

1-2019

# Borderplex Business Barometer, Volume 3, Number 1

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

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## Recommended Citation

Fullerton, Thomas M. Jr.; Nazarian, Aaron; Fullerton, Steven L.; and Olivas, Sergio, "Borderplex Business Barometer, Volume 3, Number 1" (2019). *Border Region Modeling Project*. 72.

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# BORDERPLEX BUSINESS BAROMETER

**January 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  
sfullerton@miners.utep.edu  
solivas11@miners.utep.edu

**Telephone**

915-747-7747  
915-747-7775

**Fax**

915-747-6282

**Website**

<http://academics.utep.edu/border>

*Border Commerce & Economics*

**Borderplex Business Barometer, Volume 3, Number 1**

**A Fairly Good Report Card**

The Federal Reserve Bank of Dallas Business Cycle Index for the El Paso metropolitan economy continued its upward trajectory in December. Healthy job growth, improved retail sales, and stable wages buoyed the indicator throughout 2018. The December unemployment rate of 4.0 percent means that the annual jobless rate for El Paso remained below 5.0 percent for a third consecutive year for the first time since 1972.

Against that backdrop, it is not surprising that the El Paso Household Economic Stress Index moved slightly downward in November. Local enrollments in the supplemental nutrition assistance program (El Paso County SNAP) fell to 167,548 in December. SNAP enrollments in 2018 were below the corresponding figures for 2017 in every month.

The median price for single-family housing units rose to \$158,000. Housing demand remains firm relative to supply. The months of housing inventory remained below 4.0 again in December. That, plus the lull in mortgage rate increases, implies that local prices may have some unrealized upward potential.

Average unleaded gasoline prices for December in El Paso fell below the \$2.10 per gallon mark for the first time since prior to when Hurricane Harvey made landfall in August 2017. December 2018 El Paso gasoline prices were thirty-six cents lower than what they were in December 2017. While gasoline price fell in many regions. The local decline was more pronounced than the thirty-cent decrement observed nationwide in the United States.

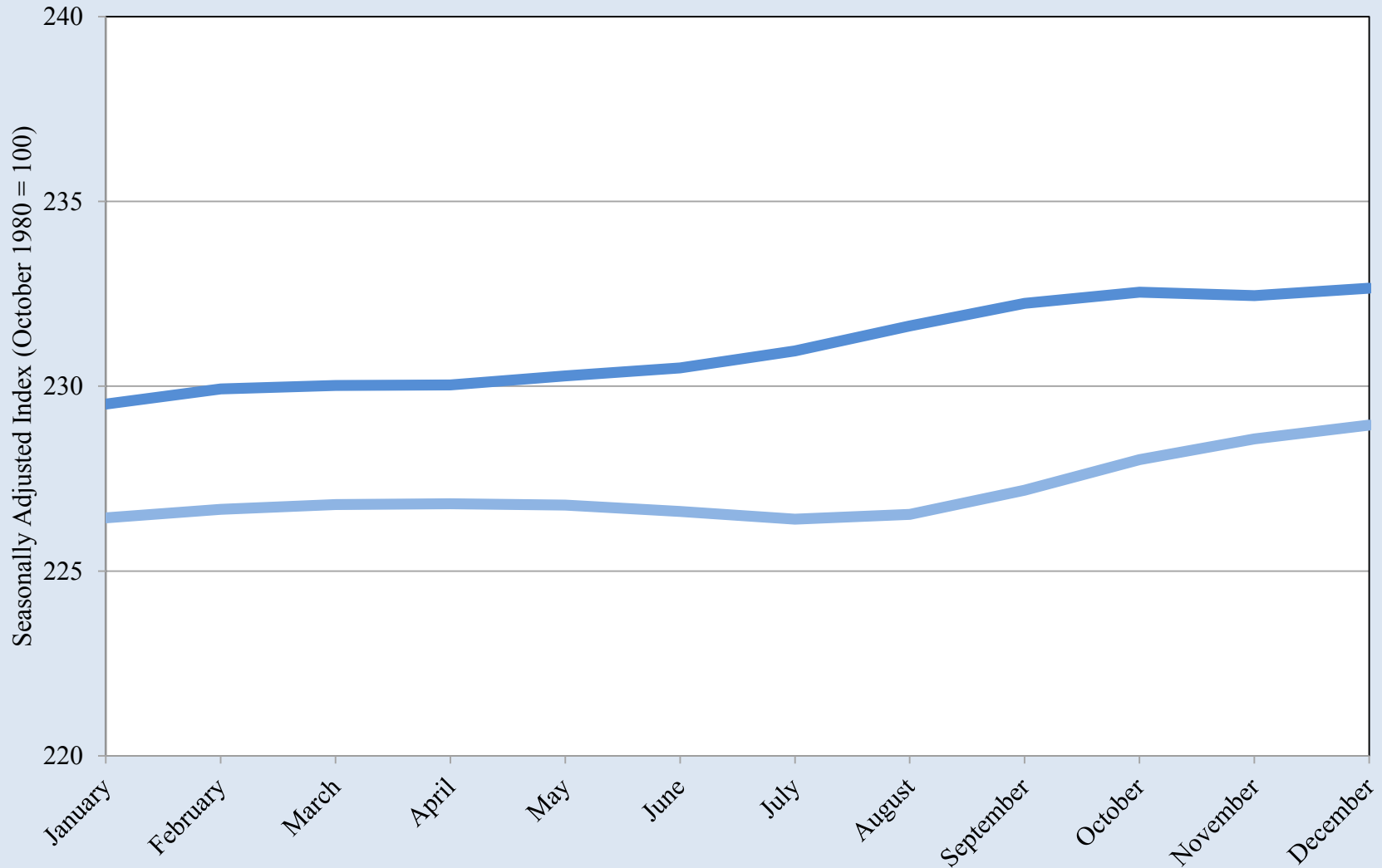
The Doña Ana County unemployment rate remained below 7.0 percent during every month of 2018. That is the first time that has occurred in the Mesilla Valley labor market since 2008. More importantly, the civilian labor force grew on a year-over-year basis for a fifth consecutive month in December. That means that job growth has accelerated enough to absorb the increases in the local labor force and reduce out-migration to the oil patch. The healthier labor market helped ensure that SNAP program enrollments remained below 28 thousand for a nineteenth consecutive month in November.

The peso-per-dollar nominal exchange rate increased by 1.19 pesos to 20.25 in November. The gap between the nominal exchange rate and the Borderplex restaurant price ratio increased in November. Given the breadth of that gap, history indicates that there is ample room for peso appreciation in the coming months, at least if financial market instability is avoided. Because of the recent federal government shutdown in the United States, updates for data collected by several agencies are not available. The latter includes northbound international bridge traffic and customs district trade flows.

Ciudad Juárez export manufacturing employment increased again in October to almost 277,000. If the USMCA trade agreement is approved by all three countries, more payroll increases are likely in 2019. Reflective of the better outlook, the Northern Mexico Manufacturing Orders Index finished above its year-ago level for a seventh straight month in December. October Construction activity and retail sales for the State of Chihuahua also remained above year-ago levels. Finally, the indicator of economic activity in the State of Chihuahua was above the corresponding figure for 2017 for a second straight trimester during the third quarter. These indicators jointly point to solid economic growth in Ciudad Juárez, and Chihuahua as a whole, in recent months with more to come this year.

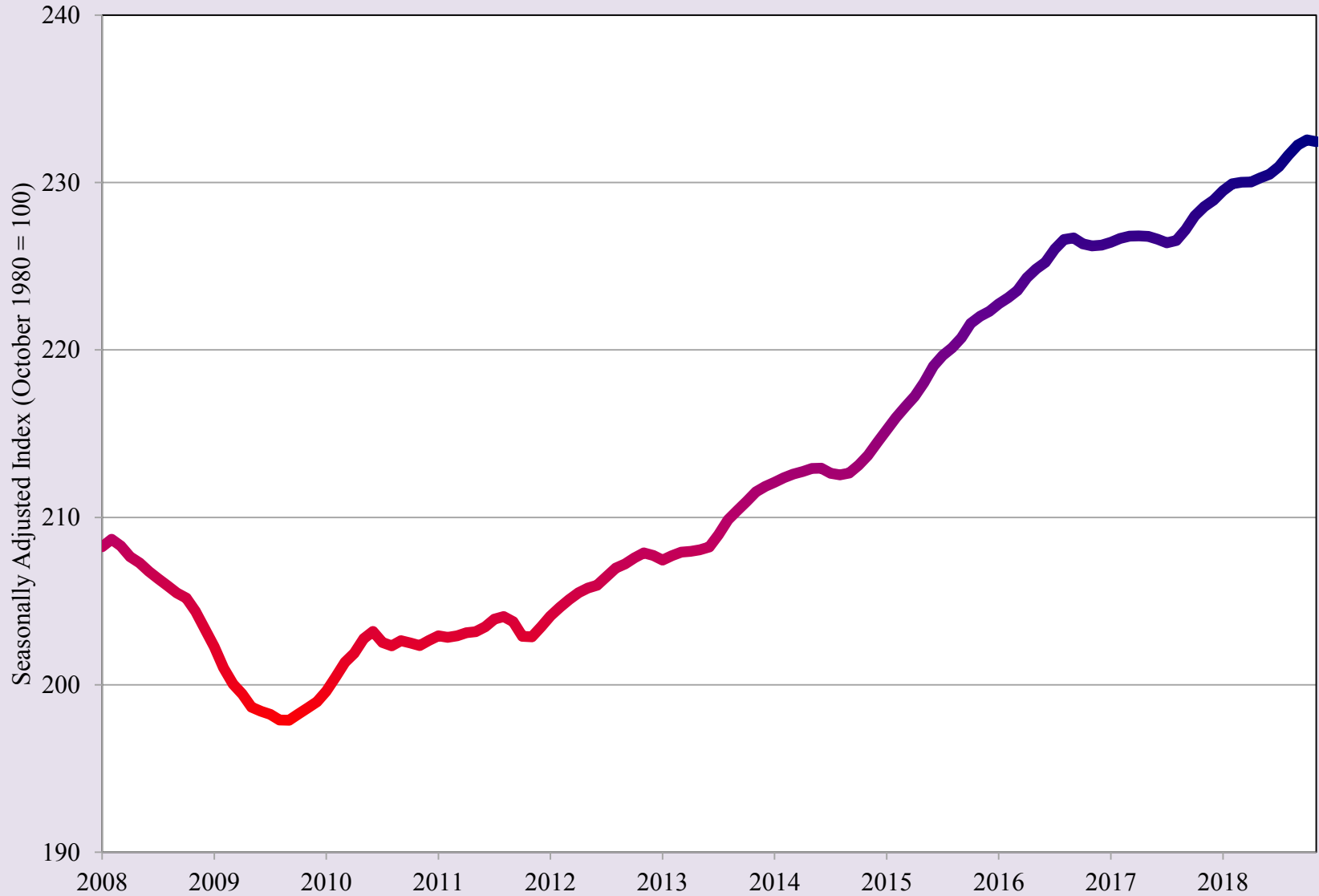
# Metro Business-Cycle Index for El Paso

— 2017 — 2018



Source: Federal Reserve Bank of Dallas

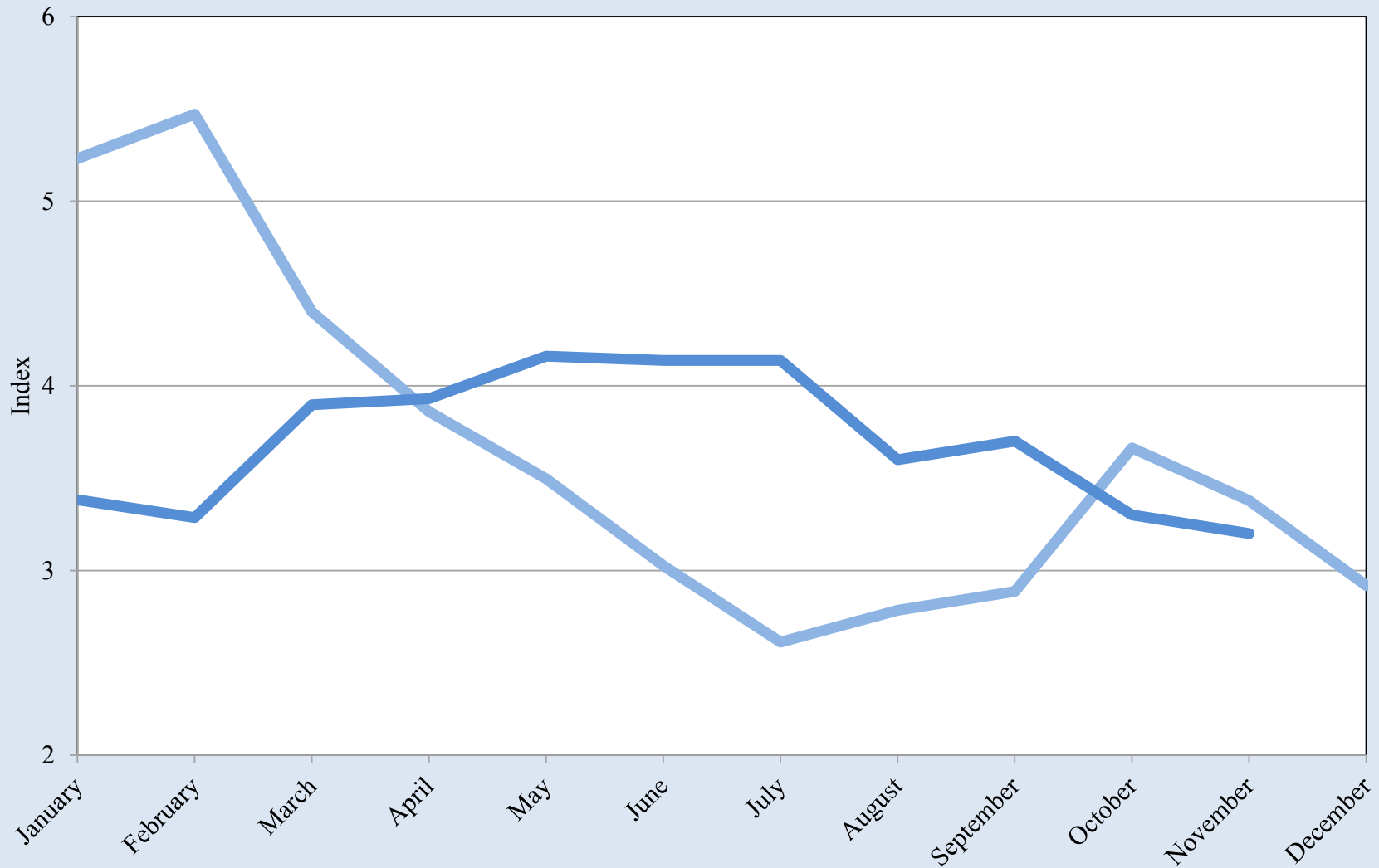
## Metro Business-Cycle Index for El Paso



Source: Federal Reserve Bank of Dallas

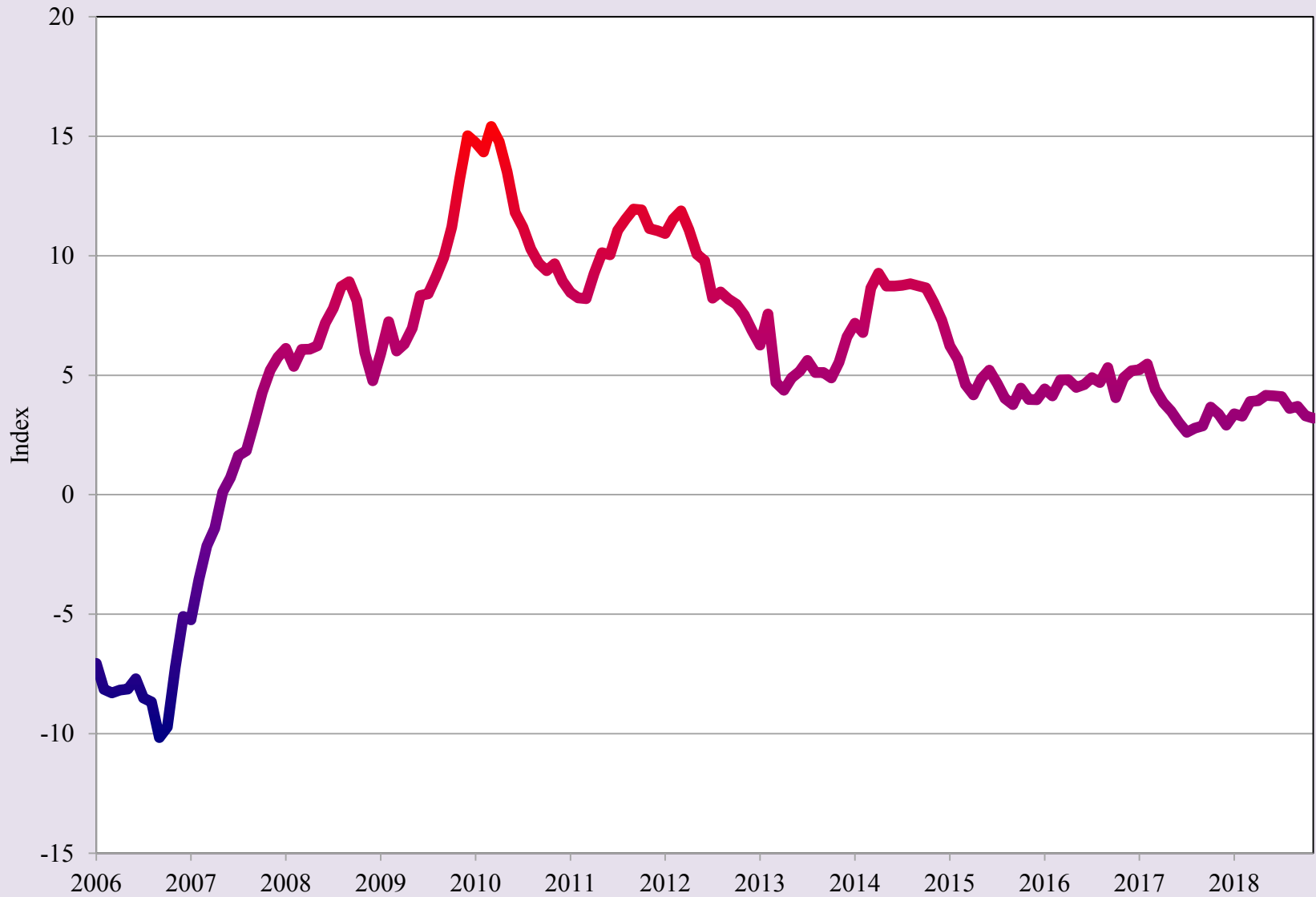
# El Paso Household Economic Stress Index

