Border Region Modeling Project

Economics and Finance Department

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Comments:

How can Consumers Lower Car Insurance Premia?

The Volume 6, Number 9 issue of this report examined the unpopular topic of why car insurance is so expensive. It also promised to investigate if there are any steps consumers can take to lower the premia on those policies. This issue reviews several steps that can help.

In most states, automobile insurance is both mandatory and expensive. Because it is expensive, a persistent question among drivers is how to make car insurance more affordable. There are no easy steps to take, but vehicle owners can take several actions to lower insurance bills.

Nearly 66 percent of all households in the United States own their houses. Nearly all residences are insured. Purchasing homeowner and automobile coverage from the same insurance company, on average, generates discounts of 15 percent.

Some of the most expensive premia are charged to young drivers, many of whom are enrolled in school. Students who maintain grade averages of B or better, or are in the top 20 percent of their classes, can earn good student discounts. On average, those discounts generate savings of 14 percent per policy.

Defensive driver courses hone driving skills and improve decision-making behind the wheel. That leads to fewer accidents and insurance claims. Consequently, insurers are willing to provide drivers who complete defensive driving courses with discounts that generally average around 6 percent.

Not all states use explicit point systems, but avoiding tickets and accidents prevents unnecessary rate increases. Traffic violations and wrecks frequently raise policy premia. Obeying traffic rules will help drivers avoid accumulating expensive tickets that can also increase semi-annual insurance payments.

On average, drivers in the United States are behind the wheel for 13,000 miles per year. Drivers who accumulate 7,000 miles or less each year may qualify for low mileage discounts. Those discounts average approximately 5 percent per policy.

Many insurance companies monitor credit information. Paying bills on time helps maintain credit scores. Lower credit scores and good credit records often lead to lower insurance policy prices.
El Paso Metropolitan Business Cycle Index

Source: UTEP Border Region Modeling Project using Federal Reserve Bank of Dallas Data
El Paso Metropolitan Business Cycle Index

Source: UTEP Border Region Modeling Project using Federal Reserve Bank of Dallas Data
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: UTEP Border Region Modeling Project using US Treasury, Daily Treasury Yield Curve Rates Data
El Paso Household Economic Stress Index

Source: UTEP Border Region Modeling Project
El Paso Household Economic Stress Index

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

Source: UTEP Border Region Modeling Project using Bureau of Labor Statistics Data
El Paso County Unemployment Rate

Source: UTEP Border Region Modeling Project using Bureau of Labor Statistics Data
El Paso County SNAP Enrollment. Three year period 2021 – 2023

Number of SNAP Recipients

El Paso County SNAP (Food Stamp) Enrollment

Source: UTEP Border Region Modeling Project using 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of SNAP Recipients</th>
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<tbody>
<tr>
<td>2006</td>
<td>120,000</td>
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<tr>
<td>2007</td>
<td>140,000</td>
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<td>2008</td>
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<tr>
<td>2022</td>
<td>440,000</td>
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<tr>
<td>2023</td>
<td>460,000</td>
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</tbody>
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Source: UTEP Border Region Modeling Project using Texas Health and Human Services Commission
El Paso Median Housing Prices

Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data
El Paso Median Housing Prices from 2006 to 2023

Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data
Months of Housing Inventory for El Paso

Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data
Months of housing inventory in El Paso for single family homes 2006-2023

Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data
El Paso Gasoline Prices

Source: UTEP Border Region Modeling Project using GasBuddy.com Data
El Paso unleaded gasoline prices from January 2006 to June 2023

Source: UTEP Border Region Modeling Project using GasBuddy.com Data
Doña Ana County Unemployment Rate

Source: UTEP Border Region Modeling Project using NM Workforce Data
Unemployment rate for Doña Ana county ranging from January 2006 to June 2023

Source: UTEP Border Region Modeling Project using NM Workforce Data
Las Cruces Area SNAP (Food Stamp) Cases

Source: UTEP Border Region Modeling Project using New Mexico Human Services Department Data
Las Cruces Area SNAP (Food Stamp) cases from January 2006 with a gap in April and May of 2014 continuing June 2014 to May 2023.

Source: UTEP Border Region Modeling Project using New Mexico Human Services Department Data
Restaurant Price Ratio and Exchange Rate

Source: UTEP Border Region Modeling Project using 85 identical franchise restaurant products sold on both sides of the border.
Restaurant Price Ratio and Exchange Rate

Source: UTEP Border Region Modeling Project using Banco de Mexico Data
Real Peso-per-Dollar Exchange Rate Index

Source: UTEP Border Region Modeling Project
Real Peso-per-Dollar Exchange Rate Index

Source: UTEP Border Region Modeling Project
EPIA Freight and Mail (Inbound and Outbound), 2021, 2022 and 2023 (3 year comparison)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total 2021</th>
<th>Total 2022</th>
<th>Total 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>5,500</td>
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<td>2022</td>
<td>7,000</td>
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<td>2023</td>
<td>8,500</td>
<td>9,000</td>
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Source: UTEP Border Region Modeling Project using EPIA Operations Data
EPIA Freight and Mail

