

Quarterly Economic Summary

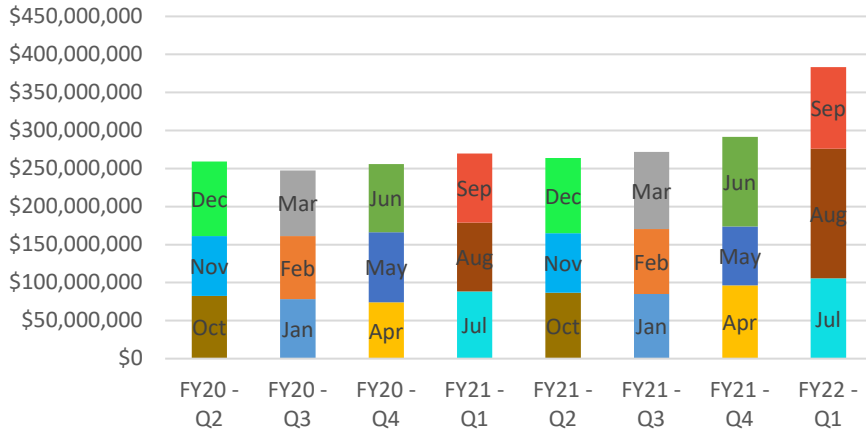
Otero County



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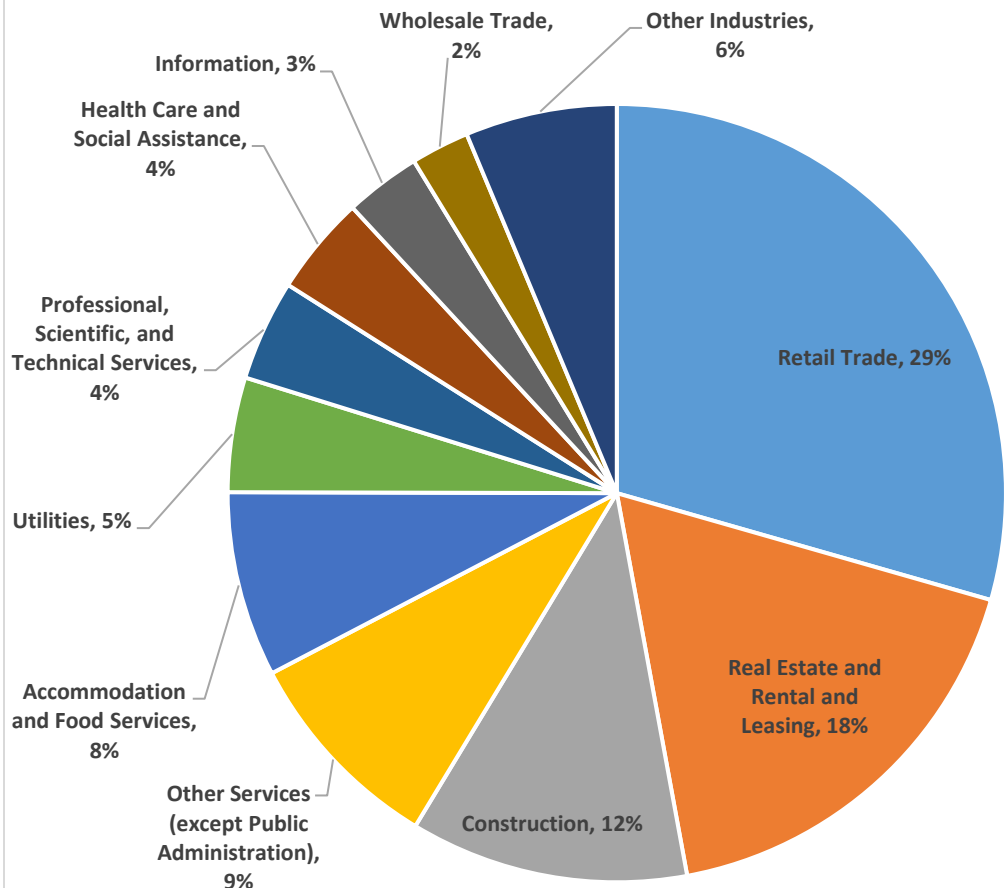
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Otero County's matched taxable gross receipts (MTGR) spiked, reporting an all-time high during Q4 FY22 (\$383M), shown in Chart 1. From Q4 FY21 to Q1 FY22, MTGR increased by \$91.4M or 31%. Chart 1 includes eight of the ten highest reported quarters of MTGR for Otero County dating back to at least FY04. Three industries accounted for nearly 50% of the county's MTGR (Chart 2). Table 1, on the next page, shows an increase of \$113M 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	\$ 29,470,146	\$ 6,789,061	30%	35%
Administrative/Support & Waste Management/Remediation	\$ 4,956,472	\$ 1,493,733	43%	37%
Agriculture, Forestry, Fishing, and Hunting	\$ 497,366	\$ (1,139,278)	-70%	-67%
Arts, Entertainment, and Recreation	\$ 742,431	\$ 312,008	72%	59%
Construction	\$ 44,245,079	\$ (1,805,938)	-4%	18%
