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## **Borderplex Business Barometer, Volume 5, Number 9**

Thomas M. Fullerton Jr.

Steven L. Fullerton

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T.M. Fullerton, Jr., and S.L. Fullerton, 2021, Steady Progress Amid Ongoing Uncertainty, *Borderplex Business Barometer* 5(9), 1-58.

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# BORDERPLEX BUSINESS BAROMETER

September 2021

Border Region Modeling Project  
Thomas M. Fullerton, Jr.  
Steven L. Fullerton

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  
303  
University of Texas at El Paso

**Email**

tomf@utep.edu  
sfullerton@utep.edu

**Telephone**

915-747-7747  
915-747-7775

UTEP Miner Shoppe

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*Border Commerce & Economics*

## Borderplex Business Barometer, Volume 5, Number 9

### Steady Progress amid Ongoing Uncertainty

In spite of regional mask mandate disagreements and a protracted border closure, local business conditions continue to improve. In August, the Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycle Index climbed close to its pre-pandemic level. The latter occurred even though the 12-month rate of consumer price inflation rose to 5.3 percent in August. Local gasoline prices also remained above \$3 per gallon for a third straight month.

All of the Treasury bill, note, and bond rates shown in the Yield Curve graph remain negative in real terms in August. Those historically low rates are helping to fuel rapid housing price inflation across the United States. In El Paso, the median price for single-family homes rose 14.9 percent above its August 2020 level. The Months of Inventory ratio has remained below 2.0 for 15 consecutive months. As long as 30- and 15-year mortgage rates remain below 3 percent in nominal terms, housing demand should remain strong.

The El Paso labor market continues to improve. In August, the jobless rate dropped below 6.0 percent for the first time since March 2020. Successful COVID-19 vaccination efforts have allowed labor force participation to expand in El Paso. Particularly robust rates of job growth have been tallied by the leisure and hospitality, information, and construction in recent months. Against that backdrop, it is not surprising that Supplemental Nutrition Assistance Program, SNAP or food stamp, enrollments plunged by more than 31.5 thousand in the 12 months to August 2021.

Las Cruces labor market conditions have also strengthened noticeably. The Doña Ana county unemployment rate fell below 6.5 percent for the first time since the onset of the pandemic. While total employment has yet to recover to 2019 levels completely, good progress has been achieved across multiple segments such as leisure and hospitality, business services, manufacturing, and retail trade. While that is good news, Mesilla Valley SNAP enrollments remain above year-ago levels.

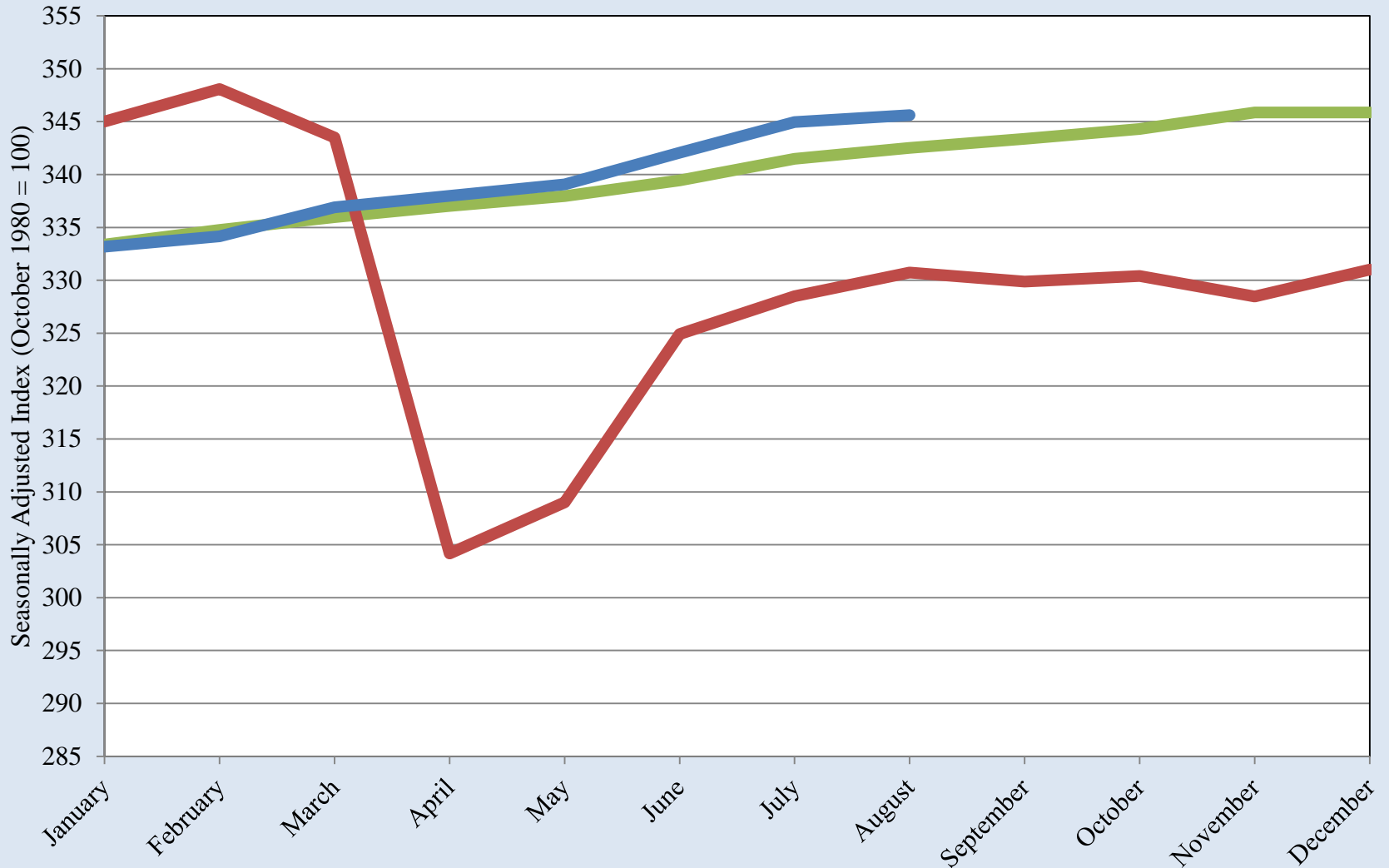
Borderplex businesses have begun to prepare for border travel restrictions to, possibly, be lifted in October. If non-essential travel is allowed to re-start, pent-up demand will probably cause local wait times to skyrocket at regional ports of entry. The return of retail tourism from Northern Mexico may also cause inventory shortages at many stores.

El Paso hotel occupancy rates may decline as visitors welcome a chance to once again, visit the United States.

In nominal terms, the exchange rate hovered near 20 pesos per dollar during the first 9 months of 2021. While that is substantially lower than the historically high levels reached during the second quarter of 2020, the peso still remains relatively weak in real terms. Historically, that circumstance usually translates into greater manufacturing investment flows into Ciudad Juarez and other parts of the State of Chihuahua. The Northern Mexico Manufacturing Orders Index has exceeded year-ago levels throughout 2021, indicating that the pattern remains in place. The number of northbound cargo vehicles crossing the border from Ciudad Juarez has also exceeded 62 thousand trucks per month for January to August 2021.

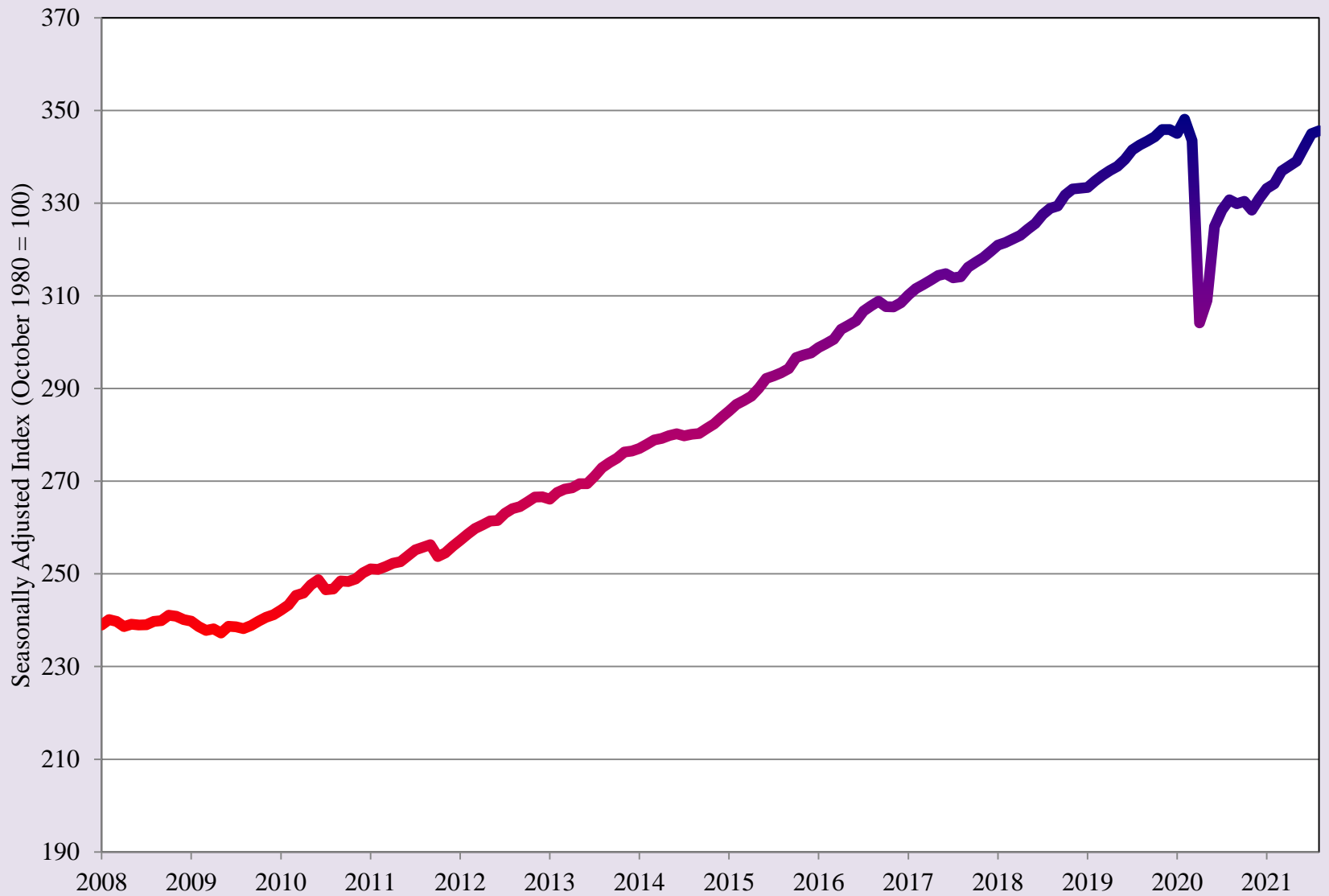
# El Paso Metropolitan Business Cycle Index

2019 2020 2021



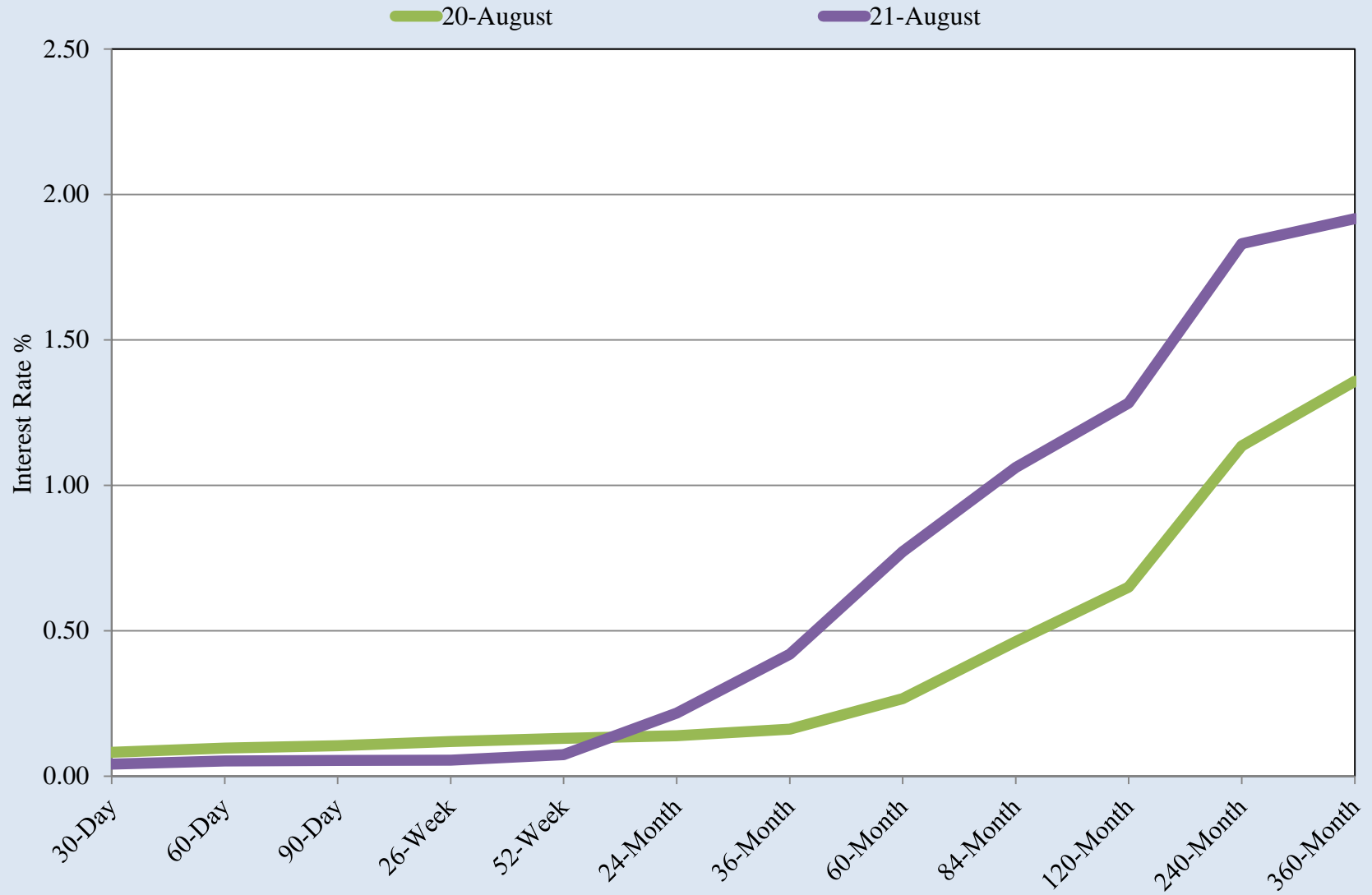
Source: Federal Reserve Bank of Dallas

## El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

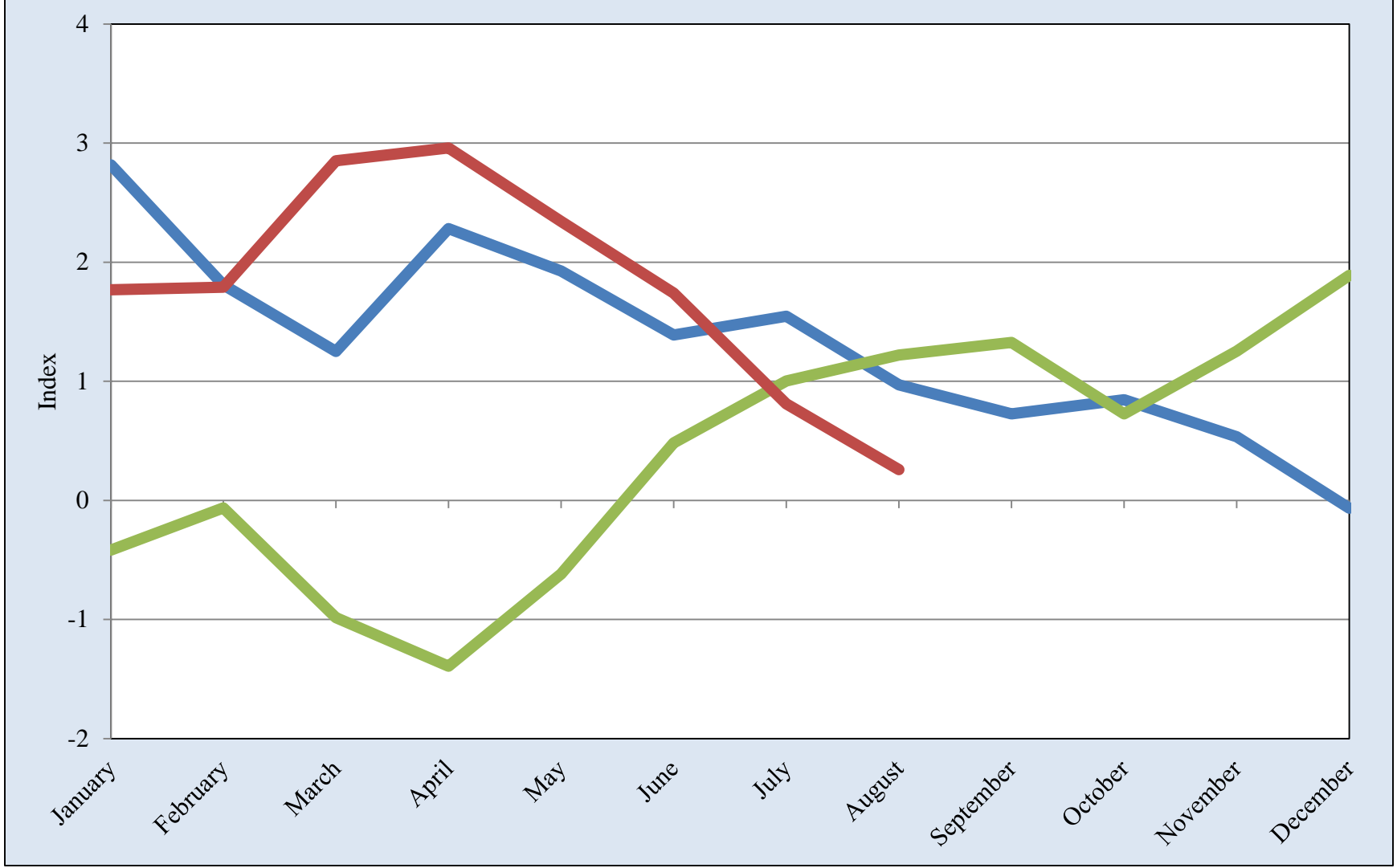
## Average Treasury Yield Curve Rates



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

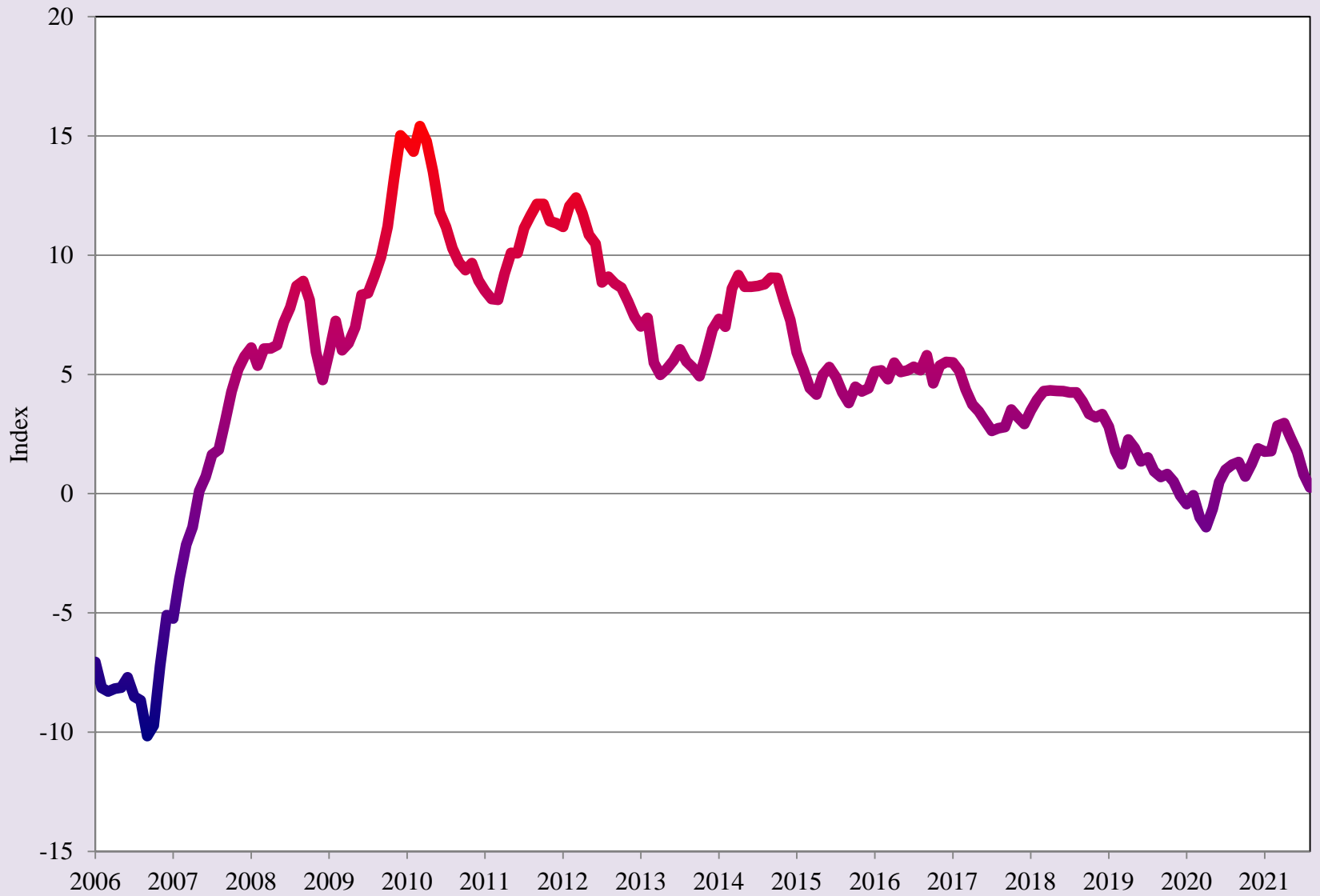
# El Paso Household Economic Stress Index

2019 2020 2021



Source: UTEP Border Region Modeling Project

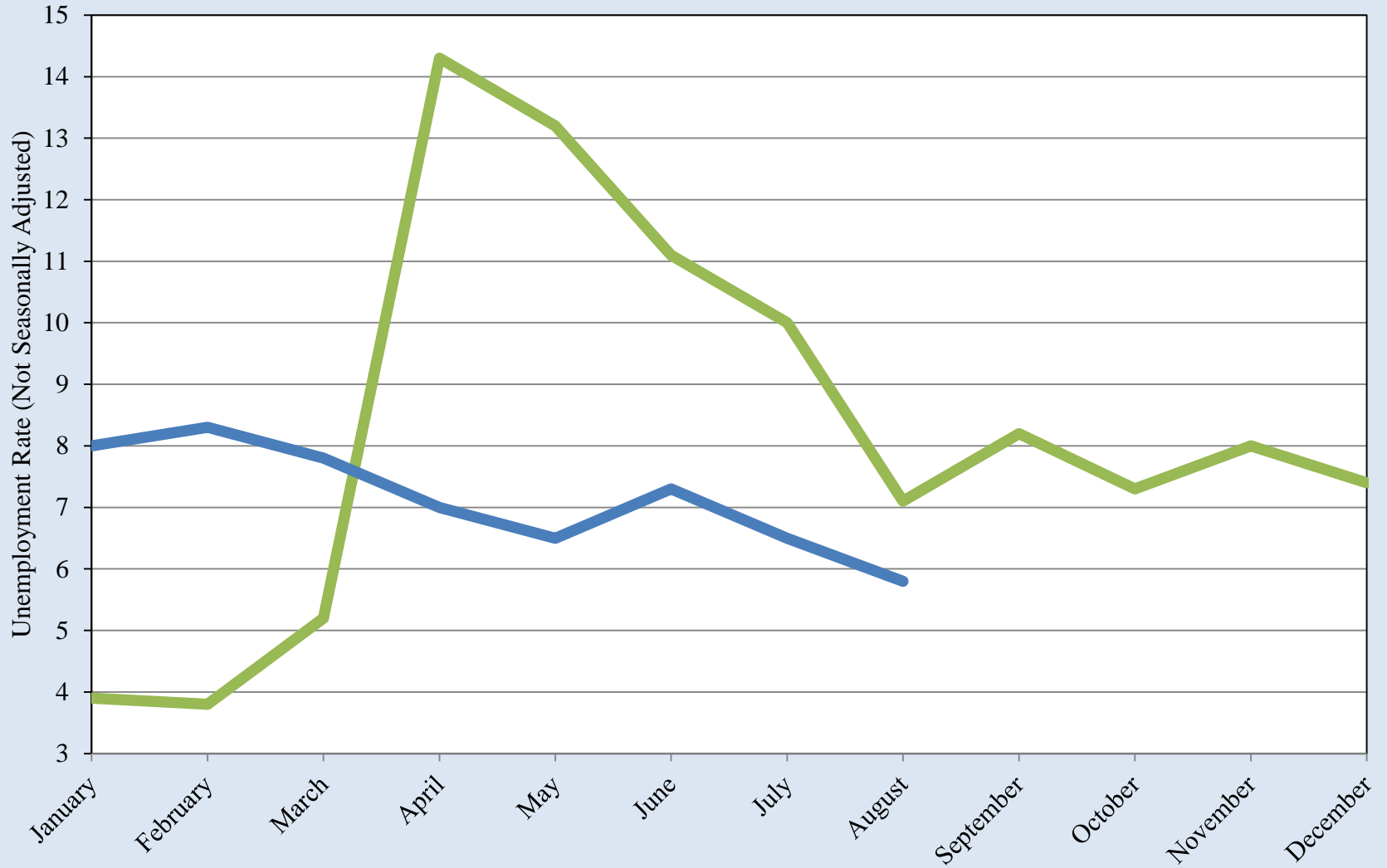
## El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

