

Key Takeaways

Employment

- Total non-farm employment increased in June 2022 on a year-over-year basis in the U.S. (6,310,000 jobs or 4.2%), El Paso (8,900 jobs or 2.8%), Las Cruces (3,600 jobs or 5.1%), and Ciudad Juárez (21,300 jobs or 4.5%).
- On a monthly basis, the change in total non-farm employment across the Paso del Norte region was mixed in June, with El Paso adding 2,500 jobs (0.8%), Las Cruces losing 1,500 jobs (-2.0%), and Ciudad Juárez growing by 300 jobs (0.1%). In comparison, the U.S. added 906,000 jobs (0.6%).

Inflation

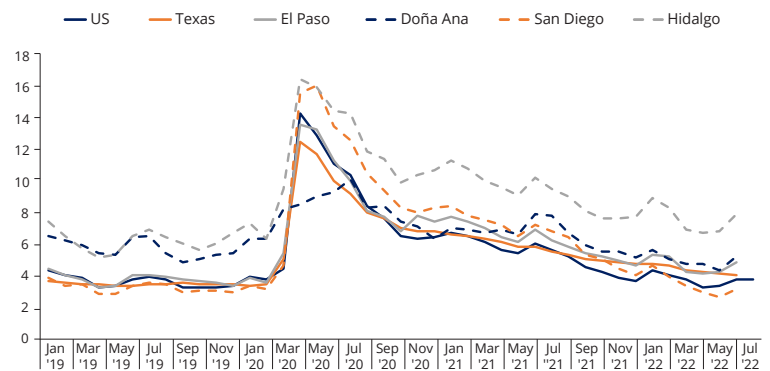
- In July, U.S. inflation eased, falling to 8.5% from a 40-year high of 9.1% in June.
- During the second quarter of 2022, the price of selected grocery items in El Paso increased by more than 40%.
- During the third week of August, average gas prices in El Paso and Texas were \$3.42, which were below that recorded in the U.S. (\$3.78).

Residential Building Permits

- In El Paso and Las Cruces, the average value of new, privately owned, single-unit housing permits remained stagnant in the first half of 2022 with respect to that of 2021.
- Among selected MSAs, all but Houston issued fewer of these building permits during the observed period.¹

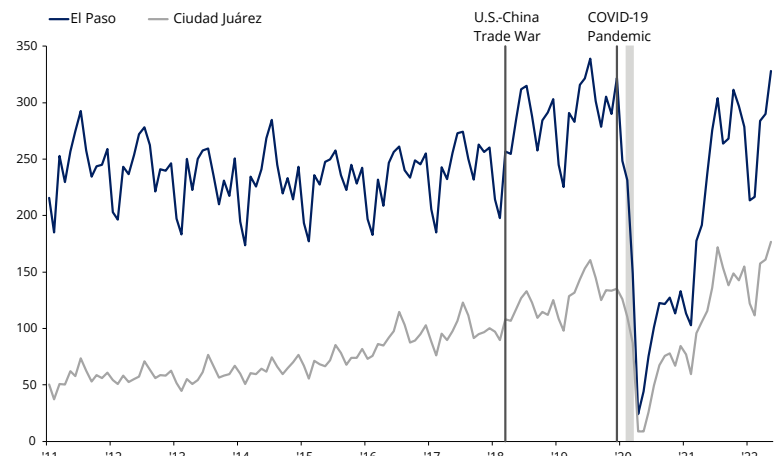
Quick-Glance Indicators

Unemployment Rates for U.S., State, and Selected MSA Economies



Note: State and MSA data up to June 2022. U.S. data up to July 2022.
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 June 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.

