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TEXAS REGIONAL OUTLOOK



Upper Rio Grande

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JOHN SHARP
Comptroller of Public Accounts

*A Report
of the Comptroller's*



FORCES OF CHANGE
PROJECT



JOHN SHARP
Comptroller

COMPTROLLER OF PUBLIC ACCOUNTS
STATE OF TEXAS
AUSTIN, 78774

Dear Fellow Texan:

This is the second year we have done *Regional Outlook* reports. This year, we've added an analysis of the historical forces that have shaped each region, as well as insights into the area's current and future population. We've also examined the region's present and future economic health, and identified which occupations and businesses are doing well now and which are poised for future growth.

Much of this new analysis comes from a major project we are working on at the Comptroller's Office entitled *The Forces of Change*. In February, Governor Ann Richards signed Executive Order 92-1 calling upon the Comptroller to undertake a sweeping study of the major issues likely to face the citizens of Texas over the next 35 years. It has been an eye-opener for us to look at these forces of change—those inevitable undercurrents of demographics, economics and social norms that already are beginning to shape the very nature of Texas.

Our 17 million residents and 7 million workers are engaged in a highly diversified economy with an output of more than \$250 billion a year. It's important we know how Texas got where it is today, and where it is going tomorrow. How are these forces playing out in our state? What can we do to position ourselves to gain the greatest advantage in the times ahead?

One of the great strengths of this state has been its diversity: in land, in resources, in people. We have the wide open spaces, cattle and oil wells that outsiders think of when they think of Texas. But we also have three of the nation's 10 most populous cities, and more metropolitan areas than any other state. To learn about Texas, you have to find out about the incredible range of economic, social and cultural activity across the state. To know the whole, you have to figure out the pieces.

I hope you find this report informative, useful and thought-provoking.

Sincerely,

JOHN SHARP
Comptroller of Public Accounts

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Upper Rio Grande Counties and Metropolitan Areas



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REGIONAL OUTLOOK: UPPER RIO GRANDE

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Introduction

We are living in a time of change. More than ever before, the basic structures of our social and economic world—the market place, the family, the government—are undergoing transformations that will fundamentally alter the way we work and the way we live.

The world order that provided the political framework for more than a generation—two military superpowers with conflicting ideologies—has vanished virtually overnight. Now, economic powerhouses in Asia, Europe and America are waging war over market share, trade and jobs. Small businesses, as they contend with more and more regulations, have to worry about competitors around the world, not just around the corner.

Our cities seem under siege as we battle poverty, drugs and unemployment. Every day we hear more of teen pregnancy, adult illiteracy, job layoffs. The last generation's traditional family of a breadwinner, a housewife and two or three kids, has become a statistical oddity, the victim of financial pressures, stagnant wages and salaries, divorce and changing attitudes about the proper roles of men and women.

Future demographics meets the changing economy at the crossroads of the work force. Winners and losers in the new world economy will be less and less determined by who has what resources and more and more by who has what skills, technology and knowledge. All of this will be played out on a stage in which the environment will demand and receive much greater consideration.

Against this backdrop, state government will face increasing pressures to meet growing and changing needs. Federal, state and local governments are caught between insistent calls for better schools, human services and highways, and irate taxpayers tired of turning over a bigger and bigger chunk of hard-earned money to a growing bureaucracy. Government must be held accountable for efficiency and effectiveness.

Texas cannot sit back and watch as the

world changes. We will change, too, like it or not. The question is, will we allow ourselves to be carried along willy-nilly, hoping for the best but fearing the worst? Or do we begin now to understand the forces shaping our future?

It is with this perspective that the Comptroller's Office has undertaken a sweeping study, *The Forces of Change*. Our state's 17 million residents and 7 million workers are engaged in a highly diversified economy with an output of more than \$250 billion a year. We want to know how Texas got where it is today, and where it's going tomorrow. How are the forces of change playing out in our state? What can we do to position ourselves to gain the greatest advantage in the times ahead?

This report is one part of that project. Recognizing the diversity of Texas demands that we place the forces of change in a regional perspective. All of the forces of change will affect the entire state, but some will play out more prominently in different regions of Texas.

To address this diversity, this report will review the trends of change in the Upper Rio Grande region of the state. Reviewing the economic history and geography of the Upper Rio Grande is a necessary precursor to understanding the current structure of, and ongoing changes in, the region's economy. Crucial in the economic future of the region will be the changing demographics and its subsequent effects on the labor force. The interplay of known economic trends and changing demographics yields a baseline forecast for the economic health of the region to the turn of the century.

Most importantly, against this forecast we can assess the likely impacts of key forces of change on the future of the Upper Rio Grande. The North American Free Trade Agreement promises to bring both challenges and opportunity to the region. Of critical importance in this region will be improving work force skills to compete in a new world economy based less on natural resource endowments and more on the abil-



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ities of the labor force. At the same time, environmental concerns must be reconciled with economic pressures.

We can, with intelligence and foresight, come up with a plan to make the most of the new world now being created. Who "wins" and who "loses" in the 21st century

has not yet been decided, but it is being decided today. The stakes are high, and the competition will be fierce. We will feel the results of this competition on our own standard of living, and how we fare will do much to determine what kind of world we will leave to our children. ♣



Economic History and Geography

The key to understanding the development of Texas is the relationship of man to the land. This is true of the Upper Rio Grande region of the state. This area of Texas, made up of 6 counties, is home of the oldest settlement in Texas, Big Bend National Park, and a bi-cultural population that is spread thinly over the arid land. Most of the towns here serve as ranch supply centers, county seats and railroad or highway service centers. With depleted natural resources, a few oases, and no agricultural prospects for expansion, most of the region has remained, since the time of Anglo and Mexican domination in the wake of the Apaches, the land of ranchers and vaqueros. The Upper Rio Grande region prospered due to its location becoming a major trade center and a gateway to the Great Southwest and Mexico.

Economic History

The first known Native Americans inhabiting the Upper Rio Grande region were the Jumanos. The tribe lived in permanent settlements in what is now Presidio County, where they cultivated crops in the Rio Grande and Rio Conchos valleys. The Jumanos, thought to be the outer fringe of the Pueblo tribe who migrated down the Rio Grande around the 1300s, were sedentary with a fairly advanced lifestyle. They built adobe houses in small village clusters and manufactured pottery. Their diet consisted of corn, beans, gourds, fish, wild game and prickly pear. By the 19th century, climate changes combined with Spanish slave raids, forced most remaining Jumanos to join with the Apaches, and the Jumanos became extinct as an autonomous entity.

In the 1800s, the Native American inhabitants of the Upper Rio Grande region were the Tigua and Mescalero Apache tribes. The Tiguas, called Texas' oldest identifiable ethnic group, were forced from New Mexico to Texas by the Pueblo Revolt of 1680. In 1682, the Tiguas and Franciscan friars built Corpus Christi de los Tihuas de Isleta del Sur near present-day El Paso on the south bank of the Rio Grande. The site became part of Texas,

however, when the river's course changed in 1849. The Tiguas held on to their culture, and attained their reservation after gaining public support in the 1960s. Today the Tigua reservation, Ysleta del Sur Pueblo, is in the historic mission district of El Paso.

The Apache tribes began migrating from the Great Plains into Texas in the 1500s. The powerful Comanches forced the tribes deeper into Texas and the Mescalero band of the Apaches moved into the Upper Rio Grande region. The Mescalero Apaches were the artists of some the petroglyphs found on the rock walls near the present site of Hueco Tanks State Park, where the tribe often camped because of the area's natural limestone cisterns. Though the Mescalero Apaches did not farm extensively, they sometimes used runoff streams from the mountains to irrigate crops such as corn.

Although the tribe's diet was diverse the most important element of their diet and their economic well-being was the buffalo. The products made from the buffalo provided the tribes with almost every essential including clothing, housing, tools, fuel for fire, food and food containers, and ceremonial accessories.

As the Western frontier approached the buffalo's range land that extended deep into the Texas, the Plains tribes aggressively prohibited Anglos from settling in the western areas of the state. Because these tribes were nomadic, following the buffalo herds, they were more resistant to the European diseases that contributed to the decimation of many of the sedentary tribes in Texas. The Apaches lay claim as the last Native American tribal bands to fight on the Texas frontier. In 1881, the Apaches made their final raid in the state,

- **Historically, the economy of the Upper Rio Grande depended on the land, its natural resources and trade.**

- **Trade continues to be important, and passage of NAFTA will benefit the region.**

- **Tourists are attracted by the region's many parks and historic sites.**



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ending their control of the region for three centuries; the remaining Apaches began adjusting to life on reservations in New Mexico.

Importance of the Trade Routes

In 1848, two major events dramatically changed the face of the Upper Rio Grande region—the discovery of gold at Sutter's Mill in California and the end of the Mexican War. The gold rush placed Texas in the middle of a massive east-west migration across the United States, and the Treaty of Guadalupe Hidalgo required the U.S. to protect the border against Indian raids. Both events acted as a catalyst for U.S. military surveys of the vast unexplored lands of the Upper Rio Grande, leading to the establishment of several frontier forts around which communities evolved, especially along the Rio Grande. The El Paso area was the first of the former Mexican hamlets affected by the changes. Paso del Norte, the present site of Juarez, was by far the largest town in the area, and only a few villages existed north of the river. After the Mexican War, several towns developed north of the river, including Franklin, later named El Paso.

Texas merchants, keenly aware of the value of trade routes across the western parts of the state, lobbied for a survey of the area long before the end of the Mexican War. During the Spanish and Mexican periods, the trip from San Antonio to the El Paso area was an arduous, roundabout affair of 1,000 miles or more. Hostile Mescalero Apaches and Comanches blocked shorter, more direct western routes and forced the railroad to lay tracks from San Antonio to El Paso via Durango, Mexico.

In 1848, a group of Texas Rangers tried to establish a direct westward route from San Antonio to El Paso, however, but they lost their way and ended up at Presidio Del Norte near the present site of Presidio. In 1849, Robert S. Neighbors and his contingent, financed by Austin merchants, set out in search of a better route on a trail north of the headwaters of the San Saba and Concho rivers to Horsehead Crossing on the Pecos River and then westward to El Paso.

Further to the south, U.S. Army lieutenants H.C. Whiting, who first coined the term "Big Bend," and William F. Smith of the Topographical Engineers were also in search

of a route. Soon travelers used both the northern and southern trails and a line of frontier forts developed along the southern route.

The great numbers of emigrants quickly transformed the lifestyle of the peaceful Mexican villages north of the river. Like many Texas towns on the edge of the western frontier, the El Paso area was a mid-way point for the trip from the eastern United States to California. Frontiersmen and prospectors purchased supplies from area merchants for the second leg of the trip, and often stayed several weeks to rest their animals before beginning the journey across the arduous deserts of the Southwest territories.

Not until the mid-1800s, did frontier settlers attempt permanent homesteading in the Upper Rio Grande. Though many had traveled across the region in route to the California gold rush during the late-1840s and 1850s and on the cattle trail drives in the 1860s and 1870s, the aggressive Plains tribes continued to delay permanent settlement.

The U.S. War Department had already considered making various military surveys across the continent with the intent of building a transcontinental highway from the Mississippi Valley to the Pacific. U.S. cavalry troops escorted many of the Forty-Niners along the trails across the Western frontier.

In an attempt to end disputes between the Native American tribes and Anglos, the U.S. government established a successive line of forts along the rapidly advancing Western frontier. Many of the first towns in the Upper Rio Grande region developed around these frontier forts. Fort Leaton, four miles southeast of Presidio overlooking the Rio Grande, typifies an Upper Rio Grande historic site that would never have existed were it not for water. The Rio Conchos pumps new life into a trickling Rio Grande, just upstream from the fort site. Ben Leaton, one of the first ranchers in the area, built the fortress around his property to fend off the native tribes. The fort stood on the Chihuahua Trail, a trade route that was 500 miles shorter than the Santa Fe Trail.

Fort Davis was a key post in the defense system of the Upper Rio Grande, as one of the terms of the treaty ending the Mexican War called for the U.S. to protect the border against the Plains tribes. Also, many frontiersmen and gold seekers traveled one of the southern routes to avoid the winter snows and rugged Rocky Mountain passes to



snows and rugged Rocky Mountain passes to the north. An important link in their journey was the San Antonio-El Paso road that intersected the tribes' war path—the Comanche Trail.

By 1854, the number of Comanche and Apache depredations were so frequent that a fort became essential to protect the wagon trains and the famous Butterfield Overland Mail that followed the route. The mail company operation began in 1858 and increased the service to El Paso from monthly to bi-weekly. The fort sat in a box canyon near Limpia Creek that provided the all-important water for the post.

Though Fort Davis barely made a dent in the war path, the soldiers performed the vital service of escorting freight cargoes, stage-coaches, passengers, and the mail across the treacherous stretch of land to El Paso. Just before the Civil War, Jefferson Davis ordered the Camel Corps to the fort to test its use in the American version of the Sahara Desert. Davis believed that these hump-backed creatures could be the answer to an efficient means of supplying forts and traversing the desert. Congress appropriated \$30,000 for the unprecedented experiment. The camels were a bargain, costing only \$7,331, and the balance was returned to Congress—setting a precedent that never has caught on in Washington.

