



Border Business Briefs

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The University of Texas-Pan American™

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GROSS SALES

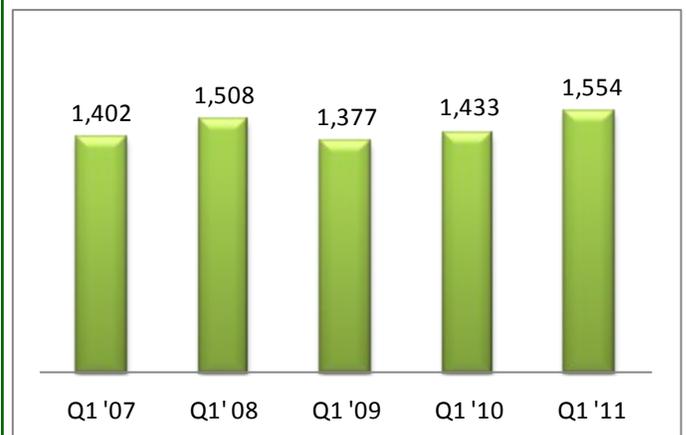
Overall, gross sales have increased between the first quarter of 2007 and the corresponding quarter of 2011. In Cameron County sales rose by eleven percent over that time period, while the corresponding increase amounted to six percent in Hidalgo County.

Relative to the first quarter of 2010, Cameron County's

Cameron County Gross Sales

First Quarter (2007-2011)

In Millions of Dollars*



Hidalgo County Gross Sales

First Quarter (2007-2011)

In Millions of Dollars*



*Not adjusted for inflation

Source: Texas Comptroller of Public Accounts

gross sales rose by eight percent in the first quarter of 2011. Hidalgo County also posted an increase of twelve percent over the same time period. Most sectors experienced increased economic activity. This increase in Cameron County was fueled by the construction, wholesale trade and retail trade sectors. In Hidalgo County the increase was seen in the whole sale trade, other services, and construction sectors.

Trade continues to dominate the economy of both coun-

ties, with retail and wholesale trade accounting for sixty-eight and seventy percent of gross sales in Cameron and Hidalgo Counties respectively.

Changes in sales tax revenues were consistent across the Valley cities in the second quarter of 2011 relative to the same period in 2010. The cities of Brownsville, Harlingen and McAllen posted marginal increases of two, one and

Gross Sales by County and Industry

In Millions of Dollars

Cameron County			
	Q1 '11	Q1 '10	Change
Construction	74	59	26%
Manufacturing	132	140	-6%
Wholesale Trade	161	132	23%
Retail Trade	896	811	10%
Accom./Food Services	119	112	6%
Other Services*	127	138	-8%
Other**	45	41	9%
All Industries***	1,554	1,433	8%
Hidalgo County			
	Q1 '11	Q1 '10	Change
Construction	128	107	19%
Manufacturing	243	248	-2%
Wholesale Trade	405	308	31%
Retail Trade	1,985	1,824	9%
Accom./Food Services	224	214	5%
Other Services*	346	277	25%
Other**	104	98	6%
All Industries***	3,435	3,076	12%

* The "Other Services" category includes the following sectors, each of which accounts for less than two percent of gross sales: Information; Finance and insurance; Real Estate; Professional, scientific and technical services; Management of companies and enterprises; Administrative, support, waste, management and remediation services; Educational services; Healthcare and social assistance; Arts, entertainment and recreation services; among others.

** The "Other" category includes the following sectors, each of which accounts for less than two percent of gross sales: Agriculture; Mining; Utilities; Transportation and warehousing; and Public administration.

*** Totals may not add up due to rounding and disclosure issues.

Source: Texas Comptroller of Public Accounts

Sales Tax Revenues

In Thousands of Dollars

	Q2 '11	Q2 '10	Change
Brownsville	\$7,980	\$7,810	2.2%
Harlingen	\$4,651	\$4,597	1.2%
McAllen	\$13,408	\$12,971	3.4%

