

# Quarterly Economic Summary

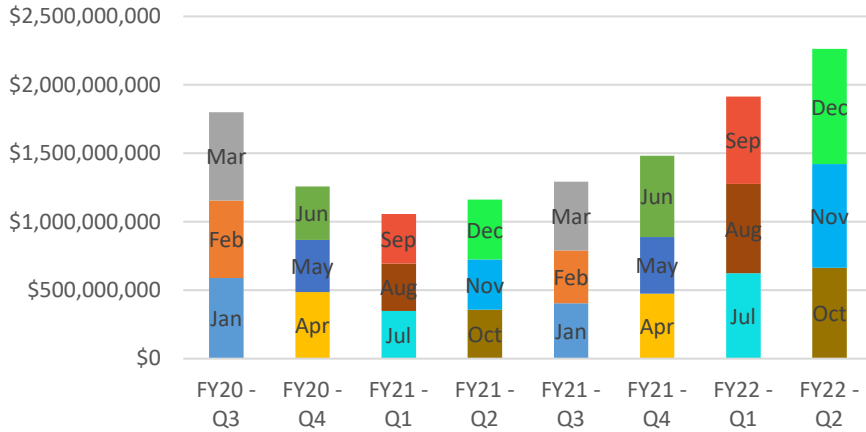
## Lea County



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Chart 1. Matched Taxable Gross Receipts Per Quarter

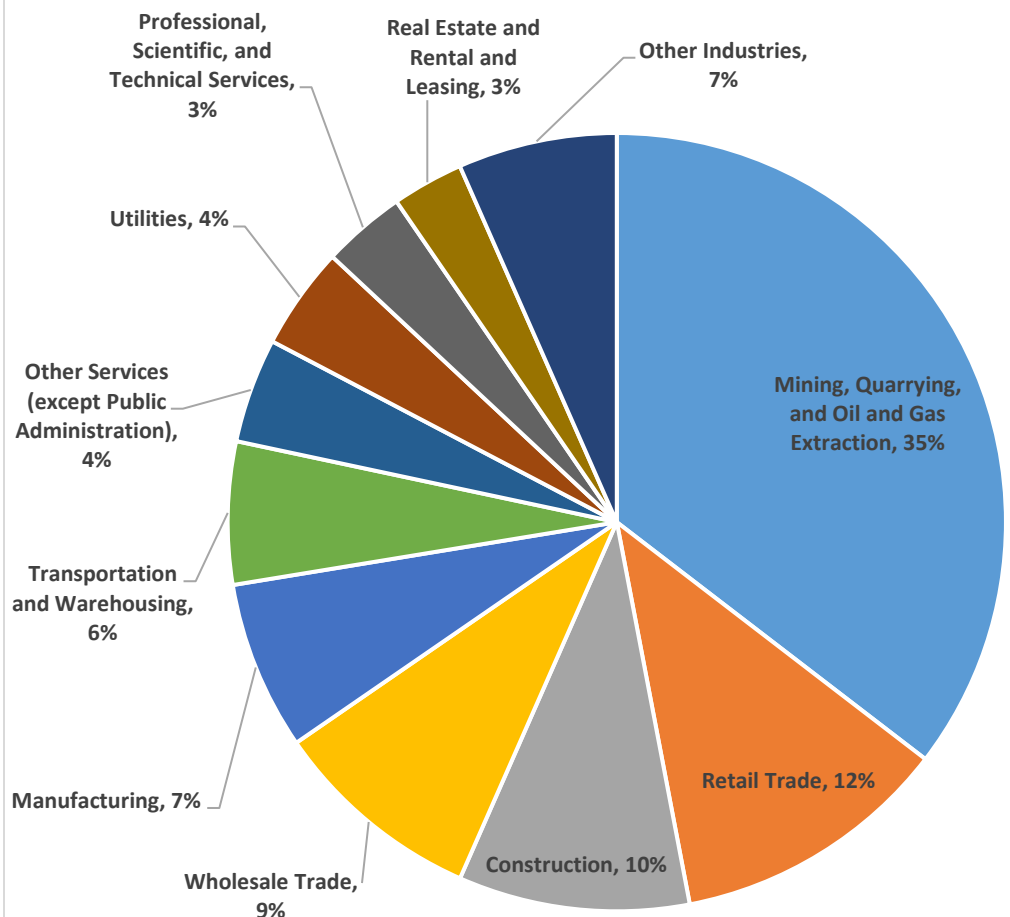


Thirty of 33 counties saw significant year-over-year economic growth in the second quarter of FY22. Growth was also broad across industry sectors, with arts, entertainment and recreation leading the growth in gross receipts, up 143% over the year. COVID-19 continues to disrupt some supply chains, and 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.

