



Border Business Briefs

Vol. 4, No. 4

Summer 2008

A Publication of the Center for Border Economic Studies

The University of Texas-Pan American™

Economic Indicators at a Glance

Foreign-Born Population pg. 1

Gross Sales (Q4 06-07) pg. 3

Cameron County: 1 ↑

Hidalgo County: 6 ↑

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

Cameron County: 0.4 ↑

Hidalgo County: 1.4 ↑

Unemployment Rate (March 2008) pg. 4

Cameron County: 5.8

Hidalgo County: 6.2

Housing Units Authorized (Q1 07-08)..... pg. 5

Cameron County: 33.3 ↓

Hidalgo County: 29.9 ↓

Passengers at Airports (Q1 07-08)..... pg. 6

Brownsville: 5.2 ↓

Harlingen: 3.6 ↑

McAllen: 1.3 ↑

Southbound Border Crossings (Q1 07-08).... pg. 6

Trucks: 1.7 ↑

Private Vehicles: 5.1 ↓

Pedestrians: 8.2 ↓

Northbound Border Crossings (Q1 07-08) . pg. 6

Trucks: 1.4 ↑

Private Vehicles: 1.4 ↓

Pedestrians: 1.7 ↓

Trade Activity (Q1 07-08)..... pg. 7

Cameron County: 3.5 ↑

Hidalgo County: 5.9 ↑

Hotel Revenues (Q1 07-08) pg. 7

Cameron County: 2.6 ↑

Hidalgo County: 8.3 ↑

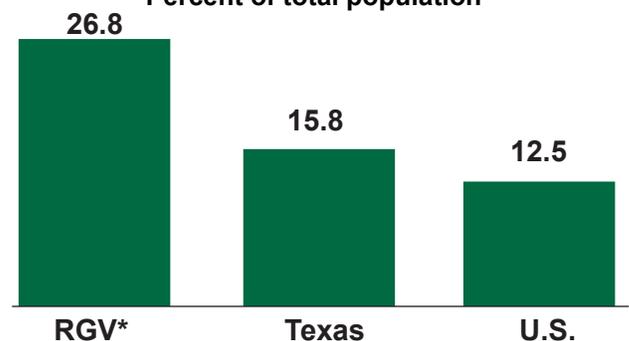
Featured: Valley Markets and Tourism Research Center pg. 8

FOREIGN-BORN POPULATION DEMOGRAPHIC CHARACTERISTICS

- The foreign born population in the Lower Rio Grande Valley amounted to 26.8 percent of the total population in 2006. This represented a higher share for the foreign born population than that at the state level 15.8 percent and the national level 12.5 percent .
- More than the 2000-2006 time period, the foreign born population increased at higher rates in Texas 28.1 percent and the United States 20.4 percent relative to the Rio Grande Valley's 16.3 percent.
- Foreign born individuals in the Valley are less likely to be naturalized citizens than their counterparts at the state and national levels. Slightly more than a quarter of this group is naturalized in the Valley, compared to 30.5 percent in Texas and 42.1 percent in the United States.
- More than 90 percent of the Valley's foreign born are from Mexico, compared to 63 percent in Texas and 31 percent in the United States.
- Around three quarters of the foreign born population in the Valley is 18 to 64 years of age, compared to 47 percent of the native born.
- Relative to the native born, the foreign born, aged 25 and over, are less likely to have a high school degree. Those in the Valley and Texas are also less likely to hold a college degree. At the national level, however, the percentage of foreign born with bachelor's degree or higher education is similar to that of the native born 26.7 and 27 percent, respectively .

