

Key Takeaways

Employment

- Total non-farm employment increased in July 2022 on a year-over-year basis in the U.S. (5,797,000 jobs or 4.0%), El Paso (10,000 jobs or 3.2%), Las Cruces (3,500 jobs or 5.0%), and Ciudad Juárez (21,100 jobs or 4.4%).
- On a monthly basis, the change in total non-farm employment across the Paso del Norte region and the U.S. was mixed in July, with El Paso remaining stagnant, Las Cruces losing 800 jobs (-1.1%), and Ciudad Juárez growing by 800 jobs (0.2%). In comparison, the U.S. lost 385,000 jobs (-0.3%).

Sales Tax Collection¹

- Sales tax collection between January and May of 2022 increased in Houston, San Antonio, Dallas, Austin, Fort Worth, El Paso, McAllen, and Laredo relative to the same period in 2019 and 2021.
- El Paso collected \$50,871,000 in sales and use tax during this period. The city exhibited an increase of \$12,900,000 and \$5,282,000 compared to 2019 and 2021 levels during the same period, respectively.

International Trade

- Texas has been the main driver of exports to Mexico through the El Paso PoE in 2022, as \$3.6 billion of export commodity value from Texas made its way to Mexico through the El Paso PoE which is an increase of 1.9%.
- Chihuahua was the main destination of exports from Texas through the El Paso PoE with \$4.3 billion in 2022 which was an increase of 0.9% compared to 2021.

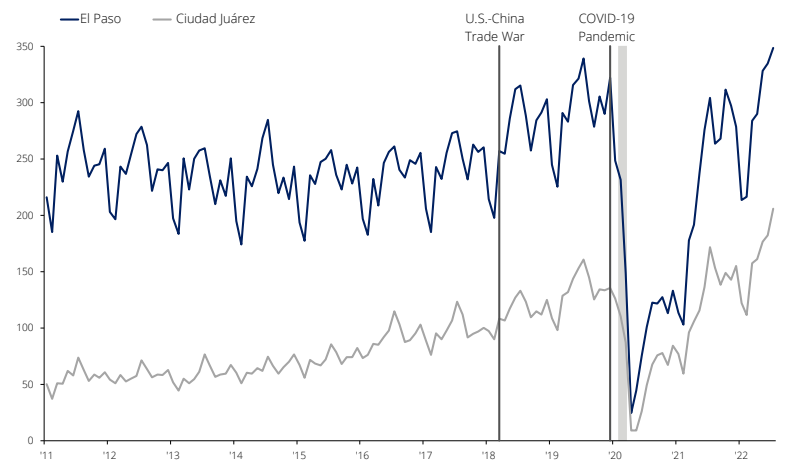
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Quick-Glance Indicators

El Paso and Ciudad Juárez Air Passengers, Thousands



Note: Data as of July 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

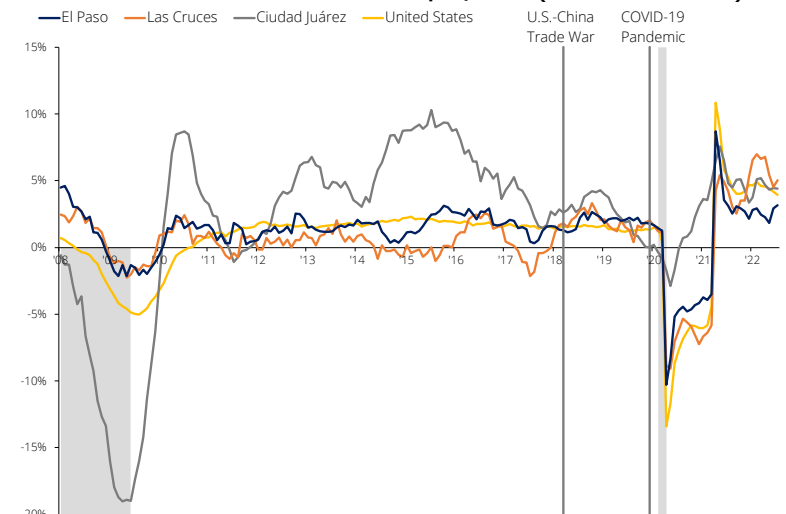
Post-pandemic Job Growth at Halt

Non-farm employment in July 2022 for the Paso del Norte region exceeds that of July 2021, but month-over-month growth has been stagnant.

