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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, sfullerton@miners.utep.edu

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

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BORDERPLEX BUSINESS BAROMETER

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
slfullerton@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.

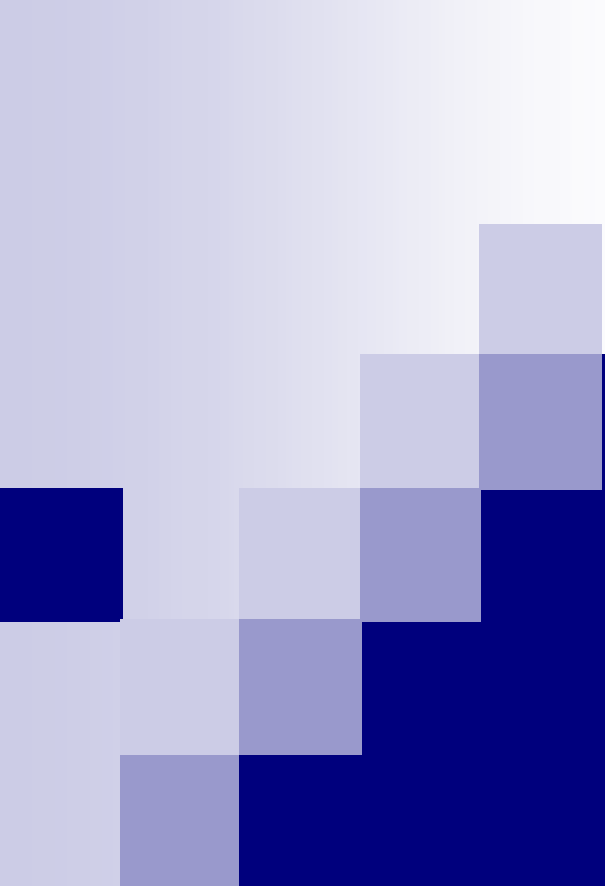
The February 2019 median housing price of \$162,950 is approximately 12.4 percent higher than the corresponding year-ago estimate for El Paso. With 90 consecutive days of 3.7 months of housing inventory, it is not surprising that prices jumped. Because of ongoing low mortgage rates, more price gains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

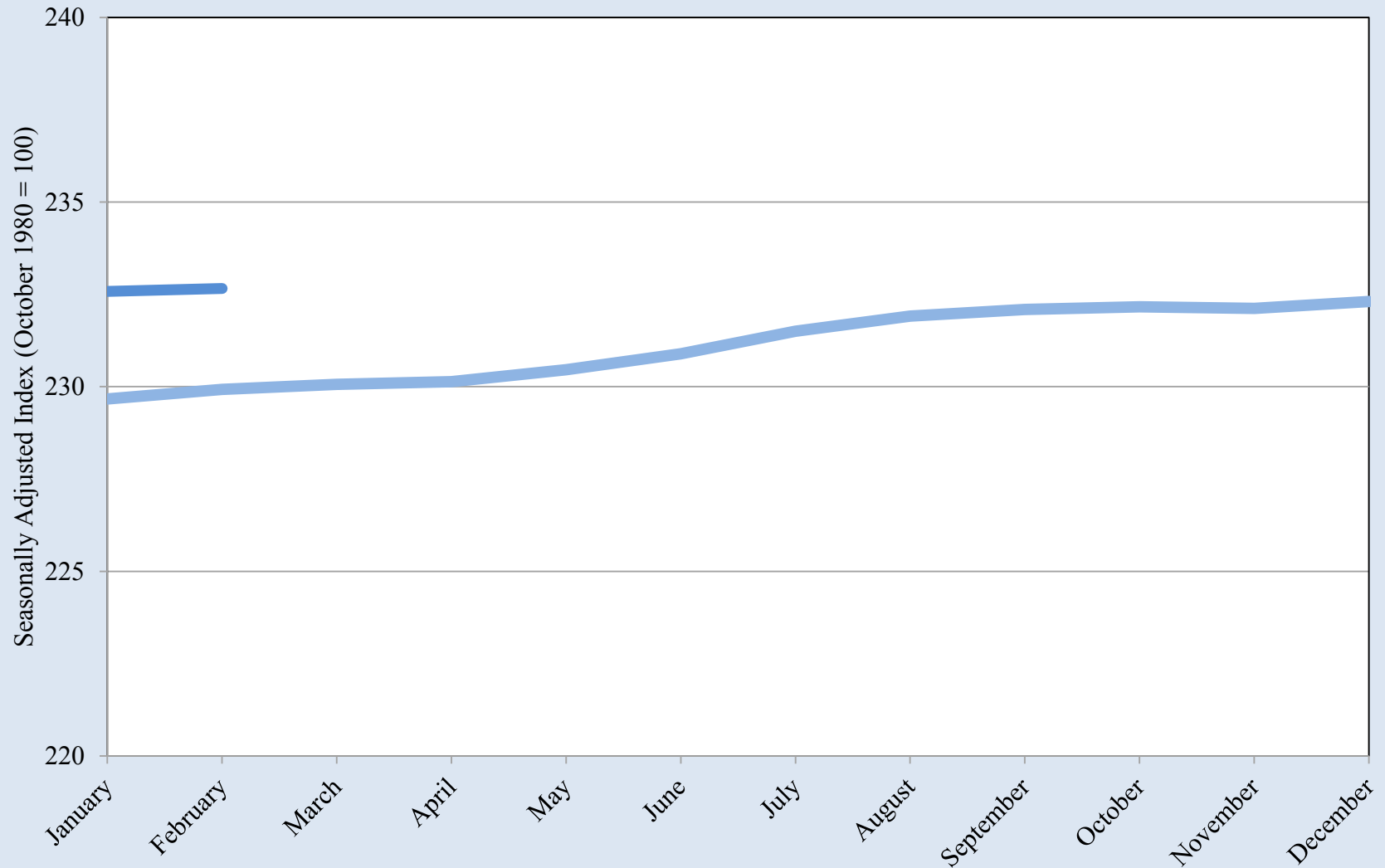


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Border Region Modeling Project
Department of Economics & Finance
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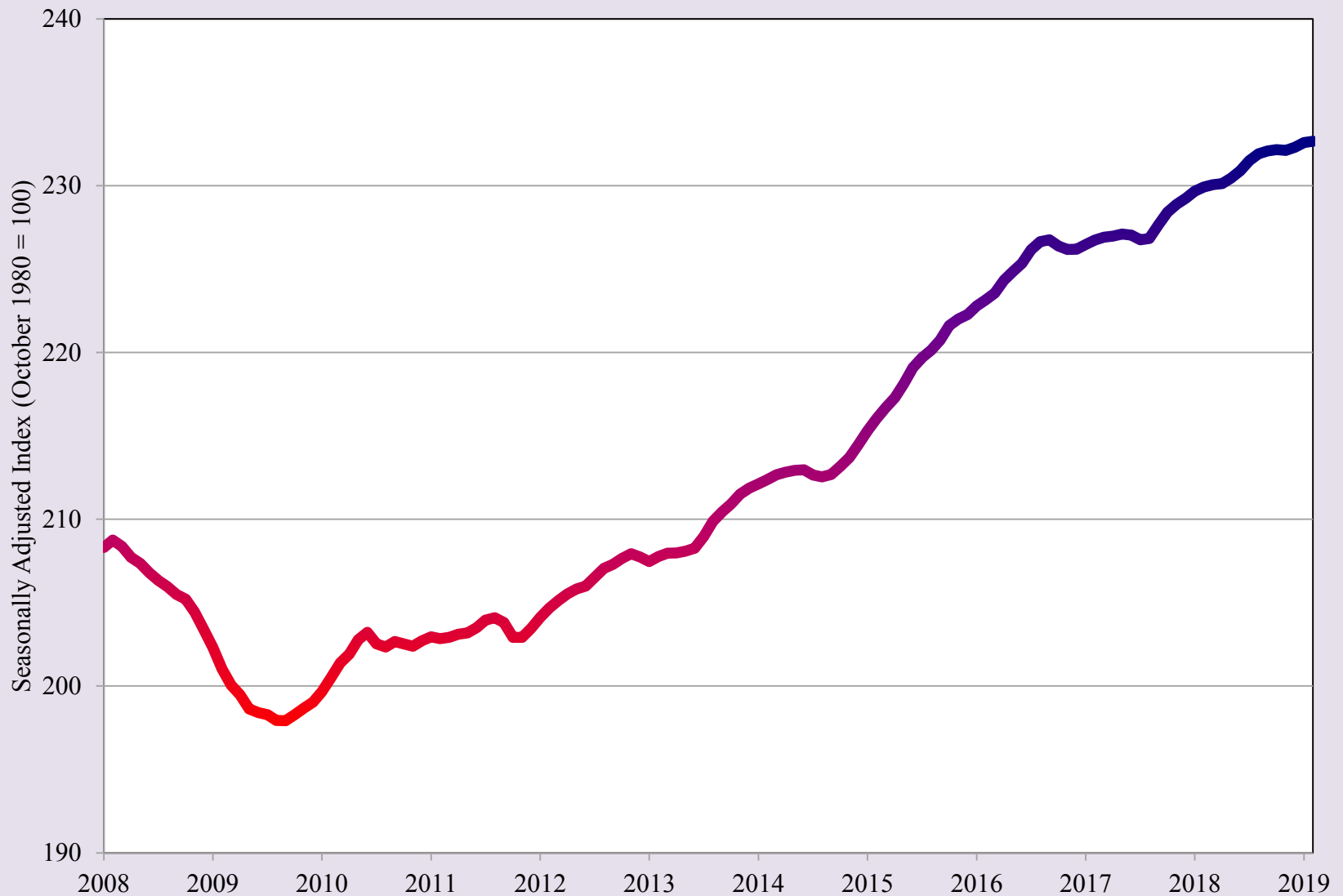
Metro Business-Cycle Index for El Paso

