



Federal Reserve  
Bank of Dallas

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# **El Paso Economic Update:**

## ***Employment Growth Slows***

January 2024  
Roberto Coronado

DISCLAIMER: The views expressed are the authors' and do not necessarily reflect the views of the Federal Reserve Bank of Dallas or Federal Reserve System.  
NOTE: I thank my colleagues Luis Bernardo Torres and Diego Morales-Burnett for their help and support in preparing this presentation.

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# Overview

- Overview of the Federal Reserve
- Economy has been resilient, and growth continues.
- El Paso's job growth is slowing.
- Outlook suggests El Paso will slow in near term.
- Risks to the outlook include...
  - Geopolitical risk
  - Global slowing
  - Elevated inflation



Our Central Bank

# The Federal Reserve



Federal Reserve  
Bank of Dallas

**Building  
a strong  
economy  
together**

## Roles of Central Banks Around the World



### Economic Stability

- Establish and conduct monetary policy
- Strive for low and stable inflation



### Financial Stability

- Issue banknotes
- Supervise financial institutions
- Ensure financial system functions properly
- Prevent financial panics



7

## Governors

serve on the Board of Governors to provide oversight of the Federal Reserve System



12

## Regional Banks

and 24 branches serve as the operating arms of the Federal Reserve System

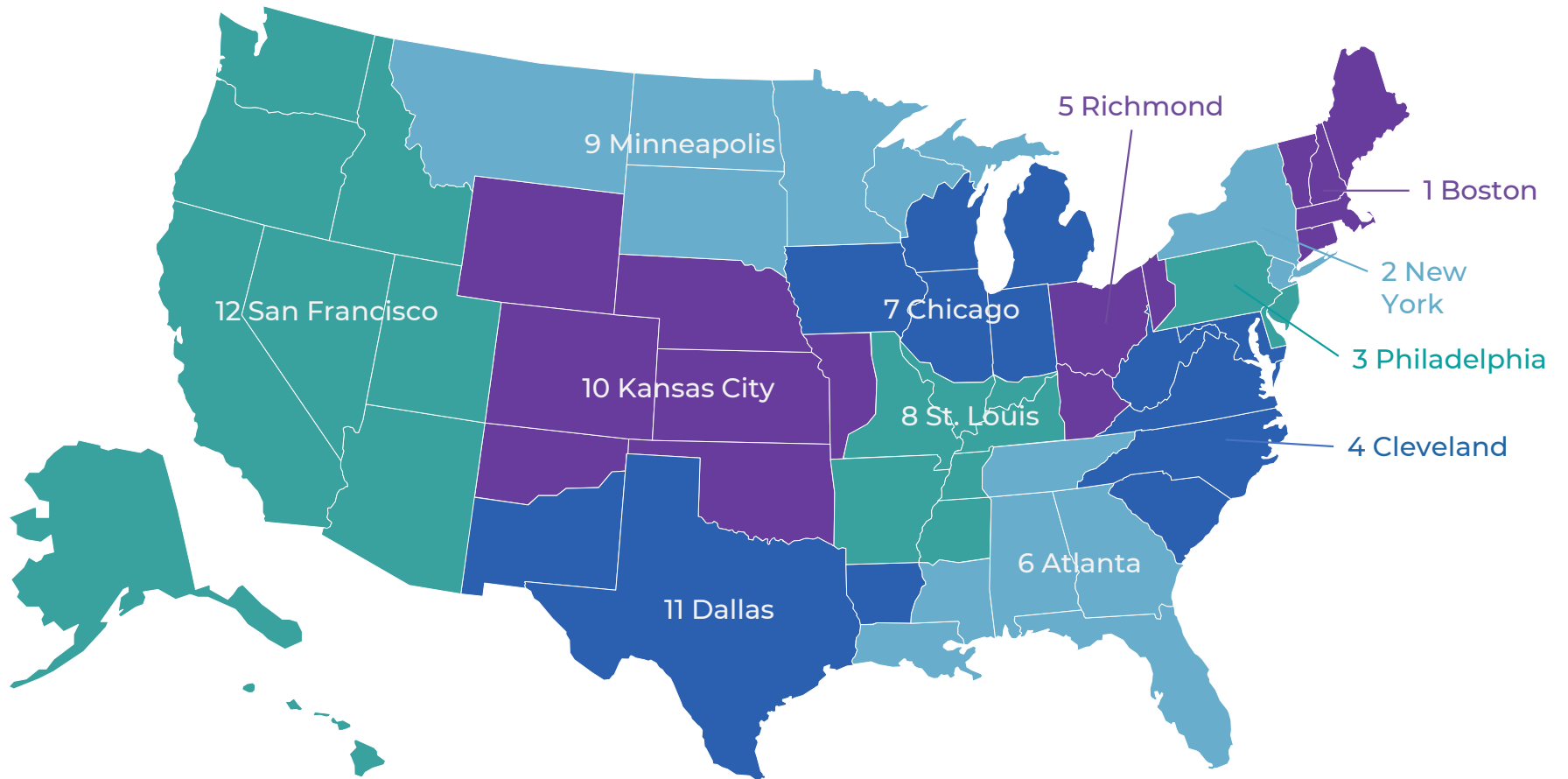


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## Times a Year

the 7 governors and 12 regional bank presidents meet as the Federal Open Market Committee (FOMC)

