

Quarterly Economic Summary

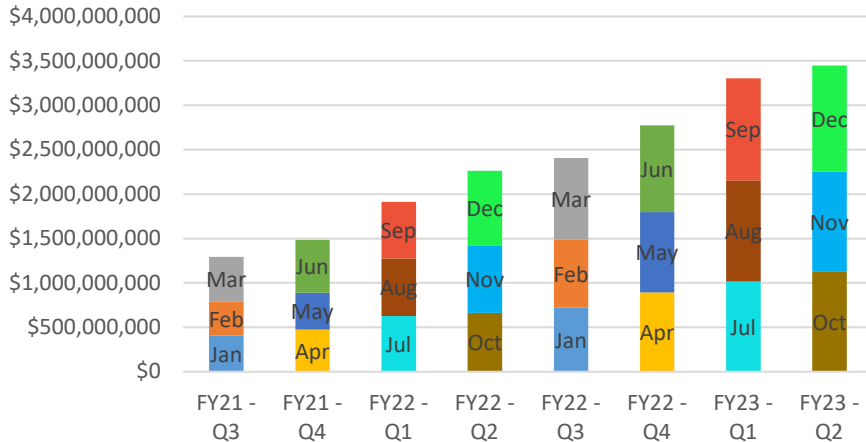
Lea County



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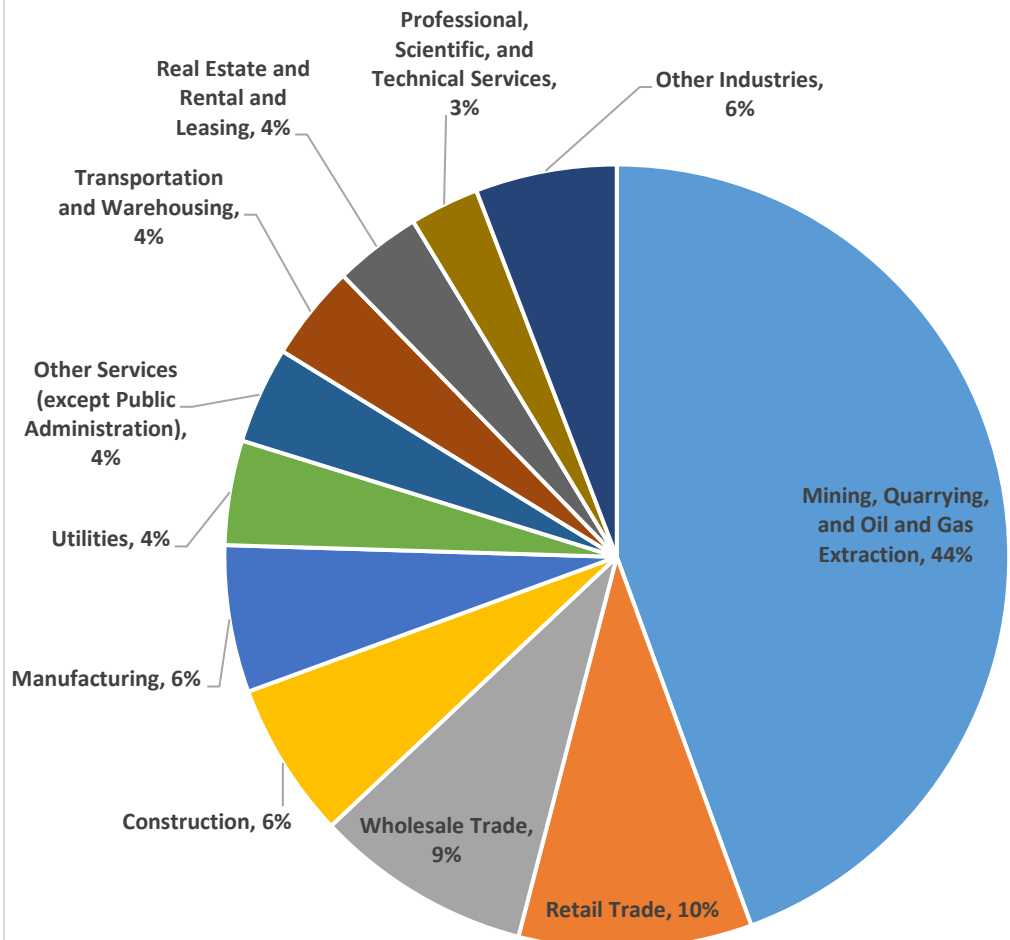
Chart 1. Matched Taxable Gross Receipts Per Quarter



In the second quarter of FY23, 26 of 33 counties saw year-over-year economic growth, averaging 16% growth statewide. State gross receipts dropped slightly in October and November from the prior few months but rose significantly in December to a new record high. First quarter growth in FY23 was abnormally high, and the second quarter appears to have normalized with seasonal trends while still rising at a steady pace. However, national concerns remain regarding inflation and rising interest rates.

