UTEP HUNT INSTITUTE
FOR GLOBAL COMPETITIVENESS

Key Takeaways

Employment

- Year-over-year (YoY) non-farm employment gains continued in May 2023 for twenty-sixth consecutive months in the U.S., El Paso, and Las Cruces, and for thirty-four consecutive months in Ciudad Juárez.
- Las Cruces was the only MSA from the Paso del Norte region that experienced mixed YoY employment outcomes, with employment declines in both Trade and Transportation and Utilities sectors of -200 jobs (-2.2%) and -100 jobs (-4.2%), respectively.

Sales Tax Collections

- All selected Texas cities[1] experienced an increase in sales and use tax collections during the first half of 2023 compared to the same period in the previous year, with Fort Worth experiencing the largest increase of $11 million (10.3%).
- In the first half of 2023, El Paso's sales and use tax collections increased by $2.9 million (4.6%) compared to the same period in 2022.

Trade

- Among the top ten U.S.-Mexico border Ports of Entry (PoE) for total trade, the Laredo and Ysleta PoE experienced the largest increase in total trade of $12,796 million (10.7%) and $4,169 million (14.1%), respectively, during the first five months of 2023 compared to the same period in 2022.
- Among these, Santa Teresa and El Paso PoE were the only PoE to record a decrease in total trade of $2,928 million (-22.5%) and $1,579 million (-14.4%) during the aforementioned period.

Quick-Glance Indicators

Unemployment Rates for U.S., State, and Selected MSA Economies
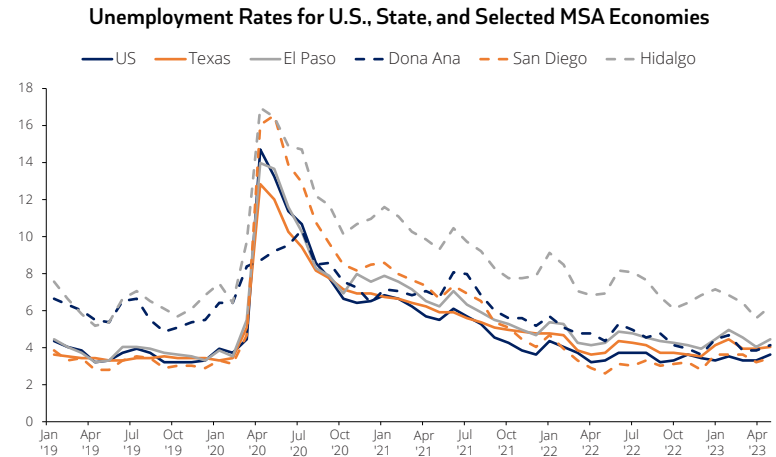
Note: Data as of May 2023.
Source: Hunt Institute calculations using data from the U.S. Bureau of Labor Statistics.

El Paso and Ciudad Juárez Air Passengers, Thousands
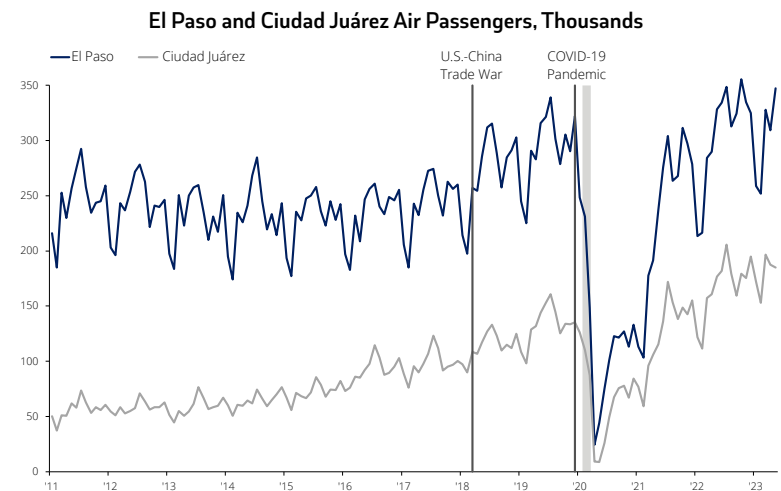
Note: Data as of May 2023. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).
**Source:** Hunt Institute using El Paso International Airport and Grupo OMA data.

Employment

Sustained Job Growth in El Paso del Norte Region

Non-farm employment in the Paso del Norte region grew from May 2022 through May 2023.

