

8-2017

Borderplex Business Barometer, Volume 1, Number 8

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Recommended Citation

Fullerton, Thomas M. Jr.; Walke, Adam G.; Ronquillo, Ernesto Duarte; and Solís, Omar, "Borderplex Business Barometer, Volume 1, Number 8" (2017). *Border Region Modeling Project*. 41.

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BORDERPLEX BUSINESS BAROMETER

August 2017

Border Region Modeling Project

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Border Commerce & Economics

Borderplex Business Barometer, Volume 1, Number 8

Regional Growth Uptick

Indices measuring metropolitan business cycle movements and household economic stress levels indicate that El Paso area economic conditions continue to improve. The El Paso County unemployment rate (with no seasonal adjustment) was 5.0 percent in June 2017, slightly below the value registered in June 2016. Supplemental Nutrition Assistance Program (SNAP) enrollment has also remained below levels recorded last year. The median El Paso County home price in June rose, for the fourth consecutive month, to \$150,275. Months of housing inventory remain low by recent historical standards, suggesting a relatively strong local housing market. In contrast to housing prices, gasoline prices in El Paso have declined in recent months. Summer months are usually associated with increases in gasoline prices induced by a seasonal bump in travel demand. This year, however, gasoline prices are lower than in January.

Unemployment rates in El Paso and Doña Ana counties often tend to increase between May and June due to seasonal factors. That is true again this year, but the increases are relatively small. In the case of Doña Ana County, the unemployment rate rose to only 7.4 percent in June, compared to rates of more than 8 percent recorded in June of every year since 2009. Though the most recent unemployment figure is preliminary and subject to change, it may augur a long-awaited improvement in Las Cruces area economic conditions. In another promising sign for the local economy, SNAP enrollments grew relatively little between April and June of this year.

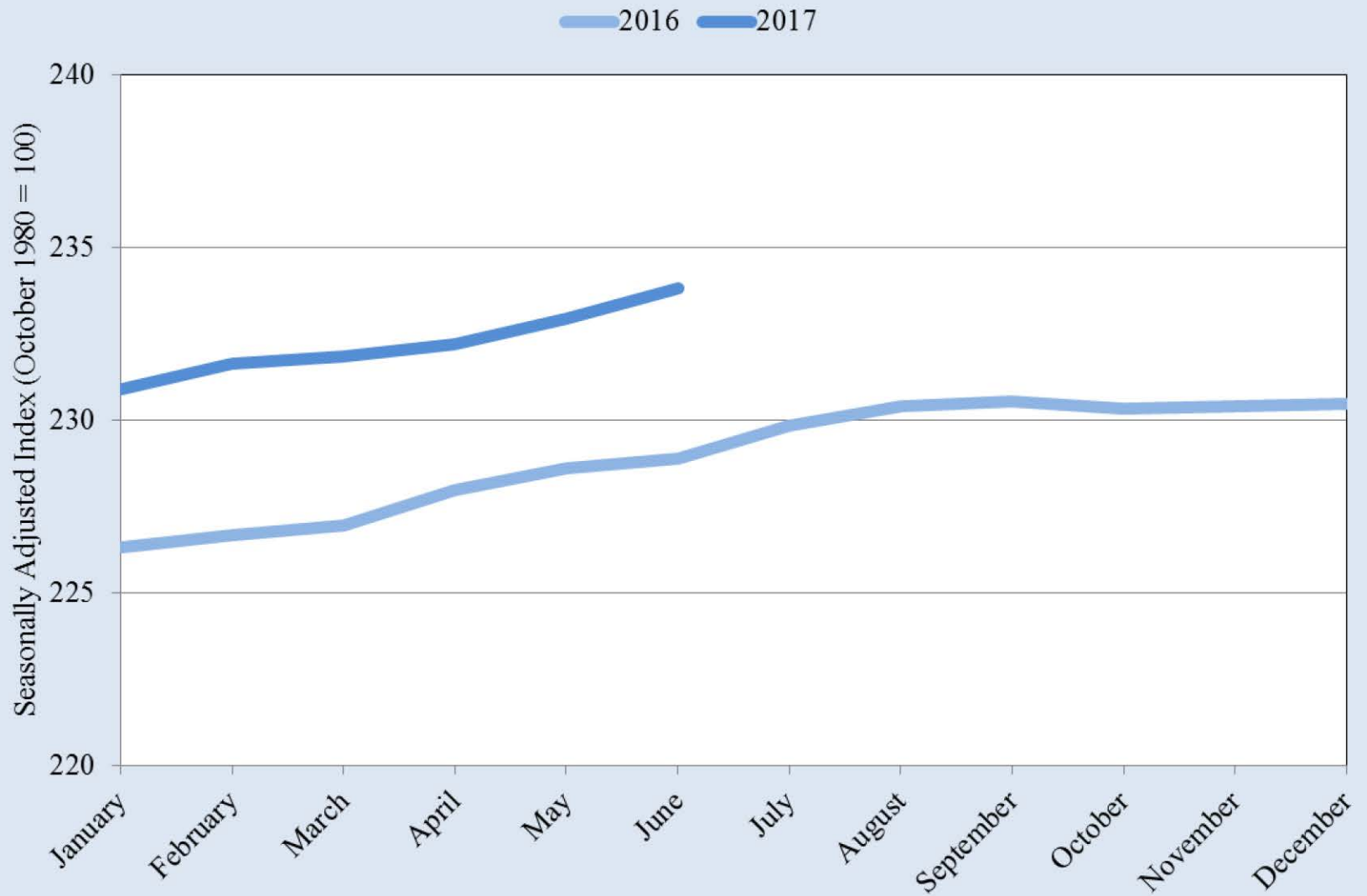
The peso-to-dollar nominal exchange rate has declined in recent months and it appears to be gradually converging towards the restaurant price ratio series collected by the Border Region Modeling Project (BRMP). The latter has risen slightly, coinciding with somewhat higher general price inflation this year in Mexico relative to the United States. These trends have led to a reduction in the real exchange rate index calculated by the BRMP using data on nominal exchange rates and inflation rates in the United States and Mexico. The real exchange rate index in June was 118.3, the same as the figure recorded in March of 2016.

International bridge crossings have remained near the levels observed during the first half of 2016. The sharp reduction in the purchasing power of the peso observed through January of this year appears to have had relatively little effect on the total number of northbound pedestrian and personal vehicle border crossings in the El Paso-Ciudad Juárez area. The border crossing data aggregate trips by United States and Mexican residents. Even though the total number of cross-border trips has not changed drastically in the last year it is possible that the recent exchange rate fluctuations may have changed the nationality composition of cross border traffic flows

as consumers who earn dollar incomes can find relative bargains on items purchased in Mexico.

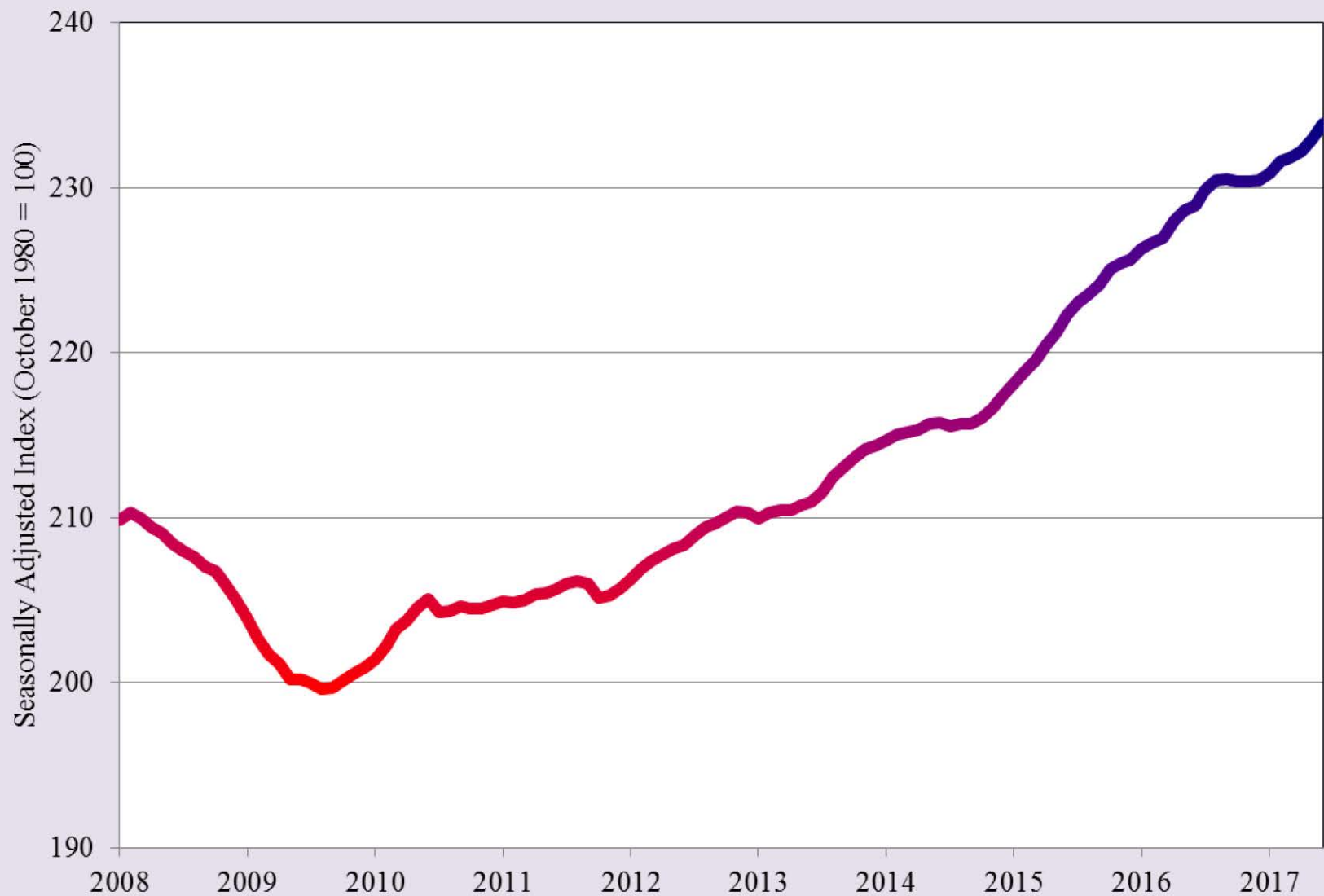
Northbound cargo vehicle border crossings grew by about 3.1 percent during the first half 2017 compared to the same period last year. Real and nominal total trade through the El Paso Customs District, which covers the ports from Antelope Wells to Presidio, increased in May and June. Export-oriented manufacturing employment in Ciudad Juárez rose to 279,972 in May 2017, 9.1 percent above the figure for May 2016. Other indicators for Ciudad Juárez and the state of Chihuahua indicate generally stable economic conditions.

Metro Business-Cycle Index for El Paso



Source: Federal Reserve Bank of Dallas

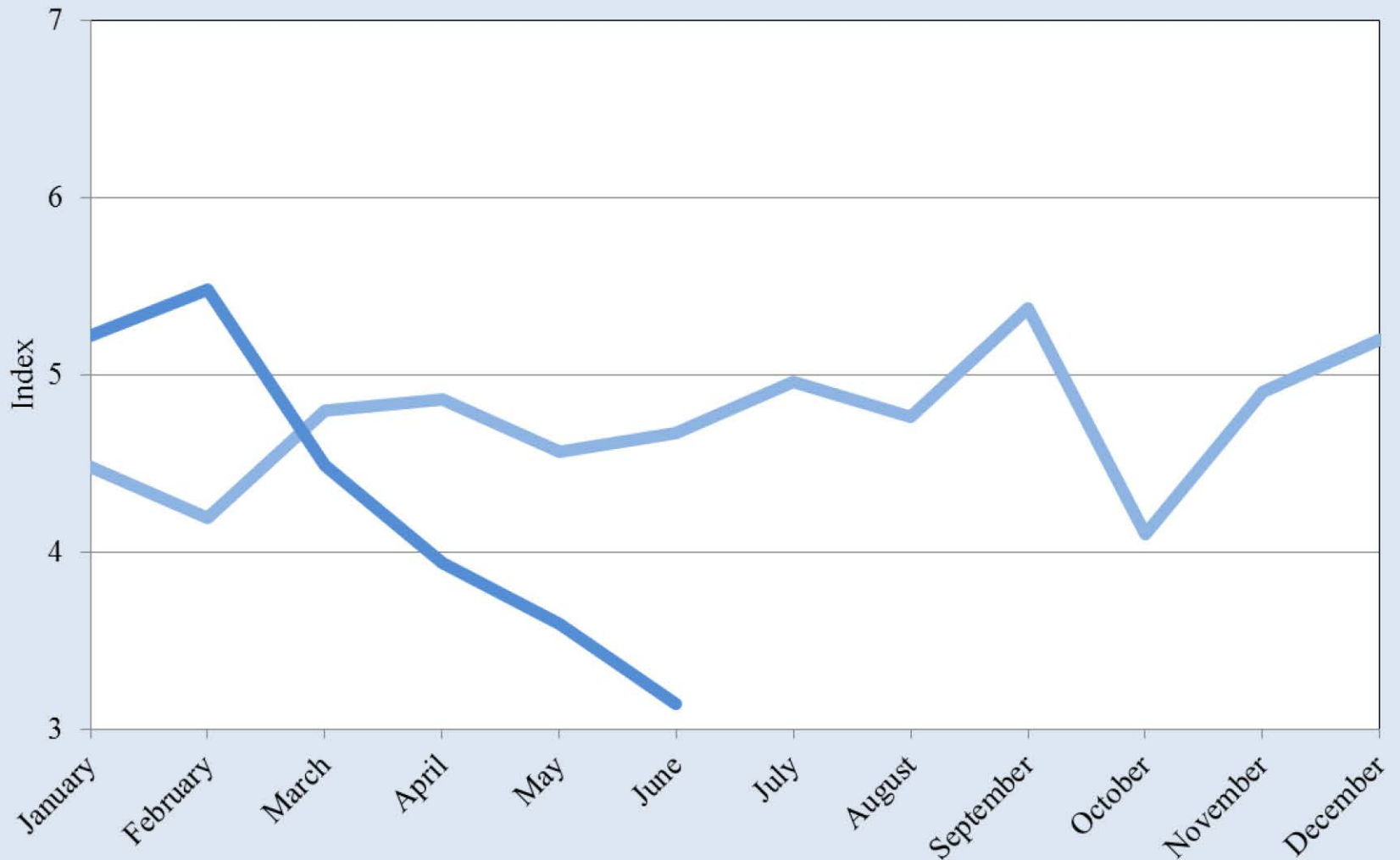
Metro Business-Cycle Index for El Paso



Source: Federal Reserve Bank of Dallas

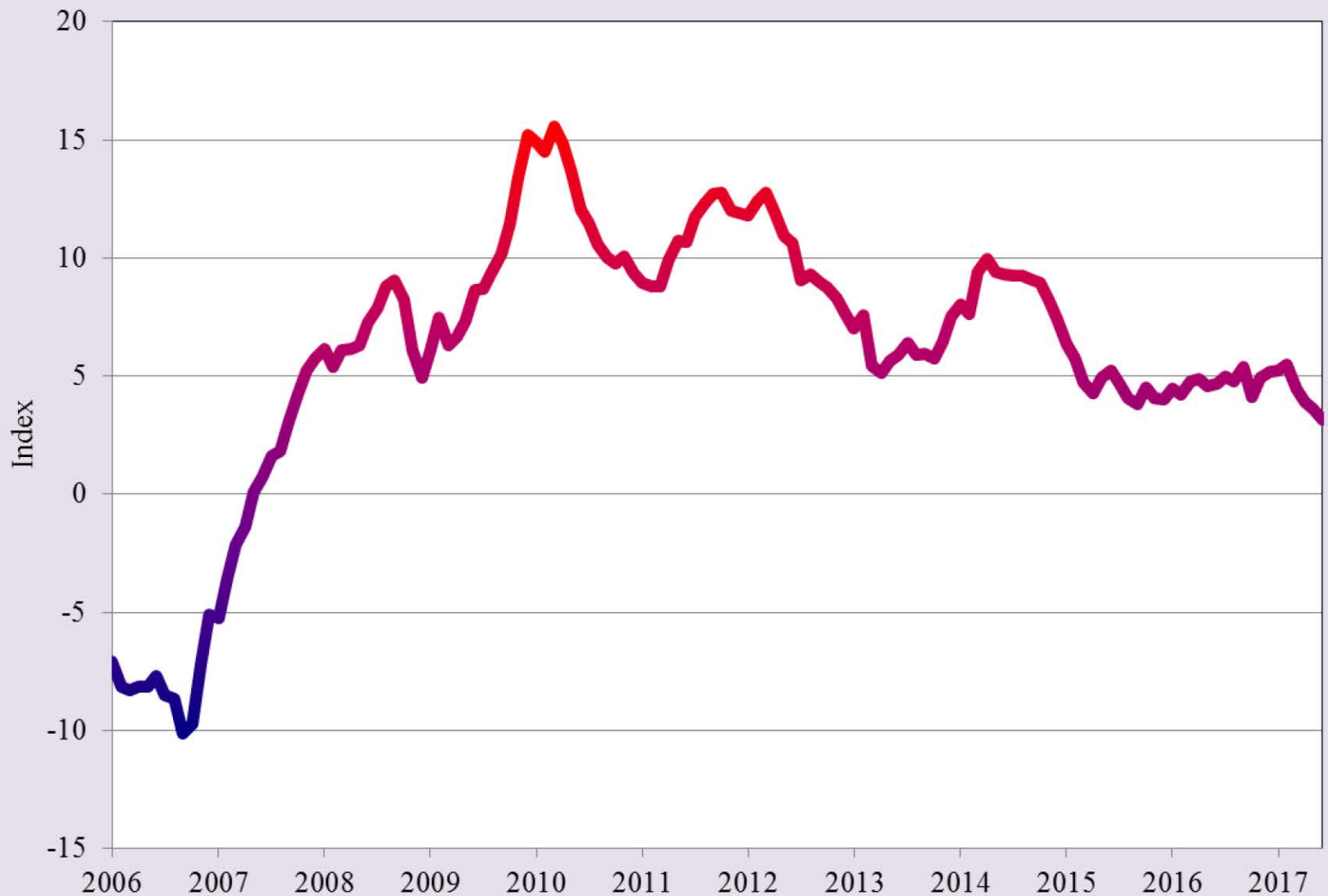
El Paso Household Economic Stress Index

— 2016 — 2017



Source: UTEP Border Region Modeling Project

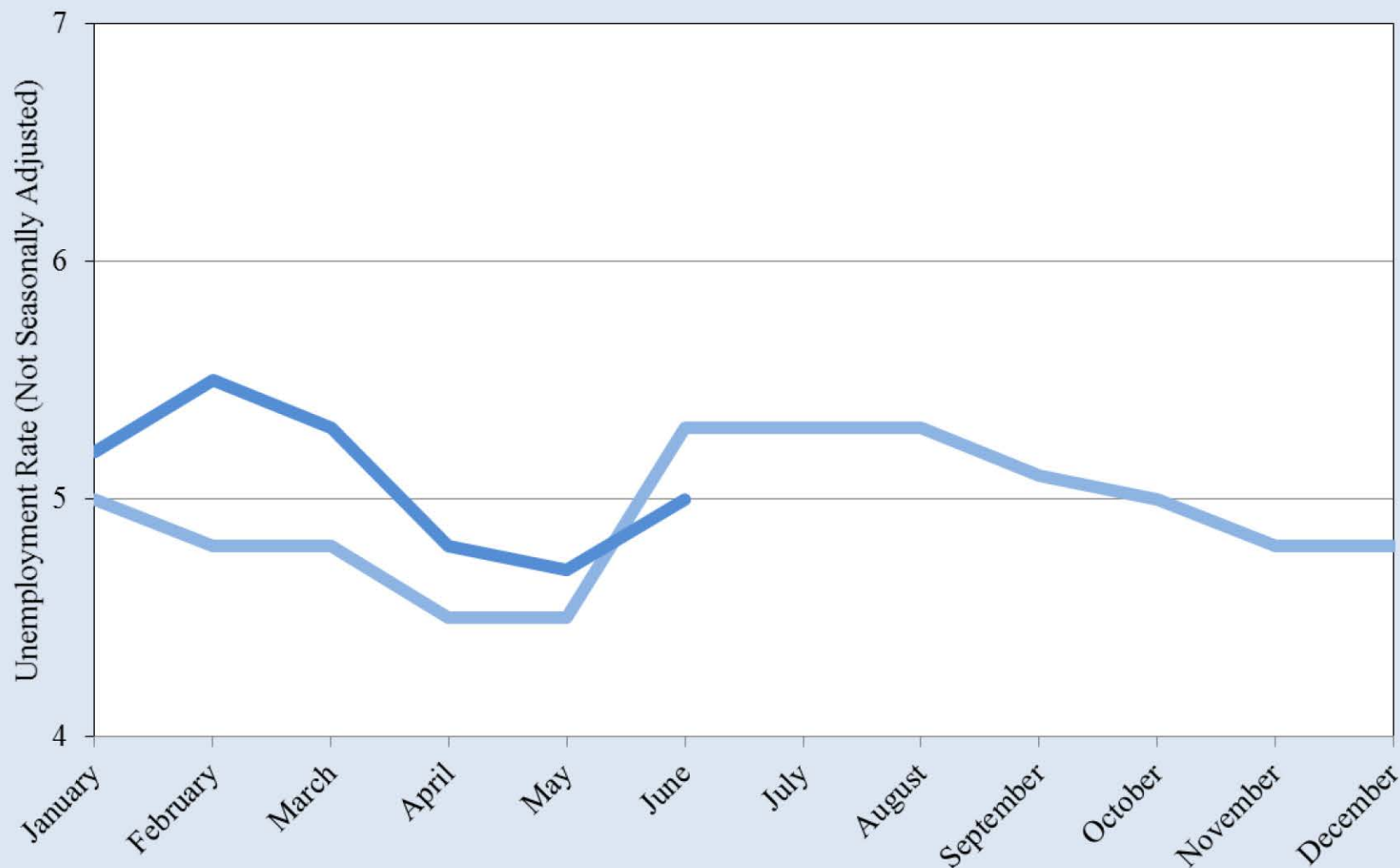
El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

