

Key Takeaways

Employment

- In December, non-farm employment increased on a monthly basis in El Paso by 0.1% (200 jobs gained), while Las Cruces and Ciudad Juárez exhibited decreases of 1.3% (900 jobs lost) and 0.9% (4,400 jobs lost), respectively. Ciudad Juárez experienced its first month-over-month decrease since May 2020.
- The Services sector continued to be the hardest hit sector on a year-over-year basis in El Paso, Las Cruces, and Ciudad Juárez with December decreases of 5.5% (12,400 jobs lost), 10.0% (5,700 jobs lost), and 6.8% (4,800 jobs lost), respectively.

Border Crossings

- With the Covid-19 crisis dominating 2020, sharp decreases were observed at the top U.S.-Mexico ports of entry in terms of both truck crossings with loaded containers and total passenger and pedestrian crossings compared to 2019. Overall, however, El Paso PoE was hit the hardest across the border in terms of truck crossings with loaded containers, while passenger and pedestrian crossings struggled more so across all top ports.
- The largest declines for the top 10 ports of entry in terms of truck crossings with loaded containers in 2020 were seen at El Paso Port of Entry (PoE) with a loss of roughly 181,500 crossings (-29.7%) and Laredo PoE with a loss of roughly 82,500 crossings (-4.8%). The largest declines for the top ports of entry in terms of passenger and pedestrian crossings were seen at San Ysidro PoE and El Paso PoE, with losses of approximately 13,600,000 (-37.1%) and 12,100,000 (-45.3%), respectively.

Sales Tax

- Of the selected Texas cities analyzed, El Paso was the only one to increase in terms of total sales and use tax collections in 2020 on a year-over-year basis, going up by approximately \$715,000 (0.7%).

Employment

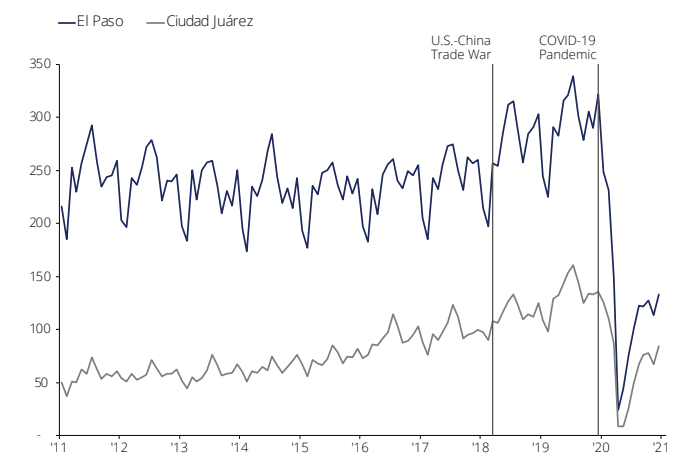
Job Losses in Las Cruces and Ciudad Juárez

Las Cruces and Ciudad Juárez registered job losses in December, ending Ciudad Juárez's streak of monthly job gains. El Paso exhibited a slight increase in jobs.

Non-farm employment in December slightly increased on a monthly basis in El Paso for the third month in a row, going up 0.1% (200 jobs gained). On the other hand, Las Cruces and Ciudad Juárez exhibited decreases in non-farm employment of 1.3% (900 jobs lost) and 0.9% (4,400 jobs lost), respectively, in December compared to November. Ciudad Juárez experienced its first month-over-month decrease since May 2020. Nonetheless, non-farm employment decreased in El Paso and Las Cruces on a year-over-year basis in December by 4.3% (14,300 jobs lost) and 8.2% (6,200 jobs lost), respectively,

Quick-Glance Indicators

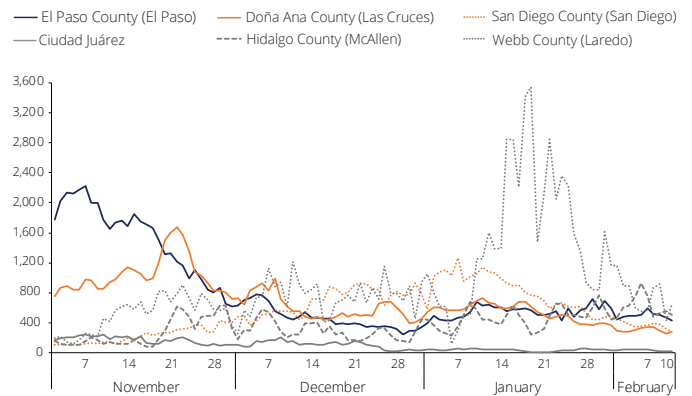
El Paso and Ciudad Juárez Air Passengers, Thousands



Note: Data as of December 2020.

