



# Border Business Briefs

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The University of Texas-Pan American™

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Hidalgo County: 4.8% ↑

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Hidalgo County: 13.6% ↑

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## GROSS SALES

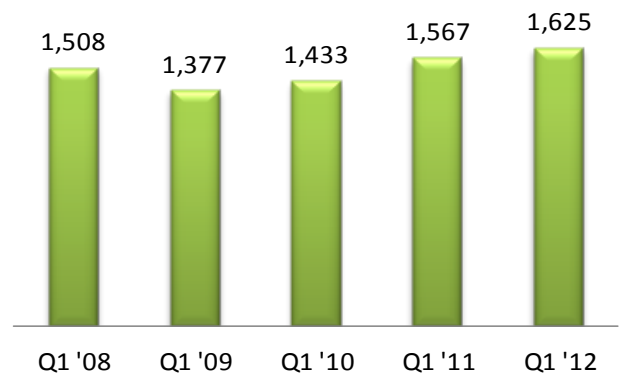
Gross sales continued to rebound each quarter from the low point obtained in Q1 2009. By the end of the first quarter of 2012, both Cameron and Hidalgo Counties' sales had increased by eight percent over the previous high in Q1 2008.

Relative to the first quarter of 2011, Cameron County's gross sales rose by four percent in the first quarter of 2012.

### Cameron County Gross Sales

First Quarter (2008-2012)

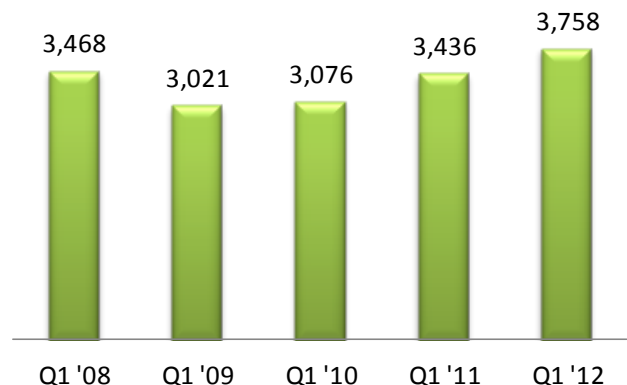
In Millions of Dollars\*



### Hidalgo County Gross Sales

First Quarter (2008-2012)

In Millions of Dollars\*



\*Not adjusted for inflation

Source: Texas Comptroller of Public Accounts

Hidalgo County also posted an increase of nine percent over the same time period. Most economic sectors experienced increased economic activity. In Cameron County, growth was fueled primarily by the manufacturing sector. In Hidalgo County the increase was seen in the manufacturing, wholesale trade, real estate rental and leasing, and entertainment sectors.

Trade continues to dominate the economy of both coun-

ties, with retail and wholesale trade accounting for sixty-seven percent of gross sales in Cameron County and sixty-nine percent in Hidalgo County.

Changes in sales tax revenues were consistent across the Valley cities in the second quarter of 2012 relative to the same period in 2011. The cities of Brownsville, Harlingen, and McAllen posted sales tax revenue increases of six, eleven, and eight percent respectively.

<b>Gross Sales by County and Industry</b>			
<b>In Millions of Dollars</b>			
<b>Cameron County</b>			
	Q1 '12	Q1 '11	Change
Construction	53	72	-27%
Manufacturing	190	132	44%
Wholesale Trade	170	180	-5%
Retail Trade	926	904	2%
Accom./Food Services	129	119	8%
Other Services*	123	125	-2%
Other**	35	35	-1%
<b>All Industries***</b>	<b>1,625</b>	<b>1,567</b>	<b>4%</b>
<b>Hidalgo County</b>			
	Q1 '12	Q1 '11	Change
Construction	113	128	-12%
Manufacturing	271	203	33%
Wholesale Trade	467	408	14%
Retail Trade	2,133	1,989	7%
Accom./Food Services	242	224	8%
Other Services*	429	388	11%
Other**	104	95	9%
<b>All Industries***</b>	<b>3,758</b>	<b>3,436</b>	<b>9%</b>