Since Q1 FY21, Lea County's matched taxable gross receipts (MTGR) have steadily grown. From Q1 FY22 to Q2 FY21 MTGR increased by \$348M, or 23%, shown in Chart 1. The amount reported during Q2 FY22 (\$2.3B) is the largest amount of quarterly MTGR in Lea County's history. Like many other counties reliant on the oil and gas industry, Lea County's MTGR fluctuates greatly over time. Despite these vast fluctuations, the trend line from

**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



SOURCES: NEW MEXICO TAXATION AND REVENUE DEPT, NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS, U.S. BUREAU OF LABOR STATISTICS, U.S. BUREAU OF ECONOMIC ANALYSIS AND EDD CALCULATIONS

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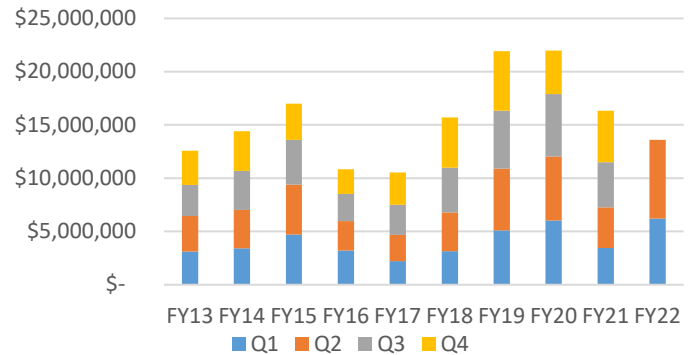


**Table 1. FY22 - Q2 Matched Taxable Gross Receipts by Industry**

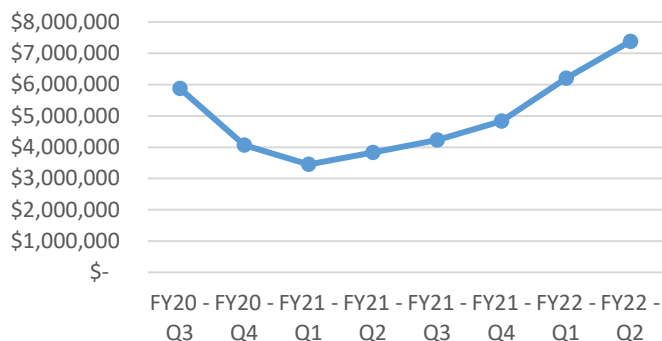
Industries	FY22 - Q2	YOY Growth	YOY % Change	2-Year % Change
Accommodation and Food Services	\$ 43,960,007	\$ 14,289,424	48%	1%
Administrative/Support & Waste Management/Remediation	\$ 30,664,971	\$ 6,770,336	28%	10%
Agriculture, Forestry, Fishing, and Hunting	\$ 1,797,419	\$ (206,808)	-10%	-14%
Arts, Entertainment, and Recreation	\$ 2,312,715	\$ 1,852,179	402%	5%
Construction	\$ 217,173,319	\$ 97,350,519	81%	-6%
Educational Services	\$ 456,036	\$ 198,180	77%	27%
Finance and Insurance	\$ 3,211,559	\$ 681,618	27%	27%
Health Care and Social Assistance	\$ 26,330,317	\$ 5,261,493	25%	45%
Information	\$ 18,416,946	\$ 2,953,308	19%	-32%
Management of Companies and Enterprises	\$ -	\$ -	N/A	N/A
Manufacturing	\$ 158,547,526	\$ 102,760,167	184%	146%
Mining, Quarrying, and Oil and Gas Extraction	\$ 800,869,572	\$ 386,925,058	93%	13%
Other Services (except Public Administration)	\$ 98,358,810	\$ 35,702,380	57%	-13%
Professional, Scientific, and Technical Services	\$ 78,447,828	\$ 38,434,667	96%	64%
Public Administration	\$ 738,914	\$ 659,650	832%	890%
Real Estate and Rental and Leasing	\$ 67,147,963	\$ 26,310,533	64%	30%
Retail Trade	\$ 261,667,609	\$ 102,721,460	65%	-2%
Transportation and Warehousing	\$ 133,954,045	\$ 102,792,182	330%	120%
Unclassified Establishments	\$ 21,541,511	\$ 17,060,082	381%	291%
Utilities	\$ 96,317,724	\$ 25,018,958	35%	23%
Wholesale Trade	\$ 199,047,295	\$ 131,855,310	196%	85%
<b>All Industries</b>	<b>\$ 2,261,751,551</b>	<b>\$ 1,099,838,587</b>	<b>95%</b>	<b>21%</b>

Q4 FY04 to present day is upward. Table 1 shows that all but two industries reported a year-over-year (YOY) increase. The largest increase - came from the oil and gas, wholesale trade, retail trade, manufacturing, and the transportation and warehousing sectors. Each of those industries reported a YOY increase of over \$102M. Gross receipts tax (GRT) revenue collections increased by \$1.2M, or 19%, from Q1 FY22 to Q2 FY22, as seen in Chart 4. The amount reported during Q2 FY22 (\$7.4M) is \$2.4M greater than the eight-quarter average (\$5M).