Educational Services	\$ 3,192,942	\$ 718,535	29%	910%
Finance and Insurance	\$ 1,087,688	\$ 132,648	14%	8%
Health Care and Social Assistance	\$ 15,786,948	\$ (258,693)	-2%	3%
Information	\$ 12,088,291	\$ 2,685,374	29%	-24%
Management of Companies and Enterprises	\$ 49,158	\$ 49,158	N/A	N/A
Manufacturing	\$ 7,218,339	\$ 2,110,955	41%	73%
Mining, Quarrying, and Oil and Gas Extraction	\$ 152,791	\$ 51,053	50%	N/A
Other Services (except Public Administration)	\$ 33,235,184	\$ 8,894,201	37%	15%
Professional, Scientific, and Technical Services	\$ 16,031,981	\$ 3,874,199	32%	6%
Public Administration	\$ 270,068	\$ 116,268	76%	31%
Real Estate and Rental and Leasing	\$ 67,660,996	\$ 59,431,420	722%	831%
Retail Trade	\$ 112,668,870	\$ 22,736,883	25%	49%
Transportation and Warehousing	\$ 617,351	\$ 97,584	19%	-16%
Unclassified Establishments	\$ 5,395,311	\$ 4,709,787	687%	1120%
Utilities	\$ 18,232,416	\$ (688,725)	-4%	10%
Wholesale Trade	\$ 9,285,575	\$ 3,291,558	55%	60%
All Industries	\$ 383,171,593	\$ 113,448,705	42%	52%

