



# Border Business Briefs

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A Publication of the Center for Border Economic Studies

The University of Texas-Pan American™

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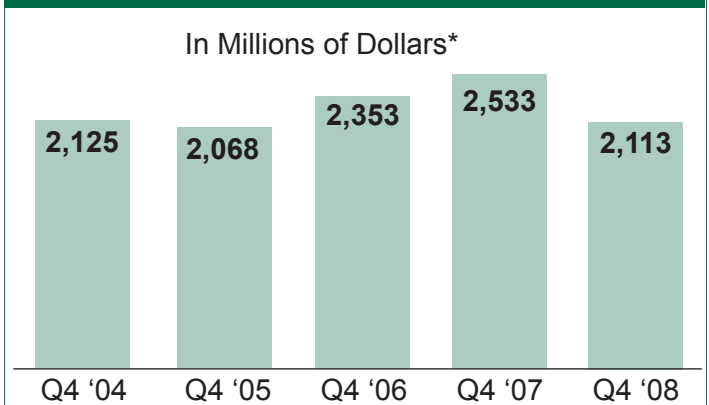
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## GROSS SALES

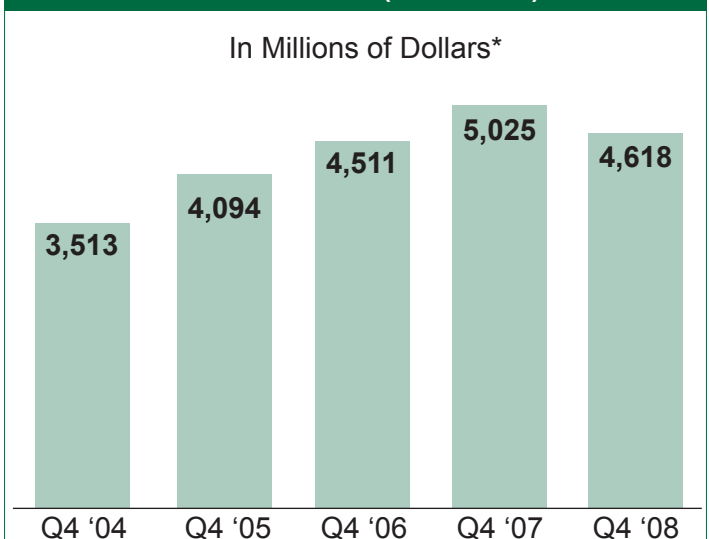
While gross sales figures in Cameron County exhibited an upward trend between the fourth quarters of 2005 and 2007, declines in the fourth quarter of 2008 resulted in a net loss of one percent relative to the fourth quarter of 2004. In Hidalgo County gross sales maintained an overall growth rate of 31 percent over the same time period despite the decreases between 2007 and 2008.

Relative to the fourth quarter of 2007, Cameron County's

### Cameron County Gross Sales Fourth Quarter (2004-2008)



### Hidalgo County Gross Sales Fourth Quarter (2004-2008)



\*Not adjusted for inflation

Source: Texas Comptroller of Public Accounts

gross sales decreased by 17 percent in the fourth quarter of 2008. Hidalgo County posted a decline of eight percent over the same time period. Most sectors were affected by declining economic activity.

Retail trade constitutes a cornerstone of the Rio Grande Valley's economy accounting for 50 percent of gross sales

in the fourth quarter of 2008. Within retail trade, the sector breakdown is similar across the two counties. The top three sectors are: General Merchandise, Motor Vehicles, and Food & Beverage.

Changes in sales tax revenues were mixed across Valley cities in the first quarter of 2009 relative to the same period in 2008. The cities of Brownsville and McAllen posted decline of six and three percent, respectively, while the city of Harlingen posted an increase of three percent in its sales tax revenues.

