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Borderplex Business Barometer, Volume 5, Number 6

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BORDERPLEX BUSINESS BAROMETER

June 2021

Border Region Modeling Project

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Borderplex Business Barometer, Volume 5, Number 6

¡Adiós Federal Pandemic Unemployment Assistance!

The Federal Reserve Bank of Dallas El Paso Metropolitan Cycle Index continued to exhibit slow and steady progress in May. Historically, business cycle recoveries from pandemics require 24 months and the El Paso BCI seems to be operating on that timetable. The UTEP BRMP El Paso Household Economic Stress Index also improved in May. Although household economic stress is higher than it was 12 months ago, federal government efforts to limit the damages of the Lockdown Recession have succeeded in preventing a repeat of the economic desecration that occurred during the 2009 Great Recession.

Unemployment declined in May in El Paso, falling to 6.4 percent. That is substantially below the 13.2 percent rate observed during the lockdown 12 months ago. Along with lower joblessness, El Paso County Supplemental Nutritional Program (SNAP or Food Stamps) enrollments decreased by more than 3,800 participants.

Labor patterns and federal safety measures have been debated throughout Texas and the nation in recent months. Governor Abbott withdrew Texas from participating in the federal pandemic unemployment benefits program on 26 June 2021. That decision was partly, based on concerns that the \$300 per week federal supplemental payments were causing effective labor force participation to be lower than it otherwise would be.

Although some workers may have decided to not pursue jobs they might otherwise desire due to the income supplements, other factors are also affecting labor force participation. There are legitimate health care concerns for many people as new coronavirus strains emerge and regional infection rates sometimes increase unexpectedly. Many workers also have children for whom daycare centers are not available due to closures or staffing shortages. Often slipping under the radar screen is the demographic reality that the Baby boom generation is aging into retirement and permanently leaving the workforce. Beyond that, international net migration has declined in response to federal policies that discourage working age adults from relocating to the United States. Given those factors, labor shortages may remain, even as wages increase and as jobless benefits are reduced.

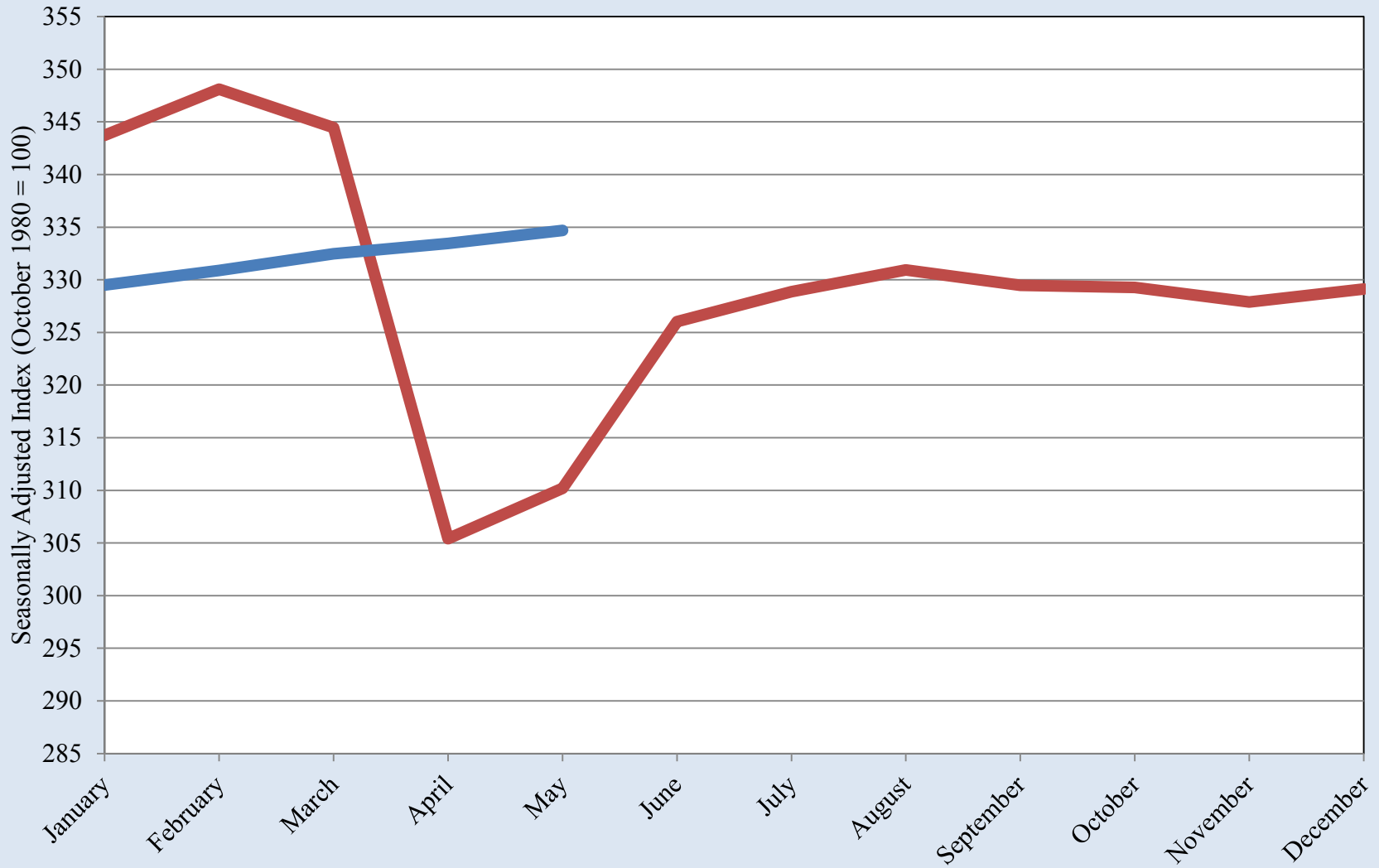
New Mexico Department of Health data show that New Mexico is well ahead of the national average for Covid-19 vaccinations among adults. That progress has allowed all counties to reach the Turquoise Level and has permitted much of the state economy to re-open. Reflective of that progress, the Doña Ana County jobless rate remained below 8 percent for a second consecutive in May. That is good news, but pandemic related job

losses have still not been fully offset in the Mesilla Valley and New Mexico has the second highest jobless rate in the nation.

The peso appreciated against the dollar in both April and May with the nominal exchange rate average dipping to 19.98 in May. There is still a 38 percent gap between the nominal peso/dollar exchange rate and the UTEP BRMP restaurant price index. Historically, a gap that large usually presages additional strengthening will be observed for the peso, a distinct possibility if the north-of-the-border economic recovery continues. Industrial expansion in both countries has caused regional air and surface freight volumes to exceed year-ago levels in recent months. El Paso Customs District international trade flows eclipsed the \$10 million mark in both April and May. Increased trade is raising manufacturing orders in Northern Mexico and causing IMMEX payrolls to expand in Ciudad Juarez. Export manufacturing jobs in Juarez exceeded 300 thousand, again, in March. Once commerce recovers, labor shortages may emerge, driving up wages and inducing migration from other regions of Mexico.

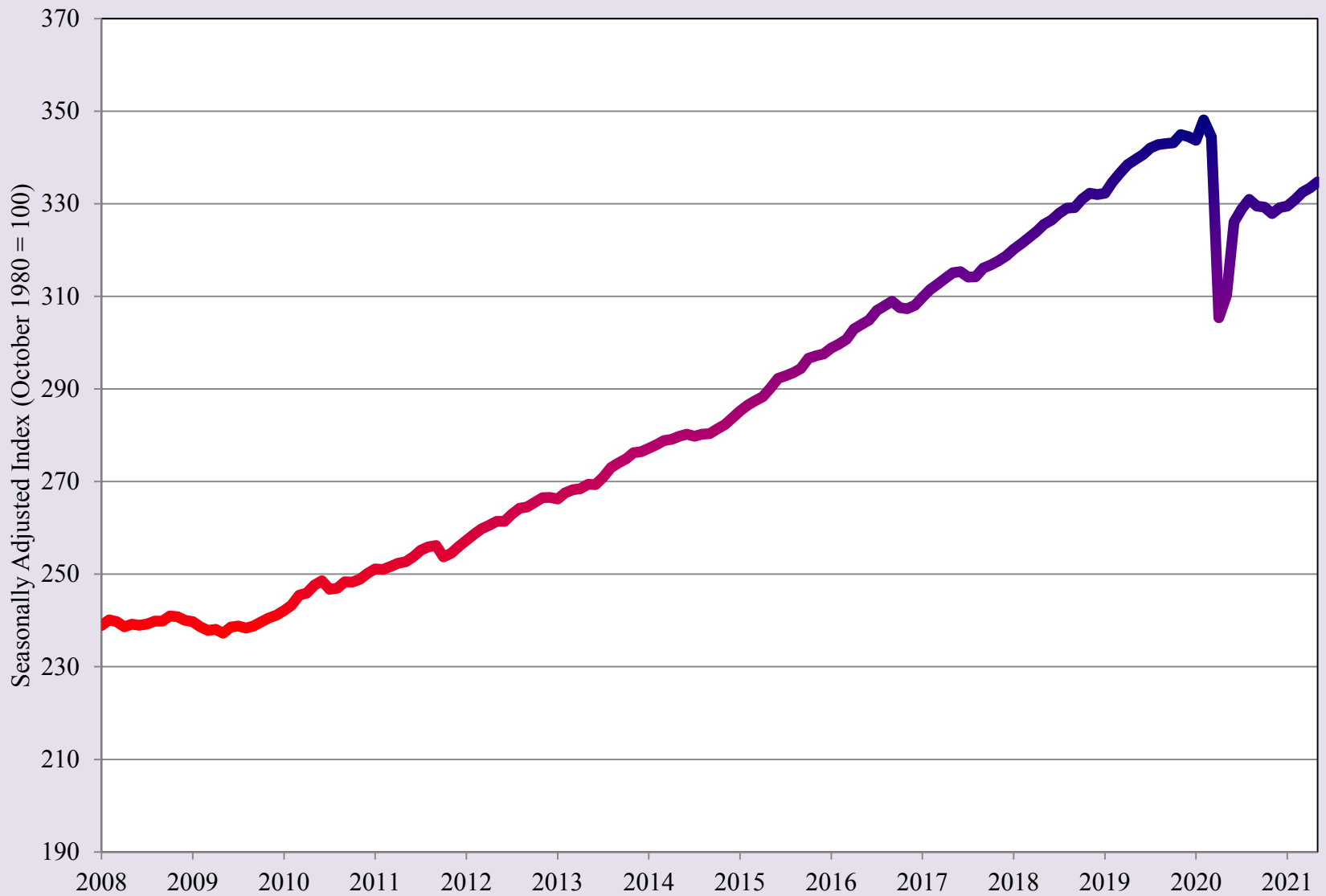
El Paso Metropolitan Business Cycle Index

— 2020 — 2021



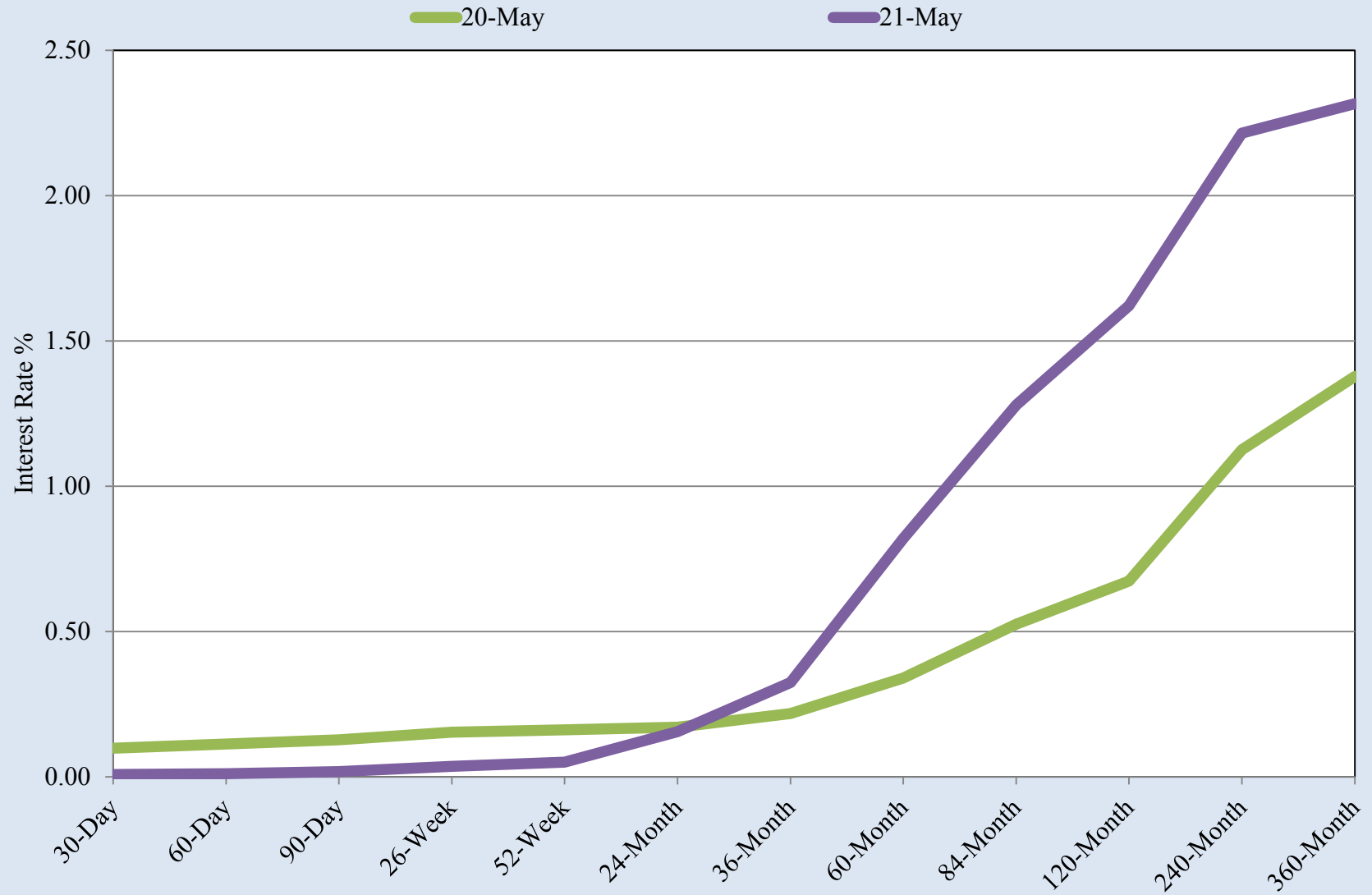
Source: Federal Reserve Bank of Dallas

El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

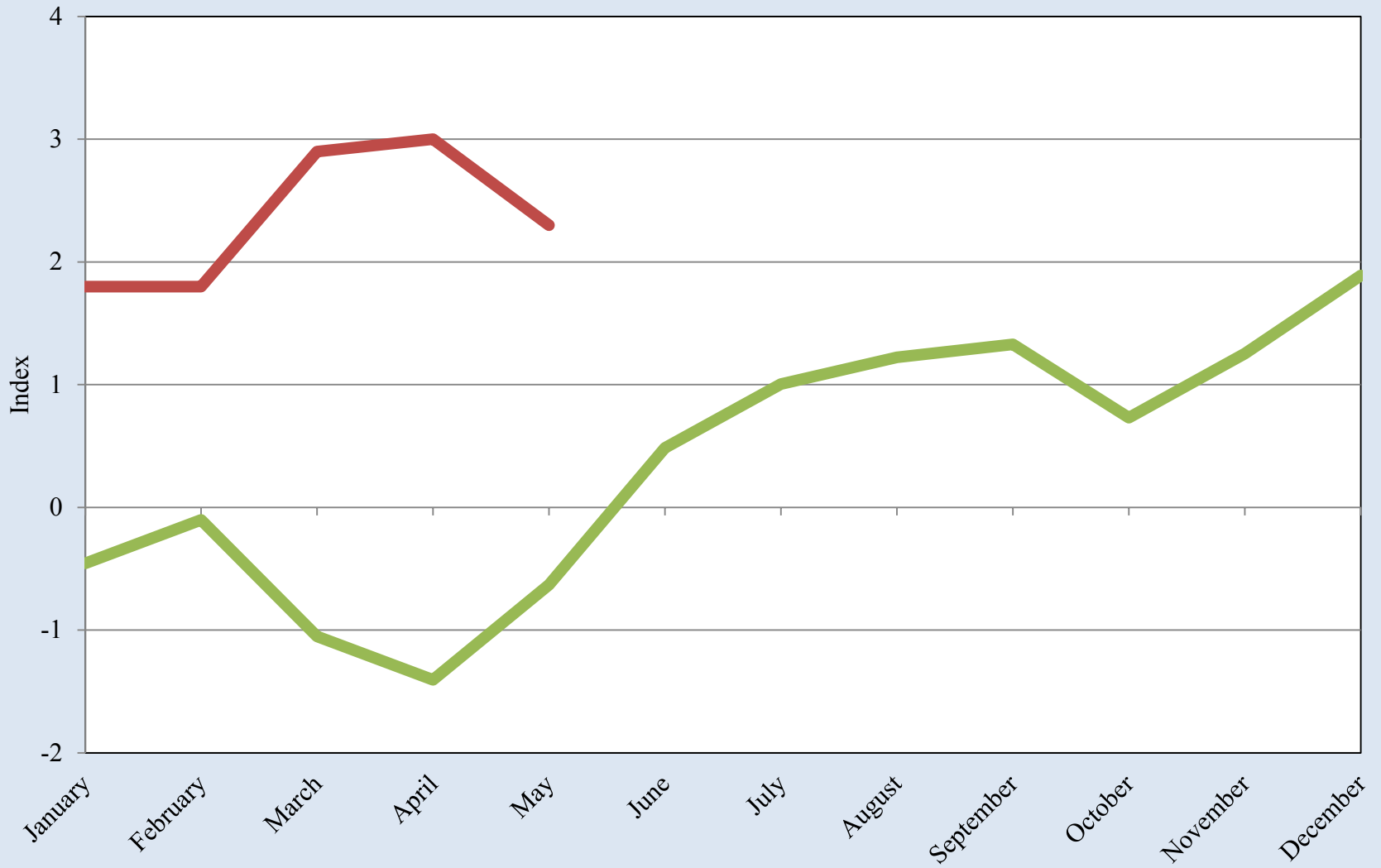
Average Treasury Yield Curve Rates



Source: U.S. Treasury, Daily Treasury Yield Curve Rates and BRMP Calculations

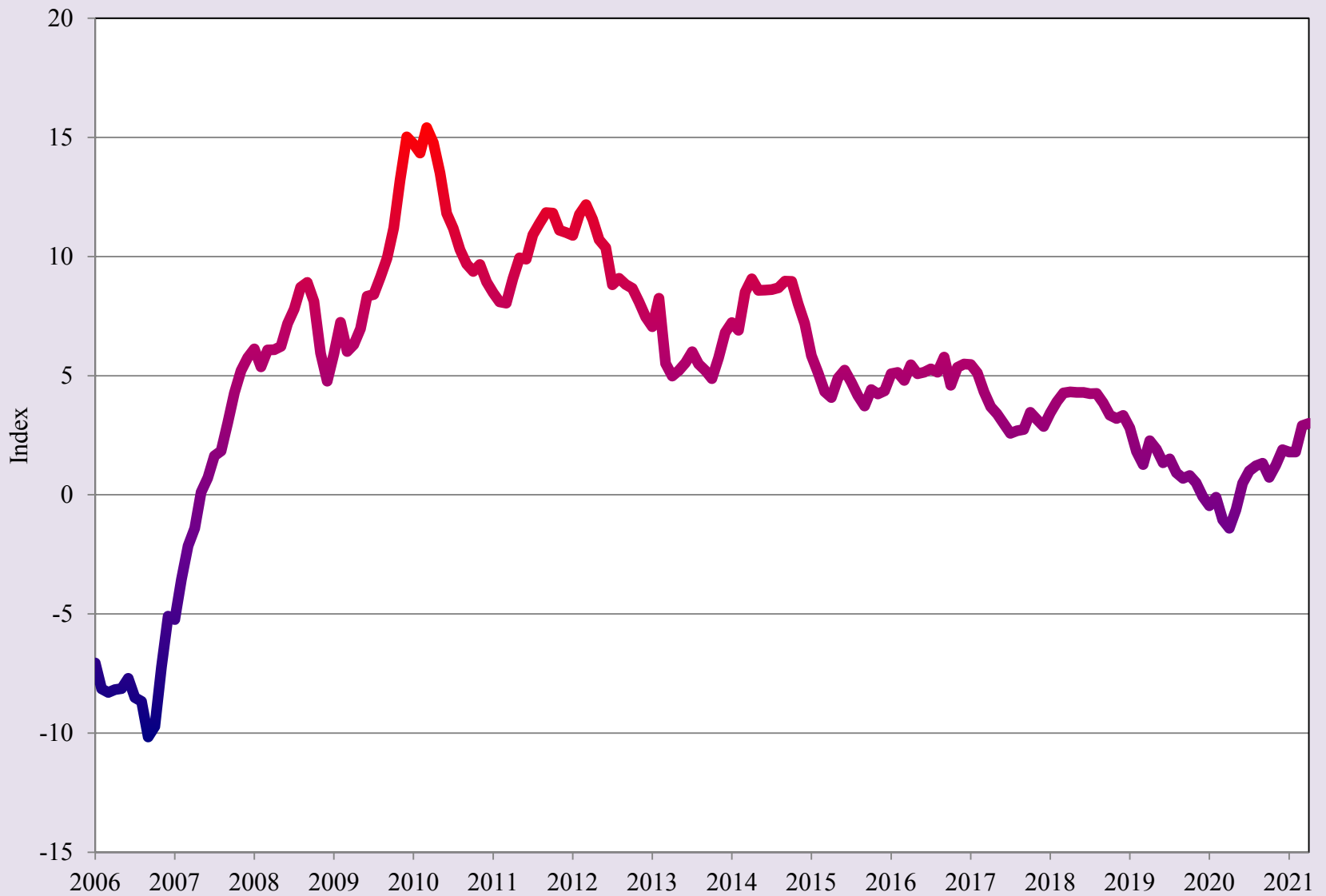
El Paso Household Economic Stress Index

2020 2021



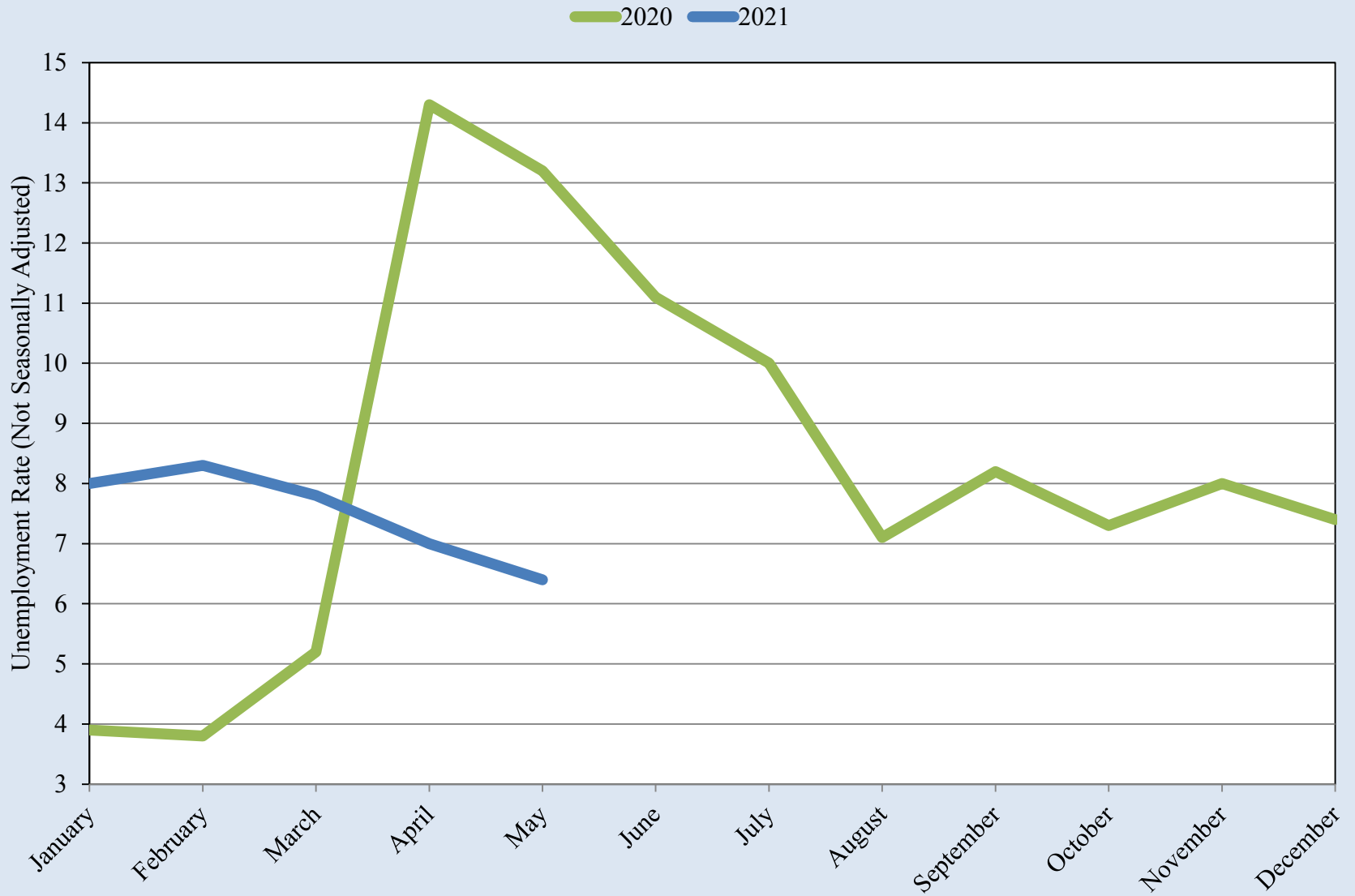
Source: UTEP Border Region Modeling Project

