

Quarterly Economic Summary

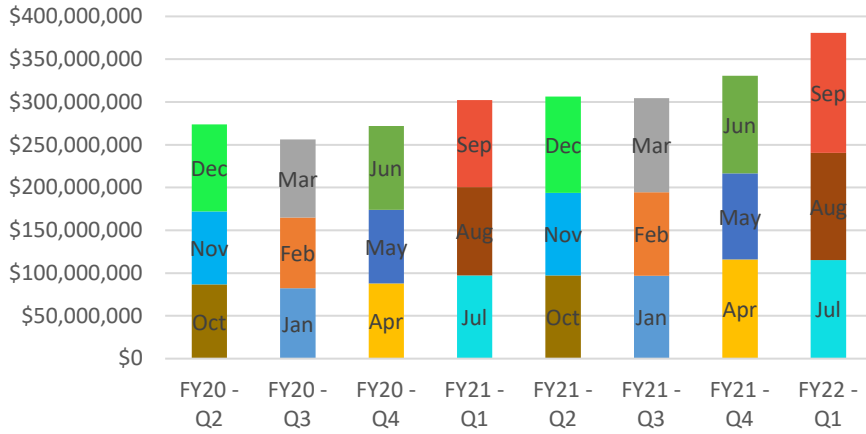
Valencia County



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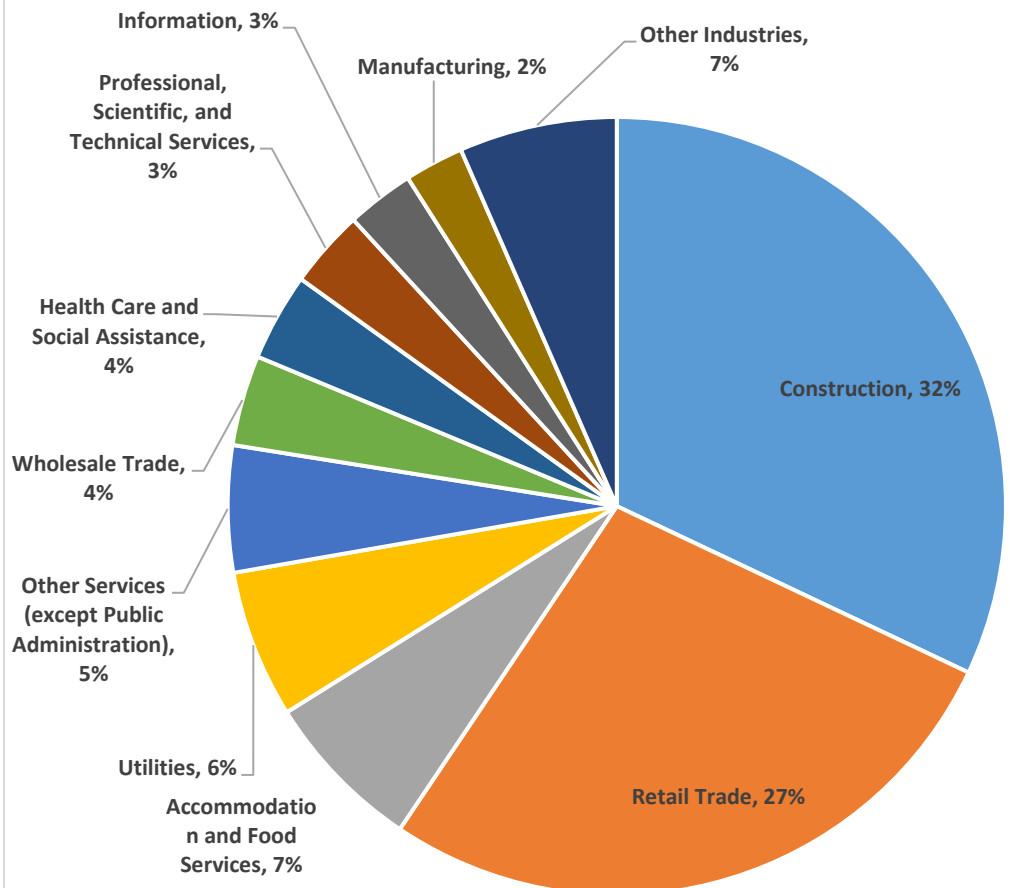
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Valencia County's matched taxable gross receipts (MTGR) shattered the previous quarters all-time high, reporting \$380.6M during Q1 FY22, shown in Chart 1. From Q4 FY21 to Q1 FY22, MTGR increased by \$50M or nearly 15%. Since at least FY04, MTGR has seen an upward trend, with major spikes occurring during the end of FY17. The construction industry has been the main economic driver for the county and is highlighted in Chart 2, with