Lea County's matched taxable gross receipts (MTGR) have continued to increase quarter-over-quarter dating back to Q1 FY21. MTGR saw a slight increase in Q2 FY23 as compared to Q1 FY23, seen in Chart 1. From Q1 FY23 to Q2 FY23 MTGR increased by \$146M or nearly 5%. The amount reported during Q2 FY23, \$3.4B, accounted for over 14% of the state's entire MTGR reported during Q2 FY23.

Chart 2. FY23 - 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. FY23 - Q2 Matched Taxable Gross Receipts by Industry

Industries	FY23 - Q2	YOY Growth	YOY % Change	%Change from FY20-Q2 (Pre-COVID)
Accommodation and Food Services	\$ 46,867,101	\$ 2,907,094	7%	7%
Administrative/Support & Waste Management/Remediation	\$ 44,944,445	\$ 14,279,474	47%	61%
Agriculture, Forestry, Fishing, and Hunting	\$ (2,764,456)	\$ (4,561,875)	-254%	-232%
Arts, Entertainment, and Recreation	\$ 2,934,492	\$ 621,777	27%	34%
Construction	\$ 222,106,016	\$ 4,932,698	2%	-4%
Educational Services	\$ 399,380	\$ (56,656)	-12%	11%
Finance and Insurance	\$ 3,053,308	\$ (158,251)	-5%	20%
Health Care and Social Assistance	\$ 36,367,863	\$ 10,037,546	38%	101%
Information	\$ 19,355,353	\$ 938,407	5%	-29%
Management of Companies and Enterprises	\$ 162,889	\$ 162,889	N/A	N/A
Manufacturing	\$ 208,867,016	\$ 50,319,491	32%	224%
Mining, Quarrying, and Oil and Gas Extraction	\$ 1,531,717,393	\$ 730,847,821	91%	116%
Other Services (except Public Administration)	\$ 137,556,573	\$ 39,197,762	40%	21%
Professional, Scientific, and Technical Services	\$ 98,461,982	\$ 20,014,154	26%	105%
Public Administration	\$ 2,253,845	\$ 1,514,931	205%	2919%
Real Estate and Rental and Leasing	\$ 124,246,020	\$ 57,098,056	85%	141%
Retail Trade	\$ 331,191,218	\$ 69,523,609	27%	24%
Transportation and Warehousing	\$ 135,660,945	\$ 1,706,900	1%	123%
Unclassified Establishments	\$ 47,283,846	\$ 25,742,335	120%	758%
Utilities	\$ 148,572,941	\$ 52,255,217	54%	90%
Wholesale Trade	\$ 308,360,449	\$ 109,313,154	55%	187%
All Industries	\$ 3,448,104,356	\$ 1,186,352,805	52%	85%

Table 1 shows an increase of \$1.1B from Q2 in FY22 to FY23 of the same period. Table 1 also shows that all but three industries reported a year-over-year (YOY) increase. The largest contributor to this YOY growth came from the oil and gas industry, which posted a YOY increase of \$730M or 91%.

Gross receipts tax (GRT) revenue collections increased by \$513K, or 4.6%, from Q1 FY23 to Q2 FY23, seen in Chart 4. Over the last eight quarters GRT collections have an upward trend. During this period GRT collections have averaged \$7.7M, or \$3.8M, less than the collected amount in Q2 FY23 (\$11.6M).

