PASO DEL NORTE ECONOMIC INDICATOR REVIEW

November 2024

UTEP HUNT INSTITUTE FOR GLOBAL COMPETITIVENESS

Key Takeaways

Employment

- From September 2023 to September 2024, El Paso added 12,000 jobs (3.6%), with growth in services, transportation, and trade. Las Cruces gained 3,600 jobs (4.6%), with increases on the services, trade, transportation, and construction sectors.
- Ciudad Juárez had Year-over-Year (YoY) losses, with -12,550 jobs (-2.5%) for the same period. These losses were concentrated in the manufacturing and mining and construction sectors.

Border Encounters

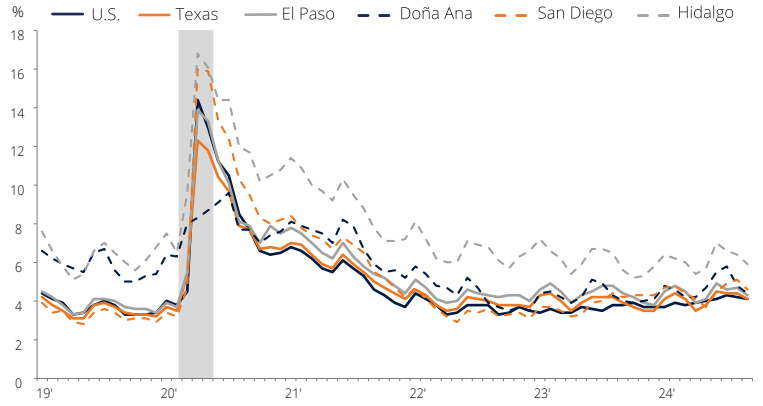
- Total national border encounters decreased by 12.8% from January to September 2024 compared to the same period in 2023. Similarly, the Southwest border encounters declined by 13.6% from January to September 2024 compared to the same period in 2023.
- Most sectors along the Southwest border experienced a decrease in encounters from January to September 2024 compared to the same time frame in 2023 except Laredo, San Diego, and Tucson.[1]

Sales Tax Collections

- During the first eight months of 2024, selected Texas cities experienced an overall increase in total sales and use tax collections compared to the first eight months of 2023, with San Antonio experiencing the largest increase, $7.6 million, and Laredo experiencing the largest percentage growth, 4.6%.[2]
- El Paso's sales and use tax collections increased by approximately $1.1 million (1.3%) compared to the same period in 2023.

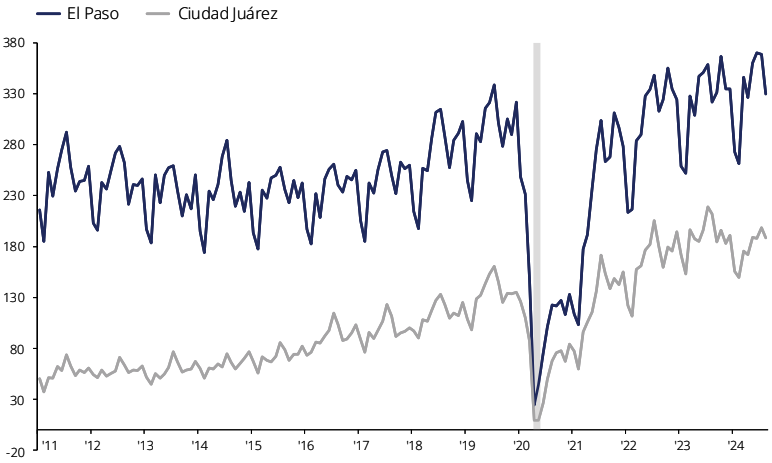
Quick-Glance Indicators

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



Note: Data as of September 2024. 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.

El Paso and Ciudad Juárez Air Passenger, Thousands



Note: Data as of August 2024. The 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.

