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The regional economy has remained healthy despite mixed global economic messages throughout 2022.Stubbornly high inflation led the Federal Reserve to raise interest rates seven times in 2022. As the Yield Curve graph shows, all Treasury instrument yields exceeded their year-ago levels in November. Higher interest rates can be very problematic for a manufacturing, warehousing, and transportation oriented region such as the Borderplex. Not surprisingly, the El Paso Metropolitan Business Cycle Index (BCI), calculated by the Federal Reserve Bank of Dallas, levelled off after July. The BCI graphs also show that the index has remained comfortably above year-ago levels for all of 2022.

Another hopeful sign is provided by the Border Region Modeling Project El Paso Household Economic Stress Index (EPHESI). As illustrated by the EPHESI graphs, this metric declined, again, in November. Factors associated with that development include slowly moderating inflation, rising housing prices, and a healthy labor market. The El Paso County unemployment rate stood at 4.2 percent in November. Although inflation has declined in recent months, the food components of the Consumer Price Index increased by 10.2 percent during the 12-month period ending in November. Reflective of the latter, El Paso County Supplemental Nutritional Assistance Program (SNAP) enrollments have remained above prior year levels for six consecutive months. As shown in the graphs, there are now more than 150 thousand SNAP participants in El Paso.

Rising mortgage rates have combined with high prices to slow the pace of housing sales in El Paso. As shown below, the Months of Housing Inventory ratio rose to 2.4 months in November. Still low by historical standards, that ratio will need to increase more in order for single-family housing prices to ease. Similar real estate conditions also exist in Las Cruces.

The Las Cruces unemployment rate remained below prior-year estimates throughout the first eleven months of 2022. Total employment across the Mesilla Valley also exceeded pre-pandemic levels from February through November. Rising food prices have, however, caused SNAP enrollments to increase in recent months.

As shown in the exchange rate graphs, the peso appreciated against the dollar in both nominal and real terms from August forward in 2022. A stronger peso encourages more shoppers from Northern Mexico to visit El Paso. It also raises the dollar-denominated cost of manufacturing in Mexico. Real trade volumes through the El Paso Customs District have remained strong up to this point. Greater Export-Oriented Manufacturing (IMMEX) payrolls in Ciudad Juarez and Chihuahua City indicate that real trade volumes should increase during the first half of 2023. If a recession occurs in the United States, IMMEX payrolls will shrink, temporarily, but the State of Chihuahua should continue to attract direct foreign investment throughout the year and beyond.
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

Index

-8 -7 -6 -5 -4 -3 -2 -1 0 1 2 3 4

El Paso Household Economic Stress Index

Source: UTEP Border Region Modeling Project
Source: UTEP Border Region Modeling Project
El Paso County Unemployment Rate

[Graph showing unemployment rate for El Paso County from 2020 to 2022, with data points for each month from January to December.]

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
Starting in September, 2014, the number of SNAP recipients is recorded for the end of each month.

El Paso County SNAP Enrollment

Source: Texas Health and Human Services Commission
El Paso Median Housing Prices

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 2006-2022

Source: Texas A&M Real Estate Center
Three year trend El Paso gasoline prices from 2020-2022

Nominal Price (Dollars per Gallon)

El Paso Gasoline Prices

Source: GasBuddy.com
El Paso unleaded gasoline prices from January 2006 to December 2022

Source: GasBuddy.com
Unemployment rate for Doña Ana county ranging from January 2006 to November 2022.
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 August 2022.

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
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
Pharmaceutical Nominal Price Ratio in the USA and Mexico

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

Source: EPIA Operations
EPIA Passengers

Number of Passengers

Source: EPIA Operations
EPIA Air Carrier Operations

Source: EPIA Operations
Source: UTEP Border Region Modeling Project
Ysleta Monthly Wait Times

Source: UTEP Border Region Modeling Project
Source: UTEP Border Region Modeling Project
Monthly border wait times at Paseo Del Norte, Ysleta and Bridge of the Americas. Data set ranging from January 2011 to December 2022.

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
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

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

Real Total Trade through the El Paso Customs District

Domestic Passengers Ciudad Juarez International Airport

Source: Grupo Aeroportuario Centro Norte - OMA
International Passengers Ciudad Juarez International Airport

Source: Grupo Aeroportuario Centro Norte - OMA
International Passengers Ciudad Juarez International Airport

Source: Grupo Aeroportuario Centro Norte - OMA
Domestic Passengers Chihuahua City International Airport

Source: Grupo Aeroportuario Centro Norte - OMA
Domestic Passengers Chihuahua City International Airport

Source: Grupo Aeroportuario Centro Norte - OMA
International Passengers Chihuahua City International Airport

Source: Grupo Aeroportuario Centro Norte - OMA
International Passengers Chihuahua City International Airport

Source: Grupo Aeroportuario Centro Norte - OMA
Export-Oriented Manufacturing Employment in Ciudad Juárez

Source: INEGI
Export-Oriented Manufacturing Employment in Ciudad Juárez

Source: INEGI
Export-Oriented Manufacturing Employment in Chihuahua City

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)

Quarter 1 Quarter 2 Quarter 3 Quarter 4

Source: INEGI
Total Value of Construction in the State of Chihuahua

Source: INEGI
Total Value of Construction in the State of Chihuahua

Thousands of June 2013 Pesos

Source: INEGI
Real Retail Activity Index for the State of Chihuahua

Source: INEGI
Real Retail Activity Index for the State of Chihuahua

Source: INEGI
Borderplex Business Barometer

Border Region Modeling Project Corporate and Institutional Sponsors:

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