



Border Business Briefs

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The University of Texas-Pan American™

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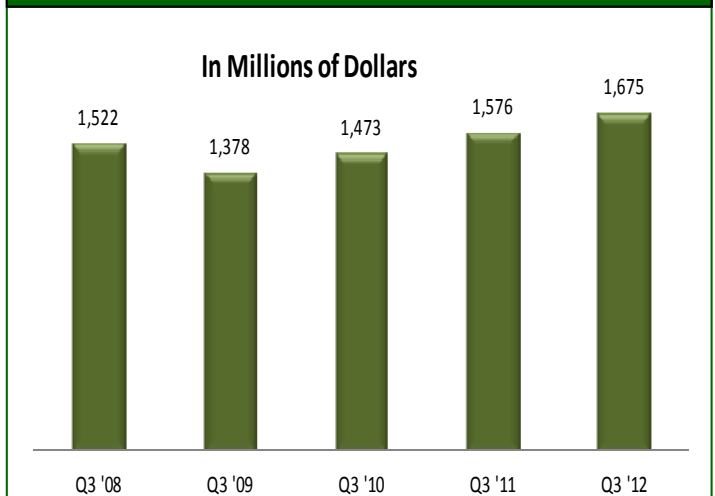
GROSS SALES

Overall, gross sales increased between the third quarter of 2008 and the corresponding quarter of 2012. In Cameron county sales increased by ten percent, while in Hidalgo County the increase was seven percent over the same time period .

Relative to the third quarter of 2011, Cameron County's

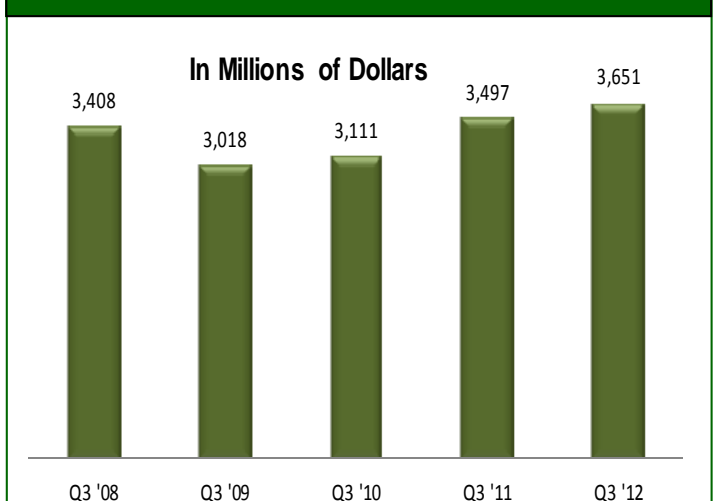
Cameron County Gross Sales

Third Quarter (2008-2012)



Hidalgo County Gross Sales

Third Quarter (2008-2012)



Source: Texas Comptroller of Public Accounts

gross sales posted an increase of six percent in the third quarter of 2012. Hidalgo County posted an increase of four percent over the same time period. Most sectors experienced increased economic activity. In Hidalgo County the largest increase was seen in the manufacturing and construction sectors, while in Cameron county the increase was seen in the retail trade and accommodation/food services sector.

Trade continues to dominate the economy of both coun-

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

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

Gross Sales by County and Industry

In Millions of Dollars

Cameron County			
	Q3 '12	Q3 '11	Change
Construction	73	70	4%
Manufacturing	149	152	-2%
Wholesale Trade	198	187	6%
Retail Trade	952	880	8%
Accom./Food Services	128	118	8%
Other Services*	128	121	6%
Other**	47	47	0%
All Industries***	1,675	1,576	6%

Hidalgo County			
	Q3 '12	Q3 '11	Change
Construction	137	120	14%
Manufacturing	286	247	16%
Wholesale Trade	453	451	0%
Retail Trade	2,042	1,942	5%
Accom./Food Services	222	207	7%
Other Services*	403	417	-3%
Other**	109	111	-2%
All Industries***	3,651	3,497	4%

* 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

	Q4 '12	Q4 '11	Change
Brownsville	\$7,905	\$7,646	3.4%
Harlingen	\$5,066	\$4,570	10.8%
McAllen	\$13,954	\$12,785	9.1%

