

Quarterly Economic Summary

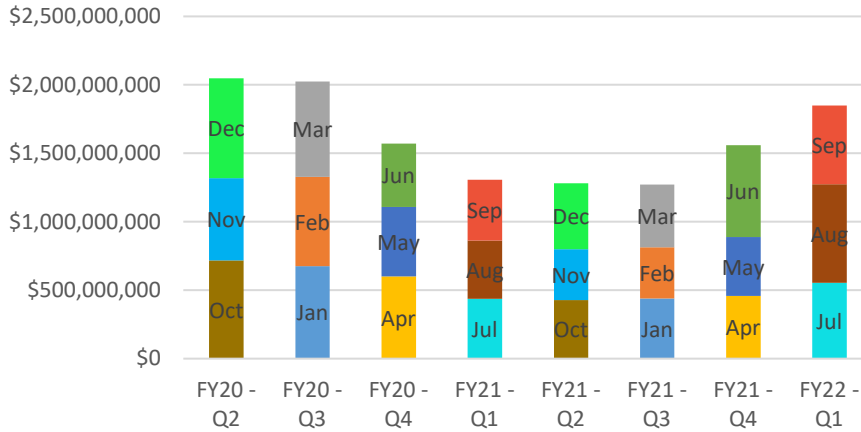
Eddy County



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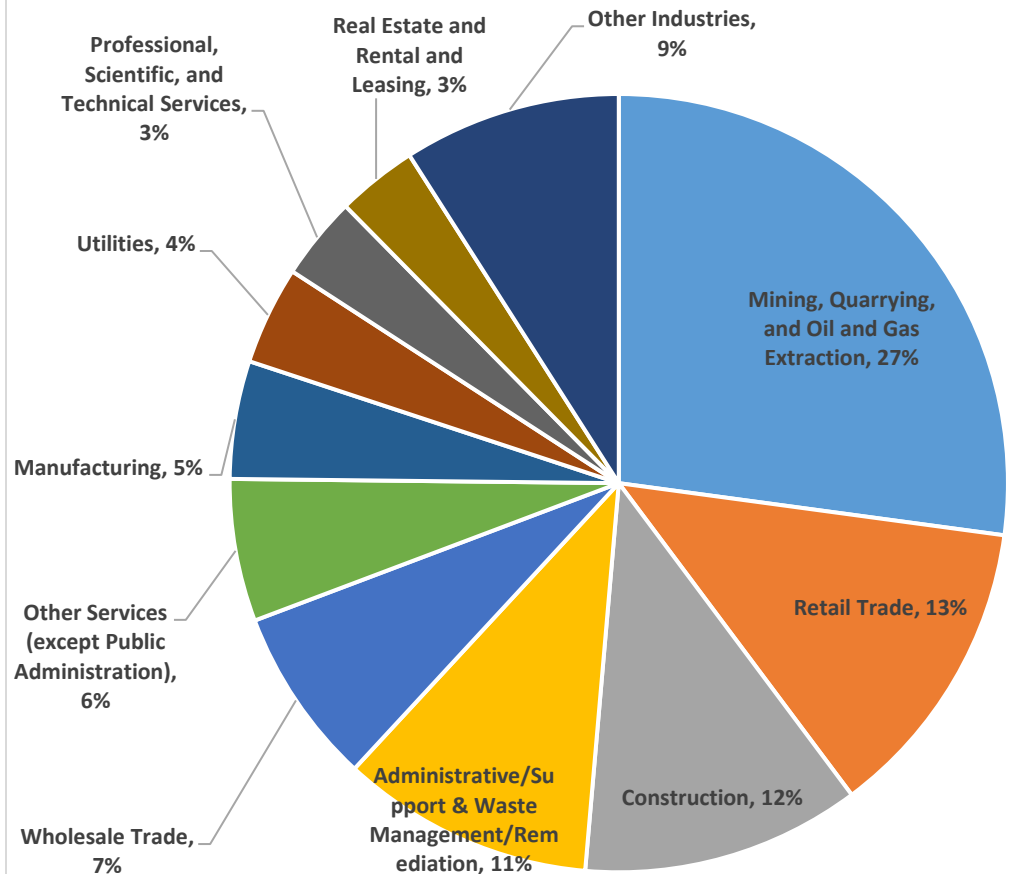
Chart 1. Matched Taxable Gross Receipts Per Quarter



Twenty-nine of 33 counties saw significant economic growth year over year in the first quarter of FY22. The four counties experiencing gross receipts declines had major construction projects wrap up, skewing those results. COVID-19 continues to pose supply chain threats, and high levels of transmission and new variants create additional risks to New Mexicans and the economy, but this economic upswing and recent forecasts continue to show a strong rebound across most sectors, exceeding pre-pandemic numbers from two years ago.

