

Quarterly Economic Summary

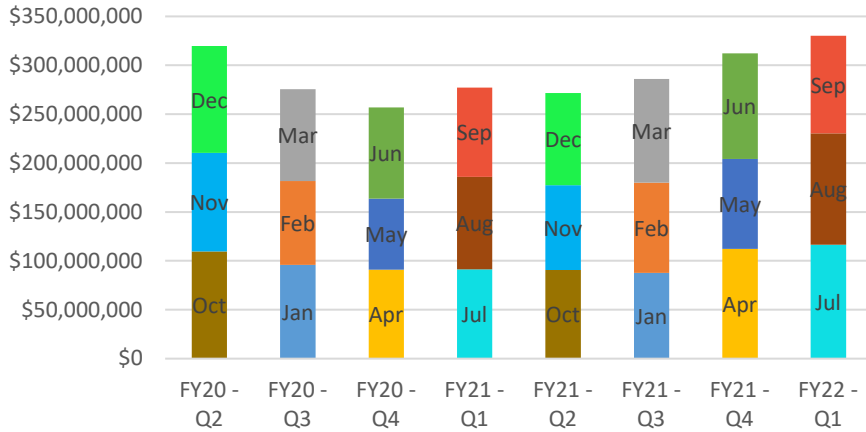
McKinley County



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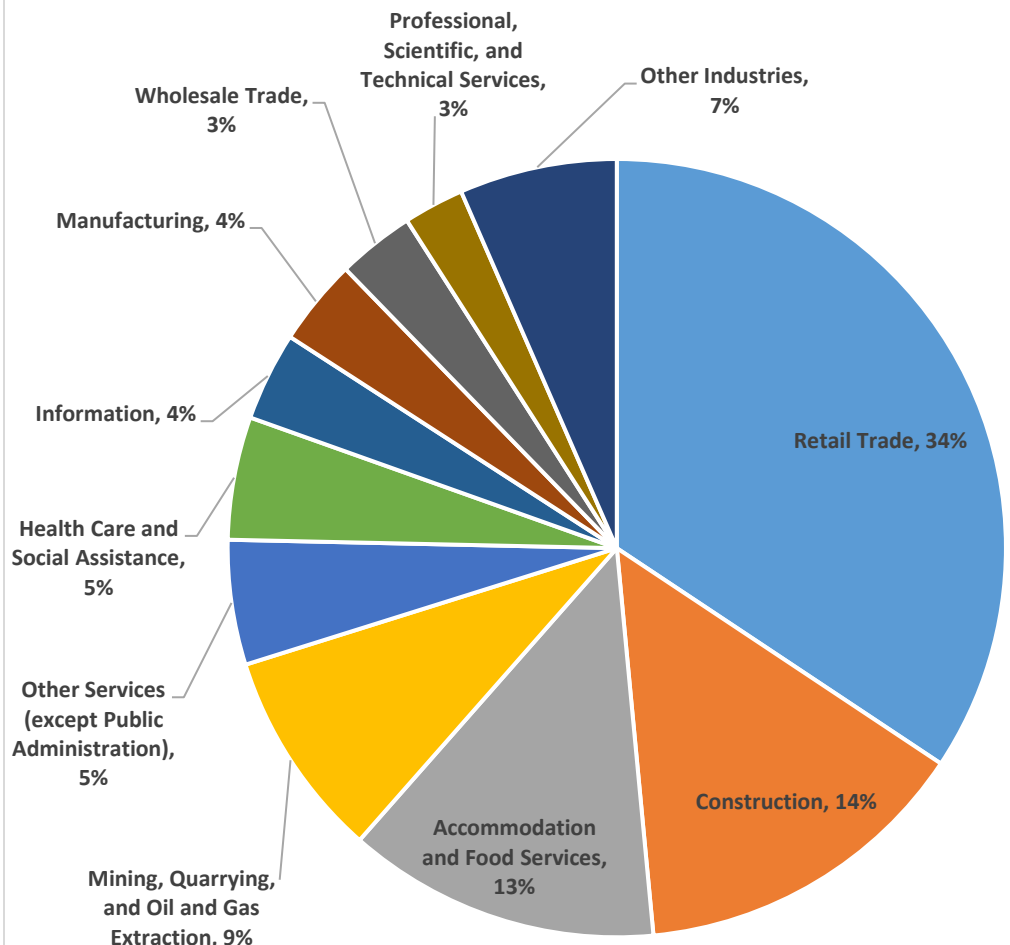
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

