



Demographics

The South Texas region's population is growing faster than the state's, spurred by growth in metropolitan areas. South Texas is 81 percent Hispanic, and is relatively young compared to the state as a whole. While the region's educational attainment and personal income are below state averages, they have been increasing at an impressive rate in recent years.

The region's demographic profile places considerable pressure on its educational resources but also provides significant opportunities for economic growth.

Population Growth

From 2002 to 2007, the South Texas region's population increased at 2.1 percent annually, slightly faster than the state's 1.9 percent annual increase. Growth in the metropolitan areas of McAllen-Edinburg-Mission, Laredo and Brownsville-Harlingen outpaced both the region and the state. McAllen led regional growth, increasing 3.3 percent annually. Corpus Christi trailed regional and state growth over the period, growing by just 0.6 percent annually.

South Texas' population growth is projected to slow from 2007 to 2012, but still outpace the state as a whole, at 1.4 percent annually versus 1.2 percent for the state.

Exhibit 20 shows actual and projected population change in the form of growth indices

From 2002 to 2007, the South Texas region's population increased at 2.1 percent annually.



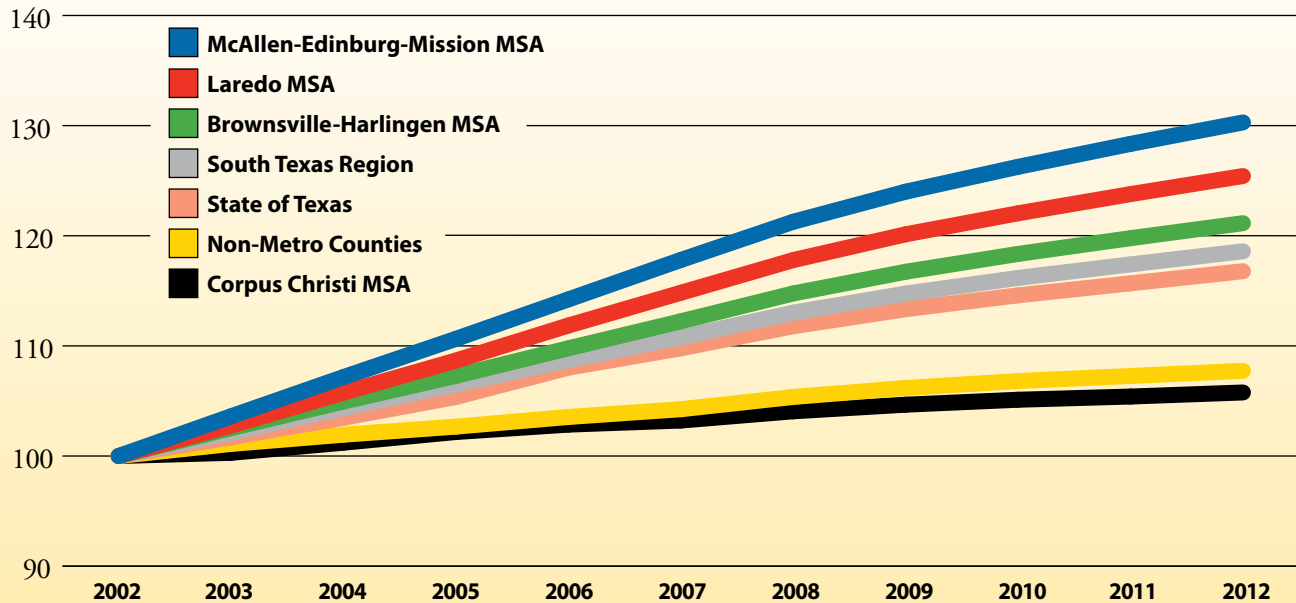
Charro Days in Brownsville

PHOTO: Brownsville Herald



Exhibit 20

South Texas Actual and Projected Population Increase, 2002-2012



Source: Economic Modeling Specialists Inc.

Zapata – Micro City of the Future

The little town of Zapata has a big future in business; it has been named Micro North American City of the Future for 2007-08 by *Foreign Direct Investment (fDi)* magazine. According to *fDi*, "micro cities" are metropolitan areas with populations of fewer than 100,000. The magazine reported that Zapata:

...impressed the judges with its clear development strategy and success in attracting investors from outside the state. Zapata's many development projects include a new border crossing into Mexico, major highway improvements and a strategy for growth and investment that includes logistics, air transport, alternative energy, eco-tourism and security.

