



Border Business Briefs

Vol. 8, No. 3

Summer 2012

A Publication of the Center for Border Economic Studies

The University of Texas-Pan American™

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Hidalgo County: 4.5% ↑

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Cameron County: 0.1% ↓
Hidalgo County: 0.5% ↑

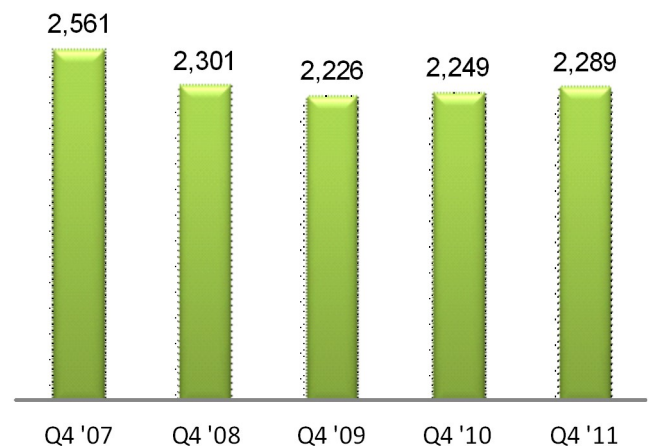
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GROSS SALES

Overall, gross sales have been mixed between the fourth quarter of 2007 and the corresponding quarter of 2011. In Cameron County sales declined by eleven percent over that time period, while Hidalgo County's sales rose by three percent over the same period. Relative to the fourth quarter of 2010, Cameron County's gross sales rose by two percent in the fourth quarter of 2011 while Hidalgo County posted

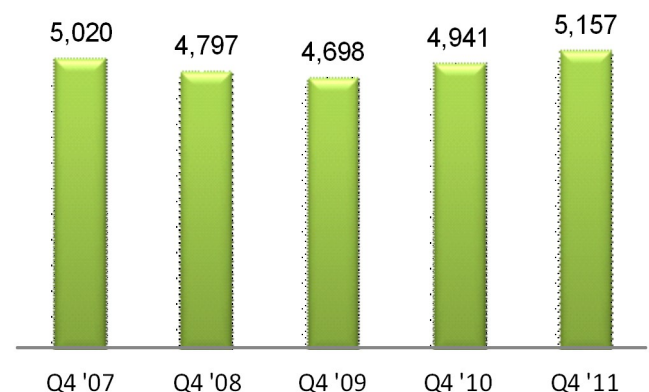
Cameron County Gross Sales

Fourth Quarter (2007-2011) * In Millions of Dollars



Hidalgo County Gross Sales

Fourth Quarter (2007-2011) * In Millions of Dollars



*Not adjusted for inflation

an increase of four percent over the same period. Overall, most economic sectors experienced increased economic activity as both counties continue to show signs of economic rebound. In Cameron County growth was fueled by the manufacturing, transportation and warehousing, mining and quarrying, and agriculture sectors. In Hidalgo County the increase was concentrated in the manufacturing, information, and retail sectors. Despite the contributions across various sectors, trade continues to dominate

the economy of both counties, with retail and wholesale trade accounting for sixty-eight percent of gross sales in Cameron County and sixty-seven percent in Hidalgo County. Changes in sales tax revenues were consistent across major Valley cities in the first quarter of 2012 relative to the same period in 2011. The cities of Brownsville, Harlingen, and McAllen posted increases of one, ten, and two percent respectively, in their sales tax revenues.

Gross Sales by County and Industry

In Millions of Dollars

| Cameron County | | | |
|--------------------------|--------------|--------------|-----------|
| | Q4 '11 | Q4 '10 | Change |
| Construction | 78 | 92 | -15% |
| Manufacturing | 309 | 237 | 30% |
| Wholesale Trade | 416 | 521 | -20% |
| Retail Trade | 1,136 | 1,042 | 9% |
| Accom./Food Services | 111 | 108 | 2% |
| Other Services* | 181 | 199 | -9% |
| Other** | 57 | 49 | 16% |
| All Industries*** | 2,289 | 2,249 | 2% |