July 2022 marked the 16th consecutive month of year-over-year non-farm employment gains for El Paso and Las Cruces. Non-farm employment gains continued for the 24th consecutive month in Ciudad Juárez.

The national economy registered year-over-year gains of 5,797,000 jobs (4.0%) in July. By comparison, total non-farm employment increased in El Paso by 10,000 jobs (3.2%), in Las Cruces by 3,500 jobs (5.0%), and in Ciudad Juárez by 21,100 jobs (4.4%). In a month-over-month comparison, the U.S. lost 385,000 jobs (-0.3%), while Las Cruces lost 800 jobs (-1.1%), and Ciudad Juárez grew by 800 jobs (0.2%). El Paso remained stagnant.

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



Note: Preliminary data for July 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 Houston, San Antonio, Dallas, Austin, Fort Worth, El Paso, McAllen, and Laredo.

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

The Services sector drove year-over-year job growth in El Paso, Las Cruces, and the U.S., while the Manufacturing sector drove growth in Ciudad Juárez. In El Paso the Services sector grew by 6,900 jobs (3.2%), the Trade sector by 800 jobs (1.6%), the Transportation and Utilities sector by 1,600 jobs (9.5%), and the Manufacturing sector by 1,200 jobs (7.4%) while the Mining and Construction sector decreased by 500 jobs (-2.7%). In Las Cruces, non-farm employment increased in the Services sector by 2,900 jobs (5.6%), the Mining and Construction sector by 600 jobs (16.7%), the Transportation and Utilities sector by 100 jobs (4.2%), and the Manufacturing sector by 100 jobs (3.4%). The Trade sector decreased by 200 jobs (-2.2%). Ciudad Juárez recorded increases in all sectors: with 13,500 jobs (4.2%) in the Manufacturing sector, 1,500 jobs (2.9%) in the Trade sector, 2,400 jobs (17.2%) in the Mining and Construction sector, 1,700 jobs (6.8%) in the Transportation and Utilities sector, and 2,000 jobs (2.9%) in the Services sector.

Las Cruces exhibited zero month-over-month job growth and gained jobs in one sector. The Mining sector gained 100 jobs (2.4%), while the Services sector lost 900 jobs (-1.6%). Ciudad Juárez demonstrated moderate job gains in two out of the five sectors. Manufacturing increased by 700 jobs (0.2%), and the Trade sector by 300 jobs (0.6%). While the Transportation and Utilities sector decreased by 100 jobs (-0.4%), the Services sector by 40 jobs (-0.1%), and the Mining and Construction sector by 30 jobs (-0.2%).

Sales Tax Collection

Sales Taxes Continue to Surpass 2019 and 2021 Levels

In a comparison of selected Texas cities², sales tax collections for the second half of 2022 exceeded the same periods both in 2021 and in 2019.

At the municipal level, sales tax is not only a significant source of revenue for local governments but also an indirect measure of consumer spending. Barring a change in the sales tax rate or price level, an increase in sales tax revenue signals an increase in consumer spending which may be associated with an increase in consumer confidence.

The Hunt Institute tracks sales tax revenue for selected cities in Texas to observe how El Paso compares to other large metropolitan cities. The following selected cities all experienced an increase in their net payments from sales tax collection revenue in January to July 2022 compared to the same period of the previous year. Austin experienced the largest increase with a year-over-year increase of 22.4% in January-August 2022 while McAllen and El Paso both experienced the lowest increase with only 10.2%, respectively.