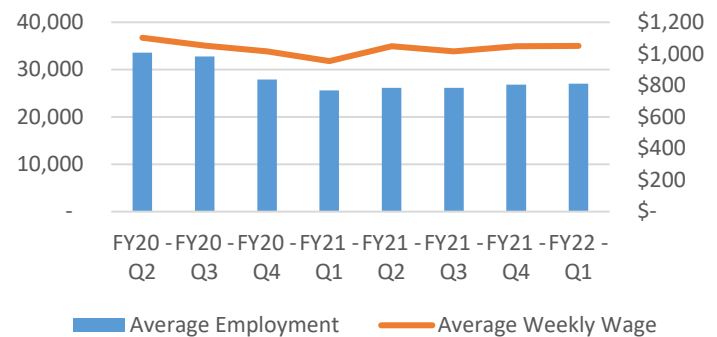
**Chart 3. Annual Total GRT Revenue Collections**



**Chart 4. Quarterly GRT Revenue Collections**



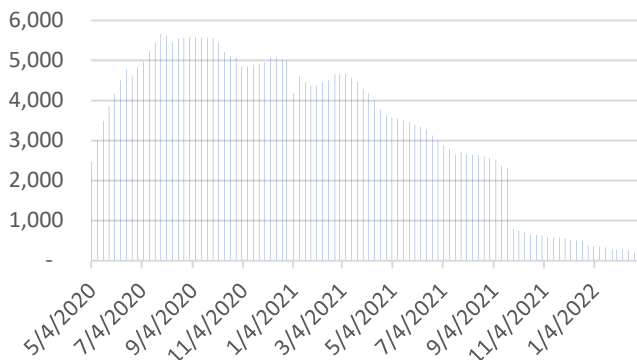
**Chart 5. Total Employment & Weekly Wage**



# Quarterly Economic Summary Lea County



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

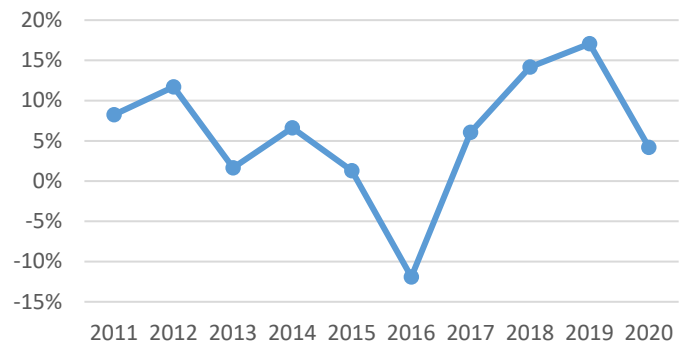


Table 2. Historical Glance: 2020 Gross Domestic Product by Industry

Industry	2020	Industry % of Total	2019-2020 Growth	YOY % Change
Accommodation and Food Services	\$ 96,468,000	1.26%	\$ (45,744,000)	-32%
Administrative/Support & Waste Management/Remediation	\$ 83,159,000	1.09%	\$ (3,520,000)	-4%
Agriculture, Forestry, Fishing, and Hunting	*	*	*	*
Arts, Entertainment, and Recreation	\$ 1,809,000	0.02%	\$ (2,672,000)	-60%
Construction	\$ 181,458,000	2.37%	\$ (70,962,000)	-28%
Educational Services	*	*	*	*
Finance and Insurance	\$ 79,367,000	1.04%	\$ (1,991,000)	-2%
Health Care and Social Assistance	\$ 127,791,000	1.67%	\$ (11,151,000)	-8%
Information	\$ 39,307,000	0.51%	\$ (3,333,000)	-8%
Management of Companies and Enterprises	\$ 26,825,000	0.35%	\$ (598,000)	-2%
Manufacturing	\$ 257,150,000	3.36%	\$ (17,799,000)	-6%
Mining, Quarrying, and Oil and Gas Extraction	\$ 5,881,467,000	76.93%	\$ 1,154,175,000	24%
Other Services (except Public Administration)	\$ 73,189,000	0.96%	\$ (16,998,000)	-19%
Professional, Scientific, and Technical Services	\$ 62,324,000	0.82%	\$ (9,331,000)	-13%
Public Administration	\$ 306,695,000	4.01%	\$ 6,555,000	2%
Real Estate and Rental and Leasing	\$ 374,789,000	4.90%	\$ (12,806,000)	-3%
Retail Trade	\$ 232,775,000	3.04%	\$ (14,959,000)	-6%
Transportation and Warehousing	\$ 239,039,000	3.13%	\$ (38,533,000)	-14%
Utilities	*	*	*	*
Wholesale Trade	\$ 129,367,000	1.69%	\$ (24,168,000)	-16%
<b>All Industries</b>	<b>\$ 7,645,460,000</b>		<b>\$ 308,650,000</b>	<b>4%</b>

\*Not shown to avoid disclosure of confidential information

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