Hidalgo County

| | Q4 '11 | Q4 '10 | Change |
|--------------------------|--------------|--------------|-----------|
| Construction | 183 | 245 | -25% |
| Manufacturing | 620 | 540 | 15% |
| Wholesale Trade | 676 | 846 | -20% |
| Retail Trade | 2,781 | 2,520 | 10% |
| Accom./Food Services | 229 | 217 | 6% |
| Other Services* | 518 | 443 | 17% |
| Other** | 150 | 130 | 16% |
| All Industries*** | 5,157 | 4,941 | 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

| | Q1 '12 | Q1 '11 | Change |
|-------------|----------|----------|--------|
| Brownsville | \$8,482 | \$8,403 | 0.9% |
| Harlingen | \$5,292 | \$4,783 | 10.6% |
| McAllen | \$15,611 | \$15,277 | 2.2% |

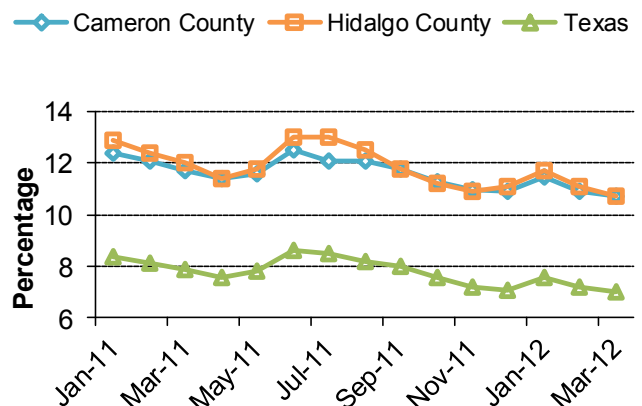
*Sales tax revenues reflect the total dollars returned to a local sales taxing city by the Comptroller's office for their local sales tax collection. City tax for the three above cities amount to two percent of sales. Allocation amounts generally represent taxes collected on sales made two months or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

Source: Texas Comptroller of Public Accounts

EMPLOYMENT

In March 2012, total employment stood at 144,584 for Cameron County and at 287,853 for Hidalgo County. This represented a 0.9 and a 3.2 percent increase from March 2011 employment figures for Cameron and Hidalgo Counties respectively. These results were consistent with

Unemployment Rates



Source: Bureau of Labor Statistics

* Not seasonally adjusted.

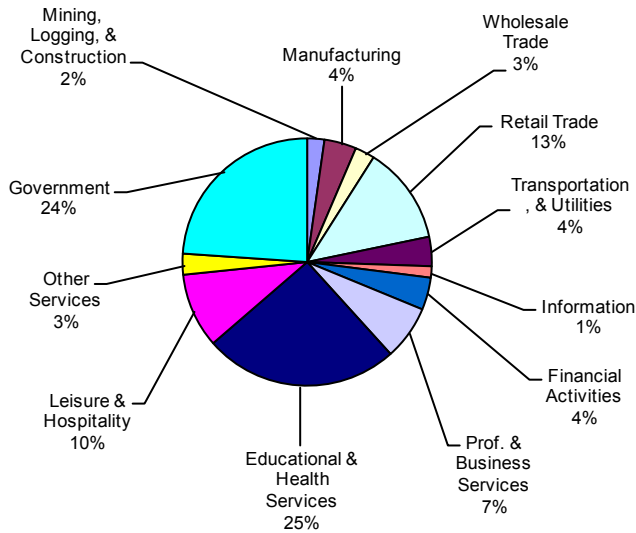
that for the state overall. For the entire state, net job growth was 2.2 percent.

By the end of the first quarter of 2012, the unemployment rate was 10.7 percent for both Cameron and Hidalgo counties, compared to rates of 11.7 and 12.0 percent in March 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.

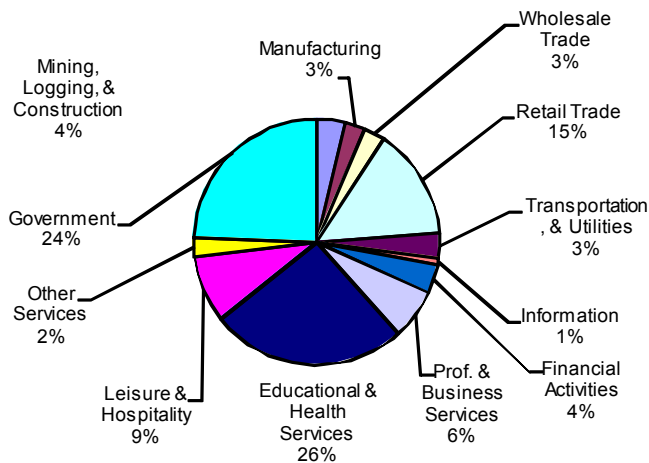
The Texas unemployment rate was 7.0 percent while the average for the country was 8.4 percent in March 2012 .