Chart 3. Annual Total GRT Revenue Collections

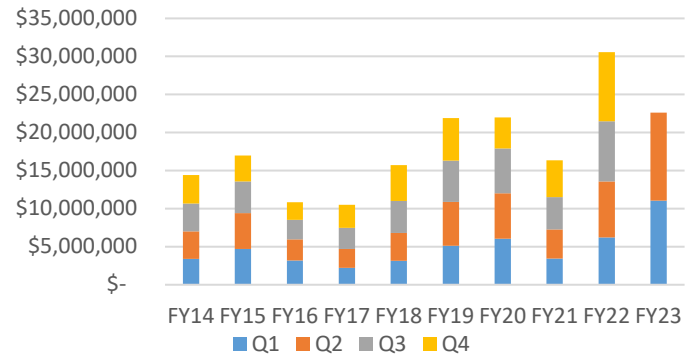


Chart 4. Quarterly GRT Revenue Collections

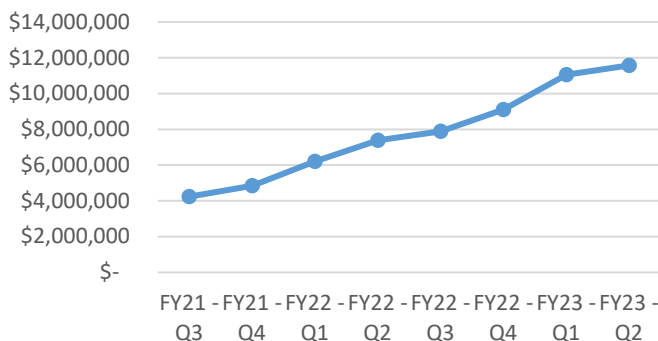
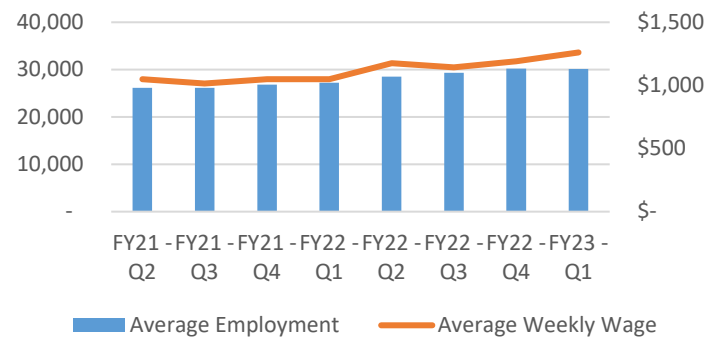


Chart 5. Total Employment & Weekly Wage

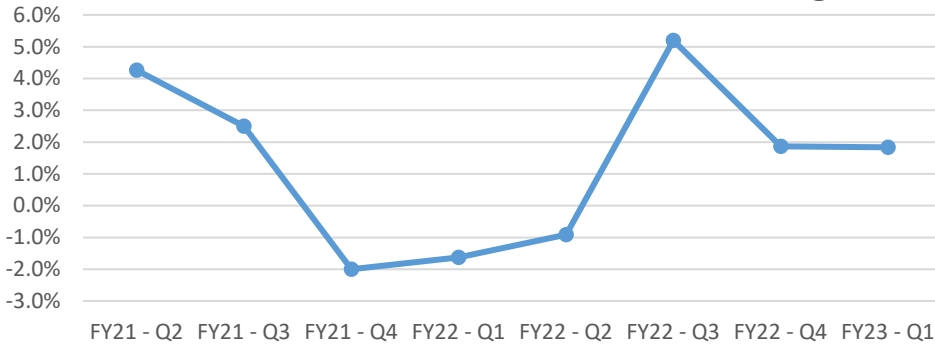


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Chart 6. Establishment Year-Over-Year % Change