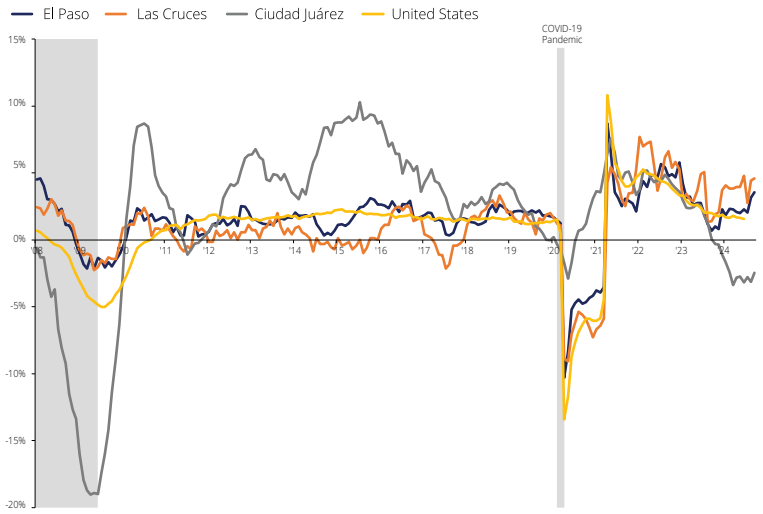
Employment

Mixed Employment Trends Continue in the Paso del Norte Region

In September 2024, El Paso and Las Cruces saw non-farm employment gains compared to September 2023 levels, while Ciudad Juárez faced declines for the same period.

The U.S. experienced an increase of 2,275,000 non-farm jobs (1.4%) in September 2024 on a Year-over-Year (YoY) basis. During the same period, El Paso and Las Cruces experienced YoY gains of 12,000 jobs (3.6%) and 3,600 jobs (4.6%), respectively. Meanwhile, Ciudad Juárez lost 12,550 jobs (-2.5%), driven by a decline in the manufacturing sector of 15,710 jobs (-4.8%). September

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



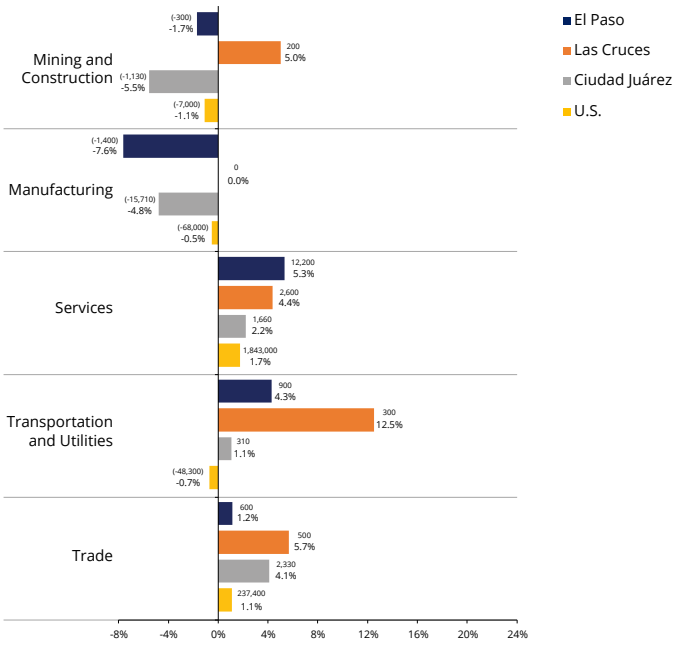
Note: Preliminary data for September 2024. Shaded areas indicate recession as defined by the National Bureau of Economic Research (2020 recession began in February and ended in April).
Source: Hunt Institute calculations using data from the U.S. Bureau of Labor Statistics and Instituto Mexicano del Seguro Social.

1 The Southwest sectors include Big Ben, TX; Del Rio, TX; El Centro, TX; El Paso, TX; Laredo, TX; Rio Grande, TX; San Diego, CA; Tucson, AZ; and Yuma, AZ.
2 Selected Texas cities consist of the six most populous cities (Houston, San Antonio, Dallas, Austin, Fort Worth, and El Paso) and two border cities (McAllen and Laredo).

marks the 12th consecutive month of manufacturing job losses in Ciudad Juárez, which is partly due to the loss of private investment or shifting private investment from Ciudad Juárez to southern regions.[3]