— 2018 — 2019



Source: Federal Reserve Bank of Dallas

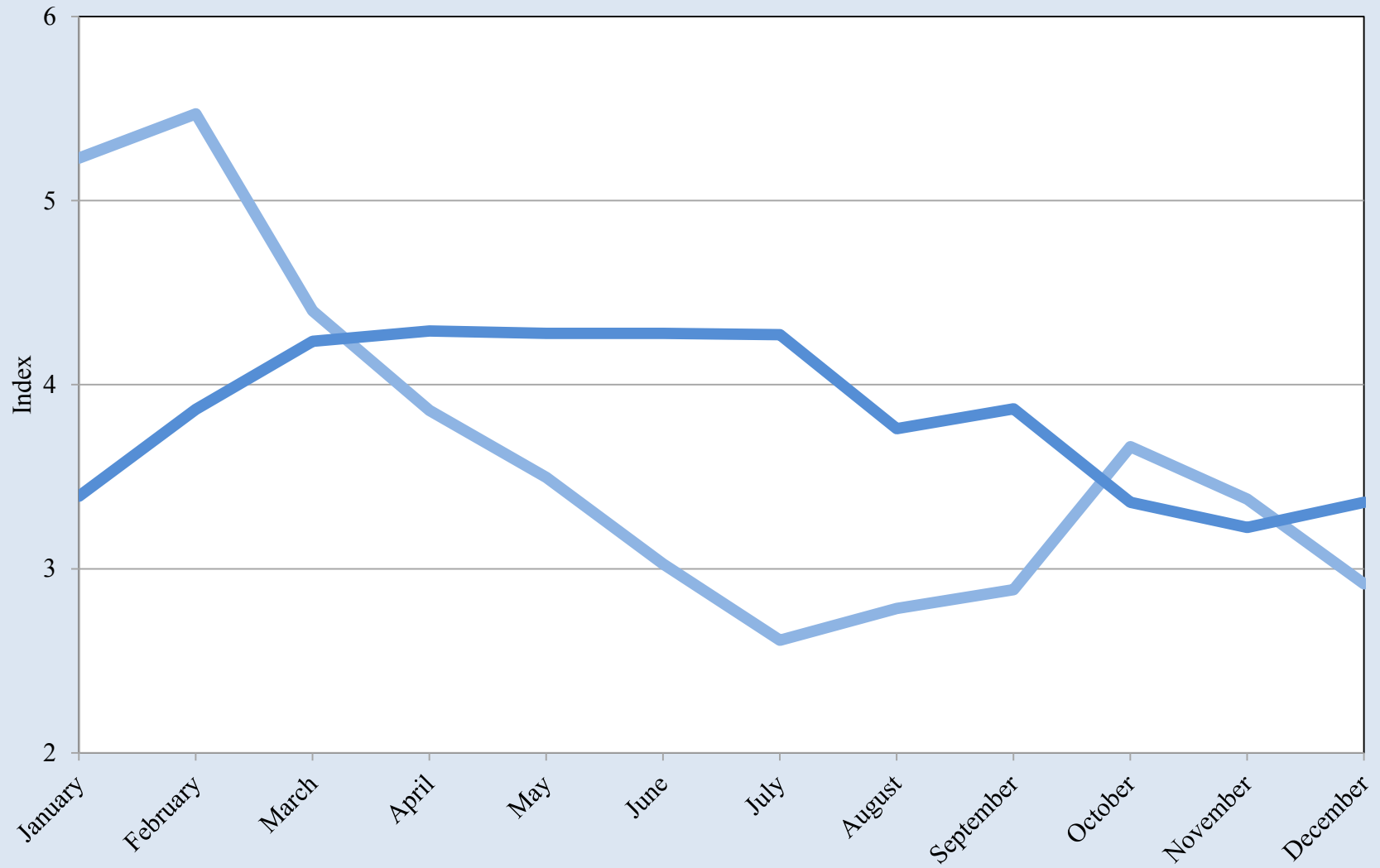
Metro Business-Cycle Index for El Paso



Source: Federal Reserve Bank of Dallas

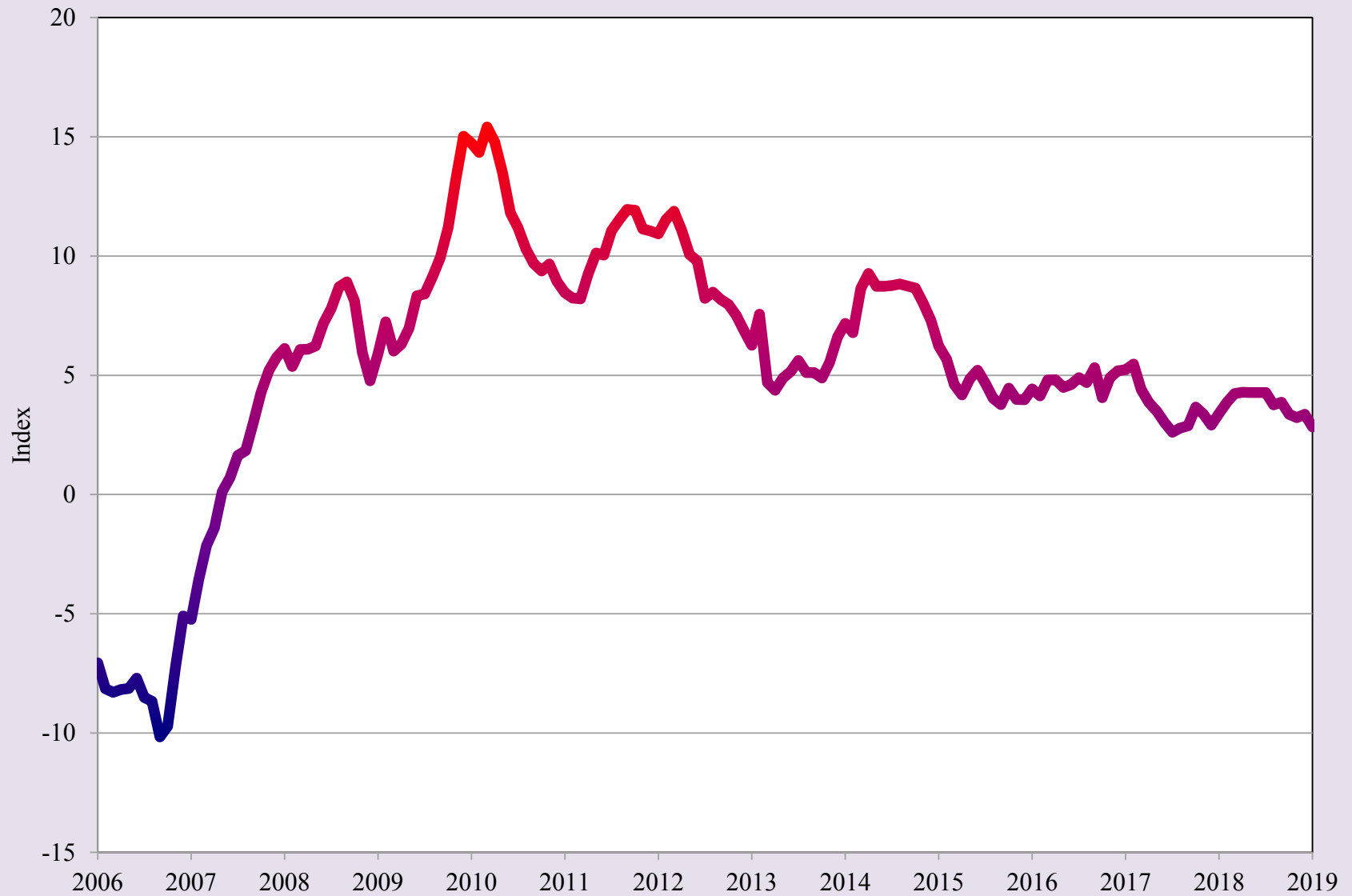
El Paso Household Economic Stress Index

— 2017 — 2018



Source: UTEP Border Region Modeling Project

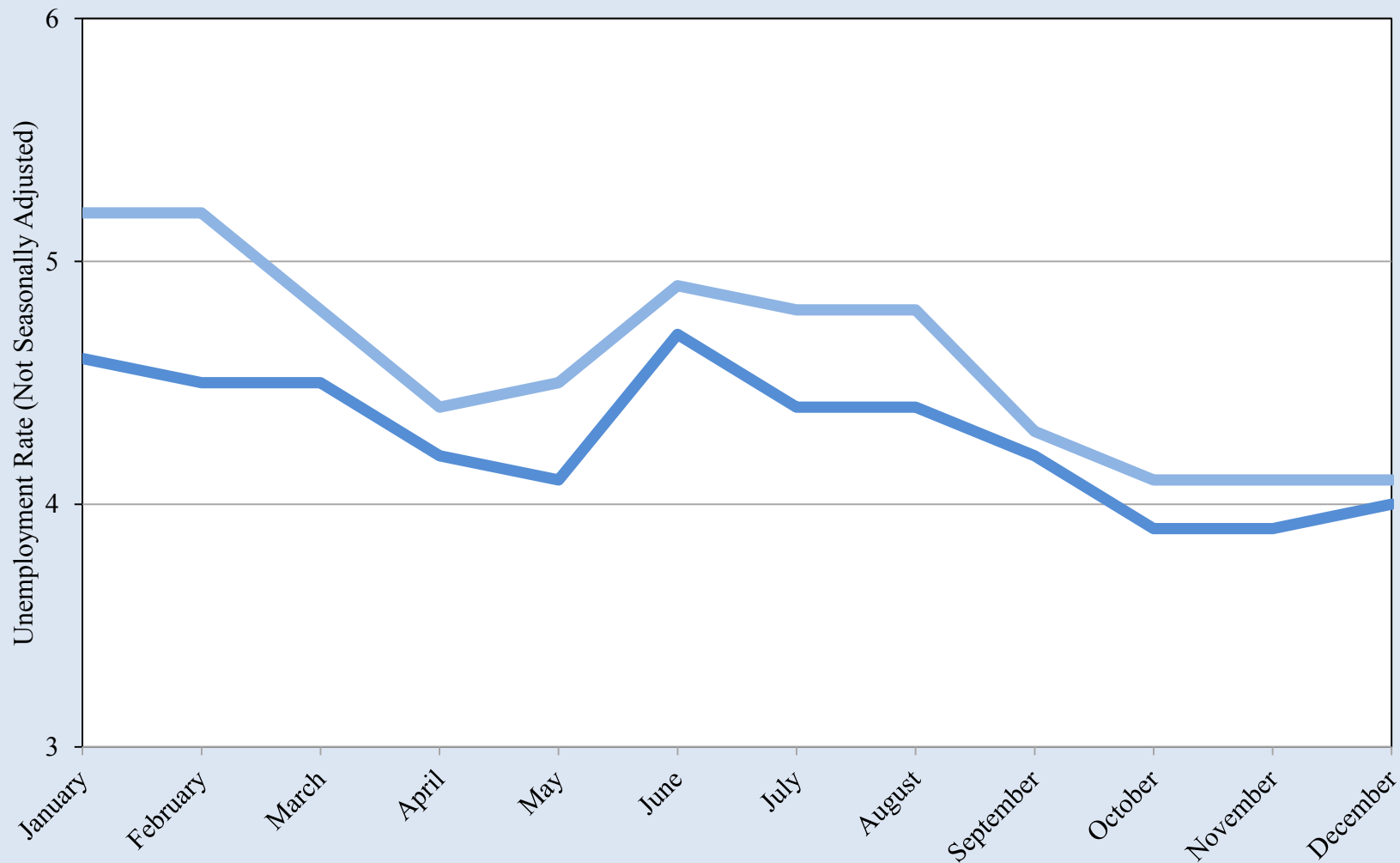
El Paso Household Economic Stress Index



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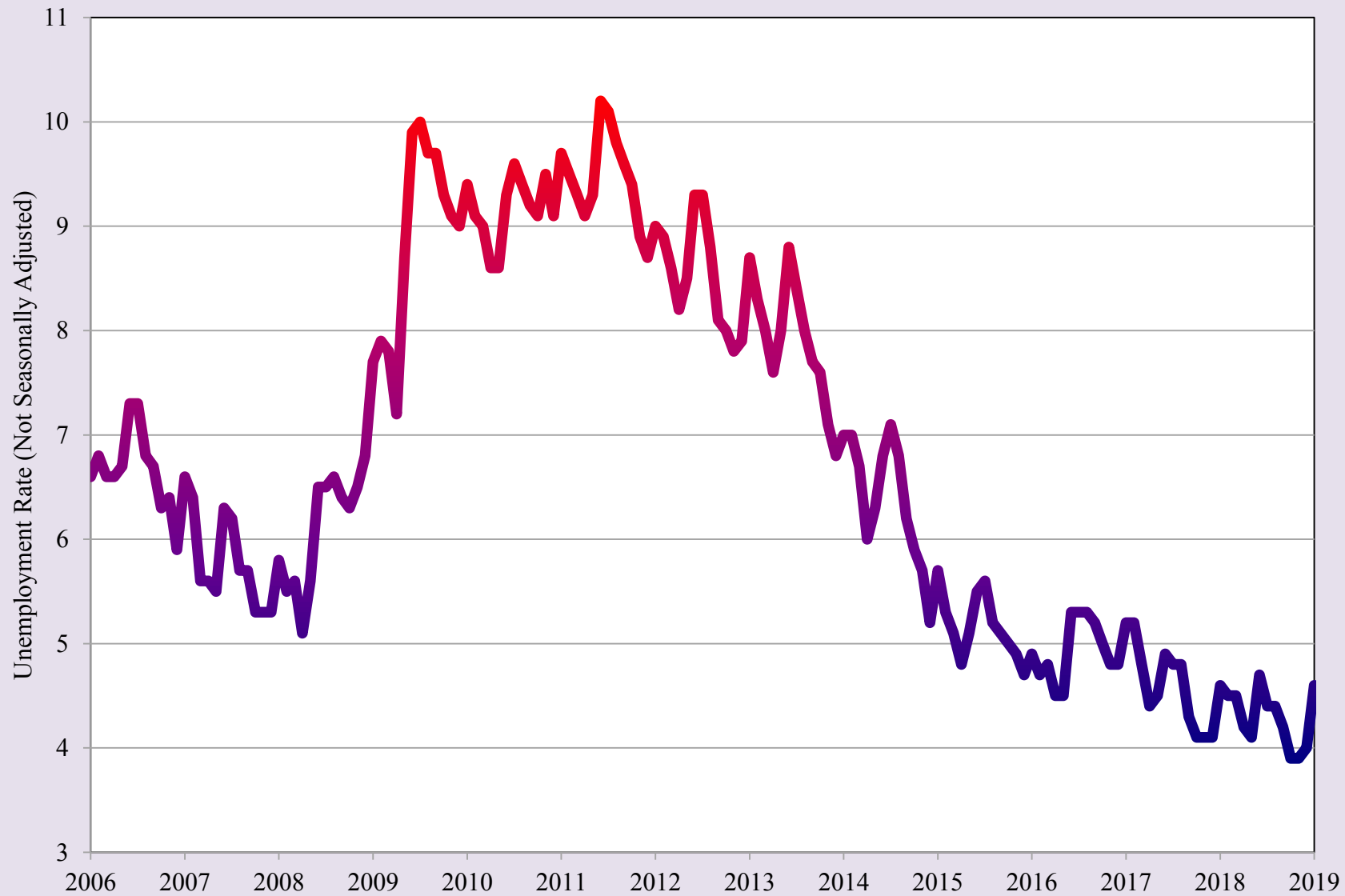
El Paso County Unemployment Rate

— 2017 — 2018



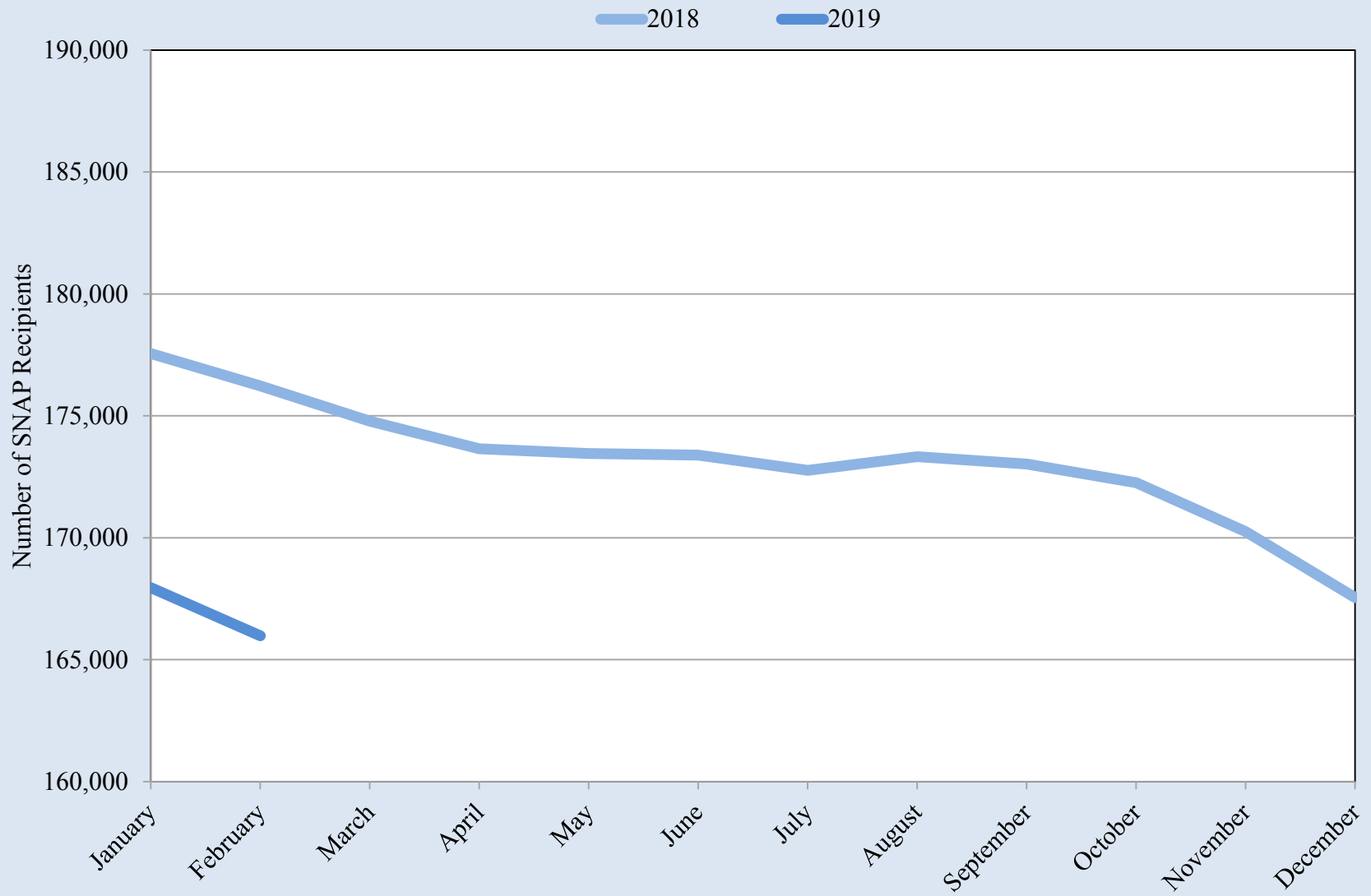
Source: Bureau of Labor Statistics

El Paso County Unemployment Rate



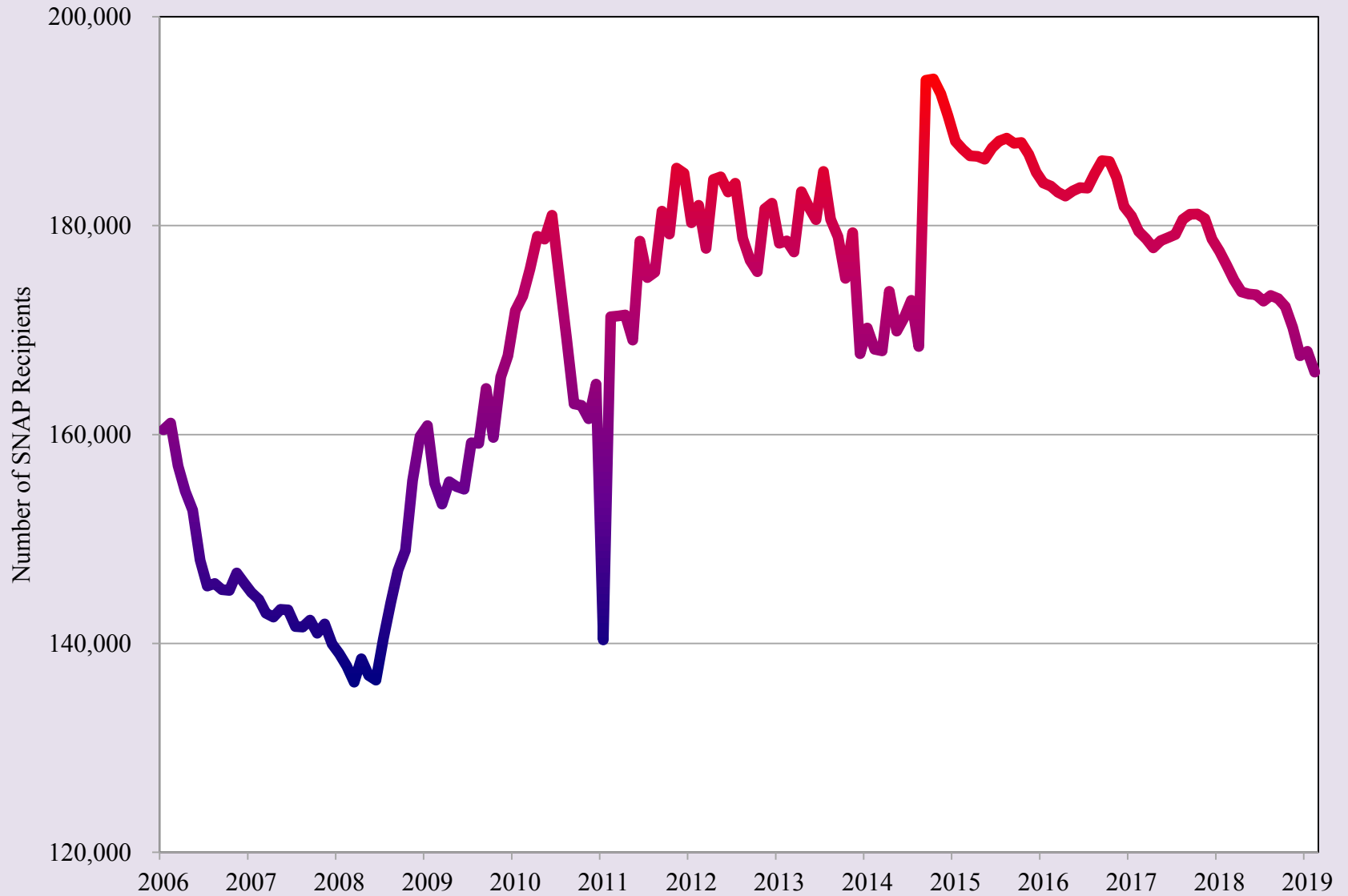
Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

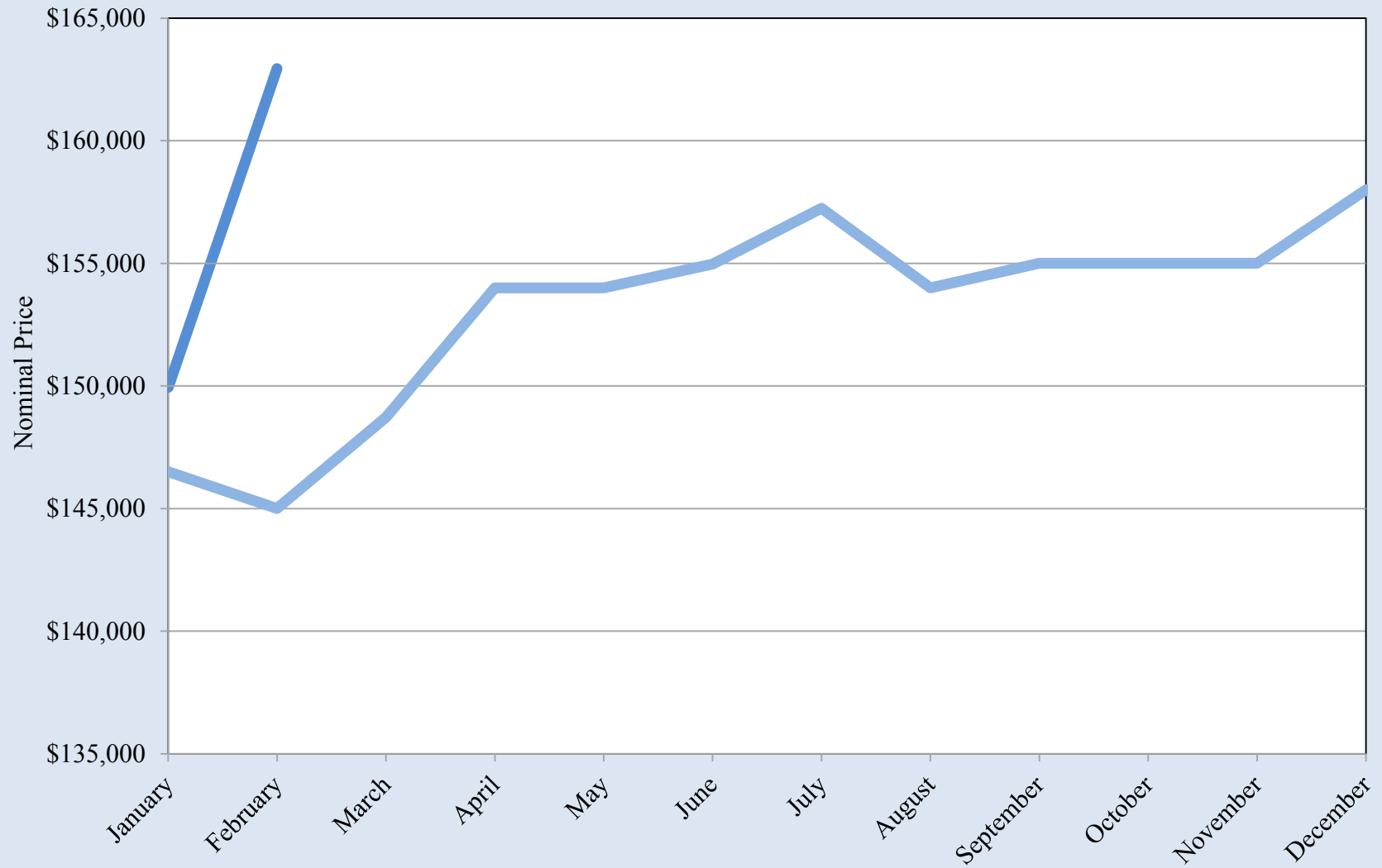
El Paso County SNAP (Food Stamp) Enrollment



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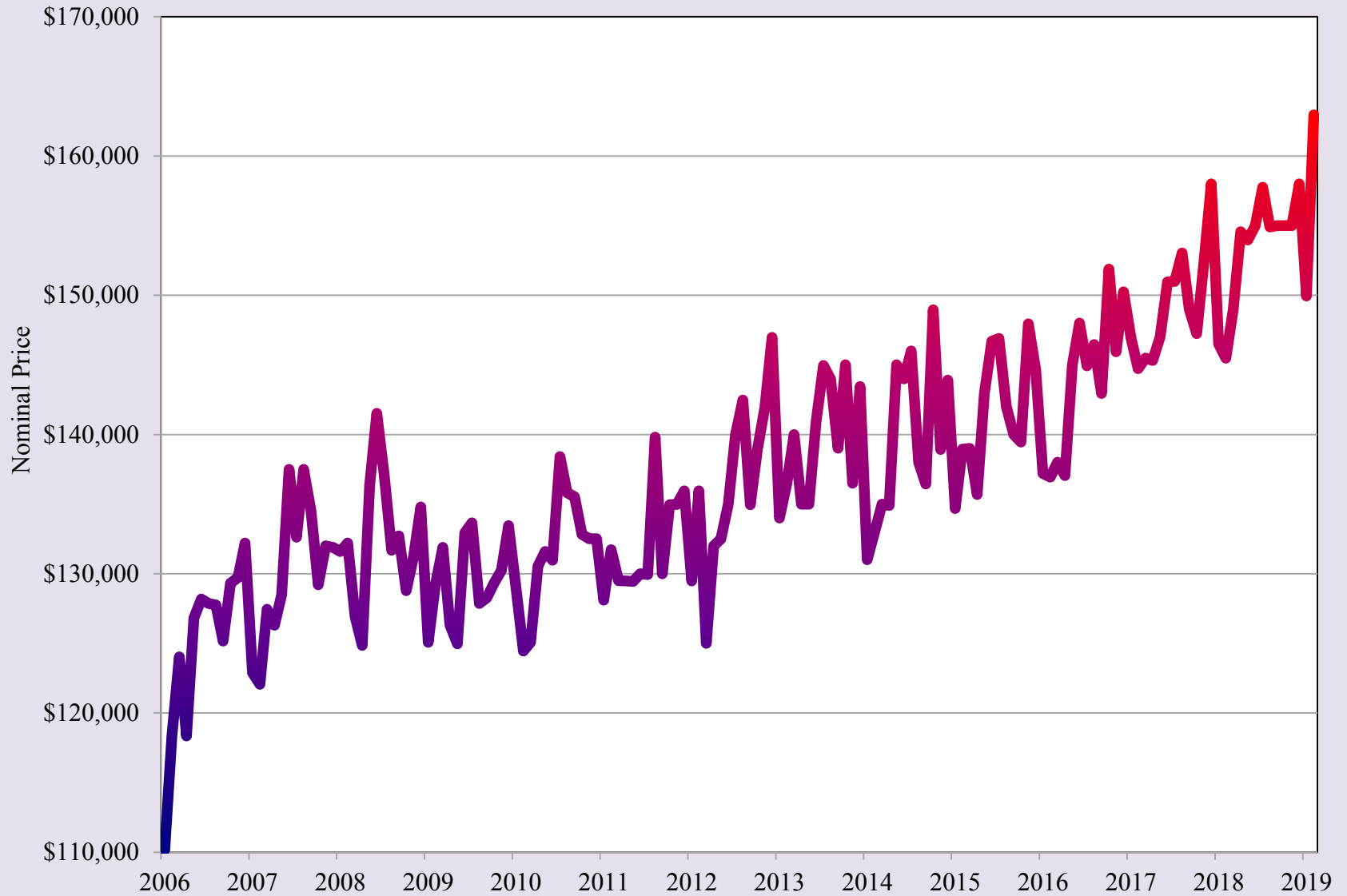
El Paso Median Housing Prices

