



Border Business Briefs

Vol. 4, No. 3

Spring 2008

A Publication of the Center for Border Economic Studies

The University of Texas-Pan American

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VETERANS

- According to the latest estimates from the 2006 American Community Survey, the Lower Rio Grande Valley is home to roughly 46,000 veterans. This constitutes six to seven percent of the population 18 years and older.
- The veteran population increases considerably during the winter months due to the large number of Winter Texans who visit the area. Results of the 2008 Winter Texan Survey, published by the Valley Markets and Tourism Research Center at The University of Texas Pan American, reveal that nearly half of the households in this seasonal population have a member who served in the military.
- Veterans in the Valley and Texas are generally better off economically than non veterans in their respective communities, reporting higher incomes, and higher labor force participation rates. Consequently, a lower percentage of this group lives in poverty.
- The Valley has a larger share of Hispanic veterans compared to Texas. This is expected given the area's predominantly Hispanic population.
- Veterans report higher disability rates than the non veteran population. Slightly more than a quarter indicate having a disability relative to 16 19 percent in the non veteran population.
- Vietnam era veterans claim the largest share of the veteran population, followed by Gulf War veterans.
- Approximately, 60 percent of veterans in the Valley were under the age of 65, compared to 66 percent at the state level.
- Around a fifth of Valley veterans hold at least bachelor's degree, relative to 27 percent for Texas veterans.
- Veterans are predominantly male over 90 percent . Female representation is higher in the Valley than Texas.

RGV* Veterans

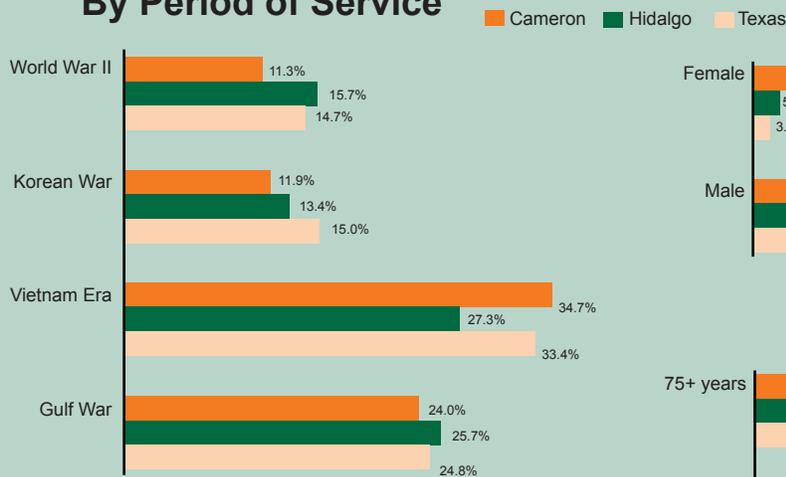
	Cameron	Hidalgo	Texas
Served	17,103	27,112	1,660,455
Percent of pop. 18 years & over	6.7	6.0	9.8

* According to Census 2000, Willacy and Starr counties had an additional 2,183 veterans.
 Source: 2006 American Community Survey.

Veteran* Characteristics

	Cameron County		Hidalgo County		Texas	
	Vets	Non-Vets	Vets	Non-Vets	Vets	Non-Vets
Median income in past 12 months**	\$30,886	\$13,545	\$26,802	\$12,068	\$35,605	\$21,544
<i>Percent of civilian pop. 18 years and over</i>						
Hispanic or Latino (of any race)	54.8	84.7	62.8	88.2	15.3	34.0
Below poverty in the past 12 months	11.6	31.2	8.5	32.2	6.2	15.1
With any disability	25.3	17.8	28.6	19.1	27.0	15.7
<i>Percent of civilian pop. 18 to 64 years</i>						
Labor force participation rate	79.1	65.2	79.6	70.5	79.6	74.9
Unemployment rate	1.7	7.8	7.8	10.0	5.0	6.8

