

Quarterly Economic Summary

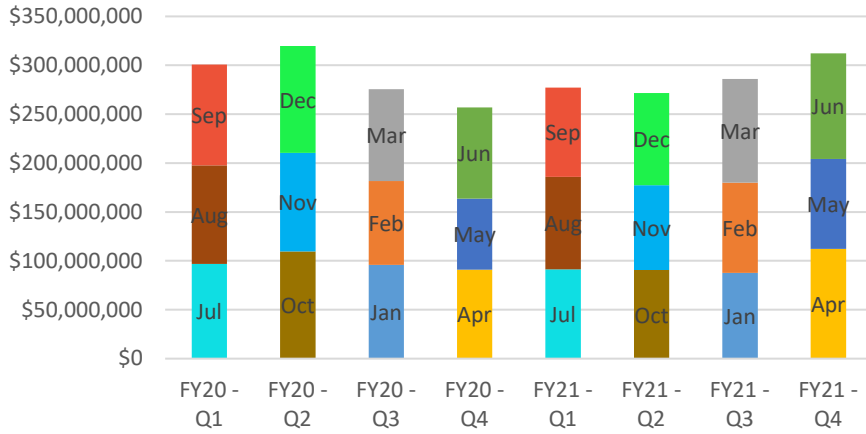
McKinley County



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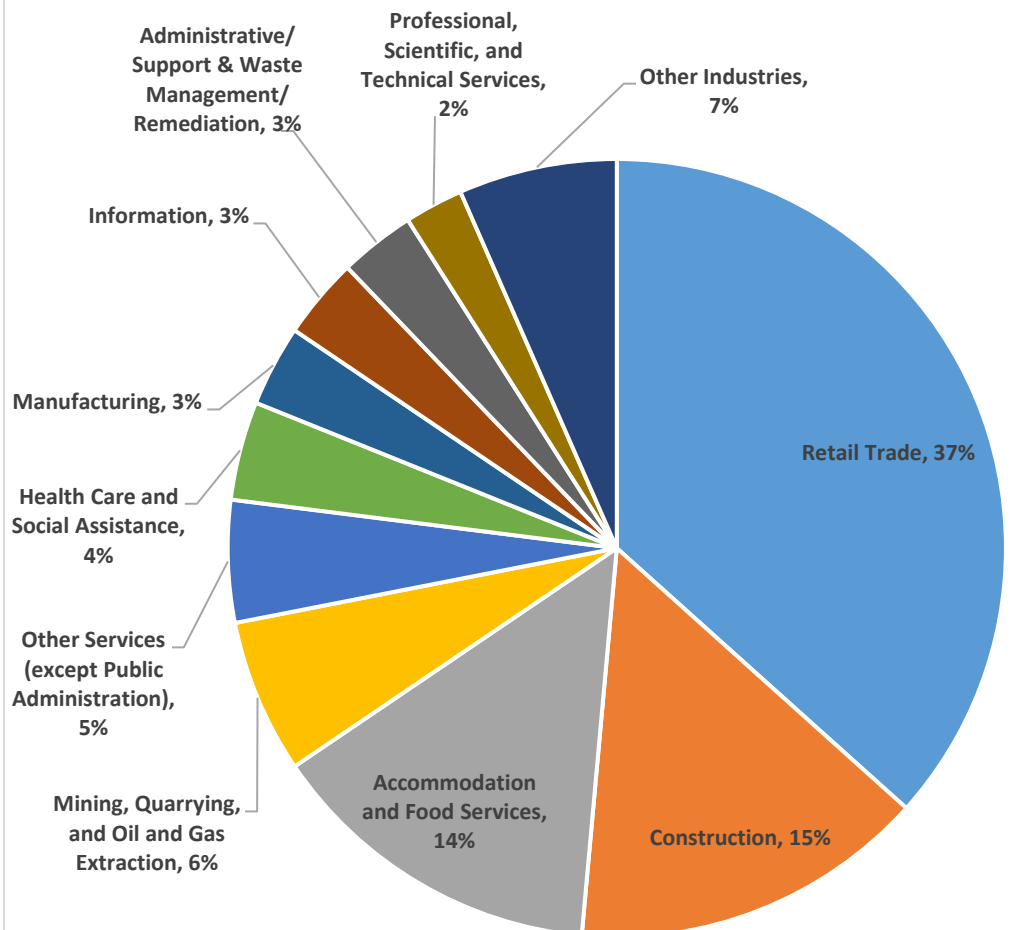
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

