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## **Borderplex Business Barometer, Volume 7, Number 9**

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Steven L. Fullerton

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T.M. Fullerton, Jr., and S.L. Fullerton, 2023, "Beltway Dysfunction Perils" *Borderplex Business Barometer* 7(9), 1-65.

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# BORDERPLEX BUSINESS BAROMETER

**September 2023**

**Border Region Modeling Project**

Thomas M. Fullerton, Jr.

Steven L. Fullerton

Department of Economics & Finance

Woody L. Hunt College of Business

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**

Woody L. Hunt College of Business, Room 241

University of Texas at El Paso

**Email**

[tomf@utep.edu](mailto:tomf@utep.edu)

[sfullerton@utep.edu](mailto:sfullerton@utep.edu)

**Telephone**

915-747-7747

915-747-7775

**Facsimile**

915-747-6282

[UTEP Miner Shoppe](#)

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*Border Commerce & Economics*

**Borderplex Business Barometer, Volume 7, Number 9**

**Beltway Dysfunction Perils**

Global surveys indicate that international business sentiment is improving. Most recent polls indicate that firms believe that business conditions will either hold steady or improve, with one-third or fewer of the respondents anticipating that the economy will worsen in the near-term. Lending credibility to those assessments are solid investment patterns and energetic recruitment efforts.

While businesses around the world are making decisions that bolster economic prospects, the same cannot be said for governmental actions. Geopolitical tensions are very high in many regions and the Russo-Ukrainian War has lasted for more than 18 months. Closer to home, congressional dysfunction threatens to result in another partial federal government shutdown.

Against that dis-spiriting backdrop, what do currently available data say for the Borderplex? Though still above year-ago levels, the Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycle Index moved sideways during June, July, and August. While that does not guarantee that a recession has been unleashed, the yield curve is mostly inverted and caution is warranted.

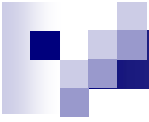
The UTEP Border Region Modeling Project (BRMP) El Paso Household Economic Stress Index has drifted upward during 2023 but still remains below year-ago levels. Less auspiciously, the July and August El Paso unemployment rates were 90 basis points above their 2022 levels. Similarly, the corresponding jobless rates for Las Cruces were 70 basis points above those tallied in 2022.

Ongoing global oil production cuts are causing dismay in many quarters. In El Paso, those complaints continue, but gasoline prices did drop back below the national averages in mid-September. Higher jet fuel prices have contributed to more expensive air fares on both sides of the border, but air passenger traffic exceeds 2022 levels in El Paso, Ciudad Juarez, and Chihuahua City.

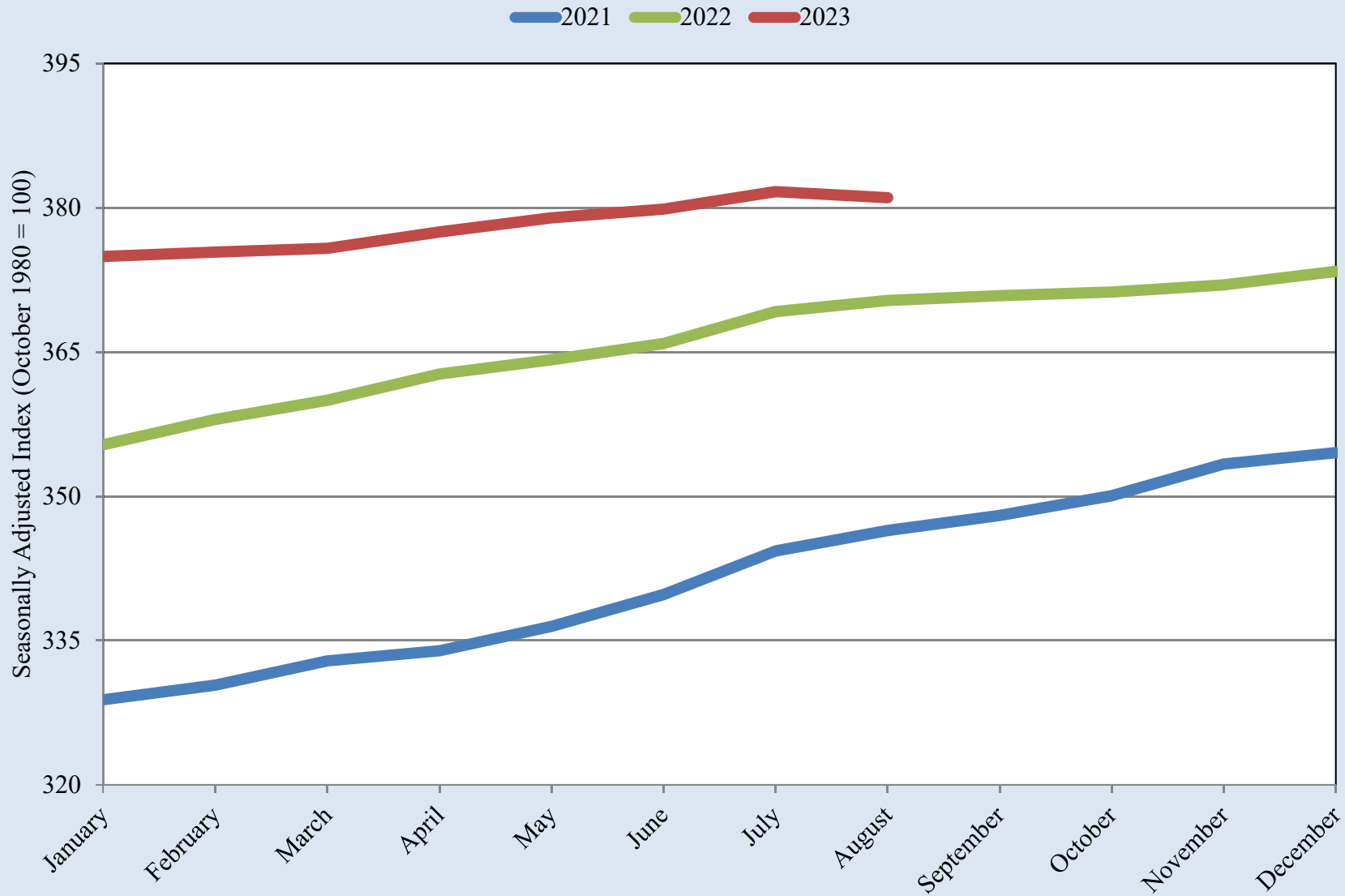
Shutdowns hurt. A protracted federal government closure will likely cause credit rating downgrades. Non-partisan Congressional Budget Office estimates of the aggregate dollar impacts inflicted by the 34-day, 2018-2019 federal shutdown are national economic losses of approximately \$100 million a day.

In the case of El Paso, that translates to a potential loss of \$260,000 per day. For Las Cruces, the corresponding figure is \$68,000 per day. For these two metropolitan economies, those losses may seem manageable. If a closure does materialize and it lasts for multiple days or weeks, it will undoubtedly lead to higher numbers of both business and personal bankruptcies than would be the case if federal agencies simply remained open.

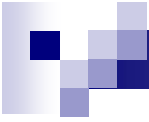
**Thomas M. Fullerton, Jr. and Steven L. Fullerton**



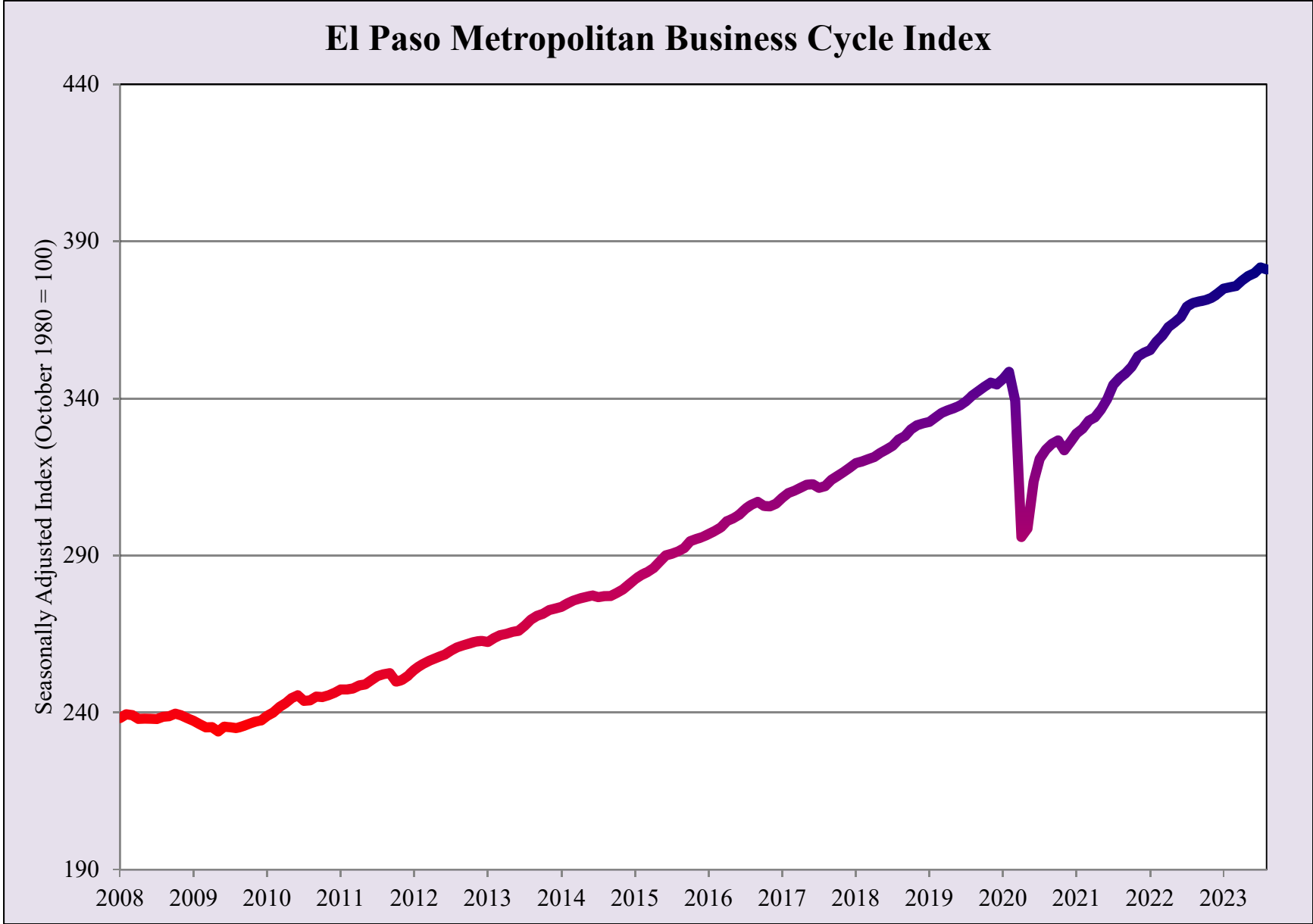
## El Paso Metropolitan Business Cycle Index



Source: UTEP Border Region Modeling Project using Federal Reserve Bank of Dallas Data



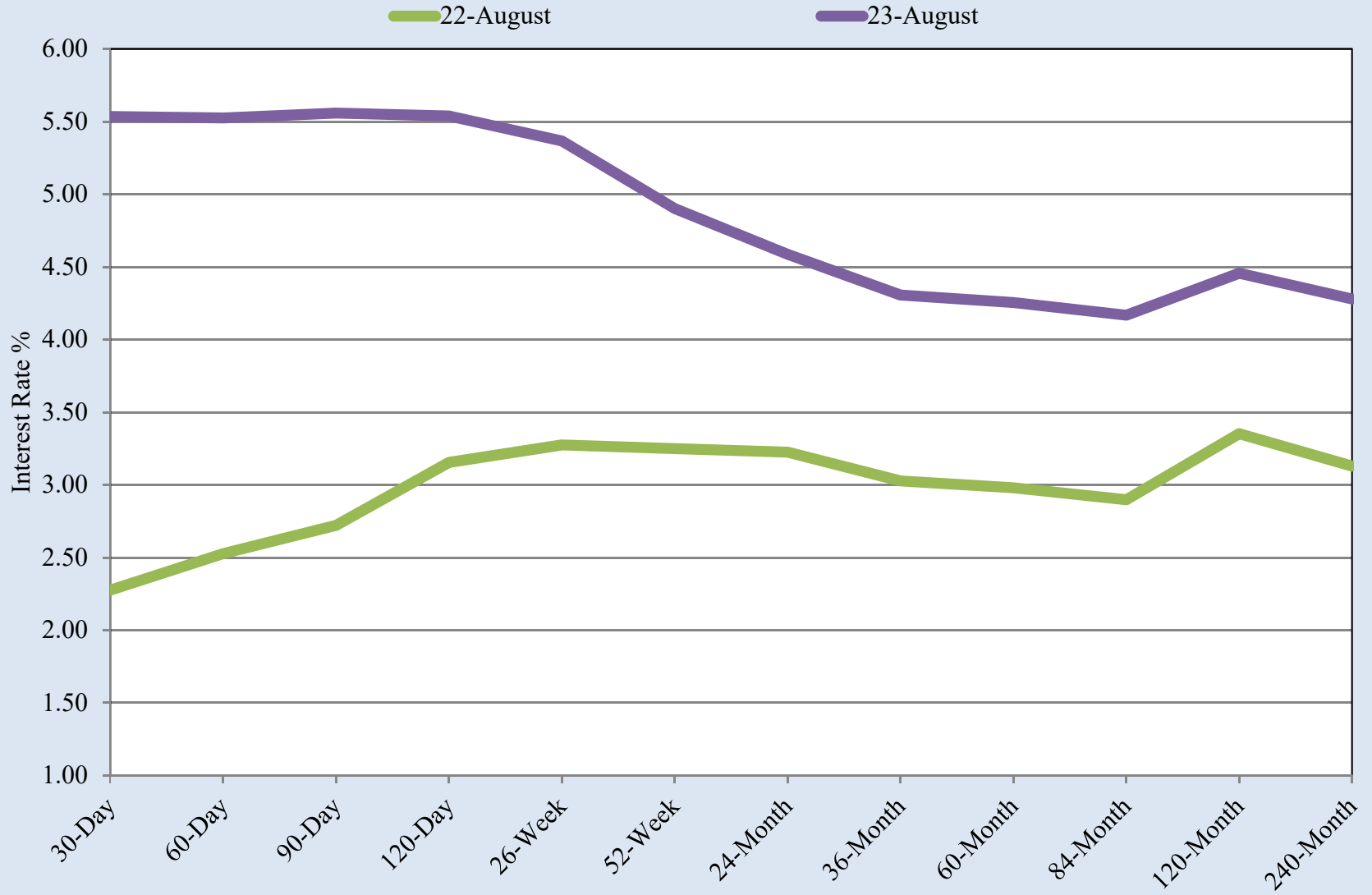
## El Paso Metropolitan Business Cycle Index



Source: UTEP Border Region Modeling Project using Federal Reserve Bank of Dallas Data



### Average Treasury Yield Curve Rates

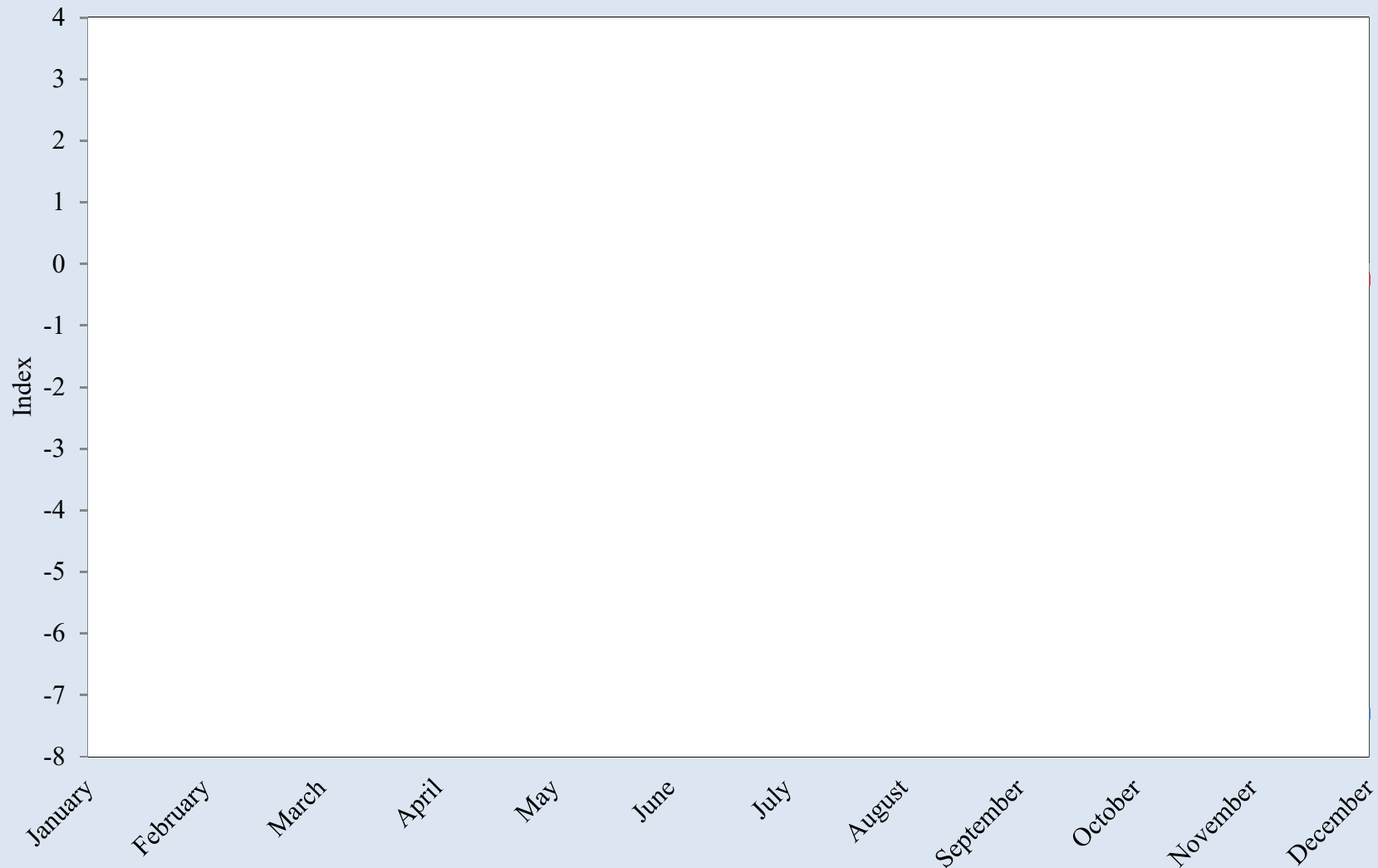


Source: UTEP Border Region Modeling Project using US Treasury, Daily Treasury Yield Curve Rates Data

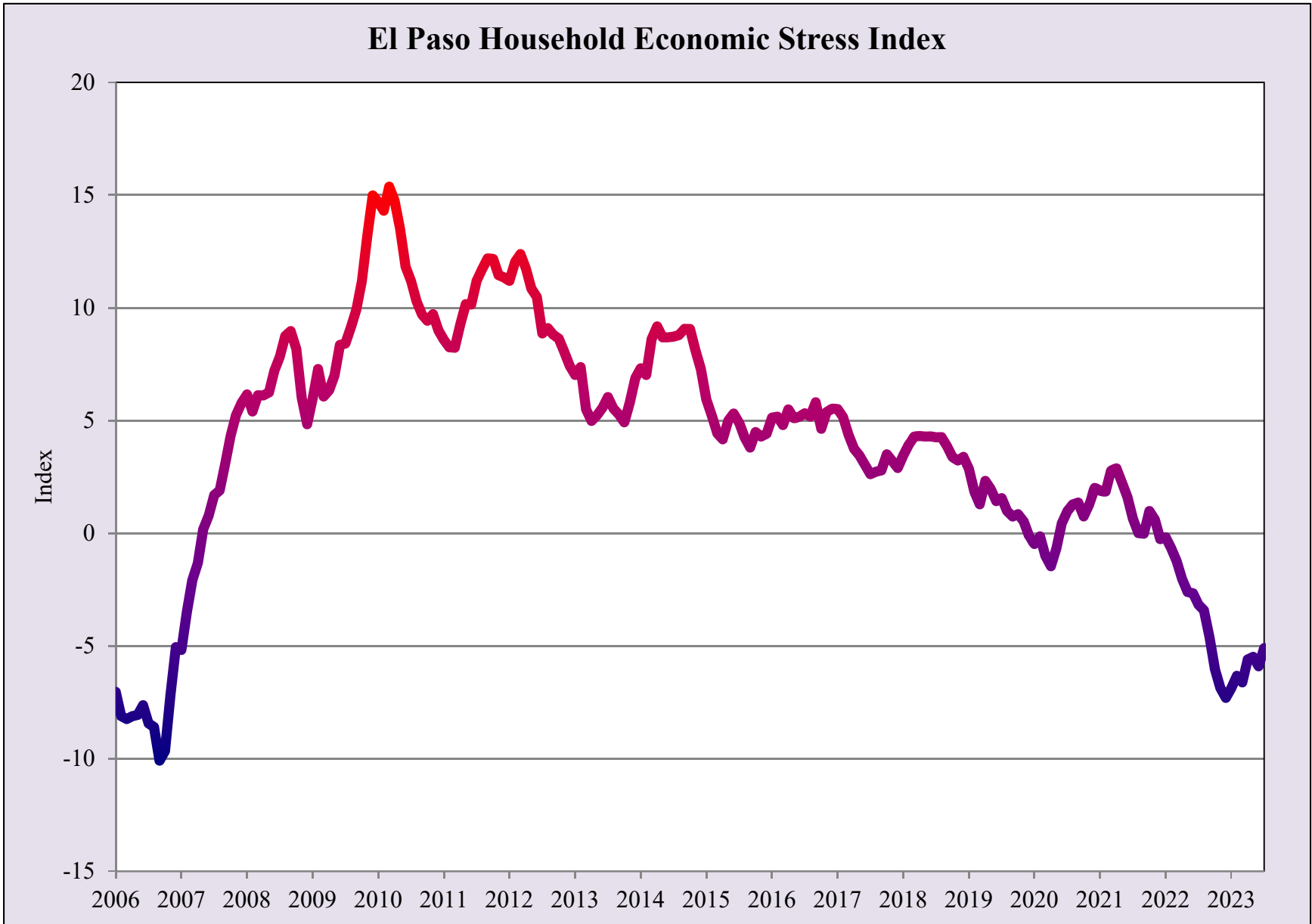


## El Paso Household Economic Stress Index

2021 2022 2023



Source: UTEP Border Region Modeling Project

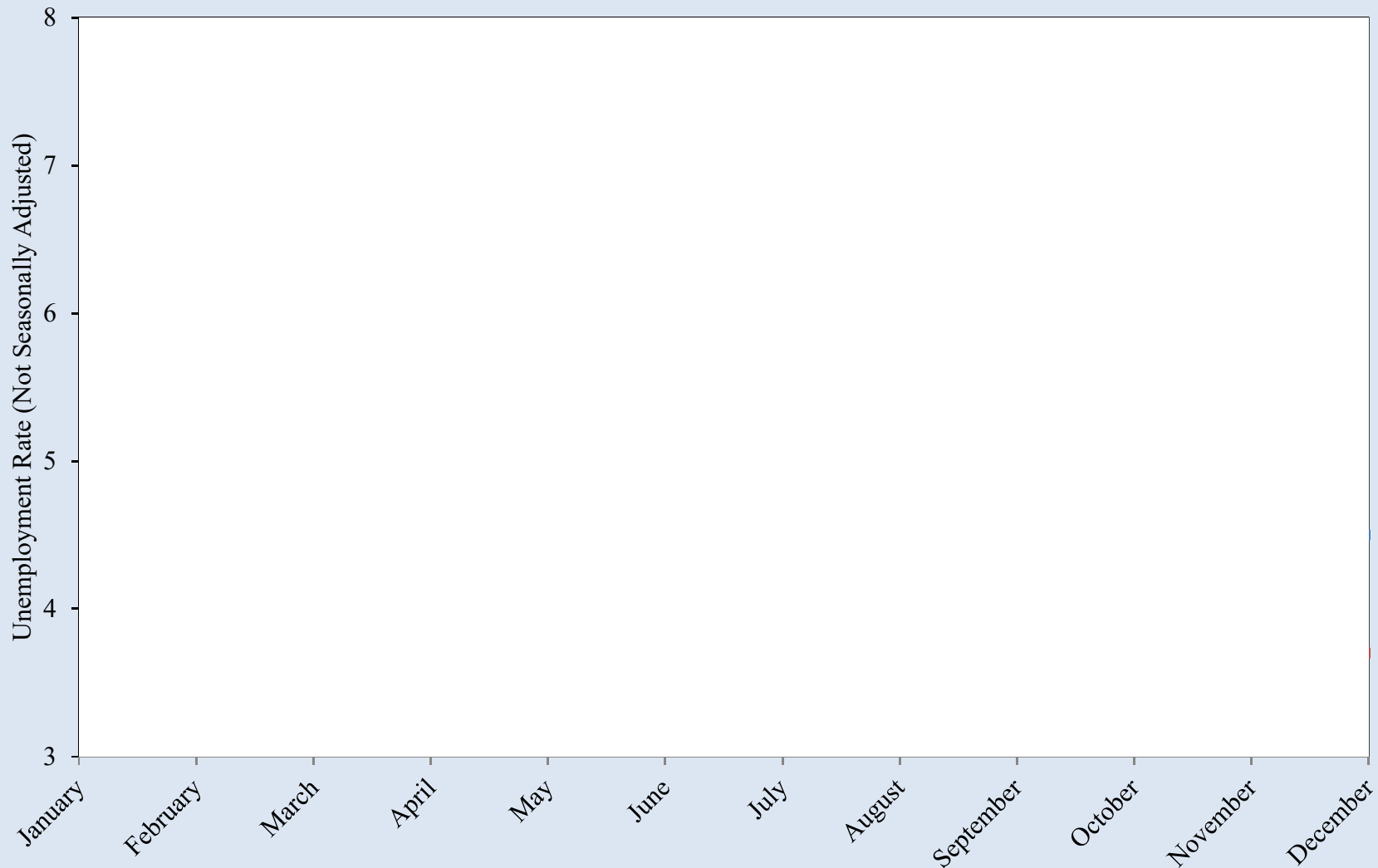


Source: UTEP Border Region Modeling Project



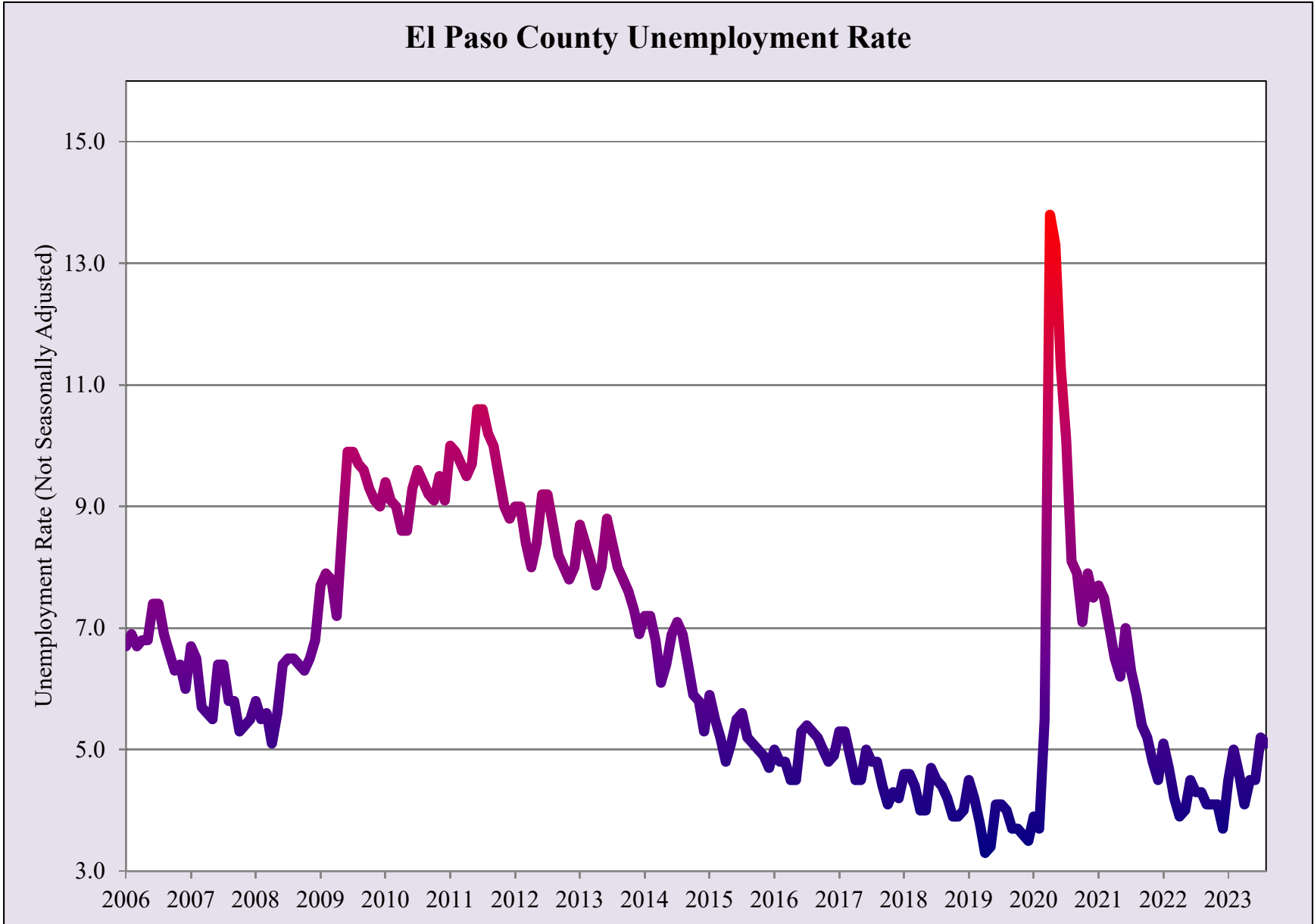
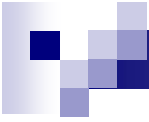
## El Paso County Unemployment Rate

