

Key Takeaways

Employment

- Total non-farm employment increased in April 2022 on a year-over-year basis in El Paso (7,300 jobs or 2.3%), Las Cruces (4,700 jobs or 6.6%), and Ciudad Juárez (22,400 jobs or 4.7%).

- On a monthly basis, total non-farm employment across the Paso del Norte region decreased marginally in April, with El Paso losing 100 jobs (-0.03%), Las Cruces adding 200 jobs (0.3%), and Ciudad Juárez decreasing by 1,100 jobs (-0.2%).

- The Services sector drove year-over-year employment growth in both El Paso and Las Cruces.

Sales Tax

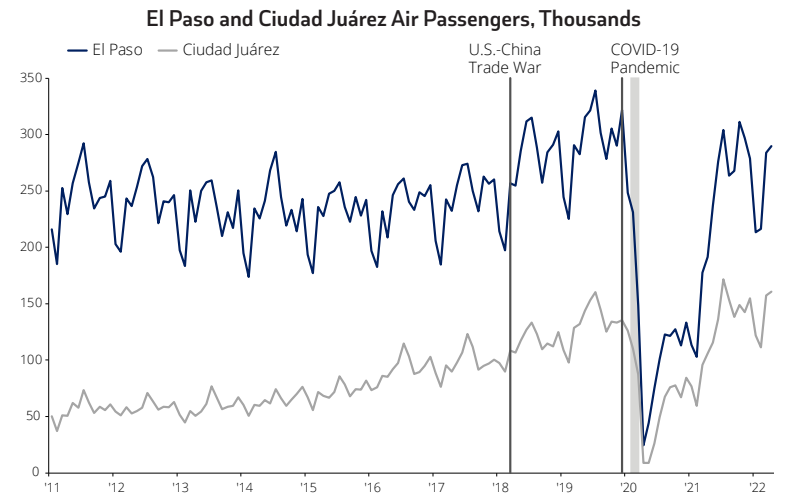
- El Paso collected nearly \$64,000,000 in sales and use tax allocations during the first six months of 2022, an increase of \$8,900,000 (16.2%) compared to the same period last year.

- During the first six months of 2022, the larger cities in Texas—such as Austin, Houston, and Dallas—recorded higher increments of sales and use tax allocations when compared to border cities such as El Paso and McAllen.

Hotel Occupancy Rates

- From January to April 2022, all selected MSAs, with the exception of El Paso and McAllen, have surpassed 2019 hotel occupancy levels.

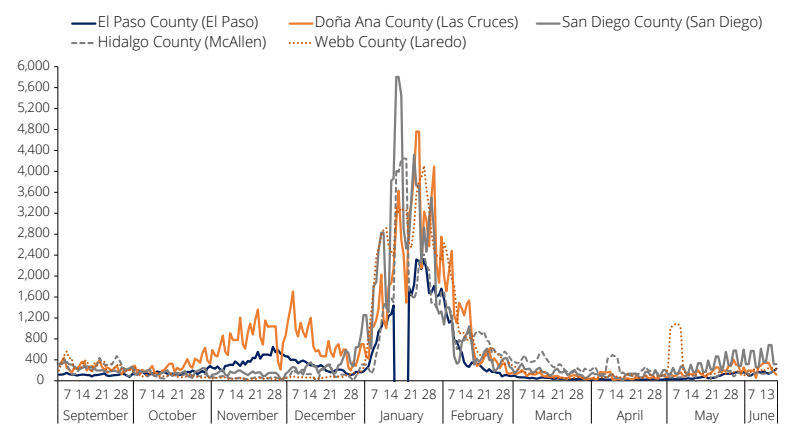
Quick-Glance Indicators



Note: Data as of April 2022. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).

Source: Hunt Institute using El Paso International Airport and Grupo OMA data.

New Coronavirus Cases per 1 Million Inhabitants, 5-Day Moving Average



Note: Data as of June 13, 2022.

Source: Hunt Institute calculations using Texas Health and Human Services, New Mexico Department of Health, Center for Systems Science and Engineering at Johns Hopkins University, and U.S. Census Bureau data.