— 2018 — 2019



Source: Texas A&M Real Estate Center

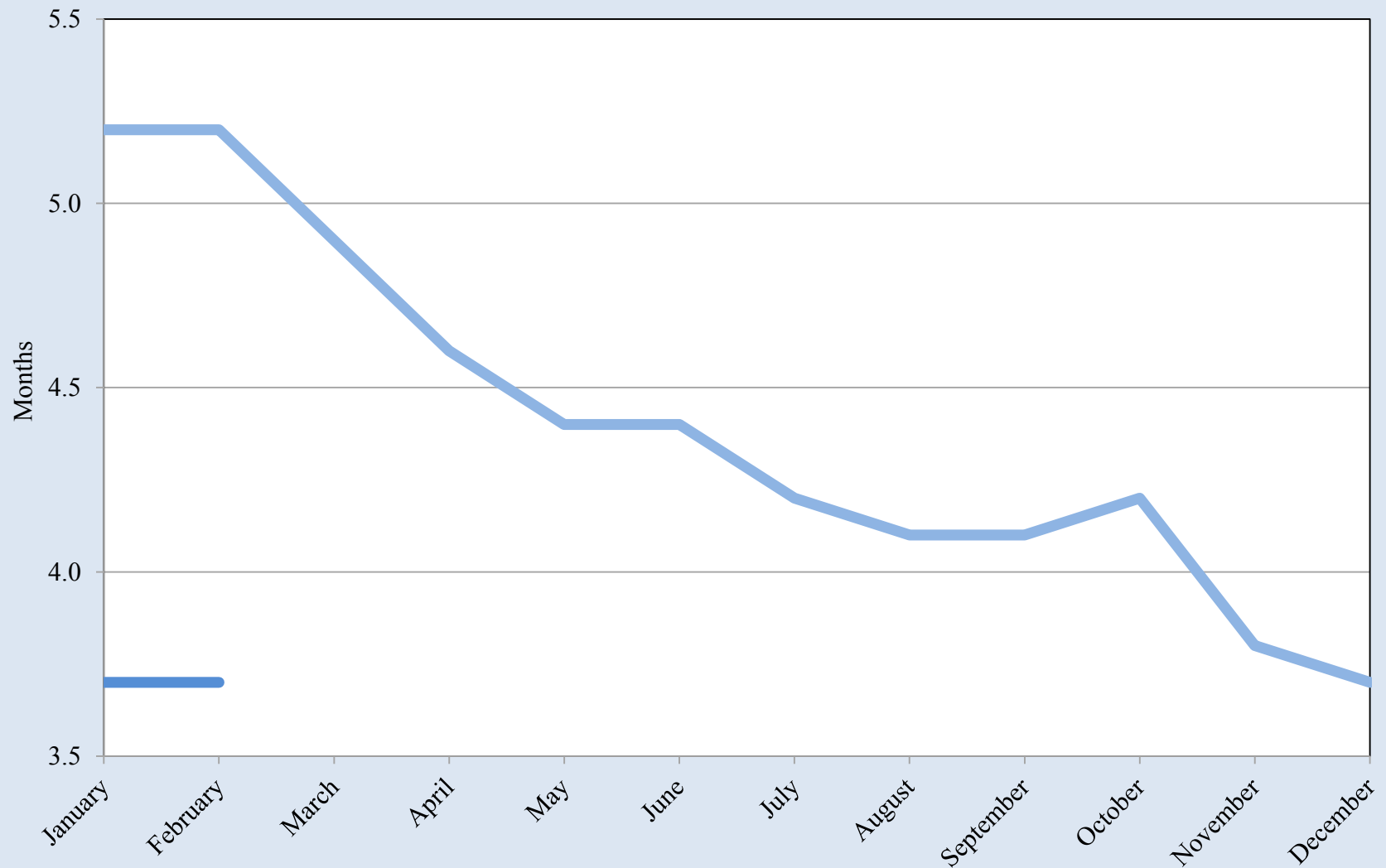
El Paso Median Housing Prices



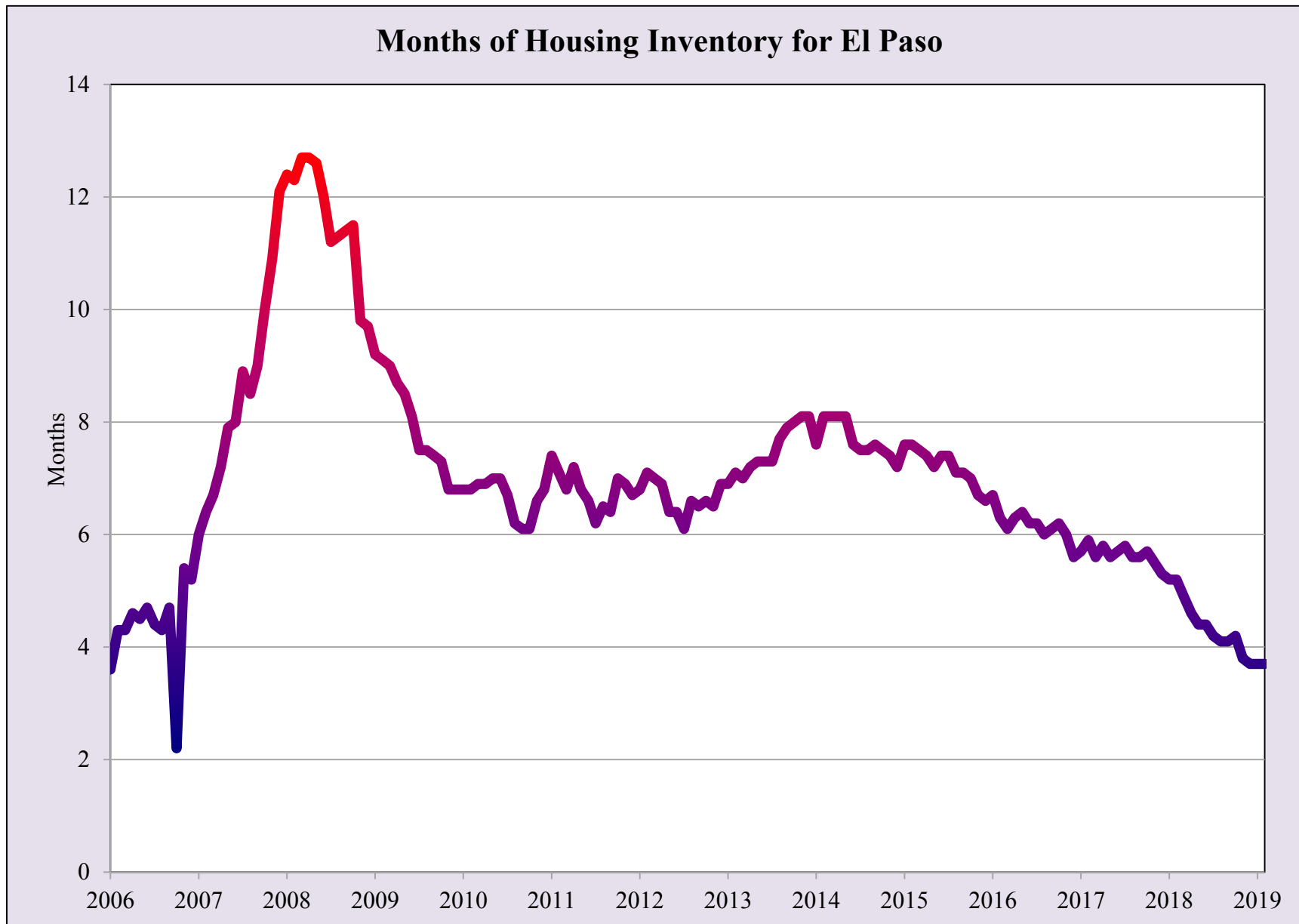
Source: Texas A&M Real Estate Center

Months of Housing Inventory for El Paso

— 2018 — 2019



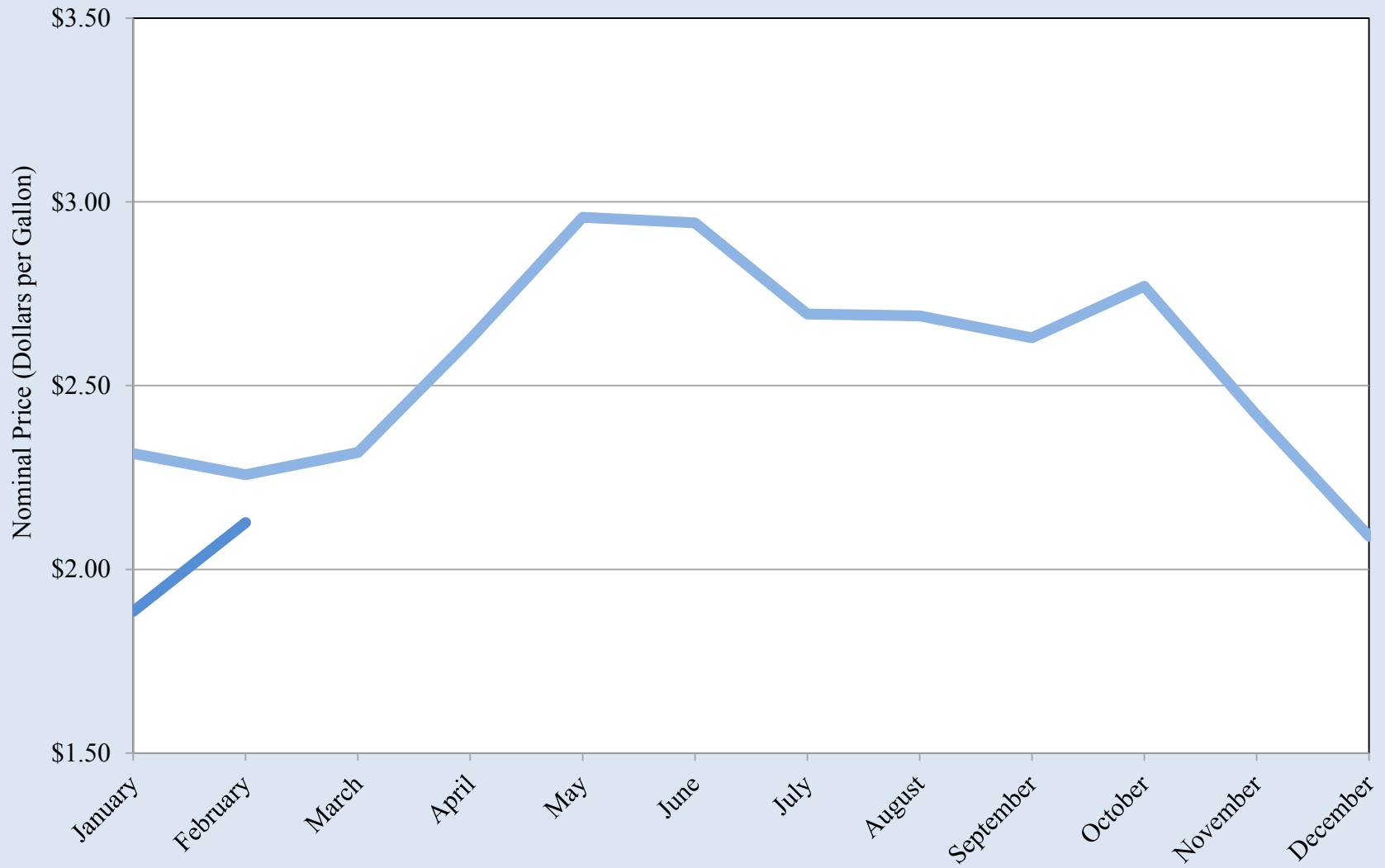
Source: Texas A&M Real Estate Center



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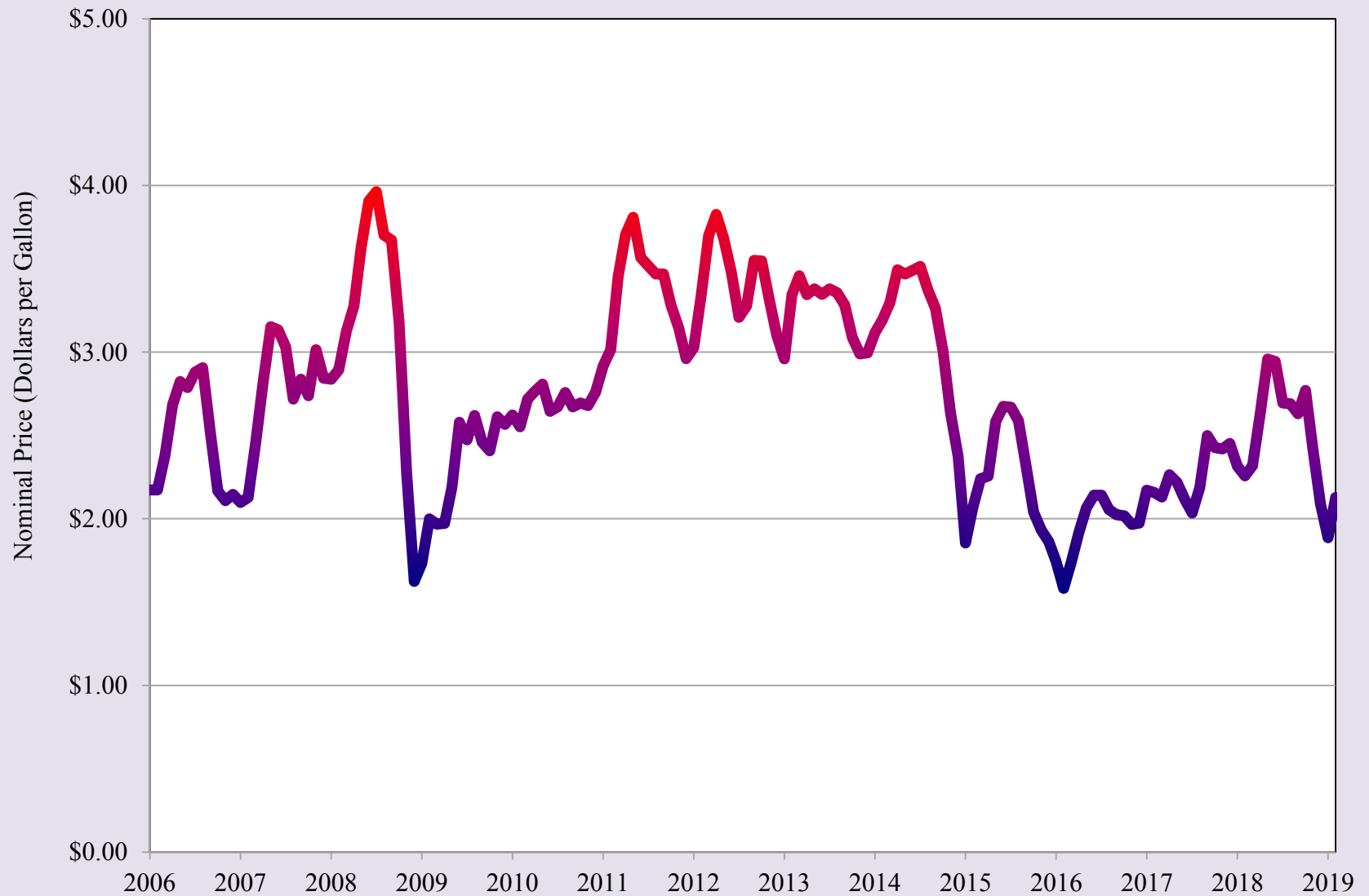
El Paso Gasoline Prices

— 2018 — 2019



Source: GasBuddy.com

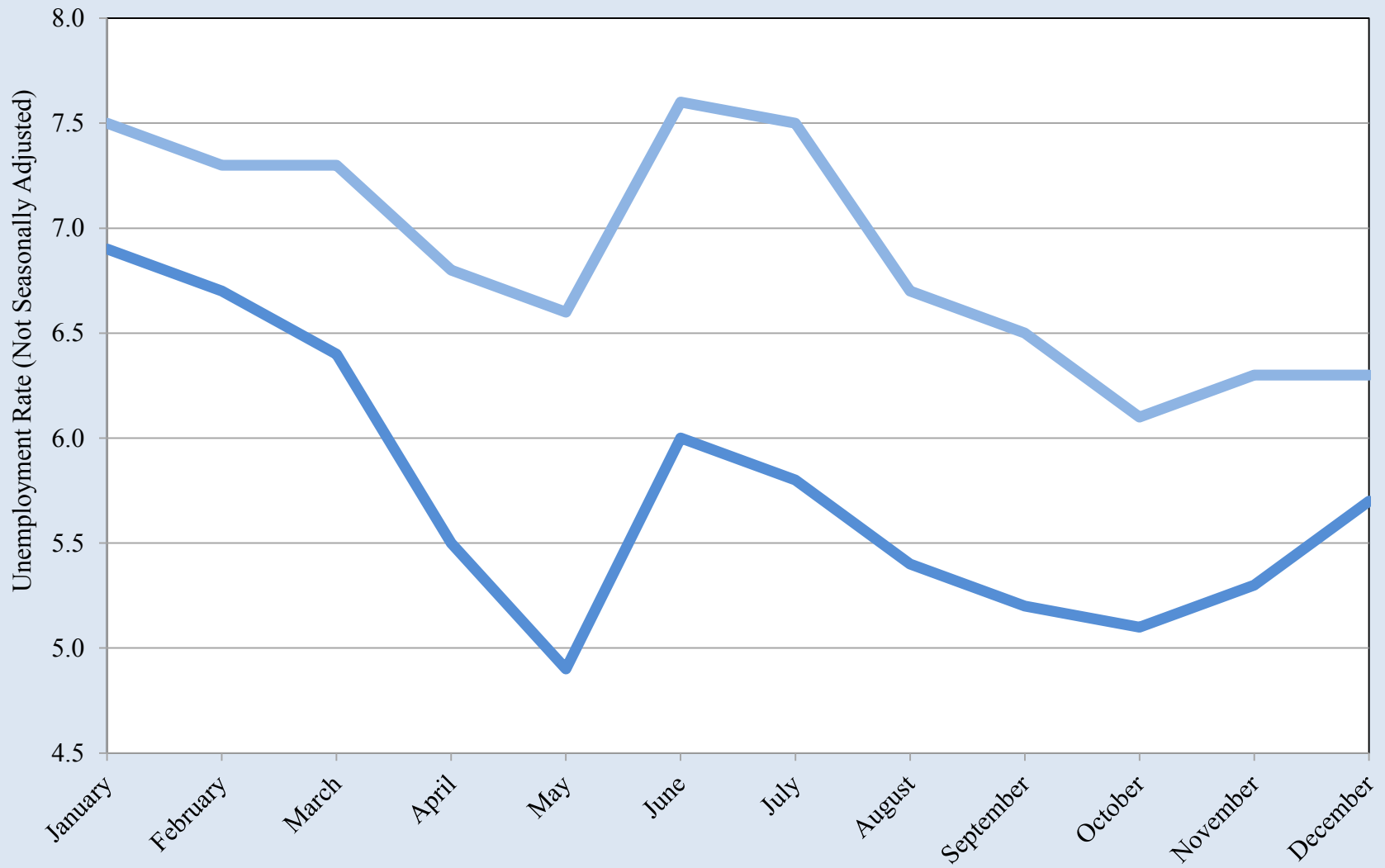
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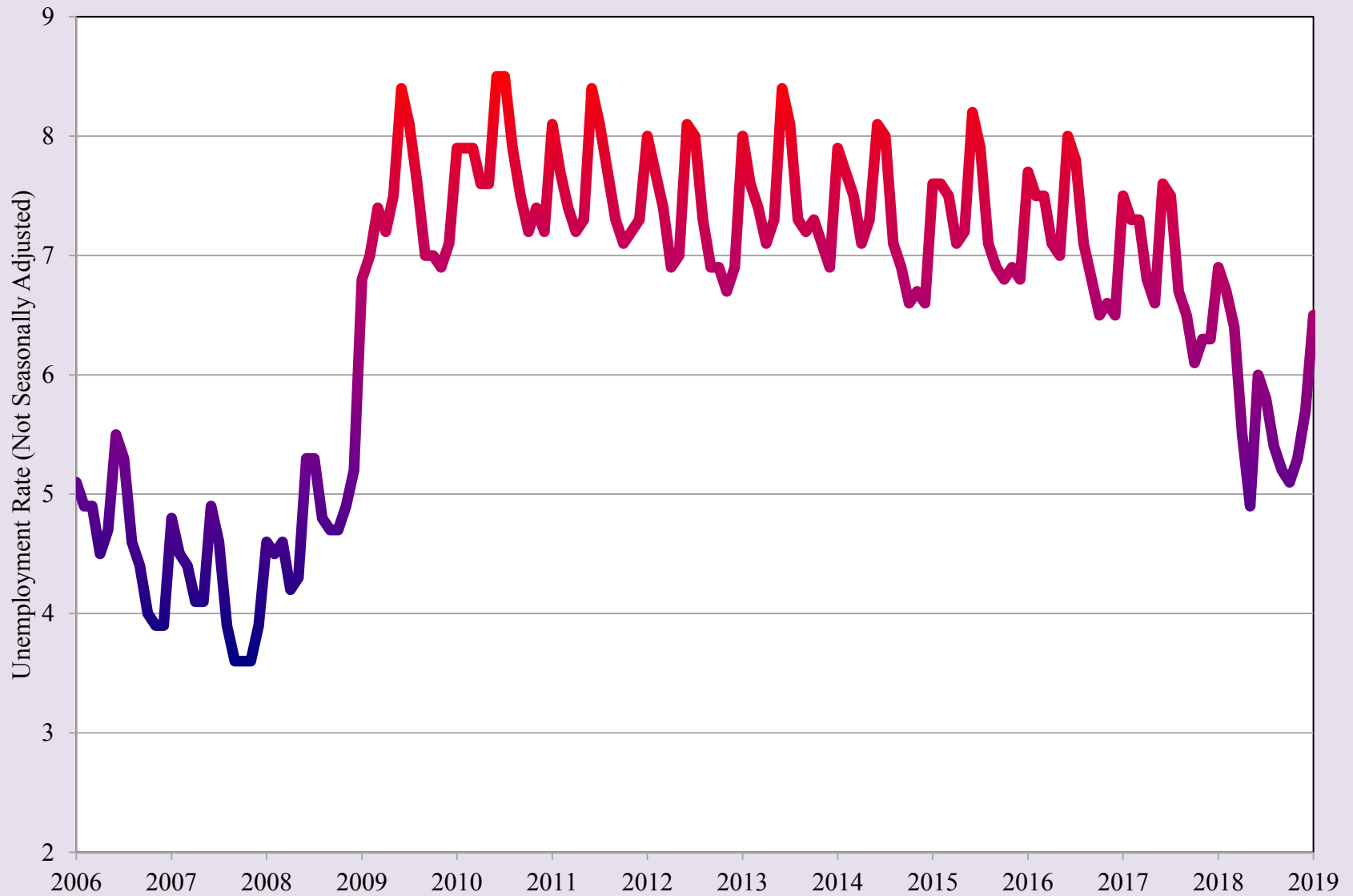
Doña Ana County Unemployment Rate