The camels proved somewhat successful, unfortunately, the advent of the Civil War permanently halted the experiment. Fort Davis was a Confederate stronghold during the war, but far from the battles. Unable to hold off the Apaches, the soldiers abandoned the fort and released most of the camels into the desert where the animals became the subject of many a prospector's tale. Upon departure of the troops, the Mescalero Apaches destroyed the fort.

After the Civil War, Fort Davis was rebuilt and became the center of the U.S. military's attack on the Apache and Comanche tribes of the Southwest. The fort was fundamental in the development of the Upper Rio Grande because of the post's key location at the crossroads for wagon trains south to Chihuahua, Mexico, and west to El Paso and California.

The Prude Ranch

The impact of the California gold rush on various unsettled regions of Texas resulted in

more than mining, most importantly ranching.

The early style of ranching in the Upper Rio Grande reflected the Mexican traditions of free-range ranching that migrated west from South Texas.

In 1880, P. H. Pruett moved his family and cattle from Arkansas to Fort Davis, becoming the first Anglo settlers near the post. They set up a dairy business, selling butter and buttermilk to soldiers at the fort. The business proved successful and before long the Pruetts had acquired over 250,000 acres of mile-high ranch land with their profits.

After his wife's death in 1906, P. H. sold his part of the ranch—a triangle of land that spanned from the present site of the McDonald Observatory to Balmorhea to Alpine—for \$1.5 million. One of the Pruett's children, Ora Jane, married Andrew Prude in 1897 and by 1924 the Prudes owned over 25,000 acres near the Picnic Rocks on Limpia Creek where they raised cattle, sheep and goats. The Prudes nearly lost the ranch during the Great Depression, but Ora Jane's foresight helped preserve the family spread, taking in paying guests in 1921—the bed and breakfast pioneer of the Upper Rio Grande.

When the McDonald Observatory was under construction in the 1930s, Ora Jane housed the laborers at the ranch. By the 1950s, the Prude family had sold most of the livestock and transformed the ranch into the Prude Guest Ranch. Expanding over the years the ranch facilities now include conference rooms, guest lodges, camp grounds, a large dining hall, tennis courts and a swimming pool.

The ranch offers a summer camp program for all ages and an Elderhostel, which combines educational, recreational and social activities for adults over 60 years old. A special summer Elderhostel provides programs for the adults and their grandchildren. The education programs at the ranch emphasize the importance of the fragile ecosystem of the desert and spread the Prude family's love of the land.

Commercial Agriculture

Though several ranchers had set up operation in the region by the 1860s, most of their trade was with the forts. The advent of the railroad through the Upper Rio Grande in the 1880s accelerated the agricultural



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growth of the region. The improved transportation provided by the railroads aided in the development of commercial agriculture, bringing settlers to the region and then exporting their products.

The Upper Rio Grande region produces a wide variety of commodities, including cattle, cotton, sheep, fruits, vegetables, wool and angora. In addition to these major agricultural commodities, a number of specialty commodities are emerging. Several specialty items that may eventually become major contributors to the area's agricultural sector include exotic livestock, dwarf apples and aquaculture. The lion's share of the agricultural land in the region is devoted to livestock, primarily cattle. Improvements in transportation combined with scientific and technological advances have increased the productivity potential of the commercial agriculture in the region.

Water Conservation

The Rio Grande has served as the source of water for the oldest irrigated area in the state. The current amount of irrigation upriver from El Paso is extensive; except during times of abnormally high flow, from south of El Paso to Presidio some parts of the river are dry. The river is flush again once the waters of the Rio Conchos in Mexico flows into it near Presidio.

Some areas in the Upper Rio Grande lack adequate potable water, while in other areas the water is drinkable but the salinity level is rising. Much of the agricultural concern for water stems from the declining ground water level, increasing salinity, overgrazing and destructive brush. In many counties, the amount of land that is irrigated is less than 1 percent.

Currently, methods of reducing water needs and of increasing the availability of both drinking and agricultural water are necessary. Although plans for alternate sources of water, including tapping the Mississippi River, have been contemplated, most have been too expensive or too unrealistic.

El Paso

The modern city of El Paso, the oldest city in Texas, grew out of settlements by Native Americans and Spaniards and trade routes—for Santa Fe and Chihuahuan trade, stage-

coaches and the railroads. The first expedition through the region was that of Juan de Onate, who traveled through the area near present day El Paso, naming it "El Paso del Rio del Norte," or the Pass of the River of the North. The second group to settle were the Tiguas who established a mission in the 1680s.

Juan Maria Ponce de Leon arrived next on the scene and established a settlement in the western tip of Texas in 1827, but he sold the land to a man named Franklin. The town, now called Franklin, was on one of the routes to California, and the Forty-Niners, stopping on their way to the gold mines, briefly swelled the population.

The Forty-Niners had another effect by increasing the need for the protection of the army post. The federal government constructed Fort Bliss in 1848, to defend settlers and travelers from the hostile Native Americans, and to assure U.S. authority over lands acquired after the Mexican War. After the post was built, the city came to be known as El Paso.

Even with the post, the city remained a "wild west" town and colorful characters—John Wesley Hardin, Wyatt Earp and Bat Masterson to name a few—inhabited El Paso during the 1880s. More important in civilizing the city and developing trade was the arrival of the railroad.

In 1881, the Southern Pacific, Santa Fe, Galveston, Harrisburg and San Antonio and the Texas and Pacific Railroads all reached El Paso. These railroads firmly established the city as a trade center, bringing a variety of industries including a lead melting plant, flour mills, cement plants, cotton mills, breweries, cotton gins, bottlers and meat packers. When the Mexican Central Railroad arrived in 1882, it helped increase trade south of the border.

The railroads and disputes in Mexico between presidents Diaz and Madero brought people to El Paso. The city became the destination for political exiles and refugees, and in 1911, El Paso watched as Pancho Villa captured the mayor of Juarez in the Battle of Juarez. This was a major victory for President Madero, but when the president was killed, Huerta, Villa's enemy, came into power, and Villa was exiled to El Paso. In 1914, after Villa had raised an army and returned to Mexico, Huerta suddenly found himself the exile in El Paso. After the assassination of Villa, unrest on the border calmed and the city turned its attention back to developing industries and trade ties.



One important event in the industrialization of El Paso was the beginning of Farah Manufacturing, a company started by Mansour "Frank" Farah in 1920. The firm began producing work shirts, and expanded to become the largest manufacturer in the state, employing 12,000 people. Other clothing manufacturers also began operations in El Paso and soon apparel manufacturing dominated the economy.

Although part of the garment industry has staged an exodus from El Paso because lower wages are offered both across the border and across the ocean, apparel firms remain major employers in the area.

The firms that have replaced some of the apparel manufacturers in the employment picture are perhaps more sophisticated. In recent years, the industrial mix has come to include consumer electronics plants, auto related industries and manufacturers of hospital and medical supplies.

Other industrial sectors outside manufacturing are also important to the El Paso economy. For example, the military remains important since today Fort Bliss has evolved into an Army Air Defense Center for training combat troops and rocket research. Although spending cuts in defense could hurt the economy, Fort Bliss, as a strategic rather than a tactical base, may not experience cuts and could actually grow.

While industrial and military growth are important to the El Paso economy, what might be even more important to the future of the city are the cultural, economic and infrastructure ties between El Paso and her sister Ciudad Juarez. Three international bridges connect the cities and inhabitants refer to the trip as just "going to the other side."

The large cities in the area, El Paso and its Mexican twin Ciudad Juarez, are the largest Anglo-Hispanic binational metropolis in the U.S. and these cities have already established free trade oriented ties through their maquiladora plants.

Maquiladoras or Twin Plants

The Mexican maquiladora program has had a significant impact on economic development along the border of the Upper Rio Grande region. U.S. companies participating in a maquiladora program typically have capital intensive plants in the U.S. which manufacture components and a twin plant in

Mexico for assembly or processing. The components are shipped to the maquiladoras and the finished products are then shipped back to the U.S. for sale to consumers. Mexico charges tax only on the value added by the work completed at the maquiladora. The U.S. charges duty on the value added in Mexico and on the value of any components that are not of U.S. origin.

According to the September 1992 edition of Twin Plant, there are over 2,000 maquiladora companies operating and 353 are in the Mexican state of Chihuahua bordering the Upper Rio Grande region. Juarez, across the border from El Paso, has 286 of these maquiladoras, employing over 134,000.

The region benefits from the maquiladora program particularly when a company establishes a twin plant in El Paso or one of the other border cities. Even when the twin plant is not on the border, the border cities often operate as warehouse sites and may serve as the home for the administrative and technical staff. In addition, Mexican workers frequently shop in El Paso, adding their earnings to the economy of the region.

Foreign Trade Zones

The Foreign Trade Zones (FTZ) program was designed to increase international trade while increasing jobs and direct investment in the U.S. An FTZ is an area within the geographic confines of the U.S., but not considered in the U.S. as far as customs duties are concerned.

The FTZs are particularly beneficial for some maquiladoras, especially for those where the destination of the finished product is a third country. In such a case, components produced in the U.S. are shipped to Mexico for assembly. The maquiladora then ships the assembled product back to the U.S. for export out of the country. The parent company pays a value added tax when the product leaves Mexico, but does not have to pay U.S. Customs duties.

The Upper Rio Grande region has several FTZs, including one at the El Paso International Airport and another in Presidio.

North American Free Trade Agreement

Resolution of the North American Free Trade Agreement (NAFTA) talks, designed to



establish a trade treaty for the U.S., Mexico and Canada, is expected by 1993, and most experts indicate that they expect a treaty in some form will be ratified. While the expected effect of a NAFTA will be an increase in total economic output, some companies may suffer from import competition. Among these companies are those in the food and commodity production industry. Texans involved with agriculture expect to sustain some losses to Mexican growers.

It is also possible that when a NAFTA goes into effect, maquiladoras will merge with more traditional manufacturing in Mexico. In this case, maquiladoras could move to the interior of Mexico to escape congestion on the border, and the Upper Rio Grande region's border cities might then lose their place as suppliers to these maquiladoras.

The Upper Rio Grande stands to reap benefits from a NAFTA in that increased trade increases the purchases by Mexico of products made in, or exported through, the region. In fact, companies in the region are in one of the best positions to establish a large market position in Mexico because a significant part of the region's population not only speaks Spanish, but has strong cultural and family ties with Mexico.

Because NAFTA is expected to have a significant impact on the Texas economy, the Comptroller's Office undertook an analysis of the agreement's potential impact. The results of this study, titled "The U.S.-Mexico Free Trade Pact: Payoffs and Tradeoffs," includes background information on NAFTA as well as the expected impact on industrial employment. To obtain a copy of this report, contact the Research Division of the Comptroller's Office at 1-800-531-5441.

Tourism

Tourism is another industry important to the Upper Rio Grande region. The area's many historic sites, natural areas and parks combine with ghost towns and ghost lights to attract visitors. The town of Marfa, famous as the location for the movie *Giant*, has long had mysterious lights that appear at night in the distance. The lights, reported since 1883, have defied explanation by both amateur and scientific efforts.

The ghost towns of the Upper Rio Grande region are usually old mining towns that died when the mines played out or the

demand for ore declined. Two such towns are Shafter and Terlingua.

The discovery of silver at the Presidio Mine prompted the building of Shafter around 1880. The town was named after General William Rufus Shafter, also known as Pecos Bill. The mine was the most consistent producer of silver in the state until it played out in the 1950s. At one time known as "the richest acre in Texas," the mine's decline turned Shafter into a ghost town that today attracts tourists.

Howard Perry established Terlingua and built the Chisos mining company in the 1890s, when cinnabar, mercury ore, was discovered. Although the mining company was the town's only industry, it was, for the area, a thriving metropolis with the population reaching 2,000. As the mines became depleted and ground water encroached on the operations, mining tapered off finally stopping by the 1950s. The mines reopened in 1965 when the price of mercury hit \$775 per flask (76 pounds), but decreased demand closed them again in 1971, and Terlingua became a ghost town.

Today that ghost town is a tourist attraction and site of the annual International Chili Cookoff, which takes place the first Saturday of November. The International Chili Cookoff has become a Texas tradition where showmanship ranks along with recipe quality. The entries frequently include exotic meat—armadillo or rattlesnake for example—and the chefs sing, dance, wear costumes and do anything else they can think of to draw attention to their chili.

The National Historic Sites located in the Upper Rio Grande region are popular with tourists, and Fort Davis and Hueco Tanks are just a few examples of the historic attractions available.

Fort Davis was established in 1854 at the crossroads of famous Chihuahua Trail and Butterfield Overland Mail Route. It was the first military post to guard the route and offer haven from the desert wilderness, but the fort was destroyed after the soldiers left to fight in the Civil War and it wasn't rebuilt until 1867. Post-war troopers who came to occupy the fort were the famous "buffalo soldiers," the Black cavalry troop noted for its courage.

As the Indians left and the area became more settled, the fort was deactivated in 1891. Today, Fort Davis is a popular tourist attraction and health resort.



Davis Mountains State Park, located close to Fort Davis Historic Site, encompasses 1,869 acres. Accommodations are provided at Indian Lodge, which was built by the Depression's Conservation Corps of adobe. Visitors come to enjoy the panoramic view of the Davis Mountains and the climate, and the rooms at Indian Lodge are situated so that tourists can watch the sun rise over the mountains.

