



Border Business Briefs

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Economic Indicators at a Glance

Gross Sales (Q3 07-08)..... pg. 1

Cameron County: 6 ↑
Hidalgo County: 6 ↑

Employment Projections..... pg. 3

Unemployment Rate (December 2008) pg. 4

Cameron County: 8.2
Hidalgo County: 9.0

Employment (December 07-08)..... pg. 4

Cameron County: 0.8 ↓
Hidalgo County: 1.6 ↑

Housing Units Authorized (Q4 07-08) pg. 5

Cameron County: 45.2 ↓
Hidalgo County: 55.3 ↓

Passengers at Airports (Q4 07-08) pg. 6

Brownsville: 20.0 ↓
Harlingen: 11.8 ↓
McAllen: 13.8 ↓

Southbound Border Crossings (Q4 07-08) ... pg. 6

Trucks: 9.3 ↓
Private Vehicles: 7.5 ↓
Pedestrians: 12.6 ↓

Northbound Border Crossings (Q4 07-08). pg. 6

Trucks: 12.5 ↓
Private Vehicles: 2.8 ↑
Pedestrians: 10.1 ↓

Trade Activity (Q4 07-08) pg. 7

Cameron County: 12.6 ↓
Hidalgo County: 3.0 ↓

Hotel Revenues (Q4 07-08) pg. 7

Cameron County: 19.4 ↓
Hidalgo County: 1.7 ↓

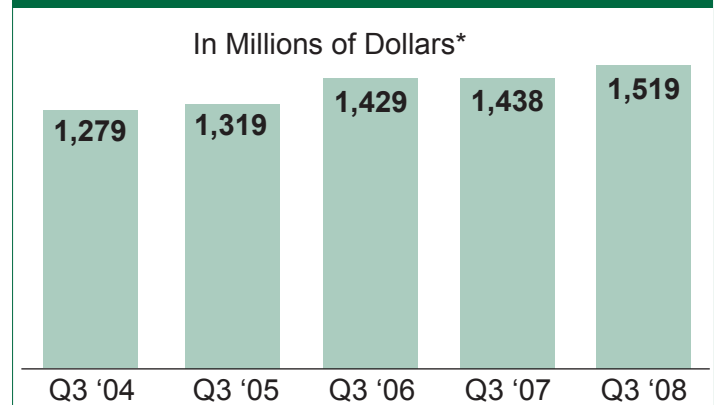
Featured: Office of Career Placement Services pg. 8

GROSS SALES

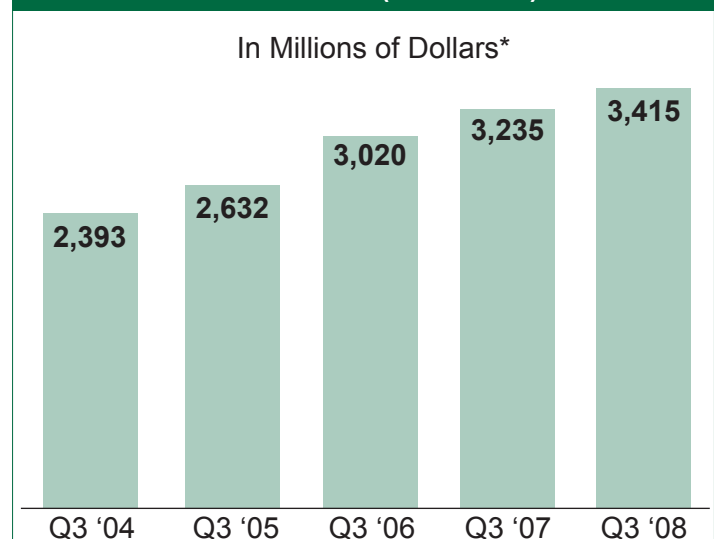
Overall, gross sales have increased between the third quarter of 2004 and the corresponding quarter of 2008. In Cameron County sales rose by 19 percent over that time period, while the corresponding increase amounted to 43 percent in Hidalgo County.

