

Key Takeaways

Employment

- From November to December 2021, non-farm employment in El Paso and Ciudad Juárez decreased by 200 jobs (-0.1%) and 9,000 jobs (-1.8%), respectively. In contrast, non-farm employment increased in Las Cruces by 600 jobs (0.8%) over the same time period.
- El Paso and Las Cruces exhibited gains in non-farm employment on a year-over-year basis for the ninth consecutive month in December with El Paso adding 7,000 jobs (2.2%) and Las Cruces adding 3,400 jobs (4.9%). Ciudad Juárez also extended its streak of year-over-year job gains to seventeen straight months, adding 15,700 jobs (3.4%).

Bankruptcies

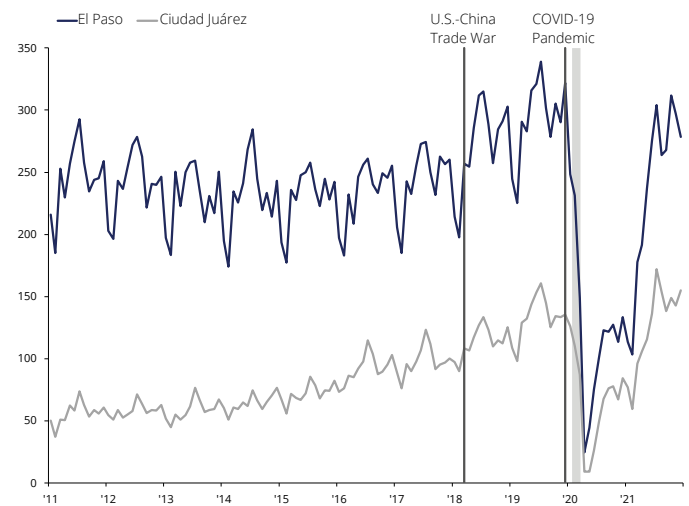
- In 2021, El Paso recorded the lowest number of bankruptcies since 2006. This continues a decrease in total annual bankruptcies that started in 2020. Nevertheless, bankruptcies increased on a year-over-year basis for January 2022 with 22 more bankruptcies (34.4%) than January 2021.

Residential Building Permits

- In 2021, El Paso experienced a 25.5% increase in building permits issued for new, privately owned, single-unit housing when compared to 2020. In the same year-over-year comparison, Las Cruces experienced an increase of only 9.7% in building permits issued.
- All selected MSAs—apart from Laredo (-7.6%)—recorded an increase in the number of building permits issued for new, privately owned, single-unit housing in 2021 when compared to 2020.¹

Quick-Glance Indicators

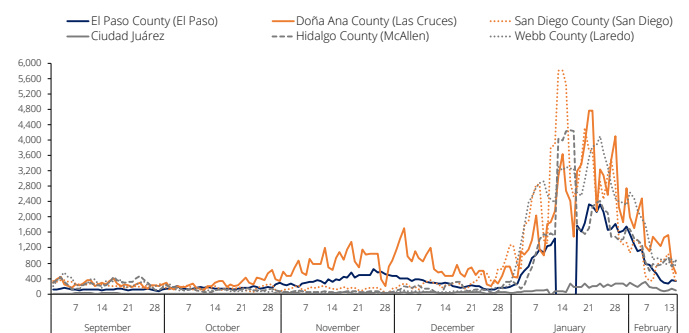
El Paso and Ciudad Juárez Air Passengers, Thousands



Note: Data as of December 2021. 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 February 13, 2022.

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

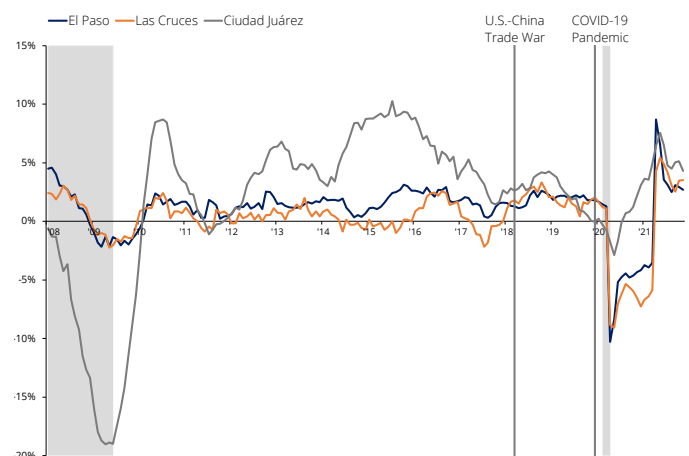
Employment

Jobs Continue to Rise

El Paso and Las Cruces have yet to return to pre-COVID employment levels despite steady year-over-year job gains in 2021.

