

Quarterly Economic Summary

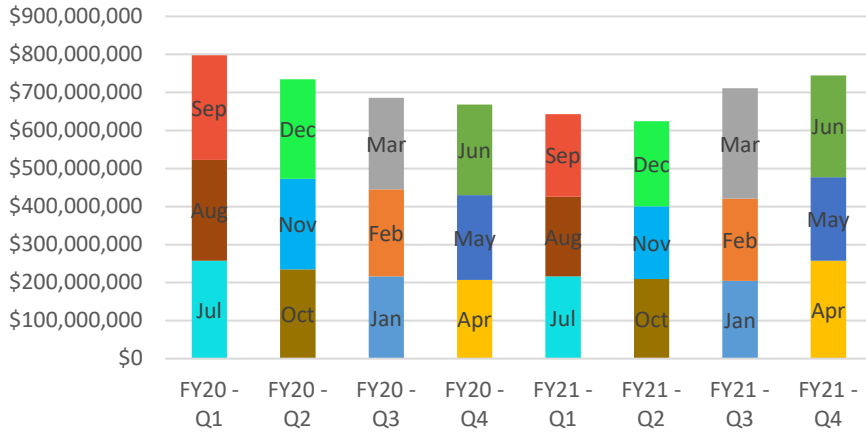
San Juan County

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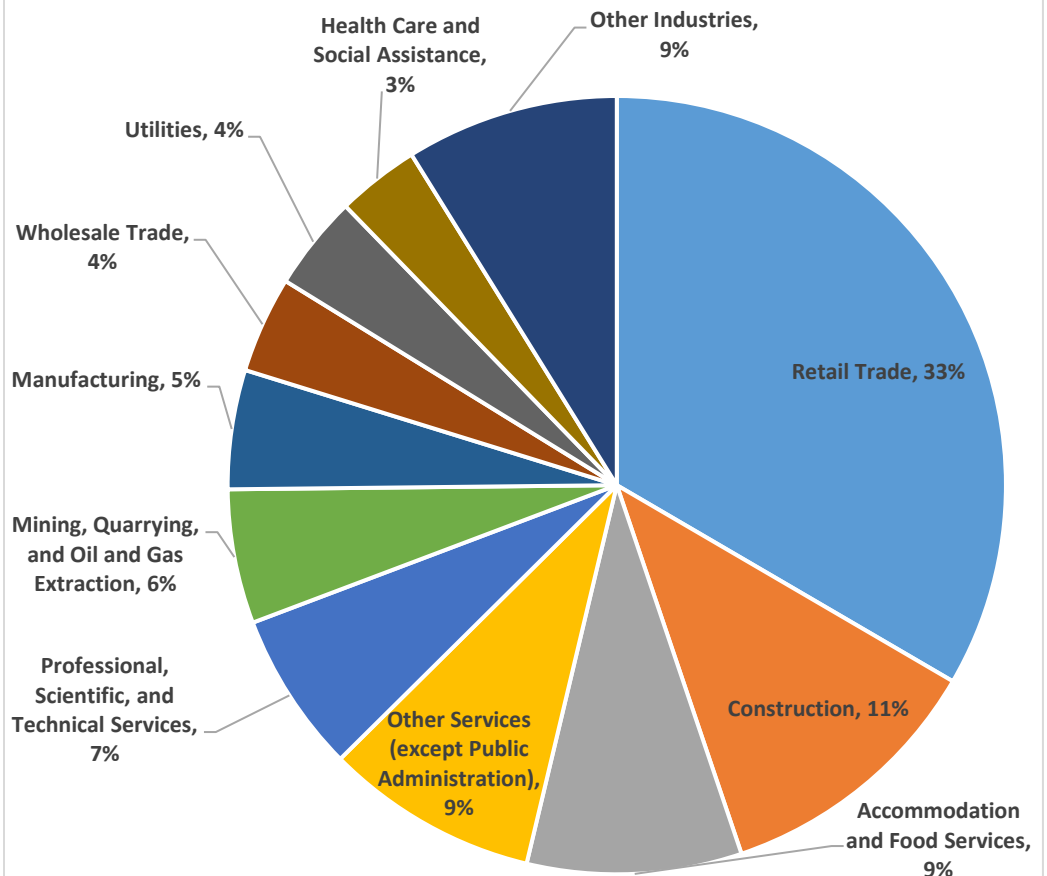
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