— 2017 — 2018



Source: UTEP Border Region Modeling Project

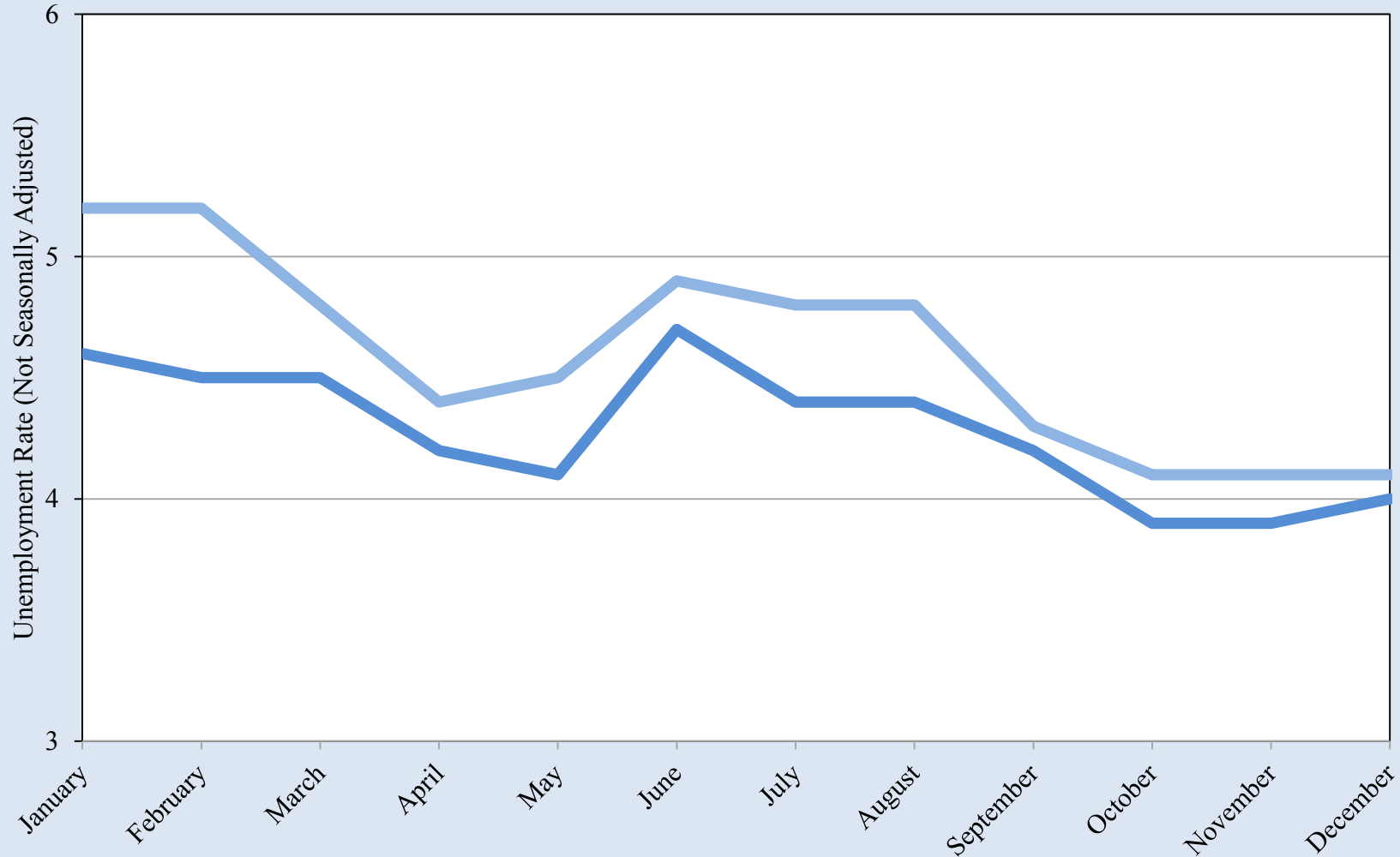
## El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

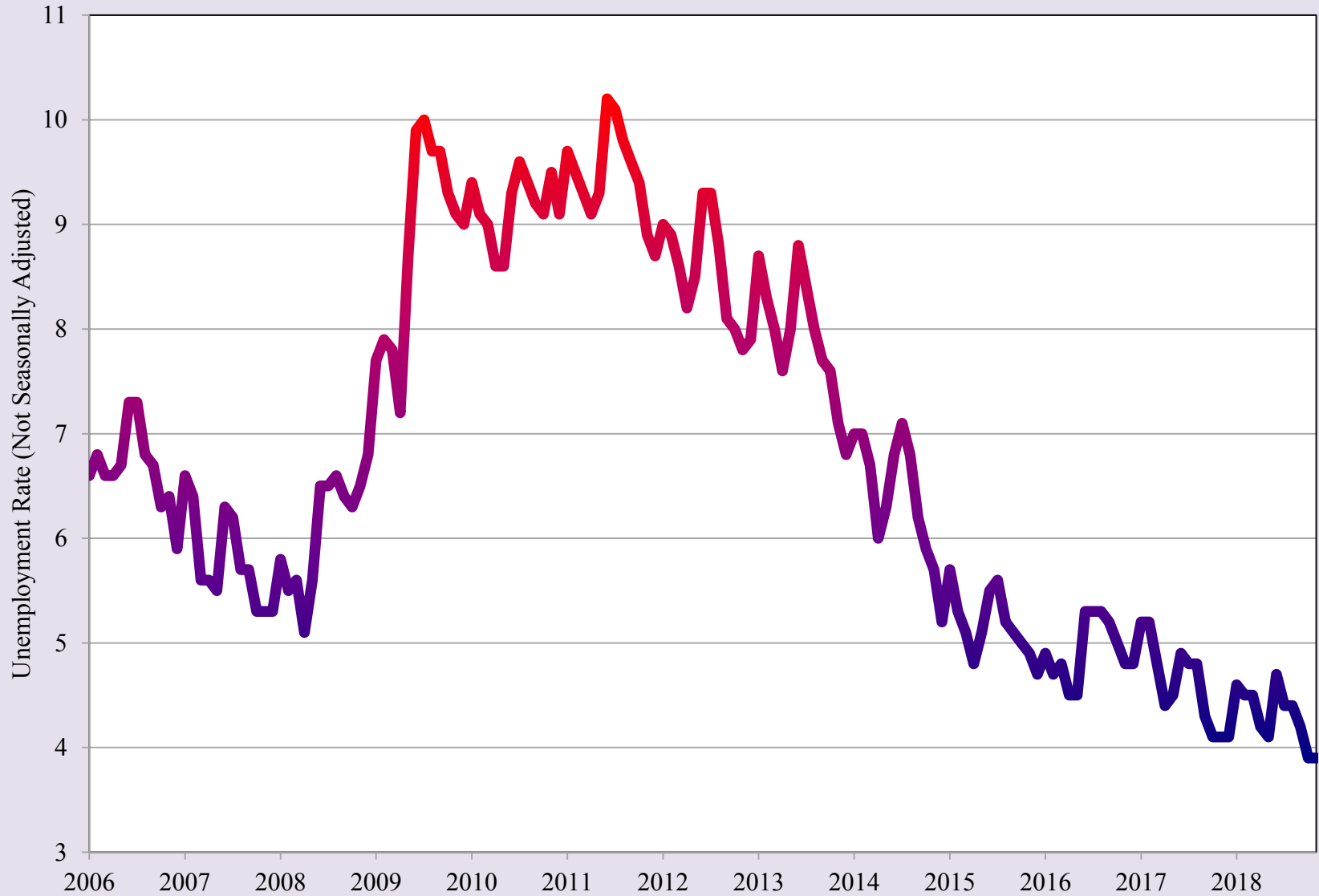
# El Paso County Unemployment Rate

— 2017 — 2018



Source: Bureau of Labor Statistics

## El Paso County Unemployment Rate

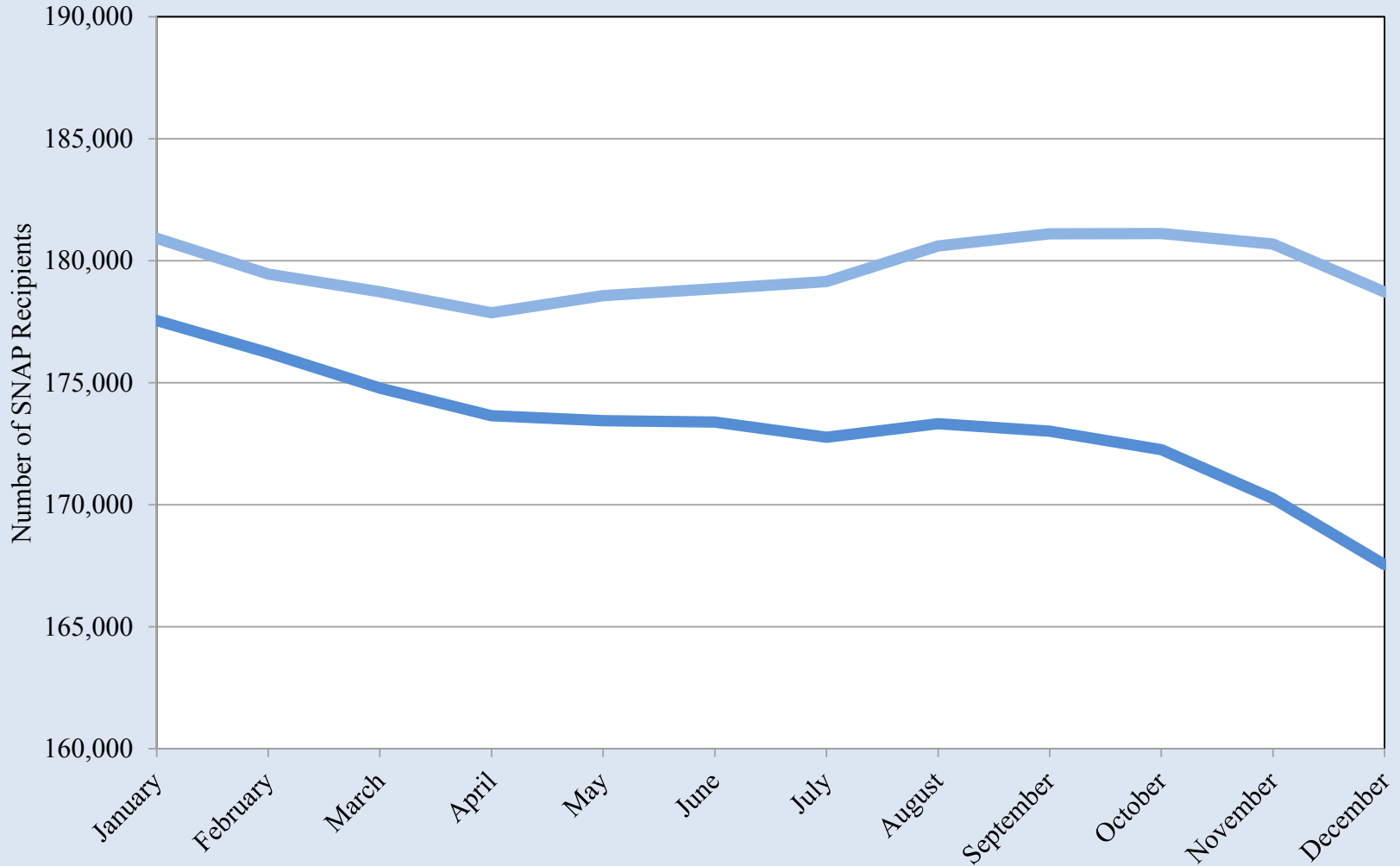


Source: Bureau of Labor Statistics



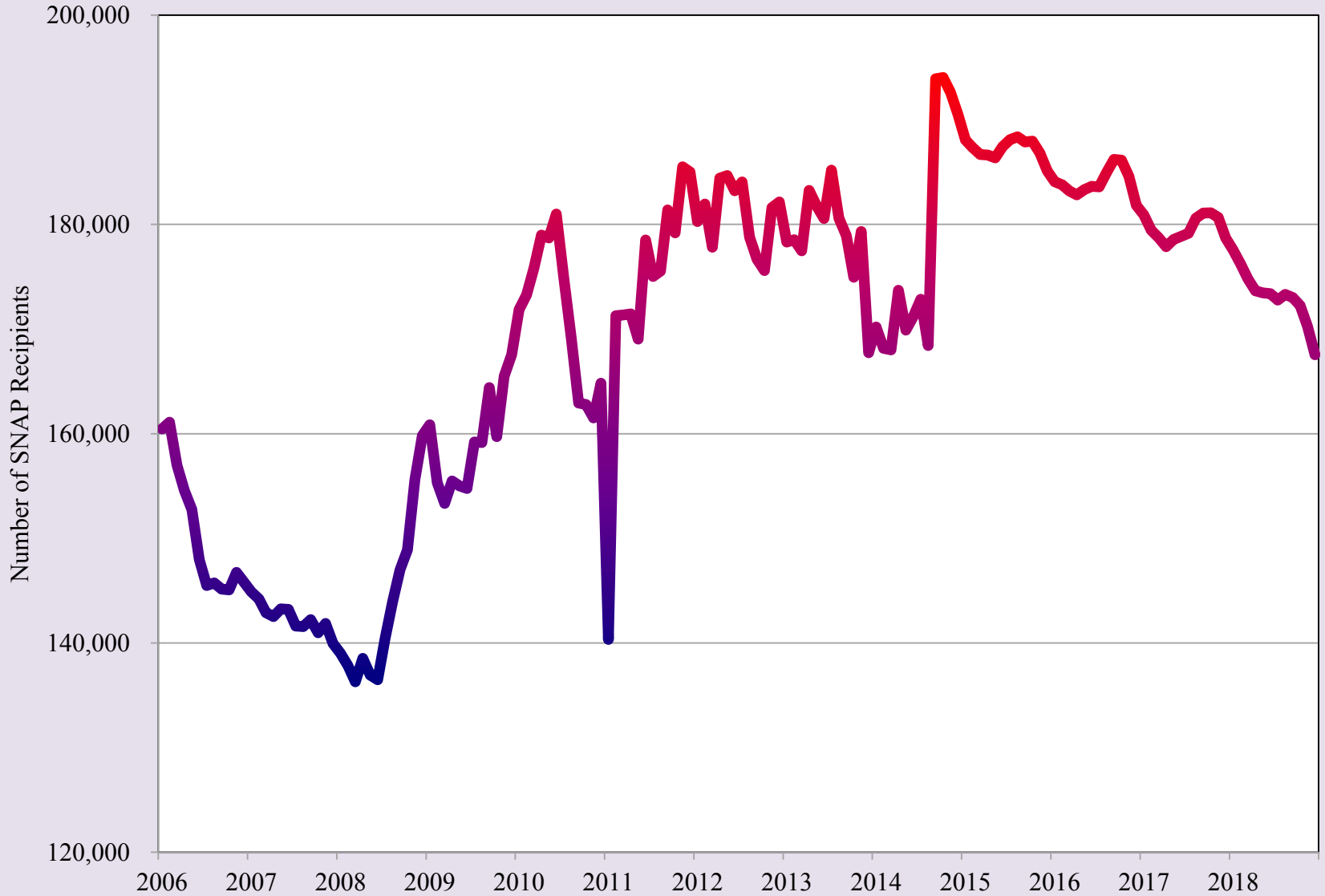
## El Paso County SNAP (Food Stamp) Enrollment

2017 2018



Source: Texas Health and Human Services Commission

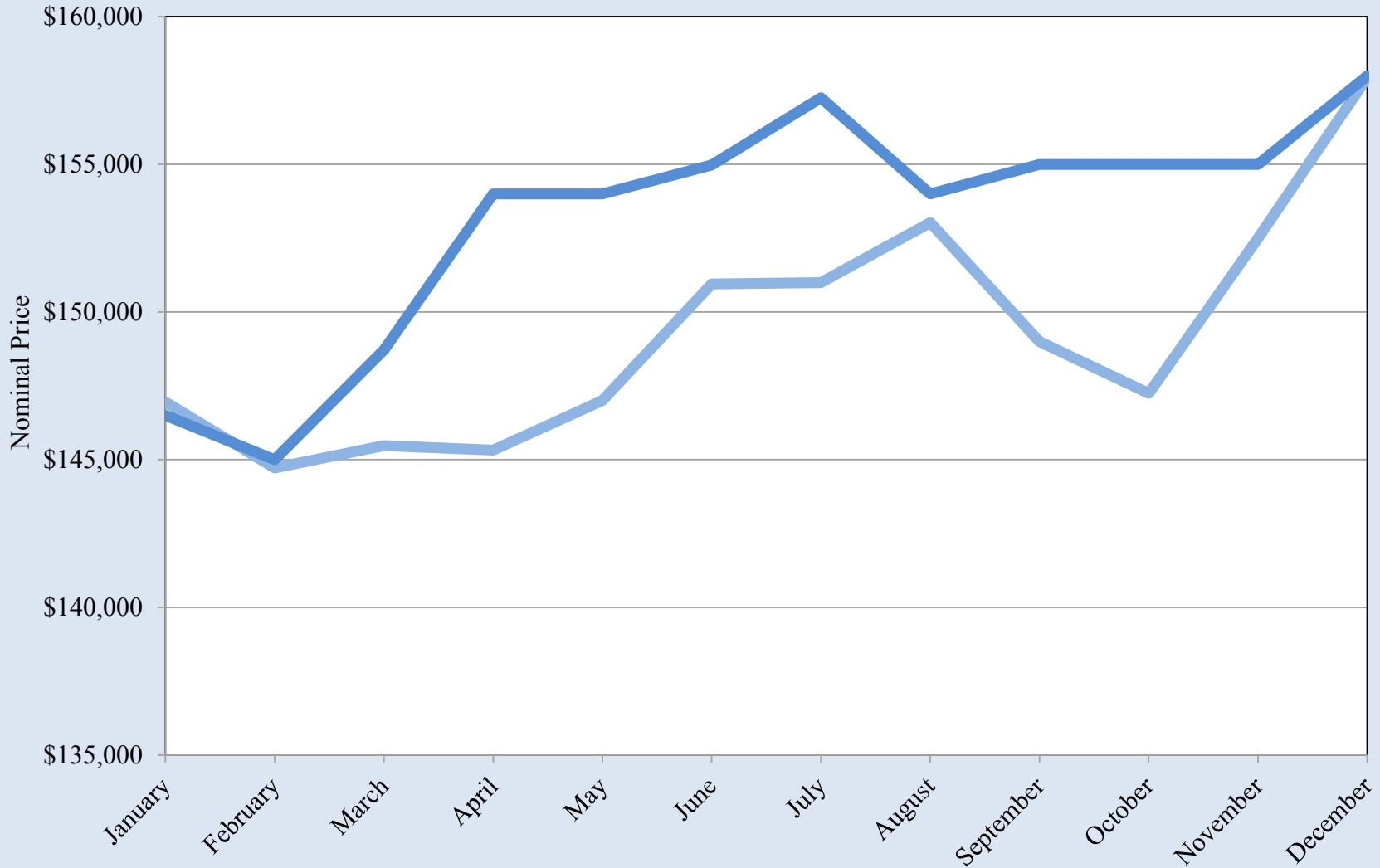
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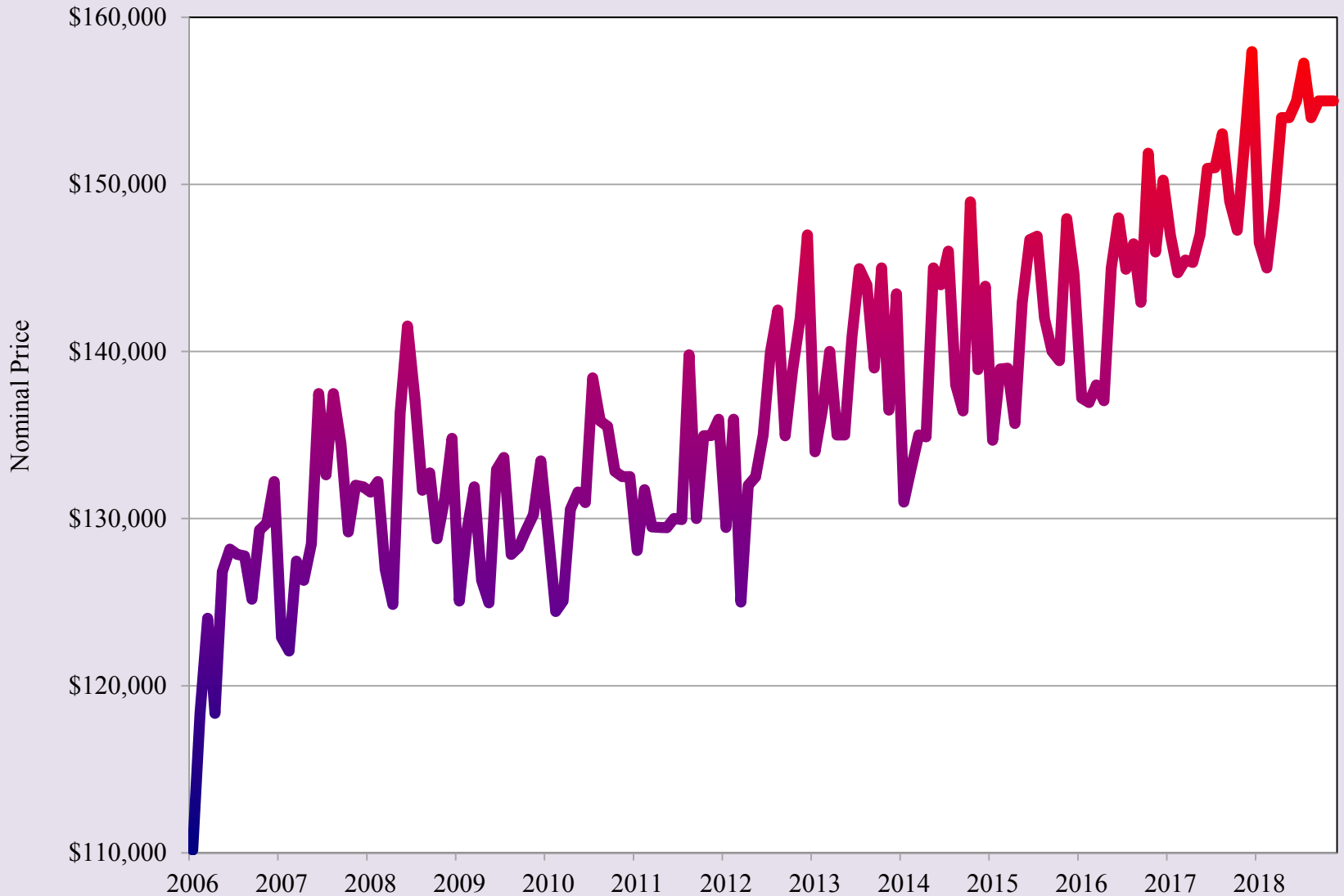
# El Paso Median Housing Prices

