

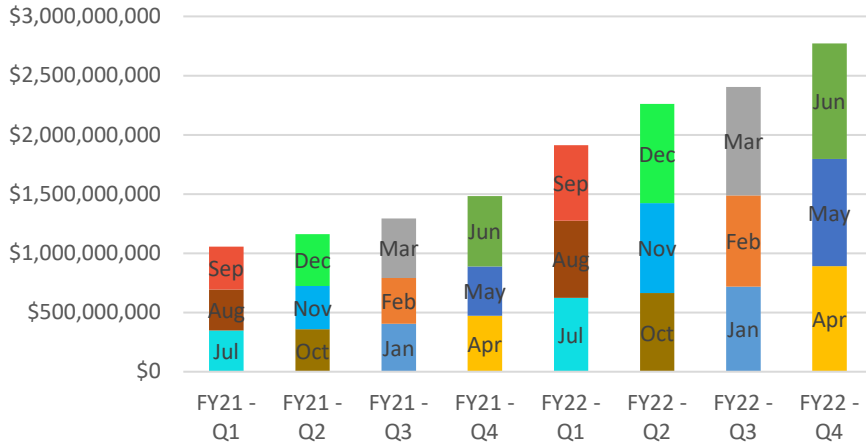
Quarterly Economic Summary Lea County



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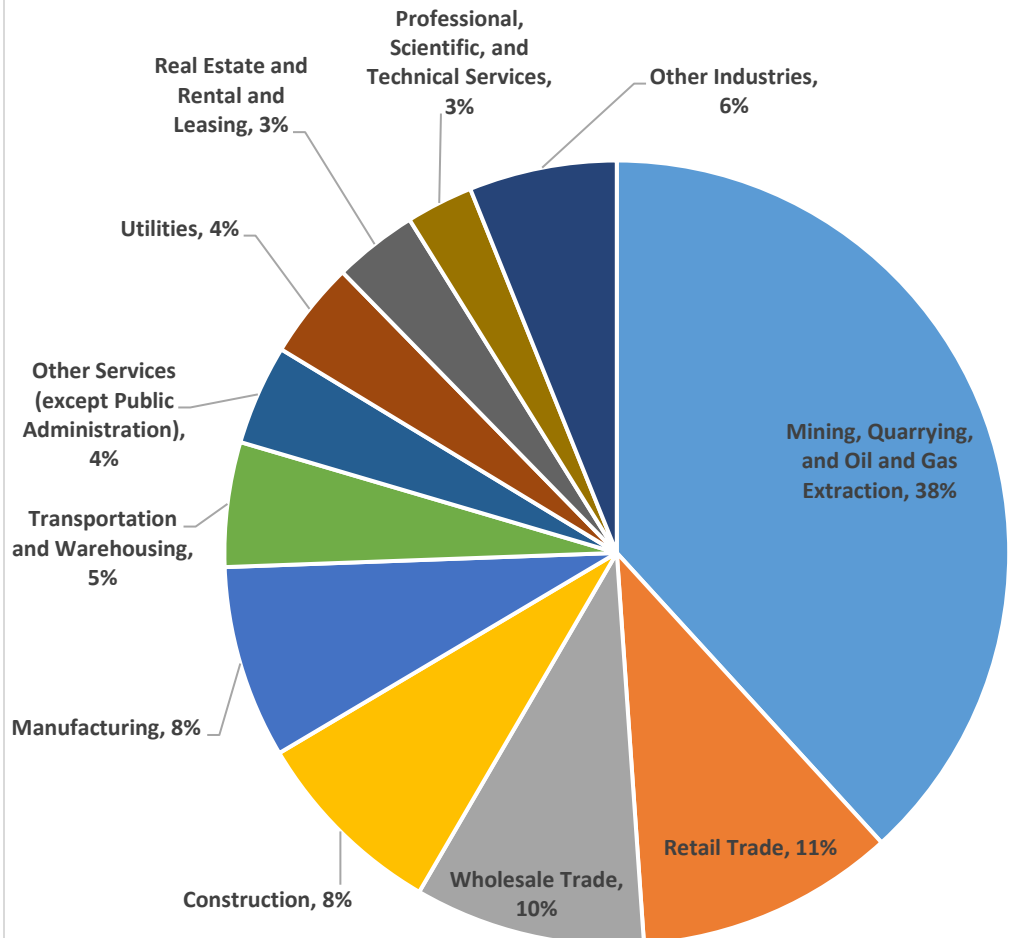
Chart 1. Matched Taxable Gross Receipts Per Quarter



Gross receipts growth across the state significantly outpaced inflation over the last year, and 31 of 33 counties saw growth during that time. The state improved from an already strong third quarter for economic growth in the fourth quarter of FY22 of 20% for all industries compared with the same quarter a year ago and an increase of 29% compared with the same quarter before the COVID-19 pandemic hit. Rising inflation and interest rates pose risks, but the outlook is for continued strong growth in New Mexico.