McKinley County's matched taxable gross receipts (MTGR) reached the second highest amount (\$312M) reported over the last eight quarters. As seen in MTGR increased from Q3 FY21 to Q4 FY21 by \$26M or roughly 9% (Chart 1). The retail trade industry contributed 37% of the County's reported MTGR, shown in Chart 2. Table 1, on the next page, shows an increase of \$55M from Q4 in FY20 to FY21 of the same period. Table 1 also shows 13 industries

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	\$ 43,350,210	\$ 14,592,968	51%	13%
Administrative/Support & Waste Management/Remediation	\$ 9,702,693	\$ 8,587,448	770%	309%
Agriculture, Forestry, Fishing, and Hunting	\$ 166,408	\$ 158,026	1885%	-47%
Arts, Entertainment, and Recreation	\$ 455,423	\$ 318,297	232%	-57%
Construction	\$ 45,534,620	\$ 17,669,615	63%	96%
Educational Services	\$ 1,065,583	\$ 873,452	455%	119%
Finance and Insurance	\$ 1,550,946	\$ 521,441	51%	35%
Health Care and Social Assistance	\$ 12,623,371	\$ 1,920,410	18%	-3%
Information	\$ 10,342,371	\$ (4,616,379)	-31%	-34%
Management of Companies and Enterprises	\$ -	\$ (5,324)	-100%	N/A
Manufacturing	\$ 10,363,325	\$ (966,298)	-9%	-21%
Mining, Quarrying, and Oil and Gas Extraction	\$ 19,686,103	\$ (5,361,769)	-21%	-10%
Other Services (except Public Administration)	\$ 15,624,122	\$ 972,347	7%	-7%
Professional, Scientific, and Technical Services	\$ 7,516,327	\$ (7,543,135)	-50%	-62%
Public Administration	\$ -	\$ (1,057,158)	-100%	N/A
Real Estate and Rental and Leasing	\$ 5,390,253	\$ 135,570	3%	-7%
Retail Trade	\$ 112,787,174	\$ 28,226,985	33%	39%
Transportation and Warehousing	\$ 433,557	\$ (1,576,485)	-78%	-74%
Unclassified Establishments	\$ 1,042,894	\$ 161,297	18%	56%
Utilities	\$ 3,736,924	\$ 479,326	15%	5%
Wholesale Trade	\$ 6,416,629	\$ (117,856)	-2%	-47%
All Industries	\$ 312,167,514	\$ 55,172,594	21%	10%

that reported a year-over-year (YoY) increase. The largest increase came from the retail trade industry, which posted a YoY increase of \$28M or 33%.

Gross receipts tax (GRT) revenue collections increased by \$289K, or 8%, from Q3 FY21 to Q4 FY21, shown in Chart 4.

Average weekly wages increased, from Q1 FY21 to Q2 FY21, by \$117/week (Chart 5). This increase put average weekly wages at an eight-quarter high with a reported wage of \$866/week.