Cities in *fDi*'s survey were ranked for their economic potential, cost-effectiveness, human resources, infrastructure and business friendliness, among other yardsticks. Zapata ranked first in the "micro" category for "most business friendly."

using 2002 as the base year, with an index equal to 100.

Metropolitan/Nonmetropolitan

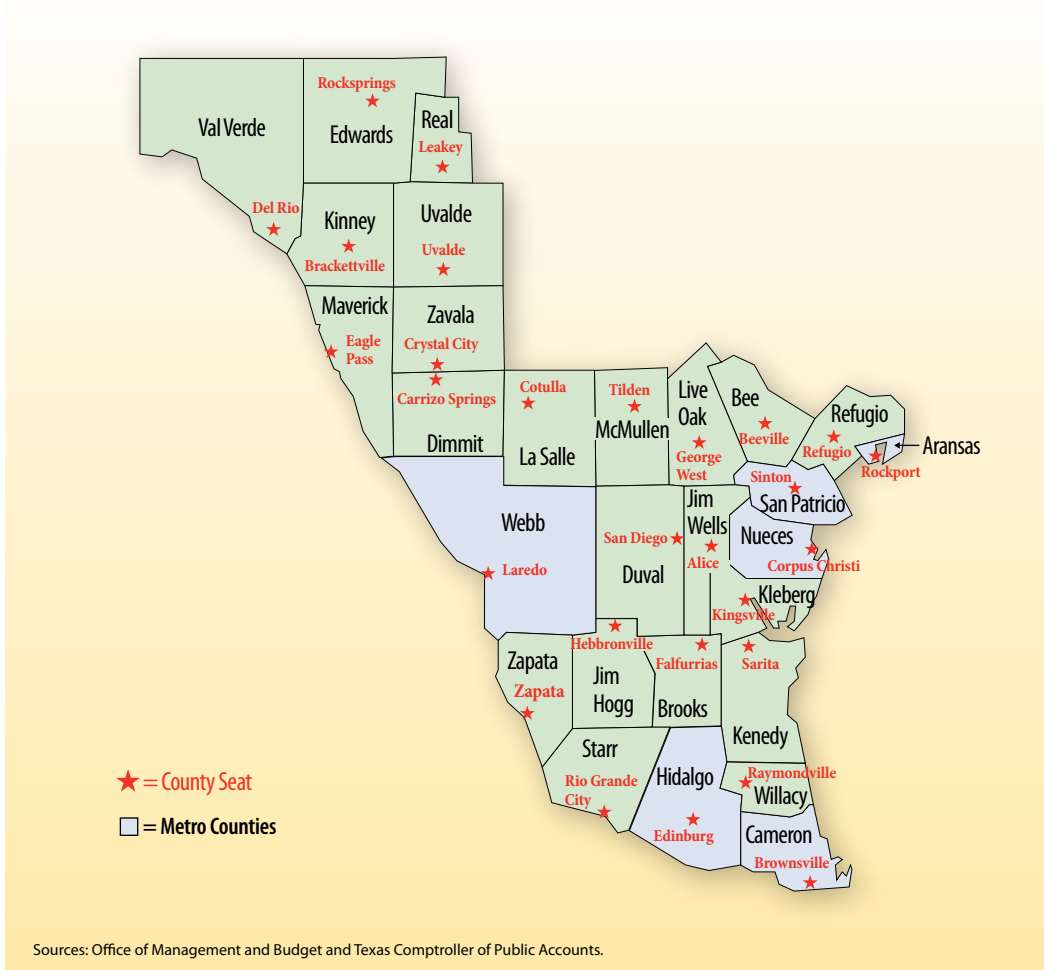
Most of the South Texas population resides in metropolitan areas. Of the 28 counties in the South Texas region, six are in metropolitan statistical areas (MSAs). The federal government defines MSAs as having a large population core accompanied by adjacent communities that have a high degree of economic and social interaction with that core.

The South Texas region is home to four MSAs — Brownsville-Harlingen (Cameron County); Corpus Christi (Aransas, Nueces and San Patricio counties); Laredo (Webb County); and McAllen-Mission-Edinburgh (Hidalgo County).¹ **Exhibit 21** illustrates the



Exhibit 21

South Texas Metro Counties



The South Texas population is relatively young. Under-25s accounted for 44 percent of the region's population in 2007, compared to 38 percent for the state.

region's metro counties and the county seats for each county in the region.

