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Borderplex Business Barometer, Volume 5, Number 7

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T.M. Fullerton, Jr., S.L. Fullerton, and A.P. Gutierrez-Zubiate, 2021, Surprising Labor Market Developments, *Borderplex Business Barometer* 5(7), 1-58.



BORDERPLEX BUSINESS BAROMETER

July 2021

Border Region Modeling Project

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Border Commerce & Economics

Borderplex Business Barometer, Volume 5, Number 7

Surprising Labor Market Developments

The Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycle Index rose for a seventh consecutive month in June. Accompanying that development, the UTEP BRMP El Paso Household Economic Stress Index declined, again, in June. While that indicates that economic conditions are improving, substantial risks still exist in terms of the Delta variant of the Novel Coronavirus. Those risks are more serious in Ciudad Juarez than in El Paso, but a severe outbreak in the former will also affect economic performance in the latter.

The June unemployment rates in El Paso and Las Cruces were substantially lower than those observed 12 months ago during the COVID-19 lockdown. As each metropolitan economy has lifted lockdown restrictions, businesses in both cities have found it difficult to recruit employees. Suspicions linger that labor force participation has declined as a consequence of the \$300 per week federal supplemental unemployment insurance payments. Other factors are also influencing the region.

As underscored by the spreading COVID-19 Delta variant, there are serious health care concerns faced by many households. Daycare center closures and staffing shortages also prevent many adults from seeking work because they have young children at home. Similarly, many households with school-aged children cannot re-enter the labor force until August or September, when schools will re-open. Both of those factors disproportionately reduce female workforce participation.

Structural changes are also affecting regional labor markets. The Baby Boom generation is steadily aging into retirement. While some continue to work on part-time schedules, many others permanently withdraw from the labor force. Net international migration peaked in 1998 and, contrary to widespread opinion, has declined every year since. That further reduces the pool of working-aged adults available in this region and beyond.

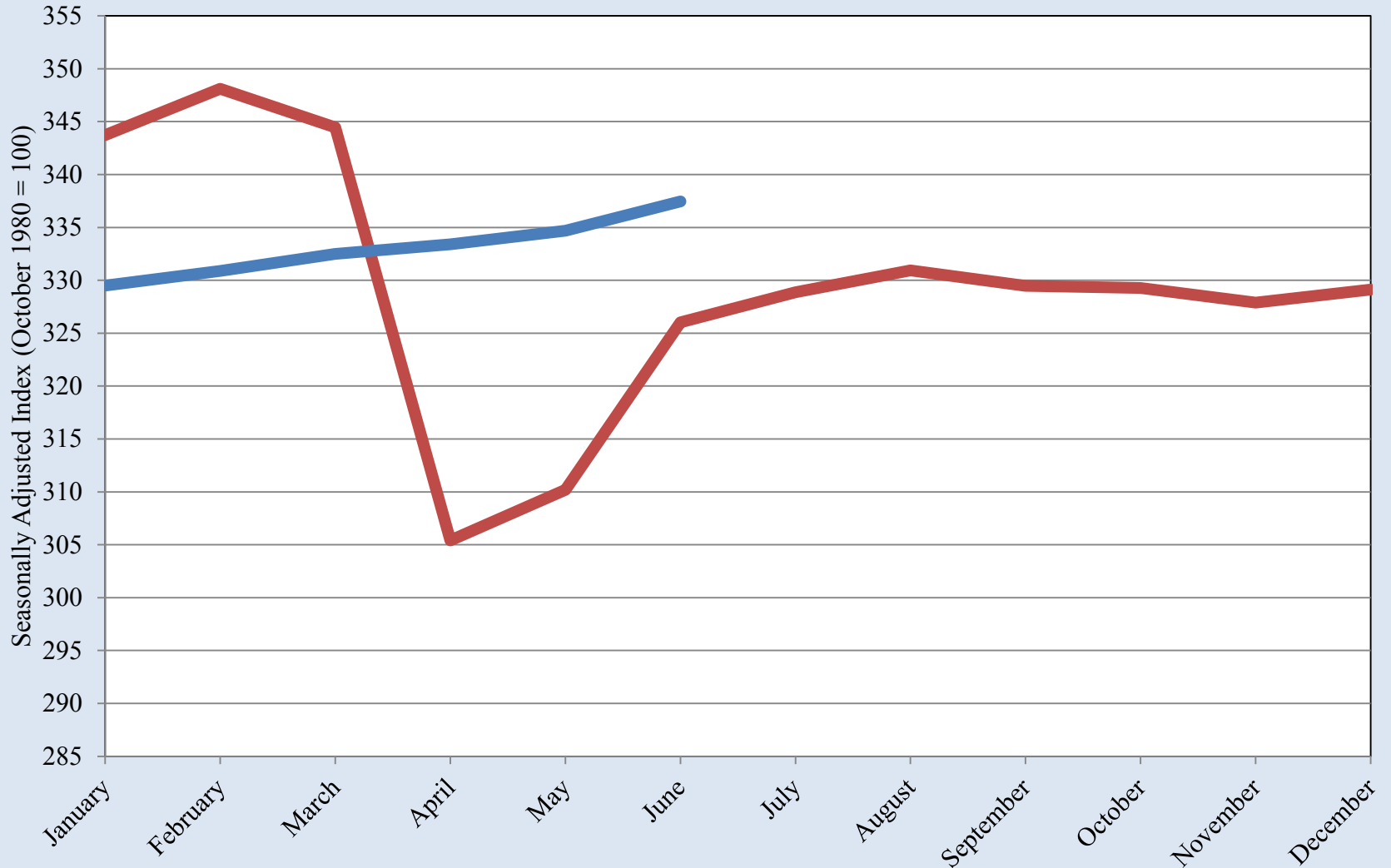
Work habits are also changing due to personal choices among those whose jobs were impacted by lay-offs or terminations during the lockdown. Many workers who initially lost jobs have now decided to work only part-time. Others have become self-employed. Labor supplies were tight before the pandemic, and they are even tighter in the aftermath of the pandemic.

As business leaders will affirm, regional labor markets have been affected by all of these developments. Civilian labor forces in El Paso and Las Cruces fell sharply during the second quarter of 2020. The most recent observations are for June 2021. In the case of El Paso, the civilian labor force is now estimated to be larger than what it was in June 2019. In Las Cruces, the labor force has not quite recovered to its June 2019 level, but is within striking distance of that threshold

In Ciudad Juarez, labor market conditions have been buffeted by the pandemic as well as the non-essential travel restrictions enacted by Ottawa, Washington, and Mexico City. Industrial business conditions are strong and 2021 IMMEX employment figures exceed those of 2019. Commerce is still struggling, however, and payrolls remain hampered by weak sales conditions and ongoing health care difficulties.

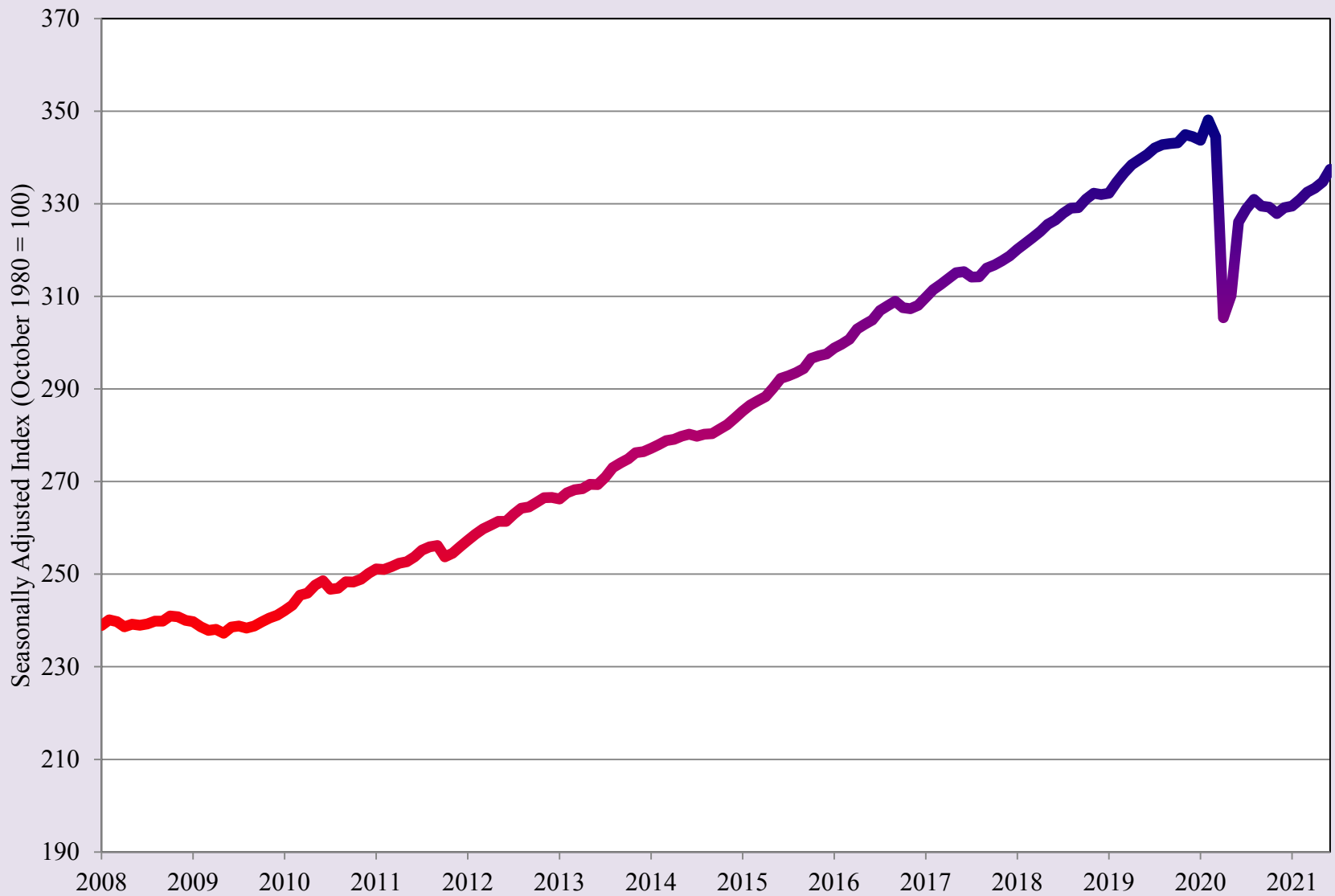
El Paso Metropolitan Business Cycle Index

2020 2021



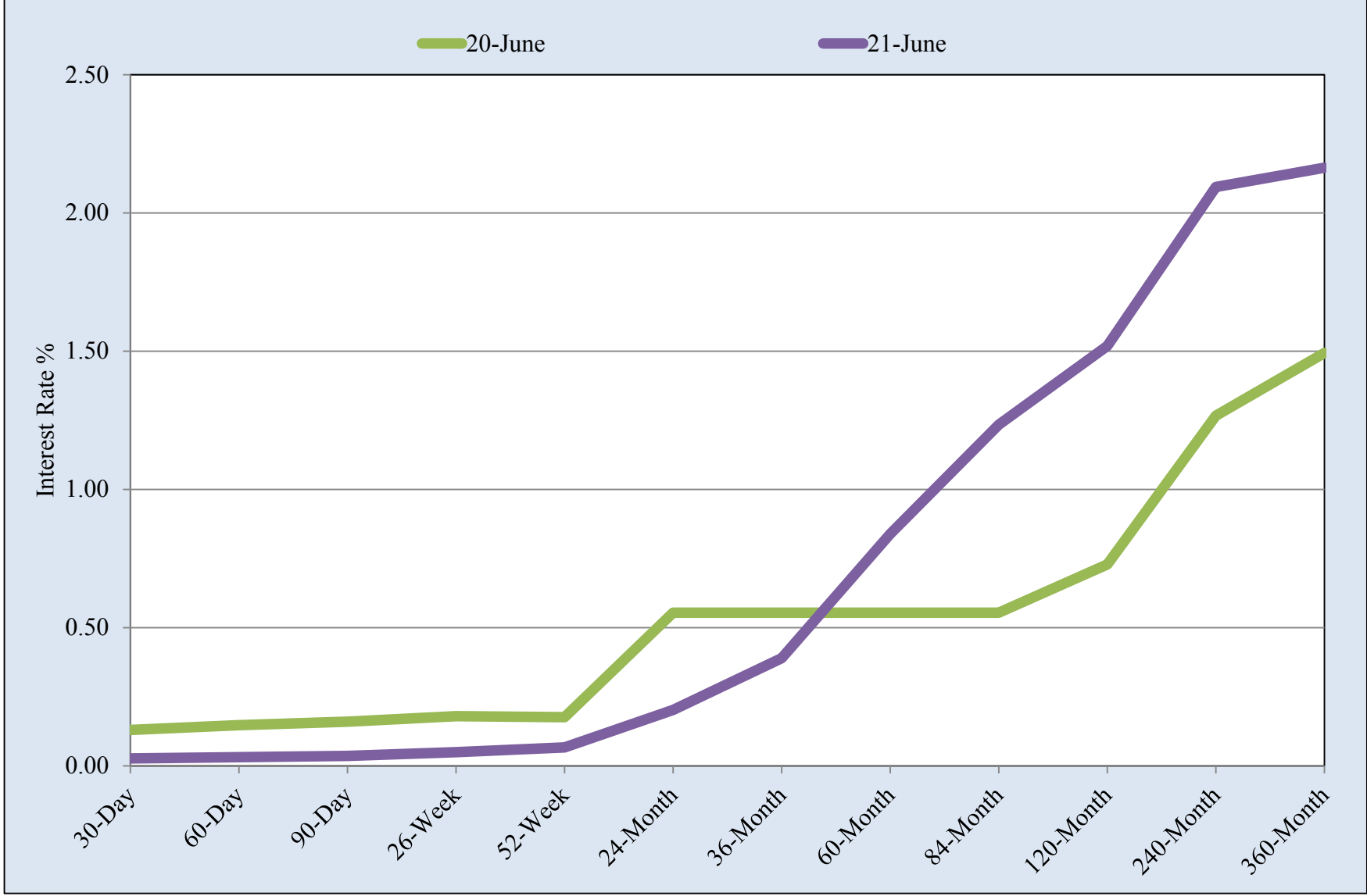
Source: Federal Reserve Bank of Dallas

El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

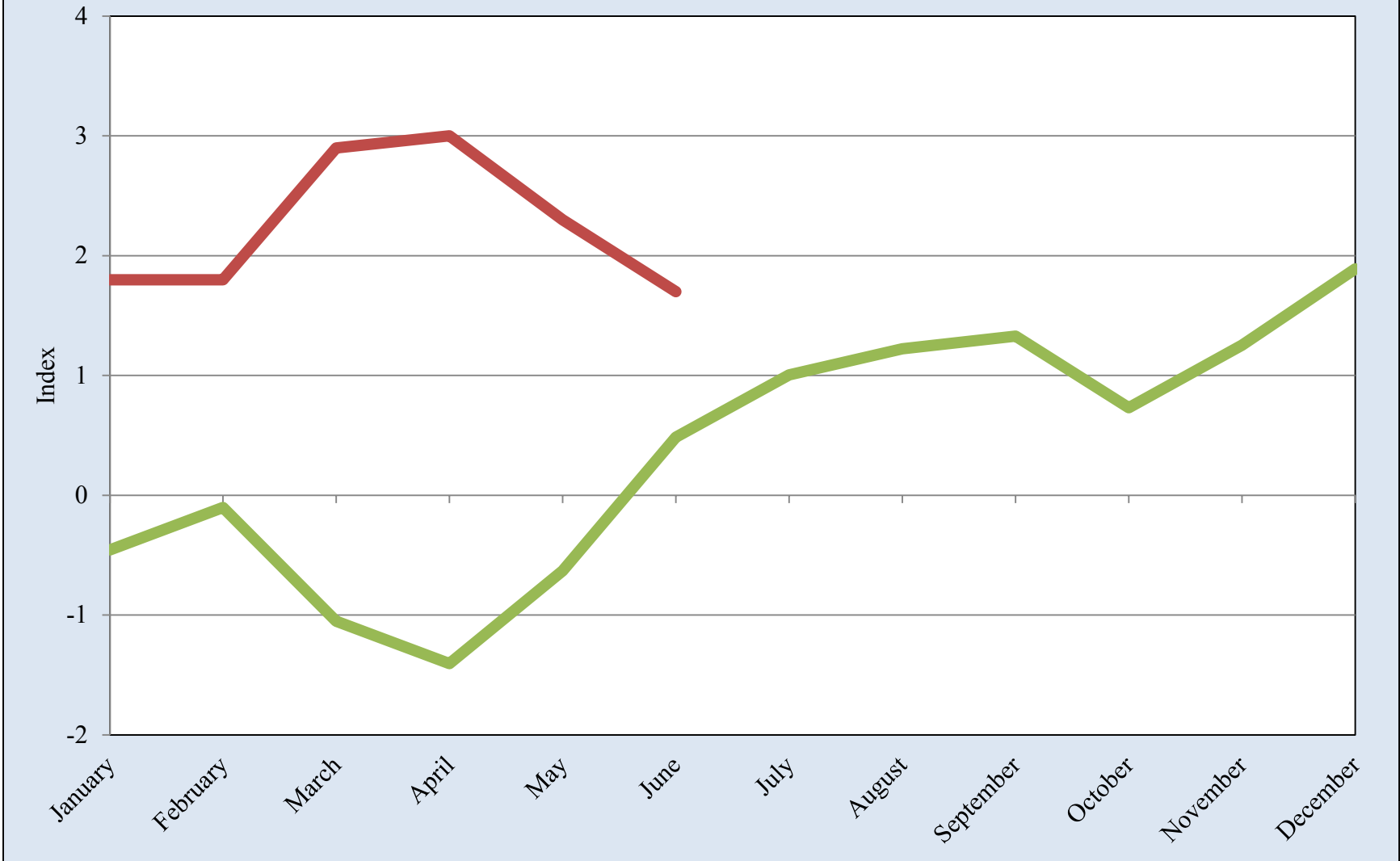
Average Treasury Yield Curve Rates



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

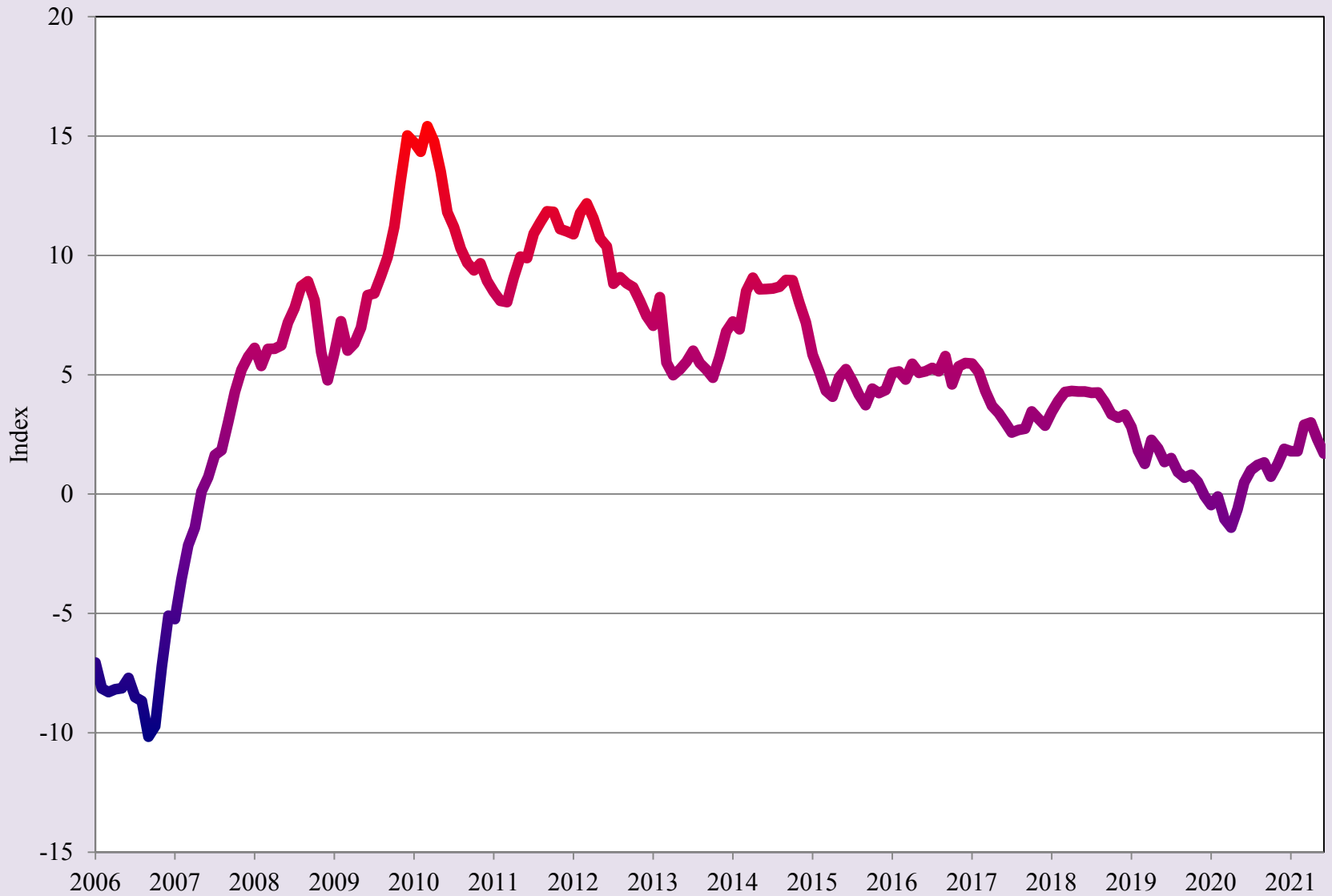
El Paso Household Economic Stress Index

2020 2021



Source: UTEP Border Region Modeling Project

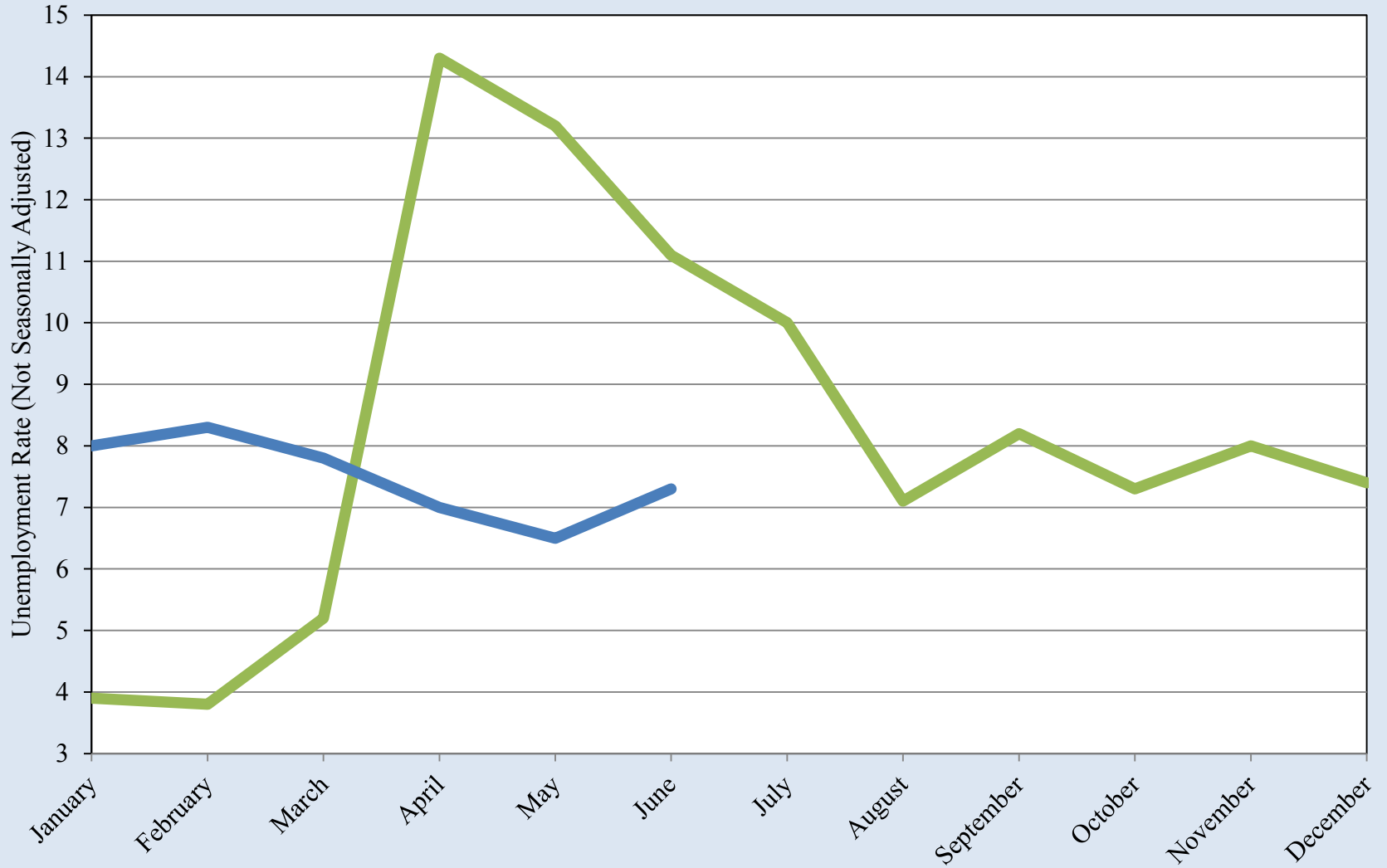
El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