Employment

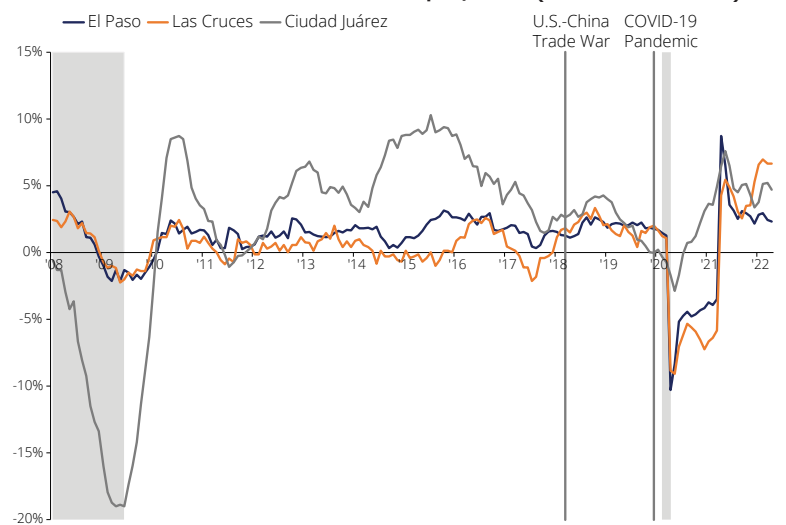
Post-pandemic Job Growth Slows

Non-farm employment in the Paso del Norte region exceeds 2021 but month-over-month growth is stagnant.

April 2022 marked the 13th consecutive month of year-over-year non-farm employment gains for El Paso and Las Cruces: El Paso added 7,300 jobs (2.3%) and Las Cruces added 4,700 jobs (6.6%). Non-farm employment gains continued for the 21st consecutive month in Ciudad Juárez, with year-over-year job gains of 22,400 jobs (4.7%).

The Hunt Institute tracks five non-farm employment sectors in the Paso del Norte region.¹ Las Cruces

Paso del Norte Total Non-Farm Employment (Year-over-Year, %)



Note: Preliminary data for April 2022. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).

Source: Hunt Institute calculations using data from the U.S. Bureau of Labor Statistics and Instituto Mexicano del Seguro Social.

¹ The five employment sectors that the Hunt Institute tracks for comparison of non-farm employment in the Paso del Norte region are Mining and Construction, Manufacturing, Services, Transportation and Utilities, and Trade.

and Ciudad Juárez added jobs in each of the five sectors in a year-over-year comparison for April 2022. In this comparison, jobs in El Paso increased in all but one sector. The services sector drove job growth for both El Paso and Las Cruces in this comparison, while the Manufacturing sector drove the growth in Ciudad Juárez. In El Paso the Manufacturing sector grew by 900 jobs (5.5%), the Transportation and Utilities sector by 600 jobs (3.6%), the Trade sector by 2,000 jobs (4.0%), and the Services sector by 4,500 jobs (2.1%). However, the Mining and Construction sector in El Paso decreased by 700 jobs (-3.8%). In Las Cruces, non-farm employment increased in the Services sector by 3,900 jobs (7.3%), the Trade sector by 200 jobs (2.3%), the Transportation and Utilities sector by 200 jobs (8.7%), the Manufacturing sector by 100 jobs (3.4%), and in the Mining and Construction sector by 300 jobs (8.1%). Ciudad Juárez recorded increases in the Trade sector with 2,800 jobs (5.7%), the Manufacturing sector with 15,300 jobs (4.7%), the Mining and Construction sector with 2,100 jobs (14.7%), the Transportation and Utilities sector with 1,500 jobs (6.0%), and the Services sector with 800 jobs (1.2%).

El Paso lost 100 jobs (-0.03%), Las Cruces added 200 jobs (0.3%), and Ciudad Juárez decreased by 1,100 jobs (-0.2%).