The Hunt Institute tracks five non-farm employment sectors in the Paso del Norte region. In El Paso, the following sectors experienced employment growth on a YoY basis from September 2023 to September 2024: services grew by 12,200 jobs (5.3%), transportation and utilities by 900 jobs (4.3%), and trade by 600 jobs (1.2%), while manufacturing lost 1,400 jobs (-7.6%), and mining and construction lost 300 jobs (-1.7%). Las Cruces registered growth in four sectors: services by 2,600 jobs (4.4%), trade by 500 jobs (5.7%), and transportation and utilities by 300 jobs (12.5%), mining and construction by 200 jobs (5.0%), while the manufacturing sector remained unchanged. In Ciudad Juárez, the 5 non-farm employment sectors experienced the following YoY growth: trade increased by 2,330 jobs (4.1%), services by 1,660 jobs (2.2%), and transportation and utilities by 310 jobs (1.1%), while the manufacturing sector lost 15,710 jobs (-4.8%) and construction by 1,130 jobs (-5.5%).

Paso del Norte Total Non-farm Employment by Sector, (Year-over-Year)



Note: Preliminary data for September 2024. 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.del Seguro Social.

3 Alejandro Vargas. "Continúa en caída empleo en maquilas". El Diario de Chihuahua (Chihuahua, Chihuahua), October 24, 2024. https://www.eldiariodechihuahua.mx/economia/2024/oct/24/continua-en-caida-empleo-en-maquilas-652812.html

Border Encounters

Southwest Border Encounters Declined Significantly

Southwest Border encounters reached over 1.1 million from January to September 2024, a 13.6% decrease compared to the same period in 2023.

From January to September 2024, Southwest border encounters totaled over 1.1 million, reflecting a 13.6% decrease compared to the same time frame in 2023. Moreover, national-level encounters decreased by 12.8% over the same period. United States Border Patrol (USBP) encounters comprise Title 8 Apprehensions and Title 42 Expulsions with demographics including family unit encounters (FMU), unaccompanied children encounters (UC), and single adult encounters (SA).

The Yuma, El Centro, and Rio Grande sectors recorded the largest relative declines in encounters at 69.0%, 56.7%, and 56.3%, respectively. Big Bend recorded the least relative decline in encounters at 20.3%. However, San Diego, Laredo, and Tucson are the only sectors with increased encounters, with 63.7%, 49.7%, and 33.7%, respectively.

Southwest Border Encounters by Sector

Sector	Jan-Sep 2024			Total		B-A	B-A (Δ%)
	FMU	SA	UC	A Jan-Sep 2023	B Jan-Sep 2024		
Big Bend. TX	440	2,983	170	4,508	3,593	(915)	-20.3%
Del Rio, TX	83,602	105,748	12,673	257,094	202,023	(55,071)	-21.4%
El Centro, CA	5,573	7,301	562	31,062	13,436	(17,626)	-56.7%
El Paso, TX	49,475	122,901	11,871	243,560	184,247	(59,313)	-24.4%
Laredo, TX	4,726	15,306	2,983	15,377	23,015	7,638	49.7%
Rio Grande, TX	51,282	36,144	19,311	244,067	106,737	(137,330)	-56.3%
San Diego, CA	55,944	172,975	5,286	143,096	234,205	91,109	63.7%
Tucson, AZ	153,011	148,278	20,330	240,566	321,619	81,053	33.7%
Yuma, AZ	19,760	17,805	1,754	126,675	39,319	(87,356)	-69.0%
Southwest Border Total	423,813	629,441	74,940	1,306,005	1,128,194	(177,811)	-13.6%
National Total	427,647	647,863	75,141	1,318,986	1,150,651	(168,335)	-12.8%

Note: Numbers in parentheses indicate negative numbers. Numbers are by calendar year; USBP reports by fiscal year from October to September. FMU are family unit encounters, UC are unaccompanied children's encounters and SA are single adult encounters.
Source: Hunt Institute calculations using data from the U.S. Customs and Border Protection.

From January to September 2024, 55.8% of the encounters at the Southwest border were with Single Adults, 37.6% were with family units, and 6.6% were with unaccompanied children. The reduction in encounters could indicate potential changes in migration patterns, enforcement efforts, or other factors affecting border crossings.