El Paso Household Economic Stress Index



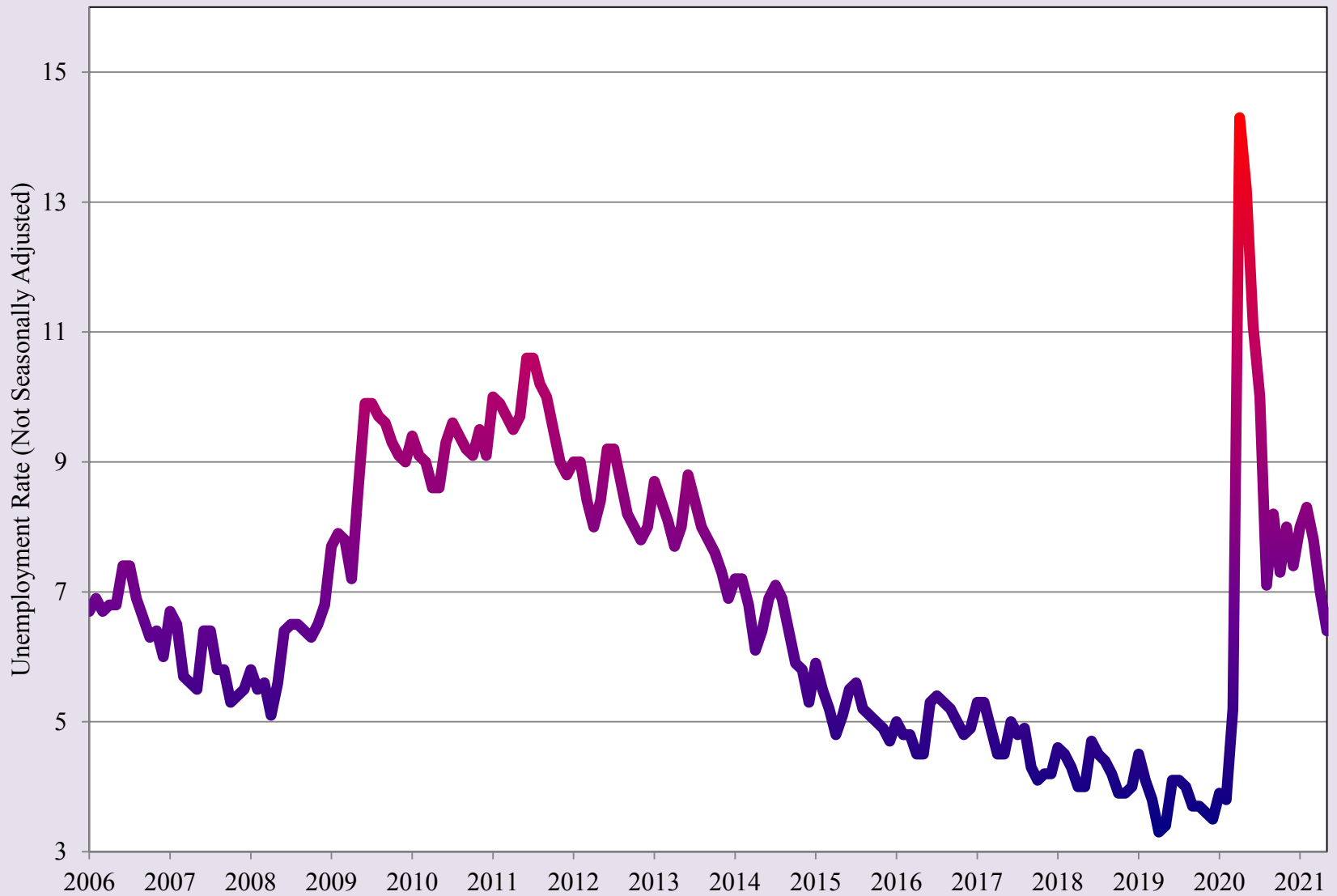
Source: UTEP Border Region Modeling Project

El Paso County Unemployment Rate



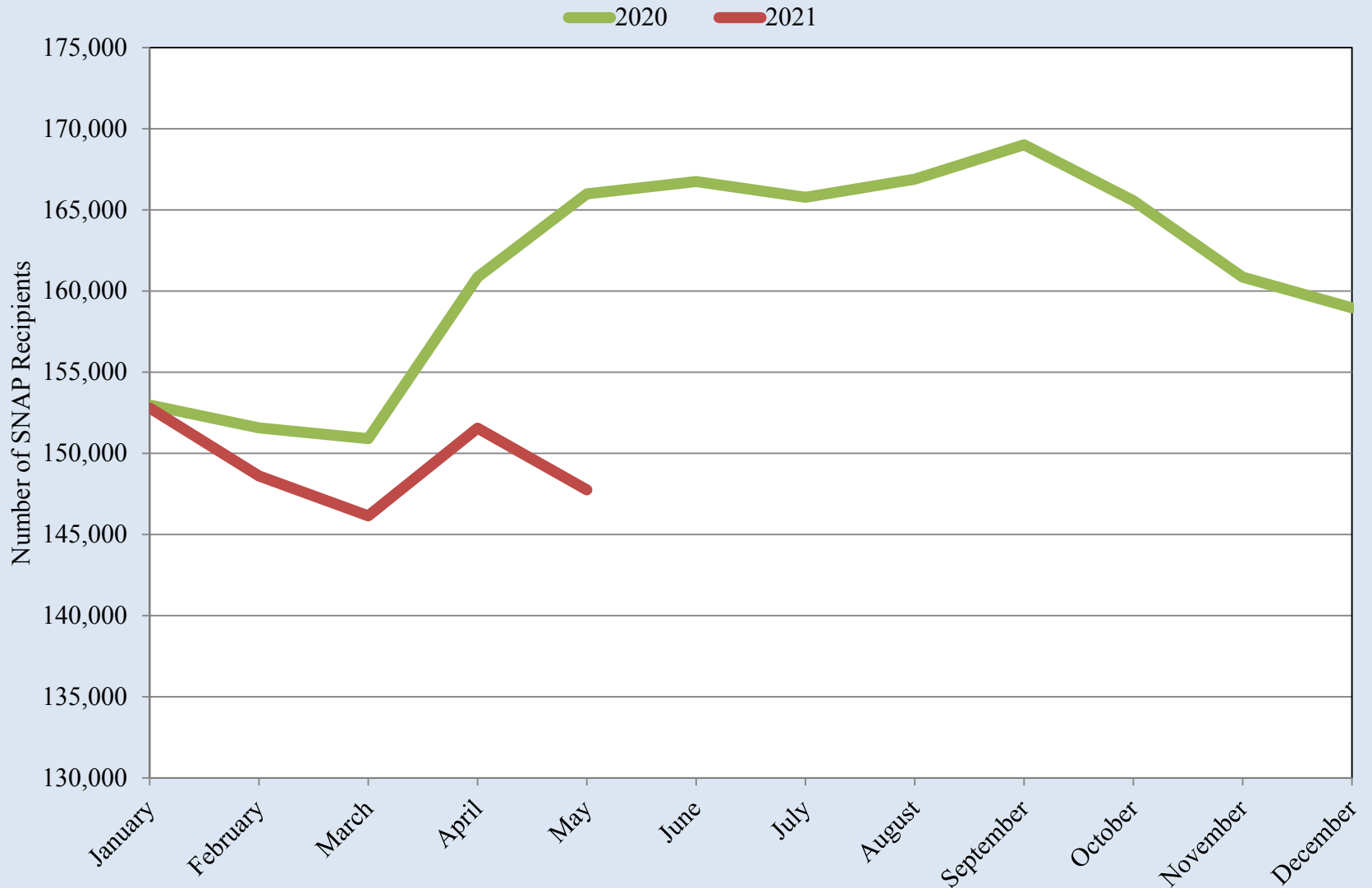
Source: Bureau of Labor Statistics

El Paso County Unemployment Rate



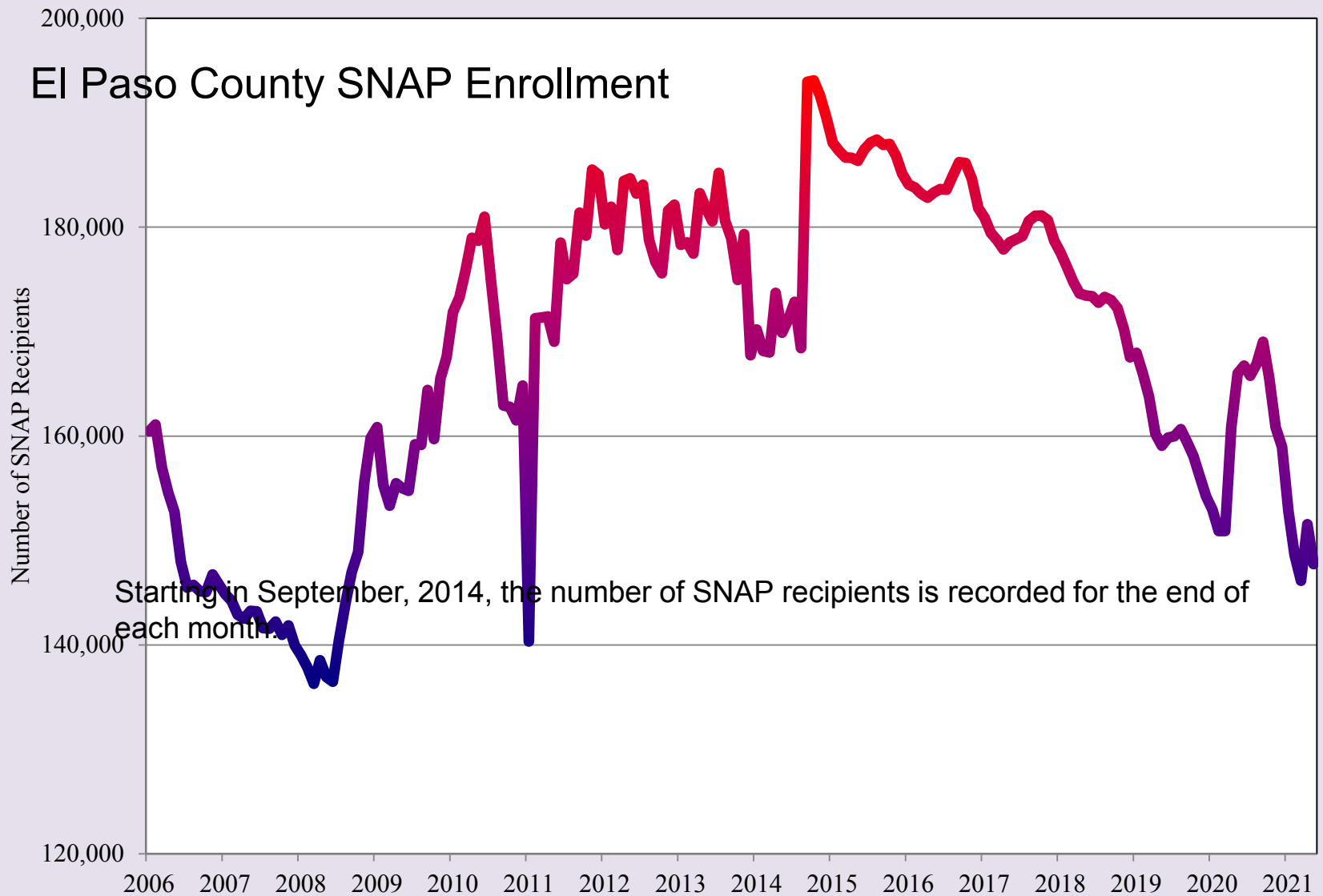
Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

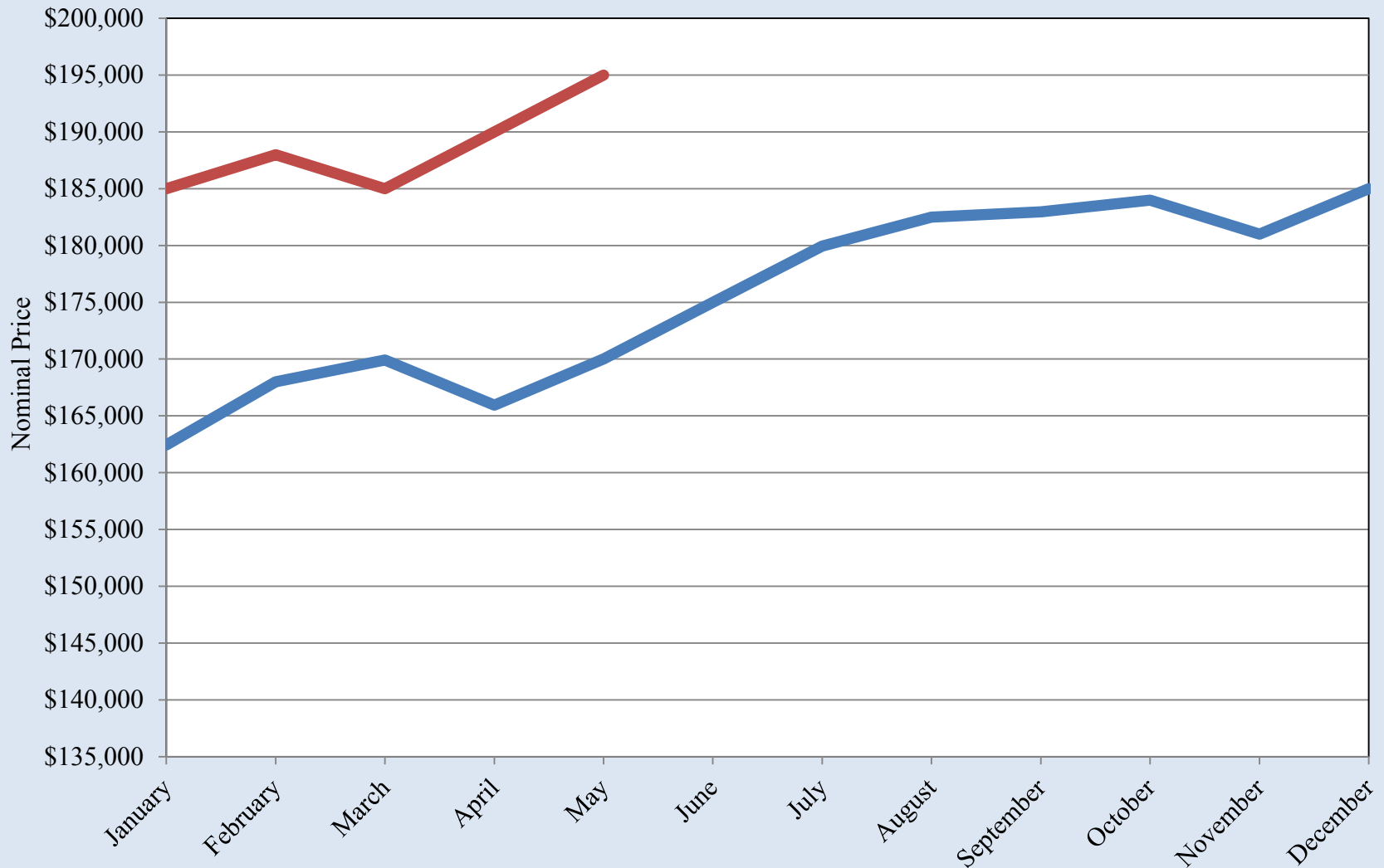
El Paso County SNAP (Food Stamp) Enrollment



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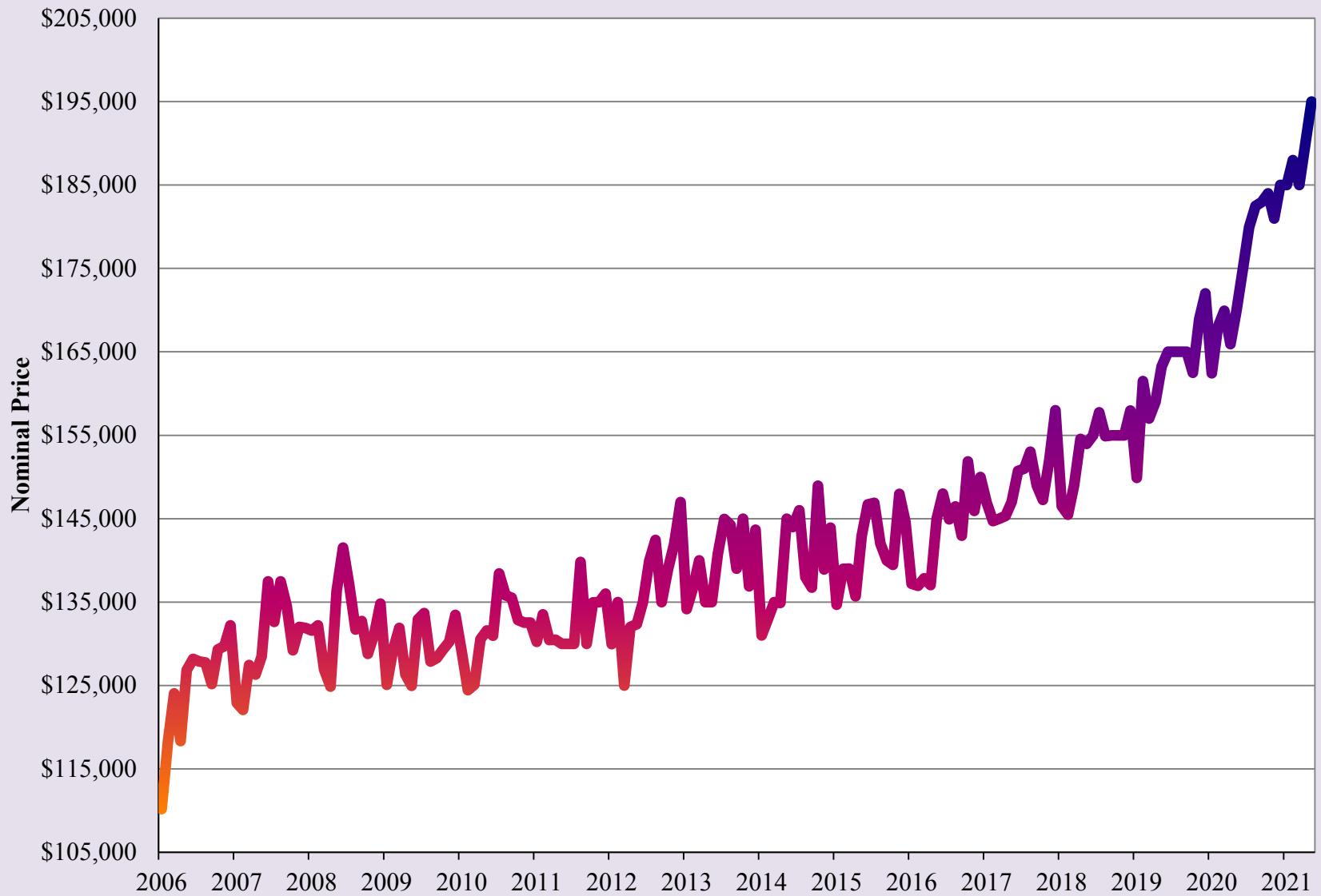
El Paso Median Housing Prices