— 2017 — 2018



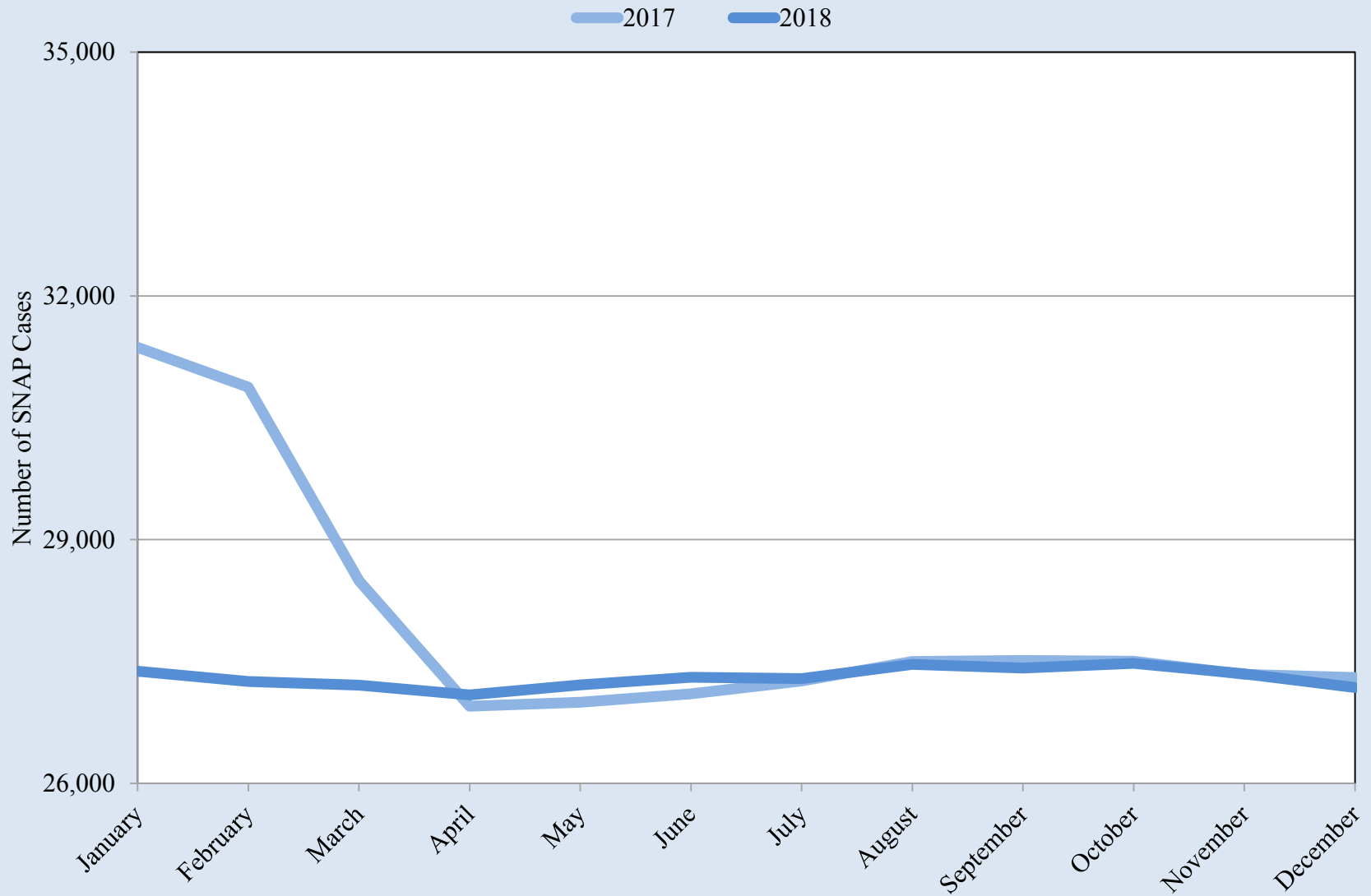
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



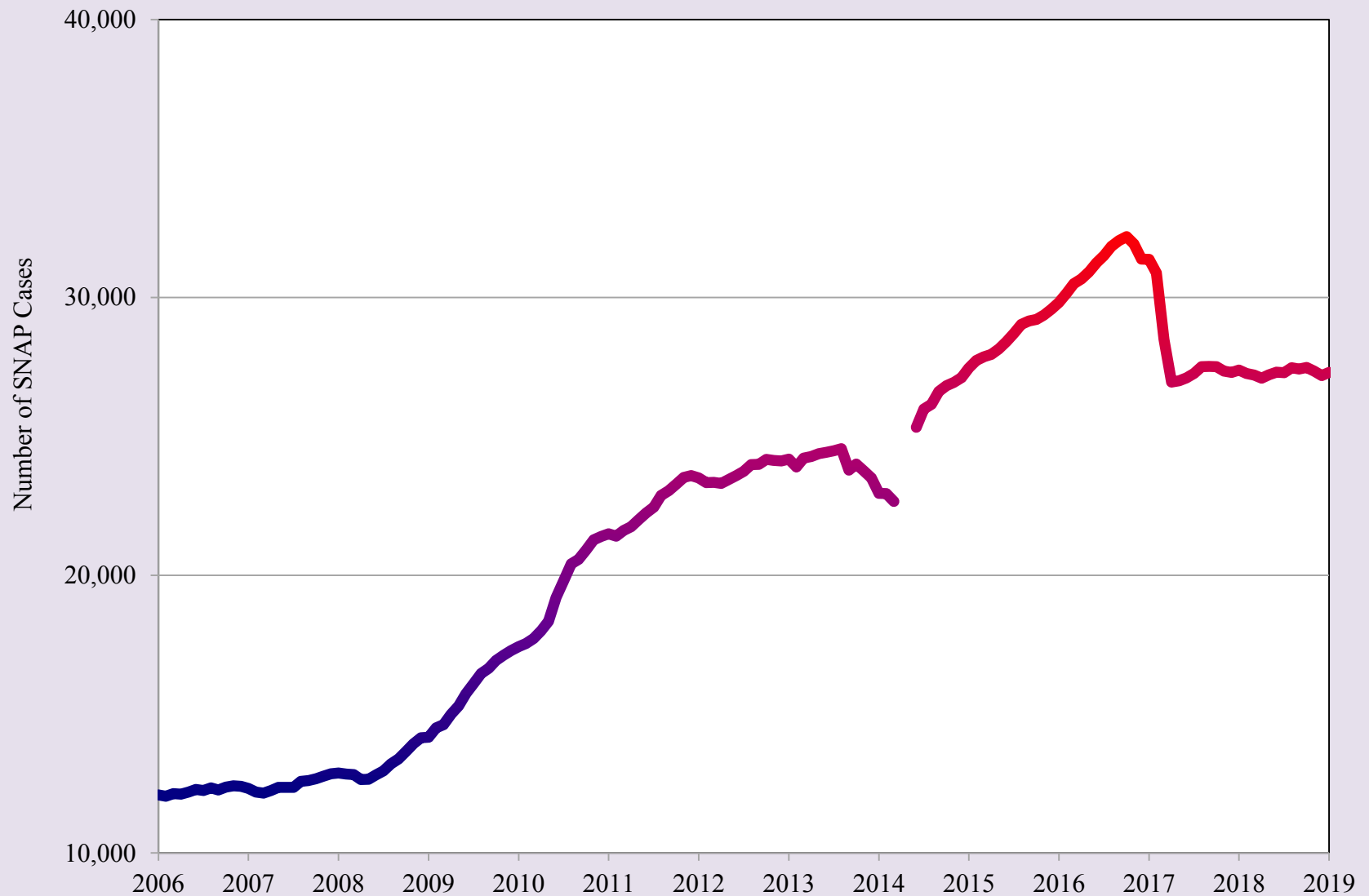
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



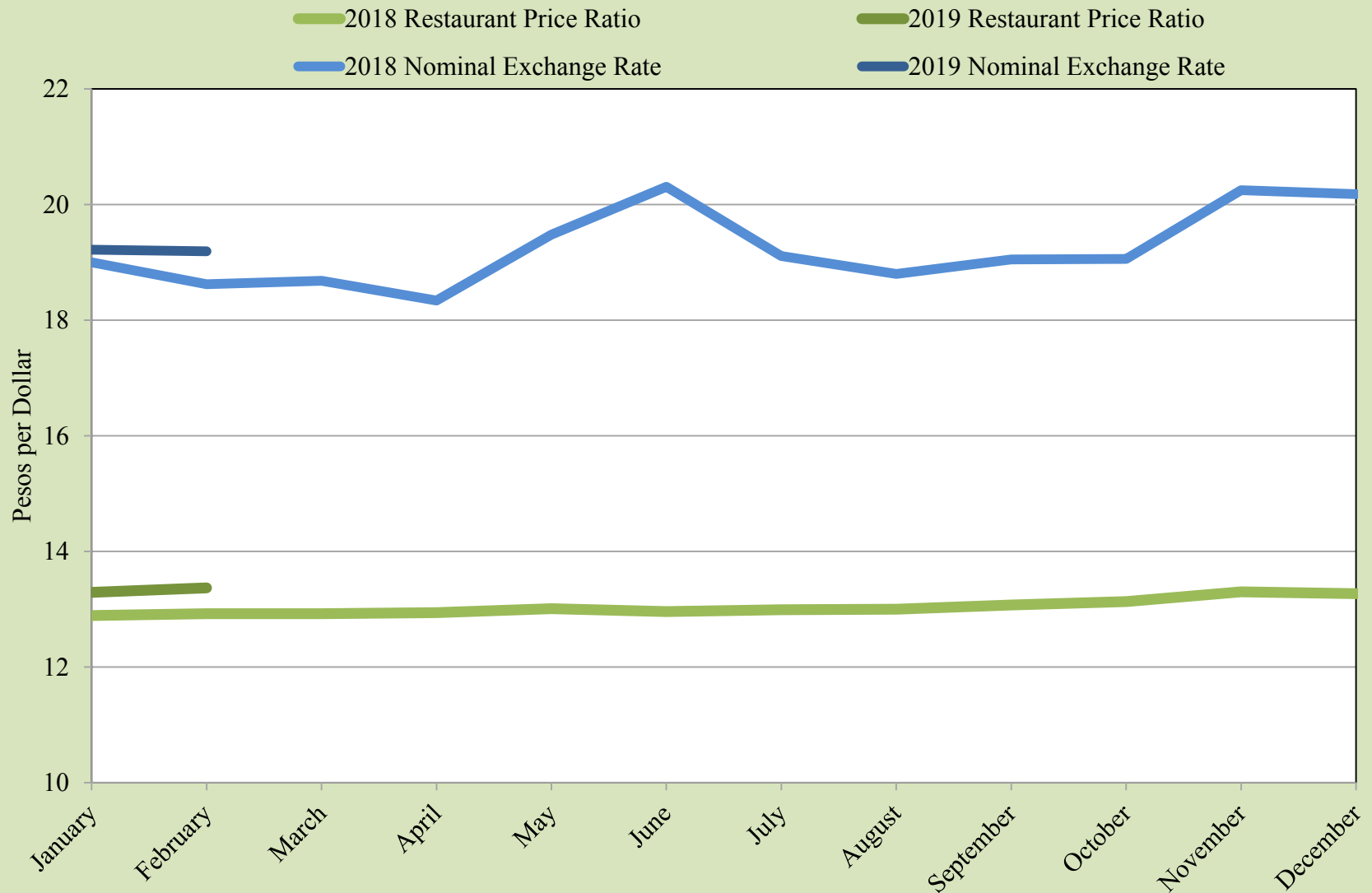
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

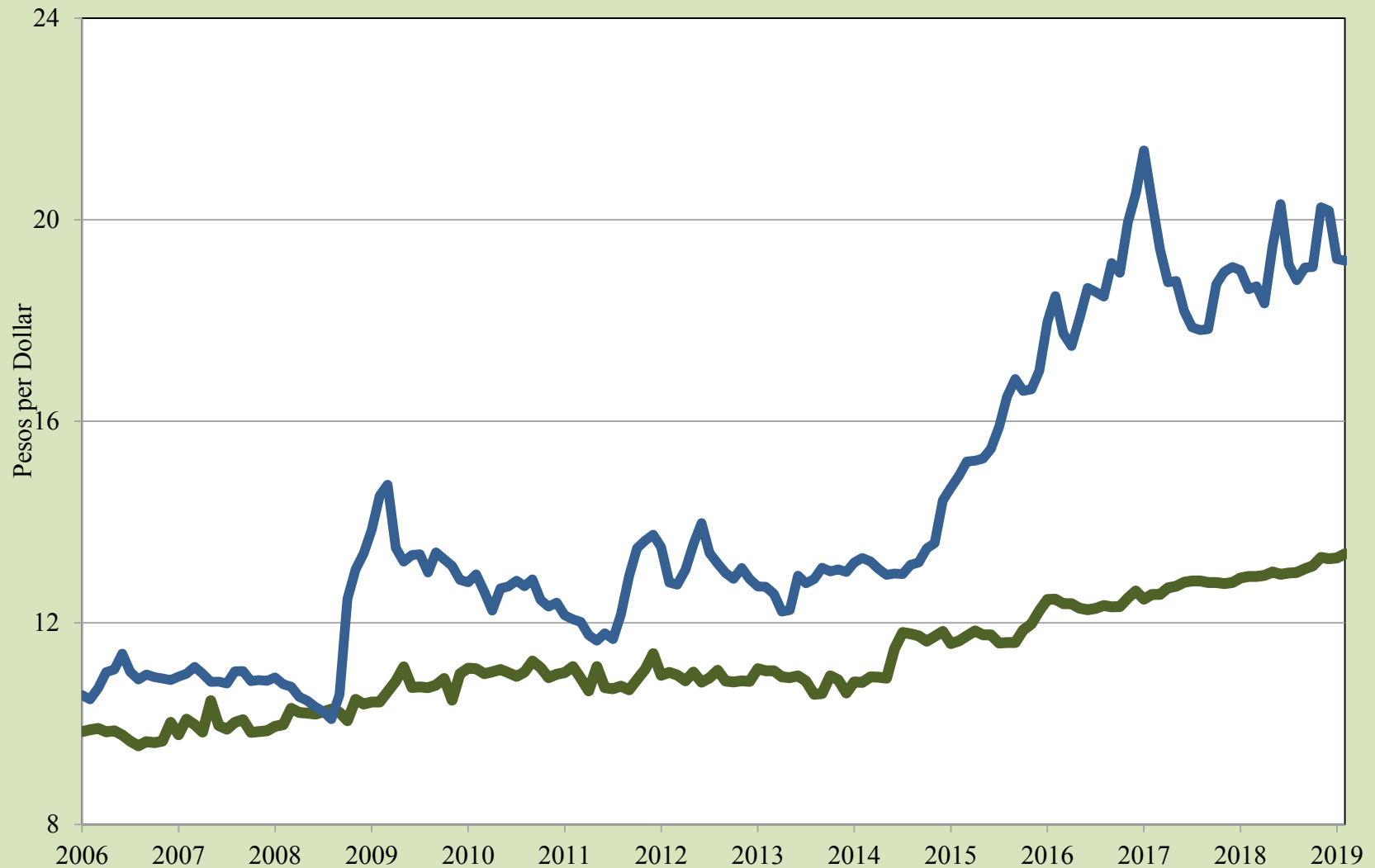
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Restaurant Price Ratio and Exchange Rate