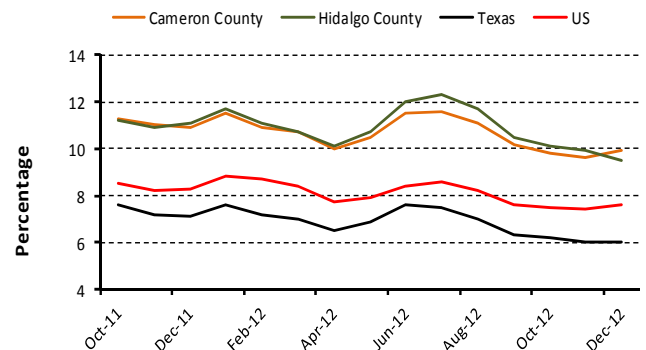
*Sales tax revenues reflect the total dollars returned to a local sales taxing city by the Comptroller's office for their local sales tax collection. City tax for the three above cities amount to two percent of sales. Allocation amounts generally represent taxes collected on sales made two months or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

Source: Texas Comptroller of Public Accounts

EMPLOYMENT

In December 2012, total employment stood at 146,589 for Cameron County and at 284,246 for Hidalgo County. This represented a 1.8 and a 0.4 percent increase from December 2011 employment figures for Cameron and Hidalgo Counties respectively. These results were consistent with

Unemployment Rates



Source: Bureau of Labor Statistics

* Not seasonally adjusted.

that for the state overall. For the entire state, net job growth was 2.0 percent.

By the end of the fourth quarter of 2012, the unemployment rate was 9.9 and 9.5 percent for Cameron and Hidalgo counties respectively, compared to rates of 10.9 and 11.1 for these two counties in December 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 6.0 percent

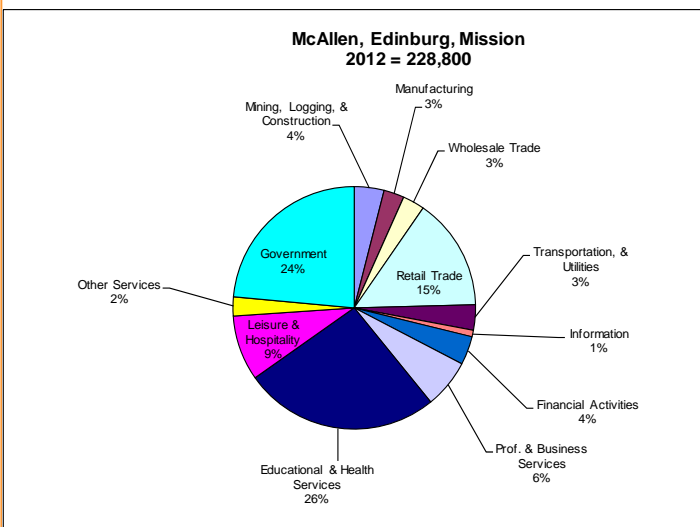
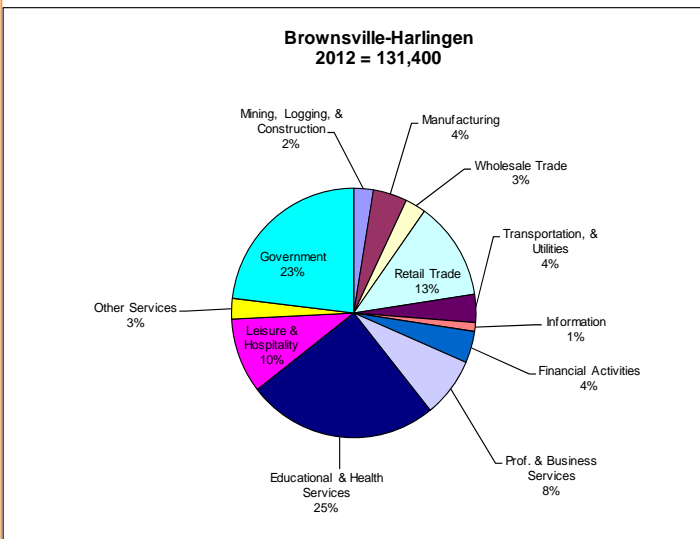
while the average for the country was 7.6 percent in December 2012 compared to 9.9 and 9.5 percent for Cameron and Hidalgo Counties respectively.

