

Quarterly Economic Summary

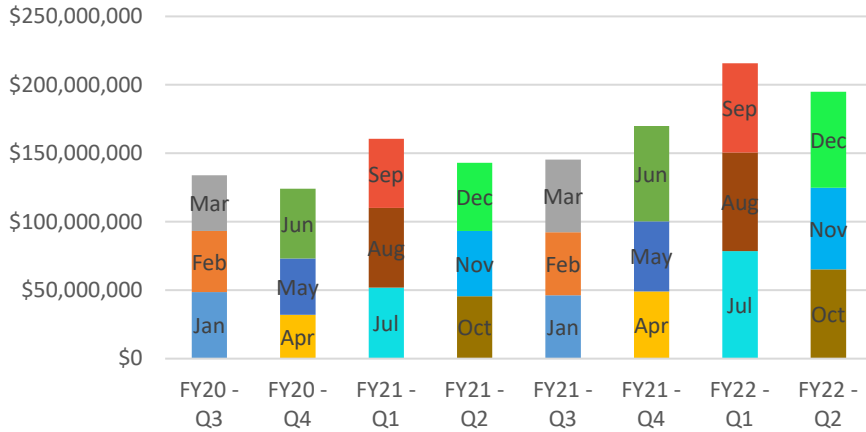
Lincoln County



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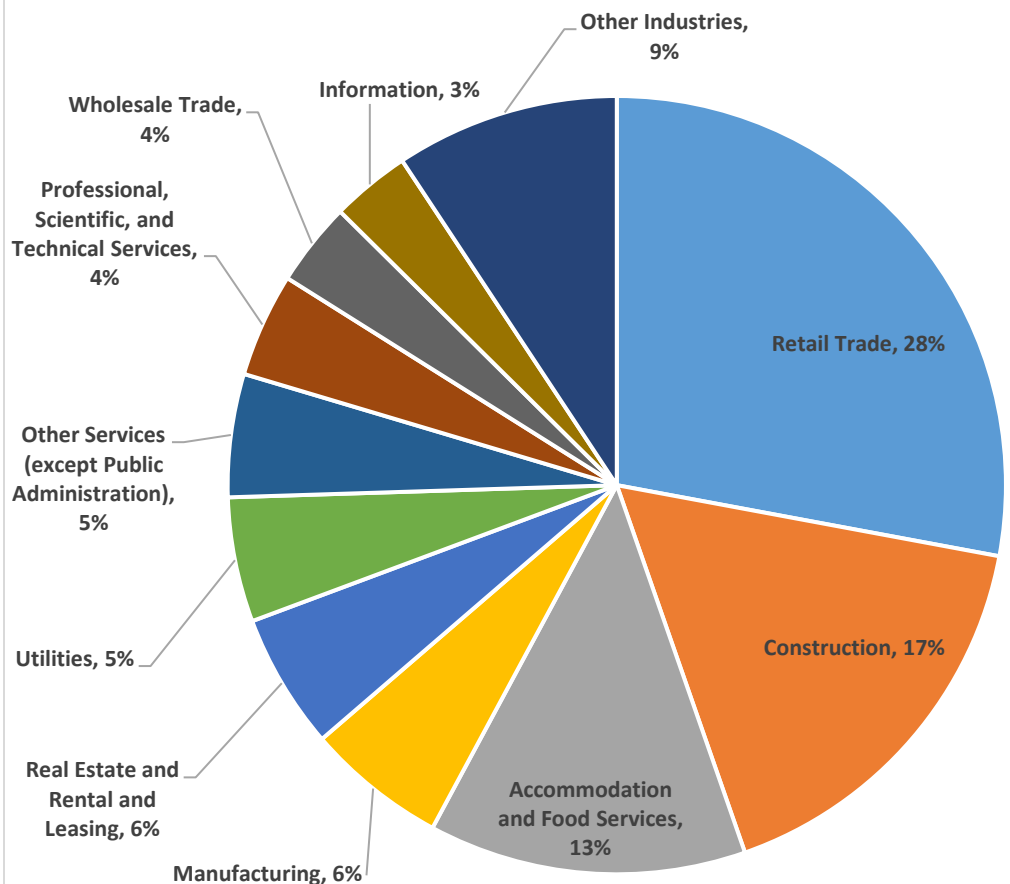
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

Lincoln County's matched taxable gross receipts (MTGR) declined in Q2 FY22 as compared to Q1 FY22, as seen in Chart 1. From Q1 FY22 to Q2 FY22, MTGR declined by \$21M or nearly 12%. Chart 2 shows the largest contributor to quarterly MTGR for Lincoln County was the retail trade industry. During the previous quarter, the retail trade industry accounted for 26% of the quarterly MTGR. Table 1, on the next page, shows an increase of