shows 16 industries that reported a year over year (YOY) increase. The largest increase came from the real estate and rental and leasing industry, which posted a YOY increase of \$59M or 722%.

Gross receipts tax (GRT) revenue collections increased by nearly \$3M, or 112%, from Q4 FY21 to Q1 FY22, shown in Chart 4.

In Chart 5, average weekly wages increased by \$72/week while employment increased by 216. Over the last five quarters, employment growth has leveled off, hovering above 16,000.

Chart 3. Annual Total GRT Revenue Collections

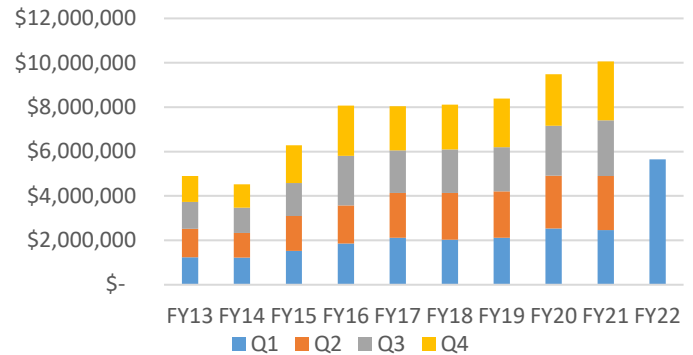


Chart 4. Quarterly GRT Revenue Collections

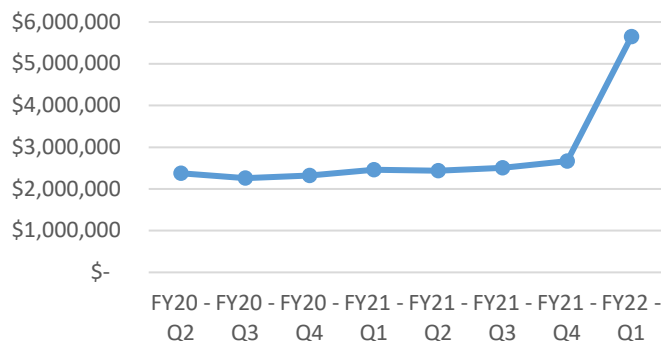
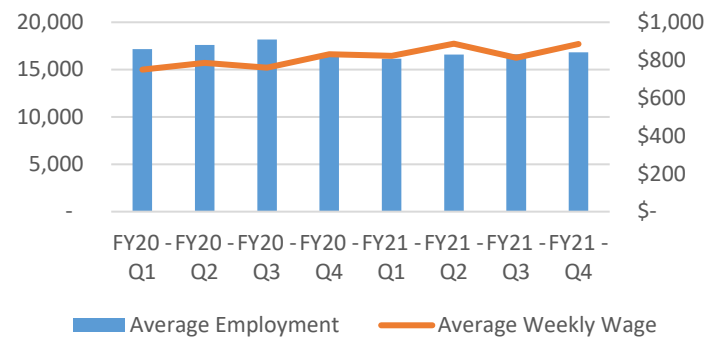


Chart 5. Total Employment & Weekly Wage

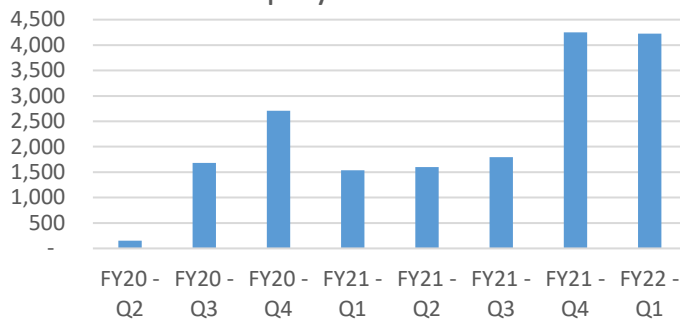


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Chart 6. Quarterly Initial Unemployment Claims



*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. Employment Data and Establishments by Industry

Industry	Average Employment	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	2,184	18.2%	\$ 503	53.8%	107	0.0%	
Administrative/Support & Waste Management/Remediation	1,401	-3.2%	\$ 895	10.5%	67	0.0%	
Agriculture, Forestry, Fishing, and Hunting	104	-2.8%	\$ 709	20.8%	14	0.0%	
Arts, Entertainment, and Recreation	198	-12.4%	\$ 566	5.2%	28	-3.4%	
Construction	1,049	1.5%	\$ 871	7.7%	136	-3.5%	
Educational Services	1,741	-2.1%	\$ 1,255	9.8%	24	14.3%	
Finance and Insurance	339	-8.1%	\$ 806	2.3%	53	10.4%	
Health Care and Social Assistance	3,152	2.5%	\$ 877	0.8%	217	-1.4%	
Information	200	-1.5%	\$ 963	-0.5%	32	18.5%	
Management of Companies and Enterprises	24	14.3%	\$ 1,172	-4.2%	10	42.9%	
Manufacturing	83	12.2%	\$ 544	-5.7%	22	0.0%	
Mining, Quarrying, and Oil and Gas Extraction	82	18.8%	\$ 775	7.3%	6	0.0%	
Other Services (except Public Administration)	332	7.1%	\$ 727	1.1%	72	-5.3%	
Professional, Scientific, and Technical Services	555	0.7%	\$ 1,310	12.0%	98	6.5%	
Public Administration	2,273	-3.3%	\$ 1,283	7.7%	53	1.9%	
Real Estate and Rental and Leasing	151	4.9%	\$ 618	9.0%	53	3.9%	
Retail Trade	2,341	6.1%	\$ 552	5.3%	155	-3.7%	
Transportation and Warehousing	379	2.7%	\$ 1,035	-2.0%	45	0.0%	
Unclassified	*	*	*	*	1	100.0%	
Utilities	165	1.2%	\$ 976	1.0%	20	11.1%	
Wholesale Trade	86	-18.9%	\$ 779	-20.1%	20	-23.1%	
All Industries	16,843	2.4%	\$ 885	6.5%	1,233	0.2%	

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