Non-Farm Employment by Sector

Brownsville-Harlingen 2011 = 128,800



McAllen, Edinburg, Mission 2011 = 225,700



Source: Bureau of Labor Statistics

Employment

| | Mar. '12 | Mar. '11 | Change |
|----------------|------------|------------|--------|
| Cameron County | 144,584 | 143,350 | 0.9% |
| Hidalgo County | 287,853 | 279,055 | 3.2% |
| Texas | 11,655,250 | 11,408,556 | 2.2% |

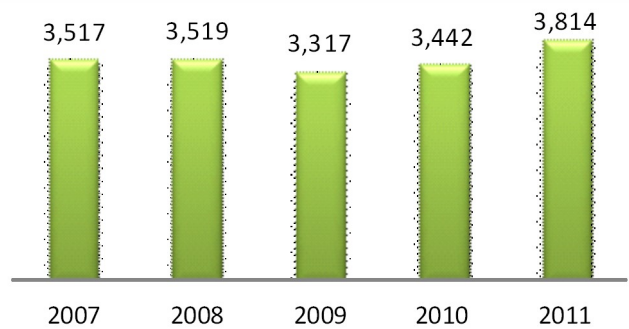
Unemployment Rates (%)

| | Mar. '12 | Mar. '11 | Change |
|----------------|----------|----------|--------|
| Cameron County | 10.7 | 11.7 | -8.5% |
| Hidalgo County | 10.7 | 12.0 | -10.8% |
| Texas | 7.0 | 7.9 | -11.4% |
| U.S. | 8.4 | 9.2 | -8.7% |

Source: Bureau of Labor Statistics

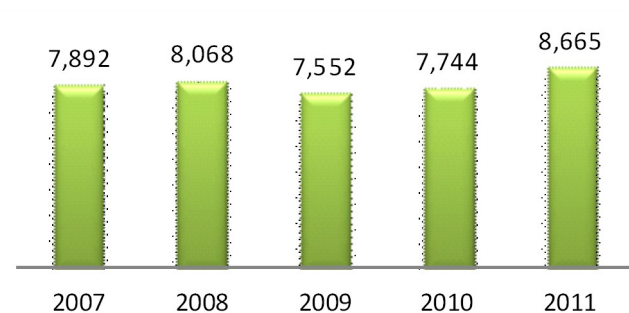
RETAIL SALES

Cameron County Gross Sales Retail Trade Sector 2007-2011 (In Millions of Dollars)



Source: Texas Comptroller of Public Accounts

Hidalgo County Gross Sales Retail Trade Sector 2007-2011 (In Millions of Dollars)



Source: Texas Comptroller of Public Accounts

| Retail Trade Sector Gross Sales* Q1 '12 | | | |
|--|------------------|------------------|---------------------------|
| Brownsville - Harlingen MSA | | | |
| Industry | Q1 '12 | Q1 '11 | Percent Change |
| Motor Vehicles | 153,621 | 147,252 | 4.3% |
| Home Furnishings | 21,468 | 20,871 | 2.9% |
| Electronics/Appliance | 25,485 | 24,006 | 6.2% |
| Building Materials | 81,558 | 82,550 | -1.2% |
| Food & Beverage | 187,324 | 195,149 | -4.0% |
| Health & Personal | 49,871 | 41,017 | 21.6% |
| Gasoline Stations | 82,824 | 80,043 | 3.5% |
| Clothing Stores | 47,995 | 45,069 | 0.0% |
| Sport/Hobby/Books | 20,607 | 17,374 | 18.6% |
| General Merchandise | 224,684 | 218,052 | 3.0% |
| Misc. Stores | 23,892 | 25,481 | -6.2% |
| Nonstore, Other | 6,348 | 6,746 | -5.9% |
| TOTAL RETAIL TRADE | 925,678 | 903,609 | 2.4% |
| McAllen - Edinburg - Mission MSA | | | |
| Industry | Q1 '12 | Q1 '11 | Percent Change |
| Motor Vehicles | 364,681 | 307,834 | 18.5% |
| Home Furnishings | 48,533 | 48,951 | -0.9% |
| Electronics/Appliance | 70,280 | 71,888 | -2.2% |
| Building Materials | 158,394 | 154,197 | 2.7% |
| Food & Beverage | 387,571 | 399,785 | -3.1% |
| Health & Personal | 116,079 | 95,245 | 21.9% |
| Gasoline Stations | 248,569 | 217,759 | 14.1% |
| Clothing Stores | 177,718 | 157,756 | 12.7% |
| Sport/Hobby/Books | 54,507 | 52,532 | 3.8% |
| General Merchandise | 415,035 | 396,475 | 4.7% |
| Misc. Stores | 85,960 | 80,653 | 6.6% |
| Nonstore, Other | 5,415 | 5,880 | -7.9% |
| TOTAL RETAIL TRADE | 2,132,743 | 1,988,957 | 7.2% |