— 2021 — 2022 — 2023

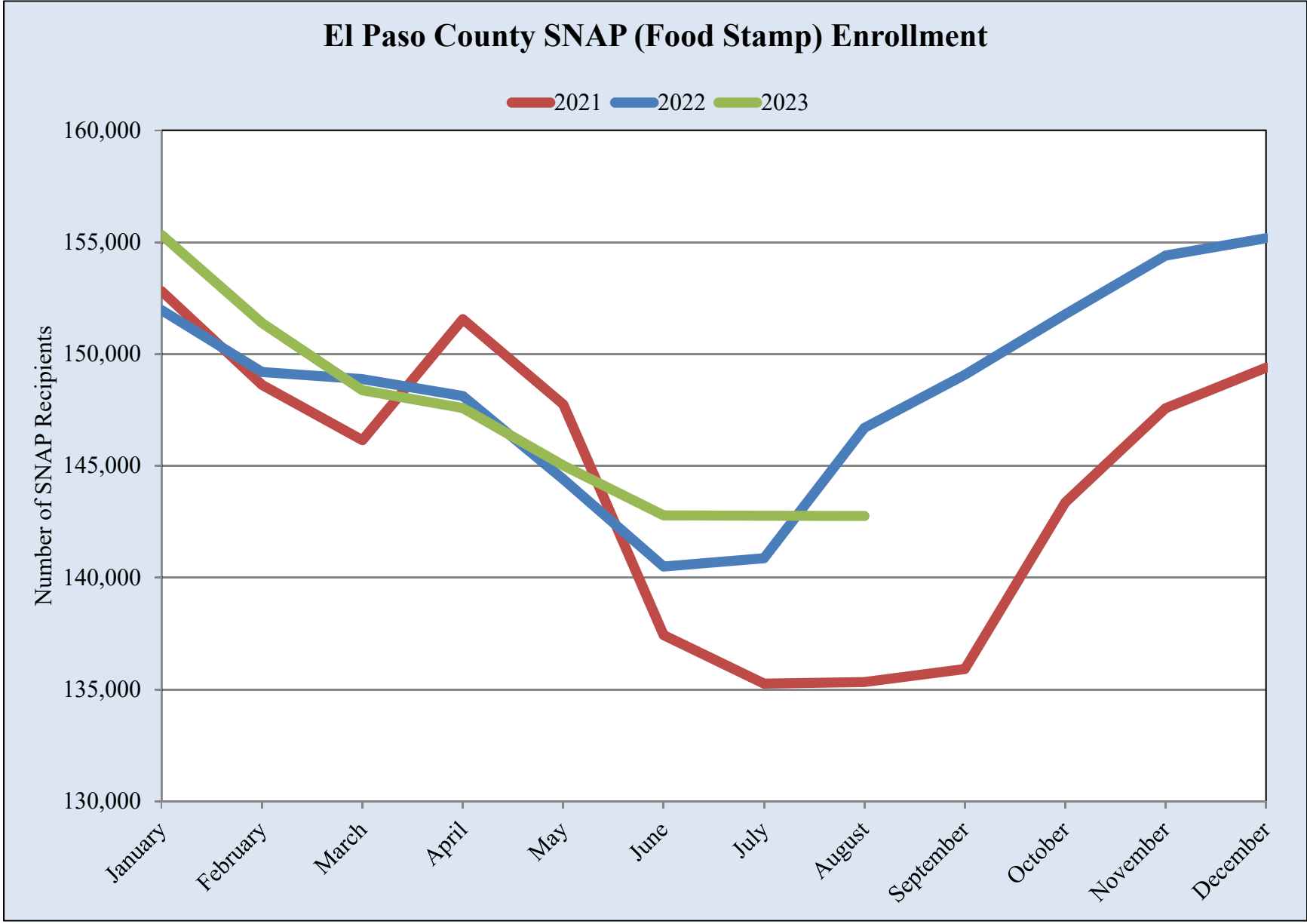
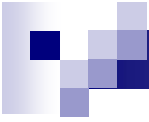


Source: UTEP Border Region Modeling Project using Bureau of Labor Statistics Data

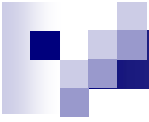




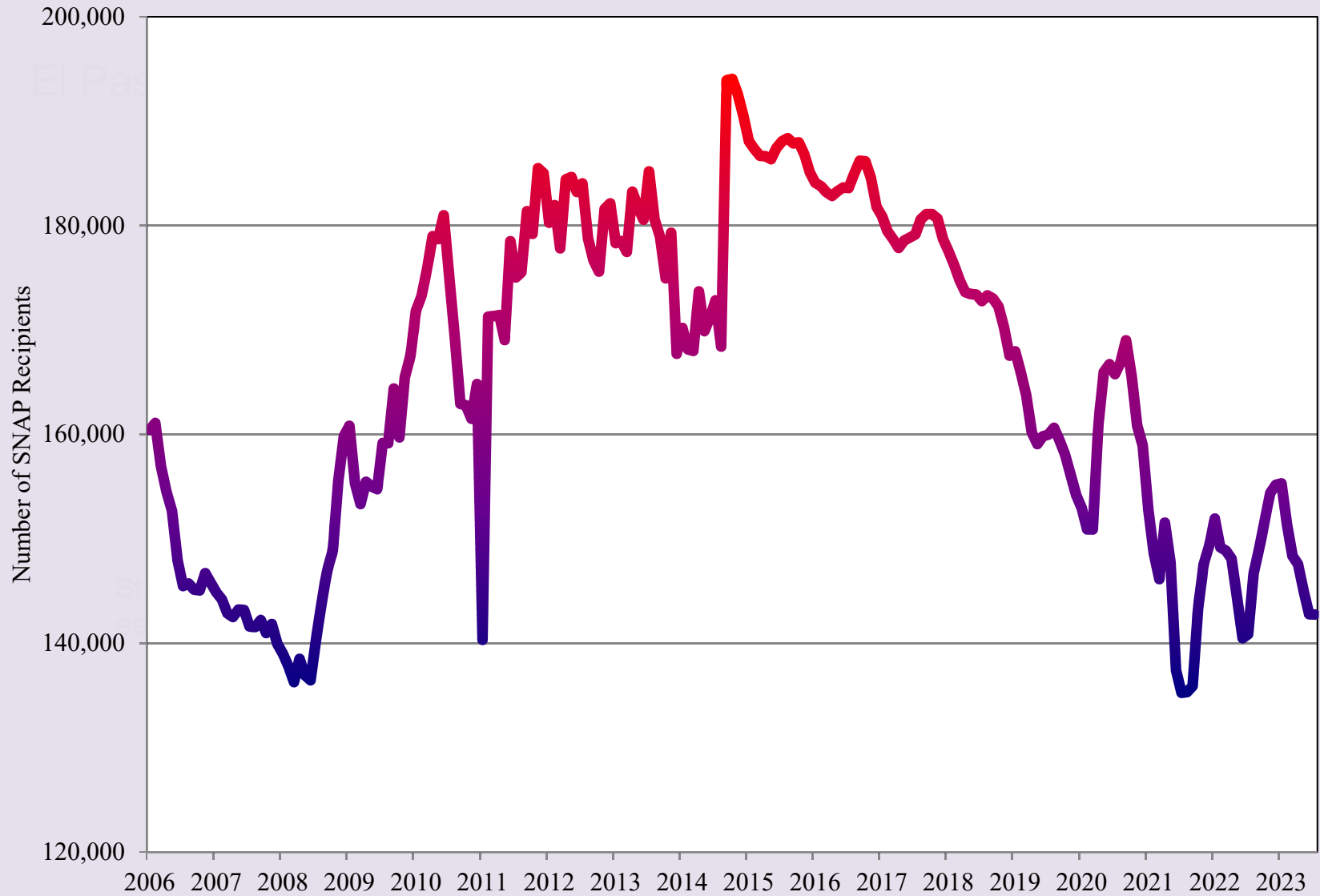
Source: UTEP Border Region Modeling Project using Bureau of Labor Statistics Data



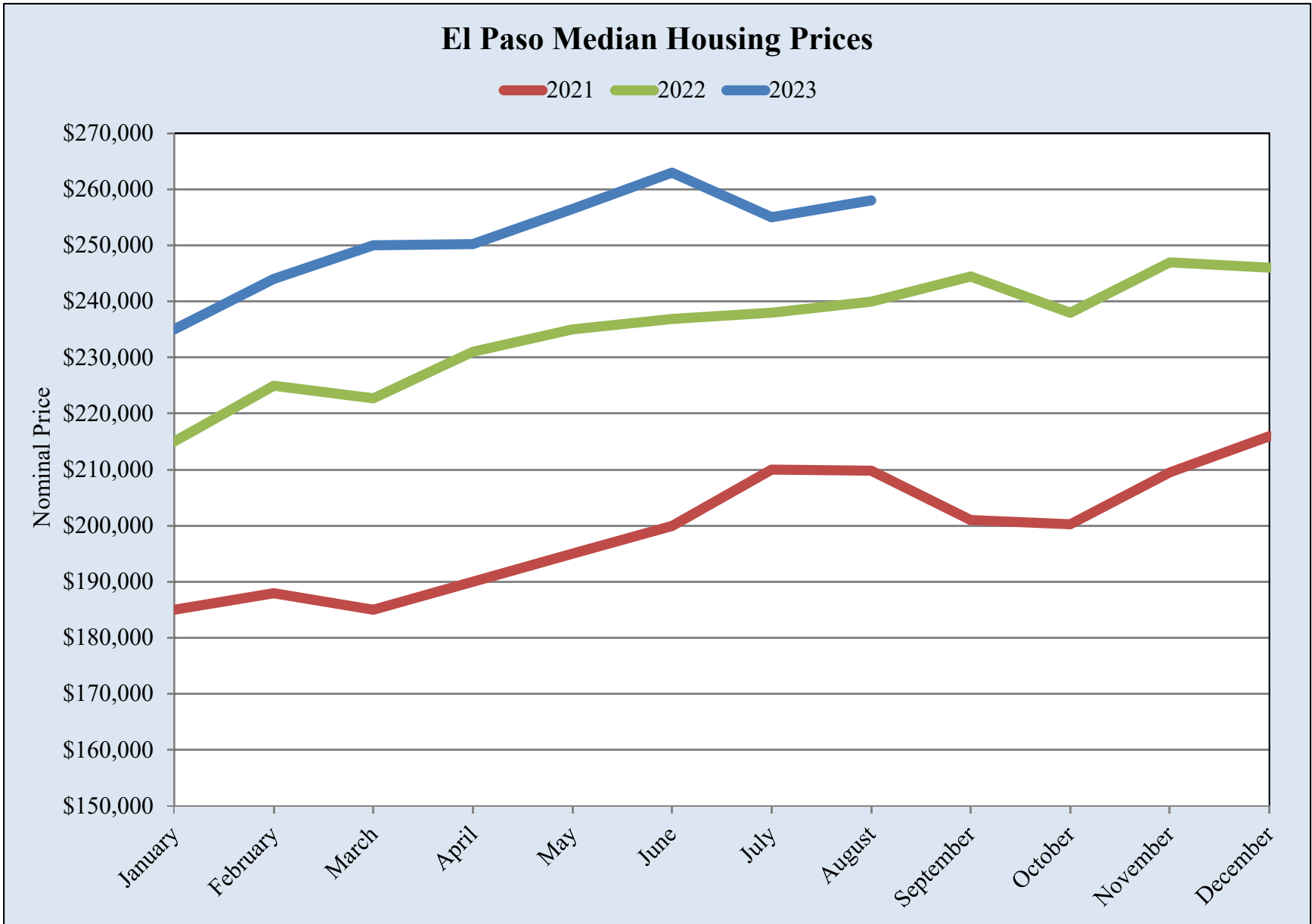
Source: UTEP Border Region Modeling Project using Texas Health and Human Services Commission



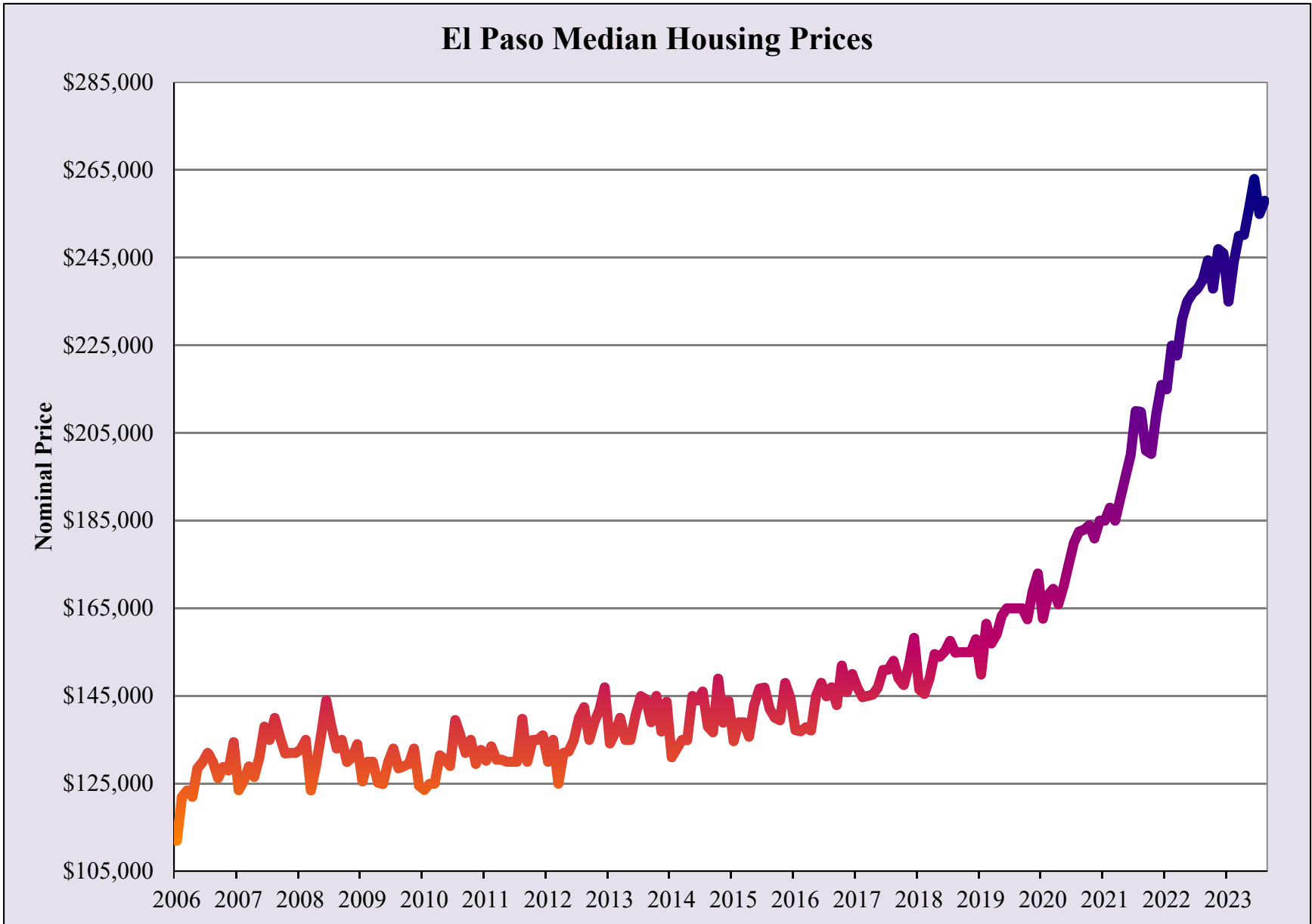
## El Paso County SNAP (Food Stamp) Enrollment



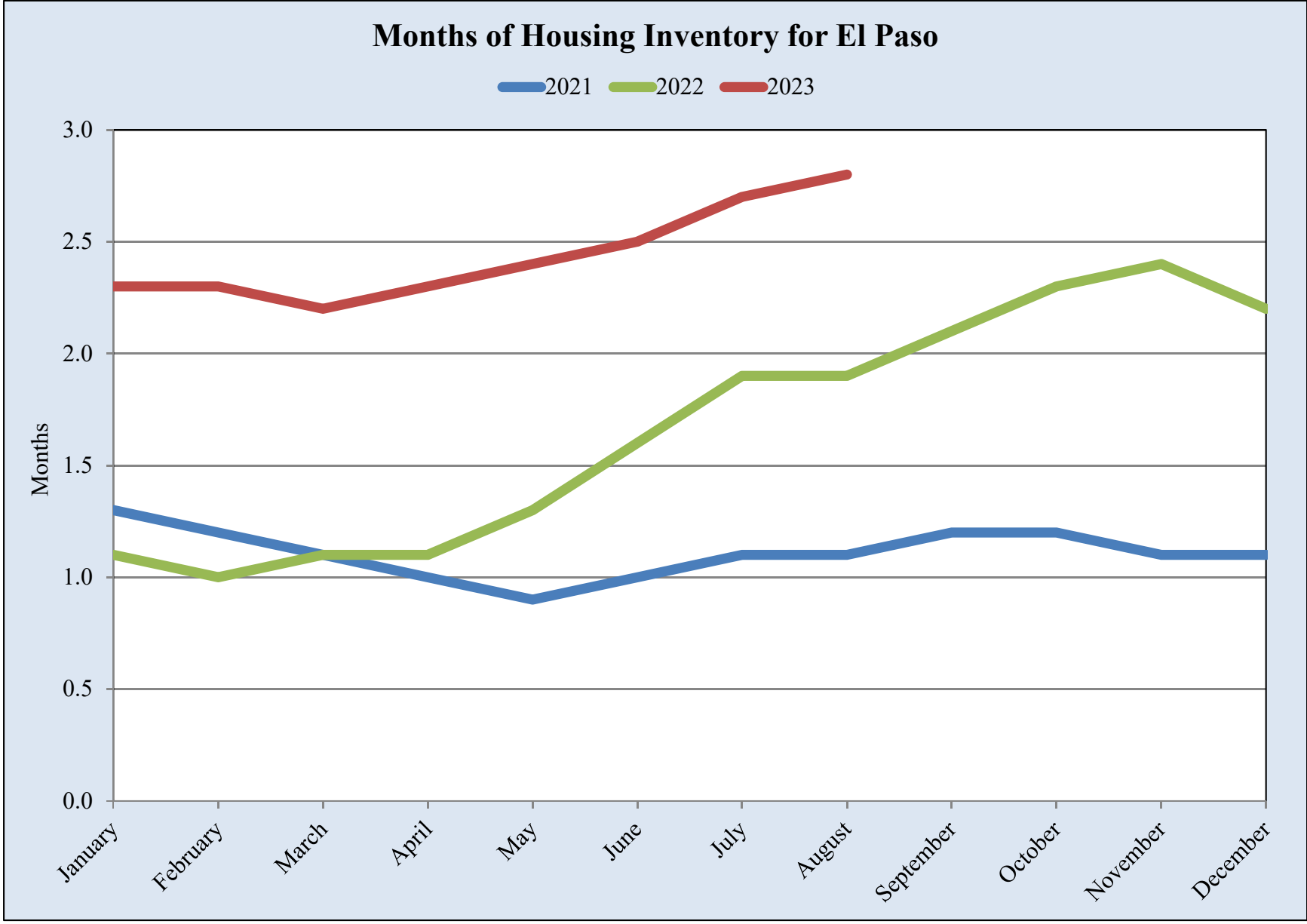
Source: UTEP Border Region Modeling Project using Texas Health and Human Services Commission



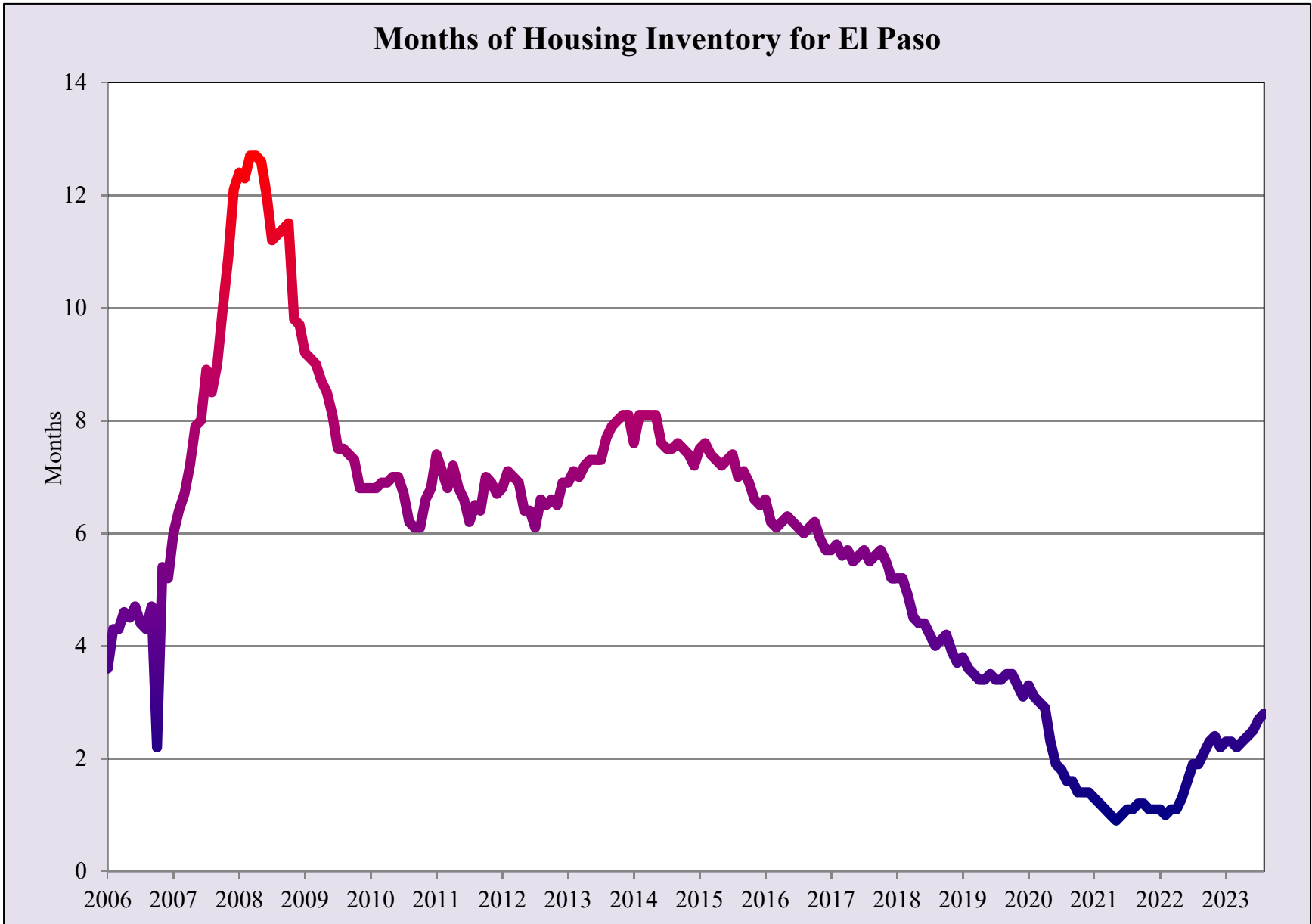
Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data



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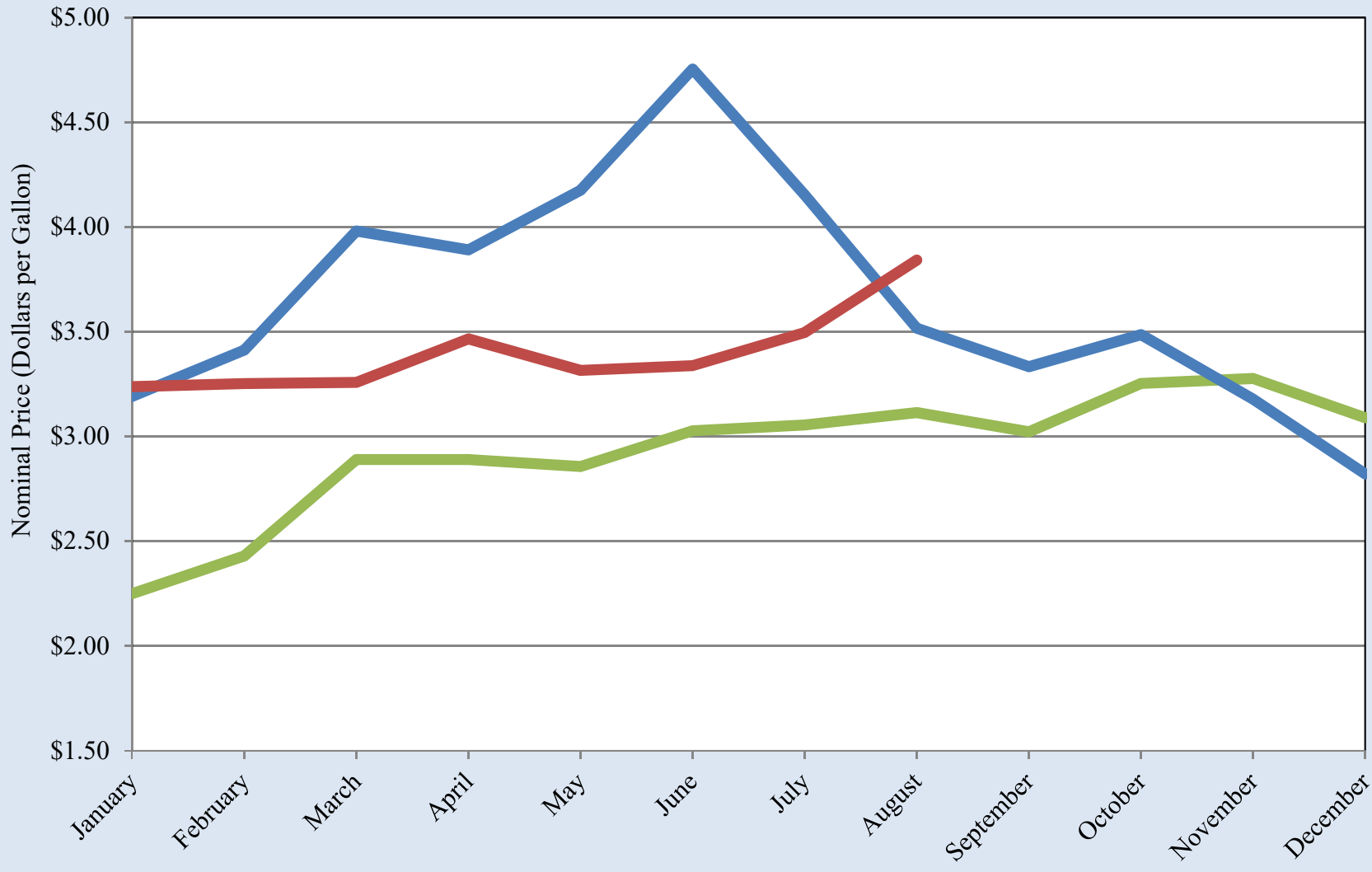
Source: UTEP Border Region Modeling Project using Texas A&M Real Estate Center Data