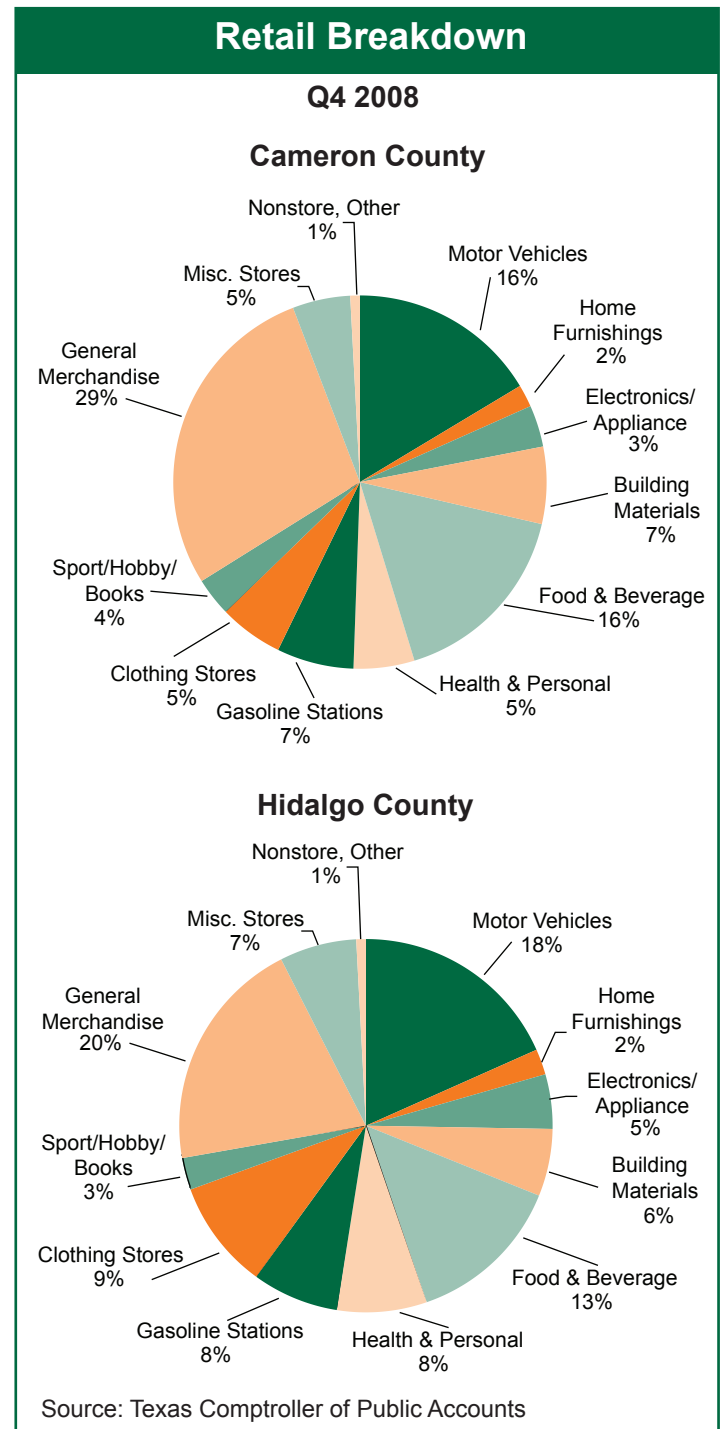
<b>Gross Sales by County and Industry</b>			
In Millions of Dollars			
<b>Cameron County</b>			
	Q4 '08	Q4 '07	Change
Construction	102	124	-18%
Manufacturing	312	390	-20%
Wholesale Trade	364	361	1%
Retail Trade	1,012	1,153	-12%
Accom./Food Serv.	101	100	1%
Other Services*	172	301	-43%
Other**	50	105	-52%
All Industries***	2,113	2,533	-17%
<b>Hidalgo County</b>			
	Q4 '08	Q4 '07	Change
Construction	289	307	-6%
Manufacturing	674	659	2%
Wholesale Trade	661	821	-19%
Retail Trade	2,354	2,569	-8%
Accom./Food Serv.	210	193	9%
Other Services*	285	344	-17%
Other**	145	133	9%
All Industries***	4,618	5,025	-8%