Source: Texas Comptroller of Public Accounts

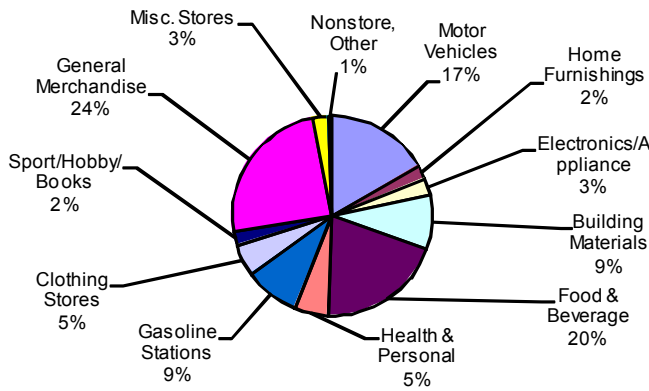
*In Thousands of Dollars

| Retail Trade Sector Outlets* Q1 '12 | | | |
|--|-------------------------------------|-------------------------------------|---------------------------|
| Brownsville - Harlingen MSA | | | |
| Industry | Outlets 2012 1st Qtr | Outlets 2011 1st Qtr | Percent Change |
| Motor Vehicles | 234 | 244 | -4.1% |
| Home Furnishings | 119 | 125 | -4.8% |
| Electronics/Appliance | 135 | 132 | 2.3% |
| Building Materials | 135 | 139 | -2.9% |
| Food & Beverage | 255 | 247 | 3.2% |
| Health & Personal | 94 | 103 | -8.7% |
| Gasoline Stations | 191 | 203 | -5.9% |
| Clothing Stores | 435 | 443 | -1.8% |
| Sport/Hobby/Books | 231 | 245 | -5.7% |
| General Merchandise | 429 | 455 | -5.7% |
| Misc. Stores | 726 | 755 | -3.8% |
| Nonstore, Other | 149 | 148 | 0.7% |
| TOTAL RETAIL TRADE | 3,133 | 3,239 | -3.3% |
| McAllen - Edinburg - Mission MSA | | | |
| Industry | Outlets 2012 1st Qtr | Outlets 2011 1st Qtr | Percent Change |
| Motor Vehicles | 477 | 501 | -4.8% |
| Home Furnishings | 162 | 178 | -9.0% |
| Electronics/Appliance | 249 | 277 | -10.1% |
| Building Materials | 276 | 303 | -8.9% |
| Food & Beverage | 533 | 492 | 8.3% |
| Health & Personal | 250 | 233 | 7.3% |
| Gasoline Stations | 354 | 364 | -2.7% |
| Clothing Stores | 829 | 849 | -2.4% |
| Sport/Hobby/Books | 282 | 285 | -1.1% |
| General Merchandise | 574 | 562 | 2.1% |
| Misc. Stores | 877 | 891 | -1.6% |
| Nonstore, Other | 198 | 172 | 15.1% |
| TOTAL RETAIL TRADE | 5,061 | 5,107 | -0.9% |

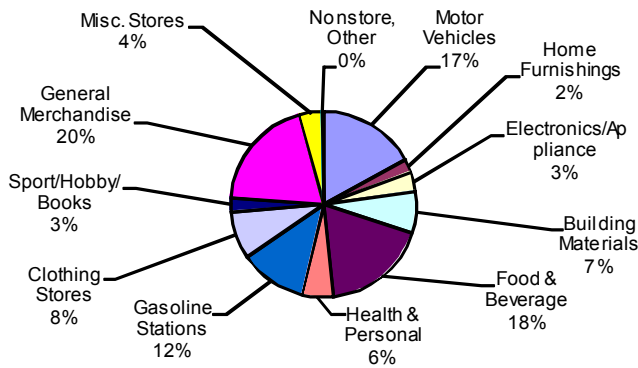
Source: Texas Comptroller of Public Accounts