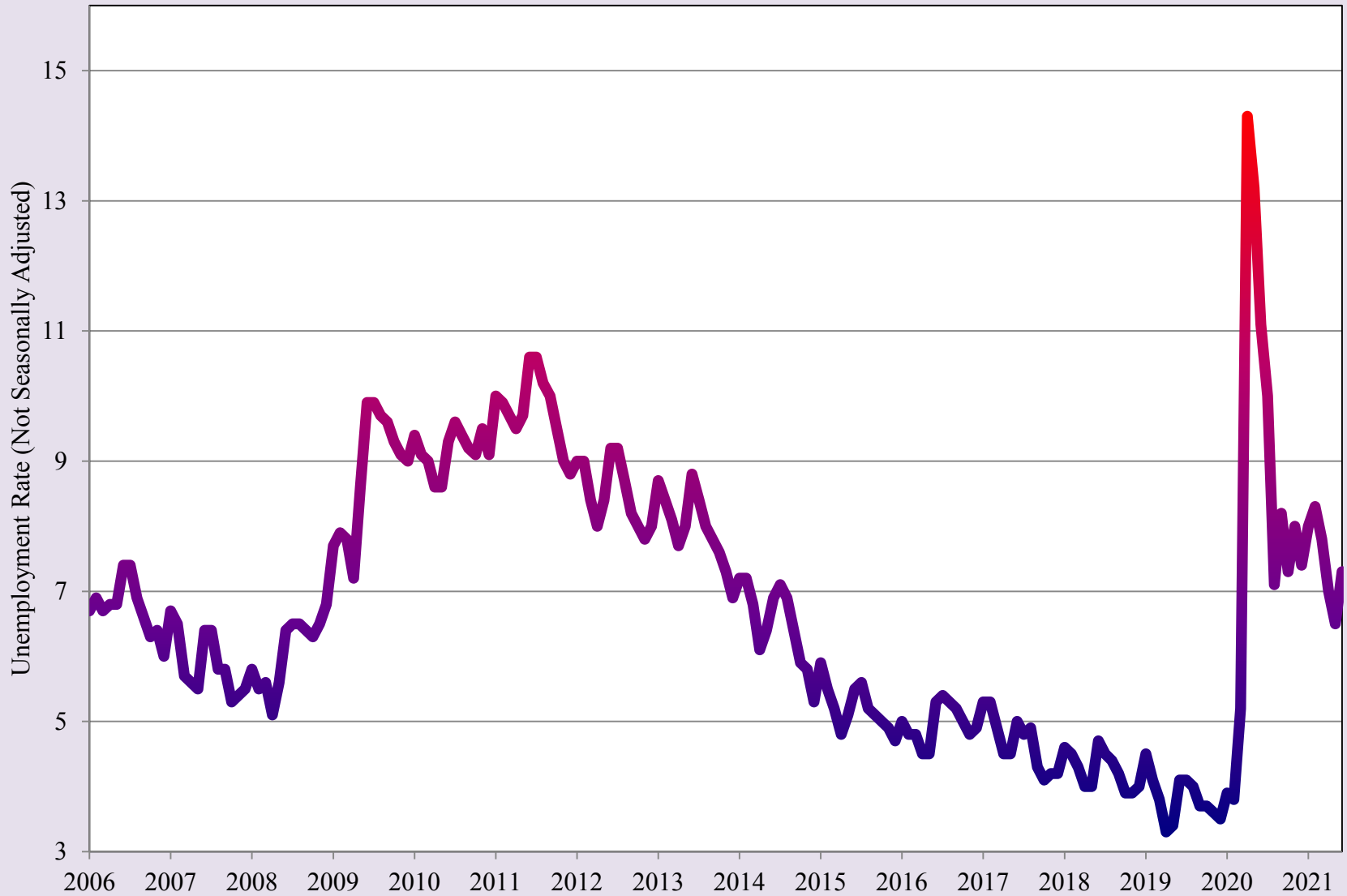
El Paso County Unemployment Rate

2020 2021



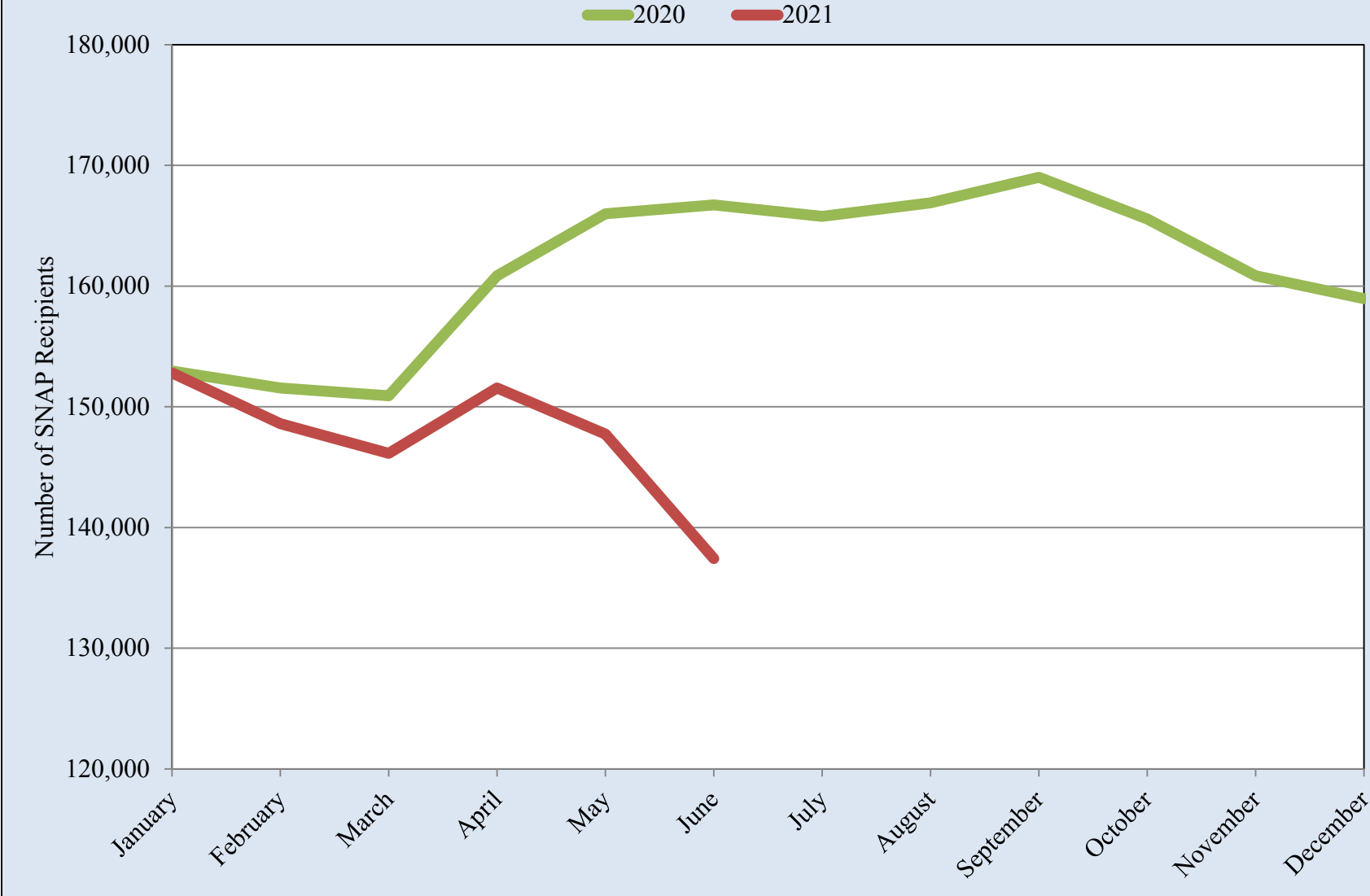
Source: Bureau of Labor Statistics

El Paso County Unemployment Rate



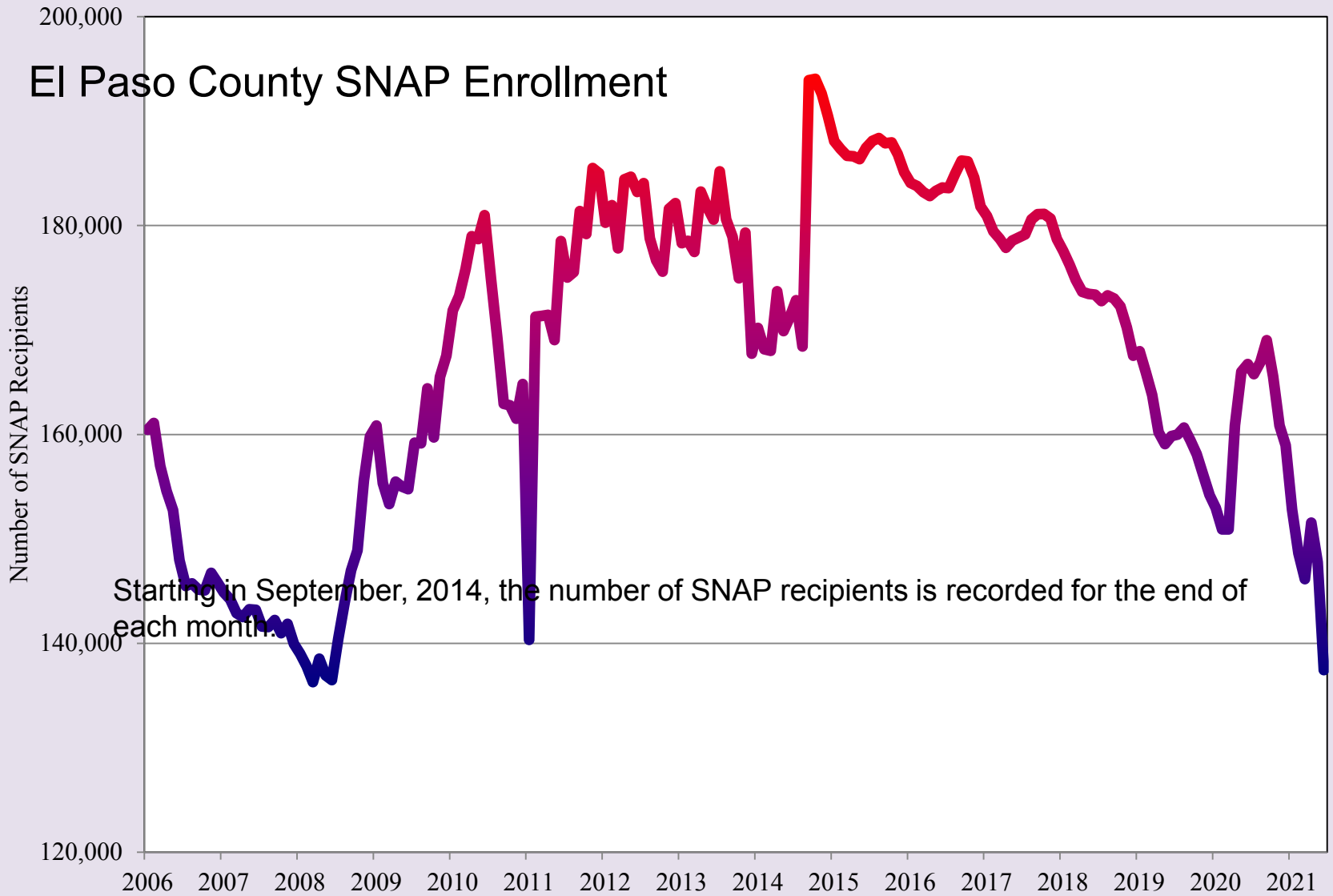
Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

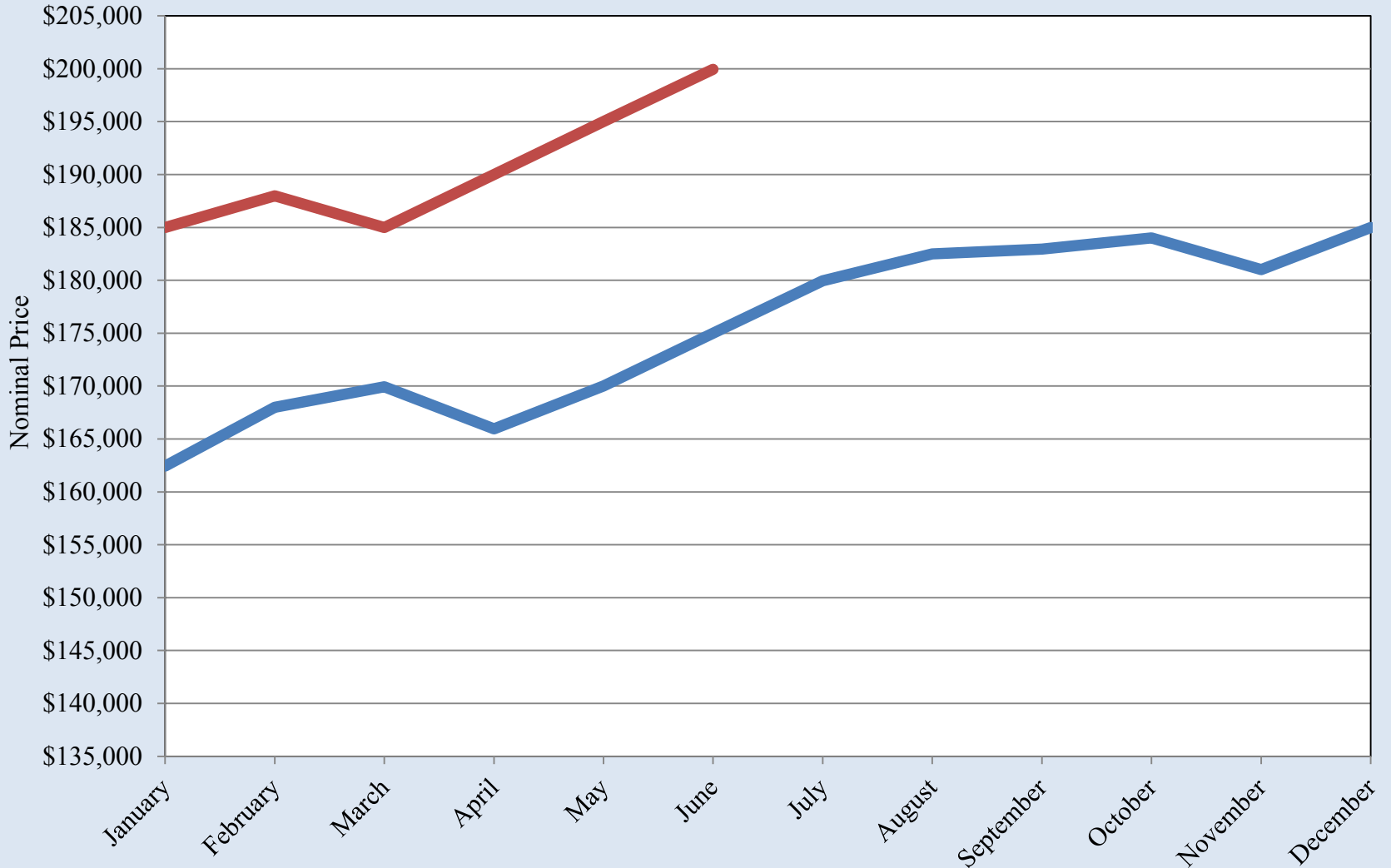
El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

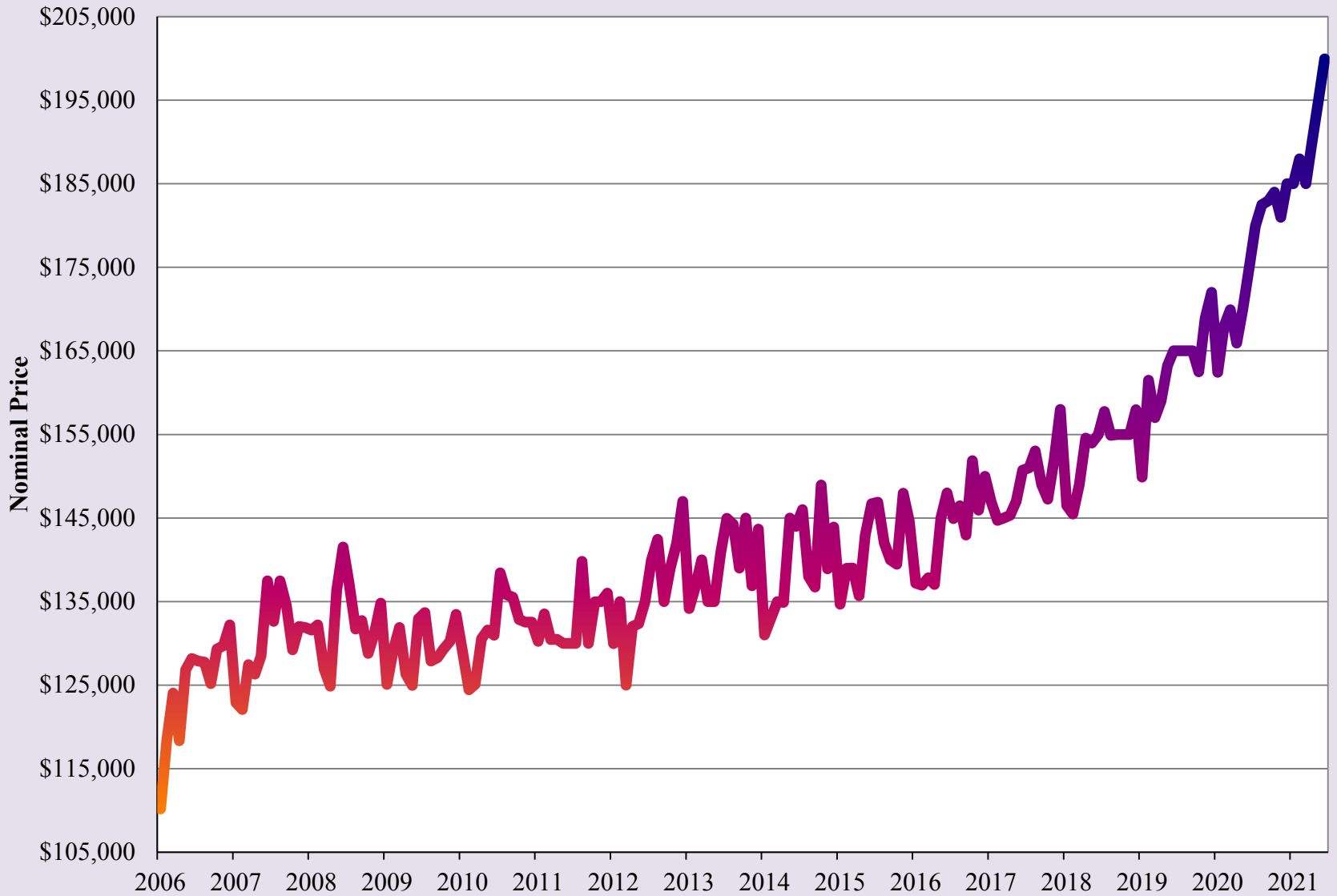
El Paso Median Housing Prices

— 2020 — 2021



Source: Texas A&M Real Estate Center

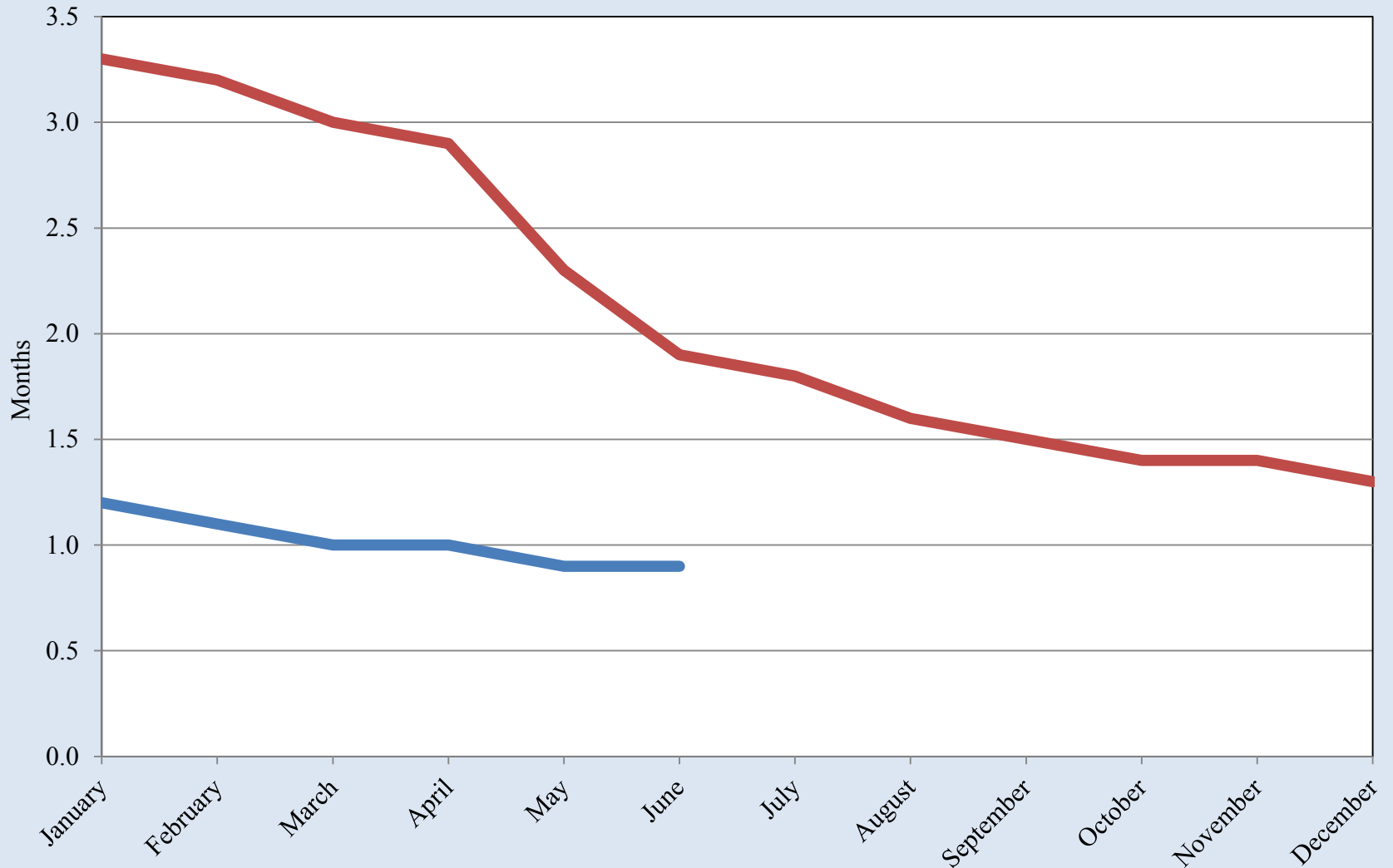
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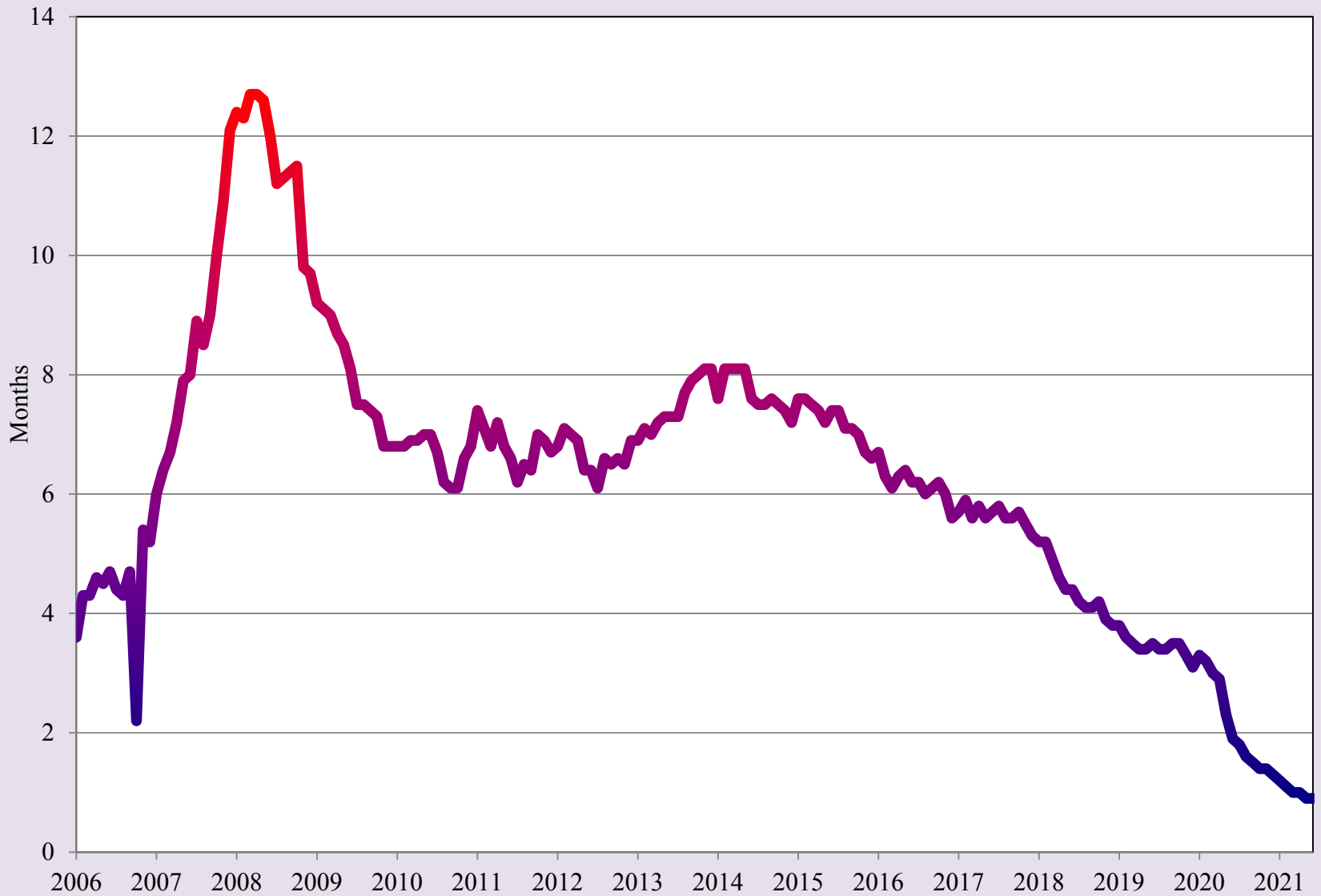
Months of Housing Inventory for El Paso