Foreign-Born Population

Percent of total population

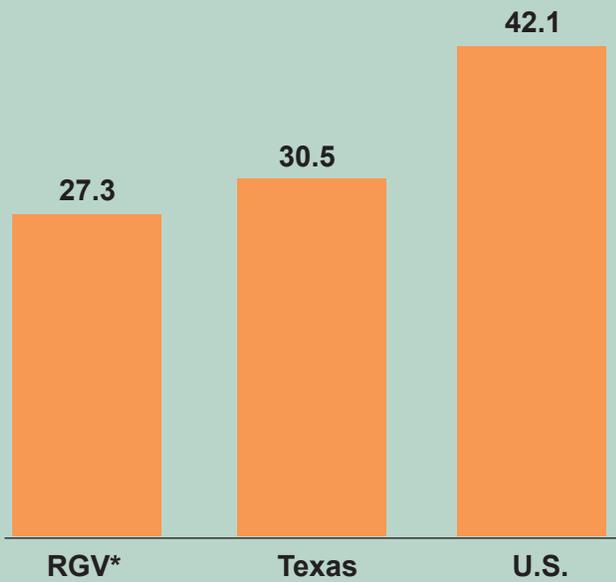


*Rio Grande Valley includes Cameron and Hidalgo counties.
Source: CBEST tabulations of 2006 American Community Survey (1% IPUMS)

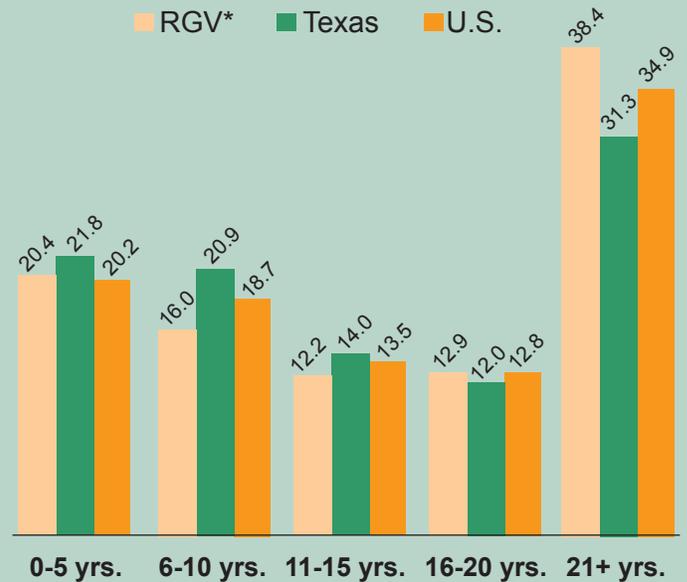
Characteristics of the Foreign-Born Population

	RGV*		Texas		U.S.	
	2006	2000	2006	2000	2006	2000
Population	291,385	250,558	3,714,059	2,900,232	37,469,387	31,133,481
Foreign-born	796,978	651,873	19,793,724	17,947,939	261,929,098	250,288,425
Native-born	1,088,363	902,431	23,507,783	20,848,171	299,398,485	281,421,906
Change 2000-2006	16.3%		28.1%		20.4%	