El Paso's non-farm employment gains in a month-over-month comparison occurred in two of the five sectors. The city's Mining sector gained 100 jobs (0.6%) while the Services sector added 300 jobs (0.1%). El Paso lost jobs in the other employment sectors: Trade by 200 jobs (-0.4%), Transportation and Utilities by 200 jobs (-1.1%), and Manufacturing by 100 jobs (-0.6%). Las Cruces exhibited job growth in only one sector on a monthly basis: the Services sector grew by 300 jobs (0.5%). Meanwhile the Trade sector decreased by 100 jobs (-1.1%), while the Manufacturing, Transportation and Utilities, and Mining and Construction sectors stagnated. Ciudad Juárez also recorded relative job gains in one of the key sectors in April 2022 on a monthly basis: the Transportation and Utilities sector added 150 jobs (0.6%). In contrast, the Manufacturing sector decreased by 700 jobs (-0.2%), the Services sector lost 500 jobs (-0.7%), and the Mining and Construction sector shrank by 100 jobs (-0.9%). Meanwhile, the Trade sector remained stagnant.

Sales Tax

Sales Tax Collections in El Paso Surge

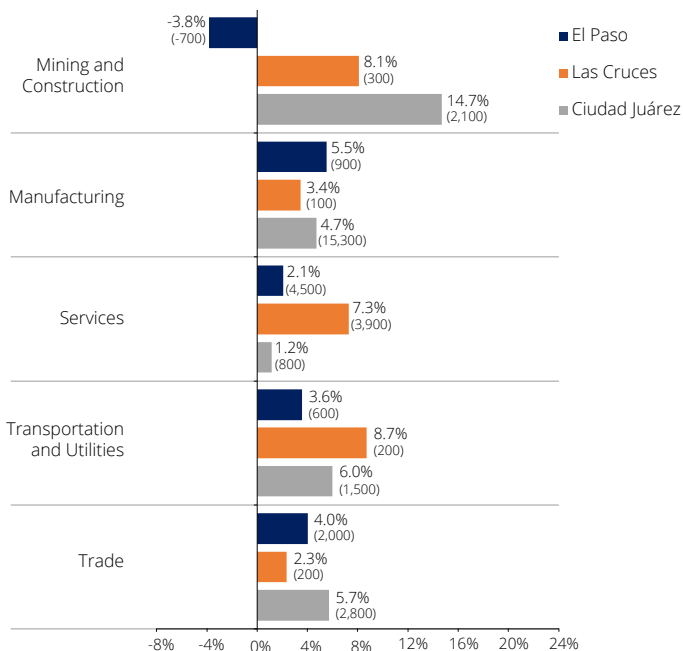
In a comparison of selected Texas cities, sales tax collections for the first half of 2022 exceeded the same period in 2021.²

The cities in this comparison collectively registered an increase of \$190,500,000 (18.0%) in sales and use tax allocations during the first six months of 2022 compared to the previous year. During this period, the larger cities in Texas—such as Austin, Houston, and Dallas—recorded relatively higher increases of sales and use tax allocations when compared to border cities such as El Paso and McAllen.

Austin had the largest relative increase in sales and use tax allocations during the first six months of 2022 with an increase of \$33,200,000 (26.1%) while San Antonio was second with an increase of \$34,800,000 (17.7%). El Paso collected nearly \$64,000,000 in sales and use tax allocations, an increase of \$8,900,000 (16.2%) compared to the same period last year. McAllen and Laredo recorded similar relative increases of \$6,400,000 (16.1%) and \$4,100,000 (16.9%), respectively.

² The Hunt Institute sales tax comparison includes the cities of El Paso, McAllen, Laredo, Houston, San Antonio, Dallas, Austin, and Fort Worth.

Paso del Norte Total Non-Farm Employment by Sector, April 2022 (Year-over-Year)



Note: Preliminary data for April 2022. Services excludes Transportation and Utilities and Trade. Numbers are rounded to the nearest hundred.

Source: Hunt Institute calculations using data from the U.S. Bureau of Labor Statistics and Instituto Mexicano del Seguro Social.

Total non-farm employment in the Paso del Norte region barely changed in April on a month-over-month basis:

Sales and Use Tax Allocations for Selected Texas Cities, Thousand USD

City	A Jan-Jun 2021	B Jan-Jun 2022	B-A (Δ%)	B-A (Δ%)
Houston, TX	\$357,222	\$416,179	\$58,957	16.5%
San Antonio, TX	\$196,196	\$231,004	\$34,807	17.7%
Dallas, TX	\$170,405	\$199,504	\$29,099	17.1%
Austin, TX	\$127,491	\$160,760	\$33,269	26.1%
Fort Worth, TX	\$90,598	\$105,638	\$15,040	16.6%
El Paso, TX	\$55,056	\$63,948	\$8,892	16.2%
McAllen, TX	\$39,589	\$45,944	\$6,355	16.1%
Laredo, TX	\$24,081	\$28,147	\$4,066	16.9%

Note: The given months and years represent the collection dates. Selected cities have sales and use tax rates of 1% except for Laredo and McAllen, which have rates of 1.25% and 2.0%, respectively. The maximum rate in Texas is 8.25%: a fixed 6.25% by the state and a 2.0% rate that combined local entities may charge.