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

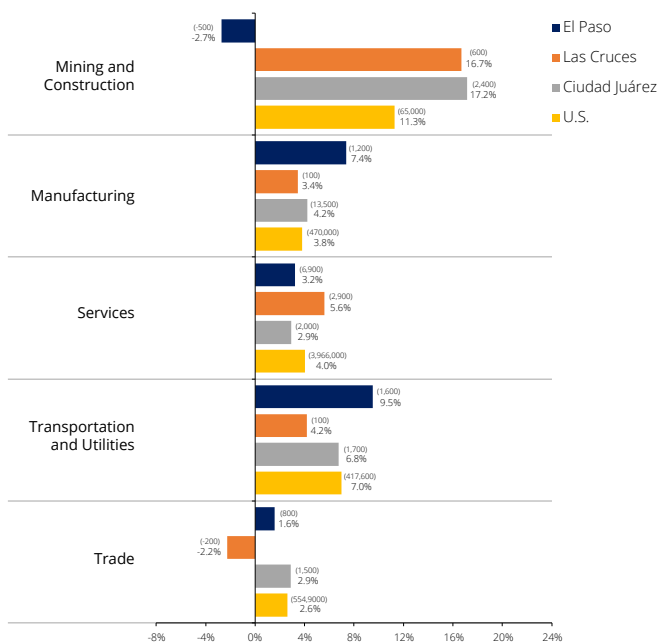
City	A Jan-July 2019	B Jan-July 2020	C Jan-July 2021	C Jan-July 2022	D-A (Δ%)	D-C (Δ%)
Houston, TX	\$399,632	\$373,271	\$427,713	\$484,389	21.2%	13.3%
San Antonio, TX	\$213,391	\$202,180	\$237,152	\$265,322	24.3%	11.9%
Dallas, TX	\$183,497	\$171,645	\$203,470	\$233,593	27.3%	14.8%
Austin, TX	\$139,090	\$132,213	\$156,641	\$191,729	37.8%	22.4%
Fort Worth, TX	\$93,928	\$92,649	\$107,522	\$124,146	32.2%	15.5%
El Paso, TX	\$54,232	\$54,065	\$66,101	\$72,864	34.4%	10.2%
McAllen, TX	\$39,186	\$35,460	\$46,145	\$50,868	29.8%	10.2%
Laredo, TX	\$24,976	\$22,966	\$28,196	\$31,895	27.7%	13.1%

Note: The given months and years represent the collection dates. Calendar year for 2021. 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.

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

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



Note: Preliminary data for July 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.

El Paso's non-farm employment gains in a month-over-month comparison occurred in two of the five sectors. The Transportation and Utilities sector grew by 400 jobs (2.2%), and the Mining sector by 100 jobs (-0.6%). El Paso lost jobs in other employment sectors: Trade by 300 jobs (0.6%) and Services sector by 200 jobs (-0.1%). The Manufacturing sector remained stagnant.

When compared to pre-pandemic levels, Austin is also the top city with an increase in January-August 2022 of 37.8% when compared to 2019. El Paso is second in terms of growth in January-August 2022 compared to 2019 with an increase of 34.4% in 2022 compared to 2019. All selected cities are above pre-pandemic levels in 2022.

International Trade

Top U.S. and Mexican State Trading Partners

Texas is the leading exporting state to Mexico while Chihuahua is the main destination of these exports through ports of entry along the U.S.-Mexico border.³

Texas is the largest exporting U.S. state to Mexico. Texas exported \$50.9 billion in commodity value to Mexico in 2022 through July, which is an increase of 8.9% compared to the previous year. California was behind Texas considerably with only \$15.2 billion, although California experienced a greater increase in exports to Mexico during this time (12.3%) when compared to Texas. Oregon experienced the sharpest increase in absolute value in exports to Mexico with \$2.5 billion in 2022 compared to \$0.2 billion the previous year.