\* 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

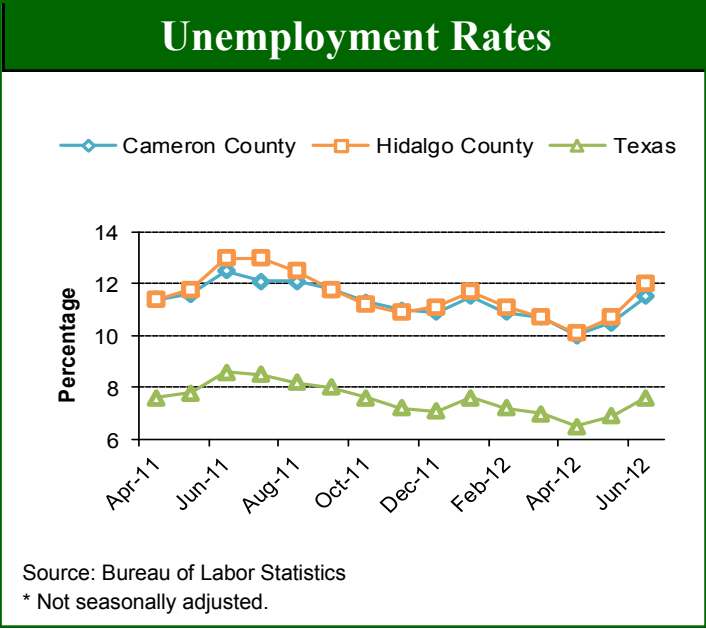
<b>Sales Tax Revenues</b>			
<b>In Thousands of Dollars</b>			
	Q2 '12	Q2 '11	Change
Brownsville	\$8,492	\$7,980	6.4%
Harlingen	\$5,158	\$4,651	10.9%
McAllen	\$14,480	\$13,408	8.0%

\*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 2012, total employment stood at 143,533 for Cameron County and at 283,459 for Hidalgo County. This represented a 0.9 and a 2.1 percent increase from June 2011 employment figures for Cameron and Hidalgo Counties respectively. These results were consistent with that for



the state overall. For the entire state, net job growth was 2.9 percent.

By the end of the second quarter of 2012, the unemployment rate was 11.5 and 12.0 percent for Cameron and Hidalgo counties respectively, compared to rates of 12.5 and 13.0 percent in June 2011. Although both counties recorded similar employment growth 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 7.6 percent while the average for the country was 8.4 percent in June 2012 compared to 11.5 and 12.0 percent for Cameron and Hidalgo Counties respectively.

significant improvement in high-school graduates is spread across the population of adults reporting some college qualification.

There is also an improvement in the proportion of adults

<b>Employment</b>			
	Jun. '12	Jun. '11	Change
Cameron County	143,533	142,201	<b>0.9%</b>
Hidalgo County	283,459	277,557	<b>2.1%</b>
Texas	11,758,990	11,425,043	<b>2.9%</b>

<b>Unemployment Rates (%)</b>			
	Jun. '12	Jun. '11	Change
Cameron County	11.5	12.5	<b>-8.0%</b>
Hidalgo County	12.0	13.0	<b>-7.7%</b>
Texas	7.6	8.6	<b>-11.6%</b>
U.S.	8.4	9.3	<b>-9.7%</b>

Source: Bureau of Labor Statistics

<b>Educational Attainment</b>			
Percentage of the Population 25 years and over			
<b>Cameron County</b>			
	2011	2000	Change
No high school degree	35.3	44.8	<b>-21.2%</b>
High school graduate	24.3	20.1	<b>20.9%</b>
Some college or associate's degree	25.8	21.8	<b>18.3%</b>
Bachelor's degree or higher	14.6	13.3	<b>9.8%</b>
<b>Hidalgo County</b>			
	2011	2000	Change
No high school degree	38.6	49.5	<b>-22.0%</b>
High school graduate	24.3	20.2	<b>20.3%</b>
Some college or associate's degree	21.2	17.4	<b>21.8%</b>
Bachelor's degree or higher	16.0	12.9	<b>24.0%</b>

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

## EDUCATIONAL ATTAINMENT

Despite recent gains in educational attainment, the Rio Grande Valley region continues to lag Texas and the U.S. as a whole. At the end of 2011, 35.3 percent of the population over 25 years old in Cameron County did not graduate from high school while in Hidalgo County the corresponding proportion is higher at 38.6 percent. These rates are almost twice the rate for the state of Texas and more than three times the national average. The corresponding rate for the U.S. over-25 population is 14.4 percent and for Texas the rate is 19.3 percent. However, despite the large share of adults without high school education, there continues to be a positive trend as both counties registered significant improvement falling from 44.8 percent and 49.5 percent for Cameron and Hidalgo counties respectively in 2000. There are further positive signs as a portion of the