— 2020 — 2021



Source: Texas A&M Real Estate Center

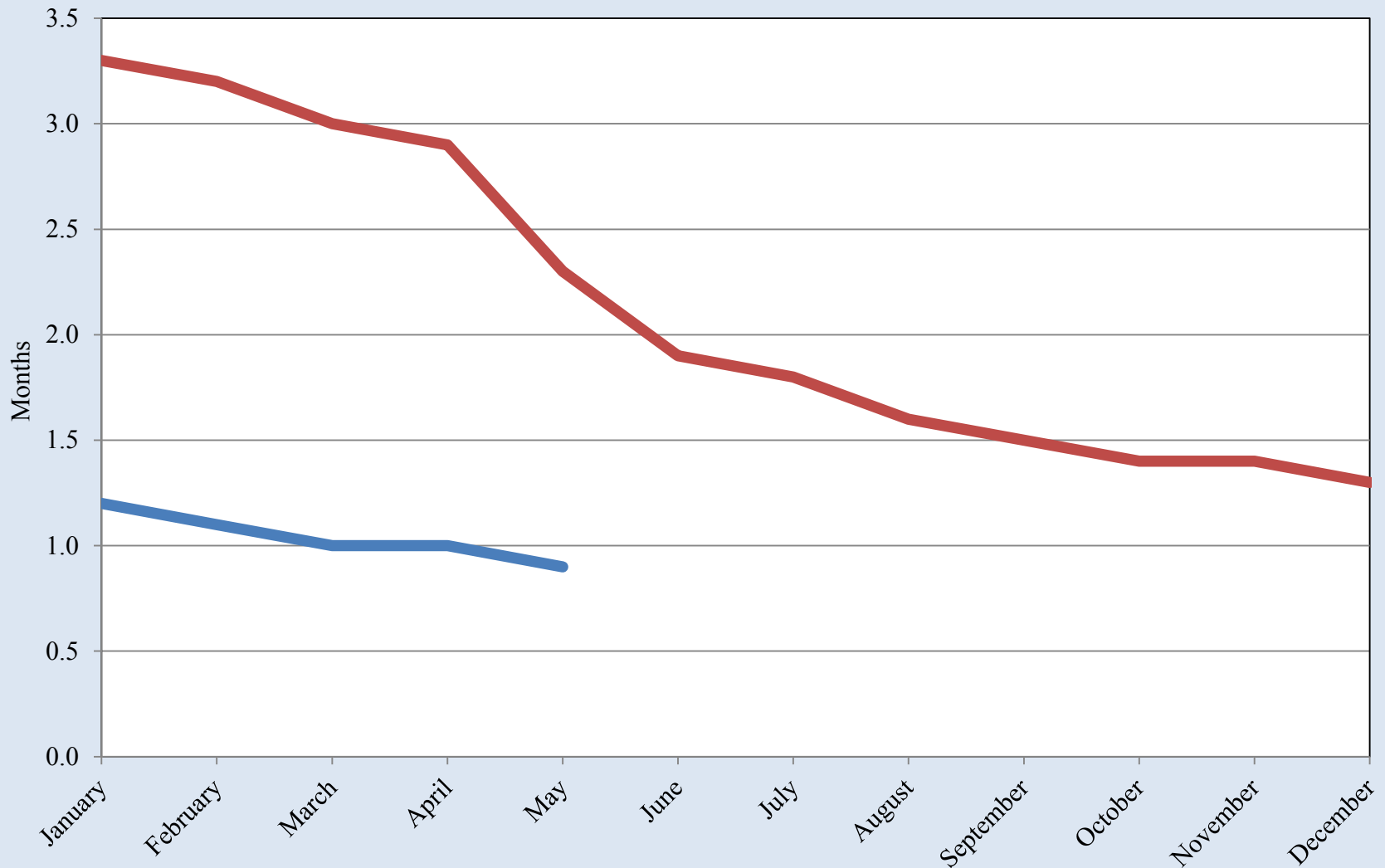
El Paso Median Housing Prices



Source: Texas A&M Real Estate Center

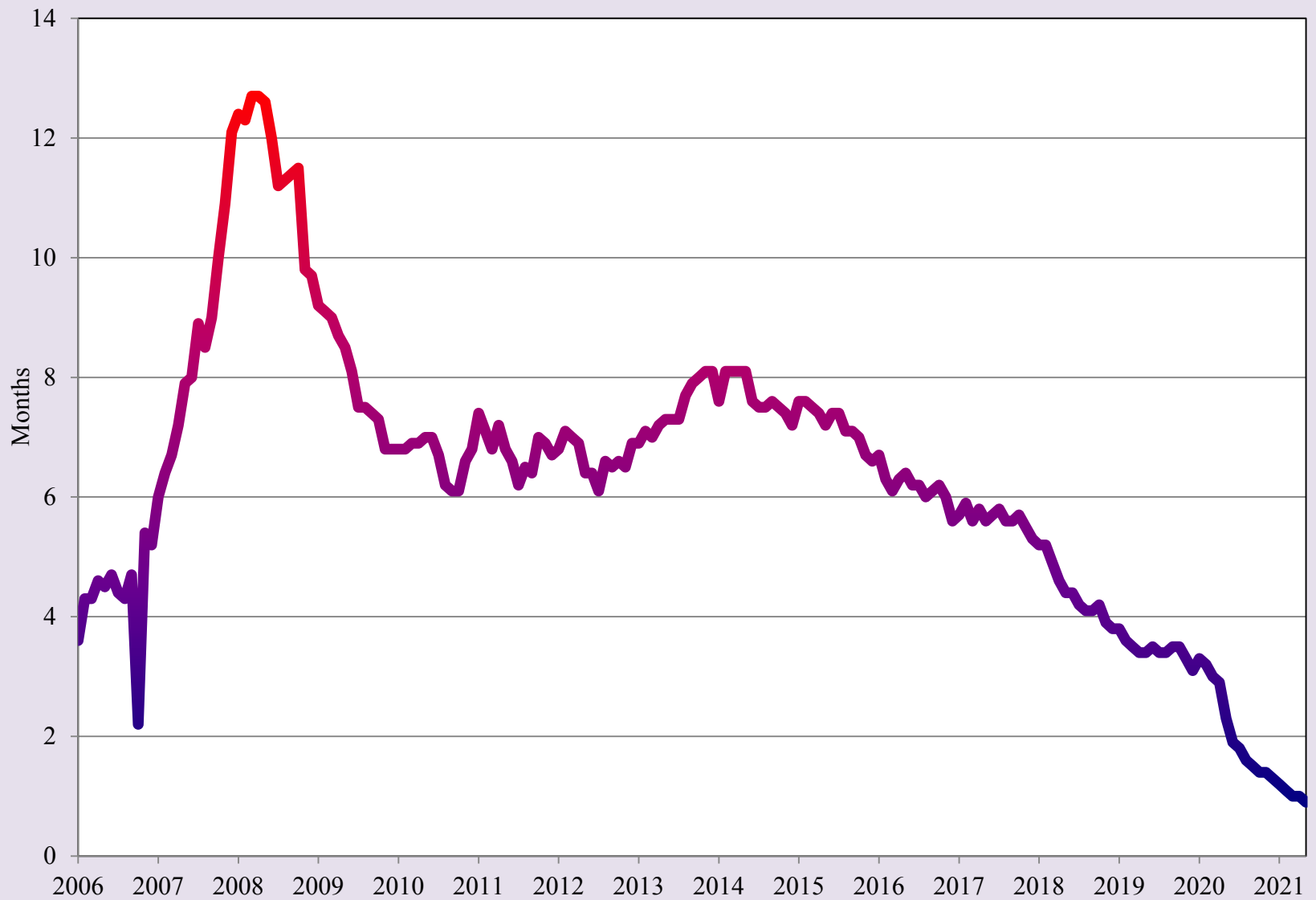
Months of Housing Inventory for El Paso

2020 2021



Source: Texas A&M Real Estate Center

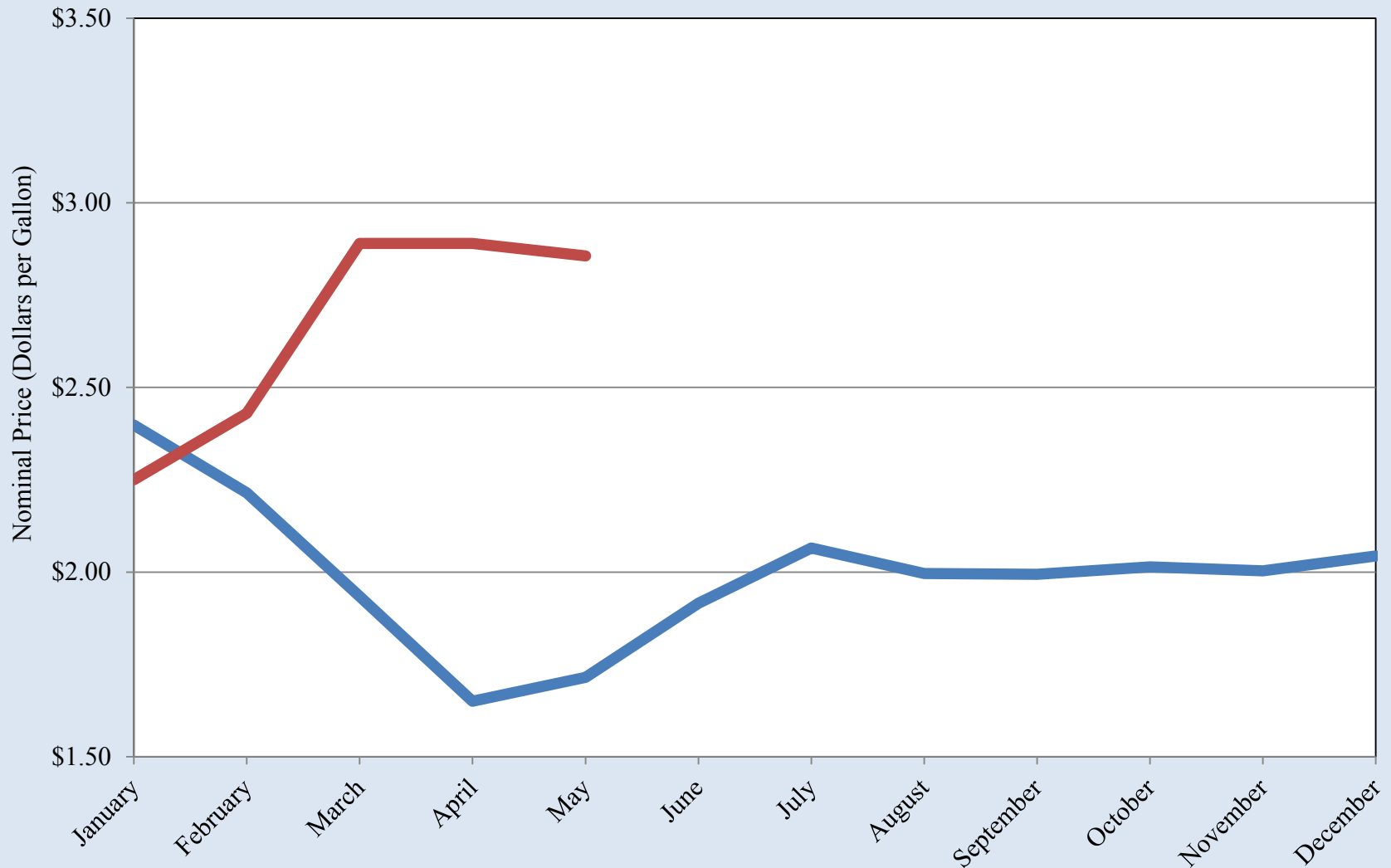
Months of Housing Inventory for El Paso



Source: Texas A&M Real Estate Center

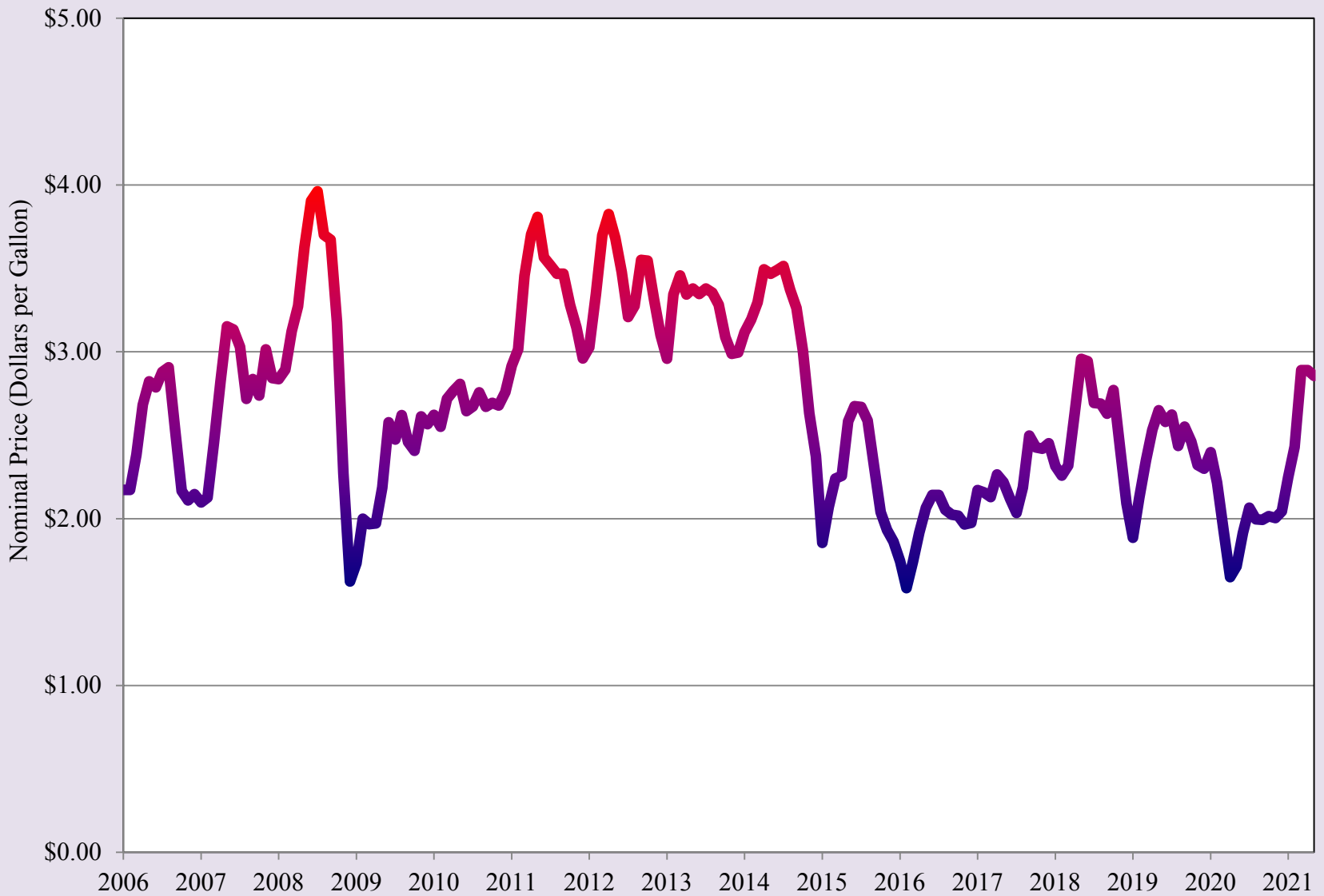
El Paso Gasoline Prices

2020 2021



Source: GasBuddy.com

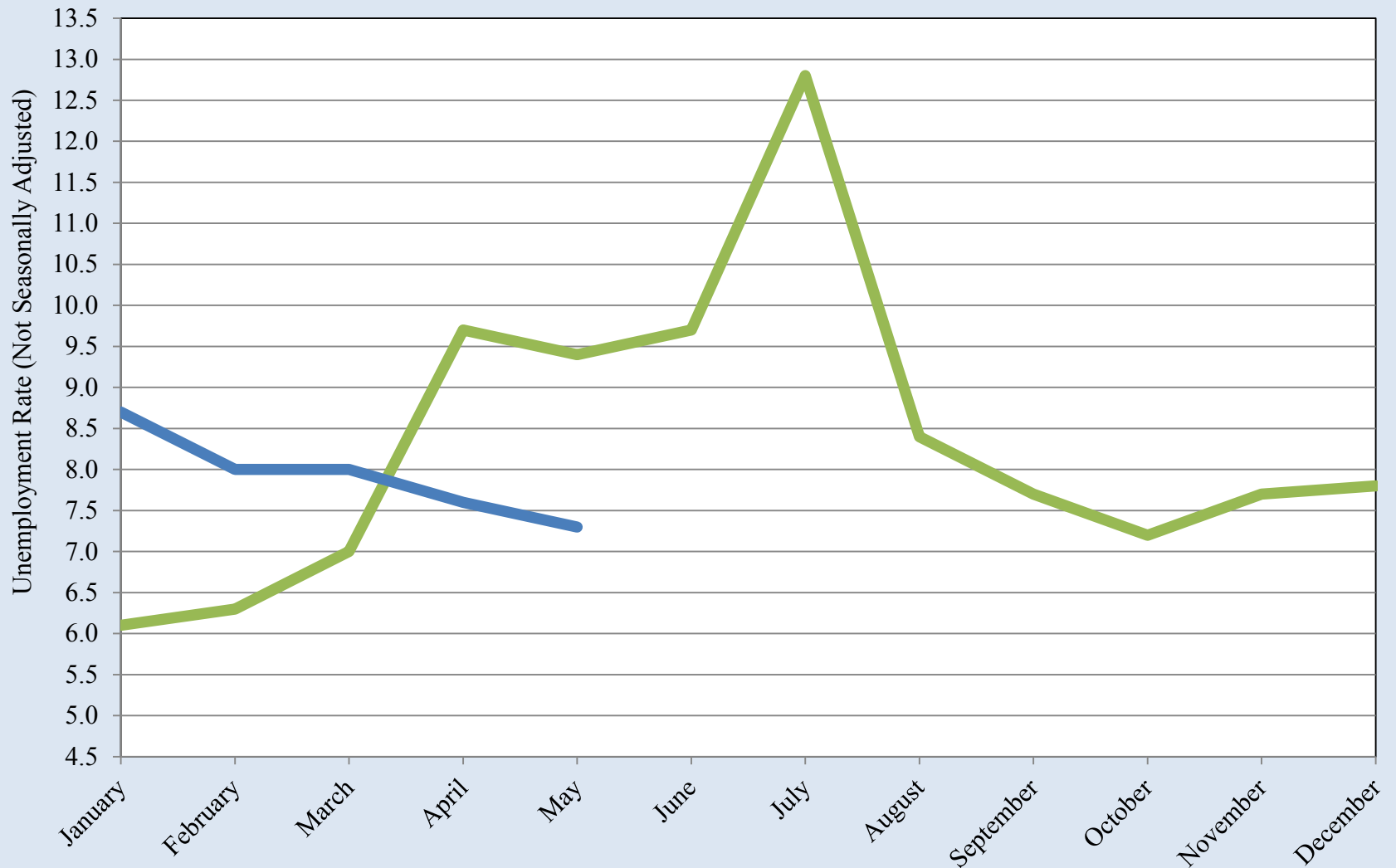
El Paso Gasoline Prices



Source: GasBuddy.com

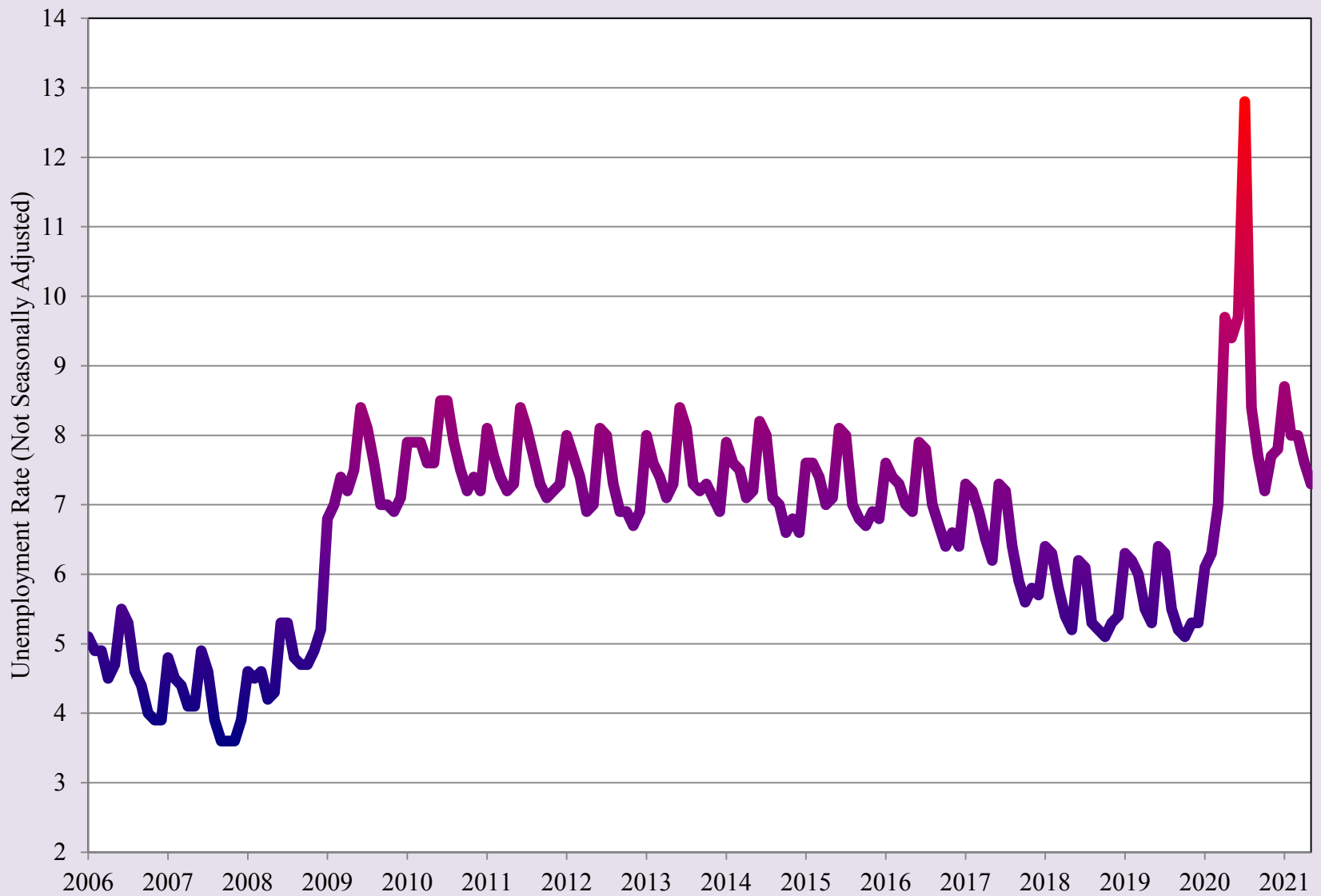
Doña Ana County Unemployment Rate

2020 2021



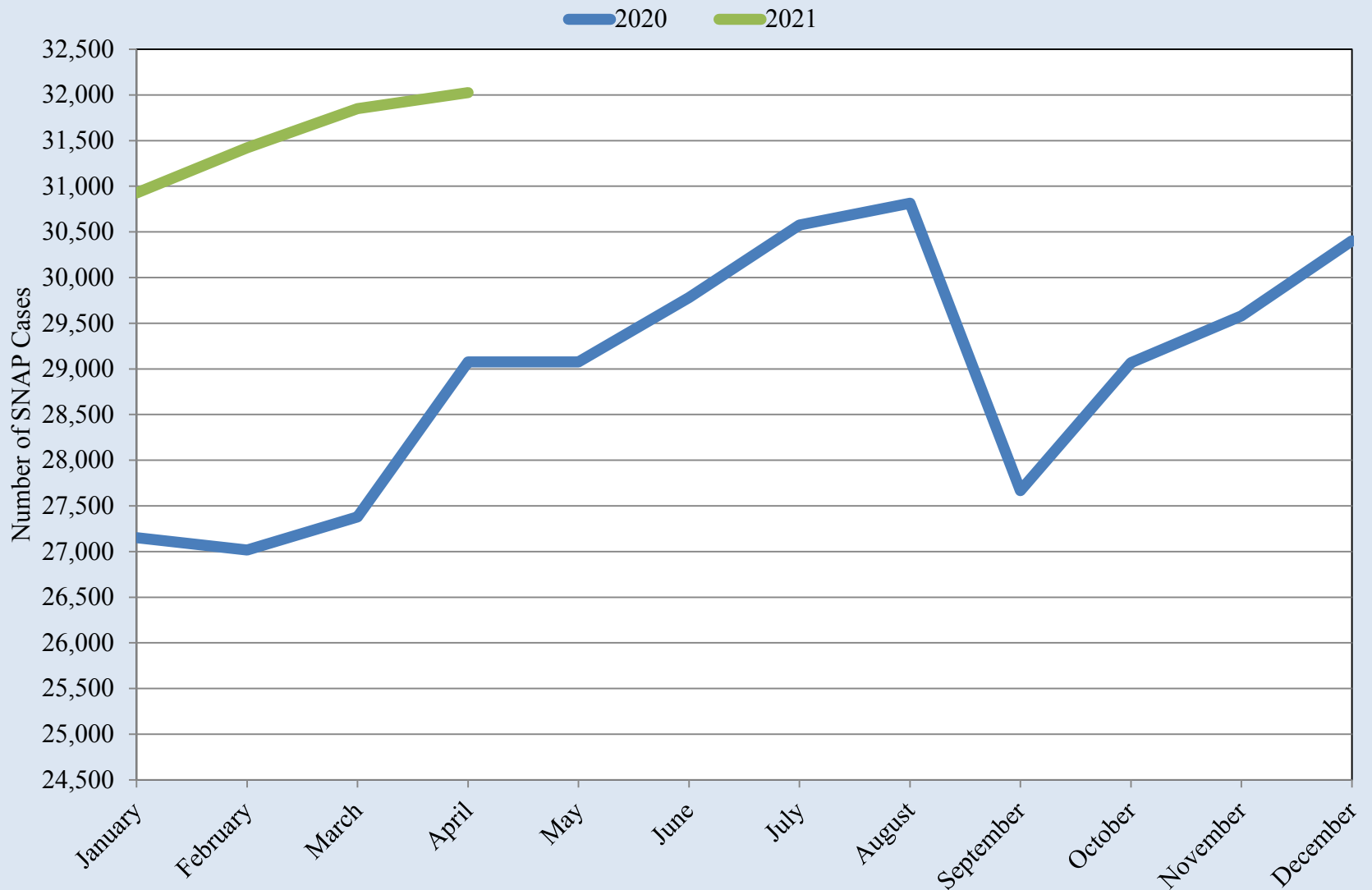
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



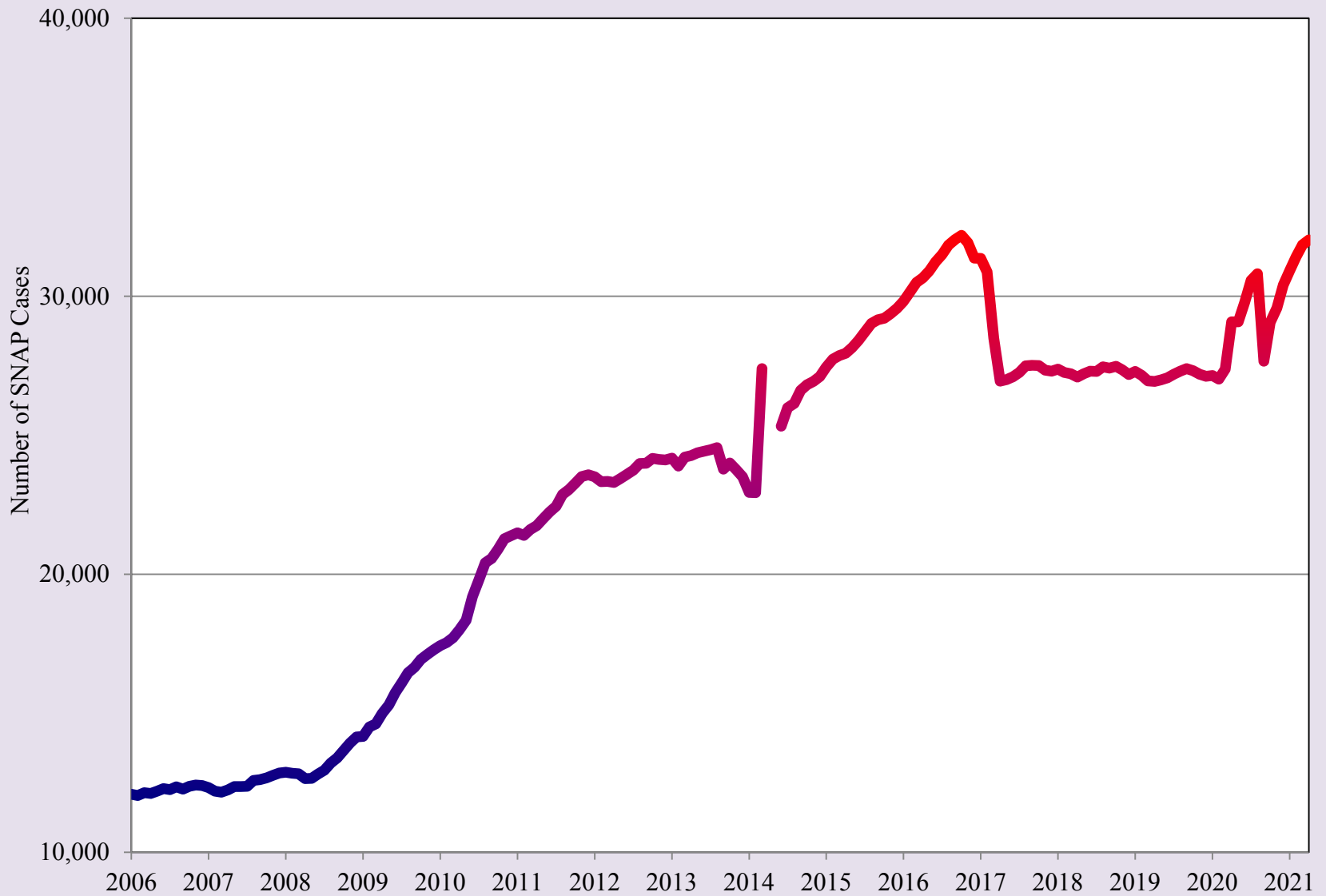
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



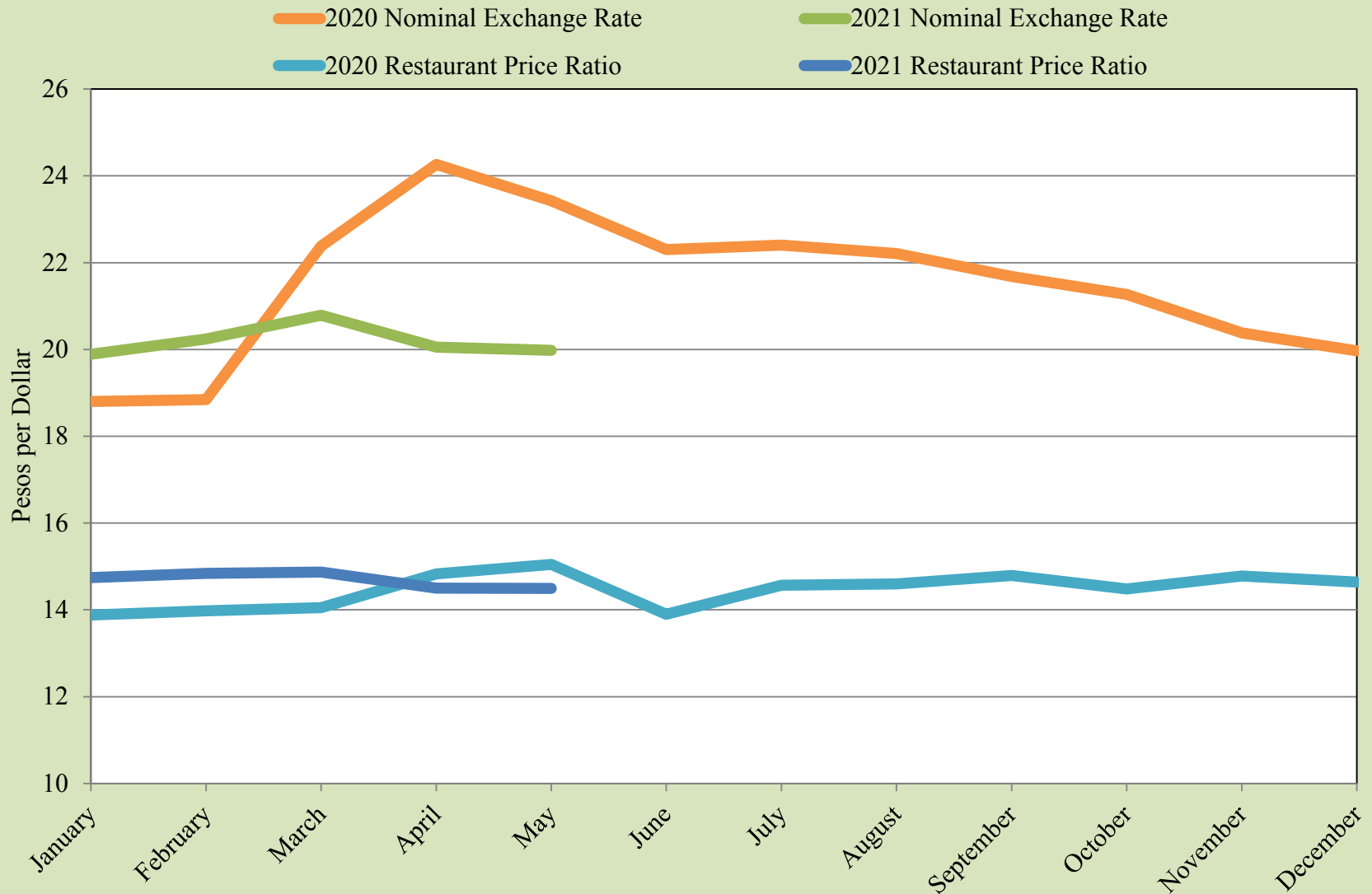
Source: New Mexico Human Services Department