In 2007, metro counties accounted for 81 percent of the region's population; in the state as a whole, 87 percent of Texas residents lived in metro areas. From 2002 to 2007, the South Texas MSA population increased by almost three times the rate of its non-MSAs. Over that period, the South Texas MSA population rose by 12.4 percent while non-MSA counties added 4.2 percent; the state population increased by 9.8 percent.²

Age

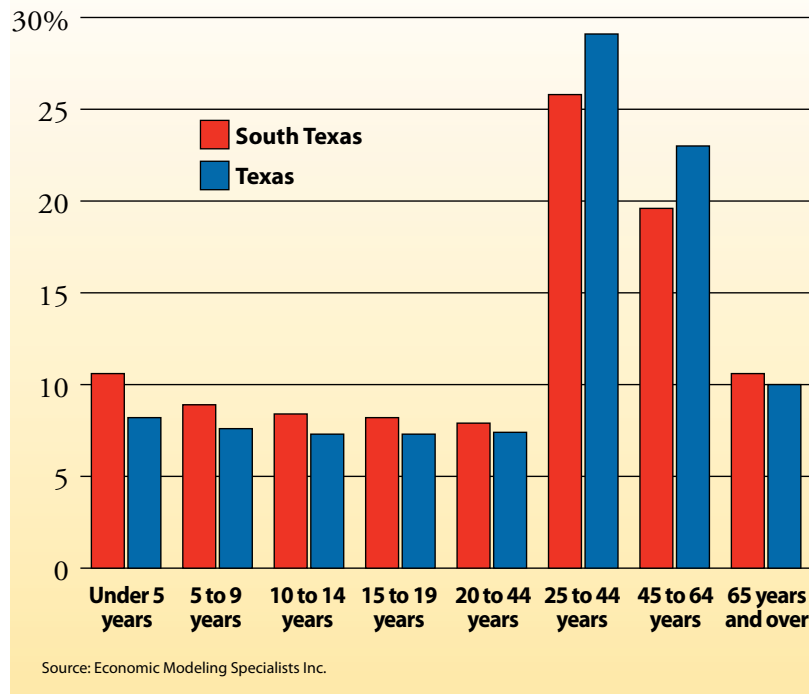
The South Texas population is relatively young. Compared to the state as a whole, a significantly higher proportion of the South Texas population is under the age of 25. Under-25s accounted for 44 percent of the region's population in 2007, compared to 38 percent for the state (**Exhibit 22**).

A younger population implies a higher demand for educational services. The region's opportunities for economic growth will depend in large part on the level of educational



Exhibit 22

Texas and South Texas Population by Age, 2007



attainment this population achieves before entering the work force.

Ethnicity

In 2007, 81 percent of the South Texas population was of Hispanic ethnicity (both white and non-white Hispanic), compared to 36 percent in the state overall. Laredo was 95 percent Hispanic; McAllen, 89 percent; and Brownsville, 86 percent. Non-Hispanic whites accounted for just 16.3 percent of the South Texas population in 2007 (**Exhibit 23**).

By 2012, the Hispanic population is projected to rise to 82 percent in South Texas, versus 37.6 percent in the state as a whole.³

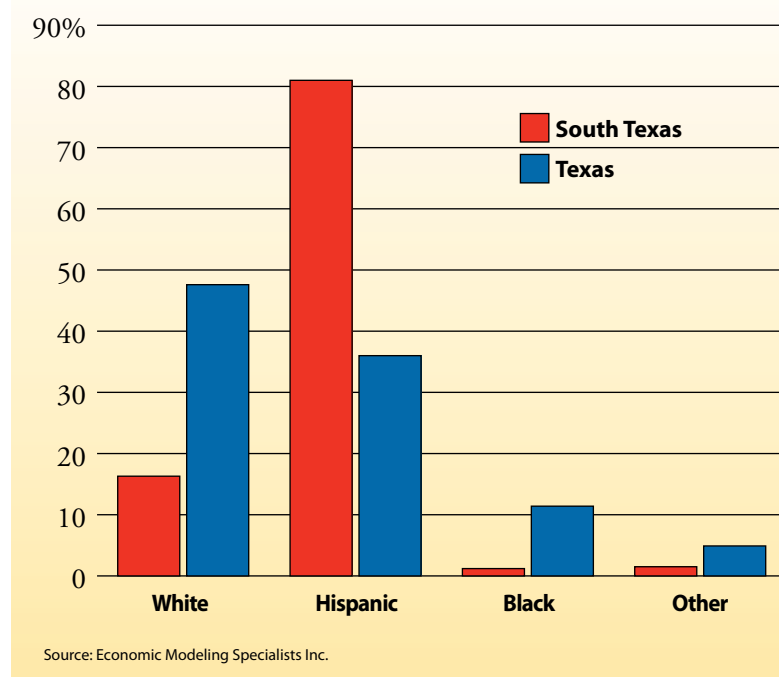
The concentration of Hispanics in the South Texas region is more than twice as high as the state's and more than five times higher than the nation's (**Exhibit 24**).

