



Border Business Briefs

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ELECTORATE

- The Lower Rio Grande Valley, with its large share of Hispanic population more than 85 percent of the population, has a considerable percentage of eligible voters who are Hispanic: 81.3 percent of Cameron and Hidalgo counties' population compared to 24.6 percent of Texas'.
- The share of the population that is eligible to vote is lower in the Valley area relative to the state. Forty eight percent of the population in Cameron and Hidalgo counties is eligible to vote. The corresponding percentage for Texas is 63 percent. This is a reflection of the higher share of noncitizens in the Valley's population 19.5 percent versus 11 percent at the state level as well as the younger population makeup 35 percent of the population is younger than 18 compared to 28 percent of Texas' population .
- Age wise, the largest share of eligible voters in the Valley falls within the 18-29 age group 27.5 percent of eligible voters . The corresponding share of this age group is 23.8 percent in Texas.
- Naturalized citizens constitute a larger percentage of eligible voters in the Valley relative to Texas, 14.6 percent versus 7.4 percent.

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Electorate

	Cameron County	Hidalgo County	Texas
Total population (000s)	388	701	23,507
Percent of population that is Hispanic	86.3	89.6	35.6
Percent of all eligible voters* who are Hispanic	78.3	83.1	24.6
Percent of the population eligible to vote	50.1	47.0	62.7

* Eligible voters are citizens ages 18 and older.
 Source: CBEST tabulations from the 2006 American Community Survey (IPUMS 1% sample)

Characteristics of Eligible Voters

Characteristics of Eligible Voters						
	Cameron County		Hidalgo County		Texas	
	Hispanics	All	Hispanics	All	Hispanics	All
Population						
Total population	333,734	387,717	626,742	700,634	8,385,118	23,507,783
Eligible voters (citizens age 18+)	151,974	194,165	273,757	329,610	3,624,165	14,747,043
Percent of Eligible Voters						
Age						
18-29	29.7	26.6	30.4	28.1	31.3	23.8
30-44	28.8	25.9	30.2	27.8	31.5	28.2
45-59	21.5	22.1	21.4	21.5	22.4	27.2
60 and older	20.0	25.4	17.9	22.5	14.7	20.8
Gender						
Female	52.2	51.5	52.0	51.5	50.5	51.5
Male	47.8	48.5	48.0	48.5	49.5	48.5
Type of citizen						
Citizen by birth	83.0	86.1	83.0	84.9	83.2	92.6
Naturalized citizen	17.0	13.9	17.0	15.1	16.8	7.4
English-speaking ability						
Does not speak English	6.1	4.8	6.7	5.5	3.0	0.8
Speaks English but not "very well"	20.5	16.5	20.7	17.6	19.1	6.1
Speaks only English or English "very well"	73.4	78.7	72.6	76.9	77.9	93.1
Educational attainment						
No high school degree	31.4	25.8	33.2	29.6	31.3	16.6
High school graduate	32.2	31.2	26.4	27.3	32.0	29.4
Some college	26.3	28.3	27.7	28.3	25.9	30.7
Bachelor's degree or higher	10.1	14.6	12.7	14.8	10.8	23.4
Marital status						
Married	52.5	54.6	55.7	57.9	50.8	53.4
Never married	28.1	24.8	26.3	24.3	29.5	25.1
Other*	19.4	20.6	18.0	17.8	19.7	21.5
In owner-occupied homes						
	76.8	77.2	76.7	77.1	67.5	69.8
Household income						
Less than \$30,000	44.7	41.0	39.4	37.6	31.3	24.1
\$30,000-\$49,999	24.5	24.0	22.4	22.6	24.1	19.4
\$50,000-\$74,999	14.6	15.2	19.3	19.0	21.0	19.6
\$75,000-\$99,999	7.9	8.9	8.5	8.8	10.8	12.8
\$100,000 or more	8.3	10.9	10.4	12.0	12.8	24.0
Veterans						
	5.8	8.8	6.2	8.3	6.9	11.2