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

Industries	FY22 - Q2	YOY Growth	YOY % Change	2-Year % Change
Accommodation and Food Services	\$ 25,754,322	\$ 9,392,902	57%	42%
Administrative/Support & Waste Management/Remediation	\$ 2,808,804	\$ 741,291	36%	35%
Agriculture, Forestry, Fishing, and Hunting	\$ 1,818,710	\$ 232,502	15%	18%
Arts, Entertainment, and Recreation	\$ 1,731,324	\$ 751,738	77%	3%
Construction	\$ 32,657,253	\$ 7,889,229	32%	16%
Educational Services	\$ 154,184	\$ 55,487	56%	126%
Finance and Insurance	\$ 2,047,446	\$ 58,205	3%	11%
Health Care and Social Assistance	\$ 3,007,197	\$ 45,920	2%	7%
Information	\$ 6,414,255	\$ 1,487,419	30%	-20%
Management of Companies and Enterprises	\$ -	\$ -	N/A	N/A
Manufacturing	\$ 11,386,971	\$ 7,718,186	210%	246%
Mining, Quarrying, and Oil and Gas Extraction	\$ 190,867	\$ 188,145	6912%	N/A
Other Services (except Public Administration)	\$ 9,981,555	\$ 2,201,726	28%	34%
Professional, Scientific, and Technical Services	\$ 8,424,401	\$ 2,680,950	47%	22%
Public Administration	\$ (1,416,268)	\$ (1,490,796)	-2000%	-2097%
Real Estate and Rental and Leasing	\$ 10,993,923	\$ 2,100,195	24%	37%
Retail Trade	\$ 54,507,461	\$ 15,717,398	41%	36%
Transportation and Warehousing	\$ 1,857,242	\$ 1,178,259	174%	20%
Unclassified Establishments	\$ 4,535,402	\$ 2,434,445	116%	125%
Utilities	\$ 10,114,554	\$ 230,176	2%	8%
Wholesale Trade	\$ 6,799,096	\$ 1,785,039	36%	55%
All Industries	\$ 194,915,169	\$ 51,731,338	36%	32%

\$51M from Q2 in FY21 to FY22 of the same period. Table 1 also shows that only one industry reported a year-over-year (YOY) loss (public administration). The largest increase came from the retail trade industry which reported a YOY increase of \$15.7M or 41%.

Gross receipts tax (GRT) revenue collections decreased by \$576K, or 53%, from Q1 FY22 to Q2 FY22, shown in Chart 4. Over the last eight quarters, the average quarterly GRT for Lincoln County was \$527K, which is \$29K more than what was collected during Q2 FY22 (\$508K).

Chart 3. Annual Total GRT Revenue Collections

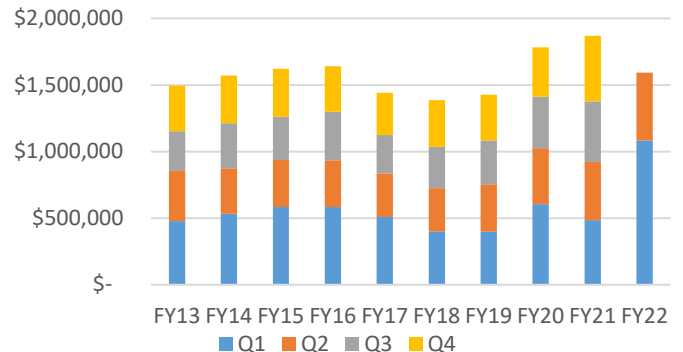


Chart 4. Quarterly GRT Revenue Collections

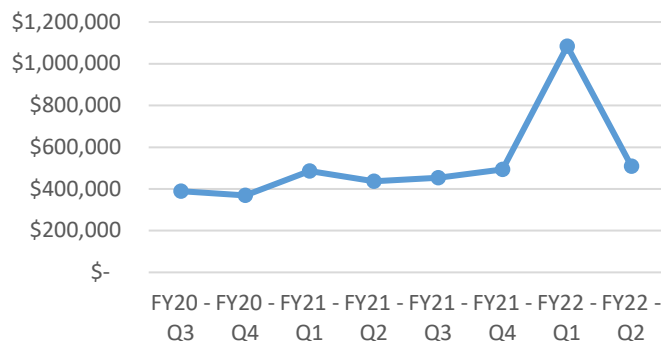
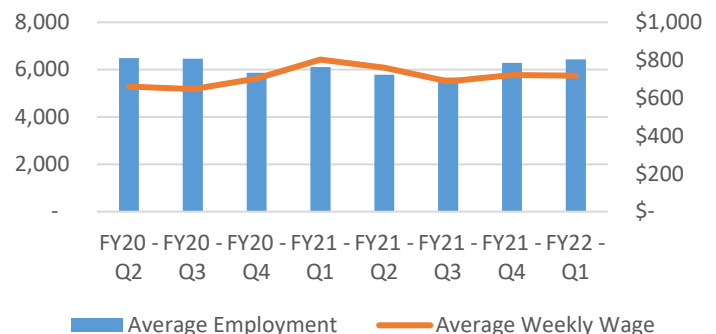