— 2017 — 2018



Source: Texas A&M Real Estate Center

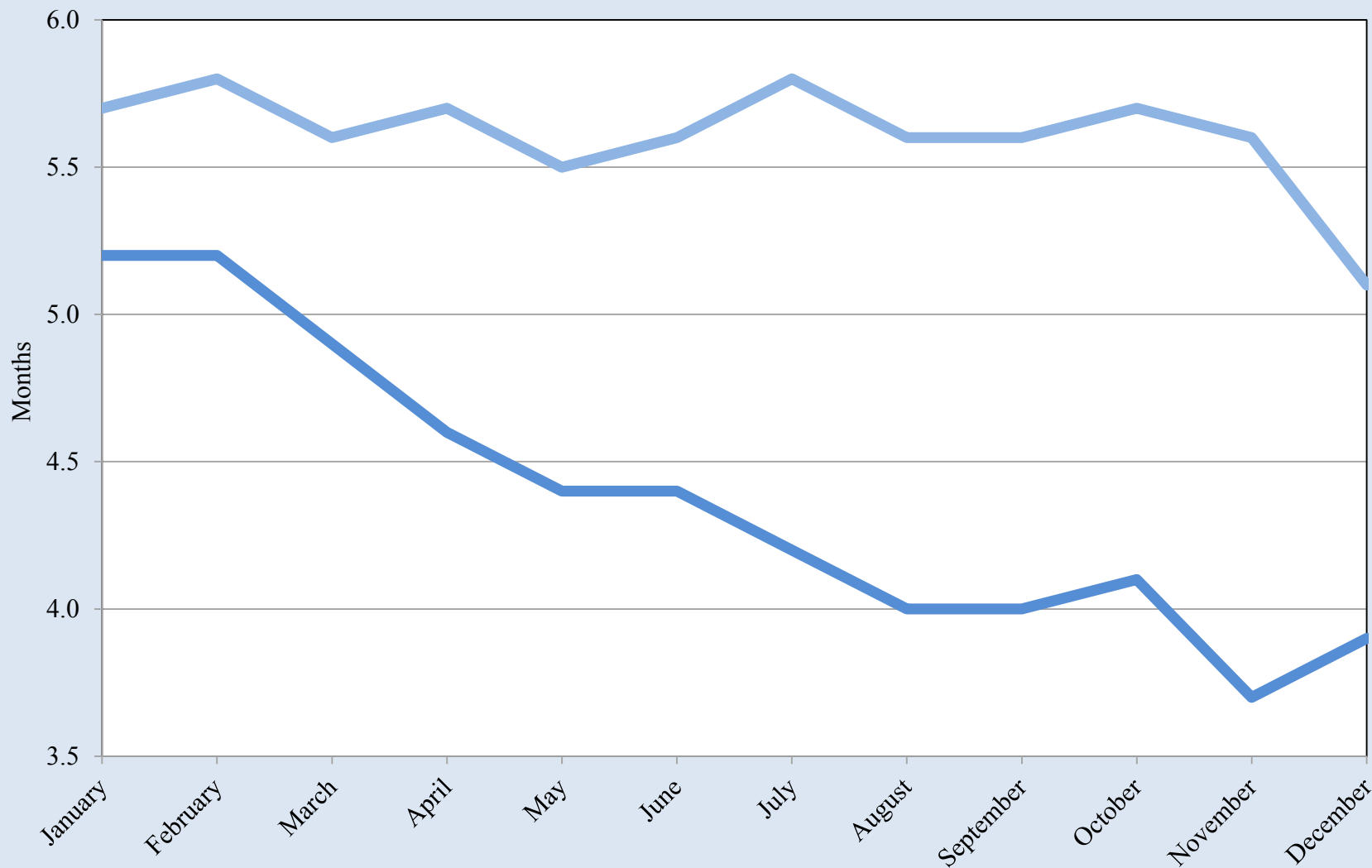
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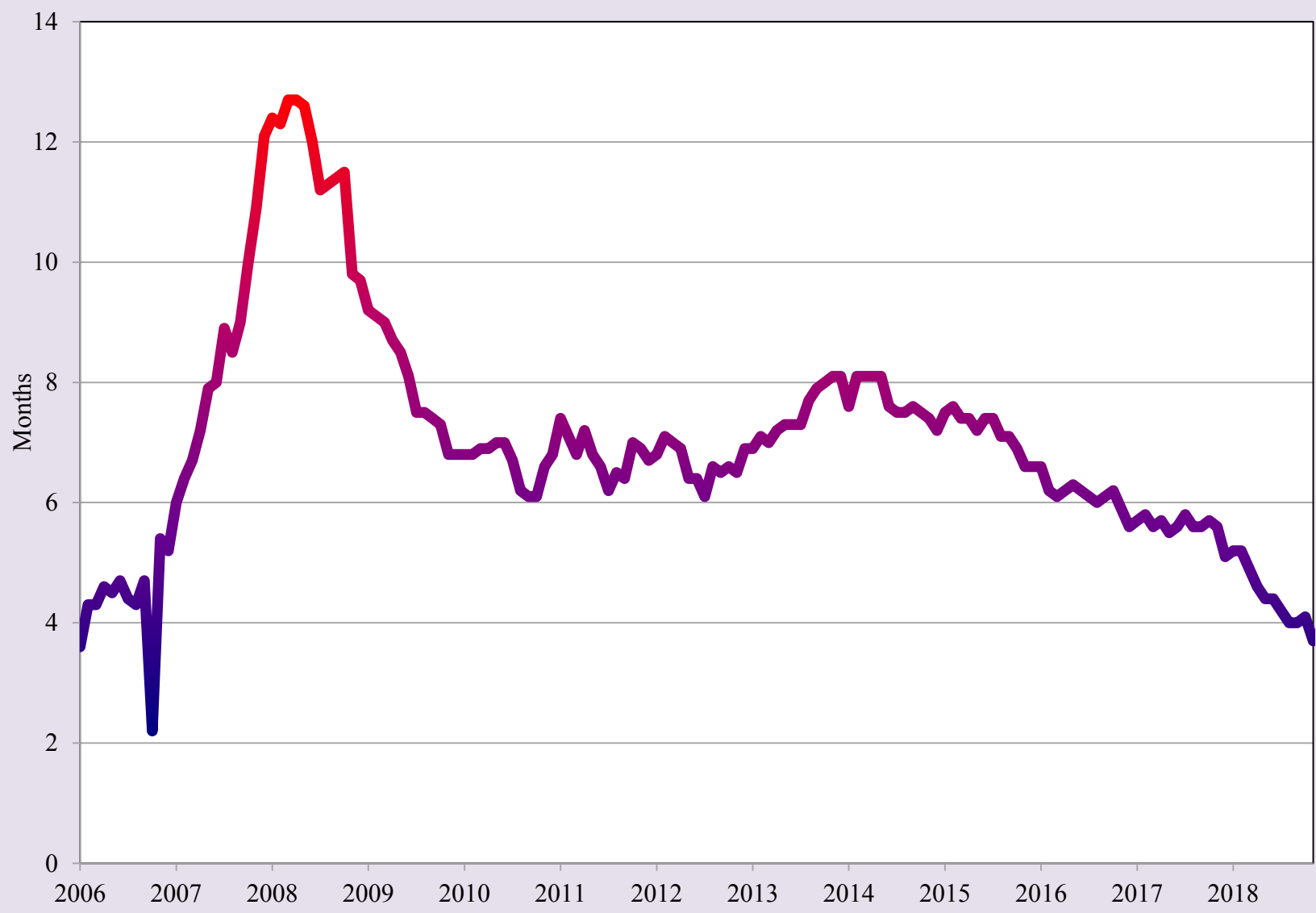
## Months of Housing Inventory for El Paso

— 2017 — 2018



Source: Texas A&M Real Estate Center

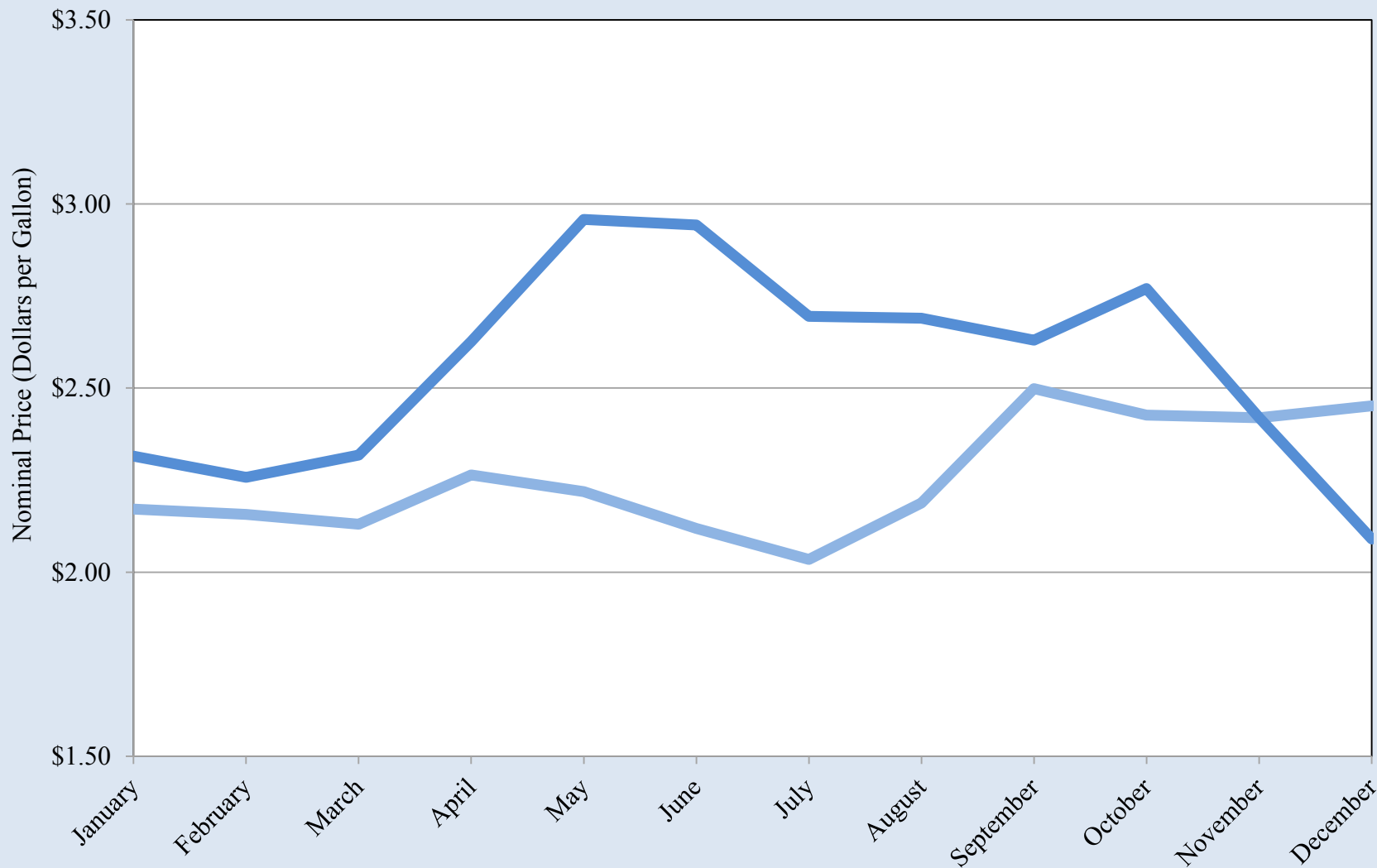
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Source: Texas A&M Real Estate Center

