

Quarterly Economic Summary

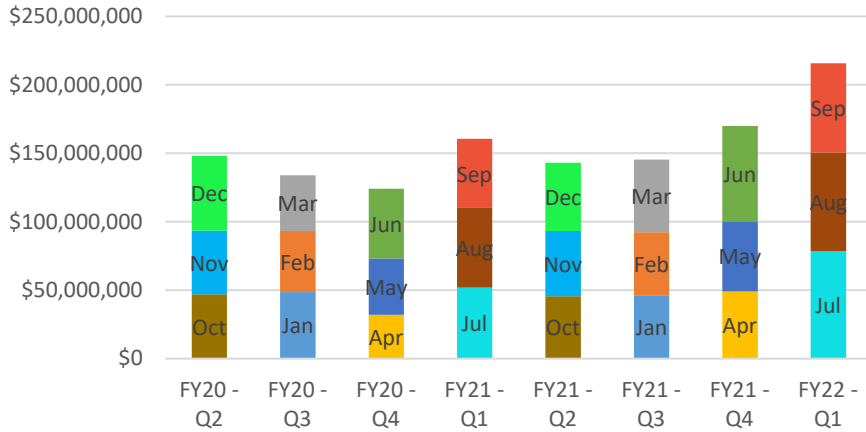
Lincoln County



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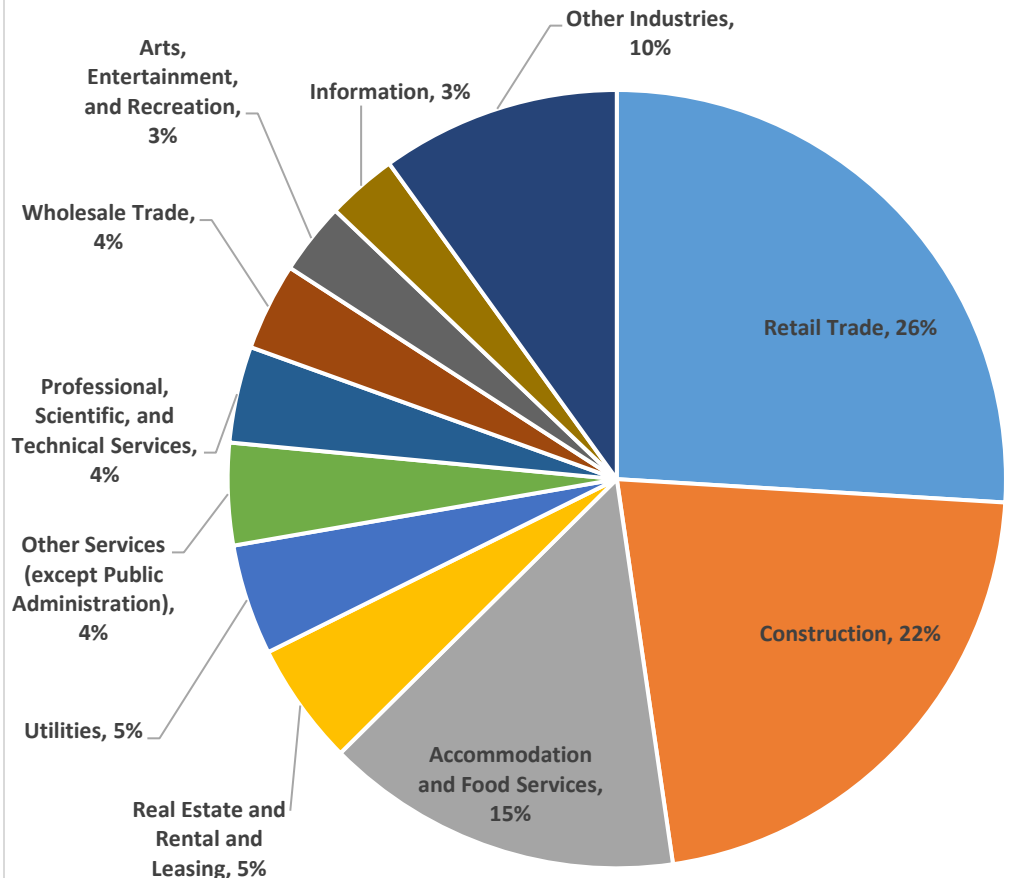
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Lincoln County's matched taxable gross receipts (MTGR) increased in Q1 FY22 as compared to Q4 FY21, shown in Chart 1. The amount reported for Q1 FY22 (\$215.8M) is the largest amount reported dating back to at least FY04, where data is available. From Q4 FY21 to Q1 FY22, MTGR increased by \$45.8M or nearly 27%. From FY04 through the end of FY20, quarterly MTGR has averaged \$118M for Lincoln County. Over the last five quarters, MTGR has averaged \$167M, indicating