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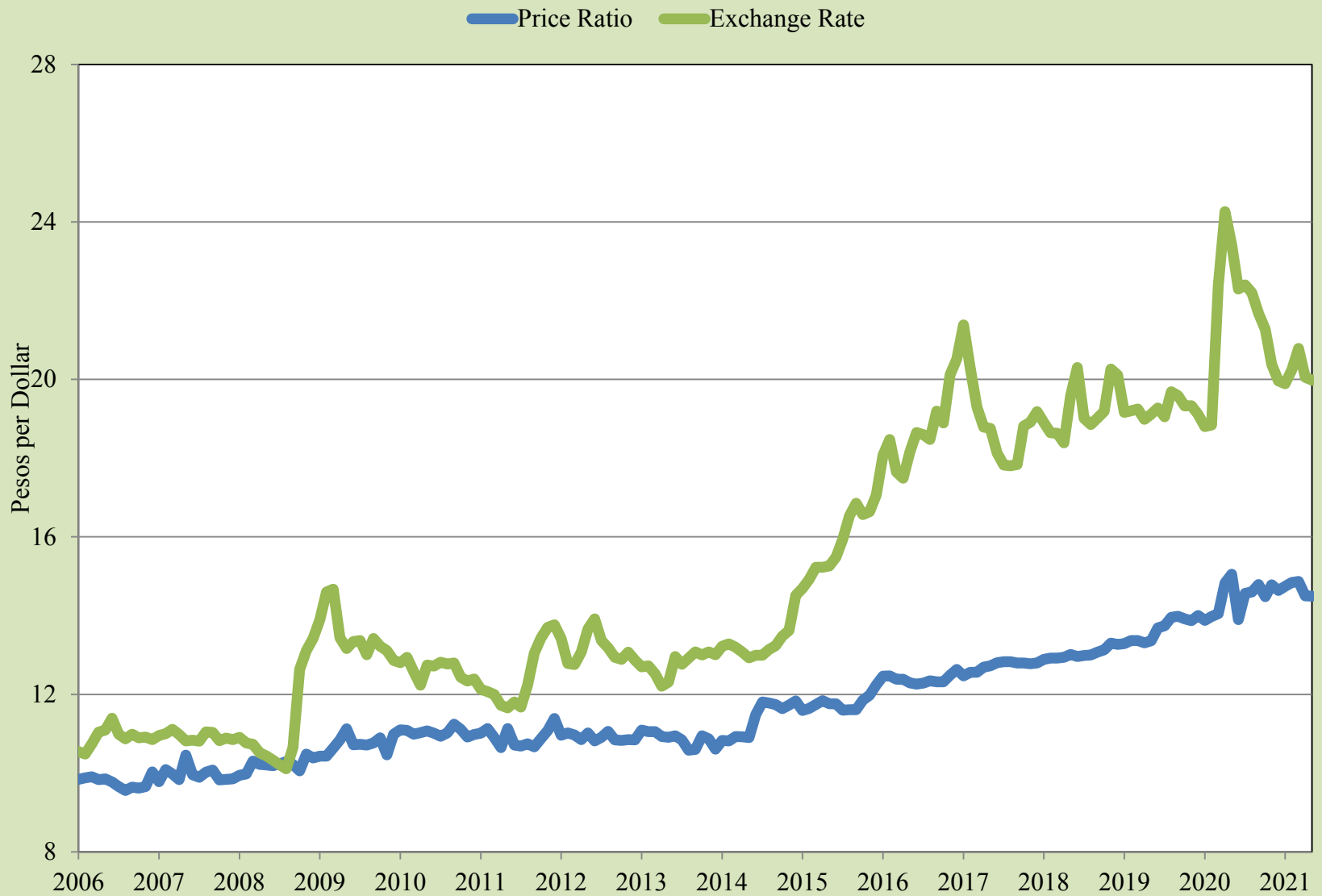
Source: New Mexico Human Services Department

Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

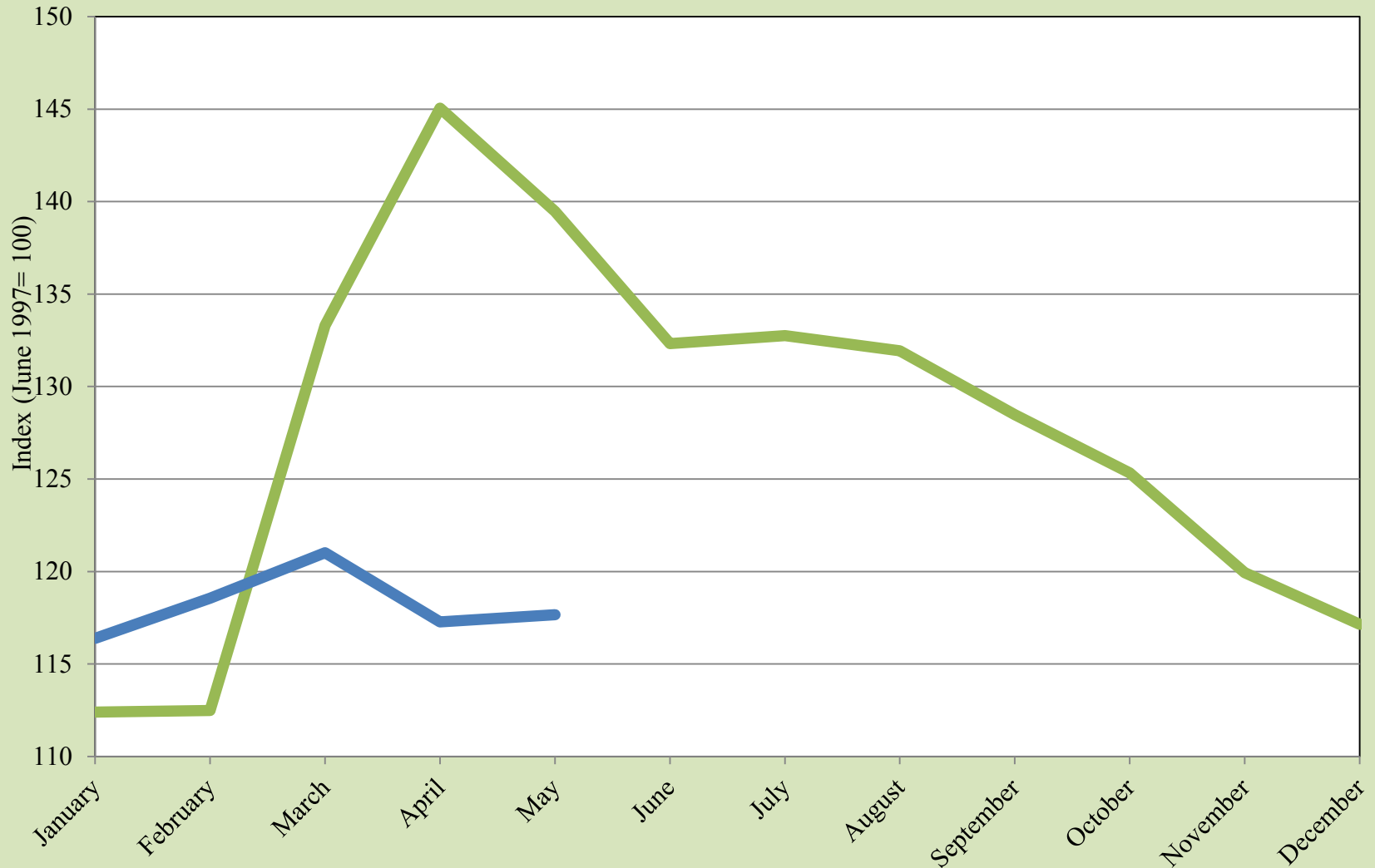
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso-per-Dollar Exchange Rate Index

— 2020 — 2021



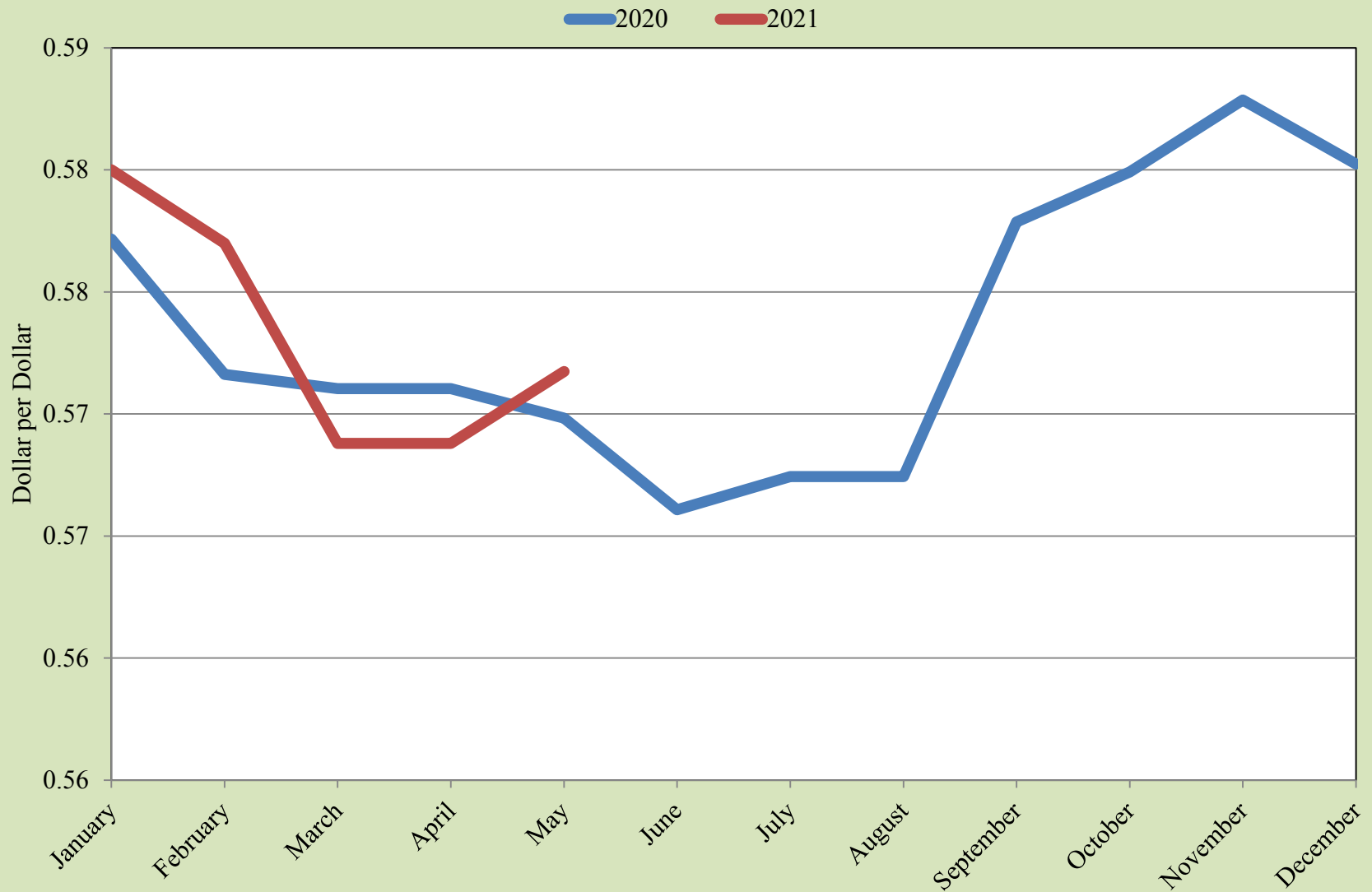
Source: UTEP Border Region Modeling Project

Real Peso-per-Dollar Exchange Rate Index



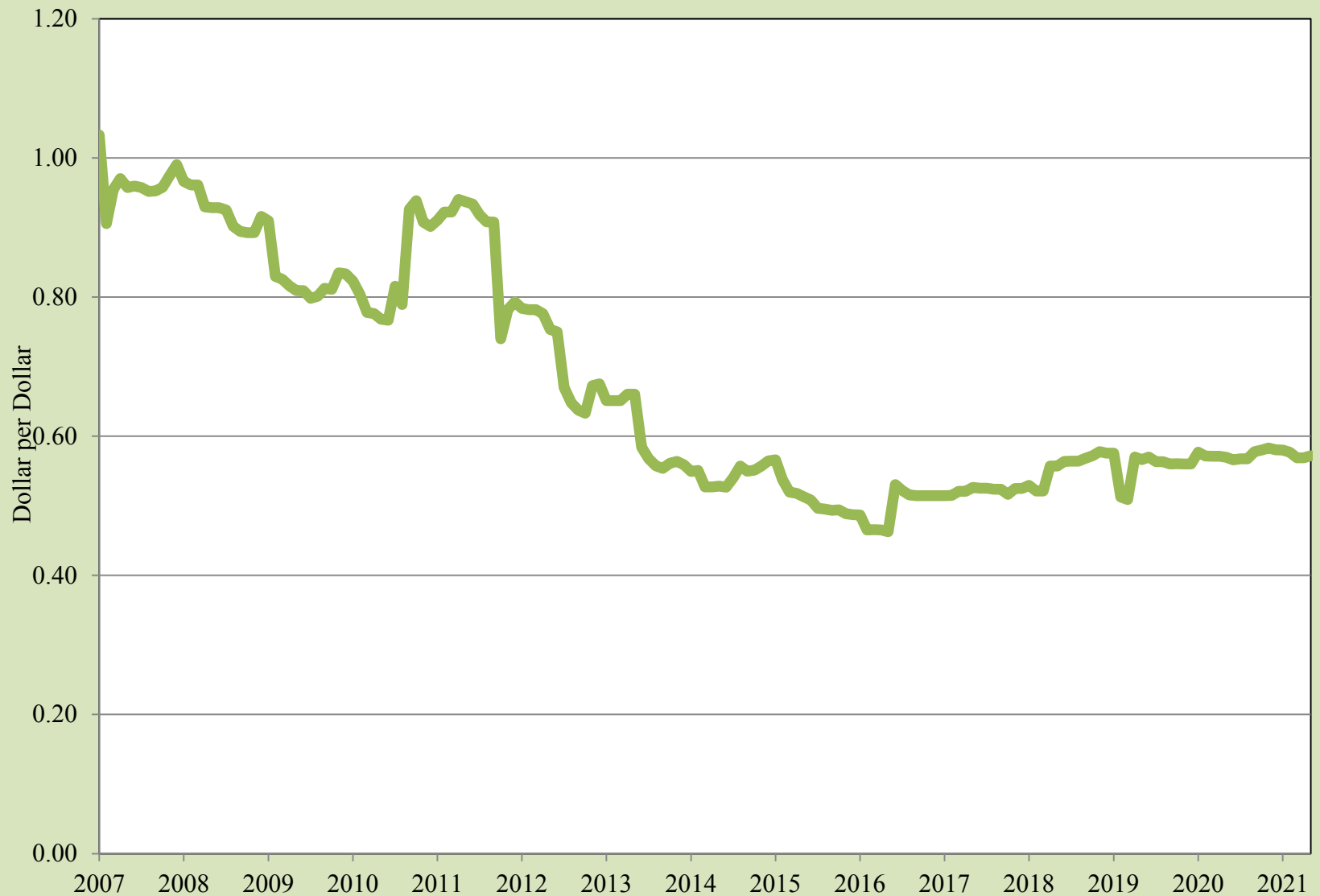
Source: UTEP Border Region Modeling Project

Pharmaceutical Nominal Price Ratio in the USA and Mexico



Source: UTEP Border Region Modeling Project, healthwarehouse.com, goodrx.com, medsmex.com

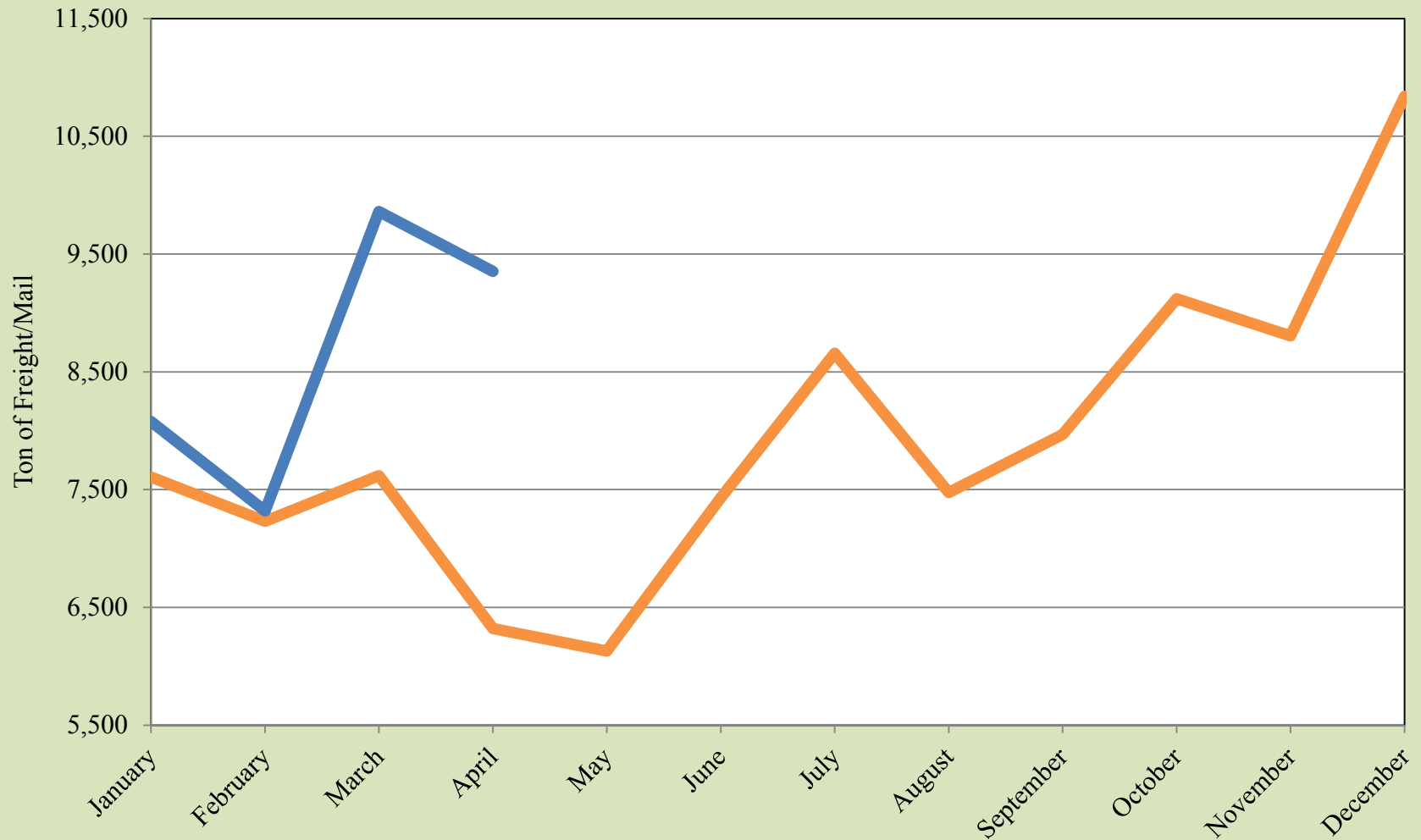
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Source: UTEP Border Region Modeling Project, healthwarehouse.com, goodrx.com, medsmex.com