<b>Student Enrollment at Institutions of Higher Education In South Texas</b>			
	Fall 2012	Fall 2007	Change
UTB-TSC	12,012	11,376	<b>6%</b>
TSTC	5,853	4,492	<b>30%</b>
UTPA	19,196	17,041	<b>13%</b>
STC	19,074	14,119	<b>35%</b>
<b>Total</b>	<b>56,135</b>	<b>47,028</b>	<b>19%</b>

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

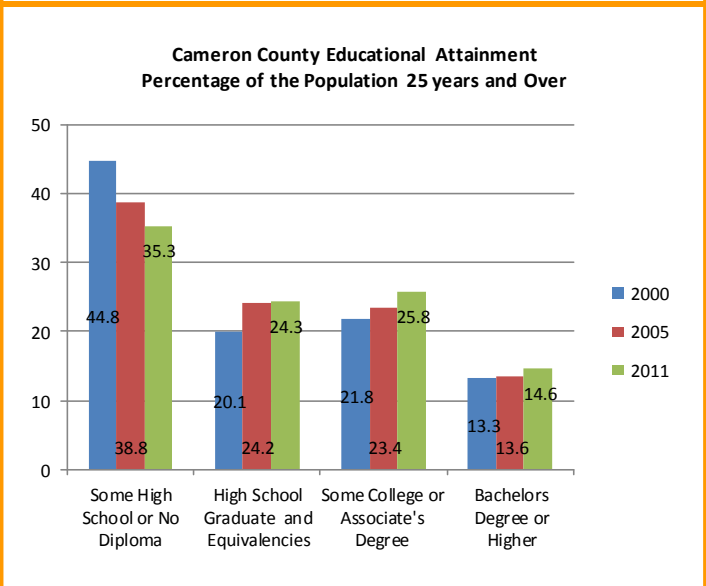
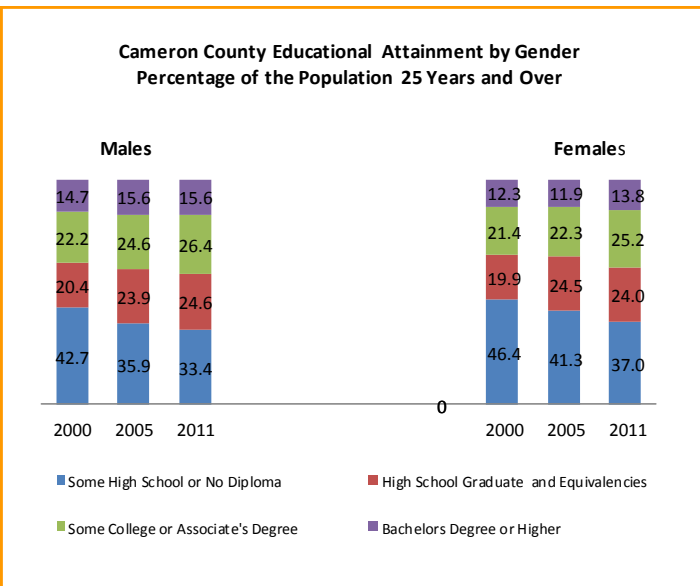
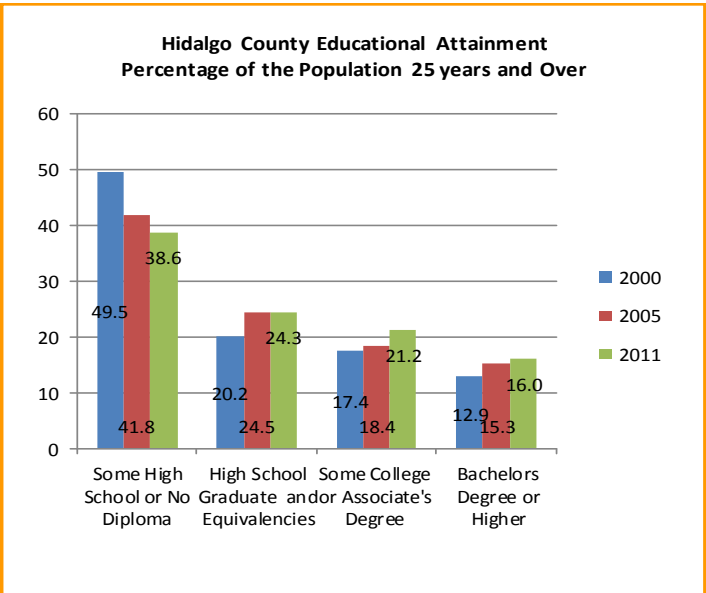
with Bachelor's degree or higher in both counties. Cameron County grew from 13.3 percent in 2000 to 14.6 percent in 2011, while the corresponding rate for Hidalgo County at the end of 2011 is 16.0 percent growing from 12.9 percent in 2000. Both counties also lag national and state averages for high educational attainment. The average for Texas is 25.9 percent while the national average is at 28.2 percent. However, there is a significant positive trend as evidenced by the substantial improvement in educational attainment between 2000 and 2011. Both counties should continue to experience higher growth rates as each county has a college campus in the University of Texas system in addition to the rapidly growing South Texas College (STC) and Texas State Technical College (TSTC).