*In Thousands of Dollars

Brownsville-Harlingen MSA



McAllen-Edinburg-Mission MSA



Source: Texas Comptroller of Public Accounts

BUILDING PERMITS

Residential construction activity in the Lower Rio Grande Valley had mixed results in the first quarter of 2012 when compared to the same period in 2011. In Cameron County the number of permits issued increased by 3.2 percent but decreased by 10.8 percent in Hidalgo County. The dollar value of authorized housing units decreased by 4.9 percent in Cameron county and by 3.3 percent in Hidalgo county in the first quarter of 2012, compared to the same

Housing Affordability (Q4 '11)

| MLS Area | HAI* |
|-------------|------|
| Brownsville | 2.45 |
| Harlingen | 2.47 |
| McAllen | 2.05 |
| Texas | 2.54 |
| USA | 2.50 |

*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

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 decreases of 24.1 and 8.4 percent in the Brownsville and McAllen MSA's, while Harlingen had a 5.3 percent increase.

New Privately Owned Housing Units Authorized by County

| County | Number of Units | | Change |
|-------------------------------------|-----------------|-----------|--------|
| | Q1 '12 | Q1 '11 | |
| Cameron | 228 | 221 | 3.2% |
| Hidalgo | 722 | 809 | -10.8% |
| | YTD '12* | YTD '11* | |
| Cameron | 228 | 221 | 3.2% |
| Hidalgo | 722 | 809 | -10.8% |
| Valuation (in thousands of dollars) | | | |
| County | Q1 '12 | Q1 '11 | Change |
| Cameron | \$21,058 | \$22,148 | -4.9% |
| Hidalgo | \$103,875 | \$107,404 | -3.3% |
| | YTD '12* | YTD '11* | |
| Cameron | \$21,058 | \$22,148 | -4.9% |
| Hidalgo | \$103,875 | \$107,404 | -3.3% |

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 |
|---|----------|----------|--------|
| | Q1 '12 | Q1 '11 | |
| Brownsville | 123 | 162 | -24.1% |
| Harlingen | 217 | 206 | 5.3% |
| McAllen | 383 | 418 | -8.4% |
| Dollar Volume (In Thousands of Dollars) | | | |
| MLS Area | Q1 '12 | Q1 '11 | Change |
| Brownsville | \$13,145 | \$19,013 | -30.9% |
| Harlingen | \$25,663 | \$21,739 | 18.0% |
| McAllen | \$45,835 | \$50,232 | -8.8% |

Source: Real Estate Center at Texas A&M University

Airports - Passenger Statistics*

| | Q1 '12 | Q2 '11 | Change |
|-------------|---------|---------|--------|
| Brownsville | 43,331 | 41,987 | 3.2% |
| Harlingen | 167,216 | 178,420 | -6.3% |
| McAllen | 162,951 | 161,929 | 0.6% |
| Laredo | 43,968 | 45,440 | -3.2% |
| El Paso | 642,388 | 653,757 | -1.7% |

* Passenger Statistics includes both enplaned and deplaned values.

Source: Respective Airports

Land Ports of Entry - Border Crossings

| | Southbound Traffic | | | Northbound Traffic | | | |
|--------------------|--------------------|-----------|--------|--------------------|-----------|-----------|--------|
| | Q1 '12 | Q1 '11 | Change | Q1 '12 | Q1 '11 | Change | |
| Trucks | | | | | | | |
| Rio Grande Valley* | 186,537 | 172,145 | 8.4% | Rio Grande Valley* | 187,898 | 179,941 | 4.4% |
| El Paso** | 87,653 | 79,896 | 9.7% | El Paso | 180,693 | 174,985 | 3.3% |
| Laredo | 448,372 | 426,457 | 5.1% | Laredo | 439,795 | 417,162 | 5.4% |
| Rail | | | | | | | |
| Rio Grande Valley* | 14,036 | 13,516 | 3.8% | Rio Grande Valley* | 1,153 | 4,985 | -76.9% |
| El Paso | - | - | | El Paso | 7,368 | 6,382 | 15.4% |
| Laredo | 65,952 | 58,137 | 13.4% | Laredo | 53,674 | 44,040 | 21.9% |
| Vehicles | | | | | | | |
| Rio Grande Valley* | 2,091,482 | 2,075,167 | 0.8% | Rio Grande Valley* | 2,474,671 | 2,414,567 | 2.5% |
| El Paso** | 806,310 | 837,670 | -3.7% | El Paso | 2,319,875 | 2,246,880 | 3.2% |
| Laredo | 1,076,311 | 1,053,684 | 2.1% | Laredo | 1,074,369 | 1,172,558 | -8.4% |
| Pedestrians | | | | | | | |
| Rio Grande Valley* | 1,079,548 | 1,069,645 | 0.9% | Rio Grande Valley* | 1,315,280 | 1,315,646 | 0.0% |
| El Paso** | 1,018,936 | 1,064,543 | -4.3% | El Paso | 1,520,556 | 1,488,600 | 2.1% |
| Laredo | 719,531 | 761,889 | -5.6% | Laredo | 747,310 | 777,191 | -3.8% |

