



Border Business Briefs

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The University of Texas-Pan American™

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Trucks: 10.1% ▲

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Hidalgo County: 21.0% ▲

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Cameron County: 1.0% ▲

Hidalgo County: 0.4% ▼

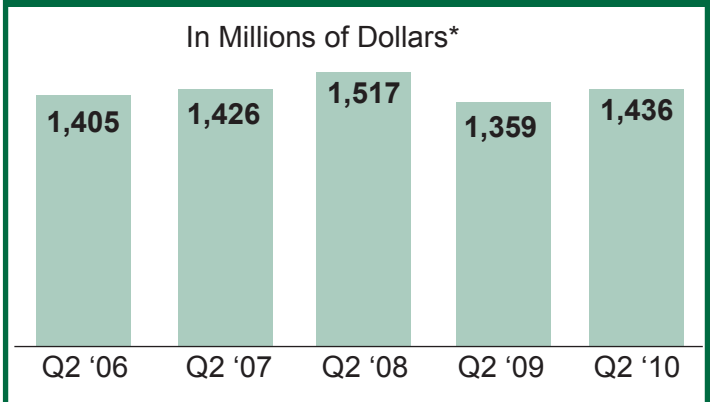
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GROSS SALES

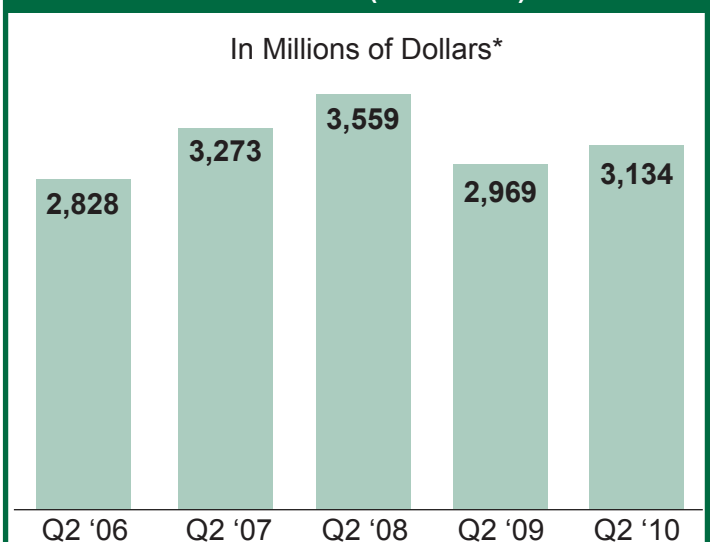
Overall, gross sales have increased between the second quarter of 2006 and the corresponding quarter of 2010. In Cameron County sales rose by two percent over that time period, while the corresponding increase amounted to eleven percent in Hidalgo County.

Relative to the second quarter of 2009, both Cameron and Hidalgo County's gross sales rose by six percent in the second quarter of 2010. Most sectors were affected by the declining economic activity. This decline in Cameron

Cameron County Gross Sales First Quarter (2006-2010)



Hidalgo County Gross Sales First Quarter (2006-2010)



*Not adjusted for inflation

Source: Texas Comptroller of Public Accounts

County was fueled by construction and the other services category particularly real estate and healthcare and social assistance. In Hidalgo County the decline was seen in construction and the other services category particularly management of companies and enterprises and healthcare and social assistance.

Trade continues to dominate the economy of both coun-

Gross Sales by County and Industry

In Millions of Dollars

Cameron County			
	Q2 '10	Q2 '09	Change
Construction	68	71	-4%
Manufacturing	132	111	19%
Wholesale Trade	152	112	35%
Retail Trade	799	773	3%
Accom./Food Serv.	111	109	2%
Other Services*	131	140	-7%
Other**	43	42	4%
All Industries***	1,436	1,359	6%

Hidalgo County			
	Q2 '10	Q2 '09	Change
Construction	115	135	-14%
Manufacturing	262	273	-4%
Wholesale Trade	401	321	25%
Retail Trade	1,771	1,680	5%
Accom./Food Serv.	202	192	5%
Other Services*	280	274	2%
Other**	103	94	9%
All Industries***	3,134	2,969	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

ties, with retail and wholesale trade accounting for 66 and 69 percent of gross sales in Cameron and Hidalgo counties, respectively.