By Period of Service

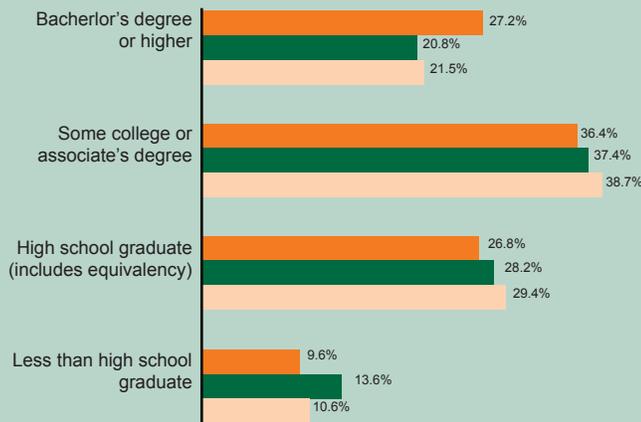


By Gender



By Educational Attainment

(Civilian population 25 years and over)



By Age



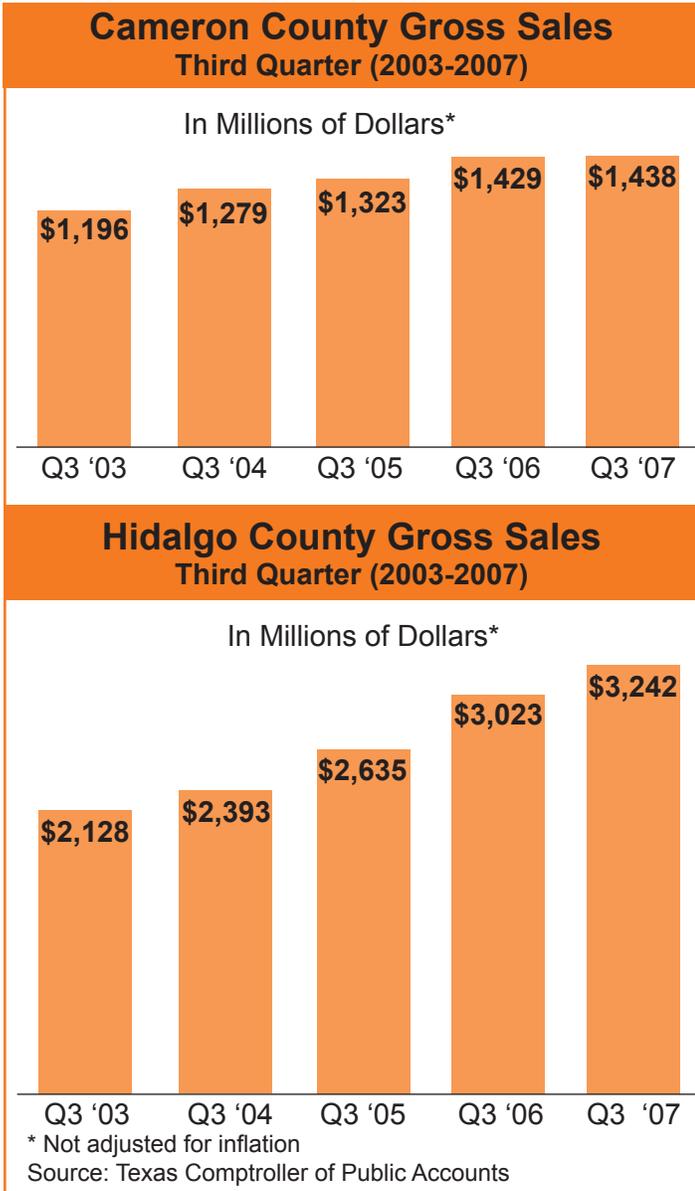
* Census data define a civilian veteran as someone 18 and older who is not currently on active duty, but who once served on active duty in the U. S. Army, Navy, Air Force, Marine Corps, or Coast Guard, or who served in the Merchant Marine during World War II.

** In 2006 Inflation-Adjusted Dollars

Source: 2006 American Community Survey

GROSS SALES

Overall, gross sales have increased between the third quarter of 2003 and the corresponding quarter of 2007. In Cameron County sales rose by 20 percent over that time period, while the corresponding increase amounted to 52 percent in Hidalgo County.



Relative to the third quarter of 2006, Cameron County's gross sales rose by one percent in the third quarter of 2007. The manufacturing, accommodation and food services sectors, among others, led the growth. Hidalgo County posted an increase of seven percent over the same time period, a growth that was mainly fueled by wholesale trade, retail trade, accommodation and food services. Trade continued to dominate the economy of both counties, with retail and wholesale trade accounting for around two thirds of gross sales.

