

# Quarterly Economic Summary

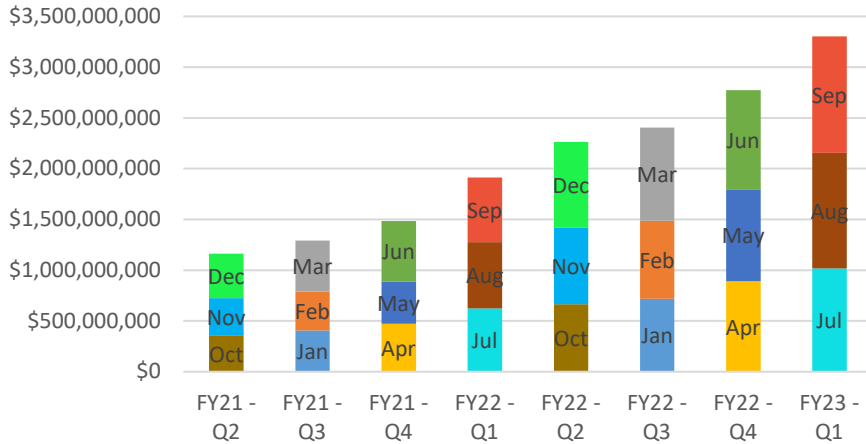
## Lea County



Released: January 2023

Prepared by: Joel Salas, Economist; Ryan Eustice, Economist

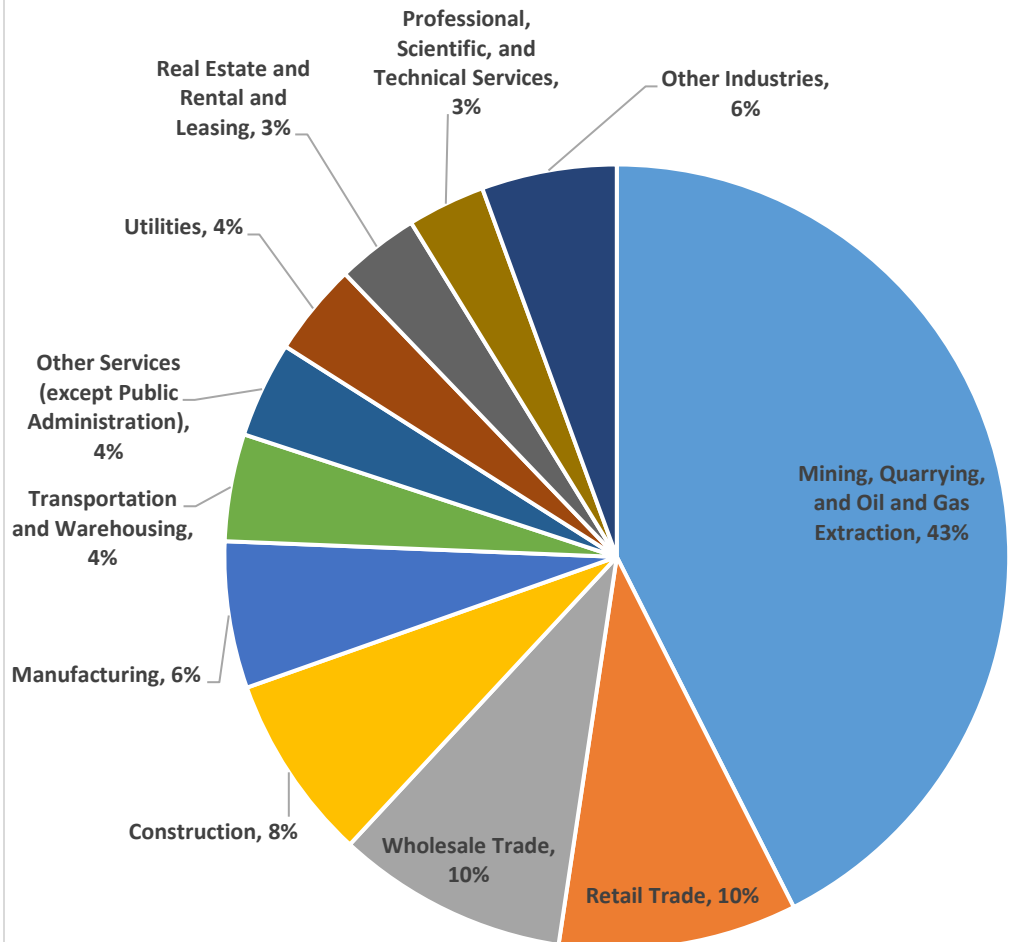
Chart 1. Matched Taxable Gross Receipts Per Quarter



In the first quarter of FY23, 25 of 33 counties saw significant year-over-year economic growth. Statewide economic activity showed broad growth across most industry sectors, with oil and gas and construction leading the growth in gross receipts over the prior year. Concerns like interest rates and inflation have continued, leaving consumer confidence declining on the national level. Despite these concerns, New Mexico has had continued growth, with record-breaking gross receipts.