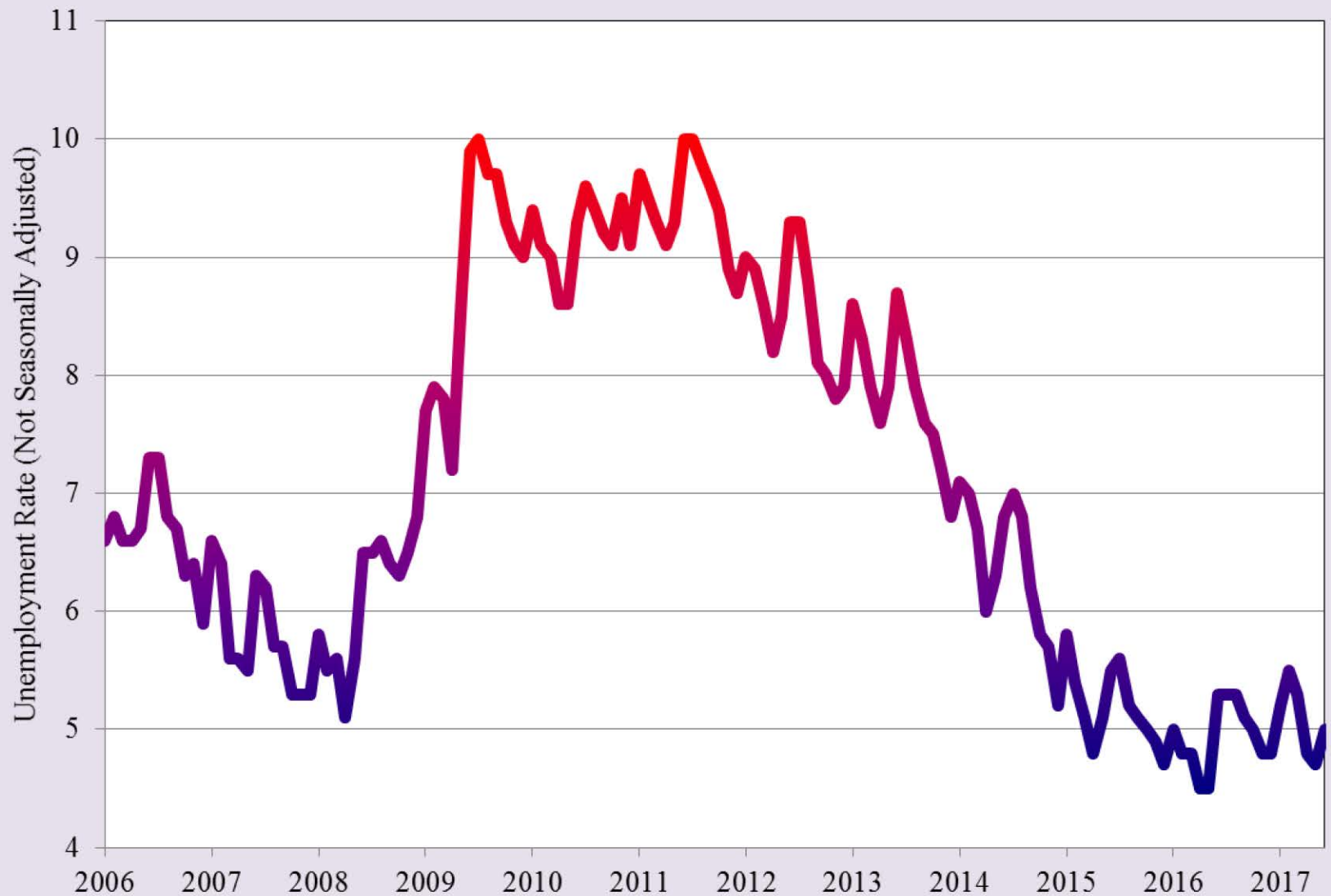
El Paso County Unemployment Rate

2016 2017



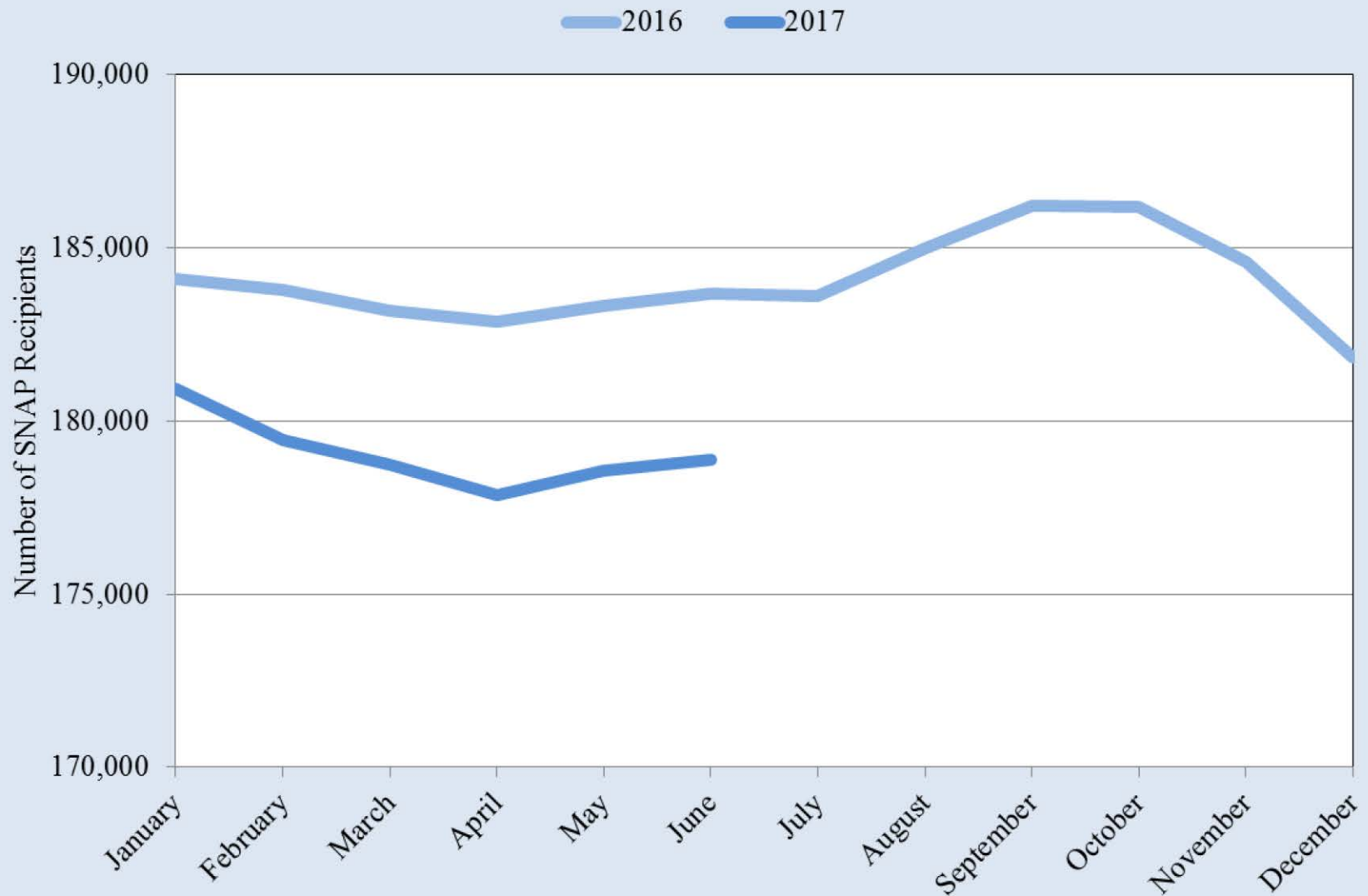
Source: Bureau of Labor Statistics

El Paso County Unemployment Rate



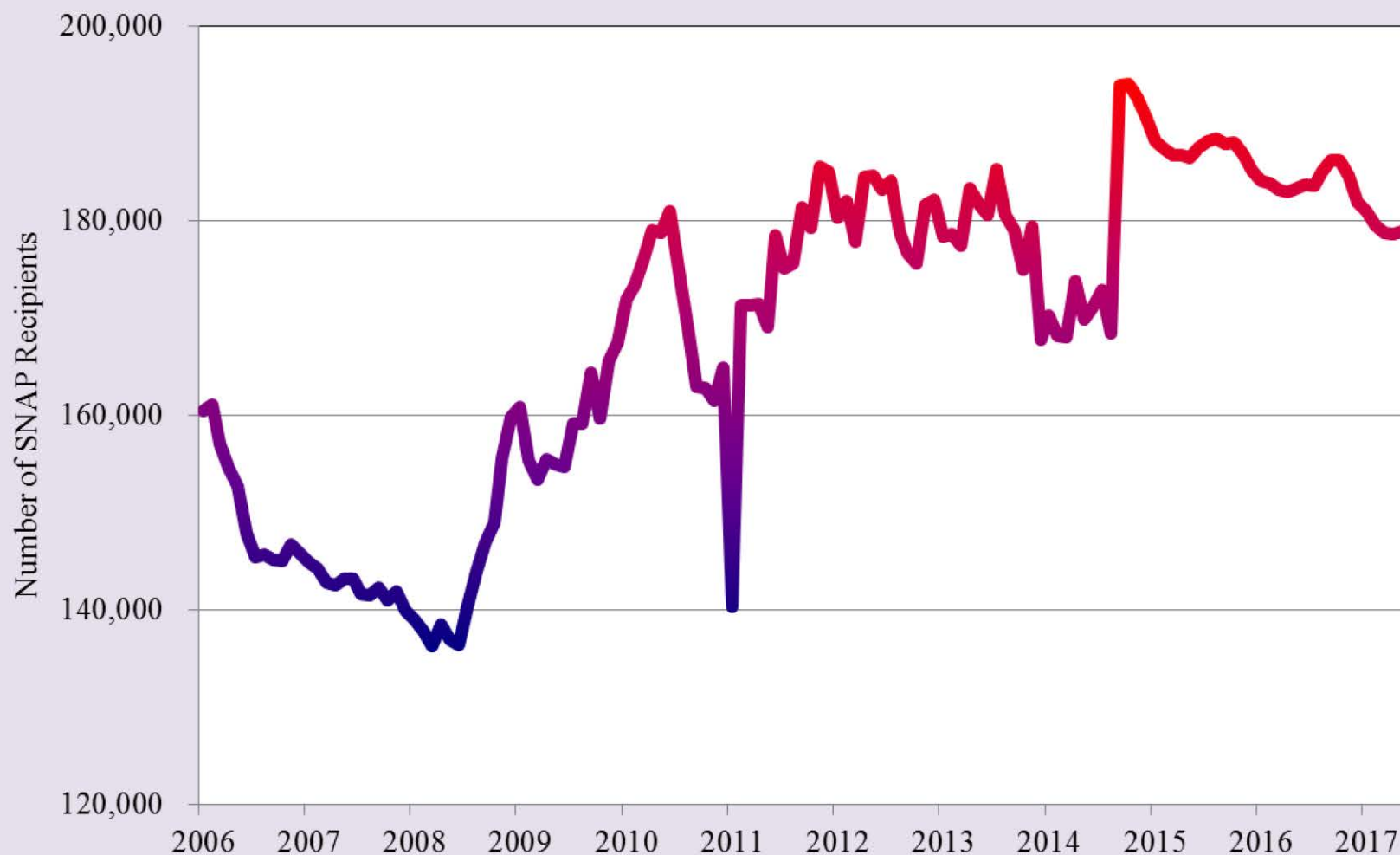
Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

El Paso County SNAP (Food Stamp) Enrollment

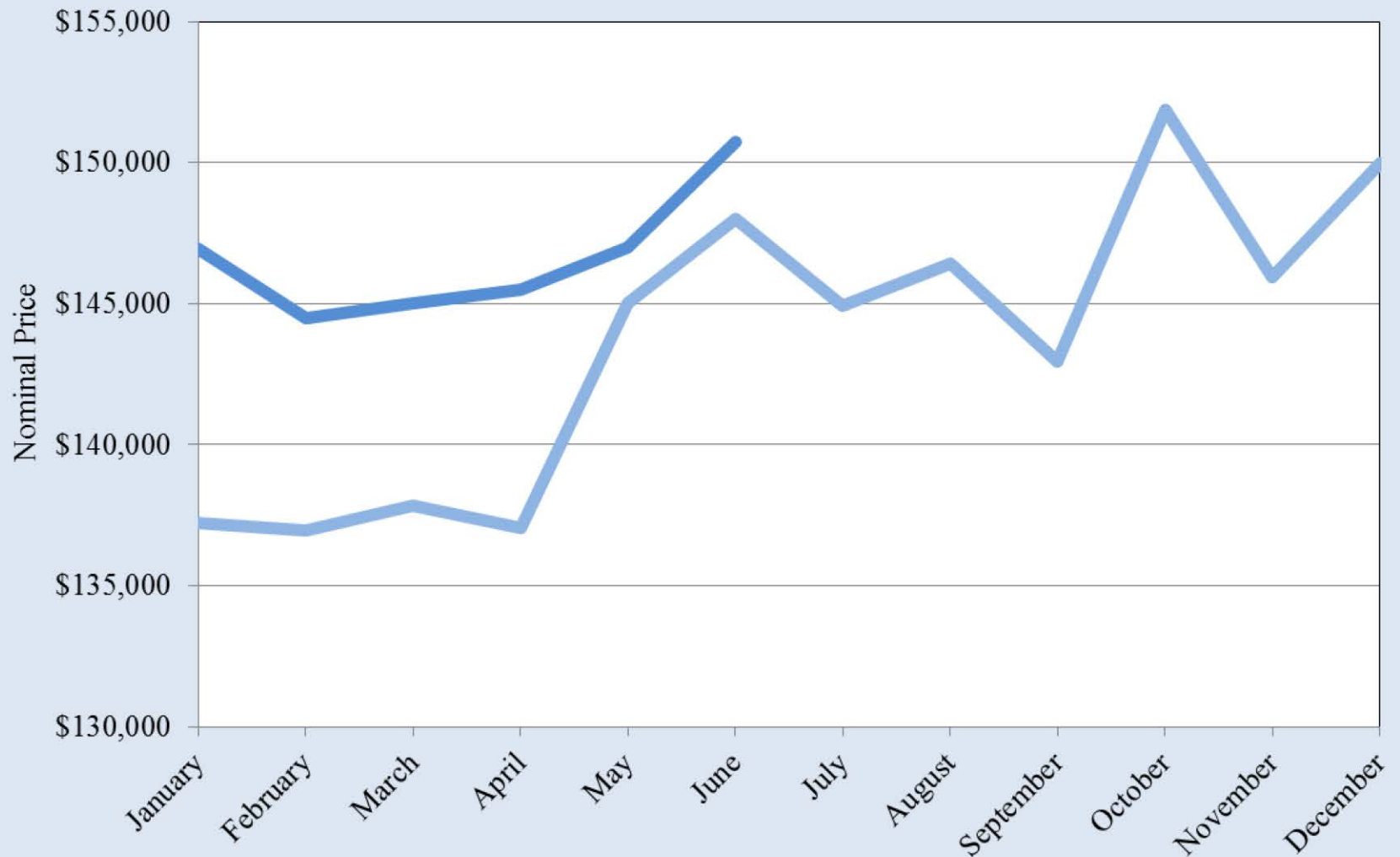


Starting in September, 2014, the number of SNAP recipients is recorded for the end of each month.