\* 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



### Sales Tax Revenues\*

In Thousands of Dollars

	Q1 '09	Q1 '08	Change
Brownsville	\$8,371	\$8,907	-6.0%
Harlingen	\$5,115	\$4,962	3.1%
McAllen	\$15,828	\$16,361	-3.3%

\*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 March 2009, total employment stood at 133,934 for Cameron County and at 263,441 for Hidalgo County. This represented a 2.3 percent decrease from March 2008 employment figures for Cameron County and a 0.5 percent increase for Hidalgo County. The corresponding employment growth rate for Texas was a negative 0.4 percent.

By the end of the first quarter of 2009, the unemployment rate was 8.4 and 9.5 percent for Cameron and Hidalgo counties, respectively, compared to rates of 5.5 and 6.4 percent in March 2008. The local percentage increase in unemployment rates, however, was lower than the percentage change for Texas and the U.S. Monthly employment growth fluctuations for both counties, more or less, mirrored those at the state level.

### Employment

	Mar. '09	Mar. '08	Change
Cameron County	133,934	137,060	-2.3%
Hidalgo County	263,441	262,224	0.5%
Texas	11,027,852	11,075,081	-0.4%

### Unemployment Rates (%)

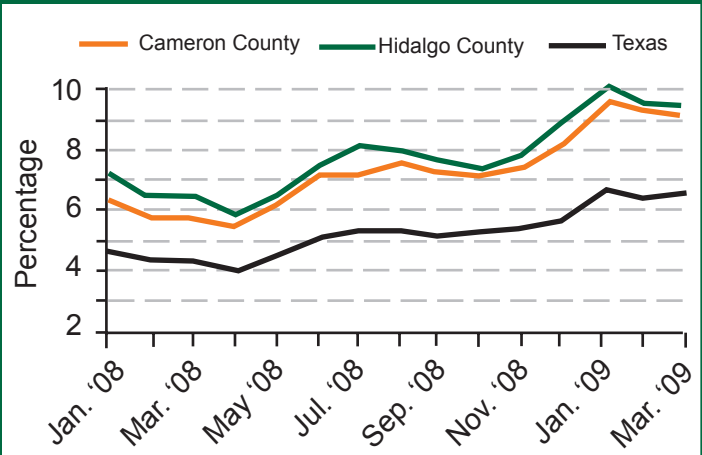
	Mar. '09	Mar. '08	Change
Cameron County	8.4	5.5	52.7%
Hidalgo County	9.5	6.4	48.4%
Texas	6.7	4.3	55.8%
U.S.	8.5	5.1	66.7%

Source: Bureau of Labor Statistics

Employment projections for the Rio Grande Valley area point to a 27 percent increase in jobs over the period 2006 to 2016. The fastest and largest growing occupations are those of personal and home care aides rising at 58 percent and adding 12,750 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).

The number of small businesses (those employing one to 49 employees) increased between 2002 and 2007. In Cameron County, there were 6,158 small businesses in 2007, an increase of almost seven percent from 2002 numbers. The number of small businesses in Hidalgo County rose to over 10,000 in 2007, representing an increase of nearly 20 percent relative to 2002. The Healthcare and Social Assistance sectors represented the largest increase in the two counties, both in absolute and percentage terms.