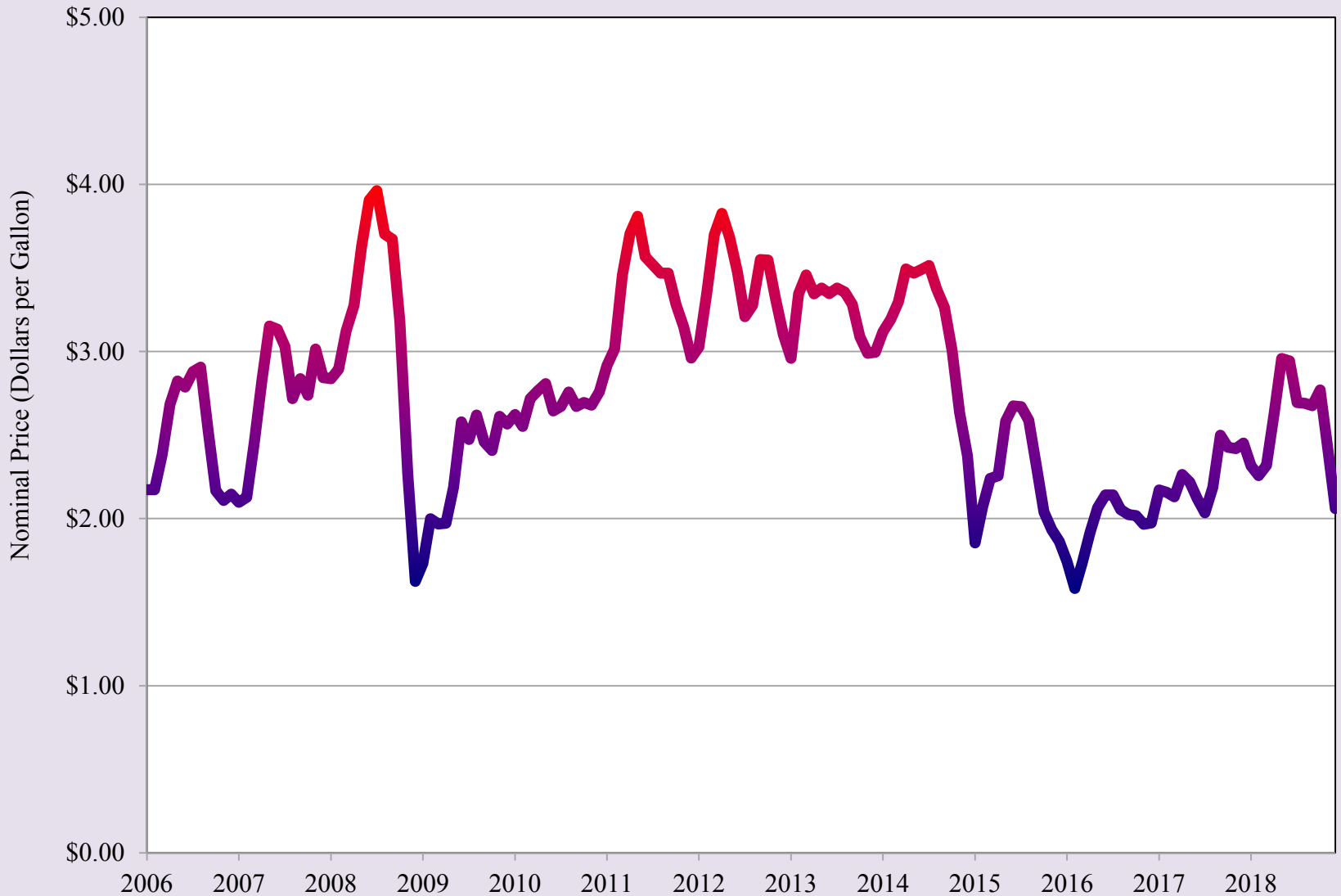
## El Paso Gasoline Prices

— 2017 — 2018



Source: GasBuddy.com

# El Paso Gasoline Prices

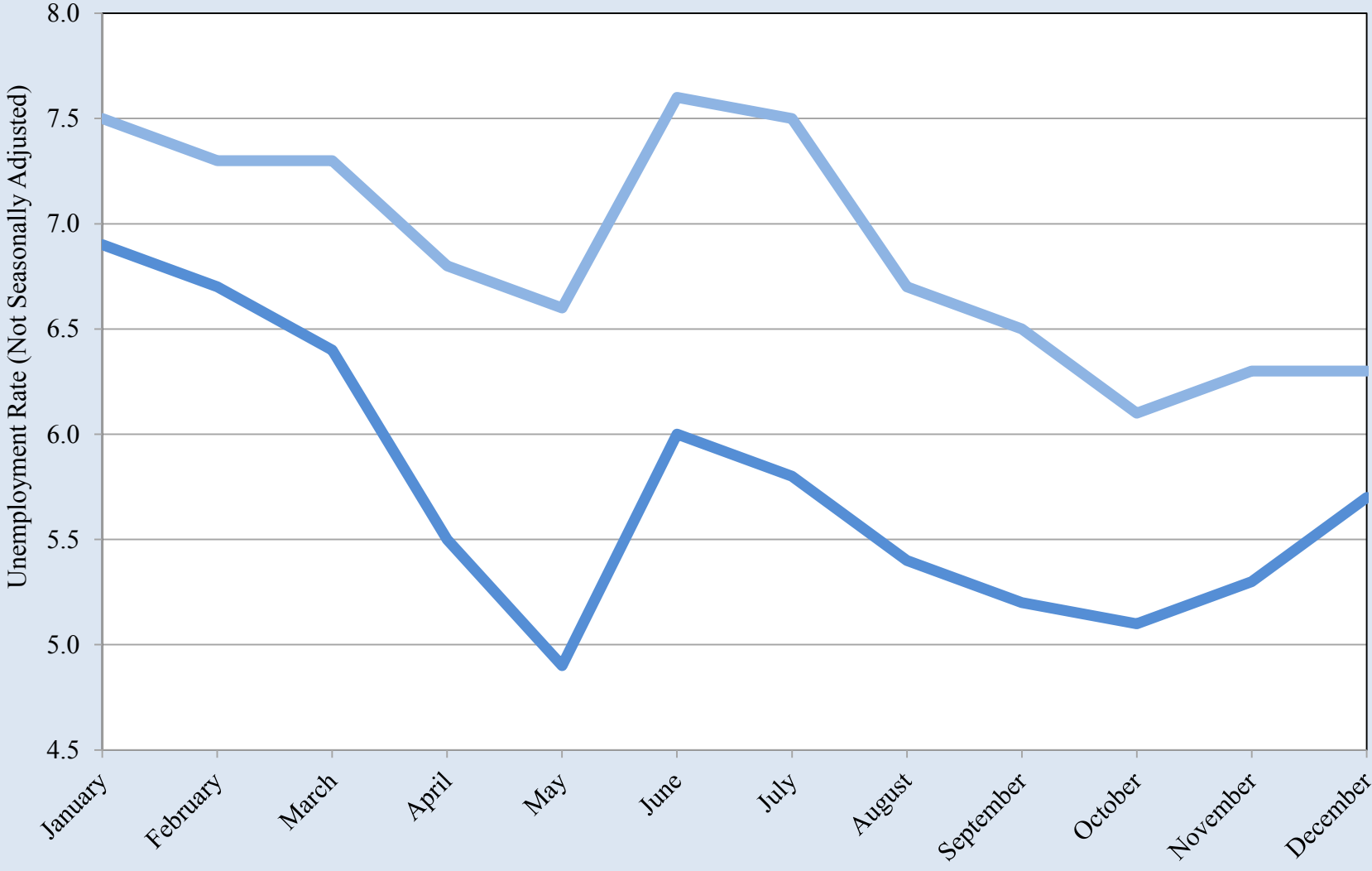


Source: GasBuddy.com



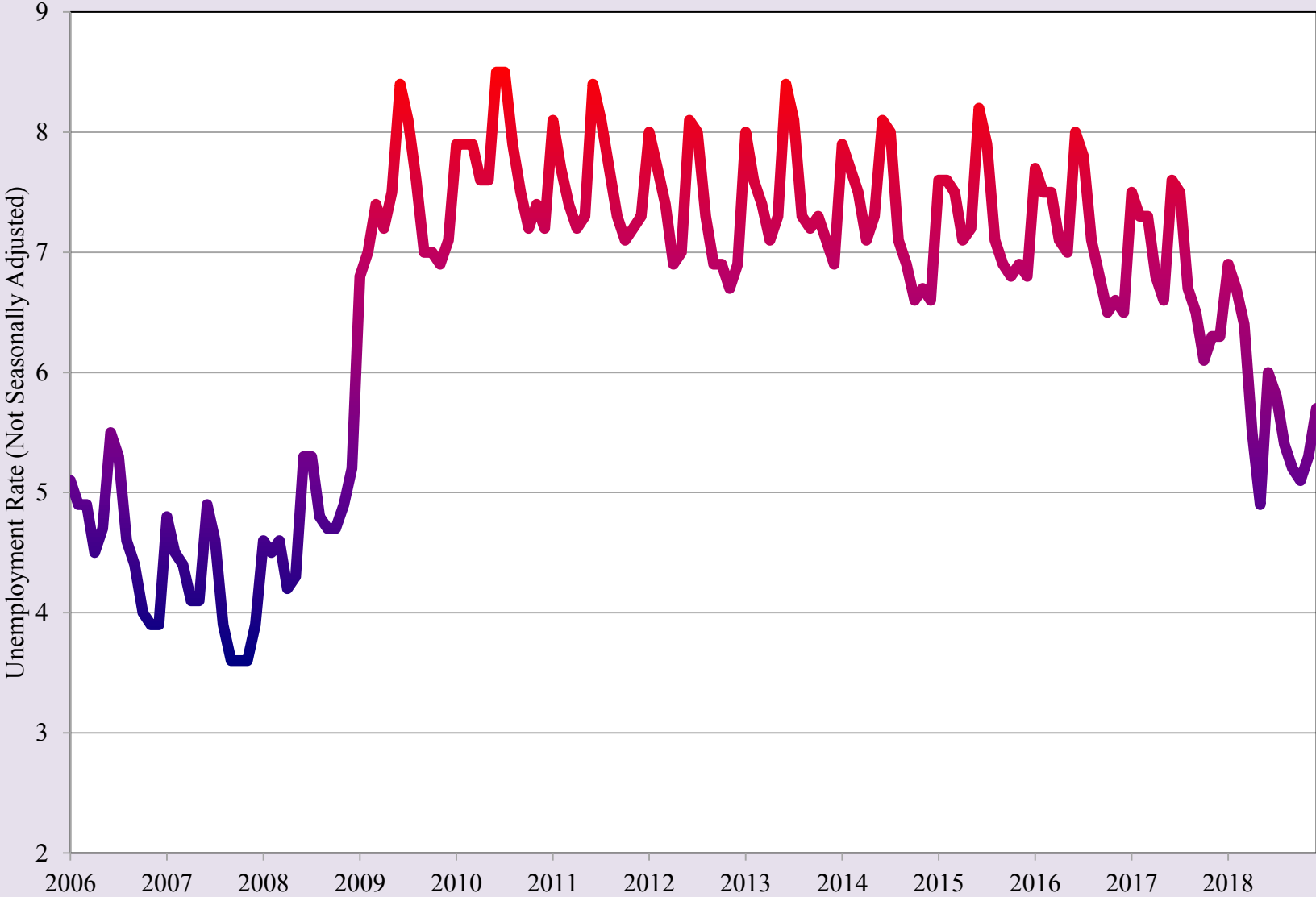
# Doña Ana County Unemployment Rate

— 2017 — 2018



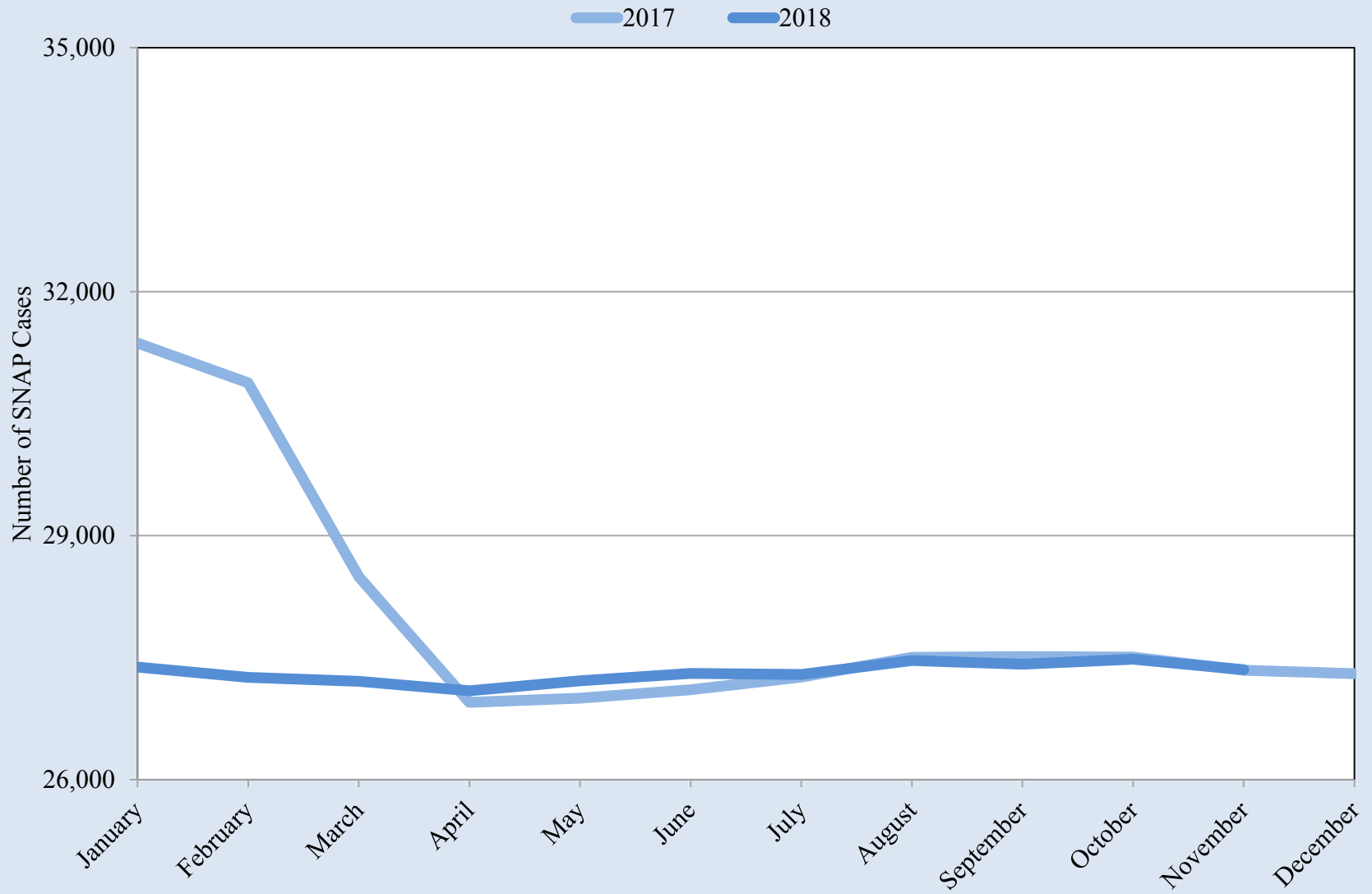
Source: Bureau of Labor Statistics

# Doña Ana County Unemployment Rate



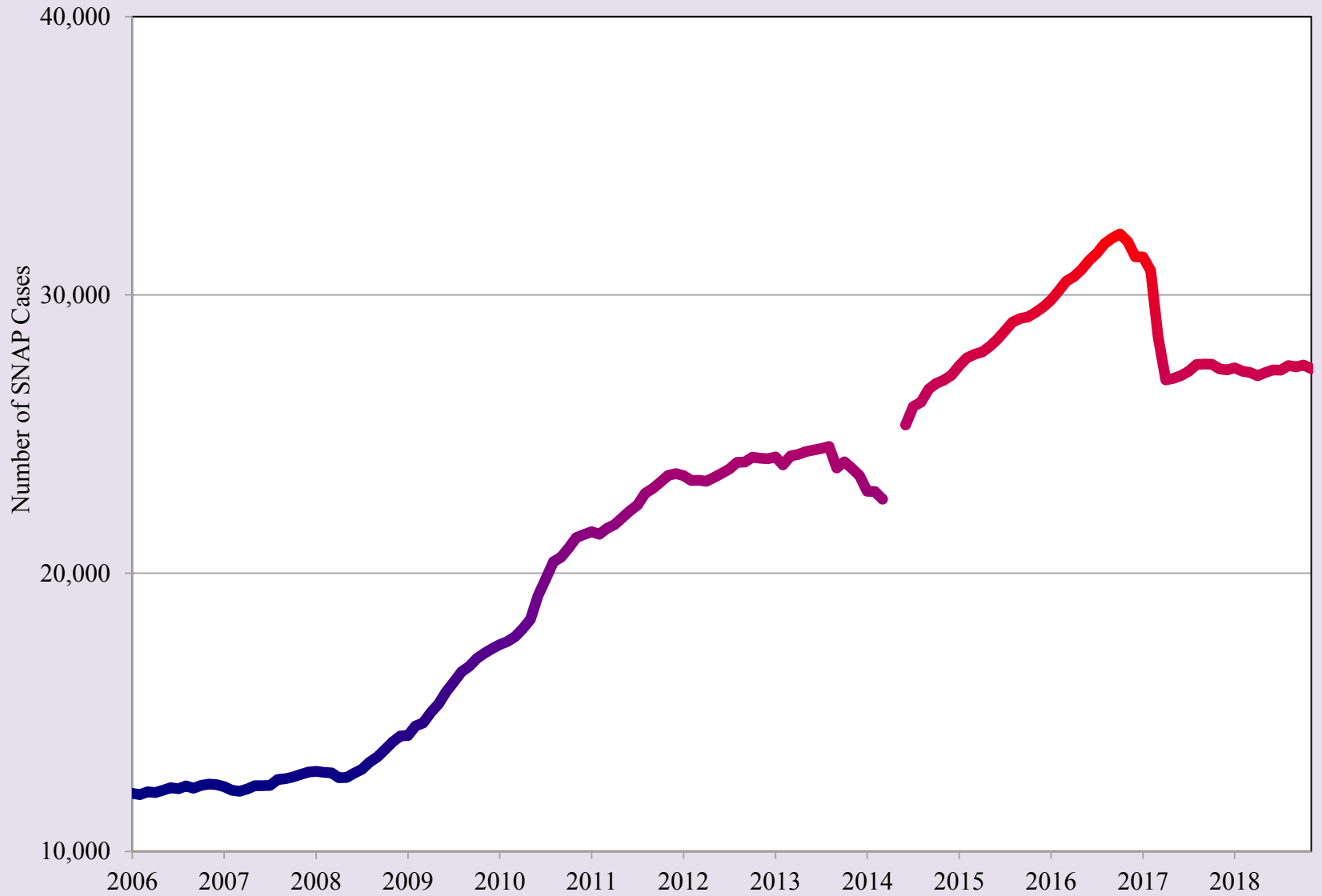
Source: Bureau of Labor Statistics

## Las Cruces Area SNAP (Food Stamp) Cases



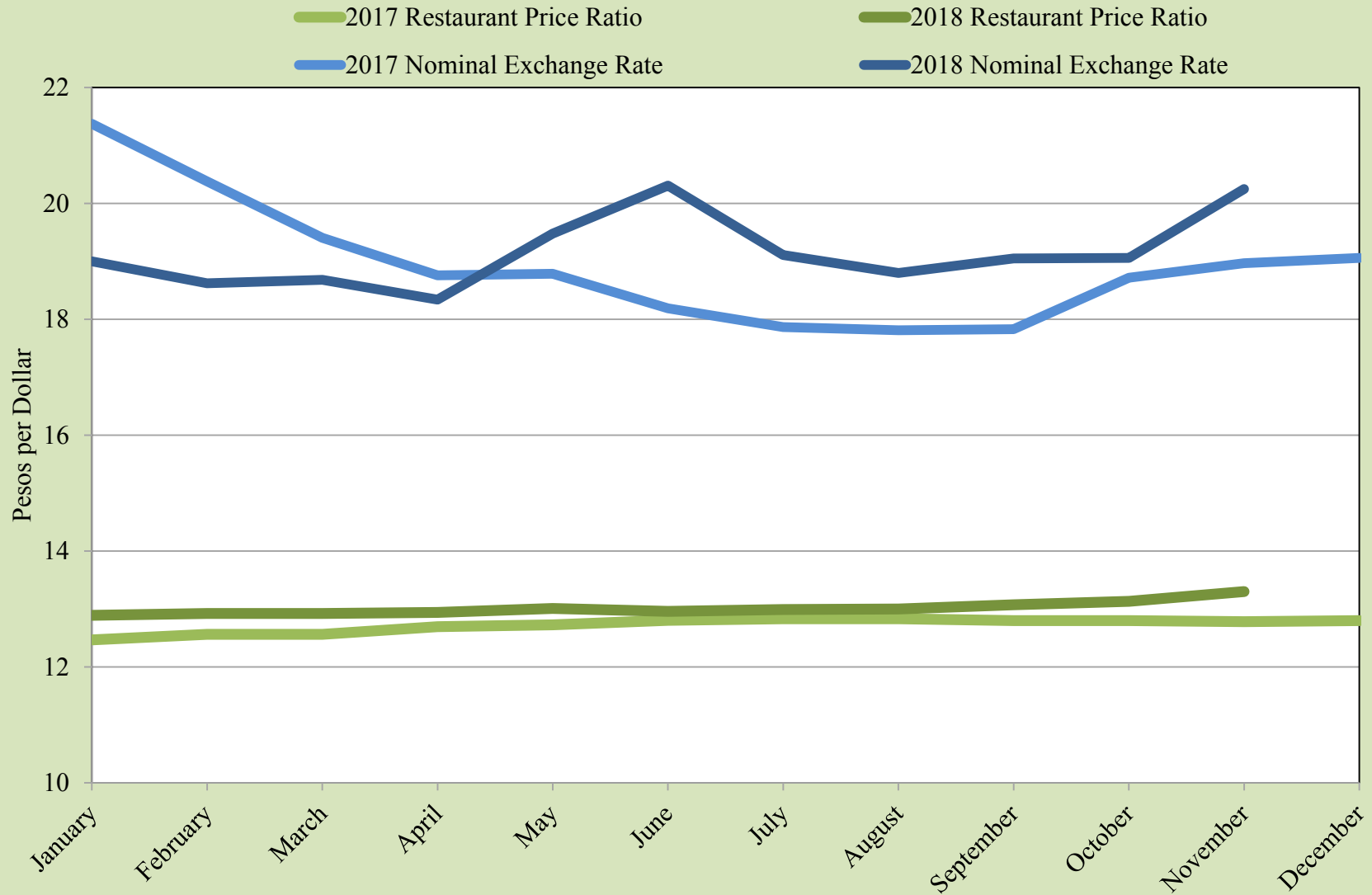
Source: New Mexico Human Services Department

## Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

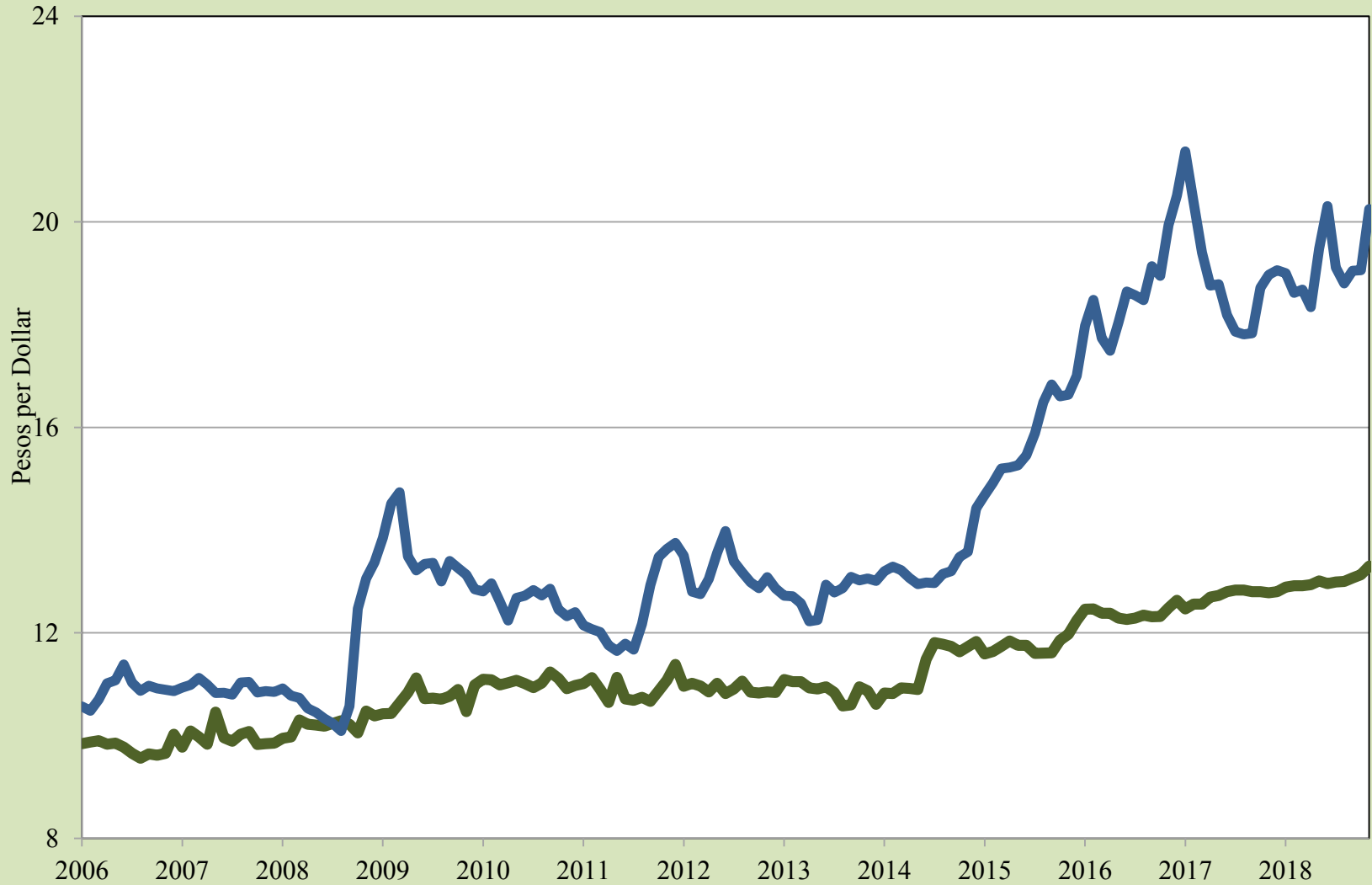
## Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

