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Big Bend Small Business Institute

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Economic Report

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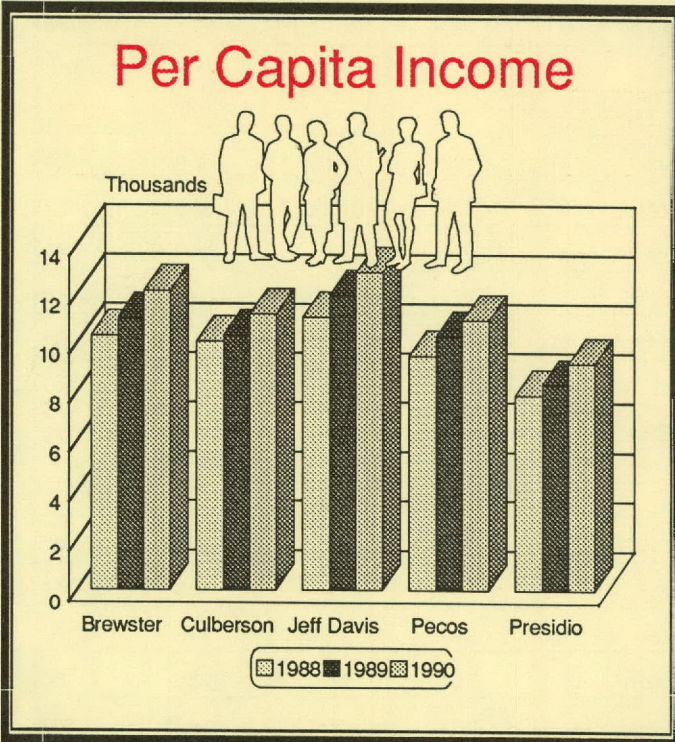
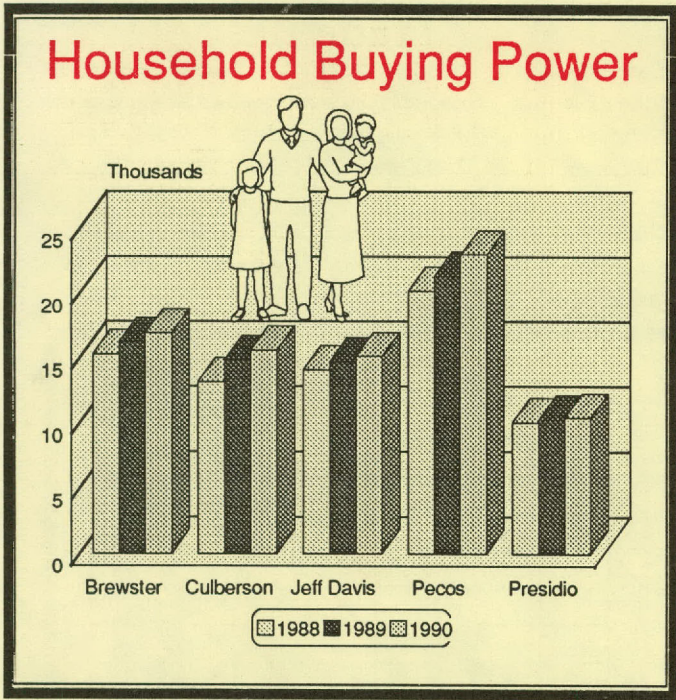
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A New Beginning

The Big Bend Business Report was originally edited by William Beaty and continued through the winter of 1985. In 1992 there was a renewed interest in the Big Bend region in economic development. As the result of a Texas Department of Commerce Community Development Seminar sponsored by the Big Bend Small Business Institute (SBI), an interest emerged among local nonprofessional groups for a chronicle of business progress and statistics.

In the premier issue several useful economic indicators are included. The editors request citizens to make suggestions about the types of data to be included in future reports. All information provided will remain confidential and only collective data will appear in the report. Call or write the Editors, *Economic Report*, Edward Marcin or Eric Xu, Department of Business Administration, Sul Ross State University, Alpine, TX 79832; (915)837-8066.



Household Effective Buying Power

Data recently published by the "Sales and Marketing Management" magazine showed a mixed picture of economic health for the five-county area of the Big Bend.

The buying income in each of the five counties has increased since 1988. Brewster, 10.5%; Culberson, 18.67%; Jeff Davis, 7.5%; Pecos, 13.7% and Presidio, 3.7%.

In 1990, Presidio's median income was the lowest of the 5 counties (\$10,435), compared to Jeff Davis (\$15,138), Culberson (\$15,613), Brewster (\$16,938) and Pecos (\$23,000).