2020 2021



Source: Texas A&M Real Estate Center

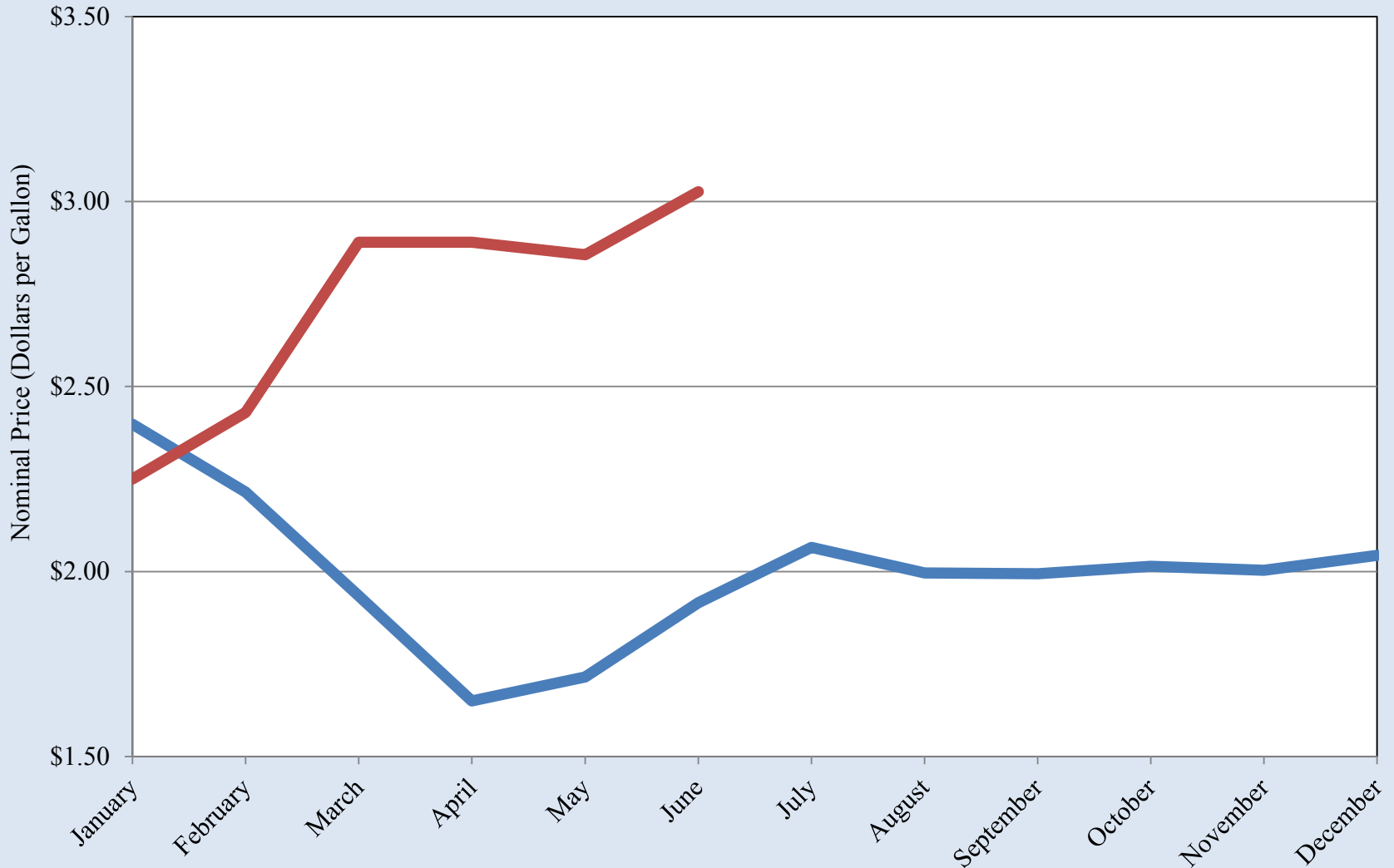
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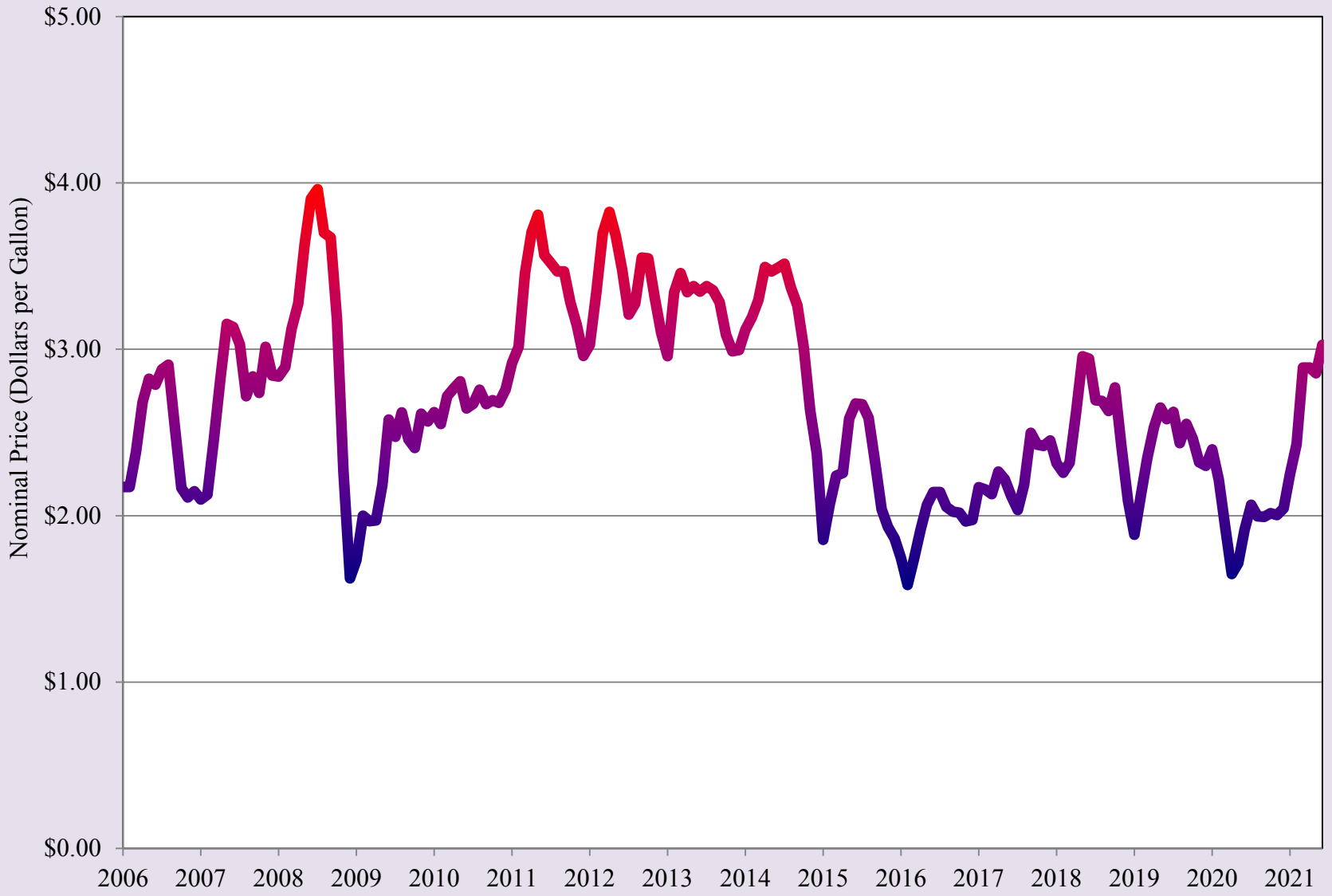
El Paso Gasoline Prices

2020 2021



Source: GasBuddy.com

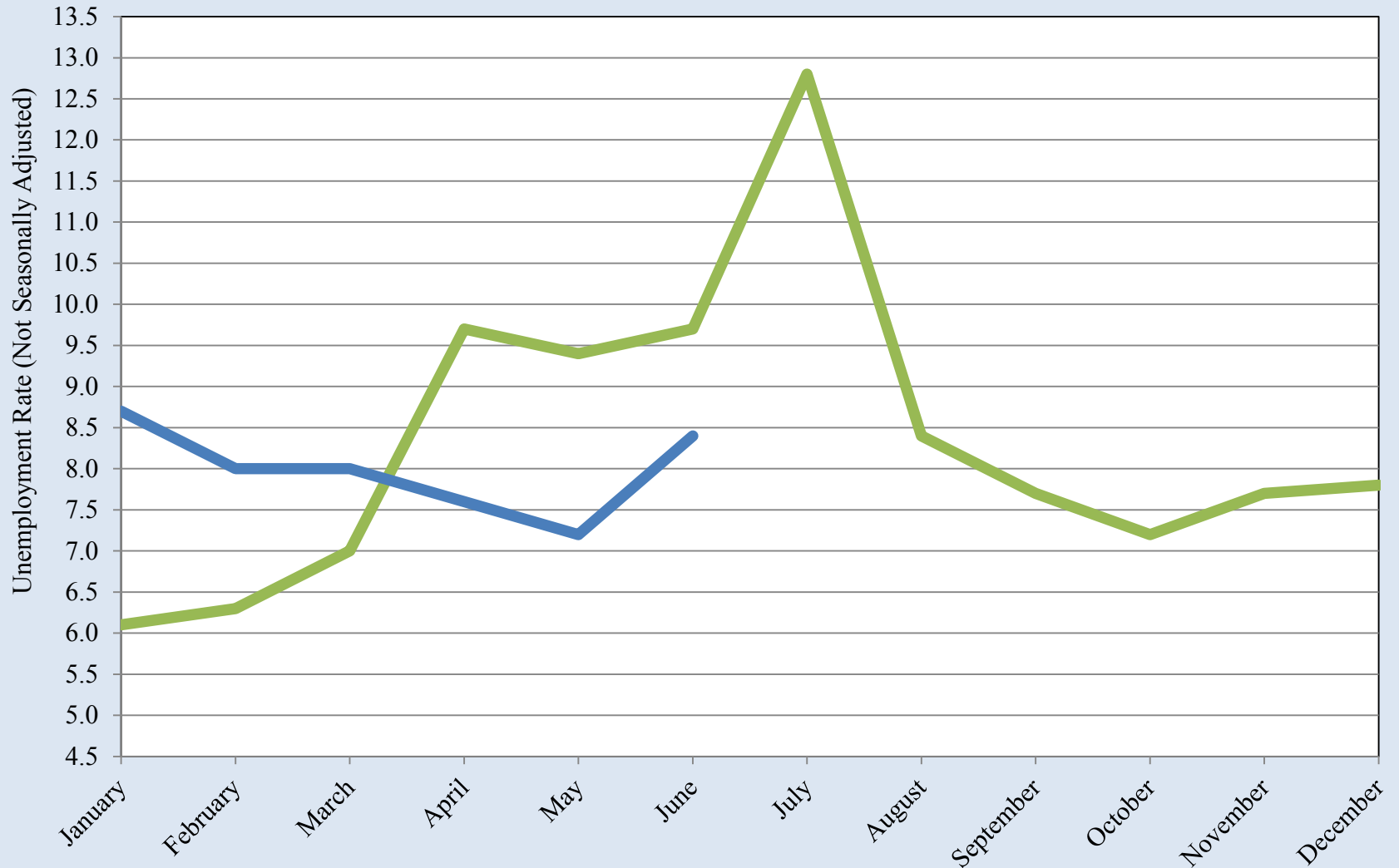
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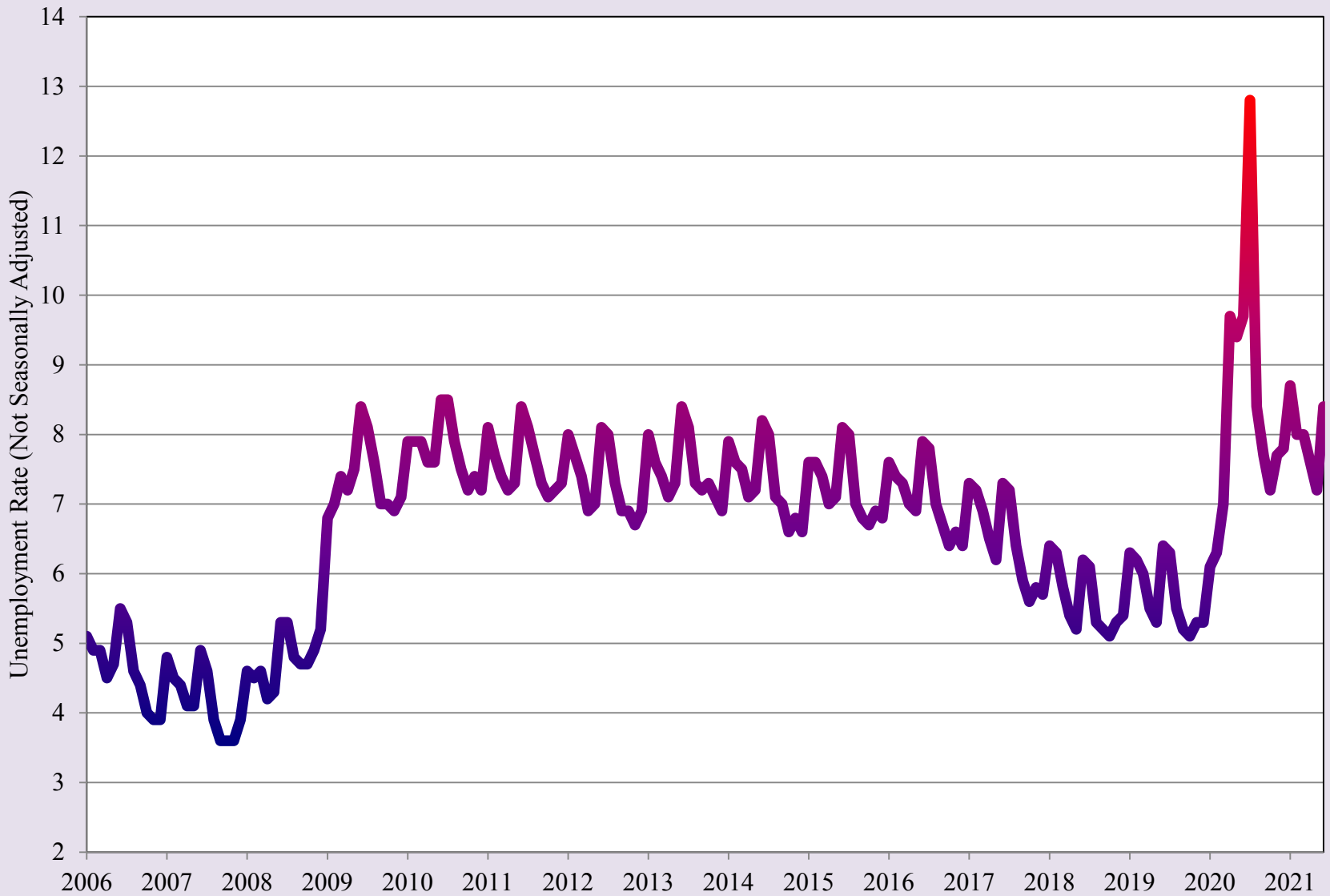
Doña Ana County Unemployment Rate

2020 2021



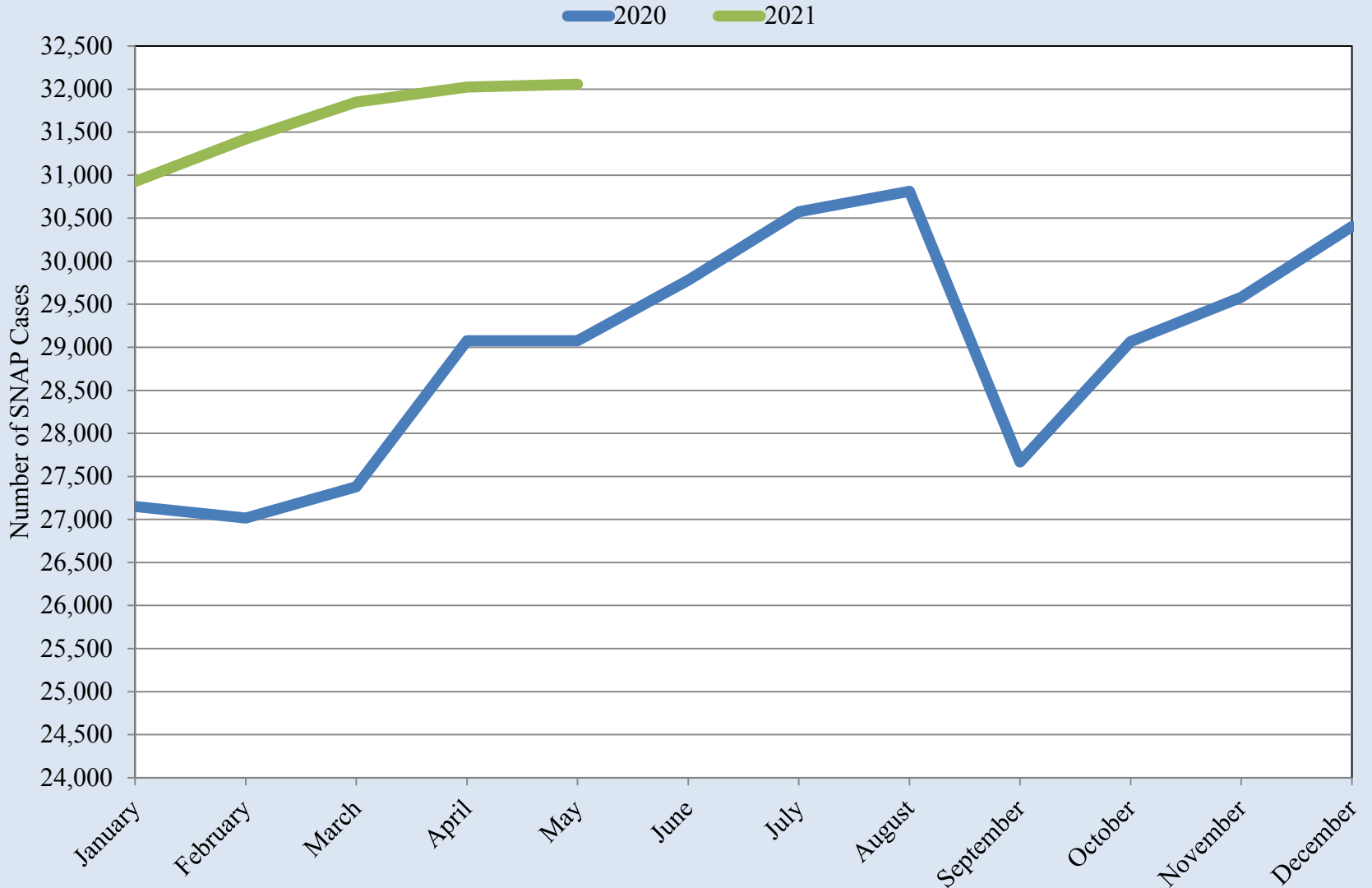
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



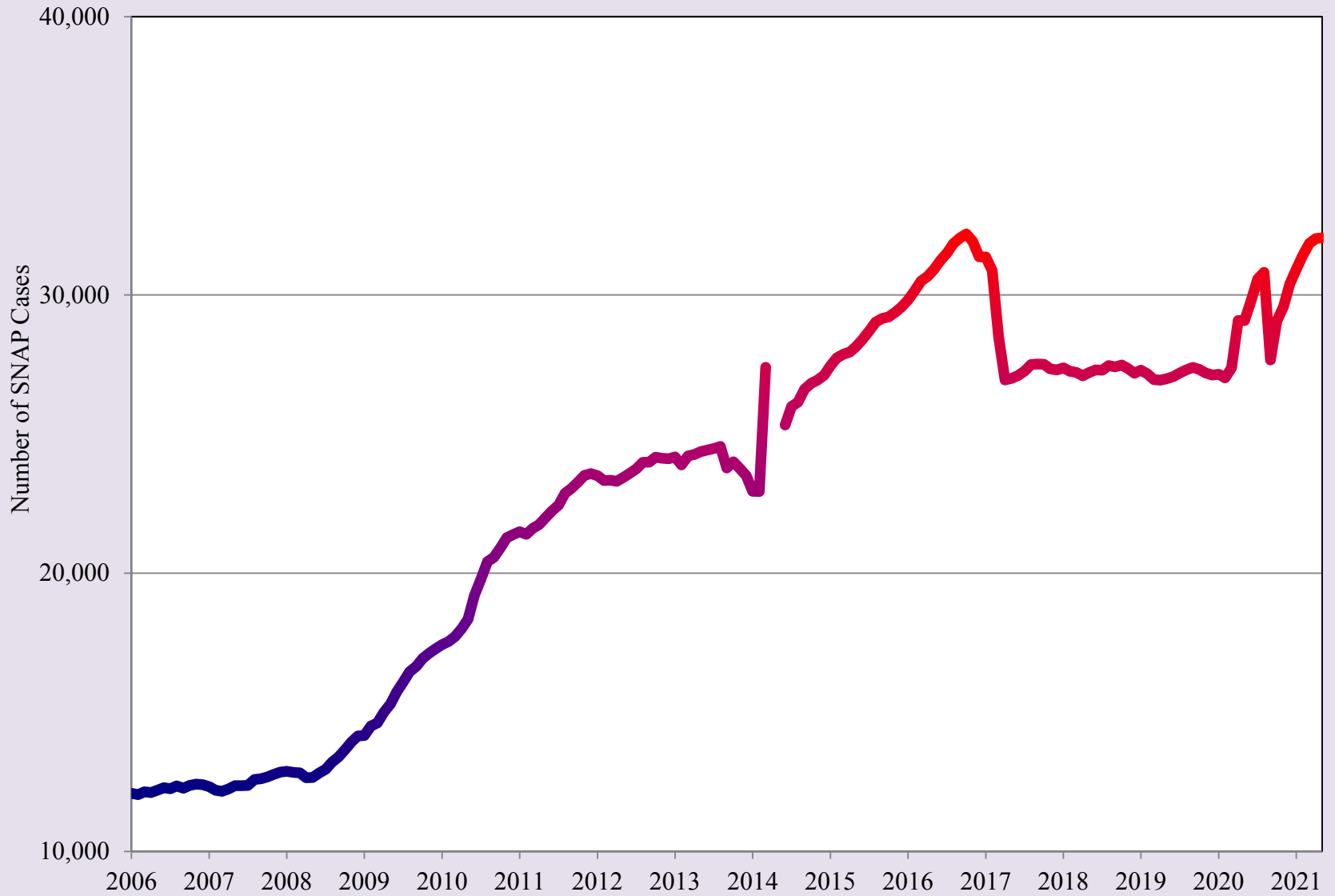
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



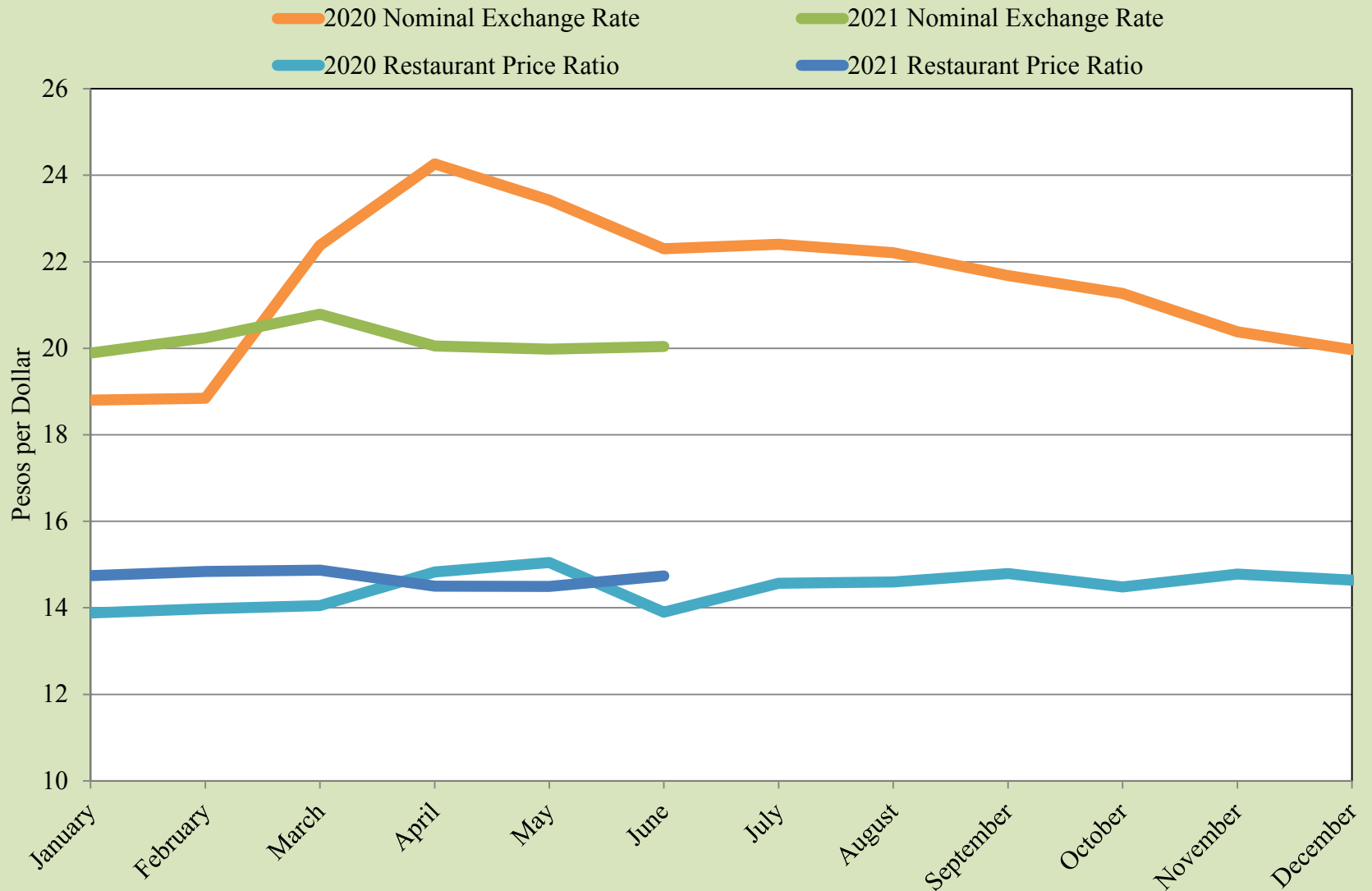
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



