



# Brownsville MSA

## Market-Community Profile 2007

*Prepared by the Brownsville Economic Development Council*



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## EMPLOYMENT

An important indicator in determining a community's economic health is in the local workforce, which year after year Brownsville posts a favorable growth trend. The region posted a 3.9 percent growth from 2005 to 2006 in labor force and since 2001, up to 121,300 from 116,700 last year. In a six-year span, the labor force jumped by 8.5 percent, up from 111,700 employee payrolls in 2001.

Brownsville had a higher growth rate than the state, 3.2 percent, and the nation, 1.8 percent. The fact that the Brownsville MSA continues to grow its workforce in the midst of a population explosion shows how the area is producing exceptional opportunities for the local workforce. *See news release on T-Mobile USA for more on the area's young workforce.*

### Employment

	2001	2002	2003	2004	2005	2006
<b>Non-Farm Employment</b>						
Brownsville MSA	111,700	114,900	115,300	115,800	116,700	121,300
Texas (millions)	9,514	9,416	9,371	9,497	9,741	10,053
United States (millions)	131,826	130,341	129,999	131,435	133,703	136,174
	2001	2002	2003	2004	2005	2006
<b>Growth Rate</b>						
Brownsville MSA	1.8%	2.9%	0.3%	0.4%	0.8%	3.9%
Texas	0.9%	-1.0%	-0.5%	1.3%	2.6%	3.2%
United States	0.0%	-1.1%	-0.3%	1.1%	1.7%	1.8%

Source: Texas Workforce Commission, U.S. Department of Labor

The unemployment rate has made significant gains in the past few years dropping to a record average low of 6.6 percent in 2006, down from double digit averages in the late 1990s. The reasonably low jobless rate is a result of the area's corporate, retail and industrial growth as well as a string of back-office operations that have provided an abundance of opportunities for many of the area's young workforce. It wasn't long ago that Brownsville's unemployment rate was averaging 20 percent. The rate began to plummet in the late 1990s along with the area's phenomenal population and workforce growth.

### Unemployment Rates

	2001	2002	2003	2004	2005	2006
<b>Unemployment Rate</b>						
Brownsville MSA	7.9%	9.0%	9.6%	8.8%	7.6%	6.6%
Texas	5.0%	6.4%	6.7%	6.0%	5.4%	4.9%
United States	4.7%	5.8%	6.0%	5.5%	5.1%	4.6%

Source: Texas Workforce Commission, U.S. Department of Labor



## EMPLOYMENT (Continued)

One of the biggest gains made in an individual sector since 2001 is in education and health services, which grew by 35.4 percent from 20,600 in 2001 to 27,900 employee payrolls in 2006. The sector is now the largest employer in the Brownsville MSA, unseating the government sector's 27,700 employees, which for decades was the region's top employer. In other sectors, professional and business services, retail trade, and financial activities showed huge gains since 2001. The most promising sector was manufacturing which for years was on a decline, though, it finally rebounded in 2006 which a 5.5 percent increase, jumping from 7,300 jobs in 2005 to last year's 7,700. In all, the region is making significant gains in its labor force.

### Employment by Sector

Sector	2001	2002	2003	2004	2005	2006	% Change Since 2005	% Change Since 2001
Manufacturing	11,300	10,200	9,100	7,800	7,300	7,700	5.5%	-31.9%
Natural Resources/Mining/Construction	4,800	4,700	4,600	4,700	4,400	4,600	4.5%	-4.7%
Transportation/Warehousing/Utilities	4,300	4,200	4,000	4,200	4,200	4,500	7.1%	4.5%
Wholesale Trade	3,700	3,800	3,600	3,500	3,300	3,400	3.0%	-8.1%
Retail Trade	14,500	14,800	14,900	15,200	15,600	16,200	3.8%	11.7%
Financial Activities	4,200	4,300	4,500	4,600	4,700	4,800	2.1%	14.3%
Information	1,500	1,500	1,500	1,400	1,300	1,300	0.0%	-13.3%
Professional/Business Services	6,500	7,400	7,300	7,400	7,800	8,100	3.8%	24.6%
Education/Health Services	20,600	23,100	24,800	25,700	26,800	27,900	4.1%	35.4%
Leisure/Hospitality	11,100	11,500	11,400	11,700	11,400	11,800	3.5%	6.3%
Other Services	3,500	3,500	3,500	3,500	3,300	3,200	-3.0%	-8.6%
Government	25,700	26,000	26,100	26,400	26,800	27,700	3.4%	7.8%