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	\$ 25,500,694	\$ 2,220,150	10%	18%
Administrative/Support & Waste Management/Remediation	\$ 5,502,744	\$ 2,048,049	59%	106%
Agriculture, Forestry, Fishing, and Hunting	\$ 742,872	\$ (547,875)	-42%	-21%
Arts, Entertainment, and Recreation	\$ 709,793	\$ (10,479)	-1%	-9%
Construction	\$ 121,912,071	\$ 25,709,709	27%	99%
Educational Services	\$ 638,032	\$ 399,831	168%	399%
Finance and Insurance	\$ 1,237,529	\$ 135,419	12%	47%
Health Care and Social Assistance	\$ 13,873,514	\$ 1,131,340	9%	12%
Information	\$ 10,706,042	\$ 2,687,857	34%	-34%
Management of Companies and Enterprises	\$ -	\$ -	N/A	N/A
Manufacturing	\$ 9,366,513	\$ 4,235,698	83%	109%
Mining, Quarrying, and Oil and Gas Extraction	\$ 61,284	\$ (7,830)	-11%	92%
Other Services (except Public Administration)	\$ 20,020,344	\$ 3,816,077	24%	42%
Professional, Scientific, and Technical Services	\$ 12,331,010	\$ 1,553,080	14%	100%
Public Administration	\$ -	\$ -	N/A	-100%
Real Estate and Rental and Leasing	\$ 6,943,697	\$ 2,003,094	41%	56%
Retail Trade	\$ 104,216,702	\$ 21,395,895	26%	52%
Transportation and Warehousing	\$ 3,983,132	\$ 1,091,542	38%	47%
Unclassified Establishments	\$ 5,159,893	\$ 3,844,454	292%	457%
Utilities	\$ 23,378,115	\$ (1,662,188)	-7%	17%
Wholesale Trade	\$ 14,315,224	\$ 8,441,671	144%	165%
All Industries	\$ 380,636,832	\$ 78,529,310	26%	56%

32% of the county's quarterly MTGR during Q1 FY22. Table 1 shows 15 industries contributed to Valencia County's year over year (YOY) gain, an increase of \$78.5M when comparing Q1 FY21 to Q1 FY22. The largest contributor was the construction industry, which reported a YOY increase of \$25.7M or 27%. The retail trade industry also had strong YOY growth, MTGR increased by \$21.3M, or 26%, when comparing the two periods.

Gross receipts tax (GRT) revenue collections increased by \$3M, or 66%, from Q4 FY21 to Q1 FY22, shown in Chart 4.