Relative to the third quarter of 2007, Cameron County's gross sales rose by six percent in the third quarter of 2008. The construction, wholesale trade, and retail trade sec

Cameron County Gross Sales Third Quarter (2004-2008)



Hidalgo County Gross Sales Third Quarter (2004-2008)



*Not adjusted for inflation

Source: Texas Comptroller of Public Accounts

tors led the growth. Hidalgo County posted an increase of six percent over the same time period. This growth was mainly fueled by construction, manufacturing, retail trade, and accomodation 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 '08 | Q3 '07 | Change |
| Construction | 88 | 70 | 25% |
| Manufacturing | 125 | 135 | -7% |
| Wholesale Trade | 144 | 138 | 5% |
| Retail Trade | 843 | 792 | 6% |
| Accom./Food Serv. | 108 | 107 | 1% |
| Other Services* | 149 | 145 | 2% |
| Other** | 62 | 50 | 24% |
| All Industries*** | 1,519 | 1,438 | 6% |

| Hidalgo County | | | |
|-------------------|--------|--------|--------|
| | Q3 '08 | Q3 '07 | Change |
| Construction | 262 | 247 | 6% |
| Manufacturing | 267 | 234 | 14% |
| Wholesale Trade | 452 | 481 | -6% |
| Retail Trade | 1,876 | 1,767 | 6% |
| Accom./Food Serv. | 189 | 175 | 8% |
| Other Services* | 222 | 224 | -1% |
| Other** | 149 | 108 | 38% |
| All Industries*** | 3,415 | 3,235 | 6% |

* 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

Sales Tax Revenues*

In Thousands of Dollars

| | Q4 '08 | Q4 '07 | Change |
|-------------|----------|----------|--------|
| Brownsville | \$8,168 | \$7,836 | 4.2% |
| Harlingen | \$5,099 | \$4,429 | 15.1% |
| McAllen | \$13,732 | \$13,475 | 1.9% |

*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

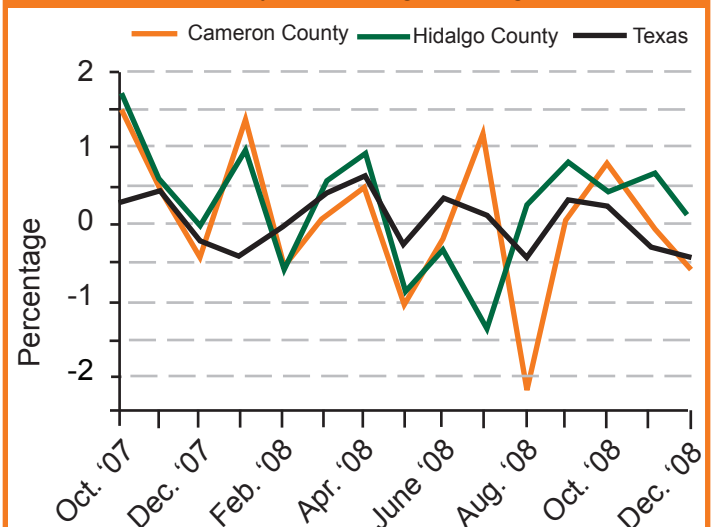
EMPLOYMENT

In December 2008, total employment stood at 134,568 for Cameron County and at 264,113 for Hidalgo County. This represented a 0.8 percent decrease from December 2007 employment figures for Cameron County and a 1.6 percent increase for Hidalgo County. The corresponding employment growth rate for Texas was 0.4 percent.

By the end of the fourth quarter of 2008, the unemployment rate was 8.2 and 9.0 percent for Cameron and Hidalgo counties, respectively, compared to rates of 5.9 and 6.7 percent in December 2007. The local percentage increase in unemployment rates was higher than the percentage change for Texas, but lower than that at the national level. Monthly employment growth fluctuations for both counties, more or less, mirrored those at the state level.

Employment Growth Rates*

Monthly Percentage Change



Source: Bureau of Labor Statistics

* Not seasonally adjusted

Employment Projections 2006-2016 Industries Adding the Most Jobs

Cameron County Workforce Development Area

| | Annual Average Employment | | Number Change | Percentage Change |
|--|---------------------------|---------|---------------|-------------------|
| | 2006 | 2016 | | |
| TOTAL EMPLOYMENT | 132,550 | 163,250 | 30,700 | 23% |
| Home Health Care Services | 10,800 | 16,750 | 5,950 | 55% |
| Elementary & Secondary Schools, Public/Private | 15,950 | 19,900 | 3,950 | 25% |
| Local Government, Ex. Education & Hospitals | 5,650 | 7,200 | 1,550 | 27% |
| Employment Services | 1,800 | 3,050 | 1,250 | 69% |
| Offices of Physicians | 3,200 | 4,350 | 1,150 | 36% |
| General Medical & Surgical Hospitals, Public/Private | 4,400 | 5,450 | 1,050 | 24% |
| Full-Service Restaurants | 4,250 | 5,200 | 950 | 22% |
| Limited-Service Eating Places | 4,150 | 5,050 | 900 | 22% |
| General Merchandise Stores | 4,400 | 5,250 | 850 | 19% |
| Individual and Family Services | 2,500 | 3,350 | 850 | 34% |
| Colleges, Universities, & Prof. Schools, Public/Private | 1,750 | 2,250 | 500 | 29% |
| Child Day Care Services | 1,050 | 1,500 | 450 | 43% |
| Business Support Services | 1,700 | 2,100 | 400 | 24% |
| Foundation, Structure, and Building Exterior Contractors | 950 | 1,350 | 400 | 42% |