# Connecting Regional Economies





# Fed Responsibilities



Monetary Policy



Bank Supervision & Regulation

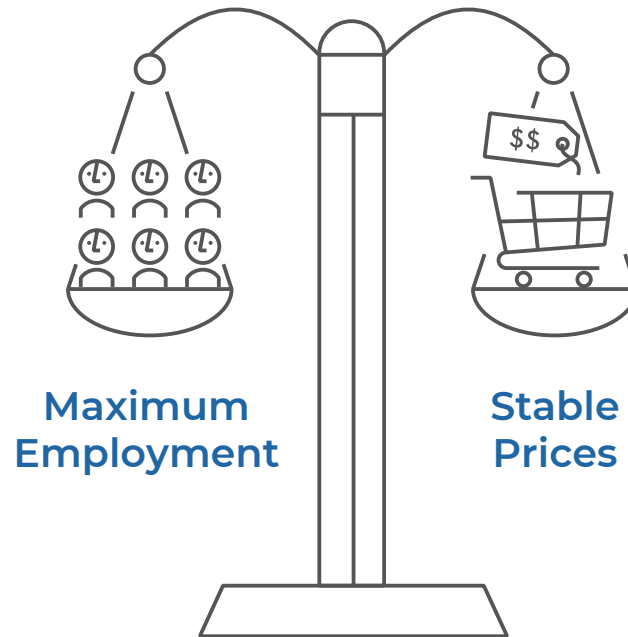


Payments System Oversight



Consumer Protection & Community Development

## Monetary Policy Dual Mandate



Monetary Policy

Tools of Monetary Policy