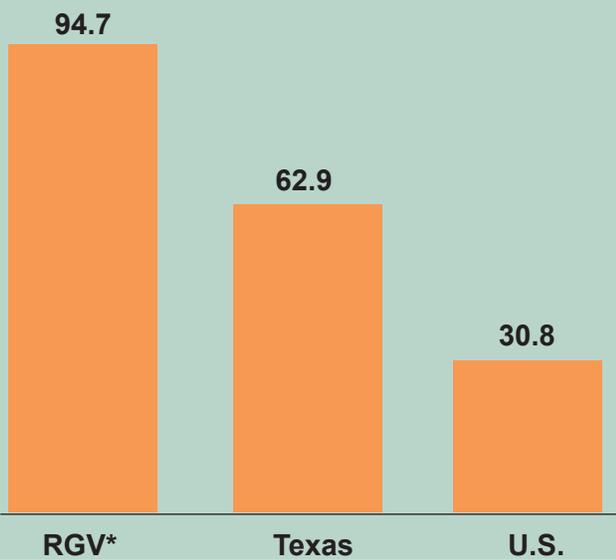
Percent Naturalized Citizens



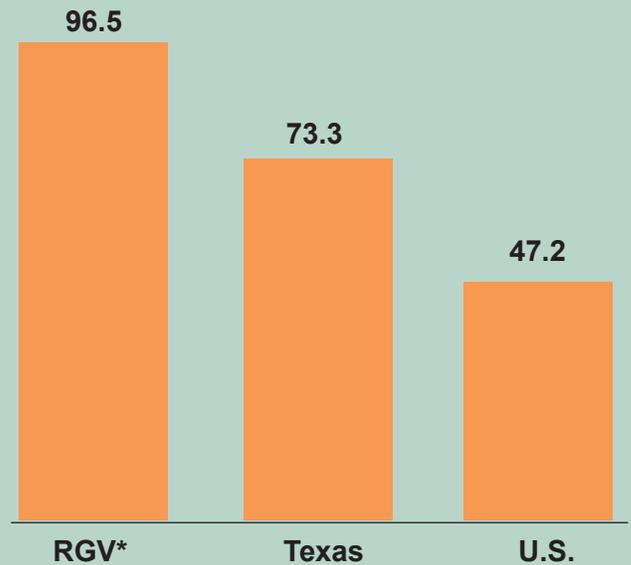
Percent by Years in the U. S.



Percent from Mexico



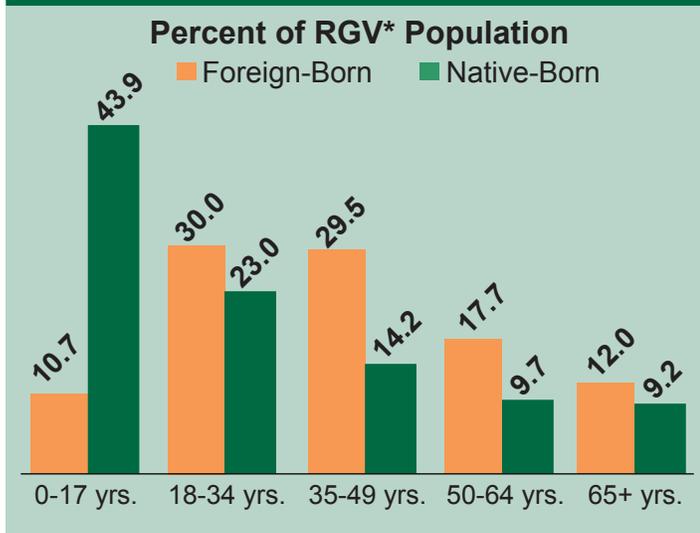
Percent Hispanic



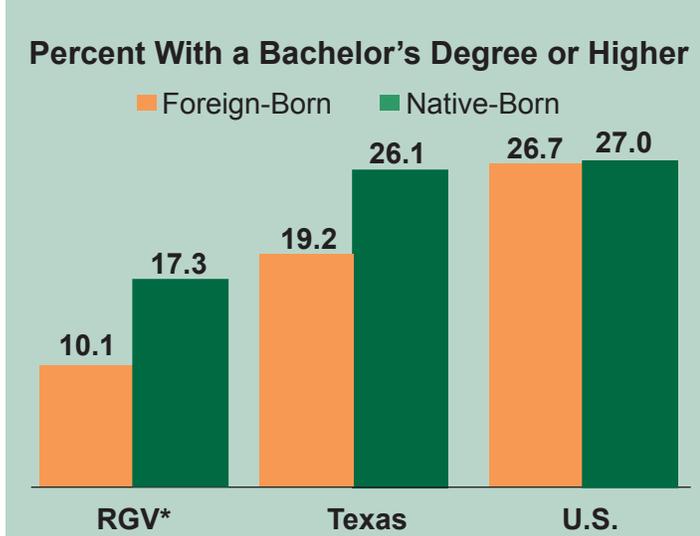
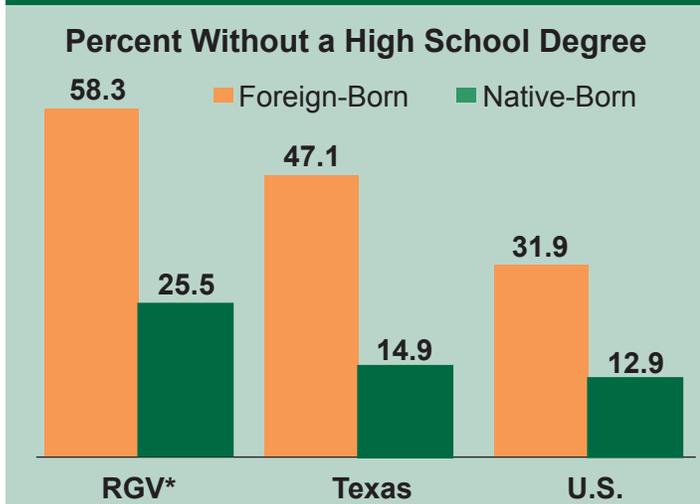
*Rio Grande Valley includes Cameron and Hidalgo counties.