Non-farm employment decreased on a monthly basis in El Paso and Ciudad Juárez in December by 200 jobs (-0.1%) and 9,000 jobs (-1.8%), respectively, and increased in Las Cruces by 600 jobs (0.8%). December marked the ninth consecutive month of year-over-year non-farm employment gains for El Paso and Las Cruces, with El Paso adding 7,000 jobs (2.2%) and Las Cruces adding 3,400 jobs (4.9%). The streak of non-farm employment gains continued for the seventeenth consecutive month in Ciudad Juárez, with year-over-year job gains in December of 15,700 jobs (3.4%). However, compared to pre-COVID employment levels El Paso and Las Cruces are still down by 7,000 jobs (-2.1%), and 1,800 jobs (-2.4%), respectively.

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



Note: Preliminary data for December 2021. 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 Selected MSAs include: El Paso, Las Cruces, Austin, Dallas-Fort Worth, Houston, Laredo, McAllen, and San Antonio.

In December, El Paso experienced a decrease in non-farm employment levels on a monthly basis in all sectors, excluding Trade. Services, Transportation and Utilities, Manufacturing, and Mining and Construction lost 1,400 jobs (-0.6%), 200 jobs (-1.1%), 100 jobs (-0.6%), and 100 jobs (-0.5%), respectively, while Trade gained 100 jobs (2.0%). In Las Cruces, Manufacturing, Trade, and Services each added 100 jobs (3.2%, 1.1%, and 0.2% respectively), while Transportation and Utilities lost 200 jobs (-1.1%) and Mining and Construction remained stagnant. Ciudad Juárez recorded job losses in each of the five key sectors in December on a monthly basis. The job losses by sector in December by order of magnitude are: Manufacturing with 6,100 jobs (-1.9%); Mining and Construction with 500 jobs (-3.4%); Trade with 900 jobs (-1.6%); Transportation and Utilities with 200 jobs (-0.6%); and Services with 1,400 jobs (-1.9%).

In a year-over-year comparison of December 2021 and December 2020, non-farm employment in El Paso grew by 1,100 jobs (6.2%) in Mining and Construction; 100 jobs (0.6%) in Manufacturing; 1,800 jobs (3.5%) in Trade; and 4,000 jobs (1.9%) in Services. The only sector that lost jobs compared to last year in El Paso was Transportation and Utilities, which shrank by 200 jobs (-1.1%). In Las Cruces, non-farm employment increased by 2,600 (4.9%) in the Services sector; 600 jobs (6.8%) in the Trade sector; 100 jobs (4.0%) in the Transportation and Utilities sector; and 400 jobs (14.3%) in the Manufacturing sector. The Mining and Construction sector in Las Cruces remained flat in this year-over-year comparison, with no new jobs created or lost. Ciudad Juárez recorded employment increases in the Trade sector with 4,500 jobs (9.4%); the Manufacturing sector with 4,500 jobs (1.4%); the Mining and Construction sector with 2,400 jobs (18.5%); the Transportation and Utilities sector with 1,900 jobs (7.8%); and the Services sector with 2,400 jobs (3.7%).

Bankruptcies

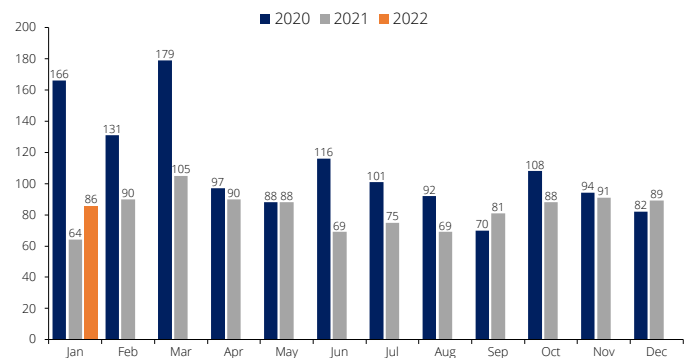
Total El Paso Bankruptcy Cases Hit a 15-Year Low in 2021

Bankruptcy filings reached a 15-year low in 2021, although January 2022 began with more bankruptcy filings in a year-over-year comparison with January 2021.

Businesses in El Paso County filed 325 fewer bankruptcies in 2021 than they did in 2020. El Paso recorded 999 total bankruptcies, compared to 1,324 in 2020 and 2,119 in 2019. This is the lowest number of bankruptcies filed in a year since 2006.

Despite the low number of bankruptcies recorded in El Paso over the course of 2021, the number of bankruptcy filings per month began trending upward in June of 2021. This trend continues into 2022. Bankruptcy filings were down slightly by three cases (-3.4%) on a monthly basis between January 2022 and December 2021. But in a year-over-year comparison, bankruptcy filings increased by 22 cases (34.4%) between January of 2022 and January of 2021.

