



Border Business Briefs

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The University of Texas-Pan American

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HISPANIC-OWNED FIRMS

Hispanic owned businesses are one of the thriving economic sectors that contribute to the economies of local communities and the nation.

- The number of Hispanic-owned firms grew 31 percent from 1997-2002 versus 10 percent for all U.S. firms.
- The receipts of Hispanic-owned firms grew 19 percent from 1997-2002 versus 22 percent for all U.S. firms.
- Hispanic-owned firms were concentrated in the following sectors: construction, administrative and support services, health care and social assistance, and other services such as personal services, repair and maintenance.
- Hispanic-owned firms constitute 6.8 percent of all U.S. firms. However, given their relatively smaller size (around 65 percent of Hispanic-owned firms have an annual receipts size of less than \$25,000), they account for only one percent of receipts of all U.S. firms. This pattern holds at the state and local levels as well.

Hispanic-Owned Firms

Number of Firms

	2002	1997	Change
U.S.	1,573,464	1,199,896	31%
Texas	319,340	240,396	33%
El Paso Co.	28,715	20,259	42%
Webb Co.	11,172	8,632	29%
Hidalgo Co.	34,494	20,548	68%
Cameron Co.	14,243	12,199	17%

Receipts (In Millions of Dollars)

	2002	1997	Change
U.S.	221,927	186,275	19%
Texas	42,214	39,482	7%
El Paso Co.	3,290	3,662	-10%
Webb Co.	2,024	1,942	4%
Hidalgo Co.	3,744	2,462	52%
Cameron Co.	1,528	1,418	8%

Source: 2002 Survey of Business Owners; 1997 Survey of Minority-Owned Business Enterprises

Percent Distribution of Firms by Industry Division: 2002

	All U.S. Firms	Hispanic-Owned Firms
Construction	12.1%	13.5%
Manufacturing	2.6%	2.0%
Wholesale trade	3.1%	2.2%
Retail trade	11.2%	9.6%
Transportation and warehousing	4.2%	8.0%
Finance and insurance	3.9%	2.1%
Real estate, rental and leasing	9.3%	4.4%
Professional, scientific, and technical services	14.2%	8.8%
Administrative, support, waste man. and remed. services	6.8%	13.2%
Health care and social assistance	8.8%	11.5%
Arts, entertainment, and recreation	4.2%	2.8%
Accommodation and food services	2.9%	3.1%
Other services (except public administration)	11.6%	15.8%
Other*	5.0%	3.0%

* The "Other" category includes the following sectors: forestry, fishing and hunting, agricultural support services, mining, utilities, information, management of companies and enterprises, and industries not classified.

Source: 2002 Economic Census

For more detailed information on the characteristics of Hispanic-owned businesses, visit the Survey of Business Owners Web site: www.census.gov/csd/sbo/hispanic2002.htm. For resources that target minority and small businesses, see p. 8.



Border Business Briefs

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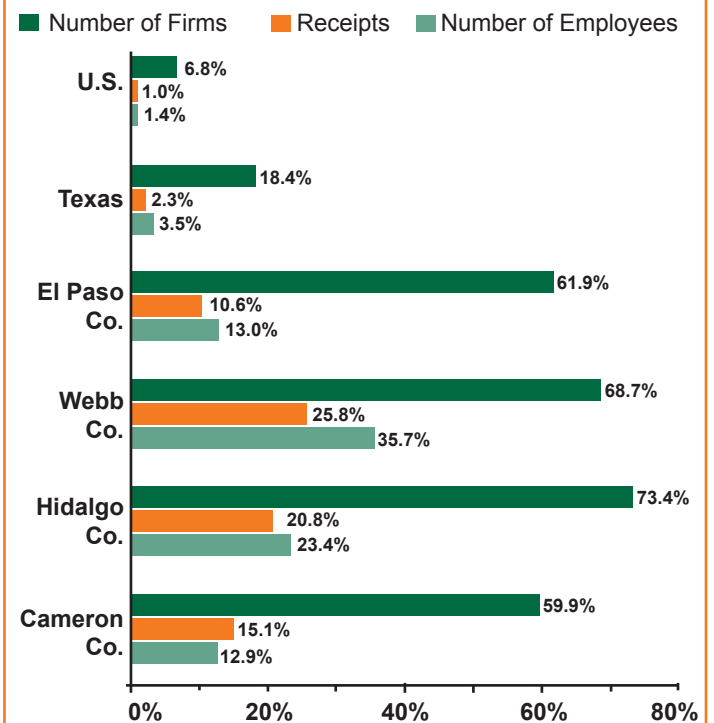
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Hispanic-Owned Firms, Receipts and Number of Employees as a Percent of All Firms

