

Quarterly Economic Summary

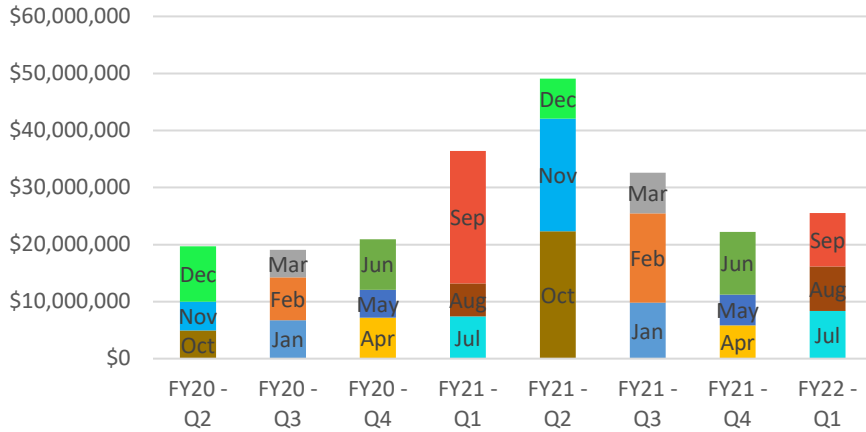
Hidalgo County



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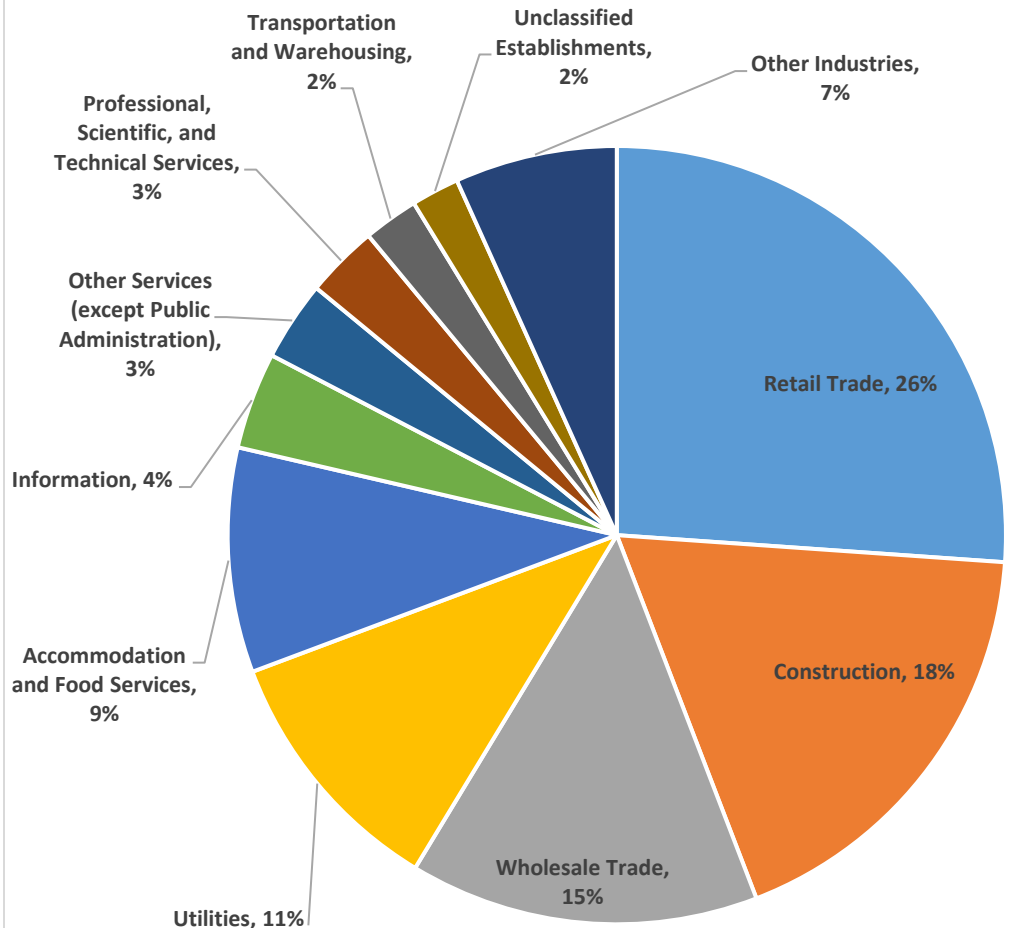
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Hidalgo County's matched taxable gross receipts (MTGR) increased during Q1 FY22, compared to Q4 FY21, shown in Chart 1. From Q4 FY21 to Q1 FY22, MTGR increased by \$3.3M or 15%. The largest contributor to Hidalgo County's quarterly MTGR was the retail trade industry, which accounted for 26% of the total MTGR, shown in Chart 2. Table 1, on page 2, shows a decrease of \$10.8M from Q1 in FY21 to FY22 of the same period. Table 1 also shows that

