Borderplex Business Barometer, Volume 3, Number 3

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

Aaron Nazarian
*University of Texas at El Paso, adnazarian@miners.utep.edu*

Steven L. Fullerton
*University of Texas at El Paso, slfullerton@miners.utep.edu*

Sergio Olivas
*University of Texas at El Paso, solivas11@miners.utep.edu*

Follow this and additional works at: [https://digitalcommons.utep.edu/border_region](https://digitalcommons.utep.edu/border_region)

Part of the Regional Economics Commons

**Recommended Citation**
[https://digitalcommons.utep.edu/border_region/74](https://digitalcommons.utep.edu/border_region/74)

This Article is brought to you for free and open access by the Economics and Finance Department at DigitalCommons@UTEP. It has been accepted for inclusion in Border Region Modeling Project by an authorized administrator of DigitalCommons@UTEP. For more information, please contact lweber@utep.edu.
March 2019

Border Region Modeling Project
Thomas M. Fullerton, Jr.
Aaron Nazarian
Steven L. Fullerton
Sergio Olivas Jr.

Department of Economics & Finance
College of Business Administration
University of Texas at El Paso

Mailing Address
Border Region Modeling Project - CBA 236
UTEP Department of Economics & Finance
500 West University Avenue
El Paso, TX 79968-0543

Physical Address
College of Business Administration, Room 325
University of Texas at El Paso

Email
tomf@utep.edu
adnazarian@miners.utep.edu
sifullerton@miners.utep.edu
solivas11@miners.utep.edu

Telephone
915-747-7747
915-747-7775

Fax
915-747-6282

Website
https://www.utep.edu/business/border-region-modeling-project/index.html

Border Commerce & Economics

Borderplex Business Barometer, Volume 3, Number 3

Reaching the Apex?

In spite of an early-year federal government shutdown and a nascent yield curve inversion, many statistics summarizing regional economic conditions continue to signal Borderplex regional growth. Some of the graphs shown below are unchanged since last month because of data delays.

The Federal Reserve Bank of Dallas metro business-cycle index for El Paso increased again in February, and is 2.7 points higher than it was at this point during 2018. Normal post-holiday seasonal factors caused the El Paso County unemployment rate to increase by 60 basis points to 4.6 percent in January. That figure is identical to the rate tallied in January 2018.

The El Paso household economic stress index declined to 2.8 in January, its lowest mark since August 2017. Supplemental Nutrition Assistance Program (SNAP or food stamp) enrollments declined to just below 160,000 in February. In a more sober turn of events, regular gasoline prices rose by more than 20 cents per gallon in February.

The February 2019 median housing price of $162,950 is approximately 12.4 percent higher than the corresponding year-ago estimate for El Paso. With 90 consecutive days of 3.7 months of housing inventory, it is not surprising that prices jumped. Because of ongoing low mortgage rates, more price gains may emerge in the coming weeks.

At 6.5 percent, the Doña Ana County unemployment rate was 40 basis points below what it was in January 2018. Similarly, Las Cruces area SNAP caseloads were also slightly below year-ago levels in January. Both improvements reflect strong jobs growth throughout the greater Mesilla Valley region in recent months.

The nominal peso-per-dollar exchange rate held steady in January and February. By historical standards, the 43 percent gap between the exchange rate and the Borderplex restaurant price ratio is much larger than usual. Additional sideways movement by the peso in the currency market may occur.

Northbound international bridge personal vehicle flows climbed back above the 1.0 million mark to start 2019. At nearly 600 thousand, northbound pedestrian traffic exceeded the volumes reached in January 2017 and 2018. Cross-border cargo traffic grew by 8.8 percent relative to January 2018. For all of 2018, total trade through the El Paso Customs District expanded to more than $111 million. After adjusting for inflation, real trade through the District increased by 5.3 percent last year.