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### El Paso Gasoline Prices

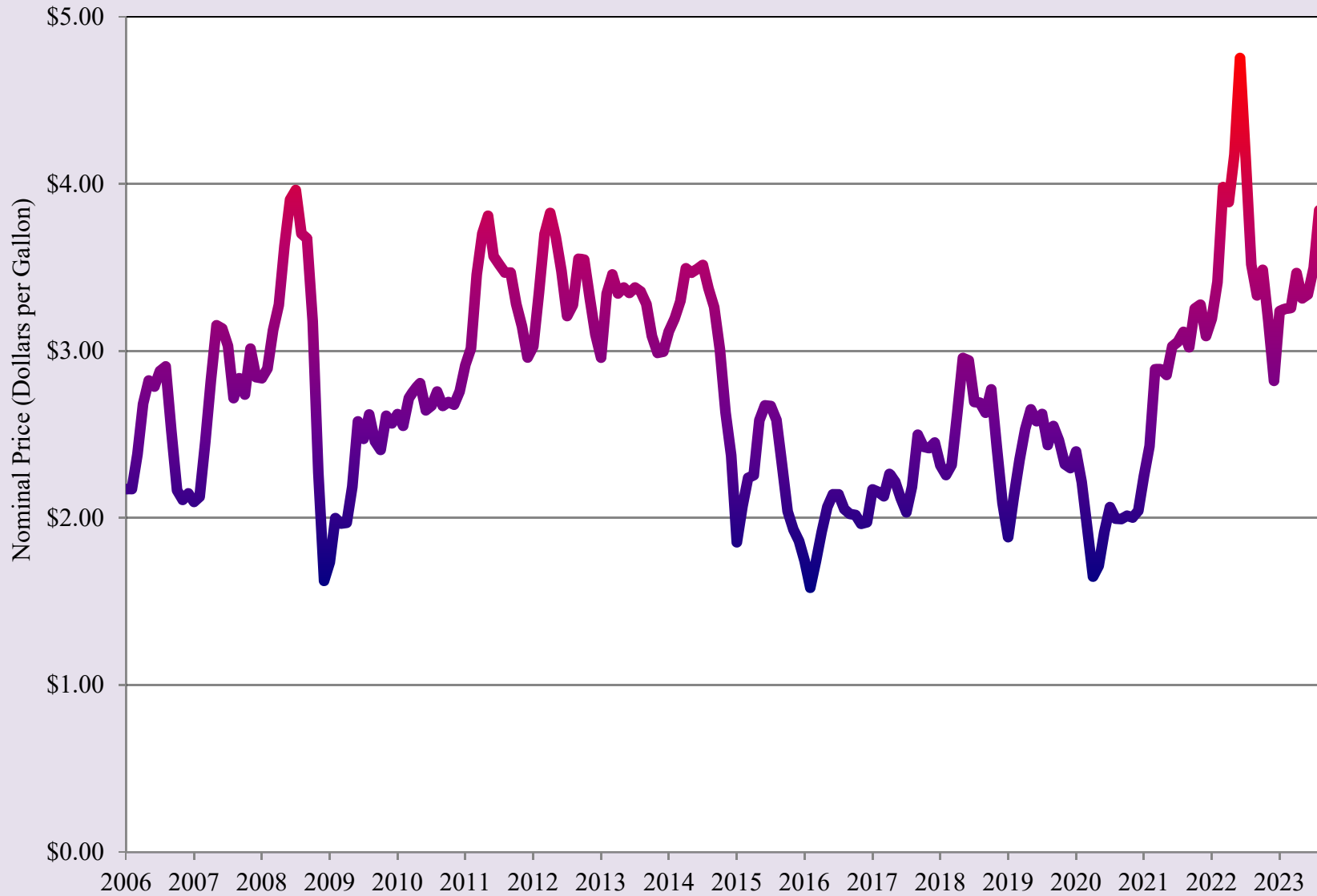
2021 2022 2023



Source: UTEP Border Region Modeling Project using GasBuddy.com Data



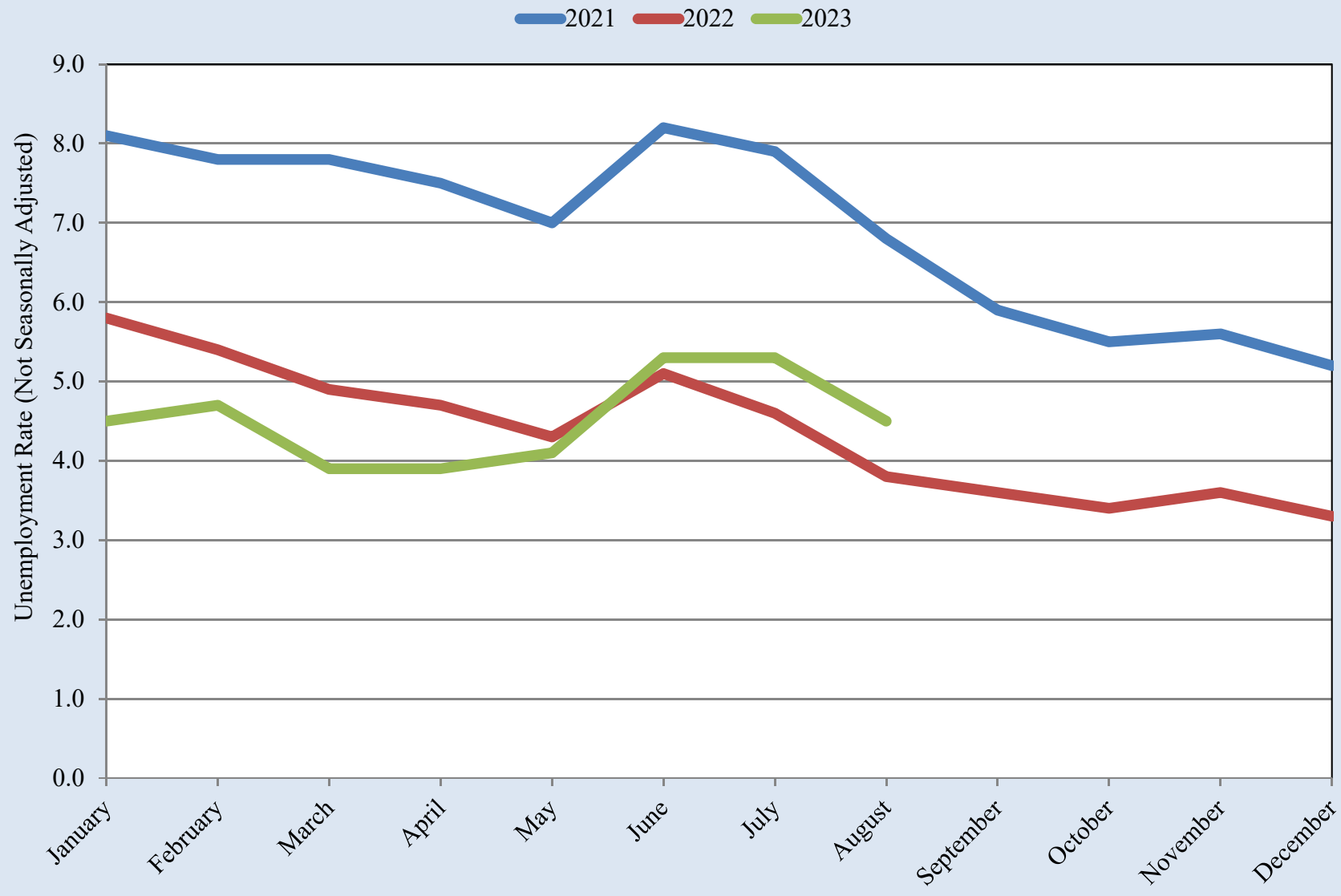
## El Paso Gasoline Prices



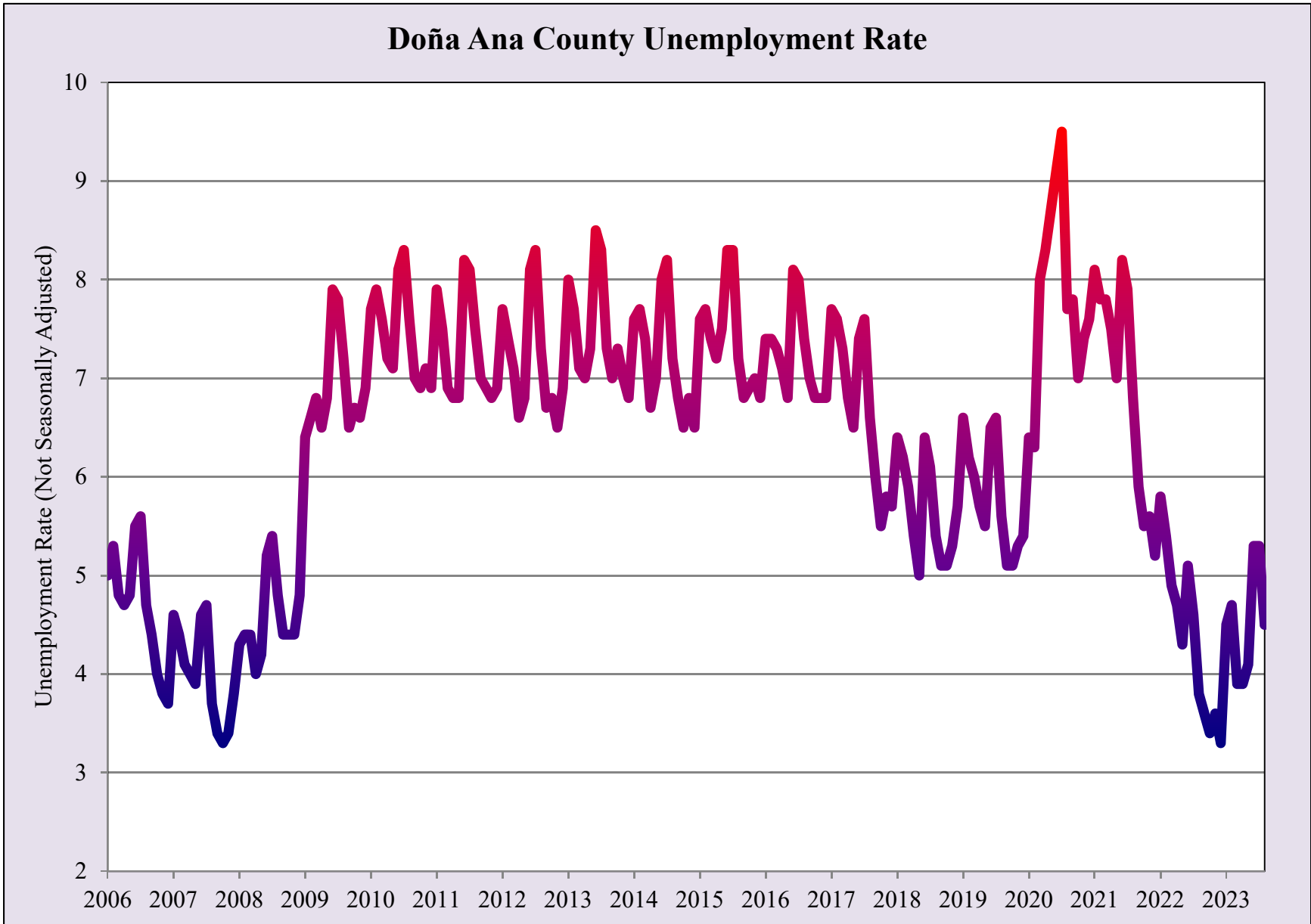
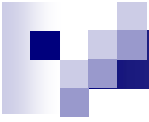
Source: UTEP Border Region Modeling Project using GasBuddy.com Data



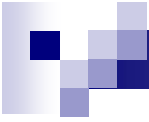
## Doña Ana County Unemployment Rate



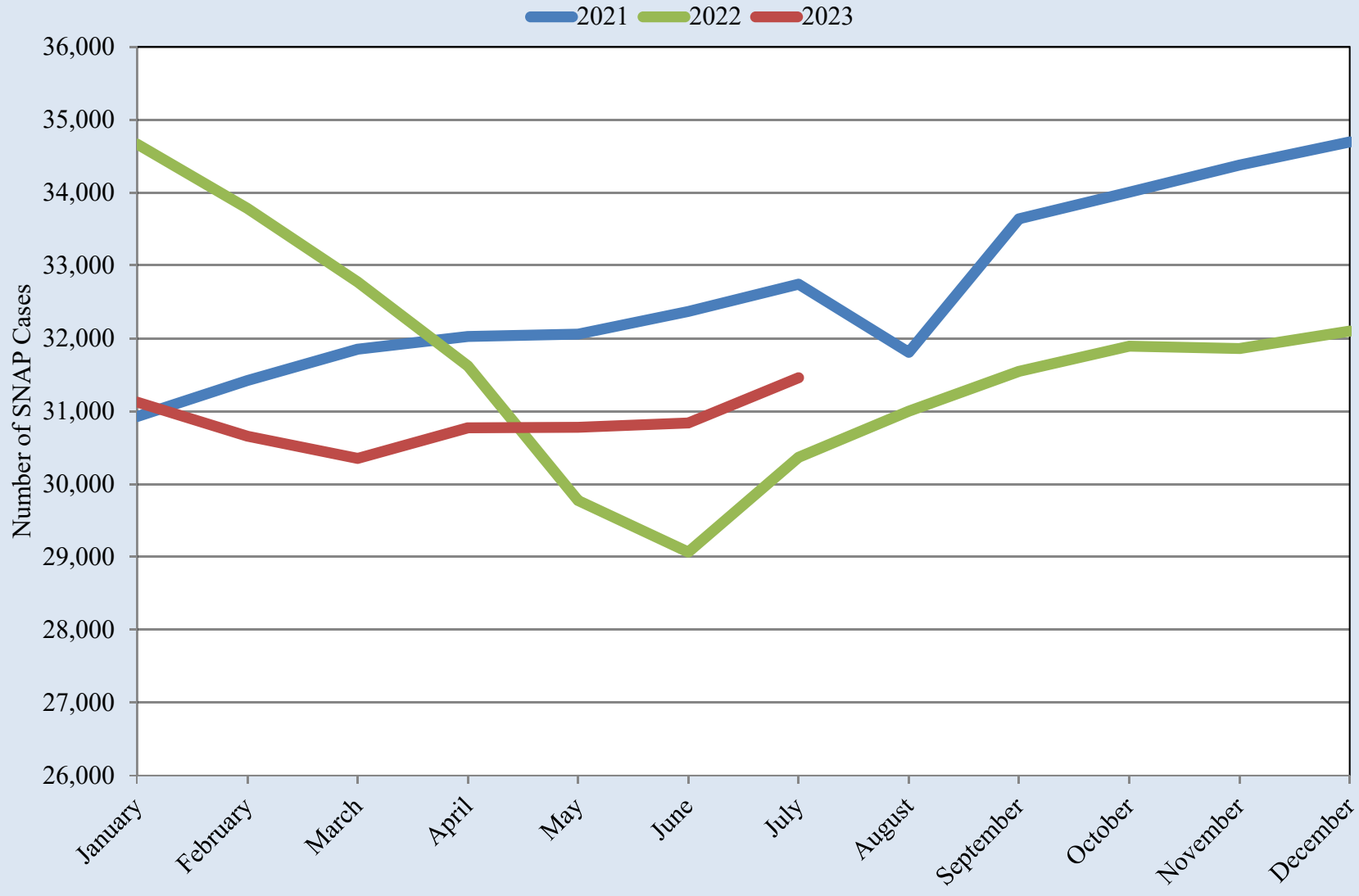
Source: UTEP Border Region Modeling Project using NM Workforce Data



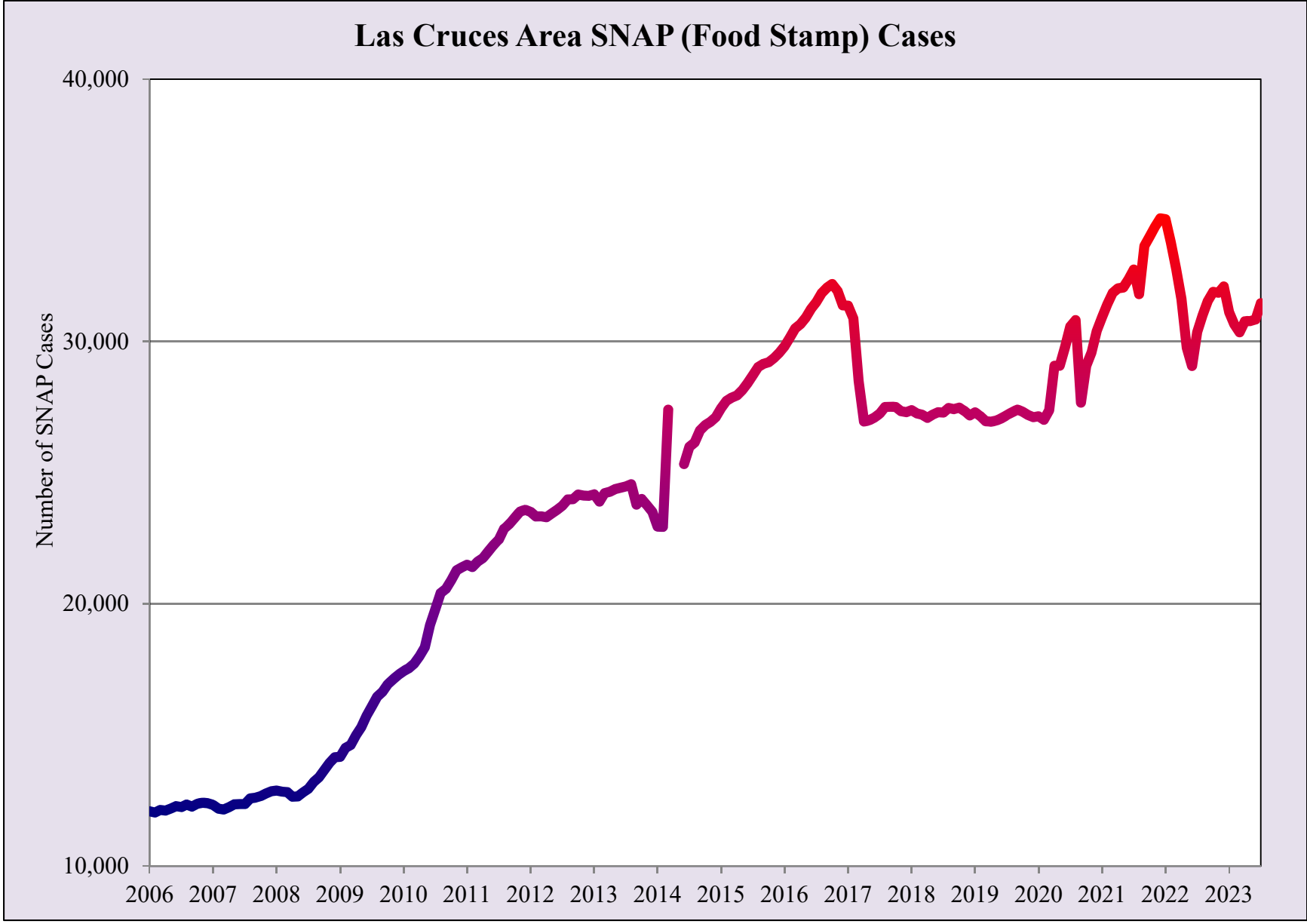
Source: UTEP Border Region Modeling Project using NM Workforce Data



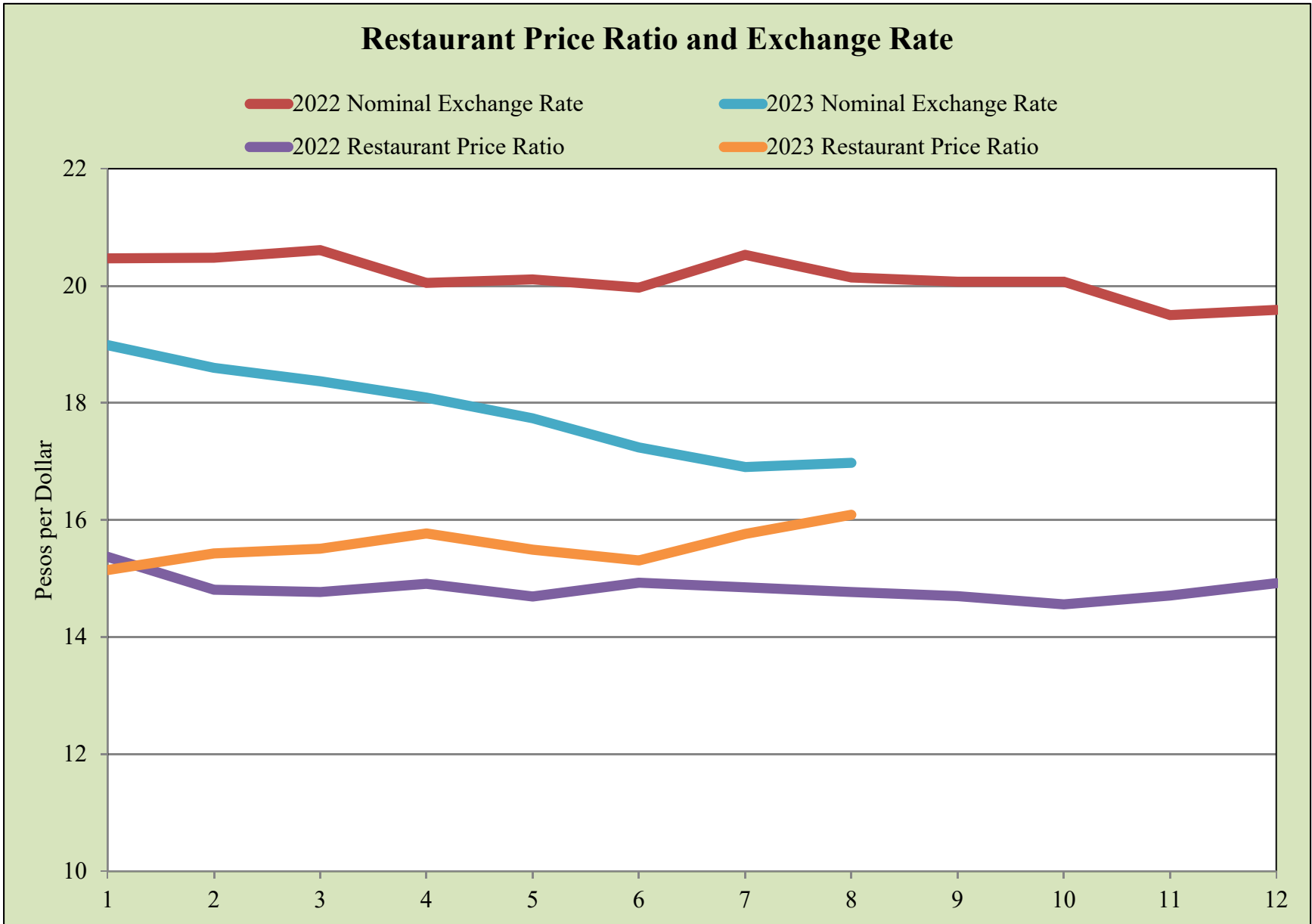
## Las Cruces Area SNAP (Food Stamp) Cases



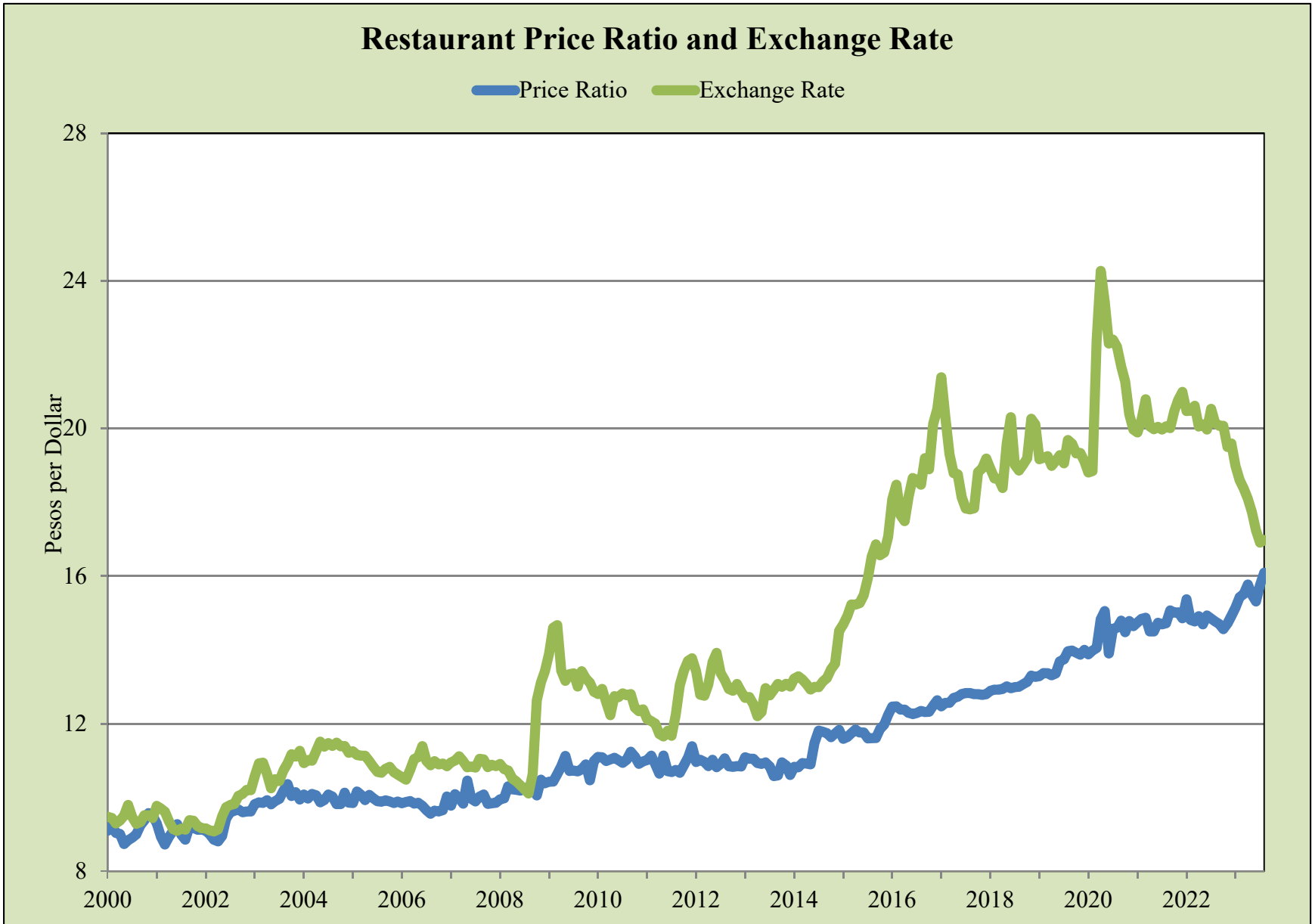
Source: UTEP Border Region Modeling Project using New Mexico Human Services Department Data



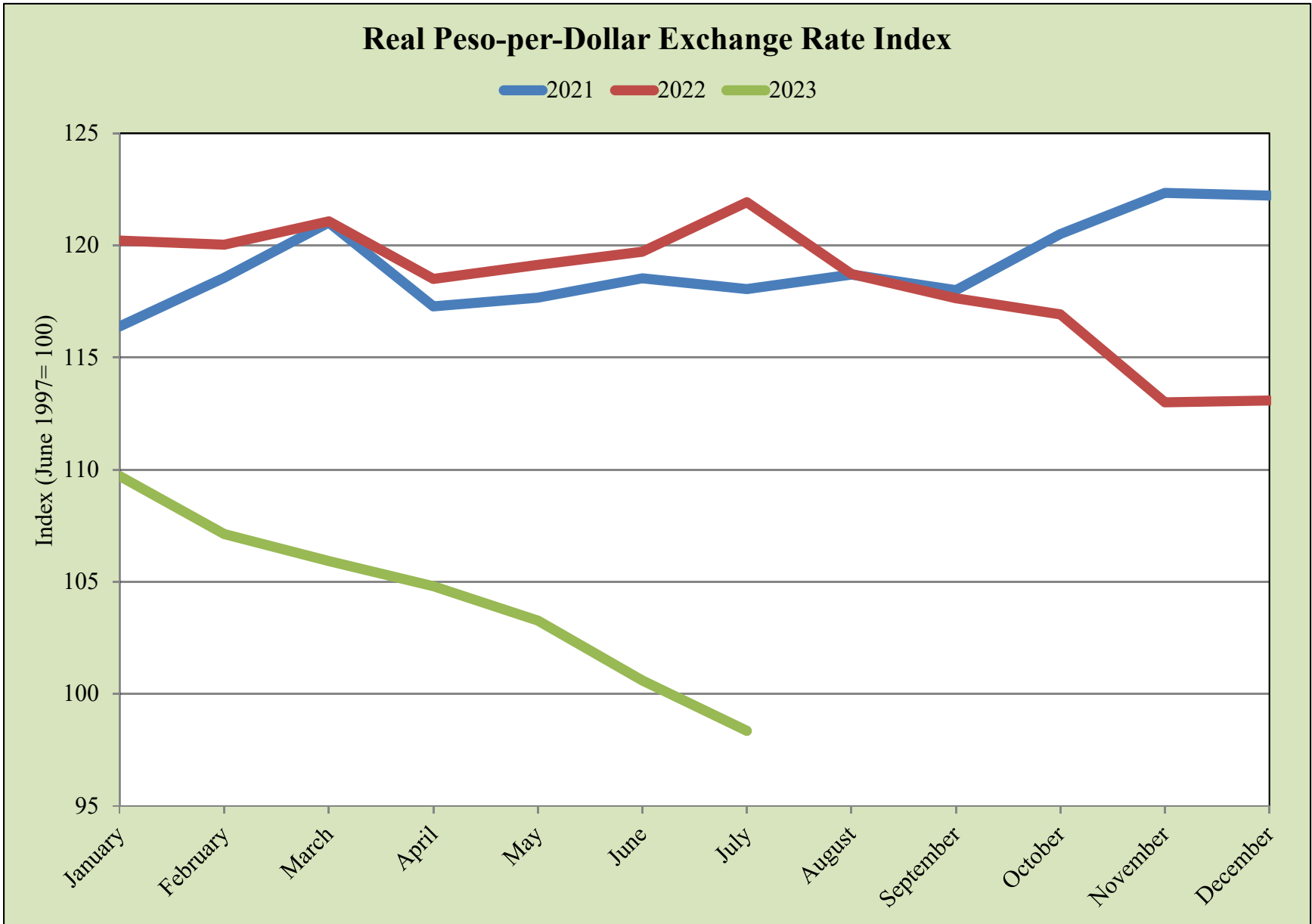
Source: UTEP Border Region Modeling Project using New Mexico Human Services Department Data



Source: UTEP Border Region Modeling Project using 85 identical franchise restaurant products sold on both sides of the border.