Hueco Tanks State Historical Park is east of El Paso. The huecos, or hollows, form natural basins among the igneous rocks, which trap rainwater. These huecos have supported both the wildlife and a succession of human inhabitants.

There is evidence that prehistoric Folsom Man lived in the area about 10,000 years ago, and petroglyphs, pictures painted on rocks, have been left by Native Americans through history. The last Native Americans to leave petroglyphs were Mescalero Apaches, whose descendants inhabit a reservation in nearby New Mexico, while the names of Forty-Niners also adorn the rocks. The area still supports a wide range of wildlife, including 150 species of birds.

Another tourist attraction is the University of Texas McDonald Observatory, at Mount Locke. Completed in 1936, the observatory was built following the terms of a bequest from William J. McDonald, an amateur astronomer. McDonald's choice of the Davis Mountains as the observatory's site was particularly good because the percentage of clear night skies are greater here than anywhere else in the U.S. The visitor center hosts "Star Parties" for the general public and books reservations for visitors to view astronomical objects through the 107-inch reflector telescope.

Big Bend

Although many of the place names in Big Bend resonate with the Spanish and Native American history of the area, many others recall the Anglo-American settlers and their hopes and visions.

Established as a national park in 1944, Big Bend appears from a distance to be abandoned and untouched. Big Bend was dominated by the Mescalero Apaches for 300 years, then the settlers came to the area and their abandoned farms and ranches dot the national park. There are nearby ruins of min-

ing complexes standing silent where prospectors extracted rich ores from the land.

Big Bend's Hot Springs are unique, combining waters from a bubbling spring with the Rio Grande. Near Rio Grande Village on the eastern side of the park, the hot spring bubbles from the base of a limestone cliff and pumps nearly a quarter of a million gallons of 105-degree mineralized water a day into the Rio Grande.

J.O. Langford settled on the site in 1909 and started a health resort, and people streamed to Hot Springs to drink and bathe in the water that they believed cured conditions as varied as rheumatism, diabetes, alcoholism and eczema.

Today, only the foundation of the bathhouse and the steps that lead into the tubs remain. The base of a three-foot thick wall of the tubs juts into the Rio Grande. Visitors can sit with one foot in the river and the other in the steaming waters.

On the opposite end of Big Bend National Park lies Castolon, once the site of a substantial population that farmed the flood plains of the Rio Grande and marketed their produce—melons, beans, squash, corn, peanuts—to the silver miners at Terlingua. The steam engine that ran the water pump and the cotton gin still sit near the Costolon store.

The Chisos Mountains are called one of the most nearly perfect mountain ranges in the world by the National Park Service and are a biological island of plants and animals that exist nowhere else in the U.S.

Hunting is a major feature of the tourist industry in the Upper Rio Grande region: mule and white-tail deer, pronghorn antelope, javelina and upland game birds near Alpine; mule deer and pronghorn antelope outside Marfa; white-tailed deer, mule deer, pronghorn antelope and upland game birds at Van Horn. The income derived from hunting in some of these areas provides support for a substantial part of the economy.

Natural Resources

The Upper Rio Grande region has been fortunate to have an abundance of natural resources, the most valuable of which were mercury, silver, copper and salt. Cinnabar has been mined in the area since 1896, but by the 1950s mining ceased due to water



UPPER RIO GRANDE

encroachment and declining demand. Some mines reopened when the price for mercury was high, but the price climb was not sustained and they closed after a few years.

The production of salt in the Upper Rio Grande region has a long history beginning with the Spanish who, in the 1750s, produced the mineral from the Salt Flat lakes in Hudspeth and Culberson counties. There are also extensive salt deposits at the foot of the Guadalupe Mountains near the present-day town of Salt Flat.

Salt was so valuable that in the 1870s, the Salt War broke out between two towns in the area over title to the salt flats. One side believed that the salt flats were public lands while the other believed that they could acquire title to the land and charge for the salt. The dispute ended after one of the "private title" men and the detachment of Texas Rangers protecting him surrendered to the "public rights" faction, marking the only time in history that Rangers have surrendered.

Afterward several of the men trying to obtain a title to the salt flats were shot before a firing squad, and in retaliation, troops and a posse shot several men of the public rights group. Indictments were made against some of the participants but no one was ever arrested and no official action was taken, but after the killing no one objected to paying for salt.

Copper was another valuable mineral, although no war was fought over it. Around 1885, the Hazel mine in Culberson County produced copper and silver. Although there were other copper mines, production at most stopped in the 1950s.

Silver was first produced by Franciscan friars near El Paso in the 1680s, and these mines produced ore intermittently for over 100 years. Although several silver mines dotted the region, only one was exceptionally productive. In 1880, silver was discovered in Presidio County and the Presidio mine opened in 1884, producing \$300,000 worth of silver annually for several years. The mine was a consistent producer of silver until it closed in 1942. By that time, the mine had produced two million tons of ore, yielding over 30 million ounces of silver.

Geography

The Upper Rio Grande region matches both the old and the new perceptions of

Texas—dusty and deserted to dynamic, industrial and urban—since the region includes both the bustling metropolis of El Paso and ghost towns.

This area of western Texas is in the Chihuahuan Desert, which stretches north from Mexico, covering the Upper Rio Grande region, before it ends in New Mexico. The Chihuahuan Desert is cooler than the Mojave and Sonoran Deserts—located in Nevada, California and Arizona—because of the higher elevation, but the fact that Presidio is regularly the hottest spot in the state gives testament to the fact that the Chihuahuan Desert gets warm enough.

Considering the temperature, the amount of rainfall is important. The annual rainfall ranges from 18 inches in the Davis Mountains to 8 inches near El Paso. Rainfall is generally so slight that the rich irrigated farmland in the valley of the Rio Grande near El Paso contrasts harshly with areas away from the river where the amount of fertile land in a county is usually less than 1 percent.

The limited rainfall has allowed short, sparse, salt-tolerant grasses to dominate, but even this has been degraded by overgrazing, so that brush and shrubs are expanding their dominion. Cacti abound in the region as do yucca and creosote bushes.

The Upper Rio Grande region is in the Mountains and Basins area, which is part of the Intermontane Plateau, a region that extends from the Rocky Mountains into Texas and is one of the five major physiographic regions of North America. The land is flat in the desert basins and rugged in the mountainous areas of the region.

The region's elevation ranges from about 2,000 to over 7,000 feet above sea level, and the highest peak in the state, Guadalupe Peak in the Guadalupe Mountains, rises 8,749 feet above sea level. The mean annual temperature in the mountains is 58 degrees, and for the rest of the region the temperature ranges from 64 to 68 degrees, although the temperature during the daylight hours is highly variable. The climate of the region is subtropical subhumid, mild and dry. The growing season ranges from a high of 250 days to a low of 210 days.

The Rio Grande, called the Rio Bravo south of the border, separates Texas from Mexico, and is the longest Texas river. There is one lake in the region, Salt Lake and several bolsons, which are a water bearing strata of sand. Two of these bolsons, Mesilla and



Hueco, are important sources of drinking water, although others—Red Light Draw, Green River Valley, Presidio and Redford bolsons—also exist.

The region has reddish brown to brown clay loams, clays and sands that are high in lime. The bottomland soil ranges from a dark gray brown or red brown loam to a clay alluvial soil. This river valley soil of the Rio Grande is fertile, producing crops when irrigated.

The wildlife refuges and historic sites serve both to attract tourists and protect the flora and fauna of the region. The designated wildlife areas include Black Gap Wildlife Management Area, which is 100,000 acres

with a 25 mile frontage on the Rio Grande, north of Big Bend. The management area has hosted research on desert species, like mule deer, desert bighorn sheep and javelina.

Elephant Mountain Wildlife Management Area, in Brewster County, is 26,000 acres, and includes deer, pronghorn, javelina, quail and doves. In 1987, desert bighorn sheep were introduced to the management area. The Ocotillo Unit Wildlife Management Area is a 2,000 acre area established as a nesting and feeding area for white-winged doves, and the Sierra Diablo Wildlife Management Area, in Hudspeth and Culberson counties, has 10,991 acres for desert mule deer and bighorn sheep. ♣



Economic Structure and Trends

The distinctiveness of a regional economy can be expressed in terms of the ways in which it differs from other regions, the state and the nation. This section of the report will examine the economic structure and trends of the Upper Rio Grande region.

In broad terms the region shares with the state a large and growing service sector, and significant employment in retail trade. But a relatively large government sector and manufacturing industries which are unique to the region differentiate the Upper Rio Grande region from other parts of the state.

Broad Employment Trends in the Upper Rio Grande Region

Overall employment in the Upper Rio Grande has grown fairly steadily through the past decade, running counter to many of the trends that have affected the state as a whole (See Figure 1). The region experienced a slight employment decline in 1983. The region's close economic ties with Mexico hurt the Upper Rio Grande's economy when the peso was dramatically devalued in 1982, hampering previously robust levels of retail purchases by Mexicans in the region's shops. But rapid industrialization along both sides of the Texas-Mexico border combined with the stability of El Paso's large government sector produced impressive job gains in the Upper Rio Grande region throughout the rest of the 1980s. Employment in 1991 reached a record 214,000, a net gain of 15,900 jobs or 8.0 percent over 1988 employment. During the last four years employment grew by 7.0 percent in Texas and by 2.6 percent in the U.S. So, during the period 1988 to 1991, employment in the Upper Rio Grande region grew at a pace slightly ahead of the state and more than three times faster than the nation.

As a result, the region's share of statewide employment has slowly risen since 1982.

With some variations, the largest employment sectors in the Upper Rio Grande region reflect the largest sectors statewide. Table 1 highlights the fact that the Upper Rio Grande region has relatively larger government and

retail trade sectors and is much more manufacturing intensive than the state as a whole.

The importance of the service sector is evident. In fact, in both the region and the state, the largest employment gains over the past decade have occurred in the services sector. Between 1982 and 1991, Texas' service sector added more than 560,000 jobs, including 16,500 in the Upper Rio Grande region.

But services, by their nature, are provided locally, and are not export-oriented. In fact, the growth of services is mostly attributable to several trends driven by demand from inside the region.

Recent growth in services has been tied to the increasing complexity of the business environment. With the rise of the global economy, technology, regulation and other forces affecting the business climate, businesses have come to rely more and more on independent firms for legal, accounting, data processing, consulting and many other services. Not surprisingly, business services is one area in which service growth has been concentrated.

Another area of prominent service growth for the state, and for the Upper Rio Grande region in particular, is health care. This trend has been driven by the aging of the population as well as by rising income and the rapid advancement of health care technology.

Finally, the large-scale entry of women into the work place has driven up household income and stimulated demand for such things as child care and cleaning services.

- **The Upper Rio Grande has manufacturing, government and retail trade sectors that are proportionally larger than in the state as a whole.**

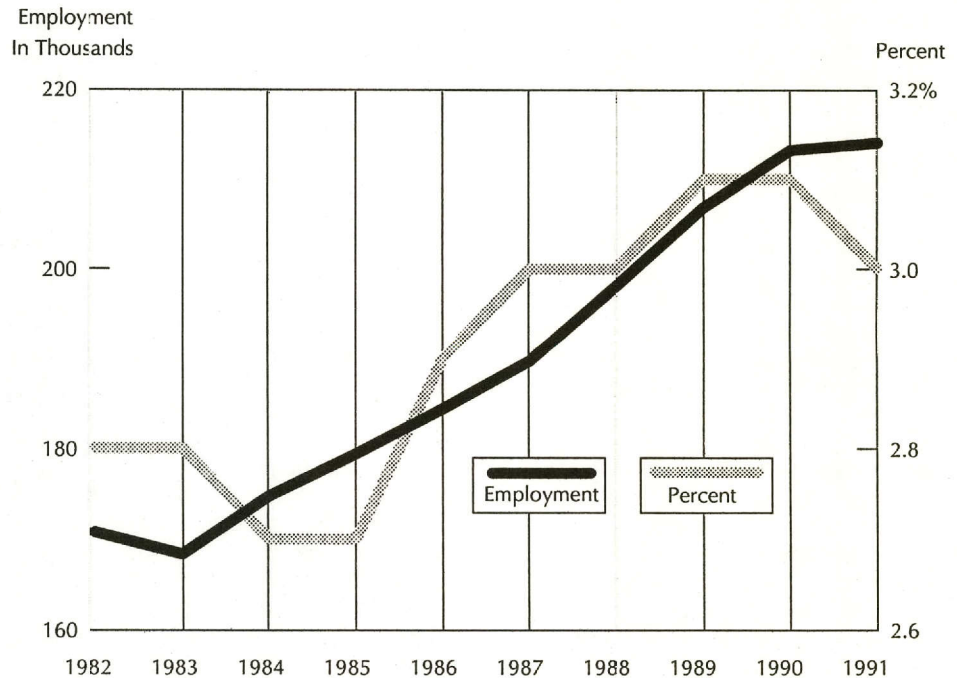
- **The region specializes in apparel manufacturing, copper production, electronics and several other manufacturing industries.**

- **Industries such as health, business and educational services, retail and wholesale establishments, semi-conductors and plastics gained in competitive share from 1988 to 1991 and are likely to capture a large share of future job growth.**



Figure 1

**Upper Rio Grande Employment
Total and Percent of Statewide Employment**



SOURCES: Texas Employment Commission and Texas Comptroller of Public Accounts.

