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Borderplex Business Barometer, Volume 6, Number 2

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T.M. Fullerton, Jr., and S.L. Fullerton, 2022, Borderplex Guide for Mitigating Inflation, *Borderplex Business Barometer* 6(2), 1-58.



BORDERPLEX BUSINESS BAROMETER

February 2022

Border Region Modeling Project

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Border Commerce & Economics

Borderplex Business Barometer, Volume 6, Number 2

Borderplex Guide for Mitigating Inflation

The Novel Coronavirus pandemic has led to overlapping international supply chain disruptions and sequential labor market upheavals. Government safety net programs prevented the United States economy from collapsing. However, that unique combination of events resulted in a large number of good shortages coupled with strong levels of demand. Those conditions have caused inflation to accelerate and Borderplex consumers are justifiably concerned over how to respond. That is a tall order, but households can take several actions to make the situation more manageable.

Borderplex consumers can also make budgets stretch further by shopping judiciously. A little flexibility at the grocery store meat aisles can noticeably reduce that bill at the cash register. Of course, that may mean committing a minor West-of-the-Pecos sin by purchasing protein sources other than those of the bovine variety, but it can be worth it. Shoppers can also acquire food items at lower prices by switching from brand name items to generic items. The latter step can also help when purchasing health items and medicines in the pharmacy aisle. If storage space is available, bulk items also save money via lower prices per unit purchased.

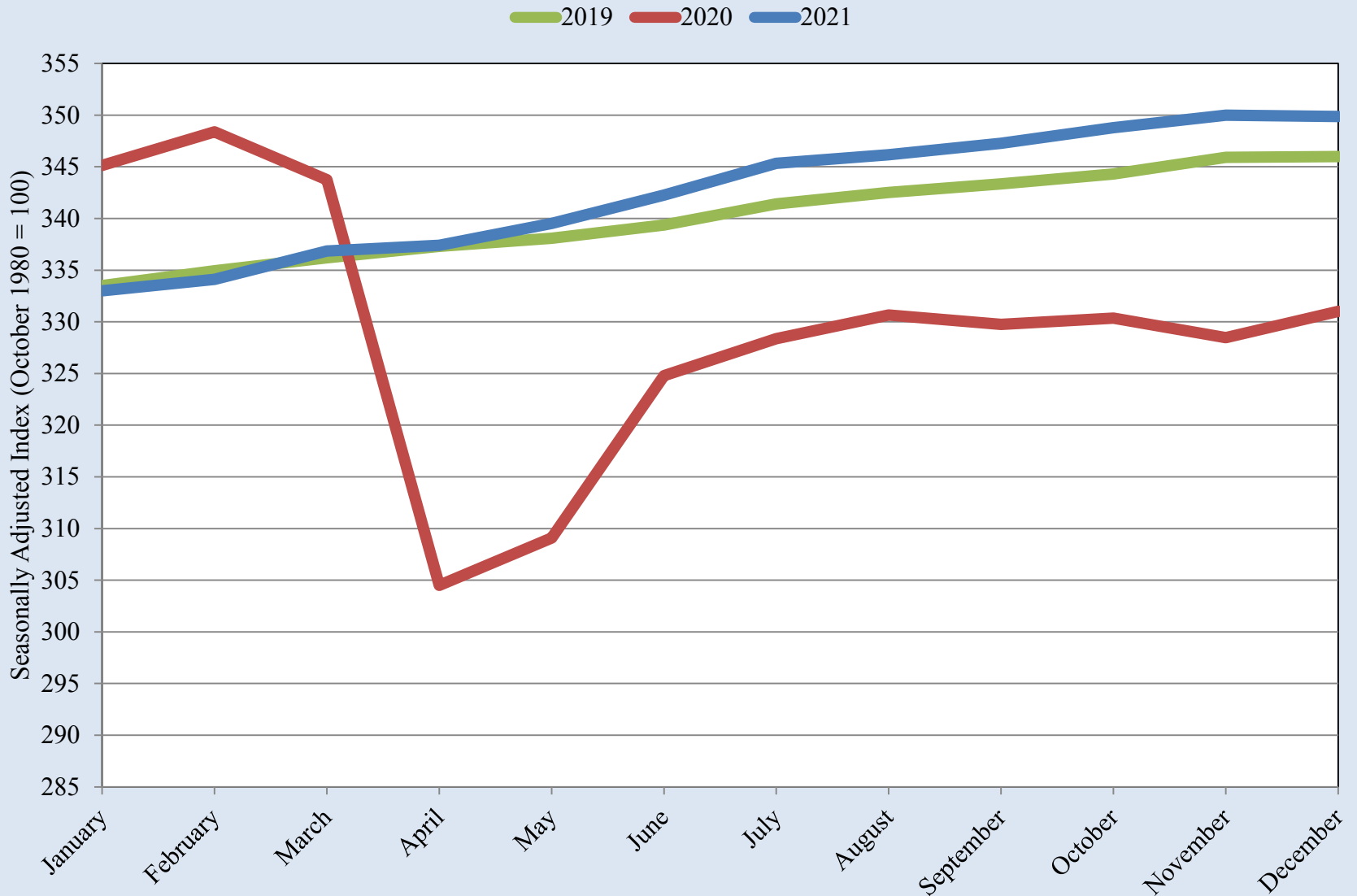
Modern life travels at high speeds, and many consumers navigate that process by paying lots of fees. Reducing those fees can save a lot of money every month. That requires avoiding late fees on utility and credit card bills. It also means not using out-of-network automatic teller machines. The latter step mandates acquiring cash prior to crossing the river in either direction, but that can be worked into the trip planning effort described above. Internet streaming, cable, cellular telephone, and satellite radio service contract charges can also be reduced by taking advantage of special promotional programs or by service bundling.

In the case of credit cards, companies have developed a practice of making it seem like the only subscription options available involve plastic. Those plans often renew the subscriptions automatically. Periodic purges of some of those auto-renewal subscriptions that are no longer essential help save money.

Uncle Sam borrows more money than federal taxation generates. Federal deficit financing may cause inflation to last longer than monetary authorities care to contemplate. Households can also consider purchasing Series I savings bonds from TreasuryDirect.com. I-bonds pay fixed interest rates plus inflation and currently yield 7.12 percent. In the present low interest rate environment, that is a fairly attractive rate of return from a product that is expressly designed to protect consumer purchasing power.

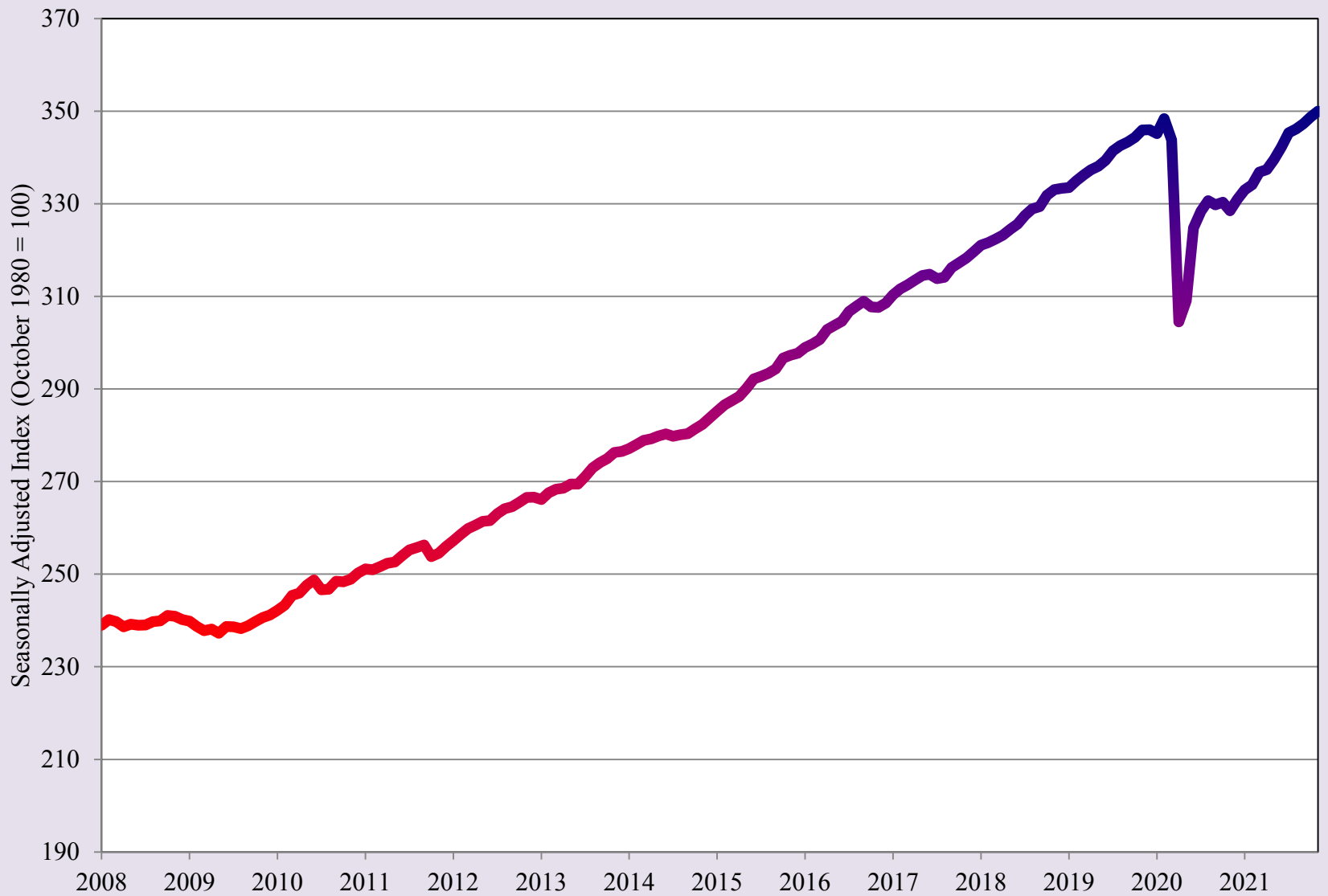
Borderplex residents from either side of the international boundary can also benefit from the unique local economic geography. Good deals are available on both sides of the Rio Grande. As long as compliance with federal laws in both countries is maintained, price savings are within reach of local customers. Those savings can only be imperfectly approximated via e-commerce by residents of other regions who then face steep shipping and handling charges.

El Paso Metropolitan Business Cycle Index



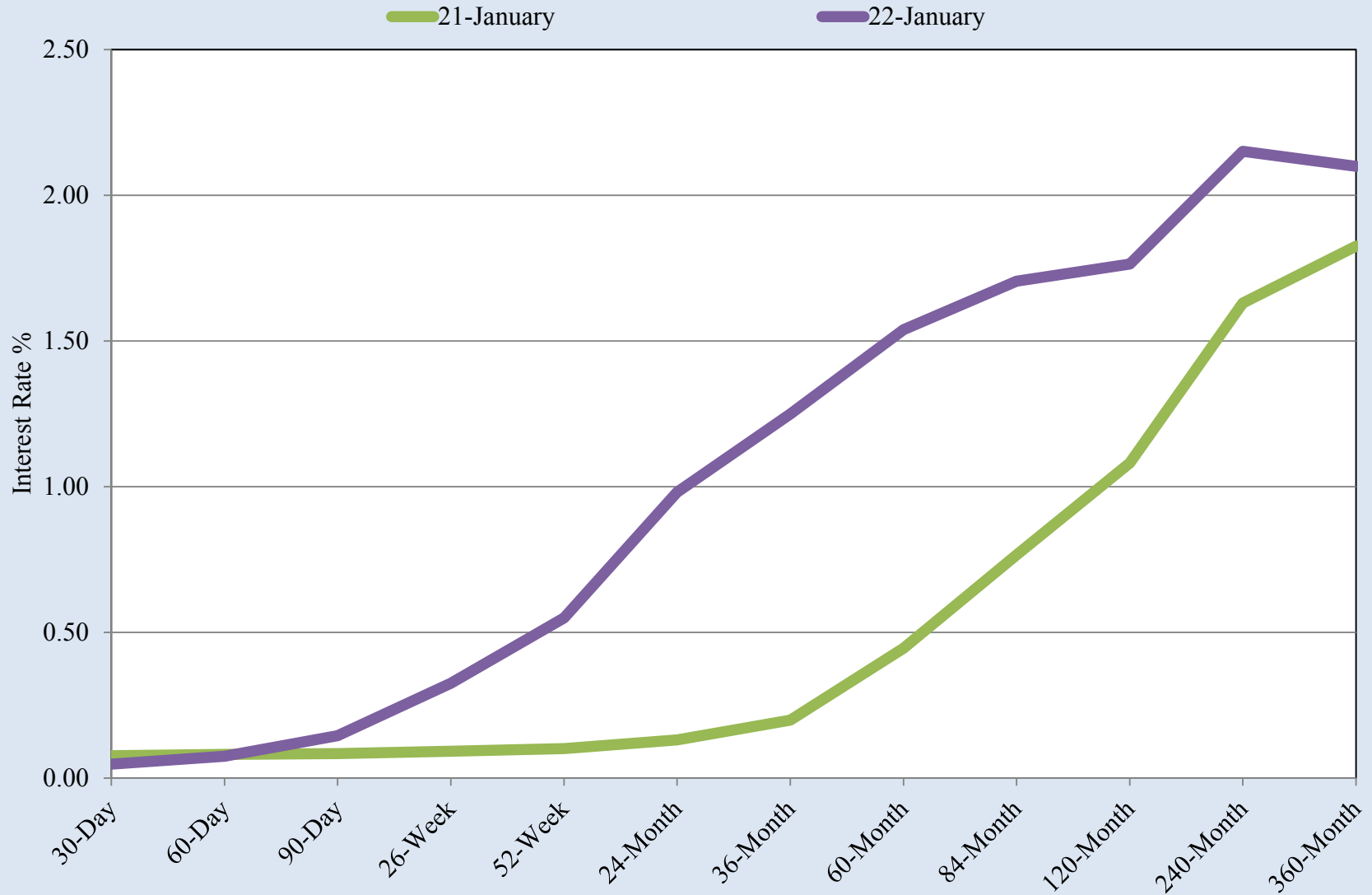
Source: Federal Reserve Bank of Dallas

El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

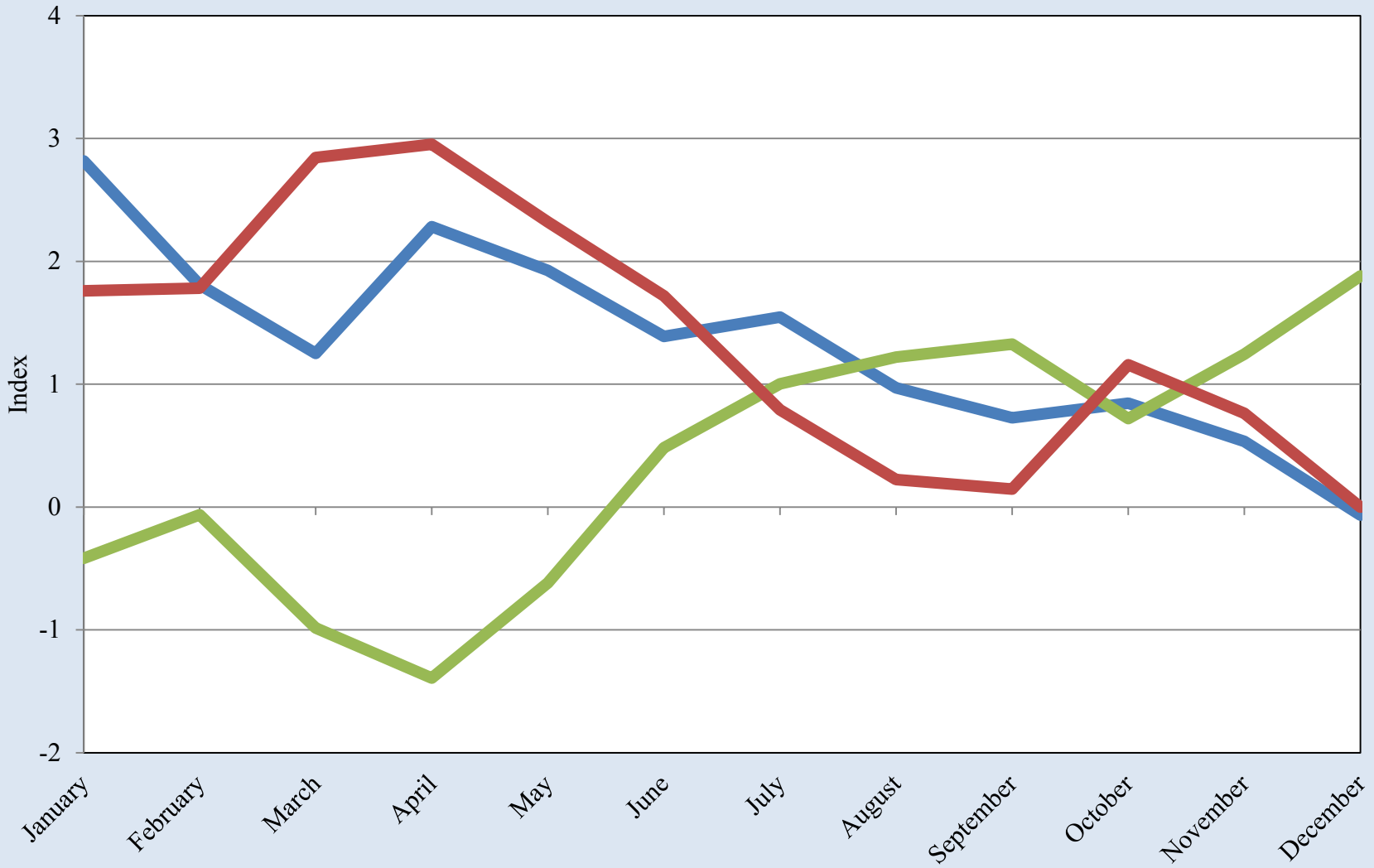
Average Treasury Yield Curve Rates



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

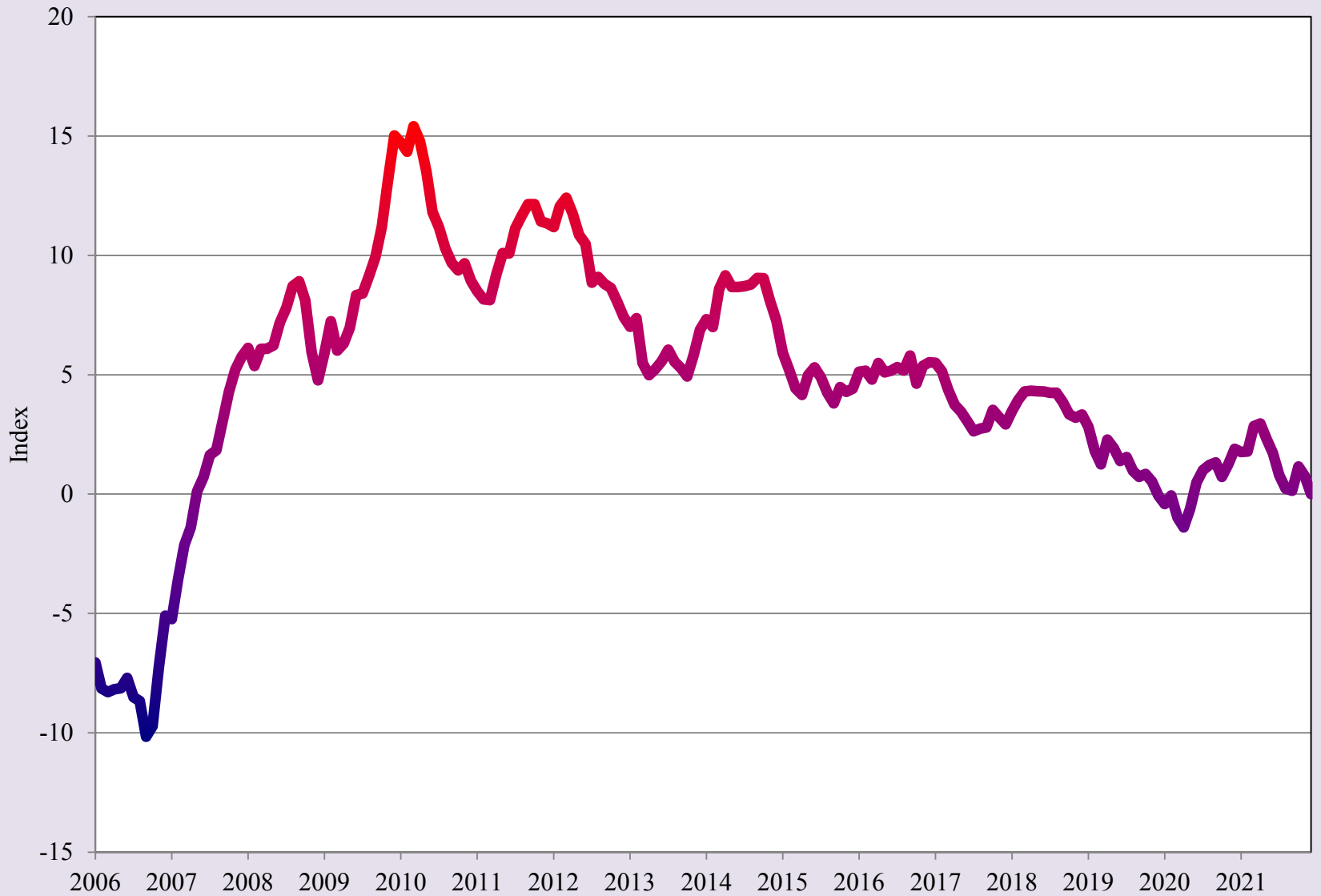
El Paso Household Economic Stress Index

2019 2020 2021



Source: UTEP Border Region Modeling Project

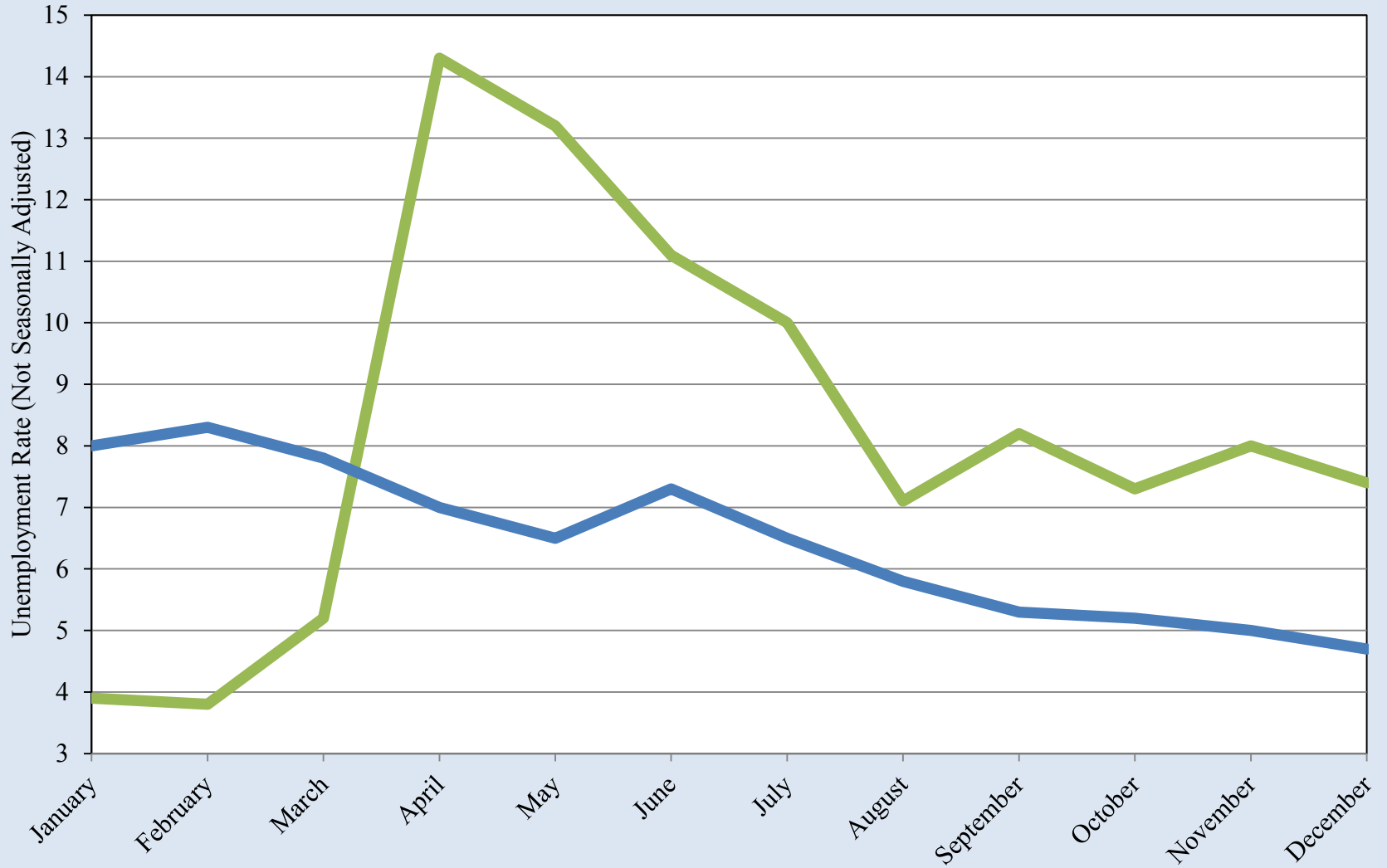
El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