Employment

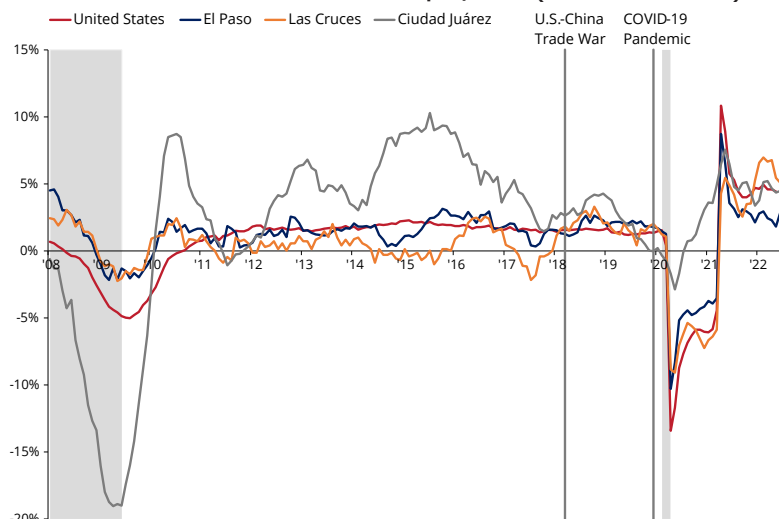
Post-pandemic Job Growth Stalls

Non-farm employment in the Paso del Norte region exceeds 2021 but month-over-month growth has been minimal since March 2022.

June 2022 marked the 15th consecutive month of year-over-year non-farm employment gains for El Paso and Las Cruces. Non-farm employment gains continued for the 23rd consecutive month in Ciudad Juárez.

The national economy registered year-over-year gains of 6,310,000 jobs (4.2%) in June. By comparison, total non-farm employment increased in El Paso (8,900 jobs or 2.8%), Las Cruces (3,600 jobs or 5.1%), and Ciudad Juárez (21,300 jobs or 4.5%). In a month-over-month comparison, the U.S. added 906,000 jobs (0.6%), while El Paso added 2,500

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



Note: Preliminary data for June 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.

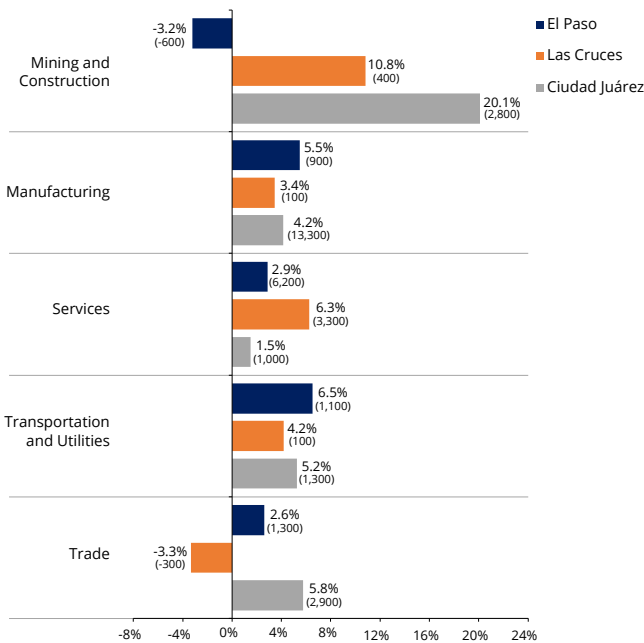
¹ Selected cities include Austin, Dallas, El Paso, Houston, Laredo, McAllen, and San Antonio in Texas, and Las Cruces in New Mexico.

jobs (0.8%), Las Cruces lost 1,500 jobs (-2.0%), and Ciudad Juárez grew by 300 jobs (0.1%).

The Hunt Institute tracks five non-farm employment sectors in the Paso del Norte region.² El Paso and Las Cruces exhibited growth in all but one sector in a year-over-year comparison for June 2022. Ciudad Juárez added jobs in all sectors.