Areas of Specialization

One key to understanding a region's economy is to define the industries that drive income and employment growth. Typically, these industries sell their particular goods or services outside the region, thereby generating regional "export" income. While these industries may or may not be an area's biggest, they play a much larger role in the regional economy than in the state's or nation's.

One measure of this greater importance is the "location quotient" which expresses how large a local industry is relative to the national economy. Mathematically the location quotient is defined as the percentage of the region's total employment that is accounted for by a particular industry, divided by the same industry's percentage share of total

national employment. Thus, a location quotient greater than "1" means that the industry employs proportionally more people in the region than it does in the nation as a whole. Table 2 presents 30 industries in the Upper Rio Grande region whose share of total regional employment is more than three times larger than the industry's corresponding share of total national employment.

Manufacturing

The Upper Rio Grande region's employment base is much more manufacturing intensive in comparison to both the state's and the nation's economy. The region's manufacturing sector accounts for more than 19 percent of its total employment as compared with 14 percent statewide and 17 percent nationally. The region has numerous distinct manufacturing exports in which the region specializes.



Manufacturing in the Upper Rio Grande region is nearly entirely concentrated in the region's only metropolitan area. All but 200 of the region's 41,400 manufacturing jobs in 1991 were located in and around El Paso.

Apparel

For a number of reasons, average wage rates for most industries in the Upper Rio Grande are below state and national averages. It is not surprising that apparel manufacturing—a highly labor-intensive industry—is dominant among the region's areas of specialization. The Upper Rio Grande region is well represented in industries such as pleating and stitching, men's and boys' trousers, work clothing, suits, coats and women's outerwear, dresses and handbags. Footwear—primarily leather boots—is also an area of specialization for the region. Other accessory industries in which the region specializes include leather gloves and personal leather goods. Apparel and footwear manufacturers like Levi Strauss, Wrangler, Lee, Tony Lama and Lucchese Boots have major facilities in the Upper Rio Grande region.

Other Manufacturing

Copper production is a big business in the Upper Rio Grande region. In fact, primary copper tops the list of specialized industries in the region. Asarco and Phelps Dodge have copper production facilities in El Paso.

The region's top areas of specialization includes food products like canned specialties, nuts, pet food and manufactured ice. Electronics and automotive electrical equipment are growing industries in El Paso. Regionwide employment in these industries is proportionally larger than in the nation as a whole. Paper products like cardboard and sanitary paper products are well represented among Upper Rio Grande region industries.

Government

Government employment makes up a much larger portion of the Upper Rio Grande region's employment base than in the state as a whole. The presence of Fort Bliss, a major military installation in El Paso boosts the region's government employment. The region also boasts a large state university, the University of Texas at El Paso. In addition, government functions relating to the border and trade with Mexico—such as border patrol and customs agents—add to the size of the

sector. One government industry classification is included among the areas of specialization in the Upper Rio Grande region. "Administration of Economic Programs" includes government employment that is classified as regulation or administration of transportation, regulation and inspection of commercial sectors, and regulation of agricultural commodities.

Areas of Comparative Advantage

Another key to understanding a region's economy lies in defining its growth industries. Growth is attributable to several different causes. Some growth in a region tends to be

Location Quotient and Shift Share Analysis

This section of the paper explores the structure of the region's economy and how it has changed over the past several years. More specifically, an analysis known as "location quotient" has been used to identify the unique structural components of the Upper Rio Grande region economy. This technique compares an industry's proportion of employment in a region with its proportion in the nation's economy. This identifies areas of specialization in the Upper Rio Grande economy that "export" outside the region, thereby bringing in many of the dollars that flow through other sectors of the economy.

Merely examining structural concerns often misses important trends. To identify the dynamic components of the region's economy, a "shift share" analysis helps to point out the economic strengths and weaknesses. The technique decomposes the change in an economy over time into component parts. One part, the national growth component, explains the change in a region's employment growth that can be attributed to growth in the national economy. A second component, the industry mix, adjusts for the industries represented in the region, relative to the national economy. The final and key component is the competitive effect which points to industries for which the region has gained or lost competitive share in employment.

One criticism of the location quotient technique is that it offers only a static—or "snapshot"—view of an economy. The strength of location quotient analysis is that it highlights areas of regional specialization, but it does so only for a particular point in time. The shift share analysis, however, shows a broader picture of change in a regional economy over time. Shift share analysis points to industries that may be waxing or waning in terms of attractiveness and competitive advantage relative to other regions in the United States. Industries that gained in competitive share have been successful in grabbing a disproportionately large amount of the available pool of new employment generated in that industry over the time period in question. This indicates that the region is comparatively more attractive to the industry than other regions in the nation. In this way, the shift share analysis portrays a more dynamic view of change in an economy, and highlights industries that may continue to capture a large share of new growth in the future.



Table 1
Largest Industries
(Based on 1991 Employment)

<u>Texas</u>	<u>% of Total</u>	<u>Upper Rio Grande</u>	<u>% of Total</u>
Services	23.0%	Government	22.0%
Retail Trade	18.4	Services	19.8
Government	18.0	Retail Trade	19.6
Manufacturing	13.9	Manufacturing	19.3
Wholesale Trade	6.2	Wholesale Trade	5.7

SOURCE: Texas Employment Commission and Texas Comptroller of Public Accounts.

driven by national economic trends. Whether the mix of industries in a region reflects relatively faster or slower growing industries is yet another factor affecting regional employment trends. The most telling indicator, however, describes employment growth in a region that is related to the region's relative attractiveness. "Shift share" analysis provides such an indicator. The shift share technique identifies regional growth that is attributable to national growth and industry mix. The residual represents the growth in a region that has been generated by the region's ability to compete with other regions for their share of new jobs in an industry. A region that has gained in competitive share in a particular industry has been relatively more successful than other regions—or has exhibited a comparative advantage—in attracting jobs.

Services and Trade

Upper Rio Grande has a large and growing service sector. Health, business and educational services are among the industries that gained the most in competitive share (see Table 3). But growth in this industry has been broad-based, spread among many types of services. Other services that gained in competitive share include personal services, social, legal, agricultural and transportation services. These service industries are driven more by demand from within the region than export potential to areas outside the region.

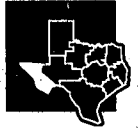
Several retail trade industries appear to be gaining in competitive share. The Upper Rio Grande region generates a good deal of economic activity from retail transactions with Mexican visitors who flock to retail establish-

ments in El Paso to purchase goods not available in their home country. As a result, general merchandise stores and eating and drinking places all showed strong increases in competitive share. In addition, Upper Rio Grande food stores, apparel and accessory stores and miscellaneous retail establishments increased their competitive share of employment between 1988 and 1991. Wholesale trade of durable and nondurable goods, more export-oriented industries, are also among the strong gainers of competitive share.

Tourism and travel are also boosting the export potential in the region's trade and services sectors. Tourism, like more traditional exports, brings in dollars from outside the region. The region is home to the Big Bend National Park, a popular tourist destination. El Paso has become an increasingly popular convention site, and the area's strong ties with Mexico have enhanced business travel. In the Upper Rio Grande region, tourism and business travel-related expenditures topped \$398 million in 1989 (latest data available). Travel-related employment rose to 7,790 in 1989.

Other Industries

Several of the region's manufacturing industries added significant amounts of competitive share employment. Apparel and accessory manufacturing is an important industry in the Upper Rio Grande region, and the region grabbed a large share of the jobs generated over the period 1988 to 1991. The region remained attractive for pleating and stitching, men's and boys' suits and coats, women's dresses and personal leather goods manufacturers.



**Table 2
Top 30 Areas of Specialization
in the Upper Rio Grande Region Economy**

Industry	Regional Employment in 1991	Location Quotient*
Primary Copper	994	94.8
Pleating and Stitching	1,556	53.4
Men's and Boys' Work Clothing	3,911	46.5
Electronic Resistors	850	37.7
Men's and Boys' Trousers and Slacks	4,807	28.7
Canned Specialties	1,124	24.6
Men's Footwear	1,417	23.6
Leather Gloves	73	15.4
Salted and Roasted Nuts and Seeds	217	13.2
Sanitary Paper Products	661	10.7
Leather and Sheep-Lined Clothing	63	10.6
Women's Outerwear	3,858	10.5
Administration of Economic Programs	502	10.2
Apparel and Accessories, N.E.C.**	279	9.9
Dog and Cat Food	301	9.3
Personal Leather Goods	160	9.1
Engine Electrical Equipment	1,146	9.0
Brooms and Brushes	221	8.4
Metal Household Furniture	327	7.5
Architectural Metalwork	360	6.8
Games, Toys and Children's Vehicles	526	6.3
Women's Handbags and Purses	62	6.1
Footwear Cut Stock	64	6.0
Miscellaneous Metal Work	150	5.8
Die-Cut Paperboard and Cardboard	162	4.9
Men's and Boys' Suits and Coats	425	4.5
Copper Rolling and Drawing	198	4.3
Manufactured Ice	54	4.3
Environmental Controls	373	4.1
Women's Dresses	495	3.8

*Figures above 1 indicate an industry in which the region specializes.

** Not elsewhere classified.

SOURCE: Texas Comptroller of Public Accounts.



Table 3
Top 30 Upper Rio Grande Region Industries
Ranked by Gain in Competitive Share
(Based on change in employment from 1988 to 1991)

Industry	Regional Employment in 1991	Gain in Competitive Share*
Health Services	16,804	1,945
Eating and Drinking Places	14,469	1,676
General Merchandise Stores	7,461	1,053
Pleating and Stitching	1,556	951
Business Services	9,047	744
Food Stores	6,849	619
Educational Services	24,591	559
Apparel and Accessory Stores	2,822	557
Personal Services	3,866	555
Wholesale Trade-Nondurable Goods	4,944	542
Social Services	4,467	516
Engine Electrical Equipment	1,146	505
Engineering and Management Services	2,583	482
Executive, Legislative and General Gov't.	1,547	372
Wholesale Trade-Durable Goods	7,310	304
Legal Services	1,555	294
Semiconductors and Related Devices	1,294	289
Men's and Boys' Suits and Coats	425	274
Telephone Apparatus	696	266
Plastics Products	1,818	255
Women's and Junior's Dresses	495	250
Brooms and Brushes	221	219
Metal Household Furniture	327	213
Miscellaneous Retail	3,540	206
Agricultural Services	909	178
Transportation Services	865	167
Salted and Roasted Nuts and Seeds	217	166
Building Materials and Garden Supplies	1,170	166
Motor Vehicles Car Bodies	339	154
General Building Contractors	2,227	153

*Represents employment growth from 1988 to 1991 that is attributable to the region's comparative advantage in the industry over other regions in the United States.

SOURCE: Texas Comptroller of Public Accounts.



Several growth industries in the Upper Rio Grande region have enjoyed success due in large part to their association with the maquiladora industry across the river in Juarez, Mexico. Automotive parts, electronics and plastic injection molding are such industries that have experienced marked growth, broadening the region's traditional manufacturing employment base. Engine electrical equipment, semiconductors and plastics products are all listed among Upper Rio Grande industries that added competitive share employment between 1988 and 1991.

Construction and related industries are included on the list of Upper Rio Grande region industries that gained in competitive share—including general contractors and engineering services.

Summary

What emerges from this analysis of specialization and change is a picture of a region with a strong government sector providing support to other industries. Manufacturing is dominant here, fueled in part by rapid industrialization on both sides of the Texas-Mexico border. Services, including health care, maquiladora-related business services and educational services, are also a large and growing area of specialization for the Upper Rio Grande region. The region's geographic position on the border and in the center of the Southwestern United States has boosted retail and wholesale trade. Ties to Mexico have elevated Upper Rio Grande retail trade operations to the status of an export industry, as dollars flow in from outside the region. ❖



Demographics

Perhaps the most striking characteristics of the Upper Rio Grande Region can be found in its demographic make-up. Throughout Texas, the majority of citizens (just over 60 percent) are Anglo. In the Upper Rio Grande, however, Anglos make up just 26.1 percent of the region's population, while Hispanics count for 69.2 percent of the total residents. Also, while the state ages rapidly as a result of declining birth rates, the Upper Rio Grande maintains a high birth rate, resulting in a relatively young population.

Population Growth

According to the 1990 census, the Upper Rio Grande region has a population of 615,196, representing an increase of 23 percent since the 1980 census. This is ahead of the state's growth rate of 19.4 percent during the same period. Counties in the region, however, have experienced population swings that vary greatly from the state norm. Of the region's six counties, two had population gains that exceeded the state average, while the rest grew more slowly than the rest of the state. There was also much disparity between the growth rates of rural and urban counties.

Metropolitan areas throughout Texas tend to outpace the state average for population growth. The El Paso metropolitan area followed this trend, enjoying population growth of 23.3 percent for the decade of the 1980s. El Paso is the only metropolitan county in the Upper Rio Grande region and accounts for much of the population gains of the past decade. In fact, though every county in the region became more populated during the 1980s, population growth in El Paso County accounted for more than 97 percent of the region's total growth.

