

# El Paso Economic Indicators

DALLAS FED

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**Summary** The El Paso Business-Cycle Index points toward slower growth in the region's economy. Total nonfarm jobs declined slightly in August, yet the local housing market remains robust. Maquiladoras continue to post growth but at a slower pace than last year.

## El Paso Business-Cycle Index

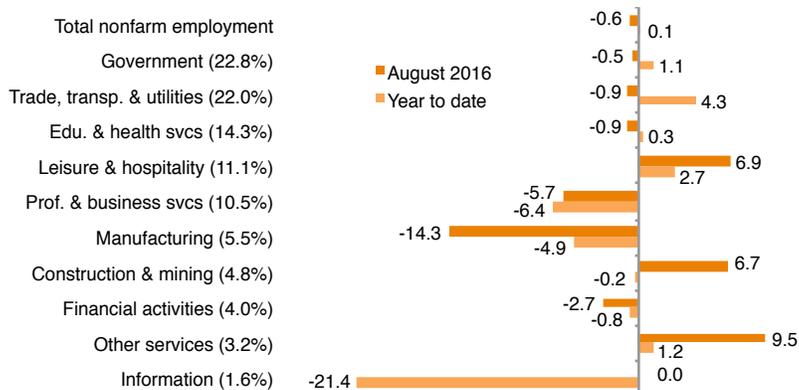


\*Monthly, seasonally adjusted.

SOURCE: Dallas Fed.

► The El Paso Business-Cycle Index posted an annualized loss of 0.5 percent in August. Slower job growth has contributed to the slowdown in the index. The timeliest data available for real wages paid in El Paso point toward growth. However, retail sales in the metro area have declined slightly, possibly due to the strength of the dollar slowing cross-border retail.

## Employment Growth by Sector



NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.

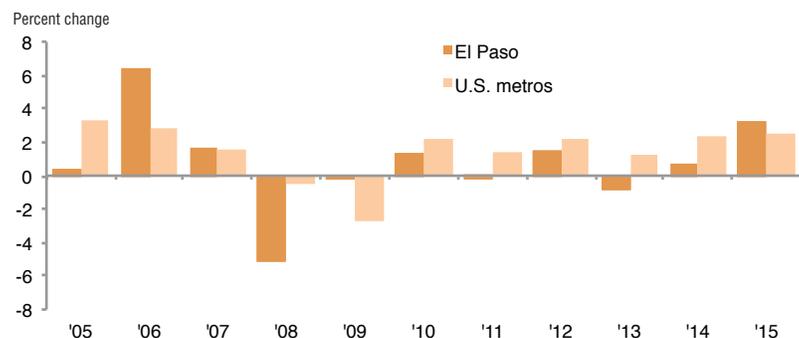
SOURCES: Bureau of Labor Statistics; adjustments by the Dallas Fed.

► El Paso job growth in August was mixed. Professional and business services and manufacturing posted losses, while leisure and hospitality, construction and mining, and other services added jobs over the month.

► Although El Paso's largest sectors have continued to add jobs throughout the year, the gains have barely offset job losses in other sectors. Year to date, El Paso has added about 200 jobs.

► The unemployment rate rose to 6.1 percent in August. The El Paso reading was above both the U.S. rate of 4.9 percent and the Texas rate of 4.7 percent.

## Real GDP



SOURCE: Bureau of Economic Analysis.

► El Paso real gross domestic product (GDP) rose to \$25.9 billion in 2015, a 3.3 percent increase from 2014, according to data recently released by the Bureau of Economic Analysis. El Paso's GDP traditionally has grown at a slower rate than GDP for all metropolitan areas in the U.S. However, in 2015, El Paso growth surpassed U.S. metro area growth. The above-average growth in El Paso was likely due to the strong labor market growth experienced in 2015.

► Per capita real GDP also rose from \$29,965 in 2014 to \$30,865 in 2015. Per capita real GDP in all U.S. metros rose 1.6 percent in 2015 to \$52,896.

## Existing-Home Sales



\*Seasonally adjusted, six-month moving average.

SOURCES: Texas A&M University Real Estate Center; adjustments by the Dallas Fed.

► El Paso home sales remain on an upward trend. In August, sales totaled an annualized 7,128—nearly reaching the prerecession peak. Despite the strong demand, the median price has centered around \$140,000 over the last couple of years. In August, the median home price stood at \$143,358—up from \$142,274 in July.