**Reserve Requirements**

**Open Market Operations**

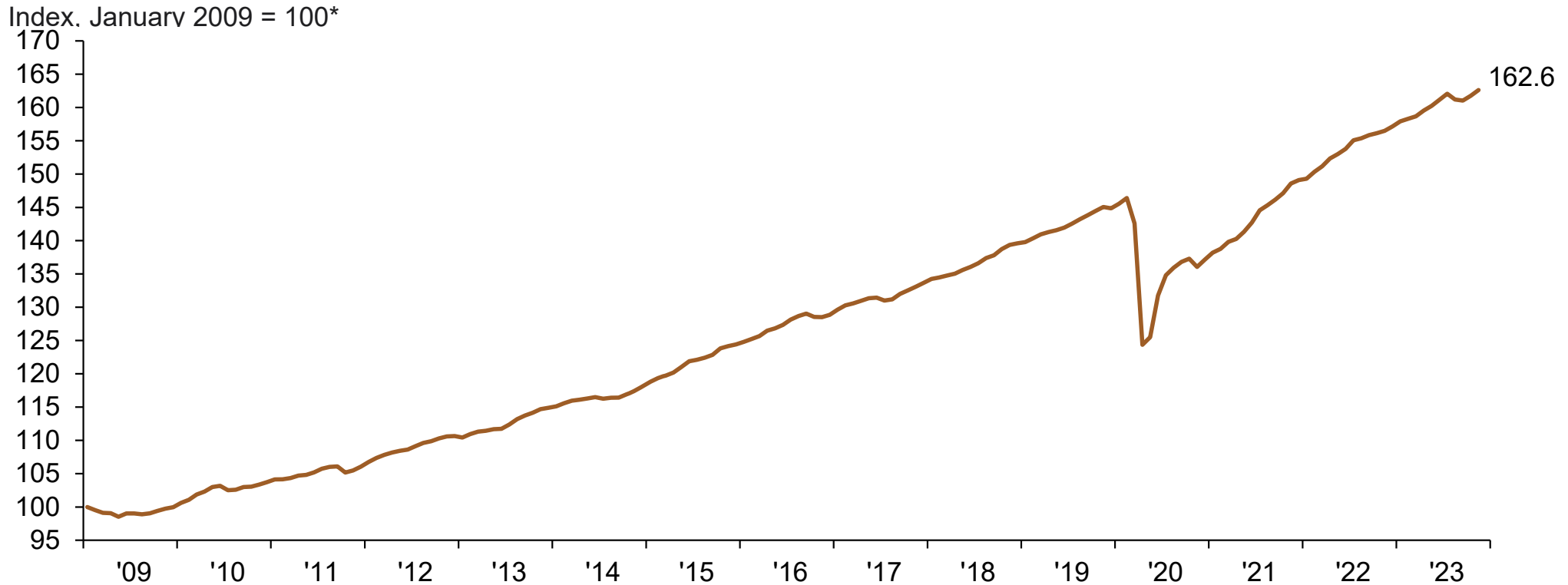
**Discount Rate**

**Interest on Reserve Balances**

**Forward Guidance**

# Recent Economic Performance

# El Paso business-cycle index up 3.9 percent from last November

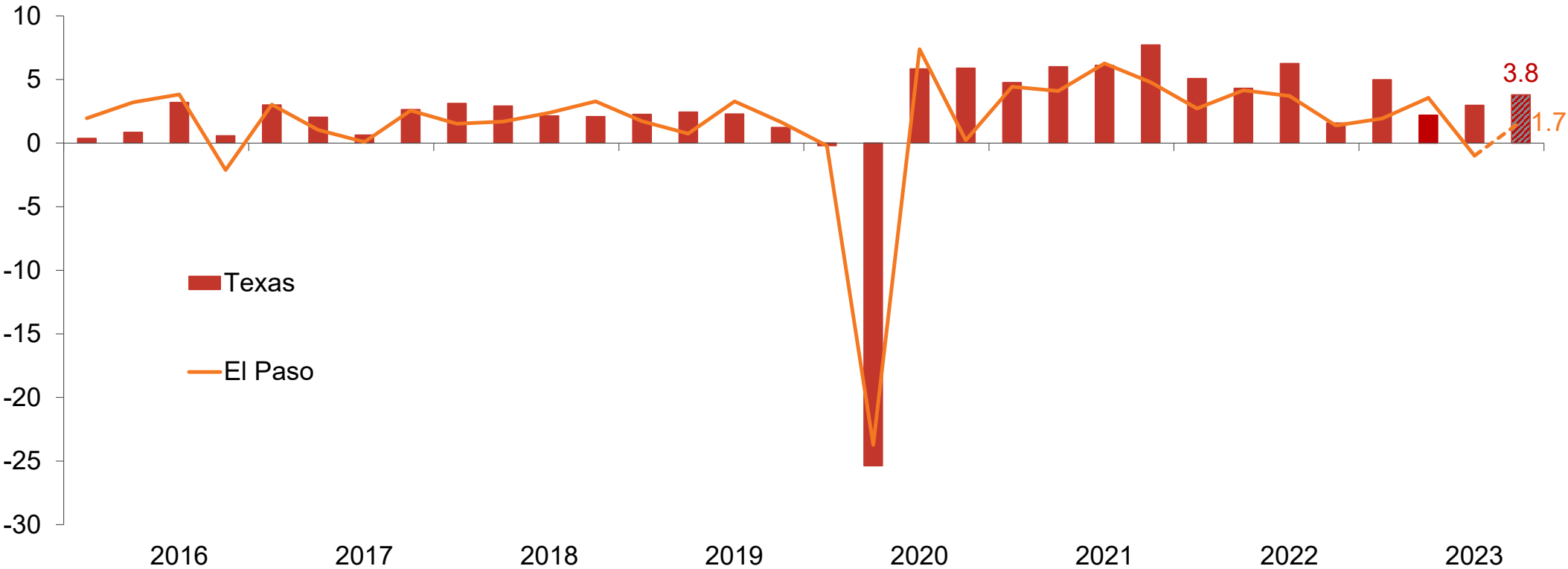


\*Seasonally adjusted, monthly.

