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Tailwinds and Headwinds

Various statistics summarizing economic conditions in El Paso and Las Cruces point towards continued growth in both metropolitan economies. Some of the graphs presented on subsequent pages are unchanged since last month for two reasons. First, data for early 2018 have not yet been released for some variables. Second, when data for only one month of 2018 are available, the single data point cannot be clearly displayed on the year-to-year comparison graphs. The latter is the case for graphs of El Paso County enrollment in the Supplemental Nutrition Assistance Program (SNAP). The January 2018 figure for that variable is 177,557. That compares favorably with enrollment figures for January 2017 (180,919), January 2016 (184,091), and January 2015 (188,093). The downward overall trend in local SNAP enrollments is indicative of steady economic growth over the last few years in El Paso.

Median El Paso County housing prices were, on average, 3.8 percent higher in 2017 than in 2016. However, the January 2018 median housing price of $147,000 is nearly equal to the figure observed one year earlier, a departure from the upward trajectory observed in prior months. The statistics for housing inventory, measured in months of available supply, continue to suggest robust growth in the local housing market. The months of housing inventory indicator has declined steadily for the last four years and, as of January, stood at 5.2 months. Local gasoline prices declined from an average of $2.45 in December to $2.26 in February, which is only slightly higher than the prices observed during the first quarter of 2017.

In Doña Ana County, unemployment rates continue to slowly subside, after remaining stubbornly high for several years in the wake of the Great Recession. The number of Las Cruces area SNAP cases held steady at 27,383 in January and the total caseload has changed little since last April. These indicators seem to suggest that the Mesilla Valley economy still faces a rocky path to full economic recovery.

Restaurant menu prices in Ciudad Juárez appear to be slowly rising, relative to those in El Paso. From January 2017 to January 2018 the restaurant price ratio rose from 12.47 pesos per dollar to 12.89 pesos per dollar. In Mexico as a whole, the pace of price inflation has picked up over the course of the last year, partly as a lagged response to prior peso depreciation. Over the same time span, the bilateral nominal exchange rate declined from 21.4 pesos per dollar in January 2017 to 19.0 in January 2018. Similarly, the inflation-adjusted peso-per-dollar exchange rate index was nearly 17 percent lower in January than one year earlier. Contributing factors include declining interest rates in the United States and a rising inflation rate in Mexico, relative to the United States.
Metro Business-Cycle Index for El Paso

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
El Paso Household Economic Stress Index

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

2016: 185,000
2017: 180,000

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
El Paso Gasoline Prices

Source: GasBuddy.com
Dona Ana County Unemployment Rate

2016 - 2017

Source: Bureau of Labor Statistics
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
Restaurant Price Ratio and Exchange Rate

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

Source: UTEP Border Region Modeling Project
Real Peso-per-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

Index (Range: 0 - 100)

Source: Banco de México
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.