May 2023 marked the twenty-sixth consecutive month of YoY non-farm employment gains in the U.S., El Paso, and Las Cruces, and the thirty-fourth consecutive month in Ciudad Juárez. At the national level, YoY gains of 3,975,000 jobs (2.6%) were observed in May 2023. Total non-farm employment also increased in El Paso by 8,400 jobs (2.5%), Las Cruces by 2,800 jobs (3.7%), and Ciudad Juárez by 13,350 jobs (2.7%). In a month-over-month (MoM) comparison, however, the outlook is mixed. While non-farm employment increased in the U.S. by

[1] The selected Texas cities are Houston, San Antonio, Dallas, Austin, Fort Worth, El Paso, McAllen, and Laredo.

**Paso del Norte Total Non-Farm Employment (Year-over-Year, %)**
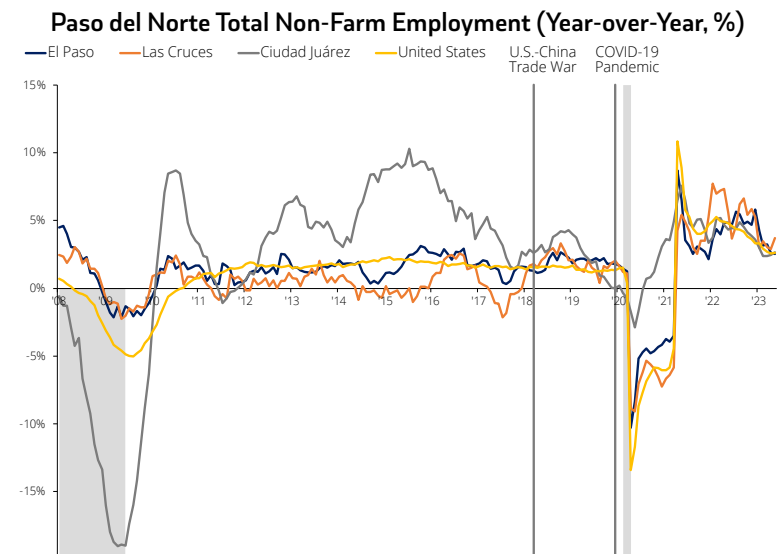
Note: Preliminary data for May 2023. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).
Source: Hunt Institute calculations using data from the U.S. Bureau of Labor Statistics and Instituto Mexicano del Seguro Social.

897,000 (0.6%), El Paso by 800 (0.2%), and Las Cruces by 300 jobs (0.4%), Ciudad Juárez lost 1,270 (-0.2%) non-farm positions.

The Hunt Institute tracks five non-farm employment sectors in the Paso del Norte region. In May 2023, the U.S. and Ciudad Juárez added jobs in all five sectors on a YoY basis, while El Paso experienced growth in four sectors and a modest decline in one sector. In contrast, Las Cruces experienced growth in three sectors, with more sizable employment declines experienced in the two remaining sectors. The Services sector in particular drove YoY job growth in the Paso del Norte region and the U.S. In El Paso, the following sectors experienced employment growth: The Services sector by 5,900 jobs (2.6%), the Manufacturing sector by 400 jobs (2.2%), the Transportation and Utilities sector by 1,800 jobs (9.2%), and the Mining and Construction sector by 500 jobs (2.9%), while the Trade sector experienced a modest decline of 200 jobs (-0.4%). In Las Cruces, non-farm employment increased in the Services sector by 2,600 jobs (4.5%), the Manufacturing sector by 200 jobs (6.3%), and the Mining and Construction sector by 300 jobs (7.9%), while declines were observed in the Trade and Transportation and Utilities sectors, resulting the loss of 200 (-2.2%) and 100 jobs (-4.2%), respectively. Ciudad Juárez recorded increases in all five sectors: 1,060 jobs (0.3%) in Manufacturing, 3,120 jobs (6.0%) in Trade, 3,690 jobs (22.8%) in Mining and Construction, 1,540 jobs (5.7%) in Transportation and Utilities, and 3,970 jobs (5.7%) in Services.