Top 5 U.S. Exporting States to Mexico through the Southern Border Ports of Entry (USD Billion)

U.S. State	A Jan-Jul '21	B Jan-Jul '22	B-A	B-A (Δ%)
Texas	\$46.7	\$50.9	\$4.2	8.9%
California	\$13.5	\$15.2	\$1.7	12.3%
Illinois	\$3.5	\$4.2	\$0.7	19.9%
Michigan	\$3.4	\$4.2	\$0.7	21.2%
Arizona	\$4.1	\$3.7	-\$0.4	-9.7%

Note: This data includes exported commodities by only truck and rail.
Source: U.S. Bureau of Transportation Statistics.

Top 5 Mexican States as a Destination for U.S. Exports through the Southern Border Ports of Entry (USD Billion)

Mexican State	A Jan-Jul '21	B Jan-Jul '22	B-A	B-A (Δ%)
Chihuahua	\$22.0	\$25.2	\$3.2	14.3%
Estado de Mexico	\$15.6	\$18.6	\$3.0	19.0%
Nuevo León	\$13.7	\$15.9	\$2.2	16.2%
Baja California	\$13.3	\$15.4	\$2.1	15.8%
Tamaulipas	\$8.9	\$8.8	-\$0.1	-0.5%

Note: This data includes exported commodities by only truck and rail.
Source: U.S. Bureau of Transportation Statistics.

Chihuahua is the main destination for these exports from Texas. The table above shows that, in 2022 through July, Chihuahua received \$25.2 billion in export commodity value from the U.S.

³ These export flows include intermediate inputs produced in the U.S., and often imported from China and other parts of the world, that are then exported to Mexico and used in manufacturing processes. These goods often return as finished products or as intermediate goods used in further production processes in the U.S. This has greatly increased the importance of the U.S.-Mexico border as a manufacturing site for goods sold in the U.S.

This is an increase of 14.3% compared to the previous year. Estado de Mexico was second as a destination of exports through all ports of entry along the southern border with \$18.6 billion and experienced an increase of 19.0% compared to the previous year. Exports to all Mexican states increased except for Tamaulipas which experienced a decrease of \$0.1 billion (-0.5%).

The table below shows that Texas has been the main driver of these exports through the El Paso PoE in 2022. In 2022 through July, \$3.6 billion of export commodity value from Texas made its way to Mexico through the El Paso PoE, which is a year-over-year increase of 1.9%. Because geography plays such an important role in export flow at the PoE level, Chihuahua was the main destination for U.S. exports through the El Paso PoE with \$4.3 billion in 2022 through July, an increase of 0.9% compared to 2021. However, the table below shows that other Mexican states experienced a decrease in export commodity value while others did not. While exports increased significantly for Jalisco by 25.9%, they decreased for Estado de Mexico and Distrito Federal, with decreases of 4.2% and 6.3%, respectively

Top 5 U.S. States for Mexican Exports through the El Paso Port of Entry (USD Million)

U.S. State	A Jan-Jul '21	B Jan-Jul '22	B-A	B-A (Δ%)
Texas	\$3,622.2	\$3,690.4	\$68.2	1.9%
California	\$494.9	\$501.2	\$6.4	1.3%
Kansas	\$230.1	\$301.1	\$71.0	30.8%
Nebraska	\$133.0	\$253.7	\$120.7	90.7%
Wisconsin	\$265.4	\$231.0	-\$34.4	-13.0%

Note: This data includes exported commodities by only truck and rail.
Source: U.S. Bureau of Transportation Statistics.

Top 5 Mexican States for Exports with U.S. through the El Paso Port of Entry (USD Million)

Mexican State	A Jan-Jul '21	B Jan-Jul '22	B-A	B-A (Δ%)
Chihuahua	\$4,288.1	\$4,325.2	\$37.1	0.9%
Estado de Mexico	\$732.7	\$702.3	-\$30.5	-4.2%
Distrito Federal	\$678.9	\$635.8	-\$43.1	-6.3%
Jalisco	\$412.4	\$519.2	\$106.8	25.9%
Nuevo León	\$188.6	\$195.1	\$6.5	3.4%

Note: This data includes exported commodities by only truck and rail.
Source: U.S. Bureau of Transportation Statistics.

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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