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	\$ 31,967,222	\$ 5,505,873	21%	19%
Administrative/Support & Waste Management/Remediation	\$ 2,814,403	\$ 161,326	6%	45%
Agriculture, Forestry, Fishing, and Hunting	\$ 845,066	\$ (544,947)	-39%	0%
Arts, Entertainment, and Recreation	\$ 6,424,224	\$ 3,749,005	140%	4%
Construction	\$ 46,702,701	\$ 20,342,616	77%	60%
Educational Services	\$ 172,121	\$ 60,462	54%	201%
Finance and Insurance	\$ 2,231,158	\$ 230,295	12%	64%
Health Care and Social Assistance	\$ 2,570,082	\$ (89,099)	-3%	-2%
Information	\$ 6,295,331	\$ 972,975	18%	-27%
Management of Companies and Enterprises	\$ 5,458	\$ 5,458	N/A	N/A
Manufacturing	\$ 5,578,470	\$ 1,574,278	39%	35%
Mining, Quarrying, and Oil and Gas Extraction	\$ 38,921	\$ 29,070	295%	N/A
Other Services (except Public Administration)	\$ 9,105,958	\$ 2,025,625	29%	5%
Professional, Scientific, and Technical Services	\$ 8,603,470	\$ 2,429,507	39%	39%
Public Administration	\$ 648,587	\$ 648,587	N/A	N/A
Real Estate and Rental and Leasing	\$ 10,959,742	\$ 862,723	9%	25%
Retail Trade	\$ 55,774,754	\$ 10,724,576	24%	21%
Transportation and Warehousing	\$ 1,191,167	\$ 168,056	16%	-15%
Unclassified Establishments	\$ 5,276,998	\$ 2,659,438	102%	214%
Utilities	\$ 9,878,013	\$ 1,192,176	14%	25%
Wholesale Trade	\$ 7,796,176	\$ 1,741,762	29%	52%
All Industries	\$ 215,800,467	\$ 55,202,307	34%	28%

a shift in MTGR. Table 1 shows an increase of \$55M from Q1 in FY21 to FY22 of the same period. Table 1 also shows 17 industries that reported a year over year (YOY) increase. The largest increase came from the construction industry, which posted a YOY gain of \$20M or 77%.

Gross receipts tax (GRT) revenue collections increased by \$590K, or 120%, from Q4 FY21 to Q1 FY22, shown in Chart 4. The increase alone is the largest amount of GRT collected by the county over the last eight quarters, highlighting the strength of Q1 FY22.