Source: UTEP Border Region Modeling Project using EPIA Operations Data
EPIA Passengers

Source: UTEP Border Region Modeling Project using EPIA Operations Data
EPIA Passengers

Source: UTEP Border Region Modeling Project using EPIA Operations Data
EPIA Air Carrier Operations 2021, 2022 and 2023 (3 year comparison)

Aircraft Operators

Source: UTEP Border Region Modeling Project using EPIA Operations Data
EPIA Air Carrier Operations

Source: UTEP Border Region Modeling Project using EPIA Operations Data
Paso del Norte Monthly Wait Times

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Bridge of the Americas Monthly Wait Times

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Monthly border wait times at Paseo Del Norte, Ysleta and Bridge of the Americas. Data set ranging from January 2011 to June 2023.

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Personal Vehicle International Bridge Crossings to El Paso

Number of Vehicles

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Personal Vehicle International Bridge Crossings to El Paso

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Pedestrian International Bridge Crossings to El Paso

Number of Pedestrians

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Pedestrian International Bridge Crossings to El Paso

Number of Pedestrians

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Cargo Truck International Bridge Crossings to El Paso

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Cargo Truck International Bridge Crossings to El Paso

Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data
Total Trade through the El Paso Customs District

Source: UTEP Border Region Modeling Project using US International Trade Commission Data
Total Trade (Exports + Imports) in Millions of Nominal Dollars

Source: UTEP Border Region Modeling Project using US International Trade Commission Data
Real Total Trade through the El Paso Customs District

Source: UTEP Border Region Modeling Project using US International Trade Commission Data
Real Total Trade through the El Paso Customs District

Source: UTEP Border Region Modeling Project using US International Trade Commission Data
<table>
<thead>
<tr>
<th>Year</th>
<th>Total Passengers</th>
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<td>50,000</td>
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<tr>
<td>2022</td>
<td>100,000</td>
</tr>
<tr>
<td>2023</td>
<td>150,000</td>
</tr>
</tbody>
</table>

**Domestic Passengers Ciudad Juarez International Airport**

**Source:** UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
Domestic Passengers Ciudad Juarez International Airport

Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
International Passengers Ciudad Juarez International Airport

Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
International Passengers Ciudad Juarez International Airport

Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
Domestic Passengers Chihuahua City International Airport

Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
International Passengers Chihuahua City International Airport

2021 2022 2023

Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
International Passengers Chihuahua City International Airport

Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data
Export-Oriented manufacturing employment in Ciudad Juárez

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>260,000</td>
</tr>
<tr>
<td>2022</td>
<td>270,000</td>
</tr>
<tr>
<td>2023</td>
<td>280,000</td>
</tr>
</tbody>
</table>

Source: UTEP Border Region Modeling Project using INEGI Data
Aggregate Export-Oriented Manufacturing Employment in Ciudad Juárez

140,000
170,000
200,000
230,000
260,000
290,000
320,000
350,000


Number of Jobs

Export-Oriented Manufacturing Employment in Ciudad Juárez

Source: UTEP Border Region Modeling Project using INEGI Data
Export-Oriented Manufacturing Employment in Chihuahua City

Source: UTEP Border Region Modeling Project using INEGI Data
Export-Oriented Manufacturing Employment in Chihuahua City

Source: UTEP Border Region Modeling Project using INEGI Data
Northern Mexico Manufacturing Orders Index

Source: UTEP Border Region Modeling Project using Banco de México Data
Northern Mexico Manufacturing Orders Index

Index (Range: 0 - 100)

Source: UTEP Border Region Modeling Project using Banco de México Data
Quarterly Indicator of Economic Activity for the State of Chihuahua

Index (2008=100)

Source: UTEP Border Region Modeling Project using INEGI Data
Quarterly Indicator of Economic Activity for the State of Chihuahua

Index (2008 = 100)

Source: UTEP Border Region Modeling Project using INEGI Data
Source: UTEP Border Region Modeling Project using INEGI Data
Total Value of Construction in the State of Chihuahua

Source: UTEP Border Region Modeling Project using INEGI Data
Real Retail Activity Index for the State of Chihuahua

Index (2013 = 100)

Source: UTEP Border Region Modeling Project using INEGI Data
Real Retail Activity Index for the State of Chihuahua

Source: UTEP Border Region Modeling Project using INEGI Data
Order Your *Short-Term Outlook to 2024*
Borderplex Business Barometer is a monthly publication of the Border Region Modeling Project (BRMP), a research unit within the Department of Economics & Finance at the Woody L. Hunt College of Business of The University of Texas at El Paso. BRMP information is available at: https://www.utep.edu/business/border-region-modeling-project/index.html. For additional information, contact the Border Region Modeling Project - CBA 236, UTEP Department of Economics & Finance, 500 West University Avenue, El Paso, TX 79968-0543, USA, (915) 747-7775.