Source: Texas Health and Human Services Commission

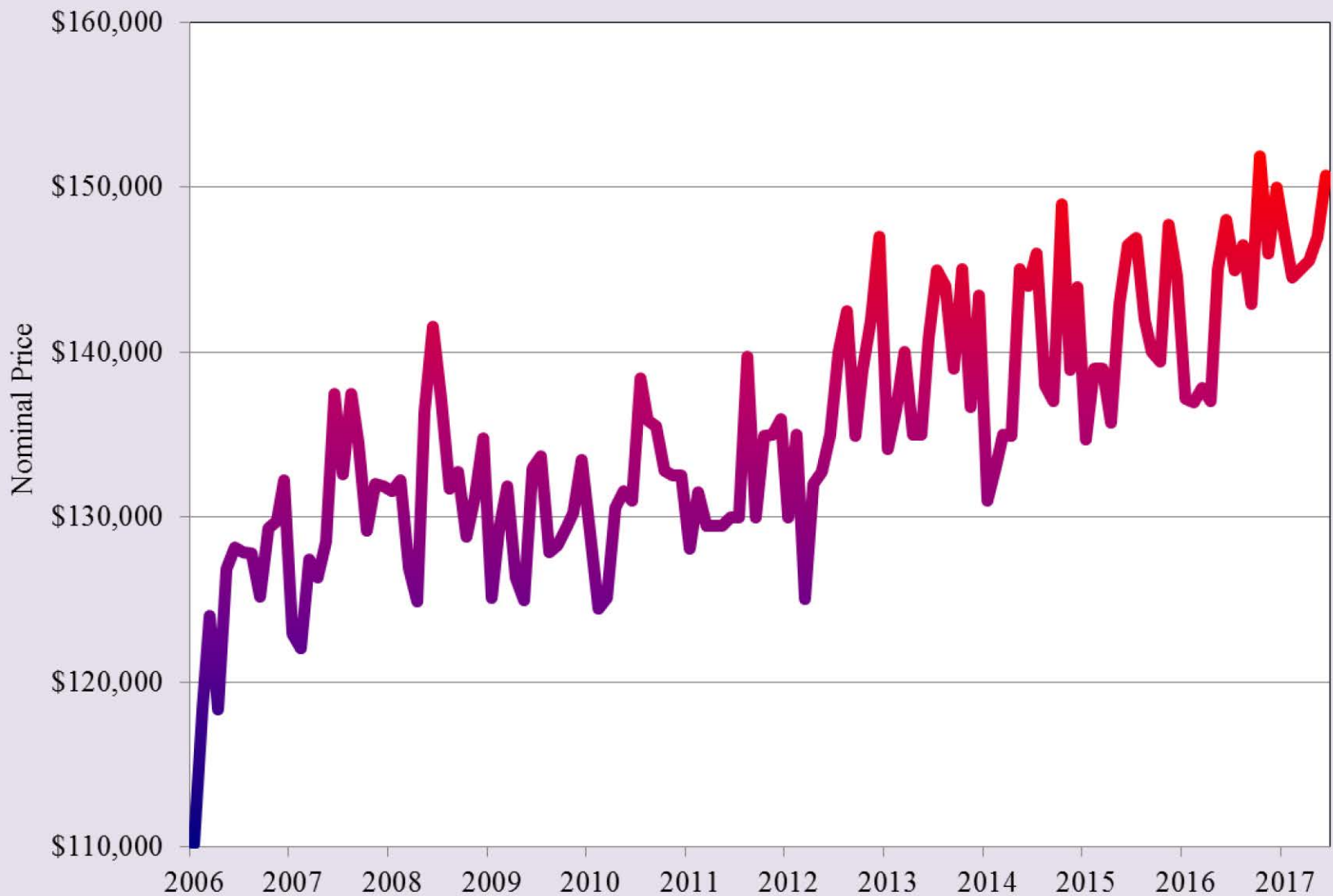
El Paso Median Housing Prices

— 2016 — 2017



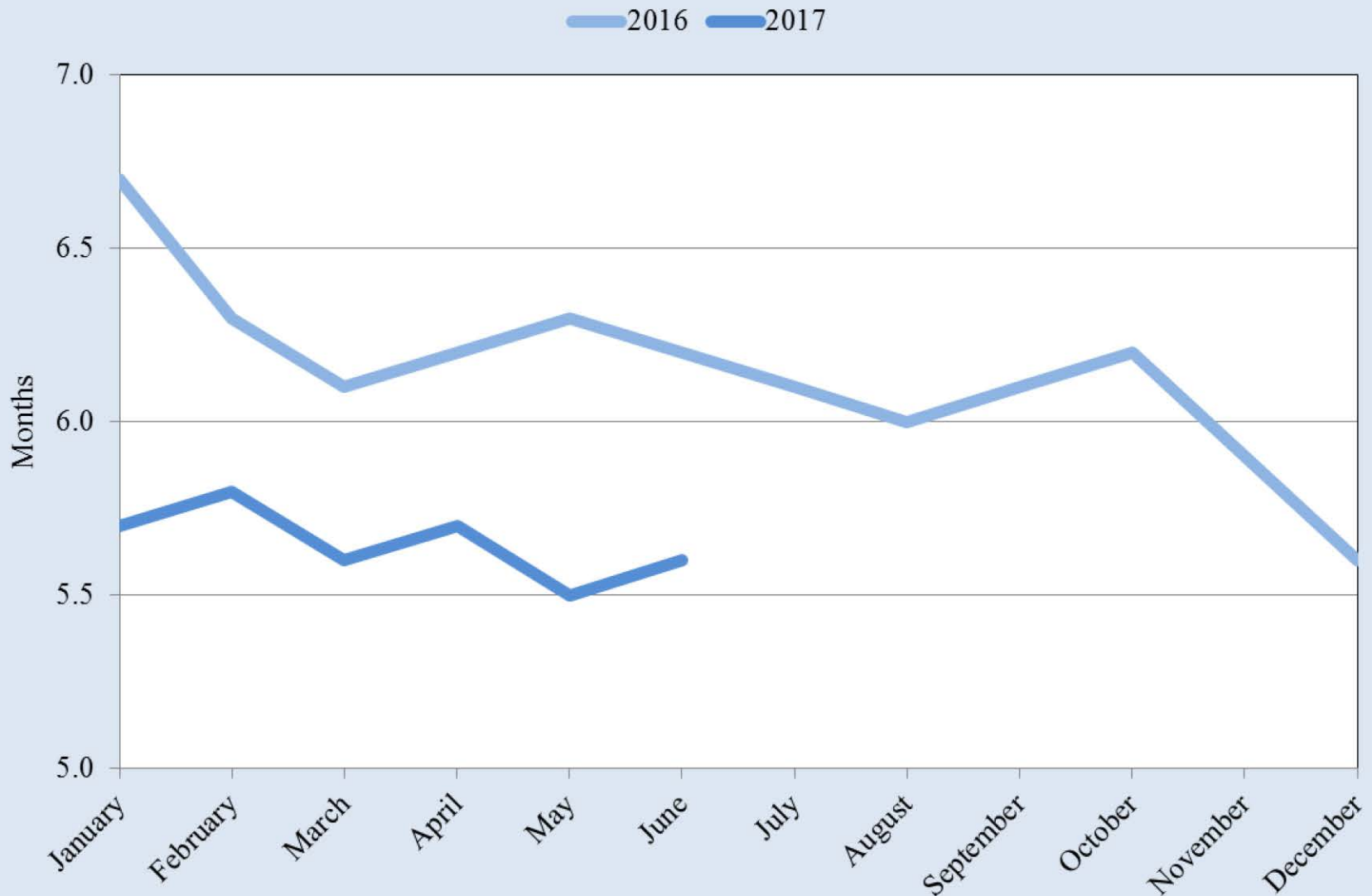
Source: Texas A&M Real Estate Center

El Paso Median Housing Prices



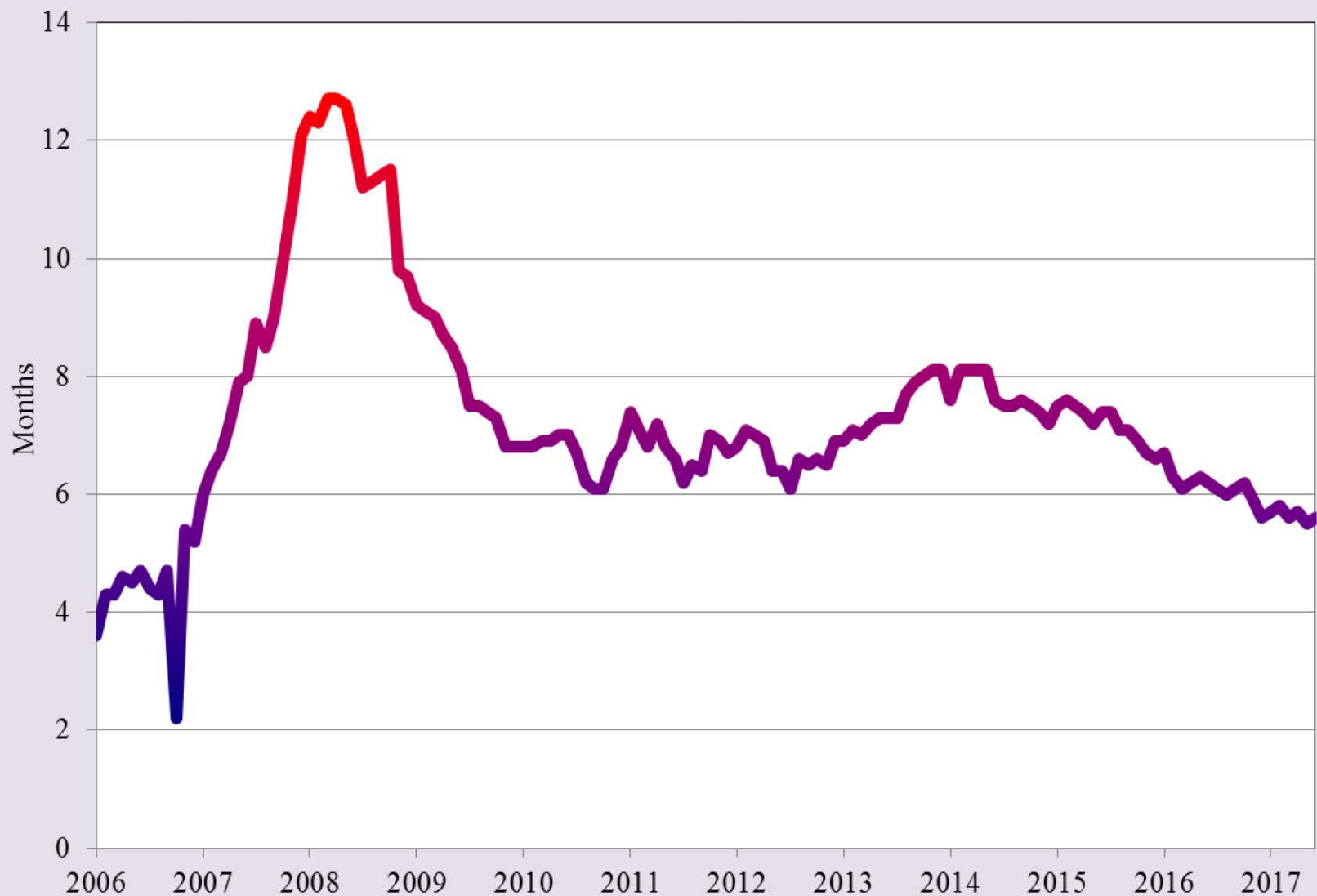
Source: Texas A&M Real Estate Center

Months of Housing Inventory for El Paso



Source: Texas A&M Real Estate Center

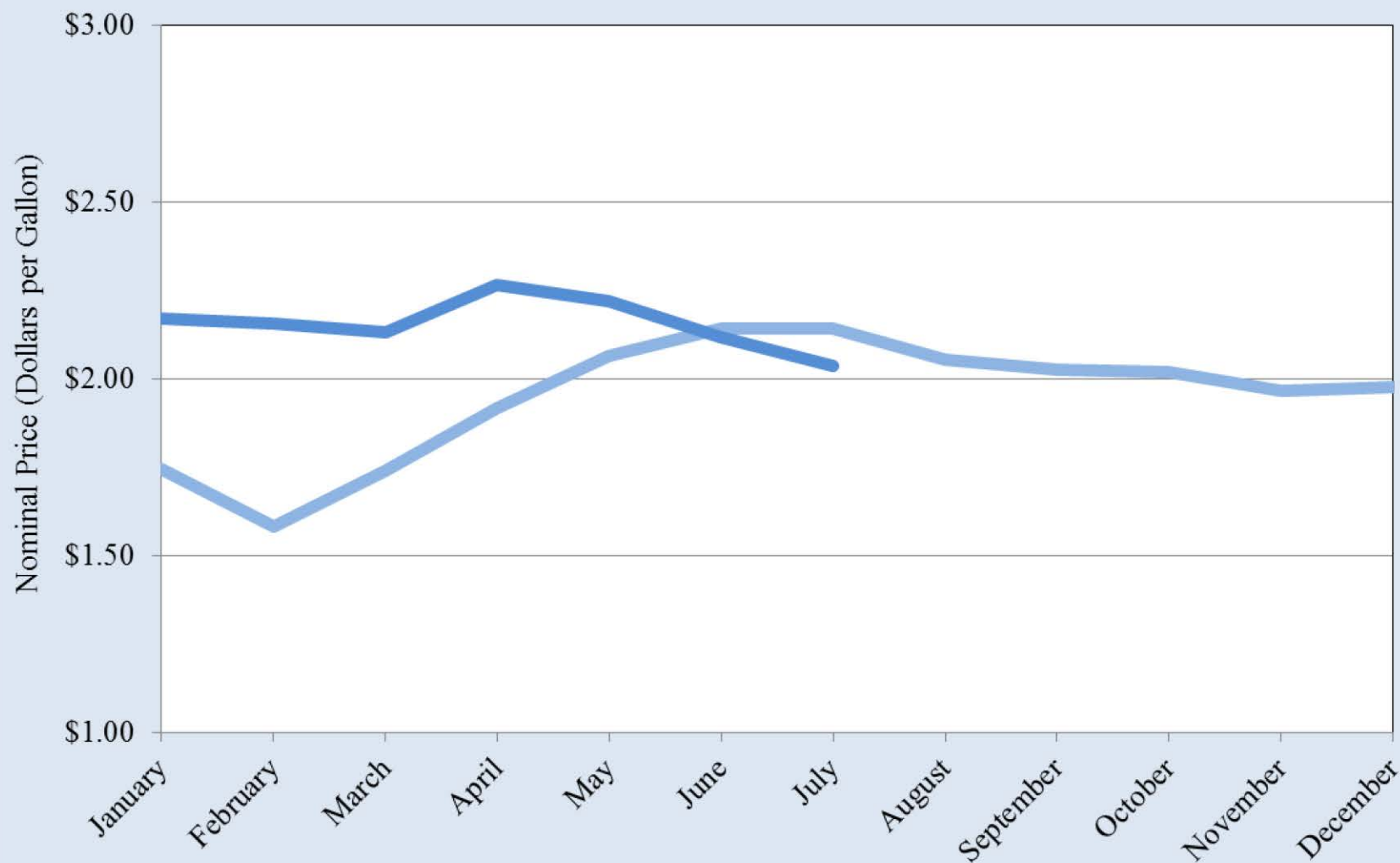
Months of Housing Inventory for El Paso



Source: Texas A&M Real Estate Center

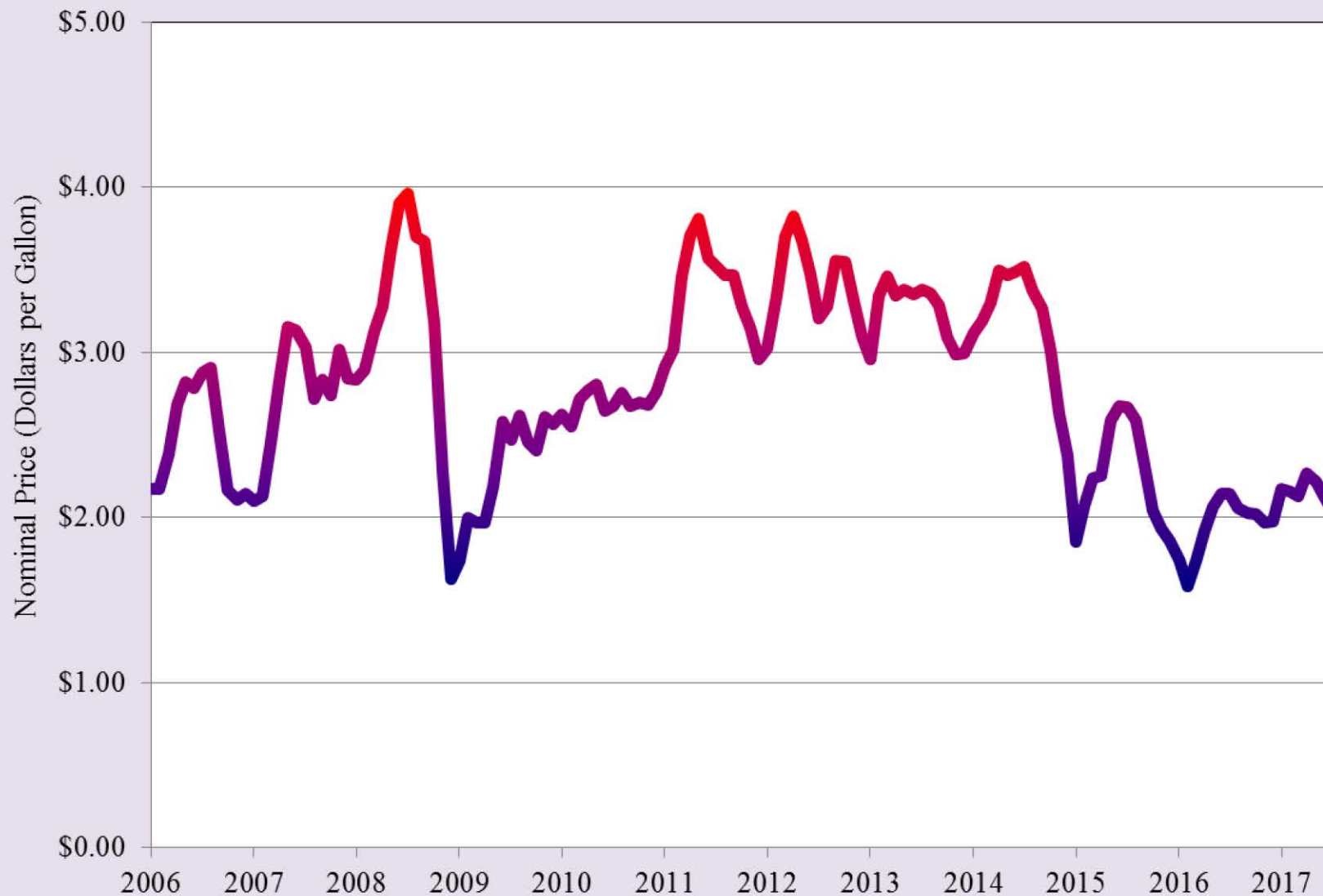
El Paso Gasoline Prices

2016 2017



