

Key Takeaways

Employment

- Total non-farm employment increased in February 2023 on a year-over-year basis in the U.S. (4,391,000 jobs, 2.9%), El Paso (10,000 jobs, 3.0%), Las Cruces (2,600 jobs, 3.5%), and Ciudad Juárez (12,000 jobs, 2.4%).
- In February 2023 mixed changes in total non-farm employment were observed across the Paso del Norte region and the U.S. on a month-over-month basis: increasing in Ciudad Juárez by 4,800 jobs (0.9%), Las Cruces by 1,600 jobs (2.1%), and the U.S. by 1,158,000 jobs (0.8%), while decreasing in El Paso by 300 jobs (-0.1%).

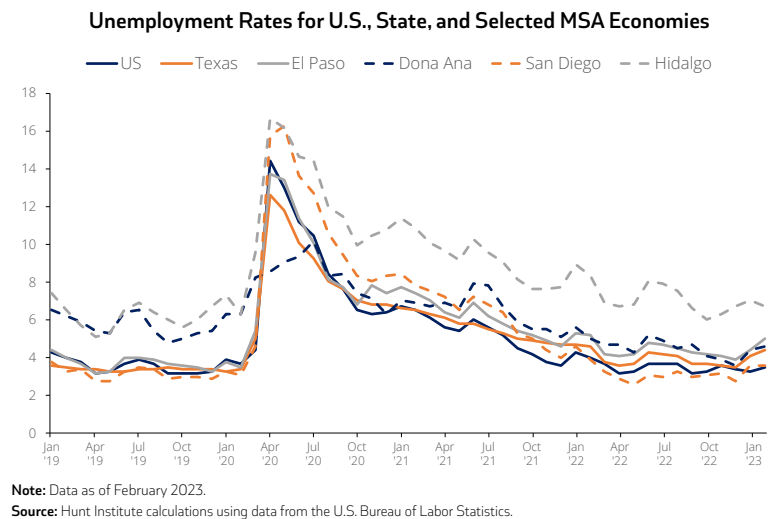
Bankruptcies

- Total bankruptcy filings in El Paso increased by 78 cases (32.5%) from January to March 2023 on a year-over-year basis, the greatest increase in the Western District of Texas.¹
- In the Western District of Texas, Midland, and Austin were the only regions that had a year-over-year decrease in bankruptcy filings during the January-March period (-2.4% and -0.5%, respectively).

Sales Tax Collections

- All the selected Texas cities² experienced an increase in sales and use tax collections during the first four months of 2023 compared to the same period in the previous year, with Fort Worth having the largest percentage increase at 13.0%.
- In the first four months of 2023, El Paso's sales and use tax collections rose by \$2.8 million (6.8%) compared to the same period in the previous year, indicating growth in consumer spending. Nevertheless, it is essential to consider the influence of inflationary pressures on this increase, as they could partially account for the uptick in collections.

Quick-Glance Indicators

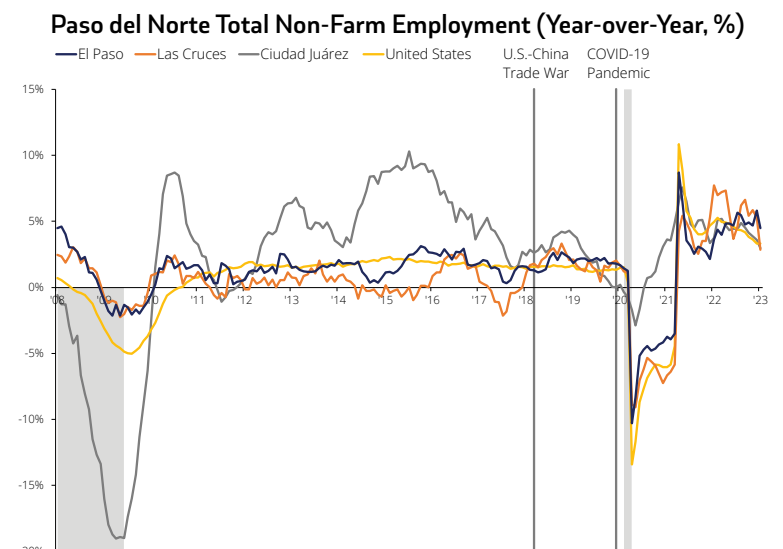


Employment

Job Growth Keeps Rising

Non-farm employment in February 2023 for the Paso del Norte region exceeded that of February 2022. In a month-over-month comparison, however, the outlook is mixed.

