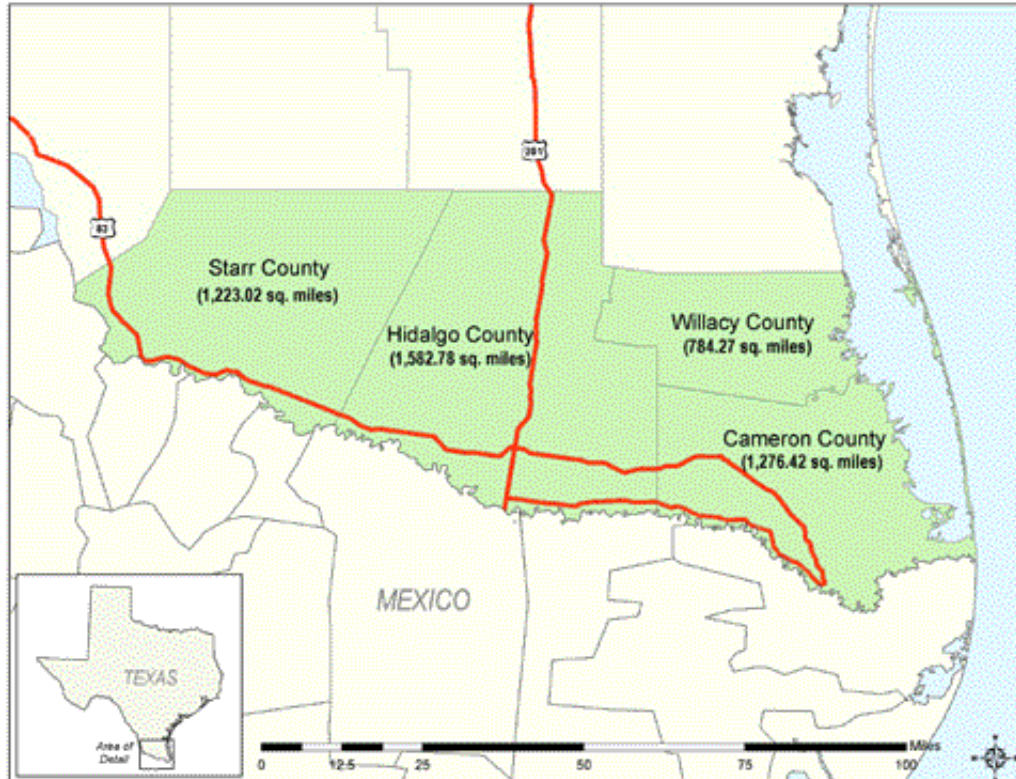


## SECTION 1: PROFILE OF THE RIO GRANDE VALLEY

The geographic area for this study is the Rio Grande Valley of Texas, which is comprised of Cameron, Hidalgo, Starr and Willacy Counties. Figure 1 shows the location of the Valley in relation to Texas. The Rio Grande Valley (RGV) lies on the southernmost tip of Texas. Three of the four counties (Cameron, Hidalgo, and Starr) lie along the U.S. Mexico border. The total land area of this region is 4,866.49 square miles.

Figure 1: The Rio Grande Valley of Texas



### Population Characteristics

An important demographic variable influencing economic conditions of a region is population.

- From 1990 to 2000 the population of RGV has grown from 701,888 to 978,369, a 39.4% increase.
- In this same time period between 1990 and 2000:
  - o Cameron County grew by 28.9%, from 260,120 to 335,227 people,
  - o Hidalgo County grew by 48.5%, from 383,545 to 569,463 people,
  - o Starr County grew by 32.3%, from 40,518 to 53,597 people, and
  - o Willacy county grew by 13.4%, 17,705 to 20,082 people.

The population in the RGV is growing at a tremendous pace. Looking at the population percent change between 1990 and 2000, we see that both of RGV's metropolitan statistical areas (MSAs) are in the top thirty fastest growing regions in the nation. These include the McAllen-Edinburg-Mission MSA (ranked 4th) and Brownsville-Harlingen-San Benito MSA (ranked 28th).

The 1990 and 2000 population of cities and census designated places (CDPs ) in Cameron, Hidalgo, Starr and Willacy Counties is presented in Tables 1 to 4.