Source: El Paso International Airport and Grupo OMA.

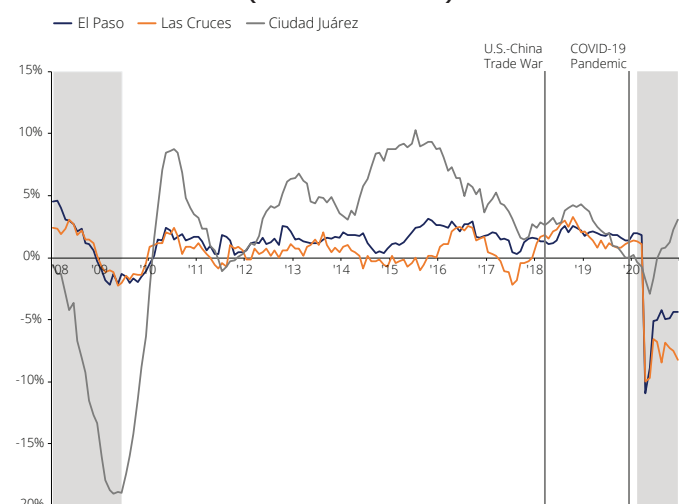
New Coronavirus Cases per 1 Million Inhabitants, 5-Day Moving Average



Note: Data as of February 10, 2021.

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.

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



Note: Preliminary data for December 2020. Shaded area indicates NBER defined recession (2020 recession began in February with no end date at time of publication).

Source: Hunt Institute calculations using U.S. Bureau of Labor Statistics and IMSS data.

while Ciudad Juárez increased on a year-over-year basis for the fifth month in a row in December by 3.1% (13,900 jobs gained), its largest year-over-year increase since February 2019.

Analyzing five sectors of employment across the Paso del Norte region from November to December, El Paso increased only in the Trade sector (1,300 jobs gained) while decreasing in the Transportation and Utilities (400 jobs lost), Services (300 jobs lost), Manufacturing (300 jobs lost), and Mining and Construction (100 jobs lost) sectors. In Las Cruces, the Trade (200 jobs gained) and Transportation and Utilities (100 jobs gained) sectors went up, while the Services (1,100 jobs lost) and Manufacturing (100 jobs lost) sectors decreased in employment and the Mining and Construction sector remained stagnant. In Ciudad Juárez, all sectors except Mining and Construction decreased in December compared to November, with losses led by the Manufacturing (2,000 jobs lost) and Services (1,400 jobs lost) sectors. On a year-over-year basis, the Manufacturing (21,000 jobs gained) and Transportation and Utilities (800 jobs gained) sectors in Ciudad Juárez increased, while the Transportation and Utilities sector in Las Cruces and the Trade sector in El Paso and Las Cruces saw no job growth. All other sectors exhibited negative growth rates. Once again in December, the Services sector recorded the highest over-the-year job losses in absolute terms across the region, with decreases of approximately 12,400 jobs in El Paso, 5,700 jobs in Las Cruces, and 4,800 jobs in Ciudad Juárez. For Ciudad Juárez, the Manufacturing job gain of roughly 21,000 jobs in December was the largest year-over-year gain registered since April 2016.

Breaking down non-farm employment sectors further, the main sector in December contributing to year-over-year job losses in El Paso continued to be the Leisure and Hospitality sector with 6,200 jobs lost (-16.4%), followed by Education and Health Services and Government with losses of 1,800 jobs (-3.7%) and 1,600 jobs (-2.2%), respectively. In Las Cruces, those sectors with the largest year-over-year job losses in December were Leisure and Hospitality with 4,000 jobs lost (-46.5%), Government with 800 jobs lost (-4.0%), and Education and Health Services with 500 jobs lost (-3.1%). However, in El Paso, Leisure and Hospitality and Government both gained 100 jobs in December with respect to November.

Border Crossings

Border Crossings Drop in 2020

Amidst the continuing Covid-19 crisis, El Paso PoE led the way in declines for truck border crossings with loaded containers across top U.S.-Mexico ports of entry in 2020.

