

July 29, 2019

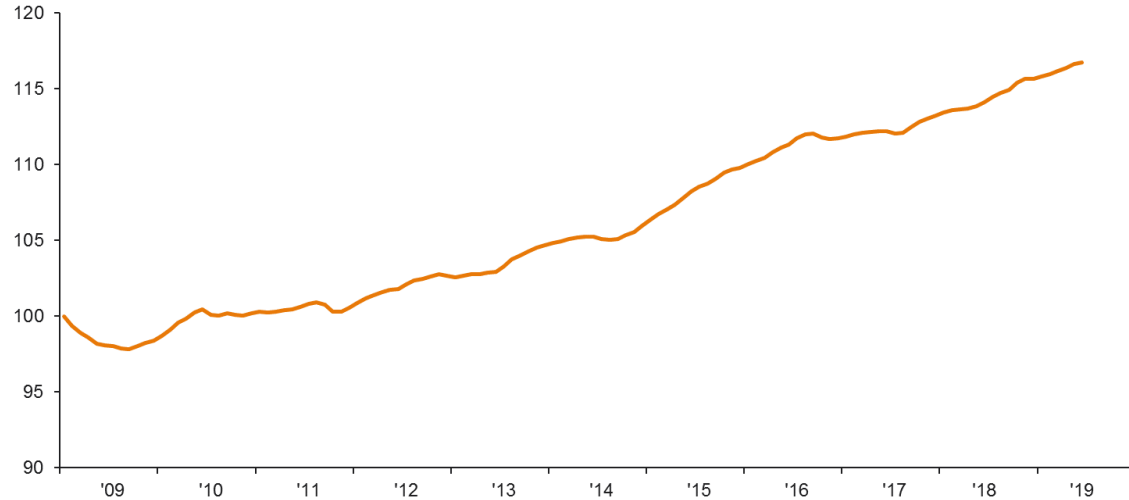
The El Paso economy remained healthy in June. The business-cycle index expanded, and year-to-date employment growth is above average. Trade through the El Paso Port of Entry is steady, while Ciudad Juárez maquiladora employment remains solid.

Business-Cycle Index

The El Paso Business-Cycle Index continued to expand in June, supported by job growth and low unemployment. The index rose an annualized 1.0 percent in June, slower than May's growth of 2.7 percent (*Chart 1*).

Chart 1
El Paso Business-Cycle Index

Index, January 2009 = 100*

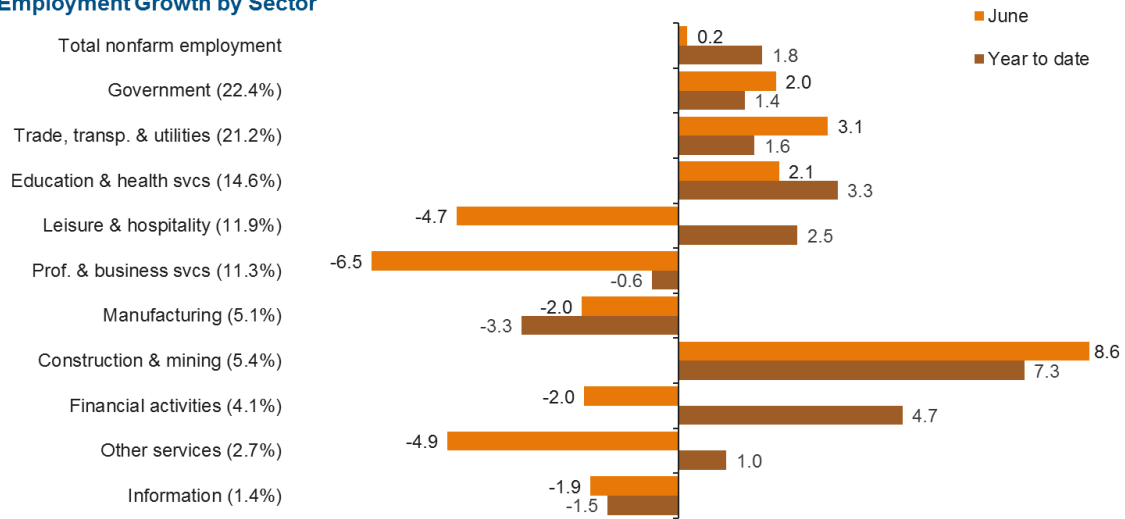


*Seasonally adjusted, monthly.
SOURCE: Dallas Fed.

Labor Market

In the first half of the year, El Paso payroll growth has remained strong. Through June, employment increased an annualized 1.8 percent, above the metro's long-term average of 1.5 percent (*Chart 2*). Gains were led by construction and mining employment and education and health services. Together, the two sectors have added over 1,300 jobs this year, nearly half of all the new jobs created in the first six months of the year.

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.