# El Paso County Unemployment Rate

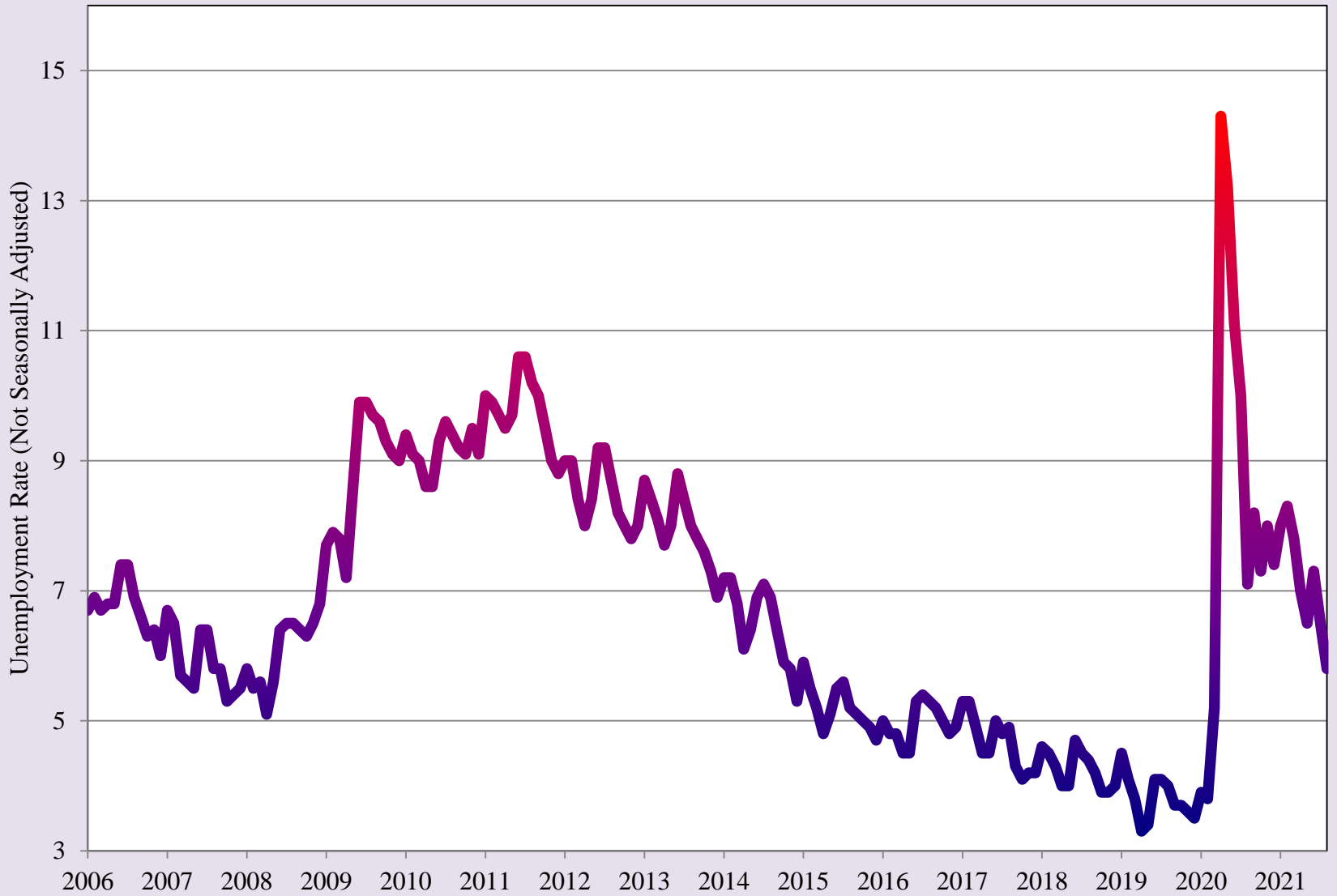
2020 2021



Source: Bureau of Labor Statistics

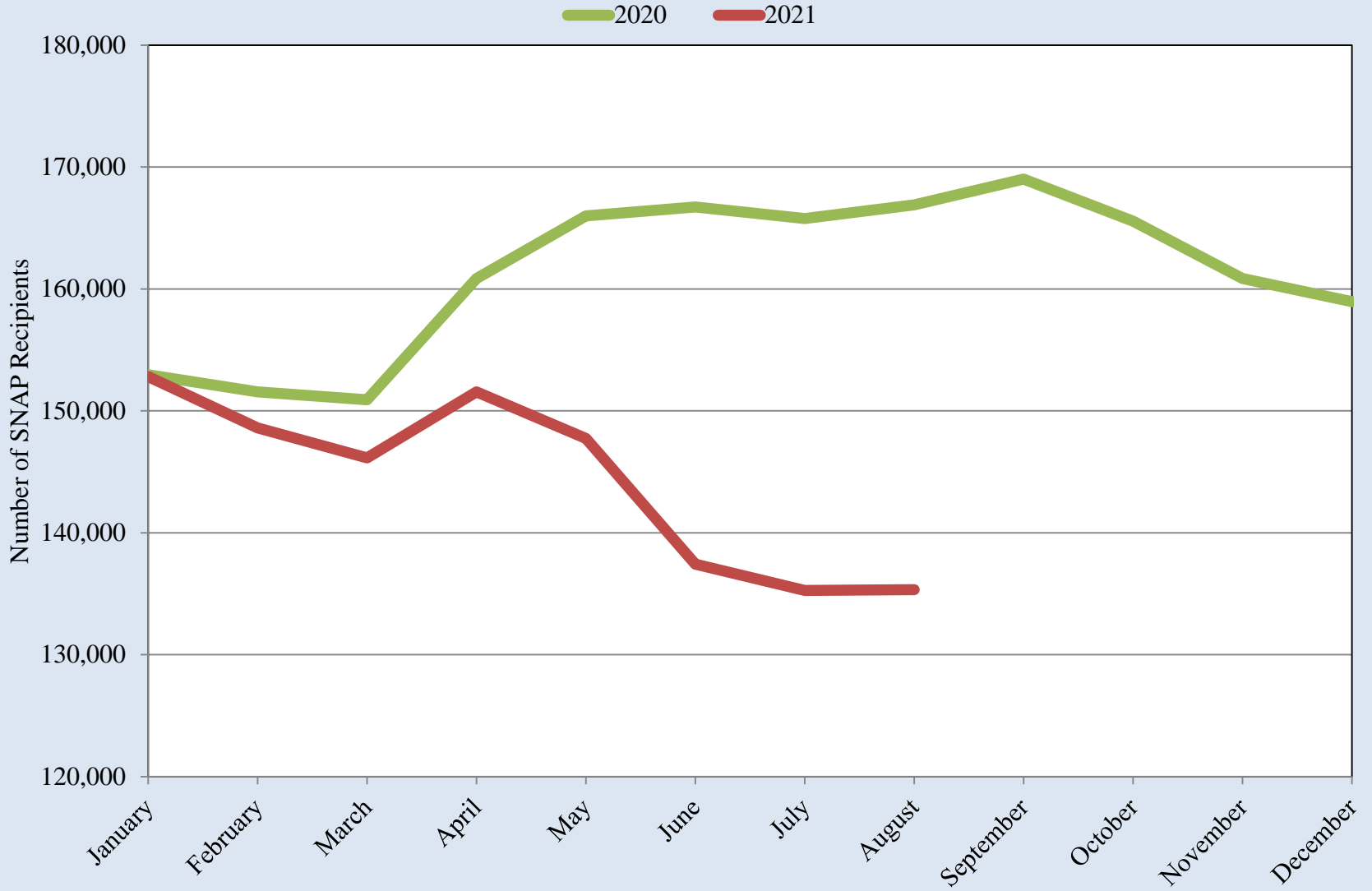


## El Paso County Unemployment Rate



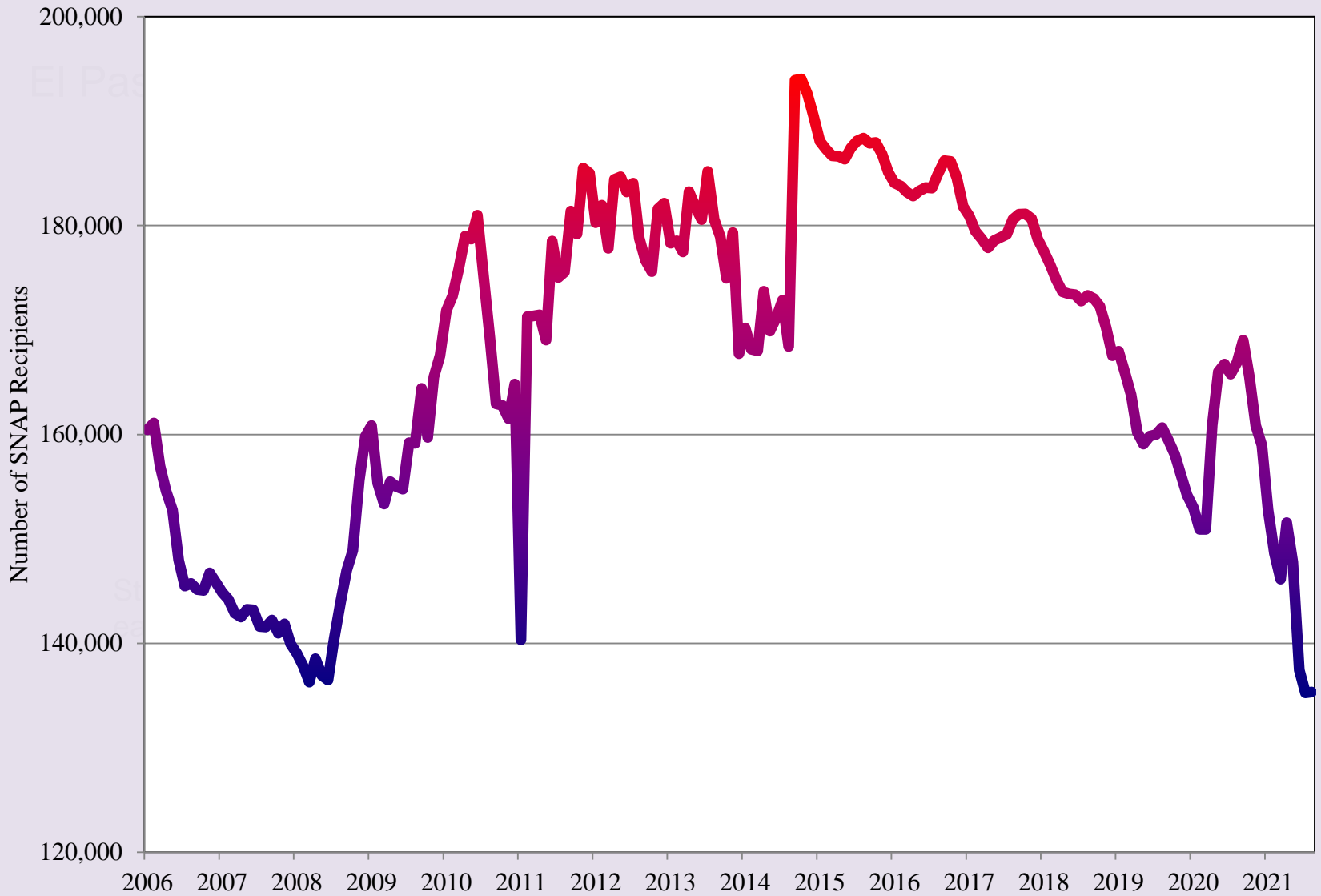
Source: Bureau of Labor Statistics

## El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

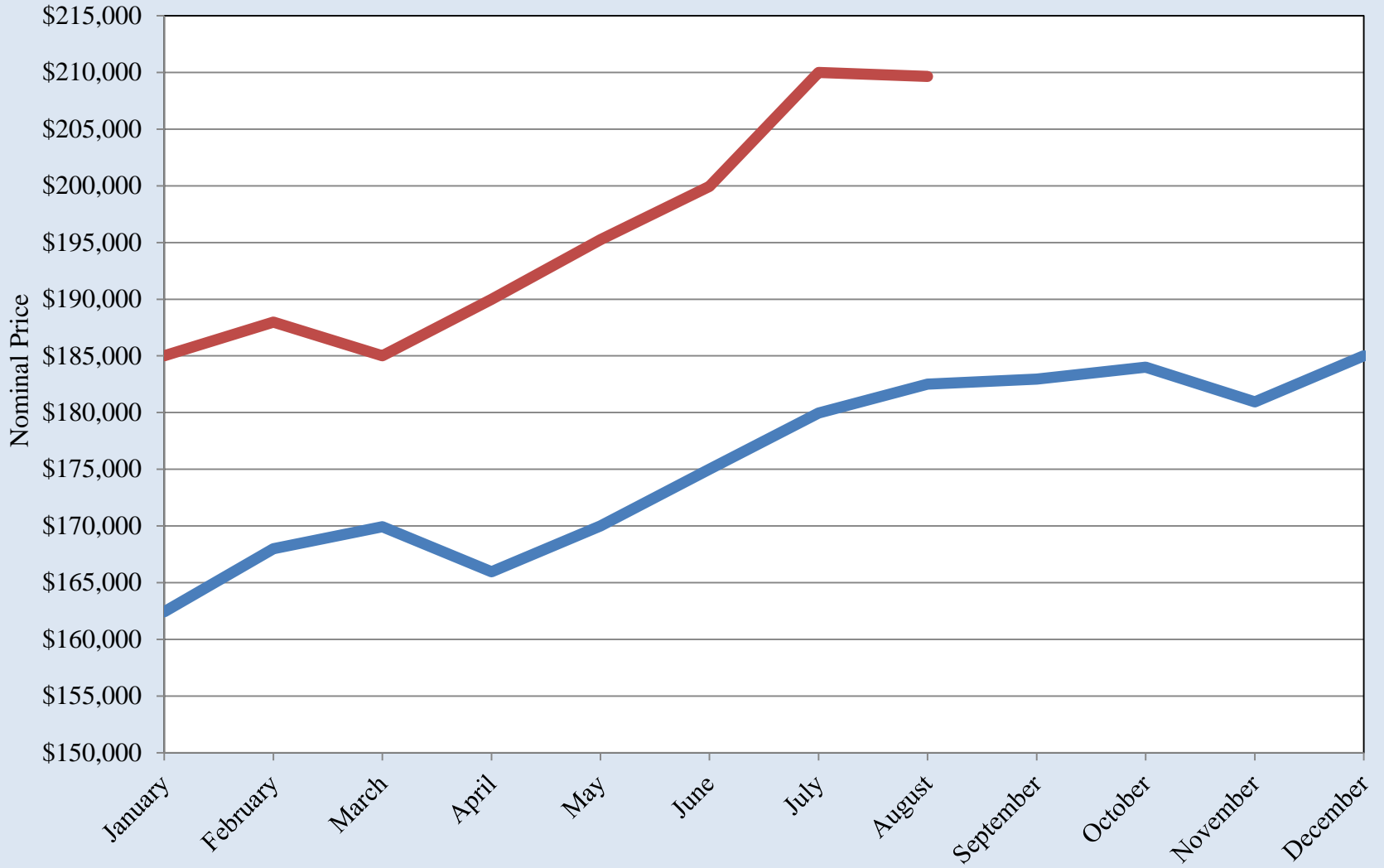
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Source: Texas Health and Human Services Commission

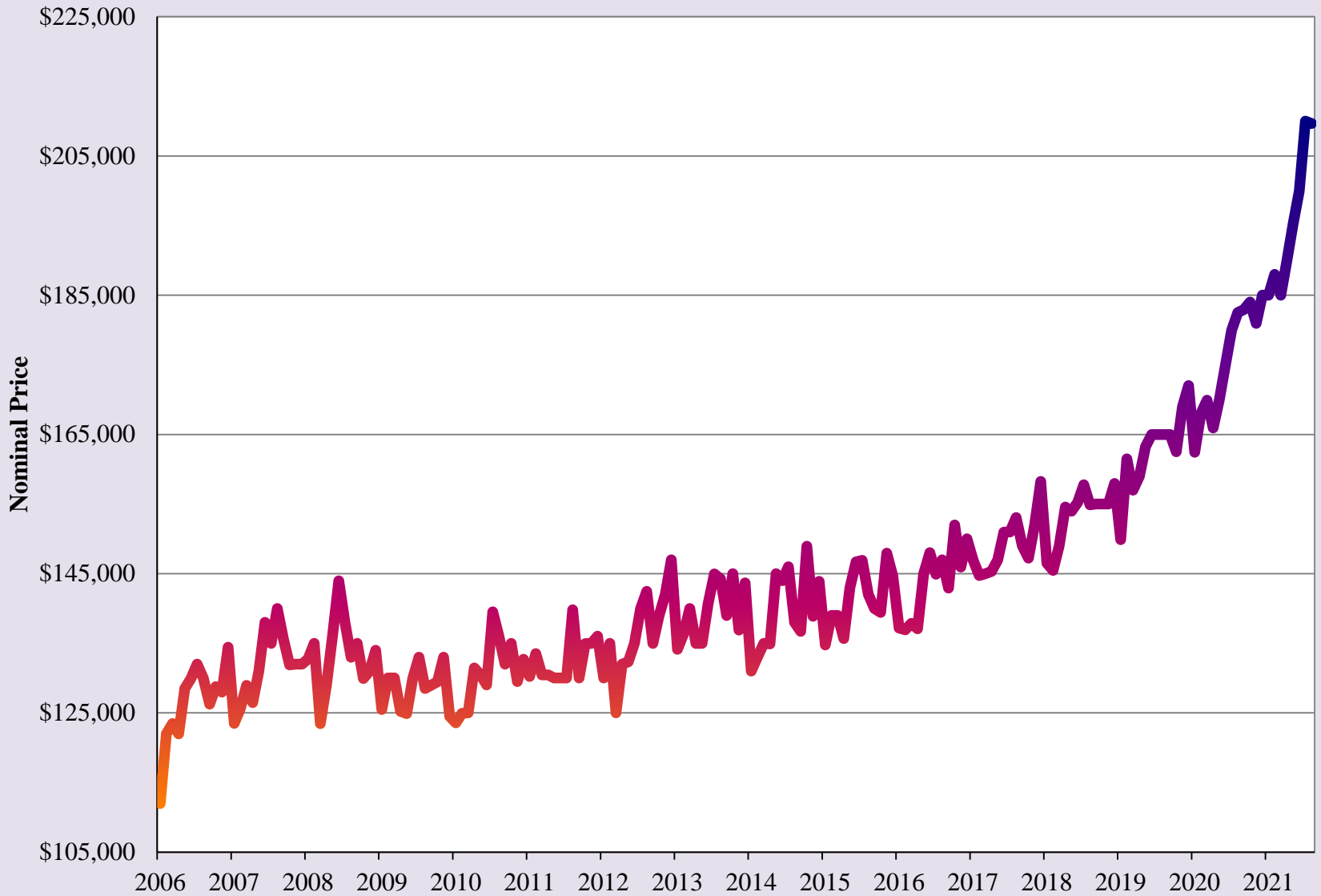
## El Paso Median Housing Prices

— 2020 — 2021



Source: Texas A&M Real Estate Center

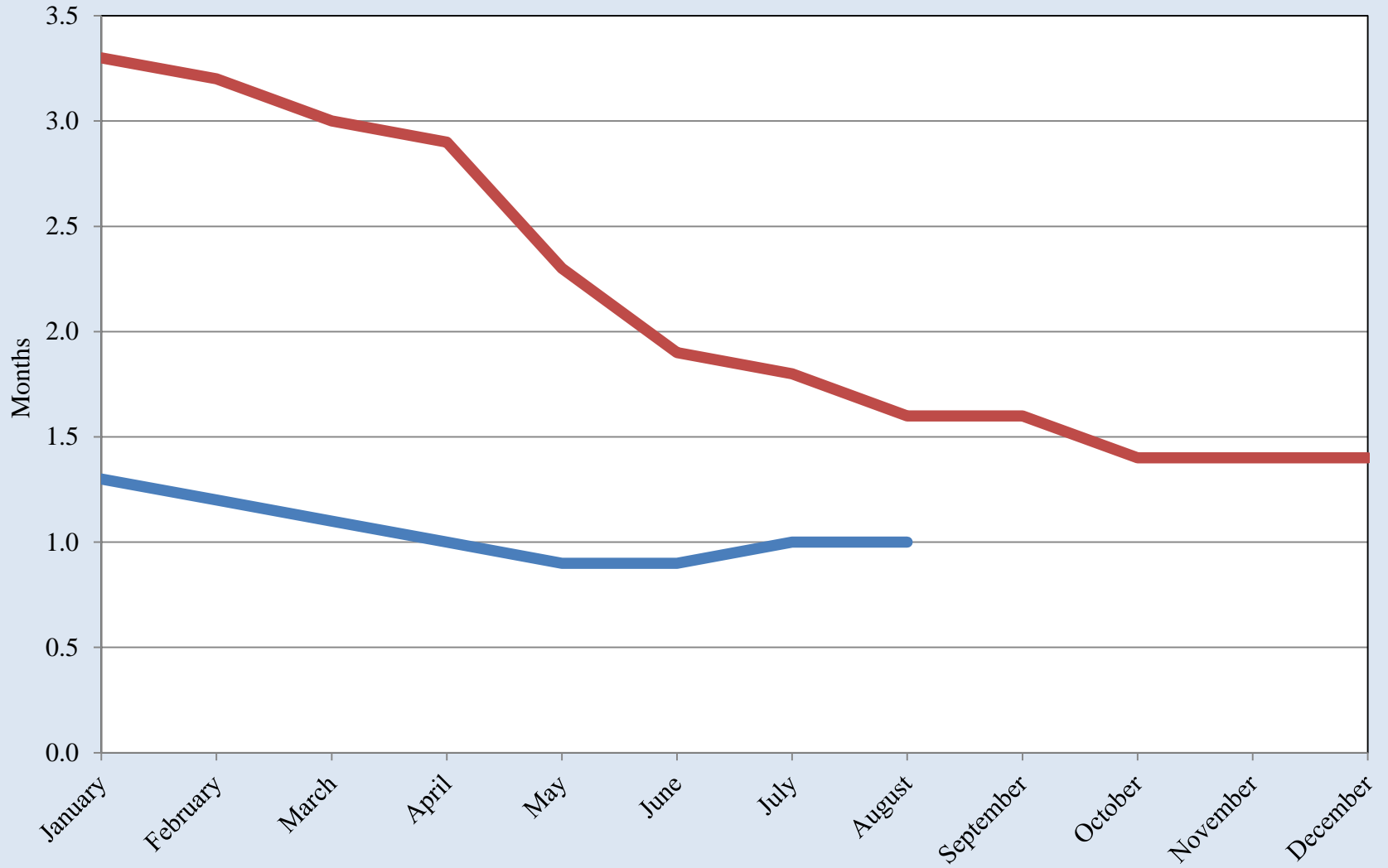
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Source: Texas A&M Real Estate Center