[Table 1-Cameron County 1990 and 2000 Population](#)

[Table 2-Hidalgo County 1990 and 2000 Population](#)

[Table 3 - Starr County 1990 and 2000 Population](#)

[Table 4 - Willacy County 1990 and 2000 Population](#)

### **Historical Population**

Historical population figures for the past few decades have shown tremendous growth in the Rio Grande Valley (Figure 2). The one time decrease in population of -3.8% occurred between 1960 and 1970 and the greatest increase in population of 105.5% occurred between 1920 and 1930. The greatest numerical increase of 276,481 people was between 1990 and 2000.

[Figure 2- Population growth in RGV since 1900](#)

### **Population Density**

Population density in the Rio Grande Valley varies greatly from south to the north. In Cameron County, Brownsville, Harlingen and San Benito are densely populated (1,737.8, 1,688.1, and 2,131.3, persons/sq. mile, respectively). In Hidalgo County, most of the population is concentrated on the south side of the county in towns along Highway 83, with a population density of 562.4 persons/sq. mile. There are very few population pockets in the north side of Hidalgo County. Starr and Willacy Counties as a whole are sparsely populated (43.82 persons/sq. mile in Starr County, and 25.6 persons/sq. mile in Willacy County). Table 5 shows the population density in the four county area of the Rio Grande Valley.

[Table 5 - Area Population and Density](#)

### **Population Breakdown**

With Rio Grande Valley's median age of 28.0, against a state median age of 32.3 and a national median age of 35.3, the region's large young population is its greatest asset and its greatest challenge.

[Table 6 - Median Age, Gender, and Race](#)

[Figure 3- Age-Sex Pyramid for Rio Grande Valley](#)

### **Population Projections**

Population in the Rio Grande Valley is expected to grow at a rate of 4% per year in the coming years. The year 2000 is used as a base year and projections up to the year 2020 are shown in Table 7 for the four counties in

the RGV.

### [Table 7 - Population Projections](#)

#### **Employment Characteristics**

A look at employment patterns shows significantly higher unemployment rates in the Rio Grande Valley as compared with the State of Texas (Figure 4).

### [Figure 4- Unemployment Rates 2000-2002](#)

#### **Income and Poverty Characteristics**

To add to the Rio Grande Valley's economic struggle, the region has a high poverty rate and low median household income (Figures 5 and 6). Following the Office of Management and Budget's (OMB's) Directive 14, the Census Bureau uses a set of money income thresholds that vary by family size and composition to detect who is poor. If a family's total income is less than that family's threshold, then that family, and every individual in it, is considered poor. The poverty thresholds do not vary geographically, but they are updated annually for inflation with the Consumer Price Index (CPI). The official poverty definition counts money income before taxes and excludes capital gains and noncash benefits (such as public housing, medicaid, and food stamps). Table 8 presents the 2002 Poverty Guidelines for families in the U.S.

### [Table 8- 2002 Poverty Guidelines](#)

### [Figure 5- Percent of Persons Below Poverty - 2000](#)

### [Figure 6- Median Household Income - 2000](#)

#### **Educational Attainment**

A major contributor to unemployment and high poverty is the vast difference in the levels of educational attainment among the adult population. Figures 7 and 8 show that the percentages of high school graduates and college graduates in the Rio Grande Valley counties were distinctly lower than those of high school and college graduates in Texas as a whole.

### [Figure 7- Percentage of Persons 25 Years and Over: High School Graduates](#)

#### **Economic Profile**

The economic well being of the Rio Grande Valley region does not compare favorably to the state, when regional and state economic indicators are compared. The Rio Grande Valley region's unemployment rate is 12.0%, which is almost 6 percentage points above the state rate of 6.2%. The per capita income in the Rio

Grande Valley region is \$9,337, which is less than half the state per capita income of \$19,617. With high unemployment and low per capita income, it is not surprising the region's poverty rate is 35.7%, more than double the state's poverty rate of 15.4%.

In terms of jobs, growth in this region has been notable. In 1990, the total employment in the RGV region was 236,449 but by September 2002 had grown to 330,961, representing an average annual growth rate of 3.3 percent, eclipsing the statewide rate of 2.08 percent posted during this time. In terms of population, this region has grown extensively as discussed earlier.

