

Quarterly Economic Summary

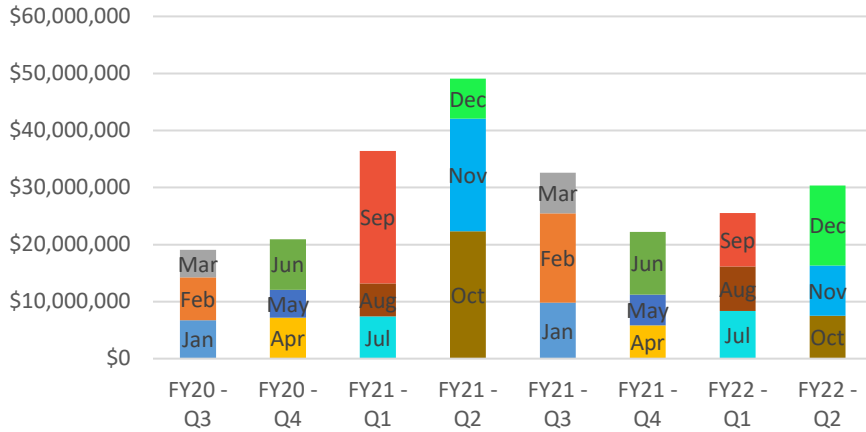
Hidalgo County

Released: March 2022

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Chart 1. Matched Taxable Gross Receipts Per Quarter

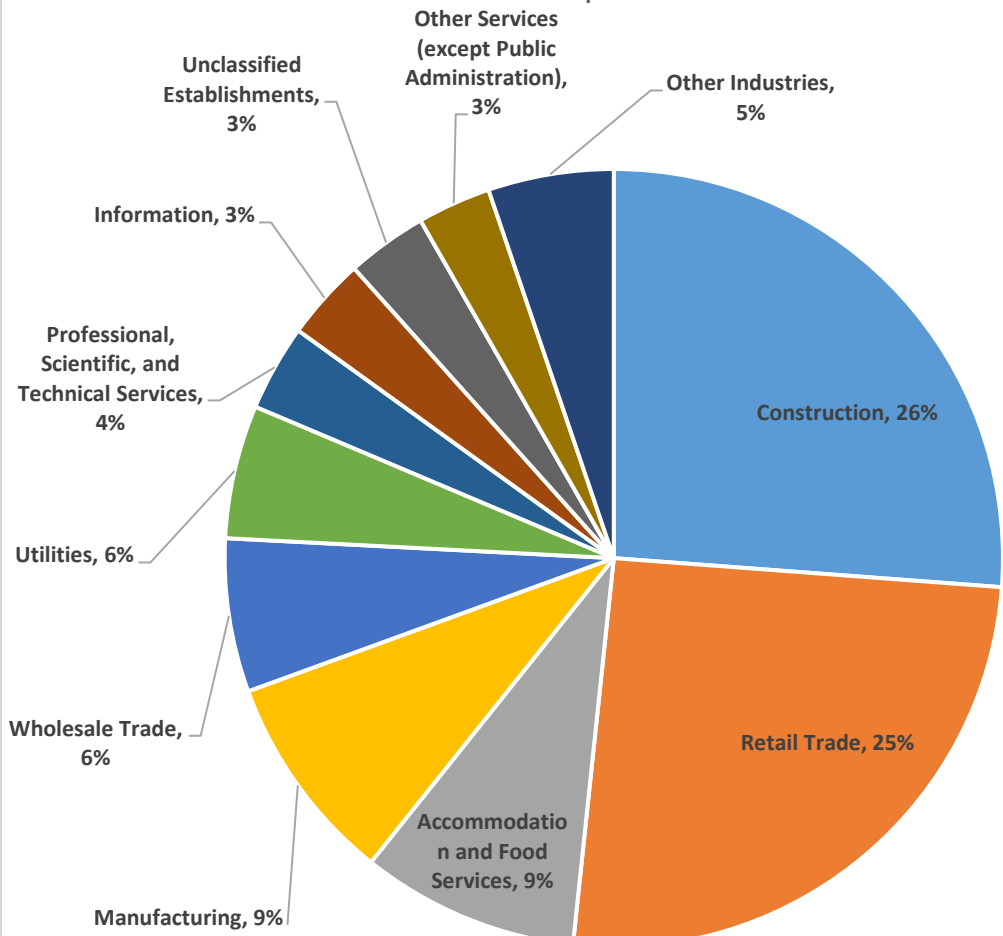


Thirty of 33 counties saw significant year-over-year economic growth in the second quarter of FY22. Growth was also broad across industry sectors, with arts, entertainment and recreation leading the growth in gross receipts, up 143% over the year. COVID-19 continues to disrupt some supply chains, and rising inflation poses a risk of slower national economic growth; however, the immediate outlook is for continued strong growth in New Mexico. Additionally, any inflationary impacts will serve to boost gross receipts and related revenues.