The Services sector drove year-over-year job growth in El Paso and Las Cruces, while the Manufacturing sector drove growth in Ciudad Juárez. In El Paso the Services sector grew by 6,200 jobs (2.9%), the Trade sector by 1,300 jobs (2.6%), the Transportation and Utilities sector by 1,100 jobs (6.5%), and the Manufacturing sector by 900 jobs (5.5%), while the Mining and Construction sector decreased by 600 jobs (-3.2%). In Las Cruces, non-farm employment increased in the Services sector by 3,300 jobs (6.3%), the Mining and Construction sector by 400 jobs (10.8%), the Transportation and Utilities sector by 100 jobs (4.2%), and the Manufacturing sector by 100 jobs (3.4%). The Trade sector decreased by 300 jobs (-3.3%). Ciudad Juárez recorded increases in all sectors: with 13,300 jobs (4.2%) in the Manufacturing sector, 2,900 jobs (5.8%) in the Trade sector, 2,800 jobs (20.1%) in the Mining and Construction sector, 1,300 jobs (5.2%) in the Transportation and Utilities sector, and 1,000 jobs (1.5%) in the Services sector.

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



Note: Preliminary data for June 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.

² 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.

El Paso’s non-farm employment gains in a month-over-month comparison occurred in four of the five sectors. The Services sector added 1,300 jobs (0.6%), the Trade sector gained 400 jobs (0.8%), the Mining sector grew by 400 jobs (2.3%), and the Transportation and Utilities sector added 400 jobs (2.3%). The Manufacturing sector remained stagnant.

Las Cruces exhibited zero month-over-month overall job growth and lost jobs in one sector. The Services sector decreased by 1,500 jobs (-2.6%), while the remaining sectors showed no job growth. Ciudad Juárez demonstrated moderate job gains in three out of the five sectors. The Trade sector gained 700 jobs (1.3%). The Mining and Construction sector increased by 300 jobs (2.0%), and the Transportation and Utilities sector grew by 100 jobs (0.4%). The Manufacturing sector lost 800 jobs (-0.2%) and the Services sector remained stagnant.

Inflation

Inflation in the El Paso Economy

Hunt Institute to publish quarterly inflation information for El Paso County.

In July, national inflation—measured by the annual growth rate of the Consumer Price Index (CPI)—fell to 8.5%, easing pressure from a 40-year high of 9.1% in June. Energy inflation hit a 42-year high in June of 41.6%, then cooled to 32.9% in July. Food inflation reached a 41-year record high of 10.5% in July, a 10% increase from the previous month. Core inflation, which excludes energy and food items, was stable at 5.9% in both June and July. Wholesale inflation—measured by the Producer Price Index (PPI)—rose 9.8% in July on an annual basis but decreased 0.5% on a monthly basis, the first month-over-month decrease since the inception of the pandemic.

The national economy’s high inflation also increased prices for consumers in El Paso County. Among selected grocery items in El Paso, facial tissue (90.7%), whole wheat bread (44.3%), margarine (40.7%), and eggs (40.4%) recorded the largest price increases in the second quarter of 2022 on a year-over-year basis.

Average Price for Selected Grocery Items in El Paso, 2022 Q2 and 2021 Q2

Grocery Item	A 2021 Q2	B 2022 Q2	B-A	B-A (Δ%)
Facial Tissue	\$1.51	\$2.88	\$1.37	90.7%
Whole Wheat Bread 100%	\$2.84	\$4.10	\$1.26	44.3%
Margarine	\$0.98	\$1.38	\$0.40	40.7%
Eggs Grade A or AA Large	\$2.18	\$3.06	\$0.88	40.4%
Tuna	\$0.93	\$1.23	\$0.29	31.4%

Note: The average price per item was calculated based on the price from nine different grocery stores in the East, Northeast, and West regions of El Paso County

Source: The Hunt Institute for Global Competitiveness using data from Workforce Solutions.