Overall increases in college enrollment is robust as there was an average 18 percent increase in enrollment across the four largest institutions of higher education in both counties between fall 2007 and fall 2012. Several other institutions of higher learning have established campuses within the two-county region, and these 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.

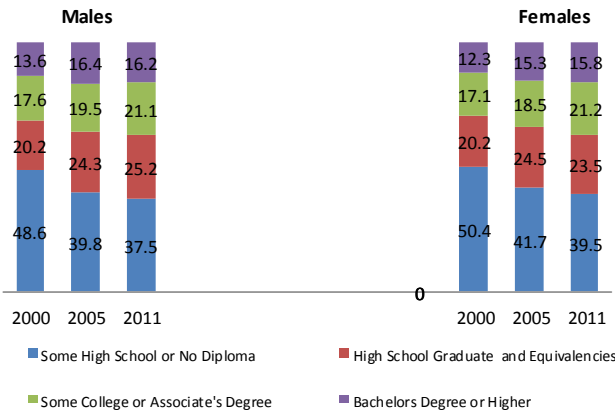
In terms of gender, females lag males in educational attainment in both counties. The specific reason for this outcome is unclear, but several researchers point to cultural factors that may contribute to the data shown in the tables.

Approximately 40 percent of females over 25 years of age in Hidalgo County report not having completed high school at the end of 2011. Although this represents a significant improvement over the 50 percent of over 25 females that reported not having completed high school in 2000, the rate is much higher than it should be. In Cameron County the rate is marginally better at 37 percent in 2011 compared to 46.4 percent in 2000. For men, the rates are 37.5 percent and 33.4 percent for Hidalgo and Cameron counties respectively in 2011.

Interestingly, despite the disparity between genders at the low end of academic attainment, the level of academic attainment is similar for males and females in terms of bachelor's degree or higher in Hidalgo County in 2011. However, in Cameron County females continue to lag men at the highest levels of educational attainment.



**Hidalgo County Educational Attainment by Gender**  
Percentage of the Population 25 Years and Over



Source: U.S. Census Bureau: Census 2000, American Community Survey 2005 and 2011

### BUILDING PERMITS

Residential construction activity in the Lower Rio Grande Valley recorded positive results in the second quarter of 2012 when compared to the same period in 2011. In Cameron County the number of permits issued increased by 4.5 percent and by 14.2 percent in Hidalgo County. Although positive, these results trail the overall growth for Texas of 21.6%. The dollar value of authorized housing units increased by 3.9 percent in Cameron County and by 1.0 percent in Hidalgo County in the second quarter of 2012, compared to the same period in 2011.

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

### Housing Affordability (Q2 '12)

MLS Area	HAI*
Brownsville	2.00
Harlingen	2.32
McAllen	1.80
Texas	2.07
USA	1.91

\*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

tinues to be relatively affordable. This development is very important for living standards as the Rio Grande Valley region significantly lags both Texas and the US as a whole in average income.

Home sales reported increases of 13.5, 20.4, and 8.0 percent in the Brownsville, Harlingen, and McAllen MSA's.

### New Privately Owned Housing Units Authorized by County

County	Number of Units		Change
	Q2 '12	Q2 '11	
Cameron	255	244	4.5%
Hidalgo	819	717	14.2%
	YTD '12*	YTD '11*	
Cameron	483	465	3.9%
Hidalgo	1,541	1,526	1.0%
County	Valuation (in thousands of dollars)		Change
	Q2 '12	Q2 '11	
Cameron	\$25,228	\$25,097	0.5%
Hidalgo	\$122,366	\$94,588	29.4%
	YTD '12*	YTD '11*	
Cameron	\$46,286	\$47,246	-2.0%
Hidalgo	\$226,241	\$201,992	12.0%

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.

