

Quarterly Economic Summary

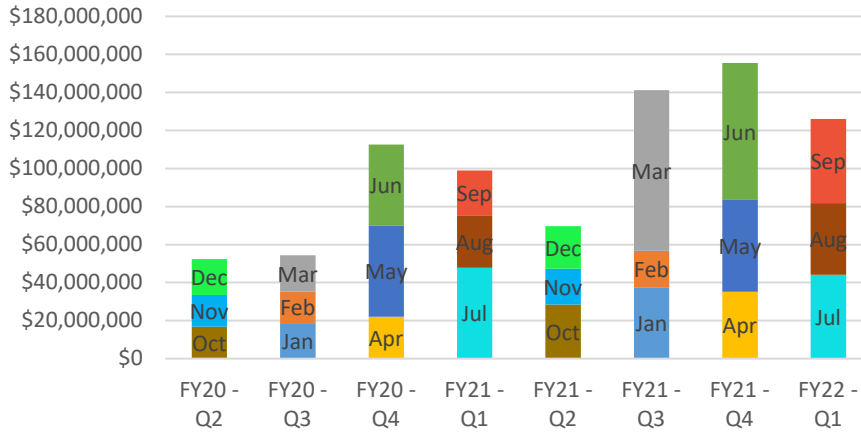
Torrance County

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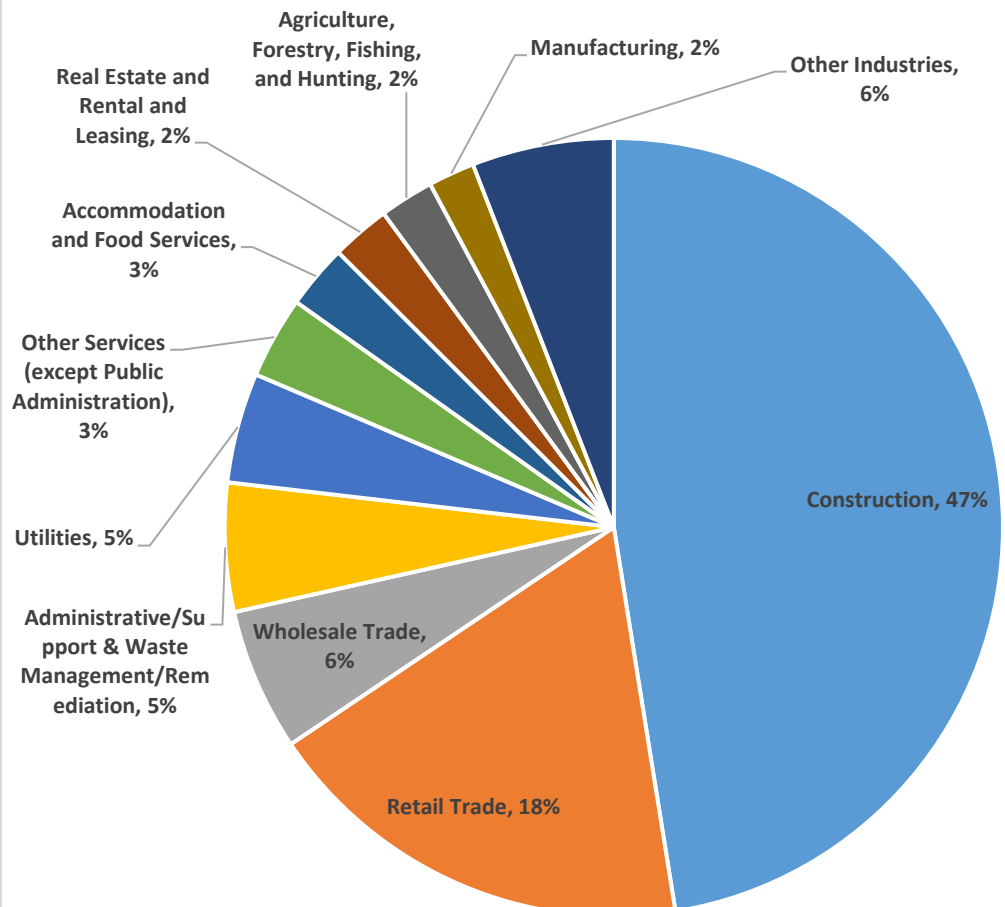
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Torrance County's matched taxable gross receipts (MTGR) dipped in Q1 FY22, compared to Q4 FY21, shown in Chart 1. From Q4 FY21 to Q1 FY22, MTGR declined by \$29M or 19%. Despite this quarter-to-quarter decline, the amount reported during Q1 FY22 (\$126M), is still the third largest amount the county has seen. The construction industry continues to make up the largest share of MTGR for Torrance County, which can be seen in Chart 2.