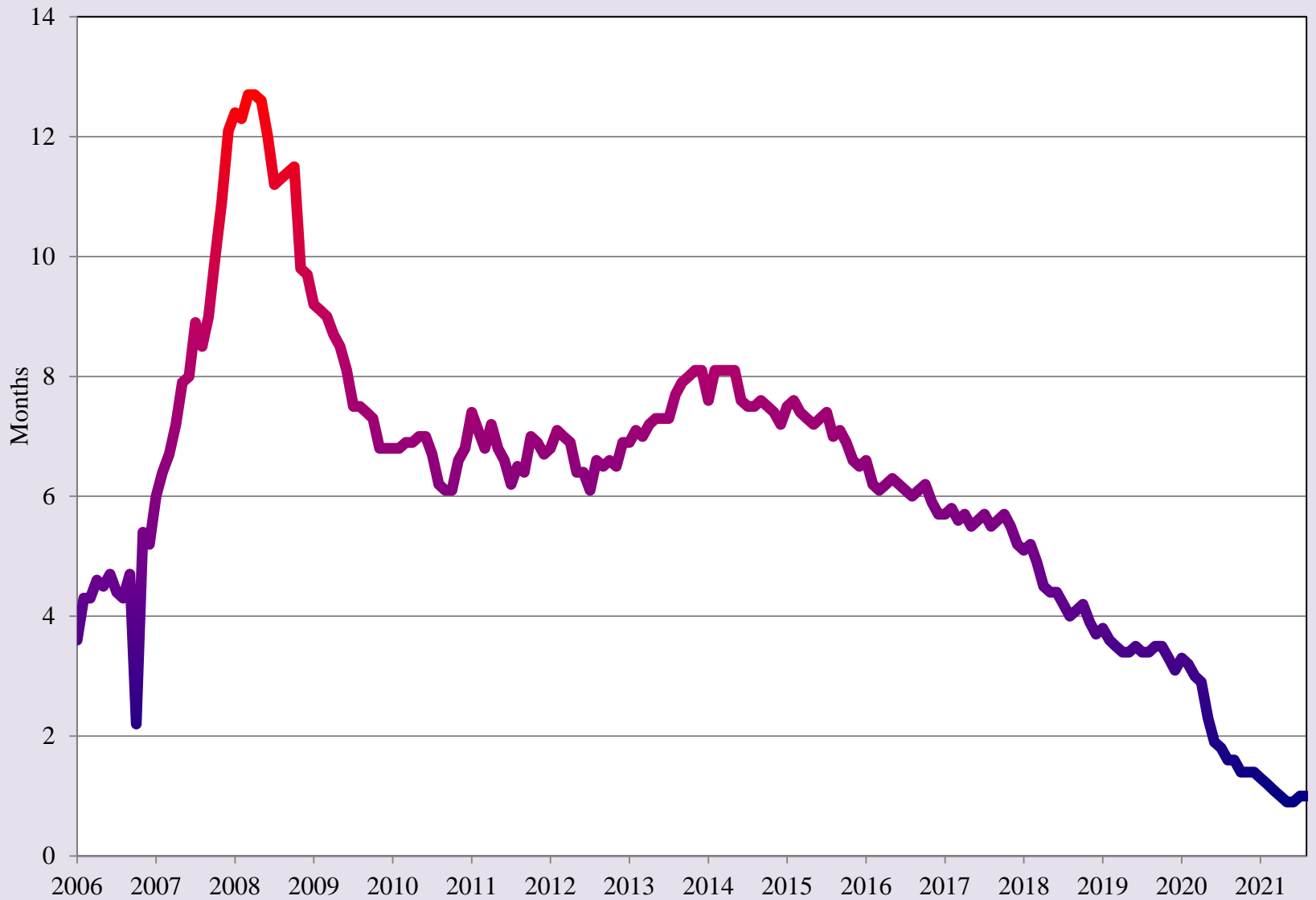
## Months of Housing Inventory for El Paso

2020 2021



Source: Texas A&M Real Estate Center

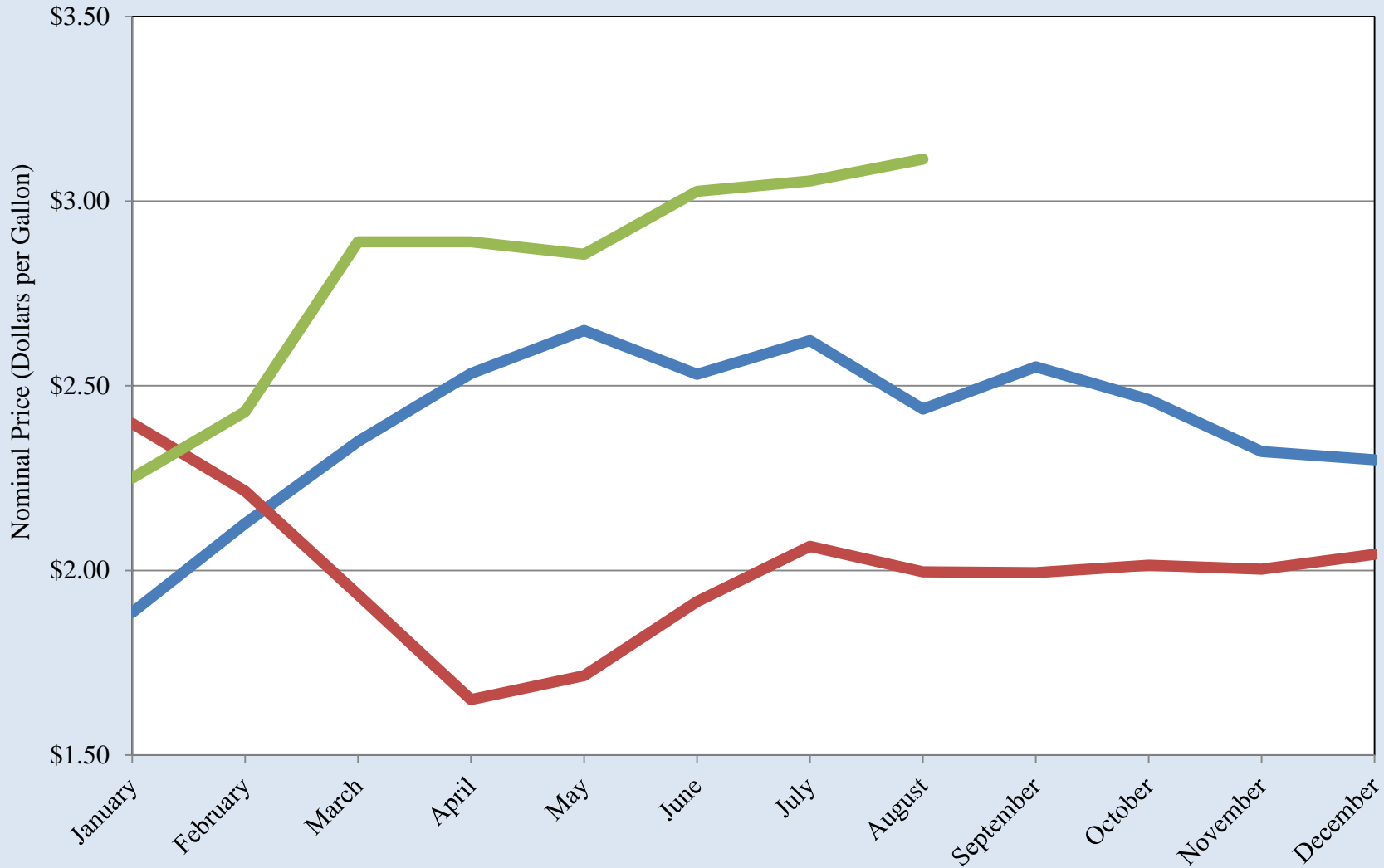
## Months of Housing Inventory for El Paso



Source: Texas A&M Real Estate Center

# El Paso Gasoline Prices

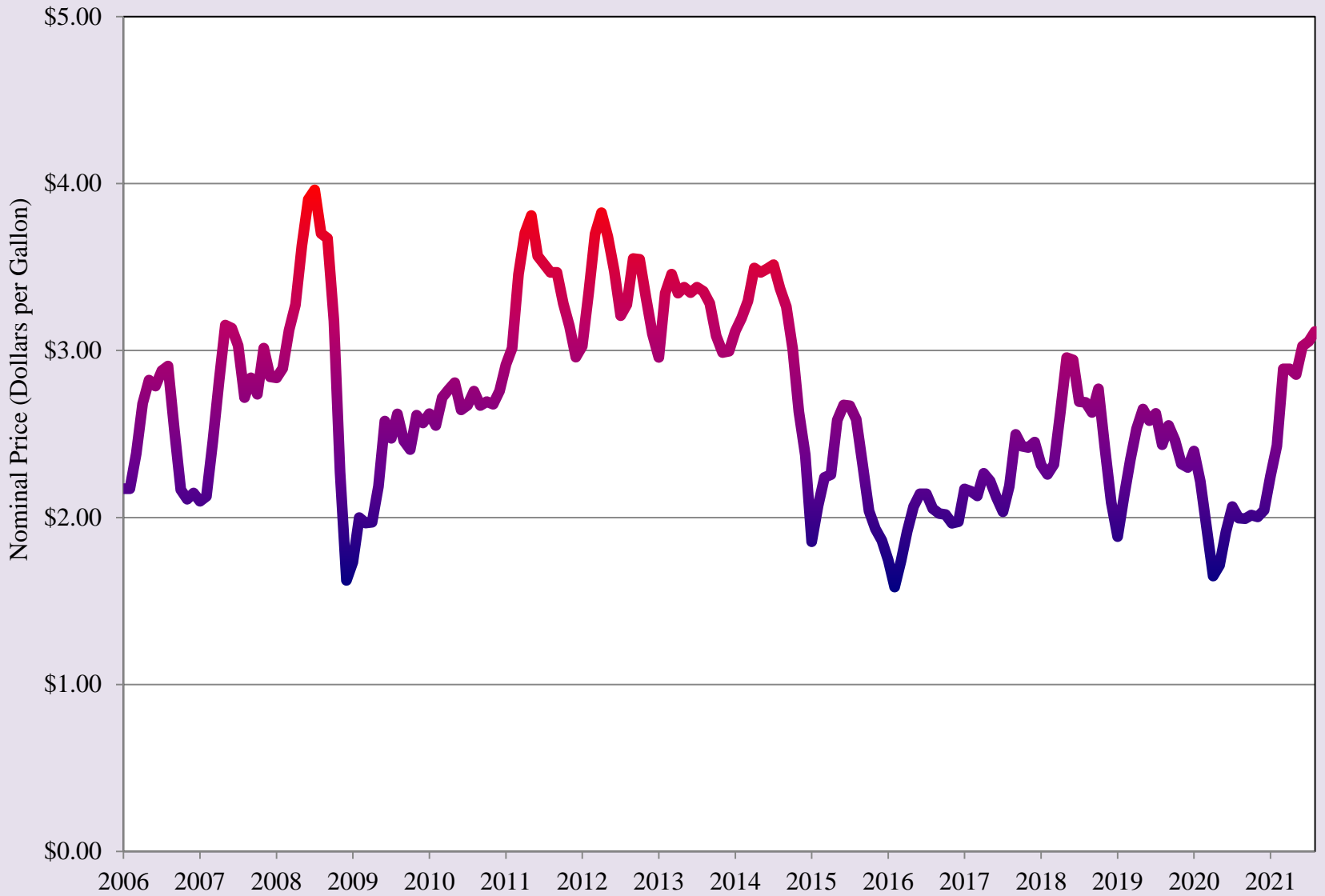
2019 2020 2021



Source: GasBuddy.com



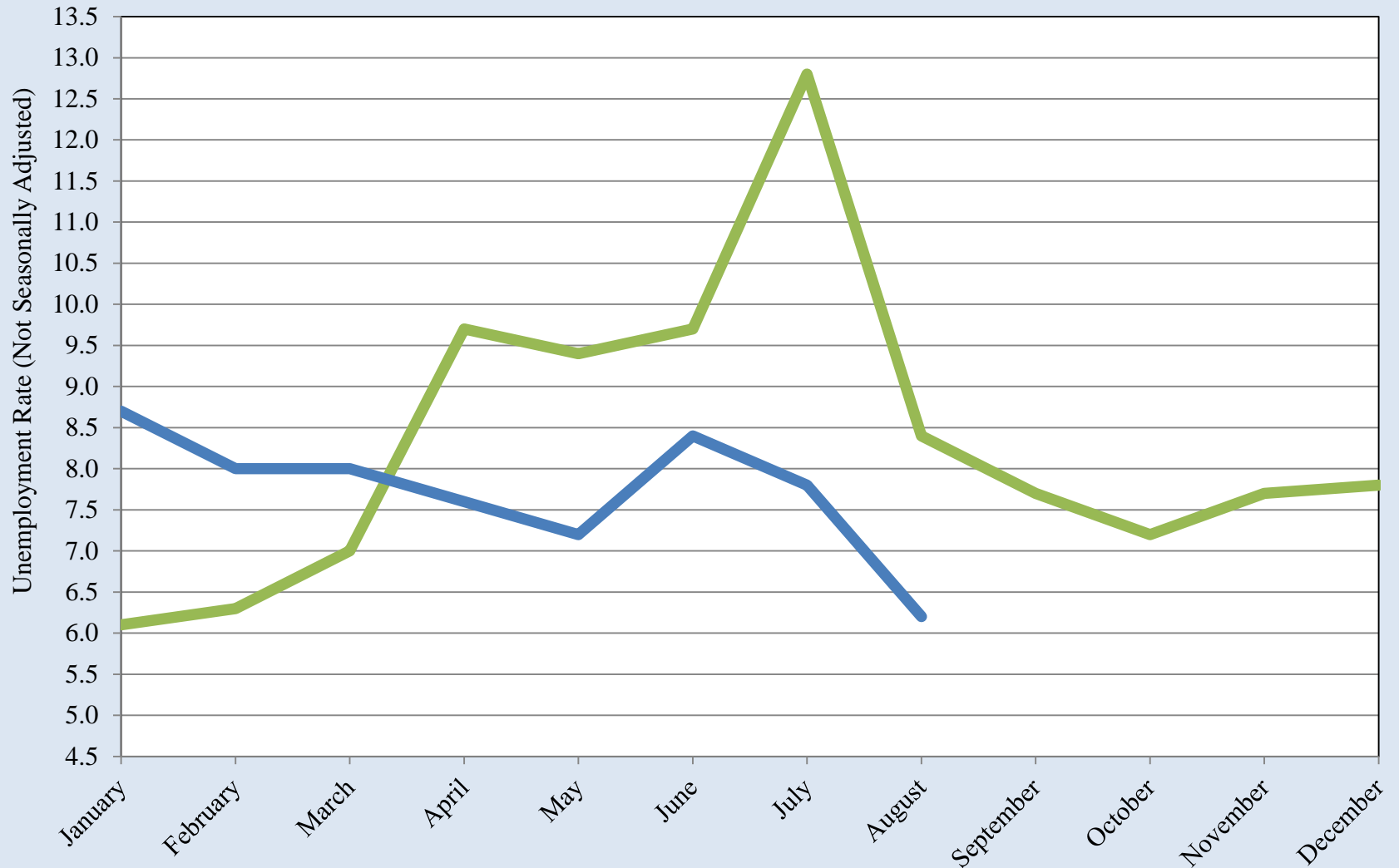
## El Paso Gasoline Prices



Source: GasBuddy.com

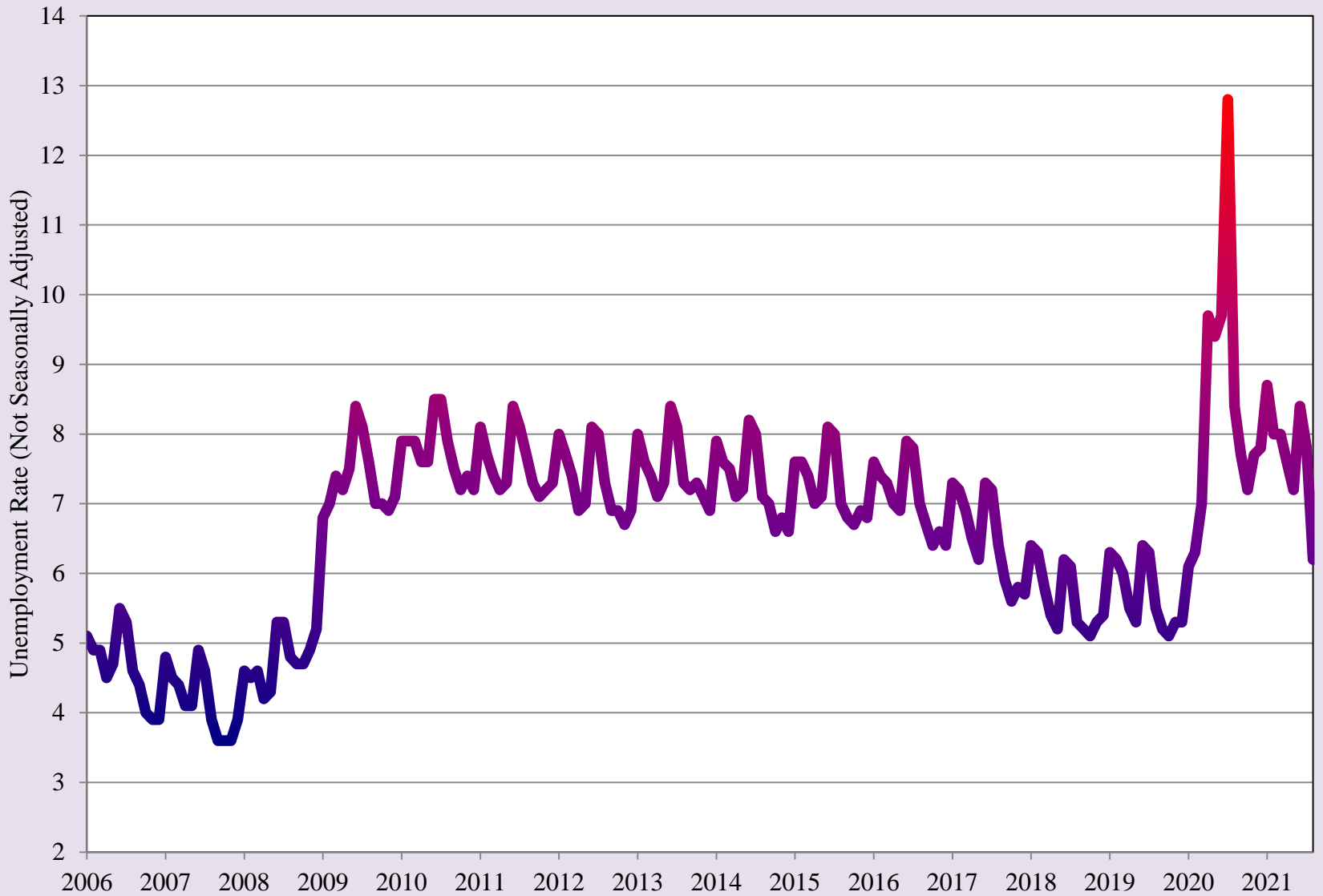
## Doña Ana County Unemployment Rate

2020 2021



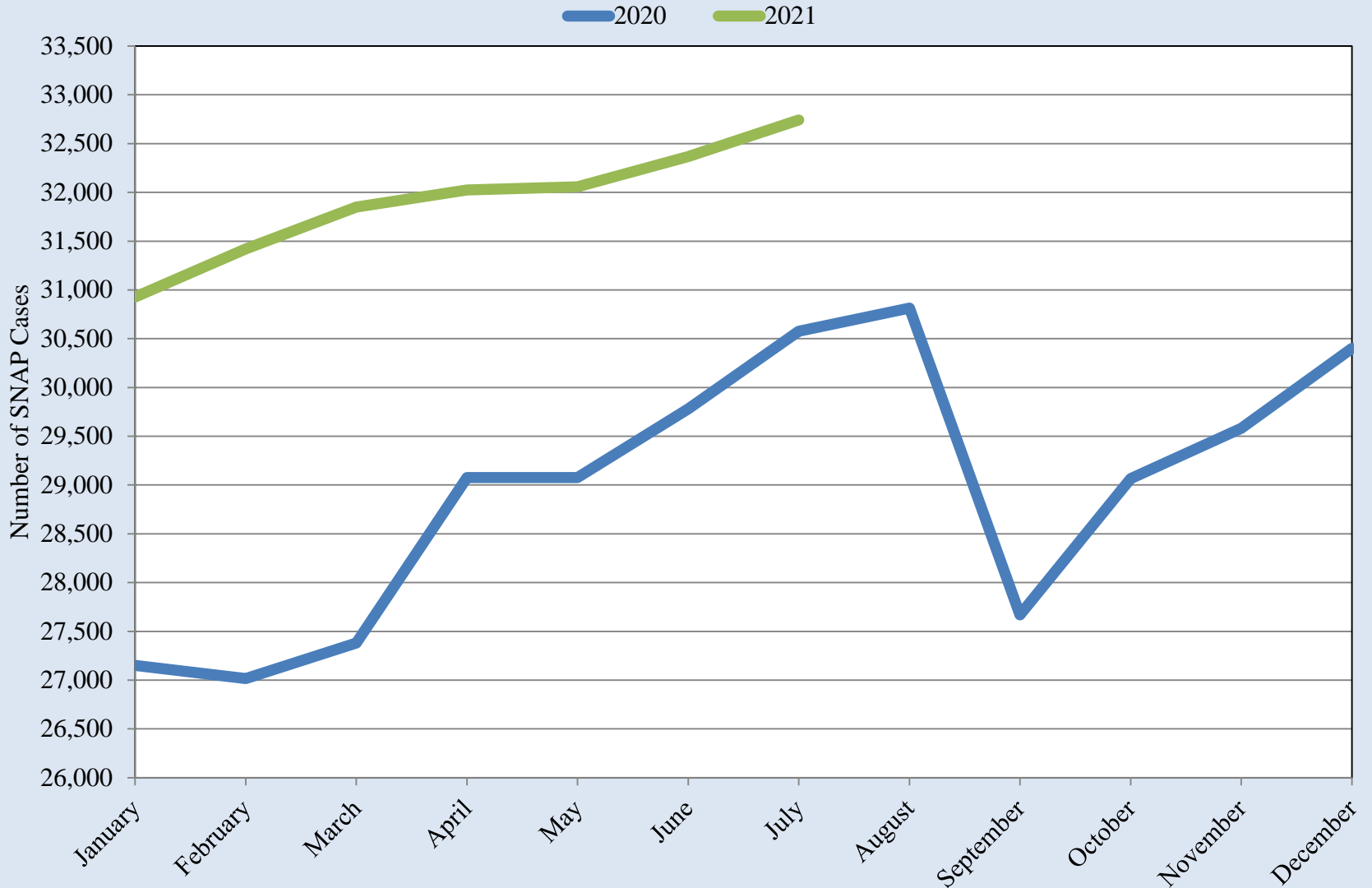
Source: Bureau of Labor Statistics

## Doña Ana County Unemployment Rate



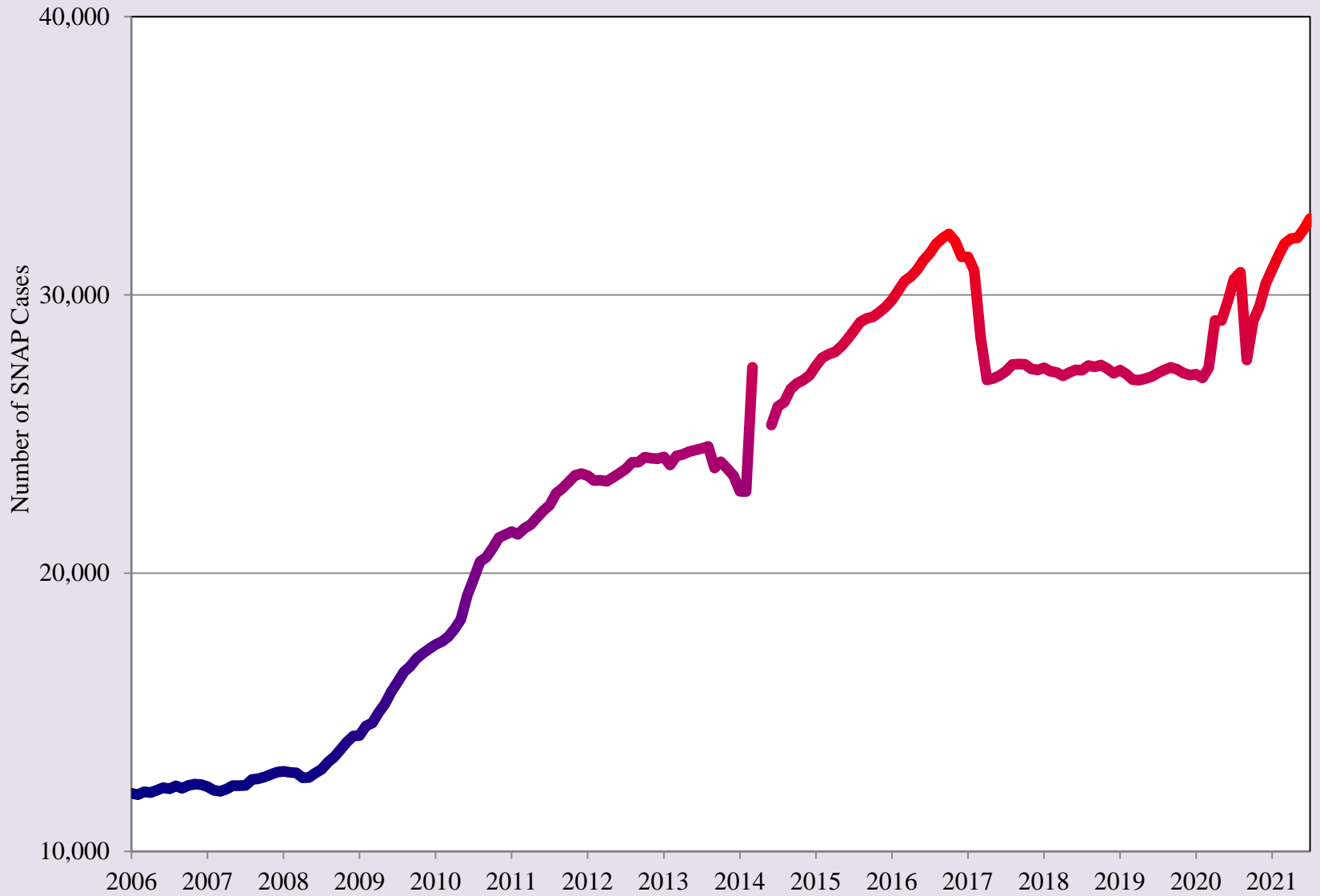
Source: Bureau of Labor Statistics

## Las Cruces Area SNAP (Food Stamp) Cases



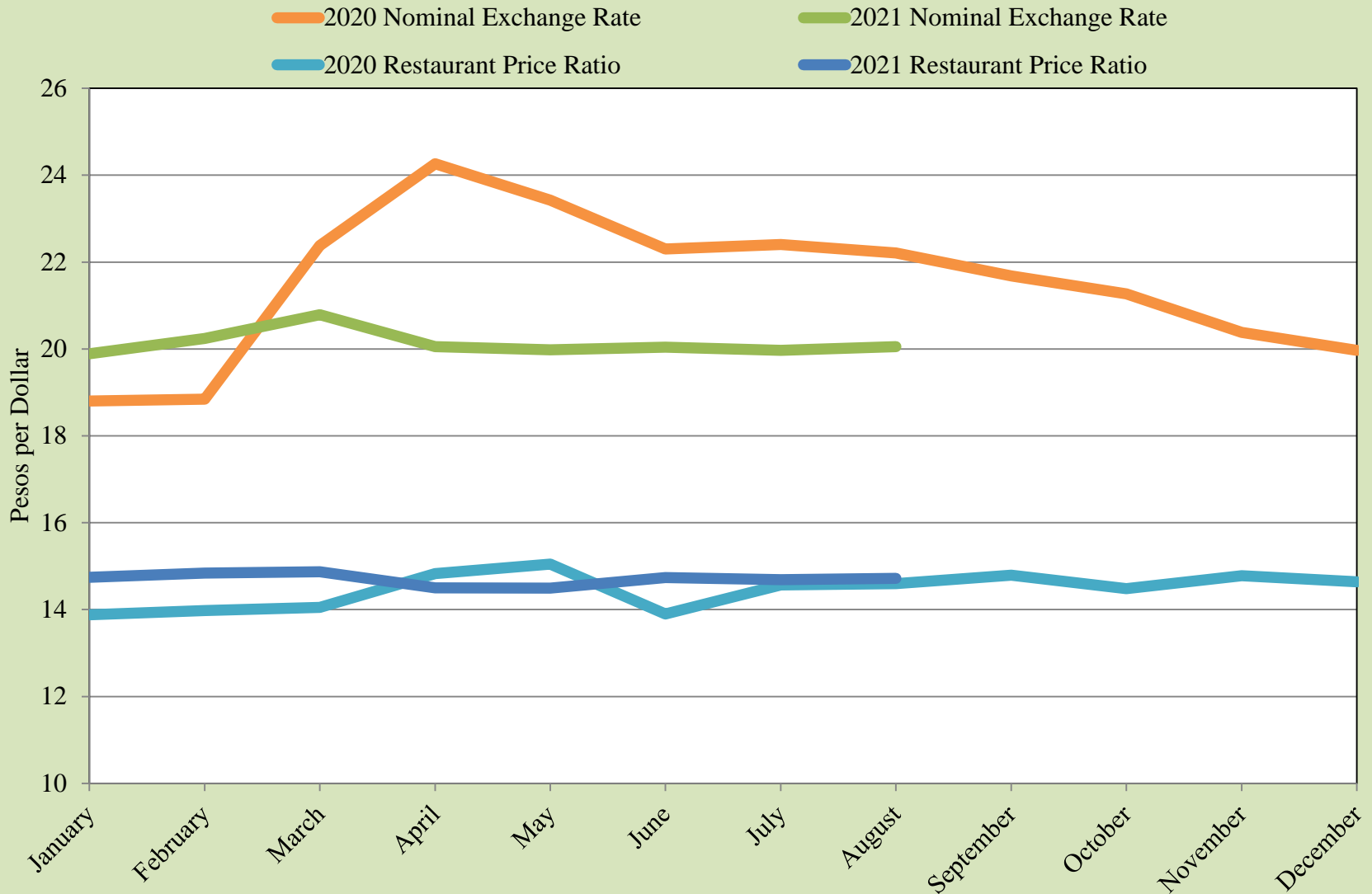
Source: New Mexico Human Services Department

## Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

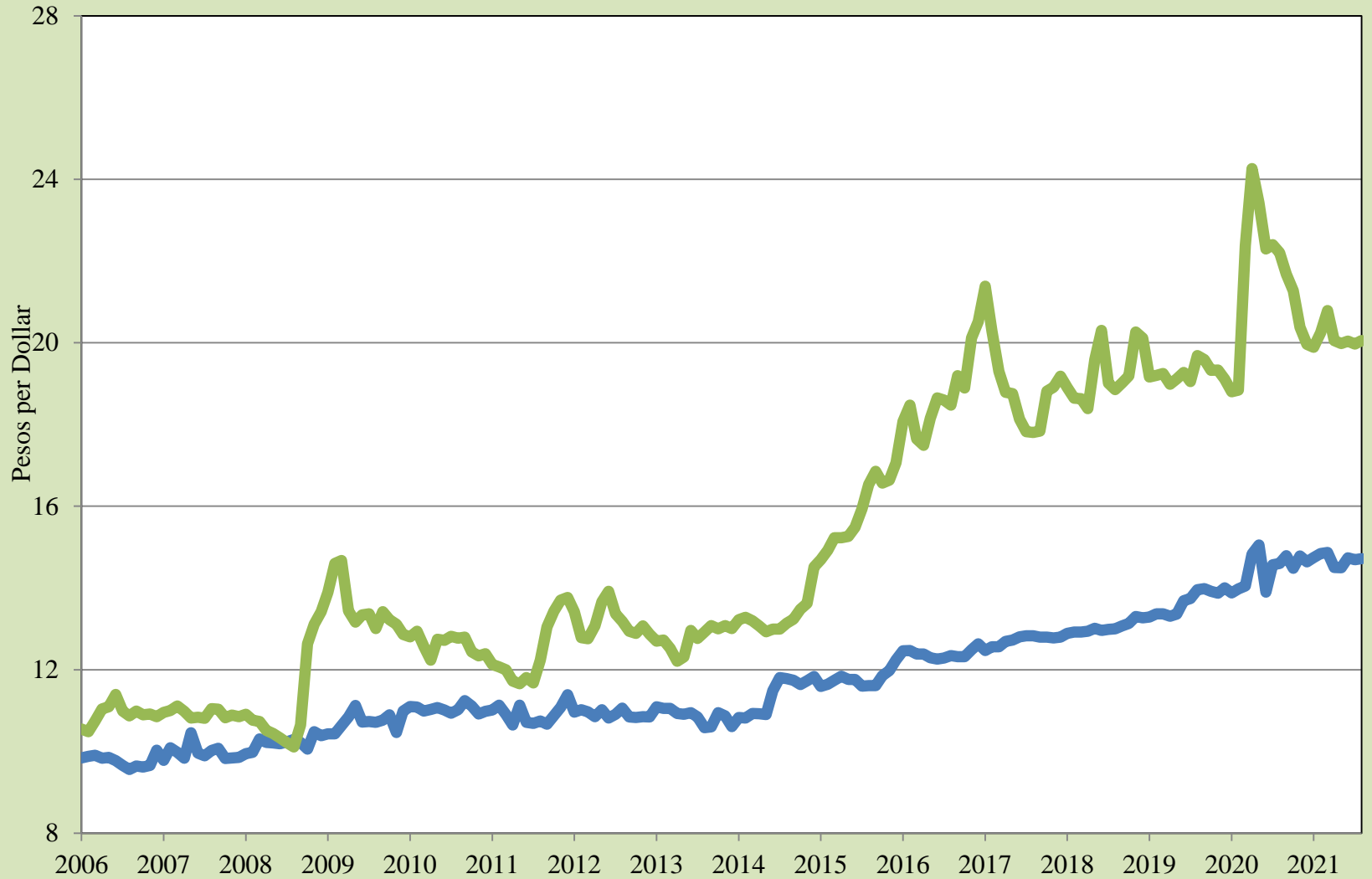
## Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

## Restaurant Price Ratio and Exchange Rate

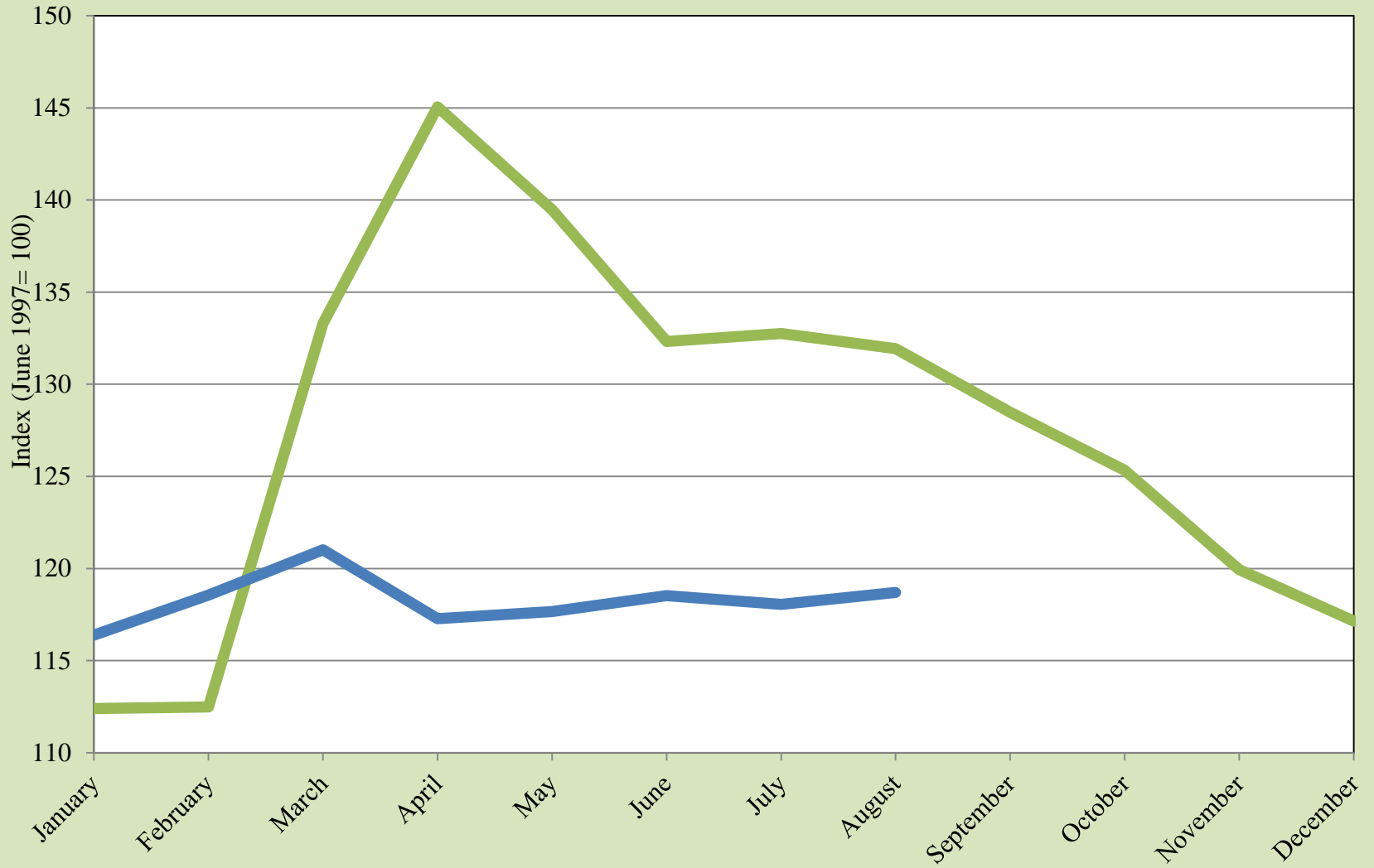
Price Ratio Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

## Real Peso-per-Dollar Exchange Rate Index

— 2020 — 2021



Source: UTEP Border Region Modeling Project

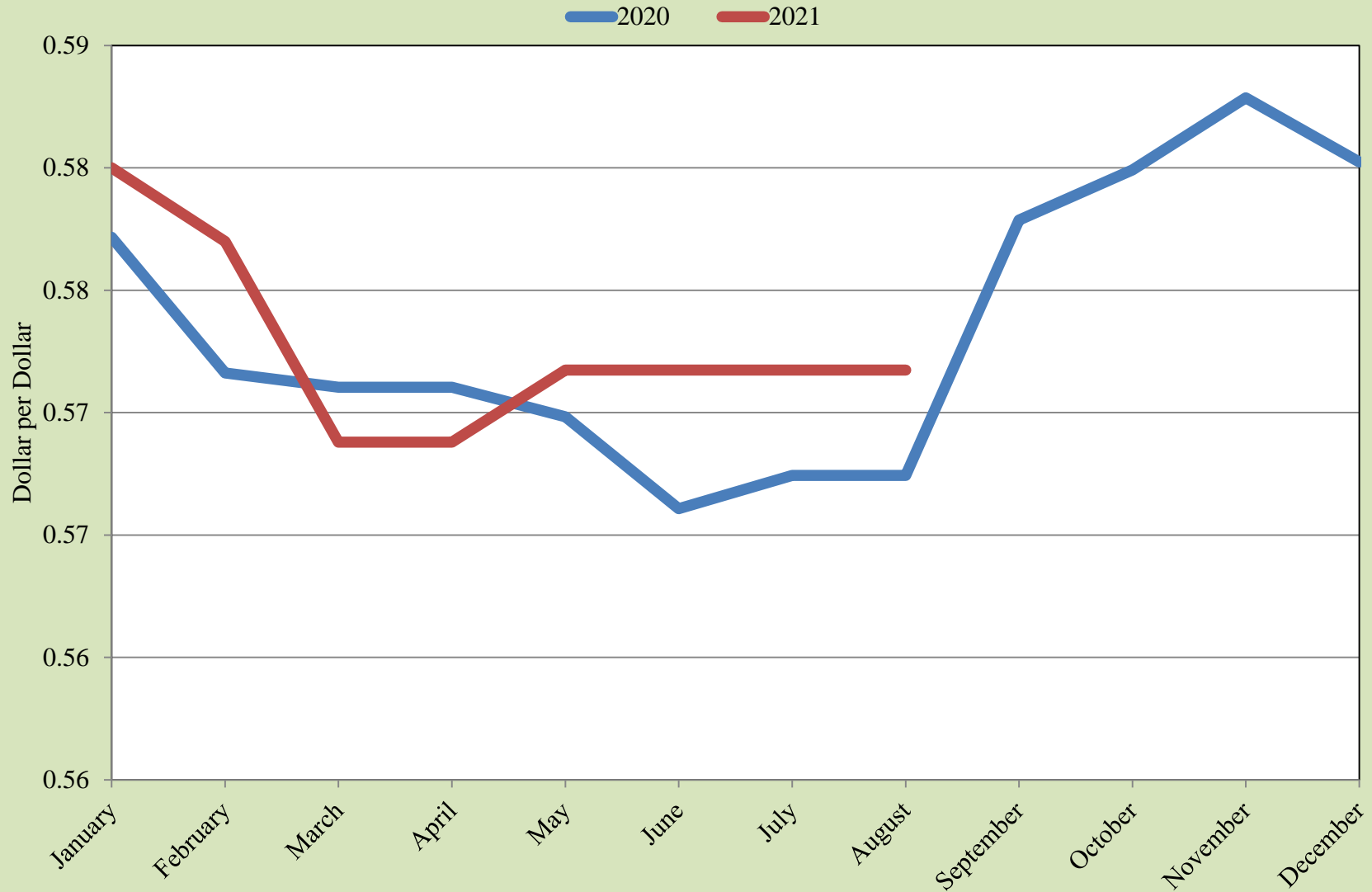


## Real Peso-per-Dollar Exchange Rate Index



Source: UTEP Border Region Modeling Project

## Pharmaceutical Nominal Price Ratio in the USA and Mexico



Source: UTEP Border Region Modeling Project, [healthwarehouse.com](http://healthwarehouse.com), [goodrx.com](http://goodrx.com), [medsmex.com](http://medsmex.com)

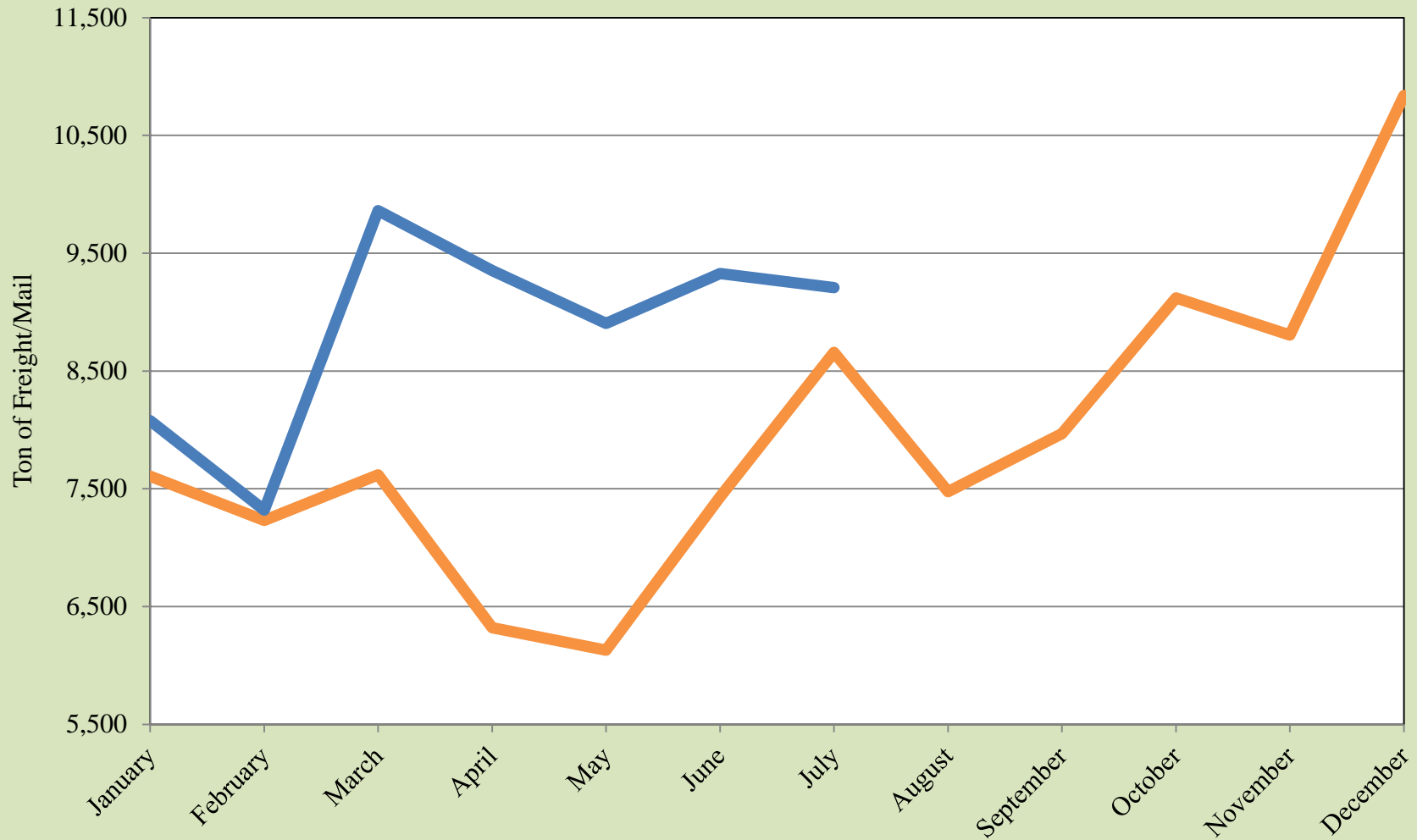
## Pharmaceutical Nominal Price Ratio in the USA and Mexico



Source: UTEP Border Region Modeling Project, [healthwarehouse.com](http://healthwarehouse.com), [goodrx.com](http://goodrx.com), [medsmex.com](http://medsmex.com)