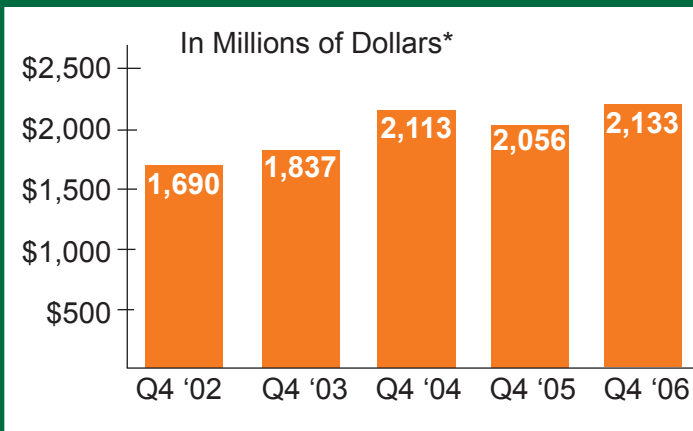


Source: 2002 Economic Census

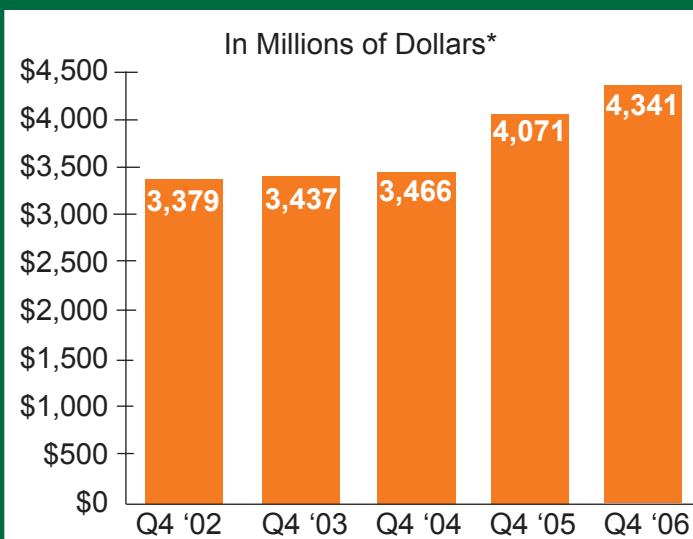
GROSS SALES

Overall, gross sales have exhibited double digit growth between the fourth quarter of 2002 and the corresponding quarter of 2006. In Cameron County sales have increased by 26 percent over that time period, while the corresponding increase amounted to 28 percent in Hidalgo County.

Cameron County Gross Sales Fourth Quarter (2002-2006)



Hidalgo County Gross Sales Fourth Quarter (2002-2006)



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

Relative to the fourth quarter of 2005, Cameron County's gross sales rose by four percent in the fourth quarter of 2006. The construction, wholesale and retail trade sectors led the growth. Hidalgo County posted an increase of seven percent over the same time period, a growth that was mainly fueled by the wholesale and retail trade sectors. 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 '06	Q4 '05	Change
Construction	90	75	21%
Manufacturing	249	289	-14%
Wholesale Trade	455	407	12%
Retail Trade	1,008	951	6%
Services	108	137	-21%
Other*	222	196	13%
All Industries	2,133	2,056	4%

Hidalgo County			
	Q4 '06	Q4 '05	Change
Construction	212	233	-9%
Manufacturing	510	623	-18%
Wholesale Trade	635	599	6%
Retail Trade	2,126	2,022	5%
Services	240	239	0%
Other*	618	355	74%
All Industries	4,341	4,071	7%

* The "Other" category includes the following sectors, each of which accounts for less than five percent of gross sales: agriculture, transportation, communication, utilities, finance, insurance, real estate, and mining.

Source: Texas Comptroller of Public Accounts

EMPLOYMENT

In March 2007, total employment stood at 135,427 for Cameron County and at 254,508 for Hidalgo County. This represented a 1.8 percent increase from March 2006 employment figures. The corresponding employment growth rate for Texas was 2.2 percent.