Employment			
	Dec. '12	Dec. '11	Change
Cameron County	146,589	144,062	1.8%
Hidalgo County	284,246	283,086	0.4%
Texas	11,870,344	11,641,923	2.0%

Unemployment Rates (%)			
	Dec. '12	Dec. '11	Change
Cameron County	9.9	10.9	-9.2%
Hidalgo County	9.5	11.1	-14.4%
Texas	6.0	7.1	-15.5%
U.S.	7.6	8.3	-8.4%

Source: Bureau of Labor Statistics

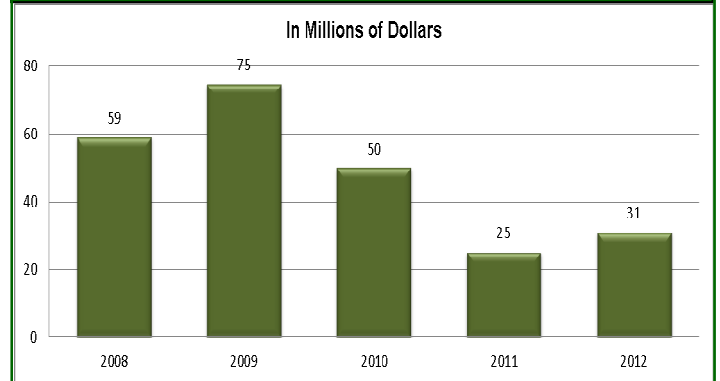
Non-Farm Employment by Sector



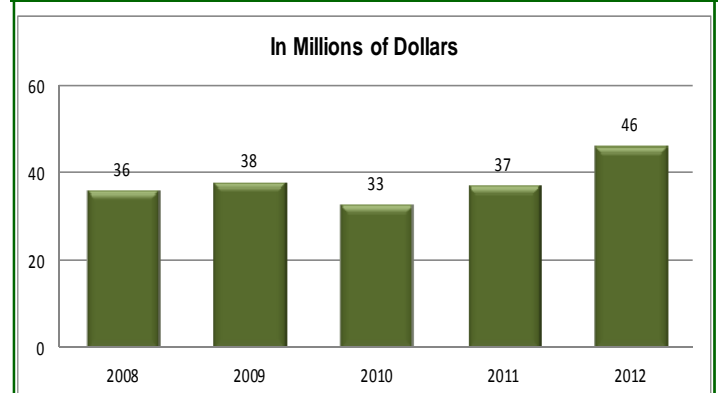
Source: Bureau of Labor Statistics

HEALTH CARE INDUSTRY

Cameron County Gross Sales



Hidalgo County Gross Sales Health Sector 2008-2012



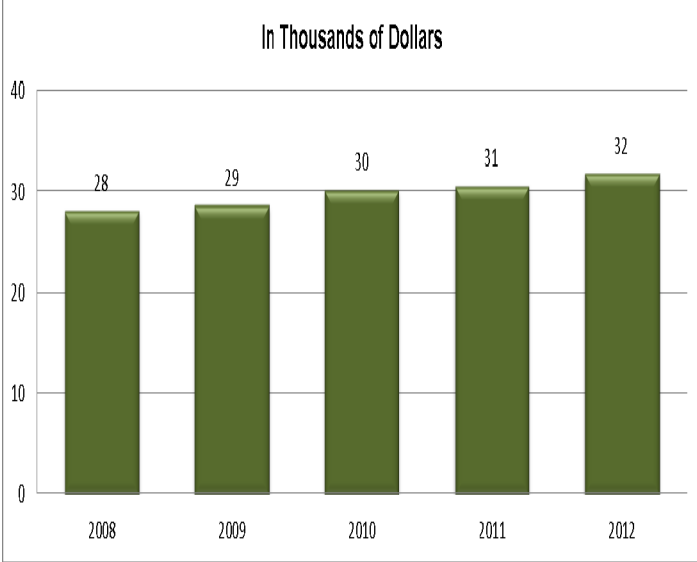
Source: Texas Comptroller of Public Accounts