Source: CBEST tabulations of 2000 Census (5% IPUMS) and 2006 American Community Survey (1% IPUMS)

Age Distribution



Educational Attainment Population 25 years and older

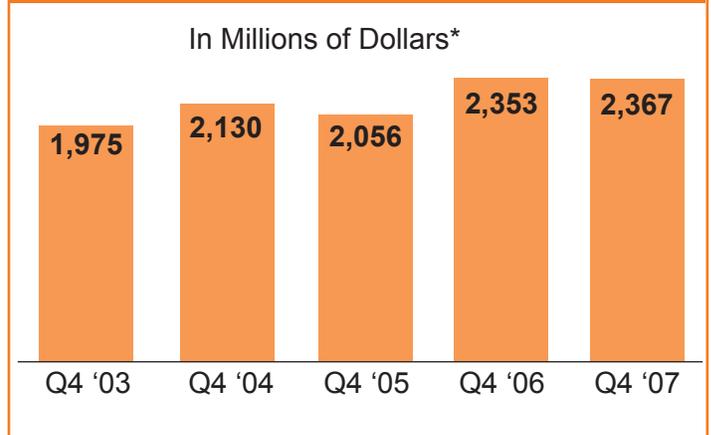


*Rio Grande Valley includes Cameron and Hidalgo counties.
Source: CBEST tabulations of 2006 American Community Survey (1% IPUMS)

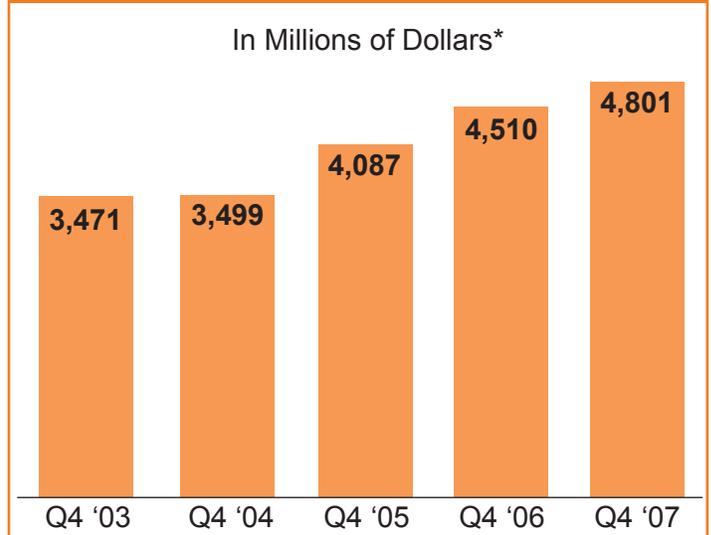
GROSS SALES

Overall, gross sales have increased between the fourth 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 38 percent in Hidalgo County.