Over the last eight quarters, matched taxable gross receipts (MTGR), has averaged \$2B which is \$1.2B less than the amount reported during Q1 FY23 (\$3.3B). From Q4 FY22 to Q1 FY23, MTGR increased by 19% or just under \$530M. This increase in MTGR has continued to push the trend upward. When comparing Q1 FY23 to Q1 FY21, MTGR tripled. As seen in Chart 2, the oil and gas industry has accounted for 43% of Lea County's total MTGR.

Chart 2. FY23 - Q1 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.

# Quarterly Economic Summary

## Lea County



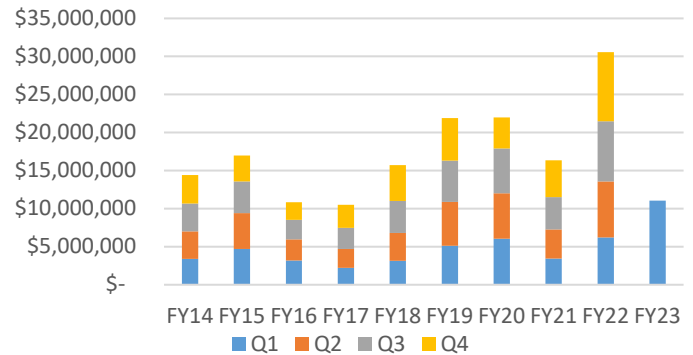
**Table 1. FY23 - Q1 Matched Taxable Gross Receipts by Industry**

Industries	FY23 - Q1	YOY Growth	YOY % Change	%Change from FY20-Q1 (Pre-COVID)
Accommodation and Food Services	\$ 49,419,079	\$ 8,920,320	22%	3%
Administrative/Support & Waste Management/Remediation	\$ 40,175,346	\$ 13,102,628	48%	53%
Agriculture, Forestry, Fishing, and Hunting	\$ (4,848,315)	\$ (5,907,945)	-558%	-613%
Arts, Entertainment, and Recreation	\$ 3,129,845	\$ 964,931	45%	73%
Construction	\$ 254,067,638	\$ 64,629,583	34%	-2%
Educational Services	\$ 467,630	\$ (109,991)	-19%	161%
Finance and Insurance	\$ 3,251,687	\$ 147,484	5%	46%
Health Care and Social Assistance	\$ 23,293,330	\$ 2,666,172	13%	40%
Information	\$ 19,195,546	\$ 2,390,319	14%	-20%
Management of Companies and Enterprises	\$ 10,294	\$ 10,294	N/A	N/A
Manufacturing	\$ 199,812,965	\$ 66,412,014	50%	261%
Mining, Quarrying, and Oil and Gas Extraction	\$ 1,406,772,223	\$ 712,872,068	103%	120%
Other Services (except Public Administration)	\$ 130,682,507	\$ 41,925,179	47%	16%
Professional, Scientific, and Technical Services	\$ 106,159,826	\$ 49,063,026	86%	145%
Public Administration	\$ 1,126,810	\$ 839,005	292%	2376%
Real Estate and Rental and Leasing	\$ 112,323,945	\$ 50,028,415	80%	135%
Retail Trade	\$ 324,628,978	\$ 95,633,863	42%	22%
Transportation and Warehousing	\$ 146,025,904	\$ 80,601,262	123%	172%
Unclassified Establishments	\$ 44,045,682	\$ 27,511,379	166%	487%
Utilities	\$ 126,105,772	\$ 31,127,160	33%	61%
Wholesale Trade	\$ 315,215,432	\$ 145,195,634	85%	177%
<b>All Industries</b>	<b>\$ 3,302,195,930</b>	<b>\$ 1,388,308,239</b>	<b>73%</b>	<b>84%</b>

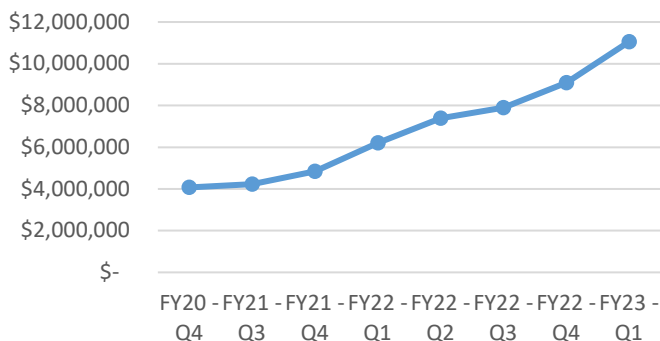
Table 1 shows that, when comparing year-over-year (YOY) MTGR, the largest contribution came from the oil and gas industry. This industry accounted for over 51% of the total YOY increase that Lea County reported. The agriculture, forestry, fishing, and hunting industry reported a negative amount in Q1 FY23, this is likely due to some form of taxpayer(s) amended return for prior periods.