Since Q1 FY21 Lea County's matched taxable gross receipts (MTGR) have seen quarter-over-quarter growth. During this time span MTGR averaged \$1.8B which is \$1B less than the amount reported during Q4 FY22 (\$2.8B). From Q3 FY22 to Q4 FY22 MTGR increased by 15% or \$368M. During Q4 FY22 Lea County reported the second highest MTGR for any county, trailing only Bernalillo County. Chart 2 shows that the oil and gas industry was the largest contributor to

Chart 2. FY22 - Q4 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 - Q4 Matched Taxable Gross Receipts by Industry

Industries	FY22 - Q4	YOY Growth	YOY % Change	%Change from FY19- Q4 (Pre-COVID)
Accommodation and Food Services	\$ 47,154,738	\$ 4,515,485	11%	-5%
Administrative/Support & Waste Management/Remediation	\$ 34,857,648	\$ 8,715,175	33%	33%
Agriculture, Forestry, Fishing, and Hunting	\$ 281,491	\$ (2,580,405)	-90%	-92%
Arts, Entertainment, and Recreation	\$ 2,417,389	\$ 900,369	59%	57%
Construction	\$ 224,017,446	\$ 57,081,544	34%	-10%
Educational Services	\$ 512,627	\$ 354,195	224%	32%
Finance and Insurance	\$ 3,058,127	\$ 926,433	43%	34%
Health Care and Social Assistance	\$ 27,479,142	\$ 3,602,645	15%	41%
Information	\$ 18,221,153	\$ 5,110,019	39%	-24%
Management of Companies and Enterprises	\$ -	\$ -	N/A	N/A
Manufacturing	\$ 220,253,850	\$ 139,196,552	172%	233%
Mining, Quarrying, and Oil and Gas Extraction	\$ 1,059,505,697	\$ 540,601,900	104%	62%
Other Services (except Public Administration)	\$ 114,255,497	\$ 32,099,509	39%	1%
Professional, Scientific, and Technical Services	\$ 76,678,104	\$ 39,260,048	105%	93%
Public Administration	\$ 314,570	\$ 314,570	N/A	14%
Real Estate and Rental and Leasing	\$ 95,950,600	\$ 50,927,637	113%	98%
Retail Trade	\$ 296,130,318	\$ 91,435,117	45%	27%
Transportation and Warehousing	\$ 142,374,485	\$ 92,283,002	184%	138%
Unclassified Establishments	\$ 34,584,371	\$ 27,937,246	420%	63%
Utilities	\$ 111,017,255	\$ 34,334,928	45%	50%
Wholesale Trade	\$ 263,558,784	\$ 163,067,130	162%	173%
All Industries	\$ 2,772,830,611	\$ 1,290,002,962	87%	56%

the county's MTGR, accounting for 38% of Q4 FY22 MTGR. Table 1 shows an increase of \$1.3B from Q4 in FY21 to FY22 of the same period. Table 1 also shows that all but 3 industries reported a year-over-year (YOY) increase. The largest increase came from the oil and gas industry which posted a YOY increase of \$540M or 104%.

Gross receipts tax (GRT) revenue collections increased by \$1.2M, or 16%, from Q3 FY22 to Q4 FY22, shown in Chart 4. From FY21 to FY22 annual GRT collections increased by 87%, or 14M, shown in Chart 3.

Chart 3. Annual Total GRT Revenue Collections

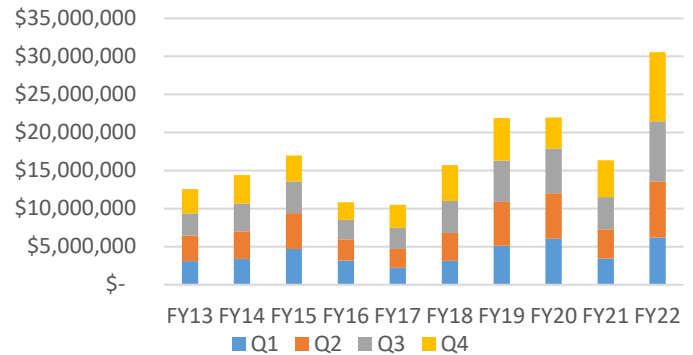


Chart 4. Quarterly GRT Revenue Collections

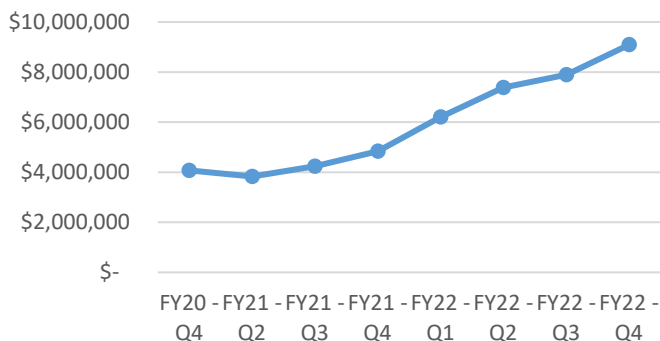
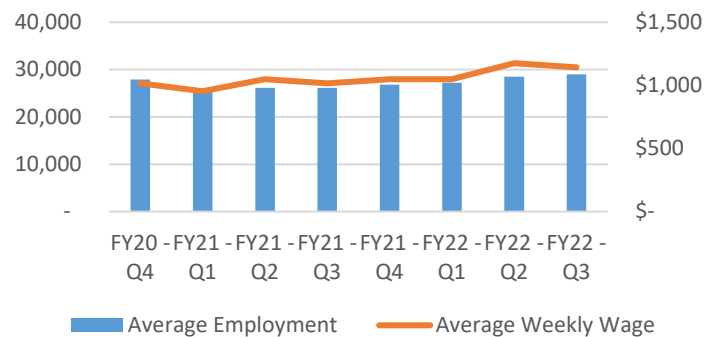