Source: GasBuddy.com

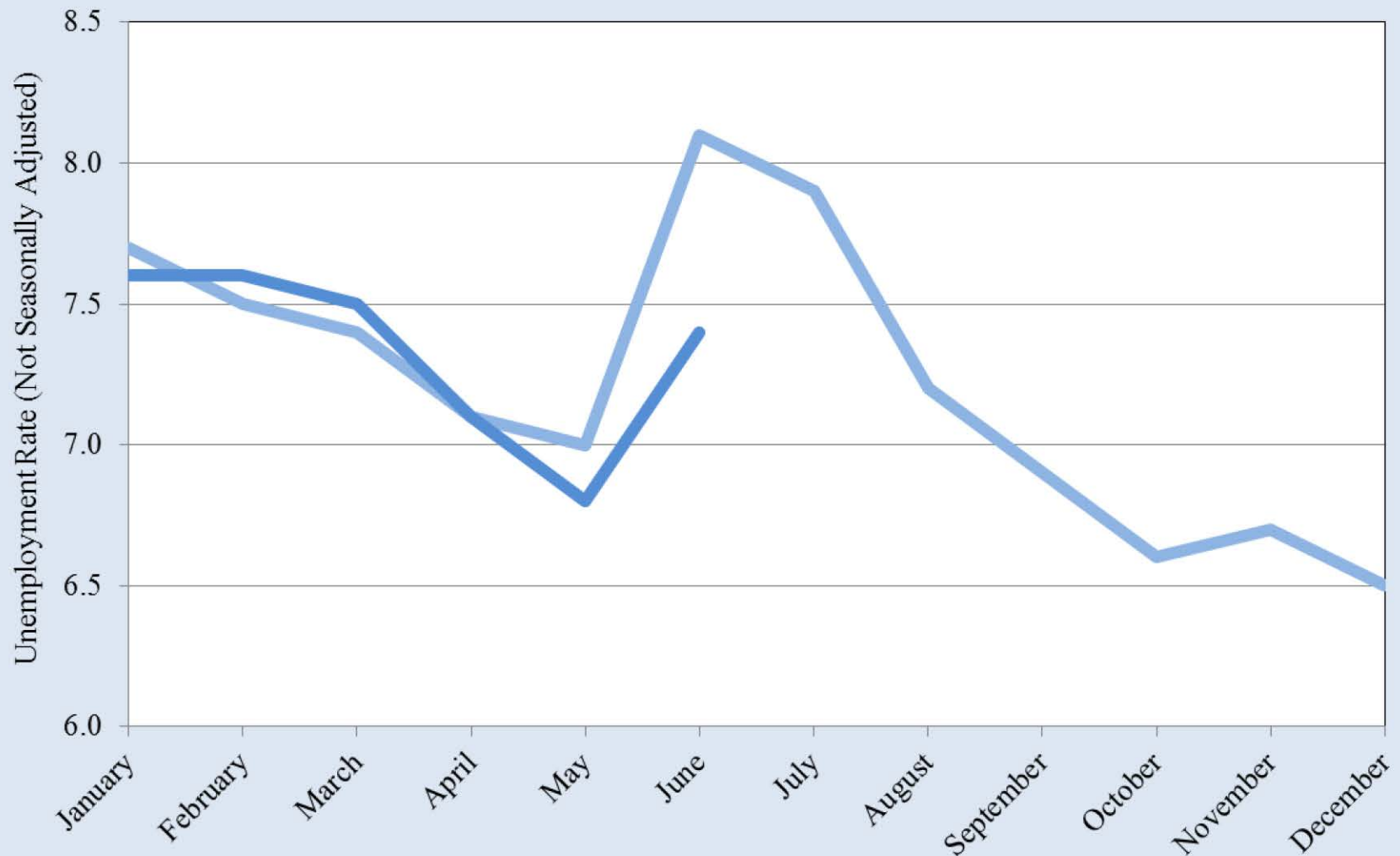
El Paso Gasoline Prices



Source: GasBuddy.com

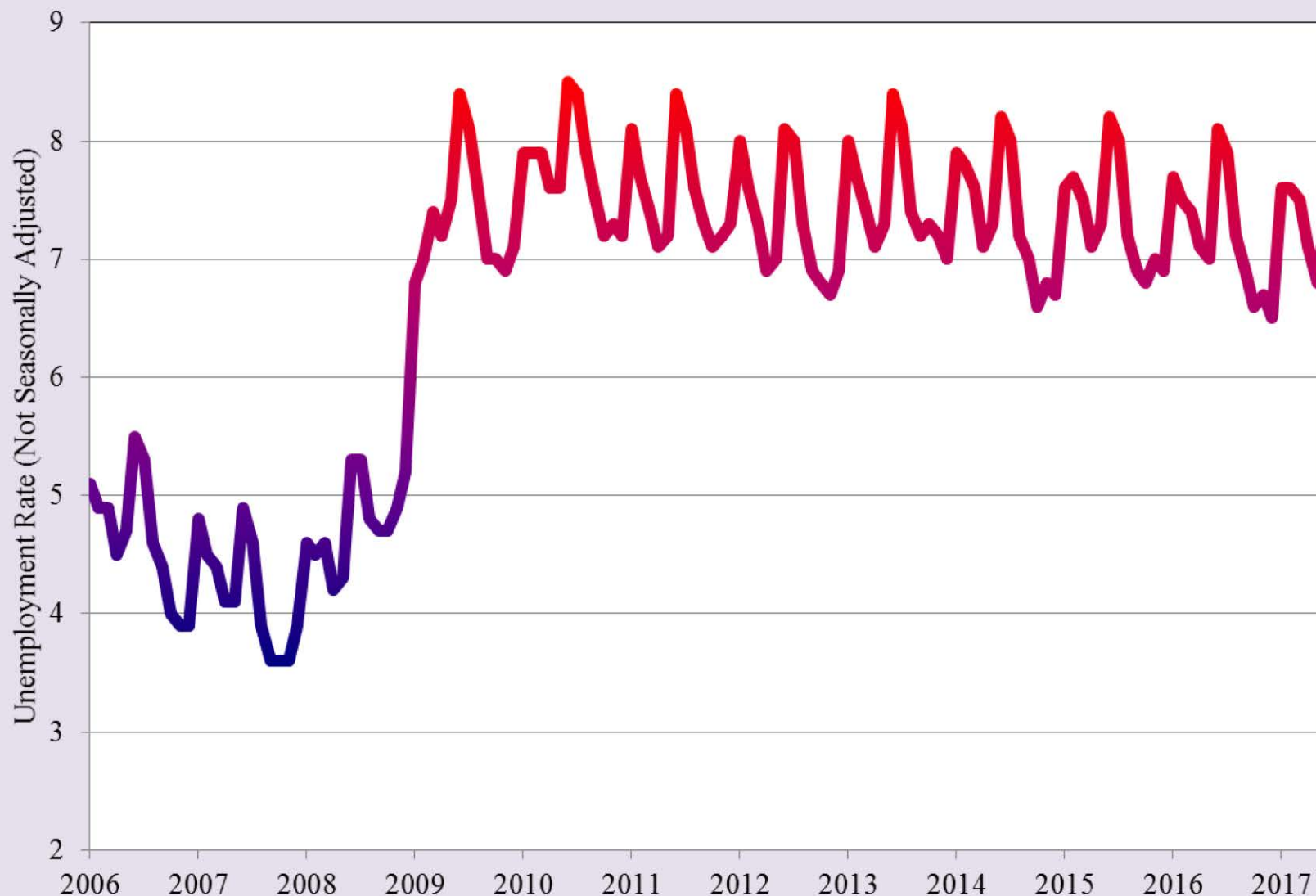
Doña Ana County Unemployment Rate

— 2016 — 2017



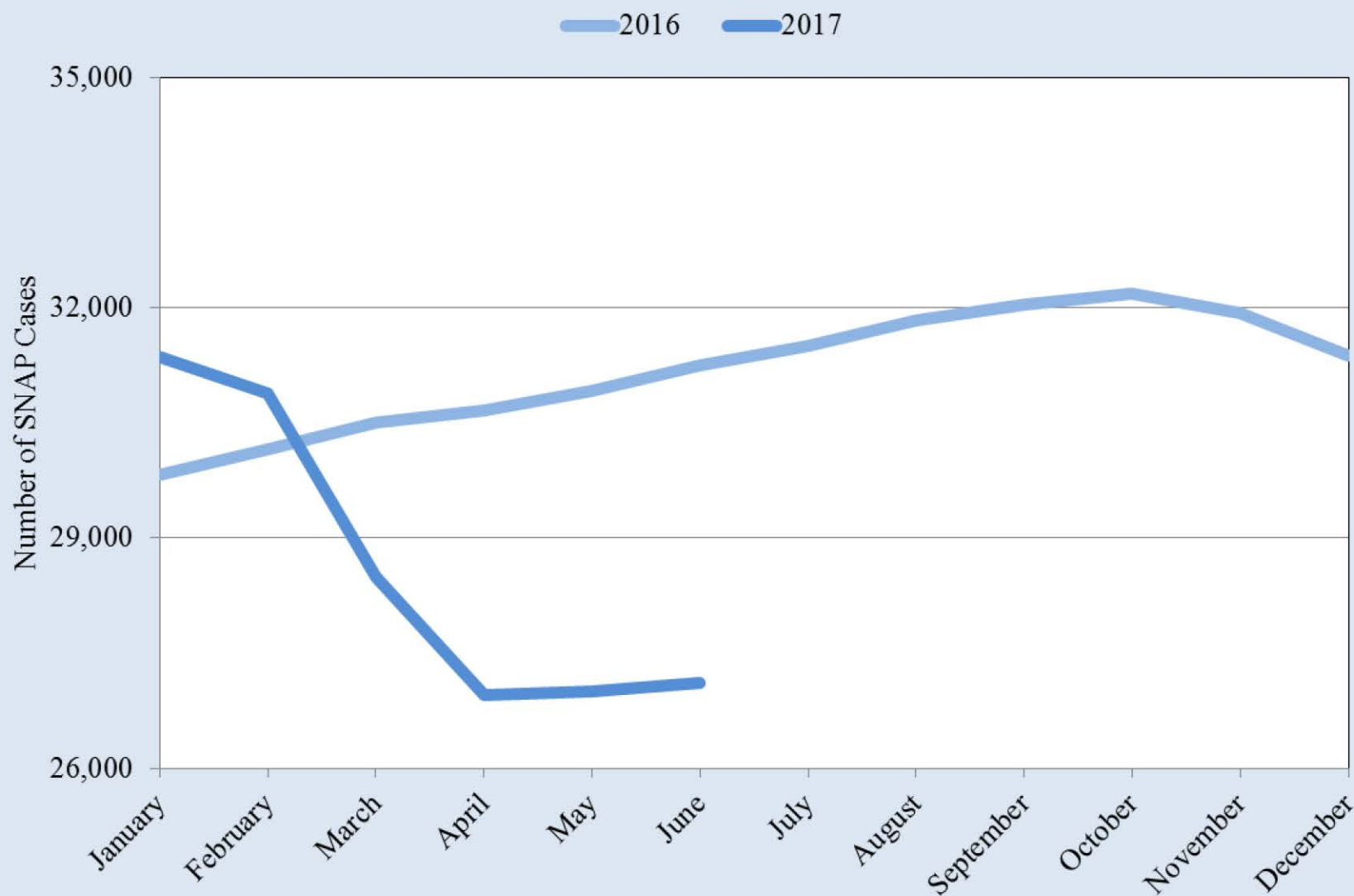
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



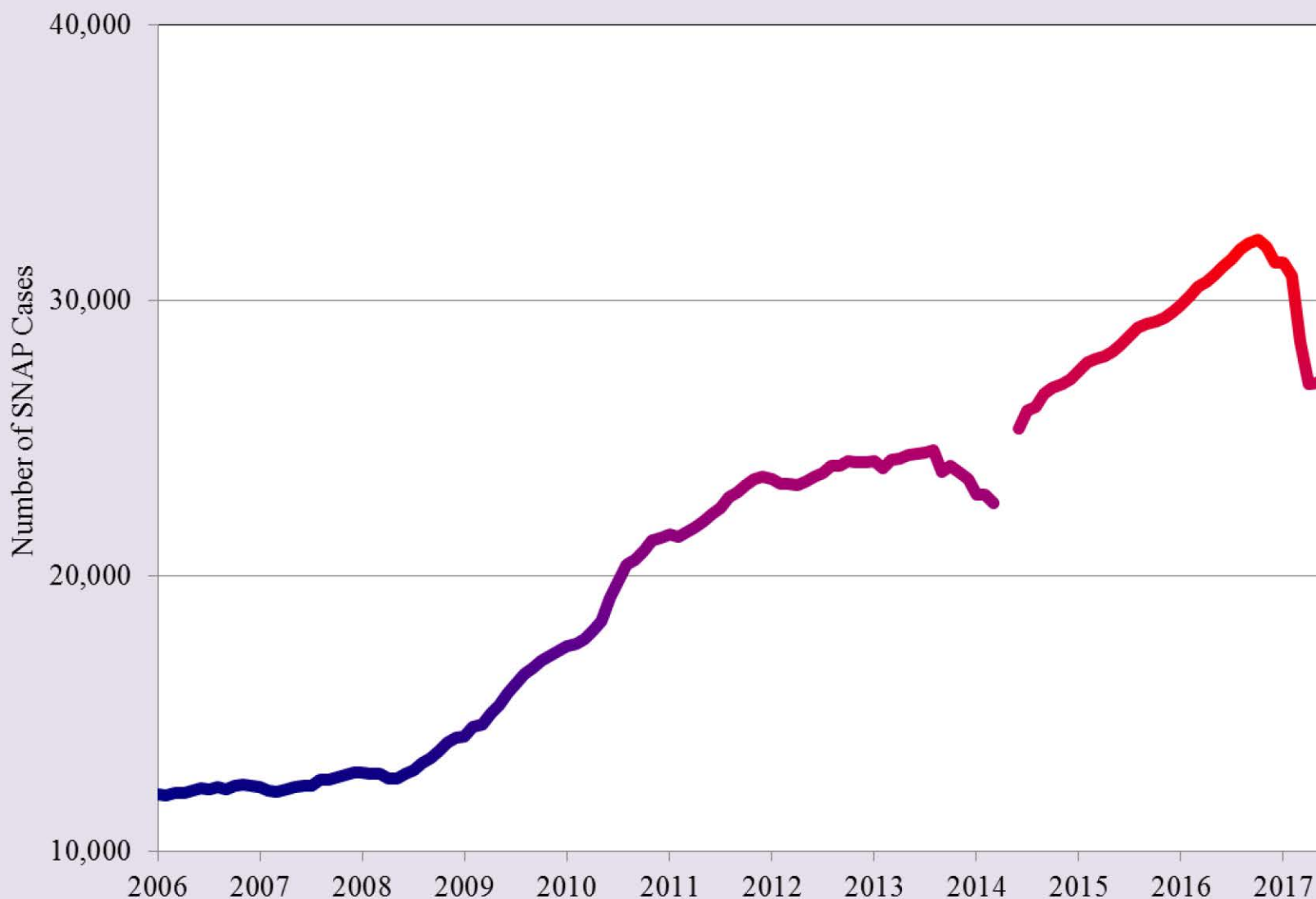
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



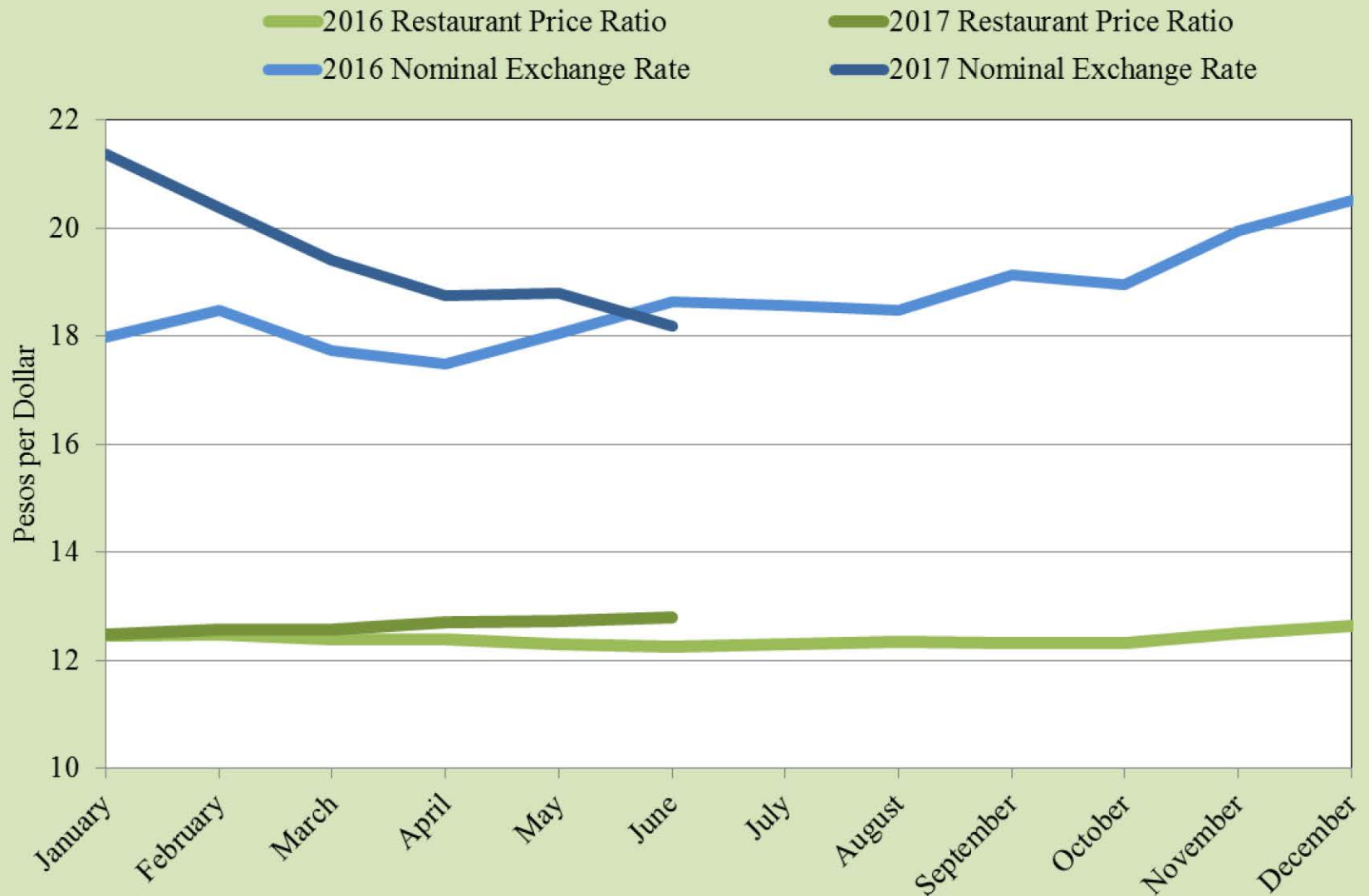
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

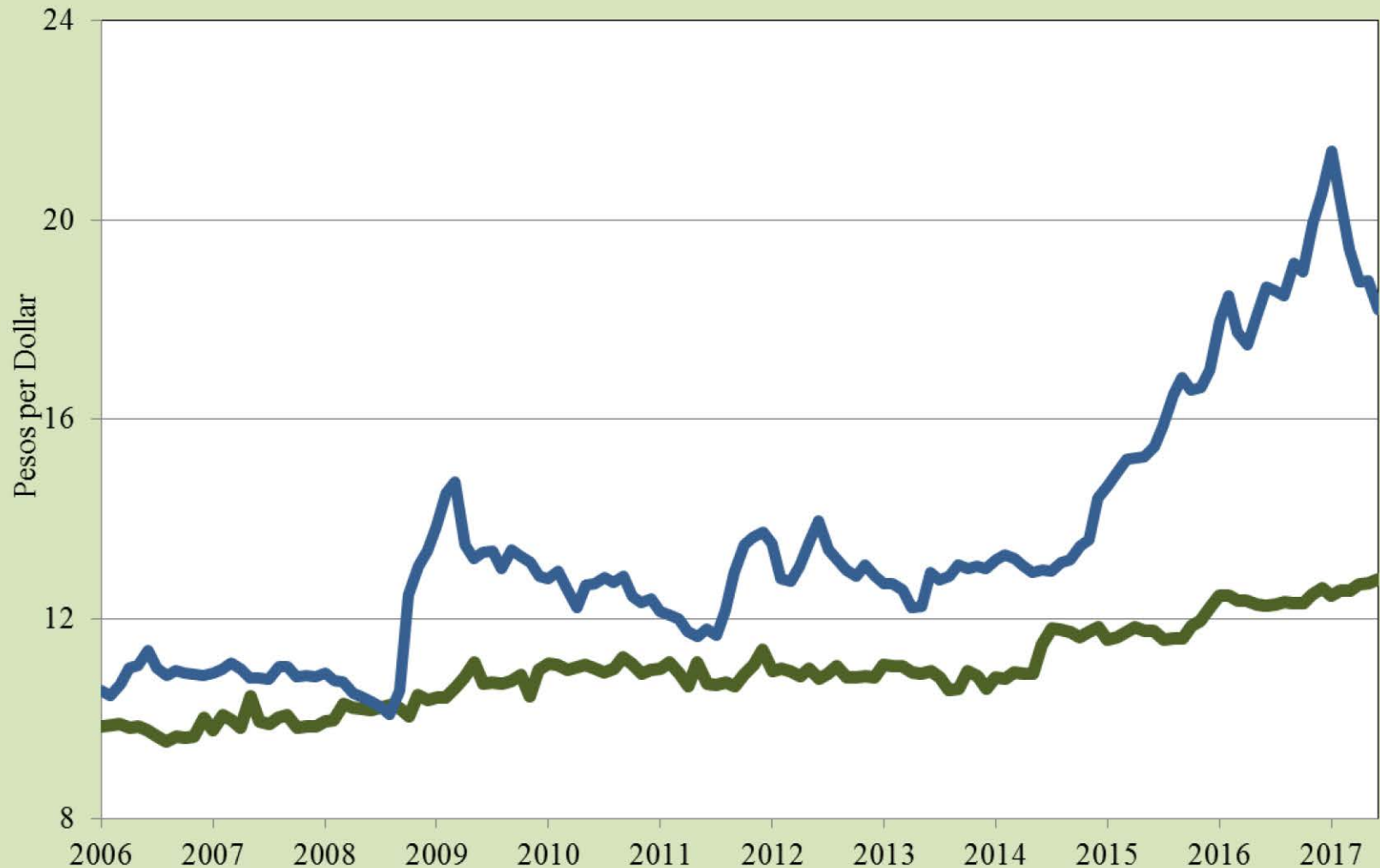
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Restaurant Price Ratio and Exchange Rate