The amount of quarterly gross receipts taxes (GRT) collected during Q1 FY23 (\$11M) was 22% more than the amount collected during Q4 FY22 (\$9M), as seen in Chart 4.

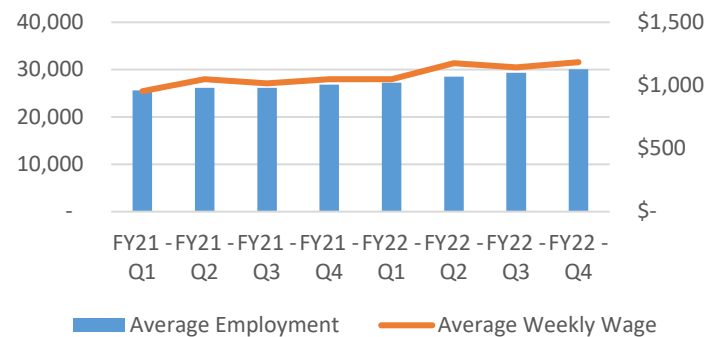
**Chart 3. Annual Total GRT Revenue Collections**



**Chart 4. Quarterly GRT Revenue Collections**



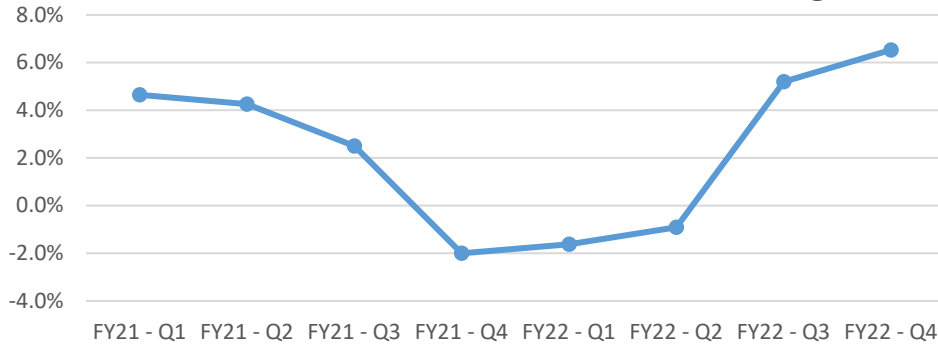
**Chart 5. Total Employment & Weekly Wage**



# Quarterly Economic Summary Lea County



Chart 6. 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.