Changes in sales tax revenues were mixed across the Valley cities in the third quarter of 2010 relative to the same period in 2009. The city of Brownsville posted a marginal increase of less than one percent, while McAllen and Harlingen had a decline of less than one and almost four percent respectively in their sales tax revenues.

Sales Tax Revenues*

In Thousands of Dollars

	Q3 '10	Q3 '09	Change
Brownsville	\$7,529	\$7,504	0.3%
Harlingen	\$4,400	\$4,575	-3.8%
McAllen	\$12,691	\$12,724	-0.3%

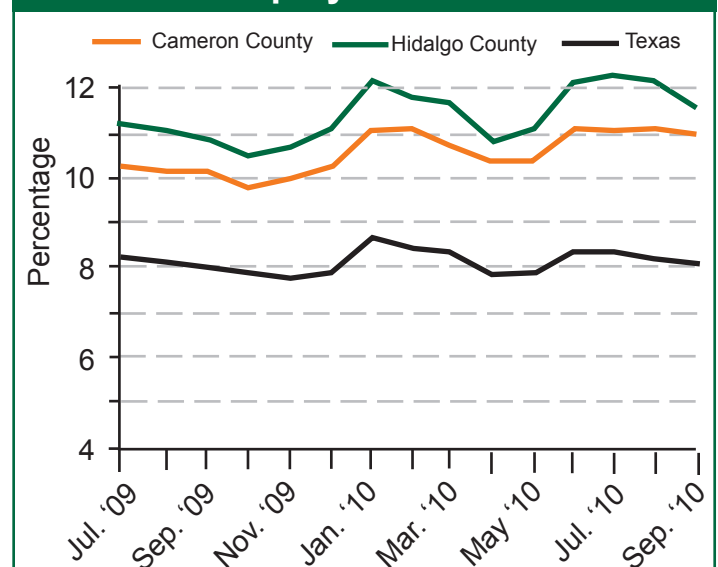
*Sales tax revenues reflect the total dollars returned to a local sales taxing city by the Comptroller's office for their local sales tax collection. City tax for the three above cities amount to two percent of sales. Allocation amounts generally represent taxes collected on sales made two months or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

Source: Texas Comptroller of Public Accounts

EMPLOYMENT

In September 2010, total employment stood at 140,055 for Cameron County and at 268,802 for Hidalgo County. This represents a 1.9 and 1.6 percent increase from September 2009 employment figures for Cameron and Hidalgo Coun-

Unemployment Rates*



Source: Bureau of Labor Statistics

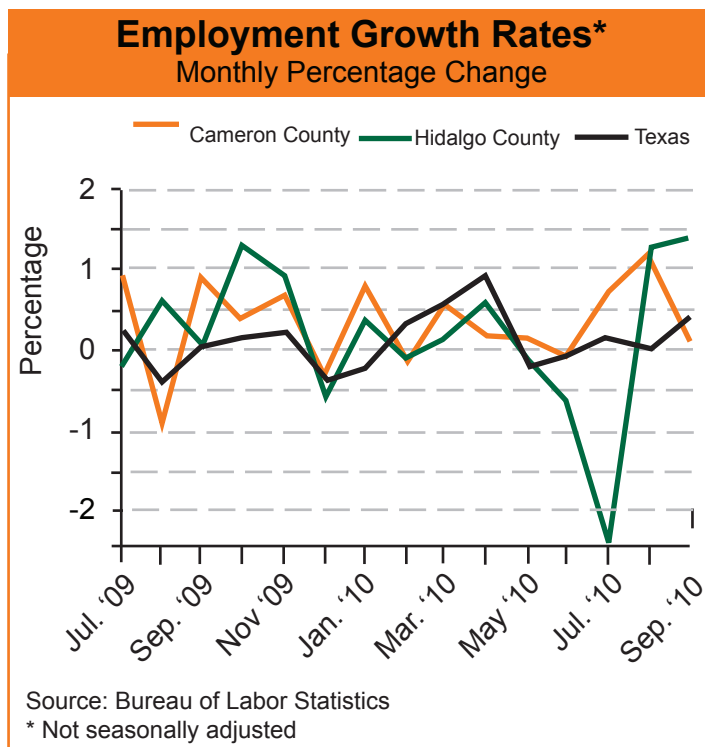
* Not seasonally adjusted.

ties respectively. Although these results were marginal, they were consistent with that for the state overall. For the entire state, net job growth was 1.8 percent.