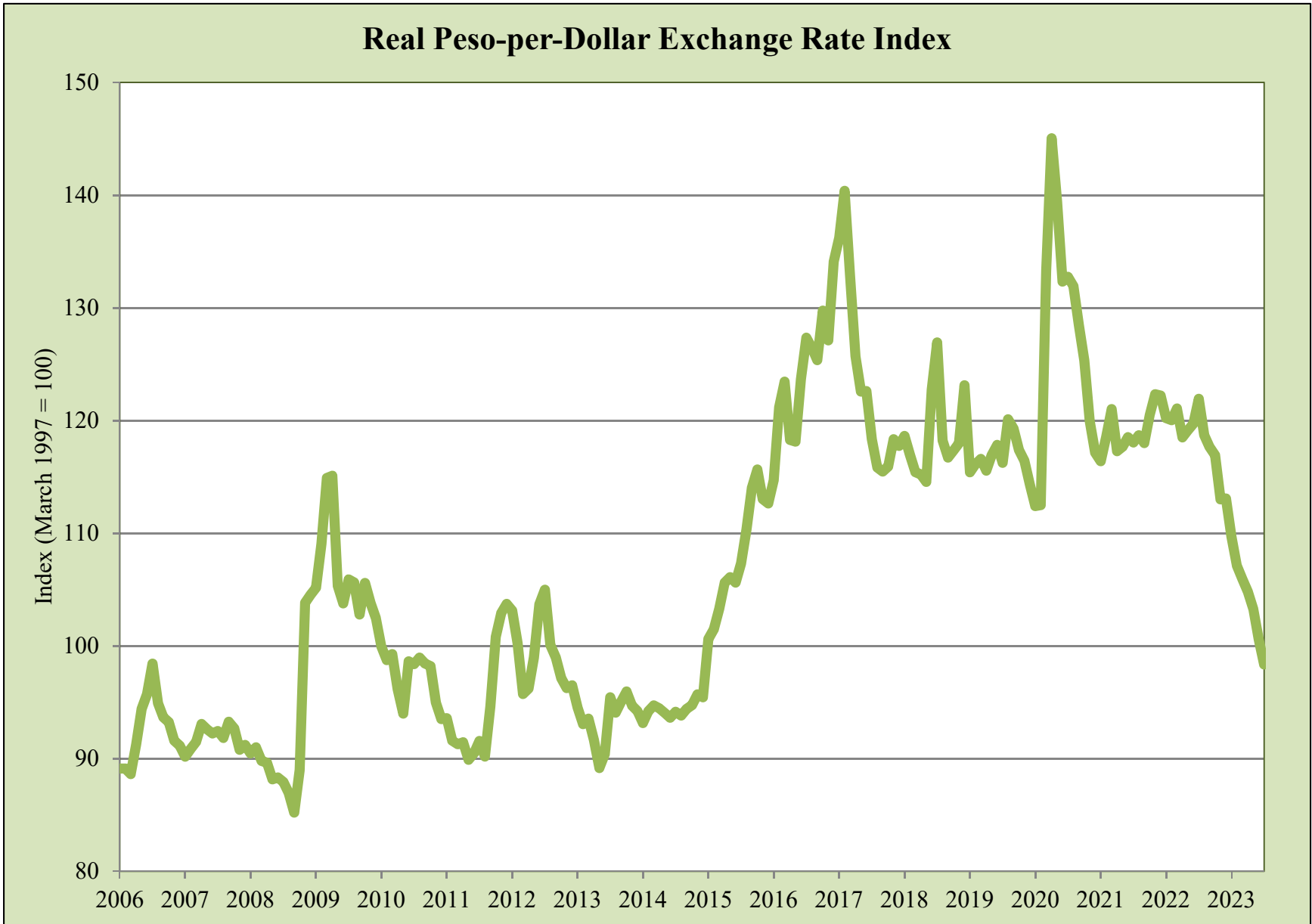


Source: UTEP Border Region Modeling Project using Banco de Mexico Data



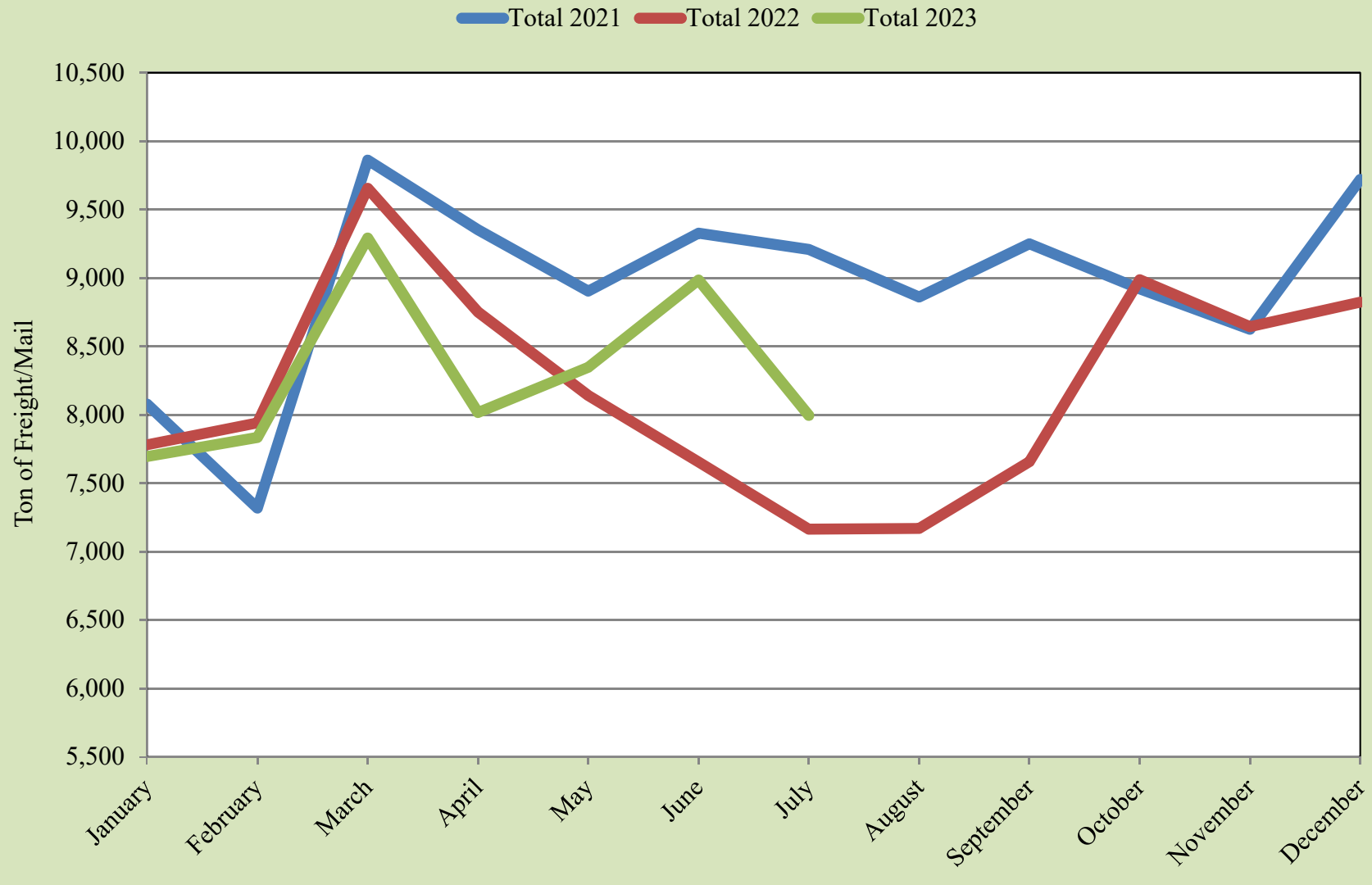
Source: UTEP Border Region Modeling Project





Source: UTEP Border Region Modeling Project

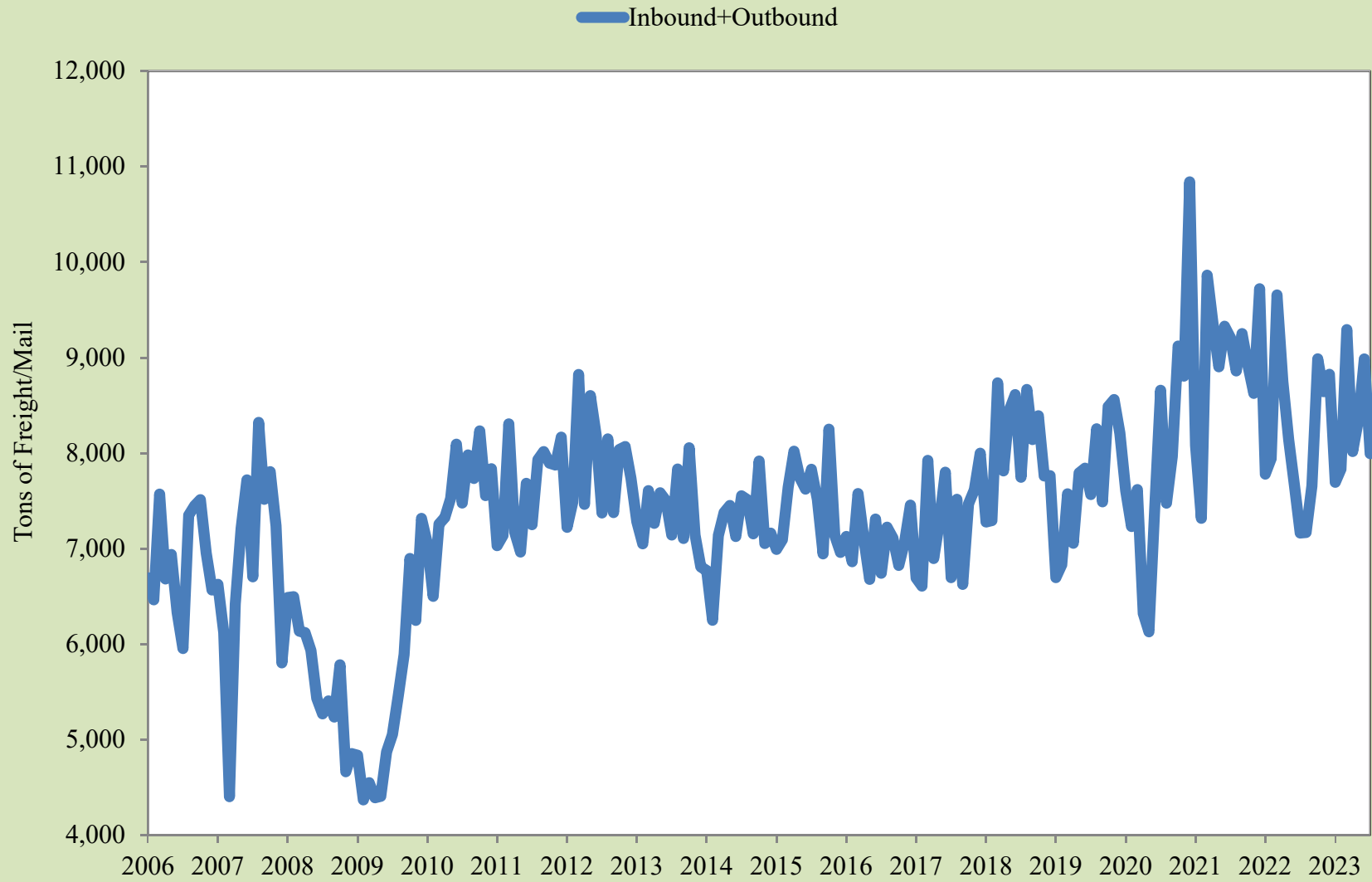
## EPIA Freight and Mail



Source: UTEP Border Region Modeling Project using EPIA Operations Data

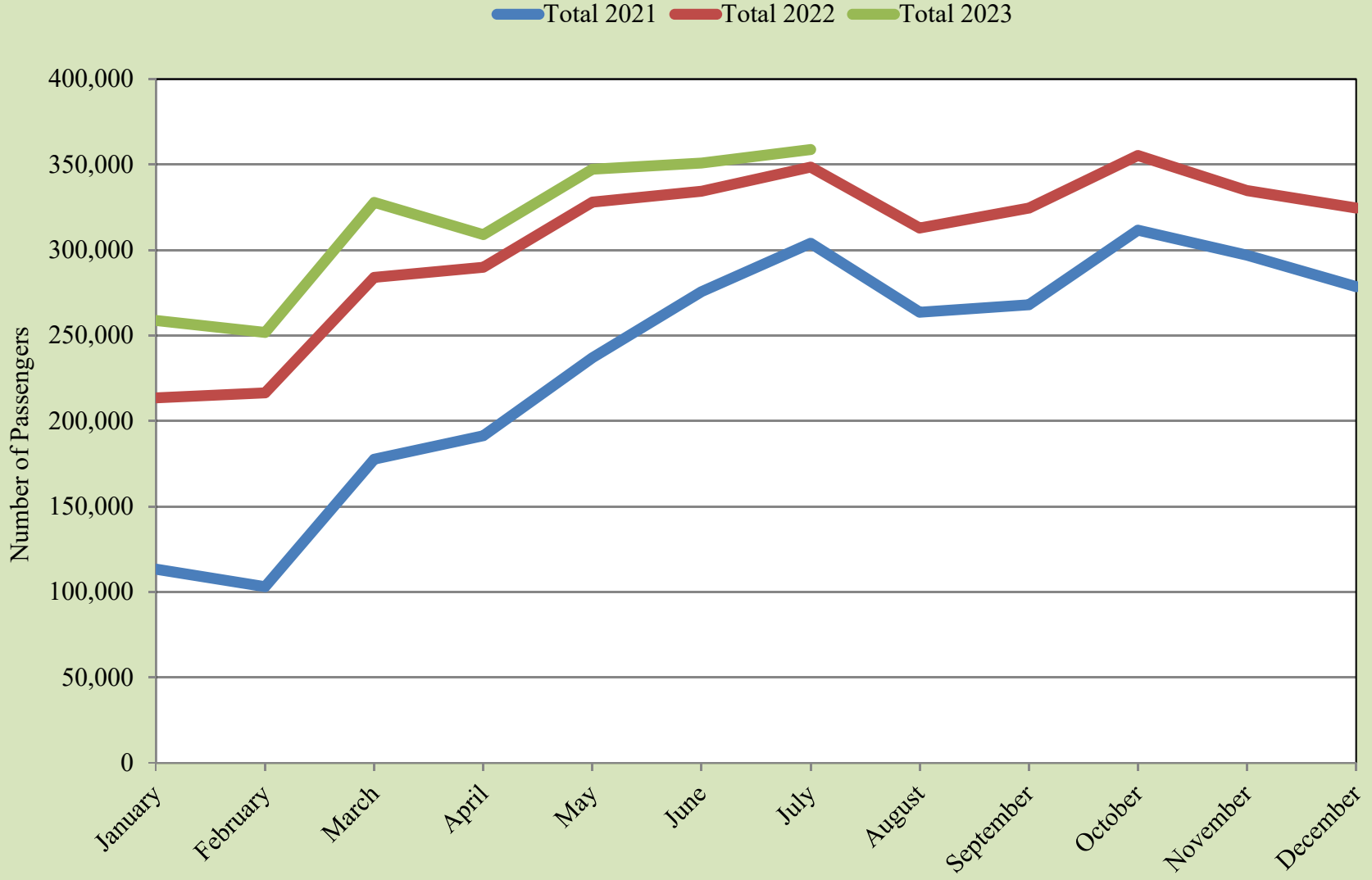


## EPIA Freight and Mail

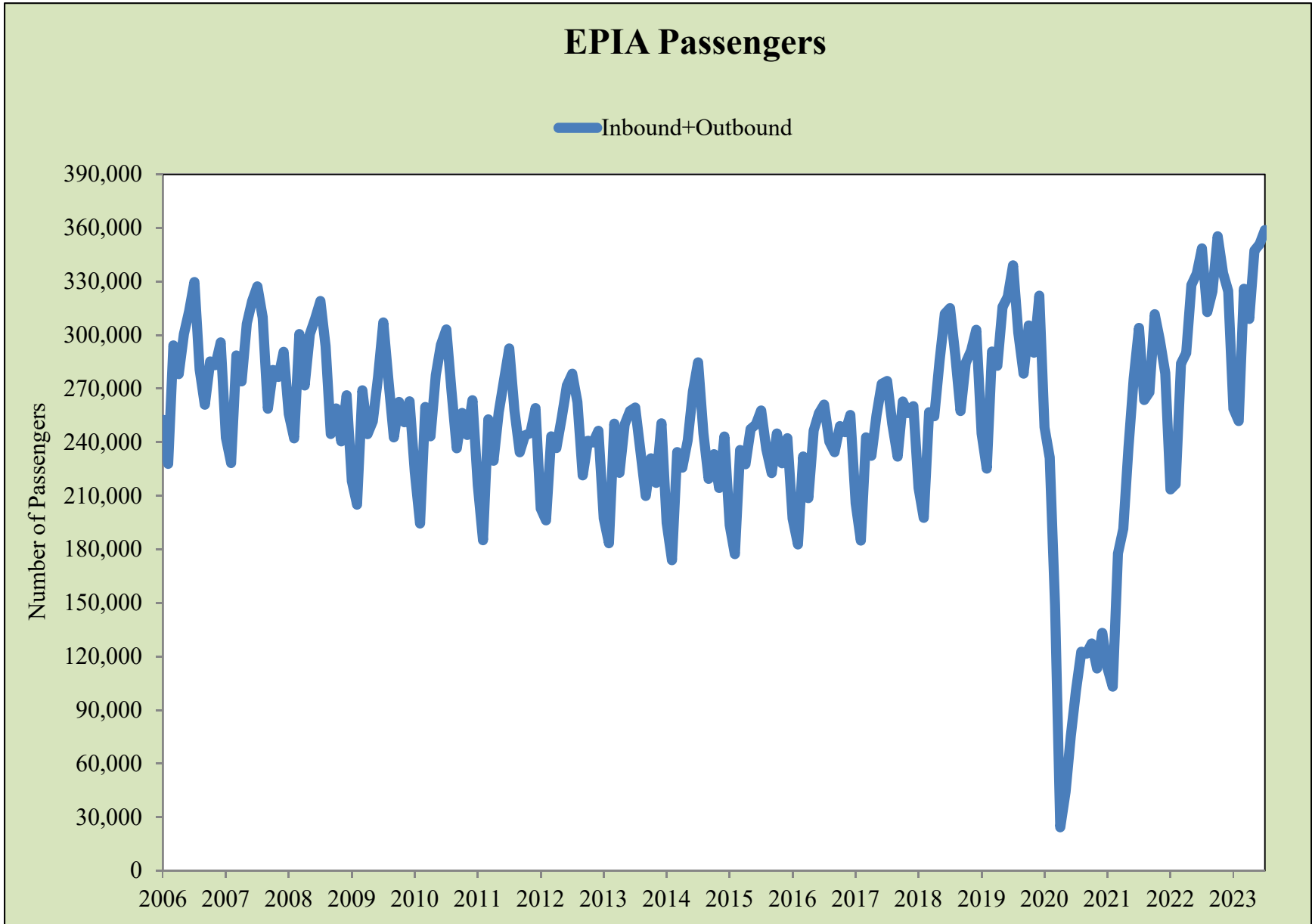


Source: UTEP Border Region Modeling Project using EPIA Operations Data

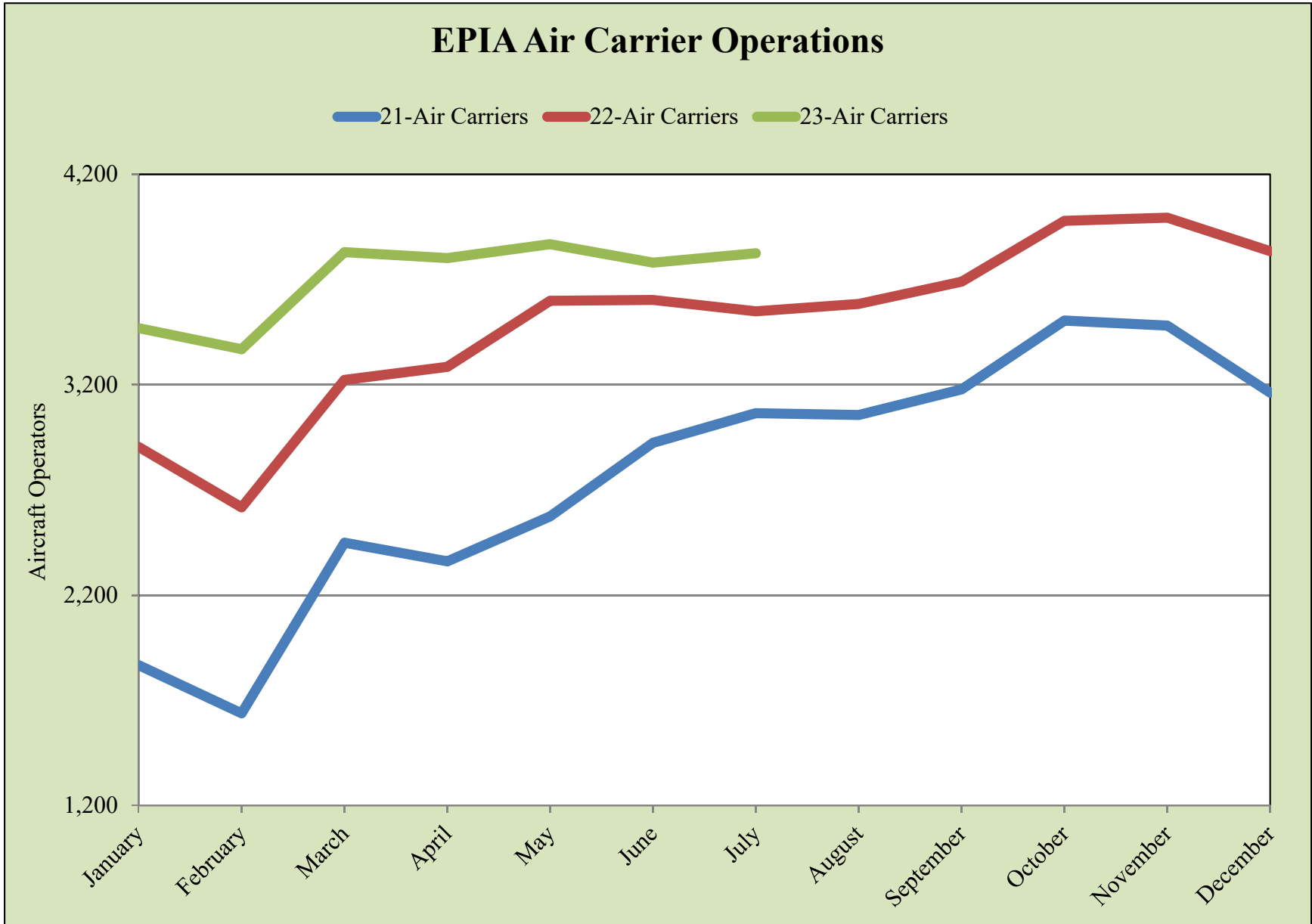
# EPIA Passengers



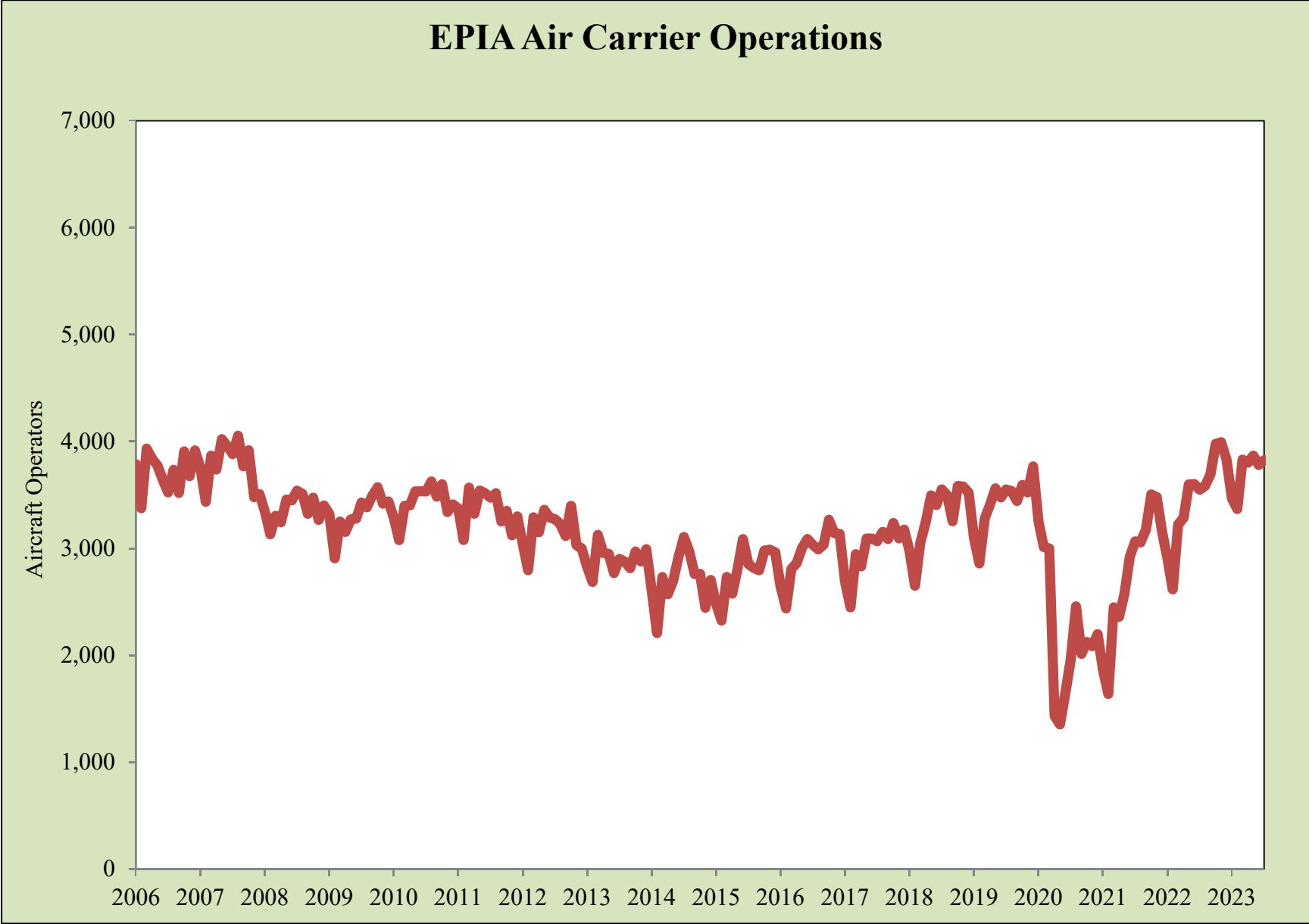
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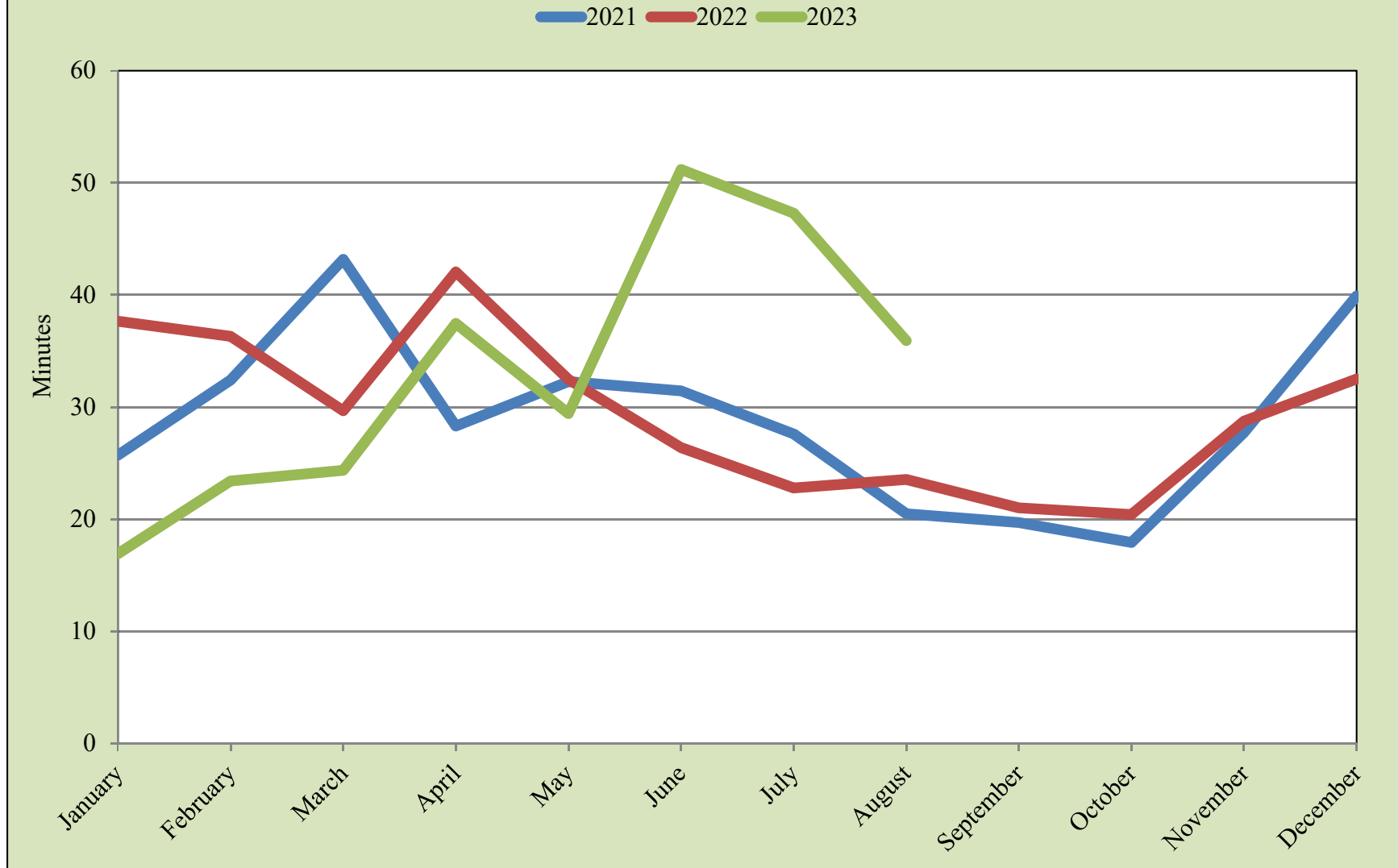
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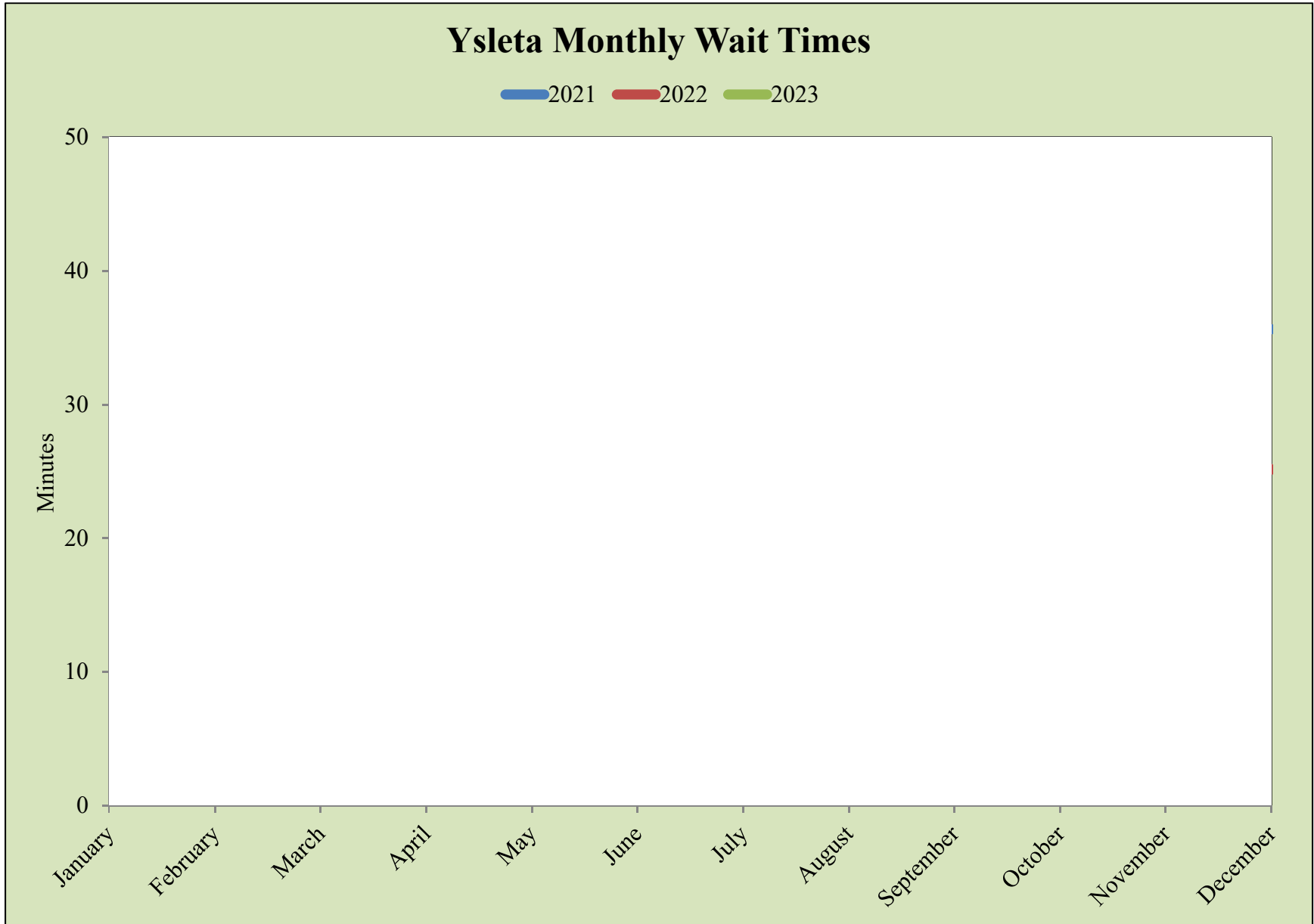