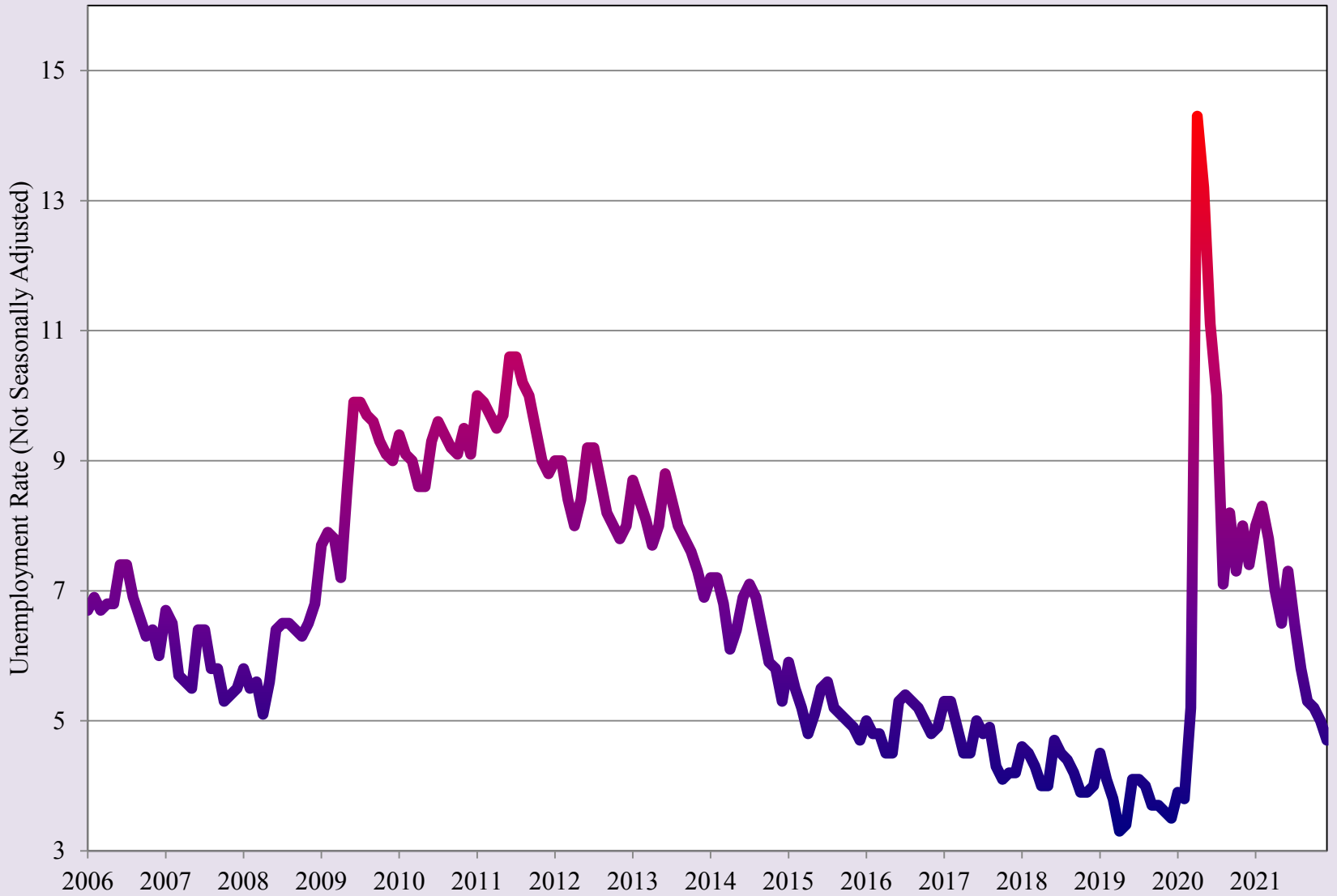
El Paso County Unemployment Rate

2020 2021



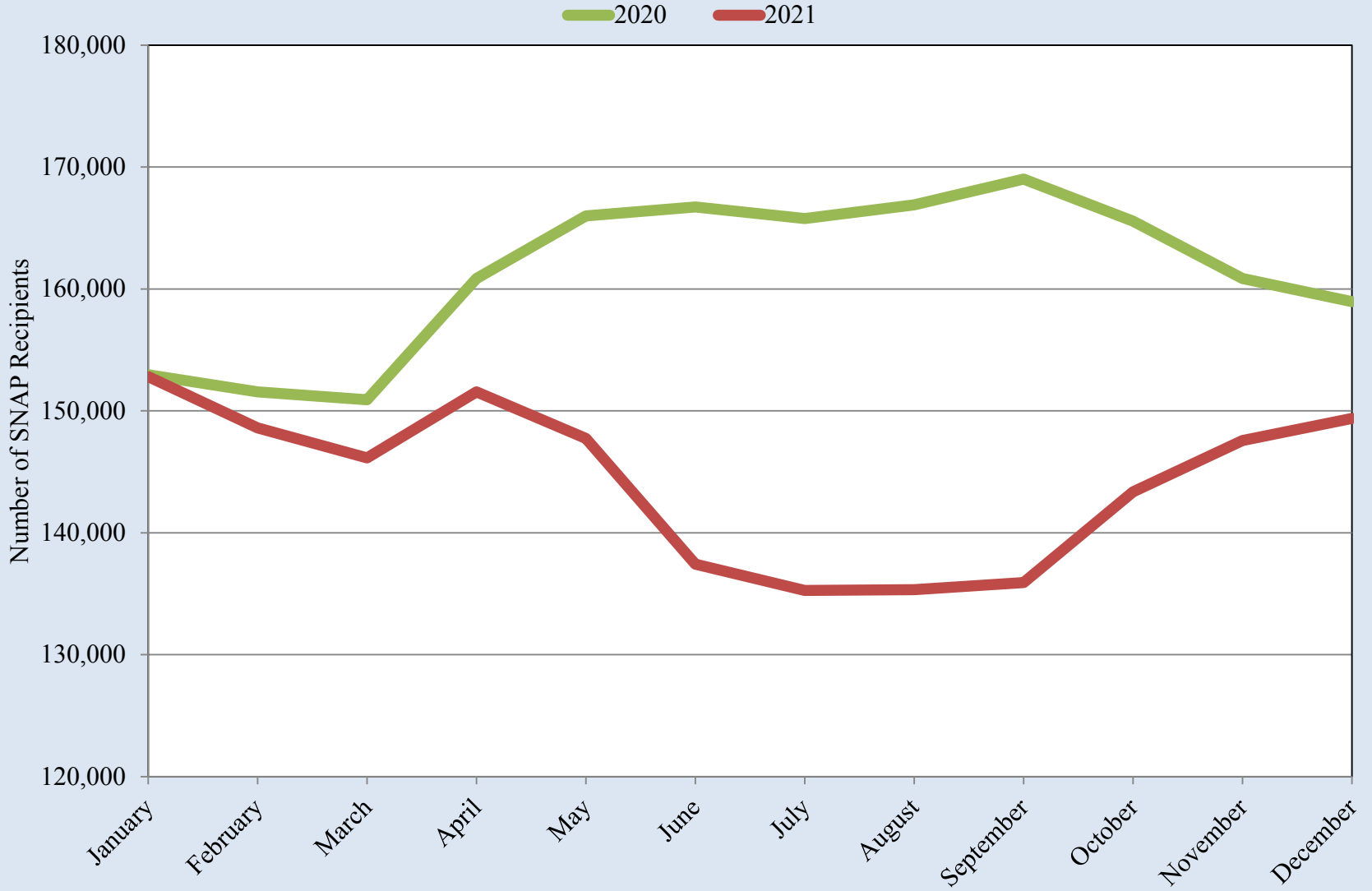
Source: Bureau of Labor Statistics

El Paso County Unemployment Rate



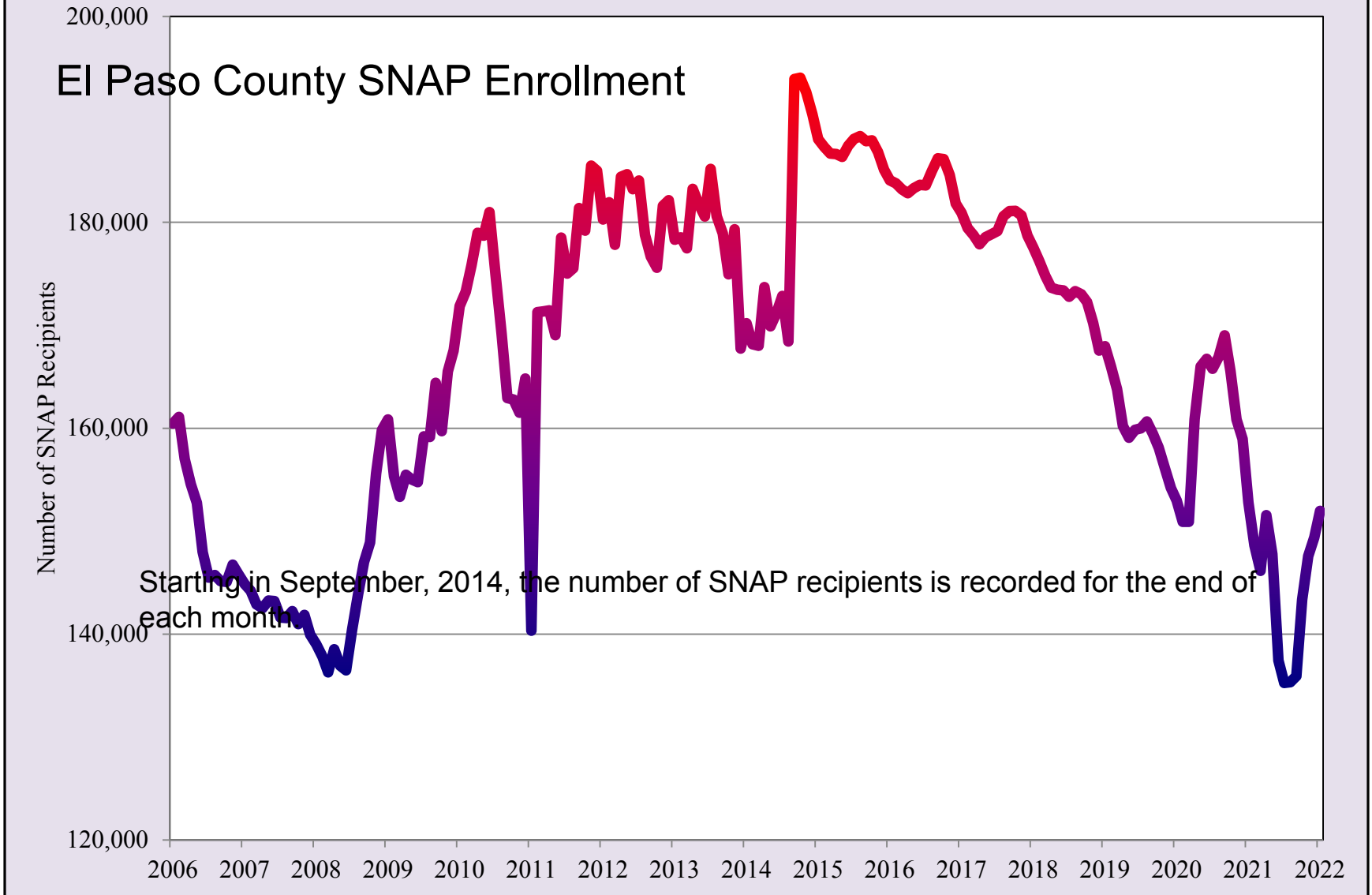
Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

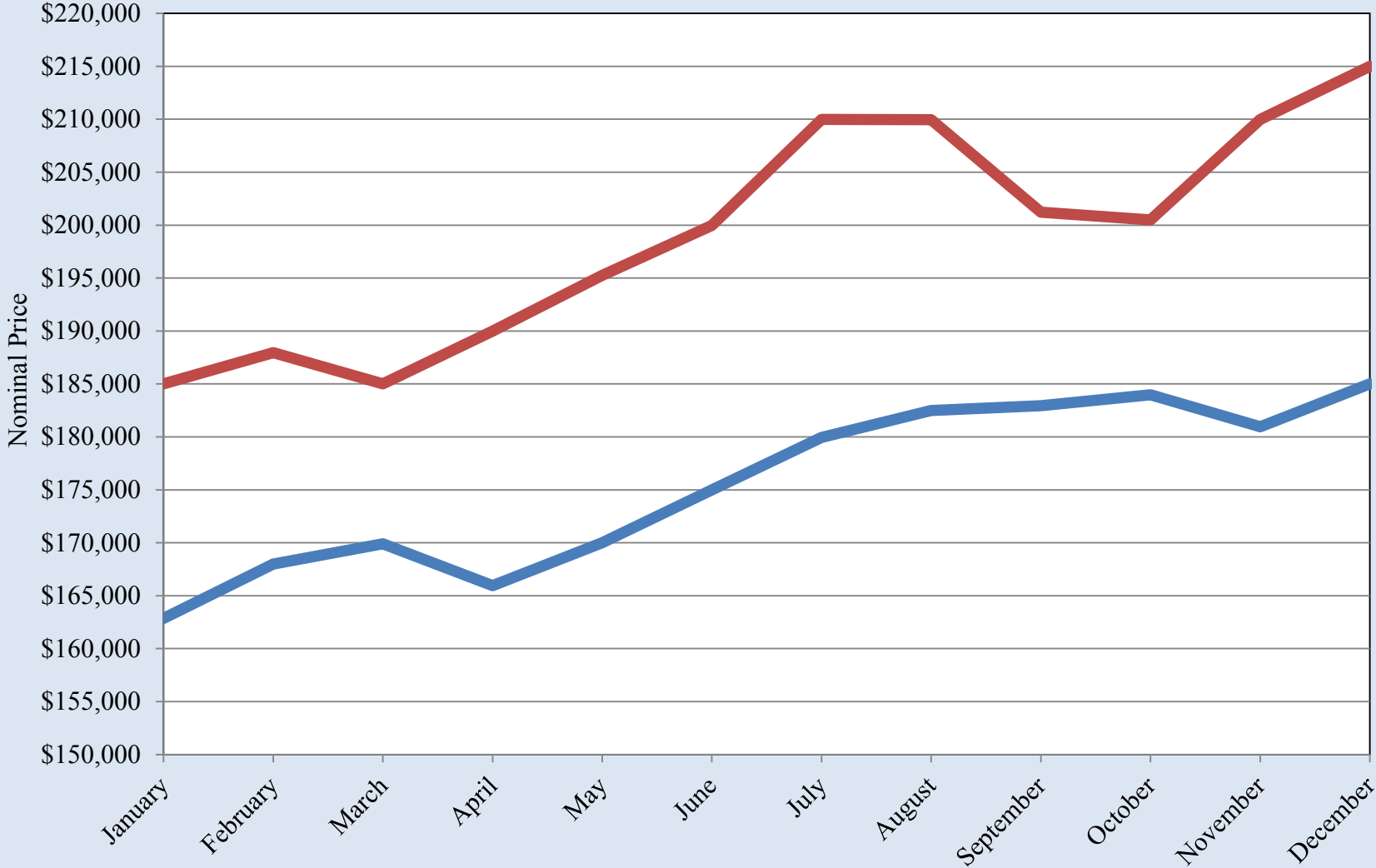
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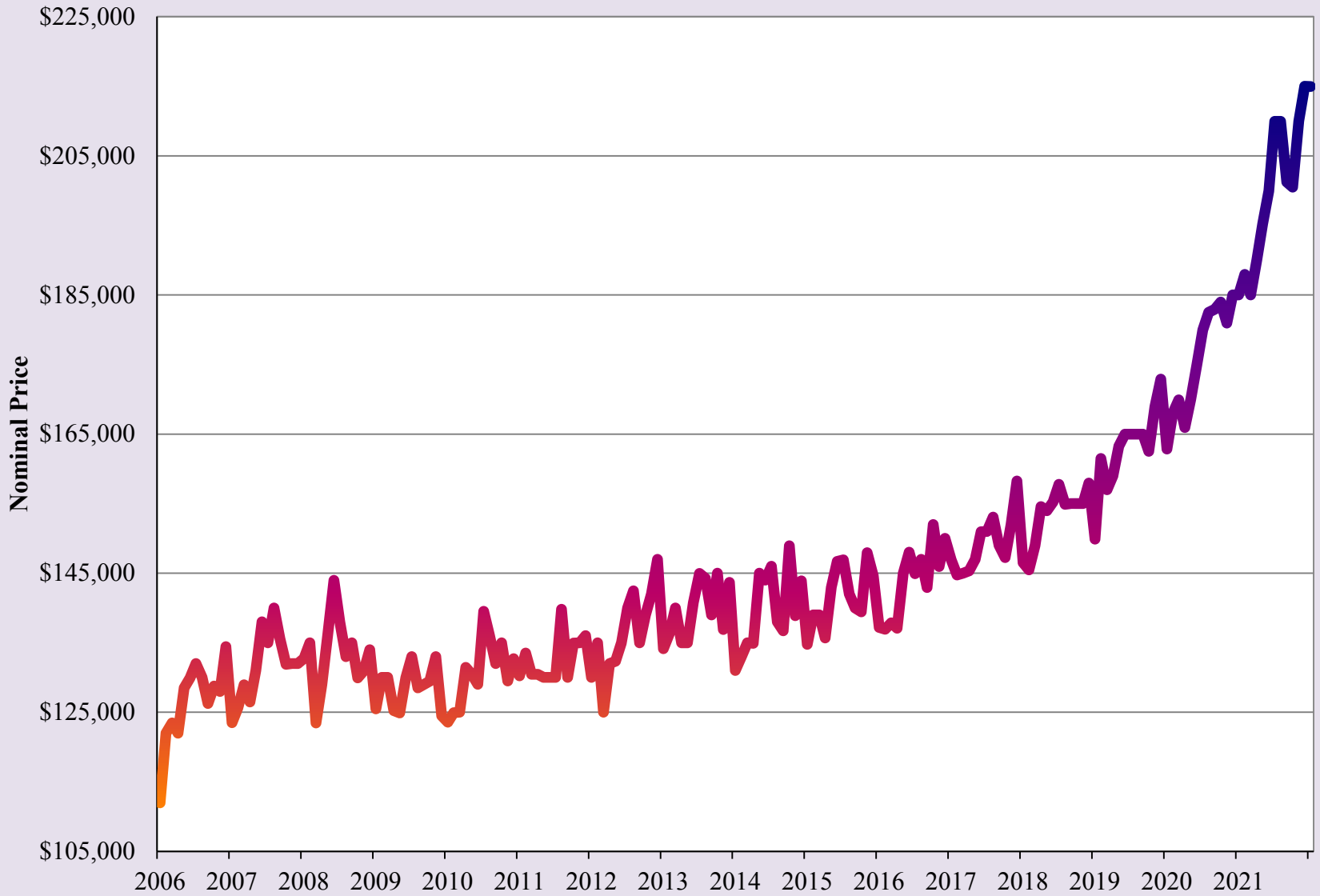
El Paso Median Housing Prices

2020 2021



Source: Texas A&M Real Estate Center

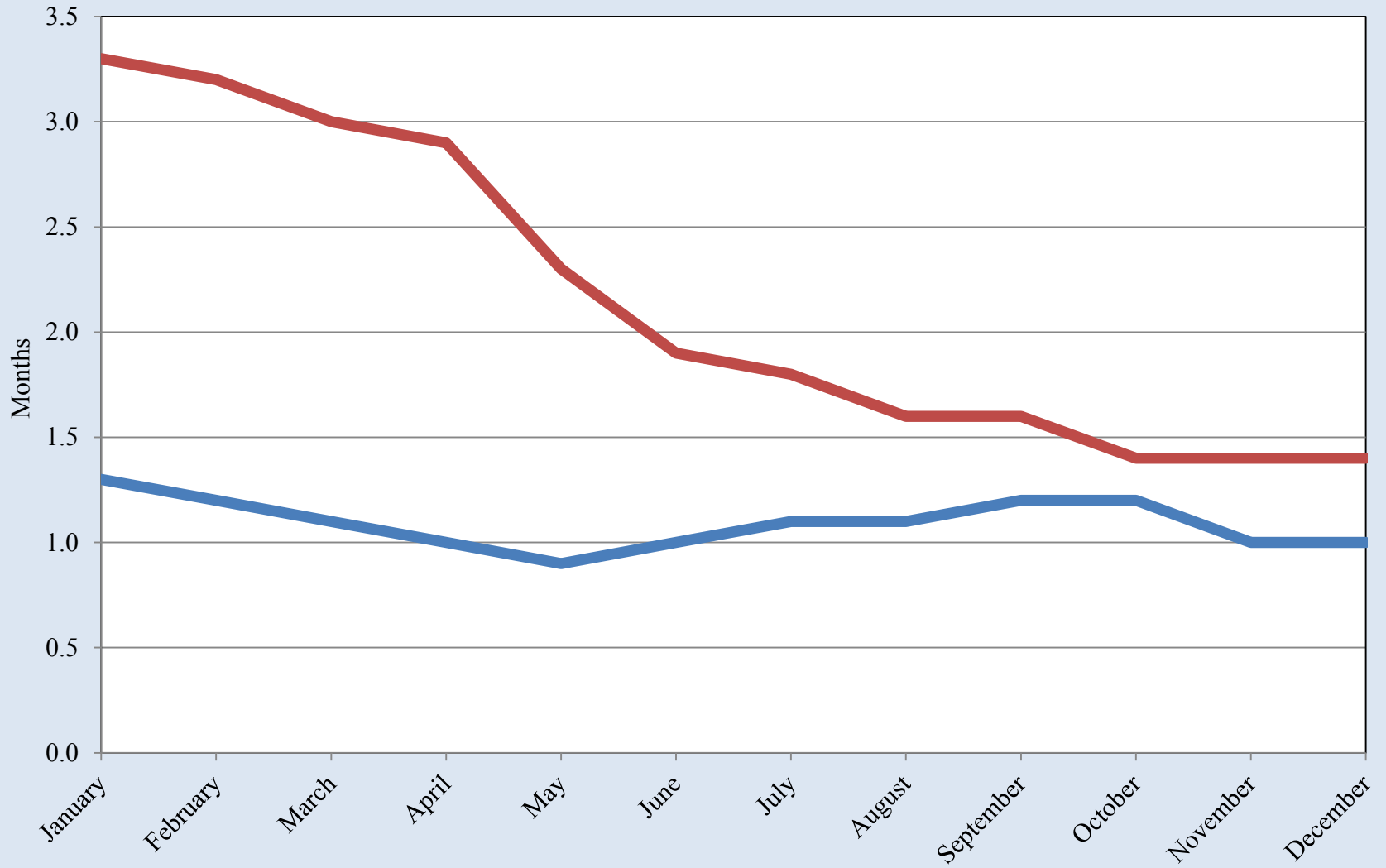
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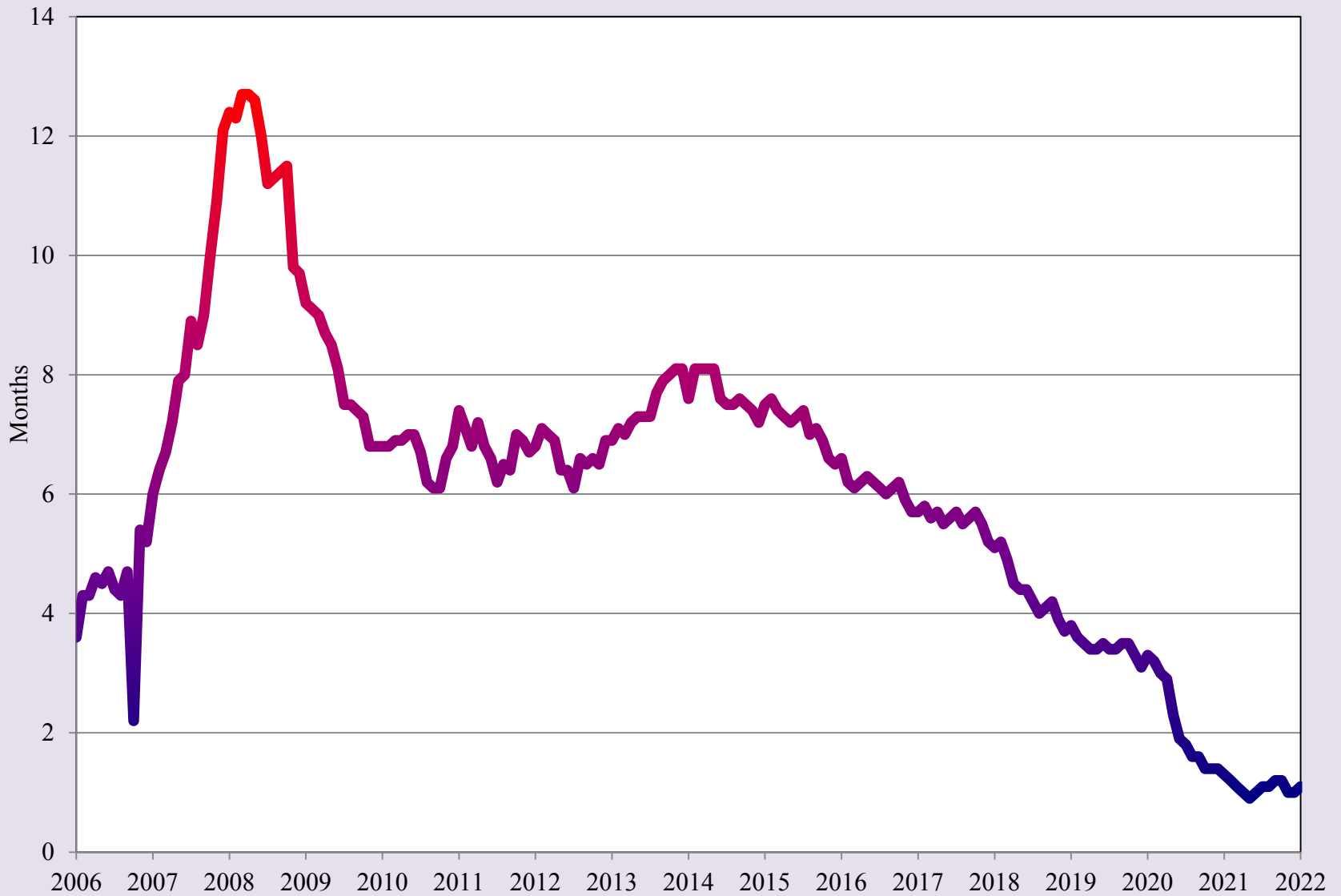
Months of Housing Inventory for El Paso