February 2023 marked the twenty-third consecutive month of year-over-year non-farm employment growth in the U.S., El Paso, and Las Cruces and the thirty-first consecutive month in Ciudad Juárez. At the national level, year-over-year gains of 4,391,000 jobs (2.9%) were observed in February 2023. Also, total non-farm employment increased in El Paso by 10,000 jobs (3.0%), in Las Cruces by 2,600 jobs (3.5%), and in Ciudad Juárez by 12,000 jobs (2.4%). Comparing the figures on a month-over-month basis, the results varied. The U.S. exhibited an increase in non-farm employment of



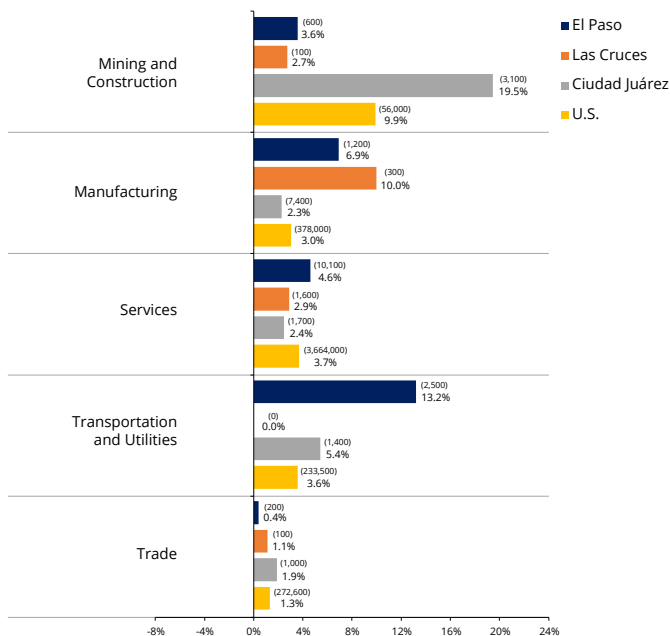
¹ The Western District of Texas is conformed by El Paso, Midland, Austin, San Antonio, and Waco.
² Houston, San Antonio, Dallas, Austin, Fort Worth, El Paso, McAllen, and Laredo.

1,158,000 jobs (0.8%), while Las Cruces experienced a gain of 1,600 jobs (2.1%), and Ciudad Juárez increased by 4,800 jobs (0.9%). However, El Paso reported a loss of 300 non-farm jobs (-0.1%).

The Hunt Institute monitors five non-farm employment sectors in the Paso del Norte region. For February 2023, the U.S. and Ciudad Juárez reported job growth in all five sectors on a year-over-year basis. Las Cruces added jobs in three of the five sectors, with no change in the remaining two sectors. El Paso, however, added jobs in four of the five sectors but experienced a decline in one.

The Services sector drove year-over-year job growth in the U.S., El Paso, and Las Cruces, while the Manufacturing sector drove growth in Ciudad Juárez. In El Paso, the Services sector grew by 6,800 jobs (3.1%), the Manufacturing sector by 1,100 jobs (6.2%), the Transportation and Utilities sector by 2,100 jobs (10.9%), the Mining and Construction sector by 300 jobs (1.8%), however the Trade sector decline by 300 jobs (0.6%). In Las Cruces, non-farm employment increased in the Services sector by 2,000 jobs (3.5%), the Manufacturing sector by 300 jobs (9.7%), and the Mining and Construction sector by 300 jobs (8.3%), however, the Trade, and Transportation and utility sector remained stagnant. Ciudad Juárez recorded increases in all five sectors: 2,000 jobs (2.8%) in Services, 3,800 jobs (23.6%) in Mining and Construction, 1,700 jobs (3.3%) in Trade, 3,200 jobs (1.0%) in Manufacturing and 1,300 jobs (4.7%) in Transportation and Utilities.

Paso del Norte Total Non-Farm Employment by Sector, February 2023 (Year-over-Year)



Note: Preliminary data for February 2023. 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.

Comparing January 2023 with February 2023 reveals that non-farm employment fell in El Paso for two out of the five sectors: Transportation and Utilities lost 100 jobs (-0.5%), Mining and Construction lost 100 jobs (-0.6%), and Trade lost 200 jobs (-0.4%). Meanwhile, Manufacturing and Services remained stagnant. Las Cruces exhibited growth in two of the five sectors: Mining and Construction sector grew by 100 jobs (2.6%) and Services sector by 1,500 jobs (2.6%). However, Manufacturing, Transportation and Utilities and Trade remained stagnant. Ciudad Juárez demonstrated positive job gains in all five sectors in a month-over-month comparison: Manufacturing increased by 2,400 jobs (0.7%), Mining and Construction by 1,000 jobs (5.2%), Services by 600 jobs (0.9%), Trade by 460 jobs (0.9%), and Transportation and Utilities by 300 jobs (1.1%).