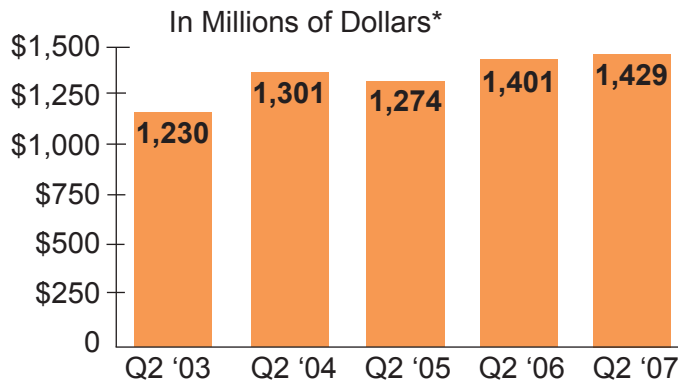
* "Other" category includes separated, divorced and widowed individuals.

Source: CBEST tabulations from the 2006 American Community Survey (IPUMS 1% sample)

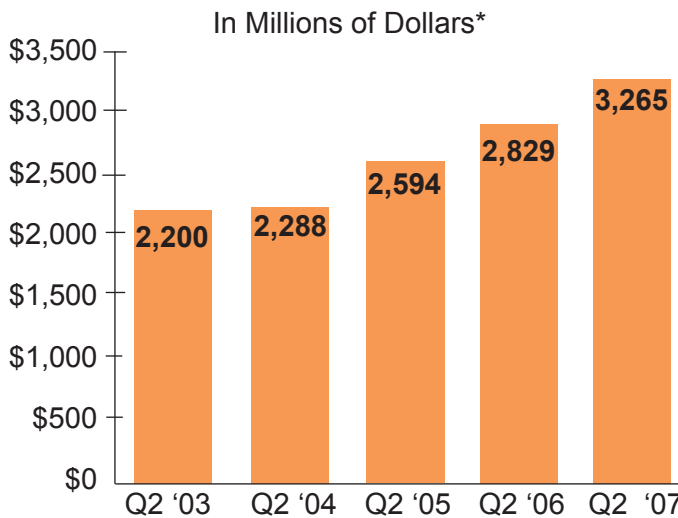
GROSS SALES

Overall, gross sales have increased between the second quarter of 2003 and the corresponding quarter of 2007. In Cameron County sales rose by 16 percent over that time period, while the corresponding increase amounted to 48 percent in Hidalgo County.

Cameron County Gross Sales Second Quarter (2003-2007)



Hidalgo County Gross Sales Second Quarter (2003-2007)



*Not adjusted for inflation

Source: Texas Comptroller of Public Accounts

Relative to the second quarter of 2006, Cameron County's gross sales rose by two percent in the second quarter of 2007. The wholesale trade, accommodation and food services sectors led the growth. Hidalgo County posted an increase of 15 percent over the same time period, a growth that was mainly fueled by wholesale trade, construction, accommodation, food services, manufacturing, and retail trade, among others. 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			
	Q2 '07	Q2 '06	Change
Construction	73	74	-2%
Manufacturing	134	135	0%
Wholesale Trade	158	143	10%
Retail Trade	781	768	2%
Accom./Food Serv.	108	99	9%
Other Services*	127	126	1%
Other**	46	55	-16%
All Industries***	1,429	1,401	2%

Hidalgo County			
	Q2 '07	Q2 '06	Change
Construction	272	181	50%
Manufacturing	260	243	7%
Wholesale Trade	478	291	64%
Retail Trade	1,738	1,645	6%
Accom./Food Serv.	178	160	12%
Other Services*	237	216	9%
Other**	103	92	12%
All Industries***	3,265	2,829	15%

