

# Quarterly Economic Summary

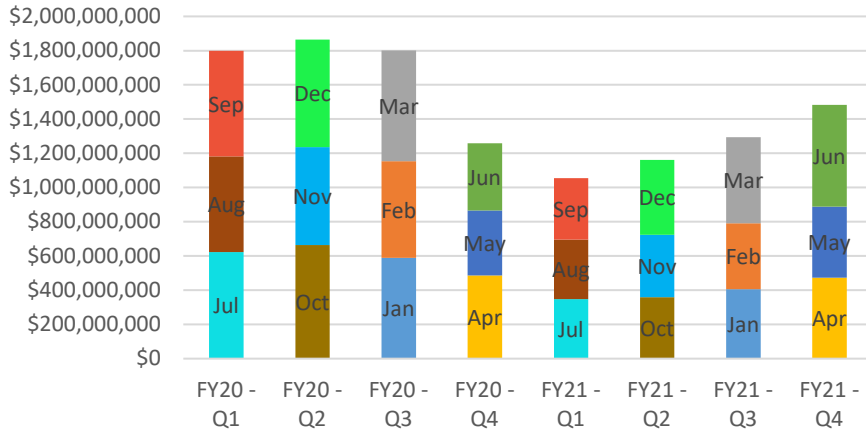
## Lea County



Released: August 2021

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

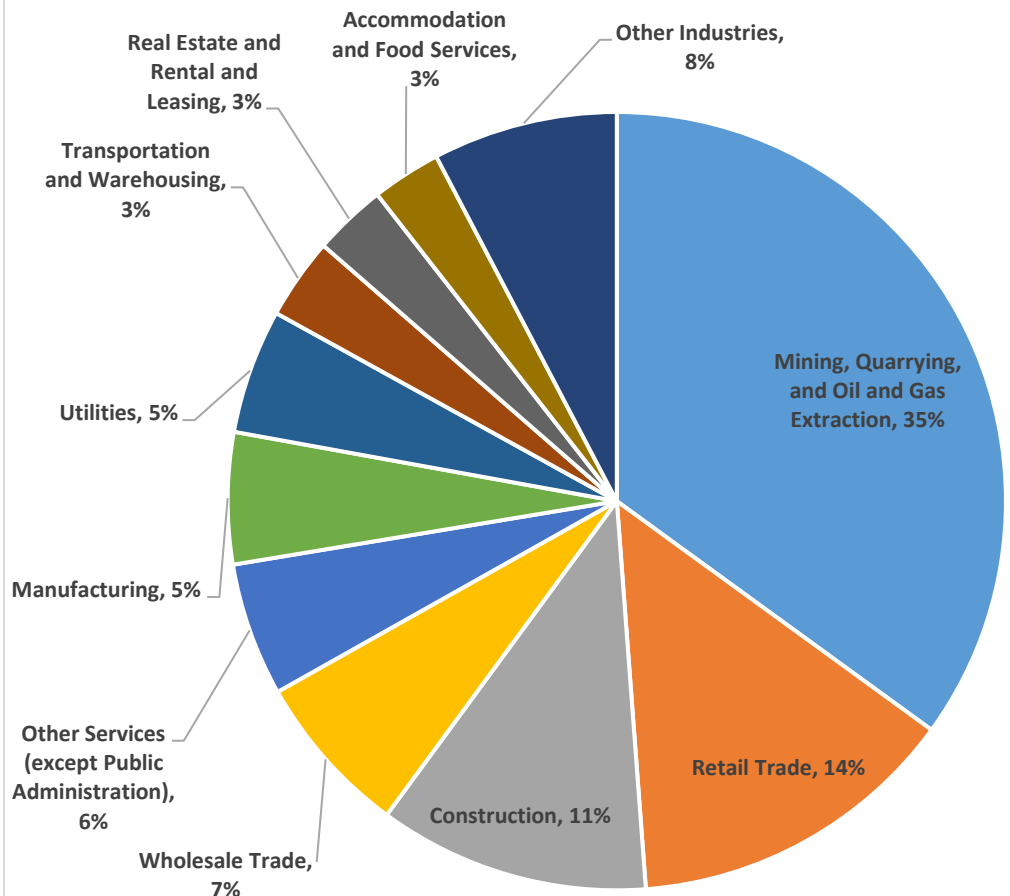
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Lea County's matched taxable gross receipts (MTGR) reached nearly \$1.5B during Q4 FY21. From Q3 FY21 to Q4 FY21, MTGR increased by \$190M or 15%. Lea County reported the third highest MTGR for all 33 counties, trailing only Bernalillo and Eddy. The mining, quarrying, and oil and gas extraction industry continues to be the economic driver for Eddy County, highlighted in Chart 2, with the industry accounting for 35% of total

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.