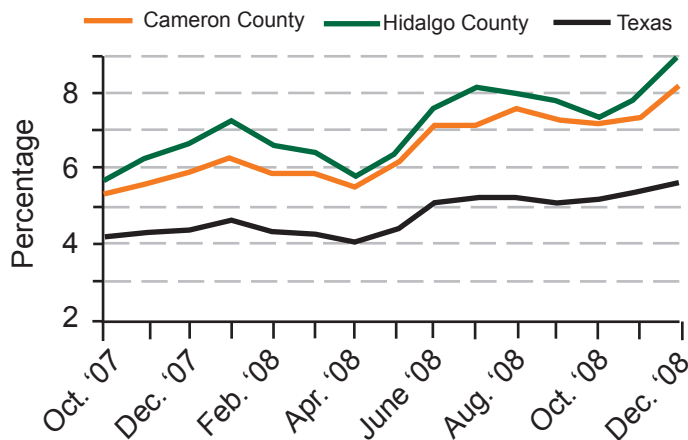
Lower Rio Grande Valley Workforce Development Area*

| | Annual Average Employment | | Number Change | Percentage Change |
|---|---------------------------|---------|---------------|-------------------|
| | 2006 | 2016 | | |
| TOTAL EMPLOYMENT | 243,050 | 313,500 | 70,450 | 29% |
| Elementary & Secondary Schools, Public/Private | 35,250 | 48,700 | 13,450 | 38% |
| Home Health Care Services | 20,700 | 31,100 | 10,400 | 50% |
| General Medical & Surgical Hospitals, Public/Private | 7,050 | 10,200 | 3,150 | 45% |
| Local Government, Ex. Education & Hospitals | 10,250 | 13,300 | 3,050 | 30% |
| Limited-Service Eating Places | 8,400 | 11,350 | 2,950 | 35% |
| Full-Service Restaurants | 6,250 | 8,950 | 2,700 | 43% |
| Offices of Physicians | 5,400 | 7,950 | 2,550 | 47% |
| Individual and Family Services | 4,500 | 6,750 | 2,250 | 50% |
| Employment Services | 3,950 | 5,450 | 1,500 | 38% |
| Grocery Stores | 5,050 | 6,400 | 1,350 | 27% |
| Other General Merchandise Stores | 3,850 | 4,900 | 1,050 | 27% |
| Colleges, Universities, & Prof. Schools, Public/Private | 3,750 | 4,800 | 1,050 | 28% |
| Department Stores | 3,300 | 4,250 | 950 | 29% |
| Depository Credit Intermediation | 3,650 | 4,400 | 750 | 21% |

* Lower Rio Grande Valley Workforce Development Area includes Hidalgo, Starr, and Willacy counties.

Source: Texas Workforce Commission

Unemployment Rates*



Source: Bureau of Labor Statistics
* Not seasonally adjusted.