* 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

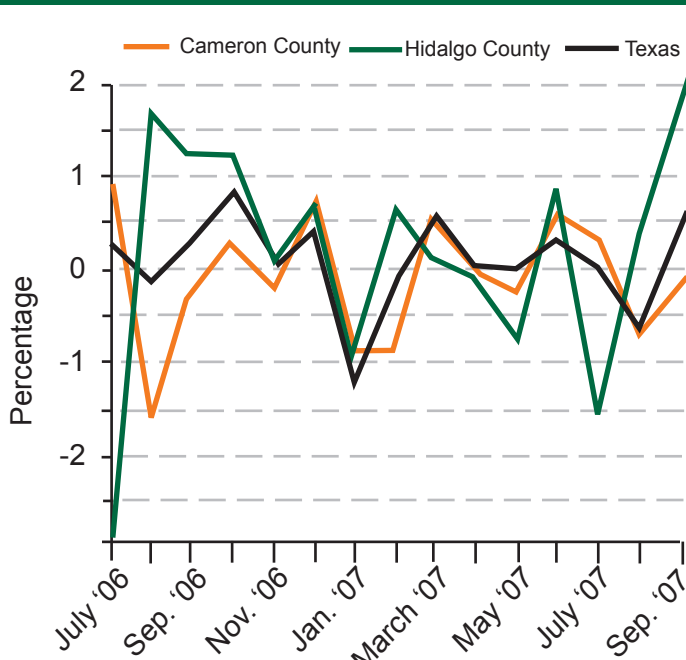
In September 2007, total employment stood at 135,225 for Cameron County and at 257,026 for Hidalgo County. This represented a two percent increase from September 2006 employment figures. The corresponding employment

Employment

	Sep. '07	Sep. '06	Change
Cameron County	135,225	134,978	0.2%
Hidalgo County	257,026	249,735	2.9%
Texas	11,078,888	10,984,801	0.9%

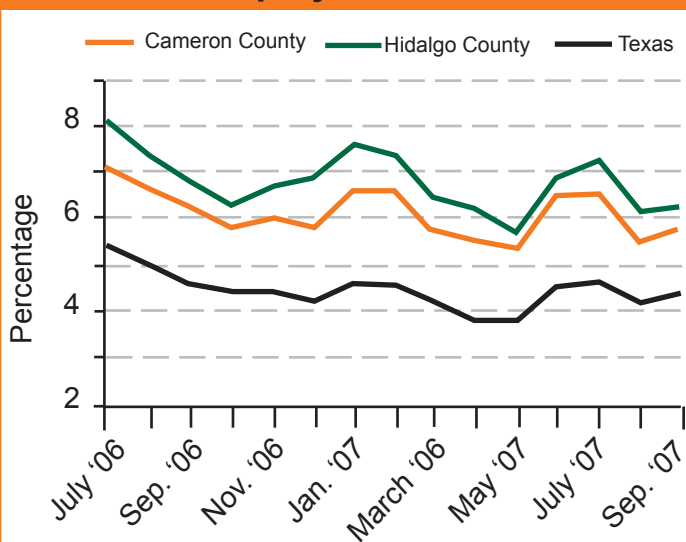
Source: Bureau of Labor Statistics

Employment Growth Rates* Monthly Percentage Change



Source: Bureau of Labor Statistics
* Not seasonally adjusted

Unemployment Rates*



Source: Bureau of Labor Statistics
* Not seasonally adjusted.

growth rate for Texas was 0.9 percent.

By the end of the third quarter of 2007, the unemployment rate was 5.8 and 6.2 percent for Cameron and Hidalgo counties, respectively, compared to rates of 6.2 and 6.8 percent in September 2006. While such rates are higher than those reported for the state of Texas 4.4 percent in September 2007, the gap between the area's unemployment rate and those of Texas has consistently shrunk over time, from a 2.6 to 3.2 percentage point difference in September of 2003 to a 1.4 to 1.8 percentage point difference in 2007. 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.

RGV* Veterans

Cameron County	Number	Percent**
Served	17,361	6.8
Served, 2001-2003	2,070	0.8
Served, 1990 -2001	3,382	1.3
Served, 1980-1990	3,035	1.2
Served, 1975-1980	2,066	0.8
Served, Vietnam era	6,266	2.5
Served, Korean era	2,942	1.2
Served, 1947-1950	392	0.2
Served, WWII era	2,788	1.1
Veteran of other period	74	0.0

Hidalgo County	Number	Percent**
Served	28,218	6.2
Served, 2001-2003	2,873	0.6
Served, 1990 -2001	4,846	1.1
Served, 1980-1990	2,472	0.5
Served, 1975-1980	2,481	0.5
Served, Vietnam era	7,756	1.7
Served, Korean era	3,640	0.8
Served, 1947-1950	1,069	0.2
Served, WWII era	4,672	1.0
Veteran of other period	231	0.1

* According to Census 2000, Willacy and Starr counties had an additional 2,183 veterans.