## EPIA Freight and Mail

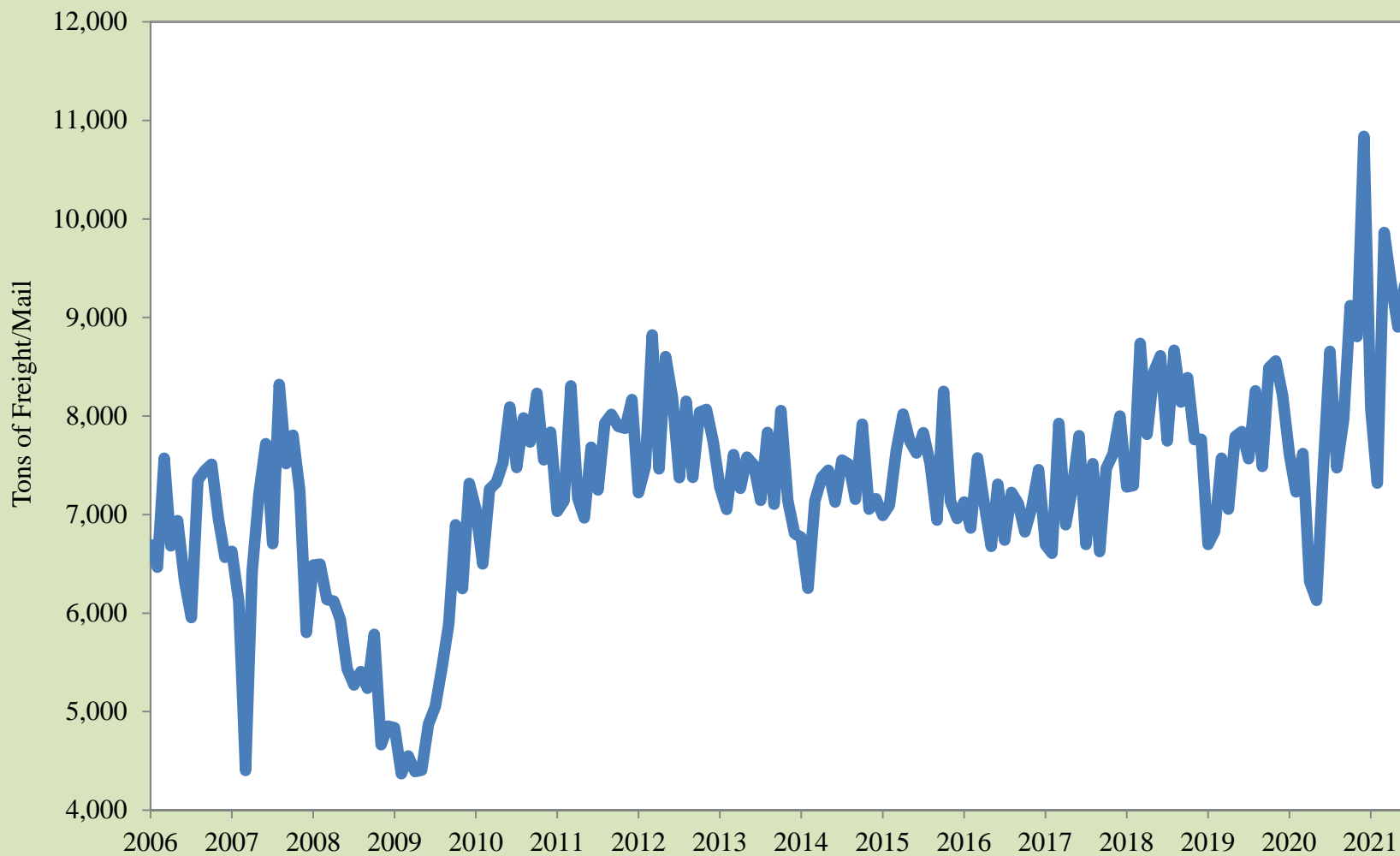
Total 2020      Total 2021



Source: EPIA Operations

# EPIA Freight and Mail

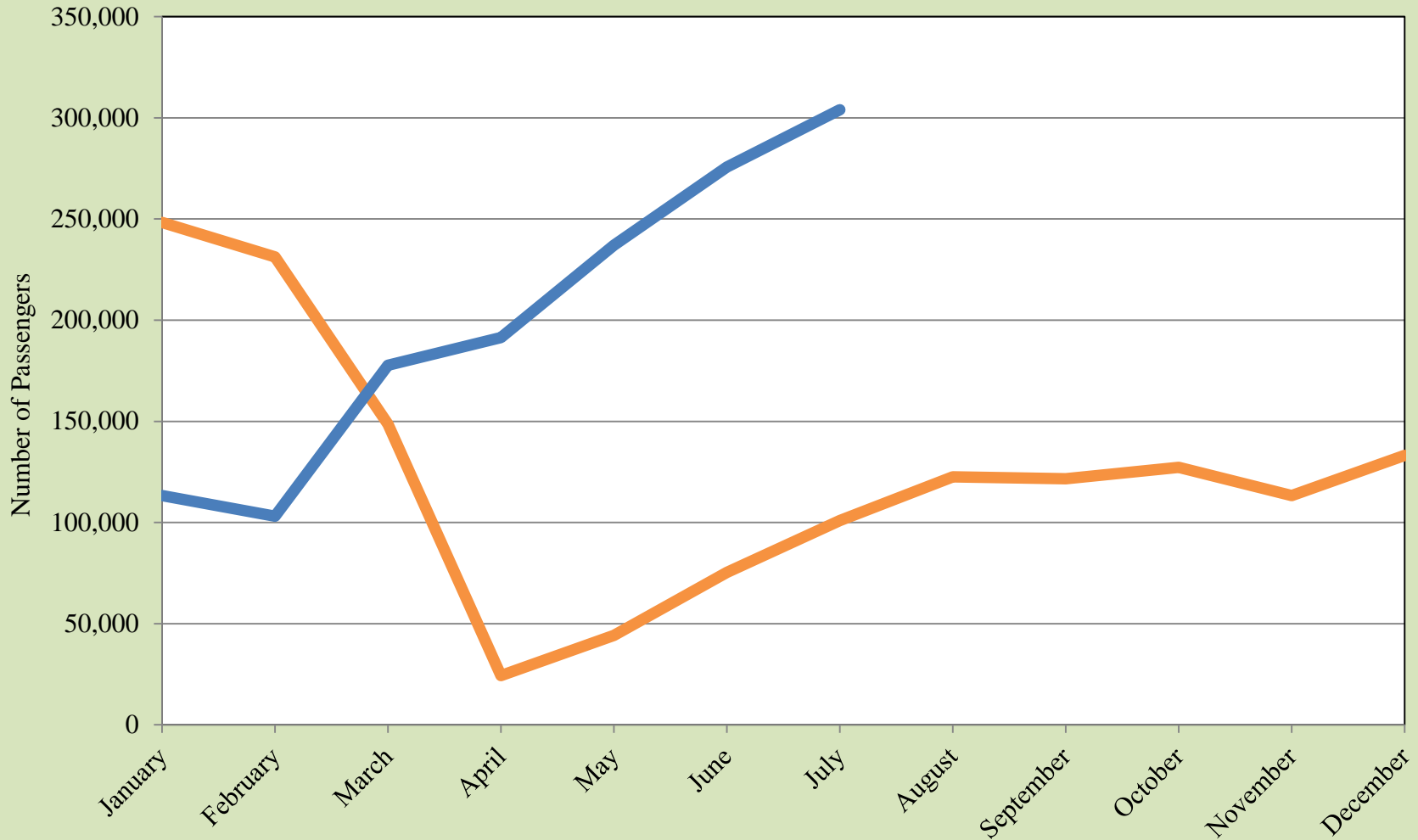
Inbound+Outbound



Source: EPIA Operations

# EPIA Passengers

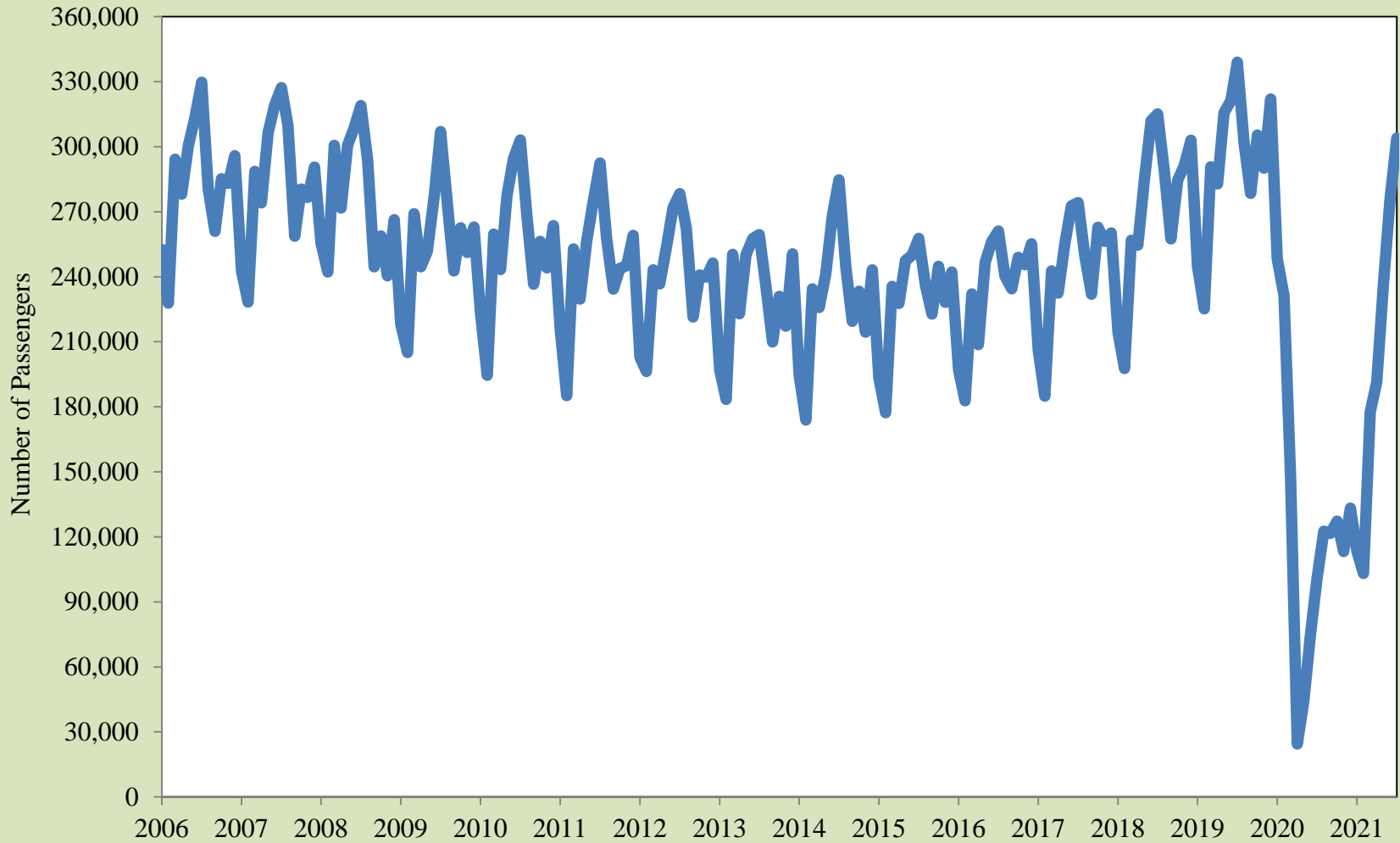
Total 2020 Total 2021



Source: EPIA Operations

# EPIA Passengers

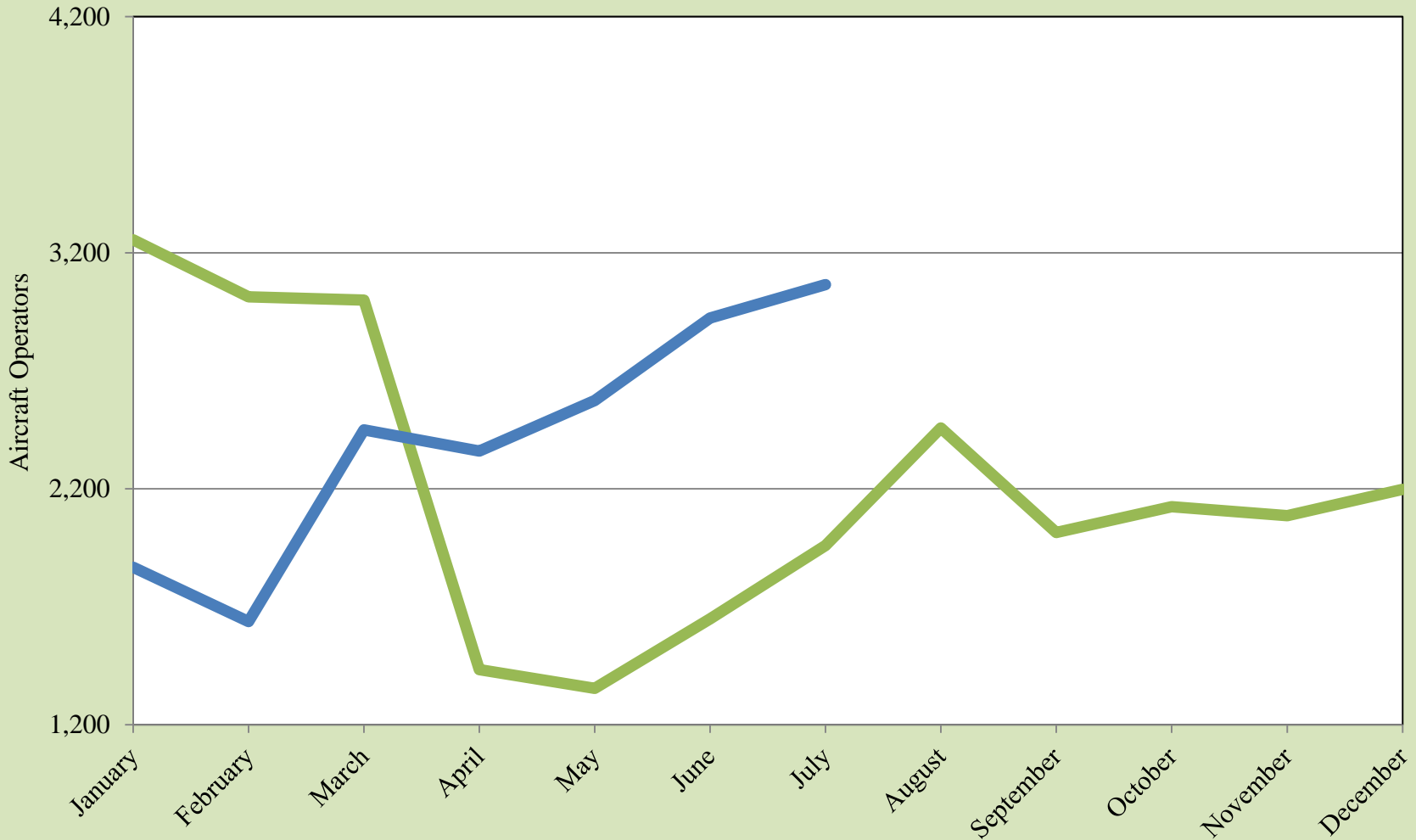
— Inbound+Outbound



Source: EPIA Operations

# EPIA Air Carrier Operations

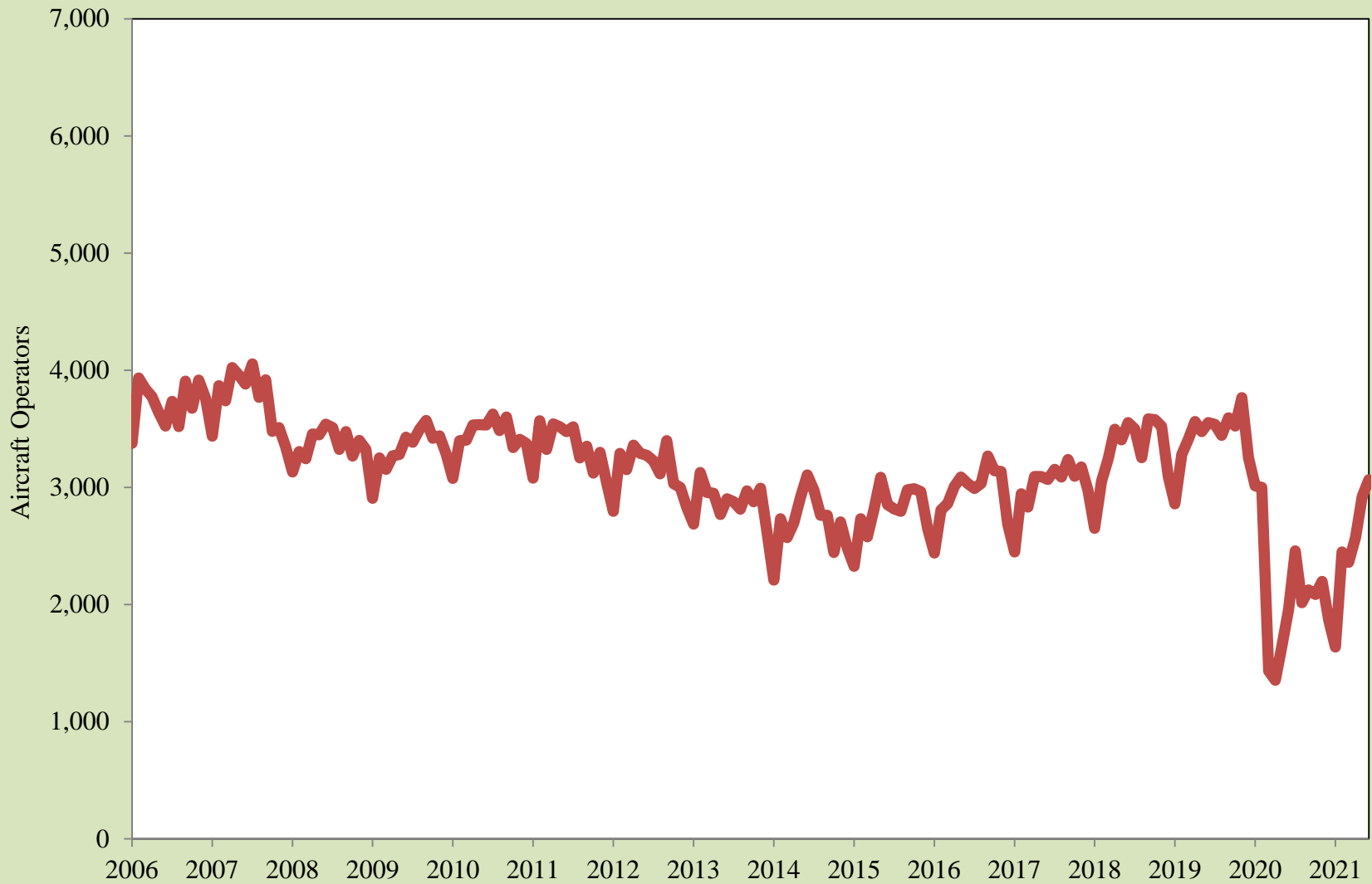
20-Air Carriers      21-Air Carriers



Source: EPIA Operations



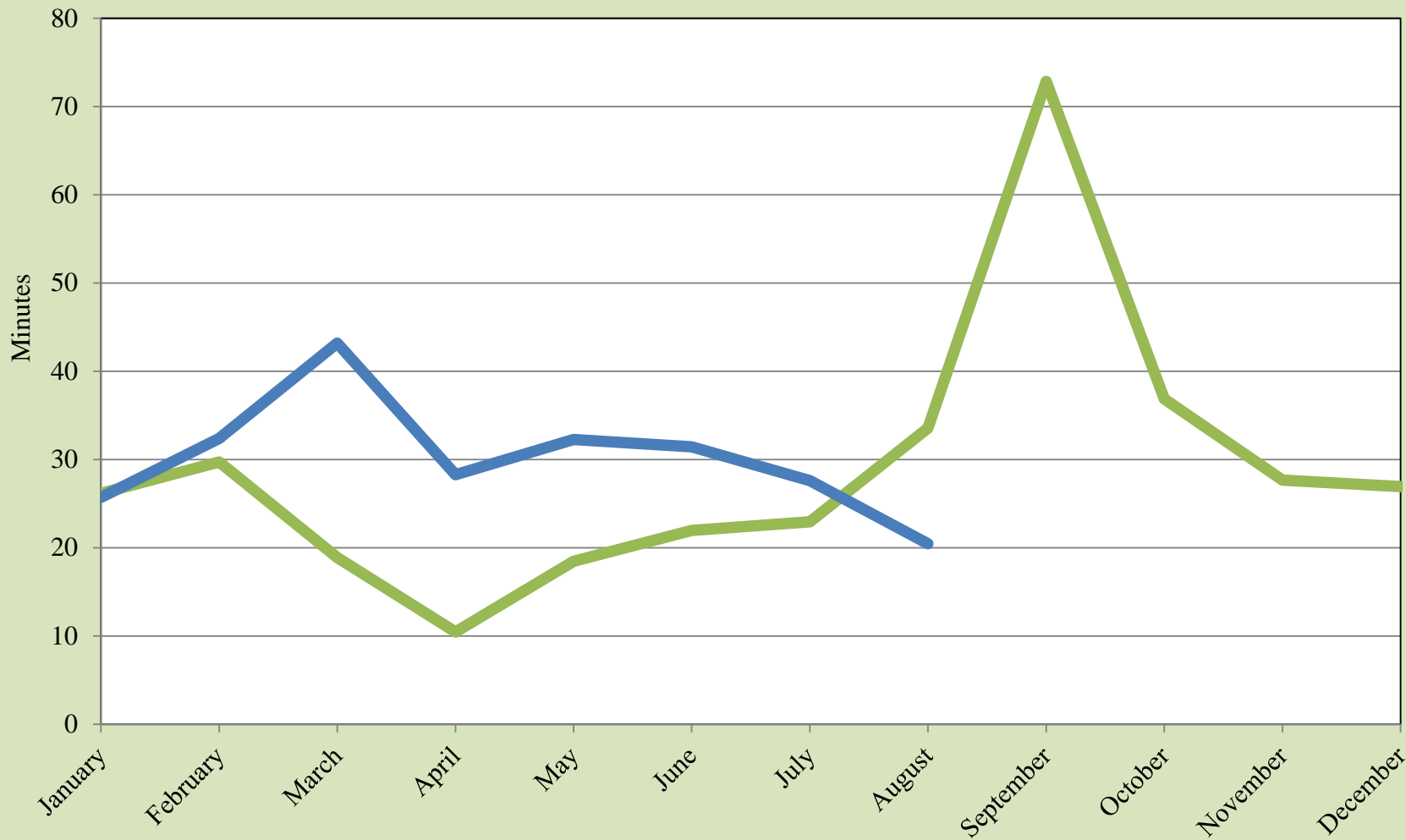
## EPIA Air Carrier Operations



Source: EPIA Operations

# Paso del Norte Monthly Wait Times

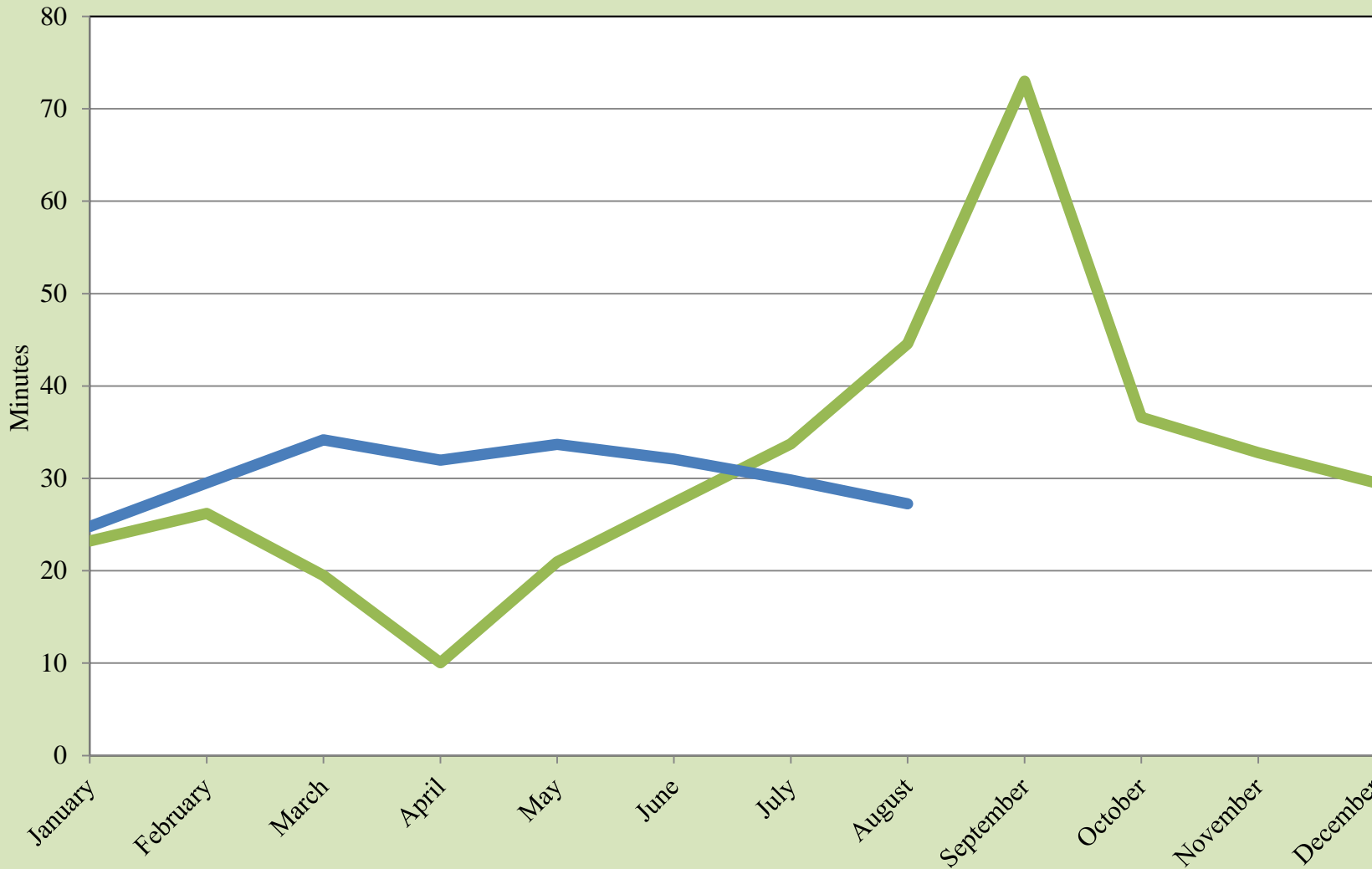
2020 2021



Source: UTEP Border Region Modeling Project

# Ysleta Monthly Wait Times

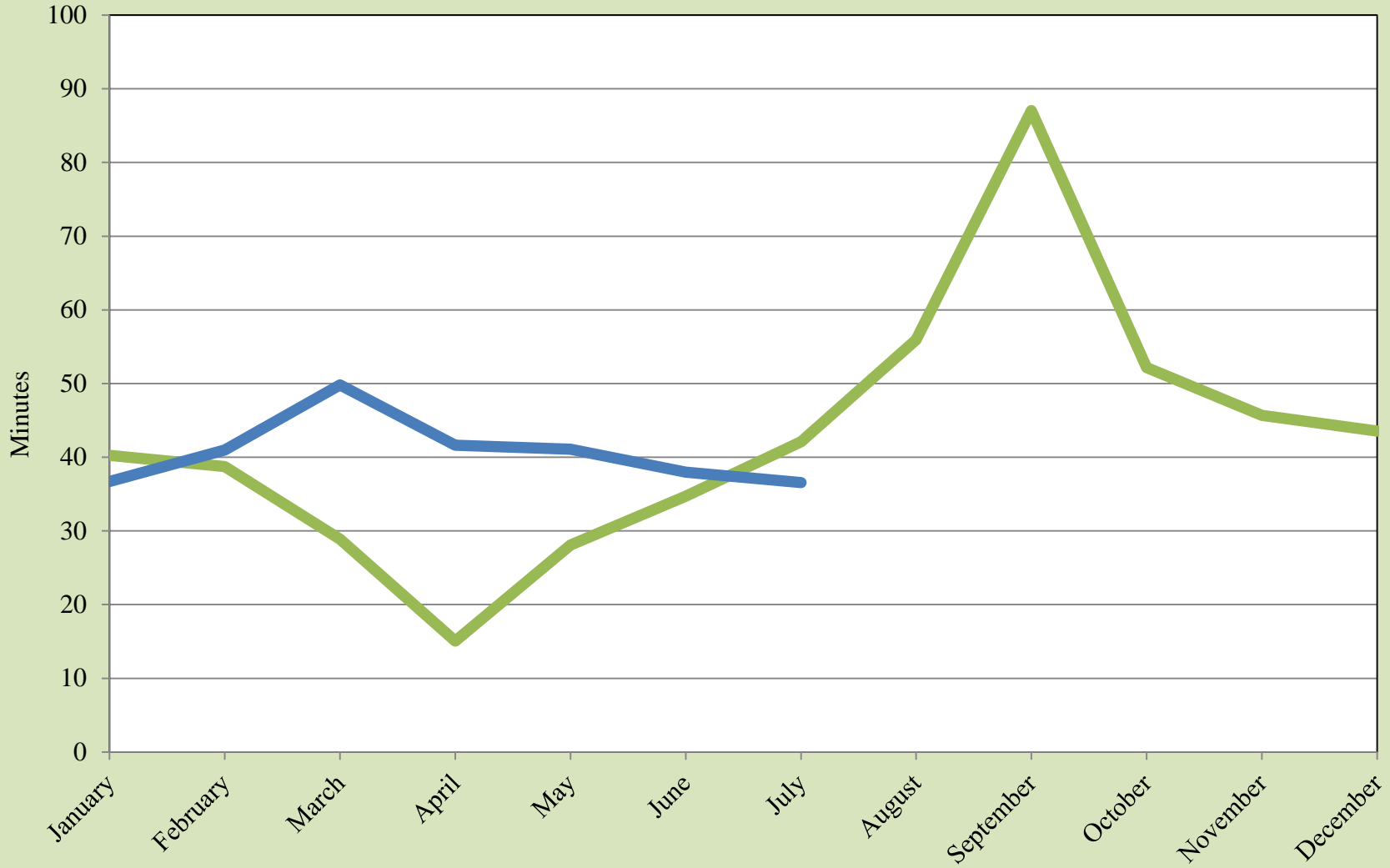
— 2020 — 2021



Source: UTEP Border Region Modeling Project

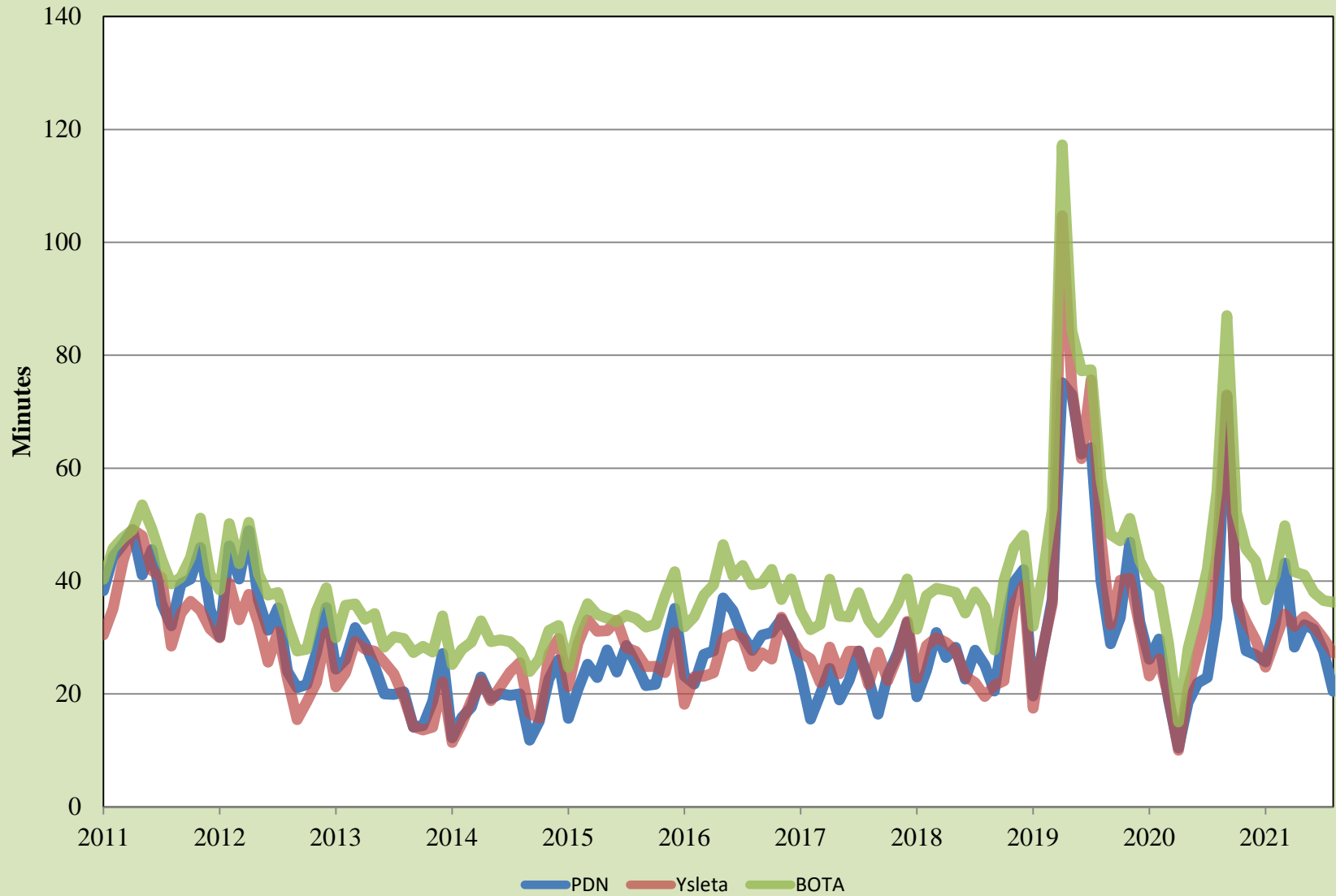
# Bridge of the Americas Monthly Wait Times