### Unemployment Rates\*

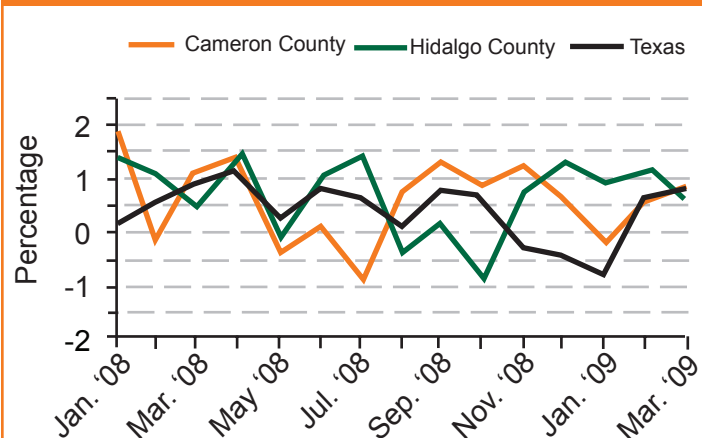


Source: Bureau of Labor Statistics

\* Not seasonally adjusted.

### Employment Growth Rates\*

Monthly Percentage Change



Source: Bureau of Labor Statistics

\* Not seasonally adjusted

## Employment Projections 2006-2016 Occupations Adding the Most Jobs

### Cameron County Workforce Development Area

	Annual Average Employment		Number Change	Percentage Change
	2006	2016		
<b>TOTAL EMPLOYMENT</b>	132,550	163,250	30,700	<b>23.2%</b>
Personal & Home Care Aides	7,600	12,250	4,650	<b>61.2%</b>
Home Health Aides	2,200	3,300	1,100	<b>50.0%</b>
Retail Salespersons	4,750	5,750	1,000	<b>21.1%</b>
Elementary School Teachers	3,050	4,000	950	<b>31.1%</b>
Registered Nurses	2,800	3,750	950	<b>33.9%</b>
Combined Food Preparation & Serving Workers	3,600	4,500	900	<b>25.0%</b>
Customer Service Representatives	2,250	2,950	700	<b>31.1%</b>
Office Clerks, General	2,150	2,700	550	<b>25.6%</b>
Nursing Aides, Orderlies, & Attendants	1,800	2,350	550	<b>30.6%</b>
Waiters and Waitresses	2,200	2,700	500	<b>22.7%</b>
Child Care Workers	1,550	2,050	500	<b>32.3%</b>
Middle School Teachers	1,550	2,000	450	<b>29.0%</b>
Secondary School Teachers	2,000	2,400	400	<b>20.0%</b>
Licensed Practical & Licensed Vocational Nurses	1,400	1,800	400	<b>28.6%</b>

### Lower Rio Grande Valley Workforce Development Area\*

	Annual Average Employment		Number Change	Percentage Change
	2006	2016		
<b>TOTAL EMPLOYMENT</b>	243,050	313,500	70,450	<b>29.0%</b>
Personal & Home Care Aides	14,450	22,550	8,100	<b>56.1%</b>
Elementary School Teachers	6,700	9,750	3,050	<b>45.5%</b>
Combined Food Preparation & Serving Workers	7,000	9,850	2,850	<b>40.7%</b>
Retail Salespersons	9,150	11,950	2,800	<b>30.6%</b>
Registered Nurses	4,850	7,100	2,250	<b>46.4%</b>
Home Health Aides	3,600	5,250	1,650	<b>45.8%</b>
Secondary School Teachers	4,350	5,900	1,550	<b>35.6%</b>
Middle School Teachers	3,450	4,900	1,450	<b>42.0%</b>
Customer Service Representatives	4,000	5,350	1,350	<b>33.8%</b>
Teacher Assistants	3,700	5,000	1,300	<b>35.1%</b>
Waiters & Waitresses	3,300	4,550	1,250	<b>37.9%</b>
Cashiers	7,200	8,350	1,150	<b>16.0%</b>
Office Clerks, General	4,050	5,200	1,150	<b>28.4%</b>
Nursing Aides, Orderlies, & Attendants	2,400	3,400	1,000	<b>41.7%</b>

\* Lower Rio Grande Valley Workforce Development Area includes Hidalgo, Starr, and Willacy counties.  
Source: Texas Workforce Commission

### Number of Small Businesses

(1-49 Employees)