SOURCE: Federal Reserve Bank of Dallas.

# El Paso job growth falls below Texas growth

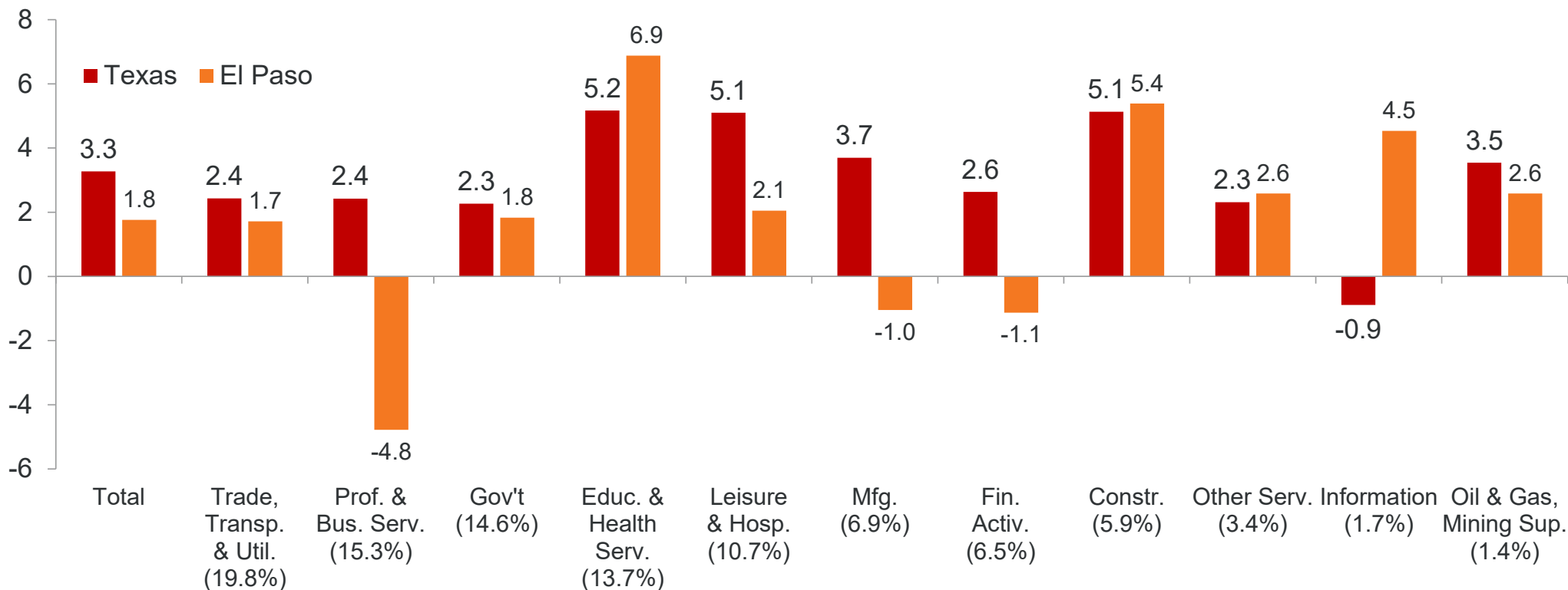
Percent Q/Q



NOTE: Data show annualized growth through Q3 2023. Last data points are Aug. – Nov. 2023 annualized job growth.  
 SOURCES: Bureau of Labor Statistics; adjustments by the Federal Reserve Bank of Dallas.