The health care industry within the Rio Grande Valley continues to be a vibrant sector of the economy over the past five years, even though gross sales within the health services sector declined from \$95 million to over \$77 million between 2008 and 2012 in Cameron and Hidalgo counties. In Cameron county, gross sales within the sector decreased from \$59 million in 2008 to \$31 million in 2012, a decrease of 47 percent in real terms. Hidalgo

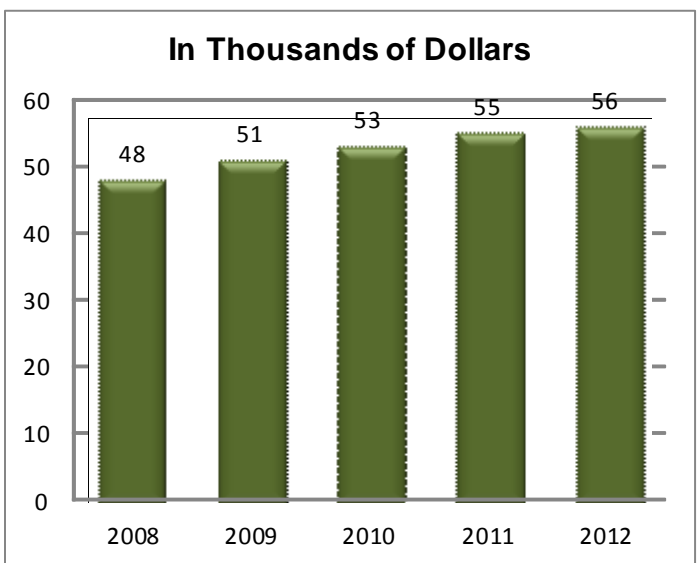
county posted a 29 percent increase moving from \$36 million to \$46 million in the same period. In 2008, the health care and social assistance sector supported 28,000 and 48,000 jobs in Cameron and Hidalgo counties respectively. By 2012, the equivalent numbers were 32,000 and 56,000 jobs. This job growth corresponds to an increase of 13 percent for Cameron county and 17 percent for Hidalgo county over the 2008-2012 period.

A further disaggregation of the jobs within the health care sector indicates that ambulatory health care services has the largest share of the pie, accounting for 62 percent in Cameron county and 64 percent in Hidalgo county. Social Assistance, Hospitals, and Nursing and Residential Care Facilities together account for a little less than 40% of total employment in both counties.

Cameron County Employment Health Services Sector (2008-2012)

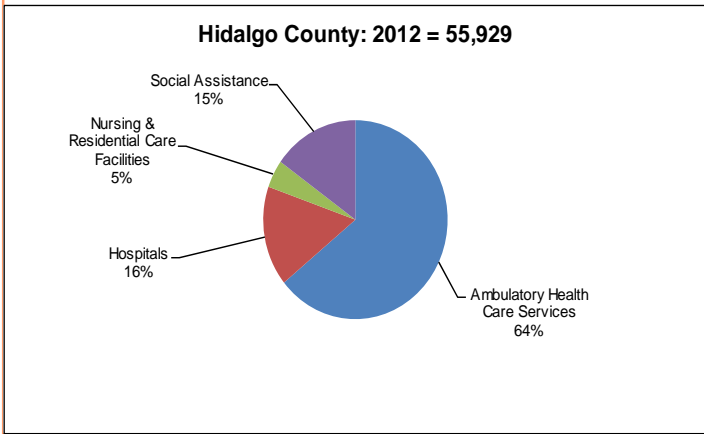
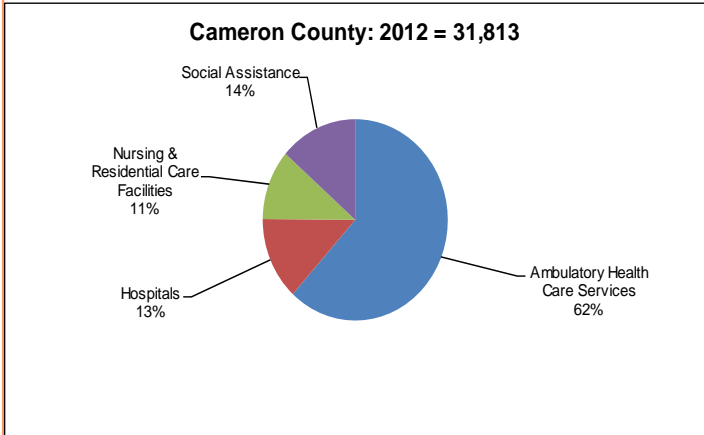