	2007	2002	Change
<b>Cameron County</b>	6,158	5,763	<b>6.9%</b>
Retail Trade	1,150	1,073	<b>7.2%</b>
Healthcare & Soc. Ast.	839	733	<b>14.5%</b>
Accom. & Food Serv.	595	537	<b>10.8%</b>
<b>Hidalgo County</b>	10,028	8,374	<b>19.8%</b>
Retail Trade	1,998	1,648	<b>21.2%</b>
Healthcare & Soc. Ast.	1,537	1,092	<b>40.8%</b>
Accom. & Food Serv.	811	649	<b>25.0%</b>
<b>Texas</b>	490,718	454,827	<b>7.9%</b>
Retail Trade	73,814	72,910	<b>1.2%</b>
Healthcare & Soc. Ast.	51,637	44,648	<b>15.7%</b>
Accom. & Food Serv.	39,313	33,587	<b>17.0%</b>

Source: 2007 County Business Patterns

### BUILDING PERMITS

Residential construction activity in the Lower Rio Grande Valley decreased between the first quarter of 2008 and 2009. In Cameron County and Hidalgo County, the number of permits issued decreased by 34.6 and 30.7 percent, respectively. By the end of the first quarter, the dollar valuation of authorized housing units decreased by 47.6 percent in Cameron County and 42.4 percent in Hidalgo County compared to the same period of 2008. Home sales were also on the decline in the cities of Brownsville, Harlingen, and McAllen.

### Housing Affordability (Q1)

MLS Area	HAI*
Brownsville	1.90
Harlingen	1.89
McAllen	1.69
Texas	1.95
USA	1.55

\*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

#### Number of Units

County	Q1 '09	Q1 '08	Change
Cameron	219	335	<b>-34.6%</b>
Hidalgo	788	1,137	<b>-30.7%</b>
	YTD '09*	YTD '08*	
Cameron	218	325	<b>-32.9%</b>
Hidalgo	791	1,139	<b>-30.6%</b>

#### Valuation (in thousands of dollars)

County	Q1 '09	Q1 '08	Change
Cameron	\$17,927	\$34,236	<b>-47.6%</b>
Hidalgo	\$84,862	\$147,361	<b>-42.4%</b>
	YTD '09*	YTD '08*	
Cameron	\$17,850	\$33,026	<b>-46.0%</b>
Hidalgo	\$67,801	\$145,953	<b>-53.5%</b>

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

#### Sales

MLS Area	Q1 '09	Q1 '08	Change
Brownsville	165	234	<b>-29.5%</b>
Harlingen	170	272	<b>-37.5%</b>
McAllen	453	562	<b>-19.4%</b>

#### Dollar Volume In Thousands of Dollars

MLS Area	Q1 '09	Q1 '08	Change
Brownsville	\$17,395	\$29,795	<b>-41.6%</b>
Harlingen	\$16,500	\$27,100	<b>-39.1%</b>
McAllen	\$50,845	\$65,220	<b>-22.0%</b>

Source: Real Estate Center at Texas A&M University

The next issue of *Border Business Briefs* will feature the Continuing Education Department at The University of Texas-Pan American.

## TRANSPORTATION

### Airports – Passenger Statistics\*

	Q1 '09	Q1 '08	Change
Brownsville	36,238	45,919	-21.1%
Harlingen	201,136	229,505	-12.4%
McAllen	160,721	208,841	-23.0%
Laredo	45,335	51,517	-12.0%
El Paso	692,228	798,371	-13.3%

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

### Land Ports of Entry – Border Crossings

#### Southbound Traffic

	Q1 '09	Q1 '08	Change
<b>Trucks</b>			
Rio Grande Valley*	158,723	183,415	-13.5%
El Paso**	69,048	84,540	-18.3%
Laredo	327,478	391,735	-16.4%
<b>Rail</b>			
Rio Grande Valley*	10,937	11,816	-7.4%
El Paso	-	-	
Laredo	49,890	54,240	-8.0%
<b>Vehicles</b>			
Rio Grande Valley*	2,573,660	2,917,436	-11.8%
El Paso**	844,545	1,024,223	-17.5%
Laredo	1,183,863	1,347,099	-12.1%
<b>Pedestrians</b>			
Rio Grande Valley*	1,240,091	1,262,461	-1.8%
El Paso**	1,172,278	1,249,688	-6.2%
Laredo	992,381	1,038,688	-4.5%

