El Paso Economic Indicators

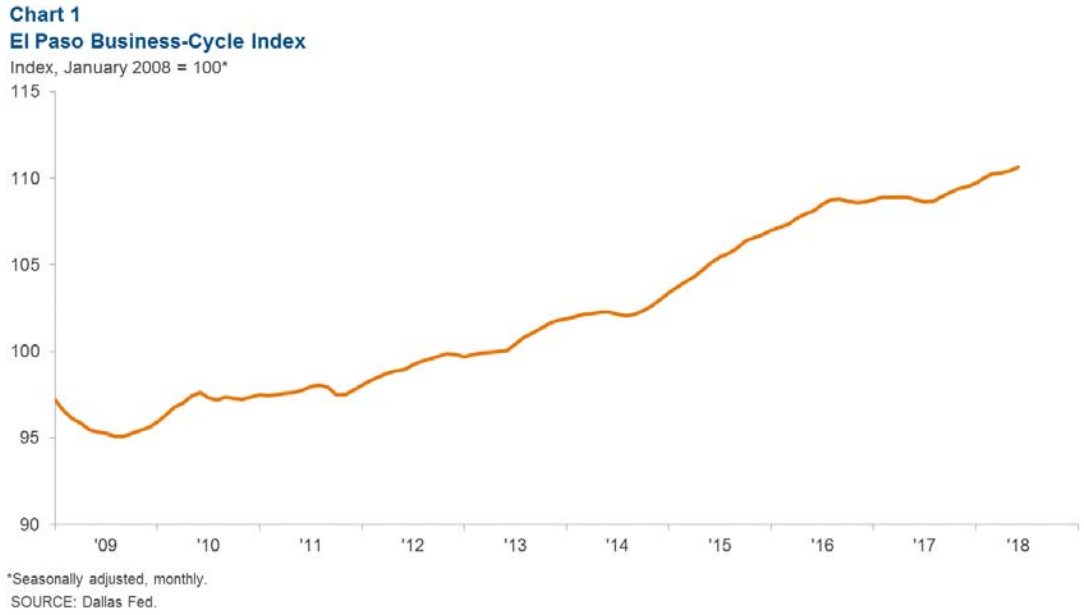
Federal Reserve Bank of Dallas

July 27, 2018

The El Paso economy continues to expand as the labor market continues to add jobs and home sales reach record levels. Trade through the El Paso port of entry rose, while maquiladora employment remained steady.

Business-Cycle Index

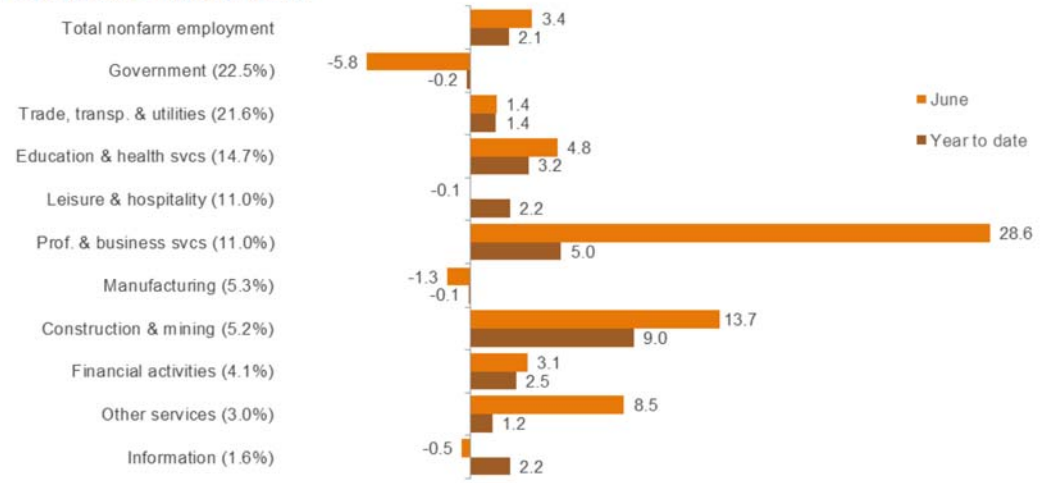
The El Paso Business-Cycle Index rose at 2.4 percent annualized rate in June, faster than the 1.2 percent increase the previous month (*Chart 1*). The stronger growth in the index is attributed to expanding employment.



Labor Market

In June, El Paso jobs grew at an annualized rate of 3.4 percent (*Chart 2*). While employment in government—the largest sector in El Paso—declined 5.8 percent, strong growth in professional and business services offset the losses.

Chart 2
Employment Growth by Sector



NOTES: Data show seasonally adjusted and annualized percentage employment growth by sector. 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.

Year to date, El Paso's employment has expanded at an annualized rate of 2.1 percent, adding over 3,300 jobs. Gains have been broad based across sectors. However, the largest gains have been in education and health care services; trade, transportation and utilities; and construction and mining. Together, these industries accounted for approximately 70 percent of all job creation in the first half of the year.

The June unemployment rate remained unchanged at 4.4 percent. The El Paso rate was above the Texas and U.S. rates of 4.0 percent.

Housing Market

Home sales continue to rise in El Paso. In June, sales stood at 8,445, up 9.8 percent from a year ago (*Chart 3*). While home sales are going up, the median home price remains little changed. In June, the median price stood at $153,175, up 0.2 percent from a year ago.