2020 2021



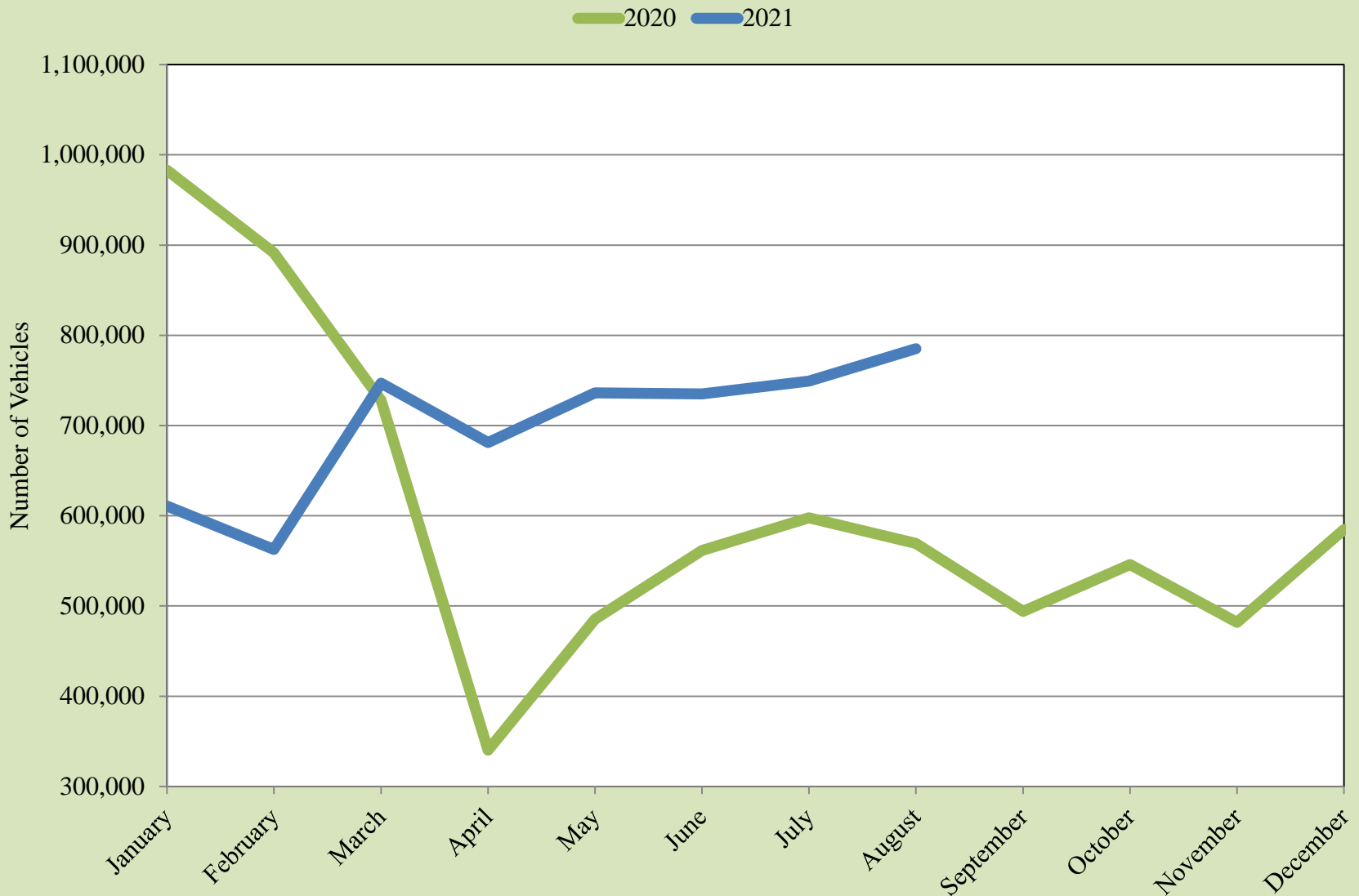
Source: UTEP Border Region Modeling Project

## 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

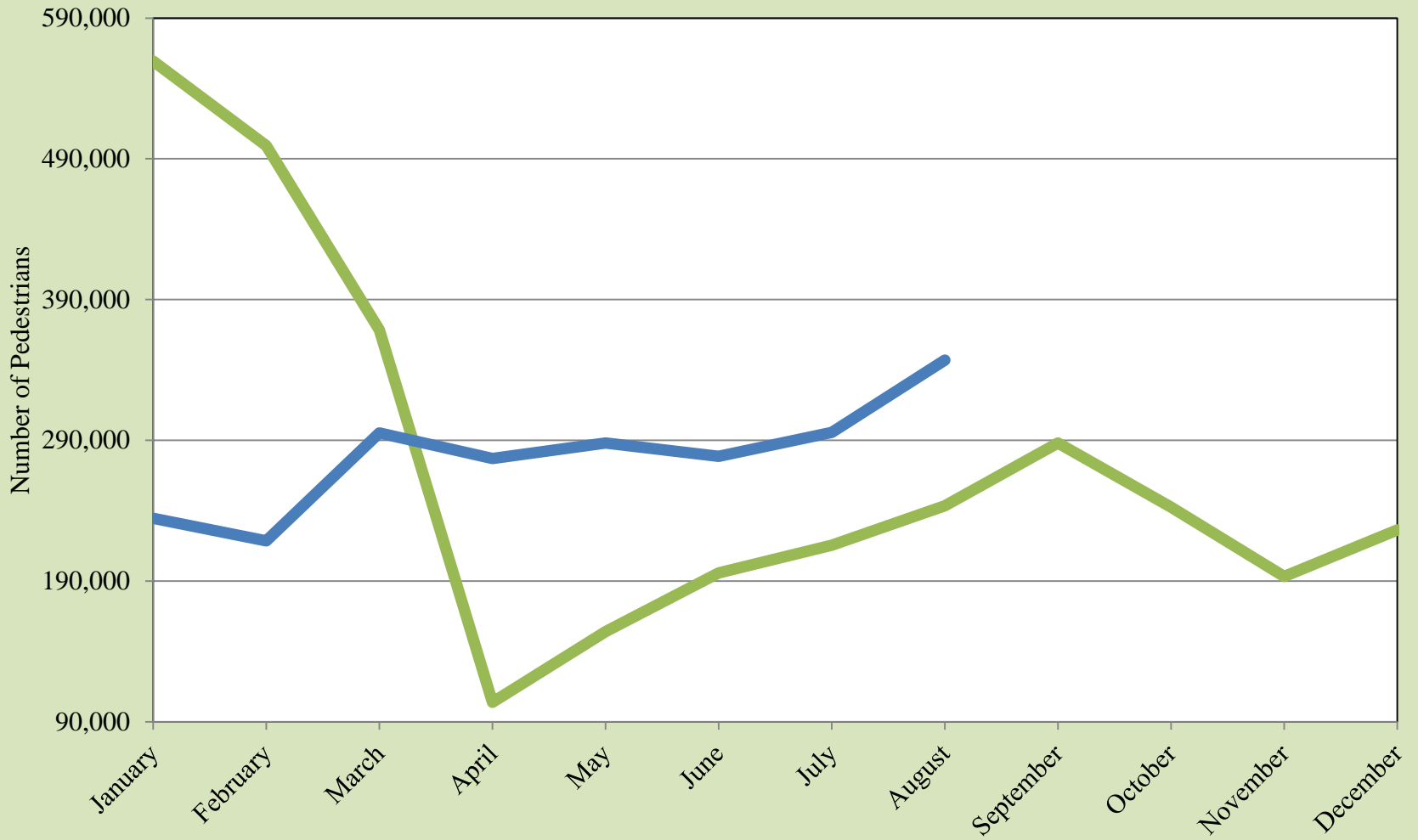
## Personal Vehicle International Bridge Crossings to El Paso



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

## Pedestrian International Bridge Crossings to El Paso

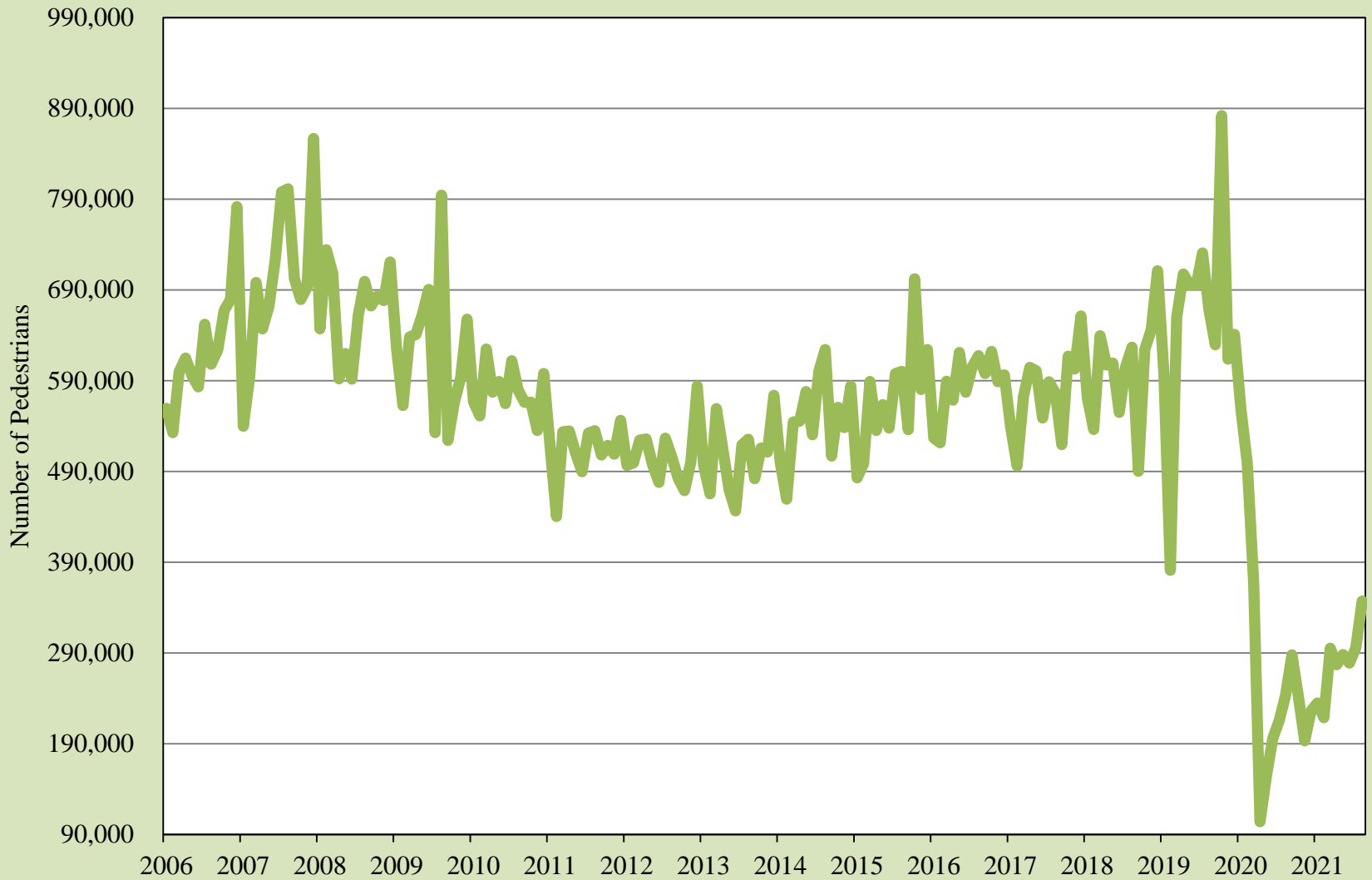
— 2020 — 2021



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



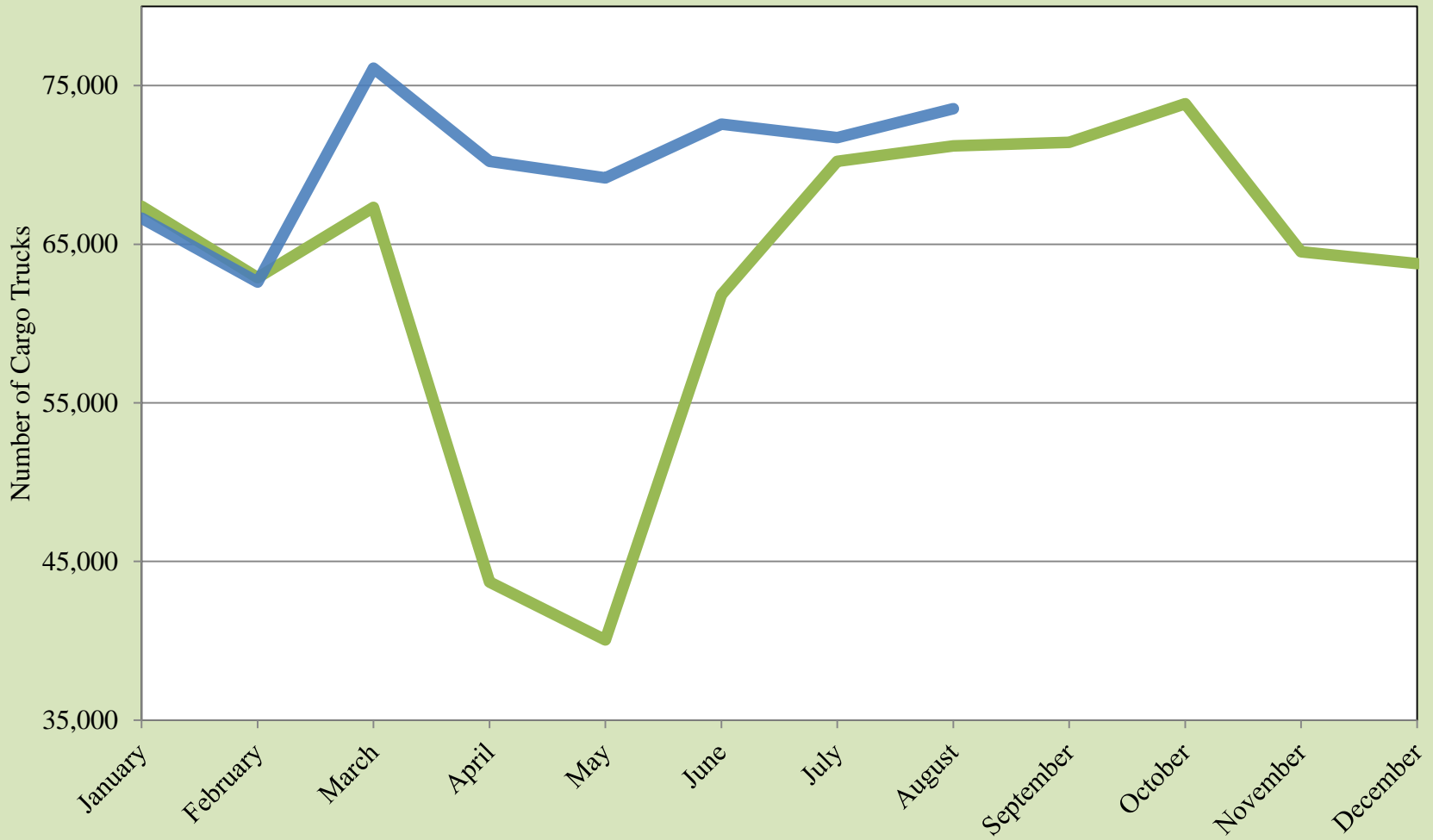
## Pedestrian International Bridge Crossings to El Paso



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

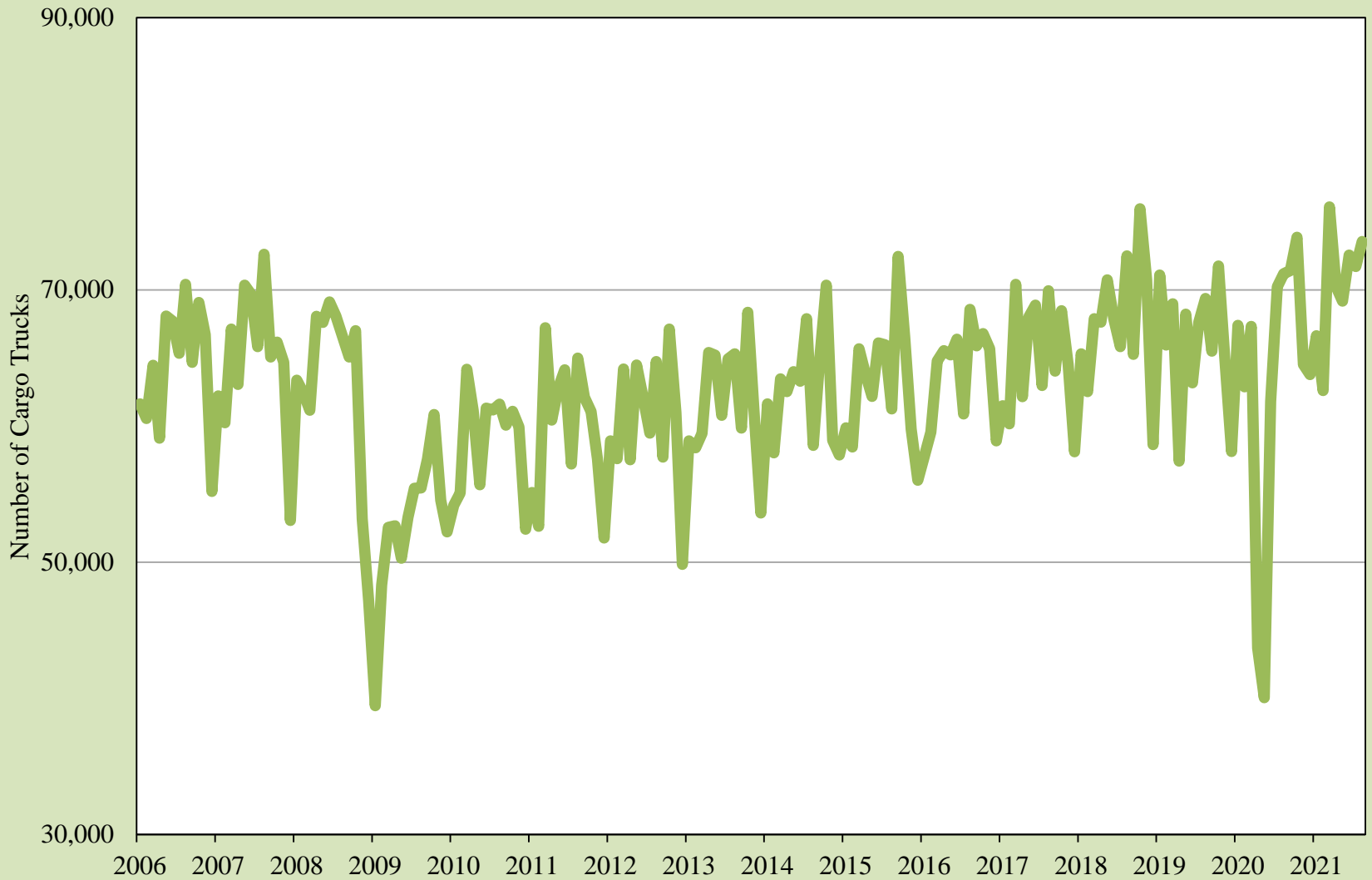
## Cargo Truck International Bridge Crossings to El Paso

2020 2021



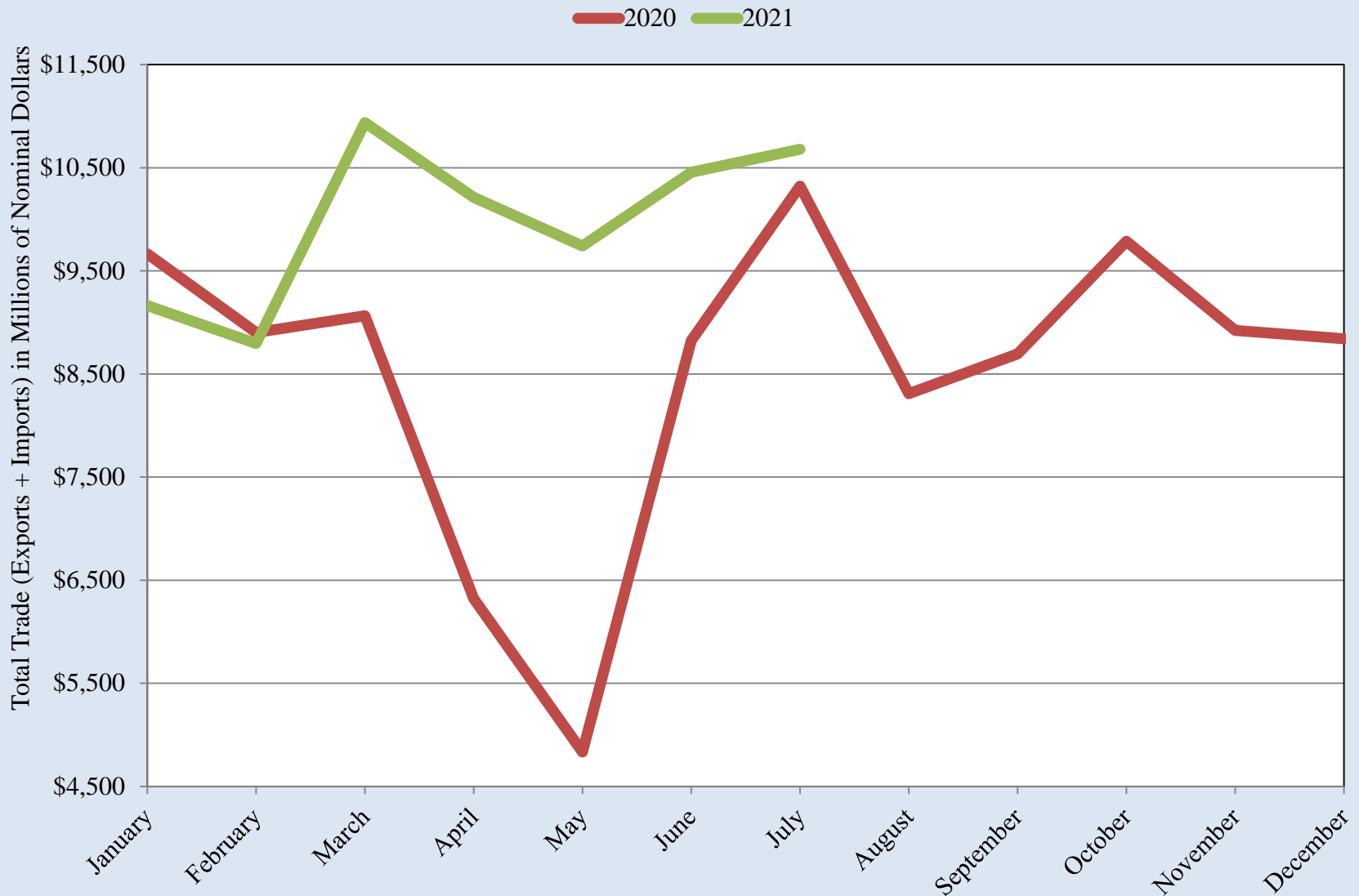
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