## Restaurant Price Ratio and Exchange Rate

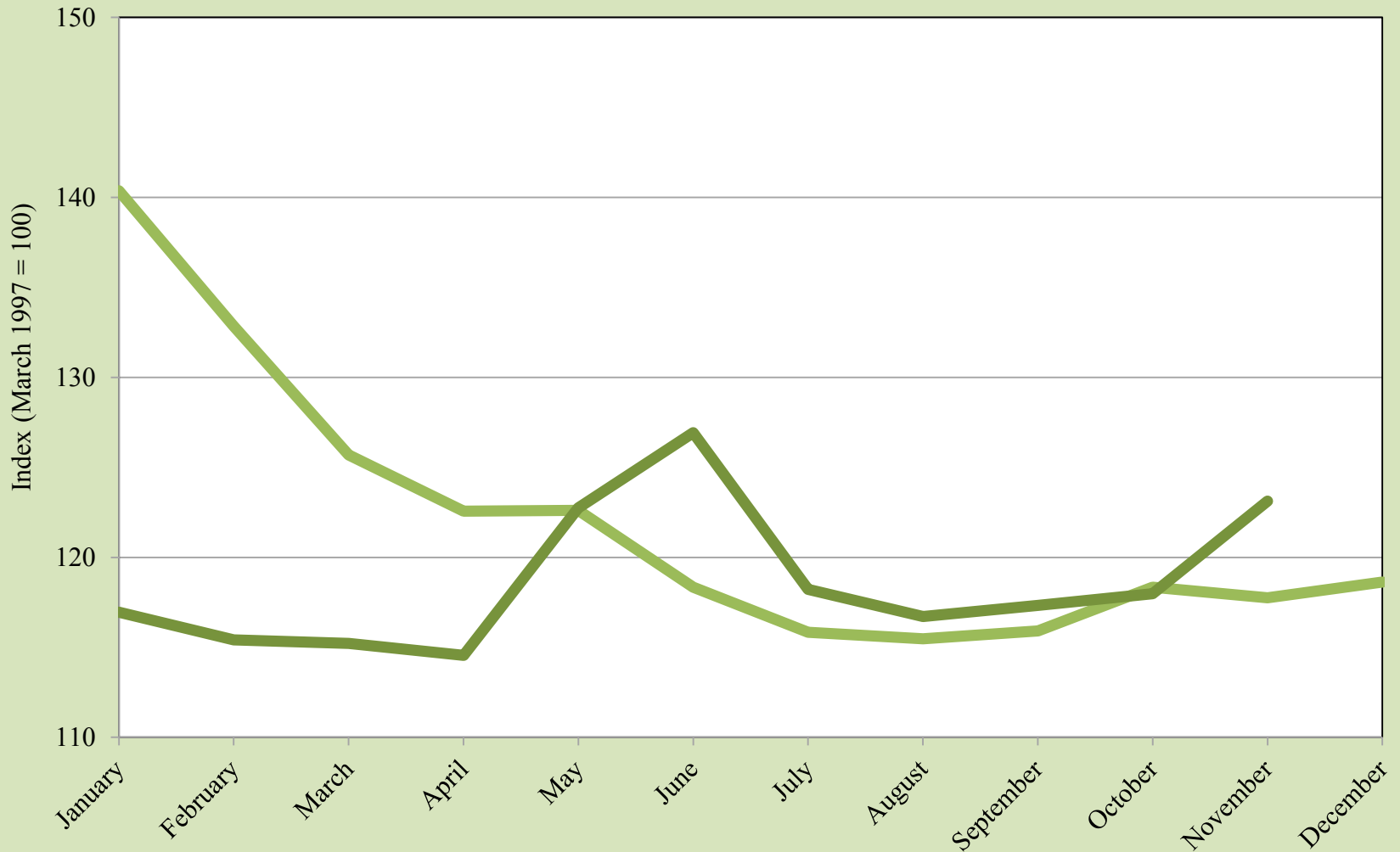
Price Ratio Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

## Real Peso-per-Dollar Exchange Rate Index

— 2017 — 2018



Source: UTEP Border Region Modeling Project

## Real Peso-per-Dollar Exchange Rate Index

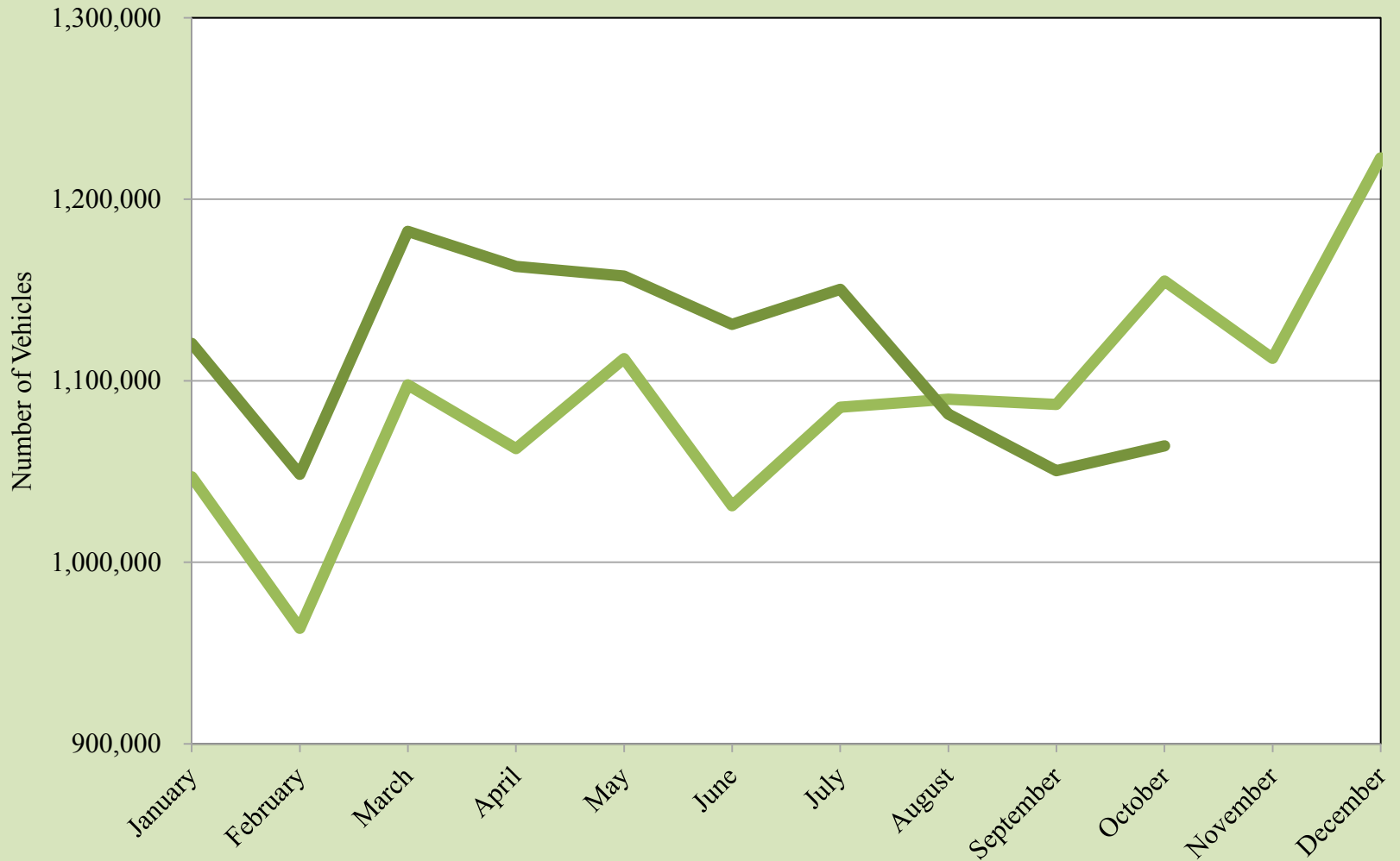


Source: UTEP Border Region Modeling Project



## Personal Vehicle International Bridge Crossings to El Paso

— 2017 — 2018



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

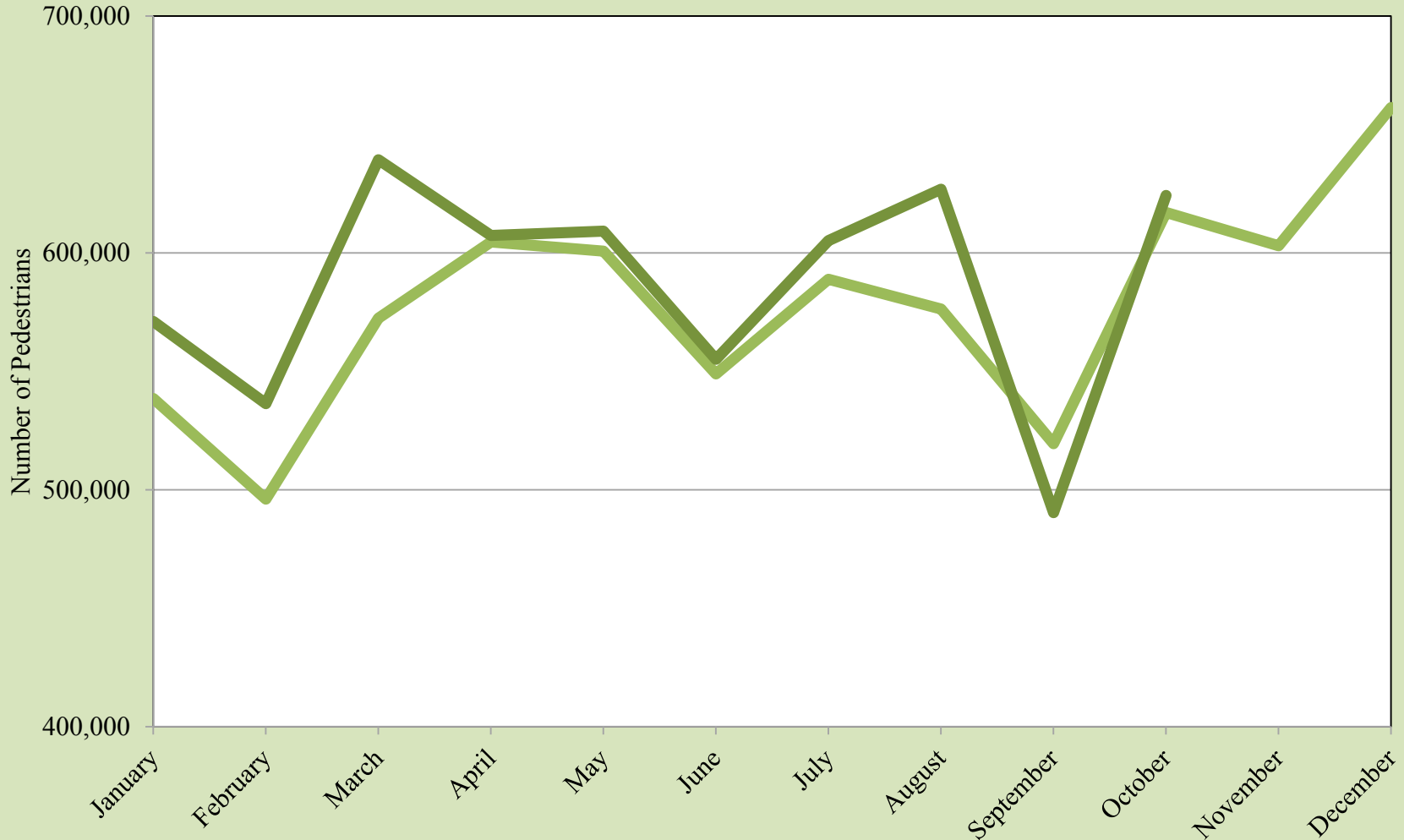
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Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

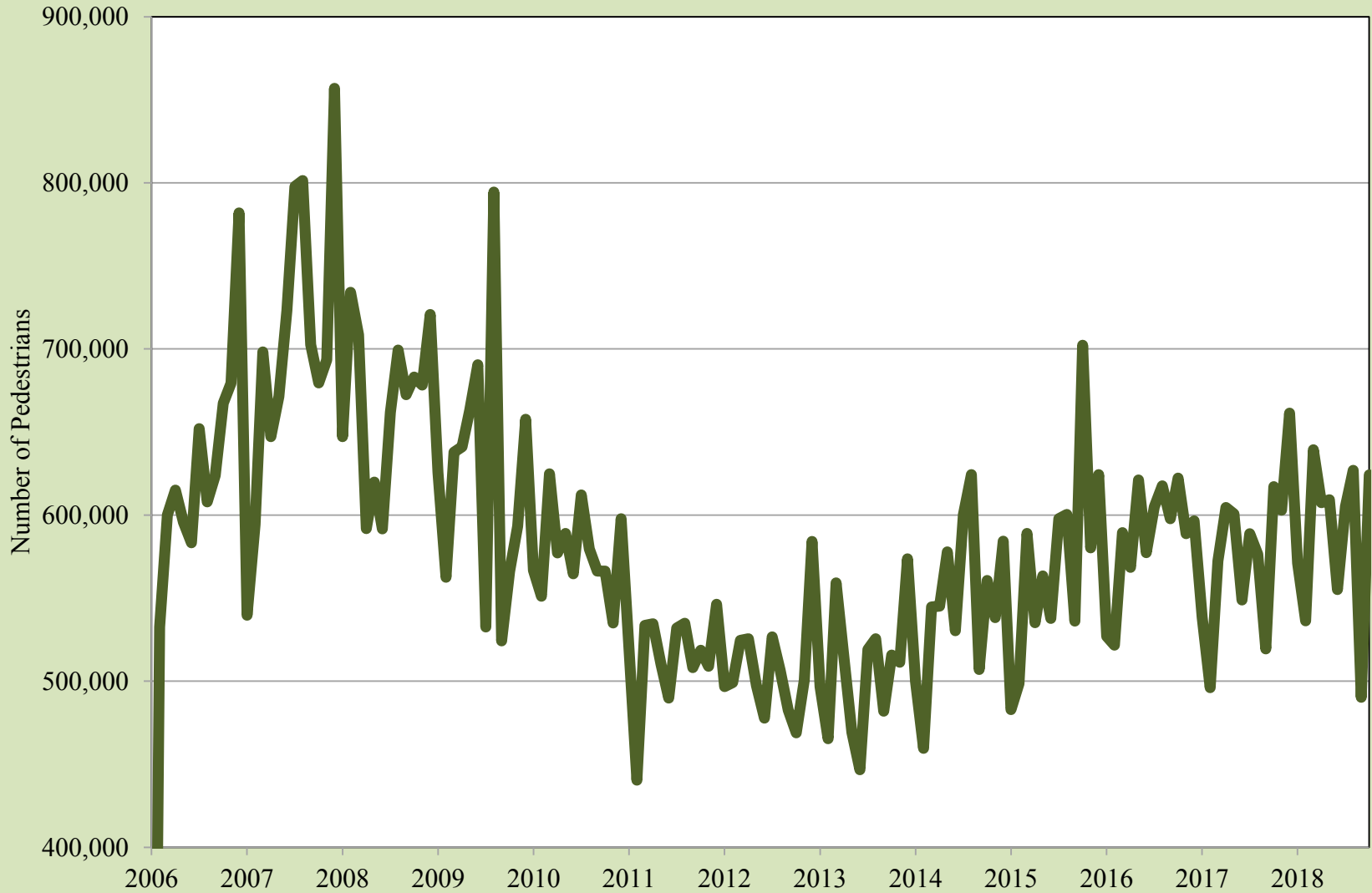
## Pedestrian International Bridge Crossings to El Paso

— 2017 — 2018



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

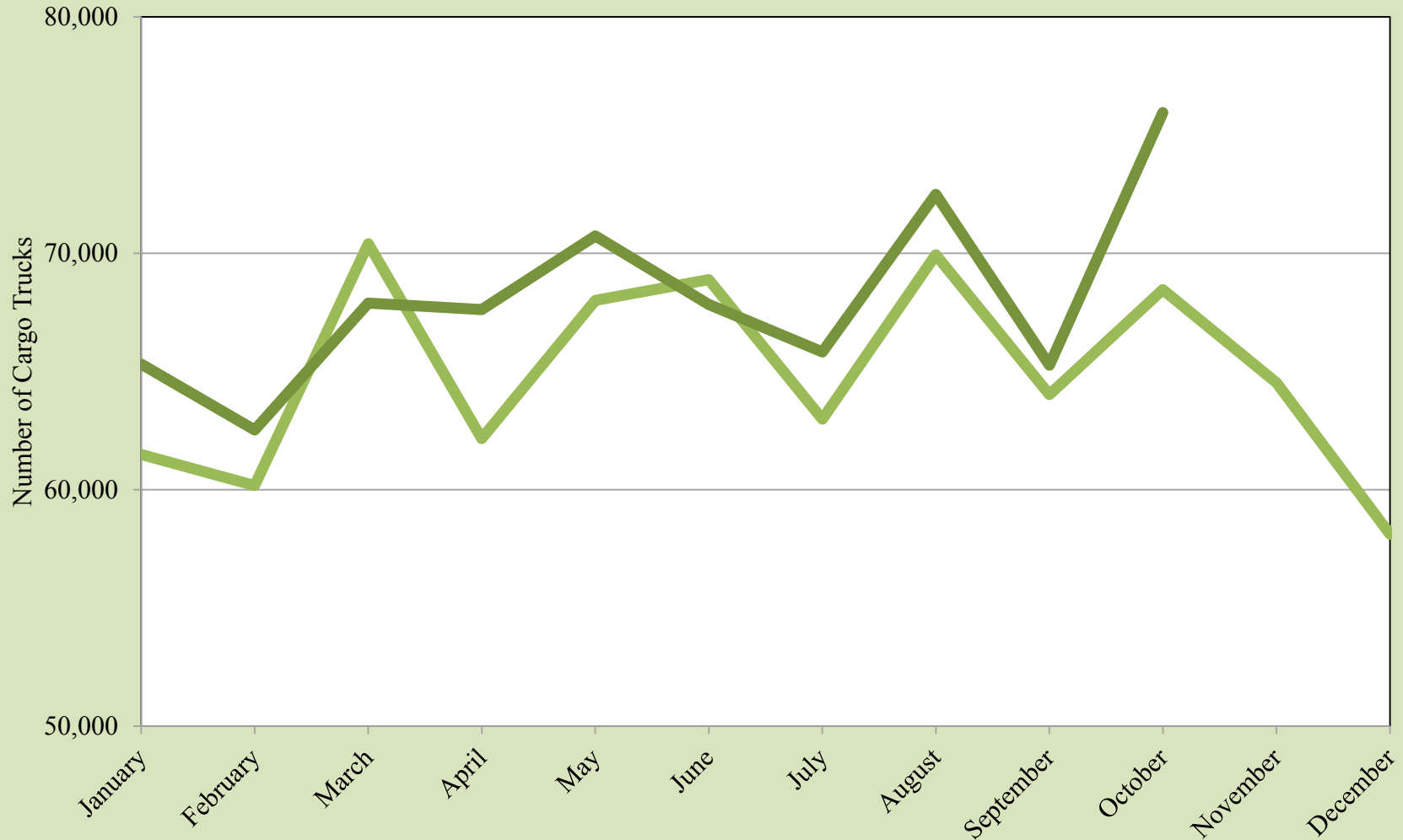
## Pedestrian International Bridge Crossings to El Paso