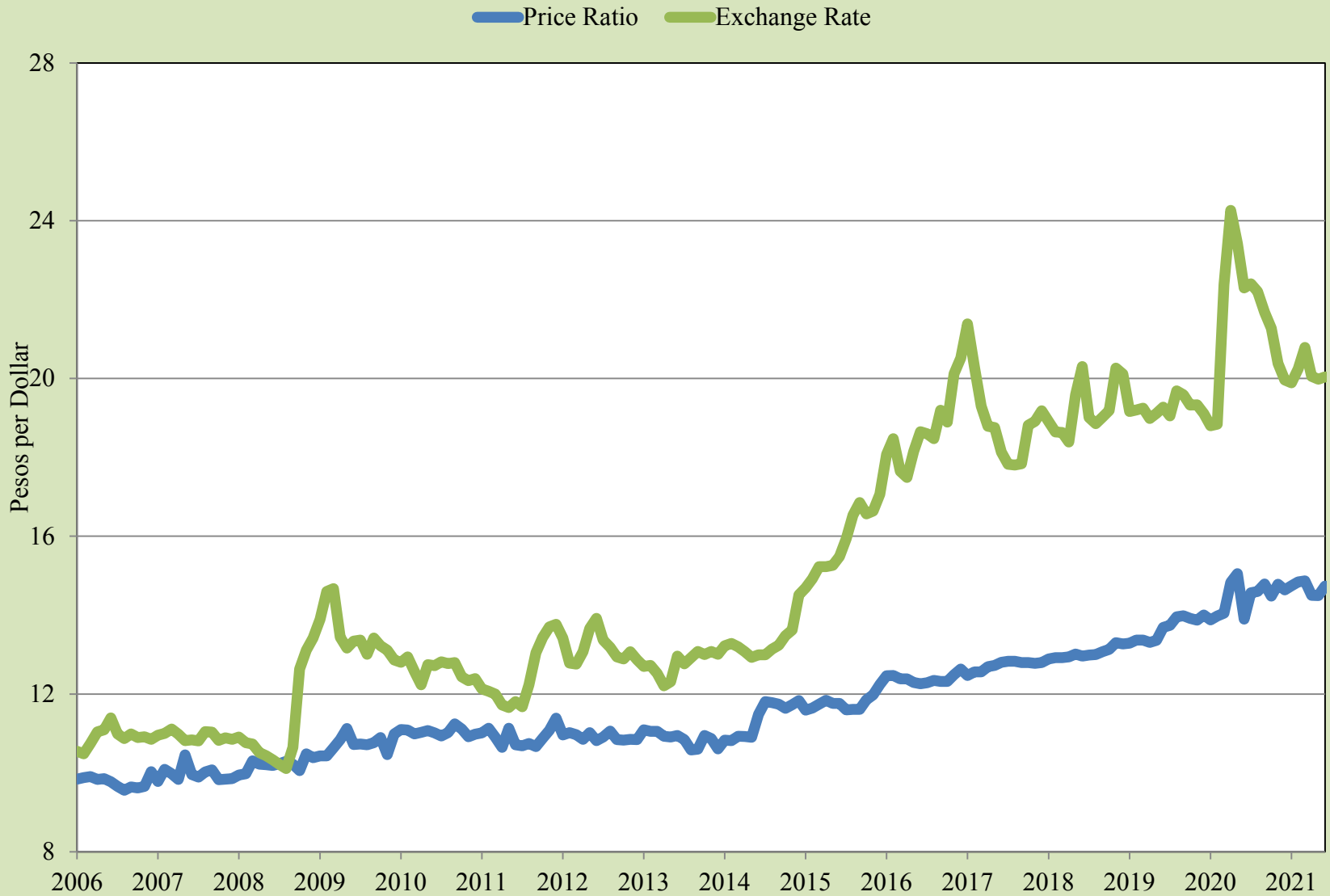
Source: New Mexico Human Services Department

Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

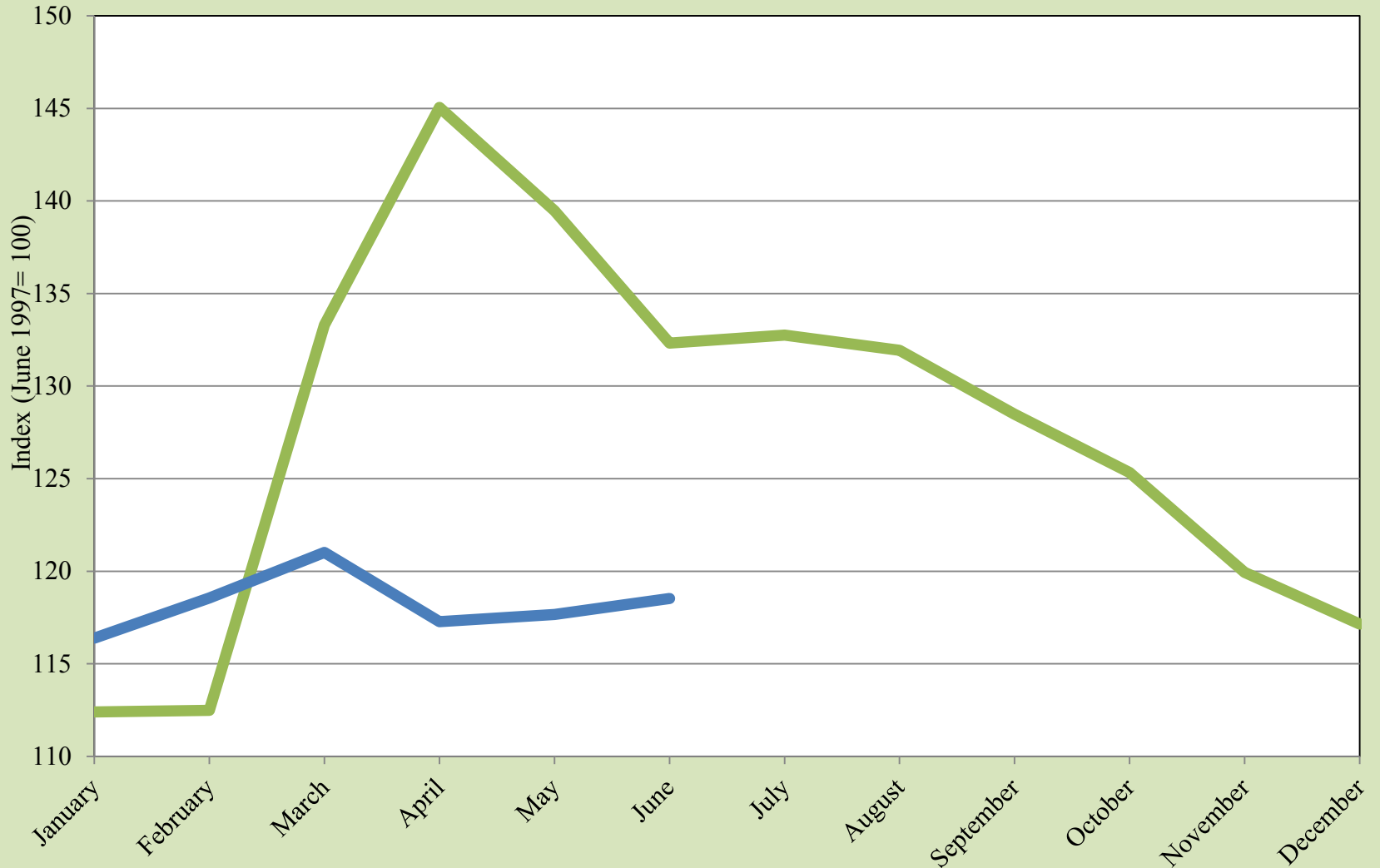
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso-per-Dollar Exchange Rate Index

— 2020 — 2021



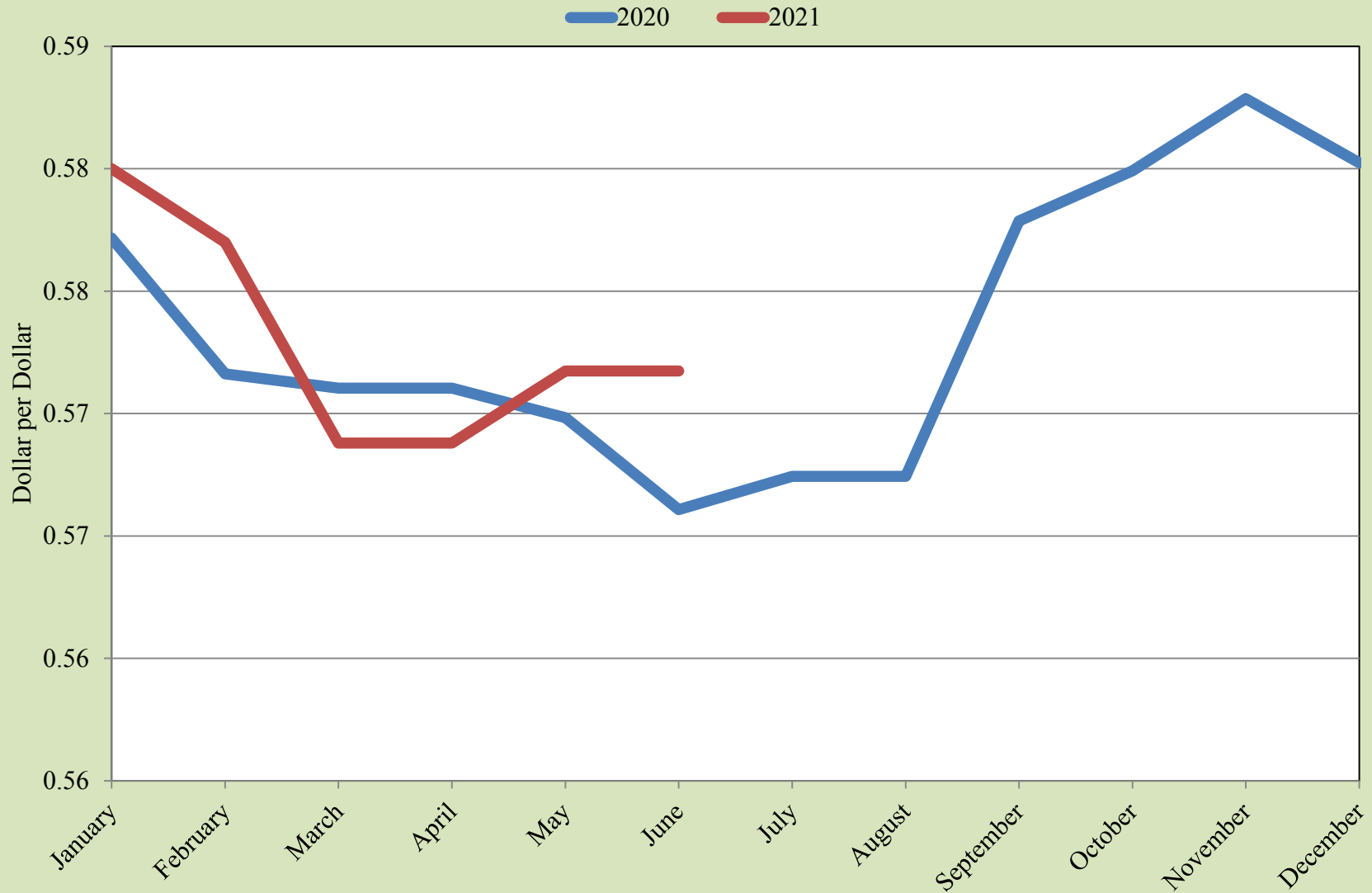
Source: UTEP Border Region Modeling Project

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

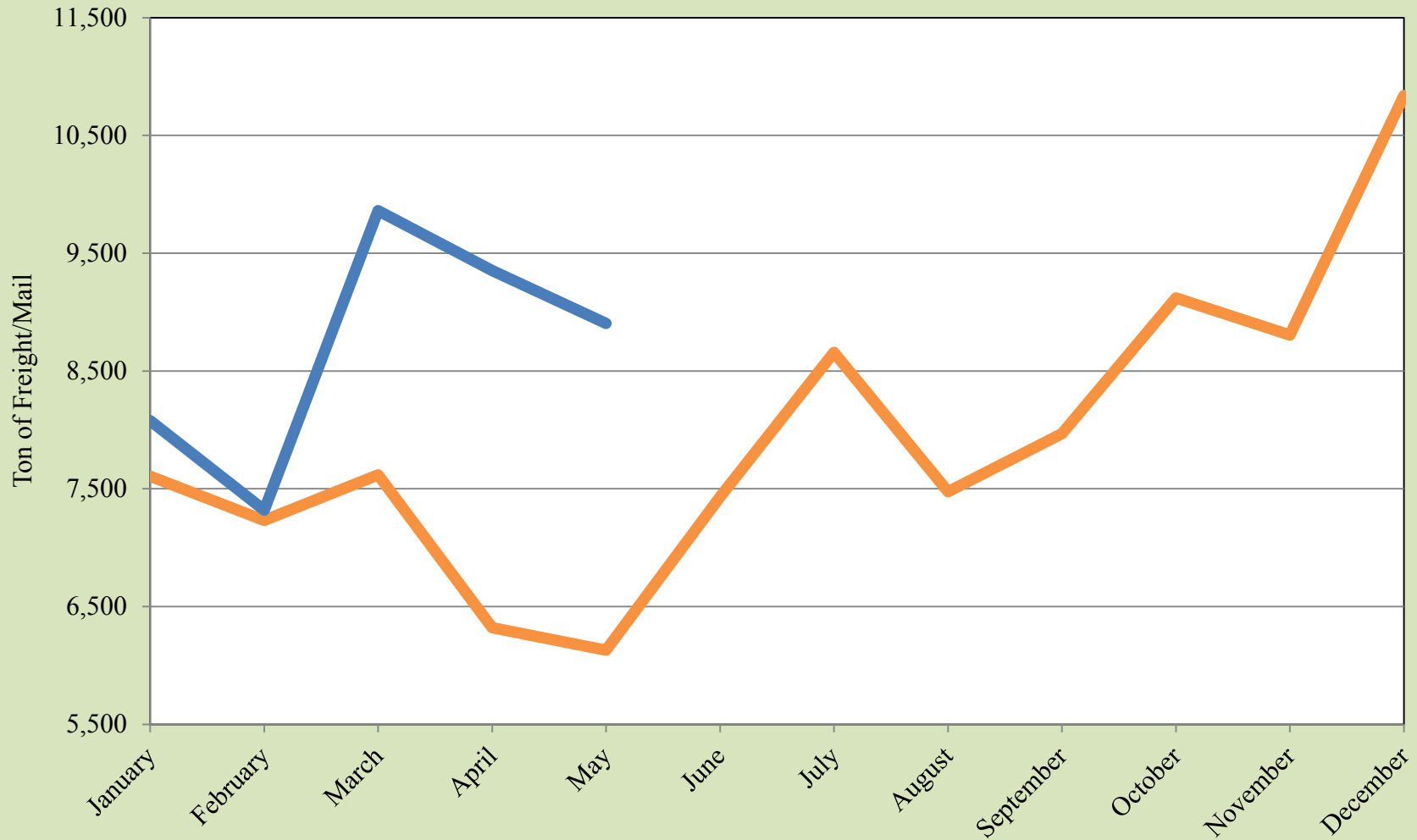
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EPIA Freight and Mail