## Cargo Truck International Bridge Crossings to El Paso



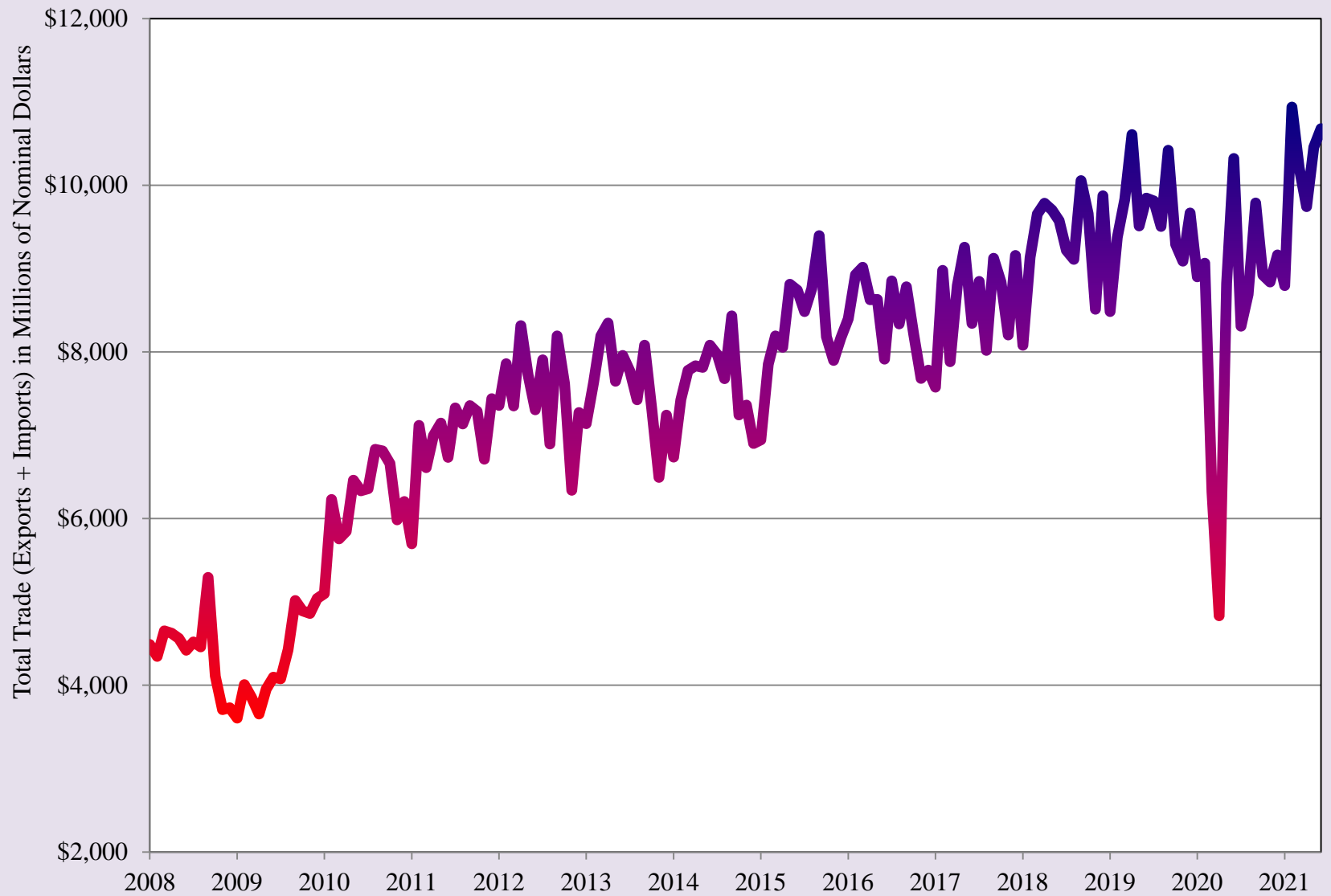
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

## Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

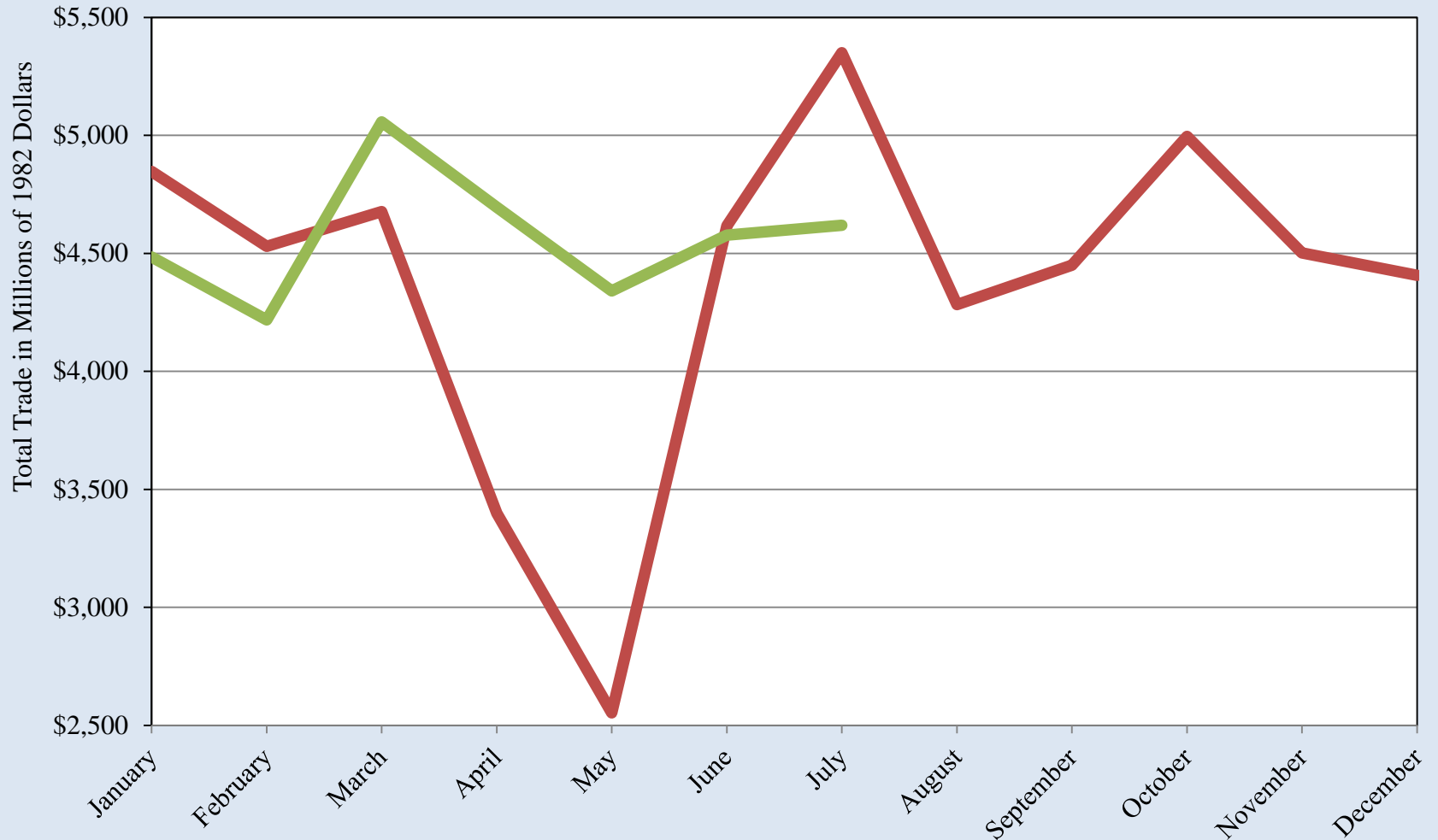
## Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

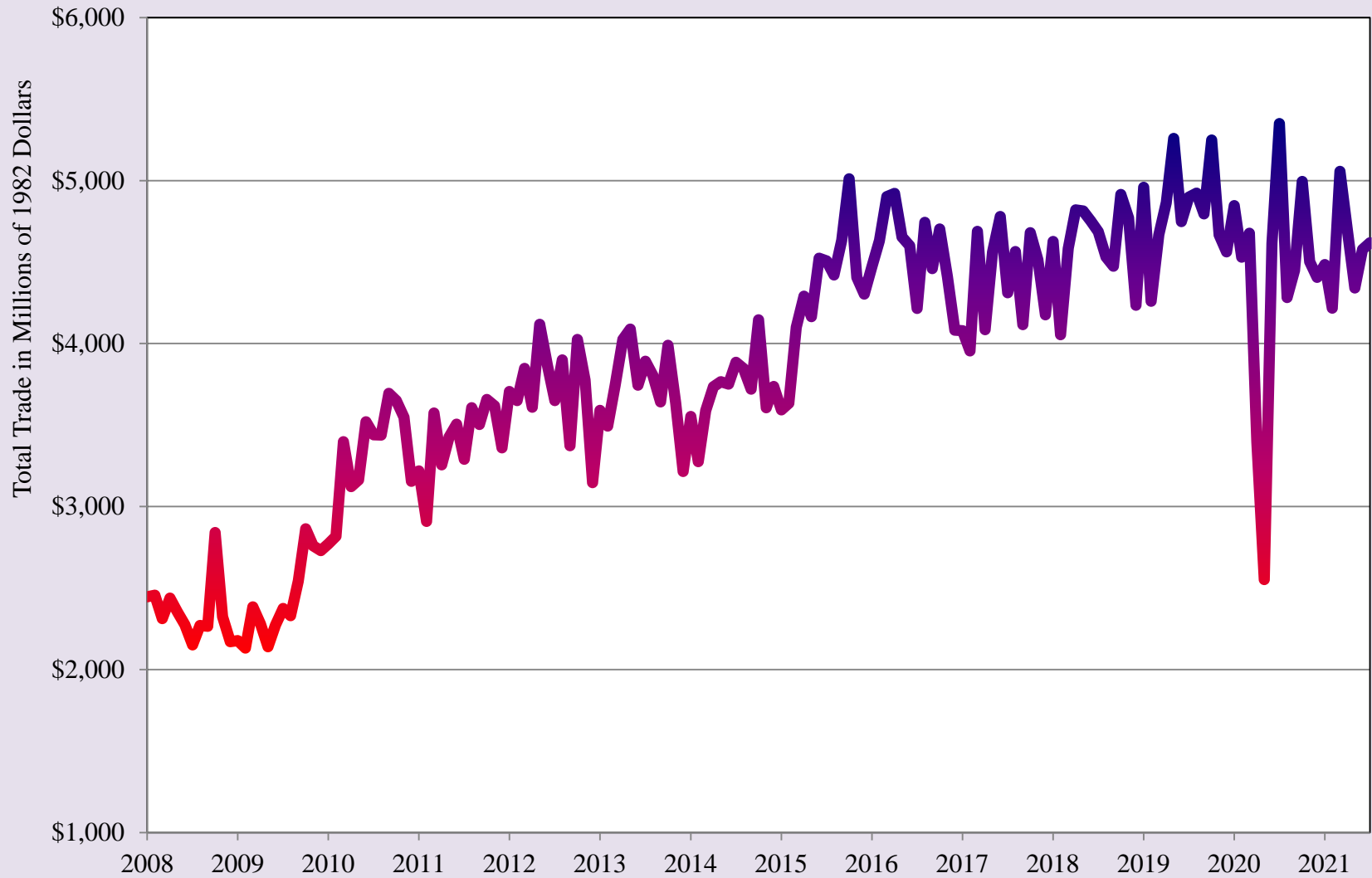
## Real Total Trade through the El Paso Customs District

— 2020 — 2021



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

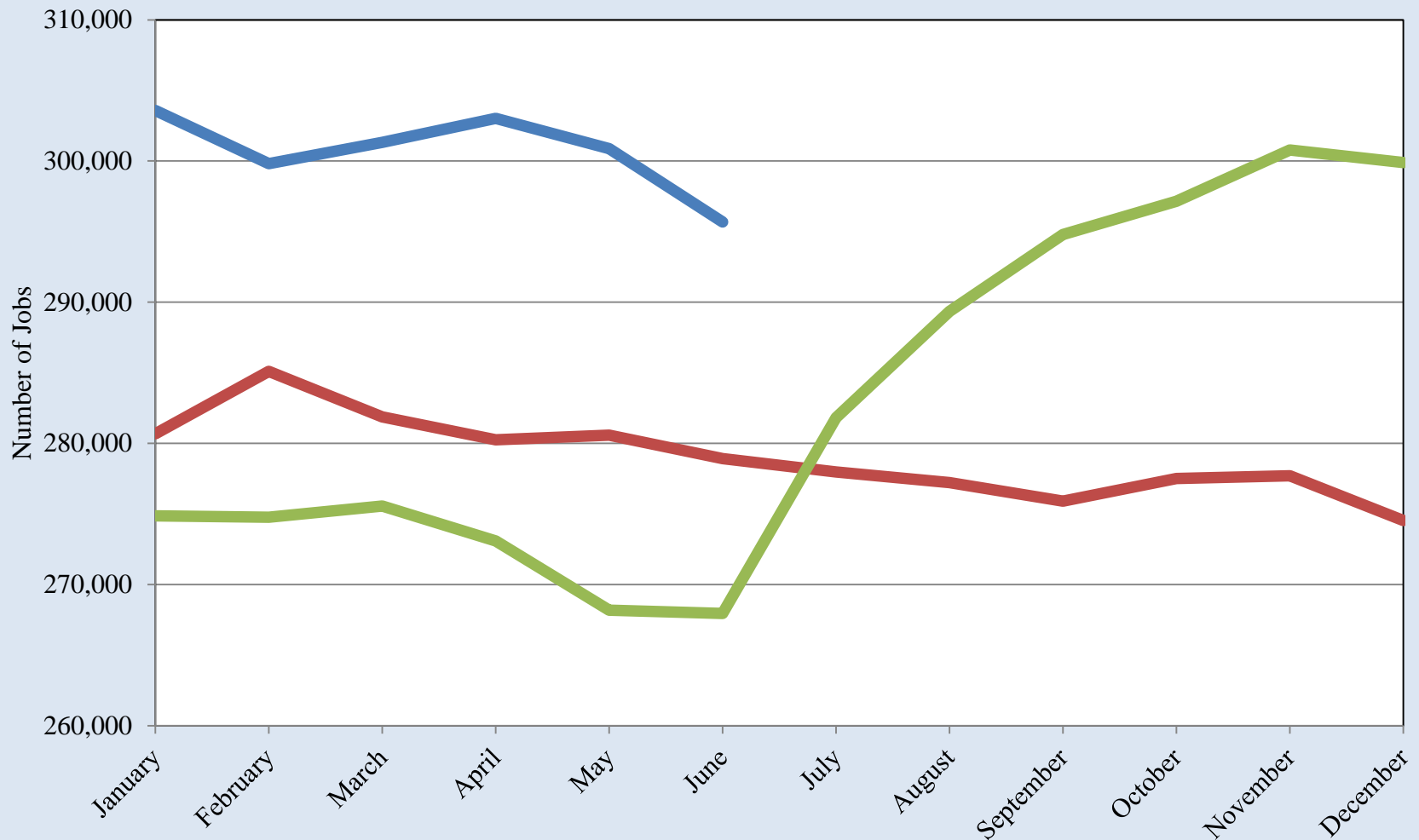
## Real Total Trade through the El Paso Customs District



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

## Export-Oriented Manufacturing Employment in Ciudad Juárez

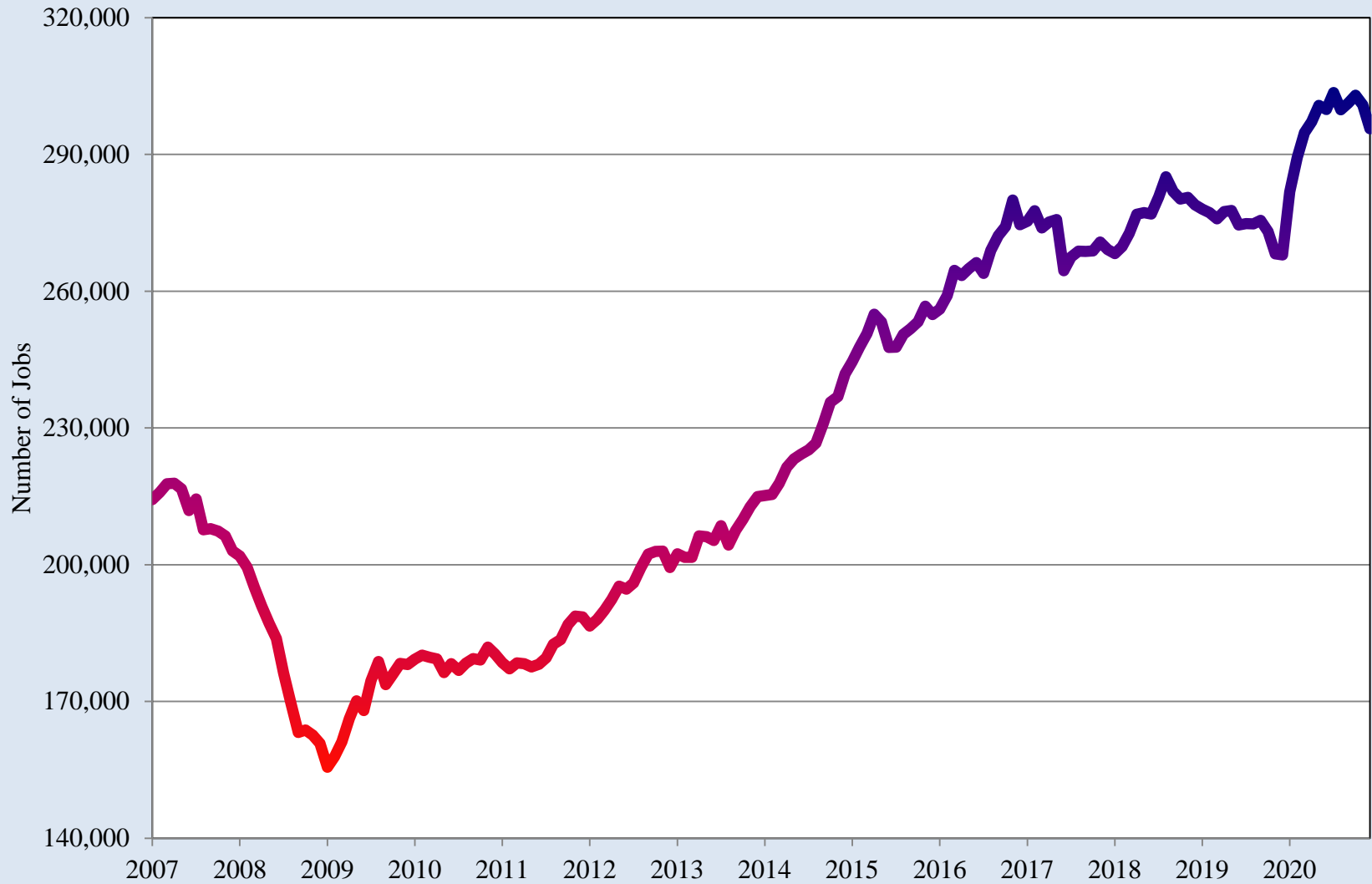
2019 2020 2021



Source: INEGI



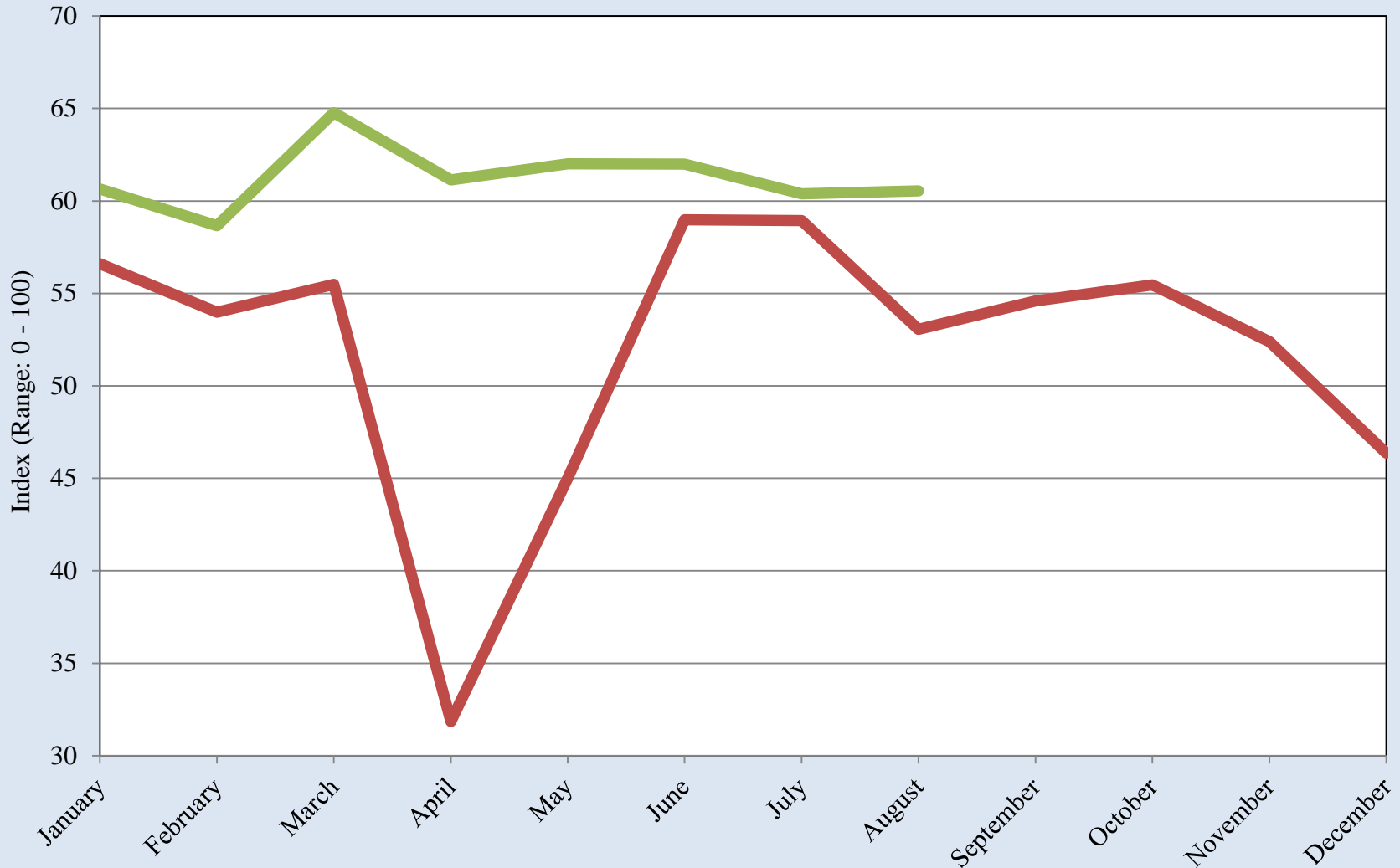
## Export-Oriented Manufacturing Employment in Ciudad Juárez