This pattern can be illustrated by a common measure in economic and demographic analysis, the "location quotient" (LQ). An LQ is a ratio that can be used to compare the concentration of a given group (by ethnicity or age, for instance) in a specific location with a state or national average. An LQ of more than 1.0 indicates that the demographic category is overrepresented in the region under study, compared to the state or national average; an LQ of less than 1.0 indicates that the demographic category is underrepresented.

Exhibit 25 examines the region's 2007 population in five-year age increments, using LQs to compare the region to national averages. The region has a concentration of Hispanic residents under the age of 25 that ranges between four and five times as

Exhibit 23

Texas and South Texas Population by Ethnicity, 2007





high as the same age groups nationally. The concentration of Hispanics in South Texas, moreover, increases steadily after the age of 40. The lower LQ among the younger Hispanic age groups indicates that the Hispanic population in other parts of the country is also relatively young compared to other ethnicities.

Educational Attainment

In 2007, 39 percent of the region's population over the age of 25 had less than a high school diploma, compared to 21 percent for the state and 14 percent for the U.S. Sixteen percent of the region's over-25 residents had a bachelor's degree or higher, compared to 25 percent for the state and 28 percent for the U.S. (Exhibit 26). Although there are high percentages of adults without

Exhibit 24

Location Quotients by Race: Comparing South Texas to Texas and Nation, 2007

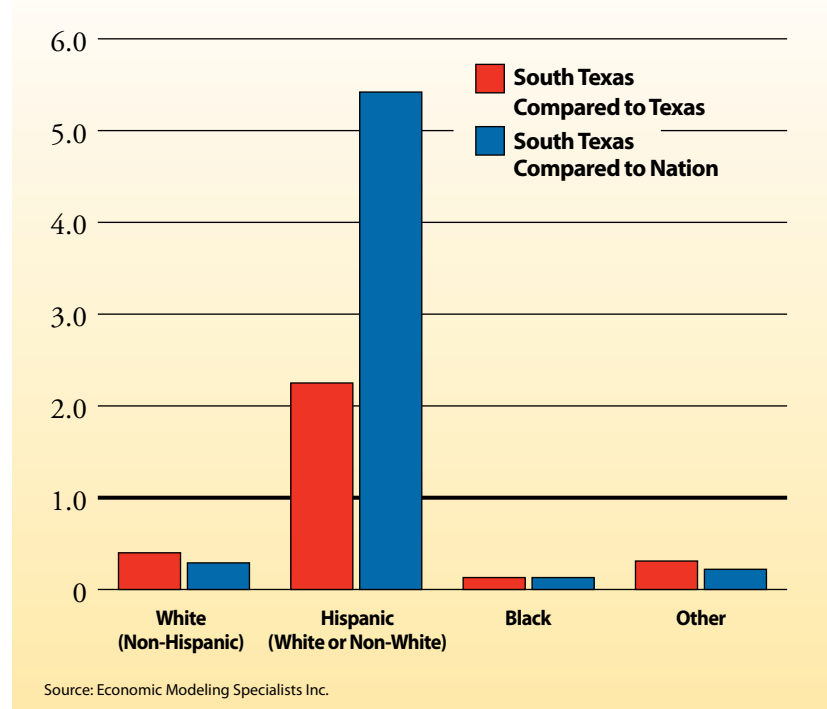
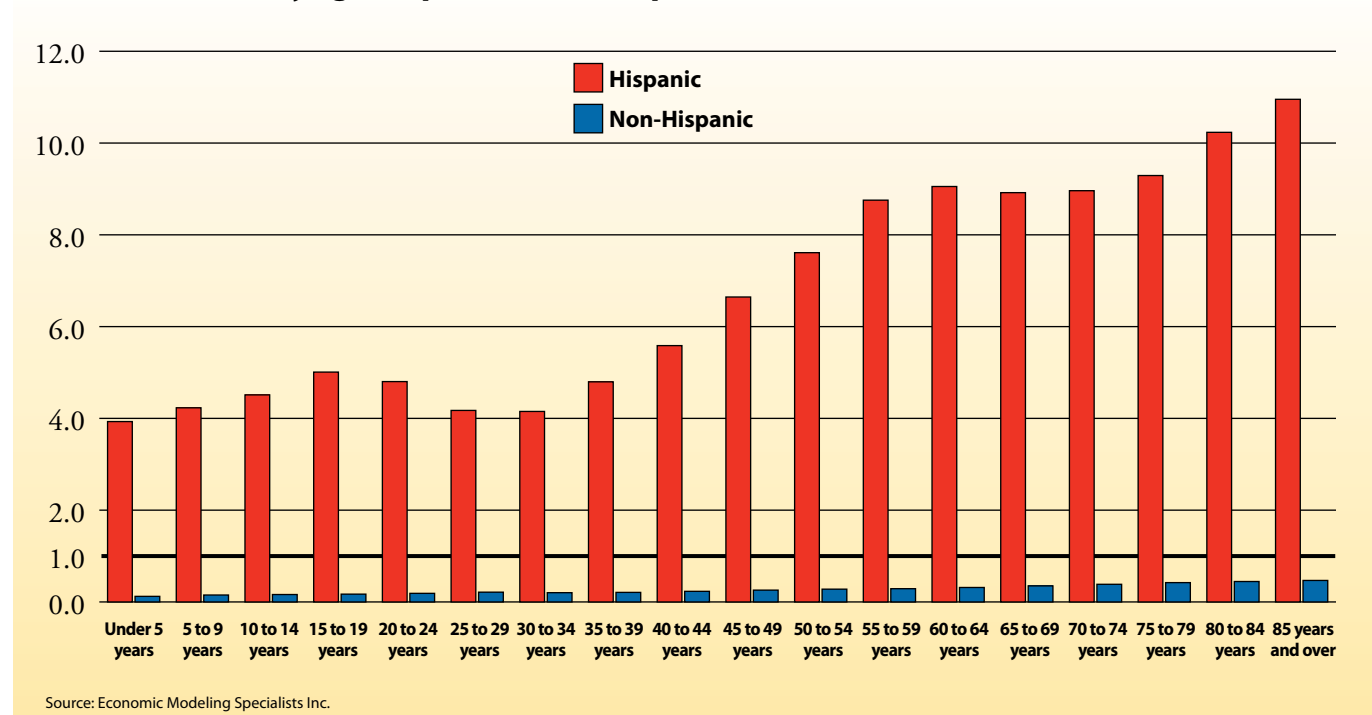


Exhibit 25

Location Quotients by Age, Hispanic vs. Non-Hispanic, 2007





high school diplomas, college attendance rates are growing much faster than in the rest of the state.⁴

Income

The median income for all Texas households in 2005 (most recent data available to compare with county data) was \$42,139.⁵ Of the 28 counties in the South Texas region, Nueces County, where Corpus Christi is located, had the highest median household income at \$38,740. Starr County had the lowest, at \$17,843. Webb County (which includes Laredo) and Cameron County (which includes Brownsville) had 2005 median household incomes of \$31,339 and \$25,916, respectively. Hidalgo County (with the cities of Edinburg, McAl-