** Percent of the population 18 years and older.

Note: The figures do not add up to the total because veterans may have served in more than one time period.

Source: CBEST tabulations from the 2006 American Community Survey (IPUMS 1% sample)

BANKING INDICATORS

Bank deposits exhibited a general upward trend in the third quarter of 2007 relative to 2006. Deposits increased by five percent in Cameron County and by 18 percent in Hidalgo County. The largest increases in dollar terms were for the city of Brownsville 126 million in Cameron County and the city of McAllen 647 million in Hidalgo County.

In terms of market share, the city of Brownsville accounted for 62 percent of Cameron County's deposits, with the cities of Harlingen 24 percent and San Benito four percent rounding up the top three. Deposits at the city of McAllen's banks comprised slightly less than half of deposits in Hidalgo County 49 percent. The cities of Edinburg 12 percent and Pharr 11 percent ranked second and third, respectively, in terms of the size of their deposits.

Bank Deposits

Cameron County

In Millions of Dollars

City	Q3 '07	Q3 '06	Change
Brownsville	\$2,486	\$2,360	5.3%
Harlingen	\$962	\$861	11.7%
San Benito	\$142	\$193	-26.4%
County Total***	\$4,001	\$3,816	4.9%

Hidalgo County

In Millions of Dollars

City	Q3 '07	Q3 '06	Change
McAllen	\$3,671	\$3,024	21.4%
Edinburg	\$896	\$632	41.7%
Pharr	\$850	\$539	57.7%
County Total***	\$7,468	\$6,329	18.0%

* In rare instances, some financial institutions may make public only the last monthly deposit reported to the FDIC. Also, some financial institutions may attribute total monthly deposits for each branch to the main bank.

** Q3 '07 data is the average of July and August 2007 numbers only, since September 2007 numbers were not reported. The exclusion of September figures is not expected to change the quarterly numbers significantly.

***County Total includes deposits in all cities within a county.

Source: Rio Grande Valley Partnership

BUILDING PERMITS

Residential construction activity in the Lower Rio Grande Valley decreased between the third quarter of 2006 and 2007. In Cameron County and Hidalgo County, the number of permits issued decreased by 32.2 and 9.9 percent, respectively. By the end of the third quarter, the dollar valuation of authorized housing units decreased by 22.4 percent in Cameron County and 12.6 percent in Hidalgo County compared to the same period of 2006.

New Privately Owned Housing Units Authorized by County

Number of Units

County	Q3 '07	Q3 '06	Change
Cameron	448	661	-32.2%
Hidalgo	1,526	1,694	-9.9%
	YTD '07*	YTD '06*	
Cameron	1,447	2,551	-43.3%
Hidalgo	5,044	6,482	-22.2%

Valuation (in thousands of dollars)

County	Q3 '07	Q3 '06	Change
Cameron	\$43,024	\$55,466	-22.4%
Hidalgo	\$186,766	\$213,604	-12.6%
	YTD '07*	YTD '06*	
Cameron	\$140,411	\$189,211	-25.8%
Hidalgo	\$596,501	\$684,104	-12.8%

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.

Housing Affordability (Q3 '07)

MLS Area	Median House Price	HAI*
Brownsville	\$126,100	0.94
Harlingen	\$91,800	1.29
McAllen	\$119,200	0.91
Texas	\$151,000	1.39
USA	\$220,800	1.07

*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

TRANSPORTATION

Airports – Passenger Statistics*

	Q3 '07	Q3 '06	Change
Brownsville	43,367	44,806	-3.2%
Harlingen	218,023	208,510	4.6%
McAllen	218,994	200,471	9.2%
Laredo	60,575	52,514	15.4%
El Paso	895,970	871,327	2.8%