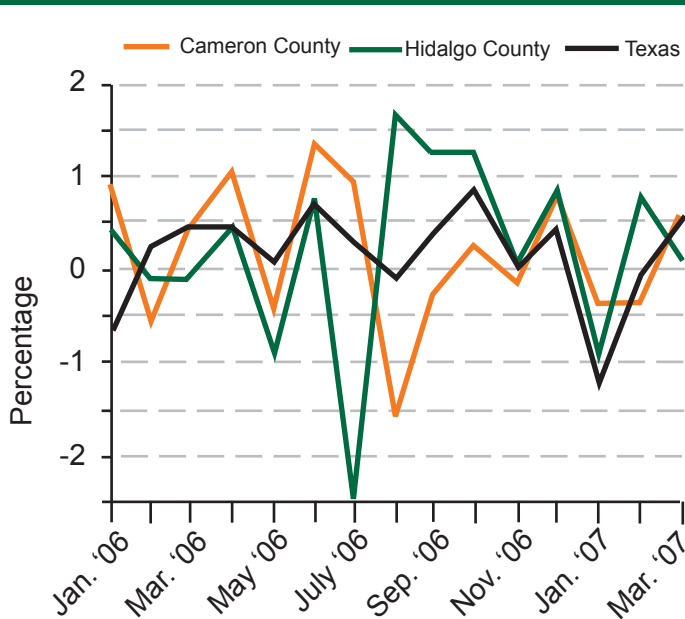
By the end of the first quarter of 2007, the unemployment rate was 5.8 and 6.5 percent for Cameron and Hidalgo counties, respectively, compared to rates of 6.9 and 7.6 percent in March 2006. While such rates are higher than those reported for the state of Texas (4.2 percent in March 2007), the gap between the area's unemployment rate and those of Texas has consistently shrunk over time, from a 2.7 to four percentage point difference in March of 2003 to a 1.6 to 2.3 percentage point difference in 2007. Monthly

Employment

	March '07	March '06	Change
Cameron County	135,427	133,755	1.3%
Hidalgo County	254,508	249,280	2.1%
Texas	11,038,579	10,797,459	2.2%

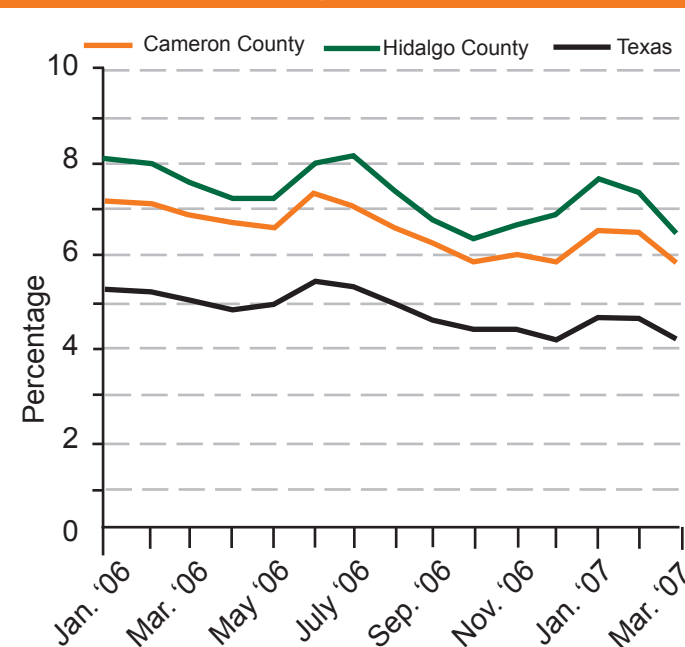
Source: Bureau of Labor Statistics

Employment Growth Rates Monthly Percentage Change



Source: Bureau of Labor Statistics

Unemployment Rates



Source: Bureau of Labor Statistics

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.

EDUCATIONAL ATTAINMENT

The educational attainment of Rio Grande Valley residents continued to improve according to the 2006 American Community Survey estimates. Compared to Census 2000 numbers, the percentage of the population 25 years and older with no high school degree decreased by 18 percent in Cameron County and 20 percent in Hidalgo County. Corresponding to this decrease was an increase in the number of high school graduates, and holders of associate's and bachelor's degrees in Cameron County. In Hidalgo County, the increase was across the board among high school graduates, associate's, bachelor's and graduate degree holders.