## Paso del Norte Monthly Wait Times

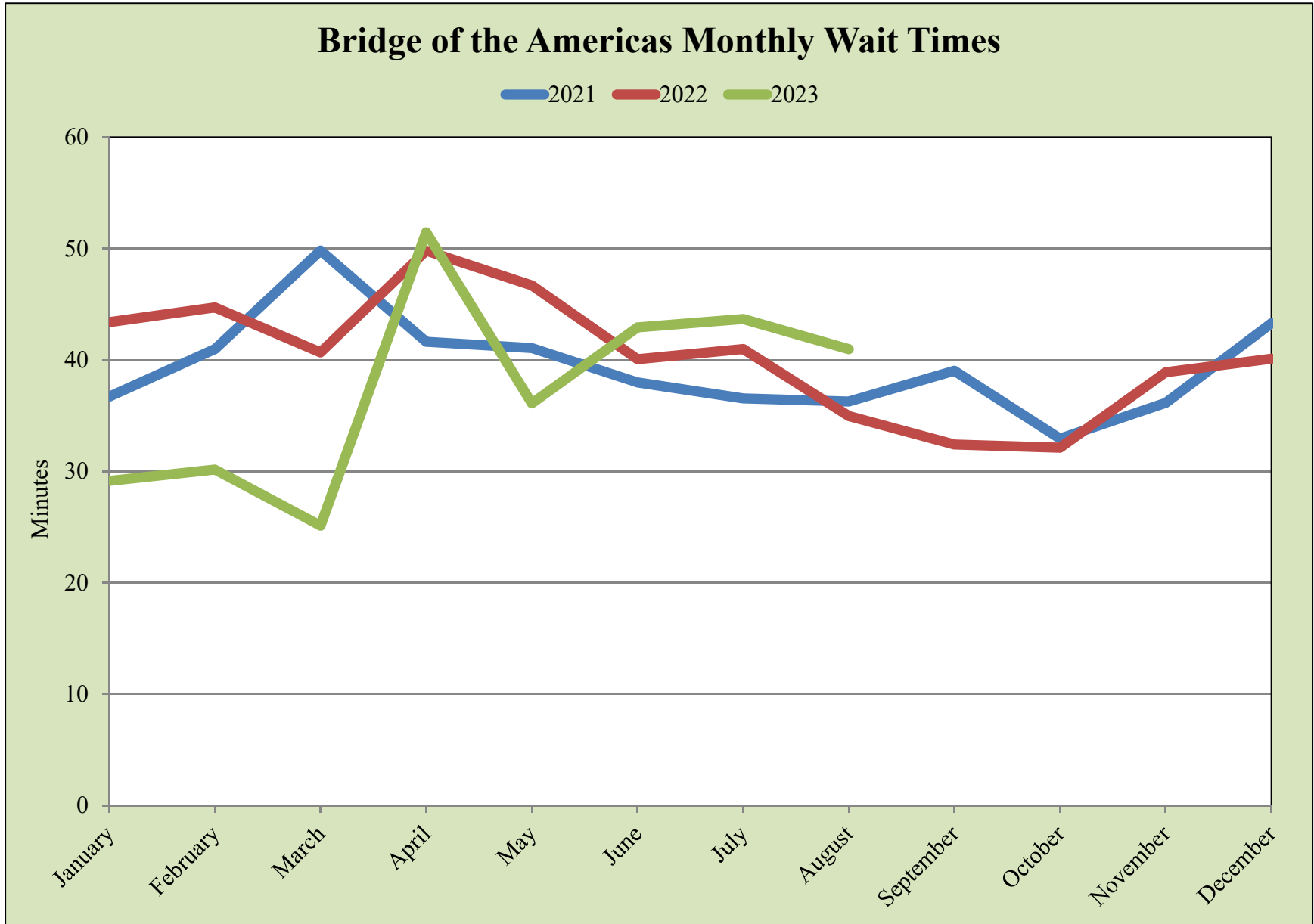


Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data

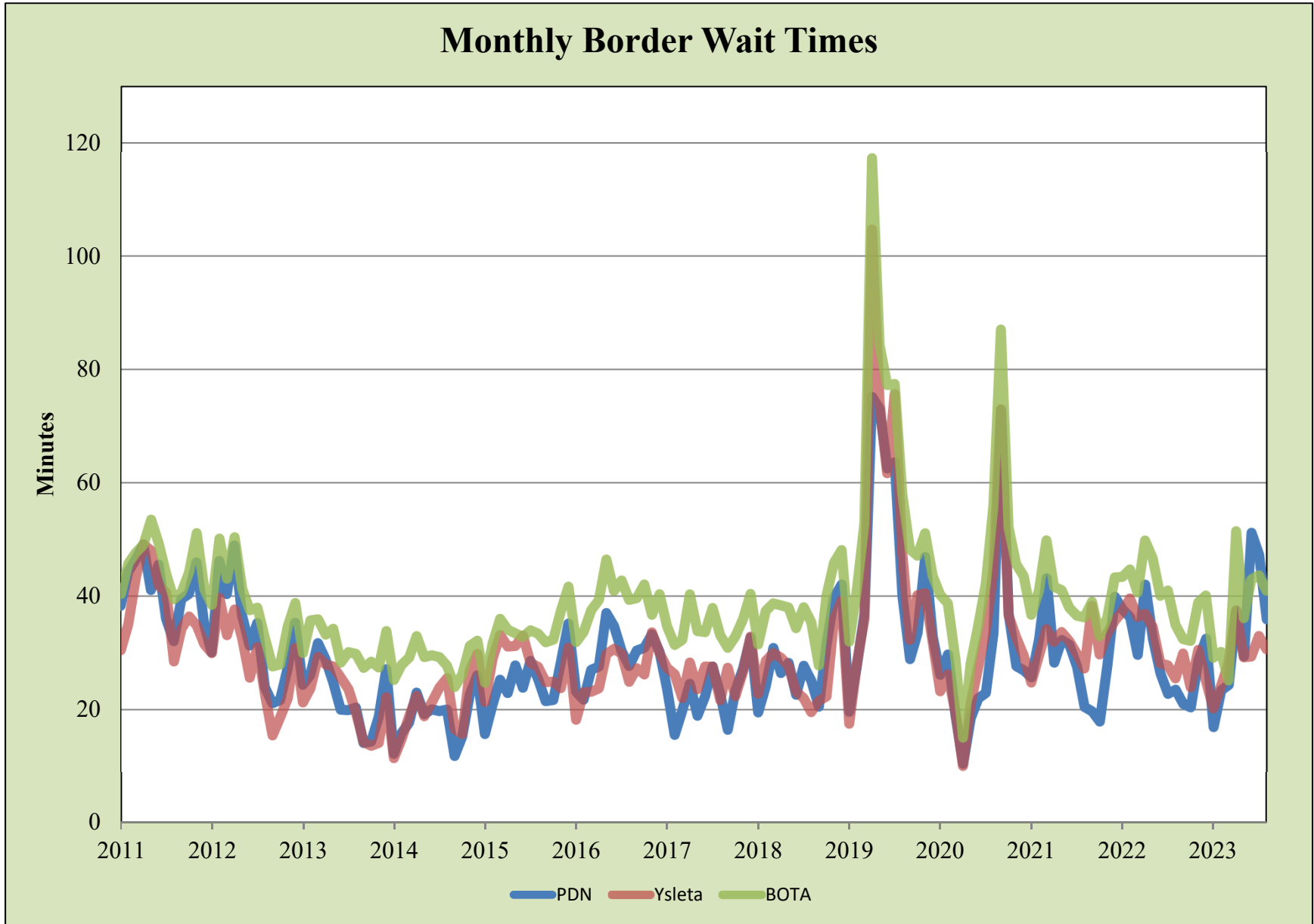




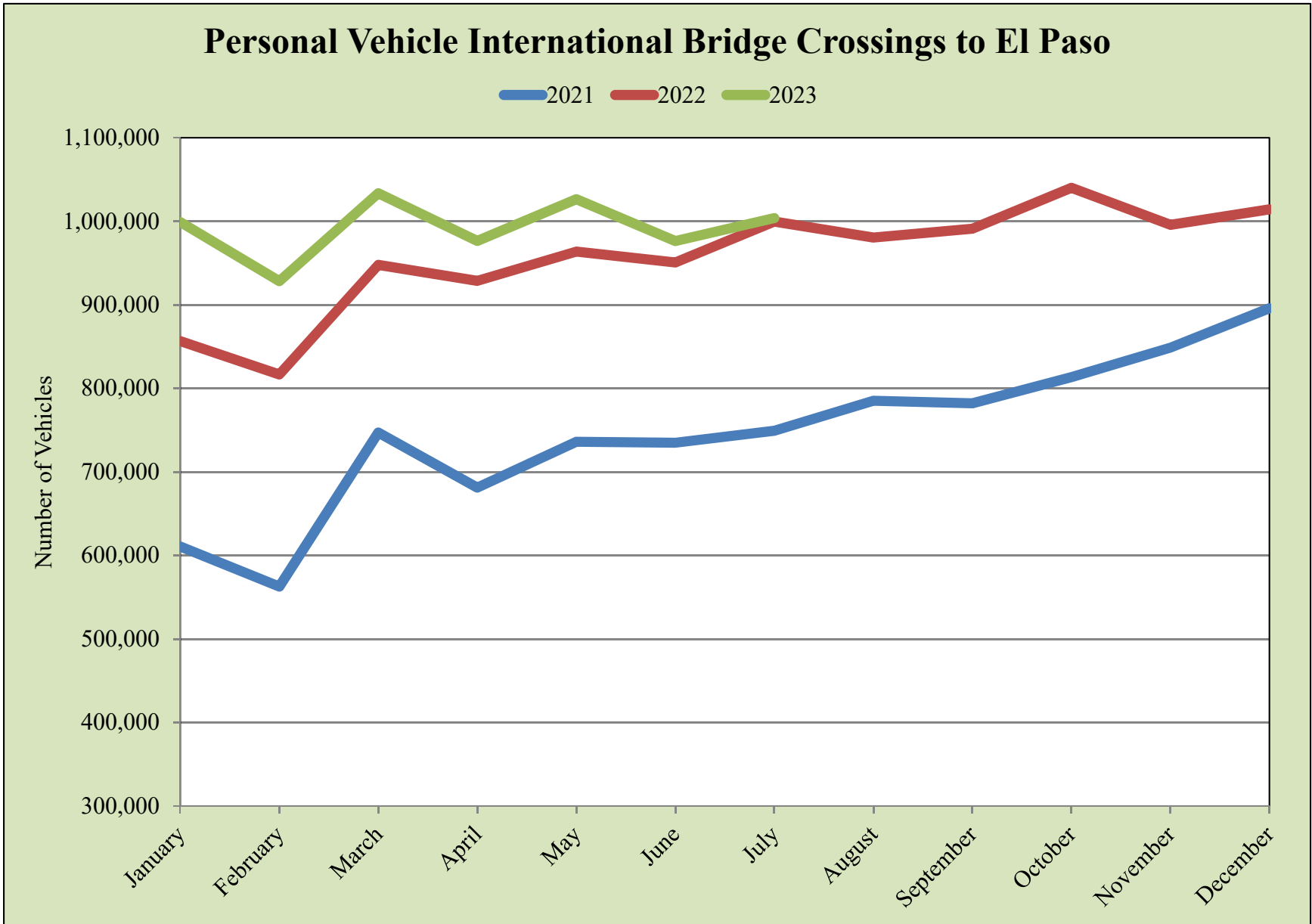
Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data



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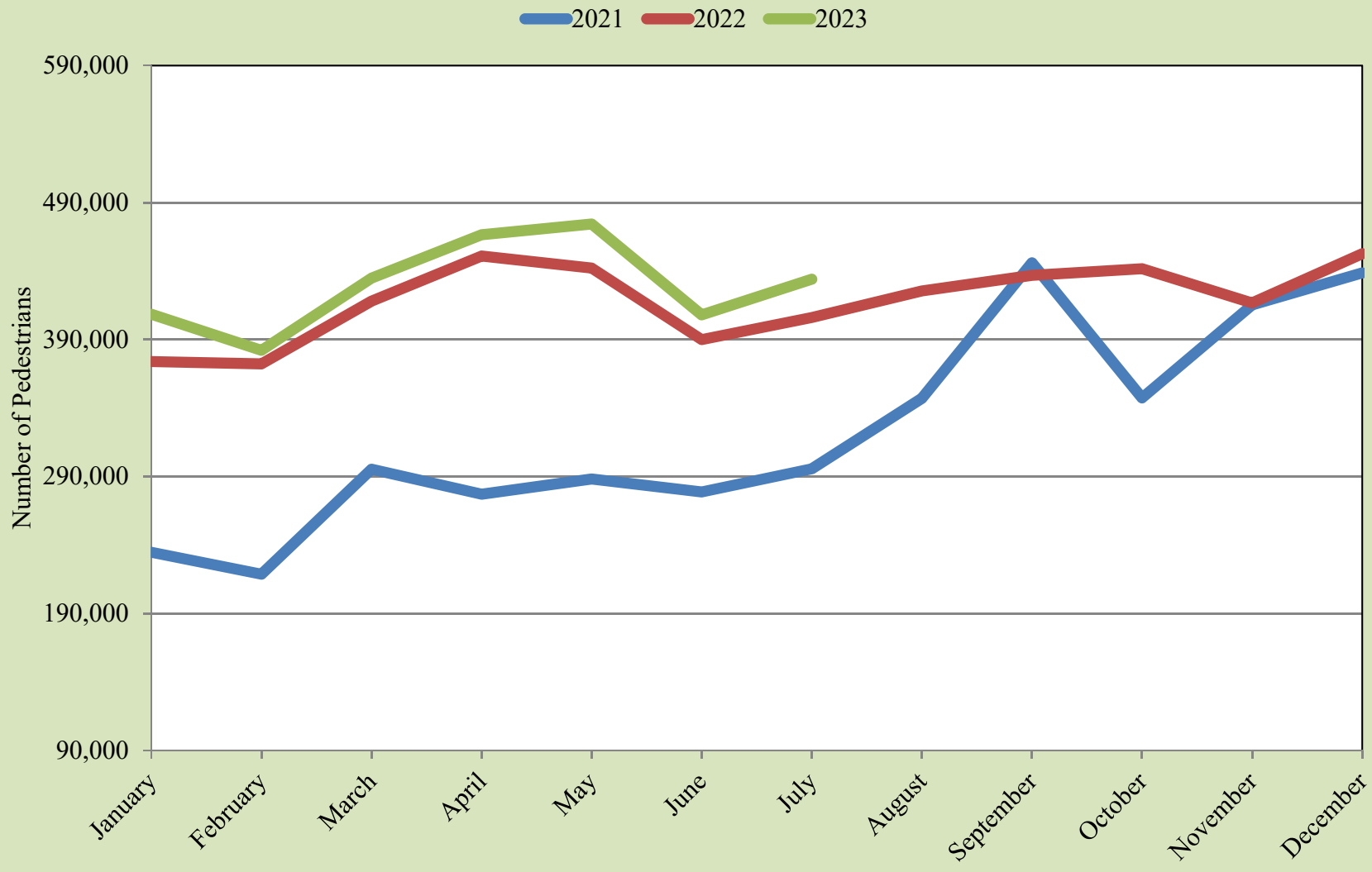
## Personal Vehicle International Bridge Crossings to El Paso



Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data



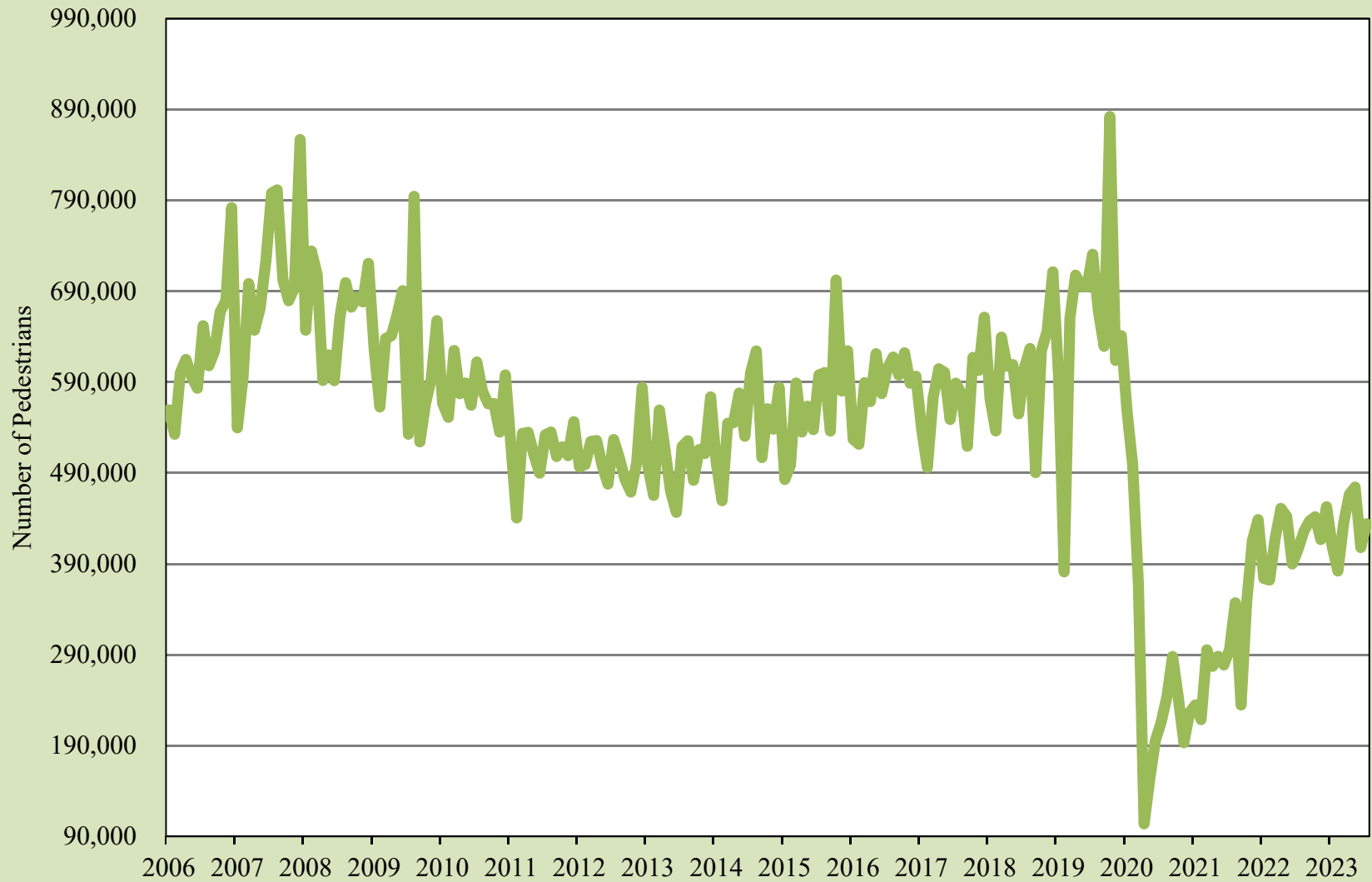
## Pedestrian International Bridge Crossings to El Paso



Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data



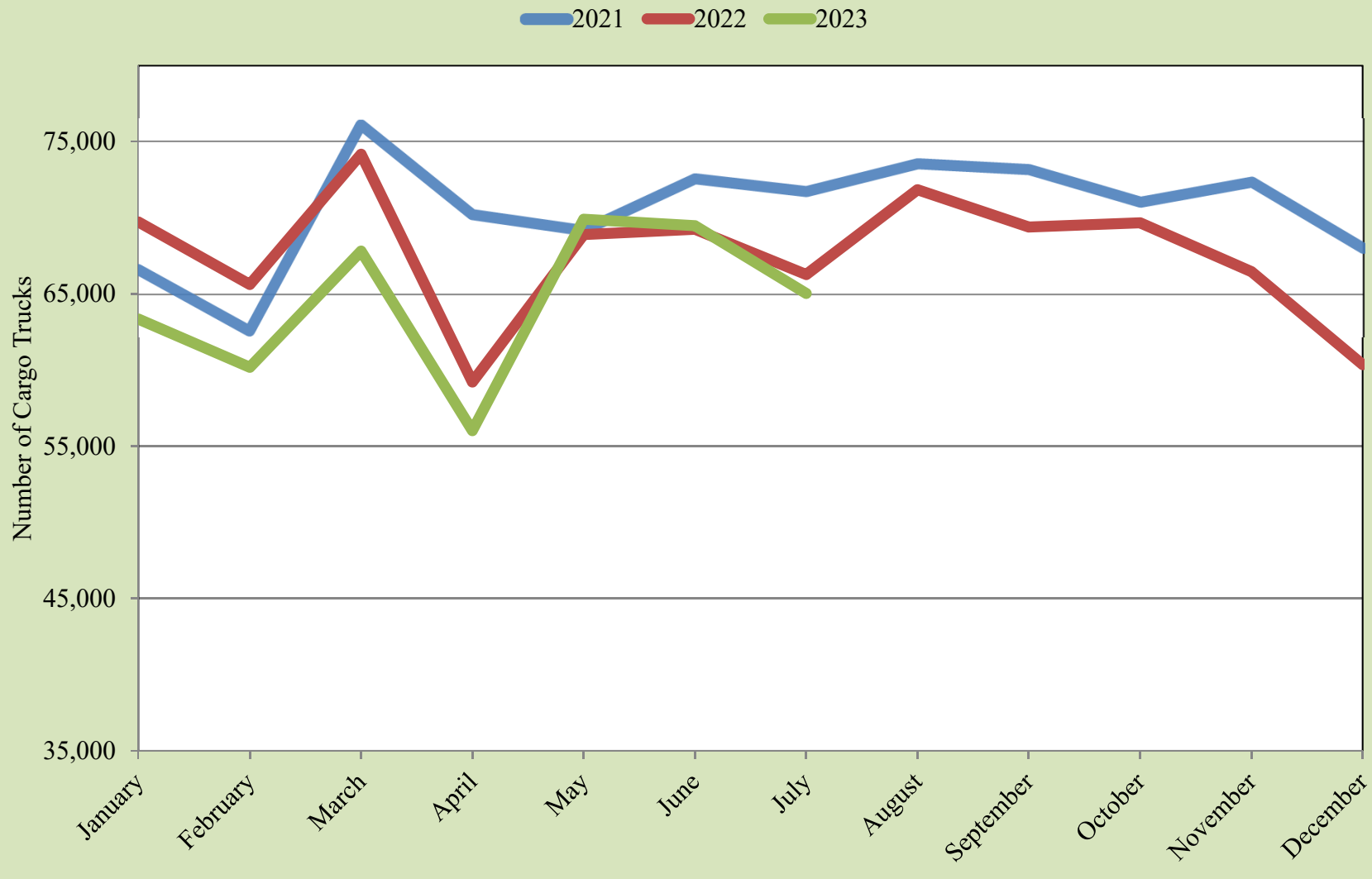
## Pedestrian International Bridge Crossings to El Paso



Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data



## Cargo Truck International Bridge Crossings to El Paso

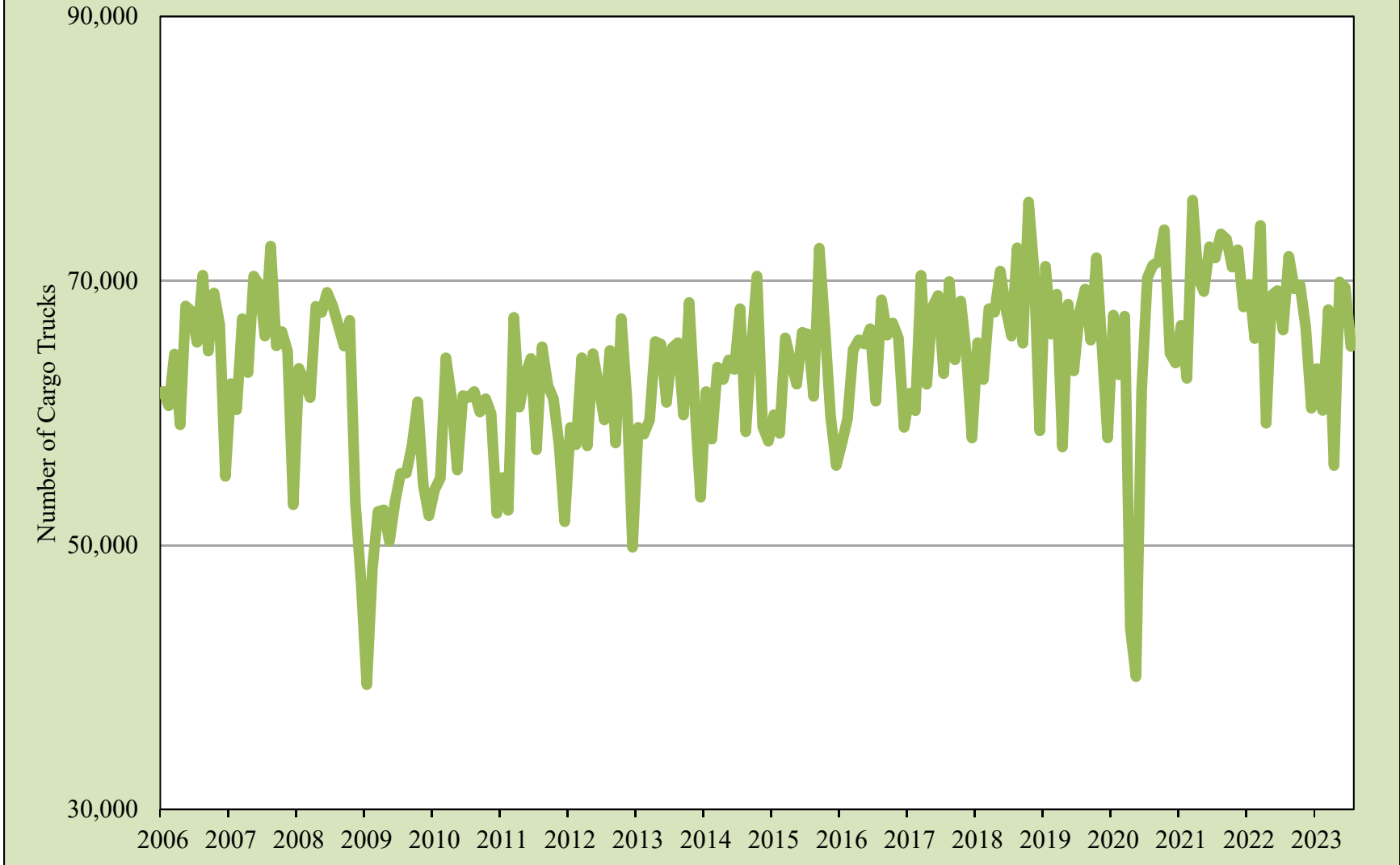


Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data





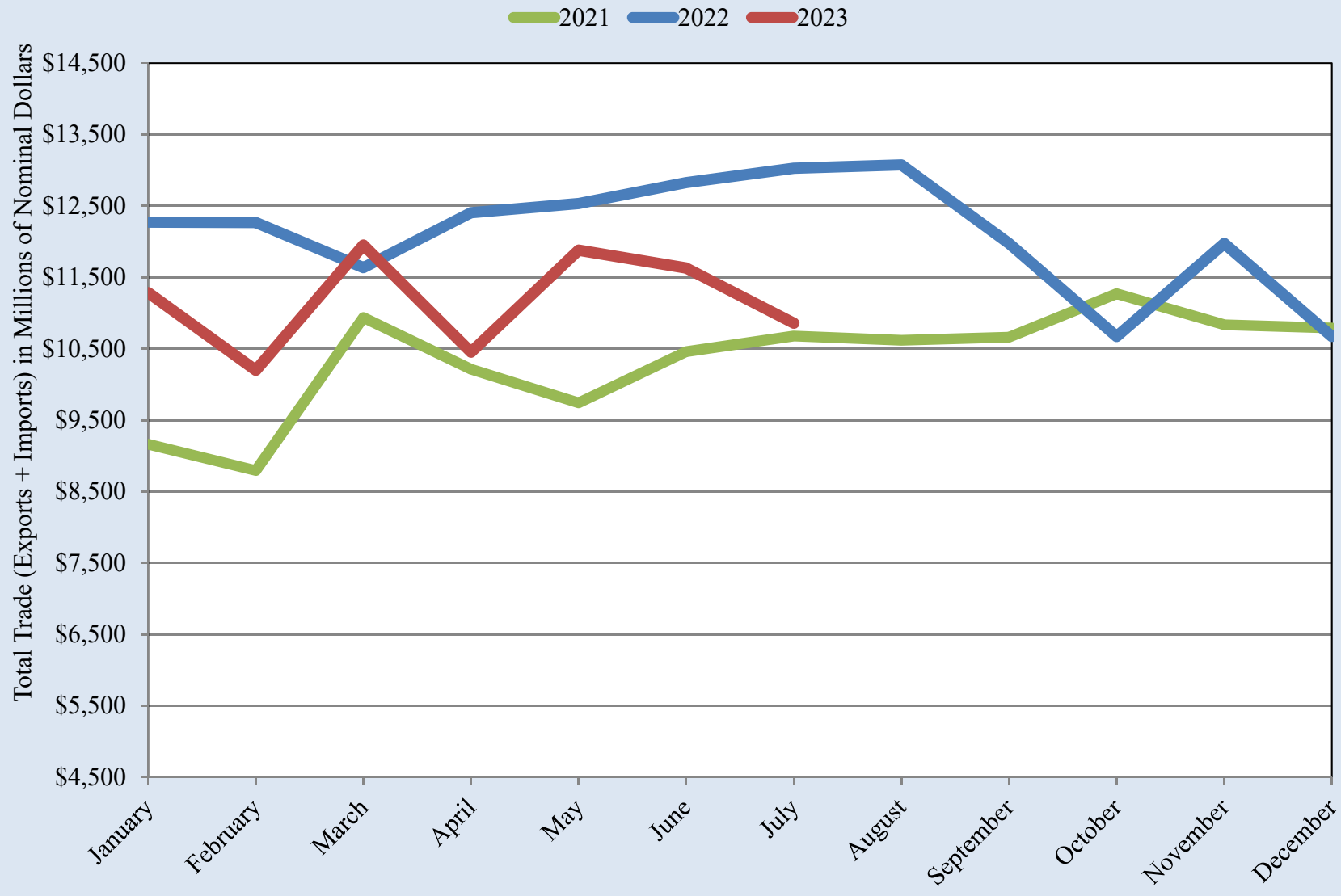
## Cargo Truck International Bridge Crossings to El Paso



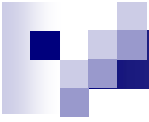
Source: UTEP Border Region Modeling Project using US Customs & Border Protection Data



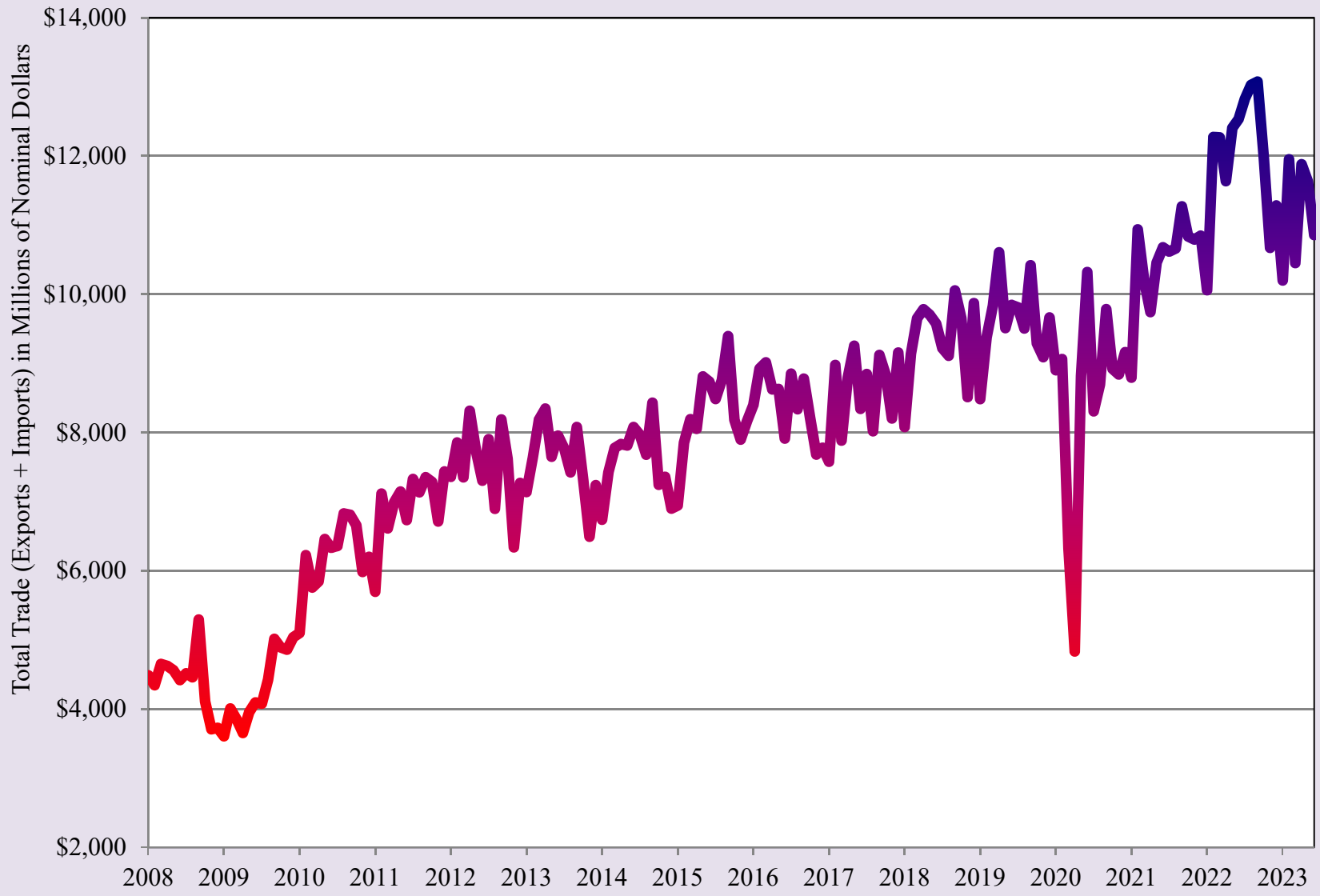
## Total Trade through the El Paso Customs District



Source: UTEP Border Region Modeling Project using US International Trade Commission Data



## Total Trade through the El Paso Customs District

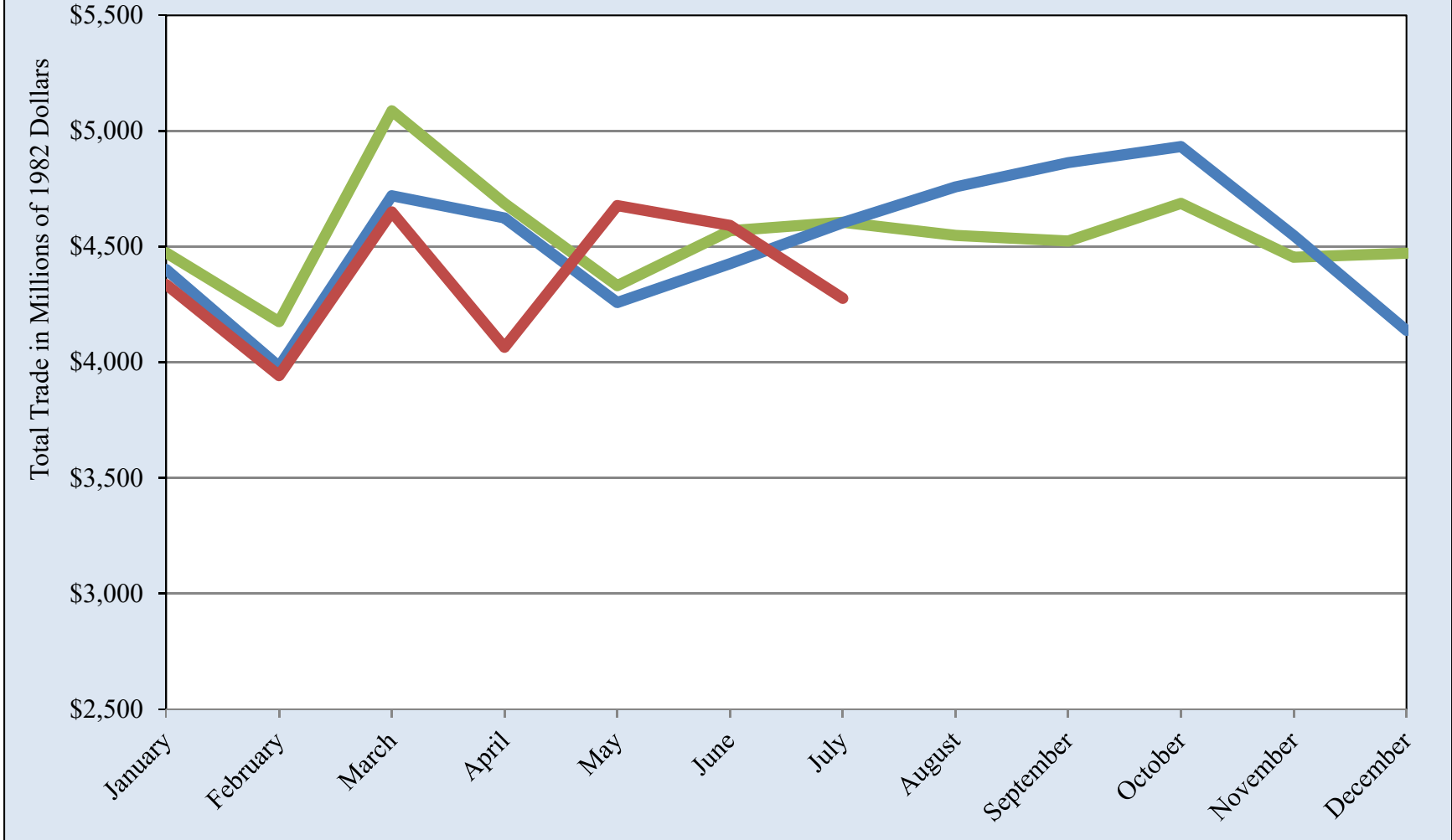


Source: UTEP Border Region Modeling Project using US International Trade Commission Data



## Real Total Trade through the El Paso Customs District

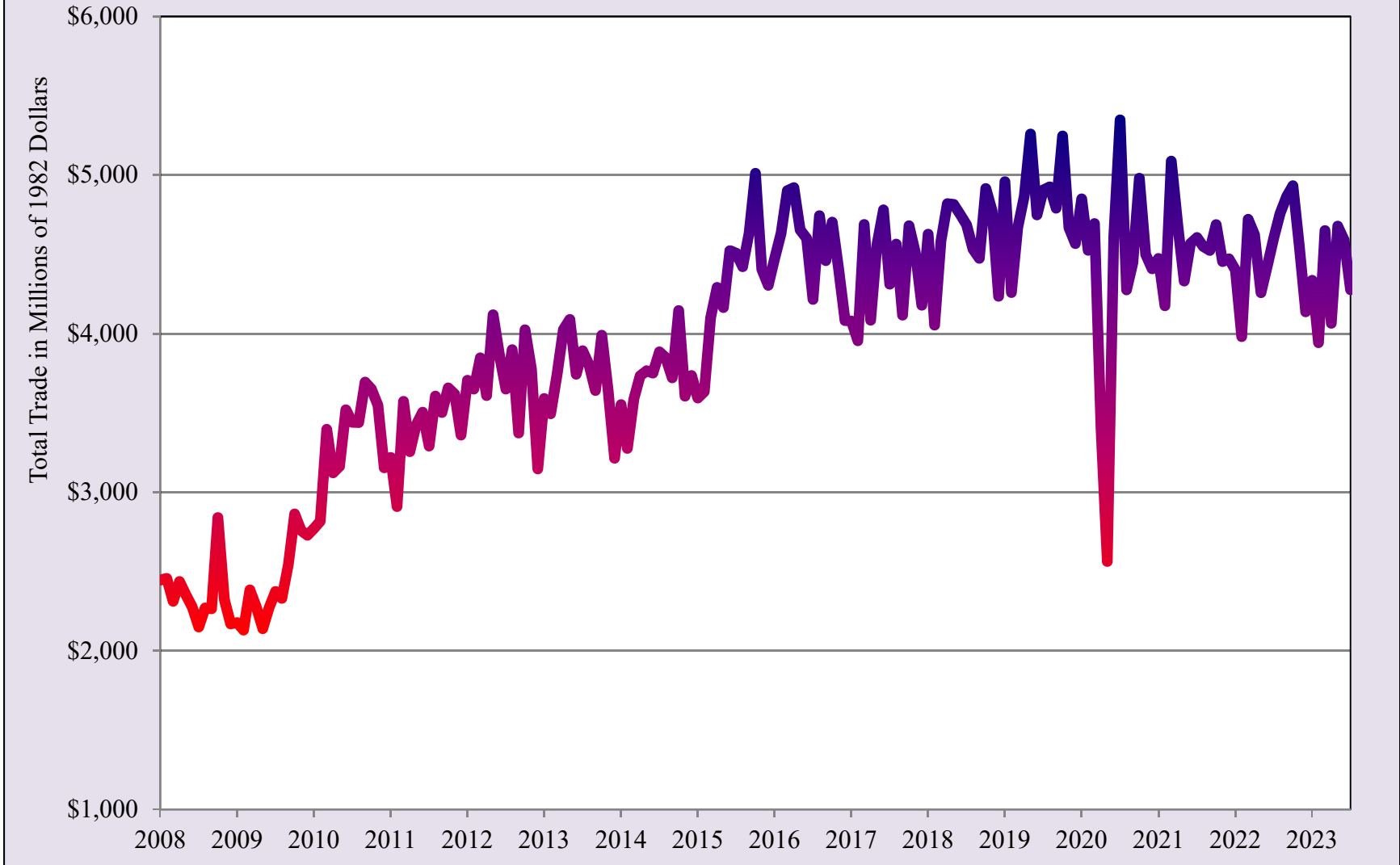
2021 2022 2023



Source: UTEP Border Region Modeling Project using US International Trade Commission Data



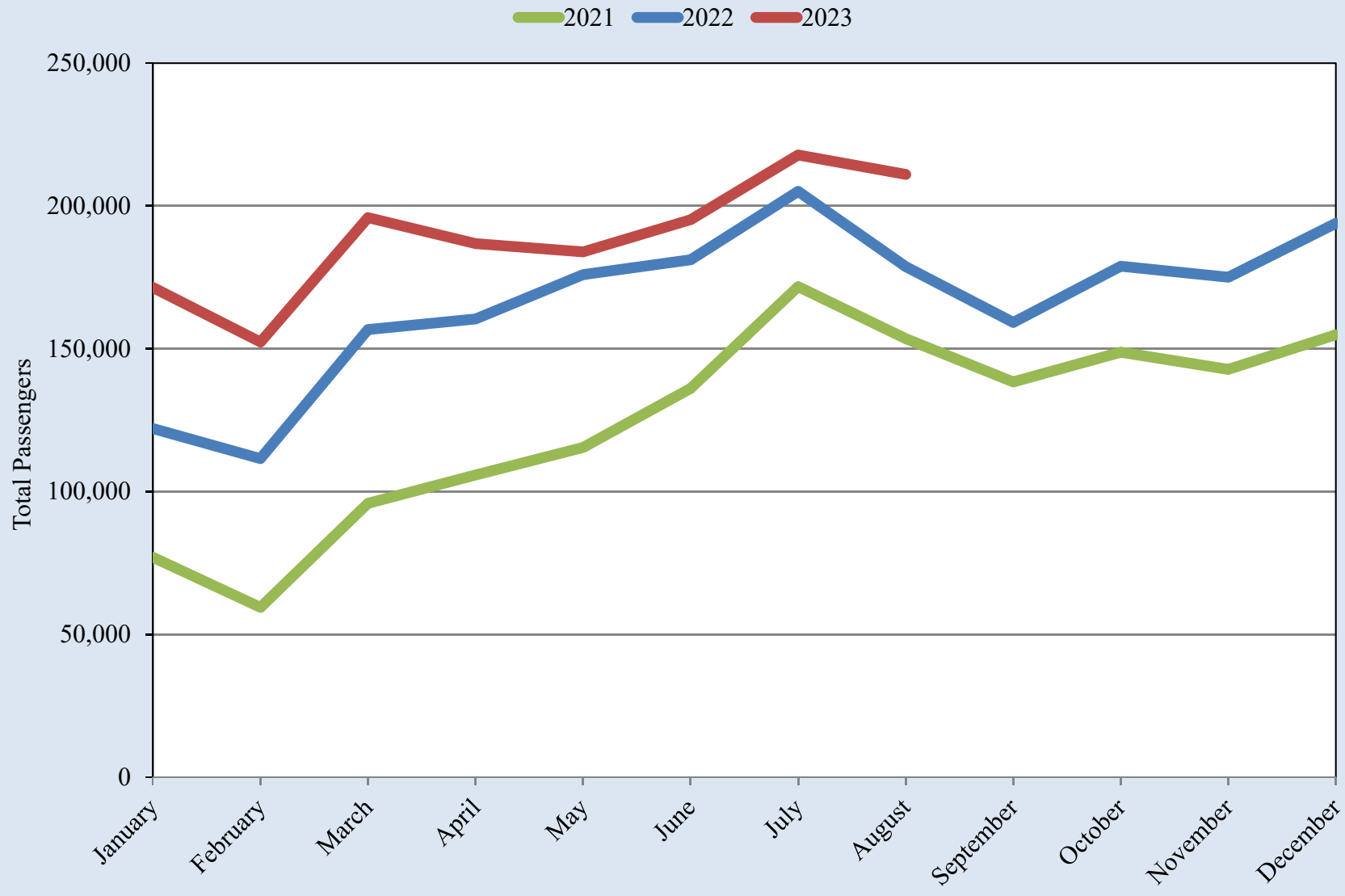
## Real Total Trade through the El Paso Customs District



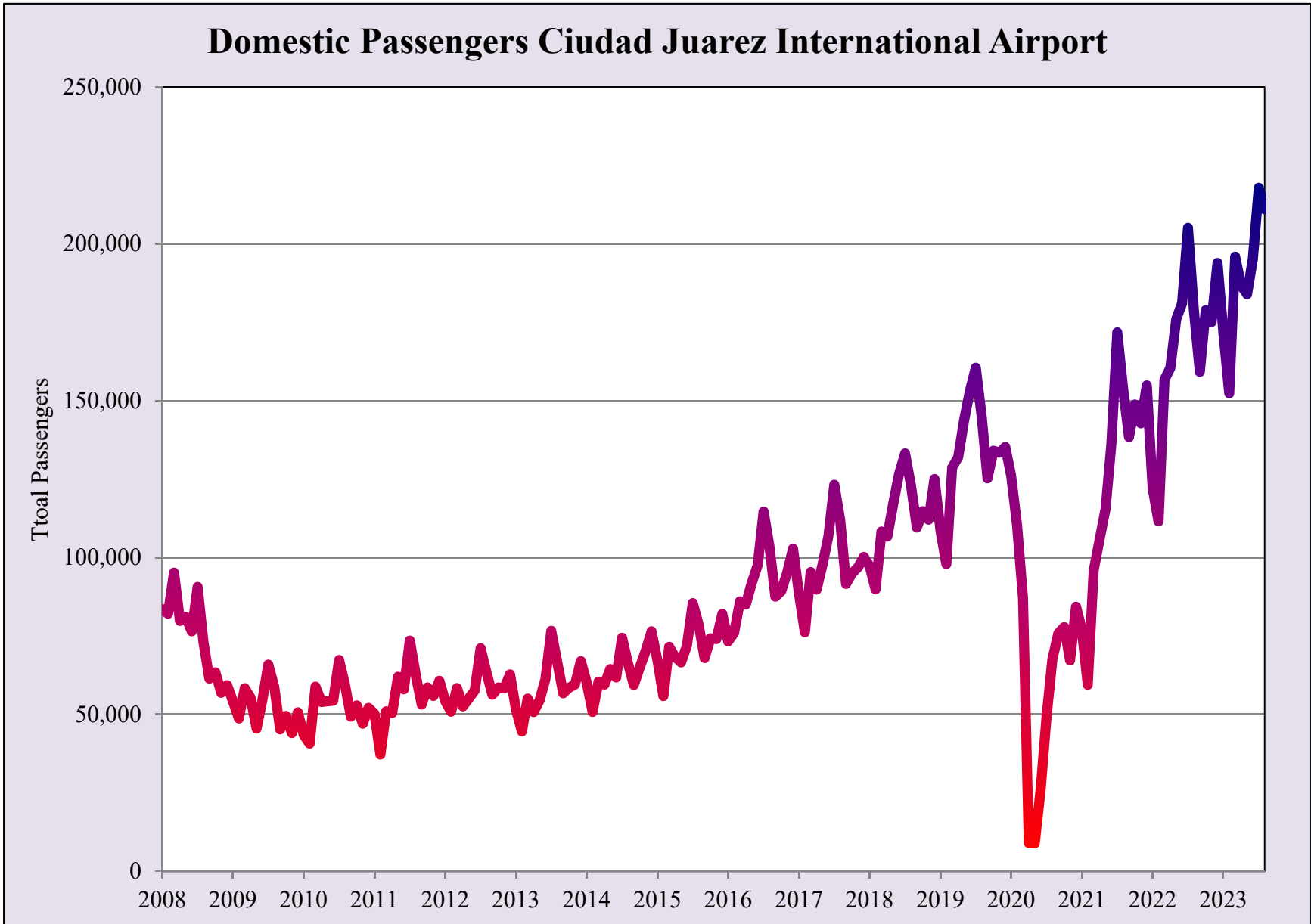
Source: UTEP Border Region Modeling Project using US International Trade Commission Data



## Domestic Passengers Ciudad Juarez International Airport



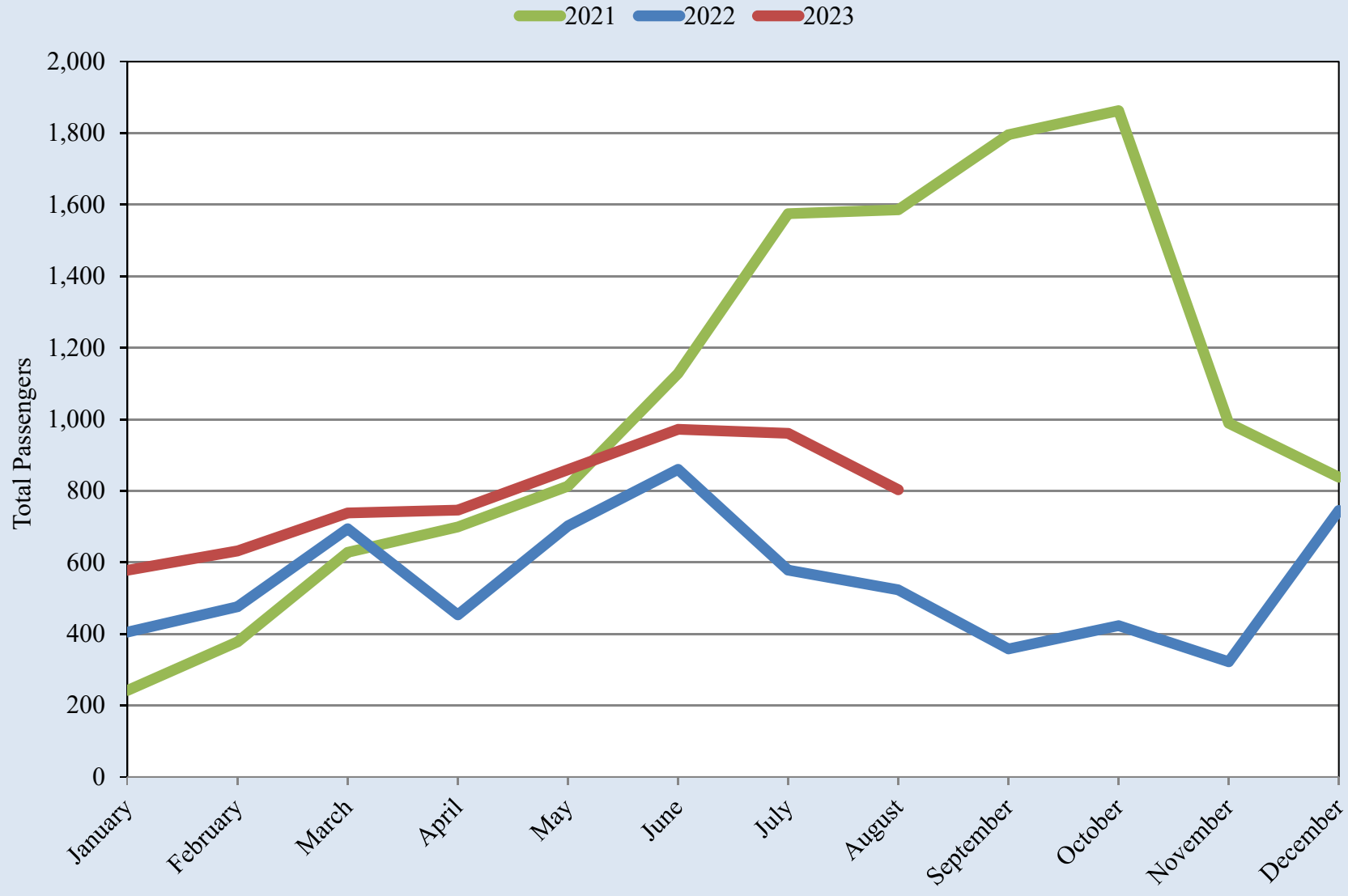
Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data