# Quarterly Economic Summary

## Lea County



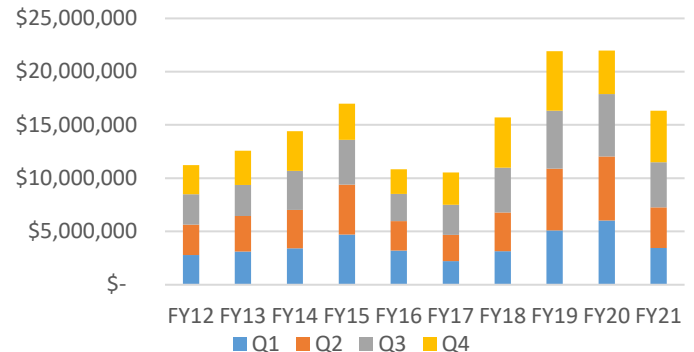
**Table 1. FY21 - Q4 Matched Taxable Gross Receipts by Industry**

Industries	FY21 - Q4	YOY Growth	YOY % Change	2-Year % Change
Accommodation and Food Services	\$ 42,639,253	\$ 10,953,500	35%	-14%
Administrative/Support & Waste Management/Remediation	\$ 26,142,473	\$ (878,909)	-3%	0%
Agriculture, Forestry, Fishing, and Hunting	\$ 2,861,895	\$ (1,140,547)	-28%	-22%
Arts, Entertainment, and Recreation	\$ 1,517,021	\$ 1,312,350	641%	-1%
Construction	\$ 166,935,903	\$ (17,521,291)	-9%	-33%
Educational Services	\$ 158,432	\$ (48,732)	-24%	-59%
Finance and Insurance	\$ 2,131,695	\$ (94,196)	-4%	-6%
Health Care and Social Assistance	\$ 23,876,497	\$ 6,462,200	37%	23%
Information	\$ 13,111,134	\$ (12,780,136)	-49%	-45%
Manufacturing	\$ 81,057,298	\$ 36,771,336	83%	23%
Mining, Quarrying, and Oil and Gas Extraction	\$ 518,903,796	\$ 97,254,235	23%	-21%
Other Services (except Public Administration)	\$ 82,155,988	\$ 3,256,238	4%	-27%
Professional, Scientific, and Technical Services	\$ 37,418,056	\$ 3,739,305	11%	-6%
Public Administration	\$ -	\$ (344,803)	-100%	-100%
Real Estate and Rental and Leasing	\$ 45,022,964	\$ 3,442,183	8%	-7%
Retail Trade	\$ 204,695,201	\$ 19,848,597	11%	-12%
Transportation and Warehousing	\$ 50,091,483	\$ 10,649,905	27%	-16%
Unclassified Establishments	\$ 6,647,126	\$ 3,874,530	140%	-69%
Utilities	\$ 76,682,328	\$ 13,962,390	22%	4%
Wholesale Trade	\$ 100,491,654	\$ 46,017,525	84%	4%
<b>All Industries</b>	<b>\$ 1,482,827,649</b>	<b>\$ 224,642,443</b>	<b>18%</b>	<b>-17%</b>

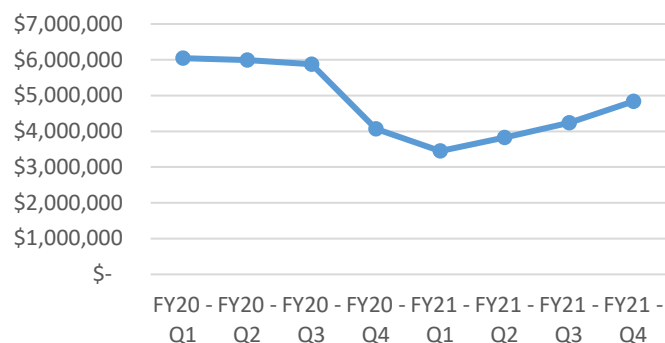
MTGR. Year-over-year (YoY), Lea County's MTGR increased by \$225M, or 18%, in Q4 FY20, shown in Table 1. Multiple industries saw YoY growth with the oil and gas and wholesale trade sectors performing particularly well, increasing YoY by \$97M and \$ 46M, respectively.