EPIA Freight and Mail

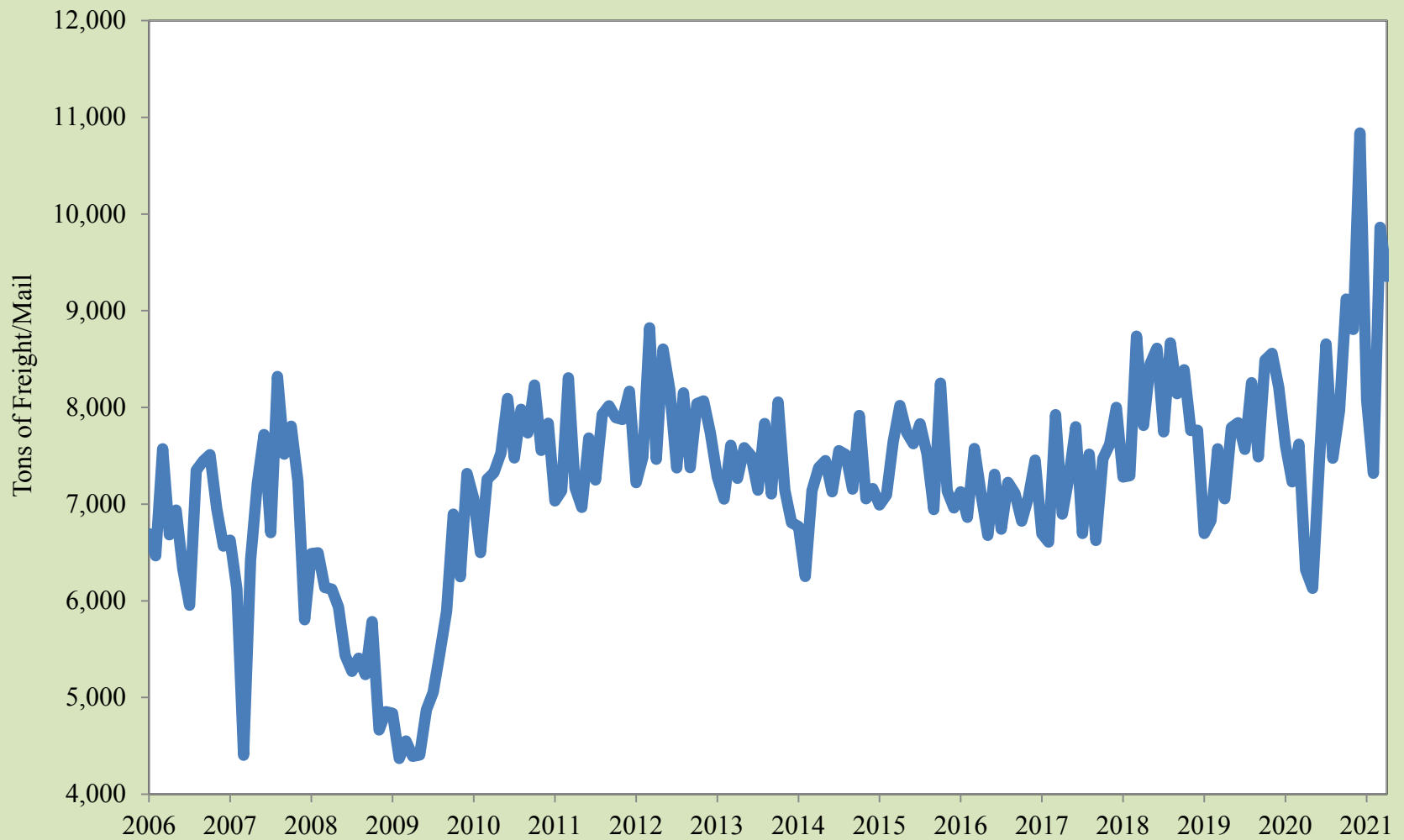
Total 2020 Total 2021



Source: EPIA Operations

EPIA Freight and Mail

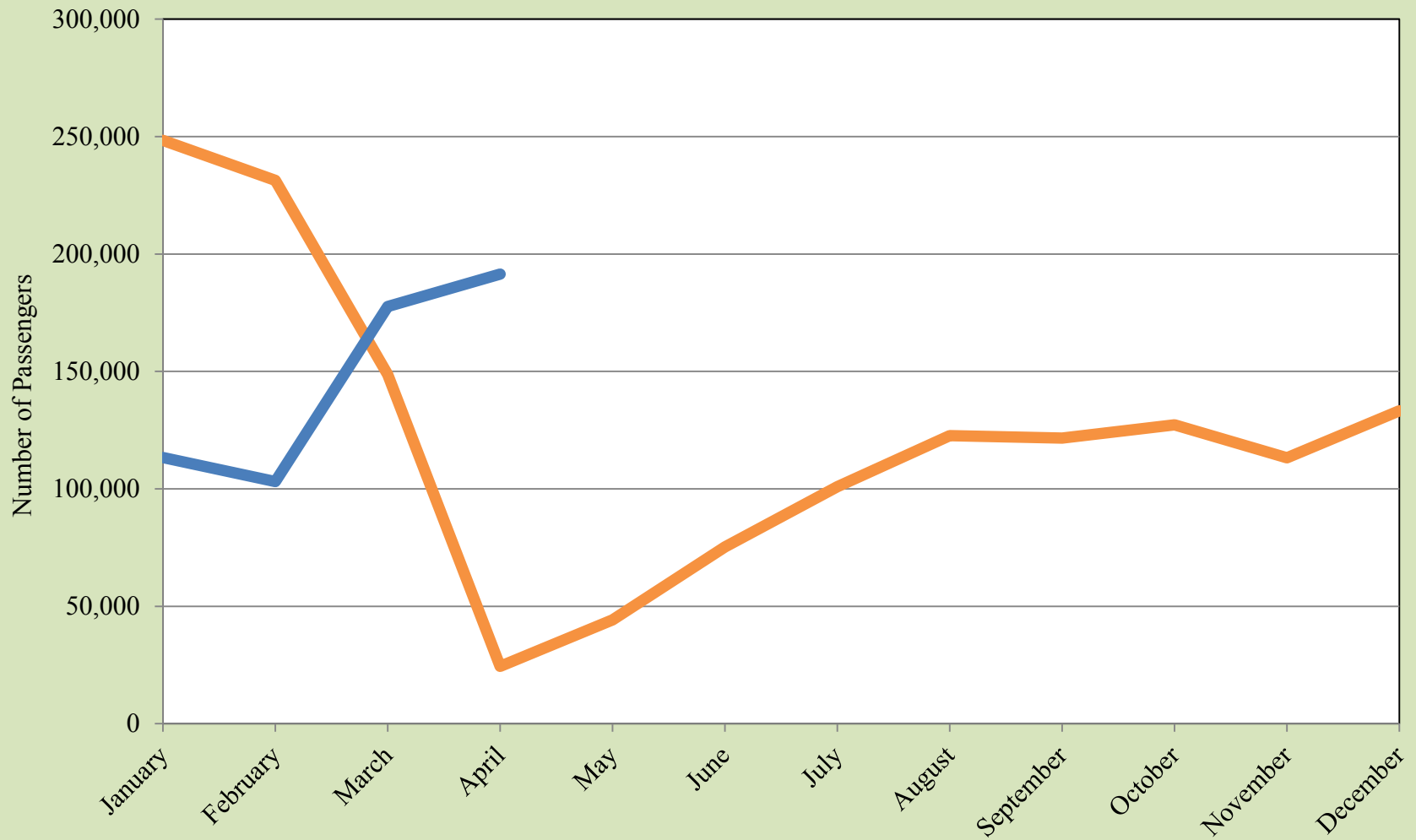
— Inbound+Outbound



Source: EPIA Operations

EPIA Passengers

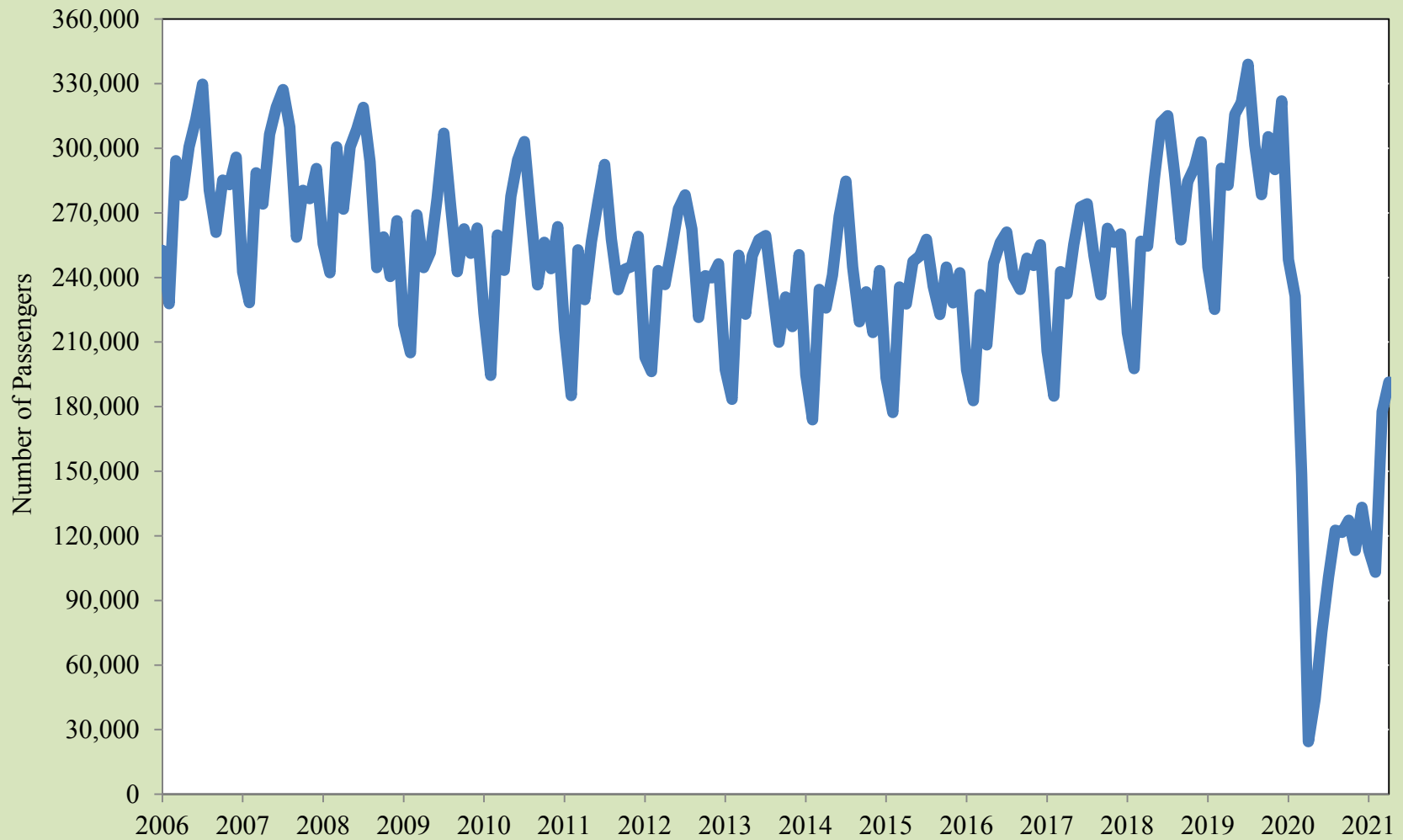
Total 2020 Total 2021



Source: EPIA Operations

EPIA Passengers

— Inbound+Outbound

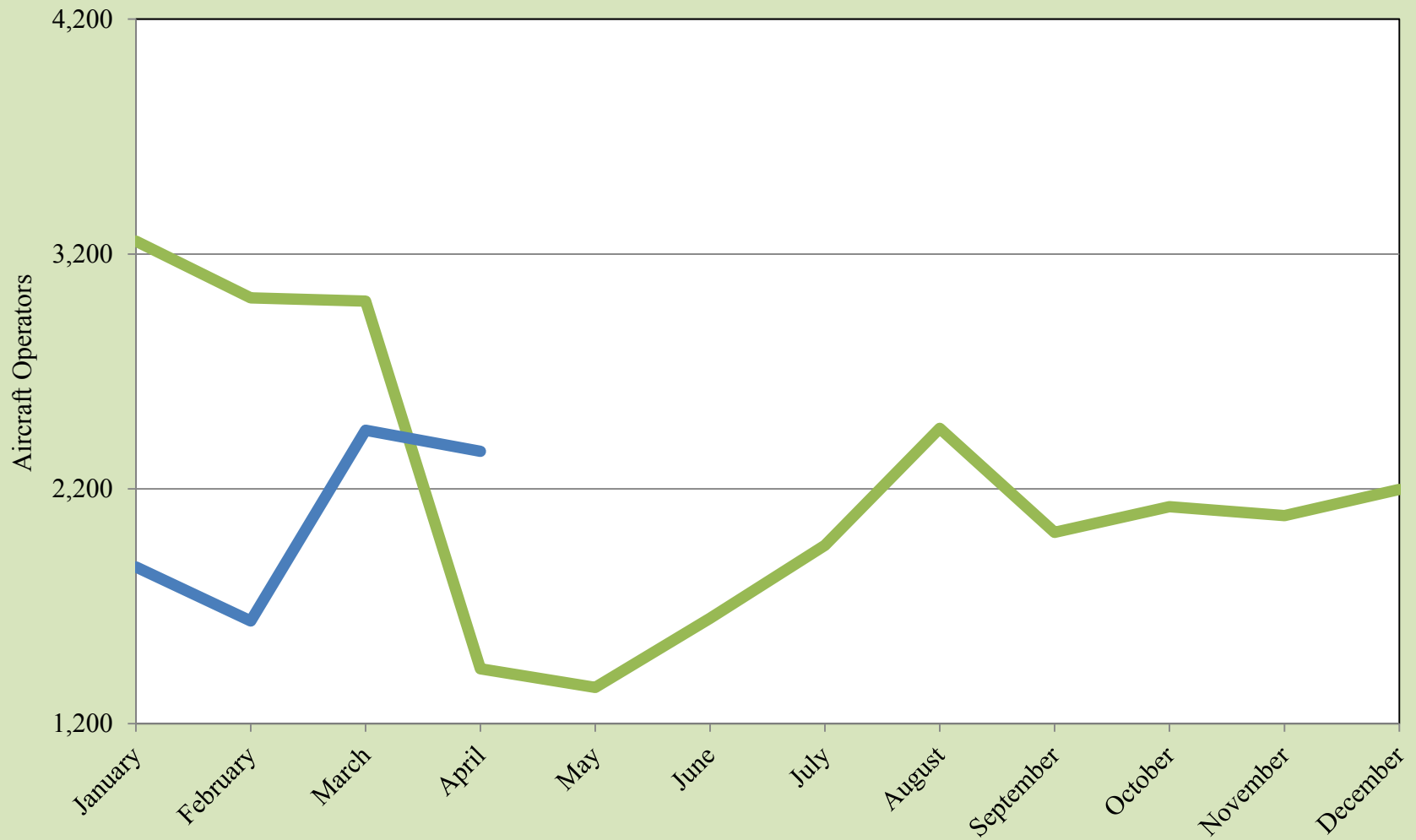


Source: EPIA Operations

EPIA Air Carrier Operations

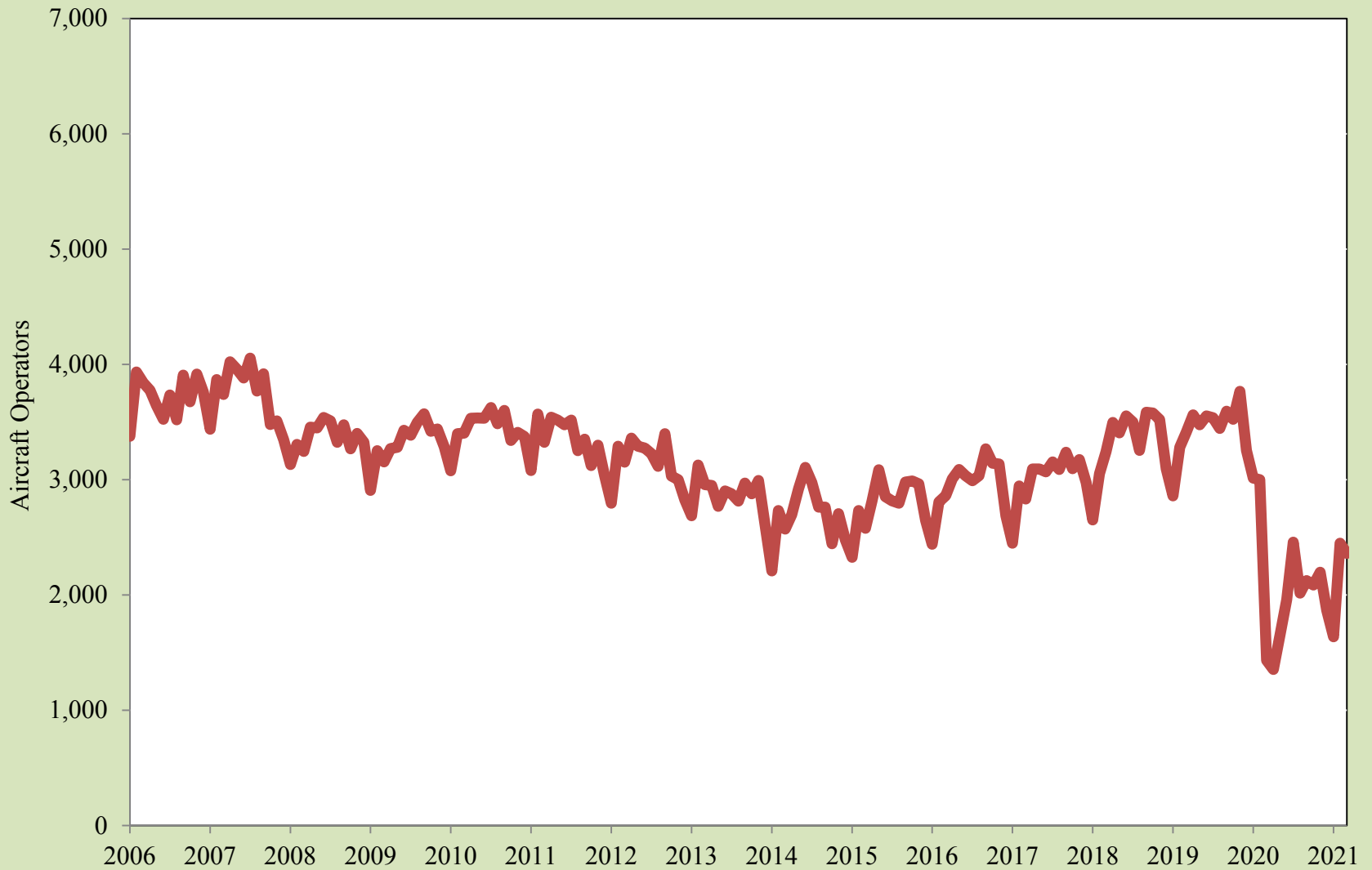
20-Air Carriers

21-Air Carriers



Source: EPIA Operations

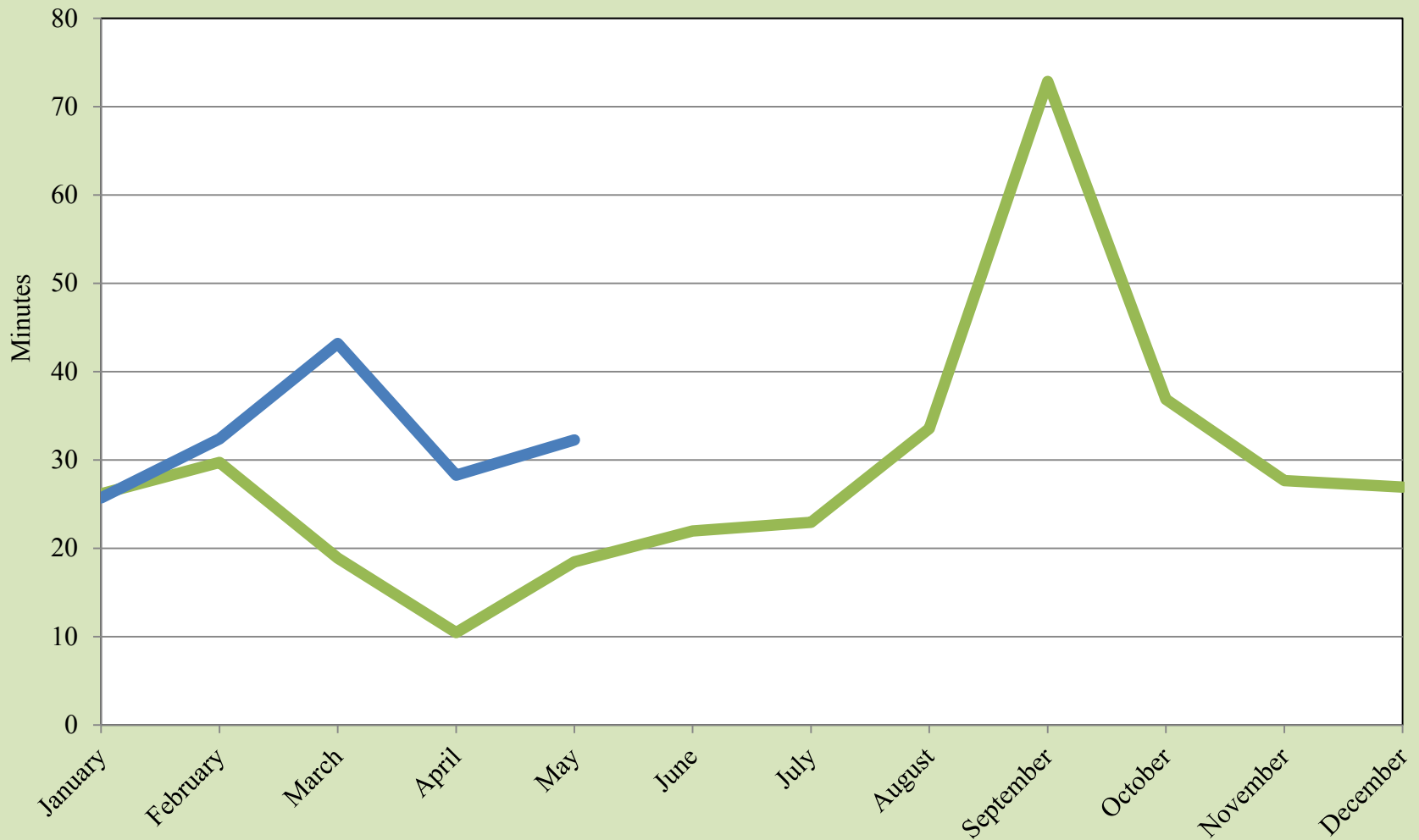
EPIA Air Carrier Operations



Source: EPIA Operations

Paso del Norte Monthly Wait Times

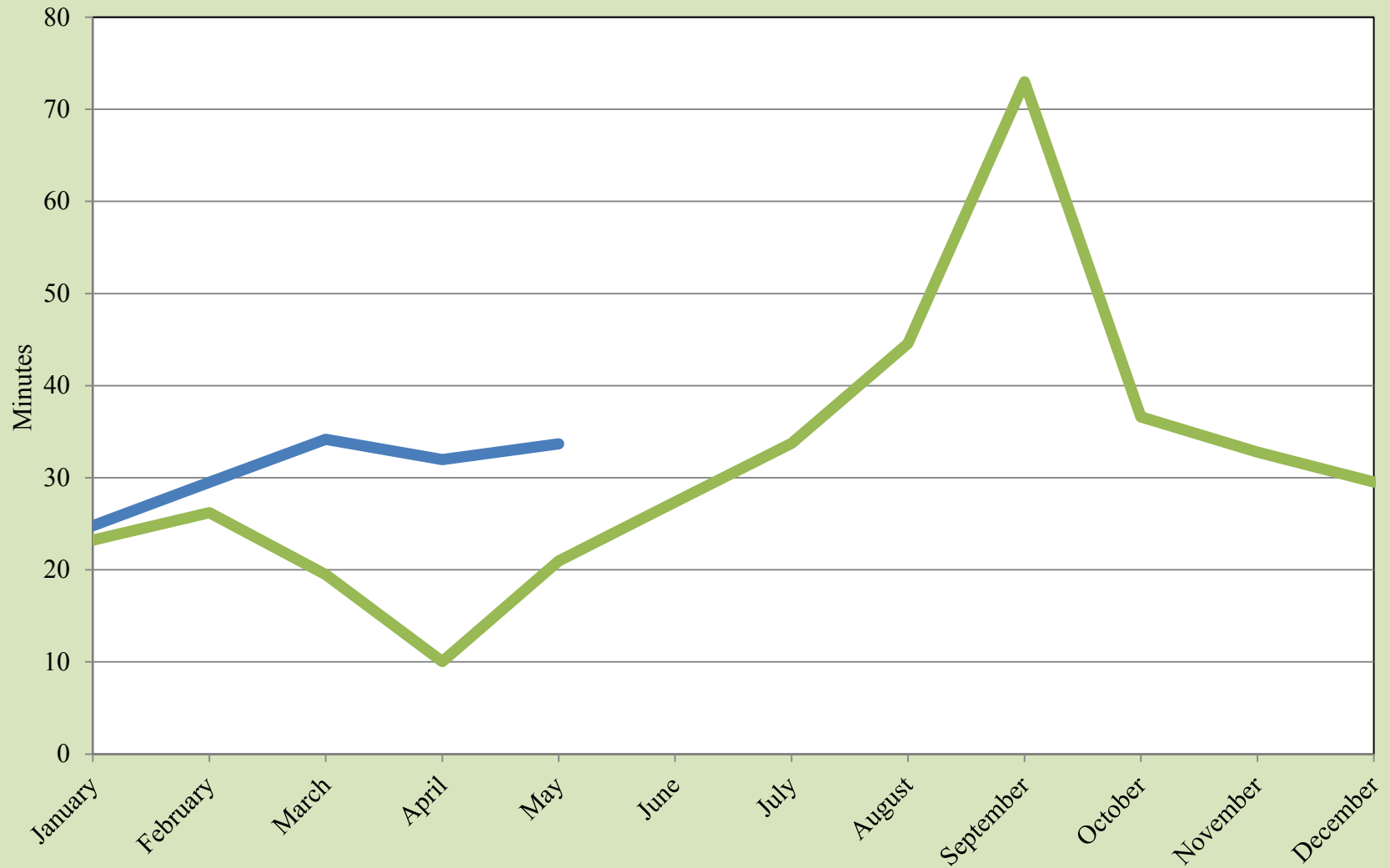
2020 2021



Source: UTEP Border Region Modeling Project

Ysleta Monthly Wait Times

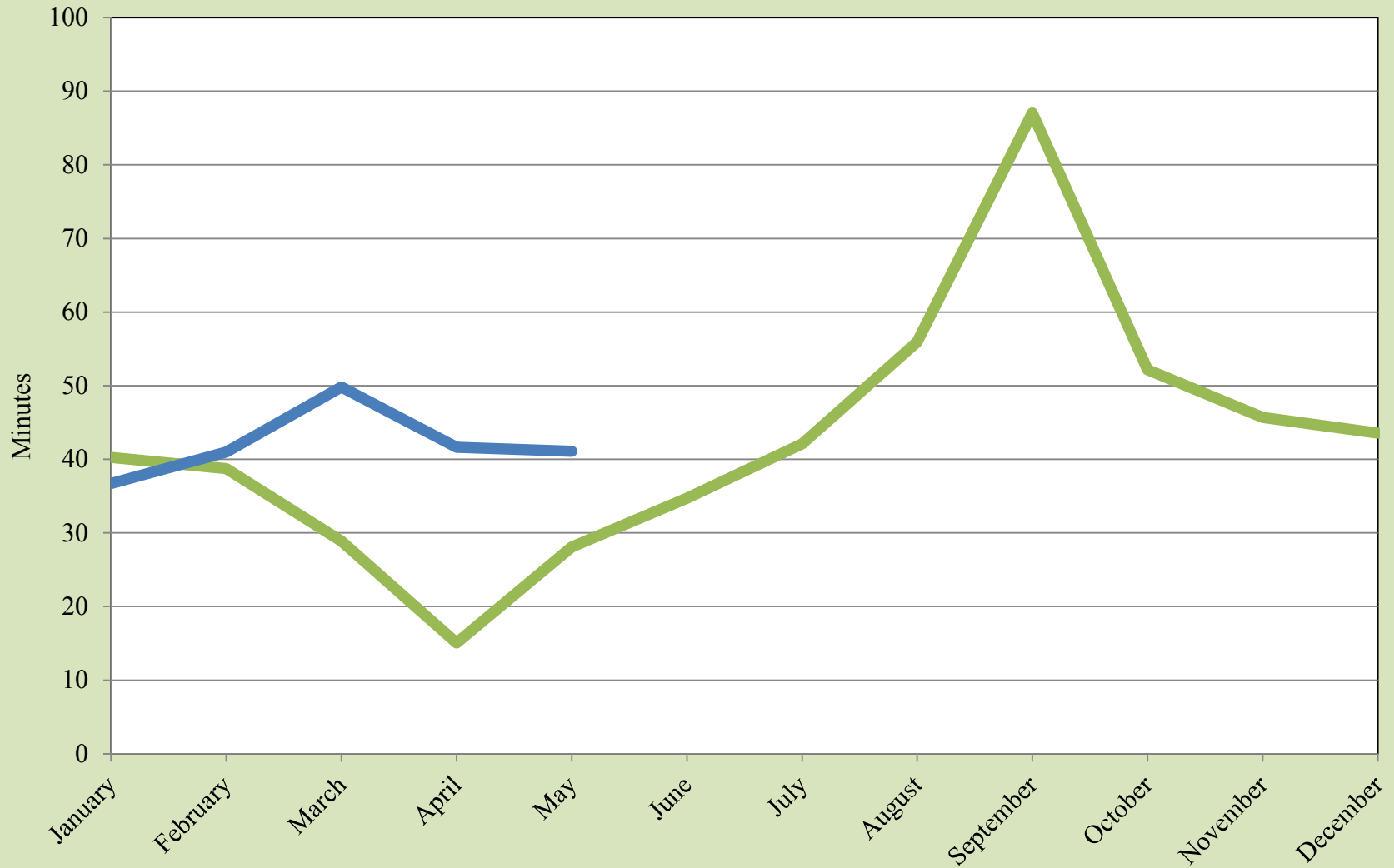
2020 2021



Source: UTEP Border Region Modeling Project

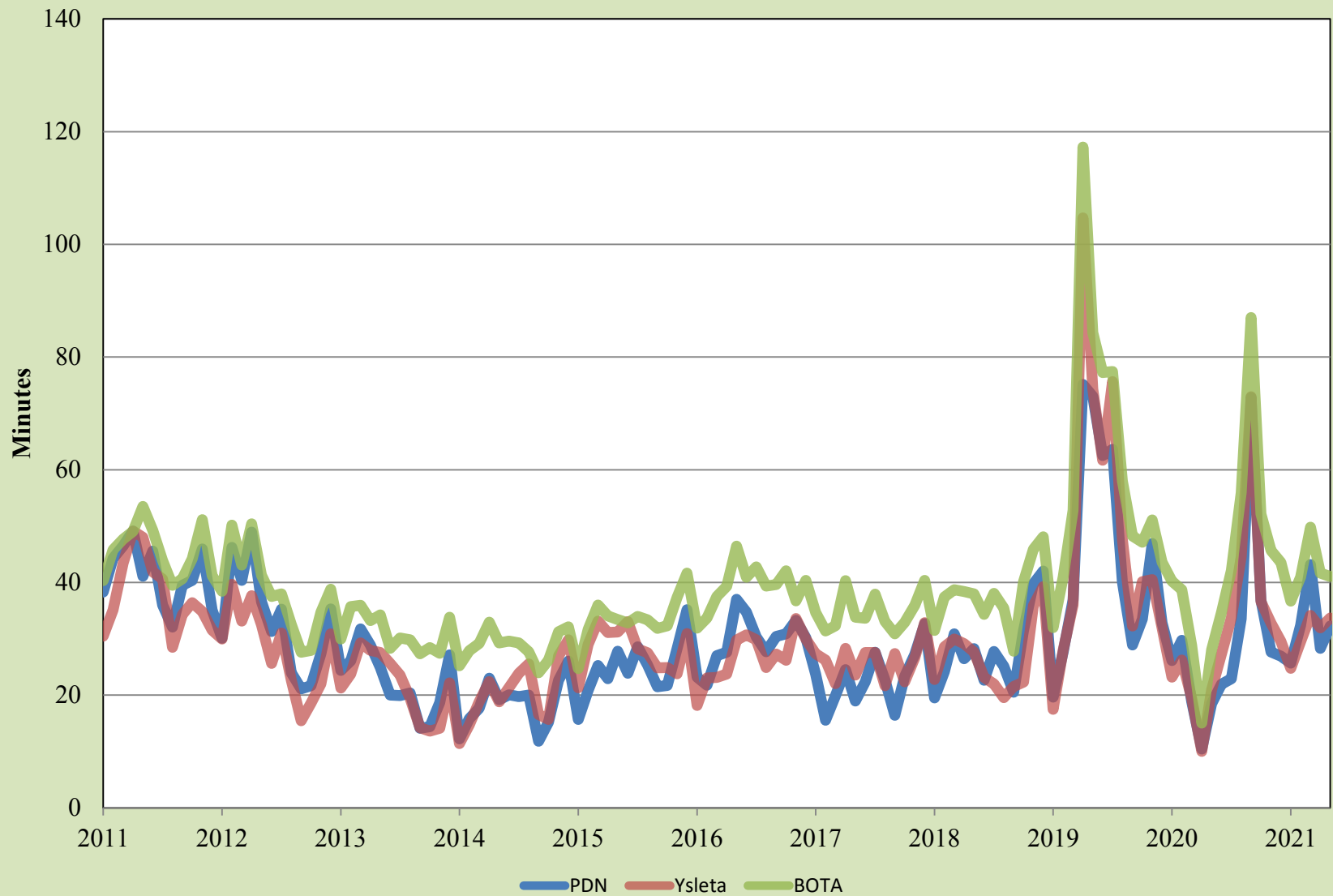
Bridge of the Americas Monthly Wait Times

