

Quarterly Economic Summary

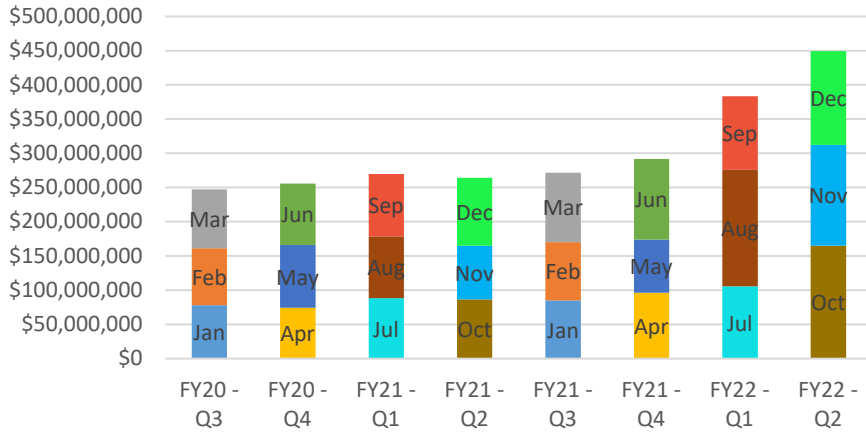
Otero County



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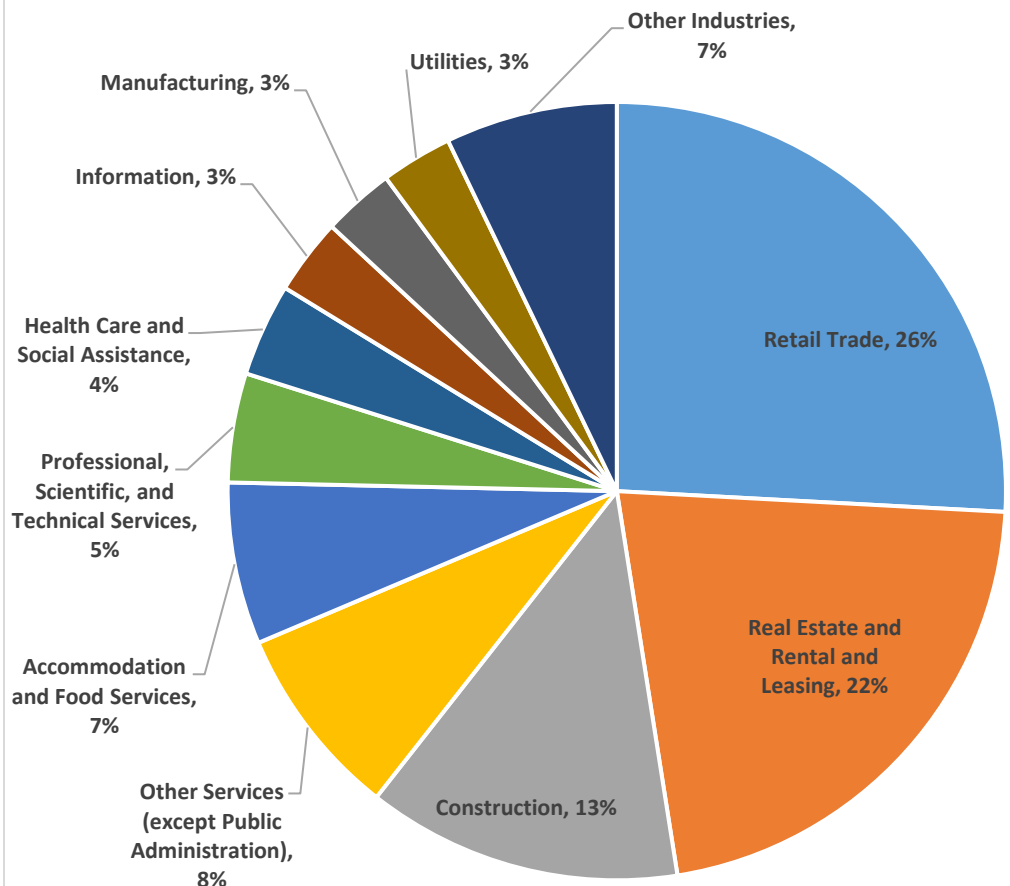
Chart 1. Matched Taxable Gross Receipts Per Quarter



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.

During Q2 FY22, Otero County's matched taxable gross receipts (MTGR) reported \$449M. This is the largest amount of quarterly MTGR reported for Otero County. When comparing Q2 FY22 to the previous quarter, MTGR increased by \$66M or 23%. Over the last eight quarters, quarterly MTGR has averaged \$304M. Over the last sixteen quarters, quarterly MTGR has trended upward.