**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

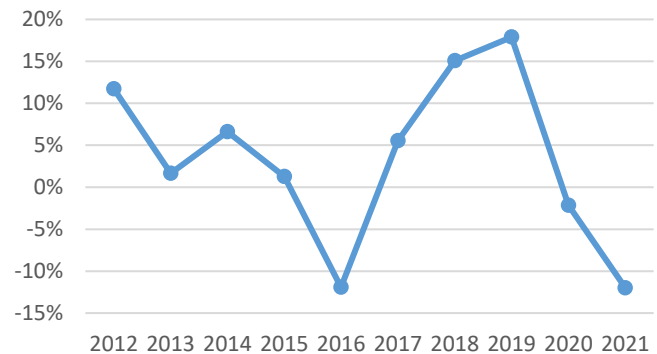


Table 2. Historical Glance: 2021 Gross Domestic Product by Industry

Industry	2021	Industry % of Total	2020-2021 Growth	YOY % Change
Accommodation and Food Services	\$ 134,753,000	2.11%	\$ 27,302,000	25%
Administrative/Support & Waste Management/Remediation	\$ 90,009,000	1.41%	\$ 9,760,000	12%
Agriculture, Forestry, Fishing, and Hunting	\$ 87,432,000	1.37%	*	*
Arts, Entertainment, and Recreation	\$ 4,598,000	0.07%	\$ 1,957,000	74%
Construction	\$ 140,991,000	2.21%	\$ (32,985,000)	-19%
Educational Services	*	*	*	*
Finance and Insurance	\$ 83,829,000	1.31%	\$ 3,426,000	4%
Health Care and Social Assistance	*	*	*	*
Information	\$ 44,855,000	0.70%	\$ 3,192,000	8%
Management of Companies and Enterprises	\$ 38,611,000	0.60%	\$ 3,636,000	10%
Manufacturing	\$ 211,970,000	3.32%	\$ (2,109,000)	-1%
Mining, Quarrying, and Oil and Gas Extraction	\$ 4,198,620,000	65.77%	\$ (1,141,332,000)	-21%
Other Services (except Public Administration)	\$ 77,417,000	1.21%	\$ 3,782,000	5%
Professional, Scientific, and Technical Services	\$ 62,237,000	0.97%	\$ (165,000)	0%
Public Administration	\$ 308,256,000	4.83%	\$ 2,204,000	1%
Real Estate and Rental and Leasing	\$ 379,222,000	5.94%	\$ 11,110,000	3%
Retail Trade	\$ 273,850,000	4.29%	\$ 13,034,000	5%
Transportation and Warehousing	\$ 194,219,000	3.04%	\$ (28,674,000)	-13%
Utilities	\$ 188,199,000	2.95%	*	*
Wholesale Trade	\$ 121,252,000	1.90%	\$ (5,818,000)	-5%
<b>All Industries</b>	<b>\$ 6,384,070,000</b>		<b>\$ (868,826,000)</b>	<b>-12%</b>