Paso del Norte Total Non-Farm Employment by Sector, May 2023 (Year-over-Year)
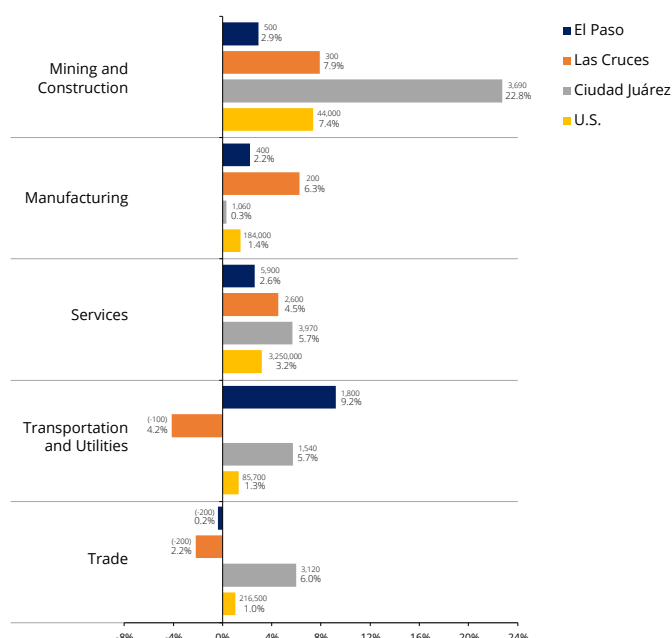
Note: Preliminary data for May 2023. Services excludes Transportation and Utilities, and Trade. Numbers are rounded to the nearest hundred.
Source: Hunt Institute calculations using data from the U.S. Bureau of Labor Statistics and Instituto Mexicano del Seguro Social.

Sales Tax Collections

Fort Worth Continues to Lead in Sales Tax Collection Growth

Sales tax collections increased in the first half of 2023, suggesting possible growth in consumer spending. However, it is important to note that this rise in sales tax collection may also be influenced by inflationary pressures.

The table below presents sales and use collections for eight selected cities in Texas: the six most populated and two border cities (McAllen and Laredo). Selected Texas cities experienced an increase in sales and use tax collections during the first half of 2023 compared to the same period in 2022. Fort Worth led with the highest growth rate of 10.3%, indicating robust consumer activity within the city. Laredo, Houston, Austin, and Dallas followed closely with growth rates of 8.8%, 8.2%, 7.7%, and 6.2%, respectively. El Paso and San Antonio exhibited moderate increases with growth rates of 4.6% and 3.8%, respectively. While not as large as the other cities, this growth is still a positive sign for their local economies.

El Paso collected approximately $66.9 million in sales and use tax allocations during the first half of 2023, reflecting an increase of $2.9 million (4.6%) compared to the same period last year. However, this increase is lower than the growth observed from 2022 to 2021 ($8.9 million or 16.2%), signifying a reduction in sales tax collection growth during the specified time frame.

Sales and Use Tax Allocations for Selected Texas Cities, USD

City	A Jan-Jun 2022	B Jan-Jun 2023	B-A (Δ%)
Houston, TX	$416,179,468	$450,117,908	8.2%
San Antonio, TX	$231,003,764	$239,668,902	3.8%
Dallas, TX	$199,503,988	$211,790,507	6.2%
Austin, TX	$160,759,566	$173,186,237	7.7%
Fort Worth, TX	$105,638,312	$116,488,696	10.3%
El Paso, TX	$63,948,238	$66,876,697	4.6%
McAllen, TX	$45,944,341	$47,199,152	2.7%
Laredo, TX	$28,147,430	$30,620,888	8.8%

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.

Trade

U.S.-Mexico Border Trade Surges in the First Five Months of 2023

In the first five months of 2023, total trade across the top ten U.S.-Mexico border PoE increased, with the Laredo and Ysleta PoE experiencing the largest growth. In the first five months of 2023, total trade across the top ten U.S.-Mexico border PoE increased, with the Laredo and Ysleta PoE experiencing the largest growth.

Total trade through the U.S. – Mexico border at the top ten PoE increased by $16,885 million (6.4%) in the first five months of 2023 compared to the same period of 2023. The PoE that experienced the largest growth were Laredo and Ysleta with an increase in total trade of $12,796 million (10.7%) and $4,169 million (14.1%), respectively. On a month-over-month basis in 2023, all of the top ten PoE exhibited a considerable increase in total trade during May compared to April.

