Border Region Modeling Project

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Thomas M. Fullerton Jr.

Steven L. Fullerton

Ana Gutierrez Zubiate

Ignacio Santana

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Pandemic Neutralization Efforts Generate Gains

The Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycle Index increased to 336.7 in February. In spite of that, the UTEP BRMP El Paso Household Economic Stress Index increased to 1.9. The February unemployment rate was, again, more than double its year-ago level. Government stimulus programs have averted disaster, however, and El Paso County Supplemental Nutrition Assistance Program (SNAP or food stamp) enrollments began the year below the volume posted in 2020 before the onset of the pandemic. The extension of the eviction moratorium through the end of June will help keep a lid on the SNAP count.

The February 2021 yield curve was not flat or inverted but continued to exhibit non-standard features. Yields at the shorter maturities of the spectrum remained close to zero and were negative in real terms. At the longest maturities, rates on 20-year and 30-year Treasury Bonds barely exceed the inflation rate. Monetary policy is expected to remain very accommodative for the balance of 2021 and on into 2022.

In both nominal and real terms, the median price for single-family housing units reached a new record in February 2021. The new figure of $187,975 is nearly $20,000 above the year-ago mark. Low mortgage rates plus tight inventory conditions have propelled El Paso real estate prices to new heights in recent months. In February, stand-alone-units available for sale declined to only 1.1 months of inventory, also a record for the Sun City.

The February unemployment rate for Doña Ana County was 7.9 percent, a 160 basis point increase on a year-over-year basis. Non-farm employment in greater Las Cruces declined on a yearly basis by 6.1 percent. Manufacturing payrolls expanded by 7.4 percent relative to a year earlier. Because manufacturing often serves as a harbinger of broader economic trends, that development bodes well for the Mesilla Valley as a whole. Stronger labor market conditions would be helpful. Greater Las Cruces SNAP cases were 12 percent higher than 12 months earlier in January.

The gap between the nominal peso per dollar exchange rate and the BRMP restaurant ratio widened to 36.4 percent in February. Non-essential border travel restrictions remain firmly in place at the border ports of entry. February automobile crossings were nearly 37 percent below year-ago levels, while pedestrian traffic fell by more than 56 percent relative to where it stood in 2020. In contrast, cargo traffic and total trade through the El Paso Customs District began 2021 only slightly below levels tallied last year.

Total trade through the District is probably about to accelerate. Export-oriented manufacturing employment in Ciudad Juarez was substantially higher during the fourth quarter of 2020 than it was during the corresponding trimester of 2019. Greater manufacturing activity is also likely to translate into more construction orders throughout the region. Retail sales are expected to strengthen similarly this quarter and throughout the rest of the year for the Chihuahua State economy as a whole.
El Paso Metropolitan Business Cycle Index

Source: Federal Reserve Bank of Dallas
El Paso Metropolitan Business Cycle Index

Seasonally Adjusted Index (October 1980 = 100)

Source: Federal Reserve Bank of Dallas
Average Treasury Yield Curve Rates

Reflects 1 month, 2 month, 3 month, 6 month, 12 month, 2 yr, 3 yr, 5 yr, 7 yr, 10 yr, 20 yr, 30 yr.

Source: U.S. Treasury, Daily Treasury Yield Curve Rates and BRMP Calculations
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 Enrollment. Three year period 2018–2021

El Paso County SNAP (Food Stamp) Enrollment

2019 2020

175,000
170,000
165,000
160,000
155,000
150,000
145,000
140,000

Source: Texas Health and Human Services Commission
El Paso County SNAP 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

2019 2020 2021

Source: Texas A&M Real Estate Center
El Paso Median Housing Prices from 2006 to 2021

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 in El Paso for single family homes 2006-2021

Source: Texas A&M Real Estate Center
El Paso Gasoline Prices

<table>
<thead>
<tr>
<th>Year</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
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<tbody>
<tr>
<td>2019</td>
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<td>$1.50</td>
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<tr>
<td>2021</td>
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Source: GasBuddy.com
El Paso unleaded gasoline prices from January 2006 to February 2021

El Paso Gasoline Prices

Nominal Price (Dollars per Gallon)

Source: GasBuddy.com
Unemployment rate for Doña Ana county ranging from January 2006 to February 2021.

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 from January 2006 with a gap in April and May of 2014 continuing June 2014 to December 2020.

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

Source: UTEP Border Region Modeling Project
Real Peso-per-Dollar Exchange Rate Index

Index (March 1997 = 100)

Source: UTEP Border Region Modeling Project
Pharmaceutical Nominal Price Ratio in the USA and Mexico

Source: UTEP Border Region Modeling Project, healthwarehouse.com, medicinesmexico.com, medsmex.com
Pharmaceutical Nominal Price Ratio in the USA and Mexico

Source: UTEP Border Region Modeling Project, healthwarehouse.com, medicinesmexico.com, medsmex.com
EPIA Freight and Mail (Inbound and Outbound) 2019 and 2021

<table>
<thead>
<tr>
<th>Ton of Freight/Mail</th>
<th>Total 2019</th>
<th>Total 2020</th>
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<tbody>
<tr>
<td>11,500</td>
<td>10,500</td>
<td>9,500</td>
</tr>
<tr>
<td>8,500</td>
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<td>6,500</td>
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<tr>
<td>5,500</td>
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</tbody>
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Source: EPIA Operations
EPIA Freight and Mail

Inbound+Outbound

Tons of Freight/Mail


Source: EPIA Operations
EPIA Passengers (Deplaned and Enplaned)

EPIA Passengers

EPIA 2019 EPIA 2020

Number of Passengers

Source: EPIA Operations
EPIA Passengers

Inbound+Outbound

Source: EPIA Operations
EPIA Air Carrier Operations 2019-2021

Source: EPIA Operations
EPIA Air Carrier Operations 2006-2021

Source: EPIA Operations
Paso del Norte Monthly Wait Times

Source: UTEP Border Region Modeling Project
Bridge of the Americas Monthly Wait Times

Source: UTEP Border Region Modeling Project
Monthly Border Wait Times

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Pedestrians</th>
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<tbody>
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<td>2020</td>
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<td>2021</td>
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<td>190,000</td>
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<td>2028</td>
<td>90,000</td>
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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

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<th>Year</th>
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<td>65,000</td>
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<tr>
<td>2021</td>
<td>55,000</td>
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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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
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<td>November</td>
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<tr>
<td>December</td>
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</tbody>
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Export-Oriented Manufacturing Employment in Ciudad Juárez

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

Index (Range: 0 - 100)

Source: Banco de México
Quarterly Indicator of Economic Activity for the State of Chihuahua

Index (2008=100)

Source: INEGI
Quarterly Indicator of Economic Activity for the State of Chihuahua

Index (2008 = 100)

Source: INEGI
Thousands of June 2013 Pesos

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
Short-Term Outlook to 2022
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: [https://www.utep.edu/business/border-region-modeling-project/index.html](https://www.utep.edu/business/border-region-modeling-project/index.html). 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.