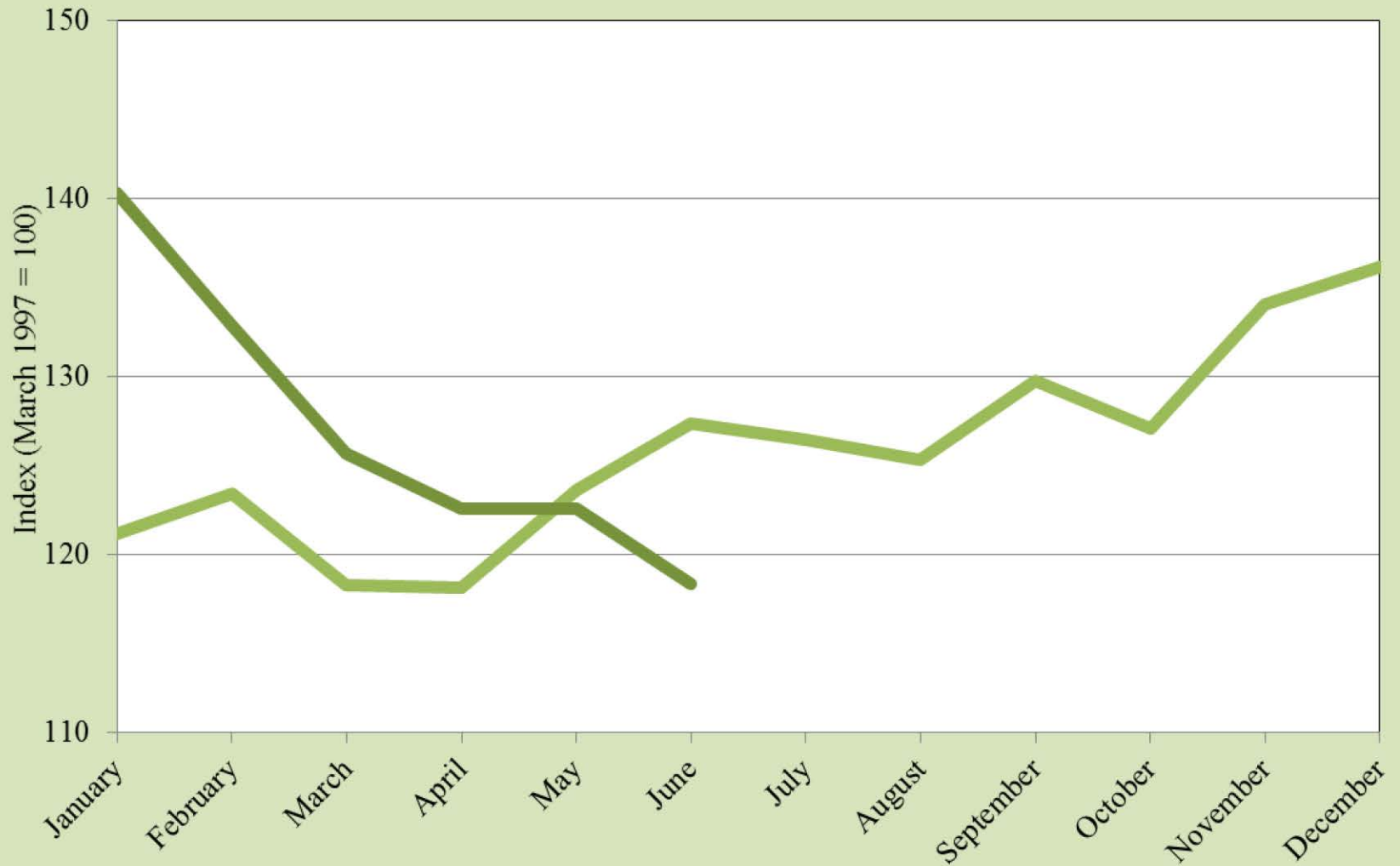
— Restaurant Price Ratio — Nominal Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso/Dollar Exchange Rate Index

2016 2017



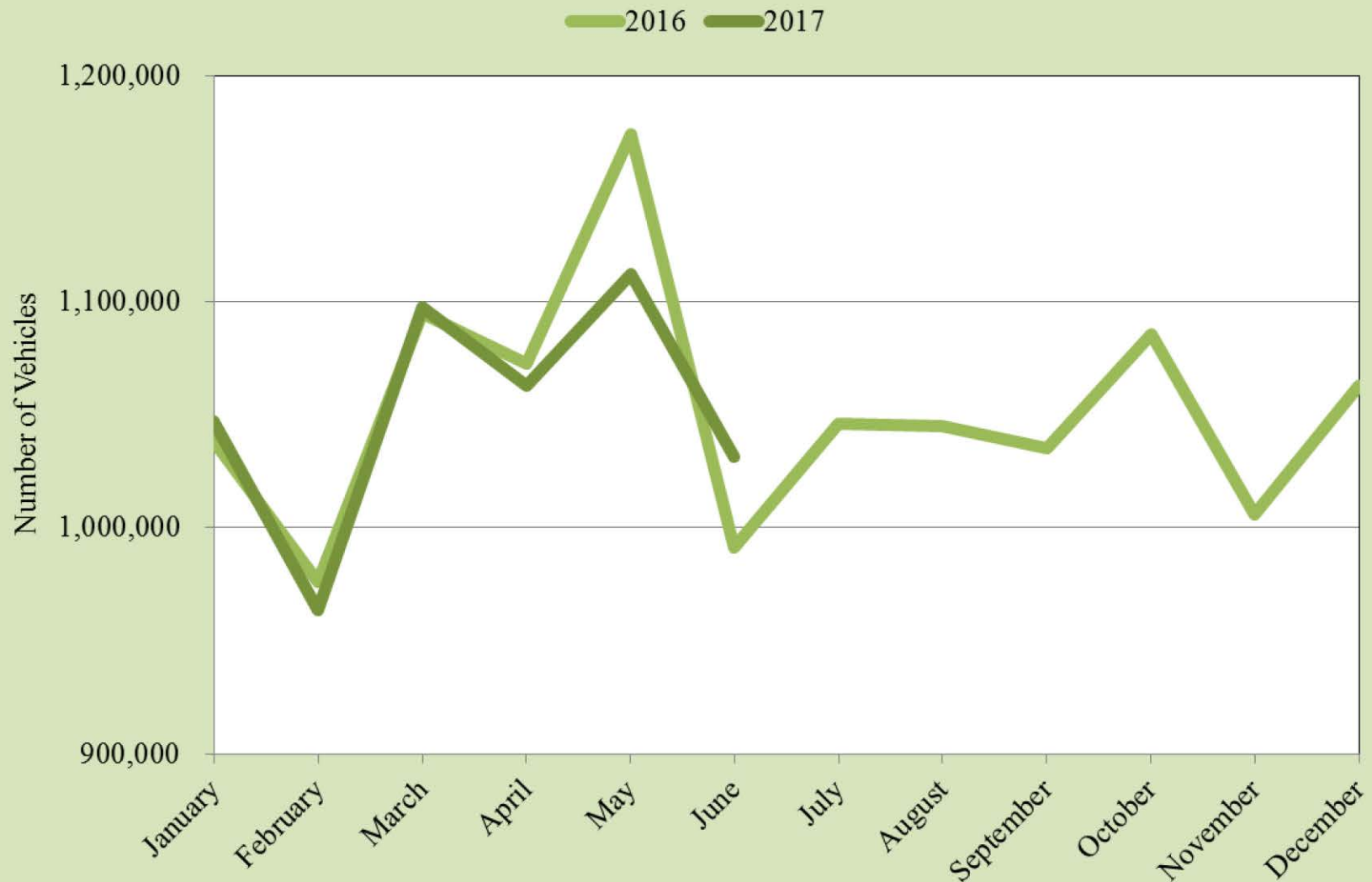
Source: UTEP Border Region Modeling Project

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

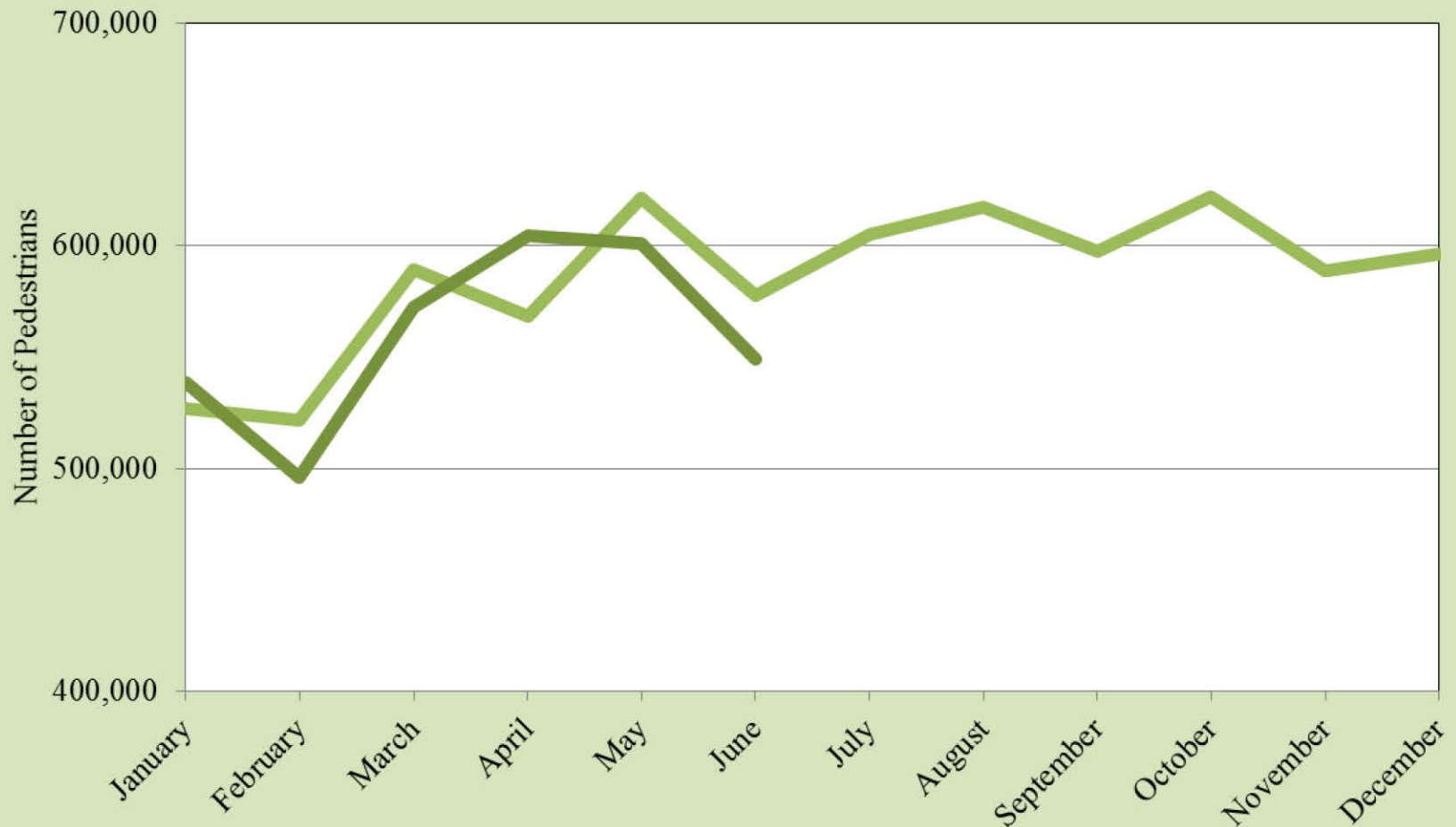
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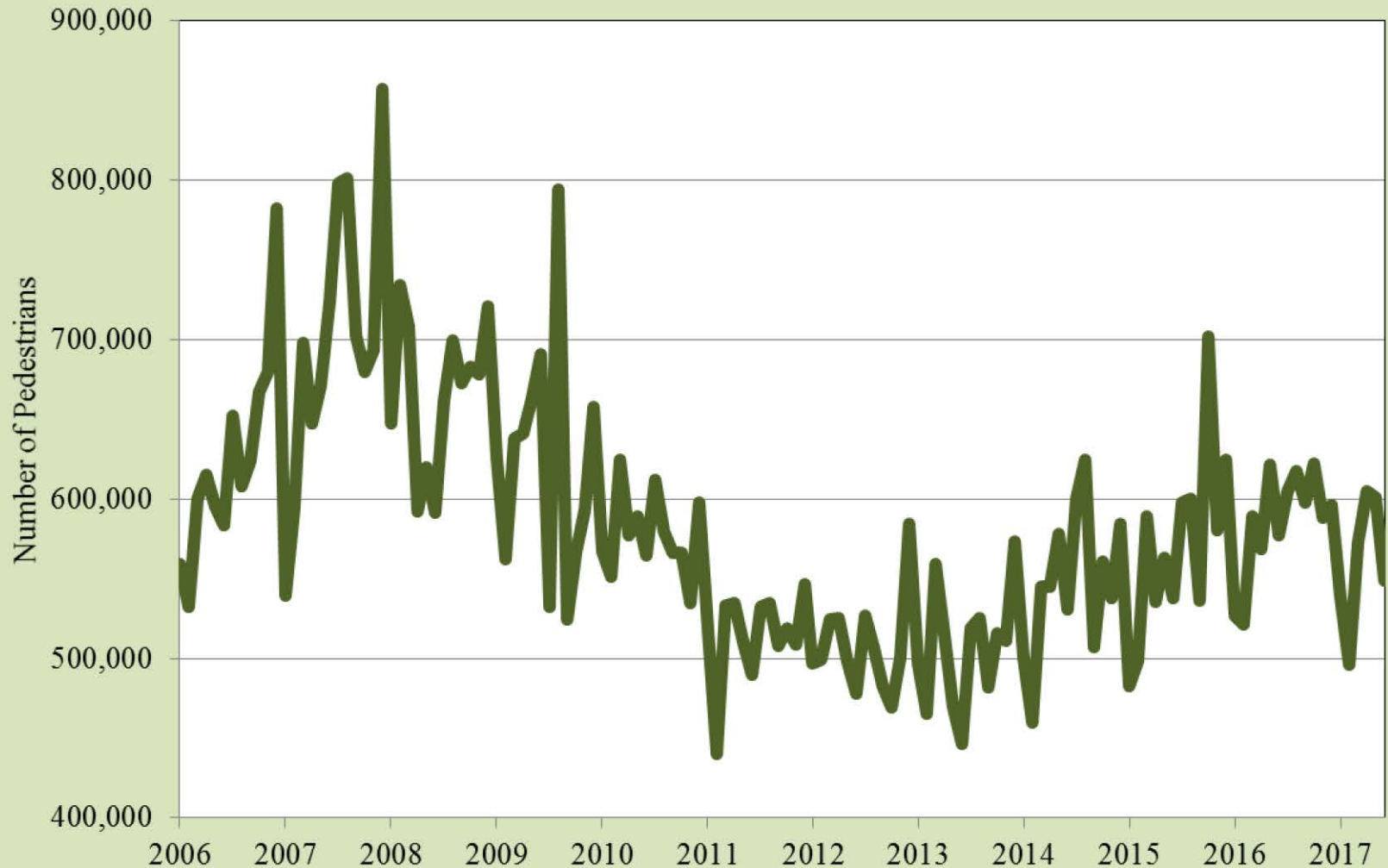
Pedestrian International Bridge Crossings to El Paso

2016 2017



Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

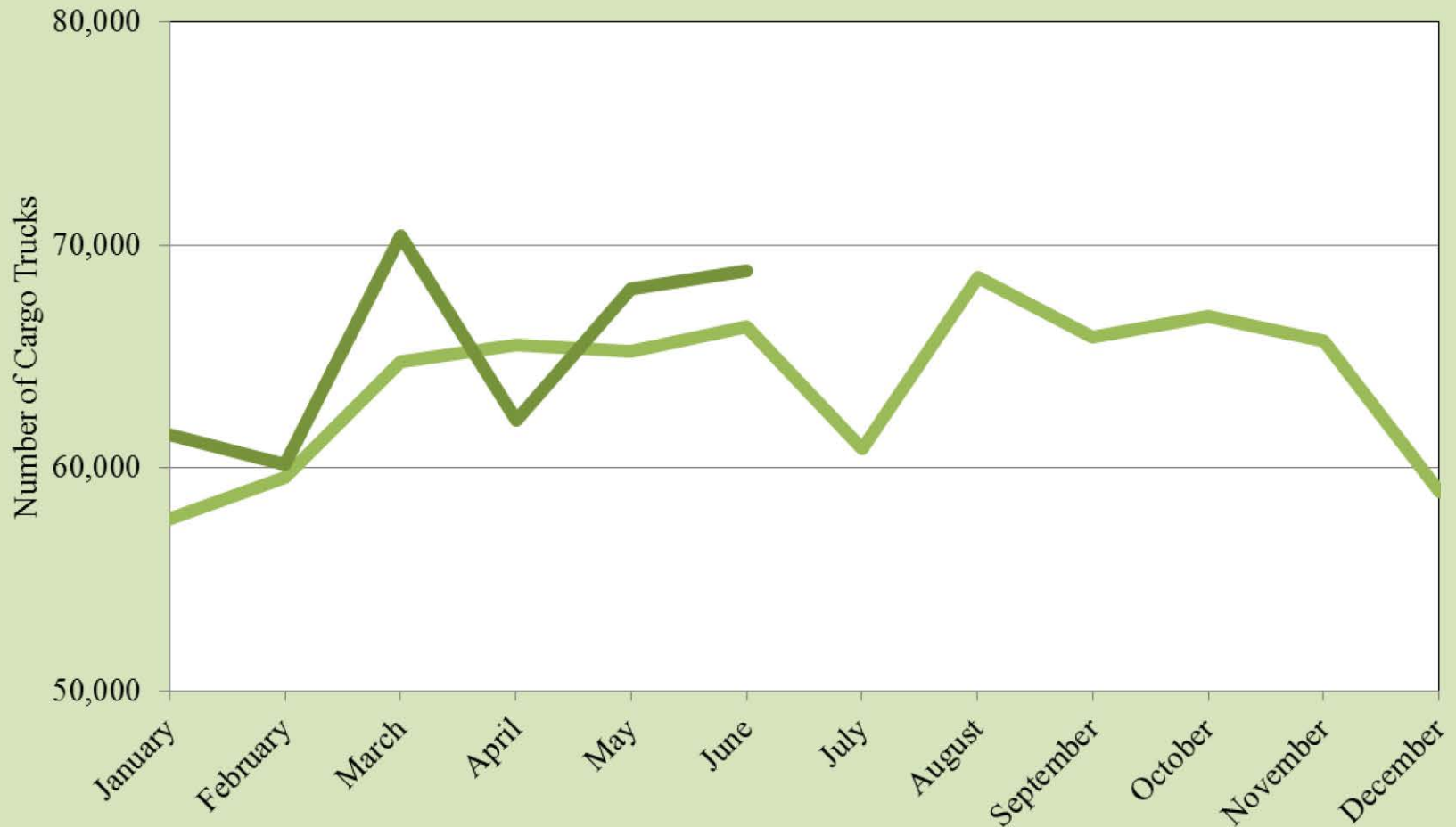
Pedestrian International Bridge Crossings to El Paso



Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

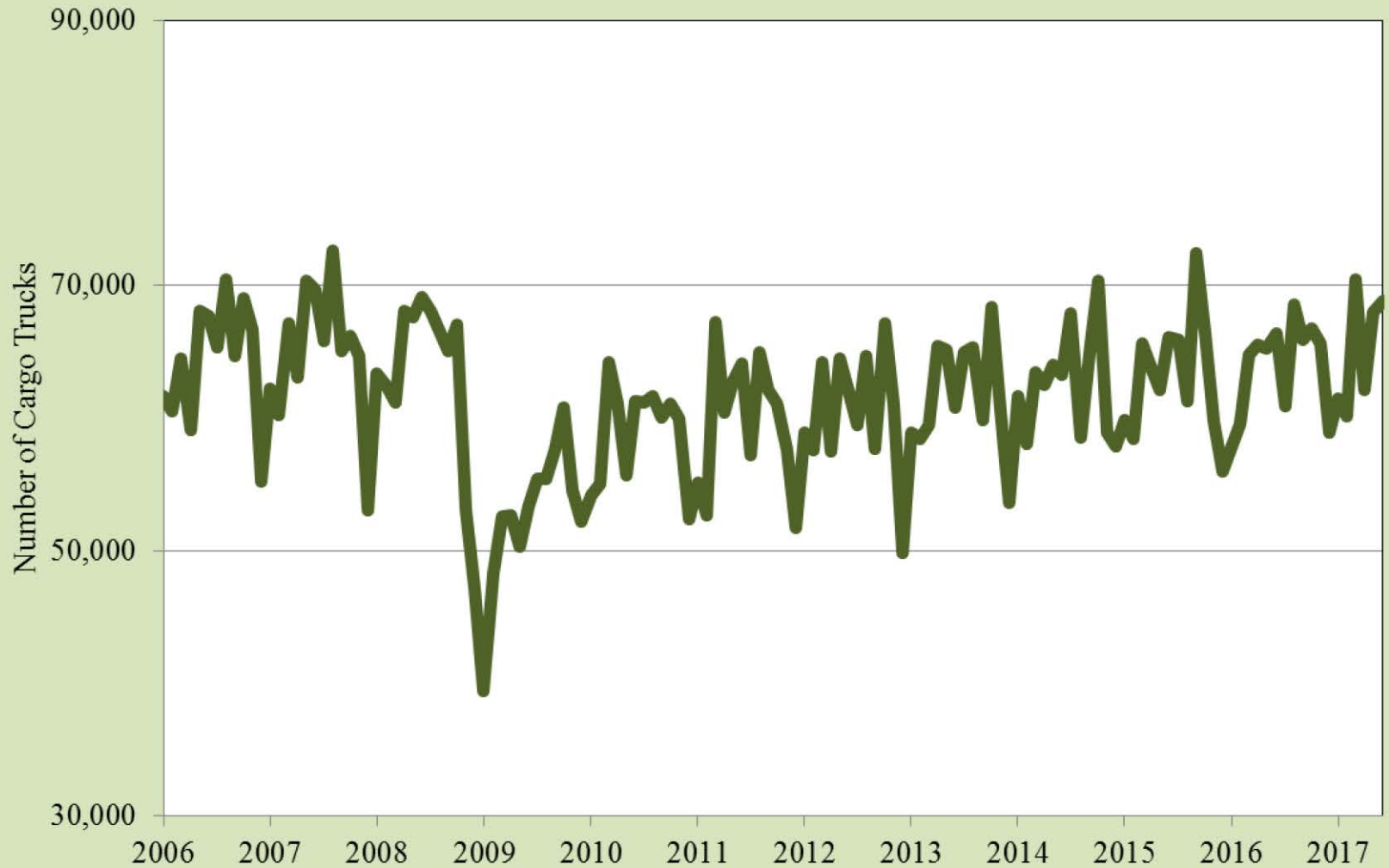
Cargo Truck International Bridge Crossings to El Paso

2016 2017



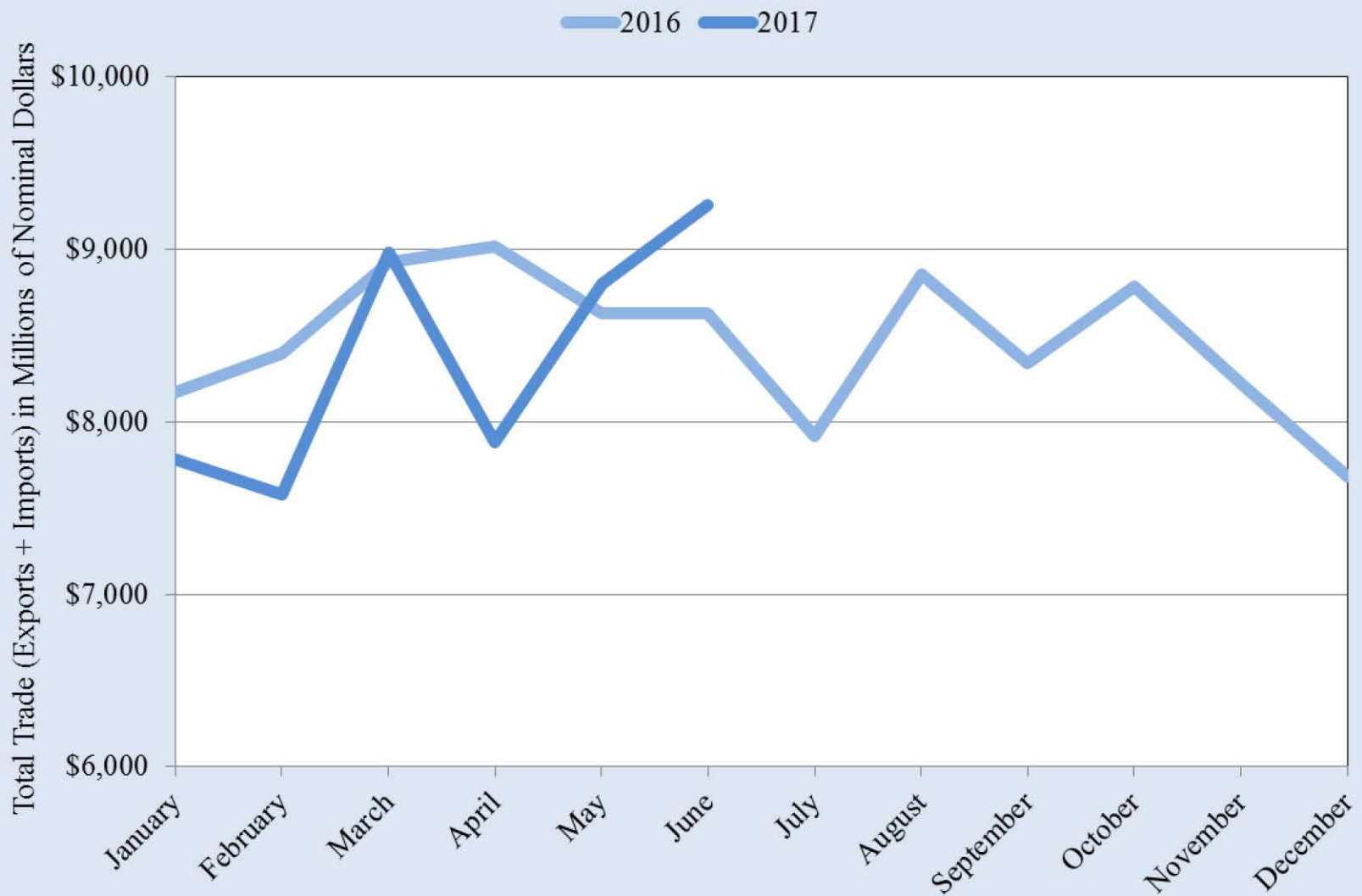
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Cargo Truck International Bridge Crossings to El Paso



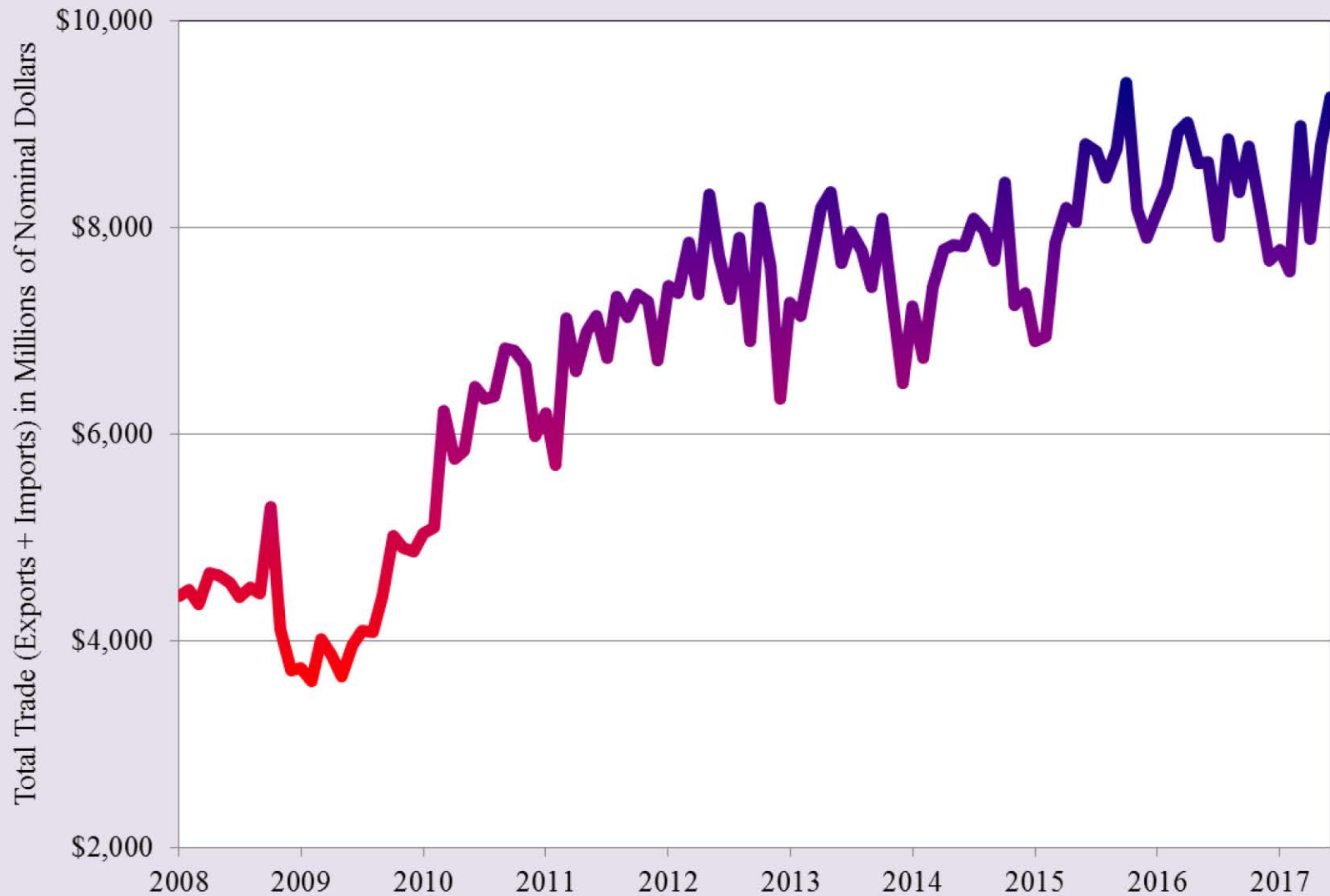
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

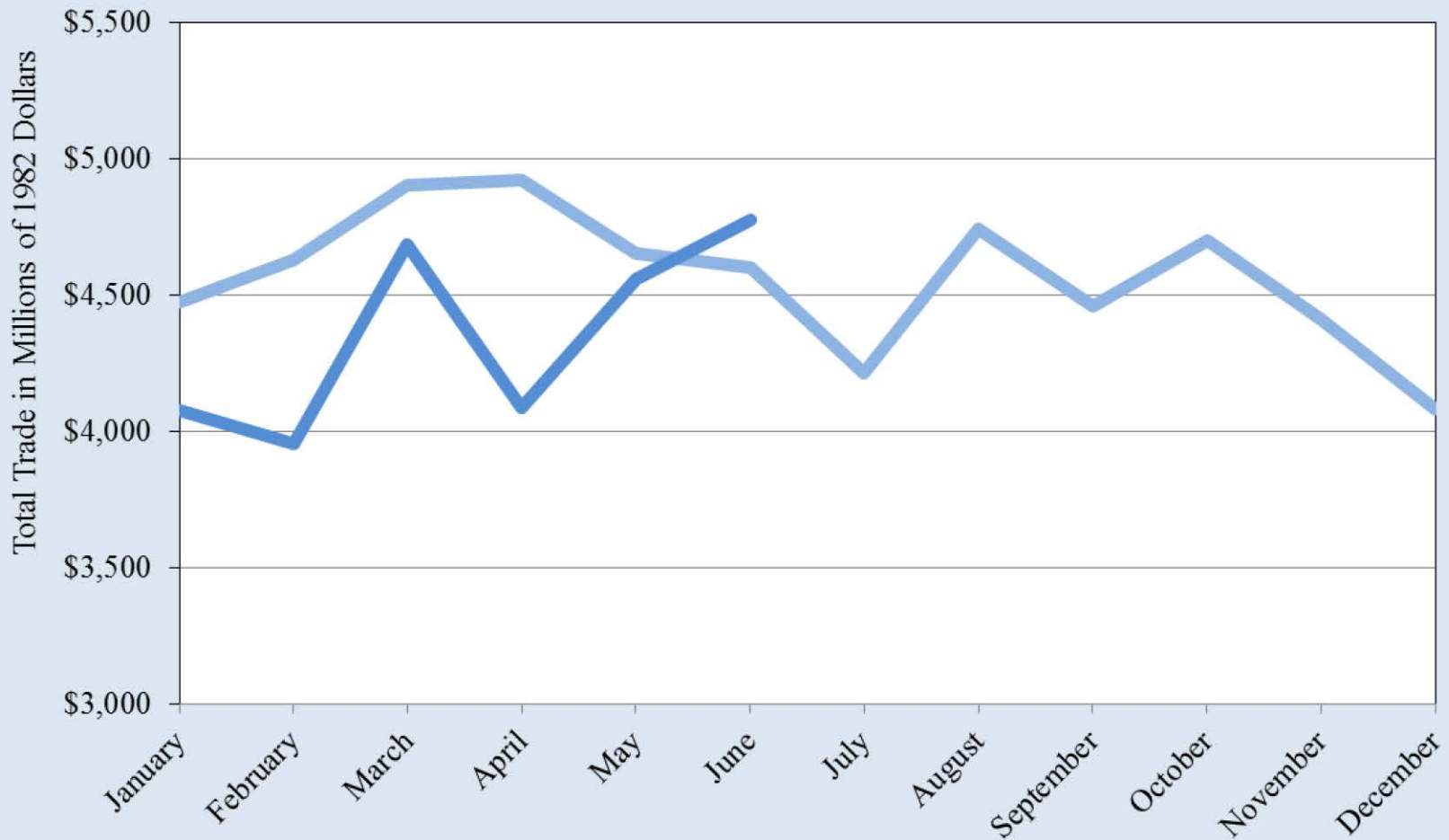
Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

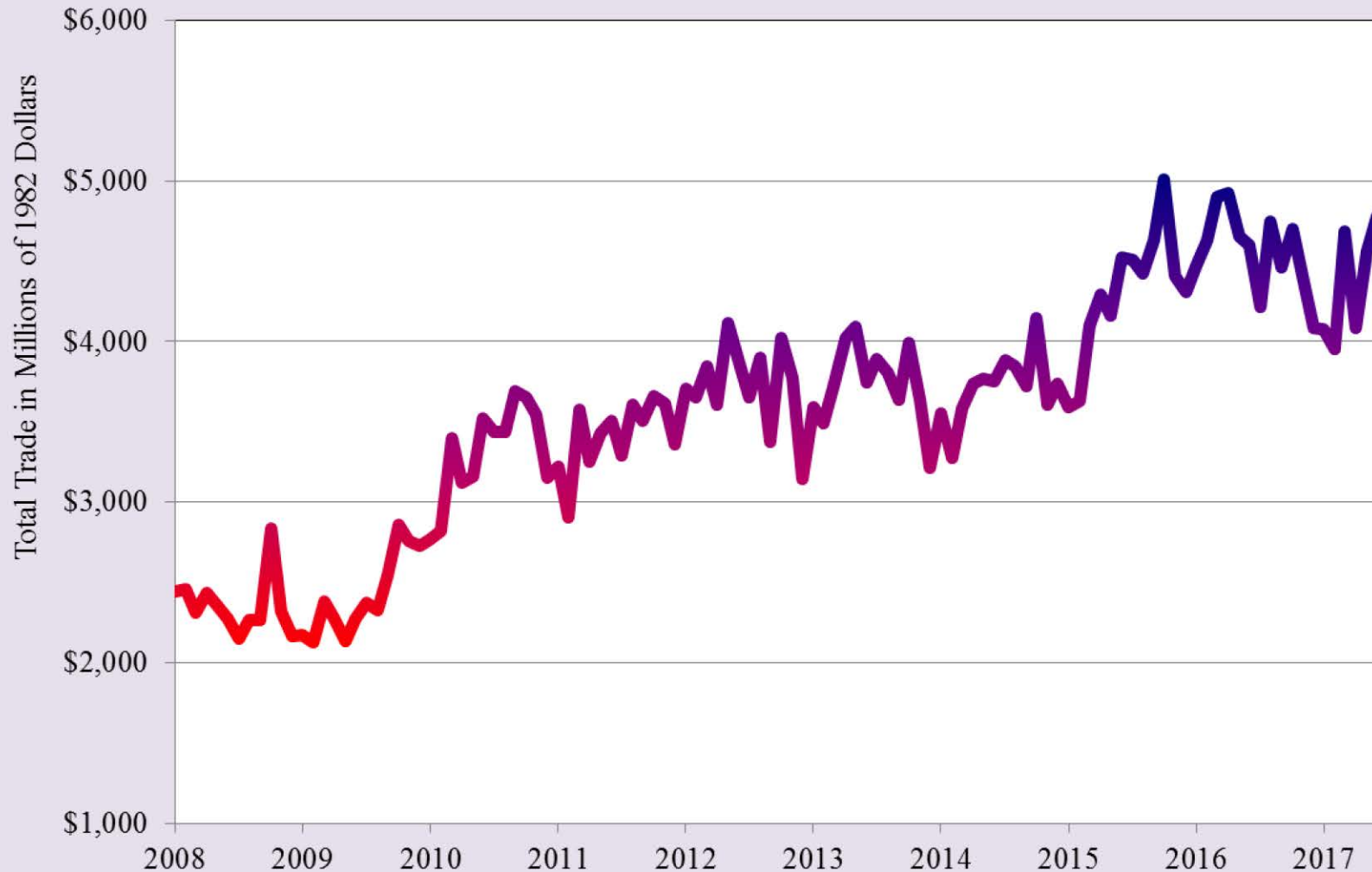
Real Total Trade through the El Paso Customs District

