

Quarterly Economic Summary

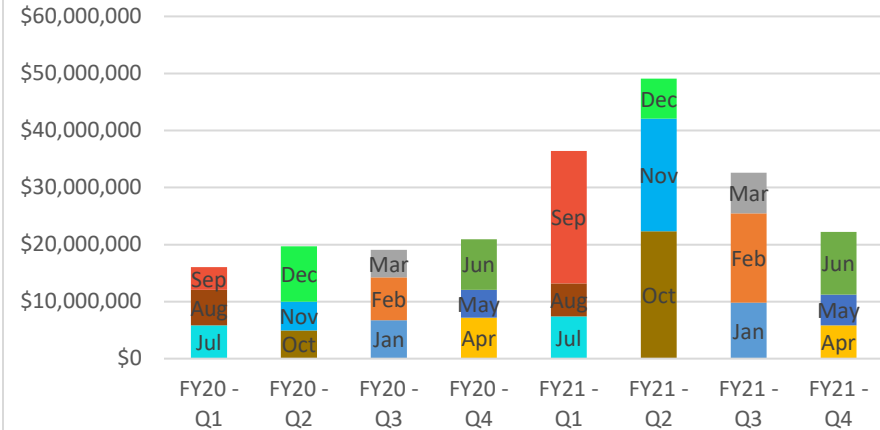
Hidalgo County



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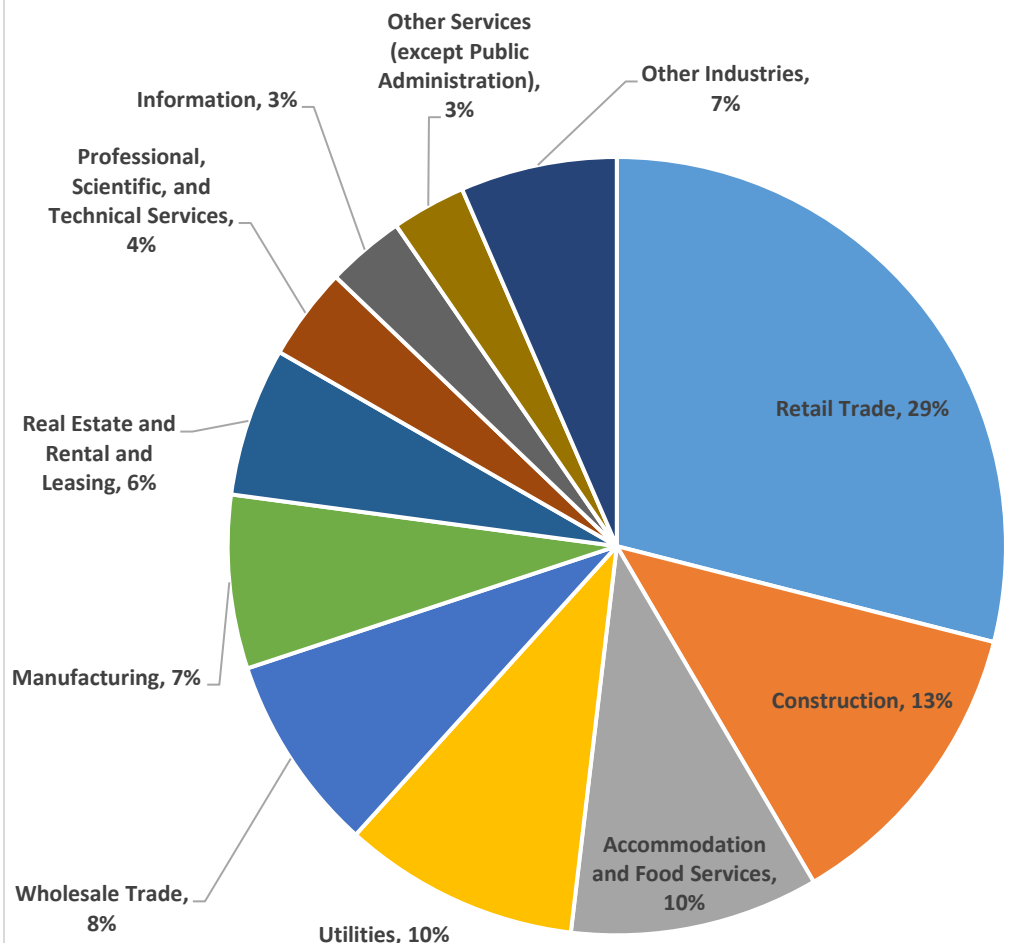
Chart 1. Matched Taxable Gross Receipts Per Quarter



Quarter four of FY21 provides the first full fiscal year of economic effects related to the COVID-19 pandemic. Economic shocks continue globally and throughout the state 18 months after the initial business closures and ensuing impacts. Federal policies, including additional direct payments and tax credits, coupled with pent up demand, led to an increase in consumer spending on taxable goods and services during this quarter, which is likely to continue. Additional pandemic-related shocks could be looming, making state-level efforts to restore the economy critical.