2020 2021



Source: Texas A&M Real Estate Center

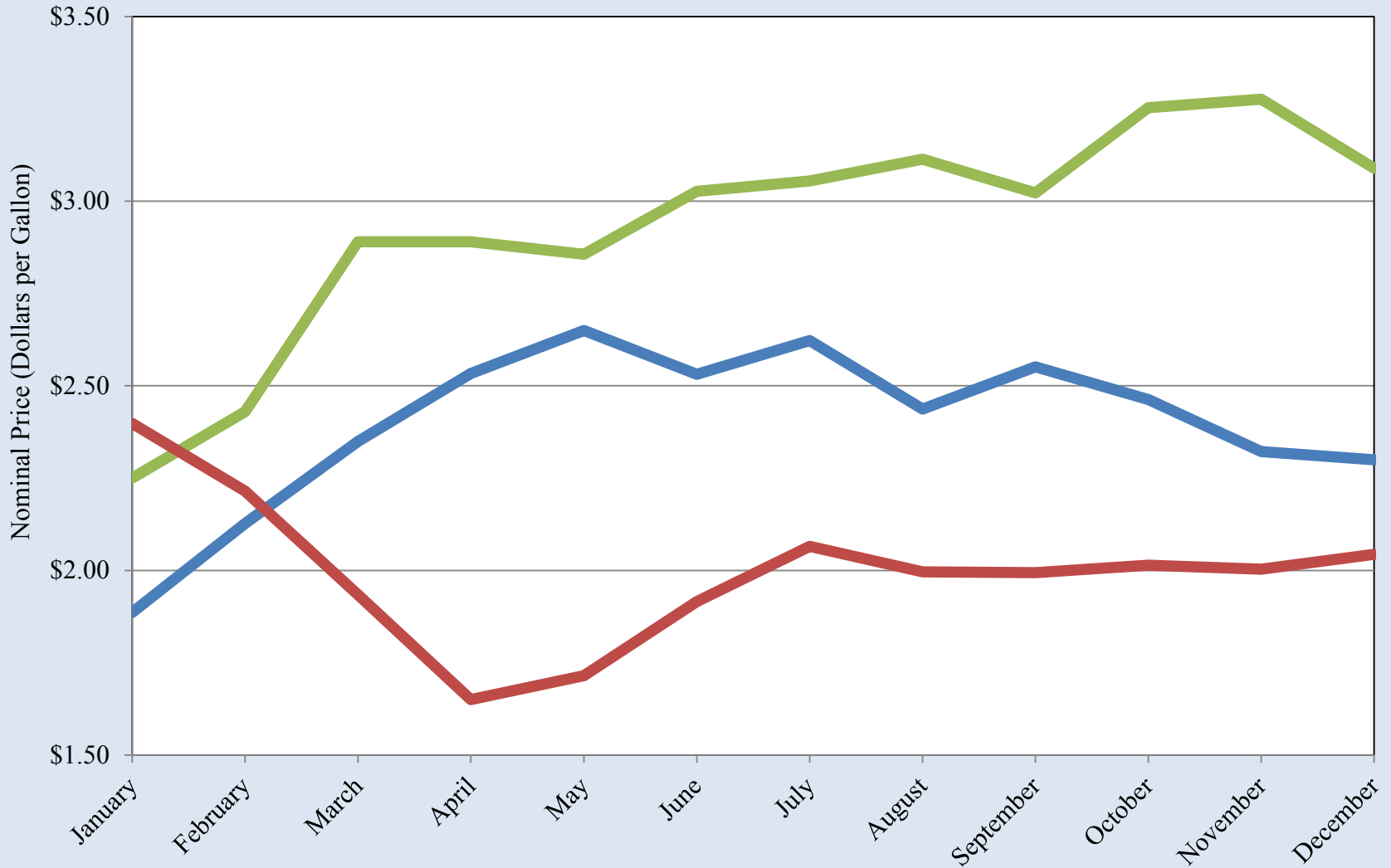
Months of Housing Inventory for El Paso



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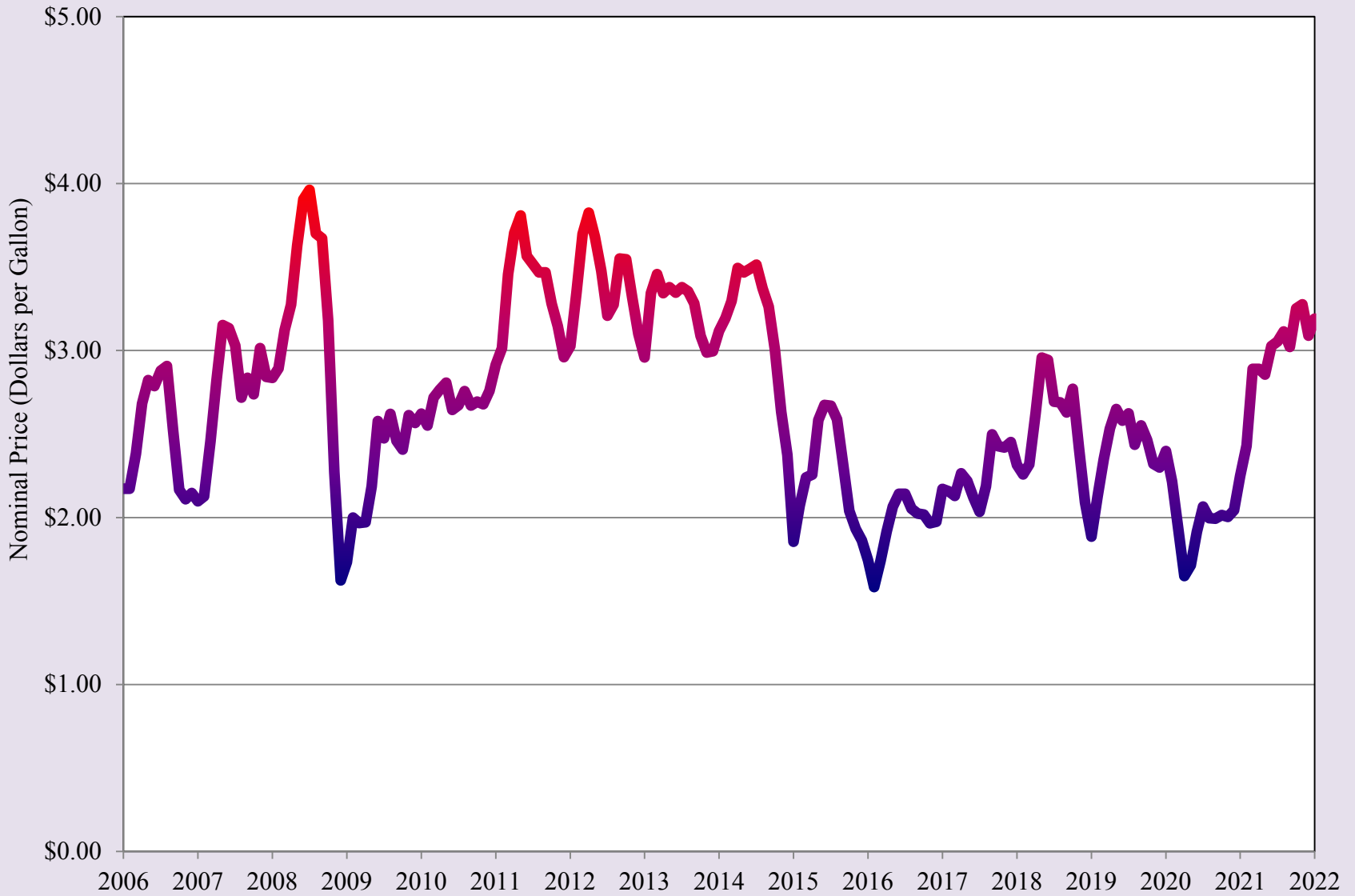
El Paso Gasoline Prices

2019 2020 2021



Source: GasBuddy.com

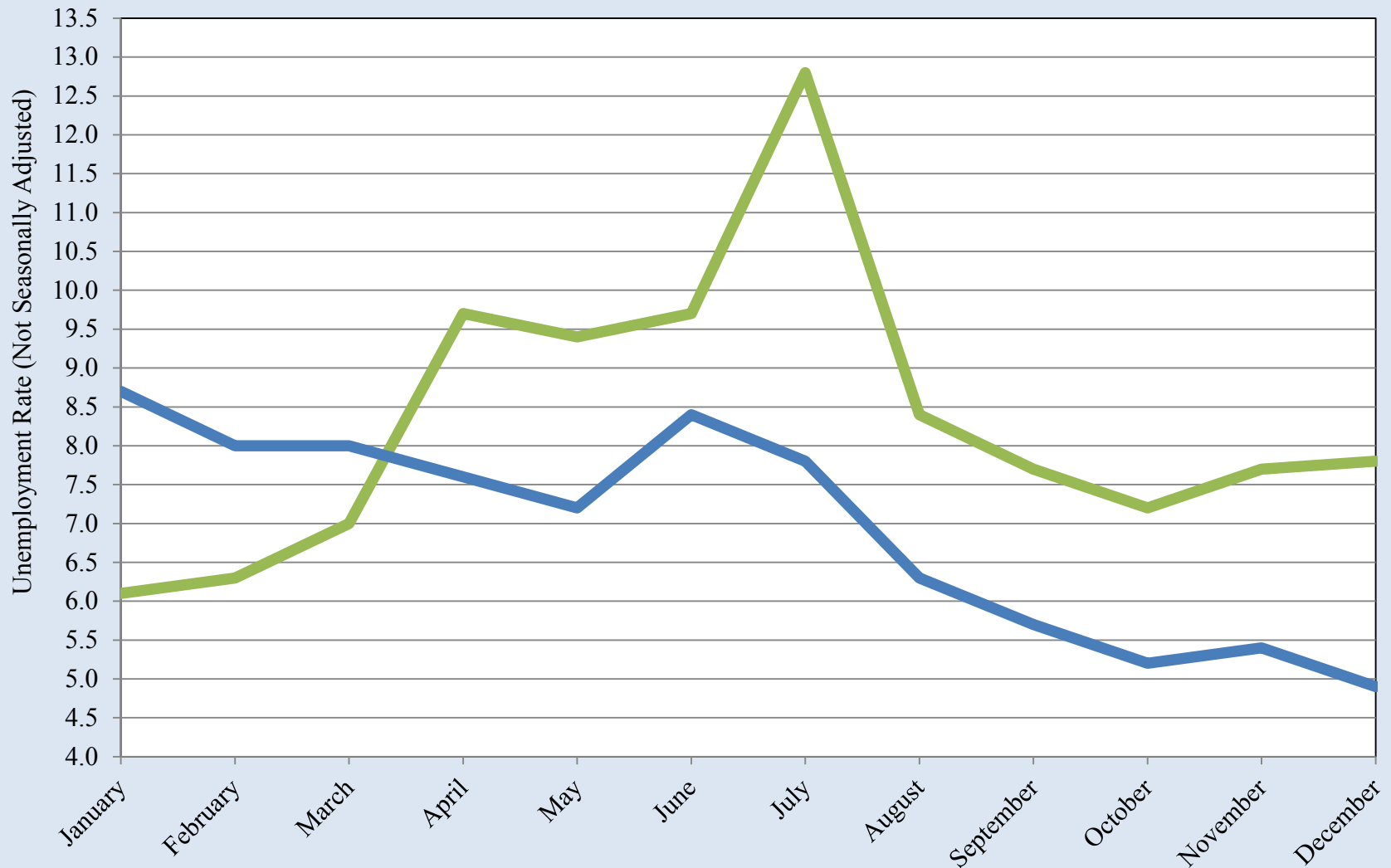
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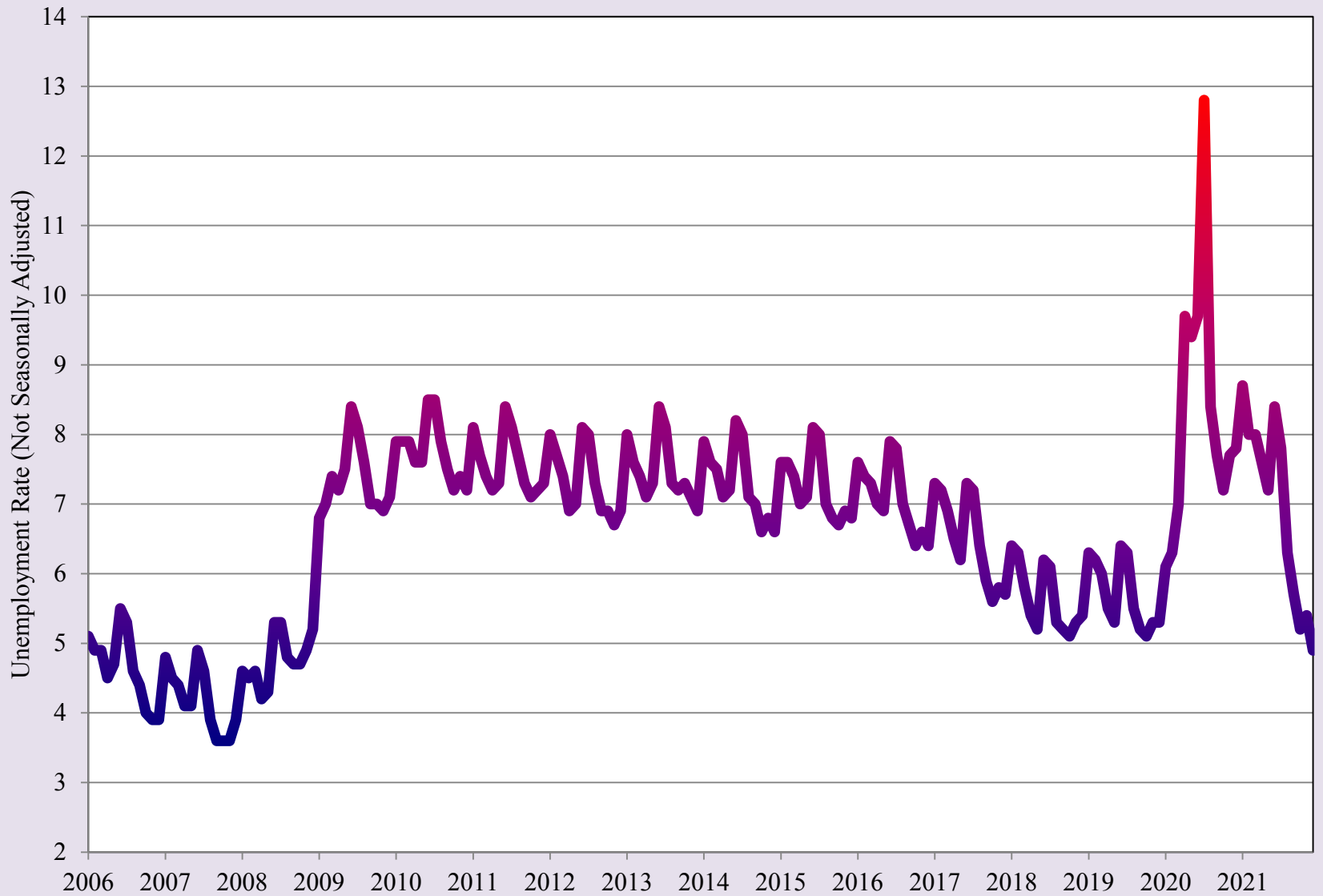
Doña Ana County Unemployment Rate

2020 2021



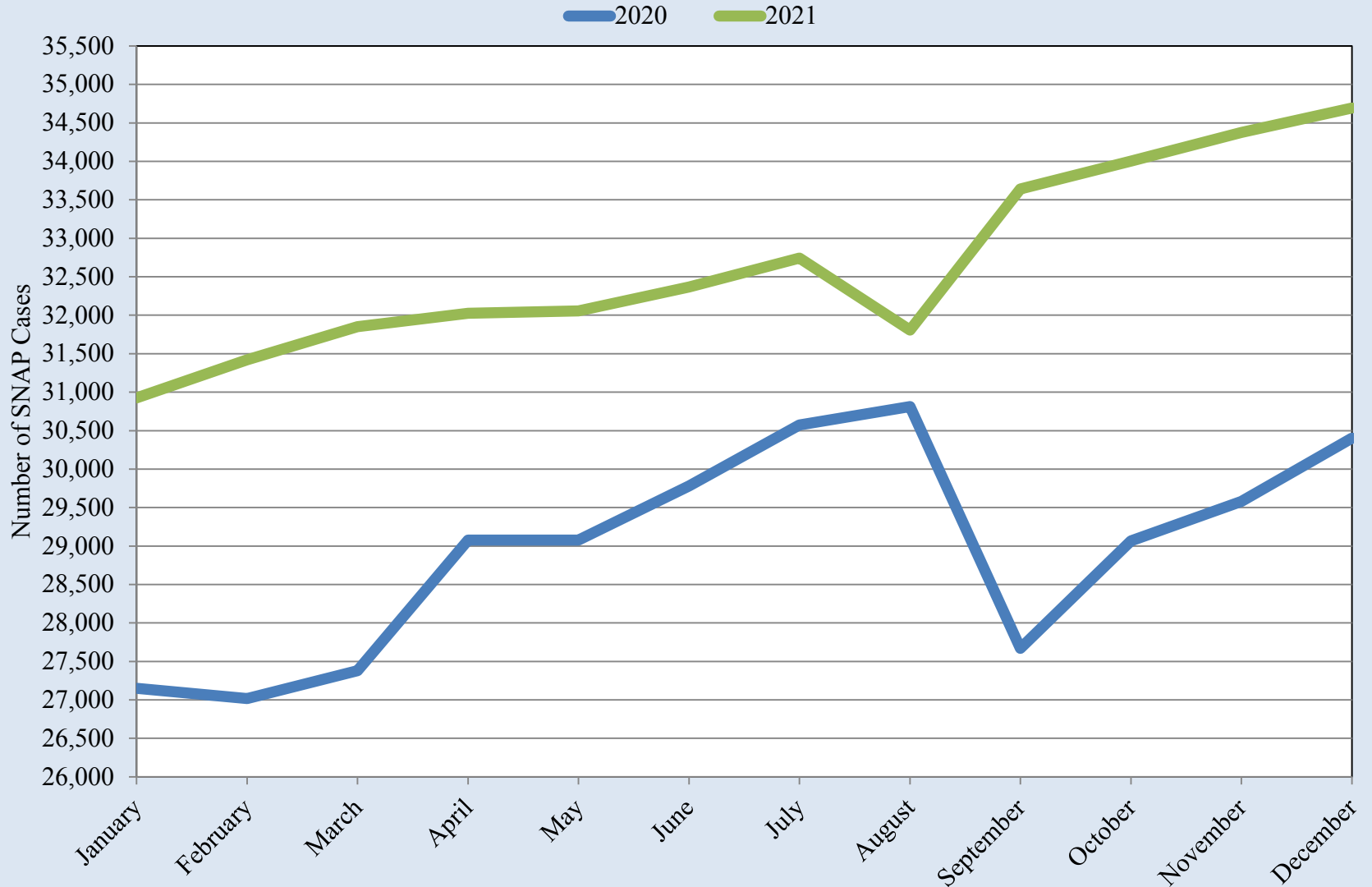
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



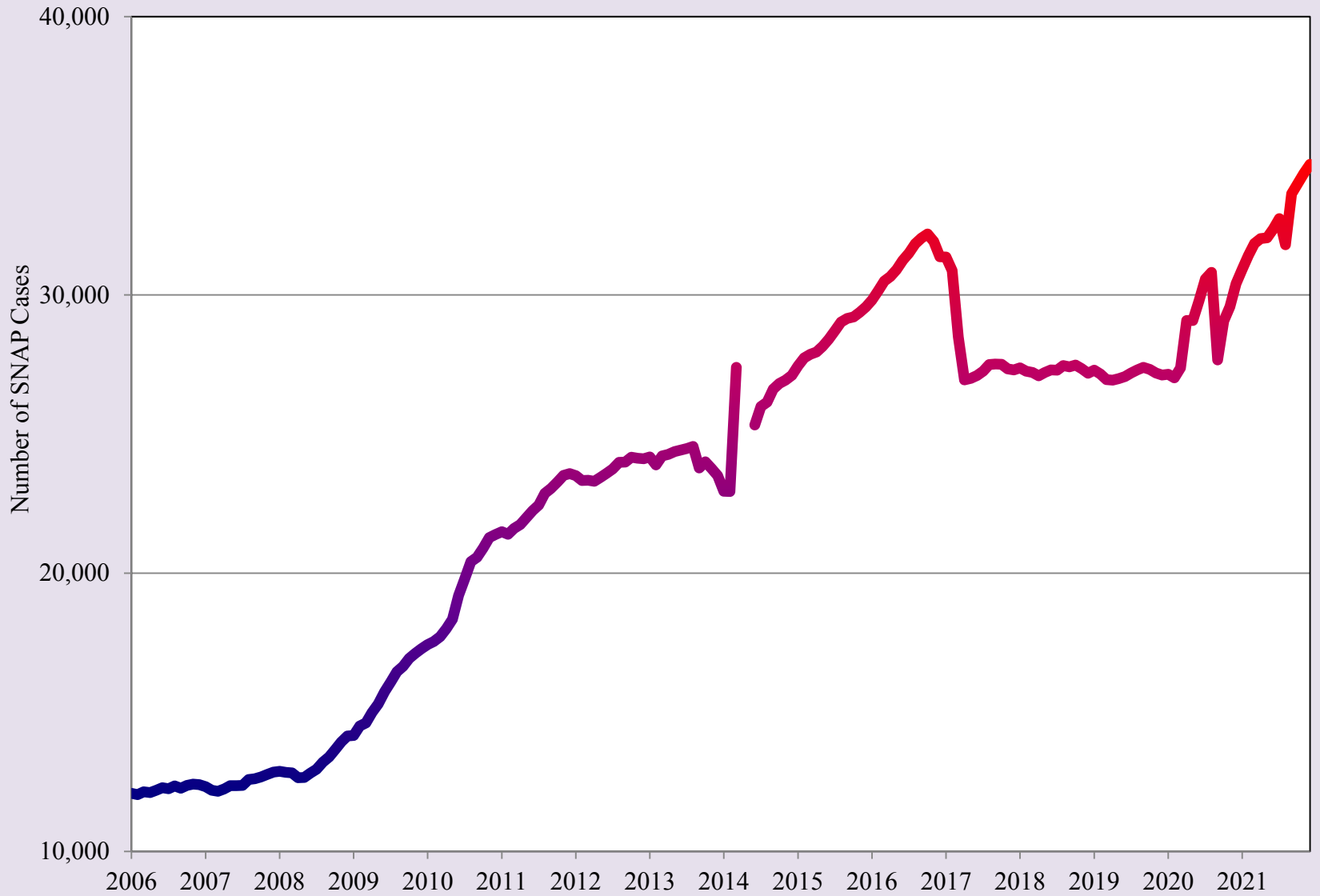
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