McKinley County's matched taxable gross receipts (MTGR) reported an eight-quarter high during Q1 FY22 (\$330M), shown in Chart 1. Quarterly MTGR for Q4 FY22 was the second largest amount dating back to at least the earliest available data in FY04, trailing only FY12 Q2 which reported \$11M more. From Q4 FY21 to Q1 FY22, MTGR increased by \$18M or 6%. Table 1, on the next page, shows an increase of \$53M from Q1 in FY21 to FY22 of the same period. Table 1

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	\$ 42,237,023	\$ 7,880,615	23%	10%
Administrative/Support & Waste Management/Remediation	\$ 4,773,877	\$ 2,569,464	117%	120%
Agriculture, Forestry, Fishing, and Hunting	\$ 165,166	\$ 165,166	N/A	743%
Arts, Entertainment, and Recreation	\$ 285,742	\$ (725,957)	-72%	81%
Construction	\$ 46,009,624	\$ 19,113,612	71%	27%
Educational Services	\$ 828,648	\$ 682,087	465%	78%
Finance and Insurance	\$ 1,437,174	\$ 305,092	27%	32%
Health Care and Social Assistance	\$ 16,582,714	\$ 3,588,670	28%	46%
Information	\$ 11,982,834	\$ 1,875,022	19%	-24%
Management of Companies and Enterprises	\$ 3,235	\$ 3,056	1703%	N/A
Manufacturing	\$ 11,669,155	\$ 1,378,851	13%	-21%
Mining, Quarrying, and Oil and Gas Extraction	\$ 28,159,873	\$ (7,110,862)	-20%	-15%
Other Services (except Public Administration)	\$ 16,849,644	\$ 1,073,768	7%	-4%
Professional, Scientific, and Technical Services	\$ 8,177,466	\$ (3,185,127)	-28%	-48%
Public Administration	\$ -	\$ -	N/A	N/A
Real Estate and Rental and Leasing	\$ 6,429,610	\$ 375,346	6%	-20%
Retail Trade	\$ 111,578,544	\$ 16,800,504	18%	36%
Transportation and Warehousing	\$ 452,706	\$ (995,209)	-69%	-77%
Unclassified Establishments	\$ 2,244,665	\$ 1,671,408	292%	260%
Utilities	\$ 4,664,161	\$ 1,516,975	48%	11%
Wholesale Trade	\$ 10,416,408	\$ 6,173,129	145%	-11%
All Industries	\$ 330,228,996	\$ 53,011,912	19%	10%

also shows 15 industries that reported a year over year (YOY) increase. The largest increases came from the construction (\$19M or 71%) and retail trade industries (\$16.8M or 18%). Both sectors accounted for nearly 68% of the total YOY increase for McKinley County. Gross receipts tax (GRT) revenue collections increased by \$2.6M, or 64%, from Q4 FY21 to Q1 FY22, shown in Chart 4.

In Chart 5, average weekly wages increased by \$81/week while average employment increased by 602 from Q3 FY21 to Q4 FY21.