Chart 3. Annual Total GRT Revenue Collections

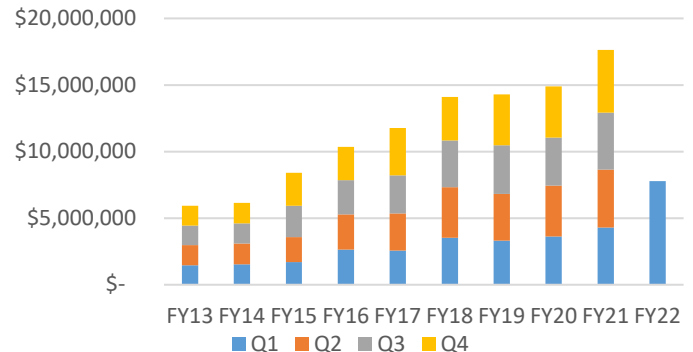


Chart 4. Quarterly GRT Revenue Collections

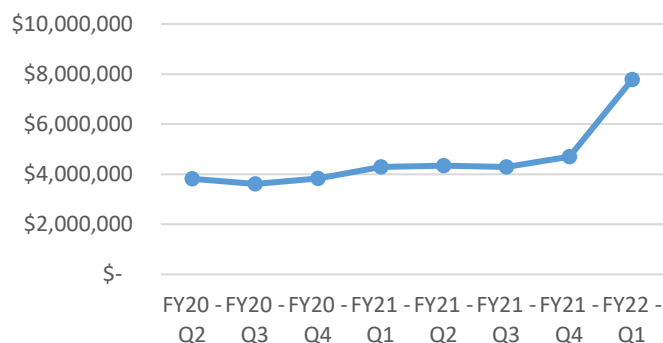
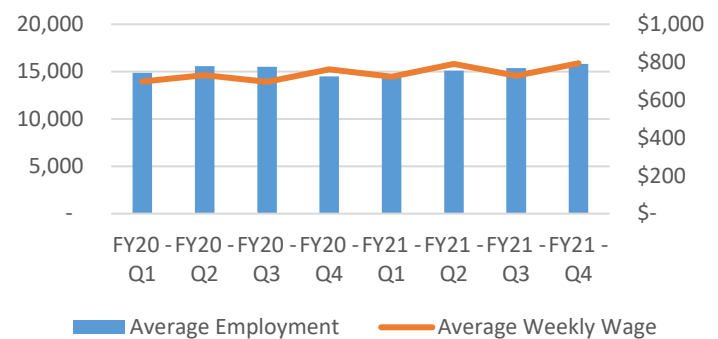


Chart 5. Total Employment & Weekly Wage

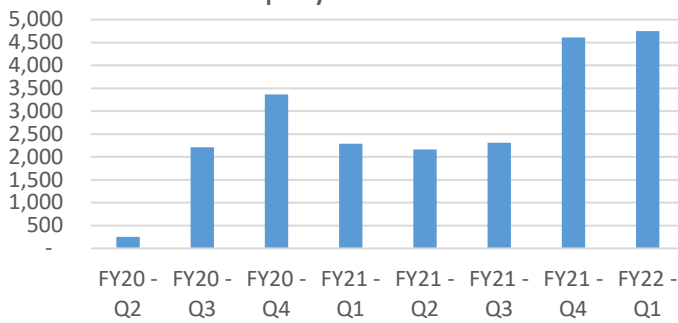


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Chart 6. Quarterly Initial Unemployment Claims



*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	1,541	18.4%	\$ 354	12.7%	94	-1.1%
Administrative/Support & Waste	301	2.4%	\$ 687	-2.7%	58	11.5%
Agriculture, Forestry, Fishing, and Hunting	214	15.7%	\$ 615	1.5%	24	4.3%
Arts, Entertainment, and Recreation	103	*	\$ 447	*	17	6.3%
Construction	1,957	25.3%	\$ 1,111	6.1%	185	0.5%
Educational Services	1,924	0.6%	\$ 1,140	6.3%	33	3.1%
Finance and Insurance	241	-0.4%	\$ 854	6.1%	62	-4.6%
Health Care and Social Assistance	2,713	20.3%	\$ 524	2.3%	364	-1.1%
Information	168	16.7%	\$ 2,808	7.9%	14	0.0%
Management of Companies and Enterprises	64	14.3%	\$ 1,166	10.3%	10	66.7%
Manufacturing	783	5.0%	\$ 906	-3.5%	46	7.0%
Mining, Quarrying, and Oil and Gas Extraction	13	*	\$ 1,110	*	5	0.0%
Other Services (except Public Administration)	239	4.4%	\$ 586	1.4%	67	-4.3%
Professional, Scientific, and Technical Services	319	6.0%	\$ 1,006	14.3%	89	9.9%
Public Administration	1,023	1.7%	\$ 941	-4.9%	78	0.0%
Real Estate and Rental and Leasing	105	-16.7%	\$ 486	-16.2%	45	-2.2%
Retail Trade	2,705	6.2%	\$ 607	13.7%	153	0.7%
Transportation and Warehousing	1,164	-2.8%	\$ 883	4.3%	59	18.0%
Utilities	132	-3.6%	\$ 922	6.3%	14	0.0%
Wholesale Trade	100	-29.6%	\$ 901	7.0%	26	-13.3%
All Industries	15,810	9.2%	\$ 794	4.2%	1,443	1.3%

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