San Juan County's matched taxable gross receipts (MTGR) saw a slight increase in Q4 FY21 as compared to Q3 FY21, shown in Chart 1. From Q3 FY21 to Q4 FY21 MTGR increased by \$33.5M or 5%. When comparing MTGR, Q4 of FY21 is most comparable to Q3 FY18, when San Juan County reported \$7.4M less in total MTGR. Table 1, on the next page, shows an increase of \$76M from Q4 in FY20 to FY21 of the same period. Table 1 also

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	\$ 64,648,530	\$ 19,055,821	42%	17%
Administrative/Support & Waste Management/Remediation	\$ 10,581,266	\$ 2,274,190	27%	-4%
Agriculture, Forestry, Fishing, and Hunting	\$ 374,291	\$ (57,829)	-13%	-30%
Arts, Entertainment, and Recreation	\$ 2,466,532	\$ 1,512,207	158%	3%
Construction	\$ 82,646,584	\$ 4,755,359	6%	166%
Educational Services	\$ 912,649	\$ 400,877	78%	32%
Finance and Insurance	\$ 3,282,914	\$ 690,434	27%	26%
Health Care and Social Assistance	\$ 24,872,644	\$ (7,766,545)	-24%	-21%
Information	\$ 18,234,607	\$ (8,597,418)	-32%	-38%
Management of Companies and Enterprises	\$ -	\$ (107,576)	-100%	-100%
Manufacturing	\$ 35,897,813	\$ 1,291,619	4%	-8%
Mining, Quarrying, and Oil and Gas Extraction	\$ 40,437,705	\$ 23,080,083	133%	7%
Other Services (except Public Administration)	\$ 64,195,139	\$ (5,452,137)	-8%	-9%
Professional, Scientific, and Technical Services	\$ 48,380,005	\$ (5,912,349)	-11%	-21%
Public Administration	\$ 3,220	\$ (13,487,053)	-100%	-100%
Real Estate and Rental and Leasing	\$ 13,656,068	\$ 1,678,328	14%	-20%
Retail Trade	\$ 242,223,909	\$ 42,584,675	21%	24%
Transportation and Warehousing	\$ 12,988,739	\$ 392,318	3%	-36%
Unclassified Establishments	\$ 1,632,329	\$ 342,161	27%	0%
Utilities	\$ 28,523,736	\$ 2,734,876	11%	-39%
Wholesale Trade	\$ 29,063,753	\$ 3,569,764	14%	-13%
All Industries	\$ 744,516,728	\$ 76,219,617	11%	5%

shows 13 industries that reported a year-over-year (YoY) increase. The largest increase came from the retail trade industry, which posted a YoY increase of \$42.6M or 21%. The public administration industry reported a YoY loss of \$13M. The size of this loss is likely due to a timing issue or a taxpayer error and should be clearer in the upcoming reporting periods.

Gross receipts tax (GRT) revenue collections increased by \$659K, or 7%, from Q3 FY21 to Q4 FY21 (Chart 4).

Chart 5 shows that average weekly wages reported during Q2 FY21 increased to an eight-quarter high of \$979/week.