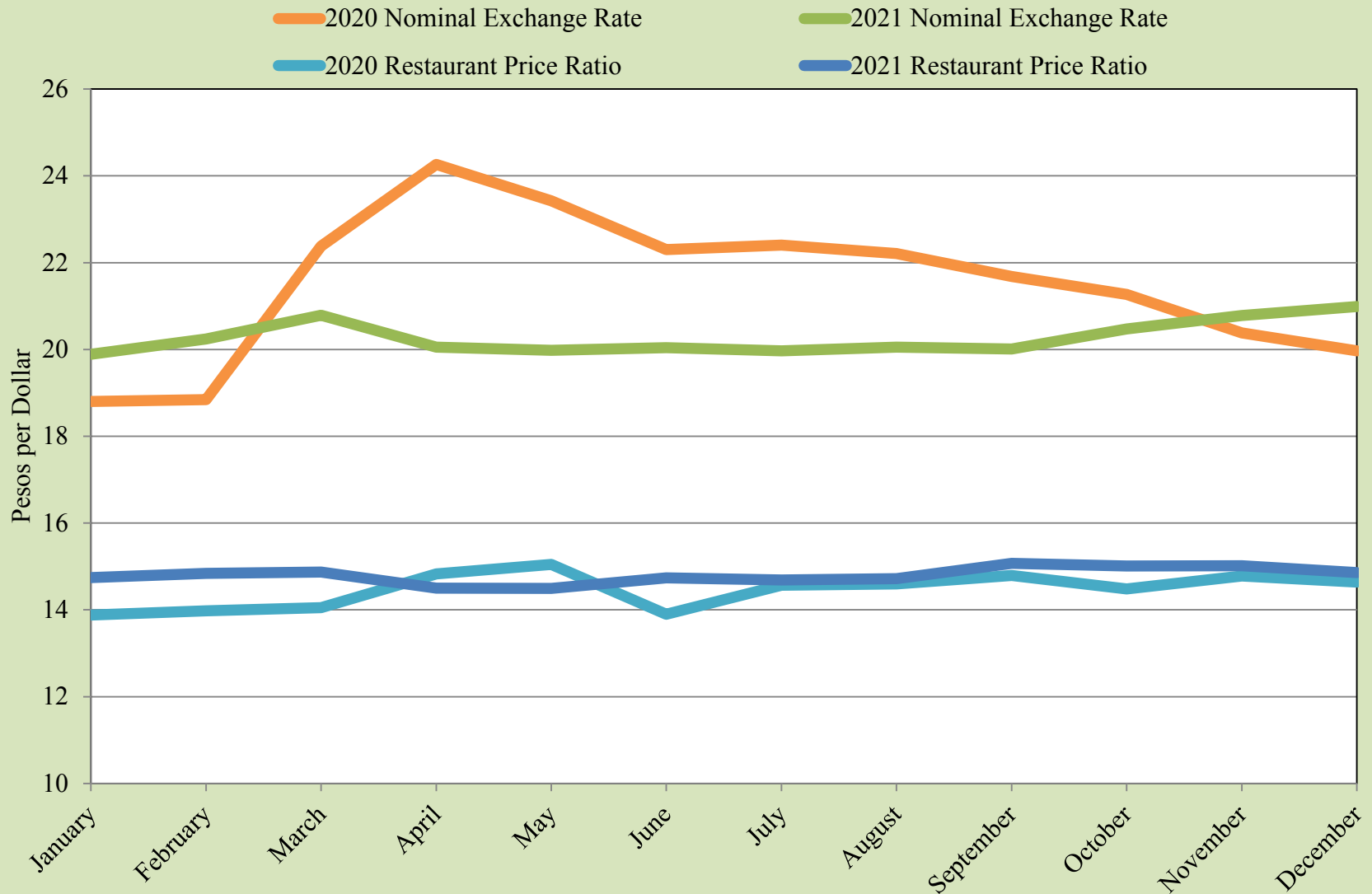
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

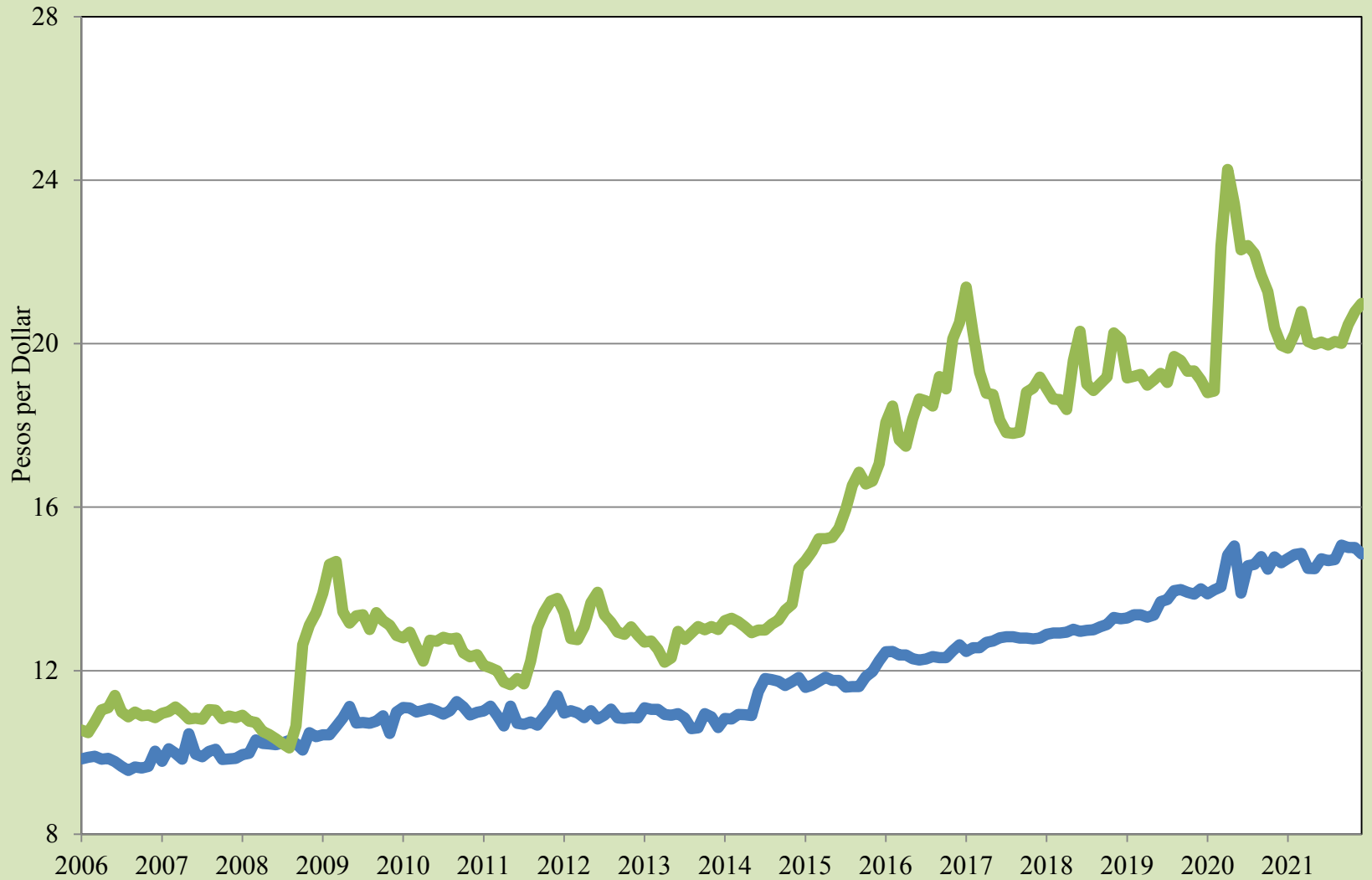
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Restaurant Price Ratio and Exchange Rate

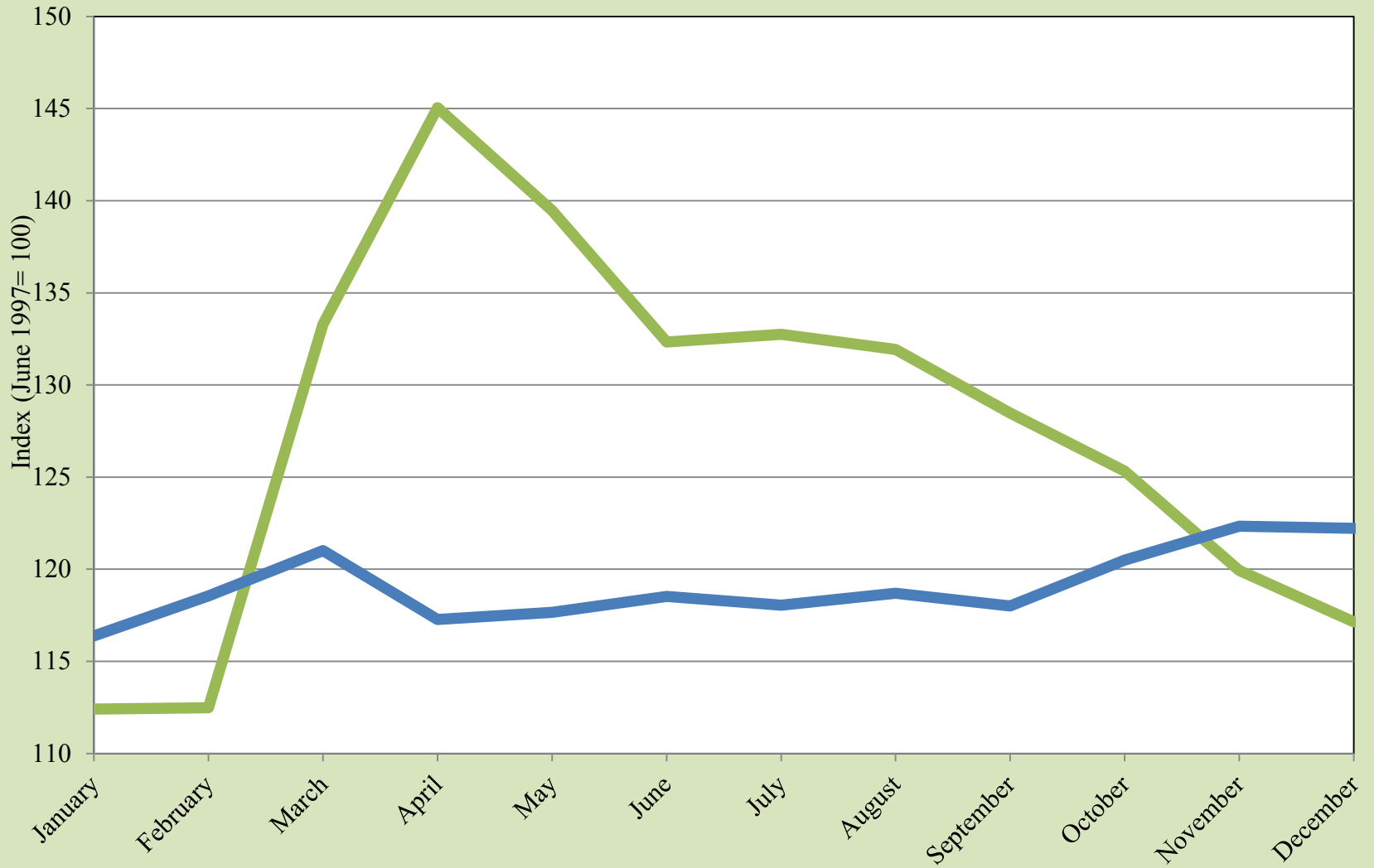
Price Ratio Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso-per-Dollar Exchange Rate Index

— 2020 — 2021



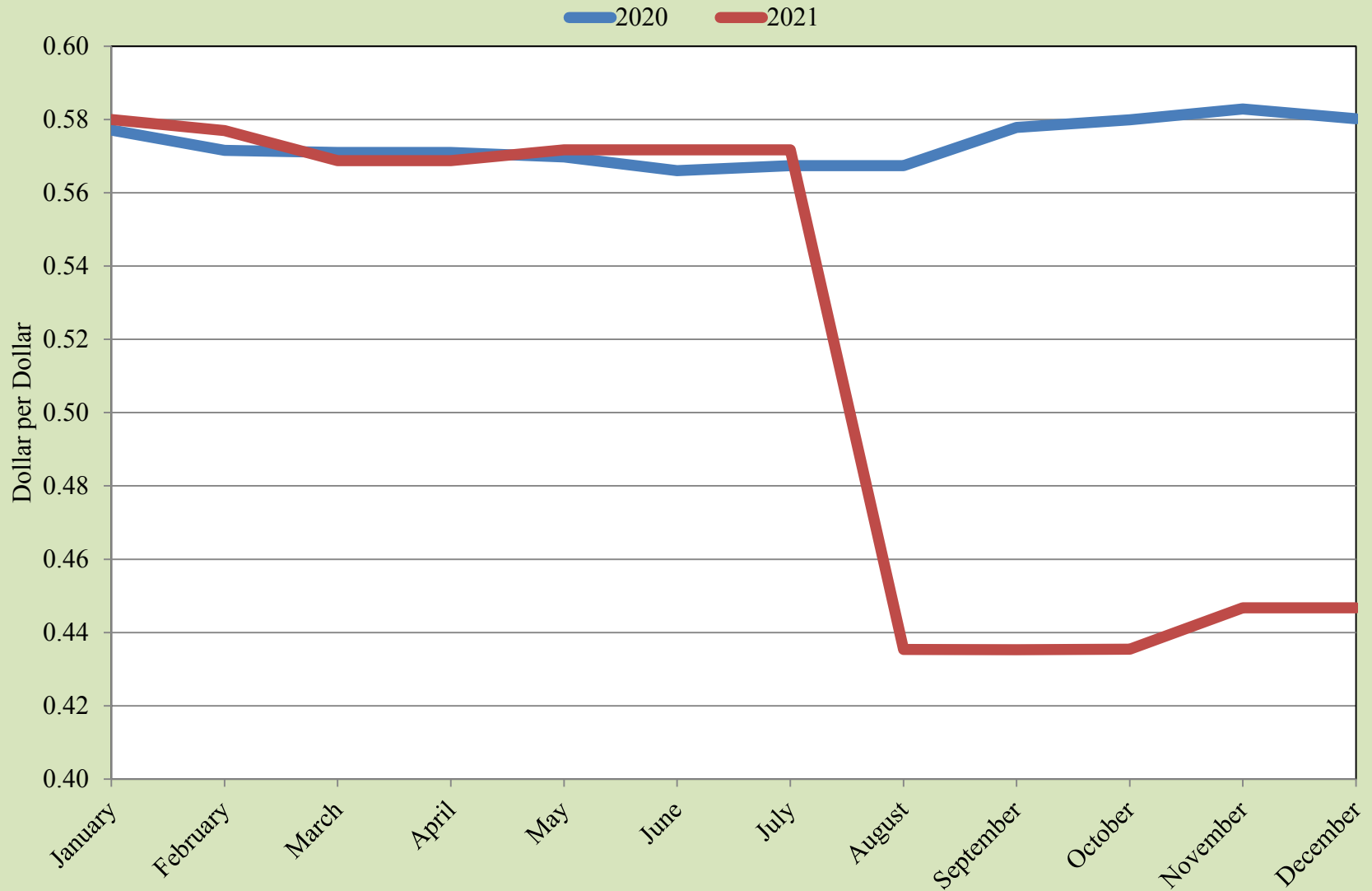
Source: UTEP Border Region Modeling Project

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, goodrx.com, medsmex.com

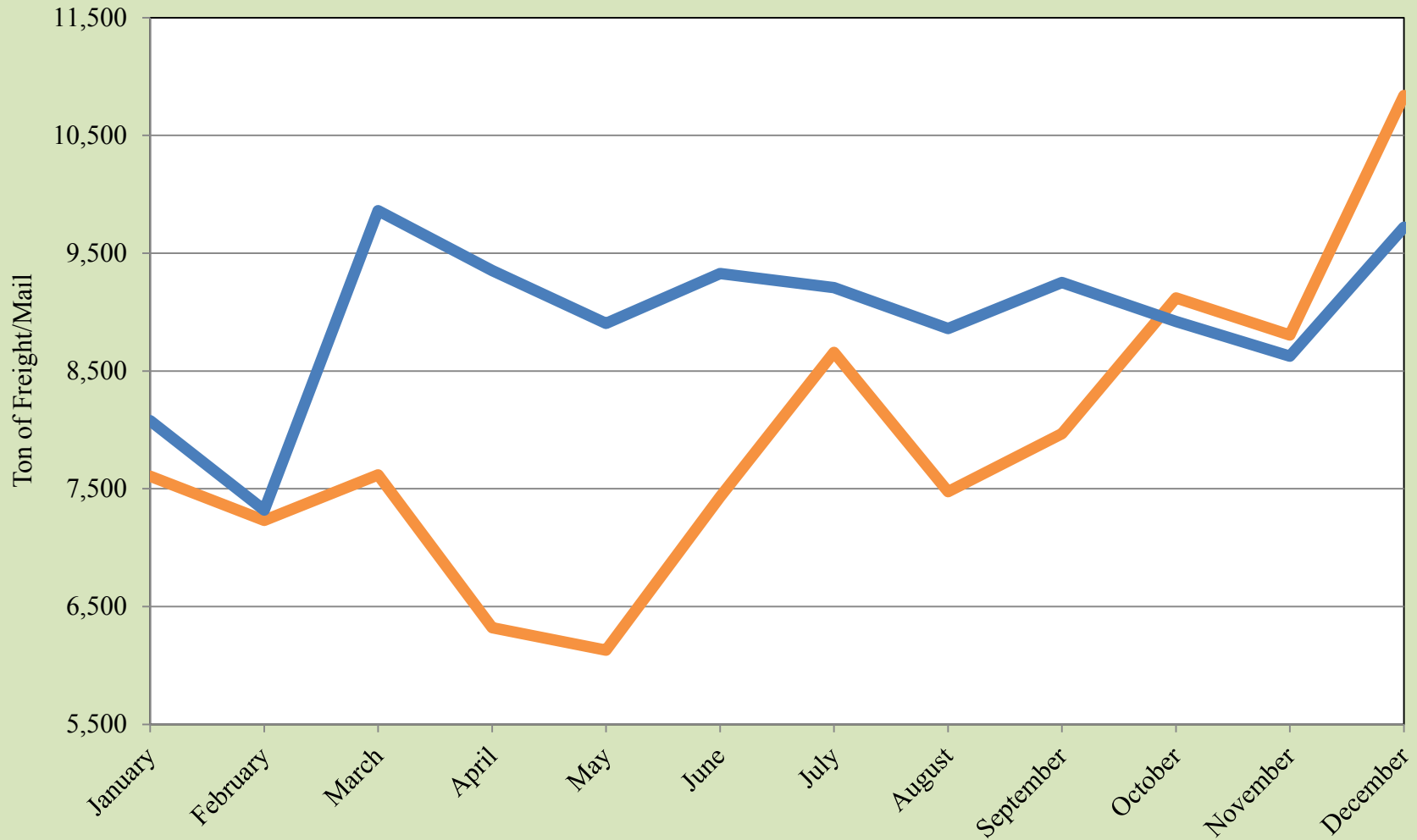
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EPIA Freight and Mail