\*Not shown to avoid disclosure of confidential information

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

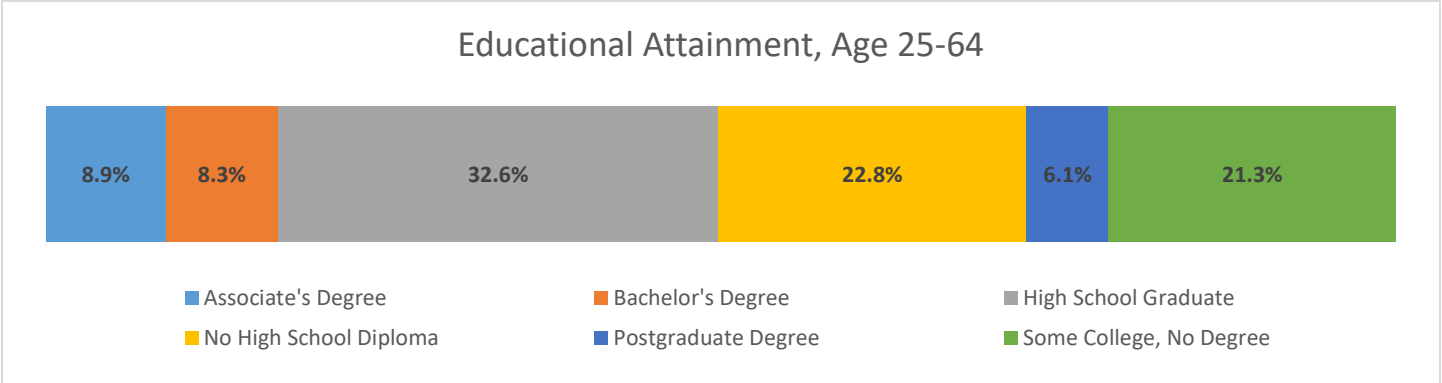
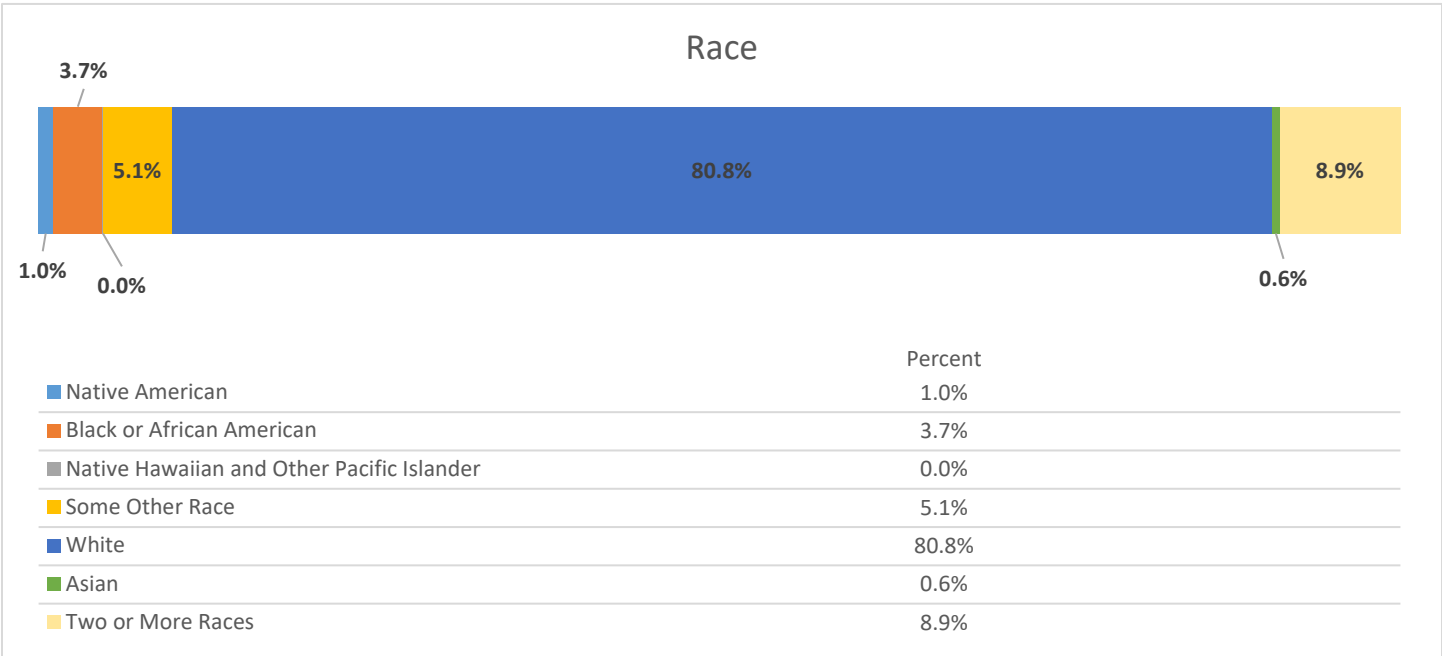
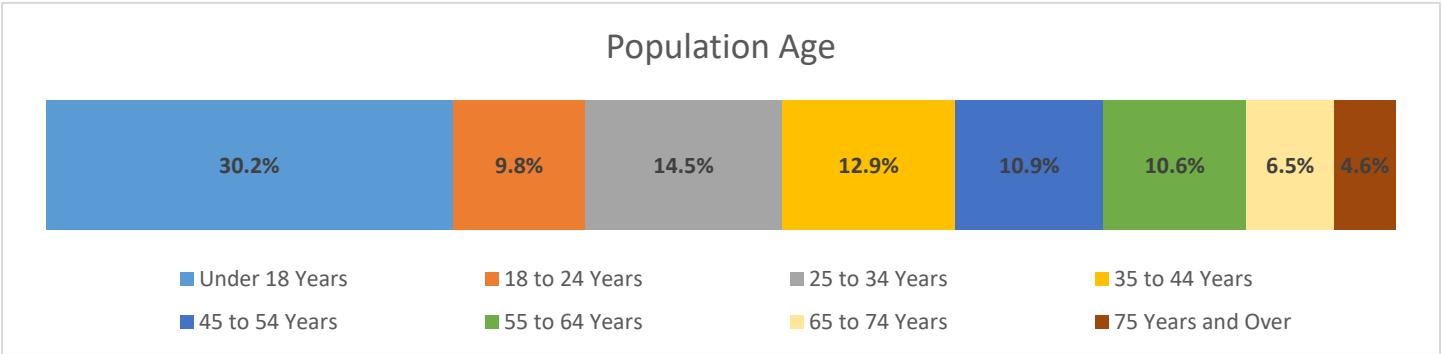
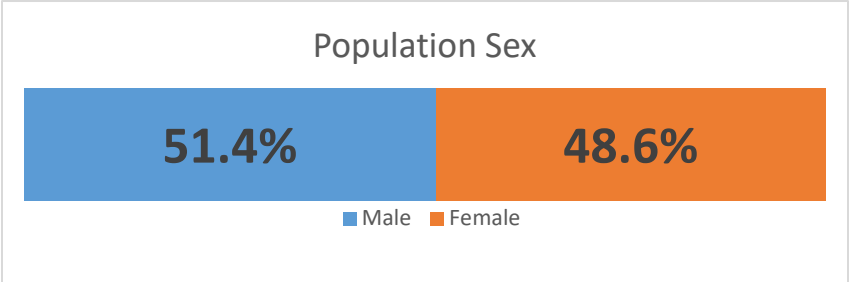
# Quarterly Economic Summary

## Lea County



# Population

## 70,359



Page 4 Source: JobsEQ - American Community Survey 2016-2020, unless noted otherwise