The top 10 U.S.-Mexico ports of entry in 2020 in terms of truck crossings with loaded containers remained the same as in 2019, although slightly reordered, with El Paso and Hidalgo switching ranks from 2019 to 4th and 3rd in 2020, respectively. However, all ports registered decreases in comparison to 2019, with the largest absolute declines seen at El Paso PoE with a loss of roughly 181,500 (-29.7%), Laredo PoE with a loss of roughly 82,500 (-4.8%), and Calexico-East PoE with a loss of roughly 50,600 (-19.6%). Santa Teresa PoE remained in the 9th spot and fell by approximately 33,900 (-29.6%) in 2020 compared to 2019.

Top U.S.-Mexico Border Ports of Entry by Truck Crossings with Loaded Containers

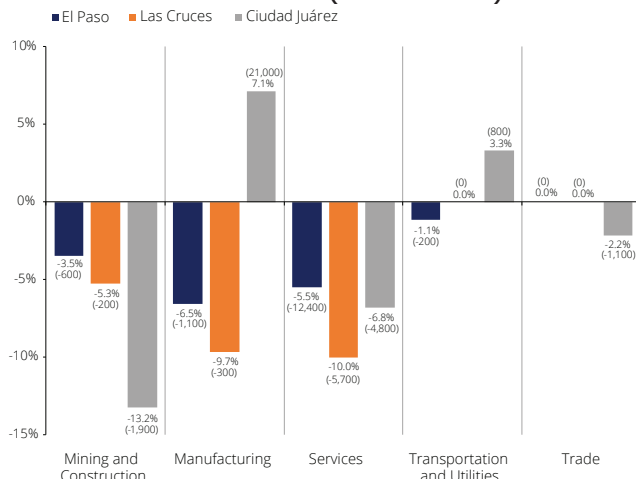
Port of Entry	2019		2020		B-A	B-A (Δ%)
	A	Share (%)	B	Share (%)		
1. Laredo, TX	1,711,670	35.9%	1,629,156	38.7%	-82,514	-4.8%
2. Otay Mesa, CA	759,362	15.9%	712,100	16.9%	-47,262	-6.2%
3. Hidalgo, TX	469,777	9.9%	436,671	10.4%	-33,106	-7.0%
4. El Paso, TX	610,869	12.8%	429,384	10.2%	-181,485	-29.7%
5. Nogales, AZ	293,771	6.2%	258,948	6.2%	-34,823	-11.9%
6. Calexico-East, CA	258,227	5.4%	207,582	4.9%	-50,645	-19.6%
7. Brownsville, TX	153,280	3.2%	116,710	2.8%	-36,570	-23.9%
8. Eagle Pass, TX	149,732	3.1%	105,437	2.5%	-44,295	-29.6%
9. Santa Teresa, NM	114,701	2.4%	80,806	1.9%	-33,895	-29.6%
10. Del Rio, TX	59,951	1.3%	47,462	1.1%	-12,489	-20.8%

Note: Top 10 determined by 2020 totals. El Paso PoE includes Ysleta PoE.

Source: Hunt Institute calculations using U.S. Bureau of Transportation Statistics data.

In 2020, the top 10 U.S.-Mexico ports of entry in terms of total passenger and pedestrian crossings also remained the same as in 2019 with San Ysidro PoE and El Paso PoE remaining

Paso del Norte Total Non-Farm Employment by Sector December 2020 (Year-over-Year)



Note: Preliminary data for December 2020. Services exclude Transportation and Utilities and Trade. Numbers are rounded to the nearest hundred.

Source: Hunt Institute calculations using U.S. Bureau of Labor Statistics and IMSS data.

1st and 2nd, while Laredo fell from 3rd to 5th, and Otay Mesa and Calexico each jumped a spot to 3rd and 4th, respectively. Nogales and San Luis flipped from 2019 with San Luis ranking 8th and Nogales 9th in 2020, respectively. Nevertheless, all ports saw sharp drops in 2020 compared to 2019. San Ysidro PoE, El Paso PoE, Laredo PoE, and Brownsville PoE led the way with decreases of approximately 13,600,000 (-37.1%), 12,100,000 (-45.3%), 7,500,000 (-49.5%), and 6,400,000 (-50.5%), respectively. Santa Teresa PoE, ranked 19th in 2020, fell by roughly 800,000 (-51.4%). El Paso PoE was hit more severely than other ports of entry across the border in 2020, with the largest decline of the top ports in loaded truck container crossings and the second largest decline in passenger and pedestrian crossings. While truck crossings with loaded containers were down in 2020, passenger and pedestrian crossings fell even more significantly compared to 2019 amidst the travel restrictions that persisted at the border for the majority of the year.