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 is 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. FY23 - Q1 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	3,118	3.4%	\$ 457	5.3%	171	2.4%
Administrative/Support & Waste Management/Remediation	1,470	11.9%	\$ 972	19.7%	96	7.9%
Agriculture, Forestry, Fishing, and Hunting	380	-8.0%	\$ 818	10.2%	37	-2.6%
Arts, Entertainment, and Recreation	295	-6.3%	\$ 592	3.1%	19	5.6%
Construction	2,838	22.4%	\$ 1,425	16.4%	203	-1.0%
Educational Services	1,959	1.3%	\$ 964	24.9%	16	-5.9%
Finance and Insurance	639	-2.3%	\$ 1,253	6.8%	158	1.3%
Health Care and Social Assistance	2,624	2.7%	\$ 946	6.8%	159	4.6%
Information	193	11.6%	\$ 1,101	13.0%	22	4.8%
Management of Companies and Enterprises	166	-1.8%	\$ 1,930	49.5%	11	0.0%
Manufacturing	536	-5.6%	\$ 1,752	24.4%	36	-2.7%
Mining, Quarrying, and Oil and Gas Extraction	6,979	30.5%	\$ 1,882	24.8%	362	-1.4%
Other Services (except Public Administration)	665	0.2%	\$ 1,030	11.6%	126	-0.8%
Professional, Scientific, and Technical Services	762	15.3%	\$ 1,150	12.7%	143	6.7%
Public Administration	916	3.3%	\$ 1,366	5.7%	64	0.0%
Real Estate and Rental and Leasing	476	7.0%	\$ 1,397	21.0%	94	1.1%
Retail Trade	3,062	-0.6%	\$ 741	7.7%	212	2.9%
Transportation and Warehousing	1,739	14.3%	\$ 1,737	13.4%	207	4.0%
Utilities	470	17.8%	\$ 1,661	-3.8%	29	3.6%
Wholesale Trade	851	9.7%	\$ 1,525	20.9%	112	4.7%
All Industries	30,135	10.7%	\$ 1,261	20.2%	2,277	1.8%