Source: Hunt Institute calculations using data from the Texas Comptroller of Public Accounts.

Hotel Occupancy Rates

Hotel Occupancy Continues to Surpass 2019 Levels

Since January 2022 hotel occupancy in the Paso del Norte region, apart from El Paso, surpassed 2019 levels.

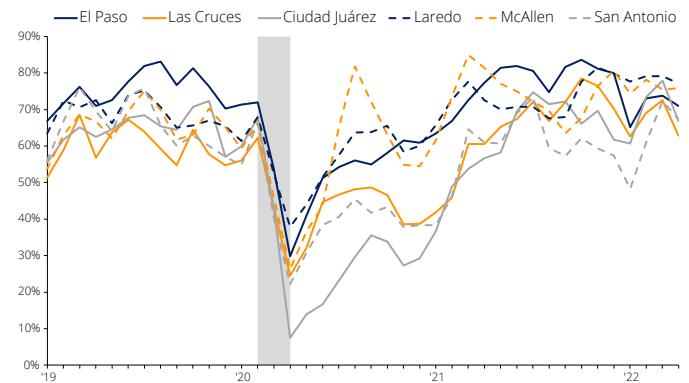
In a comparison of selected cities, the hotel occupancy rate in the period of January through April of 2022 reached its highest level in March 2022 for the selected Metropolitan Statistical Areas (MSAs) with the exception of McAllen.³ In March 2022, the Laredo MSA had an occupancy rate of 79.1%, Ciudad Juárez of 77.9%, El Paso of 73.8%, Las Cruces of 72.5%, and San Antonio of 72.3%. The McAllen MSA had its highest hotel occupancy rate for this period in February 2022, with a rate of 78.2%. For the month of April 2022, the Laredo MSA exhibited the highest hotel occupancy rate (77.2%) of all selected MSAs, followed by McAllen with a rate of 75.8% and El Paso with 71.0%.

In a year-over-year comparison of April 2022, all but two selected MSAs exhibited an increase in hotel occupancy rate. The exceptions were El Paso and McAllen. The Ciudad Juárez, San Antonio, Laredo, and Las Cruces MSAs exhibited year-over-year increases of 10.2, 6.4, 4.7, and 2.2 percentage points (pp) respectively. The El Paso MSA showed a decrease of 6.3 pp in a year-over-year comparison, while the McAllen MSA had a decrease of 5.6 pp in the same period. In April 2022, all the selected

³ The Hunt Institute comparison of hotel occupancy rates includes the MSAs of El Paso, Ciudad Juárez, Las Cruces, McAllen, and San Antonio.

MSAs recorded higher hotel occupancy rates than the pre-pandemic levels in 2019 (pre-COVID 19). The McAllen MSA recorded the largest increase in occupancy rate (9.1 pp), followed by Las Cruces (6.0 pp) and Laredo (4.6 pp). The El Paso MSA hotel occupancy rate level remained stagnant in April 2022 compared to April 2019.

Hotel Occupancy Rates by MSA through April 2022 (Year-over-Year, %)



Note: Data as of April 2022. McAllen includes Edinburg and Mission; San Antonio includes New Braunfels. Shaded area indicates NBER defined recession (2020 recession began in February and ended in April).

Source: Hunt Institute using STR data.

About Hunt Institute for Global Competitiveness

Since 2014, the Hunt Institute for Global Competitiveness at The University of Texas at El Paso has provided economic analysis of the Paso del Norte Region that includes the binational communities of El Paso, Texas; Las Cruces, N.M.; and Ciudad Juárez, Mexico. The mission of the Hunt Institute is to produce high-quality market analysis tools that strengthen regional and binational cross-border social and economic development.

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