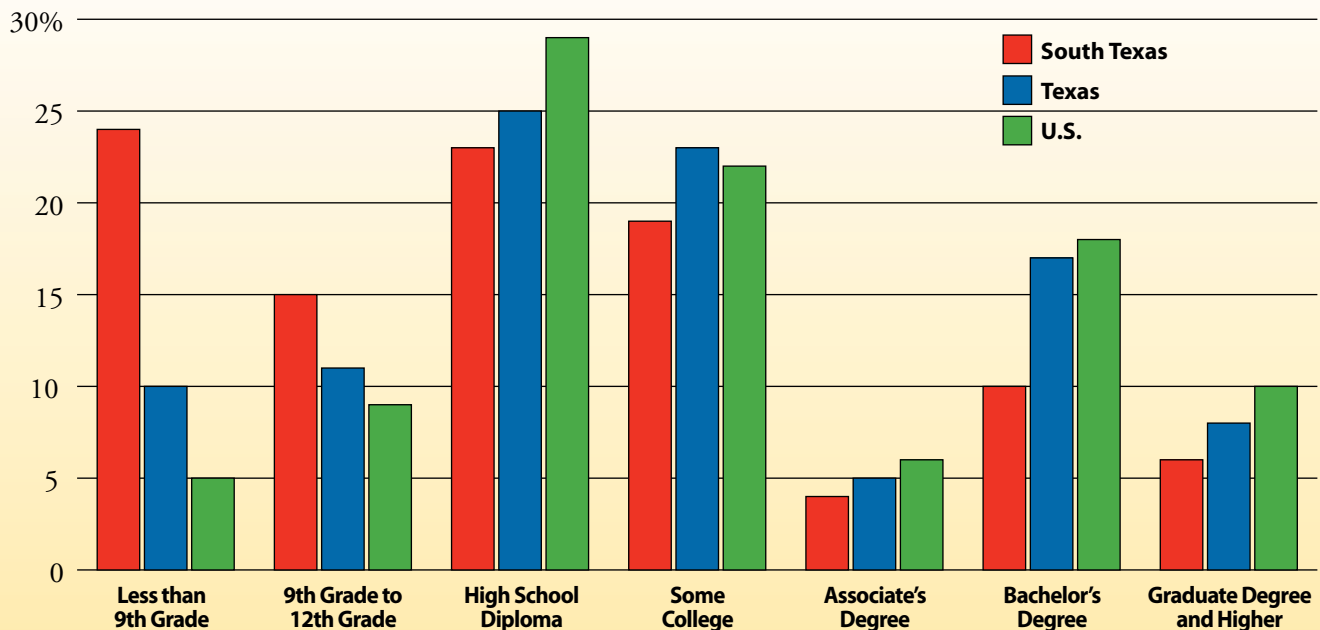
len and Mission) and Maverick (with Eagle Pass) had 2005 median household incomes of \$24,808 and \$24,736, respectively (Exhibit 27).⁶

Thus median household incomes in the South Texas region are lower than the statewide average, but such measures do not take the cost of living into account. A cost-of-living adjustment can facilitate a more accurate comparison of income.

Based on the median income for Nueces County, a person earning \$39,000 per year in Corpus Christi has the same buying power as someone earning \$44,559 in Houston. Essentially, it costs 14 percent more to live in the Houston area than it does to live in Corpus Christi. A resident of the Austin area would have to earn 28

Exhibit 26

Educational Attainment for Population Over the Age of 25, 2007 South Texas, Texas and U.S. Averages



Source: Economic Modeling Specialists Inc.

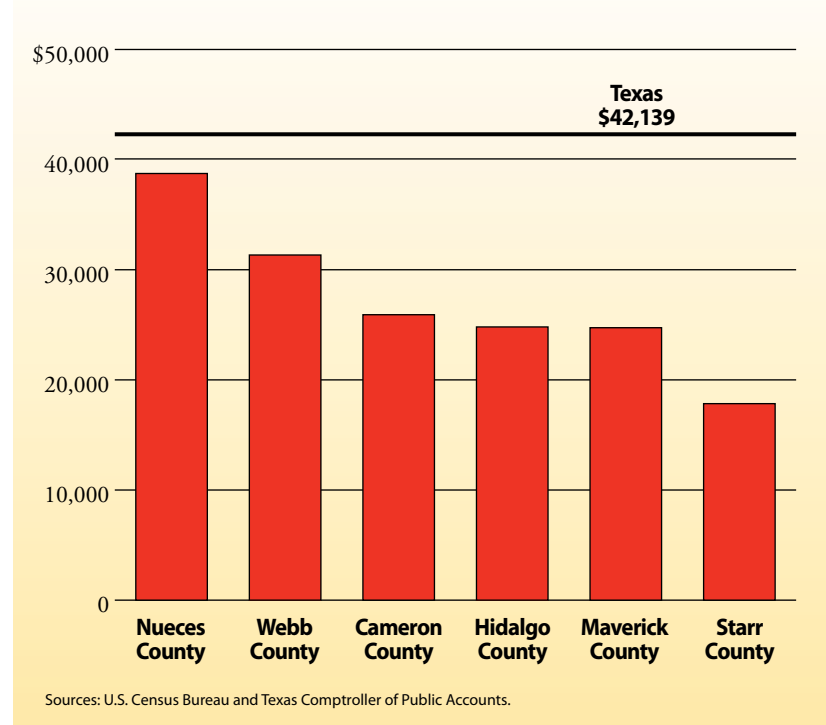


percent more, or \$49,961 per year, to match the purchasing power of \$39,000 in Corpus Christi. Living in Dallas would cost someone 24 percent more (\$48,297) than in Corpus Christi.⁷