Gross Sales by County and Industry

In Millions of Dollars

Cameron County			
	Q3 '07	Q3 '06	Change
Construction	70	76	-7%
Manufacturing	131	126	4%
Wholesale Trade	147	155	-5%
Retail Trade	788	790	0%
Accom./Food Serv.	107	99	8%
Other Services*	144	121	19%
Other**	51	63	-19%
All Industries***	1,438	1,429	1%

Hidalgo County			
	Q3 '07	Q3 '06	Change
Construction	249	280	-11%
Manufacturing	233	244	-4%
Wholesale Trade	489	425	15%
Retail Trade	1,764	1,599	10%
Accom./Food Serv.	175	156	12%
Other Services*	230	216	7%
Other**	102	103	-1%
All Industries***	3,242	3,023	7%

* 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; Health care 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

EMPLOYMENT

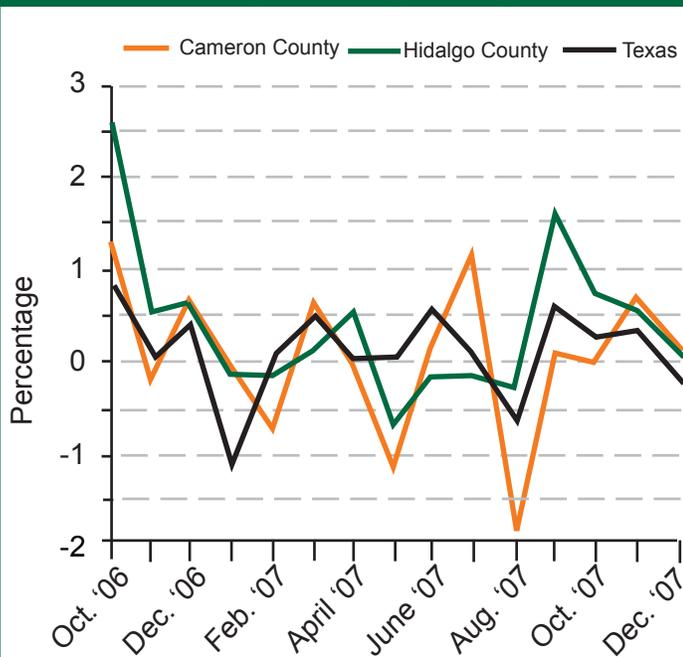
In December 2007, total employment stood at 134,414 for Cameron County and at 255,391 for Hidalgo County. This represented a one percent decrease from December 2006 employment figures for Cameron County and a 0.2

Employment

	Dec. '07	Dec. '06	Change
Cameron County	134,414	135,708	-1.0%
Hidalgo County	255,391	254,843	0.2%
Texas	11,081,705	10,995,244	0.8%

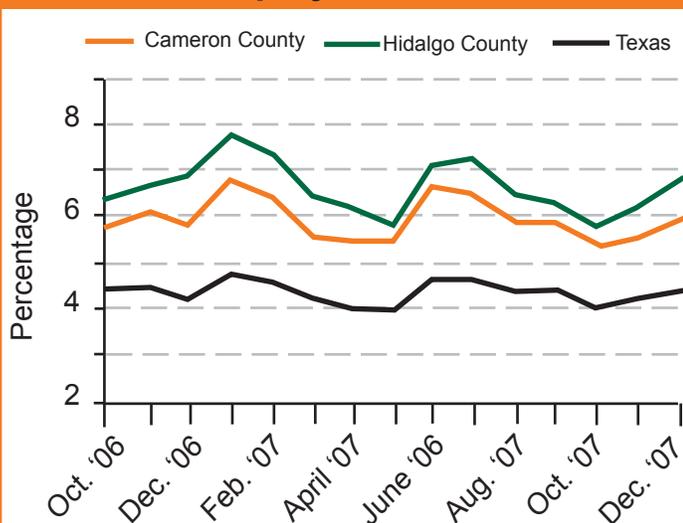
Source: Bureau of Labor Statistics

Employment Growth Rates* Monthly Percentage Change



* Not seasonally adjusted
Source: Bureau of Labor Statistics

Unemployment Rates*



* Not seasonally adjusted.
Source: Bureau of Labor Statistics

percent increase for Hidalgo County. The corresponding employment growth rate for Texas was 0.8 percent.