2020 2021



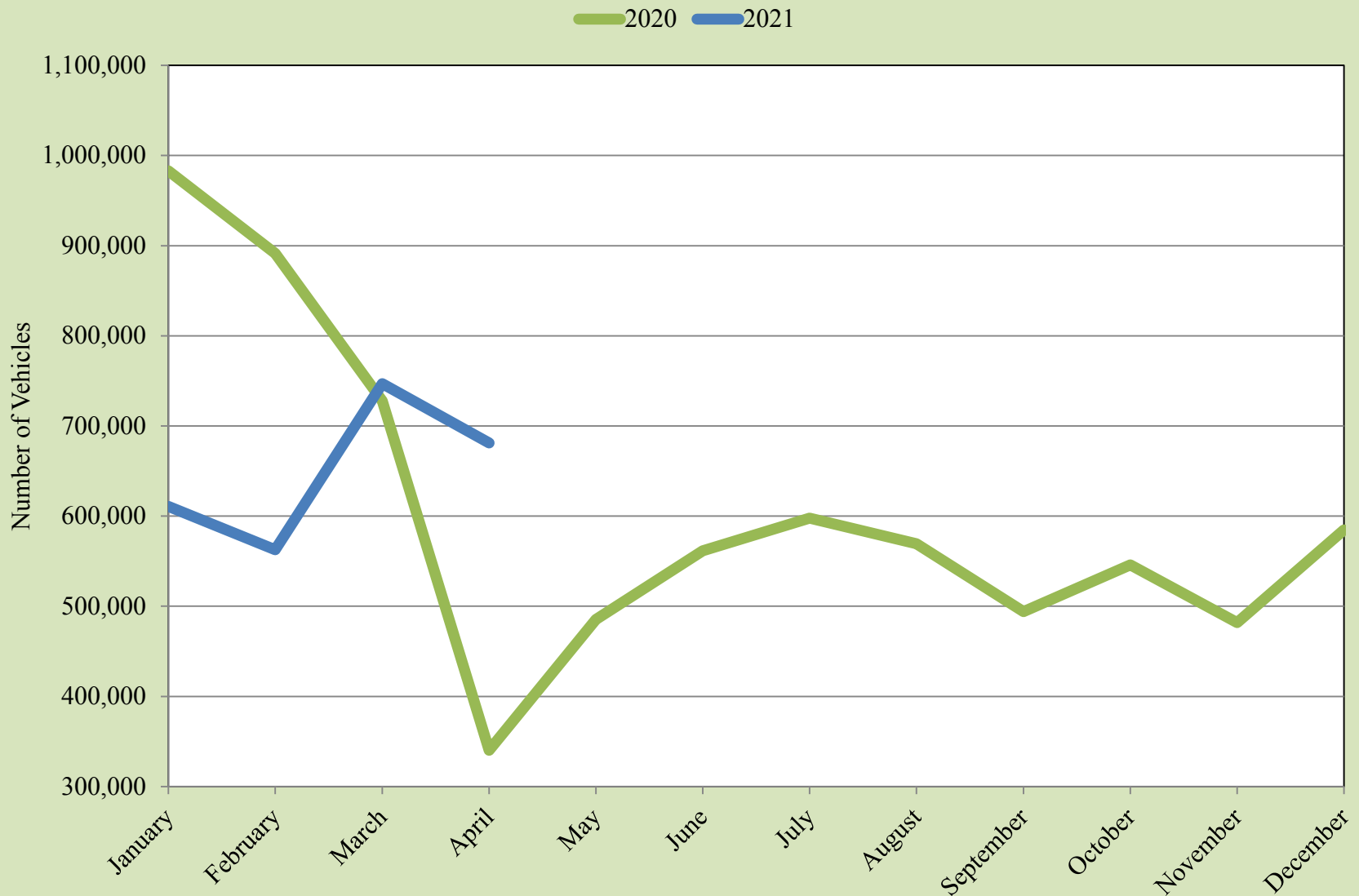
Source: UTEP Border Region Modeling Project

Monthly Border Wait Times



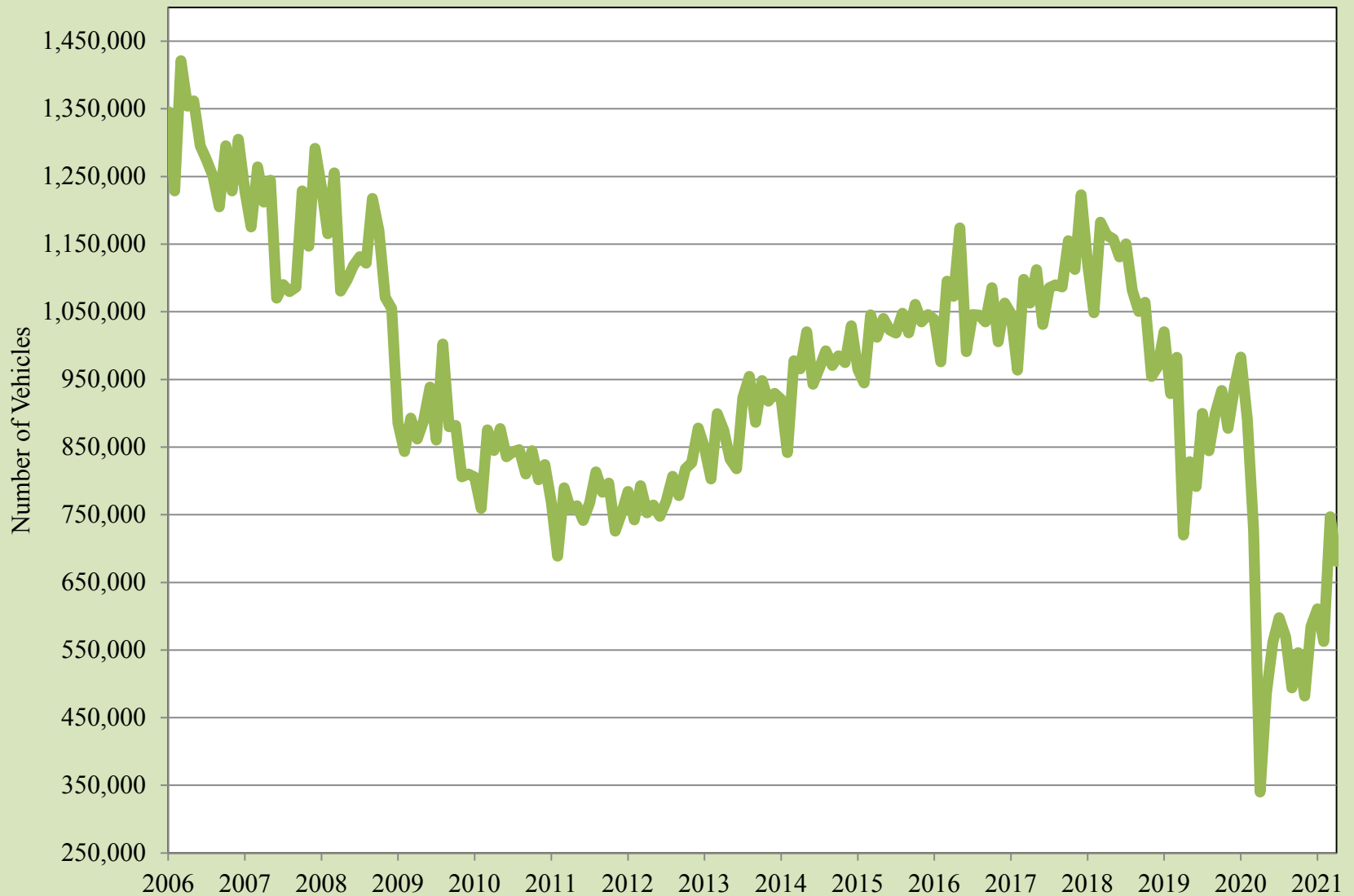
Source: UTEP Border Region Modeling Project

Personal Vehicle International Bridge Crossings to El Paso



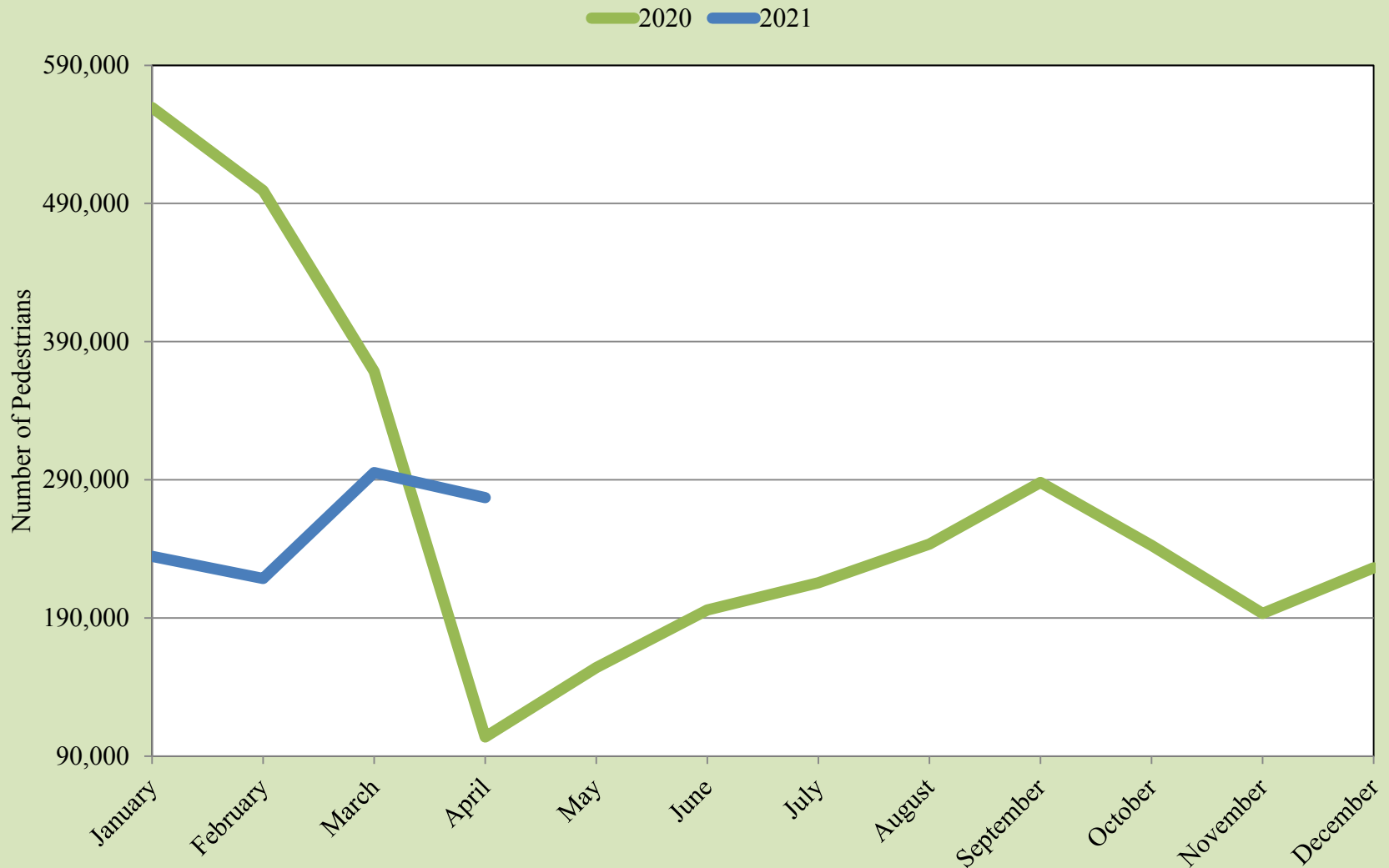
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Personal Vehicle International Bridge Crossings to El Paso



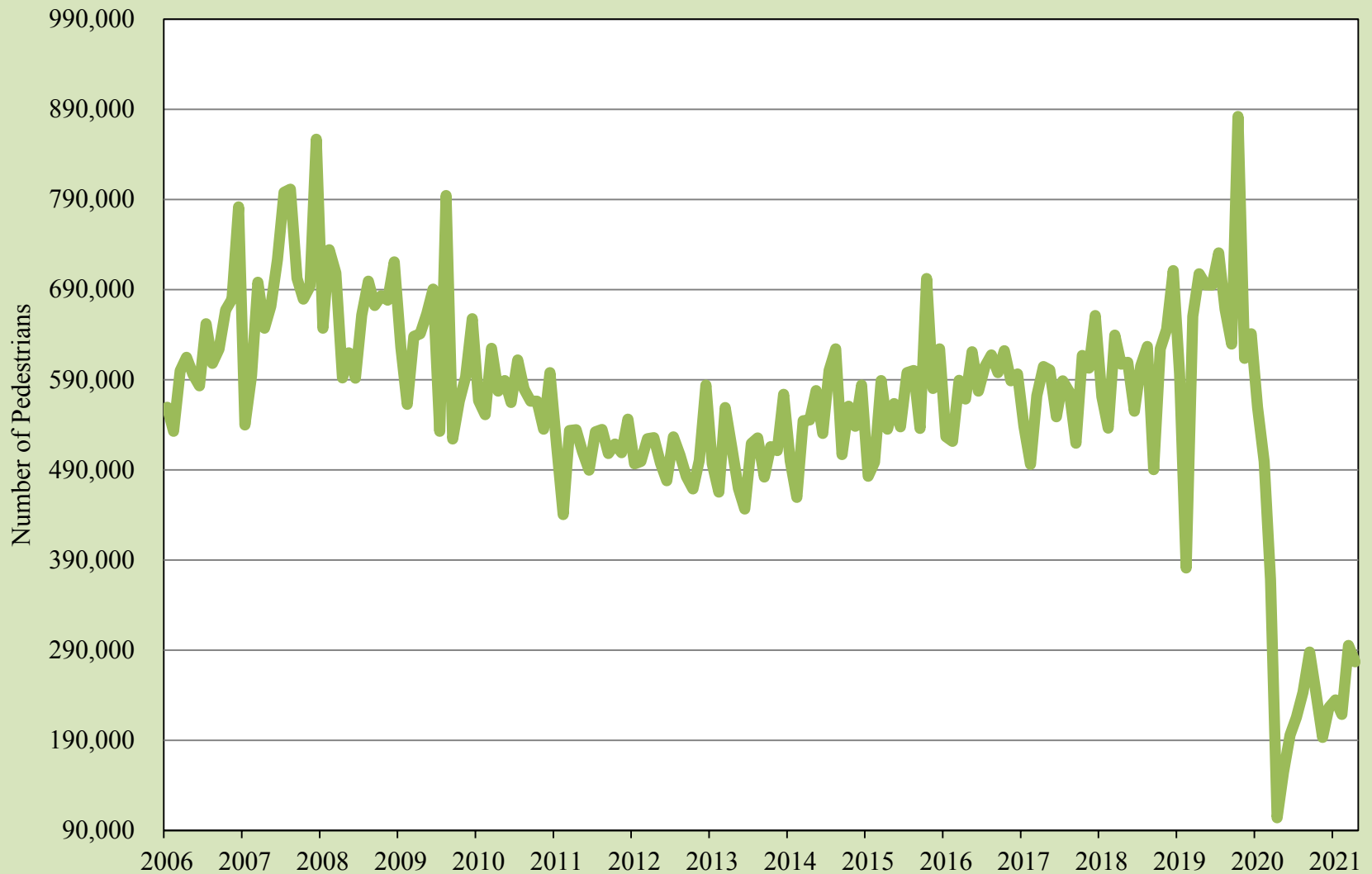
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Pedestrian International Bridge Crossings to El Paso



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

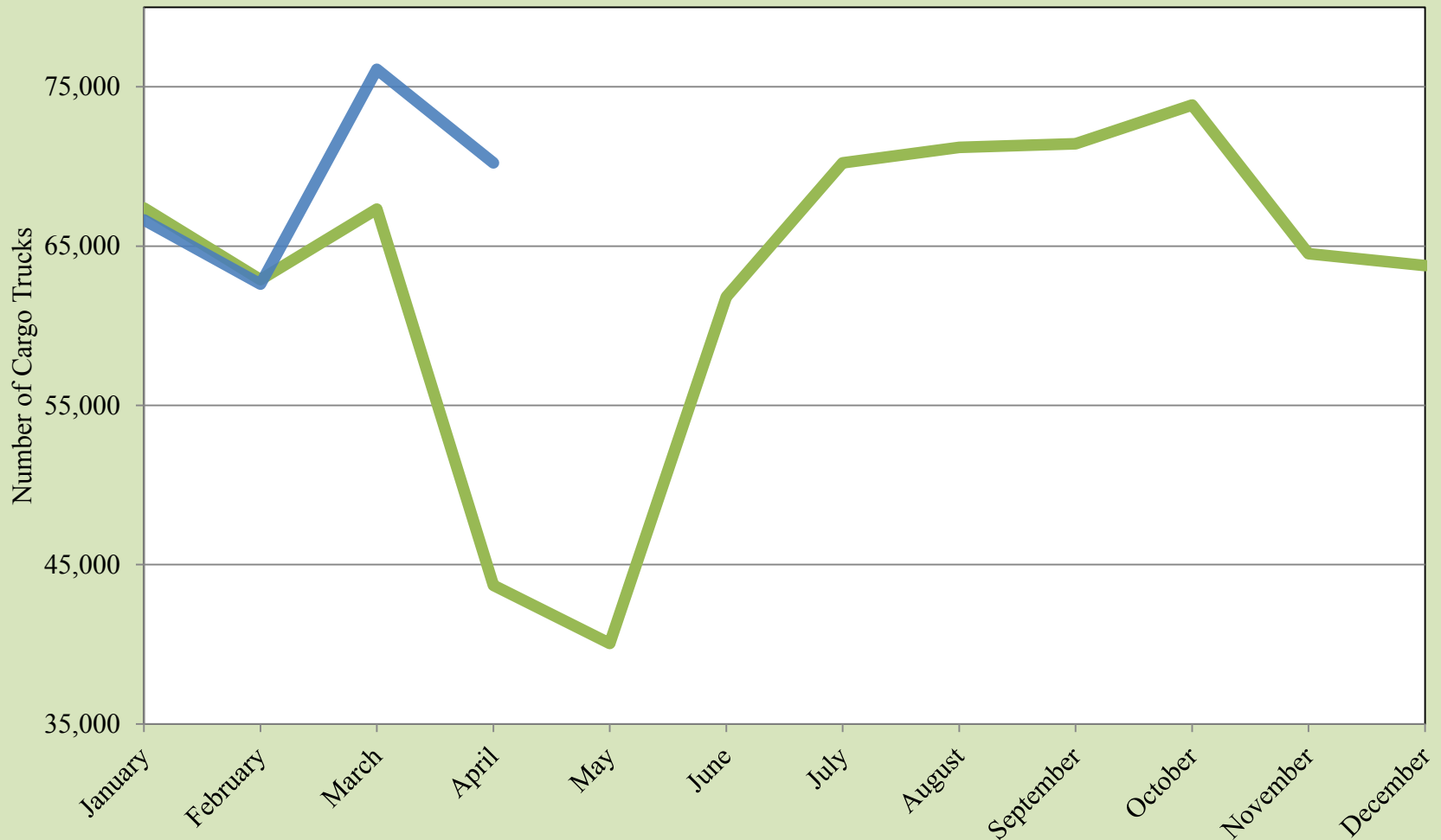
Pedestrian International Bridge Crossings to El Paso



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

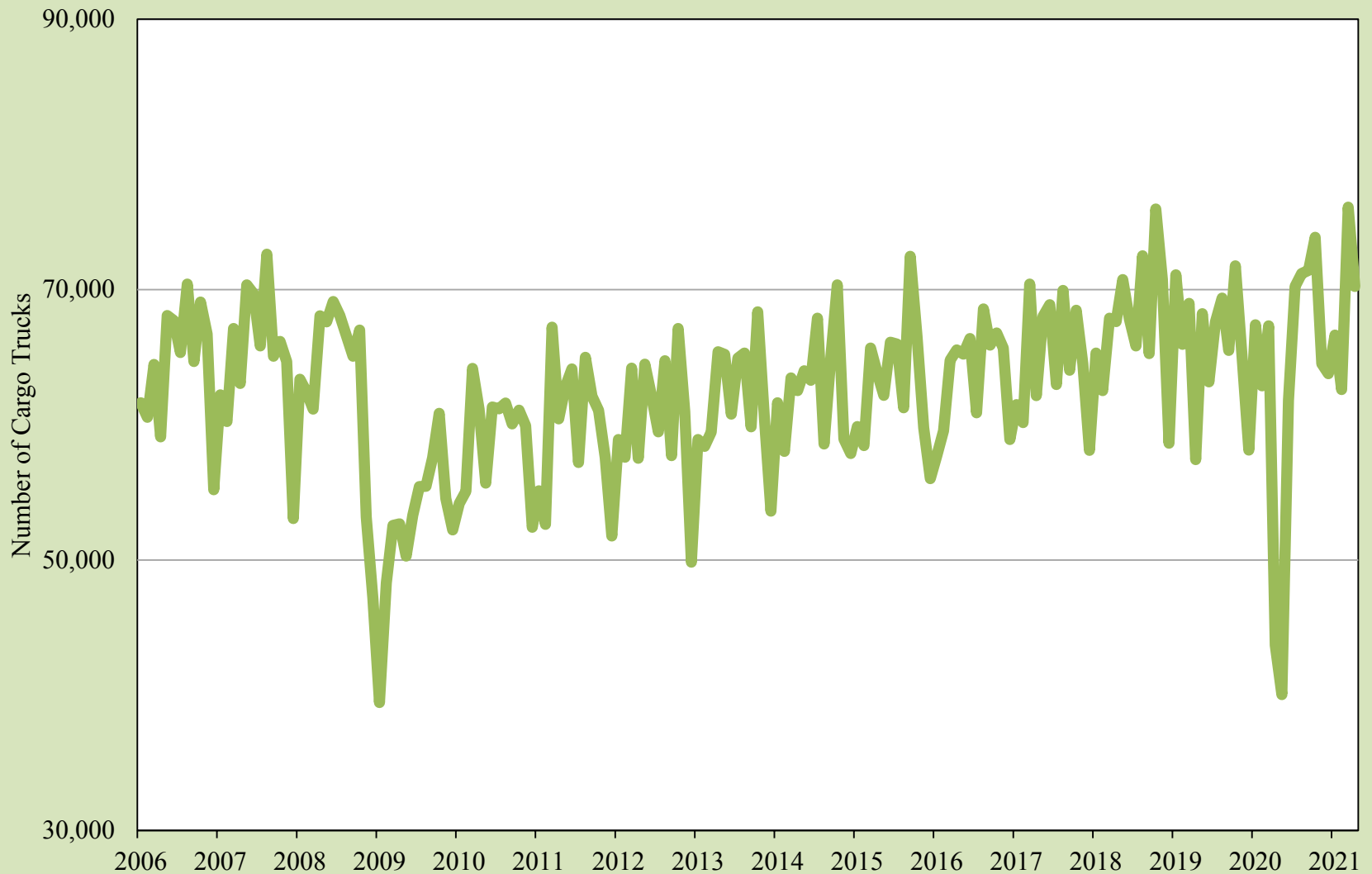
Cargo Truck International Bridge Crossings to El Paso

