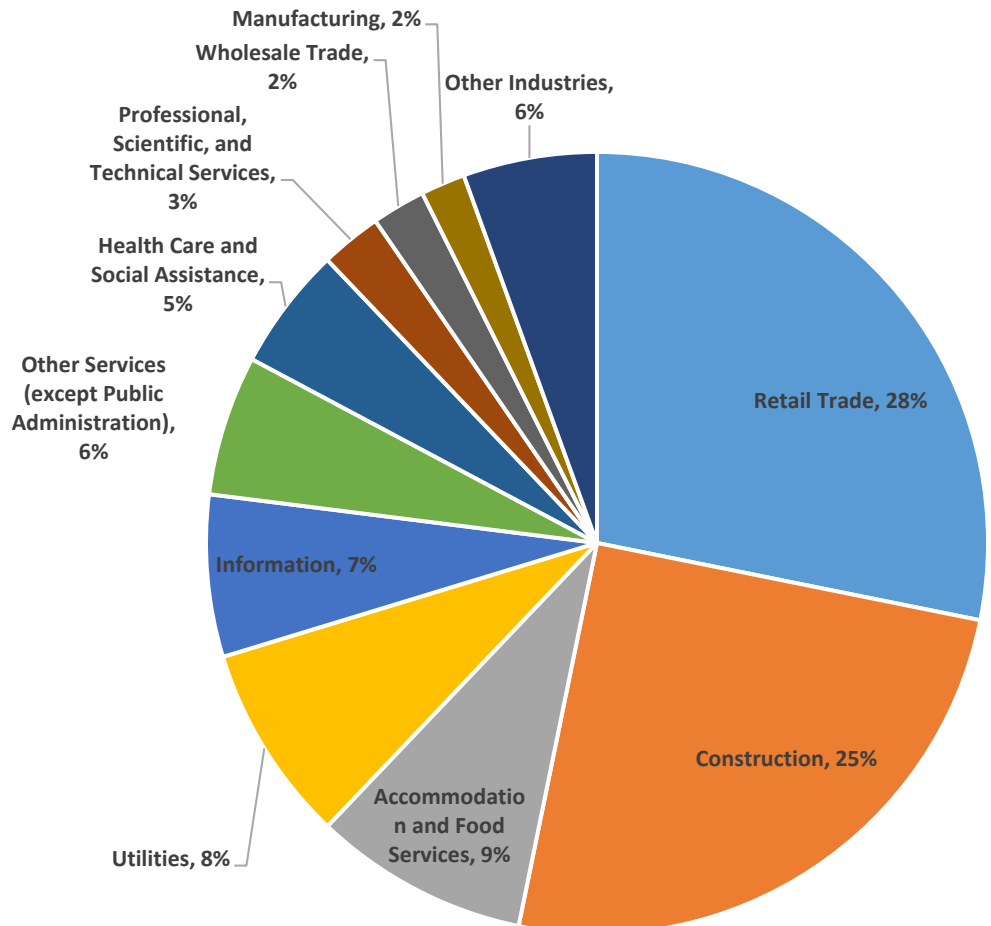
Chart 1. Matched Taxable Gross Receipts Per Quarter



Valencia County's matched taxable gross receipts (MTGR) has stayed relatively stable over the last eight quarters, as seen in Chart 1. The stability with Valencia County MTGR can be seen on Table 1, on the next page. More specifically how the Construction industry can lose \$9M from Q1 FY19 to Q1 FY20 and yet see a 1% increase in all industries over the same time period.

The growth of the Construction sector could be attributed to the Facebook Data Center construction project. This project is driving growth in other industries throughout the county as well.

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.