By the end of the fourth quarter of 2007, the unemployment rate was six and 6.8 percent for Cameron and Hidalgo counties, respectively, compared to rates of 5.8 and 6.9 percent in December 2006. While such rates are higher than those reported for the state of Texas 4.3 percent in December 2007, the gap between the area's unemployment rate and those of Texas has consistently shrunk over time, from a 3.4 to four percentage point difference in December of 2003 to a 1.7 to 2.5 percentage point difference in 2007. Monthly employment growth fluctuations for Cameron County, more or less, mirrored those at the state level. However, employment growth and declines for Hidalgo County seem to be countercyclical to those of Texas during the summer months.

Unemployment Rates (%)

	Dec. '07	Dec. '06	Change
Cameron County	6	5.8	6.0 %
Hidalgo County	6.8	6.9	-1.4%
Texas	4.3	4.1	4.9%

Source: Bureau of Labor Statistics

POPULATION

Recent estimates from the Population Division at the U. S. Census Bureau show that the population growth in the Lower Rio Grande Valley over the 2000-2007 period surpassed that of Texas, 18 percent to 15 percent, respectively. Hidalgo County led this growth with a 21 percent population increase.

Population

	2000	2007	Change
Cameron	335,227	379,708	13%
Hidalgo	569,463	689,494	21%
Starr	53,597	60,717	13%
Willacy	20,082	20,476	2%
LRGV*	978,369	1,150,395	18%
Texas	20,851,820	23,904,380	15%

* Lower Rio Grande Valley
Source: Population Division, U.S. Census Bureau

BANKING INDICATORS

Bank deposits exhibited a general upward trend between June of 2006 and 2007. Double digit growth was reported for Hidalgo and Starr counties, with 18 and 11 percent increases, respectively. For Cameron and Willacy counties, deposit growth was more modest ranging from two to 3.5 percent.

Bank Deposits*

In Millions of Dollars			
County	June '07	June '06	Change
Cameron	\$3,875	\$3,745	3.5%
Hidalgo	\$8,718	\$7,387	18.0%
Starr	\$465	\$419	11.0%
Willacy	\$102	\$100	2.0%

* In this issue, CBEST has opted not to report fourth quarter bank deposits because of lack of reliable data for this time period.
Source: FDIC, Summary of Deposits

BUILDING PERMITS

Residential construction activity in the Lower Rio Grande Valley decreased between the fourth quarter of 2006 and 2007, both in terms of the number of new housing units authorized, as well as in terms of the dollar value of these units. In Cameron County and Hidalgo County, the number of permits issued decreased by 32.1 and 15.6 percent, respectively. By the end of the fourth quarter, the dollar valuation of authorized housing units decreased by 22.8 percent in Cameron County and 13.3 percent in Hidalgo

Housing Affordability (Q4 '07)

MLS Area	HAI*
Brownsville	1.27
Harlingen	1.41
McAllen	1.03
Texas	1.50
USA	1.24

* 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 Realtors® association's geographical coverage area.
Source: Real Estate Center at Texas A&M University

County compared to the same period of 2006. Home sales, on the other hand, reported increases in dollar and unit volumes in the cities of Brownsville and Harlingen and declines in the city of McAllen.

New Privately Owned Housing Units Authorized by County

County	Number of Units		Change
	Q4 '07	Q4 '06	
Cameron	341	502	-32.1%
Hidalgo	1,330	1,575	-15.6%
	YTD '07*	YTD '06*	
Cameron	1,743	3,067	-43.2%
Hidalgo	6,389	8,048	-20.6%
Valuation (in thousands of dollars)			
County	Q4 '07	Q4 '06	Change
Cameron	\$31,930	\$41,343	-22.8%
Hidalgo	\$156,996	\$181,067	-13.3%
	YTD '07*	YTD '06*	
Cameron	\$167,943	\$232,076	-27.6%
Hidalgo	\$755,322	\$855,565	-11.7%

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

Sales			
MLS Area	Q4 '07	Q4 '06	Change
Brownsville	246	242	1.7%
Harlingen	265	222	19.4%
McAllen	551	661	-16.6%
Dollar Volume			
In Thousands of Dollars			
MLS Area	Q4 '07	Q4 '06	Change
Brownsville	\$35,470	\$30,755	15.3%
Harlingen	\$31,510	\$24,975	26.2%
McAllen	\$74,650	\$87,715	-14.9%

Source: Real Estate Center at Texas A&M University

TRANSPORTATION

Airports – Passenger Statistics*

	Q4 '07	Q4 '06	Change
Brownsville	46,070	45,031	2.3%
Harlingen	208,501	205,587	1.4%
McAllen	203,898	199,147	2.4%
Laredo	55,852	55,088	1.4%
El Paso	847,660	864,272	-1.9%