Chart 3. Annual Total GRT Revenue Collections

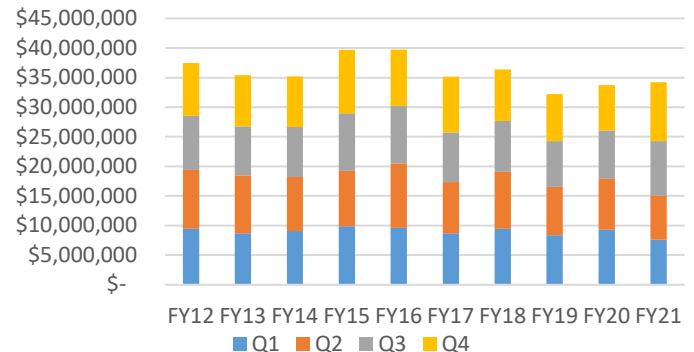


Chart 4. Quarterly GRT Revenue Collections

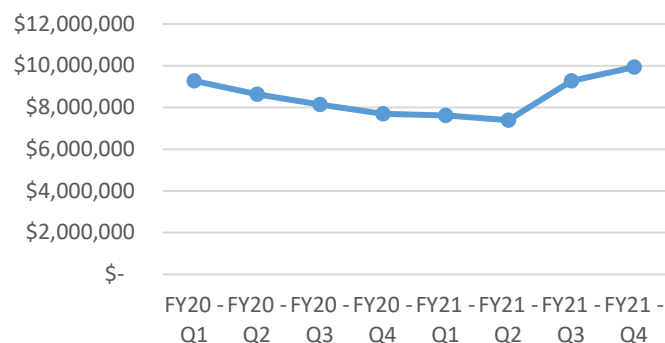
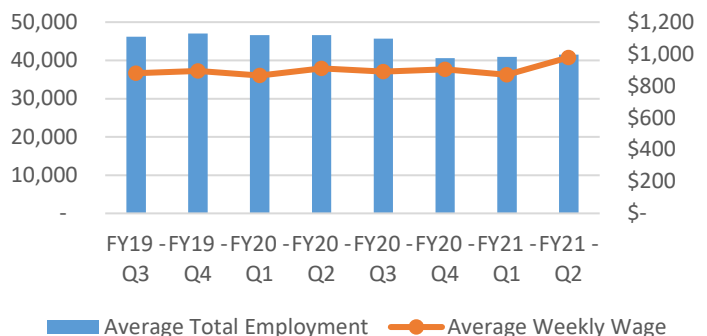


Chart 5. Quarterly Average Total Employment & Weekly Wage

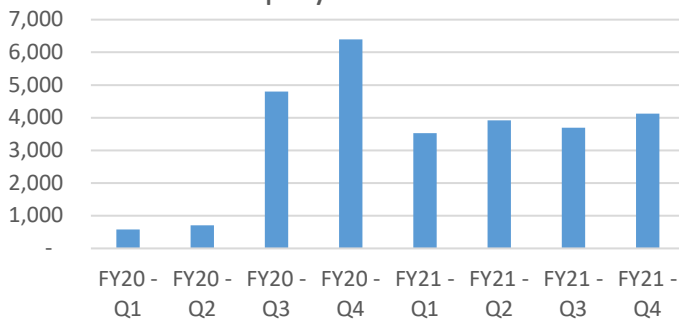


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Chart 6. Quarterly Initial Unemployment Claims



*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	3,584	-18.7%	\$ 345	9.9%	230	1.8%
Administrative/Support & Waste Management/Remediation	998	-12.5%	\$ 630	-3.2%	132	3.1%
Agriculture, Forestry, Fishing, and Hunting	430	-6.7%	\$ 633	8.8%	16	6.7%
Arts, Entertainment, and Recreation	570	-43.3%	\$ 606	4.3%	48	4.3%
Construction	2,839	-25.3%	\$ 961	-4.8%	271	0.0%
Educational Services	4,508	-10.2%	\$ 921	9.6%	43	-2.3%
Finance and Insurance	745	-5.9%	\$ 1,098	14.9%	123	1.7%
Health Care and Social Assistance	7,743	-0.8%	\$ 951	7.1%	422	2.9%
Information	234	-35.7%	\$ 757	16.5%	36	5.9%
Management of Companies and Enterprises	233	-15.6%	\$ 839	4.4%	27	28.6%
Manufacturing	908	-28.3%	\$ 891	3.8%	83	-2.4%
Mining, Quarrying, and Oil and Gas Extraction	3,547	-16.7%	\$ 1,582	-4.5%	181	-3.2%
Other Services (except Public Administration)	1,093	-9.7%	\$ 733	1.1%	227	0.4%
Professional, Scientific, and Technical Services	914	-12.0%	\$ 949	21.5%	234	-2.9%
Public Administration	2,789	-8.1%	\$ 955	-2.2%	92	-2.1%
Real Estate and Rental and Leasing	342	-12.3%	\$ 758	3.1%	123	0.8%
Retail Trade	5,226	-1.6%	\$ 589	7.9%	370	0.8%
Transportation and Warehousing	1,043	-5.4%	\$ 909	-2.8%	109	3.8%
Utilities	1,217	-1.5%	\$ 1,989	1.7%	33	13.8%
Wholesale Trade	1,437	-13.4%	\$ 1,134	-3.4%	168	-1.8%
All Industries	40,400	-11.4%	\$ 916	3.0%	2,968	0.8%

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