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

Land Ports of Entry – Border Crossings

Southbound Traffic

	Q3 '07	Q3 '06	Change
Trucks			
Rio Grande Valley*	181,891	171,538	6.0%
El Paso**	86,242	79,805	8.1%
Laredo	408,311	417,429	-2.2%
Rail			
Rio Grande Valley*	10,207	12,715	-19.7%
El Paso	-	-	-
Laredo	59,347	58,822	0.9%
Vehicles			
Rio Grande Valley*	3,007,152	3,263,045	-7.8%
El Paso**	979,579	1,157,261	-15.4%
Laredo	1,390,813	1,485,841	-6.4%
Pedestrians			
Rio Grande Valley*	1,148,780	1,122,518	2.3%
El Paso**	1,520,297	1,308,997	16.1%
Laredo	1,074,371	1,004,700	6.9%

Northbound Traffic

	Q3 '07	Q3 '06	Change
Trucks			
Rio Grande Valley*	193,038	178,466	8.2%
El Paso	203,522	200,444	1.5%
Laredo	393,844	386,627	1.9%
Rail			
Rio Grande Valley*	2,205	1,118	97.2%
El Paso	30,687	26,015	18.0%
Laredo	45,825	45,169	1.5%
Vehicles			
Rio Grande Valley*	3,506,540	3,488,681	0.5%
El Paso	3,256,413	3,730,208	-12.7%
Laredo	1,326,174	1,496,378	-11.4%
Pedestrians			
Rio Grande Valley*	1,566,872	1,512,748	3.6%
El Paso	2,301,974	1,883,955	22.2%
Laredo	1,169,763	972,138	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

Export and import trade activity through the ports of Cameron and Hidalgo counties increased in the third quarter of 2007 compared with the same quarter in 2006. Exports to Mexico through the two counties' ports rose by 17.6 percent compared to around five percent through

all Texas ports. Imports from Mexico increased by almost eight percent through the two counties versus an 11 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				Change
	Q3 '07	% of TX Export Trade Activity	Q3 '06	% of TX Export Trade Activity	
Brownsville	2,012	8.7%	1,755	8.0%	14.6%
Hidalgo	2,468	10.6%	2,074	9.4%	19.0%
Progreso	71	0.3%	41	0.2%	75.6%
Two County Total	4,551	19.6%	3,869	17.6%	17.6%
Texas Total	23,188		22,020		5.3%

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

	In Millions of Dollars				Change
	Q3 '07	% of TX Import Trade Activity	Q3 '06	% of TX Import Trade Activity	
Brownsville	1,715	5.2%	1,553	5.3%	10.5%
Hidalgo	3,488	10.6%	3,272	11.1%	6.6%
Progreso	12	0.0%	12	0.0%	0.1%
Two County Total	5,215	15.9%	4,837	16.4%	7.8%
Texas Total	32,813	100.0%	29,566		11.0%

*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 '07	Q3 '06	Change	Q3 '07	Q3 '06	Change
Revenues (\$000)	\$45,301	\$43,043	5.2%	\$24,750	\$21,319	16.1%
Room nights available (000)	762.4	758.5	0.5%	608.0	580.8	4.7%
Occupancy Rate (%)	58.1	56.6	2.7%	57.2	55.9	2.3%

Source: Texas Tourism



Border Business Briefs

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ELECTORATE

Continued from pg. 1

- Five percent of eligible voters in the Valley do not speak English compared to less than one percent in Texas.
- Twenty eight percent of eligible voters in Cameron and Hidalgo counties do not hold a high school degree compared to 16.6 percent at the state level.
- Home ownership among eligible voters is at higher rates in the Valley than Texas. Around 77 percent of the electorate in Cameron and Hidalgo counties lives in owner occupied homes compared to 70 percent at the state level.
- Eligible voters in the Valley report lower incomes than their counterparts in Texas. Forty one and 37.6 percent of the electorate in Cameron and Hidalgo counties, respectively, have incomes below 30,000. The corresponding share in Texas is 24 percent.
- Veterans constitute a lower share of eligible voters in the Valley 8.5 percent relative to Texas 11.2 percent .

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