Top Ten U.S.–Mexico Border Ports of Entry for Total Trade with World, Million USD

Port of Entry	A Jan-May 2022	B Jan-May 2023	B–A	B–A (Δ%)	May 2023 MoM	May 2023 YoY
Laredo, TX	$119,089	$131,885	$12,796	10.7%	9.0%	-9.6%
Ysleta, TX	$29,648	$33,817	$4,169	14.1%	12.2%	-7.4%
Otay Mesa, CA	$25,423	$26,114	$692	2.7%	7.2%	9.6%
Hidalgo, TX	$19,248	$19,487	$239	1.2%	7.5%	7.3%
Eagle Pass, TX	$13,823	$15,647	$1,824	13.2%	3.0%	2.6%
Nogales, AZ	$12,803	$13,742	$939	7.3%	19.9%	-4.3%
Brownsville, TX	$9,958	$10,095	$137	1.4%	9.6%	1.3%
Santa Teresa, NM	$12,984	$10,057	-$2,928	-22.5%	14.7%	16.6%
El Paso, TX	$10,951	$9,372	-$1,579	-14.4%	13.9%	-30.7%
Calexico-East, CA	$8,534	$9,130	$597	7.0%	11.6%	84.6%

**Note:** Top ten in 2023. YoY denotes year-over-year; MoM denotes month-over-month.
Source: Hunt Institute calculations using data from the U.S. Census Bureau.

In the first five months of 2023, the top six PoE recorded a total commodity import value of $152,982 million, marking an $11,555 million (8.2%) increase compared to the same period in 2022. YoY performance varied among the selected six PoE. Laredo and Eagle Pass, for example, experienced increases of $7,964 million (10.9%) and $1,633 million (17.4%), respectively, while Santa Teresa faced declines of $1,473 million (-18.9%).

In the first five months of 2023, the top six PoE registered a total commodity export value of $93,398 million, representing a $3,658 million (4.1%) increase compared to the same period in 2022. YoY performance continued to vary among the PoE in terms of export value. For instance, Laredo and Otay Mesa, experienced increases of $4,831 million (10.5%) and $453

million (5.1%), respectively, while Santa Teresa and Hidalgo faced significant declines of $1,454 million (-28.0%) and $498 million (-6.4%), respectively.
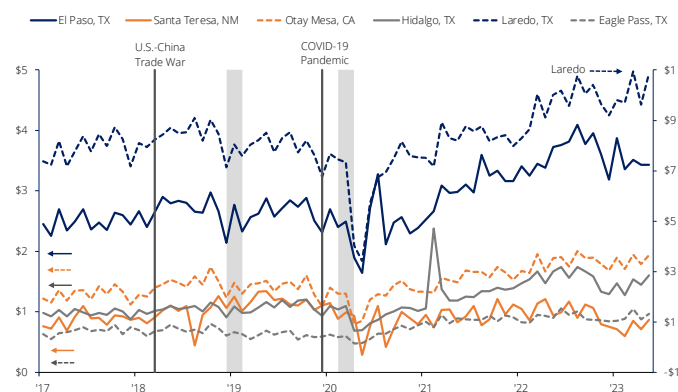
Top U.S.–Mexico Border PoE for Imports from the World, Billion USD (Year-over-Year, %)
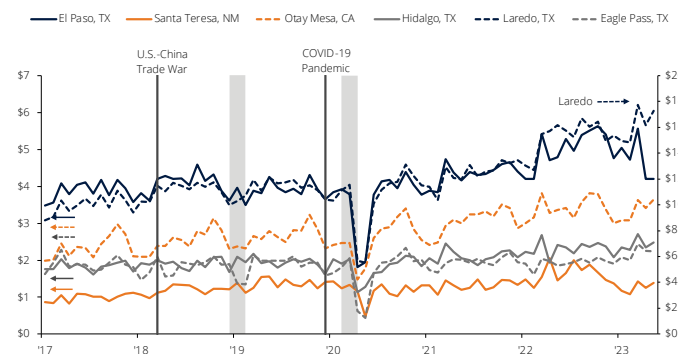
Note: Data as of May 2023. Top six ports in total trade. El Paso PoE includes Ysleta PoE. Shaded area indicates recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).
Source: Hunt Institute calculations using data from the U.S. Census Bureau.

Top U.S.–Mexico Border PoE for Exports to the World, Billion USD (Year-over-Year, %)

Note: Data as of May 2023. Top six ports in total trade. El Paso PoE includes Ysleta PoE. 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. 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 strengthen regional and binational cross-border social and economic development.

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