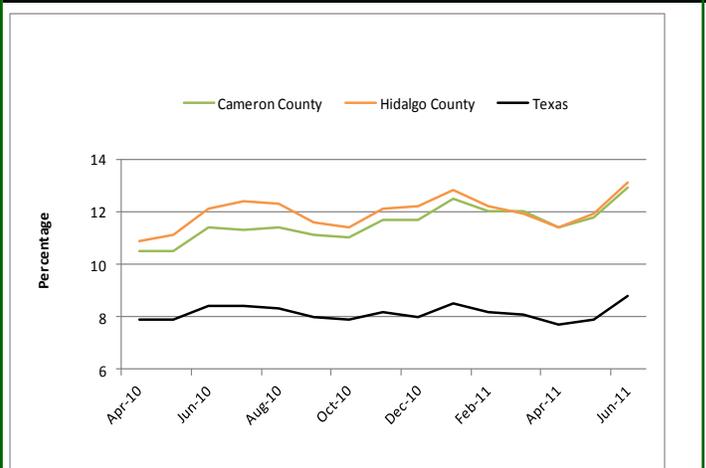
*Sales tax revenues reflect the total dollars returned to a local sales taxing city by the Comptroller's office for their local sales tax collection. City tax for the three above cities amount to two percent of sales. Allocation amounts generally represent taxes collected on sales made two months or more prior to the allocation payment.

Source: Texas Comptroller of Public Accounts

EMPLOYMENT

In June 2011, total employment stood at 136,463 for Cameron County and at 270,409 for Hidalgo County. This represented a 2.9 percent decrease and a 0.4 percent increase from June 2010 employment figures for Cameron and Hidalgo Counties respectively. Although these results were

Unemployment Rates



Source: Bureau of Labor Statistics

* Not seasonally adjusted.

marginal, they were consistent with that for the state overall. For the entire state, net job growth was 0.7 percent.

By the end of the second quarter of 2011, the unemployment rate was 12.9 and 13.1 percent for Cameron and Hidalgo counties, respectively, compared to rates of 11.4 and 12.1 percent in June 2010. Although both counties recorded similar employment rates as Texas, both counties continue to record higher unemployment levels than that for the state and the country as a whole. The Texas unemployment rate was 8.8 percent while the average for the country was 9.3 percent in June 2011 compared to 12.9 percent and 13.1 percent for Cameron and Hidalgo Counties respectively.

There is also an improvement in the proportion of adults with Bachelor's degree or higher in the Rio Grande Valley, moving from 13.1 percent in 2000 to 15.2 percent in 2010. The Valley also lags the state average for college educational attainment as the average for Texas is 25.9 percent. However, there is a significant positive trend as evidenced

Employment			
	Jun. '11	Jun. '10	Change
Cameron County	136,463	140,575	-2.9%
Hidalgo County	270,409	269,200	0.4%
Texas	11,225,164	11,145,904	0.7%

Unemployment Rates (%)			
	Jun. '11	Jun. '10	Change
Cameron County	12.9	11.4	13.2%
Hidalgo County	13.1	12.1	8.3%
Texas	8.8	8.4	4.8%
U.S.	9.3	9.6	-3.1%

Source: Bureau of Labor Statistics

Educational Attainment			
Percentage of the Population 25 years and over			
Cameron County			
	2010	2000	Change
No high school degree	36.9	44.8	-17.6%
High school graduate	24.7	20.1	22.9%
Some college or associate's degree	24.1	21.8	10.6%
Bachelor's degree or higher	14.3	13.3	7.5%
Hidalgo County			
	2010	2000	Change
No high school degree	38.2	49.5	-22.8%
High school graduate	24.5	20.2	21.3%
Some college or associate's degree	21.6	17.4	24.1%
Bachelor's degree or higher	15.7	12.9	21.7%

Source: U.S. Census Bureau: 2010 American Community Survey, Census 2000

EDUCATIONAL ATTAINMENT

The most recent data indicates that the Rio Grande Valley continues to make strides in improving overall educational attainment. However, despite recent gains in educational attainment, the Rio Grande Valley region (Cameron and Hidalgo counties) continues to lag Texas and the U.S. as a whole. At the end of 2010, 37.7 percent of the population over 25 years old had not graduated from high school. This rate is almost twice the rate for the state of Texas which is currently 19.4%.

However, despite the large share of adults without high school education, there is a positive trend as the Rio Grande Valley registered significant improvement from the 47.7 percent in 2000. There are further positive signs as a portion of the significant improvement in high-school graduates is spread across the population of adults reporting some college qualification.

