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Thomas M. Fullerton Jr.
University of Texas at El Paso, tomf@utep.edu

Adam G. Walke
University of Texas at El Paso, agwalke@utep.edu

Omar Solis
University of Texas at El Paso, osolis3@miners.utep.edu

Esmeralda P. Muñiz
University of Texas at El Paso, eporozcogutierrez@miners.utep.edu

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Growth Continues

The Federal Reserve Bank of Dallas Metropolitan Business Cycle Index for El Paso increased by 0.4 percent between August and September. The El Paso Household Economic Stress Index also ticked upward slightly, but remains low by recent historical standards. The preliminary unemployment rate for El Paso County in September was 4.2 percent, the lowest rate observed in more than three decades. El Paso County enrollment in the Supplemental Nutrition Assistance Program (SNAP) was 2.7 percent lower in October 2017 than one year earlier, another sign of regional economic health.

Median local housing prices dipped slightly below $150,000 in September. However, in September, and every prior month of 2017, housing prices remained above those observed in 2016. Also in September, the local market was estimated to have 5.6 months-worth of housing inventory, reflecting little change relative to previous months. Both indicators suggest that the local housing market is relatively healthy.

Regular-grade gasoline prices across El Paso declined slightly in October from the Hurricane Harvey surges.

Doña Ana County indicators generally point to a strengthening regional economy. The unemployment rate fell to 6.5 percent in September, an improvement relative to the same period in 2016. Also, total SNAP cases reported by the public assistance offices remained almost unchanged between August and September.

The nominal peso-to-dollar exchange rate remains above the average ratio of peso-to-dollar prices for restaurant menu items surveyed by the UTEP Border Region Modeling Project. The gap narrowed from 8.9 pesos (per dollar) in January to only 5 pesos in July, but has changed little since then. Similar dynamics help explain why the real peso-to-dollar exchange rate index fell between January and July and has remained relatively flat since then.

At $8.0 billion, total merchandise trade (imports plus exports) through the El Paso Customs District in September 2017 was lower than the $8.3 billion figure from a year earlier. However, trade data exhibit a high degree of month-to-month volatility and there does not appear to be a clear downward trend in regional trade volumes. Factories in Ciudad Juárez that produce goods for export have increased payrolls this year, though the rate of growth in employment has slowed somewhat in recent months. The Northern Mexico Manufacturing Orders Index has generally remained near levels recorded last year, as was the case in September.

The Quarterly Indicator of Economic Activity for the state of Chihuahua compiled by INEGI has undergone historical revision. The revised data indicate that the state’s economy grew more slowly between the second and third quarters of 2016 than was previously reported. However, the updated data also indicate that economic expansion has continued into 2017. The total value of construction in the state of Chihuahua has fallen well below the levels observed last year, and that is likely to undercut statewide aggregate economic performance this year. Statewide retail activity, by contrast, remains fairly robust.
Source: Federal Reserve Bank of Dallas
Metro Business-Cycle Index for El Paso

Source: Federal Reserve Bank of Dallas
El Paso Household Economic Stress Index

Source: UTEP Border Region Modeling Project
Source: UTEP Border Region Modeling Project
El Paso County Unemployment Rate

Source: Bureau of Labor Statistics
El Paso County Unemployment Rate

Source: Bureau of Labor Statistics
El Paso County SNAP (Food Stamp) Enrollment

2016 - 2017

185,000

Source: Texas Health and Human Services Commission
Starting in September, 2014, the number of SNAP recipients is recorded for the end of each month.

Source: Texas Health and Human Services Commission
El Paso Median Housing Prices

Source: Texas A&M Real Estate Center
El Paso Median Housing Prices

Source: Texas A&M Real Estate Center
Months of Housing Inventory for El Paso

Source: Texas A&M Real Estate Center
Months of Housing Inventory for El Paso

Source: Texas A&M Real Estate Center
El Paso Gasoline Prices

Source: GasBuddy.com
Doña Ana County Unemployment Rate

Source: Bureau of Labor Statistics
Doña Ana County Unemployment Rate

Source: Bureau of Labor Statistics
Las Cruces Area SNAP (Food Stamp) Cases

Source: New Mexico Human Services Department
Las Cruces Area SNAP (Food Stamp) Cases

Source: New Mexico Human Services Department
Restaurant Price Ratio and Exchange Rate

- 2016 Restaurant Price Ratio
- 2016 Nominal Exchange Rate
- 2017 Restaurant Price Ratio
- 2017 Nominal Exchange Rate

Source: UTEP Border Region Modeling Project and Banco de Mexico
Source: UTEP Border Region Modeling Project and Banco de Mexico
Real Peso/Dollar Exchange Rate Index

Source: UTEP Border Region Modeling Project
Real Peso/Dollar Exchange Rate Index

Source: UTEP Border Region Modeling Project
Personal Vehicle International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Personal Vehicle International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Pedestrian International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Pedestrian International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Cargo Truck International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Cargo Truck International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Total Trade through the El Paso Customs District

Source: U.S. International Trade Commission
Total Trade through the El Paso Customs District

Source: U.S. International Trade Commission
Real Total Trade through the El Paso Customs District

Real Total Trade through the El Paso Customs District

Export-Oriented Manufacturing Employment in Ciudad Juárez

Source: INEGI
Export-Oriented Manufacturing Employment in Ciudad Juárez

Source: INEGI
Northern Mexico Manufacturing Orders Index

Source: Banco de México
Quarterly Indicator of Economic Activity for the State of Chihuahua

Source: INEGI
Quarterly Indicator of Economic Activity for the State of Chihuahua

Source: INEGI
Total Value of Construction in the State of Chihuahua

Source: INEGI
Total Value of Construction in the State of Chihuahua

Source: INEGI
Real Retail Activity Index for the State of Chihuahua

Source: INEGI
Real Retail Activity Index for the State of Chihuahua

Source: INEGI
Borderplex Business Barometer is a monthly publication of the Border Region Modeling Project (BRMP), a research unit within the Department of Economics & Finance at the College of Business Administration of The University of Texas at El Paso. BRMP information is available at: http://academics.utep.edu/border. For additional information, contact the Border Region Modeling Project - CBA 236, UTEP Department of Economics & Finance, 500 West University Avenue, El Paso, TX 79968-0543, USA, (915) 747-7775.