2020 2021



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

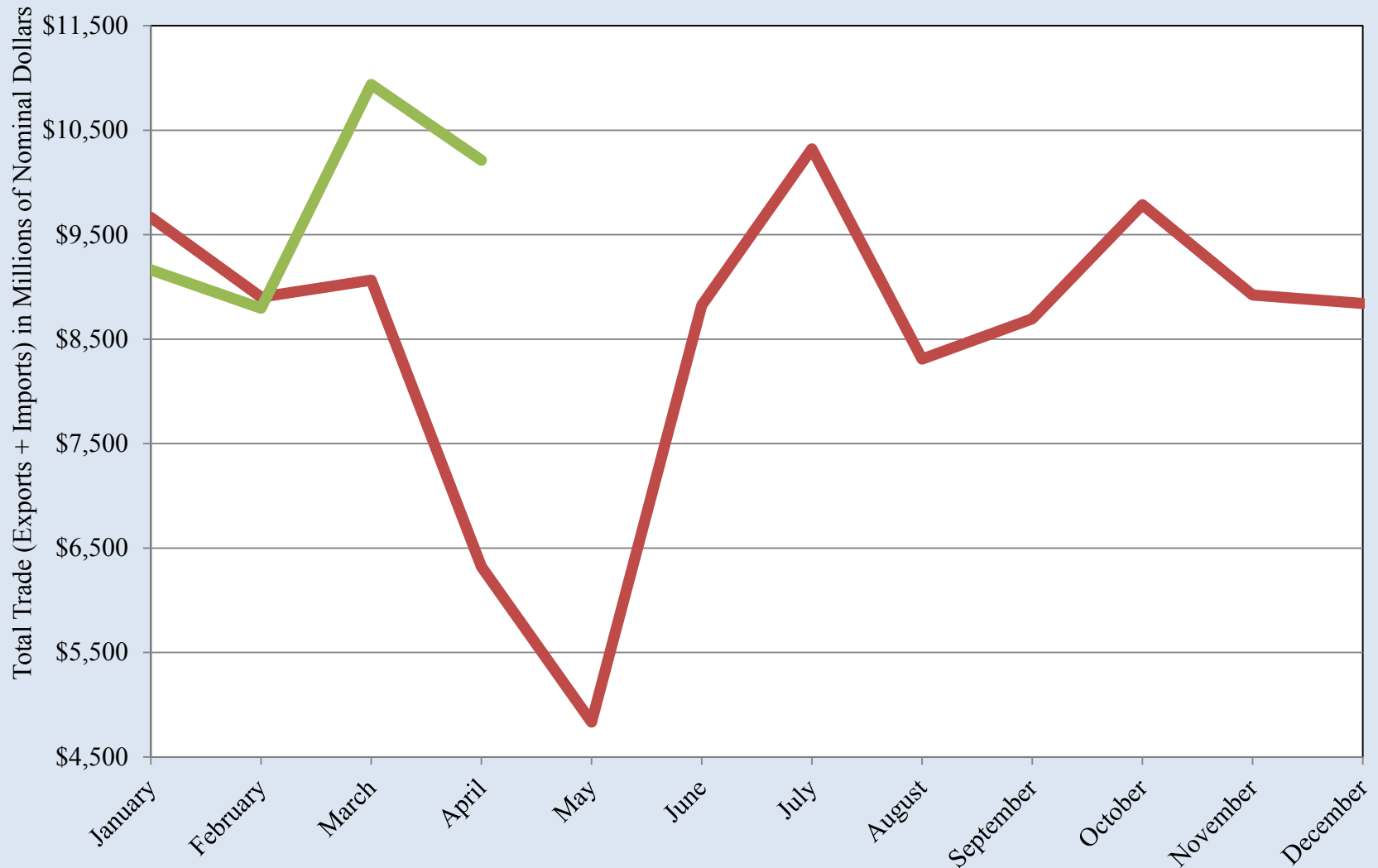
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Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

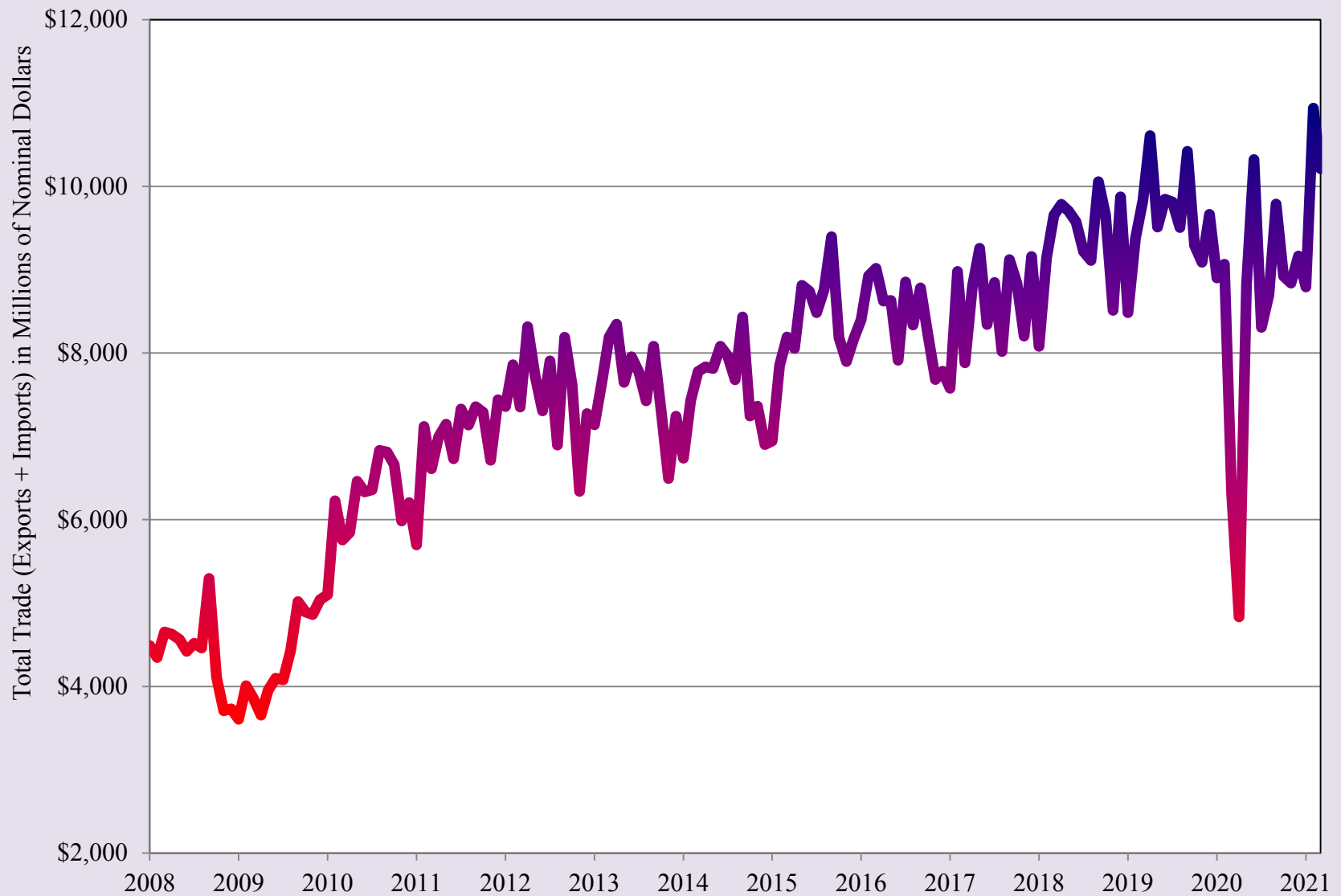
Total Trade through the El Paso Customs District

2020 2021



Source: U.S. International Trade Commission

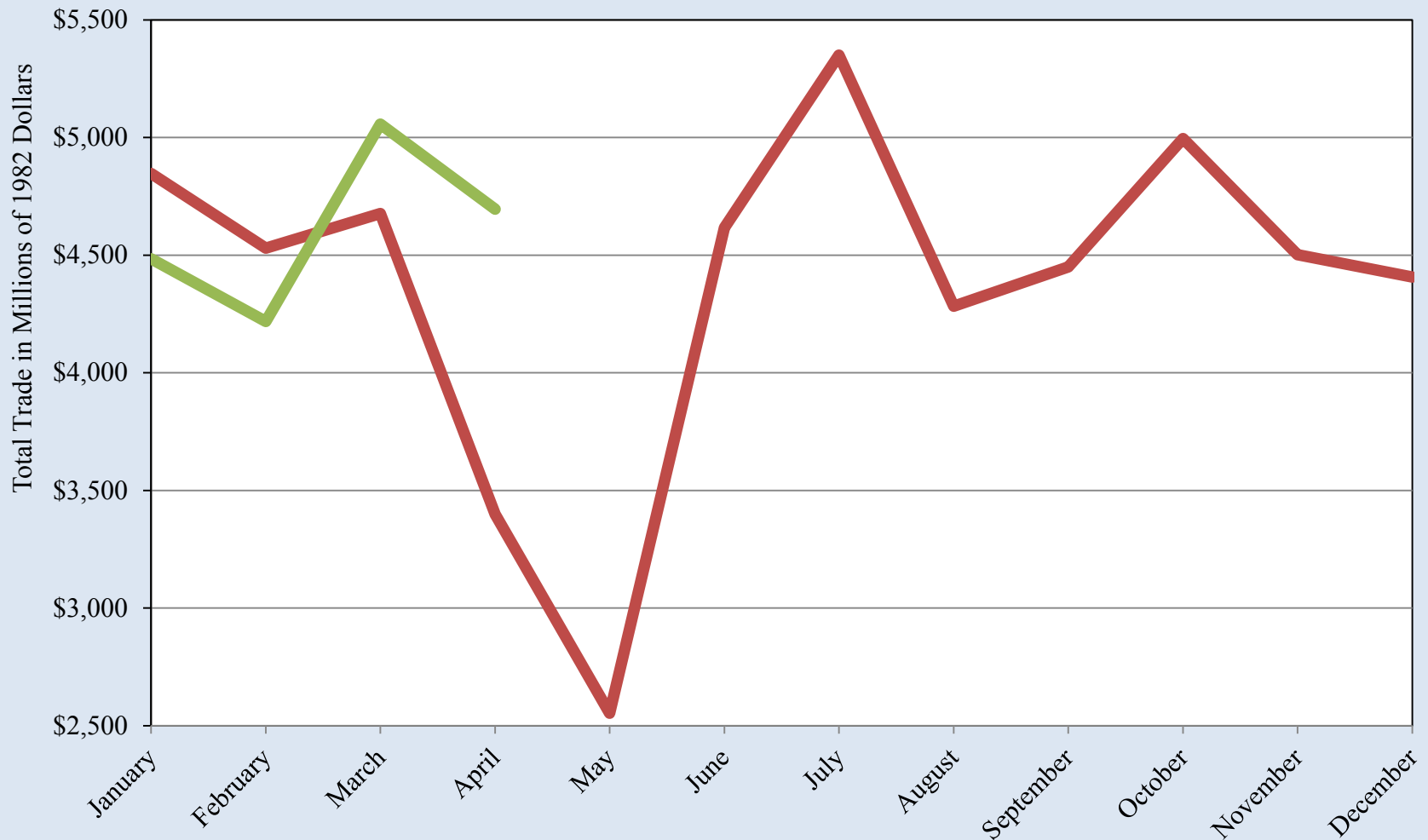
Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

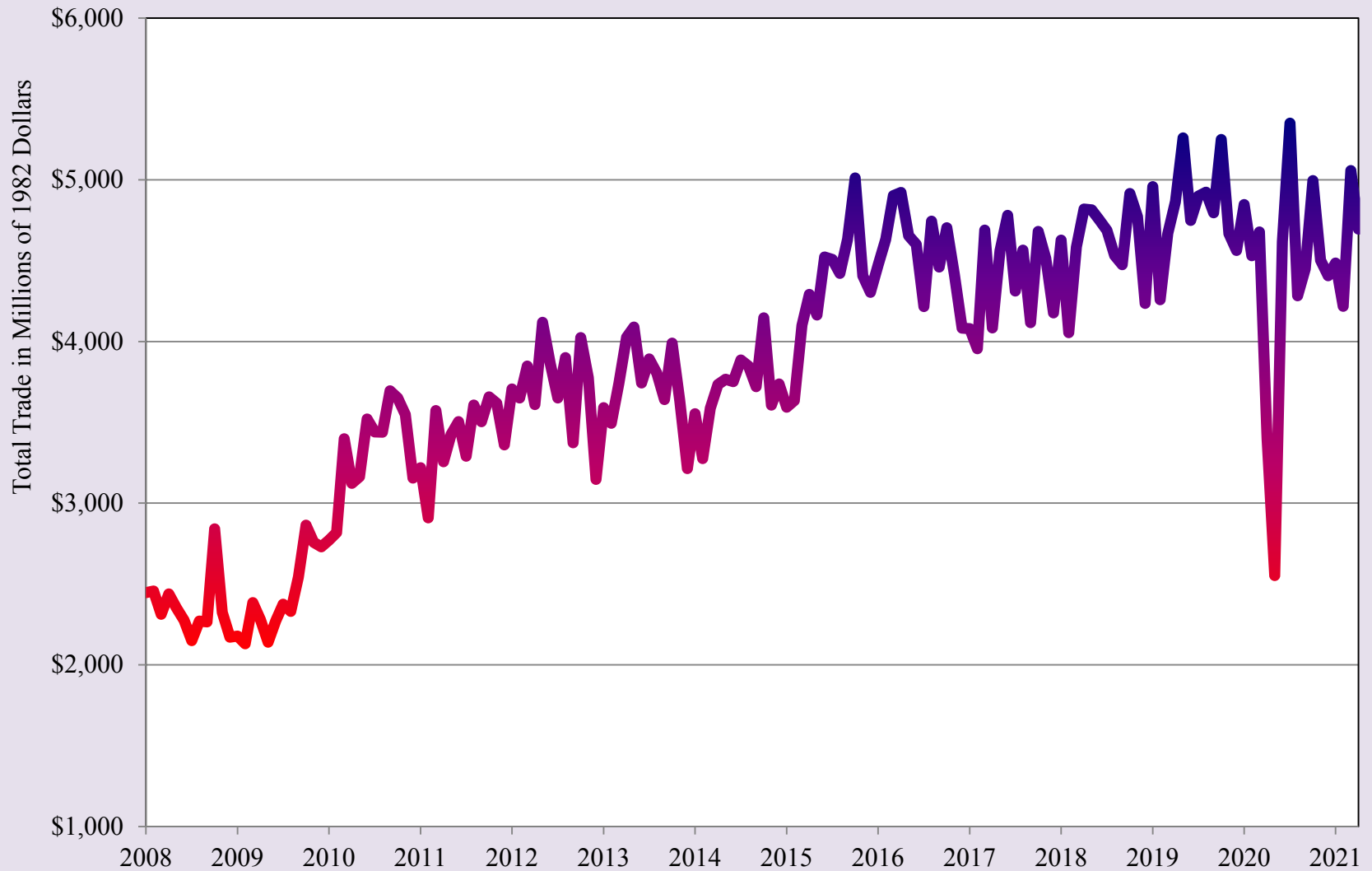
Real Total Trade through the El Paso Customs District

— 2020 — 2021



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

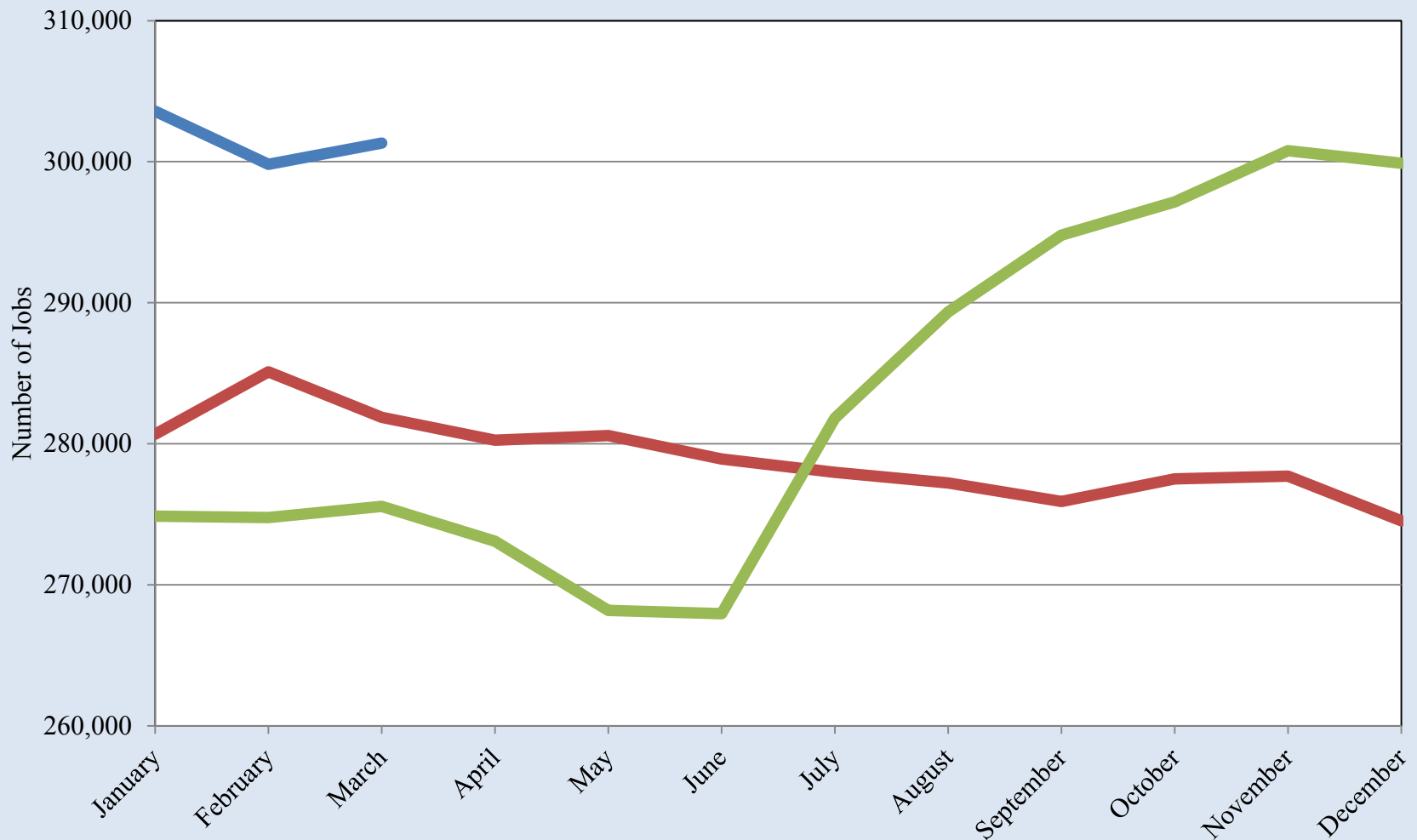
Real Total Trade through the El Paso Customs District



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

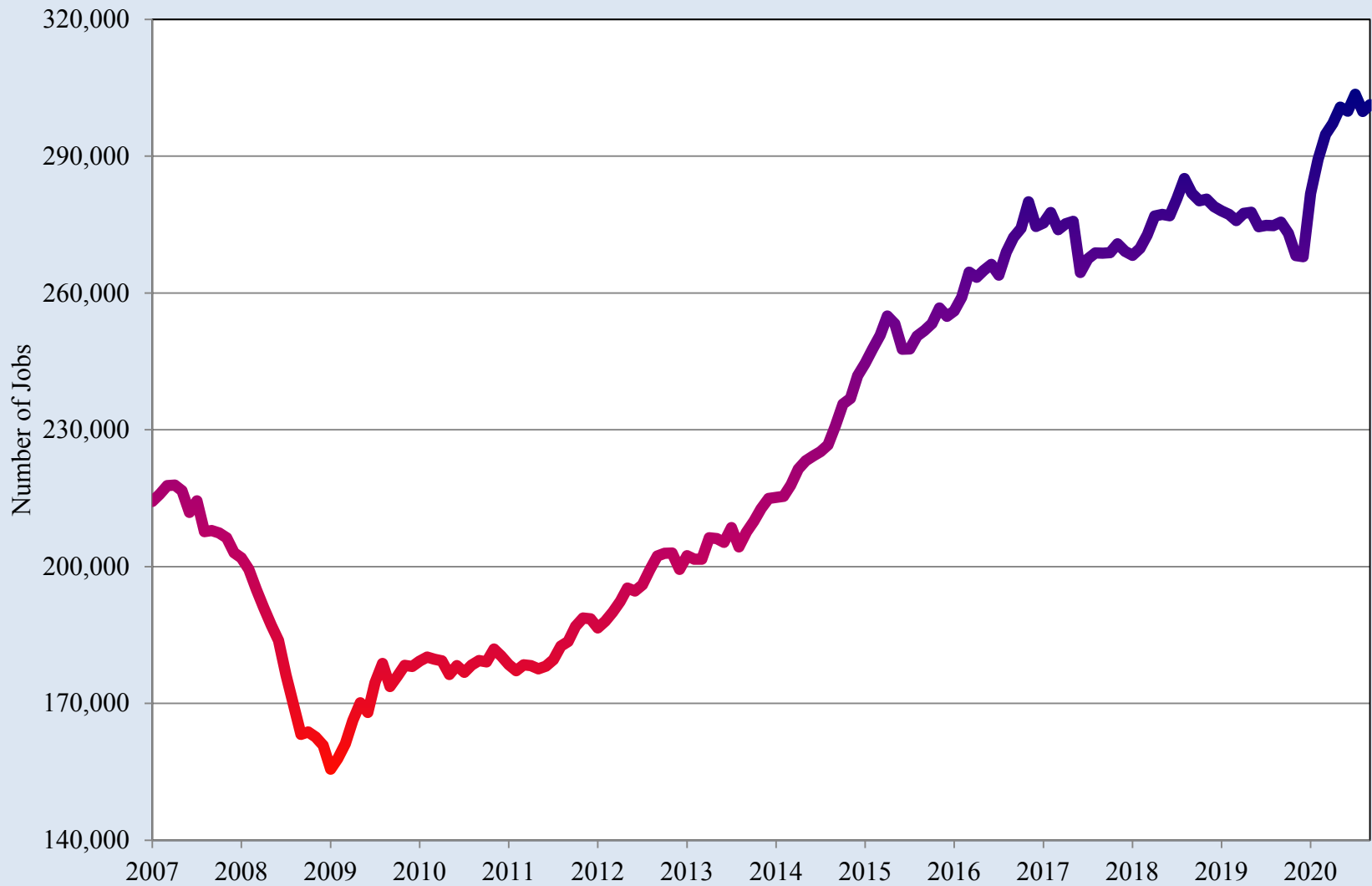
Export-Oriented Manufacturing Employment in Ciudad Juárez

2019 2020 2021



Source: INEGI

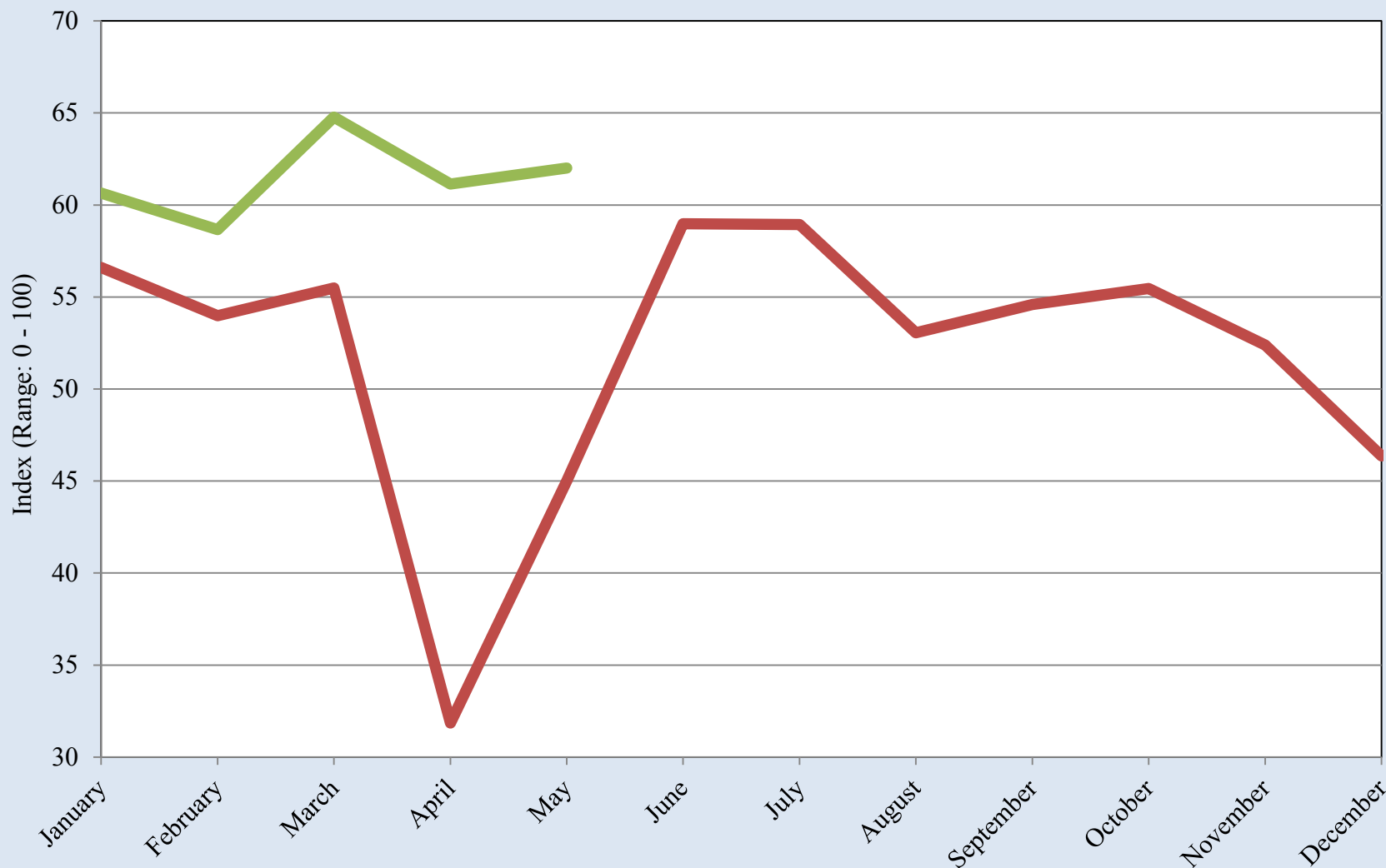
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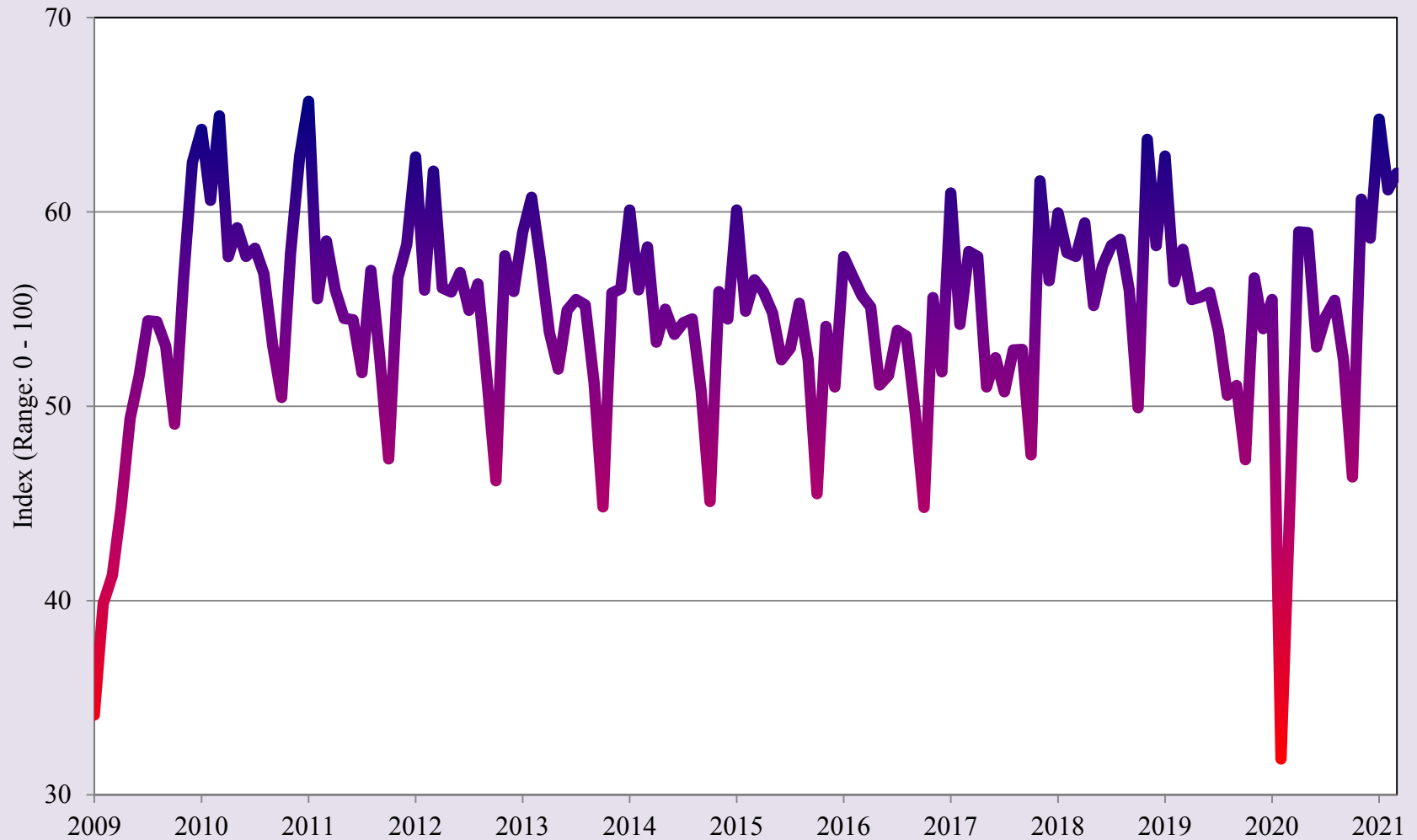
Northern Mexico Manufacturing Orders Index