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

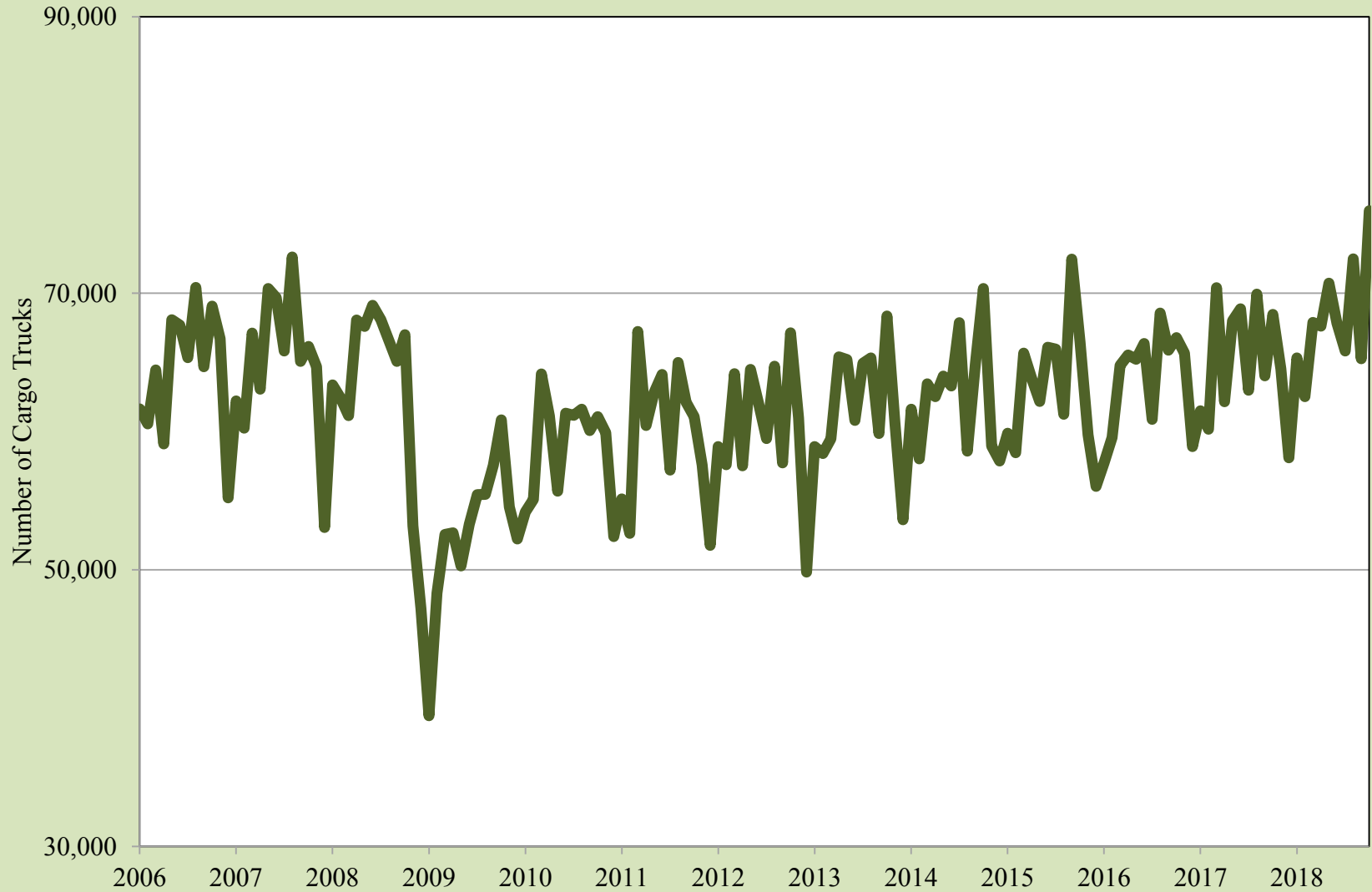
## Cargo Truck International Bridge Crossings to El Paso

2017 2018



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

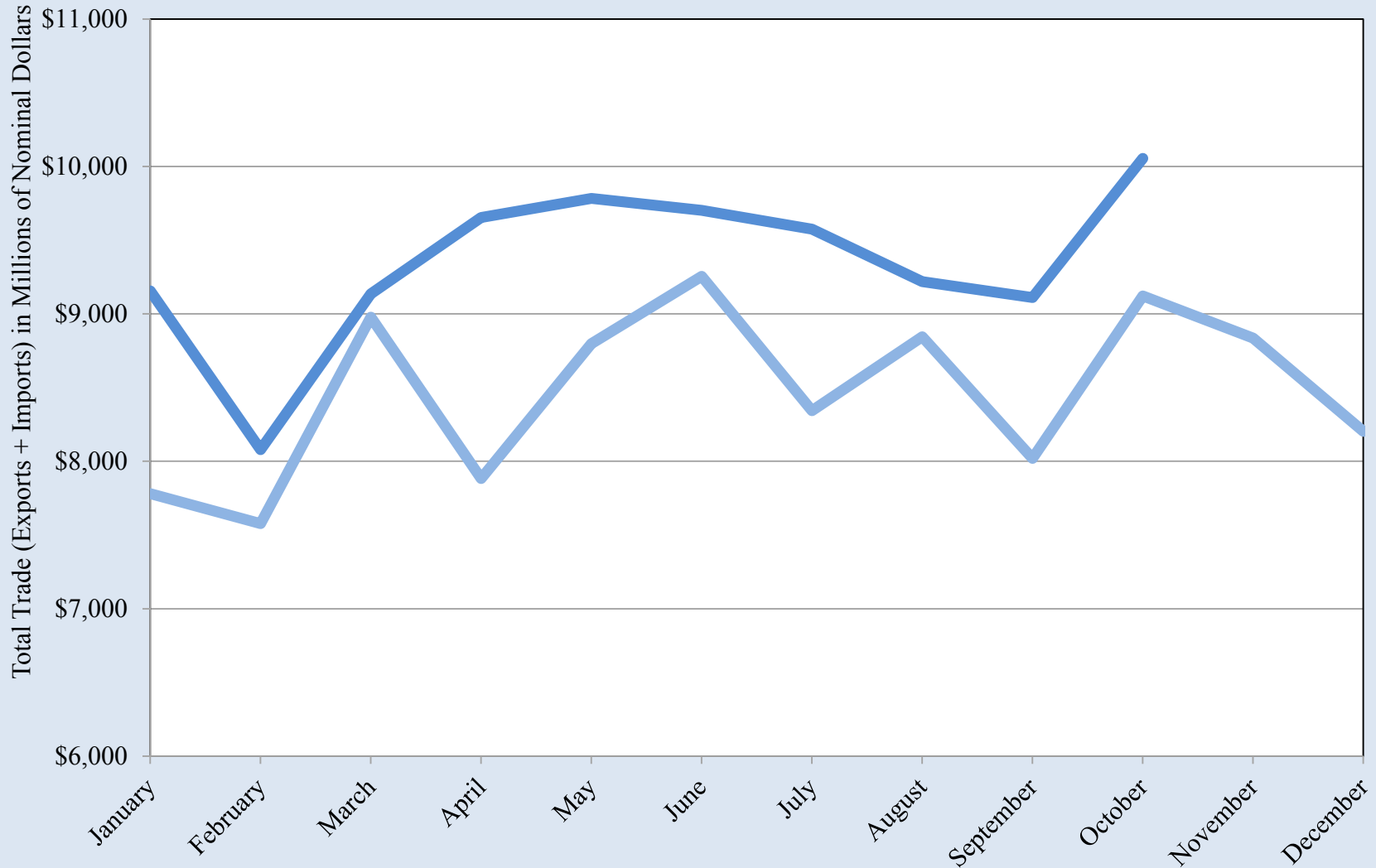
## Cargo Truck International Bridge Crossings to El Paso



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

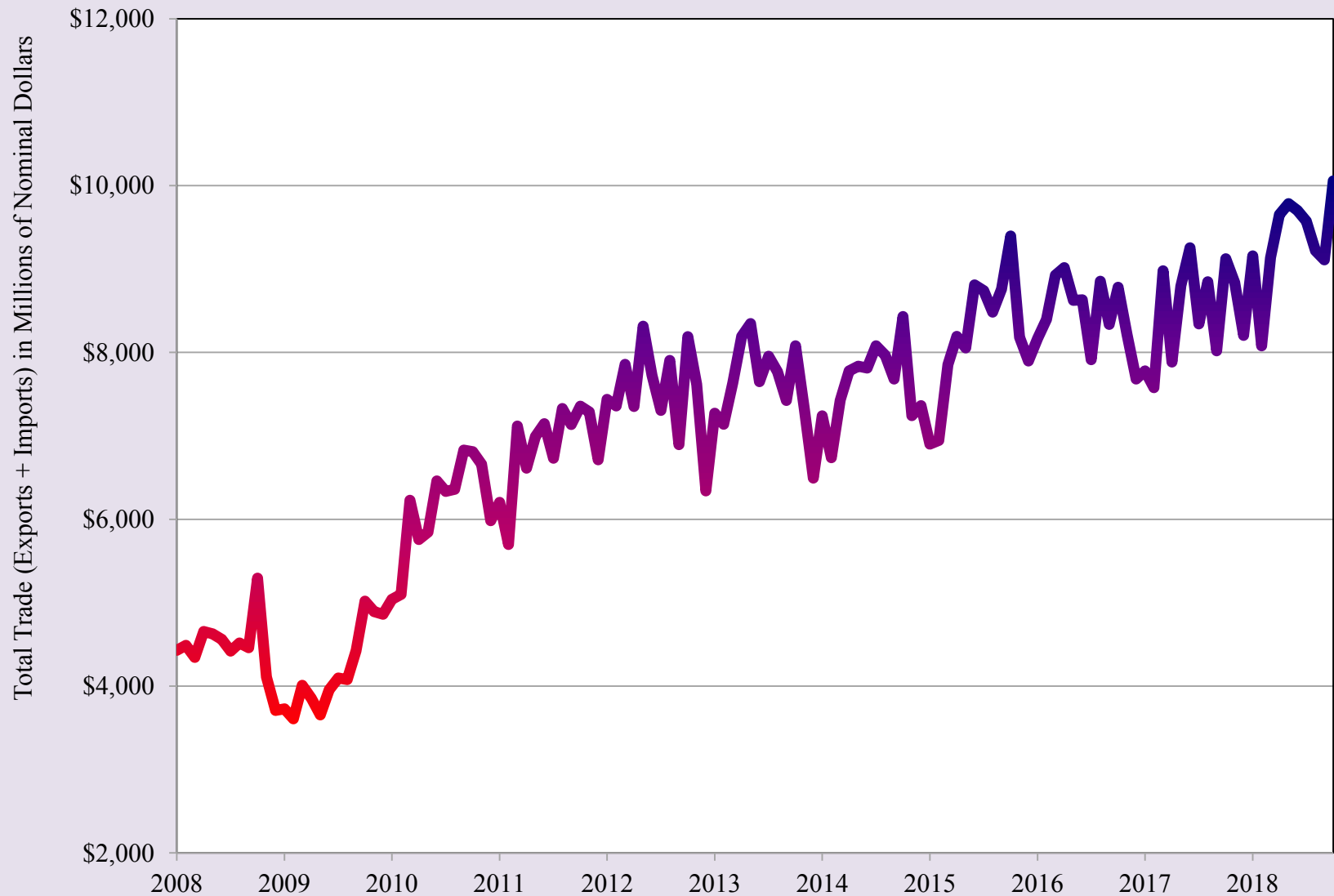
## Total Trade through the El Paso Customs District

— 2017 — 2018



Source: U.S. International Trade Commission

## Total Trade through the El Paso Customs District

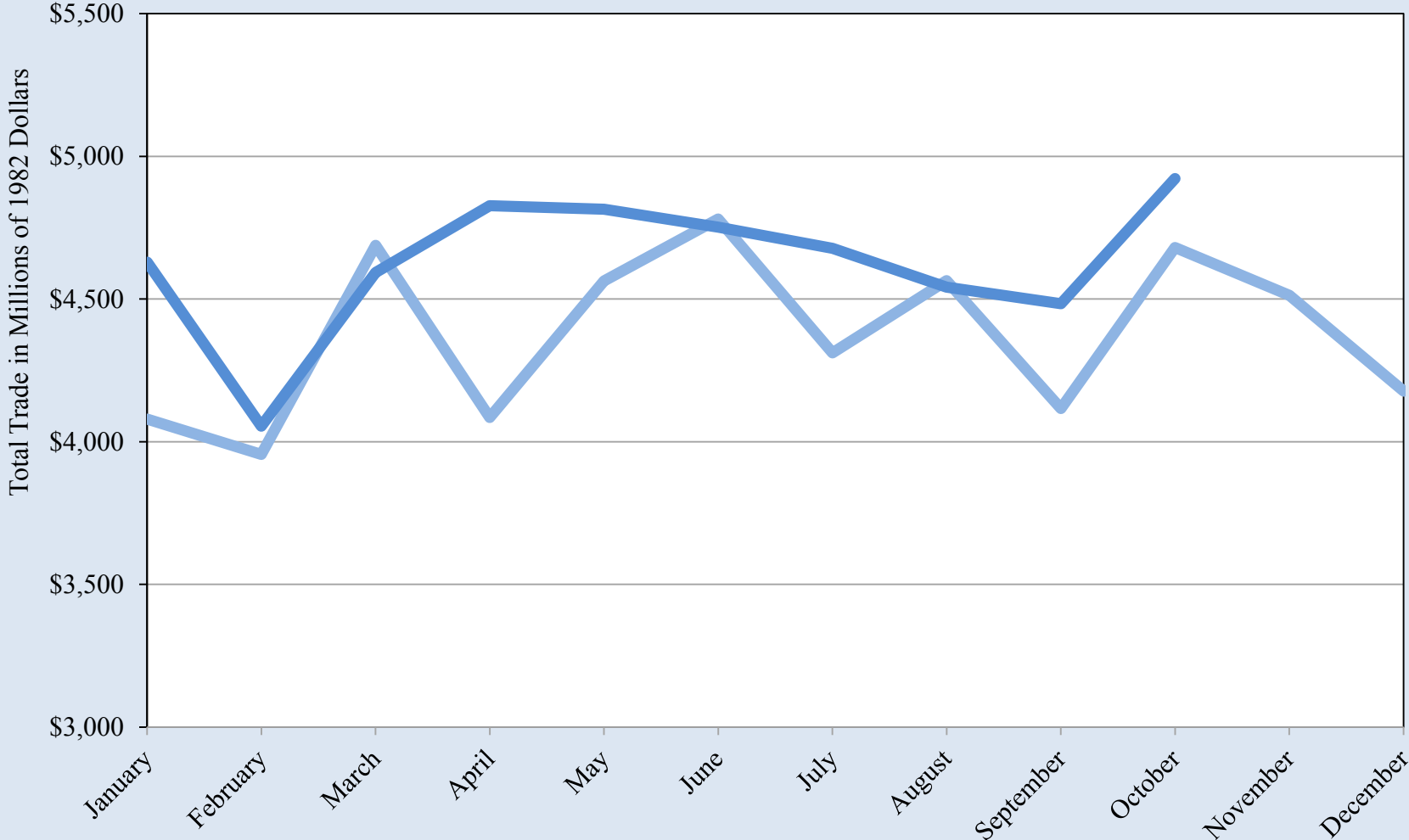


Source: U.S. International Trade Commission



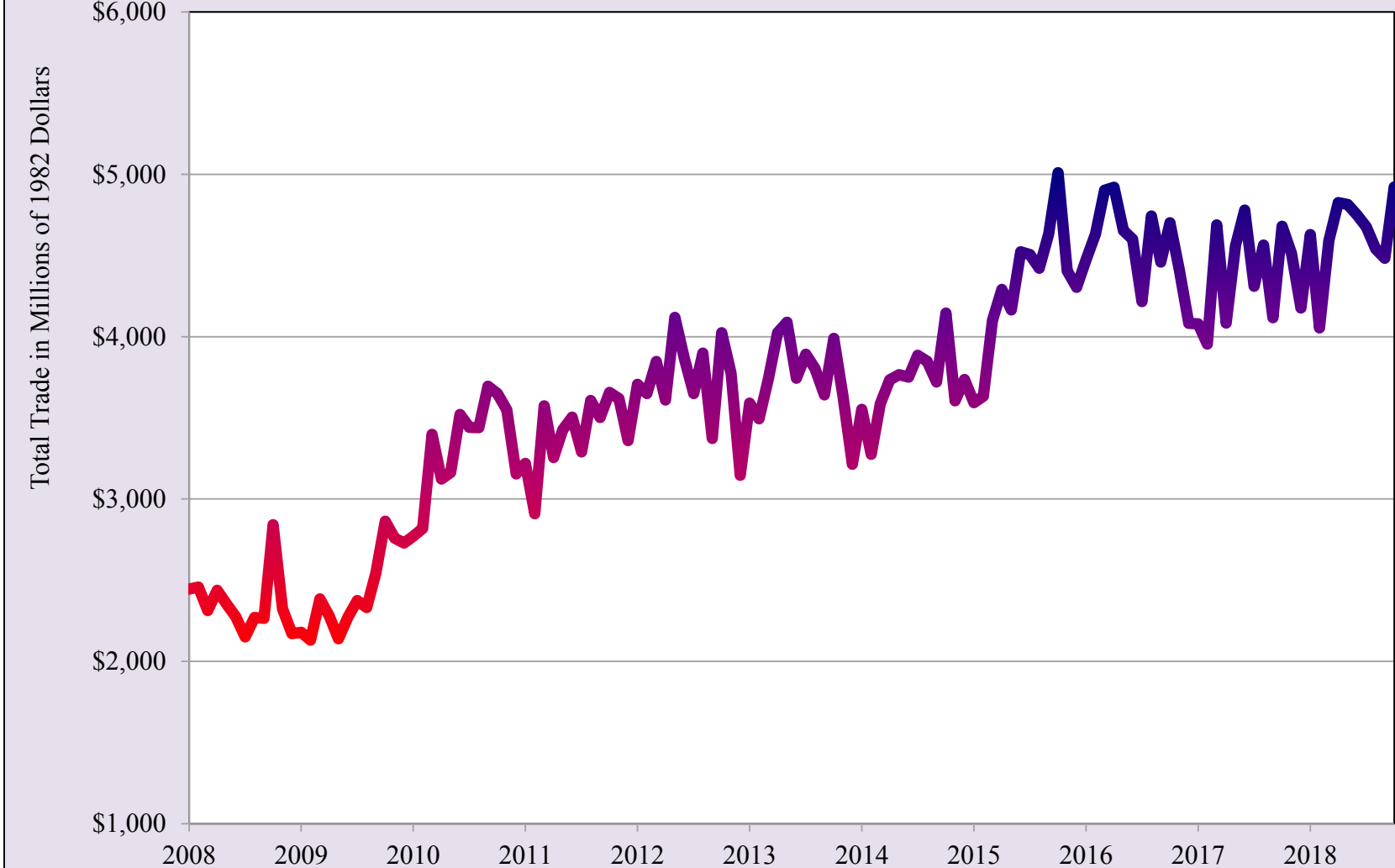
# Real Total Trade through the El Paso Customs District