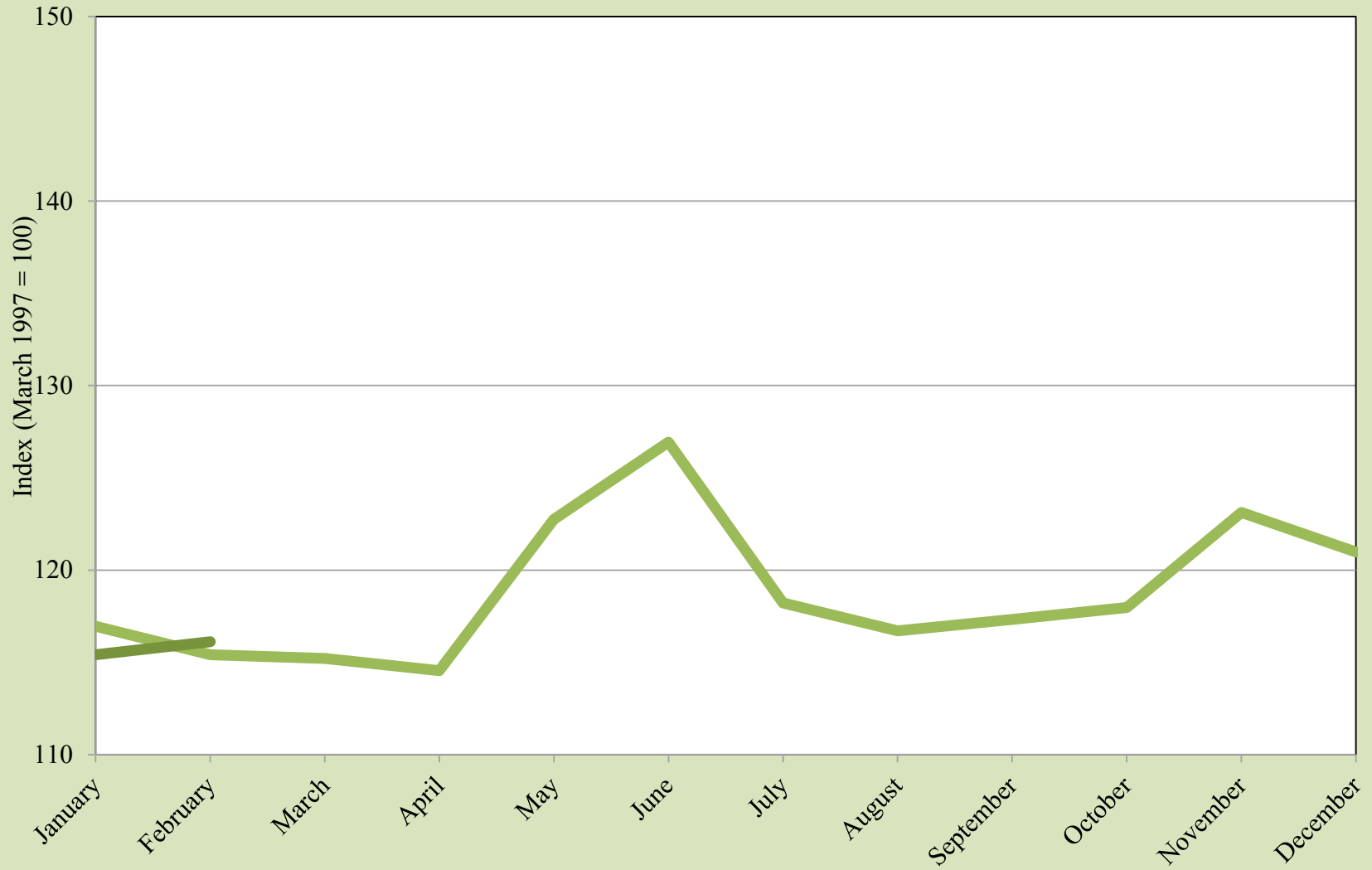
Price Ratio Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso-per-Dollar Exchange Rate Index

— 2018 — 2019



Source: UTEP Border Region Modeling Project

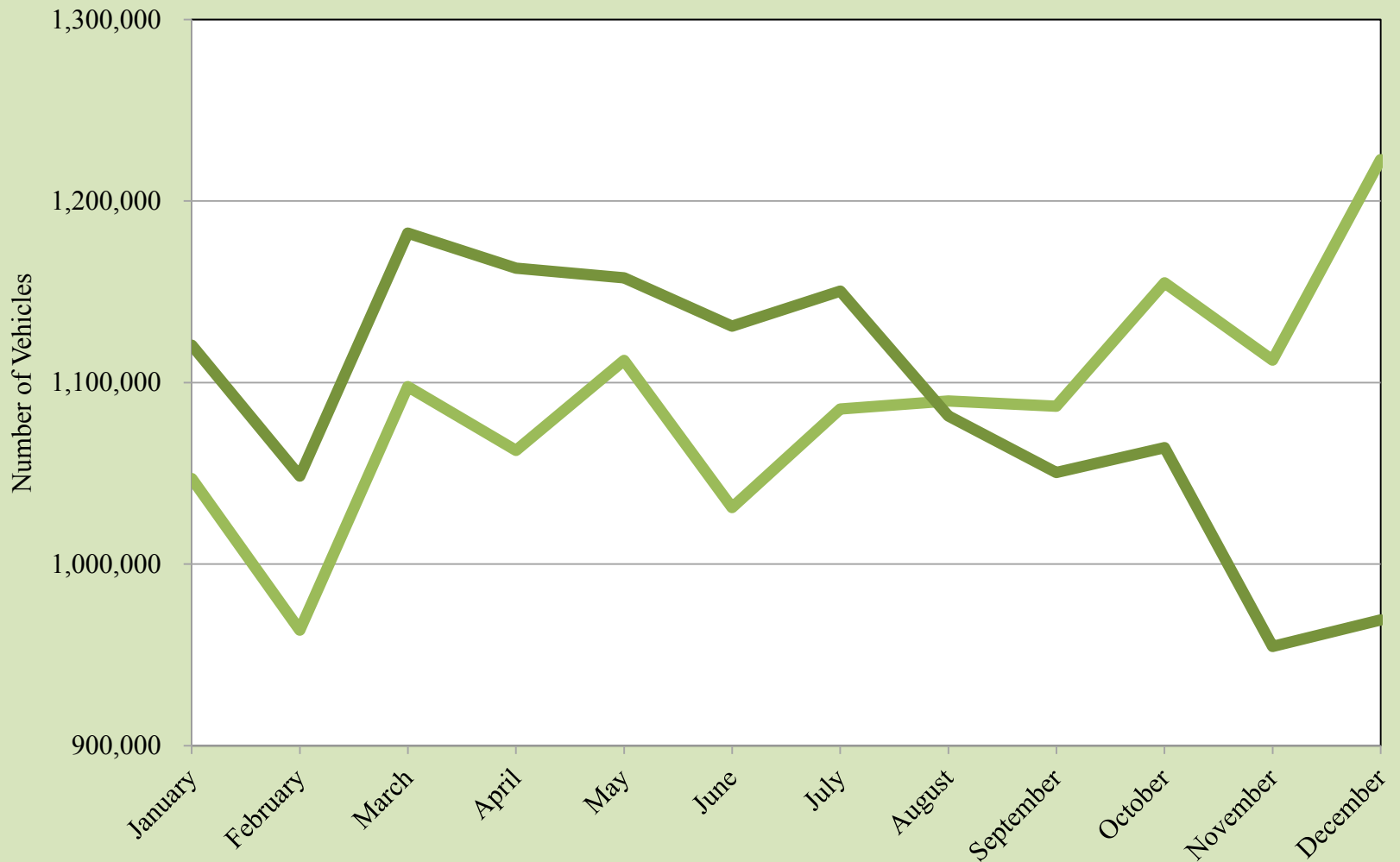
Real Peso-per-Dollar Exchange Rate Index



Source: UTEP Border Region Modeling Project

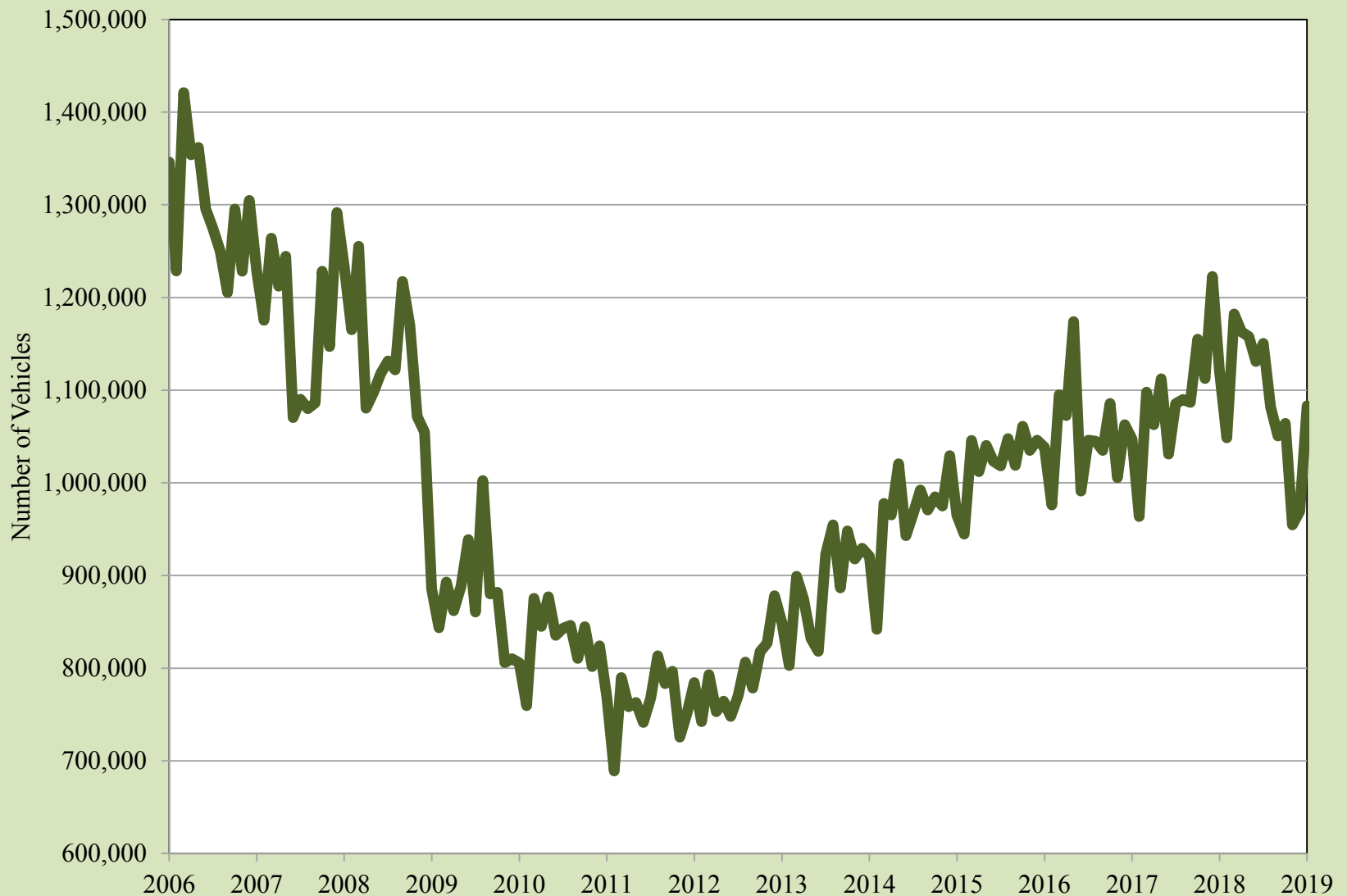
Personal Vehicle International Bridge Crossings to El Paso

— 2017 — 2018



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

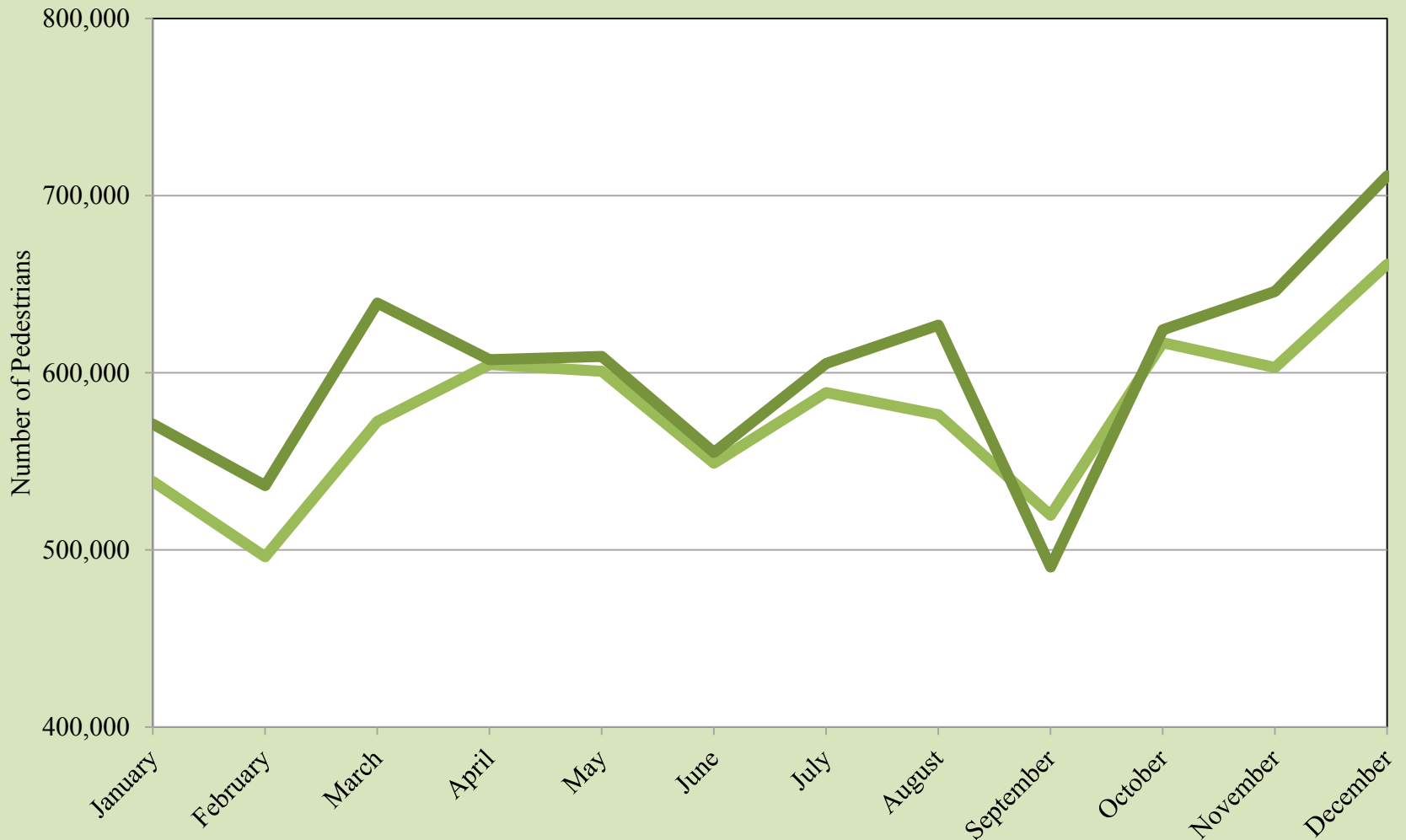
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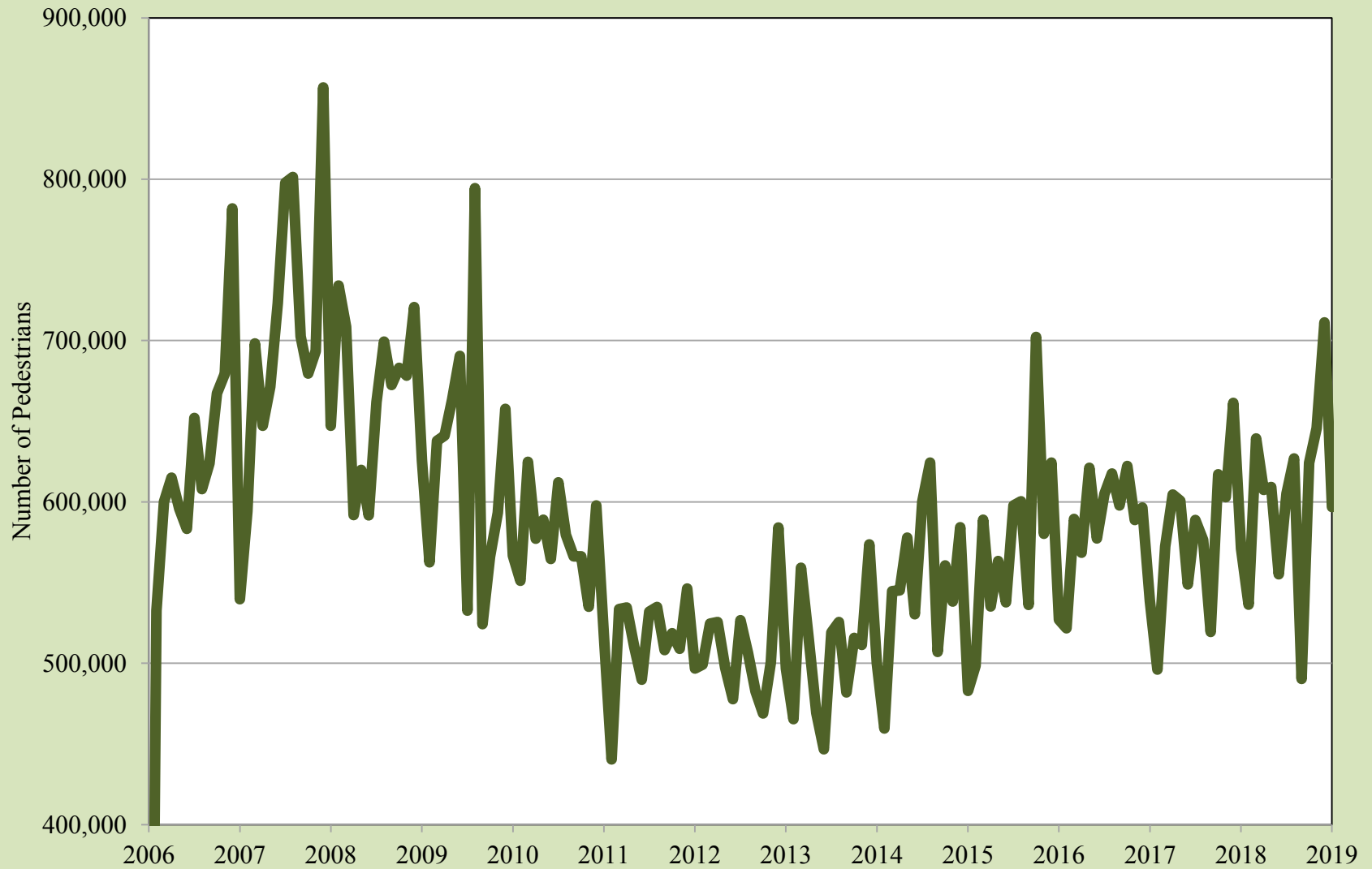
Pedestrian International Bridge Crossings to El Paso