#### Northbound Traffic

	Q1 '09	Q1 '08	Change
<b>Trucks</b>			
Rio Grande Valley*	162,215	191,183	-15.2%
El Paso	140,324	186,963	-24.9%
Laredo	318,277	387,701	-17.9%
<b>Rail</b>			
Rio Grande Valley*	1,792	1,120	60.0%
El Paso	16,653	20,831	-20.1%
Laredo	25,756	40,870	-37.0%
<b>Vehicles</b>			
Rio Grande Valley*	3,145,502	3,529,479	-10.9%
El Paso	2,466,349	3,653,866	-32.5%
Laredo	1,427,916	1,426,000	0.1%
<b>Pedestrians</b>			
Rio Grande Valley*	1,637,715	1,633,180	0.3%
El Paso	1,826,286	2,109,797	-13.4%
Laredo	1,038,508	830,557	25.0%

\*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 decreased by 17.5 percent in the first quarter of 2009 relative to the same quarter in 2008. Exports to Mexico through the two counties' ports fell by 15.4 percent compared to a 14.9 percent decline through

all Texas ports. Imports from Mexico decreased by 19.5 percent through the two counties versus a 22.6 percent decrease at the state level. Overall, the ports of Cameron and Hidalgo counties account for around 18 percent of Texas trade activity with Mexico.

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

	In Millions of Dollars				
	Q1 '09	% of TX Export Trade Activity	Q1 '08	% of TX Export Trade Activity	Change
Brownsville	1,452	7.3%	1,999	8.5%	-27.3%
Hidalgo	2,284	11.4%	2,419	10.3%	-5.6%
Progreso	70	0.3%	81	0.3%	-13.5%
Two County Total	3,806	19.0%	4,499	19.1%	-15.4%
Texas Total	19,996		23,499		-14.9%

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

	In Millions of Dollars				
	Q1 '09	% of TX Import Trade Activity	Q1 '08	% of TX Import Trade Activity	Change
Brownsville	1,040	4.4%	1,425	4.7%	-27.0%
Hidalgo	2,842	12.1%	3,405	11.2%	-16.5%
Progreso	24	0.1%	21	0.1%	16.0%
Two County Total	3,905	16.6%	4,851	16.0%	-19.5%
Texas Total	23,534		30,399		-22.6%

\*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 '09	Q1 '08	Change	Q1 '09	Q1 '08	Change
Revenues (\$000)	\$25,329	\$30,952	-18.2%	\$23,756	\$27,336	-13.1%
Room nights available (000)	660.4	745.7	-11.4%	616.2	594.2	3.7%
Occupancy Rate (%)	49.8	53.0	-6.0%	55.8	59.8	-6.7%

Source: Texas Tourism

Note: The significant drop in hotel revenues in Cameron County is primarily due to Hurricane Dolly.



## Border Business Briefs

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## FEATURED CENTER

### UTPA McALLEN TEACHING SITE

The UTPA McAllen Teaching Site is a new state-of-the-art teaching facility conveniently located at the Main Place Shopping Center adjacent to La Plaza Mall. The site offers greater access to UTPA's higher education offerings, and provides an exceptional teaching/learning experience, designed to meet the changing needs of students.

The new UTPA McAllen Teaching Site serves a diverse population of adult learners who are looking for opportunities to enhance their careers through graduate and upper division undergraduate academic courses as well as professional continuing education opportunities customized to their learning needs. Young adults will be able to take advantage of the English Language Institute and college test preparation programs.

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