— 2016 — 2017



Sources: U.S. International Trade Commission and Bureau of Labor Statistics

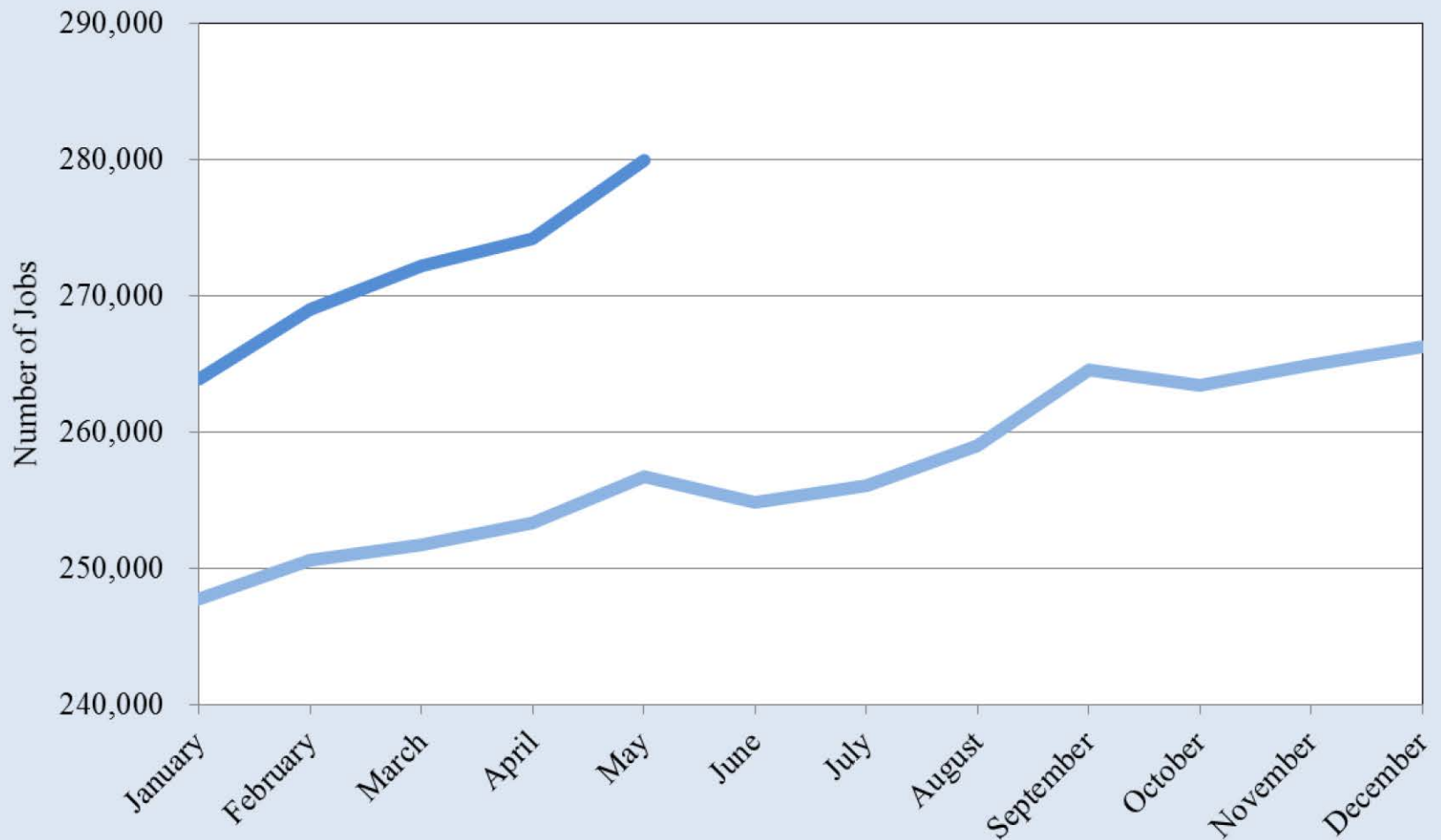
Real Total Trade through the El Paso Customs District



Sources: U.S. International Trade Commission and Bureau of Labor Statistics

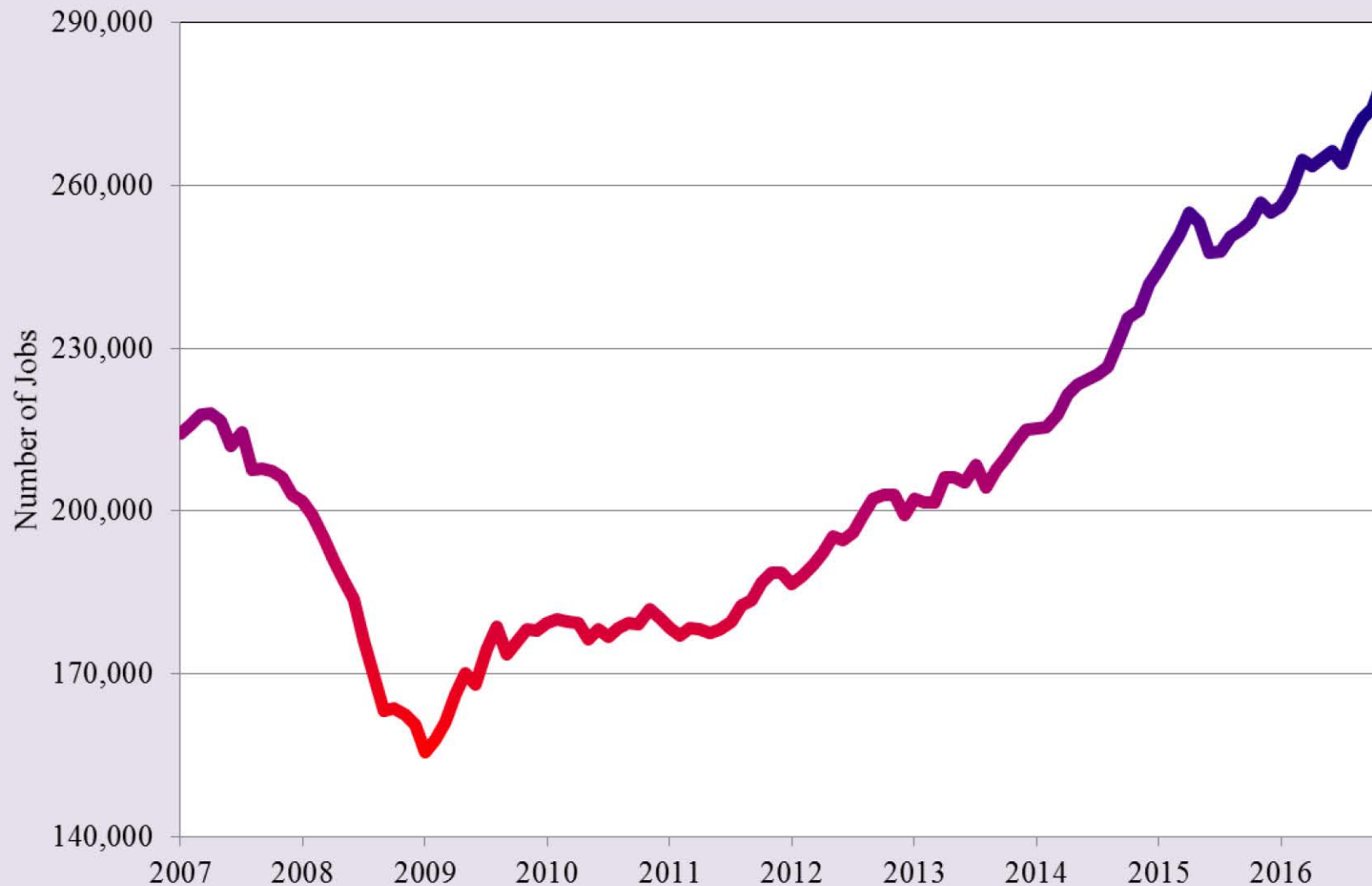
Export-Oriented Manufacturing Employment in Ciudad Juárez