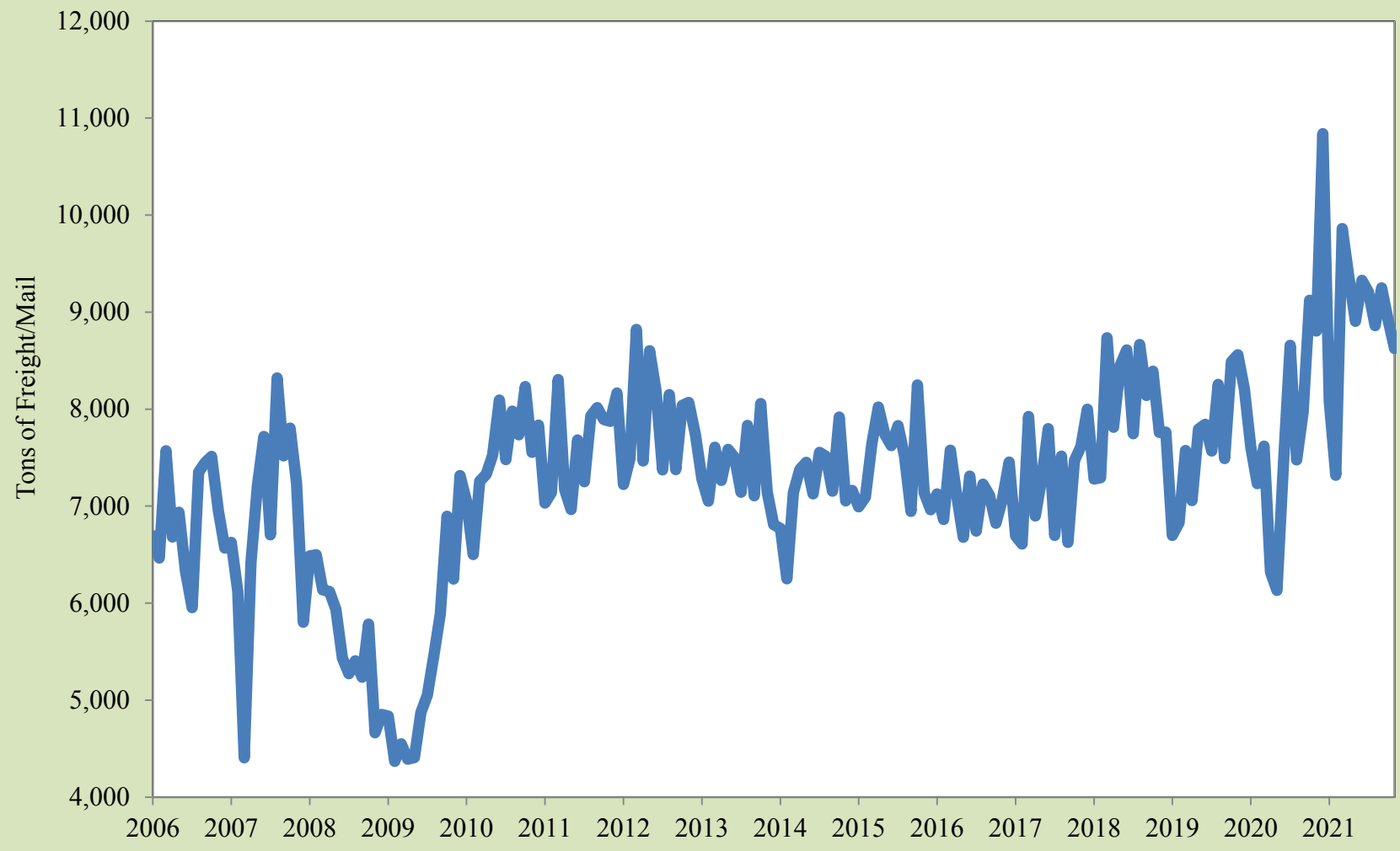
Total 2020 Total 2021



Source: EPIA Operations

EPIA Freight and Mail

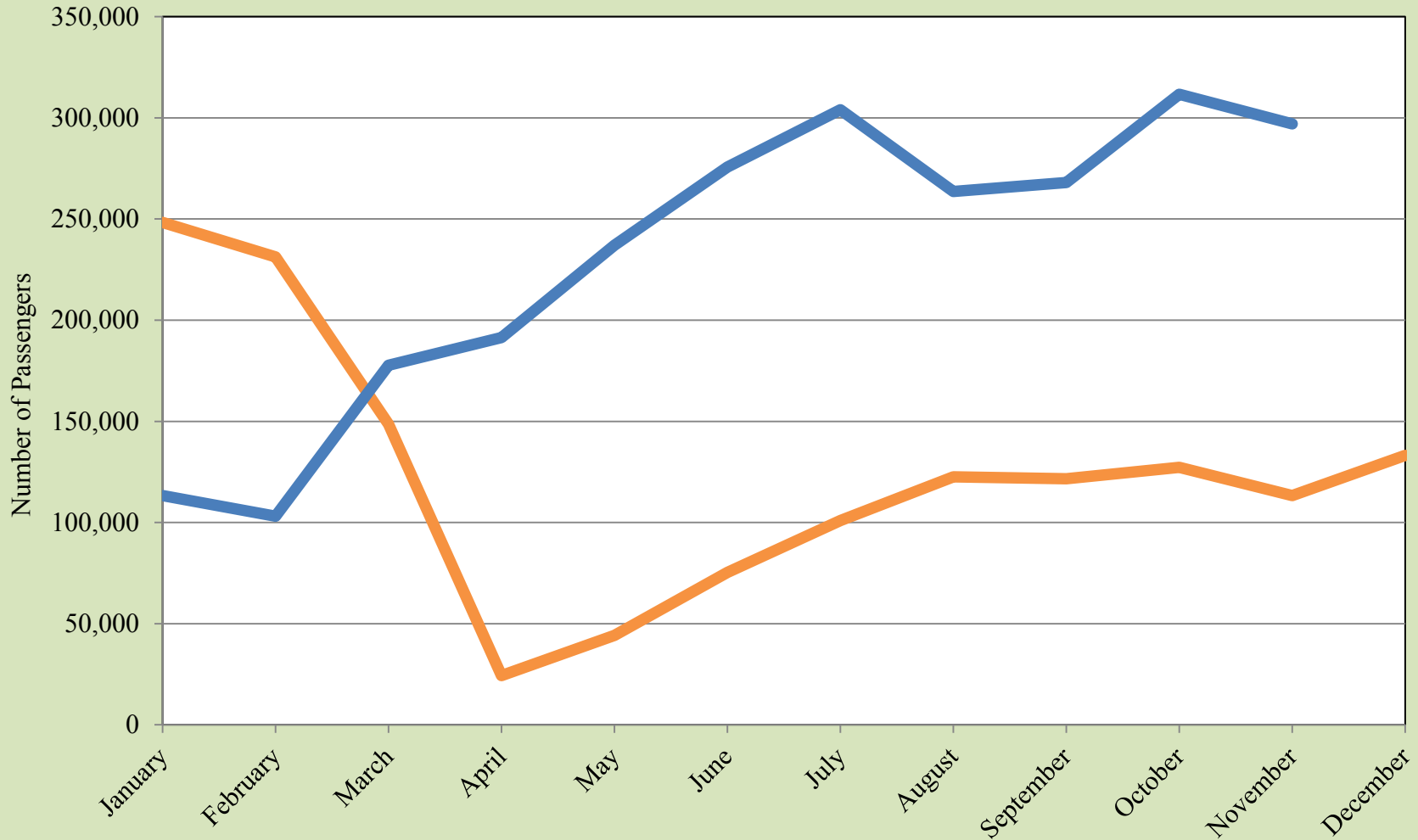
Inbound+Outbound



Source: EPIA Operations

EPIA Passengers

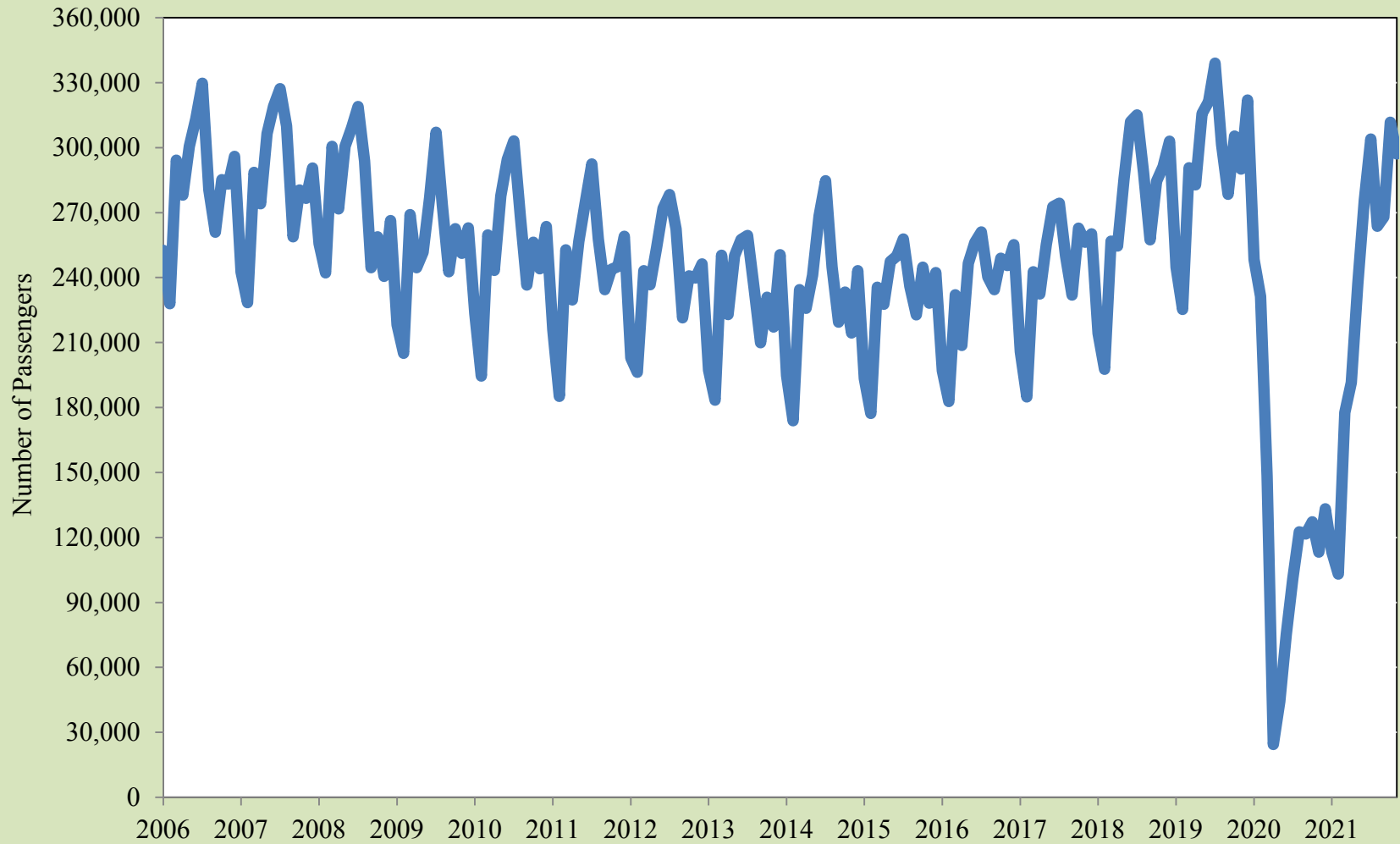
Total 2020 Total 2021



Source: EPIA Operations

EPIA Passengers

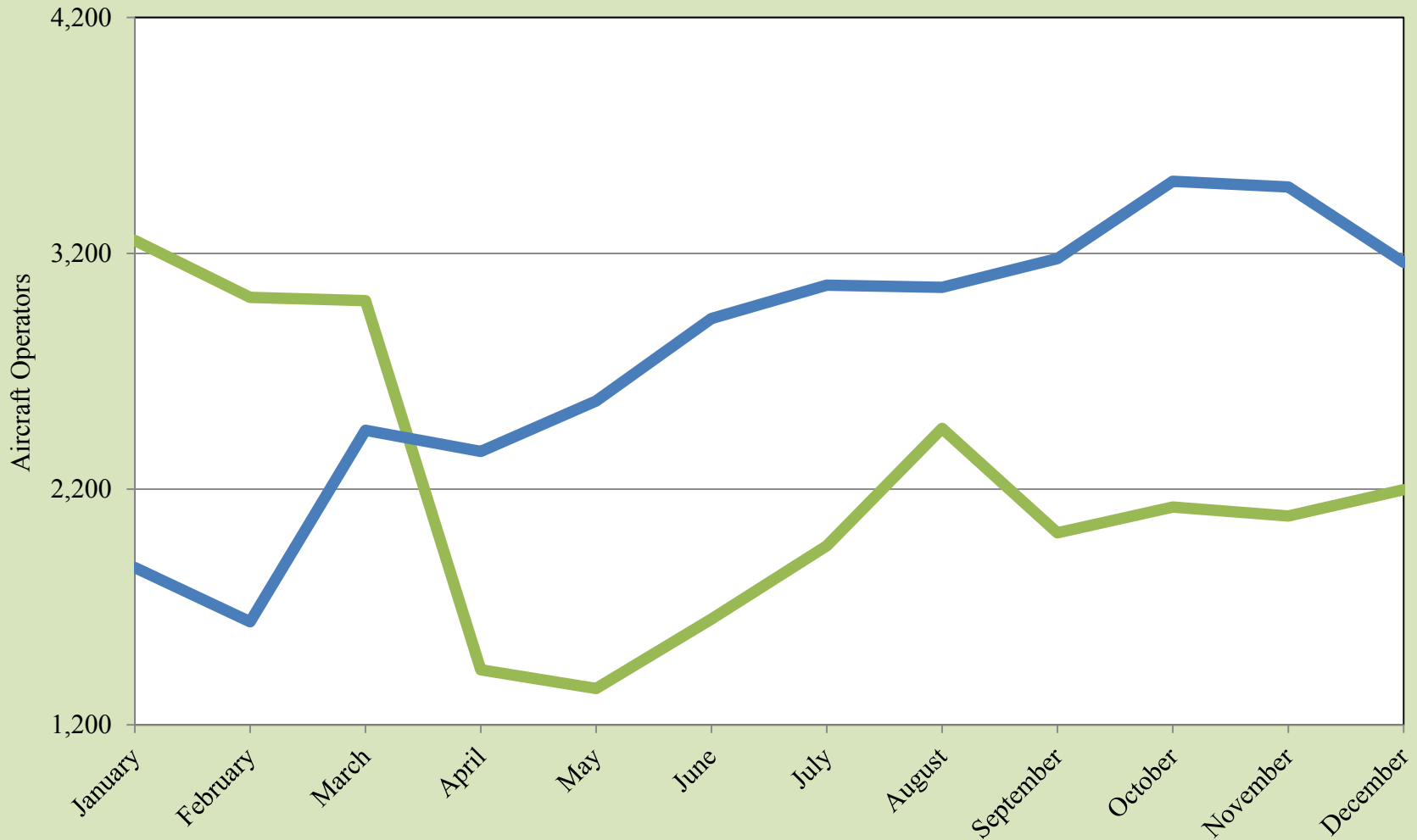
— Inbound+Outbound



Source: EPIA Operations

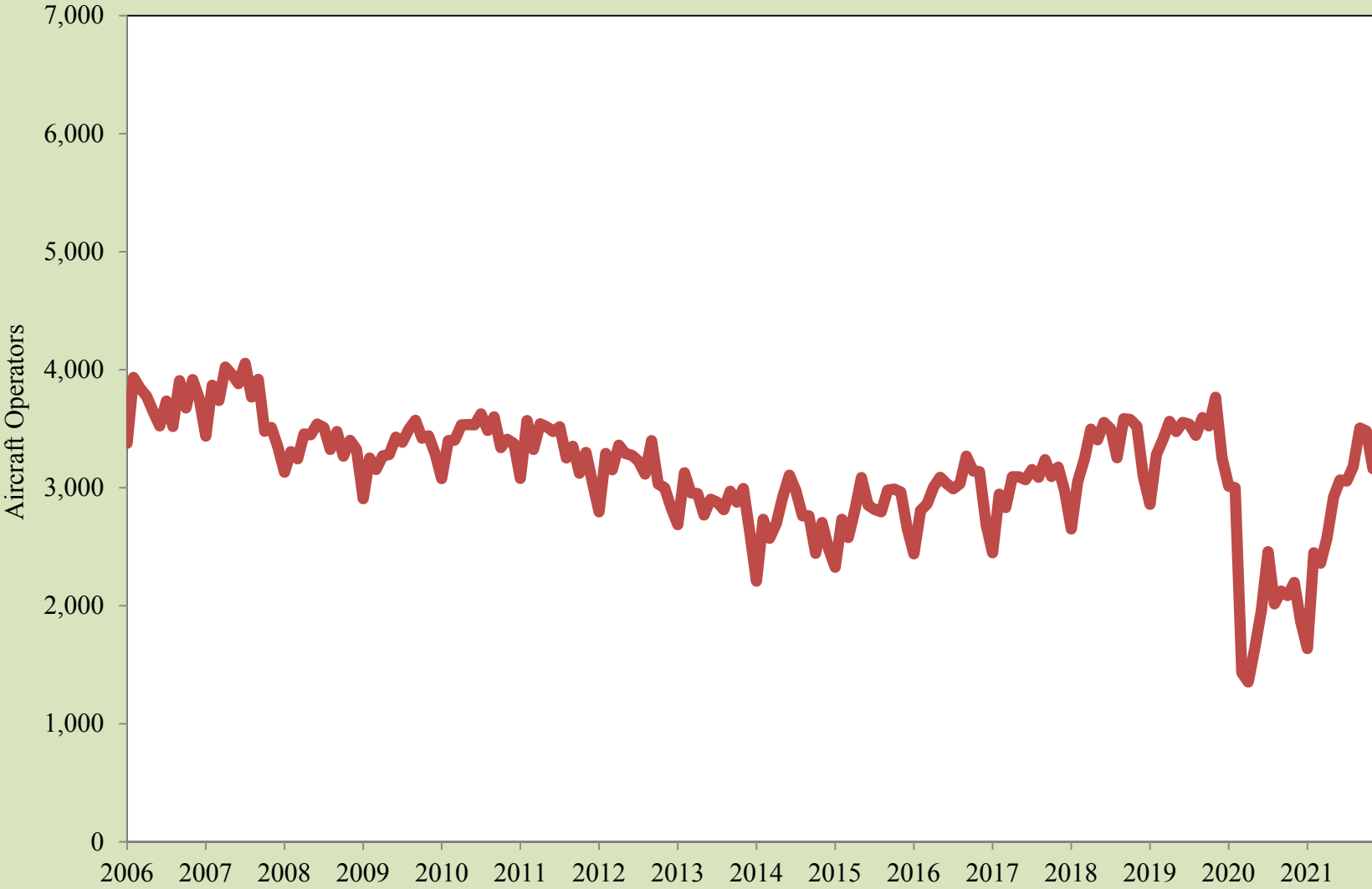
EPIA Air Carrier Operations

20-Air Carriers 21-Air Carriers



Source: EPIA Operations

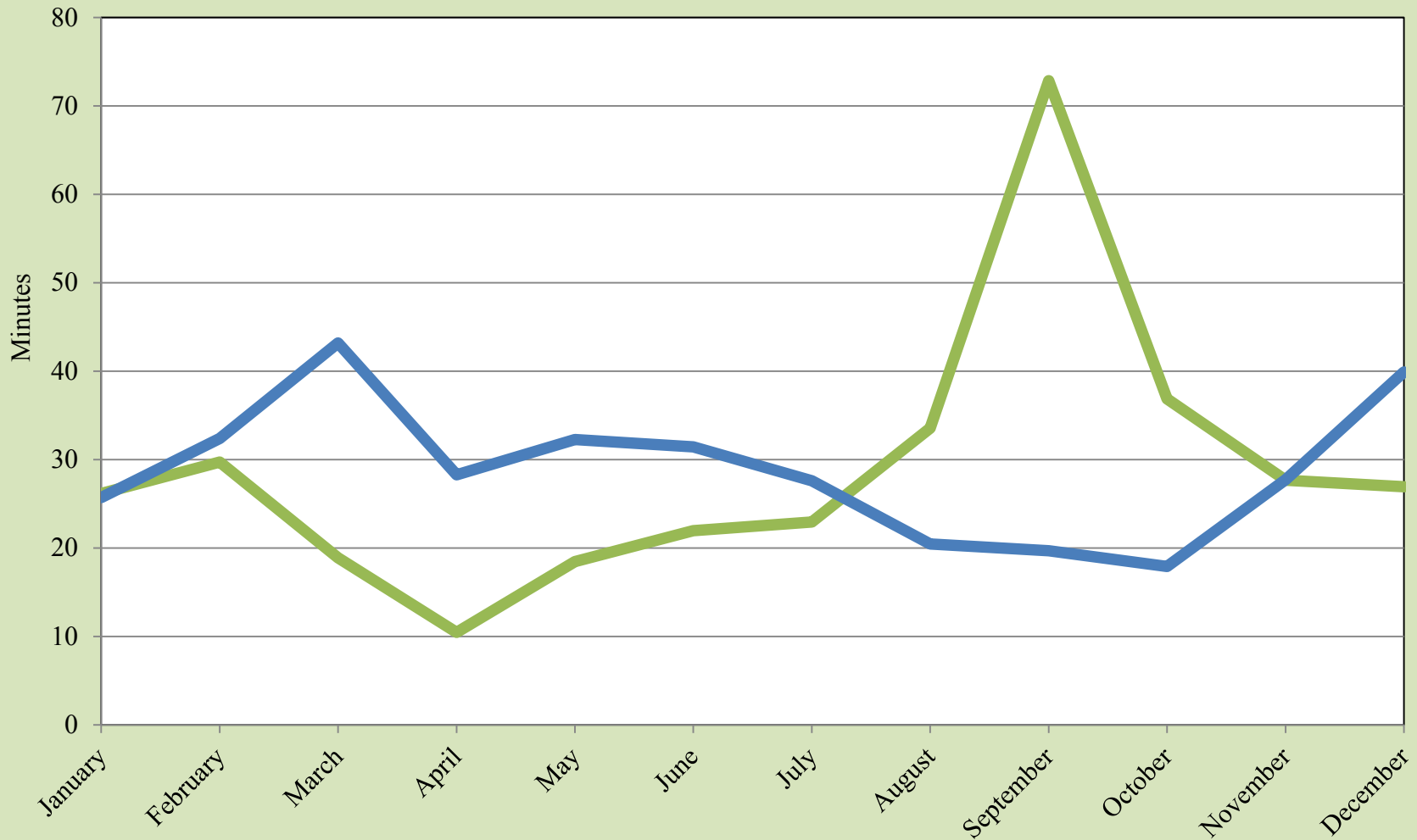
EPIA Air Carrier Operations



Source: EPIA Operations

Paso del Norte Monthly Wait Times

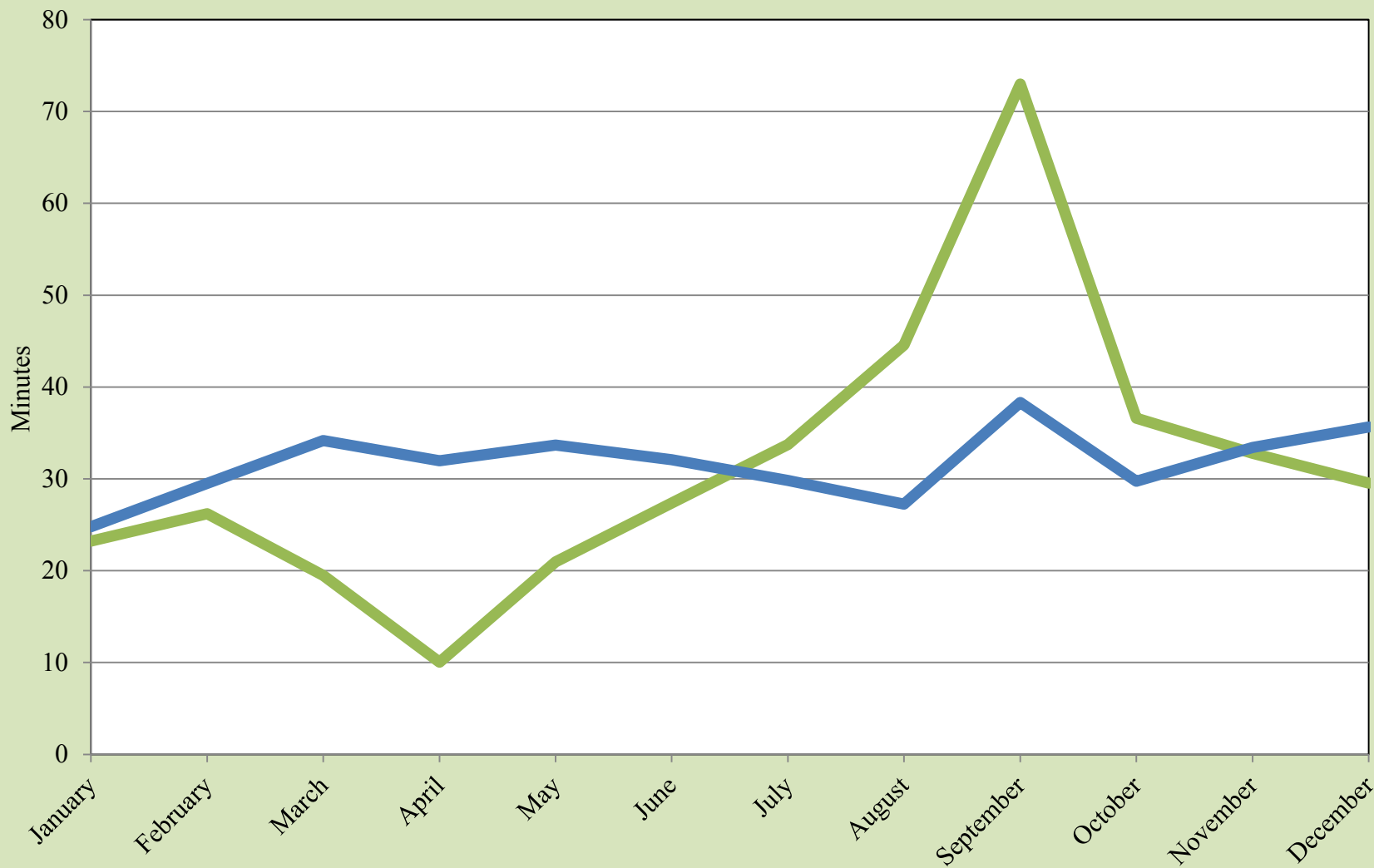
2020 2021



Source: UTEP Border Region Modeling Project

Ysleta Monthly Wait Times

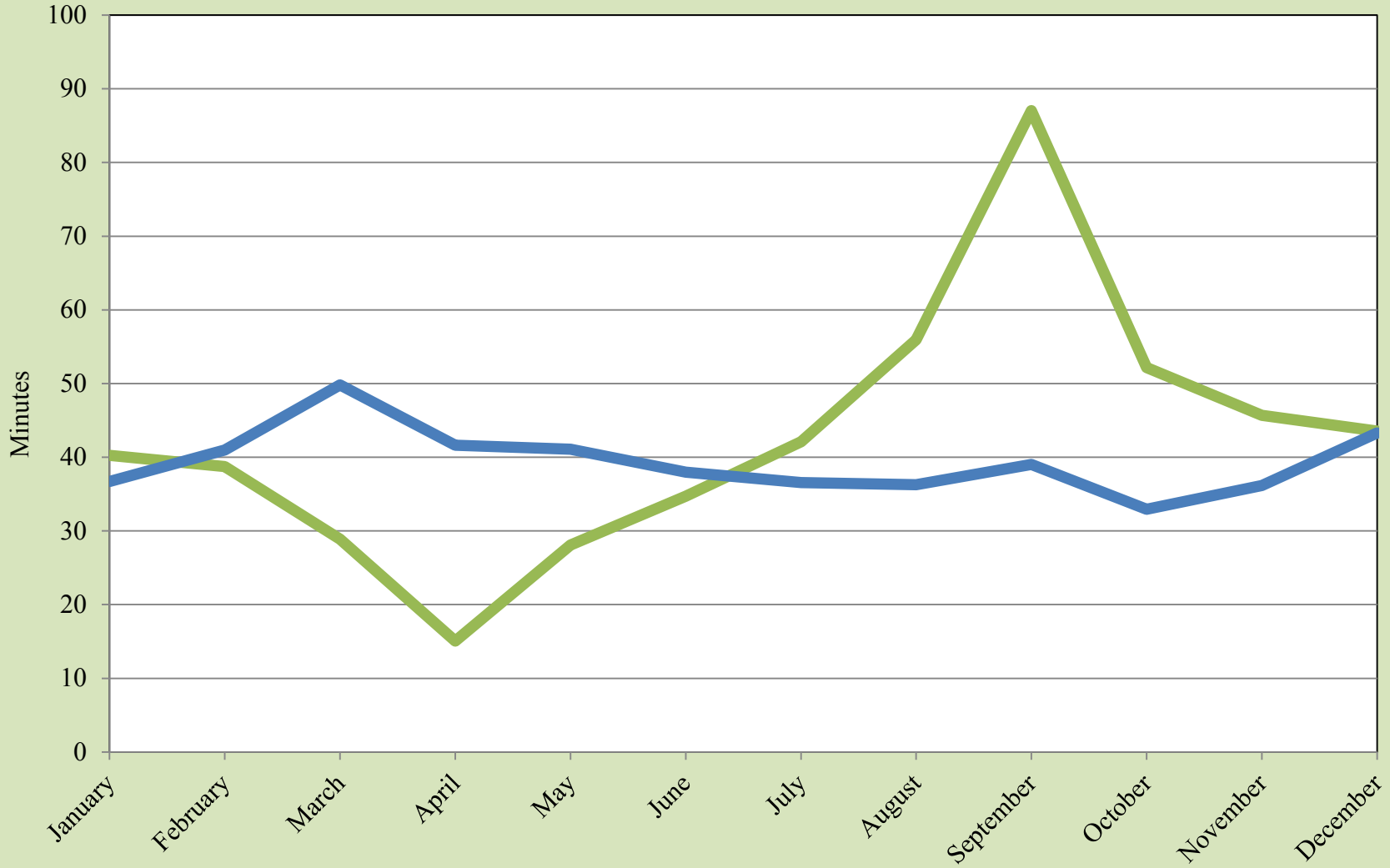
— 2020 — 2021



Source: UTEP Border Region Modeling Project

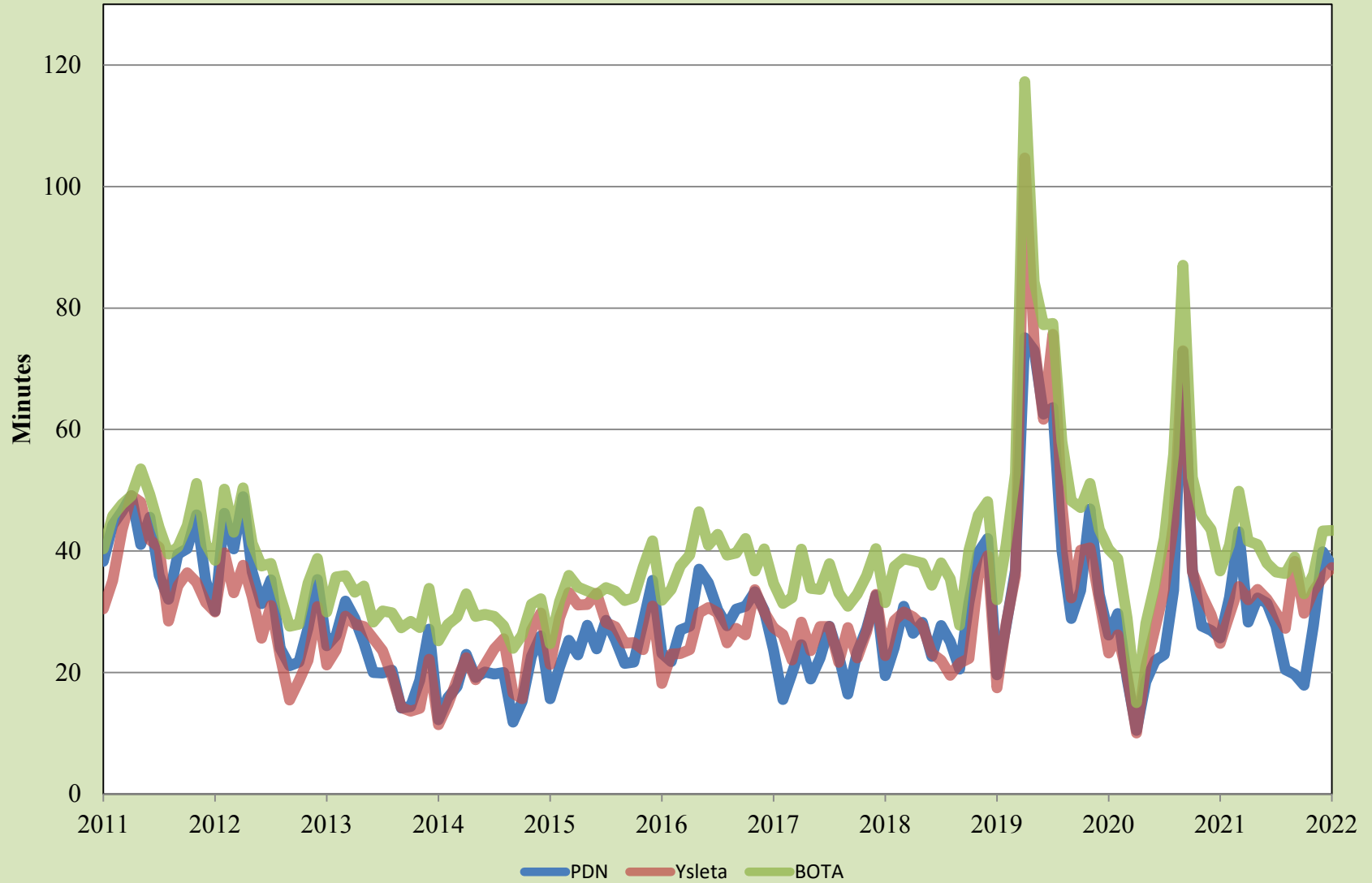
Bridge of the Americas Monthly Wait Times