Both employment and population growth rates determine if the region is becoming a larger part of the Texas pie. In terms of population and employment, the RGV region is gaining in importance. In 1990, the RGV region accounted for 4.1 percent of the state's population and 2.9 percent of the state's employment. By the turn of the century, in 2000, this region accounted for 4.7 percent of the state's population and 3.2 percent of the state's employment base.

Much of Rio Grande Valley's economic drive stems from its geographical and cultural ties to Mexico. At the center of international economic activity between the Americas, with several international bridges, the area is poised for explosive economic growth. The Rio Grande Valley benefits from growing diversity in manufacturing facilities located in the McAllen-Edinburg- Mission MSA and Brownsville-Harlingen-San Benito MSA and in nearby Reynosa and Matamoros, Mexico across the international border. These manufacturing facilities are called maquiladoras or twin plants. Among the most active regions on the Texas-Mexico border in terms of maquiladora or cross-border manufacturing is McAllen, TX/Reynosa, Mexico. This region offers access to suppliers in both nations, the ability to allow personnel to live in the U.S., and ease of distribution to both north and south. Recent years have seen an influx of automotive equipment, telecommunications, electronics, and motor companies. Manufacturing growth in Reynosa and Matamoros, Mexico creates corresponding employment increases on the Texas side of the border. This manufacturing trend is expected to continue and NAFTA has had a significant impact on the growth of the maquiladoras. NAFTA's positive impact can be noticed by the Valley's employment profile. Employment growth has shown an upward trend in the past several years (see Table 9).

#### [Table 9- Employment Growth in the RGV](#)

The total number of people employed in the RGV in September 2002 was 330,961 persons. The total labor force at the same time was 375,973. The total labor force includes both employed and unemployed persons. Employed persons are persons 16 years and over in the civilian non-institutional population who, during the reference week, (a) did any work at all (at least 1 hour) as paid employees, worked in their own business, profession, or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of the family, and (b) all those who were not working but who had jobs or businesses from which they were temporarily absent because of vacation, illness, bad weather, childcare problems, maternity or paternity leave, labor-management dispute, job training, or other family or personal reasons, whether or not they were paid for the time off or were seeking other jobs. Each employed person is counted only once, even if he or she holds more than one job. Excluded are persons whose only activity consisted of work around their own house (painting, repairing, or own home housework) or volunteer work for religious, charitable, and other organizations. Unemployed persons are persons 16 years and over who had no employment during the reference week, were available for work, except for temporary illness, and had made specific efforts to find employment sometime during the 4-week period ending with the reference week. Persons who were waiting to be recalled to a job from which they had been laid off need not have been looking for work to be classified as unemployed.

Some of the largest employers in the Rio Grande Valley include public schools, hospitals, health care agencies, restaurants, food stores, and social service agencies. The service industry accounts for 36 percent of the total economy, followed by local government (20%) and trade (17%).

Many of the industries generating large numbers of new jobs in the RGV region will be driven by population

growth, this growth will continue to drive the need for more municipal and school district workers. There is a continued shift towards expenditures on consumer services such as restaurants, health services, and amusement expenditures. Many of the industries supplying these services employ a large number of people, so even modest growth in the demand for these industries can result in sizable job growth. Construction will also add more jobs.

Also fueling strong overall growth will be services provided to business, including personnel supply services, legal services, management and public relations and miscellaneous business services. This growth will serve to aid businesses involved in trade with Mexico and will help existing firms continue a trend of outsourcing jobs. Increased trade with Mexico will continue to fuel growth in trucking and warehousing activity.

### **PURPOSE OF THIS REPORT**

The 2002 Labor Market Information report has been prepared to identify targeted industries and occupations in the Rio Grande Valley of Texas. The industries and occupations identified in this report are expected to offer the greatest potential for job opportunities. It is the intent of this report to guide educational institutions to offer training programs in work-related fields that are in demand. Workforce development boards and other regional entities can rely on this report for decision-making and implementation of education and workforce development programs. This report also serves as a guide to prepare the Rio Grande Valley for the future.

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