2017 2018



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

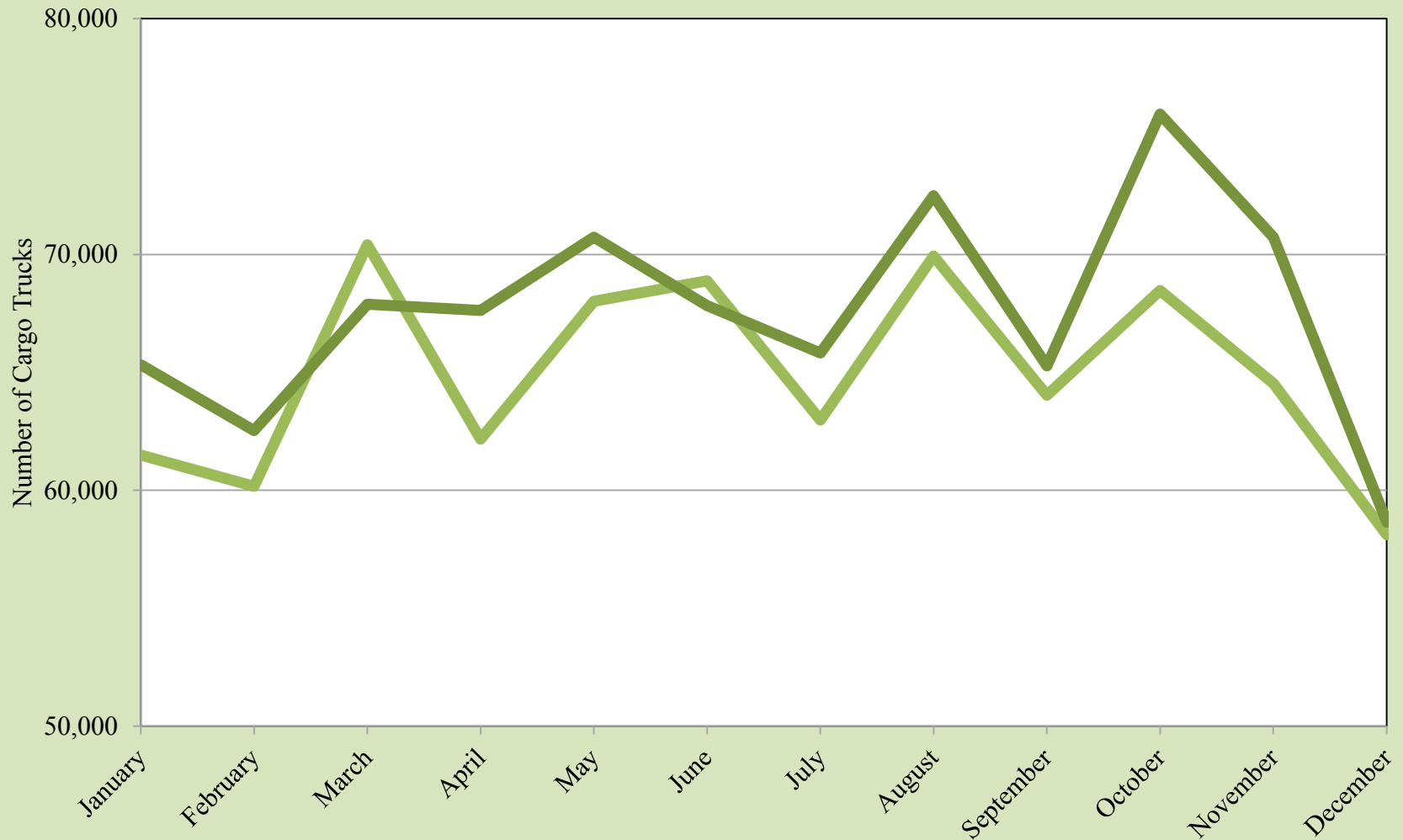
Pedestrian International Bridge Crossings to El Paso



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

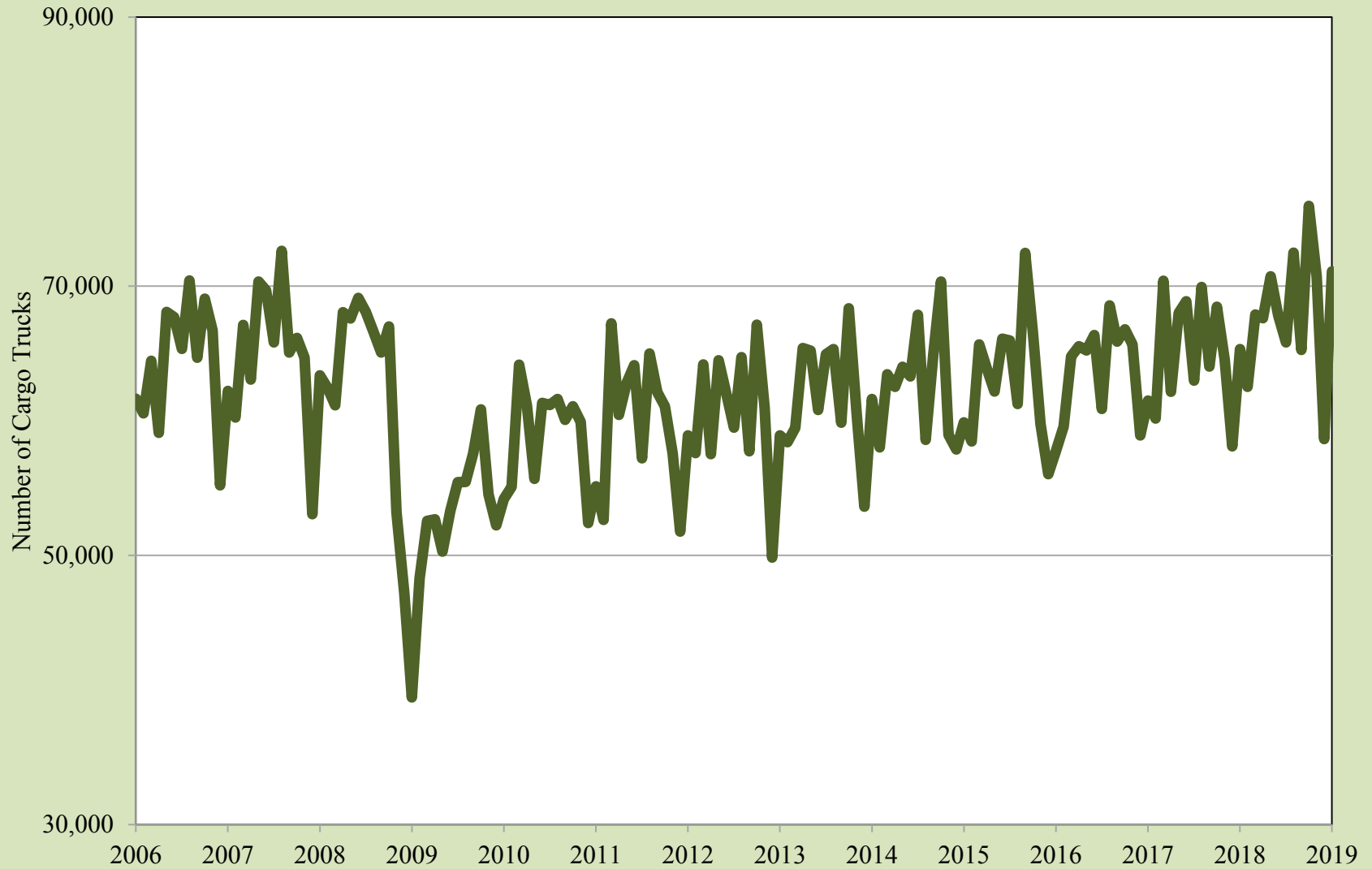
Cargo Truck International Bridge Crossings to El Paso

2017 2018



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

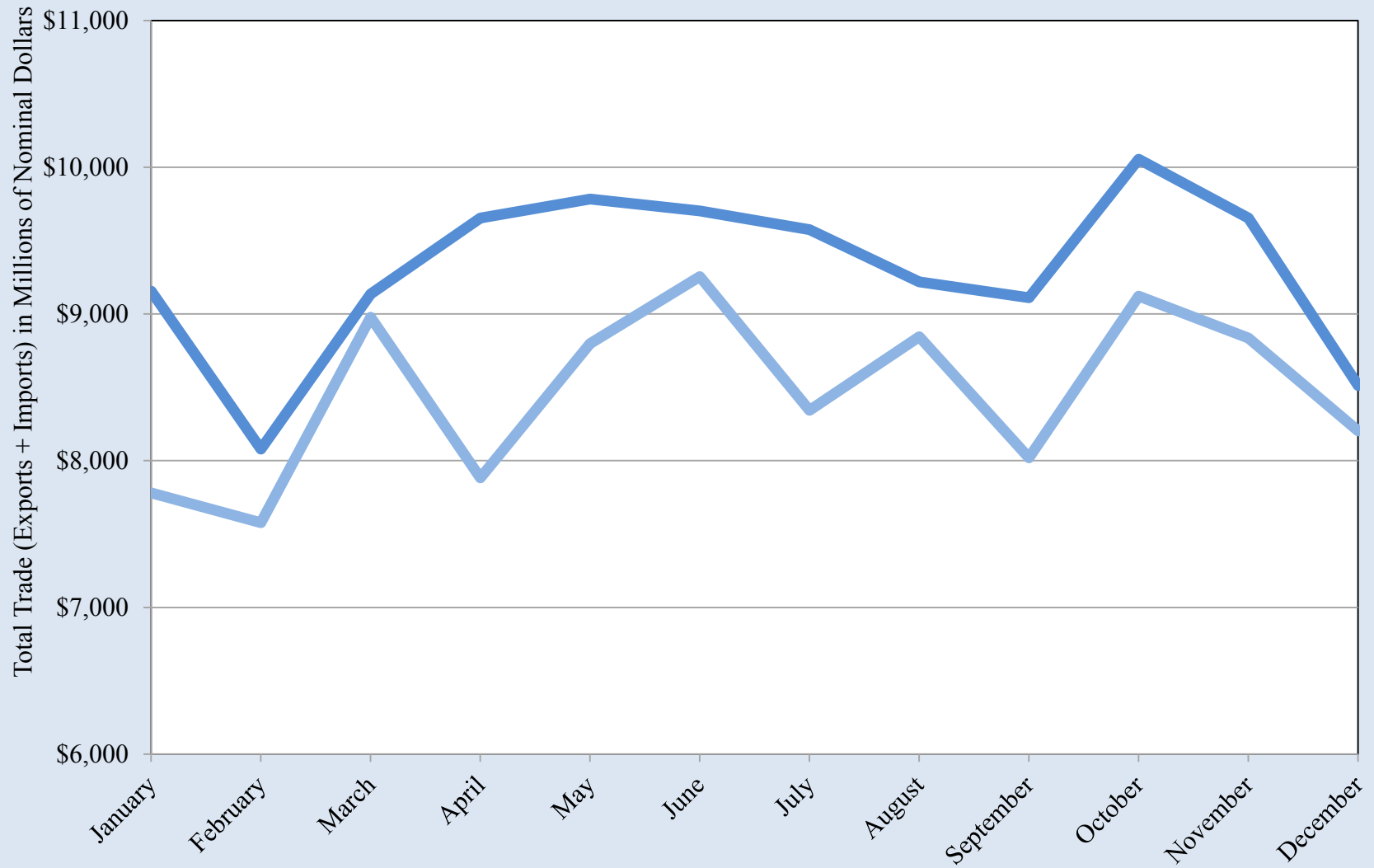
Cargo Truck International Bridge Crossings to El Paso



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

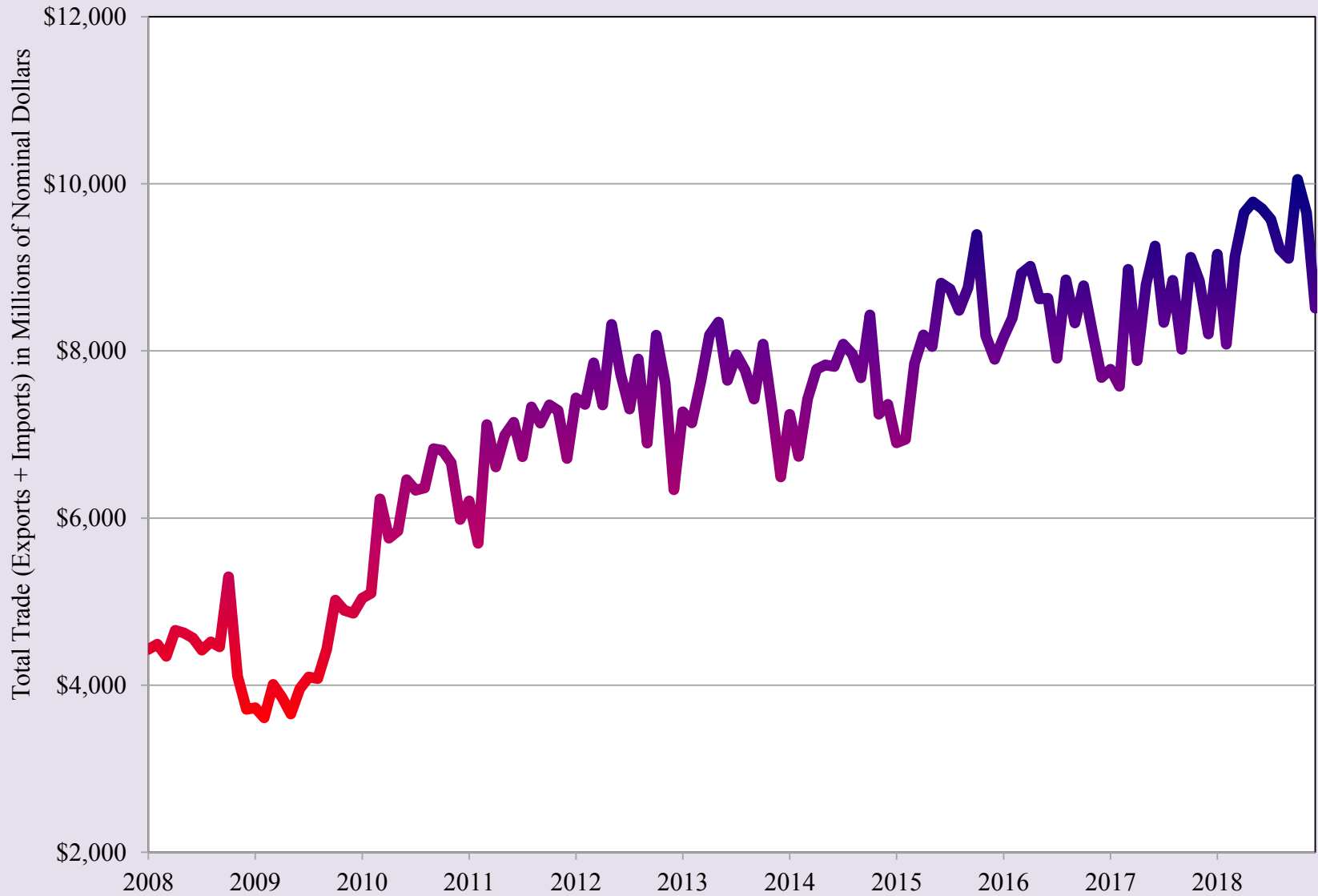
Total Trade through the El Paso Customs District

— 2017 — 2018



Source: U.S. International Trade Commission

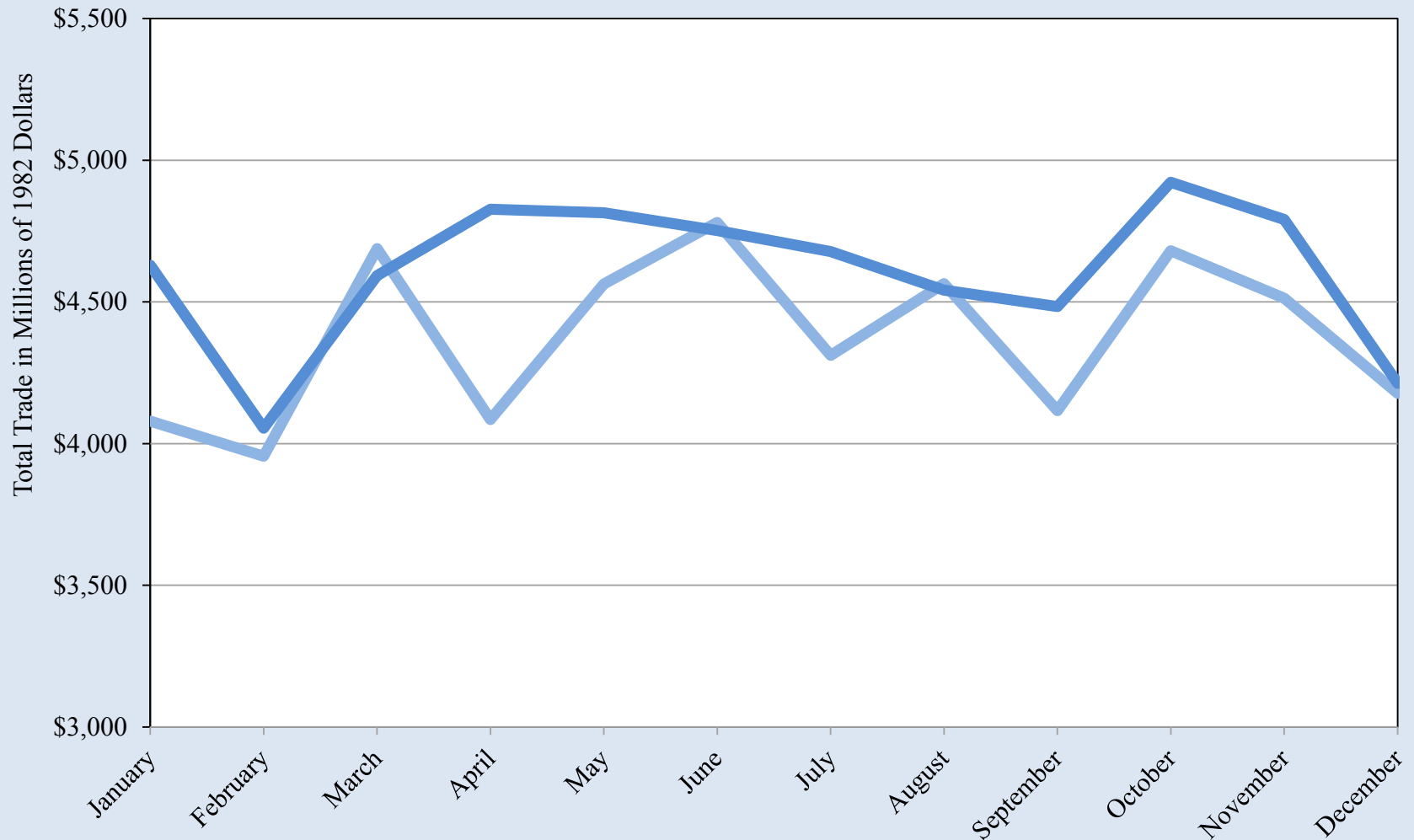
Total Trade through the El Paso Customs District



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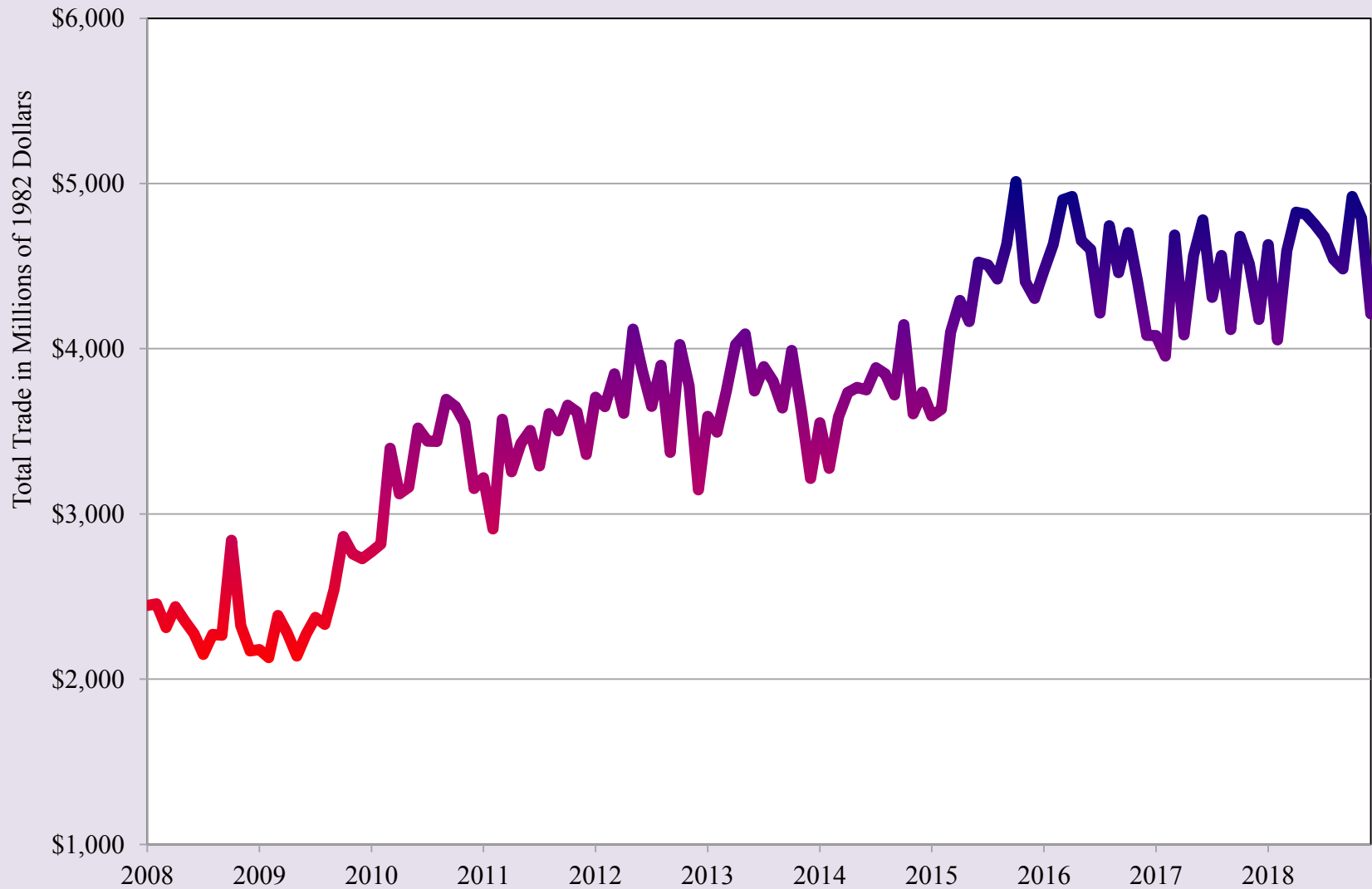
Real Total Trade through the El Paso Customs District