# El Paso ahead of Texas in Educ. & Health Services, Construction and Information

Job growth, Nov. 2023/Dec. 2022 (percent)\*



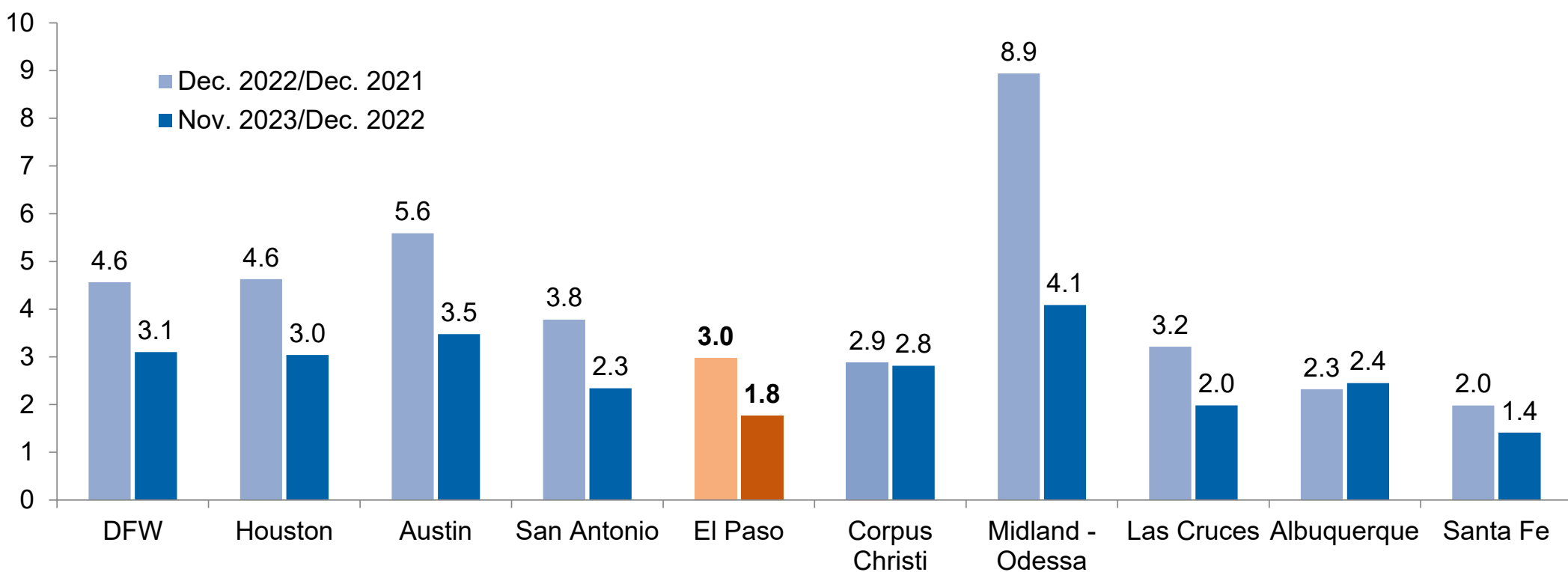
\*Seasonally adjusted, annualized rate.

NOTE: Numbers in parentheses indicate share of total state employment for November 2023.

SOURCES: Bureau of Labor Statistics; seasonal and other adjustments by Federal Reserve Bank of Dallas.