Per Capita Income Up

Per capita personal income is computed by dividing the total personal income of an area by the population estimate for that area.

Per capita income from 1988 through 1990 has increased in all five counties. Brewster county increased 16%; Culberson county 7%; Jeff Davis county 11%; Pecos county 12% and Presidio 16%.

Brewster and Presidio counties have shown the largest increase.

Source: Survey of Current Business

Consumer Prices Up

The Wall Street Journal reports that consumer prices rose 3.2% in the 12 months ending April 1992. The prices Americans paid for goods and services rose a modest 0.2% in April. Prices were restrained mainly by declines in the cost of food and clothing and a slowdown in demand for housing, transportation and energy. Excluding the volatile food and energy sectors, the so-called core rate of inflation rose 0.3% in April following a 0.5% increase in March.

1990 Census Data

County	Total Population	Percentage of Population		Total Households
		Hispanic	White	
Brewster	6,681	42.6%	53.0	3,350
Culberson	3,407	71.9%	27.6	1,076
Pecos	14,675	56.8%	42.3	4,712
Presidio	6,637	81.6%	17.8	2,225
Reeves	15,852	82.8%	23.7	4,838

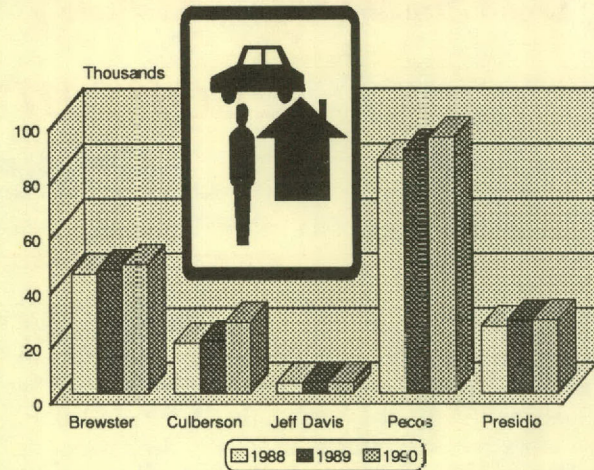
City	Total Population	Percentage of Population Hispanic	Percentage of Population White	Total Households
Alpine	5,637	45.4%	50.0	2,102
Ft. Stockton	8,524	64.2%	34.5	2,747
Marfa	2,424	67.6%	25.9	957
Presidio	4,072	94.9%	4.3	899
Van Horn	2,930	75.2%	23.3	913

County	Persons per Household	Median Age	Percent over 55	Median value of houses
Brewster	2.43	32.4	23.3	45,500
Culberson	3.15	28.9	17.5	27,500
Pecos	3.07	29.6	19.0	38,100
Presidio	2.91	31.5	23.8	28,000
Reeves	3.14	29.1	18.7	25,800

City	Persons per Household	Median Age	Percent over 55	Median value of houses
Alpine	2.43	29.3	22.0	47,000
Ft. Stockton	3.04	29.6	20.1	39,900
Marfa	2.51	39.9	31.8	32,900
Presidio	3.36	26.7	20.0	23,500
Van Horn	3.19	28.2	17.2	27,700

Source: U.S. Department of Commerce, Bureau of the Census

Gross Sales at Retail

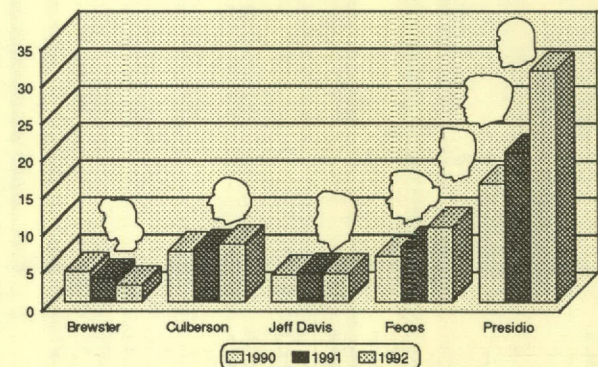


County Gross Sales - Retail Trade

Based on data provided by the State of Texas Comptroller of Public Accounts, gross retail sales increased in each of the five counties during three year period 1988 - 1990. Brewster 8%, Culberson 41.6%, Jeff Davis 6%, Pecos 11% and Presidio 9.5%.

Culberson county experienced the greatest retail sales increase. Retail sales increased in Pecos and Presidio more than in Brewster and Jeff Davis counties.