The number of small businesses (those employing one to 49 employees) increased between 2004 and 2009. In Cameron County, there were 6,003 small businesses in 2009, an increase of 2.3 percent from 2004. The number of small businesses in Hidalgo County rose to over 10,000 in 2009,

representing an increase of 14.2 percent relative to 2004. The Healthcare and Social Assistance sectors posted the largest increase for Cameron County while the Accommodation and Food Service Sectors and the Healthcare and Social Assistance sectors were the top performers in Hidalgo County.

Employment projections for the Rio Grande Valley area point to a 21 percent increase in jobs over the period 2008 to 2018. The fastest growing occupations are those of personal and home care aides rising by 51 percent and adding 7,820 jobs, and home health aides with a projected growth of 59 percent representing 7,810 jobs. Other promising occupations are in the field of education (elementary, middle and secondary school teachers), and nursing (registered nurses, nursing aides, and licensed practical and vocational nurses).



Employment

	Sep. '10	Sep. '09	Change
Cameron County	140,055	137,491	1.9%
Hidalgo County	268,802	264,477	1.6%
Texas	11,205,967	11,004,678	1.8%

Unemployment Rates (%)

	Sep. '10	Sep. '09	Change
Cameron County	11.1	10.1	9.9%
Hidalgo County	11.6	11.0	5.5%
Texas	8.0	8.0	0.0%
U.S.	9.2	9.5	-3.2%

Source: Bureau of Labor Statistics

Quarterly Census of Employment and Wages

Third Quarter 2010

	Number of Emps.	Number of Estabs.	Total '000 Wages	Aver. Annual Pay
Cameron County				
Federal Govt.	2,924	68	52,394	75,148
State Govt.	4,397	35	40,682	34,140
Local Govt.	22,875	113	202,956	36,257
Private Sector	93,668	6,189	608,873	26,037
Hidalgo County				
Federal Govt.	3,375	71	57,173	67,465
State Govt.	5,944	45	60,613	37,851
Local Govt.	43,357	225	394,460	37,067
Private Sector	164,368	10,553	1,084,970	26,695
Texas				
Federal Govt.	200,112	4,240	3,283,323	65,794
State Govt.	355,344	3,873	4,035,557	45,275
Local Govt.	1,236,046	9,575	12,408,764	39,869
Private Sector	8,410,812	557,545	96,147,053	47,615

Source: Bureau of Labor Statistics

The next issue of *Border Business Briefs* will feature the Masters in Accountancy Program at the University of Texas-Pan American.

Employment Projections 2008-2018 -- Occupations Adding the Most Jobs

Cameron County WDA*	Annual Average Employment		Number Change	Percentage Change
	2008	2018		
TOTAL EMPLOYMENT	137,710	163,180	25,470	18.5%
Home Health Aides	4,510	7,060	2,550	56.5%
Personal & Home Care Aides	5,060	7,480	2,420	47.8%
Combined Food Preparation & Serving Workers	3,120	4,120	1,000	32.1%
Elementary School Teachers	3,320	4,280	960	28.9%
Registered Nurses	2,920	3,840	920	31.5%
Customer Service Representatives	2,410	3,020	610	25.3%
Nursing Aides, Orderlies & Attendants	2,150	2,740	590	27.4%
Cashiers	3,960	4,530	570	14.4%
Retail Sales Persons	5,060	5,600	540	10.7%
Waiters & Waitresses	2,430	2,940	510	21.0%
Middle School Teachers	1,650	2,120	470	28.5%
Office Clerks, General	2,710	3,180	470	17.3%
Secondary School Teachers	2,150	2,600	450	20.9%
Licensed Practical & Licensed Vocational Nurses	1,470	1,860	390	26.5%
Child Care Workers	2,240	2,600	360	16.1%
Teacher Assistants	1,710	2,060	350	20.5%