2020 2021



Source: Banco de México

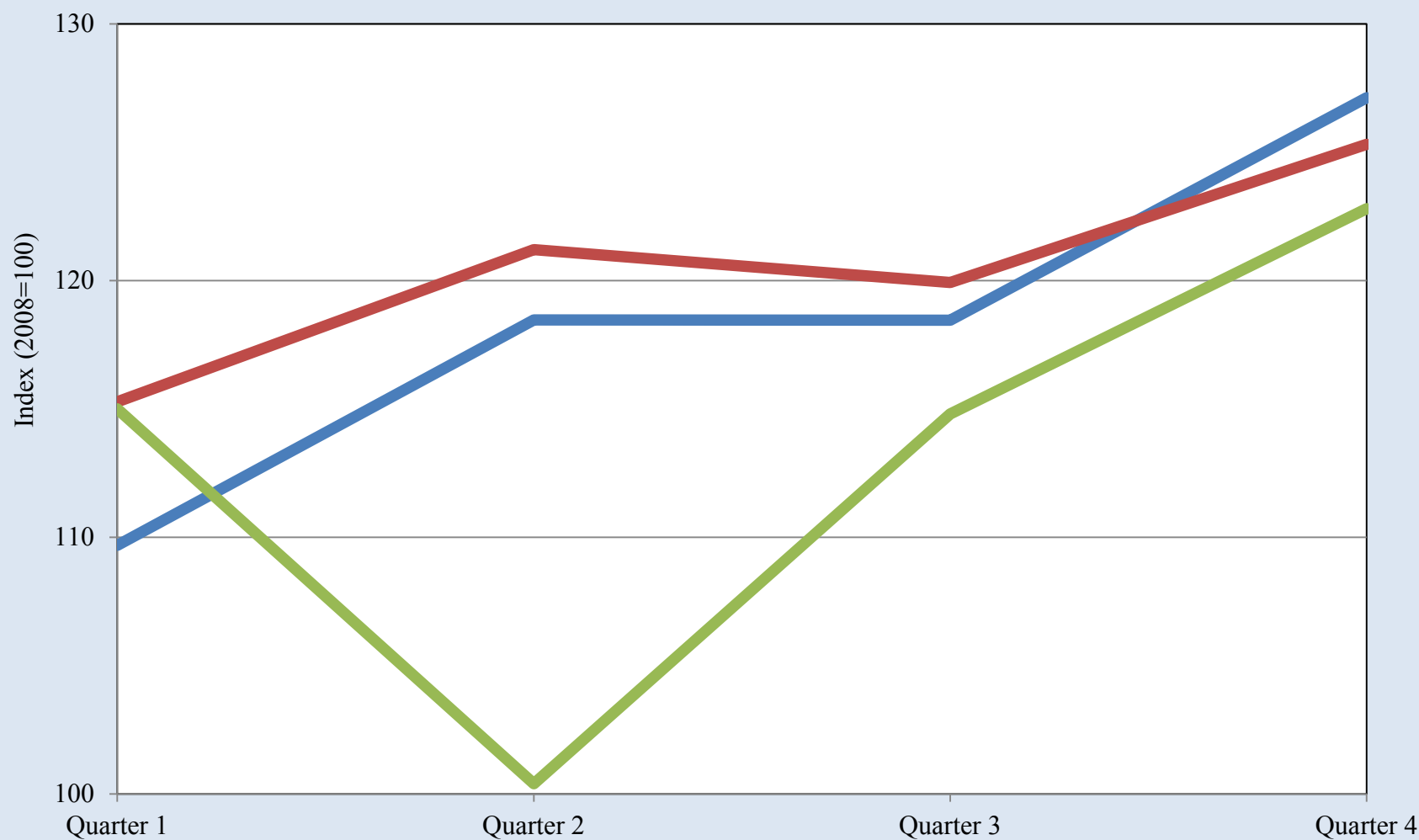
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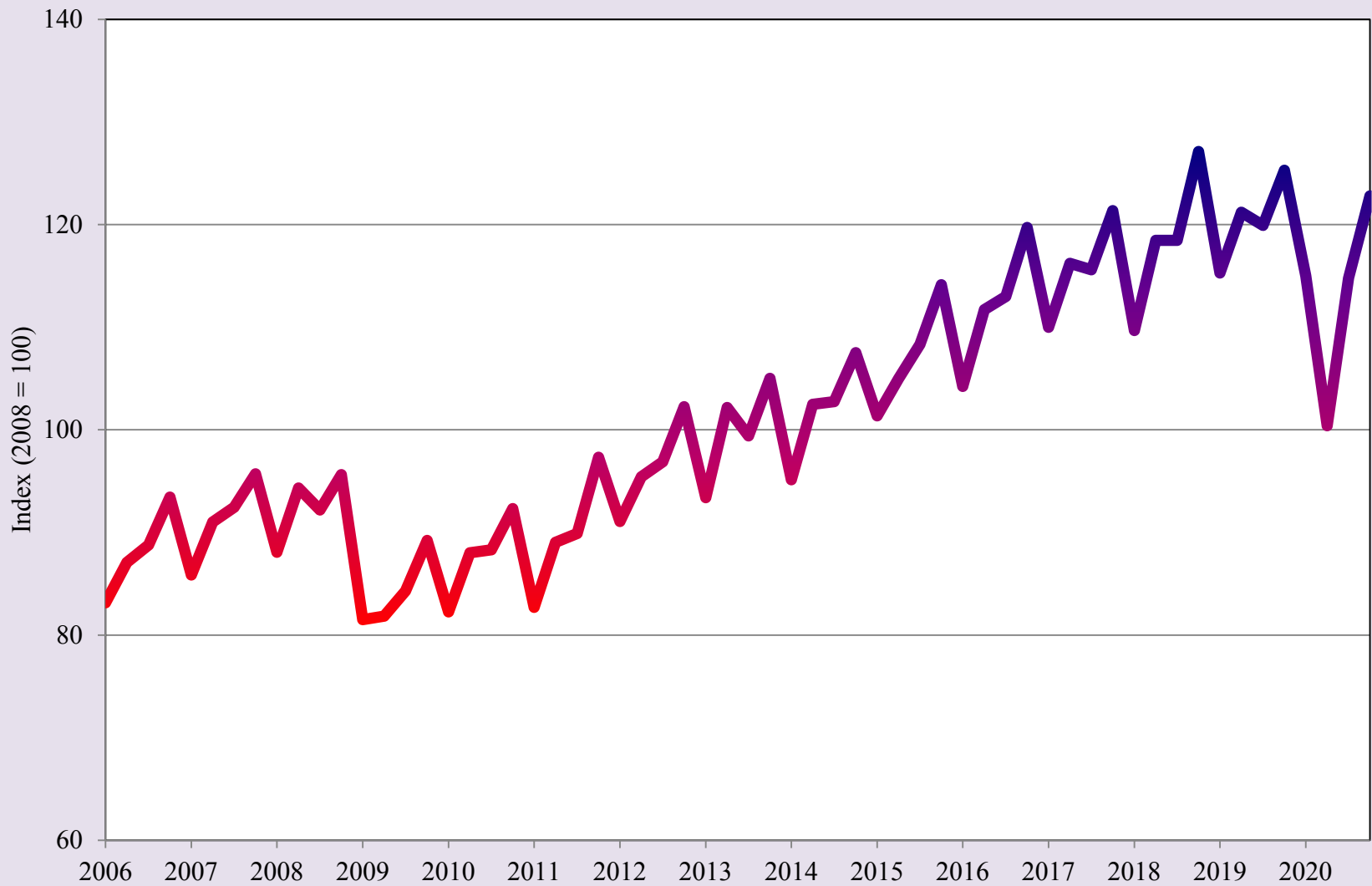
Quarterly Indicator of Economic Activity for the State of Chihuahua

2018 2019 2020



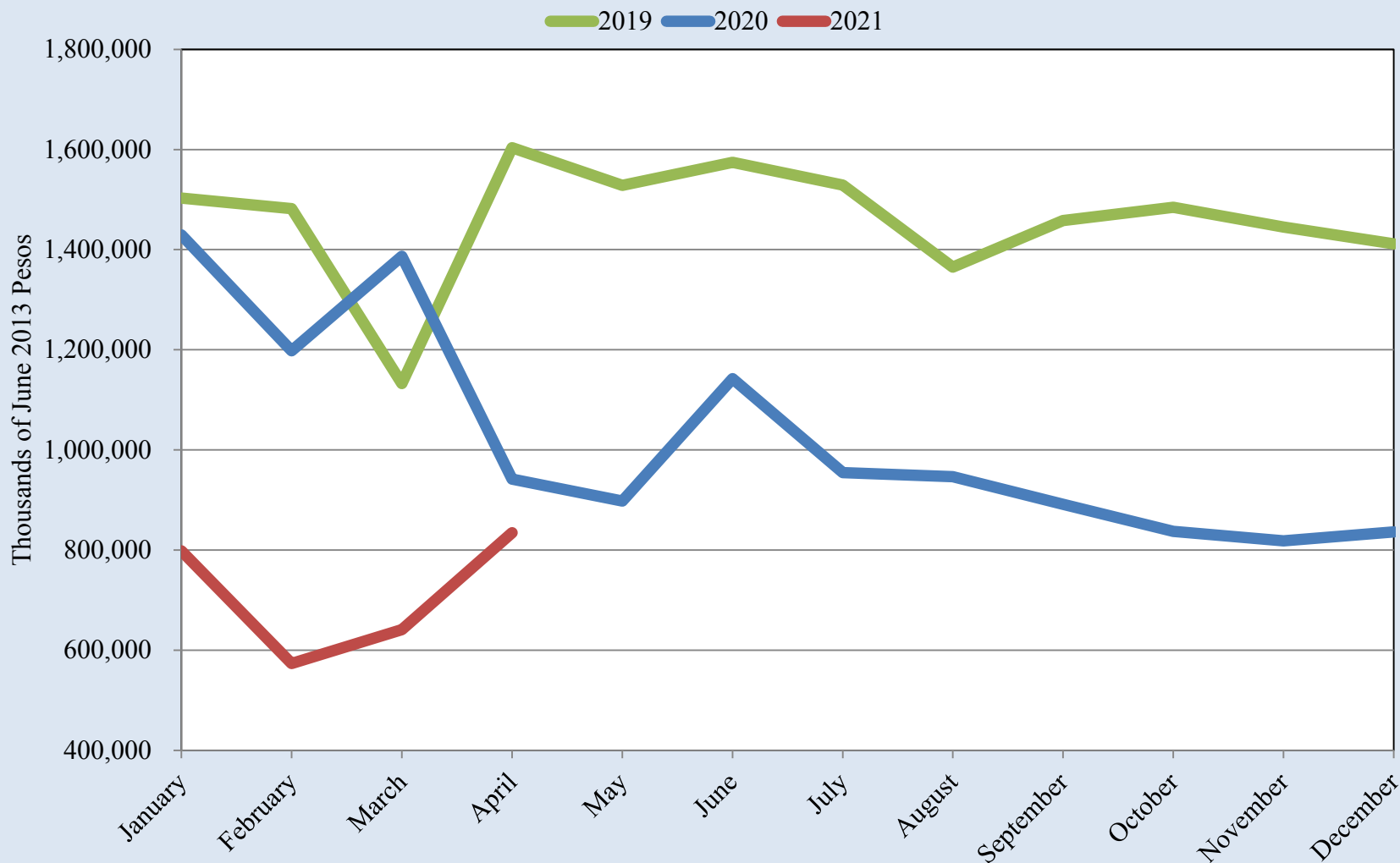
Source: INEGI

Quarterly Indicator of Economic Activity for the State of Chihuahua



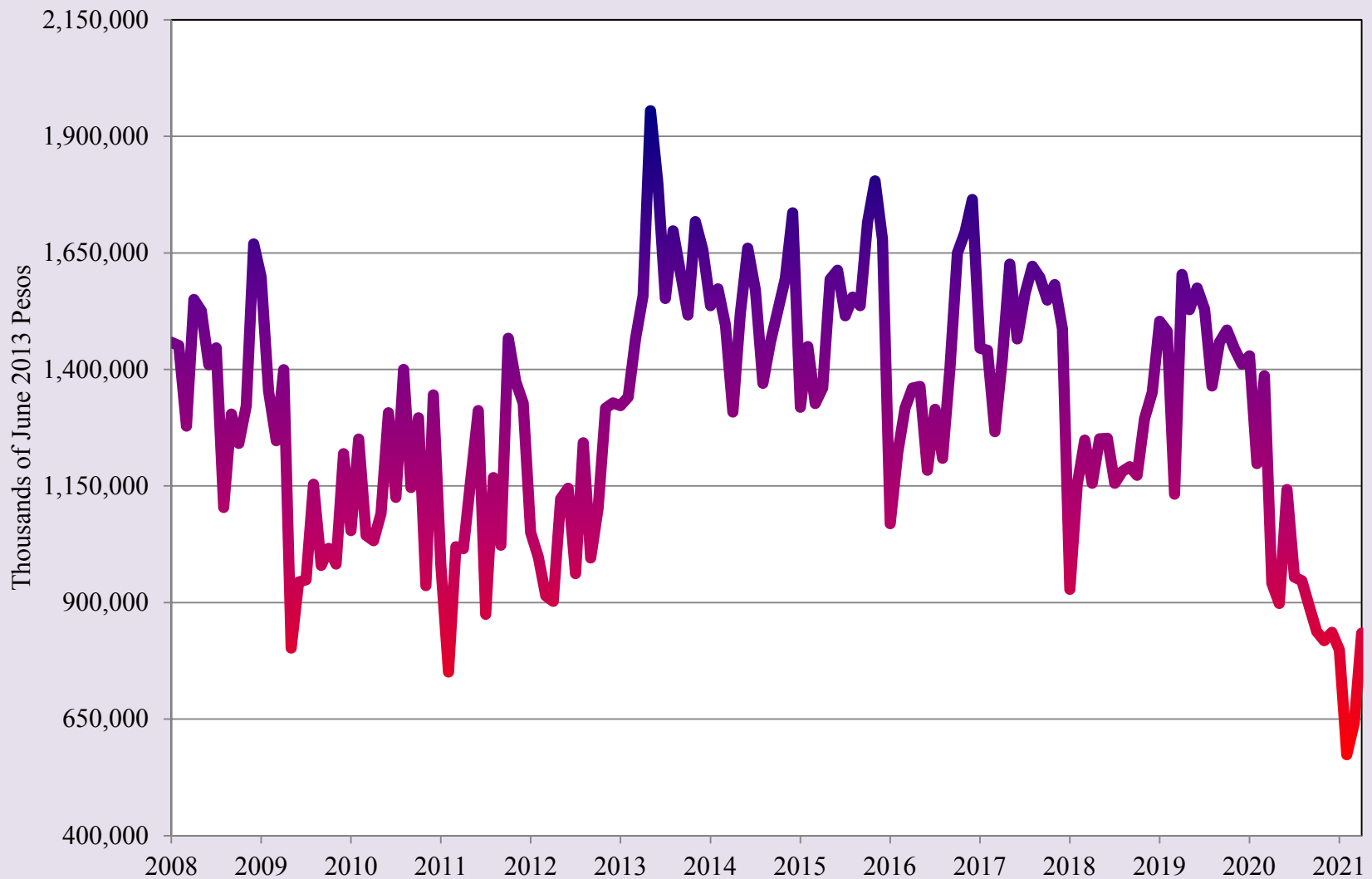
Source: INEGI

Total Value of Construction in the State of Chihuahua



Source: INEGI

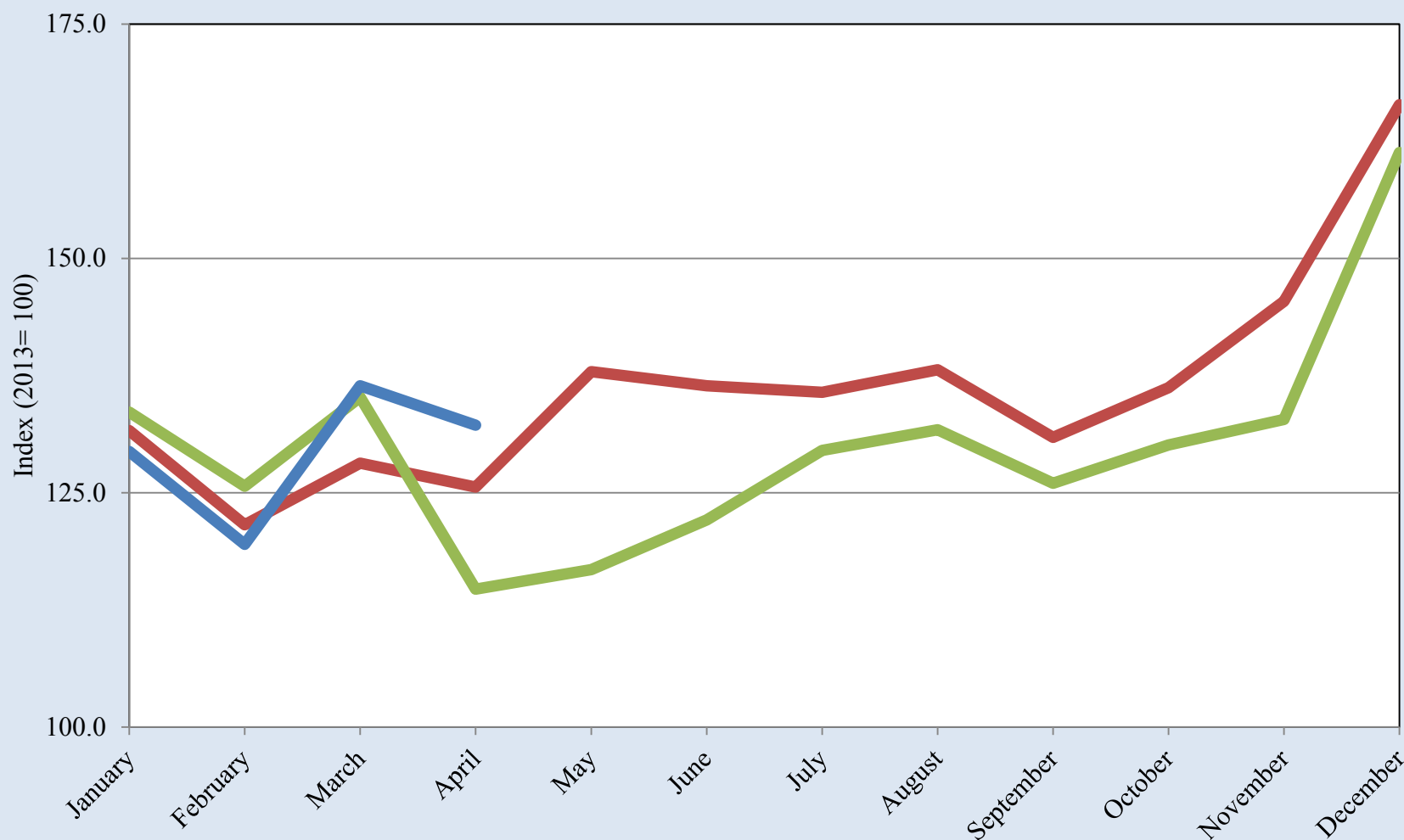
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Source: INEGI

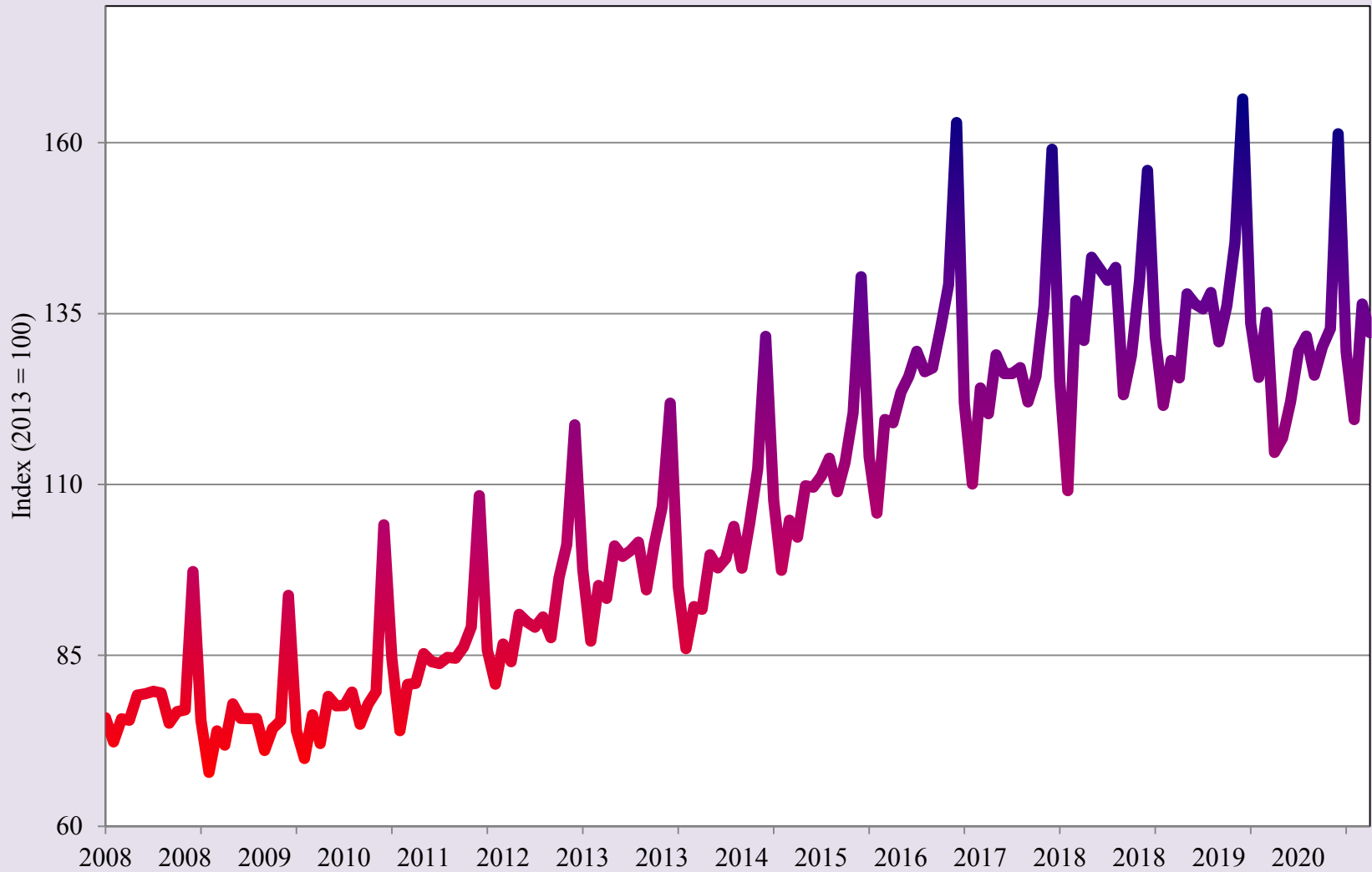
Real Retail Activity Index for the State of Chihuahua

2019 2020 2021



Source: INEGI

Real Retail Activity Index for the State of Chihuahua



Source: INEGI



Short-Term Outlook to 2022



BORDERPLEX BUSINESS BAROMETER

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