Bankruptcies

Bankruptcies on the Rise in El Paso County

El Paso recorded higher bankruptcies in the first three months of 2023 than it had in the same period of 2022.

The El Paso Office of the Western District of Texas U.S. Bankruptcy Court recorded 318 bankruptcies—including Chapter 7, Chapter 11, and Chapter 13 cases—from January 2023 to March 2023. This is an increase of 78 total bankruptcy filings (32.5%) on a year-to-year basis, from 240 total filings in 2022 and 318 filings in 2023. This is the greatest increase in the Western District of Texas, followed only by San Antonio with an increase of 24 (7.3%).

Total Bankruptcy Filings in Austin, El Paso, Midland, and San Antonio (Year-over-Year)

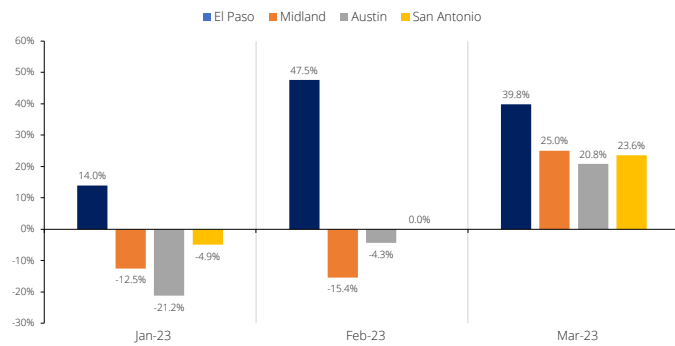
City	A Jan-March 2020	B Jan-March 2021	B-A	B-A (Δ%)
El Paso, TX	240	318	78	32.5%
San Antonio, TX	330	354	24	7.3%
Austin, TX	212	211	-1	-0.5%
Midland, TX	41	40	-1	-2.4%

Note: Numbers include Chapter 7, Chapter 11, and Chapter 13 cases for the El Paso Office of the Western District of Texas U.S. Bankruptcy Court.

Source: Hunt Institute using data from the Western District of Texas U.S. Bankruptcy Court.

In March 2023, businesses in El Paso filed for 130 bankruptcies, representing a 37 filing (39.8%) increase on a year-to-year basis. The number of bankruptcies filed in March increased by 40 filings (44.4%) compared to the previous month. February 2023 in El Paso region exhibited the highest year-over-year increase in the Western District of Texas so far in 2023, with an increase of 47.5% in February 2023 compared to the same period in 2022. Austin experienced the largest decrease in January 2023, with 21.2% less bankruptcies filed than in January 2022.

Total Bankruptcy Filings in Austin, El Paso, Midland, and San Antonio (Year-over-Year, %)



Note: Numbers include Chapter 7, Chapter 11, and Chapter 13 cases for the El Paso Office of the Western District of Texas U.S. Bankruptcy Court.

Source: Hunt Institute using data from the Western District of Texas U.S. Bankruptcy Court.

Sales Tax Collections

El Paso's Sales Tax Collections Continue to Rise in 2023

Sales tax collections increased in 2023 Q1 indicating growth in consumer spending which may be influenced by inflationary pressures.

According to the updated table for January to April 2023, all the selected Texas cities³ continue to experience an increase in sales and use tax collections compared to the same period in the previous year. Houston, San Antonio, Dallas, and Laredo experienced increases of 9.7%, 6.9%, 11.9%, and 11.3%, respectively. Austin recorded an increase of 10.5%, and El Paso and McAllen recorded increases of 6.8% and 5.0%, respectively. Fort Worth had the highest percentage increase at 13.0%.

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

City	A Jan-April 2022	B Jan-April 2023	B-A (Δ%)
Houston, TX	\$270,316	\$296,613	9.7%
San Antonio, TX	\$148,061	\$158,271	6.9%
Dallas, TX	\$125,782	\$140,738	11.9%
Austin, TX	\$103,222	\$114,101	10.5%
Fort Worth, TX	\$68,110	\$76,981	13.0%
El Paso, TX	\$41,656	\$44,499	6.8%
McAllen, TX	\$30,359	\$31,863	5.0%
Laredo, TX	\$18,390	\$20,462	11.3%

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 who 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.

El Paso collected \$44.5 million in sales and use tax allocations during the first four months of 2023, an increase of \$2.8 million

³ Houston, San Antonio, Dallas, Austin, Fort Worth, El Paso, McAllen, and Laredo.

(6.8%) compared to the same period in the previous year. The increase is lower than the percentage increases recorded in the previous year, but it still indicates growth. The larger cities in Texas continue to record higher increments in sales and use tax allocations compared to border cities like El Paso and McAllen.

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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