Educational Attainment

Percentage of the population 25 years and over

	Cameron County		
	2006	2000	Change
No high school	36.8	44.8	-18%
High school graduate	26.4	20.1	31%
Some college, no degree	15.4	17.5	-12%
Associate's degree	6.2	4.3	44%
Bachelor's degree	10.7	8.4	27%

Graduate or professional degree	4.4	4.9	-10%
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	Hidalgo County		
	2006	2000	Change
No high school	39.8	49.5	-20%
High school graduate	25.1	20.2	24%
Some college, no degree	16.2	14.5	12%
Associate's degree	4.5	2.9	55%
Bachelor's degree	9.7	8.4	15%

Graduate or professional degree	4.8	4.5	7%
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Source: U.S. Census Bureau: Census 2000, 2006 American Community Survey

BANKING INDICATORS

Deposits at banks in the Valley area exhibited a general upward trend in the first quarter of 2007 relative to the same period in 2006. Deposits increased by 26 percent in Cameron County and by 17 percent in Hidalgo County. The largest increases in dollar terms were for the city of Brownsville (\$660 million) in Cameron County and the city of Pharr (\$413 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 (23 percent) and San Benito (five percent) rounding up the top three. Deposits at the city of McAllen's banks comprised 46 percent of deposits in Hidalgo County. The cities of Edinburg (12.5 percent) and Pharr (12.3 percent) ranked second and third, respectively, in terms of the size of their deposits.

Bank Deposits Cameron County

In Millions of Dollars

City	Q1 '07	Q1 '06	Change
Brownsville	\$2,378	\$1,718	38.4%
Harlingen	\$898	\$804	11.7%
San Benito	\$174	\$191	-8.9%
County Total**	\$3,853	\$3,050	26.3%

Bank Deposits Hidalgo County

In Millions of Dollars

City	Q1 '07	Q1 '06	Change
McAllen	\$3,285	\$2,924	12.3%
Edinburg	\$889	\$614	44.9%
Pharr	\$876	\$463	89.2%
County Total*	\$7,133	\$6,077	17.4%

* 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.

** County Total includes bank 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 first quarter of 2006 and 2007. In Cameron and Hidalgo counties, the number of permits issued decreased by 52.9 and 27.5 percent, respectively. By the end of the first quarter, the dollar valuation of authorized housing units decreased by 30.7 percent in Cameron County and 22.1 percent in Hidalgo County compared to the same period of 2006.

New Privately Owned Housing Units Authorized by County

County	Number of Units		Change
	Q1 '07	Q1 '06	
Cameron	502	1,066	-52.9%
Hidalgo	1,621	2,237	-27.5%
	YTD '07*	YTD '06*	
Cameron	478	1,061	-54.9%
Hidalgo	1,664	2,232	-25.4%

Valuation (in thousands of dollars)

County	Q1 '07	Q1 '06	Change
Cameron	\$44,547	\$64,268	-30.7%
Hidalgo	\$184,172	\$236,284	-22.1%
	YTD '07*	YTD '06*	
Cameron	\$45,011	\$64,018	-29.7%
Hidalgo	\$185,702	\$230,636	-19.5%

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 (Q1 '07)

MLS Area	Median House Price	HAI*
Brownsville	\$102,400	1.17
Harlingen	\$99,200	1.21
McAllen	\$109,500	1.01
Texas	\$141,800	1.52
USA	\$212,300	1.16

*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*

	Q1 '07	Q1 '06	Change
Brownsville	48,423	45,300	6.9%
Harlingen	221,210	223,475	-1.0%
McAllen	204,864	200,150	2.4%
Laredo	50,127	42,907	16.8%
El Paso	759,436	774,617	-2.0%

*Passenger statistics includes both enplaned and deplaned values.