— 2017 — 2018



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

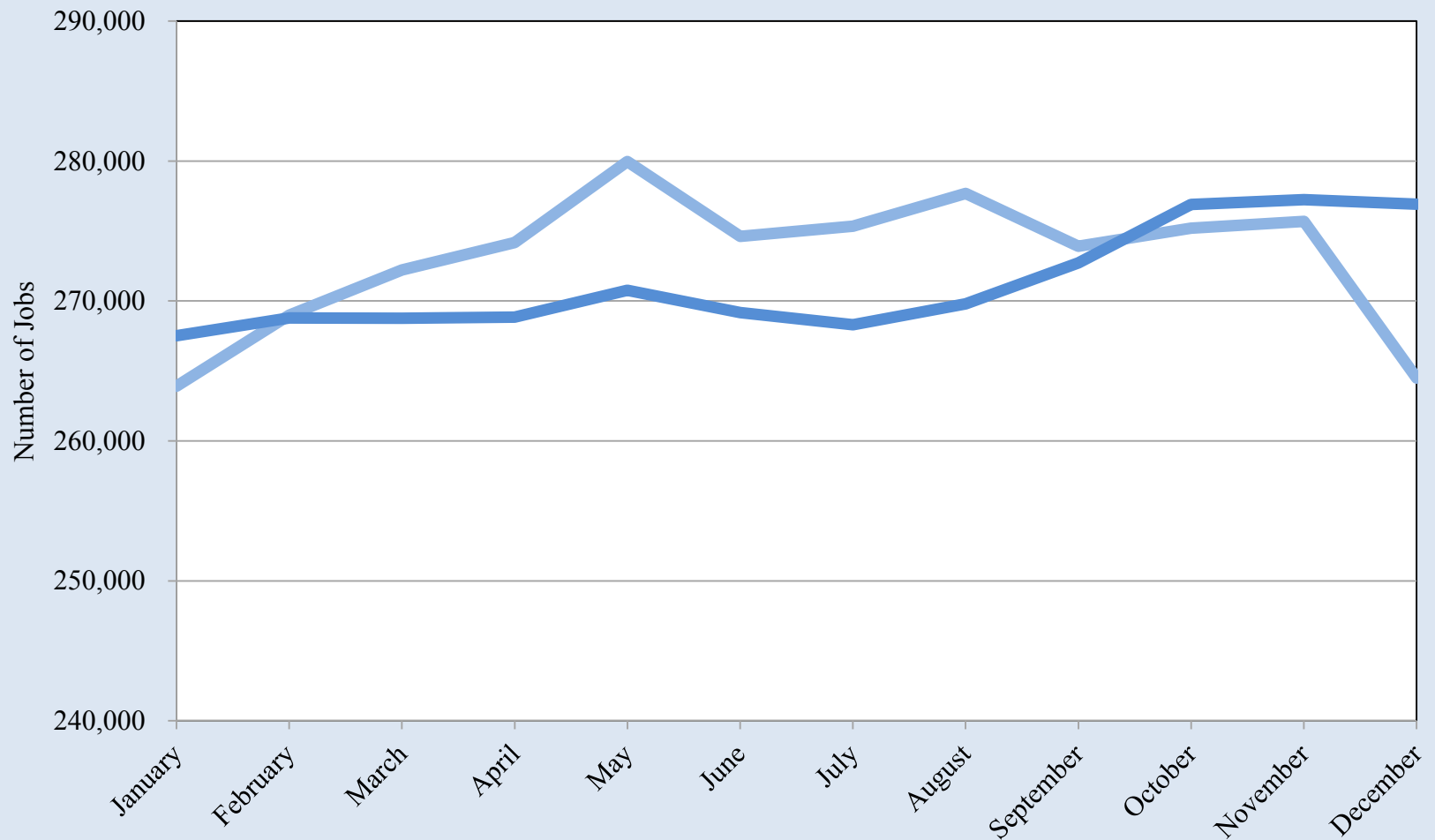
Real Total Trade through the El Paso Customs District



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

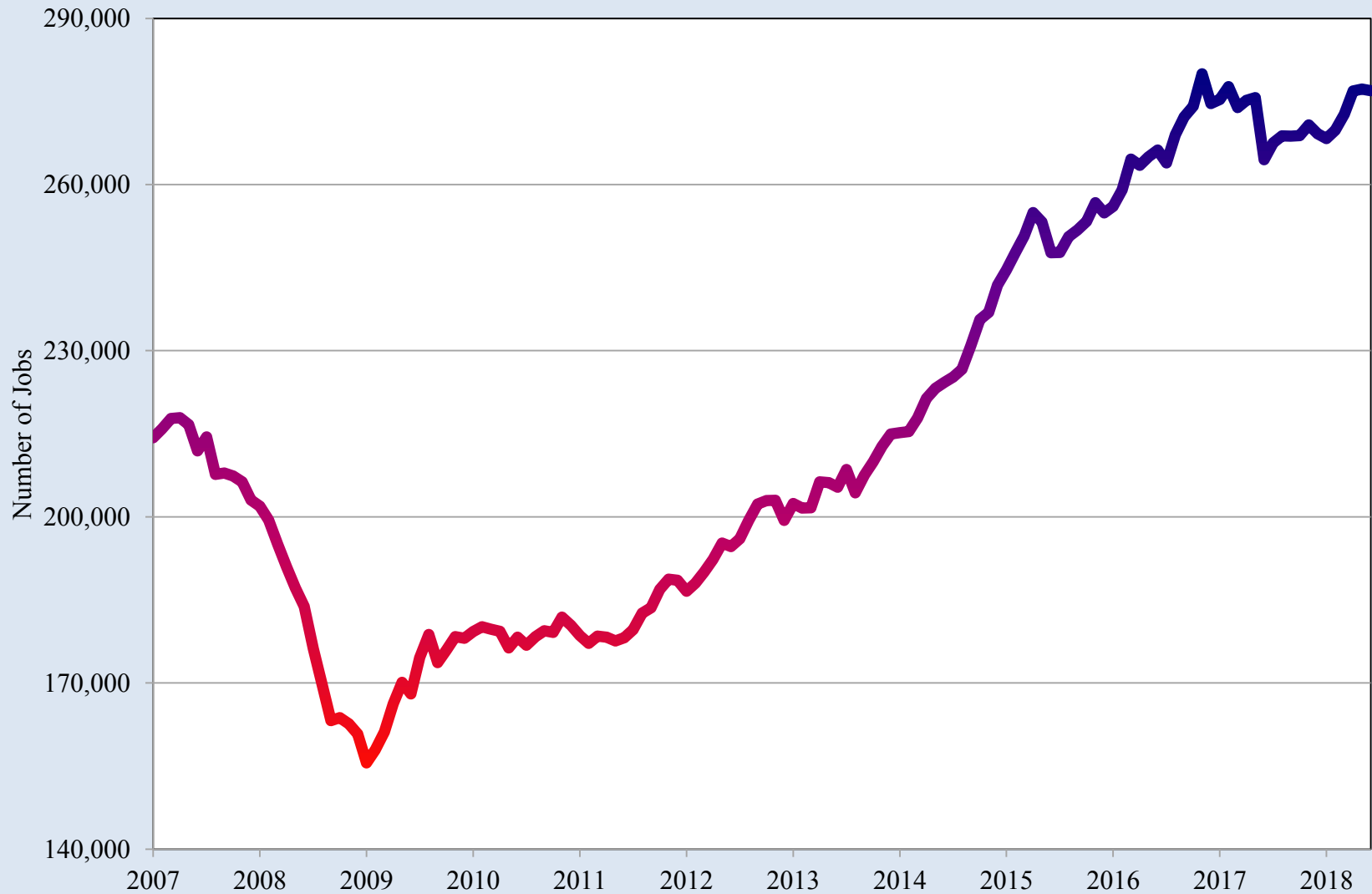
Export-Oriented Manufacturing Employment in Ciudad Juárez

— 2017 — 2018



Source: INEGI

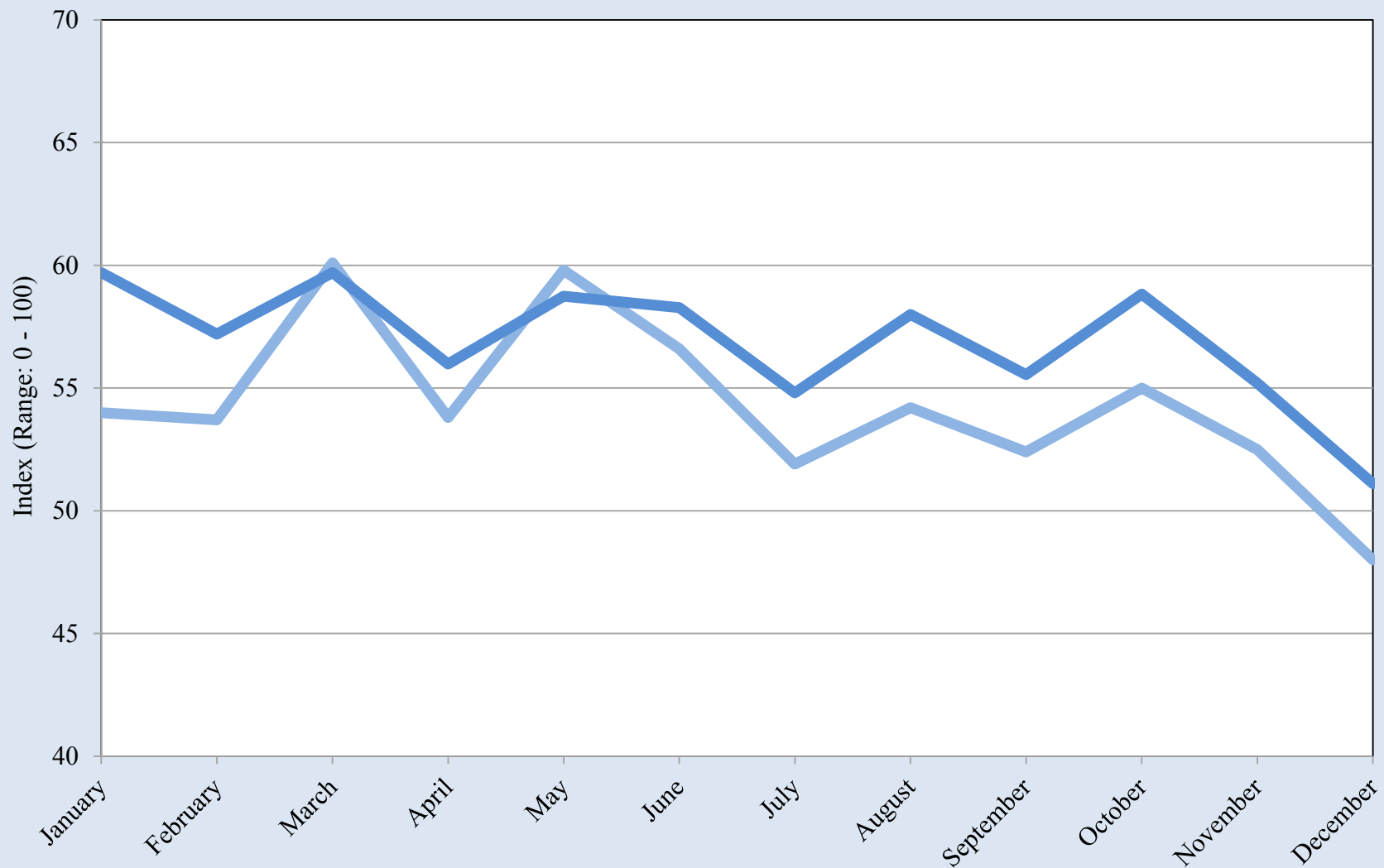
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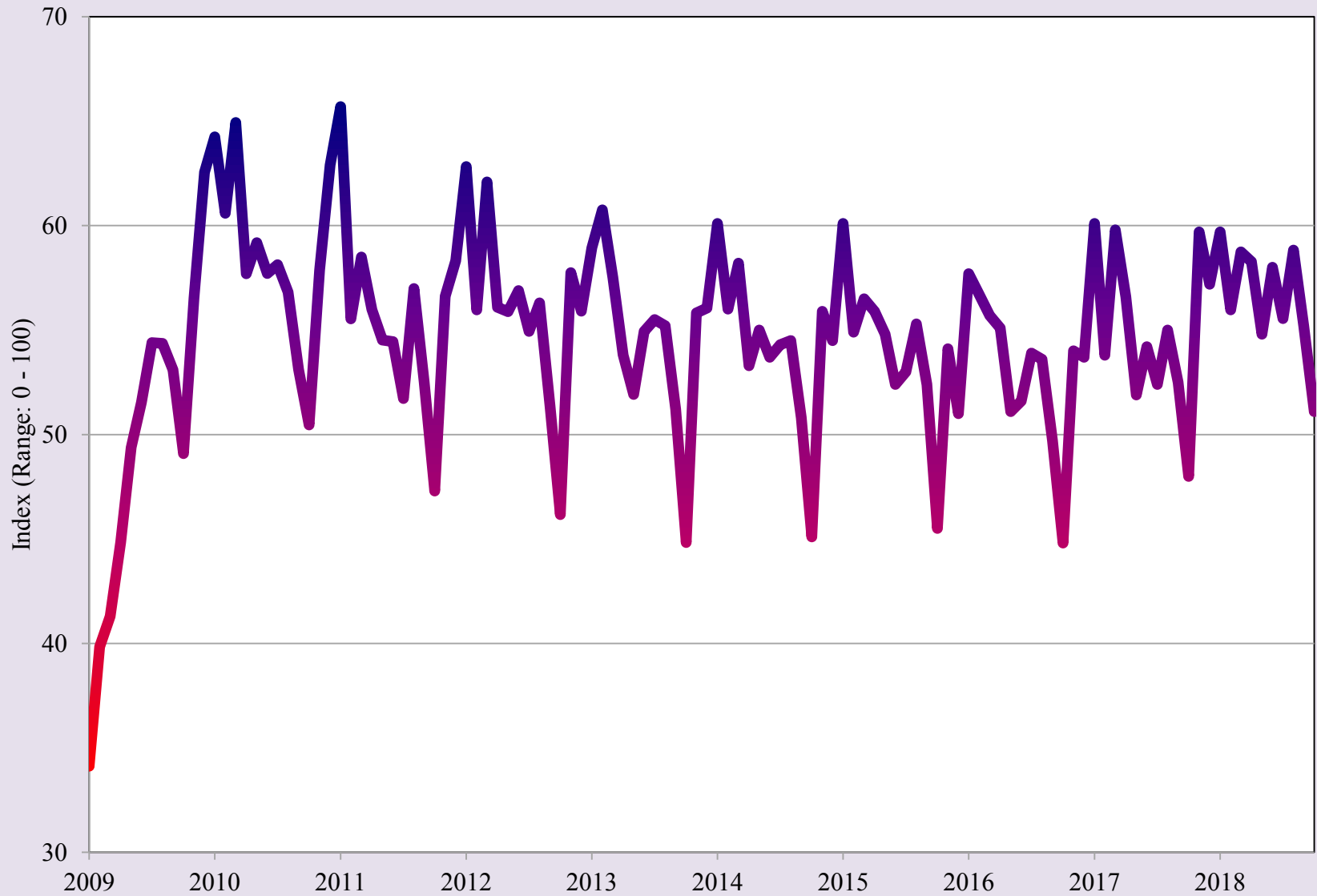
Northern Mexico Manufacturing Orders Index

— 2017 — 2018



Source: Banco de México

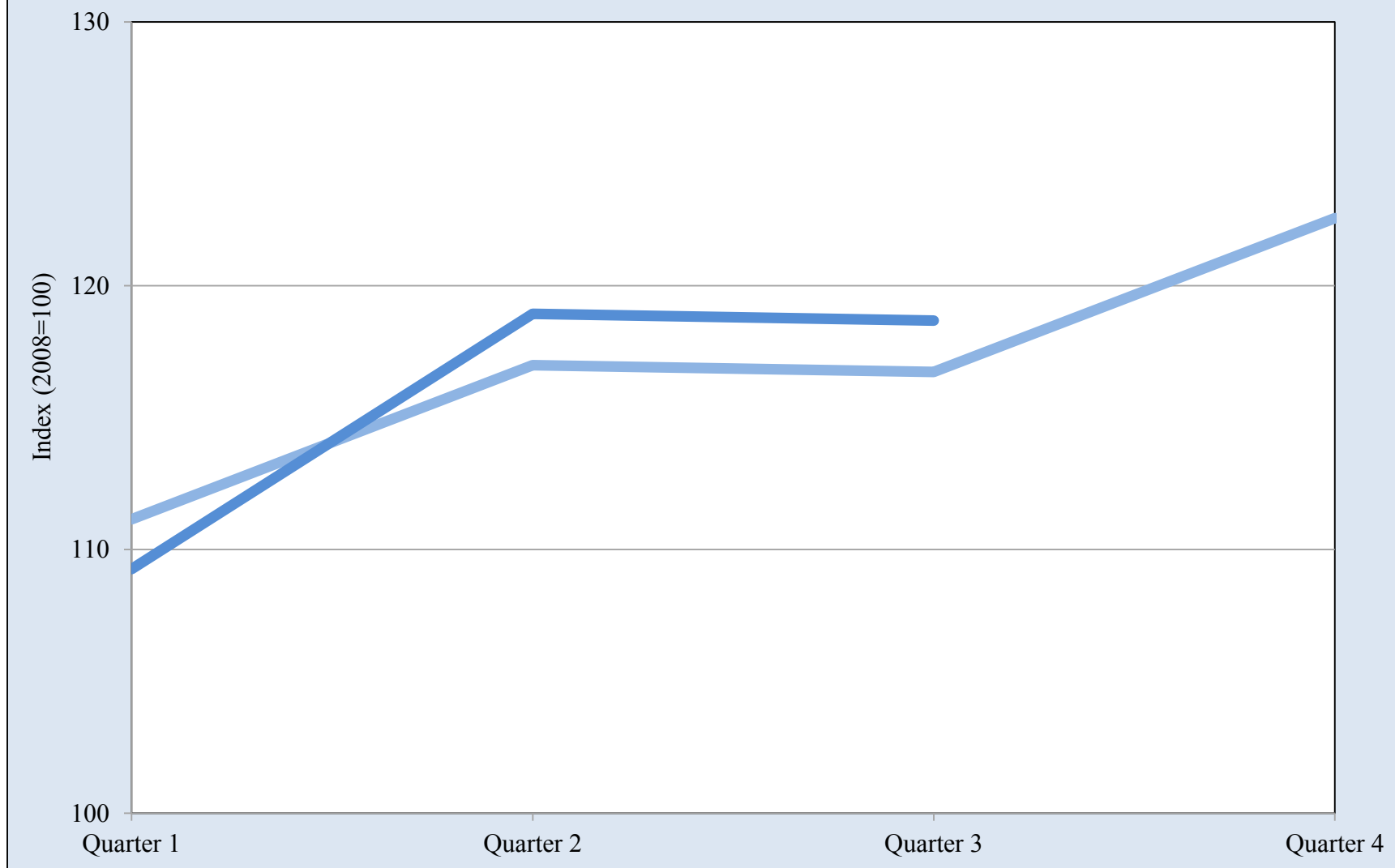
Northern Mexico Manufacturing Orders Index