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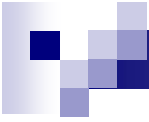


## International Passengers Ciudad Juarez International Airport

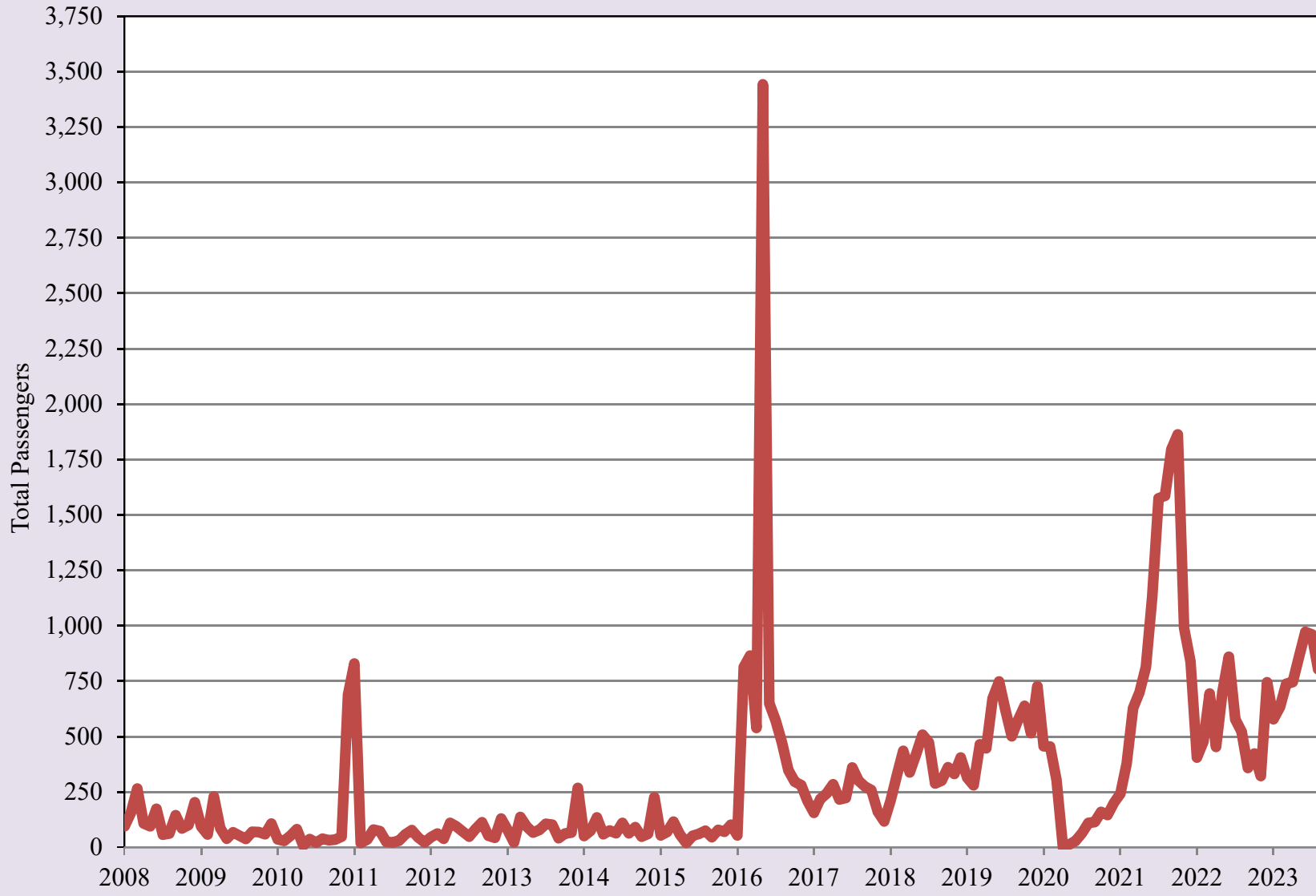


Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data





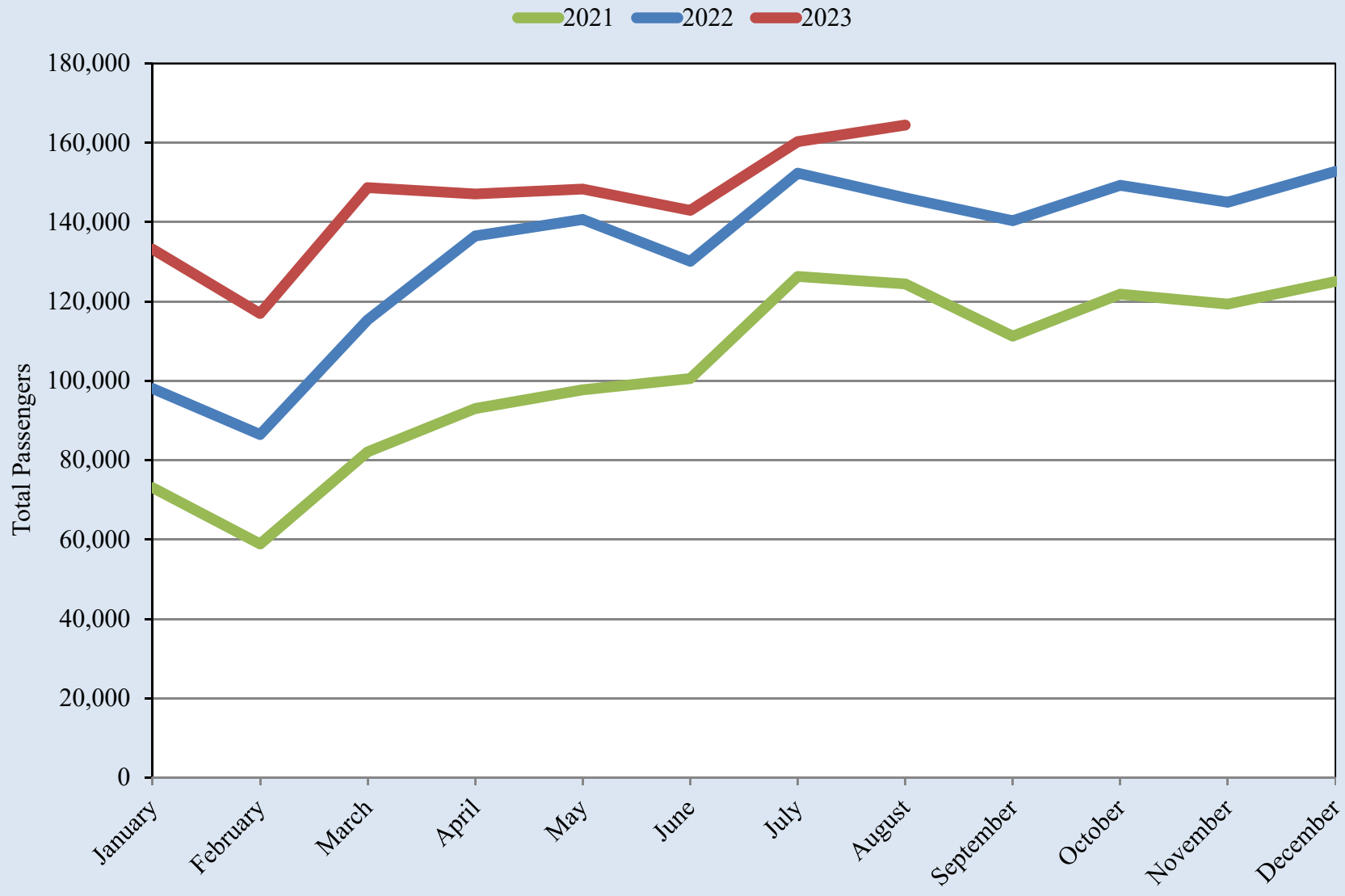
## International Passengers Ciudad Juarez International Airport



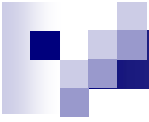
Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data



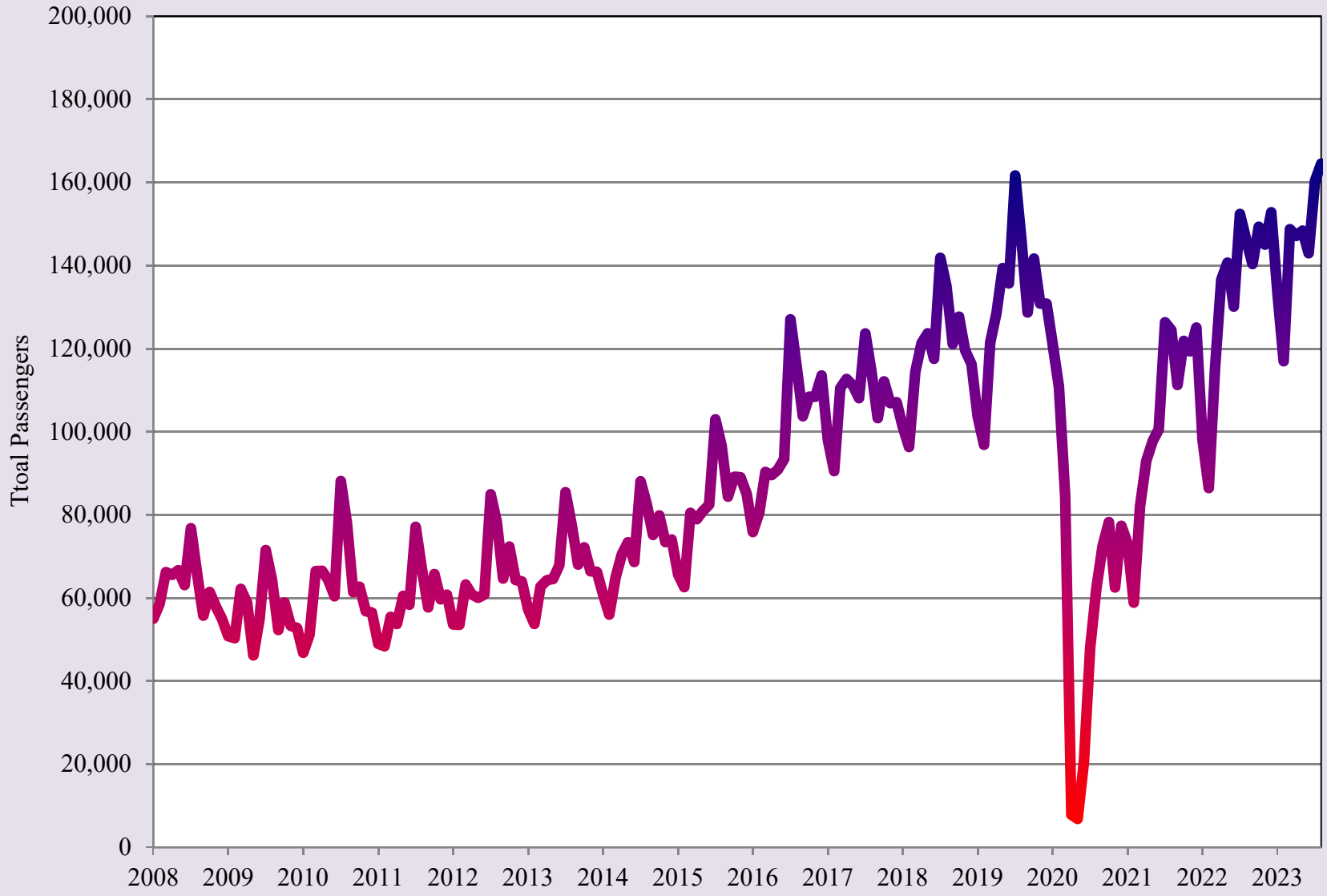
## Domestic Passengers Chihuahua City International Airport



Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data



## Domestic Passengers Chihuahua City International Airport



Source: UTEP Border Region Modeling Project using Grupo Aeroportuario Centro Norte - OMA Data



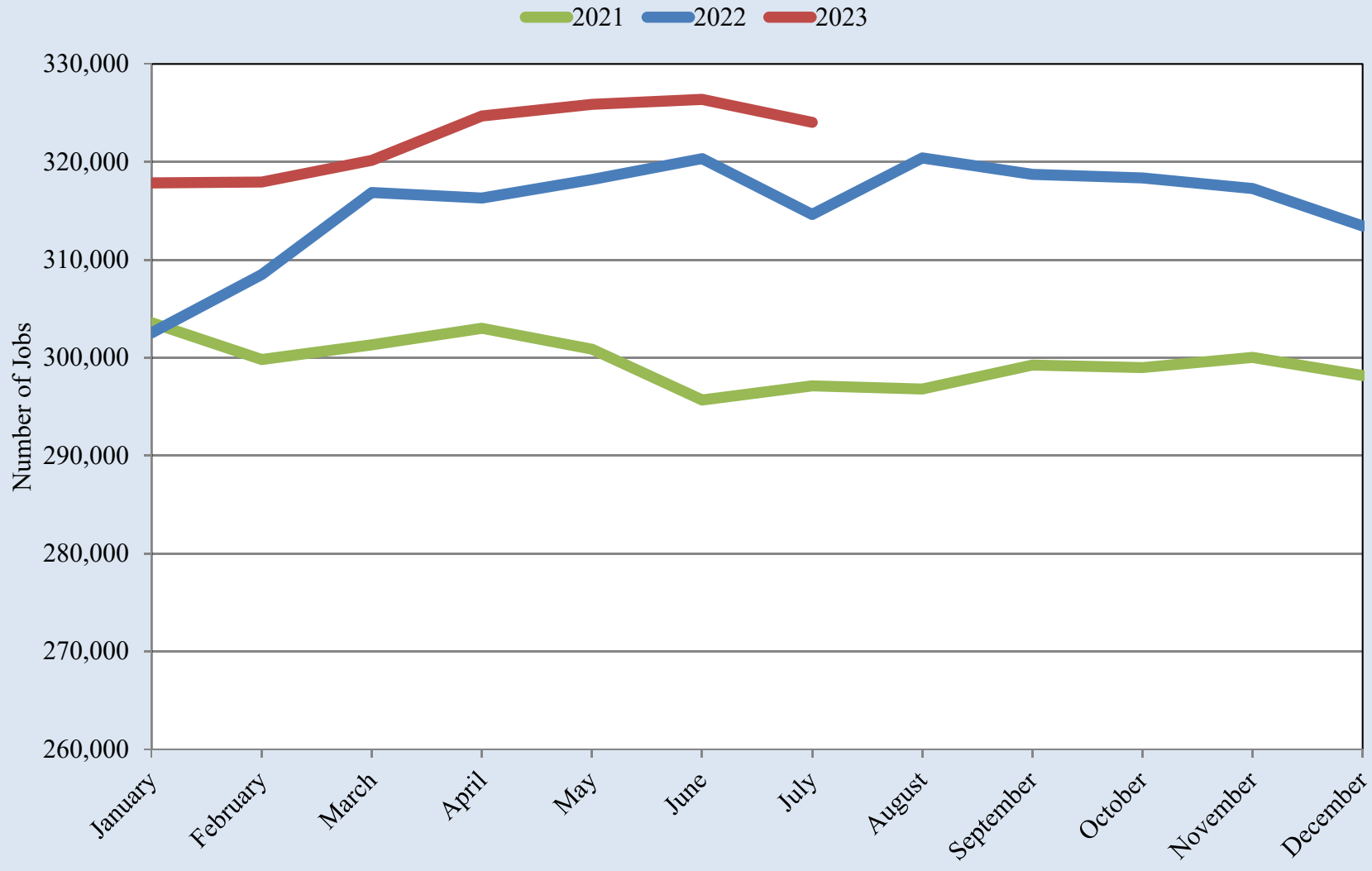
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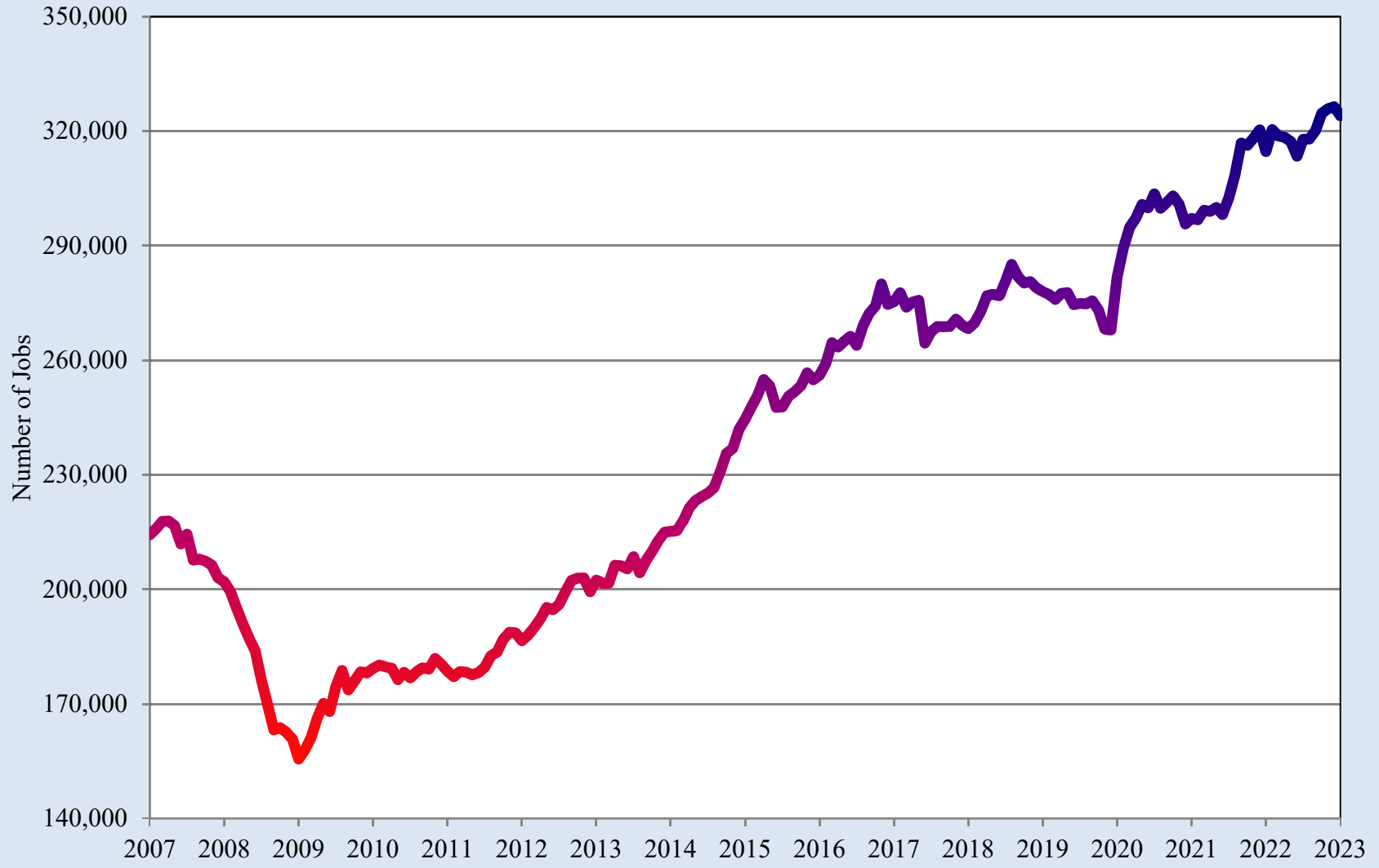
## Export-Oriented Manufacturing Employment in Ciudad Juárez



Source: UTEP Border Region Modeling Project using INEGI Data



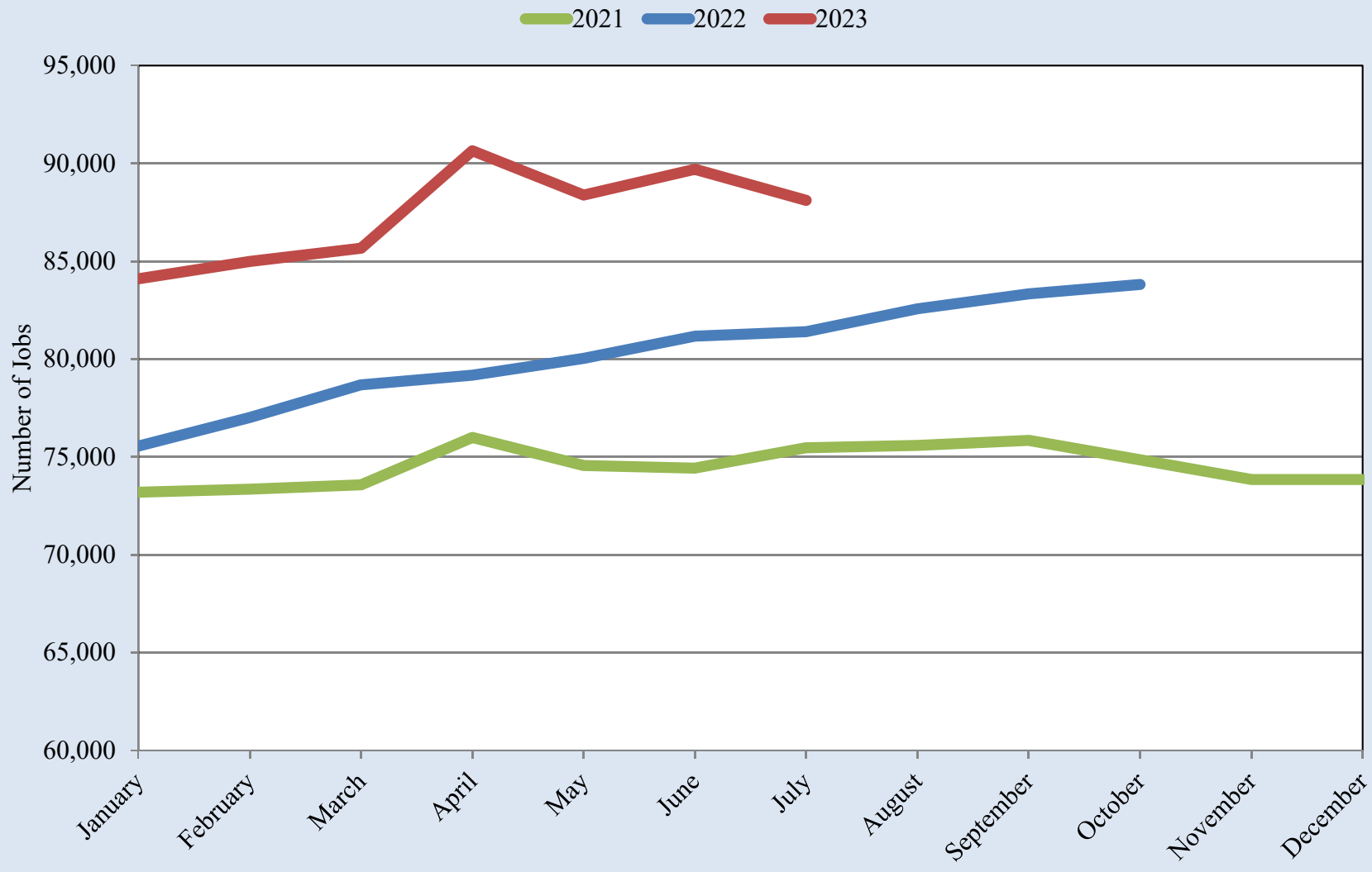
## Export-Oriented Manufacturing Employment in Ciudad Juárez



Source: UTEP Border Region Modeling Project using INEGI Data

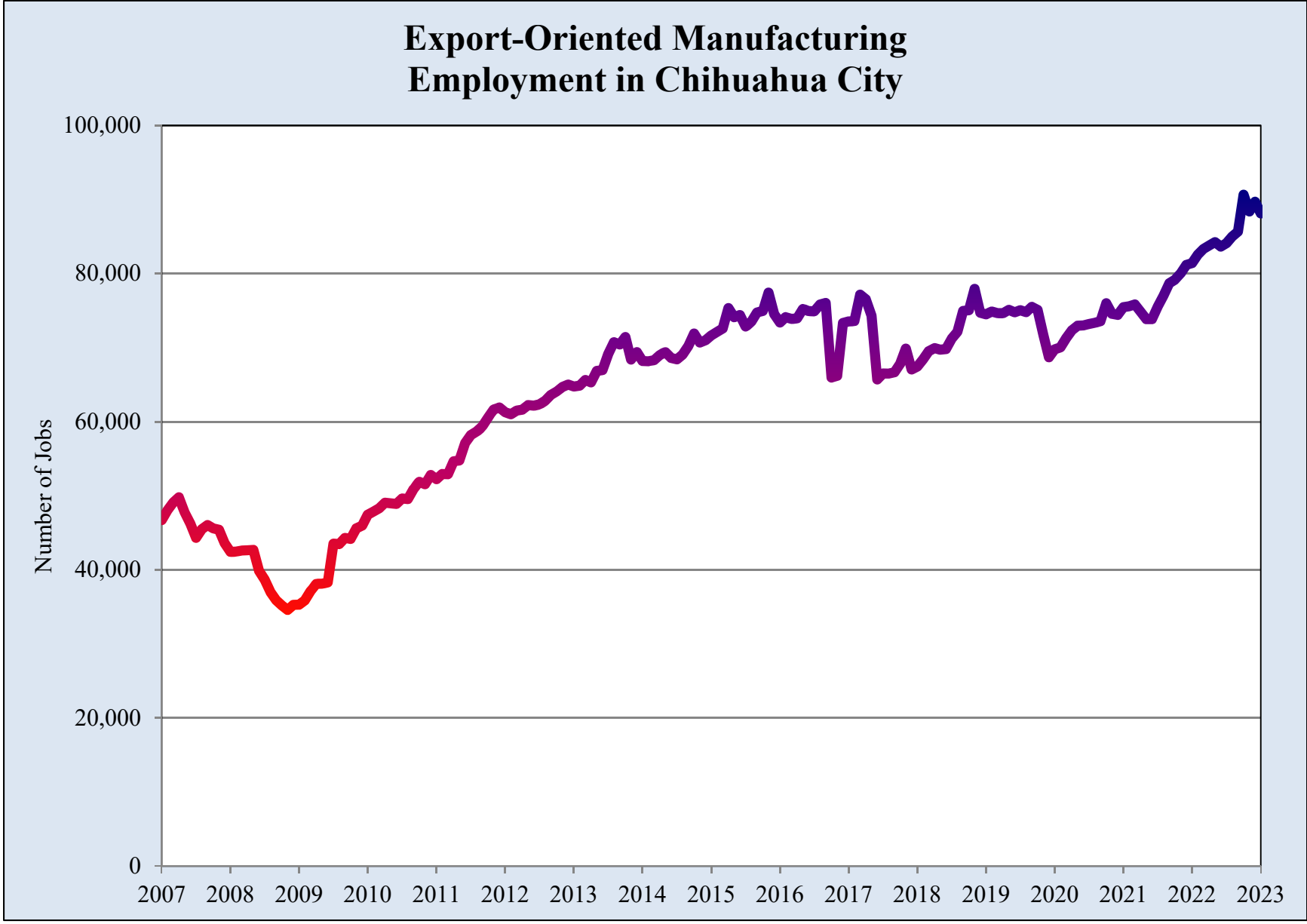
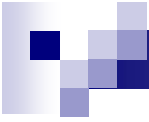