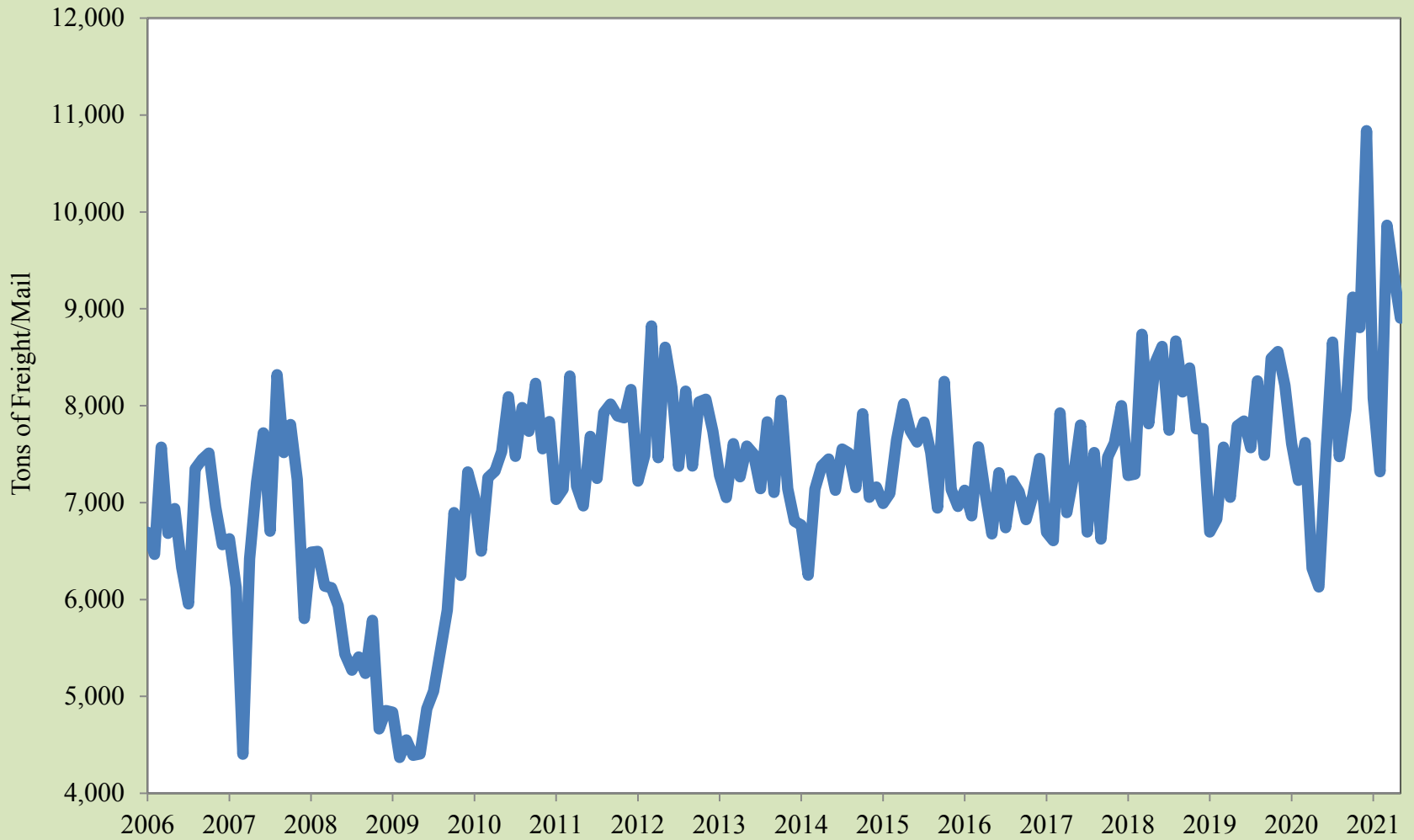
Total 2020 Total 2021



Source: EPIA Operations

EPIA Freight and Mail

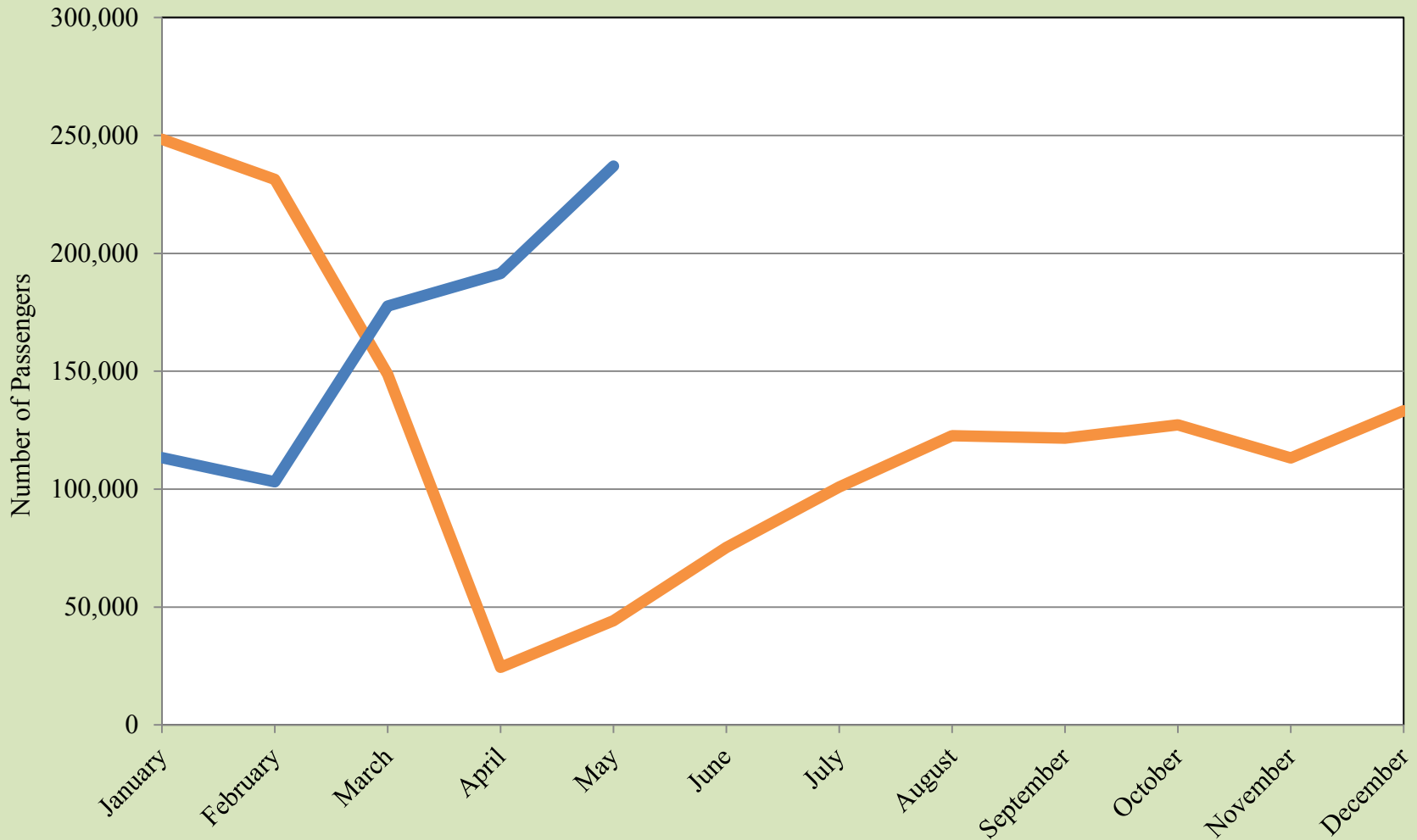
Inbound+Outbound



Source: EPIA Operations

EPIA Passengers

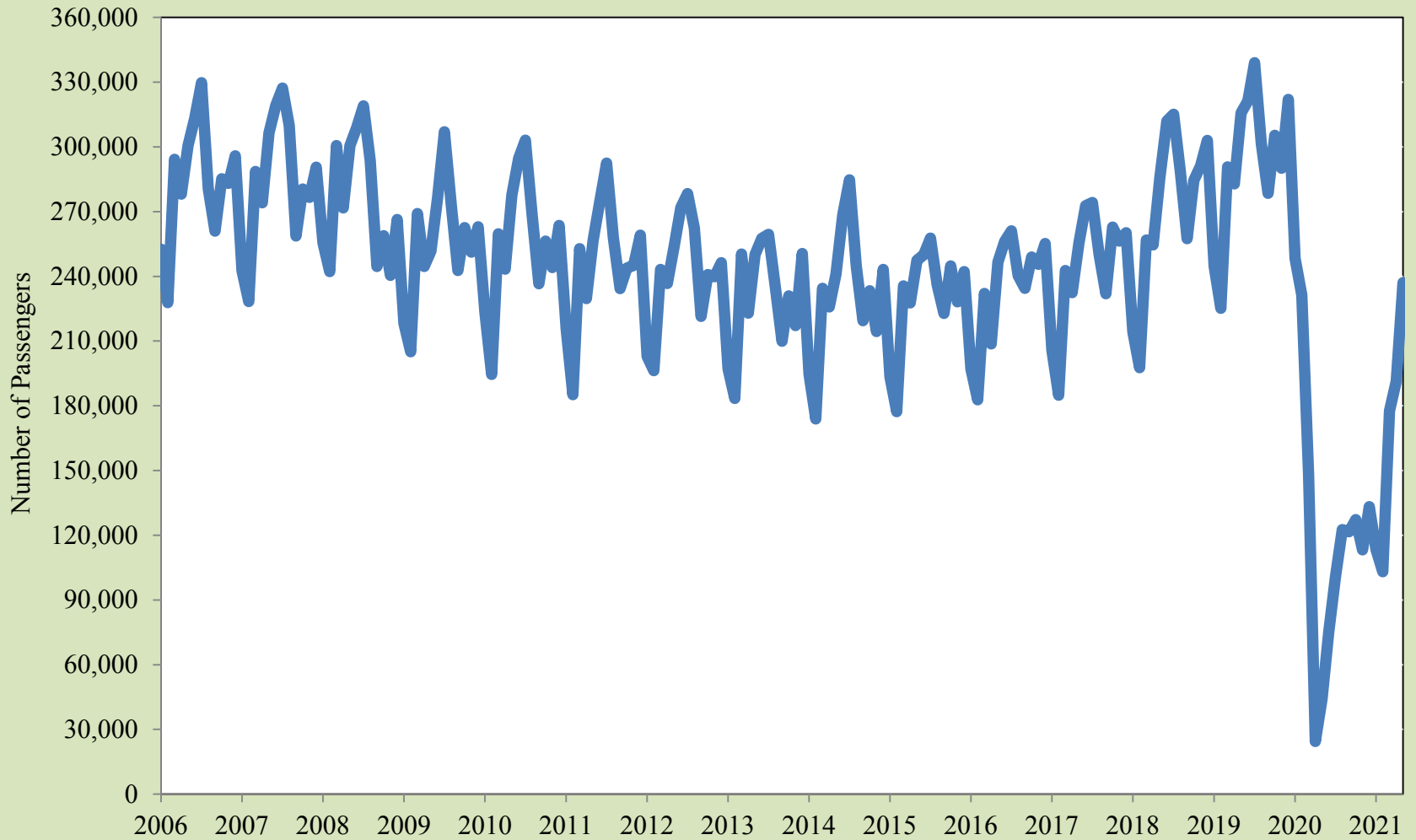
Total 2020 Total 2021



Source: EPIA Operations

EPIA Passengers

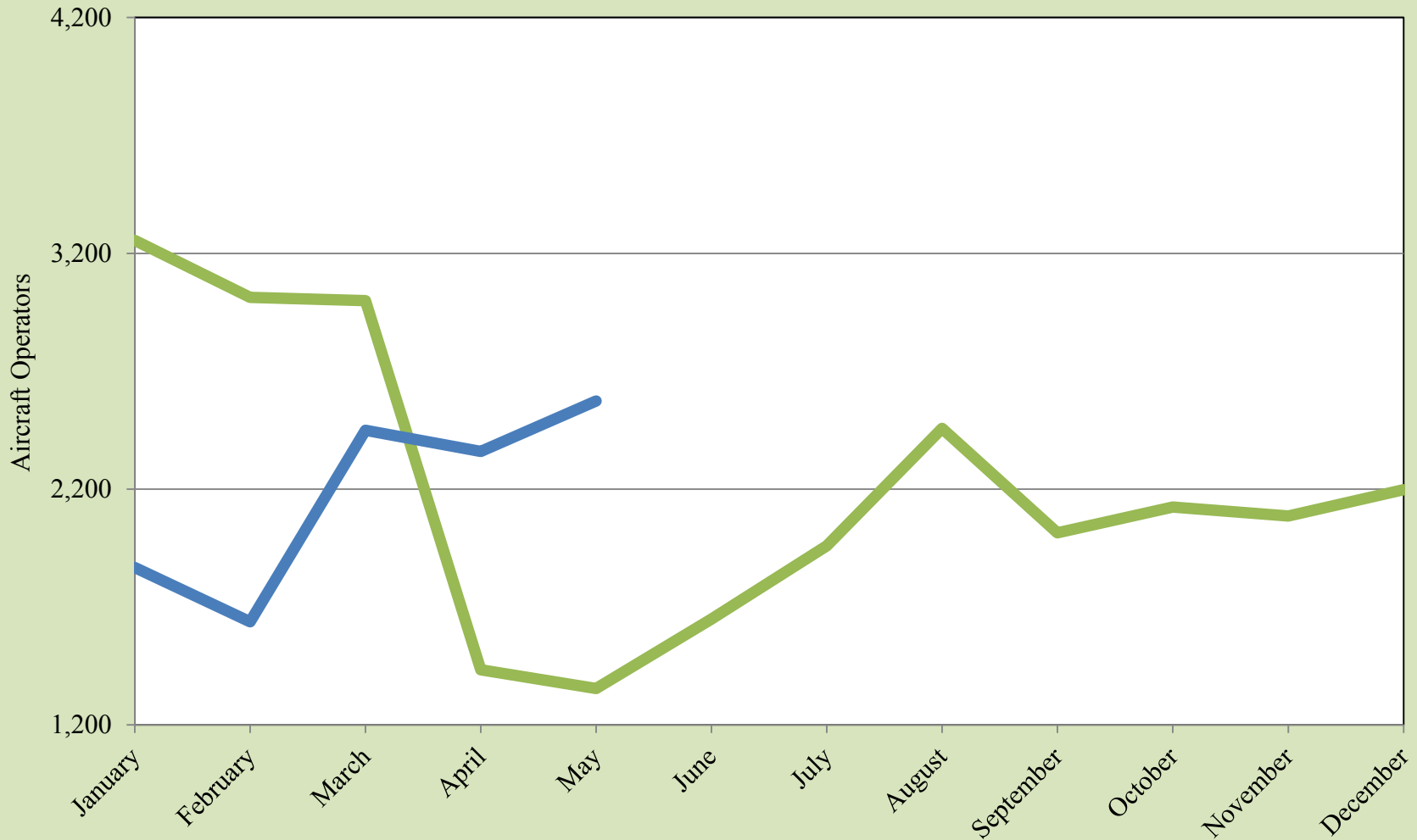
— Inbound+Outbound



Source: EPIA Operations

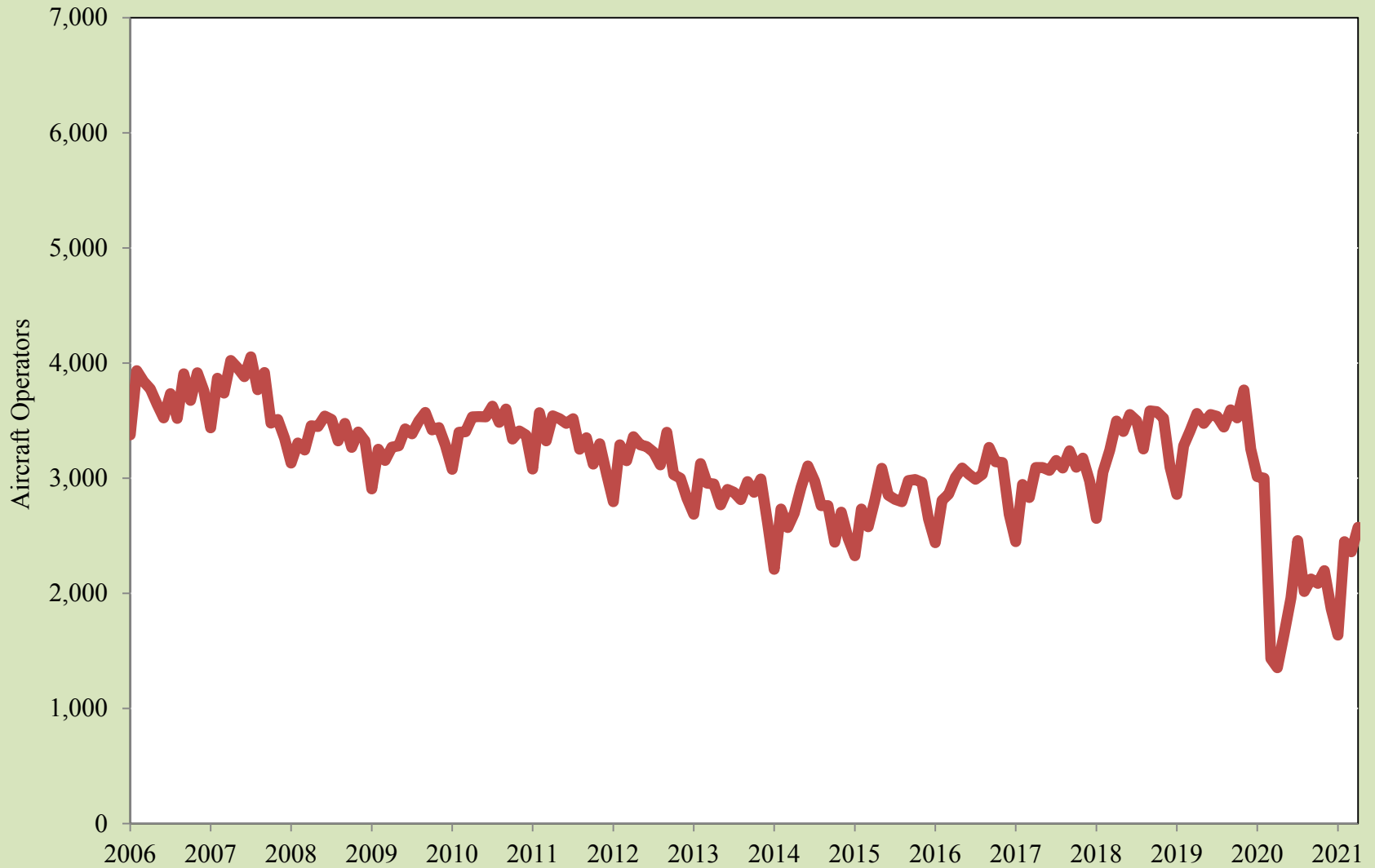
EPIA Air Carrier Operations

20-Air Carriers 21-Air Carriers



Source: EPIA Operations

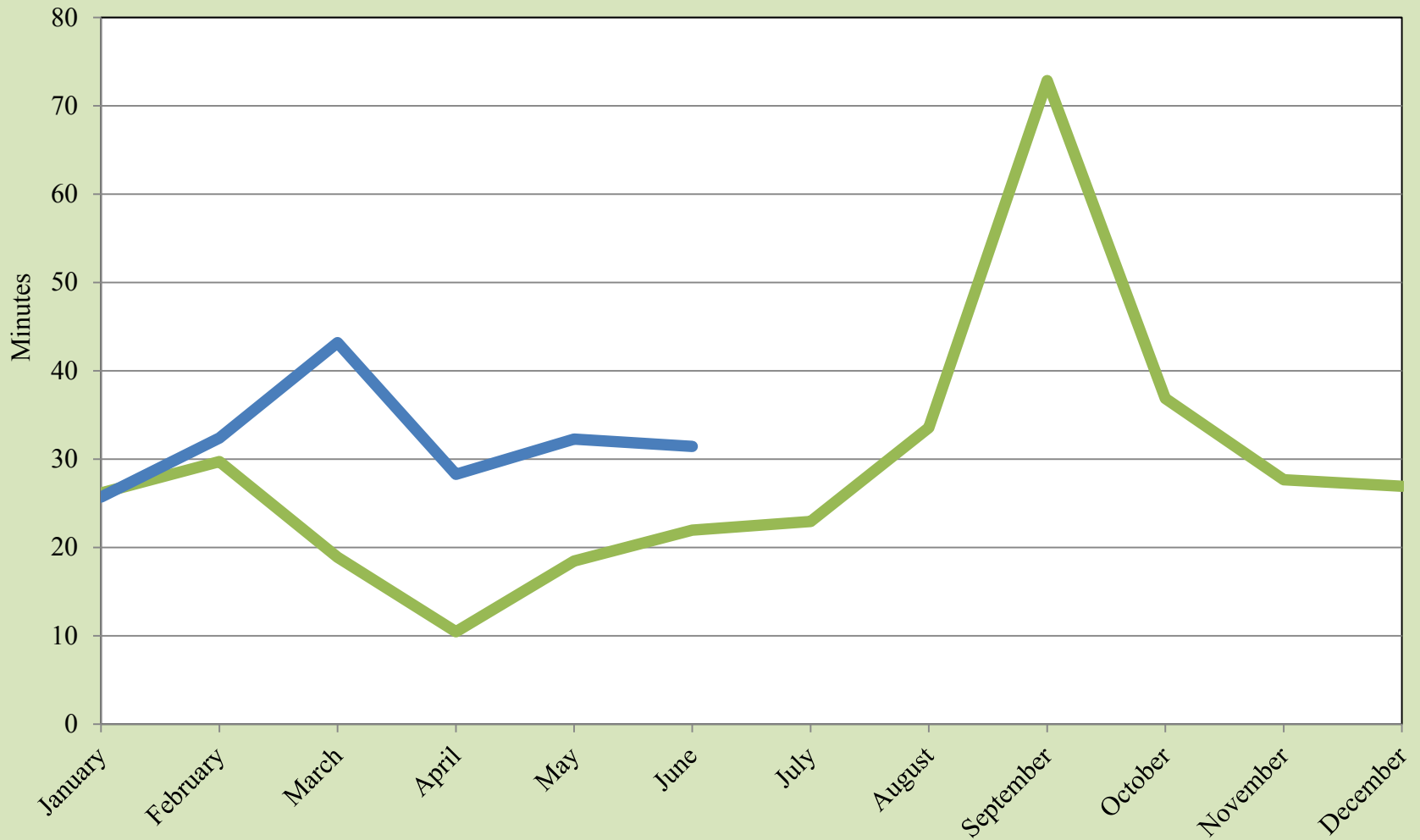
EPIA Air Carrier Operations



Source: EPIA Operations

Paso del Norte Monthly Wait Times

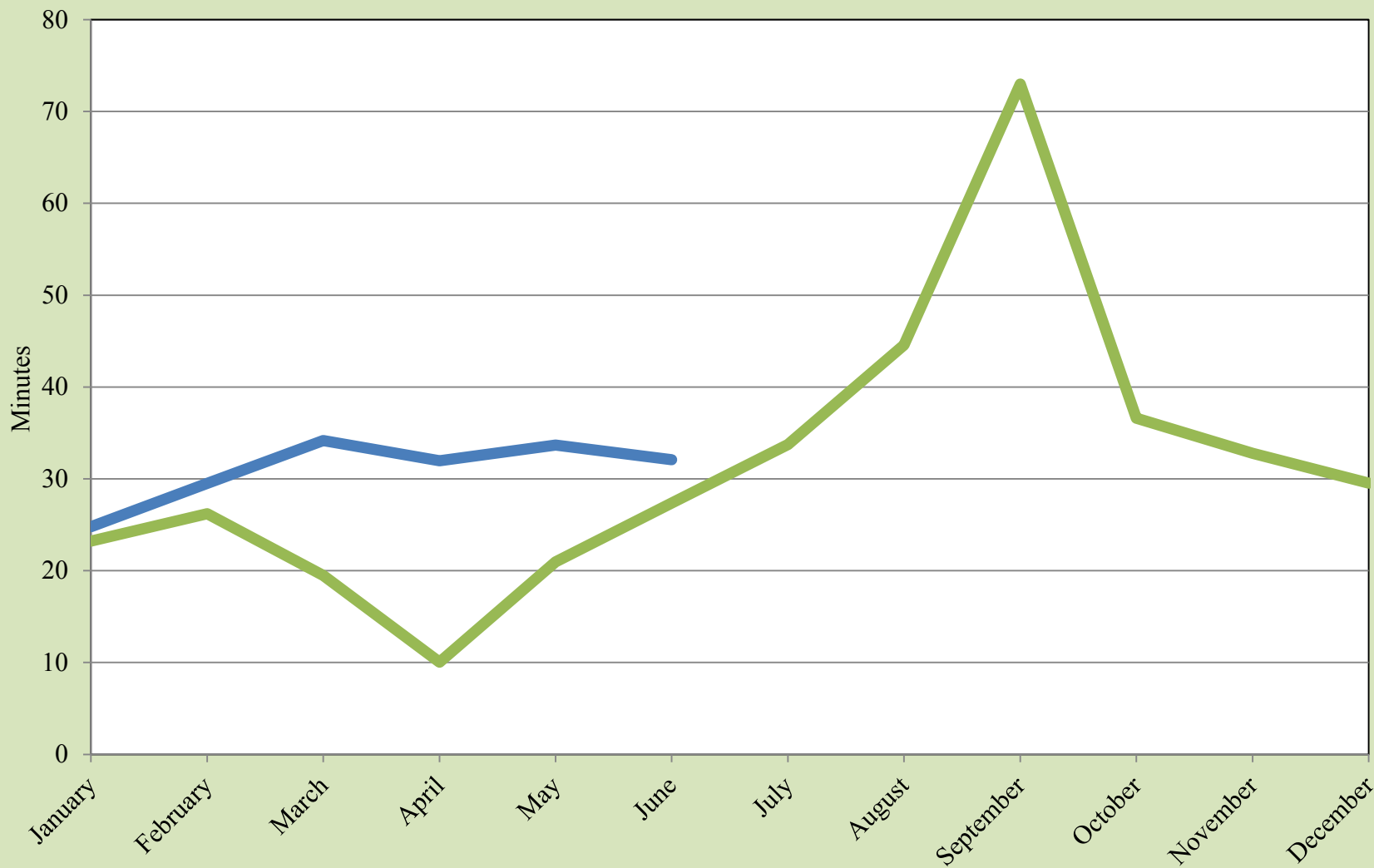
2020 2021



Source: UTEP Border Region Modeling Project

Ysleta Monthly Wait Times

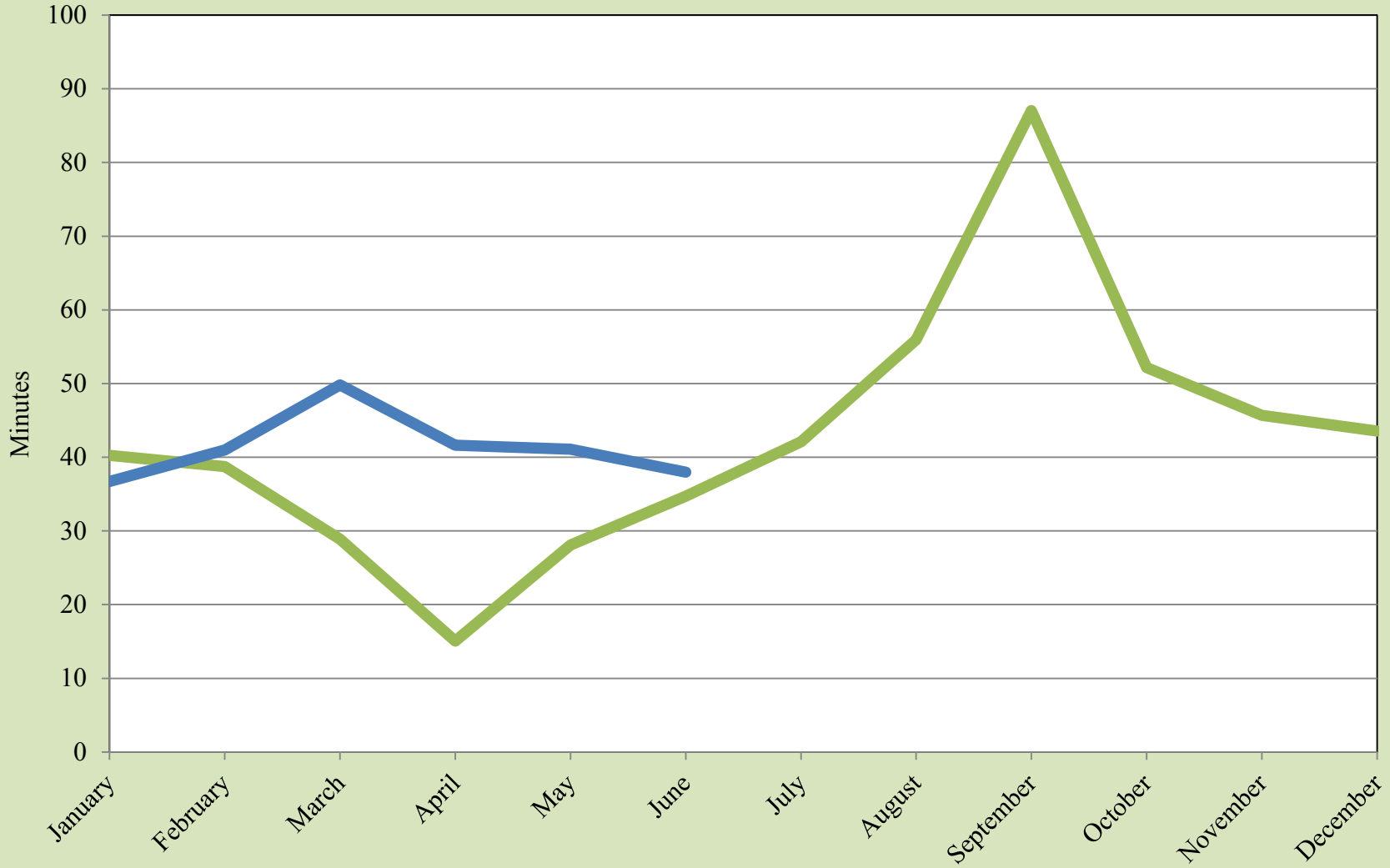
— 2020 — 2021



Source: UTEP Border Region Modeling Project

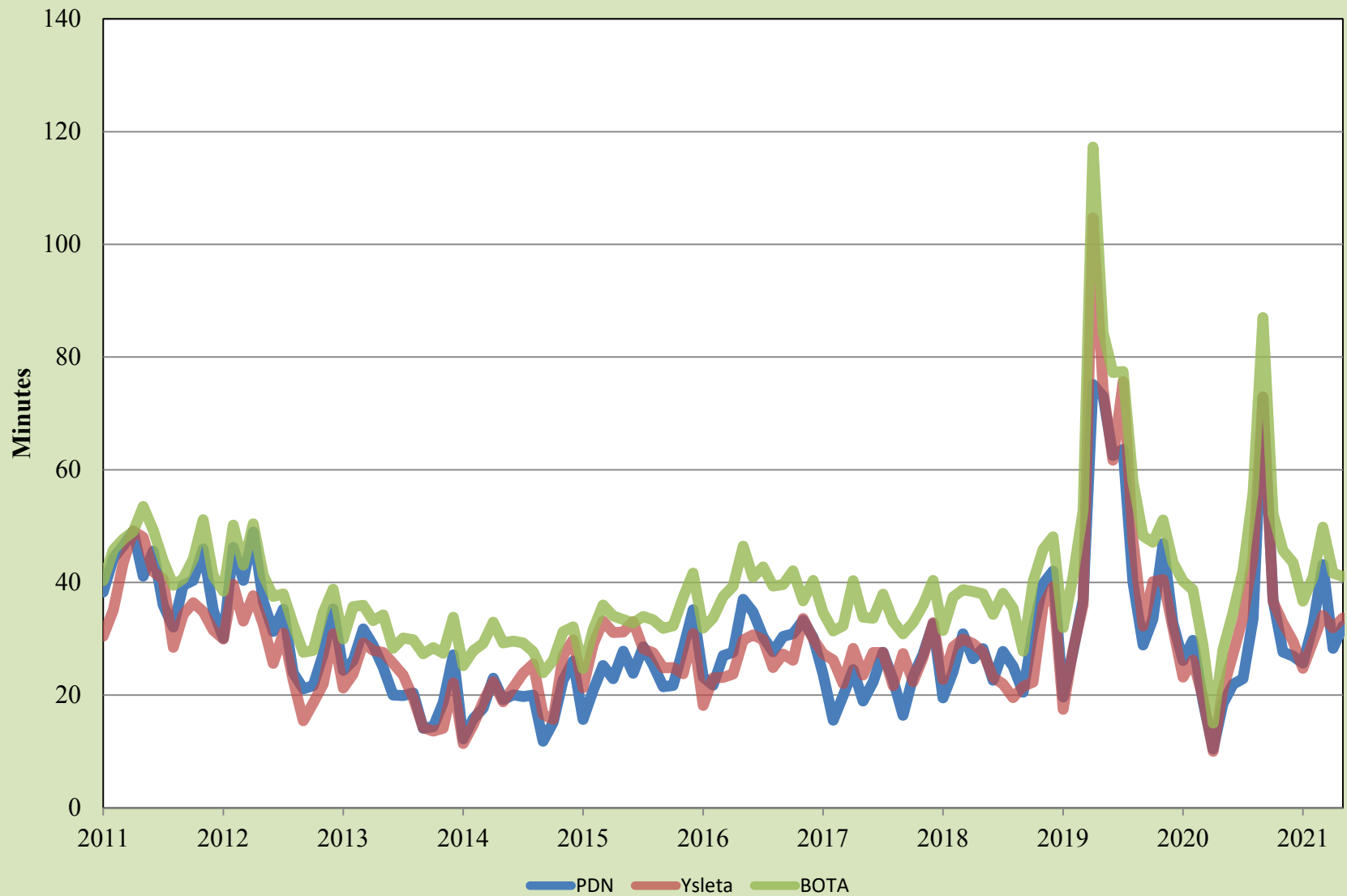
Bridge of the Americas Monthly Wait Times