# Metro area job gains slowing down in 2023

Job growth, percent, annualized

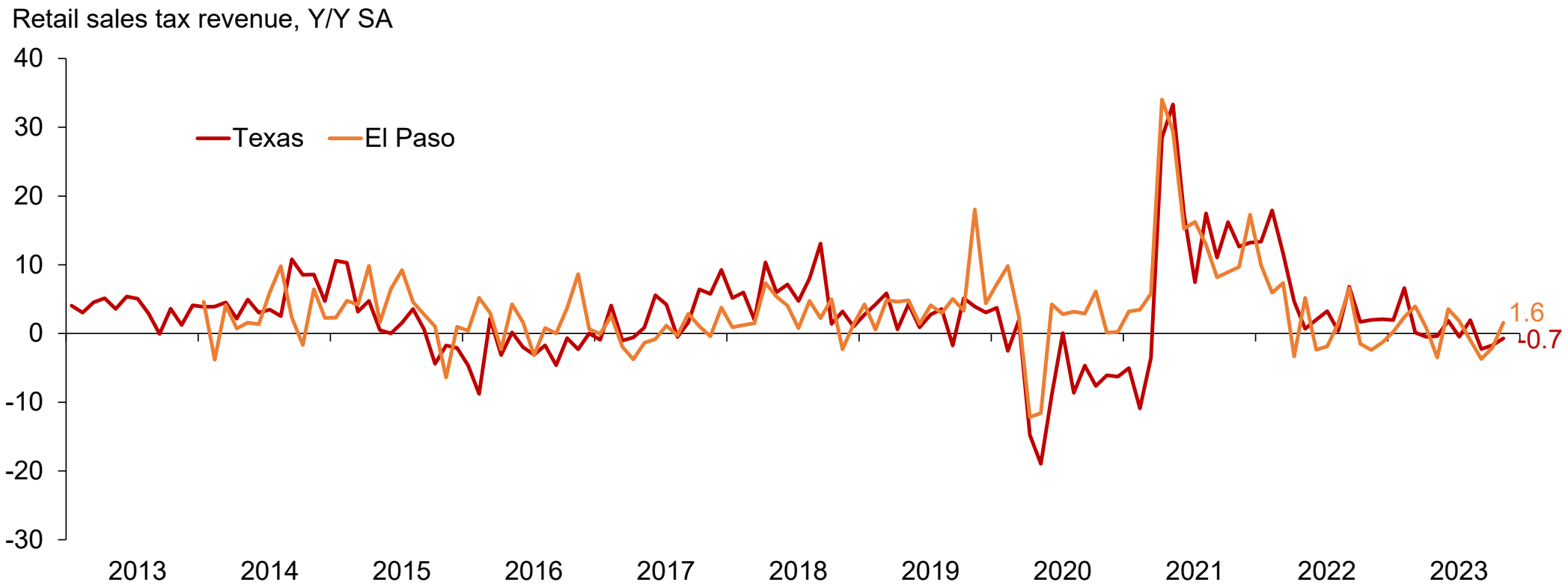


NOTE: Data are seasonally adjusted through November 2023. For El Paso, lighter orange represents Dec. 2022/Dec. 2021 job growth and darker orange represents Nov. 2023/Dec. 2022 job growth.

SOURCES: Bureau of Labor Statistics; seasonal and other adjustments by Federal Reserve Bank of Dallas.



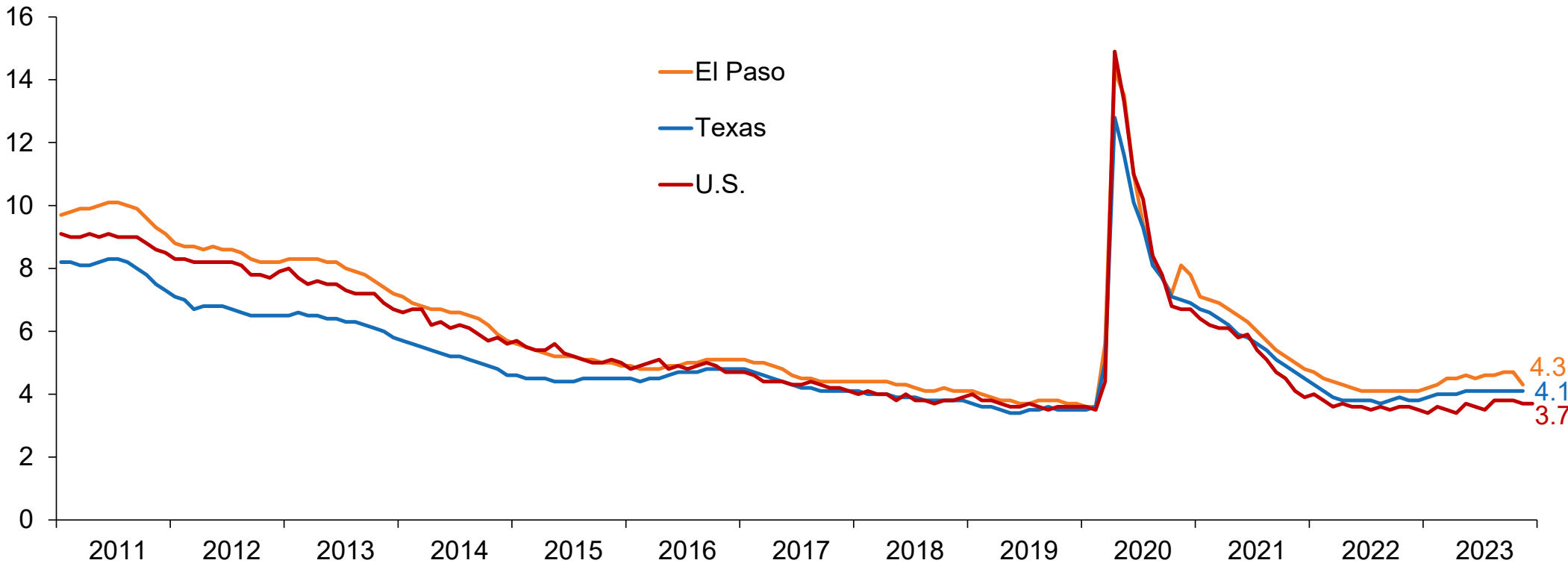
# El Paso retail sales tax revenue ahead of Texas