Eddy County's matched taxable gross receipts (MTGR) increased in Q1 FY22 as compared to Q4 FY21, shown in Chart 1. From Q4 FY21 to Q1 FY22, MTGR increased by \$289M or 19%. When comparing MTGR, Q1 of FY22 is most comparable to Q4 FY19, when Eddy County reported \$50M higher in MTGR. Table 1, on the next page, shows an increase of \$540.4M from Q1 in FY21 to FY22 of the same period. Table 1 also

Chart 2. FY22 - Q1 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. FY22 - Q1 Matched Taxable Gross Receipts by Industry

Industries	FY22 - Q1	YOY Growth	YOY % Change	2-Year % Change
Accommodation and Food Services	\$ 52,678,757	\$ 13,862,747	36%	-18%
Administrative/Support & Waste Management/Remediation	\$ 194,114,293	\$ 31,559,570	19%	44%
Agriculture, Forestry, Fishing, and Hunting	\$ 1,957,830	\$ (4,358)	0%	-30%
Arts, Entertainment, and Recreation	\$ 647,198	\$ 326,195	102%	5%
Construction	\$ 214,202,670	\$ 649,948	0%	-38%
Educational Services	\$ 1,444,219	\$ 943,973	189%	-44%
Finance and Insurance	\$ 5,812,999	\$ 2,456,833	73%	42%
Health Care and Social Assistance	\$ 16,175,870	\$ 3,428,993	27%	14%
Information	\$ 17,811,514	\$ 1,274,180	8%	-21%
Management of Companies and Enterprises	\$ -	\$ -	N/A	N/A
Manufacturing	\$ 90,500,929	\$ 48,986,722	118%	45%
Mining, Quarrying, and Oil and Gas Extraction	\$ 501,403,608	\$ 150,465,113	43%	-26%
Other Services (except Public Administration)	\$ 109,311,655	\$ 55,368,319	103%	21%
Professional, Scientific, and Technical Services	\$ 63,745,998	\$ 468,659	1%	-52%
Public Administration	\$ -	\$ -	N/A	N/A
Real Estate and Rental and Leasing	\$ 61,821,572	\$ 22,454,396	57%	-15%
Retail Trade	\$ 233,556,813	\$ 80,872,118	53%	3%
Transportation and Warehousing	\$ 59,871,838	\$ 24,809,561	71%	-18%
Unclassified Establishments	\$ 10,687,643	\$ 7,394,987	225%	86%
Utilities	\$ 75,464,789	\$ 12,136,604	19%	-9%
Wholesale Trade	\$ 136,166,869	\$ 82,503,786	154%	2%
All Industries	\$ 1,848,064,328	\$ 540,371,759	41%	-14%

shows 18 industries that reported a year over year (YOY) increase. The largest increase came from the mining, quarrying, and oil and gas extraction industry, which posted a YOY increase of \$150M or 43%.

Gross receipts tax (GRT) revenue collections increased by \$1.9M, or 17%, from Q4 FY21 to Q1 FY22 (Chart 4).

In Chart 5, average weekly wages increased by \$12/week from Q3 FY21 to Q4 FY21. During this same time span, average employment increased by 335.