Chart 5. Total Employment & Weekly Wage



Quarterly Economic Summary

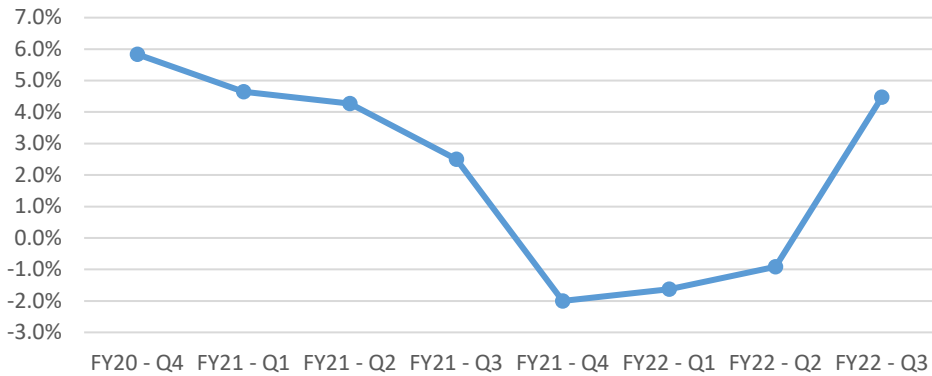
Lea County



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Chart 6. Establishment Year-Over-Year % Change



An **establishment**, as used in the QCEW and subsequently Chart 6 and Table 2, is an economic unit, such as a farm, factory, or store, which produces goods or provides services at a single physical worksite and engaged, predominantly, in one type of economic activity.

The **Quarterly Census of Employment and Wages**, or the **QCEW**, used in Charts 5-6 and Table 2, produces comprehensive data on the number of establishments, monthly employment and quarterly wages for workers covered by state unemployment insurance (UI) laws and federal workers covered by the Unemployment Compensation for Federal Employees (UCFE) program. These data are aggregated to many different levels, starting at the 6-digit NAICS industry level, to higher industry levels (NAICS industry groups, sectors, and supersectors), and to higher geographic levels (MSA, state and national).

Data are based on information reported by New Mexico employers, covering 97% of nonfarm wage and salary workers. Data are published every quarter. Considered the gold standard for its reliability of industry data, the QCEW data are the most complete universe of monthly employment and quarterly wage information by detailed industry.

Table 2. FY22 - Q3 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	2,930	18.6%	\$ 419	8.0%	173	1.2%
Administrative/Support & Waste	1,216	7.7%	\$ 910	17.1%	94	9.3%
Agriculture, Forestry, Fishing, and Hunting	399	-7.4%	\$ 752	3.4%	37	-2.6%
Arts, Entertainment, and Recreation	257	8.9%	\$ 552	0.7%	19	5.6%
Construction	2,662	8.4%	\$ 1,191	18.0%	207	4.5%
Educational Services	2,553	17.0%	\$ 880	-10.8%	17	6.3%
Finance and Insurance	639	-1.8%	\$ 1,557	15.6%	156	-1.3%
Health Care and Social Assistance	2,564	1.6%	\$ 860	-1.0%	159	6.0%
Information	183	13.7%	\$ 942	-5.4%	23	0.0%
Management of Companies and Enterprises	169	6.3%	\$ 1,370	21.0%	11	-8.3%
Manufacturing	529	-9.4%	\$ 1,770	5.4%	38	-2.6%
Mining, Quarrying, and Oil and Gas Extraction	6,137	28.3%	\$ 1,735	19.3%	385	5.2%
Other Services (except Public Administration)	632	0.3%	\$ 869	-3.6%	132	8.2%
Professional, Scientific, and Technical Services	713	6.1%	\$ 972	5.8%	147	14.8%
Public Administration	880	-2.3%	\$ 1,236	8.7%	64	0.0%
Real Estate and Rental and Leasing	486	23.7%	\$ 1,153	19.5%	98	5.4%
Retail Trade	3,075	2.2%	\$ 689	11.9%	205	0.5%
Transportation and Warehousing	1,708	8.7%	\$ 1,563	13.8%	208	8.9%
Utilities	442	10.2%	\$ 1,887	8.9%	29	3.6%
Wholesale Trade	828	5.2%	\$ 1,476	20.6%	110	1.9%
All Industries	29,004	11.0%	\$ 1,142	12.5%	2,312	4.5%

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