Student Enrollment at Institutions of Higher Education In South Texas			
	Fall 2011	Fall 2006	Change
UTB-TSC	13,017	11,533	13%
TSTC	5,099	4,050	26%
UTPA	19,120	17,337	10%
STC	20,097	13,773	46%
Total	57,333	46,693	23%

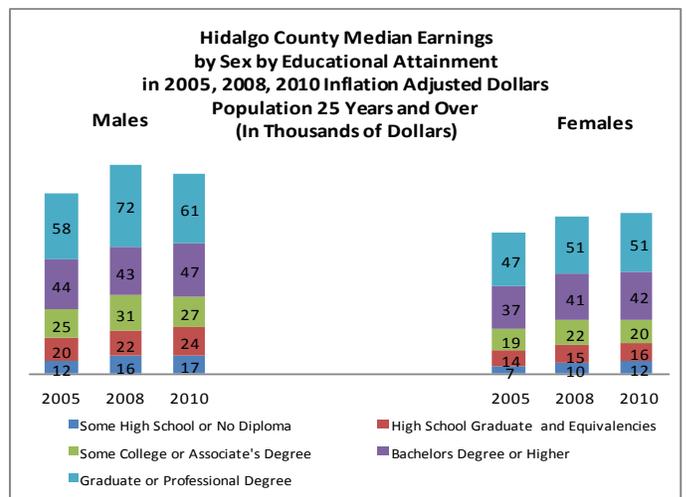
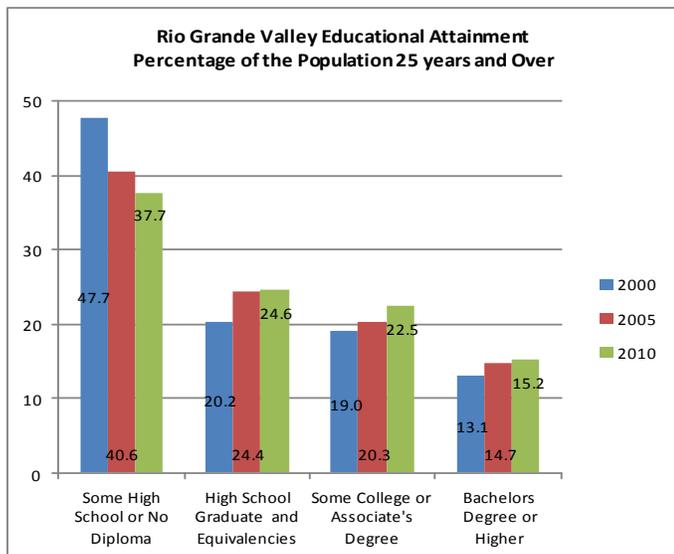
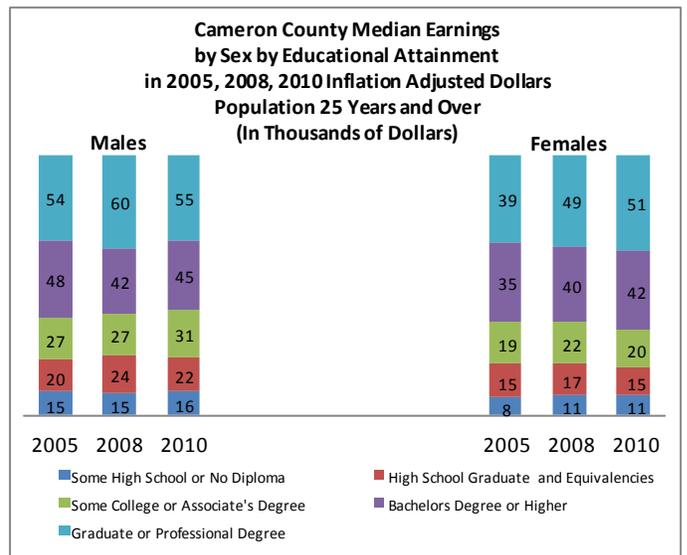
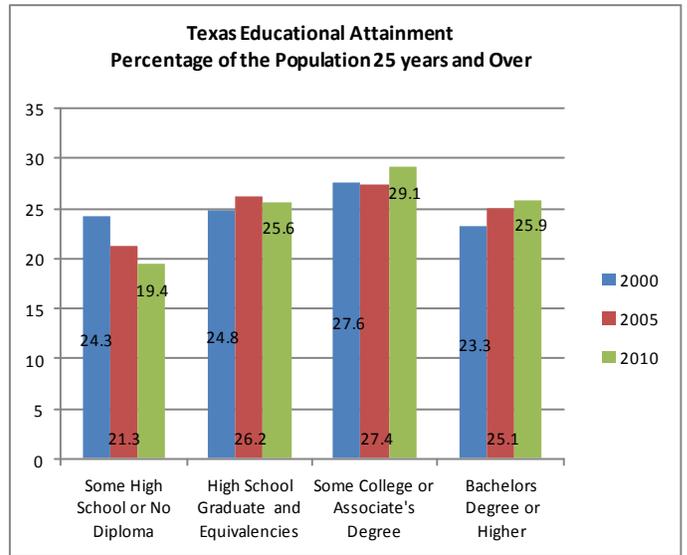
Source: Institutional Effectiveness Offices at respective institutions
 UTB-TSC: University of Texas-Brownsville and Texas Southmost College
 TSTC: Texas State Technical College
 UTPA: University of Texas-Pan American
 STC: South Texas College
 ** dual enrollment numbers not included