Hidalgo County's matched taxable gross receipts (MTGR) increased in Q2 FY22 as compared to Q1 FY22, shown in Chart 1. From Q1 FY22 to Q2 FY22, MTGR increased by \$4.9M or nearly 22%. When comparing MTGR, Q2 of FY22 is most comparable to Q2 FY13, when Hidalgo County reported \$3.1M less in MTGR. Table 1, on the next page, shows a decrease of \$18.7M from Q2 in FY21 to FY22 of the same period. Table 1 also

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.

Chart 2. FY21 - Q2 Industry Size by Matched Taxable Gross Receipts



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Table 1. FY22 - Q2 Matched Taxable Gross Receipts by Industry

Industries	FY22 - Q2	YOY Growth	YOY % Change	2-Year % Change
Accommodation and Food Services	\$ 2,742,083	\$ 979,394	56%	-16%
Administrative/Support & Waste Management/Remediation	\$ 229,033	\$ 2,366	1%	-2%
Agriculture, Forestry, Fishing, and Hunting	\$ -	\$ (11,877)	-100%	-100%
Arts, Entertainment, and Recreation	\$ 1,236	\$ 1,236	N/A	N/A
Construction	\$ 7,937,334	\$ (27,115,633)	-77%	61%
Educational Services	\$ 11,233	\$ 6,305	128%	1220%
Finance and Insurance	\$ 85,459	\$ 17,776	26%	64%
Health Care and Social Assistance	\$ 464,583	\$ 76,315	20%	0%
Information	\$ 1,038,197	\$ 311,372	43%	3%
Management of Companies and Enterprises	\$ -	\$ -	N/A	N/A
Manufacturing	\$ 2,641,769	\$ 2,495,724	1709%	3536%
Mining, Quarrying, and Oil and Gas Extraction	\$ 62,377	\$ 62,377	N/A	-50%
Other Services (except Public Administration)	\$ 925,916	\$ 264,289	40%	35%
Professional, Scientific, and Technical Services	\$ 1,086,448	\$ 367,536	51%	353%
Public Administration	\$ 38,905	\$ (10,906)	-22%	-48%
Real Estate and Rental and Leasing	\$ 334,828	\$ (80,449)	-19%	94%
Retail Trade	\$ 7,724,539	\$ 2,645,721	52%	56%
Transportation and Warehousing	\$ 353,727	\$ 24,076	7%	-7%
Unclassified Establishments	\$ 1,016,515	\$ 969,009	2040%	1397%
Utilities	\$ 1,680,209	\$ (190,667)	-10%	1%
Wholesale Trade	\$ 1,932,897	\$ 442,611	30%	54%
All Industries	\$ 30,368,695	\$ (18,721,102)	-38%	54%

shows five industries that reported a year-over-year (YOY) loss. The largest decline came from the construction industry, which posted a YOY decline of \$27M or 77%.

Gross receipts tax (GRT) revenue collections decreased by \$58K, or 19%, from Q1 FY22 to Q2 FY22, shown in Chart 4.

Chart 5 shows a decrease in average weekly wages, following a pattern where, from quarter to quarter, wages rise and fall, while employment has been trending downward.

Chart 3. Annual Total GRT Revenue Collections

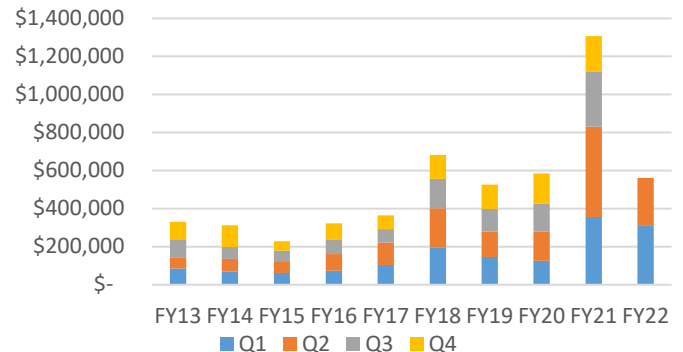


Chart 4. Quarterly GRT Revenue Collections

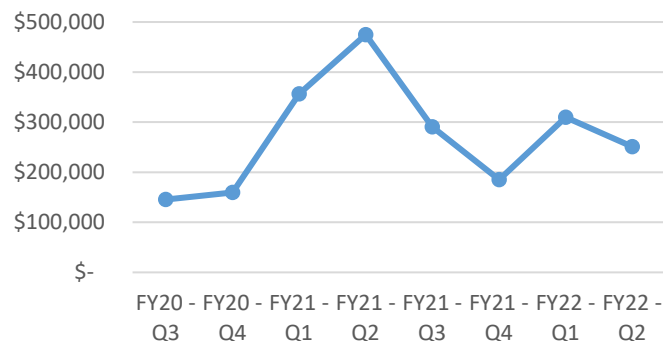
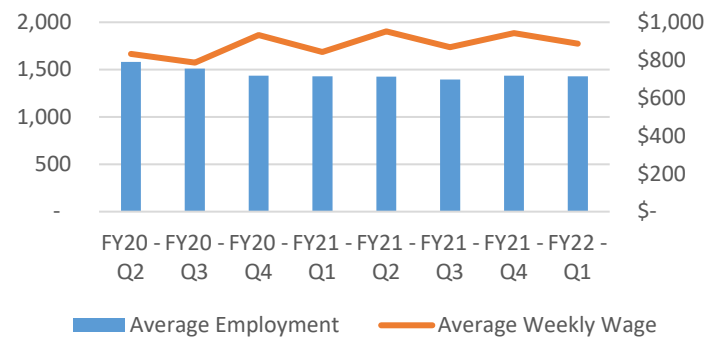