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	\$ 30,212,028	\$ 9,893,818	49%	50%
Administrative/Support & Waste Management/Remediation	\$ 6,167,427	\$ 2,371,624	62%	19%
Agriculture, Forestry, Fishing, and Hunting	\$ 870,765	\$ (607,370)	-41%	-38%
Arts, Entertainment, and Recreation	\$ 928,942	\$ 524,735	130%	46%
Construction	\$ 58,774,960	\$ 21,699,044	59%	38%
Educational Services	\$ 3,436,704	\$ 719,629	26%	-21%
Finance and Insurance	\$ 1,029,724	\$ 85,583	9%	-1%
Health Care and Social Assistance	\$ 17,319,942	\$ 1,426,686	9%	33%
Information	\$ 14,172,362	\$ 5,263,257	59%	-16%
Management of Companies and Enterprises	\$ 73,967	\$ 73,967	N/A	N/A
Manufacturing	\$ 13,410,099	\$ 1,691,964	14%	290%
Mining, Quarrying, and Oil and Gas Extraction	\$ 286,052	\$ 52,246	22%	419%
Other Services (except Public Administration)	\$ 36,065,491	\$ 9,130,868	34%	11%
Professional, Scientific, and Technical Services	\$ 20,361,468	\$ 7,041,196	53%	108%
Public Administration	\$ 477,781	\$ (67,849)	-12%	208%
Real Estate and Rental and Leasing	\$ 97,227,157	\$ 90,736,464	1398%	1518%
Retail Trade	\$ 116,067,218	\$ 26,419,996	29%	45%
Transportation and Warehousing	\$ 672,328	\$ (127,070)	-16%	-3%
Unclassified Establishments	\$ 6,692,011	\$ 4,367,023	188%	513%
Utilities	\$ 13,316,967	\$ (26,840)	0%	6%
Wholesale Trade	\$ 11,500,485	\$ 4,559,672	66%	57%
All Industries	\$ 449,203,119	\$ 185,247,429	70%	73%

Table 1 shows the largest year-over-year (YOY) increase attributed to the real estate and rental and leasing industry. This sector led the way for the county to report an increase of \$185M, or 70%, when comparing Q2 FY21 to FY22 of the same period. In Chart 3, the total amount of annual gross receipts tax (GRT) collections for YTD FY22 (\$9.8M) is 97% of the total that was collected during the previous fiscal year. Since FY09, annual GRT has shown an upward trend line while the average amount collected was \$6.8M. Quarterly GRT revenue collections decreased by \$1.5M, or 27%, from Q1 FY22 to Q2 FY22, shown in Chart 4.

Chart 3. Annual Total GRT Revenue Collections

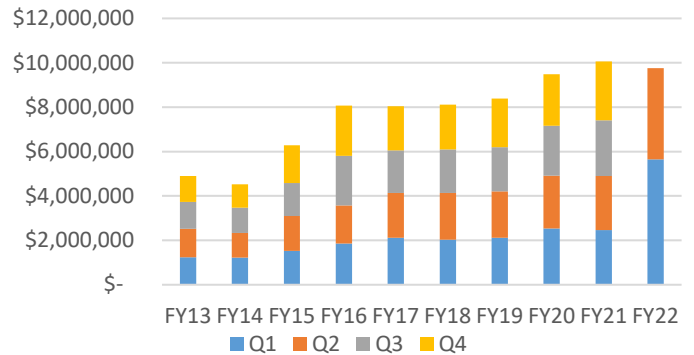


Chart 4. Quarterly GRT Revenue Collections

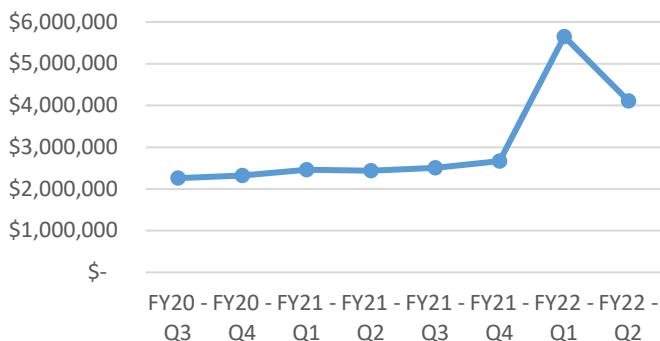
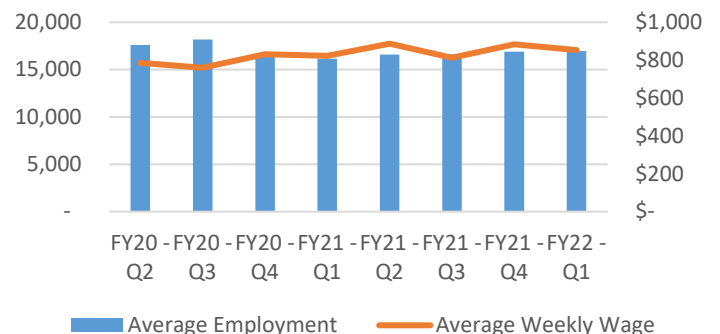