NOTE: Data are monthly through November 2023  
SOURCES: Texas Comptroller of Public Accounts; Federal Reserve Bank of Dallas.

# El Paso unemployment rate higher than Texas and the U.S.

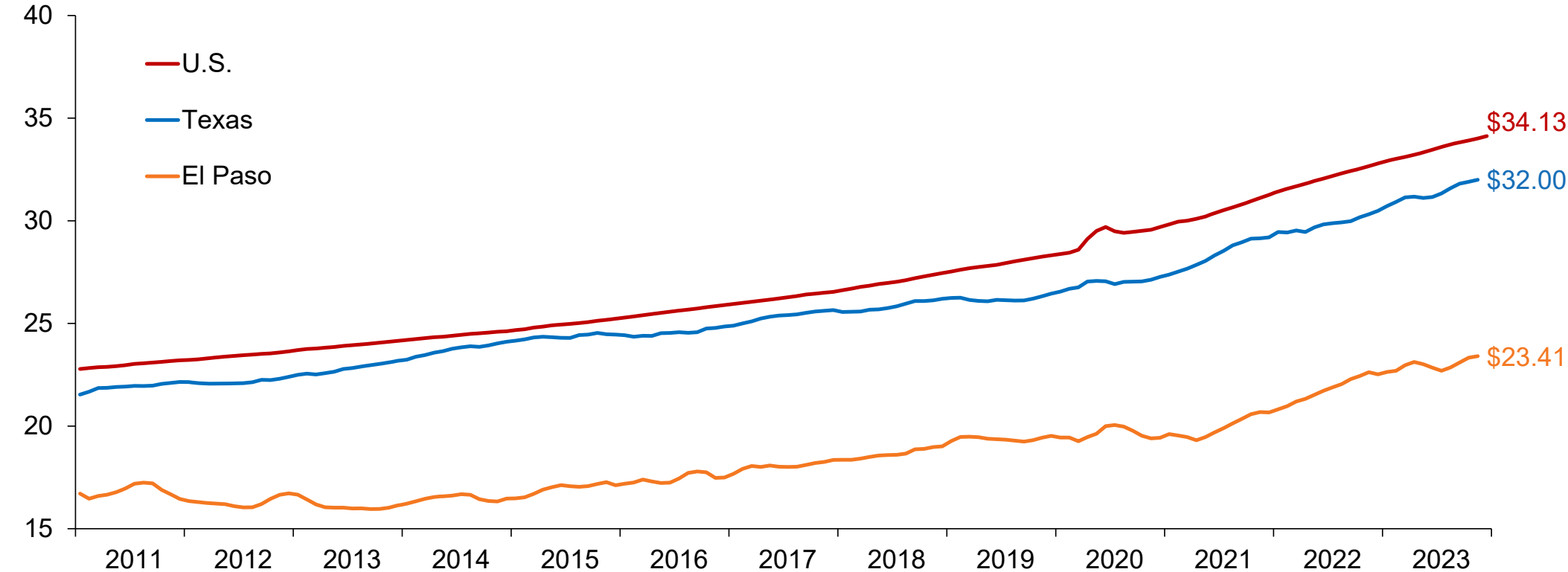
Unemployment rate, percent SA



NOTE: Monthly data is seasonally adjusted through December 2023 for the US and November 2023 for the rest.  
SOURCES: Bureau of Labor Statistics; author's calculations.