Gross receipts tax (GRT) revenue collections decreased by \$5.6M, or 26%, from FY20 to FY21. However, the county saw GRT revenue collections increase by \$600K, or 14%, from Q3 FY21 to Q4 FY21 (Chart 4).

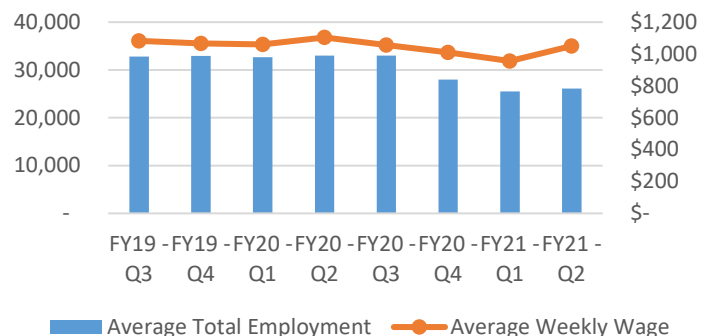
**Chart 3. Annual Total GRT Revenue Collections**



**Chart 4. Quarterly GRT Revenue Collections**



**Chart 5. Quarterly Average Total Employment & Weekly Wage**

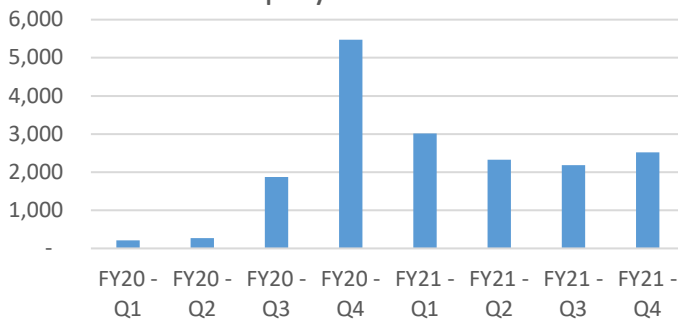


# Quarterly Economic Summary

## Lea 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. 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	2,466	-22.8%	\$ 389	-4.0%	175	6.1%
Administrative/Support & Waste	1,127	-11.9%	\$ 776	6.4%	87	11.5%
Agriculture, Forestry, Fishing, and Hunting	402	1.8%	\$ 722	3.6%	37	2.8%
Arts, Entertainment, and Recreation	236	-14.5%	\$ 548	-6.2%	19	5.6%
Construction	2,486	-34.4%	\$ 1,021	-6.6%	211	3.9%
Educational Services	2,184	-12.8%	\$ 985	22.7%	18	-5.3%
Finance and Insurance	651	-2.3%	\$ 1,347	7.6%	160	116.2%
Health Care and Social Assistance	2,522	-1.7%	\$ 870	13.7%	162	2.5%
Information	158	-11.7%	\$ 1,025	18.0%	23	4.5%
Management of Companies and Enterprises	159	14.4%	\$ 1,132	-7.4%	12	50.0%
Manufacturing	584	-6.0%	\$ 1,679	-11.6%	40	5.3%
Mining, Quarrying, and Oil and Gas Extraction	4,758	-36.3%	\$ 1,453	1.5%	388	-1.8%
Other Services (except Public Administration)	624	-19.3%	\$ 907	4.7%	125	-4.6%
Professional, Scientific, and Technical Services	665	-14.4%	\$ 929	-12.4%	134	8.9%
Public Administration	901	-5.0%	\$ 1,137	-0.4%	64	0.0%
Real Estate and Rental and Leasing	393	-28.2%	\$ 956	-11.1%	97	1.0%
Retail Trade	2,993	-1.6%	\$ 619	-0.6%	207	4.5%
Transportation and Warehousing	1,584	-27.4%	\$ 1,368	-14.2%	207	6.2%
Utilities	401	-9.9%	\$ 1,732	-4.8%	28	7.7%
Wholesale Trade	785	-19.4%	\$ 1,219	-11.9%	110	-1.8%
<b>All Industries</b>	<b>26,080</b>	<b>-20.4%</b>	<b>\$ 1,016</b>	<b>-3.5%</b>	<b>2,304</b>	<b>6.7%</b>

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