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	\$ 3,323,928	\$ 772,505	30%	55%
Administrative/Support & Waste Management/Remediation	\$ 6,675,134	\$ 559,366	9%	1777%
Agriculture, Forestry, Fishing, and Hunting	\$ 2,811,139	\$ 349,259	14%	20%
Arts, Entertainment, and Recreation	\$ 83,441	\$ 80,507	2744%	-62%
Construction	\$ 59,259,650	\$ 9,485,785	19%	214%
Educational Services	\$ 227,045	\$ (60,585)	-21%	81%
Finance and Insurance	\$ 79,629	\$ 9,971	14%	21%
Health Care and Social Assistance	\$ 635,128	\$ 44,692	8%	39%
Information	\$ 2,096,004	\$ 421,738	25%	-31%
Management of Companies and Enterprises	\$ -	\$ -	N/A	N/A
Manufacturing	\$ 2,407,156	\$ 435,583	22%	126%
Mining, Quarrying, and Oil and Gas Extraction	\$ 45,725	\$ (230,168)	-83%	-47%
Other Services (except Public Administration)	\$ 4,246,573	\$ 842,391	25%	37%
Professional, Scientific, and Technical Services	\$ 2,356,486	\$ 771,144	49%	76%
Public Administration	\$ 275,330	\$ 275,330	N/A	128%
Real Estate and Rental and Leasing	\$ 3,051,950	\$ 2,191,663	255%	164%
Retail Trade	\$ 22,616,863	\$ 4,963,773	28%	55%
Transportation and Warehousing	\$ 649,807	\$ 259,426	66%	90%
Unclassified Establishments	\$ 909,858	\$ 856,164	1595%	228%
Utilities	\$ 5,710,719	\$ 1,487,529	35%	15%
Wholesale Trade	\$ 7,380,732	\$ 3,875,488	111%	453%
All Industries	\$ 126,061,955	\$ 27,077,108	27%	119%

Table 1 shows 17 industries that reported a year over year (YOY) increase. These 17 industries helped the county grow its MTGR by \$27M, or 27%, when comparing Q1 FY21 to Q1 FY22. The largest contributor to this increase came from the construction industry, which posted a YOY increase of \$9.5M or 19%.

Gross receipts tax (GRT) revenue collections remained relatively flat during Q1 FY22 as compared to Q4 FY21, shown in Chart 4. From Q4 FY21 to Q1 FY22, GRT increased by 1% or \$14K.