# Wage growth steadily rising across the board

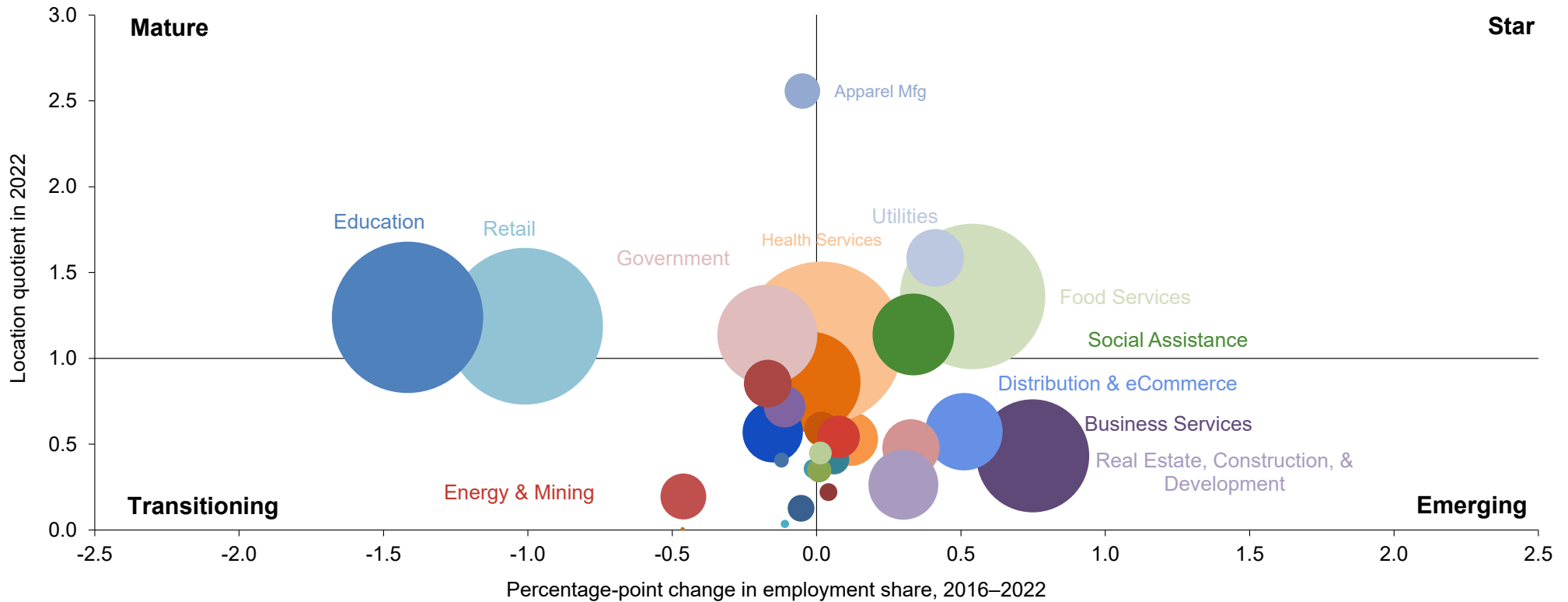
Dollars, SA 3MMA



NOTES: Monthly data is seasonally adjusted. Data through December 2023 for the U.S. and November 2023 for the rest.

SOURCES: Bureau of Labor Statistics; author's calculations.

# Business services emerging in El Paso



NOTES: Bubble size represents cluster employment.  
 SOURCES: Texas Workforce Commission; Bureau of Labor Statistics.

## Summary

- Expected growth to slow in 2024
  - Labor markets are slowing
- Inflation not expected to be fully back to 2 percent through 2024
- Growth in Texas and El Paso is expected to gravitate towards long-term trend and growth levels

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Outlook

with **Pia Orrenius**

*Vice President and Senior Economist, Dallas Fed*

*February 9 from 11 a.m. –noon CT*



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