Employment

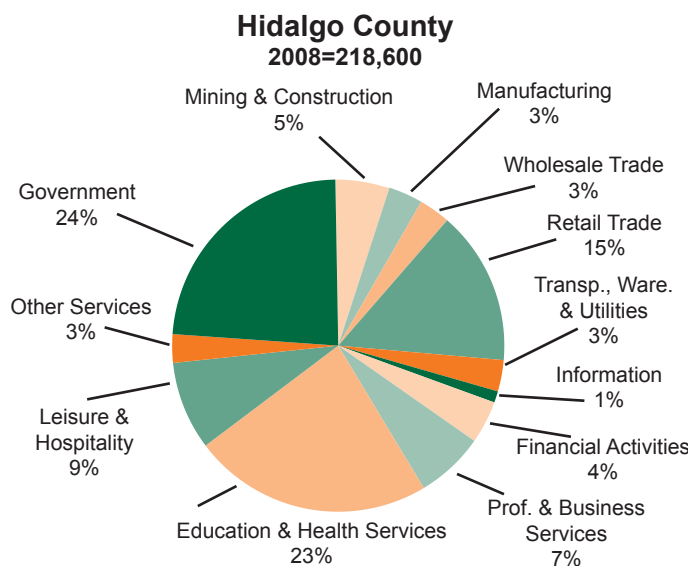
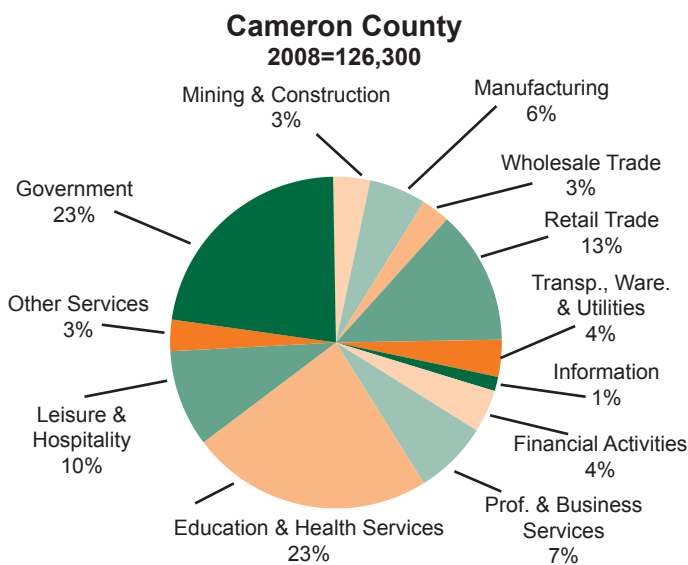
| | Sep. '08 | Sep. '07 | Change |
|----------------|------------|------------|--------|
| Cameron County | 134,568 | 135,687 | -0.8% |
| Hidalgo County | 264,113 | 259,996 | 1.6% |
| Texas | 11,120,773 | 11,075,069 | 0.4% |

Unemployment Rates (%)

| | Sep. '08 | Sep. '07 | Change |
|----------------|----------|----------|--------|
| Cameron County | 8.2 | 5.9 | 39.0% |
| Hidalgo County | 9 | 6.7 | 34.3% |
| Texas | 5.7 | 4.3 | 32.6% |
| U.S. | 7.1 | 4.8 | 47.9% |

Source: Bureau of Labor Statistics

Non-farm Employment by Sector



Source: Bureau of Labor Statistics.

POPULATION

The population of the Lower Rio Grande Valley has grown considerably over the 2000-2008 period, surpassing Texas population growth of 16 percent. Demographic trends support further growth, with the area's population projected to grow by 36.6 percent over the 2008-2020 period, compared to 28 percent at the state level. The population of Mexican cities, in the state of Tamaulipas, and within 30 miles of the border is projected to increase by 23 percent over the same time period. By 2020, the Lower Rio Grande Valley, along with Mexican

Population Projections Lower Rio Grande Valley

| | 2008 | 2020* | Projected Change |
|---------|------------|------------|------------------|
| Cameron | 391,857 | 491,465 | 25.4% |
| Hidalgo | 725,978 | 1,046,945 | 44.2% |
| Starr | 62,665 | 79,835 | 27.4% |
| Willacy | 21,037 | 23,045 | 9.5% |
| LRGV | 1,201,537 | 1,641,290 | 36.6% |
| Texas | 24,105,417 | 30,858,449 | 28.0% |

*Population projections are based on the 2000-2007 migration scenario which takes into account post-2000 population trends.

Source: Texas State Data Center and Office of the State Demographer.

border cities, is expected to be home to more than three million people.

Main Tamaulipas Cities within 30 Miles of the Border

| | 2008 | 2020* | Projected Change |
|--------------------------------------|------------------|------------------|---------------------|
| Reynosa | 576,093 | 786,385 | 37% |
| Matamoros | 485,653 | 561,523 | 16% |
| Rio Bravo | 107,862 | 103,500 | -4% |
| Valle Hermoso | 64,244 | 68,679 | 7% |
| Díaz Ordaz | 14,554 | 11,522 | -21% |
| Main Cities w/in 30 miles | 1,248,406 | 1,531,609 | 23% |
| Tamaulipas | 3,154,947 | 3,565,224 | 13% |

Source: Consejo Nacional de Población (CONAPO) 2005-2050

BUILDING PERMITS

Residential construction activity in the Lower Rio Grande Valley decreased between the fourth quarter of 2007 and 2008. In Cameron County and Hidalgo County, the number of permits issued decreased by 45.2 and 55.3 percent, respectively. By the end of the fourth quarter, the dollar valuation of authorized housing units decreased by 38.7 percent in Cameron County and 50.7 percent in Hidalgo County compared to the same period of 2007. Home sales were also on the decline in the cities of Brownsville, Harlingen, and McAllen.