Source: INEGI

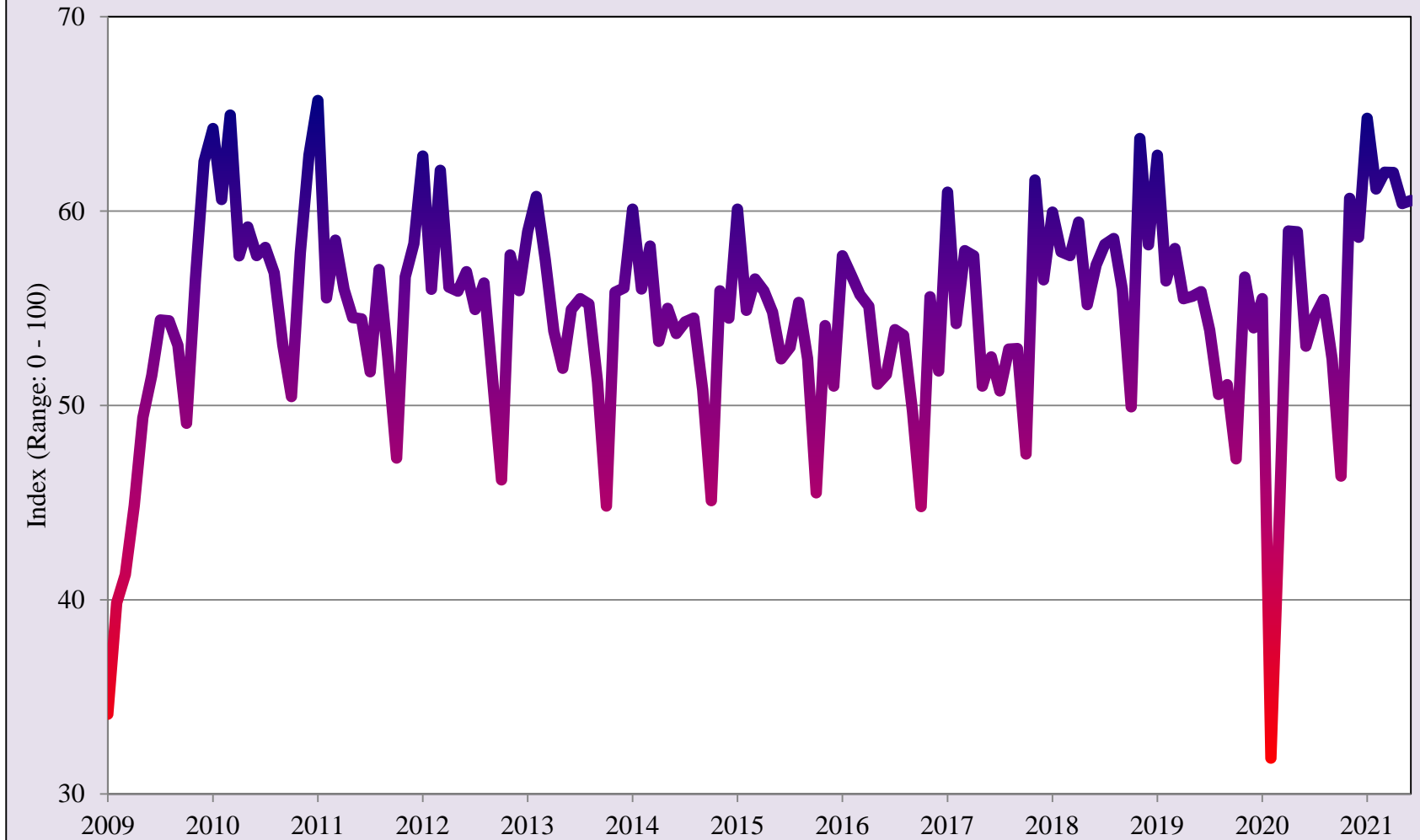
# Northern Mexico Manufacturing Orders Index

2020 2021



Source: Banco de México

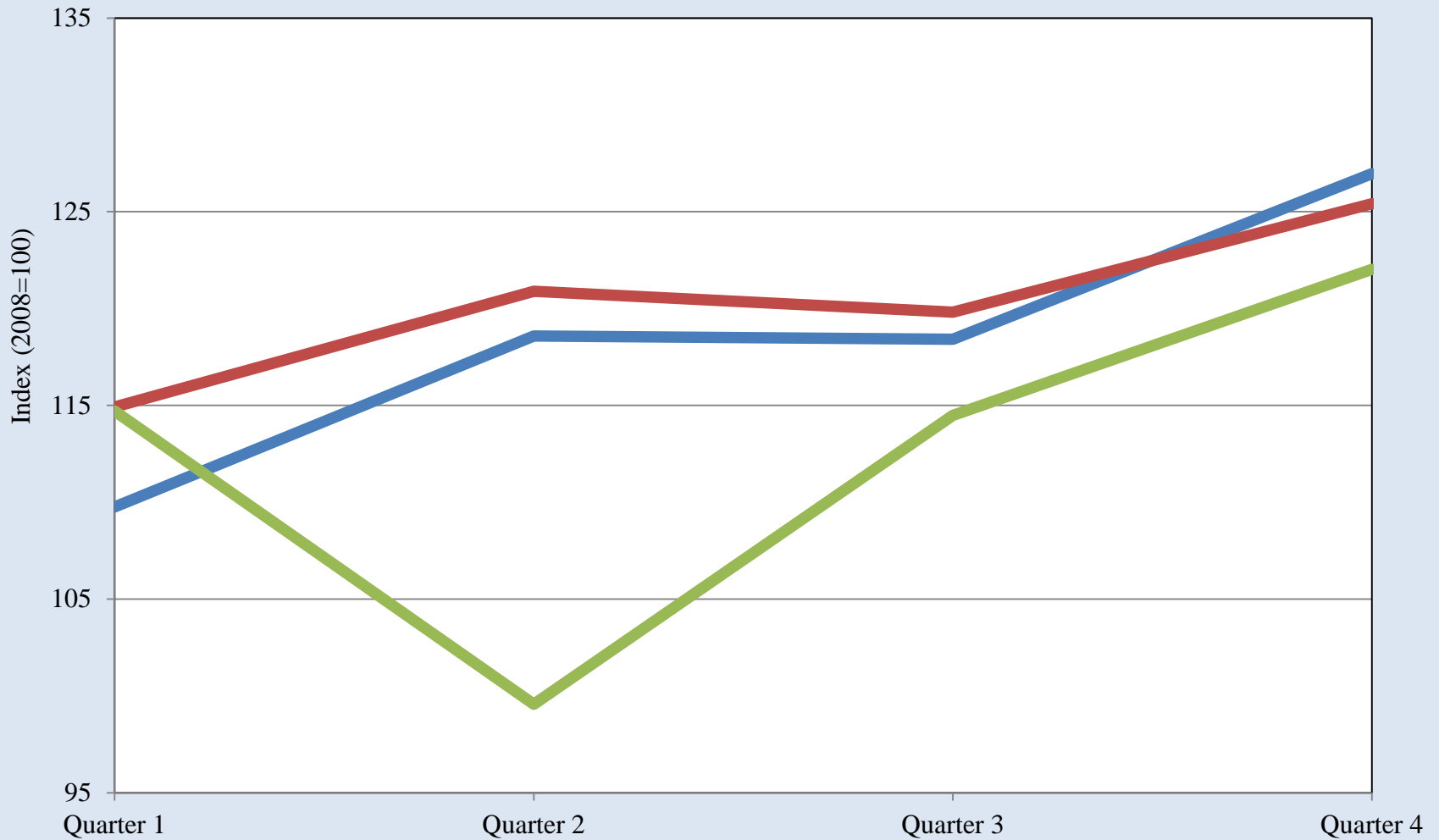
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Source: Banco de México

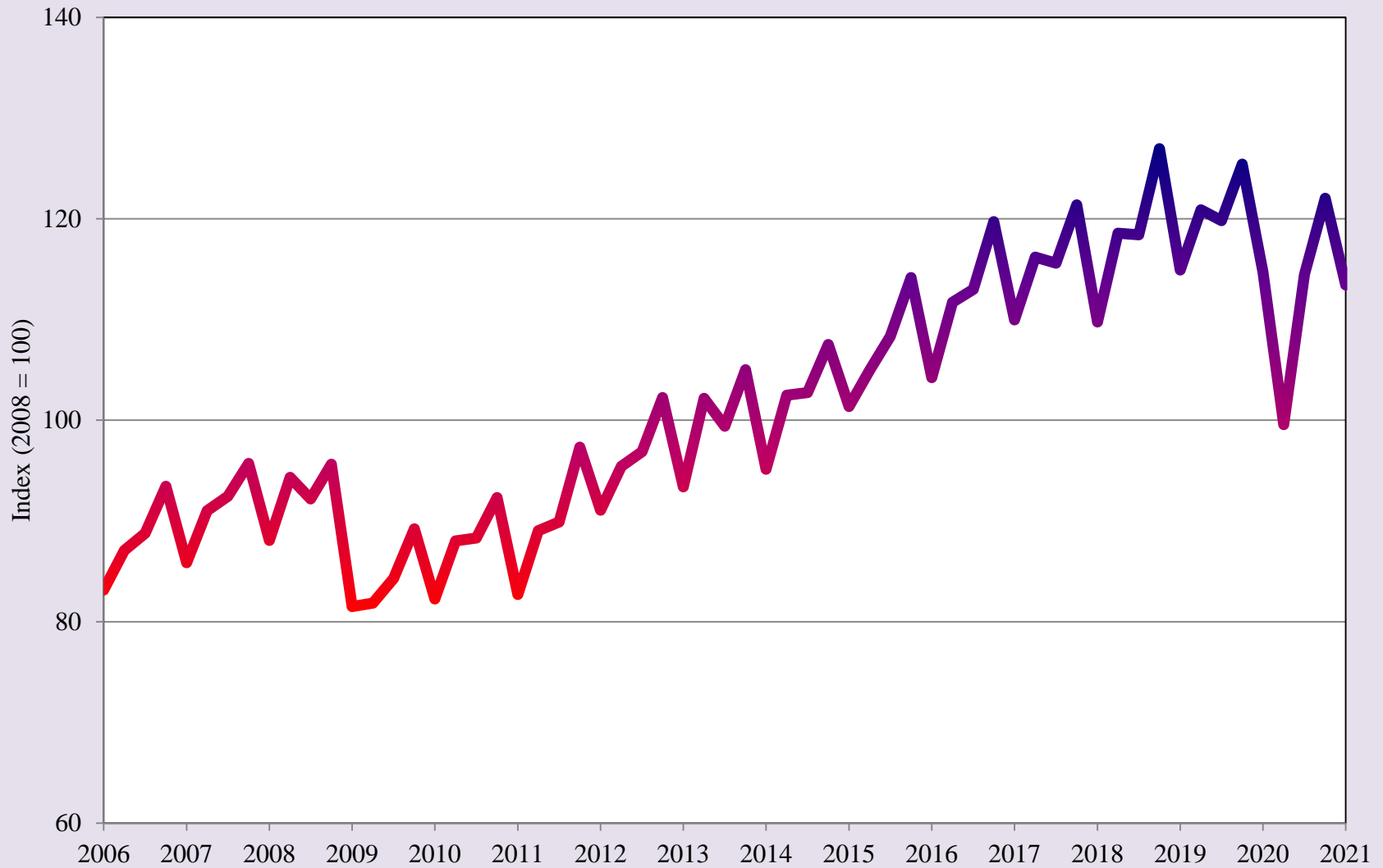
# Quarterly Indicator of Economic Activity for the State of Chihuahua

2018 2019 2020



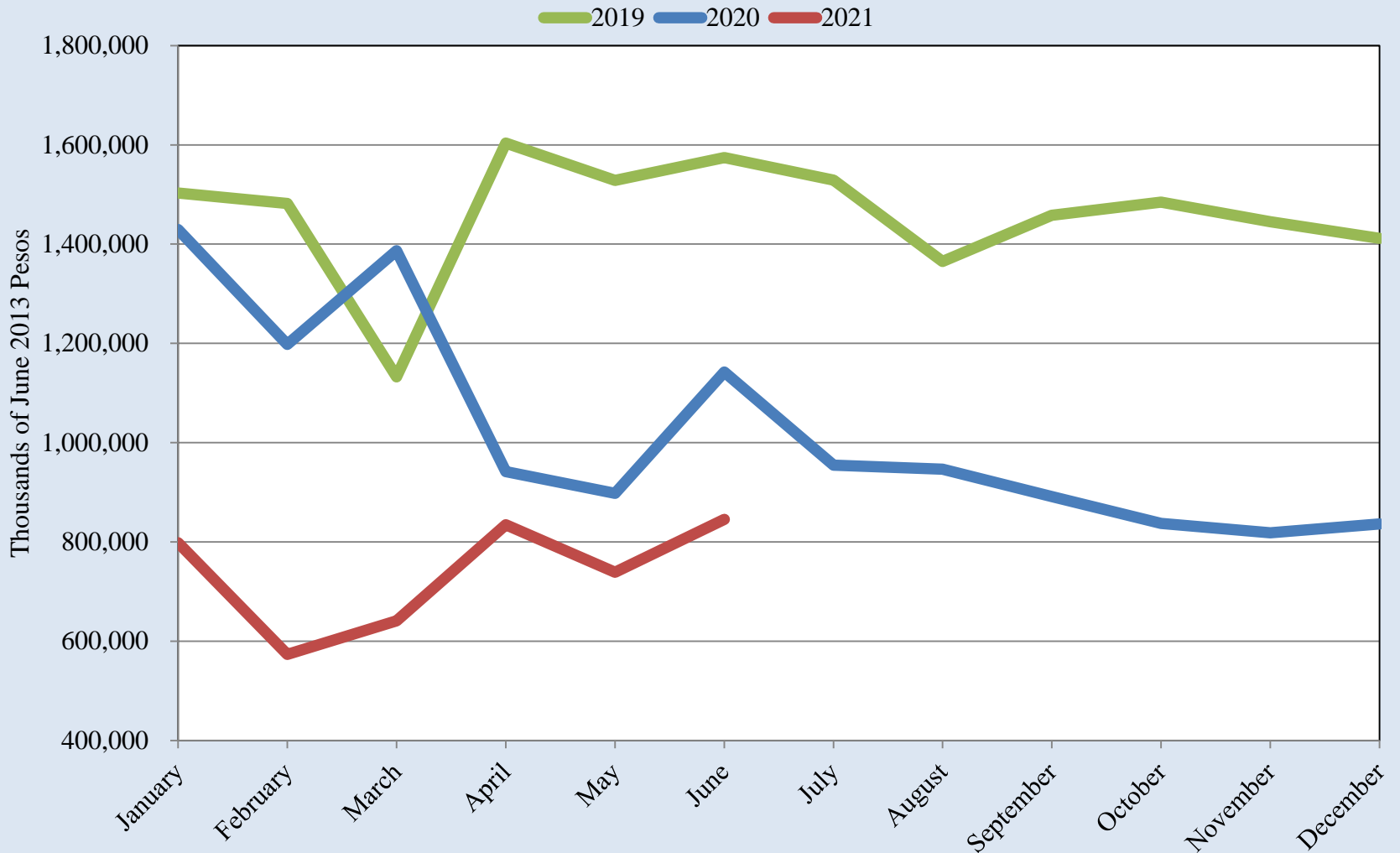
Source: INEGI

## Quarterly Indicator of Economic Activity for the State of Chihuahua



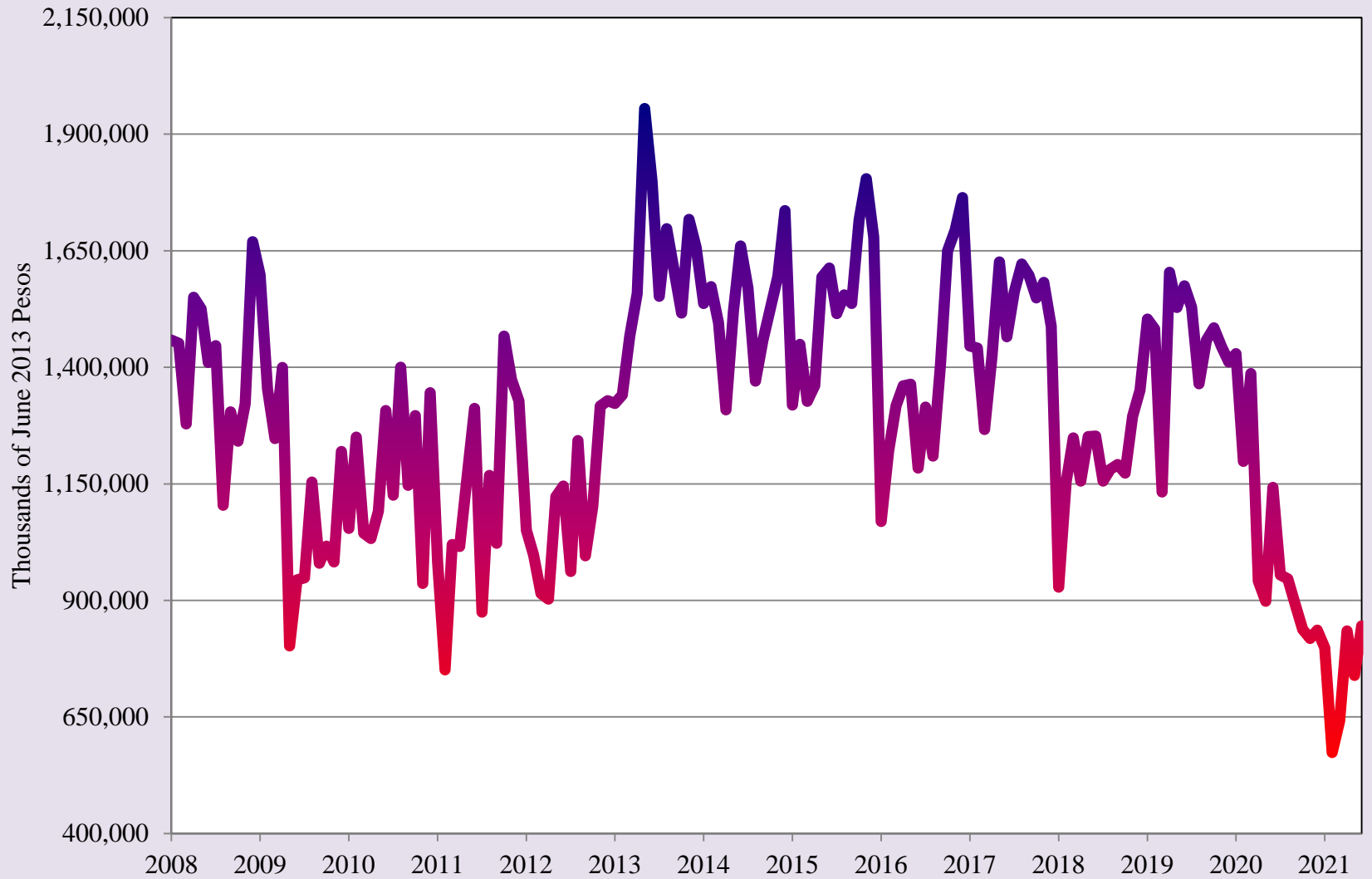
Source: INEGI

## Total Value of Construction in the State of Chihuahua



Source: INEGI

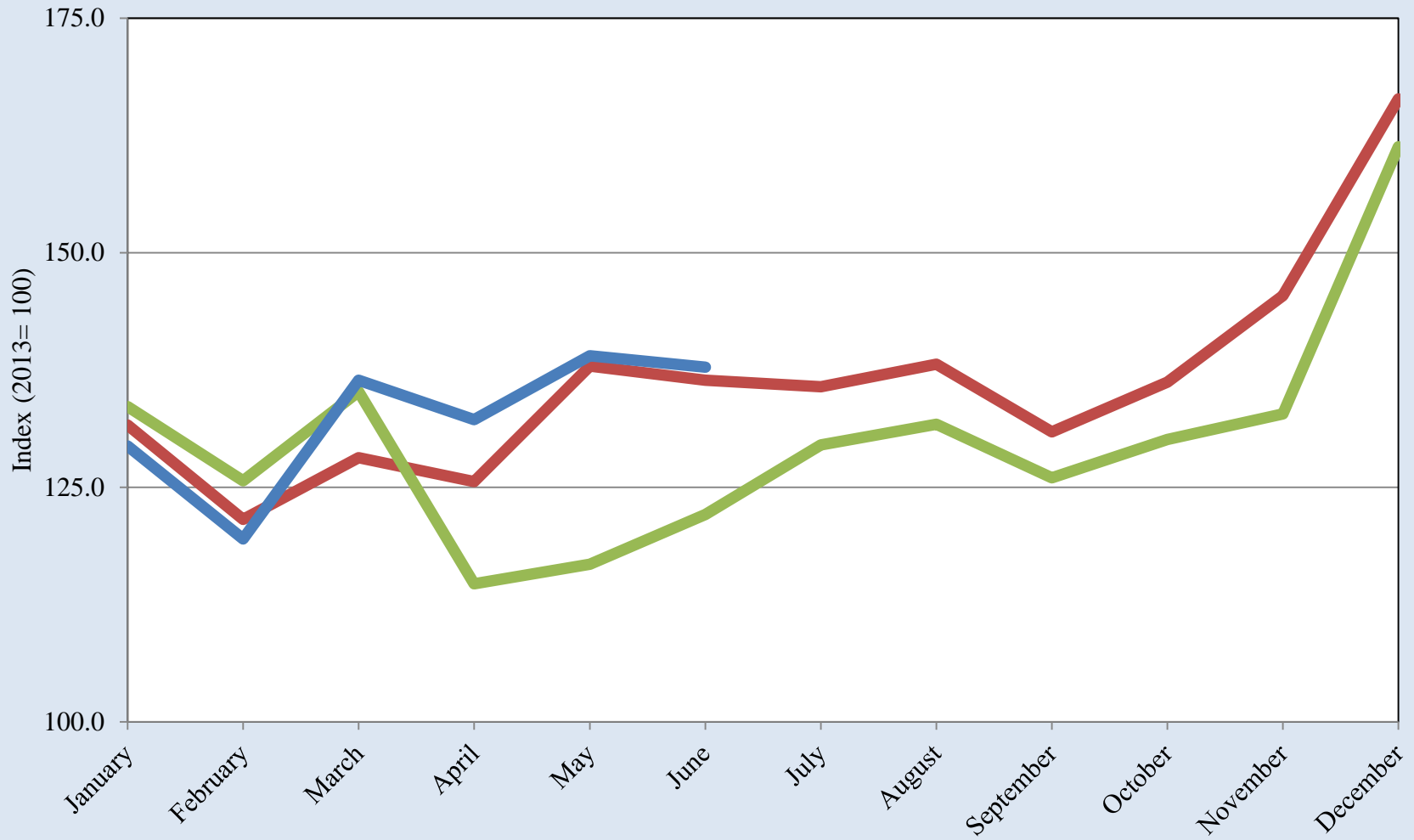
## Total Value of Construction in the State of Chihuahua



Source: INEGI

## Real Retail Activity Index for the State of Chihuahua

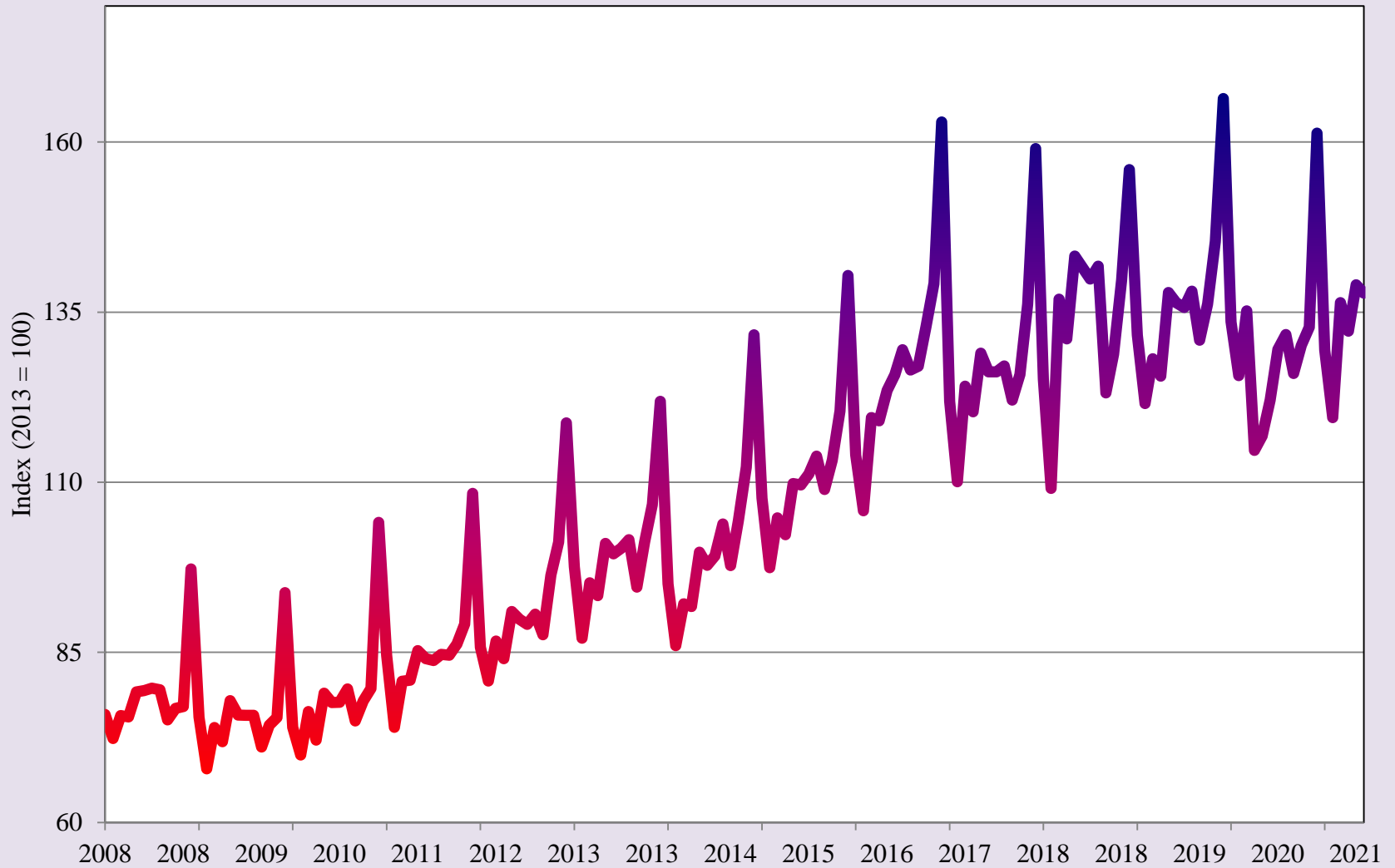
— 2019 — 2020 — 2021



Source: INEGI



## Real Retail Activity Index for the State of Chihuahua



Source: INEGI



Short-Term  
Outlook to  
2022



# BORDERPLEX BUSINESS BAROMETER

## University of Texas at El Paso

Heather Wilson, President  
John Wiebe, Provost  
Roberto Osegueda, Vice President for Research

## UTEP College of Business Administration

Jim Payne, Dean  
Erik Devos, Associate Dean  
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