— 2020 — 2021



Source: UTEP Border Region Modeling Project

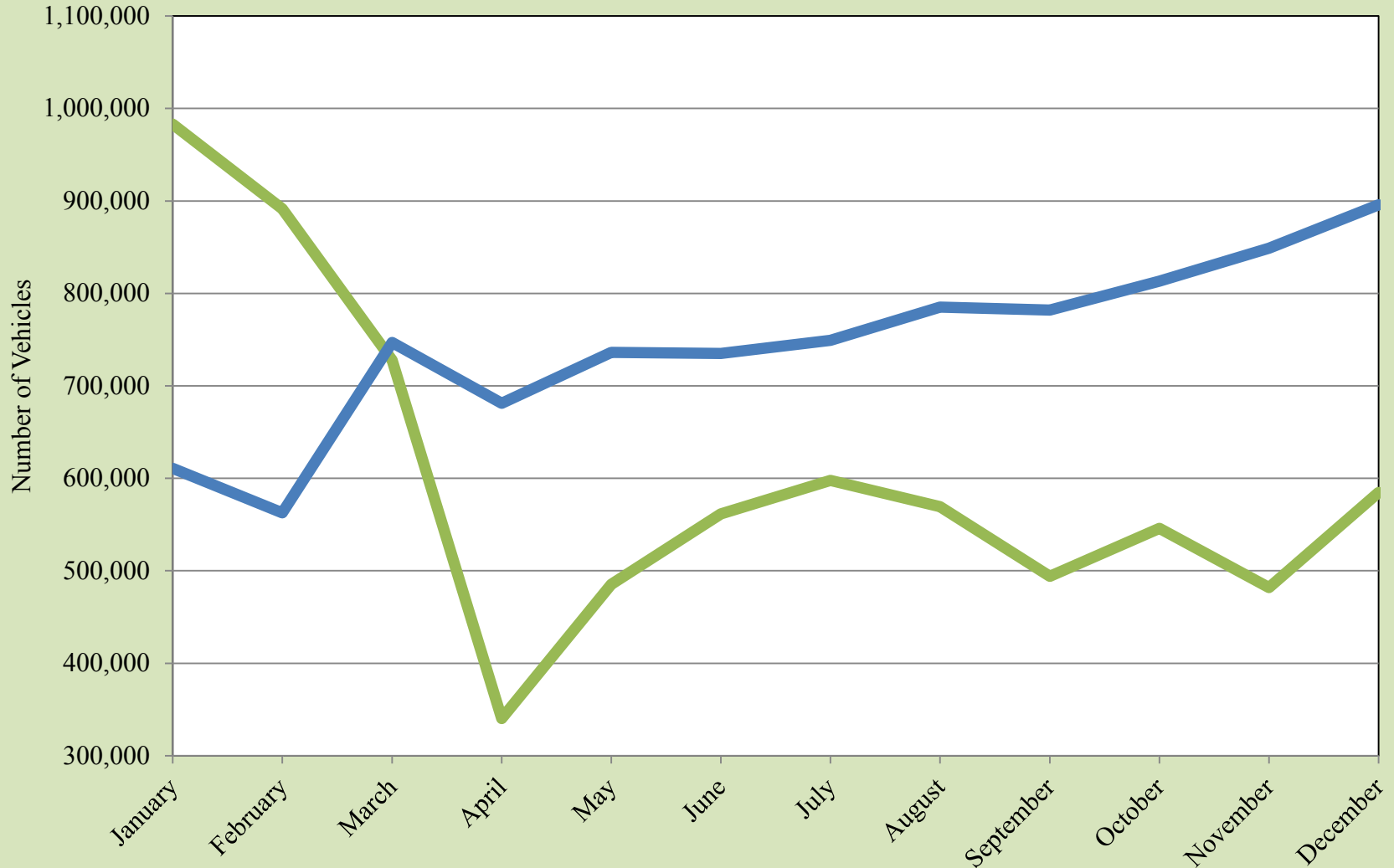
Monthly Border Wait Times



Source: UTEP Border Region Modeling Project

Personal Vehicle International Bridge Crossings to El Paso

2020 2021



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

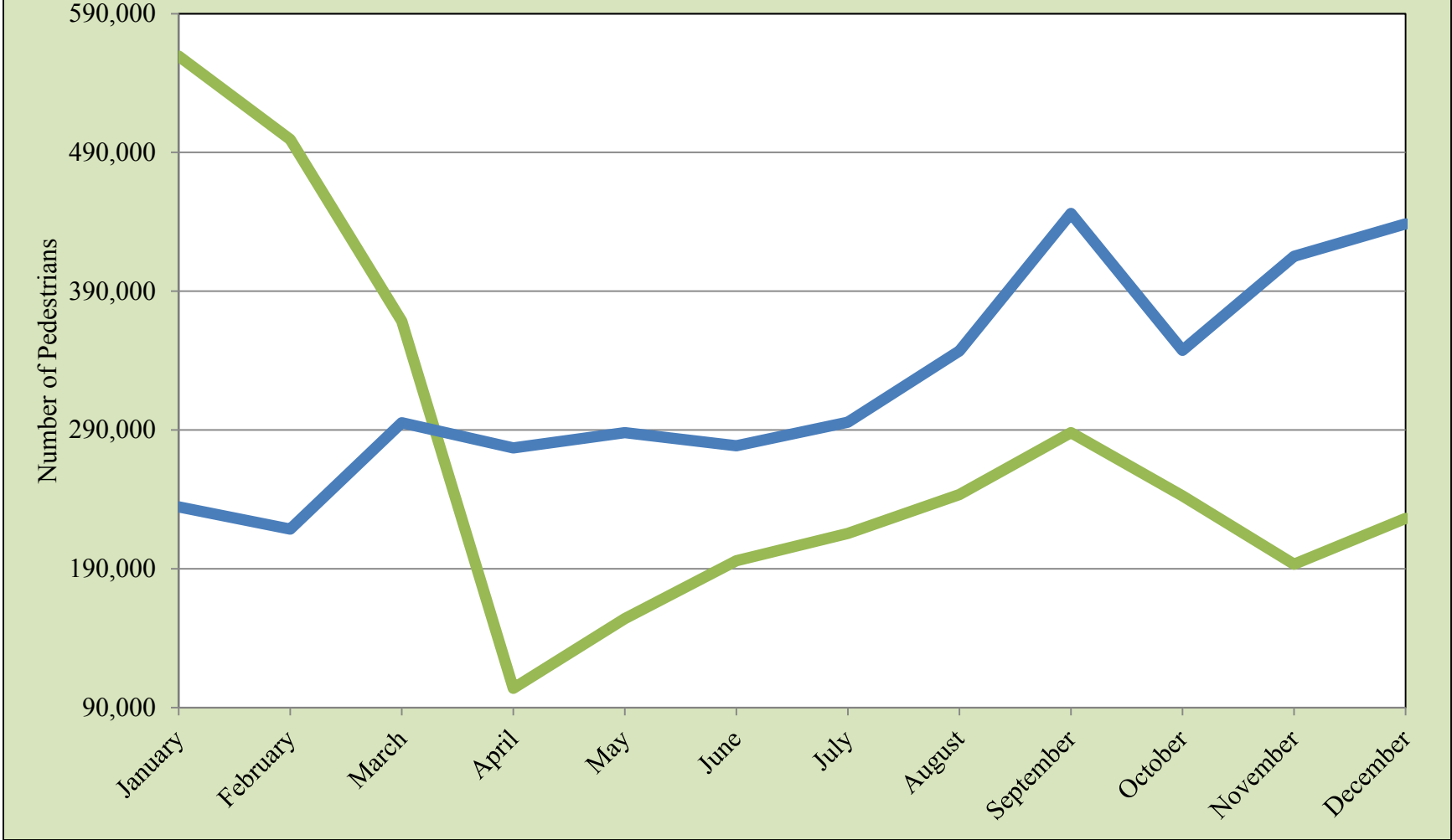
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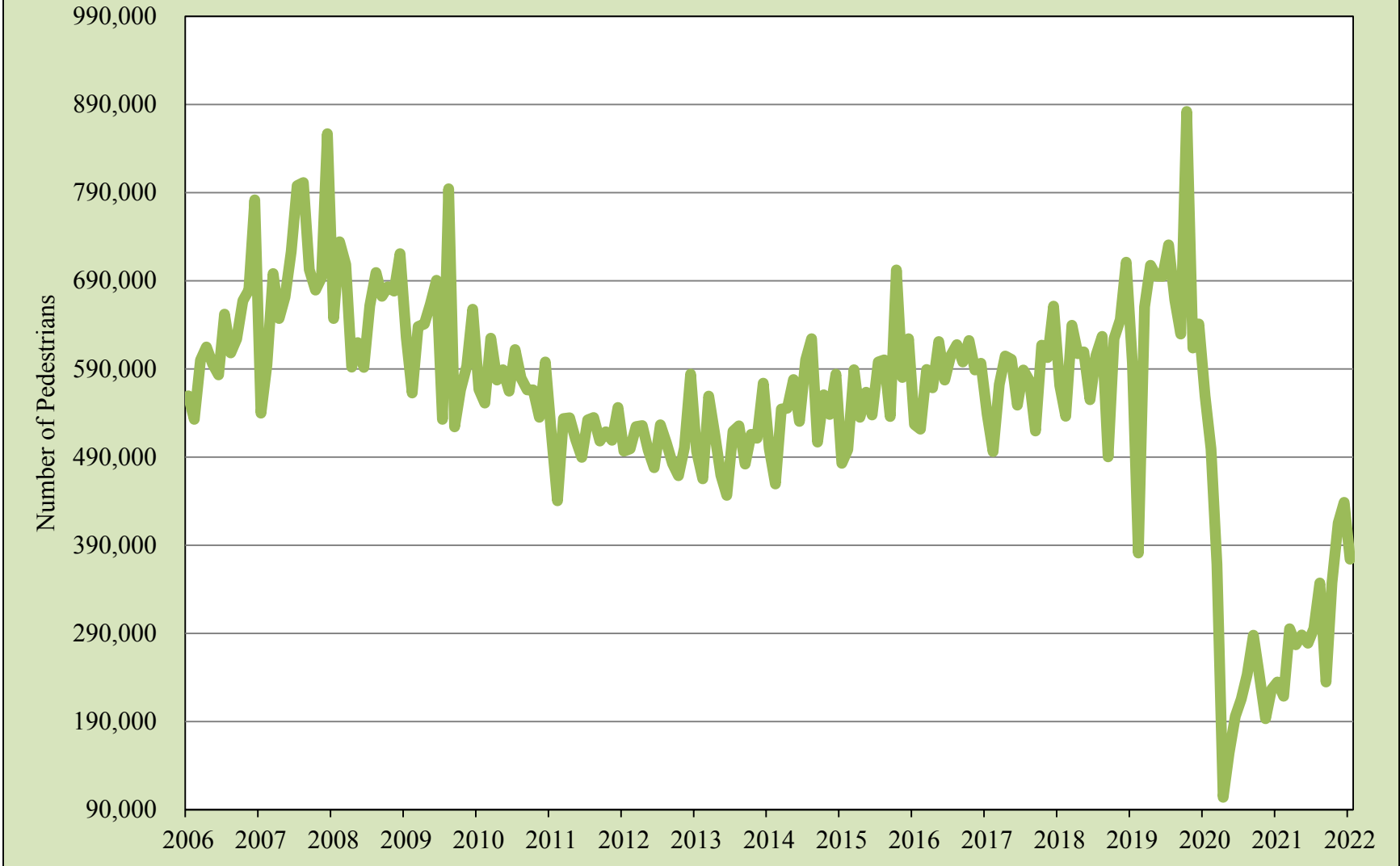
Pedestrian International Bridge Crossings to El Paso

2020 2021



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

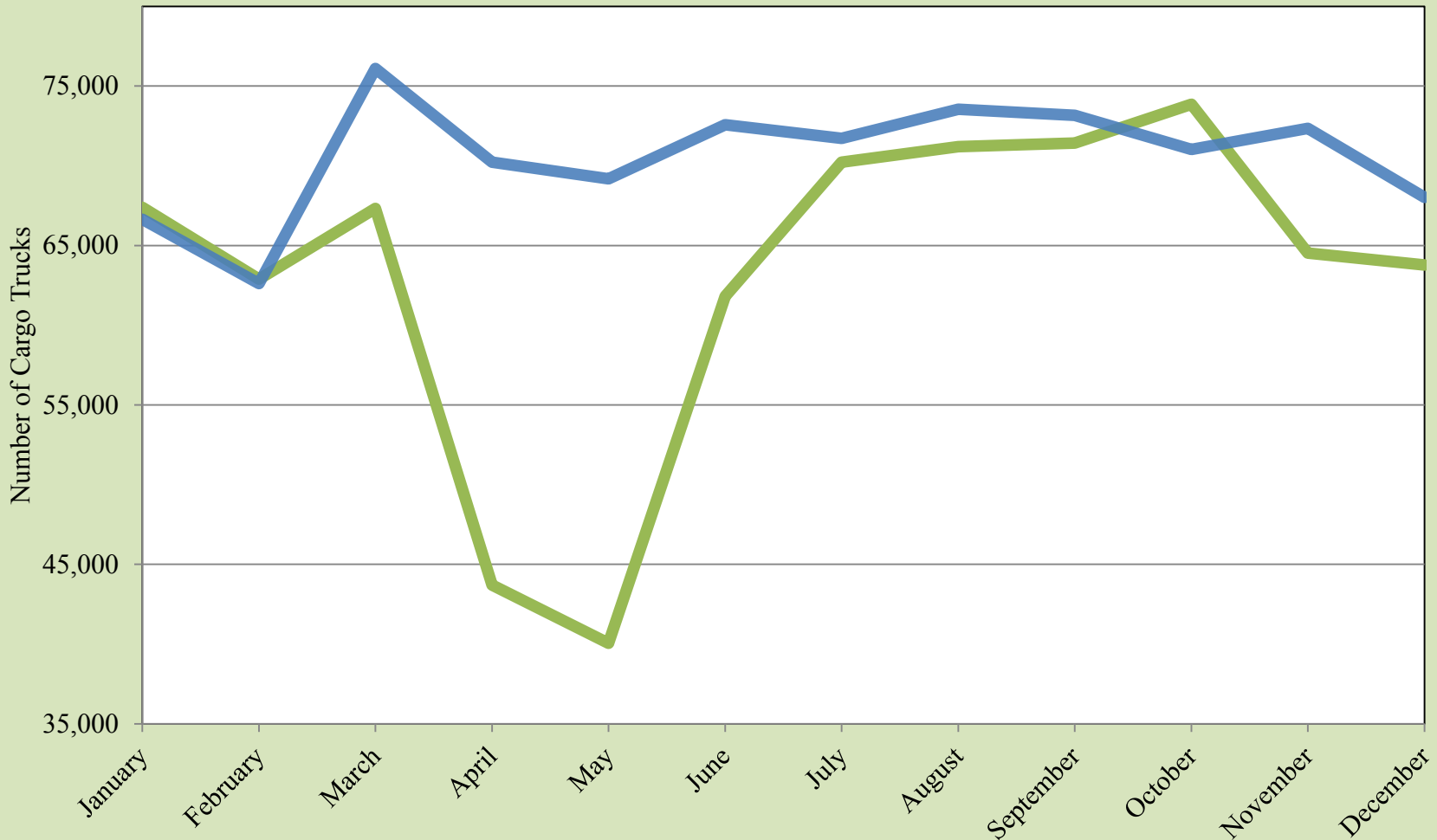
Pedestrian International Bridge Crossings to El Paso



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

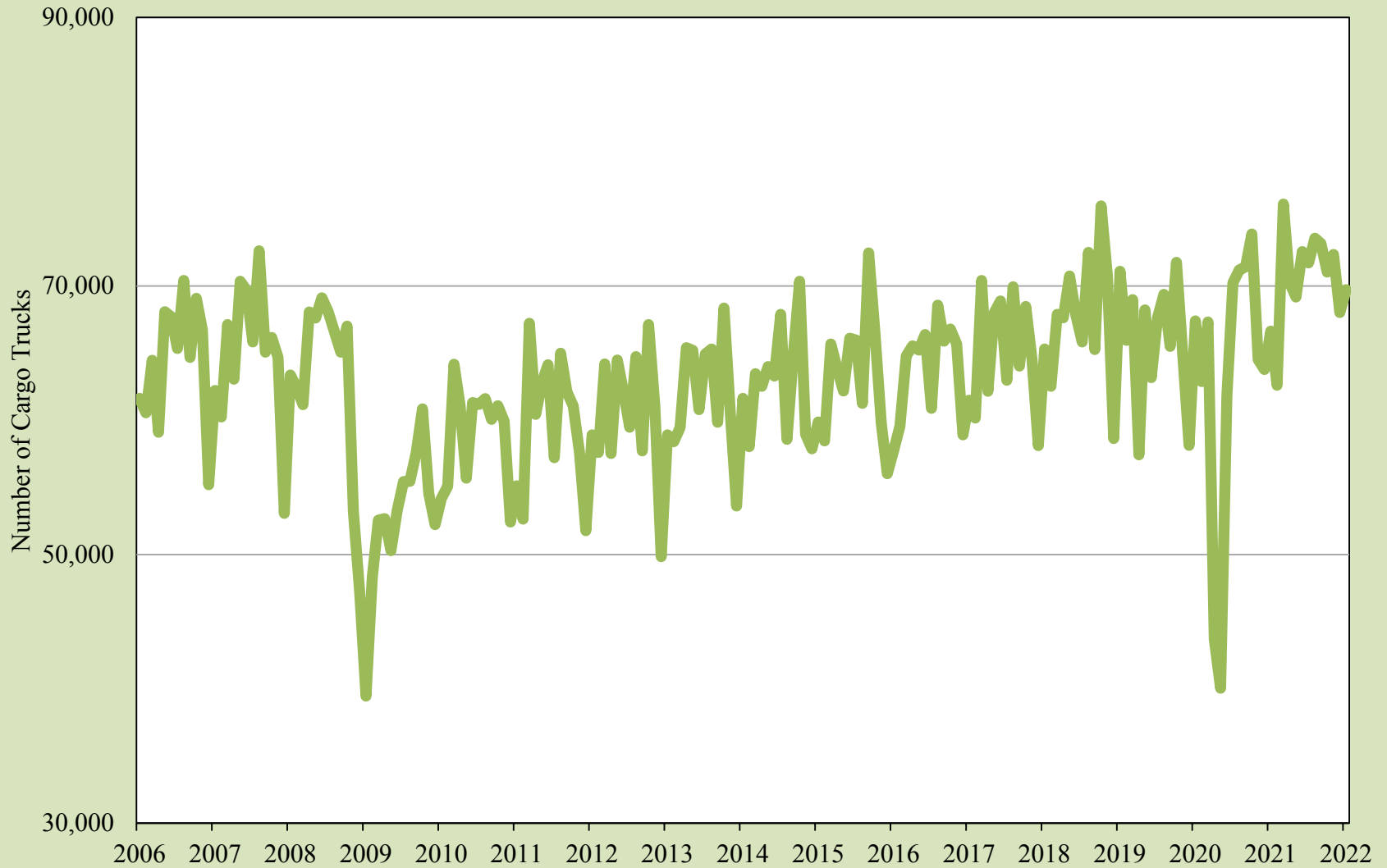
Cargo Truck International Bridge Crossings to El Paso

2020 2021



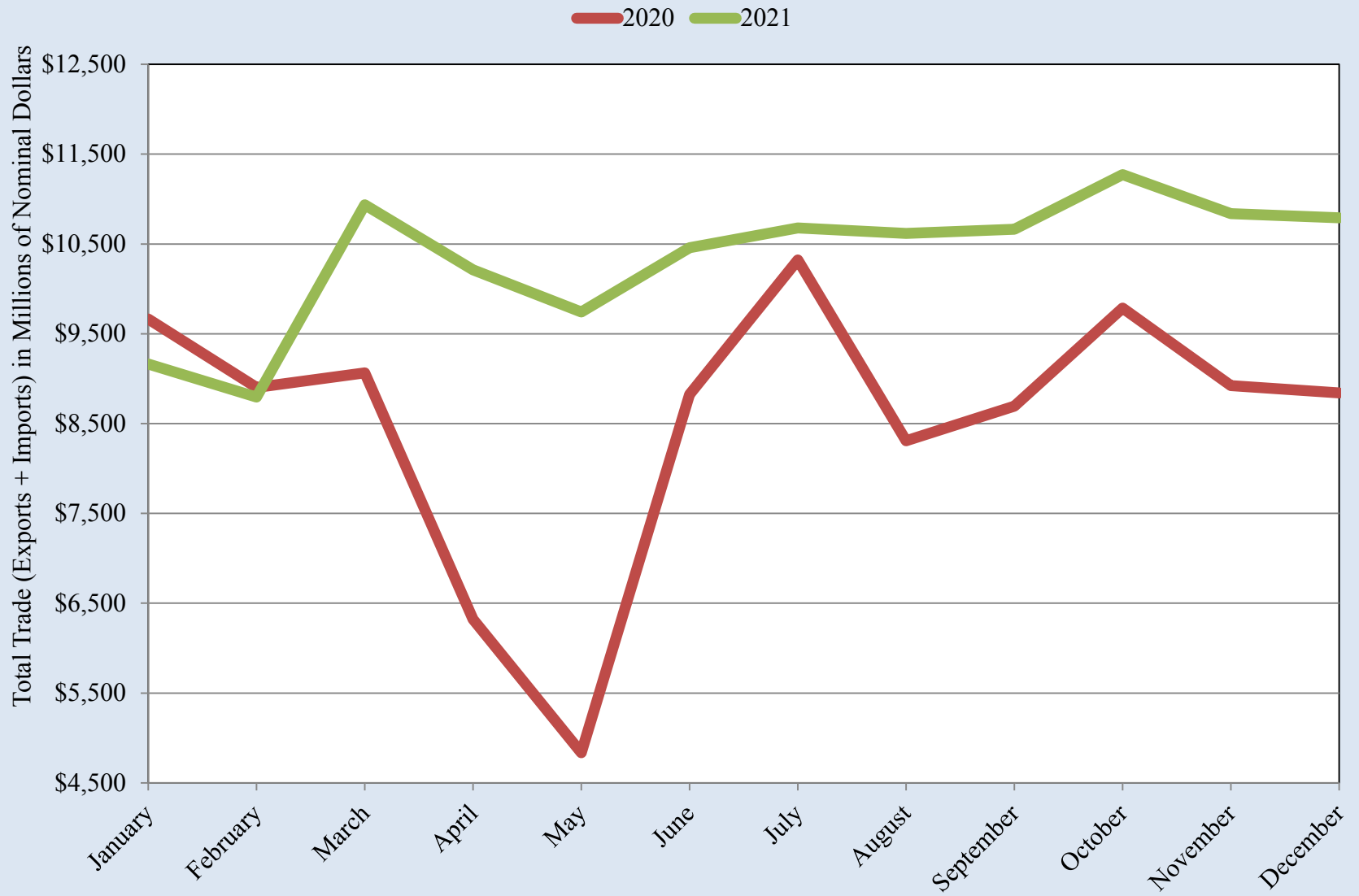
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Cargo Truck International Bridge Crossings to El Paso