— 2016 — 2017



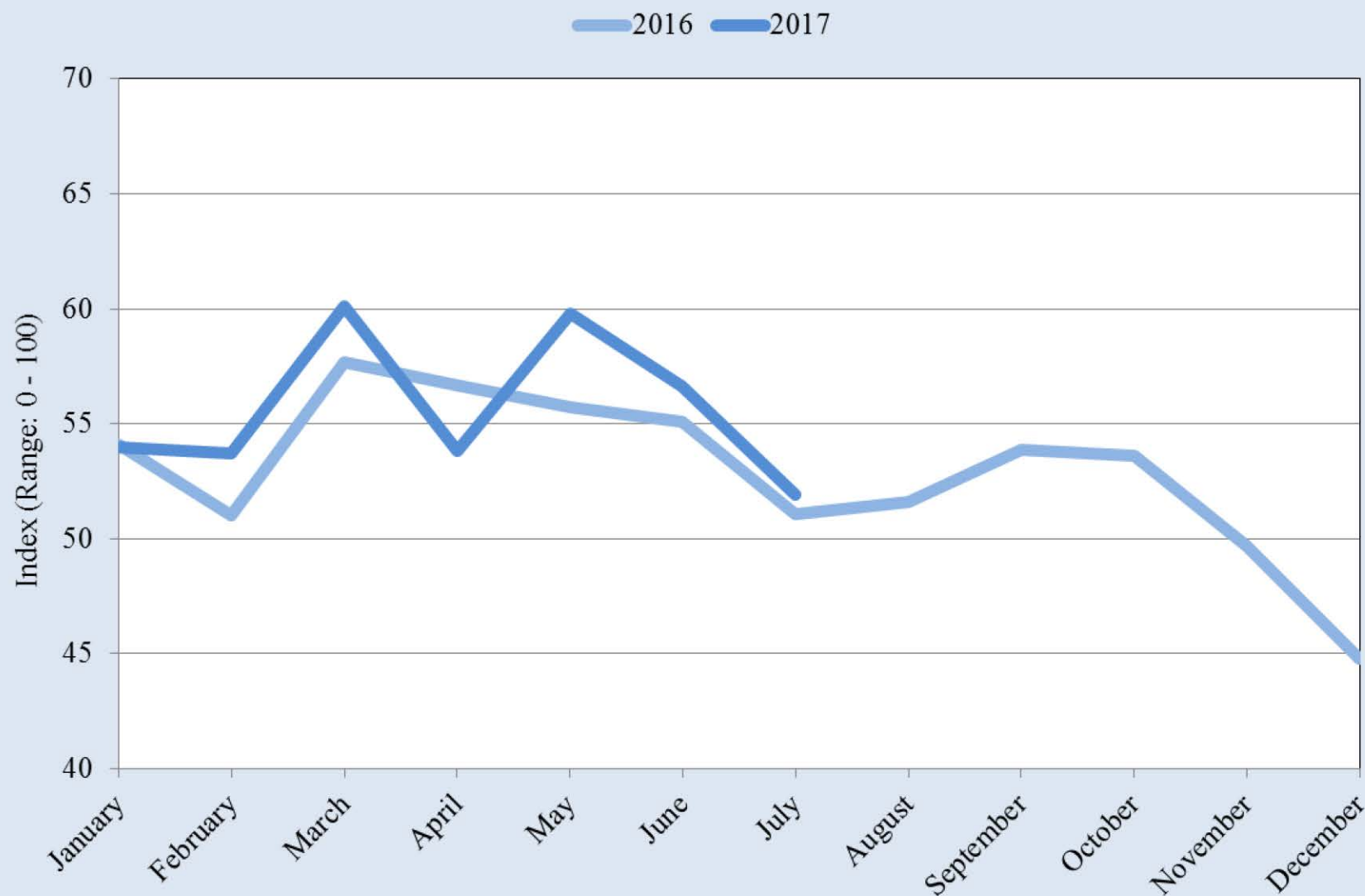
Source: INEGI

Export-Oriented Manufacturing Employment in Ciudad Juárez



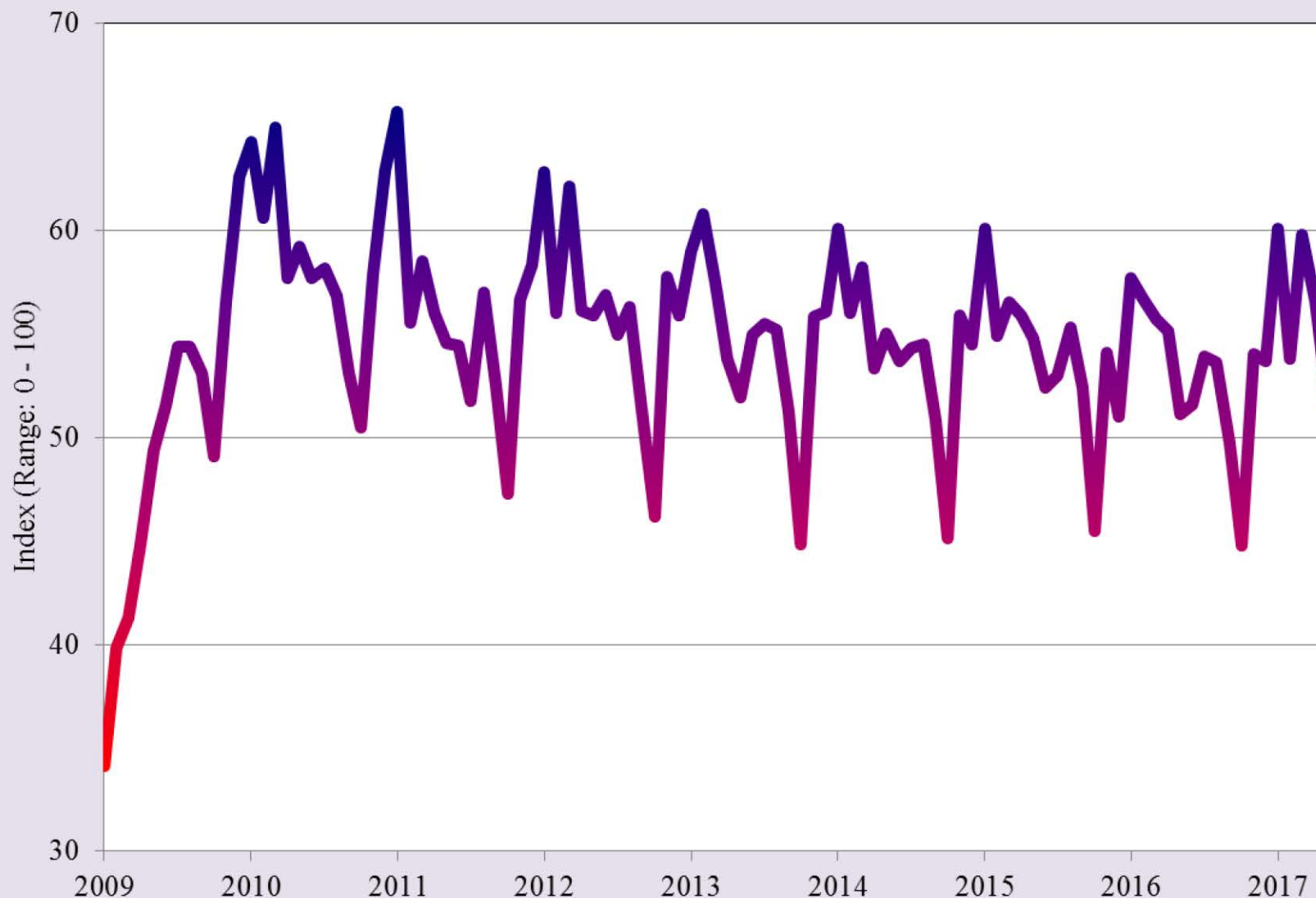
Source: INEGI

Northern Mexico Manufacturing Orders Index



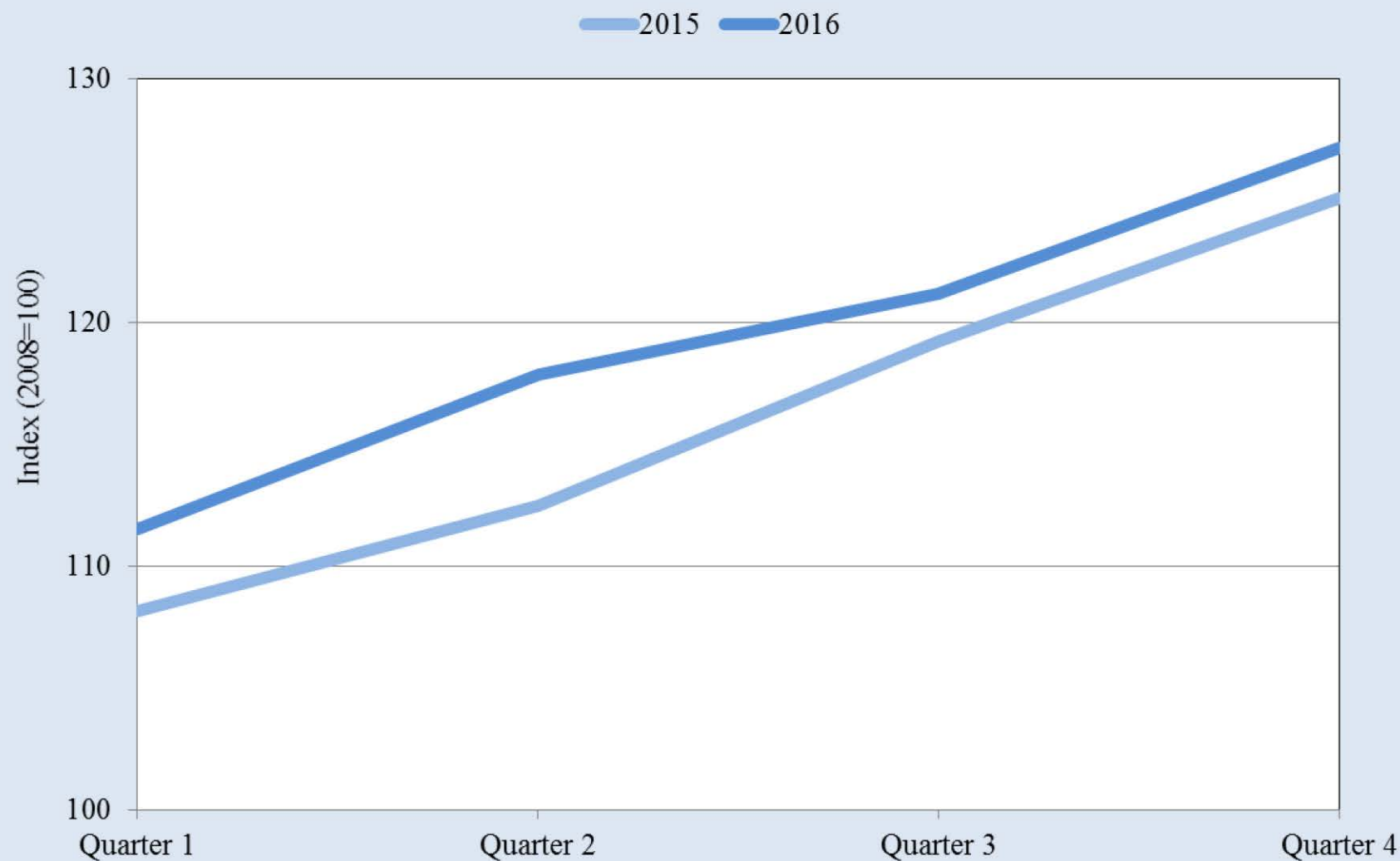
Source: Banco de México

Northern Mexico Manufacturing Orders Index



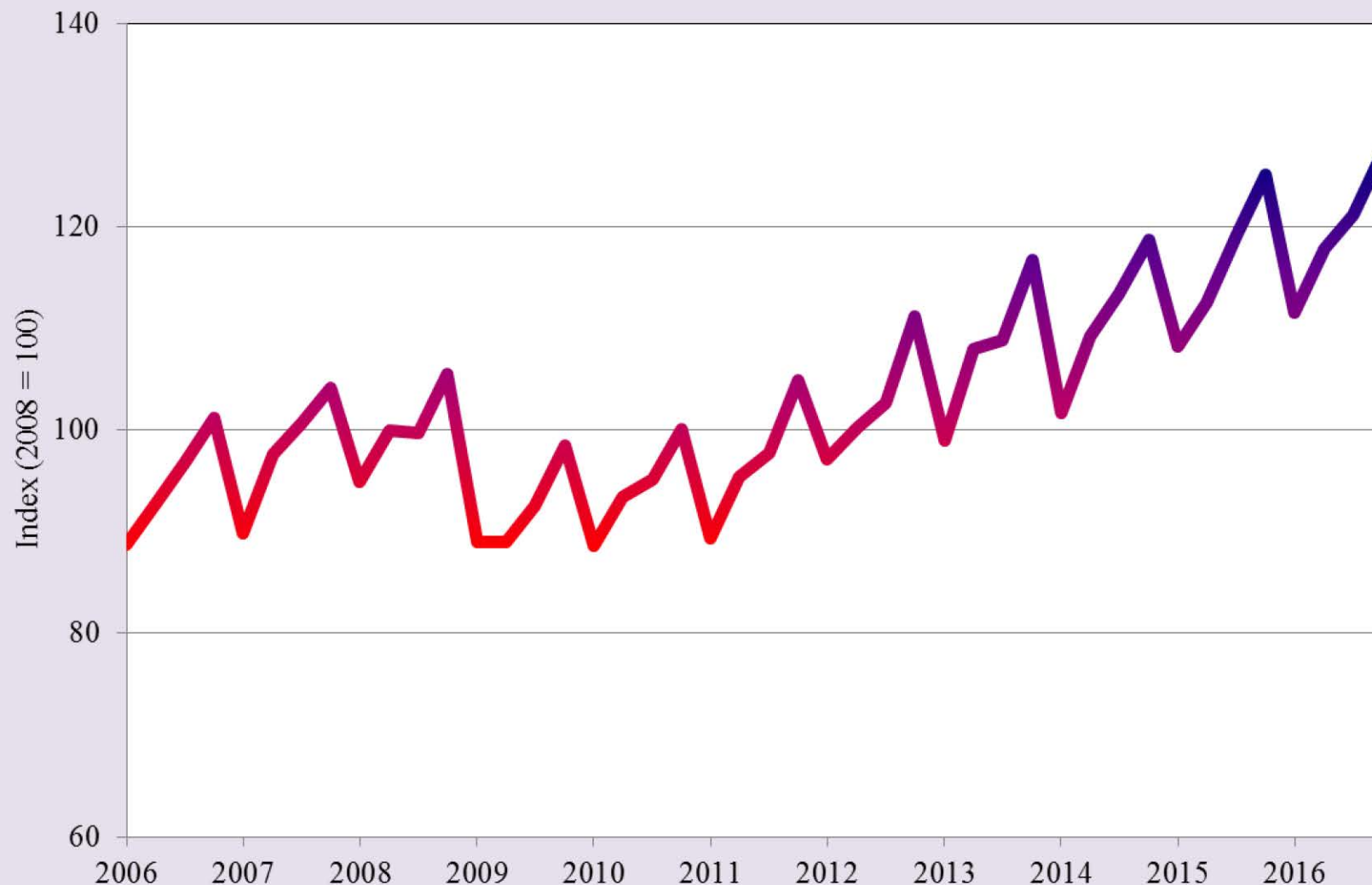
Source: Banco de México

Quarterly Indicator of Economic Activity for the State of Chihuahua



Source: INEGI

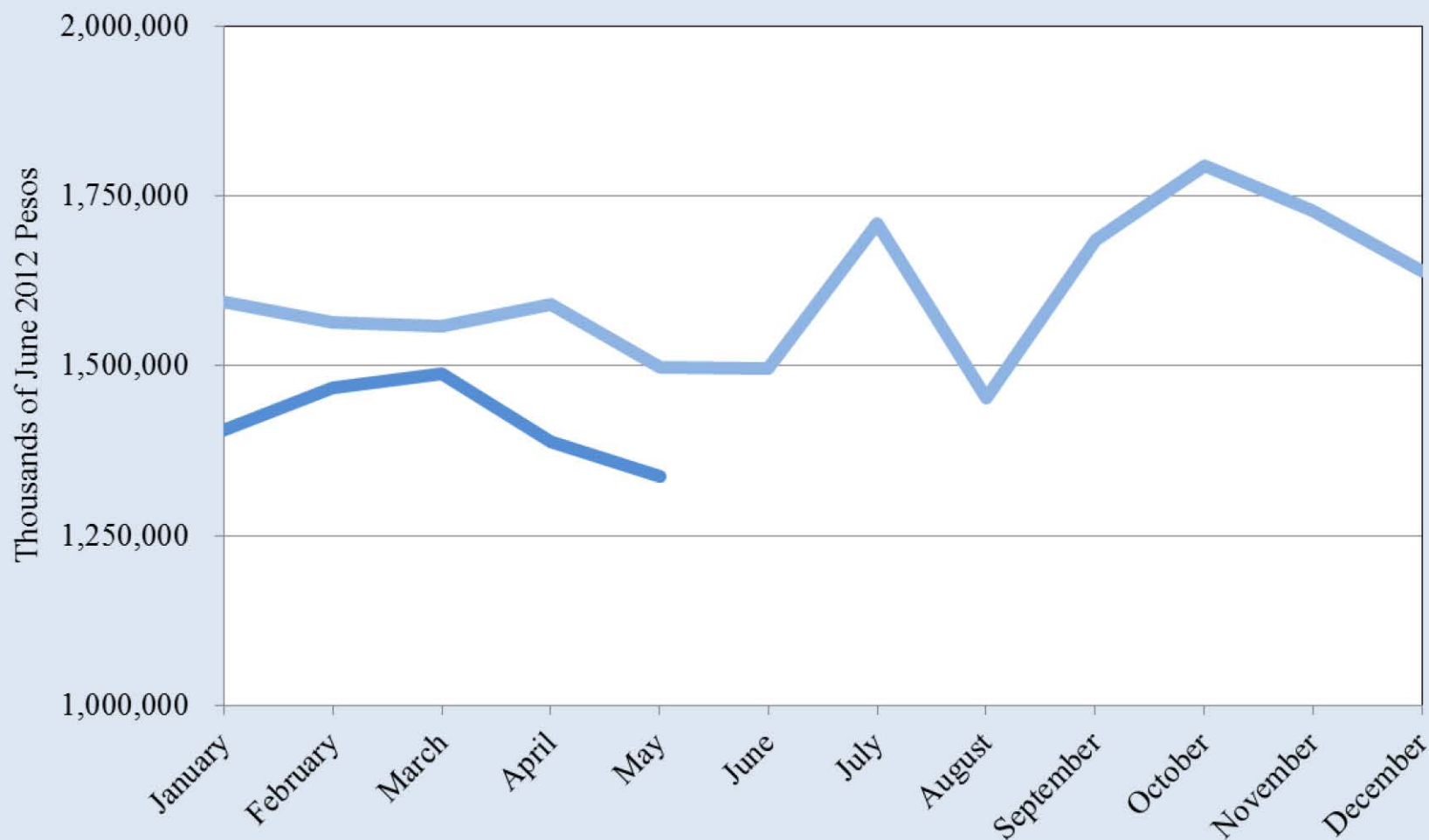
Quarterly Indicator of Economic Activity for the State of Chihuahua



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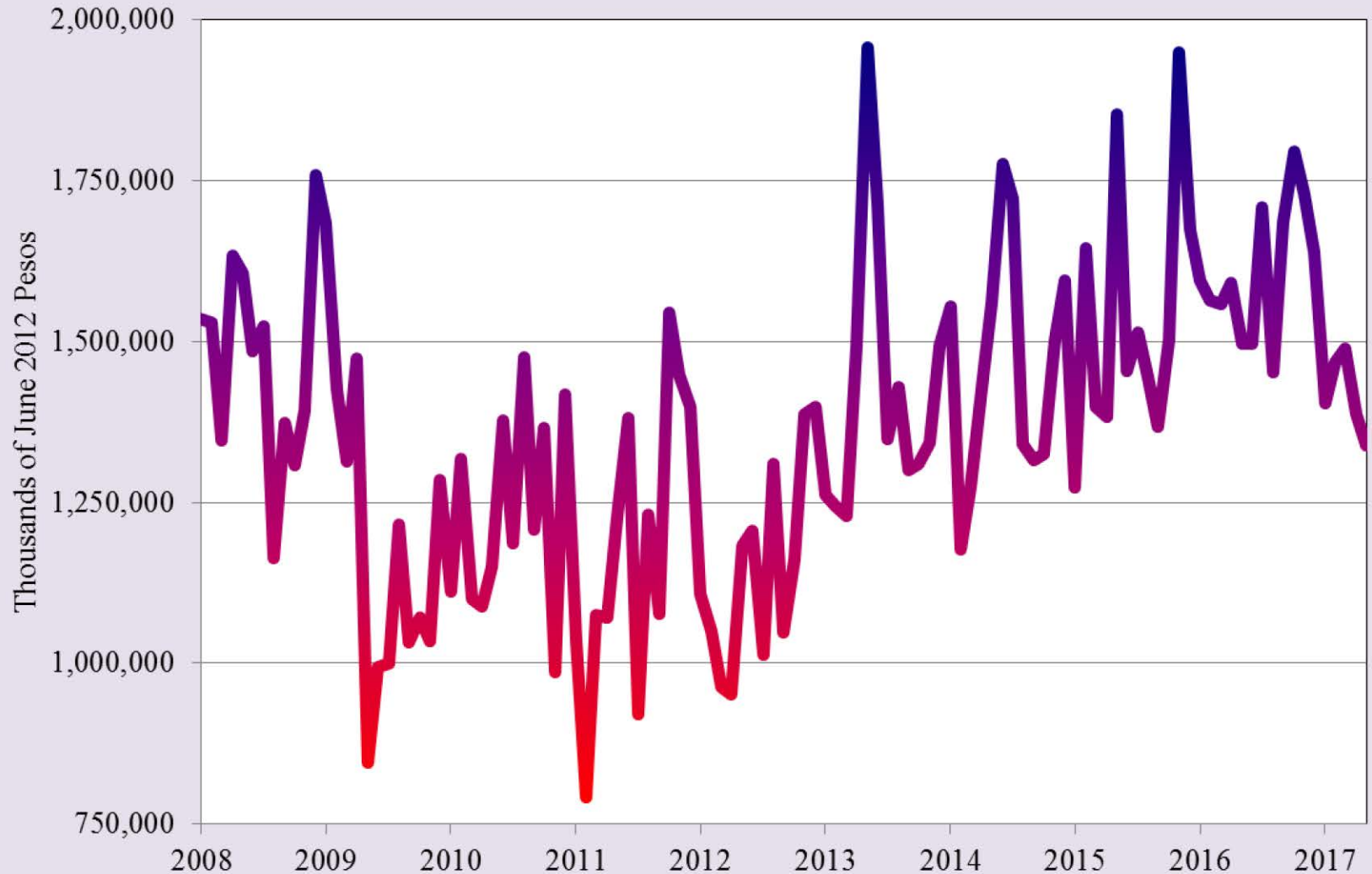
Total Value of Construction in the State of Chihuahua

— 2016 — 2017



Source: INEGI

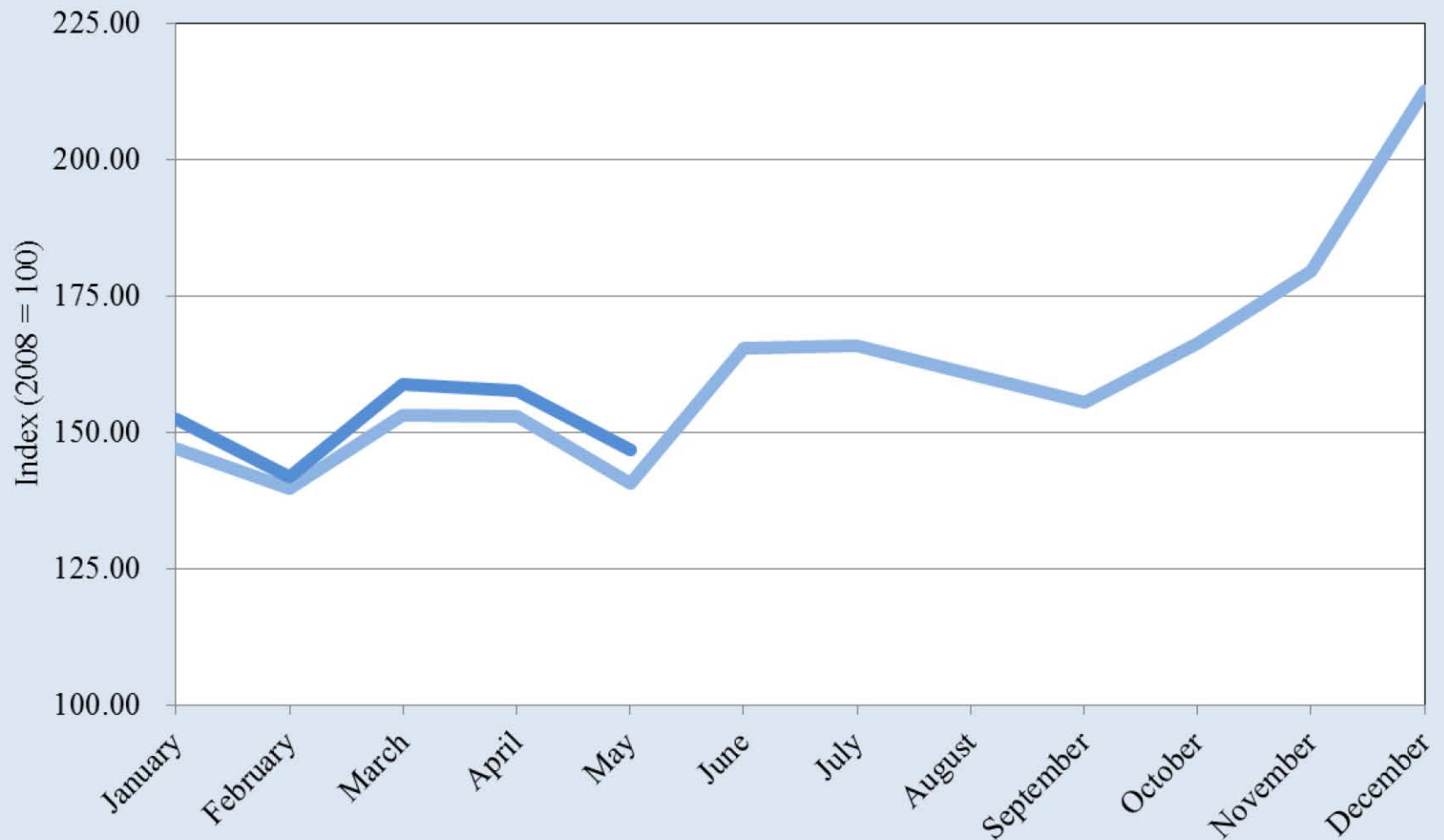
Total Value of Construction in the State of Chihuahua



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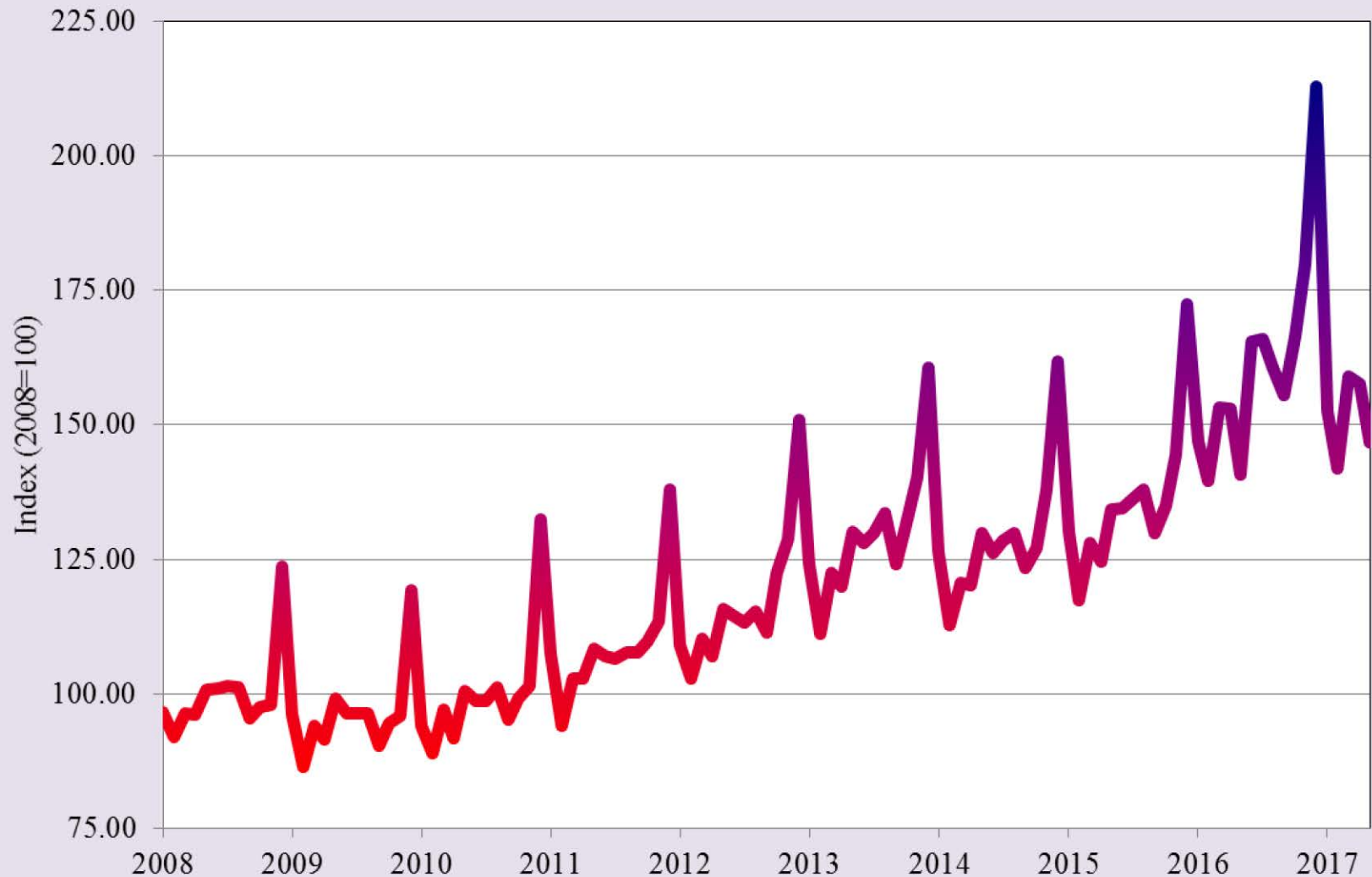
Real Retail Activity Index for the State of Chihuahua

— 2016 — 2017



Source: INEGI

Real Retail Activity Index for the State of Chihuahua



Source: INEGI



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