Source: Texas Workforce Commission

### Major Employers

Rank	Company	Industry	Rank	Company	Industry
1	Brownsville ISD	Education	11	Trico Technologies	Manufacturing
2	AMFELS	Manufacturing	12	National Electric Coil	Manufacturing
3	UT - Brownsville	Education	13	Public Utilities Board	Utilities
4	Cameron County	Government	14	U.S. Customs & Border Ptrl	Government
5	Wal-Mart	Retail	15	ORC Industries	Manufacturing
6	City of Brownsville	Government	16	Rich SeaPak	Manufacturing
7	Convergys Corp.	Call Center	17	Dillard's	Retail
8	HEB Food Stores	Retail	18	International Shipbreaking	Manufacturing
9	Valley Regional Medical Center	Medical	19	Bro. Community Health Ctr.	Medical
10	Valley Baptist Medical Center	Medical	20	U.S. Postal Service	Government

Source: Brownsville Economic Development Council



## DEMOGRAPHICS

Brownsville continues being the largest city in the Rio Grande Valley with McAllen in second and Harlingen in third. High birth rates, international trade, inbound migration, and a booming economy are the main elements contributing to the exploding population. From 2005 to 2006, Brownsville grew by 2.8 percent from 167,731 to 172,437. However, it's the increase from the 2000 Census that separated Brownsville from the other cities in the nation. The growth rate has contributed to Brownsville's overall economic success. Such indicators include the residential construction boom, the unemployment rate decreasing from double digits a decade ago, and a 25 percent increase in retail business activity. The area's economic engine is primarily driven by the numbers in the region. The MSA's population coupled with the 700,000 residents in Matamoros totals to more than 1.1 million in the region. *See news release on population growth for more on this subject.*

### Population

	1980	1990	2000	2006	%Change Since 2000	%Change Since 1980	2010 Projection
Brownsville	84,997	98,962	139,722	172,437	23.4%	102.9%	199,841
Brownsville MSA	209,727	260,120	335,227	387,717	15.7%	84.9%	431,445
Rio Grande Valley *	537,811	701,888	978,369	1,170,776	19.7%	117.7%	1,335,360

Source: U.S. Census Bureau, Texas State Data Center

\* Cameron, Willacy, Starr and Hidalgo counties

### Per Capita Income

	2001	2002	2003	2004	2005	% Change Since 2004	% Change Since 2001
Brownsville MSA	15,529	16,032	16,493	16,783	17,410	3.7%	12.1%
Texas	29,012	28,793	29,340	30,664	32,460	5.9%	11.9%
United States	30,562	30,795	31,466	33,090	34,471	4.2%	12.8%

Source: U.S. Bureau of Economic Analysis

### Age Distribution

Age	Persons Brownsville	Percent	Persons Brownsville MSA	Percent
0-19	53,410	38.2%	124,734	37.2%
20-34	30,949	22.2%	70,187	20.9%
35-54	32,863	23.5%	79,114	23.6%
55-64	9,218	6.6%	23,817	7.1%
65+	13,282	9.5%	37,375	11.1%
<b>Median Age</b>	<b>27.7</b>		<b>29.0</b>	

Source: U.S. Census Bureau 2000



## EDUCATION

As a region, it's easy to say that Brownsville is a major hub for educators. Aside from the Brownsville Independent School District, thousands of other educators and academics work in the city's other entities which include the Los Fresnos Consolidated School District, the Point Isabel Independent School District, the Catholic Diocese of Brownsville schools, Texas State Technical College, and the University of Texas at Austin and Texas Southmost College. In all the Brownsville region has more than 80,000 students enrolled in different school districts and higher education institutions.