Chart 3. Annual Total GRT Revenue Collections

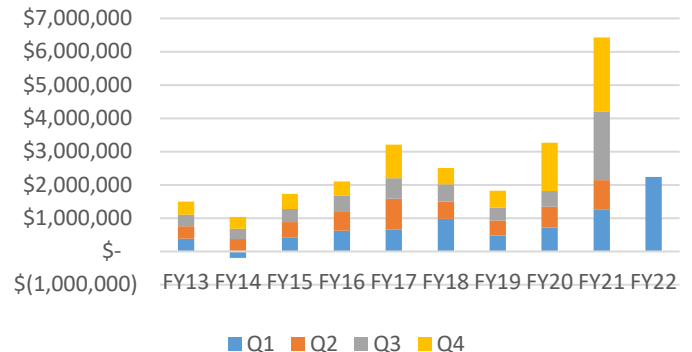


Chart 4. Quarterly GRT Revenue Collections

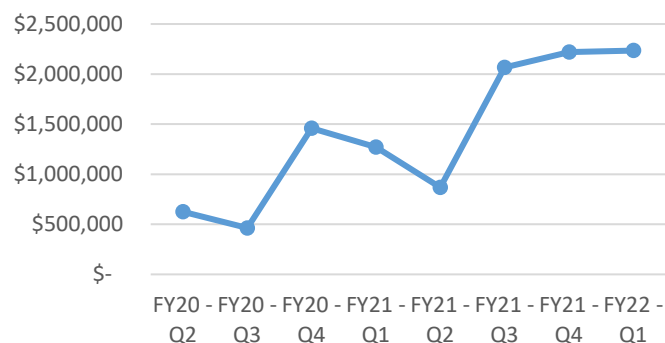
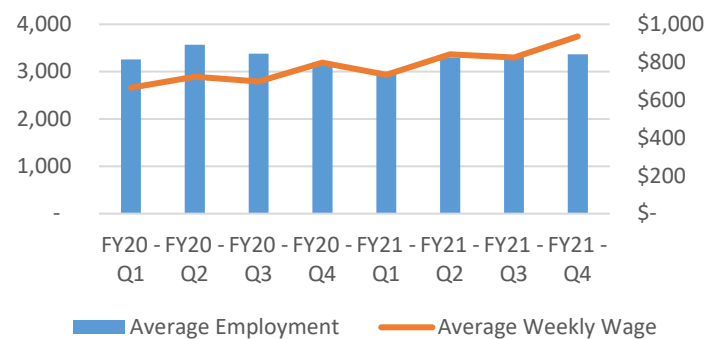


Chart 5. Total Employment & Weekly Wage

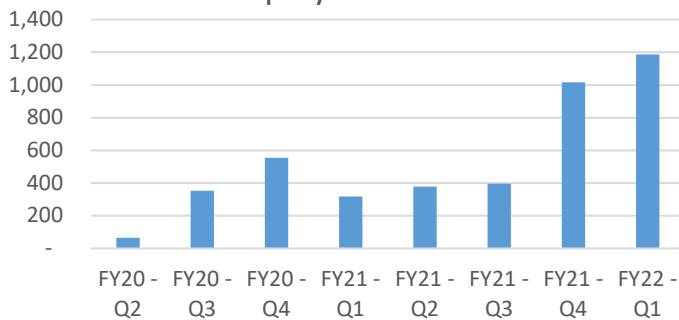


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Chart 6. Quarterly Initial Unemployment Claims



*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	176	10.0%	\$ 353	20.9%	20	0.0%
Administrative/Support & Waste	189	*	\$ 974	*	9	12.5%
Agriculture, Forestry, Fishing, and Hunting	63	-25.9%	\$ 560	5.9%	18	0.0%
Arts, Entertainment, and Recreation	42	*	\$ 690	*	8	14.3%
Construction	323	63.1%	\$ 1,758	117.8%	43	-6.5%
Educational Services	*	*	*	*	11	0.0%
Finance and Insurance	26	-13.3%	\$ 836	-26.5%	10	11.1%
Health Care and Social Assistance	529	15.5%	\$ 800	18.0%	62	5.1%
Information	33	6.5%	\$ 529	-4.2%	8	0.0%
Management of Companies and Enterprises	*	*	*	*	1	100.0%
Manufacturing	110	19.6%	\$ 1,215	43.8%	14	-6.7%
Mining, Quarrying, and Oil and Gas Extraction	*	*	*	*	2	0.0%
Other Services (except Public Administration)	46	21.1%	\$ 1,130	26.4%	14	-12.5%
Professional, Scientific, and Technical Services	52	40.5%	\$ 1,502	72.1%	14	27.3%
Public Administration	230	-6.5%	\$ 791	3.7%	27	-3.6%
Real Estate and Rental and Leasing	*	*	*	*	-	100.0%
Retail Trade	581	3.9%	\$ 641	14.3%	43	-4.4%
Transportation and Warehousing	67	-10.7%	\$ 708	0.9%	21	-12.5%
Utilities	*	*	*	*	8	-11.1%
Wholesale Trade	134	-19.3%	\$ 785	-31.5%	11	-15.4%
All Industries	3,367	5.6%	\$ 936	17.4%	344	-1.7%

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