In the U.S., the national regular retail gasoline price reached an all-time high of \$4.84 per gallon during the second week of June, a 63.1% increase over a year. The significant increase could be attributed to Russian's war on Ukraine, as well as lingering effects of the COVID-19 pandemic.

Nevertheless, since the third week of June, regular retail gas prices have declined every week, reaching \$3.78 per gallon during the third week of August. In fact, for the first time since the second week of May, regular retail gas prices in the U.S. are below \$4.00. These price decreases match a decline in the demand for gas and an increase in U.S. gas inventories. While Texas gas prices have remained below those of the U.S., the gap between these two prices increased in July to an all-time high of \$0.36.

In general, gas prices in El Paso have exhibited the same overall trend as Texas and the U.S., but with prices remaining slightly higher or equal to the Texas average. During the third week of August, however, average gas prices in El Paso were \$3.42, the same as the average regular gas price of Texas but falling below that of the U.S. (\$3.78).

Residential Building Permits

Single-Unit Residential Building Permits Decrease in 2022

El Paso and Las Cruces MSAs issued fewer building permits for new, privately owned, single-unit housing in the first half of 2022 compared to 2021.

The Hunt Institute examines the number of permits for new, privately owned, single-unit buildings to assess residential building development for selected MSAs in Texas.³ To account for population differences across these MSAs, the Hunt Institute estimated the number of such building permits per 100,000 inhabitants. Local governments in all the selected MSAs—apart from Houston—issued fewer permits in 2022 through June when compared to 2021. Permits for new housing units do not necessarily equal housing starts, as permits may be granted but construction may not end up taking place.

The San Antonio MSA had the largest decline of total permits issued for new, privately owned, single-unit housing through the first half of 2022 in a year-over-year comparison, issuing 46 fewer (-15.9%) permits per 100,000 inhabitants. Houston was the only MSA that issued more permits, granting eight more (2.1%) building permits for new, privately owned, single-unit housing per 100,000 inhabitants during the first half of 2022.

³ List of MSAs includes Dallas-Fort Worth, McAllen, Austin, Houston, Las Cruces, San Antonio, Laredo, and El Paso. 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.

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

MSA	A Jan-Jun '21	B Jan-Jun '22	B-A	B-A (Δ%)
Houston, TX	386	394	8	2.1%
El Paso, TX	169	167	-2	-1.2%
Las Cruces, NM	295	283	-12	-4.1%
Dallas, TX	352	333	-19	-5.4%
McAllen, TX	280	262	-18	-6.4%
Laredo, TX	294	274	-20	-6.8%
Austin, TX	572	529	-43	-7.5%
San Antonio, TX	290	244	-46	-15.9%

Note: Authorized unadjusted units by Metropolitan Statistical Area (MSA). 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 general, the average value of new, privately owned, single-unit housing permits increased among selected cities in the first half of 2022 when compared to 2021. Dallas and Austin led the way among selected cities with average values of approximately \$275,000 and \$265,000 during the first half of 2022, respectively. Austin (17%) registered the largest relative increase in average price of building permits during this period. Only Laredo (-10%) experienced a decrease in the average price of these building permits. In contrast to the other selected cities, average price values in El Paso and Las Cruces remained stagnant during the period.

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

MSA	A Jan-Jun '21	B Jan-Jun '22	B-A	B-A (Δ%)
Austin, TX	\$227	\$265	\$38	17%
McAllen, TX	\$196	\$215	\$19	10%
Houston, TX	\$226	\$242	\$16	7%
San Antonio, TX	\$232	\$246	\$14	6%
Dallas, TX	\$261	\$275	\$14	5%
El Paso, TX	\$234	\$235	\$1	0%
Las Cruces, NM	\$264	\$263	\$(1)	0%
Laredo, TX	\$171	\$154	\$(17)	-10%

Note: Authorized unadjusted units by Metropolitan Statistical Area (MSA). 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 strengthen regional and binational cross-border social and economic development.

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