There is a declining trend in Southwest border encounter patterns by citizenship from January to September 2024 compared to the same period in 2023. Encounters with Haitian, Mexican, and Chinese citizens surged by 125.0%, 70.7%, and 47.6%, respectively. Encounters with Cuban nationals dropped by 91.3%, while encounters from Nicaragua, Peru, Venezuela, Honduras, and Colombia also saw declines of 78.3%, 55.4%, 26.2%, 25.7%, and 24.2%, respectively. Furthermore, encounters from Eastern European countries like Romania and Russia and Asian countries like Turkey and India have experienced significant reductions.

Southwest Border Encounters by Citizenship

Citizenship	A Jan-Sep 2023	B Jan-Sep 2024	B-A	B-A (Δ%)
Brazil	17,219	18,654	1,435	8.3%
China	19,364	28,580	9,216	47.6%
Colombia	107,917	81,788	(26,129)	-24.2%
Cuba	109,275	9,559	(99,716)	-91.3%
Ecuador	85,041	81,338	(3,703)	-4.4%
El Salvador	27,693	34,849	7,156	25.8%
Guatemala	132,828	133,119	291	0.2%
Haiti	797	1,793	996	125.0%
Honduras	115,336	85,641	(29,695)	-25.7%
India	31,885	20,052	(11,833)	-37.1%
Mexico	199,522	340,549	141,027	70.7%
Nicaragua	93,272	20,240	(73,032)	-78.3%
Other	115,940	95,488	(20,452)	-17.6%
Peru	55,896	24,935	(30,961)	-55.4%
Romania	1,274	604	(670)	-52.6%
Russia	5,851	1,085	(4,766)	-81.5%
Turkey	10,725	8,290	(2,435)	-22.7%
Venezuela	160,706	118,534	(42,172)	-26.2%

Note: Encounters involving Canadian, Ukrainian, Philippine, and Burmese citizenship were excluded due to the availability of data.
Source: Hunt Institute calculations using data from the U.S. Customs and Border Protection.

Sales Tax Collections

Sales Tax Collections Continue to Increase in 2024

Sales tax collections increased in the first eight months of 2024 compared to the same period in 2023, hinting at possible growth in consumer spending; however, it's important to note that inflationary pressures could have also influenced this increase.

During the first eight months of 2024, sales and use tax collections in selected Texas cities totaled $1,747.9 million, marking an increase of $8.9 million (0.5%) compared to the same period in 2023.[4] The border cities of Laredo and McAllen experienced the fastest growth at 4.6% and 3.3%, respectively. San Antonio, Austin, and El Paso followed with growth rates of 2.4%, 2.0%, and 1.3%, respectively. Despite topping total sales and use tax allocations at $579.9 million, Houston experienced a decline of $5.8 million (-1.0%) from the same period in 2023. Notably, Houston and Dallas were the only two of the selected Texas cities to experience a decline in total and relative growth, with Dallas reporting a decline of $3.2 million (-1.2%).

During the first eight months of 2024, El Paso collected approximately $87.6 million in sales and use tax allocations, reflecting an increase of $1.1 million (1.3%) compared to the same period last year. However, this increase is lower than the growth observed from 2022 to 2023 ($3.1 million or 3.7%), signifying a reduction in sales tax collection growth during the specified time frame.

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

City	A Jan-Aug 2023	B Jan-Aug 2024	B-A	B-A (Δ%)
Huston,TX	$585,611	$579,859	-$5,752	-1.0%
San Antonio, TX	$312,553	$320,194	$7,641	2.4%
Dallas, TX	$274,571	$271,378	-$3,194	-1.2%
Austin, TX	$227,880	$232,351	$4,470	2.0%
Fort Worth, TX	$151,634	$152,445	$811	0.5%
El Paso, TX	$86,525	$87,630	$1,105	1.3%
McAllen, TX	$60,050	$62,002	$1,952	3.3%
Laredo, TX	$40,160	$42,019	$1,859	4.6%

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

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4 Selected Texas cities consist of the six most populous cities (Houston, San Antonio, Dallas, Austin, Fort Worth, and El Paso) and two border cities (McAllen and Laredo).