Chart 5. Total Employment & Weekly Wage



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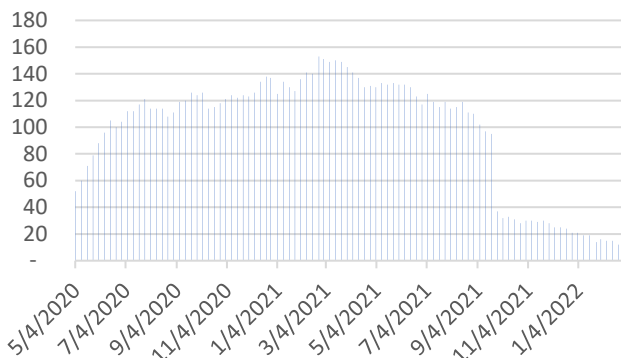
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Chart 6. Claimants Receiving Unemployment Benefits Per Week



* Data in weeks with low claimant amounts may be withheld to avoid disclosure of confidential information

Data in Chart 6 includes claimants receiving payment for standard unemployment insurance, pandemic unemployment assistance, pandemic emergency unemployment assistance, extended benefits, and trade readjustment allowances. Data are unofficial and subject to change. Extended Federal Unemployment Insurance benefits ended September 4th, 2021. This explains the decrease in the number of claimants shortly after this date. Data can be considered a three-week average.

Gross Domestic Product (GDP) is the value of all goods and services produced in an area. The percentage that GDP grew (or shrank) from one period to another is an important indicator as to how the economy is performing. Table 2, below, shows the percentage of GDP each industry accounts for in the total GDP, in a specific county and the state. The chart also compares the county to the entire state of New Mexico, by showing the impact of specific industry sectors on the county's GDP compared to that of the whole state.

Chart 7. Calendar Year % Change In Real GDP Year Over Year

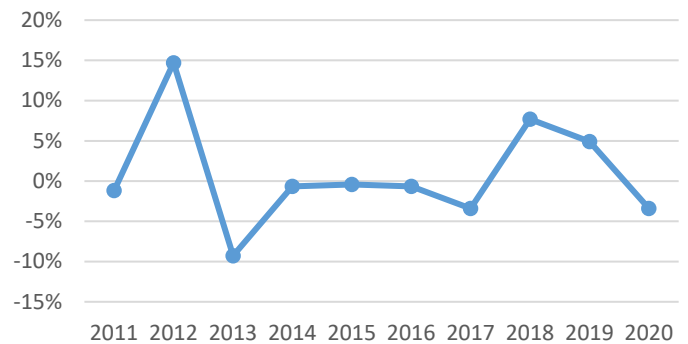


Table 2. Historical Glance: 2020 Gross Domestic Product by Industry

Industry	2020	Industry % of Total	2019-2020 Growth	YOY % Change
Accommodation and Food Services	*	*	*	*
Administrative/Support & Waste Management/Remediation	*	*	*	*
Agriculture, Forestry, Fishing, and Hunting	\$ 31,881,000	16.68%	\$ (56,000)	0%
Arts, Entertainment, and Recreation	*	*	*	*
Construction	*	*	*	*
Educational Services	*	*	*	*
Finance and Insurance	*	*	*	*
Health Care and Social Assistance	*	*	*	*
Information	\$ 1,851,000	0.97%	\$ (18,000)	-1%
Management of Companies and Enterprises	*	*	*	*
Manufacturing	*	*	*	*
Mining, Quarrying, and Oil and Gas Extraction	\$ 4,799,000	2.51%	\$ 1,909,000	66%
Other Services (except Public Administration)	*	*	*	*
Professional, Scientific, and Technical Services	*	*	*	*
Public Administration	\$ 90,789,000	47.51%	\$ 1,829,000	2%
Real Estate and Rental and Leasing	*	*	*	*
Retail Trade	\$ 17,275,000	9.04%	\$ (24,000)	0%
Transportation and Warehousing	\$ 4,348,000	2.28%	\$ (471,000)	-10%
Utilities	\$ 7,093,000	3.71%	\$ (4,109,000)	-37%
Wholesale Trade	*	*	*	*
All Industries	\$ 191,113,000		\$ (6,740,000)	-3%

*Not shown to avoid disclosure of confidential information

**This historical look at GDP data represents the most recent county GDP data available