* Passenger statistics includes both enplaned and deplaned values.
Source: Respective Airports

Land Ports of Entry – Border Crossings

Southbound Traffic

	Q4 '07	Q4 '06	Change
Trucks			
Rio Grande Valley*	179,055	164,169	9.1%
El Paso**	84,984	80,598	5.4%
Laredo	395,882	444,645	-11.0%
Rail (Data unavailable)			
Rio Grande Valley*	-	-	-
El Paso	-	-	-
Laredo	-	-	-
Vehicles			
Rio Grande Valley*	3,126,257	3,326,753	-6.0%
El Paso**	1,053,578	1,227,041	-14.1%
Laredo	1,532,234	1,527,464	0.3%
Pedestrians			
Rio Grande Valley*	1,303,786	1,312,588	-0.7%
El Paso**	1,537,666	1,506,419	2.1%
Laredo	1,201,282	1,144,071	5.0%

Northbound Traffic

	Q4 '07	Q4 '06	Change
Trucks			
Rio Grande Valley*	189,406	172,132	10.0%
El Paso	183,908	190,993	-3.7%
Laredo	389,374	379,834	2.5%
Rail			
Rio Grande Valley*	1,769	1,623	9.0%
El Paso	22,621	25,789	-12.3%
Laredo	41,285	46,267	-10.8%
Vehicles			
Rio Grande Valley*	1,769	1,623	9.0%
El Paso	22,621	25,789	-12.3%
Laredo	41,285	46,267	-10.8%
Pedestrians			
Rio Grande Valley*	1,746,794	1,586,499	10.1%
El Paso	2,229,876	2,128,732	4.8%
Laredo	1,203,075	1,099,395	9.4%

* 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

Export and import trade activity through the ports of Cameron and Hidalgo counties increased in the fourth quarter of 2007 compared with the same quarter in 2006. Exports to Mexico through the two counties' ports rose by 12.1 percent compared to around three percent through all

Texas ports. Imports from Mexico increased by 3.5 percent through the two counties versus a 7.5 percent increase at the state level. Overall, the ports of Cameron and Hidalgo counties account for around 17 percent of Texas trade activity with Mexico

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

	In Millions of Dollars		In Millions of Dollars		Change
	Q4 '07	% of TX Export Trade Activity	Q4 '06	% of TX Export Trade Activity	
Brownsville	2,209	9.6%	1,983	8.8%	11.4%
Hidalgo	2,264	9.8%	2,024	9.0%	11.8%
Progreso	65	0.3%	43	0.2%	52.3%
Two County Total	4,538	19.6%	4,050	18.0%	12.1%
Texas Total	23,112		22,509		2.7%

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

	In Millions of Dollars		In Millions of Dollars		Change
	Q4 '07	% of TX Import Trade Activity	Q4 '06	% of TX Import Trade Activity	
Brownsville	1,370	4.3%	1,485	5.0%	-7.8%
Hidalgo	3,473	10.8%	3,194	10.7%	8.7%
Progreso	16	0.0%	16	0.1%	0.0%
Two County Total	4,858	15.2%	4,695	15.8%	3.5%
Texas Total	32,040		29,805		7.5%

* 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-EI Paso

Hotels

	Cameron County			Hidalgo County		
	Q4 '07	Q4 '06	Change	Q4 '07	Q4 '06	Change
Revenues (\$000)	\$19,216	\$18,018	6.6%	\$26,096	\$23,755	9.9%
Room nights available (000)	732.9	734.5	-0.2%	605.2	600.0	0.9%
Occupancy Rate (%)	36.0	34.7	3.7%	60.3	59.3	1.7%

Source: Texas Tourism



Border Business Briefs

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Veteran Resources

United States Department of Veterans Affairs

www.va.gov

Education (GI Bill)	888-442-4551
VA Benefits	800-827-1000
Health Care Facilities	877-222-8387

Texas Veterans Commission

www.tvc.state.tx.us

512/463-6564

Local Health Care Services

- South Texas VA Health Care Center at Harlingen
 2106 Treasure Hills Blvd, Harlingen, 956/366-4500
- McAllen VA Outpatient Clinic
 2101 S. Col Rowe Blvd, McAllen, 956/618-7100

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