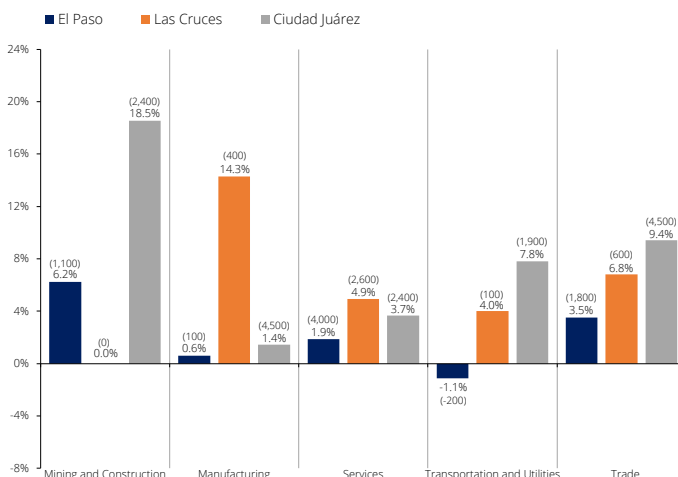
Total Bankruptcy Filings in El Paso



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.

Paso del Norte Total Non-Farm Employment by Sector, December 2021 (Year-over-Year)



Note: Preliminary data for December 2021. Services exclude 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.

Residential Building Permits

Single-Unit Residential Building Permits Increase in 2021

El Paso and Las Cruces recorded increases in building permits issued for new, privately owned, single-unit housing in a year-over-year comparison between 2021 and 2020.

The Hunt Institute examines the number of permits for new, privately owned, single-unit building permits to assess residential building development for the selected MSAs.² To account for population differences across these MSAs, the Hunt Institute estimated the number of such building permits per 100,000 inhabitants. All the selected MSAs—apart from Laredo (-7.6%)—recorded a year-over-year increase in 2021 when compared to 2020. It is important to note that permits for new housing units do not necessarily equal housing starts, as permits may be granted but construction may not end up taking place.

In this comparison, Las Cruces ranked first in terms of total permits issued for new, privately owned, single-unit housing, with 1,035 permits per 100,000 inhabitants in 2021. Despite the large number of permits issued in Las Cruces, the percentage growth in this metric (9.7%) was middling among the selected MSAs. In contrast, El Paso's issuances of these permits grew by 25.5%, second only to Austin (29.0%).

Building Permits for New, Privately Owned, Single-Unit Housing in Selected MSAs per 100,000 Inhabitants

MSA	A 2020	B 2021	B-A	B-A (Δ%)
Las Cruces, NM	943	1,035	92	9.7%
Dallas-Fort Worth, TX	674	719	45	6.7%
San Antonio, TX	570	637	67	11.7%
McAllen, TX	467	557	90	19.3%
Austin, TX	409	527	118	29.0%
Houston, TX	499	521	22	4.4%
El Paso, TX	399	501	102	25.5%
Laredo, TX	338	312	(26)	-7.6%

Note: Authorized unadjusted units by Metropolitan Statistical Area (MSA). Austin includes Round Rock and Georgetown; Houston includes The Woodlands and Sugar Land; Dallas-Fort Worth includes Arlington; McAllen includes Edinburg and Mission; and San Antonio includes New Braunfels. The number of building permits issued per 100,000 inhabitants is rounded to the nearest whole number. The percentage change may differ slightly as a result.

Source: Hunt Institute calculations using data from the U.S. Census Bureau.

In 2021, Las Cruces and Dallas led the way among the selected MSAs in terms of the average value of new, privately owned, single-unit housing permitted, at roughly \$262,000 for both. The average price of the new, privately owned, single-unit homes that builders requested permits for in 2021 increased in most of the selected MSAs. El Paso was fifth with an average value for new, privately owned, single-unit housing of approximately

² According to the U.S. Census Bureau, the single-family statistics include "fully detached, semi-detached (semi-attached, side-by-side), row houses, and townhouses.

\$234,000. From 2020 to 2021, the average value of these home building permits decreased in El Paso (-\$4,000 or -1.6%) and Laredo (-\$25,000 or -13.4%) on a year-over-year basis. All other MSAs including Las Cruces (\$6,000 or 2.5%) experienced an increase in the average value of these homes.

Average Price of Building Permits for New, Privately Owned, Single-Unit Housing in Selected MSAs (Thousand USD)

MSA	A 2020	B 2021	B-A	B-A (Δ%)
Las Cruces, NM	\$256	\$262	\$6	2.5%
Dallas-Fort Worth, TX	\$249	\$262	\$13	5.3%
Austin, TX	\$227	\$241	\$14	6.2%
San Antonio, TX	\$230	\$236	\$6	2.7%
El Paso, TX	\$238	\$234	-\$4	-1.6%
Houston, TX	\$203	\$228	\$25	12.3%
McAllen, TX	\$192	\$197	\$5	2.6%
Laredo, TX	\$185	\$161	-\$25	-13.4%

Note: Authorized unadjusted units by Metropolitan Statistical Area (MSA). Numbers are rounded to the nearest thousand. Austin includes Round Rock and Georgetown; Houston includes The Woodlands and Sugar Land; Dallas-Fort Worth includes Arlington; McAllen includes Edinburg and Mission; and San Antonio includes New Braunfels. The number of building permits issued per 100,000 inhabitants is rounded to the nearest whole number. The percentage change may differ slightly as a result.

Source: Hunt Institute calculations using data from the U.S. Census Bureau.

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 can strengthen regional and binational cross-border economic and social development.

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