Housing Affordability (Q4 '08)

| MLS Area | HAI* |
|-------------|------|
| Brownsville | 1.55 |
| Harlingen | 1.53 |
| McAllen | 1.40 |
| Texas | 1.70 |
| USA | 1.48 |

*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

New Privately Owned Housing Units Authorized by County

| County | Number of Units | | Change |
|---------|-----------------|----------|---------------|
| | Q4 '08 | Q4 '07 | |
| Cameron | 187 | 341 | -45.2% |
| Hidalgo | 595 | 1330 | -55.3% |
| | YTD '08* | YTD '07* | |
| Cameron | 1,085 | 1,743 | -37.8% |
| Hidalgo | 3,628 | 6,389 | -43.2% |

Valuation (in thousands of dollars)

| County | Valuation | | Change |
|---------|-----------|-----------|---------------|
| | Q4 '08 | Q4 '07 | |
| Cameron | \$19,571 | \$31,930 | -38.7% |
| Hidalgo | \$77,476 | \$156,996 | -50.7% |
| | YTD '08* | YTD '07* | |
| Cameron | \$105,939 | \$167,943 | -36.9% |
| Hidalgo | \$375,766 | \$755,322 | -50.3% |

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 |
|-------------|--------|--------|---------------|
| | Q4 '08 | Q4 '07 | |
| Brownsville | 189 | 246 | -23.2% |
| Harlingen | 233 | 265 | -12.1% |
| McAllen | 462 | 551 | -16.2% |

| MLS Area | Dollar Volume In Thousands of Dollars | | Change |
|-------------|--|----------|---------------|
| | Q3 '08 | Q3 '07 | |
| Brownsville | \$20,550 | \$35,470 | -42.1% |
| Harlingen | \$24,750 | \$31,510 | -21.5% |
| McAllen | \$57,875 | \$74,650 | -22.5% |

Source: Real Estate Center at Texas A&M University

The next issue of *Border Business Briefs* will feature the occupations adding the most jobs in the Lower Rio Grande Valley.

TRANSPORTATION

Airports – Passenger Statistics*

| | Q4 '08 | Q4 '07 | Change |
|-------------|---------|---------|--------|
| Brownsville | 37,172 | 46,456 | -20.0% |
| Harlingen | 183,816 | 208,501 | -11.8% |
| McAllen | 175,719 | 203,898 | -13.8% |
| Laredo | 49,111 | 55,852 | -12.1% |
| El Paso | 765,645 | 847,660 | -9.7% |

*Passenger statistics includes both enplaned and deplaned values.

Source: Respective Airports

Land Ports of Entry – Border Crossings

Southbound Traffic

| | Q4 '08 | Q4 '07 | Change |
|--------------------|-----------|-----------|--------|
| Trucks | | | |
| Rio Grande Valley* | 162,348 | 179,055 | -9.3% |
| El Paso** | 77,036 | 84,984 | -9.4% |
| Laredo | 366,104 | 395,882 | -7.5% |
| Rail | | | |
| Rio Grande Valley* | 8,016 | 10,322 | -22.3% |
| El Paso | - | - | |
| Laredo | 47,251 | 61,776 | -23.5% |
| Vehicles | | | |
| Rio Grande Valley* | 2,890,859 | 3,126,257 | -7.5% |
| El Paso** | 934,159 | 1,053,578 | -11.3% |
| Laredo | 1,391,803 | 1,532,234 | -9.2% |
| Pedestrians | | | |
| Rio Grande Valley* | 1,139,883 | 1,303,786 | -12.6% |
| El Paso** | 1,342,353 | 1,537,666 | -12.7% |
| Laredo | 1,153,883 | 1,201,282 | -3.9% |