Chart 3. Annual Total GRT Revenue Collections

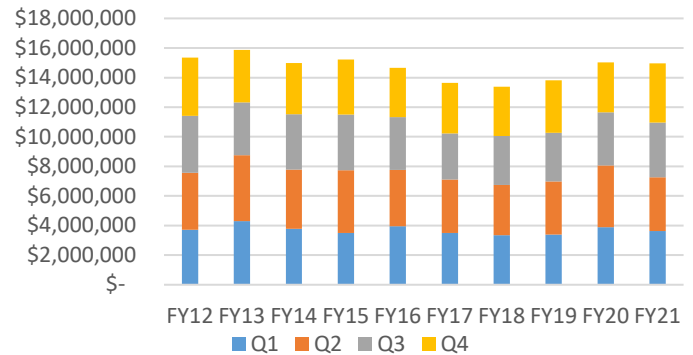


Chart 4. Quarterly GRT Revenue Collections

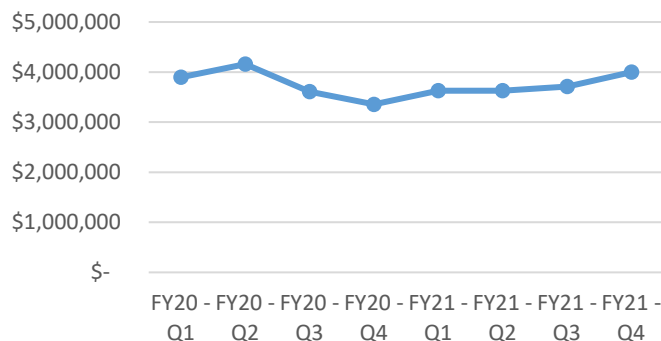
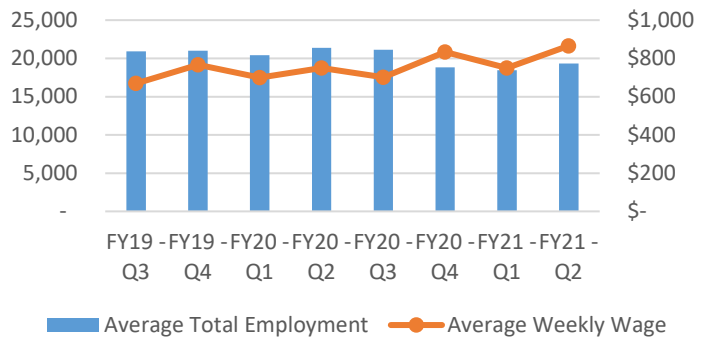


Chart 5. Quarterly Average Total Employment & Weekly Wage

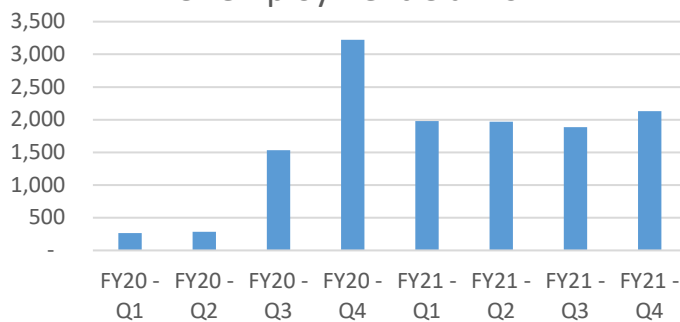


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Chart 6. Quarterly Initial Unemployment Claims



*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	2,285	-19.6%	\$ 323	10.2%	142	0.0%
Administrative/Support & Waste	463	-48.3%	\$ 506	53.8%	51	4.1%
Agriculture, Forestry, Fishing, and Hunting	*	*	*	*	4	0.0%
Arts, Entertainment, and Recreation	138	-68.4%	\$ 725	21.2%	12	-7.7%
Construction	668	-7.0%	\$ 667	-4.6%	75	5.6%
Educational Services	2,551	-7.4%	\$ 817	3.2%	23	9.5%
Finance and Insurance	335	-18.5%	\$ 682	1.8%	63	6.8%
Health Care and Social Assistance	5,097	-5.0%	\$ 927	16.2%	357	3.8%
Information	104	-26.8%	\$ 712	2.4%	22	15.8%
Management of Companies and Enterprises	21	-16.0%	\$ 1,177	88.6%	9	28.6%
Manufacturing	545	-25.6%	\$ 1,237	-2.6%	28	-3.4%
Mining, Quarrying, and Oil and Gas Extraction	*	*	*	*	5	25.0%
Other Services (except Public Administration)	433	-3.6%	\$ 581	6.2%	81	5.2%
Professional, Scientific, and Technical Services	191	-4.0%	\$ 801	-7.7%	55	1.9%
Public Administration	1,857	-2.8%	\$ 1,023	7.1%	76	-1.3%
Real Estate and Rental and Leasing	154	-12.0%	\$ 635	7.8%	44	7.3%
Retail Trade	2,782	-1.5%	\$ 533	1.7%	185	-0.5%
Transportation and Warehousing	400	-12.9%	\$ 804	3.5%	51	4.1%
Utilities	105	-44.4%	\$ 2,426	-1.8%	11	0.0%
Wholesale Trade	373	-29.1%	\$ 684	-18.8%	36	-10.0%
All Industries	18,544	-12.1%	\$ 759	8.0%	1,330	2.5%

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