Though most of the population changes of the past decade are a result of the region's high birth rate, some of the gains have resulted from people relocating to the region. Net migration, which measures the number of people moving into and out of the area, coin-

cides, for the most part, with the overall population trends of the region. Counties with population growth below the state average most likely had either negative or only very slight migration gains, while strong growth in total population often includes substantial in-migration numbers.

El Paso County also proved to be the region's most popular spot for those seeking to relocate. Net in-migration added more than 23,000 new residents to the county between 1980 and 1990.

In recent years, net-migration has had a very different effect on rural counties compared to urban ones. The decline of the family farm combined with disappearing jobs in the oil patch has left many rural residents out of work and with few prospects for employment in other lines of work. As a result, many of these people relocate to the metropolitan areas in search of job opportunities. The disparity between relative growth rates between the rural and urban counties demonstrates this trend in the Upper Rio Grande Region. For example, the population of Hudspeth and Culberson counties, which increased slightly during the past decade, would have declined if only net-migration were taken into account.

Population trends in the region have resulted in large increases in population density of some areas. In the Upper Rio Grande there are approximately 28.3 residents per square mile, up from a level of just 23 residents per square mile in 1980. The regional average, however, does not represent the vast diversity between El Paso County and the rest of the region. While no other county in the region averages more than 2 persons per square mile, El Paso County averages just

- Population growth in the Upper Rio Grande region has been higher than the statewide average.
- Though the Upper Rio Grande population is growing older, compared to the state its population is relatively young.
- Throughout the 1980s, personal income levels in the region trailed those of the state.



**Table 4
Upper Rio Grande Region Population**

County	Total			Hispanic			Anglo			Black			Other		
	1980	1990	Percent Change	1980	1990	Percent Change	1980	1990	Percent Change	1980	1990	Percent Change	1980	1990	Percent Change
Brewster	7,573	8,681	14.6	3,262	3,702	13.5	4,171	4,833	15.9	57	77	35.1	83	69	-16.9
Culberson	3,315	3,407	2.8	2,101	2,419	15.1	1,196	950	-20.6	0	2	N/A	18	36	100.0
El Paso	479,899	591,610	23.3	297,001	411,619	38.6	157,842	151,313	-4.1	17,590	20,525	16.7	7,466	8,153	9.2
Hudspeth	2,728	2,915	6.9	1,589	1,935	21.8	1,114	956	-14.2	8	9	12.5	17	15	-11.8
Jeff Davis	1,647	1,946	18.2	777	770	-0.9	866	1,154	33.3	1	6	500.0	3	16	433.3
Presidio	5,188	6,637	27.9	3,989	5,417	35.8	1,188	1,197	0.8	1	2	100.0	10	21	110.0
Regional Total	500,350	615,196	23.0	308,719	425,862	37.9	166,377	160,403	-3.6	17,657	20,621	16.8	7,597	8,310	9.4
Texas Total	14,229,191	16,986,510	19.4	2,985,824	4,339,905	45.4	9,350,297	10,291,680	10.1	1,692,542	1,976,360	16.8	200,528	378,565	88.8

Note: These numbers were adjusted to define white, black, hispanic and other as mutually exclusive categories by the Department of Rural Sociology, Texas A&M University.

SOURCES: U.S. Census Bureau, Texas A&M University and Texas Comptroller of Public Accounts.

over 583 persons per square mile. As a result of strong population growth, the population density of the county increased from a level of 473 persons per square mile in 1980:

Ethnic Diversity

While the population of the region has increased by 23 percent during the past ten years, changes among the ethnic groups have varied greatly. The Anglo population decreased by 3.6 percent while the Black population grew by 16.8 percent. It was strong growth in the Hispanic population, however, that enabled the region to grow faster than the state. In the past decade, the total number of Hispanics in the Upper Rio Grande has grown by almost 40 percent, adding more than 117,000 people to the region's population. During that time, their share of the total population increased from 61.7 to 69.2 percent. The state's Hispanic growth rate was 45.4 percent over the 10-year period.

As might be expected, the bulk of the growth came from El Paso County. Of the 117,000 new Hispanics, almost 115,000 came from El Paso. The number of Hispanics actually declined in Jeff Davis County, making it the only county in the regions where

the Hispanic community became smaller. Throughout the region, the Hispanic population increased in five of the six counties and their share of the ethnic makeup increased in four of those five.

The African-American population in the Upper Rio Grande has grown by 16.8 percent during the past 10 years. Growth, however, was not evenly spread, as virtually all of the growth has been in the region's metropolitan county. In fact, between 1980 and 1990, while the Black population in El Paso County increased by 2,900, it increased by a total of less than 30 in all of the region's other counties combined.

The number of Anglos in the ethnic mix has declined in the Upper Rio Grande Region during the past 10 years, surpassing the regional growth average in only Jeff Davis County. While El Paso once again saw the largest decline in terms of actual numbers, Culberson and Hudspeth counties had the largest percentage decreases, losing 20.6 and 14.2 percent of their Anglo population respectively.

Contrary to other regions in the state, a Hispanic majority in the population is the rule rather than the exception. In the Upper Rio Grande region, Anglos make up only 26.1 percent of all residents, compared to 60 percent of all Texas residents (See Table 5). Hispanics account for 69.2 percent of the



region's population compared to just 25.6 percent for the state. Compared to Hispanics and Anglos, Blacks make up only a small percentage of the population. Throughout the state, Blacks account for 11.6 percent of the population, in the Upper Rio Grande they make up only 3.4 percent.

Age

Though the ethnic make-up of the Upper Rio Grande region differs greatly from state and national norms, some of the characteristics of its breakdown by age group are very similar. Two trends in particular have affected the region just as they have the rest of the nation. The first is the impact of the "Baby Boomers" and the second is the gradual aging of the population.

Most of the Baby Boomers, those born in the population explosion that followed World War II, now occupy the age categories between 25-44. Of the Baby Boomers, the "25-29" group is the largest, making up 8.6 percent of the population and the 30 to 34 year-olds make up 8.4 percent of the population. Upper Rio Grande Baby Boomers combine to make up 30.6 percent of the total population for the region.

The Baby Boomers have swelled the ranks of their age divisions. Between 1980 and 1990, the oldest of the Baby Boomers entered the age groups between 35-44 and, by doing so, increased the population by 58.4 percent. The age-group categories vacated by them have declined rapidly in their wake. In 1980, residents in the region between the ages of 15 to 24 made up 21.1 percent of the total population. Ten years later, as the Baby Boomers aged, the number of people in that age group had increased by just 4.3 percent and their share of the total population had decreased to 17.9 percent.

As the swollen ranks of the Baby Boomers age, they have increased the average age of the population. This, combined with medical advances that have extended the average life-span, promises to dramatically alter the make-up of the population in coming years.

The effects of increased longevity are evident in both the state and the Upper Rio Grande. In the state, the number of citizens over the age of 65 has increased by 25.2 percent during the past 10 years. At the same time, the region's residents above the age of 65 have increased by 51.2 percent. The

largest increase of any age category came from the "85 and older" group, which increased by more than 63 percent during the decade.

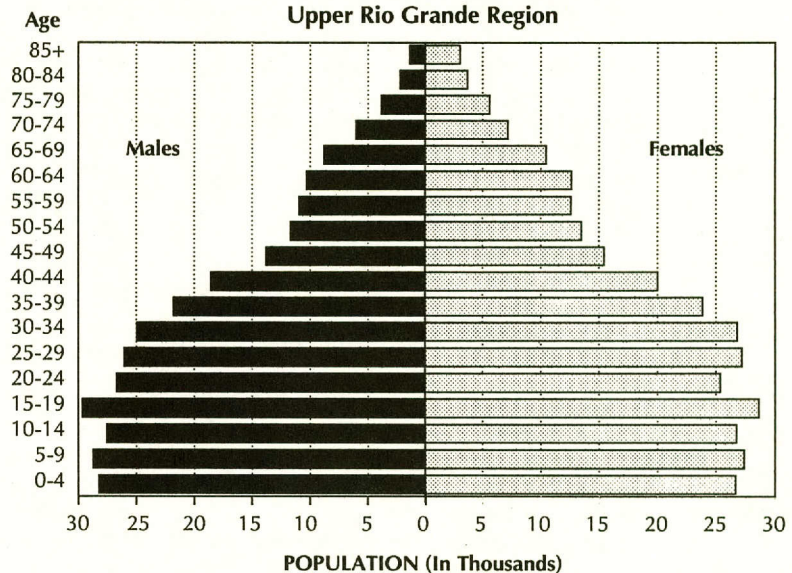
Income

Though some statewide demographic trends may hold true for the region, income levels in the Upper Rio Grande consistently fall below those of the state and nation. In 1990, the region averaged \$11,537 in income per person, while the state averaged \$16,717 and the national average was \$18,696 (See Table 6). Low income levels are widespread throughout the region, with five of the six counties ranking among the 50 poorest in the state.

Since the statewide recession of the mid-1980s, personal income in the region has gone through several erratic swings. Despite this strong growth in recent years, the region grew by an average annual rate of just 4.5 percent since 1987 and has not been able to keep pace with the 6.5 percent annual income growth rate of the state during that period.

The Upper Rio Grande includes some of the poorest areas of the state. In general, the

**Figure 2
1990 POPULATION BY AGE AND SEX
Upper Rio Grande Region**



SOURCES: Bureau of the Census, United States Department of Commerce.



**Table 5
Upper Rio Grande Ethnic Make-up**

County	Percent Hispanic		Percent Anglo		Percent Black		Percent Other	
	1980	1990	1980	1990	1980	1990	1980	1990
Brewster	43.1%	42.6%	55.1%	55.7%	0.8%	0.9%	1.1%	0.8%
Culberson	63.4	71.0	36.1	27.9	0.0	0.1	0.5	1.1
El Paso	61.9	69.6	32.9	25.6	3.7	3.5	1.6	1.4
Hudspeth	58.2	66.4	40.8	32.8	0.3	0.3	0.6	0.5
Jeff Davis	47.2	39.6	52.6	59.3	0.1	0.3	0.2	0.8
Presidio	76.9	81.6	22.9	18.0	0.0	0.0	0.2	0.3
Total	61.7	69.2	33.3	26.1	3.5	3.4	1.5	1.4
Texas	21.0	25.6	65.7	60.6	11.9	11.6	1.4	2.2

Note: These numbers were adjusted to define white, black, hispanic and other as mutually exclusive categories by the Department of Rural Sociology, Texas A&M University.

SOURCES: U.S. Census Bureau, Texas A&M University and Texas Comptroller of Public Accounts.

counties on and near the Mexican border tend to have much lower levels of income than do the rest of the region. In 1990, every county along the border had personal income levels that fell below the state average. The region's poorest county, Presidio, ranked among the ten poorest in state.

Demographic Trends in the Future

In the Upper Rio Grande, emerging trends in both the size and make-up of the population are expected to continue into the 21st

Century. The region's population will continue to grow faster than the state's. For the next ten years, the region is projected to grow at an annual average rate of 1.8 percent, while the population of the state will expand by an average of 1.2 percent per year.

Differences in the rate of population growth among the various ethnic groups will continue to increase the dominance of Hispanics in the region's ethnic mix. The number of Hispanics in the region will continue to grow faster than any other group, though their meteoric rise will slow to an annual rate of 2.5 percent in the coming decade. The

**Table 6
Upper Rio Grande
Per Capita Personal Income**

1990 Rank in State		1980	1990	Change	Percent Change
226	Brewster	\$7,128	\$12,122	\$4,994	70.1%
235	Culberson	6,955	11,163	4,208	60.5
233	El Paso	6,677	11,545	4,868	72.9
200	Hudspeth	7,734	13,057	5,323	68.8
205	Jeff Davis	6,818	12,870	6,052	88.8
246	Presidio	7,889	9,159	1,270	16.1
	Regional Average	\$6,704	\$11,409	\$4,832	72.1%
	TEXAS AVERAGE	\$9,528	\$16,717	\$7,189	75.5%

SOURCES: Bureau of Economic Analysis and Texas Comptroller of Public Accounts.



Black population in the region will expand at a rate that is very close to, or slightly behind, that of the state. Beginning in 1992 and continuing into the foreseeable future, the number of "minorities" in the region's ethnic mix will begin to increase faster as the Anglo population begins to decline. The percentage of

Anglos in the region will continue to trail the state average, making up less than 20 percent of the population by the year 2003 and, by the year 2026, Anglos will account for only slightly more than ten percent of the region's total population. *



Labor Force

The Upper Rio Grande region's industrial profile has traditionally been comprised of agriculture, tourism and textile manufacturing. In addition, increasing traffic across the Texas-Mexico border requires a strong transportation base. As trade increases with Mexico, the local labor force has adjusted. The region's universities and colleges have put a strong emphasis on job training, instituting programs to increase the literacy rate and improve technical skills.

The Upper Rio Grande region is following the state's occupational shift away from production and towards service occupations. Service-related and sales-related occupations constitute a growing portion of the Upper Rio Grande's labor force. Professional and technical occupations are also gaining in job share.

To improve skill levels in the work force, the majority of school districts have extensive vocational education programs. Manufacturers and colleges have also realized the important link between education, the quality of the work force and its productivity. Unfortunately, the region's education system has traditionally rated below state averages and the labor force does not possess a high degree of specialized skills training. As a result, average wages remain below state and national averages.