by the substantial improvement in educational attainment between 2000 and 2010. Further, the Valley is poised to experience higher educational attainment rates as all the major colleges in the region continue to record increased enrollments.

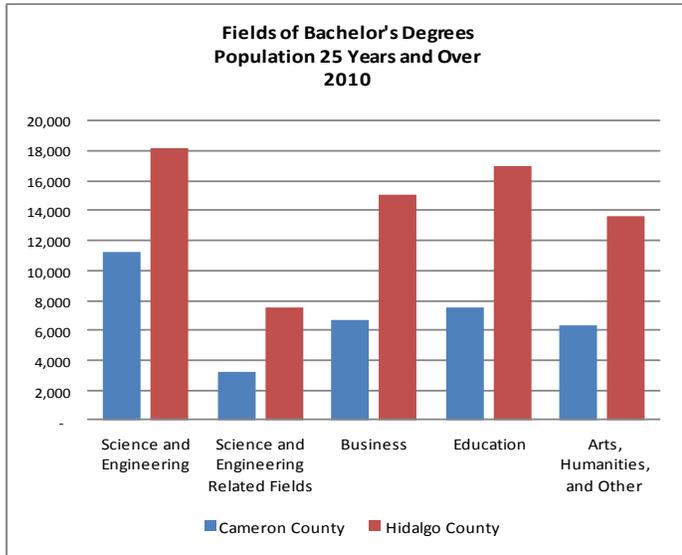
Overall increases in college enrollment is robust as there was an average 23 percent increase in enrollment across the four largest institutions of higher education between Fall 2006 and Fall 2011. In addition, several other institutions of higher learning have established campuses within the two-county region. These campuses have already begun to have a positive impact in providing opportunities for higher education. However, the area continues to be one with a significantly higher proportion of high school dropouts than college graduates which negatively impacts the area's attractiveness to companies seeking highly-skilled workers.

In terms of gender, females lag males in median earnings by educational attainment in both counties. The specific reason for this outcome is unclear, but several researchers point to cultural factors that may contribute to the data shown in the tables. Earnings remain low for both males and females that have not completed high school. A Significant difference was seen between females that have an associate's degree and those with a Bachelor's degree in both counties.

There was a \$22,000 difference for females while the men registered a \$14,000 increase in Cameron county and \$20,000 in Hidalgo county. Also of interest is the closing of the gap in earnings at the graduate level between genders. In 2005 there was a \$15,000 gap which closed to \$4,000 in 2010 for Cameron county. In Hidalgo county the gap narrowed by \$1,000, moving from \$11,000 in 2005 to \$10,000 in 2010.



Source: U.S. Census Bureau: Census 2005, 2008 and 2010 American Community Survey



Source: U.S. Census Bureau: 2010 American Community Survey

BUILDING PERMITS

Residential construction activity in the Lower Rio Grande Valley registered declines in the second quarter of 2011 when compared to the same period in 2010. In Cameron County the number of permits issued decreased by 4.7 percent and by 12.2 percent in Hidalgo County.