— 2017 — 2018



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

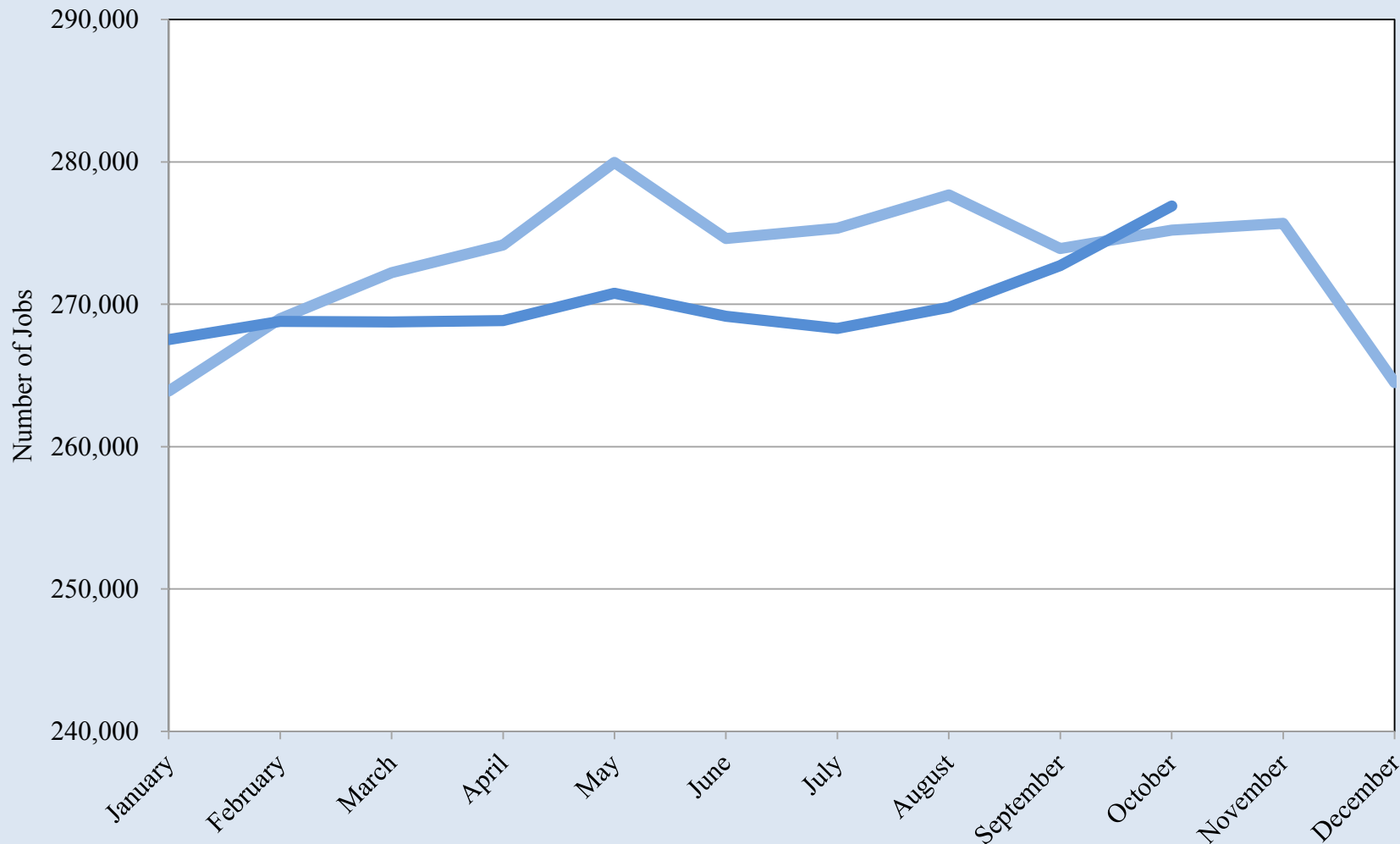
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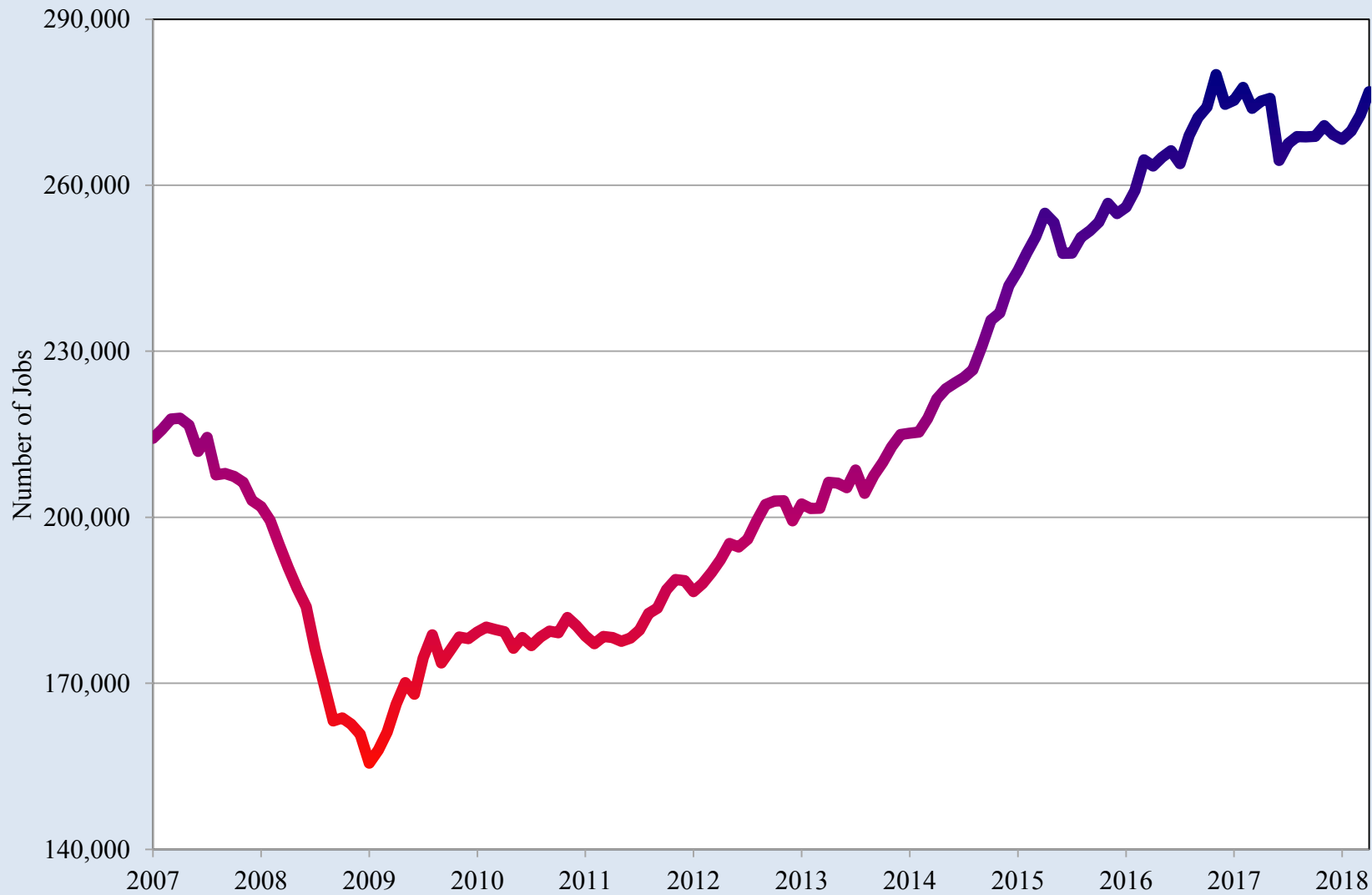
## Export-Oriented Manufacturing Employment in Ciudad Juárez

— 2017 — 2018



Source: INEGI

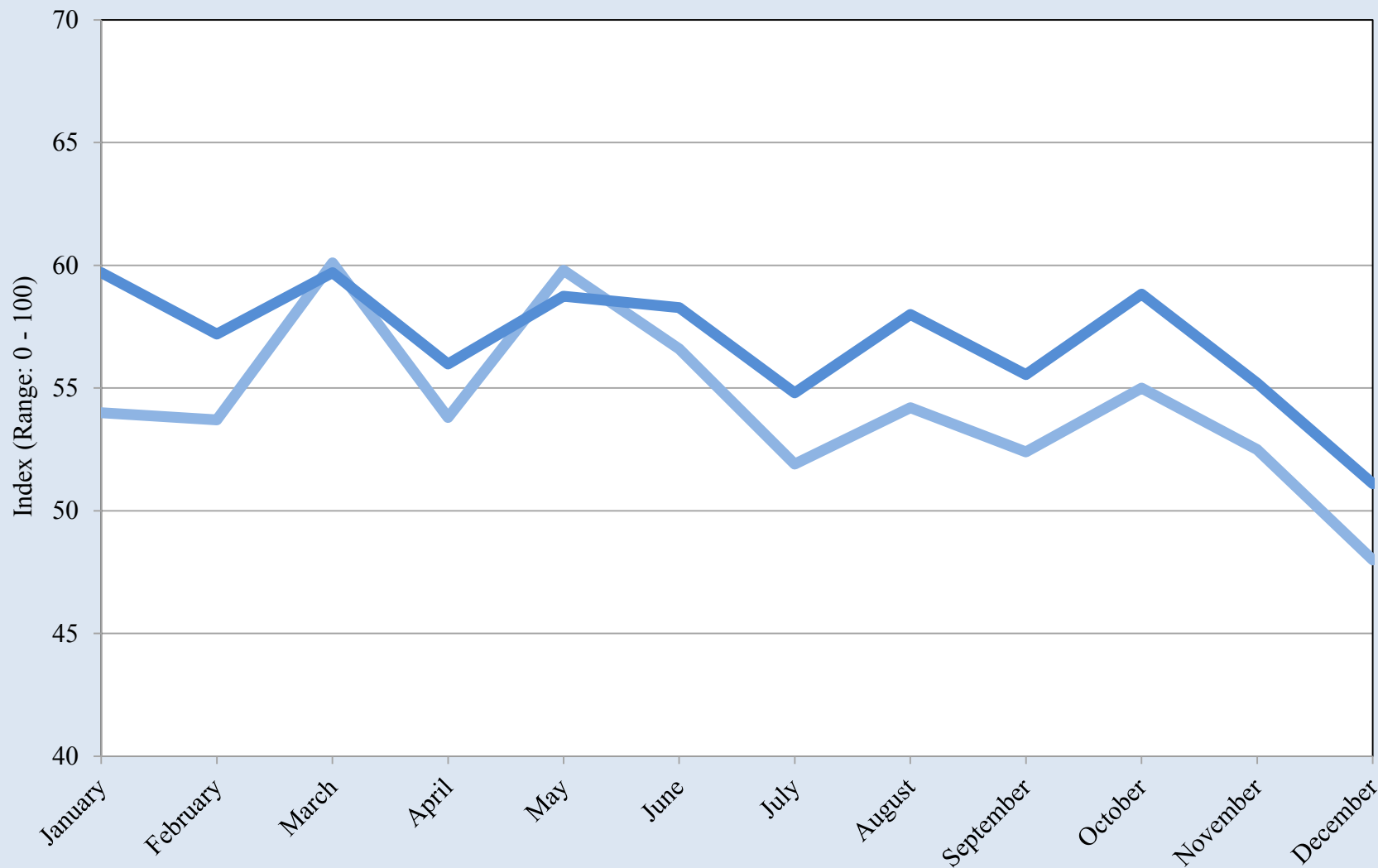
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Source: INEGI

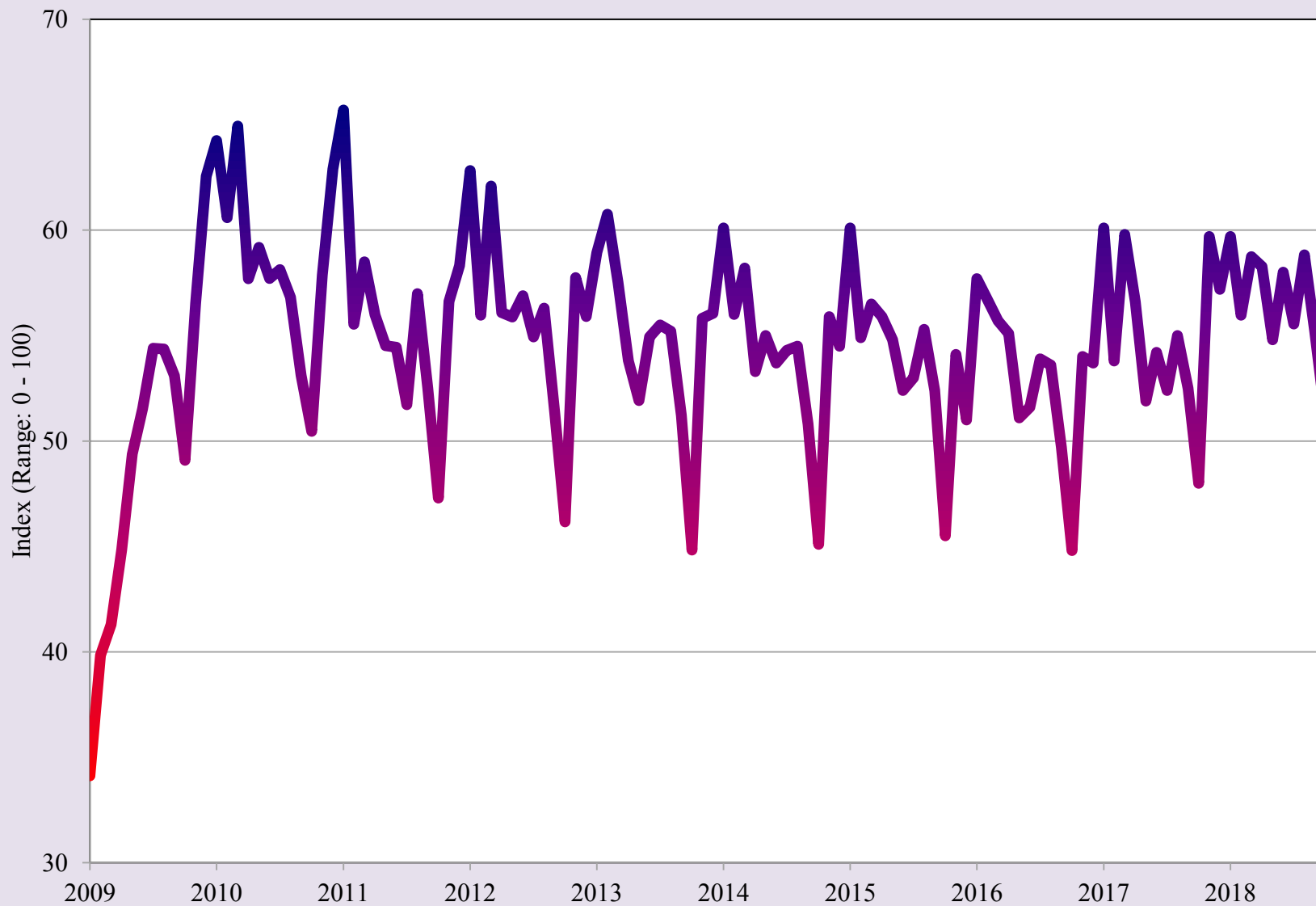
## Northern Mexico Manufacturing Orders Index

— 2017 — 2018



Source: Banco de México

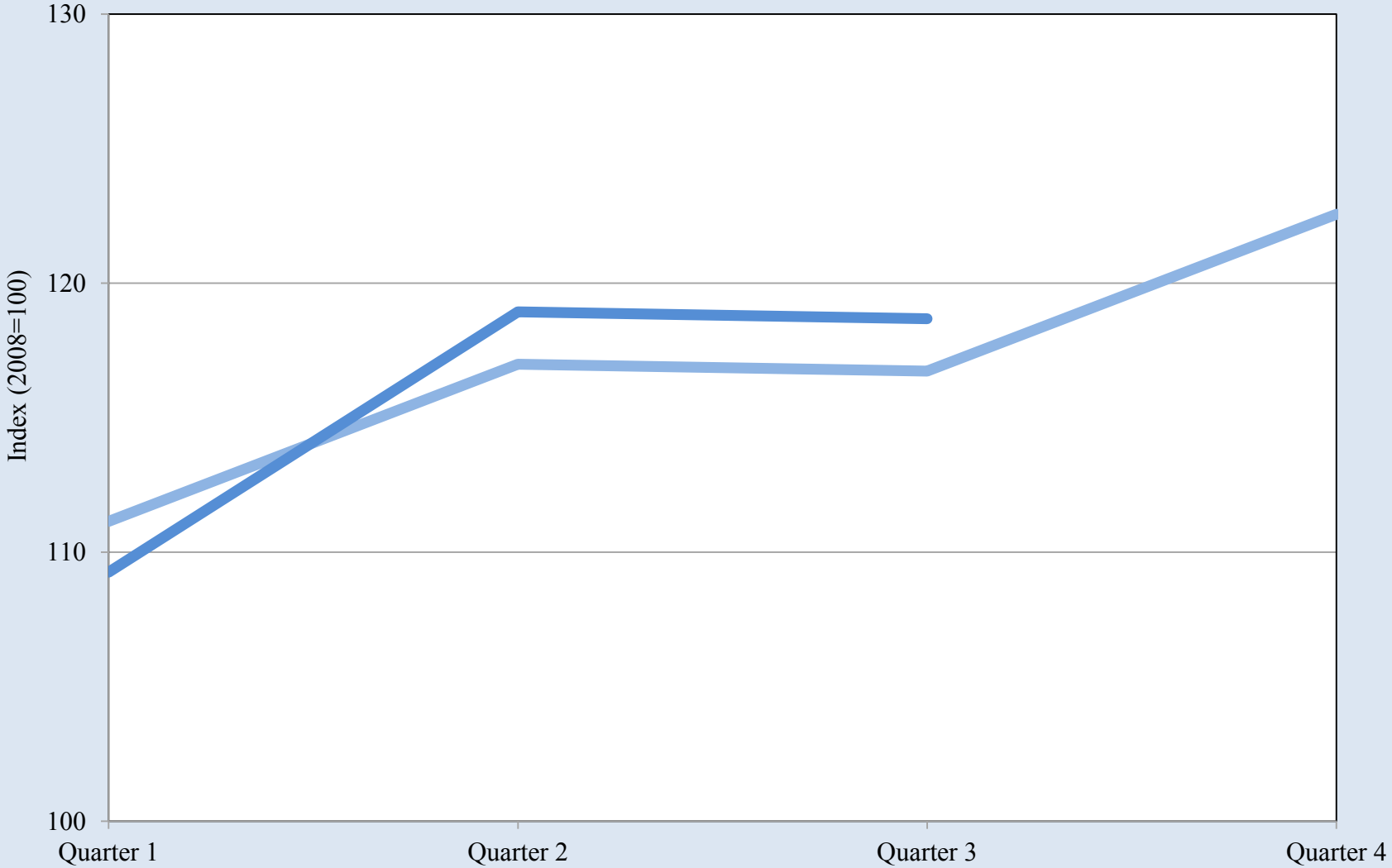
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Source: Banco de México