Labor Force Demographics

The Upper Rio Grande's high birth rate and immigration from Mexico continue to boost the working age population. In 1990, the Upper Rio Grande's working age population (18-64 year-olds) totaled 365,300 or 59.4 percent of the region's total population. Statewide, 61.4 percent of the population is of working age. While the working age population is growing quickly, the availability of new jobs has not always kept pace.

The Upper Rio Grande region is experiencing a population explosion. Annual

growth for the region's working age population will exceed the state average each year through 2026. Even when the state's working age population begins to decline in 2018, the Upper Rio Grande's number of available workers will continue to grow. Even as the current work force ages and retires, the Upper Rio Grande will continue to have an abundant supply of labor. The region is ideal for new industry because of the large labor force available and the promise of increasing trade with Mexico. On the other hand, the growing supply of labor may pose problems for the region, including the possibility of continued high unemployment and the increased costs of training workers.

The Upper Rio Grande region has traditionally had high unemployment. Since February 1990, the region's unemployment rate has remained above 10 percent, and peaked at 11.4 percent in January 1991. During the first seven months of 1992, unemployment workers ranged between 10.7 percent and 11.2 percent. The largest concentration of unemployment is along the Texas-Mexico border.

As the supply of labor changes in the future, so will the number of jobs requiring specialized training. Higher education will continue to increase in importance. National projections indicate jobs requiring a degree—executive, administrative and managerial, specialized professions and technical occupations—will grow by more than 27 percent between now and 2005. Jobs not requiring

- To benefit from increased trade with Mexico, the skill level of the Upper Rio Grande's work force will need to rise.

- The Upper Rio Grande has a large and growing supply of labor.

- El Paso Community College is working with local industry to improve literacy rates.

- Upper Rio Grande schools have high dropout rates and test scores below the state average.



**Table 7
Upper Rio Grande, Texas and U.S.
Educational Attainment Levels in 1990**

	<u>Upper Rio Grande</u>	<u>Texas</u>	<u>United States</u>
Less Than 9th Grade	20.7%	12.3%	9.7%
9th-12th Grade No Diploma	15.0	15.9	11.9
Did Not Complete High School	35.7	28.2	21.6
High School Grad or GED	24.3	25.9	39.2
Some College No Degree	22.1	22.9	19.7
Associate Degree	4.7	4.9	N/A
Bachelor Degree	9.2	12.6	11.8
Graduate Degree	4.0	5.5	7.7
Completed High School	64.3	71.8	78.4

Figures in the above table represents the percent of the population which attained each category as its highest level of educational achievement.

SOURCES: U.S. Census Bureau and Texas Comptroller of Public Accounts.

a college degree are projected to increase by less than 16 percent during the same period of time.

Educational Attainment

Many Upper Rio Grande industries require entry level workers to be high school gradu-

ates. The Upper Rio Grande has traditionally had below average test scores, high dropout rates, and fewer students attending college. Of the region's population over the age of 18, 35.7 percent have not received a high school diploma or equivalent certification, compared to 28.2 percent statewide and 21.6 percent nationally.

**Table 8
Upper Rio Grande's 10 Largest Occupations in 1990**

<u>Occupation</u>	<u>Total</u>	<u>Percent of Total</u>	<u>Percent of State Total</u>	<u>Rank in State</u>
Total, All Occupations	220,500			
Machine Setters, Operators and Tenders	15,900	7.2%	3.1%	9
General Office Occupations	71,300	6.7	6.4	1
Food and Beverage Occupations	14,600	6.6	6.2	2
Teachers and Instructors	12,800	5.8	4.4	6
Helpers, Laborers and Material Movers	10,400	4.7	4.4	5
Mechanics, Installers and Repairers	10,100	4.6	4.5	4
Transportation and Material Moving Machine	9,800	4.4	4.6	3
Construction Trades, Extractive	7,900	3.6	4.3	7
Salespersons, Retail	7,500	3.4	3.1	8
Secretaries	6,100	2.7	3.0	10

SOURCES: Texas Employment Commission and Texas Comptroller of Public Accounts.



**Table 9
Upper Rio Grande's 10 Fastest Growing
Occupations 1985-1990**

<u>Occupation</u>	<u>1985 Total</u>	<u>1990 Total</u>	<u>1985-1990 Job Change</u>	<u>Rank in State Growth</u>
Total, All Occupations	194,300	220,500	26,200	
Food and Beverage Occupations	12,100	13,900	1,800	1
Teachers and Instructors	11,000	12,800	1,800	2
Machine Setters, Operators & Tenders	14,100	15,900	1,800	15
Mechanics, Installers and Repairers	8,800	10,100	1,300	4
Helpers, Laborers & Material Movers	9,200	10,400	1,200	7
Transportation and Material Moving	8,600	9,800	1,200	3
General Office Occupations	13,500	14,600	1,100	5
Construction Trades, Extractive	7,000	7,900	900	14
Cashiers	4,200	5,100	900	9
Salespersons, Retail	6,700	7,500	800	13

SOURCES: Texas Employment Commission and Texas Comptroller of Public Accounts.

The proportion of the region's adult population having some college education is 40.0 percent compared with the statewide figure of 45.9 percent and the national average of 39.0 percent. In 1990, the annual dropout rate for Upper Rio Grande schools was above the state average at 5.5 percent, compared with the state rate of 5.1 percent.

The region's relatively low number of students attending college has created a strong need for vocational education. In 1990, approximately 15 percent of all Upper Rio Grande students were enrolled in some form of vocational education, compared to the state average of just 13 percent.

One tool to measure student achievement is standardized testing. Until the 1989-1990 school year, Texas' public schools used the Texas Educational Assessment of Minimum Skills (TEAMS) test to assess student skills. During the last year of the test, 63.3 percent of Upper Rio Grande students passed all sections, compared to the state average of 73.6 percent. In 1990, TEAMS was replaced by the Texas Assessment of Academic Skills (TAAS). In 1991, Upper Rio Grande continued to score below state averages, with only 46.0 percent passing all sections of TAAS, compared

with 55.7 percent statewide.

Upper Rio Grande students also lagged behind the state and nation on the Scholastic Aptitude Test (SAT). In 1991, Upper Rio Grande students averaged 820 on the SAT compared to the state average of 872 and the national average of 900. On the American College Testing exam, Upper Rio Grande students averaged 19.7, below the state average of 19.8, but above the national average of 18.6.

Occupational Characteristics

The Upper Rio Grande labor force is primarily concentrated in and around El Paso. Therefore, occupational trends in the El Paso metropolitan area can be considered representative of the region as a whole. The Upper Rio Grande has enjoyed growth in its labor force. The region's metropolitan area labor force rose by 26,200, or 13.5 percent, from 194,300 in 1985 to an estimated 220,500 in 1990. During the same period the statewide labor force grew by an estimated 10.4 percent.

Upper Rio Grande is similar to the majority of the state with regard to its fastest growing industries. Secondary education and health care services are leading growth



areas. In addition, the Upper Rio Grande region has several industries that are vital to the regional economy including tourism, textile manufacturing and agriculture.

Professional and technical occupations—ones that require higher education—constitute a slightly larger percentage of the statewide labor force than in the Upper Rio Grande region. In 1990, professionals in the region constituted 18.7 percent of the labor force. At the same time, professionals accounted for 19 percent of the total labor force in the state.

The Upper Rio Grande's teachers and instructors make up the largest portion of professional occupations, accounting for 5.8 percent of the region's total labor force in 1990 compared to 4.4 percent statewide. The number of teachers and instructors in the region has expanded at an impressive rate, rising by 1,800 between 1985 and 1990.

Upper Rio Grande's manufacturing base is supported by more than 68,800 production, operative and maintenance workers, accounted for 31.2 percent of the regional labor force in 1990. Machine setters, operators and tenders make up the largest portion of production occupations. In 1990, these occupations employed 15,900 and have added 1,800 workers since 1985.

The Upper Rio Grande's largest transportation-related occupation is truck drivers, accounting for almost half of all transportation workers. In 1990, the region's truck drivers constituted 2.1 percent of the labor force compared with 2.4 percent statewide.

Service-related employment in the Upper Rio Grande region accounted for 14.8 percent of the labor force, compared with 15.0 percent statewide in 1990. Health service occupations also constituted a smaller percentage of the regional labor force than the state's in 1990: 1.2 percent in the region compared with 1.5 percent statewide.

Sales-related occupations have a slightly smaller presence in the Upper Rio Grande region than they do in the state as a whole. In 1990, sales workers made up 11.0 percent of the labor force in the region versus 11.1 percent statewide.

Retail sales personnel make up the largest percentage of the sales-related work force in both the region and the state. In 1990, their share of the total labor force was 3.4 percent in the region, and 3.1 percent statewide.

Clerical and administrative support occupations are declining in presence in both the Upper Rio Grande region and the state. In 1990, their share of the total labor force was 16.5 percent in the region and 17.7 percent statewide. Secretaries constituted the largest portion of the clerical and administrative support occupations. In the region, secretaries accounted for 2.7 percent of the total labor force in 1990, compared with 3.0 percent statewide.

Average Wage Comparison

Texas has historically been a relatively low-wage state, but now average wages are approximately equal in the state and the nation. Texas' average annual wage was \$23,800 in 1990, \$500 above the national average wage of \$23,300.

In contrast, the Upper Rio Grande's average wage of \$17,400 was \$5,900 below the national average, and \$6,400 below the state average. But in eight industries, the average wage in the Upper Rio Grande region exceeded the national average wage for their industry in 1990. These industries, however, employ only 3.5 percent of the region's labor force.

Of the region's 16 largest industries, none has average wages higher than the state or the nation for their particular industry. Apparel and textile products manufacturing, the region's largest employment sector, had average wages substantially below the state and nation: \$13,900 compared with \$14,900 and \$15,300.

Some explanations for lower wages in the Upper Rio Grande region include a lower cost of living, lower educational levels, high unemployment, proximity to the Texas-Mexico border and a strong agricultural presence.

Work Force Development

In an effort to keep pace with changing occupations in the region, local educators and industry leaders are attempting to provide students with the necessary skills to enter the work force. By introducing vocational and technical training to students at the secondary and higher education levels, local officials are hoping to increase the number of skilled workers.

Local industry is working with secondary and higher education providers to increase



**Table 10
Upper Rio Grande and U.S. Average Annual Wages**

<u>Industry</u>	<u>U.S. Annual Average Wage</u>	<u>Upper Rio Grande Average Wage</u>	<u>Amount Above U.S. Average</u>
Metal Mining	\$37,200	\$56,600	\$19,400
Transportation Equipment	36,900	47,100	10,200
Nonmetallic Mineral, Except Fuel	29,900	37,600	7,700
Local and Interurban Passenger Transit	14,700	17,900	3,200
Petroleum and Coal Products	42,600	45,700	3,100
Miscellaneous Repair Services	22,500	25,400	2,900
Electric, Gas and Sanitary Services	38,400	38,900	500
Pipelines, Except Natural Gas	44,700	44,900	200

SOURCES: Texas Employment Commission, Bureau of Labor Statistics and Texas Comptroller of Public Accounts.

the quality of entry level workers. As skill and education levels increase, average wages will also increase. Educators and industry are trying to move the work force away from the region's traditionally low paying textile and agricultural base.

The Upper Rio Grande's labor force has a high level of illiteracy, primarily due to the region's large immigrant population. Many of these workers are unable to speak English and have been targeted for bilingual education programs. Many local employers have contracted with El Paso Community

College to provide bilingual and literacy training.

The Texas Quality Work Force Planning program's goal is to develop a skilled and educated work force, capable of contributing to the state's economy as well as compete in the global marketplace. The program was created as a partnership between the Texas Education Agency, the Texas Department of Commerce and the Texas Higher Education Coordinating Board and also involves local industry and educators.

Tech-Prep, an extension of Quality Work

**Table 11
Relative Wage Rates for Upper Rio Grande's
10 Largest Private Industries**

<u>Industry</u>	<u>Texas Annual Average Wage</u>	<u>South Texas Average Wage</u>	<u>Difference</u>	<u>Percent Difference</u>
Apparel and other textile products	\$15,300	\$13,900	-\$1,400	-10.1%
Eating & drinking places	8,300	7,900	-400	-5.1
Health services	25,200	24,100	-1,100	-4.6
Business services	19,500	14,600	-4,900	-33.6
Wholesale trade, durable goods	31,600	24,600	-7,000	-28.5
Food stores	13,000	12,600	-400	-3.2
General merchandise stores	12,600	11,300	-1,300	-11.5
Electronic and other electrical equip	30,100	21,100	-9,000	-42.7
Special trade contractors	25,000	14,500	-10,500	-72.4
Wholesale trade, nondurable goods	27,800	20,900	-6,900	-33.0

SOURCES: Texas Employment Commission, Bureau of Labor Statistics and Texas Comptroller of Public Accounts.



UPPER RIO GRANDE

Force Planning, is a federally funded program designed as a six-year degree plan for students working toward a career in technical fields. After career counseling, ninth graders begin two years of Pre-Tech-Prep which emphasize academic skills. Eleventh grade students enter the four-year core of courses, to earn an associate degree with initial and master technician certification. After completing the associate degree program, students will be ready to enter the labor force or continue their education on the university level.