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

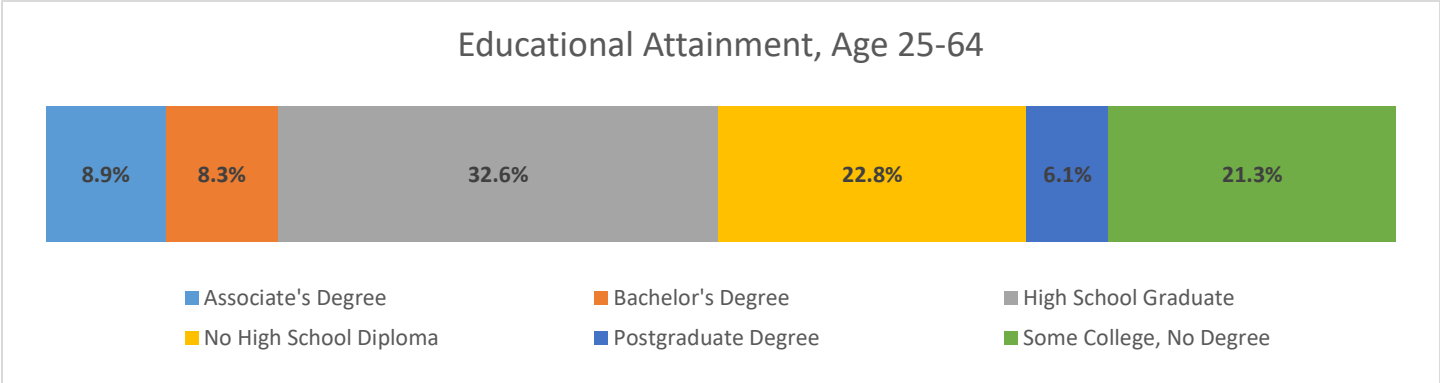
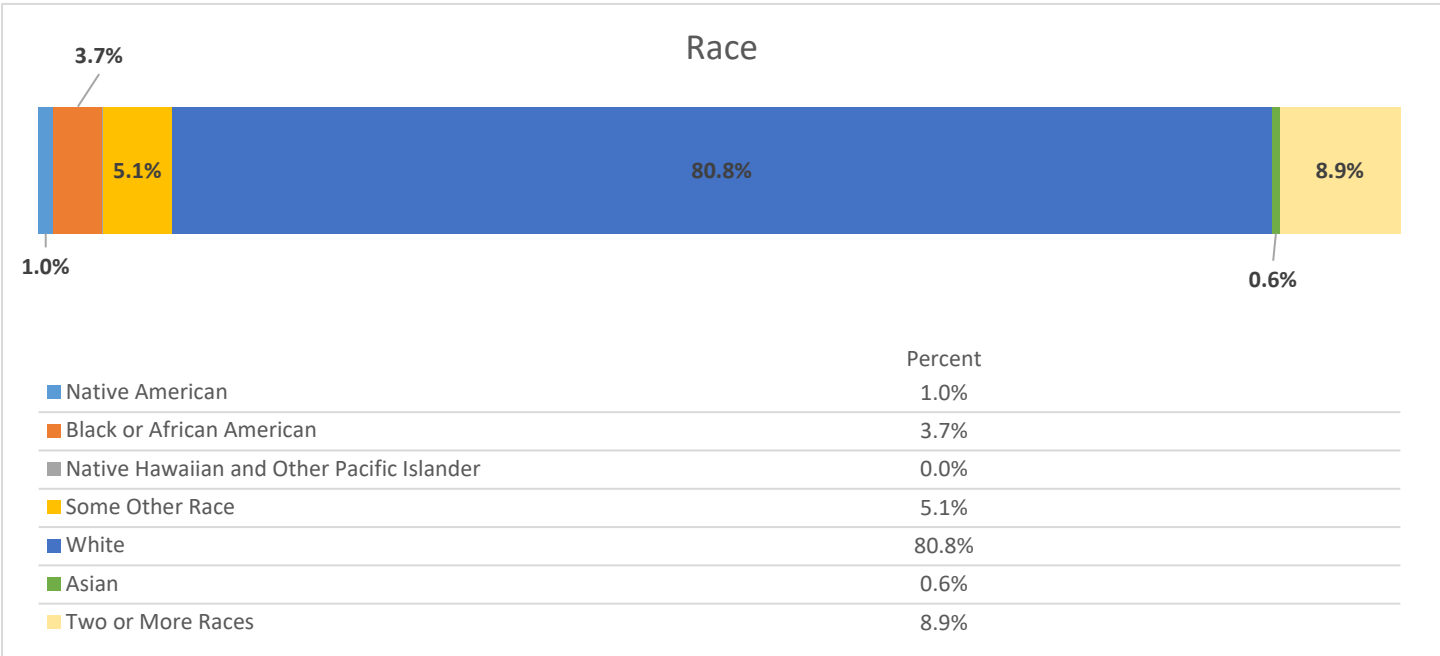
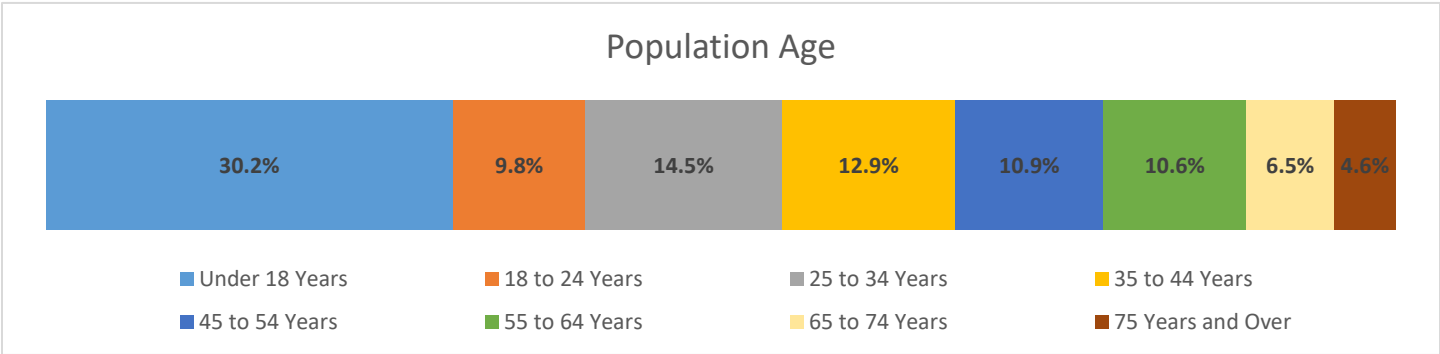
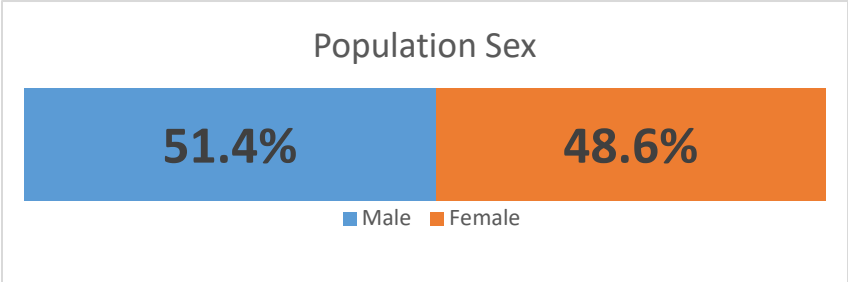
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Population

70,359



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