Unemployment Rate

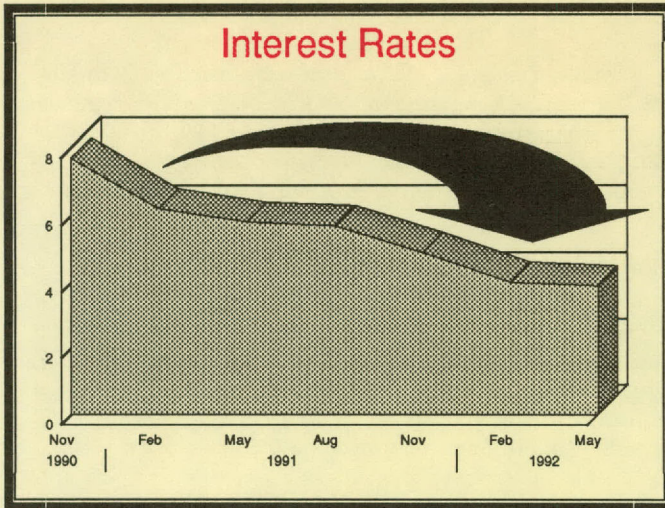


County Unemployment

The Texas Employment Commission estimates that in the period January 1990 through June 1992, the unemployment rate declined from 4.0% to 3.3% in Brewster county and the rates increased in the other four counties.

The unemployment rate in Presidio increased 11% to 25.5%; in Pecos county the rate has jumped 1.9% from 6.1% to 8.0%; Jeff Davis has increased its rate by 0.2% and Culberson by 0.3%.

Interest Rates



Interest Rates Drop

The Federal Funds interest rate has declined 1.8 percent from May 1991 through May 1992. The rate has stabilized in the 3.8 to 4.0 percent range.

The 3 month CD interest rate in July 1992 has gone from a 12 month high of 5.73 percent to a 3.07 percent low.

Wholesale Price Index

The wholesale price index (WIP) indicates the effect of inflation on prices. The base year for this index is 1967. The data which is provided by the SAS Institute of North Carolina courtesy of Dr. Larry Sechrest shows that by 1988, average wholesale prices had tripled. This represents a yearly average increase of 14.3 percent and roughly parallels the Consumer Price Index (CPI) which rose from 100 in the base year of 1967 to 331.1 in 1986.

Texas Agricultural Prices - Select Commodities

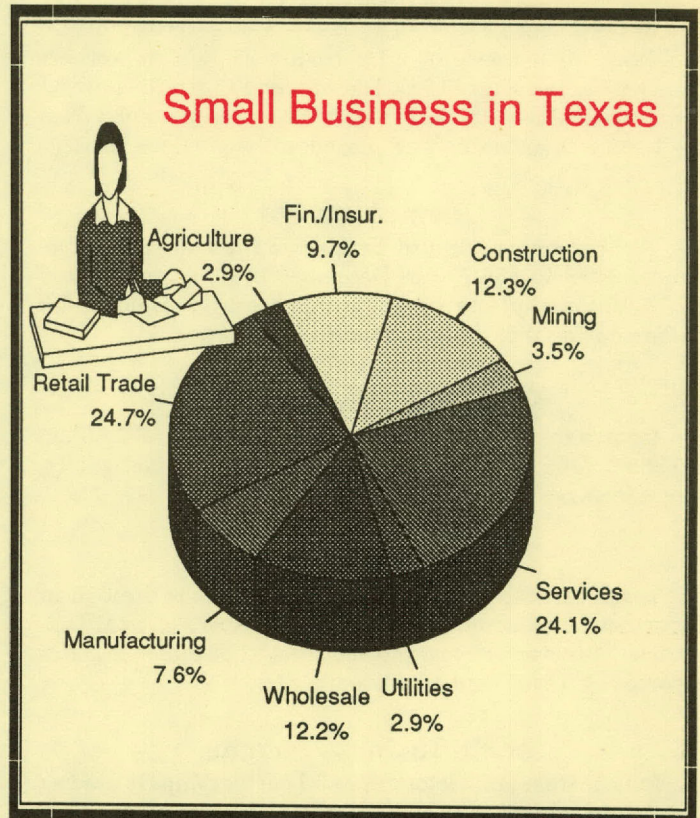
	Texas		United States	
	July		July	
	1991	1992	1991	1992
Beef cattle \$/cwt	73.30	72.90	71.60	71.00
Calves \$/cwt	104.00	86.70	103.00	89.70
Cows \$/cwt	51.90	48.00	50.50	48.50
Steers & heifers \$/cwt	75.10	73.90	74.70	74.40
Hogs \$/cwt	48.40	36.10	54.20	43.10
Lambs \$/cwt	59.30	61.10	57.70	62.40
Sheep \$/cwt	27.10	35.50	20.30	23.50
Hay, alfalfa, baled \$/ton	104.00	86.00	74.50	78.20
Mohair \$/lb.	1.22	1.05
Wool \$/lb.	.84	1.01	.57	.74