Hidalgo County's matched taxable gross receipts (MTGR) decreased by 31.9% from Q3 FY21 to Q4 FY21, a decrease of \$10M, shown in Chart 1. The primary reason for this decrease is from lower MTGR in the construction industry, the same industry that saw MTGR skyrocket in previous quarters, likely tied to a large project. Despite this decrease from Q3 to Q4, the county saw a 6%, or \$1.3M, year-over-year (YoY) increase in Q4 FY21. The manufacturing

Chart 2. FY21 - Q4 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. FY21 - Q4 Matched Taxable Gross Receipts by Industry

Industries	FY21 - Q4	YOY Growth	YOY % Change	2-Year % Change
Accommodation and Food Services	\$ 2,281,679	\$ 321,333	16%	-14%
Administrative/Support & Waste Management/Remediation	\$ 161,898	\$ (16,594)	-9%	-27%
Agriculture, Forestry, Fishing, and Hunting	\$ -	\$ -	N/A	N/A
Arts, Entertainment, and Recreation	\$ -	\$ -	N/A	N/A
Construction	\$ 2,781,176	\$ (1,823,935)	-40%	11%
Educational Services	\$ 27,785	\$ 27,043	3646%	N/A
Finance and Insurance	\$ 70,624	\$ (62,844)	-47%	42%
Health Care and Social Assistance	\$ 452,765	\$ (1,728)	0%	-57%
Information	\$ 717,496	\$ (388,392)	-35%	-47%
Manufacturing	\$ 1,592,409	\$ 1,503,511	1691%	3878%
Mining, Quarrying, and Oil and Gas Extraction	\$ -	\$ (8,661)	-100%	-100%
Other Services (except Public Administration)	\$ 681,221	\$ (32,742)	-5%	-9%
Professional, Scientific, and Technical Services	\$ 850,882	\$ 197,109	30%	105%
Public Administration	\$ 85,686	\$ (7,404)	-8%	-16%
Real Estate and Rental and Leasing	\$ 1,365,777	\$ 614,690	82%	616%
Retail Trade	\$ 6,397,396	\$ 964,623	18%	15%
Transportation and Warehousing	\$ 369,446	\$ (640,470)	-63%	26%
Unclassified Establishments	\$ 269,180	\$ (341,079)	-56%	230%
Utilities	\$ 2,168,671	\$ 141,332	7%	14%
Wholesale Trade	\$ 1,813,316	\$ 737,177	69%	85%
All Industries	\$ 22,206,893	\$ 1,251,692	6%	21%

sector saw the most YoY growth in Q4, shown in Table 1. This industry has reported a similar level of MTGR periodically since FY18, fluctuating from as little as \$40K to \$1.5M. The county experienced exceptionally high GRT revenue collections in FY21 compared to historical years. GRT revenue collections totaled \$1.3M in FY21, a 124% increase over FY20. This increase is due to the construction industry's activity over the fiscal year.