South Texas' per capita personal income averaged nearly \$20,300 in 2006, only 57.6 percent of the state average of \$35,200. But income is growing faster in the region than in the state as a whole. The South Texas average rose from about \$16,200 in 2001, a 25.6 percent increase. Over the same period, Texas per capita personal income rose by 21.1 percent.⁸ Twenty-one counties in the region saw their average personal income grow at a faster rate than the state (**Exhibit 28**).

Exhibit 27

Median Household Income, State of Texas and Selected Counties, 2005



Winter Texans

South Texas is a popular tourist destination due to its mild winters, low cost of living, friendly people, outdoor recreational activities and shopping opportunities on the U.S. and Mexican sides of the border. Especially during the winter months, tourists from less hospitable climates migrate south to take advantage of all the region has to offer. Just as some migratory birds regularly and predictably travel south for the winter, so do the "Winter Texans."

The University of Texas-Pan American conducted a study from 2004 to 2005 to better understand who the Winter Texans are and what they mean to the economy of the Valley region.

According to the study, *The Valley Winter Visitors and Local Market Report, 2004-2005*, the four-county Valley area received \$420 million annually in direct economic impact from 127,000 Winter Texans. The study also found that the average Winter Texan is 68.4 years old and married, hails from the Midwest, stays for an average of 3.7 months and has been coming to the Valley for 10 years.

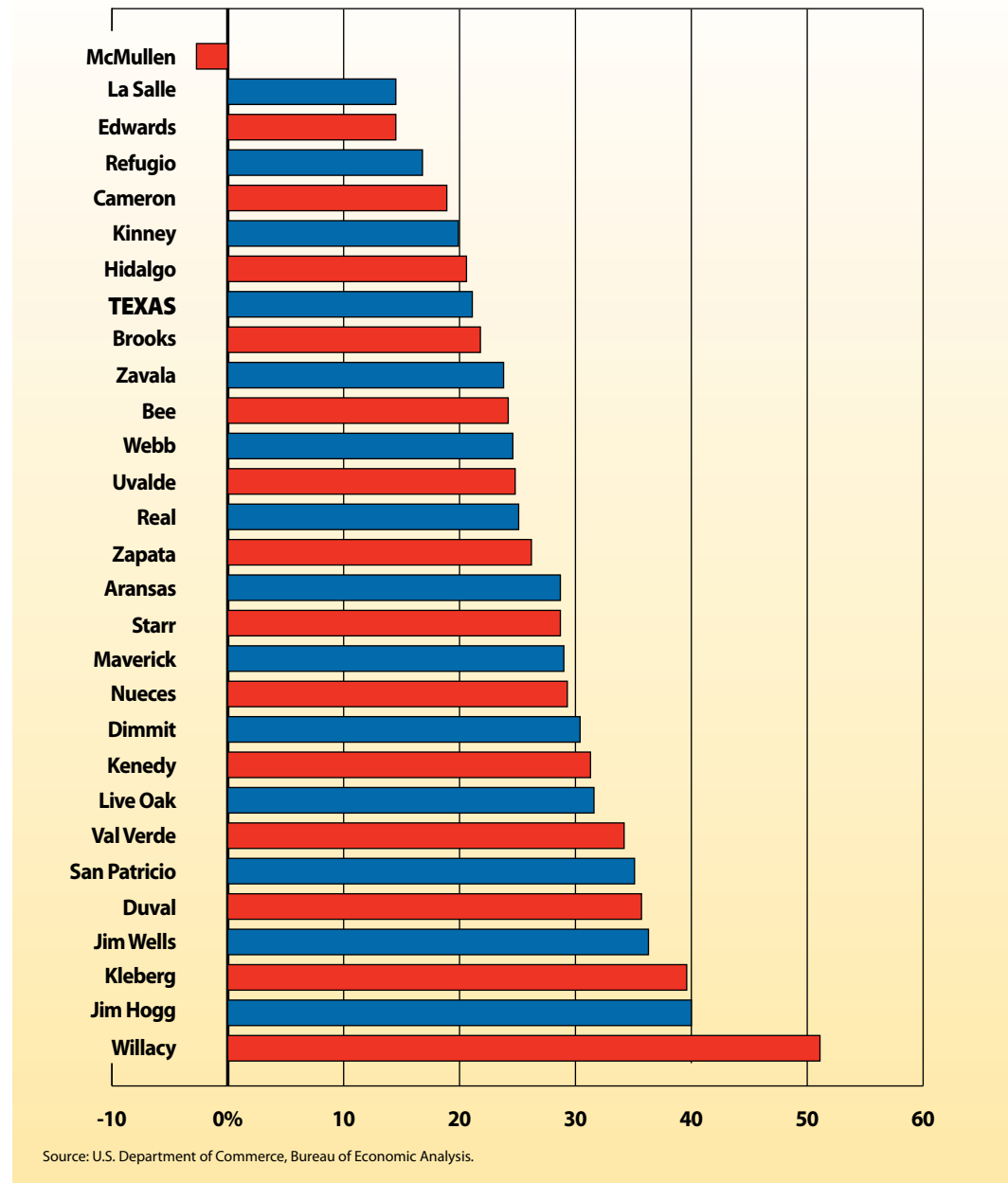
More than 90 percent of Winter Texans surveyed would return in the following year. And as long as there's a chill in the air in the Midwest, those in the Valley can expect to see migratory birds — and Winter Texans.