Source: Texas Agricultural Facts, Texas Agricultural Statistics Service

Building Permits in Alpine (\$ Value)

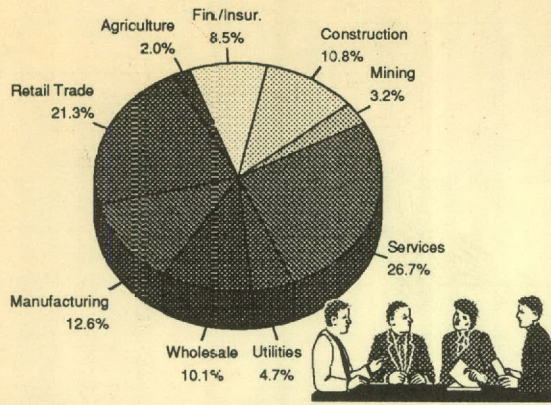
	1990	1991	1992
January	14,800	10,100	47,050
February	8,650	93,000	9,119
March	31,157	14,480	10,700
April	8,000	25,363	72,595
May	146,550	70,364	2,000
June	38,200	45,295	14,050
July	3,500	27,200	22,928
August	24,250	21,580	115,928
September	140,650	96,800	
October	103,500	7,200	
November	52,188	49,300	
December	200	4,000	
TOTAL	568,145	464,682	

Small Business in Texas



This chart shows the share of small business establishments in each of the 9 industry divisions in Texas.

Small Business Employment



This chart shows the distribution of small business employment by industry division in Texas.

Statistics And Economic Indicators For the State of Texas

Population

The population of Texas increased from 14.23 million in 1980 to 16.99 million 1990, an increase of 19.4%. Nationally, the population increased 9.8% during this period, from 226.5 million to 248.7 million.

Employment

In December 1990, 7.13 million workers were employed in Texas, an increase of 2.1% from 6.99 million workers employed in December 1989. Nationally, 117.5 million workers were employed in December 1990, a decline of 0.3 from the 118.0 million workers employed in the previous year.

Unemployment

Total unemployment in Texas rose from 490,200 in December 1989 to 556,700 in December 1990, an increase of 13.6%. Nationally, total unemployment rose 6.6 million to 7.6 million during this time, an increase of 15.4%.

Wage-and Salary Income

Income from wage and salaries rose from \$156.2 billion in 1989 to \$168.3 billion in 1990, a 7.8% increase. Nationally, wages increased by 5.7% for the same period.

Exports

Texas exported \$2.64 billion worth of goods through in December 1990, accounting for an 8.0% share of total U.S. exports. This is a 4.4% increase from the \$2.53 billion in goods exported by Texas through December 1989.

Small Business Income

Income from proprietorships and partnerships is used as a measure of small business income. Income from these sources in Texas rose from \$22.7 billion in 1989 to \$24.2 billion in 1990, a 6.6% increase. Nationally, the increase was 6.6% during the same period.

Business Failures

Business failures in Texas increased from 5,439 in 1989 to 6,738 in 1990, a jump of 23.9%. Nationally, business failures increased by 20%, from 50,361 in 1989 to 60,432 in 1990. (About eight out of ten business dissolve for voluntary reasons such as retirements, buyouts, health of owner, etc.)

Small Business in the State of Texas

Number of Small Businesses

Of the 389,383 business establishments in Texas in 1988, small business comprised 87.0%. Nationally, 88.0% of all business establishments are comprised of small business. Small business employed 48.5% of Texas workers in 1988. Nationally, small firms employed 49.0% of workers.

Self Employment

Texas had 626,000 self-employed workers in 1990, accounting for 8.4% of the workforce in Texas.

Top 10 Industries in Texas

by number of jobs

Industry	Number of Jobs	% of total	Rank
Business services	470,413	7.1	1
Health service	454,633	6.8	2
Eating & drinking places	388,260	5.8	3
Wholesale trade/durable goods	298,559	4.5	4
Oil & gas extraction	270,082	4.1	5
Special trade contractors	219,304	3.3	6
Food stores	205,170	3.1	7
General merchandise stores	200,370	3.0	8
Wholesale trade/non-durable goods	199,354	3.0	9
Education service	189,056	2.8	10

Source: U.S. Small Business Administration, Office of Advocacy
1991

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