Northbound Traffic

| | Q4 '08 | Q4 '07 | Change |
|--------------------|-----------|-----------|--------|
| Trucks | | | |
| Rio Grande Valley* | 165,768 | 189,406 | -12.5% |
| El Paso | 167,377 | 183,908 | -9.0% |
| Laredo | 360,240 | 389,374 | -7.5% |
| Rail | | | |
| Rio Grande Valley* | 1,624 | 1,769 | -8.2% |
| El Paso | 22,261 | 22,621 | -1.6% |
| Laredo | 37,418 | 41,285 | -9.4% |
| Vehicles | | | |
| Rio Grande Valley* | 3,725,120 | 3,622,454 | 2.8% |
| El Paso | 3,296,370 | 3,667,278 | -10.1% |
| Laredo | 1,640,655 | 1,499,124 | 9.4% |
| Pedestrians | | | |
| Rio Grande Valley* | 1,570,679 | 1,746,794 | -10.1% |
| El Paso | 2,082,175 | 2,229,876 | -6.6% |
| Laredo | 1,227,618 | 1,203,075 | 2.0% |

*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 decreased by 66 percent in the fourth quarter of 2008 relative to the same quarter in 2007. Exports to Mexico through the two counties' ports fell by 3.4 percent compared to a 9.5 percent increase through

all Texas ports. Imports from Mexico decreased by 9.6 percent through the two counties versus a 10.7 percent decrease at the state level. Overall, the ports of Cameron and Hidalgo counties account for around 16 percent of Texas trade activity with Mexico.

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

| | In Millions of Dollars | | | | |
|------------------|------------------------|-------------------------------|--------|-------------------------------|--------|
| | Q4 '08 | % of TX Export Trade Activity | Q4 '07 | % of TX Export Trade Activity | Change |
| Brownsville | 1,841 | 7.3% | 2,209 | 9.6% | -16.7% |
| Hidalgo | 2,487 | 9.8% | 2,264 | 9.8% | 9.9% |
| Progreso | 55 | 0.2% | 65 | 0.3% | -14.7% |
| Two County Total | 4,384 | 17.3% | 4,538 | 19.6% | -3.4% |
| Texas Total | 25,315 | | 23,112 | | 9.5% |

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

| | In Millions of Dollars | | | | |
|------------------|------------------------|-------------------------------|--------|-------------------------------|--------|
| | Q4 '08 | % of TX Import Trade Activity | Q4 '07 | % of TX Import Trade Activity | Change |
| Brownsville | 1,288 | 4.5% | 1,370 | 4.3% | -6.0% |
| Hidalgo | 3,082 | 10.8% | 3,473 | 10.8% | -11.2% |
| Progreso | 19 | 0.1% | 16 | 0.0% | 21.0% |
| Two County Total | 4,389 | 15.3% | 4,858 | 15.2% | -9.6% |
| Texas Total | 28,601 | | 32,040 | | -10.7% |

*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-EI Paso

Hotels

| | Cameron County | | | Hidalgo County | | |
|-----------------------------|----------------|----------|--------|----------------|----------|--------|
| | Q4 '08 | Q4 '07 | Change | Q4 '08 | Q4 '07 | Change |
| Revenues (\$000) | \$15,484 | \$19,216 | -19.4% | \$25,659 | \$26,096 | -1.7% |
| Room nights available (000) | 569.9 | 732.9 | -22.2% | 617.3 | 605.2 | 2.0% |
| Occupancy Rate (%) | 39.5 | 36.0 | 9.7% | 55.3 | 60.3 | -8.3% |

Source: Texas Tourism

Note: The significant drop in hotel revenues in Cameron County is primarily due to Hurricane Dolly. The higher occupancy rate reflects temporary hotel closures as a result of hurricane damage.



Border Business Briefs

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FEATURED CENTER

OFFICE OF CAREER PLACEMENT SERVICES

The Office of Career Placement Services has an array of services and support for organizations to recruit UTPA students for full time, internship/cooperative education, and non degree positions.

Graduating Students/Alumni Program focuses on students within one year of graduation, graduating seniors, graduate students and alumni. Special activities held include Career Day, Teachers Job Fair, Law Enforcement Career Expo, Graduate and Professional School Fair, College Students Career Expo, Career Styles Fashion Shows and several job search technique workshops.

Cooperative Education Program offers students an opportunity to gain work experience in an employment situation directly related to their major course of study and assists students in meeting educational, professional and personal objectives.

Student Employment Services Program is a referral program designed for the development and promotion of off-campus opportunities for college students. The purpose of the program is to list off-campus positions available for students and employers free of charge. A number of local businesses and agencies contact the office seeking students.

For more information contact:
 Office of Career Placement Services
 Tel: 956/381 2243
<http://dua.utpa.edu/careerplacement/>

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