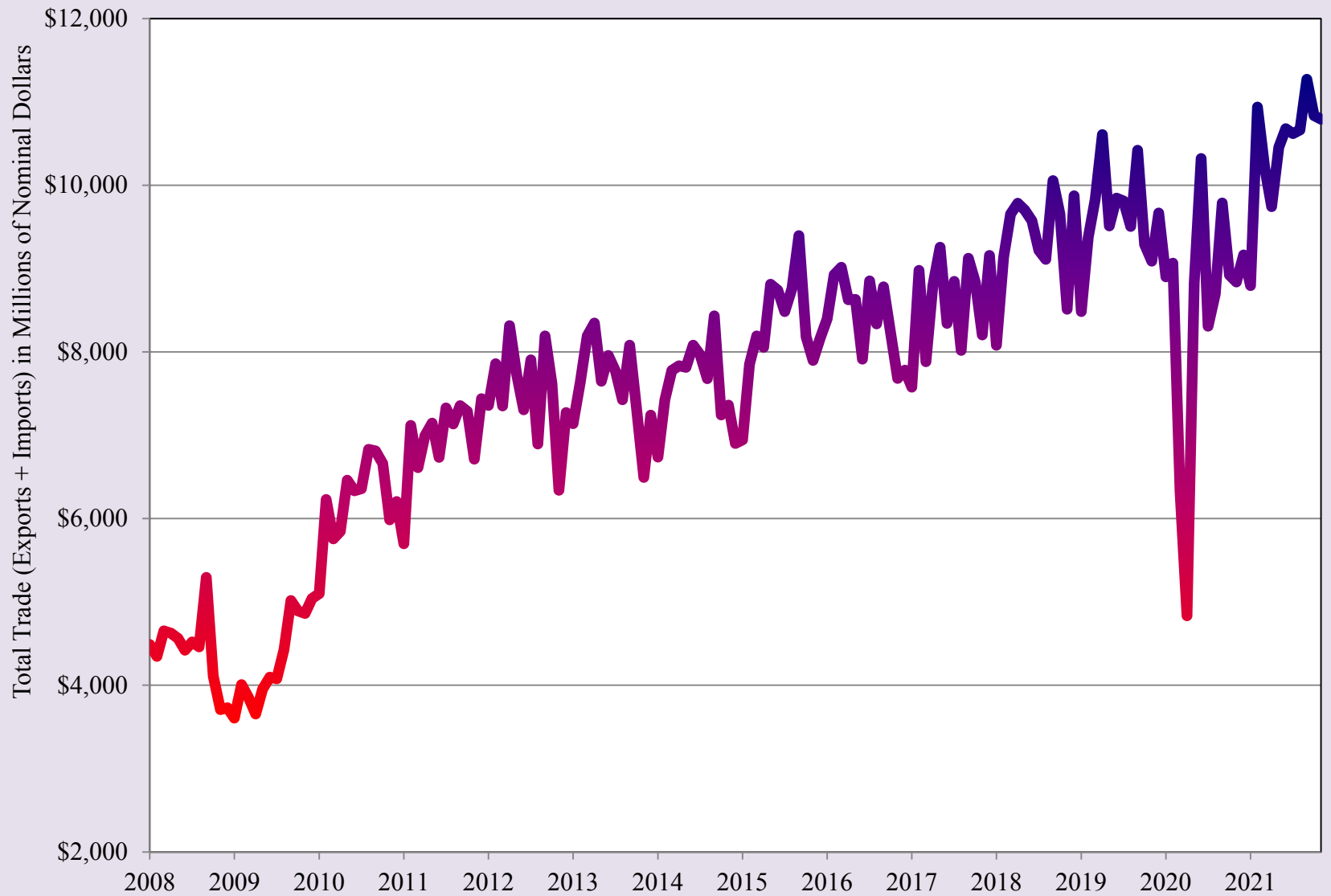
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

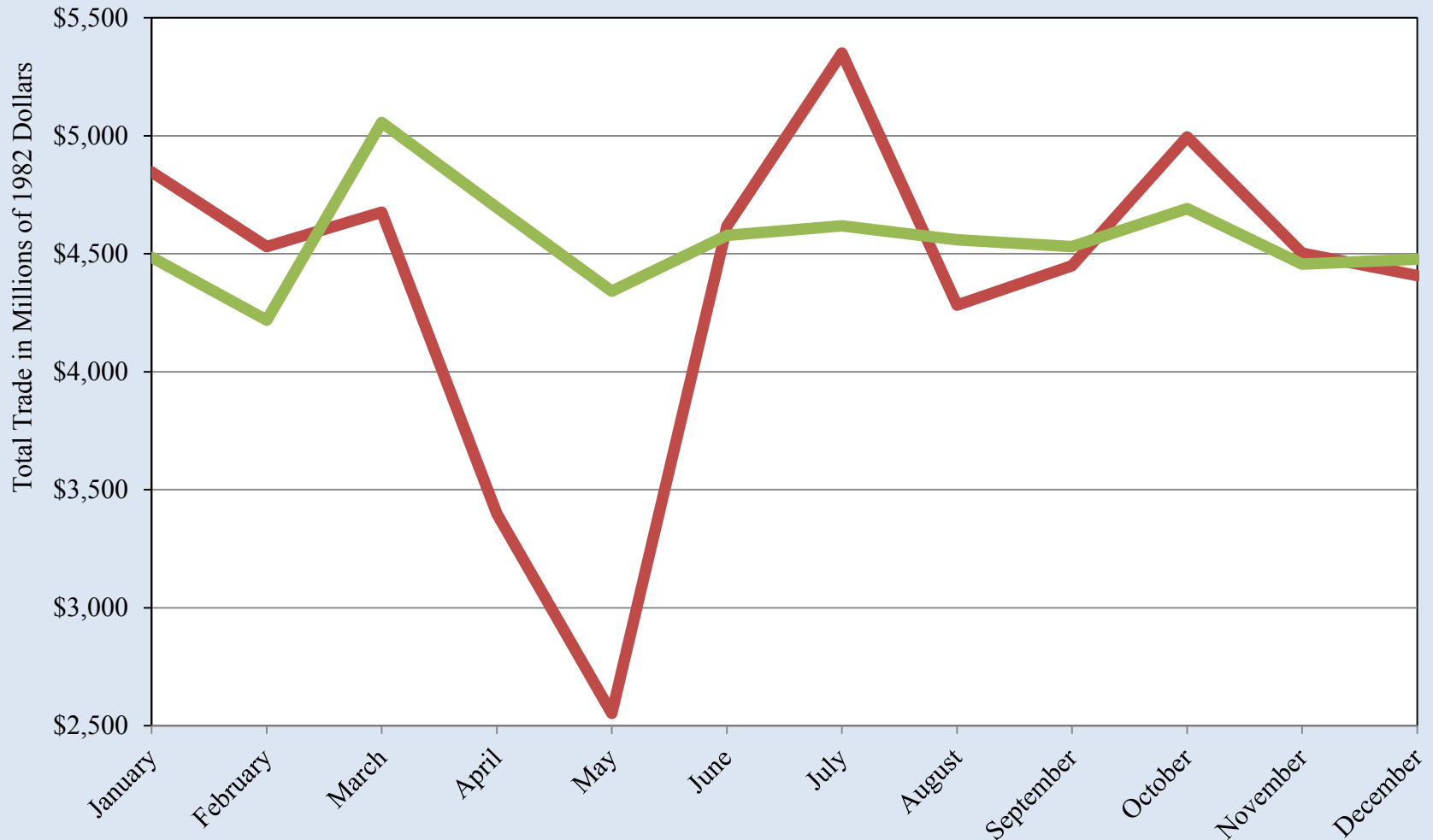
Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

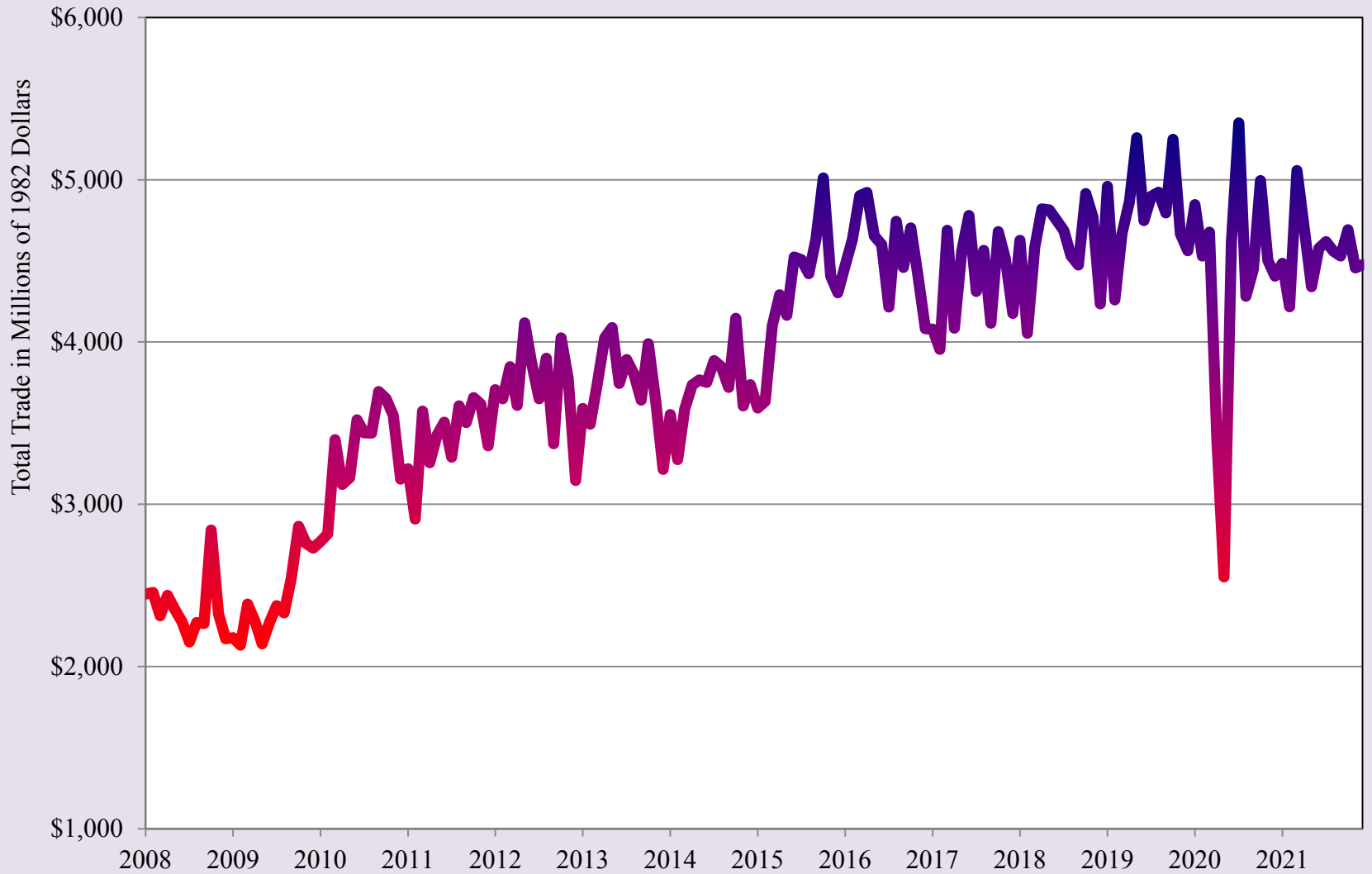
Real Total Trade through the El Paso Customs District

— 2020 — 2021



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

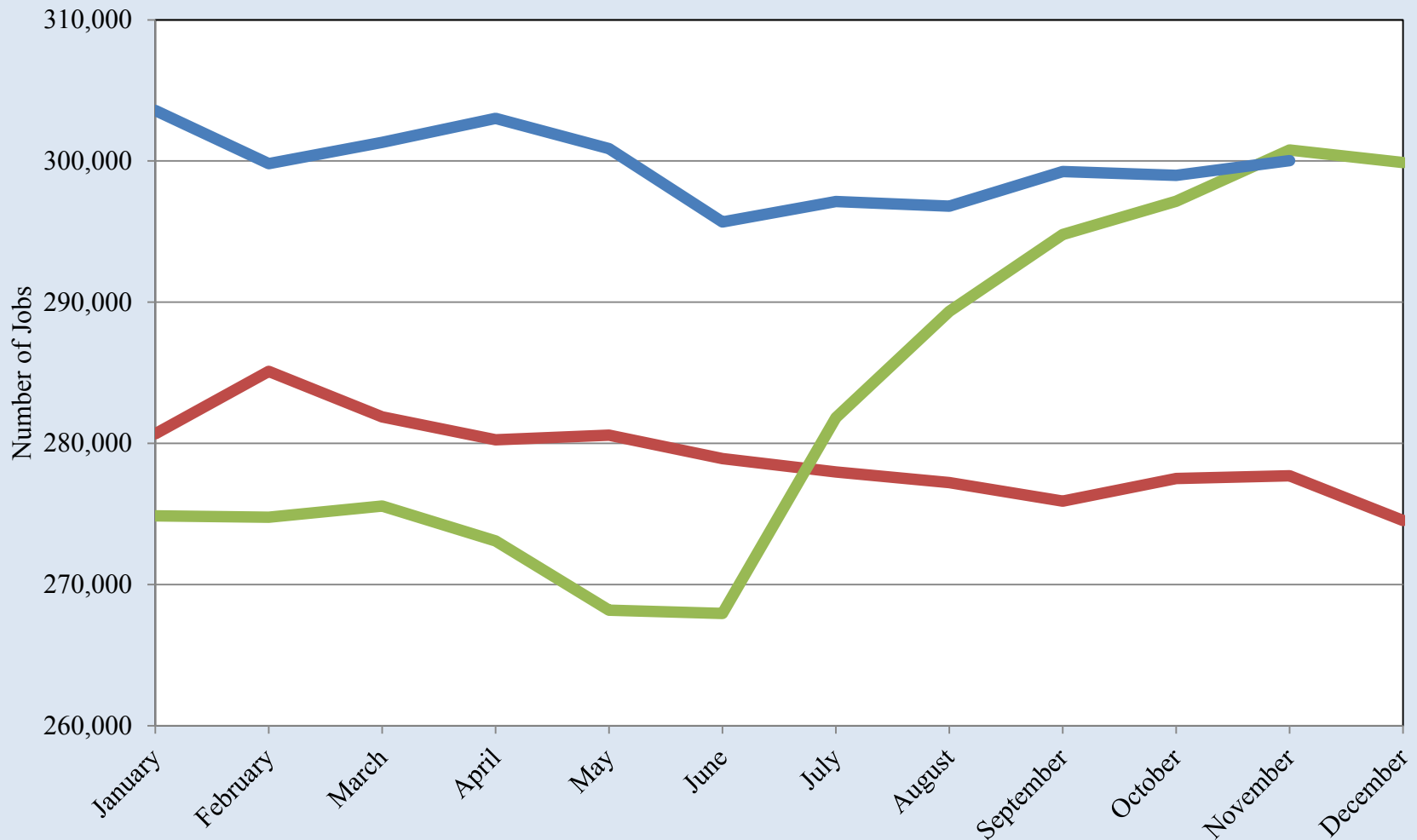
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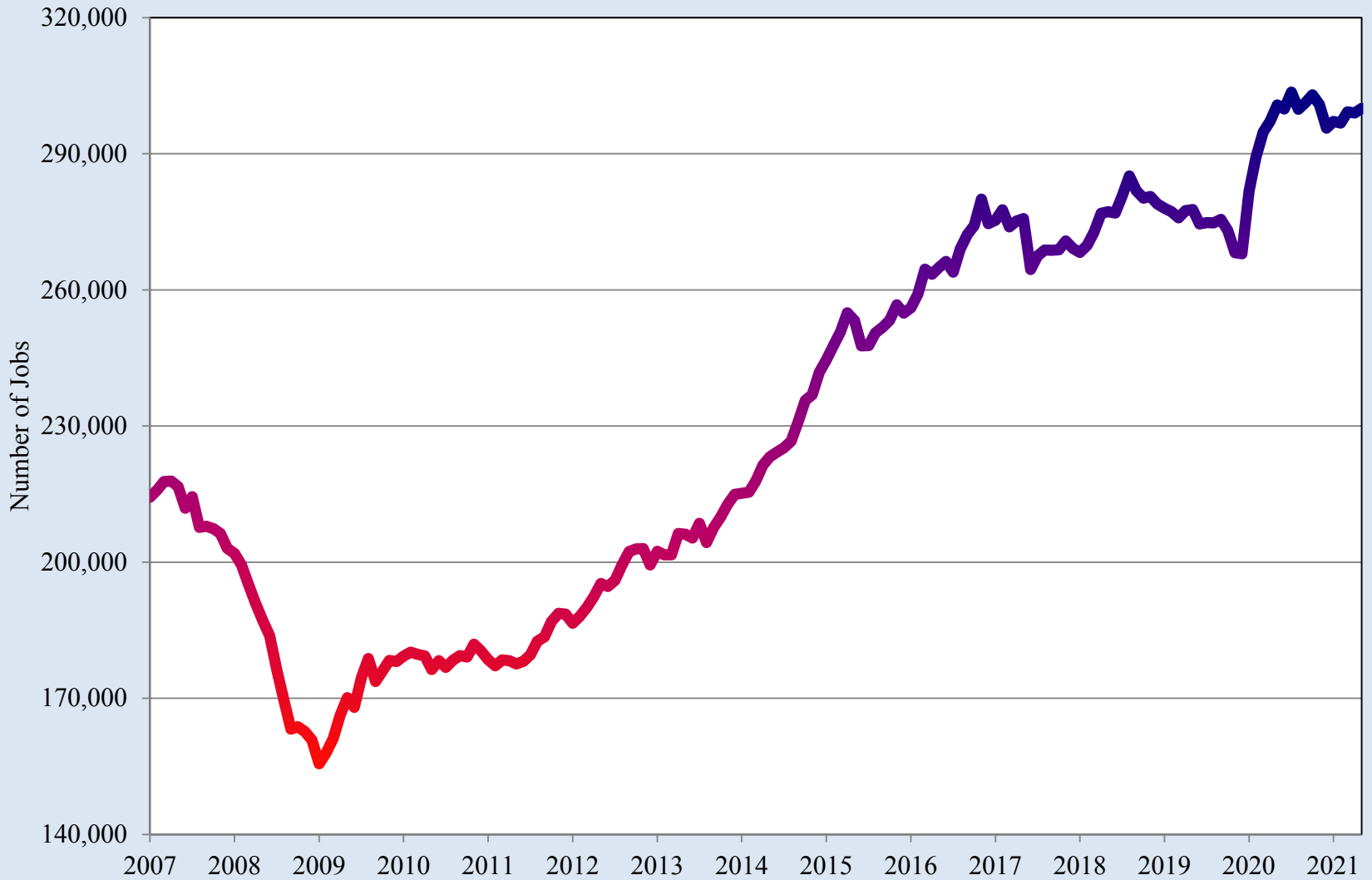
Export-Oriented Manufacturing Employment in Ciudad Juárez

2019 2020 2021



Source: INEGI

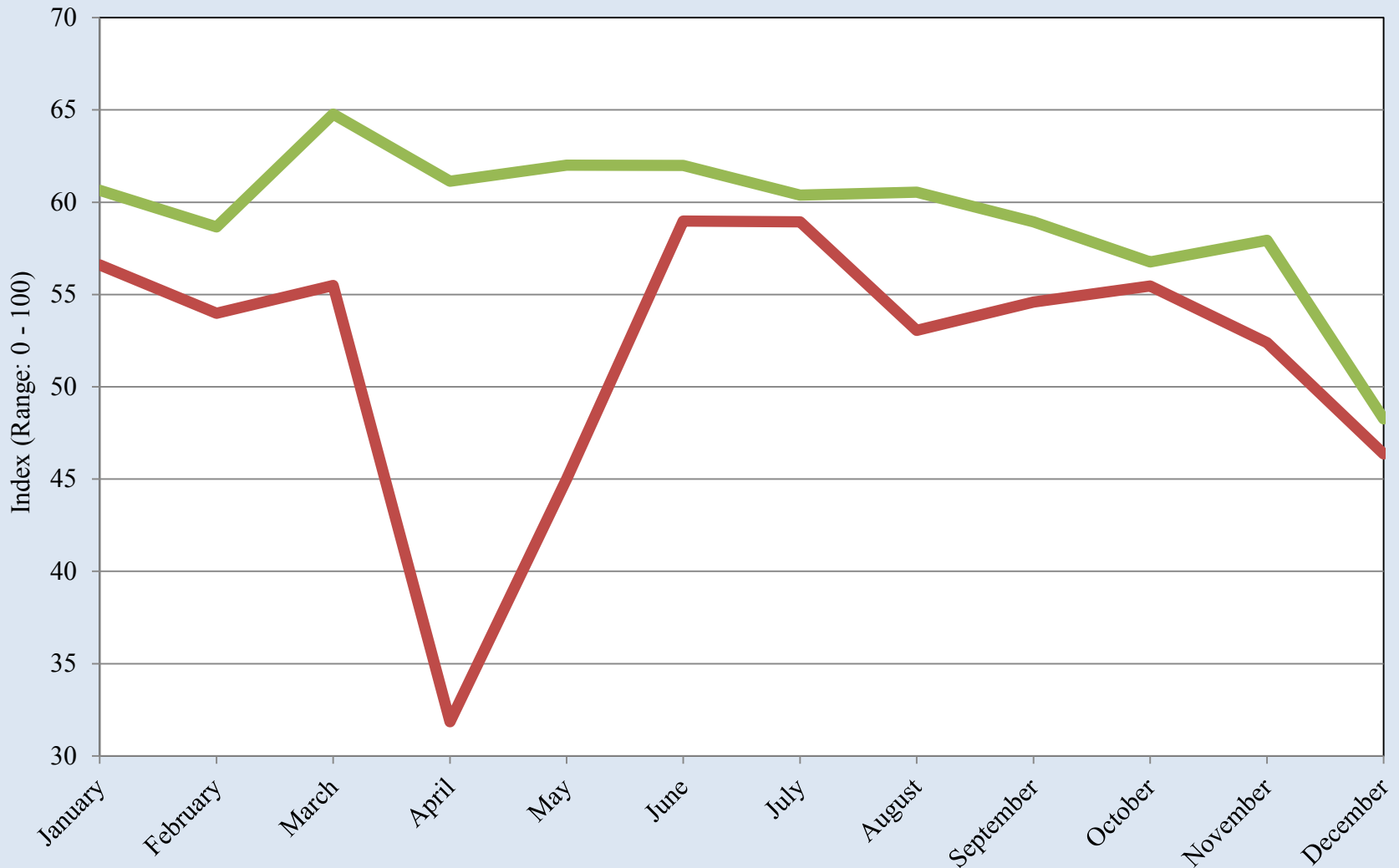
Export-Oriented Manufacturing Employment in Ciudad Juárez