Chart 3. Annual Total GRT Revenue Collections

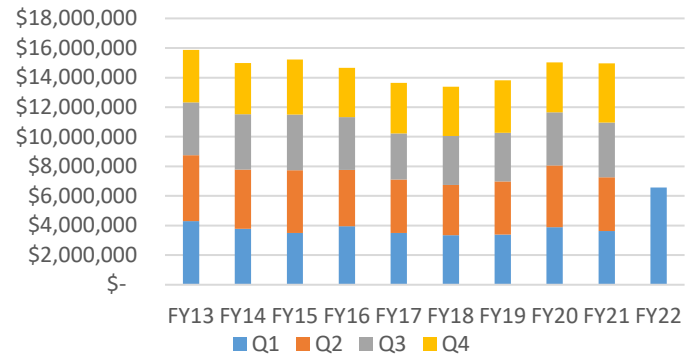


Chart 4. Quarterly GRT Revenue Collections

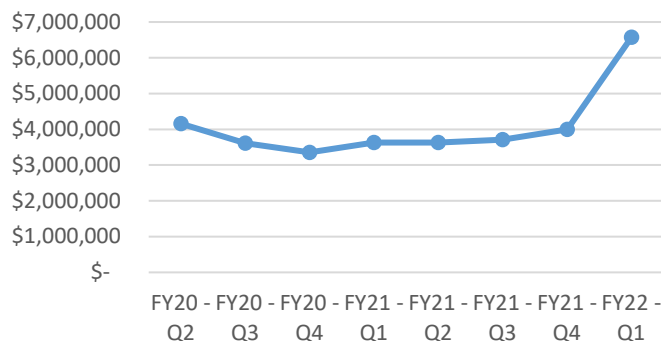
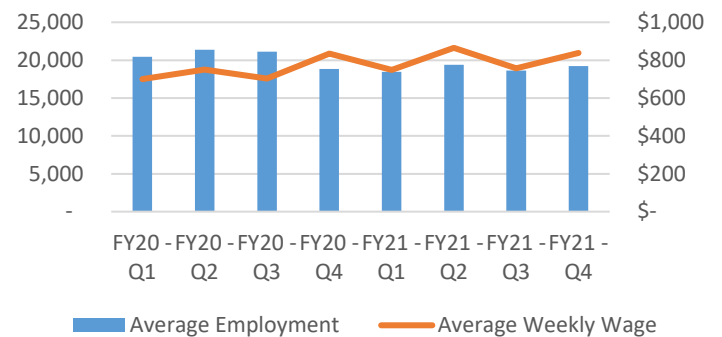


Chart 5. Total Employment & Weekly Wage

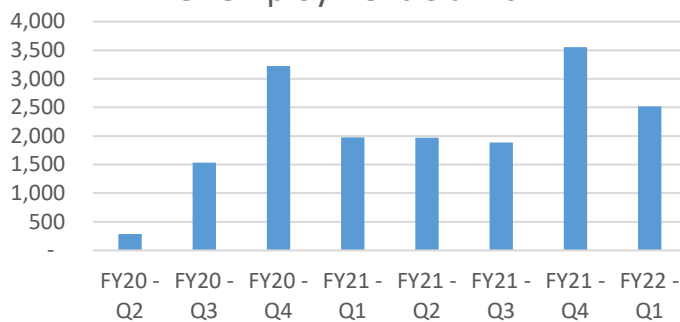


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Chart 6. Quarterly Initial Unemployment Claims



*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	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	2,548	22.6%	\$ 370	22.9%	146	2.8%
Administrative/Support & Waste	607	36.4%	\$ 507	-2.3%	50	0.0%
Agriculture, Forestry, Fishing, and Hunting	*	*	*	*	3	-25.0%
Arts, Entertainment, and Recreation	334	-19.3%	\$ 696	21.9%	12	-7.7%
Construction	679	-3.1%	\$ 721	-1.0%	71	-1.4%
Educational Services	2,585	-2.9%	\$ 1,239	10.4%	22	4.8%
Finance and Insurance	321	-11.3%	\$ 742	9.0%	64	8.5%
Health Care and Social Assistance	5,023	0.2%	\$ 990	2.9%	324	-6.6%
Information	113	-4.2%	\$ 650	-7.5%	22	10.0%
Management of Companies and Enterprises	23	15.0%	\$ 1,229	26.6%	9	12.5%
Manufacturing	426	-37.7%	\$ 1,093	-37.7%	28	-3.4%
Mining, Quarrying, and Oil and Gas Extraction	*	*	*	*	4	0.0%
Other Services (except Public Administration)	448	6.4%	\$ 589	6.9%	81	9.5%
Professional, Scientific, and Technical Services	176	2.3%	\$ 1,060	5.3%	51	-3.8%
Public Administration	1,845	-4.1%	\$ 1,100	13.5%	74	-3.9%
Real Estate and Rental and Leasing	153	-2.5%	\$ 717	5.3%	40	-2.4%
Retail Trade	3,073	14.5%	\$ 562	8.5%	193	2.1%
Transportation and Warehousing	339	-20.0%	\$ 872	7.3%	50	0.0%
Utilities	103	-20.8%	\$ 2,019	23.2%	11	0.0%
Wholesale Trade	384	-11.1%	\$ 755	-25.0%	36	-10.0%
All Industries	19,217	1.9%	\$ 838	0.5%	1,291	-1.0%

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