

# El Paso Economic Indicators

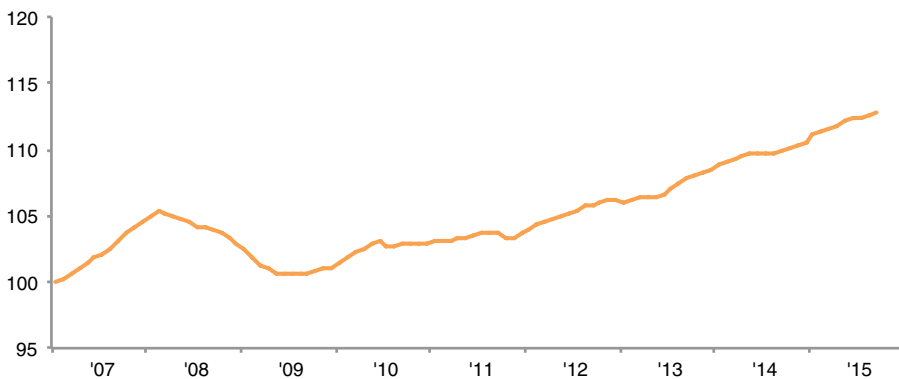
DALLAS FED

FEDERAL RESERVE BANK OF DALLAS • OCTOBER 26, 2015

**Summary** The El Paso economy continued to expand in September. Employment grew at a 3.2 percent annualized rate over the first nine months, and unemployment remained steady. Housing sales continued to increase, and trade flows through the El Paso port of entry also moved up, as maquiladora activity in Ciudad Juárez remained strong.

## El Paso Business-Cycle Index

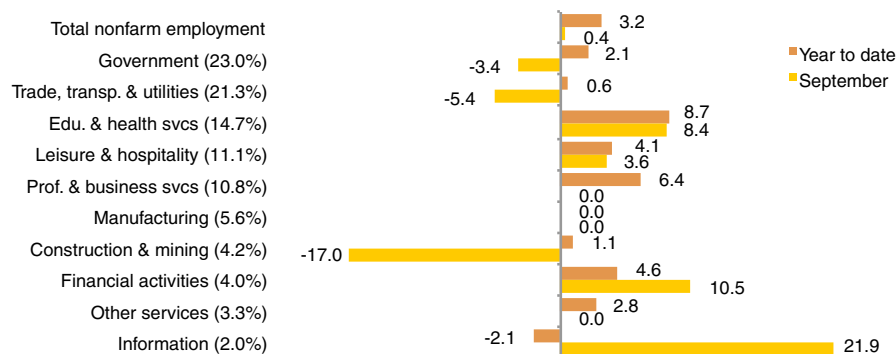
Index, January 2007 = 100\*



\*Monthly, seasonally adjusted.

► The El Paso Business-Cycle Index advanced at a slower pace in September. The index posted a 1.5 percent annualized growth rate, compared to 2.2 percent in August. The index decelerated as retail sales slowed.

## Employment Growth by Sector



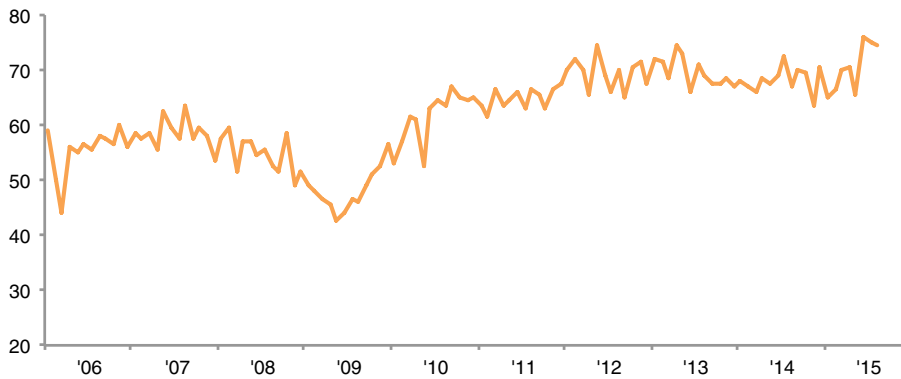
► Metro area employment slowed over the month. However, year-to-date employment growth of 3.2 percent remains above the long-term average. The El Paso metropolitan statistical area has added over 7,200 jobs since the start of the year. Most industries have added jobs; however, professional and business services, and educational and health services continue to lead the region's growth as two of the five largest sectors.

► Unemployment in El Paso remains low. In September, the rate stood at 5.0 percent, a slight uptick from 4.9 percent in August. The El Paso reading continues to be above the Texas rate, which stood at 4.2 percent in September, but below the U.S. rate of 5.1 percent.

NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.

## Trade Flows

Real dollars (billions)\*



\* Annualized, seasonally adjusted.

► In August, trade flows through the El Paso port of entry rose over 11 percent from the previous year. Slower growth in exports was offset by strong gains in imports. Total trade (exports plus imports) amounted to \$74.7 billion annualized in August compared with \$67.3 billion in August 2014.