Sul Ross State University, located in Alpine, has many programs designed to benefit the local economy. Because Brewster County is rural and relies on ranching for economic support, range animal science is one of the school's most demanded degrees. Range animal science degrees include range and wildlife management, animal husbandry and meat technology. Currently, Sul Ross has a cooperative international business program with the University of Chihuahua.

El Paso Community College's three campuses provide a wide range of functions to the local area. The college is part of the Texas Work Force Literacy Consortium, which trains literacy educators. Levi Strauss, Baxter Converters and East West Apparel receive literacy training for their employees by contracting with the college.

The college's Advanced Technology Center provides noncredit courses in skills ranging from computer numeric control to die and tool making. The center can customize training to fit the individual needs of a specific manufacturer.

El Paso Community College students can receive credit in a number of subjects. They can train in health care, with the cooperation of local health care providers. Business occupations and child care are

also popular programs. Many students also continue their educations at the University of El Paso or other four year colleges.

The University of Texas-El Paso (UTEP) has two programs that have a direct impact on the Upper Rio Grande economy. The first is the Division of Professional and Continuing Education. The program provides seminars to the general public in subjects such as computers and small business management. The Institute for Manufacturing Materials Management offers a variety of services to local manufacturers. Productivity and management training can be contracted and data bases are made available. The institute collects information about manufacturing on both sides of the Texas-Mexico border.

El Paso is also home to a University of Texas Nursing School and the Texas Tech Medical Center. As the demand for health care professionals rises, these schools will increase in importance.

As free-trade increases between Texas and Mexico, programs have been geared to create highly-skilled workers to manufacture products in Texas that can be taken to Mexico for assembly. Therefore, the higher paying phases of manufacturing would remain north of the Texas-Mexico border.

The Upper Rio Grande's occupational expansion is directly tied to the region's education system. The only way to produce highly-skilled workers is to have an educational infrastructure that is aware of local industry's needs. As the region's labor force grows, competition for available jobs will also grow. If the region does not have a skilled labor force, the region will lose jobs to other areas because industries requiring skilled labor will not locate in the Upper Rio Grande region and industries requiring unskilled labor will go to Mexico where labor costs are lower. ❖



Forecast

Economic Outlook Through 2000

Many of the forces of change playing out in Texas will have direct impacts on the economic outlook for the Upper Rio Grande region by the turn of the century. An aging population along with generally rising health care expenditures will support a growing health care industry in the region. Rising incomes and lifestyle changes, such as more women working outside the home, should drive further increases in the demand for other services.

In other respects, the economy of the Upper Rio Grande region will differ significantly from that of the state. Based on its competitively priced labor force, the region should gain manufacturing jobs in nationally expanding industries while maintaining its share of jobs in some industries that will decline in other parts of the state. Increasing trade with Mexico should also drive up job gains in business services.

Changing Structure of the Upper Rio Grande Economy

The Upper Rio Grande region continues to grow in population, nonfarm employment, and personal income. Earlier in the decade of the 1990s, the economy slowed and nonfarm employment showed only a minor gain due largely to the slowing national economy. Although the region did add jobs for the eighth straight year, the change in 1991 was small.

Future job growth should become more vigorous as the national economy gains momentum. Building on its advantage of competitively-priced labor, the region's manufacturing sector should display relatively strong growth during the 1990s with an estimated annual growth rate of 2.5 percent, well above the 1.4 percent growth rate expected for the state as a whole.

Citing the quality of the labor market in the Upper Rio Grande region, Lee Compa-

ny, a blue jean manufacturer, will add a total 800 jobs in 1992 and 1993 at two new El Paso plants. This underscores the region's strength in maintaining its share of industries which, in other parts of the state, are expected to post modest employment declines during the 1990s (see figure 3).

Moreover, Leviton Manufacturing Company, a manufacturer of wiring devices and electronic controls, will hire 300 workers within five years to operate a new production facility in El Paso. Total employment for the Leviton plant is expected to increase to 600 workers within ten years. This highlights the region's ability to attract jobs in manufacturing sectors, such as electronics and food processing, which are expected to display strong growth in the state through the end of the decade (see Figure 3). Later in the decade, as the nation continues to recover from the economic malaise, manufacturing employment in the region should increase further.

Government, another large sector in the region's economy, will continue to expand, but at a much slower pace than in the past. In particular, continuing budgetary pressures on state government will slow the addition of jobs in this sector and much the same picture emerges for growth in job opportunities in the federal sector. The majority of the modest growth expected in government in the Upper Rio Grande region will come from local government.

The wholesale and retail trade sector continues to add jobs in El Paso, but 1991 growth was anemic as consumers were wary of the nation's economic condition. Only 200 trade jobs were created, a 0.4 percent increase over 1990. Later in the

- Strong growth in manufacturing employment is expected during the 1990s.

- Employment in business and health services is expected to rise 3.3 percent annually.

- The region's population will reach 742,000 by the turn of the century.



TABLE 11
Upper Rio Grande Economic Forecast Through 2000

	Annual Percent Change					
	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>1990-95</u>	<u>1995-2000</u>	<u>1990-2000</u>
Total Personal Income <i>(in Billions)</i>	\$7.12	\$10.10	\$14.76	7.3%	7.9%	7.6%
Total Nonfarm Employment <i>(in Thousands)</i>	210.2	230.1	259.5	1.8	2.4	2.1
Mining Employment <i>(in Thousands)</i>	0.5	0.4	0.4	-2.6	0.0	-1.3
Construction Employment <i>(in Thousands)</i>	8.6	8.8	9.9	0.3	2.5	1.4
Manufacturing Employment <i>(in Thousands)</i>	41.4	45.7	52.9	2.0	3.0	2.5
TPU/Comm Employment <i>(in Thousands)</i>	10.1	10.4	10.9	0.6	0.9	0.7
Trade Employment <i>(in Thousands)</i>	53.9	58.1	65.0	1.5	2.3	1.9
FIRE Employment <i>(in Thousands)</i>	8.1	8.1	8.1	0.0	0.1	0.1
Services Employment <i>(in Thousands)</i>	42.1	48.9	58.4	3.0	3.6	3.3
Government Employment <i>(in Thousands)</i>	45.5	49.6	53.6	1.7	1.6	1.6
Retail Sales <i>(in Billions)</i>	\$3.9	\$5.2	\$7.4	5.9	7.4	6.7
Population <i>(in Thousands)</i>	623.8	683.2	742.0	1.8	1.7	1.8
Births <i>(in Thousands)</i>	15.3	16.3	17.4	1.3	1.3	1.3
Deaths <i>(in Thousands)</i>	3.3	3.8	4.3	2.8	2.4	2.6
Per Capita Personal Income	\$11,409	\$14,789	\$19,895	5.3%	6.1%	5.7%

SOURCE: Wharton Econometric Forecasting Associates and Texas Comptroller of Public Accounts.

decade stronger growth should resume so that this sector should add 11,100 from 1990 to 2000.

The renewed attraction of El Paso as a favorable business environment coupled

with low interest rates should stimulate construction activity. Construction of industrial facilities such as the Lee Company and Leviton plants, as well as new homes, should lead the way to modest



growth in construction activity during the decade, with job gains averaging 1.4 percent annually.

Service Sector Growth

Two other strong national forces of change will serve to generate the bulk of the region's jobs outside of the more traditional sources of manufacturing, government and construction. First, rapidly rising expenditures on health care coupled with an aging population are expected to generate national employment gains in the health care industries of more than 40 percent during the 1990s (see Figure 4). In meeting the health care needs of its population, the Upper Rio Grande region will share in these employment gains.

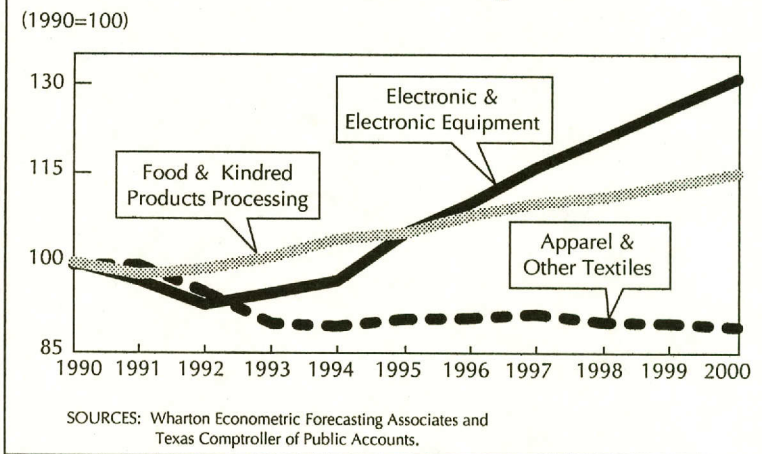
Second, companies in the U.S. and particularly manufacturing firms, are reorganizing their business operations. There is a trend toward "out-sourcing" of business functions previously conducted within the company. Notable in this regard are many maintenance, accounting and security functions. As a result, employment in firms providing these business services has grown considerably during the past few years. At the national level, this growth is expected to continue during the 1990s with business services employment expected to increase by nearly 70 percent over the next ten years (see figure 4). Based on these trends employment in business services is also forecast to increase in the Upper Rio Grande region during the last decade of the 20th century.

Spurred by these trends, the service sector is expected to be the fastest growing sector of the Upper Rio Grande economy during the 1990s. Employment growth in services should average 3.3 percent annually from 1990 to 2000, adding 16,300 jobs during this period.

Population and Income

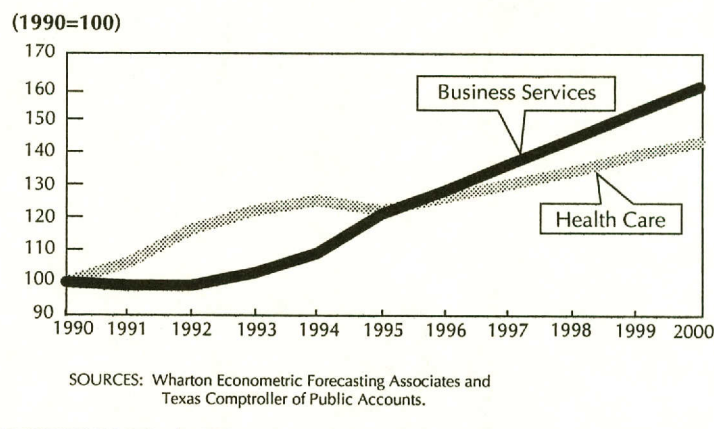
Total personal income in the region will rise from \$7.1 billion dollars in 1990 to \$14.8 billion dollars in 2000 for an average annual growth rate of 7.6 percent. Per capita income in El Paso will increase from \$11,409 to \$19,895 for the same period.

**Figure 3
Key National Employment and
Production Forecasting Indices**



Natural increase (births less deaths) remains the major contributor to the population in El Paso, adding more than 10,000 persons per year. Overall, the population will increase by 118,200 people by the year 2000, an average annual growth rate of 1.8 percent per year, well above the expected state average of 1.2 percent annually. The region's population should reach 742,000 by the turn of the century. ✪

**Figure 4
Employment Indices for U.S. Business
and Health Care Services**





Forces of Change

Evidence of the forces of change can be seen all around us, in our history as well as in our current situation. While the forces of change have consequences for all Texans, some are particularly relevant to a region of the state. The Upper Rio Grande region has always been set somewhat apart from the rest of Texas. In fact, it is said that the region's major metro area, El Paso, may be more attuned to events in Washington or Mexico City or even Albuquerque than to those in Austin. The region is even separated in time from the rest of Texas, operating on Mountain Time while the rest of Texas is on Central Time. Globalization of the economy, increased infrastructure needs and a growing labor force are just a few of the forces of change that will affect the Upper Rio Grande region in the decades to come.

The Upper Rio Grande and Economic Globalization

Globalization is a broad term usually referring to the spread of international trade via a high tech, integrated communication and transportation network. The Upper Rio Grande region, especially El Paso, has always participated in international trade through strong economic and cultural ties with its next-door neighbor, Mexico. These ties will become even more important as more of the trade between the U.S. and Mexico begins passing through the region and as the pace of trade between the two countries accelerates.

If the current round of trade talks between the U.S. and Mexico ends with a North American Free Trade Agreement (NAFTA), the countries will begin phasing out many of the current barriers to trade. Opening the border to free trade would have a net positive impact on the state and the region because shipments both to and from Mexico and total Texas output would rise. Projections from the Comptroller's office show that Texas' exports will rise substantially by the year 2000 with or with-

out a NAFTA. Free trade would give the growing trade between Texas and Mexico an additional boost.

Analysis of the expected effects of NAFTA also indicates that some companies may move their operations south of the border. Typically these companies have labor-intensive operations that would profit from the lower wages paid to Mexican workers.

Mexico, however, is not the only low-wage destination available to companies. The Caribbean Basin and Pacific Rim countries also offer lower labor costs, lower even than Mexico. American labor should prefer to have companies move to Mexico rather than the Caribbean Basin or Pacific Rim because Mexico imports a large quantity of raw materials, services, and capital goods from the U.S. These imports support employment in the industries that provide these materials, services and goods. Part of the premise behind free trade is that it will increase economic growth and foster new or increased trade to employ displaced workers.

Through economic and cultural ties with Mexico, the Upper Rio Grande also has an excellent opportunity to increase trade if NAFTA passes. Mexico offers a huge market for the goods Texas, and especially the region, produces. The Upper Rio Grande also has a population that, through knowledge of the language and culture of Mexico, is primed to work toward increasing the region's market share.