Source: Banco de México

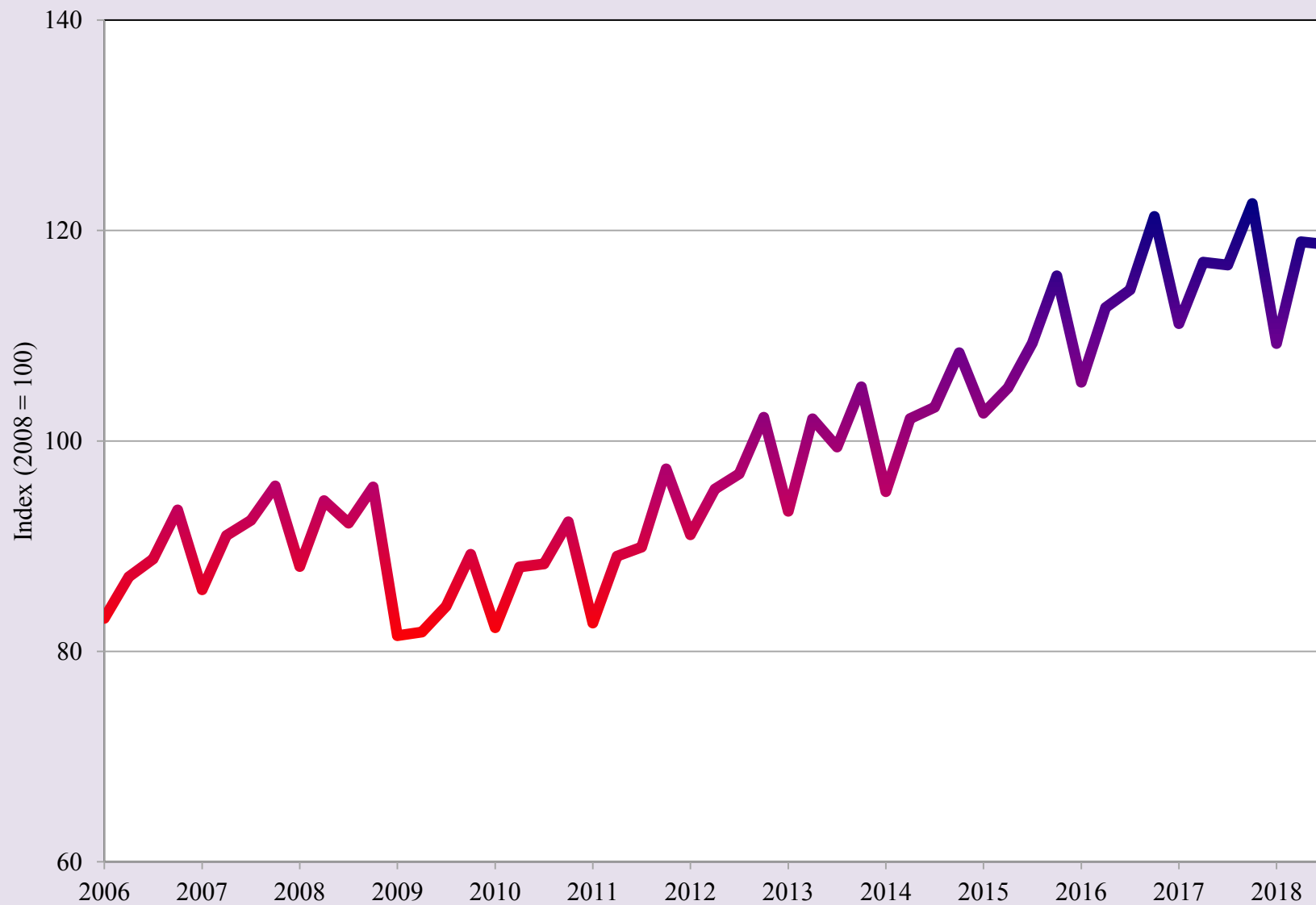
Quarterly Indicator of Economic Activity for the State of Chihuahua

— 2017 — 2018



Source: INEGI

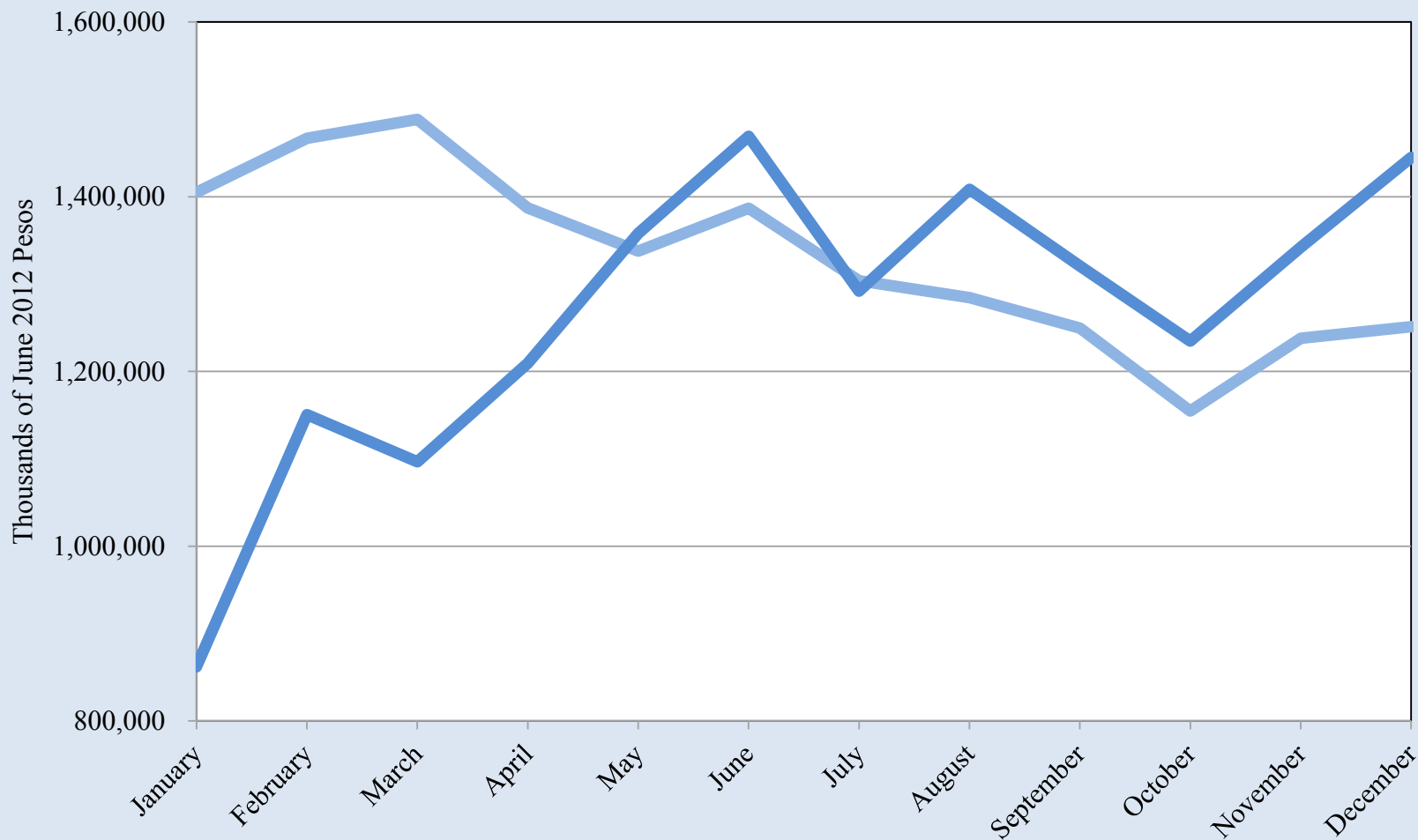
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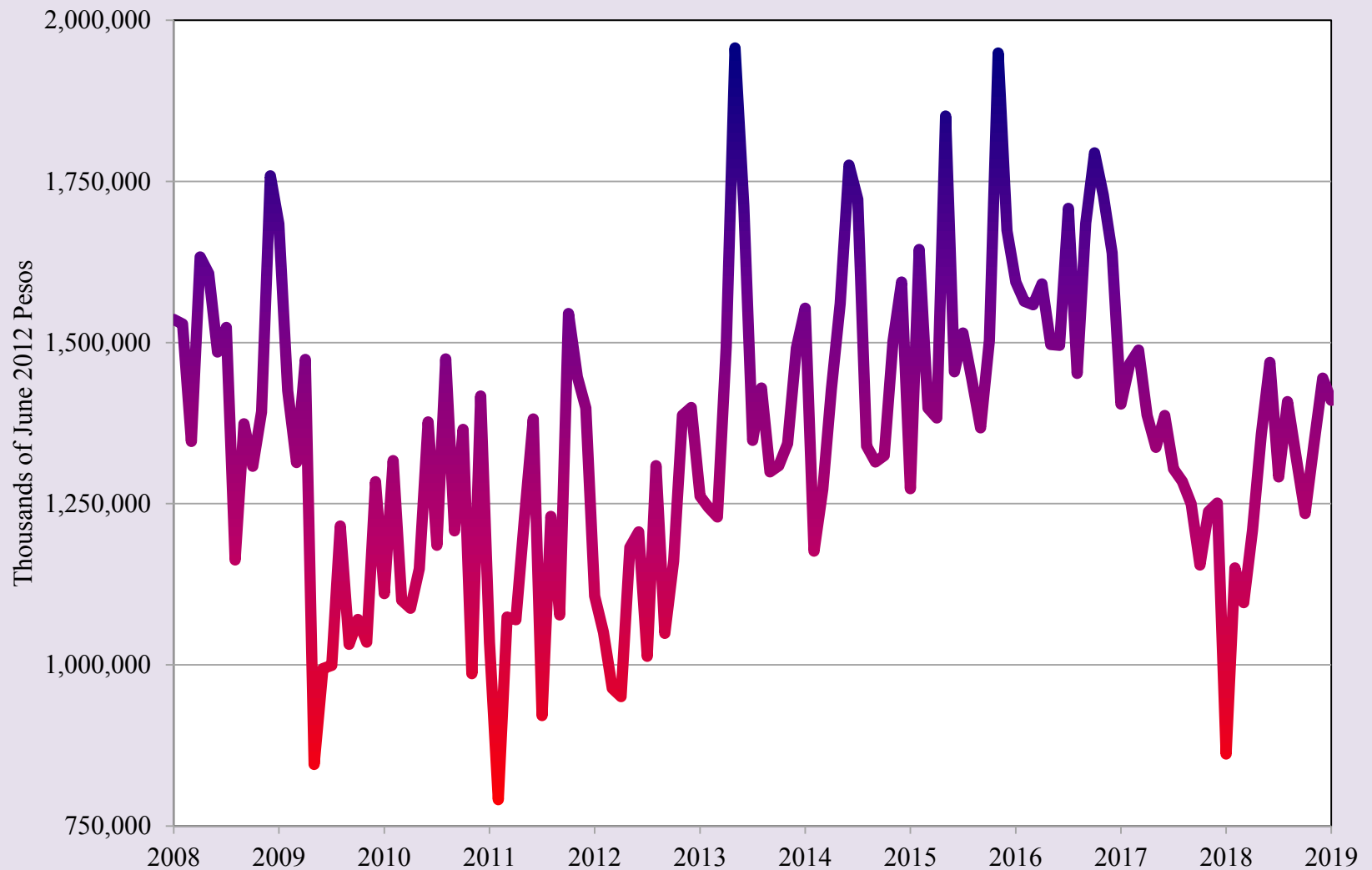
Total Value of Construction in the State of Chihuahua

— 2017 — 2018



Source: INEGI

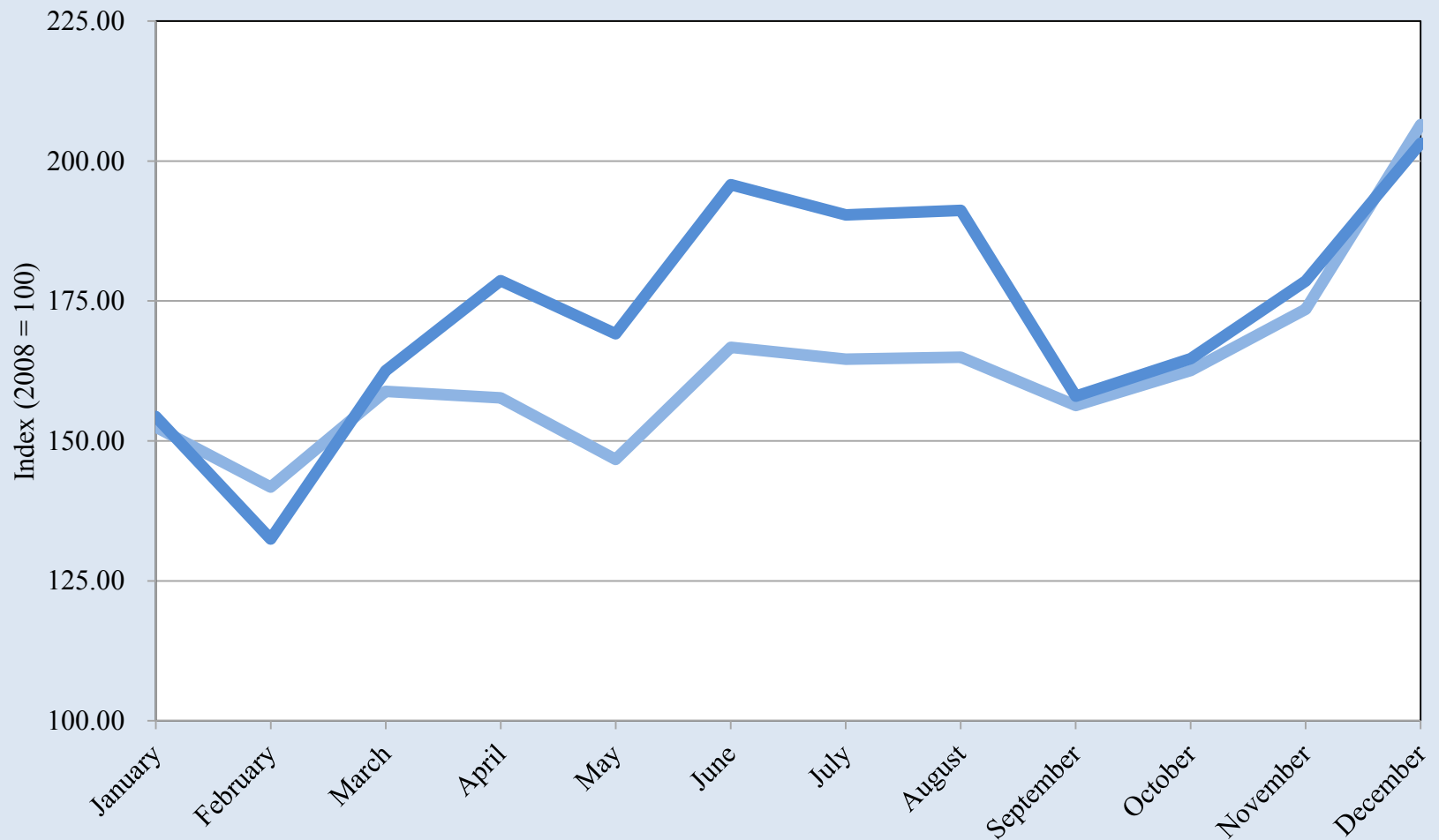
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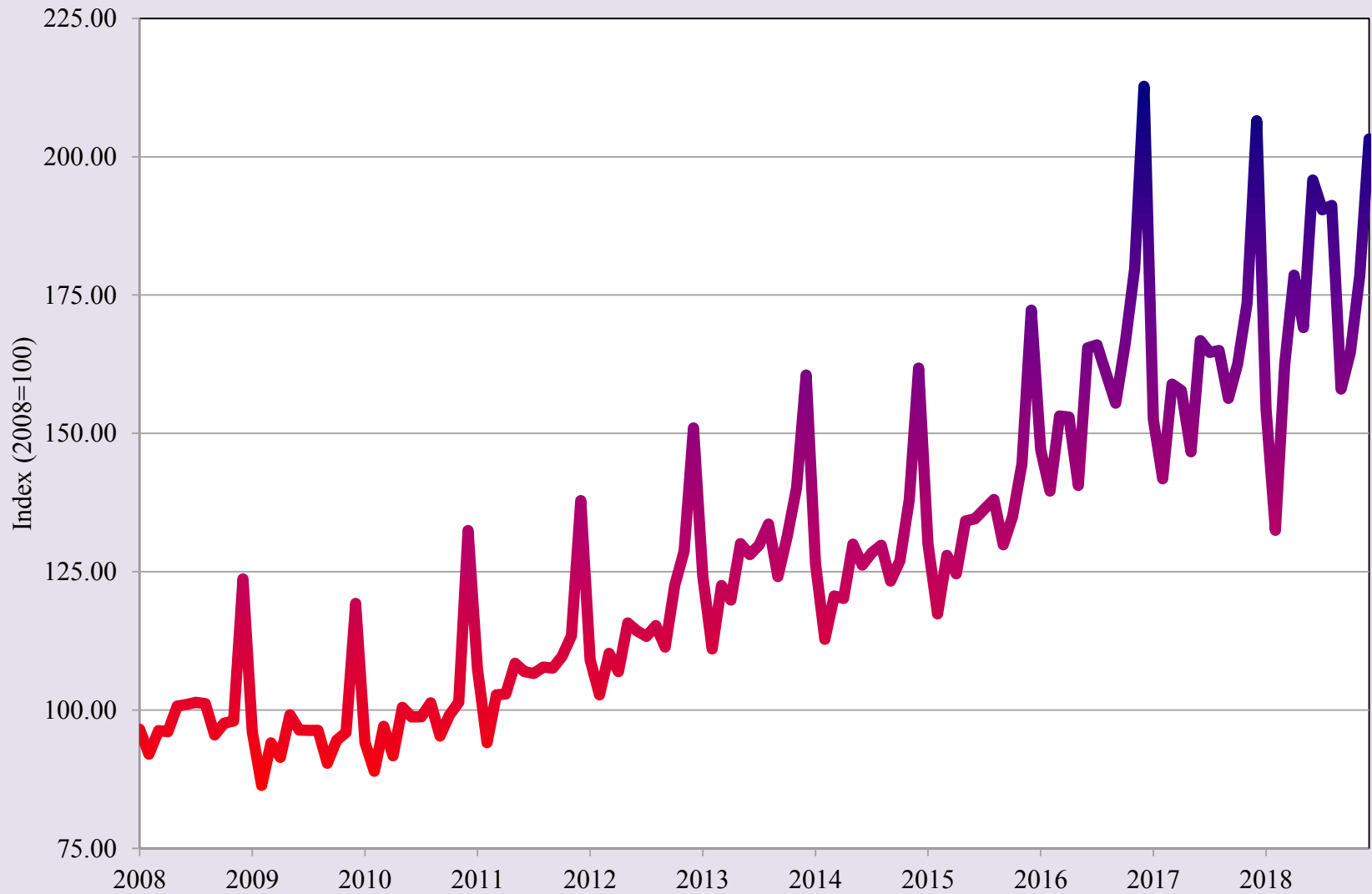
Real Retail Activity Index for the State of Chihuahua

— 2017 — 2018



Source: INEGI

Real Retail Activity Index for the State of Chihuahua



Source: INEGI



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