Chart 3. Annual Total GRT Revenue Collections

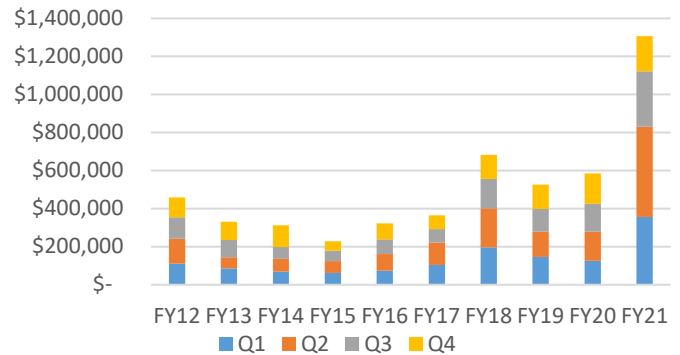


Chart 4. Quarterly GRT Revenue Collections

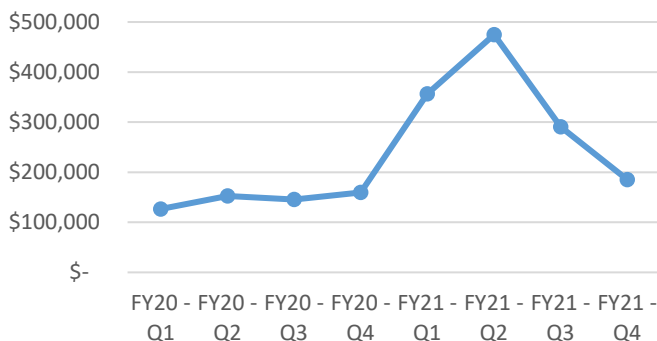
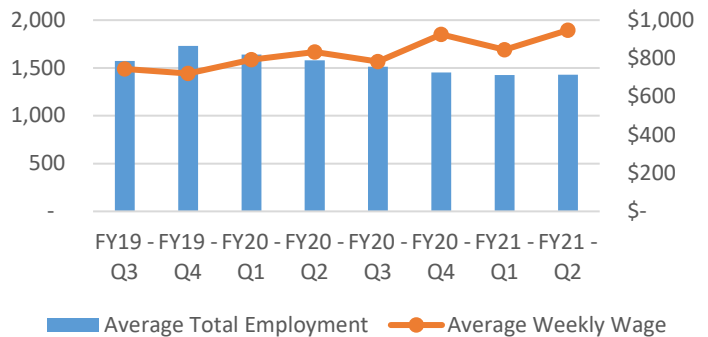


Chart 5. Quarterly Average Total Employment & Weekly Wage

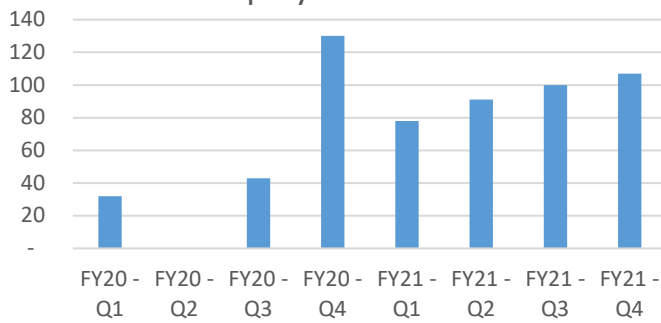


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Chart 6. Quarterly Initial Unemployment Claims



*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. Claims that were filed last year, when the pandemic first started, have expired and claimants need to reapply if they are still unemployed.

A significant increase in initial unemployment claims can be an early indicator of an economic downturn, and a reduction 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. 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 (CES)* program often reported in news articles. However, as shown below, QCEW data has a significant lag time before it is reported and does not reflect the same quarter 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-Q3 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	167	-19.7%	\$ 304	6.3%	15	0.0%
Administrative/Support & Waste Management/Remediation	*	*	*	*	5	0.0%
Agriculture, Forestry, Fishing, and Hunting	57	-1.7%	\$ 470	3.3%	11	10.0%
Arts, Entertainment, and Recreation	*	*	*	*	2	0.0%
Construction	65	-5.8%	\$ 829	4.7%	13	-13.3%
Educational Services	127	*	\$ 792	*	4	0.0%
Finance and Insurance	*	*	*	*	2	0.0%
Health Care and Social Assistance	168	-19.2%	\$ 733	39.1%	28	21.7%
Information	13	-7.1%	\$ 519	2.2%	5	0.0%
Manufacturing	*	*	*	*	2	100.0%
Mining, Quarrying, and Oil and Gas Extraction	*	*	*	*	2	0.0%
Other Services (except Public Administration)	5	25.0%	\$ 503	34.5%	5	0.0%
Professional, Scientific, and Technical Services	19	-5.0%	\$ 909	11.5%	7	40.0%
Public Administration	405	4.1%	\$ 1,417	0.4%	24	4.3%
Real Estate and Rental and Leasing	*	*	*	*	1	0.0%
Retail Trade	228	-6.2%	\$ 545	15.2%	20	-9.1%
Transportation and Warehousing	50	-19.4%	\$ 1,122	-5.4%	10	-16.7%
Utilities	*	100.0%	*	100.0%	5	0.0%
Wholesale Trade	*	*	*	*	2	0.0%
All Industries	1,396	-7.5%	\$ 869	10.4%	163	2.5%