2020 2021



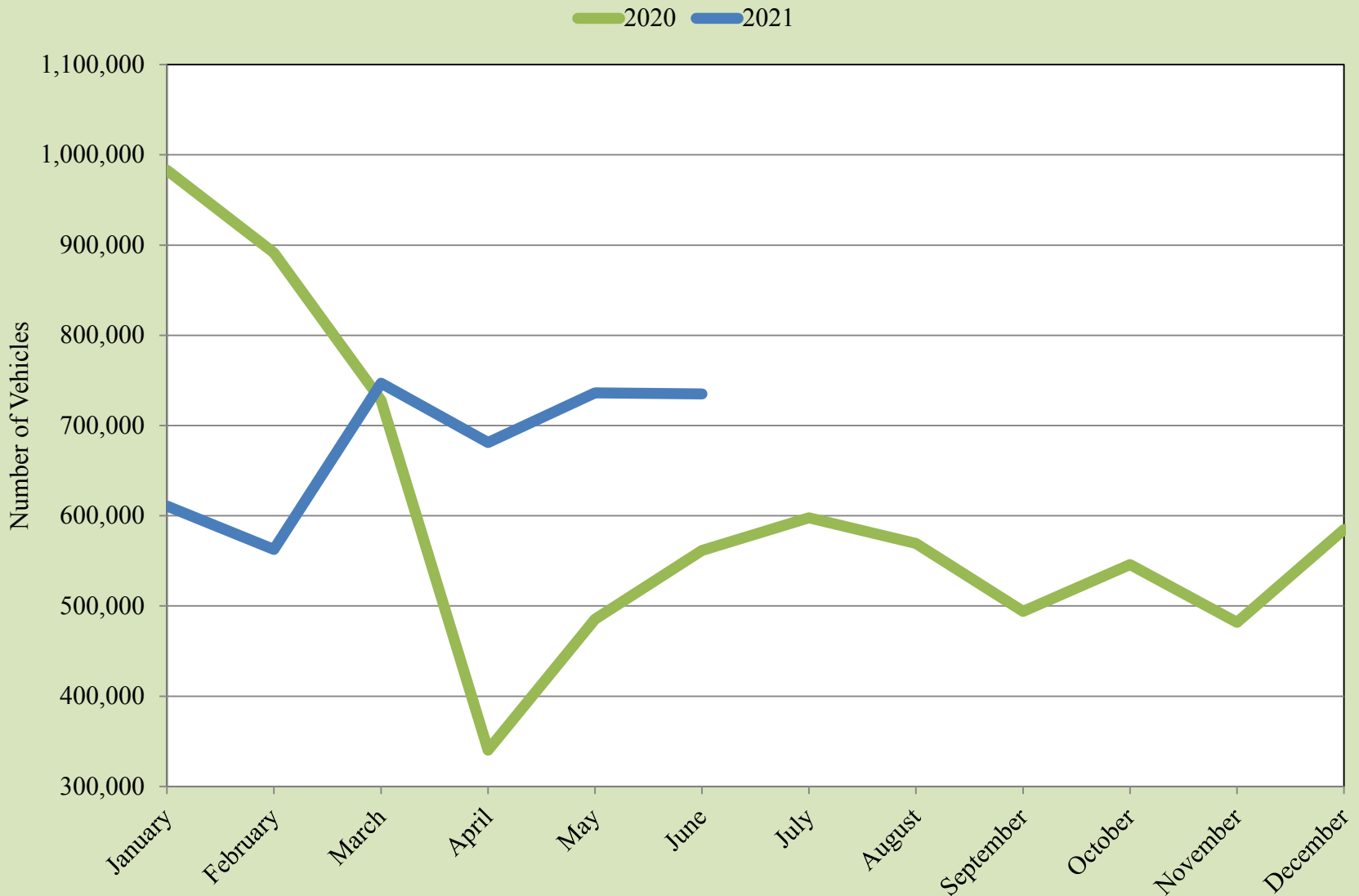
Source: UTEP Border Region Modeling Project

Monthly Border Wait Times



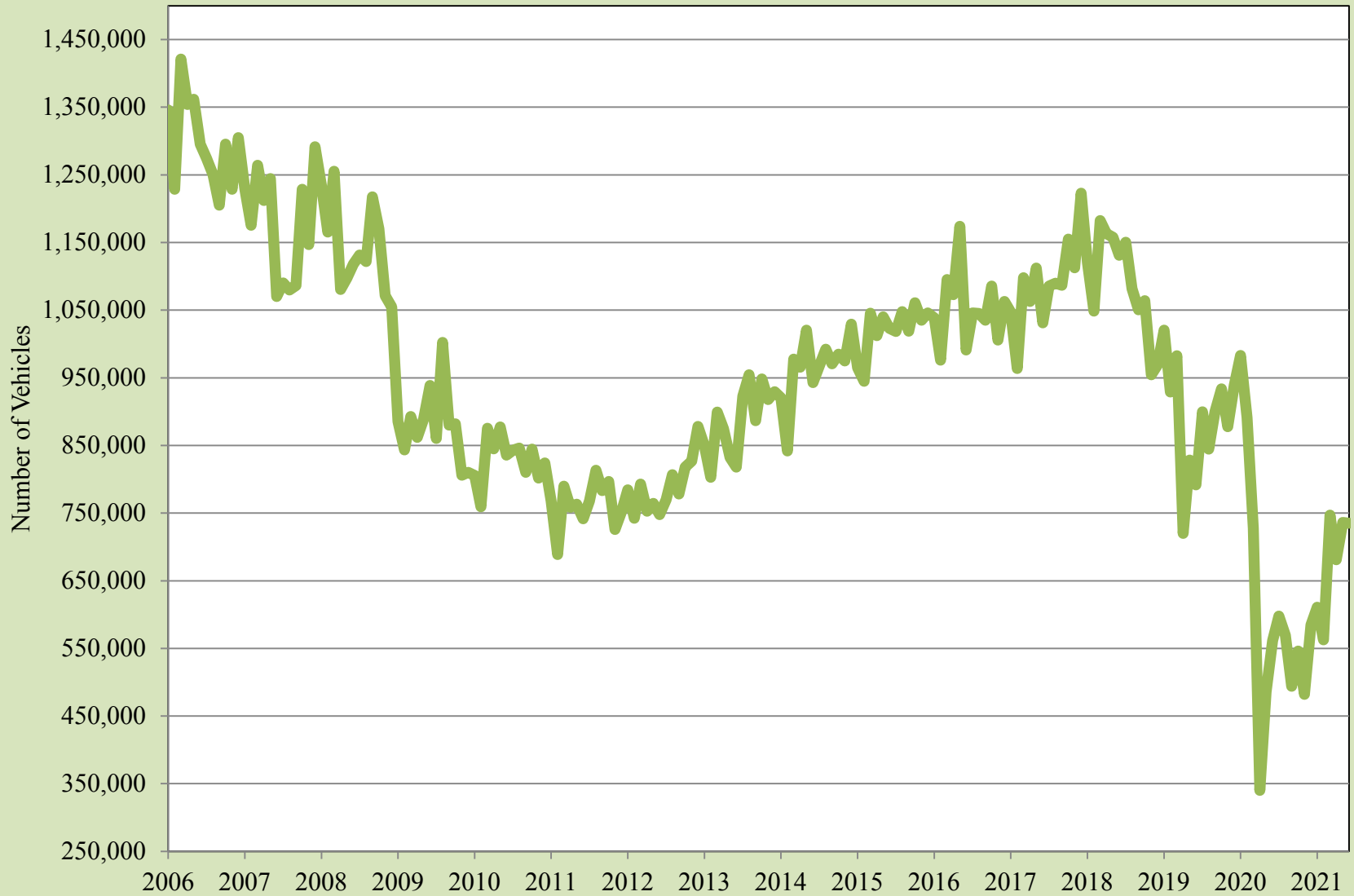
Source: UTEP Border Region Modeling Project

Personal Vehicle International Bridge Crossings to El Paso



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

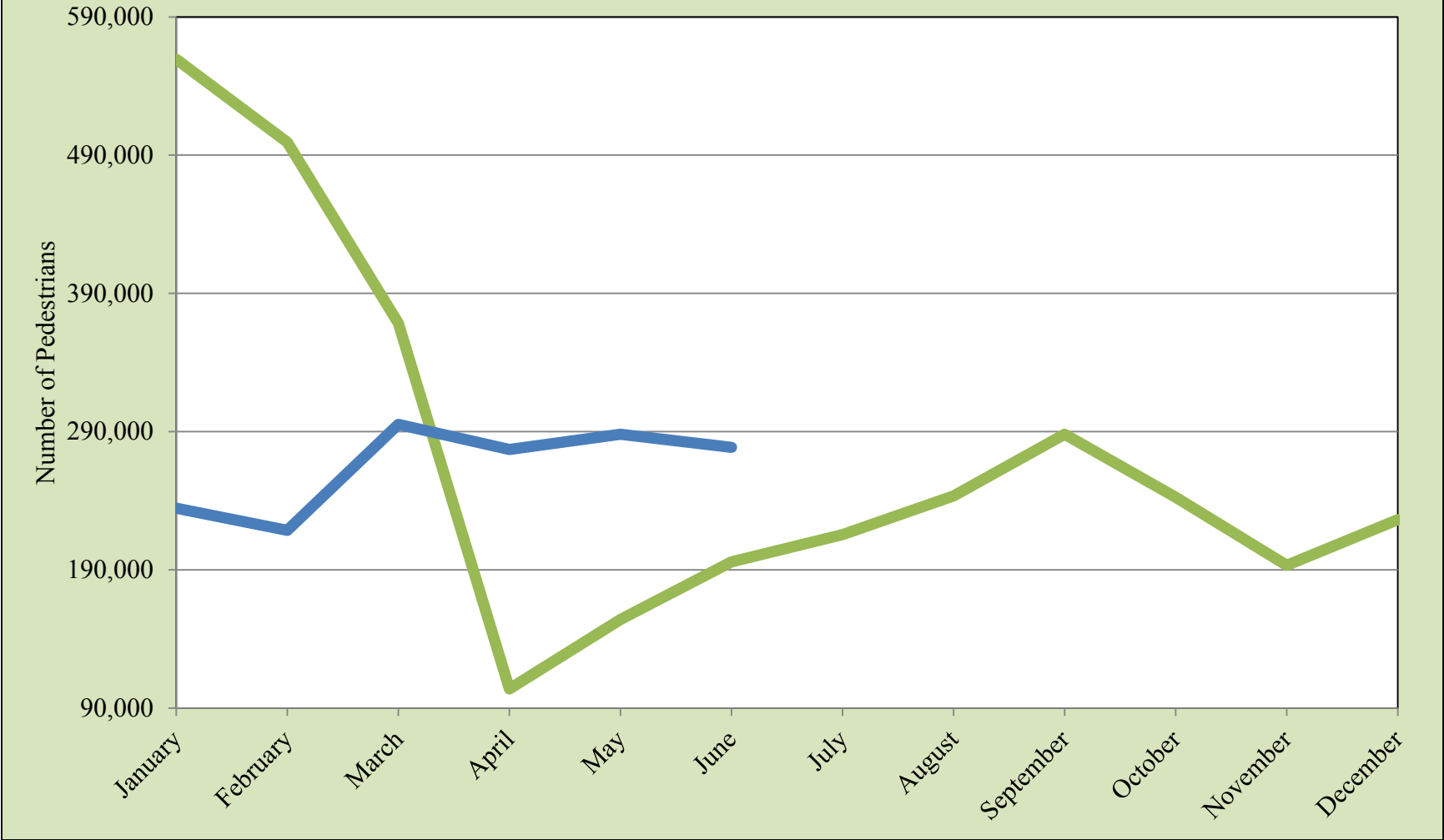
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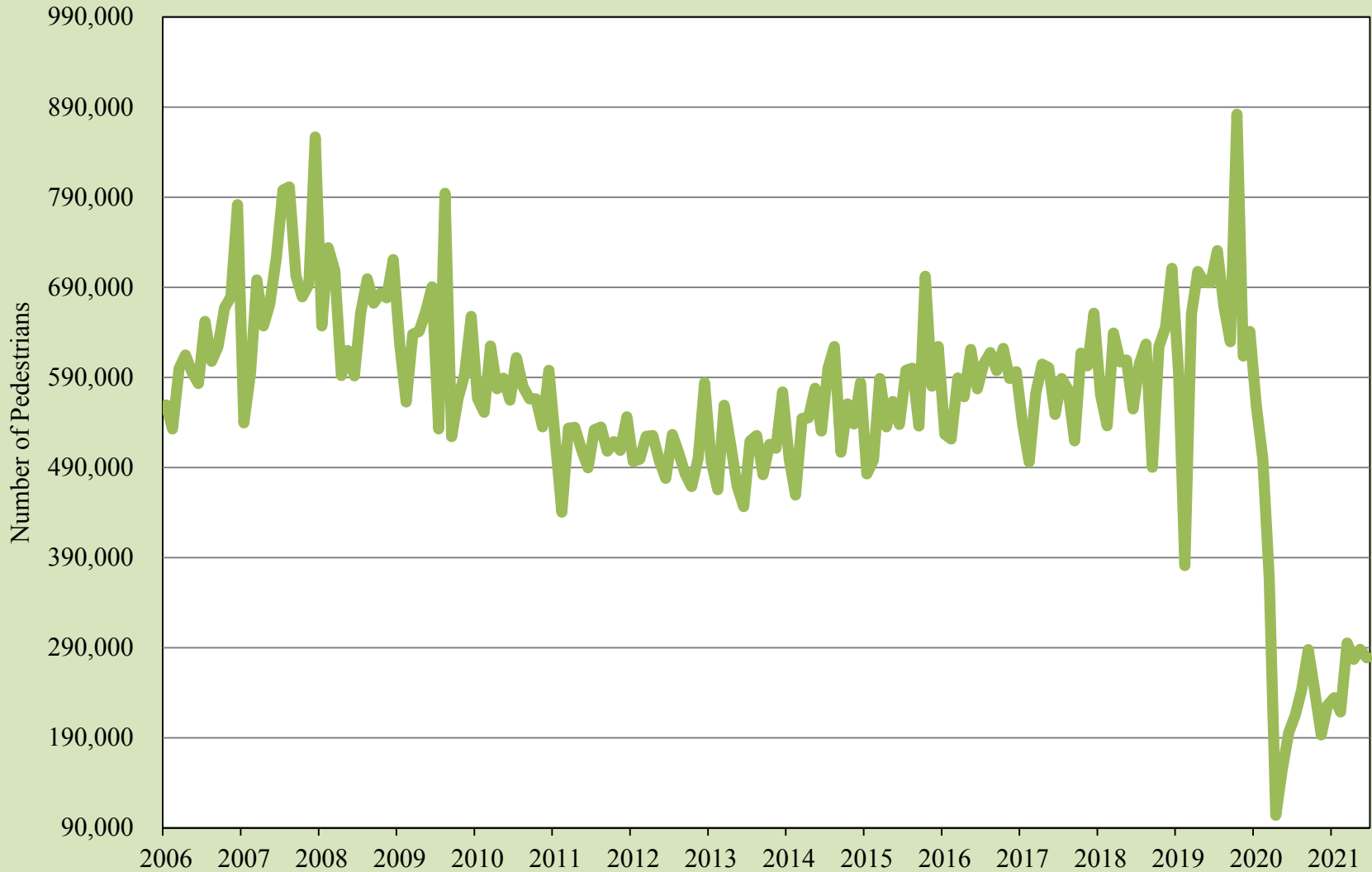
Pedestrian International Bridge Crossings to El Paso

2020 2021



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

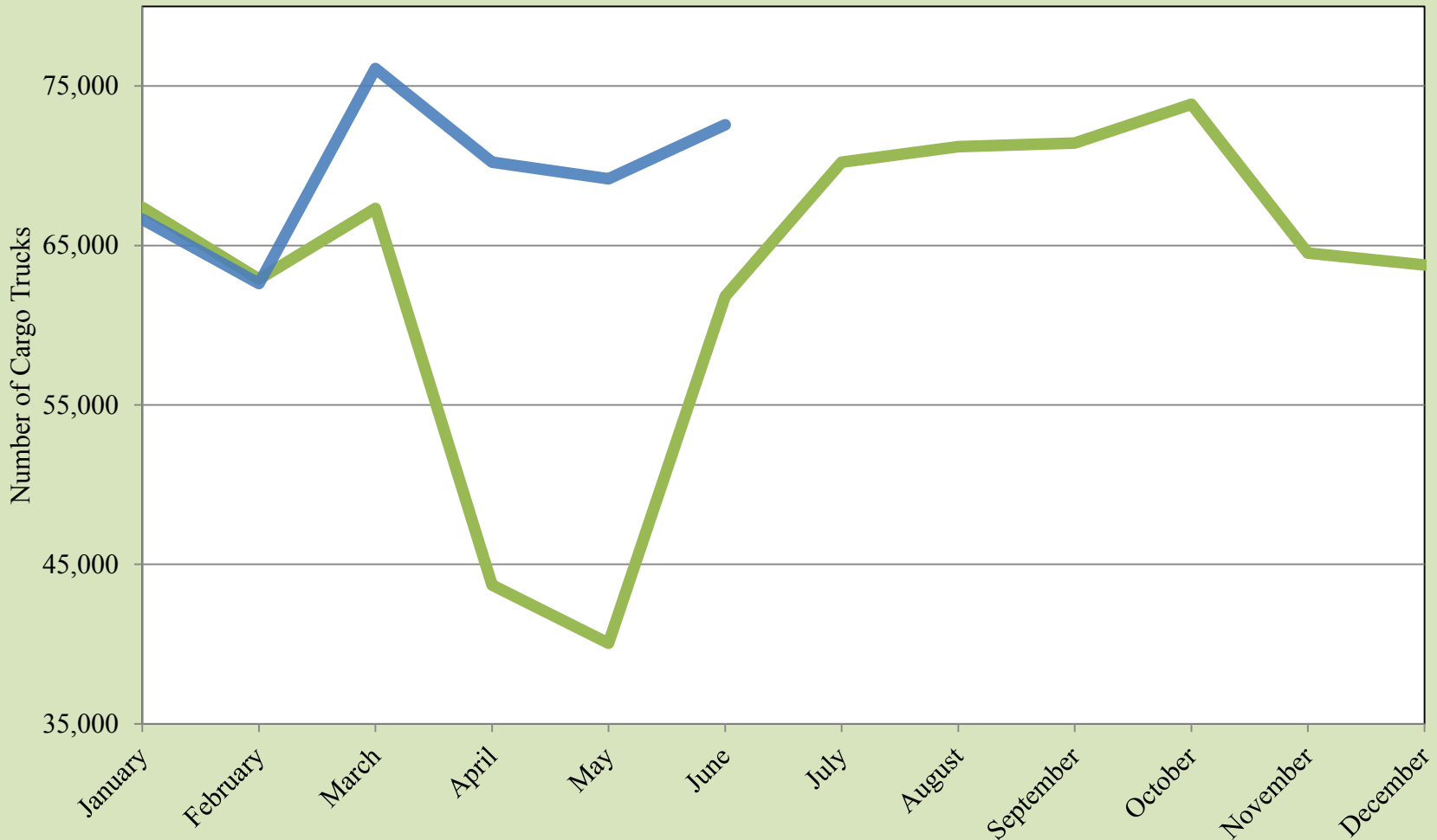
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Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

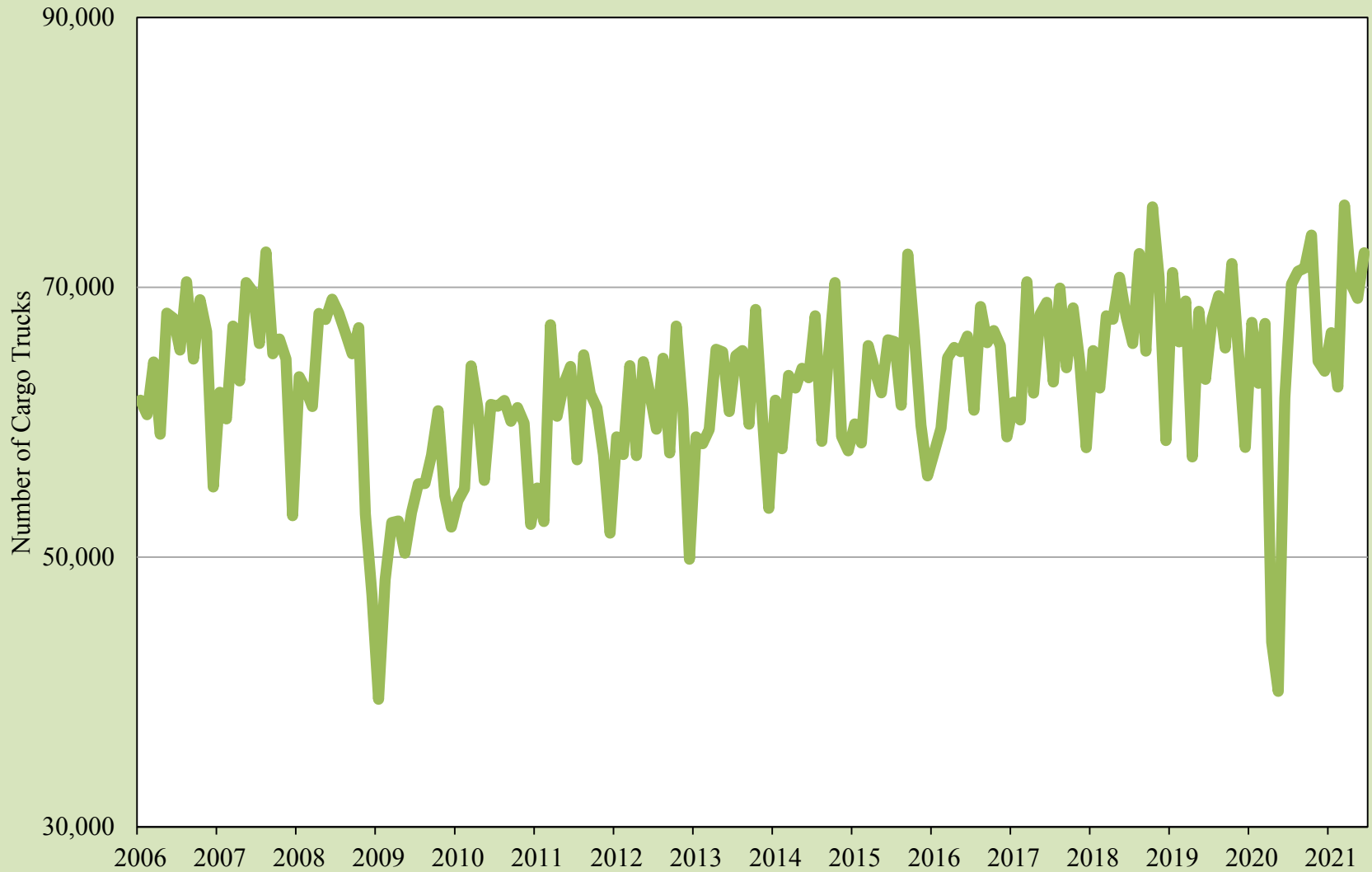
Cargo Truck International Bridge Crossings to El Paso

2020 2021



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

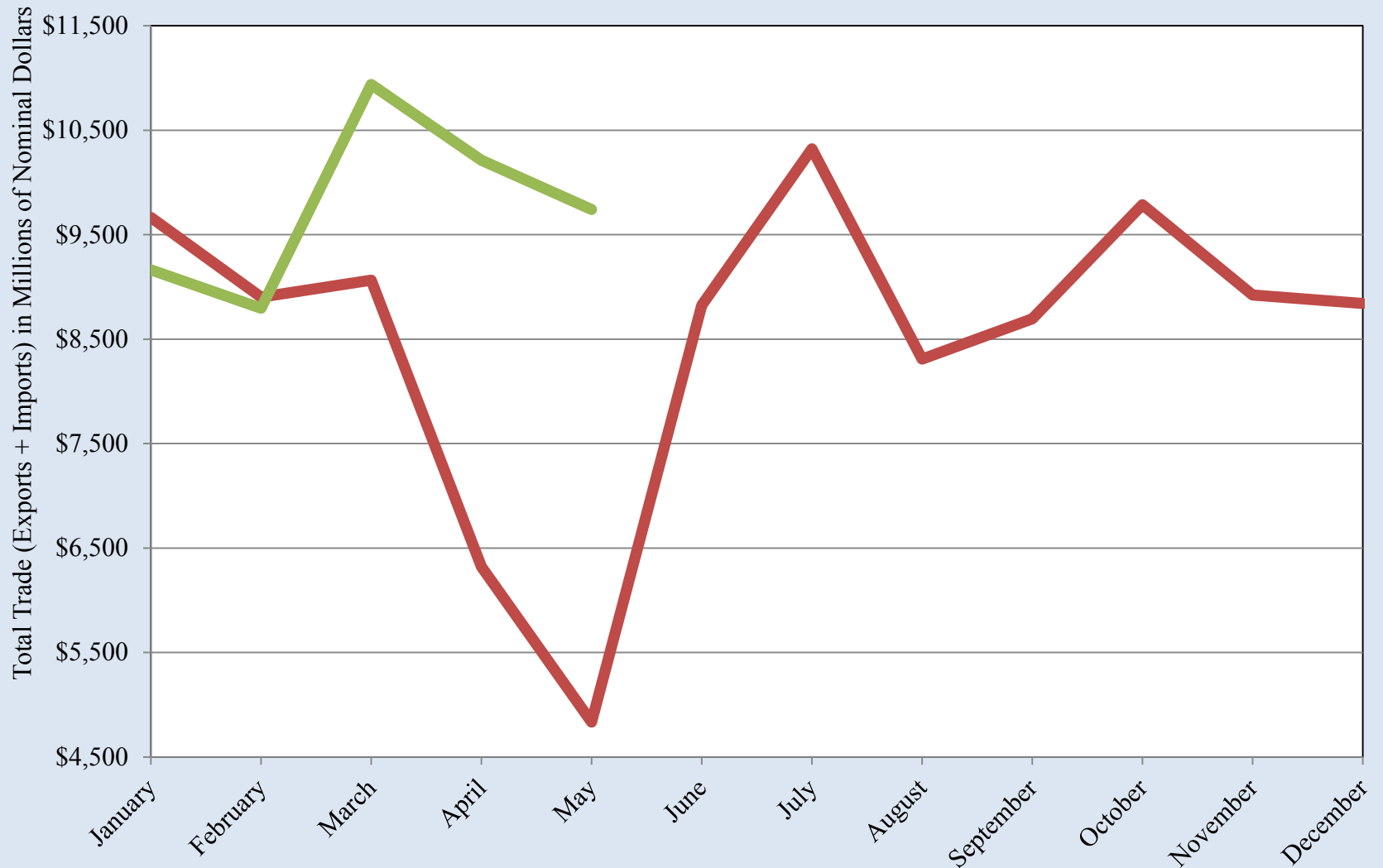
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Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