*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

Overall trade activity through the ports of Cameron and Hidalgo counties increased by 6.1 percent in the first quarter of 2012 relative to the same quarter in 2011. Exports to Mexico through the two counties' ports increased by 8.6 percent in contrast with the increase through all Texas

ports of 17.4 percent. Imports from Mexico increased by 4.2 percent through the two counties' ports in contrast to the increase at the state level of 13.1 percent. Overall, the ports of Cameron and Hidalgo counties account for 14.4 percent of Texas trade activity with Mexico.

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

| in Millions of Dollars | | | | | |
|------------------------|--------|-------------------------------|--------|-------------------------------|--------|
| | Q1 '12 | % of TX Export Trade Activity | Q1 '11 | % of TX Export Trade Activity | Change |
| Brownsville | 2,336 | 6.9% | 2,110 | 7.4% | 10.7% |
| Hidalgo | 2,449 | 7.3% | 2,292 | 8.0% | 6.9% |
| Progreso | 48 | 0.1% | 48 | 0.2% | -0.6% |
| Two County Total | 4,834 | 14.3% | 4,451 | 15.5% | 8.6% |
| Texas Total | 33,693 | | 28,691 | | 17.4% |

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

| in Millions of Dollars | | | | | |
|------------------------|--------|-------------------------------|--------|-------------------------------|--------|
| | Q1 '12 | % of TX Import Trade Activity | Q1 '11 | % of TX Import Trade Activity | Change |
| Brownsville | 1,731 | 4.2% | 1,624 | 4.5% | 6.6% |
| Hidalgo | 4,166 | 10.1% | 4,037 | 11.1% | 3.2% |
| Progreso | 41 | 0.1% | 38 | 0.1% | 7.2% |
| Two County Total | 5,938 | 14.4% | 5,700 | 15.6% | 4.2% |
| Texas Total | 41,251 | | 36,487 | | 13.1% |

*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 | | |
|-----------------------------|----------------|----------|--------|----------------|----------|--------|
| | Q1 '12 | Q1 '11 | Change | Q1 '12 | Q1 '11 | Change |
| Revenues (\$000) | \$26,384 | \$26,403 | -0.1% | \$25,333 | \$25,204 | 0.5% |
| Room nights available (000) | 642.5 | 652.5 | -1.5% | 619.4 | 627.3 | -1.3% |
| Occupancy Rate (%) | 51.5 | 50.6 | 1.8% | 57.5 | 55.8 | 3.0% |

Source: sourcestrategies.org/texas



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.

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FEATURED CENTER ACCELERATED MASTER OF BUSINESS ADMINISTRATION (MBA) PROGRAM

The University of Texas-Pan American launched an Accelerated Master of Business Administration (MBA) program in Fall 2012. This is a 36 credit hour (12 courses) program that is offered entirely online over seven-week semesters. There are 6 seven-week semesters per calendar year. Students can enroll in one or two classes each semester and will complete the program in one calendar year if enrolled in two classes per semester. The MBA program is fully accredited by AACSB International, the highest level of accreditation for business programs.

Students that do not meet the minimum criteria for admission to the MBA can also pursue The Certificate in Advanced Business Administration as a stepping stone to the MBA. The Certificate program is also geared towards professionals whose undergraduate degrees are from fields other than business and will provide the business foundation that will ensure success in the MBA.

For more information on the accelerated MBA, the traditional MBA, or any of the business certificates offered please visit the Graduate School website at www.utpa.edu/gradschool or email mbaprog@utpa.edu.