The dollar value of authorized housing units decreased by 7.2 percent in Cameron county and by 6.7 percent in Hidalgo county in the second quarter of 2011, compared to the same period in 2010. The lower number of building permits continues a trend of weakness in the housing sector.

The housing affordability index for several MLS areas in the two-county area indicates that housing in the area con-

tinues to be relatively affordable. This is important in creating a vibrant housing market because average income in the area lags both that for Texas and the U.S. as a whole. Notwithstanding the average lower prices, home sales reported declines of 7.7, 6.5 and 16.9 percent in the Brownsville, Harlingen and McAllen MSA's.

New Privately Owned Housing Units Authorized by County

County	Number of Units		Change
	Q2 '11	Q2 '10	
Cameron	244	256	-4.7%
Hidalgo	717	817	-12.2%
	YTD '11*	YTD '10*	
Cameron	465	501	-7.2%
Hidalgo	1,526	1,583	-3.6%
	Valuation (in thousands of dollars)		
County	Q2 '11	Q2 '10	Change
Cameron	\$25,097	\$24,765	1.3%
Hidalgo	\$94,447	\$105,176	-10.2%
	YTD '11*	YTD '10*	
Cameron	\$47,246	\$48,602	-2.8%
Hidalgo	\$201,851	\$205,792	-1.9%

Source: U.S. Census Bureau, Construction Statistics

* Year-to-date data include any late reports or corrections from prior months. Summing the published monthly data will not generate the same estimate that is published for year-to-date.

Housing Affordability (Q2 '11)

MLS Area	HAI*
Brownsville	2.39
Harlingen	2.62
McAllen	1.97
Texas	3.76
USA	2.20

*The Housing Affordability Index is the ratio of median family income to the income required to qualify for an 80 percent, fixed rate mortgage to purchase the median-priced home. The higher the ratio, the more affordable housing is. The MLS Area represents the local reporting Realtors® association's geographical coverage area.

Source: Real Estate Center at Texas A&M University

Home Sales

MLS Area	Sales		Change
	Q2 '11	Q2 '10	
Brownsville	192	208	-7.7%
Harlingen	216	231	-6.5%
McAllen	487	586	-16.9%
	Dollar Volume (In Thousands of Dollars)		
MLS Area	Q2 '11	Q2 '10	Change
Brownsville	\$21,971	\$24,556	-10.5%
Harlingen	\$26,556	\$26,825	-1.0%
McAllen	\$62,013	\$75,432	-17.8%

Source: Real Estate Center at Texas A&M University

TRANSPORTATION

Airports - Passenger Statistics*

	Q2 '11	Q2 '10	Change
Brownsville	42,269	42,934	-1.5%
Harlingen	174,557	188,523	-7.4%
McAllen	166,950	174,755	-4.5%
Laredo	49,200	56,472	-12.9%
El Paso	761,195	815,668	-6.7%

* Passenger Statistics includes both enplaned and deplaned values.

Source: Respective Airports

Land Ports of Entry - Border Crossings

	Southbound Traffic			Northbound Traffic			
	Q2 '11	Q2 '10	Change	Q2 '11	Q2 '10	Change	
Trucks							
Rio Grande Valley*	179,079	178,347	0.4%	Rio Grande Valley*	182,594	183,563	-0.5%
El Paso**	83,359	94,112	-11.4%	El Paso	187,375	178,141	5.2%
Laredo	447,004	408,647	9.4%	Laredo	431,666	402,298	7.3%
Rail							
Rio Grande Valley*	10,822	11,037	-1.9%	Rio Grande Valley*	2,598	2,151	20.8%
El Paso	-	-		El Paso	6,938	7,226	-4.0%
Laredo	66,812	63,637	5.0%	Laredo	50,514	44,904	12.5%
Vehicles							
Rio Grande Valley*	2,109,721	2,294,368	-8.0%	Rio Grande Valley*	2,458,111	2,449,691	0.3%
El Paso**	822,321	822,335	0.0%	El Paso	2,263,145	2,557,732	-11.5%
Laredo	1,113,713	1,157,723	-3.8%	Laredo	1,282,406	1,258,439	1.9%
Pedestrians							
Rio Grande Valley*	966,101	1,005,526	-3.9%	Rio Grande Valley*	1,192,409	1,365,644	-12.7%
El Paso**	1,093,469	1,264,868	-13.6%	El Paso	1,534,602	1,730,890	-11.3%
Laredo	778,733	929,516	-16.2%	Laredo	789,053	960,117	-17.8%

*Rio Grande Valley includes land ports of entry in Cameron and Hidalgo counties.