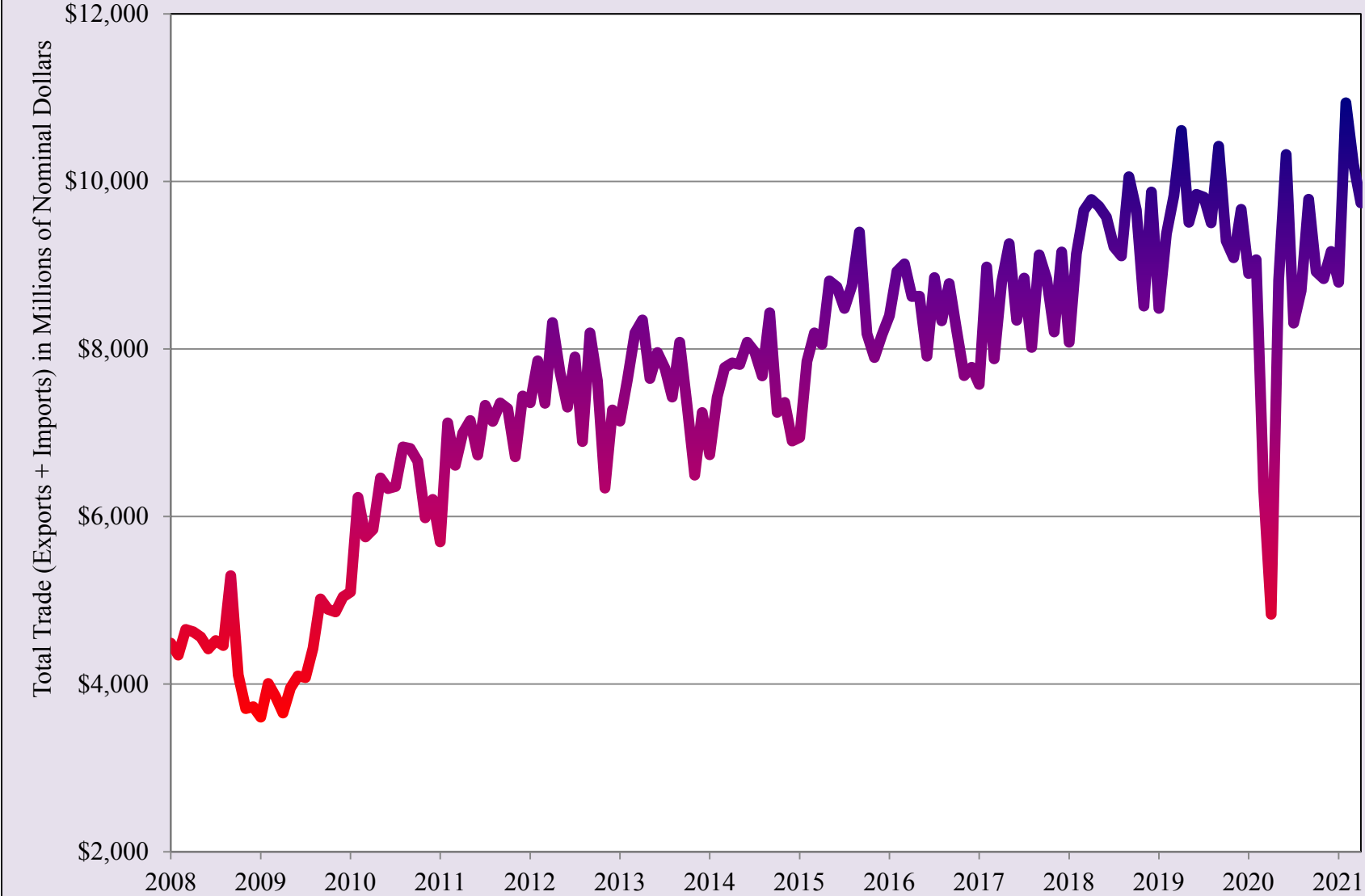
Total Trade through the El Paso Customs District

2020 2021



Source: U.S. International Trade Commission

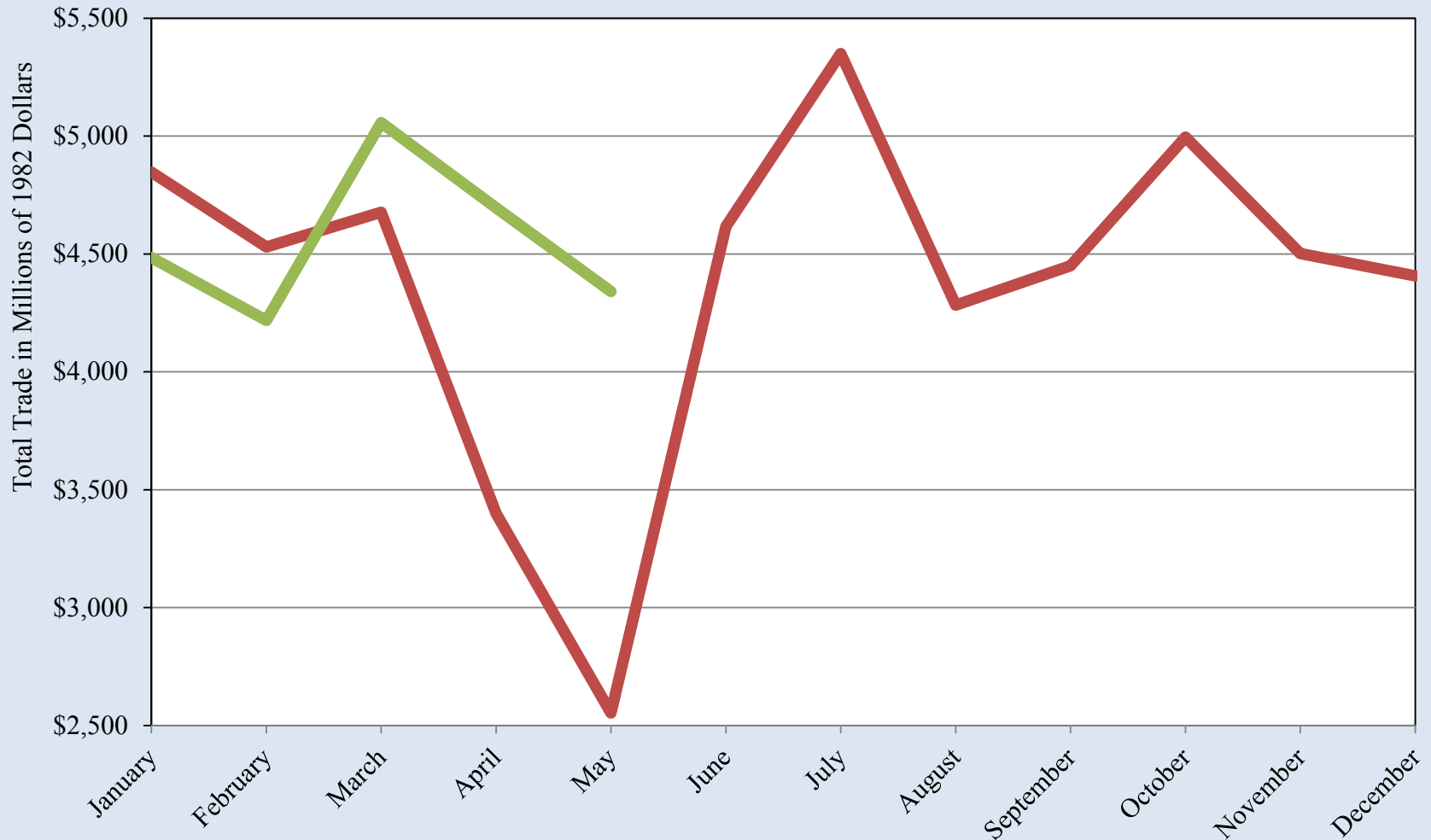
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Source: U.S. International Trade Commission

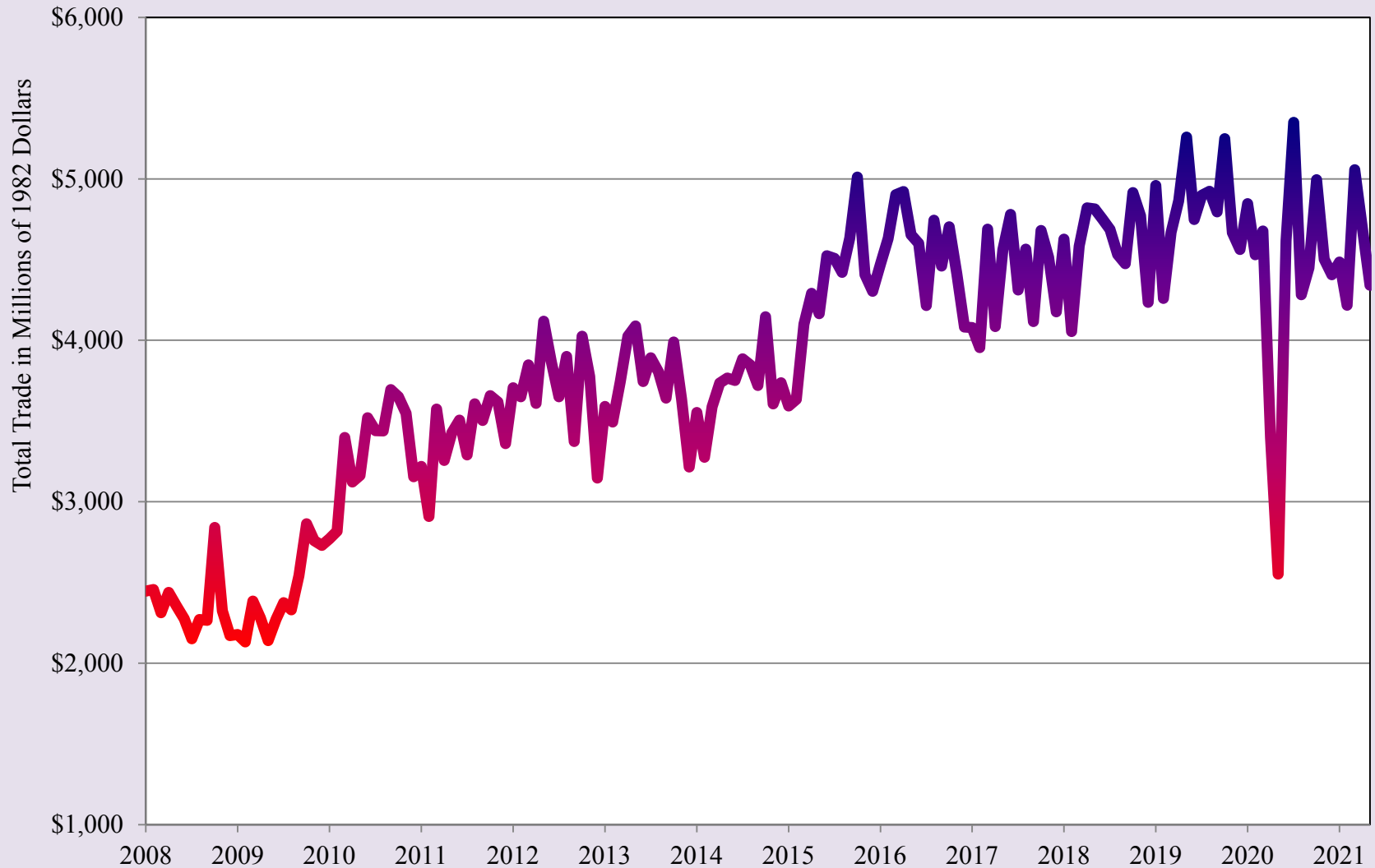
Real Total Trade through the El Paso Customs District

— 2020 — 2021



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

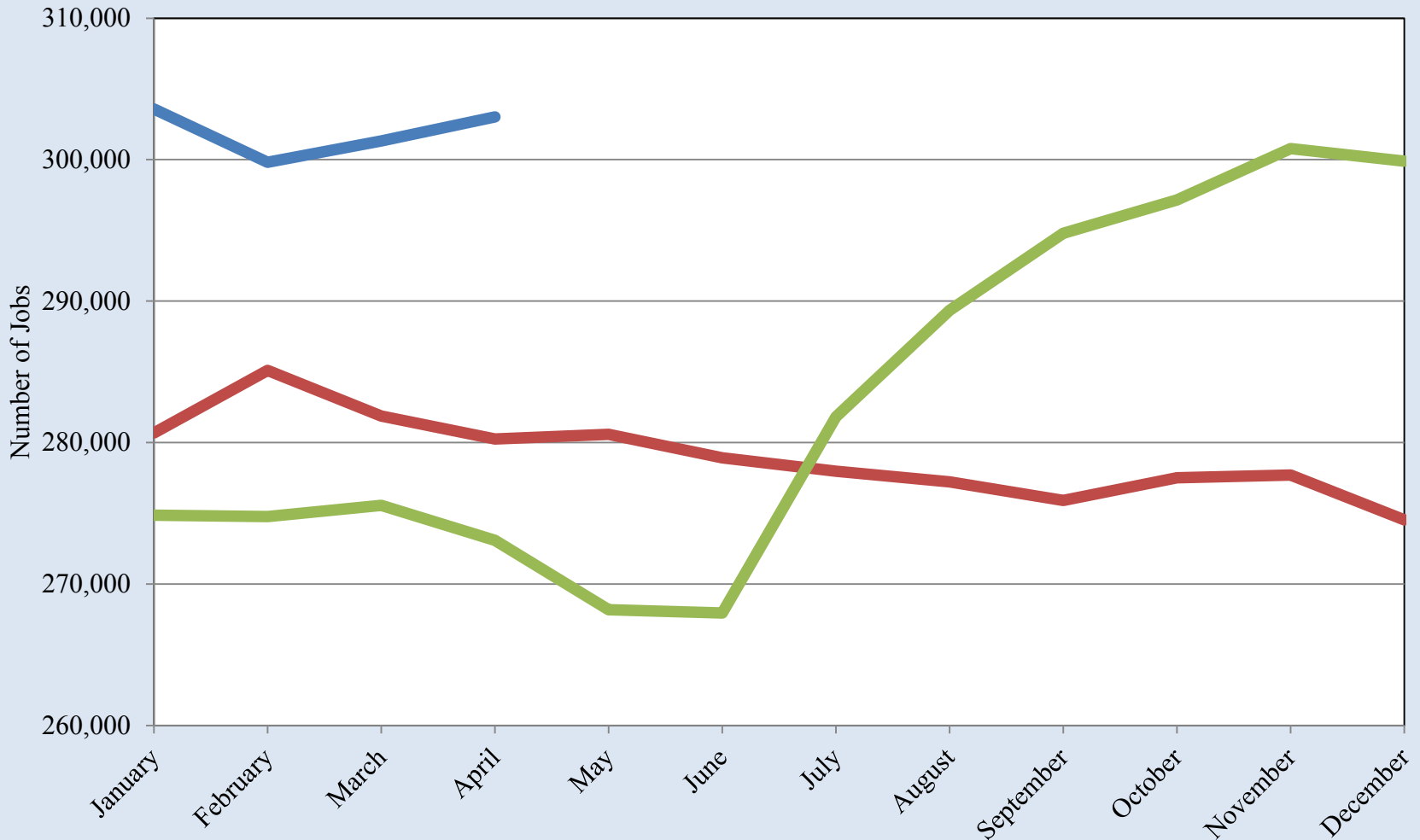
Real Total Trade through the El Paso Customs District



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

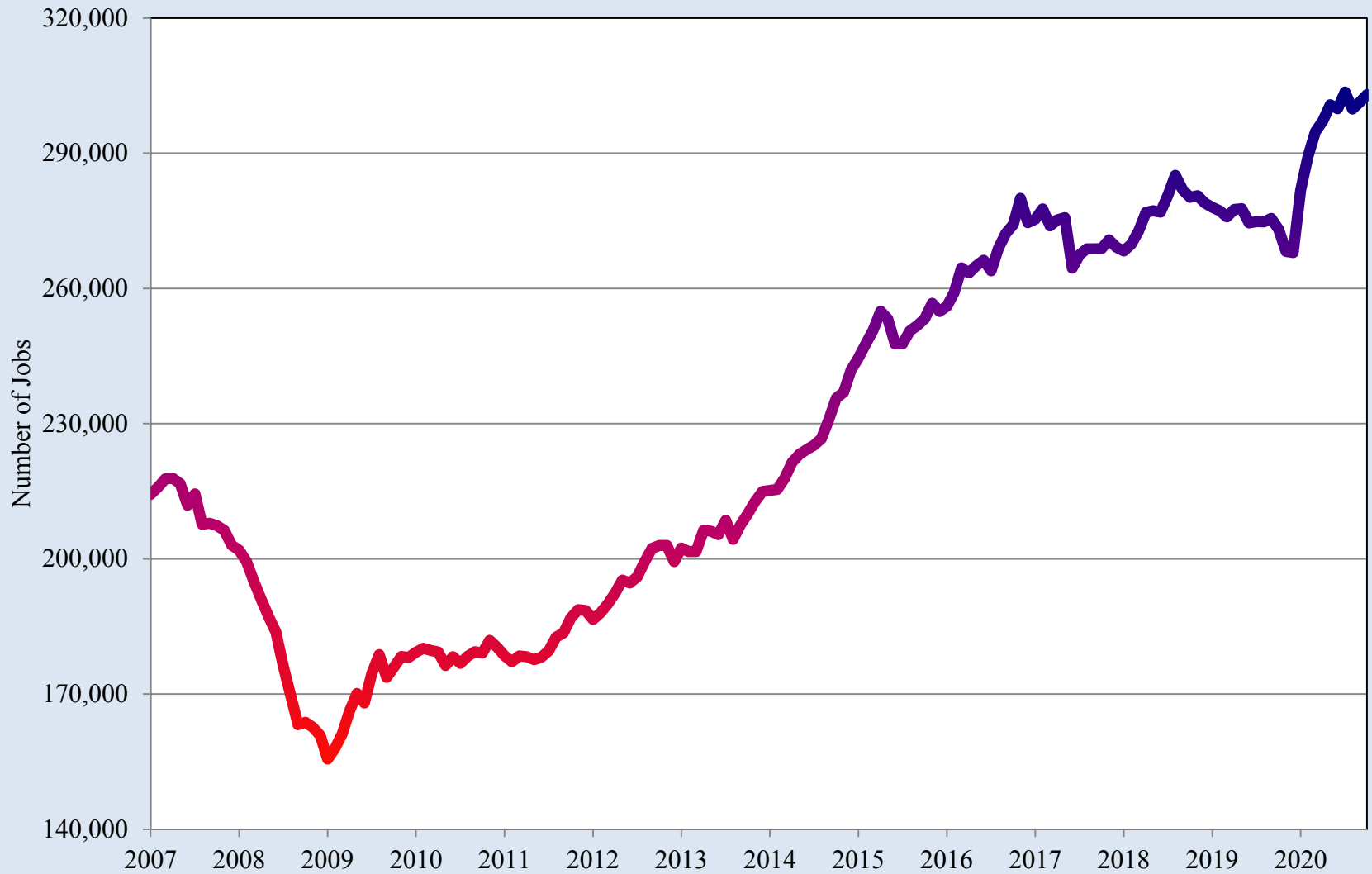
Export-Oriented Manufacturing Employment in Ciudad Juárez

2019 2020 2021



Source: INEGI

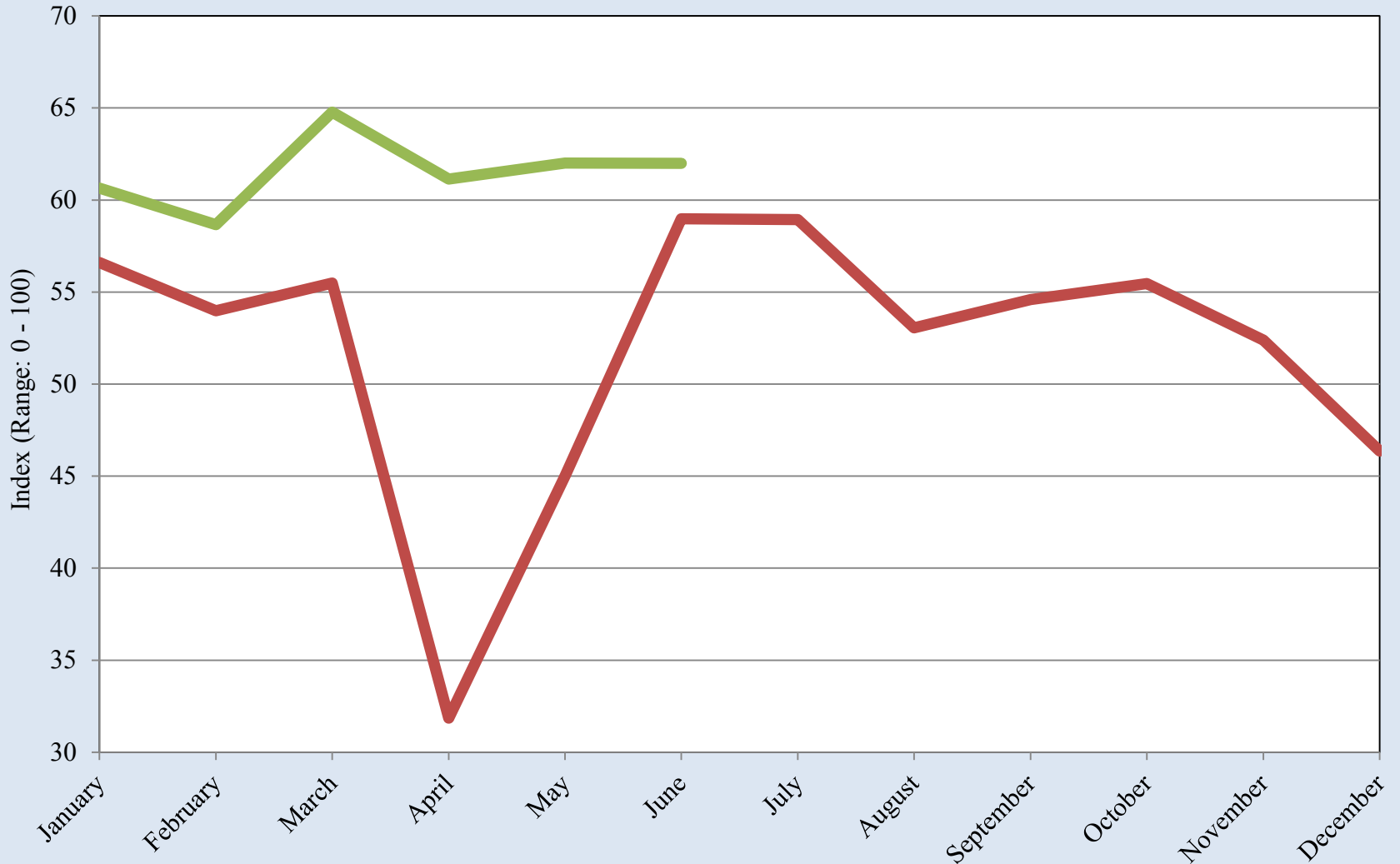
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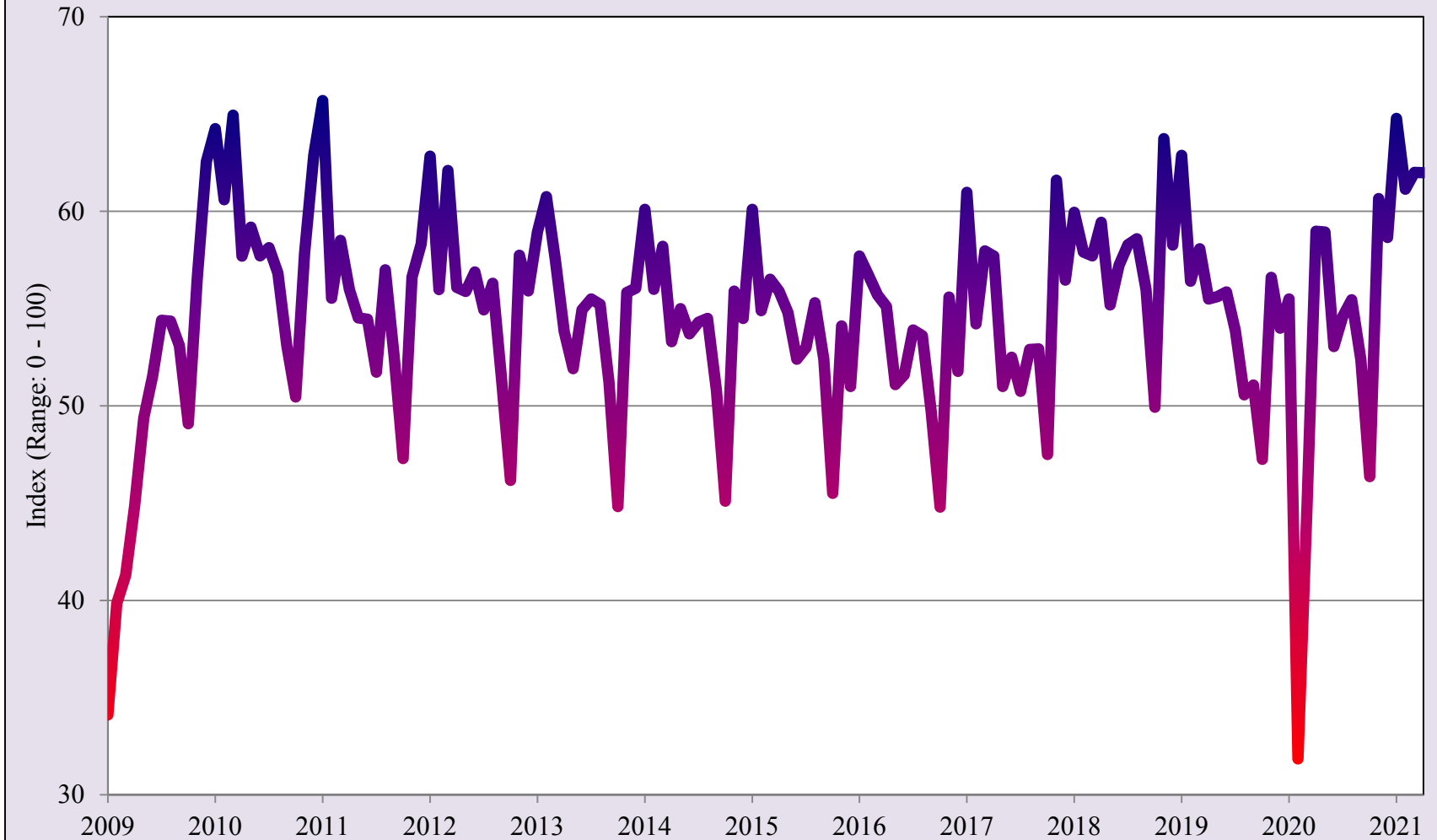
Northern Mexico Manufacturing Orders Index