Lower Rio Grande Valley WDA**	Annual Average Employment		Number Change	Percentage Change
	2008	2018		
TOTAL EMPLOYMENT	265,340	322,900	57,560	21.7%
Personal & Home Care Aides	10,360	15,760	5,400	52.1%
Home Health Aides	8,690	13,950	5,260	60.5%
Elementary School Teachers	7,420	10,030	2,610	35.2%
Combined Food Preparation & Serving Workers	6,410	8,930	2,520	39.3%
Registered Nurses	5,380	7,250	1,870	34.8%
Retail Sales Persons	10,500	12,030	1,530	14.6%
Cashiers	7,900	9,360	1,460	18.5%
Secondary School Teachers	4,800	6,100	1,300	27.1%
Middle School Teachers	3,700	4,980	1,280	34.6%
Customer Service Representatives	4,360	5,460	1,100	25.2%
Nursing Aides, Orderlies & Attendants	3,210	4,290	1,080	33.6%
Teacher Assistants	3,860	4,880	1,020	26.4%
Office Clerks, General	5,170	6,110	940	18.2%
Waiters & Waitresses	3,670	4,490	820	22.3%
Licensed Practical & Licensed Vocational Nurses	2,520	3,260	740	29.4%
Child Care Workers	3,350	4,090	740	22.1%

* WDA = Workforce Development Area

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

Source: Texas Workforce Commission

Number of Small Businesses

1-49 Employees

	2009	2004	Change
Cameron County	6,003	5,869	2.3%
Retail Trade	1,133	1,102	2.8%
Health & Soc. Asst.	883	765	15.4%
Accom. & Food Serv.	568	533	6.6%
Hidalgo County	10,130	8,871	14.2%
Retail Trade	2,060	1,703	21.0%
Health & Soc. Asst.	1,659	1,287	28.9%
Accom. & Food Serv.	858	660	30.0%
Texas	488,715	463,092	5.5%
Retail Trade	72,750	71,845	1.3%
Health & Soc. Asst.	53,213	46,792	13.7%
Accom. & Food Serv.	40,529	35,277	14.9%

Source: 2004 and 2009 County Business Patterns

BUILDING PERMITS

Residential construction activity in the Lower Rio Grande Valley had consistent results in the third quarter of 2010 when compared to the same period in 2009. In Cameron County the number of permits issued decreased by 3.9 percent and by 11.9 percent in Hidalgo County. The dollar value of authorized housing units increased by 3.9 percent in Cameron county but decreased by 6.0 percent in Hidalgo county in the third quarter of 2010, compared to the same period in 2009.

Housing Affordability (Q3 '10)

MLS Area	HAI*
Brownsville	1.53
Harlingen	1.86
McAllen	1.47
Texas	1.93
USA	1.78

*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

The housing affordability index for several MLS areas in the two-county area indicates that housing continues to be relatively affordable despite the fact that average income in the area lags both that for Texas and the U.S. as a whole. Home sales reported an increase of 9.5 percent in the Brownsville MSA, but there were declines of 10.0 and 15.0 percent respectively in the Harlingen and McAllen MSAs.

New Privately Owned Housing Units Authorized by County

Number of Units

County	Q3 '10	Q3 '09	Change
Cameron	246	256	-3.9%
Hidalgo	638	724	-11.9%
	YTD '10*	YTD '09*	
Cameron	747	719	3.9%
Hidalgo	2,221	2,363	-6.0%

Valuation (in thousands of dollars)

County	Q3 '10	Q3 '09	Change
Cameron	\$25,706	\$25,140	2.3%
Hidalgo	\$84,836	\$102,719	-17.4%
	YTD '10*	YTD '09*	
Cameron	\$74,308	\$69,091	7.6%
Hidalgo	\$290,628	\$265,081	9.6%

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

Number of Units

MLS Area	Q3 '10	Q3 '09	Change
Brownsville	185	169	9.5%
Harlingen	217	241	-10.0%
McAllen	419	493	-15.0%