The Upper Rio Grande region could also increase its trade potential by identifying and supporting the types of businesses that could profit from international trade. For example, globalization could translate into

- **International trade is a key to future economic development in the Upper Rio Grande region.**

- **Infrastructure enhancements will be necessary for the region to reap the full benefits of free trade.**

- **The increasing size of the labor force is a valuable resource.**



future opportunities in service industries. Fields such as environmental management and legal consulting may be areas where the Upper Rio Grande region can profit.

The region may find the Pacific Rim, Europe and the Middle East fertile ground for its products, since they have money to spend. For example, the Far East has in the past, shown great interest in the cotton produced in Texas. The Europeans have also contracted for Texas-grown cotton, and of special interest is organic and naturally colored cotton. Marketing products to these areas could prove to be very beneficial.

In terms of developing market share, perhaps the region should look a little farther south of Mexico. Latin America offers a large, undeveloped market and it is possible that Upper Rio Grande firms could acquire an impressive presence.

Today, being one of the "Gateways to Mexico" is valuable to the Upper Rio Grande region. In the future, though, the region's position as the "Gateway to Latin and Central America" and those countries' "Gateway to Texas and the U.S." could prove to be as valuable, especially as the citizens of the region could interpret and facilitate trade activities through knowledge of the culture and language.

Infrastructure

For the Upper Rio Grande to reap the full benefits from increased international trade, the continued enhancement of the infrastructure supporting trade will be necessary. This is particularly true because speed of delivery is an important component of international trade. An added benefit is that the enhancement and maintenance of the infrastructure will also increase employment in the transportation, communications and utilities industries.

Bridge facilities currently cause bottlenecks at border crossings. While some of the problem may be caused by customs slowdowns, much is also due to limited physical capacity. For the Upper Rio Grande region to fully benefit from being a gateway to Mexico, the "gate" itself must be able to handle the traffic.

The highway system may also need a sizable investment on both sides of the border to take care of the increased level of trade. Texas has one of the finest highway sys-

tems in the nation but, in light of increase trade with Mexico, some improvements or additions may be necessary.

Communications, especially, are an aspect of infrastructure that needs to be monitored. For the region to remain competitive in international trade, the communications and telecommunications networks must continue to improve. Business requires fast access to markets and information.

Finally, the border area needs improved infrastructure to handle wastewater, air pollution and industrial waste. This is particularly true as industrial expansion, increased population and the establishment of colonias—communities that lack water and sewer facilities—have outpaced existing facilities.

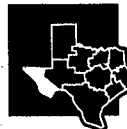
Environmental Concerns

Both Mexico and the U.S. are increasingly concerned about the explosive increases in industrialization and population along the border and their effect on the environment. This concern is magnified because the expected passage of NAFTA may increase border industrialization.

The border industries in Mexico, in the past, have been cited as a major generator of industrial waste, including air pollutants from automobile and industrial emissions, toxic waste produced by manufacturing and water pollutants. While this industrialization produced waste, it was not accompanied by the establishment of waste facilities.

The increase in population along the southern side of the border due to increased industrial employment has contributed to damaging both the air and water quality. The area suffers from inadequate sewer and wastewater treatment facilities, and a large amount of wastewater is released into the environment without any treatment at all. Residents in Juarez burn wood to heat their homes, increasing the air pollution.

On the northern side of the border the colonias are of concern because they have no source of water or sewer facilities. Area health officials worry about the spread of disease due to this lack of infrastructure. Fortunately, state bond money has been authorized to begin to provide basic services to colonias.



While one of the fears of free trade is that it will worsen the pollution problems of the border, Mexico has indicated its concern for the environment by passing an environmental protection law. The problem, as both U.S. and Mexican officials agree, is that Mexico lacks the financial resources and personnel to enforce the law. As the economy of Mexico strengthens, progress should be seen in environmental protection. Meanwhile, the Upper Rio Grande region is in the position of being able to offer both consulting services and construction capabilities to fulfill the environmental needs of Mexico.

Another environmental concern that exists in the Upper Rio Grande region involves the dumping of sludge in Hudspeth County. Recently, New York City contracted to pay the owners of a large ranch in the county for the right to dump a large amount of treated sewage solids. The benefits are that New York gets rid of its sewage without dumping it in the sea and the ranch owners get paid to spread fertilizer.

While the transaction may prove beneficial for both sides, and ultimately for the county as a whole, there are some environmental concerns, including erosion of the soil and contamination through the heavy metals the solids contain. The dumping activity must be monitored to insure that the land and water surrounding and beneath the ranch is not damaged, especially as this lucrative method of using the land may spread to other areas.

Demographics and the Hispanic Heritage

Currently, the Upper Rio Grande region has a stronger Hispanic influence than the state as a whole and, while the state is forecast to exhibit an increased ethnic diversity in the future, the Hispanic influence is expected to become even stronger in the Upper Rio Grande region. This is due to the region's proximity to the border, the economic strength of the U.S. relative to Mexico and the rest of Latin America and to the declining Anglo growth rate in the region.

The Upper Rio Grande region can profit from its Hispanic heritage by using this cultural strength as a resource for fostering trade with Latin American countries, who have a large market for the region's goods. In this case, having a population with ties both in language and culture to other countries is a decided benefit.

The annual percentage growth rate of the working age population in the Upper Rio Grande region is also larger than that of the state. This growing sector of the population may be the most valuable resource available to the Upper Rio Grande region, but to profit from this segment of the population the region must provide skilled training. An educated workforce is the magnet the region needs to attract new business and high wage jobs. Education and training of the region's human resources may provide the most valuable key to the future prosperity of the Upper Rio Grande region. ❁



Statistical Appendix

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Upper Rio Grande Total Employment 1982-1991

<u>Year</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1982-1987</u>	
							<u>Change</u>	<u>Percent Change</u>
El Paso MSA	164,200	162,000	168,600	173,100	177,800	183,200	19,000	11.6%
Non-MSA Total	6,500	6,300	6,100	6,300	6,600	6,500	0	0.0
Region	170,700	168,300	174,700	179,400	184,400	189,700	19,000	11.1
Texas	6,168,100	6,100,300	6,404,200	6,585,600	6,464,500	6,412,300	244,200	4.0
Regional								
Percent of Total								
Texas Employment	2.8%	2.8%	2.7%	2.7%	2.9%	3.0%		
Regional								
Unemployment Rate	10.9	11.8	9.6	10.6	11.4	10.5		
Texas								
Unemployment Rate	6.9	8.0	5.9	7.0	8.9	8.4		

<u>Year</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1987-1991</u>		<u>1982-1991</u>	
					<u>Change</u>	<u>Percent Change</u>	<u>Change</u>	<u>Percent Change</u>
El Paso MSA	191,300	199,900	205,800	207,200	24,000	13.1	43,000	26.2%
Non-MSA Total	6,800	6,900	7,400	6,800	300	4.6	300	4.6
Region	198,100	206,800	213,200	214,000	24,300	12.8%	43,300	25.4
Texas	6,606,500	6,739,800	6,983,300	7,065,800	653,500	10.2	897,700	14.6
Regional								
Percent of Total								
Texas Employment	3.0%	3.1%	3.1%	3.0%				
Regional								
Unemployment Rate	10.6	10.1	10.6	10.5				
Texas								
Unemployment Rate	7.3	6.7	6.2	6.6				

Note: El Paso County is the only MSA county in the region.
 SOURCES: Texas Employment Commission and Texas Comptroller of Public Accounts.



Employment by Sector in the Upper Rio Grande Region

Number of Jobs

Sector	1982	1987	1991	1982-87		1987-91		1982-91	
				Change	Percent Change	Change	Percent Change	Change	Percent Change
Agriculture, Forestry and Fishing	1,400	1,900	2,600	500	35.7%	700	36.8%	1,200	85.7%
Mining	1,200	500	500	-700	-58.3	0	0.0	-700	-58.3
Construction	8,400	9,800	8,000	1,400	16.7	-1,800	-18.4	-400	-4.8
Manufacturing	38,200	36,800	41,400	-1,400	-3.7	4,600	12.5	3,200	8.4
Transportation, Communications and Public Utilities	9,600	9,600	10,200	0	0.0	600	6.3	600	6.3
Wholesale Trade	10,300	10,900	12,200	600	5.8	1,300	11.9	1,900	18.4
Retail Trade	32,500	36,200	42,000	3,700	11.4	5,800	16.0	9,500	29.2
Finance, Insurance and Real Estate	7,400	9,000	7,700	1,600	21.6	-1,300	-14.4	300	4.1
Services	25,900	33,200	42,400	7,300	28.2	9,200	27.7	16,500	63.7
Government	35,800	41,800	47,000	6,000	16.8	5,200	12.4	11,200	31.3
Total	170,700	189,700	214,000	19,000	11.1%	24,300	12.8%	43,300	25.4%

Percent of Total Employment

Sector	1982	1987	1991
Agriculture, Forestry and Fishing	0.8%	1.0%	1.2%
Mining	0.7	0.3	0.2
Construction	4.9	5.2	3.7
Manufacturing	22.4	19.4	19.3
Transportation, Communication and Public Utilities	5.6	5.1	4.8
Wholesale Trade	6.0	5.7	5.7
Retail Trade	19.0	19.1	19.6
Finance, Insurance and Real Estate	4.3	4.7	3.6
Services	15.2	17.5	19.8
Government	21.0	22.0	22.0
Total	100.0%	100.0%	100.0%

SOURCES: Texas Employment Commission and Texas Comptroller of Public Accounts.



Employment by Sector in the El Paso MSA

Number of Jobs

Sector	1982	1987	1991	1982-87		1987-91		1982-91	
				Change	Percent Change	Change	Percent Change	Change	Percent Change
Agriculture, Forestry and Fishing	900	1,300	1,900	400	44.4%	600	46.2%	1,000	111.1%
Mining	300	0	100	-300	-100.0	100	N/A	-200	-66.7
Construction	8,300	9,600	7,900	1,300	15.7	-1,700	-17.7	-400	-4.8
Manufacturing	38,000	36,700	41,200	-1,300	-3.4	4,500	12.3	3,200	8.4
Transportation, Communications and Public Utilities	9,400	9,300	9,900	-100	-1.1	600	6.5	500	5.3
Wholesale Trade	10,200	10,800	12,200	600	5.9	1,400	13.0	2,000	19.6
Retail Trade	31,300	35,000	40,700	3,700	11.8	5,700	16.3	9,400	30.0
Finance, Insurance and Real Estate	7,200	8,700	7,500	1,500	20.8	-1,200	-13.8	300	4.2
Services	25,200	32,400	41,400	7,200	28.6	9,000	27.8	16,200	64.3
Government	<u>33,400</u>	<u>39,400</u>	<u>44,400</u>	<u>6,000</u>	<u>18.0</u>	<u>5,000</u>	<u>12.7</u>	<u>11,000</u>	<u>32.9</u>
Total	164,200	183,200	207,200	19,000	11.6%	24,000	13.1%	43,000	26.2%

Percent of Total Employment

Sector	1982	1987	1991
Agriculture, Forestry and Fishing	0.5%	0.7%	0.9%
Mining	0.2	0.0	0.0
Construction	5.1	5.2	3.8
Manufacturing	23.1	20.0	19.9
Transportation, Communication and Public Utilities	5.7	5.1	4.8
Wholesale Trade	6.2	5.9	5.9
Retail Trade	19.1	19.1	19.6
Finance, Insurance and Real Estate	4.4	4.7	3.6
Services	15.3	17.7	20.0
Government	<u>20.3</u>	<u>21.5</u>	<u>21.4</u>
Total	100.0%	100.0%	100.0%

SOURCES: Texas Employment Commission and Texas Comptroller of Public Accounts.



Upper Rio Grande Gross Retail Sales 1984-1991
In Millions of Dollars

<u>Year</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1984-1986</u>	
					<u>Change</u>	<u>Percent Change</u>
El Paso MSA	\$ 2,450.2	\$ 2,782.0	\$ 2,937.8	\$ 3,035.2	\$487.60	19.9%
Non-MSA Total	90.2	96.7	90.5	92.2	0.30	0.3
Region	2,540.4	2,878.7	3,028.3	3,127.4	(487.90)	19.2
Texas	\$109,373.4	\$115,426.6	\$110,089.5	\$110,728.3	\$716.10	0.7%

<u>Year</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1987-1991</u>		<u>1984-1991</u>	
					<u>Change</u>	<u>Percent Change</u>	<u>Change</u>	<u>Percent Change</u>
El Paso MSA	\$ 3,398.0	\$ 3,579.6	\$ 3,758.7	\$ 3,877.7	\$ 842.5	27.8%	\$ 1,427.5	58.3%
Non-MSA Total	96.6	101.4	110.1	118.5	26.3	28.5	28.3	31.4
Region	3,494.6	3,681.0	3,868.8	3,996.2	868.8	27.8	1,455.8	57.3
Texas	\$116,813.9	\$123,650.9	\$133,394.1	\$139,049.0	\$28,320.7	25.6	\$29,675.6	27.1%

Note: El Paso County is the only MSA county in the region.
SOURCE: Texas Comptroller of Public Accounts.

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