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	\$ 2,375,187	\$ 648,584	38%	-18%
Administrative/Support & Waste Management/Remediation	\$ 499,991	\$ 20,359	4%	436%
Agriculture, Forestry, Fishing, and Hunting	\$ -	\$ -	N/A	N/A
Arts, Entertainment, and Recreation	\$ -	\$ -	N/A	N/A
Construction	\$ 4,591,220	\$ (16,821,028)	-79%	214%
Educational Services	\$ 10,477	\$ 9,195	717%	2025%
Finance and Insurance	\$ 79,069	\$ 13,122	20%	-23%
Health Care and Social Assistance	\$ 371,215	\$ (44,149)	-11%	-24%
Information	\$ 1,021,780	\$ 250,154	32%	1%
Management of Companies and Enterprises	\$ -	\$ -	N/A	N/A
Manufacturing	\$ 428,523	\$ 319,527	293%	342%
Mining, Quarrying, and Oil and Gas Extraction	\$ 38,567	\$ 38,567	N/A	N/A
Other Services (except Public Administration)	\$ 842,400	\$ 167,029	25%	1047%
Professional, Scientific, and Technical Services	\$ 769,103	\$ (640,744)	-45%	74%
Public Administration	\$ -	\$ (56,356)	-100%	-100%
Real Estate and Rental and Leasing	\$ 286,782	\$ 80,703	39%	23%
Retail Trade	\$ 6,641,609	\$ 1,751,023	36%	32%
Transportation and Warehousing	\$ 581,553	\$ 297,119	104%	111%
Unclassified Establishments	\$ 506,937	\$ 449,085	776%	1794%
Utilities	\$ 2,701,920	\$ 48,100	2%	-2%
Wholesale Trade	\$ 3,691,143	\$ 2,546,394	222%	283%
All Industries	\$ 25,508,930	\$ (10,876,655)	-30%	59%

only four industries reported a year over year (YOY) loss. The largest decline came from the construction industry, which posted a YOY decline of \$16.8M or 50%. This decline is likely due to a large construction project ending which increased activity in the previous year. Despite this decline, the retail trade industry reported a YOY increase of \$1.7M or 36%.

Gross receipts tax (GRT) revenue collections increased by \$125K or 68% from Q4 FY21 to Q1 FY22, shown in Chart 4. Chart 5 shows that average weekly wages increased by \$77/week when comparing Q3 FY21 to Q4 FY21.