## Existing-Home Sales

Number, annualized\*



\* Six-month moving average; seasonally adjusted.

► The El Paso housing market remains healthy. September existing-home sales totaled nearly 7,000, up over 13.0 percent from last year. Robust demand is placing pressure on inventories of existing homes, which fell to 7.2 months' supply in September from 8.2 months' in September 2014. Meanwhile, median home prices continue to post slight increases with prices up 3.4 percent over the year to \$142,000 in September.

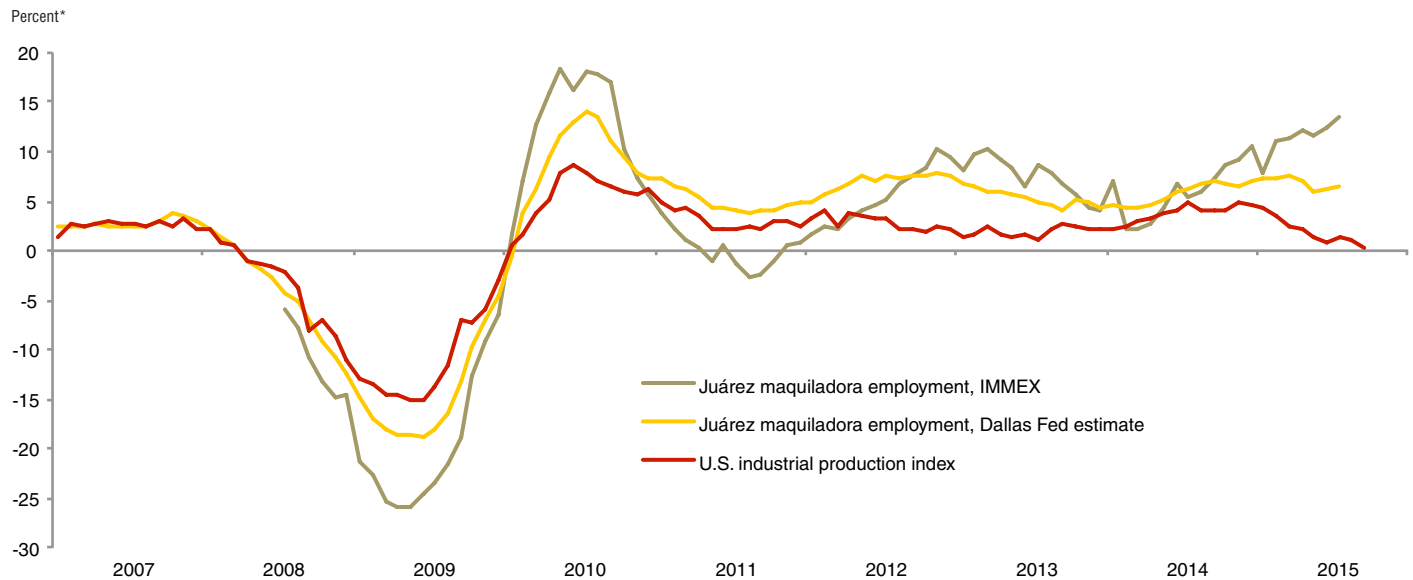
## U.S. Manufacturing and Juárez Maquiladora Employment

► U.S. industrial production fell 0.2 percent in August. The Institute for Supply Management manufacturing index and its associated new-orders index—a leading indicator of industrial activity—also ticked down.

► Despite the slowing in the U.S. industrial sector, Mexico’s maquiladoras continue to add jobs, according to a Dallas Fed model based on the U.S. industrial production index and manufacturing employment in the Mexican state of Chihuahua. The model has been used to track maquiladora employment in the Chihuahua city of Juárez since Mexico changed its methodology in 2006. Ac-

ording to the model, August maquiladora employment rose 6.1 percent from a year ago, while formal manufacturing employment in Chihuahua increased 8.6 percent. According to Mexico’s newer IMMEX series, Juarez manufacturing employment rose 13.5 percent year over year in July, which is the latest data available.

► U.S. auto and light truck production dropped slightly in September to 12.0 million units, while U.S. auto sales were a robust 18.1 million units on an annual basis. The strong sales are good news for the local economy because roughly half of maquiladoras are auto-related.



\*Year-over-year change; seasonally adjusted.

NOTES: Data may not match previously published numbers due to revisions. The El Paso metropolitan statistical area includes El Paso and Hudspeth counties.  
 SOURCES: **El Paso Business-Cycle Index:** Dallas Fed; **employment growth by sector:** Bureau of Labor Statistics and Dallas Fed; **trade flows:** Census Bureau, Foreign Trade Division; **existing-home sales:** Texas A&M University Real Estate Center; **U.S. manufacturing and Juárez maquiladora employment:** Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography), Federal Reserve Board and Dallas Fed, El Paso Branch.

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