Cameron County Gross Sales Fourth Quarter (2003-2007)



Hidalgo County Gross Sales Fourth Quarter (2003-2007)



*Not adjusted for inflation
Source: Texas Comptroller of Public Accounts

Relative to the fourth quarter of 2006, Cameron County's gross sales rose by one percent in the fourth quarter of 2007. The retail trade sector led the growth. Hidalgo County posted an increase of six percent over the same time period, a growth that was mainly fueled by construction, 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

	Q4 '07	Q4 '06	Change
Construction	118	118	-1%
Manufacturing	379	372	2%
Wholesale Trade	356	444	-20%
Retail Trade	1,114	983	13%
Accom./Food Serv.	99	96	3%
Other Services*	195	232	-16%
Other**	106	108	-2%
All Industries***	2,367	2,353	1%

Hidalgo County

	Q4 '07	Q4 '06	Change
Construction	300	239	26%
Manufacturing	614	627	-2%
Wholesale Trade	805	711	13%
Retail Trade	2,485	2,311	8%
Accom./Food Serv.	192	179	7%
Other Services*	293	311	-6%
Other**	111	132	-16%
All Industries***	4,801	4,510	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

EMPLOYMENT

In March 2008, total employment stood at 135,021 for Cameron County and at 258,013 for Hidalgo County. This represented a 0.4 percent decrease from March 2007 employment figures for Cameron County and a 1.4 percent increase for Hidalgo County. The corresponding employment growth rate for Texas was 1.4 percent.

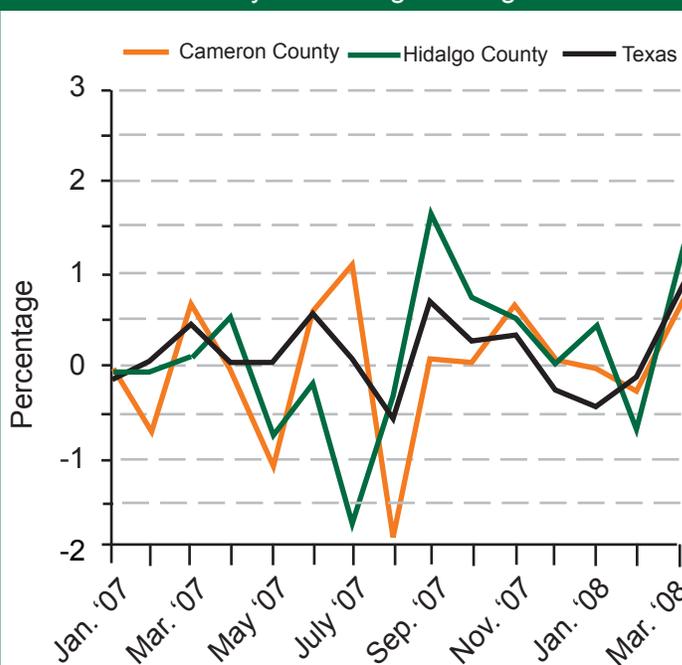
Employment

	Mar. '08	Mar. '07	Change
Cameron County	135,021	135,586	-0.4%
Hidalgo County	258,013	254,396	1.4%
Texas	11,101,584	10,943,015	1.4%

Source: Bureau of Labor Statistics

Employment Growth Rates*

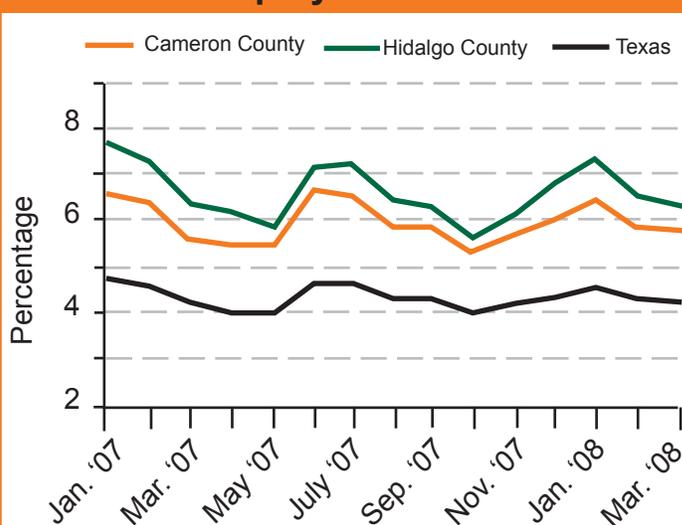
Monthly Percentage Change



Source: Bureau of Labor Statistics

* Not seasonally adjusted

Unemployment Rates*



Source: Bureau of Labor Statistics

* Not seasonally adjusted.