Chart 3. Annual Total GRT Revenue Collections

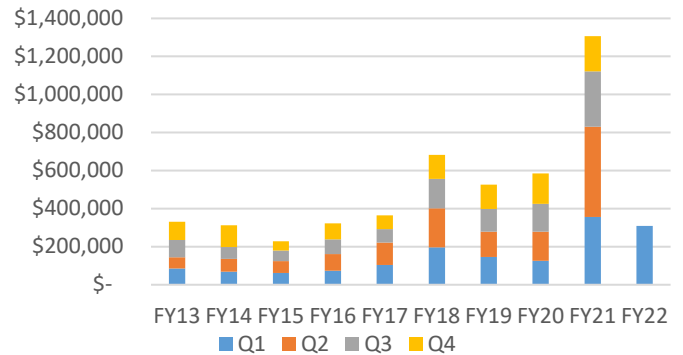


Chart 4. Quarterly GRT Revenue Collections

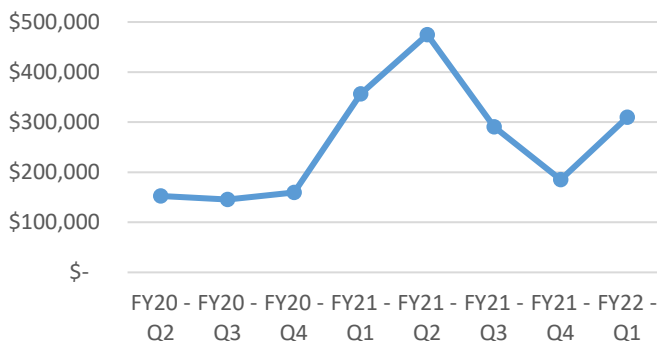
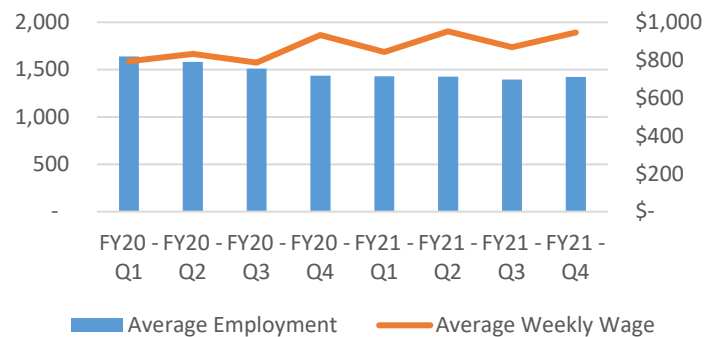


Chart 5. Total Employment & Weekly Wage

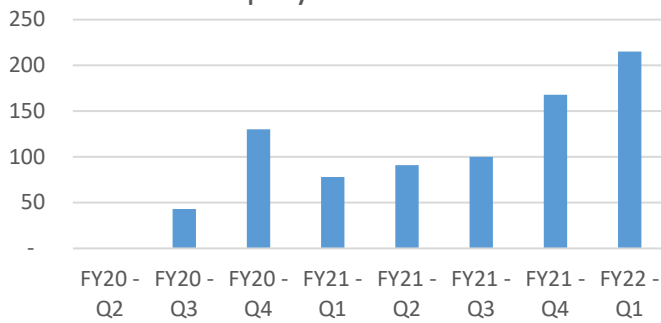


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Chart 6. Quarterly Initial Unemployment Claims



*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	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	177	6.6%	\$ 363	28.7%	15	-6.3%
Administrative/Support & Waste Management/Remediation	*	*	*	*	5	0.0%
Agriculture, Forestry, Fishing, and Hunting	67	-5.6%	\$ 522	-1.5%	11	0.0%
Arts, Entertainment, and Recreation	*	*	*	*	2	0.0%
Construction	65	-4.4%	\$ 807	2.0%	13	-13.3%
Educational Services	*	*	*	*	4	0.0%
Finance and Insurance	*	*	*	*	2	0.0%
Health Care and Social Assistance	171	-3.9%	\$ 824	-1.4%	27	8.0%
Information	14	27.3%	\$ 511	-17.0%	4	-20.0%
Manufacturing	*	*	*	*	2	100.0%
Mining, Quarrying, and Oil and Gas Extraction	*	*	*	*	2	0.0%
Other Services (except Public Administration)	*	*	*	*	5	0.0%
Professional, Scientific, and Technical Services	21	10.5%	\$ 864	7.3%	7	40.0%
Public Administration	399	-1.7%	\$ 1,614	1.8%	24	4.3%
Real Estate and Rental and Leasing	*	*	*	*	1	100.0%
Retail Trade	242	-0.8%	\$ 502	2.0%	19	-13.6%
Transportation and Warehousing	57	0.0%	\$ 1,082	-5.4%	10	11.1%
Utilities	*	*	*	*	5	0.0%
Wholesale Trade	*	*	*	*	2	0.0%
All Industries	1,422	-1.0%	\$ 946	1.4%	160	0.6%