Chart 5. Total Employment & Weekly Wage

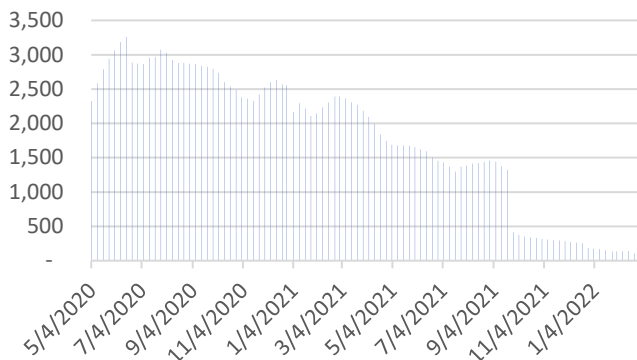


SOURCES: NEW MEXICO TAXATION AND REVENUE DEPT, NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS, U.S. BUREAU OF LABOR STATISTICS, U.S. BUREAU OF ECONOMIC ANALYSIS AND EDD CALCULATIONS

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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

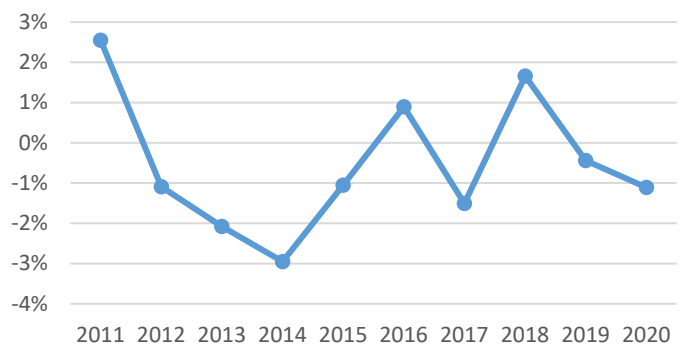


Table 2. Historical Glance: 2020 Gross Domestic Product by Industry

Industry	2020	Industry % of Total	2019-2020 Growth	YOY % Change
Accommodation and Food Services	\$ 35,720,000	1.46%	\$ (5,405,000)	-13%
Administrative/Support & Waste Management/Remediation	\$ 96,325,000	3.95%	\$ 22,566,000	31%
Agriculture, Forestry, Fishing, and Hunting	*	*	*	*
Arts, Entertainment, and Recreation	\$ 2,369,000	0.10%	\$ (1,373,000)	-37%
Construction	\$ 57,364,000	2.35%	\$ 935,000	2%
Educational Services	\$ 30,798,000	1.26%	\$ 11,205,000	57%
Finance and Insurance	\$ 26,872,000	1.10%	\$ 831,000	3%
Health Care and Social Assistance	\$ 172,971,000	7.09%	\$ (10,405,000)	-6%
Information	\$ 42,282,000	1.73%	\$ (128,000)	0%
Management of Companies and Enterprises	*	*	*	*
Manufacturing	\$ 5,198,000	0.21%	\$ (128,000)	-2%
Mining, Quarrying, and Oil and Gas Extraction	\$ 6,272,000	0.26%	\$ 335,000	6%
Other Services (except Public Administration)	\$ 36,149,000	1.48%	\$ (3,271,000)	-8%
Professional, Scientific, and Technical Services	\$ 51,381,000	2.11%	\$ (1,052,000)	-2%
Public Administration	\$ 1,464,901,000	60.05%	\$ (25,933,000)	-2%
Real Estate and Rental and Leasing	\$ 221,381,000	9.08%	\$ (21,517,000)	-9%
Retail Trade	\$ 115,278,000	4.73%	\$ 367,000	0%
Transportation and Warehousing	\$ 33,717,000	1.38%	\$ 3,283,000	11%
Utilities	*	*	*	*
Wholesale Trade	\$ 12,957,000	0.53%	\$ (737,000)	-5%
All Industries	\$ 2,439,276,000		\$ (27,365,000)	-1%

*Not shown to avoid disclosure of confidential information

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