Twenty-one counties in the region saw their average personal income grow at a faster rate than the state.



Exhibit 28

South Texas Per Capita Personal Income Percent Increase 2001-2006





Public Safety in the South Texas Region

One of the most important factors in a region’s quality of life is public safety. Crime rates for the South Texas region, as with the rest of the state, fell from 2005 to 2006. Of particular interest is the fact that the region’s violent crime rate was significantly lower than the state average in both 2005 and 2006, and is declining at a much faster rate than the state average. **Exhibit 29** shows the rate of various criminal offenses per 100,000 residents for both the South Texas region and the state in 2005 and 2006.⁹

Exhibit 29

Crime Rate

South Texas Region and Texas, 2005 and 2006

	2005 South Texas Crime Rate	2005 Texas Crime Rate	2006 South Texas Crime Rate	2006 Texas Crime Rate	South Texas Change in Crime Rate	Texas Change in Crime Rate
Murder	5.2	6.1	4.9	5.9	-5.4%	-3.3%
Rape	37.4	37.2	33.7	35.8	-9.9	-3.8
Robbery	77.9	156.5	79.0	158.5	1.4	1.3
Assault	350.2	329.6	326.7	316.8	-6.7	-3.9
Violent Crime Rate	470.6	529.5	444.2	516.9	-5.6	-2.4
Burglary	948.2	960.6	888.6	916.3	-6.3	-4.6
Larceny	3,672.9	2,956.0	3,458.5	2,752.8	-5.8	-6.9
Auto Theft	284.8	408.7	310.7	407.0	9.1	-0.4
Property Crime Rate	4,906.0	4,325.3	4,657.8	4,076.1	-5.1	-5.8
Total Crime Rate	5,376.7	4,854.8	5,102.1	4,593.1	-5.1%	-5.4%

Note: All crime rate numbers are reported per 100,000 population. Numbers may not total due to rounding. Source: Texas Department of Public Safety.

Public safety and criminal justice accounted for nearly 23,000 jobs in the South Texas region and more than \$1.1 billion in earnings in 2006.¹⁰

Endnotes

- U.S. Office of Management and Budget, *OMB Bulletin No. 08-01: Update of Statistical Area Definitions and Guidance on Their Uses* (Washington, D.C., November 20, 2007), pp. 23-39, <http://www.whitehouse.gov/omb/bulletins/fy2008/b08-01.pdf>. (Last visited June 26, 2008.)
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- U.S. Census Bureau, “Household Income—Distribution by Income Level and State: 2005,” <http://www.census.gov/compendia/statab/tables/08s0684.xls>. (Last visited June 27, 2008.)
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- Texas Comptroller calculation based on data obtained from Texas Workforce Commission.