Export-oriented manufacturing employment in Ciudad Juárez was 4.7 percent higher in December 2018 than it was in December 2017. That development reflects good overall health in regional manufacturing during the last seven months of 2018. For 2018 as a whole, the Northern Mexico Manufacturing Orders Index was 4.8 percentage points higher than it was in 2017. The Chihuahua state quarterly economic indicator is reported with more of a lag than orders or employment, but it exceeded previous year estimates during the second and third quarters in 2018. Due in part to AMLO uncertainty, construction activity across the state as a whole started 2018 weakly, but ended the year in moderately good shape. The effect of national policy uncertainty on retail activity throughout the state was less pronounced, but still noticeable. The sector seems poised for additional gains in 2019.
Metro Business-Cycle Index for El Paso

Seasonally Adjusted Index (October 1980 = 100)

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

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

El Paso County SNAP (Food Stamp) Enrollment

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of SNAP Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>180,000</td>
</tr>
<tr>
<td>2007</td>
<td>170,000</td>
</tr>
<tr>
<td>2008</td>
<td>160,000</td>
</tr>
<tr>
<td>2009</td>
<td>150,000</td>
</tr>
<tr>
<td>2010</td>
<td>140,000</td>
</tr>
<tr>
<td>2011</td>
<td>130,000</td>
</tr>
<tr>
<td>2012</td>
<td>120,000</td>
</tr>
<tr>
<td>2013</td>
<td>110,000</td>
</tr>
<tr>
<td>2014</td>
<td>100,000</td>
</tr>
<tr>
<td>2015</td>
<td>90,000</td>
</tr>
<tr>
<td>2016</td>
<td>80,000</td>
</tr>
<tr>
<td>2017</td>
<td>70,000</td>
</tr>
<tr>
<td>2018</td>
<td>60,000</td>
</tr>
<tr>
<td>2019</td>
<td>50,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$165,000</td>
</tr>
<tr>
<td>2019</td>
<td>$160,000</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>May</td>
<td>$3.00</td>
<td>$2.50</td>
</tr>
<tr>
<td>June</td>
<td>$3.50</td>
<td>$3.00</td>
</tr>
<tr>
<td>July</td>
<td>$3.00</td>
<td>$2.50</td>
</tr>
<tr>
<td>August</td>
<td>$2.50</td>
<td>$2.00</td>
</tr>
<tr>
<td>September</td>
<td>$2.00</td>
<td>$1.50</td>
</tr>
</tbody>
</table>

Source: GasBuddy.com
El Paso Gasoline Prices

Source: GasBuddy.com
Doña Ana County Unemployment Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Unemployment Rate (Not Seasonally Adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>8.0</td>
</tr>
<tr>
<td>2018</td>
<td>7.5</td>
</tr>
</tbody>
</table>

Source: Bureau of Labor Statistics
Doña Ana County Unemployment Rate

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

Number of SNAP 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

Source: UTEP Border Region Modeling Project and Banco de Mexico
## Restaurant Price Ratio and Exchange Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Price Ratio [Pesos per Dollar]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>8.0</td>
</tr>
<tr>
<td>2007</td>
<td>8.5</td>
</tr>
<tr>
<td>2008</td>
<td>12.0</td>
</tr>
<tr>
<td>2009</td>
<td>16.0</td>
</tr>
<tr>
<td>2010</td>
<td>20.0</td>
</tr>
<tr>
<td>2011</td>
<td>24.0</td>
</tr>
<tr>
<td>2012</td>
<td>16.0</td>
</tr>
<tr>
<td>2013</td>
<td>20.0</td>
</tr>
<tr>
<td>2014</td>
<td>24.0</td>
</tr>
<tr>
<td>2015</td>
<td>16.0</td>
</tr>
<tr>
<td>2016</td>
<td>20.0</td>
</tr>
<tr>
<td>2017</td>
<td>24.0</td>
</tr>
<tr>
<td>2018</td>
<td>16.0</td>
</tr>
<tr>
<td>2019</td>
<td>20.0</td>
</tr>
</tbody>
</table>

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

Index (March 1997 = 100)

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

Number of Vehicles

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

Number of Pedestrians

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

Export-Oriented Manufacturing Employment in Ciudad Juárez

Number of Jobs

Source: INEGI
Export-Oriented Manufacturing Employment in Ciudad Juárez

Number of Jobs

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

Index (2008 = 100)

2017

2018

January
February
March
April
May
June
July
August
September
October
November
December

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.