► The National Association of Home Builders/Wells Fargo Housing Opportunity Index (HOI) for El Paso stood at 62.8 in second quarter 2016, indicating that about 63 percent of the homes sold were affordable to median-income families. The El Paso index is slightly about the U.S. index of 62 percent.

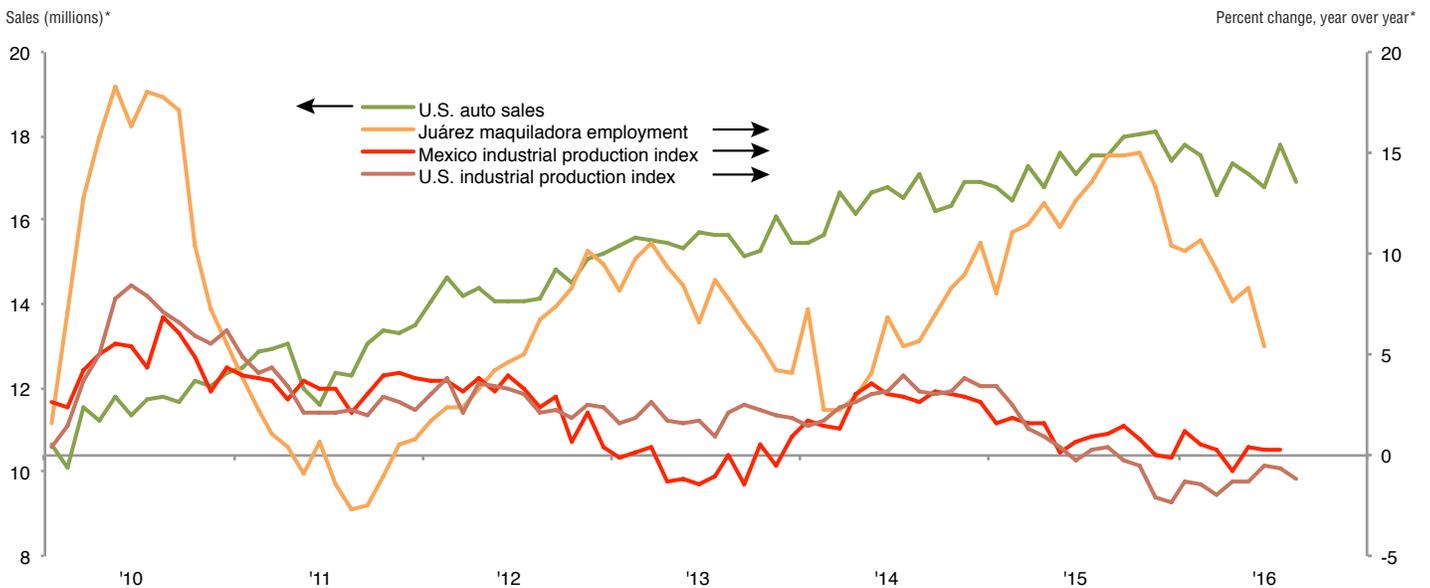
## Juárez Maquiladora Activity

► U.S. industrial production contracted 1.1 percent year over year in August. Meanwhile, the Institute for Supply Management manufacturing index remained nearly unchanged at 49.6. Its associated new-orders index—a leading indicator of industrial activity—declined to 51.4 in August from 60.3 in July.

► Despite the sluggish U.S. industrial sector, Mexico's maquiladoras continue to add jobs. According to Mexico's IMMEX series, Juárez manufacturing employment rose 5.4 percent year over year

in June (latest data available), bringing total maquiladora employment to nearly 253,500.

► U.S. auto and light-truck production inched up to 12 million units in August from 11.8 million in July. Meanwhile U.S. auto sales in August declined to 16.9 million units on an annual basis from 17.6 million in July. Auto sales are closely linked to the local economy because roughly half of maquiladoras in Juárez are auto related.



\*Seasonally adjusted.

SOURCES: Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography); Federal Reserve Board; Bureau of Economic Analysis; adjustments by the Dallas Fed.

NOTES: Data may not match previously published numbers due to revisions. The El Paso metropolitan statistical area includes El Paso and Hudspeth counties.

Questions regarding *El Paso Economic Indicators* can be addressed to Marycruz De León at [marycruz.deleon@dal.frb.org](mailto:marycruz.deleon@dal.frb.org).

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