Dollar Volume (in thousands of dollars)

MLS Area	Q3 '10	Q3 '09	Change
Brownsville	\$25,529	\$21,325	19.7%
Harlingen	\$23,964	\$26,100	-8.2%
McAllen	\$56,675	\$60,090	-5.7%

Source: Real Estate Center at Texas A&M University

TRANSPORTATION

Airports – Passenger Statistics*

	Q3 '10	Q3 '09	Change
Brownsville	42,157	46,102	-8.6%
Harlingen	180,759	174,870	3.4%
McAllen	183,277	207,424	-11.6%
Laredo	61,689	60,286	2.3%
El Paso	808,201	821,381	-1.6%

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

Land Ports of Entry – Border Crossings

Southbound Traffic

	Q3 '10	Q3 '09	Change
Trucks			
Rio Grande Valley*	175,974	159,135	10.6%
El Paso**	84,346	71,789	17.5%
Laredo	410,490	366,918	11.9%
Rail			
Rio Grande Valley*	12,580	9,035	39.2%
El Paso	-	-	
Laredo	43,166	51,402	-16.0%
Vehicles			
Rio Grande Valley*	2,192,833	2,568,184	-14.6%
El Paso**	952,119	867,400	9.8%
Laredo	1,048,520	1,236,080	-15.2%
Pedestrians			
Rio Grande Valley*	943,674	977,661	-3.5%
El Paso**	1,161,294	1,207,318	-3.8%
Laredo	791,202	994,926	-20.5%

Northbound Traffic

	Q3 '10	Q3 '09	Change
Trucks			
Rio Grande Valley*	181,669	164,944	10.1%
El Paso	182,861	168,477	8.5%
Laredo	375,988	360,005	4.4%
Rail			
Rio Grande Valley*	2,842	1,303	118.1%
El Paso	17,192	6,774	153.8%
Laredo	33,525	28,815	16.3%
Vehicles			
Rio Grande Valley*	2,158,920	3,083,573	-30.0%
El Paso	2,499,434	2,742,896	-8.9%
Laredo	1,326,728	1,325,041	0.1%
Pedestrians			
Rio Grande Valley*	1,060,057	1,352,201	-21.6%
El Paso	1,757,944	1,851,424	-5.0%
Laredo	991,145	1,001,060	-1.0%

*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 increased by 23.1% in the third quarter of 2010 relative to the same quarter in 2009. Exports to Mexico through the two counties' ports rose by 9.7 percent in contrast with the increase through all Texas ports

of 22.7%. Imports from Mexico increased by 35.1 percent through the two counties which mirrors the change at the state level. Overall, the ports of Cameron and Hidalgo counties continue to 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				
	Q3 '10	% of TX Export Trade Activity	Q3 '09	% of TX Export Trade Activity	Change
Brownsville	1,945	7.2%	1,623	7.4%	19.8%
Hidalgo	2,285	8.5%	2,234	10.2%	2.3%
Progreso	56	0.2%	48	0.2%	16.4%
Two County Total	4,287	16.0%	3,906	17.9%	9.7%
Texas Total	26,848		21,874		22.7%

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

	In Millions of Dollars				
	Q3 '10	% of TX Import Trade Activity	Q3 '09	% of TX Import Trade Activity	Change
Brownsville	1,591	4.6%	1,155	4.3%	37.7%
Hidalgo	4,269	12.4%	3,181	11.8%	34.2%
Progreso	21	0.1%	16	0.1%	30.5%
Two County Total	5,881	17.1%	4,352	16.1%	35.1%
Texas Total	34,485		26,972		27.9%

*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		
	Q3 '10	Q3 '09	Change	Q3 '10	Q3 '09	Change
Revenues (\$000)	\$38,085	\$37,701	1.0%	\$22,785	\$22,882	-0.4%
Room nights available (000)	712.7	720.7	-1.1%	642.7	642.7	0.0%
Occupancy Rate (%)	57.5	55.2	4.2%	49.6	48.1	3.1%

Source: Texas Tourism



Border Business Briefs

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