

El Paso Economic Indicators

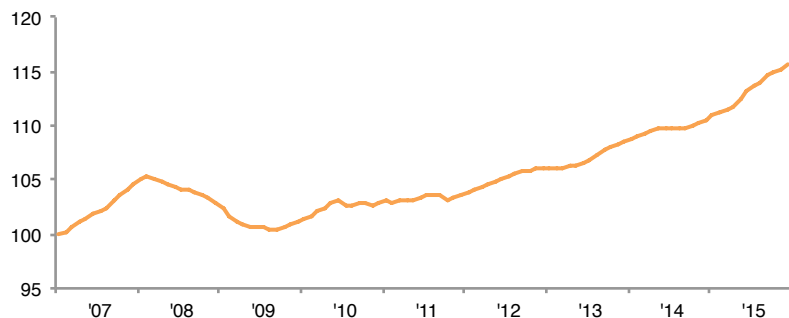
DALLAS FED

FEDERAL RESERVE BANK OF DALLAS • FEBRUARY 23, 2016

Summary The El Paso economy expanded in 2015 as payroll employment grew 2.5 percent, faster than the state's 1.4 percent pace. Housing affordability ticked up in the last quarter of the year. January trade flows also increased as maquiladora activity in Ciudad Juárez remained robust.

El Paso Business-Cycle Index

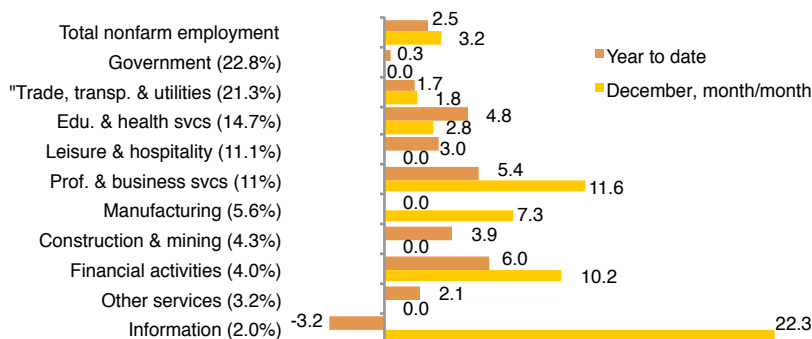
Index, January 2007 = 100*



*Monthly, seasonally adjusted.
SOURCE: Dallas Fed.

► The El Paso Business-Cycle Index continued to advance in 2015, posting growth of 4.5 percent. Job creation and a decline in the unemployment rate contributed to the gain.

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 added 7,300 jobs in 2015. The 2.5 percent growth rate was the strongest since 2007. While job gains were broad based across industries, the strongest increases were in financial activities and professional and business services.

► In December, the unemployment rate decreased to 5.0 percent. The El Paso reading was above the Texas rate of 4.6 percent but on par with the U.S. rate of 5.0 percent.

Trade Flows

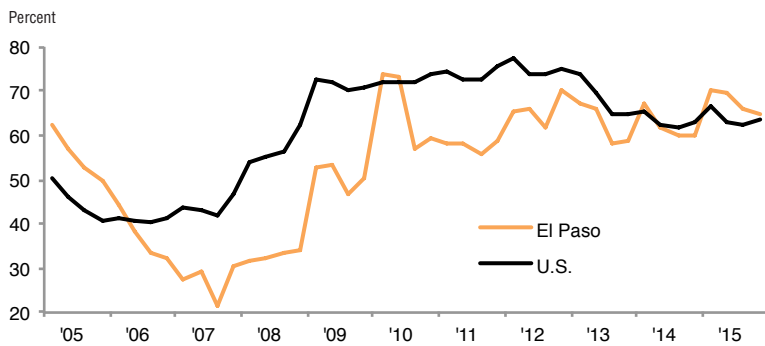
Real dollars (billions)*



*Annualized, seasonally adjusted.
SOURCES: Census Bureau; adjustments by the Dallas Fed.