At the university level, more students continue to graduate every year. Since 2001, UTB has graduated 67.4 percent more students, up 15,688 in 2006 from 9,373 six years ago. The increase also applies to degrees earned as 1,290 were conferred in 2001 compared to 2,179 in 2006. Just 20 miles north of Brownsville, Texas State Technical College recruits many students from the Brownsville area. The institution also continues to register increases in its enrollment and degrees.

### University of Texas at Brownsville-Texas Southmost College

	2001	2002	2003	2004	2005	2006
Enrollment	9,373	9,974	10,604	11,560	13,316	15,688
Degrees Conferred	1,290	1,389	1,836	1,923	2,085	2,179

Source: University of Texas at Brownsville

### Texas State Technical College at Harlingen

	2002	2003	2004	2005	2006
Enrollment	4,246	4,243	4,666	4,565	4,665
Degrees Conferred	491	480	494	527	453

Source: Texas State Technical College

## MAQUILADORAS

The maquiladora employment payroll marked its third year of steady growth increasing by .3 percent in 2004, 2.4 percent in 2005 and 1.4 percent in 2006. The increases are displaying a change in momentum as the industry was losing many of its workers in the previous years. The number of plants also remain steady at 117 for 2006, slightly down from 121 in 2005 and 125 in 2001. Economic officials project the numbers to dramatically increase over the next few years with the addition of two industrial parks in the city's west side and an additional one in the planning stages for 2008. *For more on this topic, please see the news release on maquiladora expansion.*

### Maquila Activity

	2001	2002	2003	2004	2005	2006
<b>Plants</b>						
Matamoros	125	127	126	126	121	117
% Change	5.0%	1.6%	-0.8%	0.0%	-4.0%	-3.3%
<b>Employment</b>						
Matamoros	60,875	55,207	53,226	53,394	54,690	55,455
% Change	-7.9%	-9.3%	-3.6%	0.3%	2.4%	1.4%

Source: INEGI

## TRADE

Waterborne cargo at the Port of Brownsville jumped to its highest traffic level yet at 5.3 million metric tons, up 35.9 percent from 2001's 3.9 million tons. The traffic is due to record number of vessels coming into the port and other activity as a result of increased business from different industries. In other trade activity, truck crossings at the three different international bridges in Brownsville increased as well as air passenger boardings. In all, trade activity is benefiting from the region's population boom, increase in capital investments, and a healthy economy.

### Trade Activity

Infrastructure Entity	2001	2002	2003	2004	2005	2006
International Bridge Truck Crossings	217,693	215,573	198,586	201,447	205,198	416,054
Brownsville/SPI Air Passengers	70,854	70,074	61,973	67,821	76,848	84,300
Port Waterborne Cargo (metric tons in millions)	3.9	4.6	3.6	3.8	4.5	5.3

Sources: Brownsville/SPI International Airport, Port of Brownsville, Rio Grande Valley Chamber of Commerce



## CONSUMERS

Brownsville's retail activity is bursting at the seams as the industry grew by a staggering 55.8 percent since 2000. New retailers have contributed to the sales tax base, which has increased from \$1.3 billion in 2000 to \$1.8 billion in 2006. The Brownsville MSA also has gone through the roof in the seven year period, increasing from \$2.8 billion in 2000 to last year's \$3.4 billion. The outlook for 2008 appears to be rosy with the construction of the city's second Ross store, a Conn's electrical store, and Kohl's departmental outlet, as well as a string of restaurants and banks.