Quarterly Economic Summary

Valencia County



Table 1. Matched Taxable Gross Receipts by Industry

Industries	FY19 - Q1	FY20 - Q1	Growth	Year over year Change
Accommodation and Food Services	\$ 19,902,658	\$ 21,692,527	\$ 1,789,869	9%
Administrative/Support & Waste Management/Remediation	\$ 3,174,180	\$ 2,674,375	\$ (499,806)	-16%
Agriculture, Forestry, Fishing, and Hunting	\$ 405,112	\$ 945,031	\$ 539,919	133%
Arts, Entertainment, and Recreation	\$ 558,268	\$ 778,063	\$ 219,795	39%
Construction	\$ 70,420,485	\$ 61,113,453	\$ (9,307,032)	-13%
Educational Services	\$ 165,726	\$ 127,950	\$ (37,775)	-23%
Finance and Insurance	\$ 834,428	\$ 843,884	\$ 9,457	1%
Health Care and Social Assistance	\$ 11,853,760	\$ 12,439,837	\$ 586,077	5%
Information	\$ 16,298,619	\$ 16,341,897	\$ 43,279	0%
Management of Companies and Enterprises	\$ -	\$ -	\$ -	N/A
Manufacturing	\$ 4,351,042	\$ 4,491,994	\$ 140,952	3%
Mining, Quarrying, and Oil and Gas Extraction	\$ 31,152	\$ 31,873	\$ 721	2%
Other Services (except Public Administration)	\$ 16,336,256	\$ 14,143,995	\$ (2,192,261)	-13%
Professional, Scientific, and Technical Services	\$ 5,208,421	\$ 6,158,389	\$ 949,968	18%
Public Administration	\$ 108	\$ 15,573	\$ 15,465	14380%
Real Estate and Rental and Leasing	\$ 3,978,270	\$ 4,449,330	\$ 471,060	12%
Retail Trade	\$ 63,388,368	\$ 68,738,598	\$ 5,350,230	8%
Transportation and Warehousing	\$ 2,532,328	\$ 2,710,780	\$ 178,453	7%
Unclassified Establishments	\$ 890,802	\$ 926,130	\$ 35,329	4%
Utilities	\$ 17,513,110	\$ 19,988,360	\$ 2,475,250	14%
Wholesale Trade	\$ 4,512,506	\$ 5,409,063	\$ 896,557	20%
All Industries	\$ 242,355,597	\$ 244,021,102	\$ 1,665,505	1%

Gross Receipts Tax (GRT) revenue collections have stayed consistent over the last eight quarters, as seen in Chart 4. Chart 3, the annual GRT revenue collected has had year over year growth since FY13. Since FY13, the amount collected has nearly tripled.

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

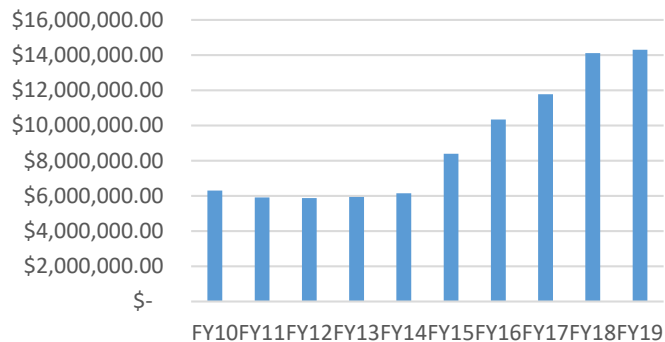
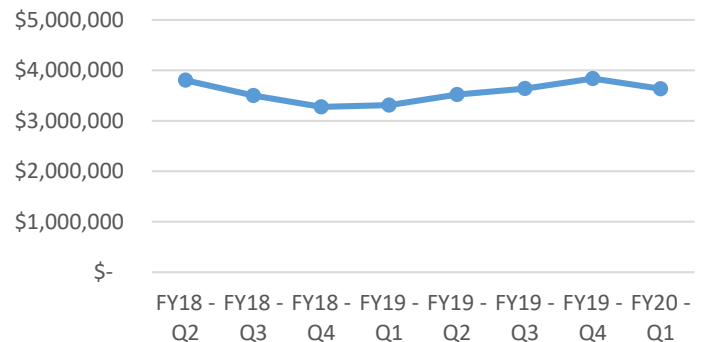