Chart 3. Annual Total GRT Revenue Collections

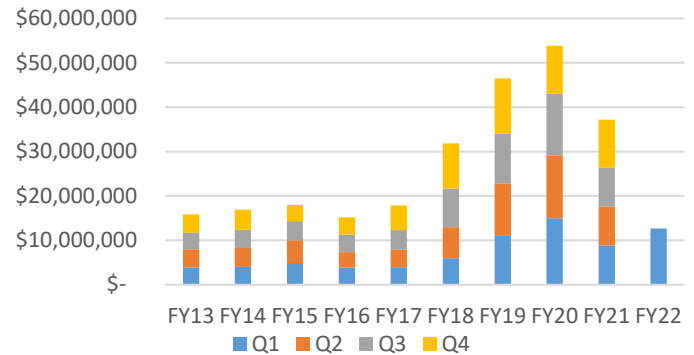


Chart 4. Quarterly GRT Revenue Collections

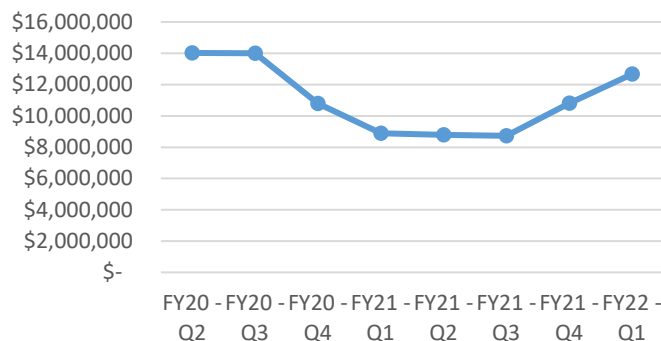
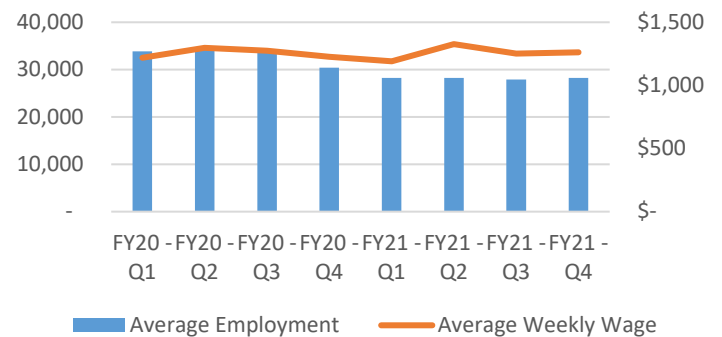


Chart 5. Total Employment & Weekly Wage

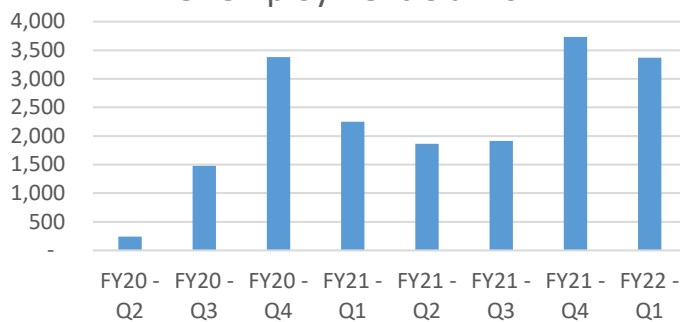


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Chart 6. Quarterly Initial Unemployment Claims



*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 drop 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. The 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 program often reported in news articles. However, as shown below, this quarterly data has a significant lag time for reporting and does not reflect the same quarter as 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 - Q4 Employment Data and Establishments by Industry

Industry	YOY Change in		YOY change in		Number of Establishments	YOY Change in Establishments
	Average Employment	Average Employment	Average Weekly Wage	Average Weekly Wage		
Accommodation and Food Services	2,220	9.8%	\$ 430	7.0%	152	2.7%
Administrative/Support & Waste	1,535	4.9%	\$ 1,646	2.7%	83	-4.6%
Agriculture, Forestry, Fishing, and Hunting	359	2.6%	\$ 854	0.9%	37	-14.0%
Arts, Entertainment, and Recreation	234	12.0%	\$ 653	-9.8%	20	5.3%
Construction	2,497	-30.7%	\$ 1,225	-10.6%	201	-3.4%
Educational Services	1,909	-1.7%	\$ 1,398	11.8%	36	-7.7%
Finance and Insurance	485	-9.5%	\$ 1,225	22.4%	70	0.0%
Health Care and Social Assistance	2,403	-4.9%	\$ 1,001	3.8%	148	-4.5%
Information	188	-6.0%	\$ 1,305	11.4%	21	-12.5%
Management of Companies and Enterprises	125	-3.8%	\$ 1,740	13.7%	13	0.0%
Manufacturing	998	4.8%	\$ 1,712	20.4%	42	-4.5%
Mining, Quarrying, and Oil and Gas Extraction	5,945	-13.3%	\$ 1,673	4.4%	283	-2.7%
Other Services (except Public Administration)	728	3.4%	\$ 1,009	14.4%	144	0.0%
Professional, Scientific, and Technical Services	1,187	-3.3%	\$ 1,471	-0.1%	139	6.1%
Public Administration	1,266	-0.9%	\$ 1,554	1.2%	63	-4.5%
Real Estate and Rental and Leasing	509	-6.3%	\$ 1,405	13.6%	91	-3.2%
Retail Trade	3,239	-4.0%	\$ 683	7.2%	174	-1.1%
Transportation and Warehousing	1,370	-9.3%	\$ 1,447	0.4%	125	-0.8%
Utilities	479	32.3%	\$ 1,606	20.5%	29	3.6%
Wholesale Trade	565	-5.7%	\$ 1,325	14.7%	90	1.1%
All Industries	28,242	-7.1%	\$ 1,263	2.9%	1,961	-1.7%

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