Hidalgo County Employment Health Services Sector (2008-2012)



Source: Bureau of Labor Statistics

Health Care and Social Assistance Employment



Source: Bureau of Labor Statistics

**Census of Employment and Wages
Health Care and Social Assistance Sector
Privately Owned Establishments
2012**

	Number of Employees	Number of Establish- ments	Average Annual Pay
Cameron County			
Ambulatory Health Care Services	19,348	637	24,202
Hospitals	4,245	19	51,373
Nursing & Residential Care Facilities	3,587	51	21,861
Social Assistance	4,325	262	16,644
Hidalgo County			
Ambulatory Health Care Services	35,720	1,425	24,115
Hospitals	9,091	36	49,641
Nursing & Residential Care Facilities	2,523	44	25,913
Social Assistance	8,460	470	14,393

Source: Bureau of Labor Statistics

BUILDING PERMITS

Residential construction activity in the Lower Rio Grande Valley had mixed results in the fourth quarter of 2012 when compared to the same period in 2011. In Cameron County the number of permits issued decreased by 30.7 percent and decreased by 0.3 percent in Hidalgo County. The dollar value of authorized housing units decreased by 22.8 percent in Cameron county but increased by 15.7 percent in Hidalgo county in the fourth quarter of 2012, com-

Housing Affordability (Q4 '12)

MLS Area	HAI*
Brownsville	1.85
Harlingen	1.90
McAllen	1.85
Texas	2.21
USA	2.06

*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

pared 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 continues to be relatively affordable, especially when viewed against the fact that average income in the area lags both that for Texas and the U.S. as a whole. Home sales reported increases of 18.7 and 23.1 percent in Brownsville and McAllen respectively, and decreased by 13.1 percent in Harlingen.

New Privately Owned Housing Units Authorized by County

County	Number of Units		Change
	Q4 '12	Q4 '11	
Cameron	185	267	-30.7%
Hidalgo	609	611	-0.3%
	YTD '12*	YTD '11*	
Cameron	908	966	-6.0%
Hidalgo	2,810	2,922	-3.8%
Valuation (in thousands of dollars)			
County	Q4 '12	Q4 '11	Change
Cameron	\$19,487	\$25,254	-22.8%
Hidalgo	\$99,919	\$86,360	15.7%
	YTD '12*	YTD '11*	
Cameron	\$91,060	\$94,850	-4.0%
Hidalgo	\$428,950	\$397,634	7.9%

Source: U.S. Census Bureau, and Real Estate Center at Texas A&M University.

* 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 '12	Q4 '11	
Brownsville	178	150	18.7%
Harlingen	166	191	-13.1%
McAllen	463	376	23.1%
Dollar Volume (In Thousands of Dollars)			
MLS Area	Q4 '12	Q4 '11	Change
Brownsville	\$24,763	\$16,486	50.2%
Harlingen	\$22,487	\$22,818	-1.4%
McAllen	\$58,782	\$49,110	19.7%

Source: Real Estate Center at Texas A&M University

Airports - Passenger Statistics*

	Q4 '12	Q4 '11	Change
Brownsville	37,921	40,807	-7.1%
Harlingen	154,893	169,329	-8.5%
McAllen	154,241	163,944	-5.9%
Laredo	42,604	44,406	-4.1%
El Paso	723,435	747,988	-3.3%

* Passenger Statistics includes both enplaned and deplaned values.