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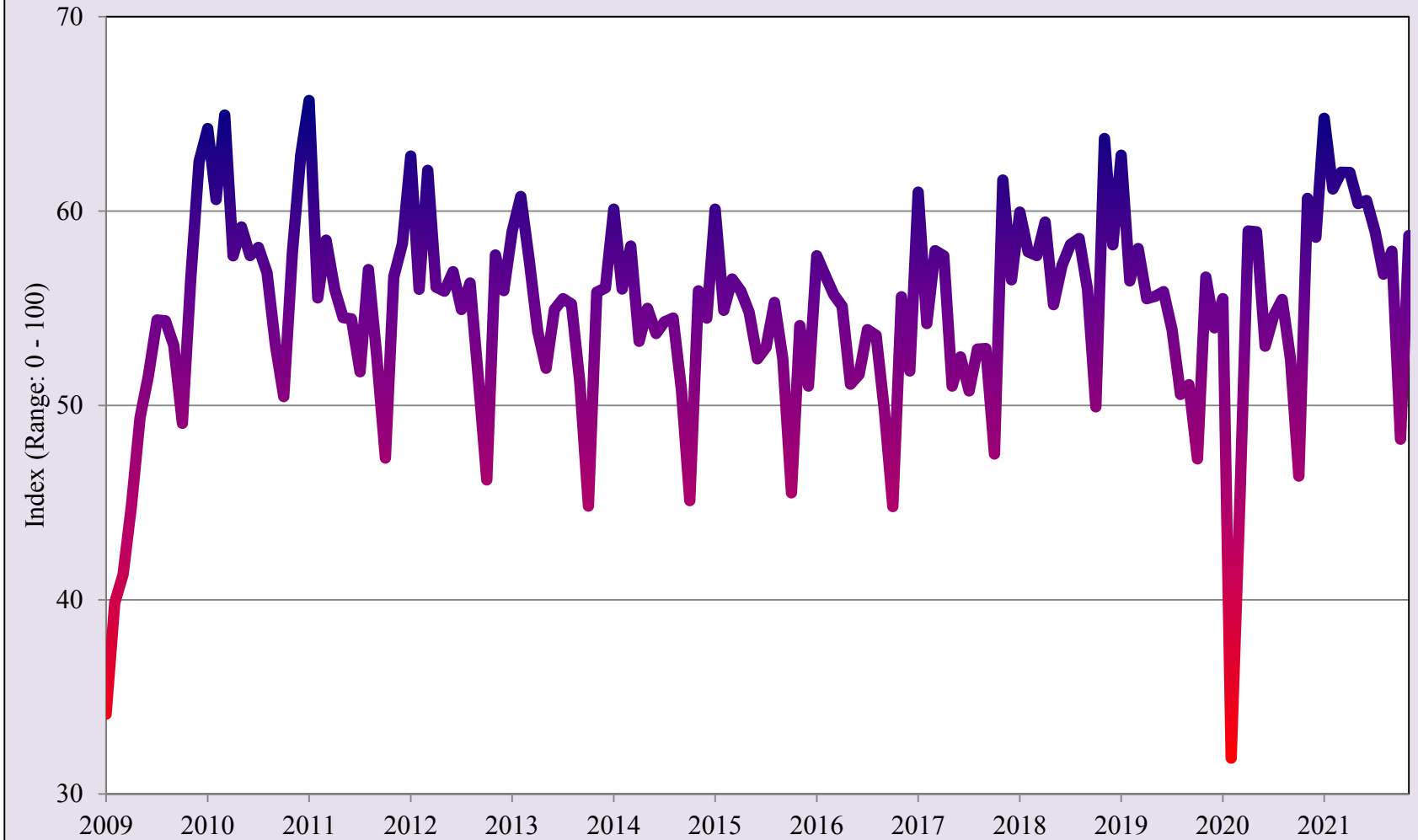
Northern Mexico Manufacturing Orders Index

2020 2021



Source: Banco de México

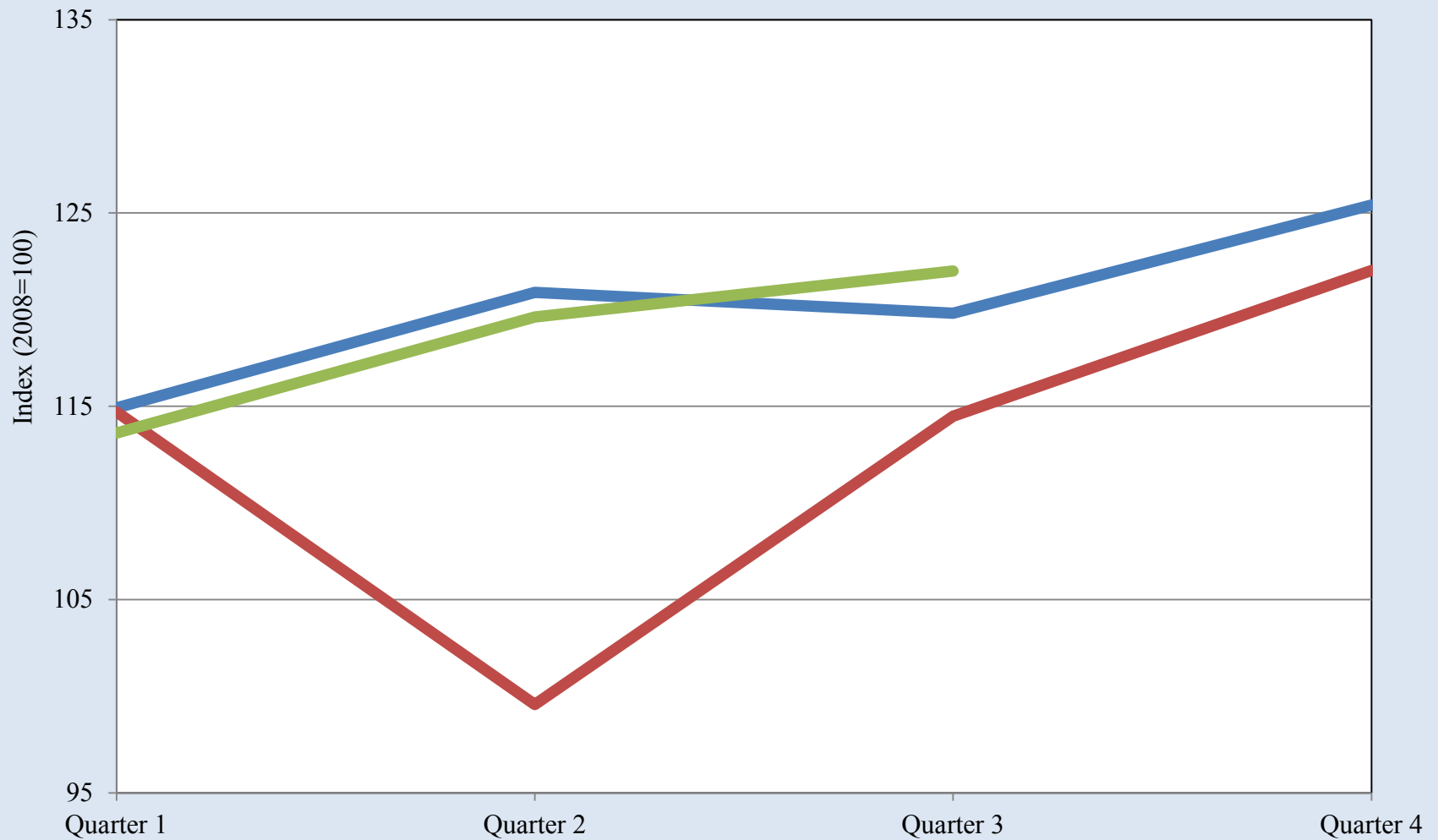
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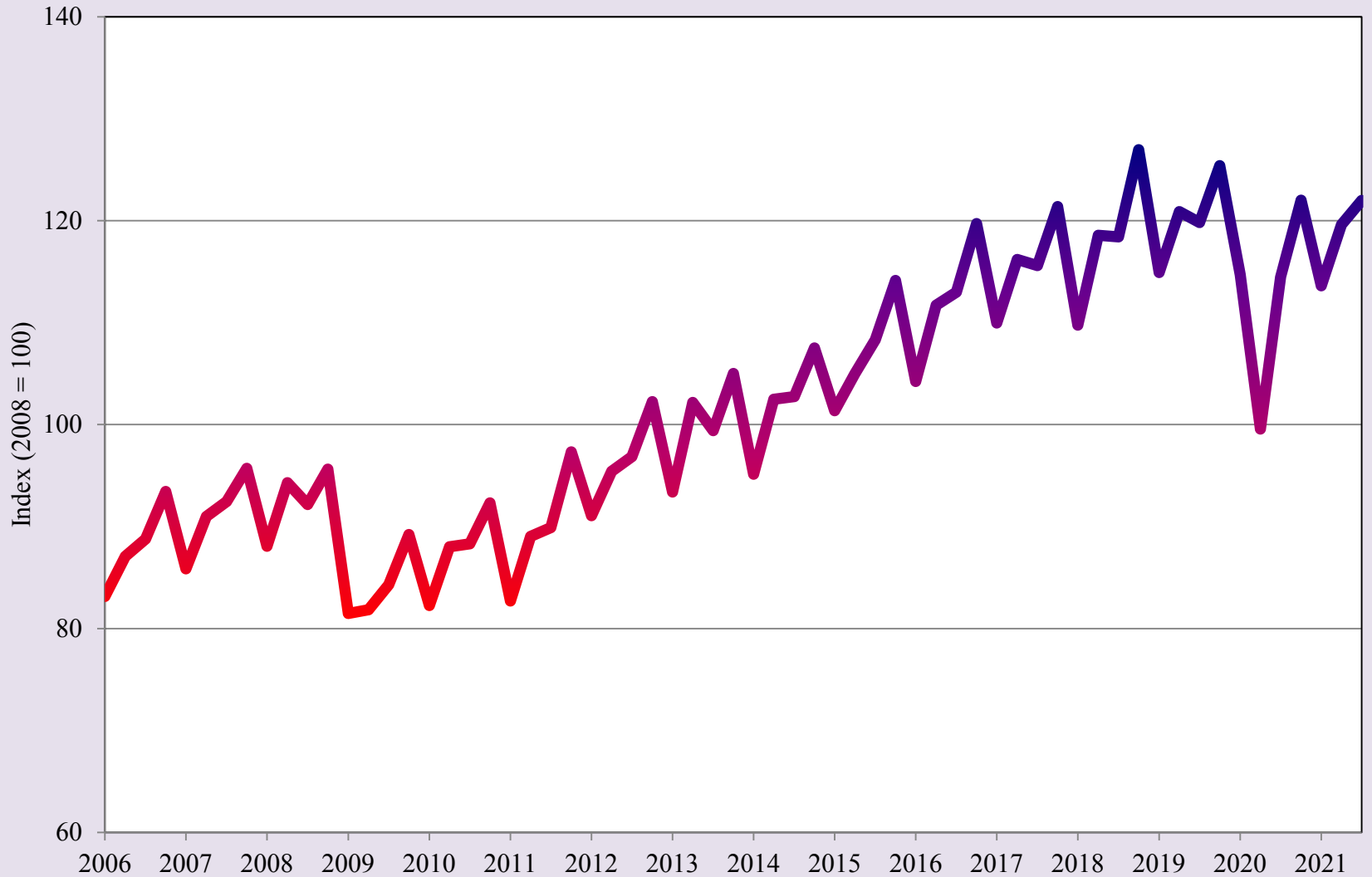
Quarterly Indicator of Economic Activity for the State of Chihuahua

2019 2020 2021



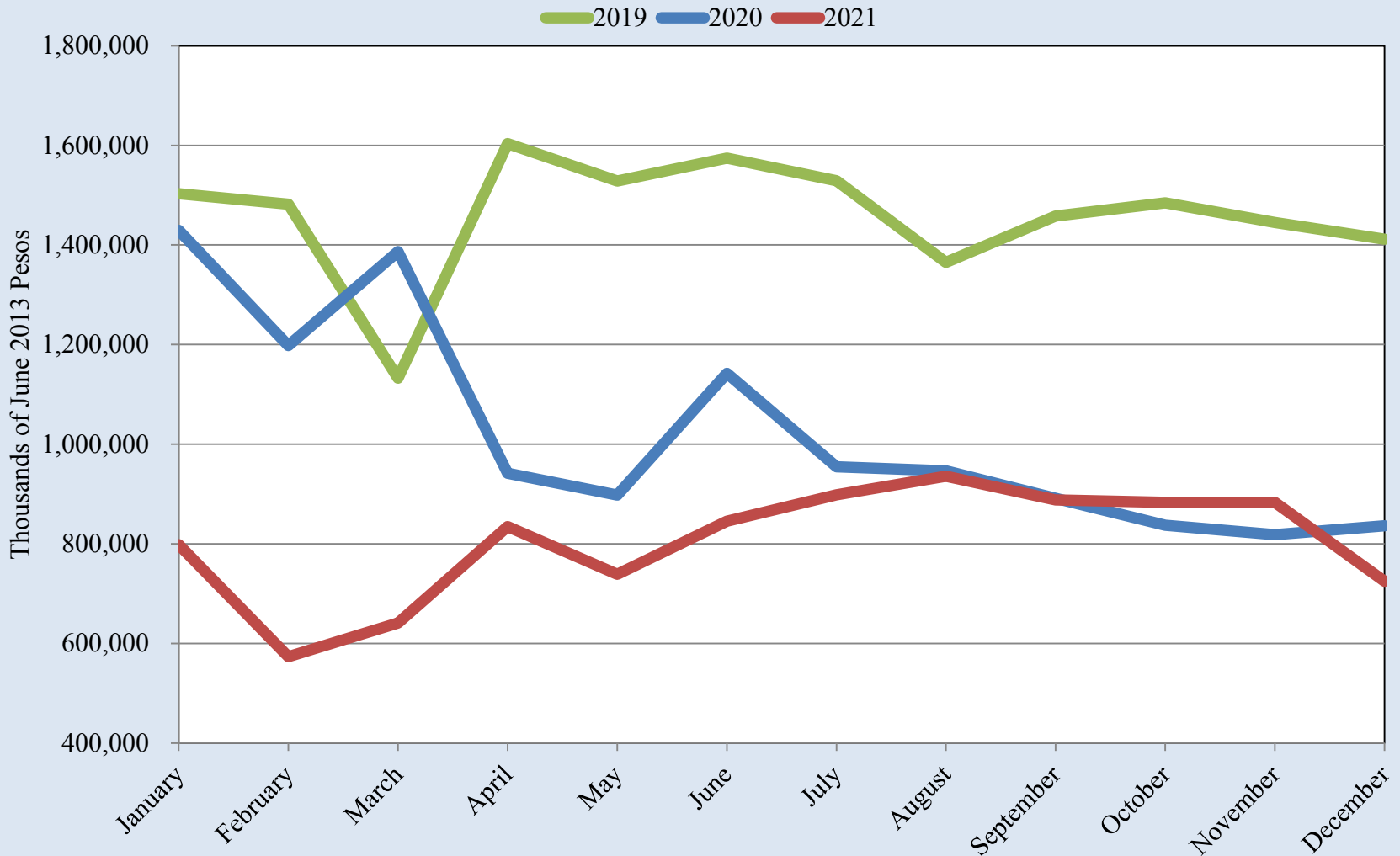
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Quarterly Indicator of Economic Activity for the State of Chihuahua



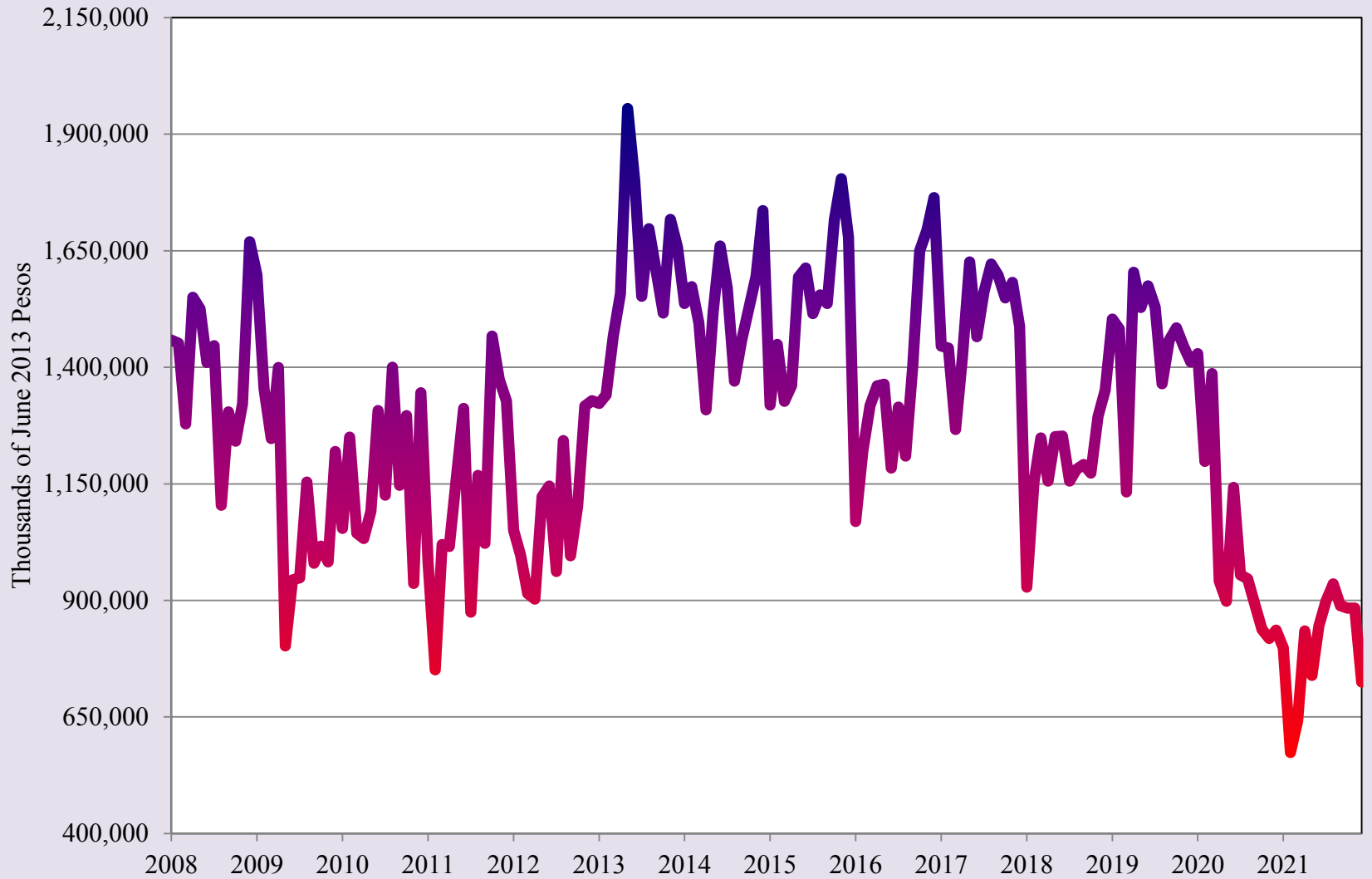
Source: INEGI

Total Value of Construction in the State of Chihuahua



Source: INEGI

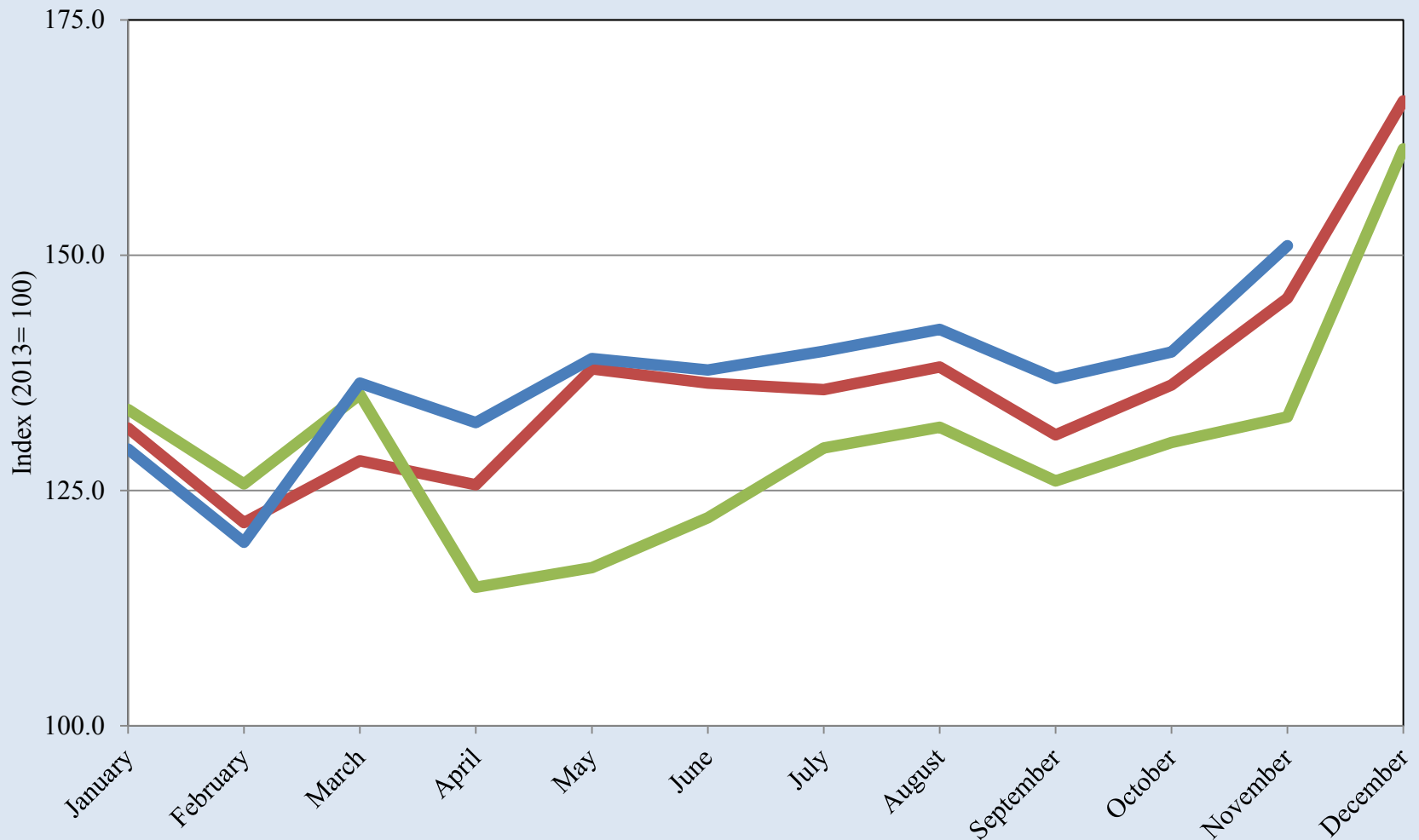
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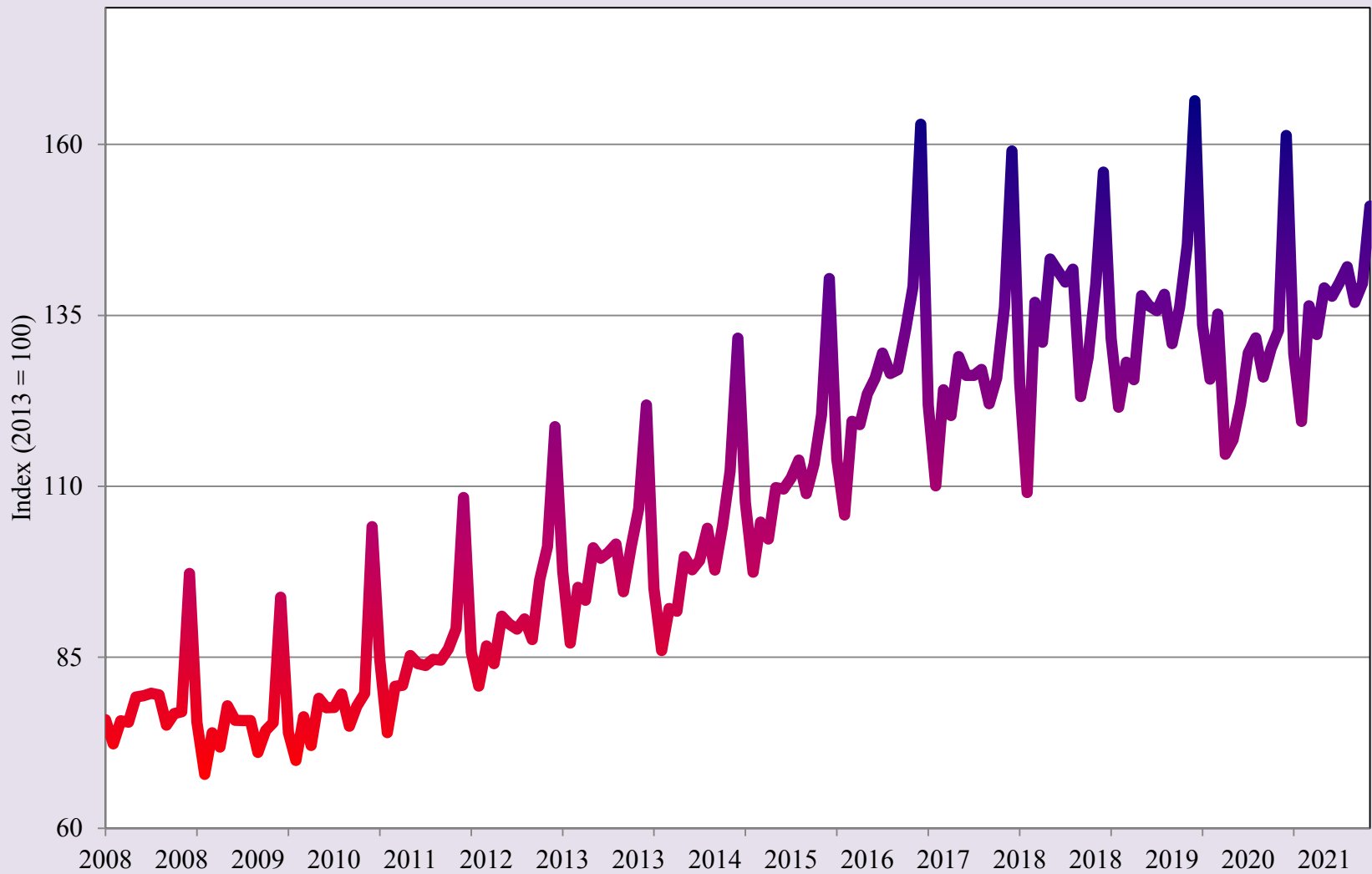
Real Retail Activity Index for the State of Chihuahua

— 2019 — 2020 — 2021



Source: INEGI

Real Retail Activity Index for the State of Chihuahua



Source: INEGI



Short-Term
Outlook to
2023



BORDERPLEX BUSINESS BAROMETER

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