Source: Respective Airports

Land Ports of Entry – Border Crossings

Southbound Traffic

	Q1 '07	Q1 '06	Change
Trucks			
Rio Grande Valley*	180,315	180,385	0.0%
El Paso**	78,869	80,449	-2.0%
Laredo	411,777	422,044	-2.4%
Rail			
Rio Grande Valley*	12,407	11,359	9.2%
El Paso	-	-	-
Laredo	58,279	56,978	2.3%
Vehicles			
Rio Grande Valley*	3,089,204	3,343,022	-7.6%
El Paso**	1,106,741	1,176,518	-5.9%
Laredo	1,343,655	1,468,141	-8.5%
Pedestrians			
Rio Grande Valley*	1,380,692	1,446,087	-4.5%
El Paso**	1,251,236	1,205,591	3.8%
Laredo	980,452	993,895	-1.4%

Northbound Traffic

	Q1 '07	Q1 '06	Change
Trucks			
Rio Grande Valley*	188,541	192,391	-2.0%
El Paso	191,784	186,639	2.8%
Laredo	380,860	372,197	2.3%
Rail			
Rio Grande Valley*	1,810	1,782	1.6%
El Paso	23,632	20,824	13.5%
Laredo	39,688	41,387	-4.1%
Vehicles			
Rio Grande Valley*	3,579,808	3,682,792	-2.8%
El Paso	3,668,311	3,996,024	-8.2%
Laredo	1,402,021	1,549,906	-9.5%
Pedestrians			
Rio Grande Valley*	1,661,314	1,739,058	-4.5%
El Paso	1,832,251	1,693,203	8.2%
Laredo	1,135,103	1,067,080	6.4%

*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 first quarter of 2007 compared with the same quarter in 2006. Exports to Mexico through the two counties' ports rose by 2.2 percent compared to an insignificant change through all

Texas ports. Imports from Mexico increased by 4.2 percent through the two counties versus a 7.2 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 '07	% of TX Export Trade Activity	Q1 '06	% of TX Export Trade Activity	Change
Brownsville	1,867	8.5%	1,763	8.1%	5.9%
Hidalgo	2,050	9.4%	2,068	9.5%	-0.9%
Progreso	48	0.2%	48	0.2%	-0.2%
Two County Total	3,965	18.1%	3,879	17.7%	2.2%
Texas Total	21,865		21,871		0.0%

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

	In Millions of Dollars				
	Q1 '07	% of TX Import Trade Activity	Q1 '06	% of TX Import Trade Activity	Change
Brownsville	1,442	4.9%	1,501	5.4%	-3.9%
Hidalgo	3,480	11.8%	3,228	11.7%	7.8%
Progreso	16	0.1%	9	0.0%	79.1%
Two County Total	4,938	16.7%	4,738	17.2%	4.2%
Texas Total	29,552		27,571		7.2%

*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 '07	Q1 '06	Change	Q1 '07	Q1 '06	Change
Revenues (\$000)	\$28,821	\$27,375	5.3%	\$25,327	\$22,984	10.2%
Room nights available (000)	722.7	705.6	2.4%	592.3	565.0	4.8%
Occupancy Rate (%)	49.9	49.6	0.6%	61.2	61.6	-0.6%

Source: Texas Tourism

Maquiladora Data: Note to the user from INEGI

On Nov. 1, 2006 the Decree for the Promotion of Manufacturing, Maquila and Service Export Industries (IMMEX) was published. The following two programs were merged into the IMMEX program: Operation and Promotion of the Maquila Industry for Exporters and the Temporary Import Program for Exporters.

Given the merger, it is no longer possible to identify the currently active establishments that have a maquila export program; therefore, it is not feasible to continue generating the Monthly Statistics on Maquiladora Export Industry. INEGI, in an effort to conclude the monthly series for 2006, has published this statistic using the directory of active maquila export units that were registered by October of the previous year. They have also incorporated inactive establishments that filed for dissolution on November and December.

Resources For Small and Minority Businesses

Harlingen Hispanic Chamber of Commerce 956-421-2400	www.harlingenchamber.com
McAllen Hispanic Chamber of Commerce 956-928-0060	www.mhcc.net
Texas Association of Mexican-American Chambers of Commerce 512-444-5727	www.tamacc.org
U.S. Hispanic Chamber of Commerce 800-USHCC86	www.usbcc.com
Minority Business Development Agency 888-324-1551	www.mbdba.gov
The University of Texas-Pan American Business Assistance Centers 956-381-3361	http://ea.panam.edu/coserve/sbac.html
Acción Texas, Edinburg and Brownsville offices 866-312-3778	www.acciontexas.org
U.S. Small Business Administration 800-827-5722 956-427-8533 - Harlingen District Office	www.sba.gov

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