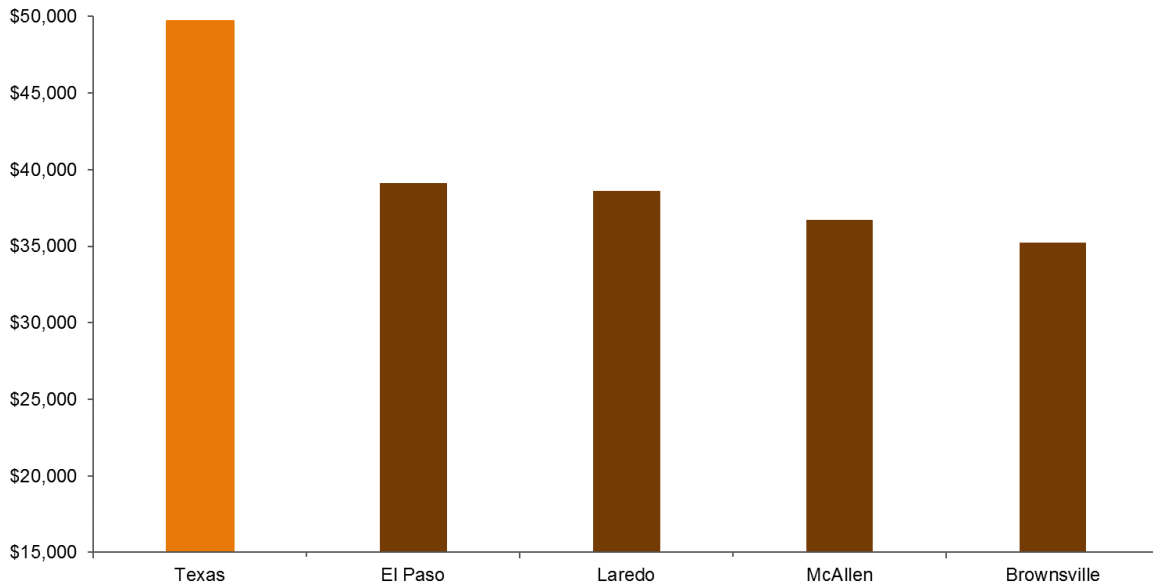
SOURCES: Bureau of Labor Statistics; adjustments by the Dallas Fed.

The El Paso unemployment rate inched up to 3.8 percent in June. The Texas unemployment rate hit a new low of 3.4 percent, while the U.S. rate was 3.7 percent.

Wages

Recently released occupational employment wage data from the Texas Workforce Commission show El Paso had the highest wages among the major Texas border metros in 2018 (Chart 3). However, El Paso's average annual wages of \$39,105 fell well below the Texas average of \$49,720 for that period.

Chart 3
2018 Average Annual Wages



SOURCE: Texas Workforce Commission.

The highest-paying occupations in El Paso are management occupations in the information sector, followed by management occupations in wholesale trade.

Trade

Annualized total trade through the El Paso Port of Entry amounted to \$82.5 billion in May, on par with trade levels a year ago, but 9 percent above the previous month (*Chart 4*). Imports totaled \$49.4 billion, up 10 percent from April, while exports summed to \$33.2 billion, up 7 percent from the previous month. The strong over-the-month increases are likely due to a decline in delays at the border and trade returning to normal levels.

Chart 4
Trade

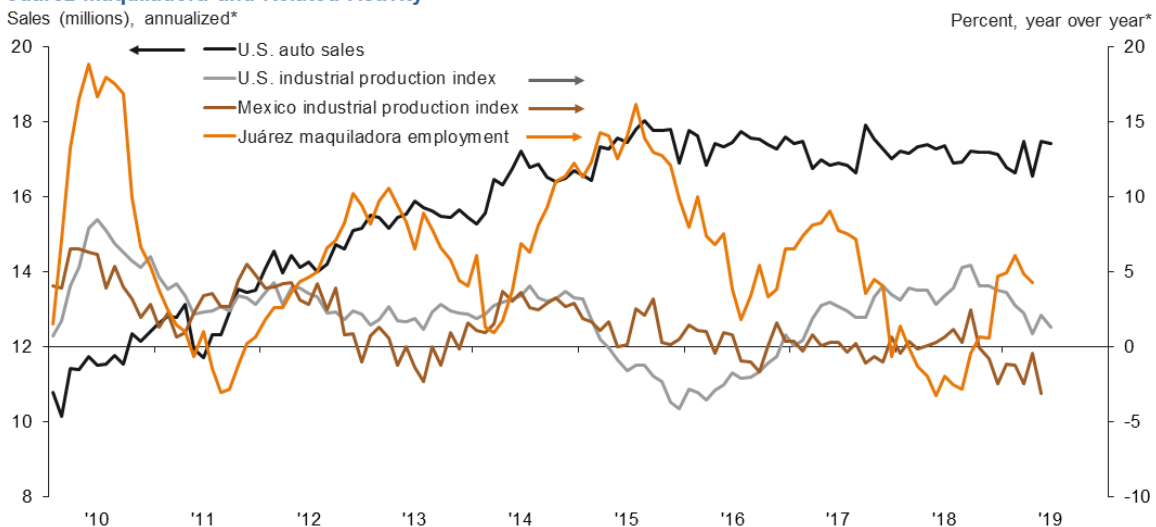


SOURCES: Census Bureau; adjustments by the Dallas Fed.

Industrial Production and Maquiladora Activity

U.S. industrial production grew 1.3 percent year over year in June (*Chart 5*). Meanwhile, the Institute for Supply Management manufacturing index inched down to 51.7 in June from 52.1 in May. The reading remains above 50, which signals expansion. U.S. and Mexican production and manufacturing trends are important to the local economy because of cross-border manufacturing relationships.

Chart 5
Juárez Maquiladora and Related Activity



*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.

Across the border from El Paso, growth in Juárez maquiladora employment slowed. According to Mexico's official series, maquiladora employment rose 4.2 percent year over year in April to 280,521.

U.S. auto and light-truck production was 11.1 million in June, 4.5 percent above the 10.6 million produced a year earlier. Meanwhile, monthly auto sales totaled 17.4 million, on par with year-ago sales of 17.3 million. 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

Questions can be addressed to Marycruz De León at marycruz.deleon@dal.frb.org. *El Paso Economic Indicators* is released on the fourth Wednesday of every month.