2020 2021



Source: Banco de México

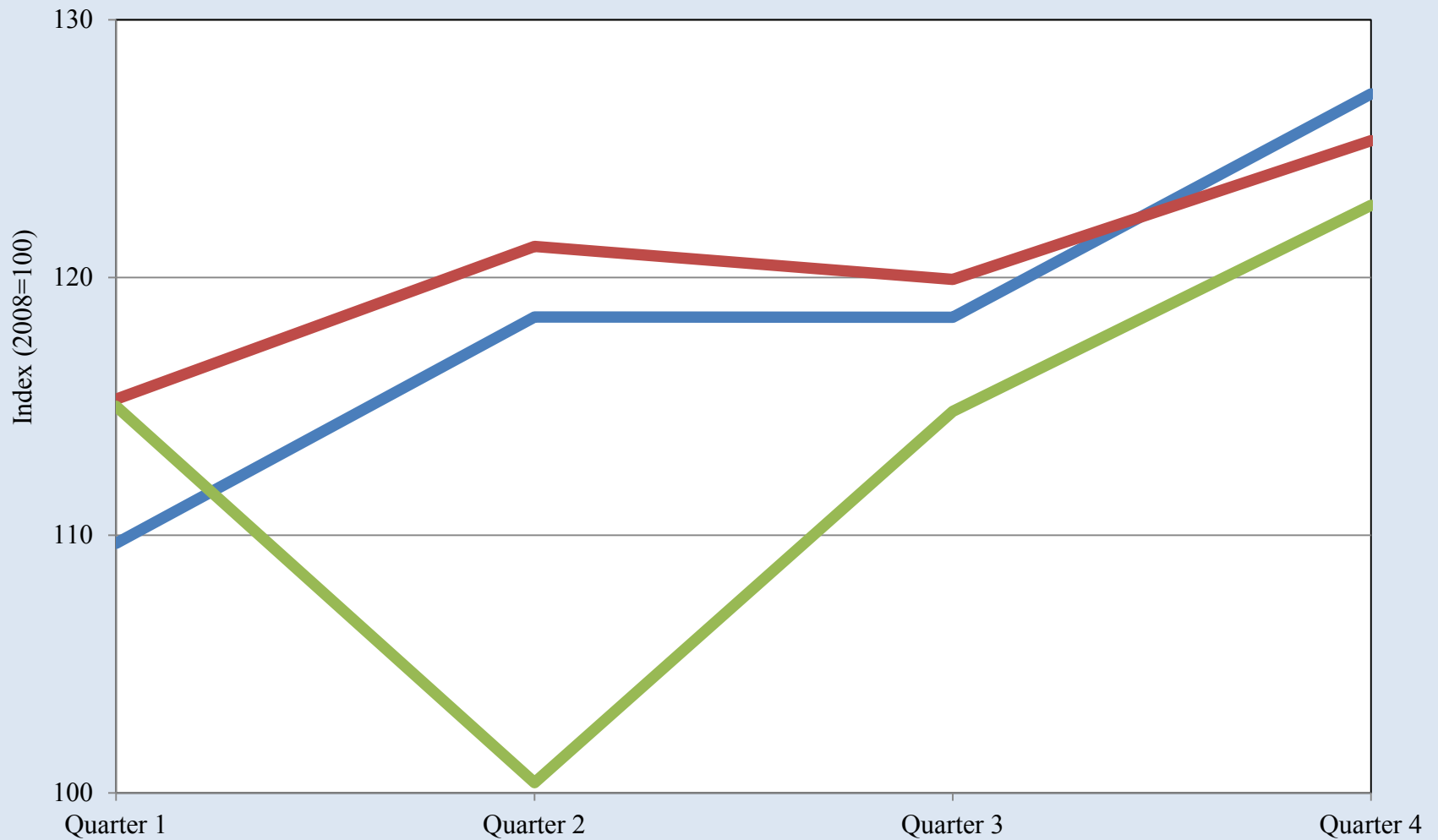
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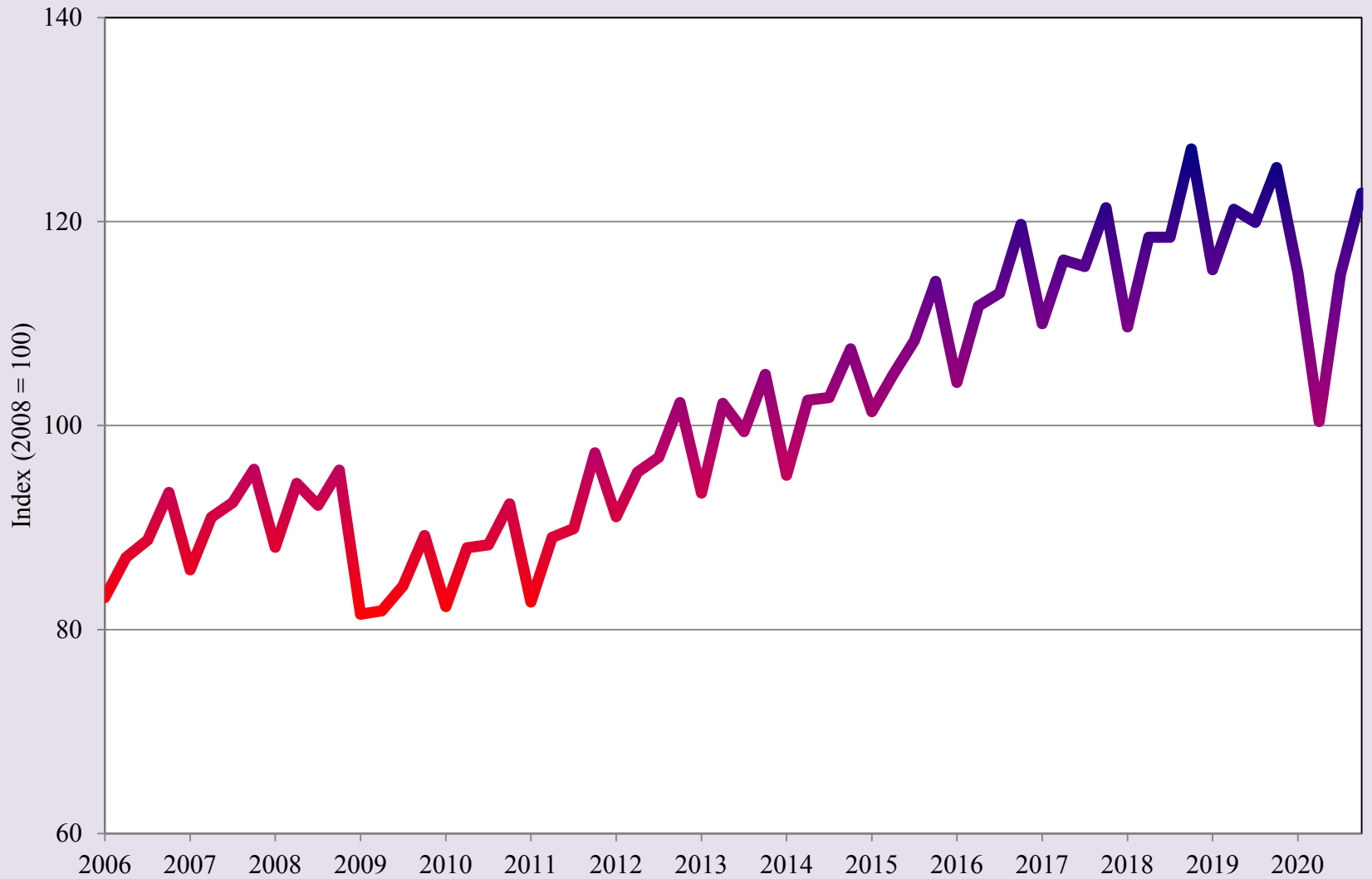
Quarterly Indicator of Economic Activity for the State of Chihuahua

2018 2019 2020



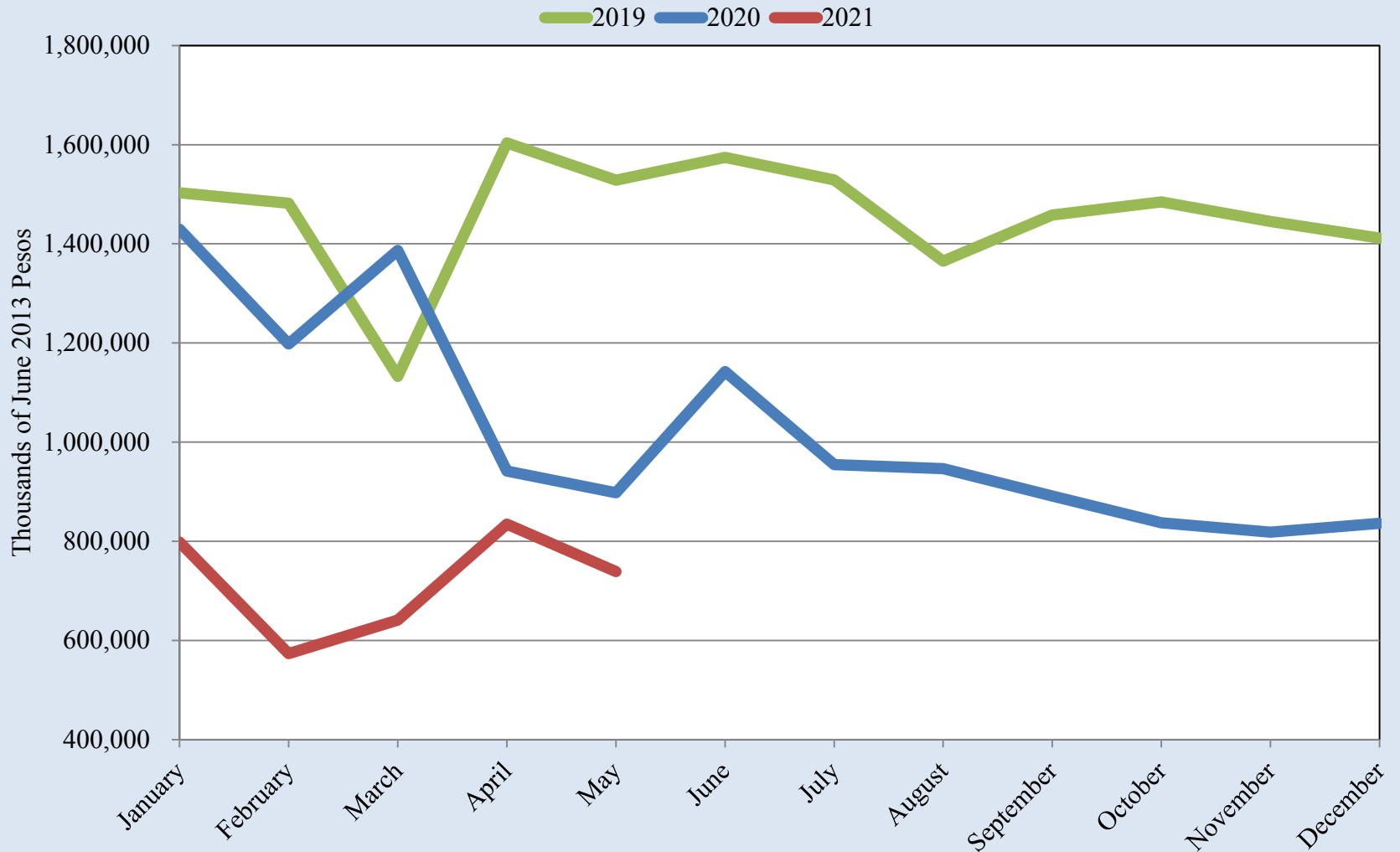
Source: INEGI

Quarterly Indicator of Economic Activity for the State of Chihuahua



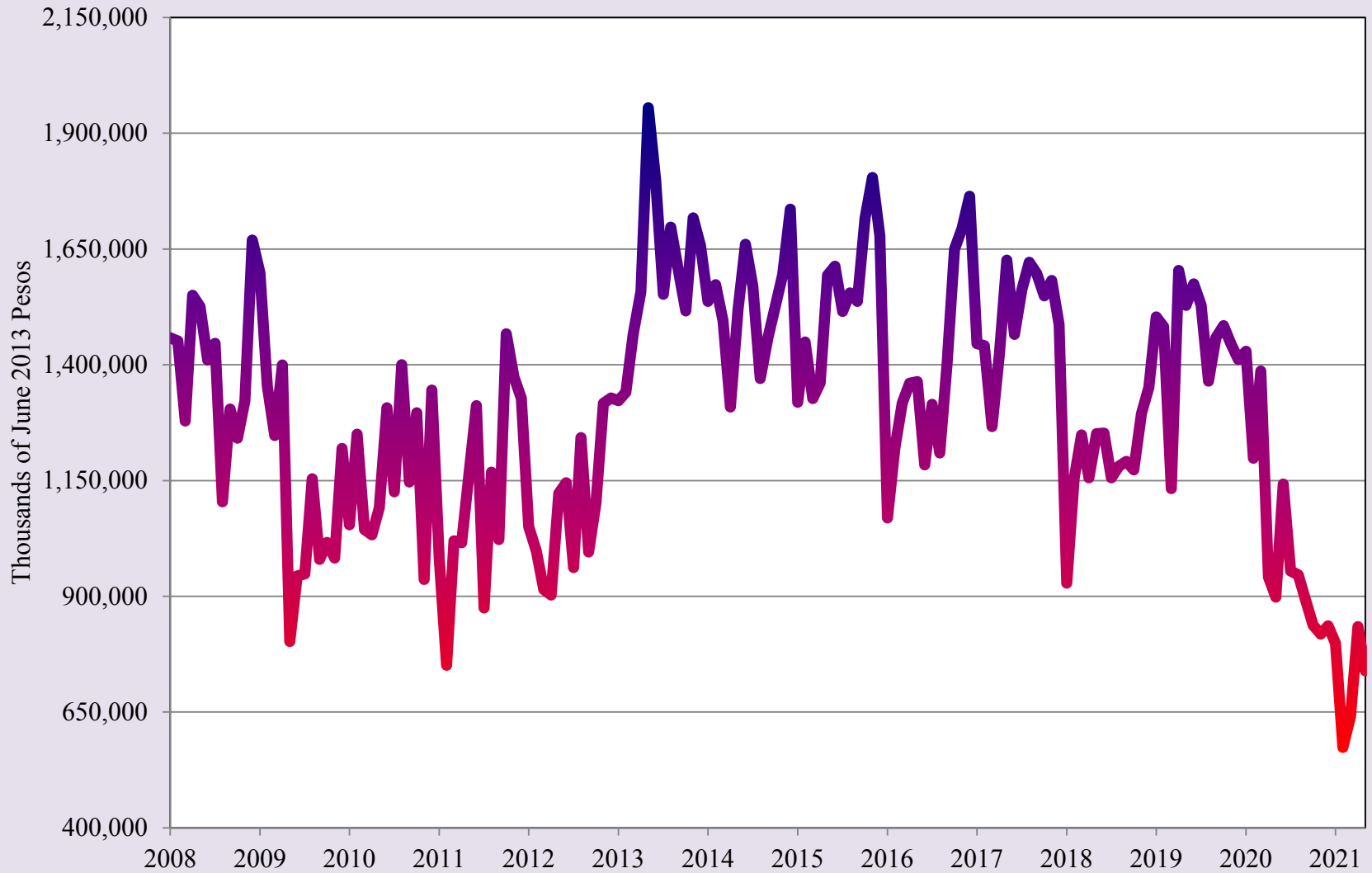
Source: INEGI

Total Value of Construction in the State of Chihuahua



Source: INEGI

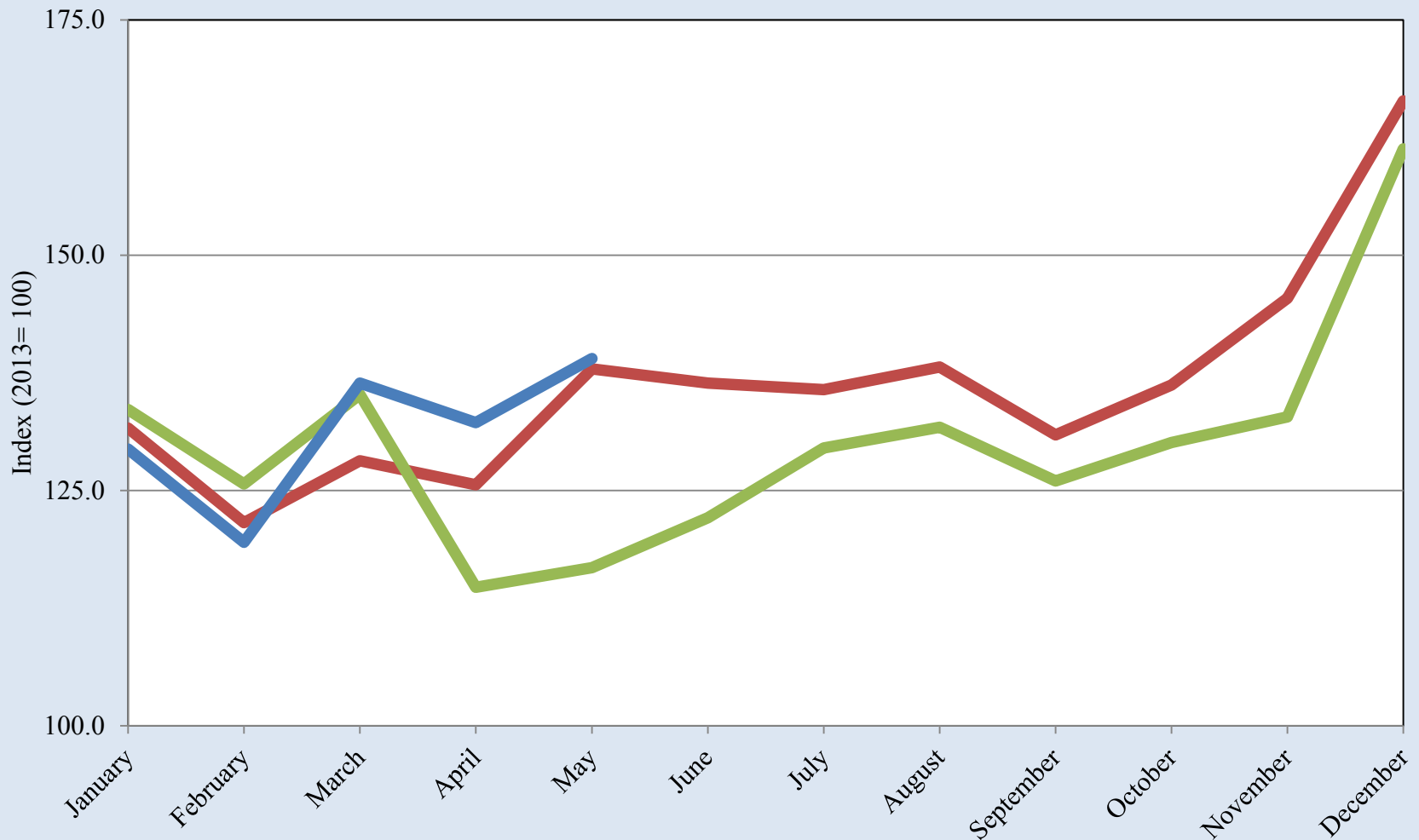
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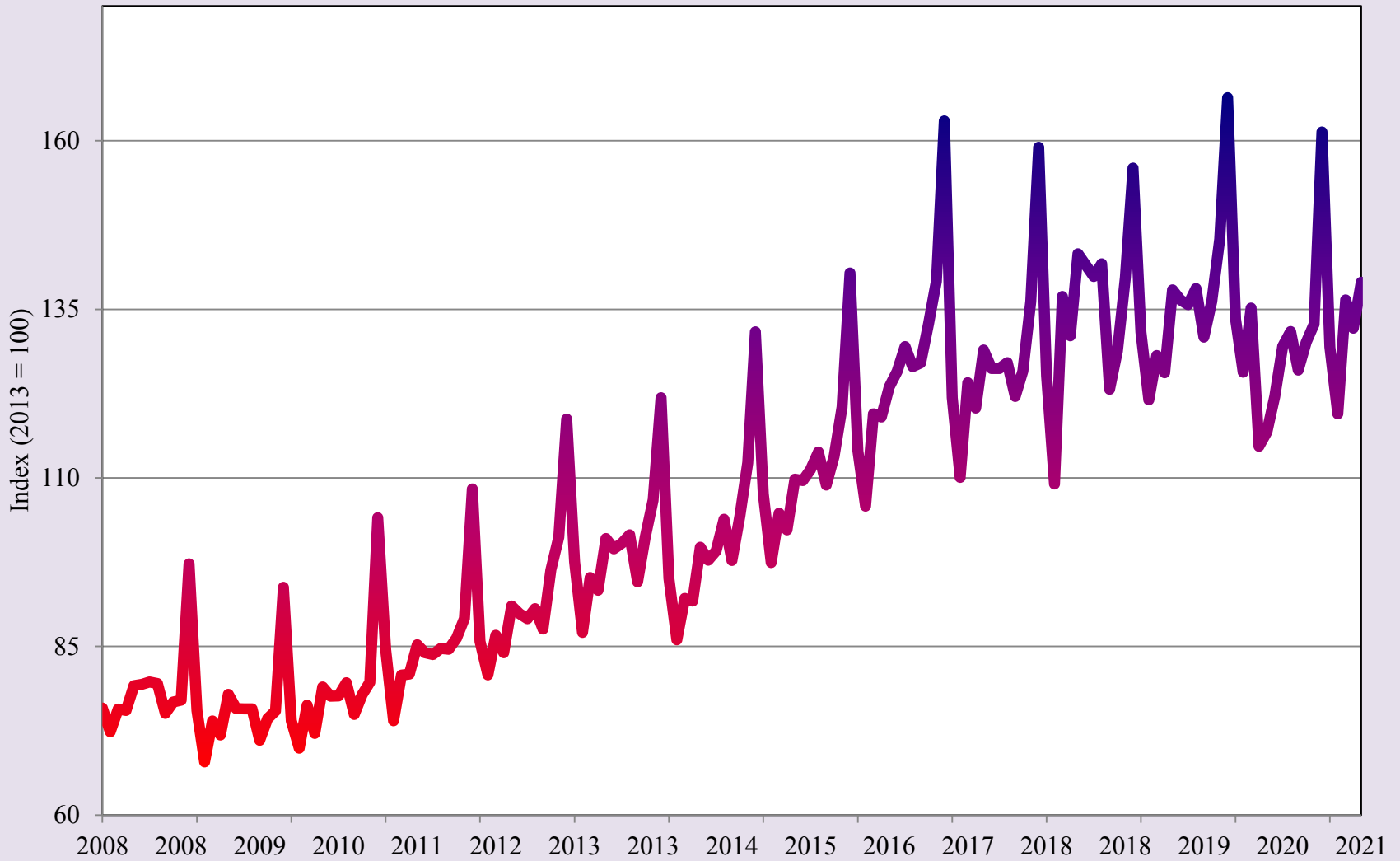
Real Retail Activity Index for the State of Chihuahua

— 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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