By the end of the first quarter of 2008, the unemployment rate was 5.8 and 6.4 percent for Cameron and Hidalgo counties, respectively, compared to rates of 5.7 and 6.4 percent in March 2007. While such rates are higher than those reported for the state of Texas 4.2 percent in March 2008, the gap between the area's unemployment rate and those of Texas has consistently shrunk over time. 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 (%)

	Mar. '08	Mar. '07	Change
Cameron County	5.8	5.7	1.8%
Hidalgo County	6.4	6.4	0.0%
Texas	4.2	4.2	0.0%

Source: Bureau of Labor Statistics

BUILDING PERMITS

Residential construction activity in the Lower Rio Grande Valley decreased between the first quarter of 2007 and 2008. In Cameron County and Hidalgo County, the number of permits issued decreased by 33.3 and 29.9 percent, respectively. By the end of the first quarter, the dollar valuation of authorized housing units decreased by 23.1 percent in Cameron County and 20 percent in Hidalgo County compared to the same period of 2007. Home sales, on the other hand, reported increases in Harlingen and declines in the cities of Brownsville and McAllen.

Housing Affordability (Q1 '07)

MLS Area	HAI*
Brownsville	1.46
Harlingen	1.87
McAllen	1.45
Texas	1.65
USA	1.35

*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
	Q1 '08	Q1 '07	
Cameron	335	502	-33.3%
Hidalgo	1,137	1,621	-29.9%
	YTD '08*	YTD '07*	
Cameron	325	478	-32.0%
Hidalgo	1,139	1,664	-31.6%

Valuation (in thousands of dollars)

County	Q1 '08	Q1 '07	Change
Cameron	\$34,236	\$44,547	-23.1%
Hidalgo	\$147,361	\$184,172	-20.0%
	YTD '08*	YTD '07*	
Cameron	\$33,026	\$45,011	-26.6%
Hidalgo	\$145,953	\$185,702	-21.4%

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
	Q1 '08	Q1 '07	
Brownsville	234	250	-6.4%
Harlingen	272	247	10.1%
McAllen	562	568	-1.1%

Dollar Volume In Thousands of Dollars

MLS Area	Q1 '08	Q1 '07	Change
Brownsville	\$29,795	\$32,695	-8.9%
Harlingen	\$27,100	\$26,500	2.3%
McAllen	\$65,220	\$72,740	-10.3%

Source: Real Estate Center at Texas A&M University

The next issue of *Border Business Briefs* will examine the socioeconomic characteristics of the foreign-born population, including home ownership.

TRANSPORTATION

Airports – Passenger Statistics*

	Q1 '08	Q1 '06	Change
Brownsville	45,919	48,423	-5.2%
Harlingen	229,123	221,210	3.6%
McAllen	207,429	204,864	1.3%
Laredo	51,517	50,127	2.8%
El Paso	798,371	759,436	5.1%

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

Land Ports of Entry – Border Crossings

Southbound Traffic

	Q1 '08	Q1 '07	Change
Trucks			
Rio Grande Valley*	183,428	180,315	1.7%
El Paso**	84,540	78,869	7.2%
Laredo	391,735	411,777	-4.9%
Rail			
Rio Grande Valley*	11,816	12,407	-4.8%
El Paso	-	-	
Laredo	54,240	58,279	-6.9%
Vehicles			
Rio Grande Valley*	2,931,822	3,089,204	-5.1%
El Paso**	1,024,223	1,106,741	-7.5%
Laredo	1,347,099	1,343,655	0.3%
Pedestrians			
Rio Grande Valley*	1,267,826	1,380,692	-8.2%
El Paso**	1,249,688	1,251,236	-0.1%
Laredo	1,038,688	980,452	5.9%