## Export-Oriented Manufacturing Employment in Chihuahua City

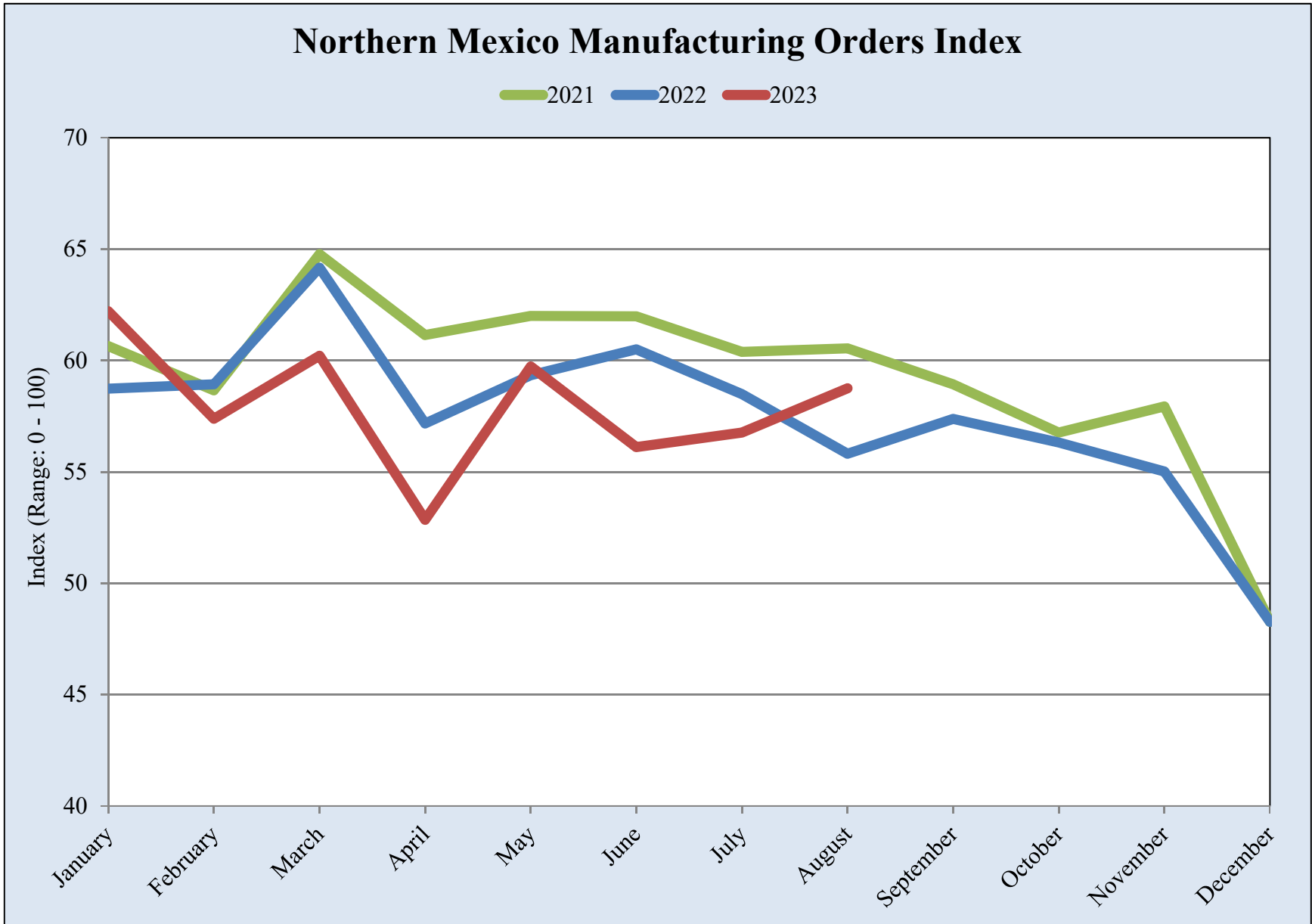


Source: UTEP Border Region Modeling Project using INEGI Data

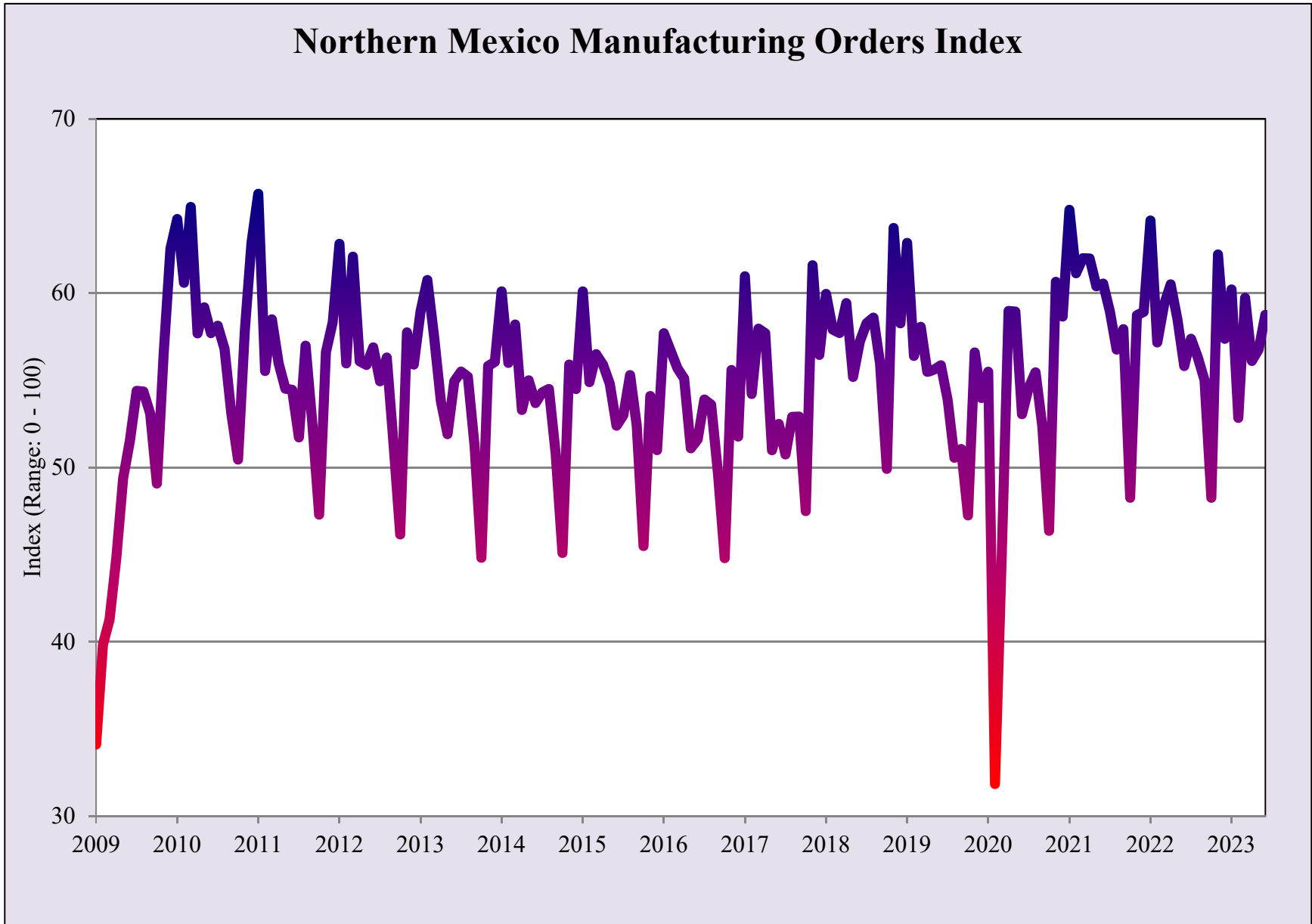
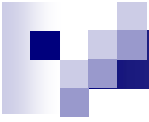




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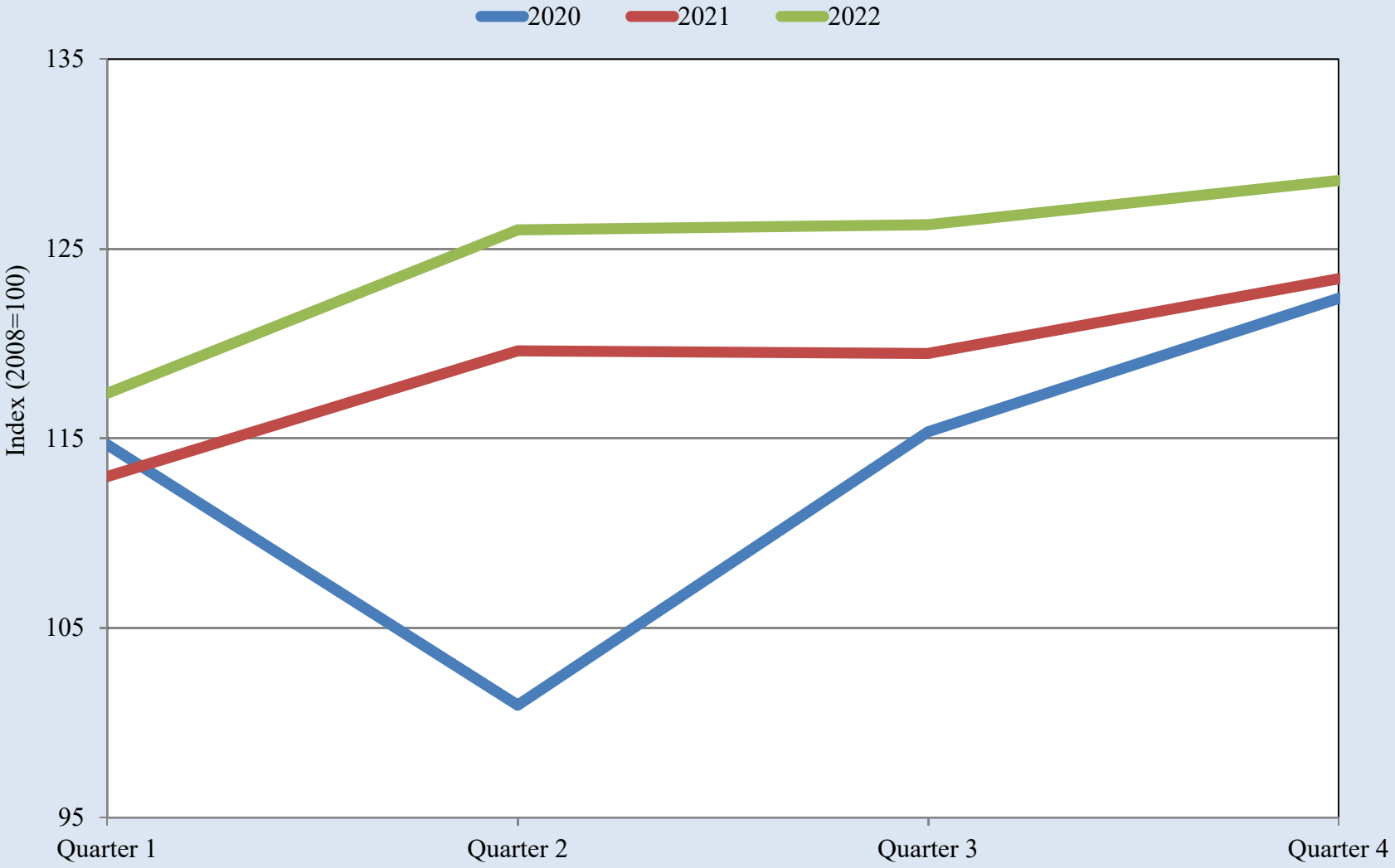
Source: UTEP Border Region Modeling Project using Banco de México Data



Source: UTEP Border Region Modeling Project using Banco de México Data



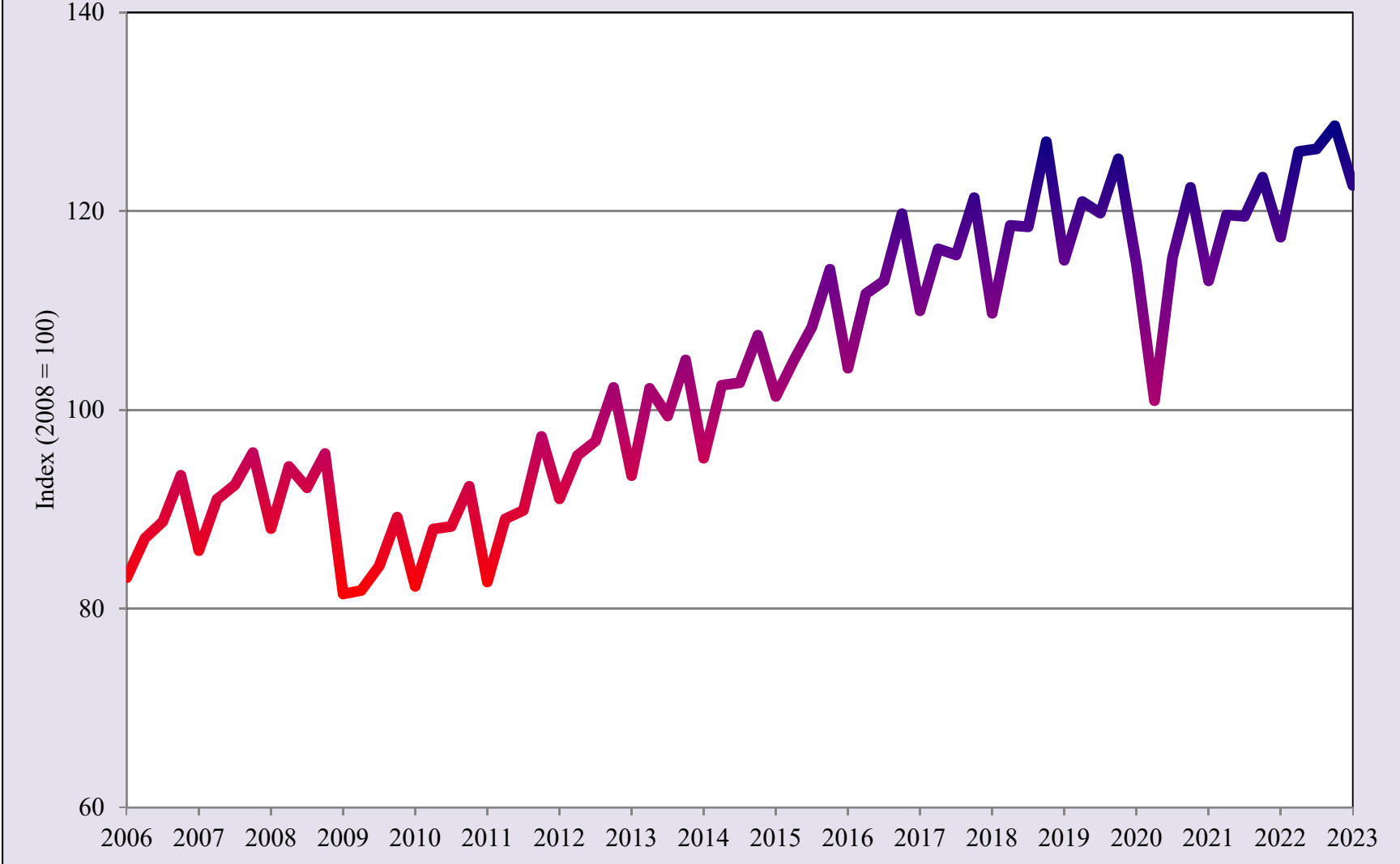
# Quarterly Indicator of Economic Activity for the State of Chihuahua



Source: UTEP Border Region Modeling Project using INEGI Data



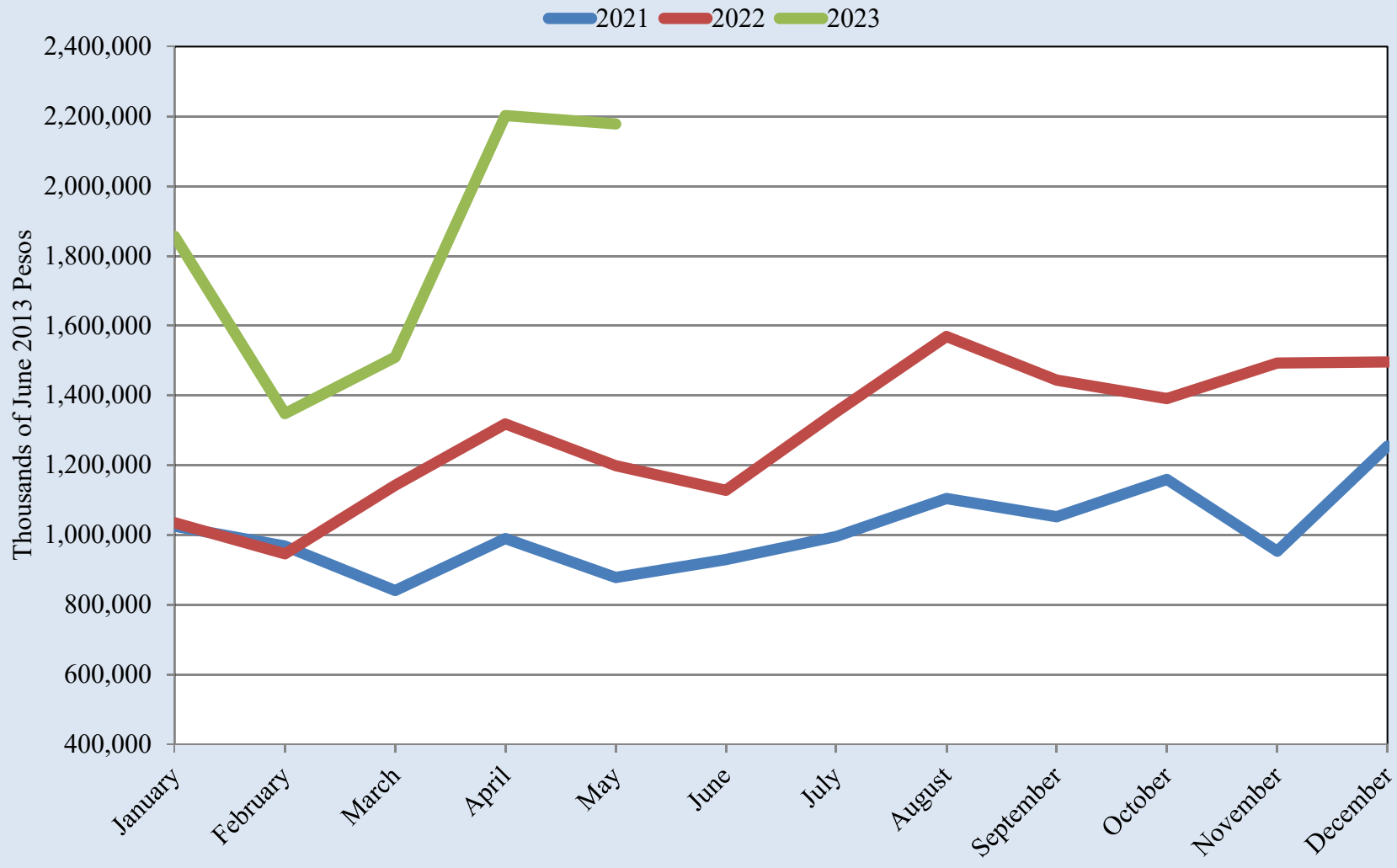
# Quarterly Indicator of Economic Activity for the State of Chihuahua



Source: UTEP Border Region Modeling Project using INEGI Data



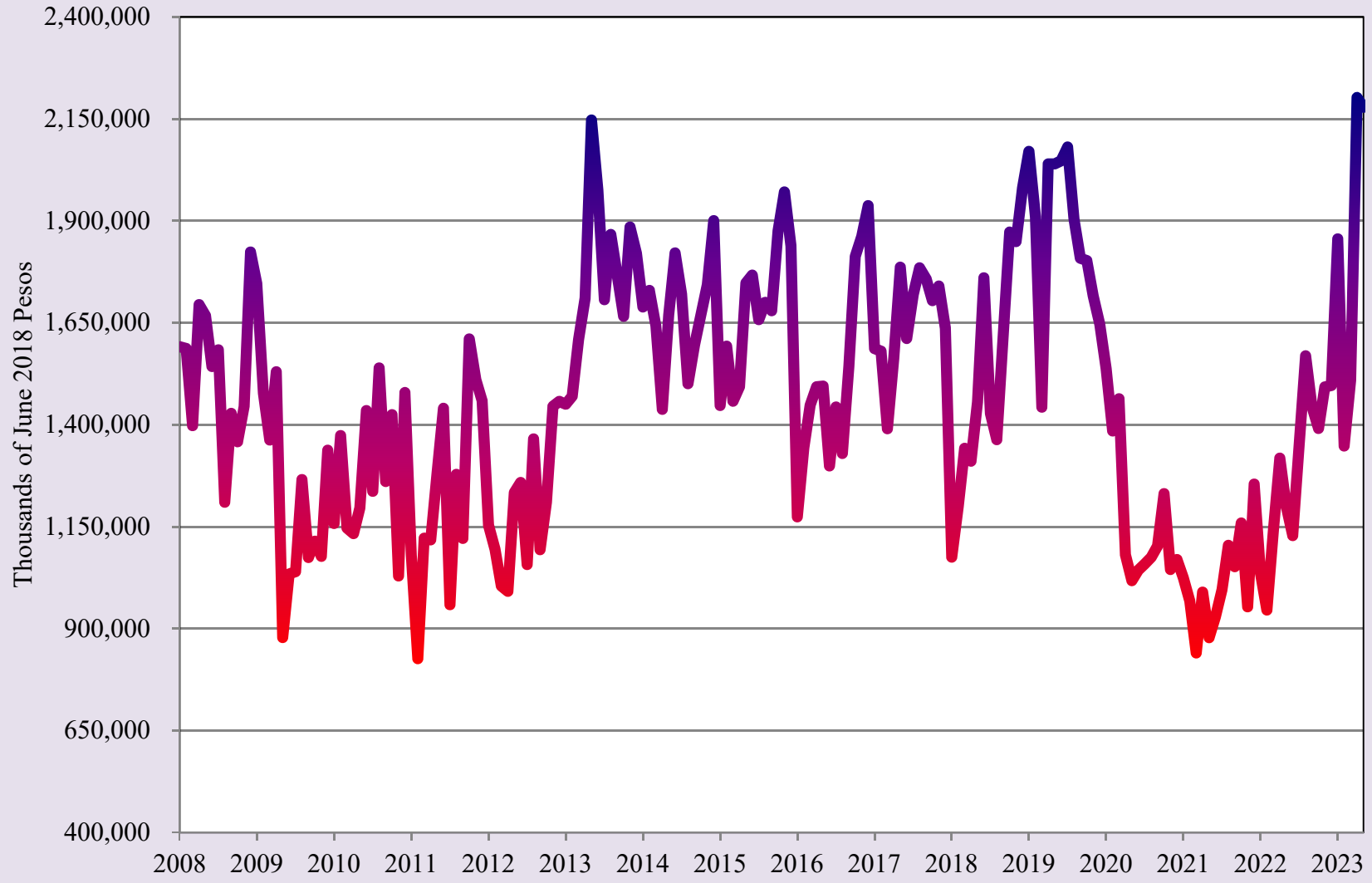
## Total Value of Construction in the State of Chihuahua



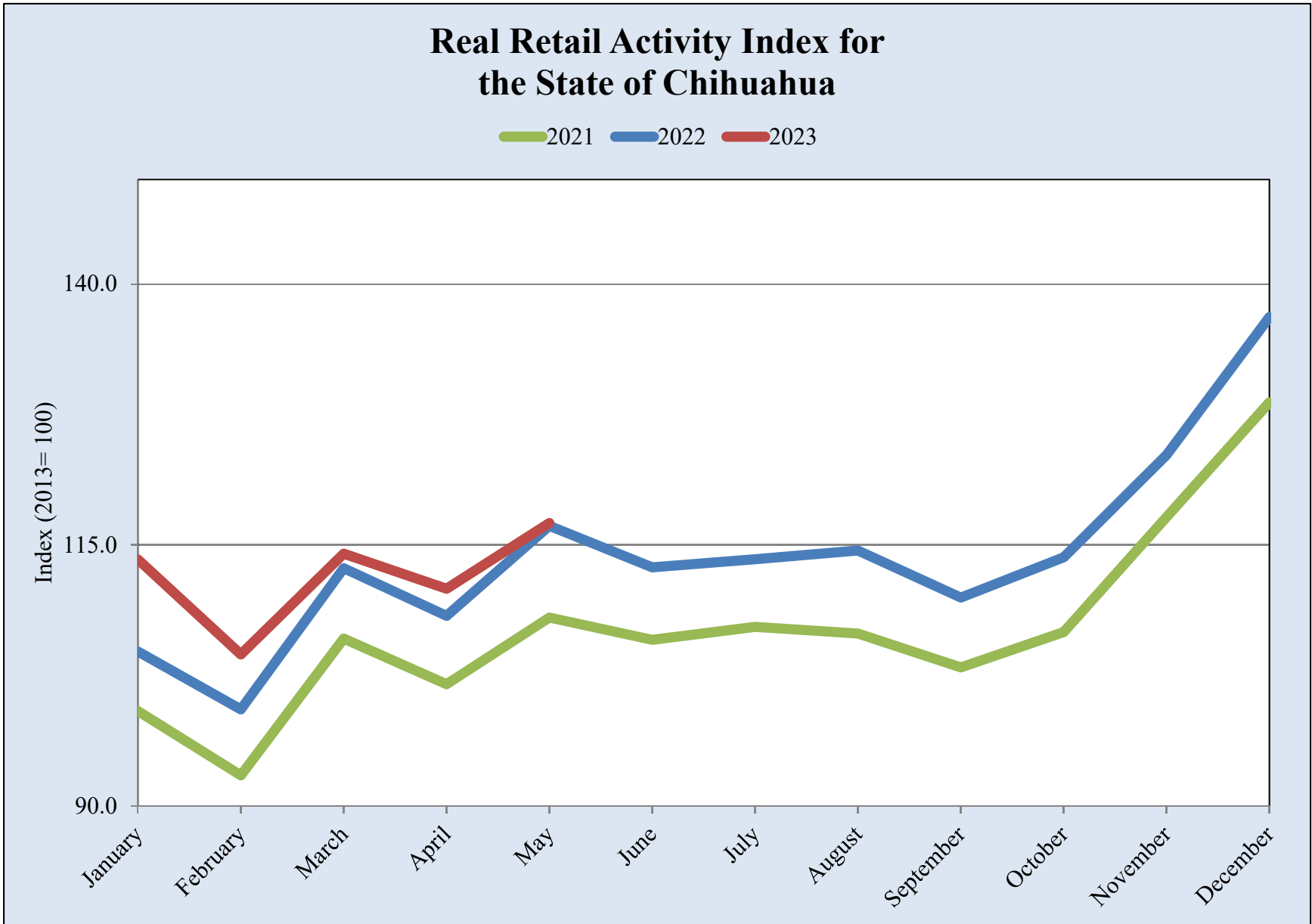
Source: UTEP Border Region Modeling Project using INEGI Data



## Total Value of Construction in the State of Chihuahua



Source: UTEP Border Region Modeling Project using INEGI Data

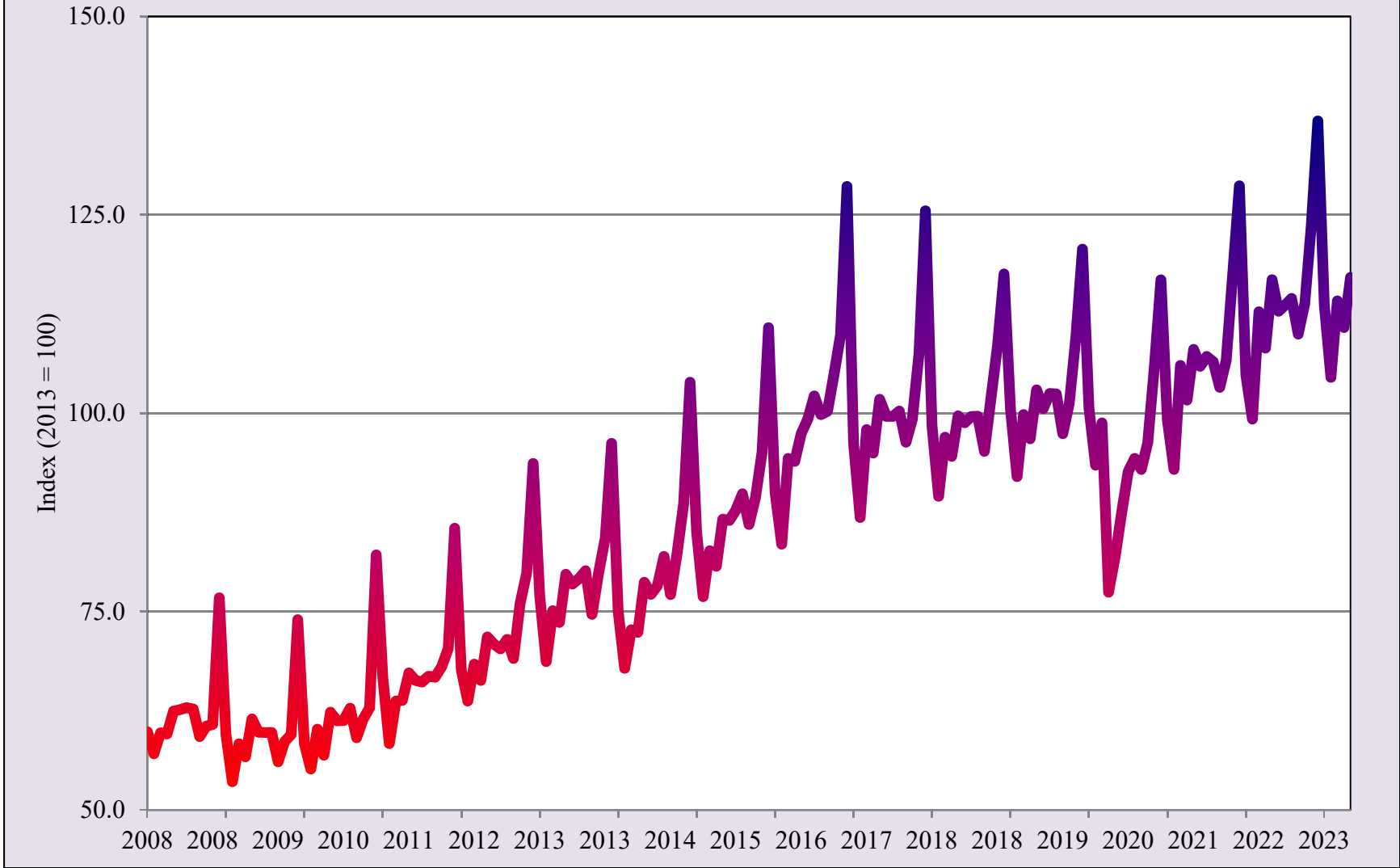


Source: UTEP Border Region Modeling Project using INEGI Data





### Real Retail Activity Index for the State of Chihuahua



Source: UTEP Border Region Modeling Project using INEGI Data



# BORDERPLEX BUSINESS BAROMETER

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