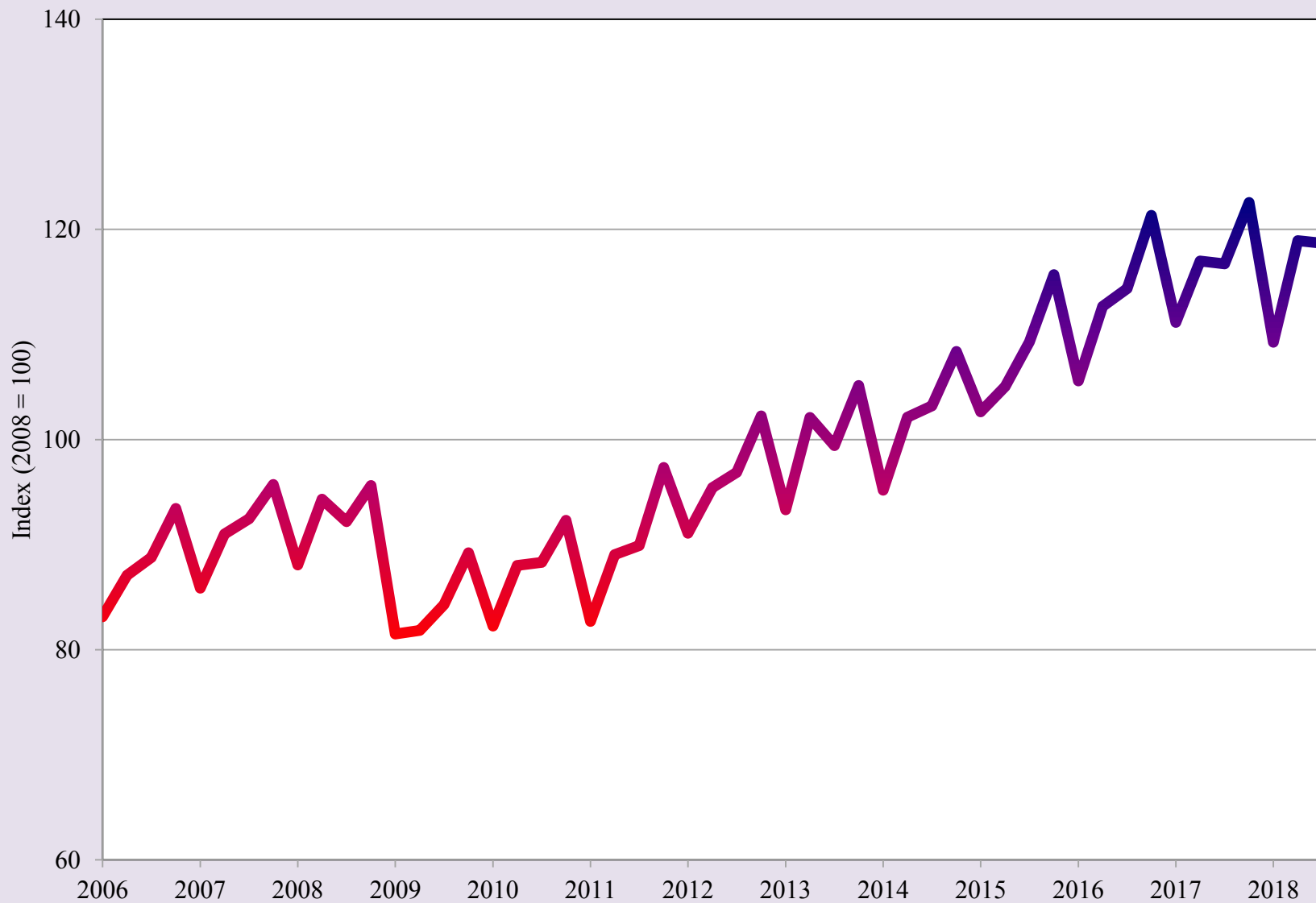
# Quarterly Indicator of Economic Activity for the State of Chihuahua

— 2017 — 2018



Source: INEGI

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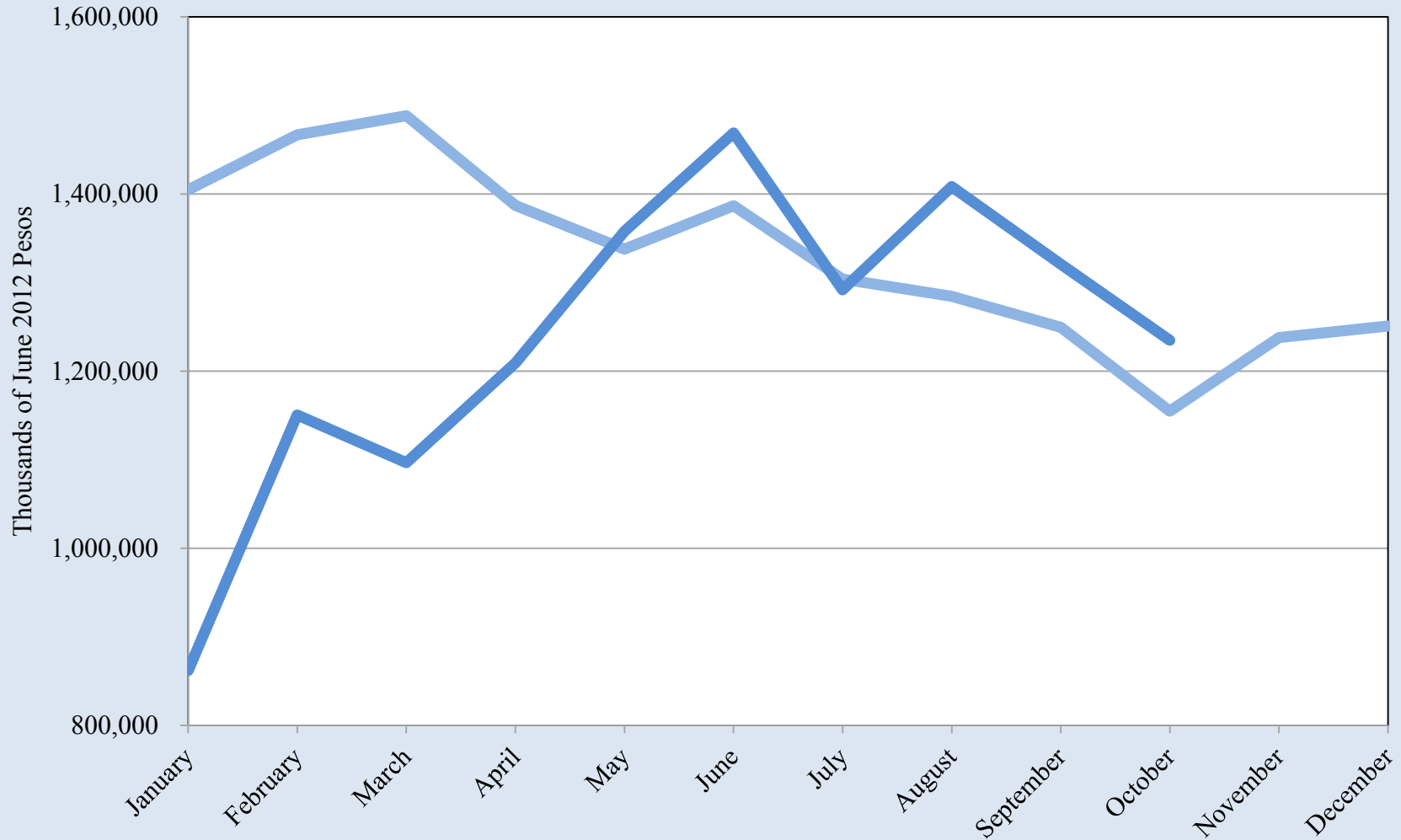


Source: INEGI



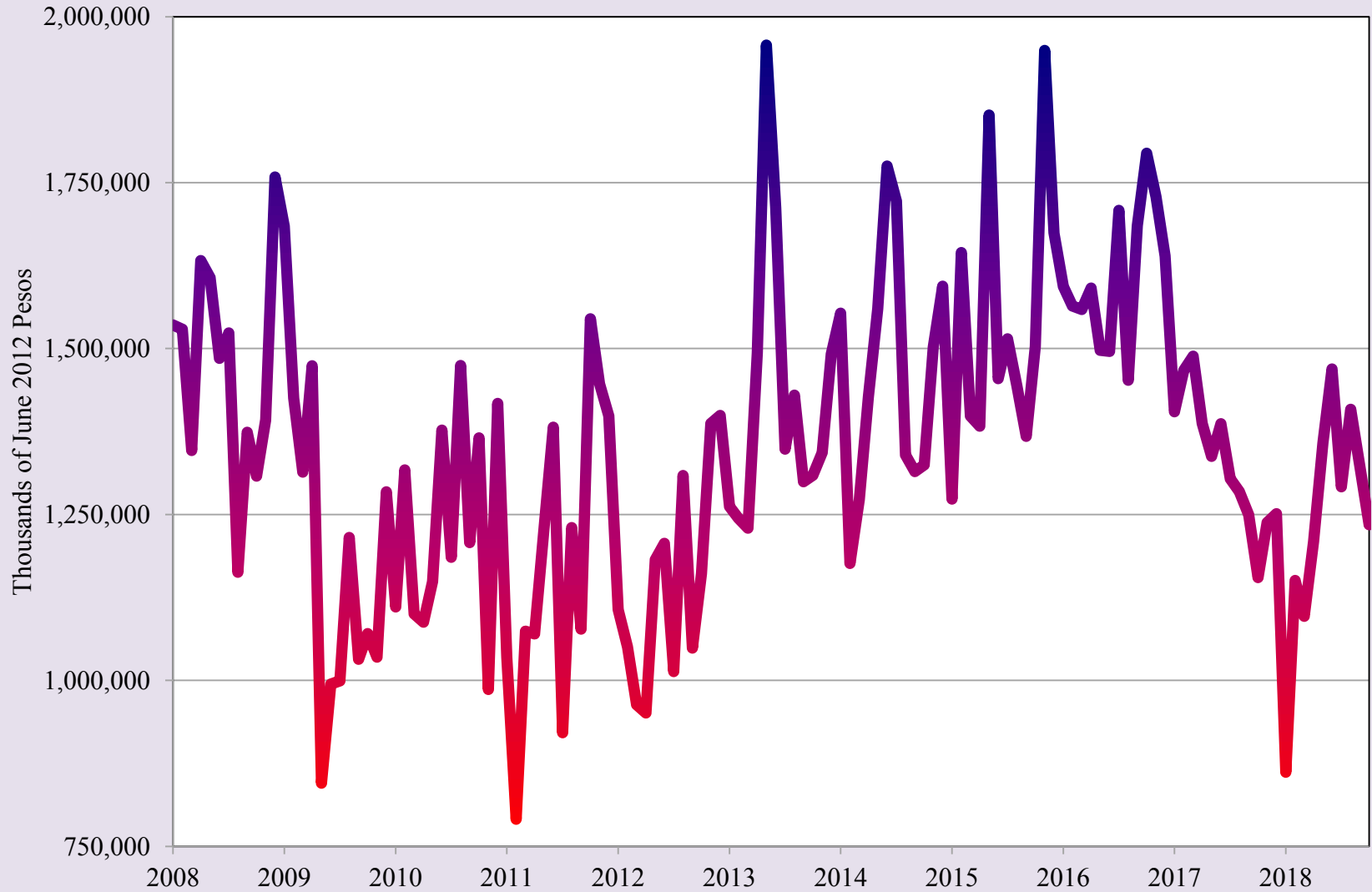
## Total Value of Construction in the State of Chihuahua

— 2017 — 2018



Source: INEGI

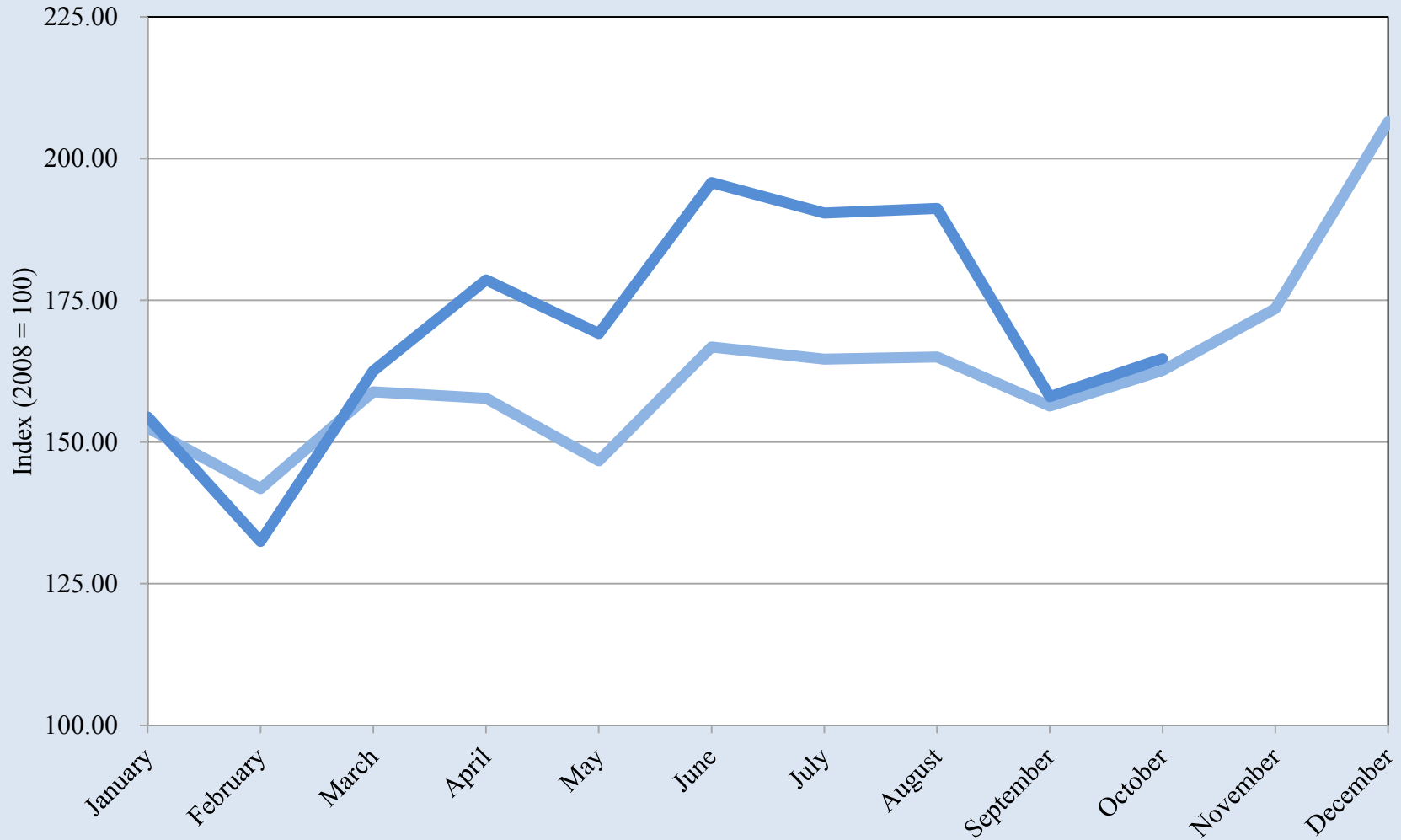
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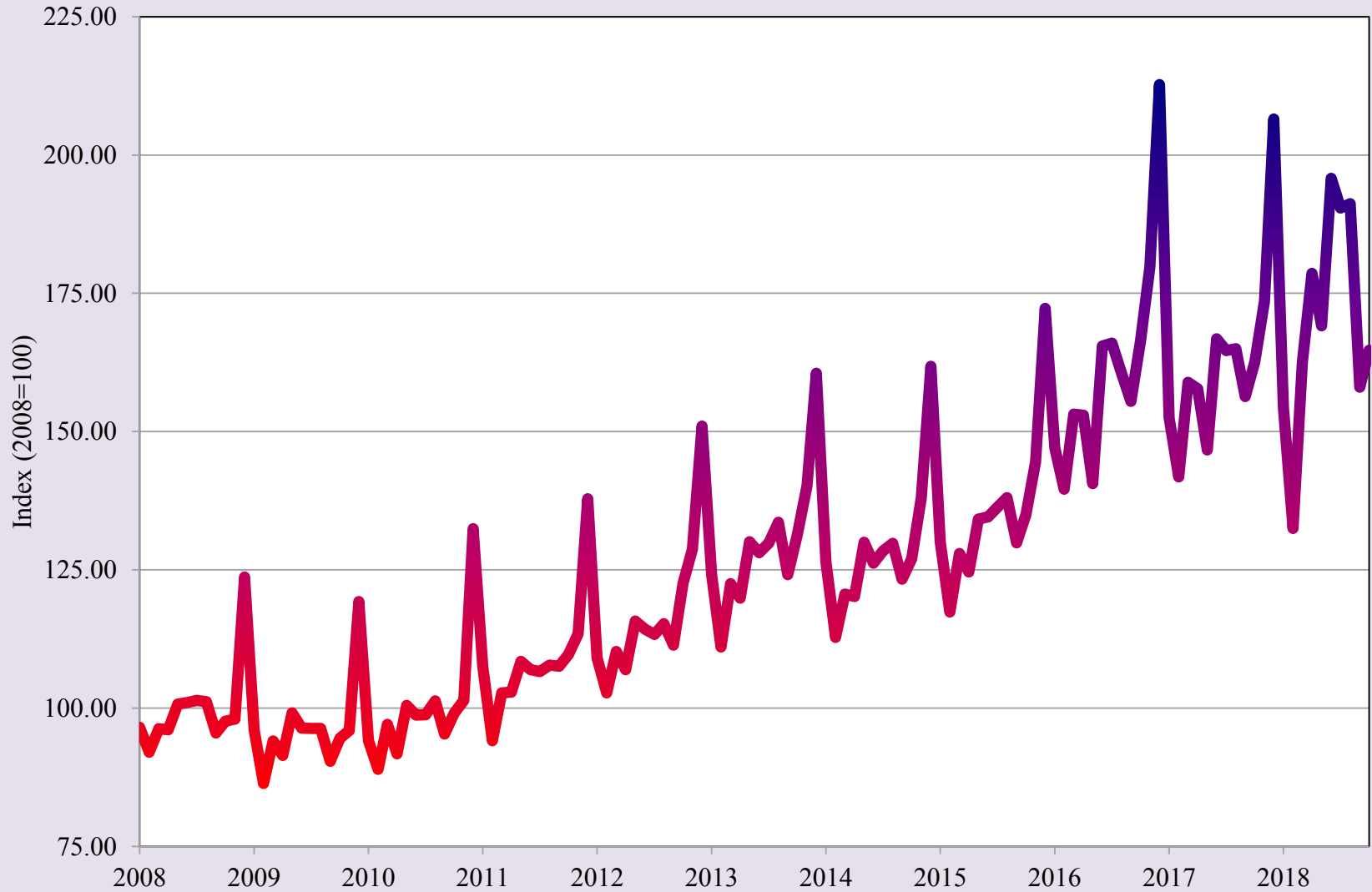
## Real Retail Activity Index for the State of Chihuahua

— 2017 — 2018



Source: INEGI

## Real Retail Activity Index for the State of Chihuahua



Source: INEGI



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