Northbound Traffic

	Q1 '08	Q1 '07	Change
Trucks			
Rio Grande Valley*	191,183	188,541	1.4%
El Paso	186,963	191,784	-2.5%
Laredo	387,701	380,860	1.8%
Rail			
Rio Grande Valley*	1,120	1,810	-38.1%
El Paso	20,831	23,632	-11.9%
Laredo	40,870	39,688	3.0%
Vehicles			
Rio Grande Valley*	3,529,479	3,579,808	-1.4%
El Paso	3,653,866	3,668,311	-0.4%
Laredo	1,426,000	1,402,021	1.7%
Pedestrians			
Rio Grande Valley*	1,633,180	1,661,314	-1.7%
El Paso	2,109,797	1,832,251	15.1%
Laredo	830,557	1,135,103	-26.8%

*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

Despite a marginal decline in import volume, overall trade activity through the ports of Cameron and Hidalgo counties increased by five percent in the first quarter of 2008 relative to the same quarter in 2007. Exports to Mexico through the two counties' ports rose by 13.5 percent com

pared to 7.5 percent through all Texas ports. Imports from Mexico decreased by 1.8 percent through the two counties versus a 2.9 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				
	Q1 '08	% of TX Export Trade Activity	Q1 '07	% of TX Export Trade Activity	Change
Brownsville	1,999	8.5%	1,867	8.5%	7.1%
Hidalgo	2,419	10.3%	2,050	9.4%	18.0%
Progreso	81	0.3%	48	0.2%	68.4%
Two County Total	4,499	19.1%	3,965	18.1%	13.5%
Texas Total	23,499		21,865		7.5%

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

	In Millions of Dollars				
	Q1 '08	% of TX Import Trade Activity	Q1 '07	% of TX Import Trade Activity	Change
Brownsville	1,425	4.7%	1,442	4.9%	-1.2%
Hidalgo	3,405	11.2%	3,480	11.8%	-2.1%
Progreso	21	0.1%	16	0.1%	31.6%
Two County Total	4,851	16.0%	4,938	16.7%	-1.8%
Texas Total	30,399		29,552		2.9%

*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-EI Paso

Hotels

	Cameron County			Hidalgo County		
	Q1 '08	Q1 '07	Change	Q1 '08	Q1 '07	Change
Revenues (\$000)	\$29,581	\$28,821	2.6%	\$27,419	\$25,327	8.3%
Room nights available (000)	732.1	722.7	1.3%	594.3	592.3	0.3%
Occupancy Rate (%)	47.8	49.9	-4.2%	62.5	61.2	2.1%

Source: Texas Tourism



Border Business Briefs

Border Business Briefs is published quarterly by the Center for Border Economic Studies in the Division of Academic Affairs at The University of Texas Pan American. If you would like to add your name to our mailing list or to subscribe to *Border Business Briefs*, please contact the CBEST office at cbest@utpa.edu.

Dr. Cynthia J. Brown, Vice Provost for Graduate Studies and Academic Centers
Dr. Suad Ghaddar, Research Associate, CBEST
Purvi Bhakta, Research Assistant, CBEST
Arnoldo Mata, Graphics/Layout

The University of Texas Pan American™
 Center for Border Economic Studies,
 1201 W. University Drive, Edinburg, TX 78539
 E-mail: cbest@utpa.edu
 Web site: www.utpa.edu/cbest

FEATURED CENTER

VALLEY MARKETS AND TOURISM RESEARCH CENTER

The Valley Markets and Tourism Research Center examines social, cultural, environmental and economic issues related to Rio Grande Valley markets and the Valley tourism industry. Markets specifically targeted by the Center for study include:

- Senior Travelers or "Winter Texans"
- Mexican National visitors to the United States
- Spring Breakers to South Padre Island
- Local residents' attitudes toward Valley issues

Recent reports: *Winter Texan Market Survey, Winter 2008*

Contact Information: Dr. Penny Simpson
 The University of Texas Pan American™
 Valley Markets and Tourism Research Center
 College of Business Administration
 1201 West University Drive, Edinburg, TX 78539
 Phone: 956/381 2829, Fax: 956/ 381 3312
 E-mail: pmsimpson@utpa.edu
 Web site: coba.utpa.edu/tourism

NONPROFIT
 POSTAGE
 PAID
 PERMIT NO. 11