### Home Sales

MLS Area	Sales		Change
	Q2 '12	Q2 '11	
Brownsville	218	192	13.5%
Harlingen	260	216	20.4%
McAllen	526	487	8.0%
MLS Area	Dollar Volume (In Thousands of Dollars)		Change
	Q2 '12	Q2 '11	
Brownsville	\$26,043	\$21,971	18.5%
Harlingen	\$28,935	\$26,556	9.0%
McAllen	\$64,305	\$62,013	3.7%

Source: Real Estate Center at Texas A&M University

## TRANSPORTATION

### Airports - Passenger Statistics\*

	Q2 '12	Q2 '11	Change
Brownsville	42,991	42,269	1.7%
Harlingen	167,788	174,557	-3.9%
McAllen	176,488	166,950	5.7%
Laredo	48,477	49,200	-1.5%
El Paso	762,257	761,195	0.1%

\* Passenger Statistics includes both enplaned and deplaned values.

Source: Respective Airports

### Land Ports of Entry - Border Crossings

Southbound Traffic				Northbound Traffic			
	Q2 '12	Q2 '11	Change		Q2 '12	Q2 '11	Change
<b>Trucks</b>				<b>Trucks</b>			
Rio Grande Valley*	187,581	179,079	4.7%	Rio Grande Valley*	188,437	182,594	3.2%
El Paso**	91,299	83,359	9.5%	El Paso	184,064	187,375	-1.8%
Laredo	452,405	447,004	1.2%	Laredo	451,497	431,666	4.6%
<b>Rail</b>				<b>Rail</b>			
Rio Grande Valley*	14,825	10,822	37.0%	Rio Grande Valley*	1,107	2,598	-57.4%
El Paso	-	-		El Paso	8,583	6,938	23.7%
Laredo	61,197	66,812	-8.4%	Laredo	59,431	50,514	17.7%
<b>Vehicles</b>				<b>Vehicles</b>			
Rio Grande Valley*	2,135,029	2,109,721	1.2%	Rio Grande Valley*	2,524,927	2,458,111	2.7%
El Paso**	879,187	822,321	6.9%	El Paso	2,265,392	2,263,145	0.1%
Laredo	1,099,947	1,113,713	-1.2%	Laredo	1,056,874	1,282,406	-17.6%
<b>Pedestrians</b>				<b>Pedestrians</b>			
Rio Grande Valley*	969,750	966,101	0.4%	Rio Grande Valley*	1,211,560	1,192,409	1.6%
El Paso**	971,344	1,093,469	-11.2%	El Paso	1,500,872	1,534,602	-2.2%
Laredo	732,837	778,733	-5.9%	Laredo	770,132	789,053	-2.4%

\*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 3.4 percent in the second quarter of 2012 relative to the same quarter in 2011. Exports to Mexico through the two counties' ports decreased by 2.9 percent in contrast with the increase through all

Texas ports of 11.4 percent. Imports from Mexico increased by 8.7 percent through the two counties' ports in contrast to the increase at the state level of 12.1 percent. Overall, the ports of Cameron and Hidalgo counties account for 14.0 percent of Texas trade activity with Mexico.

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

in Millions of Dollars

	Q2 '12	% of TX Export	Q2 '11	% of TX Export	Change
Brownsville	2,105	6.3%	2,212	7.3%	-4.9%
Hidalgo	2,484	7.4%	2,460	8.2%	1.0%
Progreso	40	0.1%	96	0.3%	-57.8%
Two County Total	4,629	13.8%	4,768	15.8%	-2.9%
Texas Total	33,541		30,116		11.4%

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

in Millions of Dollars

	Q2 '12	% of TX Import	Q2 '11	% of TX Import	Change
Brownsville	1,771	4.1%	1,627	4.2%	8.8%
Hidalgo	4,334	10.0%	3,990	10.4%	8.6%
Progreso	41	0.1%	34	0.1%	19.4%
Two County Total	6,146	14.2%	5,652	14.7%	8.7%
Texas Total	43,202		38,524		12.1%

\*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 '12	Q2 '11	Change	Q2 '12	Q2 '11	Change
Revenues (\$000)	\$34,784	\$31,922	9.0%	\$25,377	\$22,334	13.6%
Room nights available (000)	650.4	671.9	-3.2%	614.7	638.5	-3.7%
Occupancy Rate (%)	56.4	51.6	9.3%	56.0	49.7	12.7%

Source: [sourcestrategies.org/texas](http://sourcestrategies.org/texas)



## Border Business Briefs

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