**El Paso has four international bridges. However, southbound data is collected for only two bridges, since Paso del Norte is strictly Northbound and Bridge of the Americas is a toll free bridge. Thus, no official count for southbound traffic is available for Bridge of the Americas.

Source: U.S. Customs and Border Protection for northbound traffic; bridge operators for southbound traffic

EXPORT/IMPORT ACTIVITY

Overall trade activity through the ports of Cameron and Hidalgo counties increased by 8.5 percent in the second quarter of 2011 relative to the same quarter in 2010. Exports to Mexico through the two counties' ports rose by 17.8 percent in contrast with the increase through all Texas

ports of 15.5 percent. Imports from Mexico increased by 1.7 percent through the two counties in contrast to the change at the state level of 11.7 percent. Overall, the ports of Cameron and Hidalgo counties account for 15.2 percent of Texas trade activity with Mexico.

Total U.S. Export Trade Activity Through Cameron and Hidalgo County Ports*

	in Millions of Dollars				
	Q2 '11	% of TX Export Trade Activity	Q2 '10	% of TX Export Trade Activity	Change
Brownsville	2,212	7.3%	1,865	7.2%	18.6%
Hidalgo	2,460	8.2%	2,149	8.2%	14.5%
Progreso	96	0.3%	33	0.1%	189.3%
Two County Total	4,768	15.8%	4,047	15.5%	17.8%
Texas Total	30,116		26,080		15.5%

Total U.S. Import Trade Activity Through Cameron and Hidalgo County Ports*

	in Millions of Dollars				
	Q2 '11	% of TX Import Trade Activity	Q2 '10	% of TX Import Trade Activity	Change
Brownsville	1,627	4.2%	1,539	4.5%	5.8%
Hidalgo	3,990	10.4%	3,982	11.5%	0.2%
Progreso	34	0.1%	39	0.1%	-12.6%
Two County Total	5,652	14.7%	5,560	16.1%	1.7%
Texas Total	38,524		34,495		11.7%

*Total export (import) trade activity through the Texas-Mexico border has two components: exports to (imports from) Mexico and exports whose final destination (country of origin) is a country other than Mexico (transshipment). The total export (import) trade activity figure, however, can be used interchangeably with exports to (imports from) Mexico, since the latter figure constitutes more than 95 percent of the total.

**Totals may not add up due to rounding.

Source: Texas Centers for Border Economic and Enterprise Development, Texas A&M International University, The University of Texas-Pan American and The University of Texas-El Paso

Hotels

	Cameron County			Hidalgo County		
	Q2 '11	Q2 '10	Change	Q2 '11	Q2 '10	Change
Revenues (\$000)	\$31,922	\$30,722	3.9%	\$22,334	\$21,182	5.4%
Room nights available (000)	671.9	662.4	1.4%	638.5	628.4	1.6%
Occupancy Rate (%)	51.6	51.0	1.2%	49.7	47.7	4.2%

Source: sourcestrategies.org/texas



Border Business Briefs

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FEATURED CENTER PHYSICIAN ASSISTANT STUDIES PROGRAM

The Master's degree in Physician Assistant Studies Program at UTPA is recognized as the only physician assistant program in Texas that is not located at or affiliated with a medical academic center. This characteristic lends itself to a very unique capability for PASP students to train in the most optimal, one-to-one settings. Although not located at a medical center, the PASP is affiliated with more than 250 clinical preceptors and/or training facilities, including all of the major hospitals in all four Rio Grande Valley counties.

The Physician Assistant profession ranks as one of the top 5 jobs in the nation and is ranked 7th in the forecast of jobs in the next 20 years. With over 800 applicants for the 50 slots awarded each year, the application process is very competitive. The Program is accredited by the Accreditation Review Commission on Education for Physician Assistants. Please visit our website for more information: www.utpa.edu/dept/pasp