► El Paso trade remains strong. In December, annualized total trade (exports plus imports) amounted to \$76.2 billion, up 2.4 percent from November. Imports fell 0.4 percent over the same period, while exports rose 9.2 percent.

Housing Affordability



SOURCES: National Association of Homebuilders/Wells Fargo.

► El Paso has, for the most part, trailed the national average in home affordability, based on the National Association of Home Builders/Wells Fargo Housing Opportunity Index, which represents the share of homes sold that are considered affordable to a family earning the median income. However, the index surpassed the national average in first quarter 2015 and stood at 65, above the U.S. average of 63, in the fourth quarter. This means that between 6 and 7 out of every 10 homes sold in El Paso were affordable to a median-income family.

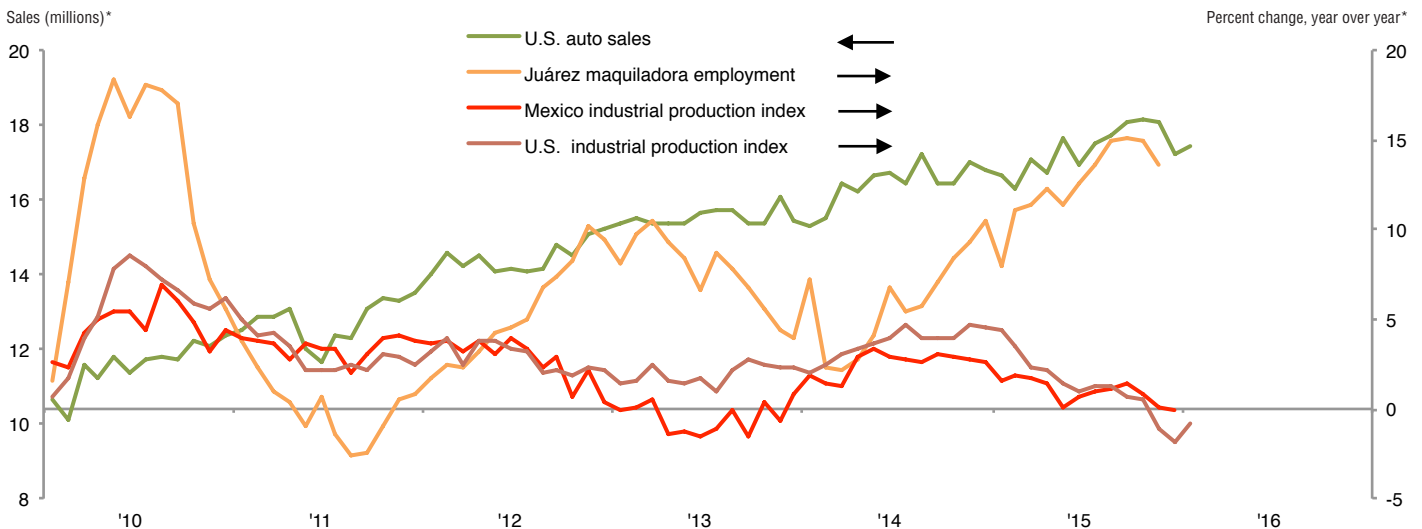
Juárez Maquiladora Employment

► U.S. industrial production, which influences Mexican manufacturing, rose 0.9 percent in January. The Institute for Supply Management manufacturing index and its associated new-orders index—a leading indicator of industrial activity—also ticked up in January but remained weak.

► Despite the U.S. weakness, Mexico’s maquiladoras continue to add jobs. According to Mexico’s newer IMMEX series, Juárez manufac-

turing employment rose 13.6 percent year over year in November (the latest data available), bringing total maquiladora employment to over 253,000.

► U.S. auto and light truck production rose slightly in January to 11.8 million units, while U.S. auto sales totaled 17.46 million units on an annual basis. The strong sales are good news for the local economy because roughly half of maquiladoras 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.