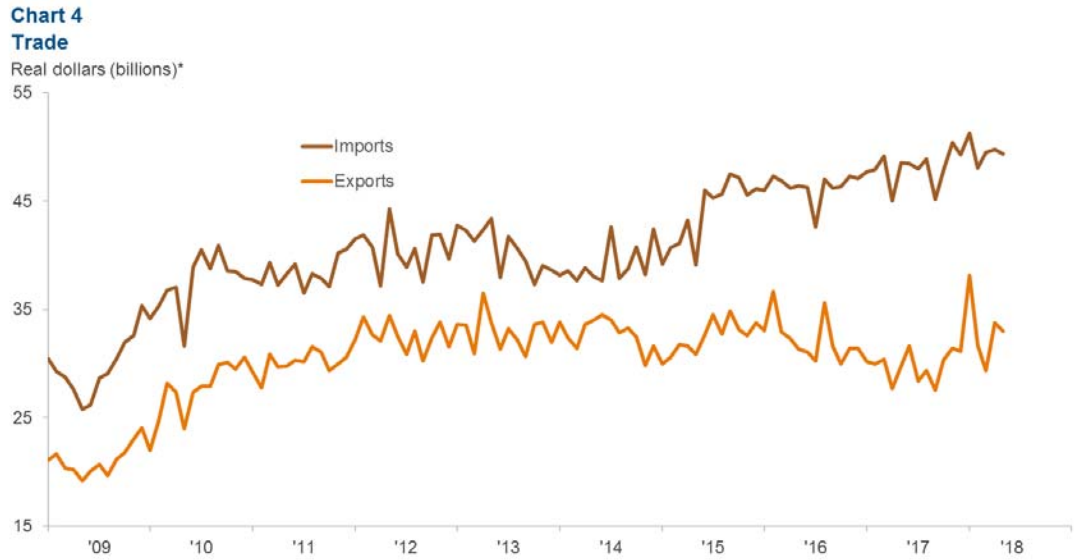
Chart 3
Existing-Home Sales and Median Home Price

*Seasonally adjusted, six-month moving average.

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

Total Trade

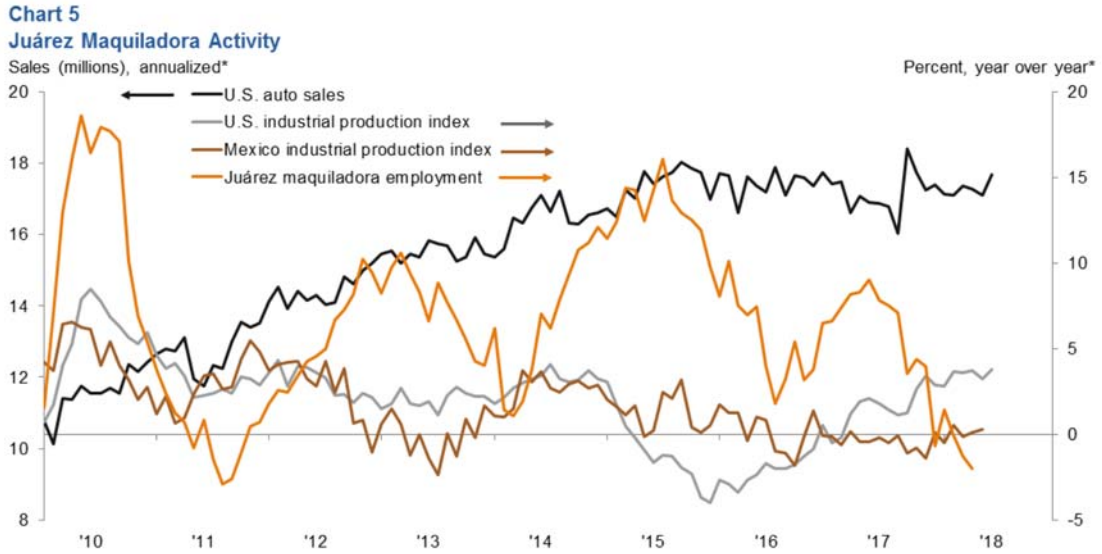
Annualized total trade in El Paso amounted to $82.3 billion in May, up 5.2 percent from a year earlier. The gain was driven by increases in both exports and imports. Exports totaled $33.0 billion, up 10.9 percent from the same month a year ago, while imports totaled $49.3 billion, up 1.7 percent (*Chart 4*).



*Seasonally adjusted, annualized.
SOURCES: Census Bureau; adjustments by the Dallas Fed.

Industrial Production and Maquiladora Activity

U.S. industrial production rose 3.8 percent year over year (*Chart 5*). The Institute for Supply Management manufacturing index rose to 60.2 in June from 58.7 in May. U.S. monthly auto sales totaled 17.7 million in June, up 4.9 percent from a year earlier.



*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.

Meanwhile, manufacturing employment across the border in Juárez has steadied. According to official Mexico data, Juárez maquiladora jobs totaled about 269,500 in April, down 2.0 percent from a year earlier.

U.S. industrial production and auto sales are closely linked to the local economy because roughly half of maquiladoras in Juárez are auto related.

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

About El Paso Economic Indicators

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