Chart 4. Quarterly GRT Revenue Collections



Quarterly Economic Summary Valencia County



Chart 5. Quarterly Average Total Employment & Weekly Wage

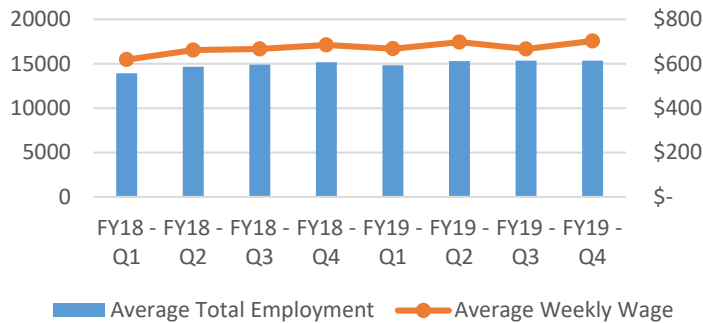


Chart 6. Quarterly Initial Unemployment Claims

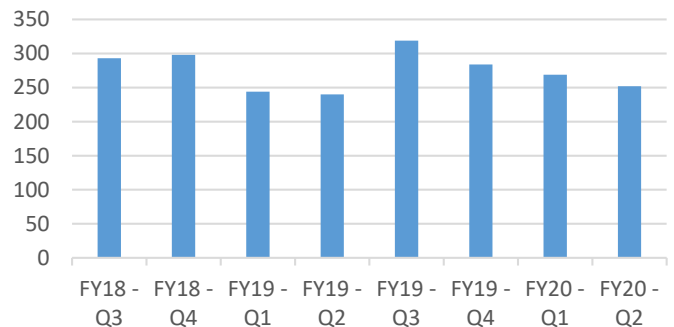
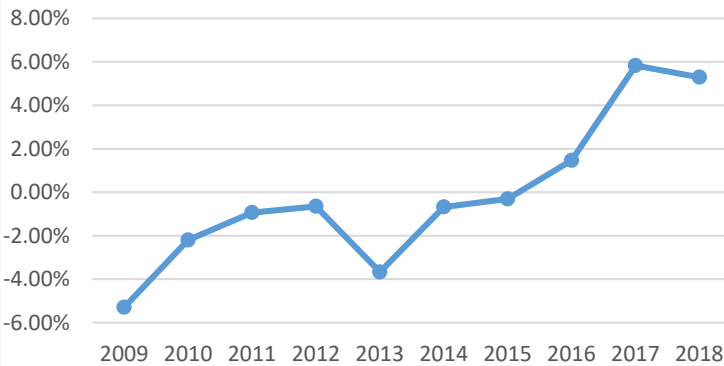


Chart 7. Calendar Year % Change In Real GDP Year Over Year



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	Valencia, NM	New Mexico	Difference Between County and State
Accommodation and food services	2.69%	2.94%	-0.25%
Administrative and support and waste management and remediation services	1.36%	2.51%	-1.15%
Arts, entertainment, and recreation	0.18%	0.68%	-0.50%
Educational services	0.32%	0.51%	-0.20%
Finance and insurance	1.79%	2.75%	-0.96%
Health care and social assistance	6.10%	7.39%	-1.29%
Management of companies and enterprises	0.60%	0.61%	-0.01%
Professional, scientific, and technical services	2.04%	7.21%	-5.17%
Real estate and rental and leasing	20.37%	12.17%	8.20%
Agriculture, forestry, fishing and hunting	0.17%	1.78%	-1.61%
Construction	11.72%	3.12%	8.60%
Information	1.63%	3.21%	-1.57%
Manufacturing	4.88%	4.31%	0.56%
Mining, quarrying, and oil and gas extraction	0.31%	14.79%	-14.48%
Other services (except government and government enterprises)	2.92%	1.96%	0.96%
Retail trade	9.73%	5.87%	3.85%
Transportation and warehousing	7.90%	2.58%	5.32%
Utilities	1.48%	1.57%	-0.09%
Wholesale trade	1.60%	3.13%	-1.52%
Government and government enterprises	21.57%	21.50%	0.07%