Chart 3. Annual Total GRT Revenue Collections

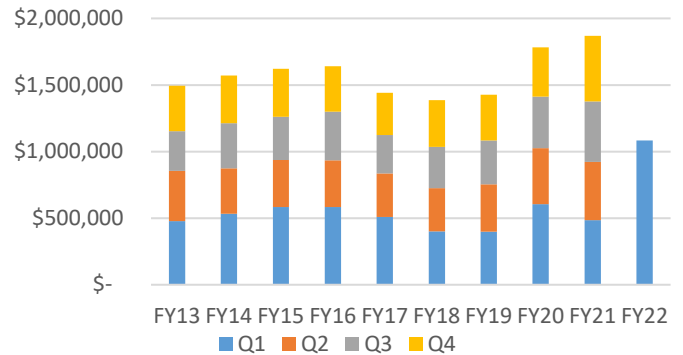


Chart 4. Quarterly GRT Revenue Collections

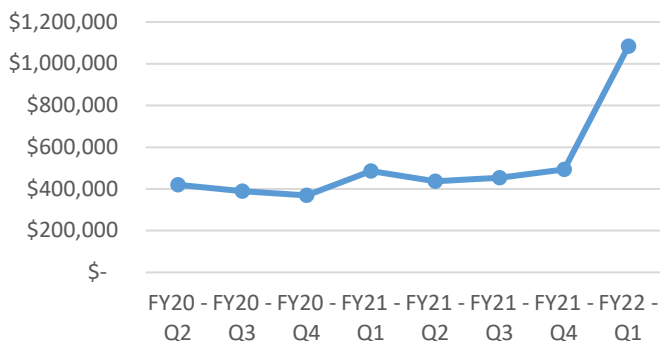
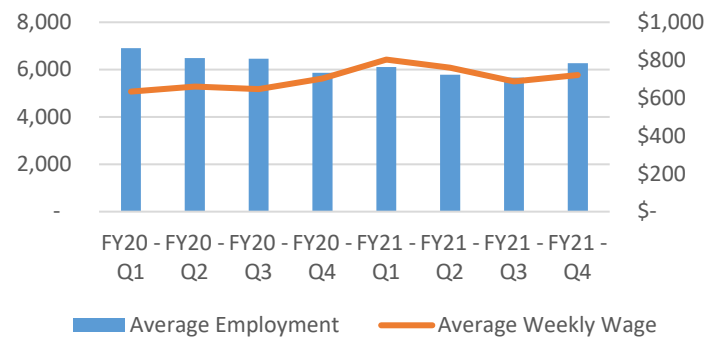


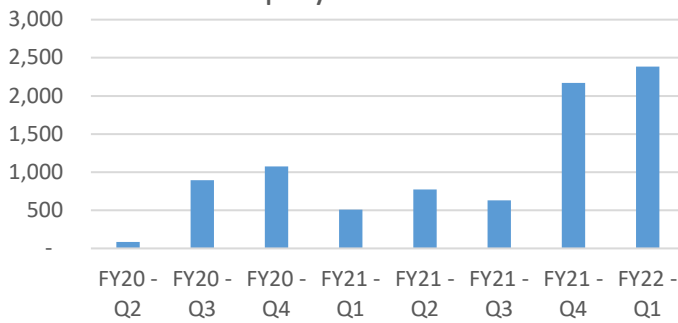
Chart 5. Total Employment & Weekly Wage



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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	1,217	24.9%	\$ 420	8.8%	102	-3.8%
Administrative/Support & Waste	225	8.7%	\$ 718	4.5%	40	5.3%
Agriculture, Forestry, Fishing, and Hunting	49	-26.9%	\$ 729	6.9%	16	-5.9%
Arts, Entertainment, and Recreation	560	21.0%	\$ 535	4.9%	29	0.0%
Construction	385	3.5%	\$ 684	4.6%	110	1.9%
Educational Services	412	-12.3%	\$ 1,227	14.4%	16	6.7%
Finance and Insurance	152	-20.8%	\$ 917	3.1%	32	-5.9%
Health Care and Social Assistance	702	5.7%	\$ 1,005	-0.4%	76	-2.6%
Information	42	-14.3%	\$ 876	23.7%	14	-12.5%
Management of Companies and Enterprises	*	*	*	*	2	0.0%
Manufacturing	120	57.9%	\$ 462	-8.5%	16	-5.9%
Mining, Quarrying, and Oil and Gas Extraction	*	*	*	*	2	-33.3%
Other Services (except Public Administration)	190	22.6%	\$ 540	-8.8%	53	0.0%
Professional, Scientific, and Technical Services	160	8.1%	\$ 892	8.6%	57	14.0%
Public Administration	478	-2.6%	\$ 1,112	15.1%	41	0.0%
Real Estate and Rental and Leasing	144	-15.3%	\$ 675	7.0%	53	-14.5%
Retail Trade	1,181	7.2%	\$ 578	3.8%	124	-0.8%
Transportation and Warehousing	93	-11.4%	\$ 791	4.9%	24	-7.7%
Utilities	116	-4.9%	\$ 1,125	7.3%	11	0.0%
Wholesale Trade	30	15.4%	\$ 877	15.2%	10	25.0%
All Industries	6,275	6.9%	\$ 722	2.8%	828	-1.3%

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