Source: Respective Airports

Land Ports of Entry - Border Crossings

Southbound Traffic				Northbound Traffic			
	Q4 '12	Q4 '11	Change		Q4 '12	Q4 '11	Change
Trucks				Trucks			
Rio Grande Valley*	165,937	165,973	0%	Rio Grande Valley*	181,768	170,778	6.4%
El Paso**	87,612	84,071	4.2%	El Paso	177,961	170,424	4.4%
Laredo	443,841	427,157	3.9%	Laredo	442,210	428,568	3.2%
Rail				Rail			
Rio Grande Valley*	9,484	9,700	-2.2%	Rio Grande Valley*	1,729	1,977	-12.5%
El Paso	-	-	-	El Paso	10,862	7,874	37.9%
Laredo	65,092	63,555	2.4%	Laredo	59,882	51,155	17.1%
Vehicles				Vehicles			
Rio Grande Valley*	2,147,058	2,210,367	-2.9%	Rio Grande Valley*	2,584,600	2,498,173	3.5%
El Paso**	917,782	829,980	10.6%	El Paso	2,523,035	2,274,125	10.9%
Laredo	1,161,093	1,158,553	0.2%	Laredo	1,165,850	1,092,251	6.7%
Pedestrians				Pedestrians			
Rio Grande Valley*	1,040,282	1,049,934	-0.9%	Rio Grande Valley*	1,320,576	1,244,223	6.1%
El Paso**	952,819	1,062,835	-10.4%	El Paso	1,553,688	1,574,033	-1.3%
Laredo	789,577	752,456	4.9%	Laredo	920,010	764,707	20.3%

*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 6.3 percent in the fourth quarter of 2012 relative to the same quarter in 2011. Exports to Mexico through the two counties' ports increased by 6.8 percent which was similar to the increase through

all Texas ports of 6.5 percent. Imports from Mexico increased by 5.9 percent through the two counties ports in contrast to the increase at the state level of 8.9 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				
	Q4 '12	% of TX Export Trade Activity	Q4 '11	% of TX Export Trade Activity	Change
Brownsville	2,147	6.3%	2,094	6.6%	2.5%
Hidalgo	2,575	7.6%	2,337	7.3%	10.2%
Progreso	56	0.2%	40	0.1%	37.8%
Two County Total	4,778	14.1%	4,472	14.1%	6.8%
Texas Total	33,889		31,817		6.5%

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

	in Millions of Dollars				
	Q4 '12	% of TX Import Trade Activity	Q4 '11	% of TX Import Trade Activity	Change
Brownsville	1,596	3.8%	1,632	4.2%	-2.2%
Hidalgo	4,233	10.0%	3,872	10.0%	9.3%
Progreso	36	0.1%	34	0.1%	3.7%
Two County Total	5,865	13.9%	5,538	14.2%	5.9%
Texas Total	42,310		38,866		8.9%

*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		
	Q4 '12	Q4 '11	Change	Q4 '12	Q4 '11	Change
Revenues (\$000)	\$15,629	\$15,047	3.9%	\$25,291	\$23,523	7.5%
Room nights available (000)	542.9	553.7	-2.0%	616.4	621.0	-0.7%
Occupancy Rate (%)	39.6	38.1	3.9%	53.5	50.7	5.5%

Source: sourcestrategies.org/texas



Border Business Briefs

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FEATURED CENTER COUNSELING & ASSESSMENT PREPARATION CENTER (CAP)

The University of Texas-Pan American is offering free counseling services to the community through the recently opened Counseling and Assessment Preparation (CAP) Center in the College of Education.

The center's services are provided by students who are looking to become licensed professional counselors in the state, and are supervised by Dr. Santiago Silva, clinical director of educational psychology and licensed professional counselor and Dr. Yvonne Castillo, clinical assistant professor of educational psychology and a licensed professional counselor.

The CAP center provides mental health services to anyone three years of age and older. All members of the local community are eligible except UTPA students, staff and faculty, and individuals who are diagnosed as psychotic, suicidal, or homicidal. Eligibility is determined during the initial assessment.

The center is located in the Education Complex, Room 1.272 and is open Monday-Thursday, 1-9 p.m. and from 8 a.m.-5 p.m. on Friday. Clients can schedule an appointment at the clinic or get more information by calling the, CAP Center at 956/665-5251.