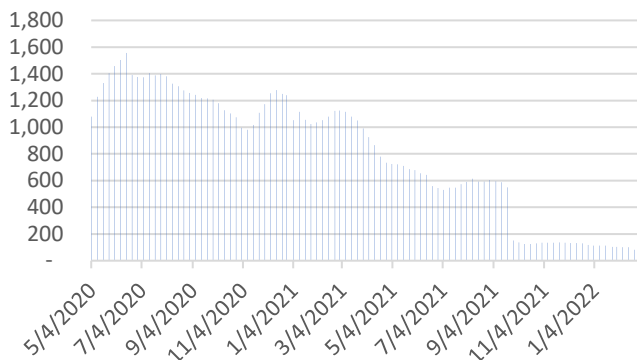
Chart 5. Total Employment & Weekly Wage



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Chart 6. 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

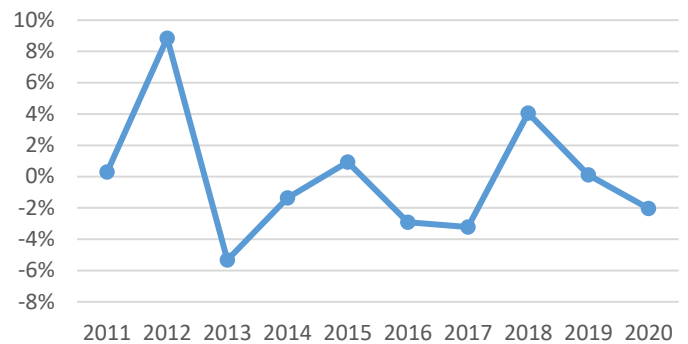


Table 2. Historical Glance: 2020 Gross Domestic Product by Industry

Industry	2020	Industry % of Total	2019-2020 Growth	YOY % Change
Accommodation and Food Services	\$ 35,044,000	6.11%	\$ (9,068,000)	-21%
Administrative/Support & Waste Management/Remediation	\$ 13,784,000	2.40%	\$ (17,000)	0%
Agriculture, Forestry, Fishing, and Hunting	\$ 27,319,000	4.76%	\$ 11,146,000	69%
Arts, Entertainment, and Recreation	\$ 18,169,000	3.17%	\$ (11,394,000)	-39%
Construction	\$ 21,980,000	3.83%	\$ (1,690,000)	-7%
Educational Services	\$ 406,000	0.07%	\$ (107,000)	-21%
Finance and Insurance	\$ 21,437,000	3.74%	\$ 670,000	3%
Health Care and Social Assistance	\$ 47,351,000	8.25%	\$ 18,000	0%
Information	\$ 7,327,000	1.28%	\$ (1,823,000)	-20%
Management of Companies and Enterprises	*	*	*	*
Manufacturing	\$ 7,056,000	1.23%	\$ (787,000)	-10%
Mining, Quarrying, and Oil and Gas Extraction	\$ 230,000	0.04%	\$ 73,000	46%
Other Services (except Public Administration)	\$ 15,502,000	2.70%	\$ (1,455,000)	-9%
Professional, Scientific, and Technical Services	*	*	*	*
Public Administration	\$ 96,600,000	16.84%	\$ 118,000	0%
Real Estate and Rental and Leasing	\$ 165,980,000	28.94%	\$ 10,992,000	7%
Retail Trade	\$ 66,733,000	11.63%	\$ (3,937,000)	-6%
Transportation and Warehousing	\$ 5,637,000	0.98%	\$ 965,000	21%
Utilities	\$ 6,241,000	1.09%	\$ 245,000	4%
Wholesale Trade	\$ 5,174,000	0.90%	\$ (24,000)	0%
All Industries	\$ 573,615,000		\$ (11,864,000)	-2%

*Not shown to avoid disclosure of confidential information

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