Top U.S.-Mexico Border Ports of Entry by Total Passengers and Pedestrians

Port of Entry	2019		2020		B-A	B-A (Δ%)
	A	Share (%)	B	Share (%)		
1. San Ysidro, CA	36,724,706	19.5%	23,091,334	21.7%	-13,633,372	-37.1%
2. El Paso, TX	26,644,366	14.2%	14,580,485	13.7%	-12,063,881	-45.3%
3. Otay Mesa, CA	14,950,766	7.9%	9,534,993	9.0%	-5,415,773	-36.2%
4. Calexico, CA	12,713,669	6.8%	7,838,424	7.4%	-4,875,245	-38.3%
5. Laredo, TX	15,180,224	8.1%	7,672,728	7.2%	-7,507,496	-49.5%
6. Brownsville, TX	12,587,521	6.7%	6,226,588	5.9%	-6,360,933	-50.5%
7. Hidalgo, TX	10,891,357	5.8%	5,978,744	5.6%	-4,912,613	-45.1%
8. San Luis, AZ	7,599,591	4.0%	5,284,567	5.0%	-2,315,024	-30.5%
9. Nogales, AZ	10,395,837	5.5%	5,060,302	4.8%	-5,335,535	-51.3%
10. Eagle Pass, TX	6,910,152	3.7%	3,872,780	3.6%	-3,037,372	-44.0%
19. Santa Teresa, NM	1,542,564	0.8%	750,081	0.7%	-792,483	-51.4%

Note: Top 10 determined by 2020 totals. El Paso PoE includes Ysleta PoE.

Source: Hunt Institute calculations using U.S. Bureau of Transportation Statistics data.

Sales Tax Collections

El Paso Sees Increase in Sales Tax Collections

Across selected Texas cities, the City of El Paso was the only one to register an increase in total sales and use tax collections in 2020 compared to 2019.

Of selected Texas cities, Houston collected the highest amount of sales and use tax collections in 2020 at roughly \$662 million. San Antonio was second with approximately \$363 million, followed by Dallas with \$306 million. El Paso had a total of roughly \$98 million in sales and use tax collections in 2020, while McAllen and Laredo followed with \$67 million and \$42 million, respectively.

Of these selected cities, El Paso was the only one to observe an increase in terms of total sales and use tax collections in 2020 on a year-over-year basis, going up by approximately \$715,000 (0.7%) compared to 2019. Houston led the way in decreases on a relative basis, going down by 6.2% (roughly -\$43.7 million) followed by Laredo (-5.5% or -\$2.4 million), McAllen (-4.8% or -\$3.4 million), and Dallas (-4.4% or -\$14.1 million).

On a year-over-year basis, all of these cities recorded their largest sales and use tax collection decreases for 2020 in April, with El Paso exhibiting the second lowest decrease in relative terms at -14% (a loss of approximately \$1 million).

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

City	A 2019	B 2020	B-A	B-A (Δ%)	December 2020	
					MoM	YoY
Houston, TX	\$705,603	\$661,875	-\$43,727	-6.2%	\$17,989	-\$2,755
San Antonio, TX	\$373,895	\$363,458	-\$10,437	-2.8%	\$10,190	\$206
Dallas, TX	\$320,356	\$306,207	-\$14,149	-4.4%	\$10,912	\$672
Austin, TX	\$245,345	\$235,754	-\$9,591	-3.9%	\$5,774	-\$1,222
Fort Worth, TX	\$166,810	\$166,504	-\$306	-0.2%	\$4,208	-\$107
El Paso, TX	\$97,596	\$98,311	\$715	0.7%	\$2,855	-\$74
McAllen, TX	\$70,271	\$66,889	-\$3,382	-4.8%	\$2,752	\$120
Laredo, TX	\$44,354	\$41,906	-\$2,448	-5.5%	\$1,142	-\$44

Note: The given months and years represent the collection dates. Calendar years for 2019 and 2020. YoY denotes year-over-year; MoM denotes month-over-month. 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.

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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