### Retail Activity

	2000	2001	2002	2003	2004	2005	2006
<b>Retail Trade - Gross Sales (billions)</b>							
Brownsville	1,337,711	1,509,271	1,583,259	1,592,603	1,600,978	1,717,537	1,860,803
% Change	12.2%	12.8%	4.9%	0.6%	0.5%	7.3%	8.3%
Brownsville MSA	2,890,645	2,890,645	2,975,605	3,048,040	3,157,163	3,322,064	3,496,315
% Change	8.1%	0.0%	2.9%	2.4%	3.6%	5.2%	5.2%
<b>Sales Tax Receipts</b>							
Brownsville	14,676,228	16,155,477	17,031,423	18,052,722	19,351,470	20,222,526	22,872,186
% Change	11.1%	10.1%	5.4%	6.0%	7.2%	4.5%	13.1%

Sources: Texas Comptroller of Public Accounts, City of Brownsville

Bank deposits continue its uphill climb in Brownsville as it jumped by 3.5 percent from 2005. Deposits took a slight dip from 2004 when it hit an all-time record high at \$2.16 billion. For 2006, though, the figure is just shy from a couple of years ago at \$2.09 billion. Since 2001, Brownsville's deposits have grown by 42 percent. The deposits correlate with the increase in sales tax revenues, retail gross sales, and most importantly, the city's population boom.

Combined, the Rio Grande Valley's \$11 billion in bank deposits per month are the second highest in South Texas closely trailing only San Antonio. The Valley grosses more in bank deposits than Laredo and Corpus Christi. McAllen and Brownsville continue being the top revenue-generating cities in the Valley.

### Bank Deposits

	2001	2002	2003	2004	2005	2006
Brownsville (billions p/mos)	\$1.47	\$1.67	\$1.95	\$2.16	\$2.02	\$2.09
% Change	1.1%	13.1%	17.0%	10.9%	-6.6%	3.5%

Source: Rio Grande Valley Partnership



**CONSTRUCTION**

Following a national trend, the pace of residential construction has slowed down. In 2006, an average 110 homes were built per month, down from 123 built per month in 2005. In total homes, 1,326 were built in 2006, slightly down from 1,476 built in 2005. In commercial construction, 151 permits were issued for new businesses which also is slightly down from 167 in 2005. In total valuations, Brownsville posted \$240 million in permits, a small decrease from \$262 in 2005, however, up from \$203 million in 2001. For 2008, commercial construction is expected to carrying the bulk of valuations.

**Building Permits**

	2001	2002	2003	2004	2005	2006
New Residential	1,362	1,536	1,649	1,453	1,476	1,326
Monthly Average	113	128	137	121	123	110
New Commercial	195	180	156	175	167	151
Monthly Average	16	15	13	14	14	12
Total Valuation (millions)	\$203.3	\$213.1	\$309.8	\$249.2	\$262.1	\$240.0

Source: City of Brownsville Building Inspections Department

**UTILITIES**

The Brownsville Public Utilities Board is one of 70-plus municipally-owned utilities in Texas. As a local company, the BPUB gives back to the community by charging the lowest rate possible and works with prospective companies at a personal level. The utility, which offers electric, water, and wastewater services, has grown its customer base by 18 percent since 2002, from 38,358 to today’s 45,228 households. Other utility companies that serve the greater Brownsville area include Magic Valley Electric Co-op, AEP Electric, TXU Energy, El Jardin Water Supply, Olmito Water Supply, and the Southmost Regional Water Authority.

**Water Connections**

	2003	2003	2004	2005	2006
Brownsville	38,358	39,573	43,329	45,062	45,228
% Change		3.2%	9.5%	4.0%	0.4%

Source: Brownsville Public Utilities Board

In other projects, all eyes are on the Rio Grande Regional Seawater Desalination Project at the Port of Brownsville, which started producing drinkable water from seawater in 2007. In 2002, Texas Gov. Rick Perry announced his intent to create a drought-proof source of water supply, which in turn opened the door to the idea of a seawater desalination plant. This year, the Brownsville PUB secured the Desal Pilot Plant and churned out the first gallons of drinking water straight from the Gulf of Mexico. The region’s water supply will not only be abundant, but diversified as it will come from the underground brackish source, the Rio Grande, and the Gulf.



The Brownsville Economic Development Council  
is a business league that promotes  
the economic and industrial development  
of Brownsville-Matamoros and  
is dedicated to building economic prosperity  
in the region.

For more information, or questions  
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